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# MassVision2050

FinTech

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MASSACHUSETTS  
**HIGHTECHNOLOGYCOUNCIL**

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# Definition of FinTech

FinTech is an inclusive term for the software and hardware created to improve legacy forms of financial intermediation.

Broadly, innovations in Fintech can be divided into those for a) companies or b) consumers, provided by 1) pure play FinTech organizations or 2) digital organizations offering FinTech products or services.

FinTech is still in its early stages as the future impact of cloud computing, IoT, artificial intelligence, and blockchain cannot be estimated yet.<sup>1</sup>

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1. Statista analysis

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## Approach to quantifying market share and economic competitiveness:

- Analyze the landscape of organizations within the FinTech space and the roles for which they are hiring<sup>1</sup>
- Aggregate job postings and professional profiles that employ key FinTech and Software related requirements, including:
  - FinTech, financial technology, digital assets, cryptocurrency, blockchain, smart contracts, digital banking, regtech, open banking
  - Review VC investment in new and growth-focused FinTech ventures across MA and the rest of the US
- Identify notable startups and exits in the Fintech space

# Executive Summary: FinTech

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Preliminary

## Talent Supply and Demand

- Less than 1% of job postings in MA and the US overall are for FinTech-related roles, FinTech postings declined in MA and the US (-21% and -34%, respectively), leading peer CA (-34%) also experienced a decline in postings since 2021
- Although job postings for FinTech roles decreased, many top in-demand FinTech roles are relatively new in Massachusetts and had 0 job postings in H1 2021, including digital asset managers, directors of machine learning, and assistant financial center managers
- California and New York account for 40% of the FinTech workforce (based on online profiles); MA (ranked 6<sup>th</sup> nationally in FinTech profiles) has an outsized share of FinTech workers: MA accounts for 3.6% of FinTech profiles but only 2.6% of total profiles nationally
- Specialized technology skills (artificial intelligence, SaaS, machine learning, and continuous process improvement) are experiencing the highest increase in demand within FinTech postings, while finance and general skills have decreased in demand (finance, project management)

## Startup and Investment Landscape

- FinTech has the 14<sup>th</sup> highest vertical by VC investment in MA, attracting \$4.7B in investment from 2020-2024; MA receives 3% of total FinTech VC in the US (compared to the 8% MA receives across all verticals)
- CA and NY lead in FinTech investment nationally, accounting for 2/3 of FinTech VC funding nationally, MA ranks 5<sup>th</sup>
- There are approximately 37 active, early-stage FinTech startups in MA, there have been 47 successful M&A exits by FinTech startups since 2020

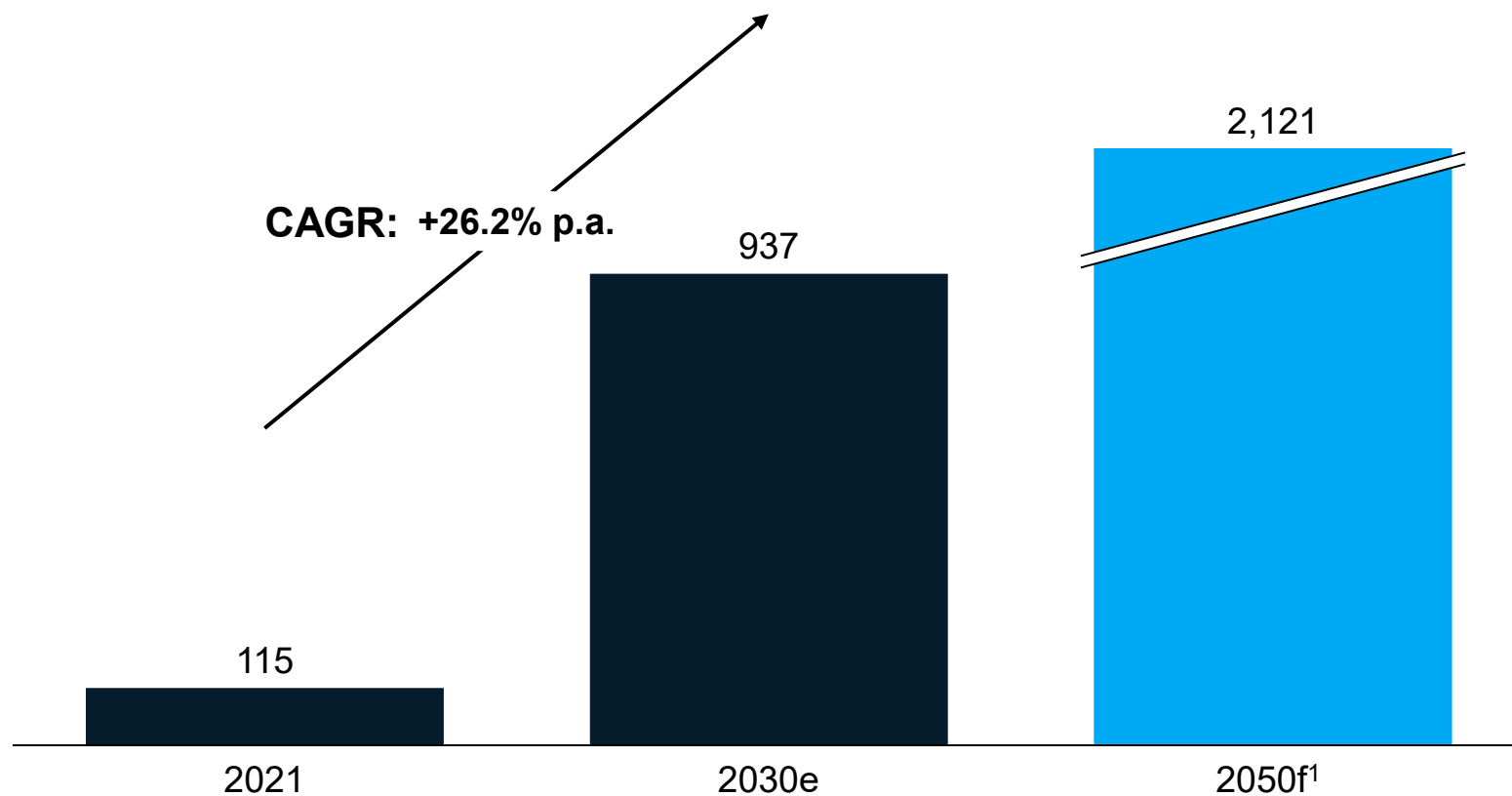
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# Objectives for today

- **Macro trends and dynamics**
- Talent supply and demand
- Startup and investment landscape

# The global FinTech market is nascent, with a market size of \$115.3B in 2021 expected to grow to \$936.5B by 2030, a CAGR of 26.2% Preliminary

