



Global Knowledge™

Expert Reference Series

2007 IT Salary and Skills Report

What Impacts Salaries?

2007 IT Salary and Skills Report

This Global Knowledge salary survey was conducted in the fourth quarter of 2006 and yielded 1,607 valid responses from individuals in customer and partner databases and from subscribers to its company newsletters.

Evaluating IT salaries can be tricky. Push down one factor and another one pops up. The technologies, job responsibilities, and the job markets themselves are fluid, making it difficult to pin down specific salary factors. While there's no magic number that ties to a particular job title or certification, your years of experience, skill level, and area of specialization certainly play roles.

The good news is that salaries are rising. So whatever your X factor, be it your skill level, your specialization, or the fact that you recently added more letters after your name, you can count on one fact: the rate at which your salary increases is proportional to the extent that you take personal responsibility for your continued education.

Based on our research, other salary surveys, and industry trends, the key factors to consider are:

- Generally speaking, increases in IT salaries follow economic conditions, including the rate of inflation, and are not necessarily increasing faster than those for other occupations. Recent IT salary increases are hovering above the inflation rate, spawning a modest, net gain.
- Economics aside, an increase in IT salaries is linked to what employers value, which can be a combination of skill level, certification, years of experience, and the broadening of education to include management skills.
- There is correlation between certification and salary, because those who are certified also have the skills. Our survey reveals that training is valued more than certification both by employers and IT professionals.
- To employers, training is the most cost-effective retention strategy. It also results in increased productivity and profit.
- To employees, support for training and career development - next to salary - is the most likely reason to stay with or leave an employer.

Who's Making the Money?

With respect to primary responsibility, it is no surprise that Executive Management (representing 2.7% of all respondents) is at the top of the list (see figure 1). Nearly one-quarter of those surveyed report having responsibility in network or systems administration and analysis. Eleven percent of the respondents hold Project Management positions and another 11% are Senior IT Management professionals.

As a group, those with project management certifications have the highest average salary (see figure 2). They also have a lot of experience – more than half report having at least 15 years.

Market forces including geography, specialization, and industry are also significant factors. The skills with the highest demand will extract a higher salary. Currently, security responsibilities and certifications top the list.

Figure 1

Average Salary By Job Function	
Executive Management	\$97,616
Sr IT Management	\$91,185
Consultant	\$84,627
Project Manager	\$83,668
Computer Security Specialists	\$82,237
Non-IT Management	\$81,522
Computer Software Engineers	\$78,405
Engineer - other	\$77,527
Database Administrator/Analyst	\$74,623
Programmer Analyst	\$72,344
Network/Systems Analysts	\$72,199
Analyst - other	\$63,833
Web/Internet Developers	\$63,793
Network/Systems Administrators	\$61,477
Computer Specialists - other	\$58,103
Admin Support	\$54,205
Computer Support Specialists	\$51,933
Other not listed	\$66,897

Figure 2

Average Salary By Major Factor	
Project management	\$85,037
Security	\$84,794
15 or more years of experience	\$83,882
Four-year degree or higher	\$73,583
Average with at least one certification	\$71,573
Average of all respondents	\$71,556
Average with no certifications	\$71,527

Of the top ten in this survey, three of the highest salaries were for individuals in security and Voice over IP.

Respondents holding Cisco certifications report an average salary of \$73,264, about 2.4% above those with no certifications. Those holding Microsoft (except MCSD and MCTS) and CompTIA certifications reported earnings lower than those without certification of any kind. However, Microsoft and CompTIA have the largest proportion of entry-level certifications so the results are biased downward by the limited years of experience.

In addition to skill sets, the impact of the demand is easily seen in how salaries break down by industry (see figure 3).

Age and Experience Count!

It is no surprise that knowledge gained through experience and formal education goes a long way. Respondents with a four-year degree report an average salary 13% higher than those with only some college experience. As IT responsibilities have become more integrated into department- and corporate-wide business strategies and processes, specific technical skills are less important than the more management-focused communication and planning skills. In the long run, a broader educational or training background has a positive effect on salary growth.

