

- **Securities Industry Employment Update**

By: Paul Rainy

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SECURITIES INDUSTRY EMPLOYMENT UPDATE

Summary

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) estimated national securities industry employment decreased by 0.1 percent in September and 1.2 percent in the third quarter of 2009 as a whole.¹ Securities industry employment in New York State increased in September by 0.3 percent or 600 jobs, while New York City securities employment decreased by 0.1 percent or 100 jobs. For the third quarter, New York State and New York City securities employment decreased by 1.1 percent and 1.6 percent, or 2,100 and 2,700 jobs, respectively.

U.S. Employment

National securities industry employment reached a record high of 869,600 jobs in second quarter 2008, but has since contracted by 10.4 percent, or 90,100 jobs, to 779,500 by the end of the third quarter of 2009. In September 2009, the U.S. securities industry headcount decreased by 700 jobs, or 0.1 percent, from the previous month.

The U.S. economy showed signs of improvement in the third quarter of 2009. However, job losses continued; roughly 7.6 million jobs have been lost since the recession began in December 2007. The national unemployment rate reached 9.8 percent in September, up from 9.5 percent at the end of the previous quarter. With a few exceptions, such as in healthcare, most sectors experienced job losses. Employment in the securities industry, as well as in the larger financial services industry, continues to be particularly impacted by the credit crisis.

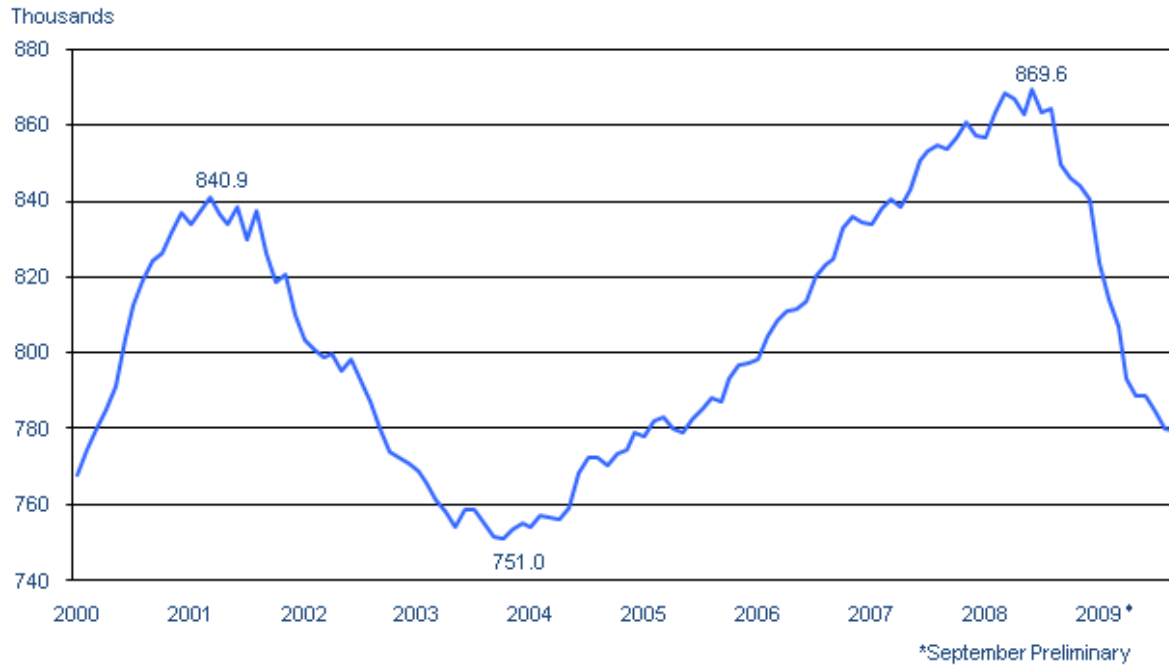
Despite forecasts of unemployment rising to 10 percent in the first quarter of 2010, NBER reported a 3.5 percent annualized gain in their preliminary third quarter GDP results, reaffirming the belief held by most economists that the U.S. recession ended in the third quarter of 2009. While economists expect to see slow steady growth for the next few quarters,² headwinds remain. Several economic indicators have shown signs of recovery: sales of existing homes jumped 9.4 percent in September 2009 over the previous month and house prices have risen slightly in the Case-Shiller 20-city HPI, but these gains have been made with the support of temporary home buyer tax credits on the state and federal level and low mortgage rates created in part due to policy measures by the Federal Reserve. On October 22, the Conference Board's index of leading economic indicators showed improvement in all but two of the ten indicators used to project economic activity in the next three-to-six months; this is the sixth straight monthly increase, suggesting a stabilization of an economy and perhaps a turn toward recovery.

