Evolving the Capital Markets Supplier Mix with Diverse-Owned Firms - 2025

NEUGROUP PEER RESEARCH REPORT

Joseph Bertran - Senior Director of Research at NeuGroup

Sponsored by

Sustainable Fitch

Fitch Ratings

STUDY HIGHLIGHTS

DECISION MAKING

94% of participants say treasury is the primary decision maker for selecting firms in capital market transactions.

PLANNED ENGAGEMENT

86% expect their engagement with minority-owned firms to stay the same or increase over the next year.

TOP ROLE ASSIGNED

81% engage minority-owned firms as co-managers—the most common underwriting role.

STRATEGIC BENEFIT

80% cite diversification of the investor base as the top benefit of working with minority-owned firms. Followed by unique market insights.

CURRENT & FUTURE USE

67% already use—or plan to use—minority-owned firms for capital markets transactions.

INTRODUCTION

Treasury teams at leading companies remain committed to working with diverse-owned firms in capital markets despite a decline in corporate mentions of diversity in public facing reports. While some are less outspoken to avoid drawing unwanted attention, treasury leaders are not reversing course on working with diverse-owned firms—instead, they are reinforcing and increasing their efforts to engage in more meaningful ways. This was the main takeaway from this year's NeuGroup Peer Research survey on expanding the capital markets supplier mix.

This 2025 update conducted in partnership with Sustainable Fitch builds on the 2024 NeuGroup Peer Research study and draws from a new survey of 60 treasury leaders and eight in-depth interviews. The data, collected in Q2 2025, reflects a growth in how treasury teams engage with diverse-owned firms and demonstrates a deepening focus on these partnerships and growing recognition of the strategic and commercial value they provide.

Participant Profile

Figure 1: Respondents by annual revenue

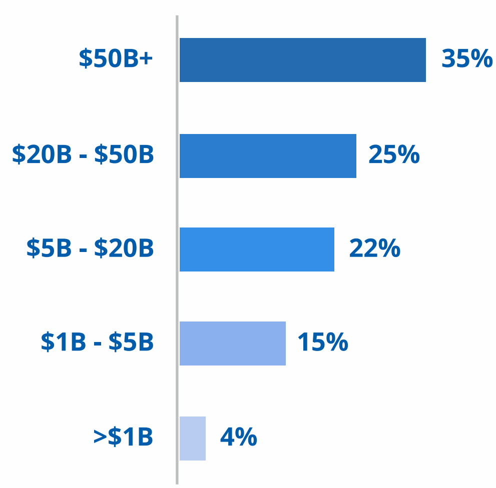
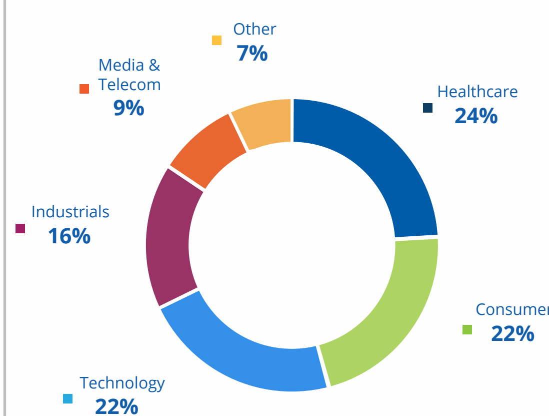


Figure 2: Respondents by sector



SUSTAINED COMMITMENT

The percentage of companies currently working with or planning to work with diverse-owned firms remained steady at 67% from 2024 to 2025. The consistency highlights a general commitment to diverse-owned firms as part of the capital markets suppliers mix.

Percentage of Corporate Treasurers Working with Diverse-owned Firms

59%
currently work with diverse-owned firms.

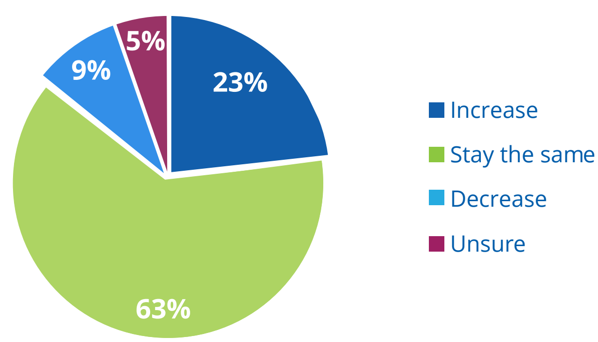
33%
do not currently work with diverse-owned.

