

CRYPTO MARKETS · STAKING STUDY

Crypto Staking: Passive Income or Hidden Risk?

A proprietary study of 1,500 retail investors examining whether staking is viewed as a dependable source of passive income, what motivates participation, and which risks continue to limit wider adoption.



TU Research Team	Methodology	Sample
A. Chabaniuk · C. Soni · D. Blystone	CAWI · Q2 2026 · 95% confidence	1,500 retail investors

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01 Executive Findings

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TU Research suggests that retail investors generally view crypto staking as an attractive source of passive income, although market volatility and security concerns continue to limit wider adoption. More than half of respondents (51%) have already staked cryptocurrency, while 29% plan to do so in the future. Passive income is the main motivation for 46% of investors, whereas 39% identify price volatility as the biggest risk. The study also found that 46% consider staking a reliable passive income strategy when using reputable platforms, and 48% say clearer regulation would increase their confidence in staking.

- ✓ Staking has reached mainstream adoption. 51% have staked before, including 34% who currently stake; another 29% plan to start.
- ✓ Passive income drives participation. 46% stake mainly for rewards, ahead of supporting networks (19%) and long-term holding (17%).
- ✓ Market risk outweighs technical risk. 39% cite price volatility, well ahead of slashing or validator failure (8%).
- ✓ Sustainable yields beat high APY. 38% find 5–8% APY most attractive; only 11% chase returns above 12%.
- ✓ Regulation would unlock adoption. 48% say clearer rules would significantly increase their confidence in staking.

02 Introduction & Research Questions

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Crypto staking has become one of the fastest-growing segments of the digital asset market since Ethereum's transition to Proof-of-Stake in 2022. Initially developed as a mechanism for validating blockchain transactions, staking has evolved into a popular investment strategy that allows crypto holders to earn passive income while helping secure blockchain networks.

The rapid growth of staking has attracted retail investors, exchanges, custodians, and institutional market participants. At the same time, regulators and industry organizations emphasize that staking involves risks beyond traditional investments, including price volatility, liquidity constraints, validator failures, platform security, and regulatory uncertainty.

Against this backdrop, TU Research conducted a proprietary survey of 1,500 retail investors to examine how individuals perceive crypto staking. The study explores whether investors view staking as a reliable source of passive income, what motivates participation, which risks influence decision-making, and how retail perspectives compare with institutional research.

The research seeks to answer several key questions:

- How many retail investors have experience with staking?
- What are the primary motivations for staking?
- Which risks discourage investors from participating in staking?
- What annual staking rewards do investors consider attractive?
- Which types of staking providers inspire the greatest trust?
- Would clearer regulation encourage wider staking adoption?
- Do investors consider staking a reliable source of passive income?

RISK WARNING

Cryptocurrencies are highly volatile and carry a high risk of losing money rapidly. Staking may involve lock-up periods, slashing penalties, platform security, and regulatory risks. This research is informational only and is not investment advice.

03 Institutional Validation

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Crypto staking has become one of the fastest-growing sectors of the digital asset market following Ethereum's transition to Proof-of-Stake (PoS). Today, staking is increasingly viewed not only as a blockchain security mechanism but also as an investment strategy that allows crypto holders to generate passive income. However, regulators and international organizations emphasize that staking also introduces new operational, liquidity, and governance risks.

The International Monetary Fund (IMF) notes that Proof-of-Stake significantly improves blockchain efficiency compared with Proof-of-Work while introducing new supervisory challenges related to validator concentration, governance, and financial stability. According to the IMF, the growing integration of staking into digital asset markets requires stronger regulatory oversight and a better understanding of operational risks.

The European Securities and Markets Authority (ESMA) has adopted a disclosure-focused approach under the Markets in Crypto-Assets Regulation (MiCA). Rather than restricting staking activities, MiCA requires crypto-asset service providers to establish robust custody policies, segregate client assets, implement appropriate security measures, and clearly disclose the terms of their services. ESMA has also clarified that clients' crypto-assets cannot be staked for a provider's own benefit, reinforcing MiCA's emphasis on investor protection, transparency, and the safekeeping of customer assets.

