

# Some Insight Into The S&P 500 Index Dividend Payout

S&P 500 Index Dividend Payout Breakdown (As of 12/30/16)

Sectors/Index	Constituents	% of Constituents that pay a Dividend	Dividend Payout Contribution
Cons. Discretionary	86	77%	8.86%
Cons. Staples	37	97%	12.49%
Energy	36	83%	9.06%
Financials	63	95%	12.15%
Health Care	60	58%	12.02%
Industrials	69	90%	10.98%
Info. Tech.	67	67%	15.49%
Materials	25	96%	2.93%
Real Estate	29	97%	4.79%
Telecom. Services	5	80%	5.74%
Utilities	28	100%	5.49%
<b>S&amp;P 500</b>	<b>505</b>	<b>83%</b>	<b>100.00%</b>

Source: S&P Dow Jones Indices.

## View from the Observation Deck

1. As of the close of 2016, 418, or 83%, of the constituents in the S&P 500 Index distributed a dividend to shareholders, up significantly from 351 at the end of 2002 (not shown in chart), according to S&P Dow Jones Indices. The bear market in stocks that preceded the bursting of the bubble in the technology sector in March 2000 ended in October 2002.
2. For comparative purposes, since 1980, the highest number of dividend-paying stocks in the S&P 500 Index at year-end was 469 (1980), according to S&P Dow Jones Indices.
3. Ironically, those same growth-oriented technology stocks that were at the epicenter of the bear market mentioned above, contributed the most (15.49%) to the S&P 500 Index's dividend payout as of 12/30/16 (see table).
4. A noteworthy change to the S&P 500 Index occurred in September 2016. Real Estate became its own sector, according to S&P Dow Jones Indices. There are now 11 sectors in the index. Prior to this change, real estate companies were classified as Financials.
5. Within the S&P 500 Index, the average dividend increase in 2016 was 10.51%, according to Howard Silverblatt, senior index analyst at S&P Dow Jones Indices. The overall dividend growth rate for the index in 2016 was 5%.

*This chart is for illustrative purposes only and not indicative of any actual investment. There can be no assurance that any of the projections cited will occur. The illustration excludes the effects of taxes and brokerage commissions or other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 is a capitalization-weighted index comprised of 500 stocks used to measure large-cap U.S. stock market performance, while the S&P Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.*