S&P 500 DIPs review

2025 Bull-Bear scenarios

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The Take

– S&P 500 Dividend Index Points are forecast to increase by 5.26% in 2025, maintaining a 10-year compound annual growth rate of above 6%.

– US market dividend growth continues to be driven by dividend initiations and reinstatements in the growing sectors, along with a gradual increase in value sectors.

– The total points under amount and timing risks has increased in 2025, with the number of companies facing a low-amount risk rising by 11 to a total of 49 constituents.

– Mergers and acquisitions' inevitable impact on S&P 500 Dividend Index Points estimates.

– The Bear and Bull dividend scenarios for the largest constituents.

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S&P Global Market Intelligence Dividend Forecasting serves top-tier financial institutions with their investment decision-making and risk management by providing timely data, insights and commentary on dividend forecasts. Powered by a global team of 40 dividend analysts closely maintaining precise forecasts on the size and timing of payments based on bottom-up fundamental research and a proprietary advanced analytics model, our dataset incorporates the latest company news and market developments. We pride ourselves in an unmatched coverage that spans over 28,000+ stocks across the globe and our analysts are always available to engage in discussion and address users' queries.

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S&P 500 Dividend Points Index (annual) performance

In 2025, we account for 408 securities of S&P 500 constituents that will pay dividends. Almost 350 companies are expected to increase dividends in the next four quarters. These increases are expected to result in about 6% year-over-year total dividend growth. Overall, we see upside potential to our Dividend Index Points (DIPs) forecast, as discussed in our webinar with CME Group Inc. in November 2024 (on-demand link). For instance, the initiation and reinstatement momentum may not be over: in the first quarter of 2025, Expedia Group Inc. and Regeneron Pharmaceuticals Inc. have announced dividend reinstatements that were forecast in our initiation series reports.

S&P 500 Dividend Points Index evolution
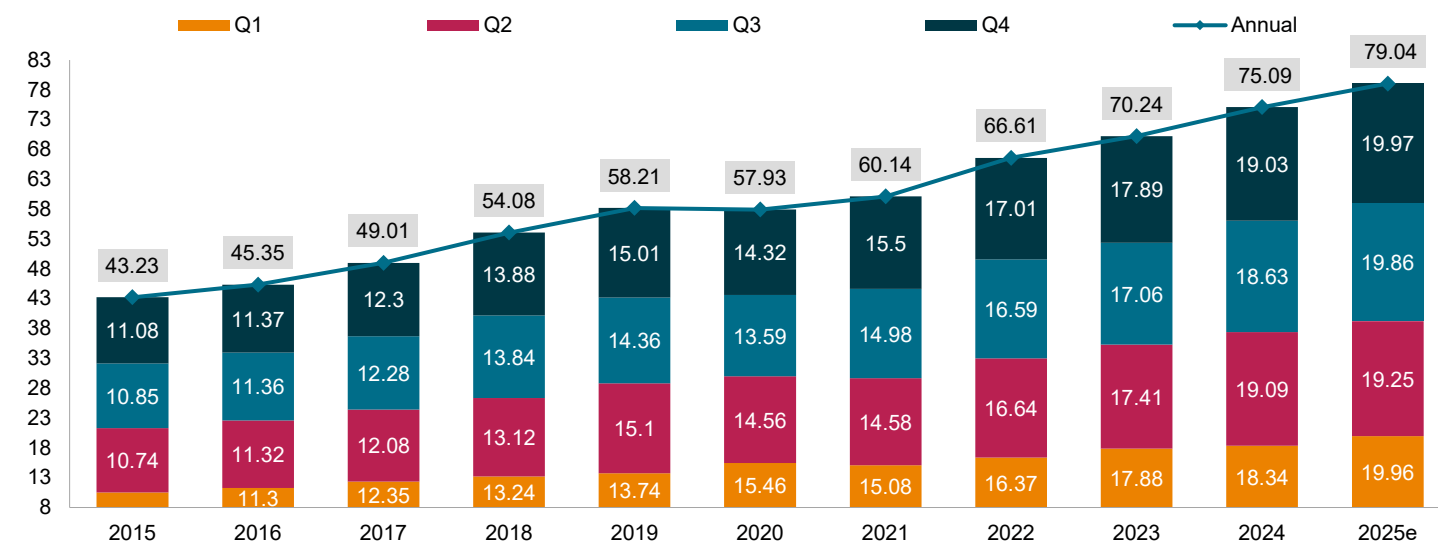


Data compiled Feb. 4, 2025.
e = estimated.
Source: S&P Global Market Intelligence.
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In the US market, aggregated dividends are forecast to grow by 4.6% in 2025. As S&P 500 constituents pay about 85% of total dividends, the index is a reliable proxy for the market dividend outlook, especially through the lens of DIPs. The annual S&P 500 DIPs increased **by 6.9% in 2024** and is estimated to grow **by 5.26% in 2025**, resulting in a compound annual growth rate (CAGR) of **6.2%** (4.3 basis points lower than in 2024).

