

Retail Investors on the Rise

What Billions of Transactions Reveal
About Today's Retail Investors Living
on Low and Moderate Incomes

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commonwealth

The
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JPMorganChase
Institute



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Commonwealth is a national nonprofit building financial security and opportunity for people earning low-to-moderate income through innovation and partnerships. For over two decades, Commonwealth has designed effective innovations, products, and policies enabling over 2 million people to save nearly \$8 billion. Commonwealth collaborates with consumers, the financial services industry, employers, and policymakers. Because Black, Latin, and women-led households disproportionately experience financial insecurity, we focus especially on these populations. The solutions we build are grounded in real life, based on our deep understanding of people who are financially vulnerable and how businesses can best serve them. To learn more, visit us at www.buildcommonwealth.org.



Guided by BlackRock's purpose to help more and more people experience financial well-being, The BlackRock Foundation focuses on increasing economic security for low-to moderate-income households by helping them earn, save and invest—earlier, more often and for their futures. With our partners, we support the building of a financial safety net to protect against shocks that widen disparities and make it easier to build wealth and support upward mobility.



The JPMorganChase Institute helps decision makers—policymakers, businesses, and nonprofit leaders—appreciate the scale, granularity, diversity, and interconnectedness of the global economic system and use timely data and thoughtful analysis to make more informed decisions that advance prosperity for all. Drawing on JPMorganChase's unique proprietary data, expertise, and market access, the Institute develops analyses and insights on the inner workings of the economy, frames critical problems, and convenes stakeholders and leading thinkers. Learn more at www.jpmorganchase.com/institute.

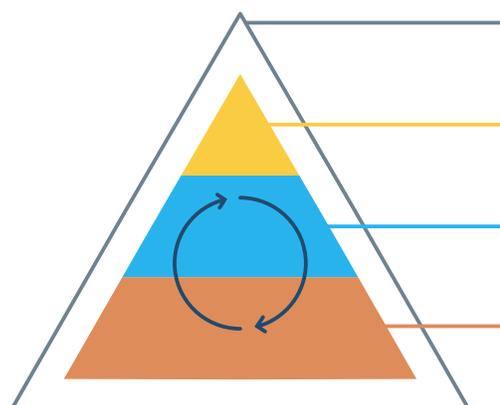
Introduction: Large-Scale Data Analysis Examining the Rise of Investors Living on Low and Moderate Incomes

Using data from more than twenty-five million JPMorganChase checking account users—approximately ten million of whom are users living on LMI—this research reveals how retail investing among Americans living on low and moderate incomes has surged since 2020. Through a collaboration between Commonwealth, The BlackRock Foundation, and the JPMorganChase Institute (JPMCI), the findings highlight key drivers of participation and the financial behaviors shaping this investor group.

Capital markets have long been a pathway to wealth building that has traditionally been leveraged most frequently by those with higher incomes rather than by those living on low and moderate incomes (LMI). However, since 2020, technological advancements, COVID-19 related stimulus packages, increased access to investing information including mainstream media attention, and strong market performance, have increasingly led individuals living on low and moderate incomes to engage in retail investing. Enabling these newer investors is key to building confidence in the industry and the market. In the near term, investing in capital markets can cultivate agency and financial security. Over time, it can expand options and help families achieve milestones such as education, homeownership, or a secure retirement.

To better understand this growing cohort of new retail investors, Commonwealth and The BlackRock Foundation launched [The Investor Diaries](#), a multi-method project that combines analysis of experiences, survey insights, and large-scale transactional data. Building on our national habits and perceptions survey, [Understanding Today's Retail Investor](#), and [qualitative data](#) from our project diarists, we collaborated with the JPMorganChase Institute (JPMCI) in their analysis of data from over twenty-five million active checking account users and these users' billions of transactions. This real-world transaction data gives us a complementary view into the patterns of today's retail investors.

THE INVESTOR DIARIES



The Low and Moderate Income Investor Experience

DIARIES

Deep personal habits, transactions, and emotions

NATIONAL SURVEY

Nationally representative survey of perceptions and habits

BIG DATA

Large data transactions, macro trends

Findings

These findings reinforce patterns identified in our [National Survey](#) and add transaction-level insight into the financial behaviors and conditions that influence sustained participation among investors living on low and moderate incomes.

