THE FUTURE OF RISK MANAGEMENT

The top talent trends you need to know about

NORTH AMERICA

2022

Contents

Introduction

The Risk Management market is red hot, with many areas seeing demand for top talent outweighing supply.

With such a tight pool of candidates, many organizations are having to rethink their talent acquisition strategies and processes.

Selby Jennings has observed many buy side and sell side firms increasing their compensation packages, which has been the main factor when it comes to securing talent. Therefore, it is no surprise that more and more professionals are seeking compensation beyond parameters that the industry was used to up until 2020, leading to soaring compensation expectations and aggressive counter offers to retain talent.

So, with increased competition for talent between firms, the overarching question hiring teams need to ask themselves is "How can we differentiate ourselves from our competitors to attract and retain the best talent?"

Credit Risk

Consumer Credit Risk

There has been a steady demand for talent in the Consumer and Credit Risk space this year. As new fintech and start-ups disrupt the status quo and change the way we lend and borrow money, there is a critical need for experienced professionals in lending and analytics, who can ultimately build out these teams and keep up with the pace. At Selby Jennings, we have seen increased demand for roles under Model Validation, CECL Model Development, and Stress Testing Analytics.

Looking ahead to potential economic uncertainty, such market conditions only heighten the needs for lending. Changes in interest rates will undoubtedly affect the mortgage and home loan space, so senior leaders in Consumer Risk will need to closely monitor the larger economic environment and ensure that Risk Management policies and strategies align with the current landscape. While credit worthiness will shift, proper Risk Management involves interacting with regulators and ensuring profitable lending practices, meaning the market for talent in this area is certainly not slowing down. In fact, it is the opposite.

It is an incredibly exciting industry to work in right now, with so many untapped business opportunities. Firms are creating new products and expanding at an almost alarming rate, with an uptake in POS lending, BNPL, Fraud Risk Strategy, as well as numerous new credit cards launching, and more digital banking overall.

As mentioned earlier, the talent in most demand tends to be Regulatory, but also those that fall under Credit Risk Strategy. More firms are taking a data led approach, resulting in higher requirements for data and decision science knowledge, but this also directly leads to bidding wars with tech firms also snapping up this talent pool.

There has been a conscious shift away from higher cost of living locations such as New York and California. Dallas, Salt Lake City, Charlotte and across the Midwest is where talent is flocking to, with Dallas in particular seen by many financial firms as ‘HQ2’, as they build out larger presences in Risk Management and lending there.

Due to inflation and the candidate driven market, firms also need to evaluate salary bandings. Selby Jennings has seen top talent leave their current employers because in their view they hadn’t received compensation adjusting to inflation. Counter offers are also at an all-time high.

Moving teams outside of metro areas such as New York has made it more difficult to secure talent, as there is very little appetite to relocate across the talent pool. Previously, candidates were more open to the thought of relocation in an effort to progress their careers. However now candidates have more options than ever and there are always alternative companies willing to offer more flexibility.

Larger and more traditional institutions are competing with smaller, more nimble fintech companies for talent, as they continue to offer remote, flexible working, and stock/equity. Larger firms need to be more nimble to compete with these new players, streamlining processes to get offers out the door faster and treat talent as a priority.

Wholesale Credit Risk

It has been a very active year for Wholesale Credit Risk in the US. Consistent demand for talent has been seen in typical locations such as New York, Boston, Chicago, San Francisco and Los Angeles. But, we have also seen such demand expand from metropolitan areas, to lower cost of living areas, such as Tampa, Baltimore, Buffalo, Phoenix and Houston.

Professionals with backgrounds in portfolios with high risk or leveraged transactions are in incredible demand. Banks and private shops are still making up from hiring freezes during the height of the Covid-19 pandemic, which has led to increased competition for talent between firms, with many using their company culture as a major lure. Indeed, remote working for Credit Risk professionals is all but eliminated now for most sell side shops. Banks typically want their Credit Risk professionals accessible to front line teams in office, although they have kept a, albeit loose, hybrid working pattern.