As provided in last year's S&P 500 report publication from March 2024, the Dividend Forecasting team estimated annual index points at 74.2 for the December 2024 expiry, while the market contracts were at 73.4. US market dividend growth accelerated significantly in 2024 due to record-high dividend initiations and reinstatements, primarily driven by the technology, media and telecommunications (TMT) sector. At the same time, value-oriented sectors such as energy and banks continued to increase payouts, reserving their place as the largest dividend-paying sectors. As a result, annual DIPs increased to 75.09.

DIPs forecast comparison for 2024e–25e
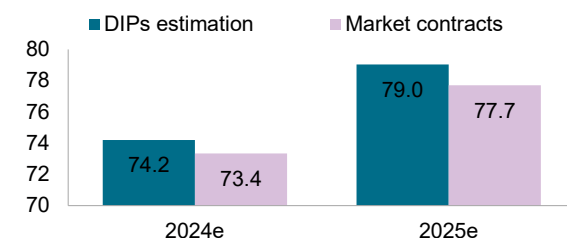
As of Feb. 4, 2025.
DIPs = Dividend Index Points; e = estimated.
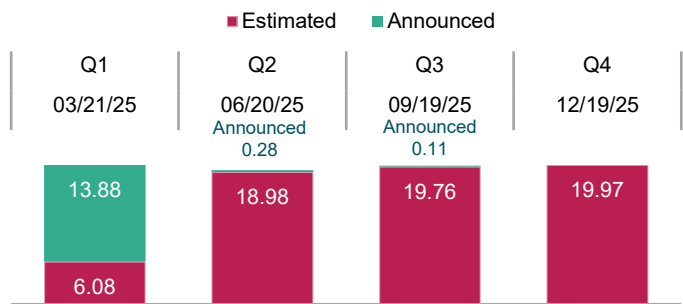Source: S&P Global Market Intelligence.
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DIPs 2025 forecast: Annual expiry

As of Feb. 7, 14% of annual DIPs has already been announced. This amount includes The Walt Disney Co.'s dividend declarations scheduled for third-quarter 2025 expiry.

For 2025, we expect about 350 S&P 500 constituents to increase their regular dividends or pay special dividends. This forecast drives up the **median forward dividend per share (DPS) by 6.5% to US$2.36** compared with the trailing DPS. The information technology sector is the largest contributor to DIPs, accounting for 15% of annual DIPs, driven by 37 dividend-paying companies out of a total of 62 constituents. The dominance of DIPs by this sector is not surprising, as the top three companies that also pay dividends — Apple Inc., Microsoft Corp. and Nvidia Corp. — followed by Broadcom Inc. — collectively account for 20% of the index weights. Meanwhile, in the second-largest sector by DIPs, healthcare, 35 out of 39 constituents pay dividends, accounting for 12.3% of annual DIPs. In contrast to the technology sector, the four largest dividend-paying constituents in healthcare are outside the top 20 by index weights, accumulating collectively only 2.17% of the weights within the index. Nevertheless, within healthcare, Johnson & Johnson, AbbVie Inc., Pfizer Inc. and Merck & Co. Inc. are among the top 20 by DIPs weight.

S&P 500 DIPs quarter expiries

As of Feb. 4, 2025.
DIPs = Dividend Index Points.
Source: S&P Global Market Intelligence.
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Dividend Index Points distribution by sectors
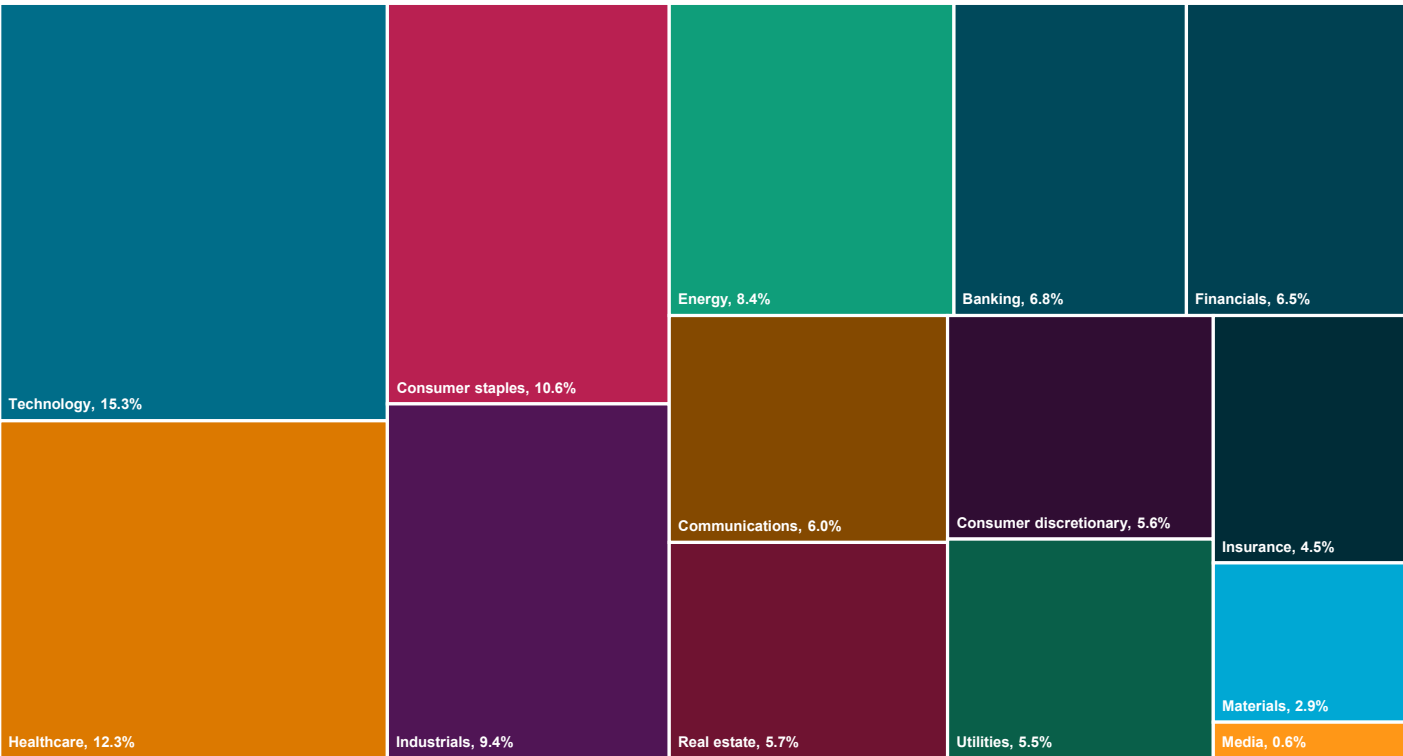
Data compiled Feb. 4, 2025.