We found that investors living on low and moderate incomes are:



1
Entering the capital markets at increasing rates since 2020



2
Increasing in number across every income group



3
Committing a greater share of their income to investing



4
More likely to continue to invest with even a modest cushion of liquid savings



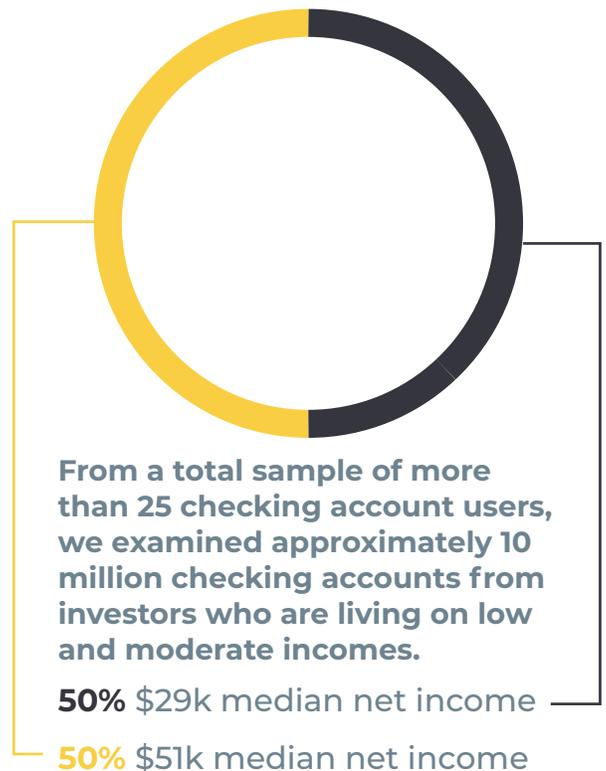
5
More likely to make investment deposits during seasonal or short-term income increases

METHODOLOGY

Examining Billions of Transactions from Over Twenty-Five Million Active Checking Account Users

In collaboration with JPMorganChase Institute (JPCMI), and with the support of The BlackRock Foundation, Commonwealth focused our analysis on investors living on low and moderate incomes. This research leveraged billions of deidentified transactions from over twenty-five million Chase customers from 2015-2024, approximately ten million of whom are living on low and moderate incomes. The proxy for income in the data analyzed by the JPMC Institute is checking account inflows after excluding transfers between accounts, and the investing proxy comprises transfers from checking accounts to external investment accounts.

Following [previous research](#), the Institute analysis filtered for active account users and used age-adjusted average net earnings (after tax and deductions) to group individuals by income—defining low and moderate incomes as the lower two quintiles, which is approximately 10 million checking account users. Median take-home income for individuals in those groups in 2024 were approximately \$29,000 and \$51,000, respectively.

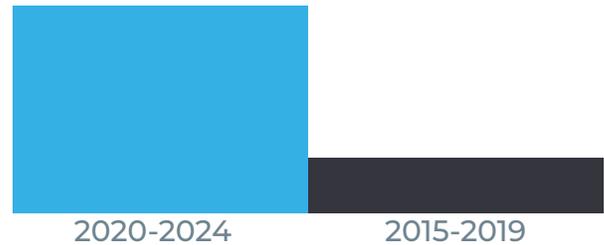


1. PARTICIPATION AMONG INVESTORS LIVING ON LOW AND MODERATE INCOMES IS RISING

Retail investing among those living on low and moderate incomes has grown substantially since 2020. The number of investors in this demographic has grown **2.7x (167% growth)**. This surge reflects a meaningful shift in who is accessing the markets and underscores the growing presence and influence of investors living on low and moderate incomes.

NUMBER OF INVESTORS LIVING ON LOW AND MODERATE INCOMES

↑ 2.7X
growth in retail investors



2.9x

Participation has almost tripled among those on the lower end of the income groups

REPRESENTATIVE EXAMPLES OF INVESTING PARTICIPATION BY INCOME



188% growth



153% growth

2. THE NUMBER OF INVESTORS IS INCREASING SIGNIFICANTLY ACROSS ALL INCOME LEVELS

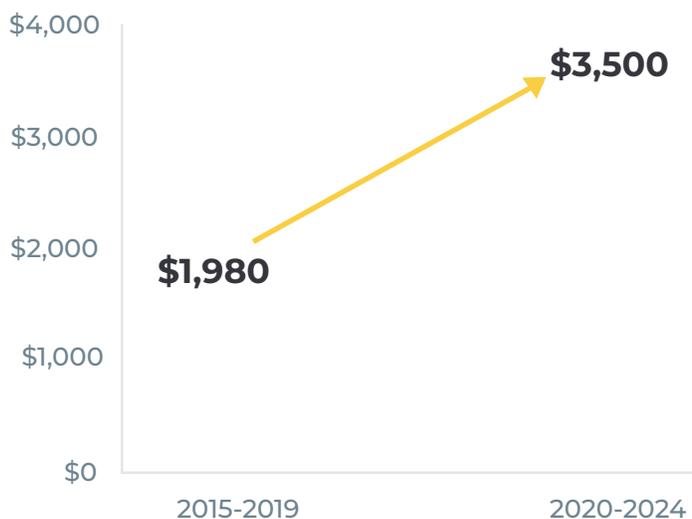
Although investing tends to increase with income, participation has grown across all income groups. The number of investors in the lower half of this income range has almost tripled with an increase from 6 to 17 percent and on the upper half, 9 to 24 percent. These shifts indicate that investing is becoming more widespread, with those earning less contributing to the fastest growth.

