

9 Tools For Increasing Nonprofit Staff pay

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About Stephanie Sample

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20+ years in the nonprofit sector

Sample Studio Consulting

- *Grant Writing & Grant Management*
- *Business/Fundraising Planning*
- *Prospecting for NEW grant makers*

Social Enterprise Training

- *Sustainability through social enterprise*
- *Increasing your business revenue*
- *Starting a business to fund your nonprofit*



Save the Date! March 3, 2021 11PST/12MST/2EST
Our Next Nonprofit compensation Webinar

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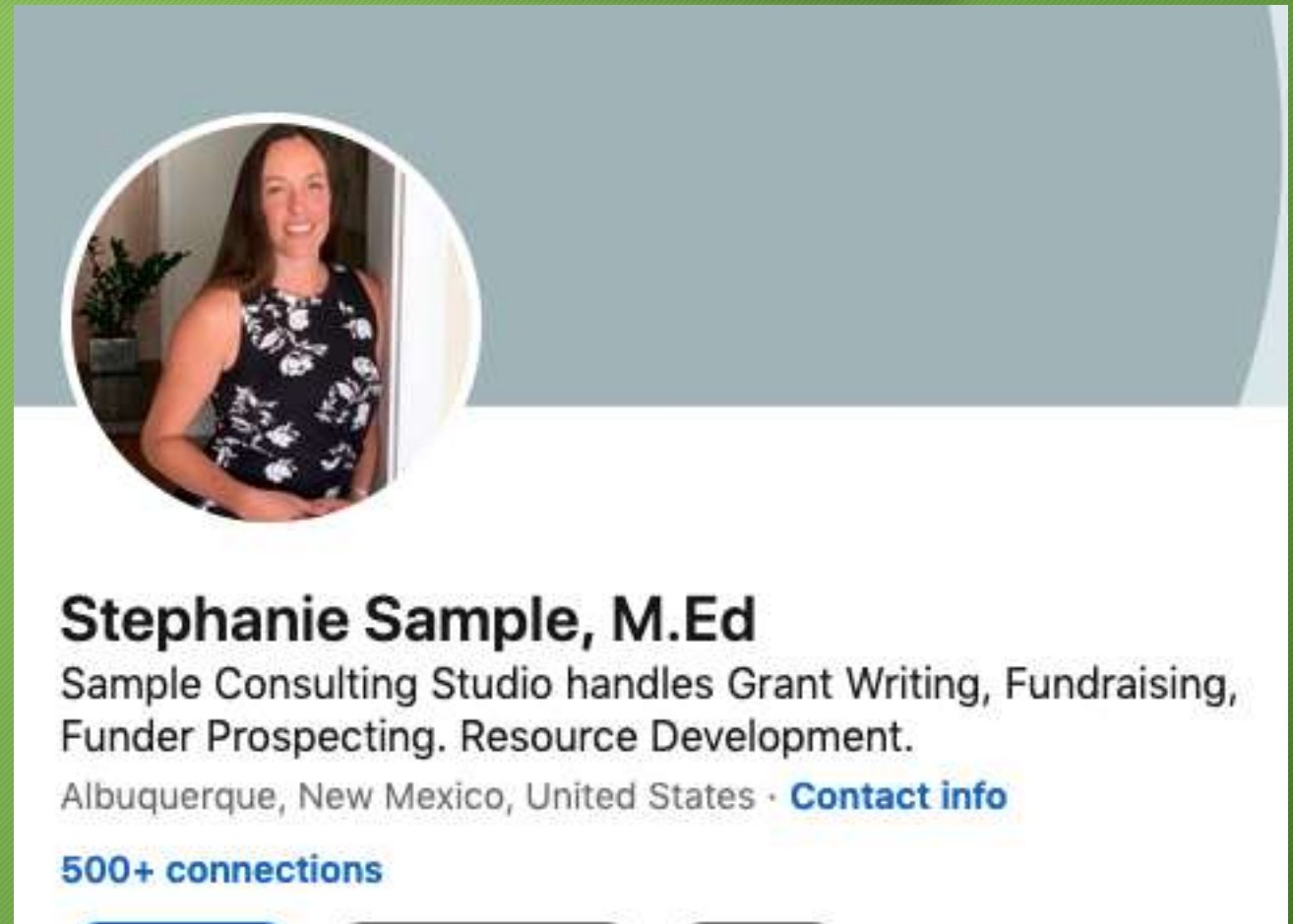
About Stephanie Sample