Global FinTech market size, 2020-2050, \$B

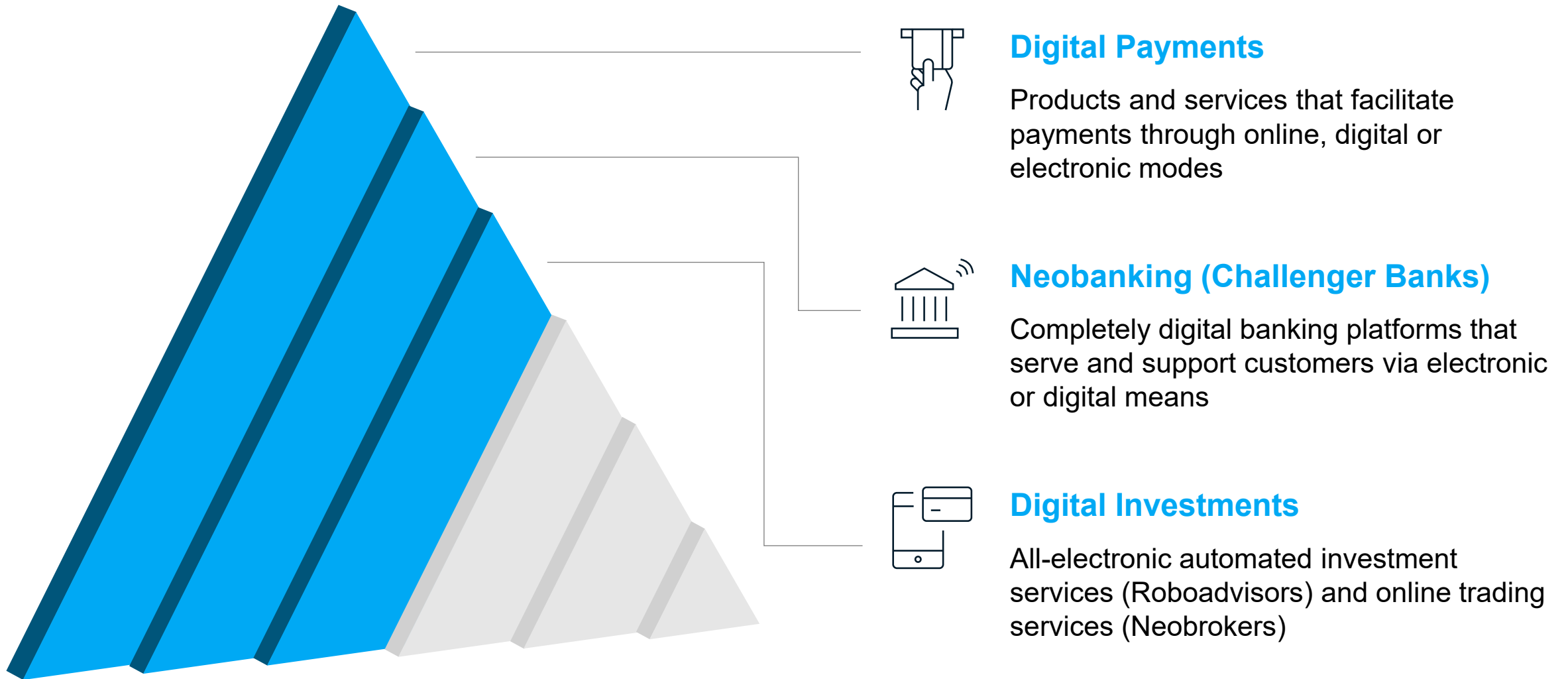


## Takeaways

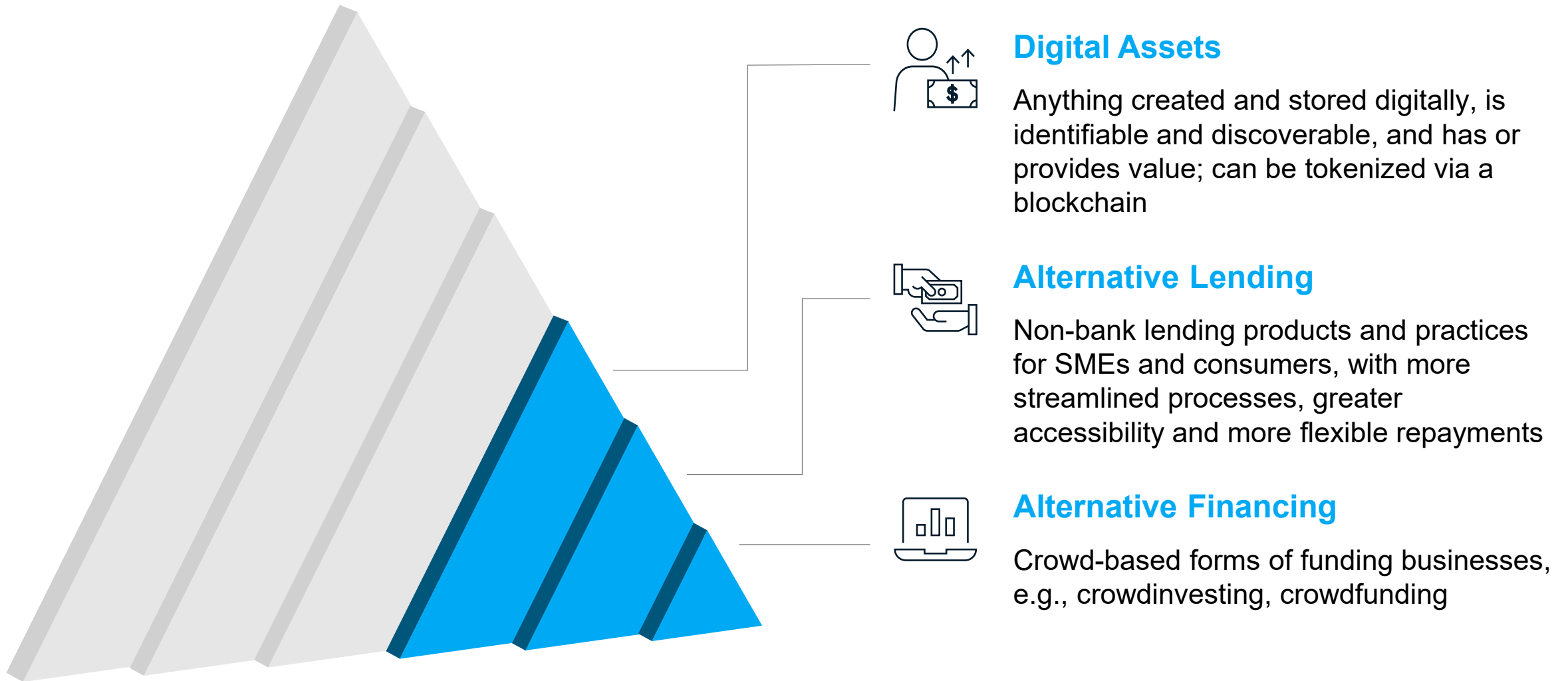
- If current trajectory holds through 2050, the FinTech market would be worth \$2,121.6B, driven by the increased transformation of the traditional financial services value chain
- Given that, major growth opportunities exist in the FinTech space as the broader global financial services market had a market size of \$23,319.5B in 2021, more than 11x Fintech's same-year market size

1. Calculated using 26.2% (2021-2030 CAGR) as simple annual growth rate (SAGR) applied to a simple growth rate formula:  $Beg(SAGR+1) + Beg = End$

