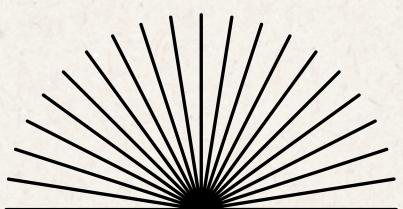




AI in Economics
12/09/2025

AI AND THE FUTURE OF PORTFOLIO MANAGEMENT

Alex Burke



Overview

My project analyzes the U.S. portfolio management and investment advice industry, exploring its size, structure, and current economic trends. It evaluates how generative AI is reshaping workflows, roles, and efficiencies. It highlights personal career implications for entering a technology-enhanced financial advisory field.

01

The portfolio management and investment advice sector plays a major role in the U.S. economy, managing trillions in assets and supporting millions of investors. Increasing demand for financial guidance and rising AUM make this an important and complex industry



02

The sector is mature but expanding, with increased competition, and rising technology spend. Most firms are small RIAs facing competitive pressure from large tech-enabled incumbent firms. These conditions set the stage for AI-driven transformation.

Industry Snapshot

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Industry Revenue

540B+ in Revenue in 2024

Assets Under Management

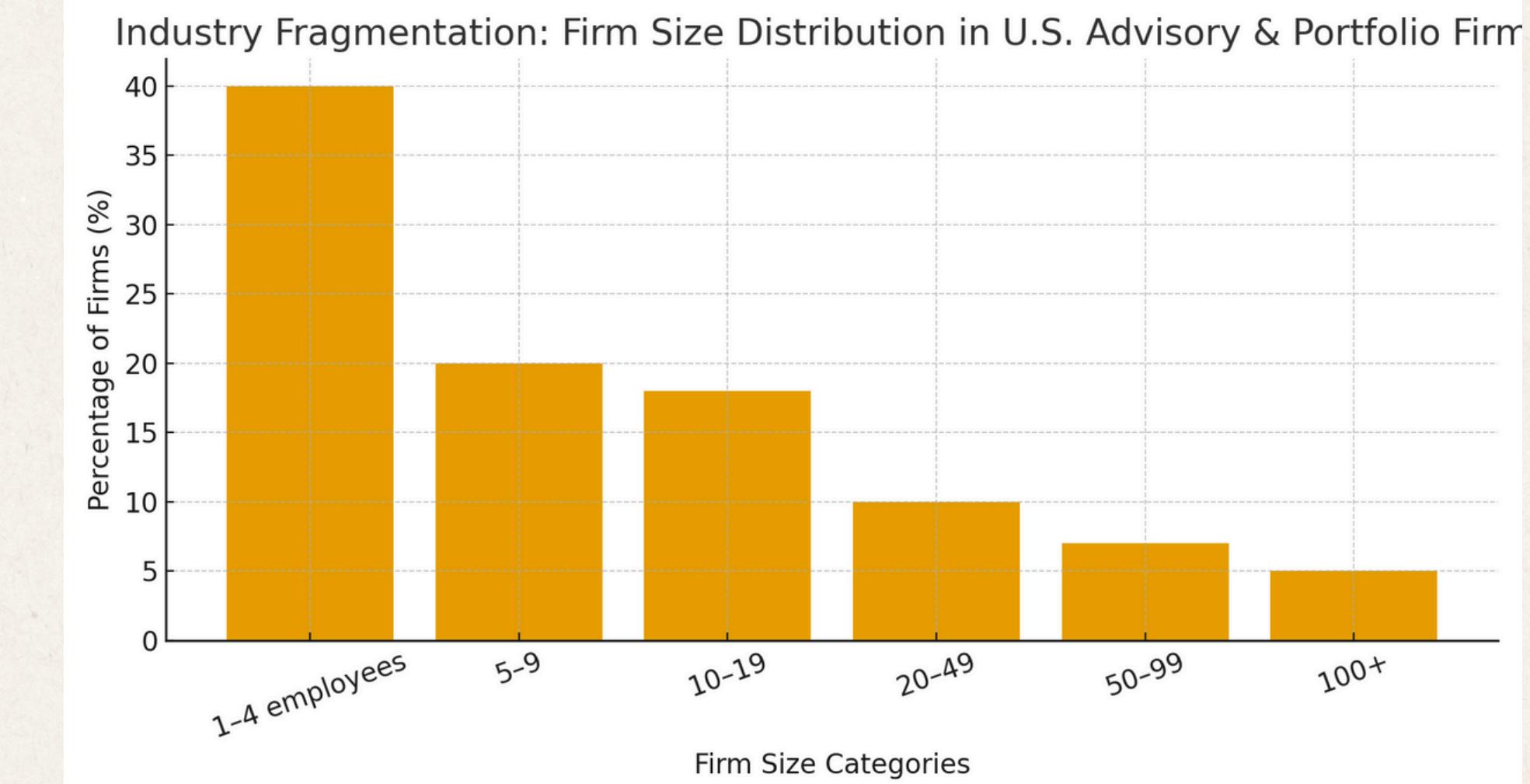
145T AUM

Employment

Over 1 Million Employed in the Asset Management Industry

Industry

Majority of Firms are Small Niche Advisory Firms



Revenue Growth 2015 - 2025

