

# Wages on the Rise



The overall unemployment rate remains high, but the 17th annual *Redmond* Salary Survey shows compensation among IT pros is up sharply following years of meager growth. ■ By Jeffrey Schwartz

**A**fter years of flat wage growth, IT salaries are on the rise. The average IT pro this year is earning \$87,360 per year, up 3.25 percent this year, according to the 17th annual *Redmond* IT Salary Survey. Not a jaw-dropping figure, but respectable nonetheless.

The average salary in last year's survey increased only 1.2 percent, which was an improvement over 2010's meager 0.6 raises. The latest findings come as the overall U.S. unemployment rate remains stuck at 8.2 percent, with 5.4 million non-farm workers still jobless. IT pros, though not unscathed, are faring far better. The most recent report by the Bureau of Labor Statistics released last month found unemployment among tech workers at a healthy 3.6 percent.

In fact, IT pros are benefiting from a sharpening skills shortage in security, networking, analytics, management, and product areas such as SharePoint and SQL Server development and administration.

The online survey of 987 *Redmond* readers conducted in early June also revealed 58.2 percent got raises this year, compared with 56.4 percent in 2011. Fifty-seven percent expect to get raises in the coming 12 months. The average raise this year was \$3,194, compared with \$2,624 last year.

## Not Like Old Times

While the higher average salaries are a welcome improvement over recent years—when many IT pros saw their pay frozen, and a number even experienced wages cuts of 10 percent or more—they hardly foreshadow a return of the dotcom boom when pay scales were unprecedented. “I see salary improvements for IT being low to

### Salaries on the Rise

Base Salary	Raise/Increase	Bonus
2011 \$84,608 +1.2%	2011 \$2,624 +16%	2011 \$3,093 +10%
2012 \$87,360 +3.25%	2012 \$3,194 +18%	2012 \$3,212 +3.7%

Age	Years in IT	Education	Male vs. Female
2011 46	2011 11.8	2011 63.1% have at least a 4-year degree	2011 6:1
2012 47	2012 12.4	2011 64.9% have at least a 4-year degree	2012 6:1

Base salaries are up 3.25 percent this year, a respectable improvement over 2011 when they barely rose at all. Average raises increased substantially and while bonuses were up, they weren't nearly as high as last year. (Note: The percentages included in the first row represent the increase over the prior year.)

minimal for an extended duration,” says survey respondent Daniel Aracena, director of LAN and help desk technologies at Teachers College, Columbia University in New York.

In order to enjoy upward career mobility, Aracena says IT pros must stay on top of new technologies, be aware of emerging trends and be open to new ideas. “Successful IT people are not the ones that tell you they can’t do something. They ask,

‘When do you need it by?’” he says. “Companies are looking for people not only with technical skills but with intelligent business acumen, along with the ability to foresee what’s coming and quickly assess new technology and its value.”

Salaries aren’t increasing across the board. Thomas Parisi, CIO of New York-based Stonehenge Management LLC, says the typical salaries for those who do hardware server break-fix

will remain flat, while Internet-savvy developers’ and integrators’ pay will increase anywhere from 5 percent to 15 percent. Those involved in business-driven IT management could see salaries increase anywhere from 5 percent to 20 percent.

