

2026

SALARY AND HIRING GUIDE



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Introduction

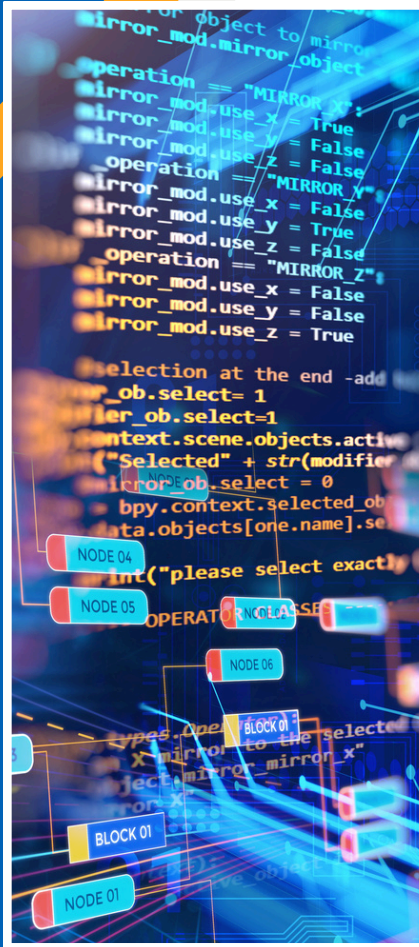


In 2026, the technology labor market is being shaped by accelerated AI adoption, workforce recalibration, and renewed focus on retention and specialized skill sets. As tech leaders navigate this next wave of transformation, staying competitive requires more than tracking trends. It requires translating them into actionable hiring strategies.

The ESP IT 2026 Salary & Hiring Guide is designed for HR professionals, hiring managers, and technology leaders in the Twin Cities and across the country. As the tech industry enters a new chapter, this guide delivers practical insights to help you stay ahead.

With over 55 years of experience in tech staffing, ESP IT has long been a trusted partner to companies of all sizes. Our deep roots in the Twin Cities and growing national presence allow us to anticipate trends, deliver tailored hiring solutions, and share the insights needed to build and retain high-performing teams. We're proud to be recognized as one of America's Best Professional Recruiting Firms by Forbes (2025) and as one of the Top Tech Recruiting Firms in the nation by Business Insider (2026).

Whether you're planning to expand your team, adjust compensation structures, or retain top-performing talent, this guide is built to support informed, strategic decision-making. We've combined real-world insights from our recruiters and hiring partners with current data from trusted sources to reflect both where the market stands today and where it's headed.



Methodology

Our approach combines ESP IT's internal insights with publicly available labor market datasets and industry research to offer credible, actionable context for hiring leaders across both the Twin Cities and broader U.S. markets.

The findings in this guide are derived from multiple authoritative data sources that reflect the latest published information on employment, labor demand, compensation trends, and tech-related workforce dynamics, including:

ESP Placement Data

Based on recent technology placements across a range of industries, company sizes, and employment types.

Local & National Market Indicators

Informed by up-to-date research from reliable labor and economic data sources.

Recruiter Insight

Grounded in the real-time expertise of ESP's recruiting team and daily conversations with hiring leaders and IT professionals.

Local Market Trends

Twin Cities Cost of Living Comparison

The Twin Cities (Minneapolis–St. Paul) continues to offer a balance of competitive tech compensation and moderate cost pressures compared to national averages.

