

Chart I is a distribution of the number of managing underwriters for 1965 by the number of issues managed. The majority of firms managed fewer than 25 issues, with nearly half of the firms managing fewer than 5 issues.

It was possible to obtain net worth data for 157 of the 295 dealers, who were managing underwriters, from Finance magazine.¹³ One hundred and thirty-eight dealers who managed issues in 1965 are not listed in the survey conducted by Finance magazine either because they did not respond to the survey, or because their net worth was less than \$100,000. Chart II presents the results of this tabulation and itself encompasses a wide range of capitalization, from the smallest firm at \$100,000 to the largest firm with a net worth of over \$133 million. Nearly 40 percent of the firms reported net worth of from \$1 to \$5 million.

As a measure of change within the industry, a similar tabulation was made for 1957. Of the 413 managing underwriters, 148 were listed in Finance's survey for that year. Chart III is a distribution of this tabulation. Only about 30 percent of the firms reported net worth of \$1 to \$5 million. The overall level of capitalization was definitely lower with over three times as many firms in the smallest category and less than one-third as many firms in the largest category. Although even the largest firms in the investment banking industry are not particularly large when compared with large firms of other industries, the two charts indicate that the industry has been able to attract over the past decade the capital needed to meet the needs of an ever increasing volume of business. This is particularly noteworthy in view of the sharp decline of profit margins from 1958 to 1965 (see next section).

TABLE 5.—*Managing underwriters¹ by type dealer and issues underwritten*

Type dealer	Type issue			
	General obligation	Revenue	General obligation and revenue	Total
Dealer banks.....	79	-----	2 14	93
Dealers.....	106	43	146	295
Total.....	185	43	160	388

¹ Based on all managing underwriters of new issues in 1965 about which the Investment Bankers Association had knowledge.

² See footnote 12, of text.

Source: Investment Bankers Association of America and Finance magazine, March 1966.

¹³ Finance magazine, March 1966, which reports the results of a survey of firms reporting \$100,000 or more of net capital. Commercial banks are not included. The capital figures apply to the entire reporting organization and do not represent the capital available for underwriting (a figure which is unobtainable).