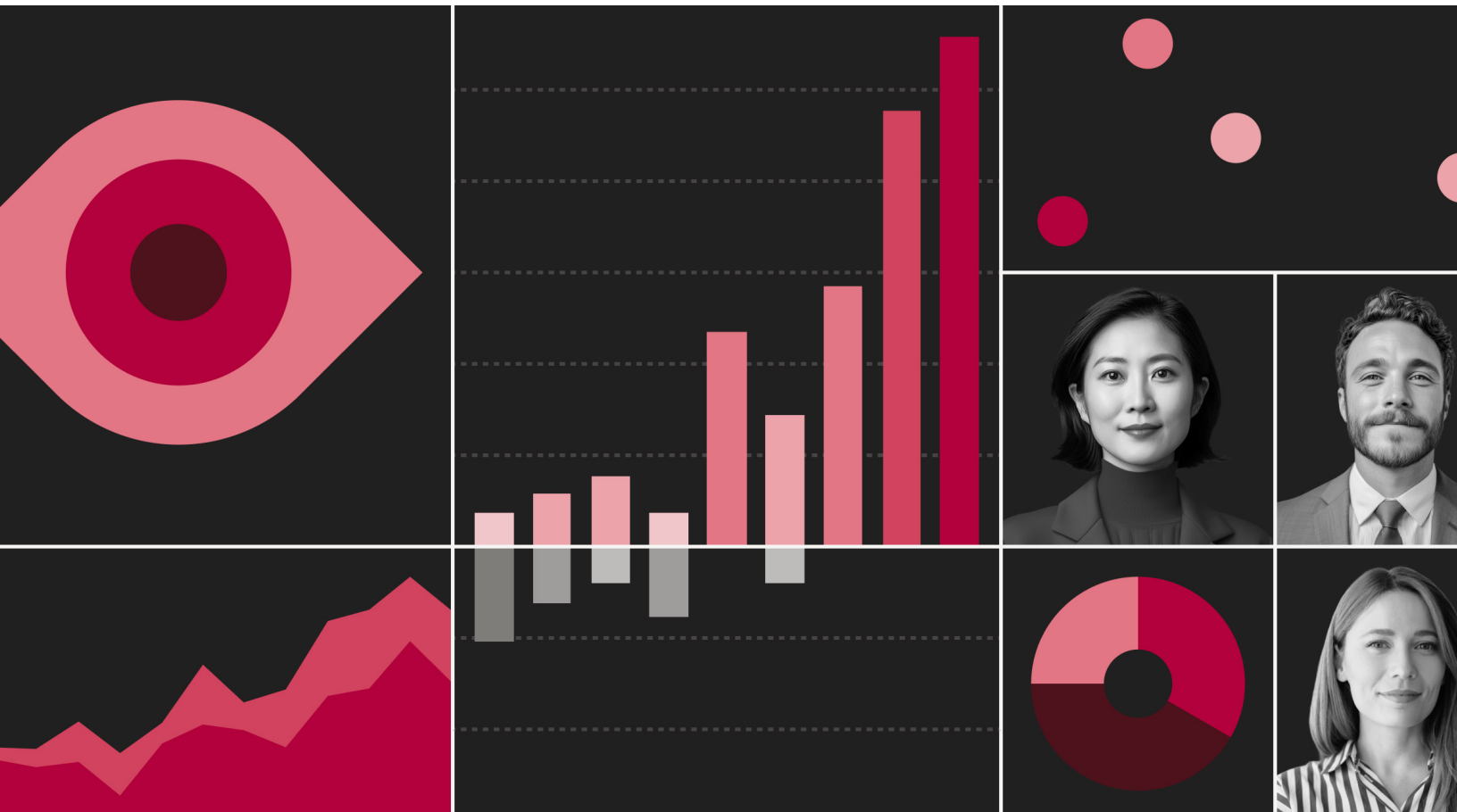


Morningstar Investor Perspectives US Retail Investors

How Can Advisors Turn Complexity into Clarity?

Four actionable tips to build client confidence, shaped by investor sentiment insights from our latest survey across the US.

