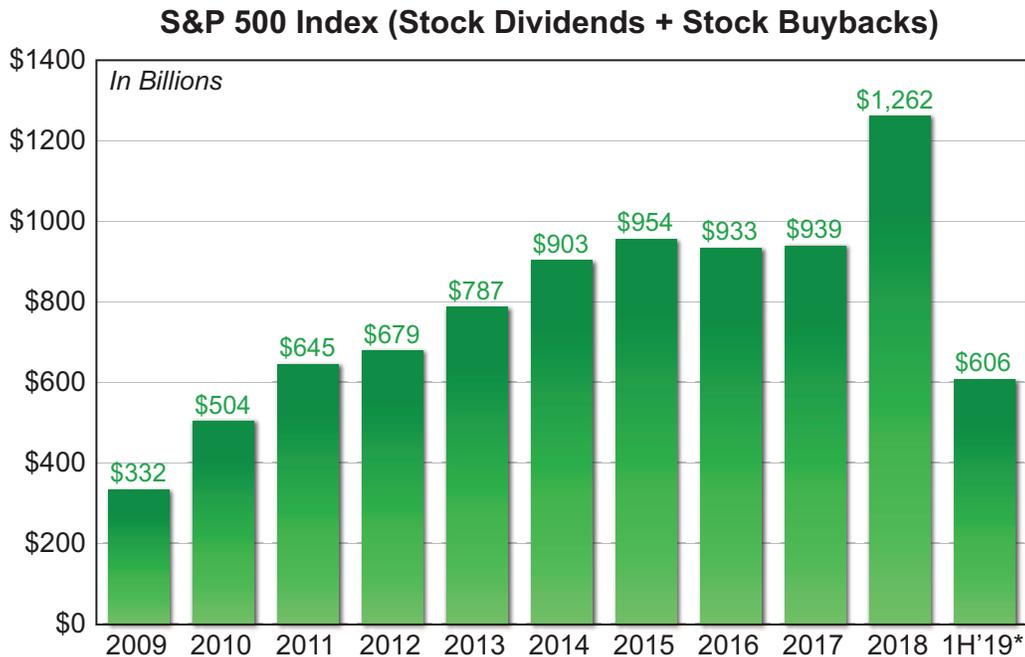


S&P 500 Index Companies Continue To Reward Shareholders



Source: S&P Dow Jones indices. *1H'19 is a preliminary figure.

View from the Observation Deck

1. Today's blog post shows the surge in the amount of capital that S&P 500 Index companies have committed to stock dividends and stock buybacks from 2009 to mid-2019.
2. The last bear market in the U.S. concluded on 3/9/09, as measured by the S&P 500 Index. The last U.S. economic recession ended on 6/30/09, according to the National Bureau of Economic Research.
3. As indicated in the chart, the S&P 500 Index increased its annual combined outlays (dividends + buybacks) from \$332 billion in 2009 to \$1.262 trillion in 2018, or an increase of 280%.
4. Combined outlays in the first half of 2019 totaled \$606 billion (Q2'19 data is preliminary), roughly in line with 2018's pace that led to a \$1.262 trillion full-year total.
5. With respect to the 10 calendar years referenced in the chart (2009-2018), approximately 59% of the capital spent went to stock buybacks, while the other 41% was spent on dividends.
6. The total combined payout for the 10-year period ended 2018 was \$7.942 trillion, according to S&P Dow Jones Indices.
7. Looking ahead, S&P Dow Jones Indices reported that consensus estimates for future S&P 500 Index buybacks are targeting a base amount of \$170 billion per quarter, according to its own release. The all-time high was \$222.98 in Q4'18. With respect to dividends, it estimates that the payout in Q3'19 could set an all-time high of around \$122 billion.

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 stocks used to measure large-cap U.S. stock market performance.

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