The Organisation for Economic Co-operation and Development (OECD) also notes that the increasing institutional adoption of crypto-assets is strengthening the links between decentralized finance and traditional financial markets. As staking becomes more widely used by investment funds, custodians, and regulated service providers, transparency, governance, and operational resilience are becoming increasingly important for market participants.

Ethereum Foundation research describes staking as the fundamental mechanism securing the Ethereum network by aligning validators' economic incentives with network security. Validators lock ETH to participate in block validation and receive rewards for honest participation, while penalties and slashing discourage malicious behaviour and strengthen the protocol's economic security. Unlike traditional fixed-income investments, staking returns are generated through active participation in maintaining blockchain consensus rather than through lending capital.

Institutional investors appear to share this risk-focused approach. According to the 2026 Institutional Investor Digital Assets Survey conducted by EY-Parthenon for Coinbase Institutional, professional investors increasingly evaluate staking opportunities not only by expected rewards but also by regulatory certainty, custody quality, liquidity, and operational security. The findings suggest that confidence in the underlying infrastructure is becoming as important as potential investment returns.

Overall, institutional research suggests that staking is evolving from a purely technical blockchain function into an established component of the digital asset ecosystem. While Proof-of-Stake offers improved scalability and energy efficiency, its long-term adoption will depend on transparent regulation, secure infrastructure, effective risk management, and investor confidence rather than staking rewards alone.

KEY INSTITUTIONAL TAKEAWAYS

IMF — flags validator concentration and governance risks · **ESMA/MiCA** — client assets cannot be staked for a provider's own benefit · **Coinbase/EY** — institutions weigh custody and regulation alongside rewards.

04 Theoretical Framework

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The adoption of crypto staking can be explained through several established concepts in finance, technology adoption, and behavioral economics. Unlike traditional fixed-income investments, staking requires investors to evaluate not only potential returns but also blockchain infrastructure, validator mechanisms, and platform security.

Risk-return trade-off

Staking offers investors an opportunity to earn passive income while retaining ownership of their crypto assets. However, unlike conventional interest-bearing products, staking rewards are accompanied by additional risks, including price volatility, lock-up periods, slashing penalties, and operational failures. As a result, investors must balance expected yields against the risks associated with participating in blockchain consensus.

Technology acceptance

According to the Technology Acceptance Model (TAM), individuals are more likely to adopt new technologies when they perceive them as useful and easy to use. In the context of staking, adoption depends not only on attractive rewards but also on confidence in the security of staking platforms, transparency of reward mechanisms, and the reliability of service providers.

Investor trust

Behavioral finance suggests that investors are generally more willing to adopt financial products when they understand how they work and trust the institutions behind them. Although staking has become more accessible through exchanges and custodial platforms, concerns about regulation, asset custody, and platform security continue to influence participation. Consequently, trust in service providers may play an equally important role as expected returns when investors decide whether to stake their crypto assets.

INSIGHT

These three concepts — risk-return trade-off, technology acceptance, and investor trust — explain why staking rewards alone do not determine adoption: confidence in platforms and regulation matters just as much.

To examine how retail investors evaluate crypto staking, TU conducted an independent quantitative study focusing on investor experience, staking behaviour, perceived benefits, and risk assessment. Although staking has become one of the most widely used mechanisms for generating yield in the cryptocurrency market, relatively little research has explored how individual investors actually perceive this investment strategy. This survey addresses that gap by examining whether staking is primarily viewed as a reliable source of passive income or as an activity associated with substantial financial and operational risks.

1,500 retail investors

40+ countries across six regions

Q2 2026 survey period

CAWI survey method

95% confidence level

NA · EU · APAC · LATAM · MEA

Target population: retail cryptocurrency investors with experience in buying or holding digital assets. **Key research areas:** awareness of crypto staking, previous staking experience, preferred staking methods, expected annual returns, perceived risks, confidence in staking providers, and future intentions to stake digital assets.

Research team

- **Anastasiia Chabaniuk** — Author, TU Research · Research design and interpretation
- **Chinmay Soni** — Fact-checker · Data validation and statistical verification
- **Dan Blystone** — Editor-in-Chief · Editorial and methodological supervision
- **Andrey Mastykin · Oleg Tkachenko** — TU Research · Data collection and analysis

06 Survey Results

Have investors ever participated in staking?