Spring 2026



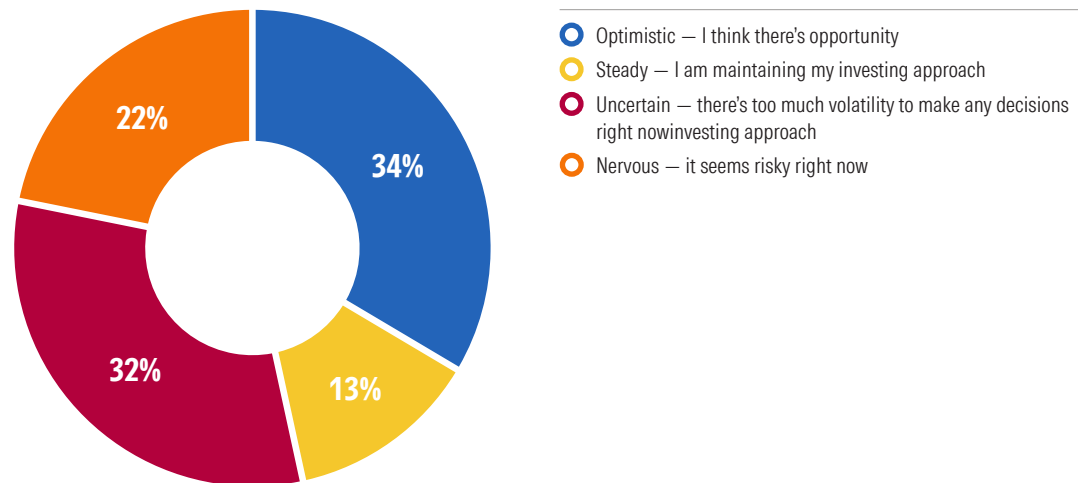
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Executive Summary

Today's US investors face a complex financial landscape shaped by information overload and market volatility. More than half (54%) of participants from across the US reported feeling uncertain or nervous about the current market—that is, they think there's too much volatility to make any decisions or it seems risky right now.

Advisors play a critical role in cutting through this noise and providing support. But first, they must understand evolving investor expectations and what truly matters to clients.

US Investors' Feelings About the Market



Source: Morningstar.

Data as of 2026.

In our *Morningstar Investor Perspectives: Retail Investor* survey, we see that it's no longer enough to simply offer financial advice—advisors must also meet their clients' emotional needs. This expectation is rising as innovations like private markets and artificial intelligence continue to redefine the industry, leading investors to seek clarity on how these developments may impact their long-term plans. Together, the conditions create a valuable opportunity for advisors to deliver transparent guidance that keeps investors focused on their goals.

By filtering out distractions and reinforcing client trust, advisors can empower investors to stay on track and make better decisions. Explore four actionable tips to help today's investors move forward with confidence.

Methodology Overview

The Morningstar Investor Perspectives: Retail Investor survey provides unique insights on the wide-ranging attitudes, behaviors, and preferences of investors. Our findings were based on a total of 2,000 online responses collected across the US between March 3 and March 30, 2026.

Participants were recruited from a nationwide panel with strong representation across age, gender, ethnicity, household income, employment status, and investable assets. The large and diverse sample allowed us to gather information from different subgroups and deepen our analysis and insights.

Deliver Emotional Value to Shape Investor Sentiment

Persistent concerns around geopolitical and inflation risks often leave US investors unsure about when or how to act. As mentioned above, more than half (54%) of participants reported feeling uncertain or nervous about the market.

So, what are the factors behind this market anxiety? Investors are most worried about:

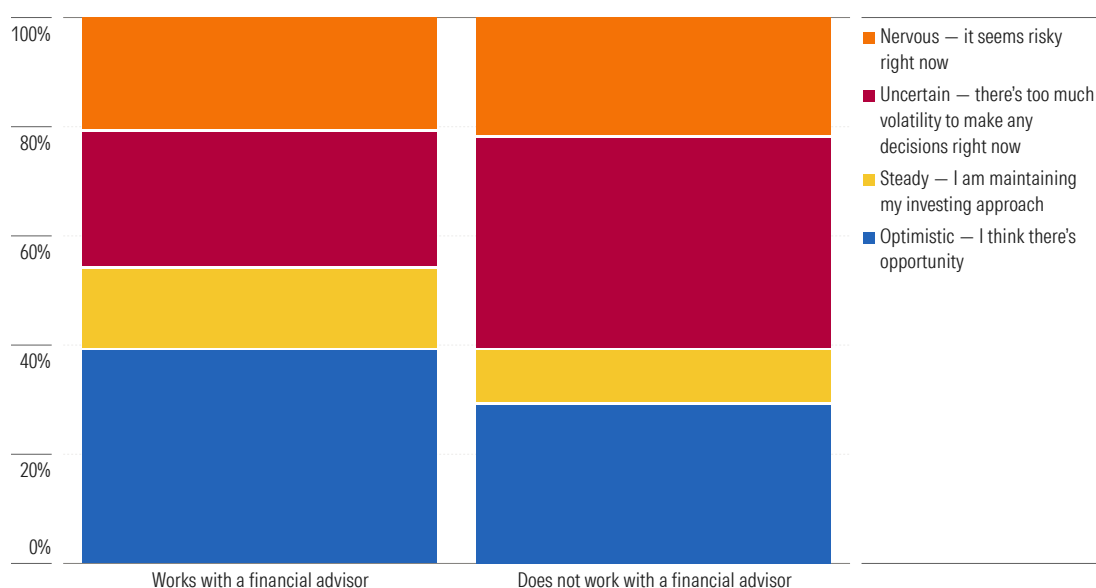
- ▶ Inflation (42%)
- ▶ Economic slowdown/recession (32%)
- ▶ Tariffs/trade policy (27%)

