

2017 HOUSTON

IT SALARY SURVEY



JDA PROFESSIONAL SERVICES, INC.

Information Technology Staffing Specialists Since 1981

OVERVIEW

Houston IT Hiring Trends: Optimism Returns

Optimism Returns to the Energy Industry

What we have learned over the last three years is that just about everyone in Houston is directly or indirectly impacted by the energy industry. This includes retail, healthcare, real estate, software, etc. The down-cycle following the 2008-2014 boom was among the worst we've seen in our nearly forty years in recruiting, rivaled only by the recession of the mid 80's. Some of our clients experienced revenue drops of as much as 70 percent, with widespread layoffs at all levels of staff. The unemployment rate within IT rose from 1-2 percent to over 4 percent, with some roles—director, manager, project manager, business analyst, ERP specialist, and infrastructure support—hit even harder.

The good news is that it appears we have hit the bottom. Through our annual Hiring Trends survey of Houston IT Leaders, we've seen evidence of having reached the critical point where companies are now replacing turnover with plans to increase staffing levels later in the year. We don't expect a hiring binge, but growth to accommodate critical needs.

Current trends point to increased demand for automation and business process improvement projects, designed not only for current business activities, but to ramp up for future requirements. Due to the current minimal levels of IT staff, this will lead to a project backlog, in turn requiring CIOs to find creative ways to fund and address these in the next year. We think that the project load will ultimately lead to an increase in both full-time and contract employees over the next eighteen months.

Additionally, we foresee consolidations in all industries, from energy to healthcare. To better leverage internal resources and minimize head count, companies are reaching out to third parties for datacenters, cloud computing, SAAS, software development, and on-going support. This, primarily, impacts local talent. As a result, we anticipate a decreased demand for project managers, business analysts, infrastructure professionals at all levels, ERP specialists, and support staff. The growth areas are in security and compliance, custom build software, mobile apps, cloud computing, and business intelligence. As the talent pool in these areas is already tight, premium compensation packages will be required to attract and retain the top performers.

Changes in Compensation

Base compensation for full-time employees remained flat through 2016, with most receiving, at best, the standard 1-3 percent increase. However, when considering total compensation—including bonuses and health insurance cost sharing—some have taken cuts in pay. Projections from our annual salary survey suggest that this will continue through 2017, with 36 percent of respondents not anticipating compensation increases at all. The majority of increases (56 percent), again, fall within the 1-3 percent range. Contract rates for lower demand positions, on the other hand, have been cut by as much as 50 percent as supply outpaces demand, leading some of the best contractors to leave Houston altogether.

Two years of a flat market left many of the most employable with a pent-up demand for change. Our recent survey of employed candidates showed that over 75 percent of full-time staff and over

90 percent of contractors are interested in new opportunities. This could well lead to the talent pool engaging in strategic repositioning—picking up new skills, seeking shorter commutes and increases in compensation. We advise our clients to consider the cost of retention versus the cost of turnover. In addition to compensation, a good retention strategy could include lower cost options such as working from home, increased free time and flexibility, new projects, and expressing appreciation for employee efforts and loyalty; an accommodating work environment can make a huge difference in employee retention.

One of the big challenges for CIOs will be budgetary pressure, despite a 33 percent increase in respondents reporting budget increases in 2017. The transition from building to sustaining has also caused unrest at the executive level with a high percentage interested in other options; however, a strong CIO business strategy can have a tremendous impact in repositioning companies for growth or sale.

We are living in interesting times, and what we have learned from the past is that Houston is a vibrant city with an entrepreneurial attitude. We have the largest port, medical center, and energy industry in the country. There is buzz about new builds for chemical and refineries, pipelines, manufacturing facilities, and being able to ramp up quickly for domestic oil & gas production. With the glut of premium office space, favorable tax rates, low cost of living, and a business-friendly city, we are in prime position to attract new business growth to our area.

How JDA Can Help

With over 35 years of experience actively recruiting IT professionals in Houston, JDA is a great resource to identify and recruit the passive job seeker either on a full-time or contract basis.

For more information on how we can help you build a great IT department, contact James Del Monte, President, at 713.548.5444 or jdeld@jdapsi.com

We're optimistic for the future. We look forward to working with you on your full-time and contract IT staffing needs.

