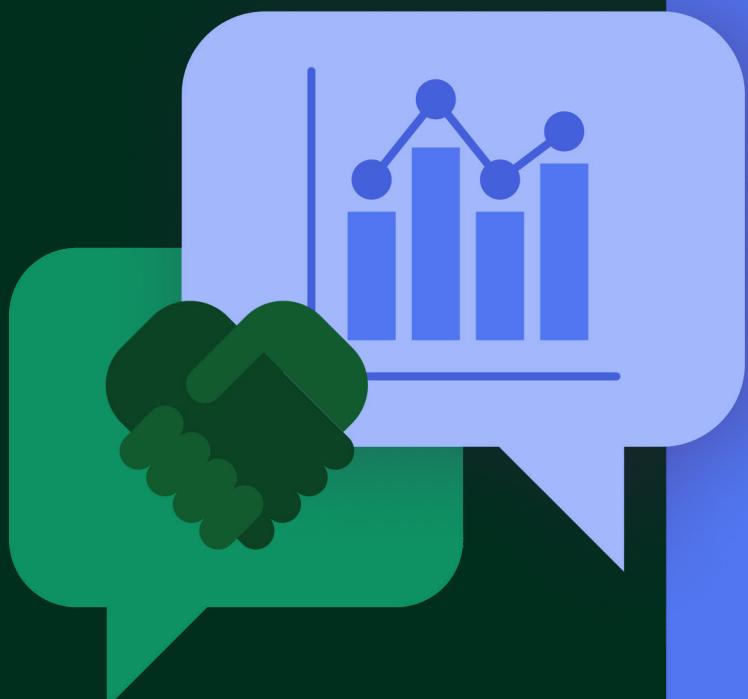


How Financial Advisors Can Deliver Value in 2026

Four practical tips for deepening client
relationships from Morningstar's latest Voice
of the Advisor study.



Advisors who help clients navigate complexity, behavior, and long-term planning will outperform those who rely solely on recommendations

The financial services industry is rapidly changing. From meeting new investor expectations to navigating challenging markets, today's advisors must adapt their practices to advise as well as to educate and become strategic partners who clients can trust.

Morningstar's 2025 Voice of the Advisor study provides unique insights on the wide-ranging attitudes, behaviors, and preferences of advisors. Our US findings are based on 527 total online responses with participants represented across gender, generation, firm type, career tenure, size of practice, and assets under management (AUM).

Our research supports what many have suspected: Highlighting return numbers and

focusing on risk metrics isn't enough to build long-lasting trust. Now, investors expect personalized strategies that align with their goals and risk tolerance—and are explained to them in terms they understand. Successful advisors will not only need to develop comprehensive plans but focus on providing emotional support to investors, finding opportunities in private markets, and adopting generative AI into their workflows.

By understanding how to differentiate their practices, it can be easier for financial advisors to gain an edge and strengthen client relationships. Our report shares four actionable tips to help advisors confidently move forward.

Key takeaways

- ▶ Advisors experience greater unease around timely trends compared to evergreen ones—their top market concern shifted from tariffs and trade policy (41%) in the summer to economic slowdown and recession (45%) in the fall.
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- ▶ Evolving client demands reflect a more engaged investor—service expectations like real-time communications is the area that advisors say has changed the most in the past two years (22%).
[Page 6 →](#)
- ▶ The rise of private markets brings unique challenges for financial advisors—top obstacles include concerns about fees (38%), limited liquidity (36%), and lack of transparency into underlying holdings (34%).
[Page 8 →](#)
- ▶ Generative AI continues to be a powerful tool for efficiency—roughly two-thirds (63%) reported its biggest impact could be improving client communications.
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Build a resilient, client-focused practice