Tariffs/trade policy is also a key concern with Canadian investors. This likely reflects the broader impact of cross-border policy shifts between the two countries, particularly as tariffs contribute to uncertainty around issues such as higher prices and increased market volatility.

And inflation stands out as the top economic concern across all surveyed regions—Australia, Canada, the UK, and the US—with 74% of US investors saying they're extremely or somewhat concerned. The persistent concern may also be driving slightly increased worries around housing affordability (58%) and unemployment/layoffs (39%).

But advisors can positively impact investor sentiment on this front. Our survey finds those who work with an advisor tend to feel more optimistic and steady about the market than those who don't (54% compared with 39%). In other words, financial advisors can provide value by offering support, both emotionally and financially, and reassurance that investors may lack on their own.

How US Investors Feel About the Market With vs. Without an Advisor



Source: Morningstar.

Data as of 2026.

This support dynamic is further evidenced by the sources that participants leverage to inform their investment strategies. About one-third (34%) turn to financial advisors for financial advice. Other top advice sources include friends and family (36%) and internet searches or other websites (33%).

Furthermore, US investors not only view financial advisors as a top information source but also the most valuable (89%). Still, a gap between usage and perceived value is evident: Participants rate an accountant or tax advisor (86%) and investment or trading platforms (76%) among the most valuable advice sources despite using them less frequently. The finding suggests that while informal sources may be convenient, investors still place greater weight on human judgment and expertise when making investment decisions.

Generative AI tools are also gaining traction as a source of financial advice. Twenty-one percent of participants reported using AI, and 74% viewed it as valuable—higher than in other surveyed regions for both.

Given investors' openness to using AI, advisors can add value by encouraging responsible use and helping clients put AI insights into the right context within their overall financial plans.

Beyond providing AI-related guidance, advisors are well positioned to help investors navigate additional decision obstacles, including:

- ▶ Fear of making a mistake or losing money (38%)
- ▶ Market volatility (34%)
- ▶ Lack of confidence in my own investment knowledge (24%)
- ▶ Difficulty knowing which information or sources to trust (24%)

It's worth noting from this list that twenty-four percent of investors ranked difficulty knowing which information or sources to trust as a top obstacle. Yet at the same time, more than half of investors (59%) said they're confident in their ability to separate clear or accurate investment information from confusing or misleading information.

This pattern emphasizes a significant distinction between trust and confidence.

That is, even though some investors struggle to identify credible information—pointing to a trust gap—others feel certain in their judgment despite rising complexity, signaling a confidence issue. With AI-powered investing content expanding, this challenge is likely to intensify.

89%

Percentage of US investors who work with advisors and consider them a valuable source for informing their investment strategy.

For advisors, confident investors tend to be the more challenging audience. Those who acknowledge uncertainty generally welcome guidance, while confident clients may be more resistant to having their views challenged.

The opportunity lies in reframing conversations away from whether information is “right” and toward how it's evaluated. Shifting the focus to the decision-making process rather than the outcome is where advisors can offer genuine support that extends beyond the portfolio.

To better manage client emotions and concerns, advisors can start by:

- ▶ Providing behavioral coaching that helps investors stay grounded
- ▶ Maintaining proactive and frequent communication
- ▶ Adding clear context around investment decisions

Address Knowledge Gaps in Private Markets

Access to private markets continues to expand across the world—and the US is no exception.

In fact, the number of “unicorn companies” (that is, private companies with valuations of more than \$1 billion) has surged to 1,450—while the number of publicly traded companies has declined from around 7,000 to just more than 4,000. Industry dynamics like slower exit activity and increased fund concentration are also reshaping private equity.

