

AI, Product Innovation, and Next-Generation Investors Set the Course for the Future of Asset and Wealth Management, MMI-Broadridge Survey Finds

2025-11-21

- A clear majority of firms now see AI as a key strategic priority moving forward
- Evolving shift in product preferences across private markets, active ETFs, and separately managed accounts to drive AUM growth over the next two years
- 87% agree that younger investors require different products and service models

NEW YORK, Nov. 21, 2025 /PRNewswire/ -- Asset and wealth management firms are targeting AI-driven innovation, new products, and an enhanced client experience as key drivers of industry growth, according to a new survey from the **Money Management Institute** (MMI) and **Broadridge Financial Solutions, Inc.** (NYSE:BR).

"As the investment management landscape continuously evolves, our annual survey, conducted in conjunction with Broadridge, demonstrates how asset and wealth management firms are re-writing the playbook," said Craig Pfeiffer, President & CEO of the Money Management Institute. "Findings from this year's survey underscore an industry in transition, where technology, talent, and client experience are shaping the next phase. Firms are embracing AI to drive efficiency and personalization while confronting structural shifts in product demand, workforce needs, and investor expectations. Looking ahead to 2026, success will depend on firms' abilities to connect innovation with execution and deliver more customized, data-driven solutions that strengthen advisor and investor relationships across generations."

In its third year, the annual MMI-Broadridge survey explores how MMI members are evaluating trends and challenges across four topics: business outlook, products and strategies, distribution, and artificial intelligence.

AI has arrived and is starting to have an impact

The findings around AI point to a clear shift from exploration to implementation as firms move rapidly to integrate the technology into their business operations. Nearly all respondents (95%) believe AI will have a positive impact on the industry, and 96% agree that AI will improve "per-employee" productivity.

Firms are finding that AI brings the most value to communications and messaging (30%), research (20%), marketing, sales, and content development (15%), and data synthesis (14%). Beyond back-office efficiency, AI is increasingly viewed as a catalyst for strategic growth. Sixty-one percent of firms expect AI to be a high strategic priority moving forward, up from 38% last year.

Product innovation drives portfolio evolution

The survey also highlights a continued shift in product preferences as firms adapt to evolving investor needs and competitive pressures. When asked to rank the product categories that they expect to see the strongest asset growth over the next two years, respondents most frequently placed active ETFs (72%), private markets/alternatives (60%), and separately managed accounts (SMA) (51%) in their top three, reflecting investor demand for greater flexibility, transparency, and diversification beyond traditional mutual funds.

"Advisors and investors alike are signaling a clear appetite for more flexibility and customization with their investments," said Tim Kresl, Managing Principal of Data & Analytics at Broadridge. "Active ETFs and alternatives are leading that evolution, but the bigger story is how technology and data are enabling firms to deliver those solutions at scale. We're seeing firms use advanced analytics and digital platforms to better understand investor behavior, identify product gaps, and accelerate adoption in areas like active ETFs and private markets. As firms balance fee compression with demand for personalization, technology is helping them expand model portfolios, integrate alternatives, and build more tailored solutions that enhance value for both advisors and investors."

Asset managers are significantly more optimistic about active ETFs than wealth managers, with 78% of asset managers citing them as a key area for growth compared to 48% of wealth managers. In addition, 57% of wealth managers believe that private markets and alternatives are still in their early stages of reaching target allocations, suggesting substantial room for expansion as education, liquidity solutions, and access continue to improve.

More than half of wealth managers (57%) expect the shift from mutual funds to ETFs to negatively impact revenue as lower-fee products replace higher-margin offerings. To make up for this loss, firms plan to expand model portfolios, pursue data monetization, and introduce additional value-added services such as overlay management and client reporting. In fact, 81% of wealth managers either currently support or have plans to support alternatives within model portfolios, showing a clear commitment to building more tailored and scalable investment solutions that meet a broader range of client needs.

Next-generation investors and talent remain a growth opportunity

While 87% of respondents agree that younger investors require different products and/or service models, only 30% say their firm is actively reorienting growth strategies toward younger investors. Asset and wealth managers report that the top challenges in serving younger investors are offering digital tools or experiences that meet their expectations (42%), engaging through traditional channels (41%), and building long-term loyalty or retention (35%).

This recognition around the needs of the next generation of investors is mirrored by firms' own plans for growth. Nearly half (48%) expect to increase headcount over the next two years, though asset and wealth managers differ on where to prioritize hiring. Wealth managers are seeking more product specialist and technology support, and asset managers are investing across a broader range of roles.

Methodology

The survey was conducted by the Money Management Institute in conjunction with Broadridge and 8 Acre Perspective, an independent marketing research firm. This year's study surveyed 142 MMI members, which was fielded between July 16 – September 3, 2025.

For further details on survey methodology, please contact a media representative.

About the Money Management Institute

Established in 1997, the **Money Management Institute** (MMI) is the industry association for financial services firms, serving as the leading catalyst and resource for the advancement of investment advice. MMI advances the wealth and asset management industries through connections, knowledge, and professional growth. We are committed to fostering collaboration, supporting diversity of thought, sharing expertise, and driving innovation. By championing best practices and encouraging open dialogue in investment advice, we empower firms and professionals to better serve clients and investors in an ever-evolving world. We offer our members premier professional development programs, specialized curriculums, invaluable thought leadership, and dynamic peer-to-peer networks.

Our membership spans wealth managers, asset managers, and solutions providers of all sizes, with professionals representing every functional area of the financial services ecosystem. Together, we are shaping the future of investment advice. Follow MMI on **LinkedIn**.

About Broadridge

Broadridge Financial Solutions (NYSE: BR) is a global technology leader with trusted expertise and transformative

technology, helping clients and the financial services industry operate, innovate, and grow. We power investing, governance, and communications for our clients – driving operational resiliency, elevating business performance, and transforming investor experiences.

Our technology and operations platforms process and generate over 7 billion communications annually and underpin the daily average trading of over \$15 trillion in equities, fixed income, and other securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 15,000 associates in 21 countries.

For more information, visit www.broadridge.com.

Media contact:

Katie O'Keefe

kokeefe@prosek.com

View original content to download multimedia: <https://www.prnewswire.com/news-releases/ai-product-innovation-and-next-generation-investors-set-the-course-for-the-future-of-asset-and-wealth-management-mmi-broadridge-survey-finds-302622176.html>

SOURCE Broadridge Financial Solutions, Inc.