

2019 FINRA Industry Snapshot



Table of Contents

2019 FINRA Industry Snapshot – Introduction	1
I. FINRA-Registered Representatives	2
Figure 1.1 Total Number of FINRA-Registered Representatives, 2014 – 2018	2
Figure 1.2 FINRA-Registered Representatives by Firm Size, 2014 – 2018	3
Table 1.2 FINRA-Registered Representatives by Firm Size, 2014 – 2018	3
Figure 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2014 – 2018	4
Table 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2014 – 2018	4
Figure 1.4 Registered Individuals by Type of Registration, 2018	5
Table 1.4 Securities Industry Registered Individuals by Type of Registration, 2018	5
Figure 1.5 Securities Industry Registered Individuals by Type of Registration, 2009 – 2018	6
Figure 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2004 – 2018	7
Table 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2004 – 2018	7
Figure 1.7 Firm Size Distribution of FINRA-Registered Representatives Leaving/Entering the Industry, 2004 – 2018	8
Figure 1.8 FINRA-Registered Representatives’ Transfers Between Firms Within the Industry, 2004 – 2018	9
Figure 1.9 Securities Industry Registered Individuals’ Transfers Between Firms by Registration Type, 2004 – 2018	10
II. FINRA-Registered Firms	11
Figure 2.1 Total Number of FINRA-Registered Firms, 2014 – 2018	11
Figure 2.2 Firm Distribution by Size, 2014 – 2018	12
Table 2.2 Firm Distribution by Size, 2014 – 2018	12
Figure 2.3 Securities Industry Registered Firms by Type of Registration, 2009 – 2018	13
Table 2.3 Securities Industry Registered Firms by Type of Registration, 2009 – 2018	13
Figure 2.4 Distribution of Branches by Firm Size, 2014 – 2018	14
Table 2.4 Distribution of Branches by Firm Size, 2014 – 2018	14
Figure 2.5 Firm Distribution, 2018	15
Table 2.5 Firm Distribution by Number of Registered Representatives: Additional Breakdown, 2014 – 2018	15
Figure 2.6 10-Year Change in Number of FINRA-Registered Firms, 2008 – 2018	16
Figure 2.7 Geographic Distribution of Firms by Number of Branches, 2018	17
Table 2.7 Branches By State/Region, 2014 – 2018	17
Figure 2.8 Geographic Distribution of Firms by Headquarters, 2018	19
Table 2.8 Locations of Headquarters By State/Region, 2014 – 2018	19
Figure 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches, 2018	21
Figure 2.10 FINRA-Registered Firms – Median Number of Years in Business, 2008 – 2018	22
Figure 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2014 – 2018	23
Table 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2014 – 2018	23
Figure 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2004 – 2018	24
Table 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2004 – 2018	24
Figure 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2008 – 2018	25
Table 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2008 – 2018	25
Figure 2.14 Spotlight: Capital Acquisition Brokers and Funding Portals, 2016 – 2018	26
Figure 2.15 Advertising Regulation Filing Volumes, 2014 – 2018	27
Table 2.15 FINRA-Registered Firms – Most Common Marketing Methods Filed with FINRA, 2018	28
Figure 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2018	29
Table 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2018	29

Table of Contents (continued)

Table 2.17	Advertising Regulation Filing Volumes – Voluntary vs. Mandatory, 2014 – 2018	30
Table 2.18	Small Firms – Business Segments as of May 2019	31
Table 2.19	Mid-Size Firms – Business Segments as of May 2019	32
Table 2.20	Large Firms – Business Segments as of May 2019	33
III. Market Activity		34
Table 3.1	Over-the-Counter (OTC) Equities Market Statistics, 2014 – 2018	34
Table 3.2	FINRA Member Firms’ Order Audit Trail System (OATS) Activity – Total OATS Events, 2014 – 2018	34
Table 3.3	FINRA Member Firms’ Order Audit Trail System (OATS) Activity – Daily Average OATS Events, 2014 – 2018	35
Table 3.4	National Market Systems (NMS) Stocks Trading Summary, 2014 – 2018	35
Table 3.5	Trade Reporting and Compliance Engine (TRACE) Activity Summary, 2014 – 2018	35

2019 FINRA Industry Snapshot – Introduction

FINRA regulates a critical part of the securities industry – brokerage firms doing business with the public in the United States. In an effort to increase public awareness and understanding about the broad range of FINRA-registered firms and individuals, FINRA shares an annual snapshot of some of the data collected in the course of its work.

The *2019 FINRA Industry Snapshot* provides a high-level overview of the industry, ranging from the number of FINRA-registered individuals to the overall revenues of firms, and from trading activity to how firms market their products and services. All of the data are reported in aggregate to respect the confidentiality of regulatory information.

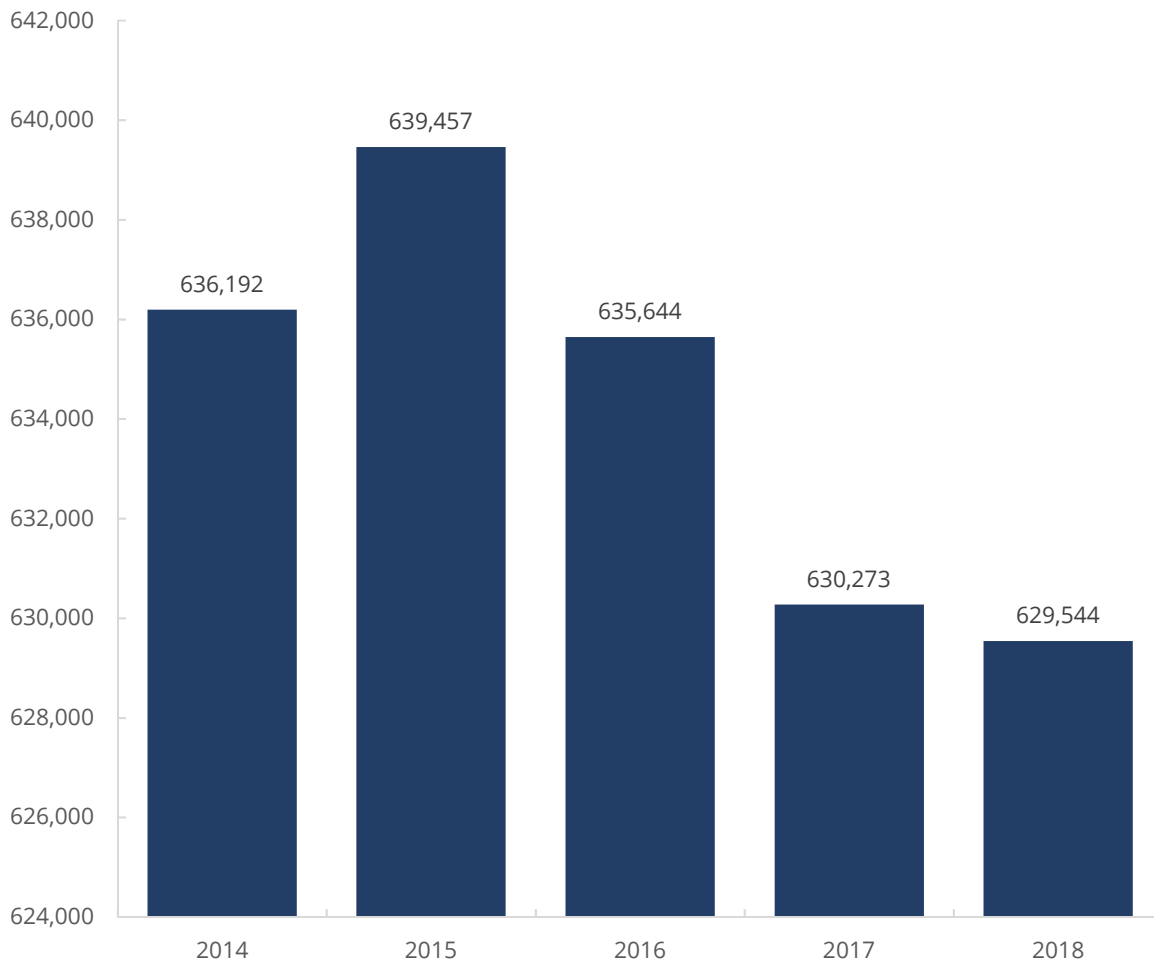
Note: FINRA regularly updates historical data series due to data revisions by reporting firms.

I. FINRA-Registered Representatives

Anyone actively involved in a FINRA-registered firm's investment banking or securities business must be registered as a representative with FINRA (FINRA-registered representative). To become registered, securities professionals are required to pass qualification exams to demonstrate competence in their particular securities activities. A FINRA-registered representative's duties may include supervision, solicitation or training of persons associated with the member firm.

Figure 1.1 Total Number of FINRA-Registered Representatives, 2014 – 2018

(Count as of year-end)

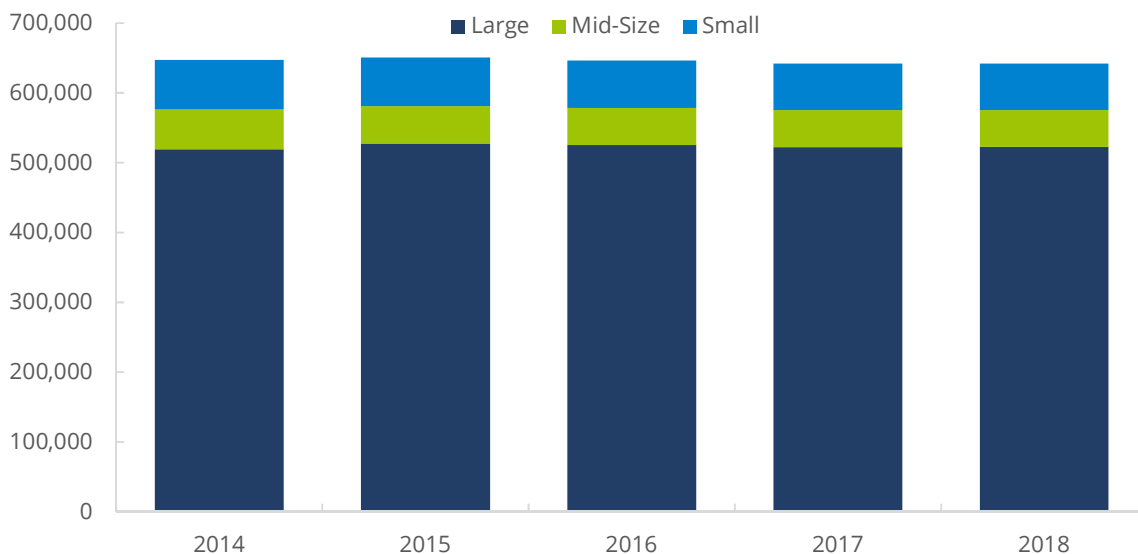


Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.2 FINRA-Registered Representatives by Firm Size, 2014 – 2018¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

- 1 Registrations by firm size differ from the total number of registrations as individuals registered with multiple firms are counted for each firm they represent, potentially in the same size class or in multiple size classes, depending on the sizes of the employing firms. Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

Table 1.2 FINRA-Registered Representatives by Firm Size, 2014 – 2018¹

(Count as of year-end)

