



- **Securities Industry Reports Losses in 3Q'08**
By: Paul Rainy
- **Securities Industry Employment Update**
By: Paul Rainy

Volume IV
No. **1**

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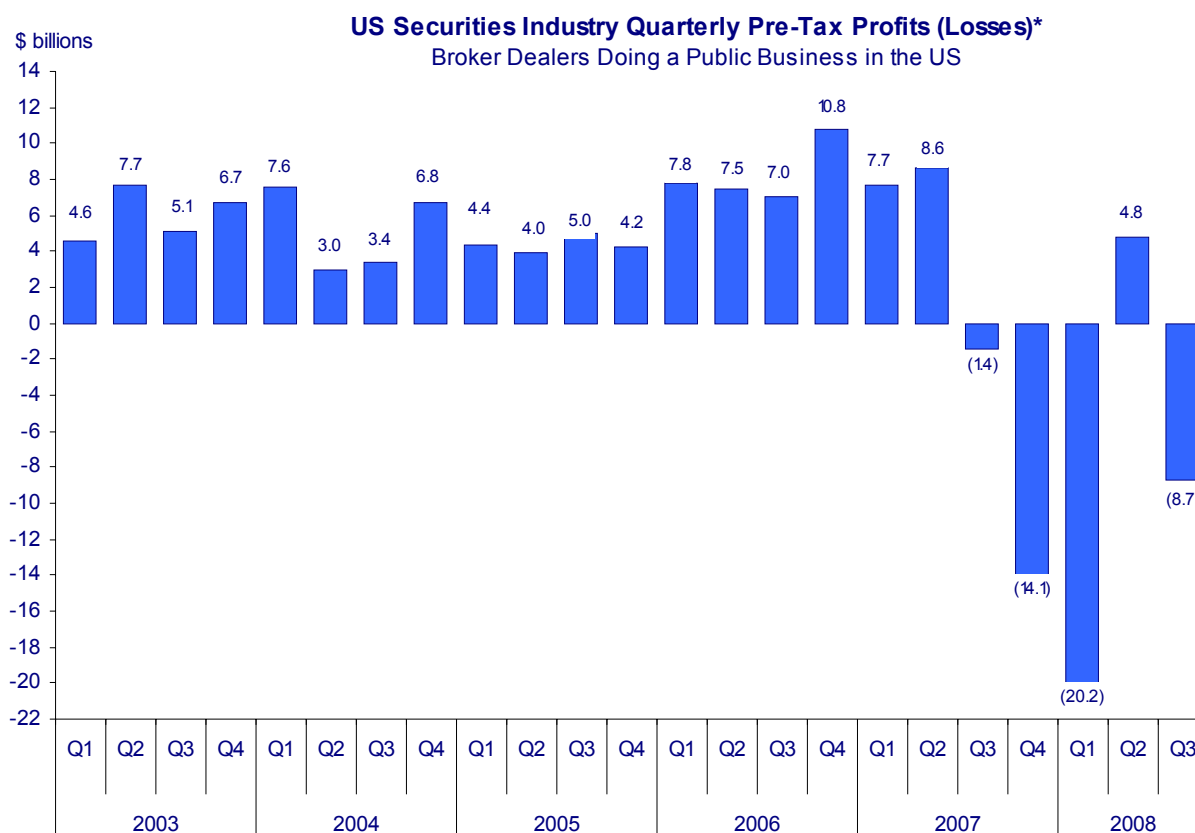
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- 4 [**Securities Industry Reports Losses In 3Q'08**](#), by Paul Rainy. Broker-dealers doing public business in the U.S. reported a 3Q'08 pre-tax loss of \$8.7 billion, compared to the \$4.8 billion gain in the immediately preceding quarter. Net revenues (total revenues minus interest expense) were \$39.5 billion in 3Q'08, down from \$55.5 billion in the second quarter of 2008 and 11.1 percent below that in the same year-earlier period.
- 14..... [**Securities Industry Employment Update**](#), by Paul Rainy. The U.S. Department of Labor estimated national securities industry employment decreased to 842,600 in December, 0.2 percent below November's level. Securities industry employment in New York State and New York City decreased in November from October's levels by 1.0 percent and 0.8 percent, or 1,900 and 1,400 jobs, respectively.

SECURITIES INDUSTRY REPORTS LOSSES IN 3Q'08

Summary

The U.S. broker-dealers reported a pre-tax loss of \$8.7 billion in third quarter 2008 amidst the financial market meltdown, credit market freeze and global economic weakness.¹ Gross revenues were \$70.4 billion in 3Q'08, a 20.8 percent decline from the prior quarter and 35.3 percent below the same year-earlier period level of \$108.7 billion. Net revenues (total revenues minus interest expense), which provide a better summary gauge of industry performance, were \$39.5 billion, down 29.0 percent from \$55.5 billion in the second quarter and 11.1 percent below the \$44.4 billion recorded in the third quarter of 2007. Total expenses were \$79.1 billion in the third quarter, a 5.8 percent decrease from the previous quarter's level of \$84.0 billion.



Detail of NASD-Reporting and NYSE-Reporting Broker Dealers Pre-Tax Profits (Losses)															
	2005				2006				2007				2008		
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3
NASD-reporting firms	1.8	2.2	2.2	1.9	3.1	3.0	2.9	3.2	3.0	4.3	2.4	2.3	2.2	3.2	2.0
NYSE-reporting firms	2.6	1.7	2.8	2.3	4.7	4.5	4.1	7.6	4.7	4.2	(3.8)	(16.4)	(22.4)	1.6	(10.7)
Total	4.4	4.0	5.0	4.2	7.8	7.5	7.0	10.8	7.7	8.6	(1.4)	(14.1)	(20.2)	4.8	(8.7)

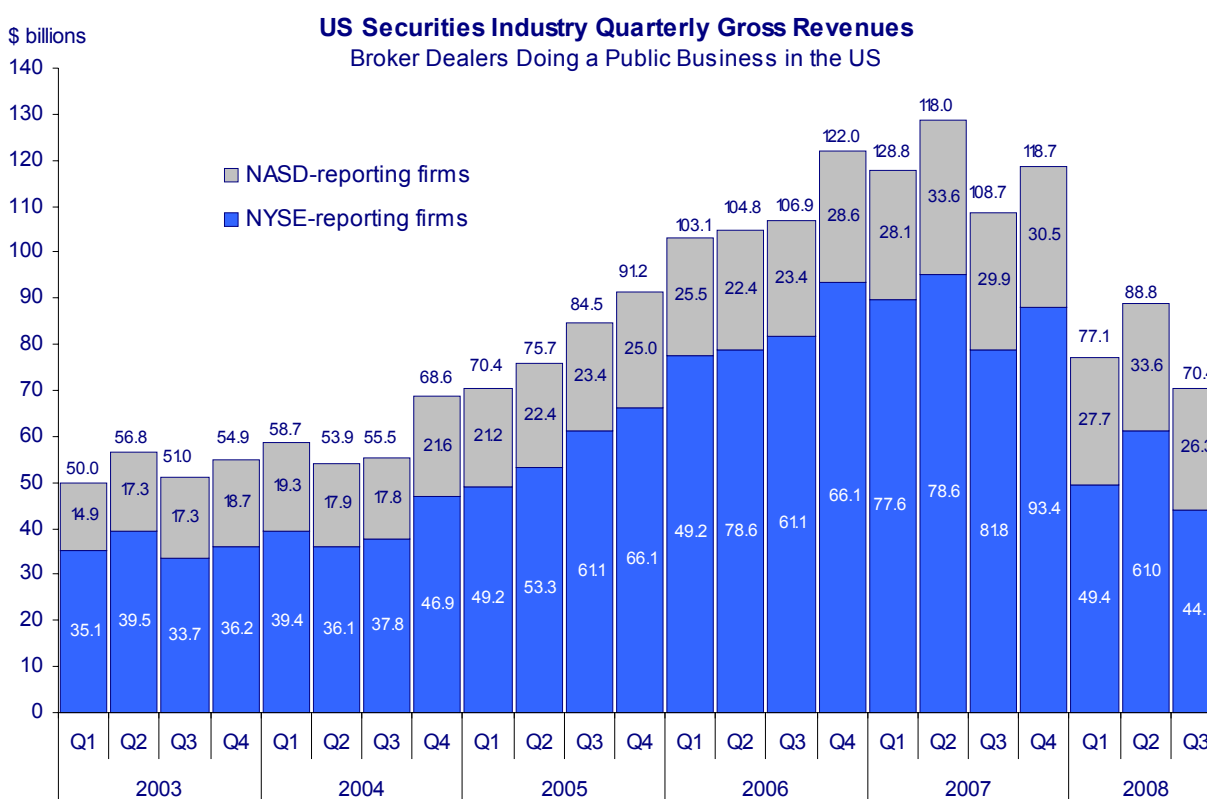
* NASD- and NYSE-reporting firms combined detail of quarterly pre-tax profits (losses)
Source: SIFMA DataBank

¹ The results for the U.S. securities industry discussed herein, unless otherwise indicated, are the aggregated results (unconsolidated revenues and expenses) for all broker-dealers doing a public business in the U.S. as reported in the Financial and Operation Combined Uniform Single (FOCUS) Reports broker-dealers file with the U.S. Securities and Exchange Commission (SEC) and the Financial Industry Regulatory Authority (FINRA, which still designates firms NASD-reporting and NYSE-reporting). FOCUS data aggregated quarterly by SIFMA beginning in 2001, along with analytical subgroups of firms, are available to subscribers (<http://www.sifma.org/research/statistics/databank.html>) for NYSE data and (http://www.sifma.org/research/statistics/expanded_databank.html) for NASD data.

Market conditions deteriorated towards the end of the third quarter, prompting an unprecedented series of market events and government actions and setting the stage for very weak securities industry results. On September 7, Fannie Mae and Freddie Mac were placed into conservatorship. A week later Merrill Lynch was sold to Bank of America and Lehman Brothers filed for Chapter 11 bankruptcy. On September 17 the Federal Reserve lent AIG \$85 billion to prevent it from collapsing, taking a 79.9 percent stake in return. Goldman Sachs and Morgan Stanley reacted to the extreme market conditions by converting from investment banks to bank holding companies. To round out the month, on September 25, Washington Mutual was sold to JPMorgan Chase. Industry commentators have stressed that tighter regulation and lower levels of leverage will make profits harder to come by in the future, although consolidation, cost cutting and deep employment cuts will help limit further significant losses in 2009.²

Revenues

Gross, or total revenues, of \$70.4 billion in 3Q'08 were 20.8 percent lower compared to the previous quarter and 35.3 percent below the \$108.7 billion reported in the same year-earlier period. Net revenues were \$39.5 billion, a 29.0 percent decrease over the previous quarter and 11.1 percent lower than the \$44.4 billion recorded in 3Q'07.



