



Education | Equities

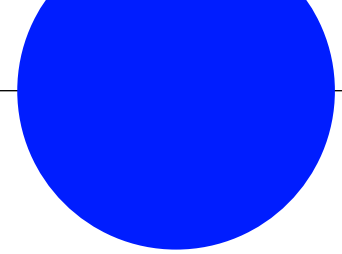
Russell 1000 and S&P 500 — same lane, different construction

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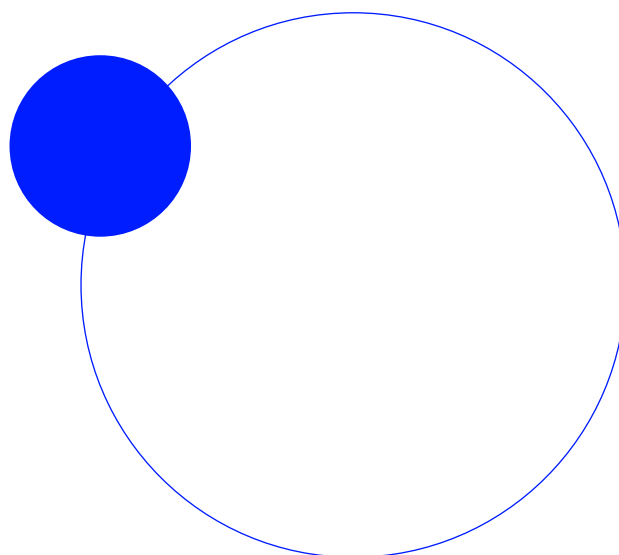
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Overview

Both the Russell 1000 and the S&P 500 indexes have the same headline objective: to measure the performance of the large-cap segment of the US equity market.

But there are differences in how each index achieves this objective. These include differences in market coverage, in constituent selection and screening, in the timing of admissions and in index oversight.



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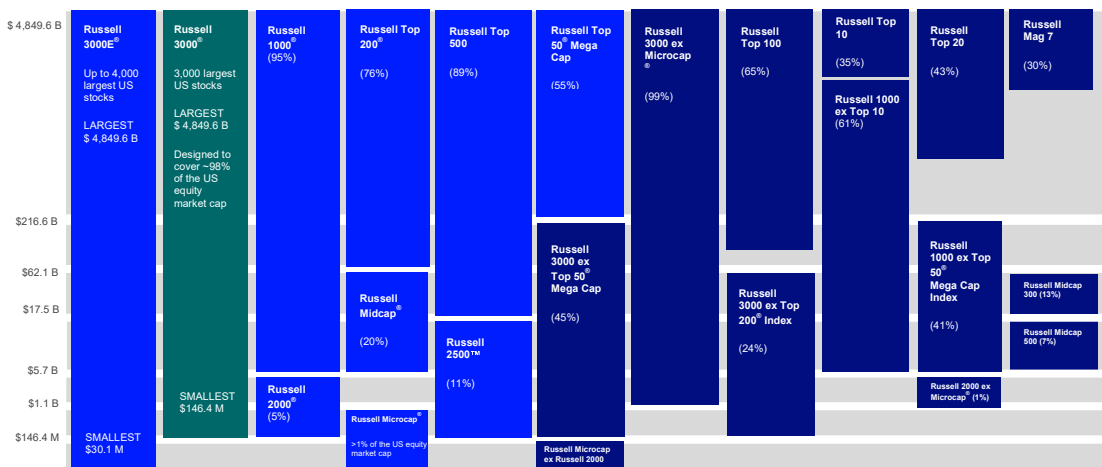
Market coverage

Because it includes double the number of stocks, the Russell 1000 index has greater market capitalization coverage than the S&P 500. In effect, what Russell defines as “large-cap” is more inclusive than the S&P definition.

The Russell 1000 includes approximately 1,000 stocks¹, which are [the largest 1,000 companies in the broader Russell 3000 index](#). Currently, the Russell 1000 captures around 95% of the investable market capitalization of the US equity market (see the chart).

The S&P 500 index includes 500 companies and is a subset of the broader S&P Composite 1500 index. The S&P 500 covers approximately the top 85% of the investable market capitalization of the US equity market².

Figure 1: Russell US indexes and market capitalization coverage (as at June 2026 reconstitution)



Source: FTSE Russell. Data as of April 30, 2026. Russell Index constituents represent the preliminary reconstitution constituents as of rank day, April 30, 2026, which will be effective after market close on June 26, 2026. May not equal 100% due to rounding. Market capitalization figures are in US dollars.