# FinTech can be broken down into six distinct sub-sectors, led in size by Digital Payments and Neobanking (1/2)



# FinTech can be broken down into six distinct sub-sectors, led in size by Digital Payments and Neobanking (2/2)

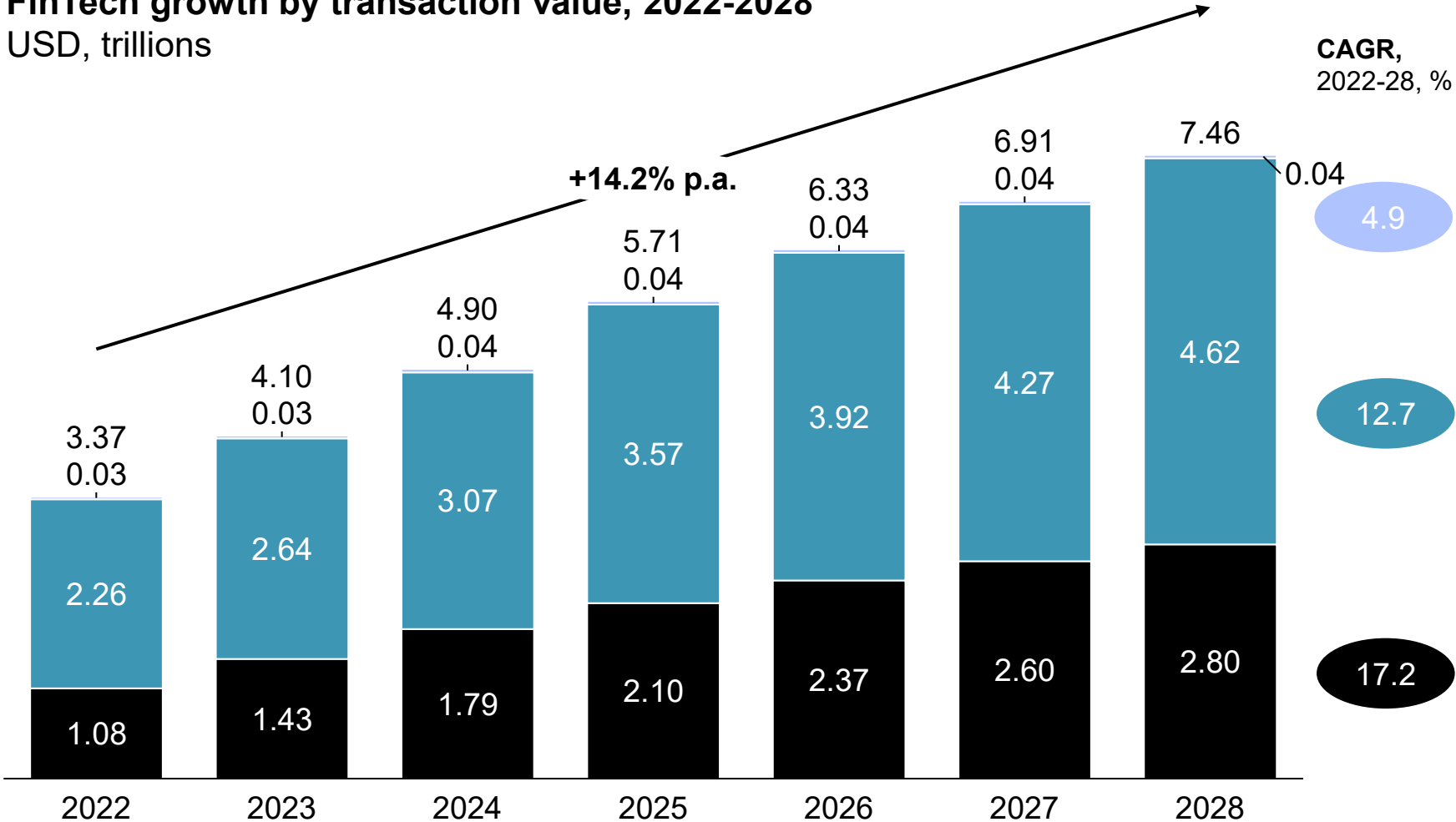


# The US FinTech sector has ~\$4.9T in current transaction value, led by Digital Payments, and is expected to grow to ~\$7.5T by 2028

■ Digital capital raising 
 ■ Digital payments 
 ■ Neobanking

Preliminary

**FinTech growth by transaction value, 2022-2028**  
USD, trillions



- If current trajectory holds through 2028, the industry would be worth \$7.5T
- Digital Payments is currently the largest sub-sector with \$3.1T in transaction value, but Neobanking (a.k.a. challenger banks) is growing fastest with an expected CAGR of 17.2% through 2028

# Broader global FinTech industry drivers

Preliminary



**1**

**Increased business services digitization / investment in tech solutions**

Organizations shifting their operations to more-digital will increase their demand for similarly streamlined financial services across their operational value chains



**2**

**Increased smart device adoption and rising consumer service expectations**

Consumers increasingly demand to bank with greater ease, and greater reliance on smart devices will push that even further



**3**

**Increased internet penetration in global developing areas**

Greater access to the internet in lower income areas will serve as the gateway to other more sophisticated tech solutions for businesses and consumers



**4**

**Growing popularity of digital payments, wallets and currencies**

Contactless payments and digital wallets are already prevalent in many developed nations, with high expectations on more universal adoption



**5**

**Increased / necessary collaboration between regulators and financial institutions**

As more consumers and businesses adopt FinTech solutions, so will grow the need to safeguard interests and rights of all parties

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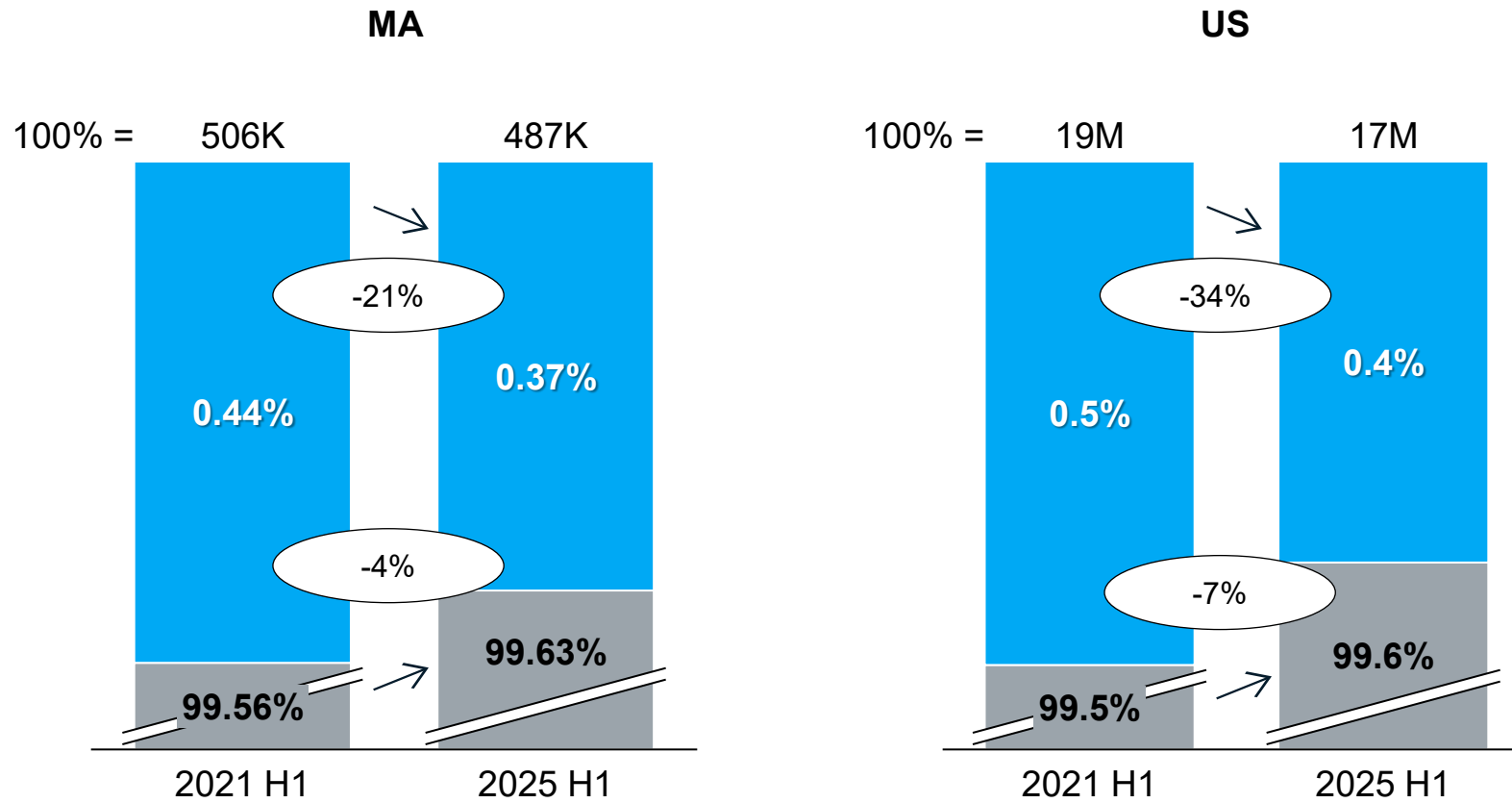
# Objectives for today