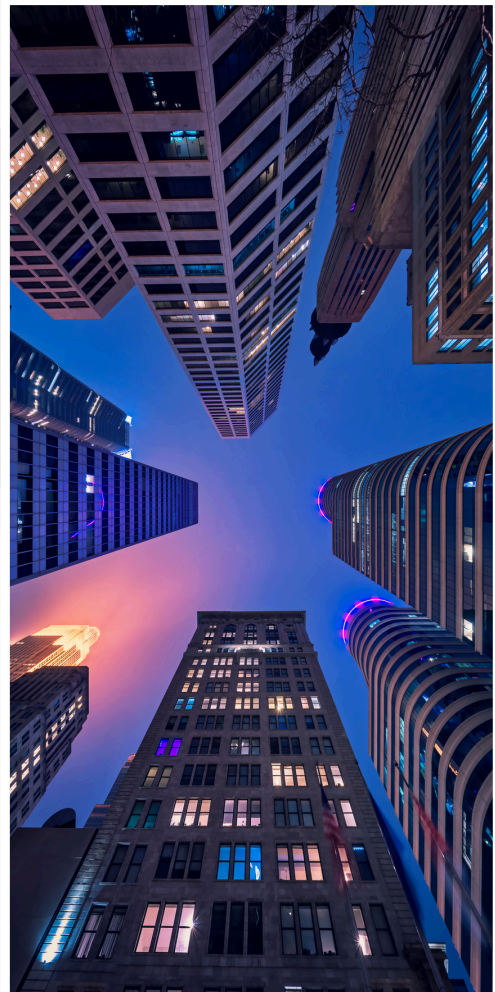
According to the U.S. Bureau of Labor Statistics (BLS), the Consumer Price Index for All Urban Consumers (CPI-U) in the Minneapolis–St. Paul–Bloomington metro area increased **1.8%** over the 12 months ending January 2026 (BLS, CPI Minneapolis–St. Paul). During that same period:

- **Food Prices Rose 1.9%**
- **Energy Prices Dropped 5.7%**
- **CPI increased 0.8% over the two-month period ending January 2026 (Nov 2025–Jan 2026)**

For comparison, national CPI-U rose **2.4%** year-over-year through January 2026, with core inflation (excluding food and energy) at **2.5%** (BLS National CPI, Jan 2026).

What this means: Inflation in the Twin Cities is currently running below the national average, reinforcing the region’s relative affordability compared to broader U.S. markets.

Methodology Note: CPI-U measures average price changes for urban consumers and represents approximately **93%** of the U.S. population.



Local Market Trends

Key Comparisons

While inflation measures cost of living, the Employment Cost Index (ECI) reflects how employer compensation is changing nationally. According to the Q4 2025 ECI release (published February 10, 2026):



Compensation YOY

Total compensation for U.S. civilian workers increased **3.4%** year-over-year.

Wages

Wages and salaries rose **3.3%**

Benefits

Benefit costs increased **3.4%**

Compensation Q4 2025

Compensation rose **0.7% in Q4 2025** alone

Inflation vs. Compensation: January 2026 Snapshot

Metric	Twin Cities	United States
CPI (YoY)	1.8%	2.4%
Compensation Growth (YoY)	---	3.4%

(BLS Employment Cost Index, December 2025)

This suggests that compensation growth is currently outpacing inflation, providing important context for 2026 salary planning.



Local Market Trends

Insights for HR and Hiring Leaders



Compensation Still Outpacing Inflation

National compensation growth of 3.4% indicates that wage pressure remains present, even as inflation moderates (BLS ECI, Dec 2025).



Balanced Planning for 2026

Employers should calibrate salary adjustments within the 3–3.5% range reflected in national compensation growth while recognizing the Twin Cities' relatively stable price environment.



Recruitment Narrative Opportunity

Lower cost-of-living growth combined with competitive tech wages can position the Twin Cities as an attractive relocation or remote destination for national talent.



Affordability Advantage

With local CPI at 1.8% — below the national 2.4% rate — the Twin Cities offers a cost advantage that can support national talent attraction (BLS CPI, Jan 2026).

Local vs. National Demand Trends

Broader labor demand indicators point to moderation nationally and continued resilience regionally.

- Minnesota reported **157,000** job openings (June 2025) with a **4.9%** openings rate, compared to **4.4%** nationally (BLS JOLTS, Aug 2025).
- National job openings fell to approximately **6.5** million in late 2025, marking the lowest level since 2020 (Associated Press, Feb 2026).

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2026 Labor Snapshot



National Compensation Growth

- Total compensation: **+3.4%** year-over-year
- Wages & salaries: **+3.3%**
- Benefits: **+3.4%**

(Source: U.S. Bureau of Labor Statistics, Employment Cost Index, Feb. 10, 2026)

National CPI

- Inflation: **+2.4%** year-over-year
- Core CPI: **+2.5%**

(Source: U.S. Bureau of Labor Statistics, Jan. 13, 2026)

Tech Labor Market Signals

- Tech unemployment remains **below national average**
- Demand strongest in **AI, cybersecurity, cloud, and transformation leadership**

(Source: CompTIA Tech Jobs Report, Jan. 2026)

National Job Openings

- **~6.5 million**, lowest since 2020

(Source: BLS / Associated Press, Feb. 2026)



Demand and Skill Needs

Technology hiring in 2026 is increasingly focused on high-impact roles. While overall job openings have moderated, demand for specialized technical talent remains strong.

