NEARSHORE
VS. ONSHORE

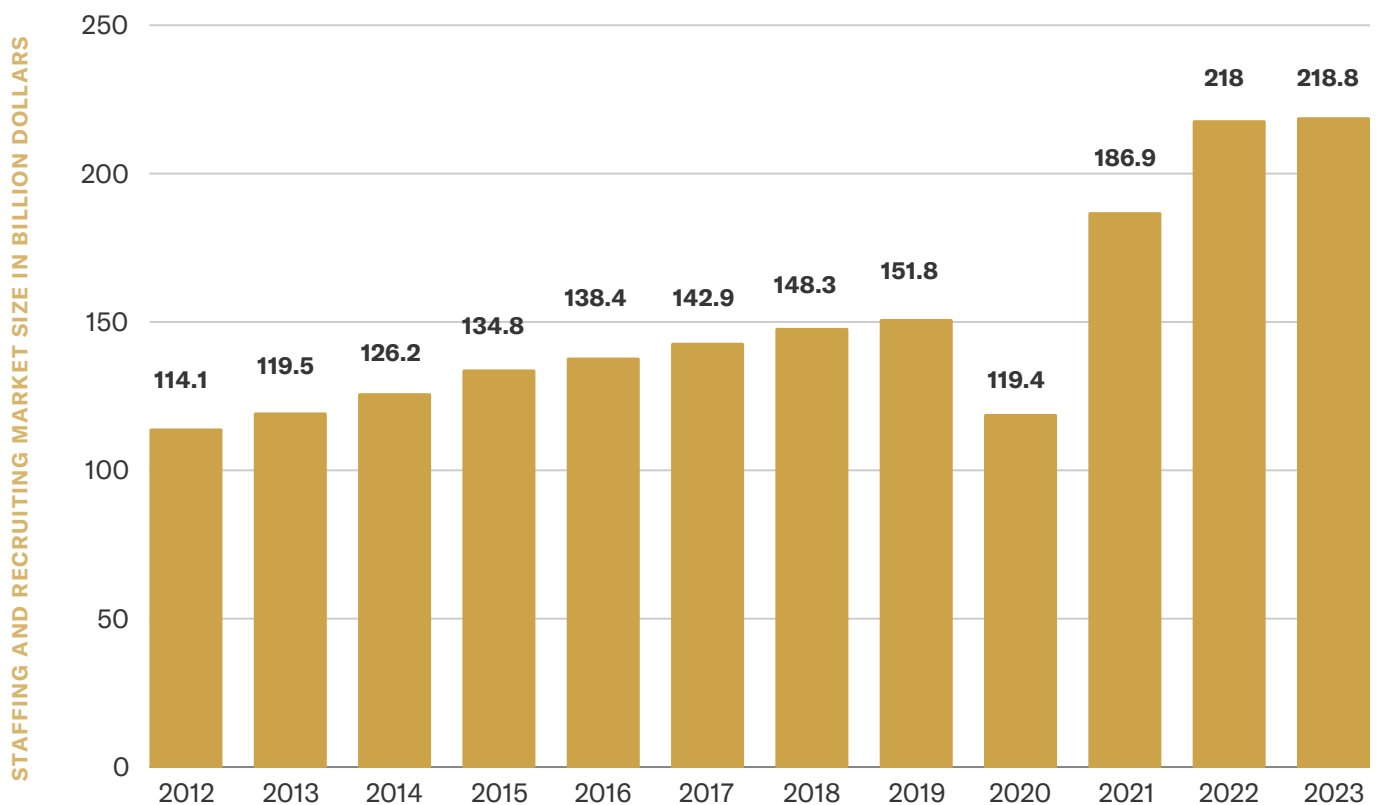### THE ADVANTAGES OF HIRING TECH TALENT IN **LATIN AMERICA** FOR **U.S.** COMPANIES

★ STATESIDE

INTRODUCTION

The tech industry is experiencing a significant shift towards nearshore hiring, particularly in Latin America. This trend is driven by the need for cost-effective, high-quality tech talent that aligns with U.S. business hours and cultural expectations. This report aims to comprehensively analyze why U.S. companies are increasingly turning to nearshore solutions in Latin America.

STAFFING AND RECRUITING MARKET SIZE IN BILLION DOLLARS

Year	Value
2012	114.1
2013	119.5
2014	126.2
2015	134.8
2016	138.4
2017	142.9
2018	148.3
2019	151.8
2020	119.4
2021	186.9
2022	218
2023	218.8

BY STATISTA

The graphic above delineates the anticipated expansion of the staffing and recruiting industry market size in the United States from 2012 to 2022, with a projection for 2023. The staffing and recruiting industry encompasses entities facilitating other organizations' staff acquisition. This facilitation encompasses aiding companies in the recruitment of new internal staff as well as directly supplying temporary staff for specific functions. Notably, the temporary staffing segment significantly outweighs the recruitment segment in this industry.

