THE STREET, THE CITY AND THE STATE

RESEARCH REPORT - 2013

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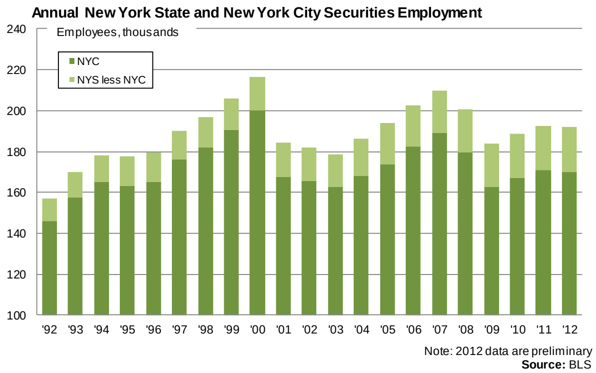
The Securities Industry and Financial Markets Association (SIFMA) brings together the shared interests of hundreds of securities firms, banks and asset managers. SIFMA's mission is to support a strong financial industry, investor opportunity, capital formation, job creation and economic growth, while 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.

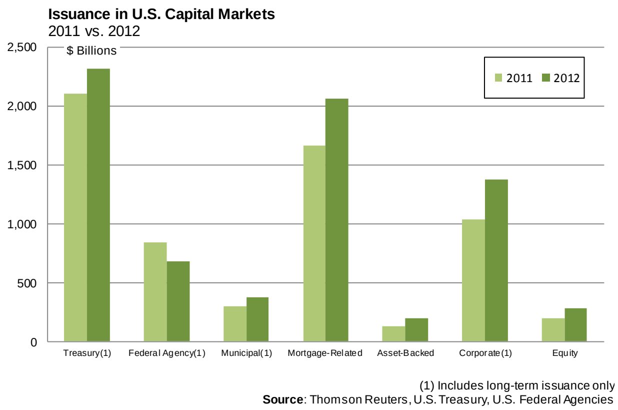
THE STREET, THE CITY, AND THE STATE

- 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 2012 year-end data, the Bureau of Labor Statistics estimated that the securities industry employed 819,900 individuals throughout the U.S. Of that total, 23.4 percent, or 191,600 positions, were in NYS and most of those (88.6 percent or 169,700 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 seven NYC jobs and one in 12 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 2.1 percent of NYS employment in 2011, the securities industry generated 9.9 percent of total Adjusted Gross Income (AGI).
- FINRA-reporting broker-dealers earned a pre-tax profit of $32.1 billion in 2012, more than double the $14.2 billion earned in 2011. Out of the total aggregate pre-tax profit in 2012, securities firms traded on the NYSE generated $24.0 billion, over three times the $7.7 billion earned in the previous year.
- NYS's budget relies heavily on personal income taxes – particularly from the high wage earners in the finance sector. The securities industry remains a significant contributor to NYS and NYC revenues as the industry's employees accounted for 14 percent of NYS's and 7 percent of NYC's tax revenue in 2012, down from 20 and 13 percent, respectively, from pre-crisis levels but unchanged from 2011.[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 NYS facing more intense competition from other financial hubs, both nationwide and globally.
- Public policy, in particular financial regulatory reform, remains a significant factor affecting 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. As the Volcker Rule and other regulations under the Dodd-Frank Act are being shaped, the impact of those changes on both profits and employment in the securities industry remains unclear.

[1] Office of the New York State Comptroller, DiNapoli, Thomas P., New York City Securities Industry Remains in Transition, October 9, 2012.
[2] Ibid.

INTRODUCTION





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 in Manhattan 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 data provide important insights into the outlook for Wall Street, the City, and the State.

Year 2012 in Review

2012 was a year of slow growth, heightened market volatility, low market trading activity, and relatively low confidence in financial markets. The U.S. economy showed mixed signs of recovery towards the end of 2012. GDP decreased at annual rate of 0.1 percent in the last quarter of 2012, down from 3.1 percent in 3Q'12 and the first contraction since 3Q'09. Despite a decrease in economic output, the national unemployment rate dipped to 7.6 percent in December from 8.3 percent at the end of 2011; consumer spending and confidence grew, and the housing market showed some stabilization.

Securities issuance totaled $7.3 trillion in 2012, 20.2 percent above the $6.7 trillion in 2011.[3] Almost all asset classes recorded increases in issuance, with only federal agency and municipal securities sustaining drops in 2012 and Treasury securities and asset-backed securities showing the largest increases.

Federal agency long-term debt (LTD) issuance totaled $677.4 billion, a 19.3 percent decline from 2011 ($839.2 billion). Mortgage-related issuance continued to be supported by the Federal agencies Fannie Mae, Freddie Mac, and Ginnie Mae. For the full year 2012, $2.1 trillion of mortgage-related debt was issued, 97.6 percent from the agencies.

