

**2002**  
**IT Salary Survey Report**

**February 2003**

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## Executive Summary

Brainbench, the leader in online skills assessment, surveyed more than 6,000 IT professionals in the U.S. to understand salary trends in this sector in 2002. Based on this large sample, Brainbench is able to provide insight into actual salary trends for 2002, and projected trends for 2003 in key information technology disciplines. The survey covers a number of key trends, including:

- ✓ Year-over-year salary increase data from 2001 to 2002
- ✓ Male/Female salary levels in key IT disciplines
- ✓ Salary Increase Rankings By Industry
- ✓ Role of IT certifications in salary increases
- ✓ Average salaries for those holding key IT certifications
- ✓ Compensation Packages to Augment Salary Increases
- ✓ Projected salary increases from 2002 to 2003

## Methodology

Brainbench randomly selected participants from its database of more than 4.5 million registered members to participate in an online survey. E-mail solicitations were sent out to registered members in December 2002 and by the end of that month, 6,030 U.S. professionals had responded to the survey. Of the survey participants, 2,095 are female, and 3,935 are male.

## Summary Findings

- **Salary increases continued to be under pressure from larger economic forces in the technology sector in 2002** with 67% of respondents indicating they received increases of 3% or less in 2002. In 2001, only 52% of respondents reported receiving salary increases of 0-3%.
- **Women lost significant ground on the salary front in the technology sector in 2002.** The percentage of females earning the same as men fell significantly in virtually every salary category above \$40,000 in 2002. In 2001, women achieved

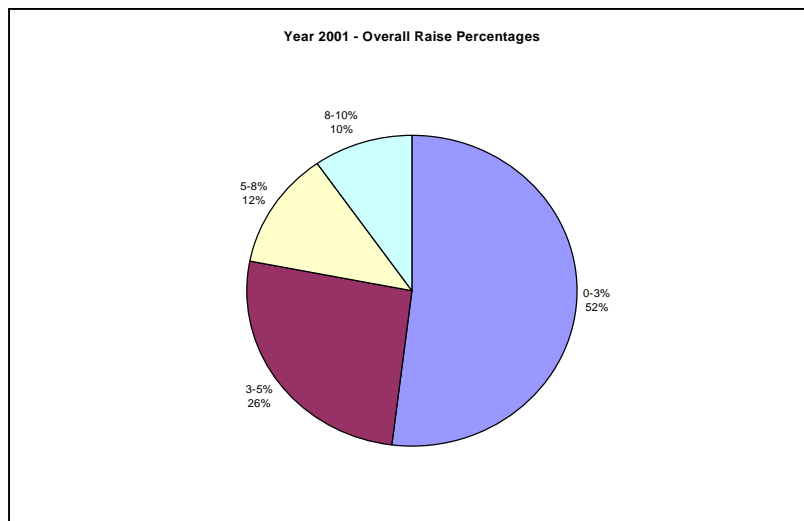
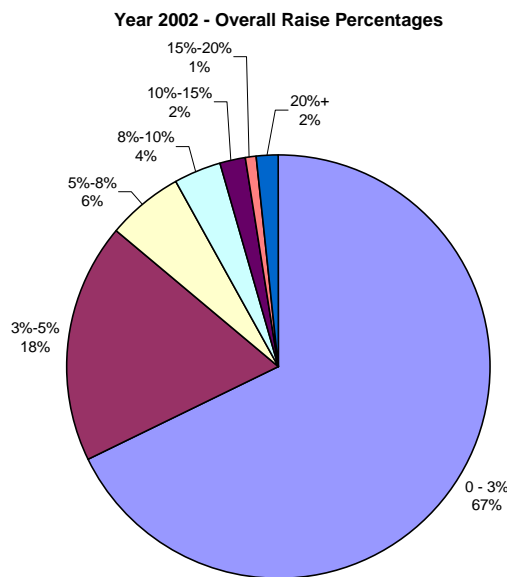
virtual salary parity in most categories, and outpaced men in companies with sales in excess of \$1 billion. Across the board, women lost ground in 2002, even in large companies where they gained the most the previous year.

