

FOR IMMEDIATE RELEASE

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NEW RESEARCH REVEALS TECH SKILLS PAY UP 9.9% FOR THE YEAR – 17.6% FOR APPLICATIONS DEVELOPMENT -- AS EMPLOYERS SEEK TO RETAIN THEIR TOP TALENT WITH COMPETITIVE PAY STRATEGIES

New Canaan, CT, October 25, 2005 – Premium pay tied specifically to certified and noncertified information technology skills has grown an average of 7.9 percent to 9.9 percent, respectively, for the year ending October 1st, signaling a willingness of employers to recognize tech skills in maintaining competitive pay for their workers, according to a new compensation survey report released today by workforce research firm Foote Partners LLC.

“Tech skills are my no means the Holy Grail for IT professionals in the current staffing environment, not with everything else employers are expecting from their IT departments in helping them execute on business strategies,” notes David Foote, President and Chief Research Officer for Foote Partners. “But it’s clear from our new quarterly compensation survey research that while employers remain nervous about hiring full-timers and taking on their escalating health care costs, they are investing in IT skills in a very big way. Probably the biggest change we’ve noticed from a year ago is that CIOs have turned their attention from regulatory compliance to once again focusing on innovation and creating new products and services. This has translated in more demand – in fact, pent up demand -- for applications development skills relative to infrastructure skills, for example,” observes Foote, “But I can report that spending for infrastructure skills is still pretty healthy.”

Foote Partners LLC – Press Release, October 25, 2005

Overall premium pay for 94 noncertified skills surveyed in the *Quarterly Hot Technical Skills and Certifications Pay Index* (50,000 IT professionals in 1,820 North American), grew 9.9 percent in value for the twelve months ending October 1, 2005, and nearly 5 percent in 2005, to an average 7 percent of base salary in median premium paid. Pay for 95 certified tech skills has also risen, by 7.9 percent overall in the past year, to an average 8.2 percent of base salary.

“In the big picture, technology has never played a bigger role revenue generation, whether you’re talking data mining and business intelligence, web-enabled delivery mechanisms, business process management, customer relationship management, or anything else that can contribute to ensuring a company’s competitiveness and profitability. You’ve got to attract and retain the best talent to do this, and shame on any employer who can’t retain their best people due to pay issues.”

One of the biggest findings in the latest survey according to Foote has been applications development-related skills. That category is up 17.6 percent in pay for the year for noncertified skills and 13.2 percent for certified skills. “These are monster numbers for software developers, but for those of us who closely track IT workforce developments, this doesn’t come as a surprise,” insists Foote. “Part of this increase is due to post-SOX compliance spending behavior but also to the fact that companies are in-sourcing applications development that might have been outsourced 18 months ago. They’ve wised up to the risks of offshoring, at how difficult it is to do it well. Risk aversion has become a prime directive. In this business environment it may be more important to produce predictable results even if it may cost more to do so. If you’re head-to-head with a competitor, or if a revenue window of opportunity with a customer is starting to close, any misstep could mean your job. In that situation most managers will go with their best in-house applications development talent, supplemented by consultants and contractors. They’re seeking out IT workers with industry- and solution-specific experience to go with the tech skills mastery, even if it means rehiring people who had been downsized. Skills pay is being used to both attract and retain the talent required, and we’re learning that the skills premium is often being rolled right into their base salary as an adjustment, which is significant.”

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BY THE NUMBERS

New data on skills pay trends for non-certified and certified skills

A. NONCERTIFIED Technical Skills_ (for certified skill pay trends, see pg. 6)

Overall median average pay for 94 noncertified skills surveyed grew 9.9 percent for the year ending 10/1/2005, to an average 7 percent of base pay. Over the past four years, pay for such skills has declined over 20%.

