

TABLE I-8.—*Estimated gross income of broker-dealer firms, classified by exchange membership, fiscal year ending on or before Mar. 31, 1962*

[Percent of total number of firms in each group]

Gross income ¹	All firms	Exchange members			Nonexchange members		
		All	NYSE members	Other exchange members ²	All	Mutual fund firms ³	Other firms
Total.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0
\$1 to \$50,000.....	33.7	3.2	2.8	3.8	49.7	66.1	32.6
\$50,001 to \$300,000.....	32.9	21.0	11.0	34.9	39.1	27.1	51.6
\$300,001 to \$1,000,000.....	17.8	36.9	30.4	46.0	7.8	3.6	12.2
\$1,000,001 to \$10,000,000.....	13.7	33.9	47.2	15.3	3.1	2.8	3.4
\$10,000,001 to \$30,000,000.....	1.6	4.3	7.5	-----	.2	.2	.2
Over \$30,000,000.....	.3	.7	1.1	-----	.1	.2	-----
Average.....	\$950,000	\$2,221,000	\$3,603,000	\$544,000	\$216,000	\$207,000	\$268,000

¹ Gross income derived from transactions in securities, including commissions and underwriting and trading profits.

² Regular members of the American Stock Exchange or regional exchanges who are not members of the New York Stock Exchange.

³ A mutual fund firm is defined as a firm which derived more than half of the gross income, which it received from securities transactions, from the sale of mutual fund shares.

NOTE. Data are based on a sample of broker-dealers, primarily NASD members, employing 3 or more registered representatives. See ch. II, app. A, for the method of selection of the sample and the method of estimating the percentages for all firms.

TABLE I-9.—*Applications and registrations of broker-dealers with the SEC, selected fiscal years, 1940-62*

Year ended June 30—	Effective registrations at beginning of year	Applications filed ¹	Applications denied, withdrawn or canceled	Applications pending at end of year	Total new registrations	Registrations withdrawn, canceled, revoked, or suspended ²	Effective registrations at end of year
1962.....	5,500	1,259	17	81	1,161	793	5,868
1961.....	5,288	1,126	21	126	979	767	5,500
1960.....	4,907	1,164	28	61	1,075	694	5,288
1959.....	4,752	1,004	26	87	891	736	4,907
1958.....	4,771	773	20	60	693	712	4,752
1957.....	4,591	829	23	69	737	557	4,771
1956.....	4,334	813	20	53	740	483	4,591
1955.....	4,132	762	15	49	698	496	4,334
1950.....	3,994	516	13	23	480	474	4,000
1945.....	4,278	412	6	20	386	611	4,053
1940.....	6,796	953	18	46	889	1,083	6,602

¹ Including applications pending at beginning of year.

² Excluding revocation of registrations which had been suspended in a previous year.

TABLE I-10.—All broker-dealers registered with the SEC classified, by primary and secondary activities, as of Feb. 28, 1962
[Number of broker-dealers]

Primary activity	Secondary activity											
	Total	Exchange commission house	Other exchange activity	Wholesale OTC ¹ broker-dealer	Retail OTC ¹ broker-dealer	Underwriter or distributor	Mutual fund distributor	Mutual fund sales	Other securities business ²	Commodity broker	Miscellaneous activities ³	No secondary activity
All activities.....	4,964	216	73	687	1,243	313	26	612	113	34	58	1,589
Exchange commission house.....	595		70	51	246	99		39	35	19	2	31
Specialist, floor broker or other exchange activity.....	175	50		4	5	1		2	6			107
Wholesale over-the-counter broker-dealer.....	394	12	3		244	29		27	9	3	1	66
Retail over-the-counter broker-dealer.....	1,326	94		441		170	1	426	17	8	9	160
Underwriter or distributor (excluding mutual funds).....	424	28		98	189			31	18		3	57
Mutual fund distributor.....	79			2	3			34	7			33
Mutual fund sales.....	1,555	19		73	523	3	19		21		42	855
Other securities business ²	154	8		12	25	9	6	13		1	1	79
Commodity broker.....	8	5			1							2
Miscellaneous activities ³	254			6	7	2		40		3		196

¹ Over the counter.

² Includes, among others, foreign stock exchange commission houses, put and call brokers, investment advisers and arbitrageurs.

