

S&P Dow Jones Indices Reports U.S. Dividend Activity for Q2 2018

- Q2 2018 indicated payments increased by \$13.0 billion
- S&P 500 quarterly dividend payments set record

NEW YORK, July 5, 2018: S&P Dow Jones Indices today announced that the indicated **dividend net increases (increases less decreases) for U.S. domestic common stocks increased \$13.0 billion** during Q2 2018, down from the increase of \$18.8 billion for Q1 2018 but up from \$6.7 billion for Q2 2017.

For Q2 2018, aggregate increases amounted to \$14.7 billion, up from \$9.2 billion for Q2 2017. Aggregate dividend decreases fell to \$1.8 billion, down from \$2.5 billion for Q2 2017.

For the 12-month period ending June 2018, net dividend increases rose to \$51.3 billion, compared to \$32.5 billion for the corresponding 2017 period. Total dividend increases were \$62.5 billion, up from \$42.1 billion; dividend decreases were \$11.2 billion, up from \$9.6 billion, a comparison affected by the **General Electric (GE)** \$4.2 billion decrease from November 2017.

“There were record earnings during Q1 2018, and forward earnings indicate more records in the near future,” said **Howard Silverblatt, Senior Index Analyst, S&P Dow Jones Indices**. “Though record amounts have been paid, payouts (dividends as a percentage of as-reported GAAP earnings) appear to have declined when compared to the prior five-year average of 43.8%. The Q1 2018 S&P 500® level was 38.7% and the estimate for Q2 2018 is 35.2%.”

“Q2 2018 dividend payments for the S&P 500 set a record at \$13.10 per share, a 2.4% increase from the record Q1 2018 record of \$12.79 per share and up 8.1% year-over-year. On an aggregate basis, payments also set a record; index components issued record \$111.6 billion this quarter, up from \$109.2 billion for Q1 2018 and displacing the prior record of \$109.5 billion set during Q4 2017.”

Additional findings from S&P Dow Jones Indices’ quarterly analysis of the dividend activity of U.S. traded issues include:

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

- 573 dividend increases were reported during Q2 2018, compared to 522 during Q2 2017, a 9.8% year-over-year increase.
- For the 12-month period ending June 2018, 2,760 issues increased their payments, compared to 2,614 issues for the 12-month period ending June 2017, a 5.6% year-over-year increase.

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

- 92 issues decreased dividends during Q2 2018, compared to 72 during Q2 2017, a 27.8% year-over-year increase.
- For the 12-month period ending June 2018, 466 issues decreased their dividend payments, compared to 487 decreases during the 12-month period ending June 2017, a 4.3% year-over-year decrease.

Non-S&P 500 domestic common issues:

- The percentage of non-S&P 500 domestic dividend-paying common issues decreased to 55.6%, down from 55.8% for Q1 2018.
- The weighted dividend yield for paying issues was 2.52%, up from 2.51% for Q1 2017. The average yield increased to 2.97%, slightly up from 2.96% for Q1 2018.

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

413 issues, or 81.8%, within the **S&P 500** currently pay a dividend, down from 415 for Q1 2018. All 30 members of the **Dow Jones Industrial Average®** pay a dividend.

Silverblatt found that 69.8% of **S&P MidCap 400®** issues pay a dividend, down from 70.8% for Q1 2018; 51.8% of **S&P SmallCap 600®** issues pay a dividend, up from 50.8% for Q1 2017.

Large-cap yields were flat from Q1 2018, at 1.92%. Mid-caps at 1.55% (1.62% for Q1 2018), and small-caps at 1.32% (1.30% for Q1 2018), were steady.

The **yields across dividend-paying** market-size classifications varied, with large-caps at 2.41% (2.37% for Q1 2018), mid-caps at 2.14% (2.20% for Q1 2018) and small-caps at 2.44% (2.41% for Q1 2018).

Q2 2018

Silverblatt calculated that within the S&P 500, the average dividend increase during Q2 2018 was 13.55%, down from 13.92% during Q1 2018 yet up from 10.50% during Q2 2017.

The median increase was 10.00% during Q2 2018, down from 10.34% during Q1 2018 yet up from 8.16% during Q2 2017.

2018

“Using the current declared dividend rates for the S&P 500, 2018 year-to-date has seen a 7.2% increase of dividend payments over 2017, up from 5.5% at the end of Q1 2018 and 2.3% at year-end 2017,” said Silverblatt.

“The record-setting earnings levels posted during Q1 2018 and expected earnings for the rest of the year indicate that **2018 is well on its way to post its seventh consecutive year of record dividend payments. There is even a potential for a return to double-digit gains, last seen during 2015.**

“Given the reduced income for dividend holders over the past few years, nearing a double-digit increase is significant.”

For more information about S&P Dow Jones Indices, please visit www.spdji.com.

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