Second Global Risk Careers Survey

Current Trends and Future Insights, 2024

GARP® | Membership

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LETTER TO MEMBERS FROM GARP PRESIDENT AND CEO

On behalf of GARP's Board of Trustees and global staff I am pleased to present the results of GARP's Second Global Risk Careers Survey. Each survey offers an interesting and informative view of how the risk management profession is continuing to evolve and grow, and how risk professionals are advancing in their careers.

Over the past several years we have observed how risks and market challenges can and do arise within every industry sector. From the pandemic in 2020 to a banking crisis in 2023, to ongoing economic headwinds and geopolitical risks, organizations everywhere have felt the impacts of these unanticipated events and macroeconomic trends resulting in a need for professional risk managers that has never been greater than it is today.

GARP has supported the advancement of the risk management profession for more than 25 years. The Financial Risk Manager (FRM®) program is the recognized industry standard around the world. As a globally accepted, objective assessment of individual skills based on agreed standards, the FRM designation fosters a common understanding of risk management practices. And its holder stands out as possessing the requisite skills to navigate an increasingly complex and rapidly changing financial services landscape.

Risk is all around us, it never sleeps, and continues to grow in complexity. GARP is dedicated to the ongoing delivery of world-class educational Certificates in Sustainability and Climate Risk (SCR®) and Risk and AI (RAI™), tools, and other resources that help support and ensure the continued advancement of the risk profession.

Thank you for your interest in and support of GARP.

Sincerely,

Richard Apostolik
President and Chief Executive Officer

INTRODUCTION

The Global Association of Risk Professionals (GARP) regularly conducts surveys of its members to better understand their roles in managing risk, current technical skills required, staffing requirements in their organizations, as well as trends in industry compensation, demographics, career outlook, and more. GARP published its first careers survey report in 2021. This second edition of the GARP Risk Careers Report features responses to our survey from more than 1,800 risk professionals. Respondents to this year's survey represent 29 industry sectors in 118 countries across the Americas; Europe, the Middle East and Africa; and Asia-Pacific. They represent a broad spectrum of the profession: some have more than 20 years of experience in risk-related positions, while others have been in their roles for a year or less; and their organizations range in size from less than 10 employees to the G-SIB banks with more than 200,000 worldwide.

GARP is committed to advancing the profession of risk management and setting the global standard in professional risk education. As part of this commitment, GARP is continuing to develop tools and information resources to assist members around the world throughout their careers. These survey findings are provided as a resource to help members gain industry insights that can help inform their decisions about career options, from goal setting, skill acquisition to compensation, training, and continuing professional development.

RISK MANAGEMENT TRENDS AND CAREER OPPORTUNITIES

Financial market innovation, rapidly advancing technology, and global macroeconomic trends have introduced new and interesting risk factors that must be assessed and managed. In the past 12 months, 72% of respondents to the GARP Risk Careers Survey reported an increase in the scope of their risk management responsibilities.

Driving factors behind the increase that were cited by survey respondents include:

- Global macroeconomic trends: 56%
- Domestic economic, political, and social volatility: 54%
- Technology, cybersecurity and data privacy: 46%
- Ongoing impact of the COVID pandemic: 45%
- Promotion, change in role, or change in employer: 41%
- Regulatory changes and requirements: 41%

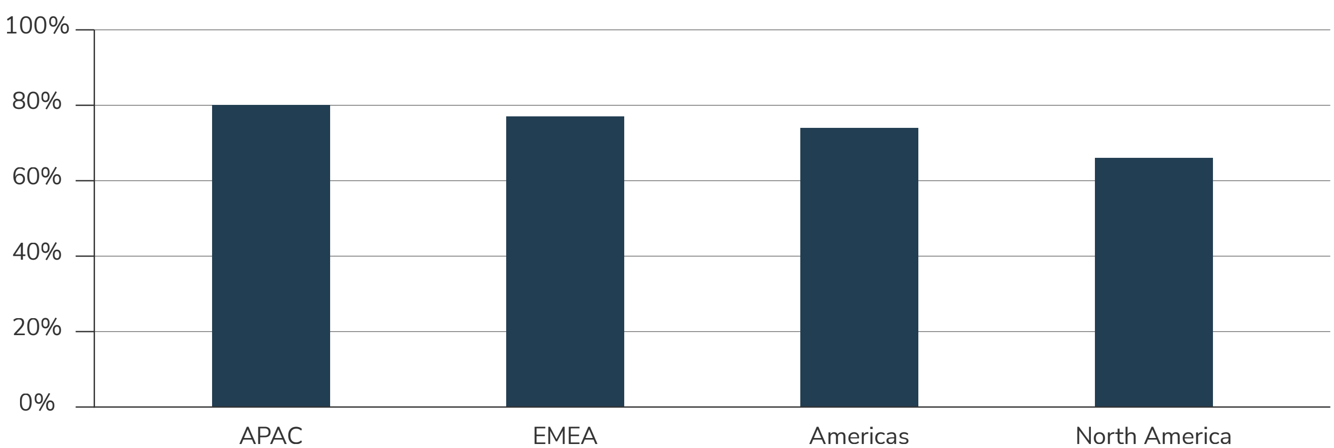
Risk management skills have been tested the past several years, from the pandemic to the 2023 banking crisis, to ongoing geopolitical and global macroeconomic challenges. As a result, career opportunities in the risk profession remain robust.

