



DIVISION OF  
CORPORATION FINANCE

UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
WASHINGTON, D.C. 20549

November 7, 2011

Via E-mail

Thomas R. Donahue  
Chief Financial Officer  
Federated Investors, Inc.  
Federated Investors Tower  
1001 Liberty Avenue  
Pittsburgh, PA 15222-3799

**Re: Federated Investors, Inc.  
Form 10-K for the Year Ended December 31, 2010  
Filed February 22, 2011  
Form 10-Q for the Period Ended September 30, 2011  
Filed October 31, 2011  
File No. 1-14818**

Dear Mr. Donahue:

We have reviewed your filings and have the following comments. In some of our comments, we may ask you to provide us with information so we may better understand your disclosure.

Please respond to this letter within ten business days by providing the requested information or by advising us when you will provide the requested response. If you do not believe our comments apply to your facts and circumstances, please tell us why in your response.

After reviewing the information you provide in response to these comments, we may have additional comments.

Form 10-K for the Year Ended December 31, 2010

General

1. Where a comment below requests additional disclosures or other revisions to be made, please show us in your supplemental response what the revisions will look like. These revisions should be included in your future filings, including your interim filings, if applicable.

Exhibit 13.01 – Selected Portions of 2010 Annual Report to Shareholders

Note 22(c) – Past Mutual Fund Trading Issues and Related Legal Proceedings, page 63

2. You disclose on page 63 the amounts you have accrued for costs associated with various legal, regulatory and compliance matters. If there is at least a reasonable possibility that a loss exceeding amounts already recognized may have been incurred, in your next periodic filing, please either disclose an estimate (or, if true, state that the estimate is immaterial in lieu of providing quantified amounts) of the additional loss or range of loss, or state that such an estimate cannot be made. Please refer to ASC 450-20-50.

If you conclude that you cannot estimate the reasonably possible additional loss or range of loss, please supplementally: (1) explain to us the procedures you undertake on a quarterly basis to attempt to develop a range of reasonably possible loss for disclosure and (2) for each material matter, tell us what specific factors are causing the inability to estimate and when you expect those factors to be alleviated. We recognize that there are a number of uncertainties and potential outcomes associated with loss contingencies. Nonetheless, an effort should be made to develop estimates for purposes of disclosure, including determining which of the potential outcomes are reasonably possible and what the reasonably possible range of losses would be for those reasonably possible outcomes. You may provide your disclosures on an aggregated basis.

Form 10-Q for the Period Ended September 30, 2011

Note 15 - Commitments and Contingencies, page 20

(c) Legal Proceedings, page 21

3. We remind you that Rule 10-01(a)(5) of Regulation S-X states that disclosure of material contingencies shall be provided in interim financial statements even though a significant change since year end may not have occurred. In this regard, please revise your disclosures as necessary.

We urge all persons who are responsible for the accuracy and adequacy of the disclosure in the filing to be certain that the filing includes the information the Securities Exchange Act of 1934 and all applicable Exchange Act rules require. Since the company and its management are in possession of all facts relating to a company's disclosure, they are responsible for the accuracy and adequacy of the disclosures they have made.

In responding to our comments, please provide a written statement from the company acknowledging that:

- the company is responsible for the adequacy and accuracy of the disclosure in the filing;

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- staff comments or changes to disclosure in response to staff comments do not foreclose the Commission from taking any action with respect to the filing; and
- the company may not assert staff comments as a defense in any proceeding initiated by the Commission or any person under the federal securities laws of the United States.

You may contact Lisa Etheredge, Staff Accountant, at (202) 551-3424 or Nudrat Salik, Staff Accountant, at (202) 551-3692 if you have questions.

Sincerely,

/s/ Rufus Decker

Rufus Decker  
Accounting Branch Chief