SCOTTS INTERNATIONAL

# United States Asset Management Market By Client Type (Retail, Pension Funds, Insurance Companies, Banks, Others), By Asset Class (Equity, Fixed Income, Cash/Money Management, Alternative Investment, Others), By Region, Competition, Forecast & Opportunities, 2020-2030F

Market Report | 2025-01-24 | 85 pages | TechSci Research

**AVAILABLE LICENSES:**

- Single User License $3500.00
- Multi-User License $4500.00
- Custom Research License $7000.00

**Report description:**

United States Asset Management Market was valued at USD 52.08 Trillion in 2024 and is expected to reach USD 134.67 Trillion by 2030 with a CAGR of 17.22% during the forecast period. The U.S. asset management industry is set for substantial growth, driven by increasing demand for services. As the number of businesses in the region rises, the need for effective asset management becomes more critical. This trend offers asset management firms significant opportunities to expand their operations and enter new, developing markets. The expected growth of the asset management market is largely due to solutions that improve operational efficiency, optimize resource allocation, and enhance profitability, ultimately leading to a notable increase in return on investment (ROI). In 2024, the U.S. is experiencing a surge in institutional investments, with pension funds, sovereign wealth funds, and insurance companies significantly increasing their capital allocations to asset management firms. By 2023, institutional investors, including government pension funds and private endowments, were responsible for over USD55 trillion in assets under management (AUM).

In 2024, the U.S. government introduced more stringent fiduciary guidelines to ensure asset managers prioritize the best interests of their clients. These regulations, affecting both retail and institutional investment firms, aim to strengthen investor protections. By 2023, over 75% of U.S. asset managers had already embraced fiduciary practices, with another 25% expected to adopt these standards in 2024.

Key Market Drivers

Increasing Wealth and Affluent Population

One of the primary drivers of the United States Asset Management Market is the growing wealth and the rise in the affluent population. As more individuals accumulate wealth through income, savings, and investments, there is a greater demand for asset management services to efficiently manage and grow this wealth. According to reports, the number of high-net-worth individuals (HNWIs) and ultra-high-net-worth individuals (UHNWIs) in the U.S. has been steadily rising. These wealthy individuals seek professional investment strategies to optimize their portfolios, which boosts demand for both traditional asset management services and alternative investments. The increasing wealth also creates more disposable income, allowing investors to explore diverse investment vehicles, including equities, real estate, private equity, and hedge funds. Asset management firms cater to this demand by providing personalized financial planning, wealth management, and advisory services to help clients maximize returns while managing risk. This trend is expected to continue as wealth inequality grows, with more people seeking expert guidance to preserve and expand their financial resources.

Technological Advancements in Investment Tools

The rise of technological innovations in the financial sector has revolutionized the asset management industry. Automated investment platforms, robo-advisors, artificial intelligence (AI), and big data analytics have become key tools for both institutional and retail investors. These technologies allow asset managers to deliver more personalized, efficient, and cost-effective services. Robo-advisors, for instance, use algorithms to create and manage investment portfolios, providing low-cost alternatives to traditional financial advisors. AI-driven insights and data analytics help asset managers make more informed, data-backed decisions, enhancing portfolio performance and minimizing risks. Moreover, technological advancements have facilitated better risk management through predictive analytics and real-time data processing. These innovations have made asset management services more accessible to a broader population, not just high-net-worth individuals, but also retail investors who seek low-cost, high-quality investment management. As technology continues to advance, the asset management market is expected to grow rapidly, driving both institutional and individual investor participation.

Growing Interest in Sustainable and ESG Investing

Another key driver of the United States Asset Management Market is the rising interest in sustainable investing, particularly through Environmental, Social, and Governance (ESG) criteria. As awareness of climate change, social justice, and corporate responsibility grows, investors are increasingly looking to align their portfolios with ethical and sustainable principles. Asset managers are responding by creating ESG-focused investment products, such as mutual funds, ETFs, and private equity funds, that emphasize companies with strong ESG credentials. In the past few years, ESG investing has gained significant traction, with a growing number of institutional and retail investors prioritizing sustainability alongside financial returns. This trend is also being driven by regulatory pressures and an increasing focus on corporate governance, prompting companies to adopt more transparent and responsible practices. Rising Adoption of Sustainable and ESG (Environmental, Social, Governance) Investments: The U.S. government's 2024 emphasis on environmental sustainability has driven asset managers to incorporate ESG-focused financial products. There has been a noticeable increase in demand for green bonds, resulting in over $1.2 trillion being allocated to sustainable investment products in 2023.