Companies are classified by main sectors based on the Global Industry Classification Standard (GICS).

Source: S&P Global Market Intelligence.

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Top 20 S&P 500 constituents by weight

Security name	Index weight	DIPs weight	DIPs
Apple Inc.	6.8%	2.3%	1.839
Microsoft Corp.	6.0%	3.8%	2.994
Nvidia Corp.	5.6%	0.1%	0.116
Amazon.com Inc.	4.4%		-
Meta Platforms Inc.	3.0%	0.7%	0.566
Alphabet Inc.	2.3%	0.8%	0.614
Tesla Inc.	2.1%		-
Broadcom Inc.	2.0%	1.6%	1.302
Alphabet Inc.	1.9%	0.6%	0.500
Berkshire Hathway Inc.	1.7%		-
JPMorgan Chase & Co.	1.5%	2.2%	1.729
Eli Lilly & Co.	1.3%	0.7%	0.558
Visa Inc.	1.2%	0.6%	0.500
UnitedHealth Group Inc.	1.0%	1.3%	0.994
ExxonMobil Corp.	0.9%	2.6%	2.076
Mastercard Inc.	0.9%	0.4%	0.294
Costco Wholesale Corp.	0.9%	0.3%	0.262
Walmart Inc.	0.9%	0.6%	0.461
Netflix Inc.	0.8%		-
The Home Depot Inc.	0.8%	1.4%	1.126

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points.
The highlighted names in the right-side table are the companies that are present in the left-side table.
Source: S&P Global Market Intelligence.
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Top 20 S&P 500 constituents by DIPs weight

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Apple Inc.	6.8%	2.3%	1.839
JPMorgan Chase & Co.	1.5%	2.2%	1.729
Johnson & Johnson	0.7%	1.9%	1.470
AbbVie Inc.	0.7%	1.7%	1.369
Verizon Communications Inc.	0.3%	1.7%	1.353
Chevron Corp.	0.5%	1.7%	1.350
Broadcom Inc.	2.0%	1.6%	1.302
The Procter & Gamble Co.	0.8%	1.5%	1.174
Pfizer Inc.	0.3%	1.5%	1.151
The Home Depot Inc.	0.8%	1.4%	1.126
Philip Morris International Inc.	0.4%	1.3%	0.995
UnitedHealth Group Inc.	1.0%	1.3%	0.994
Merck & Co. Inc.	0.5%	1.2%	0.980
AT&T Inc.	0.3%	1.2%	0.940
The Coca-Cola Co.	0.5%	1.2%	0.934
PepsiCo Inc.	0.4%	1.2%	0.912
Bank of America Corp.	0.6%	1.1%	0.851
Altria Group Inc.	0.2%	1.0%	0.825

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points.
The highlighted names in the right-side table are the companies that are present in the left-side table.
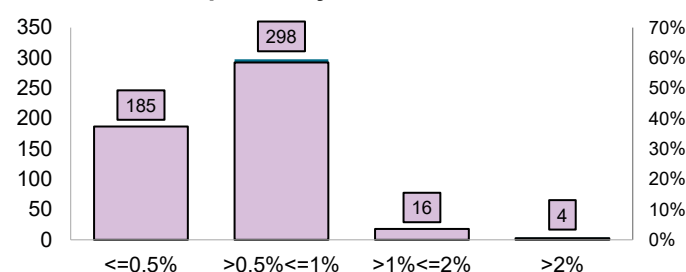Source: S&P Global Market Intelligence.
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Microsoft (MSFT), ExxonMobil Corp. (XOM) and Apple (AAPL) continue to rank as the top three largest contributors to DIPs. In contrast to the first quarter of 2024, JPMorgan Chase & Co. has joined the ranks of companies contributing 2% or more to the total DIPs in 2025.

