sifma®

THE STREET, THE CITY AND THE STATE

RESEARCH REPORT

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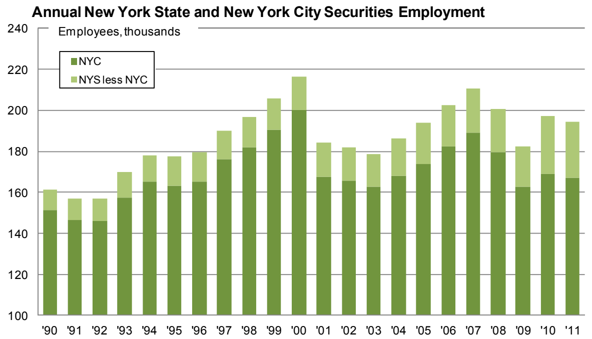
The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while building trust and confidence in the financial markets. SIFMA, with offices in New York and Washington, D.C., is the U.S. regional member of the Global Financial Markets Association (GFMA). For more information, visit www.sifma.org.

THE STREET, THE CITY AND THE STATE

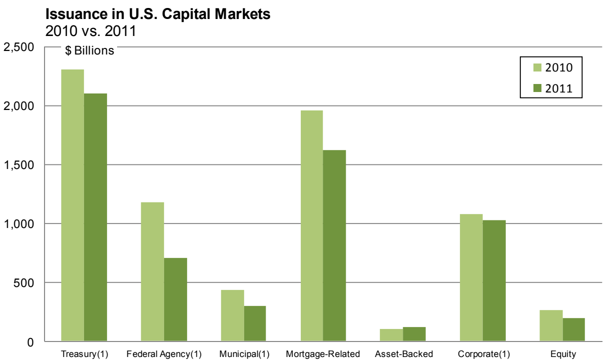
- The importance of the financial services industry in general and the securities industry in particular to New York City (NYC) and New York State (NYS) is long-standing and well recognized. Even in these times of economic recovery and financial market regulatory overhaul, the securities industry still has a profound impact on and makes a significant contribution to revenues and overall economic growth of the state and local economy.
- As of 2011 year-end data, the Bureau of Labor Statistics estimated that the securities industry employed 802,900 individuals throughout the U.S. Of that total, over 23 percent, or 188,900 positions, were in NYS and most of those (88.4 percent or 166,900 jobs) were in NYC.
- Employment in the securities industry directly affects the overall number of jobs in NYC and NYS. The Office of the State Comptroller estimates, based on the economic multipliers and the current level of securities industry employment, that one in eight NYC jobs and one in 13 jobs in NYS overall are either directly or indirectly associated with Wall Street.[1]
- The securities industry accounts for more of total wages paid to NYS than its percentage of total employment share would suggest. While accounting for only 2.2 percent of NYS employment in 2010, the securities industry generated 9.8 percent of total Adjusted Gross Income (AGI).
- NYSE-reporting securities firms generated aggregate pre-tax profit of $7.7 billion for the full year 2011, 69.1 percent lower than 2010's $25.1 billion.
- NYS's budget relies heavily on personal income taxes – particularly from the high wage earners in the finance sector. Although the securities industry's share of personal income taxes declined in fiscal year 2011, the industry remains a significant contributor to NYS's and NYC's income. The industry's employees accounted for 14 percent of NYS's and 7 percent of NYC's tax revenue, down from 20 and 13 percent, respectively, in 2009.[2]
- The "tax effort" required of NYS's workers and businesses continues to be the second highest in the nation, which, among other factors, contributes to the loss of competitiveness of NYS.
- Public policy, in particular financial regulatory reform, remains a significant factor in the future of the securities industry in NYS and NYC. The threat of further taxation, as well as pending federal regulations has brought fundamental uncertainty to the securities industry and its business planning. The Volcker Rule, for example, if finalized as proposed, would impact banks' ability to provide liquidity to the markets and potentially affect both profits and employment in the securities industry.

[1] DiNapoli, Thomas P., The Securities Industry in New York City, Report 12-2012, October 11, 2011.
[2] Ibid.

INTRODUCTION



Note: 2011 data are preliminary
Source: BLS



(1) Includes long-term issuance only
Source: Thomson Reuters, U.S. Treasury, U.S. Federal Agencies

The importance of the securities industry to New York City and New York State is long-standing and well-recognized. Despite becoming more dispersed and increasingly globalized, the industry remains heavily concentrated on Wall Street and New York is still the central hub for the securities industry in the U.S., if not the world. The industry has a significant impact on, and makes a disproportionate contribution to, personal income, tax revenues, and the growth of the overall economy of NYS and, to an even greater extent, NYC. The financial prospects of NYS, NYC, and the securities industry are intertwined, and continuing structural changes in financial markets mean that it is important to keep a finger on the pulse of this codependent relationship. Each year at this time, we examine this interrelationship. These assessments and some recent related research provide important insights into the outlook for Wall Street, the City, and the State.

Year 2011 in Review

2011 was a year of slow growth, heightened market volatility, and lowered confidence in financial markets. The U.S. debt ceiling crisis, downgrade of the U.S. credit rating to AA+, ongoing European sovereign debt crisis, and a slower than expected pace of the global economic recovery all put strains on global financial markets. The U.S. economy showed small signs of improvement towards the end of 2011 as GDP increased at annual rate of 2.8 percent in the last quarter of 2011, up from 1.8 percent in 3Q'11 and the fastest pace since 2Q'10. The national unemployment rate dipped to 8.5 percent in December from 9.1 percent at the end of 2010; consumer spending and confidence grew, and the housing market showed some stabilization.

Securities issuance totaled $6.1 trillion in 2011, 17.2 percent below the $7.3 trillion in 2010.[3] Almost all asset classes recorded declines in issuance, with federal agency and mortgage related securities sustaining the largest drops and asset-backed securities showing the only increase.

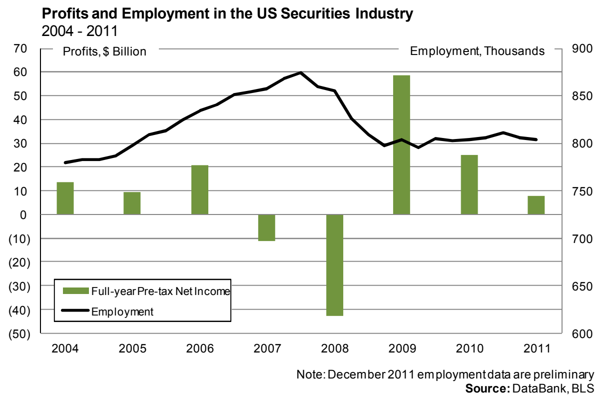
Federal agency long-term debt (LTD) issuance totaled $0.7 trillion in 2011, a 40.3 percent decline from 2010's $1.2 trillion. Mortgage-related issuance continued to be supported by the Federal agencies Fannie Mae, Freddie Mac, and Ginnie Mae. For the full year 2011, $1.6 trillion of mortgage-related debt was issued, 97.7 percent from the agencies.