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20+ years in the nonprofit
sector

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About YOU: Thank you for your contribution to this discussion!

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70 attendees responded to our pre-webinar survey!
The majority said “yes” we could share your stories

You will hear participant stories throughout the webinar.

3 Levels of Discussion

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- System Wide (Nonprofit sector as a whole)
- Leadership (Executive/Board level)
- Staff Level (personal/professional)



Community Agreements for this conversation

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- There is no silver bullet! This is a messy topic.
- Everyone has different degrees of privilege, experience with bias and discrimination.
- Your voice matters! If you don't have a chance to weigh in, we will follow up with a survey after this presentation. Please fill it out and/or send me an email.
- Join the continued conversation in 2022 with another webinar on Nonprofit Compensation.
- Many resources and communities have been cited in our references page. Please follow up with your own research.

Resources

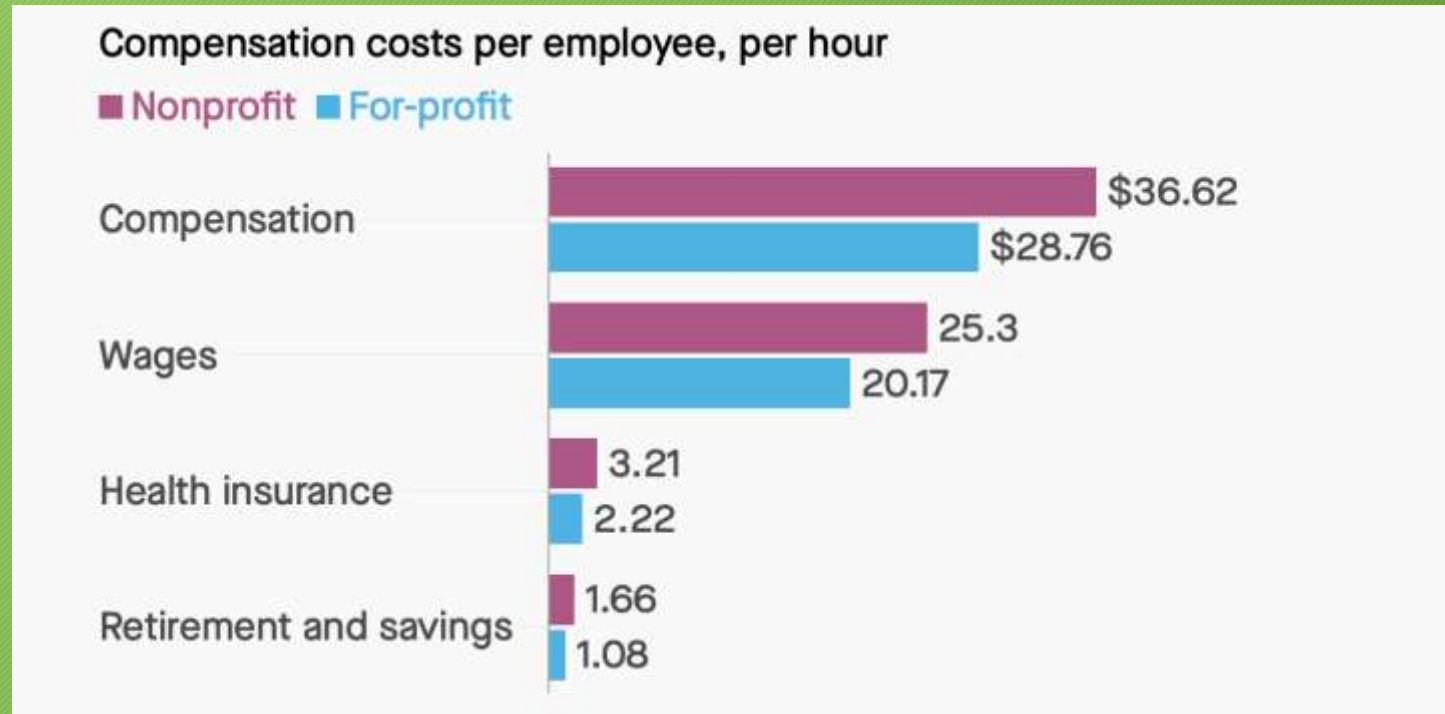
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- Community Centric Fundraising
- AFP Global (Association of Fundraising Professionals)
- Charity Watch
- Council of Nonprofits
- Show the Salary
- Harvard Law School's Program on Negotiation
- Harvard Business Review
- Candid 2021 Compensation Report