Collectively, **the top 20 companies by DIPs weight account for 33% of the estimated annual expiry, which is projected to be 79.06.** Out of these companies, 10 are expected to increase their DPS in the second half of 2025, while another 10 are projected to do so in the first half. Most of these companies are anticipated to raise their dividends once, but **JPMorgan is expected to increase its DPS twice.** On the other hand, **AT&T Inc. is not expected to raise its dividend in 2025.**

Number of companies by DIPs contribution
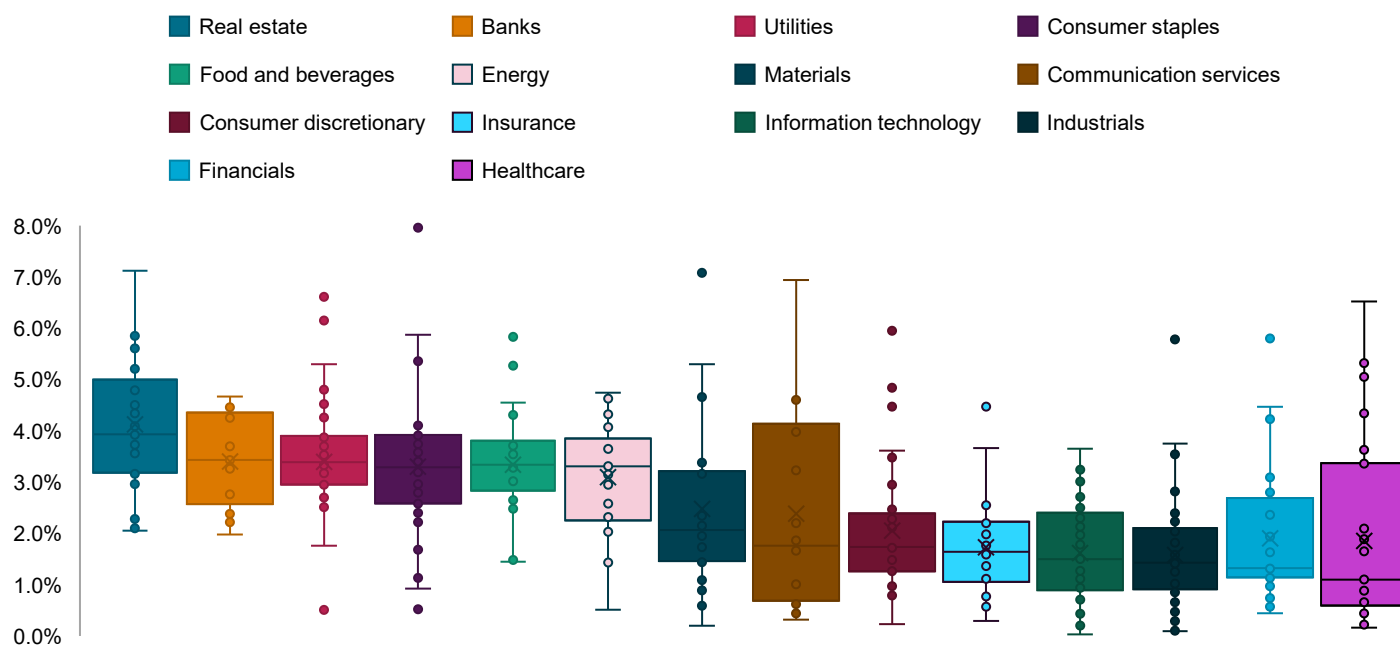

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points.
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Because the index is weighted, a significant portion of risk to annual expiries is presented by the top 20 companies, which are listed in the top two tables. In 2025, greater uncertainty is associated with dividend growth rather than dividend sustainability. For example, **Nvidia**, one of the most valuable global companies, has not demonstrated a consistent dividend growth pattern and may deliver a one-time hike in dividends. New dividend-paying companies such as **Meta Platforms Inc.** and **Alphabet Inc.** have yet to establish a consistent dividend growth pattern in terms of timing and magnitude of increases. Both companies are among the top 10 by weight, as indicated in the left table; however, they are not among the top 20 by DIPs size. If these companies decide to increase dividends at a higher rate than expected, it could significantly impact the annual DIPs size. **To provide our clients with potential downgraded and upgraded scenarios (to which we lean more), we have published a three-case scenario that is available [here](#)** . As constituents are expected to increase their payouts and the median forward DPS rises, the median forward yield also increases. The index's weighted average yield hovers at around 1.3%, with a trailing yield of 1.26% and a forward yield of 1.32%. The median forward yield of S&P 500 dividend-paying companies increased to 2.26%, 0.13% higher than the trailing yield. The top three high-yield sectors remain consistent, with real estate leading at a forward median yield of 3.9%, followed by utilities at 3.4% and energy at 3.3%. Conversely, the media sector occupies the lowest position in terms of forward yield, recorded at 0.63%, which remains unchanged from the trailing yield.

Forward yield dynamic by sector

Data compiled Feb. 4, 2025.