³ Includes, among others, management consultants, foreign exchange brokers, and firms dealing in real estate and mortgages, real estate syndications, oil and gas royalties, savings and loan share accounts and insurance.

⁴ Excludes 821 broker-dealers consisting of 241 new firms which had not yet started business, 400 other inactive firms, and 180 firms which failed to report including 40 foreign firms and 106 firms whose questionnaires were returned by the post office with address unknown.

TABLE I-11.—Percent of estimated gross income derived from various sources by broker-dealer firms, classified by type and size, fiscal year ending on or before Mar. 31, 1962

Source of gross income ¹	All firms	Mutual fund firms ²				Other firms			
		All	Large	Medium	Small	All	Large	Medium	Small
Total gross income.....	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
Securities sold as member of underwriting syndicate or selling group.....	11.9	1.8	.6	2.4	1.8	17.3	15.3	18.0	17.0
Mutual fund sales.....	36.8	87.0	95.7	77.9	88.5	9.7	4.2	5.7	14.4
Sold through contractual plans.....	10.8	28.1	69.8	26.5	25.6	1.4	.2	.4	2.5
Single purchase cash sales.....	26.0	58.9	25.9	51.4	62.9	8.3	4.0	5.3	11.9
Stocks traded on exchanges.....	16.6	2.8	.1	6.4	2.2	24.1	46.4	30.3	14.2
Stocks traded over the counter.....	29.3	7.5	3.6	12.5	6.6	41.1	24.2	35.5	49.4
Corporate bond trading.....	1.7	.5	-----	.4	.5	2.4	1.9	3.4	1.6
Other securities trading ³	3.7	.4	-----	.4	.4	5.4	8.0	7.1	3.4

¹ Gross income derived from transactions in securities, including commissions and underwriting and trading profits.

² A mutual fund firm is defined as a firm which derived more than half of the gross income, which it received from securities transactions, from the sale of mutual fund shares.

³ Primarily trading in Government and municipal securities.

NOTE.—Firms have been classified as large, medium, or small according to the size of their gross income. Data are based on a sample of broker-dealers, primarily NASD members, employing 3 or more registered representatives. See ch. II, app. A, for the method of selection of the sample and the method of estimating the percentages for all firms.

TABLE I-12.—Percent of estimated gross income derived from various sources by broker-dealer firms, classified by exchange membership, fiscal year ending on or before Mar. 31, 1962

Source of gross income ¹	All firms	NYSE members	Other exchange members ²	Non-exchange members
Total gross income.....	100.0	100.0	100.0	100.0
Securities sold as member of underwriting syndicate or selling group.....	11.9	12.8	11.6	11.7
Mutual fund sales.....	36.8	4.5	18.9	50.5
Sold through contractual plans.....	10.8	.2	2.4	15.8
Single purchase sales.....	26.0	4.3	16.5	34.7
Stocks traded on exchanges.....	16.6	53.9	23.4	3.8
Stocks traded over the counter.....	29.3	21.6	36.3	30.1
Corporate bond trading.....	1.7	2.4	1.8	1.5
Other securities trading ³	3.7	4.8	8.0	2.4

¹ Gross income derived from transactions in securities, including commissions and underwriting and trading profits.

² Regular members of the American Stock Exchange or regional exchanges who are not members of the New York Stock Exchange.

³ Primarily trading in Government and municipal securities.

NOTE.—Data are based on a sample of broker-dealers, primarily NASD members, employing 3 or more registered representatives. See ch. II, app. A, for the method of selection of the sample and the method of estimating the percentages for all firms.

TABLE I-13.—Estimated gross income of broker-dealer firms, classified by type, fiscal year ending on or before Mar. 31, 1962

[Percent of total number of firms in each group]

Gross income ¹	All firms	Mutual fund firms ²	Other firms
Total.....	100.0	100.0	100.0
\$1 to \$50,000.....	33.7	64.4	17.0
\$50,001 to \$300,000.....	32.9	27.5	35.8
\$300,001 to \$1,000,000.....	17.8	5.0	24.8
\$1,000,001 to \$10,000,000.....	13.7	2.7	19.7
\$10,000,001 to \$30,000,000.....	1.6	.2	2.4
Over \$30,000,000.....	.3	.2	.3
Average in dollars.....	\$950,000	\$205,000	\$1,353,000

¹ Gross income derived from transactions in securities, including commissions and underwriting and trading profits.