9 Tools for increasing nonprofit compensation System Wide: #1 Myth Busting!

9

- Nonprofits Vs. For profits



9 Tools for increasing nonprofit compensation System Wide: #1 Myth Busting!

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The overhead myth

The fear that funders will not fund us if we have abundant salaries

The Fear that money spent on operations will be seen as frivolous to donors.

In reality: Funders often look at budgets and staffing costs to see if they are grounded and reasonable.

9 Tools for increasing nonprofit compensation System Wide: #1 Myth Busting!

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2013 Guidestar, Charity Navigaor and BBB Wide Giving Alliance Wrote an Open letter to donors:

“We ask you to pay attention to other factors of nonprofit performance: transparency, governance, leadership, and results. For years, each of our organizations has been working to increase the depth and breadth of the information we provide to donors in these areas so as to provide a much fuller picture of a charity’s performance.”

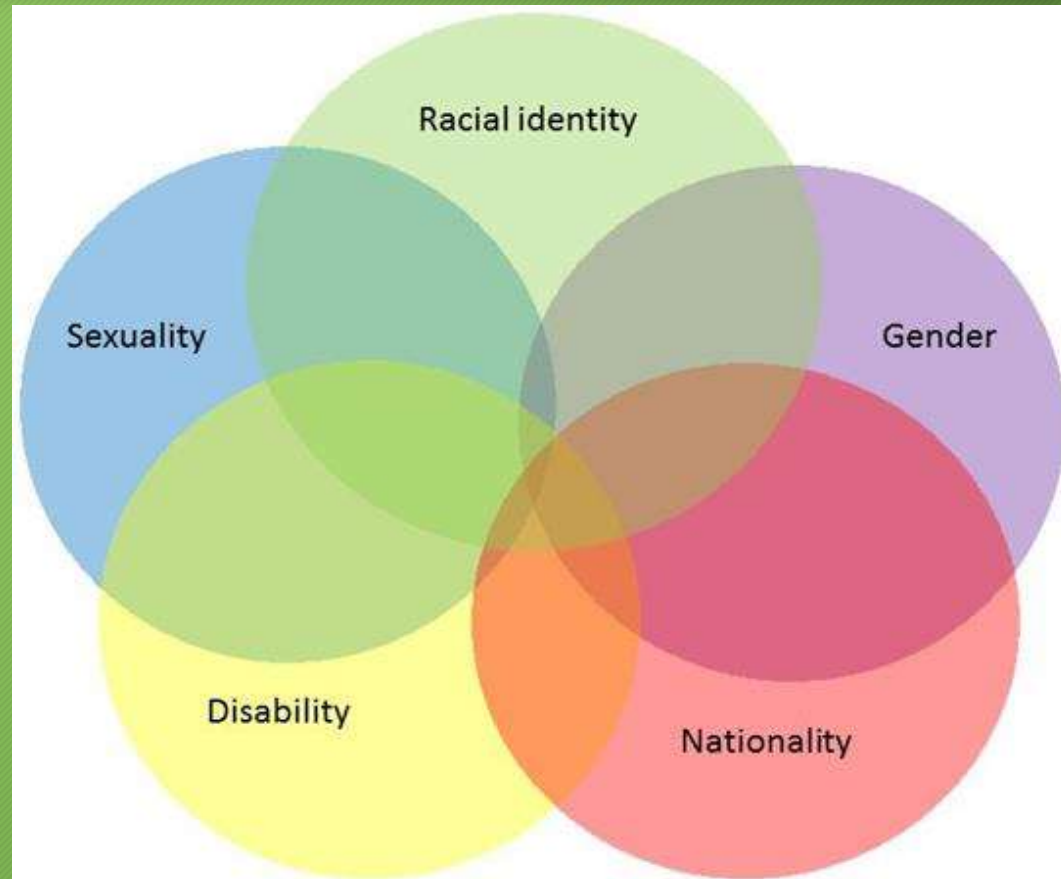
9 Tools for increasing nonprofit compensation