8%
plan to start in the next 12-24 months.

Discussions with NeuGroup members that participated in the survey indicate that the depth and quality of relationships are improving. Many treasury teams are solidifying their commitment to working with diverse-owned firms. A survey participant put it this way: "We decided we're not going to change how we do this. We made it clear that this is still a priority for us. We have no intention of changing the way that we work with minority-owned firms or the way that we evaluate them."

This stance emerges in how members anticipate engaging with diverse-owned firms in the future. The majority of respondents currently using or planning to work with diverse-owned firms expect their work with such firms to remain steady or increase over the next 12–24 months. According to Mike Simonton, Business Division Head at Sustainable Fitch, "It's valuable to know that **86%** of respondents that are planning to be active in the capital markets are engaging with diverse owned firms."

Figure 3: Expected engagement with diverse-owned firms



Source: NeuGroup Diverse-owned Firms in Capital Markets Survey 2025

For companies planning to decrease engagement, one of the drivers is the expectation that capital markets activity for the organization overall will decline in the next year. A member that planned to decrease engagement with minority-owned firms stated, "we are taking a holistic look at how we manage our bank group. Our minority bank participation could be impacted though we can't definitively say that it will."

Some firms are also looking to strengthen partnerships with a smaller group of diverse-owned firms: "We would like to narrow our list down to 5-ish banks banks that we have a very meaningful relationship with," another member said.

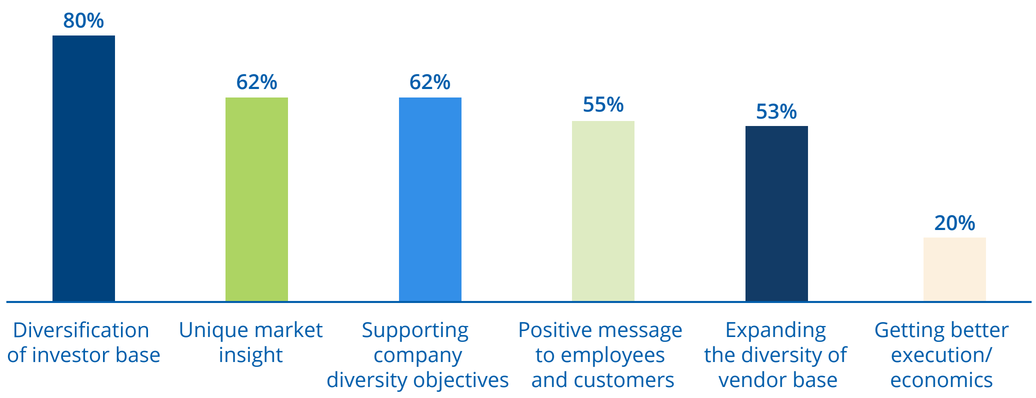
PRACTICAL BENEFITS

In addition to tactical execution and market insight, many treasury leaders emphasized the value of working with firms that prioritize nurturing the relationship and providing outstanding service in their outreach. Several respondents contrasted diverse-owned firms with traditional banks in terms of tone and intent.

"They're not always selling," said one respondent. "They're trying to understand what we need and offering ideas that work for us." This client-first approach has differentiated some diverse-owned firms and helped establish deeper credibility.

The top benefit of engaging diverse-owned firms in 2025 is clear: diversification of the investor base, cited by 80% of respondents—up significantly from 72% last year. This reinforces the strategic value of inclusion beyond social or reputational benefits.

Figure 4. Benefits of engaging with diverse-owned firms



Source: NeuGroup Diverse-owned Firms in Capital Markets Survey 2025

IN THEIR WORDS

Treasury leaders emphasized responsiveness, transparency and—high on the list of benefits—unique market insight.