- **Expectations for salary increases in 2003 have been radically altered by the economic events of the past year.** Forty-two percent of those responding say that they expect increases of between 0-3% in 2003, and only 30% say they expect an increase of 3%-5%. In 2001, there was significantly more optimism, with more than half saying they expected increases to be in the 3% to 8% range.
- **Professional certifications are bankable assets for IT professionals,** with those receiving certifications significantly more likely to achieve salary increases above the industry average of 1%-3%.
- **Additional Compensation**  
While many firms paid no additional compensation on top of base salary in 2002, large companies (more than \$1 billion in annual revenue) led the way with stock-based incentives (options and grants), but were followed closely by the smallest organizations (less than \$1 million in annual revenue) based on individual performance and/or a combination of individual and corporate performance.
- **Salary Increase Rankings By Industry**  
Despite the overall pressure on salary increases in the technology industry in 2002, the Computer Hardware/Software Manufacturing segment consistently provided above-average salary increases. Other industries consistently paying increases above the norm include Healthcare, Education/Training and Accounting/Financial Services.

**Detailed Results**

**2002 Salary Increase Percentages**

Sixty-seven percent of respondents say that they received a salary increase in 2002 that was 3% or less; with 18% receiving increases of between 3%-5%; 6% of respondents receiving increases between 5%-8%; and 4% receiving increases of between 8%-10%. Salary increases for 2002 were significantly below those for the year 2001, reflecting the changes in the economy and demand for IT positions. *In 2000, 62% of IT professionals surveyed received increases greater than 3%.*



### Salary Increase Rankings By Industry

Despite the overall pressure on salary increases in the technology sector in 2002, the Computer Hardware/Software Manufacturing industry consistently provided above-average salary increases. In each salary increase category above the 1%-3% norm for 2002, Computer Hardware/Software Manufacturing outpaced every other industry. Other industries consistently paying increases above the norm include Healthcare, Education/Training and Accounting/Financial Services.

Industry Rank	20%+ Salary Increase
1	Computer Hardware/Software Manufacturing
2	Healthcare
3	Services
4	Education/Training
5	Accounting/Financial Services

Industry Rank	15%-20% Increase
1	Computer Hardware/Software Manufacturing
2	Accounting/Financial Services
3	Telecommunications
4	Services
5	Healthcare & Education/Training (Tie)

Industry Rank	10%-15% Increase
1	Computer Hardware/Software Manufacturing
2	Accounting/Financial Services
3	Manufacturing
4	Healthcare
5	Systems Integration

Industry Rank	8%-10% Increase
1	Computer Hardware/Software Manufacturing
2	Manufacturing
3	Telecommunications
4	Healthcare
5	Services and Education/Training (Tie)

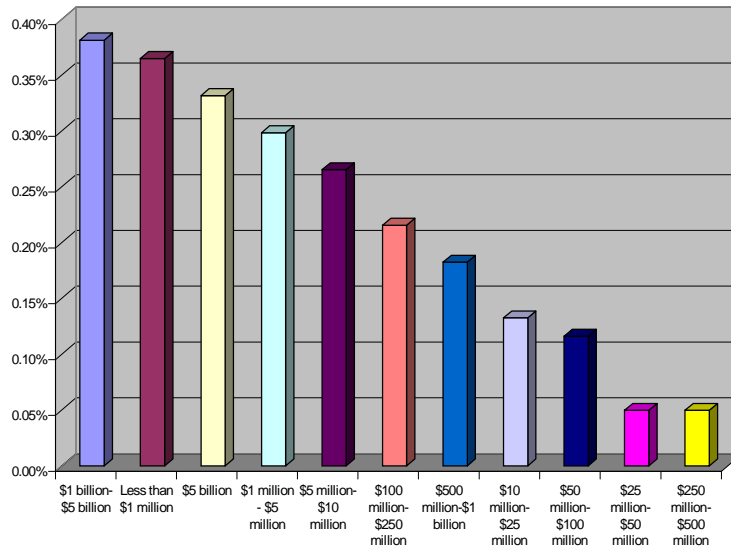
Industry Rank	5%-8% Increase
1	Computer Hardware/Software Manufacturing
2	Accounting/Financial Services
3	Education/Training and Manufacturing (Tie)
4	Healthcare
5	Telecommunications