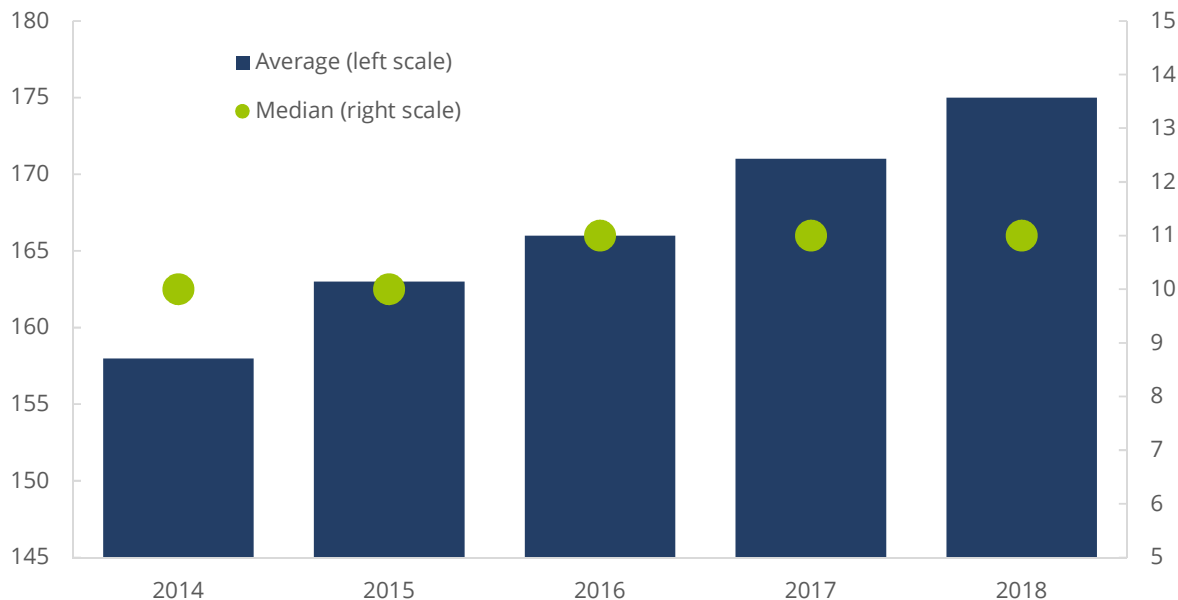
Firm Size	2014		2015		2016		2017		2018	
	Total	%	Total	%	Total	%	Total	%	Total	%
Large	519,401	80%	527,657	81%	525,408	81%	522,717	81%	523,169	82%
Mid-Size	56,921	9%	53,368	8%	53,025	8%	52,804	8%	52,456	8%
Small	71,453	11%	70,162	11%	68,129	11%	66,479	10%	66,241	10%
Total	647,775	100%	651,187	100%	646,562	100%	642,000	100%	641,866	100%

Source: Financial Industry Regulatory Authority.

- 1 Registrations by firm size differ from the total number of registrations as individuals registered with multiple firms are counted for each firm they represent, potentially in the same size class or in multiple size classes, depending on the sizes of the employing firms. Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

I. FINRA-Registered Representatives

Figure 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2014 – 2018
(Count as of year-end)



Source: Financial Industry Regulatory Authority.

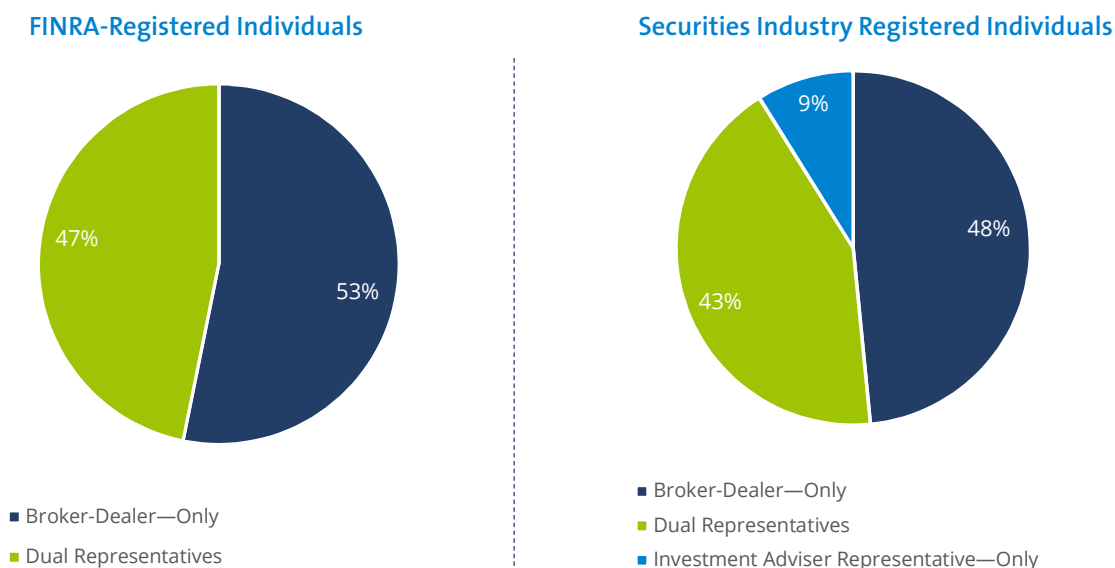
Table 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2014 – 2018
(Count as of year-end)

	2014	2015	2016	2017	2018
Average	158	163	166	171	175
Median	10	10	11	11	11

Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.4 Registered Individuals by Type of Registration, 2018¹



Source: Financial Industry Regulatory Authority.

1 “Broker Dealer Representatives – Only” refers to FINRA-registered representatives. “Dual Representatives” refers to FINRA-registered representatives who are also registered as investment adviser representatives. “Investment Adviser Representatives – Only” refers to individuals who are registered only as investment adviser representatives and are overseen by the SEC or state regulators. Individuals are counted only once regardless of how many firms they represent.

Table 1.4 Securities Industry Registered Individuals by Type of Registration, 2018¹

(Count as of year-end)

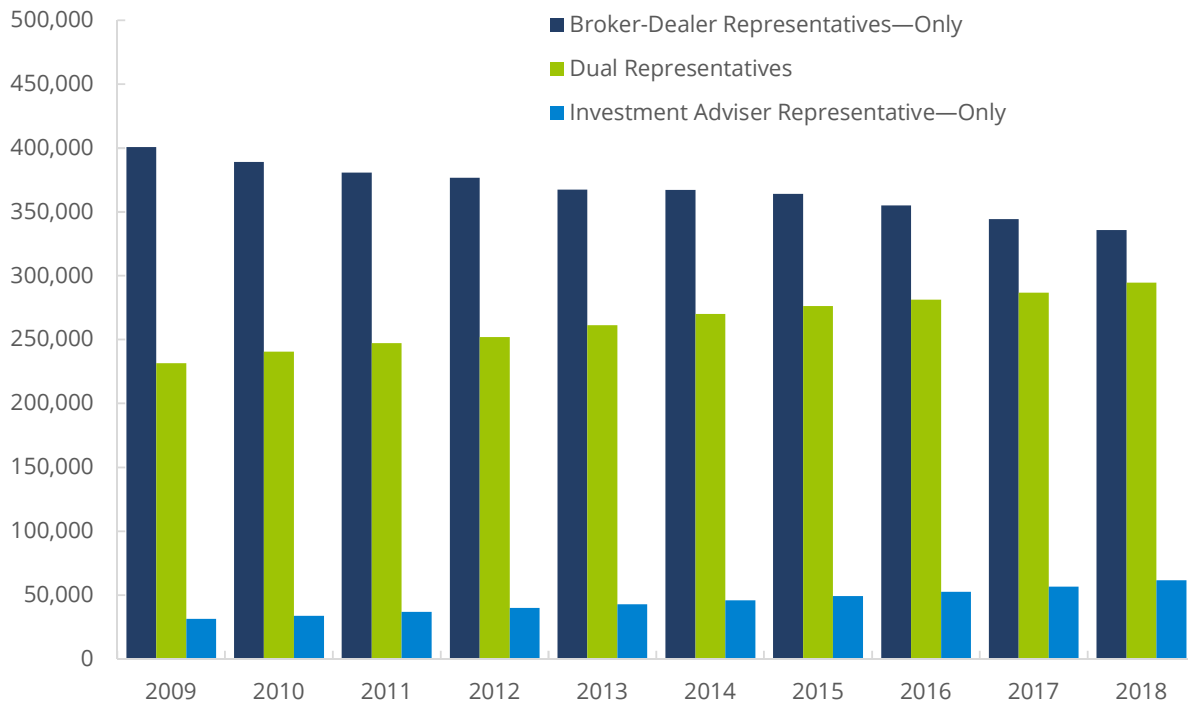
	Total Number of Individuals
Broker-Dealer – Only	334,860
Dual Broker-Dealer – Investment Adviser Representative	294,684
All BD Registered Individuals	629,544
Investment Adviser Representative – Only	61,497
Total Registered Individuals	691,041

Source: Financial Industry Regulatory Authority.

1 “Broker Dealer Representatives Only” refers to FINRA-registered representatives. “Dual Representatives” refers to FINRA-registered representatives who are also registered as investment adviser representatives. “Investment Adviser Representatives Only” refers to individuals who are registered only as investment adviser representatives and are overseen by the SEC or state regulators. Individuals are counted only once regardless of how many firms they represent.

I. FINRA-Registered Representatives

Figure 1.5 Securities Industry Registered Individuals by Type of Registration, 2009 – 2018^{1,2}
(Count as of year-end)



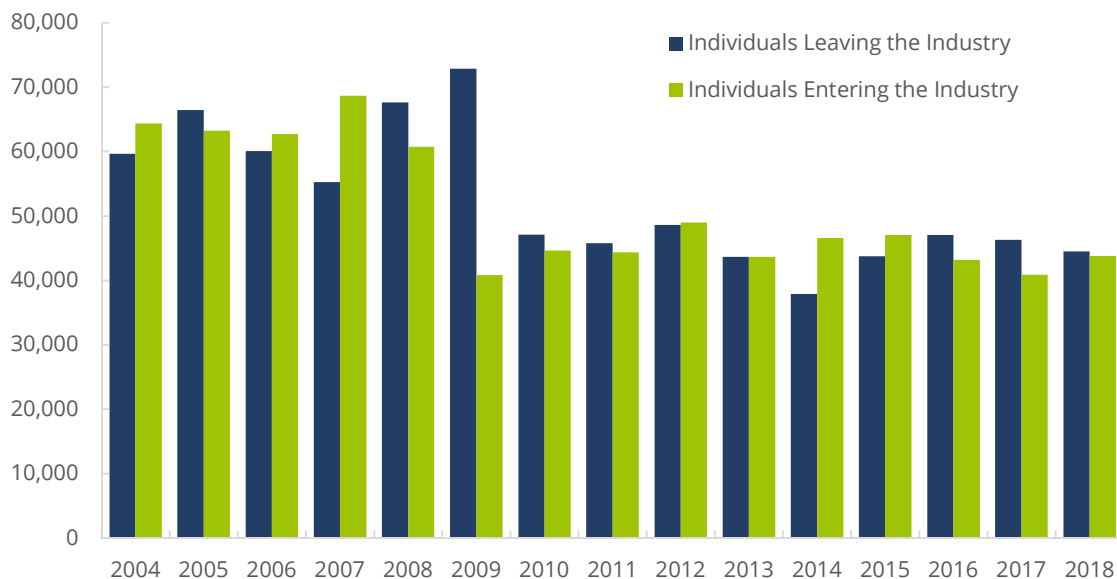
Source: Financial Industry Regulatory Authority.

- 1 Investment Adviser Representatives who solely deal with customers in New York, or who were solely dealing with customers in Wyoming prior to July 1, 2017, are not captured in the Central Registration Depository (CRD) system. Furthermore, owners of investment advisory firms are exempt from registering as Investment Adviser Representatives. Accordingly, these Investment Adviser Representatives are not included in the figure.
- 2 “Broker Dealer Representatives Only” refers to FINRA-registered representatives. “Dual Representatives” refers to FINRA-registered representatives who are also registered as investment adviser representatives. “Investment Adviser Representatives Only” refers to individuals who are registered only as investment adviser representatives and are overseen by the SEC or state regulators. Individuals are counted only once regardless of how many firms they represent.