² A mutual fund firm is defined as a firm which derived more than half of the gross income, which it received from securities transactions, from the sale of mutual fund shares.

NOTE.—Data are based on a sample of broker-dealers, primarily NASD members, employing 3 or more registered representatives. See ch. II, app. A, for the method of selection of the sample and the method of estimating the percentages for all firms.

TABLE I-14.—Share of estimated gross income attributable to various types of broker-dealers, fiscal year ending on or before Mar. 31, 1962

Type of broker-dealer	Percentage of firms	Percentage of gross income ¹
All firms.....	100.0	100.0
Mutual fund firms, total ²	35.1	7.6
Large.....	1.9	6.0
Medium.....	6.1	.9
Small.....	27.1	.7
Other firms, total.....	64.9	92.4
Large.....	5.1	60.9
Medium.....	29.4	28.7
Small.....	30.4	2.8

¹ Gross income derived from transactions in securities, including commissions and underwriting and trading profits.

² A mutual fund firm is defined as a firm which derived more than half of the gross income, which it received from securities transactions, from the sale of mutual fund shares.

NOTE.—Firms have been classified as large, medium, or small according to the size of their gross income. Data are based on a sample of broker-dealers, primarily NASD members, employing 3 or more registered representatives. See ch. II, app. A, for the method of selection of the sample and the method of estimating the percentages for all firms.

TABLE I-15.—Applications and registrations of investment advisers with the SEC, selected fiscal years, 1945-62

Years ended	Effective registrations at beginning of year	Applications filed ¹	Applications withdrawn	Applications pending at end of year	Total new registrations	Registrations withdrawn, canceled, revoked, or denied	Effective registrations at end of year
June 30—							
1962.....	1,855	339	4	16	319	² 338	1,836
1961.....	1,867	339	3	24	312	² 324	1,855
1960.....	1,671	335	2	26	307	111	1,867
1959.....	1,562	300	2	30	268	159	1,671
1958.....	1,431	234	2	22	210	79	1,562
1957.....	1,309	238	4	22	212	90	1,431
1956.....	1,203	221	6	20	195	89	1,309
1955.....	1,134	210	3	14	193	124	1,203
1950.....	1,044	133	4	13	116	117	1,043
1945.....	719	125	-----	9	116	55	780

¹ Including applications pending at beginning of year.

² During calendar year 1961, all registered investment advisers were required to file a supplemental report giving additional information about their business and experience. This resulted in registrations being canceled or withdrawn for many inactive firms.

TABLE I-16.—Share listings and volume of trading on the New York Stock Exchange, selected years, 1929-62

Year	Number of companies listed at yearend	Number of stocks listed at yearend	Average number of shares listed	Reported stock volume	Annual turnover rate
			<i>Thousands</i>	<i>Thousands</i>	<i>Percent</i>
1962.....	1,186	1,559	7,373,570	962,155	13
1961.....	1,163	1,541	6,773,189	1,021,265	15
1960.....	1,143	1,528	6,152,842	766,694	12
1959.....	1,116	1,507	5,431,992	820,296	15
1958.....	1,100	1,507	4,910,242	747,058	15
1957.....	1,107	1,522	4,632,929	559,947	12
1956.....	1,087	1,502	4,149,191	556,284	13
1955.....	1,087	1,508	3,505,272	649,602	19
1950.....	1,057	1,472	2,259,446	524,800	23
1945.....	912	1,269	1,542,195	377,564	24
1940.....	862	1,230	1,445,083	207,600	14
1929.....	846	1,293	942,492	1,124,800	119

Source: New York Stock Exchange, "Fact Book."

TABLE I-17.—Branch offices and registered representatives of New York Stock Exchange member firms, selected yearends, 1940-62

Yearend	Number of member firms	Number of branch offices	Number of registered representatives
1962.....	672	2,737	32,555
1961.....	681	2,691	30,628
1960.....	667	2,499	27,896
1959.....	661	2,275	24,898
1958.....	657	2,024	21,594
1957.....	655	1,933	19,859
1956.....	651	1,753	18,312
1955.....	649	1,478	16,325
1950.....	620	1,041	11,409
1945.....	586	841	7,989
1940.....	591	798	(1)

¹ Not available.