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Portfolio Management

250B in 2015 to 450B in 2024

Investment Advice

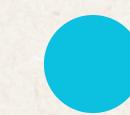
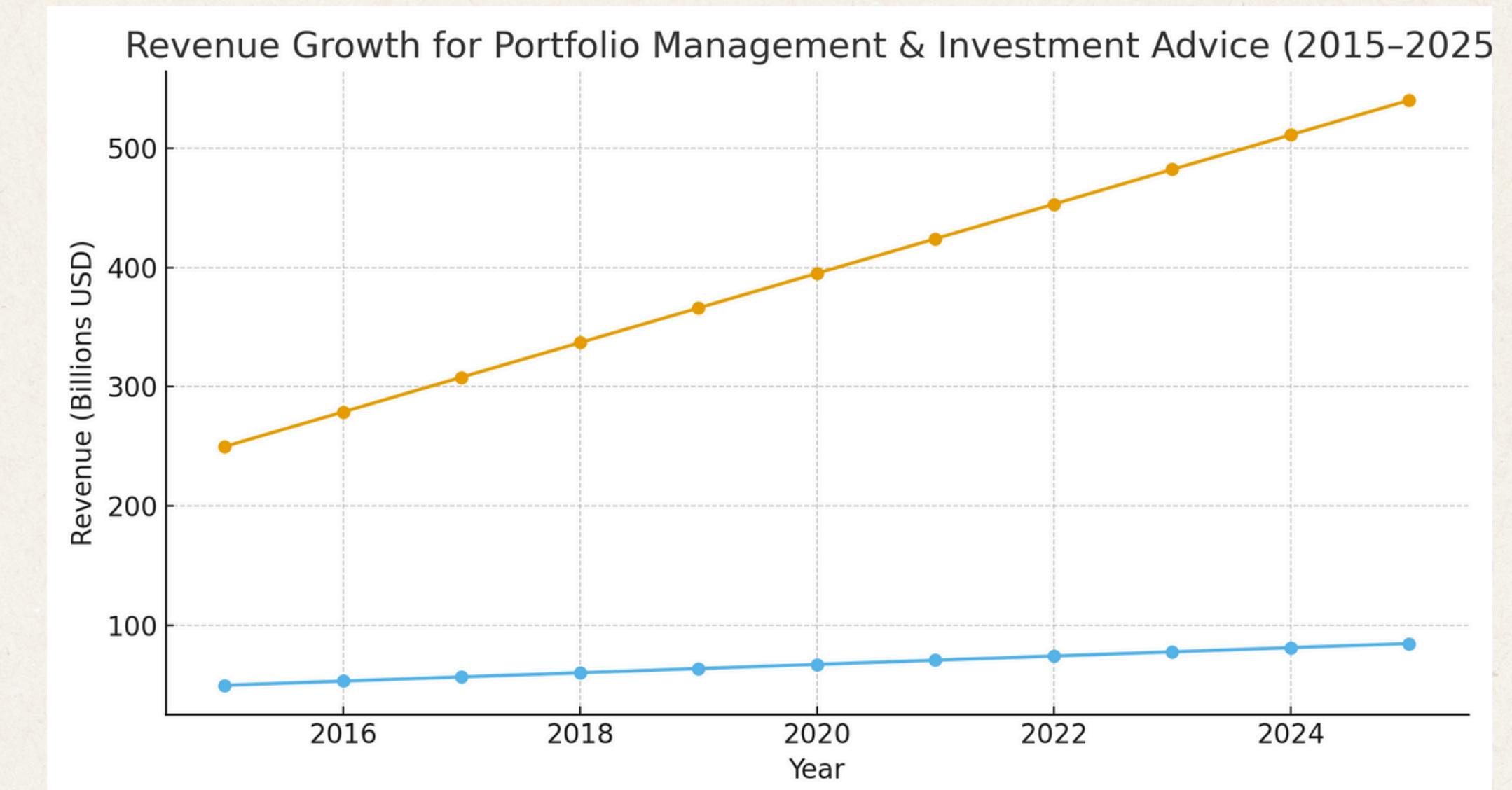
50B in 2015 to 85B in 2025

Margin of Revenue

Margins Tighten but overall revenue is growing signaling increase in demand

Industry

Both are Mature but Expanding



Investment Advice



Portfolio Management

The Effect of AI

- **Loss of Entry Level Jobs**
- **Potential Clients May turn to AI Instead of Traditional Investment Advisors**
- **Over Dependency on Models will Create systemic alignment in investments**

Pros

More time spent working with clients to solve their problems

AI tools enhance worker efficiency

Firms put more value on person to person skills and human judgement

Cons

Many junior roles and task are automated

Continuous need to stay up to date with developing technologies

Increased regulatory scrutiny around privacy and data regulation

Is Portfolio Management and Financial Advisement Right for Me?

I enjoy more problem solving than purely selling which leads me more towards consulting. I like to take a problem that seems unsolvable and I don't stop working until I find the best solution.



Thank you

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Sources

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