I. FINRA-Registered Representatives

Figure 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2004 – 2018

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2004 – 2018

(Count as of year-end)

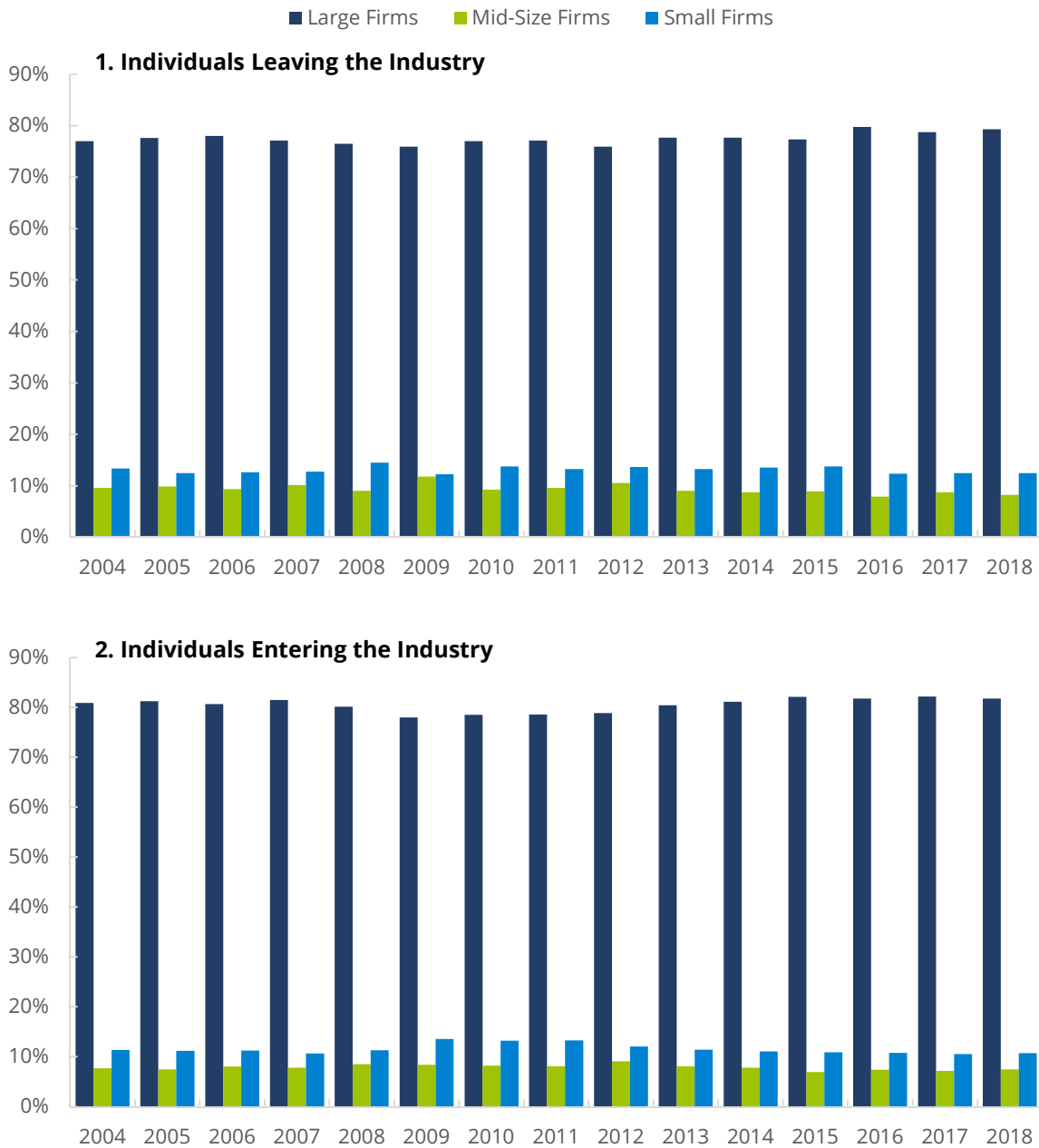
Year	Individuals Leaving	% of Total	Individuals Entering	% of Total	End-of-Year Total Registered Representatives
2004	59,649	9%	64,366	10%	656,946
2005	66,435	10%	63,212	10%	653,723
2006	60,044	9%	62,709	10%	656,388
2007	55,269	8%	68,682	10%	669,801
2008	67,610	10%	60,715	9%	662,906
2009	72,864	12%	40,869	6%	630,911
2010	47,091	7%	44,649	7%	628,469
2011	45,774	7%	44,381	7%	627,076
2012	48,582	8%	49,009	8%	627,503
2013	43,646	7%	43,643	7%	627,500
2014	37,913	6%	46,605	7%	636,192
2015	43,771	7%	47,036	7%	639,457
2016	47,034	7%	43,221	7%	635,644
2017	46,274	7%	40,903	6%	630,273
2018	44,539	7%	43,810	7%	629,544

Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.7 Firm Size Distribution of FINRA-Registered Representatives Leaving/Entering the Industry, 2004 – 2018¹

(Percentage of Total)

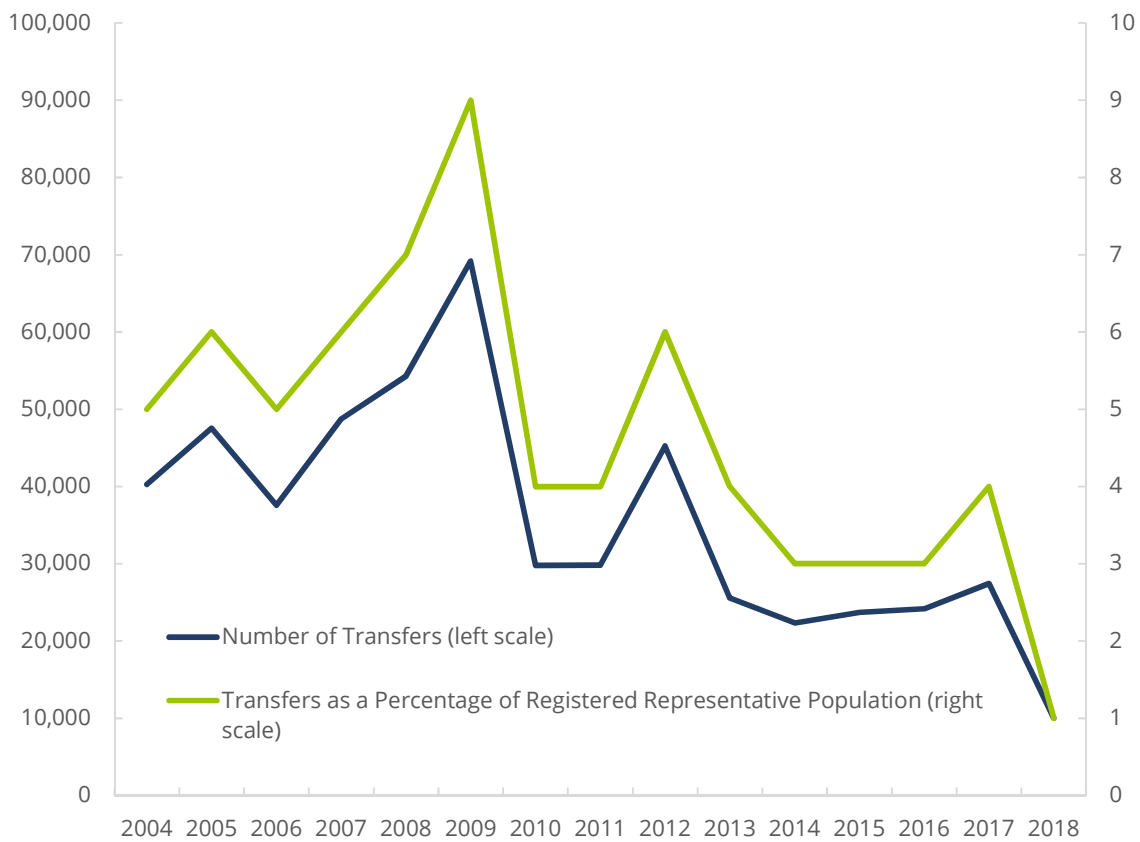


Source: Financial Industry Regulatory Authority.

¹ Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

I. FINRA-Registered Representatives

Figure 1.8 FINRA-Registered Representatives' Transfers Between Firms Within the Industry, 2004 – 2018¹
(Count as of year-end)



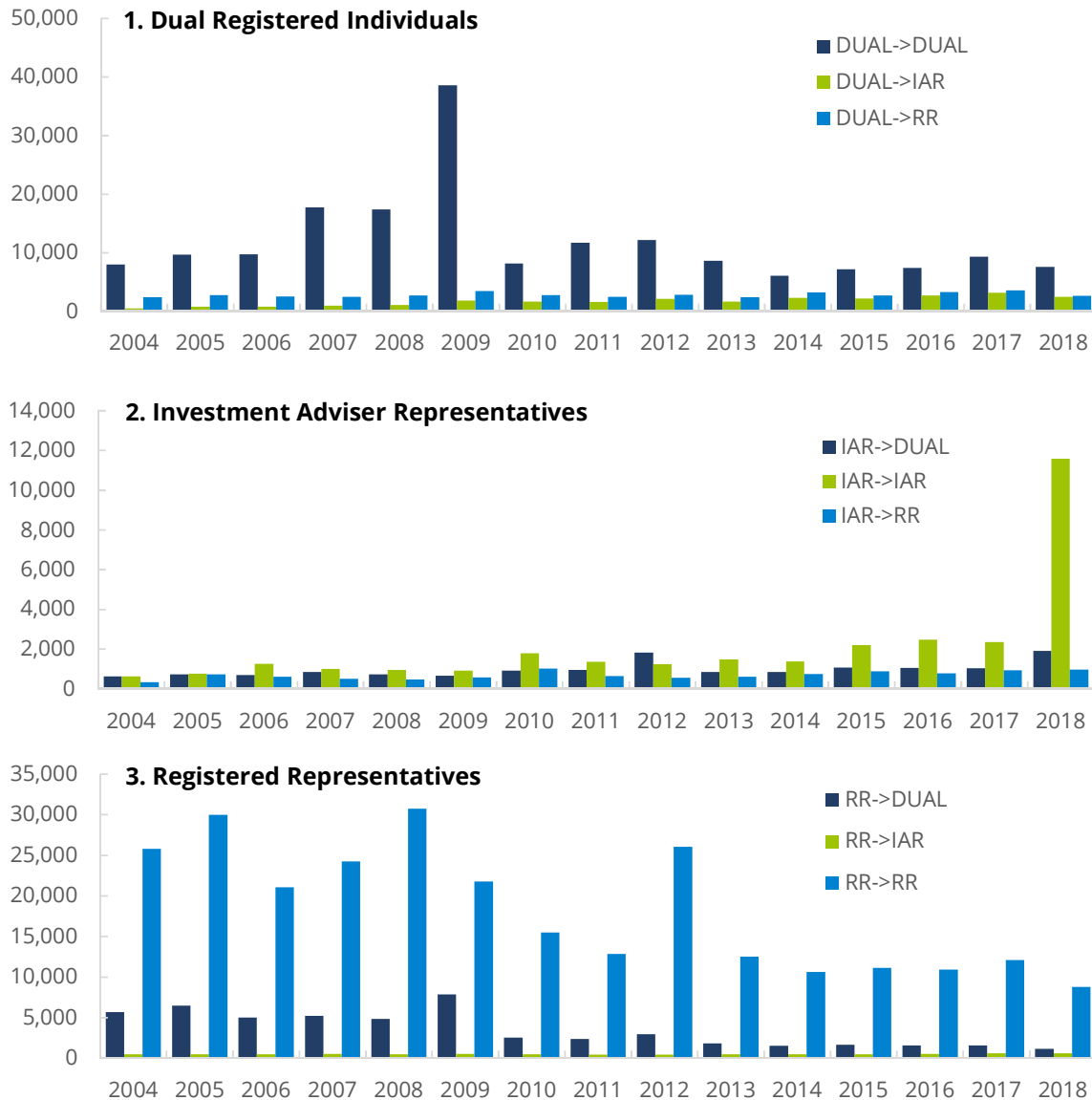
Source: Financial Industry Regulatory Authority.

¹ The number of transfers in a given year includes all transfers associated with FINRA-registered representatives who dropped a registration with a member firm and added a registration with another member firm within 15 days before or 60 days after dropping the registration.

I. FINRA-Registered Representatives

Figure 1.9 Securities Industry Registered Individuals' Transfers Between Firms by Registration Type, 2004 – 2018^{1, 2}

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

*The number for "IAR -> IAR" in 2018 reflects transfers of more than 8,000 individuals transferring within affiliates.

