



The 2009 Business Analyst Salary Survey

A WHITE PAPER PRESENTED BY ASPE AND RAVENFLOW

2009 ASPE-SDLC and Ravenflow Business Analyst Salary Survey

Developed Jointly by ASPE-SDLC and Ravenflow
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Introduction

ASPE-SDLC is the Software/Systems Development Life cycle training brand of ASPE Inc. and is focused on providing real-world, hands-on training for professionals employed by enterprise corporations. It is the largest provider of Business Analyst training in North America.

Ravenflow is the leader in requirements definition software with their Raven product. Raven empowers Business Analysts to dramatically transform the way they elicit, specify, and validate stakeholder requirements, so projects can be delivered faster, at less cost, and with greater use.

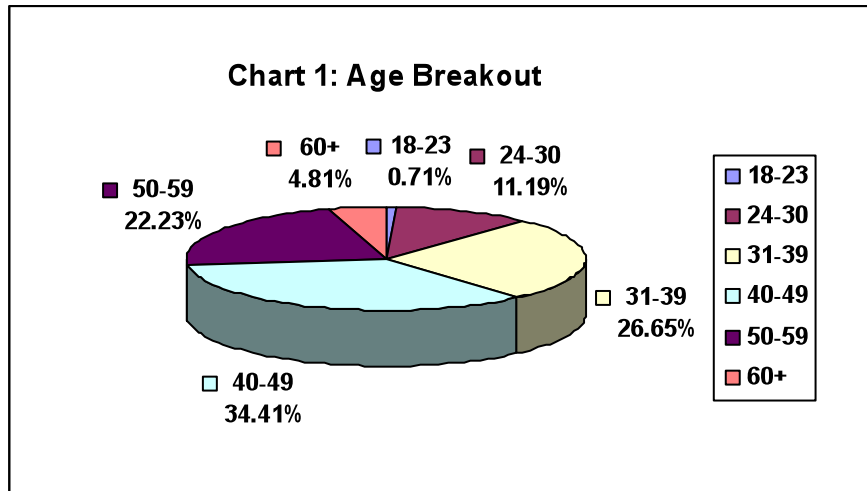
Ravenflow and ASPE-SDLC are committed to providing the Business Analyst community with need-to-know information covering both technical and professional topics. Based on the economic slowdown and the uncertainty that has transpired, both Ravenflow and ASPE-SDLC felt it was time to develop a very specific/focused salary survey for use by the BA community. We decided to do this because the data we see from the market shows strong growth in the need and value of the BA position. We wanted a tool to show the BA community how this continued growth in need and value is now directly impacting wages and opportunities.

Over 2,100 professionals filled out the survey within a two-month period in late Q1 and early Q2, 2009. A professional statistician analyzed the data and the results are presented in this white paper, which will also be presented in a web seminar. There has been strong interest in the salary survey. There were some surprises within the results of the survey. The survey asked for a lot of information, and we were able to correlate some different demographic and educational data against salary and bonus data to flesh out some of the more surprising conclusions.

Based on the success of the 2009 BA Salary Survey, ASPE-SDLC and Ravenflow will make this a yearly exercise and hope to use data from previous years to show continued growth in the BA position.

Basic Demographics

Chart 1 (shown on next page) gives you a break out by age range of the survey respondents. Although we did not correlate age to any specific salary analysis, the age demographic gives a basic sense of the general age dispersion of the overall BA community. The mean age is within the 40-49 age bracket, which is also the bracket with the largest portion of the respondents (34.41%). A majority of the overall respondents are between 40 and 60+ years (61.45%). Based on this data, we have come to the conclusion that the BA position is a senior professional position (non-entry-level position) because it requires more experience.



The designation as a senior level professional position can also be defended with chart 2, which breaks out the educational level of respondents. About 50% of the respondents have a BA/BS degree and over 25% hold higher than a BA/BS. Although the Certified Business Analysis Professional (CBAP) certification only requires a high school diploma, the industry requirement for a BA is definitely a college degree or higher based on the survey responses. Education level is also an important factor in salary level, as you will see later.

