

Cash, Flowing

(Or, the wonder of dividends.)

ONE DAY
IN JULY

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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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.

■ = Year where dividend per share increased.
 ■ = Year where dividend per share decreased.

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	
2023	\$70.30	
2024	\$74.83	
2025	\$78.92	

During the past 66 years, dividends increased in 59 years and fell in 7 years.

Sources:
 Data for 1960-2023: Prof. Aswath Damodaran, NYU Stern School of Business, 12.31.2025
 Data for 2024 and 2025: S&P Dow Jones Indices, "S&P 500 Earnings and Estimate Report," 12.31.2025
 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.