Corporate Finance Briefing: S&P 500 Buybacks & Dividends

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July 31, 2023

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thinking outside the box
## Table Of Contents

<table>
<thead>
<tr>
<th>Topic</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>Buybacks &amp; Dividends</td>
<td>3-6</td>
</tr>
<tr>
<td>Buybacks</td>
<td>7</td>
</tr>
<tr>
<td>S&amp;P 1500/500/400/600 Divisors</td>
<td>8</td>
</tr>
<tr>
<td>Buybacks &amp; Dividends</td>
<td>9</td>
</tr>
<tr>
<td>Buybacks &amp; Dividends as % of Operating Earnings</td>
<td>10</td>
</tr>
<tr>
<td>S&amp;P 500 Sectors Quarterly Buybacks</td>
<td>11</td>
</tr>
<tr>
<td>S&amp;P 500 Sectors Cumulative Buybacks Since Q1-2009</td>
<td>12</td>
</tr>
<tr>
<td>S&amp;P 500 Sectors Quarterly Dividends</td>
<td>13</td>
</tr>
<tr>
<td>S&amp;P 500 Sectors Four Quarter Buybacks</td>
<td>14</td>
</tr>
<tr>
<td>S&amp;P 500 Sectors Quarterly Buybacks+Dividends</td>
<td>15</td>
</tr>
</tbody>
</table>
Figure 1.

S&P 500 BUYBACKS
(billion dollars, annualized)

- Actual x 4 (862.1)
- 4-Quarter Sum (857.2)

Source: Standard & Poor’s.

Figure 2.

S&P 500 DIVIDENDS
(billion dollars, annualized)

- Actual x 4 (572.2)
- 4-Quarter Sum (575.0)

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)

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* (1429.3)
- Buybacks* (857.2)
- Dividends* (575.0)

*4-quarter sum.
Source: Standard & Poor’s.
Figure 8.

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

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)
  - (1429.34)

Yield (%)

- **Buybacks (2.50)**
- **Dividends (1.55)**
- **Buybacks + Dividends (4.16)**

Source: Standard & Poor's.

**Figure 11.**

S&P 500 BUYBACKS

- (billion dollars, quarterly)

Buybacks as a % of S&P 500 Market Cap (0.63)

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

- Buybacks (857.2)
- Operating Earnings (1678.6)
- Dividends (575.0)
- Buybacks + Dividends (1429.3)

Buybacks + Dividends as percent of Operating Earnings (85.2)

Capped at 150% due to extreme values.

Source: Standard & Poor’s.

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

- Buybacks (782.7)
- Operating Earnings (1464.3)
- Dividends (507.3)
- Buybacks + Dividends (1289.9)

Buybacks + Dividends as percent of Operating Earnings (88.1)

Capped at 150% due to extreme values.

Source: Standard & Poor’s.
Figure 14.

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

- Total (215.5)
- Health Care (23.2)
- Communication Services (35.8)
- Industrials (14.2)
- Consumer Discretionary (18.3)
- Information Technology (45.9)
- Consumer Staples (6.3)
- Materials (3.8)
- Energy (19.3)
- Real Estate (0.5)
- Financials (46.9)
- Utilities (1.3)

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

S&P 500 Sectors Cumulative Buybacks Since Q1-2009

- **S&P 500 CUMULATIVE BUYBACKS SINCE Q1-2009 (quarterly, billion dollars)**
  - Total: 8020.2

- **HEALTH CARE**
  - Q1: 996.8

- **COMMUNICATION SERVICES**
  - Q1: 466.8

- **INDUSTRIALS**
  - Q1: 771.3

- **CONSUMER DISCRETIONARY**
  - Q1: 998.4

- **INFORMATION TECHNOLOGY**
  - Q1: 2224.8

- **CONSUMER STAPLES**
  - Q1: 572.7

- **MATERIALS**
  - Q1: 203.0

- **ENERGY**
  - Q1: 399.1

- **REAL ESTATE**
  - Q1: 18.9

- **FINANCIALS**
  - Q1: 1357.4

- **UTILITIES**
  - Q1: 28.4

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

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

HEALTH CARE

Q1
(21.1)

COMMUNICATION SERVICES

Q1
(6.4)

INDUSTRIALS

Q1
(12.6)

CONSUMER DISCRETIONARY

Q1
(10.8)

INFORMATION TECHNOLOGY

Q1
(22.0)

CONSUMER STAPLES

Q1
(16.0)

MATERIALS

Q1
(4.7)

ENERGY

Q1
(15.7)

REAL ESTATE

Q1
(7.9)

FINANCIALS

Q1
(24.9)

UTILITIES

Q1
(8.0)

Source: Standard & Poor’s.
Figure 17.

Note: Real Estate sector data start Q2-2017.
Source: Standard & Poor's.
Figure 18.

Source: Standard & Poor’s.