- Macro trends and dynamics
- **Talent supply and demand**
- Startup and investment landscape

# ~0.4% of job postings in MA are for FinTech-related jobs, FinTech-related postings fell 21% since 2021

Preliminary

Share of total postings<sup>1</sup>, %  
Postings that include FinTech keywords



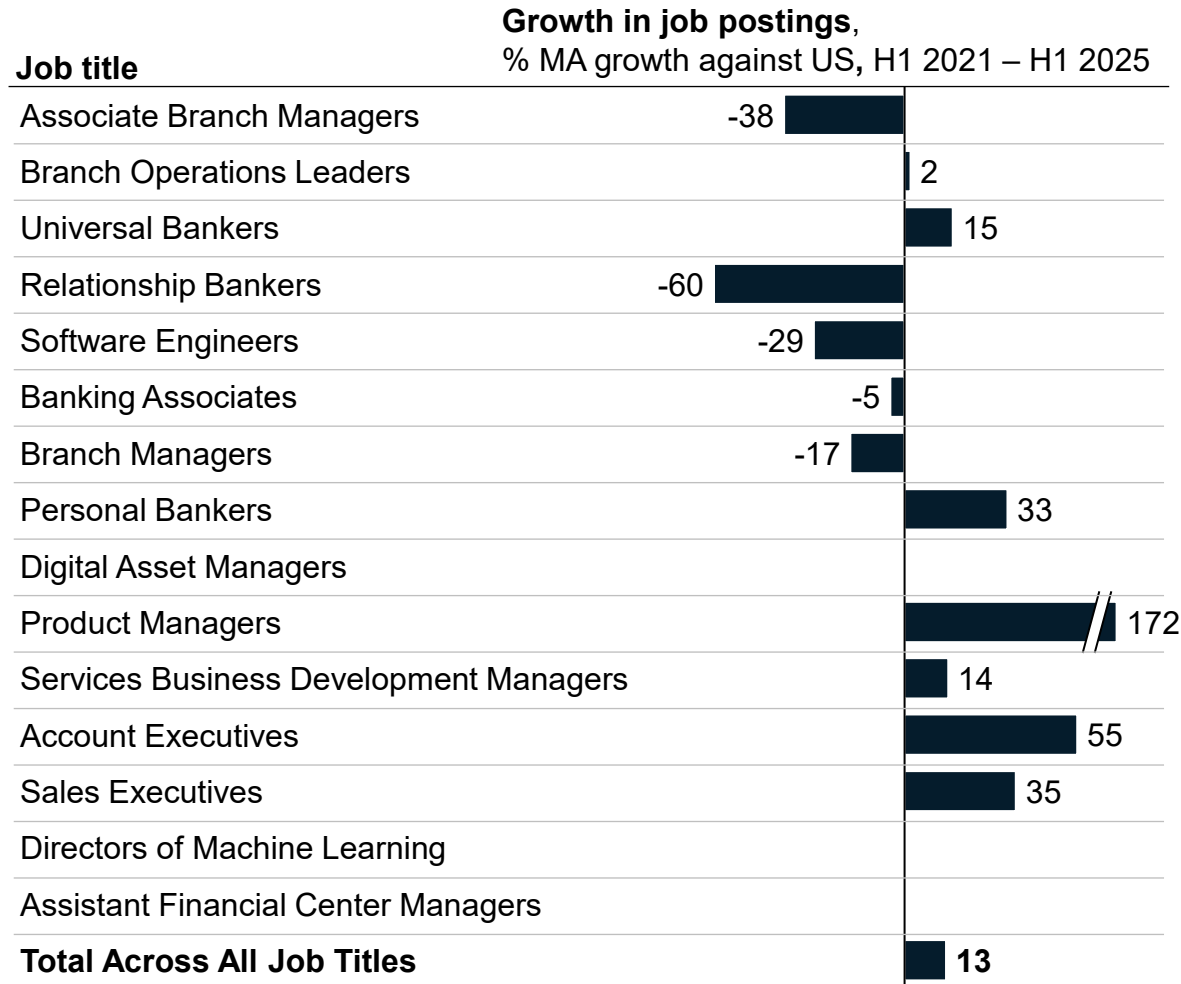
- Currently, FinTech job postings make up just ~0.4% of postings in MA, a slight decrease from 2021
- FinTech-related job postings have been slowing in both MA and the US as a whole: down 21% in MA and 34% across the country

1. De-duplicated job postings, or online vacancies, scraped from over 45,000 websites, including company career sites, national and local job boards, and job posting aggregators

# FinTech job postings have contracted more in the US overall than in MA for most roles, but change in number of postings varies