Opportunities Abound

73%

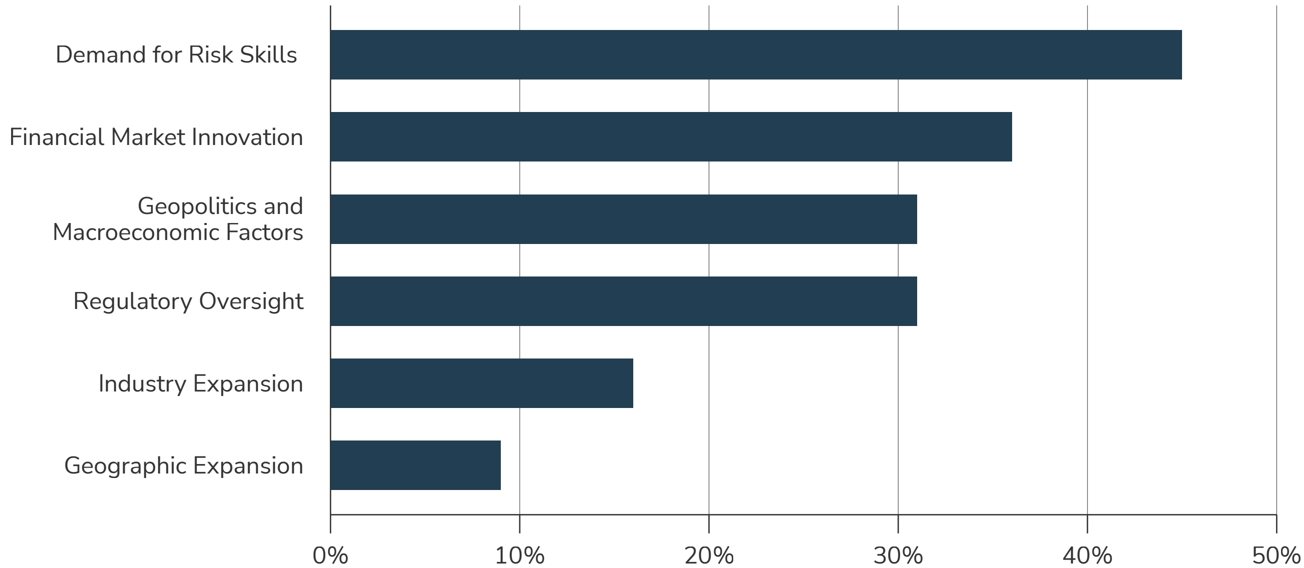
of GARP members expect their career opportunities to increase, up from 69% two years ago.

Figure 1 **Percent of Respondents Expecting an Increase in Risk Opportunities by Region**



When considering the growth trajectory of career opportunities, nearly half of respondents noted an increase in market demand for risk management skills. Financial market innovation, geopolitical and economic uncertainty, and greater regulatory oversight were also noted as key drivers of demand for professionals with risk management knowledge and skills.

Figure 2 **Factors Driving the Increase in Risk Career Opportunities**



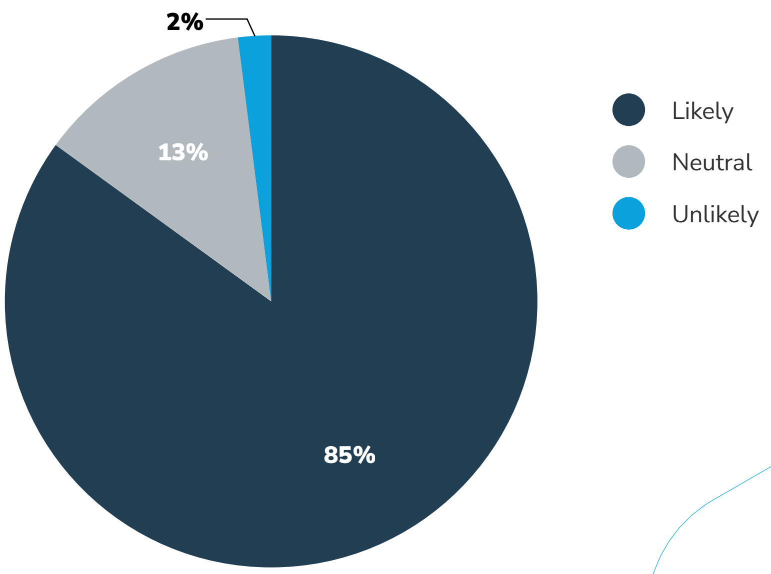
CAREER SATISFACTION

A career in risk offers a variety of interesting opportunities to make an impact on an organization's success. Risk managers interpret a variety of information and market data when assessing potential risks to their organization, from the impact of macroeconomic issues, the effects of climate driven physical and transition risk, to cyber and technology threats to business resilience. For these reasons, risk management professionals report a high rate of career satisfaction that is growing.

