



**SUMMARY:  
EMPLOYEE PAY CHANGES  
DURING THE TIME OF COVID-19**

**JULY 2020**

## SUMMARY

PRM tracks pay practices as part of our annual Not-for-Profit Compensation Survey. And, our 2019 survey results revealed that survey participants were planning to increase employee salaries between 2.0% and 4.0% during this calendar year. In addition to budgeting for salary increases, approximately 60% of the survey respondents reported they would grant variable pay/bonuses to their employees.

During most of the first quarter of 2020 these pay projections were realized, but in mid-March the pandemic hit the USA. We received calls from many organizations asking us how other similar organizations are handling pay changes in this new environment. As a result, we conducted a COVID-19 Quick Poll to obtain, analyze, and summarize how not-for-profit employers are phasing in this new environment.

The poll was conducted online and included three questions related to staff reductions and pay planning for the remainder of the current calendar year. Invitees included diverse national-level not-for-profits, many of which participate in PRM's annual *Management Compensation Report of Not-for-Profit Organizations*, (Not-for-Profit Survey) and a total of 224 organizations responded to the poll by June 29, 2020.

The typical poll respondent represents a professional association and is located in the Baltimore-DC-Northern Virginia area. A demographic profile of the poll respondents by organization type and region/metropolitan area is shown to the right.

The Attachment provides a listing of the poll respondents by organization type.

Organization Type	Number of Orgs.	Percent of Total
Trade	32	14.3%
Professional	75	33.5%
Educational	28	12.5%
Health and Social Welfare	44	19.6%
Other	45	20.1%
<b>Total</b>	<b>224</b>	<b>100.0%</b>

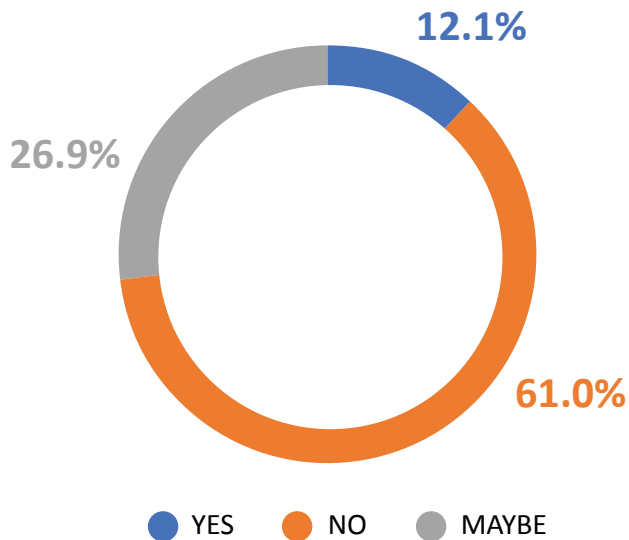
Region/Metro Area	Number of Orgs.	Percent of Total
Baltimore-DC-Northern VA	101	45.1%
Chicago Area	14	6.3%
Middle Atlantic-Northeast	13	5.8%
Midwest	32	14.3%
New York-New Jersey	25	11.2%
South	14	6.3%
Southwest / West	13	5.8%
West Coast	12	5.4%
<b>Total</b>	<b>224</b>	<b>100.0%</b>

# RESULTS

## COVID-19 POLL RESULTS

### Question #1: Are you planning any staff reductions during the current calendar year as a result of COVID-19?

Overall, nearly two-thirds of the responding organizations reported they do not plan to make any staff reductions this year as a result of COVID-19. Approximately one-quarter of responding organizations are taking a “wait and see” approach before determining whether any staffing changes will be made this year. And, only 12% of them reported they already have or are planning to make staffing changes as a result of COVID-19.