This growth highlights the expanding role of private investments in portfolios and points to an opportunity for advisors to provide guidance on where and how the exposure potentially fits into clients' goals.

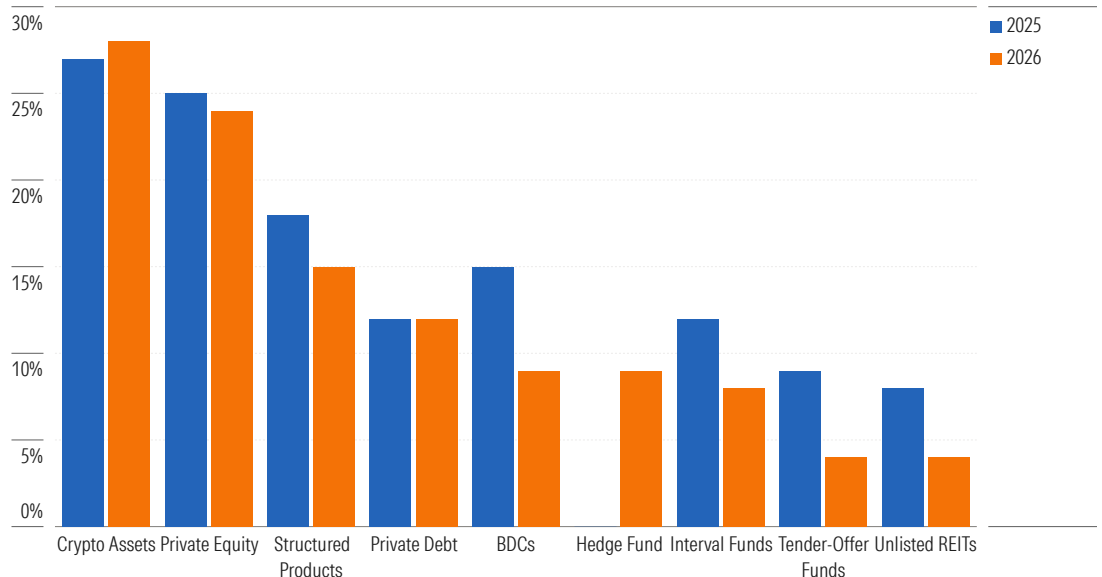
Despite rising awareness, only one-quarter (24%) of US investors reported that they understand how private markets work, which is still ahead of the other regions included in our study—Australia (18%), Canada (19%), and the UK (18%).

45%

Percentage of US investors who don't invest in alternatives at all.

Although 45% of participants don't invest in alternatives, the remaining 55% who do are shifting the types—or at least the variety of types—they own. As with UK investors (23%), cryptocurrency is the most widely held alternative for US participants (28%). Private equity ownership has remained relatively stable (24% in 2026 compared with 25% in 2025) while structured products saw a 3% decline (15% in 2026 compared with 18% in 2025).

Alternative Investments Owned by US Investors



Source: Morningstar.

Data as of 2026.

Together, these trends suggest that investors aren't opting out of alternatives but are becoming more selective as they assess what investments are the best fit for their situation. They're also managing possible concerns around risk, liquidity, and transparency.

This behavior is further underscored by a potential mismatch in time horizons: While [our framework](#) recommends holding alternatives for at least 10 years, most US participants (52%) cited between zero and three years as the maximum investment time where they feel comfortable.

Investable asset levels matter as well. Specifically, 21% of participants with less than \$100K in investable assets are comfortable holding investments 5 or more years, while that same time frame is acceptable for 45% of those with \$500K or more.

At the same time, other investment trends are growing alongside private markets.

Individual stocks remain the top investment type with 53% of investors owning stocks in 2026. ETFs have continued to tick up (28% in 2026, up from 27% in 2025 and 26% in 2024), and crypto adoption is also gradually climbing (28% in 2026, up from 27% in 2025 and 23% in 2024).

Mutual fund ownership has declined over the same period, falling from 51% in 2024 to 47% in 2025 and 43% in 2026. This shift aligns with broader trends toward ETFs and passive strategies, which continue to gain popularity and drive the decline of mutual funds.

In short, US investors still value familiar structures. But they're also showing openness to higher-risk assets—highlighting why it's crucial for advisors to support clients in balancing new innovations with portfolio goals.