3. INVESTORS LIVING ON LOW AND MODERATE INCOMES ARE ALSO INVESTING MORE MONEY

Since 2020, the median investment contribution notably rose compared to the previous five years among those living on low and moderate incomes. At the same time, these investors are committing a greater share of their income to investing—they are investing approximately 30% more as a proportion of their earnings in 2020-2024 than they did in 2015-2019.

MEDIAN INVESTMENT CONTRIBUTIONS

↑ 77%
increase compared to the previous five years



↑ 30%

increase in the proportion of income invested

\$3,500

median total investment contributions among investors over five years

(median range of \$2,650 - \$4,380)

Investors living on low and moderate incomes are more likely to invest when they have at least **2 weeks worth of liquid savings** (\$1,500-\$2,000)^{1,2}

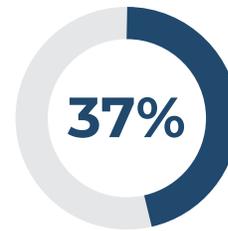


4. LIQUID SAVINGS INCREASES THE LIKELIHOOD OF CONTINUING TO INVEST

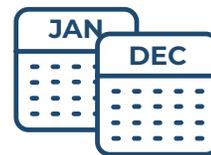
Liquid savings is a leading indicator in whether retail investors living on low and moderate incomes continue participating in the market. Investors in this demographic are more likely to invest when they have at least two weeks worth of liquid savings (\$1,500-\$2,000). This indicates that liquidity may be a key factor in maintaining investment habits.

5. INCOME INFLUXES PROVIDE AN OPPORTUNITY TO DRIVE INVESTING DEPOSITS

Short-term rises in income may be driving people living on low and moderate incomes to increase the amount they invest. The transaction data revealed a seasonality to when this group makes investment deposits, contributing the highest amounts in January and December, followed by March and April. Over a third (approx. 37%) of annual investments by those living on low and moderate incomes take place during these periods: 18.5% in December/January and 18% in March/April. In contrast, there are fewer fluctuations in the percent of this cohort investing every month. This suggests seasonal patterns in how people invest, likely driven by short-term surges in income, such as end of year bonuses or raises in December and January, or tax refunds in March and April.



Over a third (approx. **37%**) of investments in a given calendar year by those living on low and moderate incomes occurs in January/December and March/April.



18.5%
of yearly investment



18%
of yearly investment

¹See Fig A.1 in [Wheat, Chris, and George Eckerd. 2024. "The rise in retail investing: Roles of the economic cycle and income growth." JPMorganChase Institute.](#)

²Wheat, Chris, George Eckerd. 2023. "Household Cash Buffer Management from the Great Recession through COVID-19." JPMorgan Chase Institute

Conclusion: Deepening Our Understanding of Today's Retail Investors Living on Low and Moderate Incomes

This large-scale data analysis strengthens and expands on what we learned in the national habits and perceptions survey, [Understanding Today's Retail Investor](#), which is that the number of investors living on low and moderate incomes who are engaging in retail markets has grown. In addition, while the survey examined what motivates newer investors and why they participate in retail investing, this transactional analysis focuses on how this group of investors behave once they enter the market. Drawing on more than twenty-five million active checking accounts and billions of transactions, approximately ten million of whom are users living on low and moderate incomes, the findings offer a clearer view of the financial conditions associated with investing activity over time.

The transaction-level data reveals specific factors that appear to be associated with sustained participation in retail markets among people living on low and moderate incomes. For example, the presence of even a modest amount of liquid savings and the role of seasonal or short-term income increases, such as tax refunds, bonuses, or temporary earnings surges, show increased investing activity and therefore suggests that these kinds of cash buffers increase the likelihood of continued participation in retail markets.

The forthcoming [Investor Diaries](#) final report will synthesize additional insights from this large-scale data analysis, findings from the National Survey, and first-hand perspectives from investors living on low and moderate incomes. This synthesis will also offer practical, near-term considerations that platforms, providers, employers, and policymakers can explore to better support this demographic of investors and their continued engagement in retail investing.

These combined insights will contribute to a broader understanding of participation patterns and conditions, offering a foundation for future research, product design exploration, and policy discussion.



Taken together, this analysis and the National Survey help illuminate areas for consideration among industry actors and policymakers to support ongoing participation among people living on low and moderate incomes. **The findings suggest that approaches such as supporting liquidity and delivering timely nudges or communications that anticipate and align with income surge moments may be instrumental to reinforcing investing habits over time.**

About the Investor Diaries

In addition to analyzing data representing billions of transactions by people living on low and moderate incomes, Commonwealth is following newer investors through voice diary entries and published a national survey as part of The Investor Diaries in partnership with The BlackRock Foundation. Through this research and a forthcoming culminating report, this initiative aims to drive systems change by equipping industry actors and policymakers with insights that can inform product design, outreach initiatives, and investor education programs. It may also identify areas for further research to better support newer investors who are already participating in the retail markets.

To learn more about The Investor Diaries Initiative or to explore how you can work with us to support newer investors, we invite you to connect with us at info@buildcommonwealth.org.

You can also [sign up for our newsletter](#) to keep track of innovative research and future insights to sustain this and future generations of investors.