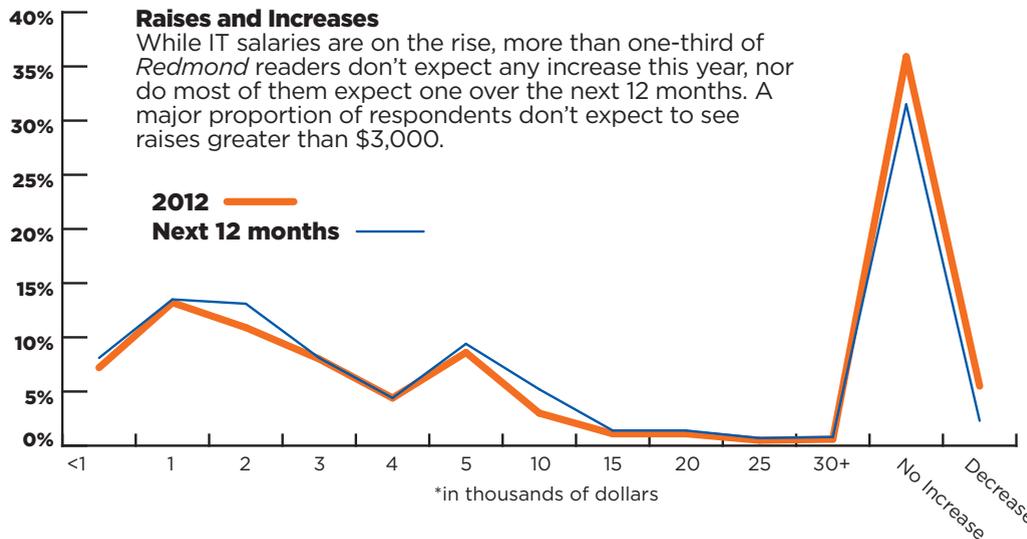
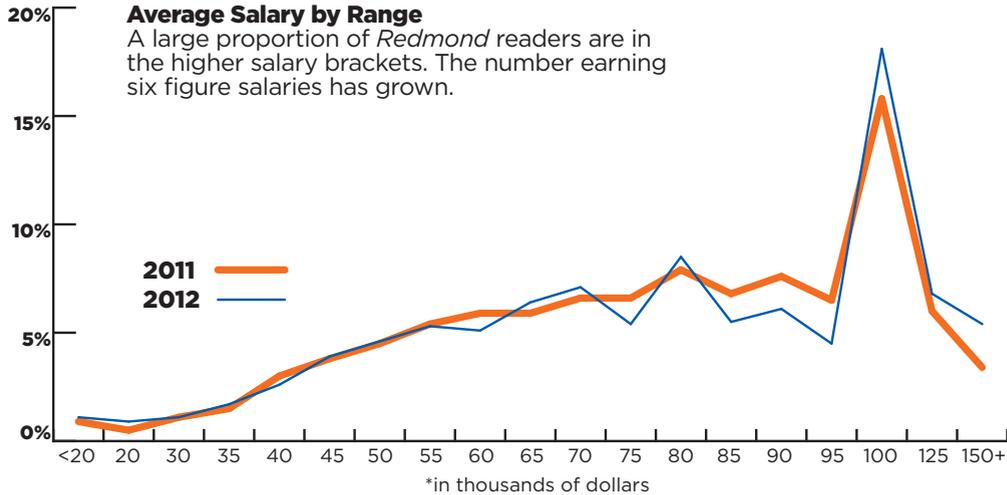
### Jumping Shop

While more organizations are giving raises, many find the best route to more pay is finding employment elsewhere. A growing number of respondents (13.4 percent this year) plan to change jobs (compared with 11.7 percent last year).

Among those who changed jobs is Geoff L., now a data architect with an integrator that builds health-care and employee benefits management solutions. When he accepted the job, he took it on the condition of being considered for a salary revision six months after starting based on personal and corporate performance. “IT is still a tough marketplace,” he says. “I see a lot of people shopping around to have backup or exit plans.”

Dan W., virtualization specialist with a systems integration firm, believes there’s nothing new in the notion that the best way to gain an increase is to leap from one employer to another. “I’ve always had to change positions to get a pay increase,” he says. “Getting an actual raise internally was nearly impossible. Salaried positions in this local market stay fairly static no matter how many years you put into the position.”

IT pros who have found changing employers more challenging in the tight job market may now be in luck. After years



of putting projects and software upgrades on hold, many organizations find they need to step up investments—and they feel comfortable the economy has improved enough to start hiring and taking better care of their existing staffs.

