



The Latest Tech Salary *Expectations.*

**Compensation is
Key to Recruitment
& Retention**

#FINDYOURFORWARD



Introduction.

Compensation has always been an essential factor in a professional's employment and job search. However, in the last year, it's become significantly more prominent. In fact, tech compensation hit a record high in 2021, with 61 percent of technology professionals receiving a raise.

These higher-than-ever salaries take into account a few key factors, like inflation and employees leapfrogging from job to job. What was previously seen as a raise at an average of 5 percent to 7 percent is no longer considered a raise. And an employer offering a raise at only that level is considered the exception vs. the rule.

When considering a new job, candidates put a major emphasis on compensation in their decision, with 63 percent of employees quitting their jobs in 2021 because of low pay. When looking at technology professionals specifically, 70 percent indicated they were looking for a new job because of the ability to be paid more and 67 percent of candidates note compensation is an important factor when choosing their next employer.

As people teams battle a tough hiring market and a need to retain talent, compensation must be top of mind.

So how much should you be paying tech candidates? And what salary expectations do tech candidates have for their specific skill set and position?

This report details the salary averages for 18 in-demand roles based on real tech candidate data. It also shines the light on the importance of a fair compensation plan and transparency of a company's salary processes. You'll find all the information you'll need to make sure you're, at a minimum, in line with the market to bring in great tech candidates and stand out from your competition.

TABLE OF Contents

- **SECTION 1:** Executive Summary
- **SECTION 2:** Average Tech Compensation
- **SECTION 3:** How Tech Compensation
Has Changed
- **SECTION 4:** Why Pay
Transparency Matters
- **Conclusion**

// **PUBLISHED:** JULY 2022

Report Methodology.

The primary data in this report was derived from search data from millions of professionals visiting our site each month. These tech professionals provide us with insights into their compensation packages through our salary tools. We analyzed these submissions and developed the average compensation range for 18 of the top roles within development and engineering, data and analytics and product job functions to help you determine what you should be paying tech candidates today. The roles highlighted in this report were chosen based on the increasing demand for these skills across our local sites.

Throughout this report, we provide additional insights from our Built In Tech Worker Survey, conducted in partnership with Brandata, of 1,099 employed tech professionals across the country from March 18 to April 5, 2022. Respondents came from a wide range of backgrounds, including engineering, sales, project management, operations, data and analytics, marketing, HR and many others.

This report is part of an annual five-piece series: The 2022 Candidate Insight Reports. These reports — dedicated to benefits, salaries, content topics, industries and popular tech tools — are meant to give recruiters and people teams deep insight into what candidates are interested in and asking for in today's job market.




SECTION 1



Executive Summary.

Here are the most need-to-know insights we pulled from our 2021 search data and subsequent analysis.



SECTION 1

Insights from our Brandata survey results show that 57% of workers think compensation is a top consideration when looking for a job, with nearly 80% of employees indicating that the main reason they would search for a new job is for more money. Further, when thinking about the coolest companies they envision working for, 28% of respondents said that compensation is the most appealing aspect of life in that business.

In a nutshell, compensation matters to employees. Therefore, in a steeply competitive tech market, companies must understand factors impacting compensation and then move forward with developing competitive and transparent pay practices to attract and retain talent.

Average Compensation Factors and Considerations.

Average compensation has significantly increased for many positions in the tech industry between 2019 and now. Management level positions tend to see the highest salaries, with web developers across the board and Salesforce Developers seeing some of the biggest increases, beyond the 20 percent mark in some instances.

The most considerable discrepancies between salaries for men and women include iOS developer, Android developer, Salesforce developer, product designer, UX designer and database administrator positions, with men making at least \$8500 more on average than their female counterparts. It's also not surprising that the larger companies with 501 – 1000 employees pay more for most tech roles.

SECTION 1

Gender Pay Differential.

Gender Pay Differential

The pay differential for men over women in iOS developer, database administrator, and UX designer jobs is a whopping **\$11,000, \$18,000 and \$12,000, respectively.**

Factors Impacting Tech Compensation.

Since the pandemic, there has been a surge in the need to fill open positions, with demand outweighing supply. The Great Resignation resulted in more than 4 million US workers leaving their positions voluntarily, and they continue to do so. The tech unemployment rate hit a record low of 1.5 percent in 2021. All of these factors result in it being a candidate-driven market, and an unhappy employee knows they can leave their current employer and find a job elsewhere with the level of pay and benefits they desire.

