

# Q2 2026 Retail Client Sentiment Report

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## Important Information

- This material is intended for informational purposes only. The investment strategies mentioned may not be suitable for everyone. Each investor needs to review an investment strategy for his or her own particular situation before making any investment decisions.
- Investing involves risk, including loss of principal, and for some products and strategies, loss of more than your initial investment.

# Q2 2026 Retail Client Sentiment Executive Summary

Investors turn bearish on U.S. stock market but remain confident in their investing approach and likelihood of reaching goals.

## KEY Q2 THEMES

### All retail clients

- A majority of clients (58%) are bearish on the U.S. stock market.
- Geopolitical conflict and global macroeconomic conditions are the top investment concerns.
- Confidence remains steady, with nearly half (49%) confident in making investment decisions and 41% planning to add money to their portfolios in Q2.

### Active trader clients

- Traders are slightly less bearish than retail clients overall, with 45% bearish and 38% bullish.
- Despite concerns, traders continue to look for opportunities--82% say they are likely to “buy the dip,” and 39% describe themselves as at least somewhat risk-seeking.

### Gen Z clients

- Gen Z clients mirror the broader shift toward bearish sentiment, with 58% bearish.
- Younger investors remain engaged, with more than a quarter (27%) planning to seek investing guidance or advice—more than clients overall.

# Q2 2026 Sentiment Snapshot

## 3 Month Outlook



### All Retail Clients

Bullish  
28%



### Active Trader Clients

Bullish  
38%



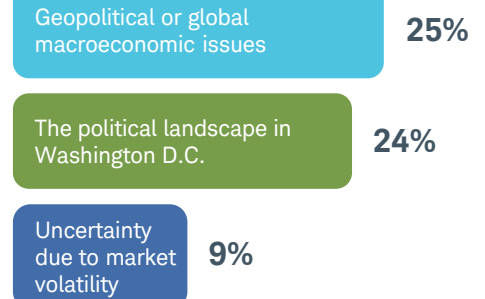
### Gen Z Clients

Bullish  
24%

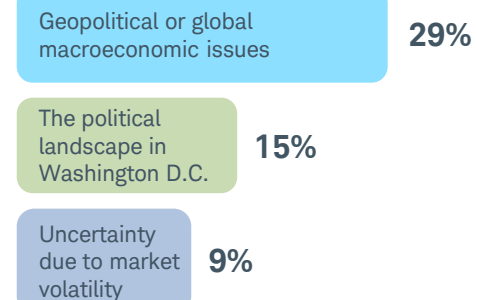


## Primary Concern Next 3 Months

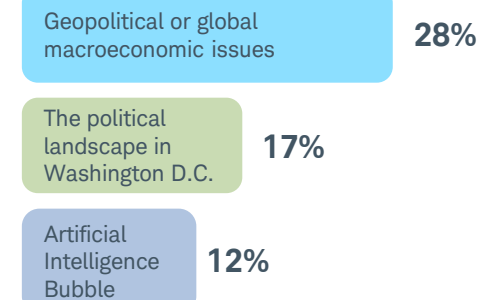
### All Retail Clients



### Active Trader Clients



### Gen Z Clients



### Good Time To Invest

43%

48%

51%



### Better Off Financially

39%

51%

53%



### Confident In Decisions

49%

66%

44%

All Retail Clients

Active Trader Clients

Gen Z Clients

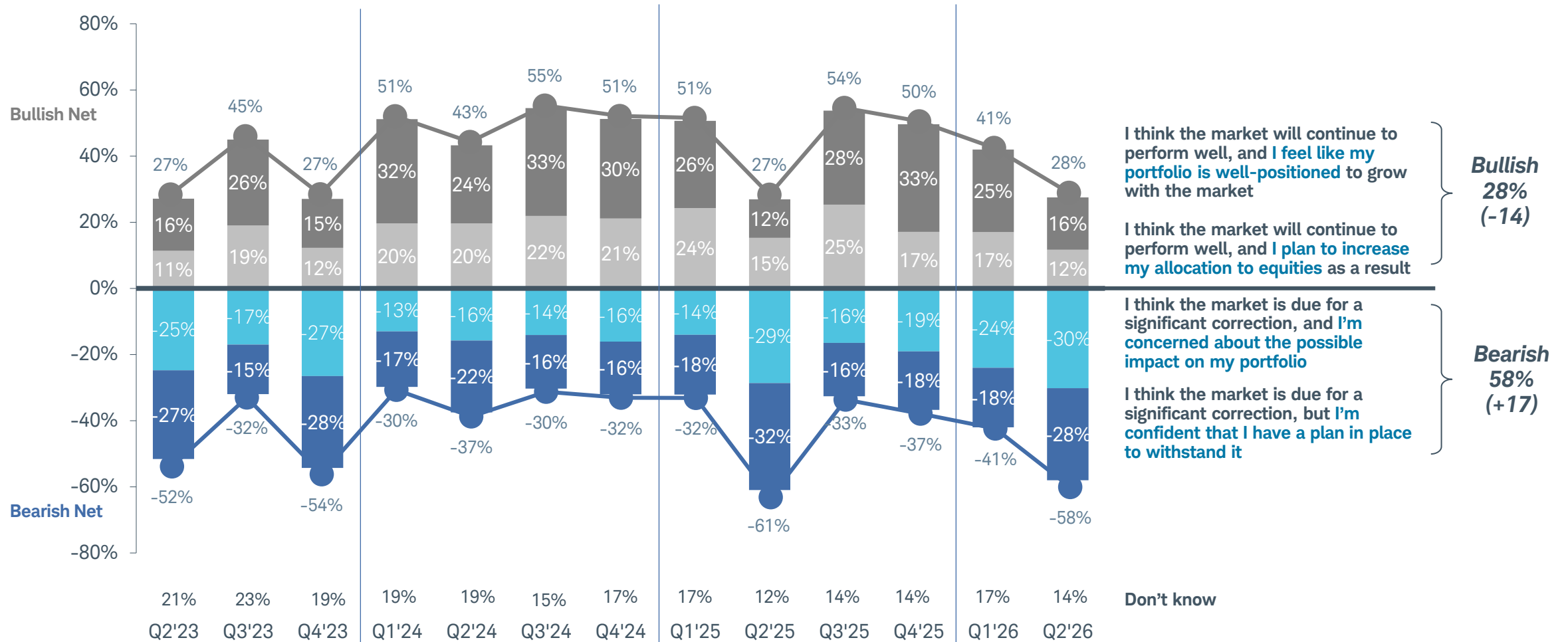
**All Retail Clients**

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# Bullish sentiment among retail clients is lower at levels similar to a year ago.

## Outlook For U.S. Stock Market (Single response only; Among Client Sample)

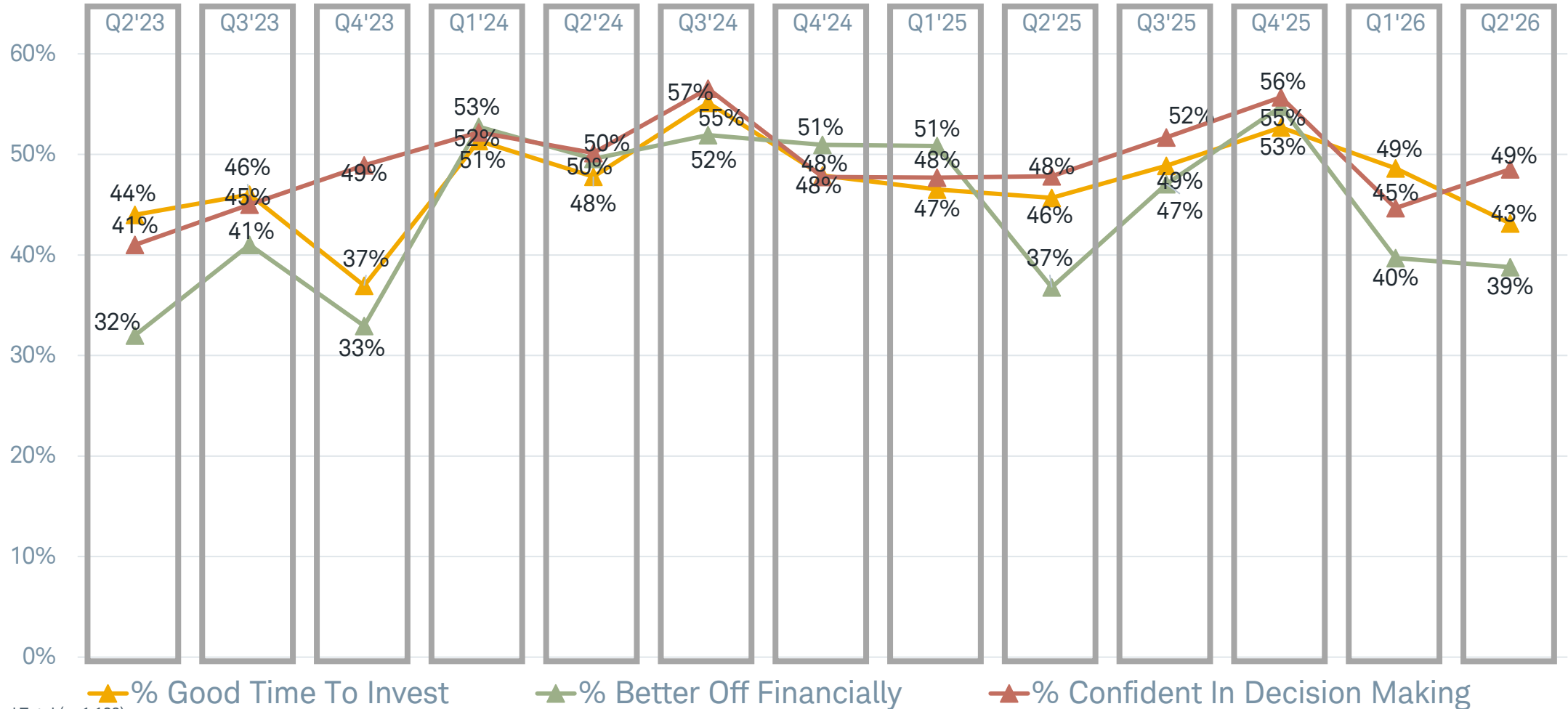


Base = Weighted Total (n=1,128)

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

# Retail client confidence is holding steady despite a more bearish outlook.

## Client Confidence Trends (Among Client Sample)



▲ % Good Time To Invest     
 ▲ % Better Off Financially     
 ▲ % Confident In Decision Making

Base = Weighted Total (n=1,128)

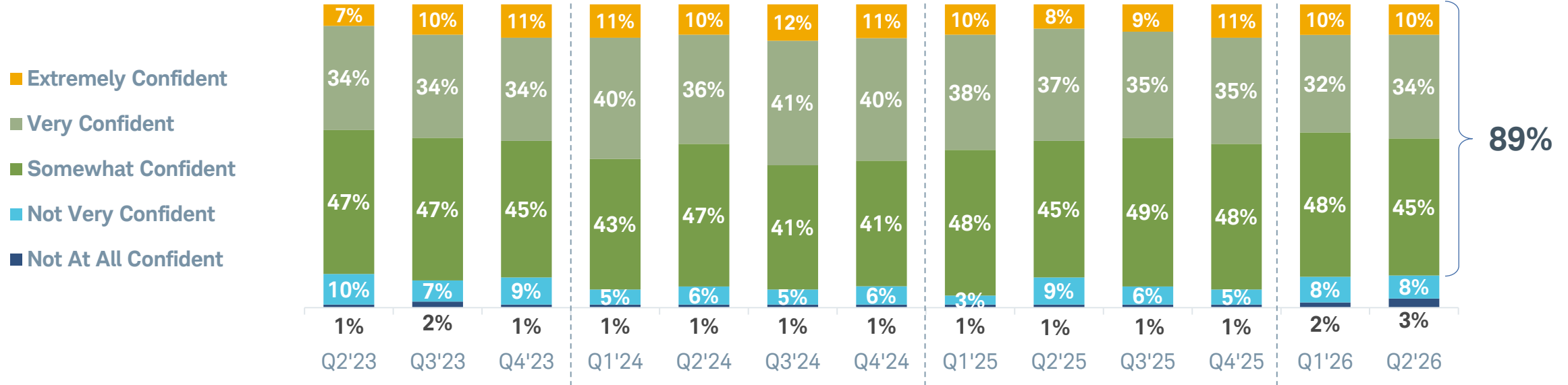
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

Q4. How confident are you in making investment decisions for your household?

# Most retail clients remain confident about reaching their financial goals.

**Confidence in Reaching Financial Goals**  
(Single response only; Among Client Sample)



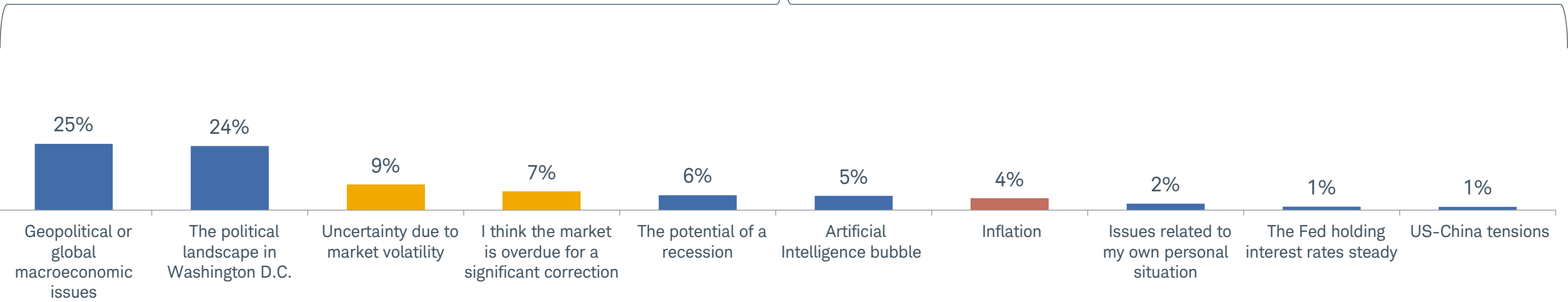
Base = Weighted Total (n=1,128)  
Q10. Which statement best describes your confidence in reaching your financial goals?

