

# Soundings V1 Breakfast Briefing Wage and Compensation of the Nonprofit Sector

June 19, 2012

8:30am – 10:30am

The Forbes Funds

# Advisory Group

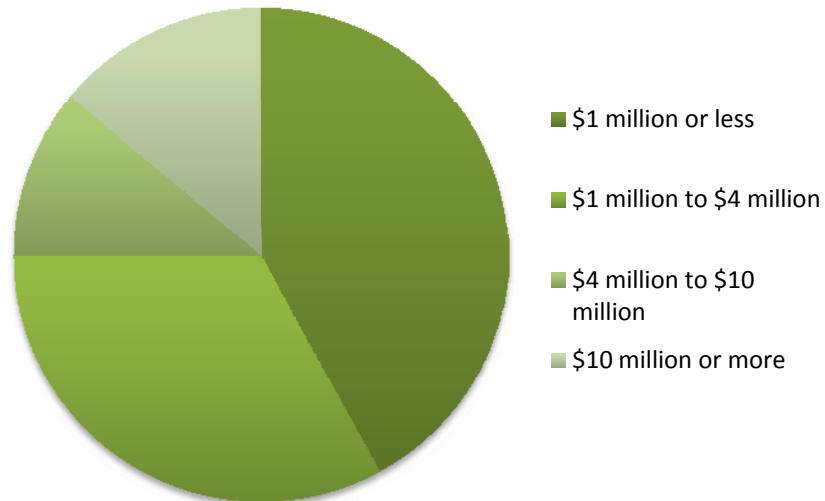
We want thank the following leaders for providing insights into the Soundings survey

<b>Barbara Conniff, Milestone Centers, Inc.</b>	<b>Brian Schreiber, Jewish Community Center of Greater Pittsburgh</b>
Don Goughler, Family Services of Western PA	Fred Massey, Familylinks, Inc
Jeff Dorsey, Union Project	Jesse McLean, Every Child Inc.
Myrna Zelenitz, East End Cooperative Ministry	Peggy Outon, Bayer Center for Nonprofit Management
Rick Baird, Adagio Health	Rosa Davis, POWER
Stefani Pashman, Three Rivers Workforce Investment Board	Susan Rauscher, Catholic Charities
Tara Marks, formerly with Just Harvest	

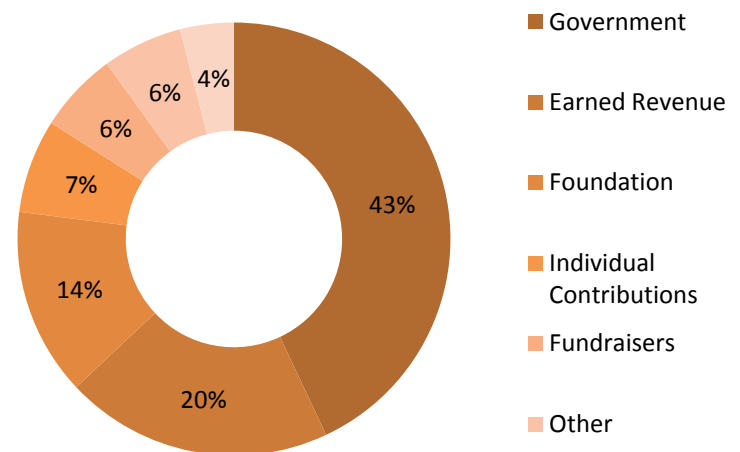
# Soundings Leadership Group

200 Organizations from the 10-county region committed to completing 4 surveys a year. For Soundings 1, we received a 57% response rate.

Budget size



Key Revenue Sources



# Objective is to answer 3 questions

1. Are nonprofits contributing to the issue of escalating poverty by providing low wages with limited benefits?
2. Are nonprofit employees able to retire with the type of wages and benefits they are receiving?
3. Are nonprofits still able to provide competitive compensation packages given the escalating cost of health care?

# Are nonprofits contributing to the issue of escalating poverty by providing low wages with limited benefits?

Based on a total of 7,121 full time employees across the organizations surveyed, below is the percentage of employees in each salary bracket by organizational budget size.