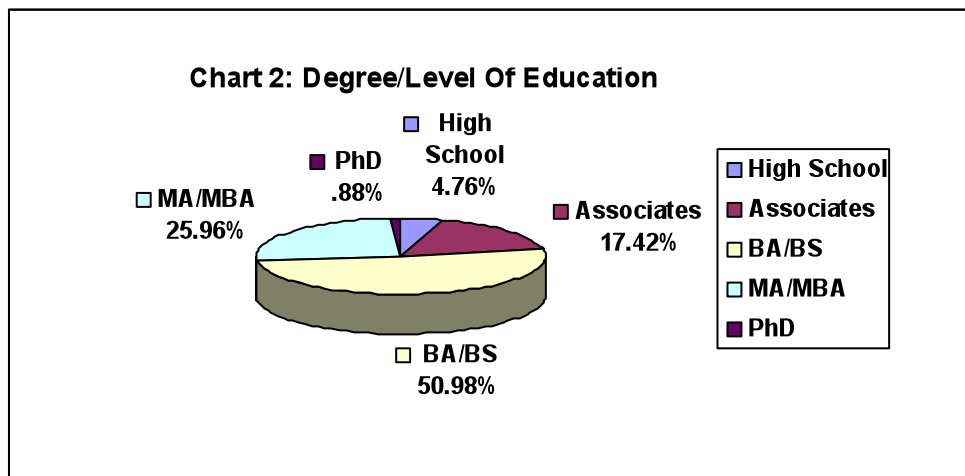
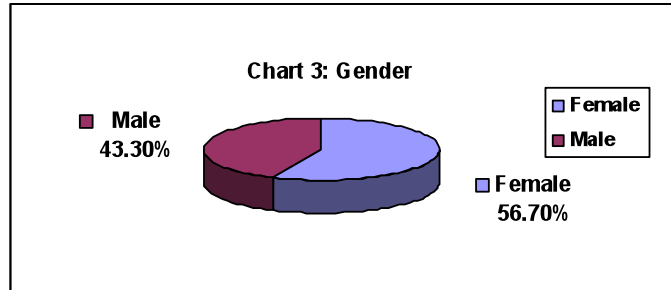
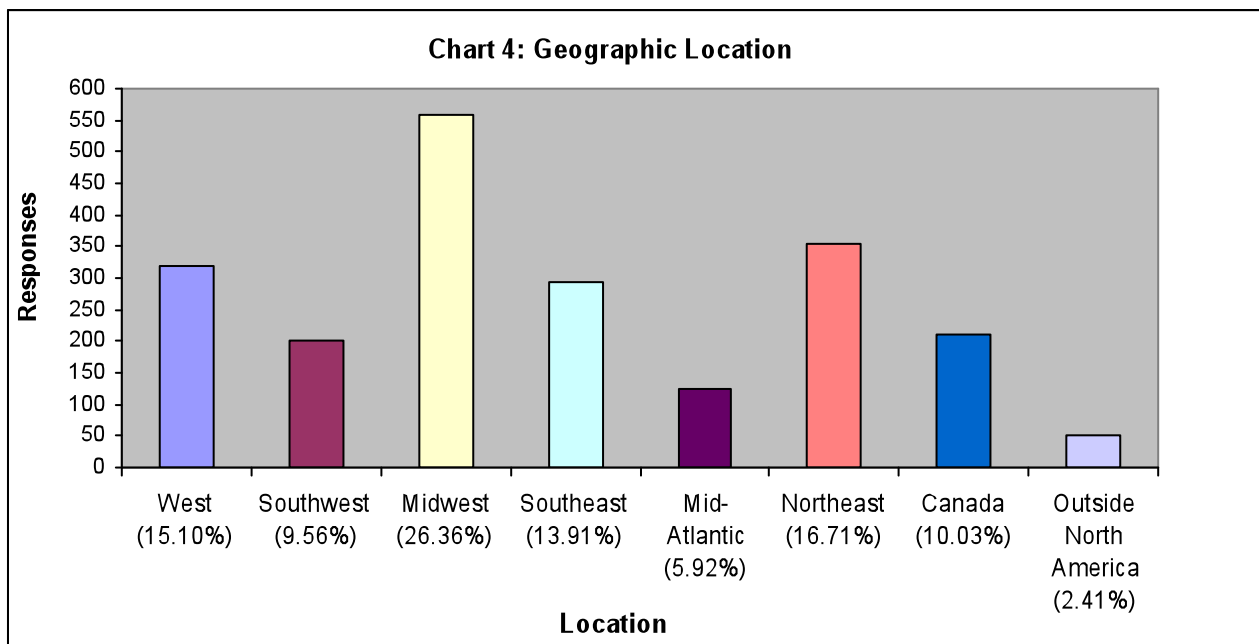


