Salaries And Benefits Improve As The Economy, Market Conditions Foster Year’s Growth

BY MARK HRYWNA

Pam Fulk thought the human services field didn’t pay well — until she ran an animal nonprofit. “I’ve been trying to pull up these salaries since Day 1,” said the executive director of Carolina Tiger Rescue (CTR) in Pittsboro, N.C.

The 16 employees at the tiger sanctuary averaged about a 3-percent salary increase for 2014, in line with the average increase reported in the 2015 Salary and Benefits Report by The Non-Profit Times with Roswell, Ga.-based Bluewater Nonprofit Solutions. The 2015 report covers survey results that were completed by Sept. 15, 2014 by nearly 900 organizations nationwide covering 309 job titles.

Nonprofit managers reported awarding average salary increases of 3.13 percent for all staff during 2014, up ever so slightly from 3.11 percent the previous year. Executives saw an average hike of 3.44 percent. Total cash compensation costs as a percentage of the operating budget has typically averaged about 38 percent during the past several years of the study.

The average pay hike for respondents during the past five years of salary surveys is just less than 3 percent. The largest organizations ($50 million or more operating budgets) had the highest average of that time, 3.61 percent, pulled up by a high of 8.27 percent last year.

Continued from page 1
year. The average increase among other nonprofits of varying sized operating budgets – from less than $50,000, to less than $100,000 – ranged from 2.9 percent to 3.84 percent.

The average total cash compensation for chief executive officers has fluctuated during the past five years, ranging from $110,599 (2011) to $122,286 (2013). The average for 2014 was $113,562, slightly less than the five-year average of $114,544. The five-year average tenure for a CEO was 11.3 years with an organization.

When it comes to executive staff, almost one in five nonprofits offer executives some form of exclusive benefit. Three benefits for executives were most common among at least one out of every three organizations:

- Financial or legal counseling, 48 percent
- Additional vacation days above the amount offered to other employee groups, 37 percent; and,
- Excess life insurance above the amount offered to other employees, 31 percent.

Other benefits are much less common, such as private club membership or reserved parking, found among barely one in eight organizations. Almost 10 percent of organizations provide first-class air travel, with almost 9 percent offering a car or car allowance, and 6 percent an executive physical.

The average base salary for a chief executive officer/president/executive director last year was $110,651 for 2014. The median salary at surveyed organizations was $87,950 and the maximum was $1,077,484. The average CEO base salary ranged from a low of $53,854 among organizations with budgets of $499,999 or less, rising incrementally to a high of $377,579 among groups with operating budgets of $50 million or more.

The average tenure for a CEO was almost 12 years and approximately 28 percent of organizations in the survey paid the CEO some type of bonus.

While the overall average increase for staff at Carolina Tiger Rescue was 3 percent, Fulk said she focuses on pay hikes on positions that are farthest away from their target average salary. Those people who don’t have consistently larger raises, “I’m trying to pull them up to the market,” she said.

Fulk’s biggest challenge is managing growth. “Even during the recession, we were growing,” she said, and recently hired a planned giving manager because they’ve been getting estate gifts every year for the past five. “That’s with doing nothing,” she said.

“Every time you keep growing, it affects other roles in the organization,” Fulk said, pointing to two jobs that have outgrown their staff members. “We’re meeting now about what are the leverage points to reduce their workloads, and it is going to be another person, whether full-time or part-time, and what to take away from those people,” she said.

An information technology (IT) staffer is rare for an organization as small as Carolina Tiger Rescue, with a budget approaching $1 million. But Fulk knew when she arrived there a decade ago that IT would be a priority. The IT person’s job isn’t just IT anymore. She’s also the graphic design and media person, develops the organization’s videos, and is the staff photographer. “She has a lot of roles that she’s carried over the years. Now the IT part has just grown so much that she can’t keep all those roles,” Fulk said. “Social media wasn’t even a discussion eight years ago.”

The salary for the IT position is difficult to pull up, Fulk said, because no organization in the survey that size has a dedicated IT staffer. Because development efforts focused on individual giving, the sanctuary uses Salesforce as its database and it’s vital to have a full-time IT staff. “When I walked in the door, I knew that was where we were going,” Fulk said.

At Places For People (PPF), a community mental health center in St. Louis, Mo., salary increases typically range from 1 to 3 percent, going as high as 5 percent one year. Although there were no increases one year, for the most part, PPF aims to award at least 1 to 1.5 percent raises, according to Jaime Greenfield, vice president of human resources.

The agency was able to make it through the recession without taking too much away in terms of benefits and salaries, a point of pride for the organization, Greenfield said. PFP has a tiered rate for benefits, depending on whether it’s a family or single plan. PFP still contributed to retirement plans and never cut that back after the recession but they did shift dental and vision plans strictly to employees a few years ago, Greenfield said.