According to the U.S. Bureau of Labor Statistics, total compensation costs increased 3.4% year-over-year through December 2025, with wages rising 3.3%. This reflects a more stable compensation environment, while competition for high-skill roles continues.

National Technology Demand Signals

January 2026 shows:

- ***Tech occupation employment remains stable relative to overall labor softening.***
- ***Employer demand continues to center on AI, data science, cloud, and cybersecurity skill sets.***
- ***Tech occupation unemployment remains below the national average.***

These trends indicate that hiring demand has become more focused — with continued emphasis on advanced technical capabilities.



Demand and Skill Needs



Minnesota Technology Workforce Context

According to the Minnesota Technology Association Tech Talent Dashboard:

- Minnesota supports over **110,000** technology professionals statewide.
- Tech roles represent approximately **3.8%** of total state employment, slightly above the national average.
- The state maintains an **above-average per-capita** concentration of technology workers

This density strengthens the regional tech ecosystem — but also intensifies local competition for high-skill and leadership roles.

Demand and Skill Needs



Most In-Demand Roles in 2026

◆ AI & Machine Learning Engineers

Demand continues for professionals capable of integrating AI into production environments rather than experimental pilots

◆ Cybersecurity Analysts & Engineers

Security remains mission-critical, particularly in cloud and compliance-driven environments

◆ Cloud Engineers & Infrastructure Architects

Organizations are investing in optimization and governance, not just migration

◆ Data Engineers & Analytics Leaders

Data-driven decision-making remains central to business competitiveness

Future Skill Priorities

- **AI integration and governance expertise**
- **Cross-functional leadership capability**
- **Budget and transformation oversight**
- **Cloud cost optimization**
- **Security + compliance hybrid skill sets**

The 2026 hiring environment increasingly favors professionals who combine technical expertise with business impact.



Demand and Skill Needs



Insights for HR and Hiring Leaders



Technical Talent Remains the Priority

Demand continues to center on specialized technical skill sets across AI, cloud, cybersecurity, and data.



Leadership + Technical Depth Wins

Professionals who bridge strategy and technical execution are increasingly valuable.



Regional Competition Is Real

Minnesota's tech workforce concentration continues to drive competition for specialized and senior-level roles.



Retention Is Strategic, Not Tactical

Replacing high-skill talent carries both financial and operational impact, reinforcing the importance of retention.

Recruitment & Retention Trends

The 2026 hiring environment reflects a shift toward more intentional, strategic growth. While overall job openings have moderated from post-pandemic peaks, demand for specialized technology talent remains strong, and in many cases, is beginning to re-accelerate.

According to the U.S. Bureau of Labor Statistics, total compensation costs increased **3.4% year-over-year through December 2025, with wages rising 3.3%**. This signals steady compensation growth entering 2026.

At the same time, the January 2026 Employment Situation Summary shows that professional and business services, which includes many technology roles, continues to maintain **stable employment levels** despite broader market shifts.



Tech Talent Market Remains Competitive

As of January 2026, unemployment in tech occupations remains below the overall U.S. unemployment rate. This reinforces a key dynamic:

- ***Skilled technology professionals continue to have options — particularly in high-demand areas such as AI, cloud, cybersecurity, and data.***

For employers, this means that competitive compensation alone is not enough. Career growth, project impact, and long-term opportunity remain critical factors in attracting and retaining talent.



Recruitment & Retention Trends



Retention: A Strategic Imperative

In a stabilized hiring environment, replacing specialized talent can be more disruptive than during rapid-growth periods. The Q4 2025 Employment Cost Index shows benefit costs increased **3.4% year-over-year**, indicating continued employer investment in total rewards. Organizations that align compensation growth (~3–3.5%) with advancement pathways are better positioned to reduce attrition risk.