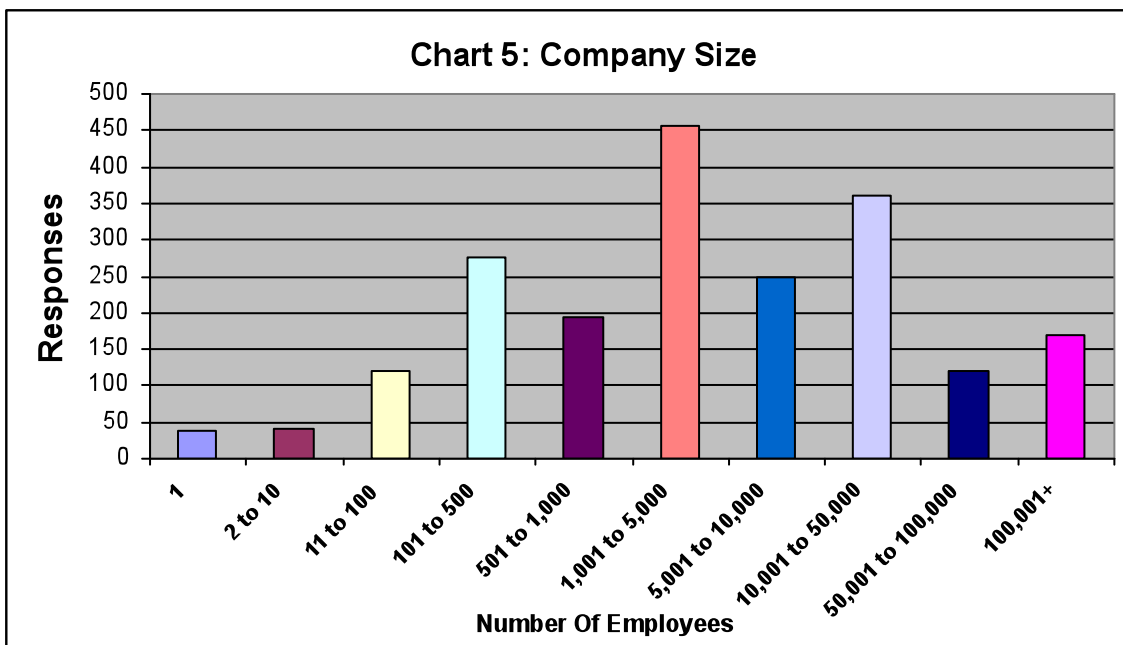
Chart 3 quantifies what ASPE-SDLC sees in its courses as it relates to gender for the BA position. Females make up the majority of respondents to the survey (56.70% female to 43.30% male), and also make up the majority of attendees in ASPE-SDLC business analyst classes. A BA's gender also plays a role in salary, which will also be presented later.



