

2020 FINRA Industry Snapshot



Table of Contents

I. FINRA-Registered Representatives	2
Figure 1.1 Total Number of FINRA-Registered Representatives, 2015–2019	2
Figure 1.2 FINRA-Registered Representatives by Firm Size, 2015–2019	3
Table 1.2 FINRA-Registered Representatives by Firm Size, 2015–2019	3
Figure 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2015–2019	4
Table 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2015–2019	4
Figure 1.4 Registered Individuals by Type of Registration, 2019	5
Table 1.4 Securities Industry Registered Individuals by Type of Registration, 2019	5
Figure 1.5 Securities Industry Registered Individuals by Type of Registration, 2010–2019	6
Figure 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2005–2019	7
Table 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2005–2019	7
Figure 1.7 Firm Size Distribution of FINRA-Registered Representatives Leaving/Entering the Industry, 2005–2019	8
Figure 1.8 FINRA-Registered Representatives’ Transfers Between Firms Within the Industry, 2005–2019	9
Figure 1.9 Securities Industry Registered Individuals’ Transfers Between Firms by Registration Type, 2005–2019	10
II. FINRA-Registered Firms	11
Figure 2.1 Total Number of FINRA-Registered Firms, 2015–2019	11
Figure 2.2 Firm Distribution by Size, 2015–2019	12
Table 2.2 Firm Distribution by Size, 2015–2019	12
Figure 2.3 Securities Industry Registered Firms by Type of Registration, 2010–2019	13
Table 2.3 Securities Industry Registered Firms by Type of Registration, 2010–2019	13
Figure 2.4 Distribution of Branches by Firm Size, 2015–2019	14
Table 2.4 Distribution of Branches by Firm Size, 2015–2019	14
Figure 2.5 Firm Distribution, 2019	15
Table 2.5 Firm Distribution by Number of Registered Representatives: Additional Breakdown, 2015–2019	15
Figure 2.6 10-Year Change in Number of FINRA-Registered Firms, 2009–2019	16
Figure 2.7 Geographic Distribution of Firms by Number of Branches, 2019	17
Table 2.7 Branches By State/Region, 2015–2019	17
Figure 2.8 Geographic Distribution of Firms by Headquarters, 2019	19
Table 2.8 Geographic Distribution of Firms by Headquarters, 2015–2019	19
Figure 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches by Firm Size—2019	21
Table 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches by Firm Size—2019	22
Figure 2.10 FINRA-Registered Firms – Median Number of Years in Business, 2009–2019	22
Figure 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2015–2019	23
Table 2.11 FINRA-Registered Broker-Dealer Firms – Aggregate Financial Information, 2015–2019	23
Figure 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2005–2019	24
Table 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2005–2019	24
Figure 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2009–2019	25
Table 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2009–2019	25
Figure 2.14 Spotlight: Capital Acquisition Brokers and Funding Portals, 2016–2019	26
Figure 2.15 Advertising Regulation Filing Volumes, 2015–2019	27
Table 2.15 FINRA-Registered Firms – Most Common Marketing Methods Filed with FINRA, 2019	28
Figure 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2019	29
Table 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2019	29

Table of Contents (continued)

Table 2.17	Advertising Regulation Filing Volumes – Voluntary vs. Mandatory, 2015–2019	30
Table 2.18	Small Firms – Business Segments as of December 2019	31
Table 2.19	Mid-Size Firms – Business Segments as of December 2019	32
Table 2.20	Large Firms – Business Segments as of December 2019	33
III.	Market Activity	34
Table 3.1	National Market Systems (NMS) Stocks Trading Summary, 2015–2019	34
Table 3.2	National Market Systems (NMS) Stocks Trading by Venue Type, 2017–2019	34
Figure 3.1	Monthly National Market Systems (NMS) Stocks Trading by Venue Type	35
Figure 3.2	Monthly National Market Systems (NMS) Stocks Trading During Non-Exchange Hours	36
Table 3.3	Order Audit Trail System (OATS) Activity – Total OATS Events, 2015–2019	37
Table 3.4	Order Audit Trail System (OATS) Activity – Daily Average OATS Events, 2015–2019	37
Table 3.5	Over-the-Counter (OTC) Equities Market Statistics, 2015–2019	37
Figure 3.3	Monthly OTC Equities Trading by Venue Type	38
Table 3.6	TRACE Reported Fixed Income Activity by Product Type and Venue Type, 2017–2019	39
Figure 3.4	Monthly TRACE Reported Fixed Income Activity By Product Type and Venue Type	40

2020 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 *2020 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.

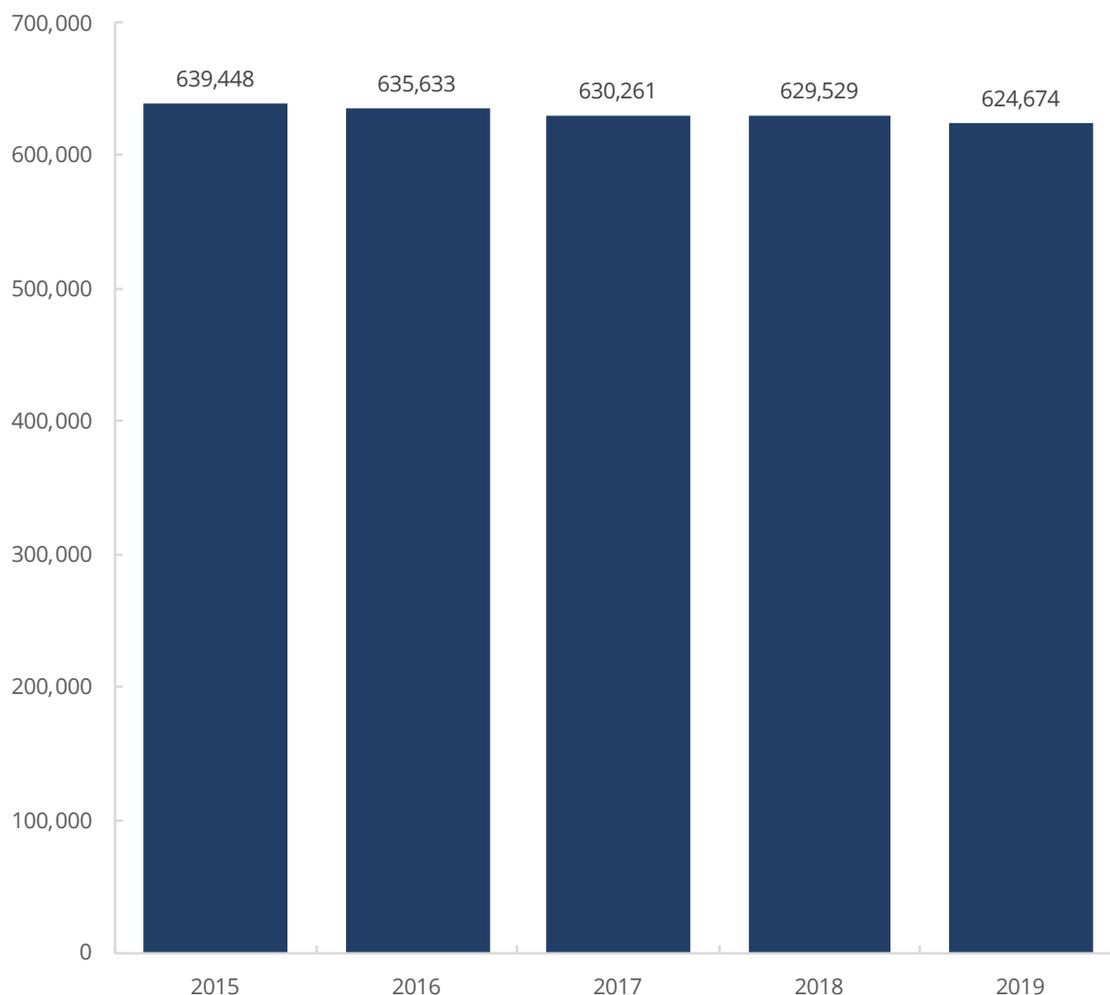
Note: FINRA regularly updates historical data series due to data revisions by reporting firms.

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, 2015–2019

(Count as of year-end)

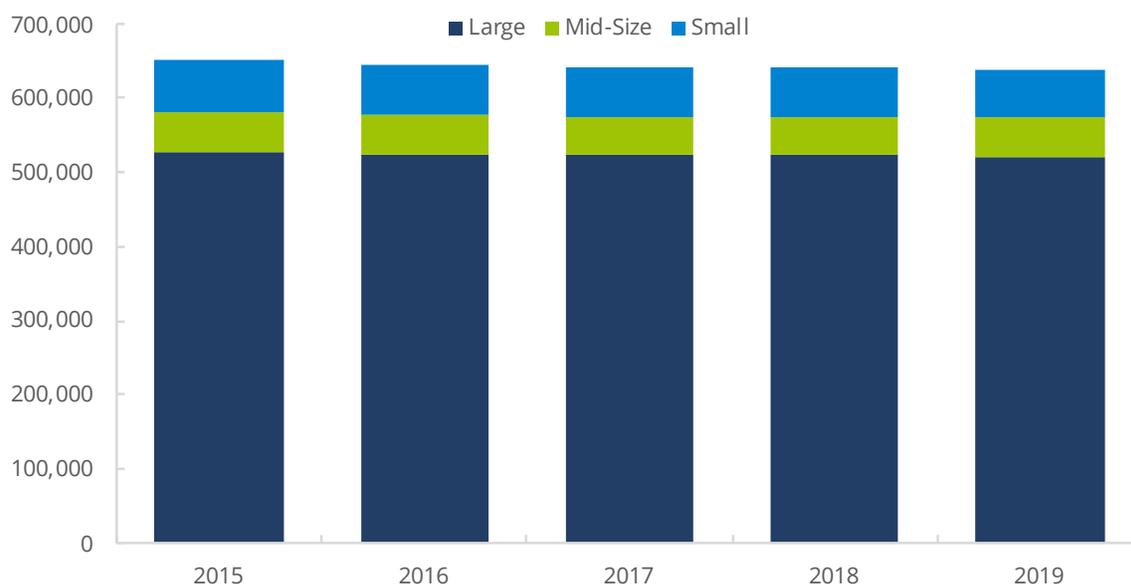


Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.2 FINRA-Registered Representatives by Firm Size, 2015–2019¹

(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, 2015–2019¹

(Count as of year-end)

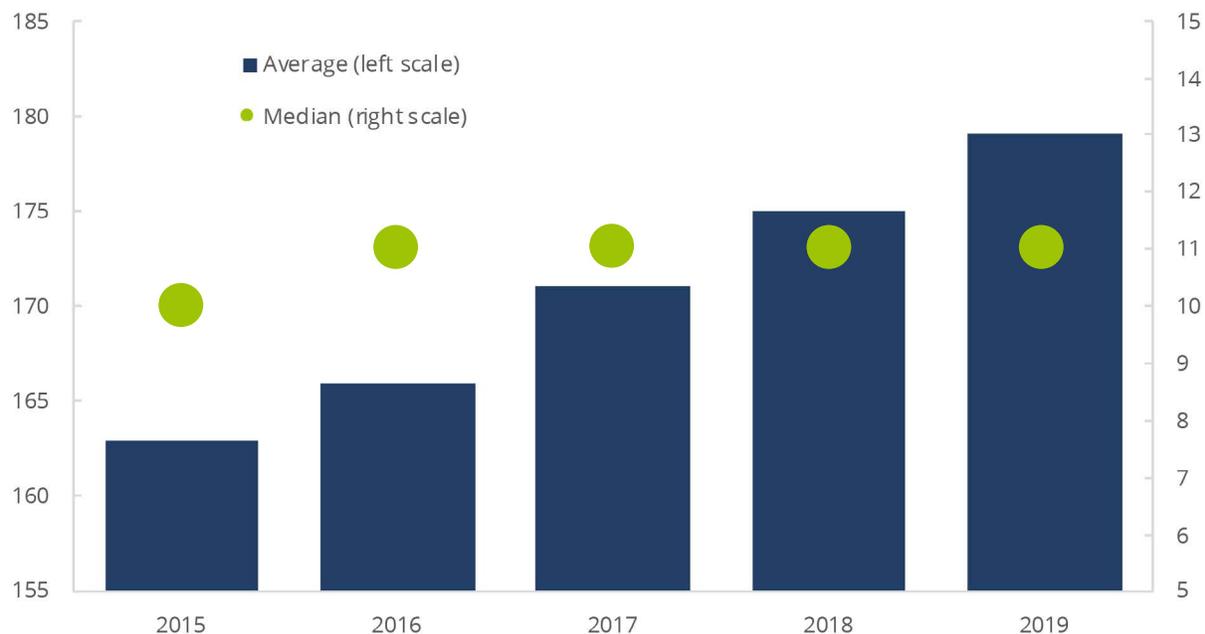
Firm Size	2015		2016		2017		2018		2019	
	Total	%								
Large	527,425	81%	525,191	81%	522,494	81%	522,952	82%	519,738	82%
Mid-Size	53,350	8%	53,000	8%	52,632	8%	52,449	8%	53,763	8%
Small	69,918	11%	67,922	11%	66,449	10%	66,050	10%	64,168	10%
Total	650,693	100%	646,113	100%	641,575	100%	641,451	100%	637,669	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, 2015–2019
(Count as of year-end)



Source: Financial Industry Regulatory Authority.