Although national securities industry employment recovered from the 2001-2003 downturn, gaining 118,600 jobs in the 57 months following the October 2003 nadir of 751,000 jobs, it remains to be seen whether the current downturn in securities employment will recover similarly.

¹ 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 Bureau of Labor Statistics at (www.bls.gov).

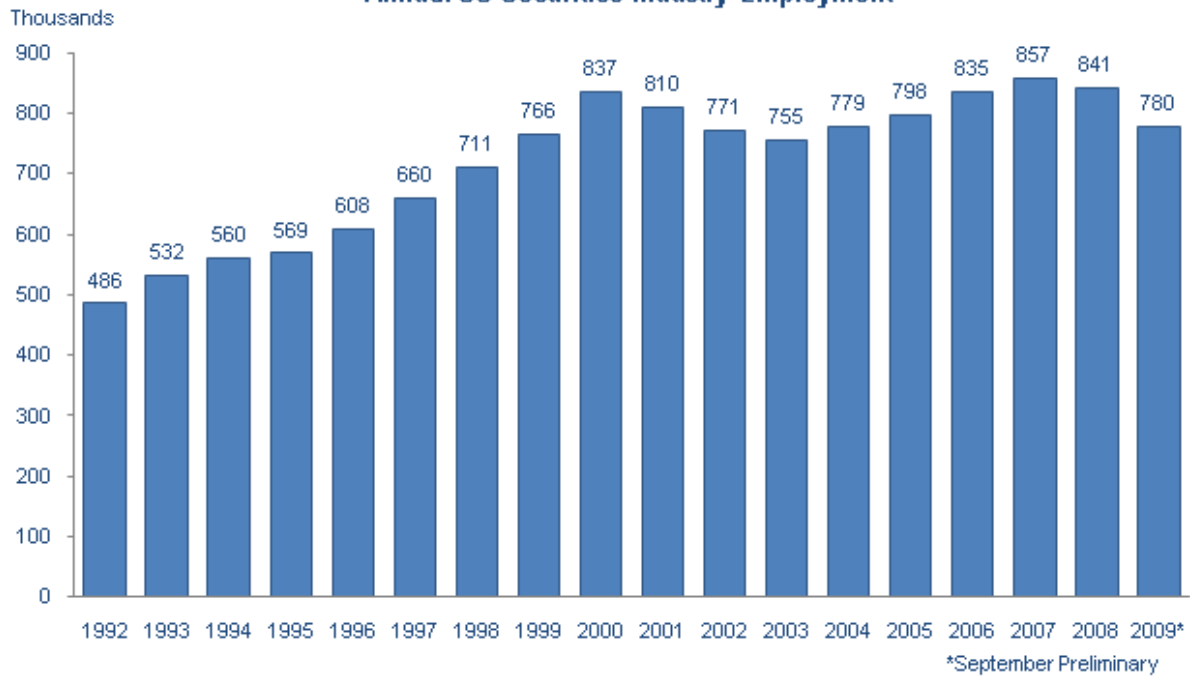
² National Association for Business Economics, "NABE Outlook: Recession is Over, but a Muted Recovery to Follow," October, 2009, (<http://www.nabe.com/publib/macsum.html>).

