2026: The State of Consumer AI

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Key Findings

- **Consumer AI adoption hardly grew even as spending tripled.** The share of U.S. adults using AI rose just three points, from **61%** to **64%**, while global consumer spend reached an estimated **$40 billion** in 2026, more than **3x** last year. The real growth came from existing users going deeper and paying more: **55%** of AI users now pay for at least one AI product, and **46%** of payers spend more than they did a year ago, versus **12%** who spend less.
- **Power users are driving consumer AI market growth: 55%** of AI users now pay for AI, but spending is highly concentrated; the top **14%** of payers account for **60%** of spending. Payers are also nearly twice as likely to use AI daily (**50%** vs. **26%**) and **5x** as likely to use AI agents (**65%** vs. **13%**).
- AI is becoming a source of income: Nearly half (**48%**) of AI users have earned money with AI, equivalent to roughly **30%** of Americans.
- Consumers are handing AI more control: **41%** of AI users have tried an AI agent, **24%** use one regularly, and **32%** have let AI act on their behalf without final approval. Among agent users, **92%** pay for AI, and **63%** use it daily.
- AI-generated content is fueling consumer backlash: AI is fueling a creative boom, but **36%** of consumers say they are less likely to engage with content if they know it was AI-generated, compared to just **14%** who would be more interested.
- Trust is becoming the gatekeeper for consumer AI: AI users now rank accuracy (**45%**), trustworthiness (**40%**), and security and privacy (**36%**) ahead of ease of use, which fell from **38%** to **32%**. Among AI holdouts (non-users), **70%** distrust the information AI provides, up from **58%**, **76%** cite privacy, and **83%** would rather deal with a person.

Consumer AI Adoption Hardly Grew in 2026, But Spend Tripled

Last year, consumer AI broke into the mainstream. This year, adoption barely moved—even as spending exploded.

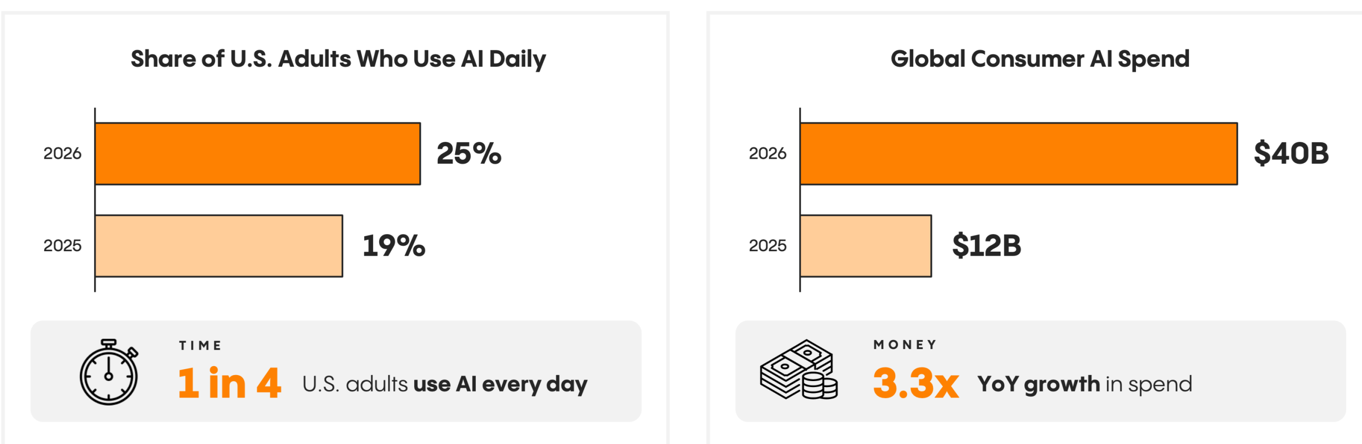
In 2025, consumer AI was a **$12 billion** market, **61%** of U.S. adults had used AI, and nearly **one in five** Americans were using it every day. A category that barely existed a few years earlier was becoming part of daily life, but its reach was still wide and shallow.

This year, consumer AI is going deep. We estimate consumer AI spend has reached **$40 billion**, more than triple what we measured a year ago. Most of that growth did not come from new users, as overall adoption rose just three points, from **61%** to **64%** of U.S. adults.[1] Instead, growth came from existing users doing more with AI. **Fifty-five percent** of AI users, equivalent to roughly **90 million** Americans, now pay for at least one AI product. Daily usage jumped from **19%** to **25%** in 2026, and **52%** of AI users say they use it more than they did a year ago.

The story of consumer AI in 2026 is not how many people have tried it, but what happens once they do. Today, consumers are spending more time with AI, paying more for it, bringing it into more parts of their lives, and increasingly giving it the authority to act on their behalf.

Based on a survey of **5,067 U.S. adults**, this report tracks that deepening relationship across four dimensions—time, money, tasks, and autonomy—and the trust that determines how far consumers are willing to go. See Methodology for additional survey details.

Consumer AI Spend Has More Than Tripled As Users Go Deeper



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

AI is becoming a bigger part of consumers' daily lives and their budgets. Daily use rose from 19% to 25% in 2026, while global consumer spend more than tripled to $40 billion.

1. This figure reflects a consistent question and sampling methodology fielded identically in 2025 and 2026 among a nationally representative sample of U.S. adults, so the year-over-year comparison is apples to apples. The relatively modest top-line movement (61.0% to 63.6%) is consistent with independent third-party evidence, which also shows AI usage growth concentrated in frequency and intensity of use among existing users rather than in the size of the overall user base.

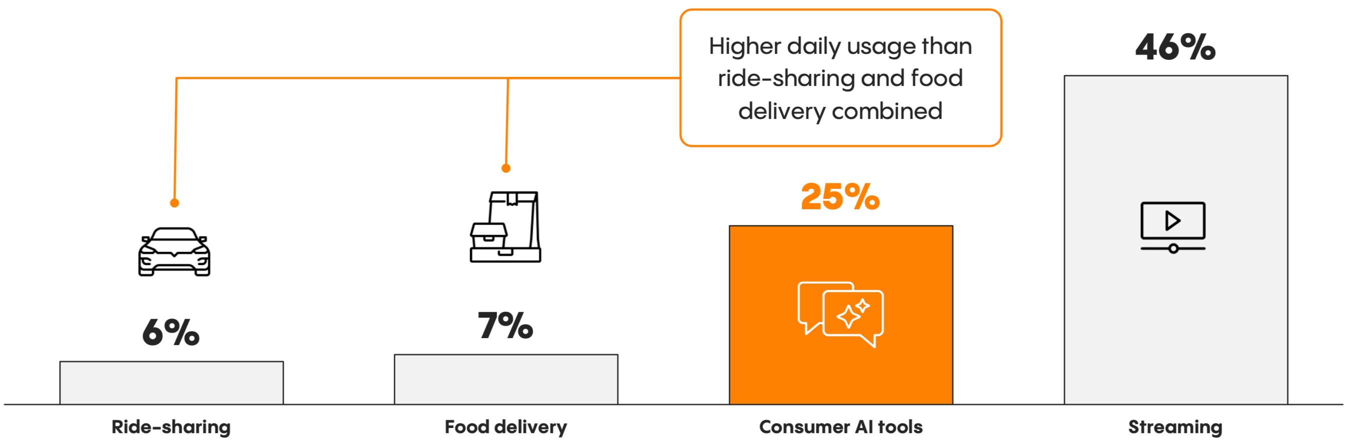
Time Spent: How Many People Use AI, and How Much?

One in Four Adults Now Use AI Every Day

Twenty-five percent of Americans now use AI every day, up from **19%** a year ago. Among AI users, daily usage rose from **31%** last year to **39%** today. General AI assistants alone[2]—setting aside task-specific tools like image generators and coding tools—are now used daily by **22%** of consumers, more than ride-sharing (**6%**) and food delivery (**7%**) combined. For a category that barely existed four years ago,[3] that level of habitual use is remarkable.

Daily AI Use Rivals Some of Consumers' Most Established Habits

Share of U.S. adults who engage in each activity daily



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

In 2026, 25% of Americans use AI every day, more than ride-sharing (6%) and food delivery (7%) combined. Among the major consumer behaviors we track, only streaming is substantially more widespread at 46%. A category that barely existed at consumer scale four years ago is now becoming routine.

Time spent adds up, too. Nearly a quarter (**24%**) of AI users spend more than an hour a day with AI, and **10%** spend more than two. More than half (**52%**) of AI users say they use AI more today than they did a year ago. We see the same pattern reflected in OpenAI's own data from late 2025: Messages per weekly active user grew within every sign-up cohort, and the curve is still rising for cohorts more than two years past sign-up.

2. General AI assistants are all-purpose assistants such as ChatGPT, Gemini, Claude, Meta AI, and Microsoft Copilot, which handle any task a user brings to them, as opposed to single-purpose tools like image generators or coding assistants.

3. OpenAI's launch of ChatGPT on November 30, 2022 is credited with sparking the modern Generative AI boom.

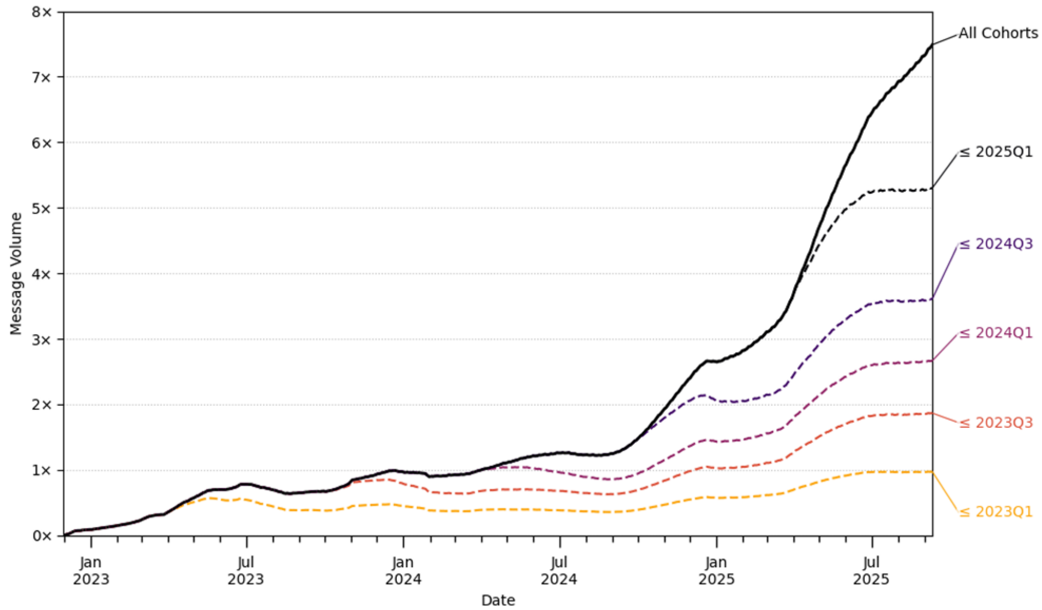


Figure 4: Daily message volumes from ChatGPT consumer plans (Free, Plus, Pro), split by sign-up date of the requesting user. Reported values are moving averages of the past 90 days. Y-axis is an index normalized to the reported value for "All Cohorts" at the end of Q1 2024 (April 1, 2024).

Menlo Ventures' data shows that AI usage deepens over time. OpenAI's data shows a similar pattern: ChatGPT message volume continues to rise across sign-up cohorts, including among users who joined years earlier. Source: "How People Use ChatGPT" (Chatterji, Cunningham, Deming, Hitzig, Ong, Shan, Wadman — NBER Working Paper No. 34255, September 2025).

Accessibility makes deeper engagement possible: AI is now available on nearly every device within arm's reach. Weekly use splits almost evenly between phone apps (**56%**) and computers (**54%**), while wearables, which was barely a category a year ago, now reaches **15%** of AI users weekly.

But that intensity is far from uniform. **Ten percent** of AI users now spend **more than two hours** a day with AI, while **29%** spend **less than 15 minutes**. What looks like rising engagement at the market level is really a widening divide between AI dabblers and AI dependents.

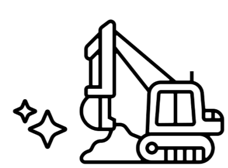
AI Dabblers vs. AI Dependents

29%

spend **<15 minutes** per day using AI

10%

spend **>2 hours** per day using AI



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AI may be mainstream in 2026, but our consumer AI adoption data shows that depth of use varies widely from dabblers to dependents. Twenty-nine percent of users spend less than 15 minutes a day with AI, while 10% spend more than two hours.

For founders: The most important indicator of product-market fit is often how users engage with the product, not just how many show up. Metrics like sessions per week, minutes per session, and use cases per user can reveal depth, frequency, and habits in ways sign-ups alone cannot.

