

Cash Flow and Carey



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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 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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Paying Dividends

S&P 500 Index Dividend Payout Breakdown (As of 10/7/25)

Indices	Constituents	# of Constituents that Pay a Dividend	Dividend Payout Contribution	Index Yield
Comm. Services	24	18	6.49%	0.76%
Cons. Disc.	50	33	5.63%	0.63%
Cons. Staples	37	35	10.84%	2.60%
Energy	22	22	8.41%	3.40%
Financials	75	67	16.24%	1.41%
Health Care	60	38	13.97%	1.78%
Industrials	79	70	8.88%	1.25%
Info. Tech.	68	38	15.61%	0.52%
Materials	26	26	2.82%	1.86%
Real Estate	31	29	5.54%	3.40%
Utilities	31	31	5.55%	2.67%
S&P 500	503	407	100.00%	1.17%

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

View from the Observation Deck

For many investors, dividend payments have become an ordinary and expected benefit of equity ownership. Of the 503 constituents in the S&P 500 Index ("Index"), 407 reported distributing a cash dividend to their equity owners as of 10/7/25. The impact of these distributions on the investment landscape has been nothing short of extraordinary, with dividends accounting for 36.7% of the total return of the Index between September 28, 1928, and September 30, 2025, according to data from Bloomberg.

- Dividend payments from the Index's constituents totaled a record \$74.61 per share in 2024, up from \$70.91 (previous record high) in 2023.
- As of 10/9/25, dividend payments are estimated to increase to \$80.86 and \$84.75 per share in 2025 and 2026, respectively.
- The Index's dividend payout ratio stood at 34.80% on 10/8/25. A dividend payout ratio between 30% and 60% is typically a good sign that a dividend distribution is sustainable, according to Nasdaq.
- Many investors view changes in dividend distributions as an indication of financial strength or weakness in the underlying company. Just seven dividend cuts and one suspension have been announced year-to-date through the end of September. For comparison, eleven dividends were cut and two were suspended over the same period last year.

Takeaway

While dividends continue to be one of the most efficient ways for companies to return capital to shareholders they also contribute meaningfully to overall returns. S&P Dow Jones Indices reported that dividend payments totaled a record \$653.9 billion over the trailing 12-month period ended in June 2025, accounting for 1.5 percentage points of the Index's 15.1% total return over the period. Additionally, dividends can act as a potent inflation hedge. Inflation, as measured by the consumer price index, increased by 35.9% over the 10-year period ended August 2025. Total dividends paid by the Index's constituents increased by a staggering 80.9% over the same period.