Monthly US Securities Industry Employment



Source: Bureau of Labor Statistics (BLS), U.S. Department of Labor

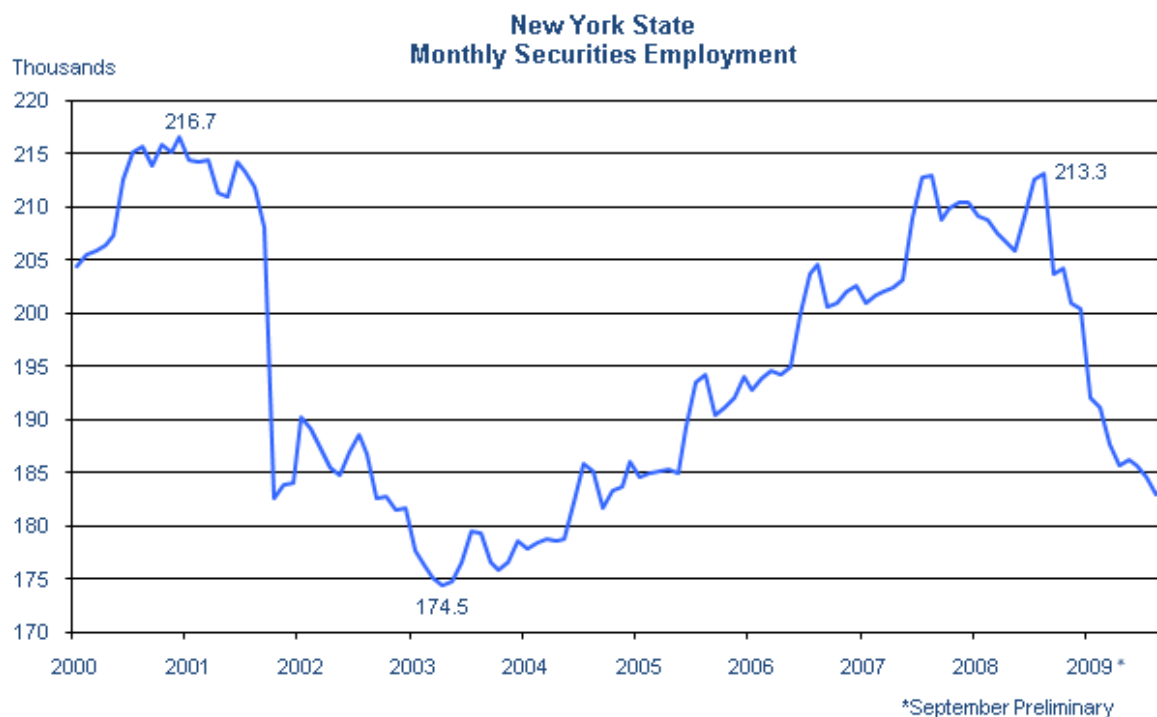
Annual US Securities Industry Employment



Source: BLS (Year-end data)

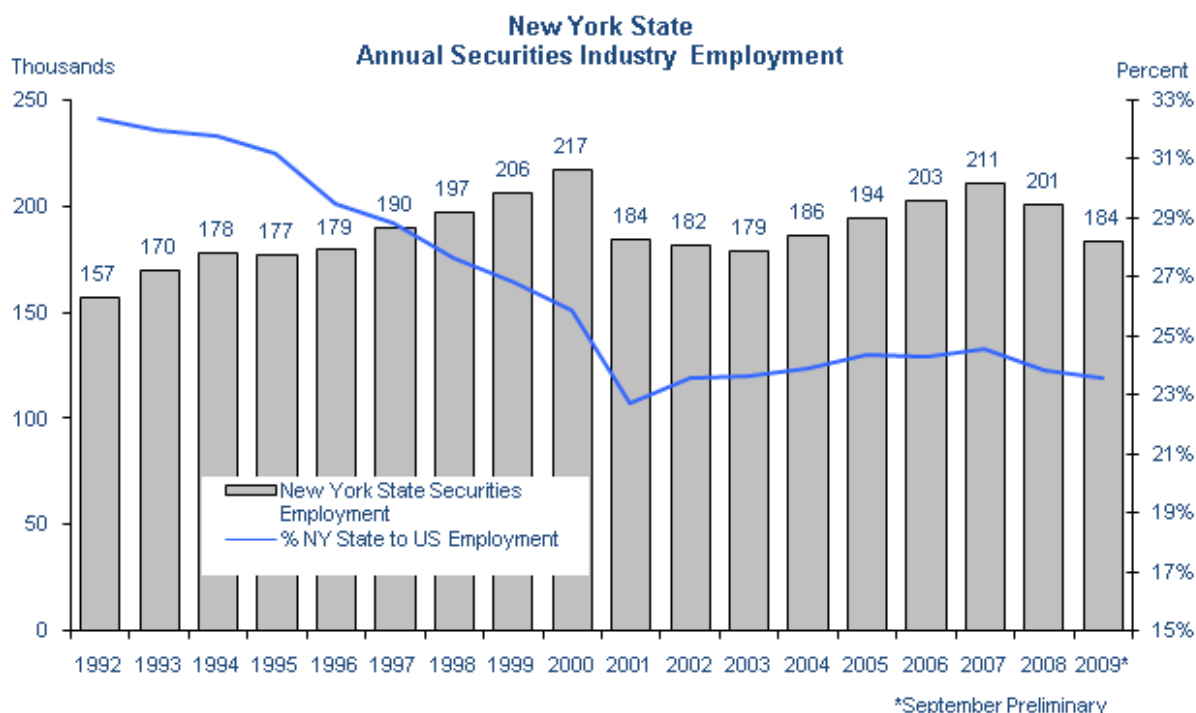
New York State Employment

BLS estimated that securities industry headcount in New York State increased by 0.3 percent to 183,700, or 600 jobs in September. For the third quarter as a whole, New York State securities industry employment decreased by 2,100 jobs, or 1.1 percent.