Institutions fighting for the same talent poses a challenge when the pool for these professionals is so slim. One example is the appetite for Leveraged Finance (Lev Fin) experts in sell side and buy side firms. As these professionals have exposure to non-investment grade transactions, considering the economic outlook, demand for these skills has skyrocketed. Corporate and commercial credit professionals are typically interviewing with 2-3 businesses at a time, and for Lev Fin in particular, Selby Jennings has seen candidates balancing interviews at 3-5 firms.

There are great opportunities for talent within Hedge Fund Credit, Counterparty Credit, Leveraged Finance, Energy, Healthcare and TMT industries. However, sell side shops are competing with buy side and private firms, who will pay the premium for talent. The team at Selby Jennings has actually seen private/buy side shops paying Associate to Director candidates 25% to 40% higher than market average as an extreme example. Risk professionals will find these compensation levels highly appealing, especially when combined with working in institutions with less regulations. Candidates are therefore seeking higher bases/bonuses overall from the sell side shops, leading to a jump in compensation for credit talent within sell side shops and very aggressive counter offers from those firms trying to retain their talent.

Market Risk

Market Risk Talent

Market Risk as a whole has been extremely active, and will remain so, with no signs of slowing down. Economic uncertainty and whispers of a recession won't affect a recession-proof market, as firms aggressively aim to secure top talent.

Hiring for Market Risk Analytics has been constant, with major sell side banks all competing for the same talent. Across both model development and model validation, all major US and international investment banks have been growing their teams. There has been a focus on model development as it relates to 'The Fundamental Review of the Trading Book' (FRTB), as well as interest rates modeling coverage. For model validation, firms are looking for talent primarily with higher education degrees and experience in derivative pricing.

The biggest challenge Market Risk Analytics faces is keeping up with compensation trends. In a vertical where firms used to be able to get away with bringing talent on at a lower price point, as the top players compete for similar talent, the make-or-break has come down to whether or not the client is willing to expand their budgets.

From a Market Risk management perspective, there has been consistent hiring from the Associate to Director level. Considering the amount of movement in the space since 2020, with the increase of buy side firms hiring in risk, most sell side Market Risk teams are running very light right now. Many US and international banks have been aggressively hiring for Associate and VP-level positions across Equities, Credit, and Macro (FX/Rates).

Providing senior talent with growth opportunities is also crucial, particularly for Market Risk Managers. While many of the banks have similar structures, offering a platform for growth is going to be a compelling factor for the right talent to switch firms.

Due to the competition in the market for talent, with professionals having more options when it comes to those final stages, it has led to firms needing to be more flexible and competitive from a compensation perspective to secure the right talent.

Liquidity & Treasury Risk

Last year's increase in hiring was related to backfills, but this year has been shaped by significant economic developments. As the banks expected interest rates in the US to rise for most of the first half of 2022, it led to them proactively hiring Liquidity & Treasury Risk, as well as ALM talent, to manage interest rate risks on their banking books. Even as the Fed raised interest rates, the hiring market has remained consistent with banks seeking out talent with strong analytical skills.

Firms are running more projects that improve reporting, automation, and data visualization, meaning Liquidity & Treasury Risk talent that have skills in Tableau and SQL are the hottest right now. This demand has been steady for around 18 months, and general cash management treasury hiring is consistent too. As is the same across many Risk sectors, New York and Dallas are the cities to be in.

Similar to other verticals in the Risk Management space, the biggest hiring challenge is the lack of talent. Considering that these professionals are actively managing the risk of the bank's enterprise balance sheet, banks are typically looking for talent coming from similarly sized banks. Therefore, candidates who are currently working at regional banks have a difficult time securing offers for similar roles at bulge bracket banks.

Looking ahead, firms need to consider compensation requests for candidates in the Liquidity and Treasury Risk space. Many in this talent pool have received compensation increases for retention reasons given the active hiring market and firms that do not have the appetite to offer candidates more affects their ability to hire.

