

S&P Dow Jones Indices Reports U.S. Indicated Dividend Payments Increased \$18.0 Billion in Q1 2021

- Q1 2021 U.S. common dividend increases were \$20.3 billion, the largest quarterly increase since Q1 2012's \$26.1 billion and up from \$13.9 billion in Q4 2020, \$8.4 billion in Q3 2020, \$6.7 billion in Q2 2020 and \$12.4 billion in Q1 2020.
- Q1 2021 U.S. common dividend decreases were \$2.4 billion, down from \$4.3 billion in Q4 2020, \$10.8 billion in Q3 2020, \$49.2 billion in Q2 2020, and \$18.0 billion in Q1 2020.
- Net indicated dividend rate change increased \$18.0 billion, compared to \$9.5 billion in Q4 2020, -\$2.3 billion in Q3 2020, -\$42.5 billion in Q2 2020, and -\$5.5 billion in Q1 2020.
- The median Q1 2021 dividend increase in the S&P 500 was 7.69%, up from 6.56% in Q4 2020, 4.17% in Q3 2020's, 4.84% in Q2 2020, and 7.50% in Q1 2020.

NEW YORK, April 6, 2021: S&P Dow Jones Indices announced today that indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$18.0 billion** during Q1 2021, compared to \$9.5 billion in Q4 2020, -\$2.3 billion in Q3 2020, -\$42.5 billion in Q2 2020, -\$5.5 billion in Q1 2020, and a gain of \$10.6 billion in Q4 2019.

For Q1 2021, aggregate increases amounted to \$20.3 billion, the largest quarterly increase since Q1 2012's \$26.1 billion, up 46.9% from Q4 2020's \$13.9 billion, and up 63.7% from the \$12.4 billion increase in Q1 2020. Aggregate dividend cuts decreased 45.1% to \$2.4 billion from Q4 2020's \$4.3 billion in cuts, and down 86.8% from the \$18.0 billion in cuts for Q1 2020.

For the 12-month March 2021 period, the net dividend rate fell \$17.3 billion, compared to a gain of \$28.2 billion for 12-month March 2020 period, as increases were \$49.3 billion versus \$52.5 billion, and decreases were \$66.6 billion compared to \$24.4 billion for 2020 period.

"Companies that suspended their dividends have started to pay again, while others who decreased their dividends or left them unchanged in 2020 have resumed increasing payments," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "The dollar amount of dividend increases in U.S. common stocks in Q1 2021 was the largest since Q1 of 2012 as reductions significantly declined in the quarter."

Silverblatt continued, "given the accelerating vaccine schedule and re-openings, projections call for record profits in the second half of this year, which, if the virus does not re-emerge, could fuel the way for more companies to feel secure about starting and increasing dividends. For the S&P 500, 2021 is well on its way to a record payout, with a mid-single digit gain for the year in actual cash in shareholders pockets."

S&P 500 Dividends

On a per share basis, S&P 500 Q1 2021 dividend payments for the S&P 500 increased 0.2% to \$14.68 from Q4 2020's \$14.64 and were down 4.2% from the Q1 2020 record \$15.32 payment. On an aggregate

basis, index components paid \$123.9 billion in dividends in the quarter, up from \$121.6 billion in Q4 2020 and down from the record \$127.0 billion in Q1 2020. For the 12-month March 2021 period, the index paid \$57.63 per share, down from the prior period's \$59.58, with an aggregate \$480.1 billion to shareholders, compared to \$495.1 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):

- 906 dividend increases were reported during Q1 2021 compared to 728 during Q1 2020, a 24.5% year-over-year increase.
- Total dividend increases were \$20.3 billion for the period, up from \$12.4 billion for Q1 2020.
- For the 12-month March 2021 period, 2,079 issues increased their payments, compared to 2,332 issues for the prior period, a 10.8% decrease.
- Total dividend increases for the 12-month March 2021 period were \$49.3 billion for the period, down from \$52.5 billion for the prior period.

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

- 64 issues decreased dividends during Q1 2021, compared to 134 during Q1 2020, a 52.2% year-over-year decrease.
- Dividend decreases were \$2.4 billion for the period, down from \$18.0 billion for Q1 2020.
- For the 12-month March 2021 period, 862 issues decreased their dividend payments, compared to 364 decreases during the prior period, a 137% increase.
- Dividend decreases were \$66.6 billion for the 12-month 2021 period, up from \$24.4 billion for the prior period.

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 21.4% in Q1 2021, down from 22.8% in Q4 2020, and down from 27.0% in Q1 2020.
- The weighted indicate dividend yield for paying issues was 2.48% in Q1 2021, down from 2.58% in Q4 2020, and down from 3.68% for Q1 2020. The average indicated yield decreased to 2.80% for Q1 2021, down from Q4 2020's 2.98%, and the 3.62% for Q1 2020.

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

- 385 issues, or 76.2%, within the **S&P 500** currently pay a dividend, the same as paid for Q4 2020 and down from the 413 which were paying in Q1 2020, as 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 62.5% of **S&P MidCap 400®** issues now pay a dividend, up from 60.0% for Q4 2020 and down from 68.0% in Q1 2020; 49.4% of **S&P SmallCap 600®** issues pay a dividend, up from 46.9% in Q4 2020 and down from 52.4% in Q1 2020.
- Yields across market-cap sizes slightly decreased from Q4 2020 and remained significantly lower than Q1 2020. Large-cap yields decreased to 1.47% (1.51% for Q4 2020 and 2.31% for Q1 2020), mid-caps to 1.23% (1.27% for Q4 2020 and 2.32% for Q1 2020), and small-caps to 1.11% (1.19% for Q4 2020 and 2.20% for Q1 2020).
- The yields across **dividend-paying** market-size classifications were closer, but varied, with large-caps down to 1.98% (2.06% for Q4 2020 and 2.91% for Q1 2020), mid-caps at 2.00% (2.20% for Q4 2020 and 3.40% for Q1 2020) and small-caps at 2.14% (2.44% for Q4 2020 and 3.72% for Q1 2020).

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

ABOUT S&P DOW JONES INDICES

S&P Dow Jones Indices is the largest global resource for essential index-based concepts, data and research, and home to iconic financial market indicators, such as the S&P 500® and the Dow Jones Industrial Average®. More assets are invested in products based on our indices than products based on indices from any other provider in the world. Since Charles Dow invented the first index in 1884, S&P DJI has been innovating and developing indices across the spectrum of asset classes helping to define the way investors measure and trade the markets.

S&P Dow Jones Indices is a division of S&P Global (NYSE: SPGI), which provides essential intelligence for individuals, companies, and governments to make decisions with confidence. For more information, visit: www.spdji.com.

S&P DJI MEDIA CONTACTS:

Ray McConville, Communications – Americas
(+1) 212 438 1678 raymond.mcconville@spglobal.com

INDEX INVESTMENT STRATEGY:

Howard Silverblatt, Senior Index Analyst
(+1) 212 438 3916 howard.silverblatt@spglobal.com