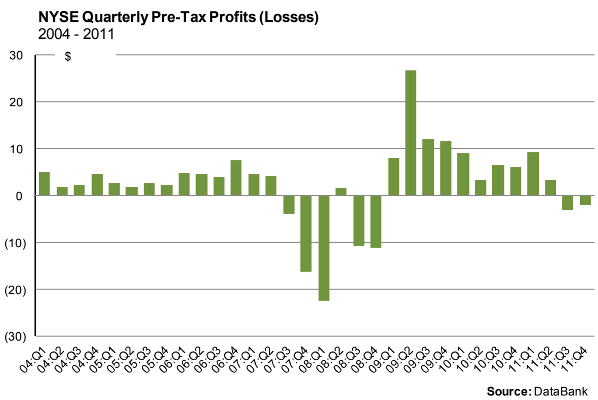
For the full year 2011, long-term municipal issuance volume totaled $294.6 billion, down by a third from the record-breaking $433.1 billion issued in 2010. Such levels were last seen in 2001 ($283.5 billion). U.S. Treasury issuance also decreased in 2011. The total gross issuance of Treasury securities stood at $7.34 trillion, 12.0 percent below $8.34 trillion issued in 2010.

Total corporate bond issuance stood at $1.01 trillion in 2011, a 3.9 percent decrease from $1.05 trillion in 2010. The issuance was led by investment grade (IG) bonds, which accounted for 77.9 percent of 2011 issuance. IG bonds issuance totaled $783.4 billion, virtually unchanged from $782.4 billion in 2010, while high yield bonds issuance declined 15.8 percent to $222.1 billion from $263.7 billion issued in the previous year.

Equity issuance, both primary and secondary, decreased by 24.5 percent to $197.7 billion in 2011. The overall value and number of IPOs declined by 6.0 percent and 7.2 percent, respectively. Mergers and acquisition activity also fell, down 22.5 percent from 2010, and venture capital investments remained unchanged.

[3] For more detailed review please see SIFMA's US Research Quarterly, 2011 Q4.





Securities Industry Profits

After declining in both 2007 and 2008 due to the financial crisis and related liquidity crunch, the pre-tax profits of New York Stock Exchange (NYSE)-reporting firms reached $58.6 billion and $25.1 billion in 2009 and 2010, respectively. These exceptionally good results were partially due to record-low interest rates and recovery from the very poor results in 2008. In 2011, NYSE-reporting firms earned a pre-tax profit of $7.7 billion, 69.1 percent below that in 2010. The large decline in profitability reflected an almost $12.5 billion drop in revenues caused largely by a 90.8 percent decrease in trading gains and a 10.1 percent decrease in underwriting revenue. Losses in the second half of 2011 were driven by weak market activity in all business lines – but especially in corporate bonds and federal agency markets – and were reflective of the continued sovereign debt crisis in Europe and slow U.S. economic recovery.

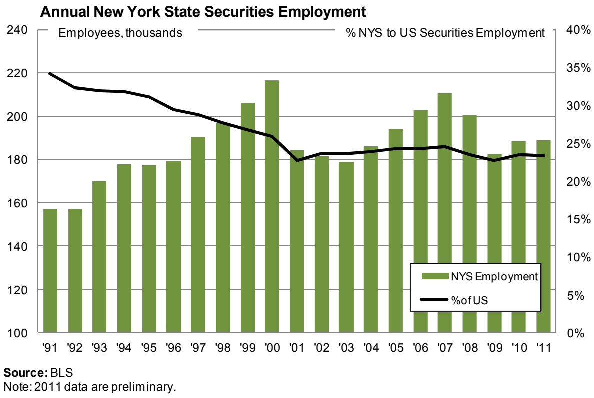
Many have commented that the compounding impact of regulations stemming from the passage of Dodd-Frank and Basel III capital and liquidity requirements will permanently impair Wall Street's profitable trading businesses. Alliance Bernstein, for example, noted in a report from October 2011 that under the Volcker Rule proposal, securities industry's fixed-income desks could suffer a 25 percent decline in revenue[4], and therefore limit the upward potential for securities industry profits. Similarly, Nomura pointed out that the rule will likely have unintended consequences, such as reduced liquidity, higher funding costs, higher trading costs, and less ability to transfer risk[5], all of which negatively impact the potential for securities industry revenue and profits.

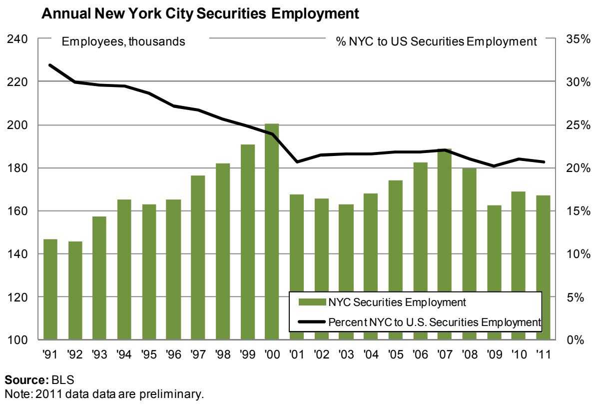
As firms adapt to the regulatory and capital frameworks, there will be many choices as to where and how these reorganizations unfold. It is important that policymakers remain mindful of their impact on those decisions to ensure that the securities industry remains a vital contributor to New York's economic future.

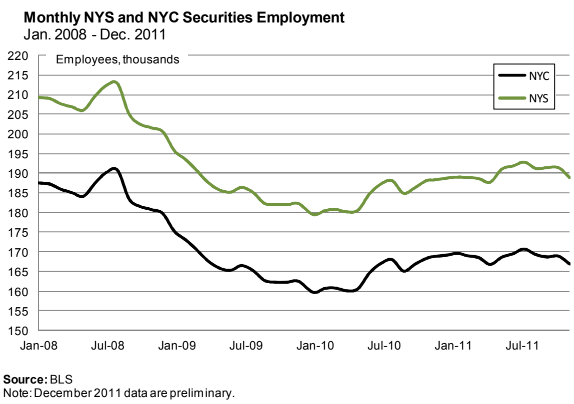
Employment within the securities industry did not immediately increase after the recovery of profitability in 2009. Due to the heightened volatility and uncertainty in the markets as well as regulatory uncertainty, securities industry employment has remained relatively flat since 2009. While pre-tax profits were positive in 2011 at $7.7 billion, national securities industry employment gained only 1,000 jobs (0.1 percent) during the year.[6] However, the stabilization of the securities industry may lead to a higher rate of employment in 2012, as employment tends to lag behind industry profits.

[4] Hintz, Brad, Volcker Rule – First Impressions, October 12, 2011.
[5] Schorr, Glenn, Hopefully More Bark Than Bite, October 6, 2011.
[6] BLS securities employment numbers are comprised of the total number of people on the payroll on the week of the 12th of every month, including those whose layoffs have been announced but are not yet effective and temporary workers hired in-house by the firm; as such, employment numbers may not accurately reflect the ongoing layoff announcements within the securities industry and larger financial sector. Recent national, state and city employment figures are all preliminary and subject to revision. For more information about data collection, please contact the BLS at (www.bls.gov).

SECURITIES INDUSTRY EMPLOYMENT IN NYS AND NYC







As of end-December 2011, the securities industry directly employed 188,900 individuals in New York State; 88.4 percent of those jobs were in New York City. During 2011, NYS gained 600 securities industry jobs (0.3 percent increase), while NYC lost 1,900 (1.1 percent decline).

New York State Securities Industry Employment

In 2011, the securities industry in NYS gained 600 jobs (0.3 percent): securities industry employment expanded by 2,500 positions outside of NYC, while NYC lost 1,900 jobs. Although a small increase, it marks a third consecutive year of securities industry employment expansion in NYS. In addition, while securities industry employment rose slightly in New York, it contracted by 0.2 percent (1,400 positions) nationwide. NYS remains the central U.S. hub for the securities sector, accounting for 23.4 percent of U.S. securities industry employment, unchanged from the previous year; it remains 0.7 percent above the low of 22.7 percent in 2009.