Considering the economic uncertainty, banks will be looking to grow their treasury risk teams, meaning hiring will continue to increase for Liquidity & Treasury Risk talent, or at the very least maintain headcount so the general liquidity of banks are in healthy positions.

Buy-Side Risk

The past two years have been the most active period of hiring in recent memory for Buy-Side Risk talent. Historically speaking, Hedge Funds and Asset Managers don't hire risk talent as frequently as banks, but market conditions, such as Covid-19 and geopolitical tensions have led to more investor pressure to invest and build out more structured risk teams.

Aside from investor pressure, Hedge Funds in general seem to value Risk Management more since the pandemic. They have been investing heavily in their risk platforms and infrastructure, and have hired highly quantitative, market-facing risk teams to assist in their risk modeling and front-office advisory efforts. Overall, Hedge Funds want their risk teams to serve as a "value-add" rather than an oversight function, and to operate with the intention of helping their investment teams maximize risk adjusted returns.

On the Asset Management side, hiring for talent has increased year on year. Investment Risk hiring for the traditional Asset Management firms has been consistent across equities and fixed income. However, the demand for Investment Risk talent has been increased due to the rise in hiring from the insurance-based Asset Managers. Insurance-based Asset Managers and Reinsurance firms have been actively hiring for fixed income, annuity, and private credit product coverage.

Hotspot states for Hedge Fund talent are New York, Connecticut, Boston, Chicago, and more recently Texas. A number of industry leading hedge funds have begun to move functions to the Austin and Dallas markets due to the lower costs in comparison to New York. For Asset Managers, hiring has been mainly focused in the Tri-State area, as well as Charlotte, Florida, and Pennsylvania.

There are three key challenges buy side firms face when trying to secure Risk Management talent:

1. The general supply of talent

Hedge Funds and Asset Managers are smaller organizations than banks and have less turnover, so there is a naturally tighter candidate pool.

2. Compensation

Asset Managers typically have a trickier time hiring than Hedge Funds, due to compensation. Top talent that work at Hedge Funds are typically rewarded with higher performance bonuses than those employed by Asset Managers, which typically leads to them being priced out before being able to enter interview processes.

3. Non-competes

Most buy side firms who are hiring in risk typically want candidates to start ASAP. However, high turnover from the past 2.5 years across the whole finance industry means firms have changed their policies and have extended non-competes for many employees. Most firms are still willing to wait out 3 month non-competes, but a lot of top talent is now faced with 6 month non-competes which is hard to be patient with.

There will be demand for talent in a number of growth areas, such as product coverage across infrastructure, commodities, and volatility. Many firms are looking for risk talent with alternative investment coverage and to be familiar with products such as private equity, infrastructure, renewables, and commercial real estate. Commodity price volatility has meant that many Hedge Funds have launched commodity offerings this year, resulting in more talent demand, and as more Hedge Funds continue to take the quantitative approach and focus more on volatility strategies, there will be an overall increase in demand for risk talent.

Commodity Risk

It has been an interesting time for commodities to say the least, with geopolitical turmoil impacting global energy markets. This has led to Commodity Risk Managers being highly in demand, and Selby Jennings expects this to continue across commodity markets in 2023. North American power and natural gas coverage is currently in the most demand across all firms in the US.

There's always fluctuation in the commodity markets, but events this year have pushed sell side clients to shore up their risk teams across the US. Buy side clients have also added Commodity Portfolio Managers to their front office, to capitalize on this market volatility. This has introduced more competition to secure top talent in the Commodities Risk space.

New York and Houston are the two major hubs for commodity talent, with many energy firms having a significant presence in Houston. Some funds are turning their attention to Florida to build out teams as well. Miami is growing in popularity as a location to build teams, and we expect to see more activity here.

The size of the talent pool relative to the high demand from the big banks, Hedge Funds and Asset Managers, and the energy trading and origination firms themselves, is a major challenge. Candidate demand far outweighs supply, and since many firms have seen great returns in commodity trading, some commodity candidates are very comfortable staying in their current roles.