The survey was open for worldwide response. We received 51 responses from outside North America (2.41%), but we also received 212 responses from Canada (about 10% of the respondents). This puts the amount of Canadian respondents higher than both the Southwest and Mid-Atlantic US regions. The IIBA is headquartered in Canada, which has put them a bit further ahead in the development of BA standards. The largest response by geography was from the Midwest region with over 26% of the overall response (557 people). There is nothing in the data or from either Ravenflow or ASPE-SDLC to show why we had such a large response from the Midwest region. Geography related to salary was analyzed and will be presented later. Chart 4 provides a detailed break out of respondent geography.



The final set of basic demographic information pulled from the survey is company size, which can be seen in chart 5. Although the data analysis found no tie between company size and salary, company size is still an important piece of data for the BA community. The data shows that a very large majority of BA professionals come from companies with 1001+ employees, with over 67% of respondents from these companies. This fits perfectly with what ASPE-SDLC sees in student feedback. Their feedback suggests that smaller companies tend to have a Project Manager or another position other than a BA doing the BA work, where as larger companies have broken out the positions and have seen the value of that separation. Another interesting result was that we gathered very few responses from independent consultants (only 39 responses or 1.92% of the overall response). That statistic implies the BA has matured to become a position and not just a skill set.



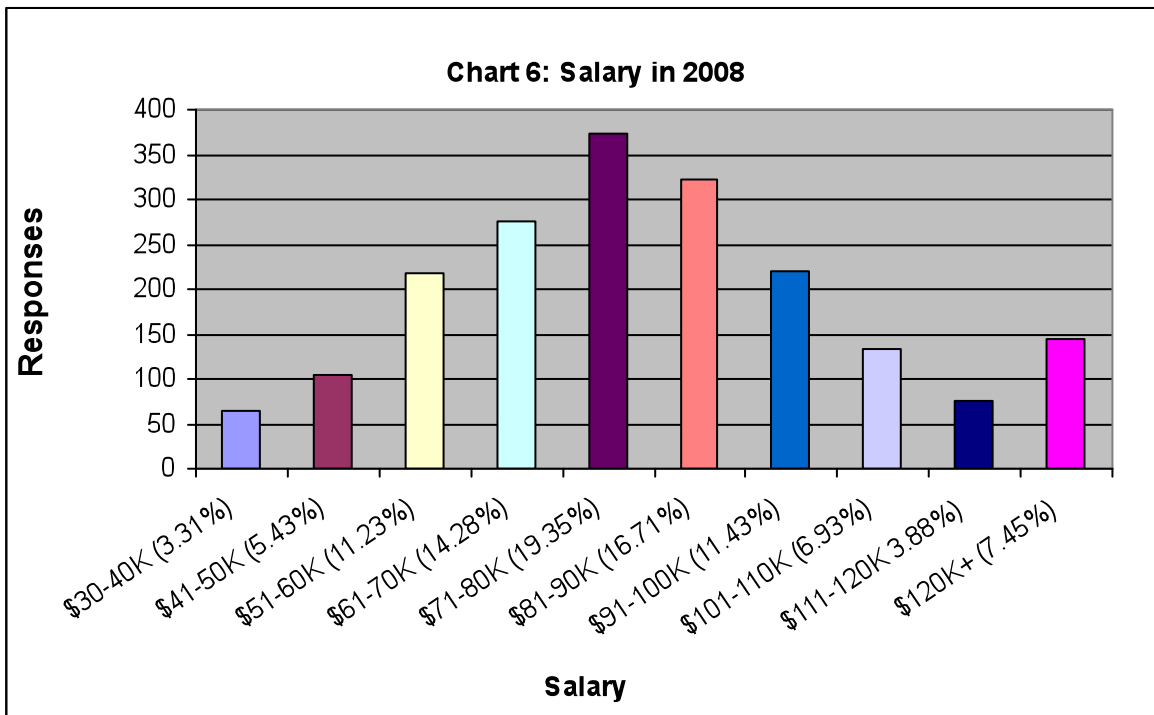
Overall, the demographic information collected provided data that puts figures and clarity around some assumptions and anecdotal ideas. The numbers support the concept that females outnumber males in BA positions. The data also supports our theory that the BA position is much more defined and structured (and is seen as a position not a skill set) in large companies. The data shows that Canada is in a leadership role as it relates to driving the BA role as a position, and finally, that the BA position is a senior level professional role within companies. This last conclusion can be seen in both the education level of the responders and their age/time in the work force. The most surprising/interesting finding is that although the IIBA only requires a high school diploma, the industry demands much more from working Business Analysts. This will also be reinforced in the salary analysis.