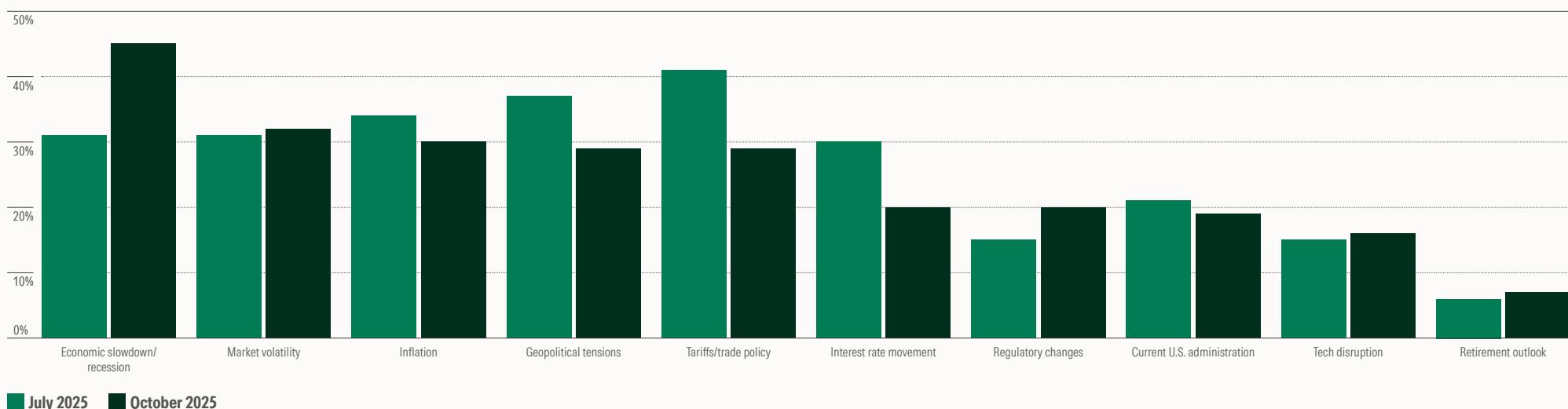
Market volatility may be inevitable, but it's possible for advisors to develop a well-rounded approach that prioritizes investors' goals—not just their returns.

Despite a changing landscape, 44% of financial advisors reported feeling generally optimistic about the current market. Yet concerns existed, shifting from a primary worry around tariffs and

trade policy (41%) and geopolitical tensions (37%) in the summer to economic slowdown and recession (45%) and market volatility (32%) in the fall. This shows that advisors may feel more unease around timely trends compared to evergreen ones. By cutting through the noise and focusing on the fundamentals of investing along with goal attainment, financial advisors can be a source of calm for clients while delivering long-term solutions.

Advisors can also use our risk tolerance questionnaire also allows investors to understand their comfort with investment risk and opt for more informed trade-offs—which can then help advisors build better plans that account for a client's preferences.

Market concerns (top 10)



This group's priorities may also be changing: Surveyed advisors reported only 52% of their workweek was focused on client-focused activities, such as identifying investor goals or customizing a strategy. However, our results showed a significant majority (58%) would ideally like to spend even more time on these efforts. Morningstar Direct Advisory Suite offers time-saving tools and capabilities that can streamline processes, leading to this reality.

When it comes to fund selection within client portfolio construction, an advisor's process is primarily either selecting individual mutual funds and/or ETFs (35%) or adjusting centrally developed model portfolios (29%). In terms of overall strategies applied to their client portfolios, roughly half (48%) use a balanced mix of active and passive—indicating that advisors may recognize the potential benefit of a blended approach in building balanced portfolios. Another one-third (34%) say they primarily use active strategies.

The relationship between financial advisors and asset managers remains vital—over half (54%) of advisors work with between five and fourteen asset managers, and, on average, ten asset managers. Our study reveals that both groups

prioritize investment performance as the most valuable part of their relationship (51% and 41%) followed by trust and integrity (32% compared to 35%). While advisors rank ease of doing business (26%) as their third greatest value, asset managers emphasize thought leadership and industry expertise (32%). This gap presents an opportunity for advisors to think beyond traditional offerings and explore innovative ways to deliver value—such as leveraging unique insights, personalized strategies, or cutting-edge tools. By initiating meaningful conversations and setting forward-thinking goals, advisors can redefine their role and strengthen partnerships in a rapidly evolving market.

What can financial advisors do?

- ▶ Rely on data and history to make more informed decisions during market volatility.
- ▶ Leverage unique insights, personalized strategies, and innovative tools with the help of Morningstar Direct Advisory Suite.
- ▶ Focus conversations on long-term goals based on unique datasets and comprehensive insights to foster stronger partnerships.



Go deeper

Leverage our risk profiling and risk scoring tools to align your recommendations with a client's risk comfort, values, and goals.

Access now →

Focus on investors' non-financial needs

While returns still matter, clients value the emotional support provided by advisors and want to be more involved in the decision-making process.

Just as every investor is different, so are their experiences with a financial advisor. Yet our finding is clear: Investors who work with an advisor reported feeling more informed about their investments, showed stronger financial literacy, and expressed greater clarity around how their investment strategy aligns to their long-term goals. Beyond these tangible benefits, the overall satisfaction rate for investors working with an advisor full-time (83%) significantly outpaced those who took a hybrid (77%) or self-directed (60%) approach. This underscores the vital role advisors play—not just in managing portfolios, but in providing the confidence, guidance, and personalized support that help clients feel secure and empowered in their financial journey.

While delivering financial value is still considered a success factor, it may no longer be enough for clients. From 2024 to 2025, we saw an uptick where advisors are adding value to investors in other areas including confidence in making informed decisions (22% versus 26%), security about their financial future (34% versus 36%), and emotional support during hardships (11% versus 12%).