Source: BLS

The 28-month job recession that followed the 2000 peak of 216,700 jobs reduced the industry's New York state headcount by 19.5 percent, or 42,200 jobs, before ending in April 2003 at an employment level of 174,500. From that low, employment regained nearly 92 percent of jobs lost from the prior high, peaking in August 2007 at 213,300 jobs. As the credit crunch unfolded shortly after, securities employment declined at a rapid pace, mirroring the 2001-2002 decline; by the end of September 2009, securities employment declined 13.9 percent from that August 2007 cyclical high. The overall New York State unemployment rate increased to 8.9 percent in September, up from 8.7 percent in June.



Source: BLS (Year-end data)

After decades of decline, New York State's share of the national securities industry's workforce trended slightly upwards in 2001, peaking in 2007 before beginning to decline at the start of the current recession. The latest available BLS figures show that in September 2009, New York State accounted for 23.5 percent of national securities industry jobs, down from 23.8 percent recorded at 2008 year-end.

New York City Employment

According to BLS data, New York City's securities industry employment was 161,200 at end-September, a decrease of 0.1 percent, or 100 jobs, from August's level. For the third quarter as a whole, the New York City securities industry shed 2,700 jobs, or 1.6 percent.

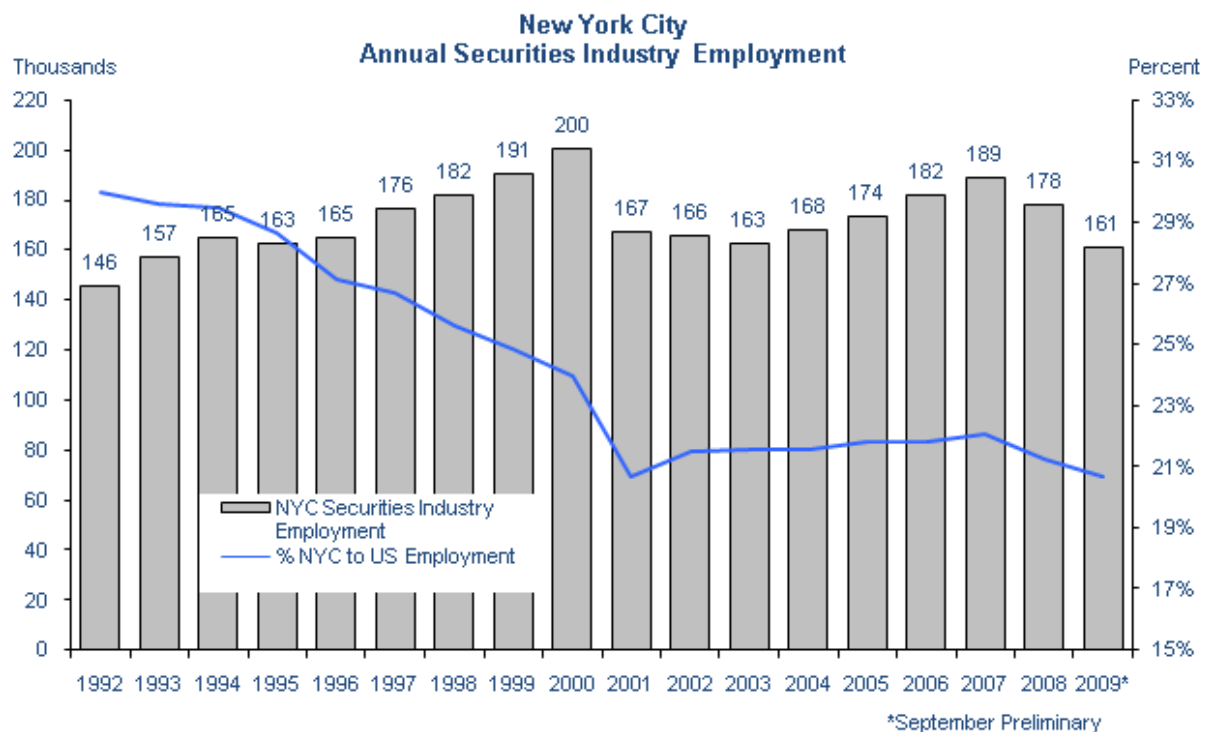
From the monthly peak of 191,800 in August 2007 to end-September 2009, New York City has lost 30,600 (16.0 percent) securities industry jobs. In the previous industry downturn (2001-2003), employment peaked with 200,300 jobs in December 2000 and declined to 159,000 jobs in April 2003, a loss of 41,300 jobs or 20.6 percent. As of September 2009, New York City accounted for 20.7 percent of total U.S. securities industry employment, matching the record low reached in 2001.