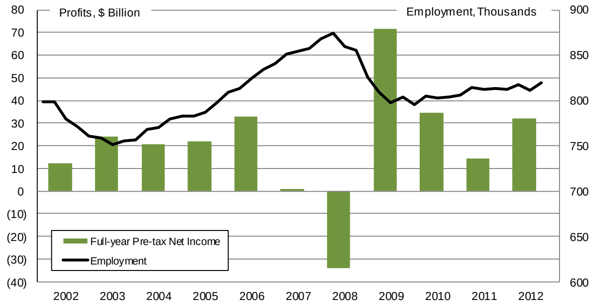
Long-term municipal issuance volume increased to $379.0 billion, just shy of the 10-year average ($381.3 billion) and at levels last seen in 2003 ($378.5 billion). U.S. Treasury issuance also increased in 2012. The total gross issuance of Treasury securities stood at $7.7 trillion, 4.7 percent above $7.4 trillion issued in 2011.

Total corporate bond issuance was $1.34 trillion, 33.8 percent above the $1.01 trillion issued in 2011 and the highest annual issuance on record. The issuance was led by investment grade (IG) bonds, which accounted for 76.9 percent of 2012 issuance. IG bonds issuance totaled $1.03 trillion, 30.2 percent above the previous year's $788.1 billion, while high yield bonds issuance increased to $328.7 billion, 46.7 percent above 2011's issuance of $224.1 billion and 24.6 percent higher than the previous annual high of $263.7 billion in 2010.

Equity issuance, both primary and secondary, decreased by 32.5 percent to $106.1 billion in 2012. The overall value and number of IPOs increased by 4.2 percent but decreased by 8.2 percent, respectively. Mergers and acquisition activity also fell, down 51.7 percent from 2011, and venture capital investments declined by 12.0 percent over the 2012.

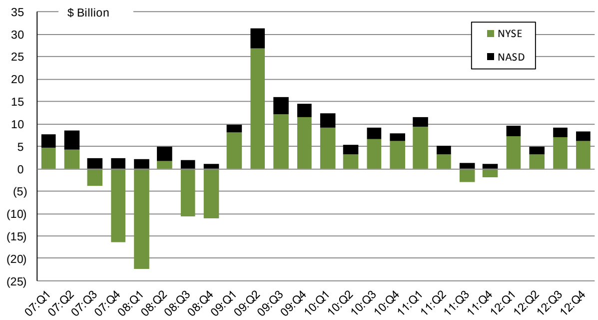
[3] For more detailed review please see SIFMA's U.S. Research Quarterly, 2012 Q4.

Profits and Employment in the US Securities Industry
2002 - 2012



Note: December 2012 employment data are preliminary.
Source: DataBank, BLS

NYSE Quarterly Pre-Tax Profits (Losses)
2007 - 2012



Source: DataBank

Securities Industry Profits

After the exceptionally high pre-tax profits of FINRA-reporting U.S. broker-dealers of $71.7 billion in 2009 and $34.8 billion in 2010, those profits plummeted to $14.2 billion in 2011. After this drop, the industry rebounded again partially due to record-low interest rates and a slow but continuous recovery of the financial market. In 2012, pre-tax profits increased to $32.1 billion, a 125.6 percent increase year-over-year (y-o-y), and a level in line with the industry's pre-crisis profitability. Broker-dealers traded on NYSE accounted for 74.9 percent, or $24.0 billion, of the total pre-tax profit earned by the industry. The large increase in profitability reflected an almost $18.0 billion increase in revenues caused largely by a $14.4 billion increase in trading gains including a $6.5 billion increase in gains from debt trading and $7.7 billion in gains from trading other than OTC market and debt. The second largest increase in revenues was a $5.0 billion increase in underwriting revenue as underwriting volume in almost all asset classes increased in 2012.

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 trading businesses. Alliance Bernstein, for example, noted that under the Volcker Rule proposal, the 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, according to CEO James Dimon, Dodd-Frank will cost JP Morgan Chase roughly $1 billion a year, across technology, risk, credit, compliance, and all other lines,[5] which in turn will adversly impact 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. As stated by NYS Comptroller DiNapoli, Wall Street is still in transition, but is showing signs of adjusting to changes in its economic and regulatory environment as profits and bonuses rebounded in 2012. Despite its smaller size, the securities industry is still an important part of the New York City and New York State economies.[6]

Employment within the securities industry did not immediately increase proportionally to the increase in profits in 2012. Due to the heightened volatility and uncertainty in the markets as well as regulatory uncertainty, securities industry employment has remained relatively unchanged since 2009. While pre-tax profits were positive in 2012 at $32.1 billion, national securities industry employment gained only 6,700 jobs (0.8 percent) during the year.[7] Although the gain is relatively small, it is larger than in 2011, when only 1,000 new securities industry positions were created. In addition, the stabilization of the securities industry may lead to a higher rate of employment in 2013, as employment tends to lag behind industry profits.

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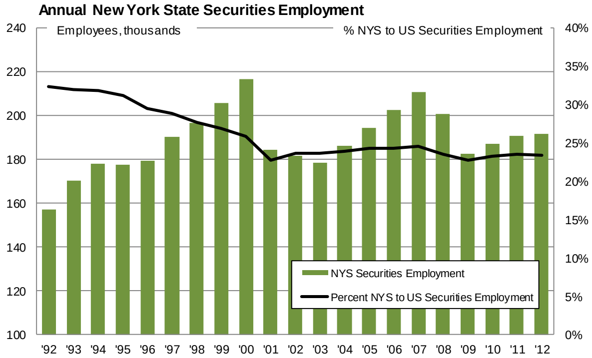
[4] Hintz, Brad, Volcker Rule – First Impressions, October 12, 2011.
[5] Testimony: "Banking CEO James Dimon Details JPMorgan Chase Loss", June 13, 2012
[6] Office of the New York State Comptroller, Op Cit. 1
[7] BLS securities employment numbers are comprised of the total number of people on the payroll 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).

