

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase \$13.7 Billion in Q4 2023 and \$36.5 Billion in 2023

- Q4 2023 U.S. common dividend increases were \$17.5 billion, down 2.8% from \$18.0 billion in Q3 2023 and up 7.4% from \$16.3 billion in Q4 2022.
- Q4 2023 U.S. common dividend decreases were \$3.9 billion, down 58.1% from \$9.2 billion in Q3 2023, and up 125% from \$1.7 billion in Q4 2022.
- Q4 2023 net indicated dividend rate change increased \$13.7 billion, compared to \$8.8 billion in Q3 2023 and \$14.6 billion in Q4 2022.
- For all of 2023, U.S. common dividend increases were \$65.1 billion, down 21.1% from 2022's \$82.5 billion; decreases were up 100.1% to \$28.6 billion, compared to \$14.3 billion for 2022.
- The net 2023 indicated dividend decline was \$36.5 billion, compared to \$68.2 billion in 2022, \$69.8 billion in 2021 and a negative \$40.8 billion in 2020.

NEW YORK, January 3, 2024: S&P Dow Jones Indices announced today that the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$13.7 billion** during Q4 2023, compared to an \$8.8 billion increase in Q3 2023 and a \$14.6 billion increase in Q4 2022. Increases were \$17.5 billion versus \$18.0 billion for Q3 2023, and decreases were \$3.9 billion compared to \$9.2 billion in Q3 2023.

For all of 2023, the net dividend rate decreased \$36.5 billion, compared to the net \$68.2 billion for 2022. Increases were \$65.1 billion versus \$82.5 billion, and decreases were \$28.6 billion compared to \$14.3 billion.

"The number of dividend increases slowed in the fourth quarter as companies appeared to be more cautious when committing to them. As markets moved higher, and interest rates were seen near or at their peaks, dividend decreases significantly declined," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.

Silverblatt continued: "Given the uncertainty surrounding the economy, interest rates potentially at or near their highs, and the belief that the Fed may start to reduce rates in the first half of 2023, the higher-for-longer approach from companies is expected to continue. This would result in a more cautious level of dividend commitments going forward. For 2024, the dollar aggregate of dividends is expected to increase once again. Absent an economic or geopolitical event, S&P 500 large caps appear to be weathering volatility better, as the index is expected to post its 15th consecutive year of dividend increases. In addition, the index is also expected to log its 13th consecutive record year, with a 4.5% - 5% increase in payments for 2024, compared to its 5.1% increase in 2023 and its 10.8% increase in 2022. Overall, companies will likely remain cautious in 2024, as they consider both consumer and government spending and also any impact to the political environment."

S&P 500® Dividends

On a per share basis, S&P 500 Q4 2023 dividend payments increased 6.5% to a record \$18.32 per share, from Q3 2023's \$17.26 and up 5.7% from Q4 2022's \$17.39 payment. On an aggregate basis, index constituents paid a record \$154.1 billion in dividends for the quarter, up from the \$144.2 billion paid in Q3 2023 and up from \$146.1 billion in Q4 2022. For 2023, the index paid an annual record of \$70.30 per share, up from \$66.92 for 2022, with an aggregate record \$588.2 billion payment to shareholders compared to 2022's \$564.6 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):

- 707 dividend increases were reported during Q4 2023 compared to 780 during Q4 2022, a 9.4% year-over-year decrease.
- Total dividend increases were \$17.5 billion for the quarter, up from \$16.3 billion in Q4 2022.
- For 2023, 2,548 issues increased their payments, a decrease of 9.9% compared to the 2,827 issues for 2022.
- Total dividend increases for the 2023 period were \$65.1 billion, down from \$82.5 billion in 2022.

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

- 41 issues decreased dividends in Q4 2023, a 69.4% year-over-year decrease compared to 134 issues in Q4 2022.
- Dividend decreases were \$3.9 billion in Q4 2023, compared to \$1.7 billion in Q4 2022.
- For 2023, 386 issues decreased their dividend payments, a 22.2% increase compared to the 316 decreases in 2022.
- Dividend decreases were \$28.6 billion for 2023, a 100.1% increase from 2022's \$14.3 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 remained unchanged from Q3 2023 at 20.4%, and up from the Q4 2022 20.0%.
- The weighted indicated dividend yield for paying issues was 2.93% in Q4 2023, down 3.14% from Q3 2022 and down 3.01% from Q4 2022. The average indicated yield decreased to 3.23% in Q4 2023 compared to Q3 2023's 3.50%, and up 3.21% from Q4 2022.

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

- 403 issues or 80.1% within the **S&P 500** currently pay a dividend, up from the 401 in Q3 2023 and up from the 399 issues of Q4 2022; 28 of the 30 constituents within the **Dow Jones Industrial Average®** pay a dividend (average yield 2.54% for all issues and 2.72% for the paying issues).
- 65.8% of **S&P MidCap 400®** issues pay a dividend, up from 65.3% in Q3 2023 and up from 63.8% in Q4 2022; 57.8% of **S&P SmallCap 600®** issues pay a dividend, up from 57.1% in Q3 2023 and up from 52.9% in Q4 2022.
- Yields decreased for Q4 2023 as prices increased. Large-cap yields were 1.48% (1.63% for Q3 2023 and 1.77% for Q4 2022), mid-caps increased to 1.61% (1.71% for Q3 2023 and 1.70% for Q4 2022), and small-caps increased to 1.73% (1.95% for Q3 2023 and 1.69% for Q4 2022).
- The yields across **dividend-paying** market-size classifications varied: with large-caps declining to 1.93% (2.11% in Q3 2023 and 2.19% in Q4 2022), mid-caps declining to 2.39% (2.54% in Q3 2023 and 2.58% in Q4 2022) and small-caps declining to 2.93% (3.34% in Q3 2023 and 2.92% in Q4 2022).

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