About the Survey

The information gathered here was compiled from the responses of roughly 100 Houston-area IT managers, 60 percent of whom are the top IT person at their company.

MANAGEMENT

The role of IT leadership is evolving into a more strategic business partner and enabler with systems, processes, and game-changing technology. This, in turn, has led to a bigger divide between the builders and operational leadership. As the market tightens, cost reducing leadership is more critical than the big spending mega-project professionals. Innovation, business process, and change management are increasingly critical skills that have a direct impact on profitability. Thus, those who are the most creative and the best marketers see the highest total compensation packages, with the more operational and less politically connected individuals falling into the lower to mid levels of the compensation range.

In keeping with the trend of the past five or six years, a significant portion of IT leadership's compensation is relegated to performance-based bonuses and incentives ranging from 0–100+ percent with the majority in the 20-30 percent range. These total compensation packages are used to attract and retain executive-level talent by companies who recognize the tremendous value of IT, as the risk-reward model is attractive to top performers. Project based contractors, however, are experiencing rates falling as much as 50 percent.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
CIO - Large Company ^{1 7 10 11}	\$ 191 K	\$ 272 K	\$ 394 K	\$ 211	\$ 292	\$ 409
CIO - Mid-Size/Large Company ^{2 7 10 11}	\$ 178 K	\$ 204 K	\$ 328 K	\$ 196	\$ 218	\$ 341
CIO - Mid-Size Company ^{3 7 10 11}	\$ 152 K	\$ 186 K	\$ 329 K	\$ 168	\$ 199	\$ 342
CIO - Small Company ^{4 7 10 11}	\$ 126 K	\$ 165 K	\$ 255 K	\$ 139	\$ 177	\$ 265
CTO ^{1 10}	\$ 143 K	\$ 188 K	\$ 223 K	\$ 158	\$ 201	\$ 231
IT Director - Large Company ^{1 7 10 11}	\$ 137 K	\$ 172 K	\$ 266 K	\$ 151	\$ 184	\$ 277
IT Director - Mid-Size Company ^{2 3 7 10 11}	\$ 127 K	\$ 170 K	\$ 224 K	\$ 140	\$ 182	\$ 233
IT Director - Small Company ^{4 7 10 11}	\$ 93 K	\$ 127 K	\$ 169 K	\$ 103	\$ 136	\$ 176
CISO - Chief Information Security Officer	\$ 145 K	\$ 178 K	\$ 220 K	\$ 160	\$ 190	\$ 229
Security Manager/Director	\$ 116 K	\$ 145 K	\$ 184 K	\$ 128	\$ 155	\$ 191
IT Audit Manager/Director ⁸	\$ 126 K	\$ 151 K	\$ 176 K	\$ 139	\$ 162	\$ 183
Business Applications Manager - Large Company ^{1 11}	\$ 147 K	\$ 175 K	\$ 201 K	\$ 162	\$ 188	\$ 208
Business Applications Manager - Mid-Size Company ^{2 3 11}	\$ 136 K	\$ 148 K	\$ 177 K	\$ 150	\$ 159	\$ 183
Data Center Manager ^{1 11}	\$ 121 K	\$ 139 K	\$ 166 K	\$ 133	\$ 149	\$ 172
Infrastructure Manager - Large Company ^{1 11}	\$ 142 K	\$ 166 K	\$ 196 K	\$ 157	\$ 178	\$ 204
Infrastructure Manager - Mid-Size Company ^{2 3 11}	\$ 116 K	\$ 149 K	\$ 174 K	\$ 128	\$ 160	\$ 181
Service Desk Manager - ITIL ¹¹	\$ 105 K	\$ 129 K	\$ 150 K	\$ 116	\$ 138	\$ 156
Help Desk Manager ¹¹	\$ 82 K	\$ 103 K	\$ 130 K	\$ 90	\$ 110	\$ 135
PMO Manager - with PMP ^{1 2 3 11}	\$ 126 K	\$ 141 K	\$ 169 K	\$ 139	\$ 151	\$ 176
Project Manager - with PMP ^{1 2 3 11}	\$ 95 K	\$ 127 K	\$ 154 K	\$ 105	\$ 136	\$ 160