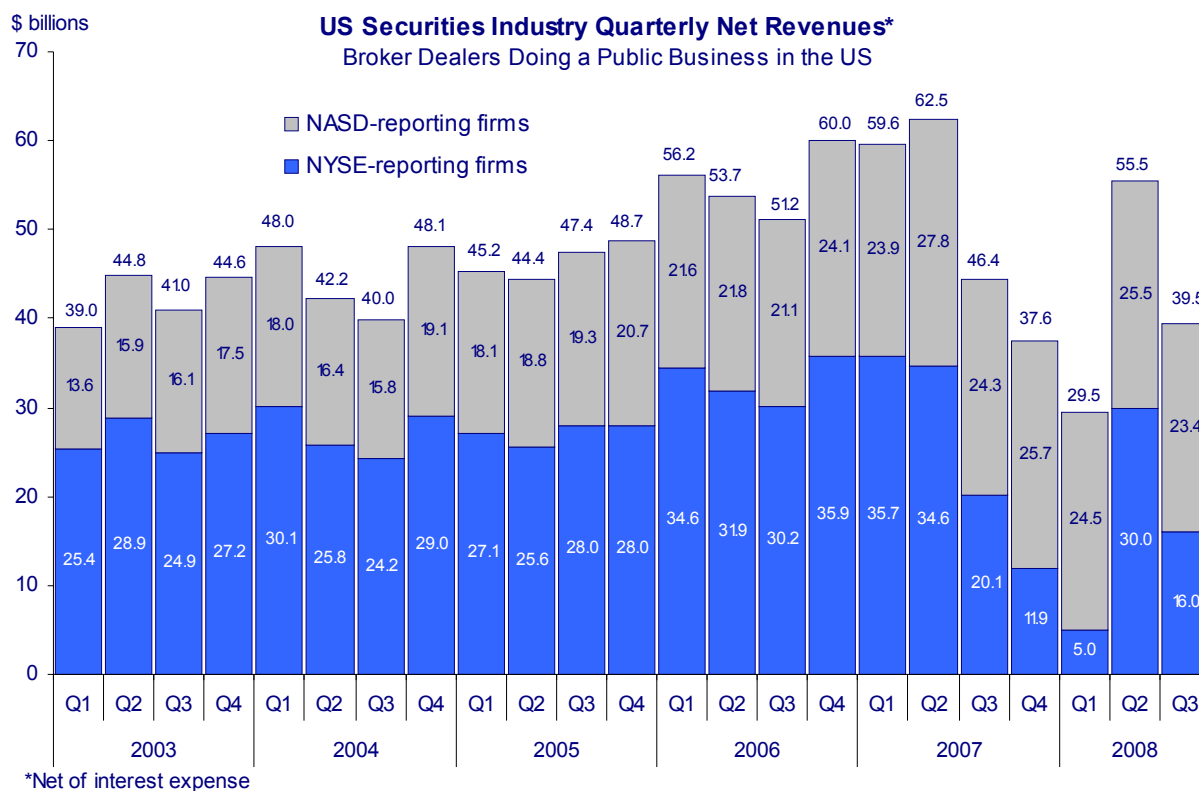
Source: SIFMA DataBank

Commission and fee income, one of the few revenue lines that grew in 3Q'08 was \$13.9 billion, a 3.3 percent increase from the previous quarter and up 2.6 percent from the same year-earlier period. This was the third highest level ever recorded. These results reflected very strong equity trading volume in 3Q'08. The NYSE set an average daily share trading volume record in

² IBISWorld, "Executive Summary, Investment Banking & Securities Dealing in the U.S.," December 8, 2008, (<http://www.ibisworld.com>).

3Q'08 with 2.81 billion shares traded, up 27.7 percent from the prior quarter and 8.1 percent above the previous record level of 2.60 billion shares traded in 1Q'08. Average daily share trading volume on the NASDAQ reached 2.22 billion in the third quarter, a 5.5 percent increase over the last quarter, but down 9.4 percent from the record level set in the first quarter of 2008.

Trading, which experienced consecutive losses in the previous four quarters, recorded yet another loss in 3Q'08. Trading losses amounted to \$16.9 billion compared to a loss of \$1.8 billion in the immediately preceding quarter and a loss of \$6.3 billion in the same year-earlier period. NASD-reporting firms trading gains declined in the third quarter relative to the second quarter, but it was the NYSE-reporting firms that accounted for all of the losses.



Source: SIFMA DataBank

Underwriting revenue weakened in 3Q'08, falling to \$4.1 billion, a 41.1 percent decline from the previous quarter's result of \$7.0 billion and 21.2 percent below the same year-earlier period. The decline in underwriting revenue can be attributed to a decrease of initial public offerings (IPOs) and secondary offerings in 3Q'08. "True" IPOs, which exclude closed-end funds, raised \$1.2 billion in the third quarter, a significant fall from the \$5.1 billion in IPOs recorded in the immediately preceding quarter.

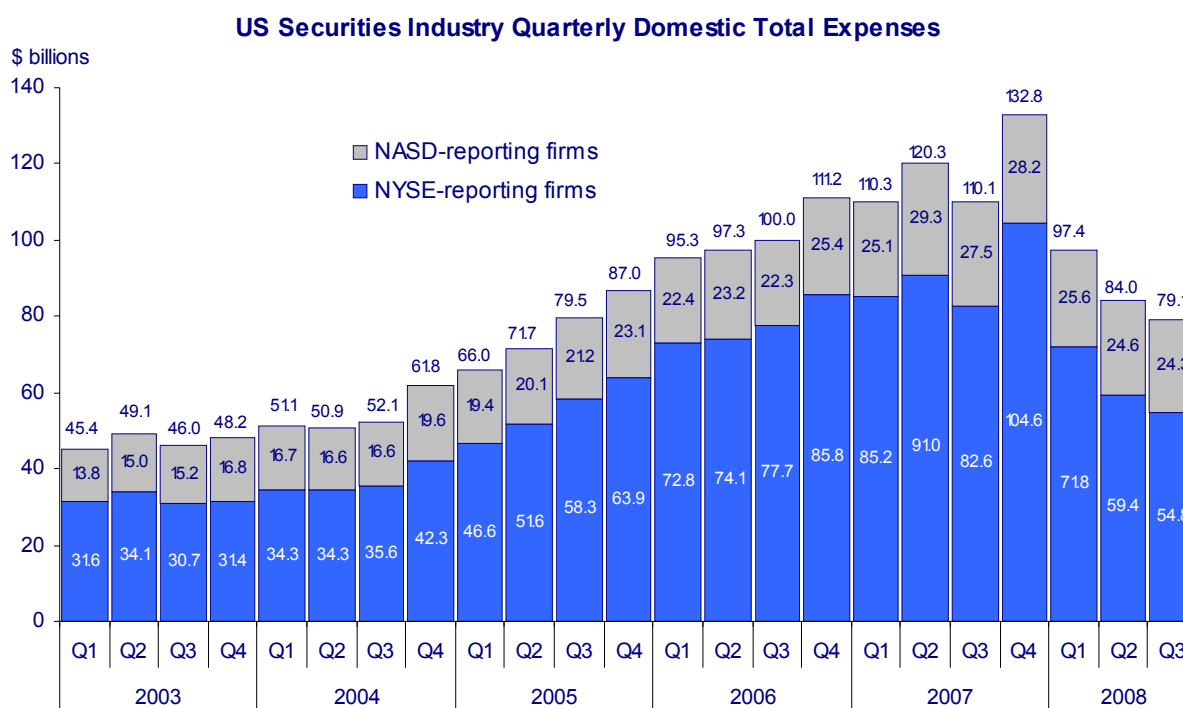
Fund management operations also declined in the third quarter of 2008. Asset management fees were virtually unchanged at \$8.4 billion in 3Q'08, but mutual fund sales revenue of \$5.3 billion was 11.2 percent below that in the previous quarter and 16.6 percent below the third quarter of 2007 level.

Margin interest revenue of \$4.6 billion in 3Q'08 was 7.3 percent lower than in the immediately preceding quarter and 48.7 percent lower than the results from the same year-earlier period. Both NASD-and NYSE-reporting firms' margin interest revenues were negatively affected by declining interest rates, but NYSE-reporting firms were also substantially hit by deleveraging.

Other revenues related to the securities business, including prime brokerage, corporate financial advisory services such as for mergers and acquisitions (M&A), leveraged buyouts (LBOs), and structured financial and derivative products, decreased to \$33.7 billion in 3Q'08, down 8.3 percent from last quarter and 38.5 percent lower than results in 3Q'07. The decline can be attributed to the lower value of completed M&A deals in 3Q'08, down 22.7 percent from 2Q'08, and declining prime brokerage revenue, among other factors.

Expenses

Total expenses reached \$79.1 billion in 3Q'08, 5.8 percent lower than the \$84.0 billion recorded in the immediately preceding quarter and 28.1 percent lower than in the same year-earlier period. Compensation expenses were \$23.1 billion, a decrease of 13.4 percent relative to the previous quarter but 7.1 percent above 3Q'07. Interest expense, the largest single expense item, continued to decline since its record quarterly high in 4Q'07. Interest expense was \$30.9 billion in 3Q'08, down 7.1 percent from the previous quarter and 51.9 percent below the level in the same year-earlier period. Together, compensation and interest expenses accounted for 68.3 percent of total expenses, compared to 71.4 percent in the previous quarter and 78.0 percent in 3Q'07.

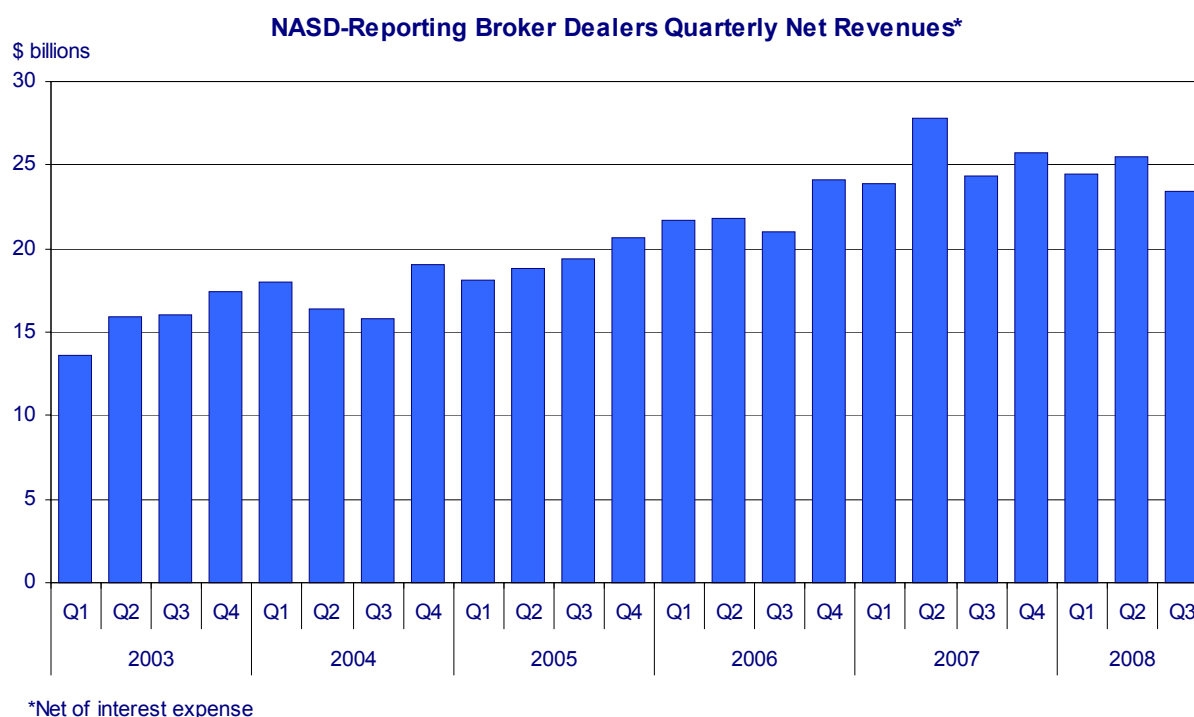


Source: SIFMA DataBank

NASD-Reporting Firms

NASD-reporting firms recorded pre-tax net income (profits) of \$2.0 billion in 3Q'08, a 38.6 decrease from the previous quarter and 19.7 percent lower than in the same year-earlier period. Gross revenues totaled \$26.3 billion in the third quarter, a 5.6 percent decrease from the immediately preceding quarter and 12.2 percent lower than in 3Q'07. Net revenues were \$23.4 billion in 3Q'08, down 8.3 percent from the \$25.5 billion recorded in the previous quarter and 3.8 percent below the year-earlier level. For the third consecutive quarter total expenses declined, reaching \$24.3 billion in the third quarter, a 1.3 percent decline from 2Q'08 and 11.6 percent below the level in the third quarter of 2007.