Unlike the old days, companies aren't just hiring anyone who comes along. "Companies are less willing to take a chance," says Tom Becker, VP of recruiting for Experis, a division of staffing company ManpowerGroup. "They want someone who's perfect for the job. They want someone who has experience in their industry as well as deep understanding of the technology of a specific platform. That continues to be a challenge."

The 3.6 percent unemployment rate among IT workers is relatively low, says Tom Silver, senior VP for North America at the popular tech job-posting site Dice.com. That bodes well for IT pros looking for jobs that pay higher than their current positions.

"The market for technology professionals is pretty tight," Silver says. "So what's going on is a function, to some extent, of supply and demand. When demand is high—as evidenced by a low unemployment rate—salaries eventually follow, and that's what I think is happening."

## Upward Trend to Continue

Silver expects average salaries will continue to increase in the coming year. "I think the growth trend will continue," he says. "We hear a growing number of anecdotes from employers having a harder and harder time finding skilled tech pros. It's

entirely possible we'll see an acceleration of employee turnover. And that can accompany an acceleration in salary increases."

Joshua Perry, an ICT senior analyst at Kerry Ingredients and Flavors, thinks organizations will want to augment their staffs. "I have a feeling that in the next year or two, we're going to see many businesses and institutions getting stuck without enough IT talent just to keep the business running," Perry says. "It's a great time to be working in IT, and salaries are likely to increase sharply for those with talent and experience—especially those with skills in SharePoint, SQL Server, Oracle and SAP."

## Sharpening IT Skills

Salary isn't the only factor driving IT pros to change jobs. Often it's the opportunity to find a job with an organization where the IT pro can develop more marketable experience, according to Silver. "Many people want to be working on interesting and strategic projects and making sure they keep their skill sets sharp," he says.

Nevertheless, a good number of IT workers are finding it increasingly difficult to count on their employers to help them keep their skills sharp. Only 44.6 percent of survey respondents report their employer provided training, down from 49 percent last year. "Training budgets seem nonexistent these days, or the 'training benefit' isn't much of one," Dan W. says. "It's a constant uphill battle with vendors like Microsoft, [which] require you to update your IT training or end-user

### How Are Bonuses Calculated?

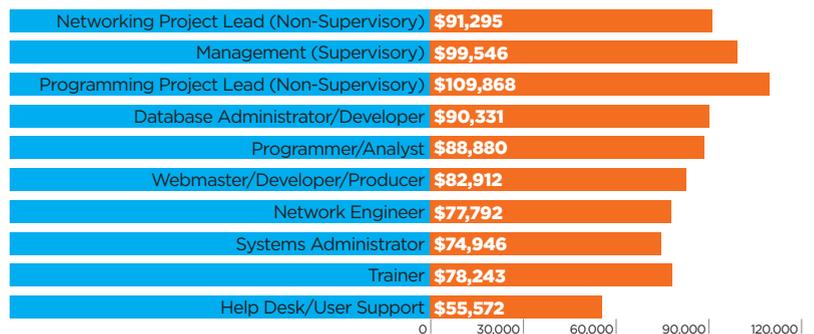
Performance and profitability matter. One-third said the combination of the two is the primary factor in determining their bonuses. When it came to one or the other, profitability edged out performance by a slight margin.



Based on company profitability	17.8
Based on personal performance	16.2
Based on certification	0.5
Combined profitability/performance	33.5
Profitability/performance/certification	4.9
Other reason not cited here	27.1

### Base Salary by Job Title

The big bucks this year go to management and programming project leads. Database administrators and developers also continue to do well.



### Salary by Job Title, Years of Experience

Employers are still willing to pay IT pros for their experience. That's especially the case for those with management under their belts. Database administrators with longevity also are rewarded for their tenure.