Selby Jennings has witnessed an increase in demand for Quantitative Risk Analysts as well. Buy side clients who run systematic trading strategies need candidates with the quantitative and technical skillsets to handle the high frequency trading firms are doing within the power markets specifically. Quants are hugely popular in financial services, so being able to attract this talent pool is extremely pressing. Quantitative Risk Analysts and Managers come at a premium given their advanced capability within the space, and therefore will be relatively more expensive.

Some desks want very specific coverage or knowledge, and not all firms cover them. For the very niche candidates within a specific product, derivative, or class of commodity, compensation needs to be increased to attract them over. Firms need to consider talent from other backgrounds, such as equities or rates, or from broader commodity backgrounds, as the talent pool simply isn't enough. Selby Jennings has seen talent snapped up from clearing houses and exchanges, since they are familiar with commodity derivatives.

Climate Risk

Climate Risk hiring may have been consistent this year, but there is huge potential for it to drastically increase in 2023. Up until very recently, sell side shops were bringing in Big Four consulting firms to advise them, but due to expected regulations pertaining to sustainability and general environmental, social, and corporate governance, many banks are pivoting towards building their own Climate Risk teams.

While the most active Climate Risk hiring in the US so far has been across scenario design, Model Risk and Credit Risk, European banks are ahead of the curve as they are already dealing with new climate regulations, and the US is following suit. This does mean there is an international talent pool the US could potentially be borrowing from, but the demand for talent falls into the same cities as most of the US Financial Services industry - New York, Dallas, and Charlotte. Interestingly, Selby Jennings has seen European banks relocate Climate Risk professionals from international offices to the US to help train new hires on new regulations and assist with framework development.

Climate Risk is a very new business in the US. As a result, in this already small talent pool professionals are not typically keen to jump ship just yet because they are still being trained. Economic Climate Risk/Scenario Design is the highest growth area in terms of hiring for Climate Risk. It is also important to note that Quantitative Climate Risk Talent (Scenario Design, Model Development and Model Validation) will be at a relatively higher price point than their peers in Market Risk or Credit Risk Model Development/Model Validation. Talent here will be 10%-20% more expensive given that the demand for their talent is simply higher in the industry.

Going forward, if companies are emitting a certain amount of carbon, they will pay a higher tax to the government, which is why Climate Risk talent is expected to become one of the most in-demand talent pools in financial services.

Enterprise Risk, Operational Risk, & Technology Risk

The Financial Services landscape continues to evolve, and with increased investment into Enterprise Risk, Operational Risk, & Technology Risk, those teams will only continue to grow.

Enterprise Risk

Enterprise Risk (ERM) is a growth space and a necessity for any bank. Therefore, as a vital puzzle piece, it should be a top priority when hiring talent in general. Several of the larger banks in the US are undergoing large scale transformations, reconstructing risk limit frameworks as well as redefining their 'Three Lines of Defense' model. ERM specialist teams are at the forefront of these transformations and are working with key members of other risk disciplines to make these transformations happen, underlining their sheer importance across the entire Financial Services field.

Due to these transformative plans across banking, hiring managers are seeking professionals who have some degree of quantitative skills and experience in either Market Risk or Credit Risk. These teams will manage daily interactions with senior management and are therefore largely located within a firm's main headquarters, meaning flexible working isn't unheard of, but that seems to be more seen in Operational Risk roles.

Enterprise Risk is only growing and evolving into an extremely specialist talent pool. Hiring managers in general are demanding more from candidates, and candidates are demanding more from their employers. Those who meet in the middle will ultimately succeed in the long run.

Operational Risk

Operational Risk (ORM) remains one of the busiest areas for Selby Jennings, and continues to develop as firms face more sophisticated risks. ORM is moving closer to the business in many institutions, and hiring managers are increasingly targeting candidates who have a solid understanding of their business areas, enabling them to effectively influence and drive their risk cultures across the firm.