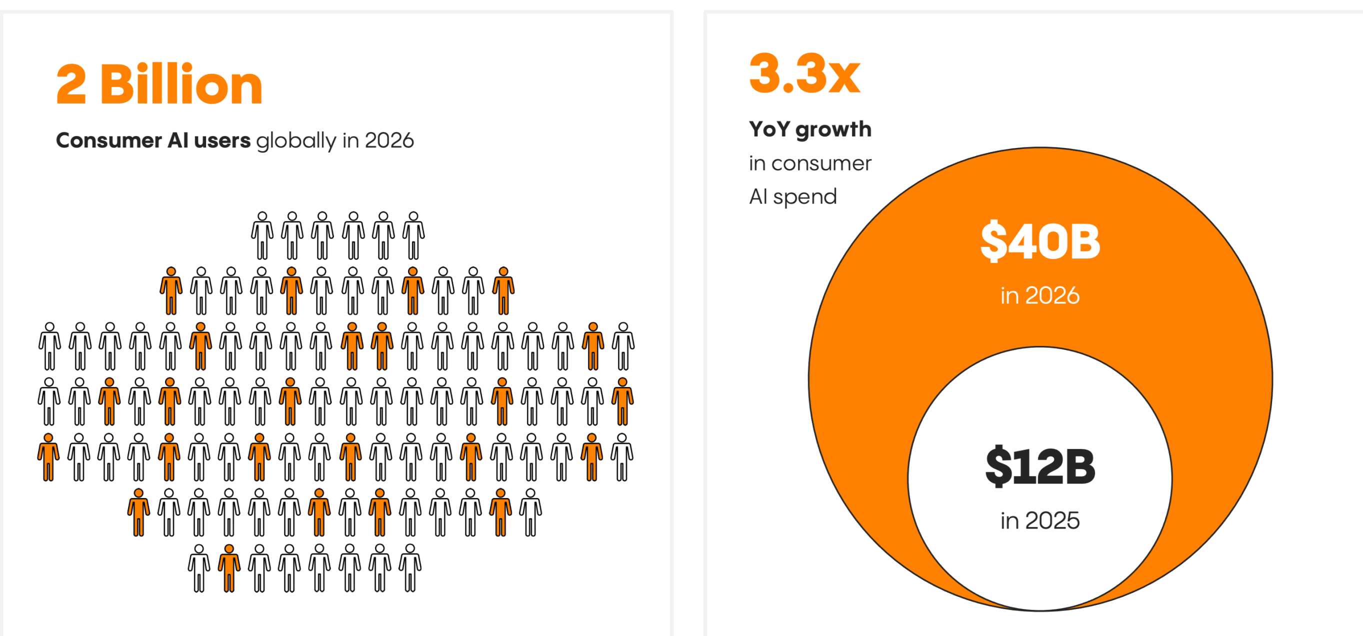
Money Spent: Which Consumers Are Paying, and How Should AI Be Priced?

Consumer AI Is Now a $40B Global Market, 3x Bigger Than a Year Ago

Global consumer AI spend reached **$40 billion** this year, **more than 3x** the **$12 billion** we measured a year ago. For context, app stores took eight years to reach that level of consumer spend; U.S. streaming took over a decade. Consumer AI got there in just three and a half years.

Almost none of that growth came from new users. The number of AI users globally grew just **11%** this year, from **1.8 billion** to **2.0 billion** people, while consumer spend more than tripled. More users became payers, and payers paid more.

Consumer AI Market Size



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Consumer AI reached two billion users in 2026, roughly 24% of the global population according to Menlo Ventures' estimates. While the user base grew 11%, global consumer AI spend more than tripled from $12 billion to $40 billion, as more users became payers and payers spent more.

More Than Half of Users Now Pay for AI

More than half (**55%**) of AI users report paying for at least one AI product in 2026. That is a meaningful shift in a market where consumers have historically resisted paying directly for software, helping make advertising the dominant business model. Last year, AI looked no different: Just **3%** of AI users paid.[4] Today, the gap between adoption and payment is narrowing much faster than we expected.

A small segment of consumers are driving the bulk of AI spend. The typical payer spends **$20** to **$49** a month, but today's market is driven by power users: The **14%** who spend **$100** or more a month account for **60%** of consumer AI spending.

The Consumers Most Likely to Pay

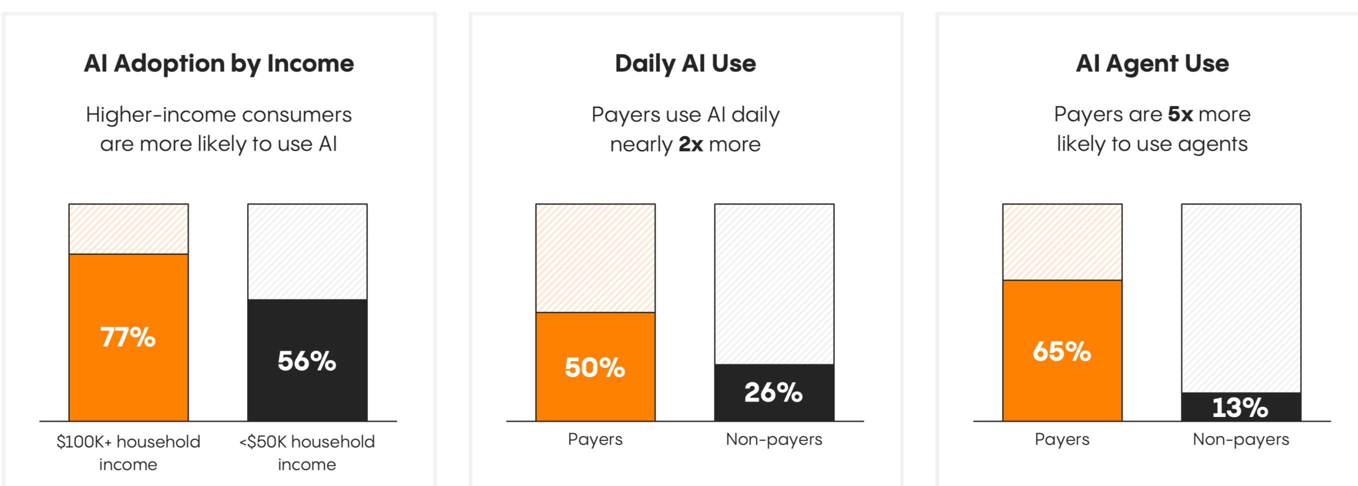
What's more interesting than *how many* consumers pay is *who* pays, and *why*.

AI adoption still rises substantially with household income. **Seventy-seven percent** of consumers in households earning **$100,000** or more use AI, compared with **56%** of those in households earning under **$50,000**. But income is not the strongest predictor of who actually pays.

What separates payers from non-payers is how deeply AI is embedded in their lives. Payers use AI daily at nearly twice the rate of non-payers (**50%** vs. **26%**) and use it across more parts of their lives. They are also far more likely to use AI agents: Among AI payers, **65%** use an AI agent, compared with just **13%** of non-payers.

Income Predicts Adoption but Reliance Predicts Payment

Higher-income consumers are more likely to use AI, but payers stand out for how deeply they use it



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Income helps predict who adopts AI; reliance better predicts who pays. Menlo Ventures' research reveals that payers are nearly 2x more likely to use AI daily and 5x more likely to use AI agents than non-payers.

4. When Menlo Ventures published the first State of Consumer AI report in 2025, we estimated that roughly 3% of the world's 1.8 billion AI users were paying for the technology. One year later, our survey suggests 55% of U.S. AI users pay for at least one tool.

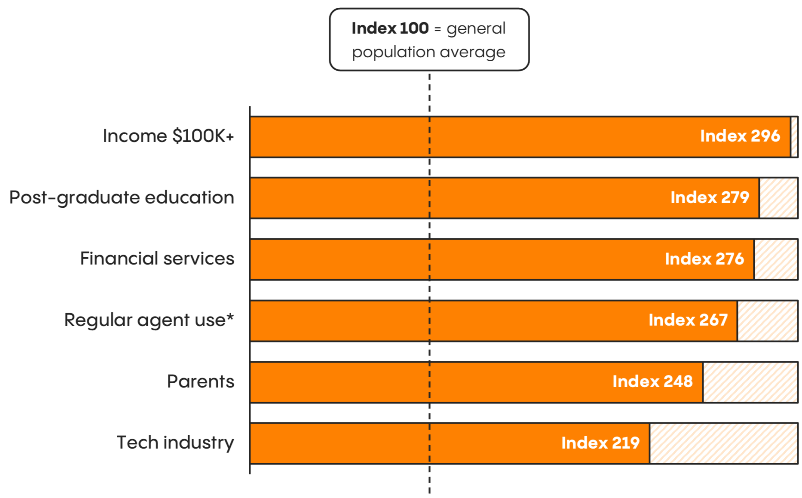
Consumers appear increasingly willing to pay once AI becomes useful enough that losing access would hurt. That makes the free tier important for more than customer acquisition: It's where users discover value, build habits, and, for some, become willing to pay.

At the extreme are AI's power spenders: The typical user paying **$100+** a month is a Millennial parent with a post-grad degree working in technology or financial services. They tend to have more money than time.

AI's Biggest Spenders

AI power spenders are users spending **$100+ per month** on AI tools or services

The typical power spender is a **Millennial parent** with a post-grad degree working in technology or financial services



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. Data is indexed against the 2026 general population (n=5,067, weighted) on a

AI's biggest spenders are defined by both their means and their reliance: They are nearly 3x as likely as the average American to earn $100K+ annually, and more than 2.5x as likely to be regular agent users.

For founders: Keep the free tier. It's where you prove value and nurture habits before asking them to open their wallets.

Who's Footing the Tab?

Forty-eight percent of payers cover their AI costs entirely themselves.[5] Another **34%** have a family member or friend paying, while roughly **20%** have an employer or school picking up the tab.[6] And when employers or schools pay, they pay more: These users spend a blended average of **$40** more per month—**$95** a month compared to the **$55** a month among those paying entirely out of pocket.

Who pays tells you where AI sits economically in someone's life. If a parent or partner covers the subscription, AI has become a household expense. Consumer software has monetized that before: Monarch* offers a personal finance app

5. 48% of payers pay for at least one AI tool themselves.

6. Payer sources sum to over 100%, as the question was asked as "Select all."

for households to reduce the work of managing money together. Almost nothing in consumer AI is priced or designed around the household yet.

If an employer or school pays, AI has crossed into an institutional budget—even if the account itself began as a personal purchase. That creates a natural bridge from consumer adoption to enterprise spend.

For founders: A work email address used in a consumer signup is a strong signal. These users tend to spend more, use more AI tools, and can become the starting point for enterprise growth—from one user, to a team, to a company-wide contract. Companies like Lovable* have grown into the enterprise this way.

Subscriptions Are the Primary Pricing Model for Consumer AI

When it comes to AI monetization, consumer companies have largely settled on the subscription model. Today, **50%** of payers are on flat monthly plans, while **26%** hold annual ones. But these subscriptions do more work than a streaming-style flat fee. AI plans are tiered: Heavier users buy bigger allowances, and when they outrun even those, usage-based billing kicks in.

As a result, **15%** of payers mix a subscription with usage charges, and some of the **17%** on usage-based pricing are metered past a plan's limits rather than paying per use from the start. The design solves consumer AI's core pricing tension: Consumers want a predictable monthly bill, but serving the heaviest users costs real money. AI companies have allowed the subscription to price the access and the meter to price the excess.

For 48% of Users, AI Is a Source of Income

AI isn't just another expense; nearly half of AI users (**48%**) say they've earned money with AI, most commonly through content creation (**22%**) and freelancing (**18%**). Gen Z AI users lead by a wide margin: **62%** have earned money with AI, compared with just **15%** of Boomer AI users.

That translates to roughly **30%** of all U.S. adults, or about **79 million** people that have used AI to supplement their income. For context, 27% of Americans reported having a side hustle of any kind in 2025, and that share was declining.[7] Side hustles skew young, too, but nowhere near as sharply: **34%** of Gen Z reported having one, compared with **22%** of Boomers.

7. Bankrate, July 2025, n=2,616 U.S. adults. Generational bands: Gen Z 18-28, Millennials 29-44, Gen X 45–60, Boomers 61-79.

Nearly Half of AI Users Have Earned Money With AI

Content creation is the most common way consumers are monetizing AI

48% of AI users have **earned money with AI***

22%	18%	16%	14%	13%
Content creation	Freelancing/ client work	Selling AI-generated products	Running a business or side project	Managing investments or trading

Sources: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/; https://www.bankrate.com/loans/small-business/side-hustles-survey/

AI is becoming a source of income: In 2026, nearly half of AI users (48%) said they had earned money with AI, most commonly through content creation and freelancing.

A **55%** payer rate is easier to understand when AI isn't just another expense, it's helping people earn. ShopMy* offers a glimpse of what that can look like: Roughly **185,000** creators use the platform to earn commissions on the products they recommend, generating more than **$1 billion** in annual sales.

The Consumer AI Stack: Is Anyone Winning?

ChatGPT's Lead Is Shrinking

General AI assistants are now universal among AI users: **96%** used one this year, up from 92% in 2025. But which ones do consumers reach for?