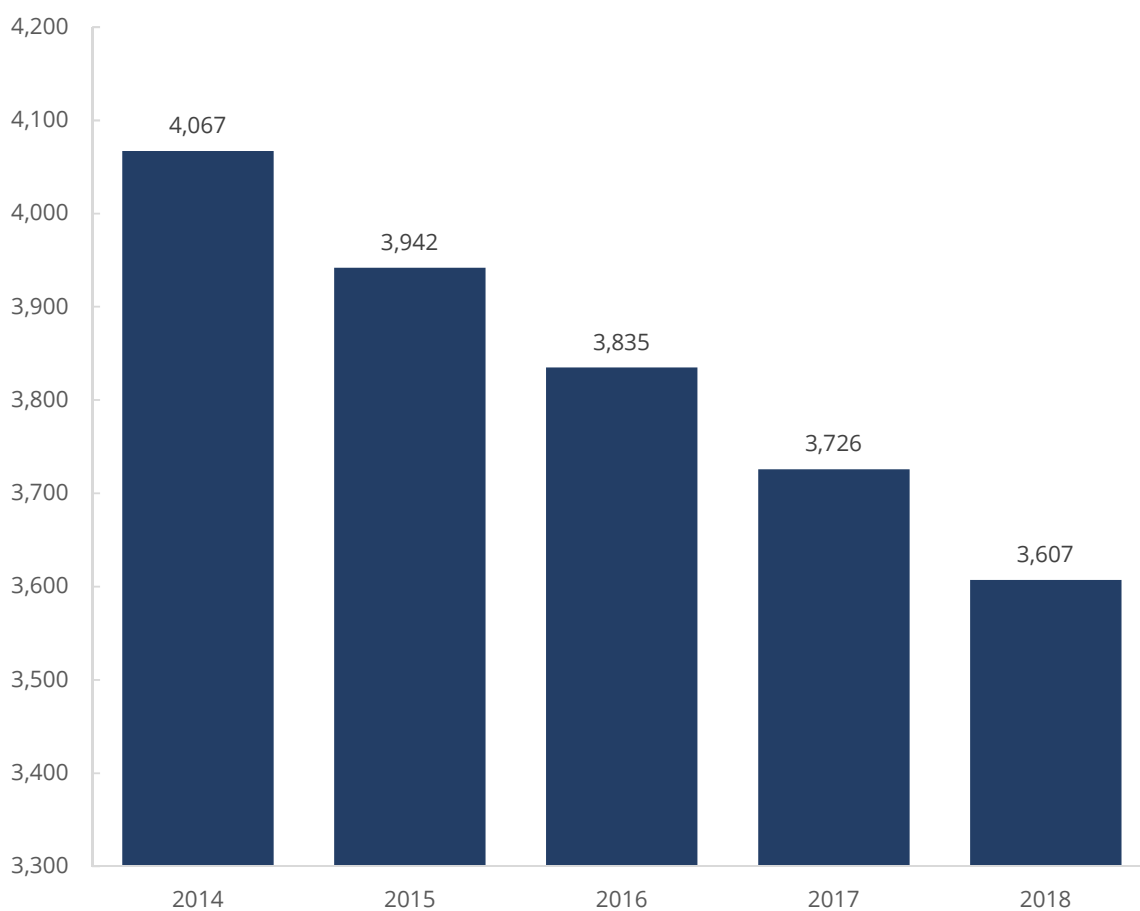
1 The number of transfers in a given year includes all transfers associated with Securities Industry Registered Individuals (including FINRA-registered representatives and Investment Adviser Representatives), who dropped a registration with a member firm and added a registration with another member firm within 15 days before or 60 days after dropping the registration. These transfers between firms include transfers from one registration type to another registration type (e.g., Investment Adviser registration at previous firm to registered representative registration at the new firm, "IAR -> RR"), as well as transfers for the same registration type (e.g., Investment Adviser registration at previous firm to same registration at the new firm, "IAR -> IAR").

2 Investment Adviser Representatives who solely deal with customers in New York, or who were solely dealing with customers in Wyoming prior to July 1, 2017, are not captured in the Central Registration Depository (CRD) system. Furthermore, owners of investment advisory firms are exempt from registering as Investment Adviser Representatives. Accordingly, these Investment Adviser Representatives are not included.

II. FINRA-Registered Firms

Figure 2.1 Total Number of FINRA-Registered Firms, 2014 – 2018¹

(Count as of year-end)



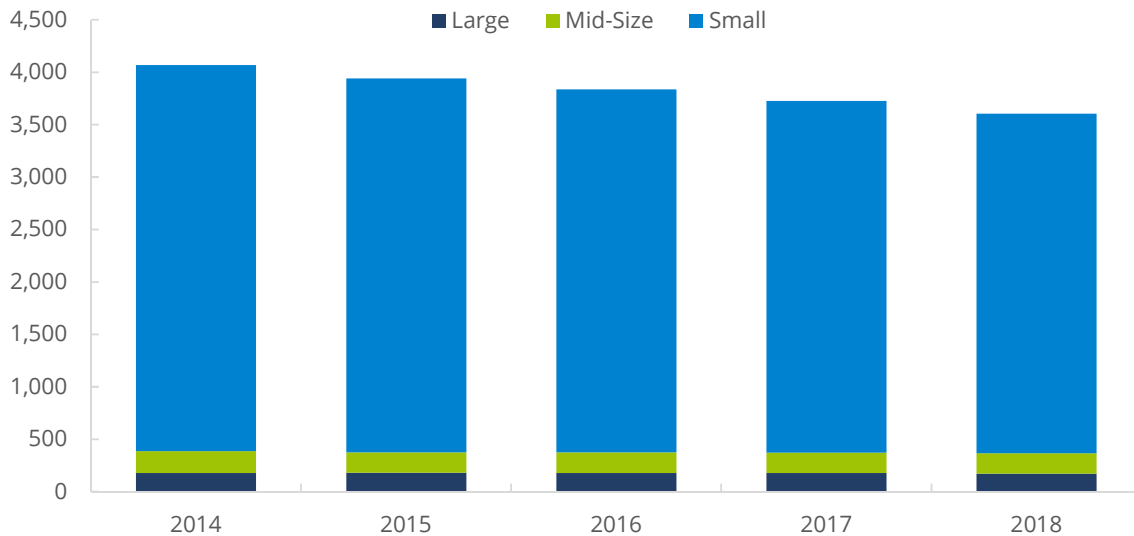
Source: Financial Industry Regulatory Authority.

¹ Firms conducting securities transactions and business with the investing public must be registered with FINRA. Firms must meet certain membership standards to attain registration.

II. FINRA-Registered Firms

Figure 2.2 Firm Distribution by Size, 2014 – 2018¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

1 Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

Table 2.2 Firm Distribution by Size, 2014 – 2018¹

(Count as of year-end)

	2014	2015	2016	2017	2018
Large	178	181	179	178	173
Mid-Size	206	194	194	194	192
Small	3,683	3,567	3,462	3,354	3,242
Total	4,067	3,942	3,835	3,726	3,607

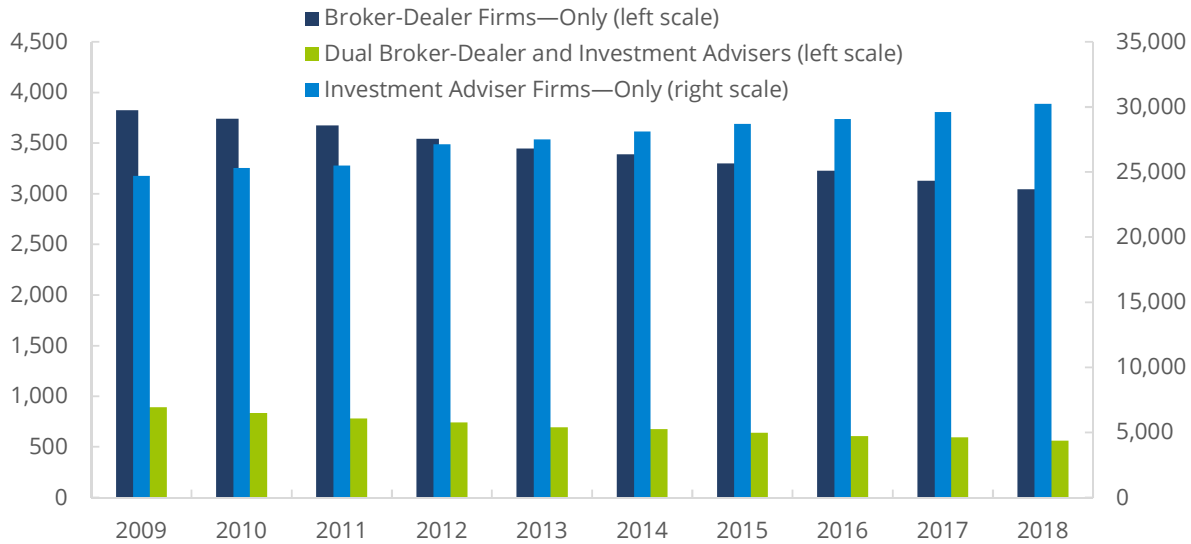
Source: Financial Industry Regulatory Authority.

1 Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

II. FINRA-Registered Firms

Figure 2.3 Securities Industry Registered Firms by Type of Registration, 2009 – 2018¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

- 1 "Broker-Dealer Firms – Only" refers to firms that are solely registered with FINRA as Broker-Dealers. "Dual Broker-Dealer and Investment-Adviser Firms" refers to FINRA-registered Broker-Dealers who are also registered as investment adviser firms. "Investment Adviser Firms – Only" refers to firms that are registered only as investment advisers and are overseen by the SEC or state regulators.

Table 2.3 Securities Industry Registered Firms by Type of Registration, 2009 – 2018¹

(Count as of year-end)

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Broker-Dealer Firms—Only	3,825	3,744	3,676	3,546	3,449	3,391	3,302	3,226	3,130	3,045
Dual Broker-Dealer and Investment-Adviser Firms	893	834	780	743	696	676	640	609	596	562
All FINRA-Registered Broker-Dealer Firms	4,718	4,578	4,456	4,289	4,145	4,067	3,942	3,835	3,726	3,607
Investment Adviser Firms—Only	24,694	25,320	25,523	27,132	27,510	28,135	28,712	29,079	29,599	30,246
Total Registered Firms	29,412	29,898	29,979	31,421	31,655	32,202	32,654	32,914	33,325	33,853

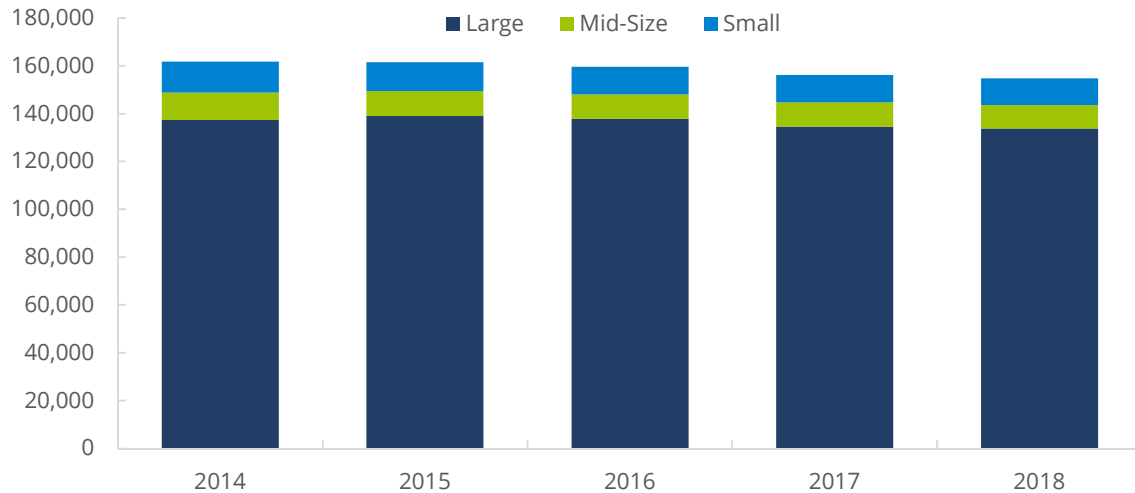
Source: Financial Industry Regulatory Authority.

- 1 "Broker-Dealer Firms – Only" refers to firms that are solely registered with FINRA as Broker-Dealers. "Dual Broker-Dealer and Investment-Adviser Firms" refers to FINRA-registered Broker-Dealers who are also registered as investment adviser firms. "Investment Adviser Firms – Only" refers to firms that are registered only as investment advisers and are overseen by the SEC or state regulators.