If I get 100 emails from banks with their market insight every day, the only one I read is from a diverse-owned firm. They bring a different geopolitical and economic perspective that I don't get anywhere else.

They're often pitching fresh ideas that are grounded in our needs, with less focus on selling.

These firms are more tactical. The conversations tend to be more about what benefits us, not just upselling services.

We only do share repurchases with minority-owned firms. In our experience, they outperform larger firms. They're focused, engaged, and often staffed with seasoned trading veterans managing just a few mandates at a time.

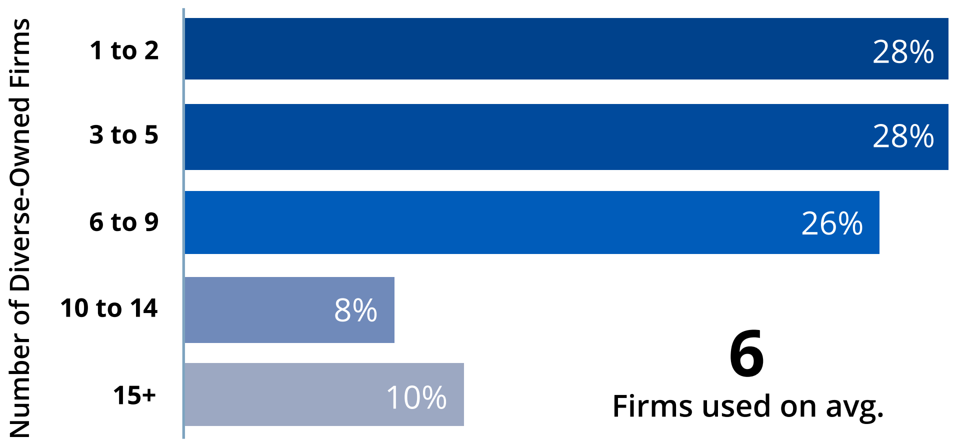
When we bring these firms in for long-term debt, they're always active—not passive. And we've been impressed with the orders they bring.

EXPANDING THE BENCH

Treasury teams reported working with a wide range of diverse-owned banks—in some cases as many 25 providers—and many formed new relationships in the past year. Most corporations have now established at least a year's track record with their core diverse-owned partners.

- **65%** of firms reported working with diverse-owned firms at any time – six firms on average
- **61%** of firms reported working with diverse owned firms in the last 12 months – four firms on average
- **30%** reported adding a new firm in the last 12 months – two new firms on average

Figure 5: Overall no. of firms used



Source: NeuGroup Diverse-owned Firms in Capital Markets Survey 2025

IN THEIR WORDS

Treasury teams are building on established relationships.

We've worked with some of these firms for multiple years now. They know our business, and we know what they're good at.

We just continue to see firms pop up on the scene or come up with new capabilities. We want to give them time to grow and evaluate them seriously every few years.

We have regular interactions with 15 firms. I think we're probably somewhere in the region of managing 15 to 20 relationships on any given day.

ALLOCATION PRACTICES: ROLES, RELATIONSHIPS AND REACH

As in 2024, bond underwriting/issuance is the top activity where treasurers' partner with diverse-owned firms, with 96% currently or planning to do so. However, more treasurers are exploring use cases beyond bonds. Open market repurchases (OMRs) continue to gain traction as a practical avenue for diverse-owned firms' participation. Interestingly, a growing number of treasury teams (43%) are keen to work with "diverse-owned firms on enhanced open market (eOMR) stock repurchases. This presents a potential opportunity for both banks and corporates.

Figure 6: Transactions corporations execute via diverse-owned firms

	Current	Considering
Bond underwriting/issuance	67%	29%
Open market stock repurchases	50%	36%
Debt issuance & related (incl. Co-manger roles, MTN offerings, Syndicated loans)	67%	7%
Commercial paper	38%	27%
Investments & related activities (incl. CP investment, MMFs, General Investing)	45%	12%
Enhanced open market stock repurchases	0%	43%
Liability management (e.g., tenders, debt exchanges)	8%	31%

Source: NeuGroup Diverse-owned Firms in Capital Markets Survey 2025

Several treasury teams emphasized the importance of communicating expectations to their lead underwriters regarding diverse-owned firm participation. Rather than waiting for smaller banks to be included, these companies are proactive in setting the tone with bookrunners.