System Wide #1 Myth-busting

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The overhead myth and
nonprofit
Vs. profit narratives

Shifting towards
Discussion toward
Intersectionality
In compensation and empowering
Staff with resources for negotiation and
Salary requests.



9 Tools for increasing nonprofit compensation System Wide: #2 Gender Pay Gap

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- Gender Pay Gap

According to AFP's Compensation and Benefits Studies from 2014 to 2018, female fundraisers get paid 10.5% less than their male counterparts. Across five years of the study, women comprised 77% of the survey's respondents.

According to the Pew Research Center, women earned 82 cents for each dollar earned by men in 2017, a pay gap that has persisted over time.

9 Tools for increasing nonprofit compensation System Wide: #2 Gender Pay Gap

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Community Storytelling:

“In my first leadership role the salary wasn’t advertised. I was offered a rate which turned out to be £10,000 (or 20%) below the bottom of the salary band for the role. In 2 years I got to the bottom of the salary band. My (older, white and male) peer in Fundraising was paid nearly 50% more than I was.”

-Show the Salary (anonymous website submission)

9 Tools for increasing nonprofit compensation System Wide: #2 Gender Pay Gap

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Community Storytelling:

As a female with educational and experiential knowledge in the nonprofit sector, I do not feel as though I am compensated well or feel as though I have little negotiating power when it comes to my compensation.

-Anonymous webinar participant

9 Tools for increasing nonprofit compensation

System Wide #3 Racial Equity Gap

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Historical inequity and Current inequity in pay for people for people of color.

- In 2016, college-educated black men earned about 80% of the hourly wages of college-educated white men, while black men overall earned just 68% of that earned by white men, according to the Pew Research Center.
- In 2016, Hispanic women earned only 62.2% of the wages of white men. Asian women fared better, earning 95.8% of white men's earnings in 2016, but only earned 78.4% of what Asian men made that year. -Harvard Program on Negotiation, Nov. 19, 2020

9 Tools for increasing nonprofit compensation

System Wide #3 Racial Equity Gap

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Compensation Story:

“I have seen upwards of 10+ jobs I’ve considered applying for, where the ‘competitive’ salary has stopped me. Why? Because I assume that they will then ask me how much I earned in previous roles, and use that as a way to make me an offer. The latter has AMPLE evidence and research that explains how it discriminates against womxn & people of colour in particular, and the former triggers it.” -showthesalary.com

9 Tools for increasing nonprofit compensation For leadership:

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Tools for Awareness in organizational hiring practices:

- Name blind hiring
- Salary history ban
- Pay range publication/transparency

9 Tools for increasing nonprofit compensation For leadership #4 Hiring Practices

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Review principles embedded in
Hiring practices:

- Example: Name blind hiring
Reduces unconscious bias



9 Tools for increasing nonprofit compensation For leadership #4 Hiring Practices

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Diversity coach Sneha Khilay of Blue Tulip Training said some recruitment officers who had attended her courses admitted to routinely rejecting applicants with Muslim or foreign-sounding names: “They’ve said to me, off the record, that when organizations do contact them they have said, ‘Please don’t send us any foreign names.’”

