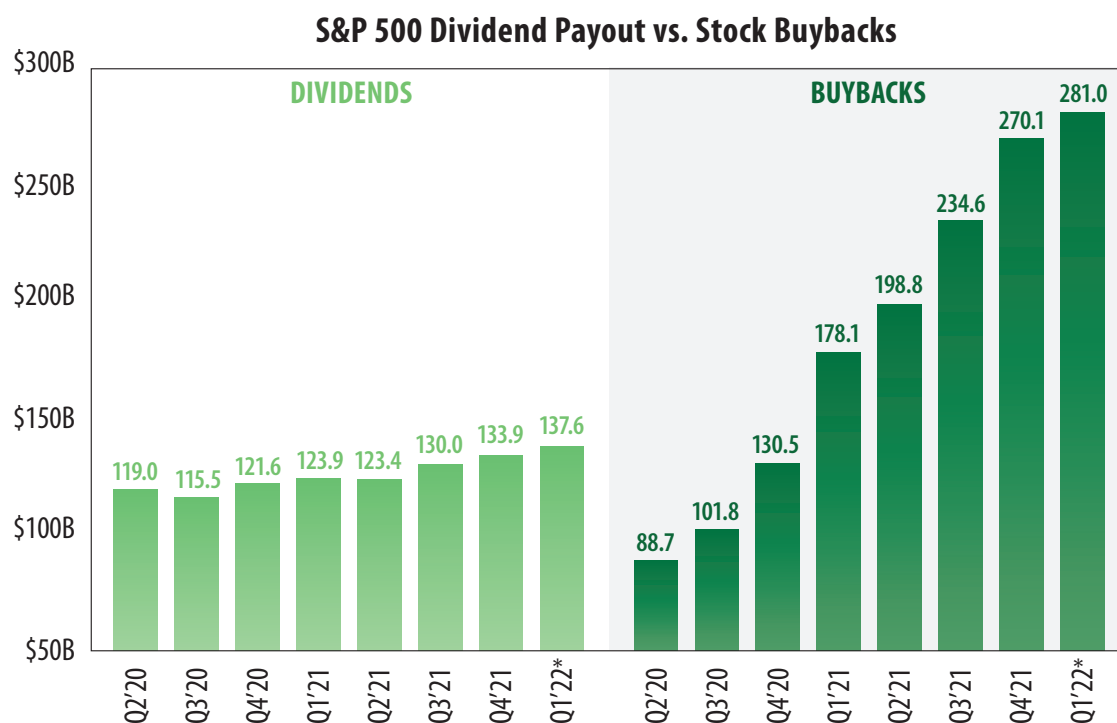


S&P 500 Index Dividends And Buybacks Still Setting Records



Source: S&P Dow Jones Indices. Quarterly data points in \$ Billions. *Q1'22 data is preliminary.

View from the Observation Deck

1. Companies have a number of ways in which to return capital to their shareholders. Two of the more popular ways in recent years are cash dividends and stock buybacks.
2. Today's blog post shows that both dividend distributions and stock buybacks have set new all-time highs approximately two years after the onset of the COVID-19 pandemic, as measured by the S&P 500 Index.
3. For comparative purposes, we include the dividend distributions and share buybacks for the past eight quarters. Companies are clearly spending more on buybacks than dividends.
4. The all-time high for the S&P 500 Index's quarterly dividend payout was the \$137.6 billion distributed in Q1'22, according to data from S&P Dow Jones Indices.
5. The record for quarterly stock buybacks was the \$281.0 billion registered in Q1'22, according to data from S&P Dow Jones Indices.
6. As of 3/31/22, the S&P 500 Index sectors contributing the most to its total dividend payout were as follows: Information Technology (17.2%); Health Care (14.9%); Financials (14.5%); and Consumer Staples (10.7%), according to S&P Dow Jones Indices.
7. As of Q1'22, the S&P 500 Index sectors that were most aggressive in repurchasing their stock were as follows (% of all stocks repurchased): Information Technology (25.5%); Financials (19.5%); Health Care (14.6%); and Communication Services (12.1%), according to S&P Dow Jones Indices.
8. Overall, the companies in the S&P 500 Index are flush with cash, as measured by the S&P 500 Industrials (Old) Cash & Equivalents. This measure excludes Financials, Utilities and Transportation companies. Cash holdings totaled \$1.7 trillion on 3/31/22, which matched the \$1.7 trillion held on 3/31/20 (onset of COVID-19), according to S&P Dow Jones Indices.
9. Keep in mind that, from 3/31/20-3/31/22, S&P 500 Index companies spent \$1.5 trillion on stock buybacks and another \$1.0 trillion on dividends, yet they hold the same amount of cash today as they did on 3/31/20.

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 an unmanaged index of 500 companies used to measure large-cap U.S. stock market performance.

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