Changes in securities industry employment have a large impact on the NYS economy. According to the Bureau of Economic Analysis, every additional securities industry job in NYS translates directly to additional 2.84 jobs in all industries and each additional dollar paid to securities industry employees results in additional $1.83 of earnings by all households state-wide. In addition, the New York State Comptroller estimates that 1 in 13 jobs in NYS are directly or indirectly linked to the securities industry.[7]

New York City Securities Industry Employment

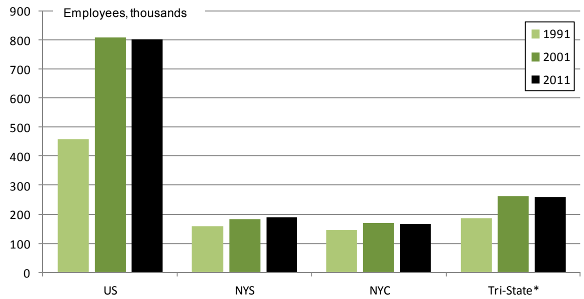
In 2011, New York City securities industry employment decreased by 1,900 jobs to 166,900, a 1.1 percent decline from 168,800 jobs in the previous year. The loss was concentrated in the last quarter of the year, when securities industry employment dropped by 2,400 positions (1.4 percent). It was the sharpest quarterly drop in securities industry employment in NYC since 2Q'09, when the industry contracted by 2,600 jobs. This large decline outweighed the gain of 500 jobs in the first three quarters of the year.

With securities industry employment decreasing in NYC and increasing in other areas of NYS, the city now accounts for 88.4 percent of the NYS employment, down from 89.6 percent end-2010. The decline in industry's concentration in NYC in favor of other areas in the state during 2011 reflects the relocation of back-office operations to lower-cost areas and the increase in back-up facilities outside of the city. Although the relative percentage of NYC's securities industry jobs in NYS has been slowly declining, securities industry remains a very important sector in NYC's economy. Of all 1,225 broker-dealer firms located in NYS, 80.9 percent are in NYC, highlighting the significance of NYC for the securities industry.[8] What is more, according to the Office of the New York State Comptroller, one in eight jobs in NYC is either directly or indirectly associated with the securities industry.

[7] Op Cit. 1
[8] See Securities Industry Heat maps on page 13 and 14 of the report.

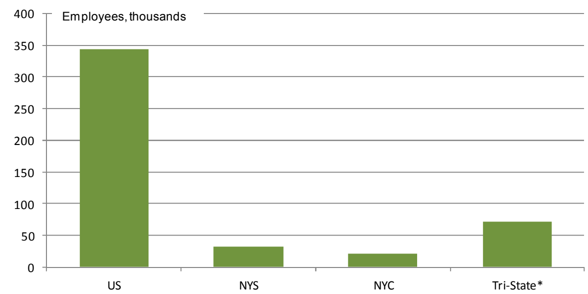
THE EMPLOYMENT LANDSCAPE OF NYS AND NYC

Securities Industry Employment
1991, 2001, and 2011



Source: BLS
Note: 2011 data are preliminary
*Tri-State area includes states of New York, New Jersey, and Connecticut

Securities Industry Landscape Change
1991 to 2011



Source: BLS
Note: 2010 data are preliminary
*Tri-State area includes states of New York, New Jersey, and Connecticut

Top 10 NYS Counties by Number of Broker-Dealers

County	# of BDs	% of NYS
New York	991.0	80.9%
Westchester	60.0	4.9%
Nassau	56.0	4.6%
Suffolk	35.0	2.9%
Erie	12.0	1.0%
Monroe	11.0	0.9%
Queens	11.0	0.9%
Albany	7.0	0.6%
Kings	7.0	0.6%
Onondaga	5.0	0.4%
Total NYS	1,225.0	

Source: FINRA data using Google MapsTM mapping service.
© 2011 Google
*Data prepared by Sharon Sung (ssung@sifma.org)

New York's Share of Securities Industry Jobs

New York State's and City's share of the U.S. securities jobs remained relatively flat in 2011. Securities industry employment in NYS accounted for 23.4 percent of total U.S. securities industry employment, unchanged from 2010 and slightly below 23.7 percent average over the prior 10 years. In NYC, the securities industry accounted for 20.7 percent of total U.S. securities industry employment in 2011, slightly below the 21.0 percent share in 2010 and 2.9 percent below the 10-year average of 21.3 percent.

The national landscape of the securities industry has changed significantly over the past 20 years. The securities industry experienced nationwide growth of 343,600 jobs (74.8 percent) between 1991 and 2011. The most significant growth has been in states other than New York, but NYS contributed to nationwide growth by adding 31,700 securities jobs since 1991 (9.2 percent of nationwide growth). One of the reasons for the slower growth of securities industry employment in NYS may be the increased attractiveness of neighboring states: New Jersey and Connecticut.

Competitiveness of New York State and New York City

New York is still one of the world's leading financial hubs; however, it faces increasing challenges from many directions. Intense competition from other states that offer generous incentives provided to lure companies away from New York are encouraging firms to relocate to, or maintain operations in, lower-cost and lower-tax areas. In addition, competition from other financial hubs, such as Singapore and Hong Kong, has been increasing as technological advances enable fast communication from anywhere in the world.

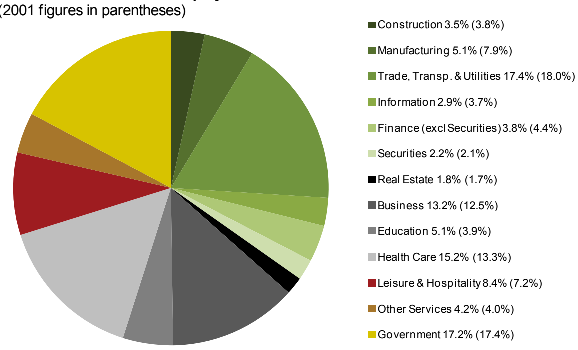
During the last decade, NYS has been successful in dealing with those challenges; NYS securities industry employment grew by 2.6 percent compared to 0.9 percent contraction nationwide over the past ten years. In the past, NYS and NYC have benefited in the past from a well-trained workforce, reliable but not overly restrictive regulations, and favorable tax environment. Today, those factors are much less advantageous.

According to the Chief Executive Group (CEG), the state is becoming less competitive mostly due to its high tax rate, unionized labor force, and the out-migration of the residents. NYS ranked as the second worst state for business in 2011, after California, according to a survey conducted by CEG, in which more than 500 CEOs across the U.S. rated states based on taxation, regulation, quality of workforce and living environment.[9]

Technological advances, cost advantages and business continuity planning concerns have all contributed to greater geographic dispersion of many key functions, which previously had been conducted in NYC. Some of this deterioration is beyond the control of Albany or City Hall – but not all. New York's relatively high tax-rate is believed to contribute to the bulk of the industry's new job creation occurring outside NYS over the past two decades.

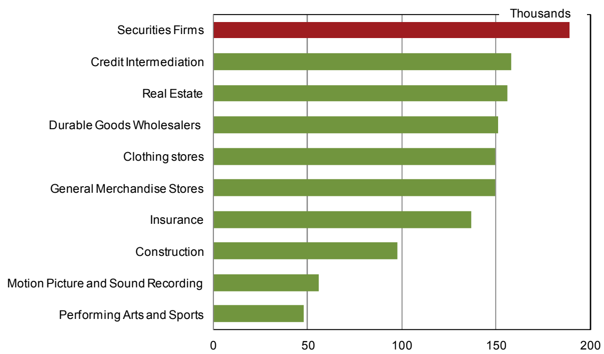
[9] Chief Executive Group. "Best and Worst States for Business 2011 Survey," May 3, 2011.

