

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

S&P 500 Index Dividend Payout Breakdown (As of 7/31/17)

Sectors/Index	Constituents	% of Constituents that pay a Dividend	Dividend Payout Contribution
Cons. Discretionary	85	76%	8.90%
Cons. Staples	35	97%	11.70%
Energy	32	84%	8.83%
Financials	66	97%	13.38%
Health Care	61	57%	11.89%
Industrials	68	90%	10.68%
Info. Tech.	68	69%	15.82%
Materials	26	96%	2.92%
Real Estate	32	97%	4.98%
Telecom. Services	4	75%	5.38%
Utilities	28	100%	5.52%
<b>S&amp;P 500</b>	<b>505</b>	<b>83%</b>	<b>100.00%</b>

Source: S&P Dow Jones Indices. Past performance is no guarantee of future results.

## View from the Observation Deck

- As of 7/31/17, 420 of the constituents in the S&P 500 Index distributed a stock dividend to shareholders. There are currently 505 stocks in the index.
- For comparative purposes, since 1980, the highest number of dividend-paying stocks in the S&P 500 Index at year-end was 469 (1980), while the lowest number was 351 (2001 & 2002), according to S&P Dow Jones Indices.
- As indicated in the chart, Information Technology and Financials contributed the most to the S&P 500 Index's dividend payout at 15.82% and 13.38%, respectively, as of 7/31/17 (see table).
- 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.
- The dividend payout ratio (percentage of net income that is distributed to shareholders in the form of dividends) on the S&P 500 Index stood at 50.34% on 7/31/17, according to Bloomberg. That is in line with the 48% historical average since 1950, according to Legg Mason.

*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.*

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