Advisors can improve investors' understanding of alternatives by:

- ▶ Offering thorough education around private markets
- ▶ Setting realistic expectations for investment performance
- ▶ Tailoring asset allocations to align with clients' goals and risk tolerance

Emphasize Human Judgment as AI Adoption Grows

AI is becoming a more familiar part of the investment process for US participants. Forty-four percent reported high trust in the tool to help make investment decisions, up from 29% in 2024. While 27% still cited low trust, this is down from 38% in 2024, suggesting that investors are growing open to the idea of AI regardless of their trust level.

Key reasons for low trust from this group included general skepticism, reluctance, and personalization barriers (49%) followed by reliability and performance (33%), and user control along with human oversight (17%).

Top factors that high-trust investors prioritize to determine their trust in an AI tool include:

- ▶ Demonstrable evidence and social proof (36%)
- ▶ Reliability, performance, and limits (28%)
- ▶ Practical utility and usability (17%) Although trust in AI among investors is rising, usage tells a different story.

Only 2% of US participants rely on AI for most investment decisions, while most (63%) do not use AI for investment decisions at this point. This pattern holds across generations. This disconnect is seen in all surveyed regions, pointing to where advisors should pay closest attention.

44%

Percentage of US investors who highly trust AI to help make decisions.

What advisors may be missing is that the key challenge isn't only skepticism, but an uncertainty around how to apply AI in practice. Even millennials, who reported the highest trust in AI (58%), use it primarily as a supporting tool (48%). This signals that the issue is guidance rather than belief in the abilities of AI.

That's where advisors play a critical role—not by pushing AI adoption, but by modelling responsible, human-guided use. Until then, investors' confidence is likely to remain theoretical rather than actionable.

But US investors who use AI may still prefer to keep it at a distance. Interestingly, nearly half (45%) believe that the primary responsibility lies with themselves versus with the AI (26%) when acting on an AI-based investment recommendation that results in financial losses.

Conversely, when choosing to follow a human financial advisor's recommendation, investors reported the responsibility as shared (41%). This implies that investors view AI as a tool instead of an authority and that they still place deeper trust in human judgment—both their own and an advisor—than technology.

This view contrasts with Australian investors, who are more likely to see responsibility as shared equally regardless of whether the recommendation comes from the AI (52%) or advisor (68%). This indicates a regional difference in how AI accountability is perceived.

Advisors can validate their position as a reliable partner by differentiating themselves through human strengths like empathy, emotional support, and deep client conversations.

Where US Investors Believe Responsibility Lies for AI vs. Advisor Recommendations



Source: Morningstar.

Data as of 2026.

To help close investors' AI trust-usage gap, advisors can take actions such as:

- ▶ Translating AI insights into clear, contextual guidance
- ▶ Grounding decisions in human judgment and accountability
- ▶ Acknowledging AI limitations while meeting investors' expectations for human interaction

Focus on Long-Term Investing

With constant distractions coming from seemingly every direction, US investors may struggle to stay focused—making long-term planning and investing feel even more distant and unattainable.

Despite these challenges, 71% of investors see long-term investing as appealing due to long-term growth potential (23%), financial security, stability, and inflation hedging (20%), and wealth accumulation (17%).

In other words, many investors are interested in long-term investing but might have trouble staying confident in sustaining it over time.

Those who find long-term investing challenging most often point to factors like:

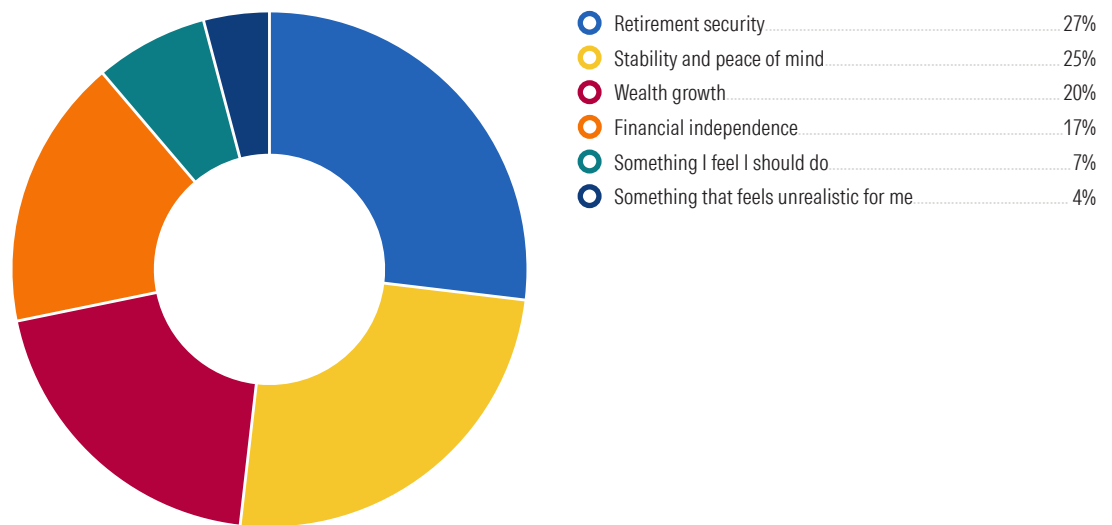
- ▶ Limited disposable income (19%)
- ▶ Uncertainty about future returns and outcome (18%)
- ▶ Market volatility (13%)