New York State Sectoral Employment in 2011
(2001 figures in parentheses)



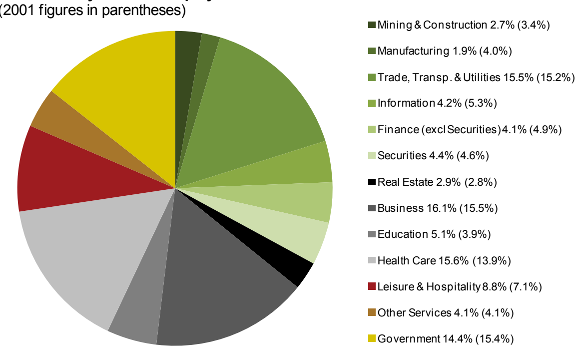
Source: New York State Department of Labor (NYS DOL)

New York State Employment by Industry for 2011



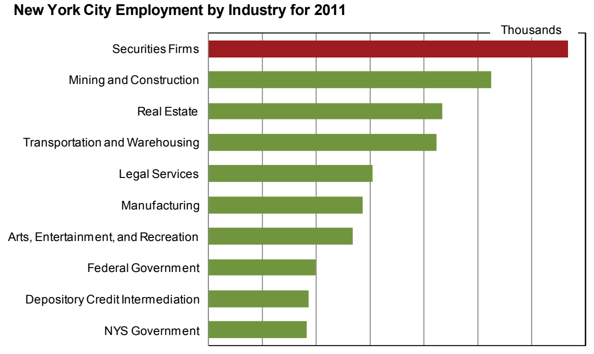
Source: NYS DOL

New York City Sectoral Employment in 2011
(2001 figures in parentheses)



Source: New York State Department of Labor (NYS DOL)

New York City Employment by Industry for 2011



Source: NYS DOL

New York State: The Importance of Securities Industry Employment Relative to Other Sectors

The number of securities industry jobs in New York State has increased over the past ten years. In 2011, the securities industry accounted for 2.2 percent of NYS employment, a slight increase from the 2.1 percent in 2001. The securities industry plays a crucial role in the economy of NYS as it accounts for:

- almost four times more jobs than in performing arts and sports
- over three times the jobs in the motion picture and sound recording sector
- almost twice as many jobs than in construction
- 38 percent more jobs than in insurance
- over 20 percent more positions than in real estate

New York City Employment by Industry

Although the share of securities industry employment as a percent of total employment increased in NYS, in New York City, this share declined slightly over the last ten years. In 2011, the securities industry accounted for 4.4 percent of employment within NYC, a slight decrease from the 4.6 percent in 2001. This data is consistent with companies moving back offices to lower-cost locations outside Manhattan. The industry, however, remains a very important part of the city's economy. In NYC, the securities industry accounts for:

- more than three and a half times more jobs than in banks, thrifts, and credit unions
- twice as many positions than provided by legal services
- 75 percent more jobs than state and federal government combined
- 50 percent more jobs than in real estate

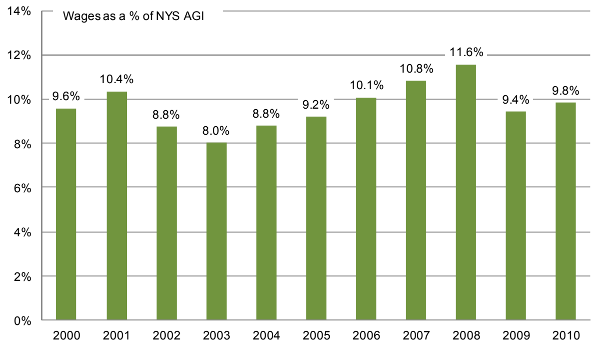
Dodd-Frank Act and Its Impact on Securities Industry Employment

The Dodd-Frank Act impacts directly, or indirectly, nearly every aspect of the financial industry, including employment. Recently, much attention has been given to the proposed Volcker Rule and its potential impact on the securities industry as the public-comment period ended on February 13, 2012. The rule, if finalized as proposed, would prohibit U.S. banks from far more than the speculative proprietary trading envisioned in the Dodd Frank Act, impacting their ability to provide liquidity to the markets and potentially affect both profits and employment of the securities industry. During a recent hearing examining the impact of the Volcker Rule on markets, businesses, investors and job creation, Representative Scott Garrett (R-NJ, Chairman of the House Financial Services Committee Subcommittee on Capital Markets and Government Sponsored Enterprises) commented "that market liquidity will be restricted, which ultimately kills jobs, and investment options for depository institutions will be constrained, leading to a concentration of risk on bank balance sheets that at the end of the day could make them actually less stable than they would be without this rule."[10] On top of the direct impacts, the Volcker Rule maybe very costly for financial institutions to implement, which will translate into fewer jobs.

[10] Hearing: "Examining the Impact of the Volcker Rule on Businesses, Investors, and Job Creation," January 18, 2012.

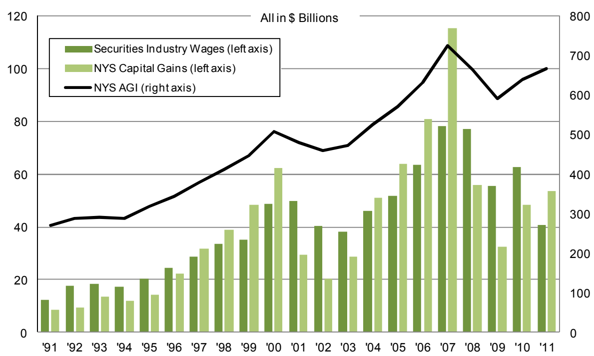
THE IMPACT OF THE SECURITIES INDUSTRY ON NYS AND NYC

Securities Industry Share of Total NYS Wages



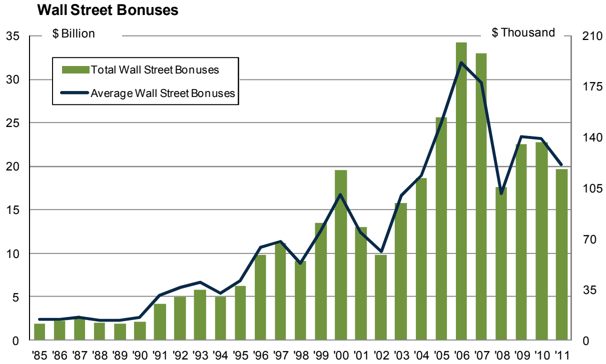
Source: NYS DOL

Securities Industry Wages, NYS Capital Gains and NYS AGI



Note: 2011 represents preliminary aggregate data for Q1 and Q2 only
Source: NYS DOL, NYS Division of the Budget

Wall Street Bonuses



Source: New York State Comptroller

The Securities Industry Wages Accounted for 9.8 Percent of Total NYS Wages

At mid-year 2011 (full-year data not yet available), securities industry wages reached $40.7 billion, a 5.9 percent increase from the wages paid out during the same period in 2010. In 2010, the most recent full year data available, securities industry wages totaled $62.8 billion and accounted for 9.8 percent of total wages. The share of total New York State's wages accounted for by the securities industry increased to 11.6 percent in 2008 from 8 percent in 2003; although this share recovered to 9.8 percent in 2010 from the drop to 9.4 percent in the aftermath of the financial market turmoil, it remains below the pre-crisis high. Taking into account that the securities industry employed only 2.2 percent of NYS's work force in 2010, the industry's importance to the economic growth of the state as demonstrated by the 9.8 percent share of wages, is indisputable.

