

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increased \$9.7 Billion During Q1 2023; 12-month Gain was \$59.7 Billion

- Q1 2023 U.S. common dividend increases were \$19.7 billion, up 21.0% from \$16.3 billion in Q4 2022 and down 28.8% from \$27.7 billion in Q1 2022.
- Q1 2023 U.S. common dividend decreases were \$10.0 billion, up 485% from \$1.7 billion in Q4 2021, and up 5.6% from \$9.5 billion in Q1 2022.
- Q1 2023 net indicated dividend rate change increased \$9.7 billion, compared to \$14.6 billion in Q4 2022, and \$18.2 billion in Q1 2022.
- For the 12-month period ending in March 2023, U.S. common dividend increases were \$74.5 billion, down 14.9% from the comparable March 2022 period's \$86.0 billion; decreases were down 6.7% to \$14.8 billion, compared to \$15.9 billion in March 2022.
- The net 12-month March 2023 indicated dividend gain was \$59.7 billion, compared to \$70.1 billion for March 2022.

NEW YORK, April 4, 2023: S&P Dow Jones Indices announced today that the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$9.7 billion** during Q1 2023, compared to \$14.6 billion in Q4 2022 and \$18.2 billion in Q1 2022.

For all 12-month ending in March 2023, the net dividend rate increased \$59.7 billion, compared to the net \$70.1 billion ending in March 2022. Increases were \$74.5 billion versus \$86.0 billion, and decreases were \$14.8 billion compared to \$15.9 billion.

"Dividend payments continued at record levels and are expected to continue to do so for 2023. However, the size of the increases have declined and are expected to remain modest for the year as concerns over decreased consumer spending and an economic slowdown have increased," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "For 2023, the dollar aggregate of dividends are expected to increase, but at half the pace of the double-digit 2022 growth."

Silverblatt continued, "The current banking events are also expected to negatively impact future spending from both consumers and companies, which in turn may curtail corporate dividend growth."

Within the S&P 500, Q1 2023 cash dividends set a record payment, and were up 0.9% over the record Q4 2022 payment and up 7.9% over Q1 2022. For the 12-month period ending in March 2023, S&P 500 dividends were up 10.1% from the March 2022 period.

"2023 is on track for another record dividend payment to shareholders, but 2022's and the 12-month March 2023's double-digit gains will be cut in half due to the state of the economy and recent events in the banking industry. The uncertain forecast for 2023 dividend payments is also driven by several factors including changes in inflation, interest rates, and consumer spending. Overall, it is clear that companies are currently protecting their dividends, even if it means reducing buybacks, which appears to be increasing," Silverblatt concluded.

S&P 500 Dividends

On a per share basis, S&P 500 Q1 2023 dividend payments set a record, increasing 0.9% to \$17.54 per share from the prior record Q4 2022's \$17.39, and were up 7.9% from Q1 2022 \$16.25 payment. On an aggregate basis, index constituents paid a record \$146.8 billion in dividends for the quarter, compared to \$146.1 billion in Q4 2022 and up from \$137.6 billion in Q1 2021. For the 12-month March period, the index paid a record \$68.21 per share, up from \$61.97 for the 12-month March 2022 period, with an aggregate record \$573.7 billion payment to shareholders compared to the comparable period's \$524.9 billion.

Additional findings from S&P Dow Jones Indices' quarterly analysis of U.S. dividend activity include:

Dividend Increases (defined as either an increase or initiation in dividend payments):

- 993 dividend increases were reported during Q1 2023 compared to 963 during Q1 2022, a 3.1% year-over-year increase.
- Total dividend increases were \$19.7 billion for the period, down from \$27.7 billion for Q1 2022.
- For the 12-months March 2023 period, 2,797 issues increased their payments, a decrease of 5.7% compared to the 2,967 issues for the 12-month March 2022 period.
- Total dividend increases for the 12-months 2023 period were \$74.5 billion, down from \$86.0 billion for the 12-month March 2022 period.

Dividend Decreases (defined as either a decrease or suspension in dividend payments):

- 218 issues decreased dividends in Q1 2023, a 207% year-over-year increase compared to 71 during Q1 2022.
- Dividend decreases were \$10.0 billion in Q1 2023, up from \$9.5 billion in Q1 2022.
- For the 12-months March 2023 period, 463 issues decreased their dividend payments, a 162% decrease compared to the 177 decreases in the 12-month March 2022 period.
- Dividend decreases were \$14.8 billion for the 12-months, a 6.7% decrease from the prior 12-month 15.9 billion.

Non-S&P 500 Domestic Common Issues (for issues yielding 10% or less):

- The percentage of non-S&P 500 domestic dividend-paying common issues decreased to 19.9% in Q1 2023, compared to 20.0% in Q4 2022 and up from 19.8% in Q1 2022.
- The weighted indicated dividend yield for paying issues was 2.99% in Q1 2023, down from 3.01% in Q4 2022 and up from 2.62% in Q1 2022. The average indicated yield increased to 3.31% in Q1 2023, compared to Q4 2021's 3.21% and up from 2.92% in Q1 2022.

Large-, Mid-, and Small-Cap Dividends:

- 397 issues, or 78.9%, within the **S&P 500** currently pay a dividend, down from Q4 2022's 399 (79.3%), and up from 394 (78.0%) in Q1 2022; 27 of the 30 members of the **Dow Jones Industrial Average**[®] pay a dividend.
- 64.6% of **S&P MidCap 400**[®] issues now pay a dividend, up from 63.8% in Q4 2022 and up from 64.5% in Q1 2022; 54.1% of **S&P SmallCap 600**[®] issues pay a dividend, up from 52.9% in Q4 2022 and up from 51.2% in Q1 2022.
- Yields generally declined from Q4 2022, as markets and dividends increased. Large-cap yields decreased to 1.67% (1.77% for Q4 2022 and 1.40% for Q1 2022), mid-caps decreased to 1.69% (1.70% for Q4 2022 and 1.41% for Q1 2022), and small-caps increased to 1.73% (1.69% for Q4 2022 and 1.32% for Q1 2022).

- The yields across **dividend-paying** market-size classifications also varied, with large-caps at 2.13% (2.19% in Q4 2022 and 1.85% in Q1 2022), mid-caps at 2.57% (2.58% in Q4 2022 and 2.17% in Q1 2022) and small-caps at 3.07% (2.92% in Q4 2022 and 2.38% in Q1 2022).

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