In the overall New York City economy, the overall unemployment rate increased to 10.3 percent in September, up from 9.4 percent in June, higher than the national average of 9.8 percent. Due to NYC's dependence to the financial services industry, which represents more than ten percent of all employment in NYC, the downturn in the securities industry has been a "key" factor in NYC's downturn; according to the Federal Reserve Bank of New York, each securities industry job is estimated to generate two additional jobs.

While the developments of a national recovery are underway, New York State and New York City may well be headed in that direction, although historically such recoveries within this region have lagged considerably behind the nation.



Source: BLS



Source: BLS (Year-end data)

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SECURITIES INDUSTRY EMPLOYMENT
June 2001 – September 2009

Date	One month net change			% One month net change		
	US	NYS	NYC	US	NYS	NYC
Jun-01	4.9	3.3	3.3	0.59%	1.56%	1.71%
Jul-01	-8.7	-0.9	-1.0	-1.04%	-0.42%	-0.51%
Aug-01	7.4	-1.6	-1.4	0.89%	-0.75%	-0.72%
Sep-01	-11.2	-3.7	-3.2	-1.34%	-1.75%	-1.65%
Oct-01	-7.5	-25.5	-25.3	-0.91%	-12.25%	-13.23%
Nov-01	2.1	1.3	1.5	0.26%	0.71%	0.90%
Dec-01	-10.7	0.1	0.0	-1.30%	0.05%	0.00%
Jan-02	-6.8	6.2	6.5	-0.84%	3.37%	3.88%
Feb-02	-2.3	-1.1	-1.0	-0.29%	-0.58%	-0.58%
Mar-02	-2.4	-1.7	-1.5	-0.30%	-0.90%	-0.87%
Apr-02	1.0	-1.9	-2.3	0.13%	-1.01%	-1.34%
May-02	-4.4	-0.7	-0.6	-0.55%	-0.38%	-0.35%
Jun-02	2.8	2.1	2.2	0.35%	1.14%	1.31%
Jul-02	-5.4	1.6	1.4	-0.68%	0.86%	0.82%
Aug-02	-5.7	-1.7	-1.5	-0.72%	-0.90%	-0.87%
Sep-02	-7.0	-4.2	-3.9	-0.89%	-2.25%	-2.29%
Oct-02	-6.0	0.2	0.0	-0.77%	0.11%	0.00%
Nov-02	-1.5	-1.3	-1.2	-0.19%	-0.71%	-0.72%
Dec-02	-1.8	0.1	0.1	-0.23%	0.06%	0.06%
Jan-03	-2.0	-3.9	-3.2	-0.26%	-2.15%	-1.93%
Feb-03	-2.9	-1.5	-1.6	-0.38%	-0.84%	-0.99%
Mar-03	-4.8	-1.1	-1.1	-0.63%	-0.62%	-0.68%
Apr-03	-2.9	-0.7	-0.7	-0.38%	-0.40%	-0.44%
May-03	-3.8	0.3	0.3	-0.50%	0.17%	0.19%
Jun-03	4.3	1.8	1.8	0.57%	1.03%	1.13%
Jul-03	0.2	3.0	2.9	0.03%	1.70%	1.80%
Aug-03	-3.8	-0.1	-0.2	-0.50%	-0.06%	-0.12%
Sep-03	-3.4	-2.9	-2.5	-0.45%	-1.62%	-1.53%
Oct-03	-0.6	-0.7	-1.0	-0.08%	-0.40%	-0.62%
Nov-03	2.7	0.8	0.7	0.36%	0.45%	0.44%
Dec-03	1.6	1.9	1.9	0.21%	1.08%	1.18%
Jan-04	-1.2	-0.7	-1.4	-0.16%	-0.39%	-0.86%
Feb-04	3.2	0.6	0.6	0.42%	0.34%	0.37%
Mar-04	-0.7	0.3	0.3	-0.09%	0.17%	0.19%
Apr-04	-0.5	-0.2	-0.3	-0.07%	-0.11%	-0.18%
May-04	2.8	0.2	0.1	0.37%	0.11%	0.06%
Jun-04	9.3	3.6	3.4	1.23%	2.01%	2.10%
