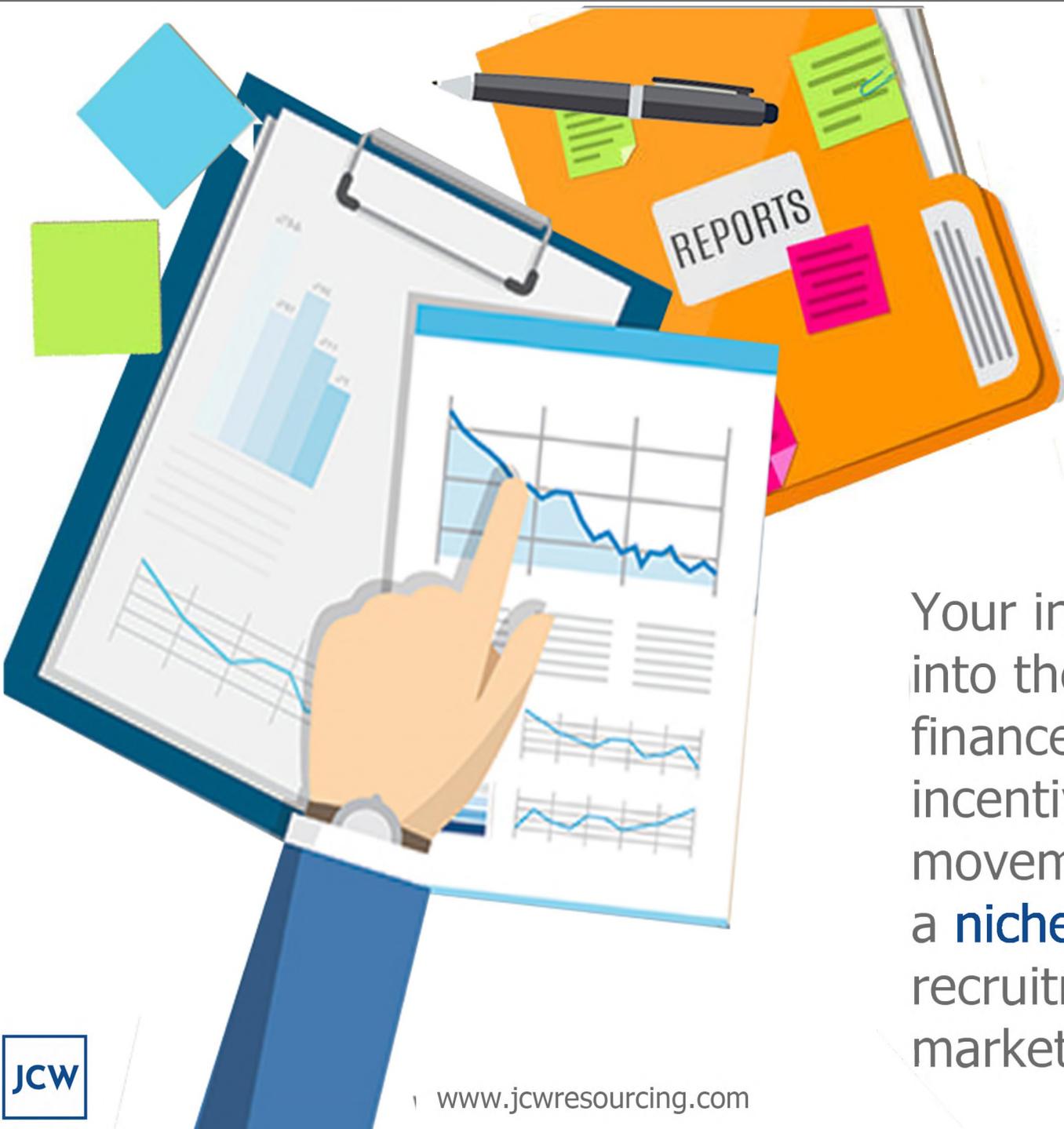




JCW

# Governance Market Report: Risk 2018



Your insight into the finances, incentives and movements of a **niche** recruitment market.



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## Need more Information?

If you have a bespoke market enquiry or need further clarification on any of the information in the following pages don't hesitate to give us a call **646 934 8400** or email us at **[info@jcwresourcing.com](mailto:info@jcwresourcing.com)**



# JCW. Trusted by Talent

JCW is a specialist provider of governance and technology professionals to the financial services, consulting and technology sectors. Our focus is on providing a quality service in a niche sector, finding the best candidates to fill your needs.