According to GARP's 2024 survey findings, nearly 79% of risk professionals globally reported they were satisfied with their career choice, up from 70% reporting satisfaction in 2021. Moreover, 85% said they would recommend risk management as a career track to students, early careerists, and seasoned professionals considering a career transition within banking and finance.

Risk professionals' high career satisfaction is exceeded by their likelihood of recommending risk management to others: 85% said they were likely to recommend the field as a career. By comparison, the 2021 survey found 83% of risk professionals would recommend a career in risk management.

Figure 3 **Would you Recommend Risk Management as a Career?**



Over **85%**

of risk professionals would recommend risk management as a career.

KNOWLEDGE, SKILLS, AND PREPARATION

GARP asked risk professionals to consider their professional education, skills, and training, and rate how prepared they were to anticipate and manage a variety of current and future risks.

Most respondents felt confident they had proficient knowledge to anticipate and manage current and future risks associated with traditional financial risk, including inflation and fluctuating interest rates, liquidity risk challenges, and asset liability management. In contrast, more than half reported they lacked knowledge to effectively anticipate and manage the risks associated with crypto assets, cyber-attacks, artificial intelligence (AI), and climate change.

Figure 4 **Areas Where Knowledge Gaps Exist for Managing Current and Future Risks**

Current and Future Risk Factors	Knowledge Gap	Proficient Knowledge
Cryptocurrencies and decentralized finance	74%	26%
Technology risk and cyber attacks	68%	32%
Artificial intelligence	64%	36%
Sustainability and climate risk	57%	43%
Geopolitical events	50%	50%
Liquidity risk	37%	63%
Asset and liability management	35%	65%
Inflation and interest rate volatility	27%	73%

The growing adoption of AI models and tools, including Generative AI, the growing frequency of cyber-attacks and technology driven business disruption, and the increasing importance of sustainability and climate change risk suggest risk professionals will need to build knowledge and acquire new skills to effectively lead their organization in mitigating the challenges associated with rapid developments in these areas.

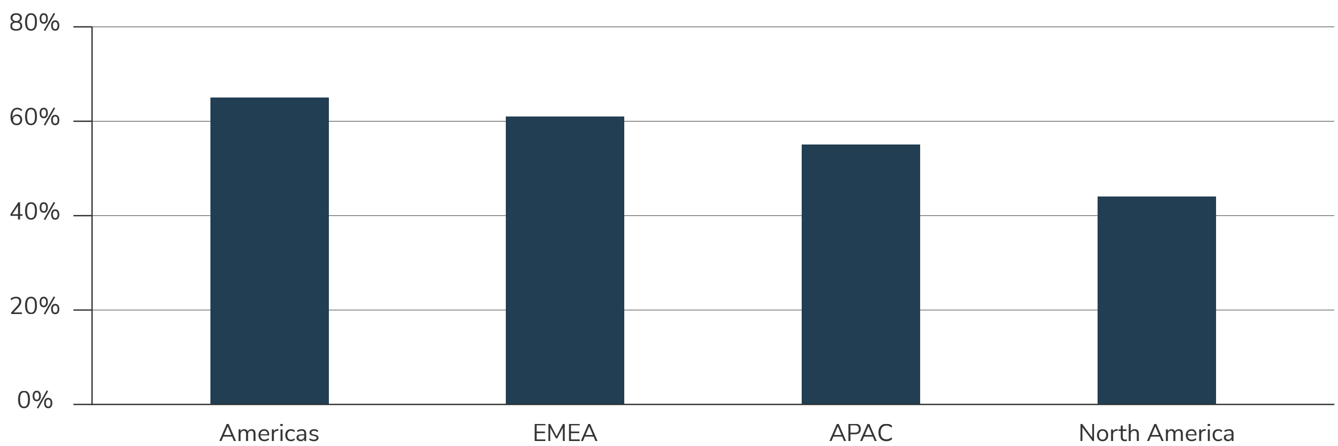
Respondents to the survey appear to understand and are preparing themselves to face the challenges ahead: 76% said they anticipate the need to acquire new skills to maintain their current role over the next 18 months and 94% reported needing to acquire new skills and competencies to further advance their risk management careers.

In response, the values placed on continued learning and development has increased, with 61% of respondents indicating this has been a direct result of current and recent risk trends and market events.

HIRING OUTLOOK, RECRUITING TRENDS AND CHALLENGES

The hiring outlook for risk-related positions remains robust. A majority – 54% – of survey respondents globally expect their firms to increase risk management staffing over the next 18 months, while 38% expect staffing levels to remain the same.

Figure 5 **Expected Increase in Risk Hiring for the Year Ahead by Region - 54% of Respondents Forecast an Increase**



Desired risk skills and responsibilities can vary widely by organization. Areas of specialty where respondents reported their organizations are hiring include technology/cyber risk, data risk, climate/sustainability, and compliance/legal risk. Figure 6 summarizes the gap in current staffing and projected hiring for various risk functions.