A breakout of the poll responses by organization type as well as by region/metropolitan area is as follows:

### Question #1: Are you planning any staff reductions during the current calendar year as a result of COVID-19?

Respondent Demographics	Percent of Poll Respondents		
	Yes	No	Maybe
<b>Organization Type</b>			
Trade	1.8%	10.7%	1.8%
Professional	3.6%	19.6%	10.3%
Educational	1.3%	8.0%	3.1%
Health and Social Welfare	4.0%	9.4%	5.8%
Other	1.3%	12.9%	5.8%
<b>Region/Metro Area</b>			
Baltimore-DC-Northern VA	4.9%	30.8%	8.9%
Chicago Area	1.3%	3.1%	1.8%
Middle Atlantic-Northeast	0.0%	4.9%	0.9%
Midwest	2.2%	7.6%	4.5%
New York-New Jersey	1.8%	5.8%	3.6%
South	1.3%	2.7%	2.2%
Southwest / West	0.0%	3.1%	2.7%
West Coast	0.4%	2.7%	2.2%

Note: The percentages represent the number of respondents in each category as a percent of all poll respondents (224 organizations).

Accordingly, the poll results indicate that trade associations will experience less of an impact than other not-for-profits, since the smallest proportion of this group reported they are either planning or considering staff reductions this year. On a regional basis, organizations located in the greater Baltimore-Washington metropolitan area are more inclined to maintain their current staffing levels than not-for-profits in other areas of the country.

## RESULTS

### Question #2: "If you are planning or anticipate making staff reductions, approximately what percentage of your current staff will be affected?"

Among the 87 responding organizations who are planning or anticipating staff reductions, poll respondents reported they anticipate reducing their staff by approximately 14%, on average. The actual planned or anticipated staff reductions reported ranged from a low of less than 1% to a high of 63%. However, among those who indicated a planned or anticipated staff reduction percentage, the preponderance of the answers indicates staff reductions will be 15% or less:

Anticipated Staff Reduction Percentage	Number of Organizations
Less than 10%	15
10% - 15%	16
16% - 20%	7
25% or More	7

Other poll respondents reported they are currently unsure whether or if staff reductions will be required. One respondent indicated the reductions, if taken, will be very small, while another indicated the reductions will be significant.

### Question #3: "How will your organization's pay practices change this year as a result of COVID-19? (Check all that apply.)"

Overall, respondents most commonly reported they will freeze their salary increase budgets this year as a result of COVID-19 (35.3%), although almost the same number of organizations (approximately 34.4%) indicated they will make no changes to their current pay practices this year. And, approximately 25% will suspend bonuses. A total of 41 organizations also reported a number of other pay practice changes, representing only 17% of all poll respondents.

Anticipated Pay Practice Changes	Number of Orgs.	Percent of Poll
Reduced salaries for nonexempt employees	17	7.1%
Reduced salaries for exempt employees	28	11.6%
Freeze salary increase budget (i.e., 0% increase)	85	35.3%
Reduce the size of salary increases	14	5.8%
Freeze salary ranges	25	10.4%
Reduce the size of bonus awards for eligible staff	15	6.2%
Suspend bonuses	59	24.5%
No changes to current practices	81	33.6%
Other	41	17.0%

We noted that most respondents planning salary reductions indicate they will apply to both exempt and nonexempt employees, although a larger number of respondents report salary reductions will apply to their exempt staff only. Additionally, among the 99 respondents who will either freeze their salary increase budgets or reduce the size of salary increases, approximately two-thirds reported they will also freeze their salary ranges for this year.

A summary of the respondent demographics for the three most prevalent answers regarding anticipated pay practice changes this year is as follows:

### Question #3: "How will your organization's pay practices change this year as a result of COVID-19? (Check all that apply.)"

Respondent Demographics	Percent of Poll Respondents		
	Freeze Salary Increase Budget	Suspend Bonuses	No Changes to Current Practices
<b>Organization Type</b>			
Trade	3.6%	4.9%	4.5%
Professional	12.9%	8.9%	12.5%
Educational	4.0%	2.2%	4.0%
Health and Social Welfare	10.3%	5.4%	4.9%
Other	7.1%	4.9%	10.3%
<b>Region/Metro Area</b>			
Baltimore-DC-Northern VA	12.5%	10.3%	18.3%
Chicago Area	3.6%	1.8%	1.3%
Middle Atlantic-Northeast	2.7%	0.4%	2.7%
Midwest	5.4%	3.6%	4.9%
New York-New Jersey	5.8%	5.4%	3.1%
South	3.1%	2.7%	1.3%
Southwest / West	2.2%	1.8%	2.2%
West Coast	2.7%	0.4%	2.2%

Note: The percentages represent the number of respondents in each category as a percent of all poll respondents (224 organizations).