# Geopolitical and global macroeconomic issues are retail clients' top investment concerns.

## Primary Concern About Investing (Single response only; Among Client Sample)

 **16% Correction / Market Volatility**

Note: Percentages based among those with a concern



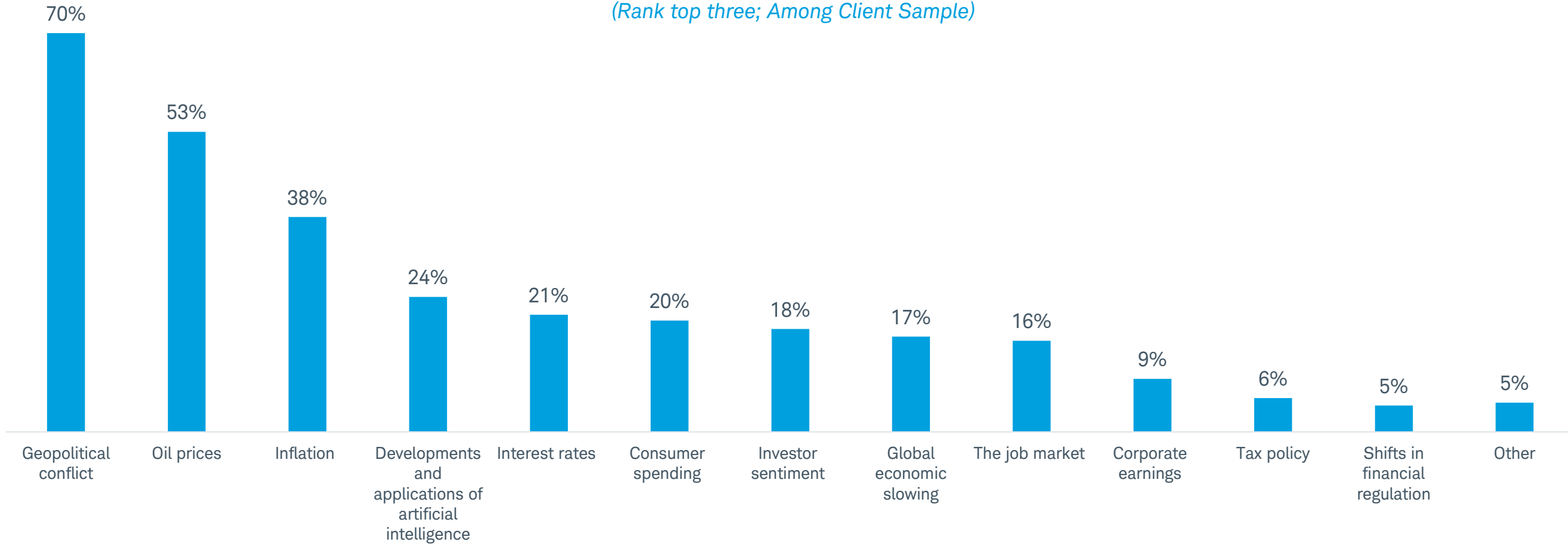
Base = Weighted Total (n=1,128)

Q7. What is your primary concern around money and investing within the next 3 months?

# Retail clients expect geopolitical conflict to most influence market direction, followed by oil prices and inflation.

### Impact on Direction of Stock Market for 2026

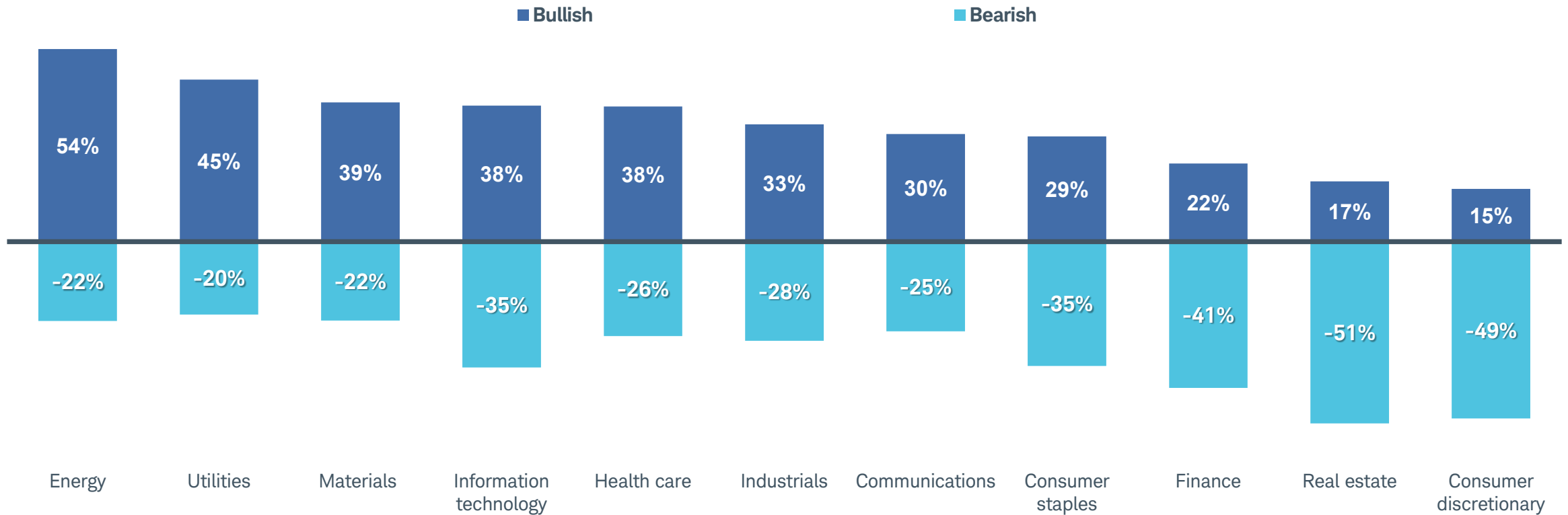
(Rank top three; Among Client Sample)



Base = Weighted Total (n=1,128)  
QSI\_Q226\_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

# Retail clients are most bullish on energy and utilities and most bearish on real estate and consumer discretionary.

## Sector Sentiment Over Next 3 Months (Among Client Sample)

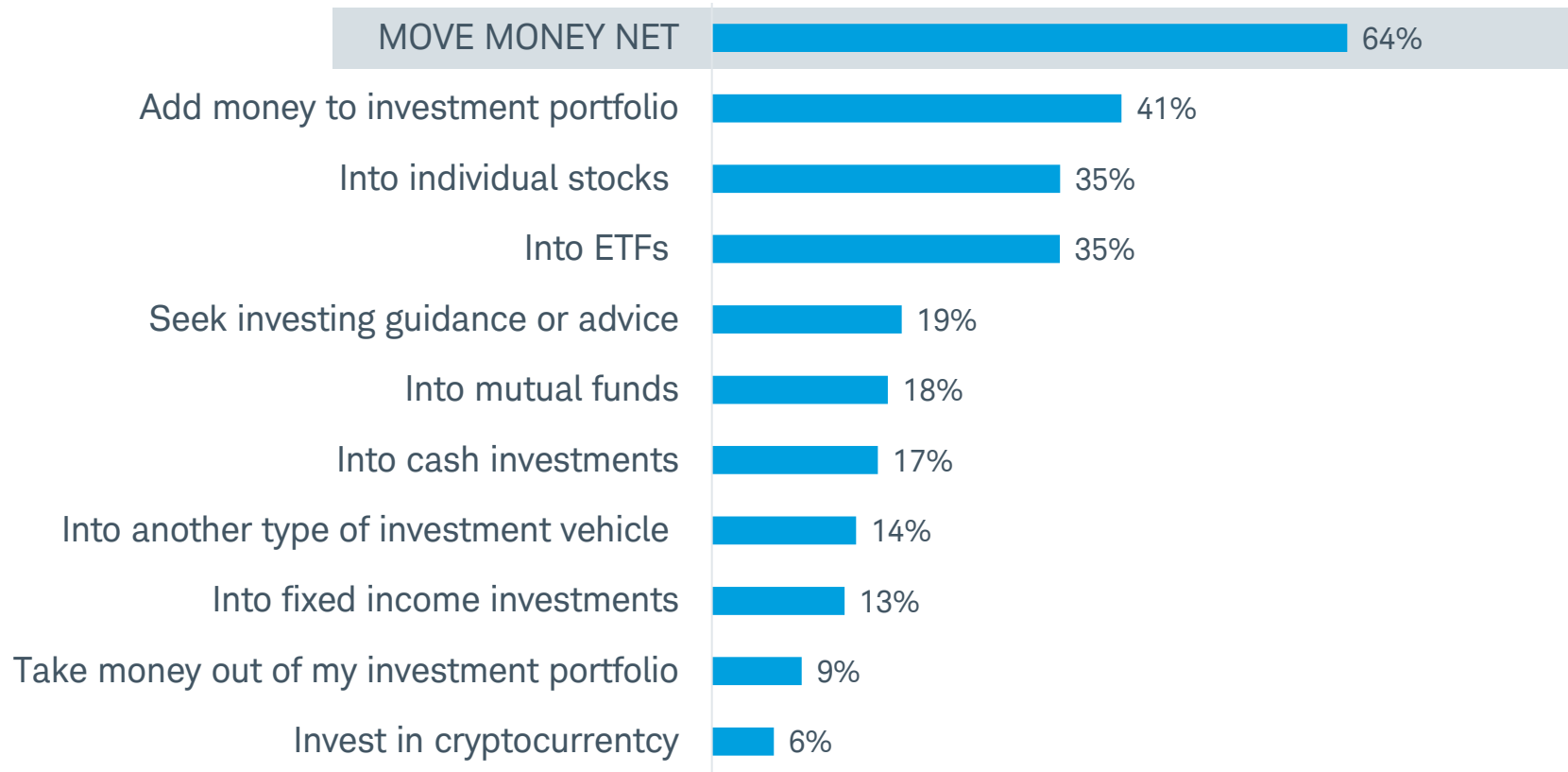


Base = Weighted Total (n=1,128)

Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

# Retail clients plan to move money primarily into stocks and ETFs.

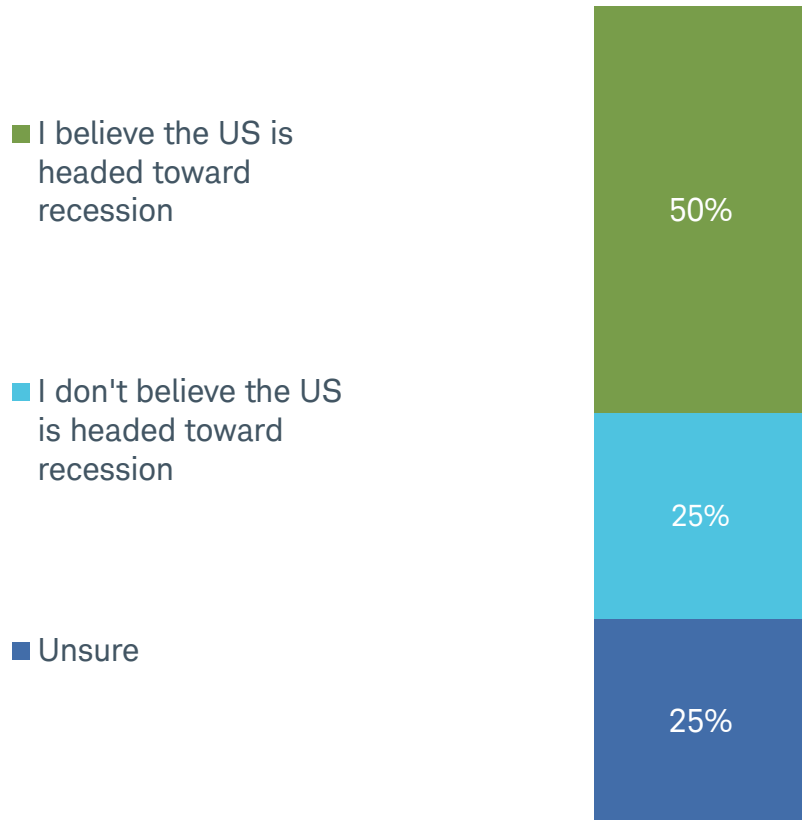
## Portfolio Changes Planned in Next 3 Months (Multiple responses allowed; Among Client Sample)



# Many retail clients expect a recession and view the market as overvalued.

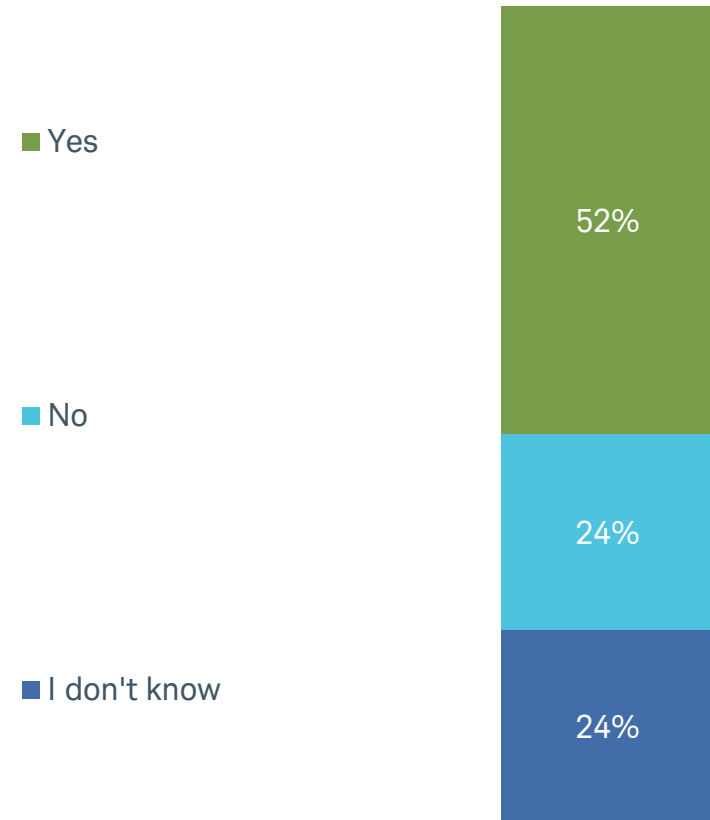
## Outlook on Recession for 2026

(Single response only; Among Client Sample)



