

VIDEO

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Focus on Funds: “Patient Capital” Is Strong Fuel for Healthy Markets, Economies

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Fund investment has democratized participation in the US capital markets and brought patient capital that contributes to markets’ long-term strength. In the April 12, 2019, edition of *Focus on Funds*, George Gatch, CEO of Global Asset Management for JP Morgan Asset Management, details the successful role of retirement savers in US markets, and how other global financial centers are learning from the US experience.

Transcript

Stephanie Ortals-Tibbs, ICI director of media relations: How do you build deep, strong capital markets? Well, the answer in the US has been the retirement saver and their involvement in the capital markets. At ICI’s recent collaborative conference with Chatham House, we discussed the role of the US retirement saver and lessons it could hold for around the world.

George Gatch, JP Morgan Asset Management CEO of global asset management and ICI chairman: Millions and millions of Americans now participate in the capital markets through their 401(k) plan, predominantly through mutual funds. In a sense, it’s democratized investing in the United States. And not only through 401(k) plans, but also with after-tax dollars, as investors have become more comfortable with making decisions. I think it’s been a critical part of the success of capital markets—the broadening and deepening the transparency that’s now available in the United States.

And retirement policy, and development of retirement markets, is going to be critical for the fund industry outside of the United States as well. We see some very positive developments that we talked about today, here in Europe, and some positive developments as China begins to think about how it continues to expand and grow its capital markets as well.

Ortbals-Tibbs: And one of the things that other jurisdictions have picked up on from looking at the success of the US system is that this is not fast money. This is very much patient capital, long-term view, and so it injects something into your capital markets that is particularly special.

Gatch: Diverse, broad capital markets are critical. You need sellside, you need buy-side, and you need patient, long-term money. And that is clearly the objective of retirement savings. And developing a long-term plan, implementing it, using mutual funds, having a long-term approach—not letting market volatility distract you from the long-term objectives that you have—is critical and one of the most important components of the retirement business.

Additional Resources

- [*Focus on Funds: Funds' Focus on Investors Powers the Capital Markets*](#)
- [*Focus on Funds: Technology, with Human Touch, Is Best Formula for Investor Engagement*](#)
- [*Focus on Funds: When Fund Investment Is Strong, Capital Markets Get Stronger*](#)

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