

JULY U.S. DIVIDEND UPDATE IN CHARTS

Matt Wagner — Associate Director, Research
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S&P 500 dividends grew 1% in the first seven months of the year compared to the same period in 2020 and 6% compared to 2019.

The Federal Reserve's (Fed) preferred inflation gauge—the Personal Consumption Expenditures Index—is up less than 5% since mid-2019, meaning dividends have proved a nice inflation hedge in a negative real interest rate environment.

Look at the chart below—in a testament to the stability of dividend payouts, it is impossible to detect that there was one of the most severe recessions in history in the first half of 2020.

S&P 500 Dividend Points Index, as of July 31



Sources: WisdomTree, S&P. The S&P 500 Dividend Points Index tracks the total dividends from constituents of the S&P 500. The index illustrates the opportunity to hedge or take a view on dividends for U.S. stocks, independent of price movement. The index resets to zero on an annual basis. Past performance is not indicative of future results. You cannot invest directly in an index.

Among the 20 largest U.S. dividend payers, 11 have increased payouts, none have decreased and nine have kept their payouts unchanged.

The average change in dividends was an increase of 3.2%, with double-digit increases coming from Bank of America (16.67%), followed by Proctor & Gamble and Home Depot at 10% each.

Two notable dividend aristocrats—companies that have grown their dividends for at least 25 consecutive years—have not increased their dividends this year: AT&T and Exxon.

- AT&T has announced plans to slash its dividend by about 50% following its expected spin-off of WarnerMedia in 2022.
- Exxon has not increased its dividend since the spring of 2019. According to FactSet, analysts do not anticipate an increase until 2022 or 2023, putting its dividend aristocrat status in jeopardy.

Top 20 U.S. Dividend Payers

Name	Indicated Dividend per Share (DPS)		Dividend Stream (\$ bn)		Percent Change	
	11/30/20	7/30/21	11/30/20	7/30/21	Since 11/30/20	5-yr DPS Growth
Microsoft Corporation	\$2.24	\$2.24	\$16.94	\$16.94	-	7.54%
AT&T Inc.	\$2.08	\$2.08	\$14.82	\$14.82	-	1.89%
Exxon Mobil Corporation	\$3.48	\$3.48	\$14.71	\$14.71	-	4.23%
Apple Inc.	\$0.82	\$0.88	\$13.94	\$14.96	7.32%	8.37%
JPMorgan Chase & Co.	\$3.60	\$3.60	\$10.97	\$10.97	-	17.20%
Johnson & Johnson	\$4.04	\$4.24	\$10.64	\$11.16	4.95%	5.89%
Verizon Communications Inc.	\$2.51	\$2.51	\$10.39	\$10.39	-	2.10%
Chevron Corporation	\$5.16	\$5.36	\$9.93	\$10.32	3.88%	4.74%
AbbVie, Inc.	\$5.20	\$5.20	\$9.18	\$9.18	-	18.56%
Pfizer Inc.	\$1.52	\$1.56	\$8.45	\$8.67	2.63%	5.88%
Procter & Gamble Company	\$3.16	\$3.48	\$7.84	\$8.63	10.00%	4.54%
Philip Morris International Inc.	\$4.80	\$4.80	\$7.48	\$7.48	-	3.70%
Coca-Cola Company	\$1.64	\$1.68	\$7.05	\$7.22	2.44%	3.91%
Merck & Co., Inc.	\$2.60	\$2.60	\$6.58	\$6.58	-	7.78%
Home Depot, Inc.	\$6.00	\$6.60	\$6.46	\$7.11	10.00%	19.10%
Altria Group Inc	\$3.44	\$3.44	\$6.39	\$6.39	-	9.75%
Bank of America Corp	\$0.72	\$0.84	\$6.23	\$7.27	16.67%	23.63%
Walmart Inc.	\$2.16	\$2.20	\$6.12	\$6.23	1.85%	1.92%
Cisco Systems, Inc.	\$1.44	\$1.48	\$6.08	\$6.25	2.78%	9.10%
International Business Machines Corporation	\$6.52	\$6.56	\$5.81	\$5.85	0.61%	4.17%

Sources: WisdomTree, FactSet, MSCI. Top 20 dividend payers from the S&P 500, as of 11/30/20, the annual screening date for the WisdomTree U.S. Dividend Index.

Dividend Stream represents the indicated dividend per share times shares outstanding. Shares outstanding for each company held constant as of 11/30/20. 5-yr DPS

Growth as reported by MSCI as of each company's latest fiscal year-end filing. Past performance is not indicative of future results. You cannot invest directly in an index.

After the big banks were restricted on payouts in 2020, five of the six biggest dividend increases from a cash payout perspective have come from Financials—a total of over \$7 billion in increased payouts.