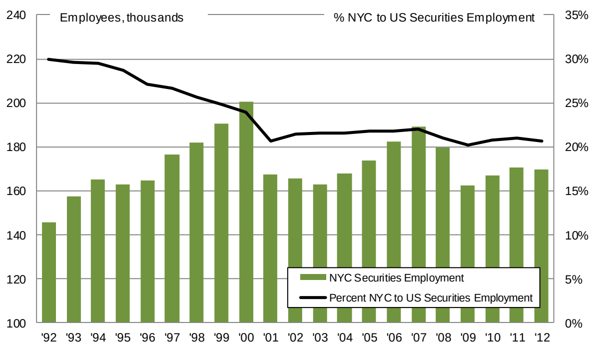
SECURITIES INDUSTRY EMPLOYMENT IN NYS AND NYC

Annual New York State Securities Employment



Source: BLS
Note: 2012 data are preliminary.

Annual New York City Securities Employment



Source: BLS
Note: 2012 data are preliminary.

Monthly NYS and NYC Securities Employment
Jan. 2007 - Dec. 2012

Source: BLS
Note: December 2012 data are preliminary.

As of end-December 2012, the securities industry directly employed 191,600 individuals in New York State; 88.6 percent of those jobs were in New York City. During 2012, NYS gained 1,000 securities industry jobs (0.5 percent increase), while NYC lost 1,000 (1.0 percent decline).

New York State Securities Industry Employment

In 2012, the securities industry in NYS gained 1,000 jobs (0.5 percent): securities industry employment expanded by 2,000 positions outside of NYC, while NYC lost 1,000 jobs. Although a relatively small increase, it marks a third consecutive year of securities industry employment expansion in NYS, for the total gain of 9,300 since 2009. The securities industry employment in NYS rose in parallel with the nationwide expansion of the industry of 0.8 percent (6,700 positions) in 2012. NYS remains the central U.S. hub for the securities sector, accounting for 23.4 percent of U.S. securities industry employment. The state remains unchanged from the previous year; 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 translates directly to additional 1.5 jobs in all industries and each additional dollar paid to securities industry employees results in additional $1.42 of earnings by all households state-wide. In addition, the New York State Comptroller estimates that 1 in 12 jobs in NYS are directly or indirectly linked to the securities industry.[8]

New York City Securities Industry Employment

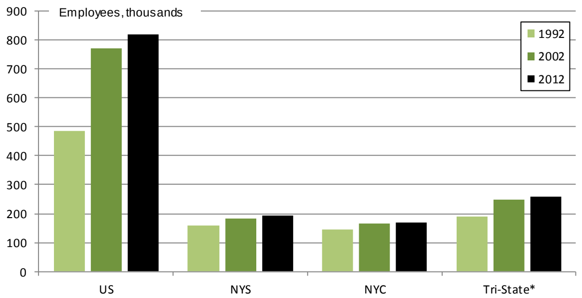
In 2012, New York City securities industry employment decreased by 1,000 jobs to 169,700, a 1.0 percent decline from 170,700 jobs in the previous year. The loss was concentrated in the third quarter of the year, when securities industry employment dropped by 3,200 positions (1.9 percent). It was the sharpest quarterly drop in securities industry employment in NYC since 2Q'09, when the industry contracted by 5,300 jobs. This large decline outweighed the gain of 3,500 jobs in the second quarter of 2012.

With securities industry employment decreasing in NYC and increasing in other areas of NYS, the city now accounts for 88.6 percent of the NYS employment, down from 89.6 percent end-2011. The decline in the 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 proportion 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 1,184 broker-dealer firms headquartered in NYS, 83.0 percent are in NYC, highlighting the significance of NYC for the securities industry.[9] What is more, according to the Office of the New York State Comptroller, one in seven jobs in the NYC is either directly or indirectly associated with the securities industry.

[8] O Office of the New York State Comptroller, Op Cit. 1
[9] See Securities Industry maps on page 13 and 14 of the report.

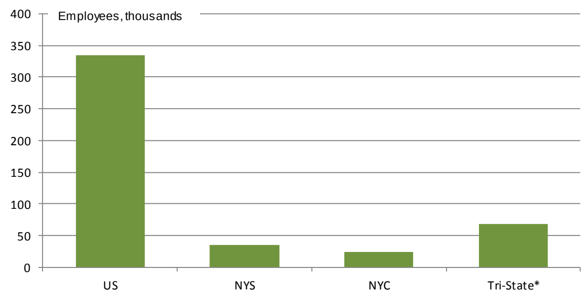
THE EMPLOYMENT LANDSCAPE OF NYS AND NYC

Securities Industry Employment
1992, 2002, and 2012



Source: BLS
Note: 2012 data are preliminary
*Tri-State area includes states of New York, New Jersey, and Connecticut

Securities Industry Landscape Change
1992 to 2012



Source: BLS
Note: 2012 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
1 New York	957	80.8%
2 Westchester	57	4.8%
3 Nassau	50	4.2%
4 Suffolk	31	2.6%
5 Queens	18	1.5%
6 Monroe	11	0.9%
7 Erie	10	0.8%
8 Albany	7	0.6%
9 Ulster	6	0.5%
10 Onondaga	5	0.4%
Total NYS	**1184**	

Source: FINRA

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 2012. Securities industry employment in NYS accounted for 23.4 percent of total U.S. securities industry employment, unchanged from 2011 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 2011 and 0.6 percent below the 10-year average of 21.3 percent.

