

Executive Summary

Declines in Total Compensation and Bonuses for Risk Consultants

The **2009 Risk Talent Associates Professional Compensation Survey – Risk Consulting** shows an average decline of 5% in total compensation for risk consulting professionals in 2008 over 2007. While salaries actually grew an average of 2%, cash and non cash bonuses dramatically declined during this time period which covered the credit crisis and beginning of the economic downturn. Only 68% of survey respondents in the risk consulting segment reported receiving a bonus for 2008, which was a lower percentage than risk technology (76%), asset management and capital markets (80%) and energy (90%).

Job movement in consulting also declined: 19% of respondents indicated that they have changed jobs in the last two years as compared to 23% reported a year earlier. This figure is likely to rise in the coming year since 29% of respondents predict that they will change jobs in the next two years. Only 37% of survey respondents expect that their risk management group will grow in size, far lower than the 58% observed last year and 75% observed two years ago.

For risk management groups that are expanding, 89% of respondents are currently using internal staffing groups as compared to just over 50% in last year's survey. Other options used by approximately half of respondents include retained search firms, contingency recruiting and job boards such as www.globalriskjobs.com.

Survey Analysis

Steepest Declines in Total Compensation for Most Senior Professionals

The average decline in total compensation is steepest for those professionals with over 16 years of experience. It is also important to note that by title, there is actually minor growth in total compensation for every level except Partners and Managing Directors where the decline is 18%. Since more of their pay is tied to company performance, it is not surprising to see this trend.

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	23%	\$ 101,000	\$ 109,000	\$ 94,000	\$ 100,000	\$ 7,000	\$ 9,000	\$ 2,667	\$ 3,000
7-15 years	52%	\$ 224,111	\$ 216,143	\$ 160,000	\$ 167,000	\$ 44,000	\$ 33,000	\$ 20,111	\$ 16,143
16+ years	24%	\$ 479,500	\$ 433,200	\$ 277,000	\$ 270,000	\$ 125,000	\$ 92,000	\$ 77,500	\$ 71,200

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)

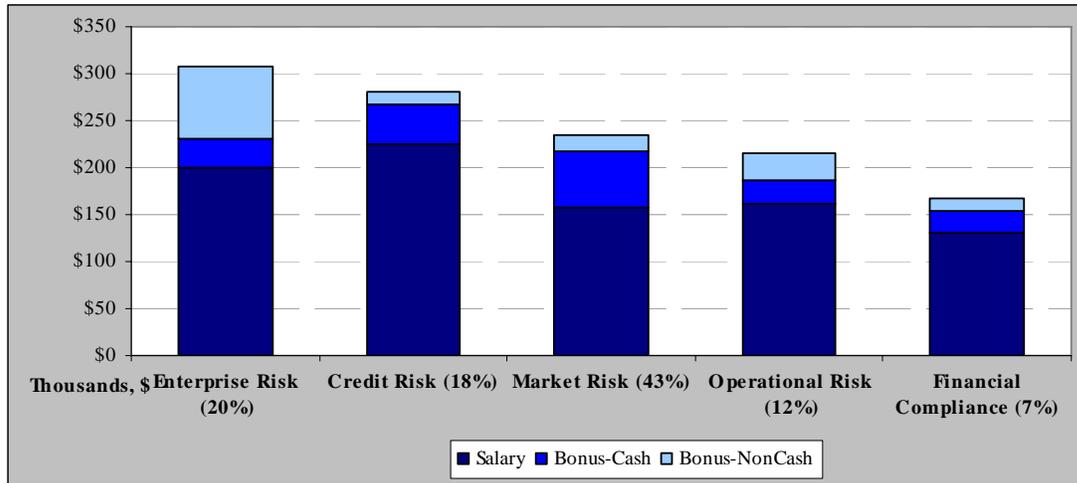
	% of Total	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
		2007	2008	2007	2008	2007	2008	2007	2008
Associate	6%	\$ 88,500	\$ 95,833	\$ 75,000	\$ 83,000	\$ 8,500	\$ 7,833	\$ 5,000	\$ 5,000
Senior Associate	11%	\$ 113,000	\$ 124,000	\$ 94,000	\$ 101,000	\$ 9,000	\$ 13,000	\$ 10,000	\$ 10,000
Manager	27%	\$ 148,000	\$ 157,000	\$ 122,000	\$ 132,000	\$ 12,000	\$ 12,000	\$ 14,000	\$ 13,000
Consultant	12%	\$ 198,000	\$ 216,000	\$ 143,000	\$ 153,000	\$ 50,000	\$ 58,000	\$ 5,000	\$ 5,000
VP/Director	19%	\$ 195,000	\$ 202,000	\$ 163,000	\$ 173,000	\$ 25,000	\$ 27,000	\$ 7,000	\$ 2,000
Principal	13%	\$ 509,000	\$ 519,000	\$ 256,000	\$ 266,000	\$ 190,000	\$ 162,000	\$ 63,000	\$ 91,000
Partner/ MD	11%	\$ 562,000	\$ 459,000	\$ 324,000	\$ 299,000	\$ 158,000	\$ 104,000	\$ 80,000	\$ 56,000