Hiring in the ORM space has been larger in growing organizations, and one of the challenges professionals here face is that it can pay a little lower than other risk stripes. However, with a few firms, there is a higher chance for fully remote working in comparison to other risk roles, so sometimes the benefits outweigh the compensation. ORM hiring managers, whilst very separate to Technology Risk, are also looking for skilled professionals who can build effective relationships with the businesses whose risks they are managing. Therefore, specialists who really, critically, understand their businesses are highly sought after.

In particular, as consumer firms lending products evolve, so too do the associated risks. Clients now want to speak to candidates who don't just know the products but understand the lending industry as a whole and can partner with their respective businesses.

The same can be said for institutional clients where there is an increased demand for candidates who have experience of working within business lines and moving over to risk, most pertinent with risk seats in institutional trading.

These sort of experts can be located in any financial hub across the US. Outside of the potential for hybrid or flexible working, typical hotspots tend to be Dallas, Tampa, and Charlotte – Selby Jennings has a presence across every city.

Retaining talent will continue to be one of the biggest issues to finance firms over the next year. As the Financial Services landscape continues to invest into ORM, the need for talent into these teams only grows further, meaning everyone is fighting for the same talent pool. Ultimately, hiring managers are demanding more from talent, and professionals are demanding more from their employers. It will be those who can meet in the middle that will succeed in the long run.

Technology Risk

Selby Jennings has seen a serious uptick in Technology Risk hiring, as banks and companies improve and revamp their technological risks, information security and Cybersecurity programs. This growth has become increasingly visible across larger organizations, in comparison to Operational Risk hires, which were dominated by smaller, growing firms.

The right blend of technical and business acumen is essential in Technology Risk hiring, which comes with years of experience, and firms need to bear that in mind.

Technology Risk, in particular Cybersecurity will continue to grow exponentially. As the space becomes more popular, there is the potential challenge of heavy regulation and scrutiny in the near future. Banks will need to be prepared with additional resources should this happen.

Whilst similar in skillset to ORM, Technology Risk is now very much its own separate entity. Firms would target IT Audit teams when hiring into second line of defense '2LOD', but this transition whilst still possible, is now far less seamless.

Technologies continue to evolve in sophistication across the Financial Services space and as such, hiring managers in Technology Risk will be battling for talent with expertise in areas such as DevOps, DevSecOps, Engineering, Cloud, Software Development, Application Security, and Data Security.

Professionals in these fields have never had their heads turned as much. There are so many opportunities out there, not just from peer organizations, but also other industries such as Big Tech, and therefore retaining top talent is a huge challenge.

Salary overview / Compensation: At a glance

New York City

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **New York City.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$120k - $130k	$130k - $150k	$155k - $220k	$225k - $300k	$250k - $400k
	Total Comp.	$140k - $160k	$155k - $200k	$190k - $300k	$325k - $500k	$500k - $1mm
Market Risk	Base	$90k - $120k	$120k - $150k	$150k - $215k	$225k - $275k	$250k - $400k
	Total Comp.	$110k - $140k	$145k - $200k	$180k - $300k	$325k - $500k	$500k - $1mm
Credit Risk	Base	$90k - $120k	$120k - $150k	$150k - $215k	$225k - $275k	$250k - $400k
	Total Comp.	$105k - $150k	$145k - $200k	$180k - $300k	$325k - $500k	$500k - $1mm
Operational Risk	Base	$85k - $110k	$110k - $140k	$140k - $200k	$225k - $260k	$250k - $450k
	Total Comp.	$95k - $130k	$125k - $165k	$175k - $250k	$300k - $450k	$500k - $900k