NASD-reporting firms recorded gains in only two income lines in 3Q'08: other revenue related to the securities business and commodities revenue. Gains from other revenue related to the securities business totaled \$4.5 billion, a 23.1 percent increase from the previous quarter, but 24.8 percent below the same year-earlier period. Commodities revenue, a small business line that accounted for only 2.8 percent of total revenues, reached \$741.8 million in 3Q'08, up significantly from the \$6.9 million recorded in the prior quarter, but was unchanged from the level in the same year-earlier period. By contrast, trading revenues, at \$642.1 million, decreased the most in dollar terms, down by \$1.6 billion or 71.9 percent in the third quarter compared with the immediately preceding quarter, but were still ahead of the 144.6 million loss in 3Q'07.



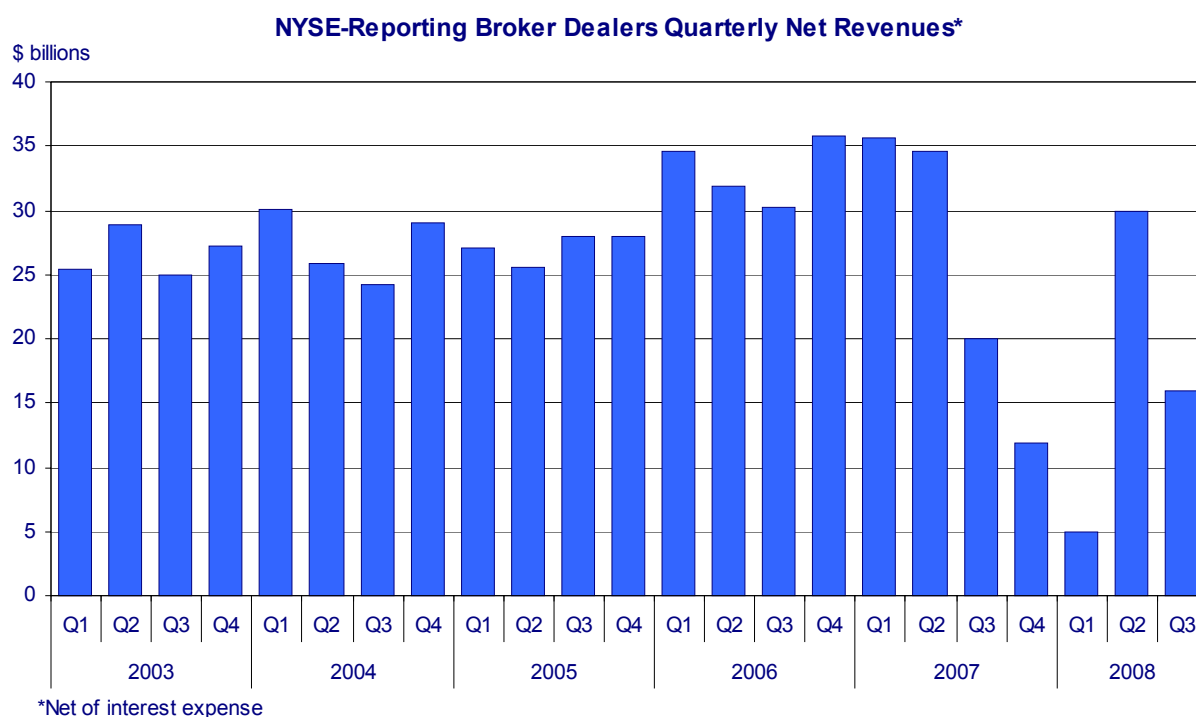
Source: SIFMA DataBank

On the other side of the ledger, interest expense increased the most in dollar terms among expense lines relative to 2Q'08, while total compensation expense decreased the most. Interest expense totaled \$2.9 billion, up 24.6 percent from the prior quarter, but 48.9 percent below results from 3Q'07. Total compensation, the largest single expense item for NASD-reporting broker dealers, decreased 7.9 percent to \$8.2 billion in 3Q'08.

NYSE-Reporting Firms

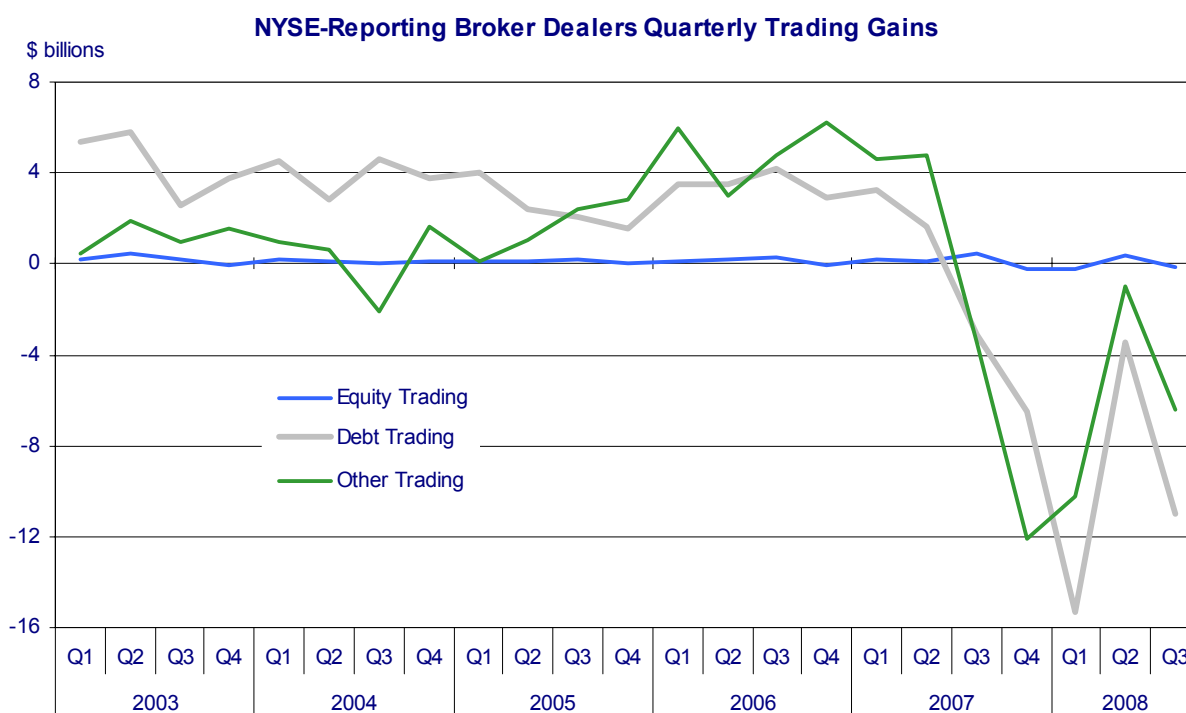
NYSE-reporting firms experienced a dramatic third quarter with Lehman Brothers declaring bankruptcy and Merrill Lynch being sold to Bank of America on September 14, followed by Goldman Sachs and Morgan Stanley becoming bank holding companies. With frozen credit markets and the need to strengthen their balance sheets, NYSE-reporting firms reported their third largest pre-tax loss of \$10.7 billion in 3Q'08, compared to a \$1.6 billion pre-tax profit in the prior quarter, but well below the \$22.4 billion record loss set in the first quarter of 2008. Total 3Q'08 revenues of \$44.1 billion were 27.7 percent below the previous quarter's levels and 44.0 percent lower than the same year-earlier period, while net revenues were \$16.0 billion, just over half of the amount recorded in 2Q'08 and 20.0 percent below that in the same year-earlier period. Total expenses were \$54.8 billion, down 7.7 percent from the previous quarter and 33.7 percent below the \$82.6 billion recorded in 3Q'07.

Compared to 2Q'08 most revenue lines declined in the third quarter. Although commodities revenue accounted for only 3.8 percent of total revenue in 3Q'08, it was one of the largest dollar and percentage gainers, reaching \$1.7 billion compared to 200.8 million in the previous quarter. Reflecting strong equity trading volume discussed earlier, commission and fee income was \$7.6 billion in the third quarter of 2008 compared to \$7.0 billion in the prior quarter and \$7.2 billion in the same year-earlier period.



Source: SIFMA DataBank

The most significant dollar losses were in trading, underwriting and other revenue related to the securities business. In 3Q'08, trading losses were \$17.5 billion, worse than the \$4.1 billion loss in the prior quarter, but better than the record high loss of \$25.7 billion in the first quarter of 2008. With widespread deleveraging and liquidity in many markets wiped out financial assets were sold at steep discounts. The fixed income markets had a particularly rough third quarter, which explains why debt trading was responsible for nearly 63 percent of the total trading losses. Underwriting revenue was \$3.6 billion, down 42.8 percent from \$6.3 billion in the previous quarter and 21.3 lower than in the same year-earlier period. Other revenues related to the securities business, which include M&A, prime brokerage, private equity and financial structuring, among other corporate financial advisory services, declined 11.8 percent from 2Q'08 and was down 40.2 percent compared with results for 3Q'07.



Source: SIFMA DataBank

Total expenses for NYSE-reporting firms continued to decline since hitting a record high of \$104.6 billion in 4Q'07. In the third quarter of 2008, total expenses were \$54.8 billion, 7.7 percent below the previous quarter and 33.7 percent lower than in 3Q'07. Compensation costs were \$14.9 billion, a 16.2 percent decrease compared to 2Q'08, but 13.3 percent above the same period in 2007. Floor costs totaled \$1.9 billion, up 5.4 percent relative to the previous quarter, but 4.3 percent below the same year-earlier period. The largest decline in dollar terms was in interest expense, which fell 9.4 percent or \$2.9 billion to \$28.1 billion in the third quarter of 2008, reflecting deleveraging and lower interest rates.