Yet 27% reported that a more stable financial situation would increase their long-term investing commitment. This is the top driver across all surveyed regions, underscoring that investors' personal financial stability and broader market sentiment are major considerations in long-term decision-making.

US participants also note the value of tools in maintaining focus, specifically naming goal-tracking dashboards (48%) as the most helpful approach. By incorporating practical tools into the advice process, advisors can make progress more visible and keep clients better engaged.

Definitions of long-term investing vary for US investors as well. The most common long-term goals are retirement security (27%) followed by stability and peace of mind (25%), and wealth growth (20%). The range of definitions shows how investors think about long-term investing through their own financial context, giving advisors more guidance to align expectations and deepen client relationships.

Where US Investors Believe Responsibility Lies for AI vs. Advisor Recommendations



Source: Morningstar.

Data as of 2026.

Generational and investable-asset differences further influence participants' views: Although Generation Z and millennials think of long-term investing as wealth stability and peace of mind (28%), Generation X and baby boomers align on it being around retirement security (33% and 45%).

Participants with higher investable assets tend to associate long-term investing with retirement security (33%) while those with lower investable assets view it as stability and peace of mind (29%). These findings highlight the need for advisors to produce advice that's tailored to clients' life stages, financial circumstances, and goals instead of a one-size-fits-all approach.

Even so, 63% of investors overall agree that long-term investing success is mostly within their control. This sense of accountability is consistent across age groups, as more than half of each generation agrees—US millennials most of all (67%).

Beliefs around control may also depend on investable asset levels. Although more than half of all participants across asset levels agree that long-term investing is within their control, confidence is notably higher among investors with greater investable assets. Seventy percent of this group agreed, compared with 58% of those with lower investable assets. This suggests that perceived control increases with financial flexibility.

63%

Percentage of US investors who agree that long-term investing success is mostly within their control.

Advisors may encourage long-term investing through approaches like:

- ▶ Anchoring discussions in [investing fundamentals](#) rather than short-term trends
- ▶ Connecting long-term plans with success metrics for tracking progress
- ▶ Managing investor concerns to keep clients invested over time

Key Takeaways

- ▶ Investor sentiment: US investors who work with an advisor are more likely to feel optimistic and steady about the market than those without one (54% compared with 39%).
- ▶ Private markets: As attention to private markets grows, understanding among investors is still low—roughly one-quarter (24%) say they understand how they work and less than one third (30%) currently own private credit and/or private equity.
- ▶ AI influence: AI is seen as a tool rather than an authority, implying deeper trust in human judgment: When AI-based recommendations go wrong, participants most often blame themselves (45%) while advisor-led losses are most often seen as shared responsibility (41%).

Ready to Deliver Better Guidance?

Financial advisors can make a meaningful impact at every stage of an individual's investing journey. From offering tailored solutions to meeting emotional needs, advisors are uniquely positioned to bring real transparency and value as financial choices and markets evolve.

This impact extends even beyond today's investors to those who are considering getting started in investing. According to our research, 16% of US non-investors say they're likely to begin investing in the next three years.

What would boost their confidence to take action? Participants responded that clear explanations of different investment options (40%) and guidance on how to assess risk tolerance (30%) would be most helpful.

Advisors can make the path more accessible for non-investors by:

- ▶ Simplifying investment decisions and clearly outlining next steps
- ▶ Identifying clients' risk tolerance to tailor strategies accordingly
- ▶ Addressing emotional concerns and proactively communicating

To stand out from the competition and provide reliable solutions, it's more important than ever for advisors to translate uncertainty into practical insights.

[Explore behavioral finance insights](#) to better understand the psychology behind clients' investment questions and decisions, potentially leading to stronger client relationships.

Want more research insights? Access the latest strategies and priorities of peers, including how they're responding to trends, investor sentiment, and what they're focusing on to be successful in the long term.