"We're intentional with our lead banks—we tell them we want to include minority-owned firms. They've gotten better at recommending options that actually fit our needs."

This highlights the critical role bulge-bracket banks can play in helping diverse-owned banks gain deal visibility and share in economics, when guided by committed corporate issuers.

The practice of allocating bonds to diverse-owned firms—even when they're not active bookrunners—is becoming more common, with 59% of companies doing so in 2025. Among those, 65% said active bookrunners help coordinate these allocations. This reflects a more collaborative approach between traditional lead banks and diverse-owned participants, especially when treasury sets clear expectations upfront.

Who Coordinates the Allocation of Bonds to Diverse-owned Firms?

65% active book runner

17% allocate it internally

11% other

6% passive book runner

Treasurers rely on informal rules or case-by-case decisions to include diverse-owned firms. Like with the addition of any smaller vendor, some teams talked about the challenge of managing too many relationships cutting into capital markets teams' bandwidth and diminishing the value of the deal for minority-owned firms they work with. One member in the industrials sector noted, "We don't want the list to get so large that we're not providing meaningful revenue, but we do plan to rotate and give smaller firms the chance to grow."

WHAT'S HOLDING SOME CORPORATES BACK?

Among the 33% of respondents not currently engaging with diverse-owned firms, most (60%) cited lack of capital markets activity as the primary reason. This means that more than 80% of participants engaged in capital markets activities are working with or planning to work with diverse-owned firms. This aligns closely to results from the 2024 survey in which 65% indicted that they are relatively inactive in capital markets. For the remaining subset, persistent structural factors remain at play.

Why Some Treasurers do not Partner with Diverse-owned Firms

According to one member with limited activity, "It's difficult to provide the benefit to the diverse-owned firms if you're only using them once every four or five years." This shows that a major barrier is not unwillingness to use minority-owned firms, but rather a scarcity of capital markets activity.

Some companies still direct all capital markets transactions to their revolving credit facility banks—prioritizing long-standing credit relationships over inclusion goals.

"There's still some inertia," said one senior treasury director. "And in a tight wallet, you default to your core banks unless something pushes you to do otherwise."

FINDING DIVERSE-OWNED FIRMS TO MEET YOUR NEEDS:

EVALUATE ON A CYCLE

Use a formal RFI process every two to three years to reassess partners and give new firms a fair look.

" We rotate among the firms we've talked to. That rotation gives us time to evaluate new talent and ensure current partners still align."

DEFINE YOUR PRIORITIES

Set clear internal criteria such as proven capital markets expertise and diversification of investor base.

"Make sure these firms have experience in capital markets and investments. Distribution is important too—they need to be able to bring in new investors, not just show up."

LEVERAGE EXISTING RELATIONSHIPS

Use your primary banks to help map the landscape and recommend firms with strong reputations.

"We've leaned on some of our traditional banking partners in the past to guide us. That's helped give us a landscape of which firms are out there and what they're better at."

CONCLUSION: INTEGRATION, NOT JUST INCLUSION

Treasury teams are working with diverse-owned firms because they deliver commercial value including a broader investor base and unique market insights. Like any other partner, these firms are selected based on the value they bring to the table. "They're in because they perform—not because they check a box. That's what makes it sustainable."

The 2025 survey confirms what many in the NeuGroup network already sense: the inclusion of minority-owned firms in capital markets is an emerging standard. While most firms expressed the desire to continue bringing smaller banks into their capital market activities, the risk of outside pressure impacting relationships should not be ignored. This pressure should alleviate as diverse-owned firms continue to be integrated into the process and continue to demonstrate meaningful, consistent impact within the companies that hire them.

As one treasurer put it: "Once we've identified firms as long-term partners, we're very motivated to give them business. However, we won't do that unless they are on par with what the services that we could get from large banks. Luckily that's the whole point of the RFI process. They do not immediately get engaged in all of these pillars—we make sure they can execute."

Sustainable Fitch FitchRatings NeuGroup

For more information, please contact:
research@neugroup.com
www.neugroup.com