A summary of the answers reported in the "other" category (reported by 23 respondents) is as follows:

Other Anticipated Pay Practice Changes	Number of Orgs.
Executive salary cuts	3
Furloughs	3
Reduced employer or higher employee healthcare premiums	2
Hiring freeze	6
Delayed salary increases	3
Delayed or reduced employer retirement contributions	6
<b>Total</b>	<b>23</b>

## RESULTS

### POST-COVID-19 MARKET

Our poll findings indicate the 2020 outlook for many organizations is currently uncertain, although most organizations are planning or anticipate making little to no changes to their current pay practices this year as a result of COVID-19. Also, we will publish our 2020 annual Not-for-Profit Survey later this month, including 2020 pay change projections. But, we plan to conduct a follow-up poll in the Fall to provide an updated outlook for the remainder of 2020 and the first quarter of 2021.

In the meantime, please contact me if you require any additional information.

Lyn McCloskey

Principal

PRM Consulting Group

(260) 897-4299 – Office

(202) 445-3136 – Cell

[lyn.mccloskey@prmconsulting.com](mailto:lyn.mccloskey@prmconsulting.com)



## LISTING OF POLL RESPONDENTS BY ORGANIZATION TYPE

**TRADE ASSOCIATIONS**

American Bus Association  
 American Chemistry Council  
 American Farm Bureau Federation  
 American Fuel and Petrochemical Manufacturers  
 American Institute of Physics  
 American Medical Group Association  
 American Rental Association  
 American Wind Energy Association  
 Associated Builders and Contractors  
 Associated General Contractors of America  
 Association of American Publishers  
 Association of Home Appliance Manufacturers  
 Cable and Telecommunications Association for Marketing  
 California Hospital Association  
 Chlorine Institute  
 Credit Union Executives Society  
 Equipment Leasing and Finance Association  
 Fabricators and Manufacturers Association, International  
 Global Business Travel Association  
 Healthcare Distribution Alliance  
 Institute of Scrap Recycling Industries  
 International Foodservice Distributors Association  
 Metal Powder Industries Federation  
 Metals Service Center Institute  
 MRA - The Management Association  
 National Apartment Association  
 National Association of Chain Drug Stores  
 National Association of Convenience Stores  
 National Association of Home Builders  
 National Stone, Sand, and Gravel Association  
 The Chlorine Institute  
 The Toy Association

**PROFESSIONAL ASSOCIATIONS**

Academy of Nutrition and Dietetics  
 AICHe  
 Alliance for Academic Internal Medicine  
 American Academy of Dermatology  
 American Academy of Family Physicians  
 American Academy of Neurology  
 American Academy of Ophthalmology  
 American Academy of Pediatrics  
 American Anthropological Association  
 American Association for Clinical Chemistry  
 American Association of Nurse Anesthetists  
 American Association of Oral And Maxillofacial Surgeons  
 American Association of Petroleum Geologists  
 American Association of Physicists in Medicine

American Bar Association  
 American Board of Family Medicine  
 American Ceramic Society  
 American College of Cardiology  
 American College of Chest Physicians  
 American College of Emergency Physicians  
 American College Of Obstetricians and Gynecologists  
 American College of Surgeons  
 American Gastrointestinal Association  
 American Institute of Aeronautics and Astronautics  
 American Institute of Professional Geologists  
 American Mathematical Society  
 American Occupational Therapy Association  
 American Oil Chemists' Society  
 American Ornithological Society  
 American Phytopathological Society  
 American Society for Clinical Pharmacology and Therapeutics  
 American Society for Nutrition  
 American Society of Addiction Medicine  
 American Society of Clinical Oncology  
 American Society of Cytopathology  
 American Society of Hematology  
 American Society of Plant Biologists  
 American Society of Tropical Medicine and Hygiene  
 American Veterinary Medical Association  
 AOAC International  
 APIC - Association for Professionals in Infection Control and Epidemiology  
 ASIS International  
 Association for Iron and Steel Technology  
 Association for Molecular Pathology  
 Association for Psychological Science  
 Association for the Treatment of Sexual Abusers  
 BICSI  
 Biophysical Society  
 California Dental Association  
 CoreNet Global  
 Council Of Residential Specialists  
 Directed Energy Professional Society  
 Federation of American Societies for Experimental Biology  
 IFSCC (International Federation of Societies of Cosmetic Chemists)  
 Institute of Industrial and Systems Engineers  
 Institute of Management Accountants  
 Institute of Mathematical Statistics  
 International Association of Chiefs of Police  
 International Society for Pharmaceutical Engineering  
 NACE International  
 NAFSA

