STRATEGY BRIEF

# Nearshoring as salary strategy

How mid-size and large AEC firms are using integrated global teams to protect compensation, defend margins, and scale without the layoff cycle.

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# The math of paying for talent has stopped behaving the way it used to.

For the past several years, nearly every conversation I have with leaders of mid-size and large AEC firms eventually lands on the same subject: compensation, and how to bring down direct labor costs without breaking the team they have spent years building.

It is not that these leaders are unwilling to pay for talent. It is that the economics have shifted underneath them. Salaries for engineers and architects have climbed steadily, and the firms feeling it most are not the small studios. They are organizations of 50 to 500 people, where a single market wage adjustment can ripple across an entire department.

When you raise an offer to win a project engineer in a hot market, you are not pricing one hire. You are repricing everyone who sits near that role on your org chart. Or you are quietly creating an internal equity problem that will surface in your next engagement survey.

This is why nearshoring has moved from a curiosity to a board-level conversation. But the firms getting real value from it are not treating it as a cost play or a way to replace their team. They are treating it as a salary strategy. Those two things are related, but they are not the same.

> "You are not pricing one hire. You are repricing everyone who sits near that role on your org chart."

# The cost story is the shallow version. The salary strategy is the one that lasts.

The cost story is obvious. Professionals in Latin America and other nearby markets work at rates well below U.S. salaries for equivalent experience. The arbitrage is real.

But if arbitrage is the whole strategy, it is a shallow one, and experienced leaders know it. Shallow cost plays have a way of resurfacing later as quality problems, turnover problems, and cultural problems.

The salary strategy is more durable, and it rests on three pillars. The rest of this guide walks through each one.

THE PER-ROLE ANCHOR

**$85,000** /yr

U.S. PRODUCTION ROLE, WITH BENEFITS · 5–8 YRS EXPERIENCE (LEVEL 1)

**$42,500** /yr

INTEGRATED NEARSHORE EQUIVALENT · SAME LEVEL

Illustrative. Actual rates vary by role and experience.

FROM THE ZWEIG GROUP RESEARCH

**5%**

Civil engineer salaries rose five percent in a single year, from 2025 to 2026. That is the pace the domestic market is repricing production roles underneath you.

Source: Zweig Group Compensation Data, 2026

Pillar 1

# Relieve wage pressure where it actually hurts

Most firms do not have a talent shortage across the board. They have acute shortages in specific functions, usually production-heavy roles where the domestic pipeline cannot keep pace with the backlog.

When you add nearshore professionals in exactly those functions, you take the desperation out of domestic hiring. You are no longer bidding against three competitors for the same candidate by Thursday. That single change alters your posture in every salary negotiation you still choose to have, because you are negotiating from capacity instead of from crisis.

This is the difference between spreading a discount across your whole workforce and applying relief precisely where the pressure is highest.

> "You are no longer bidding against three competitors for the same candidate by Thursday."

FROM THE ZWEIG GROUP RESEARCH

Staff recruitment and retention is cited as the biggest challenge among principals, ahead of every other pressure on the business.

Source: Zweig Group Principals, Partners + Owners Report, 2026

Pillar 2

# Protect the pay bands you already have

Internal equity is the concern comp leaders raise most, and for good reason.

Nearshore team members sit in a different geographic labor market, so their compensation lives on a different curve. Handled transparently, this does not create equity problems inside your domestic bands. It protects them.

Consider the alternative. A firm overpays in a panic for a domestic hire, and then spends the next year managing the resentment of tenured staff who discover the new person out-earns them. That is far more corrosive to internal equity than a thoughtfully structured global team ever would be.

One note of caution, because it matters. The firms that get this wrong are almost always the ones that hide the strategy from their teams. The firms that get it right frame it honestly: we are adding integrated team members in other markets so we can keep investing in the team here, keep raises and bonuses intact, and stop burning out the people covering gaps we cannot fill. Framed as protection of the core team rather than replacement of it, support inside the firm looks completely different.