## Top 15 roles by number of postings that include FinTech-related keywords

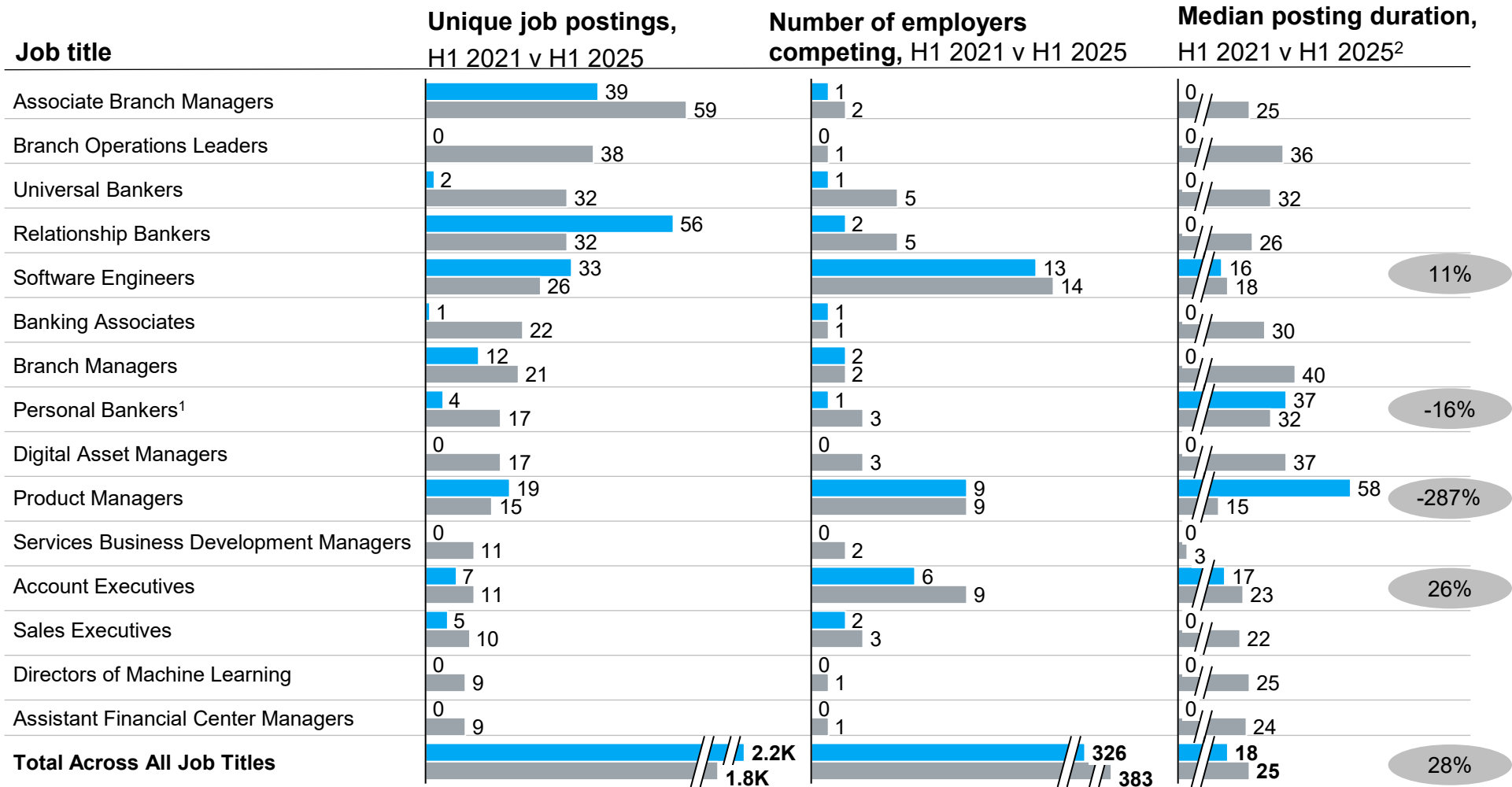
Preliminary



- Change in demand for FinTech roles has differed in MA compared to the US overall:
  - Demand for relationship bankers, associate branch managers, and software engineers grew substantially more in MA than the US overall
  - Demand for product managers, account executives, and sales executives contracted more in MA
  - Many top FinTech roles are relatively new in Massachusetts and had 0 job postings in H1 2021, including digital asset managers, directors of machine learning, and assistant financial center managers

# Job postings for FinTech-related roles declined since 2021, however number of employers competing and median posting duration grew

Top 15 roles by number of postings that includes FinTech-related keywords



- Although job postings for FinTech roles decreased, many top in-demand FinTech roles are relatively new in Massachusetts and had 0 job postings in H1 2021, including digital asset managers, directors of machine learning, and assistant financial center managers
- The number of employers competing for FinTech talent in MA has increased slightly, from 326 to 383 employers

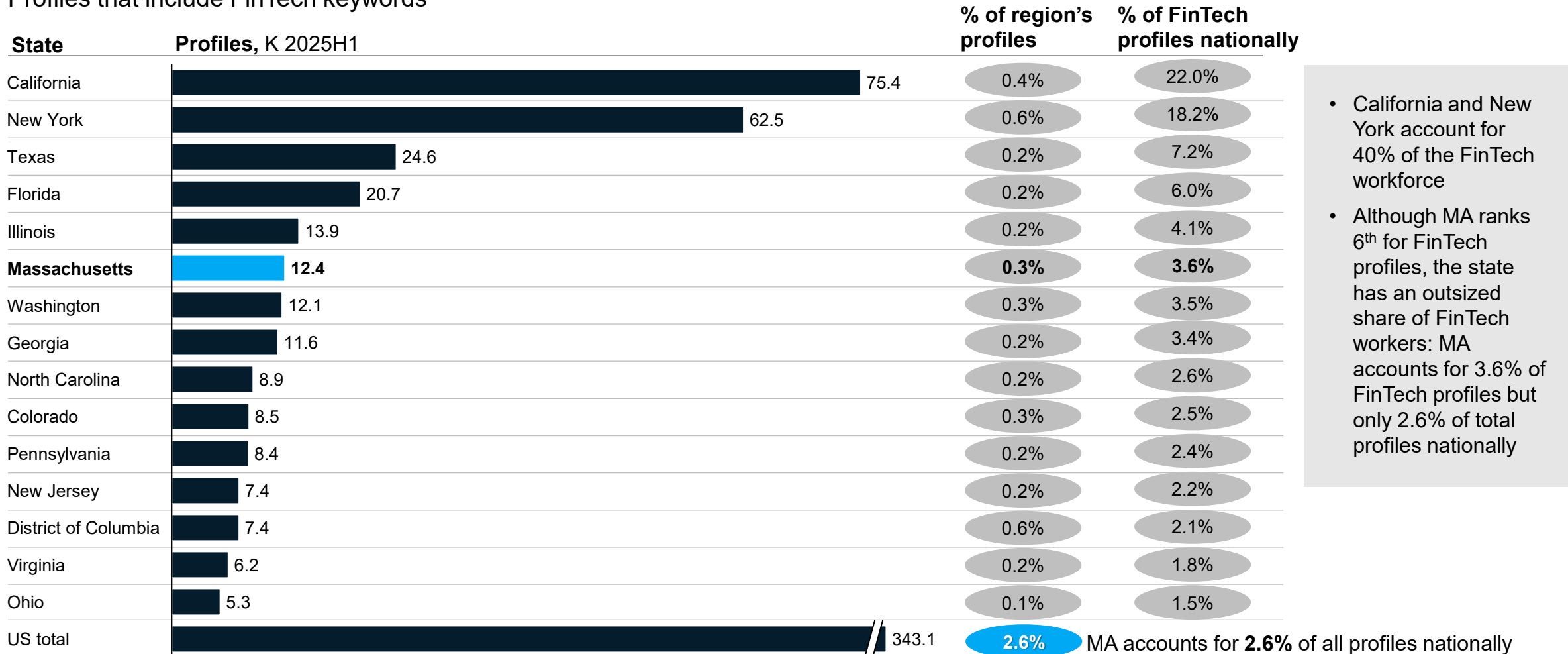
1. Data comes from Personal Bankers/Community Banking Branch Bankers 2. No median posting data from 2021 for many job titles

# Based on profile data, 12.4K MA-based workers have FinTech related roles or have FinTech skills

Preliminary

## Top 15 states ranked by number of FinTech-related profiles<sup>1</sup>

Profiles that include FinTech keywords



- California and New York account for 40% of the FinTech workforce
- Although MA ranks 6<sup>th</sup> for FinTech profiles, the state has an outsized share of FinTech workers: MA accounts for 3.6% of FinTech profiles but only 2.6% of total profiles nationally

1. Data scraped from individual profiles of over 144M workers in the US, sources are proprietary to Lightcast

# Massachusetts ranks 8<sup>th</sup> in the number of FinTech related job postings, showing slower decline than other leading states since 2021

**Top 15 states ranked by number of FinTech-related job postings**  
Postings that include FinTech keywords

**Preliminary**

State	Job Postings, K	% of region's profiles	% growth H1 2021 – H1 2025
California	10.0	0.6%	-34%
New York	7.5	0.8%	10%
Texas	5.4	0.4%	-2%
Florida	4.3	0.4%	-16%
Georgia	3.5	0.6%	-26%
Illinois	3.3	0.5%	-9%
New Jersey	2.4	0.6%	0%
<b>Massachusetts</b>	<b>1.8</b>	<b>0.4%</b>	<b>-4%</b>
North Carolina	1.8	0.3%	-9%
Arizona	1.6	0.4%	-40%
Pennsylvania	1.5	0.2%	12%
Virginia	1.5	0.3%	7%
Ohio	1.5	0.2%	-2%
Michigan	1.2	0.3%	-13%
Washington	1.2	0.3%	-21%
<b>US total</b>	<b>64.6</b>	<b>0.4%</b>	