SECURITY AND AUDIT

Security is the top priority of surveyed CEOs and CIOs, and has been for the past few years. With a constant threat of being breached, technology is pushed out to the field and to the cloud. This, along with increased governmental regulations, raised the demand for skilled professionals and new products. We predict growth in this area to be especially strong and with the greatest increases in compensation overall.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Security Architect/Engineer ⁵	\$ 92 K	\$ 131 K	\$ 158 K	\$ 102	\$ 140	\$ 164
Security Administrator ⁵	\$ 75 K	\$ 118 K	\$ 140 K	\$ 83	\$ 126	\$ 145
Security INFOSEC - Compliance ⁵	\$ 85 K	\$ 105 K	\$ 125 K	\$ 94	\$ 113	\$ 130
IT/IS Auditor To Lead	\$ 84 K	\$ 109 K	\$ 143 K	\$ 93	\$ 117	\$ 149

BUSINESS INTELLIGENCE, ANALYTICS, AND DATA WAREHOUSING

Business intelligence, analytics, and data warehousing has become one of the hottest sectors on the market. Within the last few years, companies began leveraging the vast amount of data (big data) captured over the last twenty years. As Microsoft, Oracle, SAP, and IBM use this to align their tool sets, small to large companies have projects that are getting valued results. We see an increase both in demand and in compensation for those who have a strong business foundation in addition to technical skills.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Senior Data Warehousing Specialist B/I ⁵	\$ 115 K	\$ 139 K	\$ 156 K	\$ 127	\$ 149	\$ 162
Data Warehousing Specialist ⁵	\$ 87 K	\$ 125 K	\$ 139 K	\$ 96	\$ 134	\$ 144
ETL Developer	\$ 101 K	\$ 119 K	\$ 149 K	\$ 112	\$ 128	\$ 155
DBA - Senior ¹¹	\$ 110 K	\$ 140 K	\$ 158 K	\$ 122	\$ 150	\$ 164
DBA - Junior ¹¹	\$ 84 K	\$ 101 K	\$ 112 K	\$ 93	\$ 108	\$ 117
Oracle Developer - RICE/PL/SQL (4+ Years)	\$ 91 K	\$ 120 K	\$ 143 K	\$ 101	\$ 129	\$ 149
Data Analyst	\$ 86 K	\$ 112 K	\$ 132 K	\$ 94	\$ 121	\$ 137
Report Writer	\$ 65 K	\$ 84 K	\$ 103 K	\$ 72	\$ 90	\$ 107
Techno/Functional Analyst	\$ 93 K	\$ 117 K	\$ 145 K	\$ 103	\$ 125	\$ 150

ERP

The ERP market over the last twenty-four months slowed as companies completed their implementation and upgrades, with many capex projects deferred. However, there is a newfound attitude towards consolidation, in standardizing processes, data, and getting onto a common platform, indicating growth potential. Integrators are using off-shore resources to pick up most of the technical heavy-lifting for these projects, leaving the internal staff focused in the areas of project management and techno-functional analysis. We foresee a relatively flat market in this area with contract rates adjusted down, up to 50 percent.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Oracle Developer - PL/SQL database focused	\$ 101 K	\$ 117 K	\$ 145 K	\$ 112	\$ 125	\$ 150
Oracle - Techno/Functional Analyst ¹¹	\$ 106 K	\$ 126 K	\$ 153 K	\$ 117	\$ 136	\$ 159
Oracle - SME - Functional Analyst ¹¹	\$ 100 K	\$ 123 K	\$ 145 K	\$ 111	\$ 132	\$ 151
PeopleSoft Developer - PeopleTools ¹¹	\$ 82 K	\$ 106 K	\$ 127 K	\$ 91	\$ 113	\$ 132
PeopleSoft - SME - Functional Analyst ¹¹	\$ 101 K	\$ 118 K	\$ 143 K	\$ 112	\$ 127	\$ 149
SAP - Developer ABAP ¹¹	\$ 100 K	\$ 126 K	\$ 143 K	\$ 100	\$ 135	\$ 149
SAP - Techno/Functional Analyst ¹¹	\$ 116 K	\$ 138 K	\$ 166 K	\$ 128	\$ 148	\$ 173
SAP - SME - Functional Analyst ¹¹	\$ 102 K	\$ 131 K	\$ 164 K	\$ 113	\$ 140	\$ 170
ERP Administrator ⁵	\$ 81 K	\$ 102 K	\$ 124 K	\$ 89	\$ 110	\$ 129

