

2007 HOUSTON

IT SALARY SURVEY

*Helping Companies Build
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Since 1981*



Professional Services, Inc.

Information Technology Staffing Specialists Since 1981

OVERVIEW

The State of the IT Employment Market in Houston and Its Impact on Compensation

In 2006, Houston experienced signs of full economic recovery. Unemployment dropped to a 6-year low of 5.0 percent, hourly wages averaged \$4.38 above the national rate, and consumer spending was up 10.3 percent, its greatest increase in at least 20 years¹. In addition, a recent article published by the Houston Business Journal (HBJ) reported that, "more jobs were created in Houston between January 2006 and January 2007 than in any other metropolitan area in the nation²."

As demonstrated by significantly lower than average unemployment rates for jobs in the IT industry, demand for workers in this sector was up considerably¹. In fact, the HBJ reported that in Houston last year, "computer systems design and related services jobs increased by 7.2 percent²." While demand for IT workers climbed, enrollment numbers in computer-related degree programs declined drastically over the past 5 years, causing the IT labor supply to dwindle³.

The combination of these conditions is beginning to make a major impact on salaries in the IT sector. While annual internal salary increases have been fairly idle, ranging from 2-6 percent with most falling between 3 and 4 percent, companies are turning to other forms of compensation such as bonuses, profit sharing, and greater promotional increases for employee retention purposes. Those looking to hire externally are getting requests for 5-20 percent increases in a candidate's current salary, and most are offering between 10 and 15 percent. Additionally, many companies are using other forms of compensation such as up-front cash and sign-on bonuses to convince external hires to make a move⁴.

While overall demand for IT workers increased significantly in 2006, the greatest demand was for professionals with 0-5 years of experience. Due to the slowdown in enrollment numbers for computer-related degree programs, however, the supply of these workers was extremely limited. As a result, salaries for this segment increased significantly, so much so that there was little difference in the pay rates for junior and mid-level professionals.

Despite these tough conditions, the outlook for hiring managers is not quite as grim as it seems. While conditions are similar to those of the late 90's, we are not experiencing the absolute feeding frenzy that we did then where companies were willing to pay any price, and workers had total control. Bottom line, if you are hoping to retain or attract top talent to your organization over the next few years, you should definitely be prepared to pay more.

Sources

1. U.S. Department of Labor's Bureau of Labor Statistics – www.bls.gov

2. Houston Business Journal - www.bizjournals.com

3. Computing Research Association – www.cra.org

4. "Houston IT & Education Research Survey," JDA Professional Services, Inc. – September 2006

MANAGEMENT

Increases in demand for IT labor are far-reaching and include management-level professionals. As for salary changes, this sector is experiencing more increases in total compensation such as bonuses and stock options rather than base salaries.