NON-CERTIFIED SKILLS CATEGORIES	Skills Bonus Pay as a % of Base Salary(Median Ave.)			% Change	% Change	% Change	% Change
	3Q 2003	3Q 2004	3Q 2005	ANNUAL	2 yrs	3 yrs	4 yrs
Networking & Internetworking	6.6%	6.7%	7.2%	7.8%	9.5%	-0.8%	-16.3%
Messaging, E-mail, Groupware	5.5%	5.8%	5.8%	0.0%	4.5%	-8.0%	-34.3%
Enterprise Applications & Suites	6.9%	6.5%	7.2%	10.3%	4.2%	-6.0%	-15.6%
Apps Development Tools & Languages	6.5%	6.1%	7.2%	17.6%	10.4%	1.0%	-17.6%
Web/E-Commerce Development	6.8%	6.4%	6.7%	5.2%	-0.6%	-6.3%	-23.6%
Database	7.7%	6.8%	7.3%	7.7%	-4.8%	-11.2%	-19.4%
Operating Systems	6.0%	5.6%	6.6%	17.8%	10.5%	8.2%	-13.1%
ALL SKILLS SURVEYED	6.6%	6.4%	7.0%	9.9%	5.3%	-2.8%	-18.8%

Table 1 (Source: Foote Partners LLC, [2005 Hot Technical Skills & Certifications Pay Index](#))

What non-certified tech skills have been growing in value?

By skills category, in order of most growth (12 months):

- Applications Development Tools/Languages (+17.6% in premium skills pay value)
- Operating Systems (+17.8%)
- Enterprise Applications Development (+10.3%)
- Networking/Internetworking (+7.8%)
- Database (+7.7%)
- Web/e-Commerce Development (+5.2%)

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A. NONCERTIFIED Technical Skills – cont'd.

What non-certified tech skills have been growing in value? – cont'd.

Hot non-certified skills (10%+ growth, 6 mos; 20%+ growth, 12 mos.):

- Active Server Pages;
- Microsoft NT Server;
- Java;
- Visual J++
- SQL Server;
- ABAP/SAP;
- Microsoft .Net;
- SQL Windows;
- WebSphere

Highest paying non-certified skills, in order of highest paying:

- Project-level security;
- RAD/Extreme Programming;
- VoIP; Storage/SAN;
- Gigabit Ethernet;
- WebSphere;
- RFID;
- Oracle DB and Apps;
- Microsoft SQL Windows,
- SQL Server

What non-certified skills have been losing their value?

‘Cooling’ non-certified skills (losing most value in last 12 mos.):

- XML
- Novell
- Lotus Notes/Domino

‘Cold’ non-certified skills (losing significant value over last 12 mos.):

- ATM
- Cobol
- SMTP
- CGI
- Cold Fusion
- HTTP
- Lawson
- Perl
- Powerbuilder
- SNA
- Siebel

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B. CERTIFIED Technical Skills

Overall median average pay for 95 certified skills surveyed grew 7.9 percent for the year ending 10/1/2005, to an average 8.2% of base pay---more than a full percentage point greater than non-certified skills. Over the prior four years pay for such skills has actually *declined* nearly 4.5%, underscoring the magnitude of the recent pay surge led by applications development certifications.

Certifications Premium Pay as a % of Base Salary(Median Ave.)							
CERTIFICATIONS CATEGORIES	3Q 2003	3Q 2004	3Q 2005	% Change ANNUAL	% Change 2 yrs	% Change 3 yrs	% Change 4 yrs
General	4.8%	4.0%	4.0%	0.0%	-15.8%	-27.3%	-40.7%
Apps Development/Prog. Languages	6.5%	6.8%	7.6%	13.2%	17.5%	11.0%	-3.0%
Database	9.7%	9.0%	9.6%	6.7%	-0.7%	-10.0%	-15.3%
Webmaster/Internet	6.4%	5.7%	6.1%	7.8%	-5.1%	-26.7%	-32.9%
Networking	8.5%	9.0%	9.3%	3.7%	9.8%	7.6%	-2.8%
System Admin & Eng/Network OS	7.6%	7.9%	8.0%	1.1%	5.0%	5.4%	-0.6%
Security	8.9%	8.8%	8.9%	0.9%	-0.6%	0.6%	6.6%
Project Management	16.0%	13.0%	14.0%	7.7%	-12.5%	-6.7%	0.0%
ALL CERTIFICATIONS SURVEYED	7.6%	7.6%	8.2%	7.9%	7.2%	1.2%	-4.5%

Table 2 (Source: Foote Partners LLC, [2005 Hot Technical Skills & Certifications Pay Index](#))

What certified skills have been growing in value?