Figure 6 **Expected Organizational Hiring for Functional Risk Specialties**

These survey findings support the robust risk management hiring outlook and existing knowledge and skills gap in several growing areas of risk where specialized knowledge will likely be rewarded.

Among GARP members surveyed, 32% reported having direct responsibility for recruiting and hiring risk personnel for their organization. Responses from this group provide further insight on the key areas of risk and the technical skills their firms seek in hiring.

Figure 7 Top 5 Functional Risk Specialities Hiring Managers Identified

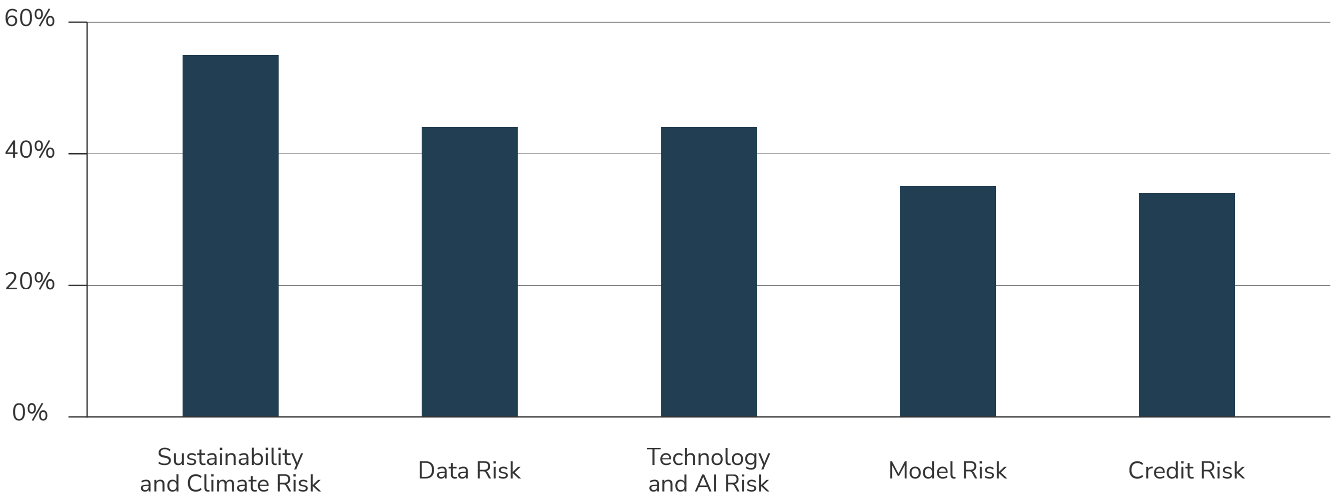
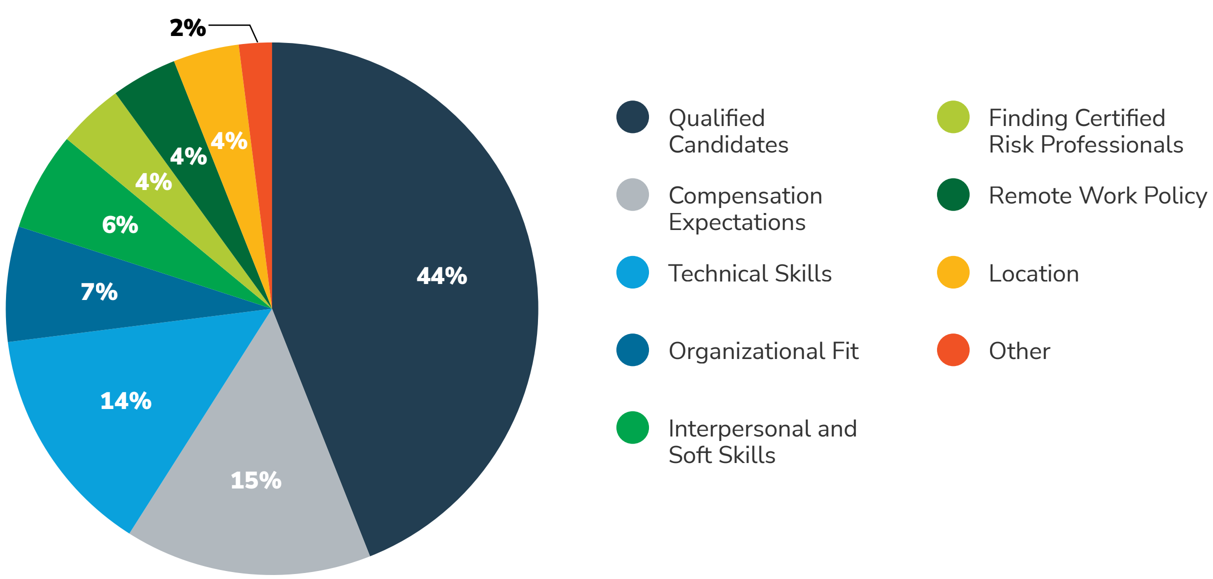


