



The Securities Industry in New York City

Highlights

- Securities industry profits grew by 90 percent in 2024 compared to the prior year, reaching \$49.9 billion, the fourth-highest level on record.
- Profits in the first half of 2025 totaled \$30.4 billion, suggesting that the annual total could rise above \$60 billion if this growth rate continues in the second half.
- The securities industry contributed \$6.7 billion to the City's budget in FY 2025 via business and personal income taxes, up 35.1 percent from FY 2024, reflecting stronger profits.
- The industry contributed \$22 billion to the State's budget in SFY 2024-25, up 12 percent from the prior State fiscal year.
- OSC estimates that in 2023 (the most recent year for which county-level data is available), the industry was responsible for 17.7 percent of gross City product. This was below the prior year, but is likely to increase in 2024 on stronger profits.
- Securities industry employment reached 201,500 jobs in 2024, surpassing the previous record high set in 2000. Preliminary data for 2025 shows a potential decline of 3,000 jobs this year.
- In 2024, the average annual salary in the City's securities industry increased by 7.3 percent from the prior year to \$505,630.
- The bonus pool increased by 34 percent to reach a record high of \$47.5 billion in 2024, and may continue to climb in 2025 given the strength in profits.

After returning closer to pre-pandemic levels in 2022 and 2023, securities industry profits in 2024 soared to \$49.9 billion, nearly twice the level seen in the prior year and the fourth-highest level on record. Profitability was driven by supervisory fees, underwriting activities and other income. Firms also continued to benefit from interest income amid elevated rates.

The City expects New York Stock Exchange (NYSE) member firm profits to slow significantly in 2025 to \$33.8 billion, as of its May Financial Plan. Year-to-date industry performance has far outpaced this expectation, with total profits of \$30.4 billion in the first half of the year alone. Market volatility has risen at times this year amid uncertainty around interest rates and federal fiscal and economic policies. Still, financial firms saw significant growth in revenues from securities trading and account supervision as investors made changes to their portfolios. If the rate of growth in profits continues in the second half of 2025, total annual profits have the potential to exceed \$60 billion, setting a new record.

The securities industry remains a key contributor to both the City's and State's economic and tax bases. New York City has more securities industry jobs than any other city, and, in fact, any other state in the nation, and in 2024 reported the largest total number of jobs since the dataset began in 1990. Tax collections related to the industry continue to be strong, growing by over 35 percent from the prior fiscal year, and are likely to exceed forecasts given the strength in the industry in 2025. However, economic indicators have signaled some pressure in the job market and inflation that exceeds the Federal Reserve's target, which could adversely impact industry profits.

Economic Indicators and Market Conditions

The Federal Reserve held its target interest rate steady at 5.5 percent for over a year before lowering rates in the fourth quarter of 2024 as inflation showed consistent signs of receding (see the Office of the New York State Comptroller's, OSC's, [2024 Securities Industry Report](#) for details).¹ By December 2024, the Federal Reserve lowered the target interest rate to 4.5 percent.

Concerns over inflation persisted into 2025, driven by elevated housing and energy costs, as well as the impact of new tariffs on consumer goods. The annualized inflation rate rose to 2.9 percent in August 2025, after an initial decline to start the year, marking the fastest pace since January (see Figure 1). Core inflation, which excludes food and energy, remained elevated at 3.1 percent, indicating continued upward pressure on prices. These indicators led the Federal Reserve to take a cautious stance on lowering rates.

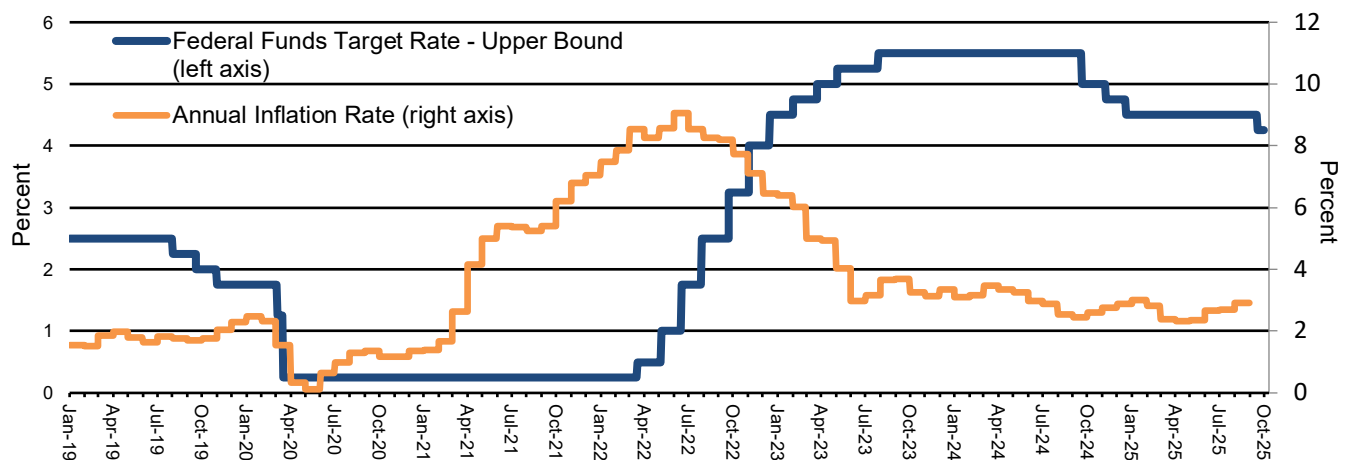
However, despite inflation remaining above its 2 percent target rate, growing concerns about economic stagnation and labor market softness pushed the Federal Reserve to cut the federal

funds rate by 25 basis points in September.² The 30-Day Fed Funds futures market currently expects the Federal Reserve to lower the target rate to 3.75 percent by the end of 2025.³

Another driver of uncertainty is the rapid changes to federal tariff policies and challenges by the federal administration to the Federal Reserve's independence. Nevertheless, the securities industry has not only weathered these challenges, but has shown robust performance growth in 2025. However, some economic indicators have begun to signal potential weakness. Through its benchmarking process, the Bureau of Labor Statistics recently revised the number of jobs created in the past 12 months downward by 911,000 jobs.⁴ Job growth has been particularly weak in recent months, with June reporting the first net job loss since the pandemic.⁵ Weakness in the job market suggests the potential for further turbulence on the horizon.

The passage of H.R. 1 will impact the financial industry in several ways. Lower tax rates for businesses and corporations should increase profitability and the reduction in regulatory requirements may relieve some reporting and compliance burdens. Changes to regulation, however, may also result in less disclosure and

FIGURE 1
Federal Funds Target Interest Rate and Annualized Inflation Rate



Sources: Federal Reserve Bank of St. Louis; U.S. DOL Bureau of Labor Statistics Consumer Price Index; OSC analysis

transparency in an environment of elevated risk-taking.