By certifications category, in order of most growth:

- Applications Development/Programming Languages (+13.2% in premium skills pay value)
- Webmaster/I-net, Project Management (+7.8%)
- Project Management (+7.7%)
- Database (+6.7%)
- Networking (+3.7%)
- System Admin & Eng./NOS (+1.1%)
- Security (+0.9%)

Hot certified skills (14%+ growth, 6 mos.; 17%+ growth, 12 mos.):

- Sun Certified Programmer for Java 2 Platform
- Prosoft Master CIW Web Site Manager
- Sun Certified Developer for Java 2 Platform
- Sun Certified Enterprise Architect for Java 2 Platform
- Certified Information Systems Auditor
- CompTIA Network Technician
- Sun Certified Systems Administrator/Solaris

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B. CERTIFIED Technical Skills – cont'd.

What certified skills have been growing in value? - cont'd.

Highest paying certifications, listed in groups by certification provider:

- Certified Information Systems Auditor (CISA)
- Project Management Professional(PMP)
- Certified Information Systems Security Professional (CISSP)
- Cisco Certified Internetwork Expert (CCIE)
- Cisco Certified Voice Professional (CCVP)
- Cisco Certified Design Professional (CCDP)
- Cisco Certified Enterprise Administrator (CCEA)
- Cisco Certified Internetwork Professional
- Cisco Certified Security Professional (CCSP)
- Cisco IP Telephony Design Specialist
- Cisco IP Telephony Operations Specialist
- SANS/GIAC Security Expert (GSE)
- SANS/GIAC Certified Forensic Analyst (GCFA)
- SANS/GIAC Certified Windows Security Administrator (GCWN)
- HP/Compaq Master Accredited Systems Engineer (MASE)
- IBM Certified Solutions Developer: WebSphere
- Oracle DBA Certified Master Professional (OCM DBA)
- Oracle Certified Professional (OCP DBA)
- Teradata Certified Master
- Citrix Certified Enterprise Administrator
- IBM Certified Solutions Developer

What certifications have been losing their value?

‘Cooling’ certifications (losing value in last 12 mos.):

- Citrix Certified Administrator
- Cisco Certified Network Professional; Certified Security Professional
- IBM Certified Advanced Application Developer – Lotus
- Microsoft Certified Desktop Support Technician(MCDST)
- Novell Certified Directory Engineer; Certified Network Administrator

‘Cold’ certified skills (losing significant value over last 2 years):

- Beginner certs (MCP, CCP, A+);
- SANS/GIAC Security Essential
- Microsoft Computing Professional+Internet
- Prosoft CIW Administrator
- Siebel Certified Consultant
- Siebel Customer Certified Consultant
- SANS/GIAC Firewall Analyst

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C. SKILLS TO WATCH – Next 12 Months

In-Demand Technical Skills - Next 12 months

Customer-facing

- Applications Development/Database (MCSD, SQL, Java, .Net, ASP, SQL Windows, Oracle)
- RAD/Extreme Programming
- Web-enabled analytics, management apps (MAPICS)
- Database (SQL Server, Oracle)
- RFID

Infrastructure

- Networking (Cisco, VoIP, wireless, net management)
- Wireless (WLAN, Cisco WLSE/CWSP/CWNP/CWNA, Structured Wireless Aware Network)
- Security (Cisco, CISA, CISSP, CISM, GIAC)
- Systems (HP/Compaq SE, Citrix)
- Web services/SOA (WebSphere, .Net, MCSD/.Net, SOAP)
- Storage/SAN (EMC, Veritas, IBM, CA)
- Messaging (MCSE and MCSA Messaging specialization)

Enabling

- Project management (PMP)
- Open Source/Linux

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TO OBTAIN A COPY OF THIS STUDY

To purchase the latest edition of the Hot Technical Skills & Certification Pay Index, please click on this link:
[Pay Index](#)

For further information please log on to:
http://www.footepartners.com/htscpi_latest.htm.
<http://www.footepartners.com/SSCP.htm>

ABOUT THIS RESEARCH

The “IT Insider Compensation Benchmarks and Management Trends” research series is compiled from confidential data supplied by IT, business, and HR executives and validated via direct interviewing covering 50,000 North American and European IT workers and 1,800 private and public sector organizations. The size of the participating organizations, measured most appropriately for the type of business, by revenues, assets, total premiums and operating budgets, are as follows:

- 12% of participating organizations have \$3 billion+ in sales/\$15+ billion in total assets
- 26% of participating organizations have \$1 billion or more in annual revenues or \$3 billion or more in total assets
- 42% of participating organizations have \$500+ million in sales/\$3+ billion in total assets/\$500+ million in premiums/\$500+ million operating budget (government, educational, not-for-profit)
- 4% have operating budgets of \$500 million or more, 4% with operating budgets \$100 million to less