Constituent selection and screening

Index rules or index committee

This is perhaps the biggest distinction between the Russell 1000 and the S&P 500. Eligibility for the Russell 1000 is determined by the [index rules](#). As long as a stock meets the entry criteria set out in those rules, it can join the index³.

Inclusion in the S&P 500 is at the discretion of a committee of full-time S&P Dow Jones staff, based on the eligibility criteria. The committee maintains a fixed constituent count of 500 and aims to balance sector weights (as measured by the sector weights in the S&P Total Market index).

¹ The Russell 1000 index membership count is set at 1,000 stocks at each semi-annual index reconstitution but may vary from this figure between reconstitutions as a result of stock mergers, delistings and initial public offerings.

² [S&P Dow Jones: S&P US Indices Methodology](#)

³ The index's ground rules are written with the intent of removing the need for judgement or discretion to be exercised. Occasionally, there may be unusual or complex circumstances that are not covered in the methodology documents. In such circumstances, FTSE Russell will follow its policy as set out in the [Exercise of Expert Judgement in FTSE Russell Indices](#)

Nationality

Both the Russell 1000 and the S&P 500 aim to capture US stocks, but the definitions of nationality are not 100% aligned between the two indexes.

This doesn't often matter: for most index members, the nationality assignment is straightforward. For example, Microsoft is incorporated in and headquartered in Washington State in the US and its shares are traded on the Nasdaq stock exchange in New York. It's considered a US stock in both the Russell 1000 and the S&P 500.

Occasionally, determining nationality is more complex and requires detailed analysis by index teams. Here's [how Russell does it](#) and here's how [S&P Dow Jones does it](#).

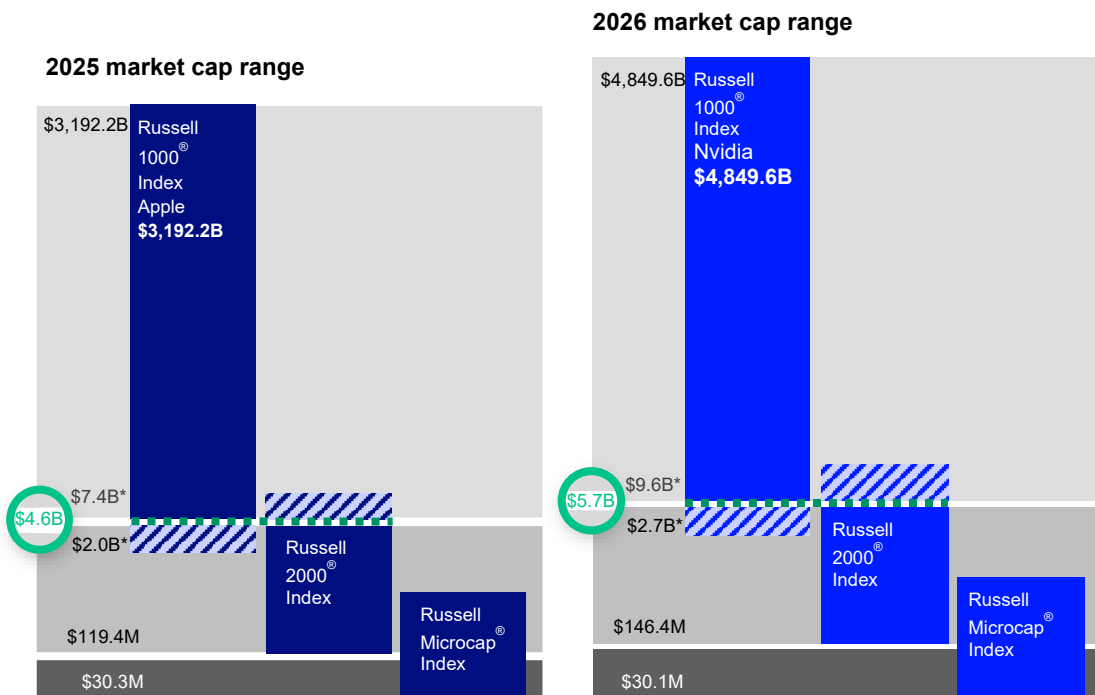
Market capitalization

There are differences in how the Russell 1000 and S&P 500 select constituents by market capitalization. Russell uses a relative ranking rule while the S&P 500 sets an absolute market cap requirement.

At each semi-annual index reconstitution, the Russell 1000 targets the largest 1000 stocks in a ranking of the Russell 3000 constituents by size. The remaining 2000 stocks form the Russell 2000 index.