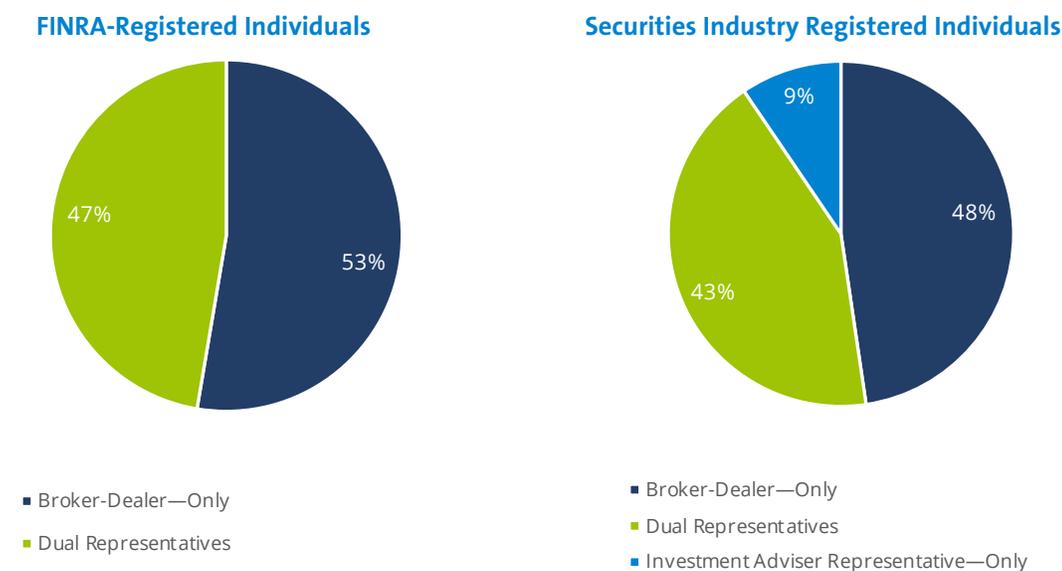
Table 1.3 Average and Median Number of FINRA-Registered Representatives per Firm, 2015–2019
(Count as of year-end)

	2015	2016	2017	2018	2019
Average	163	166	171	175	179
Median	10	11	11	11	11

Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.4 Registered Individuals by Type of Registration, 2019¹



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, 2019¹

(Count as of year-end)

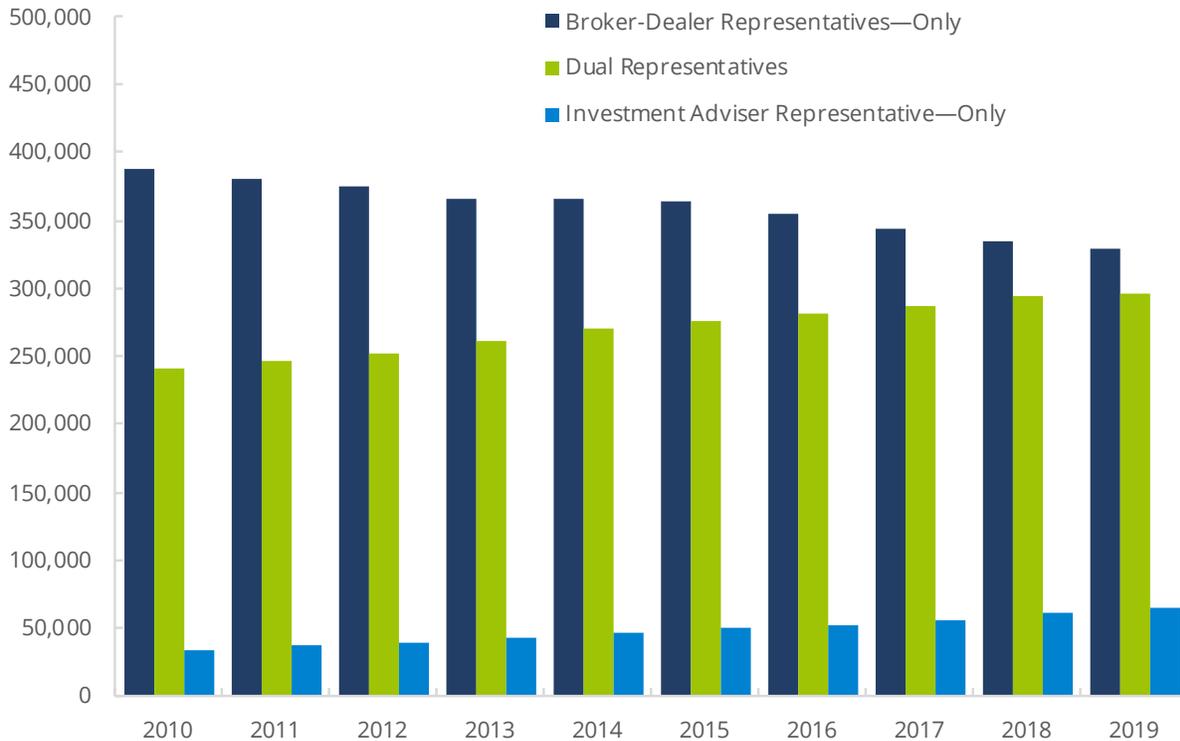
	Total Number of Individuals
Broker-Dealer—Only	328,997
Dual Broker-Dealer Investment Adviser Representative	295,677
All BD Registered Individuals	624,674
Investment Adviser Representative—Only	65,514
Total Registered Individuals	690,188

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, 2010–2019^{1,2}
(Count as of year-end)



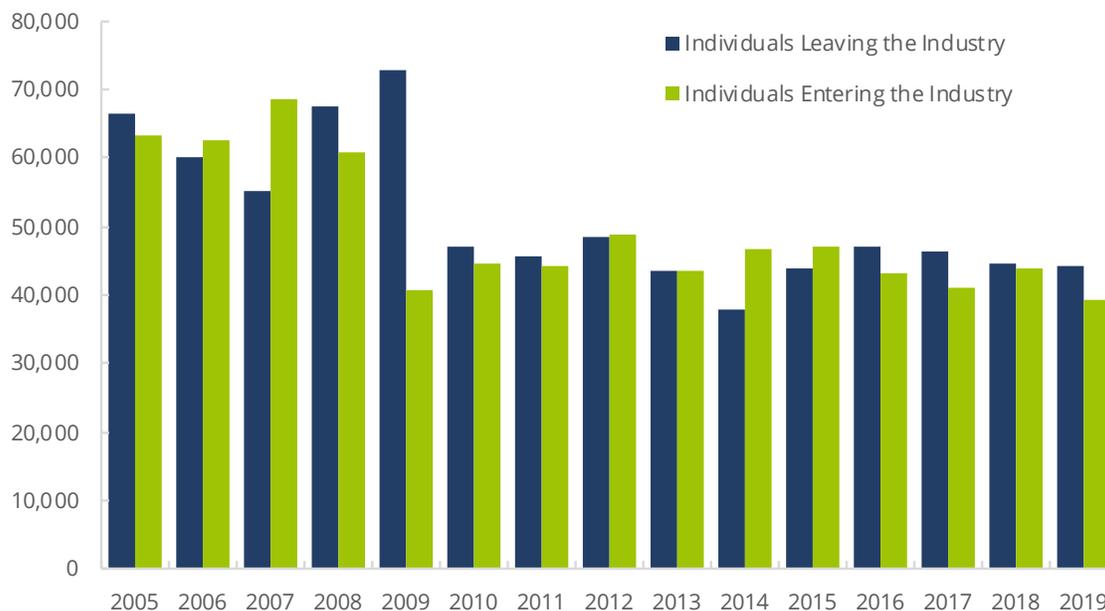
Source: Financial Industry Regulatory Authority.

- 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 table.
- 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, 2005–2019

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 1.6 FINRA-Registered Representatives – Leaving/Entering the Industry, 2005–2019

(Count as of year-end)

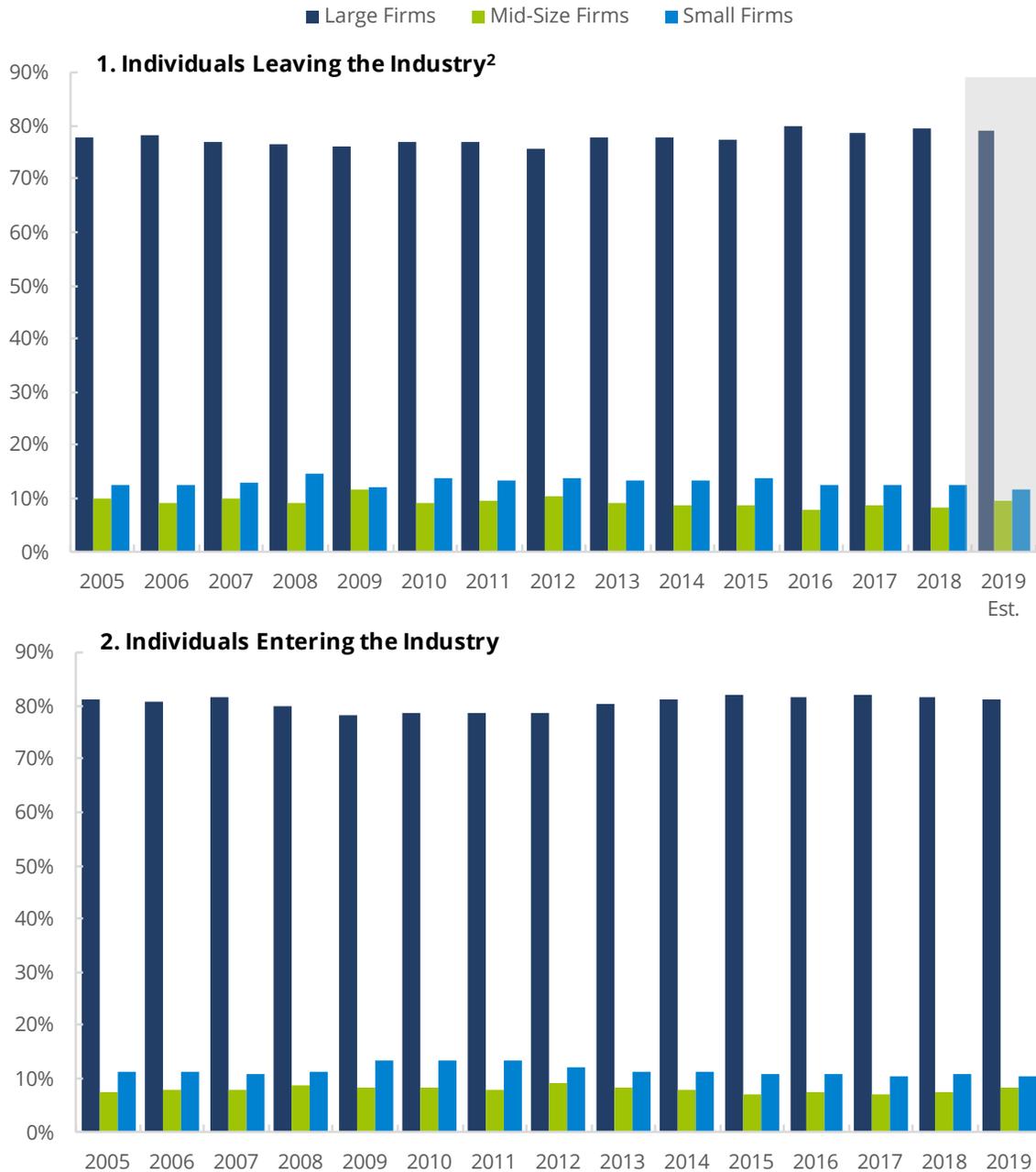
Year	Individuals Leaving	% of Total	Individuals Entering	% of Total	End-of-Year Total Registered Representatives
2005	66,435	10%	63,212	10%	653,721
2006	60,046	9%	62,709	10%	656,384
2007	55,269	8%	68,682	10%	669,797
2008	67,610	10%	60,715	9%	662,902
2009	72,864	12%	40,869	6%	630,907
2010	47,091	7%	44,649	7%	628,465
2011	45,775	7%	44,381	7%	627,071
2012	48,583	8%	49,009	8%	627,497
2013	43,647	7%	43,643	7%	627,493
2014	37,914	6%	46,604	7%	636,183
2015	43,771	7%	47,036	7%	639,448
2016	47,036	7%	43,221	7%	635,633
2017	46,274	7%	40,902	6%	630,261
2018	44,542	7%	43,810	7%	629,529
2019	44,105	7%	39,250	6%	624,674

Source: Financial Industry Regulatory Authority.