A large part of securities industry total compensation is variable and paid to the employees near the beginning of the calendar year. A notable share of state income tax receipts comes from Wall Street bonuses, which are highly variable and pro-cyclical and are more volatile than nearly all other sectors of the economy. Wall Street bonuses have declined from $32.9 billion in 2007 to $17.4 billion in 2008, resulting in a state revenue loss of $1 billion in fiscal 2008.[11] Since that big drop in 2008, bonuses rebounded in 2009 and in 2010 to $22.5 billion and $22.8 billion, respectively. The New York State Comptroller noted in his recent report that in 2011 cash bonuses totaled an estimated $19.7 billion, a 13.6 percent decline from the prior year.[12] The New York City Independent Budget Office, however, estimated a more severe 25 percent decline.[13] Two main reasons for the decline in the cash bonus pool in 2011 were: decline in pre-tax profits in the securities industry and changes adopted by the industry in response to regulatory reforms (such as a shift toward deferred variable compensation). NYS and NYC will start benefiting this year from taxes on the payouts of deferred compensation from earlier years. The increased use of deferred compensation should reduce the volatility in industry tax payments and therefore reduce the volatility of NYS and NYC tax receipts from the securities industry.

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[11] Dietz, Richard, Haughwout, Andrew F., Steindel Charles. "The Recession's Impact on the State Budgets of New York and New Jersey." June/July 2010.

[12] DiNapoli, Thomas P, Wall Street Bonuses Declined in 2011, Press Release, February 29, 2012.

[13] Lowenstein, Ronnie, Testimony to the New York City Council Finance Committee, March 5, 2012

The Broader Economic Impact of Wall Street

The number of securities industry jobs and amount of wages has a significant impact on the number of positions and compensation levels in other industries in NYS and NYC. Every additional securities job in NYS translates directly to 2.84 jobs in all industries and each additional dollar paid to securities industry employees results in additional $1.83 of earnings by all households state-wide. As stated by the New York Office of the State Comptroller, based on the economic multipliers and the current level of securities industry employment, 1 in 7 jobs in NYC and 1 in 13 jobs in NYS are either directly or indirectly associated with Wall Street.[14] Almost equally important as the number of securities industry jobs is the spending by these highly compensated individuals employed by securities firms, and well as spending by the securities firms themselves. The Commerce Department noted that publishing, accounting, marketing, legal, computer, and business services companies all supply key inputs to financial firms, as well as that a substantial portion of industry expenses (excluding interest payments and direct compensation) goes to local suppliers and vendors. What's more, the fluctuations in Wall Street paychecks tend to influence the fortunes of NYC's retail, restaurant and entertainment industries.

As the NYC Independent Budget Office Director recently noted, "impending regulations and capital requirements for the securities industry would likely mean a smaller and less profitable Wall Street. For New York City, a less profitable securities sector will slow growth throughout the local economy, with consequences for job growth and tax collections."[15]

The Securities Industry's Importance to NYS and NYC Budgets

An analysis of the make-up of New York State's budget reveals the state's heavy reliance on personal income taxes – particularly from the high wage earners in the finance sector.[16] Wall Street workers typically occupy the highest tax brackets, which further amplifies their importance to the fiscal health of the state and local governments. City and State budget planners are acutely aware of the importance of the securities industry. Based on data from the U.S. Census Bureau, New York State's revenue stream comes primarily from personal income taxes, which accounted for 54.7 percent of the amount raised within the general budget in 2010 and 60.2 percent of the amount raised in the first three quarters of 2011 (full year data not yet available). Compared with other states, New York is considerably more dependent on cyclical personal and corporate income taxes for its revenue. In fiscal year 2011, the securities industry accounted for 14 percent of NYS's and 7 percent of NYC's tax revenue.[17] Although the shares represent a decline from 20 and 13 percent, respectively, before the financial crisis and recession, the securities industry remains a very important source of revenue for both NYS and NYC.

As noted by New York State Comptroller DiNapoli, Wall Street is vital to New York's economy, and the dollars generated by the industry help the state's bottom line. New York State has been adversely affected by the decline in compensation in the securities industry during the recent recession.

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[14] Op Cit. 1

[15] Op Cit. 13

[16] Dietz, Richard, Haughwout, Andrew F., Steindel Charles. "The Recession's Impact on the State Budgets of New York and New Jersey." June/July 2010.

[17] DiNapoli, Op Cit. 1

Summing Up

The health of the securities industry and New York's economy are closely tied. The securities industry – firms, exchanges and associations – works closely in partnership with state and local officials recognizing the close relationship between Wall Street and Main Street.

New York continues to be the central location for securities industry activities and professional and business services in the U.S. Even during the recession, the importance of the industry to NYS and NYC remained very high. New York has an unmatched critical mass of financial and non-financial businesses and services that both use the expertise and opportunities afforded by the securities industry, as well as provide support for firms in the industry. The economic benefits of Wall Street translate to higher economic activity in many other industries in the state, additional jobs and increased wages.

As New York faces increased competition not only from other states but also international financial hubs, it is important that the historic value is not the only advantage the state has to rely on to attract new businesses.

New York must continue to recognize the relative importance of the securities industry to NYS and NYC. The costs of doing business, including taxes, are foremost in the consideration of top management throughout the private sector, including the securities industry. When it comes to decisions concerning expansion, relocation and competitive pressures, firms are forced to take the best economic approach. Continuing changes in communications, information technology and the ongoing need for business continuity planning are driving change, which will in turn lead management to seek economic value in their choice of business location.

In the late 1980s and early 1990s, the statement that "Wall Street is to New York what oil is to Texas" gained little acceptance with State and City policymakers. Today, policymakers and the industry readily understand the importance of coordination and dialogue. The securities industry stands ready to assist New York State and New York City policymakers in both difficult and prosperous times in the future.