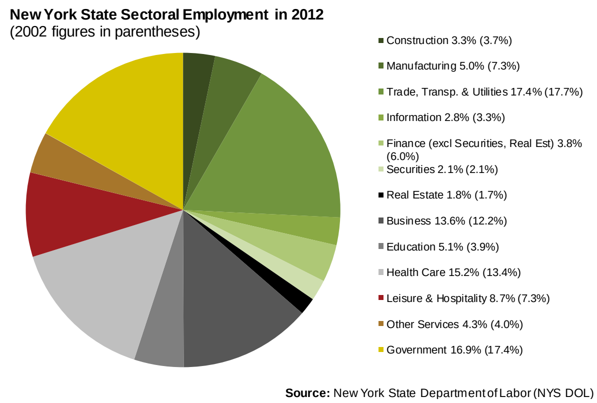
The national landscape of the securities industry has changed significantly over the past 20 years. The securities industry experienced nationwide growth of 334,000 jobs (68.7 percent) between 1992 and 2012. The most significant growth has been in states other than New York; however, NYS contributed to nationwide growth by adding 34,400 securities jobs since 1992 (10.3 percent of nationwide growth). One of the reasons for the slower growth of securities industry employment in NYS is the increased attractiveness of two neighboring states: New Jersey and Connecticut.

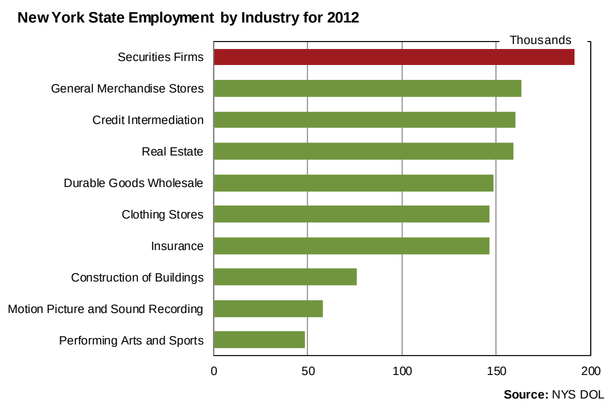
Competitiveness of New York State and New York City

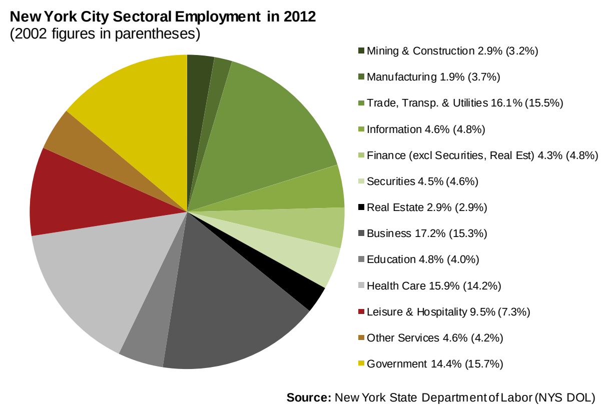
New York is still one of the world's leading financial hubs; however, it faces increasing challenges from many directions. Intense competition from other states that offer generous incentives to lure companies away from New York are encouraging firms to relocate to, or maintain operations in, lower-cost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

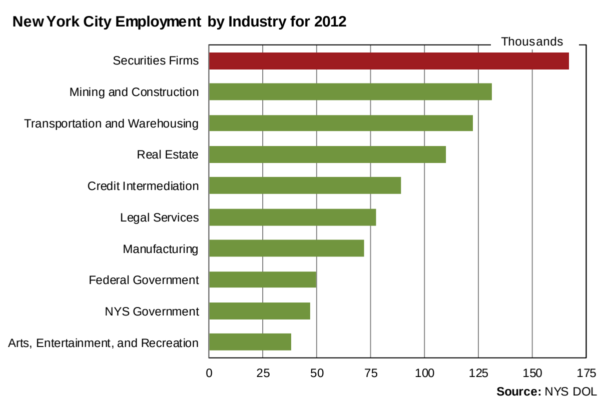
During the last year, NYS has been at least moderately successful in dealing with those challenges; NYS securities industry employment grew by 0.5 percent compared to 0.8 percent growth nationwide over the past ten years. In the past, NYS and NYC have benefited from a well-trained workforce. Today, this and other advantages are much less valuable due to the increasing regulatory climate and unfavorable tax environment. Despite the increasing challenges including the high tax rates, strict regulation, increased competition from neighboring states, and outmigration of the skilled workforce, NYS and NYC remain the prime location for new broker-dealer firms. In 2012, 37.0 percent of 127 newly opened broker-dealers were headquartered in NYS, 89.4 percent of which were located in NYC.

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. As the NYSE no longer requires its members to be located within one mile radius of the exchange, companies are enabled to look for more financially favorable locations. NYSE moved their high speed trading facility to Mahwah, New Jersey to take advantage of lower costs. 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.









