# Valuing Our Nonprofit Workforce

A Compensation and Benefits Survey of Nonprofits in New England and Adjoining Communities

Presented by: Luzdy Rivera, Chief People and Culture Officer, TSNE

**The Boston** Foundation

Partners in social change

# TSNE strengthens organizations working towards a just and equitable society

Our Values

- **Justice** A just society is one in which all people have the dignity, resources, power, and self-determination to fully thrive. We seek to create a more just world in all our work.
- **Progress** We commit our resources, expertise, and energy to delivering high quality support and services that make movement toward a more just world possible.

## **Impact** We work collaboratively with others to build the capacity and sustainability of organizations who work towards social good.



# Valuing Our Nonprofit Workforce

A Compensation and Benefits Survey of Nonprofits in New England and Adjoining Communities A Word of Thanks to:

2023



We sincerely thank our funders, partners, and supporters for your generous time and resources. Your contributions fuel our mission, helping us make research accessible to all.

We are committed to upholding your trust with diligence and integrity, providing free access to salary data and analysis for all nonprofits.



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A Compensation and Benefits Survey of Nonprofits in New England and Adjoining Communities

## **Survey Overview**

2023

- Produced by: TSNE, in partnership with Nonprofit
   Compensation Associates.
- Funded by: The Boston Foundation.
- Effective Date of Data: May 1, 2023.
- Total Participants: 210 across 17 sectors.
   10,000 individual salaries with 170 unique job titles.
- **Geographical Representation:** New England and adjoining communities.
- Operating Expense Range: From <\$100K to over \$40M.
- Largest Represented Sectors:

Child and Youth Services Arts and Culture Community & Economic Development Food Programs and Agriculture Disabled Services and Advocacy Environment & Conservation Social Justice, Legal Services, Civil Rights



# Salary Database

This database provides compensation and benefits data (in effect on May 1, 2023) as reported by 210 nonprofit organizations in New England and adjoining communities. Use this database to search positions via the search box below. Please note that when a data sample size is insufficient to provide a statistically valid finding, the result is marked as not available (N/A).

Read the full report on our website for a more comprehensive guide to the data in this database.



#### Executive Director/Chief Executive Officer

#### Search for a job title

Apply

Job	

#### Executive Director/Chief Executive Officer

**Experience Required** +**Employees Managed** +

#### **Education Required**

#### Company Geographic Region 1 select Number Of FTEs State

Responsible to the Board of Directors for management of the entire nonprofit organization including fundraising/development, human resources, strategic planning, programs, finance, communications. Represents organization to government agencies, community and the public.

+										
	Data Points	# of Orgs	# of Emps	10th %ile	25th %ile	Median (50%)	75th %ile	90th %ile	Avg by Emp	Avg by Org
	All Organizations	202	207	\$74,701	\$105,898	\$145,000	\$190,550	\$246,002	\$156,828	\$158,288
ted +	Company									
-	Geographic Region									
+	Western MA & Litchfield Co	24	24	\$67,111	\$105,248	\$153,933	\$192,324	\$228,125	\$149,307	\$149,307



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## **Key Focus Areas of the Report**

#### Compensation

Salary data segmented by organization size, region, and job roles.

### **Benefits**

2023

Medical, Retirement, and time-off benefits offered.

#### **Employment Practices**

Work week length, performance reviews, pay transparency and compensation for special duties.

#### **Leadership Compensation**

Focus on race and gender pay gaps and salary variations by organization size

## Diversity, Equity, and Inclusion (DEI)

DEI efforts, including task forces and training.

#### **Economic Impact and Turnover**

Impact of COVID-19 and economic conditions on nonprofit operations.

# **Key Insights**

*This presentation highlights only <u>some</u> of the key insights found through the data analysis* 

For Comprehensive Data Information, see the Full Report

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## Key Insights: Salary Increases

## **Budgets:**

**86%** budgeted salary increases, a jump from a consistent **70%** since 2014. The **average budgeted salary increases** (excluding those with no increase) is **4.39%**. The **median** increase is **3.0%**. Post-pandemic recovery and high inflation rates have led to higher salary increases to retain talent and remain competitive in the labor market.

