

# GOING BACK TO SCHOOL (GBS) OF Finance & Accounting: THE FUTURE OF FINANCE

## THE FUTURE OF FINANCE

Technology has impacted virtually every industry, especially the financial sector. Whether it's the development of new forms of currency or expanding how and where investors can trade, the financial industry is evolving at an unprecedented rate. Mobile apps, online lending platforms and smaller, more agile organizations are successfully competing with large, established firms. With this in mind, we propose a resource that covers the impact that technology has had on the financial sector, as well as highlights the future of the finance industry.

## FINTECH LANDSCAPE

### FINTECH

Technological innovation in the financial sector, including innovations in financial literacy and education, retail banking, investment and crypto-currencies

### THE FINTECH SECTOR LANDSCAPE

#### BANKING SECTOR

- » Banking platforms
- » Virtual banking
- » Mobile banking

Examples of innovators:  
Seed, Simple, LendStar

#### PAYMENT SECTOR

- » Virtual Wallets
- » Payment platforms
- » Billing
- » Online payments
- » POS payments
- » Mobile payments / money transfers

Examples of innovators:  
Paypal, Venmo, Apple Pay, WePay

#### INVESTMENT SECTOR

- » Personal finance
- » Investment platforms
- » Real estate investment
- » Asset management

Examples of innovators:  
Betterment, CrowdStreet, LearnVest

#### FINANCING SECTOR

- » P2P lending
- » Direct lending
- » Real estate lending
- » Crowdfunding

Examples of innovators:  
Youli, Funding Circle, Moula, Lendable, GroundFloor, CrowdRise, Kickstarter, AngelList

#### INSURANCE SECTOR

- » Online Insurance infrastructure
- » Insurance comparison
- » Mobile/product insurance
- » Health insurance

Examples of innovators:  
Esurance, UNIQA, InforcePRO, Trov, Bidu, BIMA, Snpasheet, Oscar

#### INFRASTRUCTURE & ENABLING TECHNOLOGY SECTOR, INCLUDES:

- » API/Connectivity
- » Platforms
- » Cryptocurrency and Blockchain
- » Biometric security
- » Authentication
- » Compliance & scoring
- » Business tools
- » Data & analytics risk management
- » Data research
- » Business intelligence

Examples of innovators:  
mFino, TrueMotion, Pepperstone, Calastone, Bitcoin, EyeVerify, Gemalto, WeCash, FundApps, Openmarket, Mpay, Intuit

## IMPACT OF TECHNOLOGY ON THE FINANCIAL SERVICES INDUSTRY

### FINTECH'S IMPACT ON FINANCIAL SERVICES INDUSTRY

82%

of US financial service businesses are concerned about losing revenue to FinTech innovators  
Up from 69% in 2016

61%

of US financial institutions are now focusing their strategy on disruption

88%

of all financial institutions expect to increase FinTech partnerships in the next three to five years



### FINTECH'S IMPACT ON FINANCIAL SECTORS

#### ASSET AND WEALTH MANAGEMENT (AWM)

41% of AWM professionals believe their customers are already are conducting business with FinTech companies

Consumer wealth management activities (60%) most likely to move to a FinTech company

What are AWMs focusing on to improve products and services?

Integrated solutions to improve operational efficiency and data analytics

#### BANKING

80%

of banking professionals believe that consumer banking will continue to be the focus of industry disruption over the next five years

63%

see the rise of FinTech as an opportunity to expand products and services

Customer empowerment technologies, intuitive product design and 24/7 accessibility

Products and services most likely to move to a FinTech company?

64% PERSONAL LOANS

50% PERSONAL FINANCE

#### INSURANCE

52% of insurers see their industry as the second most likely sector for disruption

84% will increase FinTech partnerships over the next three to five years

What are insurers focusing on to improve products and services?

Targeted customer engagement technologies

84% of insurers are planning to invest in data analytics

#### TRANSACTIONS & PAYMENTS SERVICES

73% of payment companies are concerned that risk of their business is at risk to innovators

Down from 87% in 2016

What are payment companies focusing on to improve products and services?

Information security technologies and mobile wallets

90% are planning to adopt blockchain technology by 2020

## USER ADOPTION OF FINTECH

According to Ernst & Young's FinTech Adoption Index, 33% of consumers are digitally active and use FinTech services

### CATEGORIES HIGHEST IN CONSUMER ADOPTION

Money transfer and payments, 50% of consumers use one or more FinTech services in this category

#### Insurance

24%

#### Financial planning

10%

#### Borrowing

10%

## NEW CAREERS & OPPORTUNITIES

### THERE ARE A GROWING NUMBER OF STARTUPS AND FUNDING TO SUPPORT THEM

#### FINTECH COMPANIES FOUNDED SINCE 2008



### LACK OF EXPERTISE IN THE INDUSTRY

94%

of financial services professionals suspect their colleagues are using buzzwords like "blockchain" and "artificial intelligence" without understanding their meaning

66%

believe that lack of training is the biggest obstacle of these skills

22%

are postponing development of these skills out of fear that it's too late to catch up with experts

### OPPORTUNITY FOR QUALIFIED APPLICANTS SEEKING OPPORTUNITIES

Job postings mentioning "blockchain", "bitcoin" or "cryptocurrency" have increased by 621% since November 2015 on top employment site Indeed.com

In addition, there has been a 1,065% growth in searches for jobs mentioning those three terms

There are even specific job search sites such as CryptocurrencyJobs.com

### UPCOMING POPULAR FINTECH JOBS

#### APP DEVELOPERS

App developers create, manage and maintain new programs and software for computers, tablets, phones, etc.

#### QUANTITATIVE ANALYSTS

"Quants" develop complex financial models and algorithms used to price, trade and analyze risk

#### AI EXPERT/ANALYST

These experts implement AI technology in the financial industry, most often in research and report generation and customer support

#### BLOCKCHAIN AND CRYPTOCURRENCY EXPERT/ANALYST

These experts analyze and research trends to help traders and fund managers make decisions related to blockchain products, cryptocurrencies and tokens

Source:

<https://www.investopedia.com/terms/f/fintech.asp>

<https://www.forbes.com/sites/laurencebradford/2017/12/18/how-cryptocurrency-has-introduced-new-careers-in-tech/#2633d3e73e79>

<https://www.pwc.com/gx/en/industries/financial-services/publications/financial-services-technology-2020-and-beyond-embracing-disruption.html>

(Greenwich Associates, 2017)

(Payscale, 2018)

(Angellist, 2017)

(Indeed.com, 2018)

(Hays, 2018)



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