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 2012, the securities industry accounted for 2.1 percent of NYS employment, unchanged from 2002, indicating that the securities industry grew in line with the overall increase in nonfarm employment in the state. The securities industry plays a crucial role in the economy of NYS as it accounts for:

- about four times more jobs than in performing arts and sports
- over three times the jobs in the motion picture and sound recording sector
- over two and a half times more jobs than in construction
- 30.7 percent more jobs than in insurance; and
- 20.4 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 stayed the same in NYS, this share has declined slightly over the last ten years in NYC. In 2012, the securities industry accounted for 4.3 percent of employment within NYC, a slight decrease from the 4.6 percent in 2002. This data is consistent with companies moving back offices to lower-cost locations outside Manhattan. The industry, however, remains an important part of the city's economy. In NYC, the securities industry accounts for:

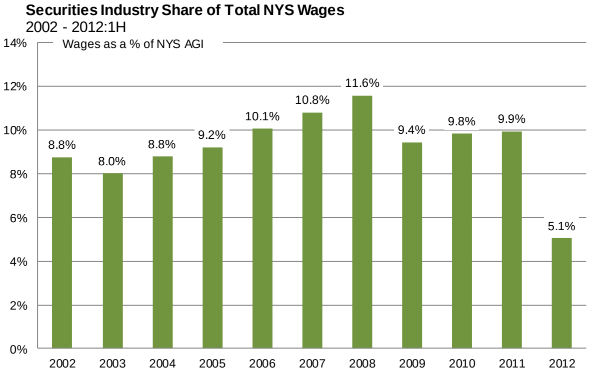
- five times more jobs than the arts, entertainment, and recreation
- 87.5 percent more jobs than in banks and credit unions
- two and a half as many positions than provided by legal services
- almost twice as many jobs as state and federal government combined; and
- 51.3 percent more jobs than in real estate

Dodd-Frank Act and Its Impact on Securities Industry

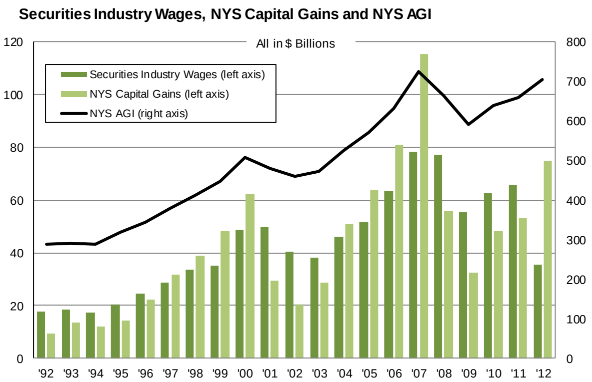
The Dodd-Frank Act impacts directly, or indirectly, nearly every aspect of the financial industry, including employment. After more than two years since the bill was signed into law, only a fraction of the new regulations have taken effect. While many rules are still being shaped, the implementation of new regulations is predicted to be at a significant cost to the securities industry. During the last year, much attention has been given to the proposed Volcker Rule and its potential impact on the securities industry. In the comment letter submitted to the SEC on February 13, 2012, Oliver Wyman pointed out that the Volcker Rule may cost American businesses up to $315 billion, increase borrowing costs by up to $43 billion per year, and dramatically reduce liquidity.[10] The implementation of the Dodd-Frank maybe very costly for financial institutions, which will translate into fewer jobs.

[10] Study: Oliver Wyman, "The Volcker Rule Restrictions on Proprietary Trading", February 13, 2012.

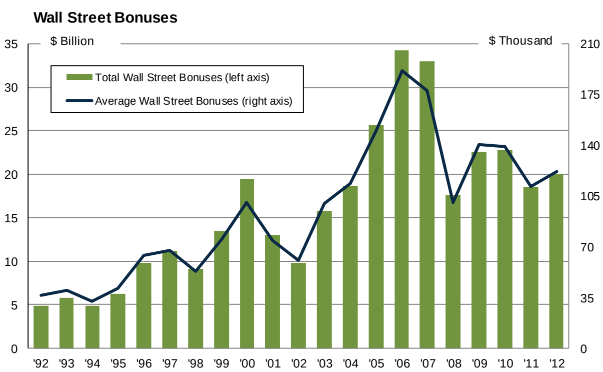
THE IMPACT OF THE SECURITIES INDUSTRY ON NYS AND NYC



Note: 2012 represents preliminary aggregate date for Q1 and Q2 only
Source: NYS DOL



Note: 2012 represents preliminary aggregate data for Q1 and Q2 only
Source: NYS DOL, NYS Division of the Budget



Source: New York State Comptroller

The Securities Industry Wages Accounted for 9.9 Percent of Total NYS Wages in 2011

