

## **S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase \$16.0 Billion in Q1 2024 Driven by Large-Cap Initiations**

- Q1 2024 U.S. common dividend increases were \$22.7 billion, up 29.5% from \$17.5 billion in Q4 2023 and up 14.9% from \$19.7 billion in Q1 2023.
- Q1 2024 U.S. common dividend decreases were \$6.7 billion, up 73.3% from \$3.9 billion in Q4 2023, and down 33.3% from \$10.0 billion in Q1 2023.
- Q1 2024 net indicated dividend rate change increased \$16.0 billion.
- The 12-months ending March 2024, U.S. common dividend increases were \$68.1 billion, down 8.6% from the 12-month March 2023 period's \$74.5 billion; decreases were up 70.4% to \$25.2 billion, compared to \$14.8 billion for the prior 12-month period.
- The net 12-month March 2024 indicated dividend increase was \$42.8 billion, compared to \$59.7 billion for the prior 12-month period.

**NEW YORK, April 2, 2024:** S&P Dow Jones Indices announced today that the indicated **dividend net changes (increases less decreases) for U.S. domestic common stocks increased \$16.0 billion** during Q1 2024, compared to the \$13.7 billion increase in Q4 2023 and a \$9.7 billion increase in Q1 2023. Increases were \$22.7 billion versus \$17.5 billion for Q4 2023, and decreases were \$6.7 billion compared to \$3.9 billion in Q4 2023. Three large-cap initiations accounted for 31.6% of the increase.

For the 12-months ending in March 2024, the net dividend rate increased \$42.8 billion, compared to the net \$59.7 billion for the 12-months ending March 2023. For 2023 it was up \$36.5 billion compared to 2022's \$68.2 billion, 2021 was \$69.8, with negative \$40.8 billion in 2020. Increases for the 12 months were \$68.1 billion versus \$74.5 billion, and decreases were \$25.2 billion compared to \$14.8 billion.

"The number of dividend increases rose compared to Q4 2023, but trailed in comparison year-over-year as companies continued to remain cautious when committing to future payments. While markets moved higher and interest rates were seen near or at their peaks, dividend decreases picked up compared to Q4 2023 and declined significantly from Q1 2023 when economic cycles impacted regular payouts," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.

Silverblatt continued: "For the rest of 2024, we expect uncertainty over the economy and interest rates to limit the size of dividend increases. Absent an economic or geopolitical event, dividend growth is expected to selectively continue. S&P 500 large caps appear to be weathering uncertainty and volatility better. The index is expected to post a 6% increase in payments for 2024 compared to its 5.1% increase in 2023 and the 10.8% increase seen in 2022."

Silverblatt concluded: "The noticeable take-away for the quarter were the large-caps. Three issues, Meta Platforms, Salesforce, and Booking Holdings, all initiated multi-billion dividends (\$7.2 billion annually). 20 years ago, Microsoft and QUALCOMM started paying a dividend and were criticized for giving up on growth. This past quarter though, investors did not comment on growth or reinvesting capital, which indicates a clear change in their views and approach compared to Q1 2003."

**S&P 500® Dividends**

On a per share basis, S&P 500 Q1 2024 dividend payments decreased 1.7% to \$18.06 per share when compared to Q4 2023's record \$18.38 and is up 3.0% from Q1 2023's \$17.54 payment. On an aggregate basis, index constituents paid \$151.6 billion in dividends for the quarter, down from the record \$154.1 billion paid in Q4 2023 and up from \$146.8 billion in Q1 2023. For the 12-months ending March 2024, the index paid a record \$70.82 per share, up from \$68.21 for the prior 12-month period; with an aggregate record \$593.1 billion payment to shareholders compared to the prior period's \$573.7 billion.

Additional findings from S&P Dow Jones Indices' quarterly analysis of U.S. dividend activity includes:

**Dividend Increases (defined as either an increase or initiation in dividend payments):**

- 796 dividend increases were reported during Q1 2024 compared to 933 during Q1 2023, a 14.7% year-over-year decrease.
- Total dividend increases were \$22.7 billion for the quarter, up from \$19.7 billion in Q1 2023.
- For the 12-months ending in March 2024, 2,411 issues increased their payments, a decrease of 13.8% compared to the 2,797 issues for the 12-months ending in March 2023.
- Total dividend increases for the 12-month period were \$68.1 billion, down from \$74.5 billion in the prior 12-month period.

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

- 51 issues decreased dividends in Q1 2024, a 76.6% year-over-year decrease compared to 218 issues in Q1 2023.
- Dividend decreases were \$6.7 billion in Q1 2024, compared to \$10.0 billion in Q1 2023.
- For the 12-months ending in March 2024, 219 issues decreased their dividend payments, a 52.7% decrease compared to the 463 decreases within the prior 12-month period.
- Dividend decreases were \$25.2 billion for the current 12-month period, a 70.4% increase from prior 12-month period's \$14.8 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 20.5% from Q4 2023's 20.4%, and up from Q1 2023's 19.9%.
- The weighted indicated dividend yield for paying issues was 2.86% in Q1 2024, down from 2.93% in Q4 2023 and down from 2.99% in Q1 2023. The average indicated yield increased to 3.28% in Q1 2024 compared to Q4 2023's 3.23% and was down from 3.31% in Q1 2023.

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

- 404 issues or 80.3% within the **S&P 500** currently pay a dividend, up from the 403 in Q4 2023 and up from the 397 issues for Q1 2023. 28 of the 30 constituents within the **Dow Jones Industrial Average®** pay a dividend with an average yield of 2.22% for all issues and 2.38% for the paying issues.
- 65.6% of **S&P MidCap 400®** issues pay a dividend, down from 65.8% in Q4 2023 and up from 64.6% in Q1 2023. 59.7% of **S&P SmallCap 600®** issues pay a dividend, up from 57.8% in Q4 2023 and up from 54.1% in Q1 2023.
- Yields mostly decreased for Q1 2024 as prices increased. Large-cap yields were 1.38% (1.48% for Q4 2023 and 1.67% for Q1 2023), mid-caps decreased to 1.48% (1.61% for Q4 2023 and 1.69% for Q1 2023), and small-caps increased to 1.77% (1.73% for Q4 2023 and 1.73% for Q1 2023).
- The yields across **dividend-paying** market-size classifications varied, with large-caps declining to 1.72% (1.93% in Q4 2023 and 2.13% in Q1 2023), mid-caps declining to 2.18% (2.39% in Q4 2023

and 2.57% in Q1 2023) and small-caps increasing to 2.90% (2.93% in Q4 2023 and 3.07% in Q1 2023).

For more information about S&P Dow Jones Indices, please visit <https://www.spglobal.com/spdji/en/>.

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