It's been a successful year for JCW with growth across all business units, sectors, and teams. We've signed up a number of new clients and maintained our focus on quality. Our teams have expanded both in volume and skillset and we're looking forward to a prosperous 2018.

**103%** JCW GP growth from 2016 - 2017

**22.5%** Average fee size for JCW client

**52%** JCW headcount growth 2017

**98%** JCW placement volume growth 2017

**45%** JCW CV to IV ratio 2017

**52%** JCW 1st IV to 2nd IV ratio 2017

## JCW. Verticals

### Team Structure

#### Risk Management:

Credit Risk  
Market Risk  
Liquidity Risk  
Treasury/ALM  
Quantitative  
Analytics/Modelling  
Actuarial  
Change Management  
Market Risk  
Operational Risk  
Counterparty Risk

#### Audit:

Internal Audit  
External Audit  
IT Audit  
Assurance  
Product Governance  
Accounting  
Tax  
CPA  
Internal Controls  
Cyber Audit  
Governance Audit

#### Compliance & AFC

Compliance  
Regulatory Risk  
Monitoring  
Advisory  
Control Room  
KYC & Due Diligence  
Regulatory Liaison  
AML/BSA  
Sanctions  
Fraud/Fraud analytics  
Investigations

#### Credit & Lending:

Credit Analysis  
Credit Policy  
Credit Approval  
Operations/Processing  
Portfolio Management  
Relationship & Branch  
Management  
Loan/Credit Admin &  
Review  
Underwriting  
Cash Management

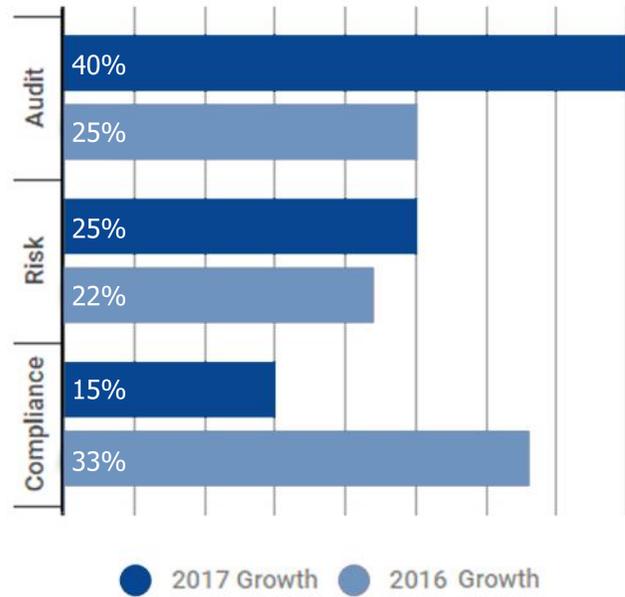
# The year in governance

**2017** was another growth year for the governance market and thus far 2018 has been no different. Whilst audit has by far been the busiest sector there's been solid growth in risk disciplines, most notably market risk, treasury services and ALM.

The only quieter space has been compliance which is likely a result of the current administration's stance on deregulating the market. That hasn't stopped the intake of contractors in the space, particularly for AML, sanctions and look back projects, with many organizations still under heavy scrutiny from regulators.

Many firms are confident about low attrition rates after a profitable year, bonuses are looking strong with the exception of a few larger firms. With profitability comes growth and continued expansion is expected in all markets.

## A growing market:



Over the past five years the candidate population in governance has grown rapidly but not enough to meet demand. Last year our biggest growth area was audit, with needs growing almost 40% year on year. Whilst risk was consistent, compliance slowed significantly from its 2016 33% growth.

## National Salaries at a glance:

Seniority	Compliance	Risk	Audit
Entry Level	\$65,000	\$68,000	\$63,000
Associate	\$85,000	\$87,000	\$82,000
AVP	\$102,000	\$111,000	\$93,000
VP	\$150,000	\$167,000	\$155,000
Director/SVP	\$185,000	\$182,000	\$170,000
Head of	\$220,000	\$241,000	\$210,000
C-Suite	\$275,000	\$310,000	\$282,321

This data was collated from around 65,000 governance professionals in financial services and averaged out to the nearest \$1,000. On average this year, salaries have gone up across the board by around 4% from 2016.