Although staking has become a standard feature of many blockchain networks, not every cryptocurrency investor actively stakes digital assets. Before evaluating attitudes toward staking, the survey examined the actual level of participation among retail investors.



Retail participation in crypto staking

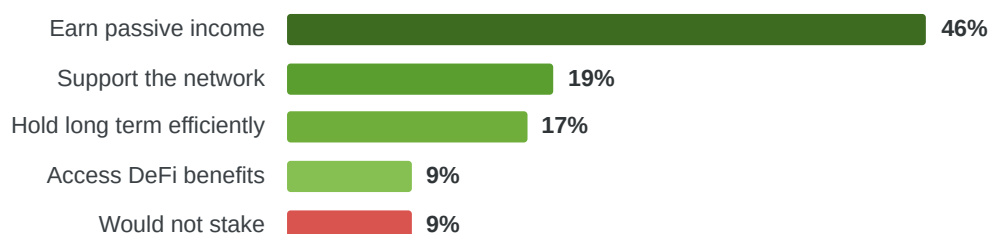
Participation status	Share of investors
Yes, I currently stake cryptocurrency	34%
I staked in the past but no longer do	17%
I have never staked but plan to try	29%
I have never staked and do not plan to	20%

INSIGHT

More than half of respondents (51%) have already experienced crypto staking, indicating it has become a mainstream activity. Nearly one-third intend to stake in the future, suggesting participation may keep growing as services become more accessible.

Why do investors choose to stake?

To better understand investor motivations, respondents were asked to identify the primary reason they would stake digital assets.



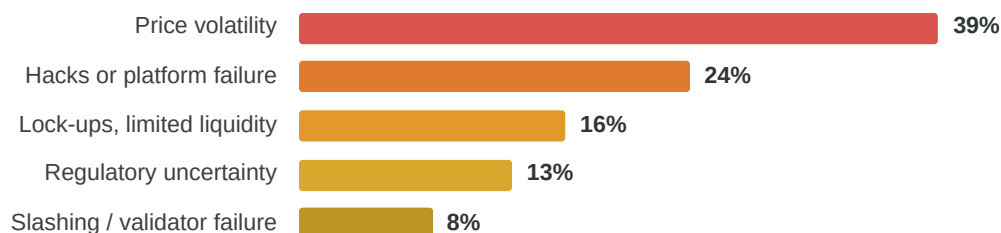
Main motivation for staking

INSIGHT

Passive income is by far the strongest driver of staking adoption. However, a meaningful share also recognize staking as a way to participate in blockchain networks and improve long-term portfolio efficiency.

Which staking risk concerns investors most?

While staking provides an opportunity to generate passive income, it also introduces risks that are absent from many traditional investment products. Respondents were asked to identify the factor that concerns them most when considering staking.



Biggest concerns associated with crypto staking

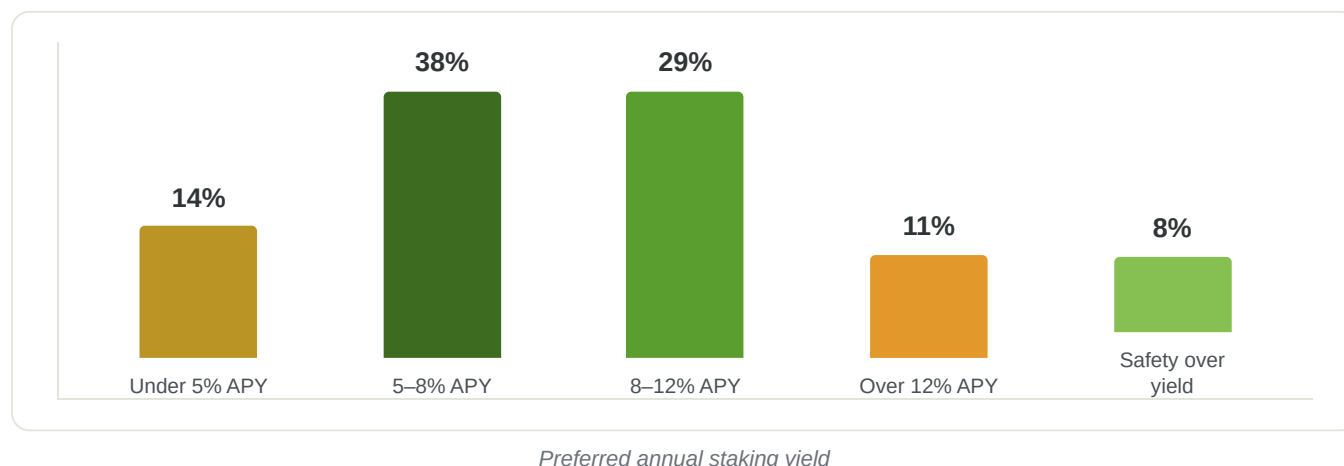
Risk	Share of investors
Cryptocurrency price volatility	39%
Loss of funds due to hacks or platform failure	24%
Lock-up periods and limited liquidity	16%
Regulatory uncertainty	13%
Slashing penalties or validator failure	8%