- MA's decline in FinTech postings since 2021 has been slower than other leading states, such as CA, FL, and GA
- FinTech postings make up a small share of overall postings across states with the highest share in New York

# MA is producing at least 75% of the graduates needed to fill open roles in 7 of the top 15 in-demand occupations in the FinTech sector

## Top in-demand occupations within the FinTech sector in MA

Preliminary

■ <50% Completions relative to Openings
 ■ 51% - 75% Completions relative to Openings
 ■ 75%+ Completions relative to Openings

Occupations	All MA job postings, Thousands, 2025	Completions <sup>1</sup> , 2023	Typical entry level education
Securities, Commodities, Financial Services Sales Agents	229	162	Bachelor's degree
Financial Managers	161	1,828	Bachelor's degree
Software Developers	123	4576	Bachelor's degree
Marketing Managers	121	1013	Bachelor's degree
Computer Occupations, All Other	92	2020	Bachelor's degree
Financial and Investment Analysts	64	723	Bachelor's degree
Sales Representatives, Wholesale and Manufacturing*	64	1	High school diploma or equivalent
Data Scientists	57	716	Bachelor's degree
Sales Representatives of Services**	39	1	High school diploma or equivalent
Managers, All Other	36	13368	Bachelor's degree
Sales Managers	35	776	Bachelor's degree
General and Operations Managers	28	9003	Bachelor's degree
Market Research Analysts and Marketing Specialists	27	3874	Bachelor's degree
Architectural and Engineering Managers	26	4296	Bachelor's degree
Sales Representatives, Wholesale and Manufacturing***	24	286	Bachelor's degree

- In-demand occupations within the FinTech sector are in tech, business and marketing, and finance
- The state is not graduating enough talent in 8 out of the top 15 in-demand occupations within FinTech
- All but 2 of the top in-demand occupations in the FinTech sector require a Bachelor's degree or higher

1. Completions in 2023 (the most recent data available) are used as a proxy for the level of 2024 graduates (as 2024 are not yet released). To adjust for duplication, the number of completions within each degree program (CIP) was distributed to each corresponding occupation (SOC) typically requiring a four-year degree or higher by way of a weighted average based on current employment within occupations

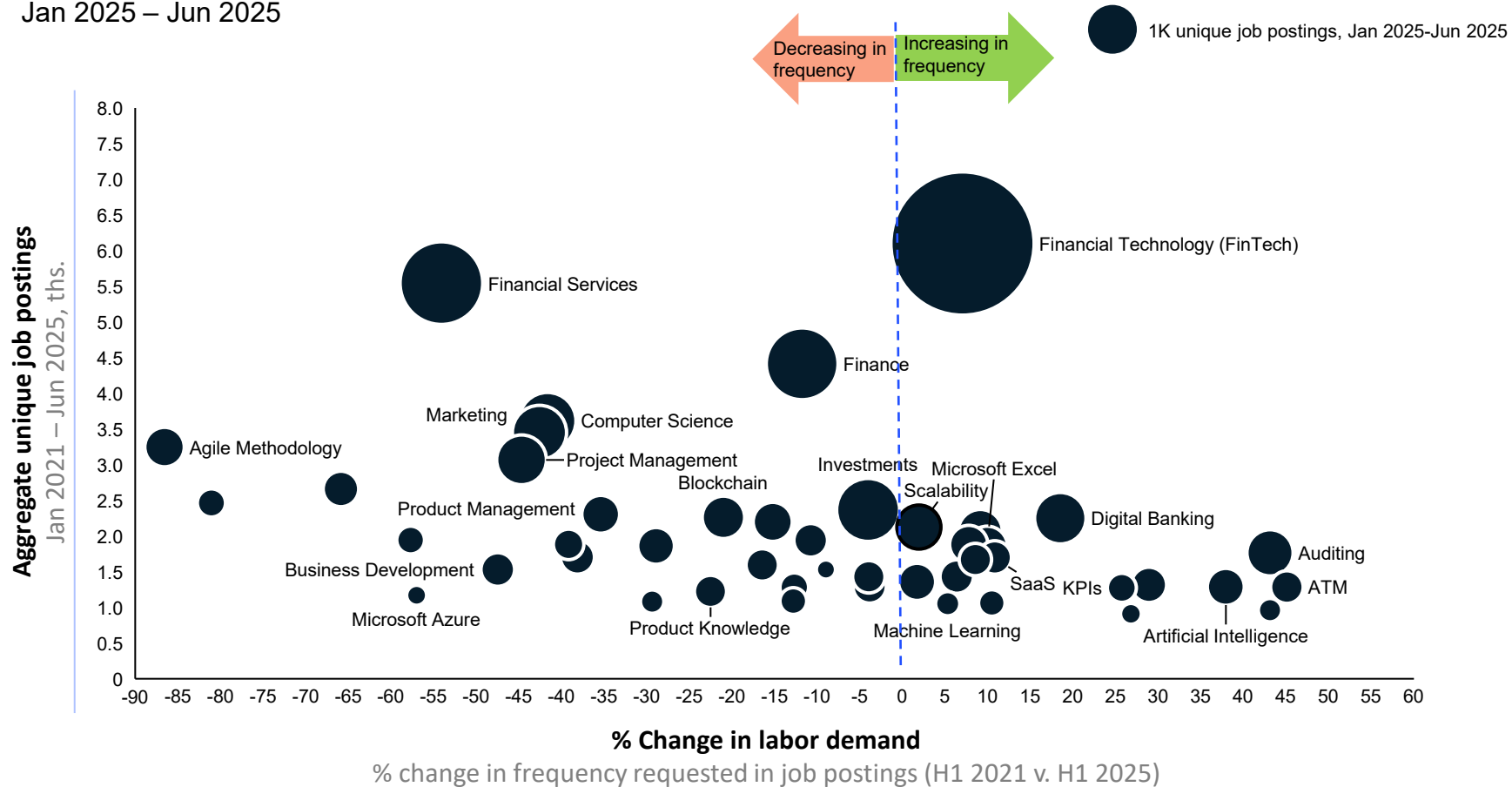
\*Except scientific and technical products \*\* Except Advertising, Insurance, Financial Services, and Travel \*\*\*Scientific and Technical Products

# Demand for data driven skills in FinTech has grown, while more generalizable skills have decreased; AI skills have seen high relative growth

Preliminary

## Top 50 in-demand hard-skills<sup>1</sup> for MA employers in the FinTech sector

Jan 2025 – Jun 2025



- Demand for data driven skills (artificial intelligence, auditing, and continuous improvement process) have seen the most growth since 2021
- Additionally, tech skills including Machine Learning and SaaS have grown
- More generalizable skills such as Finance, Finance Services, Computer Sciences, Project Management have decreased, as has demand for skills related to Blockchain

1. Based on job postings filtered by FinTech keywords in MA. Specialized, software, and certificate skills only (excludes common skills)

