

# 2019 HOUSTON IT COMPENSATION REPORT



*Information Technology Staffing Specialists Since 1981*

# OVERVIEW

## *Houston IT Hiring Trends: Optimism Returns*

### ***Optimism Returns to Houston***

With national unemployment close to all-time lows and Houston's rates not far behind, the hiring outlook in 2019 is very strong. Our latest Hiring Trends survey indicated that close to 50 percent of respondents anticipate a net gain of IT staff this year, primarily in full-time positions. This is the first overall increase since 2014, indicating positive growth in the market. We started seeing expansion positions in the 2nd quarter of 2018 with new positions led by stability and growth in the energy sector. Also for the first time since 2014, departmental IT spending will increase with 55 percent having an increase planned for the coming year, taking us from run-and-maintain to growth. The main areas of new money will be for cybersecurity and data analytics followed by software development and ERP systems upgrades. We still think that most large companies will continue to have less staff than in 2014, but smaller and mid-size businesses are ramping up and new businesses are moving into our city.

In our tight labor market, some sectors are close to full utilization: security, compliance, developers, business intelligence, ERP techno/functional analysts, and technical players/coaches. The quantity of local, qualified candidates has decreased, competition is tight, and the most qualified candidates are receiving multiple offers and strong counteroffers. Some companies are willing to train again to develop the resources instead of having an open requisition for many months. Lagging sectors include: generic business analysts, project managers, infrastructure generalists, general IT leadership, and management. These lagging areas are somewhat saturated, but while we don't anticipate many new positions, most companies will be replacing staff turnover. With more companies moving to cloud-based solutions, the leveraging of in-house support is projected to decline over the next couple of years. Even in the less growth-oriented positions, good people are hard to find and keep.

Another trend we see is a pent-up demand for change among employed candidates. Our survey indicates that over 75 percent of employed IT workers are either actively or passively looking for other opportunities. The prevailing attitude to remain in place, inspired by market uncertainty, has largely dissipated. Chief factors include: stagnant career growth—both technically and into higher responsibility roles, stagnant compensation—base and bonus, the higher cost of health care, Houston's notorious commutes, and mindfulness of work/life balance among both senior workers who have paid their dues and younger workers transitioning into key roles. Additionally, baby boomers are retiring; however, we also are seeing that many choose to go into semi-retirement, performing contract and project work both in leadership and technical roles. Thus, with 80 percent of respondents' companies having no formal employee retention plans, companies are better able to make proactive low-cost counteroffers, with additional perks such as flexible work schedules, telecommuting, and an increase in vacation time.

Ultimately, we think that the increase in project load as companies seek ways to scale without increasing personnel will lead to an increased demand for both full-time and contract IT employees over the next eighteen months. 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 is projected to increase more this year than we have ever seen with 61 percent of respondents projecting increases in the 3-6 percent range. This increase surpasses even that of boom years. Bonuses as part of total compensation are also projected to increase with 74 percent of respondents including bonuses as part of their compensation packages. The surprising part is that 57 percent of companies are expecting to pay in the 10-20 percent range; this is the highest percentage we have seen in the last 20 years that we have been doing our survey. Many of our clients are at or above targets and will be paying out great bonuses in early 2019. The wild card will continue to be the cost of health insurance as more companies share the cost of the increases.

Contract rates are beginning to increase for all sectors as the demand nationally has increased and there are more options. This could be a concern as some of the best will choose to venture out and seek fortunes vs. job security.

With a strong market projected this could well lead to the talent pool engaging in strategic repositioning—picking up new skills, seeking shorter commutes and increases in compensation. New hires will receive incentives of 5-20 percent compensation increases and additional free time to make a move. Due to this aggressive competition, we advise our clients to consider the cost of retention versus the cost of turnover as most existing staff is valuable. 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, training, and expressing appreciation for employee efforts and loyalty. An accommodating work environment can make a huge difference in employee retention.

With the increase in hiring there are a lot of new entries in the recruiting business locally, nationally, and internationally. If you are hiring, choose an established local resource that knows the market, city, and has the resources to find the right people. Choose JDA: we will take good care of you and get the job done.

## ***How JDA Can Help***

Since 1981 JDA has been helping Houston companies build great IT departments. An active recruiter of IT professionals in Houston, JDA is a 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 [jdel@jdapsi.com](mailto:jdel@jdapsi.com).

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

## ***About the Survey***

The information presented above was compiled from our annual IT leadership survey of Houston-area VP's of IT, CIO's, and IT Directors, and a survey conducted from our employed candidate pool. Compensation numbers are based on current base salaries and exclude bonuses.