Top 10 Dividend Increases

Name	Sector	Indicated Dividend			Dividend Stream (\$ bn)		
		11/30/20	7/30/21	% Change	11/30/20	7/30/21	\$ Change
Morgan Stanley	Financials	\$1.40	\$2.80	100%	\$2.53	\$5.14	\$2.60
Wells Fargo & Co.	Financials	\$0.40	\$0.80	100%	\$1.65	\$3.29	\$1.63
Cigna Corporation	Health Care	\$0.04	\$4.00	9900%	\$0.01	\$1.37	\$1.36
Goldman Sachs Group	Financials	\$5.00	\$8.00	60%	\$1.72	\$2.72	\$1.00
Bank of America Corp	Financials	\$0.72	\$0.84	17%	\$6.23	\$7.13	\$0.90
Capital One Financial Corp.	Financials	\$0.40	\$2.40	500%	\$0.18	\$1.08	\$0.90
UnitedHealth Group Inc.	Health Care	\$5.00	\$5.80	16%	\$4.74	\$5.47	\$0.73
Oracle Corporation	Info. Tech.	\$0.96	\$1.28	33%	\$2.89	\$3.57	\$0.68
Procter & Gamble Co.	Cons. Staples	\$3.16	\$3.48	10%	\$7.84	\$8.52	\$0.68
Broadcom Inc.	Info. Tech.	\$13.00	\$14.40	11%	\$5.26	\$5.91	\$0.65

Sources: WisdomTree, FactSet. Top 10 dividend increases from the S&P 500 Index. 11/30/2020 represents the annual screening date for the WisdomTree

U.S. Dividend Index. Dividend Stream represents the indicated dividend per share times shares outstanding. Past performance is not indicative of future

At WisdomTree, we have eight domestic dividend Indexes representing different styles of the U.S. dividend market and tracked by corresponding ETFs.

Style	WisdomTree U.S. Index	Index Ticker	Index Inception Date	Related WisdomTree ETF
Broad Dividends	Dividend	WTDI	6/1/2006	U.S. Dividend (DTD)
	LargeCap Dividend	WTLDI	6/1/2006	U.S. LargeCap Dividend (DLN)
	MidCap Dividend	WTMDI	6/1/2006	U.S. MidCap Dividend (DON)
	SmallCap Dividend	WTSDI	6/1/2006	U.S. SmallCap Dividend (DES)
Quality Dividends	Quality Dividend Growth	WTDGI	4/12/2013	U.S. Quality Dividend Growth (DGRW)
	SmallCap Quality Dividend Growth	WTS DG	4/12/2013	U.S. SmallCap Quality Dividend Growth (DGRS)
High Dividends	High Dividend	WTHYE	6/1/2006	U.S. High Dividend (DHS)
	Dividend ex-Financials	WTDXF	5/1/2009	U.S. Dividend ex-Financials (DTN)

Of the 1,200 companies in the broad-market [WisdomTree U.S. Dividend Index](#), 56% have grown their dividends this year and 44% have left them unchanged. On an aggregate basis, the annualized dollar amount paid by companies in the Index has grown by 6.3% this year.

The Index with the greatest percentage increase was the [WisdomTree U.S. Quality Dividend Growth Index](#), which grew its dividend 7.1%, driven by growth from big Health Care/Information Technology payers.

WisdomTree Dividend Indexes

% Dividend Stream Changes Summary								
Div Policy	WTDI	WTLDI	WTMDI	WTS DI	WTDGI	WTS DG	WTHYE	WTDXF
Suspended	-0.1%	-0.1%	0.0%	-0.1%	-0.2%	-0.2%	0.0%	0.0%
Cutter	-0.1%	-0.1%	-0.5%	-0.6%	0.0%	0.0%	-0.4%	-0.1%
Grower	6.5%	6.5%	6.2%	7.1%	7.2%	6.7%	2.1%	3.2%
Total	6.3%	6.4%	5.8%	6.4%	7.1%	6.7%	1.8%	3.1%

Sources: WisdomTree, FactSet, as of 7/30/21. You cannot invest directly in an index. Past performance is not indicative of future results. WTDI = WisdomTree U.S. Dividend Index; WTLDI = WisdomTree U.S. LargeCap Dividend Index; WTMDI = WisdomTree U.S. MidCap Dividend Index; WTS DI = WisdomTree U.S. SmallCap Dividend Index; WTDGI = WisdomTree U.S. Dividend Growth Index; WTS DG = WisdomTree U.S. SmallCap Dividend Growth Index; WTHYE = WisdomTree U.S. High Dividend Index; WTDXF = WisdomTree U.S. Dividend ex-Financials Index. % Dividend Stream Changes Summary: the percentage changes to the dividend stream driven by respective actions.

Within the WisdomTree U.S. Dividend Index, the sector with the greatest dividend growth this year is Consumer Discretionary (10.2%) and the sector with the lowest dividend growth is Energy (0.70%).

Consumer Discretionary companies have rebounded from a [challenging 2020 environment](#) in which consumers slashed discretionary spending. While rebounding oil prices have been a boon for Energy dividends, many Energy names were excluded at WisdomTree's December rebalance due to [composite risk screens](#) and/or cancelled dividends in 2020.

WisdomTree U.S. Dividend Index (WTDI)

WTDI Dividend Stream Growth Rate	
Sector	7/30/21
Communication Services	1.58%
Consumer Discretionary	10.15%
Consumer Staples	4.46%
Energy	0.70%
Financials	12.08%
Health Care	8.42%
Industrials	6.30%
Information Technology	4.38%
Materials	8.74%
Real Estate	3.19%
Utilities	2.64%
Total	6.35%

Sources: WisdomTree, FactSet, as of 7/30/21. 11/30/20 used as the start date based on Index screening data for the WisdomTree U.S. Dividend Index. You cannot invest directly in an index. Past performance is not indicative of future results. WTDI = WisdomTree U.S. Dividend Index. Weights subject to change.

Through July of this year, the top quintile of highest-dividend payers has handily outperformed the lowest quintile and the Zero Dividend Yield category in the respective large-, mid- and small-cap indexes.

Year-to-Date Index Dividend Yield Quintiles

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In a world of negative real yields in Treasuries, dividends can represent an increasingly attractive income replacement solution for yield-starved investors.

Indicated Dividend Yield



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