| | SALARY | | | HOURLY BILL RATE | | |
|--|----------|----------|----------|------------------|--------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| CIO ^{1 6 9} | \$ 175 K | \$ 210 K | \$ 310 K | \$ 163 | \$ 195 | \$ 286 |
| CTO ^{1 6 9} | \$ 105 K | \$ 125 K | \$ 160 K | \$ 99 | \$ 117 | \$ 149 |
| IT Manager - Large Company ^{1 6} | \$ 130 K | \$ 156 K | \$ 235 K | \$ 122 | \$ 145 | \$ 217 |
| IT Manager - Mid-Size Company ^{2 6 8} | \$ 95 K | \$ 125 K | \$ 165 K | \$ 90 | \$ 117 | \$ 154 |
| IT Manager - Small-Size Company ^{3 6 8} | \$ 75 K | \$ 102 K | \$ 130 K | \$ 71 | \$ 96 | \$ 122 |
| Business Applications - Large Company ¹ | \$ 115 K | \$ 140 K | \$ 185 K | \$ 108 | \$ 131 | \$ 172 |
| Business Applications - Mid-Size Company ² | \$ 92 K | \$ 110 K | \$ 128 K | \$ 87 | \$ 103 | \$ 120 |
| Communications Manager - Large Company ¹ | \$ 87 K | \$ 98 K | \$ 130 K | \$ 82 | \$ 92 | \$ 122 |
| Communications Manager - Mid-Size Company ² | \$ 80 K | \$ 89 K | \$ 111 K | \$ 76 | \$ 84 | \$ 104 |
| Infrastructure Manager - Large Company ¹ | \$ 91 K | \$ 115 K | \$ 140 K | \$ 86 | \$ 108 | \$ 131 |
| Infrastructure Manager - Mid-Size Company ² | \$ 80 K | \$ 93 K | \$ 118 K | \$ 76 | \$ 88 | \$ 111 |
| Data Center Manager ¹ | \$ 70 K | \$ 87 K | \$ 120 K | \$ 67 | \$ 82 | \$ 113 |
| EAI Architect ¹ | \$ 90 K | \$ 115 K | \$ 130 K | \$ 85 | \$ 108 | \$ 122 |
| PMO Manager (with PMP) | \$ 90 K | \$ 120 K | \$ 145 K | \$ 85 | \$ 113 | \$ 135 |
| Project Manager (with PMP) | \$ 72 K | \$ 94 K | \$ 125 K | \$ 69 | \$ 89 | \$ 117 |

ERP

As a new category in this year's salary survey, the ERP market is exploding, driven mostly by upgrades and enhancements to existing installations. There has been no significant hiring in this space since 2000, and as a result, this market is experiencing the highest level of shortages and greatest rate of salary increases in the IT industry, especially for contractors. The largest shortages are for ERP professionals with 2-5 years experience, and the majority of available positions are for SAP functional analysts, configurations specialists, and Oracle financials specialists. The ERP sector has also seen a rise in demand for professionals with experience in Lawson, JDE, and PeopleSoft, and for functional analysts with subject matter expertise (SME) in a given module or business area.

| | SALARY | | | HOURLY BILL RATE | | |
|---------------------------------------|---------|---------|----------|------------------|-------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| Oracle - Developer PL/SQL | \$ 65 K | \$ 79 K | \$ 98 K | \$ 62 | \$ 75 | \$ 92 |
| Oracle - SME - Functional Analyst | \$ 75 K | \$ 87 K | \$ 110 K | \$ 71 | \$ 82 | \$ 103 |
| PeopleSoft - Developer People Tools | \$ 65 K | \$ 86 K | \$ 97 K | \$ 62 | \$ 82 | \$ 92 |
| PeopleSoft - SME - Functional Analyst | \$ 85 K | \$ 96 K | \$ 120 K | \$ 81 | \$ 91 | \$ 113 |
| SAP - Developer ABAP | \$ 65 K | \$ 78 K | \$ 102 K | \$ 62 | \$ 74 | \$ 96 |
| SAP - SME - Functional Analyst | \$ 85 K | \$ 93 K | \$ 115 K | \$ 81 | \$ 88 | \$ 108 |
| ERP Administrator | \$ 65 K | \$ 72 K | \$ 80 K | \$ 62 | \$ 69 | \$ 76 |

COMMUNICATIONS

Driven by an increasing need to reduce costs in global communications, especially in larger multinational firms, this market is experiencing an increase in demand. The greatest demand is for VO/IP specialists, call managers, and CCIE-level professionals who can re-engineer a company's infrastructure.

| | SALARY | | | HOURLY BILL RATE | | |
|--|---------|----------|----------|------------------|-------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| CCIE/Architect | \$ 70 K | \$ 100 K | \$ 130 K | \$ 71 | \$ 94 | \$ 122 |
| Communications - Voice Data (2+ years) | \$ 57 K | \$ 78 K | \$ 106 K | \$ 55 | \$ 74 | \$ 100 |
| Communications - Data (2+ years) ⁷ | \$ 50 K | \$ 70 K | \$ 98 K | \$ 49 | \$ 67 | \$ 92 |
| Communications - Voice (2+ years) ^{7 9} | \$ 40 K | \$ 55 K | \$ 68 K | \$ 40 | \$ 53 | \$ 65 |