The federal government has also taken actions on crypto markets, including creating a Strategic Bitcoin Reserve and a rollback of SEC enforcement on the industry, exemplified by its revised stance in the Ripple case and the dismissal of actions against major exchanges like Binance, Coinbase, and Kraken.⁶ Congress recently passed the GENIUS Act (the Guiding and Establishing National Innovation for U.S. Stablecoins Act), the first federal law to define and regulate stablecoins, explicitly excluding them from the definitions of securities and commodities after a similar decision by the SEC earlier this year.⁷ While supporters view the legislation as a pathway to mainstream adoption, critics argue it lends a veneer of credibility to cryptocurrency without providing the regulatory rigor needed to safeguard markets.⁸

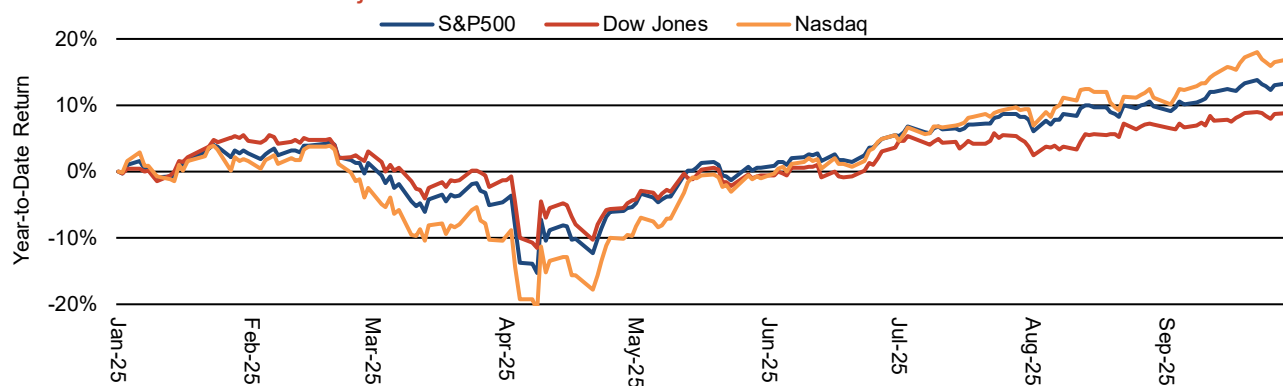
Market Impacts

Market indices saw substantial year-over-year growth in 2024. The S&P 500 saw a return of 23.3 percent in 2024, and the Nasdaq saw 28.6 percent growth. Though the major indices have continued to see returns into 2025, with all major U.S. indices posting year-to-date gains through September, market volatility has also risen significantly over the year.

Equity market risk as measured by the Cboe Daily Volatility Index (VIX) has increased heavily compared to the previous two years.⁹ In 2023 and 2024, the VIX saw an average daily close of 16.8 and 15.6, respectively. For 2025 (through September), the daily average was 19.3. Volatility spiked in early April when the Trump administration announced its sweeping new tariff policies, leading to a major sell-off (see Figure 2).¹⁰ The index spiked to 60.1 on April 7, the second-highest level since March 2020 (85.5; the index reached 65.7 in August of 2024 on a weak jobs report). Though the average daily close has receded from those highs, U.S. investors expect volatility to remain elevated through at least the end of the year due to continuing uncertainty around tariffs, employment and interest rates.¹¹

The Nasdaq (commonly used as a proxy for the technology sector) surged in 2023 and 2024 as investors sought to capitalize on demand for artificial intelligence (AI) tools and capabilities. Nasdaq returns have slowed in 2025 as expectations surrounding AI have recalibrated. A report from MIT's NANDA (Networked AI Agents in Decentralized Architecture) project suggests that despite massive enterprise investment into generative AI, 95 percent of these organizations have seen zero return.¹² With so many investors looking to AI-related companies for strong returns, this slow adoption of the technology

FIGURE 2
Year to Date Returns for Major Stock Indices



Sources: LSEG Data & Analytics; OSC analysis

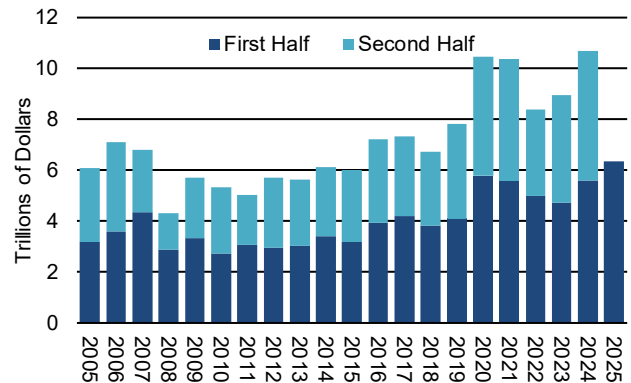
suggests they may not meet expectations (see [OSC's Venture Capital report](#) for details).¹³

Trading activity (a driver of commission fees, and thereby a contributor to industry profitability) as measured by average daily volume increased in 2024. Total trade volumes increased 4.8 percent for the S&P 500, 19.5 percent for the Dow Jones Industrial Average and 13.9 percent for the Nasdaq. Year-to-date trade volumes in 2025 through September are up significantly compared to the prior year. S&P 500 activity increased 26.9 percent, while the Dow Jones is up 57.9 percent, and the Nasdaq has nearly doubled at 88.3 percent. All three indexes have set all-time record trading volumes this year. Trading volumes were driven by market uncertainties surrounding tariff policy and overall economic conditions.

From 2020 through 2024, fund flows reveal a significant shift from mutual funds to exchange-traded funds (ETFs), with ETFs gaining \$3.7 trillion while mutual funds lost \$2.5 trillion during this period. With rate cuts in 2024, investment surged, fueling the highest ETF inflows in five years, with a monthly average of \$89.4 billion. During the same period, mutual fund redemptions deepened, averaging outflows of \$46.4 billion. Although ETF inflows kept overall totals positive for most of the period, the widening gap underscores an investor shift driven by a strong stock market and liquidity advantages, with asset managers increasingly converting mutual fund strategies into ETFs.¹⁴

Global debt issuance in 2022 and 2023 was significantly below the record levels seen during the pandemic, but saw a resurgence in 2024 to reach an all-time high of \$10.7 trillion (see Figure 3). This level represented growth of 19.6 percent over the prior year and was 2.3 percent higher than the previous record level of \$10.5 trillion in 2020. Interest rate relief over the year allowed the realization of pent-up demand in debt markets.