2012	1-2	3-5	6-9	10+
<b>(Overall)</b>	<b>\$67,672</b>	<b>\$68,066</b>	<b>\$70,544</b>	<b>\$87,687</b>
Database Administrator/Developer	*	\$68,002	*	\$93,093
Help Desk/User Support	*	\$49,585	\$43,508	\$59,914
Management (Supervisory)	\$87,500	\$85,099	\$85,412	\$102,121
Network Engineer	*	\$62,900	\$72,000	\$78,760
Programmer/Analyst	\$76,300	\$74,171	\$69,304	\$94,288
Systems Administrator	*	\$63,585	\$66,427	\$76,649
Trainer	*	\$59,869	*	\$85,650
Webmaster/Developer/Producer	*	\$49,165	*	\$86,244

\* insufficient data

### Salary by Education

The more you learn, the more you'll earn. Readers with master's degrees are taking in an average of \$96,709, while the small percentage with doctorate degrees average \$129,702.



Education Level	Percent	Salary
Some high school	0.5	\$81,000
Graduated high school	2.1	\$69,180
Attended some college	17.9	\$85,111
Graduated 2-year college	14.5	\$72,939
Graduated 4-year college	30.9	\$86,194
Post-grad study/no degree	11.0	\$95,979
Master's degree	21.0	\$96,709
Doctorate degree	2.0	\$129,702

### Salary by Microsoft Product Expertise

Salaries are way up over last year for those with SharePoint Server and Visual Studio expertise, though they were down for Windows client support and Windows Server 2008 and Hyper-V.

Application Center	\$60,000
BizTalk Server	\$83,097
Exchange	\$88,889
IIS	\$94,780
Visual Studio	\$100,499
Live Communications Server	\$87,767
Microsoft Operations Manager	\$114,881
Office/Visio/FrontPage	\$94,704
Project Server	\$129,401
SharePoint Server	\$107,063
Small Business Server	\$78,705
SQL Server	\$100,402
Systems Management Server	\$93,350
System Center	\$78,582
Terminal Services	\$73,766
Windows (any)	\$78,553
Windows 2000	\$88,152
Windows Client Support	\$63,996
Windows NT Server	\$95,600
Windows Server 2003	\$81,937
Windows XP	\$72,346
Windows Vista	\$51,297
Windows Server 2008	\$79,321
Windows Server 2008 Hyper-V	\$84,258

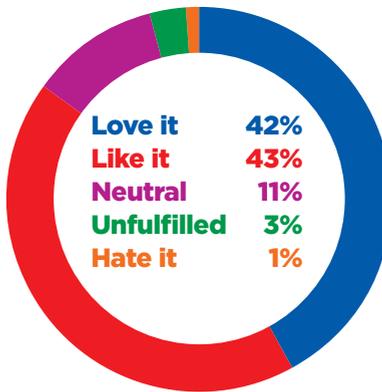
training on a yearly basis because they've changed their product again—even with something as simple as the UI.”

For others training is a perk that has helped offset reductions, freezes or tiny increases in salaries. Take respondent Chad, an IT security specialist who's among the numerous IT workers subject to the federal government's pay freeze. “I'm working on more certifications and taking on outside-the-box projects to gain experience and apply for promotions,” he says.

Though certifications don't always create salary increases, many believe they're a necessity. “I'm working toward a couple Microsoft certifications to make myself more valuable,” says respondent Dean, a senior support engineer at a software company. “I'm always looking to increase my knowledge of related technologies. The industry moves fairly fast, so I don't want to get too locked into a particular niche for very long.”

### How Do You Feel About the IT Profession Overall?

For the second consecutive year, a resounding 85 percent said they either like or love their careers, which bodes well for the work environment.



### Methodology

We compiled this 17th annual report the same way as we've done over the last seven years: Using proprietary survey software, we e-mailed notices to 40,000 Redmond print magazine and online newsletter subscribers for whom we have e-mail addresses.

After we obtained 1,300 responses during the month of June, we closed the survey and filtered those responses. We removed data that was incomplete or suspicious. The charts you see in this report come from the 987 solid responses.