# JPMorgan Chase, Fidelity, and State Street are seeking the most workers to fill FinTech-related roles

Preliminary

MA companies	MA job postings, Unique postings Jan 2025-Jun 2025	% of postings
JPMorgan Chase	140	7.7%
Fidelity Investments	109	6.0%
State Street Corporation	90	5.0%
Cambridge Savings Bank	80	4.4%
General Dynamics	50	2.8%
Fiserv	40	2.2%
Berkshire Bank	39	2.1%
Mastercard	38	2.1%
Deloitte	38	2.1%
Intuit	25	1.4%
TD Bank	25	1.4%
Fiserv	25	1.4%
Santander Bank	23	1.3%
Broadridge Financial Solutions	23	1.3%
Insurify	21	1.2%
Total Across All Companies	1,815	

- Large financial companies (JPMorgan, Fidelity, and State Street), and defense (General Dynamics) are seeking the most workers to fill FinTech related roles
- The top 15 companies seeking FinTech talent account for over 40% of postings for related roles in MA

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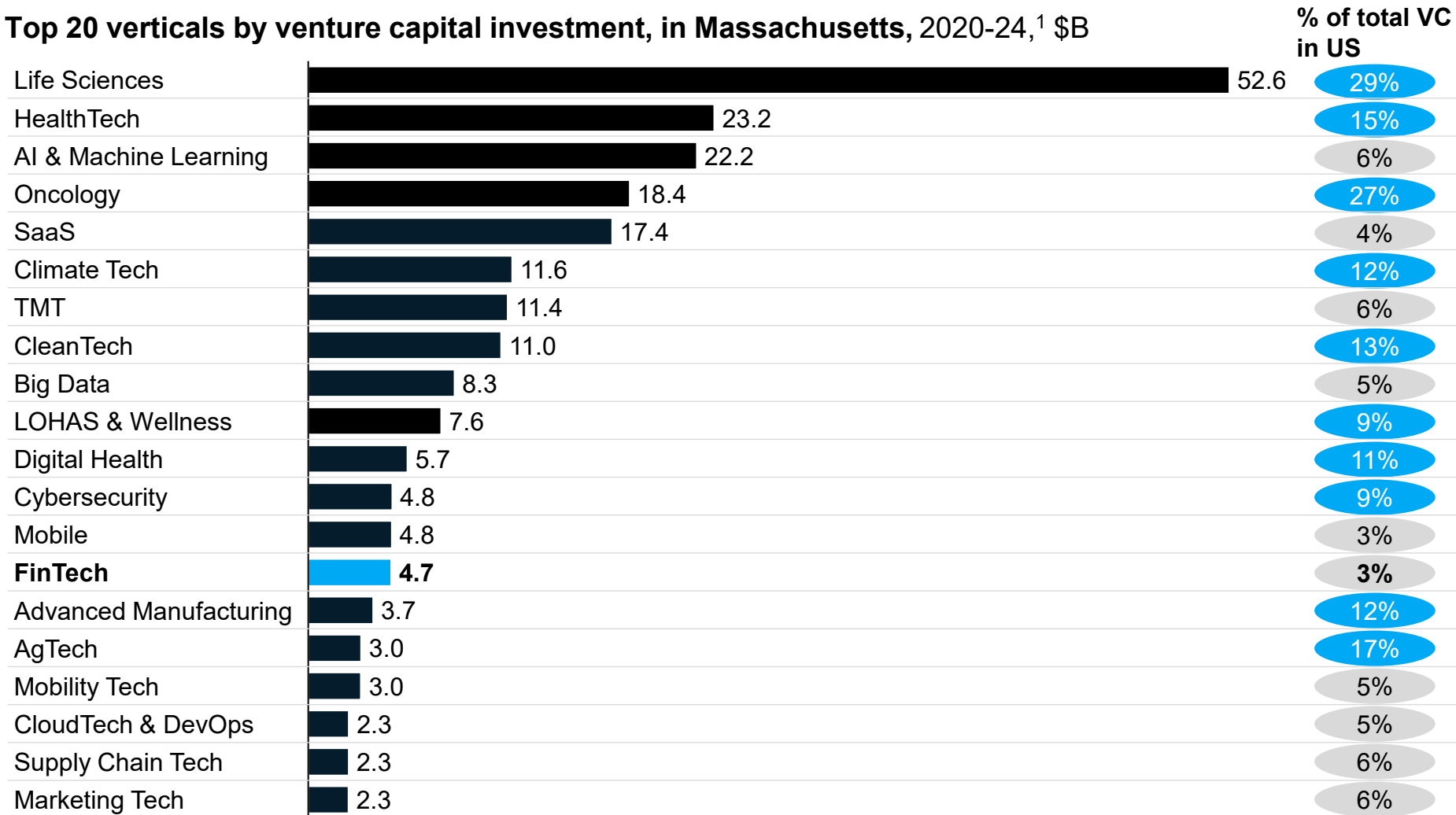
# Objectives for today

- Macro trends and dynamics
- Talent supply and demand
- **Startup and investment landscape**

# FinTech has the 14<sup>th</sup> highest vertical by VC investment in MA, with only a 3% share of total VC in the US

Preliminary

Top 20 verticals by venture capital investment, in Massachusetts, 2020-24,<sup>1</sup> \$B



Higher than average share of investment (MA receives 8% of total US VC)

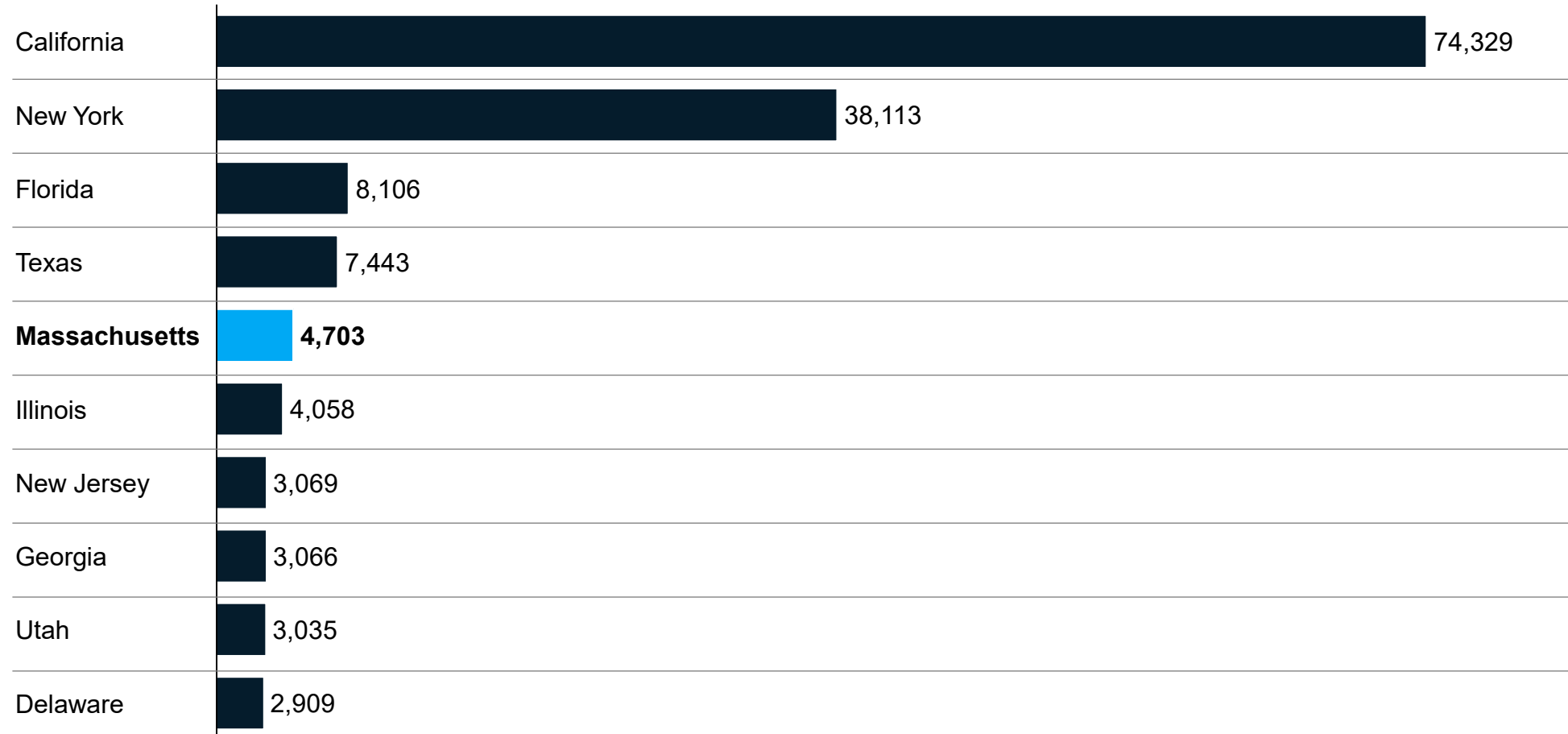
- FinTech has the 14<sup>th</sup> highest vertical by VC investment in MA, with nearly \$5 billion in investments
- MA is underperforming in attracting venture capital investment in FinTech startups: with 8% of total US VC but only 3% of FinTech VC