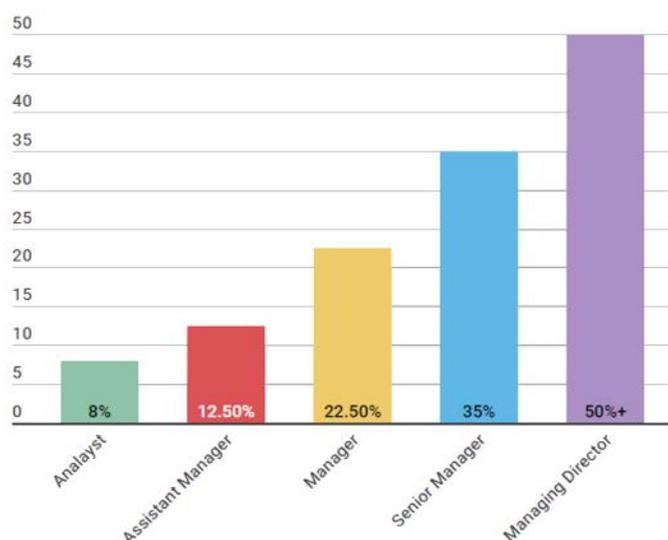
# Market Risk/ALM/Liquidity Risk

This space has stayed the most consistent over the past year, with more of a hiring focus from investment/asset management. Increasingly, companies are looking for strong product knowledge combined with quantitative/technical abilities and strong communication skills given their presentations and support to front office and trading.

	Lowest Salary	Average Salary	Highest Salary
Analyst 1 to 3 years	\$65,000	\$75,000	\$85,000
Assistant Manager 3 to 5 years	\$90,000	\$110,000	\$130,000
Manager 5 to 8 years	\$135,000	\$157,500	\$180,000
Senior Manager 8 to 12 years	\$190,000	\$220,000	\$250,000
Director 12+ years	\$250,000	\$350,000	\$450,000

## Bonus Data:

Bonus averages as a percentage of above salary



## Key Takeaways:

- Arguably one of the toughest markets to recruit for, given that most firms use majority of their visa allotment for tech and quant roles, and non-visa talent is harder to come by given the shifts in more technical work in this space have been at the junior or mid-levels.
- Candidates are most frequently rejected at interview based on their lack of product knowledge
- The primary motivation for moving positions is to get closer to the trading desk/front office. A lot of candidates are looking to move closer to the business and make strategic decisions, which isn't always an option internally.
- Bonuses have increased by an average of 5% over the past 24 months in this space with salaries staying almost flat.

## Priority Metrics



Most sought after skills

- 1) MBAs and PhDs
- 2) Strong communication skills
- 3) Programming Experience
- 4) Modelling aptitude
- 5) Specific Portfolio Knowledge



Candidate drivers for changing position

- 1) Moving closer to the Front Office
- 2) Looking for portfolio management experience
- 3) Looking for exposure to investment decisions.
- 4) Looking for a broader day to day set of responsibilities.
- 5) Expand product knowledge



Most popular hiring locations by state

- 1) New York
- 2) Chicago
- 3) Boston
- 4) California
- 5) Texas



18% Average salary rise when switching organizations



30 Days to fill: Role release to offer made.

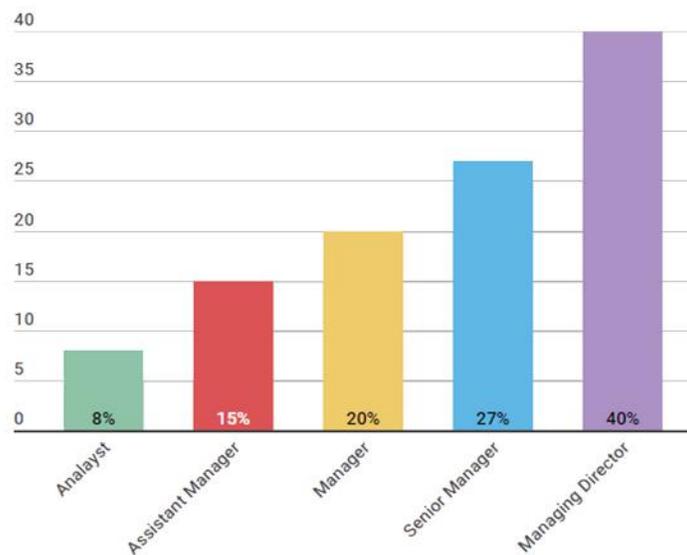
# Operational and Enterprise Risk

Whilst still an important sector owing to widespread deregulation under the current administration, in this space we've seen a decrease in hiring needs. This is a primary area of worry for professionals in the industry as this deregulation is leading to instability and development issues in their positions with reduced management focus.