At mid-year 2012 (full-year data not yet available), securities industry wages reached $35.6 billion, a 12.5 percent decrease from $40.7 billion paid out during the same period in 2011. In 2011, the most recent full year data available, securities industry wages totaled $65.7 billion and accounted for 9.9 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 8.0 percent in 2003. Although this share recovered to 9.9 percent in 2011 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 2.1 percent of NYS's work force in 2011, the industry's importance to the economic growth of the state as demonstrated by the 9.9 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, 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, but took a dip again to $18.5 billion in 2011 after the turbulent year in the financial markets. The New York State Comptroller noted in his recent report that in 2012 cash bonuses totaled an estimated $20.0 billion, an 8.1 percent increase from the prior year.[12] One of the main reasons for the increased bonuses was a big jump in the securities industry profitability as the pre-tax profits of NYSE-reporting broker dealers more than tripled in 2012. Another reason why the bonuses rose in 2012 may have been the payouts of deferred compensation from earlier years resulting from a shift toward deferred variable compensation adopted by the industry in response to regulatory reforms (a greater share of bonuses are now deferred for a period of three years). The bonuses and their timing in 2012 were also impacted by the uncertainty of the tax changes resulting from the approaching "fiscal cliff" at the end of the year. Many firms opted to pay the bonuses early to avoid changing tax regulations.

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 1.5 jobs in all industries and each additional dollar paid to securities industry employees results in additional $1.42 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 12 jobs in NYS are either directly or indirectly associated

[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] Office of the New York State Comptroller, DiNapoli, Thomas P, Wall Street Bonuses Rose in 2012, Press Release, February 26, 2013.

with Wall Street.[13] Almost equally important as the number of securities industry jobs is the spending by these highly compensated individuals employed by securities firms, as 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 is more, the fluctuations in Wall Street paychecks tend to influence the fortunes of NYC's retail, restaurant and entertainment industries.

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.[14] 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 59.8 percent of the amount raised within the general budget in 2012. Compared with other states, New York is considerably more dependent on cyclical personal and corporate income taxes for its revenue. In fiscal year 2012, the securities industry accounted for $8.7 billion (14 percent) of NYS's and $2.8 billion (7 percent) of NYC's tax revenue.[15] Although the shares represent a decline from 20 and 12 percent, respectively, before the financial crisis and recession, the securities industry remains an important source of revenue for both NYS and NYC.

Summing Up

The health of the securities industry and New York's economy are closely tied. The securities industry – firms, exchanges and associations – partners with state and local officials, as they recognize the cooperative relationship between Wall Street and Main Street.

New York continues to be the central location for securities industry activities 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.

New York must continue to recognize the importance of the securities industry to NYS and NYC. The costs of doing business, including taxes and regulation, are foremost in the consideration of top management throughout the private sector when making business decisions, including the securities industry. When it comes to decisions concerning expansion and relocation, firms take into account many factors, including current regulatory structure, tax policy, and quality of the workforce. 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.

The significance of Wall Street to the NYS and NYC economies is undeniable and the policymakers and the industry readily understand the importance of coordination and dialogue. The securities industry stands ready to assist NYS and NYC policymakers in both difficult and prosperous times in the future.

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[13] Office of the New York State Comptroller, Op Cit. 1

[14] Dietz, Haughwout, Op Cit. 11

[15] Office of the New York State Comptroller, Op Cit. 1

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	803.3	(0.01%)	187.0	2.58%	23.28%	166.9	2.71%	89.25%	20.78%
2011	813.2	1.23%	190.6	1.93%	23.44%	170.7	2.28%	89.56%	20.99%
2012	819.9	0.82%	191.6	0.52%	23.37%	169.7	(0.59%)	88.57%	20.70%

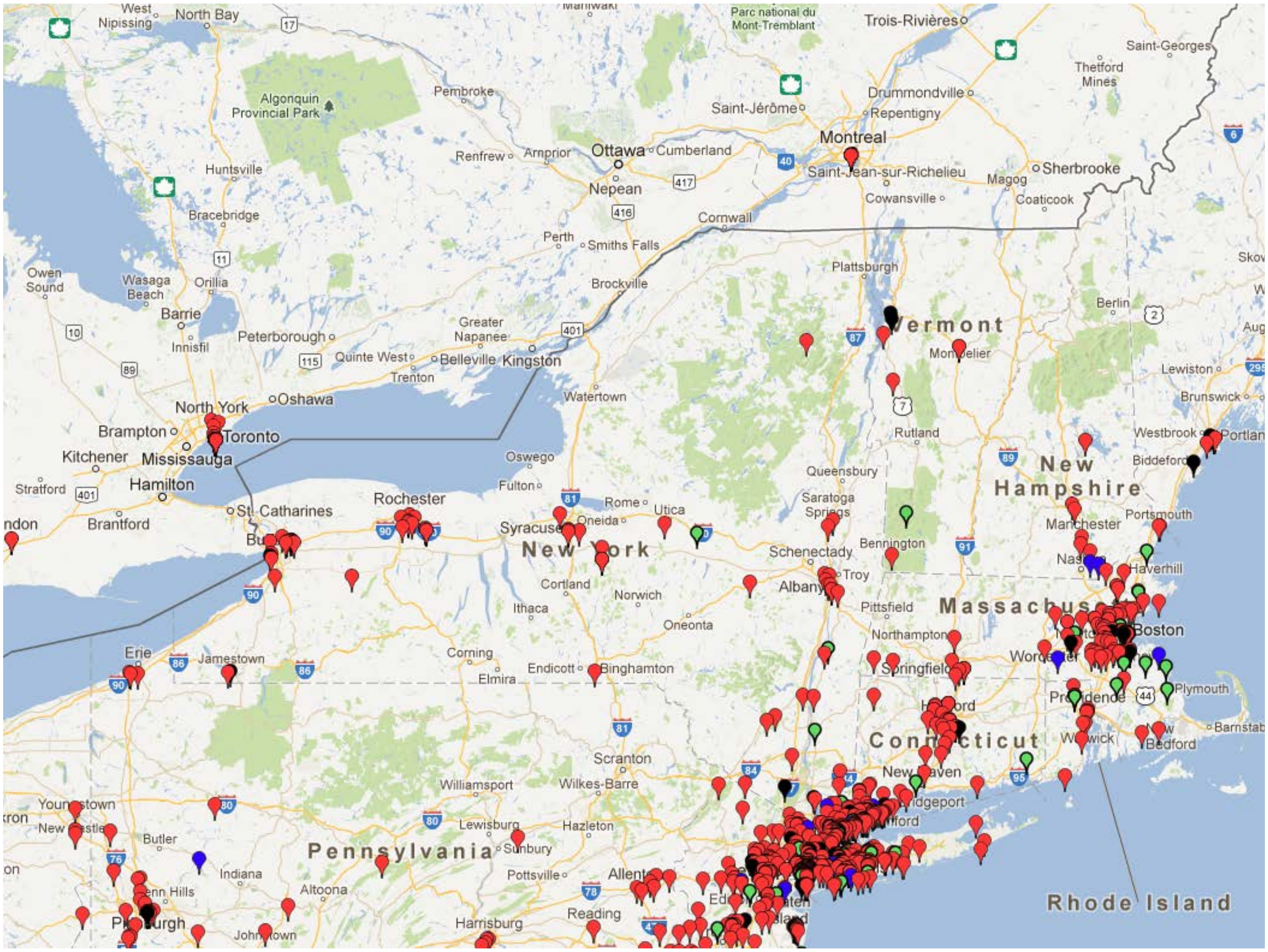
Source: SIC Codes US and NY through 1989, BLS 1990 forward
Note: Data for 2012 are preliminary.