Industry Rank	3%-5% Increase
1	Computer Hardware/Software Manufacturing
2	Healthcare
3	Education/Training
4	Manufacturing
5	Accounting/Financial Services

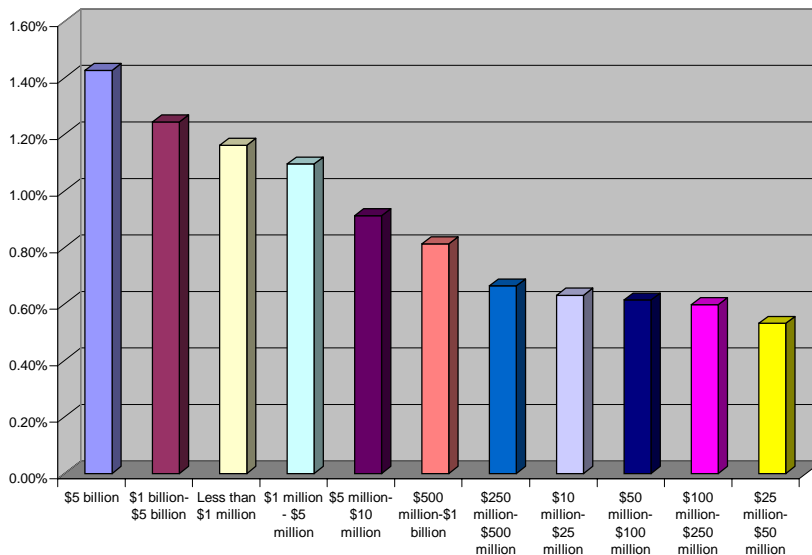
### Additional Compensation

While many firms paid no additional compensation on top of base salary in 2002, there are some surprising developments in compensation mix provided by companies who do provide incentives. Large companies (more than \$1 billion in annual revenue) led the way with stock-based incentives (options and grants), but were followed closely by the smallest organizations (less than \$1 million in annual revenue). In addition, incentive cash compensation was also adopted by more small organizations than large companies; with more than 4% of those from small companies indicating that they received a cash bonus in 2002 based solely on personal performance. Individuals from organizations with revenue between \$1 million - \$5 million were more likely to receive incentive cash compensation based upon a combination of personal and corporate performance.