Jul-04	4.4	3.5	3.2	0.57%	1.92%	1.93%
Aug-04	-0.3	-0.6	-0.6	-0.04%	-0.32%	-0.36%
Sep-04	-2.0	-3.5	-3.4	-0.26%	-1.89%	-2.02%
Oct-04	3.1	1.7	0.7	0.40%	0.94%	0.42%
Nov-04	1.2	0.3	0.1	0.16%	0.16%	0.06%
Dec-04	4.5	2.4	2.2	0.58%	1.31%	1.33%
Jan-05	-1.2	-1.5	-2.6	-0.15%	-0.81%	-1.55%
Feb-05	4.0	0.4	0.3	0.51%	0.22%	0.18%
Mar-05	1.2	0.1	0.2	0.15%	0.05%	0.12%
Apr-05	-2.9	0.3	1.3	-0.37%	0.16%	0.78%
May-05	-1.2	-0.4	-0.5	-0.15%	-0.22%	-0.30%
Jun-05	3.4	4.3	4.0	0.44%	2.32%	2.40%
Jul-05	2.6	4.2	3.8	0.33%	2.22%	2.23%
Aug-05	3.4	0.7	0.5	0.43%	0.36%	0.29%
Sep-05	-1.3	-3.8	-3.7	-0.16%	-1.96%	-2.12%
Oct-05	6.4	0.8	0.5	0.81%	0.42%	0.29%
Nov-05	3.4	0.8	0.6	0.43%	0.42%	0.35%
Dec-05	0.6	2.0	1.7	0.08%	1.04%	0.99%
Jan-06	0.8	-1.3	-1.0	0.10%	-0.67%	-0.58%
Feb-06	6.4	1.2	1.1	0.80%	0.62%	0.64%
Mar-06	3.9	0.6	0.7	0.48%	0.31%	0.40%
Apr-06	2.3	-0.2	-0.3	0.28%	-0.10%	-0.17%
May-06	0.8	0.7	0.7	0.10%	0.36%	0.40%
Jun-06	2.0	4.9	4.9	0.25%	2.51%	2.80%
Jul-06	6.7	3.8	3.4	0.82%	1.90%	1.89%
Aug-06	3.0	0.9	1.0	0.37%	0.44%	0.55%
Sep-06	1.3	-4.0	-3.7	0.16%	-1.95%	-2.01%
Oct-06	8.4	0.4	0.1	1.02%	0.20%	0.06%
Nov-06	2.9	1.0	1.0	0.35%	0.50%	0.55%
Dec-06	-1.4	0.6	0.4	-0.17%	0.30%	0.22%
Jan-07	-0.4	-1.7	-1.2	-0.05%	-0.84%	-0.66%
Feb-07	3.6	0.8	0.6	0.43%	0.40%	0.33%
Mar-07	2.9	0.3	0.2	0.35%	0.15%	0.11%
Apr-07	-2.0	0.5	0.0	-0.24%	0.25%	0.00%
May-07	4.6	0.6	0.5	0.55%	0.30%	0.28%
Jun-07	7.6	5.9	5.3	0.90%	2.90%	2.91%
Jul-07	2.3	3.7	3.6	0.27%	1.77%	1.92%
Aug-07	1.5	0.2	0.6	0.18%	0.09%	0.31%
Sep-07	-0.7	-4.2	-4.0	-0.08%	-1.97%	-2.09%
Oct-07	3.1	1.1	0.8	0.36%	0.53%	0.43%
Nov-07	3.6	0.7	0.6	0.42%	0.33%	0.32%
Dec-07	-3.4	0.0	-0.2	-0.40%	0.00%	-0.11%
Jan-08	-0.3	-1.4	-1.5	-0.03%	-0.66%	-0.79%
Feb-08	6.3	-0.3	-0.3	0.74%	-0.14%	-0.16%
Mar-08	5.1	-1.3	-1.3	0.59%	-0.62%	-0.69%
Apr-08	-1.4	-0.8	-1.0	-0.16%	-0.39%	-0.54%
May-08	-3.9	-0.8	-0.9	-0.45%	-0.39%	-0.49%
Jun-08	6.5	3.3	3.2	0.75%	1.60%	1.74%
Jul-08	-6.2	3.4	3.3	-0.71%	1.62%	1.76%
Aug-08	1.2	0.6	0.7	0.14%	0.28%	0.37%
Sep-08	-15.1	-9.5	-9.0	-1.75%	-4.45%	-4.71%
Oct-08	-3.2	0.5	-0.2	-0.38%	0.25%	-0.11%
Nov-08	-2.1	-3.2	-2.9	-0.25%	-1.57%	-1.59%
Dec-08	-3.4	-0.6	-0.8	-0.40%	-0.30%	-0.45%
Jan-09	-17.0	-8.3	-5.0	-2.02%	-4.14%	-2.80%
Feb-09	-9.8	-1.0	-1.0	-1.19%	-0.52%	-0.58%
Mar-09	-7.1	-3.4	-5.3	-0.87%	-1.78%	-3.08%
Apr-09	-13.4	-2.1	-3.9	-1.66%	-1.12%	-2.34%
May-09	-4.7	0.6	1.1	-0.59%	0.32%	0.67%
Jun-09	-0.1	-0.5	-0.3	-0.01%	-0.27%	-0.18%
Jul-09	-4.1	-1.1	-1.0	-0.52%	-0.59%	-0.61%
Aug-09	-4.4	-1.6	-1.6	-0.56%	-0.87%	-0.98%
Sep-09	-0.7	0.6	-0.1	-0.09%	0.33%	-0.06%