Retention trends entering 2026 emphasize:

- *Career progression clarity*
- *Cross-functional leadership opportunities*
- *Project ownership*
- *Skills development in AI and cloud ecosystems*
- *Flexible work models*



Recruitment & Retention Trends



Local Implications for Twin Cities Employers

The Twin Cities is positioned as a strong and competitive technology market supported by a deep talent pool, but also increased competition for specialized and senior-level roles.

As hiring activity begins to pick up in key areas, employers are navigating a more dynamic landscape where:

- ***Demand for high-skill talent remains competitive***
- ***Candidate expectations continue to evolve***
- ***Remote hiring expands competition beyond the local market***

For Twin Cities employers, this means balancing local market advantages with a national talent strategy.



Recruitment & Retention Trends



Key Takeaways for 2026

- ◆ **Hiring Is Becoming More Intentional**
Demand remains strong for high-impact roles, with many organizations beginning to re-accelerate hiring in key areas.
- ◆ **Technical Talent Remains the Priority**
Specialized skill sets across AI, cloud, cybersecurity, and data continue to drive hiring demand.
- ◆ **Compensation Growth Has Stabilized**
With national compensation growth at 3.4%, salary planning should emphasize consistency and competitiveness.
- ◆ **Retention Requires Strategy**
Career development, leadership opportunities, and meaningful work are critical to retaining top talent.

Salary Data



SECURITY:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Information Systems Security Manager	\$142,125.00	\$155,507.00	\$156,725.00	\$169,250.00	\$170,568.00	\$192,314.00
Security Architect	\$145,294.00	\$158,365.00	\$160,741.00	\$170,214.00	\$170,745.00	\$188,527.00
Security Analyst	\$85,190.00	\$110,375.00	\$112,307.00	\$124,405.00	\$128,405.00	\$138,670.00
Security Engineer	\$92,074.00	\$115,263.00	\$118,898.00	\$131,145.00	\$135,945.00	\$158,582.00
Network Security Administrator	\$80,285.00	\$99,067.00	\$105,630.00	\$126,795.00	\$128,254.00	\$140,145.00
DATA/DATABASE ADMINISTRATION:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Data Engineer	\$93,132.00	\$115,731.00	\$120,286.00	\$142,875.00	\$146,639.00	\$177,931.00
Data Architect	\$128,420.00	\$135,712.00	\$138,707.00	\$145,015.00	\$150,201.00	\$175,410.00
Data Scientist	\$125,099.00	\$132,827.00	\$133,822.00	\$143,914.00	\$148,480.00	\$171,298.00
Data Analyst	\$82,317.00	\$94,520.00	\$95,475.00	\$115,951.00	\$118,412.00	\$138,875.00
SOFTWARE & APPLICATIONS DEVELOPMENT:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Manager	\$135,230.00	\$148,823.00	\$150,210.00	\$170,594.00	\$172,994.00	\$190,452.00
Software Architect	\$133,487.00	\$145,578.00	\$147,569.00	\$165,369.00	\$167,598.00	\$188,436.00
Mobile Apps Developer	\$95,154.00	\$116,279.00	\$121,740.00	\$128,260.00	\$137,060.00	\$168,512.00
Software Engineer	\$96,203.00	\$118,183.00	\$122,347.00	\$131,295.00	\$135,429.00	\$165,154.00
AI/ML Engineer	\$131,498.00	\$150,369.00	\$155,487.00	\$178,250.00	\$180,547.00	\$205,158.00
WEB DEVELOPMENT:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Web Developer	\$89,152.00	\$96,412.00	\$97,265.00	\$116,134.00	\$118,421.00	\$137,357.00
Front-End Web Developer	\$92,521.00	\$104,251.00	\$105,261.00	\$122,359.00	\$123,748.00	\$139,428.00
Web Administrator	\$74,125.00	\$86,500.00	\$88,250.00	\$104,825.00	\$106,159.00	\$122,330.00
E-Commerce Analyst	\$88,250.00	\$95,523.00	\$96,125.00	\$112,750.00	\$116,790.00	\$134,895.00
EXECUTIVES:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
CIO	\$195,186.00	\$215,702.00	\$218,702.00	\$258,094.00	\$263,094.00	\$334,318.00
CTO	\$190,312.00	\$208,381.00	\$212,381.00	\$246,285.00	\$252,285.00	\$330,063.00
CISO	\$175,628.00	\$193,316.00	\$195,316.00	\$232,944.00	\$235,944.00	\$310,329.00
VP of IT	\$172,915.00	\$186,945.00	\$188,945.00	\$221,630.00	\$222,630.00	\$278,490.00
Director of Technology	\$155,804.00	\$175,071.00	\$176,071.00	\$205,367.00	\$210,367.00	\$244,179.00
FUNCTIONAL MANAGEMENT:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Program Manager	\$115,487.00	\$138,298.00	\$145,968.00	\$162,574.00	\$165,795.00	\$185,168.00
Product Manger	\$114,365.00	\$128,578.00	\$135,698.00	\$147,587.00	\$155,598.00	\$175,879.00
Project Manager	\$110,154.00	\$122,300.00	\$123,766.00	\$135,522.00	\$140,282.00	\$159,921.00
Product Owner	\$98,569.00	\$115,365.00	\$120,547.00	\$132,698.00	\$135,258.00	\$150,298.00
Business Analyst	\$87,124.00	\$105,478.00	\$111,236.00	\$128,698.00	\$130,547.00	\$141,258.00
Project Coordinator/Admin	\$70,234.00	\$82,569.00	\$86,147.00	\$97,698.00	\$100,498.00	\$107,658.00
Scrum Master	\$93,314.00	\$110,125.00	\$112,500.00	\$128,625.00	\$130,692.00	\$145,217.00