SECURITY AND AUDIT

Hiring in both the information security and audit spaces has begun to level off. Some staffing issues still exist but salaries are stabilizing as companies come to grips with Sarbanes Oxley (SOX). Many organizations are developing a separate compliance team which allows their audit department to focus on operational improvements and non-SOX matters. This is driving some hiring but is also helping companies set clearer expectations for compensation. In the security space, companies are beginning to outsource many operational services such as firewalls, ID's, etc. With no major worms or virus outbreaks in 2006, many CIO's are developing a sense of comfort with network security. Some issues, however, such as specific applications security and identity and access management continue to require internal focus and strategy.

| | SALARY | | | HOURLY BILL RATE | | |
|--|----------|----------|----------|------------------|--------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| CISO - Chief Information Security Officer ^{1 6} | \$ 120 K | \$ 150 K | \$ 170 K | \$ 112 | \$ 140 | \$ 158 |
| Security Manager | \$ 75 K | \$ 93 K | \$ 115 K | \$ 71 | \$ 88 | \$ 108 |
| Security Architect | \$ 70 K | \$ 99 K | \$ 120 K | \$ 67 | \$ 93 | \$ 113 |
| Security Administrator | \$ 45 K | \$ 75 K | \$ 95 K | \$ 44 | \$ 71 | \$ 90 |
| Audit Director | \$ 100 K | \$ 120 K | \$ 150 K | \$ 94 | \$ 113 | \$ 140 |
| IT Audit Manager | \$ 85 K | \$ 100 K | \$ 115 K | \$ 81 | \$ 94 | \$ 108 |
| Internal Auditor | \$ 55 K | \$ 72 K | \$ 90 K | \$ 47 | \$ 65 | \$ 78 |
| IT/IS Auditor | \$ 66 K | \$ 72 K | \$ 90 K | \$ 53 | \$ 65 | \$ 81 |

WEB DEVELOPMENT

This is another new category for the 2007 salary survey. As the web moves from an information resource to a new way of conducting business, professionals specializing in interactive marketing and, more specifically, search engine optimization are becoming increasingly valuable.

| | SALARY | | | HOURLY BILL RATE | | |
|------------------------------------|---------|---------|---------|------------------|-------|-------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| Interactive Marketing ⁹ | \$ 55 K | \$ 70 K | \$ 85 K | \$ 53 | \$ 67 | \$ 81 |
| Web Designer - Front End Graphics | \$ 35 K | \$ 42 K | \$ 61 K | \$ 35 | \$ 41 | \$ 59 |

APPLICATIONS PROGRAMMING

Strong competition for labor resources in this sector is the driving force in salary increases for programmers and analysts. Backed by a rise in new application systems and upgrades, there is an increase in demand for functional/business expertise and project managers. The highest demand in this space, however, is for developers, specifically java and .net, and developers with some architect experience have a slight advantage in the marketplace. Newly added occupations for this year's salary survey include functional/business analysts and architects.

