

Executive Summary

Growth in Total Compensation Is Negative for Risk Professionals in Technology

The **2009 Risk Talent Associates Professional Compensation Survey – Technology & Software** shows an average decline of 2.8% in total compensation and 1.8% in salaries for risk technology and software professionals in 2008 over 2007. This trend is consistent with declines in compensation for risk professionals observed in asset management and capital markets during this time period which covers the credit crisis and beginning of the economic downturn.

The survey data shows that job movement within the technology and software sector has dramatically slowed. Only 9% of survey respondents report changing jobs during the past two years, as compared to the 20-25% range reported in the three previous annual surveys for technology and software. It is likely that job movement will rebound since 28% of survey respondents predict they will change jobs in the next two years. Also reflecting the economic downturn, 38% of survey participants expect that their risk management group will grow in size, down from 59% reported in 2008 and 70% observed in 2007.

For risk management groups that are expanding, the most popular way of filling open positions remains internal recruiting or corporate staffing. However, job boards such as www.globalriskjobs.com, contingency recruiting firms and retained search firms are used frequently by just under one-half of survey respondents.

Survey Analysis

Trends by Years of Experience, Title, Risk Type and Geography

This year's survey shows declines in compensation for risk executives with 7-15 years of experience, and at the most senior titles reported (Director, Principal and Managing Director). Other sub-segments show small single-digit growth in total compensation.

Figure 1: Total Compensation, Salary and Bonus by Years of Experience (US Dollars)

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2007	2008	2007	2008	2007	2008	2007	2008
0-6 years	10%	\$ 137,000	\$ 146,000	\$ 109,000	\$ 109,000	\$ 28,000	\$ 37,000	\$ 17,000	\$ 13,000
7-15 years	58%	\$ 349,000	\$ 338,000	\$ 212,000	\$ 202,000	\$ 115,000	\$ 114,000	\$ 22,000	\$ 22,000
16+ years	32%	\$ 529,000	\$ 560,000	\$ 268,000	\$ 273,000	\$ 183,000	\$ 195,000	\$ 78,000	\$ 92,000

Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars and rounded to nearest thousand.

Figure 2: Total Compensation, Salary and Bonus by Title (US Dollars)

	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2007	2008	2007	2008	2007	2008	2007	2008
Analyst	6%	\$ 125,000	\$ 127,000	\$ 105,000	\$ 105,000	\$ 9,000	\$ 10,000	\$ 11,000	\$ 12,000
Manager	19%	\$ 218,000	\$ 221,000	\$ 156,000	\$ 158,000	\$ 42,000	\$ 43,000	\$ 20,000	\$ 20,000
Vice President	15%	\$ 186,000	\$ 198,000	\$ 142,000	\$ 150,000	\$ 29,000	\$ 36,000	\$ 15,000	\$ 12,000
Director/Principal	31%	\$ 397,000	\$ 392,000	\$ 243,000	\$ 242,000	\$ 128,000	\$ 130,000	\$ 26,000	\$ 20,000
Managing Director	19%	\$ 771,000	\$ 715,000	\$ 322,000	\$ 290,000	\$ 316,000	\$ 322,000	\$ 133,000	\$ 103,000

Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars and rounded to nearest thousand.

This year's survey shows little differentiation for compensation trends between executives focused on enterprise, operational, market or credit risk.

Professionals based in New York and Europe garner the highest compensation when the data is examined by region. Total compensation is progressively lower for the US-Northeast, US-West, Canada, US-South/Southeast and US-MidWest.

Survey Methodology

The **2009 Risk Talent Associates Professional Compensation Survey – Technology & Software** includes responses from 50 professionals in the Risk Talent Associates corporate database who reported 2007 and 2008 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation). Survey respondents identified their segment within asset management, years of experience, title, type of risk focus, and geographic location. Risk Talent Associates, an executive search firm focused on risk management, is conducting its fifth annual series of risk compensation surveys in 2009 across several market segments: capital markets, asset management, compliance and other fields (software, consulting, energy and corporate).

About Risk Talent Associates

Risk Talent Associates (www.risktalent.com) is the leading international executive search firm focused exclusively on positions in the fields of market, credit and operational risk, as well as financial compliance and risk technology. Risk Talent's expertise, industry knowledge, proprietary network and dedicated focus shorten the recruiting process to deliver senior and mid-level risk managers in the capital markets, asset management, energy, consulting and software industries. Risk Talent has offices in New York, Chicago, Hong Kong and London.

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