The upcoming report aims to present a comprehensive analysis of the advantages associated with staffing and recruiting within the technology industry in Latin America for U.S. companies. This will be achieved through data, charts, and case studies, emphasizing the cost savings, talent quality, and operational benefits that can be realized.

OVERVIEW OF NEARSHORE VS. ONSHORE

ASPECT	NEARSHORE HIRING	ONSHORE HIRING
Cost	Lower salaries and operational costs	Higher salaries and operational costs
Time Zone	Similar to U.S. time zones	Same time zone
Cultural Compatibility	High cultural and linguistic compatibility	Native cultural alignment
Talent Pool	A large pool of qualified professionals	Limited by local availability
Recruitment Speed	Faster due to a larger talent pool	Slower due to the competitive market

SALARY COMPARISON

KEY ROLES AND COMPARATIVE SALARIES
Roles:

- Software Engineer
- Front End Developer
- Back End Developer
- iOS Developer
- Android Developer
- Quality Engineer
- Project Manager
- Full Stack Engineer

- Infrastructure Engineer
- Network Engineer
- Mobile Developer
- Web Developer
- DevOps Engineer
- Cloud Engineer
- Data Scientist
- Cybersecurity Specialist

SALARY DATA:

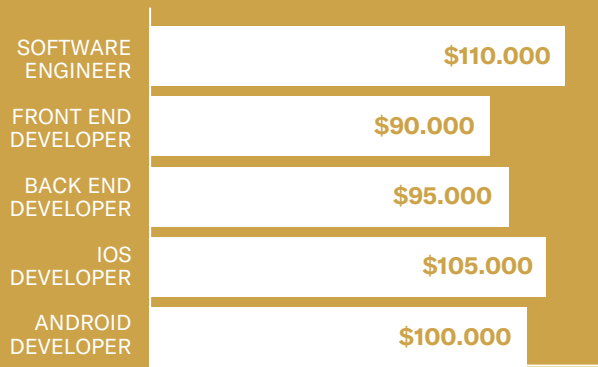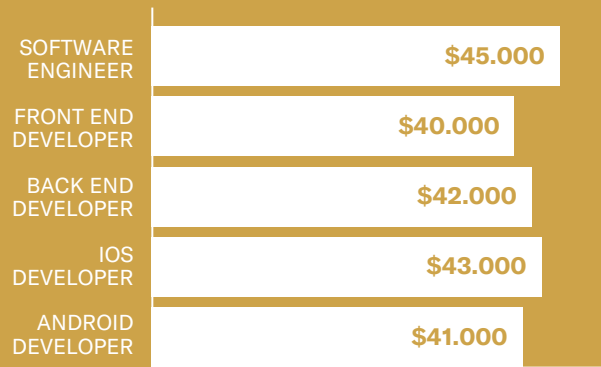**United States (Onshore):** Detailed salary data for various tech roles sourced from BLS and LinkedIn.

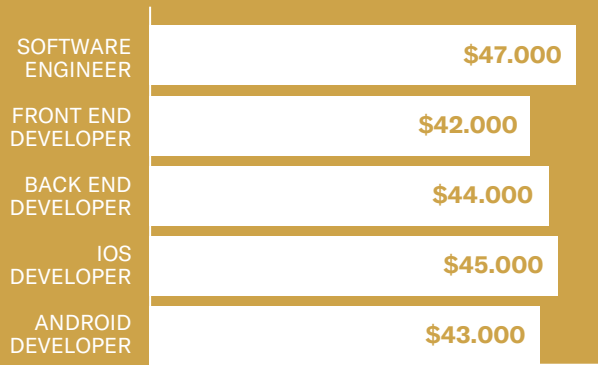**Latin America (Nearshore):** Salary data for tech roles in multiple Latin American countries.
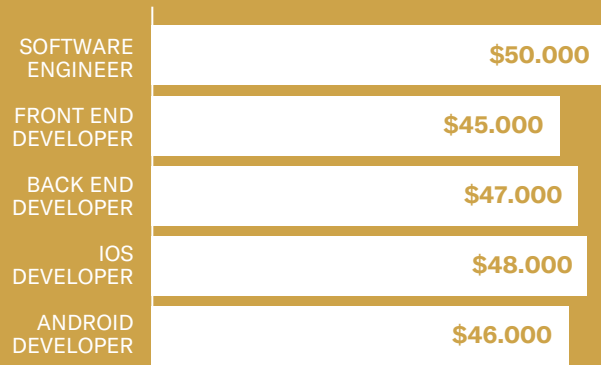
BAR CHART: SALARY COMPARISON