Key Market Challenges

Regulatory Compliance and Evolving Regulations

One of the major challenges facing the United States Asset Management Market is navigating the complex and ever-evolving regulatory environment. The asset management industry is heavily regulated to protect investors, ensure transparency, and maintain market integrity. Regulations from the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA), and other bodies require asset managers to comply with strict rules regarding reporting, disclosures, and investment practices. However, these regulations are subject to change, as seen with recent shifts in policies concerning fiduciary duties, environmental, social, and governance (ESG) investing, and tax reform. The challenge lies in staying updated and adapting to new rules, which can be both time-consuming and costly for firms, particularly smaller asset management companies that lack the resources to effectively monitor and implement changes. Moreover, non-compliance can result in hefty fines or reputational damage, further straining firms' operations. The regulatory landscape is also becoming more global, with cross-border regulations and compliance becoming increasingly important as asset managers expand their reach internationally.

Market Volatility and Economic Uncertainty

Market volatility and economic uncertainty are major challenges for asset management firms in the United States. Asset managers must contend with unpredictable market conditions, including stock market fluctuations, geopolitical tensions, inflationary pressures, and changing interest rates. Such volatility can impact investment returns, making it more difficult to meet clients' expectations of consistent growth. In times of economic uncertainty, investors may pull out funds, demand higher returns, or become more risk-averse, requiring asset managers to adjust their strategies accordingly. For instance, in the aftermath of events like the COVID-19 pandemic, markets experienced sharp declines followed by rapid recoveries, forcing asset managers to reassess portfolios and risk management tactics. Furthermore, high volatility can drive greater demand for defensive or alternative investments, like fixed income securities, commodities, and hedge funds, which asset managers must be prepared to offer. Although market volatility can present opportunities, it requires asset managers to remain nimble, use sophisticated risk management tools, and adapt to rapidly changing conditions.

Key Market Trends

Rise of Passive Investment Strategies

One of the most significant trends in the United States Asset Management Market is the continued shift toward passive investment strategies. In recent years, passive investing, particularly through Exchange-Traded Funds (ETFs) and index funds, has gained substantial popularity due to its cost-effectiveness and simplicity. Passive funds aim to replicate the performance of a specific market index rather than trying to outperform it, typically resulting in lower management fees and fewer transaction costs. Investors are increasingly recognizing the long-term performance potential of these strategies, particularly in an environment where active managers struggle to consistently beat the market. In addition, passive investing has seen rapid growth due to the increasing availability of diversified, low-cost options that cater to a wide range of investor preferences. As a result, many traditional asset managers are expanding their passive product offerings to meet this growing demand. The trend toward passive investing has reshaped the competitive landscape of the asset management industry, with firms needing to adapt to the growing preference for low-fee, passive investment solutions.

Integration of Environmental, Social, and Governance (ESG) Criteria

The integration of Environmental, Social, and Governance (ESG) factors into investment strategies is another prominent trend in the United States Asset Management Market. As investors become more conscious of the social and environmental impact of their investments, there has been a growing demand for ESG-focused funds. Asset managers are increasingly incorporating ESG criteria into their investment processes, selecting companies that adhere to high standards in areas such as sustainability, corporate governance, ethical practices, and social responsibility. This trend is being driven by several factors, including consumer demand for socially responsible investing, pressure from institutional investors, and regulatory changes that require greater transparency on ESG practices. Moreover, studies have shown that companies with strong ESG performance tend to exhibit lower risk and superior long-term returns, making ESG investing appealing not only from an ethical standpoint but also from a financial perspective. In response, asset managers are launching a wide range of ESG-focused investment products, including mutual funds, ETFs, and private equity funds.