II. FINRA-Registered Firms

Figure 2.4 Distribution of Branches by Firm Size, 2014 – 2018^{1,2}

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

- 1 FINRA-registered firms must report each of their branch offices to FINRA, the New York stock Exchange (if registered with the NYSE) and states that require branch reporting. This is accomplished with Form BR, the Uniform Branch Office Registration Form.
- 2 Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

Table 2.4 Distribution of Branches by Firm Size, 2014 – 2018^{1,2}

(Count as of year-end)

	2014	2015	2016	2017	2018
Large	137,335	139,013	137,806	134,473	133,760
Mid-Size	11,471	10,322	10,137	10,216	9,837
Small	12,838	12,171	11,586	11,418	11,175
Total	161,644	161,506	159,529	156,107	154,772

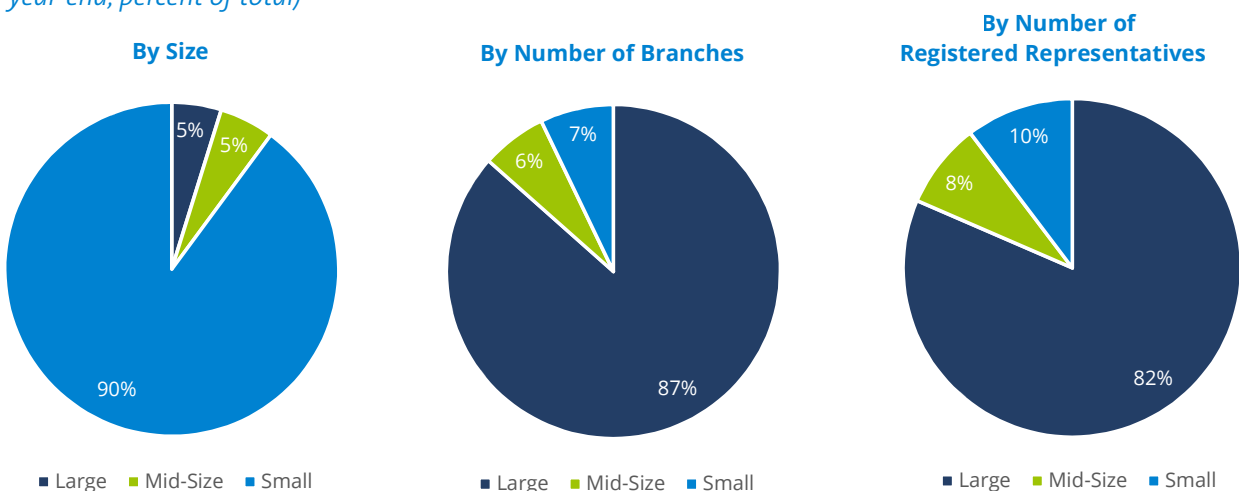
Source: Financial Industry Regulatory Authority.

- 1 FINRA-registered firms must report each of their branch offices to FINRA, the New York stock Exchange (if registered with the NYSE) and states that require branch reporting. This is accomplished with Form BR, the Uniform Branch Office Registration Form.
- 2 Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 499 registered representatives; Small firm = 1 – 150 registered representatives.

II. FINRA-Registered Firms

Figure 2.5 Firm Distribution, 2018

(As of year-end, percent of total)



Source: Financial Industry Regulatory Authority.

Table 2.5 Firm Distribution by Number of Registered Representatives: Additional Breakdown, 2014 – 2018

(Count as of year-end)

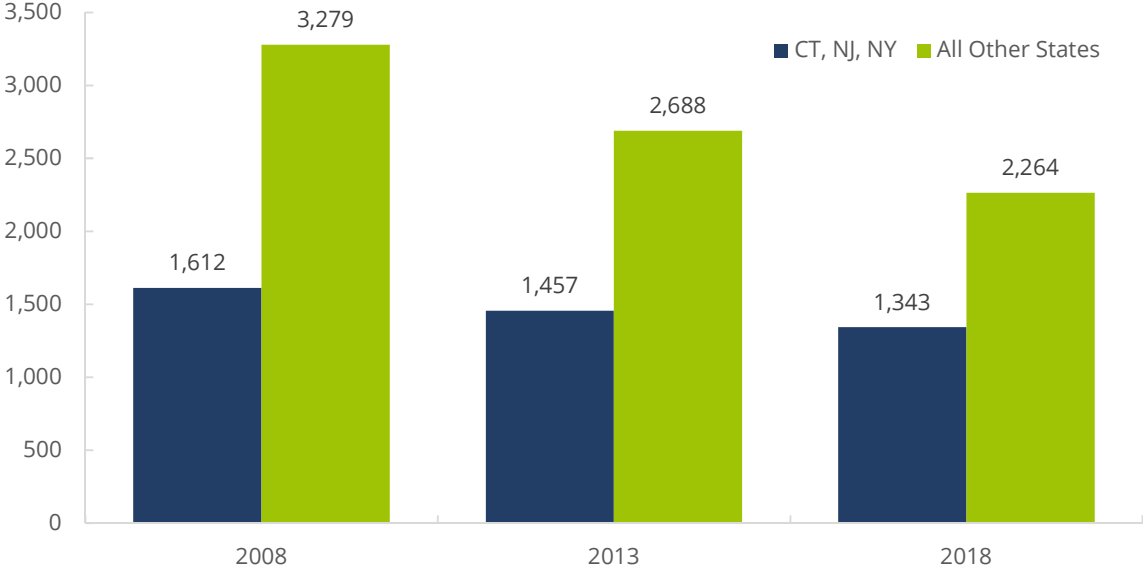
Size Category	2014	2015	2016	2017	2018
>1000	102	101	102	99	93
500-1000	76	80	77	79	80
301-499	74	69	69	67	65
151-300	132	125	125	128	127
101-150	114	109	100	102	101
76-100	95	98	101	85	94
51-75	183	174	164	161	165
41-50	110	110	107	116	100
31-40	160	165	166	166	167
26-30	130	115	109	118	129
21-25	177	172	167	167	155
16-20	249	265	254	260	257
11-15	440	395	405	378	378
10 or Fewer	2,025	1,964	1,889	1,800	1,696
Total	4,067	3,942	3,835	3,726	3,607

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.6 10-Year Change in Number of FINRA-Registered Firms, 2008 – 2018

(Count as of year-end)

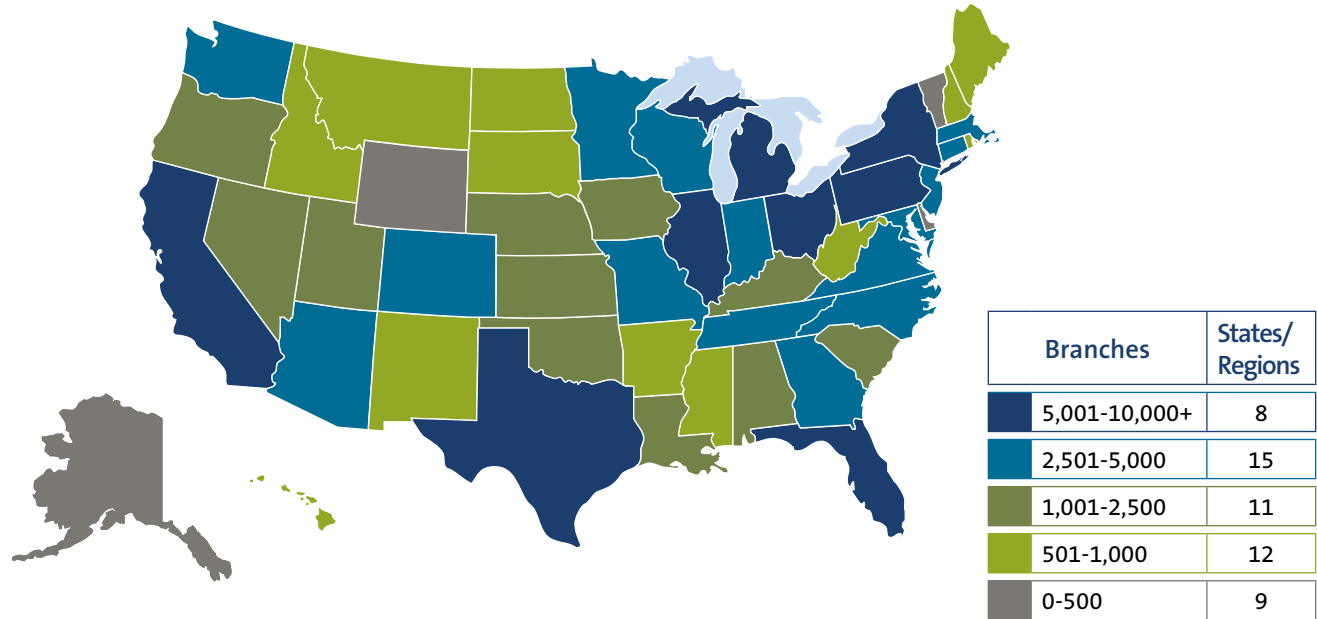


Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.7 Geographic Distribution of Firms by Number of Branches, 2018¹

(Count as of year-end)



1 Not shown: Puerto Rico, Virgin Islands, Guam, Foreign.

Table 2.7 Branches By State/Region, 2014 – 2018

Branches By State/ Region	2014		2015		2016		2017		2018	
	Branches	Firms	Branches	Firms	Branches	Firms	Branches	Firms	Branches	Firms
Alabama	1,779	172	1,778	170	1,793	170	1,724	161	1,675	156
Alaska	258	53	253	53	251	52	247	52	251	53
Arizona	3,262	264	3,285	265	3,201	258	3,135	261	3,131	254
Arkansas	995	129	1,020	125	1,001	119	976	117	959	113
California	17,971	1,090	17,856	1,064	17,430	1,042	17,061	1,032	16,769	998
Colorado	3,491	385	3,515	366	3,471	366	3,399	362	3,364	367
Connecticut	2,728	421	2,664	407	2,613	411	2,583	410	2,548	405
Delaware	495	117	478	110	478	107	462	104	465	101
District of Columbia	312	132	318	131	299	122	295	128	305	121
Florida	10,178	723	10,275	699	10,300	696	10,238	702	10,441	696
Georgia	4,165	402	4,128	391	4,115	379	3,985	376	3,991	378
Hawaii	580	110	587	110	573	109	544	103	555	100
Idaho	889	114	915	114	886	115	863	116	867	115
Illinois	7,718	711	7,671	675	7,548	670	7,299	647	7,202	643
Indiana	3,337	221	3,293	208	3,240	212	3,148	208	3,077	206
Iowa	2,229	178	2,247	177	2,221	179	2,163	173	2,146	171
Kansas	1,812	202	1,803	194	1,803	196	1,780	192	1,752	181
Kentucky	1,615	171	1,586	169	1,592	162	1,548	156	1,523	155

II. FINRA-Registered Firms

Table 2.7 Branches By State/Region, 2014 – 2018 (continued)

