



# Dividend outlook 2026

## What growth prospects mean for your portfolio

Dividends remain a defining feature of long-term portfolio returns, particularly for investors who rely on regular income or reinvest distributions to compound growth over time. After a stronger-than-expected finish to 2025, the latest data point to a modest but steady outlook for the year ahead, both in the UK and globally. For anyone reviewing their income strategy, the numbers offer useful context for the decisions ahead.

### **UK dividends: modest but steady growth expected**

UK dividend expectations for 2026 are positive, according to the latest dividend monitor<sup>1</sup>. Total headline payouts reached £87.5bn in 2025, supported by growth of 1.3% in the fourth quarter, and UK dividends are forecast to reach £88.8bn in 2026. That represents a headline increase of 1.5% year on year.

The stronger end to 2025 was driven by better-than-expected payouts across the property, consumer staples and energy sectors, alongside a moderation in exchange-rate impacts. A late surge in special dividends and additional contributions from companies promoted from AIM also helped lift the overall picture.

Commenting on the outlook, Mark Cleland, CEO of Issuer Services (UCIA) at Computershare, noted that “dividend payouts have still not regained pre-pandemic highs,” despite rates improving through the year. Looking ahead, he added that while there are “no clear indications dividends will grow much faster in 2026,” a median growth rate of 3.7% points to a healthier underlying trend.



The gap between the 1.5% headline increase and the 3.7% median growth rate is worth noting. Headline figures are strongly shaped by the largest payers and one-off special dividends, while the median reflects the experience of the typical company. For portfolios spread across a wide range of holdings, the underlying trend can often be a more useful indicator than the top-line number.

### **A global picture of normalisation**

Globally, aggregate dividends are projected to rise by 2.9% in 2026 to \$2.47tn<sup>2</sup>. That is a slowdown from the 4.7% growth recorded in 2025, but it reflects a broader return to more normalised post-pandemic levels rather than a sign of weakness.

Ongoing macroeconomic uncertainty, including geopolitical tensions and trade disruption, continues to weigh on corporate earnings and dividend growth. Regional expectations vary widely: stronger growth is forecast in the US and India, Europe faces mixed prospects, and outlooks in parts of Asia remain more subdued. Portfolios with international exposure will feel these regional differences, reinforcing the value of diversification.

## What it means for your portfolio

Modest headline growth does not tell the full story for individual portfolios. Sector exposure, currency effects, and whether distributions are reinvested all influence the real-world impact. Investors weighted towards property, consumer staples or energy would have benefited disproportionately from the stronger finish to 2025, while those with greater overseas exposure will see dividend income shaped by exchange rates alongside underlying payouts.

For income-focused investors, the message is one of cautious optimism. Payouts are rising, but slowly, and not yet back to pre-pandemic levels. For those reinvesting dividends for long-term growth, the steady underlying trend of 3.7% median growth can make a meaningful difference when compounded over many years.

## Staying disciplined in an uncertain backdrop

Headline dividend figures can mask wide dispersion between companies, sectors and regions. A well-diversified portfolio helps smooth that variability, while regular reviews help ensure income and growth objectives remain aligned with your wider financial plan. Where dividend income is held, and in what tax structure, can also materially affect what you actually keep over time.

If you would like to discuss how the 2026 dividend outlook might affect your portfolio, or review your approach to income and reinvestment, we would be glad to help you put a plan in place.

Source:

<sup>1</sup>[Computershare 2026, Dividend Monitor](#)

<sup>2</sup>[S&P Global Market Intelligence Dividend Forecasting 2026](#)

---

### Important information

Tavistock Private Client Limited is authorised and regulated by the Financial Conduct Authority. The Tavistock Partnership Limited is authorised and regulated by the Financial Conduct Authority. All subsidiaries are wholly owned by Tavistock Investments Plc. This content is provided for informational purposes. You should seek financial advice before making any decisions.