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

Enterprise Risk Professionals Receive Highest Total Compensation

Professionals reporting a focus on enterprise risk earn more than professionals with a focus on one specialty such as credit risk, market risk, operational risk or financial compliance.

Figure 3: 2008 Total Compensation, Salary and Bonus by Risk Type (US Dollars)

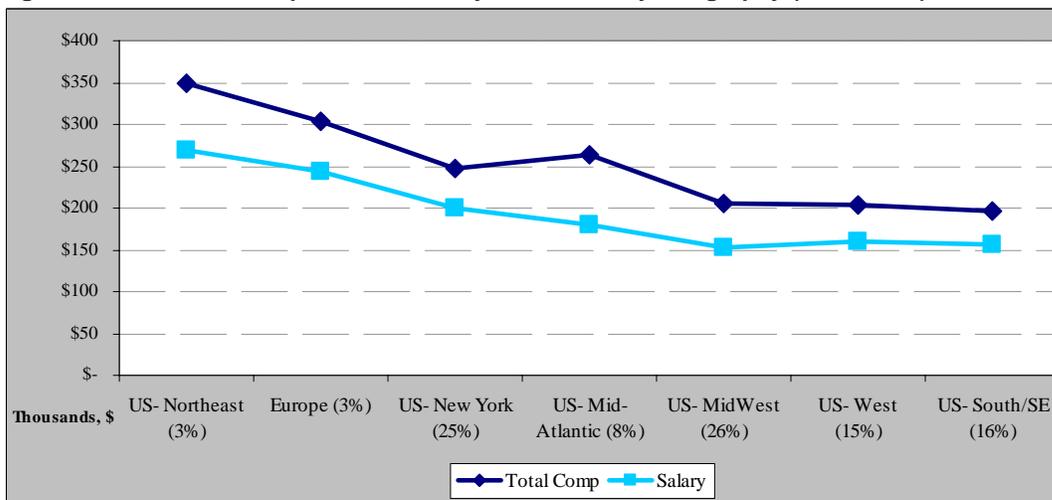


Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets “(%)”

4. Highest Total Compensation in New York and US Mid-West

Risk professionals based in the US Northeast, Europe, New York and the US Mid-Atlantic earn higher total compensation and salaries than those reporting from other parts of the US.

Figure 4: 2007 Total Compensation, Salary and Bonus by Geography (US Dollars)



Source: Risk Talent Associates Salary Survey 2009. All figures in US Dollars.
Note: Percentage of overall respondents reported in brackets “(%)”

Survey Methodology

The **2009 Risk Talent Associates Professional Compensation Survey – Risk Consulting** includes responses from 60 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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