

The key hurdles to growth that financial institutions expect in 2025

Article



The findings: Financial leaders are optimistic about growth this year, with 58% of financial institutions (FIs) expecting asset growth of 5% or more in 2025, per Wipfli Research's [State of the Banking Industry 2025](#). Just 36% said the same in 2024.

The key challenges: Despite the optimism, these leaders have identified several issues they'll need to navigate this year in order to grow. They include:

- **Cybersecurity risks:** 79% of FIs reported unauthorized access in the past year, driving investments in security tools and fraud prevention measures.
- **Talent shortages:** Recruitment and retention challenges persist, prompting strategies like flexible work policies and leadership training programs. Targeted efforts to compete for top talent in areas like AI can be a particularly [costly endeavor](#).
- **Digital transformation:** While most FIs are implementing genAI solutions, the barriers are higher for many smaller FIs that have more limited resources to integrate legacy systems, manage fragmented [data](#) and regulatory complexities, and [deliver seamless digital experiences to meet evolving customer expectations](#).

What's next: Larger FIs will have an edge in addressing these challenges due to their deeper budgets and resources. In response, smaller FIs may be driven to find new solutions through third-party partnerships, offer superior workplace benefits, or [deploy low-cost marketing techniques](#). These strategies could help level the playing field and allow smaller institutions to remain competitive despite tighter financial constraints.

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