



Can Nonprofit Workers Expect Raises?

What salary increases are in the cards?

Q: We're in the midst of budgeting and are wondering what salary increases employees are seeing—if any. We're especially interested in the statistics for smaller nonprofit organizations.

A: The numbers depend on many things—the organization's mission (human service organizations always tend to lag behind), where the organization is based, the entity that conducts the study (its biases, sample size, and methodology), and the employee's gender (the Association of Fundraising Professionals' "Compensation and Benefits Study," www.afp.com, reports a \$20,000 gap between males and females).

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In April of 2009, the salary picture was bleak. According to a study by the Nonprofit Finance Fund (www.nonprofitfinancefund.org), 41% of nonprofits had reduced or were considering reducing salaries.

However, by April of 2010, things appear to have improved. Another AFP study found that the average salaries of its U.S.-based survey participants increased by 7.4%. One could argue that since most AFP survey participants are fundraisers, this is merely a result of organizations recognizing that they need highly-qualified help to bring in extra dollars during a difficult period. However, the program managers that responded saw a mean increase of 4.8%, and other staff positions saw a mean increase of 4.5%. (Note that 47.9% of the AFP respondents work in organizations with only one to three employees, and 73.9% work in organizations with fewer than 10 staff, qualifying these organizations as small and allowing you to use these numbers with a fair degree of confidence.)

The annual salary surveys conducted by Professionals for Nonprofits (PNP, www.nonprofitstaffing.com) in New York City, New Jersey, and Washington, D.C., also showed that salaries increased or at least stayed the

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same. Granted, fundraisers and finance people enjoyed the greatest increases—10% and 7% respectively.

Charity Navigator (www.charitynavigator.org) found in its "CEO Compensation Study" that top administrators saw their salaries rise an average of 6.1% during this past year (though only by 2.5% in organizations with budgets of less than \$3.5 million and 4.5% in organizations with budgets between \$3.5 and \$13.5 million).

By the end of 2010, the PNP survey projects that, at least in the northeast where the data were gathered, salaries will stay the same in 33% of organizations. But they will increase 1%–2.5% in 22% of organizations, increase 2%–6.3% in 20% of organizations, increase 3.1%–5% in 11% of organizations, increase 5.1%–7% in 2.3% of organizations, and increase 7.1% or more in 3% of organizations. Only 3.3% of organizations expect to decrease salaries, while 5.3% are undecided. It seems nonprofits understand they have to pay a decent wage to retain good people.

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Another positive sign from the PNP study is that a large majority of those organizations responding expect to make new hires in the coming months. New hires often come in at higher salaries, and this can stimulate a drive for equity, resulting ultimately in increases for all.

You may wish to check out some basic salary numbers for jobs in organizations similar to yours to determine the increase required to bring your employees up to a comparable salary. (Of course, this presumes you can afford to offer raises.) There are many paid sites you can reference for this information, such as *The Nonprofit Times'* compensation study (www.nptimes.com). However, for a simple look at no cost, check out "Nonprofit Compensation Trends" at www.payscale.com). You'll find numbers that are updated constantly.

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