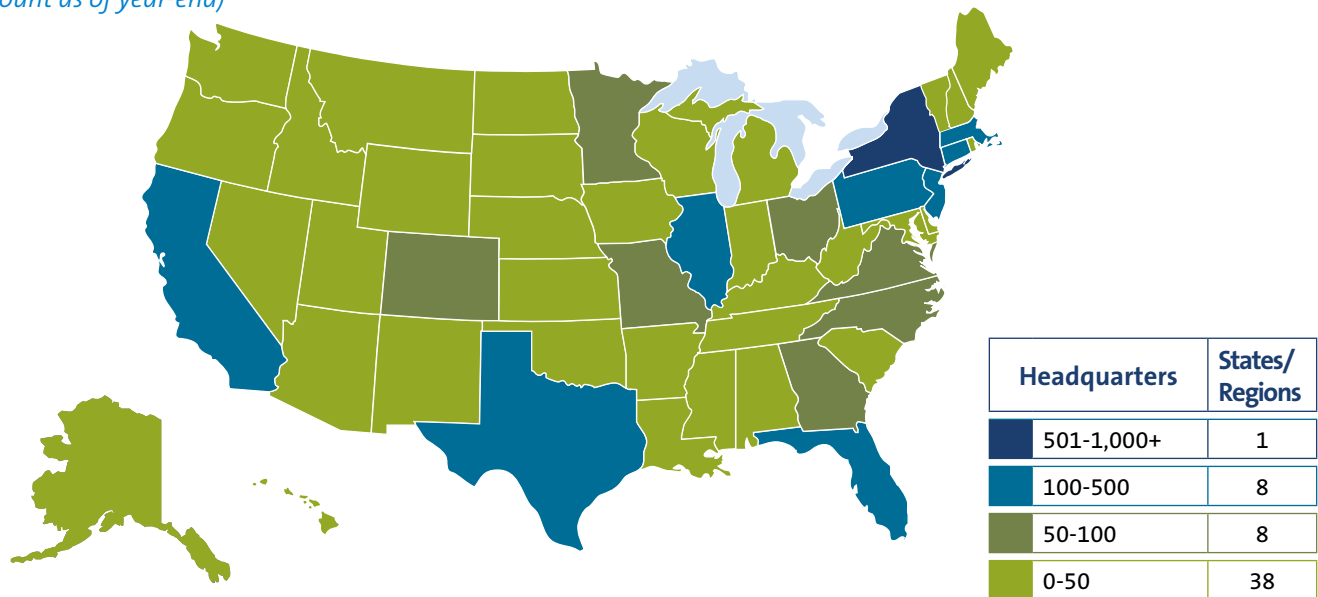
Branches By State/ Region	2014		2015		2016		2017		2018	
	Branches	Firms	Branches	Firms	Branches	Firms	Branches	Firms	Branches	Firms
Louisiana	1,798	180	1,819	176	1,775	173	1,793	161	1,766	159
Maine	654	125	654	127	640	124	610	119	597	116
Maryland	2,859	307	2,855	299	2,797	289	2,717	287	2,728	273
Massachusetts	3,751	516	3,746	501	3,693	500	3,625	485	3,581	476
Michigan	5,341	288	5,324	290	5,272	287	5,116	271	5,030	257
Minnesota	3,698	298	3,699	293	3,687	282	3,618	274	3,585	270
Mississippi	726	103	744	102	736	103	707	99	702	97
Missouri	3,137	287	3,171	288	3,070	296	2,973	276	2,903	259
Montana	630	98	633	96	629	94	599	91	595	88
Nebraska	1,316	148	1,307	144	1,305	143	1,250	138	1,259	136
Nevada	1,201	194	1,236	192	1,267	184	1,278	174	1,254	170
New Hampshire	806	140	816	141	811	134	799	129	798	130
New Jersey	5,138	497	5,196	505	5,129	479	4,949	472	4,871	460
New Mexico	808	111	812	105	791	106	785	105	786	107
New York	10,863	1,653	10,829	1,598	10,653	1,582	10,536	1,617	10,353	1,596
North Carolina	4,667	354	4,604	346	4,618	346	4,540	348	4,566	341
North Dakota	577	84	568	86	567	88	553	86	546	84
Ohio	6,962	355	6,836	345	6,679	342	6,463	331	6,420	327
Oklahoma	1,868	153	1,913	157	1,902	157	1,855	153	1,805	145
Oregon	2,299	195	2,312	193	2,277	193	2,233	186	2,199	177
Pennsylvania	7,548	448	7,420	446	7,350	444	7,155	428	6,944	429
Rhode Island	524	115	527	116	516	111	509	108	516	112
South Carolina	1,893	201	1,929	195	1,946	204	1,939	206	2,010	203
South Dakota	588	82	597	84	582	86	560	82	552	77
Tennessee	2,599	263	2,641	269	2,627	258	2,546	253	2,541	249
Texas	11,128	674	11,251	665	11,173	646	11,052	657	10,960	656
Utah	1,323	174	1,315	174	1,297	176	1,269	169	1,259	163
Vermont	405	111	406	108	408	102	375	90	363	85
Virginia	3,709	307	3,672	308	3,670	300	3,609	297	3,632	281
Washington	3,798	256	3,813	258	3,728	255	3,670	259	3,679	251
West Virginia	655	99	639	95	630	99	584	100	581	94
Wisconsin	3,642	232	3,605	230	3,564	228	3,463	217	3,441	214
Wyoming	372	71	380	70	377	68	363	68	361	66
Puerto Rico	143	42	142	42	150	42	145	45	145	49
Virgin Islands	10	9	11	10	9	8	6	5	7	6
Guam	11	8	11	8	9	7	10	7	10	7
Foreign	383	189	401	188	380	189	403	195	406	203
TOTAL	161,644		161,506		159,529		156,107		154,772	

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.8 Geographic Distribution of Firms by Headquarters, 2018¹

(Count as of year-end)



1 Not shown: Puerto Rico, Virgin Islands, Guam, Foreign.

Table 2.8 Locations of Headquarters By State/Region, 2014 – 2018

Locations by State/Region	2014	2015	2016	2017	2018
Alabama	23	21	22	21	20
Alaska	1	1	1	0	0
Arizona	30	29	29	29	31
Arkansas	10	10	10	10	9
California	472	462	435	428	409
Colorado	85	84	80	75	66
Connecticut	149	145	135	129	126
Delaware	4	4	4	4	4
District of Columbia	28	25	25	22	21
Florida	199	191	185	188	183
Georgia	81	75	74	76	78
Hawaii	7	7	6	5	5
Idaho	3	4	2	2	2
Illinois	243	230	229	217	211
Indiana	30	25	26	22	22
Iowa	25	22	23	22	19
Kansas	29	26	20	21	22
Kentucky	12	12	11	10	10
Louisiana	19	16	16	14	13
Maine	16	17	17	18	18
Maryland	53	53	51	48	42

II. FINRA-Registered Firms

Table 2.8 Locations of Headquarters By State/Region, 2014 – 2018 (continued)

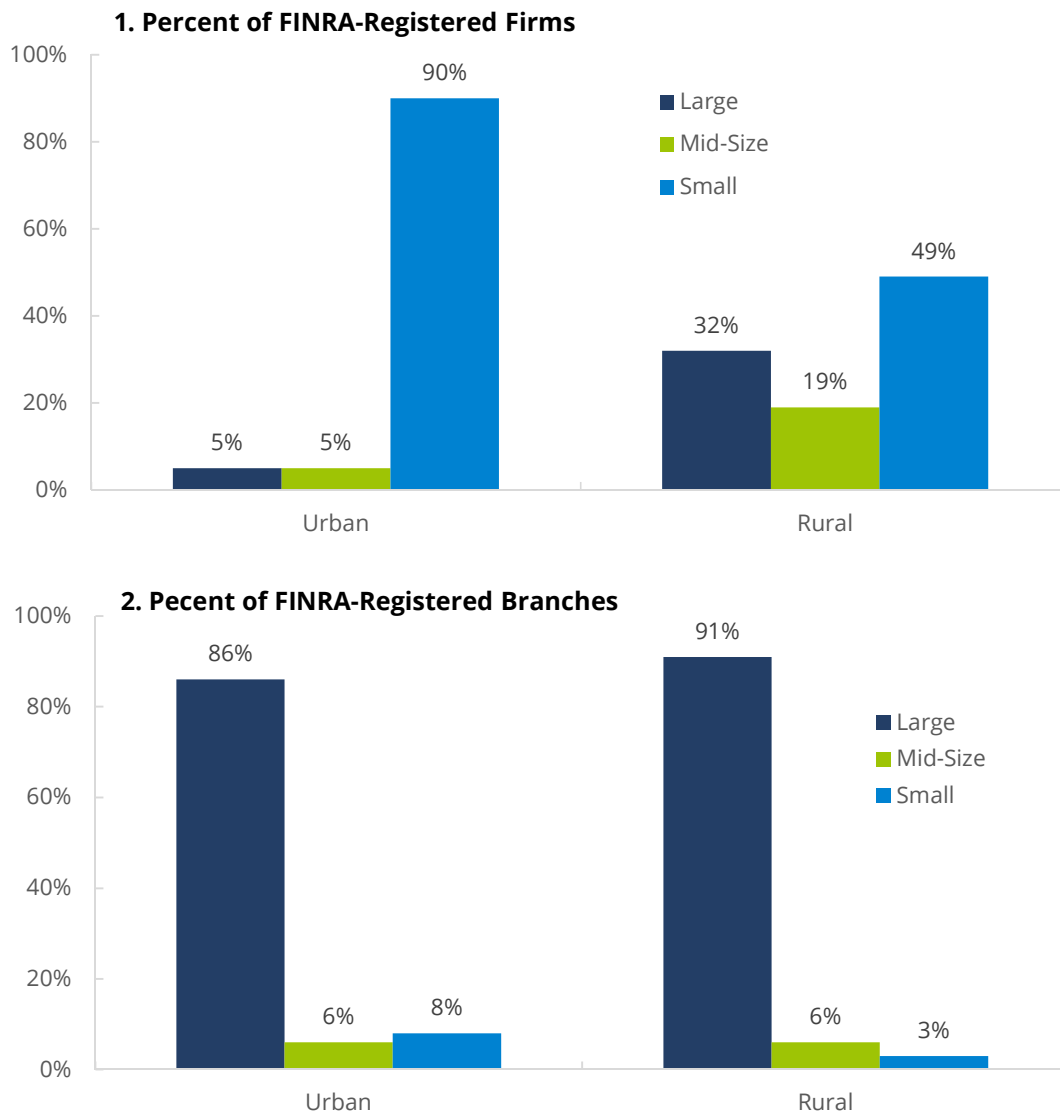
Locations by State/Region	2014	2015	2016	2017	2018
Massachusetts	147	141	141	138	129
Michigan	48	48	45	44	39
Minnesota	64	64	60	55	56
Mississippi	2	2	2	2	2
Missouri	65	68	64	63	54
Montana	3	2	2	2	2
Nebraska	18	17	15	15	15
Nevada	13	11	12	13	10
New Hampshire	11	10	7	6	6
New Jersey	158	155	149	154	147
New Mexico	2	2	1	1	1
New York	1,145	1,124	1,122	1,095	1,070
North Carolina	73	68	69	65	61
North Dakota	8	9	8	8	7
Ohio	80	77	71	66	65
Oklahoma	14	13	13	11	11
Oregon	23	21	18	16	17
Pennsylvania	113	107	108	100	103
Rhode Island	13	13	12	12	12
South Carolina	14	18	19	18	21
South Dakota	2	2	2	2	2
Tennessee	43	43	43	41	40
Texas	237	223	212	205	201
Utah	21	21	23	21	24
Vermont	5	5	4	3	3
Virginia	57	56	55	55	51
Washington	47	44	43	42	40
West Virginia	2	2	2	2	2
Wisconsin	43	43	41	38	37
Wyoming	1	0	0	0	0
Puerto Rico	12	12	12	13	11
Virgin Islands	1	1	1	1	1
Guam	1	1	1	1	1
Foreign	62	60	57	57	55
TOTAL	4,067	3,942	3,835	3,726	3,607

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches, 2018^{1,2}

(Percent of total, as of year-end)



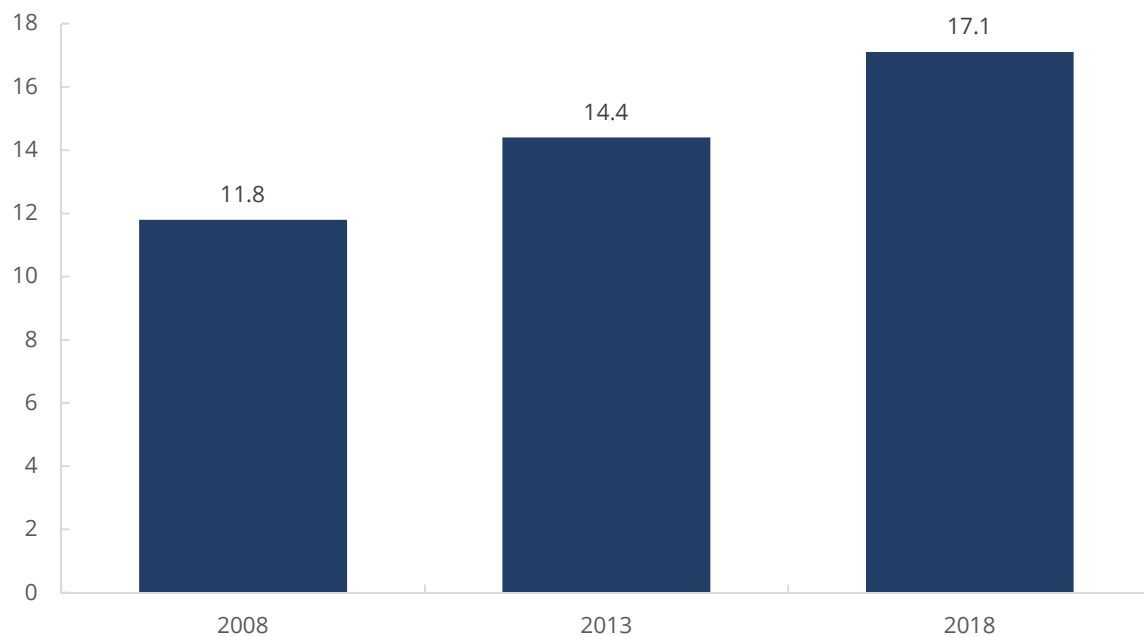
Sources: U.S. Census Bureau; Federal Communications Commission Census Block Conversions API; and FINRA staff calculations.