1. Figures will not sum up to total as multiple tech verticals can be applied to one deal; removed high-level verticals that include other verticals such as "Manufacturing" and "Industrials"

# Massachusetts ranks 5<sup>th</sup> nationally in FinTech venture capital investment

Preliminary

Top 10 states for FinTech VC investment 2020-24, \$, Million



- California leads in FinTech VC investment nationally, attracting nearly 2x the investment of the next highest state, New York
- Massachusetts ranks 5<sup>th</sup> nationally for FinTech VC investment, behind CA, NY, FL and TX

# There has been 1 FinTech startup valued over \$1B in MA over the last 5 years

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~37

FinTech early-stage startups active<sup>1</sup> in MA

0

IPO in the past 5 years

47

M&A exits in the past 5 years

1. Active startups defined as: Privately held, PE, VC, or accelerator/incubator, or angel backed with business status generating revenue, product development or startup

Preliminary

## Top 10 transactions by deal size, FinTech startups,

2020-2024

Company	Exit type	Exit date	Approx. valuation, \$M
Nuance Communications	M&A	2022	18,767
Sendwave	M&A	2021	500
XCM Solutions	M&A	2020	162
Leapfrog Systems	M&A	2020	72
Redi2 Technologies	M&A	2022	68
Invoiced	M&A	2024	52
Cobalt Software	M&A	2021	51
Audit Analytics	M&A	2021	50
Saylent	M&A	2021	39
Deltix Labs	M&A	2020	30

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# Backup

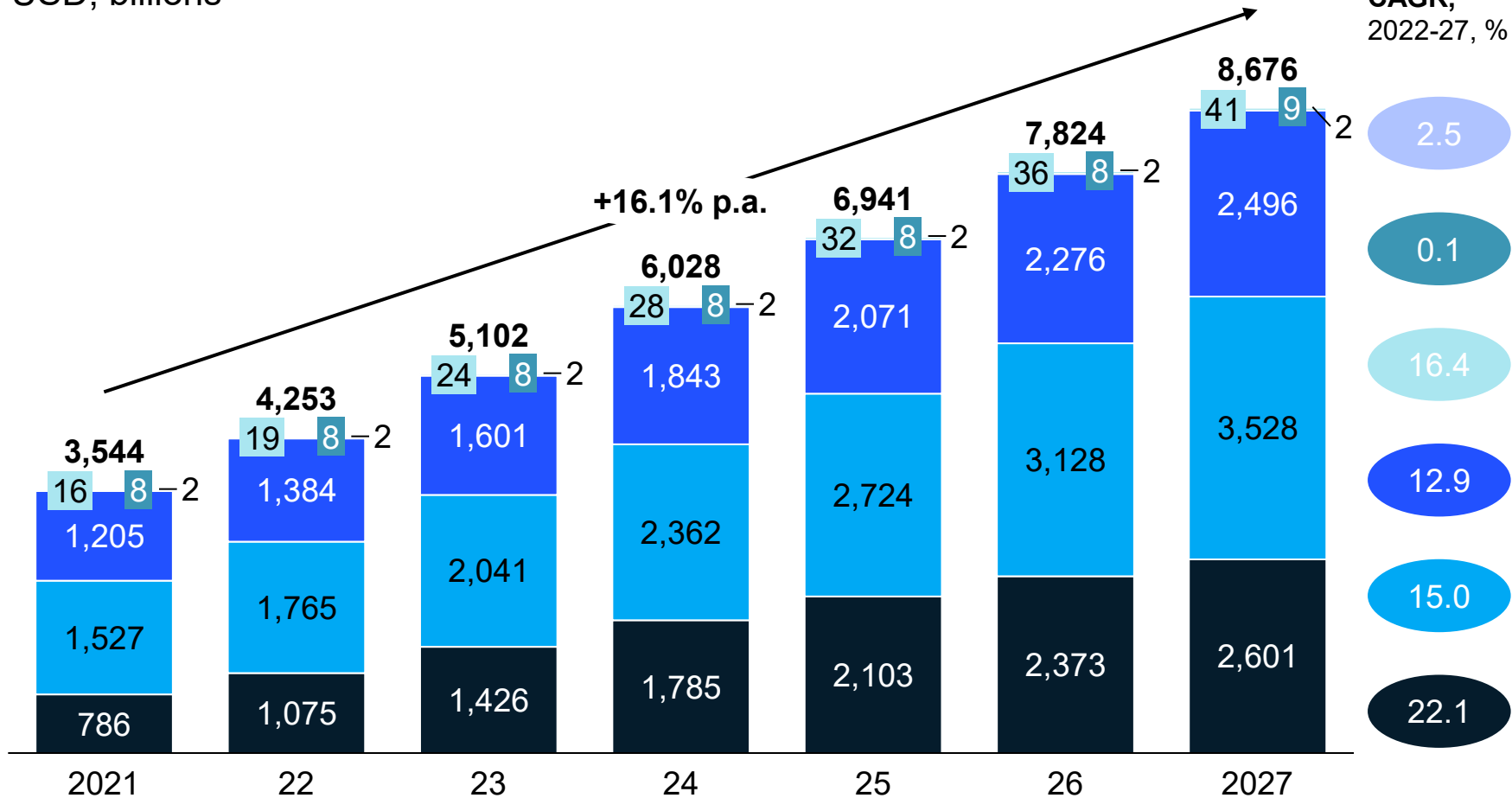
# The US FinTech sector has ~\$4.3B in current transaction value, led by Digital Payments, and is expected to grow to ~\$8.7B by 2027

Alternative financing Alternative lending Digital assets Digital investment Digital payments Neobanking

Preliminary

## FinTech growth by transaction value, 2021-2027

USD, billions



### Takeaways

- If current trajectory holds through 2027, the industry would be worth \$8.7B<sup>1</sup>
- Digital Payments is currently the largest sub-sector with \$1.77B in transaction value, but Neobanking (a.k.a. challenger banks) is growing fastest with an expected CAGR of 22.1% through 2027

Source: Statista | 1. Calculated using 16.1% (2021-2030 CAGR) as simple annual growth rate (SAGR) applied to a simple growth rate formula: Beg(SAGR+1) + Beg = End