There is a market capitalization "breakpoint" between the two indexes, which varies from one reconstitution to the next because of market movements (see the chart). As at the June 2026 reconstitution (using April 30 data), the breakpoint was \$5.7bn, up from \$4.6bn a year earlier.

Figure 2: Market cap ranges and breakpoints as at June 2025 and June 2026 Russell US index reconstitutions



Source: FTSE Russell. *Reflects banding. Data as of April 30, 2025 and April 30, 2026, respectively.

However, stocks do not automatically move between the Russell 1000[®] and Russell 2000[®] if they cross the breakpoint (in either direction).

To prevent excessive index turnover, we set a 2.5% cumulative market cap percentile band above and below the breakpoint (shown as the cross-hatched areas in the chart) and stocks only move from the Russell 2000 to the Russell 1000 (or vice versa) if they move beyond the band.

As a result of this banding approach, the smallest stock in the Russell 1000 (based on April 30, 2026 data) had a market capitalization of \$2.7bn.

By contrast, the S&P 500 index has an absolute minimum market capitalization requirement (\$22.7bn as at April 2026).

Again, the net effect of these differences is that the Russell 1000 reaches further down the capitalization spectrum than the S&P 500.

For index users seeking a true representation of the largest 500 investable stocks in the US equity market, FTSE Russell also publishes the [Russell Top 500 Index](#). This is a subset of the Russell 1000 (i.e., the largest 500 stocks in the Russell 1000). However, the Russell Top 500's constituent list is unlikely to match that of the S&P 500 index: see the sections on "financial viability" and "the timing of admissions", below.

Free float

Both the Russell 1000 and the S&P 500 require a minimum percentage of a company's shares to be in the hands of non-restricted shareholders (i.e., readily available for public trading). However, the minimum free float percentage is 5% for the Russell 1000 and 10% for the S&P 500.

Voting rights

The S&P 500 does not set a minimum voting rights criterion. Conversely, the Russell 1000 index, in common with other standard FTSE Russell indices, requires at least 5% of a company's voting rights to be in the hands of non-restricted shareholders.

Financial viability

This is another of the major differences between the Russell 1000 and the S&P 500.

The Russell 1000 does not require its members to achieve a set level of financial performance: if they meet the [eligibility requirements](#), they can join.

But S&P Dow Jones sets a profitability barrier for new entrants to the S&P 500 index: companies must have positive earnings both in the latest quarter (using Generally Accepted Accounting Principles) and over the latest four quarters (summed together).

Since US stock exchanges have a history of listing companies at an earlier stage of their development (and often before they become profitable), this distinction has meant that many companies have joined the Russell US Indexes many years before their inclusion in the S&P 500 index (see the next section, "The timing of admissions").

The timing of admissions

When the Russell US Indexes were launched, they added newly listed companies in alignment with the overall index reconstitution schedule. This meant quarterly from 1984-1987, semi-annually until 1989, then annually from 1989 until 2004.

After 2004, Russell added initial public offerings (IPOs) to its indexes quarterly, making the addition of new entrants more frequent than reconstitution.

[Russell US Indexes' reconstitution is moving back to a semi-annual frequency from 2026—see the next section]

In May 2026, following a consultation with clients, [Russell introduced a new fast entry rule for large IPOs](#), allowing for index inclusion at market close on the fifth day after the stock exchange listing. This brings the Russell US Indexes into line with other FTSE Russell index families, such as the FTSE UK Index Series and the FTSE Global Equity Index Series, which have long operated with such a fast entry rule. An immediate test of this rule is the [anticipated addition of SpaceX to the Russell US Indexes](#) following its listing on June 12, 2026.

By contrast, there is no set schedule for stocks to join the S&P 500 index: admission is at the discretion of the Index Committee. S&P Dow Jones also operates an IPO "seasoning" rule: It requires IPOs to have traded on an eligible exchange for at least 12 months before being considered for addition to the S&P 500. In June 2026, following a client consultation, S&P Dow Jones announced it would be retaining this rule.

In aggregate, these rules (plus S&P's rule on financial viability, above) have meant in the past that the Russell 1000 and Russell 2000 indexes have added several major IPOs well in advance of their admission to the S&P 500. With Russell's introduction of a new fast entry rule, these timing differences are likely to remain prominent.

