

2020 Q1 Cash returned to shareholders

XBRL Element: PaymentsOfDividend, PaymentsOfDividendsCommonStock, PaymentsOfOrdinaryDividends, PaymentsForRepurchaseOfCommonStock

As At June 26, 2020

Introduction

There is a plan to force financial institutions to stop dividends and share buybacks as part of ensuring liquidity. I would have thought that given all the Fed funds that have been made available, this wouldn't be necessary, but here we are. So how much cash are we talking about?

Board's often treat dividends as sacred and avoid any thoughts of cuts, while buybacks are often a great way to use corporate cash to boost personal options holdings. And they are the most adjustable use of cash, as there are rarely any promises on how much to spend.

The method

We are pulling data for the most recent quarter (99 days long or less), and for quarters ending after January 30, 2020. For companies publishing six and nine months cash flow only, their numbers were ignored.

Overall

500 companies returned a quarter of a trillion dollars to shareholders in the first quarter of the year. 56% of the funds were transferred via shareholder buybacks, the method that best assists increasing the stock price and making options more valuable.

The individual highlights

Between New Years day and March 31, Microsoft handed out \$3.9 billion in dividends and bought back \$7.1 billion in stock, when their stock price moved between \$132 and \$190. It's interesting to note that even with \$7.1 billion, that is not enough to manipulate the stock price during panic buying and selling, as that amount was often not even a full day's trading value.

The financial sector stood out with four of the top ten companies. Part of this would be because they are some of the largest companies, and part because they are some of the most mature industries.

The sectors

The financial sector parted ways with \$63 billion in the latest quarter, spread out over its 66 companies. \$41 billion was in the form of buybacks. Only two companies did not have data for the latest quarter buybacks, showing a very high participation rate.

At the other end, the 28 Materials companies returned a paltry \$5.7 billion to shareholders. Real Estate and Utilities also show up on the stingy end of the list.

GICSSector	Dividends	Buybacks	Total
Communication Services Total	\$7,945,700,000	\$18,052,000,000	\$25,997,700,000
Consumer Discretionary Total	\$8,289,478,000	\$12,731,088,000	\$21,020,566,000
Consumer Staples Total	\$8,700,603,000	\$3,404,286,000	\$12,104,889,000
Energy Total	\$11,835,790,000	\$3,881,717,000	\$15,717,507,000
Financials Total	\$22,161,395,000	\$40,983,749,000	\$63,145,144,000
Health Care Total	\$15,170,839,000	\$19,100,688,000	\$34,271,527,000
Industrials Total	\$11,373,169,000	\$17,569,025,000	\$28,942,194,000
Information Technology Total	\$12,392,546,000	\$22,813,529,000	\$35,206,075,000
Materials Total	\$2,561,060,000	\$3,180,831,000	\$5,741,891,000
Real Estate Total	\$6,049,642,000	\$1,133,479,000	\$7,183,121,000
Utilities Total	\$6,993,628,000	\$97,400,000	\$7,091,028,000
Grand Total	\$113,473,850,000	\$142,947,792,000	\$256,421,642,000