FIGURE 3
Global Debt Issuances



Sources: LSEG Data & Analytics; OSC analysis

*Through June

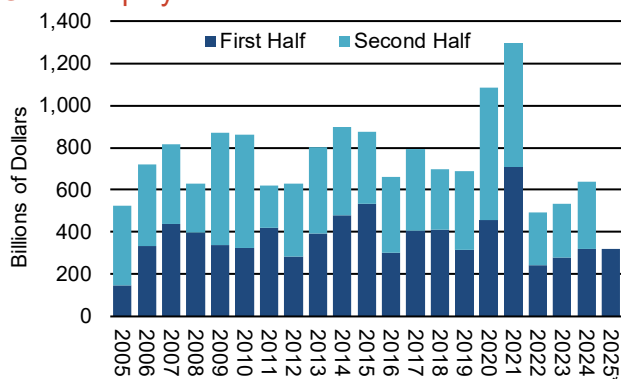
This strength has continued in 2025, with debt issuance in the first half of the year up 13.4 percent from the same period in 2024 to reach \$6.4 trillion, again surpassing the previous record seen in 2020 (\$5.8 trillion). The Federal Reserve is expected to lower its target rate to 3.75 percent at the end of 2025, and to 3.25 percent by the end of 2026. Given this trend, the second half of the year should see continuing strength in dealmaking.

Bond issuances surged in the first week of September, as the week after Labor Day is historically the busiest of the year for the bond market. U.S. companies sold \$43.3 billion of debt on September 2, as investors rushed to lock in higher rates before the expected lowering of the Federal Reserve's target interest rate.¹⁵

Equity issuance during the pandemic was driven to record levels, largely by a surge in special purpose acquisition companies (SPACs; see [OSC's 2021 Securities Industry Report](#) for details), which decreased dramatically in 2022. In contrast to record debt issuances last year, global equity offerings remain below pre-pandemic averages despite seeing record levels in 2020 and 2021 (see [OSC's 2022 Securities Industry Report](#) for details). Total debt offerings grew 19.2 percent to reach \$638 billion in 2024 (see Figure 4). Though higher than the levels seen in 2022 and 2023, it was otherwise the lowest level since 2012 (\$630 billion), and was well below the pre-pandemic average of

\$743 billion seen from 2015 to 2019. Growth in 2025 has been modest, with \$322 billion in issuances in the first half, just 1.4 percent higher than the prior year.

FIGURE 4
Global Equity Issuances



Sources: LSEG Data & Analytics; OSC analysis

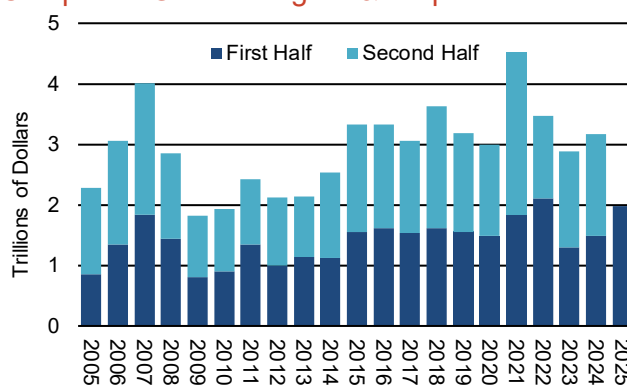
*Through June

Initial public offerings (IPOs) in the U.S. began to recover in 2024. After reaching a record of more than 1,000 IPOs (including SPACs) in 2021, offerings dropped dramatically to 181 in 2022 and 154 in 2023.¹⁶ The number of offerings jumped 46 percent in 2024, however, to 225, comparable to the pre-pandemic average of 207 per year from 2015 to 2019. Offerings have continued to increase, with 262 so far through September 2025, up 72.4 percent from the same period in 2024, including a surge in SPACs. Major offerings include AI cloud computing firm CoreWeave, liquefied natural gas producer Venture Global, and cryptocurrency firm Circle Internet Group. Optimism in the IPO market was expected to remain strong through the rest of the year as market volatility waned and recession fears have eased.¹⁷ However, the federal government shutdown that began on October 1 may stall the progress of IPOs, and may significantly stall the market should it continue for an extended period.

Activity in mergers and acquisitions also saw a significant decline after peaking in 2021 (see Figure 5), but levels in recent years have been comparable to the pre-pandemic period. Activity in 2024 increased 9.7 percent compared to 2023, and the total volume of \$3.2 trillion was similar to the annual average of \$3.3 trillion from 2015 to

2019. After a tepid start, year-to-date activity in the first half of 2025 is up 32.7 percent from the same period in 2024 as dealmakers have adjusted to market conditions under the new administration.

FIGURE 5
Completed Global Mergers & Acquisitions



Sources: LSEG Data & Analytics; OSC analysis

*Through June

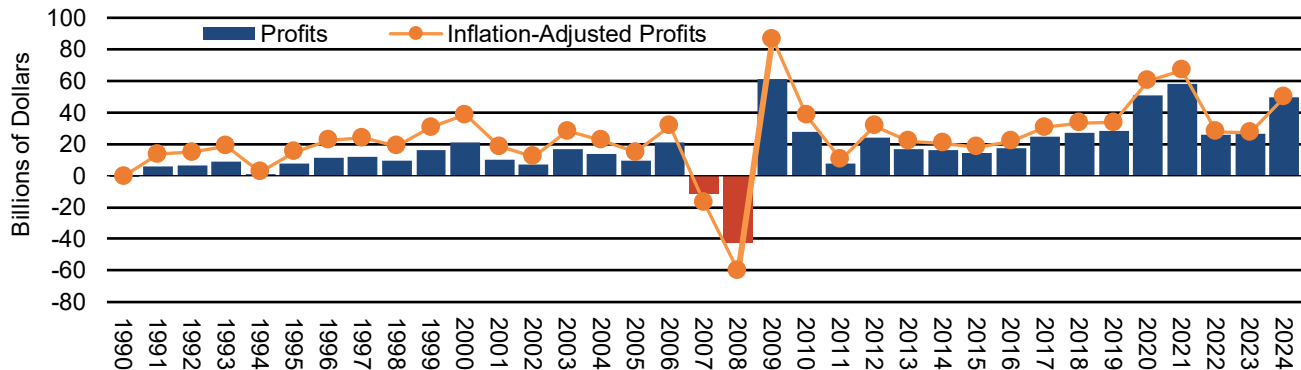
Nationally, the United States leads global crypto activity, receiving over \$1 trillion in on-chain transaction volume between July 2022 and June 2023.¹⁸ Globally, the cryptocurrency market reached a record \$3.91 trillion in total market capitalization in late 2024, with annual trading volumes projected to surpass \$108 trillion in 2024, reflecting a 90 percent increase from 2022.^{19,20} This growth has come as greater integration of digital assets into financial markets in the U.S. has occurred, led by the financial activities industry in New York and its security sector.