-Evening Standard U.K. 2017

9 Tools for increasing nonprofit compensation For leadership #5 Salary History Ban

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-21 states have banned this practice: Alabama, California, Colorado, Connecticut, Delaware, District of Columbia, Georgia, Hawaii, Illinois, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Puerto Rico, Rhode Island, South Carolina, Utah, Vermont, Virginia, Washington

3 Tools for increasing nonprofit compensation For leadership

#5 Salary History Ban

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-New laws (SHB or Salary History Bans) generated substantial pay increases for Black (+13%) and female (+8%) candidates who took new jobs.

3 Tools for increasing nonprofit compensation For leadership

#6 Include Pay Ranges in job Advertisements

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Including a salary range could increase your applicant pool by 25-35% (according to JobSite)

Statement from the Association of Fundraising Professionals:

In order to promote gender and racial pay equity, AFP is leading the way and will be requiring salary ranges for all new positions posted on the AFP Global Job Board effective immediately. We understand this might be a significant change for some organizations, but all of us at AFP strongly believe this is an important shift in increasing equity, inclusion and fairness in the fundraising profession. -October 2020

3 Tools for increasing nonprofit compensation For leadership

#6 Include Pay Ranges in job Advertisements

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Suggest that your organization publicize pay ranges and see how your leadership responds.

- Internal pay disparity may be unearthed.
- Biased compensation practices may be shaken.
- Below/Above salaries may be adjusted to median salaries.

Reminder: This is not an easy conversation.

3 Tools for increasing nonprofit compensation Staff/Personal

#7 Educate your Board/Financial Team

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Board

1. Weed out martyr employee salaries

For 9 years the executive director of our organization knew I was very underpaid for my position and what I brought to it. He budgeted a raise for me every year, and trusted that the organization was going to be successful enough to fund it (and it was). BUT, he never gave himself a raise during those 9 years. In my 10th year, I moved into his position and was drastically underpaid all over again. The board of directors was unwilling to look at this issue at the time of my promotion, and unwilling to pay me more than the outgoing ED was making. (I'm also certain there was a bit of sexism in that as well). After a year of all the headaches and expanded duties for much less pay than my counterparts in similar NPO's in our town were making, I left the organization and found a job in the private sector making \$40K more per year.

3 Tools for increasing nonprofit compensation Staff/Personal

#7 Educate your Board/Financial Team

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Board

1. Educate your board on complete salary ranges and compensation packages.

A board committee created an employee handbook with paid-time-off policies without understanding the financial implications of leave carryover, employee classes, etc., and not involving the finance person until the very end because they were focused on "setting policy" without thinking about implementation

-An anonymous webinar participant

3 Tools for increasing nonprofit compensation Staff/Personal #7 Governance

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Budget

1. Ensure your financial controller is qualified and experienced.

Participant Poll

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Have you have researched comparable salaries
For professionals in your role at other organizations?

3 Tools for increasing nonprofit compensation Staff/Personal

#8 Research Your Salary: Know your worth

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Community Storytelling:

“I have asked for raises over the years. One year the board members asked for proof that showed what other directors were making in our geographic area. I was able to get some stats from online job recruiter sites, but they were not exact job descriptions. I ended up getting on guidestar and looking at other nonprofit ED salary ranges. That helped and one year I asked to continue my education and get certified. They agreed.”

--Webinar participant (shared anonymously with permission)

About YOU: Thank you for your contribution to this discussion!