## MANAGEMENT

IT leadership and executive-level leadership is evolving into several distinct camps. In one camp, the tactical leader drives for operational excellence, cost reduction, and increased efficiency; on the other side, the true visionary and innovator that will leverage disruptive technology in order to drive an increased value-based model. As we come out of the “run and maintain” stage, the role of the executive and leadership team is expected to change going forward. The “visionary and innovator” who can drive system improvements, data management, analytics, and change will become a more sought-after asset to the business.

The trend shows that a significant portion of IT leadership’s compensation is related to performance-based bonuses and incentives ranging from 0–100 percent with the majority paying out in the range of 20-30 percent. These incentive-based compensation packages are used to attract and retain executive-level talent by companies recognizing that the risk-reward model is attractive to top performers.

Project-based contractors, by comparison, are experiencing small rate increases and high competition.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
CIO - Large Company <sup>1 7 10 11</sup>	\$199 K	\$286 K	\$418 K	\$184	\$264	\$385
CIO - Mid-Size/Large Company <sup>2 7 10 11</sup>	\$185 K	\$214 K	\$348 K	\$171	\$198	\$320
CIO - Mid-Size Company <sup>3 7 10 11</sup>	\$158 K	\$195 K	\$349 K	\$147	\$181	\$321
CIO - Small Company <sup>4 7 10 11</sup>	\$131 K	\$173 K	\$271 K	\$122	\$161	\$250
CTO <sup>1 10</sup>	\$149 K	\$197 K	\$236 K	\$139	\$182	\$218
IT Director - Large Company <sup>1 7 10 11</sup>	\$142 K	\$181 K	\$282 K	\$132	\$168	\$260
IT Director - Mid-Size Company <sup>2 3 7 10 11</sup>	\$132 K	\$178 K	\$237 K	\$123	\$165	\$219
IT Director - Small Company <sup>4 7 10 11</sup>	\$97 K	\$133 K	\$180 K	\$91	\$124	\$167
CISO - Chief Information Security Officer	\$151 K	\$187 K	\$233 K	\$140	\$173	\$215
Security Manager/Director	\$120 K	\$152 K	\$195 K	\$112	\$141	\$181
IT Audit Manager/Director <sup>8</sup>	\$131 K	\$159 K	\$187 K	\$122	\$148	\$173
Business Applications Manager - Large Company <sup>1 11</sup>	\$153 K	\$184 K	\$213 K	\$142	\$171	\$197
Business Applications Manager - Mid-Size Company <sup>2 3 11</sup>	\$141 K	\$156 K	\$187 K	\$131	\$145	\$173
Data Center Manager <sup>1 11</sup>	\$126 K	\$146 K	\$176 K	\$118	\$136	\$163
Infrastructure Manager - Large Company <sup>1 11</sup>	\$148 K	\$174 K	\$208 K	\$138	\$161	\$192
Infrastructure Manager - Mid-Size Company <sup>2 3 11</sup>	\$120 K	\$157 K	\$185 K	\$112	\$146	\$171
Service Desk Manager - ITIL <sup>11</sup>	\$109 K	\$136 K	\$159 K	\$102	\$127	\$148
Help Desk Manager <sup>11</sup>	\$85 K	\$108 K	\$138 K	\$80	\$101	\$129
PMO Manager - with PMP <sup>1 2 3 11</sup>	\$131 K	\$148 K	\$180 K	\$122	\$138	\$167
Project Manager - with PMP <sup>1 2 3 11</sup>	\$99 K	\$133 K	\$163 K	\$93	\$124	\$151

## SECURITY AND AUDIT

As in the past few years, CEOs and CIOs express security as their top priority. With the constant threat of a breach, technology is moving from the traditional data center into a cloud environment. This, along with an increase in governmental regulations, has led to an increase in demand for skilled professionals and new products. With experienced security professionals so highly sought-after, salaries are expected to increase significantly

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Security Architect/Engineer <sup>5</sup>	\$96 K	\$137 K	\$168 K	\$90	\$128	\$156
Security Administrator <sup>5</sup>	\$78 K	\$124 K	\$149 K	\$74	\$116	\$139
Security INFOSEC - Compliance <sup>5</sup>	\$88 K	\$110 K	\$133 K	\$83	\$103	\$124
IT/IS Auditor To Lead	\$88 K	\$115 K	\$152 K	\$83	\$108	\$141