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NASD-Reporting Firms Other Than NYSE-Reporting Broker Dealers
INCOME STATEMENT & SELECTED ITEMS
\$ Millions

	ANNUAL DATA								
	2004	2005	2006	2007	07:Q3	07:Q4	08:Q1	08:Q2	08:Q3
REVENUE:									
Commissions	20,801.1	20,532.3	22,243.4	25,694.8	6,347.5	6,756.1	6,541.2	6,387.1	6,257.2
- Commissions - Listed Equity on an Exchange	4,971.5	4,828.7	4,904.1	5,621.9	1,499.0	1,562.0	1,397.9	1,352.4	1,324.9
- Commissions - Listed Equity OTC	1,058.7	1,318.0	1,182.9	1,152.3	247.9	247.8	389.3	378.8	451.5
- Commissions - Listed Options	747.3	644.0	780.2	1,121.4	304.5	332.8	360.6	357.0	369.7
- Commissions - All Other	14,023.4	13,741.6	15,376.2	17,799.3	4,296.2	4,613.5	4,393.4	4,298.9	4,111.1
Trading Gain (Loss)	6,137.6	6,303.1	8,527.1	4,355.7	-144.6	861.6	1,498.0	2,285.7	642.1
- Gain from OTC Market Making	532.3	274.8	239.0	241.2	32.6	80.7	64.4	54.0	62.1
- - Gain from OTC Market Making in Listed Equity	25.7	19.6	16.8	4.2	3.5	-5.2	5.2	5.4	4.0
- Gain from Debt Trading	1,678.8	2,652.8	3,670.9	2,826.9	384.6	404.2	919.1	825.5	322.5
- Gain from Listed Options Market Making	113.2	1.0	21.8	75.5	16.4	16.8	7.1	15.2	49.6
- Gain from All Other Trading	3,813.3	3,374.6	4,595.4	1,212.1	-578.1	359.8	507.5	1,384.0	207.9
Investment Account Gain (Loss)	1,013.3	1,297.0	2,230.7	792.5	66.5	-76.4	-456.3	-81.6	-389.3
- Realized Gain	311.9	642.4	1,145.7	223.9	26.0	51.4	38.0	36.2	29.1
- Unrealized Gain	79.1	106.6	275.3	245.5	83.8	-15.2	-42.0	35.2	-158.8
Underwriting Revenue	2,465.2	2,726.3	2,745.1	3,343.9	671.6	768.4	543.2	718.3	532.2
- Equity Underwriting Revenue	30.9	67.0	244.3	218.8	48.3	51.1	45.9	85.2	0.4
Margin Interest	804.1	1,985.1	3,049.6	3,102.9	788.8	732.2	562.0	460.6	367.9
Mutual Fund Sale Revenue	11,817.3	13,493.8	15,155.9	17,756.2	4,372.9	4,450.5	4,226.0	4,040.7	3,654.7
Fees, Asset Management	6,905.8	8,008.0	9,695.9	11,501.5	2,947.1	2,971.4	2,779.7	2,980.7	2,865.0
Research Revenue	3.4	5.9	15.9	34.4	1.6	2.7	2.0	4.7	4.3
Commodities Revenue	556.1	191.3	-621.5	1,168.0	741.8	175.7	300.4	6.9	741.8
Other Revenue Related to the Securities Business	8,359.7	14,781.3	18,388.9	22,423.5	6,025.5	5,523.1	4,344.8	3,678.0	4,529.4
Other Revenue	17,643.4	22,624.2	24,029.4	31,969.7	8,098.1	8,341.9	7,373.4	7,319.6	7,055.2
TOTAL REVENUE	76,507.1	91,948.3	105,460.5	122,143.2	29,916.9	30,507.1	27,714.3	27,814.1	26,260.5
Net Revenue	69,177.8	76,862.3	88,591.9	101,772.7	24,327.1	25,673.0	24,509.9	25,522.9	23,406.8
EXPENSES:									
Total Compensation	25,313.9	28,426.3	30,776.8	35,075.0	8,415.4	9,188.1	8,722.5	8,894.5	8,196.1
- Registered Representative Compensation	7,941.9	8,882.4	9,491.4	10,966.9	2,614.2	2,757.1	2,660.9	3,003.3	2,701.8
- Clerical Employee Compensation	3,611.8	4,955.3	5,149.6	5,595.5	1,332.7	1,461.1	1,398.7	1,445.0	1,321.0
- Voting Officer Compensation	2,386.9	2,330.2	2,236.3	2,473.8	586.3	754.0	699.1	654.1	675.6
- Other Employee Compensation (FOCUS IIA Only)	11,373.0	12,258.4	13,899.4	16,038.8	3,882.2	4,215.9	3,963.8	3,792.1	3,497.7
Total Floor Costs	11,910.3	12,805.7	14,743.5	18,045.3	4,430.4	4,286.4	4,376.5	4,206.3	4,263.6
- Floor Brokerage Paid to Brokers	212.9	235.6	321.2	275.9	69.6	64.0	58.9	62.0	60.1
- Commissions & Clearance Paid to Other Brokers	1,504.9	1,588.7	2,517.7	3,051.1	668.2	775.9	667.3	703.2	778.0
- Clearance Paid to Non-Brokers	366.9	517.6	474.0	344.7	93.4	87.3	65.3	88.6	87.7
- Commissions Paid to Broker-Dealers (FOCUS IIA Only)	9,825.6	10,463.8	11,430.6	14,373.7	3,599.1	3,359.3	3,585.1	3,352.5	3,337.7
Communications Expense	502.9	651.8	623.6	670.5	164.3	170.0	170.7	178.9	180.2
Occupancy & Equipment Costs	896.7	1,253.3	1,177.5	1,181.1	287.3	304.7	311.6	319.9	324.6
Promotional Costs	687.0	933.1	963.4	1,145.9	259.5	328.6	333.7	310.8	268.0
Interest Expense	7,329.2	15,086.0	16,868.6	20,370.6	5,589.9	4,834.0	3,204.4	2,291.2	2,853.7
Losses from Error Accounts & Bad Debts	58.6	63.6	112.9	92.0	27.4	27.8	32.6	26.6	44.2
Data Processing Costs	804.4	781.4	780.6	812.7	197.1	214.9	220.4	216.0	239.9
Regulatory Fees & Expenses	307.9	358.3	344.5	352.7	85.8	104.6	84.8	97.7	121.1
Non-Recurring Charges	203.5	9.5	7.3	14.4	10.9	1.4	1.2	2.1	1.9
Other Expenses	21,453.8	23,448.0	26,871.3	32,303.4	8,010.5	8,771.2	8,096.9	8,067.1	7,808.5
TOTAL EXPENSES	69,468.3	83,817.0	93,269.9	110,063.5	27,478.4	28,231.6	25,555.3	24,625.0	24,301.7
PRE-TAX NET INCOME	7,038.8	8,131.3	12,190.6	12,079.7	2,438.5	2,275.5	2,159.1	3,189.0	1,958.8
TOTAL ASSETS	782,433.2	827,576.0	857,479.9	903,947.2	1,035,040.8	903,947.2	1,054,258.4	819,450.2	752,574.8
TOTAL LIABILITIES	732,392.8	779,938.7	803,461.5	845,116.9	976,597.7	845,116.9	995,798.7	760,419.8	698,367.4
TOTAL OWNERSHIP EQUITY	50,040.4	47,637.3	54,018.4	58,830.1	58,443.1	58,830.1	58,459.7	59,030.4	54,207.4
TOTAL NET CAPITAL	25,925.7	26,714.4	27,630.6	32,441.0	31,132.5	32,441.0	32,704.3	33,589.0	33,323.2
NUMBER OF FIRMS IN CATEGORY	4,990	4,917	4,848	4,774	4,865	4,774	4,754	4,757	4,751
PERSONNEL - INCOME PRODUCING	58,562	59,648	57,228	60,075	59,868	60,075	60,157	62,785	75,909
PERSONNEL - ALL OTHER	37,622	37,155	36,226	36,323	37,346	36,323	37,304	39,849	41,447
PERSONNEL - TOTAL	96,184	96,803	93,454	96,398	97,214	96,398	97,461	102,634	117,356

Source: SIFMA DataBank

NYSE-Reporting Broker Dealers
INCOME STATEMENT & SELECTED ITEMS
\$ Millions

\$ Millions	ANNUAL DATA					07:Q3	07:Q4	08:Q1	08:Q2	08:Q3
	2004	2005	2006	2007						
REVENUE:										
Commissions	26,339.8	25,612.2	26,665.0	28,846.4	7,163.5	7,612.8	7,845.7	7,029.1	7,599.7	
- Commissions - Listed Equity on an Exchange	13,937.4	13,592.3	13,706.4	14,467.3	3,771.4	3,505.7	3,734.4	3,212.2	3,399.6	
- Commissions - Listed Equity OTC	2,014.2	1,951.3	1,919.9	2,418.9	647.1	790.6	976.0	904.9	1,106.1	
- Commissions - Listed Options	1,215.0	1,134.0	1,394.8	1,884.2	535.9	510.8	548.6	514.1	522.5	
- Commissions - All Other	9,173.2	8,934.6	9,644.1	10,076.0	2,209.1	2,805.7	2,586.7	2,397.9	2,571.5	
Trading Gain (Loss)	17,363.6	17,006.5	34,522.5	-10,334.3	-6,117.3	-18,809.2	-25,709.7	-4,064.7	-17,500.9	
- Gain from OTC Market Making	447.6	480.5	513.6	611.7	463.4	-226.3	-198.0	363.4	-143.3	
- - Gain from OTC Market Making in Listed Equity	-7.6	-17.3	-1.4	0.0	0.0	0.0	0.1	0.0	0.1	
- Gain from Debt Trading	15,754.5	10,076.3	14,112.0	-4,738.9	-3,121.7	-6,463.9	-15,310.5	-3,420.7	-10,959.2	
- Gain from Listed Options Market Making	154.0	203.3	38.0	165.1	-220.9	3.5	364.0	104.5	-838.7	
- Gain from All Other Trading	1,007.5	6,006.0	19,858.9	-11,423.7	-3,238.1	-12,122.5	-10,565.2	-1,111.9	-5,559.7	
Investment Account Gain (Loss)	1,656.1	1,559.4	3,306.6	3,183.6	821.2	482.5	-28.8	135.0	18.8	
- Realized Gain	1,205.8	1,218.5	1,316.5	1,742.3	403.8	314.2	210.2	174.9	149.7	
- Unrealized Gain	414.4	-178.8	655.5	-271.1	32.2	-71.5	-141.9	-72.9	-136.9	
Underwriting Revenue	16,658.9	17,261.2	20,884.4	23,182.3	4,560.1	5,642.3	3,816.8	6,279.6	3,589.4	
- Equity Underwriting Revenue	4,204.2	4,135.8	4,972.2	6,705.3	1,392.9	1,700.7	1,375.3	2,112.2	1,142.3	
Margin Interest	6,146.0	11,272.0	20,777.4	29,179.3	8,136.1	8,353.9	6,287.6	4,475.7	4,208.2	
Mutual Fund Sale Revenue	6,838.5	7,163.0	7,843.5	8,050.2	1,951.8	2,022.5	1,933.9	1,901.9	1,621.7	
Fees, Asset Management	13,941.6	15,268.0	18,195.1	21,587.7	5,471.7	5,858.9	5,428.7	5,328.4	5,495.5	
Research Revenue	207.8	131.6	206.2	45.6	11.6	16.9	14.7	15.8	14.3	
Commodities Revenue	930.3	1,052.6	54.8	580.2	-284.7	527.3	630.4	200.8	1,666.4	
Other Revenue Related to the Securities Business	59,260.4	111,762.2	175,354.4	212,554.3	48,765.8	66,746.9	41,599.5	33,058.2	29,155.3	
Other Revenue	10,854.3	21,730.3	23,525.6	35,174.2	8,312.8	9,726.3	7,598.9	6,651.2	8,256.6	
TOTAL REVENUE	160,197.3	229,819.1	331,335.7	352,048.4	78,792.8	88,181.1	49,417.7	61,010.1	44,125.0	
Net Revenue	109,113.1	108,757.8	132,531.5	102,260.4	20,056.6	11,884.9	4,997.2	30,011.0	16,047.2	
EXPENSES:										
Total Compensation	57,851.1	59,953.4	71,104.2	69,610.3	13,186.7	16,785.0	16,264.3	17,825.8	14,935.2	
- Registered Representative Compensation	22,301.5	23,156.2	26,873.6	27,394.1	5,676.2	6,815.7	6,804.5	6,358.1	6,368.0	
- Clerical Employee Compensation	32,874.4	34,308.4	41,664.3	40,434.9	7,049.9	9,495.9	8,964.5	11,021.3	8,126.2	
- Voting Officer Compensation	1,222.4	1,145.9	1,437.8	1,029.0	259.8	279.4	294.0	253.7	228.4	
- Other Employee Compensation (FOCUS IIA Only)	1,452.8	1,342.9	1,128.5	752.2	200.8	194.0	201.3	192.5	212.7	
Total Floor Costs	4,839.0	5,233.5	6,444.4	7,439.0	2,025.7	2,090.1	1,857.6	1,839.5	1,939.1	
- Floor Brokerage Paid to Brokers	1,258.3	1,346.5	1,481.0	1,401.3	365.4	360.0	363.4	320.0	268.8	
- Commissions & Clearance Paid to Other Brokers	2,167.1	2,430.9	3,421.2	4,550.4	1,255.8	1,307.9	1,158.9	1,096.0	1,228.9	
- Clearance Paid to Non-Brokers	876.9	965.9	1,152.5	1,439.7	392.6	409.0	315.3	403.7	415.3	
- Commissions Paid to Broker-Dealers (FOCUS IIA Only)	536.7	490.2	389.6	47.8	11.9	13.2	20.0	20.1	26.1	
Communications Expense	4,170.9	4,343.8	4,918.5	5,328.3	1,325.1	1,415.3	1,321.4	1,349.1	1,268.4	
Occupancy & Equipment Costs	5,577.2	5,086.8	5,211.4	5,423.1	1,341.6	1,443.6	1,334.2	1,379.6	1,402.1	
Promotional Costs	1,653.2	1,511.5	1,541.3	1,532.0	365.0	419.2	355.5	353.3	266.7	
Interest Expense	51,084.2	121,061.3	198,804.2	249,788.0	58,736.2	76,296.2	44,420.5	30,999.1	28,077.8	
Losses from Error Accounts & Bad Debts	274.8	305.5	276.8	134.8	119.2	140.6	439.6	115.7	132.6	
Data Processing Costs	2,422.5	2,724.8	2,926.4	2,952.7	734.2	816.8	766.6	624.8	608.1	
Regulatory Fees & Expenses	1,150.0	1,193.4	1,266.2	1,405.9	369.2	374.0	375.8	353.9	397.1	
Non-Recurring Charges	477.2	274.5	118.0	104.4	0.1	97.4	194.3	187.9	150.9	
Other Expenses	17,017.3	18,684.3	17,831.1	19,632.0	4,416.9	4,672.1	4,472.7	4,337.2	5,635.6	
TOTAL EXPENSES	146,517.4	220,372.8	310,442.2	363,350.6	82,620.0	104,550.3	71,801.4	59,366.0	54,813.6	
PRE-TAX NET INCOME	13,679.9	9,446.3	20,893.6	-11,302.3	-3,827.3	-16,369.2	-22,383.7	1,643.9	-10,688.7	
TOTAL ASSETS	3,841,155.7	4,211,633.2	5,019,451.2	5,459,435.0	5,650,068.0	5,459,435.0	5,564,248.4	5,156,462.7	5,453,573.0	
TOTAL LIABILITIES	3,745,006.8	4,110,979.4	4,909,210.0	5,350,716.7	5,532,844.1	5,350,716.7	5,455,725.0	5,042,313.3	5,338,621.7	
TOTAL OWNERSHIP EQUITY	96,148.9	100,653.8	110,241.2	108,718.3	117,224.0	108,718.3	108,523.4	114,149.4	114,951.4	
TOTAL NET CAPITAL	61,201.0	74,619.6	75,338.3	95,802.7	98,587.2	95,802.7	101,853.0	114,954.3	107,441.8	
NUMBER OF FIRMS IN CATEGORY	229	217	204	195	196	195	196	192	195	
PERSONNEL - INCOME PRODUCING	139,118	131,119	131,457	143,361	147,496	143,361	142,809	140,736	142,026	
PERSONNEL - ALL OTHER	160,935	155,359	162,464	174,285	167,784	174,285	173,096	171,186	163,739	
PERSONNEL - TOTAL	300,053	286,478	293,921	317,646	315,281	317,646	315,905	311,922	305,765	

