

# 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 develop a great career, send a resume to [jda@jdapsi.com](mailto:jda@jdapsi.com).

We're optimistic about the future. We look forward to working with you.

## ***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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
CIO - Large Company <sup>1 7 10 11</sup>	\$199 K	\$286 K	\$418 K	\$129	\$185	\$269
CIO - Mid-Size/Large Company <sup>2 7 10 11</sup>	\$185 K	\$214 K	\$348 K	\$120	\$139	\$224
CIO - Mid-Size Company <sup>3 7 10 11</sup>	\$158 K	\$195 K	\$349 K	\$103	\$126	\$225
CIO - Small Company <sup>4 7 10 11</sup>	\$131 K	\$173 K	\$271 K	\$86	\$112	\$175
CTO <sup>1 10</sup>	\$149 K	\$197 K	\$236 K	\$97	\$128	\$153
IT Director - Large Company <sup>1 7 10 11</sup>	\$142 K	\$181 K	\$282 K	\$93	\$117	\$182
IT Director - Mid-Size Company <sup>2 3 7 10 11</sup>	\$132 K	\$178 K	\$237 K	\$86	\$116	\$153
IT Director - Small Company <sup>4 7 10 11</sup>	\$97 K	\$133 K	\$180 K	\$64	\$87	\$117
CISO - Chief Information Security Officer	\$151 K	\$187 K	\$233 K	\$98	\$121	\$151
Security Manager/Director	\$120 K	\$152 K	\$195 K	\$79	\$99	\$126
IT Audit Manager/Director <sup>8</sup>	\$131 K	\$159 K	\$187 K	\$86	\$103	\$121
Business Applications Manager - Large Company <sup>1 11</sup>	\$153 K	\$184 K	\$213 K	\$100	\$119	\$138
Business Applications Manager - Mid-Size Company <sup>2 3 11</sup>	\$141 K	\$156 K	\$187 K	\$92	\$102	\$121
Data Center Manager <sup>1 11</sup>	\$126 K	\$146 K	\$176 K	\$82	\$95	\$114
Infrastructure Manager - Large Company <sup>1 11</sup>	\$148 K	\$174 K	\$208 K	\$96	\$113	\$135
Infrastructure Manager - Mid-Size Company <sup>2 3 11</sup>	\$120 K	\$157 K	\$185 K	\$79	\$102	\$120
Service Desk Manager - ITIL <sup>11</sup>	\$109 K	\$136 K	\$159 K	\$71	\$89	\$103
Help Desk Manager <sup>11</sup>	\$85 K	\$108 K	\$138 K	\$56	\$71	\$90
PMO Manager - with PMP <sup>1 2 3 11</sup>	\$131 K	\$148 K	\$180 K	\$86	\$96	\$117
Project Manager - with PMP <sup>1 2 3 11</sup>	\$99 K	\$133 K	\$163 K	\$65	\$87	\$106

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Security Architect/Engineer <sup>5</sup>	\$96 K	\$137 K	\$168 K	\$63	\$89	\$109
Security Administrator <sup>5</sup>	\$78 K	\$124 K	\$149 K	\$52	\$81	\$97
Security INFOSEC - Compliance <sup>5</sup>	\$88 K	\$110 K	\$133 K	\$58	\$72	\$87
IT/IS Auditor To Lead	\$88 K	\$115 K	\$152 K	\$58	\$75	\$99

# 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Senior Data Warehousing Specialist B/I <sup>5</sup>	\$119 K	\$146 K	\$165 K	\$78	\$95	\$107
Data Warehousing Specialist B/I <sup>5</sup>	\$90 K	\$131 K	\$147 K	\$59	\$86	\$96
ETL Developer	\$105 K	\$125 K	\$158 K	\$69	\$82	\$103
DBA - Senior <sup>11</sup>	\$115 K	\$147 K	\$168 K	\$75	\$96	\$109
DBA - Junior <sup>11</sup>	\$88 K	\$106 K	\$119 K	\$58	\$70	\$78
Oracle Developer - RICE/PL/SQL (4+ Years)	\$95 K	\$126 K	\$152 K	\$63	\$82	\$99
Data Analyst	\$89 K	\$118 K	\$140 K	\$59	\$77	\$91
Report Writer	\$68 K	\$88 K	\$110 K	\$45	\$58	\$72
Techno/Functional Analyst	\$97 K	\$123 K	\$153 K	\$64	\$80	\$100

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Oracle Developer - PL/SQL Database Focused	\$105 K	\$123 K	\$154 K	\$69	\$80	\$100
Oracle - Techno/Functional Analyst <sup>11</sup>	\$110 K	\$133 K	\$163 K	\$72	\$87	\$106
Oracle - SME - Functional Analyst <sup>11</sup>	\$104 K	\$130 K	\$154 K	\$68	\$85	\$100
PeopleSoft Developer - PeopleTools <sup>11</sup>	\$85 K	\$111 K	\$135 K	\$56	\$73	\$88
PeopleSoft - SME - Functional Analyst <sup>11</sup>	\$105 K	\$124 K	\$152 K	\$69	\$81	\$99
SAP - Developer ABAP <sup>11</sup>	\$104 K	\$133 K	\$152 K	\$68	\$87	\$99
SAP - Techno/Functional Analyst <sup>11</sup>	\$121 K	\$145 K	\$176 K	\$79	\$94	\$114
SAP - SME - Functional Analyst <sup>11</sup>	\$107 K	\$137 K	\$174 K	\$70	\$89	\$113
ERP Administrator <sup>5</sup>	\$84 K	\$107 K	\$131 K	\$56	\$70	\$86