More than three-quarters of survey respondents said they offered medical benefits, and almost two-thirds of organizations provided some type of retirement benefit or dental plan. Almost 40 percent of those surveyed offered employees a vision plan.

When it comes to retirement, the most common plans were a 403(b), with 35 percent of organizations providing one, and a traditional 401(k), at 22 percent of nonprofits surveyed. About one in eight organizations offered a SEP-IRA Plan. The most rare retirement benefits were a defined benefit pension plan, 4 percent; 457 Plan, 2.54 percent, and a money purchase plan (also known as a defined contribution plan), 0.75 percent.

The Dallas Children’s Advocacy Center was staring down a rate increase of almost 20 percent on its insurance renewal. Instead, the nonprofit changed to a different medical insurance carrier that brought with it a more palatable increase of almost 5 percent, with little impact to the plan, according to Misty Daily, health generalist. With a slight increase to the out-of-pocket maximum, they were able to lower deductibles and co-payments, she said, but the eventual goal is to move to a fully or partially insured plan within the next two years.

“The benefits are pretty stellar in comparison with those around us. We work hard to make sure there’s minimal cost for employees,” Daily said because they don’t subsidize premiums for dependent coverage. However, the center did add a health advocate through freshenies, a health discount card, and Tele-doctor services, to assist with dependent care. The center pays 100 percent of the premium for employee-only medical and dental plans, in addition to one...
Continued from page 2

time insurance and short- and long-term disability after several years.

That’s more generous than most nonprofits in the survey. Overall, respondents paid an average of 87.4 percent of employee costs in Preferred Provider Organization (PPO) plans, with lesser percentages for employee-plus-one (65 percent) and employee-plus-family (58 percent).

The most common health plan among respondents was a PPO, offered at about 61 percent of organizations that provide medical benefits. Other common medical plans included health maintenance organization (HMO), 29 percent, and High Deductible Health Plan (HDHP), 20 percent, and Point Of Service (POS), 12 percent. Among the least common, though still offered plans, were indemnity, or traditional fee-for-service, at 1.52 percent, and a money purchase plan, 0.75 percent.

Carolina Tiger Rescue splits the cost of health benefits evenly with employees under a plan with Blue Cross Blue Shield. Employees also can do payroll deductions for supplemental insurance and the organization offers dental, though Fulk questions it every year. “I’d almost rather give them the money,” she said.

The most common dental plans by those that offered it was a Dental Preferred Provider Organization (DPPO) Plan, almost 77 percent. Among other types offered were Dental Health Maintenance Organization (DHMO), 13 percent; Dental Point Of Service (DPOS), 9 percent; Indemnity, or traditional fee-for-service, 3.6 percent; dental reimbursement plan, 1.66 percent, and Dental Exclusive Provider Organization (DEPO), 1 percent.

Average Salary Increases

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Overall

Salary & Benefits, page 4

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Similarly, the most popular vision plan was the overwhelming choice among respondents, with almost 77 percent offering a Vision Provider Organization Plan (VPO) Plan versus about 24 percent that provided a Vision Maintenance Organization (VMO) Plan.

Retention can be difficult, with the duties of social workers more demanding, as a result of more reporting and more compliance issues with the Affordable Care Act (ACA), according to Greenfield. “It’s very hard to retain someone on a social worker’s salary, especially if they want to have a family,” she said.

Sometimes, nonprofits stretch to offer other types of benefits that might help to attract or retain employees.

Carolina Tiger Rescue offers two weeks’ vacation to new employees, accrued with each pay period, which rises to three weeks when employees reach three years of service, and up to four weeks after eight years, Fulk said, on top of seven sick days a year, and four personal days per year.

Survey results showed an overall average of 6.2 days after six months of employment and 11 vacation days after one year.

Among the most common employee benefits offered last year were:

- Paid company holidays, 86 percent;
- Medical insurance coverage, 78 percent;
- Paid bereavement time, 67 percent;
- Paid vacation, 66 percent;
- Retirement benefits, 64 percent;
- Dental insurance coverage, 63 percent;
- Paid sick leave, 60 percent;
- Basic life insurance, 57 percent; and,
- Flextime, 53 percent.

Leaders at The Dallas Center work hard to encourage staff to practice self-care, particularly in such a difficult field. The organization only takes the most severe cases of sexual abuse, neglect and physical abuse in the area. Its team of forensic interviewers offer therapy to victims and non-offending affected family members, walking the family through the legal process.

“We offer an amazing amount of paid time,” Daly said, and staff definitely use it, to get out of the office. There also are lots of things done together as a staff, including training. Employees accrue vacation days each pay period, up to 10 annually in the first two years, in addition to 14 wellness days and nine paid holidays. They also have access to a therapist, whether they’re feeling burned out or just to get what they need without having to access their insurance, Daly said.

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