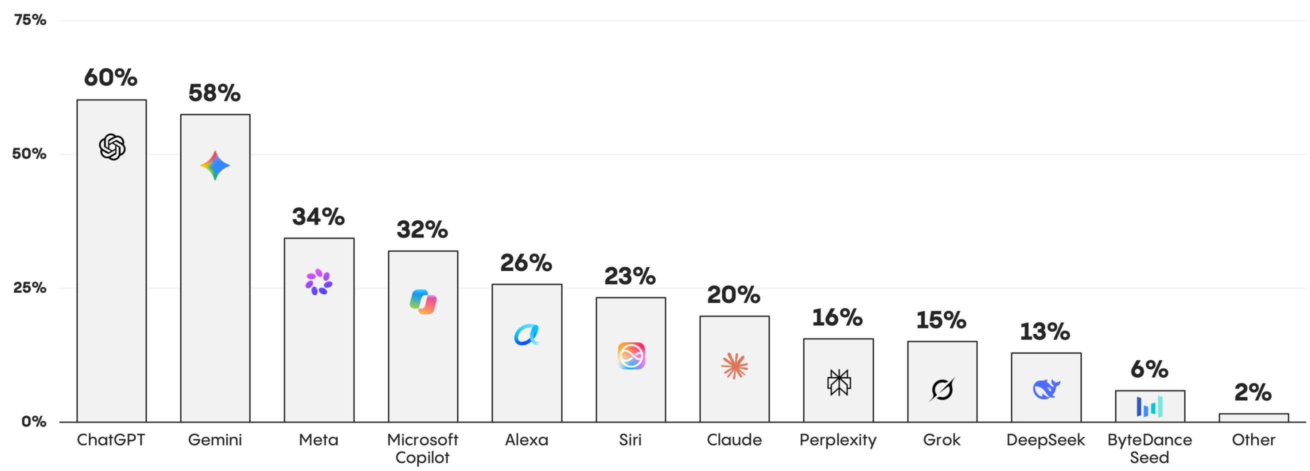
Among AI users, ChatGPT remains the most widely used assistant at **60%**, up from **45%** last year,[8] but its lead is narrowing. Gemini grew from **36%** to **58%** in 2026, cutting ChatGPT's lead from nine points to just two. Claude* grew fastest, with usage nearly tripling from **7%** in 2025 to **20%** in 2026.

Our data also reveals that consumers are increasingly using more than one assistant. The average user now uses **3.0** general AI assistants, up from **2.2** a year ago.

8. Market share figures use AI users as the denominator. Last year's report showed all adults as the denominator.

General AI Assistant Market Share

General AI Usage Among U.S. Adult AI Users



	ChatGPT	Gemini	Meta	Microsoft Copilot	Alexa	Siri	Claude	Perplexity	Grok	DeepSeek	ByteDance Seed	Other
2025	**45%**	**36%**	**28%**	**21%**	**28%**	**25%**	**7%**	**8%**	**8%**	**9%**	**–**	**3%**
YoY Δ	**1.4x**	**1.6x**	**1.2x**	**1.5x**	**0.9x**	**0.9x**	**2.9x**	**2.0x**	**1.8x**	**1.4x**	**–**	**0.6x**

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Most major players gained users in 2026 as consumers added more assistants to their mix.

Gemini's growth underscores the power of distribution. Google put AI everywhere—inside search, Android, and Workspace—reaching over a billion of consumers who never had to seek it out. Conversely, Claude nearly tripled its reach without that built-in distribution.

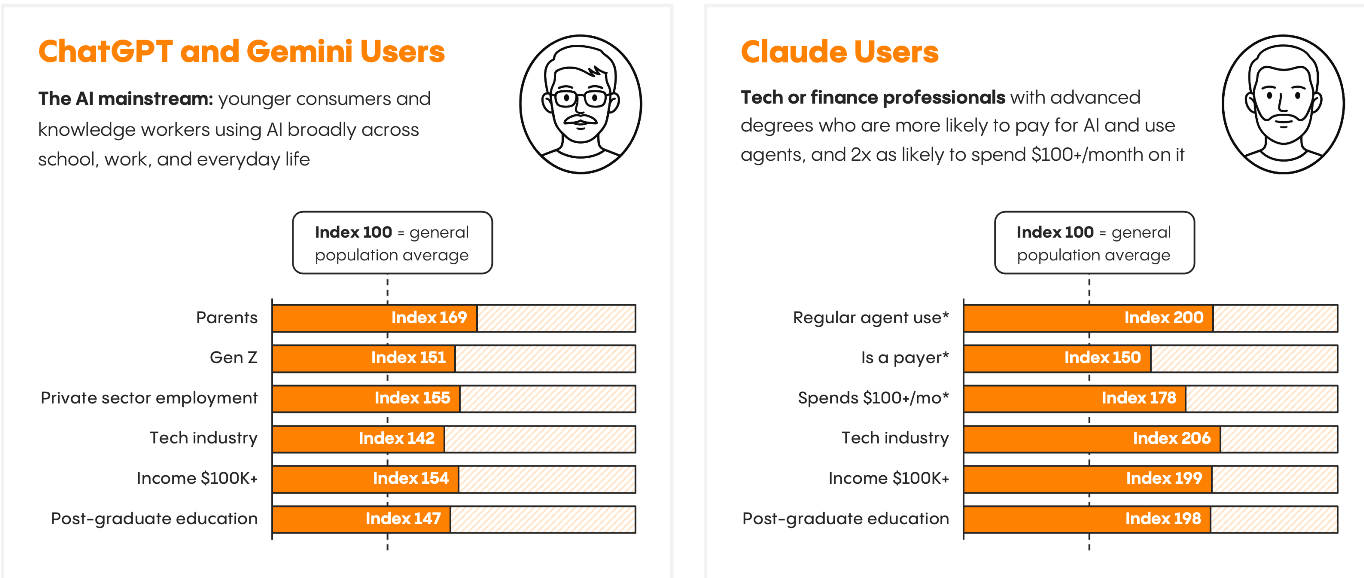
As a result, the consumers who opt for ChatGPT or Gemini versus Claude tends to have different profiles:

The archetypal ChatGPT user, according to our survey, is the market's everyman. At **60%** reach, ChatGPT's base looks like the average AI user: younger and more likely to be a student or knowledge worker, spread across every income level and industry, using AI for school, work, and everything in between. Gemini users fit a very similar archetype, though they are, on average, a few years older. On income, education, occupation, and willingness to pay, however, Gemini's base is nearly indistinguishable from ChatGPT's—the two platforms are competing for the same user.

The archetypal Claude user is a different character. Our survey shows Claude users are more likely to be tech or finance professionals with an advanced degree, who treat AI as equipment rather than novelty. Claude users are more likely to pay for AI (**82%** do), more likely to run AI agents (**48%** do—**1.5x** the rate among ChatGPT or Gemini users), and **twice as likely** to spend **$100+** a month on AI.

AI User Personas: ChatGPT and Gemini vs. Claude

ChatGPT and Gemini compete for mainstream users; Claude serves power users



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. Data is indexed against the 2026 general population (n=5,067, weighted) on a scale of 300. An index of 150 means the group is 1.5x more likely than the general population; an index of 50 means half as likely. *Asked only to AI users.

ChatGPT and Gemini compete for mainstream AI users, while Claude users stand out for deeper usage, higher willingness to pay, and greater agent adoption.

The Average Consumer Uses Multiple AI Tools

Last year, reach across the four general AI-native assistants (ChatGPT, Gemini, Claude, and Perplexity) summed to roughly **95%** of AI users. This year, usage across these assistants adds up to more than **150%**, as consumers increasingly use more than one. With ChatGPT and Gemini both above **50%**, a large share of consumers necessarily use both.

Therefore, it’s important to rethink how we interpret reach. Traditional market share assumes that one company’s gain comes at another’s expense, but consumer AI looks different: Reach tells us whether a product is present in a user’s rotation, not whether it owns that user.

The same pattern is playing out between general AI assistants and specialized AI applications. Specialized AI usage increased from **69%** in 2025 to **75%** in 2026, while the share of AI users using both general and specialized products jumped from **60%** to **72%** over the same period.

We used to think that negligible switching costs created a vulnerability for specialized applications. If consumers could move freely between products—and increasingly capable general AI assistants could absorb more functionality—specialists risked being squeezed. But our data suggests that, when switching is free, so is adding. Consumers don’t need to abandon ChatGPT or Gemini to adopt a tool that does one job materially better. In fact, general AI assistants may be creating customers for specialized applications by teaching consumers what AI can do and giving them reasons to seek better products for particular workflows.

There is an important distinction here between a rotation and a stack. A general AI assistant in the rotation competes for queries. A specialized product in the stack can own a workflow. For application companies, that is a much more encouraging market structure than winner-take-all.

For founders: A seat in the rotation means winning one job at a time—and doing it materially better.

Nearly Half of AI Users Now Speak to AI

Consumers are talking to AI more than ever. Our 2026 survey finds that **19%** of AI users say voice is their primary way of interacting with AI, while another **27%** move between voice and typing. In other words, nearly half (**46%**) of AI users speak to AI at least some of the time, but the talking isn't happening on smart speakers. It's happening inside the AI apps themselves, through voice modes, dictation, and spoken prompts inside chat interfaces. Voice is also the rare interaction mode that doesn't decline with age: **25%** of AI users 65 and older count it among the ways they use AI most, compared with **23%** of Gen Z.

At the same time, traditional voice assistants are losing ground. Alexa usage fell from **32%** to **22%**, while Siri* declined from **25%** to **20%**. Siri and Alexa's decline is telling: Model quality does not appear to be the constraint. Despite major upgrades in the intelligence and capabilities of both products, people were trained to use Siri and Alexa to set timers and play songs, so they stopped expecting more from them. Breaking that habit requires more than better models; it requires retraining customers to trust them with bigger jobs.

Wispr Flow* earned that trust with the lowest edit rate in dictation (users rarely have to go back and fix a word) and a hot key that works across any app on the desktop. Once the transcript comes out right the first time, people start dictating emails, prompts, and documents they once would have typed.

For founders: Pick a job or modality where you can be 10x better than a general AI assistant, and expand from there.

Tasks Handled by AI: Which Jobs Are Consumers Handing Over, and Which Are They Keeping?

Top AI Use Cases by Adoption: AI Is Managing and Doing

AI use grew across every category of daily life we track—Routine Tasks, Physical and Mental Health, Learning and Development, Connection, and Creative Expression. Every activity we began tracking last year saw a statistically significant increase in usage.

But the more interesting story is where behavior moved fastest. Last year, administrative tasks topped the list: Writing emails was the #1 activity, cited by **19%** of consumers, with managing to-do lists close behind at **18%**;

organizing notes and managing expenses also ranked among the top 10. Those uses continued to grow, but this year, the biggest gains came from discovery and creation.

Our 2026 report captures a shift in consumer behavior: For many consumers, AI is no longer just a tool for outsourcing tasks; it's a way to expand what they can do.

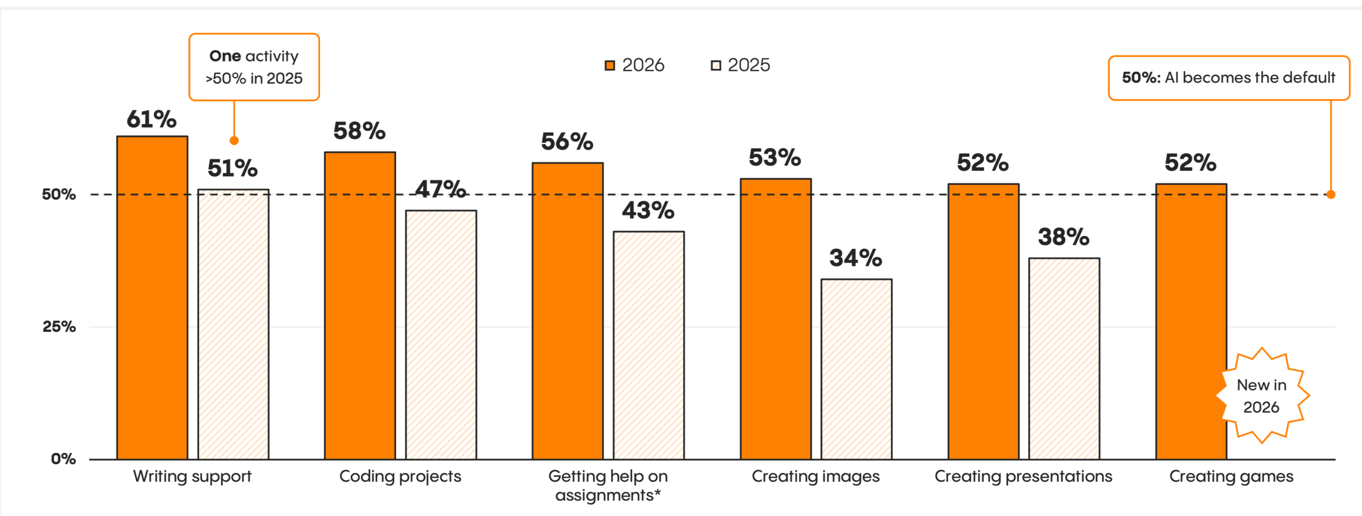
Top AI Use Cases by Penetration: Six Activities Are Now Mostly Done With AI

Another way to read adoption is to ask not how many people use AI for a task, but what share of the people who do that task now use AI to do it. That penetration rate shows where AI is becoming the default.

On that measure, six activities have majority AI use. Writing support leads at **61%**, followed by coding projects (**58%**), getting help with school and work assignments (**56%**), image creation (**53%**), presentation building (**52%**), and game creation (**52%**). In 2025, only writing support did.

AI Is Now the Default for Six Activities

AI penetration among people who do each activity



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. *Asked only to students and the employed.

A year ago, AI was the default for just one activity. Today, it's the default for six.

Crossing **50%** changes what a product competes against. Below majority adoption, an AI tool is still competing with the manual way of doing something. Above it, the manual method becomes the fallback, and the competition becomes any AI that can do the job—including the general AI assistant the consumer already has open.

Routine Tasks: AI Is Doing Everyday Tasks End to End

Much of what consumers hand to AI is boring, everyday work: email, meal planning, shopping, household logistics.