Salary overview / Compensation: At a glance

Dallas

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **Dallas.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$100k - $120k	$120k - $150k	$160k - $200k	$210k - $270k	$275k - $400k
	Total Comp.	$115k - $130k	$140k - $160k	$190k - $240k	$300k - $450k	$450k - $800k
Market Risk	Base	$90k - $100k	$110k - $135k	$140k - $190k	$200k -$275k	$275k - $400k
	Total Comp.	$100k - $120k	$120k - $160k	$160k - $250k	$300k - $450k	$500k - $1mm
Credit Risk	Base	$85k - $105k	$110k - $130k	$140k - $200k	$200k - $275k	$275k - $400k
	Total Comp.	$100k - $115k	$130k - $160k	$160k - $250k	$300k - $500k	$450k - $850k
Operational Risk	Base	$85k - $100k	$100k - $120k	$130k - $190k	$200k - $260k	$250k - $400 k
	Total Comp.	$95k - $110k	$125k - $140k	$160k - $220k	$275k - $450k	$450k - $850k

Salary overview / Compensation: At a glance

Tampa

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **Tampa.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$85k - $100k	$110k - $130k	$150k - $180k	$200k - $250k	$250k - $350k
	Total Comp.	$100k - $115k	$130k - $150k	$180k - $220k	$250k - $320k	$450k - $750k
Market Risk	Base	$65k - $85k	$95k - $115k	$120k - $170k	$180k - $220k	$200k - $300k
	Total Comp.	$80k - $100k	$115k - $130k	$150k - $215k	$210k - $300k	$450k - $750k
Credit Risk	Base	$65k - $80k	$85k - $110k	$120k - $165k	$180k - $220k	$200k - $300k
	Total Comp.	$80k - $130k	$100k - $120k	$150k - $215k	$210k - $300k	$450k - $750k
Operational Risk	Base	$65k - $80k	$85k - $110k	$120k - $165k	$180k - $220k	$200k - $300k
	Total Comp.	$80k - $130k	$100k - $120k	$150k - $215k	$210k - $300k	$450k - $750k

Salary overview / Compensation: At a glance

Charlotte

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **Charlotte.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$115k - $125k	$135k - $155k	$155k - $210k	$210k - $270k	$250k - $400k
	Total Comp.	$130k - $150k	$155k - $180k	$180k - $280k	$270k - $450k	$500k - $900k
Market Risk	Base	$80k - $100k	$100k - $130k	$140k - $200k	$200k - $275k	$250k - $400k
	Total Comp.	$100k - $125k	$115k - $150k	$160k - $250k	$275k - $400k	$400k - $900k
Credit Risk	Base	$80k - $100k	$100k - $130k	$140k - $195k	$200k - $275k	$250k - $400k
	Total Comp.	$100k - $115k	$115k - $150k	$160k - $250k	$275k - $400k	$400k - $900k
Operational Risk	Base	$75k - $95k	$95k - $120k	$140k - $195k	$200k - $250k	$250k - $400k
	Total Comp.	$90k - $110k	$115k - $145k	$160k - $235k	$275k - $400k	$400k - $900k

Salary overview / Compensation: At a glance

San Francisco

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **San Francisco.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$125k - $135k	$140k - $165k	$170k - $250k	$225k - $300k	$250k - $400k
	Total Comp.	$140k - $155k	$165k - $200k	$225k - $350k	$285k - $450k	$450k - $900k
Credit Risk	Base	$100k - $115k	$120k - $150k	$150k - $220k	$225k - $275k	$250k - $400k
	Total Comp.	$110k - $130k	$130k - $160k	$175k - $275k	$285k - $450k	$450k - $900k
Operational Risk	Base	$90k - $110k	$115k - $140k	$145k - $185k	$200k - $270k	$250k - $400k
	Total Comp.	$100k - $120k	$125k - $160k	$160k - $235k	$275k - $400k	$450k - $850k

Salary overview / Compensation: At a glance

Wilmington

The below figures are data points compiled from actual compensation packages we received from Risk Managers in 2022. It is important to highlight that the total compensation incorporates sign on bonuses and stock options in **Wilmington.**

