



Employment

IT Employees Well-Paid, In Demand

Lisa DiCarlo, 06.08.04, 11:51 AM ET

The research firm **Meta Group** today released the findings of its annual information technology staffing and compensation guide. Three surprises: fewer companies are using offshore labor than you might think, IT salaries have staying power, and demand is still very strong for certain IT skills.

Despite the salary findings, Meta (nasdaq: [METG](#) - news - people) program director **Maria Schafer**, who authored the study, says morale has never been lower among IT staffers: 72% of the 650 companies interviewed reported having a morale problem which they attributed to lack of growth in IT jobs.

"Anxiety is prevalent because there is more uncertainty than there has ever been," she said.

The study found that companies pay IT staff an average of 20% more than non-IT, and 45% of companies said they pay premium for critical technical skills which are hard to locate and even harder to retain. This includes wireless technologies like Wi-Fi, security, data management and application development.

Only 19% of the respondents reported using labor that's based offshore. Schafer suspects that's because offshoring is hard to do well. "It's a whole layer of complexity to deal with cultures, languages, distance."

While demand is strong for certain disciplines, Schafer says that not enough is being done to develop capabilities to meet those needs. The situation could reach a crisis point in five to eight years, she says, as baby boomers retire and there is simply a lack of able bodies in the United States.

Within the next five to eight years, "there will be huge reversals in the availability of labor in general."

The good news: job seekers who can't find a job now should have no problem. "Long term, being in IT is an excellent [career] choice but now it's hard for the average person to see that," she said.

Right now, the U.S. does not have a consistent national policy in place for dealing with training workers on new technologies, or for the increasing intersection between engineering and basic business. The country also needs to do a better job attracting young students into computer science and engineering fields. Consider that India turns out 500,000 new IT graduates every year, compared with a fraction of that for the U.S.

Part of the problem may be intimidation. "Computer science is perceived as something that's very hard," says Schafer. "We have to translate the technology for less computer literate people" and make it more accessible.

IBM (nyse: [IBM](#) - news - people) chief **Sam Palmisano** is one industry executive leading a push to change that. In October, Palmisano said the company would spend \$200 million to train 100,000 IBM employees to compete for "high-skill jobs" like services, middleware and Linux systems. These jobs, he says, may otherwise have gone outside U.S. borders to countries like India, South Korea and China, which are rapidly "replicating the structural advantages that historically have made the U.S. the center of innovation."

To kick-start innovation, Palmisano is spearheading a National Innovation Initiative with Georgia Institute of Technology President **G. Wayne Clough**. The group will create a strategic U.S. policy agenda for innovation. Some questions they'll try to answer: How can the government bridge the private and public sector? How can innovation be financed? Should tax dollars be allocated for this purpose? What about private sector and venture capital investment? Are universities creating new disciplines like life sciences, energy and nanotechnology?

Schafer says the U.S. must invest in training, without saddling companies with excessive labor regulation, to remain competitive.