ABOUT FOOTE PARTNERS

[Foote Partners LLC](#), founded in 1997, is a New Canaan, Connecticut based management consultancy and IT workforce research firm comprised of former Gartner Inc., META Group, Forrester/Giga and McKinsey & Company consultants and analysts, and former HR, IT, and business executives. The firm employs innovative data collection methods and analytical techniques to correct for mismatched IT job titles (versus actual job content and duties) and produce a highly accurate, constantly updated, consistent and comprehensive view of what tens of thousands of IT workers in the North America and Europe are being paid in total IT compensation. The firm’s senior research team publishes survey-backed analytical trend reports on a variety of management and technology subjects and advises companies on increasing performance and achieving business goals through maximizing collaboration and integration of IT, business, and HR resources.

For more information, please visit the Foote Partners website: <http://www.footepartners.com/>.

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Supporting Graphs

Fig. 1

(Source: Foote Partners, Quarterly Hot Technical Skills and Certifications Pay Index)

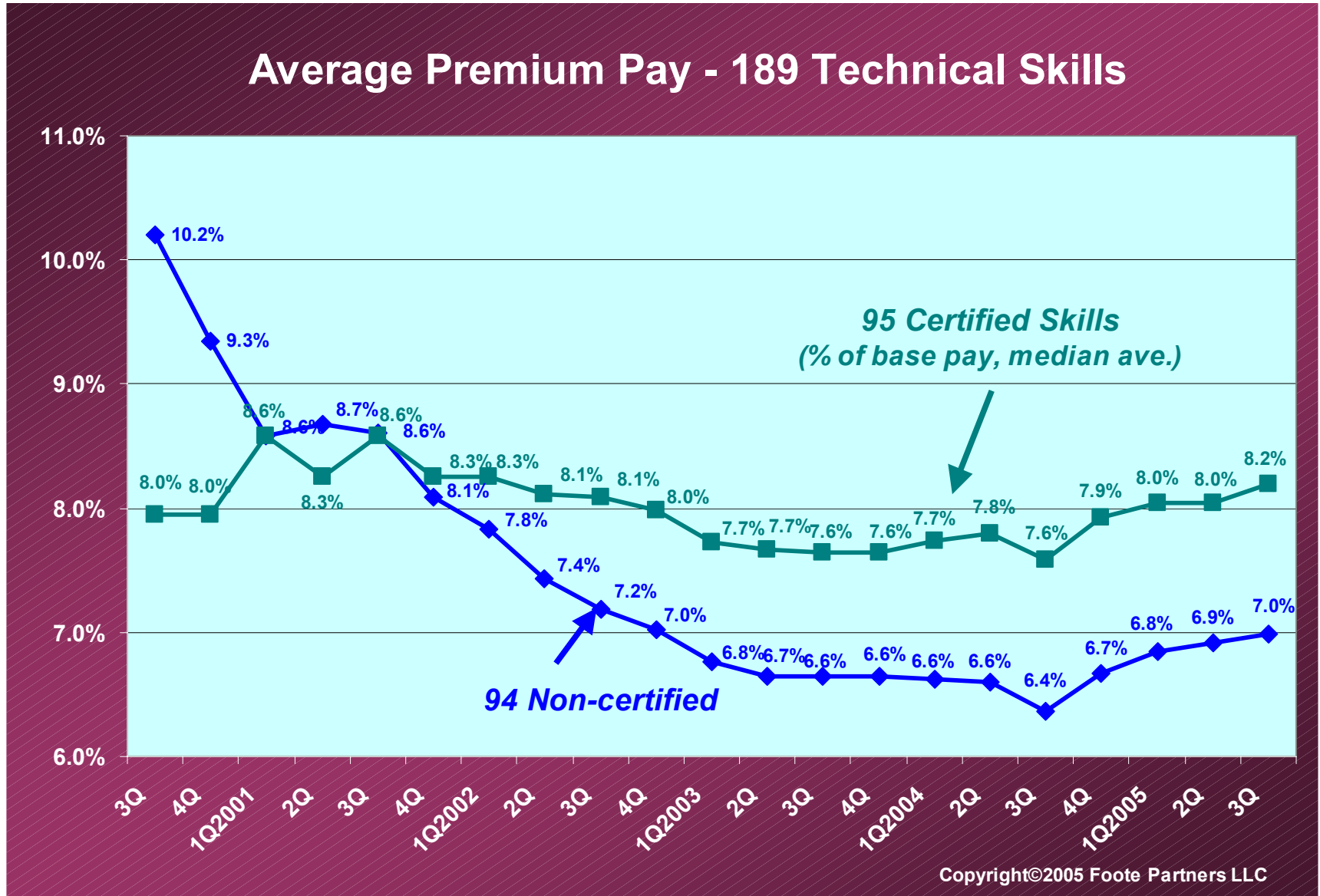


Fig. 2 Source: Foote Partners, Quarterly Hot Technical Skills and Certifications Pay Index)