Source: SIFMA DataBank

NASD- and NYSE-Reporting Broker Dealers
INCOME STATEMENT & SELECTED ITEMS
\$ Millions

\$ Millions	ANNUAL DATA					07:Q3	07:Q4	08:Q1	08:Q2	08:Q3
	2004	2005	2006	2007						
REVENUE:										
Commissions	47,140.9	46,144.5	48,908.4	54,541.2	13,511.0	14,368.9	14,386.9	13,416.2	13,856.9	
- Commissions - Listed Equity on an Exchange	18,908.9	18,421.0	18,610.5	20,089.2	5,270.4	5,067.7	5,132.3	4,564.6	4,724.5	
- Commissions - Listed Equity OTC	3,072.9	3,269.3	3,102.8	3,571.2	895.0	1,038.4	1,365.3	1,283.7	1,557.6	
- Commissions - Listed Options	1,962.3	1,778.0	2,175.0	3,005.6	840.4	843.6	909.2	871.1	892.2	
- Commissions - All Other	23,196.6	22,676.2	25,020.3	27,875.3	6,505.3	7,419.2	6,980.1	6,696.8	6,682.6	
Trading Gain (Loss)	23,501.2	23,309.6	43,049.6	-5,978.6	-6,261.9	-17,947.6	-24,211.7	-1,779.0	-16,858.8	
- Gain from OTC Market Making	979.9	755.3	752.6	852.9	496.0	-145.7	-133.6	417.4	-81.2	
- - Gain from OTC Market Making in Listed Equity	18.1	2.3	15.4	4.2	3.5	-5.2	5.3	5.4	4.1	
- Gain from Debt Trading	17,433.3	12,729.1	17,782.9	-1,912.0	-2,737.1	-6,059.7	-14,391.4	-2,595.2	-10,636.7	
- Gain from Listed Options Market Making	267.2	204.3	59.8	240.6	-204.5	20.3	371.1	119.7	-789.1	
- Gain from All Other Trading	4,820.8	9,380.6	24,454.3	-10,211.6	-3,816.2	-11,762.7	-10,057.7	272.1	-5,351.8	
Investment Account Gain (Loss)	2,669.4	2,856.4	5,537.3	3,976.1	887.7	406.1	-485.1	53.4	-370.5	
- Realized Gain	1,517.7	1,860.9	2,462.2	1,966.2	429.8	365.6	248.2	211.1	178.8	
- Unrealized Gain	493.5	-72.2	930.8	-25.6	116.0	-86.7	-183.9	-37.7	-295.7	
Underwriting Revenue	19,124.1	19,987.5	23,629.5	26,526.2	5,231.7	6,410.7	4,360.0	6,997.9	4,121.6	
- Equity Underwriting Revenue	4,235.1	4,202.8	5,216.5	6,924.1	1,441.2	1,751.8	1,421.2	2,197.4	1,142.7	
Margin Interest	6,950.1	13,257.1	23,827.0	32,282.2	8,924.9	9,086.1	6,849.6	4,936.3	4,576.1	
Mutual Fund Sale Revenue	18,655.8	20,656.8	22,999.4	25,806.4	6,324.7	6,473.0	6,159.9	5,942.6	5,276.4	
Fees, Asset Management	20,847.4	23,276.0	27,891.0	33,089.2	8,418.8	8,830.3	8,208.4	8,309.1	8,360.5	
Research Revenue	211.2	137.5	222.1	80.0	13.2	19.6	16.7	20.5	18.6	
Commodities Revenue	1,486.4	1,243.9	-566.7	1,748.2	457.1	703.0	930.8	207.7	2,408.2	
Other Revenue Related to the Securities Business	67,620.1	126,543.5	193,743.3	234,977.8	54,791.3	72,270.0	45,944.3	36,736.2	33,684.7	
Other Revenue	28,497.7	44,354.5	47,555.0	67,143.9	16,410.9	18,068.2	14,972.3	13,970.8	15,311.8	
TOTAL REVENUE	236,704.4	321,767.4	436,796.2	474,191.6	108,709.7	118,688.2	77,132.0	88,824.2	70,385.5	
Net Revenue	178,290.9	185,620.1	221,123.4	204,033.1	44,383.7	37,557.9	29,507.1	55,533.9	39,454.0	
EXPENSES:										
Total Compensation	83,165.0	88,379.7	101,881.0	104,685.3	21,602.1	25,973.1	24,986.8	26,720.3	23,131.3	
- Registered Representative Compensation	30,243.4	32,038.6	36,365.0	38,361.0	8,290.4	9,572.8	9,465.4	9,361.4	9,069.8	
- Clerical Employee Compensation	36,486.2	39,263.7	46,813.9	46,030.4	8,382.6	10,957.0	10,363.2	12,466.3	9,447.2	
- Voting Officer Compensation	3,609.3	3,476.1	3,674.1	3,502.8	846.1	1,033.4	993.1	907.8	904.0	
- Other Employee Compensation (FOCUS IIA Only)	12,825.8	13,601.3	15,027.9	16,791.0	4,083.0	4,409.9	4,165.1	3,984.6	3,710.4	
Total Floor Costs	16,749.3	18,039.2	21,187.9	25,484.3	6,456.1	6,376.5	6,234.1	6,045.8	6,202.7	
- Floor Brokerage Paid to Brokers	1,471.2	1,582.1	1,802.2	1,677.2	435.0	424.0	422.3	382.0	328.9	
- Commissions & Clearance Paid to Other Brokers	3,672.0	4,019.6	5,938.9	7,601.5	1,924.0	2,083.8	1,826.2	1,799.2	2,006.9	
- Clearance Paid to Non-Brokers	1,243.8	1,483.5	1,626.5	1,784.4	486.0	496.3	380.6	492.3	503.0	
- Commissions Paid to Broker-Dealers (FOCUS IIA Only)	10,362.3	10,954.0	11,820.2	14,421.5	3,611.0	3,372.5	3,605.1	3,372.6	3,363.8	
Communications Expense	4,673.8	4,995.6	5,542.1	5,998.8	1,489.4	1,585.3	1,492.1	1,528.0	1,448.6	
Occupancy & Equipment Costs	6,473.9	6,340.1	6,388.9	6,604.2	1,628.9	1,748.3	1,645.8	1,699.5	1,726.7	
Promotional Costs	2,340.2	2,444.6	2,504.7	2,677.9	624.5	747.8	689.2	664.1	534.7	
Interest Expense	58,413.4	136,147.3	215,672.8	270,158.6	64,326.1	81,130.2	47,624.9	33,290.3	30,931.5	
Losses from Error Accounts & Bad Debts	333.4	369.1	389.7	226.8	146.6	168.4	472.2	142.3	176.8	
Data Processing Costs	3,226.9	3,506.2	3,707.0	3,765.4	931.3	1,031.7	987.0	840.8	848.0	
Regulatory Fees & Expenses	1,457.9	1,551.7	1,610.7	1,758.6	455.0	478.6	460.6	451.6	518.2	
Non-Recurring Charges	680.7	284.0	125.3	118.8	11.0	98.8	195.5	190.0	152.8	
Other Expenses	38,471.1	42,132.3	44,702.4	51,935.4	12,427.4	13,443.3	12,569.6	12,404.3	13,444.1	
TOTAL EXPENSES	215,985.7	304,189.8	403,712.1	473,414.1	110,098.4	132,781.9	97,356.7	83,991.0	79,115.3	
PRE-TAX NET INCOME	20,718.7	17,577.6	33,084.2	777.4	-1,388.8	-14,093.7	-20,224.6	4,832.9	-8,729.9	
TOTAL ASSETS	4,623,588.9	5,039,209.2	5,876,931.1	6,363,382.2	6,685,108.8	6,363,382.2	6,618,506.8	5,975,912.9	6,206,147.8	
TOTAL LIABILITIES	4,477,399.6	4,890,918.1	5,712,671.5	6,195,833.6	6,509,441.8	6,195,833.6	6,451,523.7	5,802,733.1	6,036,989.1	
TOTAL OWNERSHIP EQUITY	146,189.3	148,291.1	164,259.6	167,548.4	176,007.4	167,548.4	166,981.9	173,179.8	169,158.8	
TOTAL NET CAPITAL	87,126.7	101,334.0	102,968.9	128,243.7	129,719.7	128,243.7	134,557.3	148,543.3	140,765.0	
NUMBER OF FIRMS IN CATEGORY	5,219	5,134	5,052	4,969	5,061	4,969	4,950	4,949	4,946	
PERSONNEL - INCOME PRODUCING	197,680	190,767	188,685	203,436	207,364	203,436	202,966	203,521	217,935	
PERSONNEL - ALL OTHER	198,557	192,514	198,690	210,608	205,130	210,608	210,400	211,035	205,186	
PERSONNEL - TOTAL	396,237	383,281	387,375	414,044	412,495	414,044	413,366	414,556	423,121	

Source: SIFMA DataBank

SECURITIES INDUSTRY EMPLOYMENT UPDATE

Summary

The U.S. Department of Labor's Bureau of Labor Statistics (BLS) estimated national securities industry employment decreased in December by 0.2 percent from November's level.¹ In fourth quarter 2008, the national securities industry headcount securities industry decreased from the third quarter by 0.9 percent, or 7,800 jobs. Securities industry employment in New York State and New York City decreased in November by 1.0 percent and 0.8 percent, or 1,900 and 1,400 jobs, respectively. December data is not yet available.

