

S&P 500 Index Dividend Payout Profile

S&P 500 Index Dividend Payout Breakdown (As of 11/17/22)

Indices	Constituents	# of Constituents that Pay a Dividend	Dividend Payout Contribution	Index Yield
Comm. Services	25	13	4.77%	1.09%
Cons. Disc.	56	36	6.20%	1.02%
Cons. Staples	33	32	10.63%	2.62%
Energy	23	23	10.30%	3.26%
Financials	67	64	14.31%	2.10%
Health Care	64	40	14.41%	1.63%
Industrials	71	60	8.33%	1.68%
Info. Tech.	75	43	17.04%	1.10%
Materials	28	28	3.27%	2.09%
Real Estate	31	30	5.34%	3.44%
Utilities	30	29	5.39%	3.14%
S&P 500	503	398	100.00%	1.70%

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

View from the Observation Deck

1. Last week's blog post on 11/22/22 ([click here](#)) discussed the potential for a flat stock market in 2023, as measured by the S&P 500 Index. That being said, the blog also talks about potential opportunities for income-oriented investments, including stocks and bonds.
2. With respect to equities, one niche worth investigating is higher-yielding dividend paying stocks, according to Morgan Stanley.
3. Per the table above, there were six sectors with yields above the 1.70% yield generated by the S&P 500 Index as of 11/17/22. They were as follows: 3.44% (Real Estate); 3.26% (Energy); 3.14% (Utilities); 2.62% (Consumer Staples); 2.10% (Financials); and 2.09% (Materials).
4. As indicated in the table, Information Technology, Health Care and Financials contributed the most to the S&P 500 Index's dividend payout at 17.04%, 14.41% and 14.31%, respectively. Information Technology and Health Care, however, were not among the highest-yielding sectors.
5. As of 11/17/22, the S&P 500 Index sector weightings were as follows (not in table): 26.52% (Information Technology); 15.04% (Health Care); 11.60% (Financials); 10.38% (Consumer Discretionary); 8.47% (Industrials); 7.44% (Communication Services); 6.92% (Consumer Staples); 5.38% (Energy); 2.93% (Utilities); 2.66% (Materials); and 2.65% (Real Estate), according to Bloomberg.
6. Data from Bloomberg indicates that as of 11/28/22, the dividend payments from the constituents in the S&P 500 Index totaled \$60.54 per share (record high) in 2021, up from \$58.95 (previous record high) in 2020. The estimates for 2022 and 2023 were \$65.96 and \$70.43, respectively.
7. A dividend payout ratio of 60% or less is typically a good sign that a dividend distribution is sustainable, according to The Motley Fool. A dividend payout ratio reflects the amount of money paid out as a dividend relative to a dollar's worth of earnings. In Q3'22, the payout ratio on the S&P 500 Index was 38.47%, according to Bloomberg.

This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index. The S&P 500 Index is a capitalization-weighted index comprised of 500 companies used to measure large-cap U.S. stock market performance, while the 11 major S&P 500 Sector Indices are capitalization-weighted and comprised of S&P 500 constituents representing a specific sector.

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