Table 1: Timing of Russell 1000, 2000 and S&P 500 index additions

Company	IPO month	Profitable when added to Russell 3000?	Added to Russell 3000 (A)	Added to S&P 500 (B*)	Length of time between A and B	% Cumulative Total Return of the Stock from A to B*
Apple	Dec 1980	Not available	Mar 1981 (R1)	Nov 1982	1 year 8 months	30%
Microsoft	Mar 1986	Yes	Mar 1986 (R1)	Jun 1994	8 years 3 months	3270%
Adobe	Aug 1986	Yes	Dec 1986 (R2); Dec 1987 (R1)	May 1997	10 years 5 months	1389%
Starbucks	Jun 1992	Yes	Jun 1993 (R1)	Jun 2000	7 years	523%
Amazon.com	May 1997	No	Jun 1997 (R2); Jun 1998 (R1)	Nov 2005	8 years 5 months	3043%
Nvidia	Jan 1999	Yes	Jun 1999 (R2); Jun 2000 (R1)	Nov 2001	2 years 5 months	1043%
Netflix	May 2002	No	Jun 2002 (R2); Jun 2009 (R1)	Dec 2010	8 years 6 months	2412%
Alphabet (Google)	Aug 2004	Yes	Sep 2004 (R1)	Mar 2006	1 year 6 months	201%
Super Micro Computer	Mar 2007	Yes	Jun 2007 (R2); Jun 2024 (R1)	Mar 2024	16 years 9 months	9990%
Tesla	Jun 2010	No	Sep 2010 (R1)	Dec 2020	10 years 3 months	17192%
Meta Platforms Inc (Facebook)	May 2012	Yes	Jun 2012 (R1)	Dec 2013	1 year 6 months	76%
Palo Alto Networks Inc	Jul 2012	Yes	Sep 2012 (R1)	Jun 2023	10 years 9 months	1145%
Sprouts Farmers Market	Aug 2013	Yes	Sep 2013 (R1)	TBD*	12 years 7 months	84%
Burlington Stores Inc	Oct 2013	No	Dec 2013 (R2); Jun 2016 (R1)	TBD*	12 years 4 months*	900%
Lululemon Athletica	Jul 2007	Yes	Jun 2015 (R1)	Oct 2023	8 years 4 months	503%
Transunion	Jun 2015	Yes	Sep 2015 (R1)	TBD*	10 years 7 months*	193%
Wingstop	Jun 2015	Yes	Sep 2015 (R2); Jun 2023 (R1)	TBD*	10 years 7 months*	1242%

Source: FTSE Russell. Data as of April 30, 2026. *If the S&P 500 has not yet added the stock, performance is shown as of April 30, 2026. Past performance is no guarantee of future returns. Please see the end of this document for important disclosures.

Reconstitution / rebalancing

Membership of the Russell 1000 index is reviewed twice a year at the semi-annual [reconstitution](#). IPO inclusions and share/float updates are conducted quarterly, with potential fast entry additions intra-quarter for the largest IPOs. During the reconstitution, the breakpoints between large-, mid- and small-cap stocks are redefined to ensure market changes that have occurred in the preceding period are captured.

The S&P 500 index is reviewed quarterly. However, there is no automatic movement into or out of the index and constituent selection is at the discretion of the Index Committee.

Financial markets ecosystem

The Russell US Indexes, including the large-cap Russell 1000 Index and the small-cap Russell 2000 index, are supported by a robust ecosystem of financial products, including ETFs, futures⁴ and options,⁵

More than half of the approximately \$12.2trn in assets that are benchmarked to a Russell US Index⁶ follows the Russell 1000 Index, including its growth and value style segments. This scale supports the Russell 1000 Index's liquidity and investability as an effective and representative benchmark for US large caps.

The Russell 1000 index's counterpart, the Russell 2000 Index, is viewed by many as [the original benchmark for US small caps](#).

Summing up

The Russell 1000 and S&P 500 indexes share the same goal—capturing the performance of large US companies—but have different ways of doing it.

Familiarising yourself with the indexes' construction rules can help explain why individual high-profile stocks are in or missing from a benchmark. It can also help you avoid surprises or unwanted overlaps, particularly when combining indexes within a broader portfolio.

⁴ [FTSE Russell Index futures and options - CME Group](#)

⁵ [Russell 1000 Index Options | Cboe](#)

⁶ Data as of June 30, 2025 as reported on November 15, 2025 by eVestment for active institutional funds, Morningstar for active retail mutual funds, insurance products, and ETFs, and passive assets directly collected by FTSE Russell. AUM includes blended benchmarks and excludes futures and options. AUM data does not include active and passive assets not reported to a 3rd party source or FTSE Russell. For funds where the AUM was not reported as of June 30, 2025, the previous period AUM was used as an estimate. No assurances are given by FTSE Russell as to the accuracy of the data.

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