I. FINRA-Registered Representatives

Figure 1.7 Firm Size Distribution of FINRA-Registered Representatives Leaving/Entering the Industry, 2005–2019¹

(Percentage of Total)

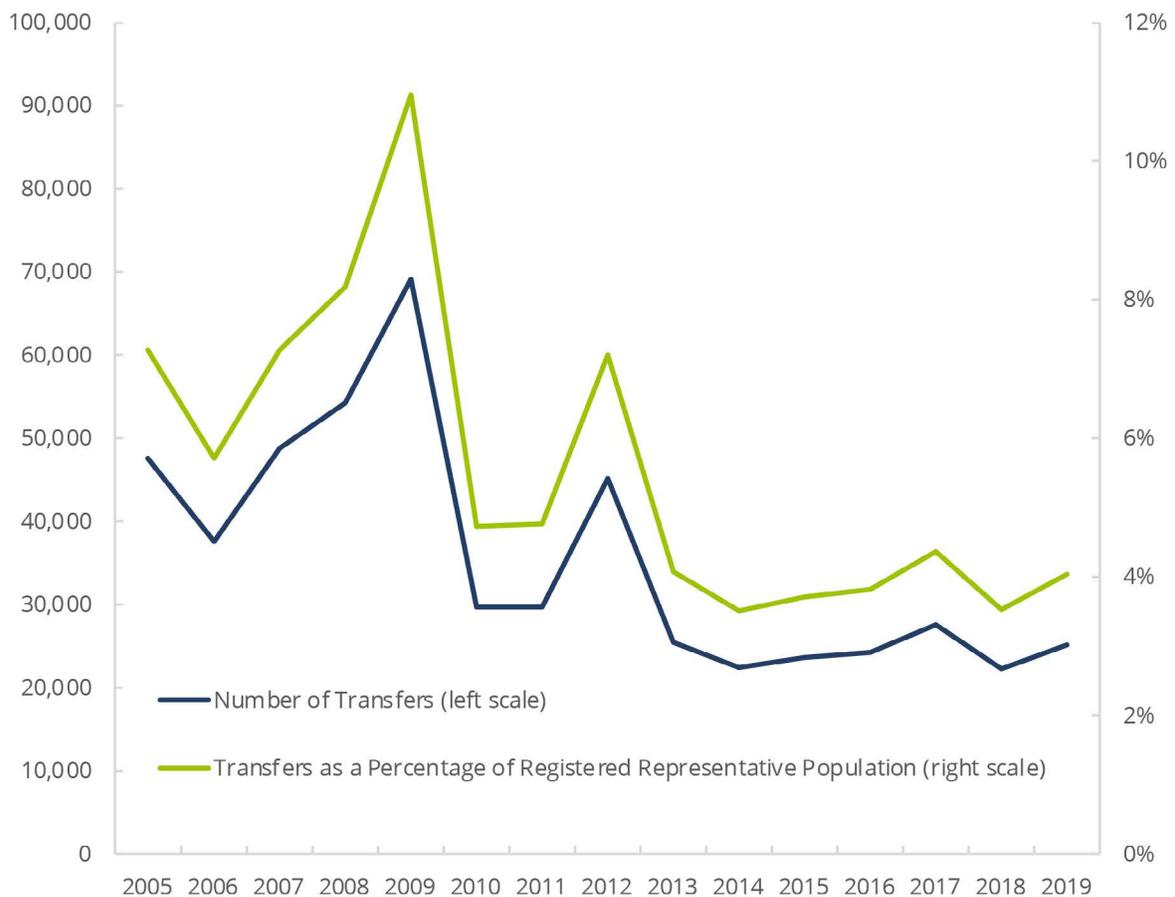


Source: Financial Industry Regulatory Authority.

- 1 Individuals entering and exiting by firm size may differ from the total number of individuals entering and exiting the industry 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.
- 2 An individual is considered to have left the industry when the individual has no open registration with any FINRA approved member firm from the date of their last registration through the end of the next calendar year. Values for 2019 are estimates given that data through December 2020 is required to compute individuals leaving the industry.

I. FINRA-Registered Representatives

Figure 1.8 FINRA-Registered Representatives' Transfers Between Firms Within the Industry, 2005–2019¹
(Count as of year-end)



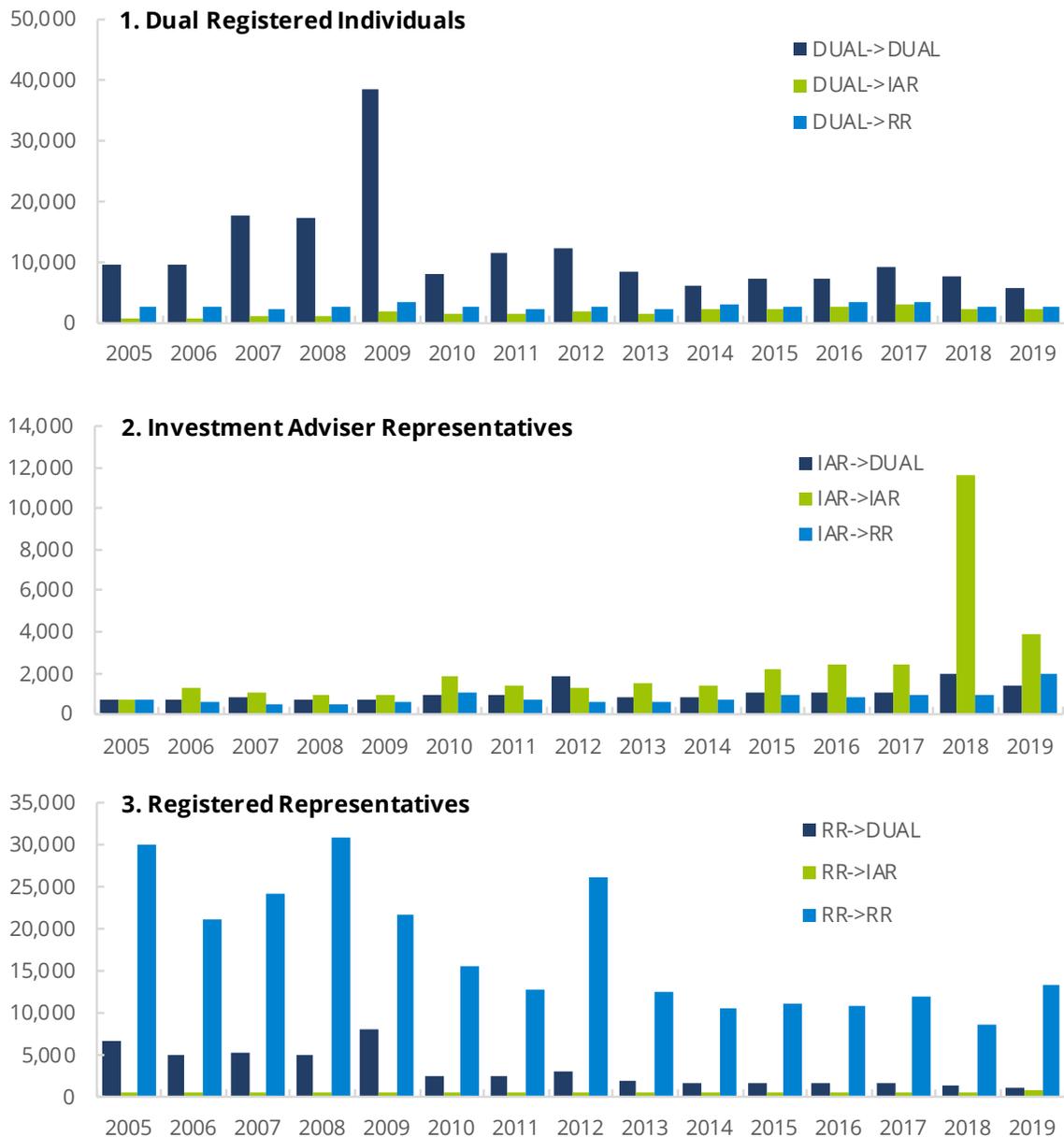
Source: Financial Industry Regulatory Authority.

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, 2005–2019^{1,2}

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

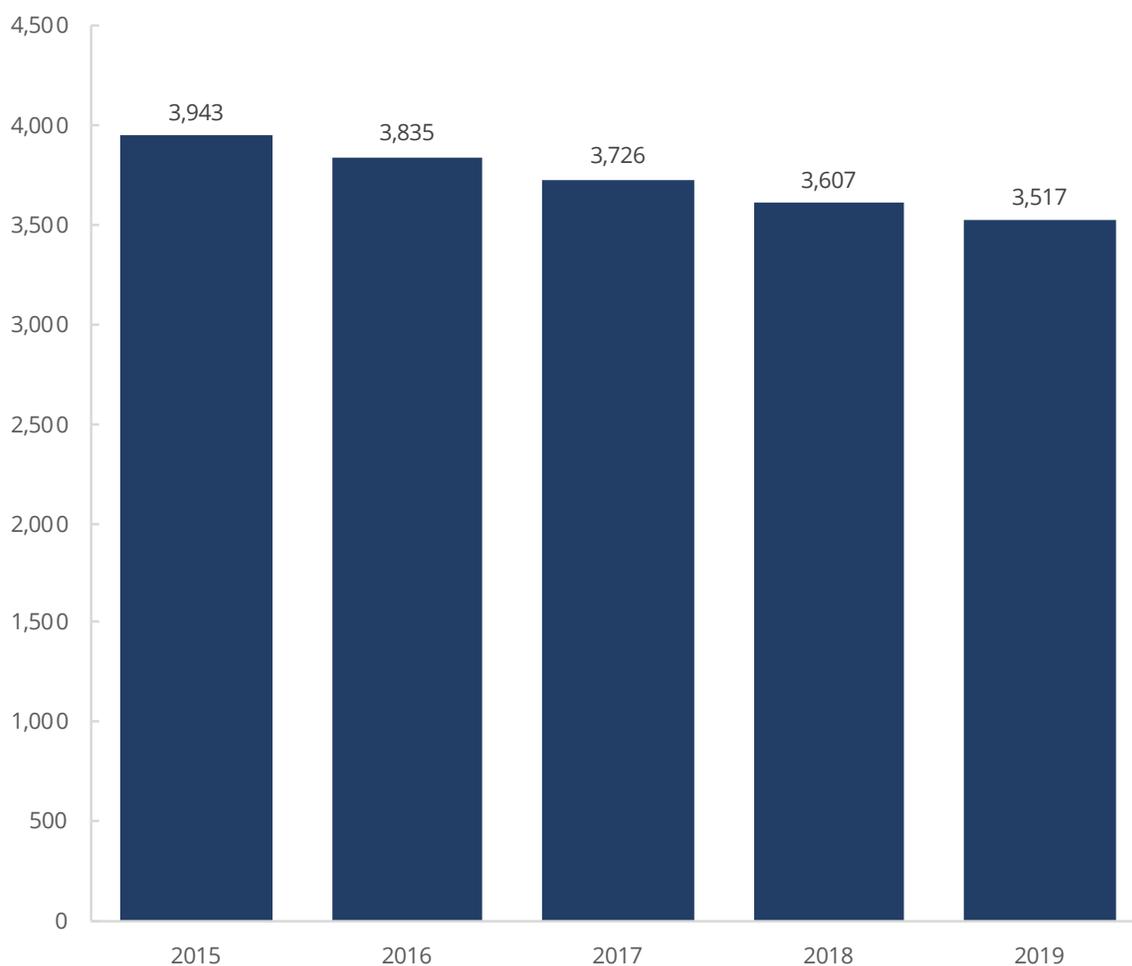
* The number for "IAR -> IAR" in 2018 reflects transfers of more than 8,000 individuals transferring within affiliates.