But because these tasks recur day after day, AI can quickly move from an occasional solution to an everyday habit.

Email is a good example: Drafting (**47%**) and editing (**44%**) are still the most common uses, but some users are turning to products like Town to let AI send messages, schedule meetings, or triage their inbox.

Shopping shows us just how far consumers will let AI go. In 2026, **50%** of shoppers who use AI used it to compare prices and **43%** to narrow a shortlist, **37%** made a final purchase decision based on its recommendation, and **26%** let AI complete a purchase. Alta* has found a wedge into fashion as an AI stylist that works from a shopper's own closet, identifies wardrobe gaps, and lets shoppers buy its recommendations directly in the app.

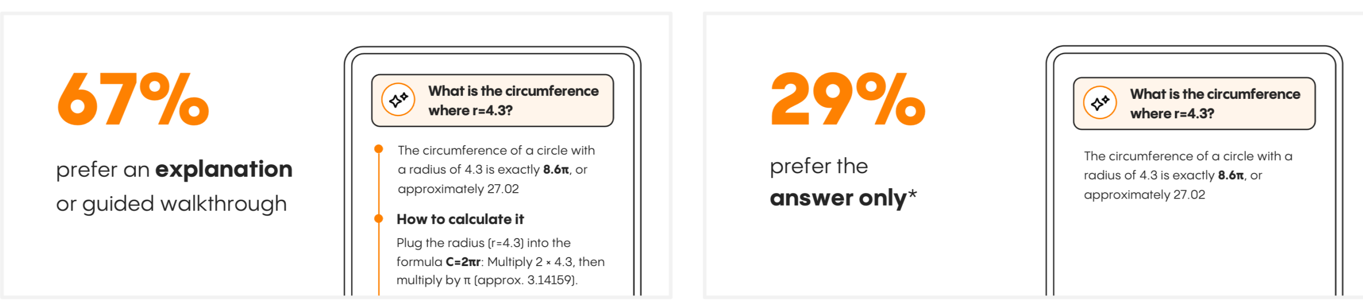
These everyday tasks are where consumers first get comfortable letting AI make decisions and act on their behalf.

Learning and Coding: AI Is Producing More Builders

The single most common thing people do with AI is learn something new. In 2026, **26%** of U.S. adults used AI to research topics of personal interest, making it the most common AI activity we measured. And people want more from AI than just a quick answer: When consumers are asked how AI should teach them new concepts, **67%** chose an explanation or guided walkthrough while just **29%** opted for the answer alone. That helps settle a question that has followed AI from the start: *Does it help people learn, or help them avoid learning?* The majority don't want to outsource their thinking; they want to learn.

Consumers Want AI to Teach Them, Not Just Give Them the Answer

Given the choice, consumers are 2x+ more likely to want AI to explain things rather than simply provide the answer



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. *The remaining 4% prefer not to use AI at all.

Consumers aren't just using AI to outsource their thinking. Most want it to help them understand.

Learning is also quickly turning into skill-building. **Fifty-seven percent** of people who code for work or school now do it with AI, along with **49%** of hobbyist coders. Last year, we predicted AI would quickly expand the market for coders and led investments in companies like Lovable that pioneered this wave. Now, we're starting to see this show up in our own data. Last year, roughly one in four Americans coded or built apps for work, school or personal use. In 2026, this number is now approaching one in three, a **19%** jump—the biggest increase in participation across any activity we measured.

AI Coding Tools Are Expanding the Coder Population

More Americans are coding and building apps

2025

26%

of U.S. adults coded or built apps

2026

31%

of U.S. adults coded or built apps

19% increase in participation YoY—**the biggest increase across any activity** we measured

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

AI isn't just making existing coders more efficient; it's bringing more people into software creation.

Creative Expression: More Consumers are Becoming Creators and Monetizing their AI content

Creative work is where AI has gone deepest. Among consumers who believe that AI has improved their lives, **36%** cite "creativity and self-expression" as a reason why—second only to the ability to learn new things (**56%**). AI now plays a role in more than half of several creative activities: **61%** of writers use it, as do **53%** of image-makers, **52%** of people building presentations, and **52%** of game creators. Even video, the lowest of the creative activities we track, stands at **44%**.

Creative Expression was also our fastest-growing category this year. Image creation led the way, with AI use rising from **34%** to **53%**—the biggest single-year gain in the study.

That demand for greater creative capability has helped produce some of the fastest-growing companies in consumer AI. Suno* can turn a prompt into a finished song; Higgsfield* does the same for cinematic video. Both put sophisticated creative production within reach of people who may never have had the skills or tools to do it before.

And, increasingly, consumers are making money from what they create. Across every age group, content creation is the most common way users earn money with AI. In 2026, **22%** of AI users reported earning money through AI-assisted content creation.

But abundance creates a new problem: Consumers are producing more AI content, but are increasingly wary of consuming it. Told that something was AI-generated, **36%** of Americans said they'd be less likely to engage with it or would avoid it; only **14%** said they'd be more interested. That makes provenance increasingly important, creating opportunities for tools like Pangram*, which detects AI-generated text and images.

AI Is Fueling a Creative Boom—and a Consumption Backlash

More people are creating (and even making money) with AI, but many are hesitant to engage with AI-generated content

53%

of image creators use AI,
up from **34% last year**

22%

of AI users have **earned money**
through AI-assisted content creation

But are wary of consuming it:

STOP

36%

are **less likely to engage** with or
would avoid AI-generated content

14%

are **more likely to engage** with it

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

AI is lowering the barrier to creation and giving more consumers an opportunity to monetize their content creation.

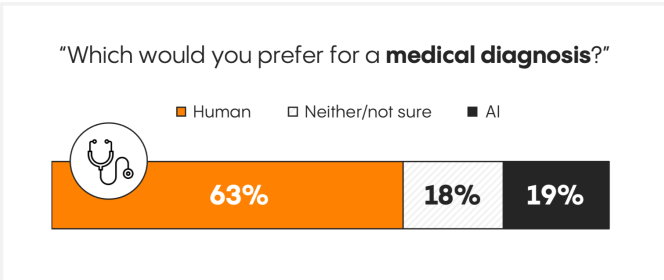
Health: Consumers Consult AI, But Still Prefer Human Care

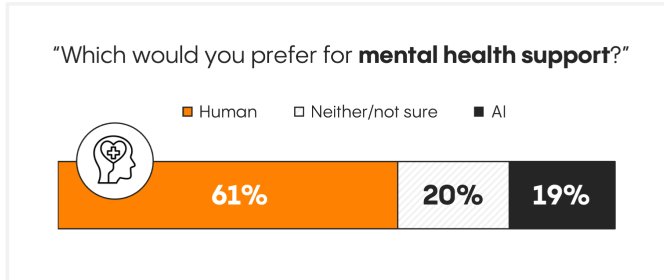
A year ago, health was one of the weakest areas of AI adoption. This year, it saw one of the biggest jumps we measured: Using AI to answer health questions rose from **14%** to **25%**, while using AI for mental health support climbed from **8%** to **14%**.

But consumers still draw a clear line between information and expertise. Asked whether they would prefer AI or a human for a medical diagnosis, **63%** chose the human and just **19%** chose AI, with the remainder expressing no preference. The split is nearly identical for mental health support: **61%** prefer a human versus **19%** AI, with the remainder expressing no preference.

Instead, consumers are using AI to research, interpret, track, and prepare—while leaving the final judgment to a human. Ash*, an AI for mental health support, and Function Health*, which pairs lab testing with AI-driven insights, are built around that same division of labor: AI helps consumers understand and manage their health, but for now, they still want a human providing the care.

Consumers Consult AI for Health but Prefer Humans for Diagnosis + Care





Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Consumers increasingly turn to AI for health information and support, but when judgment matters, they still want a human.

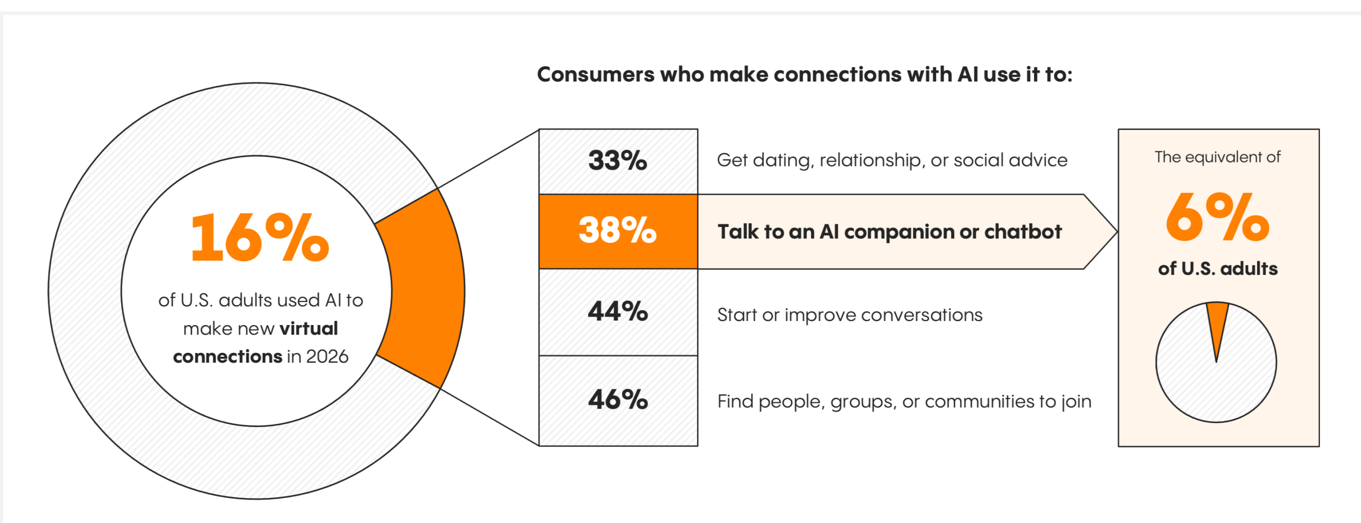
Connection: AI Is Helping People Connect With Others and Becoming a Companion Itself

Connection remains the smallest of the five categories, but every activity within the category grew this year. Use cases range from **14%** of Americans using AI for dating and social coaching—where AI penetration is highest within the category—to **19%** using it to stay in touch.

One behavior stands out: **16%** of consumers used AI to make new "virtual connections" this year. For most, that meant using AI to connect with real people: **46%** used it to find people, groups, or communities to join, **44%** to start or improve conversations, and **33%** for dating, relationship, or social advice.

AI Is Becoming Part of How Consumers Connect

Most consumers use AI to connect with other people, but a meaningful share are connecting with AI itself



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

For most consumers, AI is still a bridge to other people. But for a growing minority, AI itself is becoming the relationship.

For others, though, virtual connection meant something different: connecting with the AI itself. **Thirty-eight percent** of these respondents said they had talked with an AI companion or chatbot—equivalent to roughly **6%** of Americans already engaging in a behavior that barely existed four years ago, enabled by products like Character.AI, Nomi, and Replika.

Trust Shapes Consumer Choice, Determines Winners, and Drives Growth

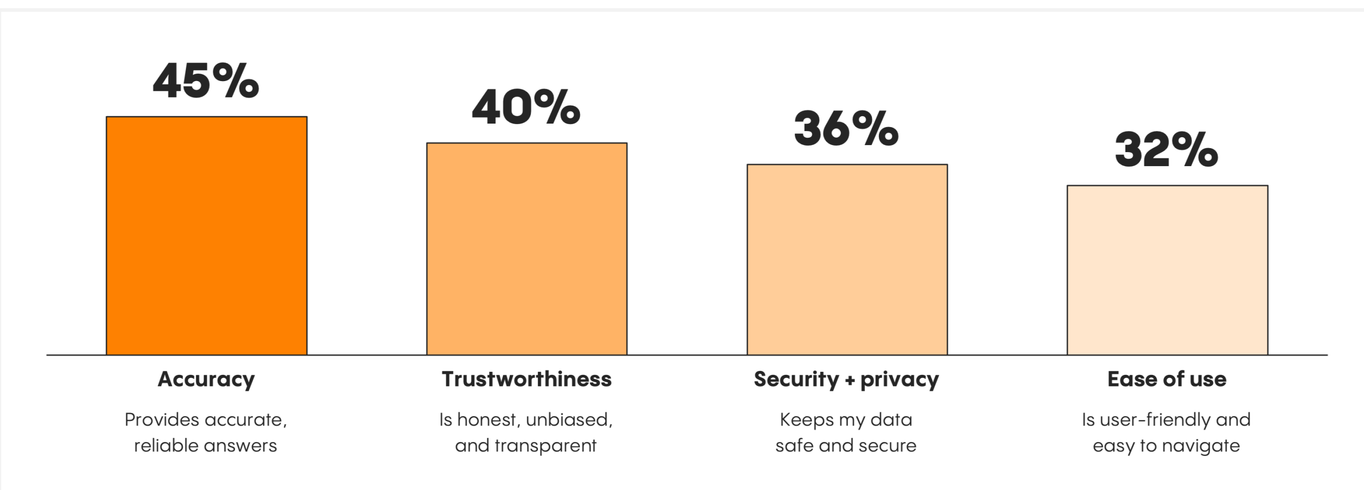
Trust Determines How Deep Consumers Go With AI

This year, consumer AI grew almost entirely because consumers went deeper with it—more time, money, use cases, authority. How much deeper they go from here depends on how much they trust it.

