

TEXAS FINANCIAL SERVICES INDUSTRY



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

Texas Economic Development & Tourism Office | Office of the Governor

Texas is the financial services capital of America.

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 this 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. Not to mention, J.P. Morgan has more employees in Texas than in New York. Texas is home to diverse industry segments with strong employment in financing, real estate lending and consumer finance.

With the historic announcement of the Texas Stock Exchange in 2024 and the selection of Texas as the location for Nasdaq's new regional headquarters in 2025, our state also recently celebrated the launch of NYSE Texas, a fully electronic equities exchange headquartered in Dallas. It's important to note that Texas is also the only state with our own Exchange-Traded Fund (ETF), launched by Texas Capital Bank. It is evident that the state's strength in financial services 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 648,000—even surpassing New York. Employment has increased by 46% 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.



Governor Greg Abbott celebrated the Texas Stock Exchange (TXSE) and the state's historic economic milestones during a press conference at the Governor's Mansion in Austin. (Photo: Texas Stock Exchange)



NEW FRONTIER FOR FINANCIAL

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

here. Finance and insurance firms announced more than \$137 million in new capital investment in 2024 alone. The amount of establishments has also increased 40% since 2010. In fact, the Lone Star State ranks #2 in the nation for establishments in the financial services sector, with more than 48,600 total firms.



GLOBAL 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. Fortune 500 firms Charles Schwab and CBRE both relocated their headquarters to Texas in recent years. Additionally, Scotiabank, one of the largest banks in North America, recently announced a new major office in Dallas, creating more than 1,020 new jobs and more than \$60 million in capital investment.



A rendering of the data center campus for the first Stargate Project in Abilene. (Photo: Crusoe Energy/CoStar)



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. 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 is recognized as a national leader in cybersecurity education and research—one of only ten institutions with three distinctions as a Center of Academic Excellence by the National Security Agency and the U.S. Department of Homeland Security.



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. Most notably, Texas was chosen for the Stargate Project—a \$500 billion AI data center development bringing between 10-20 data centers to an 895-acre campus in Abilene. The project is being led by SoftBank, OpenAI and Oracle and is expected to create thousands of jobs and boost the entire state's economy. Dallas-Fort Worth is also ranked #4 in the world for its data center market strength, according to Cushman & Wakefield's Global Data Center Market Comparison. Not to mention, Texas has already surpassed the existing dominant data center market in North Virginia for new construction.

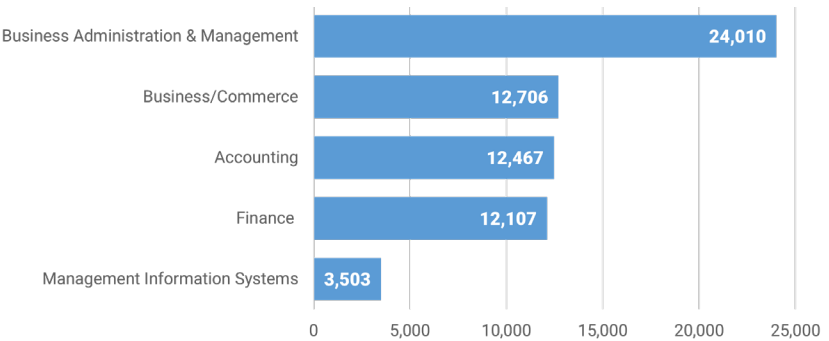
FINANCIAL SERVICES EMPLOYMENT IN TEXAS (2024)

Sector (Industry Code)	Firms	Employees
Depository Credit Intermediation (NAICS 5221)	8,286	190,328
Nondepository Credit Intermediation (NAICS 5222)	6,134	67,137
Activities Related to Credit Intermediation (NAICS 5223)	2,455	28,480
Securities and Commodity Contracts Intermediation and Brokerage (NAICS 5231)	3,644	38,868
Securities and Commodity Exchanges (NAICS 5232)	41	321
Other Financial Investment Activities (NAICS 5239)	9,284	51,072
Insurance Carriers (NAICS 5241)	2,524	127,998
Agencies, Brokerages & Other Insurance Related Activities (NAICS 5242)	15,603	141,815
Insurance and Employee Benefit Funds (NAICS 5251)	94	988
Other Investment Pools and Funds (NAICS 5259)	540	1,470
TOTAL	48,605	648,477

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

STUDENT ENROLLMENT IN RELATED MAJORS AT TEXAS FOUR-YEAR PUBLIC UNIVERSITIES (2024)

Source: The Higher Education Coordinating Board



OFFICE OF THE GOVERNOR TEXAS ECONOMIC DEVELOPMENT & TOURISM OFFICE

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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