Industry Profitability

After surging in 2020 and 2021, the profitability of NYSE member firms, which serves as the traditional profitability measure for the securities industry, returned to more typical levels post-pandemic (see OSC's [2024 Securities Industry Report](#) for details). Total profits were \$25.8 billion in 2022 and \$26.3 billion in 2023, compared to a pre-pandemic average of \$24.3 billion annually from 2016 to 2019.

Profits were constrained by increases to the Federal Funds target interest rate, which

FIGURE 6
Securities Industry Profits



Note: Pretax profits for broker/dealer operations of New York Stock Exchange member firms.
 Sources: Securities Industry and Financial Markets Association; NYSE/Intercontinental Exchange; U.S. Bureau of Labor Statistics; OSC analysis

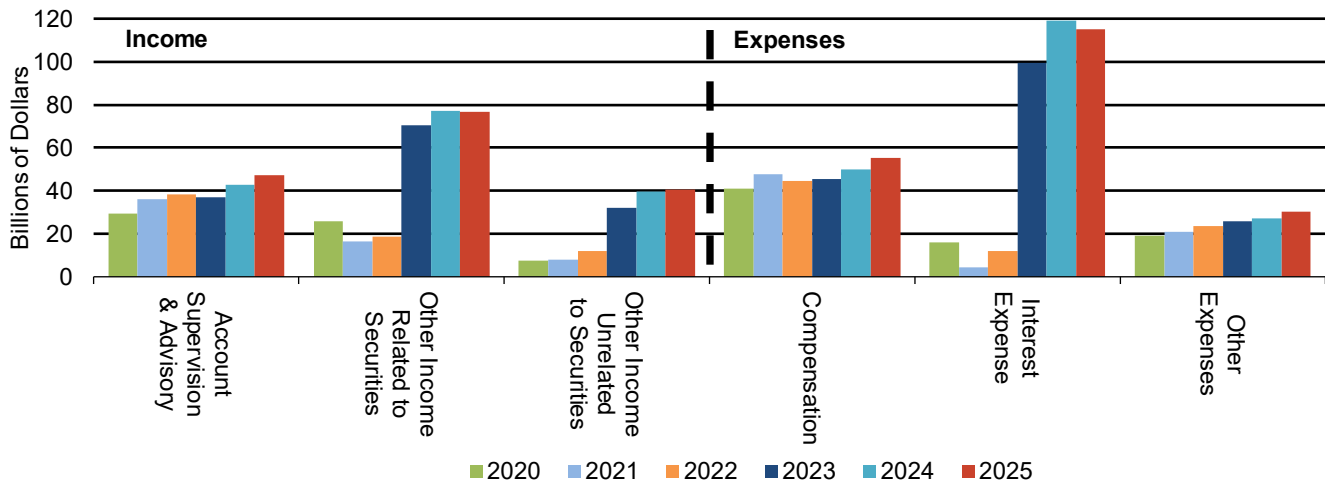
increased firms' interest liabilities, and the conclusion of government stimulus programs, which reduced overall liquidity in the market (see OSC's [2024 Securities Industry Report](#) for details).

In 2024, the profitability of NYSE member firms, which serves as the traditional profitability measure for the securities industry, swung back to strong growth, increasing by 90 percent compared to the prior year to \$49.9 billion, the fourth-highest annual total on record (see Figure 6).

Revenues increased by 16.9 percent from 2023, reaching \$484 billion last year. Revenue growth was driven by increases in other income (including fees for private placements, proxy solicitations, options and service charges for mergers and acquisitions; up 11.7 percent to \$157.6 billion), securities trading (up 41 percent to \$52.5 billion) and account supervision fees (up 17 percent to \$89.7 billion).

Total expenses increased more slowly than revenues, up 11.9 percent year over year (an increase of \$46.3 billion), fueling the growth in profits. The largest increases were in interest

FIGURE 7
Select Income and Expense Line Items for NYSE Member Firms
First Half of Year, 2020-2025



Note: Both "Other Income" categories contain revenues that are directly impacted by higher interest rates.
 Sources: Securities Industry and Financial Markets Association; NYSE/Intercontinental Exchange; OSC analysis

expenses (up \$28.8 billion, 13.6 percent), commissions and clearances paid to other brokers (up \$1.3 billion, or 23 percent) and other expenses (up \$3.9 billion, or 7.4 percent). Total compensation increased 10.2 percent to \$102.2 billion (see Figure 7).

Despite the uncertainty surrounding tariffs and the larger economic picture, profits in the first half of 2025 continued to grow strongly, increasing by 30.7 percent over the same period in 2024 to reach \$30.4 billion. The largest line-item increase was securities trading, which grew 73.4 percent over the prior year, fueled by volatility associated with tariffs, and continued investor appetite given strong corporate earnings and demand for AI-related investments. Significant increases were also seen in commission income (up 20.9 percent) and supervisory fees (up 10.4 percent). While firms' overall expenses increased, interest expenses declined slightly, a result of the target interest rate relief from the Federal Reserve earlier this year. Compensation grew another 9.9 percent in the first half, suggesting bonuses will also see growth. If the rate of growth in profits continues in the second half of the year, the annual total could exceed \$60 billion, potentially reaching the highest level on record.

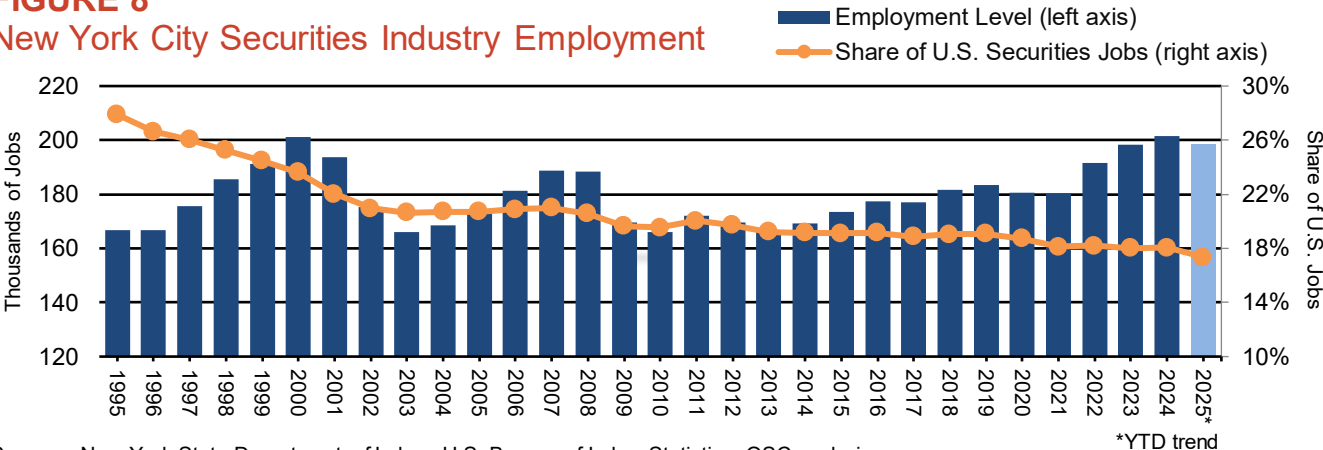
Employment

In 2024, the Current Employment Statistics (CES) data showed employment at securities firms in the City increased by 3,100 jobs (1.6 percent) to a total of 201,500 jobs, eclipsing the record high of 201,100 in 2000 (see Figure 8).²¹ Monthly employment spiked in the summer months, an annual trend reflecting firms' summer intern programs, but was consistently above the 2023 level throughout the year. This increase continued a growth trend seen in 2022 and 2023 after declines during the pandemic (see [OSC's Industry Sector Dashboards](#) for details).