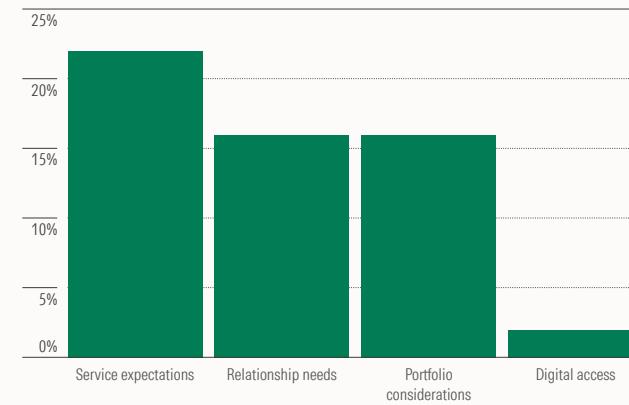
Clients' demands are also evolving: Although 41% of advisors say client expectations have remained relatively flat over the past two years, other financial advisors reported that service expectations—as in real-time communications, personalized recommendations, and more involvement in the decision-making process—is the area that has changed the most in the past two years (22%). This implies that investors wish to be active participants in their investment journey and want both tailored solutions and results beyond returns. To meet the needs of more engaged investors, advisors must spend an adequate amount of time identifying

clients' goals with in-depth questions, providing context around recommendations, and communicating frequently.

What can financial advisors do?

- ▶ Highlight unique advisor value by improving financial literacy, investment clarity, and alignment with long-term goals.
- ▶ Emphasize the reality of higher satisfaction rates among full-time advisor clients, showcasing the confidence and personalized support that advisors can provide.
- ▶ Better empower clients through guidance, tailored strategies, and a sense of financial security.

Change in client expectations (41% indicate no change)



Go deeper

For insights on how to support today's investors,
explore our 2025 Voice of the Investor study.

Download now →

Address private market due diligence challenges

Understanding the complexity of private investments may help advisors stand out from the competition.

The rise of private markets is impossible to ignore—global private fund assets under management have nearly tripled since 2015. As the number of public companies shrink and private markets expand, advisors are uniquely positioned to include private equity, private credit, private real estate, and infrastructure in portfolios. This shift isn't just a trend but an increasing opportunity: Our study reveals that half of financial advisors (50%) who are already offering private investments anticipate that their clients' allocation will increase over the next year.

While private investments can be complex, most advisors (68%) are comfortable talking about and explaining the topic to their clients. But challenges remain with advisors citing concerns about fees (38%), limited liquidity (36%), and lack of transparency into underlying holdings (34%) as key due diligence hurdles. To capitalize

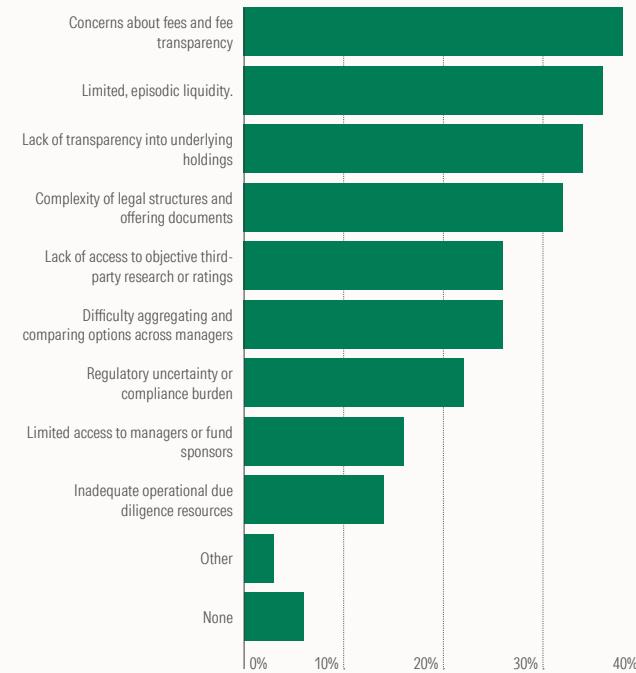
on this growing market, financial advisors must go beyond the basics—deepening their understanding of fee structures, developing innovative portfolio strategies, and proactively addressing client concerns. Thus, they can position themselves as trusted guides in navigating the evolving landscape of private markets.

In addition to these obstacles, the top private investment area that advisors want to gain a deeper understanding is tax implications (38%) followed by evaluating risk-return profiles (33%) and fee structures and cost analysis (33%). Despite asset managers having a chance to fill this knowledge gap, our 2025 Voice of the Asset Manager study finds that this group's top obstacle when communicating complex investment ideas was limited time or attention from advisors (31%). By prioritizing time to connect with asset managers, financial advisors may not only find clarity on their questions but create a deeper relationship and gain more understanding around how to reach their goals.

