



Rockefeller Bexley & Partners

NEWSLETTER

1st Quarter 2026

Singapore

Date: February 02 2026

Fintech and Big Data: The Impact, Analytics and Productivity

Fintech is Financial Technology

Financial technology, often shortened to FinTech or fintech, is the new technology and innovation that aims to compete with traditional financial methods in the delivery of financial services. It is an emerging industry that uses technology to improve activities in finance. **FinTech** is the new applications, processes, products, or business models in the financial services industry, composed of one or more complementary financial services and provided as an end-to-end process via the Internet.

Fintech can be a driver that expands the applications of technologies developed or developing thru financial research and advanced structuring methodologies; especially Artificial Intelligence (AI) applications. How much will these new tech applications impact the driving down of costs, efficiency and particularly; **The Costs of Transacting?**

Can Regulators Embrace Fintech While Protecting Consumers?

Patrick Harker, president of the Federal Reserve Bank of Philadelphia, talks about the U.S. economy and the impact of Fintech:

*“The U.S. economy is growing at a good pace, and the labor market feels “really tight” with job levels running below the natural rate of employment, said Patrick Harker, president of the Federal Reserve Bank of Philadelphia, at the recent **Fintech: The Impact on Consumers, Banking and Regulatory Policy**” conference.*

After raising the fed funds rate target in 2024, the central bank has backed off of further funds rate increases in 2025; “assuming that inflation does not come back.”

Bank president, Patrick Harker, noted that the already low inflation rate still could be overstated, which would mean that productivity growth has been underestimated.

Economist, K. Arthur Walker, Applied Microeconomics, LLC discusses the cost of transacting: “As financial Transaction Costs are reduced across a vast array of transaction margins, the resulting increases in productivity, as an exact contribution via specific Transaction Costs, remain difficult to measure.”

Productivity gains, obtained in financial markets, are difficult to measure, as the corresponding Transaction Costs, by their very nature, remain measurement difficult.

“This is due to dynamic changes in contractual structures of exchange which directly affect transaction costs.”

“Transaction cost, risk aversion and the choice of contractual arrangements of financial exchange, remains difficult in specification and measurement.” Walker continued.

“Structured Finance, Contractual Arrangements (altered to reduce risk), Crypto Currencies and Derivative products are examples.”

“After all, money is that ‘technical innovation’ that reduces the cost of transacting absolutely. We will see more evolving detailed chains of definitions of the ‘money concept’ as financial Transaction Costs continue to fall.” pointed out economist Walker.

Fintech and Big Data Analytics will go a long way in improving productivity change, corresponding costs and measurement in purely financial markets.

Fed Actions

The Fed started unwinding assets on its \$4.5 trillion balance sheet in October 2018, expecting the impact to be a 25-basis point increase in the fed funds rate over a four- to five-year span.

“We’re not talking about a very large impact,” said Patrick Harker, “but we don’t know for sure.”

As such, the Fed will move cautiously and see how markets react as big data analytics lends a greater level of technological decision making of a much greater degree of precision; especially with regard to understanding dynamic market responses. .

Also, the Fed should continue paying interest on excess reserves, which it only started doing in recent years, because it is the “only tool” the Fed has along with the overnight reverse repo to manipulate the fed funds rate.

When it comes to financial technology, or fintech, banks have been innovating with technology for decades.

This time it feels different because many innovators are not financial institutions or other incumbent players, but outsiders. The Fed is watching developments in fintech carefully but it is not ready to embrace, for instance, **digital (crypto) currencies** as yet; without further study.

One positive contribution of fintech is its potential to broaden access to finance for all parts of society, especially the unbanked. But a sticky issue is to ensure that the most vulnerable in society aren’t overlooked as algorithms take over many tasks.

“How would you even build an algorithm to have that sense of fairness?” Questioned Harker.

3 Ways Technology and Big Data Can Lead to Financial Inclusion

1. Reducing operating costs
 - Lower costs enable expanded credit access, lower rates, and more attention to smaller loans
2. Improving credit decisioning.
 - Lower losses mean lower prices and expanded access, especially in credit segments traditionally difficult to price
3. New business models focus on addressing market gaps, e.g.
 - Personal loans that deliver lower prices to credit card customers
 - Small business loans reach an underserved segment
 - Auto loans that cut out hidden dealer markups

Big Data Analytics and Fintech are No Longer Nice Options – They are the Core of the Enterprise

Global businesses are facing increasing complexity and market volatility. In response, all business functions are turning to fintech and data-driven analytics driven insights as a means to manage this increasing uncertainty, while better understanding their organizations' customer bases and growing their businesses.

The move to data-driven insights is being forced by continued business reliance on technology and automation throughout the enterprise. Growth in digital technologies is driving the ability to analyze more data. This, in turn, is fueling the enterprise's appetite for better data, more advanced analytics skills and the implementation of best practices. Analytics is the primary enabler to derive truth and meaning from data that drives the business growth.

In March 2025, Dun & Bradstreet and Forbes Insights explored the current state of analytics adoption across the enterprise via a survey of more than 300 executives in North America, the U.K. and Ireland across a range of industries.

A recent report, ["Analytics Accelerates Into the Mainstream,"](#) sponsored by Dun & Bradstreet, analyzes the survey results.

Some key findings:

- Senior executives finally understand the value of analytics and are making investments in technology, people and processes.
- Data analytics skills gaps persist across the enterprise, as 27% of analytics professionals surveyed cite this skills gap as a major impediment in their data initiatives.
- Data analytics has moved from IT and finance to the majority of business functions.
- Today's data-driven enterprise has a never-ending appetite for more data.
- Analytical methods and tools trail both the appetite and ambition of most business leaders: 23% of analytics professionals are still using spreadsheets as their primary tool for data analysis.
- There is a dire need for better data analytics best practices, with 19% using only basic data models and regressions.
- People capital is a major factor for data analytics success.
- While data analytics has gone mainstream, the C-suite and senior leadership need to do more to drive the cultural change needed for better utilization of analytics, as 38% of those surveyed say their companies need to do more.

- Enterprises that plan to achieve data analytics excellence need to embrace a hybrid expertise model. Of the companies surveyed, 60% are using third parties to support organizational bandwidth while 55% are outsourcing some or all of their analytics needs.
- The hybrid expertise model can help enterprises improve the quality of their data analytics, as 55% of those surveyed said that third-party analytics partners execute work of higher quality than analytics work completed in-house.
- To move to a data-driven enterprise, business leaders need to do more with all the data their teams are consuming and analyzing. Only 38% of respondents strongly felt that business leaders took full advantage of their analytics initiatives.

Analytics now drives today's enterprise, from formation of business strategy to powering operational excellence. It has clearly moved from being an optional operational element to serving as the core of corporate activities. It is no longer enough to just employ a few analysts and data scientists and leave them in a silo. Today's business world demands that analytics best practices, technology (fintech), and personnel power every business function, and thus today's C-suite needs to make the right data and tech investments in these areas.

More important: The C-suite and all business leaders need to spearhead a wholesale cultural change across the enterprise to help drive adoption and utilization of advanced analytics.

Fintech and Data Analytics are the new competitive differentiators.

Business leaders that grasp this and commit to it will succeed. **Those who delay do so at their own risk.**

Contact us to identify the Fintech and Data Analytic companies that will dominate

info@rockefellerbexley.com