- 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, 2015–2019¹

(Count as of year-end)



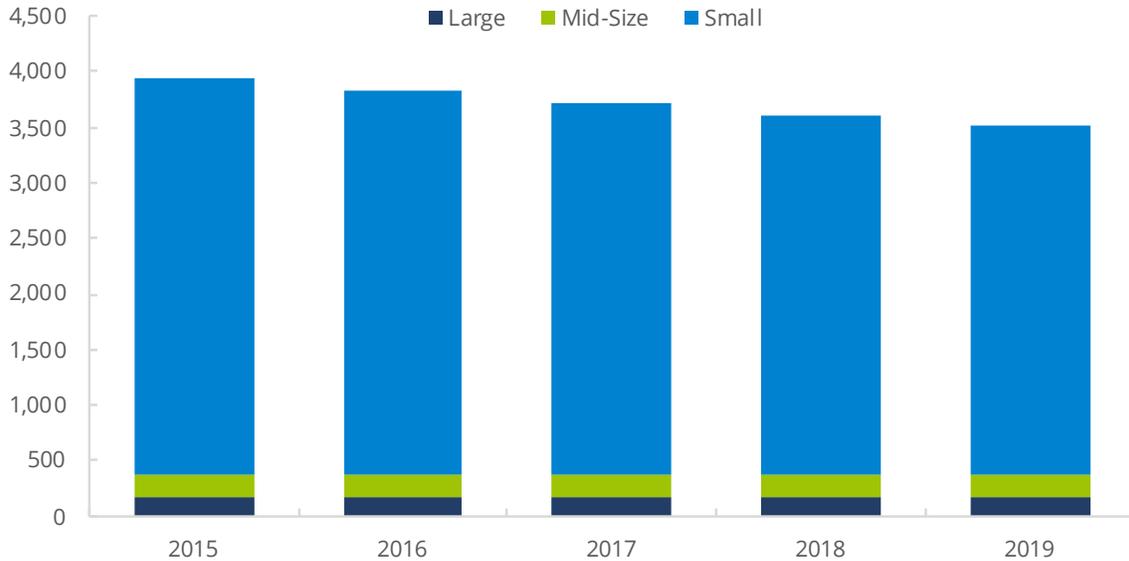
Source: Financial Industry Regulatory Authority.

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, 2015–2019¹

(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, 2015–2019¹

(Count as of year-end)

	2015	2016	2017	2018	2019
Large	181	179	178	173	168
Mid-Size	194	194	194	192	198
Small	3,568	3,462	3,354	3,242	3,151
Total	3,943	3,835	3,726	3,607	3,517

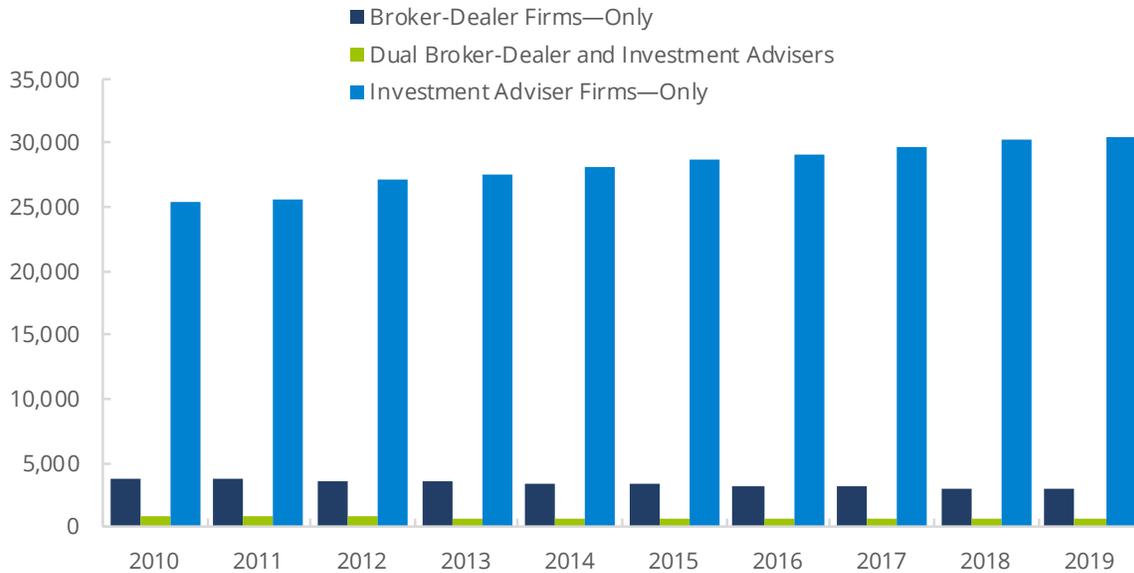
Source: Financial Industry Regulatory Authority.

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, 2010–2019¹

(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, 2010–2019¹

(Count as of year-end)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Broker-Dealer Firms—Only	3,741	3,673	3,545	3,449	3,393	3,303	3,226	3,130	3,045	2,989
Dual Broker-Dealer and Investment-Adviser Firms	836	782	744	697	677	640	609	596	562	528
All FINRA-Registered Broker-Dealer Firms	4,577	4,455	4,289	4,146	4,070	3,943	3,835	3,726	3,607	3,517
Investment Adviser Firms—Only	25,323	25,527	27,132	27,514	28,134	28,712	29,081	29,601	30,246	30,535
Total Registered Firms	29,900	29,982	31,421	31,660	32,204	32,655	32,916	33,327	33,853	34,052

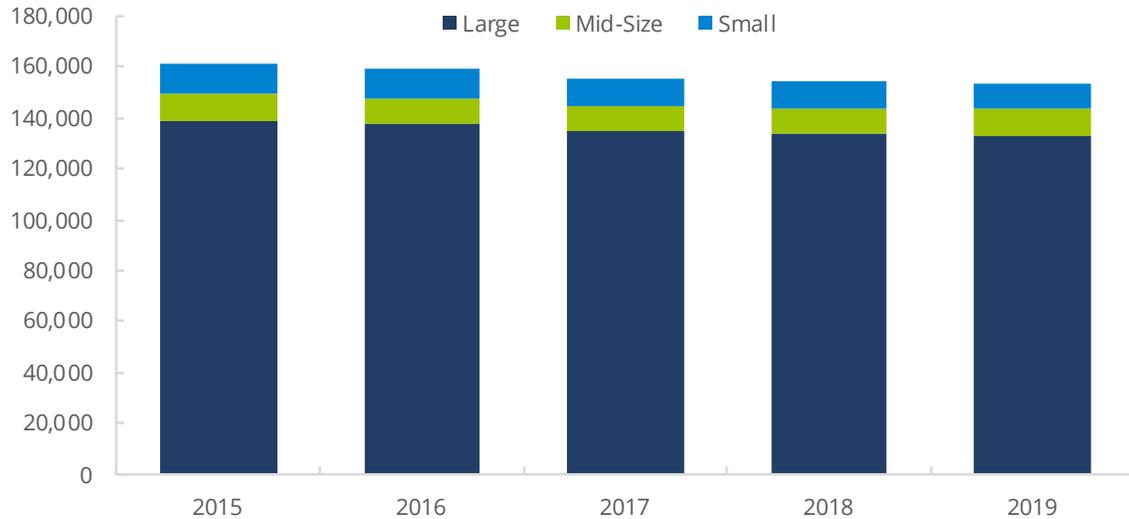
Source: Financial Industry Regulatory Authority.

- 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, 2015–2019^{1, 2}

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

- 1 For each branch office, a FINRA-registered firm must file a 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, 2015–2019^{1, 2}

(Count as of year-end)

	2015	2016	2017	2018	2019
Large	139,013	137,806	134,473	133,760	132,758
Mid-Size	10,322	10,137	10,216	9,837	10,660
Small	12,057	11,521	11,278	11,064	10,489
Total	161,392	159,464	155,967	154,661	153,907

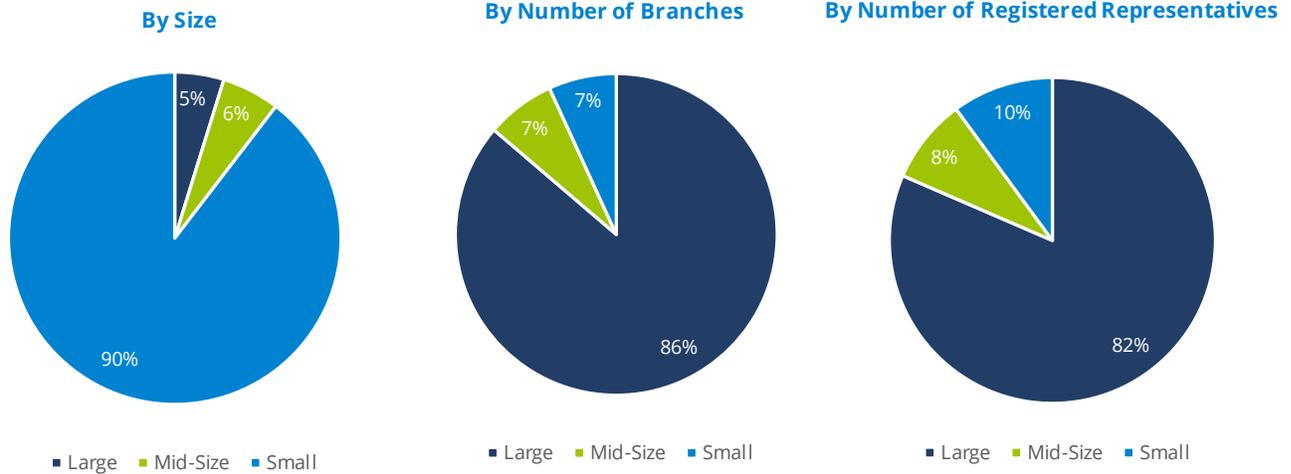
Source: Financial Industry Regulatory Authority.

- 1 For each branch office, a FINRA-registered firm must file a 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, 2019

(As of year-end, percent of total)



Source: Financial Industry Regulatory Authority.

Table 2.5 Firm Distribution by Number of Registered Representatives: Additional Breakdown, 2015–2019

(Count as of year-end)

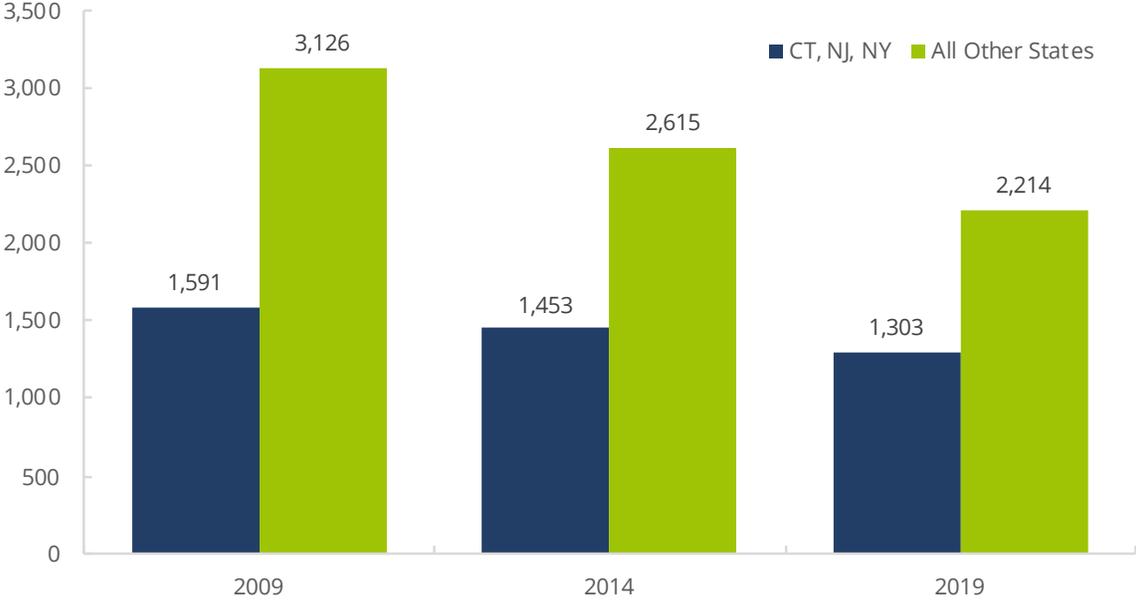
Size Category	2015	2016	2017	2018	2019
>1000	101	102	99	93	95
500-1000	80	77	79	80	73
301-499	69	69	67	65	69
151-300	125	125	128	127	129
101-150	109	100	102	101	107
76-100	98	101	85	94	83
51-75	174	164	161	165	157
41-50	110	107	116	100	100
31-40	165	166	166	167	159
26-30	115	109	118	129	114
21-25	172	167	167	155	164
16-20	265	254	260	257	236
11-15	395	405	378	378	370
10 or Fewer	1,965	1,889	1,800	1,696	1,661
Total	3,943	3,835	3,726	3,607	3,517

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.6 10-Year Change in Number of FINRA-Registered Firms, 2009–2019

(Count as of year-end)