## Overvalued Stock Market

(Single response only; Among Client Sample)

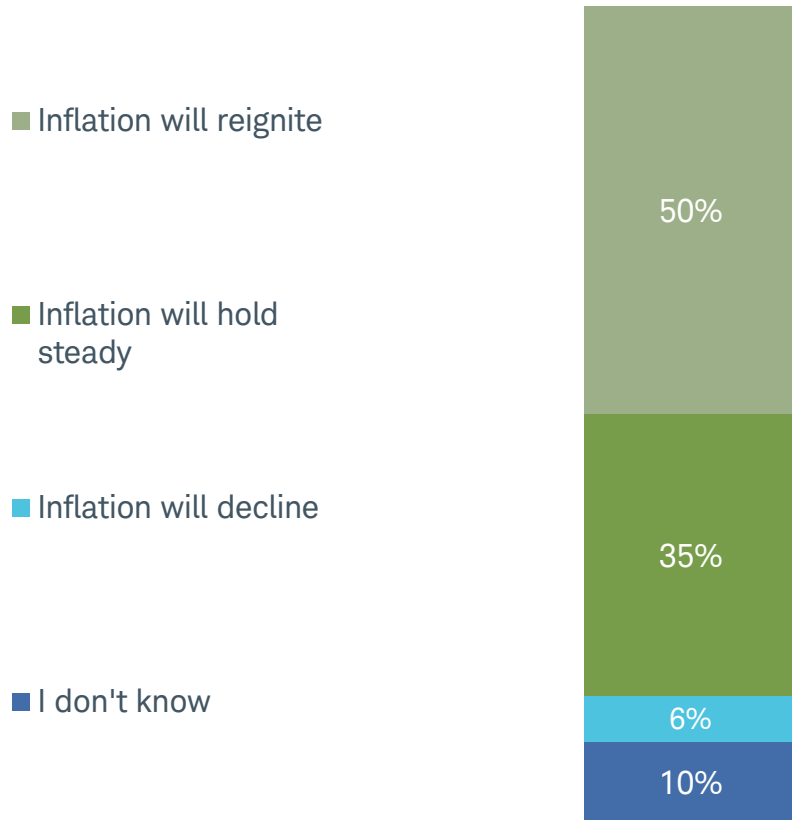


Base = Weighted Total (n=1,128)  
QSI\_Q226\_2. What is your outlook on a recession for 2026?  
QSI\_Q226\_3. In your opinion, is the stock market currently overvalued?

# Retail clients widely expect inflation to reignite, and many see stagflation as likely.

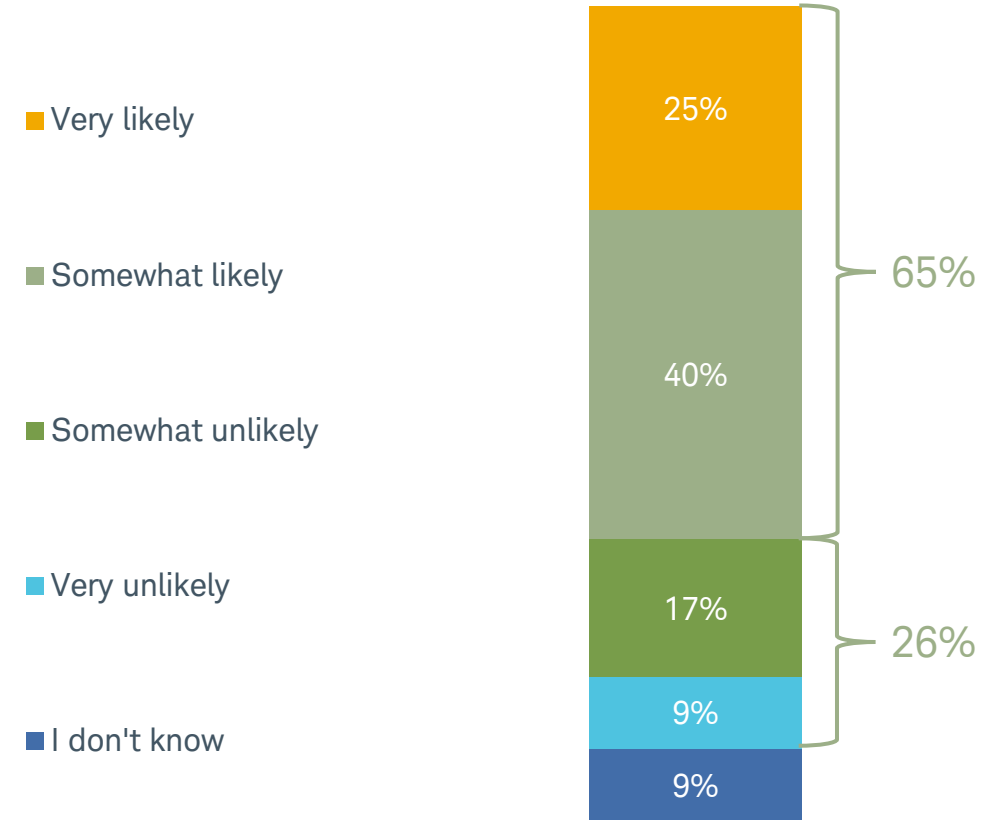
## Expectations for Inflation

(Single response only; Among Client Sample)



## Expected Likelihood of “Stagflation”

(Single response only; Among Client Sample)



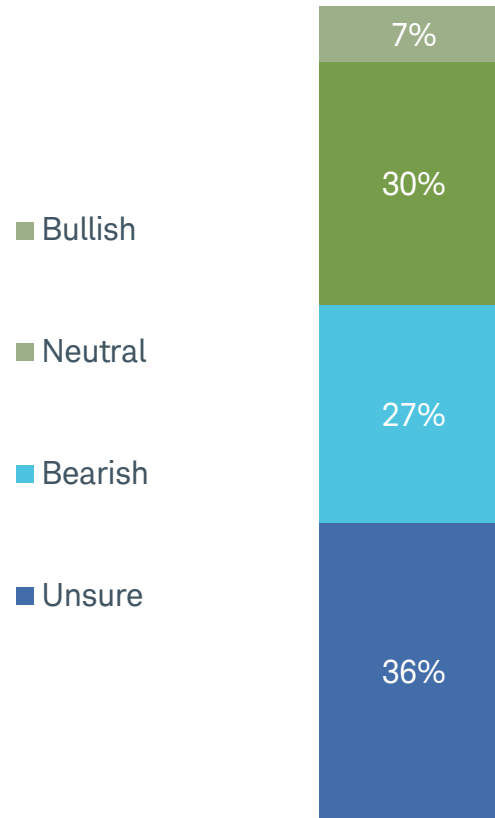
Base = Weighted Total (n=1,128)

QSI\_Q226\_1. What are your expectations for inflation in the second quarter of 2026?

QSI\_Q226\_5. How likely is it that the U.S. will see “stagflation” (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

# Few Clients are bullish on the Cryptocurrency market.

**Next 3 Month Outlook on Cryptocurrency Market**  
*(Single response only; Among Client Sample)*



Base = Weighted Total (n=1,128)  
QSI\_Q226\_6. Thinking about the next three months, are you bullish or bearish on the cryptocurrency market?

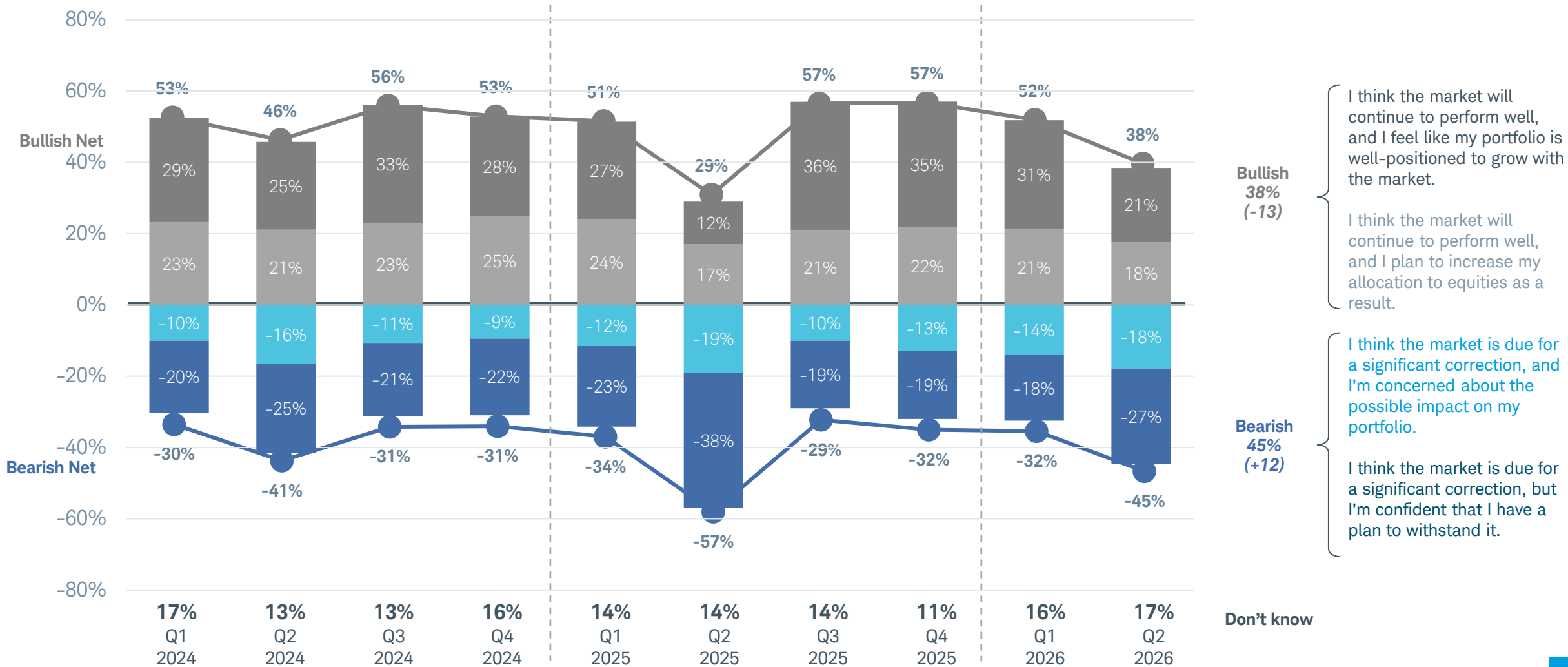
# Active Trader Clients

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# Bullishness is down compared to the previous quarter and year

## Outlook For U.S. Stock Market (Single response only; Among Trader Sample)



I think the market will continue to perform well, and I feel like my portfolio is well-positioned to grow with the market.

I think the market will continue to perform well, and I plan to increase my allocation to equities as a result.

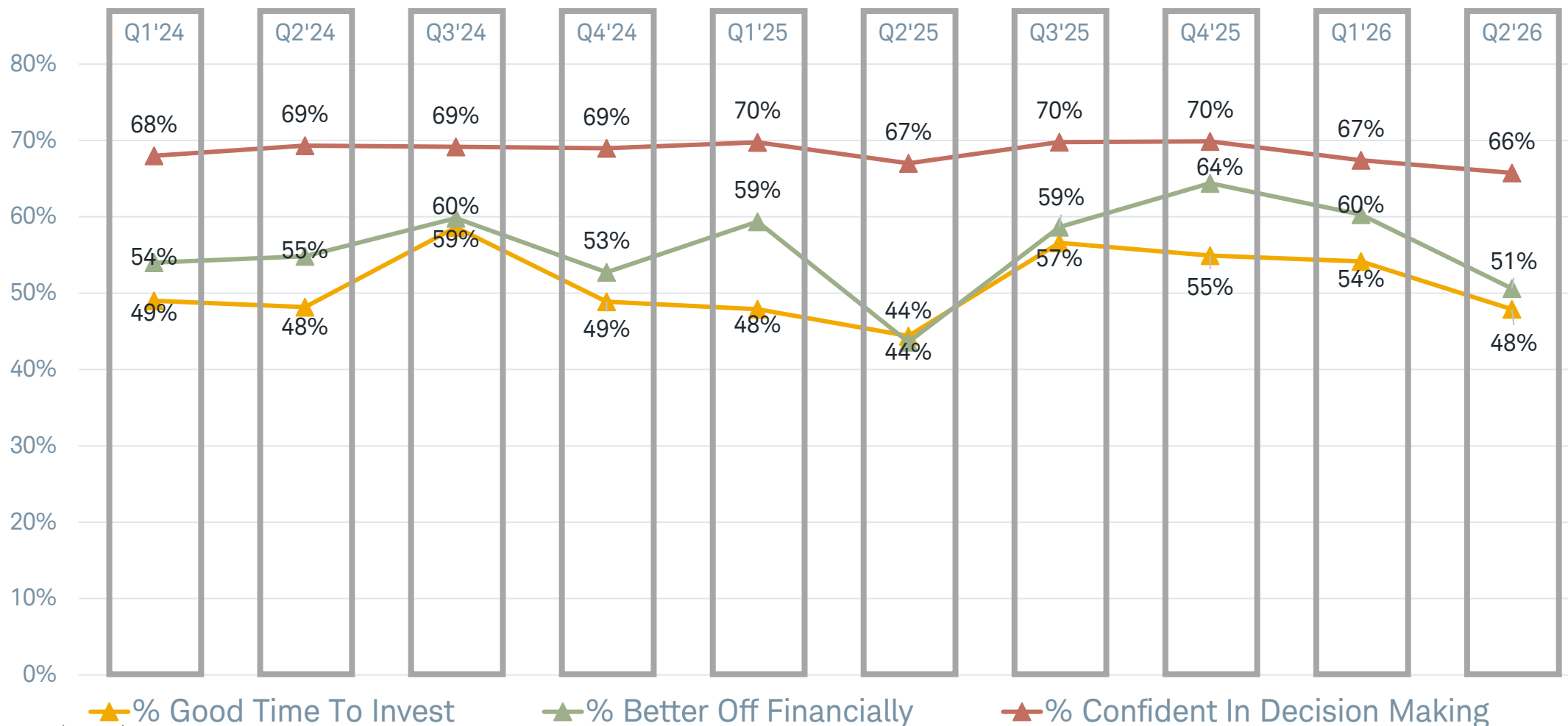
I think the market is due for a significant correction, and I'm concerned about the possible impact on my portfolio.

