

Does working in the finance sector still pay off for IT professionals?

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IT recruitment levels are down by almost half the pre-recession levels, but some IT salaries are still sky high. Jenny Williams assesses the job opportunities in the financial sector

UK banks are expected to shell out £7bn in bonus payments over the next month. While all eyes are on bonuses paid to City slickers, recruitment experts claim some of the City gold is rubbing off on back-office IT staff.

Does the financial sector offer the best remuneration for IT professionals as the industry emerges from the recession?

The latest [Salary Services Limited \(SSL\)/Computer Weekly IT salary survey](#) found demand for IT professionals increased by 4.6% in the fourth quarter of 2010 as the number of IT vacancies reached 84,673, compared with a rise of 7.6% in the third quarter.

Follow the money to the City

In the heady pre-recession days, [recruitment in the finance sector surged](#) and IT professionals flocked to financial services to reap [healthy pay packets at City banks](#).

Ben Hayes, practice manager at recruitment firm Harvey Nash, says the most prolific recruitment for IT staff is still taking place in investment banks and global 'tier one' banks - and IT staff in the financial services sectors remain the best remunerated within the IT industry.

Harvey Nash opened a new City-based office last year to meet demand for IT staff in London's financial district.

"Contracts of £1,000-plus per day - sometimes much more - are not uncommon for people with the very best track record and skills," says Hayes.

Curbed bonuses for bankers has even boosted IT salaries. Hayes says, "Over the past year, the bonuses paid to most staff in the City, including IT, have been under scrutiny and in many cases capped or reduced. Within IT this hasn't necessarily been a bad thing as in many instances the base salary has risen to compensate."

"All major banks are investing in IT as cost-effective, global systems are increasingly seen as a 'must have', not just a 'nice to have'," continues Hayes.

He believes the City has changed since the downturn and is unlikely to return to heady pre-recession days. "In many ways that is a good thing," he adds.

The financial sector still offers the highest salaries for IT staff. IT recruitment specialist, Tag Recruitment, said the highest paid job currently on its books is for head of operations in the financial services sector with a salary of £140,000 per annum.

Software developers working in finance in the City are currently being offered [average salaries of £56,298 per annum. More senior grade IT staff can earn up to £70,188](#), £14,000 more than the average developer salary. The overall UK average advertised for software developers is £42,201 a year.

Fewer candidates, more money

George Molyneaux, research director for SSL, says the finance sector has driven IT recruitment over the past two years, but the last quarter of 2010 put an end to this, as pay increases stalled and vacancies were cut back by 6%.

However, other experts believe the drop in [financial services recruitment levels](#) could boost salaries for IT staff working within the sector as organisations strive to retain staff.

Dave Pye, executive member of the Recruitment and Employment Confederation (REC) technology sector group and CEO of IT recruitment firm JM group, says salaries within the finance sector are set to increase.

"Organisations are paying a little bit more as they want to retain the top talent; the pool of available candidates is less," says Pye.

<http://www.computerweekly.com/Articles/2011/01/20/244983/Does-working-in-the-finance-sector-still-pay-off-for-IT.htm>

Alex Kwiatkowski, principal analyst at Ovum, believes there is a wider issue of redundancy rather than remuneration within the finance sector. He says shifts in the finance and banking sector of the IT industry could force senior staff to move on.

"Banking IT departments often have career people within them; people who have been there two decades. Changes within the [finance and banking] industry and increased pressure because of new regulations will persuade some people to take early retirement, causing a big headache: a lot of knowledge will migrate at the same time," says Kwiatkowski.

Emergence of in-sourcing

Joe Czarnecki, senior consultant at [training firm ESI International](#), said the financial sector could experience a surge in the recruitment of IT professionals.

Czarnecki says some financial and banking services companies plan to 'in-source'. "They're looking to bring people back in. They need people to make the translation between the users and the developers," predicts Czarnecki. "This is just the beginning of the movement due to the slow economic climate," he adds.

Despite the highest demand for IT staff residing at software houses, experts say the financial services sector still offers the best remuneration for IT professionals. While banks and financial organisations recover from massive redundancies made in 2008 and 2009, a shortage of candidates for new job opportunities could boost salaries for existing workers.

In the future, the fast pace of technology developments and a move towards 'in-sourcing' could put the financial sector back at the top for recruitment and pay - albeit below its pre-recession heights.

How to get into banking IT

Sid Barnes, executive director at Computer People, gives five tips for getting a job in the financial services

Look for a contract role: If you don't have experience of working in a bank, go for a contractor role first. Once you've got a contract under your belt, it will be easier to secure repeat contracts or your next permanent job.

Get vendor-certified: If you don't have any commercial financial experience, the next best thing is training and certification. Vendor certificates from the likes of Microsoft and Cisco count for a lot.

Download beta versions of bespoke platforms: A lot of development will be platform based on bespoke trading platforms. But all the banks' bespoke products come to market and are available as beta versions. Download them and get familiar with them.

Graduate opportunities: Banks are more than happy to train graduates with an aptitude for science, maths or physics because they have analytical minds and can be developed from scratch. Starting salaries range from mid to high £30,000.

Sell your existing skills and experience: Half of recruiting banks say they need finance sector experience, but the other half welcome applications from any industries. Some banks are interested in people from the retail sector and faster-moving more dynamic and creative industries to bring urgency and cutting-edge knowledge to banks.

Top five skills in demand in financial services

Permanent jobs advertised by software skill in the financial sector

Rank Software Q410 Q310 Q210 Q110 Q409

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|---|------|------|------|------|------|------|
| 1 | SQL | 2694 | 2862 | 2929 | 2447 | 2317 |
| 2 | C | 2119 | 2434 | 2234 | 1792 | 1662 |
| 3 | C# | 2078 | 2225 | 1889 | 1552 | 1646 |
| 4 | JAVA | 1978 | 2220 | 2098 | 1372 | 1145 |
| 5 | .NET | 1637 | 1729 | 1407 | 1172 | 1202 |

Source: Salary Services Limited

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