



# ***"BlackRock & Vanguard: Do They Run the World?"***



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## Common Misconception: Richer Than Countries?

It's often misconstrued that because BlackRock and Vanguard manage trillions, they are "richer" than entire nations. For instance, their combined **assets under management (~\$22 trillion)** are sometimes compared to the GDPs of major countries. However, GDP measures a country's annual economic output, while AUM represents the total value of assets managed. Moreover, these assets **belong to their clients**, not to BlackRock or Vanguard themselves.





"BlackRock and Vanguard run the world because they own stakes in almost every major company." – You've probably heard this before. But is it really true? 🤔

**They Manage, But Don't Own** 📁 BlackRock and Vanguard collectively manage **over \$22 trillion in assets**:

- **BlackRock**: \$11.6 trillion AUM
- **Vanguard**: \$10.4 trillion AUM

They are significant shareholders in companies like **Apple, Microsoft, Google, Amazon, and Tesla**.

However, they **don't own these companies**—they invest on behalf of **pension funds, institutions, and individual investors**.





## Do They Control These Companies? 🏠

Holding substantial shares grants them **voting rights** in corporate decisions, influencing policies on **CEO appointments, governance, and sustainability**. However, they **don't manage daily operations** or dictate business strategies.

## Their Holdings in Top Companies 📊

| Company           | BlackRock Holding | Vanguard Holding   |
|-------------------|-------------------|--------------------|
| Apple Inc.        | 6.34% (~\$158.5B) | 7.83% (~\$195.75B) |
| Microsoft Corp.   | 7.34% (~\$190B)   | 8.14% (~\$210B)    |
| Amazon.com, Inc.  | 5.67% (~\$90B)    | 6.70% (~\$107B)    |
| Alphabet (Google) | 5.90% (~\$90B)    | 6.44% (~\$98B)     |
| Tesla, Inc.       | 4.25% (~\$35B)    | 5.79% (~\$48B)     |

*Approximate figures based on market capitalization as of December 2024.*

**Do you think holding these percentages equates to controlling the entire company?**





**A Simple Analogy** 🎓 Think of BlackRock and Vanguard as **mutual fund managers**. Imagine 100 people pool their money to buy shares in companies. The fund manager **handles the investments** but **doesn't own the shares personally**—the investors do. Similarly, BlackRock and Vanguard **manage money on behalf of their clients**, not for themselves.

**The Influence They Wield** 🔑 Their power stems from the **vast assets they manage**, not from personal ownership. While they **shape global markets** and have a voice in major corporate decisions, they **don't directly control these companies**.





**So, do they run the world? Not exactly. But by managing assets for a multitude of investors, they wield significant influence in the corporate sphere.**



**Thanks for Reading!** 🙌

Appreciate you taking the time to read this! 📖💡 The world of finance is full of myths and misconceptions, and I love breaking them down. If this post made you think differently or added value, let's keep the conversation going! 🚀

Drop your thoughts in the comments—always eager to learn and share more.



**– Saurabh Giri**