Preliminary data show a decline in securities jobs in the City in 2025. Through August, average total jobs have declined by 3,000 positions (down 1.5 percent). However, this downward trend was also seen in preliminary data for recent years, but was reversed once the data were revised and finalized. Given that preliminary Quarterly Census of Employment and Wages (QCEW) data for the first quarter of 2025 shows an increase of 4,000 jobs year over year, it is likely that the CES number will show an increase as well when it is finalized in the annual benchmarking process.

The financial industry is one of the leaders in in-office attendance in the City. According to the Partnership for NYC's latest Return to Office Survey from March 2025, the financial services industry has a 62 percent daily attendance rate,

FIGURE 8
New York City Securities Industry Employment



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

compared with 57 percent for all industries.²² It is tied with legal services and second only to real estate (85 percent attendance). The average daily attendance rate in the industry before the pandemic was 80 percent.

New York City remains the center of securities employment, with an industry workforce larger than any other city or state. However, its share of the nation's industry jobs has declined steadily for decades, from one-third in 1990 to 17.4 percent in 2025 (again based on year-to-date figures through August).

As of 2024, 89 percent of securities jobs in New York State are located in New York City (with 88 percent of statewide jobs in Manhattan), a share that has been stable for several years.²³ Half of the jobs outside the City are in the nearby counties of Westchester, Nassau and Suffolk. The remainder of securities employment is spread throughout the State, with concentrations in the metropolitan areas around Albany, Buffalo, Rochester and Saratoga Springs.

Since 2019, New York State's total employment in the industry grew by 9.3 percent through 2024, adding 18,400 jobs (see Figure 9). This was the largest number of jobs added in any state during this period, followed closely by Texas with 17,300 positions. Texas' growth rate, however, far surpassed New York's at 23.7 percent. Utah had the nation's highest growth rate of 47.7 percent

FIGURE 9
State Ranking by Securities Employment

Rank	State	Jobs in 2024	Added from 2019 to 2024	Added in 2025 Q1*
1	New York	217,800	18,400	5,000
2	California	102,600	8,200	-300
3	Texas	90,300	17,300	1,200
4	Florida	62,800	14,700	1,900
5	Illinois	56,900	5,400	800
6	Massachusetts	50,300	5,500	-400
7	Pennsylvania	49,600	5,000	800
8	New Jersey	44,100	5,800	-500
9	North Carolina	33,000	7,000	0
10	Colorado	26,500	3,000	400

*Note: Preliminary Data; based on comparison to 2024 Q1.
Sources: U.S. BLS Quarterly Census of Employment and Wages; OSC analysis

during this period, increasing by 3,600 to 11,100 securities jobs; see [OSC's Industry Sector Dashboards](#) for details.

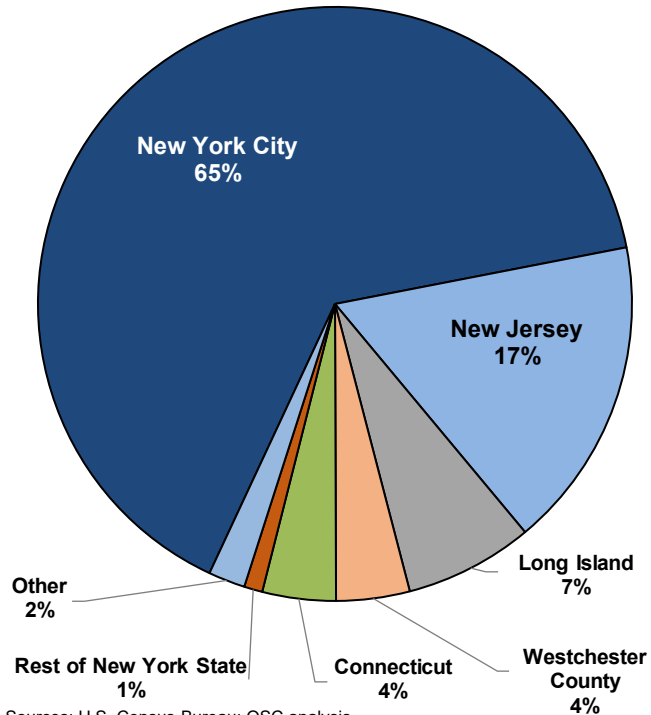
In the first quarter of 2025 (the most recent available data), New York State showed an increase of 5,000 jobs from the first quarter of 2024, a growth rate of 2.3 percent. Four thousand of the jobs added were located in the City. This increase is based on preliminary data and may change with subsequent data releases.

Workforce Characteristics

In 2023 (the latest data available), 65.2 percent of the employees in New York City's securities industry resided in the City (see Figure 10).²⁴ Commuters represented 34.8 percent of industry employees, the highest share among any major industry.

Over 16.8 percent of commuters came from New Jersey, 7.1 percent came from Long Island and

FIGURE 10
Place of Residence
Employees in New York City's Securities Industry 2023



Sources: U.S. Census Bureau; OSC analysis

4.2 percent came from Westchester County, followed by Connecticut at 4.1 percent.

While almost one-third (32 percent) of City residents employed in the industry earned more than \$250,000, over half (59 percent) of the commuters from Westchester County and 61 percent from Connecticut earned more than \$250,000. This figure was 34 percent for workers in the industry commuting from Long Island. Commuters accounted for 38 percent of the wages paid by the industry in New York City.

Over half (58 percent) of industry employees were non-Hispanic White, 21 percent were non-Hispanic Asian, 11 percent were Hispanic and 6 percent were non-Hispanic Black or African American. The share of non-Hispanic White employees was 65 percent in 2013, suggesting the industry has become more diverse over the last decade. Immigrants (primarily from Asia and Europe) made up 32 percent of the employees, lower than the immigrant share of all City employment (41 percent).