	Lowest Salary	Average Salary	Highest Salary
Analyst 1 to 3 years	\$60,000	\$70,000	\$80,000
Assistant Manager 3 to 5 years	\$85,000	\$105,000	\$125,000
Manager 5 to 8 years	\$130,000	\$150,000	\$170,000
Senior Manager 8 to 12 years	\$180,000	\$205,000	\$230,000
Managing Director 12+ years	\$240,000	\$295,000	\$350,000

## Bonus Data:

Bonus averages as a percentage of above salaries



## Key Takeaways:

- The ORM/ERM space is the only area that doesn't feature increased compensation as a core criterion for leaving their current firm. This is indicative of the instability in the industry at present.
- Candidates are most frequently rejected at interview due to poor communication skills and, more specifically, an inability to push back in difficult situations.
- The combination of decreased regulation in the space and ORM/ERM positions being primarily located in corporate headquarters has led to a lack of compensation increases for most firms over the past 24 months.
- Candidates are frequently moving to diversify their risk exposure, often to another vertical entirely.

## Priority Metrics



**Most sought after skills**

- 1) Strong communication skills
- 2) Stakeholder management experience
- 3) Career Stability
- 4) Exposure to regulatory risk
- 5) Diversified risk exposure



**Candidate drivers for changing position**

- 1) Looking for a new challenge
- 2) Looking for stability
- 3) Opportunity to progress
- 4) Better work/life balance
- 5) Increased Compensation



**Most popular hiring locations by state**

- 1) New York
- 2) Chicago
- 3) California
- 4) Texas
- 5) Florida



**16%** Average salary rise when switching organizations



**24** Days to fill: Role release to offer made.

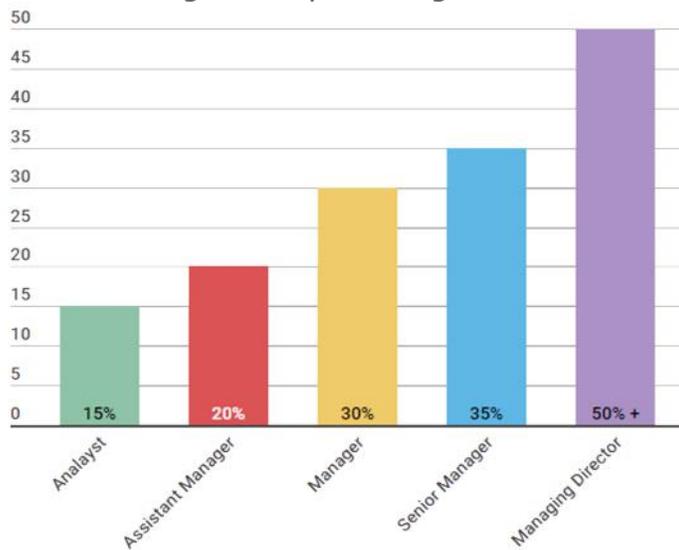
# Model Risk

The model risk and quantitative analytics space has been by far our busiest risk area over past 12 months. Hiring previously focused heavily on wholesale portfolios and trading but this past year has seen a sizeable shift to professionals with quantitative abilities covering consumer and retail portfolios. This shift in coverage ranges in banking from large blue chips to smaller local and community banks.

	Lowest Salary	Average Salary	Highest Salary
Analyst 1 to 3 years	\$80,000	\$97,500	\$115,000
Assistant Manager 3 to 5 years	\$100,000	\$120,000	\$140,000
Manager 5 to 8 years	\$135,000	\$167,500	\$200,000
Senior Manager 8 to 12 years	\$180,000	\$227,500	\$275,000
Managing Director 12+ years	\$250,000	\$350,000	\$450,000

## Bonus Data:

Bonus averages as a percentage of above salaries



## Key Takeaways:

- The most important experience for every single organization in this space is educational credentials and quality of candidates' verbal communication skills.
- The average bonus across all seniorities nets out to 30%-- much higher than other areas of risk.
- This year's hot product knowledge has been consumer and retail portfolios.
- Whilst it's an extremely candidate-short space, the biggest driver for a move has been a lack of advancement in the candidate's current position.
- On average there are 2 or 3 interview stages for these positions; however, frequently more than 1 stage is held via phone to expediate the process.
- This is the fastest moving area of risk with the average release to offer time being just 23 days.