Salary Report

We asked respondents about their 2008 salary and their projected 2009 salary. The 2008 data included more details on specific salary and bonus numbers, while the 2009 data is more tailored to perceptions and thoughts on where respondents' expect their salary to be in 2009.

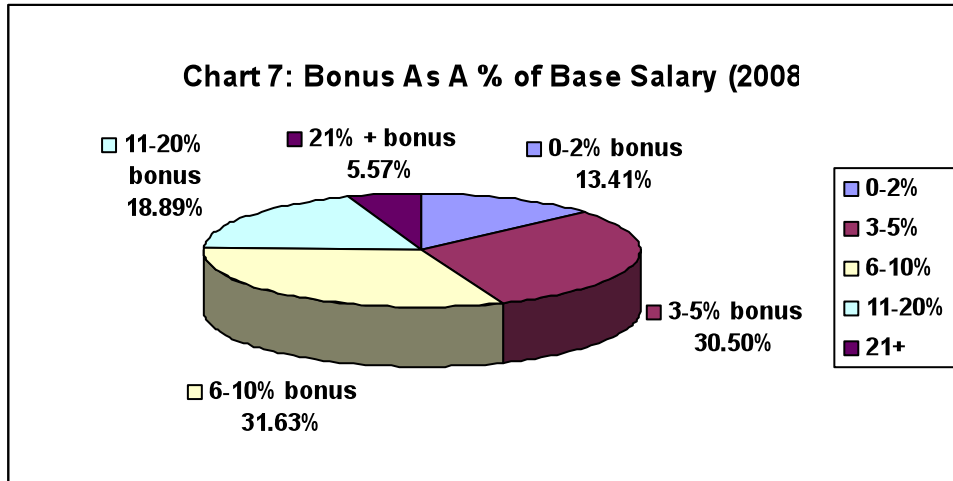
The recession and continued fear associated with the economic downturn can be seen in comparing actual and perceived salary increases between 2008 and 2009. In 2008, 65.48% of respondents received a salary increase. For 2009, only 47.73% of respondents think they are going to get a salary increase. That is a huge difference between actual increases in 2008 and perceived increases in 2009.

Looking specifically at 2008 salary data and the details on chart 6, there is definitely a bell curve shape to the data. The mean salary falls within the \$71K to \$80K range. According to the US Census Bureau, the national household median income was \$48,201.00. This puts current BA individual salaries in the high range.