Segmental Insights

Client Type Insights

In the United States Asset Management Market, retail clients are leading in terms of growth and investment volume. Retail investors have become increasingly active participants due to the rise of online trading platforms, robo-advisors, and mobile apps, making investing more accessible and cost-effective. The growing trend of financial literacy and a shift toward self-directed investing have also contributed to this growth. Retail investors, including individuals and high-net-worth individuals (HNWIs), now have greater access to a wide variety of investment products such as ETFs, mutual funds, and alternative assets. Additionally, the low-cost nature of passive investment strategies has made investing more attractive to retail clients. In contrast, while pension funds, insurance companies, and banks remain significant players due to their large capital bases, the volume of investments from retail clients is outpacing these institutional investors, driven by the increasing popularity of digital platforms and the democratization of investment tools.

Regional Insights

The Northeast region dominated the United States Asset Management Market due to its concentration of financial institutions, wealth management firms, and institutional investors. Cities like New York, Boston, and Philadelphia are major financial hubs, housing some of the largest asset management firms, investment banks, and pension funds. The region's robust financial infrastructure and proximity to Wall Street make it a key player in the U.S. market. Additionally, the high concentration of high-net-worth individuals (HNWIs) and institutional clients in this region drives significant demand for sophisticated investment products and wealth management services. The Northeast also benefits from a well-educated population, with many professionals in the finance and investment sectors, further enhancing its dominance. This region's strong economic base, coupled with its leadership in financial technology and innovation, makes it the central hub for asset management in the U.S., attracting both retail and institutional investors seeking diversified investment opportunities.

Key Market Players

- BlackRock, Inc.
- JPMorgan Chase & Co.
- Goldman Sachs & Co. LLC
- Fidelity Brokerage Services LLC
- The Bank of New York Mellon Corporation
- The Vanguard Group, Inc.
- State Street Global Advisors
- Pacific Investment Management Company LLC
- Franklin Templeton
- Wellington Management Company LLP

Report Scope:

In this report, the United States Asset Management Market has been segmented into the following categories, in addition to the industry trends which have also been detailed below:

- United States Asset Management Market, By Client Type:
  - Retail
  - Pension Funds
  - Insurance Companies
  - Banks
  - Others
- United States Asset Management Market, By Asset Class:
  - Equity
  - Fixed Income
  - Cash/Money Management
  - Alternative Investment
  - Others
- United States Asset Management Market, By Region:
  - South
  - West
  - Midwest
  - Northeast

Competitive Landscape

Company Profiles: Detailed analysis of the major companies presents in the United States Asset Management Market.

Available Customizations:

United States Asset Management Market report with the given market data, TechSci Research offers customizations according to a company's specific needs. The following customization options are available for the report:

Company Information

- Detailed analysis and profiling of additional market players (up to five).

**Table of Contents:**

**United States Asset Management Market By Client Type (Retail, Pension Funds, Insurance Companies, Banks, Others), By Asset Class (Equity, Fixed Income, Cash/Money Management, Alternative Investment, Others), By Region, Competition, Forecast & Opportunities, 2020-2030F**

Market Report | 2025-01-24 | 85 pages | TechSci Research

To place an Order with Scotts International:
- - Print this form
- - Complete the relevant blank fields and sign
- - Send as a scanned email to support@scotts-international.com

**ORDER FORM:**

| Select license | License | Price |
|---|---|---|
| | Single User License | $3500.00 |
| | Multi-User License | $4500.00 |
| | Custom Research License | $7000.00 |
| | VAT | |
| | Total | |

*Please circle the relevant license option. For any questions please contact support@scotts-international.com or 0048 603 394 346.

** VAT will be added at 23% for Polish based companies, individuals and EU based companies who are unable to provide a valid EU Vat Numbers.

| | | | |
|---|---|---|---|
| Email* | | Phone* | |
| First Name* | | Last Name* | |
| Job title* | | | |
| Company Name* | | EU Vat / Tax ID / NIP number* | |
| Address* | | City* | |
| Zip Code* | | Country* | |

**Scotts International. EU Vat number: PL 6772247784**
tel. 0048 603 394 346 e-mail: support@scotts-international.com
www.scotts-international.com

| | |
|---|---|
| Date | 2025-06-26 |
| Signature | |