I think the market is due for a significant correction, but I'm confident that I have a plan to withstand it.

Base = Weighted Total (n=1,415)  
Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

# Most traders remain confident in their decision making.

## Trader Confidence Trends (Among Trader Sample)



Base = Weighted Total (n=1,415)

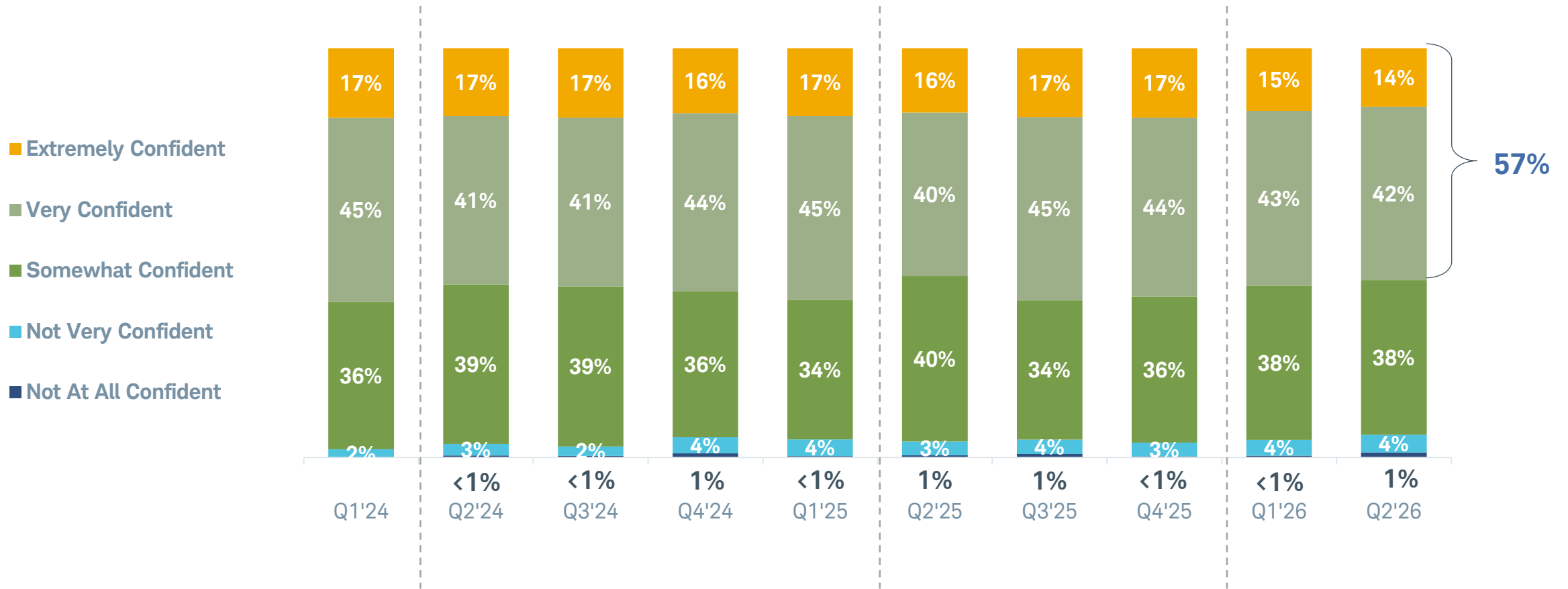
Q1. In your opinion, is this a good time or bad time to invest in stocks, mutual funds and other equity-based investments?

Q3. In terms of how you are getting along financially, compared to a year ago, are you...?

Q4. How confident are you in making investment decisions for your household?

# Despite shifts in sentiment, traders are consistently confident in reaching their financial goals.

**Confidence in Reaching Financial Goals**  
(Single response only; Among Trader Sample)

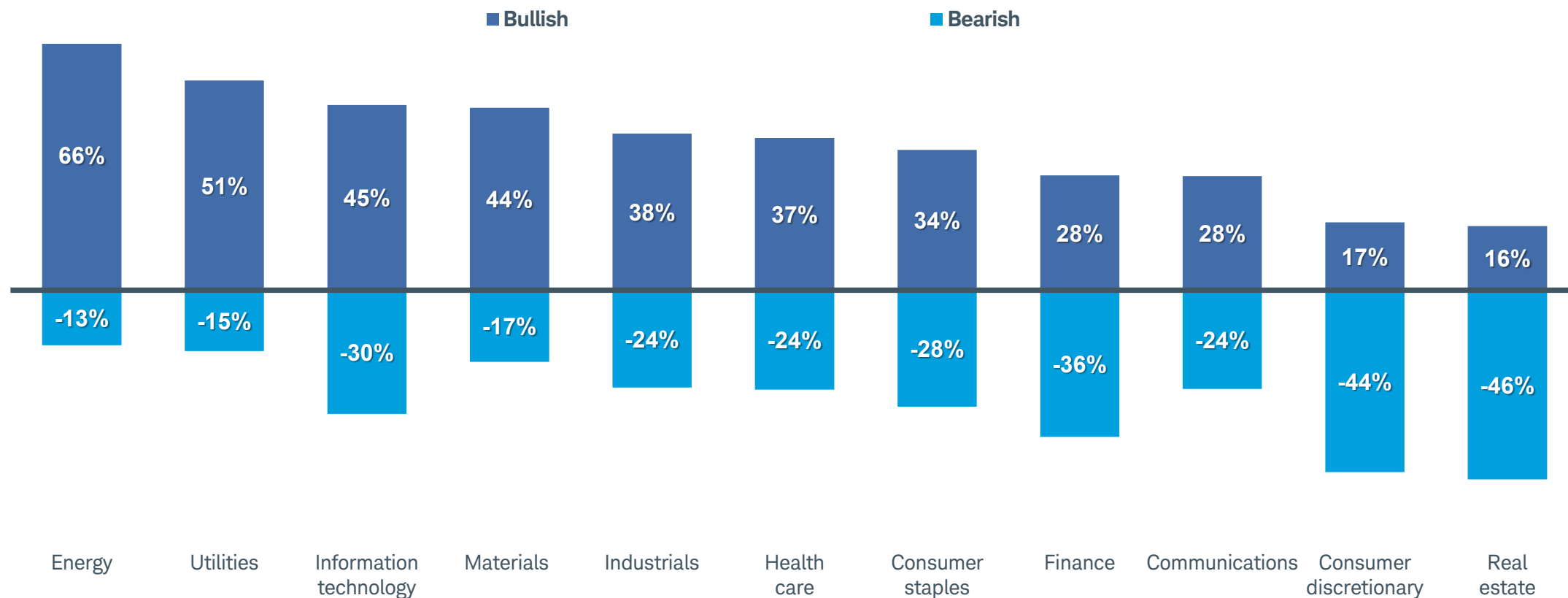


Base = Weighted Total (n=1,415)  
Q10. Which statement best describes your confidence in reaching your financial goals?

Last Qtr. Last Year Both

At the sector level, traders are most bullish on energy, utilities, IT, and materials; they are most bearish on real estate, consumer discretionary, and finance.

### Sector Sentiment Over Next 3 Months (Among Trader Sample)

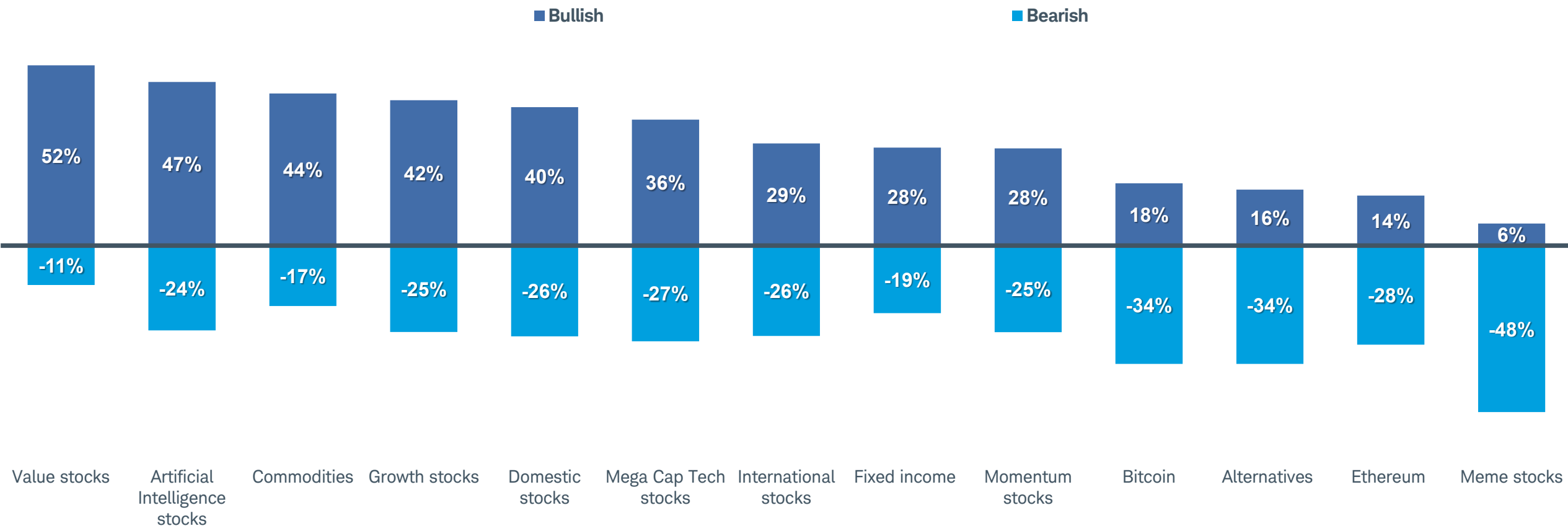


Base = Weighted Total (n=1,415)

Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

Traders are most bullish on value stocks, AI, commodities, growth, and domestic stocks; they are most bearish on meme stocks, crypto, and alternative investments.

### Sentiment Over Next 3 Months (Among Trader Sample)



Base = Weighted Total (n=1,415)

QAT\_Q226\_2. Are you bullish or bearish on each of the following for the next 3 months?

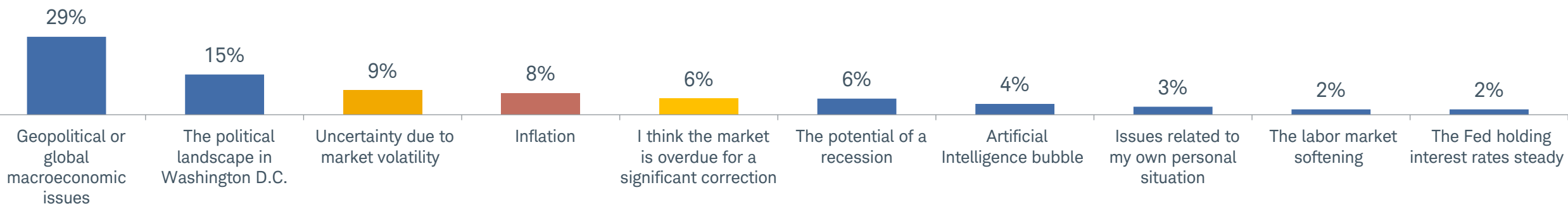
# Geopolitical and global macroeconomic issues are traders' top investment concerns.

## Primary Concern About Investing (Single response only; Among Trader Sample)



**15% Correction /  
Market Volatility**

Note: Percentages based among those with a concern



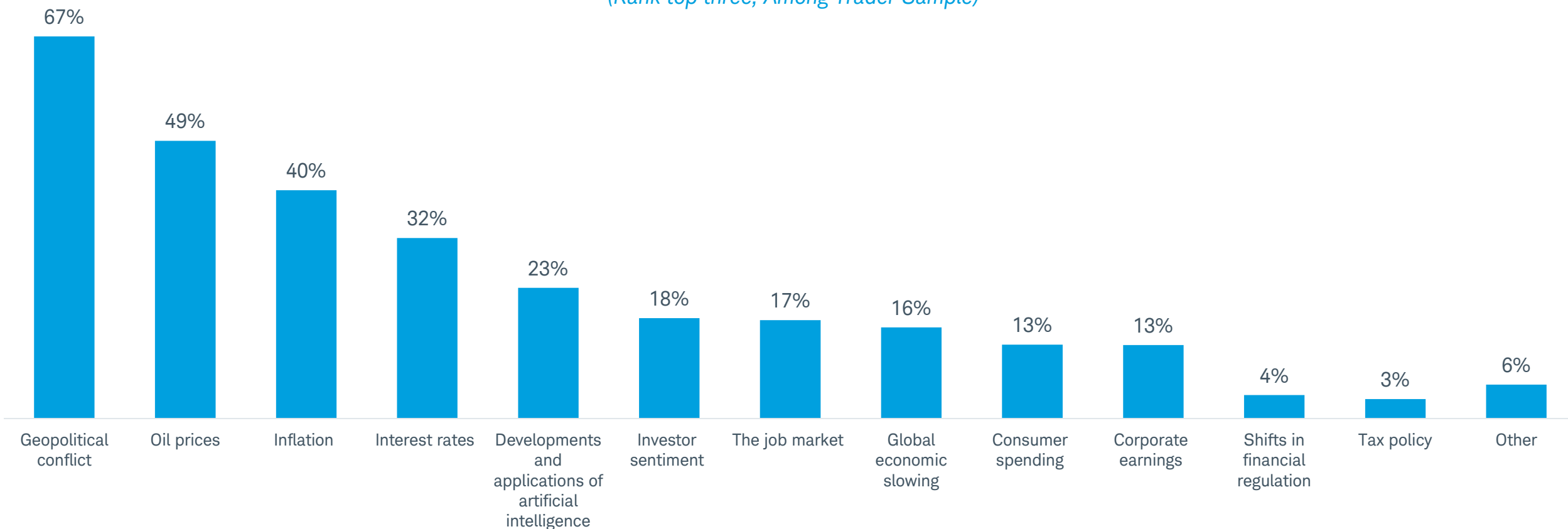
Base = Weighted Total (n=1,415)

Q7. What is your primary concern around money and investing within the next 3 months?