WEB DEVELOPMENT

Web applications, lately, are more focused on usability and user-friendliness, especially at the mobile device level. Companies are working closely with back-end developers to maintain branding and push business process and search engine optimization into central components of the overall design. As a result, we are seeing an increase in compensation as the demand for new projects picks up.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Developer - PHP, ASP, Flash, HTML	\$ 62 K	\$ 80 K	\$ 104 K	\$ 68	\$ 85	\$ 108
Graphics/Web Designer - Adobe Photoshop	\$ 47 K	\$ 64 K	\$ 83 K	\$ 52	\$ 68	\$ 86
Interactive Marketing/Search Engine Optimization	\$ 71 K	\$ 99 K	\$ 138 K	\$ 78	\$ 106	\$ 143

APPLICATIONS

As we face the pressure to get more done with less, the demand for increased functionality of non-ERP systems created a strong demand in this area. With the value of offshore development groups in question, there is an increased demand for domestic developers. As a result, we anticipate an increase both in hiring and in salaries, especially at the doer levels with strong technical skills in the visual studio platform. Sharepoint, CRM and mobile development are key as workflow and content management grow more important.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Project/ Team Leader - Applications ^{1 2 3 11}	\$ 101 K	\$ 133 K	\$ 163 K	\$ 112	\$ 142	\$ 169
Enterprise/Applications Architect	\$ 108 K	\$ 144 K	\$ 170 K	\$ 119	\$ 155	\$ 176
Senior Developer/Team Lead ⁵	\$ 107 K	\$ 145 K	\$ 155 K	\$ 118	\$ 156	\$ 161
Systems/Business Analyst ¹¹	\$ 87 K	\$ 123 K	\$ 145 K	\$ 96	\$ 131	\$ 150
SharePoint Developer (4-10 Years)	\$ 95 K	\$ 115 K	\$ 135 K	\$ 105	\$ 123	\$ 140
Developer - .NET (4-10 Years) ⁵	\$ 93 K	\$ 125 K	\$ 148 K	\$ 103	\$ 134	\$ 154
Developer - JAVA (4-10 Years) ⁵	\$ 84 K	\$ 108 K	\$ 140 K	\$ 93	\$ 116	\$ 145
Developer - C++	\$ 84 K	\$ 117 K	\$ 136 K	\$ 93	\$ 125	\$ 142
Developer - Client Server (3+ Years)	\$ 73 K	\$ 97 K	\$ 126 K	\$ 81	\$ 103	\$ 131
Junior Developer (0-4 Years) ⁵	\$ 62 K	\$ 86 K	\$ 109 K	\$ 68	\$ 93	\$ 113
Quality Assurance - Applications Testing	\$ 63 K	\$ 85 K	\$ 116 K	\$ 70	\$ 91	\$ 120
Quality Assurance - Team Lead/Manager	\$ 104 K	\$ 127 K	\$ 155 K	\$ 114	\$ 136	\$ 161
Entry-Level Applications - 4-Year Degree	\$ 45 K	\$ 53 K	\$ 75 K	\$ 50	\$ 57	\$ 78
Entry-Level Applications - 2-Year Degree	\$ 36 K	\$ 44 K	\$ 52 K	\$ 40	\$ 47	\$ 54

TRAINING AND DOCUMENTATION

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Technical Writer	\$ 62 K	\$ 74 K	\$ 102 K	\$ 68	\$ 79	\$ 106
Training	\$ 65 K	\$ 82 K	\$ 108 K	\$ 72	\$ 88	\$ 112

