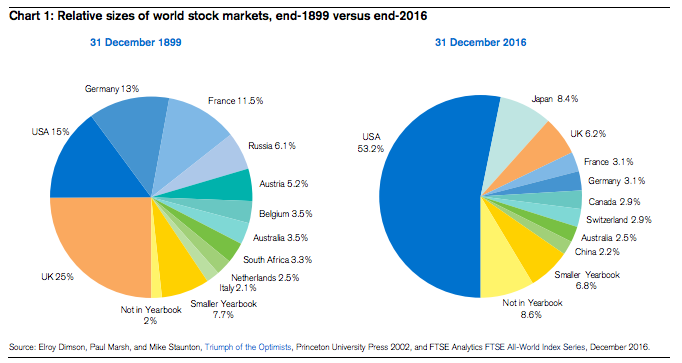
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**The Shrinking Number of Public U.S. Companies**

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The U.S. stock market is by far the largest in the world, representing 53.2% of the global market as of December 31, 2016. Companies like Apple, Johnson & Johnson (J&J), and Berkshire Hathaway, are valued in billions of dollars. And to put this in perspective, Apple’s market cap is the equivalent of South Korea’s total stock exchange. Goldman Sachs is the equivalent of Thailand’s, J&J is the size of Brazil’s, and Berkshire Hathaway is comparable to India’s.

**Global Stock Markets; % Market Share**

Despite the success behind U.S. companies and their global presence, the number of U.S.-listed stocks has decreased by fifty percent over the past 20 years, while the number of foreign stocks has increased by fifty percent.

According to Bloomberg, there were more than 9,100 U.S.-listed companies in 1997. Today, that number is down to slightly more than 5,700. During the same period, the number of global stocks has increased from 23,000 to 33,000.

The primary contributor to this trend is consolidation, as there has been record numbers of mergers and acquisitions in the U.S. For examples, Oracle purchased NetSuite for $9.3 billion in 2016, and Amazon recently announced its plan to acquire Whole Foods for $13.7 billion. Whether it is Oracle cloud computing or Amazon grocery stores, it has been a winner take all type of environment. With organic growth hard to come by, companies have resorted to buying growth to diversify their revenue streams.

Companies like Apple and Alphabet are sitting on billions in cash, looking for opportunities to acquire and expand. This phase of their business lifecycle can be identified as the “Decline" phase, when companies must be creative, or “reborn” in order to capture higher growth rates. Otherwise, they are destined to become the next Yahoo, Circuit City, Sears, JCPenney and now Macy’s.

Technology has forever changed the way we purchase goods and services. As a result, companies must identify ways to maintain their market share. It should be no surprise that consolidation will continue, and the number of U.S. publicly traded stocks will continue to decline.

Source: Bloomberg. Think Global to Avoid Shrinking U.S. Stock Market. March 2017.