Figure 8 Recruiting Challenges Reported by Organizational Hiring Managers



AWARENESS OF GARP DESIGNATIONS

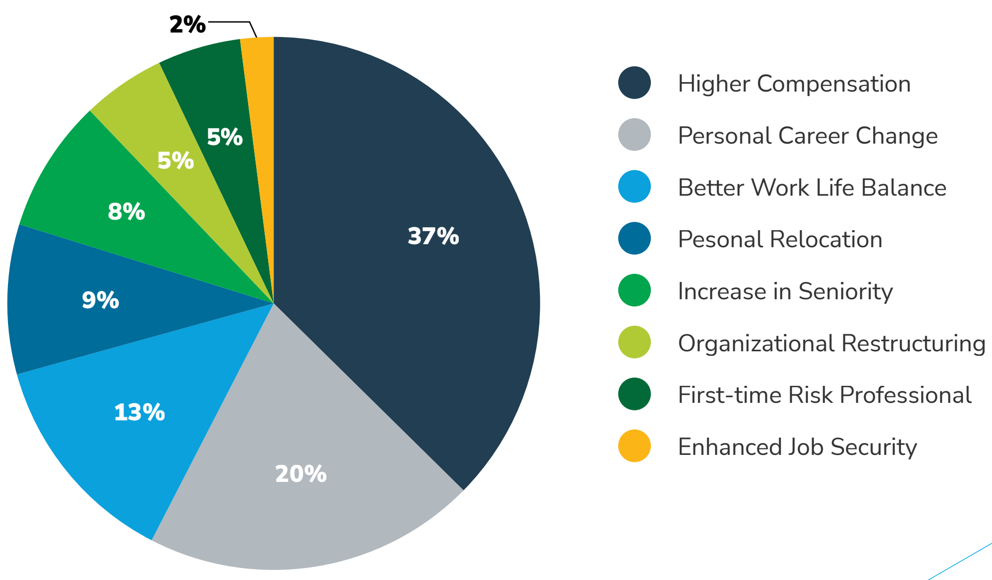
Survey respondents reported that GARP designations are recognized and highly regarded by their organization. More than 40% of survey respondents said the Financial Risk Manager (FRM®) Certification, now held by more than 90,000 professionals worldwide, is listed as preferred or required in job postings. More than 20% reported the Sustainability and Climate Risk (SCR®) Certificate is cited as a preferred or required designation in recruitment.

CAREER MOBILITY

Globally, 56% of survey respondents reported they are currently looking for a new position. GARP's survey found it is not taking long for risk professionals to find opportunities. Of those who recently changed employers, more than half (55%) found their new job within three months.

The most common reasons cited for changing roles included higher compensation, career change, better work/life balance, personal relocation, and higher seniority. Few risk professionals reported changing firms due to an organizational restructuring, and even fewer indicated they changed firms due to job security concerns.

Figure 9 **Drivers Behind Recent Job Change – Past 12 Months**

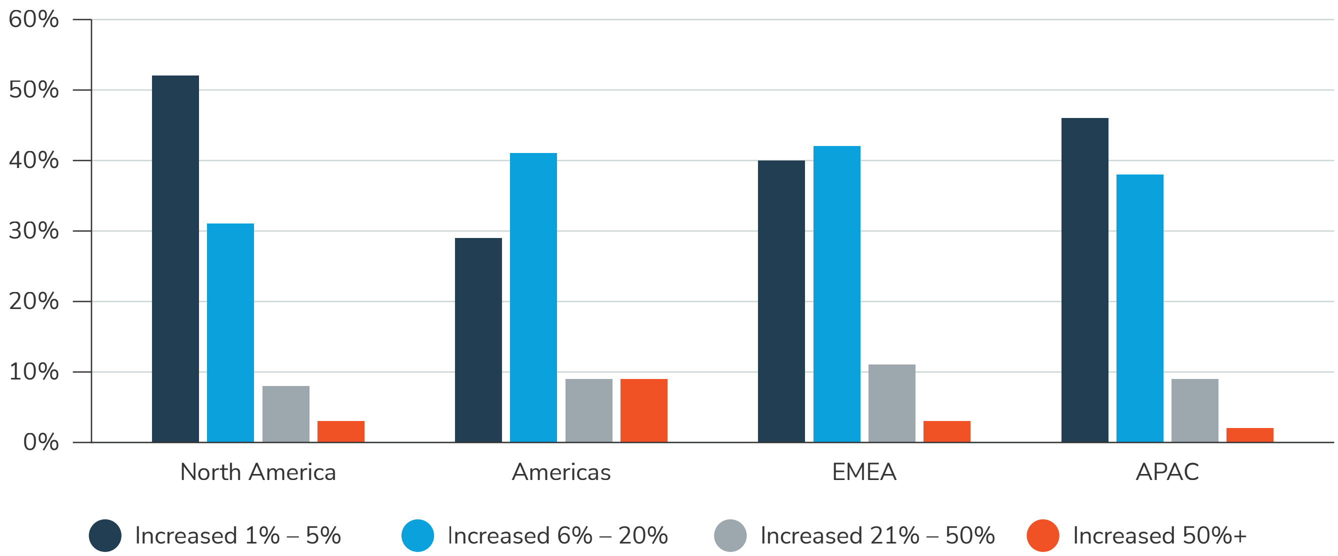


COMPENSATION INSIGHTS

Risk management has strong growth opportunities, and one measure of its value to organizations is the level of compensation.

