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\$99,000

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IT managers approach the six-figure mark for median total pay. But bonuses, not base salary, are driving the gains.

Information technology is still a good way to make a buck, with the average manager making \$99,000 and the average staffer \$73,000, according to InformationWeek Research's National IT Salary Survey. IT pros are relying on bonuses rather than base pay, however, to keep up with inflation.

Median base salaries grew slightly more than 1% year over year for staff and managers. That's tight, but with bonuses, total compensation grew 3% for staff and 4% for managers. That brings total compensation back above 2001 levels, a high-water mark that pay has stayed below in recent years. The six-figure mark was more in reach this year: 10 managerial job categories show median pay greater than \$100,000. Last year, only six broke that barrier.

Despite the meager increase this year, base salaries have climbed over the past five years—a compound annual growth rate of 5% for IT staff and 4.5% for IT managers.

Variable pay is a bigger factor than it's been since the tech bubble burst. Managers got 8% of total compensation through bonuses—the highest share since 2001, when bonuses made up a whopping 18% of compensation. Staff got 4% of their pay in bonuses, nowhere near the 16% they saw in 2001.

For IT pros at specialty retailer Brookstone, pay has tracked to inflation, says Chuck Firth, the company's application development project manager. While there are IT jobs coming to the eastern New Hampshire region, such as insurer Liberty Mutual moving its data center there, it's not likely to change the market. "I don't think there's enough demand to drive up salaries," Firth says.

Three in five people who get bonuses have them based on personal performance, two in five based on company profit sharing. Project milestones bring bonuses for 15% of staffers and 20% of managers. Only a select few earn bonuses through certification or training (5%) and hot skill premiums (2%), such as application design and development. More than half of IT staffers and two-thirds of IT managers anticipate a bonus. "The bonuses are icing on the cake," says Tom Andrix, a database administrator at hedge fund George Weiss Associates, where bonuses are based on company and individual performance.

WHERE THE MONEY IS

Data mining and data warehouse, human resources IT, Web infrastructure, ERP, and enterprise application integration job functions bag the largest pay packages for IT managers. The lowest-paying spots are for networking, training, and IT support, jobs where median pay is 60% of the top-tier categories. Job titles matter, too. IT staffers with titles of architects and sales support engineers crack \$100,000 in median pay. There's much buzz about the importance of project management, but that title, with median pay of \$93,000, falls short of the tech elite. Seven staff job categories pay median total compensation of more than \$80,000 a year; last year, only four categories topped that figure.

When it comes to benefits, health benefits and 401(k) accounts are cited by more than 70% of staff and management. At some companies, a few perks of the late 1990s have survived. Damon Bollin, the top IT exec at a frozen foods manufacturer in Georgia, has a team of 14 IT people who are on call 24 hours a day, yet he hasn't lost an IT team member since the company introduced a pay package for its tech people in the late '90s, when the company had a hard time holding on to tech talent. The package includes many of the same perks offered to senior executives, including fully paid health benefits, stock options, and retirement.

Still, Bollin doesn't consider all these jobs secure, in part because the IT team is building systems that need less hands-on care. If the middleware the company plans to deploy works as planned, fewer software pros will be needed to integrate, support, and maintain applications. "A lot of our staff knows the writing is on the wall," says Bollin, who believes the team could be cut by a third over the next two years. In part to help his staff prepare, Bollin pushed for another perk: The Company pays for IT classes if the employee gets a B+ or better. "These people have kept us alive," he says. "It's money well spent." Among all survey respondents, only 30% of staff and 28% of managers receive tuition reimbursement.

What Staffers Make

What Managers Make

The persistent salary gap between women and men, especially in management, got larger this year. Male IT staffers command a median base salary of \$70,000, compared with \$64,000 for women IT staffers, a 9% difference. Among IT managers, men are earning an average of 15% more than women in base salary this year, compared with 10% more in 2005. Throw in bonuses, and the gap gets larger: Male staffers make \$8,000 (12%) more, and male managers \$14,000 (16%) more.

MORE THAN MONEY

Job stability, challenge and responsibility, and flexible work schedules all are cited by more than half of respondents as factors that matter most to them about their jobs; base pay is cited by 48%.

Financial services company Capital One takes those issues seriously enough to spend on average \$2,000 per IT employee on training and development. That includes a variety of courses; including training in the company's Agile methodology to spur collaboration and integration of business and technology says CIO **Gregor Bailar**. The company's 2,200 IT pros also can download E-learning classes onto iPods, which were provided for training courses to all Capital One employees last year. Skill development and training are cited by one in five workers as being among the things that matter most about their jobs. Capital One also uses a flexible work environment that emphasizes mobility, from campus Wi-Fi that lets people move around the office to providing laptops so people can work from home. Flexible work schedules are the third-most-cited factor in what matters in a job. Says Bailar, "We take pride in being innovative, and we don't want our innovators to walk."

Still, companies better not take their eye off the pay package. Sure, employees cite other things more often as the most important factors about their jobs. But the No. 1 reason people look for a new job, cited by 70% of people, is higher pay. The next biggest reason, more interesting work, is cited by less than half. Money alone won't keep 'em. But without it, they'll walk.

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