INSIGHT

Market volatility remains the dominant concern, outweighing technical risks such as slashing or validator failures. Investors worry more about crypto price swings and platform security than about the staking mechanism itself.

What annual return do investors expect?

Respondents were asked what annual return they would consider attractive enough to stake their cryptocurrency.

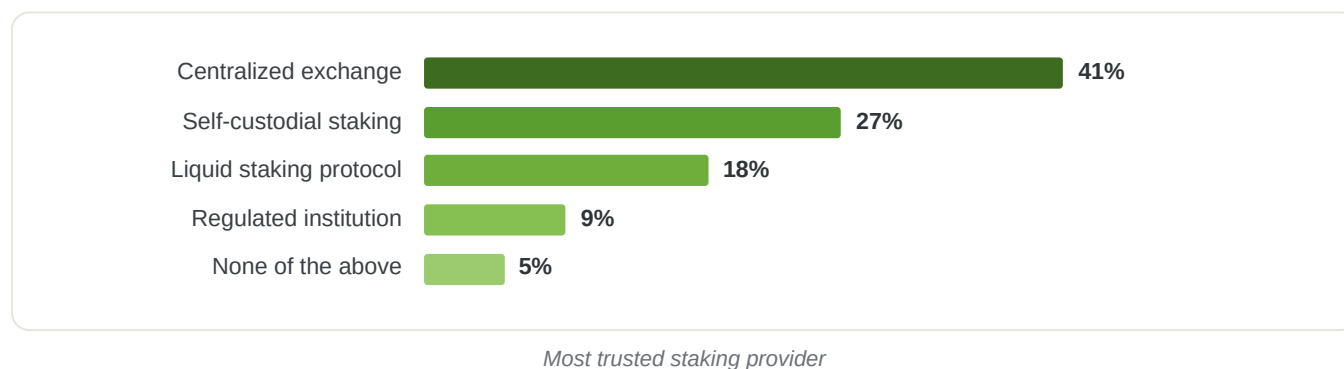


INSIGHT

Most investors consider annual yields between 5% and 8% sufficient to justify staking. Only a small minority pursue double-digit returns, suggesting retail investors prioritize realistic and sustainable rewards over unusually high yields.

Which staking provider do investors trust most?

Choosing where to stake is often as important as deciding whether to stake at all. The survey examined which type of provider inspires the greatest confidence among retail investors.



Preferred provider	Share of investors
Centralized cryptocurrency exchange	41%
Self-custodial staking (own wallet)	27%
Liquid staking protocol	18%
Regulated financial institution	9%
None of the above	5%

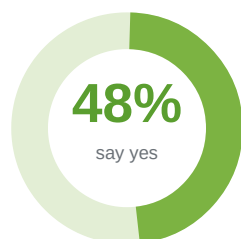
INSIGHT

Centralized exchanges remain the preferred choice because they simplify staking and reduce technical complexity. However, more than one-quarter prefer self-custody, reflecting growing awareness of asset ownership and counterparty risk.

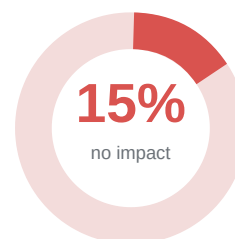
Would clearer regulation encourage staking?

Respondents were also asked whether a more transparent regulatory environment would influence their willingness to participate in staking.