In 2025, consumer AI was about reach and awareness as ease of use outranked trustworthiness and privacy. In 2026, accuracy leads at **45%**, followed by trustworthiness at **40%** and security and privacy at **36%**. Ease of use fell behind all three at **32%**. The shift makes sense given what consumers increasingly bring to AI. A low-stakes request (e.g., a recipe, draft email, packing list) does not demand much trust. Health questions, financial decisions, purchases, personal communications, and access to private accounts are different.

The Most Important Factors When Choosing a Consumer AI Tool in 2026

"Which of the following are most important in determining which AI tools you use?"



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

As consumers task AI with more consequential work, they increasingly prioritize accuracy, trustworthiness, and security over ease of use.

As AI usage intensifies, consumers are increasingly judging AI on three questions:

1. Can they trust what it tells them?
2. Can they trust it with sensitive information?
3. Can they trust it to act on their behalf?

The savviest consumer AI companies answer all three questions for you. Most assistants wait for a task and then carry it out at the user's request. Instinct, whose beta launched in August 2026 and spread fast among early adopters who seek capability over caution, doesn't wait. It works out what a user will need and offers to solve it before they ask. A new user experiences the "magic" of a proactive agent and doesn't have to actively decide if they trust it; they simply see the benefit of doing so. Town brings the same proactive design to professional work, and with the security and guardrails a work tool requires. While the jobs are different, neither platform waits for trust to build on its own.

For founders: Asking for permissions can be a double-edged sword. The more you ask for, the more value you can deliver. At the same time, the more you ask for, the more the consumer needs to trust you to say yes. Start with the data your core job requires, earn the permission to access it, and expand from there.

Specialized Products Lose on Trust, Not Awareness

Among AI users who exclusively use general AI assistants, awareness isn't what's holding them back. Only **11%** say they're not aware of specialized products that meet their needs. In fact, specialized products are often losing out to data privacy concerns with niche or lesser-known tools (**27%**) and not knowing which tool to trust (**21%**).

A specialized product can be objectively better at a job and still lose to a familiar assistant. As model capability spreads and features become easier to copy, trust, proprietary context, workflow ownership, integration, and demonstrably better outcomes become increasingly important sources of differentiation.

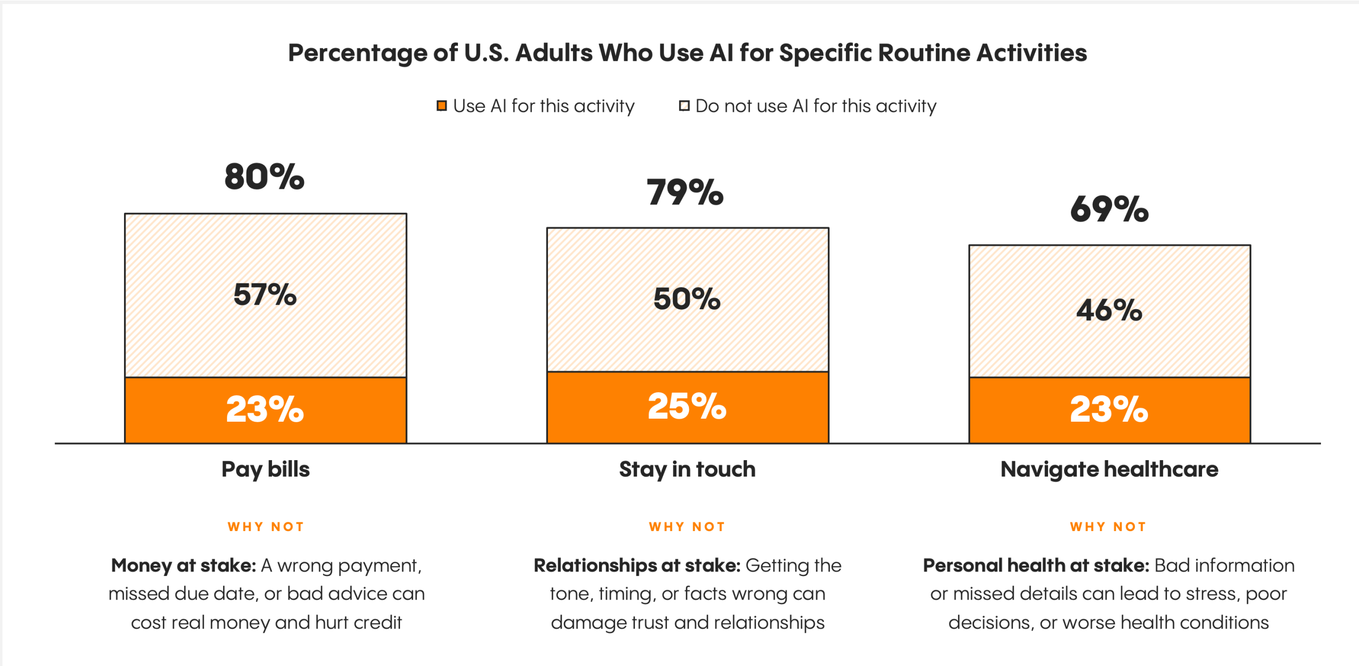
Low Penetration Doesn't Mean Pent-Up Demand

The three activities with the lowest AI adoption are also things most Americans do. About **80%** of Americans pay bills, **75%** stay in touch with people, and **69%** navigate the healthcare system. Yet AI penetration remains low: Just **23%** of people who navigate healthcare use AI to help, along with **23%** of bill payers and **25%** of those staying in touch. On paper, these look like some of the biggest openings in consumer AI.

But the biggest opportunities on paper aren't always the ones consumers want: When asked what they might use AI for next, consumers pointed to familiar territory: **43%** would consider it for creating images and **40%** for writing help. Paying bills and staying in touch ranked near the bottom. Among people who don't already use AI to connect with others, half (**50%**) wouldn't consider it for any related activity.

Capability isn't the issue; AI can already summarize an insurance letter, make sense of a bill, or draft a thoughtful message. The constraint is trust. Each of these jobs touches money, institutions, personal information, or relationships—areas where getting it wrong is expensive and hard to reverse.

Activities With the Lowest AI Adoption



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

AI adoption remains low for several widespread activities. Among Americans who participate in each activity, just 23% use AI to help pay bills, 25% to stay in touch, and 23% to navigate healthcare.

Healthcare shows how a category like this opens up anyway. Consumers brought AI in around the edges, researching symptoms, preparing for appointments, interpreting results—activities where the answer is easy to check and a mistake costs little. In 2025, navigating healthcare was the lowest-penetration activity in our study, at **16%**. This year it grew to **23%**. Consumers started where they could verify the work, then expanded from there.

For founders: Ask why adoption isn't happening: Is the product not good enough yet, or do they simply not want AI involved? If it's the former, there's a market to win. If it's the latter, start with a lower-stakes use case and earn the trust required for higher-stakes jobs.

The more consequential the job, the more trust becomes the gating factor. And nowhere is that clearer than when consumers let AI act on their behalf.

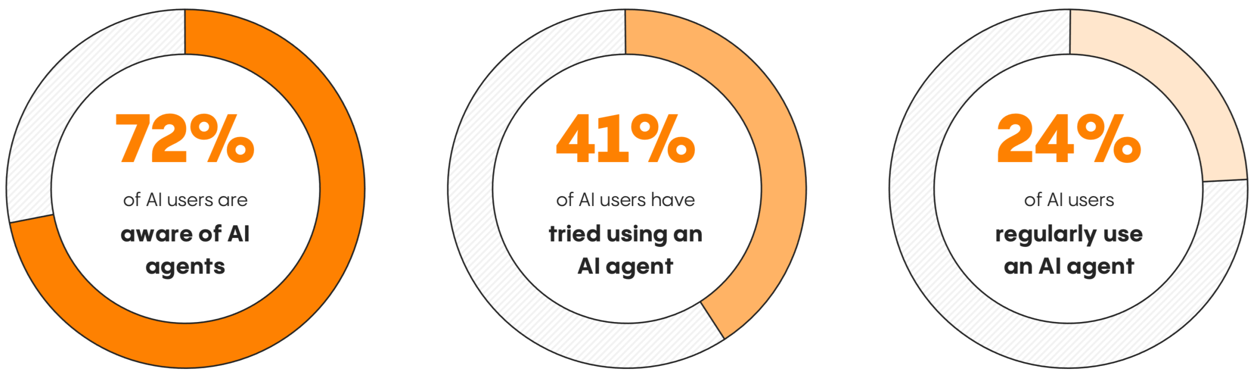
Agents: Letting AI Act on One's Behalf

Four in 10 AI Users Have Tried AI Agents

If chat was AI's first act, this year opened the second: agents. AI agents can reason, make decisions, complete multi-step tasks, and take actions in other systems. Already, **41%** of AI users have tried using an AI agent, and **24%** use one regularly.

Agents Are Already Mainstream but Regular Use Isn't—Yet

Consumers know about agents, many have tried them, and a significant share have already let AI act without a final sign-off



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

AI agents have moved quickly into the mainstream: 72% of AI users are aware of them, 41% have tried one, and nearly one in four use one regularly.

Letting AI act for you takes more trust than asking it questions; it's interacting with your network, leveraging your resources, and representing *you*. Consumers who use agents are, almost by definition, AI's most trusting and deepest users. **Ninety-two percent** of consumers who use agents pay for AI, compared with **55%** of AI users overall. **Sixty-three percent** of agent users are using AI daily, versus **39%** of AI users overall.

Agents need access to your apps to work, and consumers are handing them the keys. Consumers have given agents access to their email (**36%**), web browsers (**33%**), messaging apps (**31%**), cloud storage (**29%**), and calendars (**27%**). Granting agents access to sensitive applications, like health apps (**23%**) and financial accounts (**20%**), is far less common.

Agentic behavior is also spreading faster than many realize. **Thirty-two percent** of AI users have already let AI act on their behalf at least once without a final sign-off,[9] whether they had AI complete a purchase, send an email, or work in a connected account; many don't think of this as "using an agent." Autonomy has become its own powerful measure of depth, similar to how often consumers use AI or how much they're willing to pay for it, and people are seeking it out.

The Agent Market Is Still Wide Open

The agent market is still hotly contested. Codex leads at **35%** of agent users, followed closely by Claude Code/Cowork* at **32%** and Perplexity at **24%**. Newer agents like Manus, OpenClaw, and Hermes* are also creeping up, each reaching **10–16%**, while the new kids on the block like Town and Instinct are coming hot out of the gate.

9. Includes respondents who've used AI to complete a shopping purchase, email workflow, and use AI agents.

Agent users are also among AI's most valuable consumers. Not only do they use AI more, they are also more likely to pay (**65%** of payers use an agent versus just **13%** of non-payers). Among people who pay for AI, **21%** of regular agent users pay **$100+** a month, compared to just **5%** of paying non-agent users.

For now, agent use is concentrated among AI's deepest users. But the market will reach a tipping point soon: **72%** of those using AI are aware of agents;[10] only **41%** have tried one. Despite being as large as it is today, most of the market's growth is yet to come.

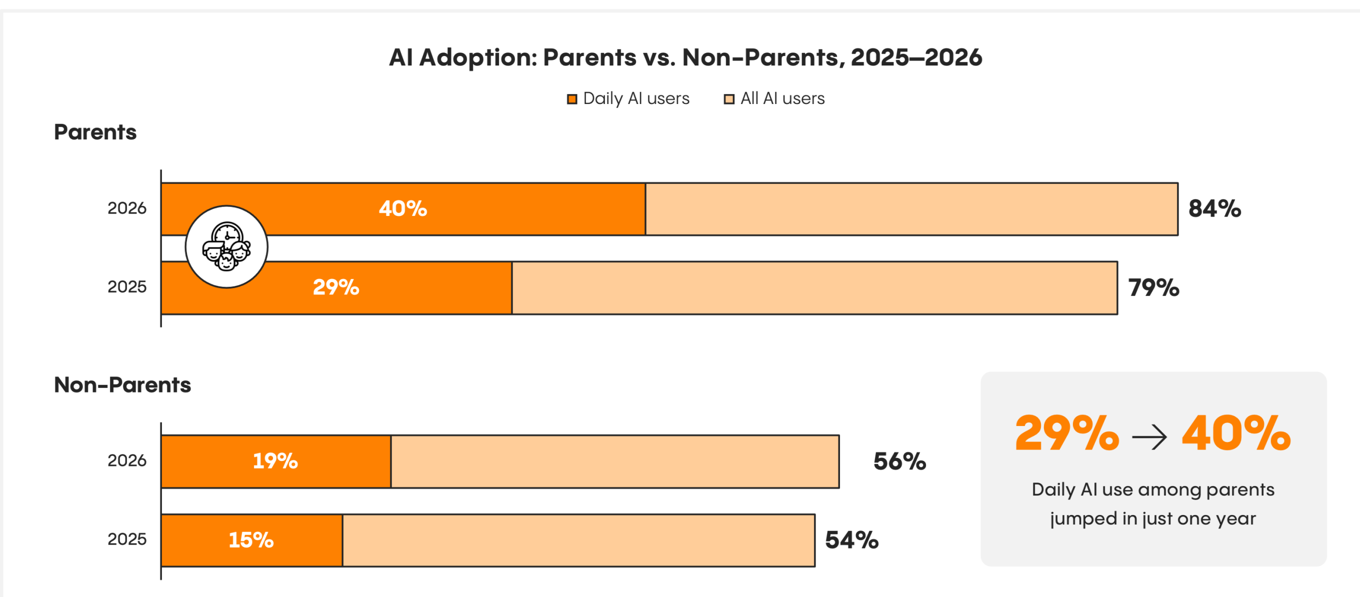
Power Users and Holdouts: Who's Going Deepest and Who Still Refuses?

