

S&P Dow Jones Indices

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S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increases Slow to \$4.3 Billion During Q2 2023; 12-month Gain was \$46.3 Billion

- Q2 2023 U.S. common dividend increases were \$9.8 billion, down 50.4% from \$19.7 billion in Q1 2023 and down 49.2% from \$19.3 billion in Q2 2022.
- Q2 2023 U.S. common dividend decreases were \$5.5 billion, down 44.9% from \$10.0 billion in Q1 2023, and up 230% from \$1.7 billion in Q2 2022.
- Q2 2023 net indicated dividend rate change increased \$4.3 billion, compared to \$9.7 billion in Q1 2023, and \$17.6 billion in Q2 2022.
- For the 12-month period ending in June 2023, U.S. common dividend increases were \$65.0 billion, down 27.6% from the comparable June 2022 period's \$89.8 billion; decreases were up 23.9% to \$18.7 billion, compared to \$15.1 billion for the June 2022 time period.
- The net 12-month June 2023 indicated dividend gain was \$46.3 billion, compared to \$74.8 billion ending in June 2022.
- S&P 500 Actual Q2 2023 increased 3.0% over Q2 2022, but declined 2.3% from the Q1 2023 level, as the seven consecutive quarters of record payments came to an end.

NEW YORK, July 5, 2023: S&P Dow Jones Indices announced today that the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$4.3 billion** during Q2 2023, compared to \$9.7 billion in Q1 2023 and \$17.6 billion in Q2 2022. Increases were \$9.8 billion versus \$19.7 billion for Q1 2023, and decreases were \$5.5 billion compared to \$10.0 billion.

For all 12-months ending in June 2023, the net dividend rate increased \$46.3 billion, compared to the net \$74.8 billion ending in June 2022. Increases were \$65.0 billion versus \$89.8 billion, and decreases were \$18.7 billion compared to \$15.1 billion.

"Dividend payments slowed in the second quarter as uncertainty over a potential recession, earnings, and both government and corporate debt cost increased. In addition, there was also a shift seen in more selective consumer spending. Each of these factors resulted in companies becoming more cautious about dividend commitments, which is why we saw smaller increases in Q2," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**. "For 2023, the dollar aggregate of dividends are still expected to increase, but at less than half the pace of the double-digit 2022 growth. Given the current environment, we expect this to be in the 4% area, with the potential for additional growth."

Silverblatt continued, "The S&P 500 Q2 2023 actual payment declined 2.3% from the prior quarter, as the index ended its seven consecutive quarters of record payments. Financial dividends are expected to be limited due to the recent banking events and the expected new regulatory requirements, as well as Energy payouts, which remain volatile due to the underlying oil supply and demand issues. At this point, Q3 and Q4 payments are expected to increase with the potential of Q4 setting a new record, but it will be close."

S&P 500 Dividends

On a per share basis, S&P 500 Q2 2023 dividend payments decreased 2.3% to \$17.13 per share from the prior record Q1 2023's \$17.54 and were up 3.0% from Q2 2022's \$16.63 payment. On an aggregate basis, index constituents paid \$143.2 billion in dividends for the quarter, down from the \$146.8 billion record paid in Q1 2023 and up from \$140.6 billion in Q2 2022. For the 12-month June period, the index paid a record \$68.71 per share, up from \$64.02 for the 12-month June 2022 period, with an aggregate record \$576.4 billion payment to shareholders compared to the comparable period's \$542.1 billion.

The Q2 decline stopped seven consecutive quarters of dividend payment records for the S&P 500.

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):

- 460 dividend increases were reported during Q2 2023 compared to 555 during Q2 2022, a 17.1% year-over-year decrease.
- Total dividend increases were \$9.80 billion for the period, down from \$19.3 billion for Q2 2022.
- For the 12-month June 2023 period, 2,702 issues increased their payments, a decrease of 8.5% compared to the 2,954 issues for the 12-month June 2022 period.
- Total dividend increases for the 12-month June 2023 period were \$65.0 billion, down from \$89.8 billion for the 12-month June 2022 period.

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

- 65 issues decreased dividends in Q2 2023, a 27.5% year-over-year increase compared to 51 during Q2 2022.
- Dividend decreases were \$5.5 billion in Q2 2023, up from \$1.7 billion in Q2 2022.
- For the 12-month June 2023 period, 477 issues decreased their dividend payments, a 140% increase compared to the 199 decreases in the 12-month June 2022 period.
- Dividend decreases were \$18.7 billion for the 12-month June 2023 period, a 23.9% increase from the prior 12-month June 2022 period of \$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 increased to 20.1% in Q2 2023, compared to 19.9% in Q1 2023 and up from 20.0% in Q2 2022.
- The weighted indicated dividend yield for paying issues was 3.09% in Q2 2023, up from 2.99% in Q1 2022 and up from 2.98% in Q2 2022. The average indicated yield increased to 3.42% in Q2 2023, compared to Q1 2023's 3.31% and up from 3.20% in Q2 2022.

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

- 399 issues, or 79.3%, within the **S&P 500** currently pay a dividend, up from Q1 2023's 397 (78.9%), and the same (399) as Q2 2022; 27 of the 30 members of the **Dow Jones Industrial Average®** pay a dividend.
- 64.6% of **S&P MidCap 400®** issues pay a dividend, the same as in Q1 2023 and down from 65.3% in Q2 2022; 55.4% of **S&P SmallCap 600®** issues pay a dividend, up from 54.1% in Q1 2023 and up from 51.2% in Q2 2022.
- Yields decreased from Q2 2023, as markets increased more than dividends. Large-cap yields decreased to 1.55% (1.67% for Q1 2023 and 1.72% for Q2 2022), mid-caps decreased to 1.63% (1.69% for Q1 2023 and 1.71% for Q2 2022), and small-caps decreased to 1.727% (1.731% for Q1 2023 and 1.56% for Q2 2022).

- The yields across **dividend-paying** market-size classifications also varied, with large-caps at 2.01% (2.13% in Q1 2023 and 2.18% in Q2 2022), mid-caps at 2.47% (2.57% in Q1 2023 and 2.56% in Q2 2022) and small-caps at 3.11% (3.07% in Q1 2023 and 2.82% in Q2 2022).

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