Salary Data



CREATIVE:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
UI/UX Digital Interface Designer	\$80,425.00	\$90,657.00	\$92,587.00	\$120,174.00	\$125,760.00	\$158,420.00
3D/CGI Artist	\$45,698.00	\$58,547.00	\$60,503.00	\$82,359.00	\$88,968.00	\$120,274.00
SEO	\$50,461.00	\$64,029.00	\$65,029.00	\$77,586.00	\$79,341.00	\$104,997.00
QUALITY ASSURANCE:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Testing Manager	\$99,525.00	\$115,920.00	\$117,920.00	\$134,112.00	\$136,433.00	\$150,637.00
Test Automation Engineer	\$83,735.00	\$90,002.00	\$91,002.00	\$120,812.00	\$125,268.00	\$140,170.00
QA Analyst	\$70,125.00	\$81,550.00	\$82,100.00	\$85,500.00	\$95,194.00	\$112,013.00
INFRASTRUCTURE & TECHNICAL SERVICES:	1-3 Years Low	1-3 Years High	3-7 Years Low	3-7 Years High	7+ Years Low	7+ Years High
Manager	\$115,691.00	\$123,258.00	\$125,472.00	\$140,198.00	\$145,840.00	\$168,610.00
Cloud Architect	\$142,215.00	\$165,158.00	\$168,478.00	\$175,589.00	\$184,625.00	\$205,689.00
DevOps Engineer	\$112,598.00	\$122,478.00	\$132,847.00	\$150,478.00	\$155,698.00	\$182,598.00
Systems Administrator	\$72,415.00	\$80,520.00	\$82,698.00	\$97,419.00	\$105,487.00	\$126,503.00
Network Engineer	\$72,458.00	\$85,321.00	\$88,496.00	\$110,274.00	\$114,739.00	\$135,174.00
Desktop Support	\$54,698.00	\$60,147.00	\$63,258.00	\$75,478.00	\$76,398.00	\$85,147.00
Help Desk	\$41,259.00	\$50,123.00	\$53,542.00	\$65,158.00	\$65,895.00	\$78,698.00



ESP IT:

Your 2026 Hiring & Strategy Partner

The 2026 technology hiring market is defined by recalibration, not retreat. Compensation growth has stabilized, inflation has moderated, and demand for specialized talent in AI, cybersecurity, cloud, and data remains strong.

The shift this year is toward precision. Hiring strategies are becoming more focused, with greater emphasis on impact, efficiency, and long-term workforce planning. Retention, execution, and long-term workforce planning have become just as important as attracting new talent.

For Twin Cities organizations and national employers alike, success in 2026 will depend on aligning hiring decisions with both market realities and evolving skill demands.

The opportunity isn't in hiring more. It's in hiring smarter.