Salary	Method	% of Organizations	Average Increase
, Increase	Cost-of-Living Adjustments (COLA)	56% 1	4.62%
Methods:	Merit/Performance-based	46%	4.05%
	Across-the-Board	36%	3.83%
	Seniority-based	9%	3.77%

Equity	Adjustment Type	% of Organizations	Average Increase	
Adjustments	Internal Job Equity	30%	6.19% ★	
Methods:	External Labor Market Data	29%	5.77%	



## Key Insights: Philosophy and Structure

### **Pay Philosophy:**

Category	Percentage
Board-approved Pay Philosophy	32%
Share Pay Philosophy with Staff	78%

### Salary Structure:

Category	Percentage	Adjustment
Salary Structure with Grades/Ranges	41%	
Adjusted Ranges Upward in 2022	61%	5.0% (Median)
Adjusted/Plan to Adjust in 2023	69%	3.5% (Average)
Share Salary Structure with Staff	56%	



## Key Insights: Bonuses and Pay Transparency

Incentive Pay or Bonuses:	Employee Group – Eligible for Incentive and/or Bonus Pay	# of Organizations	% of Organizations
	Executive Director	79	38%
	Management Staff	74	35%
	Professional Staff	76	36% 👚
	Support and Administrative Staff	71	34% 1

### Pay Transparency in Job Advertisements:

Category	Percentage
Share Both Pay & Benefits	69%
Only Pay Range Included	17%



## **Key Insights: Benefits Practices**

Health Insurance:

Category	Percentage
Offer Health Insurance to Full-time Employees	93%
Cover 80% or More of Individual Employee's Premium	50%+
Offer Health Insurance to Part-time Employees	50% 🛧
Eligibility for Part-time Health Insurance	Requires at least 25 hours/week

	Category	Percentage	
	Provide Some Form of Retirement Benefit	86%	
	Offer Tax-sheltered Annuity (e.g., 401(k), 403(b))	65%	
Retirement:	Plans with Employer and Employee Contributions	83%	1
	Organizations Contributing a Percentage of Annual Salary	94%	1
	Average Employer Contribution	4.3%	
	Contribution Range	1% - 15%	

## Key Insights: Benefits Practices Other Benefits

*Other Types of Insurance	# of Organizations Offering	% of Organizations
Dental Care Insurance	147	81% 🏠
Vision Care Insurance	117	64% 🚹
Life Insurance	122	67%
Short-Term Disability Insurance	101	55%
Long-Term Disability Insurance	110	60%
Long-Term Care Insurance	41	23%
Voluntary Supplemental Plans	61	34%

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## Key Insights: Benefits Practices Time-Off Practices

Category	Percentage	Details
Paid Time Off (Vacation, Holidays, Sick, Personal Days)	78%	For full-time employees
Paid Time Off to Part-time Employees	77%	Part-time employees eligible for paid time off
One Vacation Schedule for All Employees	85%	Based on increasing number of days with tenure
Require Minimum Hours for Part-time PTO Eligibility	58%	Average minimum of <b>21 hours per week</b> required
Offering a PTO Program	17%	Employees receive a set number of days for any purpose
Offering Two or More Time-off Schedules	10% 🖡	Differentiates based on FLSA status (exempt or non-exempt)
Offering Other Time Off Policies	5%	Includes unlimited time off, combined personal/comp time, or specific PTO policies
Average Number of Paid Holidays per Year	11.7	Per reporting organizations
Average Number of Paid Sick Days per Year	9.2	Per reporting organizations



## Key Insights: Benefits Practices Additional Benefits

Benefit	Percentage
Professional Development	80%
Employee Assistance Program	57% 1
Cost of Credentials	39%
Travel Reimbursement	38% 1
Financial Planning	24% 1
Sabbaticals	12% 1



## **Key Insights: Living Wages**

Living Wages: 86% of the organizations identified paying a living wage as a strategic priority.

Addressing Budget Impact of Living Wage	# of Organizations	% of Organizations
Additional fundraising	136	75%
Absorb with already-existing resources	95	52%
Budget re-allocations, not including layoffs	47	26%
Increasing income from programs and services	11	6%
Organization already pays at or above the living wage	5	3% ★
Budget re-allocations, possibly including layoffs	4	2%

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## Key Insights: Talent Competition & Environmental Impact

#### **Talent Competition:**

**77%** of organizations **expect increased competition** from other employers to attract and retain well-qualified employees in 2023. This heightened competition is driven by **changing work preferences, including demand for remote work and more flexible job conditions. 33%** see turnover as a significant problem for their organizations in 2023.

### **COVID-19 Impact:**

**20%** of nonprofit organizations reported that their operations were **severely or significantly impacted. 29%** experienced a **moderate impact**, while **51%** reported being only **slightly or not at all impacted.** 

#### **Remote and Hybrid Work:**

**83%** of organizations now have at least some employees working either **remotely or in a hybrid** format (a mix of remote and in-person work). Of these organizations, **76%** of employees worked primarily in-person before the pandemic, showing a significant shift in work arrangements post-pandemic.