U.S. Employment

National securities industry employment reached a record high of 869,800 jobs in second quarter 2008, but has since contracted by 3.1 percent, or 27,200 jobs, to 842,600 in the fourth quarter. In December 2008, the U.S. securities industry headcount decreased by 1,700 jobs, or 0.2 percent, and year-end headcount was 13,100 lower than in 2007. Securities industry employment had gradually trended upward during the 31 months since the end of the previous employment downturn, when the industry lost 89,900 jobs, or 10.7 percent of its total workforce. From the October 2003 nadir of 751,000 jobs through the recent high on June 2008, the securities industry gained 118,800 jobs, a full recovery of the jobs lost between the peak of 840,900 in March 2001 and the trough of October 2003, and an additional gain of 28,900 jobs above that previous record. National securities industry employment currently stands at 1,700 over that March 2001 high.

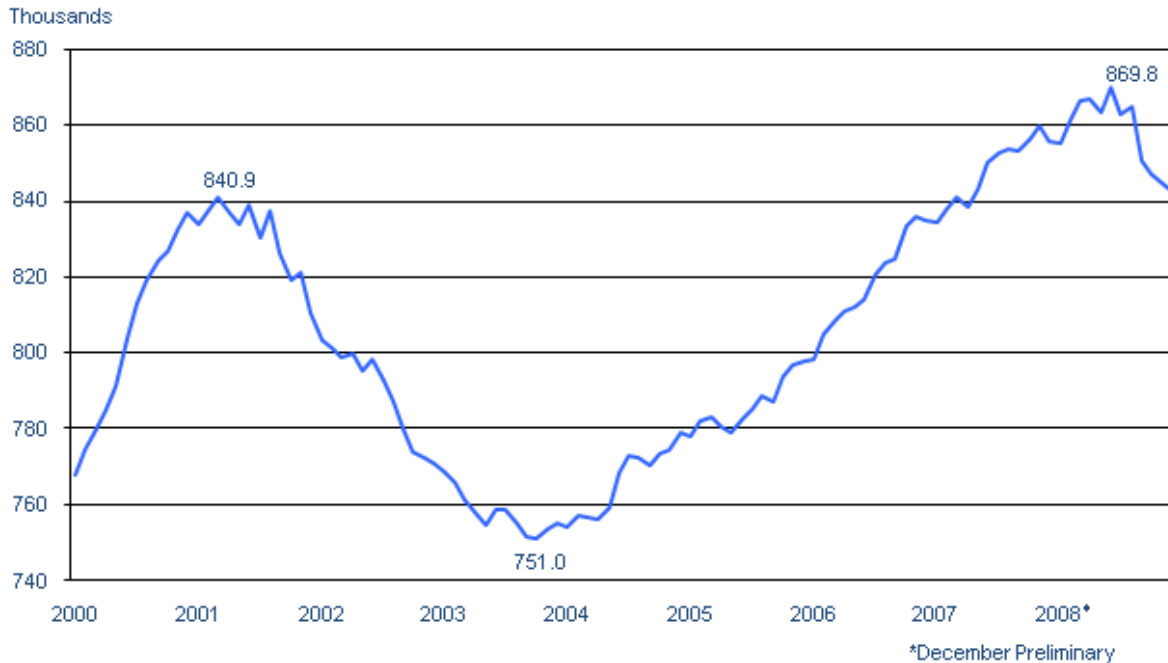
The U.S. economy struggled in 2008, losing roughly 2.5 million jobs, of which 1.9 million were lost in the last four months of the year. With consumer spending declining, the number of bankruptcy filings rising and the national unemployment rate reaching 7.2 percent in December, a 16-year high, 2009 will likely continue to be very difficult for consumers and businesses. Despite the current economic woes, most economists feel that the U.S. economy will begin to recover sometime in the second half of 2009.² Since the beginning of 2008 through December, the financial services sector has announced 154,959 job cuts in the Americas and 225,060 worldwide.³

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 SIFMA's "Economic Outlook," December 15, 2008, (<http://www.sifma.org/research/pdf/economic-outlook1208.pdf>).

³ According to Bloomberg and other media reports as of January 12, 2009.

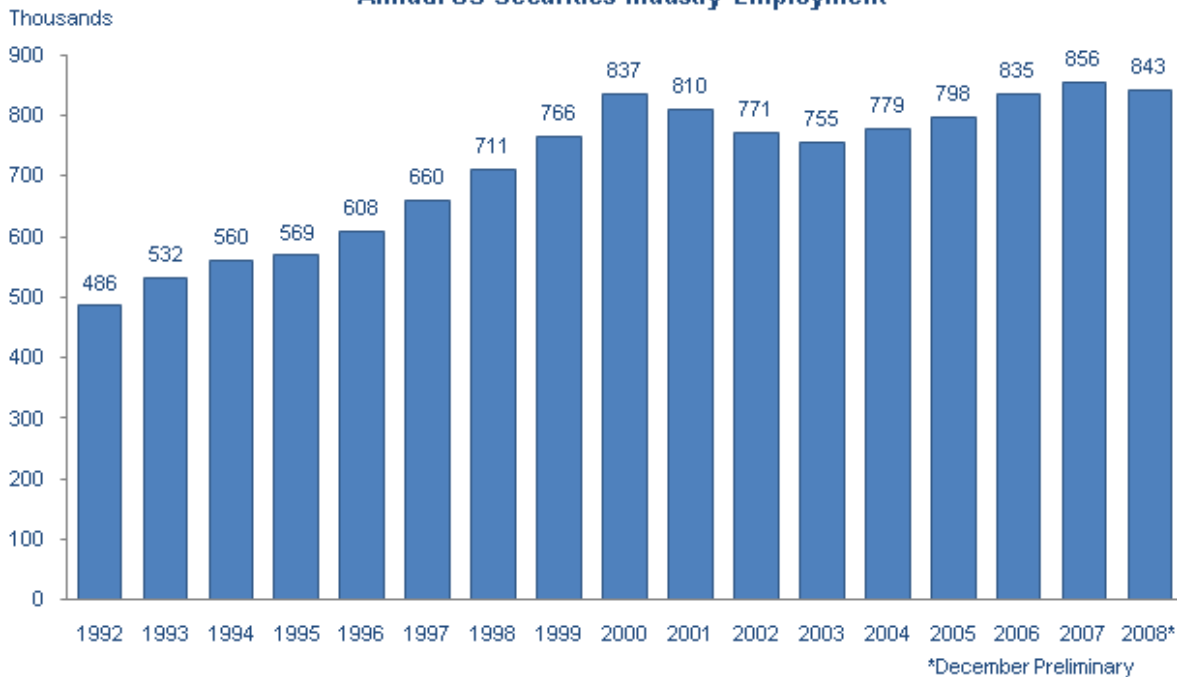
Monthly US Securities Industry Employment



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

The December 2008 BLS securities industry national headcount of 842,600 was still 0.2 percent above its previous peak level of 840,900 set in March 2001, although below the 869,800 recorded in June.

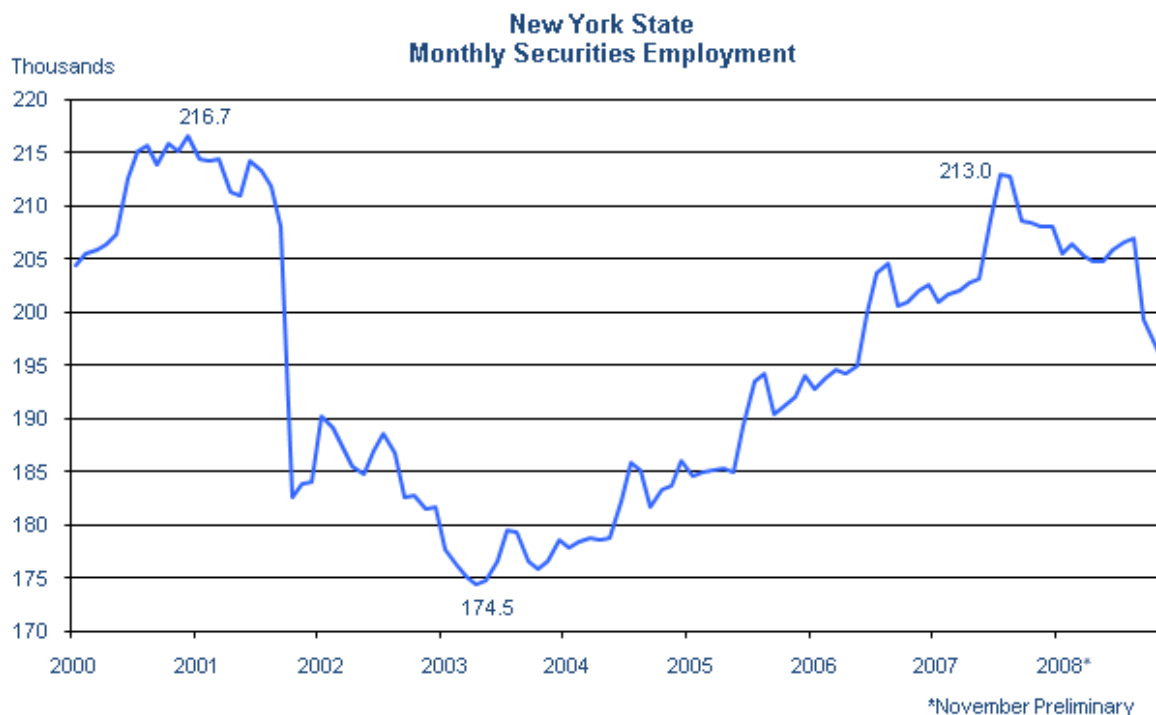
Annual US Securities Industry Employment



Source: BLS (Year-end data)