## Priority Metrics



**Most sought after skills**

- 1) Advanced STEM Degrees
- 2) Specific portfolio knowledge
- 3) Strong communication skills
- 4) Candidates from a diverse cultural background
- 5) No need for visa sponsorship



**Candidate drivers for changing position**

- 1) Looking for a new challenge
- 2) Wanting to be closer to the front office
- 3) Looking for a Development role rather than validation
- 4) Increased compensation
- 5) A better work/life balance



**Most popular hiring locations by state**

- 1) New York
- 2) Chicago
- 3) California
- 4) Texas
- 5) Florida



**20%** Average salary rise when switching organizations



**23** Days to fill: Role release to offer made.

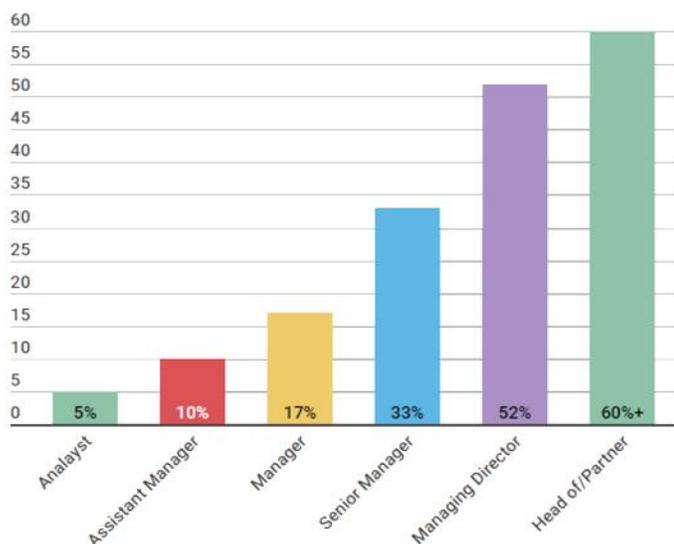
# Consulting

JCW works with consulting firms ranging from Big 4 to 20-employee firms, and they account for around 30% of our business. Owing to widespread deregulation in the past 12 months there has been a significant increase in risk, analytics and treasury consulting, with industry firms preferring to hire consultants over in-house staff.

	Lowest Salary	Average Salary	Highest Salary
Analyst 1 to 3 years	\$60,000	\$67,500	\$75,000
Assistant Manager 3 to 5 years	\$85,000	\$105,000	\$125,000
Manager 5 to 8 years	\$125,000	\$142,500	\$160,000
Senior Manager 8 to 12 years	\$165,000	\$195,000	\$225,000
Managing Director 12+ years	\$225,000	\$275,000	\$325,000
Head of/C-Suite/Partner	\$300,000	\$550,000	\$800,000

## Bonus Data:

Bonus averages as a percentage of above salary



## Key Takeaways:

- Consulting firms are expanding into locations all over the country and putting less of an emphasis on major cities.
- Treasury-based consulting roles have increased by 30% in the past 6 months.
- The breadth of salaries in this report is indicative of the breadth of organization taken into account.
- Salaries within top 50 consulting firms have stayed level for the past 24 months.
- Candidates are most frequently leaving due to the high travel requirement of the role and find it unmanageable with growing families.
- Counteroffers in this space only have a 10% success ratio due to the significantly higher mid-level salaries on offer in industry.