- 1 Large firm = 500 or more registered representatives; Mid-Size firm = 151 – 400 registered representatives; Small firm = 1 – 150 registered representatives.
- 2 Each branch is assigned a corresponding FIPS code based on the ZIP code recorded in CRD. A firm is counted if it has a branch in that area. The U.S. Census Bureau classifies urban counties as counties with less than 50 percent of their population living in rural areas. Counties not classified as urban are defined as rural. In the 2010 U.S. Census, 40 percent of counties were defined as urban counties.

II. FINRA-Registered Firms

Figure 2.10 FINRA-Registered Firms – Median Number of Years in Business, 2008 – 2018

(As of year-end)

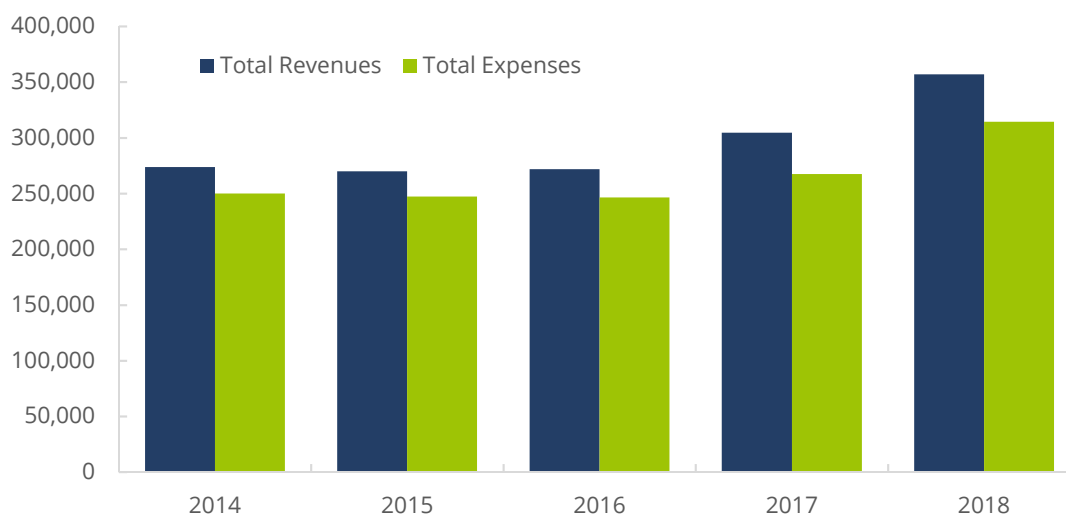


Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2014 – 2018¹

(In millions of U.S. dollars)



Source: Financial and Operational Combined Uniform Single (FOCUS) Reports.

1 Aggregated financial results only include firms that are FINRA-members as of year-end of each calendar year. Non-FINRA registered firms are not included.

Table 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2014 – 2018¹

(In millions of U.S. dollars)

	2014	2015	2016	2017	2018
Total Revenues	\$273,688.87	\$270,021.63	\$271,690.85	\$304,512.17	\$357,056.06
Total Expenses	\$250,007.55	\$247,391.20	\$246,363.09	\$267,558.45	\$314,425.96
Pre-Tax Net Income	\$23,681.32	\$22,630.42	\$25,327.76	\$36,953.72	\$42,630.10

Source: Financial and Operational Combined Uniform Single (FOCUS) Reports.

1 Aggregated financial results only include firms that are FINRA-members as of year-end of each calendar year. Non-FINRA registered firms are not included.

II. FINRA-Registered Firms

Figure 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2004 – 2018

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2004 – 2018

(Count as of year-end)

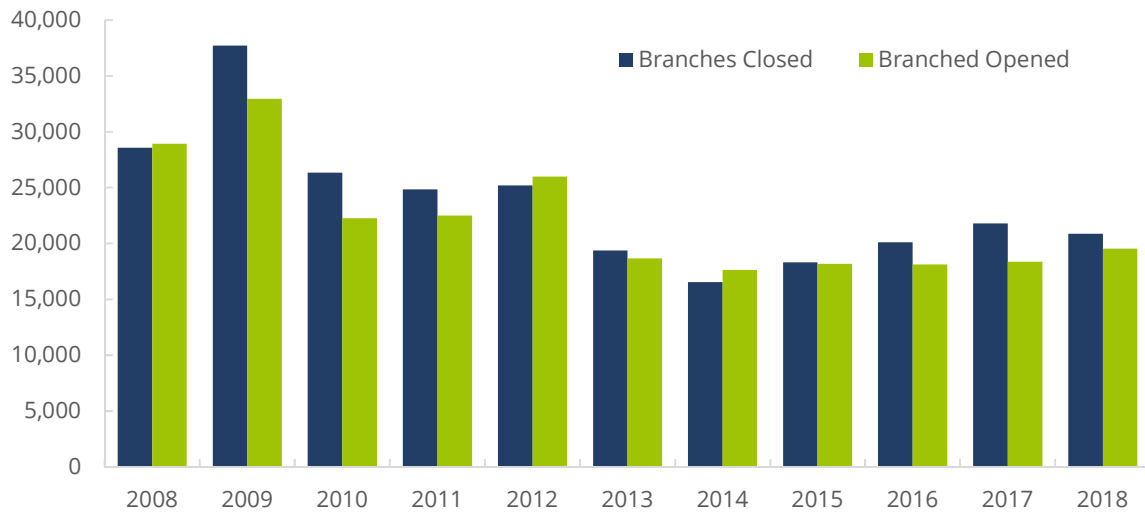
Year	Firms Leaving	% of Total	Firms Entering	% of Total	End-of-Year Total Firms
2004	375	7%	301	6%	5,187
2005	380	7%	295	6%	5,102
2006	327	7%	247	5%	5,022
2007	312	6%	289	6%	4,999
2008	323	7%	215	4%	4,891
2009	339	7%	166	4%	4,718
2010	330	7%	190	4%	4,578
2011	294	7%	172	4%	4,456
2012	303	7%	136	3%	4,289
2013	249	6%	105	3%	4,145
2014	222	5%	144	4%	4,067
2015	245	6%	120	3%	3,942
2016	231	6%	124	3%	3,835
2017	205	6%	96	3%	3,726
2018	219	6%	100	3%	3,607

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2008 – 2018

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2008 – 2018

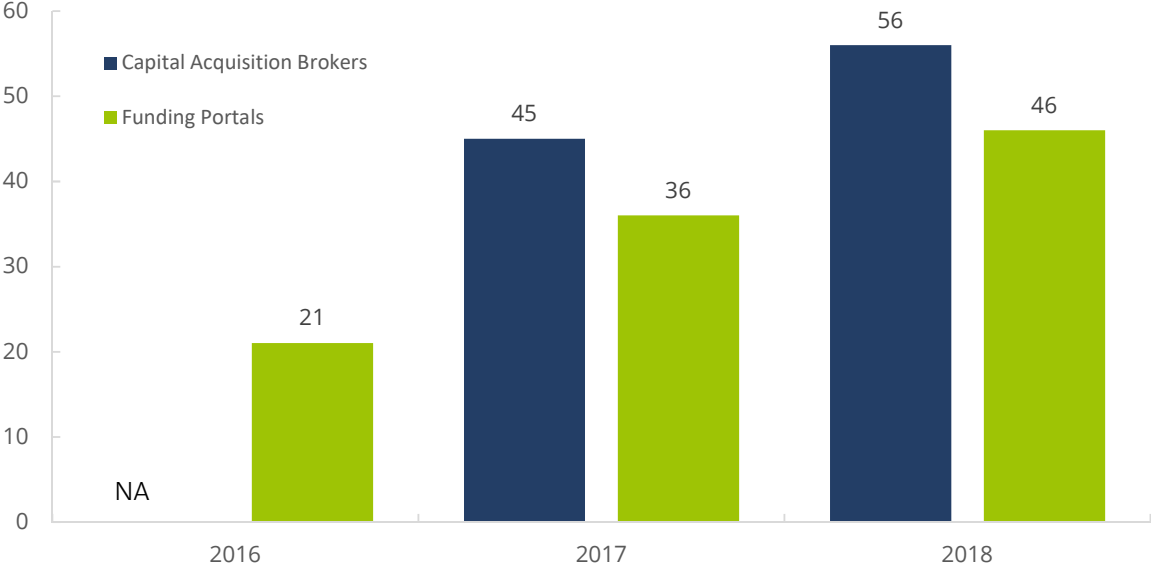
(Count as of year-end)

Year	Branches Closed	% of Total	Branches Opened	% of Total	End-of-Year Total Branches
2008	28,555	17%	28,924	17%	171,659
2009	37,727	23%	32,960	20%	166,893
2010	26,324	16%	22,276	14%	162,847
2011	24,863	15%	22,499	14%	160,483
2012	25,193	16%	25,974	16%	161,264
2013	19,382	12%	18,691	12%	160,573
2014	16,554	10%	17,625	11%	161,644
2015	18,296	11%	18,158	11%	161,506
2016	20,103	13%	18,126	11%	159,529
2017	21,797	14%	18,375	12%	156,107
2018	20,875	13%	19,536	13%	154,772

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.14 Spotlight: Capital Acquisition Brokers and Funding Portals, 2016 – 2018¹
(Count as of year-end)



Source: Financial Industry Regulatory Authority.

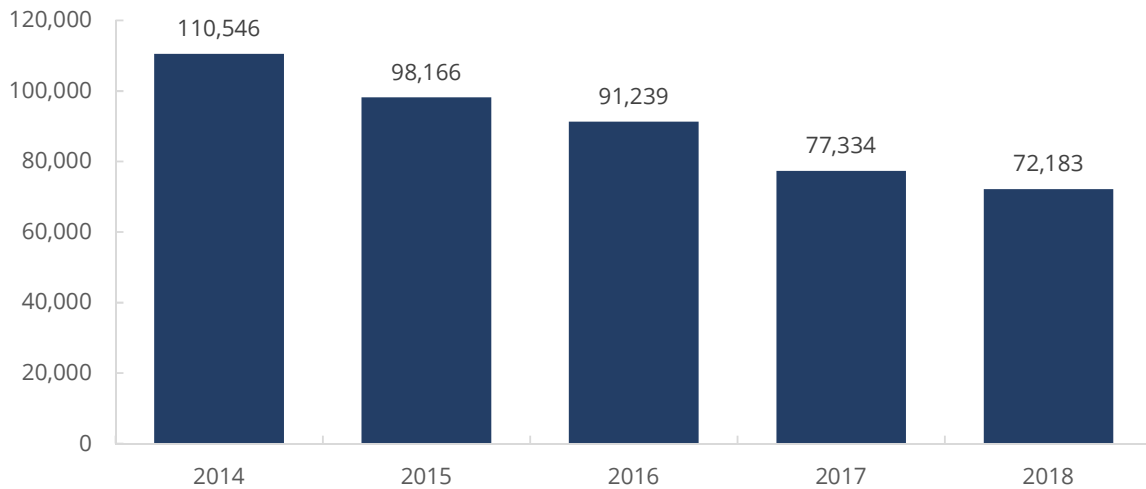
1. Capital Acquisition Brokers (CABs) engage in limited range of activities, essentially advising companies and private equity funds on capital raising and corporate restructuring, and acting as a placement agent for sales of unregistered securities to institutional investors under limited conditions. The CAB rule took effect in 2017. Funding Portals (FPs) also engage in a limited range of activities: those prescribed under to JOBS Act and the SEC’s Regulation Crowdfunding. The FP rule took effect in 2016.