Base salaries have increased across the risk profession according to 76% of survey respondents, up from 69% of respondents in 2021. Reported salary increases vary: roughly 80% of global respondents reported an increase of 20% or less, nearly 10% an increase of 21%-50%, and fewer than 5% received an increase greater than 50%.

Figure 10 **Annual Salary Increases by Region**



Factors reported to have contributed the most to base salary increases, include:

- Job performance: 44%
- Cost of living adjustment: 27%
- Promotion: 26%
- Increased responsibilities: 26%
- Organizational growth: 17%

Future Salary Expectations

Nearly three in four risk professionals globally – 72% – indicated they were likely to receive an increase in their annual compensation during the next 18 months, a notable increase over the 46% of respondents reportedly expecting an increase in the 2021 survey.

Variable Compensation

Professionals working in risk are often eligible for performance-based incentive awards from their organization. Globally, 77% of respondents indicated they received a cash bonus and/or other forms of compensation over the past 12 months. North America based respondents reported the highest percentage receiving a bonus, at 83%, compared with 77% in the wider Americas region, 75% in EMEA, and 76% in APAC.

Benefits

In addition to monetary compensation, survey results indicate risk professionals place a high value on competitive benefits and corporate culture, including work/life balance, flexible work hours, personal and professional development opportunities, remote work policies, healthcare insurance, retirement savings plans, childcare, and paid vacation time.

Remote Work

A majority – 84% – of risk professionals shifted to remote work in 2020 and 2021. As economies continue to recover from the effects of the pandemic, many organizations are allowing workers to continue to work remotely or on a hybrid work schedule that requires 1-4 days in the office.

With 30% of survey responders reporting work full time in the office, most are offered a range of options for remote work:

- One day per week in the office: 9%
- Two or three days per week in the office: 42%
- Four days per week in the office: 7%
- Fully remote: 11%

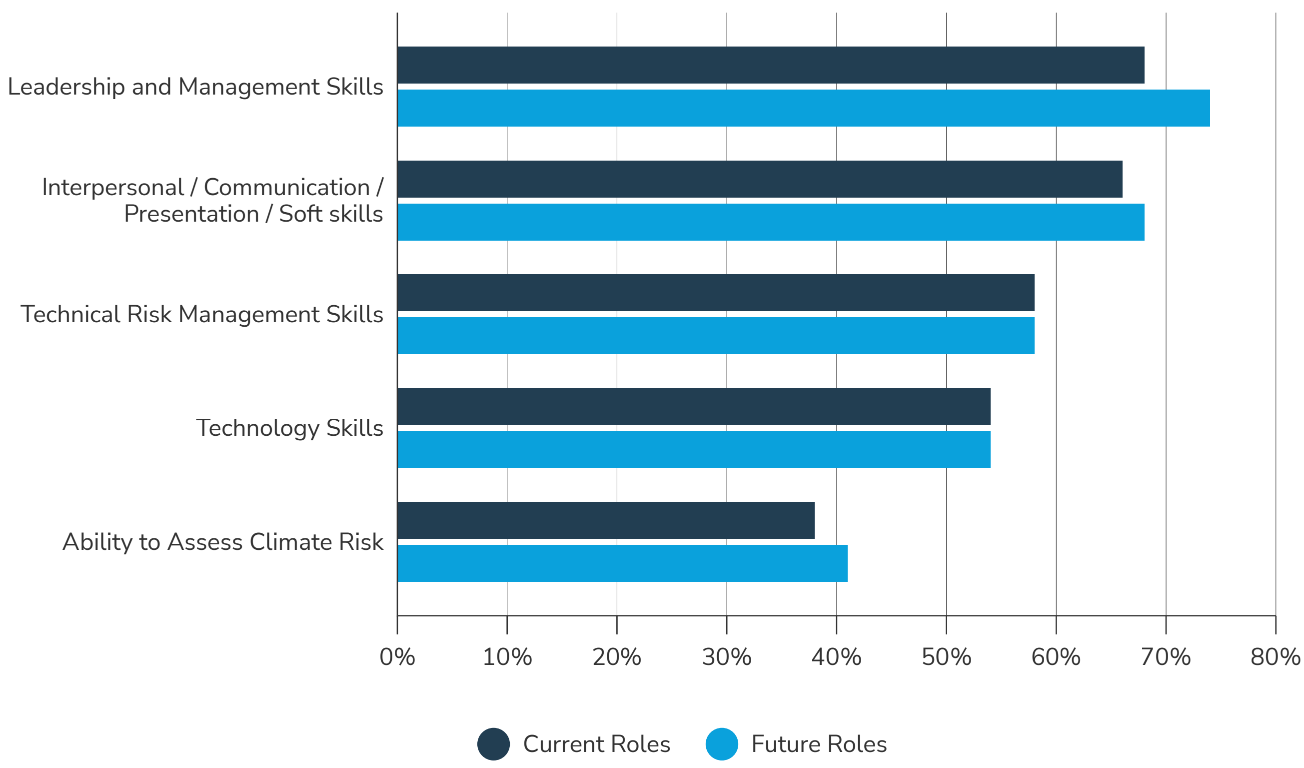
Of those who reported working fully remote, 31% said they expect to return to the office one to three days per week in the next 18 months. Roughly 8% respondents expect their firm to revert to full time in the office.