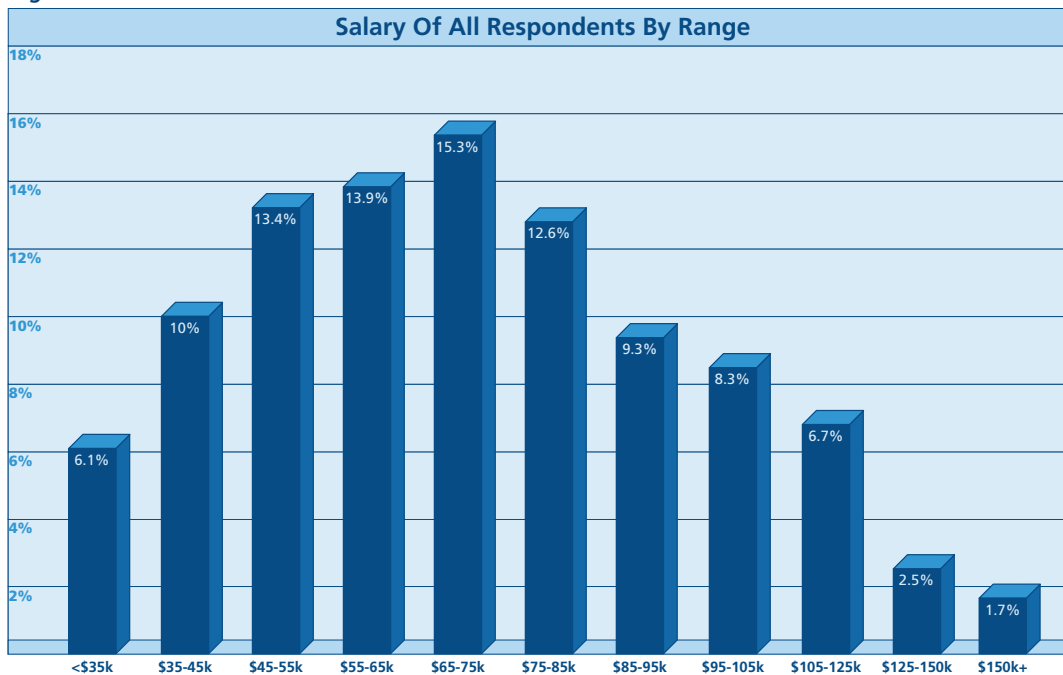
Salary Satisfaction Levels

Overall, salaries remain competitive, but it is still an employer's market. However, when asked "how satisfied are you with your base salary?" the responses indicate an average satisfaction level of 3.1 out of 5, with 10.4% being very satisfied and 8.5% being very dissatisfied. IT professionals are fairly satisfied with their current base salary but not satisfied with the amount of their salary increases. In fact, nearly 23% of the respondents to this survey report that they are very dissatisfied with their last raise.

Figure 3

Salary by Industry	
Government - Federal civilian	\$82,882
Defense Contractor/Aerospace	\$81,321
Government - Military/National Security	\$80,000
Insurance (all)/Real Estate/Legal	\$79,596
IT/Tech/Comm - related services/consulting	\$78,446
Manufacturing - Consumer Goods	\$77,794
Pharmaceutical/Medical/Biotech	\$76,579
IT/Tech/Comm - related software development	\$76,180
Transportation/Public Utilities	\$76,080
Financial Services/Banking	\$75,981
Media/Print/Film/Music	\$75,250
IT/Tech/Comm - related hardware manufacturing	\$74,786
Professional Business/Management Services	\$73,362
Natural Resources - Mining/Oil/Gas	\$71,071
Retail/Wholesale (non-computer)	\$68,627
Communications (telco, cable, satellite)	\$67,435
Manufacturing - Industrial (non-computer)	\$67,169
Hospitality/Recreation	\$63,421
Natural Resources - Agriculture/Forestry	\$63,333
Construction/Architecture/Engineering	\$62,037
Government - State/Local	\$61,535
Education - public/private schools	\$57,544
Other	\$68,836

Figure 4



Within the past 12 months, 14.3% report a decrease in salary, 17.0% report no change, and 14.2% report less than a 3% increase. Of those who did receive an increase, the average is 4.9% (see figure 6), which is comfortably above the peak annual inflation rate of 4.3% that was reached in June 2006. At a current inflation rate of just under 2%, even a modest increase is significant compared to the previous lean years of IT salaries. It is good news that salaries are increasing, but it must be kept in perspective. The Bureau of Labor Statistics reports the wage index increased 3.3 percent between the third quarter of 2005 and the third quarter of 2006.

More than half of IT staffers and two-thirds of IT managers expect bonuses according to the InformationWeek Research's National 2006 IT Salary Survey. Companies are responding with bonus programs based on individual performance or profit sharing; however, 37% of the respondents to our survey are not satisfied with their most recent bonus. In fact, nearly half of them didn't receive a bonus within the past year. Of those who did, the average payout was just under \$4,000.

What's Concerning IT Professionals?