AI's Power Users Aren't Just Young; They're Busy

Technology adoption usually skews young, and AI is no exception: Gen Z still leads adoption overall at **81%**, but the heaviest users are Millennials. This year, Millennials posted the largest adoption increase of any generation, nearly matching Gen Z in overall use and leading daily use at **37%**, compared with **25%** of Americans overall.

What distinguishes many of AI's power users is not just age, but pressure on their time. Millennials are often juggling work, family, household logistics, and other demands, making tools that can multitask, automate routine work, or complete tasks end to end especially valuable.

Parents Are Going Deeper With AI



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Parents were already AI power users. Now they're going deeper: 40% use AI daily, up from 29% last year.

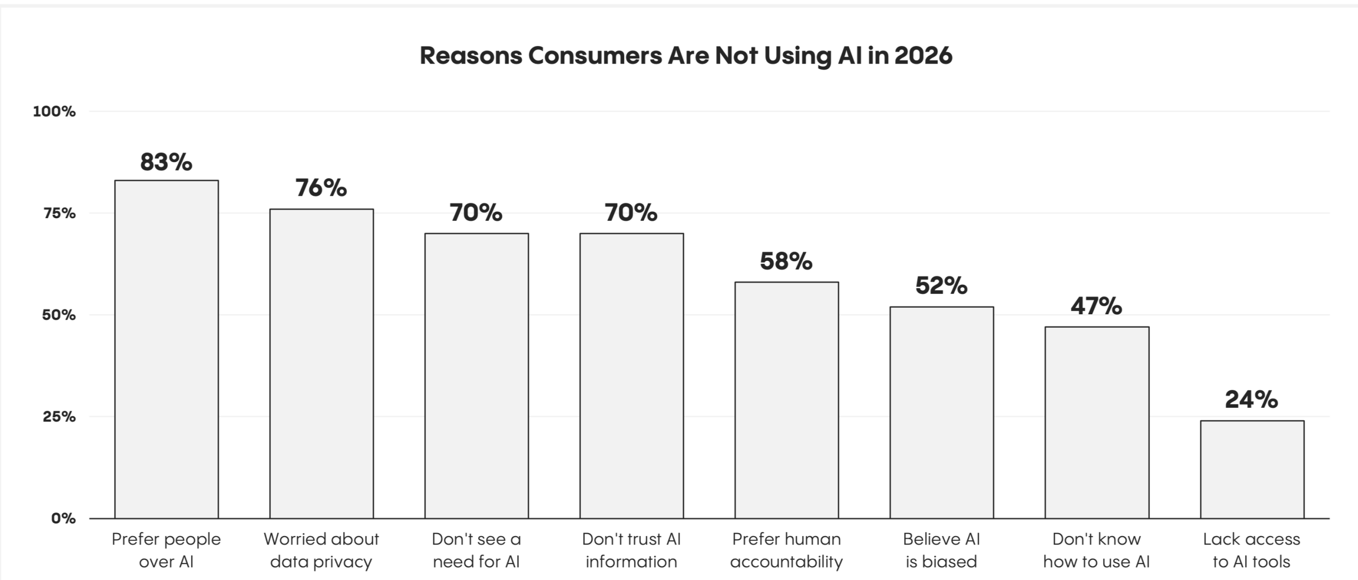
10. Includes respondents who said they were unsure.

Parents are a great example. Last year, we found that parents were already AI power users, reporting nearly twice the daily usage of non-parents (**29%** vs. **15%**). That pattern has become even more pronounced: Today, **84%** of parents use AI, compared with **56%** of non-parents, and daily use among parents jumped from **29%** in 2025 to **40%** this year. That growth isn't just about childcare; parents are using AI across everyday life, from meal planning and paying bills to managing household logistics and other routine work.

AI Holdouts Refuse to Budge

Not everyone is going deeper with AI, and some still refuse to start. The share of people who haven't used AI in the past six months fell modestly from **39%** to **36%** this year, but the holdouts who remain are digging in.[11]

AI Holdouts: 36% of Americans Don't Use AI



YoY pp Δ	+3	+5	+7	+12	+5	+12	–1	–3

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Among non-users, their objections are hardening. Seventy percent of non-users now distrust AI-generated information, up from **58%** a year ago. **Fifty-two percent** believe AI tools are biased, **76%** have privacy concerns, and **83%** would rather deal with a person than talk to AI. Even the simplest objection, "I just don't need it," grew seven points. And on nearly every measure, the growth came from people who strongly agree.

11. We classify people as AI users based on the tools they report using in our survey. There is a possibility some of the 36% are running into AI inside Google or Gmail without recognizing it.

> “I don’t trust the motives of the people who created it.”
>
> **—Retired man over 65 who does not use AI**

> “I’ve tried them, and they always provide incorrect information.”
>
> **—56-year-old man, tried AI and no longer uses it**

In addition, several holdouts objected for a whole new reason this year: the environment.

> “AI is actively destroying the environment and people’s lives, and I refuse to support a ‘tool’ whose by-product is destructive to both.”
>
> **—23-year-old woman, works in government, does not use AI**

Practical excuses were less of an issue this year. Only **47%** of non-adopters say they don’t know how to use AI (down one percentage point from last year), while even fewer (**24%**) say they lack access to it.

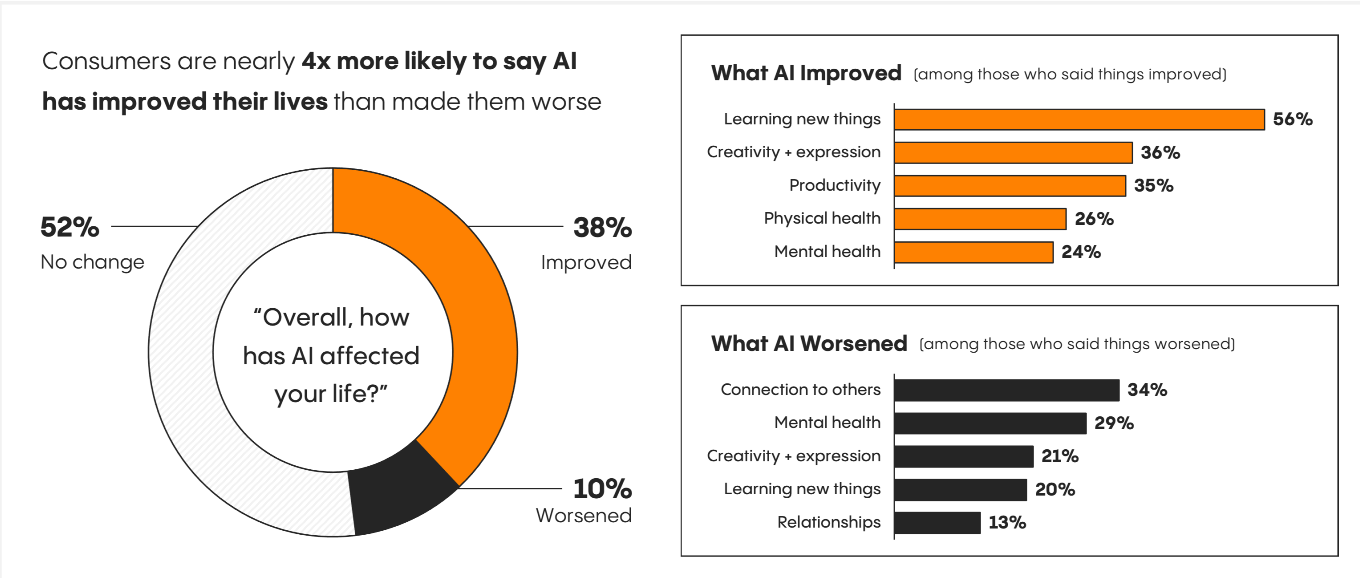
Evidently, AI has become a polarizing force. On one end, power users have gone all in on every dimension; on the other, holdouts are refusing to use AI more than ever. They remain unconvinced that AI is useful, trustworthy, or worth bringing into their lives at all.

Sentiment and What’s Next: How Do Consumers Feel About AI, and Where Does It Go?

Most Say AI Helps More Than It Hurts

Nearly four years in, we asked everyone—users and holdouts alike—whether AI had made their lives better or worse. Today, consumers are cautiously positive: **38%** of those we surveyed say AI improved their life, nearly four times the **10%** who say it made things worse. The largest group, **52%**, reports no meaningful change at all.

How Consumers Feel About AI in 2026



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Consumers are cautiously positive about AI: 38% say it has improved their lives, nearly 4x the 10% who say it has made things worse.

People who say AI has improved their lives point to learning new things (**56%**), creativity and self-expression (**36%**), and productivity (**35%**).

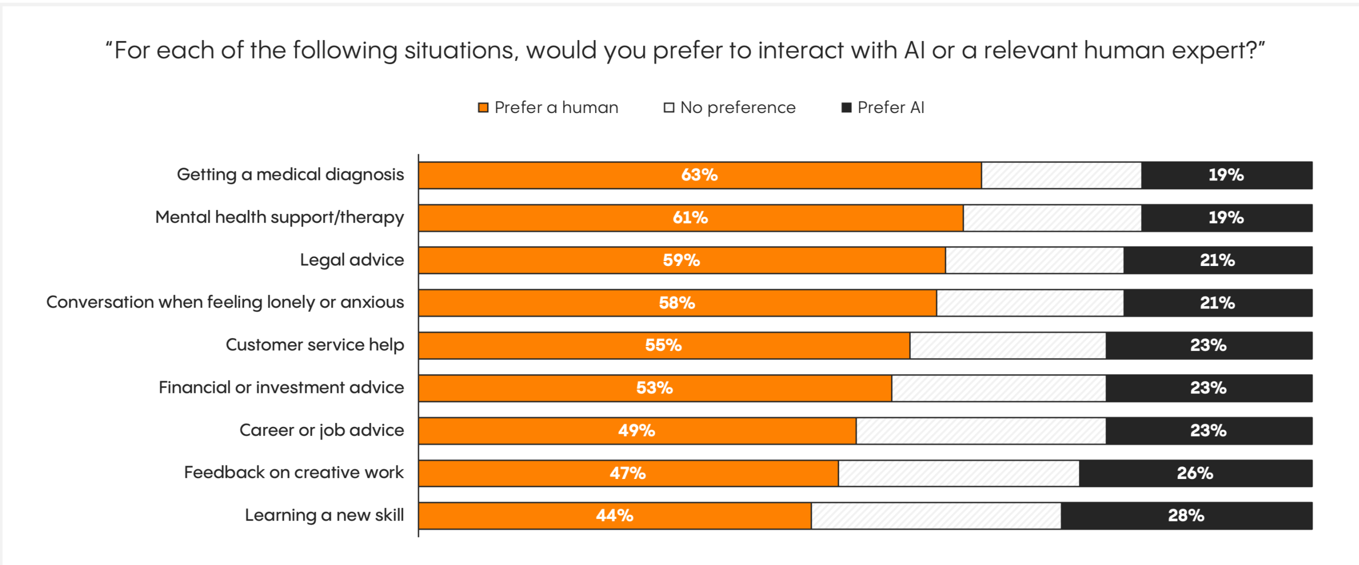
> "It's just fun to learn, and AI puts everything right at my fingertips."
>
> **—61-year-old woman, daily AI user**

Those who say it made things worse point to their connection to other people (**35%**) and their mental health (**29%**). For the people it helped, AI made them more capable. For the people it hurts, the damage is personal: their relationships and state of mind.

> "It takes away human contact."
>
> **—64-year-old man, retired, does not use AI**

But the optimism around AI has limits. In all nine situations we tested, consumers preferred a human expert to AI. The gap is widest where the stakes are personal: For a medical diagnosis, **63%** prefer a human to **19%** for AI, and for legal advice, it's **59%** to **21%**. It narrows but never closes even on AI's home turf: For learning a new skill—the most common thing people do with AI—**44%** still prefer a human, versus **28%** AI.

Consumers Still Prefer Humans Over AI



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Even as AI becomes part of everyday life, consumers still prefer human expertise across every situation we tested—with the widest gaps in medical care, mental health, and legal advice.

