

About Gartner 2002 Press Releases

people3 Compensation Study Reveals That Average Base Salary for IT Professionals Has Increased 5.1 Percent

Market-Based Pay Found to Be the Most Effective Retention Practice

BRIDGEWATER, N.J., July 9, 2002 -- A new study by people3, a Gartner, Inc. (NYSE: IT and ITB) company, reports that the average base salary for all IT jobs in 2002 is \$67,900 (a 5.1 percent increase over 2001) and total cash compensation is \$72,900 (a 6.1 percent increase over 2001).

The findings in people3's 2002 IT Market Compensation Study are based on research compiled from survey data submitted by 153 organizations and represent detailed compensation data for 33,771 IT employees within the United States.

"Quite often leadership is confronted with the conflicting goals of cutting costs, while at the same time providing their employees with competitive pay," said Diane M. Berry, vice president of research at people3. "While controlling compensation costs might provide a short-term financial benefit, the ramifications of losing top talent, especially people who possess skills or knowledge critical to the operation of a particular enterprise, far outweigh the monetary savings."

The study cited competitive market-based pay as the most effective retention practice in 2002 (it ranked fourth in 2001), while a competitive benefits package came in second with strong IT leadership and vision coming in third.

Other findings from the study include:

1. The positions that take the longest average time to fill are Database Administrator and Security Manager, requiring an average of 3.2 months to fill.
2. The skills for which companies reported the greatest difficulty in recruiting is Unix, with Microsoft SQL Server coming in second and Java coming in third.
3. 69.3 percent of surveyed companies experienced a turnover rate of 5 percent or less in their IT department.
4. Employees with less than two years of service accounted for 40.9 percent of turnover, and employees with less than three years of service accounted for a total of 59.3 percent of turnover.

The study, published annually by people3, is a comprehensive guide to human capital issues within the IT industry. It includes strategic information on issues such as recruitment, retention, reward, recognition and work/life and career development. Moreover, compensation information provides data on base pay, "hot" skills pay, project milestone pay, and other short- and long-term incentives.

The 2002 IT Market Compensation Study is available for purchase by contacting people3 at p3compstudy@gartner.com or by calling +1-888-736-7533.

About people3, Inc.

people3, Inc., the world's leading authority on IT human capital, provides "people solutions" for IT organizations. Supported by seasoned human resources and IT consultants who understand the unique languages and issues of both the HR and IT communities, people3 helps its clients maximize the value of their most important investment, their people. Along with its custom consulting services, people3 also delivers solutions through a

cross-functional workforce management software tool called peoplepower, and compensation surveys that focus solely on the IT industry. people3, a Gartner company, is headquartered in Bridgewater, N.J. For more information on people3, visit www.people3.com.

About Gartner, Inc.

Gartner, Inc. is a research and advisory firm that helps more than 11,000 clients understand technology and drive business growth. Gartner's divisions are Gartner Research, Gartner Consulting, Gartner Measurement and Gartner Events. Founded in 1979, Gartner is headquartered in Stamford, Conn. and has 4,300 associates, including 1,200 research analysts and consultants, in more than 90 locations worldwide. The company achieved fiscal 2001 revenue of \$952 million. For more information, visit www.gartner.com.

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