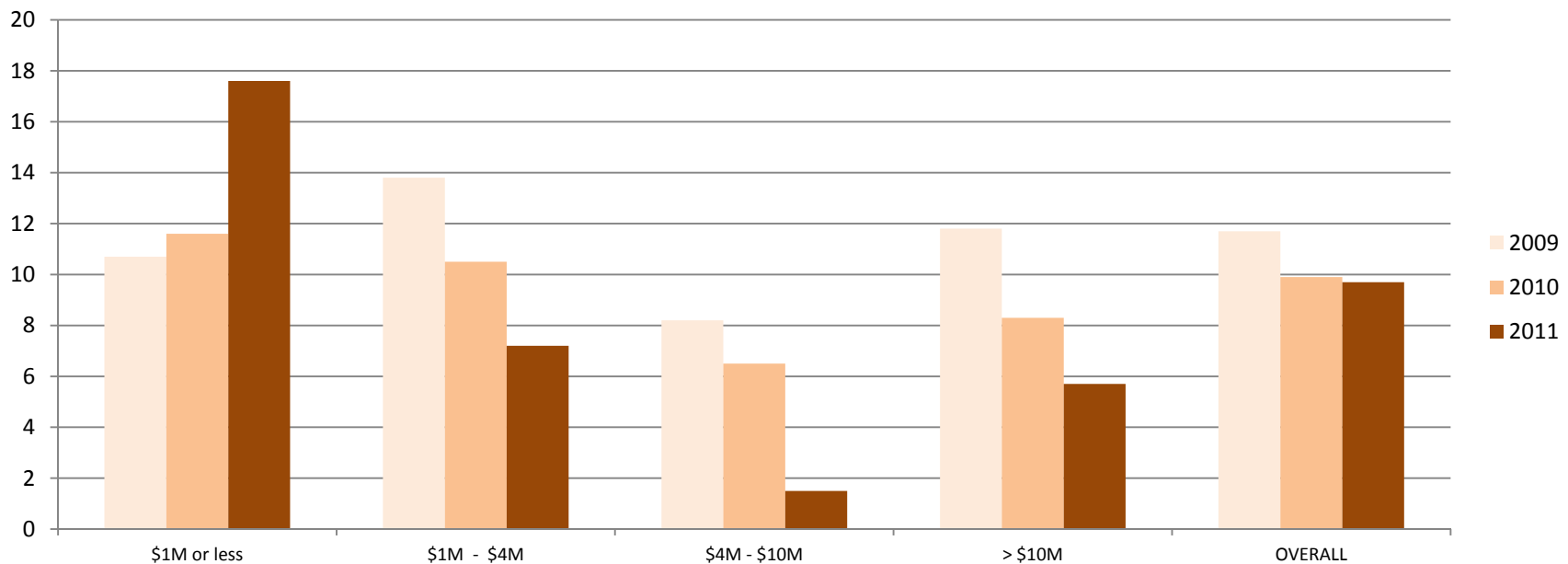
<b>Annual Salary</b>	<b>\$1 million or less</b>	<b>\$1 million to \$4 million</b>	<b>\$4 million to \$10 million</b>	<b>More than \$10 million</b>	<b>Overall</b>
Less than \$10,890	11.5%	6.8%	2.7%	8.5%	8.5%
\$10,891 - \$21,780	17.7%	17.6%	12.1%	11.7%	16.2%
\$21,781 - \$32,670	24.2%	25.9%	39.9%	33.3%	27.8%
More than \$32,670	46.6%	49.7%	45.2%	46.5%	47.4%

# Are nonprofit employees able to retire with the type of wages and benefits they are receiving?

	<b>\$1 million or less</b>	<b>\$1 million to \$4 million</b>	<b>\$4 million to \$10 million</b>	<b>More than \$10 million</b>	<b>Overall</b>
% that offer a plan	51.10%	89.20%	100%	100%	76.10%
Mean % employer contribution	3.30%	4.80%	3.80%	4.70%	4.20%
% that require an employee contribution	26.10%	18.20%	23.10%	46.70%	26.20%
% with no plans to reduce, suspend, or eliminate match	77.30%	80.60%	72.70%	87.50%	80.00%
% with 75% of more employees deferring enough for maximum employer match	90.90%	80.00%	37.50%	54.50%	68.80%
% with a defined benefit plan	37.50%	30.50%	38.50%	50.00%	37.20%

# Are nonprofits still able to provide competitive compensation packages given the escalating cost of health care?

Average annual percentage increase in health care insurance rates by budget size.



# Ways that nonprofits have responded to rising cost of health care

Methods	\$1 million or less	\$1 million to \$4 million	\$4 million to \$10 million	More than \$10 million	Overall
% that increased employee contribution	35.30%	51.40%	76.90%	75.00%	53.10%
% that decreased benefits	20.60%	17.10%	23.10%	0.00%	16.30%
% that implemented prevention programs	8.80%	14.30%	30.80%	62.50%	22.40%
% that used other ways in response to rising cost of health care	29.40%	34.30%	38.50%	43.80%	34.70%



# Discussion Questions

- What surprises you?
- What else would you like to know?
- What are some policy implications?
- How can we make good use of this data?

# Themes from the Discussion

- Education
  - Employees (value of benefits, be smarter with use of benefits)
  - Boards (provide wage and benefits presentation and also ask what their roles are in addressing this issue)
  - Foundation (understand cost for services and implications of this data)
- Research
  - Benchmark against local for-profits sector (talent & contracts)
  - Get clear about who are our competitors
  - Look at connection between HR expertise and benefit costs and see if any correlations exist
  - Create more progressive work places
  - Split view of staff and executive staff increases
  - Who's paying below poverty rate and what are those positions (compare to Pittsburgh living wage)
- Policy/Advocacy
  - Economic generation of the sector
    - Create a template for individual organizations to map out their economic impact
    - Communicate the role between government and nonprofits
    - Push back on insufficient fees - 50 cents to the dollar issue
    - Supporting indirect and operating costs
  - Clearly lay out the difference between delivery of service by nonprofits versus for-profits
- Action
  - Create an advisory group to research and monitor wage and benefits
  - Explore pooled health care plan options, including the cafeteria model
  - Understand alternatives people are using with regards to retirement benefits

THANK YOU