Job Security: Despite AI Optimism, Job Anxiety Persists

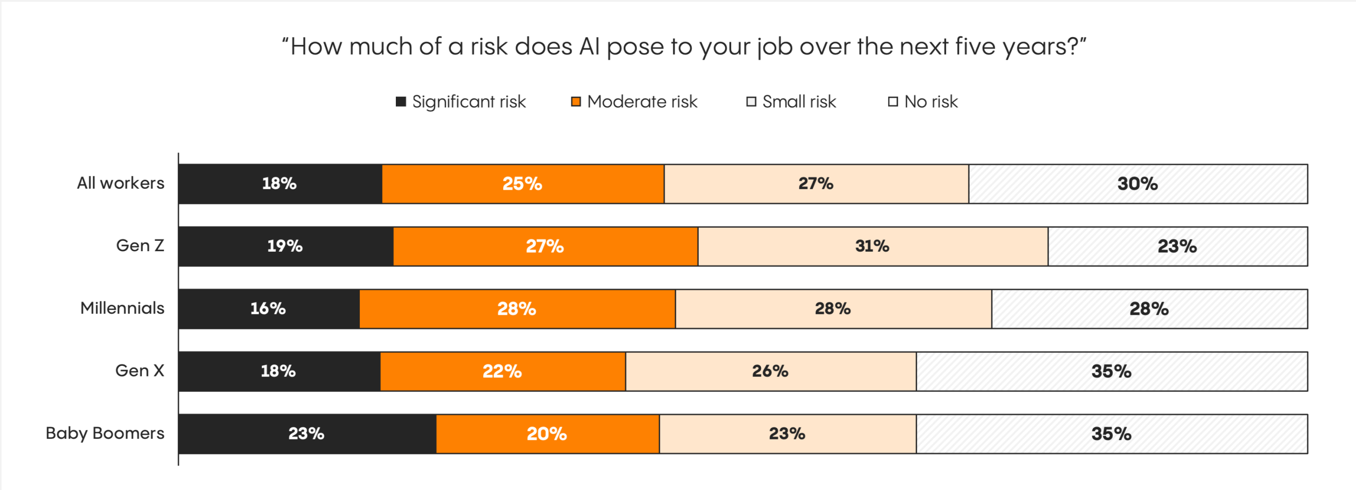
"Will AI take my job?" has been a mainstream talk track for quite some time. When we asked consumers directly, **43%** of working adults see at least a moderate risk to their own job in the next five years, compared to **30%** who see no risk at all. Among the generations, Gen Z feels most susceptible, with **46%** of respondents feeling like there's a moderate to significant risk to their job, and just **23%** feeling no risk at all.

> "AI has hurt my ability to find a job—because I've applied to hundreds of jobs and some of them use AI to look at the applications, and the AI will just reject applications for no reason."
>
> **—30-year-old unemployed woman who does not use AI**

> "I lost my job due to AI."
>
> **—54-year-old man, unemployed, does not use AI**

> "I'm concerned about the job market or job loss. I've had a significant reduction of income."
>
> **—44-year-old father of three, self-employed, uses AI daily**

AI's Perceived Impact on Job Security



Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

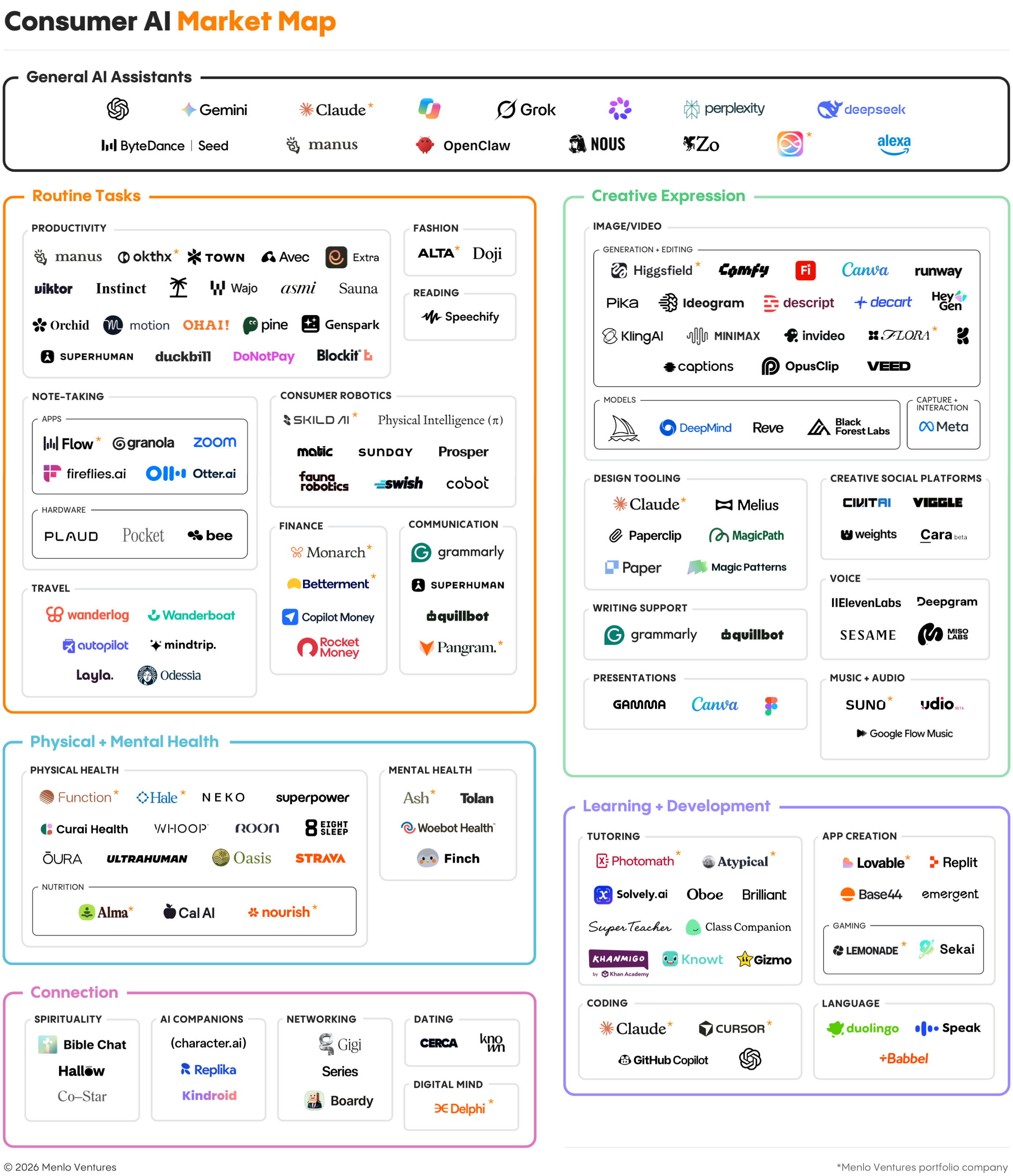
More than four in 10 workers see AI as a meaningful threat to their job over the next five years. Gen Z feels most vulnerable, with 46% seeing significant or moderate risk.

Consumers no longer agree on what AI is doing to their lives. Power users keep granting it more time, money, and authority, while the holdouts harden against it. In between sit the **52%** who say AI hasn't changed much for them either way. Trust already decides how deep the believers go; next, it will decide whether the market's biggest group engages at all.

Consumer AI Market Map

The relevant competitive question is no longer simply, "What replaces ChatGPT?" A product can earn a place in the consumer AI stack by owning a workflow, solving one problem materially better, or earning access and trust that a general-purpose assistant cannot. Below are some of the companies competing across general AI assistants/agents, creative tools, productivity, learning, health, finance, connection, and emerging consumer workflows.

MENLO VENTURES



Menlo Ventures' 2026 consumer AI market map

MENLO VENTURES

Five Consumer AI Predictions for 2027

1. Agentic purchases will drive $100 billion in online sales in the next 12 months.

Agentic commerce—where an AI agent influences or completes a purchase, including through agentic research and affiliate attribution—will become a core part of consumer shopping. The first categories will be commoditized products like groceries, and specialized, researched products like electronics and travel. We are already seeing consumers hand AI their credit cards, but feature gaps like security, payment dispute, and fraud detection are major obstacles to credibility today.

2. Regular agent use becomes mainstream.

Seventy-two percent of AI users know what agents are, but only **41%** have tried one. We believe this gap will close: The combination of messaging integrations, long-running tasks, computer use, and growing consumer trust will make agents useful, intuitive, and trustworthy enough for mainstream adoption.

3. AI becomes a critical advertising channel.

ChatGPT launched ads in February of this year and, according to OpenAI, passed **$1 billion** in run-rate revenue just **200 days** later. Consumers are now asking AI assistants what to buy, and brands are following them there—the same way they followed consumers to search and social media.

4. Voice moves from dictation to instruction.

Today, **46%** of AI users speak to AI at least some of the time, mostly to produce text they then send themselves. Soon, spoken requests will increasingly end in a completed action or text reply, and what we say will replace both the keyboard and the text box input itself.

5. AI-powered robots will reach $500 million in sales in the next 12 months, but humanoids will lag.

Advances in AI models and falling hardware costs have pushed the price of some robots below **$1,000**, bringing the category into the first phase of consumer adoption. We expect early demand to center on educational toys, home security, and cleaning. Humanoid robots, however, will take longer to reach the level of usefulness, reliability, and trust required for widespread adoption in the home.

Closing Thoughts

In 2025, consumer AI was a story about reach; in 2026, it's a story about depth. The market tripled while adoption grew three points, which means the growth came from people who were already here—using AI more often, across more of their lives, paying for it, and starting to let it act on their behalf.

Depth is harder to win than reach. Reach came from distribution: AI showed up in search results, on phones, at work. Depth is earned, one job at a time, and consumers are specific about the terms. They want AI to explain rather than answer. They'll let it recommend a purchase before they'll let it make one. They'll bring it to their health questions and keep the diagnosis. Every one of those boundaries is a product opportunity for whoever earns the right to cross it.

Last year, we shared our thesis that consumers embrace tools that solve real problems better, faster, and cheaper than the alternatives. That still holds. But this year's data adds a condition: **Consumers adopt what's useful, and they keep what they trust.** The companies that will define the next phase of consumer AI are the ones that treat trust as something to be built—earned in low-stakes work, verified cheaply, and extended deliberately—rather than assumed.

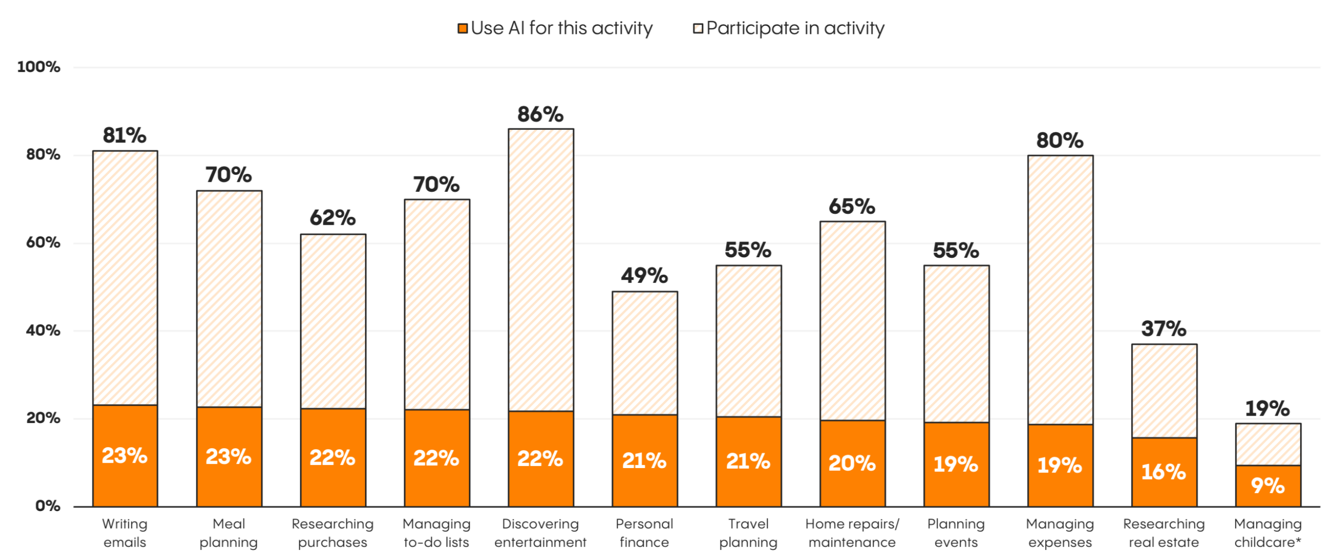
If that sounds like what you're building, we'd love to hear from you.