Additional Compensation: Stock Grants

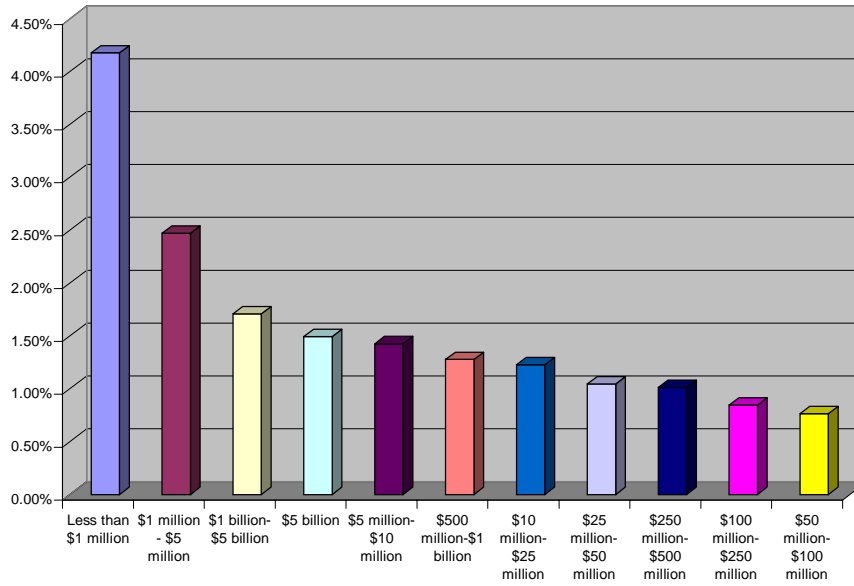


Additional Compensation: Stock Options

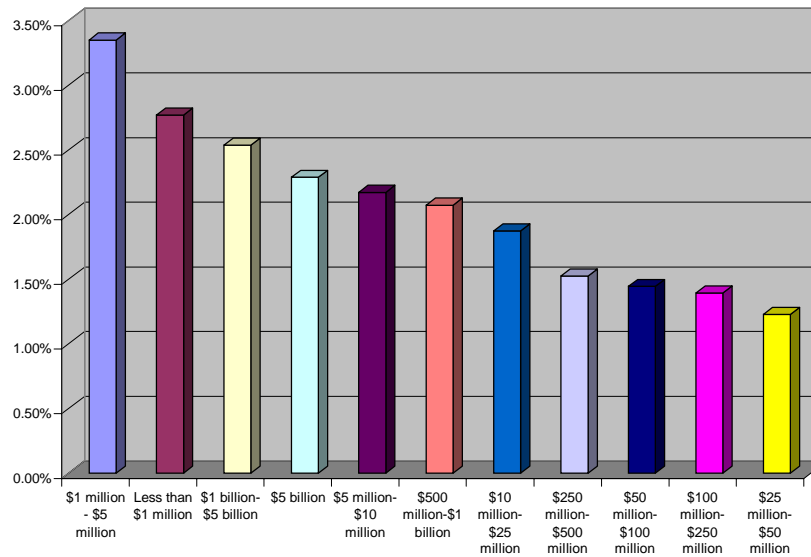


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### Additional Compensation: Performance Bonus



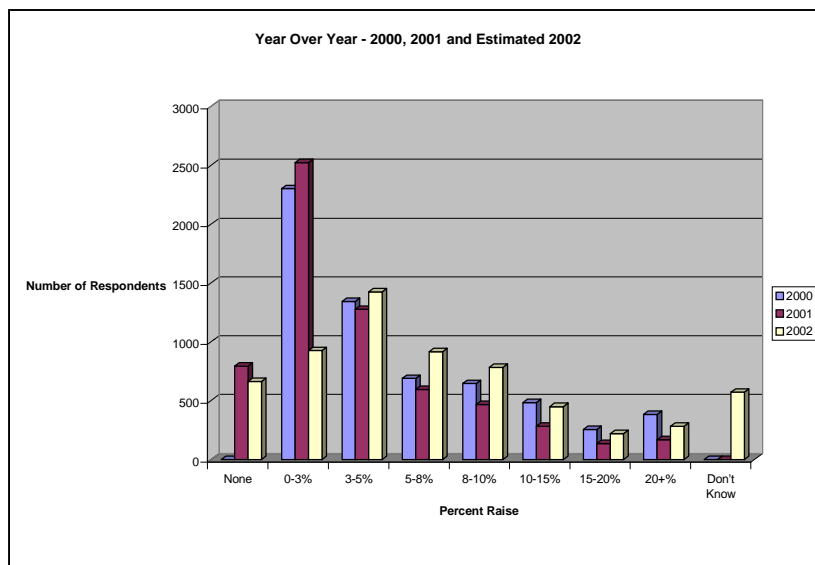
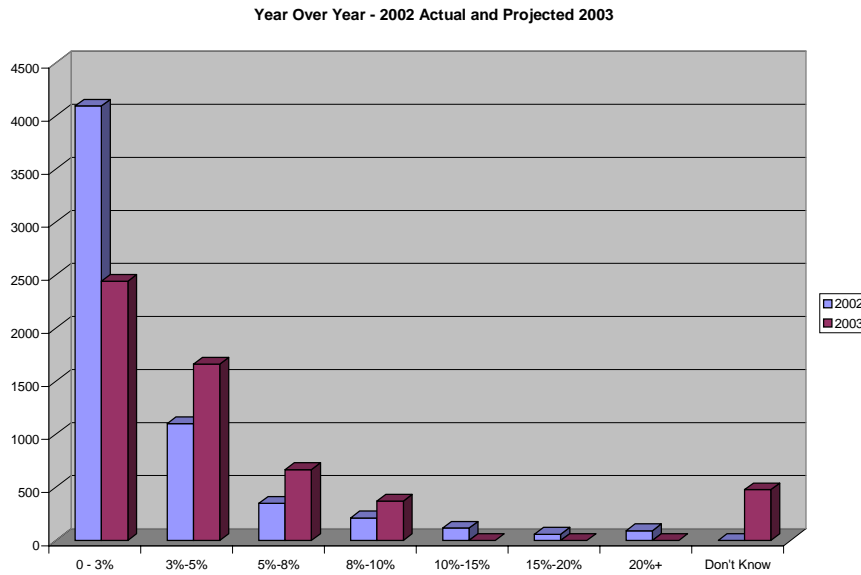
### Additional Cash Compensation Based On Personal & Corporate Performance