Securities Industry Employment (employees in thousands)

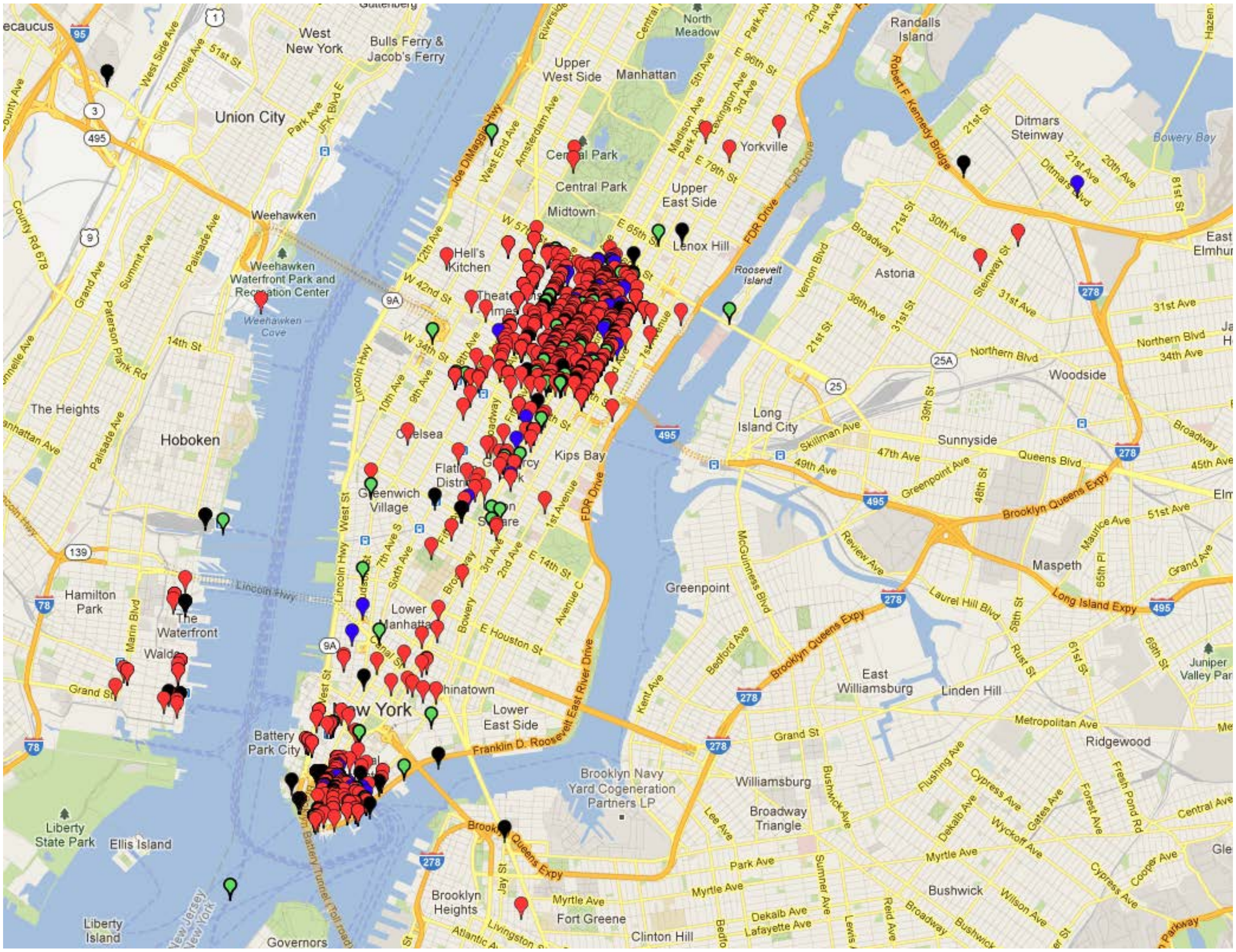
Date	US	Change From Prior Year (US)	NY State	Change From Prior Year (NYS)	NYS % of US	NY City	Change From Prior Year (NYC)	NYC as % of NYS	NYC as % of US
Jan-09	839.8	(1.82%)	195.7	(2.39%)	23.30%	175.2	(2.50%)	89.52%	20.86%
Feb-09	831.7	(2.77%)	193.4	(3.54%)	23.25%	173.0	(3.73%)	89.45%	20.80%
Mar-09	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%)	180.1	(1.21%)	22.55%	160.1	(1.48%)	88.90%	20.04%
May-10	798.3	(0.63%)	180.4	(1.04%)	22.60%	160.5	(1.23%)	88.97%	20.11%
Jun-10	804.5	0.14%	184.6	1.26%	22.95%	164.6	1.29%	89.17%	20.46%
Jul-10	805.7	0.29%	186.9	2.52%	23.20%	166.8	2.65%	89.25%	20.70%
Aug-10	801.4	(0.25%)	187.9	3.07%	23.45%	167.8	3.26%	89.30%	20.94%
Sep-10	803.1	(0.04%)	184.8	1.37%	23.01%	165.0	1.54%	89.29%	20.55%
Oct-10	800.7	(0.34%)	184.1	0.99%	22.99%	164.1	0.98%	89.14%	20.49%
Nov-10	800.9	(0.31%)	185.2	1.59%	23.12%	165.2	1.66%	89.20%	20.63%
Dec-10	803.3	(0.01%)	187.0	2.58%	23.28%	166.9	2.71%	89.25%	20.78%
Jan-11	801.3	(0.26%)	186.5	2.30%	23.27%	166.4	2.40%	89.22%	20.77%
Feb-11	804.3	0.11%	187.6	2.91%	23.32%	167.5	3.08%	89.29%	20.83%
Mar-11	806.3	0.36%	187.5	2.85%	23.25%	167.5	3.08%	89.33%	20.77%
Apr-11	806.4	0.37%	186.8	2.47%	23.16%	166.6	2.52%	89.19%	20.66%
May-11	806.4	0.37%	187.1	2.63%	23.20%	167.0	2.77%	89.26%	20.71%
Jun-11	814.4	1.37%	192.0	5.32%	23.58%	171.7	5.66%	89.43%	21.08%