# BUSINESS INTELLIGENCE, ANALYTICS, AND DATA WAREHOUSING

As companies began leveraging the vast amount of data (big data) captured over the last twenty years, business intelligence, analytics, A/I, machine learning, and data warehousing have increasingly become among the hottest sectors in the market. The marginal increase in executive reporting, customer service, sales, and product management led to a projected budget increase for 2019. Due to the expansiveness in cost savings initiatives, demand for these individuals with a strong business foundation consistently increases year over year.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Senior Data Warehousing Specialist B/I <sup>5</sup>	\$119 K	\$146 K	\$165 K	\$111	\$136	\$153
Data Warehousing Specialist B/I <sup>5</sup>	\$90 K	\$131 K	\$147 K	\$85	\$122	\$137
ETL Developer	\$105 K	\$125 K	\$158 K	\$98	\$117	\$147
DBA - Senior <sup>11</sup>	\$115 K	\$147 K	\$168 K	\$108	\$137	\$156
DBA - Junior <sup>11</sup>	\$88 K	\$106 K	\$119 K	\$83	\$99	\$111
Oracle Developer - RICE/PL/SQL (4+ Years)	\$95 K	\$126 K	\$152 K	\$89	\$118	\$141
Data Analyst	\$89 K	\$118 K	\$140 K	\$84	\$110	\$130
Report Writer	\$68 K	\$88 K	\$110 K	\$65	\$83	\$103
Techno/Functional Analyst	\$97 K	\$123 K	\$153 K	\$91	\$115	\$142

## ERP

The ERP market is coming back to life after a long slump. With the large cost of doing ERP implementations and upgrades, those projects were deferred, but this is beginning to change. With more cloud solutions using out of the box set ups, we observe that fewer people are required to cover more modules creating an increase in single points of failure. This in part will lead to an increase in hiring of techno/functional specialists. Integrators typically use off-shore resources to pick up most of the technical heavy-lifting for these projects, leaving more of the business process-focused functions to the internal staff.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Oracle Developer - PL/SQL Database Focused	\$105 K	\$123 K	\$154 K	\$98	\$115	\$143
Oracle - Techno/Functional Analyst <sup>11</sup>	\$110 K	\$133 K	\$163 K	\$103	\$124	\$151
Oracle - SME - Functional Analyst <sup>11</sup>	\$104 K	\$130 K	\$154 K	\$98	\$121	\$143
PeopleSoft Developer - PeopleTools <sup>11</sup>	\$85 K	\$111 K	\$135 K	\$80	\$104	\$126
PeopleSoft - SME - Functional Analyst <sup>11</sup>	\$105 K	\$124 K	\$152 K	\$98	\$116	\$141
SAP - Developer ABAP <sup>11</sup>	\$104 K	\$133 K	\$152 K	\$98	\$124	\$141
SAP - Techno/Functional Analyst <sup>11</sup>	\$121 K	\$145 K	\$176 K	\$113	\$135	\$163
SAP - SME - Functional Analyst <sup>11</sup>	\$107 K	\$137 K	\$174 K	\$100	\$128	\$161
ERP Administrator <sup>5</sup>	\$84 K	\$107 K	\$131 K	\$79	\$100	\$122

## WEB DEVELOPMENT

Usability - Web applications have increasingly become more focused on user accessibility with easy-to-use interfaces for multi-device functionality. Companies are also working closely with back-end developers to maintain their brand through search engine optimization. Demand for web developers has consistently increased over the years, leading to consistent increases in compensation.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Developer - PHP, ASP, Flash, HTML	\$64 K	\$84 K	\$111 K	\$61	\$79	\$104
Graphics/Web Designer - Adobe Photoshop	\$49 K	\$67 K	\$88 K	\$47	\$64	\$83
Interactive Marketing/Search Engine Optimization/Social Media	\$74 K	\$104 K	\$146 K	\$70	\$98	\$136