What can financial advisors do?

- ▶ Understand the benefits and risks of different fee structures to position themselves as trusted guides.
- ▶ Create stronger portfolio allocation for balanced portfolios.
- ▶ Dedicate more time to connect with asset managers, gaining clarity and strengthening relationships.

Challenges conducting private market due diligence



Go deeper

Read our latest global outlook on the impact of private assets in portfolios—and what advisors need to consider.

Explore more →

Use generative AI to manage tasks

The powerful tool can streamline processes and enhance client communication.

Generative AI is reshaping the way financial advisors work, with its influence expected to grow significantly. And many may agree: In fact, more advisors believe the tool will have a large impact on the industry in 2025 compared to 2024 (57% versus 44%). Although more than one-third (36%) see generative AI making an improvement to their efficiency, nearly half (46%) are unsure whether the tool will be more of a help or a threat to their practice. For the 21% of advisors who find it a threat, the top concern was that clients may view it as replacement for advice (38%). This highlights the need for advisors to better understand the tool's true benefits and limitations—and how to position themselves as indispensable in an AI-driven world.

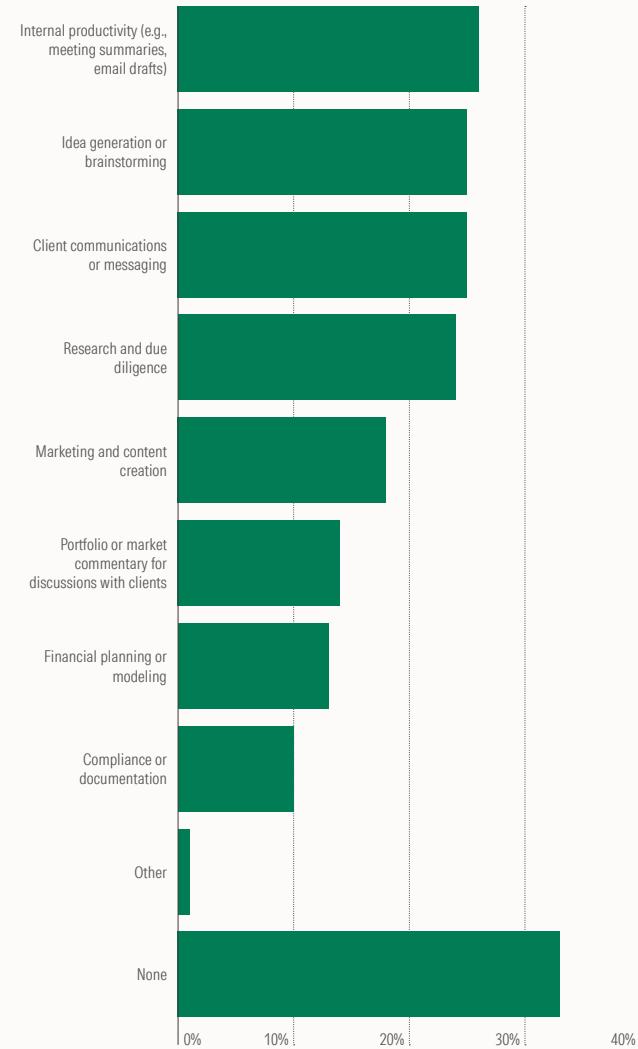
Currently, about two-thirds of financial advisors (67%) are using generative AI in their practice—primarily for internal productivity like

meeting summaries (26%), idea generation or brainstorming (25%), and client communications (25%). Notably, almost two-thirds (63%) reported its biggest impact could be improving efficiency in client communications such as summarizing notes and drafting emails. This underscores a key opportunity: By leveraging AI to streamline workflows, advisors can free up time to focus on what matters most—building deeper, trust-based relationships with clients. Tools like Morningstar's [Mo](#) can help advisors strike this balance to ensure that technology enhances, rather than replaces, the human element of financial advice.

What can financial advisors do?

- ▶ Identify the benefits and limitations of generative AI to understand how it can be an enhancement to services—instead of a replacement.
- ▶ Explore various ways that the tool can impact their practice, using generative AI to their advantage.
- ▶ Discover how Morningstar's [Mo](#) may improve workflows and create more time to build client trust.

GenAI use in practice



Go deeper

Learn how financial advisors can enhance client conversations and strengthen relationships with generative AI.

Read more →

Better support clients today

Prove the value of your advice with confidence. Morningstar's open-architecture ecosystem offers the data, research, and tools you need to thrive across an expanding investment universe.

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