TRAINING AND PROFESSIONAL DEVELOPMENT

Risk management, as practiced by GARP member community, comprises credit risk, market risk, operational risk, treasury and liquidity risk, technology risk, sustainability and climate risk, and the emerging risks and regulation associated with the use of AI. Each of these areas continues to evolve, reinforcing the importance of ongoing skill development.

While essential skills for a risk manager vary somewhat, the ability to identify, measure, and mitigate risks is constant across all risk specialities. Equally important for career advancement are interpersonal and leadership and management skills which nearly seven in 10 survey respondents recognized as having high importance in supporting their current role and future advancement of their career.

Figure 11 **Top 5 Skill Development Areas Identified for Current and Future Roles**



The dynamic nature of risk calls for ongoing learning and skill acquisition. This was confirmed by nearly all survey respondents who indicated they view participation in learning and professional development activities as important to their career advancement.

Organizational Support for Training

Nearly 85% of respondents indicated their organizations also place high value and emphasis on ongoing education and training. During the next 18 months, 49% of respondents reported they expect their organization will increase training opportunities, while 35% expected current support for training to remain the same. Responses varied across regions: 54% of respondents in APAC expected training opportunities to increase, compared with 49% in EMEA, 48% in the Americas, and 33% in North America.

Time Spent on Training

More than half of risk professionals responding to the GARP survey – 54% – actively participate in continuing professional development (CPD), on either a voluntary or mandatory basis. When asked how much time they budget each month for training and professional development, 48% reported eight hours per month; 24% budget two to three days; and 20% said four to five days each month. Only 8% of respondents said they do not consciously allocate time for training and professional development.

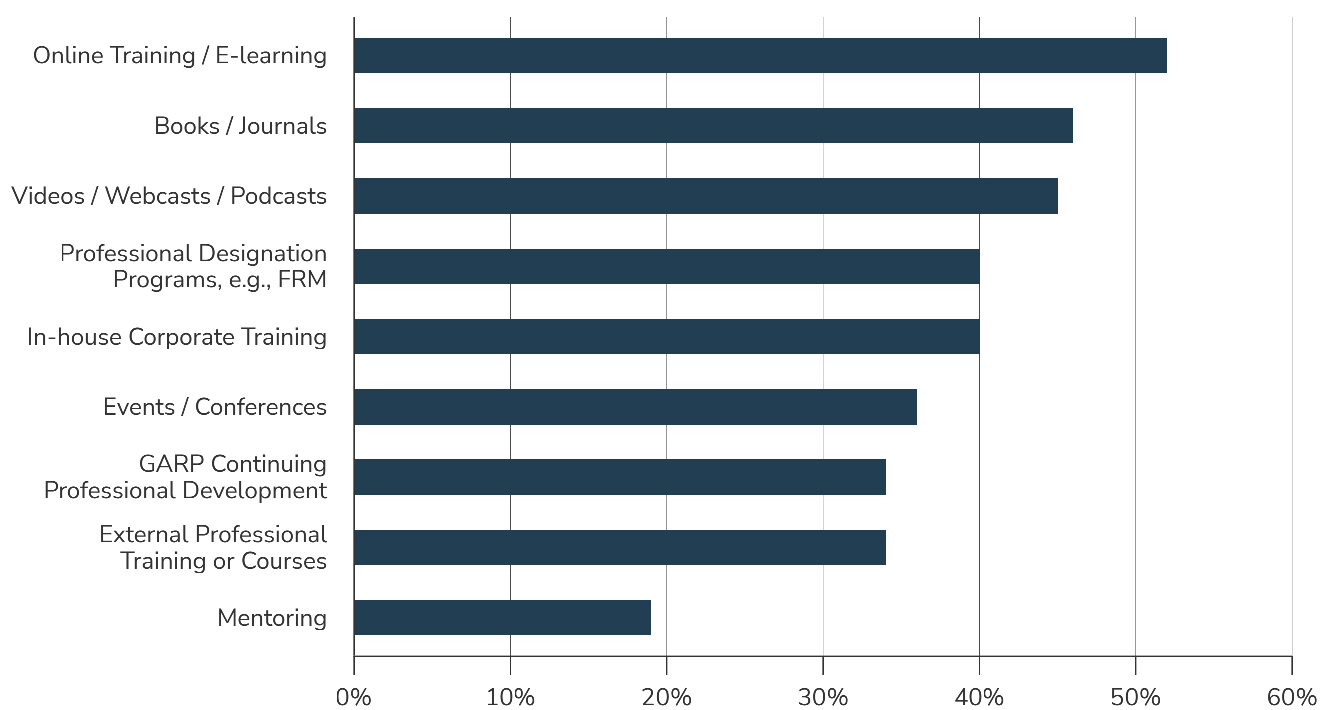
Up to eight hours per month was the most often cited allocation of time spent by global members on professional development activities. Members in North America exceeded the global response rate at nearly 60%, with EMEA and APAC based members reporting close to the global response rate:

- North America: 59%
- EMEA: 49%
- APAC: 47%
- Americas: 38%

Popular Training Activities

Types of training varied widely, with nearly 50% of survey responders reporting the use of online and E-learning resources, books and trade journals, and webcasts and podcasts the primary media used. Professional designation programs, like the FRM, and in-house corporate training were reported by 40% of participants each.