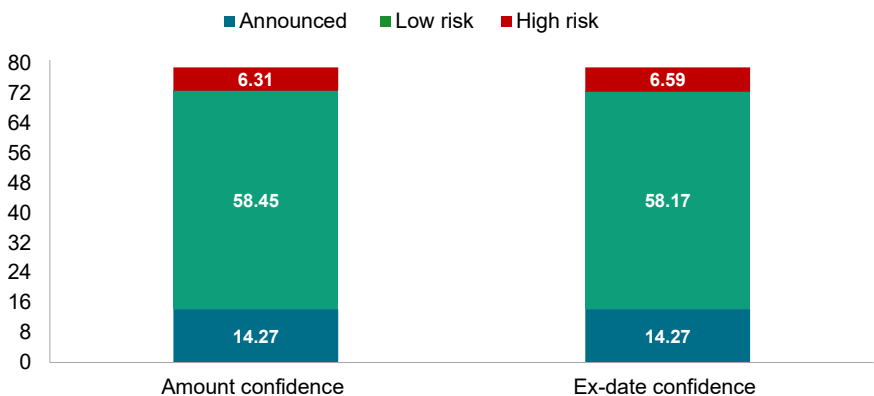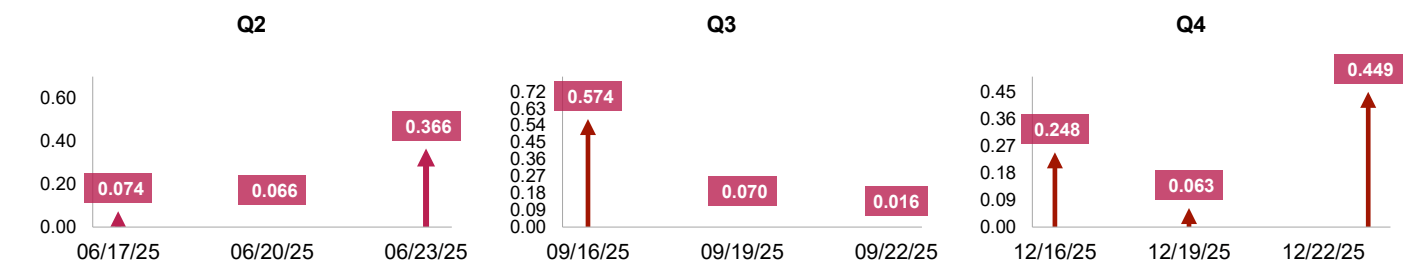Source: S&P Global Market Intelligence.

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Lastly, the largest market uncertainty in the second half of 2024 and the beginning of 2025 is centered on technology companies that dominate the S&P 500 index. If weights rebalance, this action changes the weights of the constituents that in turn change the amount of the dividend for a given index. **This risk is captured by our enhanced product T+DIPs** that accounts for announced index rebalances and corporate actions. The next rebalancing is expected in March 2025. Additionally, we will be updating our view and forecast change in the upcoming quarterly DIPs report. A further potential impact on the current annual forecast of DIPs comes from the uncertainty around M&A that will inevitably delete and add companies that in turn will affect the size of the current forecast (see the "Risky amounts due to pending M&A deals" table below).

Understanding dividend forecast flags: Risks identification

Based on the Dividend Forecasting team's independent confidence metrics — sustainability score, amount confidence rank and ex-date confidence rank — 8% of dividend amounts are under high risk and 8.3% of dividends imply timing risks. Assessing this metric, our customers can distinguish between high-conviction forecasts and those that are perceived as most at risk of surprise. Amount confidence reflects the confidence we have in a specific dividend amount forecast. It is determined by the analyst who covers the stock by combining a range of fundamental, market and qualitative factors.

DIPs' confidence level breakdown

Legend: ■ Announced ■ Low risk ■ High risk

	Amount confidence	Ex-date confidence
High risk	6.31	6.59
Low risk	58.45	58.17
Announced	14.27	14.27

Data compiled Feb. 3, 2025.
DIPs = Dividend Index Points.
Source: S&P Global Market Intelligence.
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Risky ex-dates breakdowns by quarter expiry

In 2025, risks around expiries have doubled, mostly due to new dividend-paying companies within the index. This year, 11 companies versus five in 2024 bear a low confidence in record dates. A total of 6.59 DIPs has a high risk or low confidence in the ex-date pattern falling on dates around expiries.

Risky points near expiry date for S&P 500 Dividend Points Index contracts

Q2: 06/17/25 — 0.074; 06/20/25 — 0.066; 06/23/25 — 0.366
Q3: 09/16/25 — 0.574; 09/19/25 — 0.070; 09/22/25 — 0.016
Q4: 12/16/25 — 0.248; 12/19/25 — 0.063; 12/22/25 — 0.449

Data compiled Feb. 4, 2025.
Source: S&P Global Market Intelligence.
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Q2 expiry risky ex-dates

Ticker	XDD	DPS ($)	DIPs
VICI	06/18/25	0.433	0.05
HPE	06/18/25	0.130	0.02
CB	06/20/25	0.940	0.04
RCL	06/20/25	0.550	0.02
GEV	06/20/25	0.250	0.01
AVGO	06/23/25	0.590	0.33
CARR	06/23/25	0.225	0.02
STX	06/23/25	0.720	0.02

Data compiled Feb. 4, 2025.
XDD = estimated ex-date; DPS = dividend per share; DIPs = Dividend Index Points.
Source: S&P Global Market Intelligence.
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The June 20, 2025, expiry date is estimated to accumulate 19.34 points. A total of **0.44 points** that comes from eight companies is estimated to fall around that Friday with a low confidence. **Royal Caribbean Cruises Ltd.** and **GE Vernova Inc.** have a low confidence due to recent dividend initiations and reinstatements and have not yet established a reliable pattern of the record date. The rest of the companies imply timing risks due to either record date pattern changes or persistent inconsistency in historical record dates set up.