Since skills and experience go hand-in-hand with promotions and salary, it's not surprising that the number one concern of IT professionals surveyed was keeping up with skills (see figure 7). Although outsourcing was expressed as a concern, 81.6% of the respondents were not impacted at all and only 5.4% lost employment. Nearly 6% were retrained by their current employer. Outsourcing as a concern should stay on the radar, however. Irvine, California-based Consumer Economics reported in August 2006 that IT outsourcing in general is not expected to slow down any time soon. Of the categories tracked, software development is the most common outsourced function, with Help Desk as the function most retained internally.

Figure 5

Profile of Respondents	
Base Salary	\$71,556
Received a raise	68.7%
Raise/Increase Amount	4.9%
Received a bonus	52.1%
Bonus Amount	\$3,963
Age	41.6
Years in IT	10.7
Male vs. Female	3:1
Education	74.2% have at least a 4-year degree

Figure 6

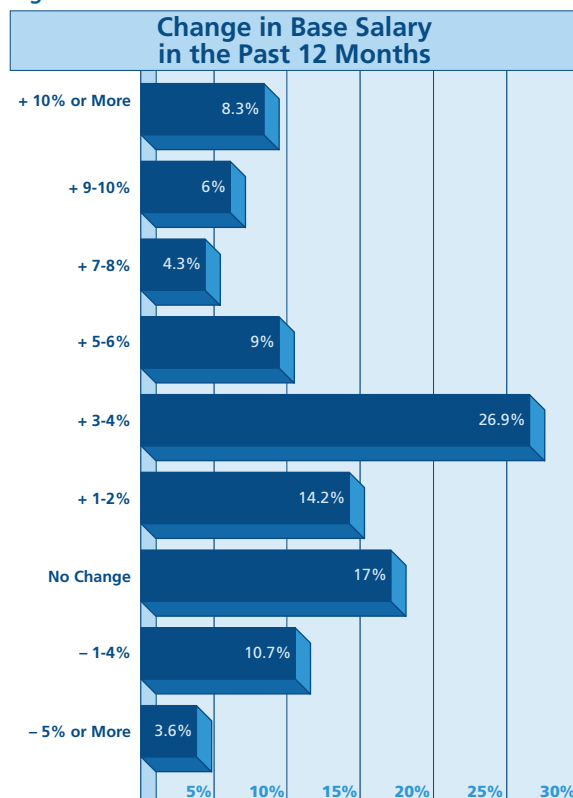
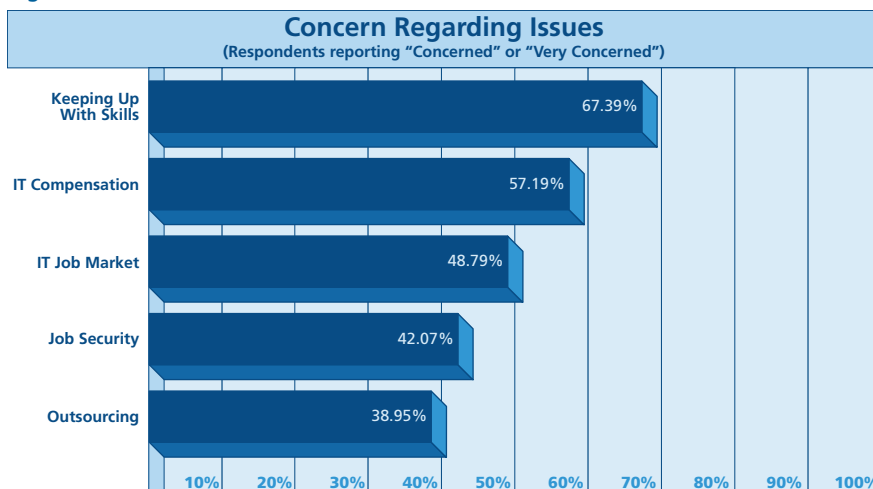


Figure 7



Impact of Certification

More than 80% of the respondents hold a certification. A Microsoft certification is the most common vendor certification followed by the vendor-neutral CompTIA (see figure 8). Half of the respondents earned their most recent certification in something other than the primary vendor or industry association certifications. As the technologies, skill sets, and opportunities change, the biggest challenge in certification might be choosing which ones to maintain and which ones to pursue. There are now more than 200 certification programs with more than 850 certifications according to a recent report by Ed Tittel published by *Certification Magazine* (November, 2006).