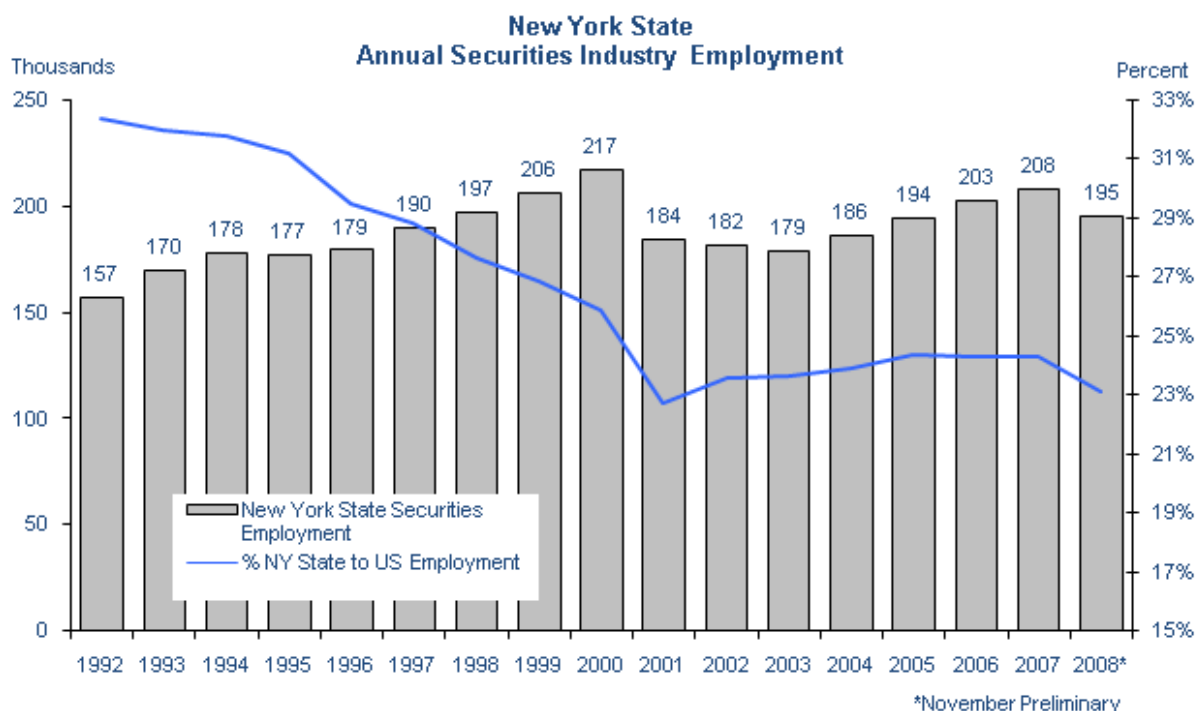
New York State Employment

BLS estimated that securities industry headcount in New York State decreased by 1.0 percent, or 1,900 jobs in November, bringing the number of securities industry positions to 195,100 from October's level of 197,000. For the year-through-November, the securities industry lost 13,000 jobs in New York State, decreasing headcount by 6.2 percent.



Source: BLS

The November 2008 securities industry headcount of 195,100 jobs in New York State was 10.0 percent below the monthly peak of 216,700 reached in December 2000. The 28-month job recession that followed the 2000 peak reduced the industry's headcount by 19.5 percent, or 42,200 jobs, before ending in April 2003 at an employment level of 174,500. Since then, employment in the securities industry in New York had steadily increased, peaking in July 2007 at 213,000 jobs, regaining 75.4 percent of the jobs lost during that industry recession. As of end-November 2008, securities employment has declined 8.4 percent from that July 2007 cyclical high.



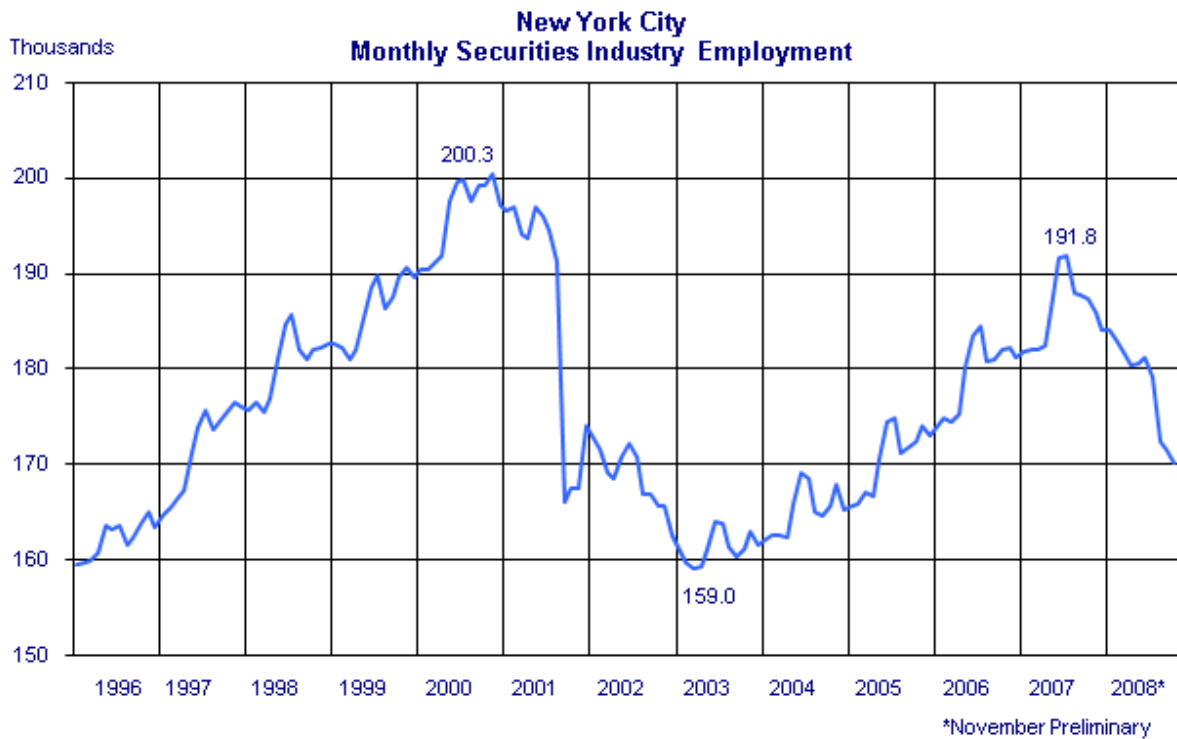
Source: BLS (Year-end data)

After decades of decline, New York State's share of the national securities industry's workforce trended upwards starting in 2001. The latest available BLS figures show that in November 2008, however, New York State accounted for 23.1 percent of national securities industry jobs, down from 24.3 percent recorded at 2007 year-end.

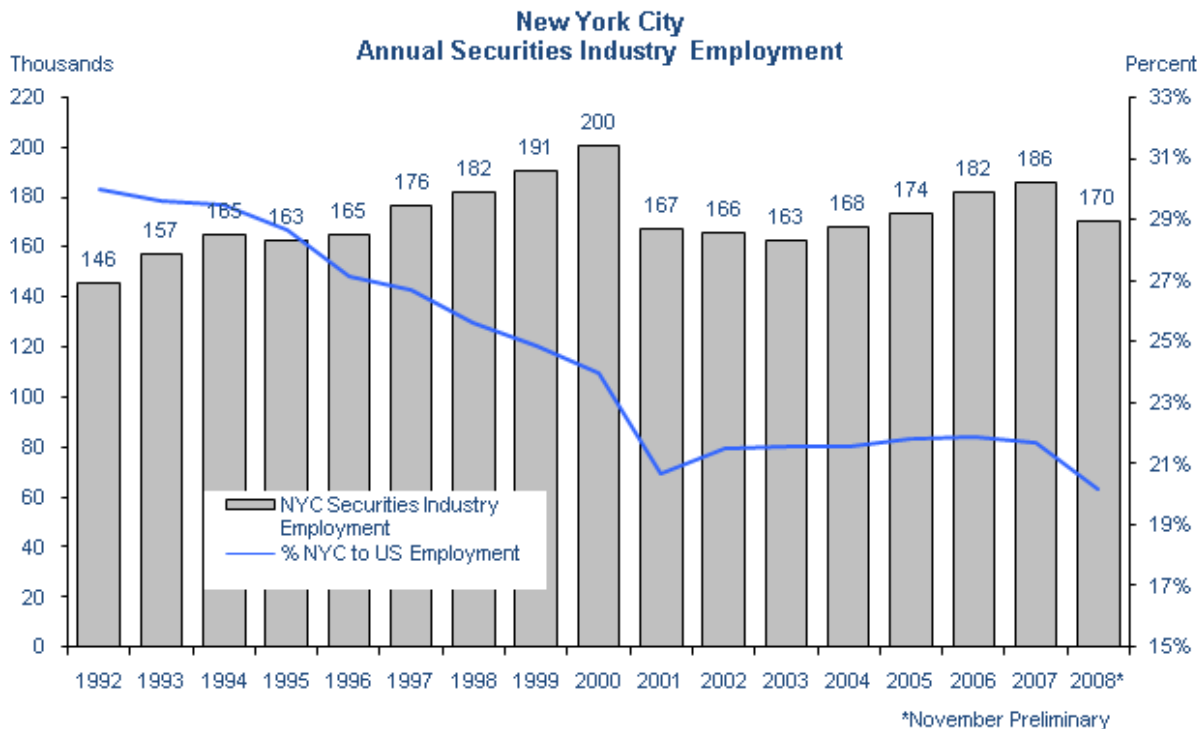
New York City Employment

According to BLS data, New York City's securities industry employment decreased by 0.8 percent in November from October's level. The securities industry's headcount in New York City was 170,100 at end-November, a decrease of 1,400 jobs compared to the prior month's level. Year-through-November, the securities industry shed 16,000 jobs in New York City compared to the addition of 5,000 jobs during the same year-earlier period.

From the monthly high of 191,800 in August 2007 to end-November 2008, New York City has lost 21,700 (11.3 percent) securities industry jobs. Industry employment in New York City had been trending upward, although it peaked at 15.1 percent below the peak level reached in December 2000. Ten years ago, New York City accounted for 25.9 percent of nationwide securities jobs compared with 20.1 percent at end-November.



