



SUBURBIA PRESENTS



# **IN THE DIGITAL AGE, IT PAYS TO CODE**

ALTERNATIVE DATA FOR EVERYONE  
[WWW.SUBURBIA.IO](http://WWW.SUBURBIA.IO)



## Contents

Summary

1. Introduction

2. Data and Insights

3. Conclusion

## Summary

Doctors and software engineers have always earned a lot, with doctors on the lead. But today software engineers of medium type make 5% more than doctors of medium type. When compared to the early 2000s, the market value of a software engineer has increased by 25%, while wage of doctors has stayed constant. In very simple words: In the digital age, it pays to code.



## 1. Introduction

If you were asked to name a high paying profession, your safest bet would be that of doctors. Due to shortage in the number of doctors and society's high demand for them, their wages have always been high. Moreover, because we care about our health and want to make sure we are in good hands, doctor's wage premiums have increased faster than any other profession.

Becoming a doctor requires constant ongoing education and a specific set of skills that takes years to match. It should come as no surprise that their wages rank so high. But doctors are not alone in the high wages club. Lately they have been tightly followed by a profession whose demand has been skyrocketing: software developers and architects.

Relatively high skills jobs like software engineers make a significant difference to a firm's profitability. In order to attract the best and boost their productivity, firms aim at offering high wage premiums to technical jobs.

Software programming and engineering has only been a widespread occupation since the 1980s. Back then, computer systems existed for governments and militaries throughout the mid- to late twentieth century. It was not until home and business computing came into existence a bit more than years ago, that the demand for knowledgeable individuals in the programming field exploded.

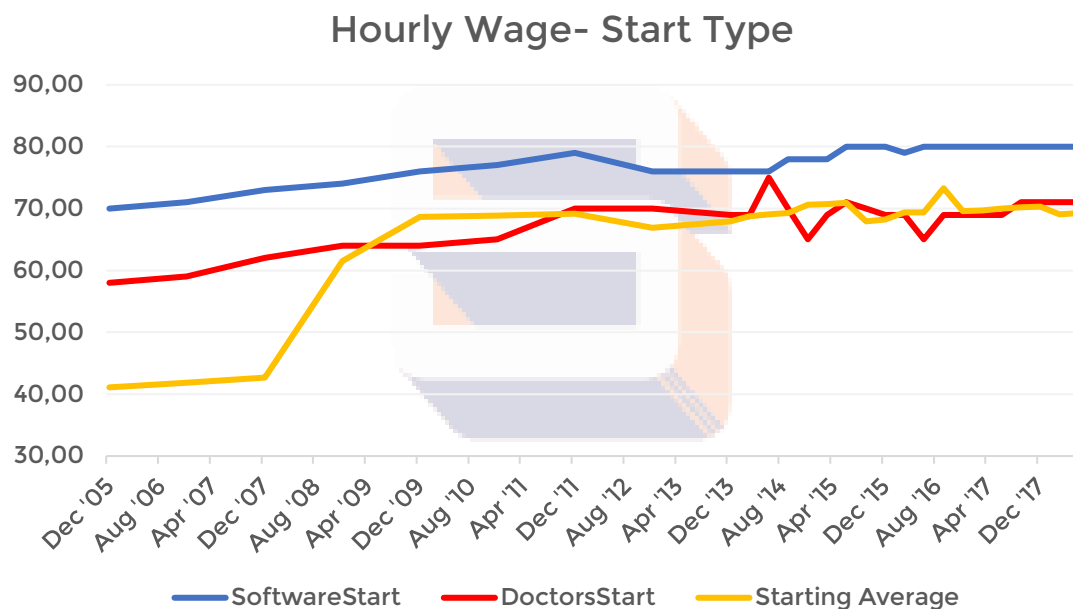
Other professions, such as lawyers or physicians might relatively pay higher than software engineers, but they need more experience and training to earn a six figure salary. On the other side, the market value of a software engineer is growing and that is true for starting, medium and senior types.



## 2. Data and Insights

Data on hourly wages of freelancers have been collected from Publimix (2018). The website collects information on hourly tariffs on freelancers, self-employed, zzp-ers, grouped in more than 170 professions. The average freelancer of medium type saw an increase of 68% in their hourly wage.

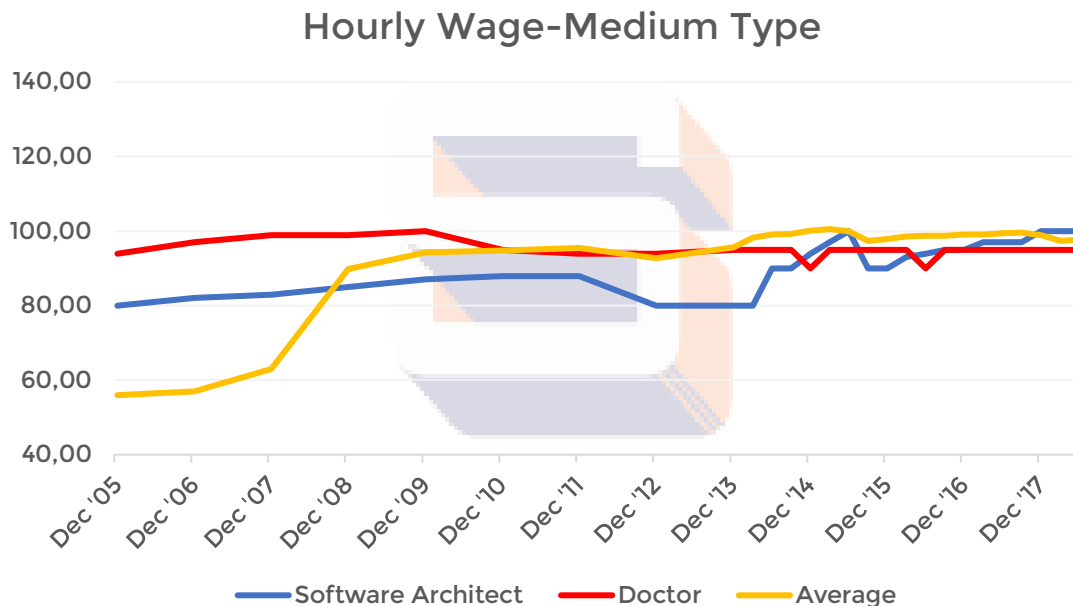
**Figure 1: Hourly wages of software engineers, doctors, and average freelancers since 2005 until today. All professions are of start type.**