Source: New York Stock Exchange, "Fact Book."

TABLE I-18.—Branch offices and registered representatives of NASD member firms, selected yearends, 1940-62

Yearend	Number of member firms	Number of branch offices	Number of registered representatives ¹
1962.....	4,771	4,713	94,444
1961.....	4,750	4,519	² 102,305
1960.....	4,466	4,231	93,828
1959.....	4,142	3,836	84,648
1958.....	3,896	3,242	69,345
1957.....	3,867	2,780	60,842
1956.....	3,757	2,665	52,877
1955.....	3,481	1,704	44,488
1950.....	2,810	1,321	29,824
1945.....	2,372	790	24,843
1940.....	2,889	³ 811	(4)

¹ Prior to 1961, the figures included duplications where a registered representative was registered with more than 1 firm.

² According to a special survey made by the NASD, about 60 percent of the registered representatives were employed on a full-time basis and 40 percent on a part-time basis during the first 6 months of 1961.

³ As of the middle of 1941; earlier figure not available.

⁴ Not available.

TABLE I-19.—*Broker-dealers registered with the SEC, classified by type of organization, selected fiscal yearends, 1940-62*

	All broker-dealers ¹		Number of sole proprietorships	Partnerships		Corporations ²	
	Number of registrants	Number of persons		Number of registrants	Number of partners	Number of registrants	Number of officers, directors, etc. ³
As of June 30—							
1962.....	5,764	22,541	1,806	1,221	6,880	2,737	13,855
1961.....	5,446	21,182	1,802	1,225	6,856	2,419	12,524
1960.....	5,239	19,777	1,799	1,263	6,757	2,177	11,221
1959.....	4,854	18,089	1,762	1,275	6,607	1,817	9,720
1958.....	4,664	17,155	1,749	1,266	6,549	1,649	8,857
1957.....	4,680	16,684	1,815	1,280	6,377	1,585	8,492
1956.....	4,497	15,968	1,720	1,306	6,326	1,471	7,922
1955.....	4,260	14,956	1,659	1,281	6,115	1,320	7,182
1950.....	3,959	12,921	1,592	1,261	5,593	1,106	5,736
1945.....	4,099	12,067	1,837	1,247	5,136	1,015	5,094
1940.....	6,545	17,362	3,211	1,470	5,608	1,864	8,543

¹ Includes domestic registrants only. As of June 30, 1962, there were 104 registrants with principal offices located in foreign countries.

² Includes all forms of organizations other than sole proprietorships and partnerships.

³ Includes directors, officers, trustees, and all other persons occupying similar status or performing similar functions.

TABLE I-20.—*Assets, sales, redemptions, and shareholders of open-end investment companies, selected years, 1945-62*

Year	Number of companies	Total net assets at yearend	Gross sales	Redemptions	Net sales	Number of shareholder accounts at yearend
		<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	<i>Thousands</i>	
1962.....	169	\$21,270,735	\$2,699,049	\$1,122,695	\$1,576,354	5,910,455
1961.....	169	22,788,812	2,950,860	1,160,357	1,790,503	5,319,201
1960.....	161	17,025,684	2,097,246	841,815	1,255,431	4,897,600
1959.....	155	15,817,962	2,279,982	785,627	1,494,355	4,276,077
1958.....	151	13,242,388	1,619,768	511,263	1,108,505	3,630,096
1957.....	143	8,714,143	1,390,557	406,716	983,841	3,110,392
1956.....	135	9,046,431	1,346,738	432,750	913,988	2,518,049
1955.....	125	7,837,524	1,207,458	442,550	764,908	2,085,325
1950.....	98	2,530,563	518,811	280,728	238,083	938,651
1945.....	73	1,284,185	292,359	109,978	182,381	497,875

NOTE.—Data are as reported by the Investment Company Institute and include members of the institute only.