## Key Insights: Turnover

### Voluntary Turnover Rates:

- Full-time voluntary turnover was 17% in 2023.
- Part-time voluntary turnover was at 26%.
- Compared to past years, the turnover rate has remained steady or increased slightly, with 15% reported in 2017, 17% reported in 2014 and 12% in 2010 for full-time employees.

### **Reasons for Turnover:**

- 48% of organizations identified higher pay elsewhere as the top reason for voluntary turnover. Other significant reasons included:
  - Personal reasons (31%),
  - Promotions elsewhere (30%),
  - Burnout/Stress (25%).
  - Career Change (22%)
  - Geographic Move (19%)

#### **Involuntary Turnover:**

- Full-time involuntary turnover was 4%, and part-time involuntary turnover was 3%.
- These rates have slightly declined from previous years (5% in 2017 for full-time employees).



## **Key Insights: DEI Efforts**

#### **DEI Initiatives**

- 88% of organizations have engaged in some form of DEI work. This ranges from preliminary discussions to fully implemented policies.
- 50% of these organizations have established an **internal DEI working group** or **task force**, most of which were created between 2020 and 2022.

## **DEI Training**

- 68% of organizations plan to offer DEI-related training for staff in 2023.
- **52%** will extend DEI training to their boards, reflecting the importance of DEI at all organizational levels.



# Key Disparities & Trends



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## Insights by Focus Area: Disparities & Trends

## **Gender Pay Gap:**

- Men identified Executive Directors earn \$168,210 on average, compared to \$151,373 for Women identified Executive Directors.
   This represents an 10% pay gap, where men earn more than women.
- 33% of Executive Directors are men, and 66% are women, with the remaining identifying as other. However, women are more often leading smaller, lower-paying organizations.

74% for organizations with annual operating expenses < \$2.5M.</li>
59% for organizations with annual operating expenses > \$10M, where salaries are generally much higher.



## Insights by Focus Area: Disparities & Trends Gender Pay Gap:

The pay gap has narrowed over the years but **is still inequitable**. While not fully closed, this progress indicates a **growing commitment to gender pay equity within the sector**.

Gender Pay Gap	2010	2014	2017	2023
Total % of ED/CEO jobs held by women	54%	59%	61%	67%
Percent women EDs/CEOs earn in relationship to men	71%	76%	75%	90%



## Insights by Focus Area: Disparities & Trends

## **Racial Pay Gap:**

## Highest-Paying Jobs:

- 77% of these positions are held by white employees.
- 23% are held by people of color.

## Lowest-Paying Jobs:

- 25% of these positions are held by white employees.
- <sup>o</sup> **75%** are held by **people of color**.

Race	2010	2014	2017	2023
Total BIPoC Highest Paid Jobs	14%	10%	11%	23%
Total BIPoC Lowest Paid Jobs	40%	60%	44%	77%
Total WHITE Highest Paid Jobs	92%	94%	91%	75%
Total WHITE Lowest Paid Jobs	60%	40%	56%	25%



## Insights by Focus Area: Disparities & Trends

## **Racial Pay Gap:**

BIPoC are significantly **under-represented in higher-paying Director and managerial positions and over-represented in lower-paying, entry-level roles**. This indicates structural barriers to career advancement for BIPoC within the nonprofit sector.

Race/Ethnicity in ED/CEO Roles	2010	2014	2017	2023
Total BIPoC (largest representation in 2023 for ED/CEO roles: Black 12%, Hispanic/Latinx 5%, Asian 4%, Mixed Race 1%)	8%	6%	9%	22%
Total WHITE	92%	94%	91%	78%





- 1. DEI and Pay Disparities: Addressing systemic inequities in compensation based on race and gender remains the most urgent issue.
- 2. Compensation Practices: Efforts to adjust salaries for living AND thriving wages, and internal equity need to continue evolving, with more focus implementing flexible and equitable work policies.
- **3. Turnover and Retention:** High turnover rates driven by competitive external pay and burnout are challenges that nonprofits must address to stabilize their workforce.
- 4. Expanding Benefits offering: While many organizations offer robust benefits to full-time employees, part-time workers often have limited access to health insurance and retirement benefits.



# **Panel Discussion**









Elaine Ng President and CEO

TSNE

Moderator

Beth Chandler Director, Community Investments

Point32Health

Foundation

Shaheer Mustafa President and CEO

HopeWell, Inc.

Daphne Principe-Griffin Interim President and CEO

United Way of Massachusetts Bay TSNE

# Thank you!

Special thanks to the Boston Foundation.

Please visit **www.tsne.org** for a free copy of the VONW report and the searchable salary database.

Please reach out to Luzdy Rivera with any inquiries related to the report at lrivera@tsne.org

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