

Financial Services



St!Louis
Perfectly Centered. Remarkably Connected.

St. Louis is a national center of banking, finance, and insurance. Currently, 84,000 St. Louisans - over 7% of the region's private employment - work in the financial activities sector at banks, investment firms, insurance companies, accounting firms, or in real estate.

St. Louis' Financial Activities	Firms	Jobs	Total Payroll
Investments & Securities	990	8,200	\$790 million
Banking & Lending	1,360	25,000	\$1.3 billion
Insurance	2,260	21,600	\$1.3 billion
Real Estate	2,790	19,450	\$690 million
Accounting & Bookkeeping	1,100	10,200	\$559 million
Total	8,510	84,450	\$4.64 billion

Source: "Quarterly Census of Employment and Wages, 2008" US Bureau of Labor Statistics.

Investment and Securities Firms

St. Louis is home to several national investment firms, including **Wells Fargo Advisors**, **Edward Jones**, **Scottrade**, and **Stifel-Nicolaus**. In 2007, Wachovia Corp. acquired A.G. Edwards. About a year later, Wachovia Corp. was in turn acquired by Wells Fargo & Co. Wachovia Securities is now a separate non-bank affiliate of Wells Fargo and Co. and is now known as **Wells Fargo Advisors**. The firm expanded its workforce in 2009, recruiting 1,300 brokers and 400 trainees. Plans for 2010 include hiring 1,000 brokers from rivals and training 400 new recruits new to the profession. Wells Fargo Advisors employs 4,600 people in St. Louis and over 28,000 around the country.

Edward Jones is a large, privately held investment company with over 8,600 branch offices throughout the United States. Jim Weddle, the Chief Managing Partner of Edward Jones, was recently featured in a *Wall Street Journal* article describing the firm as, "The decidedly un-Wall Street firm that prides itself on its down-home Midwestern image." In 2009, the firm expanded their St. Louis area operations, opening a 372,300-square-foot building that is used to train new brokers and house office operations. It was the second Edward Jones building on the Maryland Heights campus and part of a \$245 million expansion that will be completed in phases. The investment adviser weathered the recession without closing one of its 12,600 offices or making any employee layoffs. Salaries were frozen, but profit sharing continued at Edward Jones, which is ranked Number 2 in *Fortune* magazine's **100 Best Companies to Work For in 2010**.

Scottrade is a leading discount internet stock brokerage firm that has benefitted from recent market volatility. The number of active accounts grew in 2009, prompting plans to hire an additional 1,000 people and add 58 branches. Scottrade currently employs 2,500 people around the country, including 1,000 workers in St. Louis. Scottrade ranked Number 27 in *Fortune* magazine's **100 Best Companies to Work For in 2010**. In 2007, Scottrade moved to a new 34,000-square-foot data center, implementing a major redesign of the firm's IT infrastructure. The advanced data center provides the capability for processing up to 1 million transactions per day. In 2009, Scottrade purchased two office buildings and two parcels of land for future expansion in Maryland Center in Town and Country, MO.

Stifel-Nicolaus, is a full service brokerage and investment banking firm founded in St. Louis in 1890, and is part of the Russell 3000 Index. In 2005, they took a bold step when they acquired Legg Mason Capital Markets from Citigroup. Through that acquisition Stifel-Nicolaus expanded its operations to include 154 offices in 28 states. In 2006, they continued their planned expansion in the East and Southeast with the acquisition of Ryan Beck Holdings, Inc., a financial advisory firm with approximately 400 financial consultants and \$19 billion in client assets under management. Expansion activity continued in 2009, when the firm acquired 55 branches and 320 financial advisors from the UBS Wealth Management Americas Branch Network. Stifel's revenue exceeded \$1 billion for the first time in fiscal 2009.

These firms are supported by a large, well educated and trained financial services workforce. As of 2009, Greater St. Louis has about **6,300 Series 6 and/or Series 7** licensed securities dealers.

Banking and Lending Services

St. Louis is the regional headquarters for several major banks. **Bank of America, Commerce Bank, PNC Bank, Regions Bank, UMB Bank, and US Bancorp** all have large operations in St. Louis. In June 2009, 145 different local, regional, and national banks had a total of \$67.8 billion deposited in St. Louis area branches. The largest of the St. Louis-based banks, with overall deposits between approximately \$1 billion and \$8 billion were First Bank, Scottrade Bank, Southwest Bank (an M&I Bank), Enterprise Bank & Trust, First National Bank of St. Louis, Pulaski Bank, Reliance Bank, The Bank of Edwardsville, and Stifel Bank and Trust. These and other banks headquartered in St. Louis, had a total of \$43.4 billion in deposits both in St. Louis branches and nationally.

St. Louis' Largest Banks	Deposits	Market Share
U.S. Bank	\$12.5 billion	18.5%
Bank of America	\$7.6 billion	11.2%
Southwest Bank	\$5.3 billion	6.4%
Commerce Bank	\$4.3 billion	6.4%
Scottrade Bank	\$3.7 billion	5.4%
Top Five Total	\$33.3 billion	49.3%

Source: Federal Deposit Insurance Corporation, June 2009

These banks not only serve local businesses and consumers, but also play important roles in the region's economic development. US Bancorp's Community Development Corporation (USBCDC), for example, has been an active development partner through the use of **New Market** and **Historic Preservation** tax credits.