Two-thirds of the employees in the industry were men, a share that has remained relatively constant over the past decade. Over 90 percent of employees earned at least a bachelor's degree, a higher share than all other major sectors. In addition, 36 percent of industry

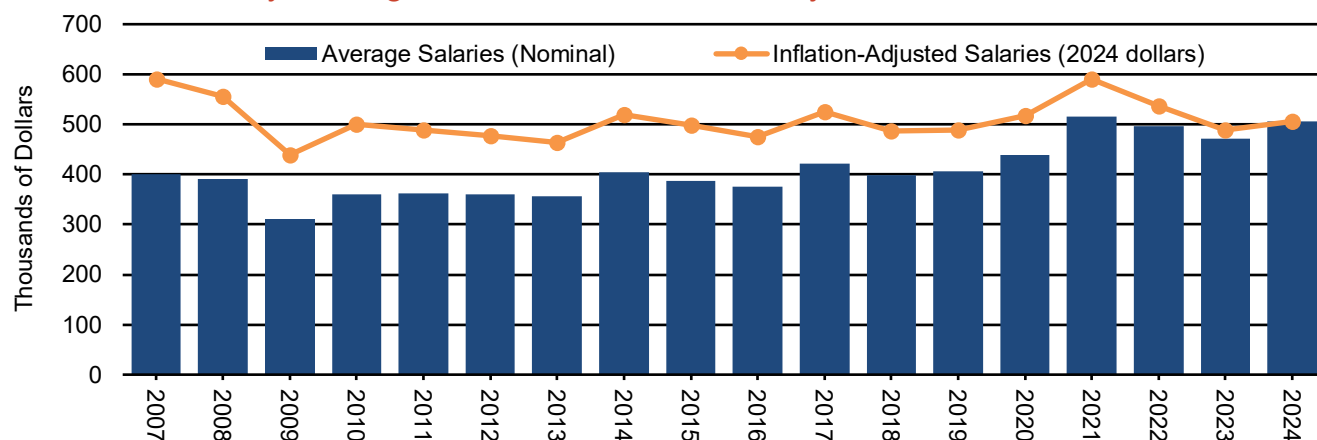
employees had an advanced degree, much higher than the citywide share (22 percent). Employees in tech occupations made up 12 percent of the workers in the securities industry.

Besides direct employees, the securities industry also enters into contracts with individuals (e.g., financial advisors or sales agents). These self-employed workers accounted for only a small share of the securities workforce (5 percent). Compared with industry employees, self-employed workers were more likely to earn more than \$250,000. A larger share of these workers lived in the City, a larger share were immigrants, and they were more likely to have advanced degrees.

Average Salaries

In 2024, the average annual salary (including bonuses) in New York City's securities industry increased by 7.3 percent from the prior year to \$505,630 (see Figure 11). This was a significant increase after two years of declines, and was the second-highest average annual salary on record (behind the 2021 average of \$516,520). Adjusting for inflation shows a smaller increase of 3.3 percent, as the inflation-adjusted average salary was \$489,250 in 2023. Increases in

FIGURE 11
Securities Industry Average Salaries in New York City



Sources: NYS Department of Labor, Quarterly Census of Employment and Wages; OSC analysis

average salaries were driven by higher bonuses after the significant jump in profits in 2024.

In Manhattan, where 98.9 percent of the City's securities jobs are located, the average salary was \$509,570 in 2024. The industry's average salary in the outer boroughs was \$160,170. In 2023, 36 percent of industry employees who worked in the City had salaries of more than \$250,000, compared with 11 percent of securities workers in the rest of the nation.²⁵

Counties in the larger metro area also had high average salaries for securities workers. Westchester County reported an average securities salary of \$308,550, up 4.5 percent from 2023. Average salaries on Long Island increased by 32 percent to \$497,410 in 2024. Long Island salaries were bolstered by the large presence of hedge-fund firms in Suffolk County, where the average salary grew 38.7 percent to \$748,130, as hedge funds saw double-digit returns in 2024.²⁶ Suffolk County had the highest-average annual securities industry salary in the nation in 2024, followed by San Francisco County at \$535,290.

The securities industry had the highest-average salary of any major industry in the City, 58.8 percent higher than the next industry (\$318,360 in web search portals and other information services) in 2024. Other industries with high average salaries include broadcasting and content providers (\$301,830), fund and trust management (\$296,680), and banking (\$264,890). The average salary in the securities industry was nearly five times the average salary of the rest of the private sector (\$101,760) in New York City.

The average salary in the securities industry in New York State was \$484,300, twice the average in the rest of the nation (\$238,200). The industry's average salary in New York State has been higher than in any other state since 2007. (Before 2007, Connecticut had a higher average salary.) The high average salary in New York reflects the concentration of highly compensated industry

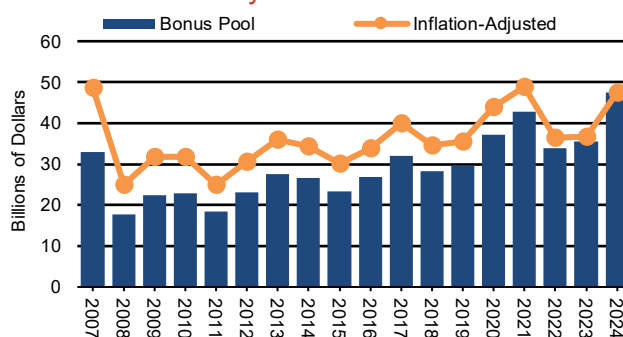
employees, such as chief executive officers (CEOs) and traders, in New York City.

The Dodd-Frank Act requires a publicly traded company to report the ratio of the salary for its CEO to the median salary for all employees. According to data for 2024, the CEOs for finance companies (including securities firms) listed in the S&P 500 that were headquartered in New York State earned an average of 236 times more than the median for all employees of their companies. This represented a slight increase from the prior year (a ratio of 234 to 1 in 2023), but still significantly below the level of 328 to 1 in 2022. The gap was higher in the State than in the rest of the nation, where CEO compensation was 194 times higher, on average, than the median for all workers.