SECURITIES INDUSTRY EMPLOYMENT

Securities Industry Employment (employees in thousands)									
Year End	US	Change From Prior Year (US)	NY State	Change From Prior Year (NYS)	NYS % of US	NY City	Change From Prior Year (NYC)	NYC as % of NYS	NYC as % of US
1980	243.7	13.77%	94.8	15.47%	38.90%	90.0	14.80%	94.94%	36.93%
1981	267.0	9.56%	105.0	10.76%	39.33%	99.6	10.67%	94.86%	37.30%
1982	283.8	6.29%	108.9	3.71%	38.37%	102.7	3.11%	94.31%	36.19%
1983	328.3	15.68%	125.0	14.78%	38.07%	117.5	14.41%	94.00%	35.79%
1984	341.1	3.90%	129.2	3.36%	37.88%	121.7	3.57%	94.20%	35.68%
1985	367.5	7.74%	137.6	6.50%	37.44%	130.0	6.82%	94.48%	35.37%
1986	417.1	13.50%	157.1	14.17%	37.66%	148.8	14.46%	94.72%	35.67%
1987	456.3	9.40%	172.7	9.93%	37.85%	163.0	9.54%	94.38%	35.72%
1988	438.7	(3.86%)	160.3	(7.18%)	36.54%	150.4	(7.73%)	93.82%	34.28%
1989	426.9	(2.69%)	154.1	(3.87%)	36.10%	144.0	(4.26%)	93.45%	33.73%
1990	453.1	6.14%	161.3	4.67%	35.60%	151.1	4.93%	93.68%	33.35%
1991	459.3	1.37%	157.2	(2.54%)	34.23%	146.6	(2.98%)	93.26%	31.92%
1992	485.9	5.79%	157.2	-	32.35%	145.7	(0.61%)	92.68%	29.99%
1993	531.5	9.38%	170.0	8.14%	31.98%	157.4	8.03%	92.59%	29.61%
1994	560.2	5.40%	178.0	4.71%	31.77%	165.0	4.83%	92.70%	29.45%
1995	568.8	1.54%	177.4	(0.34%)	31.19%	163.0	(1.21%)	91.88%	28.66%
1996	608.3	6.94%	179.3	1.07%	29.48%	164.9	1.17%	91.97%	27.11%
1997	659.9	8.48%	190.2	6.08%	28.82%	176.3	6.91%	92.69%	26.72%
1998	711.0	7.74%	196.7	3.42%	27.67%	182.1	3.29%	92.58%	25.61%
1999	766.4	7.79%	205.8	4.63%	26.85%	190.5	4.61%	92.57%	24.86%
2000	836.9	9.20%	216.7	5.30%	25.89%	200.3	5.14%	92.43%	23.93%
2001	810.2	(3.19%)	184.1	(15.04%)	22.72%	167.4	(16.43%)	90.93%	20.66%
2002	770.7	(4.88%)	181.7	(1.30%)	23.58%	165.6	(1.08%)	91.14%	21.49%
2003	755.3	(2.00%)	178.6	(1.71%)	23.65%	162.9	(1.63%)	91.21%	21.57%
2004	779.1	3.15%	186.2	4.26%	23.90%	167.8	3.01%	90.12%	21.54%
2005	797.5	2.36%	194.1	4.24%	24.34%	173.9	3.64%	89.59%	21.81%
2006	834.6	4.65%	202.7	4.43%	24.29%	182.2	4.77%	89.89%	21.83%
2007	857.3	2.72%	210.6	3.90%	24.57%	189.0	3.73%	89.74%	22.05%
2008	855.4	(0.22%)	200.5	(4.80%)	23.44%	179.7	(4.92%)	89.63%	21.01%
2009	803.4	(6.08%)	182.3	(9.08%)	22.69%	162.5	(9.57%)	89.14%	20.23%
2010	804.3	0.11%	188.3	3.29%	23.41%	168.8	3.88%	89.64%	20.99%
2011	802.9	(0.17%)	188.9	0.32%	23.53%	166.9	(1.13%)	88.35%	20.79%

Source: SIC Codes US and NY through 1989, BLS 1990 forward

Securities Industry Employment (employees in thousands)									
Date	US	Change From Prior Year (US)	NY State	Change From Prior Year (NYS)	NYS % of US	NY City	Change From Prior Year (NYC)	NYC as % of NYS	NYC as % of US
Jan-08	857.0	(0.03%)	209.2	(0.66%)	24.41%	187.5	(0.79%)	89.63%	21.88%
Feb-08	863.3	0.70%	208.9	(0.81%)	24.20%	187.2	(0.95%)	89.61%	21.68%
Mar-08	868.4	1.29%	207.6	(1.42%)	23.91%	185.9	(1.64%)	89.55%	21.41%
Apr-08	868.6	1.32%	206.8	(1.80%)	23.81%	185.0	(2.12%)	89.46%	21.30%
May-08	866.5	1.07%	206.0	(2.18%)	23.77%	184.1	(2.59%)	89.37%	21.25%
Jun-08	874.5	2.01%	209.5	(0.52%)	23.96%	187.4	(0.85%)	89.45%	21.43%
Jul-08	869.7	1.45%	212.2	0.76%	24.40%	190.1	0.58%	89.59%	21.86%
Aug-08	872.7	1.80%	212.7	1.00%	24.37%	190.7	0.90%	89.66%	21.85%
Sep-08	859.2	0.22%	205.0	(2.66%)	23.86%	183.4	(2.96%)	89.46%	21.35%
Oct-08	857.5	0.02%	202.4	(3.89%)	23.60%	181.5	(3.97%)	89.67%	21.17%
Nov-08	857.2	(0.01%)	201.5	(4.32%)	23.51%	180.7	(4.39%)	89.68%	21.08%
Dec-08	855.4	(0.22%)	200.5	(4.80%)	23.44%	179.7	(4.92%)	89.63%	21.01%
Jan-09	839.8	(1.82%)	195.7	(2.39%)	23.30%	175.2	(2.50%)	89.52%	20.86%
Feb-09	831.7	(2.77%)	193.4	(3.54%)	23.25%	173.0	(3.73%)	89.45%	20.80%
Mar-09	826.2	(3.41%)	190.8	(4.84%)	23.09%	170.6	(5.06%)	89.41%	20.65%
Apr-09	813.1	(4.95%)	187.7	(6.38%)	23.08%	167.7	(6.68%)	89.34%	20.62%
May-09	808.8	(5.45%)	185.8	(7.33%)	22.97%	165.9	(7.68%)	89.29%	20.51%
Jun-09	808.7	(5.46%)	185.2	(7.63%)	22.90%	165.3	(8.01%)	89.25%	20.44%
Jul-09	804.8	(5.92%)	186.4	(7.03%)	23.16%	166.5	(7.35%)	89.32%	20.69%
Aug-09	801.3	(6.32%)	185.1	(7.68%)	23.10%	165.2	(8.07%)	89.25%	20.62%
Sep-09	797.2	(6.80%)	182.3	(9.08%)	22.87%	162.7	(9.46%)	89.25%	20.41%
Oct-09	799.6	(6.52%)	182.1	(9.18%)	22.77%	162.3	(9.68%)	89.13%	20.30%
Nov-09	800.5	(6.42%)	182.0	(9.23%)	22.74%	162.3	(9.68%)	89.18%	20.27%
Dec-09	803.4	(6.08%)	182.3	(9.08%)	22.69%	162.5	(9.57%)	89.14%	20.23%
Jan-10	797.0	(0.80%)	179.5	(1.54%)	22.52%	159.7	(1.72%)	88.97%	20.04%
Feb-10	796.5	(0.86%)	180.5	(0.99%)	22.66%	160.7	(1.11%)	89.03%	20.18%
Mar-10	795.6	(0.97%)	180.8	(0.82%)	22.72%	160.8	(1.05%)	88.94%	20.21%
Apr-10	798.8	(0.57%)	180.2	(1.15%)	22.56%	160.1	(1.48%)	88.85%	20.04%
May-10	798.5	(0.61%)	180.6	(0.93%)	22.62%	160.6	(1.17%)	88.93%	20.11%
Jun-10	804.7	0.16%	184.7	1.32%	22.95%	164.6	1.29%	89.12%	20.45%
Jul-10	806.2	0.35%	187.2	2.69%	23.22%	167.0	2.77%	89.21%	20.71%
Aug-10	801.9	(0.19%)	188.1	3.18%	23.46%	168.0	3.38%	89.31%	20.95%
Sep-10	803.7	0.04%	184.9	1.43%	23.01%	165.1	1.60%	89.29%	20.54%
Oct-10	801.5	(0.24%)	186.3	2.19%	23.24%	166.8	2.65%	89.53%	20.81%
Nov-10	801.8	(0.20%)	188.1	3.18%	23.46%	168.3	3.57%	89.47%	20.99%
Dec-10	804.3	0.11%	188.3	3.29%	23.41%	168.8	3.88%	89.64%	20.99%
Jan-11	802.5	(0.11%)	188.7	3.51%	23.51%	169.1	4.06%	89.61%	21.07%
Feb-11	805.6	0.27%	189.0	3.68%	23.46%	169.6	4.37%	89.74%	21.05%
Mar-11	807.7	0.54%	188.9	3.62%	23.39%	169.0	4.00%	89.47%	20.92%
Apr-11	806.3	0.36%	188.6	3.46%	23.39%	168.5	3.69%	89.34%	20.90%
May-11	805.9	0.31%	187.7	2.96%	23.29%	166.8	2.65%	88.87%	20.70%
Jun-11	812.4	1.12%	191.0	4.77%	23.51%	168.6	3.75%	88.27%	20.75%
Jul-11	813.7	1.28%	191.8	5.21%	23.57%	169.5	4.31%	88.37%	20.83%
Aug-11	814.1	1.33%	192.8	5.76%	23.68%	170.7	5.05%	88.54%	20.97%
Sep-11	806.1	0.34%	191.2	4.88%	23.72%	169.3	4.18%	88.55%	21.00%
Oct-11	807.3	0.49%	191.4	4.99%	23.71%	168.7	3.82%	88.14%	20.90%
Nov-11	807.1	0.46%	191.4	4.99%	23.71%	168.9	3.94%	88.24%	20.93%
Dec-11	802.9	(0.06%)	188.9	3.62%	23.53%	166.9	2.71%	88.35%	20.79%