**Most Traders (67%) expect geopolitical conflict to have the greatest impact on the direction of the US stock market in 2026, followed at a distance by oil prices and inflation.**

### Impact on Direction of Stock Market for 2026

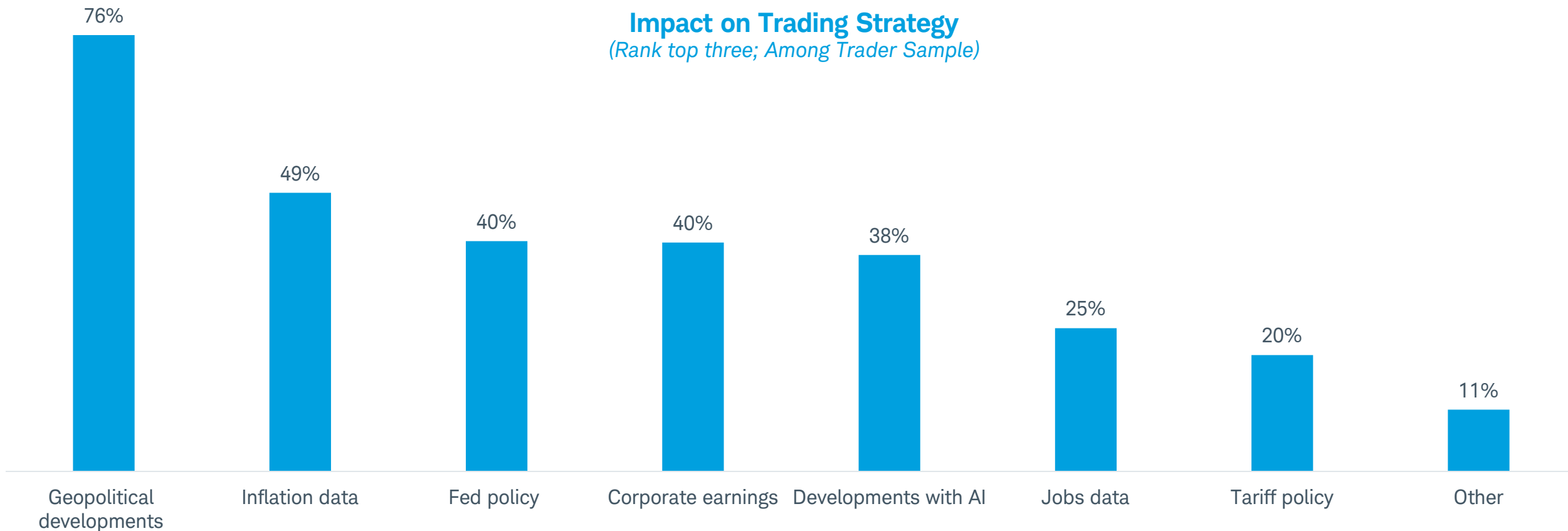
*(Rank top three; Among Trader Sample)*



Base = Weighted Total (n=1,415)

QSI\_Q226\_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

# Most traders expect geopolitical developments to have the greatest impact on their trading strategy in Q2.



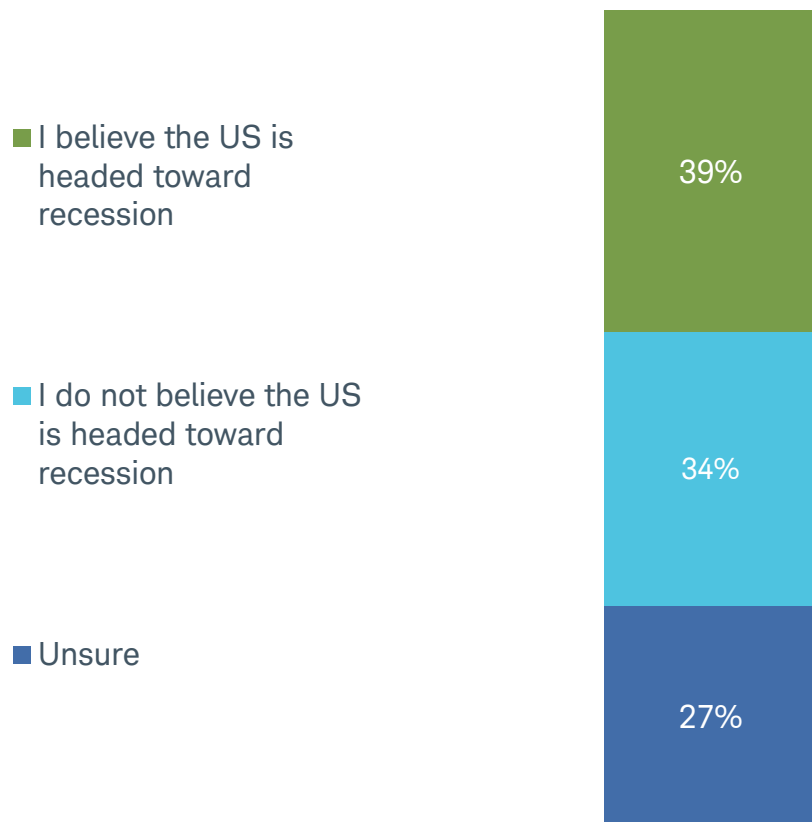
Base = Weighted Total (n=1,415)

QAT\_Q226\_5. From among the issues listed below, please rank your top three according to which is having the greatest impact on your trading strategy.

**Just over half of Traders (51%) see the market as currently overvalued, with nearly two-in-five thinking the US is headed toward recession.**

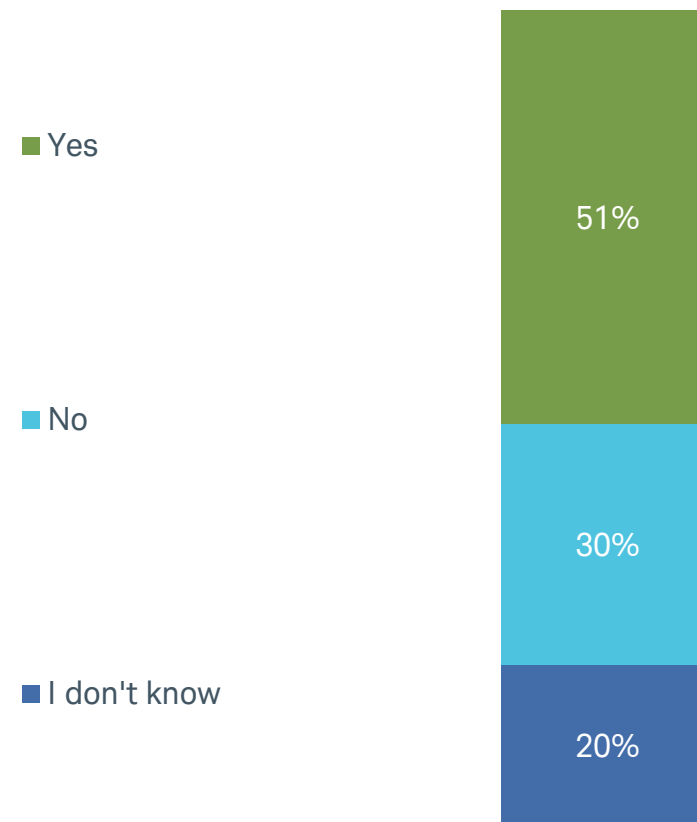
### Outlook on Recession for 2026

(Single response only; Among Trader Sample)



### Overvalued Stock Market

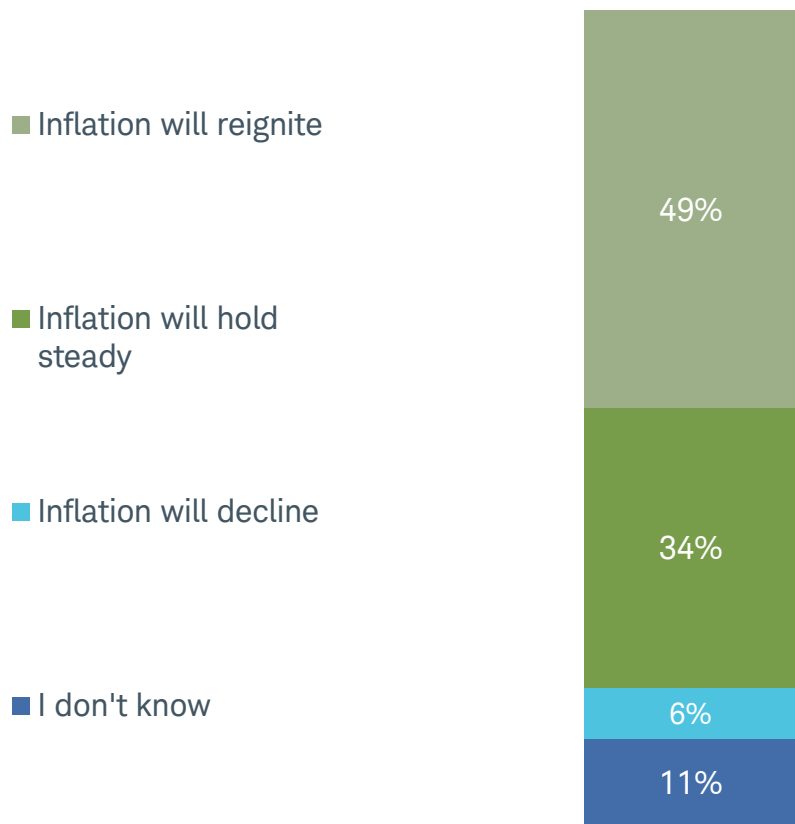
(Single response only; Among Trader Sample)



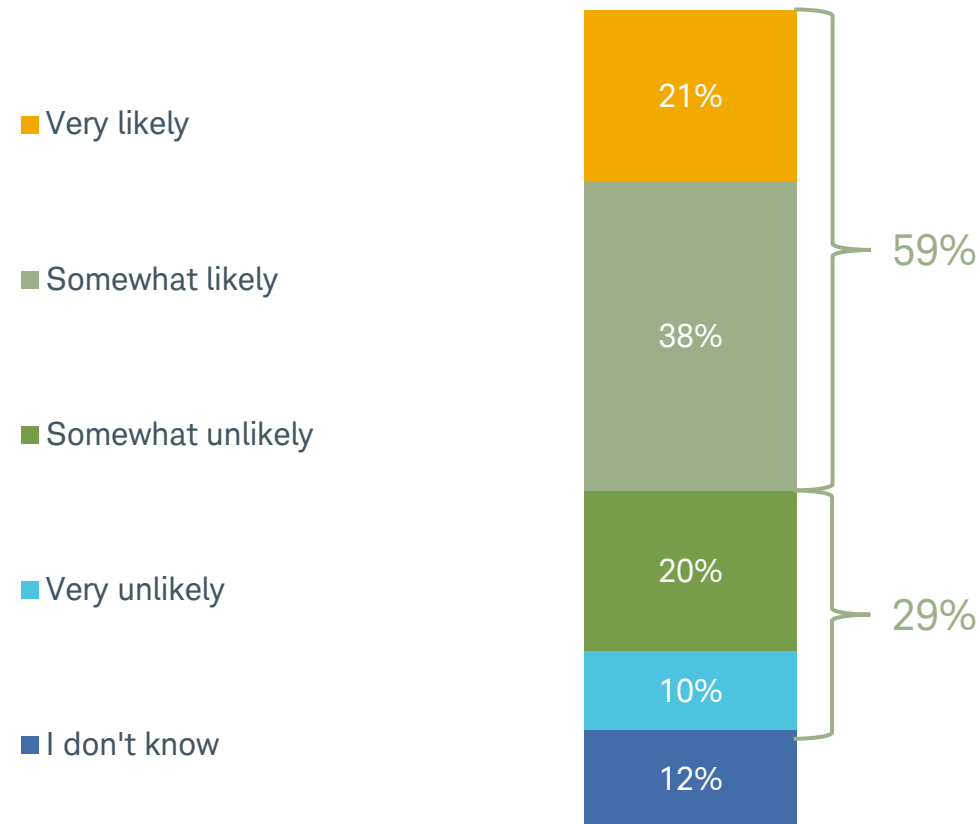
Base = Weighted Total (n=1,415)  
 QSI\_Q226\_2. What is your outlook on a recession for 2026?  
 QSI\_Q226\_3. In your opinion, is the stock market currently overvalued?

# Nearly half of Traders expect inflation to reignite and 59% see stagflation as at least somewhat likely in the next 12-18 months.