Q3 expiry risky ex-dates

Ticker	XDD	DPS ($)	DIPs
META	09/16/25	0.550	0.14
VICI	09/17/25	0.450	0.06
AVGO	09/18/25	0.590	0.33
CRM	09/18/25	0.450	0.05
CB	09/19/25	0.940	0.04
HPE	09/19/25	0.130	0.02
GEV	09/19/25	0.250	0.01
RCL	09/22/25	0.550	0.02

Data compiled Feb. 4, 2025.
XDD = estimated ex-date; DPS = dividend per share; DIPs = Dividend Index Points.
Source: S&P Global Market Intelligence.
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The Sept. 19, 2025, expiry date is estimated to accumulate **19.74 points.** A total **of 0.66 points** that comes from eight companies is estimated to fall around that Friday with a low confidence. Unlike the second quarter of 2025, the third quarter adds **Meta** and **Salesforce Inc.** forecast dividends to fall around expiries. Since these companies initiated dividends in 2024 and there is no specific guidance from their respective managements about record dates, the ex-date forecasts are based on the most recent announcements.

Q4 expiry risky ex-dates

Ticker	XDD	DPS ($)	DIPs
META	12/16/25	0.550	0.14
VICI	12/17/25	0.450	0.06
CRM	12/18/25	0.450	0.05
CB	12/19/25	0.940	0.04
HPE	12/19/25	0.140	0.02
GEV	12/22/25	0.320	0.01
AVGO	12/22/25	0.680	0.37
CARR	12/22/25	0.245	0.02
STX	12/23/25	0.740	0.02

Data compiled Feb. 4, 2025.
XDD = estimated ex-date; DPS = dividend per share; DIPs = Dividend Index Points.
Source: S&P Global Market Intelligence.
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The Dec. 19, 2025, expiry date is estimated to accumulate **19.97 points**, marking at least the 10-year largest quarter DIPs. A total **of 0.74 points** that comes from nine companies is estimated to fall around December's third Friday with a low confidence. In this quarter, along with the repeated-above companies, **Seagate Technology Holdings PLC** should be considered since this company's record date is flagged as low for the December announcements. In the fourth quarter, we expect 74 more companies to increase dividends.

The most increases are expected from industrials and information technology as we estimate that 16 firms and 10 companies, respectively, will increase dividends in the last quarter. Risks to annual DIPs expiry arise not only from amount uncertainty. Five additional companies with a low confidence are forecast to have an ex-date after annual expiry of Dec. 19 and total DIPs of 0.428. **Broadcom implies the highest risk of 0.375 points,** which could result in a 54-basis-point move. We regularly review the earnings and record date patterns, updating our clients on forecast changes or related expectations and actions in our intraday alerts.

Risky DIPs after December expiry
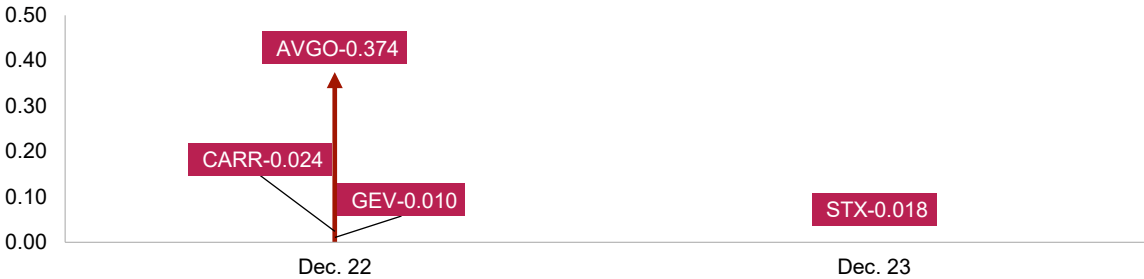
Risky amounts breakdowns

As of Feb. 4, our forecast indicates that out of 1,650 annual announcements, 145 are projected with low confidence, resulting in 6.3 DIPs for the annual expiry. This low confidence pertains to 49 companies, which is 11 more than 2024's 38 companies, accounting for 8% of the annual DIPs. The sectors affected by this low confidence include banking, communications services and industrials. Four companies within the top 20 by index weights — JPMorgan, Alphabet, Meta and Nvidia — collectively account for 50% of the risky points, resulting in an estimated 3.526 points. Meanwhile, the consumer discretionary sector ranks first by the number of announcements that represent a low risk; 29 announcements from eight companies imply uncertainty that results in 0.47 points. We have addressed dividend sustainability in the discretionary sector in a separate special report.