II. FINRA-Registered Firms

FINRA Rule 2210 governs broker-dealers' communications with the public, including communications with retail and institutional investors. The rule provides standards for the content, approval, recordkeeping and filing of communications with FINRA. FINRA's Advertising Regulation Department reviews firms' advertisements and other communications with the public to ensure they are fair, balanced, not misleading and comply with the standards of the SEC, MSRB, SIPC, and FINRA advertising rules. FINRA rules do not require all communications to be filed, and the figures presented below therefore represent only a segment of such communication.

Figure 2.15 Advertising Regulation Filing Volumes, 2014 – 2018¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

1. Based on communications filed by broker-dealers for review by FINRA's Advertising Regulation Department (Filings). The filing requirements were modified in January 2017 as part of a retrospective review of the Communications with the Public Rules, as described in *Regulatory Notice 16-41*.

II. FINRA-Registered Firms

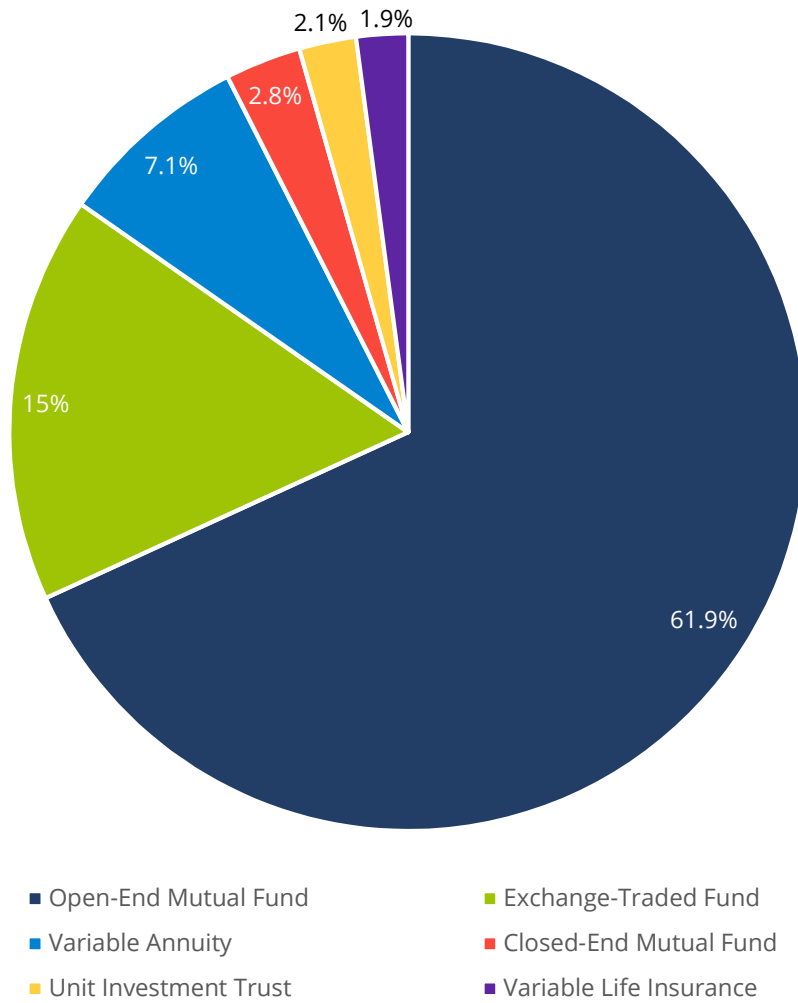
Table 2.15 FINRA-Registered Firms – Most Common Marketing Methods Filed with FINRA, 2018

Marketing Methods	Total for Period 2018
Web information-public access	27,801
Fund-specific information sheet(s)	14,719
Flyers & other hand delivered material	6,758
Brochures, pamphlets & catalogs	4,929
Periodic & other performance reports	4,009
Mailed sales material	3,451
Email, IM, SMS or text messages	3,356
Seminar-related communications	2,249
Web information-password protected	802
Audio/video tapes, CDs & DVDs	732
Information released to the press	670
Print advertisements, posters & signs	652
Software output & Investment Analysis Tools	591
Articles & third-party reprints	532
Research reports – equity & debt	357
Account statement related communications	230
Broker-dealer use only material	160
TV advertisements & broadcasts	101
Radio advertisements & radio broadcasts	53
Business-related stationery	20
Telemarketing & other phone scripts	11
Total	72,183

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2018
(Percentage of Total Filings)



Source: Financial Industry Regulatory Authority.

Table 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2018

Investment Company Product Types	Percentage of Total Filings
Total Registered Investment Company Products	90.8%
Total Non-Registered Investment Company Products	9.2%

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Table 2.17 Advertising Regulation Filing Volumes – Voluntary vs. Mandatory, 2014 – 2018¹

(Count as of year-end)

	2014	2015	2016	2017	2018
Voluntary	9,250	8,720	8,174	12,280	12,350
Mandatory	101,296	89,446	83,065	65,054	59,833

Source: Financial Industry Regulatory Authority.

- 1 Mandatory filings are those required by FINRA rules while voluntary filings are communications materials submitted at the discretion of the firm. The filing requirements were modified in January 2017 as part of a retrospective review of the Communications with the Public Rules, as described in *Regulatory Notice 16-41*.

II. FINRA-Registered Firms

On October 1, 2018, FINRA announced that it was moving toward an exam and risk monitoring program structure that is based on the business models of the firms FINRA oversees. FINRA has grouped firms according to the business(es) in which they are engaged. The following tables break down business segments by firm size.

Table 2.18 Small Firms – Business Segments as of May 2019¹

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	M&A and Investment Banking	808
Capital Markets and Investment Banking Services	Capital Market Niche/Other	359
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	210
Capital Markets and Investment Banking Services	Public Finance	57
Clearing and Carrying	Chaperone – 15a-6 Firms	77
Clearing and Carrying	All Other	37
Diversified	Small Diversified	64
Retail	Retail Small	452
Retail	Public Pooled Investment Vehicles and VAs	255
Retail	Retail Small – Independent Contractor	238
Retail	Private Placements	191
Retail	Fintech	31
Retail	Retail with Carrying/Clearing Activities	23
Trading and Execution	Institutional Brokerage	276
Trading and Execution	Proprietary Trading and Market-Making	80
Trading and Execution	ATS and ECN	50

Source: Financial Industry Regulatory Authority.

1 Small Firm = 1 – 150 registered representatives.

II. FINRA-Registered Firms

Table 2.19 Mid-Size Firms – Business Segments as of May 2019¹

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	46
Capital Markets and Investment Banking Services	M&A and Investment Banking	13
Capital Markets and Investment Banking Services	Capital Market Niche/Other	6
Clearing and Carrying	Clearing	3
Diversified	Mid-Size Diversified	20
Retail	Retail Independent Contractor	46
Retail	Retail Mid-Size	20
Retail	Public Pooled Investment Vehicles and VAs	14
Retail	Retail Other	2
Retail	Private Placements	1
Trading and Execution	Institutional Brokerage	13
Trading and Execution	Proprietary Trading and Market-Making	7
Trading and Execution	ATS and ECN	1

Source: Financial Industry Regulatory Authority.

1 Mid-Size Firm = 151 – 499 registered representatives.

II. FINRA-Registered Firms

Table 2.20 Large Firms – Business Segments as of May 2019¹

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	22
Capital Markets and Investment Banking Services	M&A and Investment Banking	6
Clearing and Carrying	Correspondent Clearing	3
Diversified	Large Diversified	41
Retail	Retail Independent Contractor	40
Retail	Public Pooled Investment Vehicles and VAs	33
Retail	Retail Large	17
Retail	Retail with Carrying/Clearing Activities	10
Retail	Private Placements	1

Source: Financial Industry Regulatory Authority.

1. Large Firm = 500 or more registered representatives.

III. Market Activity

FINRA collects certain market data as part of its role in overseeing trading and providing transparency services. Following are select tables drawn from that data.

Table 3.1 Over-the-Counter (OTC) Equities Market Statistics, 2014 – 2018¹

Year	Average Daily OTC Equities Share Volume	Average Daily OTC Equities Dollar Volume (\$)	Average Daily OTC Equities Transactions
2014	6,406,587,557	\$946,632,049	114,573
2015	5,683,043,047	\$959,847,789	108,523
2016	4,982,665,577	\$939,131,724	122,877
2017	11,061,423,136	\$1,136,567,231	161,995
2018	8,588,230,459	\$1,511,608,770	209,102

Source: FINRA OTCE Market Statistics. Data as of August 9, 2019.

1. Differences in historical series reflect changes in data sources and method of calculation.

Table 3.2 FINRA Member Firms' Order Audit Trail System (OATS) Activity – Total OATS Events, 2014 – 2018¹

Year	OATS Messages ¹	Trade Executions	Number of Shares	Value of Executions (\$)
2014	632,072,047,792	3,875,296,930	6,171,943,611,831	\$41,041,003,543,865
2015	753,589,404,714	3,083,950,634	3,066,698,357,202	\$36,471,141,990,007
2016	727,812,241,098	3,961,320,427	3,656,985,412,829	\$42,781,770,202,084
2017	531,866,067,552	3,527,221,666	6,525,698,297,889	\$42,078,647,880,622
2018	729,720,486,018	3,973,693,014	5,725,806,866,105	\$52,733,733,403,793

Source: Financial Industry Regulatory Authority. Data as of May 1, 2019.

1 OATS messages include orders, order cancellations, order modifications, new order routes and trade executions.

III. Market Activity

Table 3.3 FINRA Member Firms' Order Audit Trail System (OATS) Activity – Daily Average OATS Events, 2014 – 2018¹

Year	Number of Business Days	OATS Messages ¹	Trade Executions	Number of Shares	Value of Executions (\$)
2014	252	2,508,222,412	15,378,162	24,491,839,729	\$162,861,125,174
2015	252	2,990,434,146	12,237,899	12,169,437,925	\$144,726,753,929
2016	252	2,888,143,814	15,719,526	14,511,846,876	\$169,768,929,373
2017	251	2,118,988,317	14,052,676	25,998,798,000	\$167,644,015,461
2018	252	2,895,716,214	15,768,623	22,721,455,818	\$209,260,846,840

Source: Financial Industry Regulatory Authority. Data as of May 1, 2019.

1 OATS messages include orders, order cancellations, order modifications, new order routes and trade executions.

Table 3.4 National Market Systems (NMS) Stocks Trading Summary, 2014 – 2018

Year	Total Consolidated Volume	Total OTC ¹	% OTC
2014	1,623,386,544,215	587,338,028,782	36.2%
2015	1,741,532,712,604	615,827,618,345	35.4%
2016	1,848,780,101,176	678,857,487,044	36.7%
2017	1,642,696,484,455	616,183,840,401	37.5%
2018	1,841,855,556,392	668,455,710,212	36.3%

Sources: UTP Trade Data Feed and Consolidated Tape System. Data as of June 7, 2019.

1 OTC includes all FINRA facilities (the FINRA/Nasdaq TRF, the FINRA/NYSE TRF and the FINRA Alternative Display Facility).

Table 3.5 Trade Reporting and Compliance Engine (TRACE) Activity Summary, 2014 – 2018¹

		2014	2015	2016	2017	2018
Corporate & Agencies	Avg. Daily Transactions	45,522	47,251	55,451	59,147	70,780
	Avg. Daily Volume (in \$ billions)	34.2	34.5	36.6	36.4	43.6
Securitized Products	Avg. Daily Transactions	13,387	13,254	12,976	13,029	12,992
	Avg. Daily Volume (in \$ billions)	199.8	212.1	230.8	229.5	240.5

Source: Financial Industry Regulatory Authority. Data as of June 7, 2019.

1 The Trade Reporting and Compliance Engine (TRACE) facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities.