## APPLICATIONS

With the push to get more done with less, the demand for efficient and effective non-ERP systems has created a strong demand in this area. The demand for in-house custom apps developers has increased due to the lack of quality products produced by offshore teams. As a result, we are seeing full employment for Microsoft and Java full-stack developers. This spike in demand has led to one of the sharpest increases in both employment and salaries.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Project/ Team Leader - Applications <sup>1 2 3 11</sup>	\$105 K	\$140 K	\$173 K	\$98	\$130	\$161
Enterprise/Applications Architect	\$112 K	\$152 K	\$180 K	\$105	\$141	\$167
Senior Developer/Team Lead <sup>5</sup>	\$111 K	\$153 K	\$164 K	\$104	\$142	\$152
Systems/Business Analyst <sup>11</sup>	\$90 K	\$129 K	\$153 K	\$85	\$120	\$142
SharePoint Developer (4-10 Years)	\$99 K	\$121 K	\$143 K	\$93	\$113	\$133
Developer - .NET (4-10 Years) <sup>5</sup>	\$97 K	\$131 K	\$157 K	\$91	\$122	\$146
Developer - JAVA (4-10 Years) <sup>5</sup>	\$88 K	\$113 K	\$148 K	\$83	\$106	\$138
Developer - C++	\$88 K	\$123 K	\$145 K	\$83	\$115	\$135
Developer - Client Server (3+ Years)	\$76 K	\$101 K	\$134 K	\$72	\$95	\$125
Junior Developer (0-4 Years) <sup>5</sup>	\$64 K	\$91 K	\$116 K	\$61	\$86	\$108
Quality Assurance - Applications Testing	\$66 K	\$90 K	\$123 K	\$63	\$85	\$115
Quality Assurance - Team Lead/Manager	\$108 K	\$134 K	\$164 K	\$101	\$125	\$152
Entry-Level Applications - 4-Year Degree	\$47 K	\$56 K	\$80 K	\$46	\$54	\$76
Entry-Level Applications - 2-Year Degree	\$37 K	\$47 K	\$55 K	\$36	\$46	\$53

## TRAINING AND DOCUMENTATION

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Technical Writer	\$64 K	\$78 K	\$108 K	\$61	\$74	\$101
Training	\$68 K	\$86 K	\$114 K	\$65	\$81	\$107

## INFRASTRUCTURE

Consolidation, standardization, virtualization, storage capacity, and the need for upgrades all drive the demand for talented personnel in the infrastructure space. The biggest game-changer to come about is in cloud computing, which shifted the infrastructure team's focus from hardware support to applications management, delegating most of the responsibilities to the service company. With the emergence of these newer technologies, hiring in this space is expected to remain flat due to an individual's ability to effectively support a larger user base. Compensation at the support and administrative levels are expected to remain flat, while architect and engineering levels are expected to increase.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Infrastructure Project Manager <sup>1,2,3,11</sup>	\$107 K	\$119 K	\$164 K	\$100	\$111	\$152
Communications Architect - CCIE <sup>1,2,3</sup>	\$115 K	\$142 K	\$172 K	\$108	\$132	\$160
Systems Network Engineer (10+ Years)	\$102 K	\$127 K	\$158 K	\$96	\$119	\$147
Communications - VoIP	\$86 K	\$115 K	\$144 K	\$81	\$108	\$134
UNIX/Linux Administrator	\$70 K	\$110 K	\$138 K	\$67	\$103	\$129
UNIX/Linux System Engineer <sup>1,2,3</sup>	\$90 K	\$125 K	\$159 K	\$85	\$117	\$148
2nd Level LAN Administrator (7+ Years)	\$80 K	\$105 K	\$135 K	\$76	\$98	\$126
1st Level LAN Administrator (2+ Years)	\$62 K	\$84 K	\$99 K	\$59	\$79	\$93
Entry-Level Infrastructure - 4-Year Degree	\$47 K	\$51 K	\$72 K	\$46	\$49	\$68
Entry-Level Infrastructure - 2-Year Degree	\$33 K	\$40 K	\$49 K	\$33	\$39	\$47

## SERVICE DESK / HELP DESK / DESKTOP

The framework of the service desk has shifted over the years due to improved technology and reporting. Through standardization, fewer staff can now effectively support more users. As a result, demand and salaries in this area are expected to remain flat.

	SALARY			HOURLY BILL RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Help Desk - Level III Service Desk (7+ Years)	\$88 K	\$109 K	\$134 K	\$83	\$102	\$125
Help Desk - Level II Support (5-10 Years) <sup>11</sup>	\$70 K	\$90 K	\$105 K	\$67	\$85	\$98
Help Desk - Level I Support (0-10 Years) <sup>11</sup>	\$43 K	\$61 K	\$74 K	\$42	\$58	\$70
Software Support (2+ Years) <sup>11</sup>	\$52 K	\$76 K	\$101 K	\$50	\$72	\$95
Hardware Technician (1-5 Years) <sup>11</sup>	\$40 K	\$55 K	\$82 K	\$39	\$53	\$77

### ASSUMPTIONS

#### Default:

- Rates apply to greater Houston metropolitan area.
- Candidate has 4-year degree unless otherwise noted.
- Contract term is greater than 6 months.
- Outliers are eliminated in compiling the survey.
- A more detailed survey is available for executive compensation at [www.jdapsi.com](http://www.jdapsi.com).

#### Specific:

1. Large company is defined as greater than 100 IT employees.
2. Mid/large company is defined as 50 to 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 be up to 50 percent less.

## 5 REASONS TO CHOOSE JDA

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**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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**JDA** PROFESSIONAL  
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