

Cash, Flowing.

(Or, the wonder of dividends.)

ONE DAY
IN JULY

Dividends of the S&P 500

Investing is the art of buying future cash flows. The cash that you receive as an owner of shares is called a dividend. Dividends have exhibited more stability than stock prices.

This chart shows the per-share dividends, by year, of the S&P 500. The S&P 500 comprises 500 of America's largest public corporations.



1960	\$1.98
1961	\$2.04
1962	\$2.15
1963	\$2.35
1964	\$2.58
1965	\$2.83
1966	\$2.88
1967	\$2.98
1968	\$3.04
1969	\$3.24
1970	\$3.19
1971	\$3.16
1972	\$3.19
1973	\$3.61
1974	\$3.72
1975	\$3.73
1976	\$4.22
1977	\$4.86
1978	\$5.18
1979	\$5.97
1980	\$6.44
1981	\$6.83
1982	\$6.93
1983	\$7.12
1984	\$7.83
1985	\$8.20
1986	\$8.19
1987	\$9.17
1988	\$9.75
1989	\$11.06
1990	\$12.09
1991	\$12.20
1992	\$12.39
1993	\$12.58
1994	\$13.17
1995	\$13.79
1996	\$14.90
1997	\$15.50
1998	\$16.20
1999	\$16.69
2000	\$16.07
2001	\$15.74
2002	\$15.96
2003	\$17.88
2004	\$19.01
2005	\$22.34
2006	\$25.04
2007	\$28.14
2008	\$28.45
2009	\$21.97
2010	\$22.65
2011	\$26.53
2012	\$31.25
2013	\$34.90
2014	\$39.55
2015	\$43.41
2016	\$45.70
2017	\$48.93
2018	\$53.61
2019	\$58.80
2020	\$56.70
2021	\$59.20
2022	\$68.34

During the past 63 years, dividends increased in 56 years and fell in 7 years.

The per share dividend for 2022 is an estimate.

Source: Professor Aswath Damodaran, NYU Stern School of Business, 1960-2022.
Source: John Bogle Financial Markets Resource Center. The Bogle example covers a long period of time, more than the average investing lifetime. It is meant to illustrate the importance of dividends.

The importance of receiving maximum dividends cannot be overstated. John Bogle, the founder of Vanguard, gave a speech to a financial regulatory body in 2007, demonstrating that 95% (yes, you read that right: 95%) of the compound long-term return of the S&P 500 from 1926 to 2007 was due to dividend income. \$10,000 invested in 1926 without dividends was worth \$1,225,321 in 2007, but with dividends reinvested it was worth a stunning \$34,094,516.

“Do you know the only thing that gives me pleasure?” once mused John D. Rockefeller. “It’s to see my dividends coming in.”

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