Corporate Finance Briefing: S&P 500 Buybacks & Dividends

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Figure 1.

S&P 500 BUYBACKS (billion dollars, annualized)

- Actual x 4 (699.7)
- 4-Quarter Sum (812.5)

Source: Standard & Poor's.

Figure 2.

S&P 500 DIVIDENDS (billion dollars, annualized)

- Actual x 4 (578.3)
- 4-Quarter Sum (579.7)

Source: Standard & Poor’s.
Figure 3.

S&P 500 BUYBACKS
(billion dollars, quarterly, nsa)

Source: Standard & Poor’s.

Figure 4.

S&P 500 DIVIDENDS
(billion dollars, quarterly)

Source: Standard & Poor’s.
Figure 5.

**S&P 500 DIVIDENDS & BUYBACKS**
(trillion dollars, annualized)

- **Buybacks**
- **Dividends**
- **S&P 500 Index**

Source: Standard & Poor’s.

Figure 6.

**S&P 500 BUYBACKS**
(billion dollars, annualized)

**S&P 500 FORWARD EARNINGS YIELD & CORPORATE BOND YIELD**
(percent)

* Forward earnings (time-weighted average of consensus operating earnings estimates for current and next year) divided by S&P 500 stock price index.

Source: Thomson Reuters I/B/E/S, Standard & Poor’s and Bank of America Merrill Lynch.
Figure 7.

S&P 500 BUYBACKS & DIVIDENDS
(billion dollars, annualized)

- **Total***: (1387.5)
- **Buybacks**: (812.5)
- **Dividends**: (579.7)

*4-quarter sum.

Source: Standard & Poor’s.
Figure 8.

TOTAL GROSS ISSUANCE OF STOCKS MINUS S&P 500 BUYBACKS (billion dollars)

- Total Gross Issuance of Stocks Minus S&P 500 Buybacks (annualized)
- Corporate Equities: Net Issuance Nonfinancial Corporate Business (4-quarter sum)

Source: Federal Reserve Board and Standard & Poor's Corporation.
* Divisor is used to ensure that changes in shares outstanding, capital actions, and the addition or deletion of stocks to the index do not change the level of the index.

Source: Standard & Poor’s Corporation.
Figure 10.

S&P 500 Yield from Buybacks & Dividends

Buybacks + Dividends (billion dollars, trailing four-quarter)
(1387.50)

Yield (%)
- Buybacks (2.19)
- Dividends (1.61)
- Buybacks + Dividends (3.73)

Source: Standard & Poor's.

Figure 11.

S&P 500 Buybacks (billion dollars, quarterly)

Buybacks as a % of S&P 500 Market Cap (0.47)

Source: Standard & Poor's.
S&P 500 BUYBACKS, DIVIDENDS, & OPERATING EARNINGS
(billion dollars, trailing four-quarter)

Buybacks (812.5)  Operating Earnings (1758.5)
Dividends (579.7)  Buybacks+Dividends (1387.5)

Buybacks+Dividends as percent of Operating Earnings (79.7)

Source: Standard & Poor’s.

S&P 500 EX-ENERGY BUYBACKS, DIVIDENDS, & OPERATING EARNINGS
(billion dollars, trailing four-quarter)

Buybacks (733.1)  Operating Earnings (1601.1)
Dividends (521.3)  Buybacks+Dividends (1245.6)

Buybacks+Dividends as percent of Operating Earnings (79.8)

Capped at 150% due to extreme values.

Source: Standard & Poor’s.

Figure 12.

Figure 13.

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Figure 14.

S&P 500 Sectors Quarterly Buybacks

- **S&P 500 SECTORS BUYBACKS** (quarterly, billion dollars)
  - Total (174.9)
- **HEALTH CARE**
  - Q2 (13.4)
- **COMMUNICATION SERVICES**
  - Q2 (25.4)
- **INDUSTRIALS**
  - Q2 (12.6)
- **CONSUMER DISCRETIONARY**
  - Q2 (17.7)
- **INFORMATION TECHNOLOGY**
  - Q2 (47.1)
- **CONSUMER STAPLES**
  - Q2 (4.3)
- **MATERIALS**
  - Q2 (3.2)
- **ENERGY**
  - Q2 (18.3)
- **REAL ESTATE**
  - Q2 (0.1)
- **FINANCIALS**
  - Q2 (32.7)
- **UTILITIES**
  - Q2 (0.3)

Note: Real Estate sector data start Q3-2016.
Source: Standard & Poor’s.
Figure 15.

S&P 500 CUMULATIVE BUYBACKS SINCE Q1-2009 (quarterly, billion dollars)

- **Total (8195.1)**
- **Health Care**
  - Q2: (1010.2)
- **Communication Services**
  - Q2: (492.2)
- **Industrials**
  - Q2: (783.9)
- **Consumer Discretionary**
  - Q2: (1016.1)
- **Information Technology**
  - Q2: (2271.9)
- **Consumer Staples**
  - Q2: (577.0)
- **Materials**
  - Q2: (206.2)
- **Energy**
  - Q2: (417.3)
- **Real Estate**
  - Q2: (19.0)
- **Financials**
  - Q2: (1390.1)
- **Utilities**
  - Q2: (28.7)

Note: Real Estate sector data start Q3-2016.
Source: Standard & Poor’s.
Figure 16.

S&P 500 SECTORS DIVIDENDS (quarterly, billion dollars)

<table>
<thead>
<tr>
<th>Sector</th>
<th>Q3 2023</th>
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<tbody>
<tr>
<td>HEALTH CARE</td>
<td>(20.8)</td>
</tr>
<tr>
<td>COMMUNICATION SERVICES</td>
<td>(7.0)</td>
</tr>
<tr>
<td>CONSUMER DISCRETIONARY</td>
<td>(8.4)</td>
</tr>
<tr>
<td>INFORMATION TECHNOLOGY</td>
<td>(21.4)</td>
</tr>
<tr>
<td>CONSUMER STAPLES</td>
<td>(17.0)</td>
</tr>
<tr>
<td>MATERIALS</td>
<td>(4.7)</td>
</tr>
<tr>
<td>ENERGY</td>
<td>(13.1)</td>
</tr>
<tr>
<td>REAL ESTATE</td>
<td>(7.5)</td>
</tr>
<tr>
<td>FINANCIALS</td>
<td>(22.5)</td>
</tr>
<tr>
<td>UTILITIES</td>
<td>(8.8)</td>
</tr>
</tbody>
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Source: Standard & Poor’s.
Note: Real Estate sector data start Q2-2017.
Source: Standard & Poor's.
S&P 500 Sectors Quarterly Buybacks+Dividends

Figure 18.

Source: Standard & Poor’s.
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