Salaries in NSF SBIR/STTR Projects

One question frequently asked by clients preparing SBIR/STTR proposals is "how do I determine salaries for my project team members"?

The National Science Foundation (NSF) requires applicants to align salaries to wage data from the U.S. Bureau of Labor Statistics (BLS) and describes the process in the NSF SBIR Salary Validation Guide. The process is fairly straightforward because there are a limited number of occupational categories that cover the range of job descriptions on a typical SBIR/STTR R&D project.

1. **Identify the appropriate job titles for your project**. BLS defines more than 800 occupations but most SBIR/STTR job titles will fall into one of the following categories: Management, Computer and Mathematical, Architecture and Engineering, and Life Physical and Social Sciences. In these you'll find definitions of everything from aerospace engineers to zoologists, along with the average national hourly and annual wage for each occupation. However, don't use those national numbers.
2. **Select the Company's metropolitan area**. BLS lists 375 metropolitan statistical areas, 34 metropolitan divisions, and more than 170 nonmetropolitan areas, so you'll find the correct location even if the Company does not reside in a major urban area. By state these designated areas range in number from 2 for Hawaii to 31 for California.
3. **Record the wage rates for your project's job titles**.   The mean hourly and annual wage will be specific for the designated area and should be cited in the budget justification of your proposal to support the salaries of project team members. If the actual salaries of your employees exceed these estimates, NSF might request additional justification for the budgeted figures. Helpfully, the Validation Guide lists some other sources of salary data that you can consult.

Occupation code	Occupation title (click on the occupation title to view its profile)	Level	Employment	Employment RSE	Employment per 1,000 jobs	Location quotient	Median hourly wage	Mean hourly wage	Annual mean wage	Mean wage RSE
15-1111	Information Research Scientists	detail	1,180	46.7%	0.213	1.19	$54.54	$59.09	$122,910	5.3%
15-1121	Computer Systems Analysts	detail	16,360	4.0%	2.953	0.76	$43.67	$44.64	$92,840	1.7%
15-1122	Information Security Analysts	detail	2,190	9.7%	0.396	0.67	$47.72	$48.67	$101,230	1.3%
15-1131	Computer Programmers	detail	12,770	6.5%	2.304	1.03	$42.03	$41.75	$86,840	2.1%
15-1132	Software Developers, Applications	detail	25,370	7.6%	4.578	0.90	$49.12	$49.90	$103,790	1.4%
15-1133	Software Developers, Systems Software	detail	17,290	8.5%	3.121	1.10	$56.30	$57.90	$120,430	1.5%
15-1134	Web Developers	detail	6,540	8.2%	1.180	1.32	$32.30	$33.65	$70,000	1.9%
15-1141	Database Administrators	detail	3,860	4.4%	0.697	0.84	$42.78	$43.56	$90,610	1.2%

After you've submitted your SBIR application, these BLS databases can also provide hours of entertainment for the curious mind.