### Will You Be in IT in 5 Years?

Based on the high job satisfaction rate, it comes as little surprise that most expect to still be working in the IT field in five years.



### Salary by Technology Expertise

Some of the best-paying jobs still go to those who manage data. Database administrators, database developers and data warehousing experts command premium salaries. Expertise in customer relationship management, e-commerce, Linux, software design, Unix, Web services, security, systems management and virtualization also pays above average.

Accounting software	\$93,305
Backup and storage management	\$85,501
Customer relationship management	\$92,149
Data warehousing	\$101,087
Database administration	\$90,939
Database development	\$96,201
E-commerce	\$97,448
Extranets	\$94,240
Hardware design	\$88,772
Help desk support	\$79,058
Intranets	\$90,124
LAN/WAN internetworking	\$83,307
Linux	\$92,412
Messaging/e-mail	\$86,676
Novell	\$82,485
Oracle	\$101,890
Outsourcing	\$99,824
Portable/embedded computing	\$91,752
Research/development	\$100,263
Routers and switches	\$82,819
Security	\$88,484
Software design	\$101,268
Strategic planning	\$96,184
Systems integration	\$93,516
Systems management	\$86,418
Telephony	\$85,621
Training	\$87,615
Unix	\$95,810
VPN/remote management	\$86,354
Virtualization	\$88,607
Web services	\$95,384
Web site development/management	\$91,904
Windows testing/planning/pilot	\$87,062
Wireless/mobile computing	\$84,910

## Working Harder

Despite a brighter compensation picture, IT pros are working harder. Only 18.9 percent are putting in the once-typical 40-hour workweek, down from 23 percent last year. While a small minority put in more than 61 hours a week, that number is up to 4.6 percent from 2.6 percent.

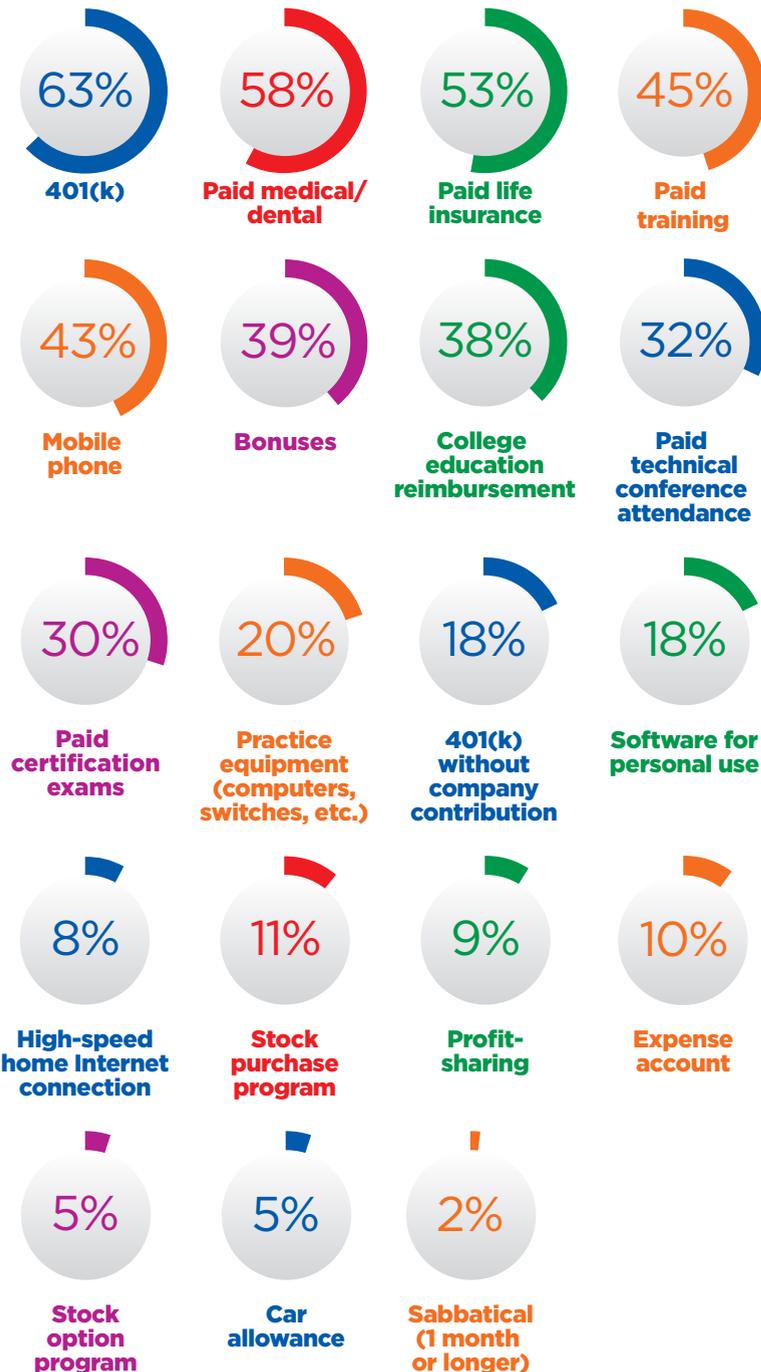
Moreover, a growing number of respondents say they're forgoing vacation time. The number of those who have taken no time off is up to 6.8 percent from 4.7 percent last year,