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### 2003 Anticipated Salary Increases

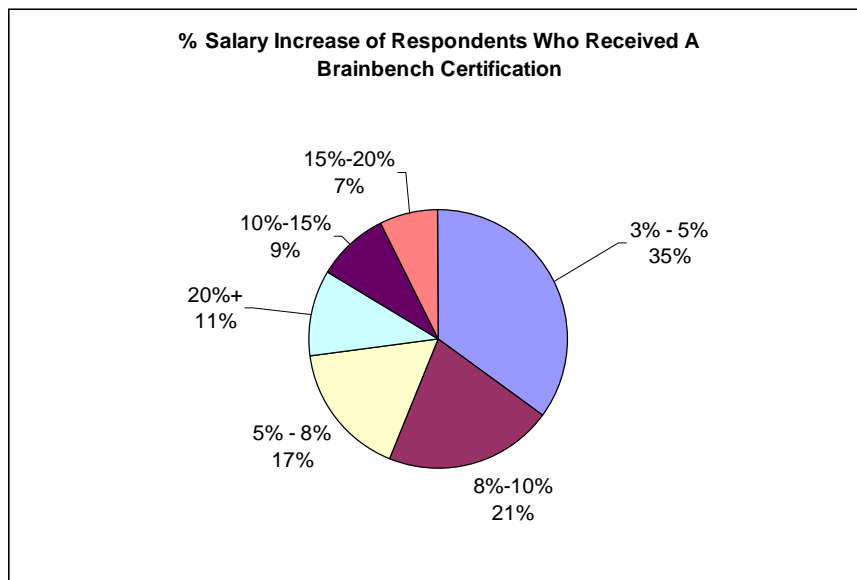
Optimism for salary increases in 2003 fell significantly from expectations for 2002. 42% of respondents say that they expect salary increases of 0-3% in 2003, and an additional 30% say they expect salary increases of between 3%-5%. This represents a dramatic resetting of expectations compared to the previous year, where over half of respondents had salary expectation in the 3% - 8% range. A significant percentage of respondents (9%) say they “Don’t Know” what their salary increase will be in 2003.



### Certifications

Of the respondents, 1,697 received a professional certification in the last 12 months, and certifications appear to play a significant role in the amount of salary increase received by these individuals in 2002. While many in the IT community have debated the merits of proctored certification testing compared to online certification, employers apparently see no distinction between the two, and, in many cases, provide higher salary increases for those with online certifications.