**Expectations for Inflation**  
(Single response only; Among Trader Sample)



**Expected Likelihood of "Stagflation"**  
(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,415)

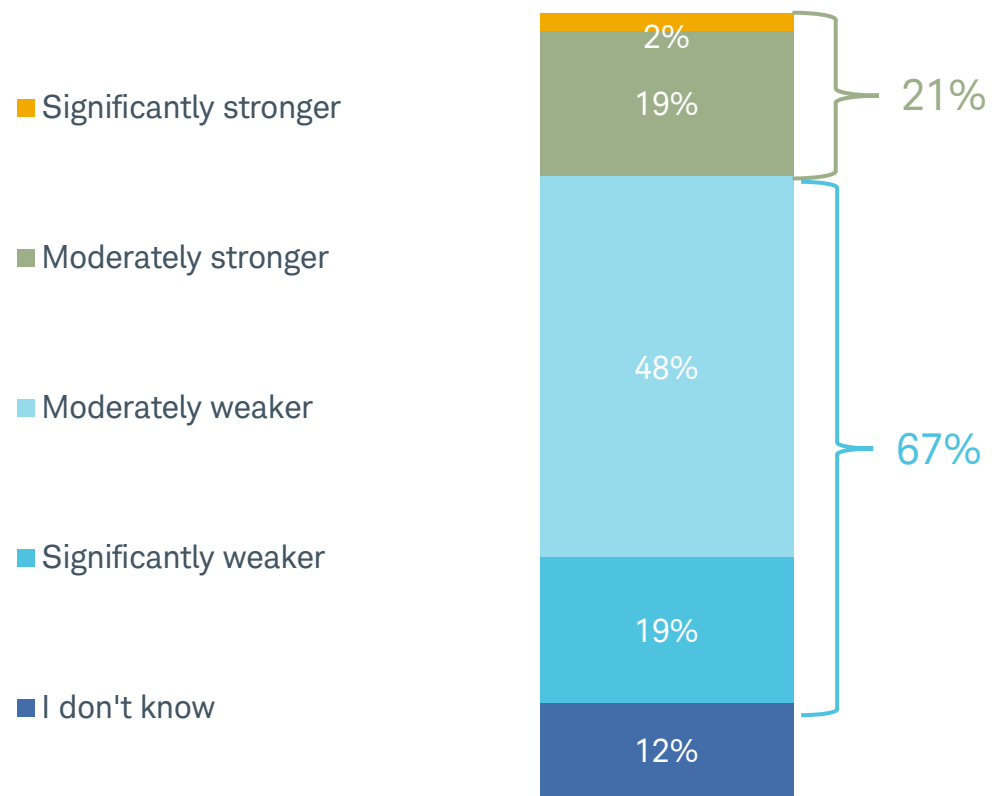
QSI\_Q226\_1. What are your expectations for inflation in the second quarter of 2026?

QSI\_Q226\_5. How likely is it that the U.S. will see "stagflation" (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

# Most Traders (67%) expect the labor market to weaken in the remainder of H1'26; traders are nearly equally likely to be risk-seeking or risk averse.

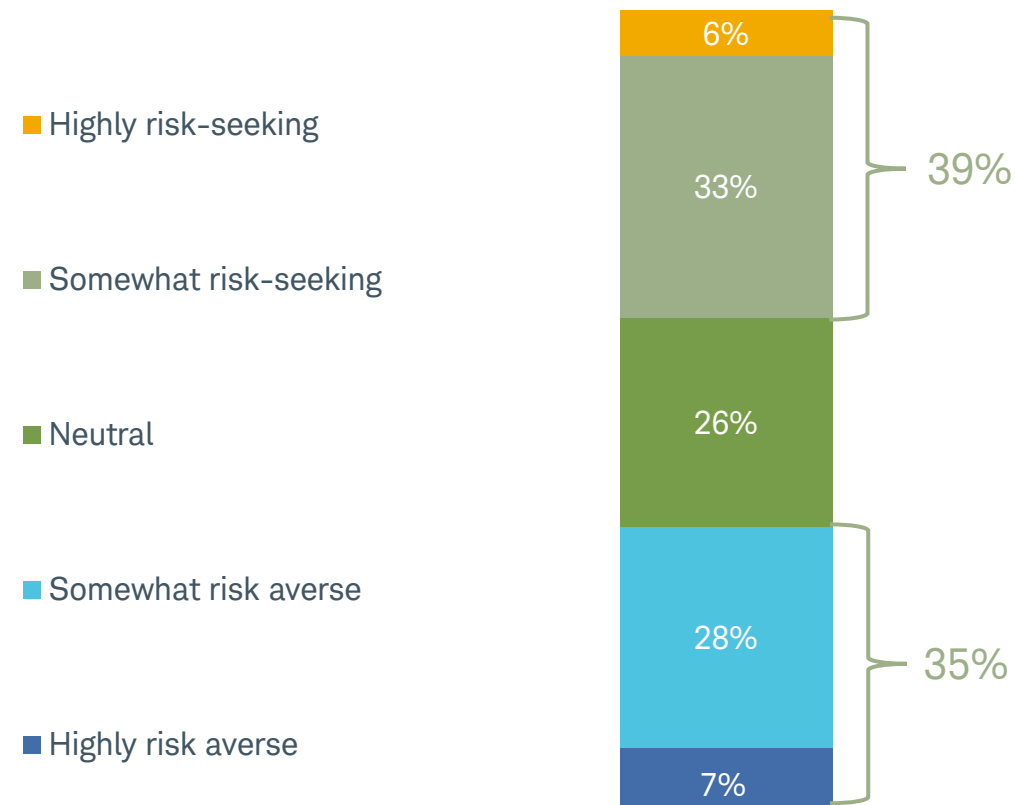
## Expectation of Labor Market Performance for Remainder of H1 2026

(Single response only; Among Trader Sample)



## Risk Appetite Descriptor

(Single response only; Among Trader Sample)

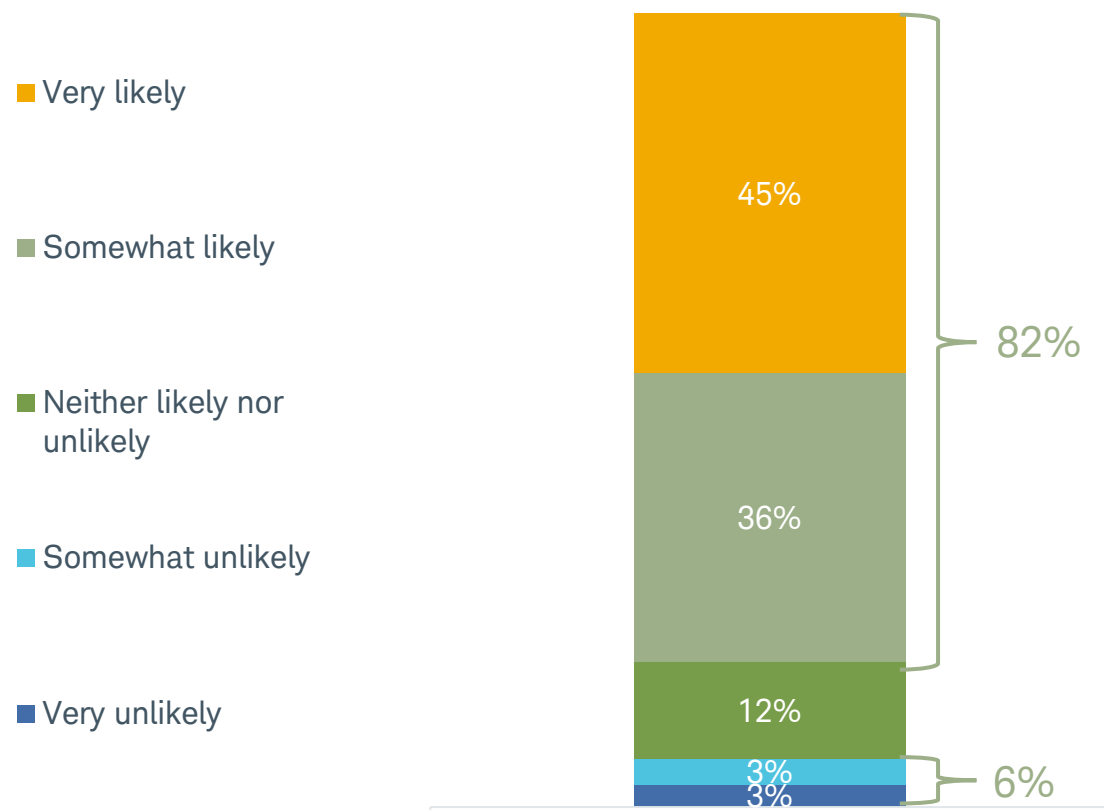


Base = Weighted Total (n=1,415)  
 QAT\_Q226\_1. How do you expect the U.S. labor market to perform for the remainder of H1 2026?  
 QAT\_Q226\_3. Which of the following best describes your risk appetite for the next 3 months?

In the event of notable declines, traders are likely to ‘buy the dip’ in the next three months (82%); expectations for international vs US stock index performance are split.

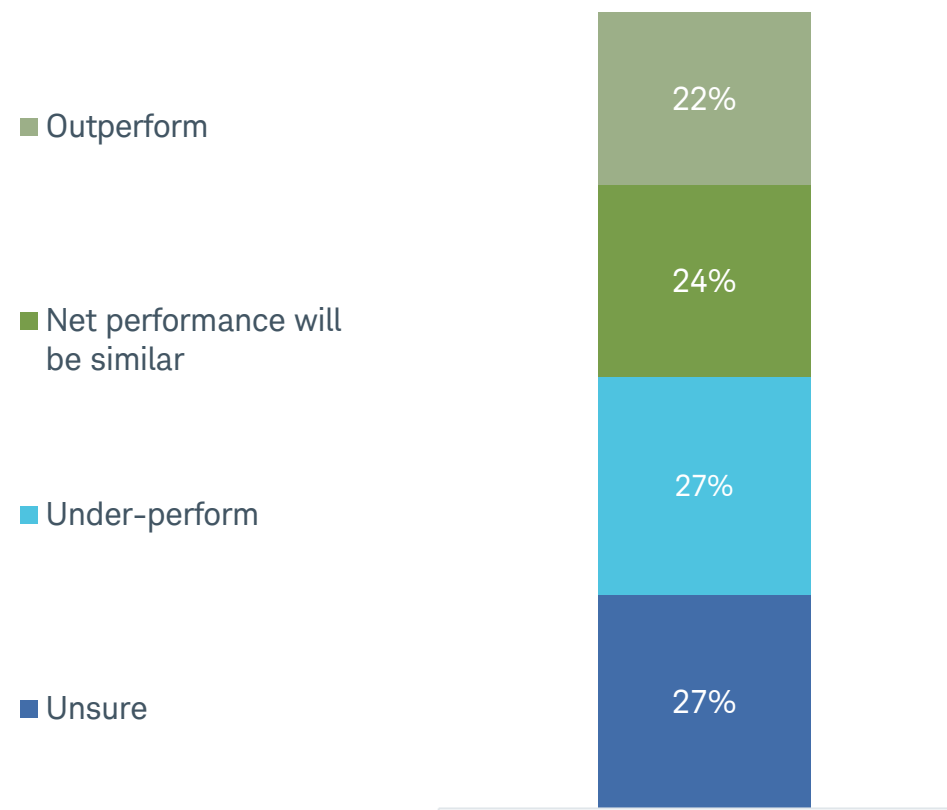
### Likelihood to “Buy the Dip” in the Next 3 Months

(Single response only; Among Trader Sample)



### Performance of International Stock Indexes vs. US Stock Indexes in 2026

(Single response only; Among Trader Sample)



Base = Weighted Total (n=1,415)

QAT\_Q226\_4. How likely are you to “buy the dip” if there are notable market declines in the next 3 months?

QAT\_Q226\_6. Do you believe international stock indexes will outperform or under-perform US stock indexes in 2026?

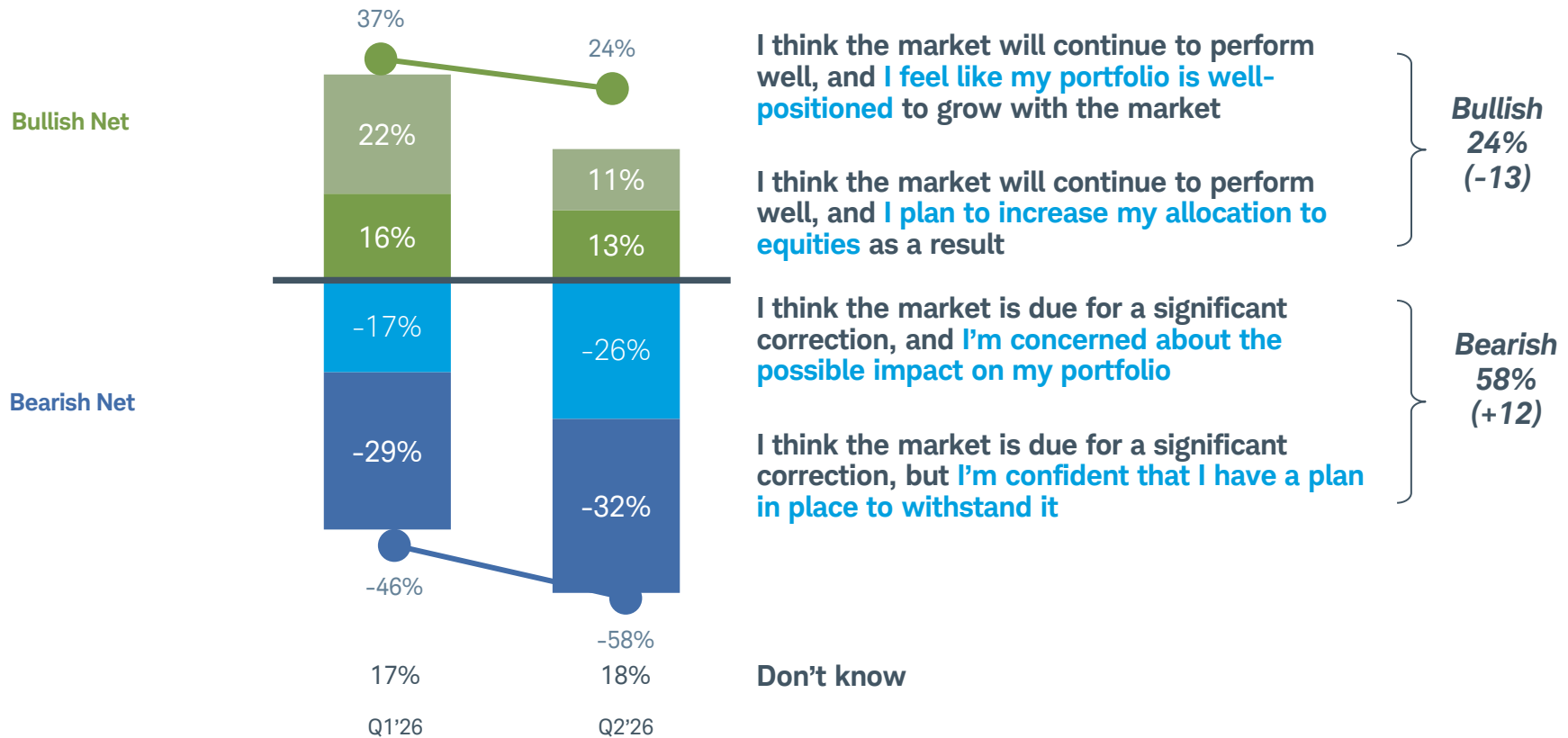
# Gen Z Clients

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# Bullishness is down among Gen Z clients, putting them further into net bearish territory.