| | SALARY | | | HOURLY BILL RATE | | |
|---|---------|---------|----------|------------------|-------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| Project/Team Leader - Applications ^{1 2} | \$ 70 K | \$ 90 K | \$ 125 K | \$ 67 | \$ 85 | \$ 117 |
| Functional Analyst | \$ 65 K | \$ 82 K | \$ 93 K | \$ 62 | \$ 78 | \$ 88 |
| Senior Developer/Architect | \$ 85 K | \$ 95 K | \$ 120 K | \$ 80 | \$ 90 | \$ 113 |
| Systems/Business Analyst ^{1 2 4} | \$ 61 K | \$ 77 K | \$ 92 K | \$ 59 | \$ 73 | \$ 87 |
| Programmer/Analyst - .Net (2 - 5 years) ⁴ | \$ 61 K | \$ 76 K | \$ 98 K | \$ 59 | \$ 72 | \$ 92 |
| Programmer/Analyst - Java (2 - 5 years) ⁴ | \$ 55 K | \$ 72 K | \$ 95 K | \$ 53 | \$ 69 | \$ 90 |
| Programmer/Analyst - Client/Server (2 - 5 years) ⁴ | \$ 48 K | \$ 65 K | \$ 78 K | \$ 47 | \$ 62 | \$ 74 |
| Programmer/Analyst - Web (2 - 5 years) | \$ 55 K | \$ 76 K | \$ 97 K | \$ 53 | \$ 72 | \$ 92 |
| Programmer (0 - 2 years) ⁴ | \$ 42 K | \$ 54 K | \$ 62 K | \$ 41 | \$ 52 | \$ 60 |
| Quality Assurance - Engineer/Testing | \$ 50 K | \$ 65 K | \$ 95 K | \$ 44 | \$ 56 | \$ 83 |
| Quality Assurance - Team Lead / Manager | \$ 85 K | \$ 95 K | \$ 110 K | \$ 81 | \$ 90 | \$ 103 |
| Lotus Notes Developer (2 - 5 years) ⁹ | \$ 48 K | \$ 65 K | \$ 74 K | \$ 47 | \$ 62 | \$ 71 |
| Entry Level - 4 Year Degree | \$ 35 K | \$ 48 K | \$ 68 K | \$ 35 | \$ 47 | \$ 65 |
| Entry Level - 2 Year Degree | \$ 26 K | \$ 29 K | \$ 37 K | \$ 27 | \$ 29 | \$ 37 |

INFRASTRUCTURE

Driven by consolidations, acquisitions, globalization of the marketplace, and stricter compliance requirements, most companies are moving toward centralized data structures for simplification of enterprise-wide reporting processes. As a result, there is a rise in demand for professionals with knowledge of such concepts as data architecture, data-mart design, data modeling, data warehousing, ETL, star schema design, and business intelligence. The most requested technologies are business objects, ETL tools, and share point.

| | SALARY | | | HOURLY BILL RATE | | |
|-----------------------------------|---------|----------|----------|------------------|-------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| Senior Datawarehousing Specialist | \$ 90 K | \$ 105 K | \$ 125 K | \$ 85 | \$ 99 | \$ 117 |
| Data Warehousing Specialist | \$ 62 K | \$ 86 K | \$ 97 K | \$ 60 | \$ 82 | \$ 108 |
| Database Administrator - Senior | \$ 82 K | \$ 87 K | \$ 115 K | \$ 78 | \$ 82 | \$ 108 |
| Database Administrator - Junior | \$ 60 K | \$ 70 K | \$ 85 K | \$ 58 | \$ 67 | \$ 81 |
| Database Analyst | \$ 63 K | \$ 84 K | \$ 92 K | \$ 61 | \$ 80 | \$ 87 |
| UNIX/Linux Administrator | \$ 45 K | \$ 70 K | \$ 91 K | \$ 44 | \$ 67 | \$ 86 |
| UNIX/Linux System Engineer | \$ 62 K | \$ 80 K | \$ 111 K | \$ 60 | \$ 76 | \$ 104 |
| Tech Writer | \$ 41 K | \$ 51 K | \$ 69 K | \$ 40 | \$ 50 | \$ 66 |

END-USER COMPUTING/INFRASTRUCTURE

This sector is evolving from a help desk to a service desk function with more dependence on SLA's, OLA's and the ITIL methodology. More technical functions are being assigned to the service desk, and more senior-level professionals are working in this area. Additional positions and functions in this year's salary survey include service desk manager and level II/III support.