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Developer - PHP, ASP, Flash, HTML	\$64 K	\$84 K	\$111 K	\$43	\$56	\$73
Graphics/Web Designer - Adobe Photoshop	\$49 K	\$67 K	\$88 K	\$33	\$45	\$58
Interactive Marketing/Search Engine Optimization/Social Media	\$74 K	\$104 K	\$146 K	\$49	\$68	\$95

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Project/ Team Leader - Applications <sup>1 2 3 11</sup>	\$105 K	\$140 K	\$173 K	\$69	\$91	\$112
Enterprise/Applications Architect	\$112 K	\$152 K	\$180 K	\$73	\$99	\$117
Senior Developer/Team Lead <sup>5</sup>	\$111 K	\$153 K	\$164 K	\$73	\$100	\$107
Systems/Business Analyst <sup>11</sup>	\$90 K	\$129 K	\$153 K	\$59	\$84	\$100
SharePoint Developer (4-10 Years)	\$99 K	\$121 K	\$143 K	\$65	\$79	\$93
Developer - .NET (4-10 Years) <sup>5</sup>	\$97 K	\$131 K	\$157 K	\$64	\$86	\$102
Developer - JAVA (4-10 Years) <sup>5</sup>	\$88 K	\$113 K	\$148 K	\$58	\$74	\$96
Developer - C++	\$88 K	\$123 K	\$145 K	\$58	\$80	\$94
Developer - Client Server (3+ Years)	\$76 K	\$101 K	\$134 K	\$50	\$66	\$87
Junior Developer (0-4 Years) <sup>5</sup>	\$64 K	\$91 K	\$116 K	\$43	\$60	\$76
Quality Assurance - Applications Testing	\$66 K	\$90 K	\$123 K	\$44	\$59	\$80
Quality Assurance - Team Lead/Manager	\$108 K	\$134 K	\$164 K	\$71	\$87	\$107
Entry-Level Applications - 4-Year Degree	\$47 K	\$56 K	\$80 K	\$32	\$38	\$53
Entry-Level Applications - 2-Year Degree	\$37 K	\$47 K	\$55 K	\$25	\$32	\$37

## TRAINING AND DOCUMENTATION

	SALARY			HOURLY PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Technical Writer	\$64 K	\$78 K	\$108 K	\$43	\$52	\$71
Training	\$68 K	\$86 K	\$114 K	\$45	\$57	\$75

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Infrastructure Project Manager <sup>1,2,3,11</sup>	\$107 K	\$119 K	\$164 K	\$70	\$78	\$107
Communications Architect - CCIE <sup>1,2,3</sup>	\$115 K	\$142 K	\$172 K	\$75	\$93	\$112
Systems Network Engineer (10+ Years)	\$102 K	\$127 K	\$158 K	\$67	\$83	\$103
Communications - VoIP	\$86 K	\$115 K	\$144 K	\$57	\$75	\$94
UNIX/Linux Administrator	\$70 K	\$110 K	\$138 K	\$47	\$72	\$90
UNIX/Linux System Engineer <sup>1,2,3</sup>	\$90 K	\$125 K	\$159 K	\$59	\$82	\$103
2nd Level LAN Administrator (7+ Years)	\$80 K	\$105 K	\$135 K	\$53	\$69	\$88
1st Level LAN Administrator (2+ Years)	\$62 K	\$84 K	\$99 K	\$41	\$56	\$65
Entry-Level Infrastructure - 4-Year Degree	\$47 K	\$51 K	\$72 K	\$32	\$34	\$48
Entry-Level Infrastructure - 2-Year Degree	\$33 K	\$40 K	\$49 K	\$23	\$27	\$33

## 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 PAY RATE		
	LOW	AVG	HIGH	LOW	AVG	HIGH
Help Desk - Level III Service Desk (7+ Years)	\$88 K	\$109 K	\$134 K	\$58	\$71	\$87
Help Desk - Level II Support (5-10 Years) <sup>11</sup>	\$70 K	\$90 K	\$105 K	\$47	\$59	\$69
Help Desk - Level I Support (0-10 Years) <sup>11</sup>	\$43 K	\$61 K	\$74 K	\$29	\$41	\$49
Software Support (2+ Years) <sup>11</sup>	\$52 K	\$76 K	\$101 K	\$35	\$50	\$66
Hardware Technician (1-5 Years) <sup>11</sup>	\$40 K	\$55 K	\$82 K	\$27	\$37	\$54

### 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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