

Investments in AI and Digital Asset Surge While Data and Legacy Tech Challenges Persist, Broadridge Digital Transformation Study Finds

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- Data harmonization is key when it comes to implementing AI and digital assets with 80% of firms making moderate-to-large investments in AI this year; 50% of executives believe there will be a significant adoption of digital assets and ledger technology within the capital markets over the next several years.
- While 58% of financial services technology and operations executives agree a clear data strategy leads to the maximum rate of return on technology investments, 40% admit to having data quality issues.
- Almost half (41%) of executives feel their technology strategy is not moving fast enough at its current trajectory and 46% feel legacy tech is hurting resiliency.
- Overall, firms expect to allocate 29% of their total IT spend to technology innovation over the next two years, an increase of seven percentage points from last year's study.

NEW YORK, April 3, 2025 /PRNewswire/ -- Data strategy has accelerated as a priority focus for the financial services industry as AI, digital assets, operational resilience and personalization become non-negotiable forces in 2025, according to the fifth annual **Digital Transformation & Next-Gen Technology Study** by global Fintech leader, **Broadridge Financial Solutions, Inc.** (NYSE: BR). Almost half (41%) of executives feel their technology strategy is not moving fast enough at its current trajectory and 46% feel legacy tech is hurting resiliency. Today, when the introduction of a new AI model has the power to send shockwaves through financial markets, Bitcoin ETFs are routinely turning over billions in average daily volume, and cybersecurity has become a global mandate, financial services firms can no longer afford half-measures or indecision when it comes to data harmonization or addressing legacy technology.

"As financial services firms modernize their operations and move away from legacy systems, many are realizing that the right data management strategy has the power to break down silos and achieve the level of data quality needed

to realize the potential of AI and sustain prolonged digital transformation within their organizations," said Chris Perry, President of Broadridge. "With the right data strategy and a clear plan to address legacy tech, firms can drive digital transformation, enable innovation at scale, enhance customer experiences, and foster long-term growth while providing operational resilience and efficiency."

Over half (58%) of financial services technology and operations executives globally identified data harmonization as the ideal driver for maximizing their return on investment with 60% indicating they're confident their data quality won't cause transformation challenges. Therefore, firms are increasing their spend in this area to ensure they're capable of harnessing transformative technology like AI, digital assets and cloud platforms to achieve a competitive advantage.

Promise of GenAI Gains Too Hard to Ignore

The results of this year's study show an evolution in the way financial services firms are extracting value from GenAI. Key findings include:

- 72% are making moderate to large investments in GenAI this year, up from 40% in 2024.
- More than two-thirds (68%) believe that GenAI will have the greatest impact on employee productivity and 35% expect to start seeing ROI from GenAI within six months.
- 67% noted that they personally use GenAI most for investment or market research.

Digital Assets Go Mainstream

After many years of sitting on the sidelines, digital assets have also captured the focus of financial services executives. Key findings include:

- Nearly three-quarters (71%) of firms are making major investments in blockchain and distributed ledger technologies (DLT) this year, up from 59% in 2024.
- 64% are making big investments in cryptocurrency, up from 51% in 2024.
- Almost half (47%) believe DLT is enabling the development of new opportunities in the capital markets ecosystem.
- 73% agree that there will be greater regulation and governance around digital assets moving forward.

Cloud Continues as the Backbone of Scalability, Operational Efficiency and Agility

When it comes to the technology being adopted most widely today, cloud is king, with 86% of firms integrating it into their processes, and 84% making moderate-to-large investments this year.

When asked which technology executives believe has the greatest impact on their business, the majority (31%) selected cloud platforms and applications, and 27% plan to increase their investment in the technology over the next two years.

"It's really all about straight-through processes and the ability to see consistent data across all products and workflows," said Jason Birmingham, Broadridge global head of engineering. "Firms that are still trying to drive transformation by bolting on point solutions are quickly starting to realize that there is a limit to how much they can accomplish before they address the fundamental flaws in their platforms."

The fifth annual **Broadridge Digital Transformation & Next-Gen Technology Study** breaks down the sentiment, reflections and actions of more than 500 financial services technology and operations leaders from around the world and across wealth management, capital markets and asset management firms. The study demystifies what's guiding each organization's transformation roadmap and explores their unique approaches to data, AI, crypto, cybersecurity, personalization and more.

Methodology

Broadridge commissioned Phronesis Partners to conduct this survey. This survey, as part of Broadridge's annual series, was conducted in a fashion consistent with previous years. The survey was taken by over 500 financial services technology and operations leaders from around the world and across wealth management, capital markets, and asset management firms.

About Broadridge

Broadridge Financial Solutions (NYSE: BR) is a global technology leader with the trusted expertise and transformative technology to help 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 per year and underpin the daily trading of more than \$10 trillion of securities globally. A certified Great Place to Work®, Broadridge is part of the S&P 500® Index, employing over 14,000 associates in 21 countries.

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