Bonuses

In March 2025, OSC estimated that the [bonus pool](#) for industry employees in New York City during the traditional December-March bonus season had increased by 34 percent to reach a record high of \$47.5 billion (see Figure 12).²⁷

FIGURE 12
Securities Industry Bonus Pool

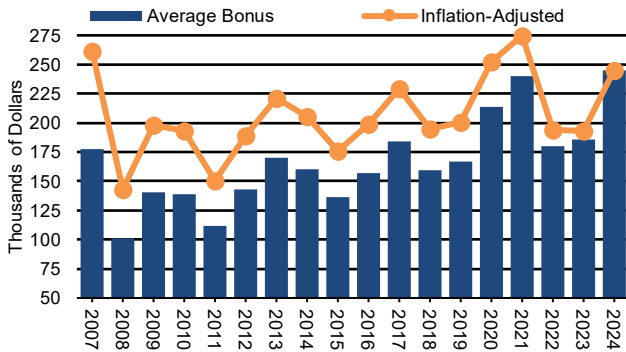


Sources: NYS Department of Labor; U.S. Bureau of Labor Statistics; OSC analysis

This amounts to an average bonus of \$244,700 per industry employee in 2024, also a record high and 31 percent higher than the 2023 average (see Figure 13). Bonuses accounted for an estimated 44 percent of securities industry wages, a larger share than in any other major industry in the City. The industry accounted for more than half (59 percent) of all private sector

bonus payments and 20 percent of private sector wages in New York City in 2024, while accounting for a relatively small share (4.8 percent) of private sector employment.

FIGURE 13
Securities Industry Average Bonuses



Sources: NYS Department of Labor; U.S. Bureau of Labor Statistics; OSC analysis

In the first half of 2025, NYSE member firms increased compensation expenses by 9.9 percent from the prior year. As market activity and profits have increased, the overall bonus pool in 2025 is likely to increase as well. An August report by Johnson Associates (a compensation consulting firm) suggests that bonuses at financial firms for 2025 will likely increase, with a large range between the different business segments.²⁸ The report suggested that while bonuses in investment banking (including equity and fixed income sales and trading) are expected to increase by around 20 percent, those in underwriting and commercial banking may decline by 5 percent.

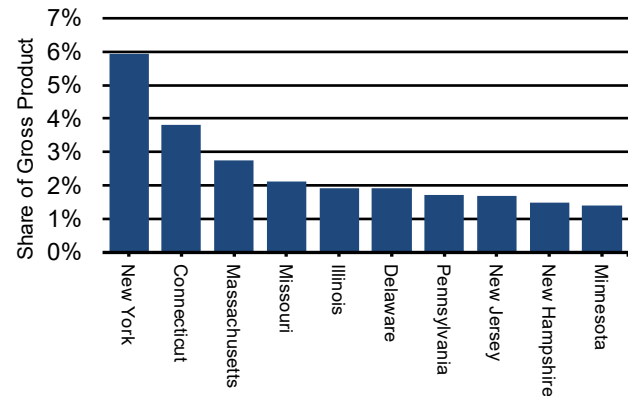
The City's latest forecast expects the bonus pool to decrease by 14 percent in 2025. With the increase in profits in the first half of 2025, OSC anticipates that bonuses are likely to exceed budget projections. In March 2026, OSC will release its 2025 bonus estimate for industry employees in New York City based on tax withholding trends.

Economic Contribution

OSC estimates that in 2023, the most recent year for which county-level data is available, the securities industry was responsible for 17.7 percent of gross City product. This represented a decrease from the prior year (18.9 percent in 2022), but was comparable to the pre-pandemic level (an average of 17.8 percent for years 2015 to 2019). This figure is based on county-level gross product data from the U.S. Bureau of Economic Analysis (BEA) and wage data from the NYS Department of Labor. Overall output of the industry declined by 1.5 percent in 2023, but its share saw a larger decline as the output of all industries citywide grew by 5.7 percent. However, given that NYSE member firm profits increased by 90 percent in 2024, OSC anticipates that the industry share of economic contribution will increase significantly when the data for 2024 is released.

The securities industry also makes up a larger share of the State's economy compared to the rest of the nation. In total, the securities industry comprised 5.9 percent of the State's gross product in 2024, according to the BEA (see Figure 14), an increase from 5.7 percent in 2023. The industry's share of the State economy is well above the states with the next-largest shares: Connecticut (3.8 percent), Massachusetts (2.8 percent), Missouri (2.1 percent), Illinois (2.0 percent), Delaware (2.0 percent), Pennsylvania (1.8 percent), New Jersey (1.7 percent), New Hampshire (1.5 percent), and Minnesota (1.4 percent).

FIGURE 14
Securities Industry as a Share of Total State Gross Product in 2024



Sources: U.S. Bureau of Economic Analysis; OSC analysis

All other states' securities industries accounted for less than 2 percent of their economies, with the majority at less than 1 percent. Nationally, the industry accounts for 1.5 percent of the country's gross domestic product.

The high incomes earned by many industry employees create economic activity in other employment sectors as well. Using IMPLAN, an economic modeling software, OSC estimates that 1-in-13 jobs (8 percent) in New York City was associated with the securities industry in 2023, lower than the 1-in-11 ratio in the prior year and a drop from 1-in-9 in 2019.²⁹ This decline may reflect the fact that there were fewer workers in the office than in 2019 and that there was lower compensation per employee compared to 2022.

In New York State, 1 in 21 jobs (less than 5 percent) was associated with the industry in 2023, also lower than the prior year's ratio of 1-in-19 and a drop from the 2019 ratio of 1-in-16. OSC also estimates that each job gained or lost in the industry leads to the creation or loss of more than one additional job in other industries in the State.

Tax Contribution

The securities industry is a major source of tax revenue for the State and the City. Firms pay business taxes on their profits, and employees pay personal income taxes on their salaries and bonuses. Nonwage income derived from the industry's activities, such as capital gains, also generates personal income tax revenue.³⁰

Revenue from sales tax, property tax and real estate transaction taxes are not included in OSC's industry estimates of City and State tax contributions.

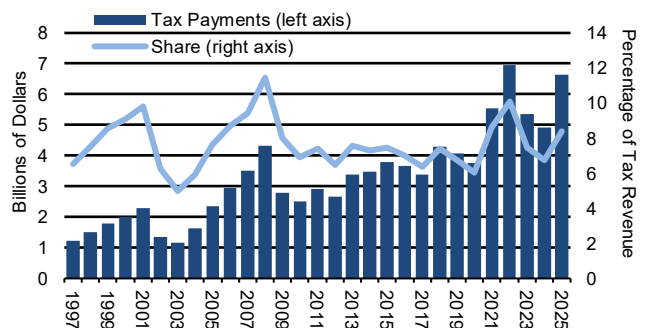
New York City

OSC estimates that tax collections attributable to the industry reached \$6.7 billion in City fiscal year (CFY) 2025, up 35.1 percent from the previous year and 4.3 percent down from CFY 2022's record high (highest since 1996, the earliest year

in the dataset) of \$6.9 billion (see Figure 15). This performance reflects strong bonuses and near-record-high profits. Personal income tax collections accounted for 68 percent of the industry's tax contribution and 24.3 percent of total personal income tax collections. The industry accounted for an estimated 8.4 percent of City tax collections in CFY 2025, an increase from the prior year's share of 6.7 percent and above pre-pandemic levels.³¹

In the five years prior to CFY 2021, collections attributable to the industry averaged \$3.8 billion annually and accounted for an average share of 6.7 percent of total tax collections. In CFY 2025, collections surpassed these levels as the City's budget shows growth in non-property tax collections, a large portion of which is reliant on the securities industry.