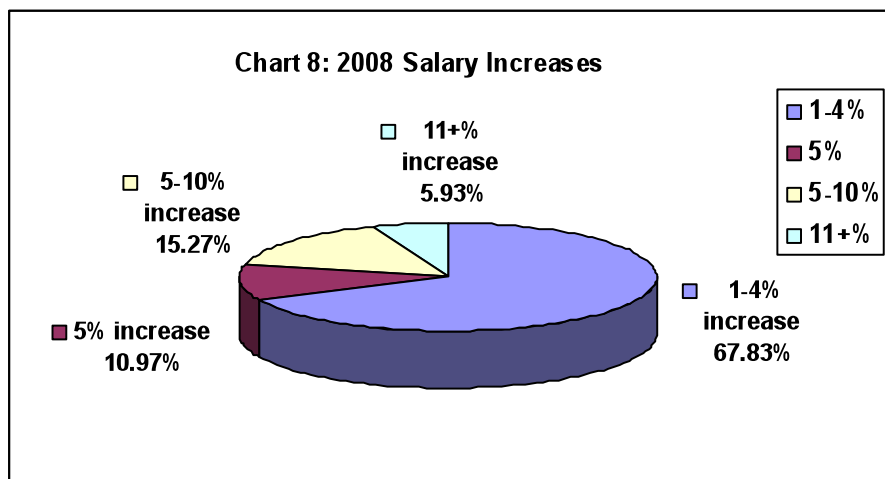


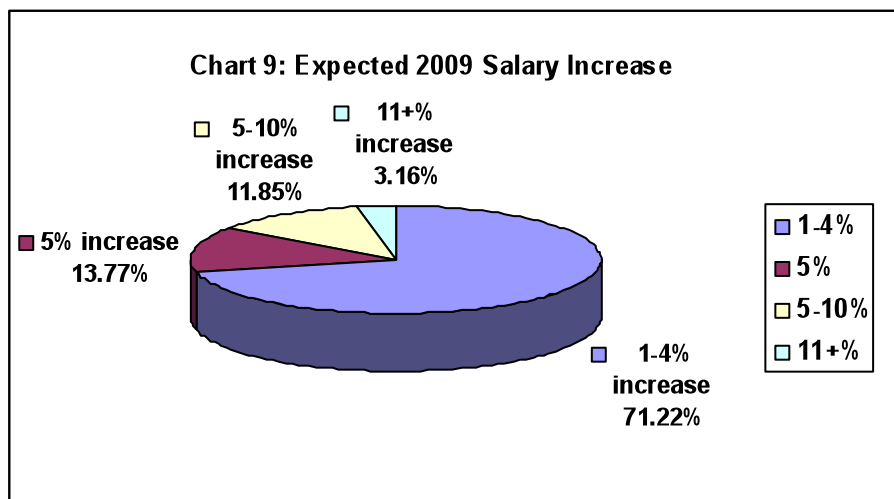
The data also shows that the majority of Business Analysts, over 65% of respondents, earned a salary in 2008 of between \$71K and \$120K+. Again, this is showing a very healthy income for a Business Analyst, when compared to the national household income average.

In 2008, over 55% of respondents said they received a bonus. Bonuses based on percentage of salary seem to be the industry norm for the BA position. Looking at chart 7, you can see a break out of bonus as a percentage of base salary. Over 55% of respondents who received a bonus received a 6% to 21% of salary bonus.



Of the 65.48% of respondents who received a salary increase in 2008, chart 8 details the amount of salary increase received as a percentage of total salary. Over 67% of salary increases were in the lowest bracket of 1% to 4%. Comparing reality with perception, the continued worry and concern in 2009 can be seen with the expected 2009 salary increase numbers. As stated before, only 47.73% of respondents believe they will get a salary increase in 2009, a significant drop from the percentage that actually received one in 2008. Along with the concern of not getting a raise, the people who think they are getting raises believe they will get a much smaller one. Chart 9 details what respondents think their salary increase will be in 2009. Over 71% feel it will be in the lowest bracket of 1% to 4%, and only 11.85% feel it will be at the 5% to 10% level. This is in stark contrast to the over 15% in 2008 who actually received a salary increase at that level.