Of the respondents, 41% earned their most recent certification more than two years ago, yet only 12% plan on recertifying and less than half plan on gaining a new certification. Security-, VoIP-, and project management-related certifications top the lists in both salary and interest (see figure 9). Microsoft is moving to a broader experienced-based certification; Cisco is expanding the specialties in CCIE; and Red Hat® certifications continue to gain ground as open source technologies expand to a wider installation base.

Figure 8

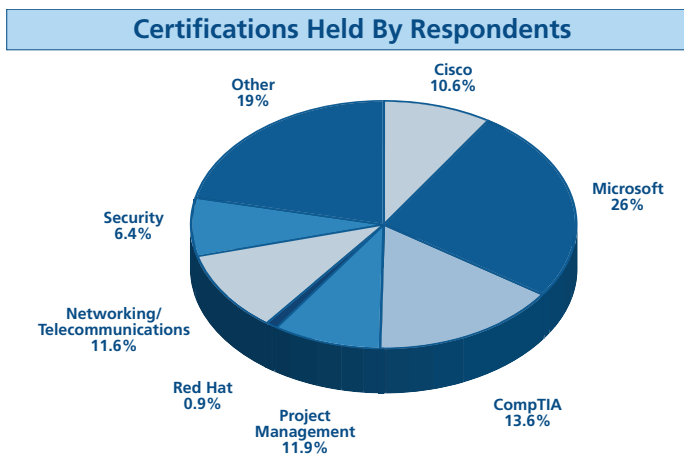


Figure 9

Highest Paying Certifications	
(ISC) ² SSCP [®] (Systems Security Certified Practioner)	\$110,000
Voice over IP Expert	\$100,714
CCIE™ Routing & Switching	\$95,417
NNCDS (Nortel Networks Certified Design Specialist)	\$95,000
ITIL® Managers Certificate	\$94,000
(ISC) ² CISSP [®] (Certified Information Systems Security Professional)	\$91,939
Security Management Expert	\$90,556
PMI® PMP [®] (Project Management Professional)	\$90,470
ITIL® Practioners Certificate	\$87,917
CCVP™ (Cisco® Certified Voice Professional)	\$87,500
Cisco® Advanced Wireless LAN Design Specialist	\$87,500
CWNA (Certified Wireless Network Administrator)	\$86,786
American Management Association® Certificate in Project Management	\$84,545
Cisco® Advanced Wireless LAN Field Specialist	\$84,000
CCDP™ (Cisco® Certified Design Professional)	\$83,750
Cisco® IP Telephony Design Specialist	\$83,750
Check Point® CCSA (Check Point Certified Security Administrator)	\$80,625
CCNP™ (Cisco® Certified Network Professional)	\$79,755
NNCSE (Nortel Networks Certified Support Expert)	\$79,286
ITIL® Foundations Certificate	\$79,167
CCDA™ (Cisco® Certified Design Associate)	\$78,047
MCSD (Microsoft® Certified Solutions Developer)	\$77,125
American Management Association® Certificate - Business Mngement for IT and Technical Professionals	\$76,250
NNCSS (Nortel Networks Certified Support Specialist)	\$75,833
Check Point® CCSE (Check Point Certified Security Expert)	\$75,750
Voice over IP Specialist	\$75,147
CCIP™ (Cisco® Certified Internetwork Professional)	\$74,000
CTP (Convergence Technologies Professional)	\$72,857
CCSP™ (Cisco® Certified Security Professional)	\$72,727
RHCT (Red Hat® Certified Technician)	\$72,500
MCTS (Microsoft® Certified Technology Specialist)	\$72,258
Cisco® Firewall Specialist	\$72,000

IT Professionals Believe In Training

Professionals in the IT sector are well trained. They'd have to be to keep up their skills, gain certifications, and know what they're doing. In fact, 62% percent of the respondents had attended training within the past nine months with fewer than 5% attending as a requirement by an employer. Further, nearly 20% paid for the training themselves.

Most respondents plan to take training because of concern over keeping up their skills (see *figure 10*). When asked specifically to rate their level of concern about maintaining skills, 68% were concerned or very concerned. The level of concern increases with years of experience. Only 23% of those with less than two years experience are very concerned compared to 30% of those with more than fifteen years of experience.

Compare our figures to a recent report from the U.S. Department of Education where 95% of respondents who reported having taken work-related courses did so primarily to maintain or improve skills that they already possessed. Only 10% also mentioned changing jobs as a factor. Additional work-related training to gain a raise or promotion as a factor was cited by only 19% of the respondents.