FIGURE 15
Securities Industry-Related Tax Payments
New York City



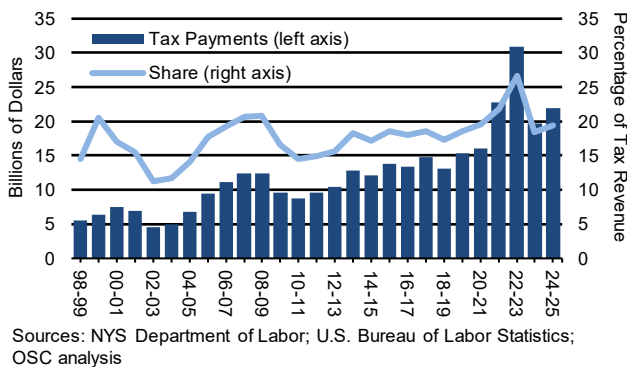
Sources: NYS Department of Labor; U.S. Bureau of Labor Statistics; OSC analysis

New York State

New York State depends on Wall Street tax revenues even more than the City, because the State relies more heavily on revenue from personal income taxes and does not levy a general real property tax. As a result, the industry accounted for an estimated 19.4 percent of total tax collections in State fiscal year (SFY) 2024-25, which ended March 31, 2025 (see Figure 16). The City and State fiscal years begin in different months, leading to some timing effects on the

industry's tax contribution for their respective budgets.

FIGURE 16
Securities Industry-Related Tax Payments
New York State



OSC estimates that tax payments attributable to the securities industry in SFY 2024-25 grew from the prior year by 12 percent to reach \$22 billion (higher than pre-pandemic levels). Personal income tax collections accounted for 85.7 percent of this amount. During SFY 2015-16 through 2019-20, securities-related tax collections averaged \$14.1 billion and accounted for an average of 18.2 percent of total tax collections. The State assumed the larger finance and insurance industry bonuses would decline by 6.2 percent in its enacted budget for SFY 2025-26. The outlook improved in the first quarterly update, suggesting stronger-than-expected revenues.

Unquantified Impacts

In addition to personal income tax collections, the securities industry contributes to City property-related tax revenues as the largest segment of financial services office space tenants in the City. Property taxes are the largest component of City tax revenues, and office properties accounted for 54.1 percent of Class 4 commercial property taxable values in CFY 2026. The office sector accounts for over one-fifth of overall property tax revenues, which are forecast to be \$35.2 billion in CFY 2026. Office properties are also a major

component of real estate transaction taxes and the commercial rent tax.

The broader financial services sector is estimated to account for approximately 30 percent of all new office space leasing in the City, and tends toward the higher-value Class A properties.³² In addition, purchases made by securities firms and their employees contribute to the City's economy and support revenues via sales taxes.

ENDNOTES

- ¹ Federal Funds Target range – Upper Limit (DFEDTARU), Federal Reserve Bank of St. Louis, <https://fred.stlouisfed.org/series/DFEDTARU#0>. The Federal Reserve uses a range for its target interest rate; for simplicity this report refers to the ranges' upper bound (e.g., a target interest rate range of 3 percent to 3.25 percent would be described as 3.25 percent).
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- ³ FedWatch, "Target Rate Probabilities for 10 Dec 2025 Fed Meeting," CME Group, accessed September 18, 2025, <https://www.cmegroup.com/markets/interest-rates/cme-fedwatch-tool.html>.
- ⁴ Lucia Mutikani, "US Payrolls Benchmark Revision Estimate Suggests Labor Market Weaker Than Previously Thought," *Reuters*, September 9, 2025, <https://www.reuters.com/business/us-payrolls-benchmark-revision-estimate-suggests-labor-market-weaker-than-2025-09-09/>.
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- ⁶ MacKenzie Sigalos, "Trump Rewrites Crypto Rules in First 100 Days, Industry Celebrates '180 Pivot' from Biden Years," *CNBC*, May 1, 2025, <https://www.cnbc.com/2025/05/01/trump-rewrites-crypto-rules-first-100-days-industry-sees-180-pivot.html>.
- ⁷ Division of Corporation Finance, "Statement on Stablecoins," U.S. Securities and Exchange Commission, April 4, 2025, <https://www.sec.gov/newsroom/speeches-statements/statement-stablecoins-040425>.
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- ¹¹ Lydia Saad, "U.S. Investors Braced for More Market Volatility," *Gallup*, July 1, 2025, <https://news.gallup.com/poll/692309/investors-braced-market-volatility.aspx>.
- ¹² Aditya Challapally, Chris Pease, Ramesh Raskar, and Pradyumna Chari, "The GenAI Divide: State of AI in Business in 2025," *MIT NANDA*, July 2025, https://mlq.ai/media/quarterly_decks/v0.1_State_of_AI_in_Business_2025_Report.pdf.
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- ¹⁴ Registered Funds - Flows, U.S. Securities and Exchange Commission, accessed October 2, 2025, <https://www.sec.gov/data-research/statistics-data-visualizations/registered-fund-statistics/registered-funds-flows>.
- ¹⁵ Josyana Joshua, Ethan M Steinberg, and Caleb Mutua, "Credit Markets Near Records After \$90 Billion Bond Sale Spree," *Bloomberg*, September 3, 2025, <https://www.bloomberg.com/news/articles/2025-09-03/credit-markets-near-records-after-90-billion-bond-sale-spree>.
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- ²⁸ Johnson Associates, *Financial Services Compensation Second Quarter Trends and Year-End Projections*, August 5, 2025, <https://johnsonassociates.com/wp-content/uploads/2025/08/Johnson-Associates-Q2-Comp-Estimates.pdf>.
- ²⁹ IMPLAN uses a variety of data sources to calculate the multipliers for various industries and cautions that changes from year to year are not easily attributed to specific causes. For more information, see "Multipliers Changing Over Time," <https://support.implan.com/hc/en-us/articles/360049768074-Multipliers-Changing-Over-Time>, and "2020 Data Release Notes," <https://support.implan.com/hc/en-us/articles/4412244641179-2020-Data-Release-Notes>.
- ³⁰ OSC estimates for tax collections attributable to the industry are subject to revision.
- ³¹ These estimates exclude revenue from real property taxes, real estate transaction taxes and sales taxes because OSC is unable to identify the securities industry's share of those tax payments.
- ³² Cushman & Wakefield, "MarketBeat Manhattan Office Q1 2024," <https://www.cushmanwakefield.com/en/united-states/insights/us-marketbeats/new-york-city-area-marketbeats>.

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