Certainly, the trends in perception of salary for the Business Analyst look gloomy for 2009. Here are the top four concerns Business Analysts have for their salary in 2009:

- Salary freeze - 26.45%
- Possible layoff - 25.09%
- Hiring freeze - 19.07%
- Salary decrease - 7.12%

Salary freeze and layoffs make up over 50% of the responses as the top salary concerns in 2009. The survey data also shows that 32.31% of respondents have already had their salary frozen for 2009. Outside of the preset 2009 salary concern choices given, there was also an “other” category for which we received over 200 responses. Some of the other responses include:

- Economic conditions
- Too few projects for contractors
- Budget constraints
- Cost cutting

One ray of light was a comment that said, “I don’t have any concerns. My company is booming despite the economy.” Besides that one comment, the vast majority of write-in comments related to salary concerns based on the general economic conditions and its impact on their company and position.

Overall, the salary data reported by the BA community was very positive for 2008. A Business Analyst makes on average over \$30K more than the average household income in 2006. Over 65% of respondents received pay increases and over 55% received a bonus in 2008, which are all fantastic numbers for a relatively new position. On the downside, there is a lot of fear and uncertainty in the community for 2009. There was a major shift in real pay increase versus expected pay increase for 2009, with only about 47% of

respondents expecting to receive an increase in 2009. That is a 20-percentage point shift. The leading factors in this difference are real sense of worry about the economy, fear of layoffs, and fear of salary freezes. It will be interesting to compare expected salary increase in 2009 with actual salary increase for 2009 when the 2010 data is collected.

Salary Analysis

Since the survey collected a lot of data, we were able to do analysis of salary data against many variables. This analysis enabled us to gather some interesting and intriguing outcomes over and above the straightforward numbers already presented. Listed below are the top seven outcomes from the analysis.

- Higher education means more money, but the increase decelerates after having a BA/BS degree. There is a huge income jump from having a high school diploma or some college/associates degree to having a BA/BS degree. Based on the data collected we highly recommend having at least a BA/BS degree if you are or want to become a Business Analyst. Moving from having a BA/BS degree to having a Masters Degree will still provide you a salary lift, but not nearly as large a lift as seen between a high school diploma and a BA/BS degree. So if you are interested in getting an MA, it may not initially provide a quick return on investment, but may provide a long-term return. Having a PhD definitely increases salary, but again has an even smaller increase than you get going from a BA/BS to a MA.
- In a field dominated by females, it is difficult to report that there is a major income difference between males and females in the Business Analyst field. Holding everything else equal, female BAs earn about 7% less than male colleagues. There is no logical explanation for this from the other data collected.
- A BA gets diminishing returns based on time in the labor market; so the longer you work, the less you gain. We have surmised this relates to the fact that the BA role is somewhat technical and also primarily works in technology. Since technology changes so rapidly, past experience is not as valued.
- Staying with the same company is not a good thing for a Business Analyst's salary growth. The data shows that a BA makes more money shifting companies over time, instead of staying with the same company.
- Industry recognized certification pays big dividends. Holding everything else equal, a BA with an industry recognized certification makes 10% more than a comparable person. This was the second biggest difference maker in salary, the first being holding a BA/BS degree.
- It pays to work in Canada. With the IIBA in Canada, and a lot of the major thought-leadership on the position coming from there, it makes sense that

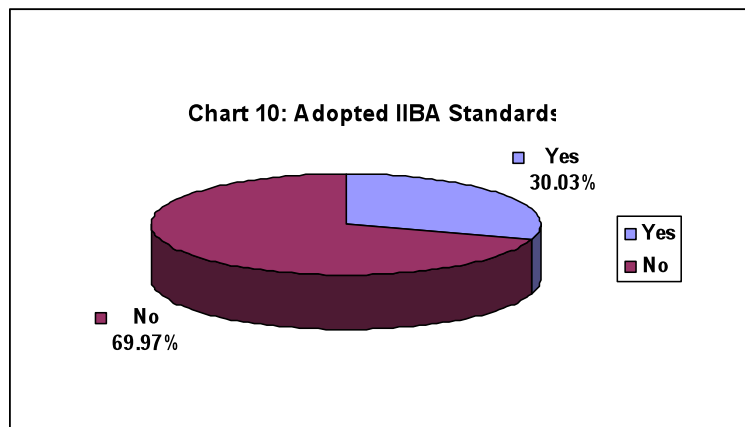
Canadian Business Analysts make about 3% more than their US counterparts. A Business Analyst outside North America, based on the data collected, makes 44% less than their US counterparts.