> "Done transparently, a global team does not threaten your pay bands. It protects them."

Pillar 3

# Break the boom-and-bust cycle

The third pillar is about protecting your compensation credibility over time.

Every AEC leader has lived the cycle. Backlog surges. The firm hires aggressively at peak-market salaries. The market cools. Suddenly those salaries are structural costs sitting on top of a thinner pipeline. The layoffs that follow do more damage to a firm's employment brand than almost anything else it can do.

A nearshore capacity layer changes the shape of that cycle. It gives a firm with a growing backlog a way to flex without whipsawing domestic headcount. Which means the compensation promises you make to your core team are promises you can keep in both halves of the cycle, not just the good one.

> "The compensation promises you make in the boom are only credible if you can keep them in the bust."

FROM THE ZWEIG GROUP RESEARCH

Labor has consumed more than half of net service revenue every year for the past five years. This is the structural cost that peak-market hiring locks in.

| 2022 | 2023 | 2024 | 2025 | 2026 |
|---|---|---|---|---|
| 54% | 55% | 54.4% | 53.7% | 52% |

LABOR COST AS A SHARE OF NET SERVICE REVENUE

**$8,121** AVERAGE COST TO HIRE AN EMPLOYEE ($6,000 MEDIAN)

Sources: Zweig Group Financial Performance Reports, 2022-2026 · Zweig Group Recruitment + Retention Report, 2025

# The wage-pressure audit

Before evaluating any partner, map where your pressure actually lives. Work through these four questions with your HR and comp leaders.

- [ ] 01 **Where are the acute shortages?**
  List the specific functions where you cannot hire fast enough, not the general sense that hiring is hard.
- [ ] 02 **What is one market-rate hire really costing you?**
  Include the ripple: everyone that hire forces you to reprice nearby.
- [ ] 03 **Where is internal equity most exposed?**
  Identify the bands where a panic hire would trigger the most resentment.
- [ ] 04 **How exposed is your headcount to the cycle?**
  If backlog dropped 20 percent next quarter, who would be at risk, and what would that do to your employment brand?

## The cost comparison, in one picture

TRADITIONAL RESPONSE TO BACKLOG

Raise offers at peak market

↓

Reprice the surrounding band

↓

Structural cost that outlives the backlog

A WHOLE BAND REPRICED

SALARY-STRATEGY RESPONSE

Add nearshore capacity in the pressured function ($42,500 vs $85,000 per production role)

↓

Domestic bands protected

↓

Flex without layoffs

BANDS UNTOUCHED

# One word that changes everything: Insourcing

I am particular about language, so let me be precise about the model that makes all of this work.

At WeCollabify, we describe what we do as Insourcing, not outsourcing, and the distinction is not marketing. Outsourcing sends work out the door to a vendor. Insourcing brings a professional into your firm, working inside your standards, your software, your project teams, and your meetings, with our support behind them.

Everything in this guide depends on that model. A traditional vendor relationship does not relieve wage pressure inside your teams or protect internal equity, because the people doing the work were never inside your compensation system, or your culture, to begin with.

> "Outsourcing sends work out the door.
> Insourcing brings a professional into your firm."

If you lead a firm of any real size, the move is to stop evaluating nearshoring as a procurement decision and start evaluating it as a compensation strategy decision. Bring your HR and comp leaders in early, decide which functions carry your wage pressure, and be honest with your teams about what you are doing and why.

The firms that figure this out are not the ones paying the least for talent. They are the ones whose salary strategy pays dividends in the form of a stronger team and a healthier business for years to come.

## See what this looks like for your firm.

We will map which of your functions carry the most wage pressure and what an integrated nearshore layer would do for your labor costs, your pay bands, and your ability to scale.

Book a call



Jeremy Zick is a respected voice in the A&E community with over two decades of firm leadership, and is now the Founder and CEO of WeCollabify, an innovative remote staffing solution empowering and transforming architectural and engineering companies through the power of accessing and leveraging global talent.