

# S&P Dow Jones Indices

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## S&P Dow Jones Indices Reports U.S. Indicated Dividend Payments Increased \$18.0 Billion in Q4 2021 and a Record \$69.8 Billion in 2021

- Q4 2021 U.S. common dividend increases were \$20.6 billion, down 7.5% from \$22.2 billion in Q3 2021 and up 48.5% from \$13.9 billion in Q4 2020.
- Q4 2021 U.S. common dividend decreases were \$2.6 billion, up 104% from \$1.3 billion in Q3 2021, and down 39.6% from \$4.3 billion in Q4 2020.
- Net indicated dividend rate change increased \$18.0 billion, compared to \$20.9 billion in Q3 2021, and \$9.5 billion in Q4 2020.
- The median Q4 2021 dividend increase in the S&P 500 was 8.46%, down from 9.68% in Q3 2021, and 6.56% in Q4 2020.
- 2021 U.S. common dividend increases were \$78.6 billion, up 89.7% from 2020's \$41.4 billion, as decreases fell 89.3% to \$8.8 billion in 2021 from the massive \$82.2 billion in 2020.
- The net 2021 indicated dividend gain for 2021 was \$69.8 billion, compared to 2020's decline of \$40.8 billion.

**NEW YORK, January 4, 2022:** 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 Q4 2021, compared to \$20.9 billion in Q3 2021, and \$9.5 billion in Q4 2020.

For 2021, the net dividend rate increased \$69.8 billion, compared to a net decline of \$40.8 billion for 2020, as increases were \$78.6 billion versus \$41.4 billion, and decreases were \$8.8 billion compared to \$82.2 billion for 2020.

"Dividends continued to move past the COVID recovery, as increases were strong, decreases remain historically low, and earnings, sales, and high margins have permitted companies to return to the business of returning shareholder wealth," said **Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices**.

"Within the S&P 500, companies still appear cautious of increases, as they paid out the lowest percentage of quarterly earnings in over a decade, but still set a dividend payment record in Q4 and 2021. While COVID continues to dominate the headlines, the market continues to post significant gains, which has reduced yields. Based on the historical dividend increase rate and current indicated dividend rates, 2022 is on track to set another record in 2022, with COVID determining the increase amount."

Silverblatt concluded, "Another potential headwind is changes to the dividend treatment or tax rate, which is now being discussed in Washington."

### **S&P 500 Dividends**

On a per share basis, S&P 500 Q4 2021 dividend payments for the S&P 500 set a record, increasing 2.8% to \$15.78 from Q3 2021's \$15.36 and were up 7.3% from Q4 2020 \$14.71 payment. On an aggregate basis, index components paid a record \$133.9 billion in dividends in the quarter, up from

\$130.0 billion in Q3 2021 and up from \$121.6 billion in Q4 2020. For 2021, the index posted its twelfth annual payment increase, and set its tenth consecutive annual record payment, paying \$60.40 per share, up from 2020's \$58.34, with an aggregate \$511.2 billion to shareholders, compared to \$483.2 billion in 2020.

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):**

- 852 dividend increases were reported during Q4 2021 compared to 620 during Q4 2020, a 37.4% year-over-year increase.
- Total dividend increases were \$20.6 billion for the period, up from \$13.9 billion for Q4 2020.
- For 2021, 2,910 issues increased their payments, compared to 1,901 issues for the prior period, a 53.1% increase.
- Total dividend increases for 2021 were \$78.6 billion for the period, up from \$41.4 billion for 2020.

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

- 50 issues decreased dividends during Q4 2021, compared to 57 during Q4 2020, a 12.3% year-over-year decrease.
- Dividend decreases were \$2.6 billion for the period, down from \$4.3 billion for Q4 2020.
- For 2021, 170 issues decreased their dividend payments, compared to 932 decreases for 2020, an 81.8% decrease.
- Dividend decreases were \$8.8 billion for 2021, a significant turnaround from 2020's \$82.2 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 19.6% in Q4 2021 from 20.0% in Q3 2021, and down from 22.8% in Q4 2020.
- The weighted indicated dividend yield for paying issues was 2.50% in Q4 2021, down from 2.52% in Q3 2021, and down from 2.58% for Q4 2020. The average indicated yield decreased to 2.84% for Q4 2021, from Q3 2021's 2.86%, and decreased from the 2.98% for Q4 2020.

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

- 394 issues, or 78.0%, within the **S&P 500** currently pay a dividend, up from 391 for Q3 2021 (77.4%) and up from the 385 (76.2%) which were paying in Q4 2020; 27 of the 30 members of the **Dow Jones Industrial Average**<sup>®</sup> pay a dividend.
- 64.3% of **S&P MidCap 400**<sup>®</sup> issues now pay a dividend, up from 63.5% in Q3 2021 and up from 60.0% in Q4 2020; 50.6% of **S&P SmallCap 600**<sup>®</sup> issues pay a dividend, down from 51.1% in Q3 2021 and up from 46.9% in Q4 2020.
- Yields varied and were lower than Q3 2021 and remained lower than Q4 2020. Large-cap yields decreased to 1.31% (1.41% for Q3 2021 and 1.51% for Q4 2020), mid-caps decreased to 1.26% (1.28% for Q3 2021 and 1.27% for Q4 2020), and small-caps decreased to 1.18% (1.22% for Q3 2021 and 1.19% for Q4 2020).
- The yields across **dividend-paying** market-size classifications also varied, with large-caps at 1.74% (1.93% for Q3 2021 and 2.06% for Q4 2020), mid-caps at 1.98% (2.06% for Q3 2021 and 2.20% for Q4 2020) and small-caps at 2.16% (2.25% for Q3 2021 and 2.44% for Q4 2020).

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## **ABOUT S&P DOW JONES INDICES**

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