#8 Research Your Salary: Know your worth

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1. Have you ever left a job because of low/inadequate compensation?

2. 47 no 22 yes

2. Have you asked for a raise of 3% or more or negotiated additional compensation?

42 no 27 yes

About YOU: Thank you for your contribution to this discussion!

#8 Research Your Salary: Know your worth

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If no, what was the reason?

- because of the financial position COVID 19 has put nonprofits in
- the money is not there
- I don't have tenure
- rarely felt like I could advocate for more since my role has never sat neatly within programmatic funding

About YOU: Thank you for your contribution to this discussion!

#8 Research Your Salary: Know your worth

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If yes, what was the reason?

- I was with a company for 3+ without a raise and was asked to take on more responsibly so I asked to be compensated for the additional work duties.
- Negotiated from 2 weeks to 4 weeks vacation before accepting a new position.
- I researched comparable salaries/benefits in our area and used those figures as talking points.
- I've advocated for market based increases to increase my salary as exec director. I was in the bottom quartile
- I have used my accomplishments as a case to negotiate additional compensation.

About YOU: Thank you for your contribution to this discussion!

#8 Research Your Salary: Know your worth

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If yes, what was the reason?

- Our nonprofit never reimbursed for mileage when driving to/from donor meetings, trainings, networking events etc. and I explained the IRS rules and actually negotiated it into my compensation. It remains, however, a "difficult situation" when I submit as if I'm taking advantage of the nonprofit. I AM NOT A NONPROFIT PERSONALLY - lol!
- I asked for a promotion last year - for the first time ever- and got it including a 4% raise.

Participant Poll

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Which do you find easier: asking for a stretch gift or negotiating your compensation?

9 Tools for increasing nonprofit compensation Staff/Personal #9 Negotiate

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INTERVIEWER: What were you earning at your last job?

YOU: In this job search, I'm focusing on jobs in the \$50K range. Is that in the ballpark for this position?

INTERVIEWER: I think it is. I think that could work, but I'm not the manager, of course. I have to ask you what you earned at your last job.

YOU: I completely understand. I know you have questions you're supposed to ask candidates. I think that the \$50K salary target I mentioned is the right number to write down on your form, because that's what I require in order to come and work here.

INTERVIEWER: Okay, but I'm supposed to find out what you earned at your last job, specifically.

YOU: My accountant would kill me if I shared my personal financial information -- you can understand. Luckily if the job pays around fifty thousand it makes sense for us to keep talking.

9 Tools for increasing nonprofit compensation

Staff/Personal

#9 Negotiate

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American Association of University Women offers a free course on negotiation offers the following tips:

- Remain positive and flexible.
- Treat the negotiation process as a conversation, not a confrontation.
- Show how your skills match the employer's needs.
- Avoid getting personal or oversharing.
- Deflect a salary discussion until you have the job offer.

9 Tools for increasing nonprofit compensation Staff/Personal

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Practice asking for what you need.

Compensation Story Time

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I was being underpaid for the job I was performing for the organization - especially when compared to the men in the organization. I had my direct staff review me and then I put together an entire package and presented it to the CEO & Founder and asked for a \$25K raise and received it. Made me wish I had asked sooner because he didn't hesitate at all and immediately said yes to my request.

-Webinar participant (shared anonymously with permission)

Recap Increase Compensation at a Systems Level

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- Myth busting: overhead myth, nonprofit/for profit pay myth
- Awareness of and addressing systemic gender pay gaps
- Awareness of and addressing systemic racism in pay gaps

Recap Increase Compensation at the Leadership/Governance Level

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- Hiring Practices
- Salary History Ban
- Publicizing Job Pay Range
- Education for Board and Financial Team

Recap: Increase Compensation at an Individual Level

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Know your worth

Conduct salary research

Practice Negotiation and Build your skills



Questions/Comments What's sticking with you?

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Our Next Nonprofit compensation Webinar

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Comments/Questions/Contact

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