

BUSINESS FAMILY STORIES

Fidelity in the family

BY: JESSIKA McQUEEN



Creaghan McConnell Gould recently came across an incredible interview with the ever-entertaining David Rubenstein and the seldom-interviewed Abigail Johnson, the third-generation Chairwoman and CEO behind Fidelity Investments. Fidelity has been privately held and family-controlled since Johnson’s grandfather, Edward C. Johnson II, founded the business in 1946.

At Creaghan McConnell Gould, we celebrate the Johnson family’s enduring values and long-term focus that have driven Fidelity’s success in the highly competitive investment industry.

Fidelity Investments is one of the largest asset managers in the world, offering a full spectrum of financial solutions — from investment management and retirement planning to brokerage services and benefits administration. With over US\$17 trillion in assets under administration, US\$6.8 trillion in discretionary assets, and approximately 77,000 associates, the company generated US\$32.7 billion in revenue last year — a 16% increase from 2023.

Fidelity serves more than 50 million individual investors, over 24,000 businesses, and more than 16,000 wealth management firms and institutions worldwide. They’re known for their operational integrity, financial strength, and bold innovation. The [Financial Times](#) has repeatedly described them as a “[vast and under-recognised financial empire](#)” — and for good reason: Fidelity often quietly outperforms their more publicized competitors, like BlackRock and Blackstone, across multiple metrics.

Family values shape company values

Edward founded Fidelity in 1946, after purchasing a small legal entity with one employee called the *Fidelity Fund*. Beginning by investing on behalf of his friends and family members, Edward built the company on the principles that continue to shape the business today. He believed in active and independent management, empowering associates, long-term growth, and intelligent risk-taking.

These principles remain Fidelity’s foundation nearly 80 years later. Fidelity empowers independent decision-making, values rigorous research over industry consensus, and makes bold yet prudent strategic decisions — such as becoming an early mover in cryptocurrency and blockchain technology while traditional competitors hesitated. By remaining privately held and family-controlled, Fidelity can pursue the long-term growth strategies and intelligent risk-taking that Edward envisioned, free from the short-term thinking that dominates Wall Street.



Returns matter. They matter a lot. But the consistency of the returns probably matters less, because everybody is in for the long-term. — **Abigail Johnson, Chairwoman and CEO**

Three generations of leadership

Each generation has strengthened the company's legacy, contributing unique talents and shaping Fidelity's evolution.

Edward "Ned" Johnson III (second generation) joined his father's business in 1957 as a junior stock analyst, rising through the ranks before becoming Chairman and CEO when his father retired in 1977. He transformed Fidelity from a mutual fund boutique into a global financial powerhouse. He followed his father's philosophy to "oppose orthodox thinking" and focused heavily on innovation. He revolutionized personal investing and grew company assets into the trillions, while consistently rejecting pressures to take the company public. Instead, he gave employees an ownership stake alongside the family. Today, the Johnson family holds 49% of Fidelity, while current and former employees own the remaining 51%.

Abigail worked under her father, Ned, at Fidelity for more than 30 years before becoming CEO in 2014 and Chairwoman in 2016. In her decade of leadership, she has substantially grown Fidelity's global presence and capabilities. Following her family's tradition of innovation, she has taken Fidelity in bold new directions — modernizing its technology infrastructure and expanding into cryptocurrency, digital platforms, and services well beyond the concepts and systems that built the family legacy.

As CMG Partner, Peter Creaghan, puts it:

"It's much more common for successful asset management and financial companies to grapple with succession options because, typically, they default either to internal management buyouts or selling to larger financial institutions — often without consideration to ongoing family ownership as a viable option. Fidelity and the Johnson family inspire us because they demonstrate a viable third path."

While spearheading these innovative changes, Abigail maintains a learner's spirit and humility, approaching her leadership role as a long-term mission in stewardship. Often cited as a leading example of next-generation leadership in a global family enterprise, she also champions a client-centric and comprehensive approach to financial wellness. On Fortune's "[Most Powerful Women](#)" list for the 25th time this year, more than any other executive, the Financial Times says of her: "We can argue all day long about the current king of Wall Street, but its queen is hard to dispute."



Abigail Johnson — July 2018 (Shutterstock)

A legacy of discretion

Despite being [the fifth wealthiest family in America](#), the Johnsons maintain a remarkably low profile. Boston Magazine has called the Johnsons “[pathologically private](#)”, attributing Fidelity’s success to the family’s discretion and discipline — “a simple formula: always work harder, remain modest, and never blab to outsiders — especially the press.”

Maintaining this grounded and down-to-earth approach towards their work and their wealth allows the family to focus on long-term strategy, preserve their values, and avoid the distractions faced by their higher-profile peers.

Peter Creaghan notes:

“It’s very rare in the financial space, especially in North America, to find a multi-generational, family-controlled business with no intention of selling to a third party. As Abigail has pointed out repeatedly, she and the family want to build a business that can grow and sustain itself beyond the current generation, a view typical in the traditional family-owned business space. Combine this with the global scale of the enterprise they’ve created, and it’s apparent that they will continue to be in charge of their destiny in the future.”

Three generations of Johnsons have built something rare in the financial sector: a privately held, family-owned empire that operates by its own set of rules. While their Wall Street competitors typically answer to public shareholders or plan exit strategies, Fidelity answers to its founding principles — active and independent management, strategic risk-taking, and long-term vision.

As Abigail herself stated:

“I don’t have an endpoint. I really want to build a business that can grow and sustain itself beyond me. I think that’s really something I got from my father, because that’s what he always wanted to do. He wanted to build a business that would grow and thrive beyond his time.”

Peter Creaghan offers a few more thoughts about the Johnson family’s story:

“Business thinking has evolved significantly over the last generation, and it’s become a truism in many industries that family-controlled businesses often outperform their peers. Based on the Fidelity example, we wonder if more successful financial and asset management businesses will consider a multi-generational, family-stewarded ownership model.

Fidelity, with its shared employee and family ownership model, demonstrates that family ownership can work even in industries not traditionally associated with family businesses.”

FURTHER VIEWING:

- Watch [The David Rubenstein Show: Abigail Johnson](#)

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