Jul-11	816.7	1.66%	193.0	5.87%	23.63%	172.8	6.34%	89.53%	21.16%
Aug-11	818.4	1.87%	194.2	6.53%	23.73%	174.0	7.08%	89.60%	21.26%
Sep-11	812.2	1.10%	192.6	5.65%	23.71%	172.7	6.28%	89.67%	21.26%
Oct-11	814.5	1.38%	192.6	5.65%	23.65%	172.1	5.91%	89.36%	21.13%
Nov-11	814.1	1.33%	192.6	5.65%	23.66%	172.4	6.09%	89.51%	21.18%
Dec-11	813.2	1.22%	190.6	4.55%	23.44%	170.7	5.05%	89.56%	20.99%
Jan-12	808.7	0.66%	192.1	5.38%	23.75%	171.8	5.72%	89.43%	21.24%
Feb-12	810.9	0.93%	190.9	4.72%	23.54%	170.9	5.17%	89.52%	21.08%
Mar-12	811.8	1.05%	190.2	4.33%	23.43%	169.7	4.43%	89.22%	20.90%
Apr-12	809.4	0.75%	189.9	4.17%	23.46%	169.3	4.18%	89.15%	20.92%
May-12	809.9	0.81%	191.0	4.77%	23.58%	170.8	5.11%	89.42%	21.09%
Jun-12	817.5	1.76%	192.8	5.76%	23.58%	173.2	6.58%	89.83%	21.19%
Jul-12	819.7	2.03%	190.7	4.61%	23.26%	170.6	4.98%	89.46%	20.81%
Aug-12	818.7	1.90%	191.8	5.21%	23.43%	171.7	5.66%	89.52%	20.97%
Sep-12	811.6	1.02%	191.2	4.88%	23.56%	170.0	4.62%	88.91%	20.95%
Oct-12	817.9	1.80%	191.9	5.27%	23.46%	170.2	4.74%	88.69%	20.81%
Nov-12	817.2	1.72%	191.6	5.10%	23.45%	169.9	4.55%	88.67%	20.79%
Dec-12	819.9	2.05%	191.6	5.10%	23.37%	169.7	4.43%	88.57%	20.70%

Source: BLS
Note: December 2012 data are preliminary.

SECURITIES INDUSTRY BROKER-DEALER MAP



Source: SIFMA analysis of FINRA data



Source: SIFMA analysis of FINRA data

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