

S&P Dow Jones Indices Reports U.S. Common Indicated Dividend Payments Increase \$16.0 Billion in Q2 2024 Driven by Alphabet Initiation

- Q2 2024 U.S. common dividend increases were \$20.4 billion, down 10.0% from \$22.7 billion in Q1 2024 and up 108% from \$9.8 billion in Q2 2023.
- Q2 2024 U.S. common dividend decreases were \$4.4 billion, down 34.4% from \$6.7 billion in Q1 2024, and down 20.7% from \$5.5 billion in Q2 2023.
- Q2 2024 net indicated dividend rate change increased \$16.0 billion.
- The 12-months ending June 2024, U.S. common dividend increases were \$78.7 billion, up 21.1% from the 12-month June 2023 period's \$65.0 billion; decreases were up 29.2% to \$24.1 billion, compared to \$18.7 billion for the prior 12-month period.
- The net 12-month June 2024 indicated dividend increase was \$54.6 billion, compared to \$46.3 billion for the prior 12-month June 2023 period.

NEW YORK, July 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 \$16.05 billion** during Q2 2024, compared to the \$16.03 billion increase in Q1 2024 and the \$4.3 billion increase in Q2 2023. Increases were \$20.4 billion versus \$22.7 billion for Q1 2024 and \$9.8 billion in Q2 2023, and decreases were \$4.4 billion compared to \$6.7 billion in Q1 2024 and \$5.5 billion in Q2 2023. Alphabet's initiation accounted for \$9.3 billion of the Q2 2024 increase, as Q1 2024's Brookings, Meta Platforms and Salesforce initiations accounted for \$7.2 billion.

For the 12-months ending June 2024, the net dividend rate increased \$54.6 billion, compared to the net \$46.3 billion for the 12-months ending June 2023. For 2023, it was up \$36.5 billion compared to 2022's \$68.2 billion, 2021's \$69.8 billion, with the 2020 net change negative, as 43 S&P 500 issues suspended their dividends, at -\$40.8 billion. Increases for the 12 months June 2024 were \$78.7 billion versus \$65.0 billion, and decreases were \$24.1 billion compared to \$18.7 billion.

"The number of dividend increases again rose in Q2 2024 compared to the previous quarter, but still trailed in comparison 12-month year-over-over as companies continued to remain cautious when committing to future payments. While markets moved higher in Q2 2024, the market gain was not as large or as broad as the previous Q1 period, as interest rates, while down, remained higher for longer, coupled with uncertain forward FOMC actions. Dividend decreases declined as dividend breadth (increases/decreases) reached 25.6, the strongest breadth since Q2 2007's 30.1, which quantifies the upward movement," said Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices.

Silverblatt continued: "For the rest of 2024, the continued uncertainty over the economy and the timing of expected interest rate cuts will likely limit the size of dividend increases. Absent an economic or geopolitical event, dividend growth is expected to selectively continue. S&P 500 large caps have performed better than most in the first half of 2024, as the Magnificent 7 have dominated the returns. The index is expected to post a 6% increase in dividend payments for 2024 compared to its 5.1% increase in 2023 and the 10.8% increase seen in 2022."

Silverblatt also noted that following the Fed's positive stress test results and post the first half close, six major banks (BAC, C, GS, JPM, MS and WFC) increased their annual dividends by \$3.5 billion, with an average increase of 9.1%. With earnings season around the corner, Silverblatt expects more increases to come.

Silverblatt concluded: "The noticeable take-away for both the first and second quarter of 2024 were the large-caps. In April, Alphabet initiated a \$9.3 billion dividend rate, joining the Q1 dividend initiations from Bookings (\$1.2 billion), Meta Platforms (\$4.4 billion) and Salesforce (\$1.5 billion), and accounting for 53% of the S&P 500's year-to-date indicated dividend gain. While the gains without the initiations are still seen as setting a record S&P 500 dividend payment for 2024, their forward cash commitment to dividends will significantly increase the payout and give investors and non-paying Boards something to think about."

S&P 500® Dividends

On a per share basis, S&P 500 Q2 2024 dividend payments increased 1.2% to \$18.28 per share when compared to Q1 2024's \$18.06 and is up 6.7% from Q2 2023's \$17.13 payment (the record is Q4 2023 at \$18.38). On an aggregate basis, index constituents paid \$153.4 billion in dividends for the quarter, up from \$151.6 billion paid in Q1 2024 and up from \$143.2 billion in Q2 2023. For the 12-months ending June 2024, the index paid a record \$71.98 per share, up from \$68.71 for the prior 12-month period, with an aggregate record \$603.3 billion payment to shareholders compared to the prior period's \$576.4 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):

- 539 dividend increases were reported during Q2 2024 compared to 460 during Q2 2023, a 17.2% year-over-year increase.
- Total dividend increases were \$20.4 billion for the quarter, up from \$9.8 billion in Q2 2023.
- For the 12-months ending in June 2024, 2,490 issues increased their payments, a decrease of 7.8% compared to the 2,702 issues for the 12-months ending in June 2023.
- Total dividend increases for the 12-month period were \$78.7 billion, up from \$65.0 billion in the prior 12-month period.

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

- 21 issues decreased dividends in Q2 2024, a 67.7% year-over-year decrease compared to 65 issues in Q2 2023.
- Dividend decreases were \$4.4 billion in Q2 2024, compared to \$5.5 billion in Q2 2023.
- For the 12-months ending in June 2024, 175 issues decreased their dividend payments, a 63.3% decrease compared to the 477 decreases within the prior 12-month period.
- Dividend decreases were \$24.1 billion for the current 12-month period, a 29.2% increase from prior 12-month period's \$18.7 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 20.3% from Q1 2024's 20.5% and was up from Q2 2023's 20.1%.
- The weighted indicated dividend yield for paying issues was 2.92% in Q2 2024, up from 2.86% in Q1 2024 and down from 3.09% in Q2 2023. The average indicated yield increased to 3.37% in Q2 2024 compared to Q1 2024's 3.28% and was down from 3.42% in Q2 2023.

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

- 403 issues or 80.1% within the **S&P 500** currently pay a dividend, down from 404 in Q1 2024 and the same as Q2 2023; 28 of the 30 constituents within the **Dow Jones Industrial Average**[®] pay a dividend with an average yield of 2.23% for all issues and 2.39% for the paying issues.
- 65.8% of **S&P MidCap 400**[®] issues pay a dividend, up from 65.6% in Q1 2024 and up from 64.6% in Q2 2023. 59.1% of **S&P SmallCap 600**[®] issues pay a dividend, down from 59.7% in Q1 2024 and up from 55.4% in Q2 2023.
- Yields mostly increased for Q2 2024, as large-cap yields decreased (as their prices increased significantly more) to 1.35% (1.38% for Q1 2024 and 1.55% for Q2 2023), mid-caps increased to 1.51% (1.48% for Q1 2024 and 1.63% for Q2 2023), and small-caps increased to 1.81% (1.77% for Q1 2024 and 1.73% for Q2 2023).
- The yields across **dividend-paying** market-size classifications varied with large-caps declining to 1.61% (1.72% in Q1 2024 and 2.01% in Q2 2023), mid-caps increasing to 2.26% (2.18% in Q1 2024 and 2.47% in Q2 2023), and small-caps increasing to 3.06% (2.90% in Q1 2024 and 3.11% in Q2 2023).

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