

# TEXAS FINANCIAL SERVICES INDUSTRY



Federal Reserve Bank of Dallas: Eleventh District  
(Photo: Steve Lamkins, Jr.)

Texas Economic Development & Tourism | Office of Governor Greg Abbott

The Lone Star State has a long history of leadership in financial services, and continues to be a growing force in this sector. More than 100 years ago, Dallas was selected as the headquarters for the Federal Reserve Bank's Eleventh District for its well-developed financial hub and central location. The state has since maintained its leadership, attracting major operations for the world's largest financial services companies, as well as the most innovative start-ups in the field. Top financial services companies with corporate operations in the state include Charles Schwab, Merrill Lynch, Wells Fargo, Morgan Stanley, Goldman Sachs, UBS Financial Services, USAA and Fidelity Investments, among many others. Texas is home to diverse industry segments with strong employment in sales financing, real estate lending and consumer finance. In 2020 alone, more than \$60 million in capital investment activity was announced by finance and insurance firms in Texas. It is evident that the state's strength in the financial sector will only continue to grow as Texas increasingly becomes known as the new frontier for financial technology, data centers, cybersecurity and more.



## STRONG AND GROWING WORKFORCE:

Texas provides a sizable financial services workforce, ranking #1 in the U.S. for total employment at more than 558,000.

Employment has increased by 23% in the sector since 2010. Texas business schools at Rice University, Texas A&M University, The University of Texas at Austin, Southern Methodist University, Baylor University and more all rank among the top 100 business schools in the country, according to U.S. News & World Report.



## NEW FRONTIER FOR FINANCIAL SERVICES:

With plenty of room to grow, financial services companies operating in Texas are also choosing to expand here.



Governor Greg Abbott attended and delivered remarks at the new Charles Schwab North Austin Campus. (Photo: Governor Greg Abbott)

Finance and insurance firms announced more than \$60 million in new capital investment in 2020 alone. The amount of establishments has also increased 23% since 2010. In fact, the Lone Star State ranks #2 in the nation for establishments in the financial services sector, with more than 43,000 total firms.



## FORTUNE 500 FINANCE FIRMS CHOOSE TEXAS:

Many companies continue to escape high-taxed and over-regulated states, and a large number of these businesses are moving to Texas to take advantage of one of the lowest tax burdens in the country, and lower operating, energy and land costs. In 2021, Fortune 500 firm, Charles Schwab relocated its headquarters from California to the North Texas city of Westlake to benefit from lower costs and a more business-friendly environment. Another Fortune 500 firm, and commercial real estate and investment company, CBRE announced the relocation of its headquarters from California to Dallas in 2020.



Facebook's data center campus is in the AllianceTexas development in North Fort Worth. (Photo: Facebook)



### THE FUTURE OF FINTECH:

The state's emphasis on technology and innovation has created a burgeoning financial technology community. One key component to becoming a successful fintech hub is the Lone Star State's leading efforts in cybersecurity. In fact, Texas holds the #2 spot on Business Facilities' list of cyber states. Central Texas' center for cybersecurity, San Antonio, is home to the highest concentration of cyber and intelligence employees outside of the nation's capital. The University of Texas at San Antonio offers a Bachelor of Business Administration in Cyber Security—the #1 program in the nation dedicated to cybersecurity education.



### TEXAS POWERS FINANCIAL TRANSACTIONS:

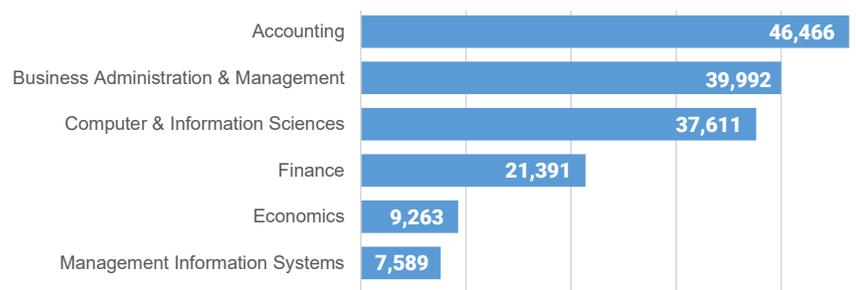
Texas is becoming the country's epicenter for financial transactions, due to our dominance in data center development. Texas data centers not only drive electronic trading, but unite consumers with businesses in an electronically connected world. According to Site Selection Magazine, Texas ranked #1 for data center growth in 2020, and Dallas-Fort Worth ranked as the #1 fastest-growing data center metro in the country. Dallas-Fort Worth is also ranked #6 in the world for its data center market strength, according to Cushman & Wakefield's Global Data Center Market Comparison. These top rankings are thanks to the state's long-haul fiber access, low land costs and cybersecurity initiatives.

## FINANCIAL SERVICES EMPLOYMENT IN TEXAS, 2020

Sector (Industry Code)	Firms	Employees	Average Annual Wage
Depository Credit Intermediation (NAICS 5221)	7,911	159,313	\$84,881
Nondepository Credit Intermediation (NAICS 5222)	5,740	82,651	\$105,050
Activities Related to Credit Intermediation (NAICS 5223)	2,076	28,486	\$103,749
Securities and Commodity Contracts Intermediation and Brokerage (NAICS 5231)	3,523	31,984	\$184,862
Securities and Commodity Exchanges (NAICS 5232)	21	210	\$182,430
Other Financial Investment Activities (NAICS 5239)	7,111	41,953	\$164,116
Insurance Carriers (NAICS 5241)	2,174	99,185	\$95,737
Agencies, Brokerages & Other Insurance Related Activities (NAICS 5242)	14,471	112,360	\$80,092
Insurance and Employee Benefit Funds (NAICS 5251)	78	702	\$87,619
Other Investment Pools and Funds (NAICS 5259)	394	1,226	\$204,030
<b>TOTAL</b>	<b>43,499</b>	<b>558,070</b>	<b>\$101,785</b>
<b>Weighted Average</b>			

Source: Quarterly Census of Employment and Wages, U.S. Bureau of Labor Statistics

## RELATED DEGREES EARNED IN TEXAS UNIVERSITIES, 2015-2020



Source: The Higher Education Coordinating Board



### OFFICE OF THE GOVERNOR TEXAS ECONOMIC DEVELOPMENT & TOURISM

The Texas Economic Development & Tourism Office (EDT) serves as the state's leading economic development organization marketing Texas as the world's premier business investment destination. The division pursues business expansion and relocation prospects, with the goal of developing job creation and export opportunities for the Texas business community.

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