AI Future on Wall Street More "Transformers" than "The Terminator" According to Broadridge Survey of Financial Services Professionals

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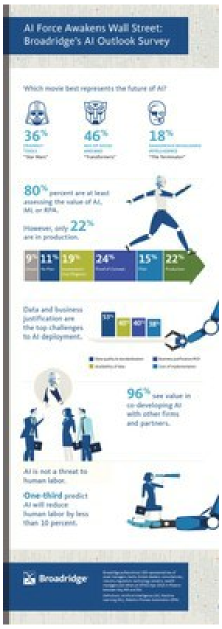
NEW YORK, June 20, 2018 /PRNewswire/ -- Broadridge Financial Solutions, Inc. (NYSE:BR), a global fintech leader and new addition to the S&P 500 Index, today released survey data highlighting the progress and challenges associated with artificial intelligence (AI), which includes machine learning (ML) and robotics process automation (RPA) across the capital markets industry.



AI in Reality, More Than Meets the Eye

An overwhelming majority (80 percent) of respondents, are at least assessing the value of AI, ML or RPA initiatives, according to the survey of about 200 financial services professionals conducted at SIFMA's Operations Conference & Exhibition in May. More than one-third (39 percent) of respondents are in proof of concept or pilot stages; however, only 22 percent are actually in production. They indicated that data-specific challenges are preventing their firms from taking advantage of AI's potential benefits.

Data, Cost and Business Justification Challenge AI Deployment

With most respondents at least assessing AI's potential for their business, the majority of survey respondents (53 percent) cited "data quality and standardization" as one of their top challenges to deploying AI; moreover, 40 percent see the availability of data as an obstacle. This was followed by business justification (40 percent) and the cost of implementation (38 percent).

Interestingly, nearly all respondents (96 percent) recognized that co-developing key AI processes with other firms or vendors presents benefits such as the shared cost of innovation.

"AI has the power to completely transform financial services, however many capital markets firms struggle to make a business case for the investment in AI, especially since their data is decentralized," said Mike Alexander, President of North America Wealth and Capital Markets Solutions. "By leveraging a consistent data fabric across a network of firms and mutualizing innovation investment with a strategic partner, firms can truly realize the value of AI and create a competitive advantage with next generation technologies."

Use the Force: AI Will Enhance Jobs, Not Replace

As more firms pursue AI implementation, questions are surfacing about how digital labor will impact headcounts and job security. Contrary to some predictions, one-third (32 percent) of Broadridge's survey respondents predict that AI will reduce their organization's need for human labor by just 10 percent or less in the next three years, suggesting that there is not a huge fear of job loss due to AI. Fewer than five percent of respondents anticipate AI reducing human labor by 50 percent or more in the same timeframe.

"Transformers" and "Star Wars" Top "The Terminator"

Survey respondents were asked about their vision for the future of AI, gauging their sentiment towards the technology's future by likening its capabilities to one of the three popular movies. Results were mixed but skewed positive. Nearly half (46 percent) of respondents declared that the movie "Transformers" (likened to a combination of "good" and "bad" AI) was the best representation of the future of AI and about one-third selected "Star Wars" (AI as a friendly or additive tool). For the same question, less than one-fifth of the survey pool selected "The Terminator" to indicate that AI is or will become "dangerous."

Methodology

The survey of 197 representatives of asset managers, banks, broker-dealers, consultancies, industry regulators, technology vendors, wealth managers and others was conducted at SIFMA's 2018 Operations Conference & Exhibition in Phoenix on May 8-9, 2018.

About Broadridge

Broadridge Financial Solutions, Inc. (NYSE:BR), a $4 billion global fintech leader, provides investor communications and technology-driven solutions for broker-dealers, banks, asset managers and corporate issuers globally. Broadridge's investor communications, securities processing and managed services solutions help clients reduce their capital investments in operations infrastructure, allowing them to increase their focus on core business activities. With over 50 years of experience, Broadridge's infrastructure underpins proxy voting services for over 50 percent of shares globally, processes votes in more than 100 countries, and processes more than $5 trillion in fixed income and equity trades per day in more than 70 countries. Broadridge employs approximately 10,000 full-time associates in 16 countries. For more information about Broadridge, please visit www.broadridge.com.

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