## Outlook For U.S. Stock Market (Single response only; Among Gen Z Client Sample)

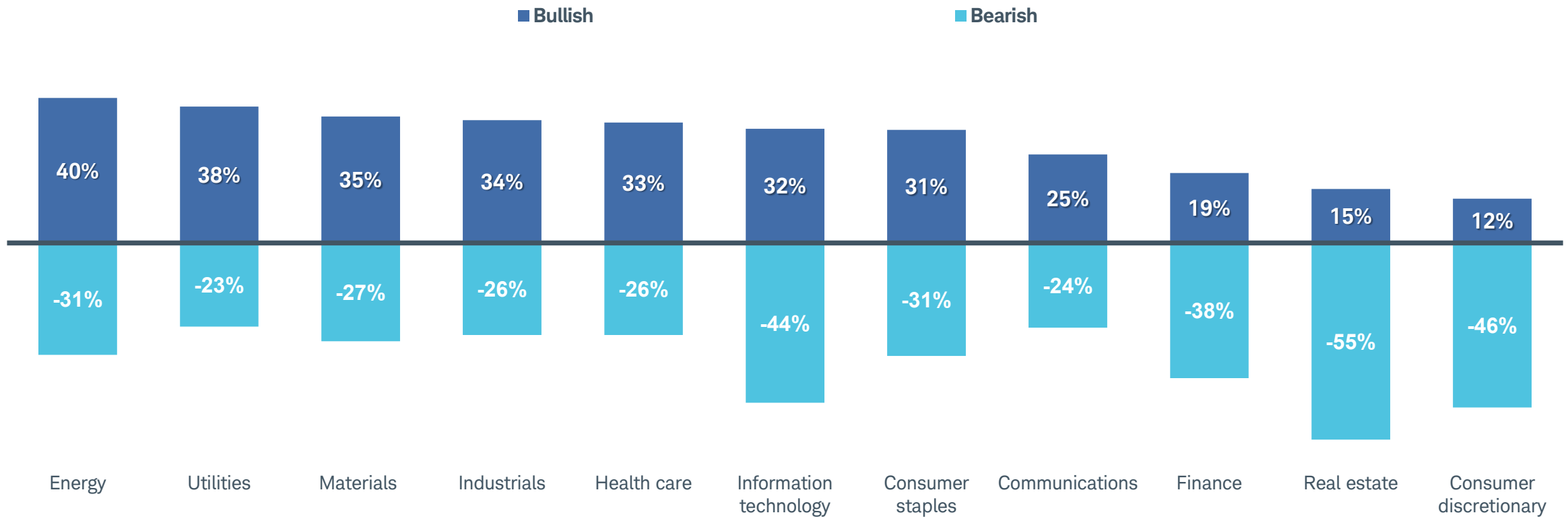


Base = Weighted Total (n=293)

Q6. Thinking about the next 3 months, which statement best describes your outlook for the U.S. stock market?

Gen Z clients are most bullish on the energy and utilities sectors and most bearish on the real estate and consumer discretionary, and information technology sectors.

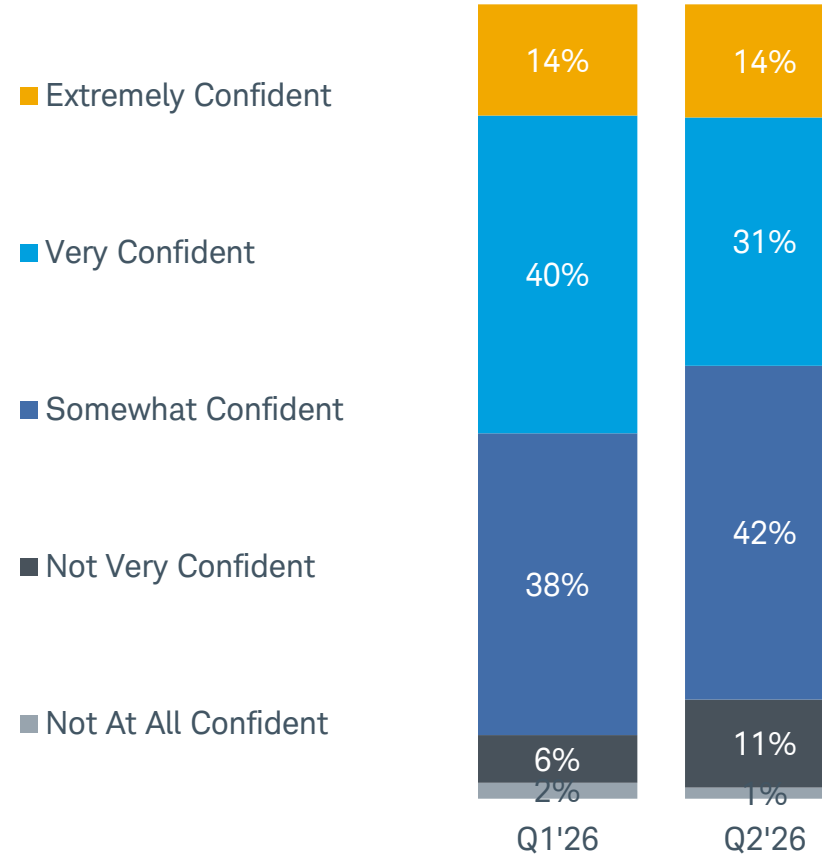
### Sector Sentiment Over Next 3 Months (Among Gen Z Client Sample)



Base = Weighted Total (n=293)  
Q23A. In your opinion, which term best describes the U.S. stock market for each of the following sectors over the next three months?

# Gen Z clients show meaningful confidence in achieving financial goals.

## Confidence in Reaching Financial Goals (Single response only; Among Gen Z Client Sample)

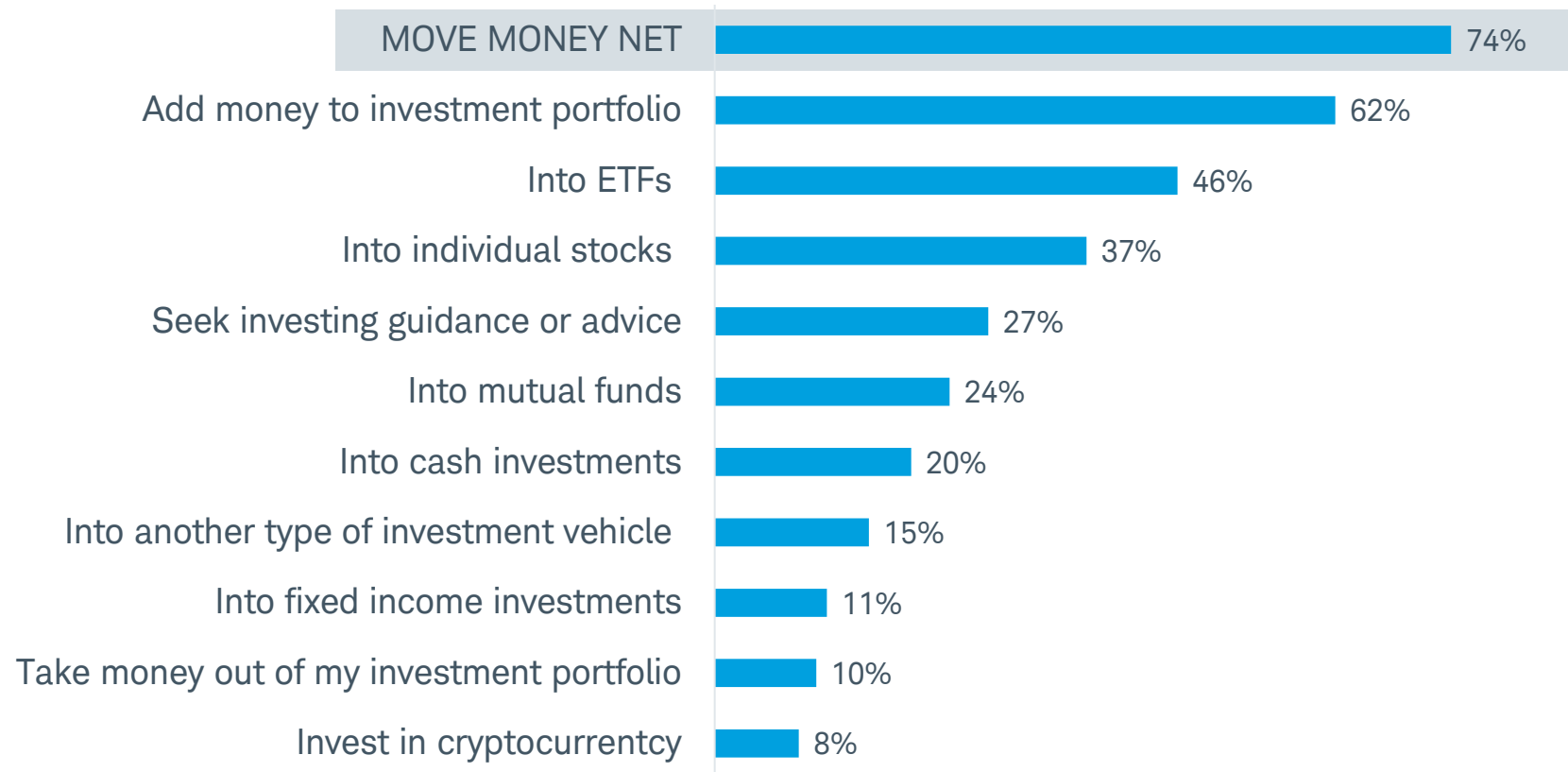


Base = Weighted Total (n=293)

Q10. Which statement best describes your confidence in reaching your financial goals?

# Most Gen Z clients plan to add money to their investment portfolio, and more than a quarter plan to seek investing guidance or advice.

## Portfolio Changes Planned in Next 3 Months (Multiple responses allowed; Among Gen Z Client Sample)



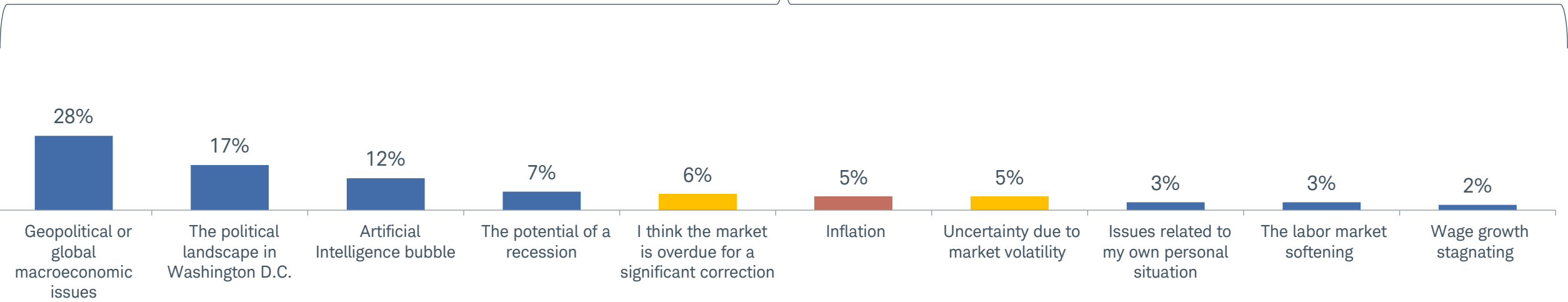
# Geopolitical risk ranks as the leading concern among Gen Z clients, with AI risk also prominent.