**Noncertified Skills Premium Pay Trends:
By Category–6 mo/1 Yr/2 Yr Trends**

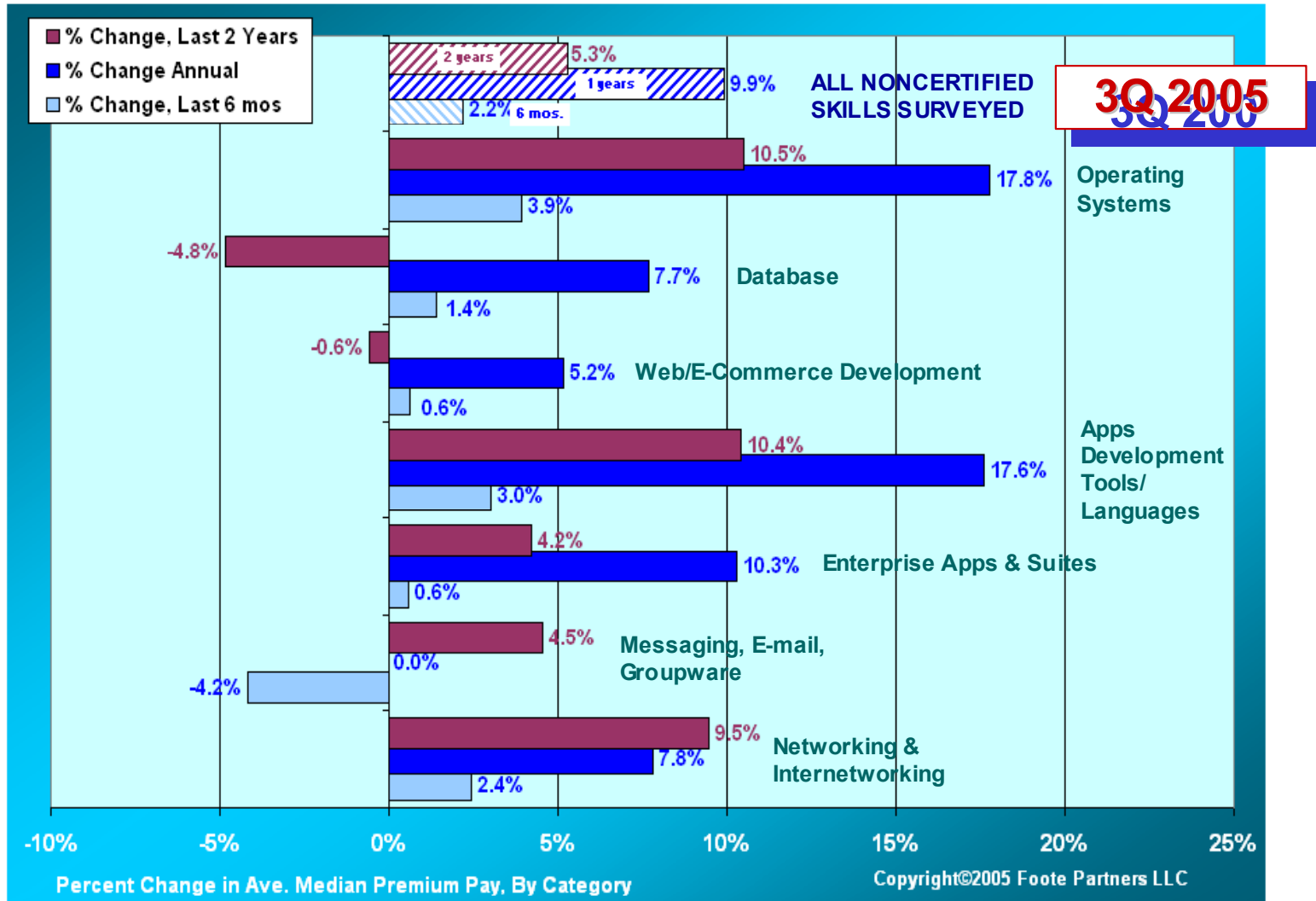
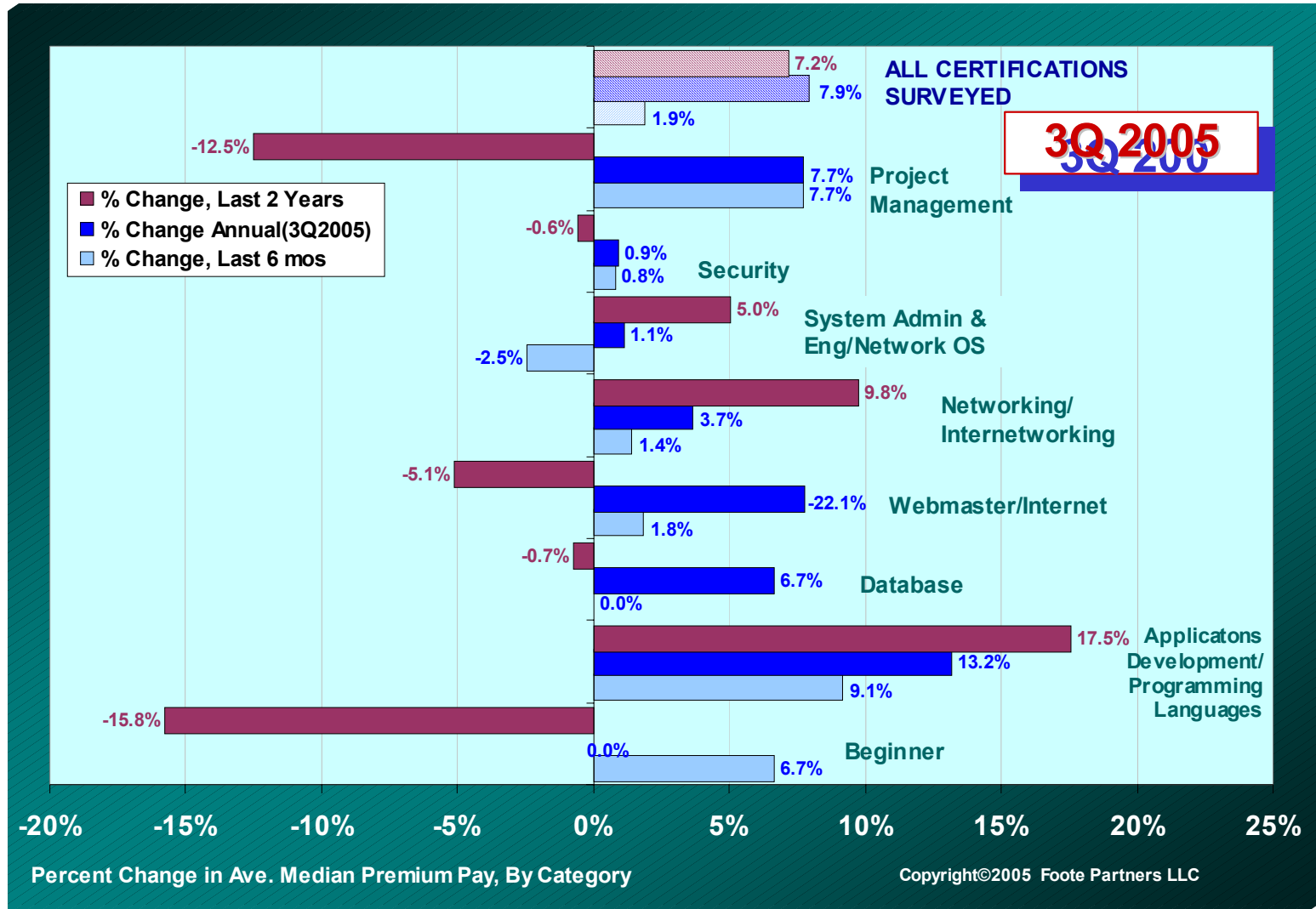


Fig. 3 Source: Foote Partners, Quarterly Hot Technical Skills and Certifications Pay Index)

Certified Skills Premium Pay Trends:
 By Category–6 mo/1 Yr/2 Yr Trends



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