	Comp. Type	Analyst	Associate/AVP	VP	ED/Director	MD
Model Risk/ Risk Analytics	Base	$110k - $120k	$130k - $150k	$170k - $200k	$250k - $300k	$350k - $500k
	Total Comp.	$125k - $150k	$150k - $180k	$200k - $270k	$350k - $500k	$600k - $900k
Credit Risk	Base	$90k - $110k	$130k - $150k	$170k - $200k	$250k - $300k	$350k - $450k
	Total Comp.	$110k - $140k	$150k - $180k	$200k - $270k	$350k - $500k	$600k - $800k
Operational Risk	Base	$90k - $110k	$125k - $140k	$150k - $180k	$225k - $260k	$300k - $450k
	Total Comp.	$110k - $140k	$140k - $170k	$180k - $250k	$315k - $420k	$600k - $750k
Data Science	Base	$115k - $130k	$130k - $170k	$175k - $240k	$250k - $325k	$350k - $550k
	Total Comp.	$150k - $180k	$180k - $200k	$225k - $350k	$400k - $500k	$650k - $1.2mm

Summary

Growth and evolution are the two words which best describe the current state of financial services in the US right now. From the development of secondary financial hubs outside of metropolitan cities like New York (Florida, Texas, California), to smaller companies like fintechs and startups offering competitive compensation and benefits packages, firms big and small find themselves competing for top talent.

There are several factors contributing to the increase in talent acquisition:

- High demand for specialist knowledge
- Keeping up with compensation trends
- Competitive benefits packages
- Development opportunities
- Economic developments and geopolitical tensions
- High-growth businesses
- Low cost of living hotspots

Across Risk Management, we've seen a steady and sometimes rapid demand for new talent. As businesses expand or undergo large scale transformations, the need for specialists naturally arises, but the problem is, when searching for professionals with such a niche skill set, firms will find themselves competing with the likes of other big players who are also trying to snap up this talent. Some banks and private shops, for example, which are still recovering from the hiring freeze during the Covid-19 pandemic, must battle it out with other firms to compete for top talent. In such circumstances, employers need to review their talent acquisition process.

To add to the uphill hiring challenge, specialist talent is harder to find in such a tight pool, and they are harder to attract. Firstly, niche candidates, particularly at a more senior level, are expensive to hire. These highly-coveted professionals will therefore be looking for a generous compensation package.

On the buy side, Associate to Director candidates are on salaries that are 25 to 40% higher than the market average, so it's no surprise that they will be seeking higher base pay, leading to soaring compensation and aggressive counter offers from those trying to retain their talent. With the rising cost of living and mounting economic uncertainty not only in the US but around the world, remuneration is a huge consideration for professionals looking for/open to a new job. Where firms used to be able to bring on talent at a lower price point, and with top players now competing for the best talent, the make-or-break comes down to whether or not firms are willing to expand their budgets.

There is also a conscious shift away from metropolitan areas, like New York, to lower cost of living areas, which are building out larger presences in Risk Management. Hotspot locations include Florida, Texas and California. This in itself is enticing due to how high living costs have soared, but companies looking to hire specialists are in a good position to do so if they are willing to think outside the box and diversify their offering beyond monetary value, whether it's growth opportunities or company culture – these serve as a major lure to attract top talent, because it's not just salary that matters. This will set them apart from others who are less flexible with their benefits packages.