| | SALARY | | | HOURLY BILL RATE | | |
|--|---------|----------|----------|------------------|--------|--------|
| | LOW | AVG | HIGH | LOW | AVG | HIGH |
| Service Desk Manager (ITIL) | \$ 95 K | \$ 115 K | \$ 130 K | \$ 90 | \$ 108 | \$ 122 |
| Help Desk Manager | \$ 62 K | \$ 72 K | \$ 90 K | \$ 60 | \$ 69 | \$ 85 |
| Infrastructure Project Manager - Software | \$ 63 K | \$ 79 K | \$ 106 K | \$ 61 | \$ 75 | \$ 100 |
| Network Engineer (10+ years) | \$ 70 K | \$ 85 K | \$ 105 K | \$ 67 | \$ 81 | \$ 99 |
| 2nd Level LAN Administrator (7+ years) | \$ 53 K | \$ 62 K | \$ 86 K | \$ 51 | \$ 60 | \$ 82 |
| 1st Level LAN Administrator (2+ years) | \$ 42 K | \$ 55 K | \$ 68 K | \$ 41 | \$ 53 | \$ 65 |
| Software Support (2+ years) | \$ 36 K | \$ 50 K | \$ 65 K | \$ 36 | \$ 49 | \$ 62 |
| Help Desk - Level III Service Desk | \$ 65 K | \$ 73 K | \$ 81 K | \$ 62 | \$ 70 | \$ 77 |
| Help Desk - Level II Support (5-10 years) | \$ 62 K | \$ 68 K | \$ 75 K | \$ 60 | \$ 65 | \$ 71 |
| Help Desk - Level I Support (0-10 years) | \$ 29 K | \$ 40 K | \$ 49 K | \$ 29 | \$ 40 | \$ 48 |
| Hardware Technician (1-5 years) | \$ 26 K | \$ 36 K | \$ 52 K | \$ 27 | \$ 36 | \$ 51 |
| Training (2+ years) | \$ 33 K | \$ 45 K | \$ 55 K | \$ 33 | \$ 44 | \$ 53 |
| Lotus Notes Administrator ⁹ | \$ 42 K | \$ 63 K | \$ 87 K | \$ 41 | \$ 61 | \$ 82 |
| Entry Level Infrastructure - 4 Year Degree | \$ 38 K | \$ 44 K | \$ 55 K | \$ 38 | \$ 43 | \$ 53 |
| Entry Level Infrastructure - 2 Year Degree | \$ 32 K | \$ 34 K | \$ 38 K | \$ 32 | \$ 34 | \$ 38 |

ASSUMPTIONS

Default:

- Rates good for Houston metropolitan area.
- Assume candidate has 4-year degree unless otherwise noted.
- Contract term of greater than 6 months.

Specific:

1. Large company is defined as greater than 50 IT employees.
2. Mid-sized company is defined as from 10 to 50 IT employees.
3. Small company is defined as fewer than 10 IT employees.
4. Hot skills (Oracle, PeopleSoft, Java, Middle ware) add 10 - 15% to salary.
5. Older terminology.
6. Excludes bonuses.
7. Hot skills (engineering) add 10 - 15%.
8. Top IT person.
9. Limited pool of candidates.
10. Team member.

ARE YOUR SALARIES REALLY COMPETITIVE?

The 2007 Houston IT Salary Survey, presented by JDA Professional Services, Inc., is your single source for all you need to know about the latest market conditions and current salary trends for the IT employment market in Houston. Do as many successful IT managers have done and use this survey as a tool to help guide your salary decisions throughout the year.

For questions regarding this year's salary survey or to discuss your IT staffing needs, contact JDA today at info2@jdapsi.com or by phone at 713.548.5400. You may also view the 2007 Houston IT Salary Survey on our website at www.jdapsi.com.

JDA Professional Services, Inc. is a Houston-based IT staffing firm specializing in the placement of strategic-technical to executive-level professionals. We provide full-time, contract, and project-based recruitment services. In business for over 25 years, we have helped bridge the labor gap between thousands of IT managers and professionals. Our goal is to help managers build great IT departments while helping professionals find the right IT careers.

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