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Federal government staffing up on financial know-how

Money managers, compliance officers, auditors in high demand

By **Mark Bruno**
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Although jobs in the financial services industry are disappearing at a frenetic clip, there appears to be at least one spot heating up amid a frozen hiring environment: the federal government.

As the government moves to pump potentially trillions of dollars into new bailout and economic-stimulus plans, a number federal agencies and offices are staffing up to support these initiatives.

"The issues that our economy is facing are going to require a great deal of manpower to repair," said Brendan Courtney, senior vice president at The Mergis Group, a Fort Lauderdale, Fla.-based recruiting firm that specializes in finance and accounting. "You can't just flip the switch on a something like the [Troubled Asset Relief Program] and get results."

As a result, the Department of the Treasury, the Federal Deposit Insurance Corp., the Federal Reserve and the Office of the Comptroller of the Currency — just to name a few — are reaching out to more people with financial services backgrounds about potential employment opportunities, according to sources throughout the recruiting industry.

INADEQUATE STAFF

Consequently, people with experience as investment managers, risk managers, financial analysts, compliance officers and auditors, for instance, are in high demand.

"Everybody's staffs are inadequate at this point, given the scope of our economic problems," Mr. Courtney said, adding that The Mergis Group recently carved out a team that will focus specifically on "TARP and government bailout talent delivery."

Some of the most readily available positions at the moment may be within the Office of Financial Stability, which the Treasury Department created last year to oversee the $700 billion TARP initiative approved in October.

About half those assets were quickly deployed last year to prop up ailing banks and auto companies, but the remainder is set to be distributed over the next several months.

The OFS needs to hire more than 130 people to manage the TARP, more than quadruple its existing number of employees, said Tom McCool, a spokesman for the Government Accountability Office, which last month issued a report to members of Congress on some of the staffing issues related to the bailout.

Several key positions within the OFS — including a chief investment officer and a chief risk officer — have been handled by interim individuals for the past several months, and the Obama administration is looking to find people to fill these roles on a permanent basis, according to the GAO report.

RAMPING UP

The FDIC, meanwhile, intends to ramp up significantly over the course of 2009, said spokesman David Barr. It aims to add more than 1,400 positions this year — a 30% increase — to handle the workload associated with the 25 bank failures that occurred in 2008, as well as any bank failures that could take place this year.

Job openings at the OFS and other parts of government are sure to draw a good deal of attention, said Nels Olson, a managing director at Los Angeles-based executive search firm Korn/Ferry International.

"The biggest issue with government positions in the past has typically been compensation," said Mr. Olson, who was part of a team that recently led the search to replace Timothy Geithner, the new Treasury secretary, as head of the Federal Reserve Bank of New York.

But the compensation picture in the financial sector has changed dramatically in recent months, he said. Indeed, these days, there are far fewer opportunities to earn outsized paychecks in the financial services industry.

As a result, jobs within the federal government may have more appeal than ever.

"It would be an opportunity to take part in perhaps the most challenging financial assignment people will ever encounter in their lifetimes," said Scott Simmons, vice president at Crist|Kolder Associates in Chicago. "That experience, in and of itself, is worth a great deal."

The need for financial professionals could increase significantly over the next several months, particularly if the government elects to establish a so-called bad bank that would purchase the toxic assets that are dismantling financial institutions' balance sheets, Mr. Courtney said.

Such a bank model would essentially establish a new federally run financial institution that would be charged with selling off these toxic assets over a long period of time.

"All of these new programs are creating a marketplace for jobs that have never existed before," said Mr. Courtney, noting that in 2002, the Sarbanes-Oxley Act also prompted federal agencies and offices to create a number of new positions.

"And it's an evolving story," he said, "so this could just be the first chapter."

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