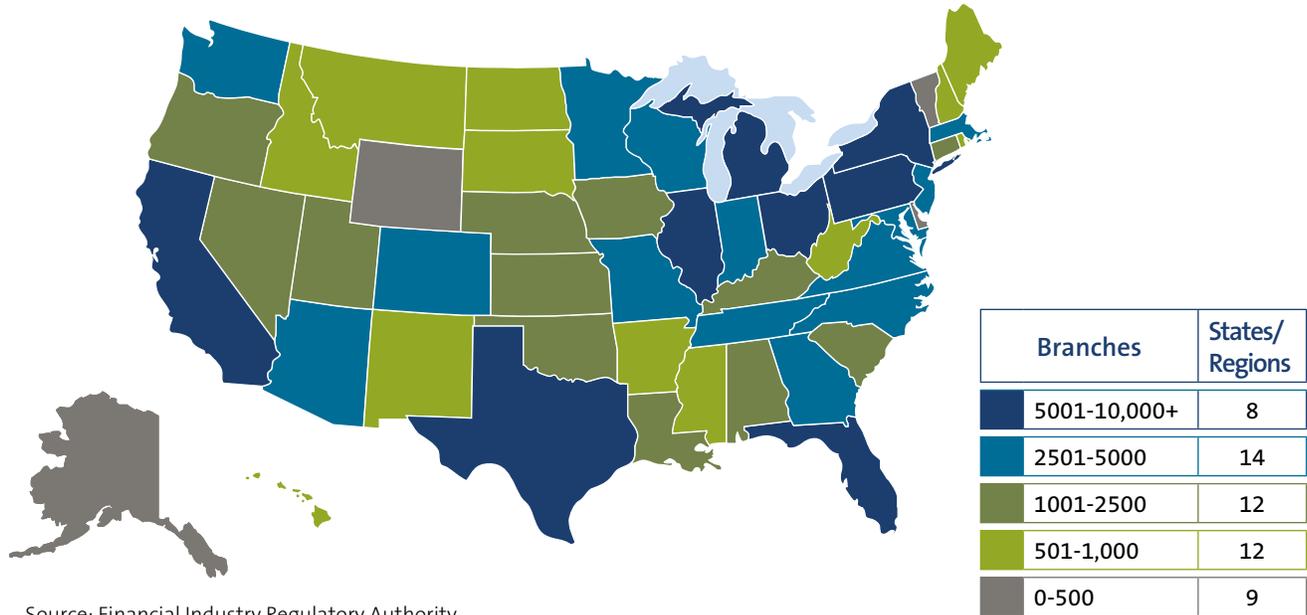


Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.7 Geographic Distribution of Firms by Number of Branches, 2019¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

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

Table 2.7 Branches By State/Region, 2015–2019

Branches By State/ Region	2015		2016		2017		2018		2019	
	Branches	Firms								
Alabama	1,778	170	1,793	170	1,724	161	1,674	155	1,702	158
Alaska	253	53	251	52	246	51	251	53	247	52
Arizona	3,285	265	3,201	258	3,135	261	3,130	253	3,079	253
Arkansas	1,020	125	1,001	119	975	116	959	113	961	114
California	17,846	1,056	17,420	1,033	17,051	1,022	16,757	987	16,585	969
Colorado	3,512	363	3,470	365	3,398	361	3,359	362	3,340	344
Connecticut	2,661	404	2,610	408	2,580	407	2,543	403	2,499	400
Delaware	478	110	478	107	462	104	465	101	461	97
District of Columbia	317	130	299	122	294	127	305	121	321	128
Florida	10,272	696	10,296	692	10,236	700	10,436	691	10,503	685
Georgia	4,123	387	4,115	379	3,984	375	3,990	377	3,985	380
Hawaii	587	110	573	109	544	103	555	100	565	96
Idaho	914	113	886	115	863	116	867	115	884	115
Illinois	7,664	670	7,539	662	7,295	643	7,193	636	7,124	632
Indiana	3,293	208	3,240	212	3,148	208	3,075	205	3,055	196
Iowa	2,246	176	2,221	179	2,162	172	2,144	169	2,131	168
Kansas	1,803	194	1,803	196	1,771	191	1,751	180	1,770	174
Kentucky	1,586	169	1,592	162	1,548	156	1,523	155	1,509	147

II. FINRA-Registered Firms

Table 2.7 Branches By State/Region, 2015–2019 (continued)

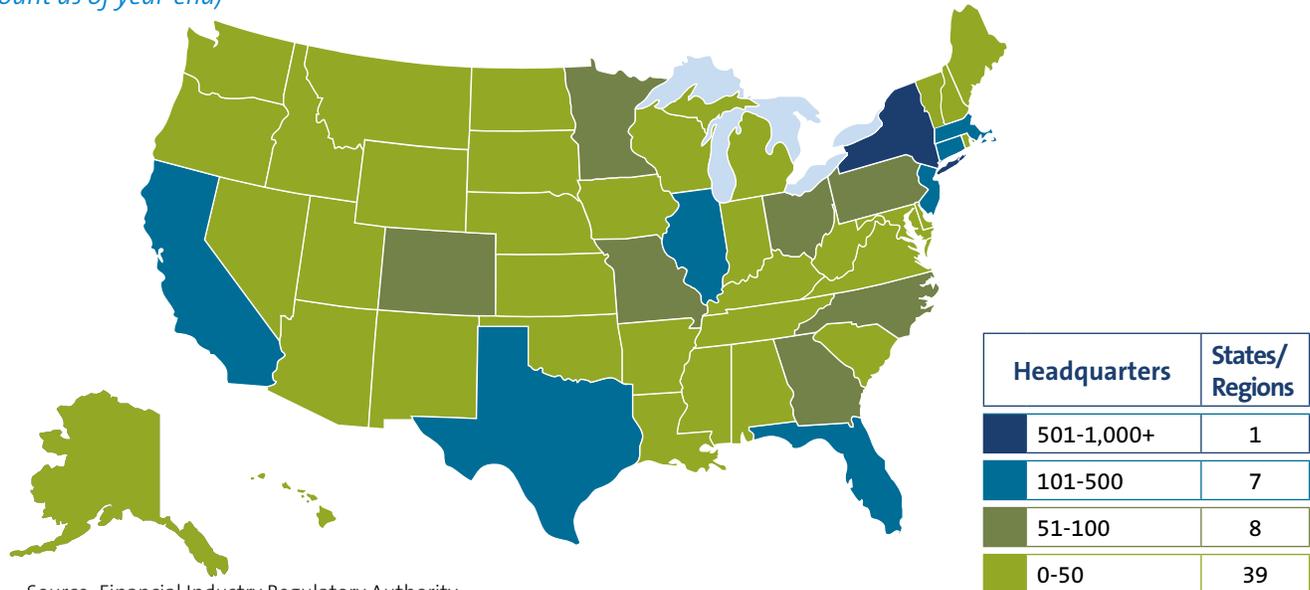
Branches By State/ Region	2015		2016		2017		2018		2019	
	Branches	Firms								
Louisiana	1,819	176	1,775	173	1,792	160	1,766	159	1,784	156
Maine	654	127	640	124	610	119	597	116	583	116
Maryland	2,855	299	2,797	289	2,717	287	2,724	269	2,708	273
Massachusetts	3,740	496	3,687	495	3,624	484	3,571	469	3,568	463
Michigan	5,324	290	5,266	283	5,107	269	5,027	254	5,009	255
Minnesota	3,696	291	3,686	281	3,617	273	3,582	267	3,592	269
Mississippi	744	102	736	103	707	99	702	97	687	94
Missouri	3,167	287	3,070	296	2,969	273	2,901	257	2,887	255
Montana	632	95	629	94	599	91	595	88	588	83
Nebraska	1,304	143	1,305	143	1,250	138	1,259	136	1,240	135
Nevada	1,231	189	1,267	184	1,277	173	1,254	170	1,233	170
New Hampshire	816	141	810	133	798	128	798	130	811	130
New Jersey	5,194	503	5,127	477	4,945	469	4,865	454	4,827	458
New Mexico	812	105	791	106	785	105	786	107	773	104
New York	10,807	1,581	10,642	1,571	10,524	1,606	10,335	1,579	10,240	1,538
North Carolina	4,601	344	4,617	345	4,535	345	4,564	339	4,576	346
North Dakota	568	86	567	88	553	86	543	83	544	84
Ohio	6,835	344	6,676	339	6,462	330	6,418	325	6,287	326
Oklahoma	1,912	156	1,902	157	1,853	151	1,804	144	1,785	142
Oregon	2,311	192	2,276	192	2,232	185	2,199	177	2,181	178
Pennsylvania	7,419	445	7,349	443	7,152	425	6,937	423	6,843	414
Rhode Island	527	116	516	111	509	108	516	112	509	109
South Carolina	1,928	194	1,946	204	1,939	206	2,010	203	2,013	199
South Dakota	597	84	582	86	560	82	552	77	557	78
Tennessee	2,639	268	2,627	258	2,544	251	2,540	248	2,562	251
Texas	11,238	656	11,172	645	10,997	651	10,957	653	10,912	648
Utah	1,315	174	1,297	176	1,269	169	1,258	162	1,282	163
Vermont	406	108	407	101	375	90	363	85	367	83
Virginia	3,669	306	3,669	299	3,607	295	3,631	280	3,624	277
Washington	3,807	254	3,726	253	3,670	259	3,679	251	3,678	247
West Virginia	638	94	630	99	584	100	581	94	560	92
Wisconsin	3,605	230	3,564	228	3,462	216	3,441	214	3,452	207
Wyoming	380	70	377	68	363	68	361	66	350	65
Puerto Rico	142	42	150	42	145	45	145	49	147	47
Virgin Islands	11	10	9	8	6	5	7	6	7	6
Guam	11	8	9	7	10	7	10	7	11	8
Foreign	400	187	380	189	403	195	406	203	409	193
Total	161,392		159,464		155,967		154,661		153,907	

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.8 Geographic Distribution of Firms by Headquarters, 2019¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

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

Table 2.8 Geographic Distribution of Firms by Headquarters, 2015–2019

Locations by State/Region	2015	2016	2017	2018	2019
Alabama	21	22	21	20	21
Alaska	1	1	0	0	0
Arizona	29	29	29	31	28
Arkansas	10	10	10	9	8
California	462	435	428	409	406
Colorado	84	80	75	66	63
Connecticut	145	135	129	126	120
Delaware	4	4	4	4	3
District of Columbia	25	25	22	21	21
Florida	191	185	188	183	178
Georgia	75	74	76	78	71
Hawaii	7	6	5	5	5
Idaho	4	2	2	2	2
Illinois	230	229	217	211	205
Indiana	25	26	22	22	22
Iowa	22	23	22	19	18
Kansas	26	20	21	22	21
Kentucky	12	11	10	10	9
Louisiana	16	16	14	13	12
Maine	17	17	18	18	18
Maryland	53	51	48	42	42

II. FINRA-Registered Firms

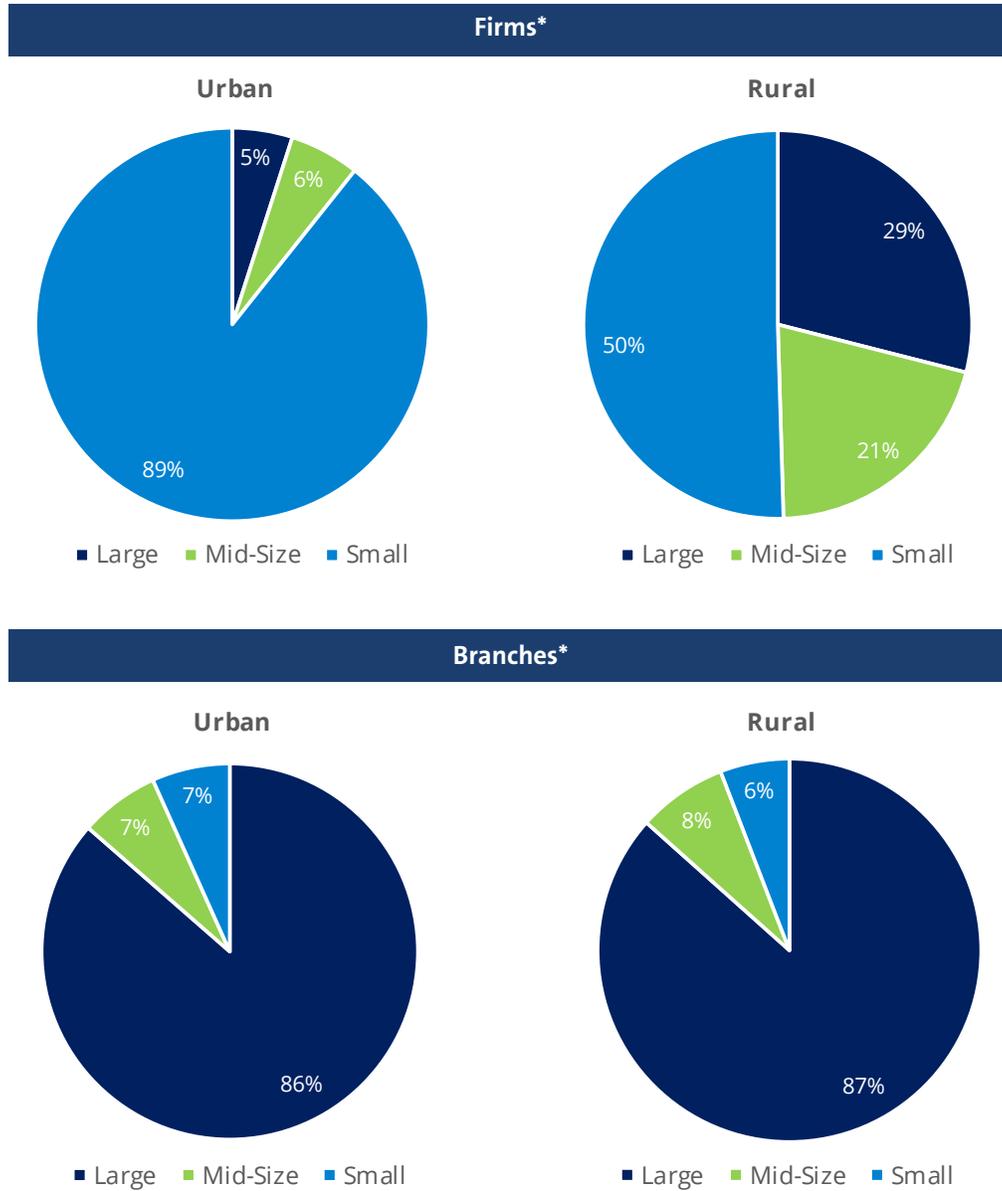
Table 2.8 Geographic Distribution of Firms by Headquarters, 2015–2019 (continued)