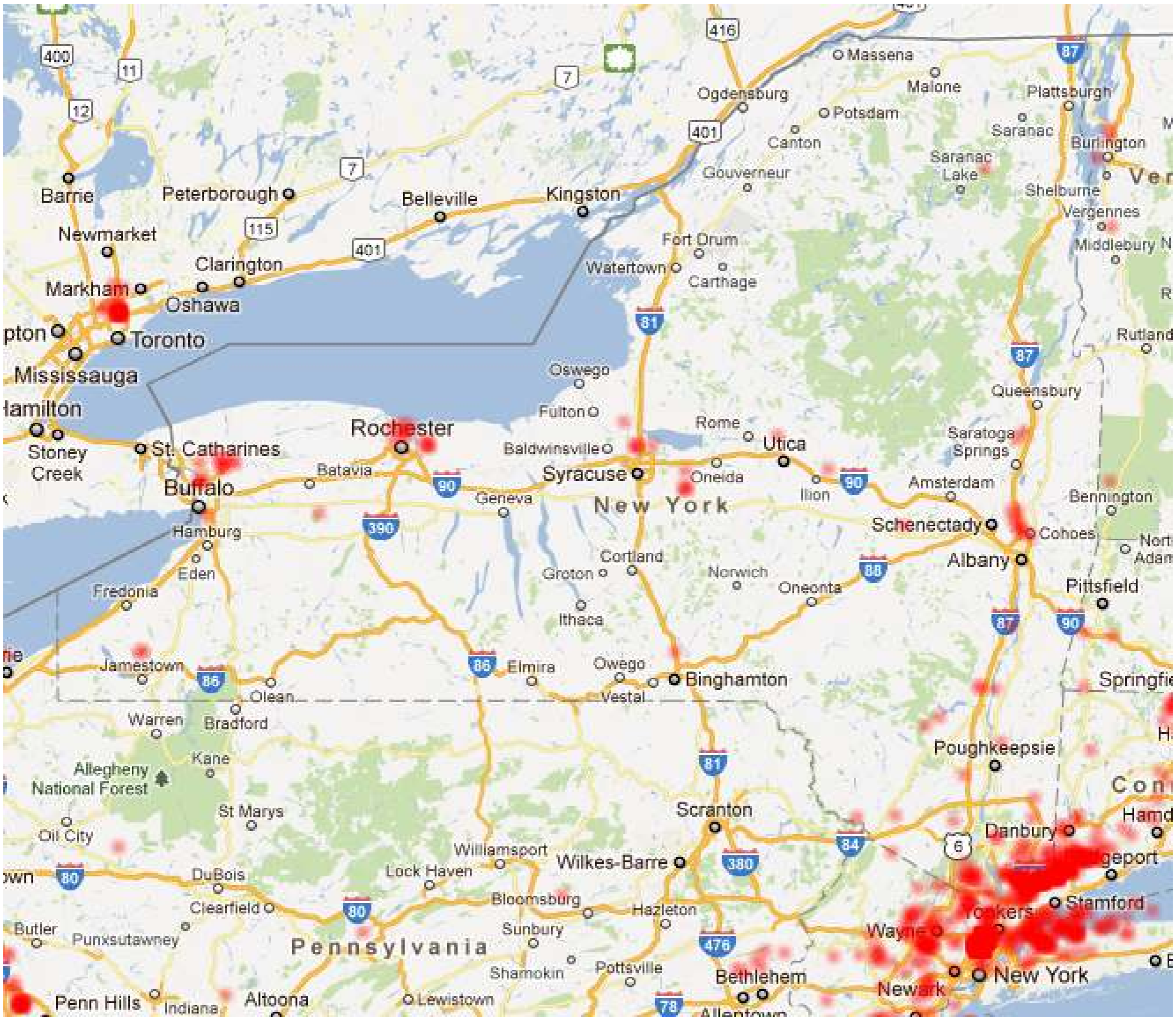
Source: BLS
Note: Data for December 2011 are preliminary.