Individuals holding Brainbench certifications were significantly more likely to receive above average salary increases in 2002. Sixty-five percent of respondents with a Brainbench certification received salary increases of at least 5% up to more than 20%.



**Top Certifications Changing With Market Demand**

In 2001, there was strong demand for telecommunications related and project management related certifications. In 2002, the top certifications shifted more towards knowledge of computers and networks.

**Top 25 Certifications – 2002**

- 1 Computer Fundamentals Win 95/98
- 2 Network Technical Support
- 3 Computer Industry Knowledge
- 4 Computer Technical Support
- 5 RDBMS Concepts
- 6 HTML 3.2
- 7 JavaScript
- 8 Java 1
- 9 C++
- 10 MS Windows 95 Administration
- 11 Linux Administration
- 12 HTML 4.0
- 13 Java 2
- 14 Business Fundamentals
- 15 C
- 16 Computer Fundamentals Win 2000
- 17 MS Windows 95 Navigation
- 18 Web Development Concepts
- 19 Visual Basic 6.0
- 20 Active Server Pages
- 21 MS Windows 98 Administration
- 22 MS Access 2000 Fundamentals
- 23 Internet Concepts
- 24 Programmer/Analyst Aptitude
- 25 MS Windows 2000

**Top 25 Certifications - 2001**

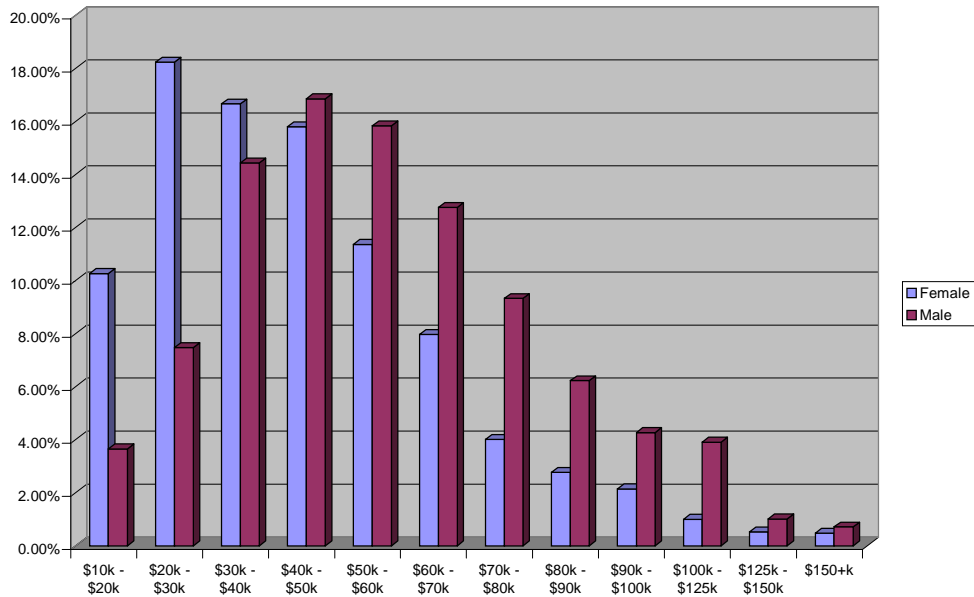
- 1 Voice Over Internet Protocol (VoIP)
- 2 Project Management
- 3 UNIX Administration (Solaris)
- 4 XML
- 5 Cisco Network Design
- 6 Oracle 8.i Administration
- 7 Computer Telephony Integration
- 8 UNIX Administration (HP)
- 9 C++
- 10 Cellular Technology
- 11 UNIX Administration (AIX)
- 12 Java EJB
- 13 xDSL
- 14 Apache Administration
- 15 RDBMS Concepts
- 16 Java 2
- 17 UNIX Administration (General)
- 18 C
- 19 Visual Basic
- 20 COBOL II
- 21 Cisco Network Support
- 22 Network Security
- 23 Linux Administration (Red Hat)
- 24 Oracle PL/SQL
- 25 Internet Security