while those using most of their time is down to 18.5 percent from 23.5 percent. There are many reasons for this, including shops with fewer people due to layoffs, or those simply afraid to take vacations.

"People are either afraid to take their vacations or there just isn't enough time," Dice.com's Silver says, adding that employers should encourage staff to take time off. "It contributes in the long term to burnout, which contributes to turnover."

## Additional Compensation

Perks remain on par with last year, though we asked if employers were providing mobile phones and 43 percent said yes. Slightly fewer are receiving paid training but it's still 45 percent. More than one-third are receiving bonuses and reimbursement for college education.



## Impact of Cloud

In last year's survey 8.6 percent of respondents said they had used the cloud to fill gaps. This year, *Redmond* looked deeper into the impact of cloud computing and found 14.8 percent have moved significant workloads to a cloud provider. Close to 20 percent believe those moves led to job reductions or reassignments this year, and 10.2 percent are concerned cloud computing will eventually put them out of work. Yet 64 percent see the cloud as an opportunity to gain new skills, and 78.7 percent intend to learn more about it.

"The projects I'm working on are designed to increase my exposure to cloud computing and the use of big data, which is one of the reasons that I made a switch in employment," Geoff L. says.

Offshore outsourcing was another issue, with 11.6 percent saying it cost them their job, slightly down from last year's 12.3 percent. Some respondents are trying to make the best of companies' use of offshore outsourcers, such as David Vaughn, a data architect with a major packaged-food company. Vaughn, who now supervises those offshore providers' database development tasks, says it has its own sets of challenge.

"I had to spend quite a few months getting the offshore resources up to speed with regard to optimal SQL programming techniques," Vaughn says. "In this regard, there's no substitute for a heavily invested local technical expert to keep everyone honest."

## Job Satisfaction

Overall, nearly 85 percent of respondents either like or love IT as a career, consistent with last year's views. "I think an IT career is still a good choice for those starting out," says survey respondent Dan. "The demand for skills is still growing, and it's projected to continue to grow over the next decade. Combine that with the decrease in American students choosing IT, and the law of supply and demand could lead to nice compensation and benefit increases for IT pros. The Facebook and Google campuses are nice examples." **R**

*Jeffrey Schwartz is executive editor of Redmond. Michael Domingo, executive editor of new media for the 1105 Enterprise Computing Group, gathered, correlated and analyzed the survey data.*