Would boost confidence



Little or no influence



Impact of regulation on staking decisions

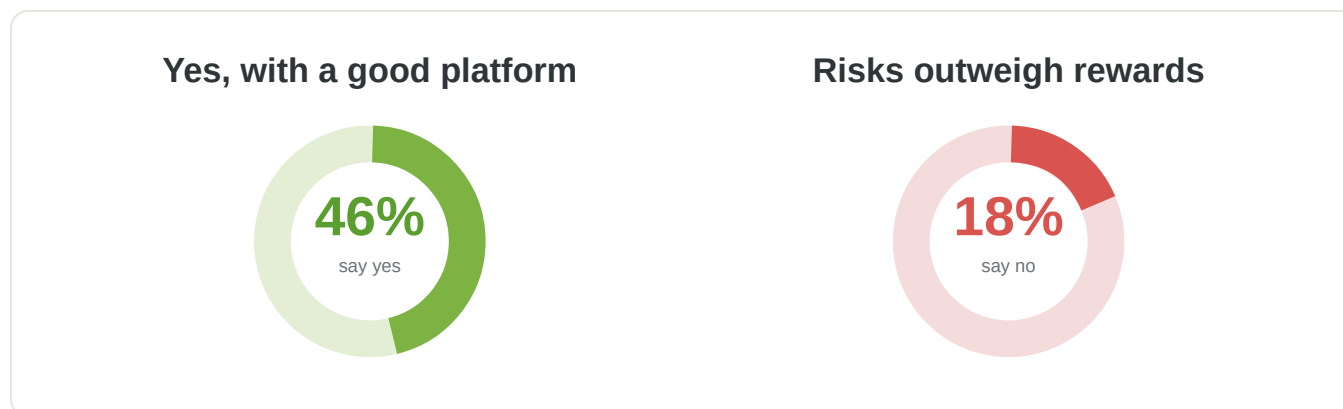
Response	Share of investors
Yes, it would significantly increase my confidence	48%
It would help, but returns remain more important	28%
Regulation would have little influence on my decision	15%
No, I already feel comfortable staking	9%

INSIGHT

Regulatory clarity is a major factor influencing adoption. Nearly half believe clearer rules would significantly increase their confidence, indicating that legal certainty could accelerate broader participation in staking.

Is staking a reliable source of passive income?

The final question addressed the central theme of this research by asking respondents whether they believe staking represents a dependable source of passive income.



Investor perception of crypto staking

Opinion	Share of investors
Yes, if I choose a reputable platform	46%
Yes, but only for well-established cryptocurrencies	27%
No, the risks outweigh the potential rewards	18%
I am unsure	9%

INSIGHT

Retail investors generally view staking as a viable source of passive income, provided it is conducted through trusted platforms and established networks. Most distinguish between responsible staking and excessive risk-taking, highlighting the growing maturity of the crypto investment community.

07 Practical Implications

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Several practical conclusions emerge from the research:

- **Staking is a long-term strategy, not guaranteed income.** Rewards depend on market conditions, network economics, and the value of the underlying cryptocurrency.
- **The provider matters as much as the reward.** Evaluate reliability, custody model, security history, and transparency of any exchange or staking provider before committing assets.
- **Risk management should outrank chasing the highest APY.** Investors prefer moderate but sustainable yields; exceptionally high APYs often reflect greater protocol, liquidity, or market risk.
- **Diversification reduces staking-related risk.** Spreading assets across multiple cryptocurrencies, staking services, and custody solutions limits exposure to technical failures or platform-specific events.
- **Regulatory developments will influence future adoption.** Nearly half say clearer regulation would increase their confidence, so regulated staking services may become increasingly attractive.
- **Education remains a key driver of adoption.** Many investors still have limited knowledge of validator operations, lock-up periods, slashing, and liquid staking — better education could narrow the gap between interest and participation.

As staking becomes an increasingly common feature of the cryptocurrency market, investors are also paying closer attention to the exchanges that offer secure, transparent, and competitive staking services. Choosing the right platform can significantly affect both the staking experience and the level of risk involved — comparing providers on supported assets, staking options, security standards, and fees helps investors select a venue that matches their objectives.

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