Locations by State/Region	2014	2015	2016	2017	2018
Massachusetts	141	141	138	129	132
Michigan	48	45	44	39	38
Minnesota	64	60	55	56	54
Mississippi	2	2	2	2	2
Missouri	68	64	63	54	52
Montana	2	2	2	2	2
Nebraska	17	15	15	15	16
Nevada	11	12	13	10	8
New Hampshire	10	7	6	6	5
New Jersey	155	149	154	147	145
New Mexico	2	1	1	1	1
New York	1,125	1,122	1,095	1,070	1,038
North Carolina	68	69	65	61	60
North Dakota	9	8	8	7	7
Ohio	77	71	66	65	66
Oklahoma	13	13	11	11	10
Oregon	21	18	16	17	20
Pennsylvania	107	108	100	103	99
Rhode Island	13	12	12	12	11
South Carolina	18	19	18	21	21
South Dakota	2	2	2	2	2
Tennessee	43	43	41	40	39
Texas	223	212	205	201	201
Utah	21	23	21	24	25
Vermont	5	4	3	3	3
Virginia	56	55	55	51	47
Washington	44	43	42	40	38
West Virginia	2	2	2	2	2
Wisconsin	43	41	38	37	35
Wyoming	0	0	0	0	0
Puerto Rico	12	12	13	11	11
Virgin Islands	1	1	1	1	0
Guam	1	1	1	1	1
Foreign	60	57	57	55	53
Total	3,943	3,835	3,726	3,607	3,517

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches by Firm Size—2019^{1, 2}
(Percent of total, as of year-end)



Sources: U.S. Census Bureau; and FINRA staff calculations.

* A firm is counted if it has a branch in that area. Not included are firms and branches that do not report a zip code in CRD.

1 Large Firm = 500 or more registered representatives; Mid-Size Firm = 151-400 registered representatives; Small Firm = 1-150 registered representatives.

2 Branch and firm zip codes are linked to the 2010 Urban Area to Zip Code Tabulation Area (ZCTA) Relationship File. The Census Bureau identifies two types of urban areas: i) Urbanized Areas (UAs) of 50,000 or more people; ii) Urban Clusters (UCs) of at least 2,500 and less than 50,000 people. "Rural" encompasses all population, housing, and territory not included within an urban area.

II. FINRA-Registered Firms

Table 2.9 Urban-Rural Breakdown of FINRA-Registered Firms and Branches by Firm Size—2019^{1,2}

	Firms*				Branches*			
	Urban	% Urban	Rural	% Rural	Urban	% Urban	Rural	% Rural
Large	168	5%	124	29%	128,403	86%	4,282	87%
Mid-Size	195	6%	88	21%	10,187	7%	373	8%
Small	3,032	89%	216	50%	9,964	7%	289	6%
Total	3,395	100%	428	100%	148,554	100%	4,944	100%

Sources: U.S. Census Bureau; and FINRA staff calculations.

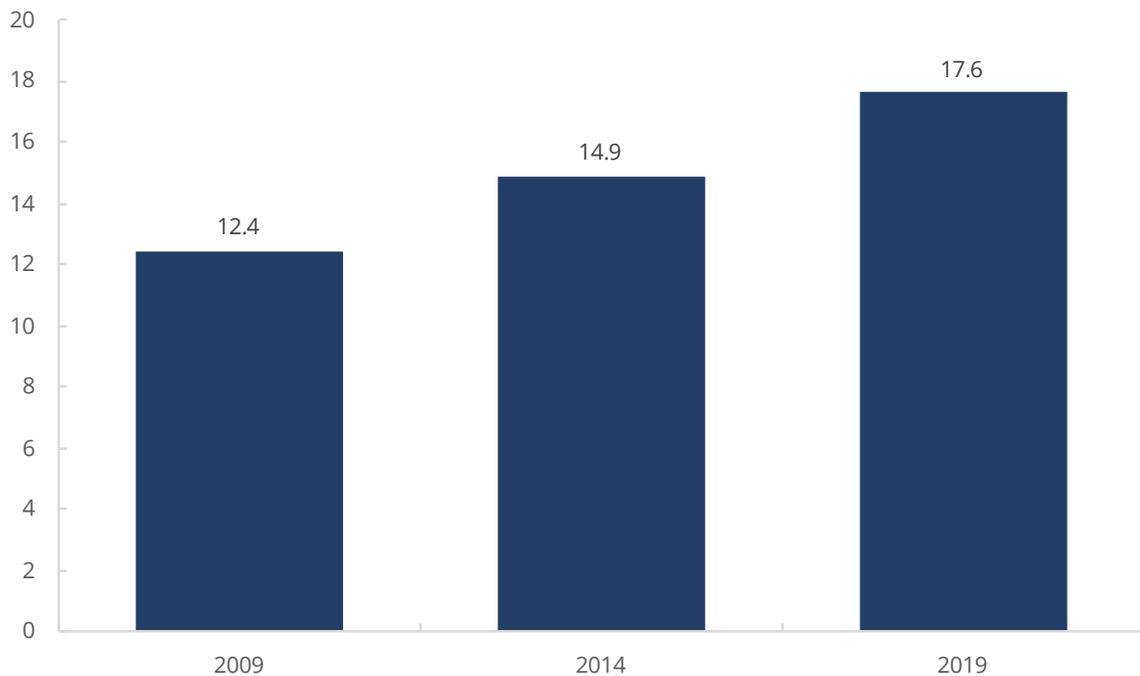
* A firm is counted if it has a branch in that area. Not included are firms and branches that do not report a zip code in CRD.

1 Large Firm = 500 or more registered representatives; Mid-Size Firm = 151-400 registered representatives; Small Firm = 1-150 registered representatives.

2 Branch and firm zip codes are linked to the 2010 Urban Area to Zip Code Tabulation Area (ZCTA) Relationship File. The Census Bureau identifies two types of urban areas: i) Urbanized Areas (UAs) of 50,000 or more people; ii) Urban Clusters (UCs) of at least 2,500 and less than 50,000 people. "Rural" encompasses all population, housing, and territory not included within an urban area.

Figure 2.10 FINRA-Registered Firms – Median Number of Years in Business, 2009–2019

(As of year-end)



Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.11 FINRA-Registered Broker-Dealer Firms – Revenue and Expenses, 2015–2019¹

(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. Revisions to historical series reflect updates and amendments filed by member firms.

Table 2.11 FINRA-Registered Broker-Dealer Firms – Aggregate Financial Information, 2015–2019¹

(In millions of U.S. dollars)

	2015	2016	2017	2018	2019
Total Revenues	\$270,033.66	\$271,509.45	\$305,702.76	\$361,089.42	\$388,136.88
Total Expenses	\$247,432.67	\$246,194.06	\$268,632.69	\$318,309.34	\$344,216.12
Pre-Tax Net Income	\$22,600.99	\$25,315.39	\$37,070.07	\$42,780.09	\$43,920.77

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. Revisions to historical series reflect updates and amendments filed by member firms.

II. FINRA-Registered Firms

Figure 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2005–2019

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 2.12 FINRA-Registered Firms – Leaving/Entering the Industry, 2005–2019

(Count as of year-end)

Year	Firms Leaving	% of Total	Firms Entering	% of Total	End-of-Year Total Firms
2005	-380	-7%	294	6%	5,106
2006	-327	-7%	248	5%	5,026
2007	-312	-6%	288	6%	5,002
2008	-324	-7%	218	4%	4,896
2009	-341	-7%	163	3%	4,717
2010	-329	-7%	190	4%	4,577
2011	-294	-7%	172	4%	4,455
2012	-303	-7%	137	3%	4,289
2013	-249	-6%	106	3%	4,146
2014	-220	-5%	144	4%	4,068
2015	-245	-6%	118	3%	3,943
2016	-231	-6%	123	3%	3,835
2017	-205	-6%	96	3%	3,726
2018	-219	-6%	100	3%	3,607
2019	-206	-6%	116	3%	3,517

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2009–2019

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

Table 2.13 FINRA-Registered Firm Branch Offices – Opening/Closing, 2009–2019

(Count as of year-end)

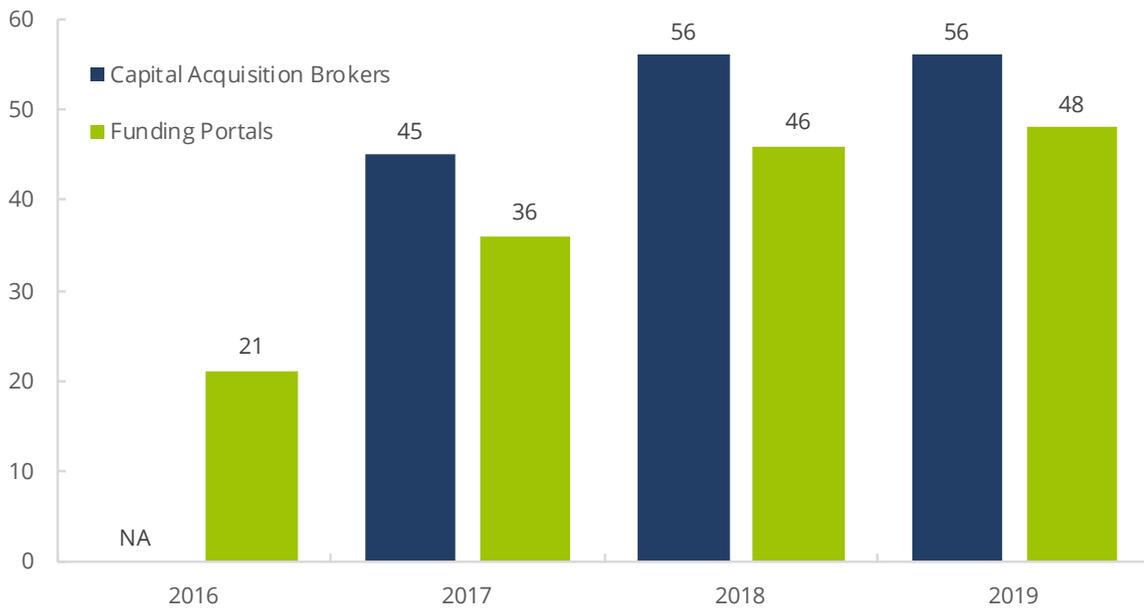
Year	Branches Closed	% of Total	Branches Opened	% of Total	End-of-Year Total Branches
2009	-37,727	-23%	33,040	20%	166,699
2010	-26,324	-16%	22,336	14%	162,711
2011	-24,863	-16%	22,555	14%	160,403
2012	-25,193	-16%	25,939	16%	161,149
2013	-19,382	-12%	18,711	12%	160,478
2014	-16,554	-10%	17,522	11%	161,272
2015	-18,296	-11%	18,242	11%	161,392
2016	-20,103	-13%	18,175	11%	159,464
2017	-21,797	-14%	18,300	12%	155,967
2018	-20,875	-13%	19,569	13%	154,661
2019	-17,979	-12%	17,225	11%	153,907

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.14 Spotlight: Capital Acquisition Brokers and Funding Portals, 2016–2019¹

