

Cash Flow and Carey



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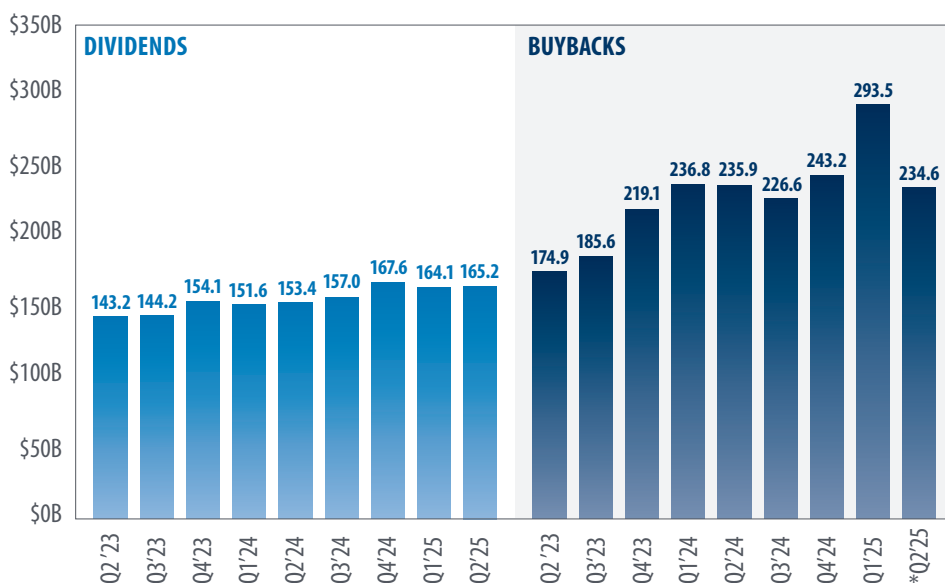
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This chart is for illustrative purposes only and not indicative of any actual investment. The illustration excludes the effects of taxes and brokerage commissions and other expenses incurred when investing. Investors cannot invest directly in an index.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

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S&P 500 Index Dividends & Stock Buybacks

S&P 500 Dividend Payout vs. Stock Buybacks



Source: S&P Dow Jones Indices. Quarterly data points in \$ Billions. *Q2'25 data is preliminary

View from the Observation Deck

Today's post tracks quarterly changes in capital distributed to shareholders through dividend distributions and stock buybacks over a two-year period. Aside from several outliers, dividend distributions have steadily increased over today's set of observations. Comparatively, share buybacks continue to account for a larger share of total capital disbursements but exhibit greater variance.

- Combined, stock dividends and share buybacks totaled a record \$1.65 trillion (preliminary data) over the trailing 12-months ended in June 2025, up from \$1.48 trillion over the same period ended in June 2024.
- Dividend distributions increased to \$165.2 billion in Q2'25, down from the record of \$167.6 billion in Q4'24, but up from \$153.4 billion in Q2'24. In total, the companies that comprise the S&P 500 Index ("Index") distributed a record \$653.9 billion in dividend payments over the trailing 12-months ended June 2025.
- Stock buybacks totaled \$234.6 billion in Q2'25, a decline of 20.1% from the record of \$293.5 billion in Q1'25. Buybacks totaled \$997.8 billion over the trailing 12-months ended June 2025, up from \$877.5 billion over the same time frame last year. By contrast, the Index's stock buybacks totaled a record \$1.005 trillion over the trailing 12-months ended June 2022.
- In Q2'25, the S&P 500 Index sectors that were most aggressive in repurchasing their stock were as follows (% of all stocks repurchased): Information Technology (28.6%); Financials (22.1%); and Communication Services (16.5%), according to data from S&P Dow Jones Indices.

Takeaway

Buybacks declined sharply in Q2'25, reflective of unpredictable economic policy and tariff concerns, as well as weakening economic data. Overall, just 67.6% of Index constituents participated in share repurchases in Q2'25, down from 76.8% in Q1'25. Buyback concentration remains high. S&P Dow Jones Indices reported that the top 20 companies accounted for 51.3% of all repurchases in Q2'25, up from 48.4% in Q1'25 and above the historical average of 47.7%. Utilities were the only sector to increase buyback expenditures in Q2'25. Even so, the sector accounted for just 0.4% (\$0.93 billion) of total expenditures over the period. Despite the second quarter's decline, Howard Silverblatt, Senior Index Analyst at S&P Dow Jones Indices believes that buybacks will return to near-record levels in Q3'25, citing clearer policy direction, increased buyback requirements to cover employee options, and price support. We will report back when third quarter data becomes available.