## Primary Concern About Investing

(Single response only; Among Those With A Concern; Among Gen Z Client Sample)

 **11% Correction / Market Volatility**

Note: Percentages based among those with a concern



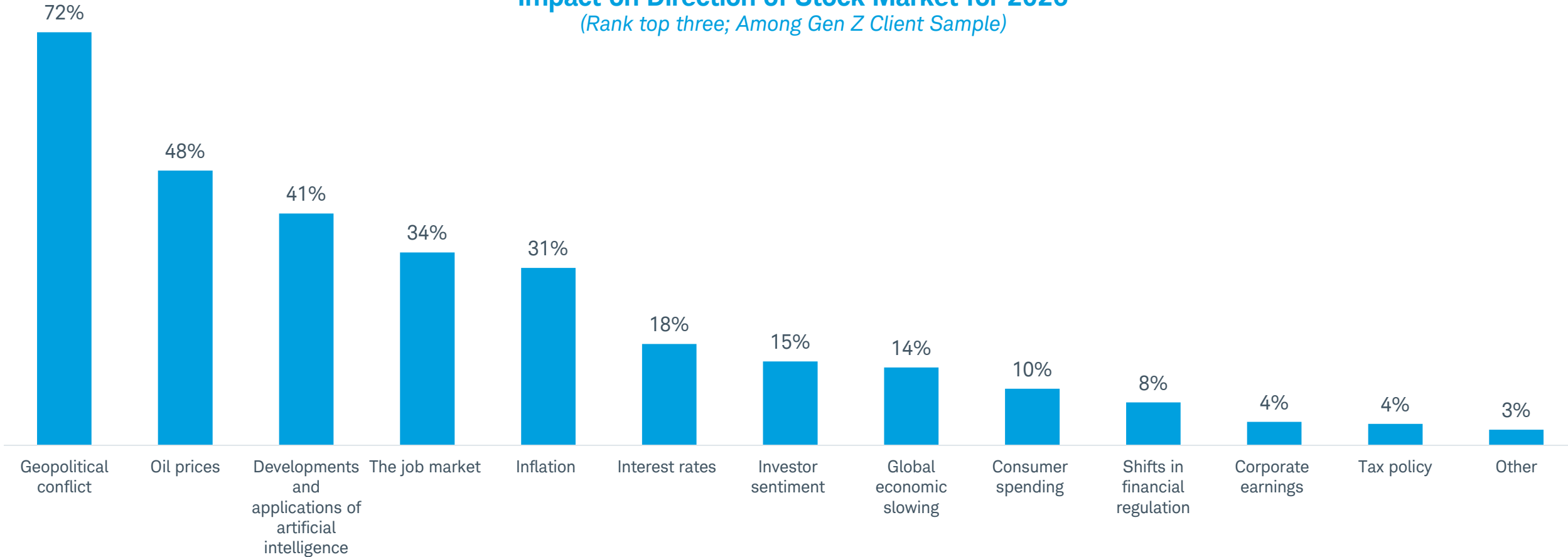
Base = Weighted Total (n=293)

Q7. What is your primary concern around money and investing within the next 3 months?

# Gen Z clients most often cite geopolitical conflict as a key driver on direction of the stock market for 2026, while AI and the job market stand out.

## Impact on Direction of Stock Market for 2026

(Rank top three; Among Gen Z Client Sample)

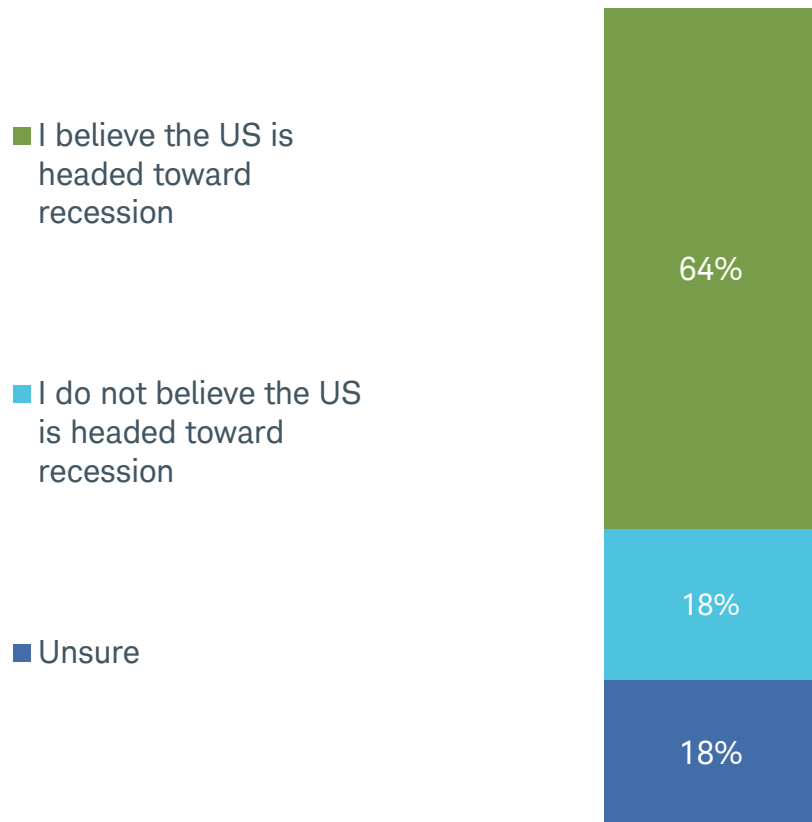


Base = Weighted Total (n=293)  
 QSI\_Q226\_4. Which of the following do you expect will have the biggest impact on the direction of the U.S. stock market for the remainder of 2026?

# Recession expectations are prominent among Gen Z Clients, alongside mixed views on valuation.

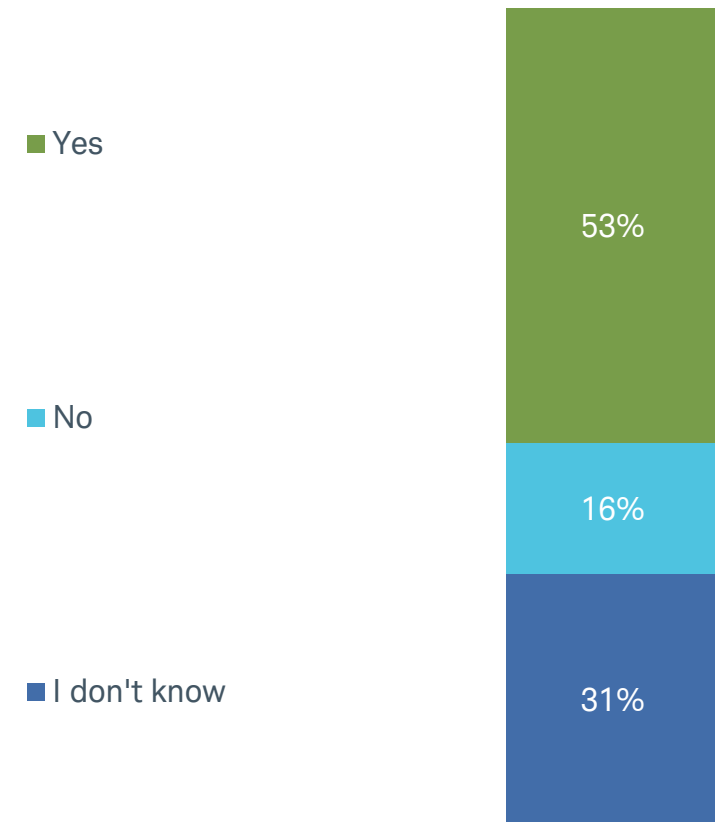
## Outlook on Recession for 2026

(Single response only; Among Gen Z Client Sample)



## Overvalued Stock Market

(Single response only; Among Gen Z Client Sample)

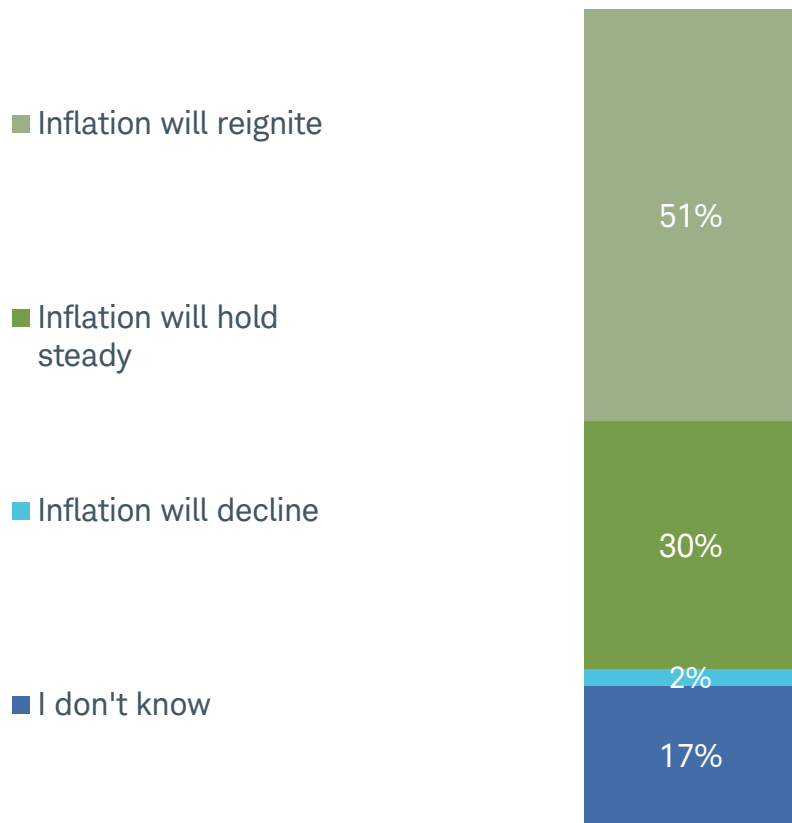


Base = Weighted Total (n=293)  
 QSI\_Q226\_2. What is your outlook on a recession for 2026?  
 QSI\_Q226\_3. In your opinion, is the stock market currently overvalued?

# Gen Z Clients widely expect stagflation, alongside renewed inflation expectations.

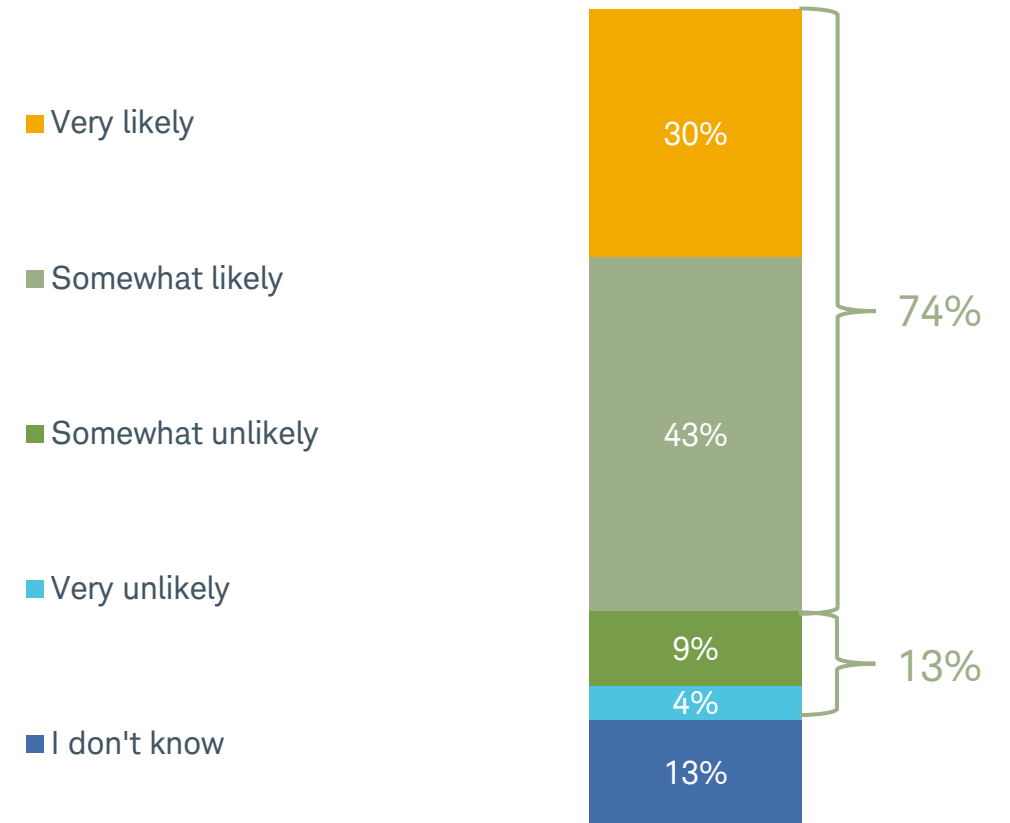
## Expectations for Inflation

(Single response only; Among Gen Z Client Sample)



## Expected Likelihood of “Stagflation”

(Single response only; Among Gen Z Client Sample)



Base = Weighted Total (n=293)

QSI\_Q226\_1. What are your expectations for inflation in the second quarter of 2026?

QSI\_Q226\_5. How likely is it that the U.S. will see “stagflation” (high inflation, stagnant economic growth, and elevated unemployment) in the next 12-18 months?

# Background and Methodology

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# Background and Methodology

## Background:

- Charles Schwab & Co. has tracked client sentiment for over 10 years to gauge how clients (investors and traders) are feeling about their current financial situation, market & investing opportunities or risks, the market outlook, and their confidence in investing and achieving financial goals
- This report details clients' confidence with, and attitudes about, investing over time and the factors that influence attitudes & behaviors
- In Q4 2021, Schwab began tracking sentiment among Active Traders separately (clients who actively trade equities or trade options, futures, or forex).

## Methodology:

- The data is collected quarterly via an online survey amongst clients with Retail Assets of at least \$2,000
- Q2 study was fielded March 24th – April 1st, 2026

## Sample:

- 1,128 Clients - The data was weighted to reflect the Retail Client segment
- 1,415 Traders - The data was weighted to reflect the Trader segments

## Rounding:

- In some cases, the individual elements of a chart may not sum to the total due to rounding

### Clients

Young Investor	30%
Mid-Life	28%
Mature	31%
Retired	11%
Core (<\$250k)	88%
Mass Affluent (\$250k to <\$1MM)	8%
HNW (\$1MM to <\$10MM)	4%
UHNW (\$10MM+)	<1%

### Traders

Young Investor	23%
Mid-Life	28%
Mature	32%
Retired	18%
Core (<\$250k)	67%
Mass Affluent (\$250k to <\$1MM)	19%
HNW (\$1MM to <\$10MM)	13%
UHNW (\$10MM+)	1%

**Note:** In 2020, the study was converted from a bi-annual study to a quarterly cadence and switched from collecting data near the end of the quarter to the beginning of the quarter, enabling the PR team to have more timely data.