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

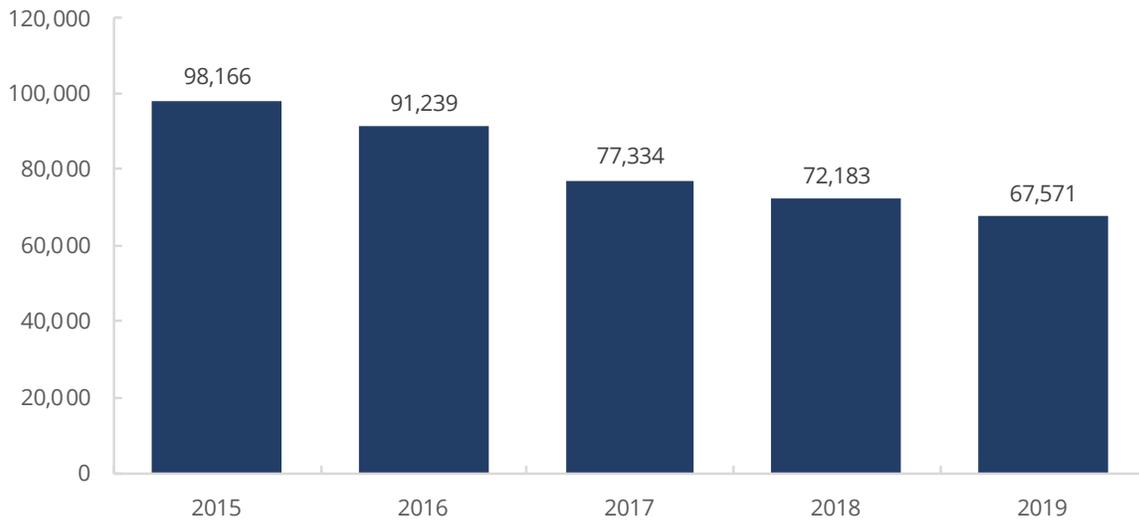
¹ Capital Acquisition Brokers (CABs) engage in limited range of activities, essentially advising companies and private equity funds on capital raising and corporate restructuring, and acting as a placement agent for sales of unregistered securities to institutional investors under limited conditions. 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, 2015–2019

(Count as of year-end)



Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

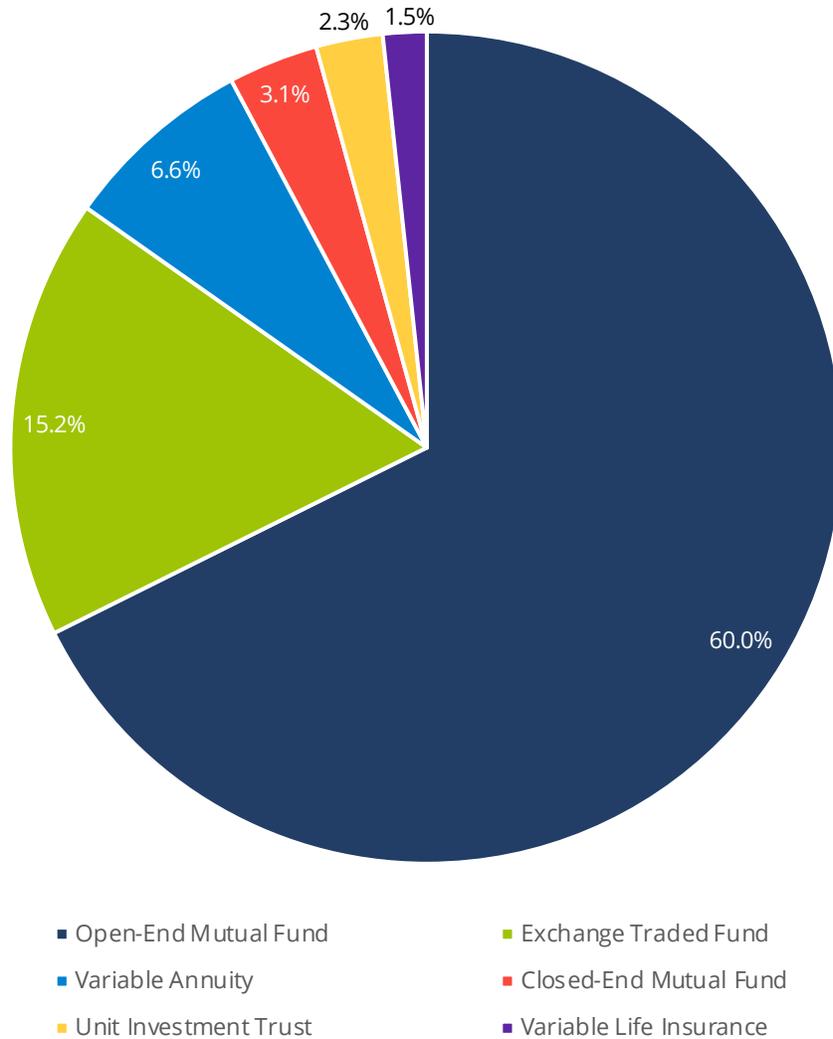
Table 2.15 FINRA-Registered Firms – Most Common Marketing Methods Filed with FINRA, 2019

Marketing Methods	Total for Period 2019
Web information public access	25,578
Fund specific information sheet(s)	14,860
Flyers & other hand delivered material	5,585
Brochures, pamphlets, & catalogs	5,022
Periodic & other performance reports	3,454
E-mail, IM, SMS or text messages	3,394
Mailed sales material	2,964
Seminar related communications	2,011
Audio/Video tapes, CDs & DVDs	896
Information released to the press	663
Web information password protected	600
Print ads, posters, & signs	568
Articles & 3rd party reprints	551
Software output & IA Tools	464
Research reports - equity & debt	318
Acct statement related communications	246
Broker Dealer use only material	195
TV ads & TV broadcasts	132
Radio ads & radio broadcasts	38
Business related stationery	19
Telemarketing & other phone scripts	13
Total	67,571

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Figure 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2019
(Percentage of Total Filings)



Source: Financial Industry Regulatory Authority.

Table 2.16 Advertising Regulation Filing Volumes – Investment Company Product, 2019

Investment Company Product Types	Percentage of Total Filings
Total Registered Investment Company Products	88.7%
Total Non-Registered Investment Company Products	11.3%

Source: Financial Industry Regulatory Authority.

II. FINRA-Registered Firms

Table 2.17 Advertising Regulation Filing Volumes – Voluntary vs. Mandatory, 2015–2019

(Count as of year-end)

	2015	2016	2017	2018	2019
Voluntary	89,446	83,065	65,054	59,833	55,211
Mandatory	8,720	8,174	12,280	12,350	12,360

Source: Financial Industry Regulatory Authority.

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 primary 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 December 2019^{1,2}

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	M&A and Investment Banking	712
Capital Markets and Investment Banking Services	Private Placements - Institutional Investors	282
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	211
Capital Markets and Investment Banking Services	Niche/Other - CMIB	130
Capital Markets and Investment Banking Services	Public Finance	50
Clearing and Carrying	Chaperone - 15a-6 Firms	81
Clearing and Carrying	Securities Financing Book	22
Clearing and Carrying	Niche/Other - Clearing	15
Clearing and Carrying	Correspondent Clearing	12
Diversified	Small Diversified	78
Diversified	Medium Diversified - Carrying/Clearing*	11
Diversified	Medium Diversified - Non-Carrying/Clearing*	7
Diversified	Large Diversified*	1
Retail	Retail Small	407
Retail	Public Pooled Investment Vehicles and Variable Annuities	239
Retail	Retail Small - Independent Contractor	237
Retail	Private Placements	208
Retail	Fintech	32
Retail	Retail with Carrying/Clearing Activities	25
Retail	Retail Mid-Size & Large*	3
Retail	Retail Mid-Size & Large - Independent Contractor*	2
Trading and Execution	Institutional Brokerage	253
Trading and Execution	Medium/Small Proprietary Trading and Market-Making	68
Trading and Execution	Alternative Trading Systems (ATS's) and Electronic Communication Networks (ECN's)	55
Trading and Execution	Large Proprietary Trading and Market-Making*	10
Total		3,151

Source: Financial Industry Regulatory Authority.

*The definition of firm size in FINRA's By-Laws may differ from the Member Firm Business Segment definitions, which may consider total assets and/or total revenue in categorizing a firm.

1 Small Firm = 1-150 registered representatives.

2 Includes only FINRA-Registered firms as of year-end.

II. FINRA-Registered Firms

Table 2.19 Mid-Size Firms – Business Segments as of December 2019^{1,2}

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	43
Capital Markets and Investment Banking Services	M&A and Investment Banking	14
Capital Markets and Investment Banking Services	Niche/Other - CMIB	3
Capital Markets and Investment Banking Services	Private Placements - Institutional Investors	1
Clearing and Carrying	Correspondent Clearing	2
Clearing and Carrying	Chaperone - 15a-6 Firms	1
Clearing and Carrying	Niche/Other - Clearing	1
Diversified	Medium Diversified - Carrying/Clearing	14
Diversified	Medium Diversified - Non-Carrying/Clearing	9
Diversified	Small Diversified*	3
Retail	Retail Mid-Size & Large - Independent Contractor	45
Retail	Retail Mid-Size & Large	17
Retail	Public Pooled Investment Vehicles and Variable Annuities	14
Retail	Retail Small - Independent Contractor*	4
Retail	Retail with Carrying/Clearing Activities	3
Retail	Private Placements	2
Retail	Retail Small*	2
Trading and Execution	Institutional Brokerage	13
Trading and Execution	Large Proprietary Trading and Market-Making*	5
Trading and Execution	Alternative Trading Systems (ATS's) and Electronic Communication Networks (ECN's)	1
Trading and Execution	Medium/Small Proprietary Trading and Market-Making	1
Total		198

Source: Financial Industry Regulatory Authority.

* The definition of firm size in FINRA's By-Laws may differ from the Member Firm Business Segment definitions, which may consider total assets and/or total revenue in categorizing a firm.

1 Mid-Size Firm = 151-400 registered representatives.

2 Includes only FINRA-Registered firms as of year-end.

II. FINRA-Registered Firms

Table 2.20 Large Firms – Business Segments as of December 2019^{1,2}

Firm Grouping	Firm Sub-Grouping	Number of Firms
Capital Markets and Investment Banking Services	Product Originator and Wholesaler	20
Capital Markets and Investment Banking Services	M&A and Investment Banking	1
Capital Markets and Investment Banking Services	Private Placements - Institutional Investors	1
Clearing and Carrying	Correspondent Clearing	3
Diversified	Medium Diversified - Carrying/Clearing*	25
Diversified	Large Diversified	13
Diversified	Medium Diversified - Non-Carrying/Clearing*	8
Retail	Retail Mid-Size & Large - Independent Contractor	41
Retail	Public Pooled Investment Vehicles and Variable Annuities	31
Retail	Retail Mid-Size & Large	16
Retail	Retail with Carrying/Clearing Activities	8
Retail	Private Placements	1
Total		168

Source: Financial Industry Regulatory Authority.

* The definition of firm size in FINRA's By-Laws may differ from the Member Firm Business Segment definitions, which may consider total assets and/or total revenue in categorizing a firm.

1 Large Firm = 500 or more registered representatives.

2 Includes only FINRA-Registered firms as of year-end.

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 National Market Systems (NMS) Stocks Trading Summary, 2015–2019

Year	Total Consolidated Volume	Total OTC ¹	% OTC
2015	1,741,532,712,604	615,827,618,345	35.4%
2016	1,848,725,192,622	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%
2019	1,771,096,807,512	659,344,146,179	37.2%

Sources: UTP Trade Data Feed and Consolidated Tape System. Data as of June 5, 2020.

1 OTC includes all FINRA facilities (the FINRA/Nasdaq TRF, the FINRA/NYSE TRF and the FINRA Alternative Display Facility). Differences in historical series reflect changes in underlying data.