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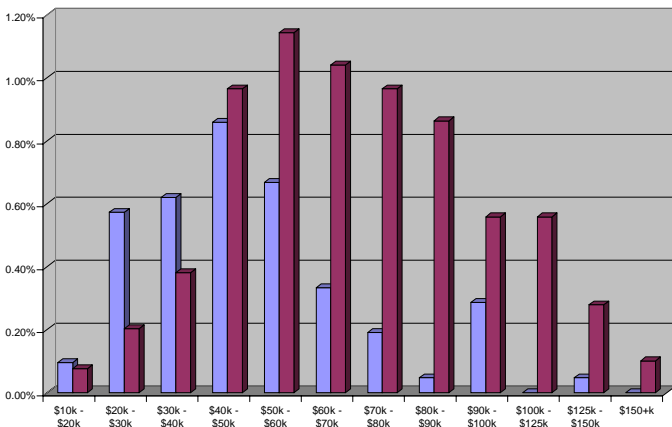
### Male/Female Salary Comparison

2002 turned out to be a bad year for women in almost every major salary category. In 2001, on a percentage basis women made great strides in salary parity with men, especially in organizations with sales in excess of \$1 billion. In 2002, women lost ground virtually across the board, outpacing men only in the lowest salary categories.

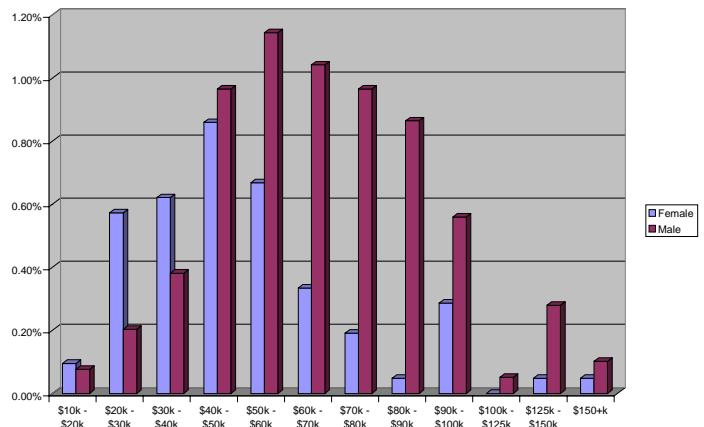
2002 Male/Female Salary Comparison



Male/Female Salary Comparison in Organizations with Sales of \$1Billion - \$5 Billion



Male/Female Salary Comparison in Organizations with Sales of \$5 Billion+



## Demographics

Brainbench 2002 IT Salary Survey respondents are representative of a very broad range of organizations, titles, education levels and job responsibilities.

Respondents hold a wide variety of titles, with 43% indicating they hail from the ranks of managers, team leaders and team member categories. CEOs, Owners, Partners and Senior Management represent 4% of respondents, along with Consultants (14%), Directors (3%), Vice Presidents (1%) and Other (34%).

Companies of all sizes are represented in the survey results. Although a significant percentage, or 34%, is from companies with fewer than 100 people, 20% are from organizations with more than 5,000 employees and another 22% come from companies with between 500 and 5,000 people.

The annual sales of respondent companies are distributed among a wide range, with 27.25% coming from organizations with sales of \$1 million or less; 15.19% from firms with sales between \$1 million - \$5 million; 8.47% from firms with sales between \$5 million - \$10 million; 8.01% from firms with sales between \$10 million - \$25 million; 5.22% at firms with sales between \$25 million - \$50 million; 5.21% at firms between \$50 million - \$100 million; 4.94% from firms between \$100 million - \$250 million; 5.01% from firms between \$250 million - \$500 million; 6.05% at firms between \$500 million - \$1 billion; 8.52% from firms between \$1 billion - \$5 billion and 6.10% from firms with sales greater than \$5 billion.