A growing thicket of federal regulations under the Obama administration has contributed to an employment spike in at least one corner of the job market: the increasingly vital compliance industry.

ObamaCare, the Dodd-Frank Act and other large federal undertakings have led to an outpouring of new agency rules derided by business groups and defended by advocates.

But the regulations have also been a boon for professional compliance officers paid to help companies understand and adapt to the new requirements.

“Staff to track compliance issues is on the rise, and it has been for the last several years,” said Richard Riese, senior vice president for regulatory compliance at the American Bankers Association. “And, at the moment, there’s no prospect it will decrease anytime soon.”

Data kept by the Bureau of Labor Statistics (BLS) shows an 18-percent increase in the number of compliance officers in the United States between 2009 and 2012, according to an analysis conducted by the conservative American Action Forum (AAF).

At last count, there were an estimated 227,500 compliance officers employed in the United States, according to the BLS. The bureau defines a compliance officer as an employee responsible for evaluating conformity with laws and regulations.

The agency estimates do not include professions like bank examiners, tax collectors, or Occupational Safety and Health Administration inspectors that are tasked to monitor companies for fraud and safety violations.
Compliance officers make an average of just under $65,000 annually, a gross national labor cost of roughly $14.7 billion, according to the BLS data.

Reform advocates say it is a worthwhile expense, arguing that the private sector was left without proper oversight for too long.

Compliance staff should work like internal police officers, they say, to make sure companies are complying with the letter of the law. But they note that compliance officers should also be held accountable if their firms break the rules.

“Yes, we need more compliance officers, but we need them to be more than window dressing,” said Bart Naylor, a financial policy advocate with Public Citizen.

But for small firms without the resources to hire their own full-time compliance staff, adapting to new regulations can be an expensive proposition, said Sam Batkins, director of regulatory policy for AAF.

“A large volume of rules can also lead firms to be primarily concerned with adhering to their requirements rather than with innovating, lest they run afoul of the regulations,” Batkins wrote in the group’s analysis of the BLS data.

To Naylor of Public Citizen, those complaints are “just hype of the banking industry that doesn’t like the law. And frankly it’s not even the law; they don’t like the law being enforced.”

The expansion of the compliance industry did not begin under President Obama and is not solely linked to the healthcare and Wall Street reform bills. The AAF analysis found a 122-percent increase of compliance officers over the past 10 years.

Annual surveys conducted by PricewaterhouseCoopers have found that growth in the compliance sector has remained steady in the last few years, said Sally Bernstein, a principal with the firm’s risk consulting advisory practice.

Regulations have grown in number and gotten increasingly more complicated, she said, pointing to hundreds of rules issued as part of the Dodd-Frank Wall Street reform law.

“There are tons and tons of rules in there that companies have to comply with," she told The Hill. "Starting to sift through that, understand which departments they impact, that becomes very complex."

She said that increasing globalization and multiple foreign laws and regulations that multinational companies need to contend with have also contributed to the growth of the compliance sector.

Business groups say that many of the new Dodd-Frank rules, which affect everything from so-called conflict minerals in central Africa to international derivatives trades, are causing them to spend money on compliance that would otherwise go to helping consumers and padding their investors' bottom line.

In the banking industry, firms must be equipped not only to respond to the regulations, but also to prove it when the examiners come calling.

“Not only do you have to live by the rules, you have to demonstrate that you live by the rules, the ABA’s Riese said, noting that examinations teams themselves have gotten larger as financial regulations become more complex.

Compliance jobs in the healthcare sector, which is grappling with a raft of new regulations drafted in accordance with the Affordable Care Act, have increased at one of the quickest paces.

Over the last five years, membership at the Health Care Compliance Association has grown at a rate of roughly 9 percent annually, according to Roy Snell, the trade group's chief executive.

He said the compliance industry's growth reflects a shift within companies to consolidate compliance duties under a single officer or department.

Snell attributed the increased focus on compliance to a growing consensus that it is better — both morally and economically — to spend money on personnel, rather than risk violating regulations and getting slapped with big fines.

"The concept of having someone in the organization that prevents, finds and fixes regulatory problems is spreading across all industries," he said.