The 40-year-high inflation rate is also driving salaries up, with the tech inflation rate increasing by more than double the national average in some areas. Role leapfrogging, with employees moving from one position to the next, is also a factor when considering tech compensation, with the goal to pay employees enough to prevent them from moving onto another role fairly quickly.

SECTION 1

Pay Transparency Matters.

Companies must not only assess their own compensation packages but build a model that allows for transparency within their organization to help keep employees happy and candidates interested. Pay transparency has many benefits, including increasing diversity, eliminating pay bias, and attracting and retaining top talent. Companies that have implemented pay transparency, like Buffer, have indicated positive, long-term effects.





“

One bonus of transparency:
You just search and learn.
Generally, people are just really
excited about the culture and
they apply based on that.

”

Joe Gascoigne

CEO & CO-FOUNDER

Buffer



SECTION 2

Average Tech Compensation.

To provide insight into the salary expectations of tech candidates, we analyzed the average salaries for roles within three of the fastest-growing job functions – development and engineering, data and analytics, and product.

SECTION 2

Development & Engineering Roles.

Role	Base
Software Engineer	\$119,942
iOS Developer	\$116,145
Front-End Developer	\$105,241
Android Developer	\$107,343
QA Engineer	\$96,895
DevOps Engineer	\$126,252
Salesforce Developer	\$112,187
Security Engineer	\$124,506
Senior Software Engineer	\$145,984
Engineering Manager	\$162,415
Software Test Engineer	\$99,656

SECTION 2

Data & Analytics Roles.

Role	Base
Data Scientist	\$123,338
Database Administrator	\$131,034
Data Analyst	\$78,102

Product Roles.

Role	Base
Product Manager	\$123,594
Product Owner	\$106,143
Product Designer	\$102,846
UX Designer	\$91,646

SECTION 3

How Tech Compensation Has Changed.

Average compensation has significantly increased for many positions in the tech industry between 2019 and now. Keep reading to understand what has impacted this increase and how to watch out for changes in the future

SECTION 3

Compensation Growth Year Over Year.

Tech salaries hit a record high in 2021, and the need for technology professionals with specific skillsets to fill open positions continues to drive the average salary for US tech positions upward. More than half (61 percent) of tech professionals had their compensation increased in 2021 — an almost 10 percent lift from the year prior. And though the average base salary for tech positions was \$104,566, nearly 50 percent of tech workers still felt they were underpaid.

Largest Compensation Increases by Role.

The highest salaries in 2021 belonged to IT management positions; their average pay increased by 6 percent to \$151,983. With an average of more than a 21.3 percent jump in salary to \$98,912, web developers saw the largest increase between 2020 and 2021.

Our data indicates that Salesforce Developers' pay jumped by nearly 9 percent to an average of \$112,187 in 2022 compared to \$103,428 in 2021. Engineering Managers reported the highest salaries in 2022, coming in at an average base salary of \$162,415.

SECTION 3

Inflation Effect.

The annual inflation rate in the United States hit the highest it's been in over 40 years at 8.5 percent in recent months, with a slight decrease to 8.3 percent in April 2022. **When companies don't adjust salaries to keep up with inflation, it means employees are getting paid less based on the current cost of living.** As a result, employees will look elsewhere for employment with better pay.

The tech industry's inflation rate, in some areas, is significantly higher than the national average and continues to accelerate. Some companies need to boost compensation by as much as 20 percent or more for key roles to attract and retain skilled talent.

Great Resignation Effect.

According to the Bureau of Labor Statistics, some 4.3 million Americans voluntarily quit their jobs in August 2021—the highest number on record since December 2000. And it's not over yet.

The tech industry has been hit especially hard, with only 29 percent of IT workers globally having a high intent to remain in their current roles, and only 16 percent of 19 to 29-year-olds are likely to stay in their current IT roles.

SECTION 3

Low Unemployment = High Need for Roles Effect.

The U.S. total unemployment rate is about 3.5 percent. However, the tech unemployment rate is essentially at 0 percent for many positions, with it hitting a record low of 1.5 percent across the board in 2021. During the first quarter of 2022, 1.1 million tech jobs were posted by US employers — a 43 percent increase from the year prior. **The demand for workers to fill these tech jobs continues to rise while the demand significantly outnumbers the supply.**

Role Leapfrogging.

While compensation is up overall, the increase becomes much more significant when a professional changes jobs: 3.3 percent increase in the same position vs. a 6.6 percent increase when switching jobs.