Software architects begin at a higher wage than doctors or average freelancers and grow at a comparable pace with that of doctors. Today the starting salary of freelance coders is 80 euros per hour, 10 euros more than that of the average freelancer, or doctors. This could be triggered by the growing demand not only from tech companies for software developers



Figure 2: Hourly wages of software engineers, doctors, and average freelancers since 2005 until today. All professions are of medium type.

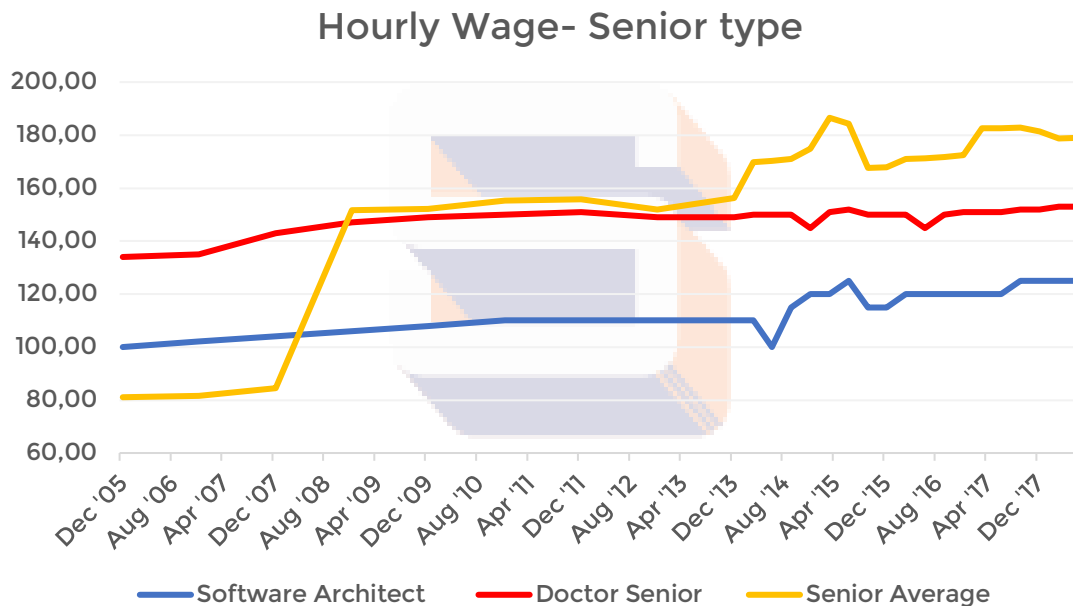


Since 2005, there is a 25% increase in the wage of a freelance software architect, while the wages of freelance doctors have almost stagnated. Until 2016 the average doctor of medium type earned more per hour than a software architect of medium type. Since then, coders took the lead and they now earn 5 euros per hour more than doctors.

In the senior-type club, the reverse seems to hold. Since 2005, senior doctors have earned around 40% more than senior software architects. Also, it is remarkable to notice that in 2008, the average freelancer of high type had a high jump in his wage. The explanation for this is given in the report on the impact that ride sharing platforms had on driver's wages. Click on this [link](#) for more insight.



Figure 3: Hourly wages of software engineers, doctors, and average freelancers since 2005 until today. All professions are of senior type.



There are numerous explanations on why senior doctors earn more than senior coders. One of them could be the demand for good and trained doctors. This explains the ongoing education and training that doctors need throughout their career, making their set of skills even harder to match and in turn increasing their wages.

Secondly, almost all coders have shares in the companies where they work. Doctors, on the other hand, rarely have shares. If stock earnings are taken into account, senior coders could earn more per hour than doctors do.



### 3. Conclusion

In the digital age, it pays to code. The growing demand for software architects has pushed their market value up. This is particularly true for starting and medium type of coders. When compared to senior doctors, senior coders earn less. This could be linked to the ongoing education that doctors need or the fact that coders are entitled to shares in the company where they work. In turn this pushes their nominal wages down as their stock earnings potential increases.



### **Disclaimer**

This publication has been prepared by Suburbia solely for information purposes without regard to any particular user's investment objectives, financial situation, or means.

The information in the publication is not an investment recommendation and it is not investment, legal or tax advice or an offer or solicitation to purchase or sell any financial instrument. Reasonable care has been taken to ensure that this publication is not untrue or misleading when published, but Suburbia does not represent that it is accurate or complete. Suburbia does not accept any liability for any direct, indirect or consequential loss arising from any use of this publication. Unless otherwise stated, any views, forecasts, or estimates are solely those of the author(s), as of the date of the publication and are subject to change without notice.

The distribution of this publication may be restricted by law or regulation in different jurisdictions and persons into whose possession this publication comes should inform themselves about, and observe, such restrictions.

Copyright and database rights protection exists in this report and it may not be reproduced, distributed or published by any person for any purpose without the prior express consent of Suburbia. All rights are reserved.