USA

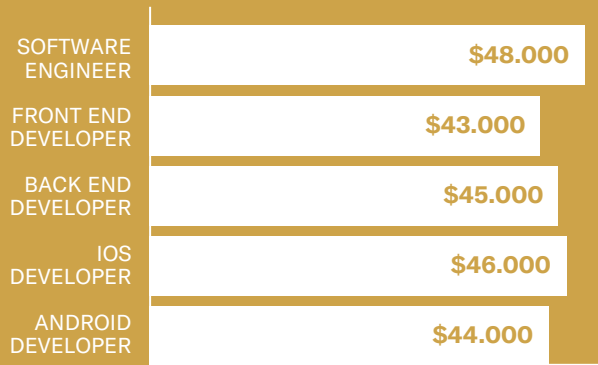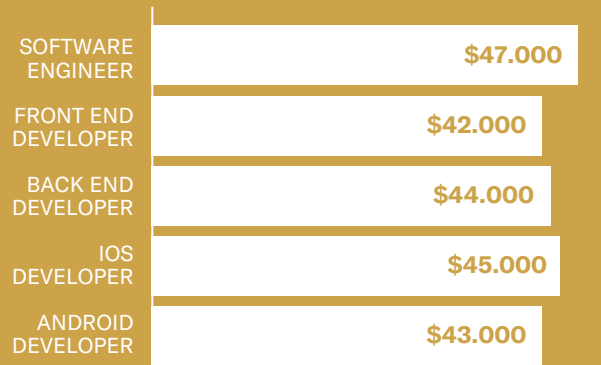|	
SOFTWARE ENGINEER	$110.000
FRONT END DEVELOPER	$90.000
BACK END DEVELOPER	$95.000
IOS DEVELOPER	$105.000
ANDROID DEVELOPER	$100.000

MEXICO

SOFTWARE ENGINEER	$45.000
FRONT END DEVELOPER	$40.000
BACK END DEVELOPER	$42.000
IOS DEVELOPER	$43.000
ANDROID DEVELOPER	$41.000

ARGENTINA

SOFTWARE ENGINEER	$47.000
FRONT END DEVELOPER	$42.000
BACK END DEVELOPER	$44.000
IOS DEVELOPER	$45.000
ANDROID DEVELOPER	$43.000

BRAZIL

SOFTWARE ENGINEER	$50.000
FRONT END DEVELOPER	$45.000
BACK END DEVELOPER	$47.000
IOS DEVELOPER	$48.000
ANDROID DEVELOPER	$46.000

COLOMBIA

SOFTWARE ENGINEER	$48.000
FRONT END DEVELOPER	$43.000
BACK END DEVELOPER	$45.000
IOS DEVELOPER	$46.000
ANDROID DEVELOPER	$44.000

PERU

SOFTWARE ENGINEER	$47.000
FRONT END DEVELOPER	$42.000
BACK END DEVELOPER	$44.000
IOS DEVELOPER	$45.000
ANDROID DEVELOPER	$43.000

COSTA RICA

|	
SOFTWARE ENGINEER	$38.514
FRONT END DEVELOPER	$42.000
BACK END DEVELOPER	$44.000
IOS DEVELOPER	$42.000
ANDROID DEVELOPER	$47.000

THESE FIGURES ARE AVERAGES AND MAY VARY DEPENDING ON THE LEVEL OF SENIORITY, TECHNOLOGIES, AND SPECIFIC REQUIREMENTS BASED ON INFORMATION FROM GLASSDOOR, SALARY.COM, AND STATESIDE'S DATA.

ECONOMIC BENEFITS OF NEARSHORE HIRING

Cost Reduction Nearshore hiring offers substantial salary savings without compromising on talent quality. The cost of living in Latin America is generally lower, translating to lower salary expectations than those in the U.S.

Operational Costs Nearshore hiring also reduces operational costs related to infrastructure, as many roles can be performed remotely, leveraging lower costs for office space, utilities, and equipment.