INFRASTRUCTURE

Consolidation, standardization, virtualization, cloud computing, storage, and demand for upgrades, both hardware and software, drive this area. We see this being flat this year as capex expenses get pushed back. Newer technologies allow fewer people to support more users, leading the overall demand to emphasize a department centered on high skills and diversification. We see growth in consulting as the go to for big projects or new technology implementations.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Infrastructure Project Manager ^{12,3,11}	\$ 102 K	\$ 114 K	\$ 155 K	\$ 113	\$ 122	\$ 161
Communications Architect - CCIE ^{1,2,3}	\$ 110 K	\$ 135 K	\$ 162 K	\$ 122	\$ 145	\$ 168
Systems Network Engineer (10+ Years)	\$ 98 K	\$ 120 K	\$ 149 K	\$ 108	\$ 129	\$ 155
Communications - VoIP	\$ 82 K	\$ 109 K	\$ 135 K	\$ 91	\$ 117	\$ 141
UNIX/Linux Administrator	\$ 68 K	\$ 105 K	\$ 130 K	\$ 75	\$ 112	\$ 135
UNIX/Linux System Engineer ^{1,2,3}	\$ 87 K	\$ 119 K	\$ 150 K	\$ 96	\$ 128	\$ 156
2nd Level LAN Administrator (7+ Years)	\$ 77 K	\$ 100 K	\$ 127 K	\$ 84	\$ 107	\$ 132
1st Level LAN Administrator (2+ Years)	\$ 60 K	\$ 80 K	\$ 93 K	\$ 66	\$ 85	\$ 97
Entry-Level Infrastructure - 4-Year Degree	\$ 45 K	\$ 49 K	\$ 68 K	\$ 50	\$ 53	\$ 71
Entry-Level Infrastructure - 2-Year Degree	\$ 32 K	\$ 38 K	\$ 46 K	\$ 35	\$ 41	\$ 48

SERVICE DESK / HELP DESK / DESKTOP

The entire framework of the service desk has shifted over the past few years as companies move activities either offshore to reduce cost or onshore to improve customer service. While these roles are being redefined, the push toward the use of structured methodologies such as ITIL and SLA's has improved the processes; however the growth in this sector is leveling off. As a result, the demand and salaries for professionals at all levels in this sector have flattened.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Help Desk - Level III Service Desk (7+ Years)	\$ 84 K	\$ 103 K	\$ 126 K	\$ 93	\$ 111	\$ 131
Help Desk - Level II Support (5-10 Years) ¹¹	\$ 68 K	\$ 85 K	\$ 99 K	\$ 75	\$ 91	\$ 102
Help Desk - Level I Support (0-10 Years) ¹¹	\$ 42 K	\$ 58 K	\$ 70 K	\$ 46	\$ 62	\$ 73
Software Support (2+ Years) ¹¹	\$ 50 K	\$ 73 K	\$ 95 K	\$ 55	\$ 78	\$ 99
Hardware Technician (1-5 Years) ¹¹	\$ 38 K	\$ 52 K	\$ 77 K	\$ 42	\$ 56	\$ 80

ASSUMPTIONS

Default:

- Rates apply to greater Houston metropolitan area.
- Candidate has 4-year degree unless otherwise noted.
- Contract term of greater than 6 months.
- Highs and lows were eliminated in compiling the survey.
- A more detailed survey is available for executive compensation at www.jdapsi.com.

Specific:

1. Large company is defined as greater than 100+ IT employees.
2. Mid/Large company is defined as 50-100 IT employees.
3. Mid-size company is defined as 10 to 49 IT employees.
4. Small company is defined as fewer than 10 IT employees.
5. Indicates hot skill – add 10 to 15 percent to salary (i.e.: Security, B/I, Mobile, engineering).
6. Excludes bonuses.
7. Top IT person.
8. Limited pool of candidates.
9. Team member.
10. Base compensation (Total = base + bonus + benefits).
11. Current contract market rates could drop up to 50 percent less.

5 REASONS TO CHOOSE JDA

JDA is Established: You will reap the benefits that come only from time - lots of experience and a great reputation in the industry.

JDA is Reliable: You will have continual, timely access to all JDA staff members.

JDA is Effective: You will be presented with the right professional matches in the least amount of time using our "industry-best" processes and procedures.

JDA is Knowledgeable: You will be provided with the information necessary to make smart staffing and career decisions in this ever-evolving IT employment market.

JDA is Friendly: You will like working with us because we enjoy what we do, and it is reflected in the level of service provided to you.

JDA Professional Services, Inc. is a Houston-based IT staffing firm specializing in the recruitment of strategic-technical to executive-level professionals. We provide staffing solutions through full-time, contract, and project-based placements. Since 1981, we have been helping companies build great IT departments while helping IT professionals find the right career opportunities.

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