## Priority Metrics



Most sought after skills

- 1) Strong communication skills
- 2) MBA/PhD
- 3) Stakeholder management experience
- 4) Business development experience
- 5) Market certifications



Candidate drivers for changing position

- 1) Less travel
- 2) Better work/life balance
- 3) Looking to move into industry
- 4) Increased compensation
- 5) Looking to diversify experience



Most popular hiring locations by state

- 1) New York
- 2) Chicago
- 3) Texas
- 4) California
- 5) DMV



26% Average salary rise when switching organizations



26 Days to fill: Role release to offer made.

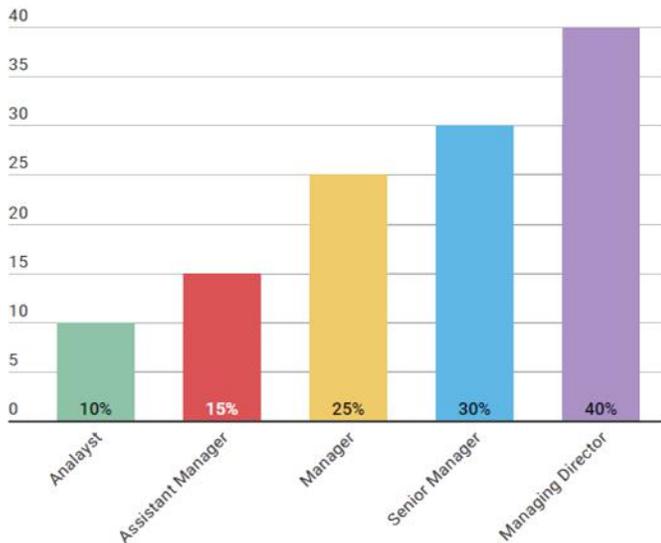
# Insurance

It's still one of the most stable industries, with many professionals having longer tenure given the somewhat relaxed nature of work in comparison to banking. Candidates with actuarial and quantitative backgrounds are still in high demand, and the past year saw an uptick in the need for predictive analytics professionals.

	Lowest Salary	Average Salary	Highest Salary
Analyst 1 to 3 years	\$60,000	\$67,500	\$75,000
Assistant Manager 3 to 5 years	\$80,000	\$97,500	\$115,000
Manager 5 to 8 years	\$140,000	\$160,000	\$180,000
Senior Manager 8 to 12 years	\$190,000	\$220,000	\$250,000
Managing Director 12+ years	\$250,000	\$300,000	\$350,000

## Bonus Data:

Bonus averages as a percentage of above salary



## Key Takeaways:

- Vacancies in the insurance space are located within the New York area around 75% of the time with a high concentration of insurance firms being based just off Wall Street.
- Candidates with actuarial certifications are among the hardest to keep in the industry, being both highly sought after and well compensated.
- For many insurance professionals, career growth is a key area of concern. Owing to the long tenure of many professionals in the industry, promotions can be difficult to achieve without more senior colleagues moving on to make way.
- Despite insurance salaries being largely unchanged over the past 24 months, insurance professionals show the highest levels of role satisfaction in the risk space.

## Priority Metrics



Most sought after skills

- 1) Insurance industry Experience
- 2) MBA/PhD
- 3) Stability in career history
- 4) Stake holder management skills
- 5) Market certifications



Candidate drivers for changing position

- 1) A more stable environment
- 2) Diversity in project work
- 3) Increased compensation
- 4) Moving to a larger organization
- 5) Leaving the industry



Most popular hiring locations by state

- 1) New York
- 2) New Jersey
- 3) Connecticut
- 4) Boston
- 5) New Hampshire



18% Average salary rise when switching organizations



32 Days to fill: Role release to offer made.



## Meet the team:



### **James O'Brien - Principal Consultant: Risk**

James graduated from the University of Roehampton in 2010. He began his headhunting career shortly thereafter, focusing on the risk and quantitative space for the financial services sector in London. Moving to New York in 2015, James joined JCW to expand our risk practice and currently works across the United States on projects in the credit, market, operational, model and quantitative risk space.

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**Email:** James.obrien@jcwresourcing.com



### **Corey Rague - Senior Managing Consultant: Risk**

Corey works within JCW's Financial Services and Consulting practice focusing on Risk and Quantitative Analytics space. Corey, originally from New Jersey, studied philosophy at Providence College and was one of the first hires in JCW's New York office. He has been with the firm since 2013 where he leads the Risk and Quantitative Analytics team.

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### **Sean Salamon - Senior Consultant: Risk**

After earning a master's degree from London's Royal Academy of Music, Sean joined JCW in 2014. He works within JCW's Risk team placing candidates throughout the US and has gained a reputation for tackling particularly difficult locations. Sean specializes in recruiting throughout the operational, enterprise, treasury, market and quantitative risk space.

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