COST REDUCTION

Other 10%

Recruitment Fees 10%

Operational Costs 20%

Salary Savings 60%
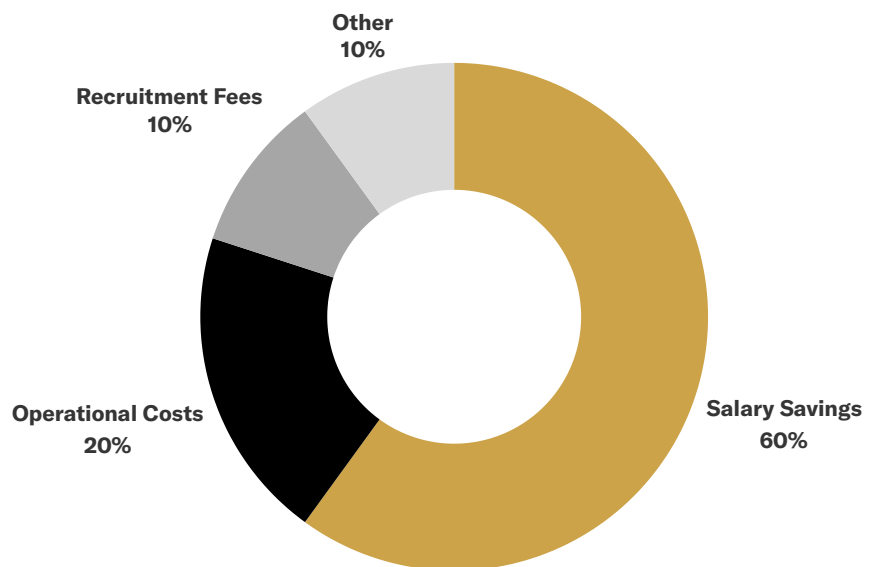
ESTIMATIONS ARE BASED ON INFORMATION FROM GLASSDOOR, SALARY.COM, AND STATESIDE'S DATA.

LOGISTICAL AND CULTURAL ADVANTAGES

Talent Quality Latin America boasts many highly skilled tech professionals, many of whom have received education and training comparable to their U.S. counterparts.

Talent Availability There is an abundance of qualified professionals across various tech disciplines, ensuring that companies can find the right fit for their needs quickly and efficiently.

TALENT QUALITY VS. AVAILABILITY

Legend: USA MEXICO ARGENTINA BRAZIL COLOMBIA PERU

BY ACCELERANCE

OTHER NEARSHORE BENEFITS

Time Zone Alignment Working within similar time zones facilitates real-time communication and collaboration making project management smoother and more efficient.

Examples of Time Zone Alignment:
- New York (EST) and Bogotá, Colombia (COT): Both are in the same time zone.
- San Francisco (PST) and Mexico City (CST): 2 hours difference.
- Miami (EST) and Lima, Peru (PET): Both are in the same time zone.
- Chicago (CST) and São Paulo, Brazil (BRT): 2 hours difference.

San Francisco (PST)
New York (EST)
Chicago (CST)
Miami (EST)
Mexico City (CST)
Bogotá (COT)
Lima (PET)
São Paulo (BRT)

-11 -10 -9 -8 -7 -6 -5 -4 -3 -2 -1 0 +1 +2 +3 +4 +5 +6 +7 +8 +9 +10 +11 +12

Geographical Proximity for more accessible travel if in-person meetings are necessary, reducing travel time and costs.

Examples of Flight Times:

- Los Angeles to Monterrey: Approximately **3.10** hours

- Miami to Bogotá: Approximately **3.5** hours.
- Houston to Punta Cana: Approximately **4.20** hours
- New York to Mexico City: Approximately **5** hours.

CASE STUDY: SEPHORA

Sephora needed to build a nearshore team to align geographically with their **San Francisco** headquarters. Stateside provided a tailored staff augmentation solution, sourcing highly skilled developers from **Latin America.**

DETAILS

- Engaged in **2016** for staff augmentation.
- Recruited developers for web and mobile (Android/iOS) projects.
- Achieved successful integration and long-term engagement.
- Extend their in-store customer experience.

RESULTS

- Over **25** engineers are currently staffed.
- Six years of successful partnership.
- **10** different capabilities are supported.
- The average tenure of two years per team member.
- Improved the crash rate per user from **12%** to **2%** in less than **12 months.**
- Successfully extend the in-store experience into the digital environment.

FUTURE OUTLOOK

As the demand for tech talent continues to grow, nearshore hiring in Latin America is poised to become even more prevalent, offering U.S. companies a reliable and cost-effective solution.

Consider Stateside for your nearshore hiring needs to leverage these benefits and transform your tech team.

REFERENCES

REFERENCES

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- Stateside Guide to Nearshore Software Development LATAM Benefits and definitions
- Stateside Nearshore Staffing Insights
- Google Slides - Nearshore vs. Onshore Differences
- Forbes - Mastering Offshoring Advantages
- BLS
- LinkedIn IT Roles Salary LATAM Salaries

REFERENCE LINKS

- Skillsoft IT Skills and Salary Report 2023
- Stateside Guide to Nearshore Software Development LATAM
- Stateside Nearshore Staffing Insights
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