Source: BLS



Source: BLS (Year-end data)

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SECURITIES INDUSTRY EMPLOYMENT
September 2000 – December 2008

Date	One month net change			% One month net change			Date	One month net change			% One month net change		
	US	NYS	NYC	US	NYS	NYC		US	NYS	NYC	US	NYS	NYC
Sep-00	4.9	-1.9	-2.2	0.60%	-0.88%	-1.10%	Nov-04	1.2	0.3	0.1	0.16%	0.16%	0.06%
Oct-00	2.3	2.0	1.6	0.28%	0.94%	0.81%	Dec-04	4.5	2.4	2.2	0.58%	1.31%	1.33%
Nov-00	5.6	-0.7	0.1	0.68%	-0.32%	0.05%	Jan-05	-1.2	-1.5	-2.6	-0.15%	-0.81%	-1.55%
Dec-00	4.9	1.5	1.2	0.59%	0.70%	0.60%	Feb-05	4.0	0.4	0.3	0.51%	0.22%	0.18%
Jan-01	-2.9	-2.1	-3.3	-0.35%	-0.97%	-1.65%	Mar-05	1.2	0.1	0.2	0.15%	0.05%	0.12%
Feb-01	3.5	-0.3	-0.5	0.42%	-0.14%	-0.25%	Apr-05	-2.9	0.3	1.3	-0.37%	0.16%	0.78%
Mar-01	3.4	0.2	0.4	0.41%	0.09%	0.20%	May-05	-1.2	-0.4	-0.5	-0.15%	-0.22%	-0.30%
Apr-01	-4.2	-3.0	-3.0	-0.50%	-1.40%	-1.52%	Jun-05	3.4	4.3	4.0	0.44%	2.32%	2.40%
May-01	-2.8	-0.4	-0.4	-0.33%	-0.19%	-0.21%	Jul-05	2.6	4.2	3.8	0.33%	2.22%	2.23%
Jun-01	4.9	3.3	3.3	0.59%	1.56%	1.71%	Aug-05	3.4	0.7	0.5	0.43%	0.36%	0.29%
Jul-01	-8.7	-0.9	-1.0	-1.04%	-0.42%	-0.51%	Sep-05	-1.3	-3.8	-3.7	-0.16%	-1.96%	-2.12%
Aug-01	7.4	-1.6	-1.4	0.89%	-0.75%	-0.72%	Oct-05	6.4	0.8	0.5	0.81%	0.42%	0.29%
Sep-01	-11.2	-3.7	-3.2	-1.34%	-1.75%	-1.65%	Nov-05	3.4	0.8	0.6	0.43%	0.42%	0.35%
Oct-01	-7.5	-25.5	-25.3	-0.91%	-12.25%	-13.23%	Dec-05	0.6	2.0	1.7	0.08%	1.04%	0.99%
Nov-01	2.1	1.3	1.5	0.26%	0.71%	0.90%	Jan-06	0.8	-1.3	-1.0	0.10%	-0.67%	-0.58%
Dec-01	-10.7	0.1	0.0	-1.30%	0.05%	0.00%	Feb-06	6.4	1.2	1.1	0.80%	0.62%	0.64%
Jan-02	-6.8	6.2	6.5	-0.84%	3.37%	3.88%	Mar-06	3.9	0.6	0.7	0.48%	0.31%	0.40%
Feb-02	-2.3	-1.1	-1.0	-0.29%	-0.58%	-0.58%	Apr-06	2.3	-0.2	-0.3	0.28%	-0.10%	-0.17%
Mar-02	-2.4	-1.7	-1.5	-0.30%	-0.90%	-0.87%	May-06	0.8	0.7	0.7	0.10%	0.36%	0.40%
Apr-02	1.0	-1.9	-2.3	0.13%	-1.01%	-1.34%	Jun-06	2.0	4.9	4.9	0.25%	2.51%	2.80%
May-02	-4.4	-0.7	-0.6	-0.55%	-0.38%	-0.35%	Jul-06	6.7	3.8	3.4	0.82%	1.90%	1.89%
Jun-02	2.8	2.1	2.2	0.35%	1.14%	1.31%	Aug-06	3.0	0.9	1.0	0.37%	0.44%	0.55%
Jul-02	-5.4	1.6	1.4	-0.68%	0.86%	0.82%	Sep-06	1.3	-4.0	-3.7	0.16%	-1.95%	-2.01%
Aug-02	-5.7	-1.7	-1.5	-0.72%	-0.90%	-0.87%	Oct-06	8.4	0.4	0.1	1.02%	0.20%	0.06%
Sep-02	-7.0	-4.2	-3.9	-0.89%	-2.25%	-2.29%	Nov-06	2.9	1.0	1.0	0.35%	0.50%	0.55%
Oct-02	-6.0	0.2	0.0	-0.77%	0.11%	0.00%	Dec-06	-1.4	0.6	0.4	-0.17%	0.30%	0.22%
Nov-02	-1.5	-1.3	-1.2	-0.19%	-0.71%	-0.72%	Jan-07	-0.4	-1.7	-1.2	-0.05%	-0.84%	-0.66%
Dec-02	-1.8	0.1	0.1	-0.23%	0.06%	0.06%	Feb-07	3.6	0.8	0.6	0.43%	0.40%	0.33%
Jan-03	-2.0	-3.9	-3.2	-0.26%	-2.15%	-1.93%	Mar-07	2.9	0.3	0.2	0.35%	0.15%	0.11%
Feb-03	-2.9	-1.5	-1.6	-0.38%	-0.84%	-0.99%	Apr-07	-2.2	0.7	0.2	-0.26%	0.35%	0.11%
Mar-03	-4.8	-1.1	-1.1	-0.63%	-0.62%	-0.68%	May-07	4.4	0.5	0.4	0.52%	0.25%	0.22%
Apr-03	-2.9	-0.7	-0.7	-0.38%	-0.40%	-0.44%	Jun-07	7.3	5.6	5.1	0.87%	2.75%	2.80%
May-03	-3.8	0.3	0.3	-0.50%	0.17%	0.19%	Jul-07	2.3	4.1	4.0	0.27%	1.96%	2.13%
Jun-03	4.3	1.8	1.8	0.57%	1.03%	1.13%	Aug-07	1.3	-0.1	0.3	0.15%	-0.05%	0.16%
Jul-03	0.2	3.0	2.9	0.03%	1.70%	1.80%	Sep-07	-0.9	-4.2	-3.9	-0.11%	-1.97%	-2.03%
Aug-03	-3.8	-0.1	-0.2	-0.50%	-0.06%	-0.12%	Oct-07	3.0	-0.1	-0.2	0.35%	-0.05%	-0.11%
Sep-03	-3.4	-2.9	-2.5	-0.45%	-1.62%	-1.53%	Nov-07	3.5	-0.4	-0.5	0.41%	-0.19%	-0.27%
Oct-03	-0.6	-0.7	-1.0	-0.08%	-0.40%	-0.62%	Dec-07	-3.7	-0.1	-1.5	-0.43%	-0.05%	-0.80%
Nov-03	2.7	0.8	0.7	0.36%	0.45%	0.44%	Jan-08	-0.4	-2.5	-1.8	-0.05%	-1.20%	-0.97%
Dec-03	1.6	1.9	1.9	0.21%	1.08%	1.18%	Feb-08	6.1	1.0	0.0	0.71%	0.49%	0.00%
Jan-04	-1.2	-0.7	-1.4	-0.16%	-0.39%	-0.86%	Mar-08	5.0	-1.1	-1.2	0.58%	-0.53%	-0.65%
Feb-04	3.2	0.6	0.6	0.42%	0.34%	0.37%	Apr-08	0.5	-0.6	-1.1	0.06%	-0.29%	-0.60%
Mar-04	-0.7	0.3	0.3	-0.09%	0.17%	0.19%	May-08	-3.5	-0.1	-1.4	-0.40%	-0.05%	-0.77%
Apr-04	-0.5	-0.2	-0.3	-0.07%	-0.11%	-0.18%	Jun-08	6.4	1.1	0.2	0.74%	0.54%	0.11%
May-04	2.8	0.2	0.1	0.37%	0.11%	0.06%	Jul-08	-6.9	0.8	0.6	-0.79%	0.39%	0.33%
Jun-04	9.3	3.6	3.4	1.23%	2.01%	2.10%	Aug-08	1.9	0.3	-1.9	0.22%	0.15%	-1.05%
Jul-04	4.4	3.5	3.2	0.57%	1.92%	1.93%	Sep-08	-14.4	-7.6	-6.8	-1.67%	-3.67%	-3.80%
Aug-04	-0.3	-0.6	-0.6	-0.04%	-0.32%	-0.36%	Oct-08	-3.4	-2.4	-0.8	-0.40%	-1.20%	-0.46%
Sep-04	-2.0	-3.5	-3.4	-0.26%	-1.89%	-2.02%	Nov-08	-2.7	-1.9	-1.4	-0.32%	-0.96%	-0.82%
Oct-04	3.1	1.7	0.7	0.40%	0.94%	0.42%	Dec-08	-1.7	N/A	N/A	-0.20%	N/A	N/A

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	855.7	2.5%	208.1	2.7%	24.3%	186.1	2.1%	89.4%	21.7%
Jan:06	798.3	2.6%	192.8	4.4%	24.2%	172.9	4.7%	89.7%	21.7%
Feb:06	804.7	2.9%	194.0	4.8%	24.1%	174.0	5.1%	89.7%	21.6%
Mar:06	808.6	3.3%	194.6	5.1%	24.1%	174.7	5.4%	89.8%	21.6%
Apr:06	810.9	3.9%	194.4	4.8%	24.0%	174.4	4.4%	89.7%	21.5%
May:06	811.7	4.2%	195.1	5.4%	24.0%	175.1	5.2%	89.7%	21.6%
June:06	813.7	4.0%	200.0	5.6%	24.6%	180.0	5.6%	90.0%	22.1%
July:06	820.4	4.5%	203.8	5.3%	24.8%	183.4	5.2%	90.0%	22.4%
Aug:06	823.4	4.4%	204.7	5.4%	24.9%	184.4	5.5%	90.1%	22.4%
Sept:06	824.7	4.8%	200.7	5.4%	24.3%	180.7	5.6%	90.0%	21.9%
Oct:06	833.1	5.0%	201.1	5.1%	24.1%	180.8	5.4%	89.9%	21.7%
Nov:06	836.0	4.9%	202.1	5.2%	24.2%	181.8	5.6%	90.0%	21.7%
Dec:06	834.6	4.7%	202.7	4.4%	24.3%	182.2	4.8%	89.9%	21.8%
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	838.5	3.4%	202.8	4.3%	24.2%	182.0	4.4%	89.7%	21.7%
May:07	842.9	3.8%	203.3	4.2%	24.1%	182.4	4.2%	89.7%	21.6%
June:07	850.2	4.5%	208.9	4.5%	24.6%	187.5	4.2%	89.8%	22.1%
July:07	852.5	3.9%	213.0	4.5%	25.0%	191.5	4.4%	89.9%	22.5%
Aug:07	853.8	3.7%	212.9	4.0%	24.9%	191.8	4.0%	90.1%	22.5%
Sept:07	852.9	3.4%	208.7	4.0%	24.5%	187.9	4.0%	90.0%	22.0%
Oct:07	855.9	2.7%	208.6	3.7%	24.4%	187.7	3.8%	90.0%	21.9%
Nov:07	859.4	2.8%	208.2	3.0%	24.2%	187.2	3.0%	89.9%	21.8%
Dec:07	855.7	2.5%	208.1	2.7%	24.3%	185.7	1.9%	89.2%	21.7%
Jan:08	855.3	2.5%	205.6	2.3%	24.0%	183.9	1.6%	89.4%	21.5%
Feb:08	861.4	2.8%	206.6	2.4%	24.0%	183.9	1.3%	89.0%	21.3%
Mar:08	866.4	3.1%	205.5	1.7%	23.7%	182.7	0.5%	88.9%	21.1%
Apr:08	866.9	3.4%	204.9	1.0%	23.6%	181.6	-0.2%	88.6%	20.9%
May:08	863.4	2.4%	204.8	0.7%	23.7%	180.2	-1.2%	88.0%	20.9%
June:08	869.8	2.3%	205.9	-1.4%	23.7%	180.4	-3.8%	87.6%	20.7%
July:08	862.9	1.2%	206.7	-3.0%	24.0%	181.0	-5.5%	87.6%	21.0%
Aug:08	864.8	1.3%	207.0	-2.8%	23.9%	179.1	-6.6%	86.5%	20.7%
Sept:08	850.4	-0.3%	199.4	-4.5%	23.4%	172.3	-8.3%	86.4%	20.3%
Oct:08	847.0	-1.0%	197.0	-5.6%	23.3%	171.5	-8.6%	87.1%	20.2%
Nov:08*	844.3	-1.8%	195.1	-6.3%	23.1%	170.1	-9.1%	87.2%	20.1%
Dec:08*	842.6	-1.5%	N/A	N/A	N/A	N/A	N/A	N/A	N/A

*Preliminary

Sources: US Department of Labor, Bureau of Labor Statistics; New York State Department of Labor