Appendix: AI Penetration by Activity

Routine Tasks: AI Is Moving Into Higher-Stakes Financial Decisions

AI is moving beyond everyday convenience: **43%** of people researching investments or personal finance use AI, up **16** points year over year, while **43%** of those researching real estate use it, up **17** points

How U.S. Adults Are Using AI for Everyday Tasks

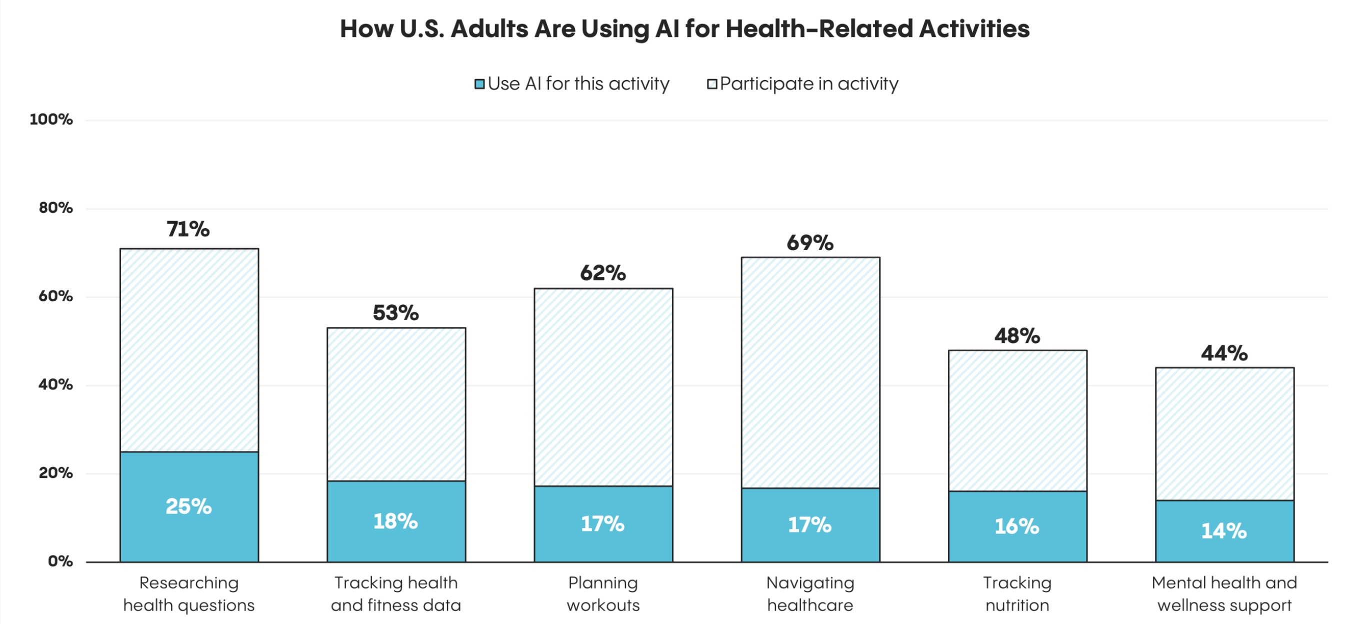


	Writing emails	Meal planning	Researching purchases	Managing to-do lists	Discovering entertainment	Personal finance	Travel planning	Home repairs/ maintenance	Planning events	Managing expenses	Researching real estate	Managing childcare*
2026 AI penetration	28%	33%	35%	31%	26%	43%	38%	31%	35%	24%	43%	47%
YoY pp Δ	+5	+11	+12	+7	New in 2026	+16	+13	+11	New in 2026	+6	+17	+13

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. *Asked only to parents of children under 18

Physical + Mental Health: AI Use Is Surging Across Health and Wellness

AI use is rising across every health activity we track: **35%** of people researching health questions now use AI, up **15** points YoY, while roughly **one-third** use it to track health, fitness, or nutrition

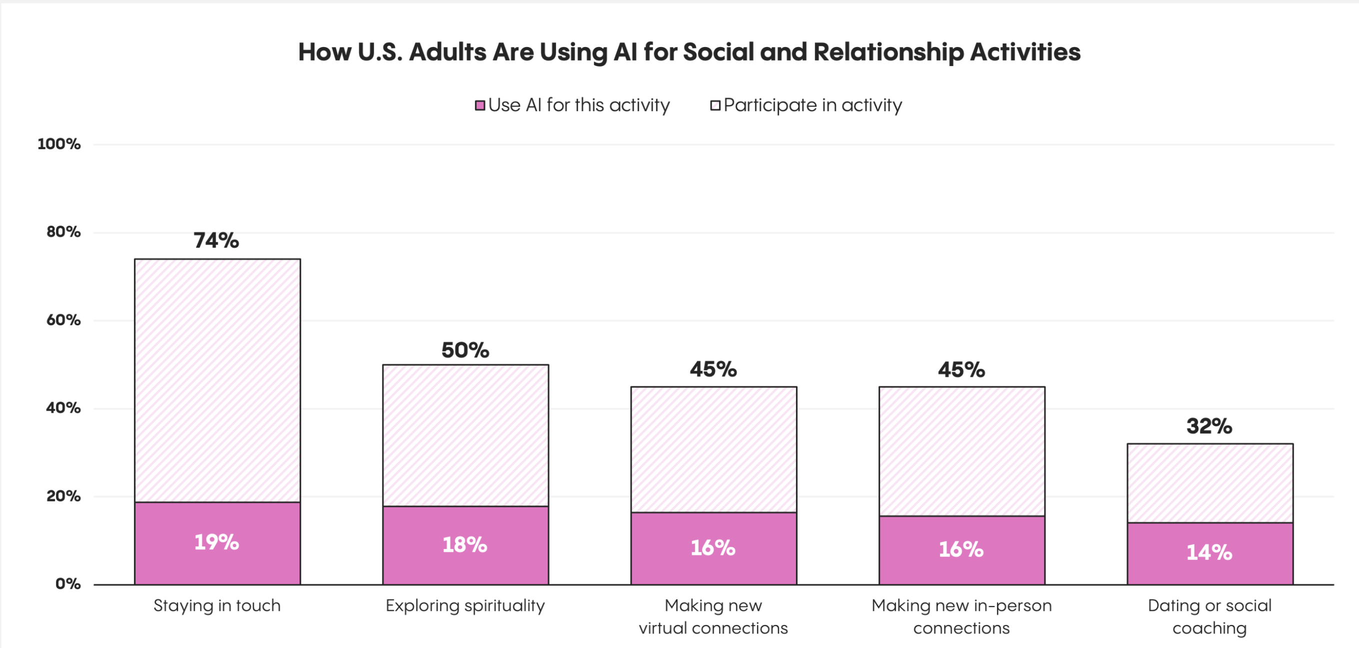


2026 AI penetration	35%	34%	27%	25%	33%	32%
YoY pp Δ	+15	+12	+9	+9	+9	+11

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Connection: AI Is Moving Into Our Social Lives

44% of people seeking dating or social coaching use AI, up **13** points YoY, while **more than a third** use it for spirituality or making new connections

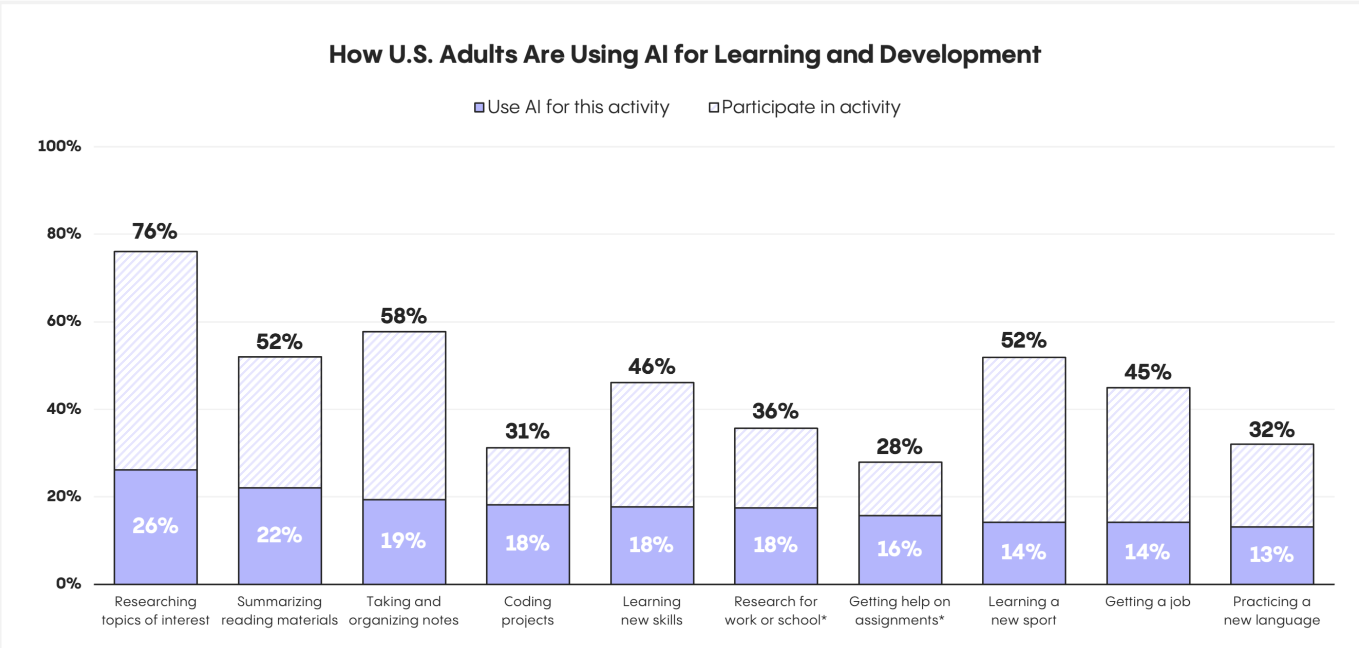


2026 AI penetration	26%	36%	36%	35%	44%
YoY pp Δ	+8	+12	+10	+12	+13

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Learning + Development: AI Is Becoming Ingrained in School and Work

58% of people doing coding projects use AI, as do **56%** of those getting help on assignments and **49%** of people doing research for work or school

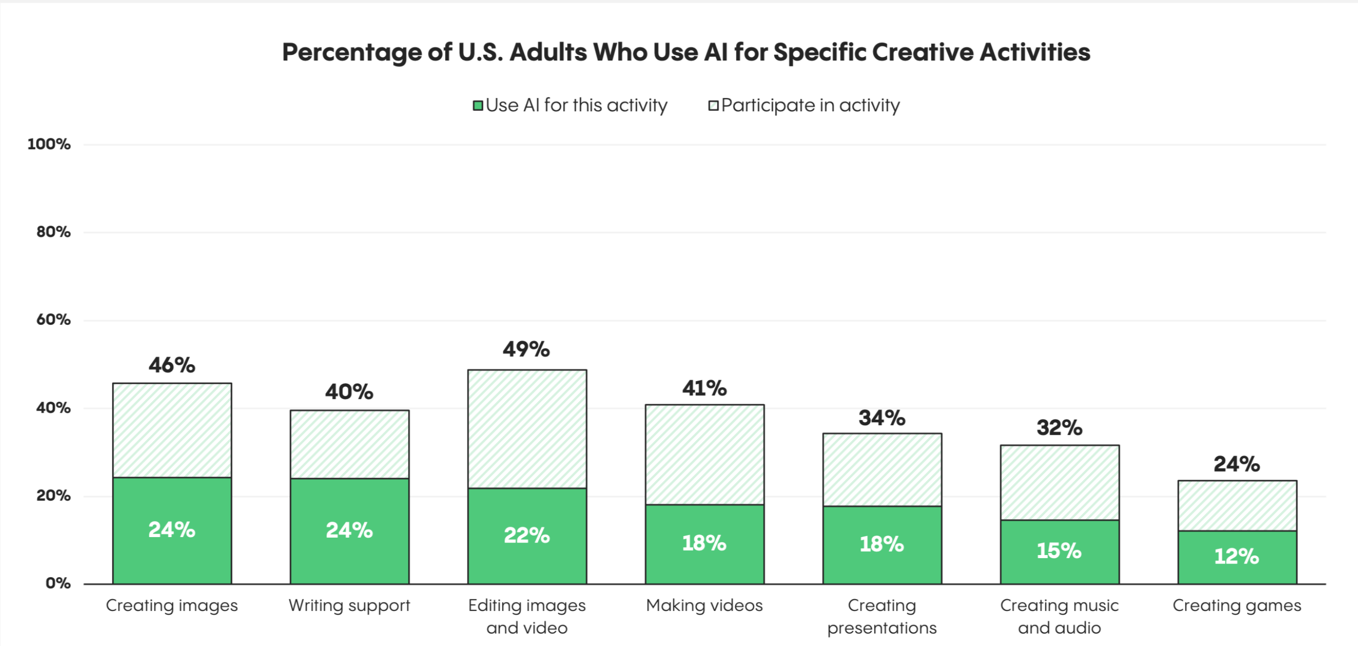


2026 AI penetration	34%	43%	34%	58%	38%	49%	56%	27%	32%	41%
YoY pp Δ	+11	+15	+8	+11	+12	+13	+13	+7	New in 2026	+11

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/. *Asked only to students and the employed

Creative Expression: AI Is Now a Standard Creative Tool

AI is now used by **more than half** of people creating written content, images, presentations, and games—with image generation posting the largest year-over-year gain at **19** points



2026 AI penetration	53%	61%	45%	44%	52%	46%	52%
YoY pp Δ	+19	+10	+17	+16	+14	+9	New in 2026

Source: https://menlovc.com/perspective/2026-the-state-of-consumer-ai/

Data Sources and Methodology

Survey. Findings are based on a survey of 5,067 U.S. adults conducted with Morning Consult in July 2026. The sample is nationally representative, with weights applied for education, gender, age, race/ethnicity, and region. The survey explores how consumers have used AI and other tools to complete specific activities over the past six months, along with their attitudes toward the technology.

Year-over-year comparisons. Comparisons are drawn against our 2025 wave, which surveyed 5,031 U.S. adults in April 2025. Of the 41 activities measured this year, 37 were asked identically in 2025. The 2025 wave ran in late spring and the 2026 wave in early July, which dampens measured growth on school- and work-linked activities.

New this year. Spending, agent, interaction-mode, and sentiment questions are new in 2026 and have no 2025 baseline. Brand reach in 2025 was published as a share of all U.S. adults and has been converted to a share of AI users; chart titles state the base in each case.

Market sizing. Market size figures are Menlo Ventures estimates, anchored on survey data for AI usage and spend, and triangulated against credible third-party sources. While the survey's usage and spending figures are reflective of U.S. adults, the global estimate is adjusted downwards to account for differences in internet access, age distribution, and regional adoption and spend rates.

How to cite this research:
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* Menlo Ventures portfolio company