The **Federal Reserve Bank of St. Louis**, which oversees banking activity in the Federal Reserve's 8th District, recently expanded its offices in downtown St. Louis where it employs 900 people. The 8th district's territory includes all of Arkansas, and parts of Illinois, Indiana, Kentucky, Mississippi, Missouri, and Tennessee. The mission of the St. Louis Federal Reserve Bank is to: formulate sound monetary policy; foster sound and responsible banking practices; provide efficient, reliable, and accessible payment services; perform effectively as the fiscal agent of the U.S. Treasury; and provide regional economic research, community development programs, and economic education.

A growing number of regional financial service firms have developed robust information technology infrastructure. The region's IT workforce is well represented. **Computerworld's 2010 Premier 100 IT Leaders** list includes Vincent Ferrari, Principal and CIO from Edward Jones, George Spies, Group Executive from MasterCard Worldwide, and Michael Tully, Director of Vendor Relations at Scottrade, Inc.

In 2000, **MasterCard Worldwide** opened its global technology operations center in suburban O'Fallon, Missouri. This 500,000-square-foot facility processes every transaction in the world that involves a MasterCard – as many as 5.4 million per hour. In 2008, MasterCard processed 21 billion transactions with a gross dollar volume of \$2.5 trillion. And in 2009, **U.S. Banker** magazine ranked two MasterCard Group executives, Joan Kelly and Dana Lorberg, among the **25 Most Powerful Nonbank Women in Finance**.

St. Louis is also home to the headquarters of **CitiMortgage**, Citigroup's mortgage lending subsidiary. CitiMortgage employs 3,500 people in St. Louis and manages most of CitiGroup's \$751 billion mortgage portfolio.

Insurance

Approximately 21,600 people work at the over 2,200 insurance related businesses in the St. Louis region. Many of them work in the offices of individual brokers representing nearly every major insurance carrier, but there are also some insurance companies with a larger presence in St. Louis.

St. Louis is the world headquarters of **Reinsurance Group of America, Inc. (RGA)**, the largest reinsurer in the U.S., with more than \$2.2 trillion of life reinsurance in force and assets of more than \$21 billion. RGA is a key player in the global reinsurance field serving clients from 24 offices around the world.

Fireman's Fund Insurance relocated to a 110,000-square-foot office building in O'Fallon, MO at the end of 2009. Fireman's Fund Insurance, which is headquartered in San Francisco, has 500 local customer service and claims employees. The St. Louis-area office is the base for Fireman's Fund Insurance's catastrophe (CAT) center, which responds to disasters nationwide. The regional office also serves as the company's customer service headquarters. The property and casualty insurance company has had a presence in St. Louis for more than four decades.

In February 2009, **WellPoint Inc.**, parent of **Anthem Blue Cross and Blue Shield**, announced plans to consolidate operations in a 465,000-square-foot building in St. Louis city. The company will relocate 300 employees from Creve Coeur to join the 800 employees currently located in downtown St. Louis.

Centene, a publicly traded Fortune 1000 health care enterprise, is expanding its headquarters in Clayton, MO, and is projecting 800 new jobs by the end of 2010. Centene will occupy 200,000-square-feet in a new 481,000-square-foot office building that began construction in 2009.

Real Estate

A number of commercial real estate firms, and the many residential-oriented real estate, rental and leasing firms that one would expect for a metropolitan area of 2.8 million people, operate in the St. Louis region. Major firms in St. Louis include the headquarters of **Cassidy Turley, CB Richard Ellis, Duke Realty, Coldwell Banker, East County Enterprises, Gateway Commercial/Cushman & Wakefield Alliance, McEagle Properties, Opus Northwest, and Pace Properties.**

Accounting and Bookkeeping

Over 10,000 people work in more than 1,000 accounting and bookkeeping firms in St. Louis. The 21 Fortune 1,000 companies headquartered in the St. Louis region are served by a diverse and mature group of accounting and financial analysis firms. National accounting firms, such as **Deloitte, Ernst & Young, KPMG, and PriceWaterhouseCoopers,** have offices in the region. There are also a number of large and mid-sized regional accounting firms located in the region, such as **Anders Minkler & Diehl, Brown Smith Wallace, MPP & W and RubinBrown LLP.**

Summary

Greater St. Louis' financial services industry includes a thriving and diverse array of local, regional, and national firms. The financial services industry in St. Louis is supported by a highly educated and trained workforce as well as a range of regional professional services firms. Financial services are an important growing part of the St. Louis region's economy. From 1992 to 2007, employment in St. Louis' financial sector has grown by about 11,000.

The St. Louis Regional Chamber & Growth Association (RCGA) is the chamber of commerce and economic development organization for Greater St. Louis, which includes 16 counties in Missouri and Illinois. RCGA markets the St. Louis region nationally and internationally to attract targeted industries to the area. It further spurs economic development by aiding the expansion and startup of companies within the region.

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