	One Month Net Change				Percent of One Month Net Change			
Date	US	NYS	NYC	Tri-State	US	NYS	NYC	Tri-State
Jan-08	(0.3)	(1.4)	(1.5)	(0.7)	(0.03%)	(0.66%)	(0.79%)	(0.13%)
Feb-08	6.3	(0.3)	(0.3)	(0.1)	0.74%	(0.14%)	(0.16%)	0.48%
Mar-08	5.1	(1.3)	(1.3)	(1.3)	0.59%	(0.62%)	(0.69%)	(0.10%)
Apr-08	0.2	(0.8)	(0.9)	(1.6)	0.02%	(0.39%)	(0.48%)	(2.36%)
May-08	(2.1)	(0.8)	(0.9)	(0.8)	(0.24%)	(0.39%)	(0.49%)	(0.13%)
Jun-08	8.0	3.5	3.3	4.3	0.92%	1.70%	1.79%	4.46%
Jul-08	(4.8)	2.7	2.7	3.1	(0.55%)	1.29%	1.44%	2.02%
Aug-08	3.0	0.5	0.6	0.3	0.34%	0.24%	0.32%	0.37%
Sep-08	(13.5)	(7.7)	(7.3)	(9.9)	(1.55%)	(3.62%)	(3.83%)	(8.88%)
Oct-08	(1.7)	(2.6)	(1.9)	(2.8)	(0.20%)	(1.27%)	(1.04%)	(1.65%)
Nov-08	(0.3)	(0.9)	(0.8)	(1.5)	(0.03%)	(0.44%)	(0.44%)	(1.59%)
Dec-08	(1.8)	(1.0)	(1.0)	(1.1)	(0.21%)	(0.50%)	(0.55%)	(0.44%)
Jan-09	(15.6)	(4.8)	(4.5)	(6.9)	(1.82%)	(2.39%)	(2.50%)	(8.39%)
Feb-09	(8.1)	(2.3)	(2.2)	(3.1)	(0.96%)	(1.18%)	(1.26%)	(2.76%)
Mar-09	(5.5)	(2.6)	(2.4)	(3.1)	(0.66%)	(1.34%)	(1.39%)	(2.35%)
Apr-09	(13.1)	(3.1)	(2.9)	(2.8)	(1.59%)	(1.62%)	(1.70%)	(1.75%)
May-09	(4.3)	(1.9)	(1.8)	(2.8)	(0.53%)	(1.01%)	(1.07%)	(3.33%)
Jun-09	(0.1)	(0.6)	(0.6)	(0.7)	(0.01%)	(0.32%)	(0.36%)	(0.01%)
Jul-09	(3.9)	1.2	1.2	1.9	(0.48%)	0.65%	0.73%	2.34%
Aug-09	(3.5)	(1.3)	(1.3)	(1.4)	(0.43%)	(0.70%)	(0.78%)	(0.40%)
Sep-09	(4.1)	(2.8)	(2.5)	(3.9)	(0.51%)	(1.51%)	(1.51%)	(4.74%)
Oct-09	2.4	(0.2)	(0.4)	0.1	0.30%	(0.11%)	(0.25%)	1.27%
Nov-09	0.9	(0.1)	-	0.1	0.11%	(0.05%)	-	0.85%
Dec-09	2.9	0.3	0.2	0.2	0.36%	0.16%	0.12%	(0.04%)
Jan-10	(6.4)	(2.8)	(2.8)	(3.7)	(0.80%)	(1.54%)	(1.72%)	(4.37%)
Feb-10	(0.5)	1.0	1.0	1.0	(0.06%)	0.56%	0.63%	1.05%
Mar-10	(0.9)	0.3	0.1	0.3	(0.11%)	0.17%	0.06%	0.17%
Apr-10	3.2	(0.6)	(0.7)	(0.6)	0.40%	(0.33%)	(0.44%)	(0.33%)
May-10	(0.5)	0.4	0.5	0.6	(0.06%)	0.22%	0.31%	1.37%
Jun-10	6.2	4.1	4.0	5.4	0.78%	2.27%	2.49%	5.95%
Jul-10	1.2	2.5	2.4	2.7	0.15%	1.35%	1.46%	2.23%
Aug-10	(4.3)	0.9	1.0	1.3	(0.53%)	0.48%	0.60%	1.76%
Sep-10	1.7	(3.2)	(2.9)	(4.2)	0.21%	(1.70%)	(1.73%)	(4.89%)
Oct-10	(2.4)	1.4	1.7	2.0	(0.30%)	0.76%	1.03%	3.17%
Nov-10	0.2	1.8	1.5	2.0	0.02%	0.97%	0.90%	1.83%
Dec-10	2.4	0.2	0.5	0.3	0.30%	0.11%	0.30%	0.53%
Jan-11	(2.0)	0.4	0.3	0.1	(0.25%)	0.21%	0.18%	(0.41%)
Feb-11	3.0	0.3	0.5	0.7	0.37%	0.16%	0.30%	1.21%
Mar-11	2.0	(0.1)	(0.6)	0.0	0.25%	(0.05%)	(0.35%)	0.15%
Apr-11	(1.0)	(0.3)	(0.5)	(0.6)	(0.12%)	(0.16%)	(0.30%)	(1.43%)
May-11	(0.8)	(0.9)	(1.7)	(0.9)	(0.10%)	(0.48%)	(1.01%)	(0.48%)
Jun-11	6.9	3.3	1.8	3.6	0.86%	1.76%	1.08%	2.82%
Jul-11	1.5	0.8	0.9	1.2	0.18%	0.42%	0.53%	1.68%
Aug-11	0.7	1.0	1.2	-	0.09%	0.52%	0.71%	(1.32%)
Sep-11	(7.3)	(1.6)	(1.4)	(2.7)	(0.90%)	(0.83%)	(0.82%)	(3.78%)
Oct-11	1.4	0.2	(0.6)	(0.3)	0.17%	0.10%	(0.35%)	(0.97%)
Nov-11	(1.4)	-	0.2	(0.1)	(0.17%)	-	0.12%	(0.01%)
Dec-11	(2.0)	(2.5)	(2.0)	(2.7)	(0.25%)	(1.31%)	(1.18%)	(1.74%)

Source: BLS
Note: December 2011 data are preliminary.

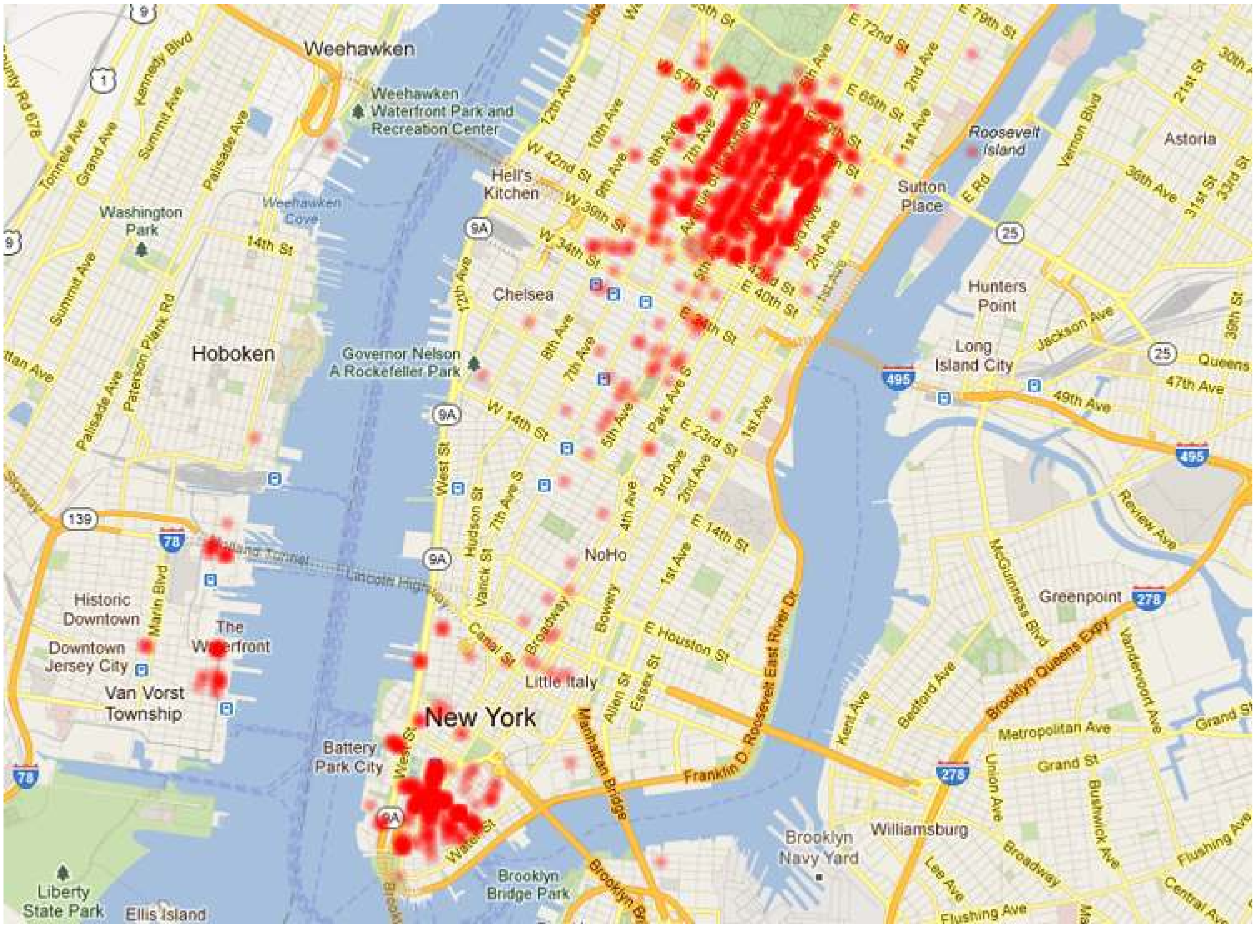
SECURITIES INDUSTRY HEAT MAP

Broker-Dealer Heat Map – New York State



Source: SIFMA analysis of FINRA data using Google Maps™ mapping service. © 2011 Google

Broker-Dealer Heat Map – New York City



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