

## Executive Summary

The **2005 Risk Talent Associates Professional Compensation Survey – Corporate Risk** demonstrates modest average growth of 5.5% in total compensation, and 1.5% in salaries over the previous year for corporate risk professionals. Twenty-five risk professionals participated in the survey representing multiple titles.

Cash bonuses as a percentage of overall compensation in 2005 are 11% for Managers, Associates and Analysts, 24% for Directors, 30% for Vice President or Senior Vice Presidents and 40% for Managing Directors or Chief Risk Officers. There was insufficient data to measure the impact of non-cash bonuses on overall compensation.

**Figure 1: Total Compensation, Salary and Bonus by Title (US Dollars)**

CORPORATE	Total Comp		Salary		Bonus-Cash		Bonus- Non-Cash	
	2004	2005	2004	2005	2004	2005	2004	2005
Manager (16%)	\$ 95,000	\$ 100,000	\$ 87,000	\$ 89,000	\$ 8,000	\$ 11,000	**	**
Associate/Analyst (32%)	\$ 110,000	\$ 118,000	\$ 100,000	\$ 105,000	\$ 10,000	\$ 13,000	**	**
Director (24%)	\$ 195,000	\$ 210,000	\$ 150,000	\$ 160,000	\$ 45,000	\$ 50,000	**	**
VP/SVP (16%)	\$ 248,000	\$ 263,000	\$ 175,000	\$ 185,000	\$ 73,000	\$ 78,000	**	**
MD/CRO (12%)	\$ 436,000	\$ 469,000	\$ 266,000	\$ 284,000	\$ 170,000	\$ 185,000	**	**

Source: Risk Talent Associates Salary Survey 2005. All figures in US Dollars and rounded to nearest thousand.

Notes: Percentage of overall respondents indicated by "%". Insufficient data reported as "\*\*\*".

Abbreviations: Vice President (VP), Senior Vice President (SVP), Managing Director (MD), Chief Risk Officer (CRO).

Other conclusions from the survey include:

- Total compensation for executives with 7-15 years of experience was an average of \$255,000 in 2005 which was almost equal to the average of \$265,000 in 2005 for those with 16 or more years of experience. Both of these numbers were dramatically higher than the average of \$95,000 in 2005 for those with 0-6 years of experience.
- Twenty-eight percent of survey respondents report changing jobs within the last two years, a trend that is consistent with the 25-30% rate reported in previous salary surveys conducted by Risk Talent Associates in asset management and technology. Of those respondents who changed jobs, the majority came from banking and technology/software.
- According to the survey, total compensation for corporate risk professionals peaks at mid-sized companies (5-50 risk professionals) rather than at small (less than 5 risk professionals) or large (greater than 50 risk professionals) organizations.
- There were no major differences in total compensation between geographic regions. Survey respondents represented the US-MidWest (33%), New York (25%), US-Northeast (17%), US-West (13%), Global (8%) and US-South (4%).
- Over three-quarters of the corporate risk professionals in the survey indicate they focus on all types of risk versus a single type of risk (market, credit, or operational risk).

### Survey Methodology

The **2005 Risk Talent Associates Professional Compensation Survey – Corporate Risk** was conducted between June 23 and July 12, 2005 using Survey Monkey Internet survey software. Invitations to participate in the survey were e-mailed to risk consulting professionals in the Risk Talent Associates corporate database. Responses were received from 25 professionals.

The survey collected information on 2005 and 2004 salary, cash and non-cash compensation (such as stock, options, and other non-cash compensation) levels. Survey respondents were asked to identify their years of experience, title, type of risk focus (market, credit, operational, risk technology and financial compliance), geographic location, size of company (based on the number of risk professionals in their organization) and type of company (corporate).

Risk Talent Associates, an executive search firm focused on risk management, is conducting a series of risk compensation surveys in 2005 across four 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](http://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 and London.

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