Employees leaving positions to jump to other positions drives compensation because companies need to find ways to prevent them from leaving. It costs a lot to hire and onboard an employee, so when they up and leave after a short period of time, aka “leapfrog,” it not only leaves the company with the cost of hiring in a competitive market but with the bill of onboarding the candidate in the first place.



SECTION 4

Why Pay Transparency Matters.

Tech companies are beginning to appreciate the importance of pay transparency, a practice that is growing in popularity. In some states, like Colorado, the government has stepped in and made it a legal requirement. So, what makes pay transparency a valuable practice and how can it be implemented in your organization?

SECTION 4

The Value of Pay Transparency.

Pay transparency has many benefits for both employers and employees.



It holds employees accountable.

Employees who know what their coworkers earn work better together. Team members are driven to work harder, knowing their team members will hold them accountable when they're slacking or dropping the ball.



It increases trust and loyalty.

Buffer, the social media scheduling tool that was one of the first to implement pay transparency, says its employees trust the company more when pay transparency is in effect. With increased trust comes an increase in loyalty and retention.



It creates more team cohesion.

When coworkers know what each other makes, there is a decreased chance of resentment between them. Workplace morale improves, and team cohesion increases, which supports greater productivity.



It improves productivity.

When someone's salary is displayed, they want to ensure they live up to their pay. Many will also work harder to increase their income to the level of their counterparts. Conversely, when there is a lack of pay transparency, and employees feel underpaid, productivity often decreases.

SECTION 4



It highlights biases and discrimination.

It's hard to deny that a female makes less than her male counterpart or that minorities make less across the board than the majority population when salaries are displayed. As a result, pay transparency helps to enhance diversity, equity and inclusion initiatives, and alleviate discriminatory practices.



It provides insights and educates professionals.

Pay transparency can be very helpful in supporting new hires in evaluating what they're worth and deciding whether or not they want to work for your organization.



SECTION 4

How to Work Toward Pay Transparency Within Your Own Organization.

Implementing pay transparency may take more time for some organizations than others based on where they currently fall on the pay transparency spectrum. The following considerations and steps will support you in implementing a successful pay transparency strategy for your organization.



Identify where your organization currently falls on the pay transparency spectrum.

Are you completely incognito when it comes to salary information, or are you somewhere further down on the spectrum of sharing at least some aspects of your salary data, like ranges? The more on the incognito side you are, the more time it might take for you to transition and get buy-in from leadership on making your way to a healthy level of pay transparency for your organization.



Determine where you want to be on the spectrum.

Once you identify where you currently fall, you'll need to clarify where on the spectrum you want to be for the long term. It could be that it's best to develop a gradual approach to becoming transparent to help ease people into the idea without shell-shocking them by going full-on transparent, especially when your culture doesn't yet support it. In this step, consider your current compensation strategy, as well as your talent acquisition strategy, to ensure alignment.

SECTION 4



Ensure roles and responsibilities are clearly defined for each position and utilize market data to set your salary ranges for each position.

Clear definitions make setting appropriate salary ranges easier for both utilizing market data and ensuring internal alignment.



Conduct a salary and compensation audit to identify salary discrepancies and determine the best approach to resolve them.

Identify where within your organization there are pay disparities and determine the best way to adjust them accordingly. You want to be expeditious, though not at the cost of not having a well-planned implementation strategy.



Train leadership to have proactive compensation discussions with each employee on their team.

Managers who make decisions about an employee's compensation should have regular open and honest discussions with the employee about the determining factors that tie into their current base pay. Such conversations help to minimize potential confusion and comparisons to others. Thoughts about how to receive increases and promotions should also be discussed.

SECTION 4



Communicate the purpose behind your choice of pay transparency to all levels within the organization.

Be proactive in promoting the transition to and practice of pay transparency. You also want to highlight the benefits through ongoing communication to gain buy-in and increase awareness.



Conclusion.

Job seekers in this tight labor market know they have the option to select companies that meet their compensation requirements. Following the pandemic, these are now the components of compensation that come into play when determining pay for tech positions.

Employers have a duty to provide fair and transparent compensation practices to meet the needs of their workforce.

Offering competitive and fair practices are what employees expect and deserve, and by offering them, businesses are more apt to meet and exceed hiring and retention projections and expectations.

Utilizing the insights in this report, employers can develop a compensation platform with pay transparency to meet the needs of today's talent demands. Providing a healthy work environment, which includes pay equity and paying what an employee is worth, supports the company's wellbeing and its employees.



United We Tech.

Built In helps tech professionals stay on top of trends and news, expand their networks and carve out futures at companies they believe in.



Let's work together.

CONTACT US