Source: BLS

SECURITIES INDUSTRY EMPLOYMENT
(in thousands; SIC Codes US and NY thru 1991, NAICS 92 on)

Year End	U.S.	Change From Prior Year (U.S.)	N.Y. State	Change From Prior Year (N.Y. State)	N.Y. State as % of U.S.	N.Y. City	Change From Prior Year (N.Y. City)	N.Y. City as % of N.Y. State	N.Y. City as % of U.S.
1973	182.1	-9.6%	77.4	-15.1%	42.5%	74.5	-15.0%	96.3%	40.9%
1974	167.1	-8.2%	69.0	-10.9%	41.3%	66.1	-11.3%	95.8%	39.6%
1975	171.3	2.5%	69.4	0.6%	40.5%	67.0	1.4%	96.5%	39.1%
1976	177.4	3.6%	72.8	4.9%	41.0%	70.1	4.6%	96.3%	39.5%
1977	183.4	3.4%	73.3	0.7%	40.0%	70.2	0.1%	95.8%	38.3%
1978	194.3	5.9%	77.0	5.0%	39.6%	73.7	5.0%	95.7%	37.9%
1979	214.2	10.2%	82.1	6.6%	38.3%	78.4	6.4%	95.5%	36.6%
1980	243.7	13.8%	94.8	15.5%	38.9%	90.0	14.8%	94.9%	36.9%
1981	267.0	9.6%	105.0	10.8%	39.3%	99.6	10.7%	94.9%	37.3%
1982	283.8	6.3%	108.9	3.7%	38.4%	102.7	3.1%	94.3%	36.2%
1983	328.3	15.7%	125.0	14.8%	38.1%	117.5	14.4%	94.0%	35.8%
1984	341.1	3.9%	129.2	3.4%	37.9%	121.7	3.6%	94.2%	35.7%
1985	367.5	7.7%	137.6	6.5%	37.4%	130.0	6.8%	94.5%	35.4%
1986	417.1	13.5%	157.1	14.2%	37.7%	148.8	14.5%	94.7%	35.7%
1987	456.3	9.4%	172.7	9.9%	37.8%	163.0	9.5%	94.4%	35.7%
1988	438.7	-3.9%	160.3	-7.2%	36.5%	150.4	-7.7%	93.8%	34.3%
1989	426.9	-2.7%	154.1	-3.9%	36.1%	144.0	-4.3%	93.4%	33.7%
1990	417.4	-2.2%	143.5	-6.9%	34.4%	133.9	-7.0%	93.3%	32.1%
1991	424.1	1.6%	139.5	-2.8%	32.9%	129.6	-3.2%	92.9%	30.6%
1992	485.9	14.6%	157.2	12.7%	32.4%	145.7	12.4%	92.7%	30.0%
1993	531.5	9.4%	170.0	8.1%	32.0%	157.4	8.0%	92.6%	29.6%
1994	560.2	5.4%	178.0	4.7%	31.8%	165.0	4.8%	92.7%	29.5%
1995	568.8	1.5%	177.4	-0.3%	31.2%	163.0	-1.2%	91.9%	28.7%
1996	608.3	6.9%	179.3	1.1%	29.5%	164.9	1.2%	92.0%	27.1%
1997	659.9	8.5%	190.2	6.1%	28.8%	176.3	6.9%	92.7%	26.7%
1998	711.0	7.7%	196.7	3.4%	27.7%	182.1	3.3%	92.6%	25.6%
1999	766.4	7.8%	205.8	4.6%	26.9%	190.5	4.6%	92.6%	24.9%
2000	836.9	9.2%	216.7	5.3%	25.9%	200.3	5.1%	92.4%	23.9%
2001	810.2	-3.2%	184.1	-15.0%	22.7%	167.4	-16.4%	90.9%	20.7%
2002	770.7	-4.9%	181.7	-1.3%	23.6%	165.6	-1.1%	91.1%	21.5%
2003	755.3	-2.0%	178.6	-1.7%	23.6%	162.9	-1.6%	91.2%	21.6%
2004	779.1	3.2%	186.2	4.3%	23.9%	167.8	3.0%	90.1%	21.5%
2005	797.5	2.4%	194.1	4.2%	24.3%	173.9	3.6%	89.6%	21.8%