Gaining a certification, the benchmark standard for testing knowledge and skills, is often not the prime factor in a decision to seek training. Undertaking training to keep up with skills can indeed prepare one for earning a professional certification that could increase compensation.

Salary is important, but professionals also value support for training. Respondents who stated they are strongly dissatisfied with training support are nearly as likely to change jobs within the next 12 months as those dissatisfied with overall compensation. The message to employers, then, might be that your IT staff places a high value on training and may prefer to work for an employer who follows suit (see *figures 11-12*).

Career Satisfaction and the Job Outlook

In spite of the challenges and the fast pace, 67% of respondents are satisfied or very satisfied with their career choice in IT. Experience brings a broader perspective of the job with a greater sense of personal achievement. Salary is important, but employers should be aware of other motivators. In the CompTIA study, 58% of IT workers are looking for new challenges and two-thirds want more opportunities for career development.

John Venator, president and CEO of CompTIA, noted in a December 2006 article in *eWeek* that hiring plans for 2007 look strong in finance, business services, and professional services. Adding to the positive IT career outlook is the statistic from the U.S. Department of Labor which estimates that between 2004 and 2014, 1.49 million new computer and IT-related job openings will be created. Among the top 10 "Best Jobs in America" ranked in 2006 by Money and Salary.com for market growth, compensation, and professional environment are Software Engineer (number one) and Computer IT Analyst (number seven).

Figure 10



Figure 11

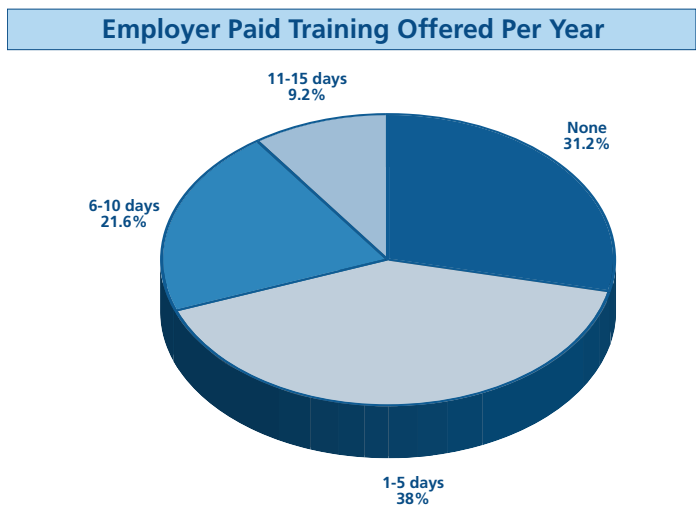
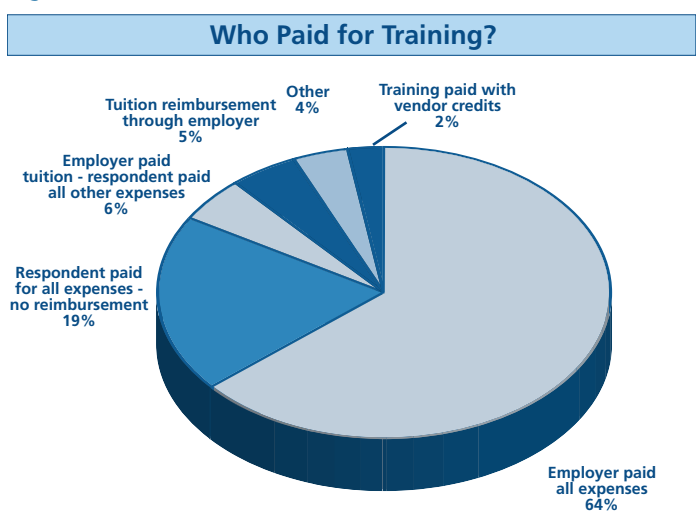


Figure 12



About the Author

The survey project was managed in-house by the Market Research department of Global Knowledge under the direction of Michael Chevalier, Manager of Market Research. He is a veteran of more than 20 years of experience in sales, economics, and marketing research.

Survey Methodology

This Global Knowledge salary survey was conducted via the Internet over an eight-week period from October 6 to December 1, 2006. E-mail invitations were sent to individuals in the customer database, to subscribers of the company newsletters, and to partner databases. Links were also provided on the main company web site. For interpretation, the margin of error is less than +/- 2.5% at the 95% confidence interval. Although the entire survey is statistically significant and holds true in categories, specific certification and job function salaries reflect a much smaller number of respondents. This report illustrates trends and relationships within the IT industry. It is not designed nor intended to be a compensation study for the determination of specific salaries.