Risky DIPs by sector
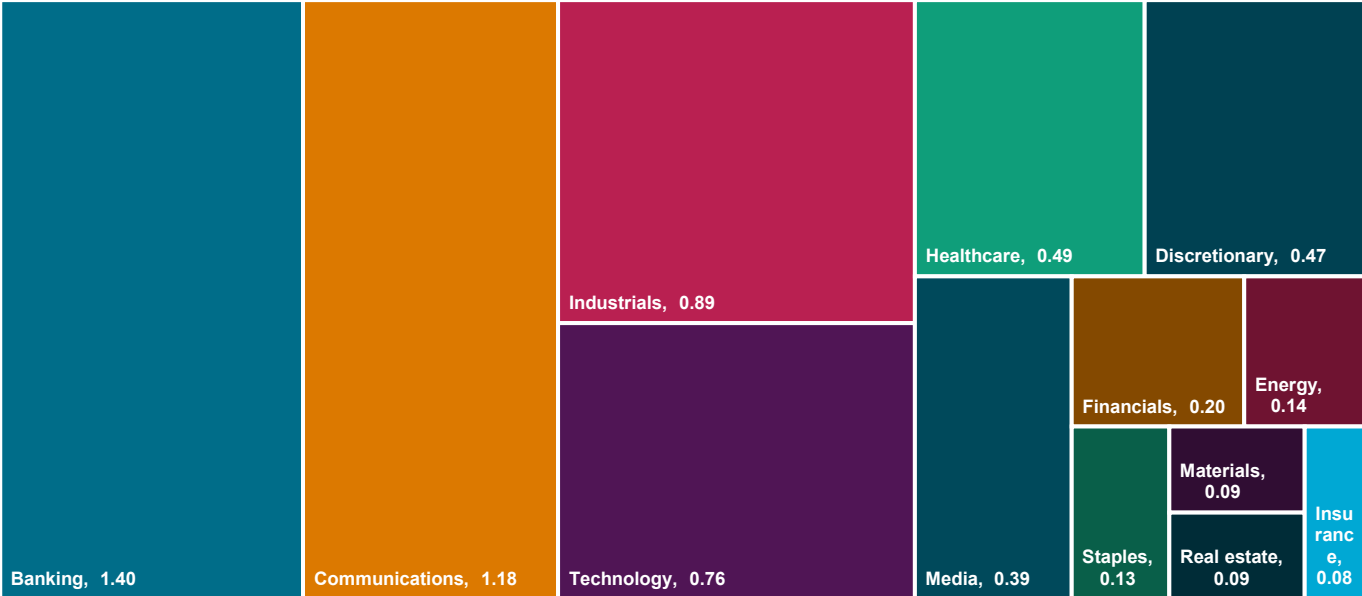
Although banks top the chart for risky DIPs, two companies represent the sector's risky portion: **JPMorgan (JPM)** and **Truist Financial Corp. (TFC)**. JPM reported one of the strongest results in the industry, with a 50% year-over-year increase in net income. However, its dividend increases are inconsistent, lacking a standardized pattern, which lowers our confidence due to the unpredictability in timing and frequency. On the other hand, TFC has maintained a stable dividend since 2022, and despite strong liquidity and earnings, the bank has chosen not to raise it. While we expect a dividend increase in 2025, our confidence is low because TFC may again decide not to increase the DPS. In both cases, we are confident in the sustainability of the dividends, but there is uncertainty around the timing and magnitude of growth. The communications services sector, which is the second largest in terms of risky DIPs, is divided into companies that initiated dividends in 2024, such as Alphabet, and those whose dividends face fundamental concerns, like Paramount Global.

From the full list of low-confidence amounts, nine securities have a low confidence because they either initiated or reinstated their dividends within the last two years.

Risky amounts due to initiations or reinstatements

Ticker	Total DIPs	Low-confidence DIPs	Trailing DPS ($)	Forward DPS ($)
META	0.566	0.566	2.00	2.20
GOOGL	0.614	0.476	0.60	0.89
GOOG	0.500	0.388	0.60	0.89
CRM	0.203	0.203	1.60	1.80
BKNG	0.152	0.152	35.00	39.00
RCL	0.064	0.048	0.95	2.20
URI	0.056	0.042	6.68	7.33
LVS	0.041	0.031	0.85	1.05
WYNN	0.013	0.013	1.00	1.20

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points; DPS = dividend per share.
The table is filtered by the "Low-confidence DIPs" column.
Source: S&P Global Market Intelligence.
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The next list presents companies whose dividend sustainability is undermined due to financial performance or events that might imply the risk leading toward a dividend cut or suspension.