APPENDIX

TITLES AND DESIGNATIONS OF QUESTIONNAIRES

SPECIAL STUDY OF SECURITIES MARKETS QUESTIONNAIRES

<i>Designation</i>	<i>Title</i>	<i>Copy appears in chapter—</i>
OTC-1.....	New Issue Questionnaire to Managing Underwriters and Certain Other Broker-Dealers.	IV
Letter.....	New Issue Questionnaire to Supplemental List of Broker-Dealers.	IV
OTC-2.....	New Issue Questionnaire to Issuers.....	IV
Letter.....	New Issue Customer Questionnaire.....	IV
Letter.....	Underwriter's Compensation Questionnaire.....	IV
OTC-3.....	Over-the-Counter Questionnaire to All Registered Broker-Dealers.	VII
OTC-4.....	Questionnaire to Issuers of Over-the-Counter Securities...	IX
OTC-5.....	Over-the-Counter Questionnaire to Selected Broker-Dealers for Specific Dates for 40 Selected Stocks.	VII
OTC-6.....	Questionnaire to Selected Broker-Dealers (nonmembers of NYSE trading in listed securities over the counter).	VIII
OTC-7.....	Small Issue Questionnaire.....	IV
STS-1.....	Screening, Training, and Supervision of Sales Employees by Larger Registered Broker-Dealers.	II
STS-2.....	Screening and Training of Salesmen and Supervisors and Supervision of Sales Employees by Smaller Registered Broker-Dealers.	II
FR-1.....	Broker-Dealer Financial Responsibility Questionnaire.....	III
EX-1.....	New York Stock Exchange Specialists Questionnaire.....	VI
EX-2.....	New York Stock Exchange Members' and Member Organizations' Off-Floor Transactions for 3 Specific Weeks.	VI
EX-3.....	New York Stock Exchange Members' and Member Organizations' Off-Floor Transactions for 1 Specific Day.	VI
EX-4.....	Questionnaire to Members and Member Organizations of Four Regional Stock Exchanges.	VIII
EX-5.....	New York Stock Exchange Members' and Member Organizations' Off-Floor Transactions for 18 Specific Dates and for 8 Selected Stocks.	XIII
EX-6.....	New York Stock Exchange Members' Off-Floor Transactions for 1 Specific Day and 8 Selected Stocks.	XIII
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Letter.....	Transactions of Special Omnibus Accounts of NYSE Clearing Firms for Their Own Accounts and Accounts of Others on 16 Specific Dates and for 8 Selected Stocks.	XIII
Letter.....	Letter to Registered Broker-Dealers Regarding Investment Advice.	III
Letter.....	Followup Letter to Registered Broker-Dealers Regarding Investment Advisory Personnel.	III
Letter.....	Followup Letter to Registered Broker-Dealers Regarding Investment Advisory Personnel and a Sampling of Advisory Material.	III
Letter.....	Letter to Registered Investment Advisers Regarding Investment Advice.	III
Letter.....	Letter to Issuers Concerning Financial Public Relations Activities.	IX

<i>Designation</i>	<i>Title</i>	<i>Copy appears in chapter—</i>
Letter-----	Letter to Customers Regarding Financial Public Relations.	IX
IN-1-----	Institutional Investor Questionnaire Concerning Aggregate Transactions in All Common Stocks.	XIII
IN-2-----	Institutional Investor Questionnaire Concerning Transactions in NYSE Stocks, Executed On and Off the Exchange.	XIII
IN-3-----	Institutional Investor Questionnaire Concerning Transactions in Eight Selected Stocks for Certain Days.	XIII
IN-4-----	Institutional Investor Questionnaire Concerning Execution of Block Transactions, and Practices Related Thereto.	VIII
IC-1-----	Questionnaire Relating to Policies and Practices of Investment Companies and Affiliated Persons Respecting Use of Investment Advisory or Research Information Supplied to Such Companies.	XI
IC-2-----	Contractual Plans Sold in February 1959: Payments and Redemptions in the Following 3½ Years.	XI
<i>Wharton School Questionnaires</i>		
Mutual Fund Investor Study:		
IC-2-----	Purchaser Questionnaire—Regular Accounts (Personal Interview).	XI
IC-3-----	Purchaser Questionnaire—Contractual Plan Accounts (Personal Interview).	XI
IC-4-----	Purchaser Questionnaire—Contractual Plan Accounts (Mail).	XI
IC-5-----	Purchaser Questionnaire—Regular Accounts (Mail).	XI
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<i>Federal Reserve Questionnaire</i>		
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