2006	834.6	4.7%	202.7	4.4%	24.3%	182.2	4.8%	89.9%	21.8%
2007	857.3	2.7%	210.6	3.9%	24.6%	189.0	3.7%	89.7%	22.0%
2008	840.8	-1.9%	200.5	-4.8%	23.8%	178.3	-5.7%	88.9%	21.2%
Jan:07	834.2	4.5%	201.0	4.3%	24.1%	181.0	4.7%	90.0%	21.7%
Feb:07	837.8	4.1%	201.8	4.0%	24.1%	181.6	4.4%	90.0%	21.7%
Mar:07	840.7	4.0%	202.1	3.9%	24.0%	181.8	4.1%	90.0%	21.6%
Apr:07	838.7	3.4%	202.6	4.2%	24.2%	181.8	4.2%	89.7%	21.7%
May:07	843.3	3.9%	203.2	4.2%	24.1%	182.3	4.1%	89.7%	21.6%
June:07	850.9	4.6%	209.1	4.6%	24.6%	187.6	4.2%	89.7%	22.0%
July:07	853.2	4.0%	212.8	4.4%	24.9%	191.2	4.3%	89.8%	22.4%
Aug:07	854.7	3.8%	213.0	4.1%	24.9%	191.8	4.0%	90.0%	22.4%
Sept:07	854.0	3.6%	208.8	4.0%	24.4%	187.8	3.9%	89.9%	22.0%
Oct:07	857.1	2.9%	209.9	4.4%	24.5%	188.6	4.3%	89.9%	22.0%
Nov:07	860.7	3.0%	210.6	4.2%	24.5%	189.2	4.1%	89.8%	22.0%
Dec:07	857.3	2.7%	210.6	3.9%	24.6%	189.0	3.7%	89.7%	22.0%
Jan:08	857.0	2.7%	209.2	4.1%	24.4%	187.5	3.6%	89.6%	21.9%
Feb:08	863.3	3.0%	208.9	3.5%	24.2%	187.2	3.1%	89.6%	21.7%
Mar:08	868.4	3.3%	207.6	2.7%	23.9%	185.9	2.3%	89.5%	21.4%
Apr:08	867.0	3.4%	206.8	2.1%	23.9%	184.9	1.7%	89.4%	21.3%
May:08	863.1	2.3%	206.0	1.4%	23.9%	184.0	0.9%	89.3%	21.3%
June:08	869.6	2.2%	209.3	0.1%	24.1%	187.2	-0.2%	89.4%	21.5%
July:08	863.4	1.2%	212.7	0.0%	24.6%	190.5	-0.4%	89.6%	22.1%
Aug:08	864.6	1.2%	213.3	0.1%	24.7%	191.2	-0.3%	89.6%	22.1%
Sept:08	849.5	-0.5%	203.8	-2.4%	24.0%	182.2	-3.0%	89.4%	21.4%
Oct:08	846.3	-1.3%	204.3	-2.7%	24.1%	182.0	-3.5%	89.1%	21.5%
Nov:08	844.2	-1.9%	201.1	-4.5%	23.8%	179.1	-5.3%	89.1%	21.2%
Dec:08	840.8	-1.9%	200.5	-4.8%	23.8%	178.3	-5.7%	88.9%	21.2%
Jan:09	823.8	-3.9%	192.2	-8.1%	23.3%	173.3	-7.6%	90.2%	21.0%
Feb:09	814.0	-5.7%	191.2	-8.5%	23.5%	172.3	-8.0%	90.1%	21.2%
Mar:09	806.9	-7.1%	187.8	-9.5%	23.3%	167.0	-10.2%	88.9%	20.7%
Apr:09	793.5	-8.5%	185.7	-10.2%	23.4%	163.1	-11.8%	87.8%	20.6%
May:09	788.8	-8.6%	186.3	-9.6%	23.6%	164.2	-10.8%	88.1%	20.8%
June: 09	788.7	-9.3%	185.8	-11.2%	23.6%	163.9	-12.4%	88.2%	20.8%
July:09	784.6	-9.1%	184.7	-13.2%	23.5%	162.9	-14.5%	88.2%	20.8%
Aug:09*	780.2	-9.8%	183.1	-14.2%	23.5%	161.3	-15.6%	88.1%	20.7%

*Preliminary

Sources: U.S. Department of Labor, Bureau of Labor Statistics; New York State Department of Labor