Risky amounts due to fundamentals or specific events

Ticker	Total DIPs	Low-confidence DIPs	Trailing DPS ($)	Forward DPS ($)
TDG	0.266	0.266	75.00	40.00
MMM	0.183	0.183	3.61	2.84
GE	0.182	0.146	1.12	1.52
MCHP	0.116	0.116	1.81	1.83
OMC	0.064	0.064	2.80	2.80
SW	0.100	0.050	1.04	1.72
HAS	0.043	0.043	2.80	2.80
BAX	0.041	0.041	1.04	0.68
IFF	0.036	0.036	1.60	1.60
FANG	0.120	0.036	8.29	5.44
DVN	0.098	0.023	1.45	1.26
COP	0.498	0.015	3.12	3.26
PARA	0.014	0.014	0.20	0.20

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points; DPS = dividend per share.
The table is filtered by the "Low-confidence DIPs" column.
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Energy companies' regular dividends under the tickers COP, DVN and FANG remain sustainable. The high uncertainty implies variable dividends that these companies can consider paying in 2025. Variable dividends in the energy sector make an insignificant impact on the DIPs size. **The fundamental risks for the rest of the companies are addressed in our periodic research series on risky dividends (link).**

Risky amounts due to initiations or reinstatements

Ticker	Total DIPs	Low-confidence DIPs	Trailing DPS ($)	Forward DPS ($)	Expected completion
HES	0.065	0.065	1.88	2.00	Second half of 2025
DFS	0.083	0.062	2.80	2.80	01/01/25–04/30/25
IPG	0.058	0.058	1.32	1.32	07/01/25–12/31/25
K	0.072	0.036	2.26	2.28	01/01/25–06/30/25
JNPR	0.034	0.034	0.88	0.88	01/01/25–04/30/25

Data compiled Feb. 4, 2025.
DIPs = Dividend Index Points; DPS = dividend per share.
The table is filtered by the "Low-confidence DIPs" column.
Source: S&P Global Market Intelligence.
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The five dividend-paying companies with pending M&A deals are expected to be replaced with other companies from the S&P 400 upon deal completion. On the date of this research, a total of **0.256 points** is cumulated by these companies.

Top 29 companies: Bear-Bull scenarios forecast

Top 29 companies: Bear-Bull scenarios forecast

Security name	Ticker	Annual DPS ($)			Annual DIPs		
		Bear	Base	Bull	Bear	Base	Bull
Apple Inc.	AAPL	1.02	1.03	1.06	1.821	1.839	1.892
AbbVie Inc.	ABBV	6.59	6.67	6.76	1.375	1.369	1.411
Broadcom Inc.	AVGO	2.42	2.45	2.48	1.335	1.302	1.368
Bank of America Corp.	BAC	1.06	1.08	1.10	0.836	0.851	0.867
Costco Wholesale Corp.	COST	4.76	5.00	5.12	0.249	0.262	0.268
Salesforce Inc.	CRM	1.68	1.80	1.96	0.190	0.203	0.221
Chevron Corp.	CVX	6.80	6.88	7.04	1.342	1.350	1.389
Alphabet Inc. - Class A	GOOGL	0.83	0.89	0.95	0.573	0.614	0.655
Alphabet Inc. - Class C	GOOG	0.83	0.89	0.95	0.466	0.500	0.534
The Home Depot Inc.	HD	9.20	9.60	9.80	1.079	1.126	1.149
Johnson & Johnson	JNJ	5.02	5.24	5.32	1.427	1.470	1.512
JPMorgan Chase & Co.	JPM	5.20	5.30	5.50	1.729	1.729	1.828
The Coca-Cola Co.	KO	2.00	2.04	2.06	0.916	0.934	0.943
Eli Lilly & Co.	LLY	6.03	6.23	6.30	0.561	0.558	0.586
Mastercard Inc.	MA	3.14	3.15	3.16	0.304	0.294	0.306
Meta Platforms Inc.	META	2.08	2.20	2.36	0.535	0.566	0.608
Altria Group Inc.	MO	4.12	4.16	4.18	0.825	0.825	0.837
Merck & Co. Inc.	MRK	3.25	3.28	3.33	0.971	0.980	0.995
Microsoft Corp.	MSFT	3.48	3.50	3.52	3.055	2.994	3.090
Nvidia Corp.	NVDA	0.04	0.04	0.07	0.116	0.116	0.203
PepsiCo Inc.	PEP	5.53	5.63	5.71	0.896	0.912	0.925
Pfizer Inc.	PFE	1.68	1.73	1.74	1.124	1.151	1.164
The Procter & Gamble Co.	PG	4.04	4.29	4.33	1.124	1.174	1.204
Philip Morris International Inc.	PM	5.42	5.44	5.50	0.995	0.995	1.010
AT&T Inc.	T	1.11	1.11	1.13	0.940	0.940	0.957
UnitedHealth Group Inc.	UNH	8.70	9.15	9.60	0.945	0.994	1.043
Visa Inc.	V	2.43	2.45	2.47	0.496	0.500	0.504
Verizon Communications Inc.	VZ	2.71	2.74	2.76	1.347	1.353	1.372
Walmart Inc.	WMT	0.83	0.90	1.04	0.425	0.461	0.533
ExxonMobil Corp.	XOM	3.97	3.97	4.00	2.060	2.076	2.076
Total DIPs					**30.057**	**30.439**	**31.452**

Data compiled Feb. 4, 2025.
DPS = dividend per share; DIPs = Dividend Index Points.
Forecast window: upcoming four-quarter dividends.
Source: S&P Global Market Intelligence.
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