Figure 12 **Types of Training Undertaken in the Past 2 Years**



SURVEY DEMOGRAPHICS

Survey responses from GARP members indicate global risk practitioners represent a network of highly educated professionals who value the career opportunities and satisfaction risk management provides.

Gender

Men outnumbered women in self-reported survey responses by approximately three to one:

- Male: 72%
- Female: 25%
- Non-binary: 0.3%
- Less than 3% of survey respondents chose not to respond.

Age

More than 75% of respondents were between 25 and 49 years old:

- 25 and 29 years old: 17%
- 30 to 34 years old: 22%
- 35 to 39 years old: 18%
- 40 to 49 years old: 21%

Education

More than 60% of survey respondents hold an advanced academic degree:

- Master's degree (including MBA): 58%
- PhD: 6%

Race and Ethnicity

GARP members represent a wide range of race and ethnic categories. They live and work in many different countries around the world:

- Asian: 46%
- White (not Hispanic or Latino): 31%
- Black (not Hispanic or Latino): 14%
- Hispanic or Latino: 7%
- Nearly 2% combine reported each of the following:
  - Multiple races (not Hispanic or Latino)
  - Native Hawaiian or Pacific Islander
  - Native American or an Alaska Native

Industry Experience

Professional experience in risk-related positions varied widely:

- 1 year or less: 17%
- 2 - 5 years of experience: 34%
- 6 – 9 years: 25%
- 10 – 19 years: 17%
- 20+ years: 7%

INFORMATION ON GARP

The Global Association of Risk Professionals is the leading professional association for risk managers, dedicated to the advancement of the risk profession through education, research, and the promotion of best practices globally. We educate and inform risk professionals, at all levels, from those beginning their careers in risk, to those leading risk programs at the largest financial institutions across the globe, to regulator that govern them.

The GARP Risk Careers Survey is just one example of our commitment to education and professional growth in risk management. GARP supports each individual member of its community throughout his or her professional career, as a lifelong journey. We offer educational and networking opportunities designed to continue to help them succeed, including:

- Global standard in professional certification programs, including the Financial Risk Manager (FRM®), the Sustainability and Climate Risk (SCR®) Certificate, and the new Risk and AI (RAI™) Certificate
- GARP Career Center offering insights for getting ahead — and staying ahead — in the risk profession
- Continuing Professional Development, which FRM -Certified professionals, SCR Certificate Holders and RAI Certificate Holders can track and share with employers
- Global network of GARP Chapters for unparalleled networking and opportunities for members of local risk communities to share ideas and insights on current industry practices
- Events with top-tier content
- Risk intelligence resources, including industry surveys, reports, podcasts, and webcasts

Financial Risk Manager (FRM®) | The FRM Certification is recognized as the world's true standard of excellence in risk education, demonstrating a knowledge of financial markets, risk management, and the application of quantitative tools and qualitative analysis to make informed, risk-based decisions. FRM-Certified Professionals work at top global and regional banks, asset managers, consulting firms, fintech companies, and more.

Sustainability and Climate Risk (SCR®) | The SCR Certificate builds a framework for navigating the complexities of climate-driven risk, sustainability, and relevant regulatory policies. Industry professionals who hold the SCR Certificate are driving today's corporate sustainability programs, climate scenario analysis and reporting, net-zero transition planning, and other initiatives.

Risk and AI (RAI™) | The RAI Certificate is a gateway to mastering the fundamentals of AI risk. Created with world-leading AI experts and senior risk practitioners, the RAI Program examines the evolution of AI and machine learning methodologies, cutting-edge AI tools, techniques, risks, and risk factors; safe and ethical AI; and governance frameworks for responsible deployment.

GARP® | Global Association of Risk Professionals

garp.org

ABOUT GARP | The Global Association of Risk Professionals is a non-partisan, not-for-profit membership organization focused on elevating the practice of risk management. GARP offers the leading global certification for risk managers in the Financial Risk Manager (FRM®), as well as the Sustainability and Climate Risk (SCR®) Certificate, Risk and AI (RAI™) Certificate, and ongoing educational opportunities through Continuing Professional Development. Through the GARP Benchmarking Initiative (GBI)® and GARP Risk Institute, GARP sponsors research in risk management and promotes collaboration among practitioners, academics, and regulators.

Founded in 1996 and governed by a Board of Trustees, GARP is headquartered in Jersey City, N.J., with offices in London and Hong Kong.

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