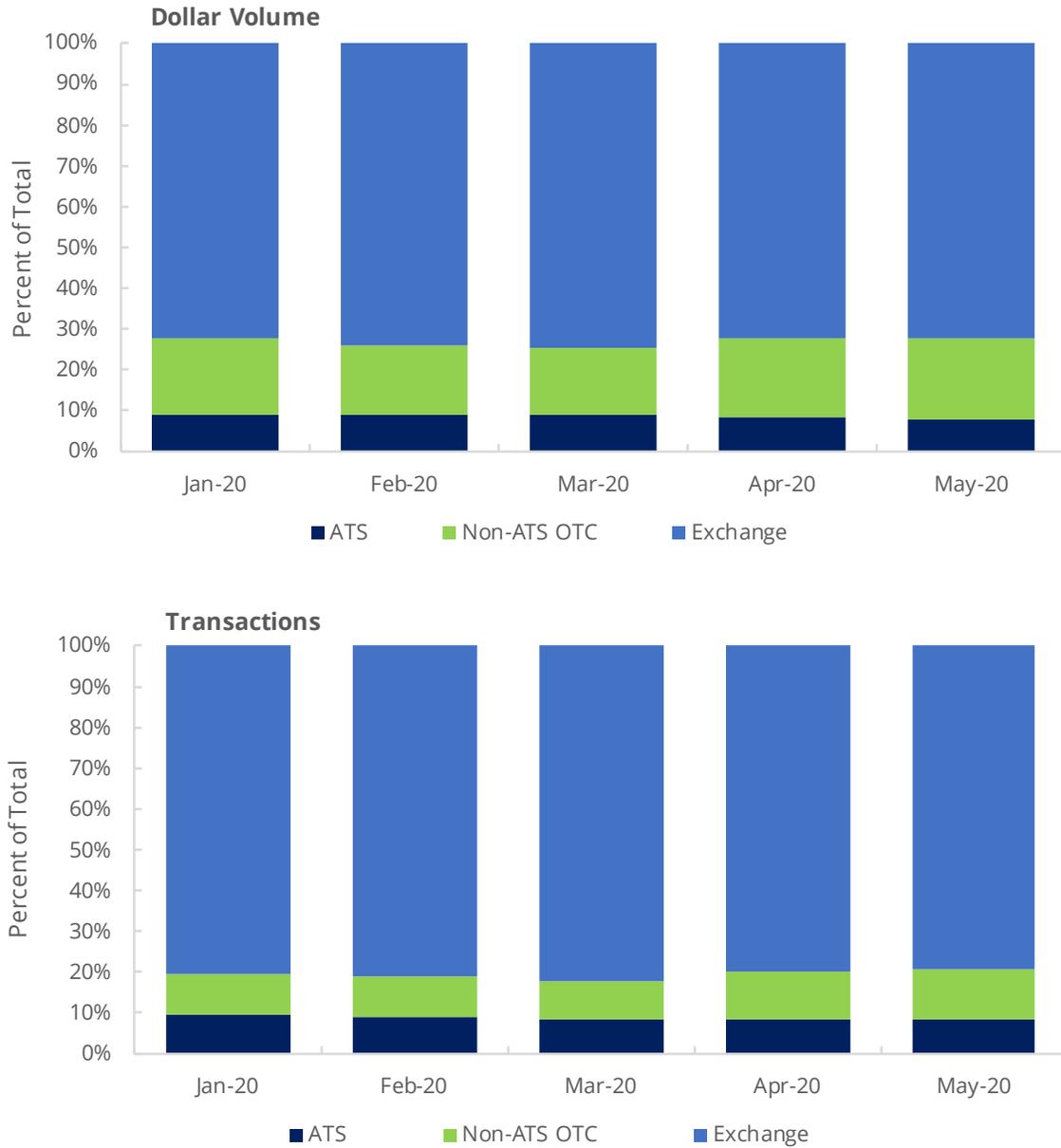
Table 3.2 National Market Systems (NMS) Stocks Trading by Venue Type, 2017–2019

		2017	2018	2019
Avg. Daily Transactions	Exchange	23,753,772	28,495,951	28,318,018
	Alternative Trading Systems	4,092,067	4,467,009	4,421,323
	Non-Alternative Trading Systems OTC	2,981,842	3,647,186	3,638,728
	Total	30,827,681	36,610,146	36,378,069
Avg. Daily Volume (in \$ billions)	Exchange	176.0	235.4	209.1
	Alternative Trading Systems	36.3	43.9	39.8
	Non-Alternative Trading Systems OTC	59.8	79.3	74.3
	Total	272.1	358.7	323.2

Source: Financial Industry Regulatory Authority. Data as of June 26, 2020.

III. Market Activity

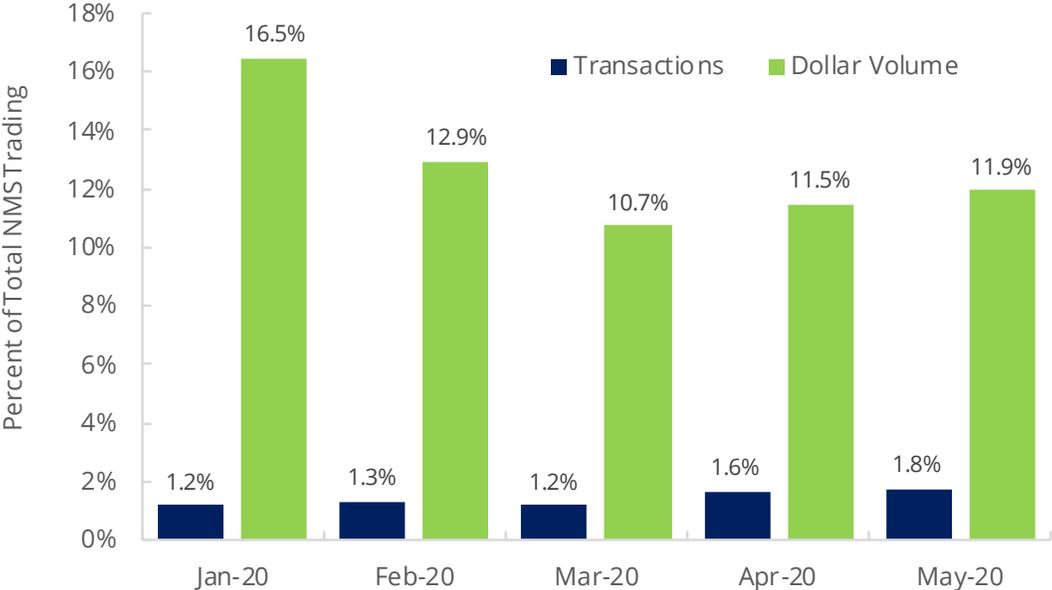
Figure 3.1 Monthly National Market Systems (NMS) Stocks Trading by Venue Type
(January 2, 2020 – May 29, 2020)



Source: Financial Industry Regulatory Authority. Data as of July 1, 2020.

III. Market Activity

Figure 3.2 Monthly National Market Systems (NMS) Stocks Trading During Non-Exchange Hours
(January 2, 2020 – May 29, 2020)



Source: Financial Industry Regulatory Authority. Data as of July 1, 2020.

III. Market Activity

Table 3.3 Order Audit Trail System (OATS) Activity – Total OATS Events, 2015–2019¹

Year	OATS Messages ²	Trade Executions	Number of Shares	Value of Executions (\$)
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
2019	709,261,663,217	3,981,521,453	4,418,448,611,423	\$50,295,154,729,577

Source: Financial Industry Regulatory Authority. Data as of May 30, 2020.

1 OATS events are aggregated using the date on which they were processed.

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

Table 3.4 Order Audit Trail System (OATS) Activity – Daily Average OATS Events, 2015–2019¹

Year	Number of Business Days	OATS Messages ²	Trade Executions	Number of Shares	Value of Executions (\$)
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
2019	252	2,814,530,410	15,799,688	17,533,526,236	\$199,583,947,340

Source: Financial Industry Regulatory Authority. Data as of May 30, 2020.

1 OATS events are aggregated using the date on which they were processed.

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

Table 3.5 Over-the-Counter (OTC) Equities Market Statistics, 2015–2019¹

Year	Average Daily OTC Equities Share Volume	Average Daily OTC Equities Dollar Volume (\$)	Average Daily OTC Equities Transactions
2015	5,683,043,047	\$959,847,789	108,523
2016	4,982,665,580	\$939,131,734	122,877
2017	11,153,543,340	\$1,145,674,537	163,211
2018	8,588,236,117	\$1,511,620,564	209,107
2019	6,027,099,196	\$1,326,702,184	180,380

Source: FINRA OTCE Market Statistics. Data as of June 1, 2020.

1 Differences in historical series reflect changes in underlying data.

III. Market Activity

Figure 3.3 Monthly OTC Equities Trading by Venue Type

(January 2, 2020 – June 30, 2020)



Source: FINRA OTCE Market Statistics. Data as of July 1, 2020.

III. Market Activity

Table 3.6 TRACE Reported Fixed Income Activity by Product Type and Venue Type, 2017–2019¹

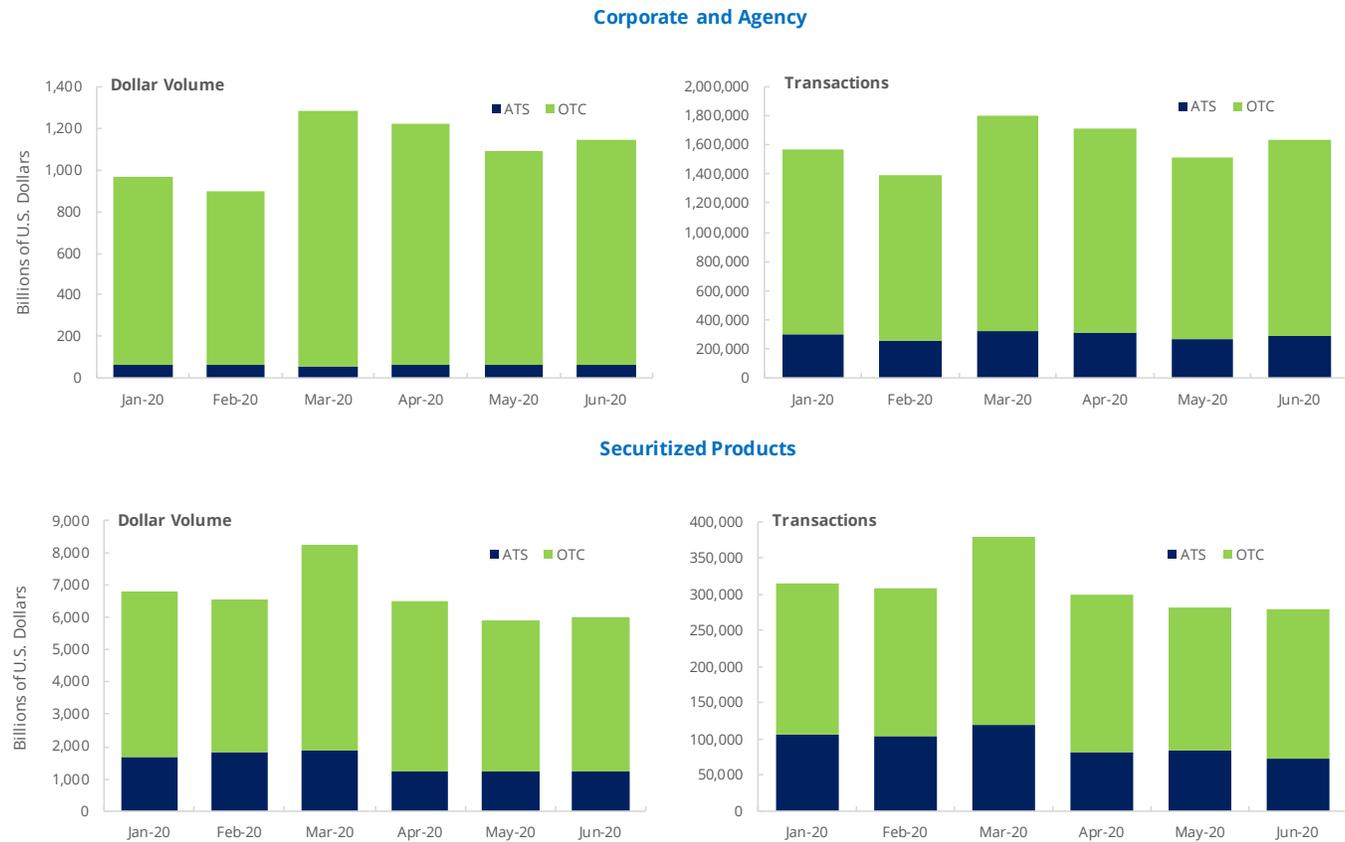
Corporate and Agency		2017	2018	2019
Avg. Daily Transactions	Alternative Trading Systems	11,671	13,440	13,884
	OTC	46,774	51,154	55,324
	Total	58,445	64,594	69,208
Avg. Daily Volume (in \$ billions)	Alternative Trading Systems	1.6	1.7	2.1
	OTC	34.8	34.5	37.7
	Total	36.4	36.2	39.8
Securitized Products		2017	2018	2019
Avg. Daily Transactions	Alternative Trading Systems	3,225	3,511	4,744
	OTC	9,741	9,361	9,508
	Total	12,966	12,872	14,252
Avg. Daily Volume (in \$ billions)	Alternative Trading Systems	40.6	46.2	69.0
	OTC	187.8	192.1	198.8
	Total	228.4	238.3	267.8

Source: Financial Industry Regulatory Authority. Data as of June 26, 2020.

1 The Trade Reporting and Compliance Engine (TRACE) facilitates the mandatory reporting of over-the-counter secondary market transactions in eligible fixed income securities. Differences in historical series reflect changes in underlying data.

III. Market Activity

Figure 3.4 Monthly TRACE Reported Fixed Income Activity By Product Type and Venue Type¹
(January 2, 2020 – June 30, 2020)



Source: Financial Industry Regulatory Authority. Data as of July 1, 2020.

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