- There were no major differences in salary for Business Analysts between US geographic regions. The only notable difference was between the Western US and the Mid-Atlantic region. The Mid-Atlantic region makes about 2% less, holding everything else equal, as their Western US counterparts.

The seven findings from the data provide some concerns for the future. We were concerned by the salary difference between males and females in the field. We are also worried that companies do not seem to value the BA position enough to continue to pay aggressively, forcing BA's to job hop for better pay. This is also very similar to Technical IT professionals. It seems to be a trend in most emerging positions because organizations have different values for new positions based on their maturity in using the position's skills. We were happy to see the data continues to show that the Business Analyst position is seen as a senior level professional position. This was reinforced with the educational requirements and the salary of highly educated and certified professionals.

BA Trends

As a positive externality of doing this survey we were able to gather some interesting data on the trends for the Business Analyst practitioner. As service and product providers to the Business Analyst community, we are heavily involved in initiatives to grow the Business Analyst position, and continue to be involved with the IIBA (International Institute of Business Analyst) at www.theiiba.org. If you look at chart 10, you can see what the current adoption rate is for IIBA standards. Only 30.03% of respondents have incorporated IIBA standards in their BA practice. From the data, it appears the IIBA has a long way to go in getting BA standards implemented. At the same time, it was exciting to see that after only 5 years there are at least 30% of Business Analysts actively looking to the IIBA for guidance. Based on the trends we are seeing, we are confident IIBA standards adoption will continue to grow.



Training may be part of the reason IIBA standards implementation has been slow. Continued education is an important aspect of professional growth and the BA role on average is definitely given opportunities for internal and external training. 41.41% of respondents are given up to 5 days of training each year, over 61% are given up to 10 days of training each year, and a little over 8% are given no training at all. If you are looking for professional development opportunities, the trend for the BA role is still very strong.

Respondents were asked questions about the most critical skill for Business Analyst success. Below is the response breakdown:

- Professional communication skills - 39.35%
- Requirements elicitation skills - 32.14%
- Requirements management - 12.61%
- Enterprise analysis - 11.44%
- Process and data modeling - 4.46%

The surprising result here is professional communication skills. Although in this survey it is seen as the most critical skill, it is a skill that very few Business Analysts request training. Requirements elicitation is the area where the most training is provided, and is the area we thought would be judged the most critical. Either Business Analysts feel professional skills are important and they have them, or management is not approving training for professional skills development.

Finally, we asked what requirements practices are being used within your organization, and allowed respondents to select all that applied:

- Requirements specification document - 27.16%
- Use cases - 23.01%
- Requirements traceability - 16.45%
- Requirements modeling - 13.13%
- Agile development - 10.74%
- User stories - 9.51%

With all the talk about Agile development practices, it was surprising to see so few were currently using those practices. We think this will increase over the next couple of years based on what we are seeing in the marketplace. Use Cases continue to be a highly requested training area for Business Analysts, so this data is definitely supported by what we see in the real world.

Summary

The Business Analyst position is a senior level professional position requiring a high level of education and/or certification, and commanding a top salary. There is still a lot of uncertainty at the individual level for how the economy will impact salaries in 2009. It is amazing how much difference there is between those who got raises in 2008 and those who expect to get a raise in 2009. The gap between male and female salaries was startling, especially since females make up a larger part of the workforce. We also hope the need to company swap to make more money will decrease over time as companies understand and see the return on investment in the Business Analyst role. Finally, there is still a lot of work to be done to drive IIBA standards into Business Analyst practices.

We would like to thank all the individuals who participated in the survey and we look forward to conducting this survey again next year.