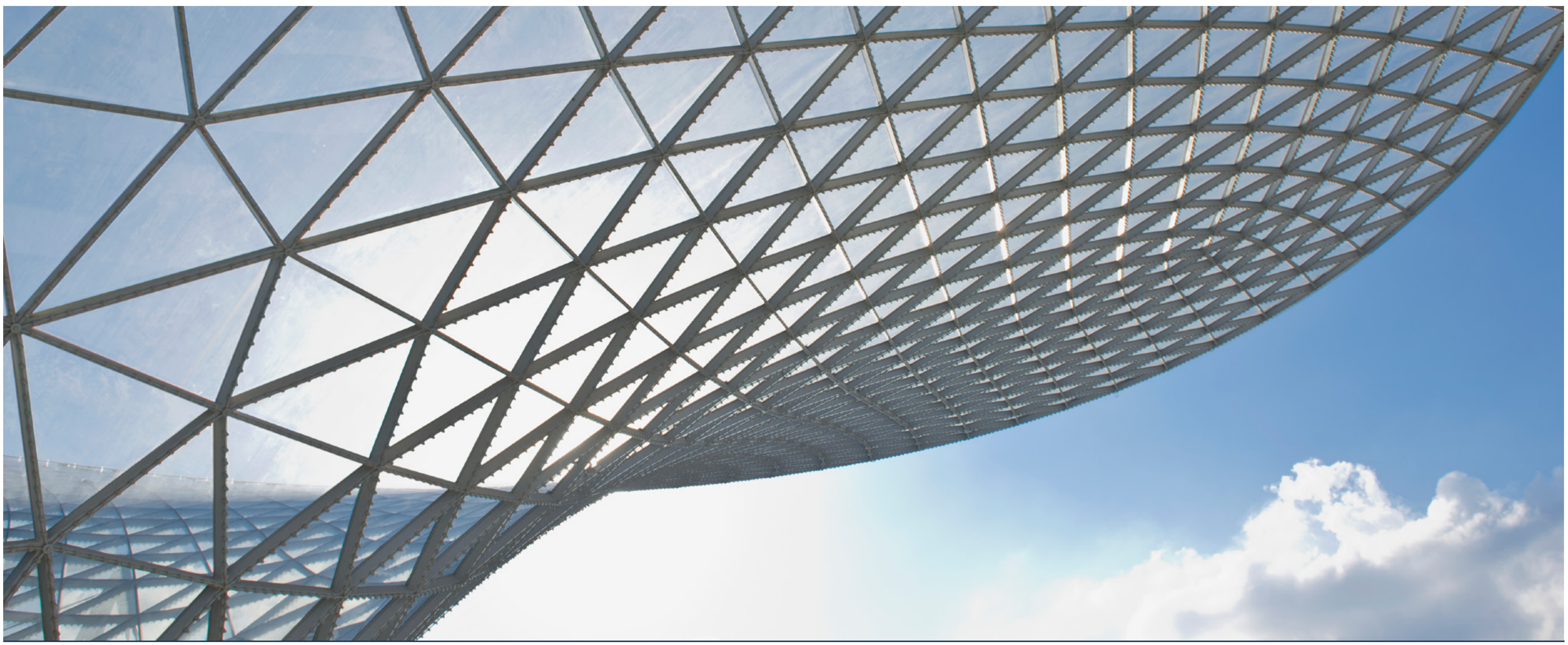
On the whole, we can see that across the landscape of Risk, demand outweighs supply, and the best way for firms to tackle the uphill challenge of competing for talent is to broaden their offering. This can be an effective way to give themselves a more competitive edge without having to constantly increase the salary. Tailoring employee benefits on a case-by-case basis to accommodate the candidate's personal needs can also be used as an opportunity not only to appeal to top candidates, but to also paint a picture of the type of employer you are.

About Us

Selby Jennings is a leading specialist talent partner for Financial Sciences and Services. Our team of industry specialists has been supporting clients for nearly 20 years, successfully helping them find the top talent they need to grow their business.

Firms and their leaders are now under increasing pressure to source new talent, and building a world-class team takes time, dedication, and expertise – that's where we come in. Through years of developing relationships with top industry professionals, we have created a global network of the best talent for our clients. Our continual investment in the latest technologies and the development of our talent experts means we can place candidates with speed, efficiency, and precision. Today we provide permanent, contract and multi-hire placement services from our global hubs all over the world.

As part of the Phaidon International group, Selby Jennings works with world-leading companies as their talent partner of choice, helping them solve their hiring challenges.



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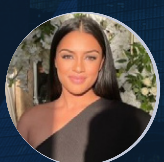

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