National Academy of Public Administration  
 National Alliance of State and Territorial AIDS Directors  
 National Association of Colleges and Employers  
 National Association of Insurance and Financial Advisors  
 National Athletic Trainers' Association  
 National Funeral Directors Association  
 National Society of Professional Engineers  
 Radiological Society of North America  
 Society for Investigative Dermatology  
 Society of Actuaries  
 Society of Economic Geologists  
 Society of Fire Protection Engineers  
 Society of Motion Picture and Television Engineers  
 Society of Petroleum Engineers

**EDUCATIONAL ORGANIZATIONS**

Afterschool Alliance  
 American Association for Cancer Research  
 American Association of Community Colleges  
 American Helicopter Society International  
 BetterInvesting NAIC  
 City Year  
 IMAPS-International Microelectronics Assembly and Packaging Society  
 Institute for International Education  
 Institute For Operations Research and the Management Sciences  
 Institute of Real Estate Management  
 International Society for Magnetic Resonance in Medicine  
 Modern Language Association of America  
 National Association of Independent Colleges and Universities  
 National Institute of Governmental Purchasing  
 Nonprofit Leadership Alliance  
 Regenerative Medicine Foundation  
 Scholarship America  
 Sigma Xi, The Scientific Research Honor Society  
 Society for Cardiovascular Angiography and Interventions  
 Society for Experimental Mechanics  
 Society for Industrial Microbiology and Biotechnology  
 Society for Mining, Metallurgy and Exploration  
 Student Leadership Network  
 Technical Education Research Centers (TERC)  
 The Ecological Society of America  
 The Endocrine Society  
 University Corporation for Atmospheric Research  
 Water Environment Federation

**LISTING OF POLL RESPONDENTS BY ORGANIZATION TYPE (continued)**

**HEALTH AND SOCIAL WELFARE ORGANIZATIONS**

American Diabetes Association  
 American Foundation for Suicide Prevention  
 American Foundation for the Blind  
 American Kidney Fund  
 American Liver Foundation  
 Amherst H. Wilder Foundation  
 Boy Scouts of America  
 Braille Institute of America  
 Catholic Relief Services  
 Children’s Inn at NIH  
 Colorectal Cancer Alliance  
 CommonBond Communities  
 Epilepsy Foundation  
 Girls Incorporated  
 Go2 Foundation for Lung Cancer (formerly Lung Cancer Alliance)  
 Huntington’s Disease Society of America  
 Immune Deficiency Foundation  
 LeadingAge  
 Lung Cancer Alliance  
 Lupus Foundation of America  
 Management Sciences for Health  
 Mended Hearts  
 National Alopecia Areata Foundation  
 National Eczema Association  
 National Hemophilia Foundation  
 National Kidney Foundation  
 National Multiple Sclerosis Society  
 National Organization for Rare Disorders (NORD)  
 Prevent Blindness  
 Research!America

Ronald McDonald House  
 Safe Horizon  
 Safer Foundation  
 Sjogren’s Syndrome Foundation  
 Spina Bifida Association  
 The ALS Association  
 The Global FoodBanking Network  
 The LAM Foundation  
 The Marfan Foundation  
 Tourette’s Association of America  
 Urban Gateways  
 WomenHeart: The National Coalition for Women with Heart Disease  
 ZERO TO THREE

**OTHER ORGANIZATIONS**

ACDI/VOCA  
 American Craft Council  
 ASTM International  
 Benevolent and Protective Order of Elks of the USA  
 Brookings Institution  
 Care  
 Center for Law and Social Policy  
 Childfund International  
 Clinton Foundation  
 Conference Board  
 Consumer Reports  
 Cooperative for Assistance and Relief Everywhere  
 Council for Agricultural Science and Technology  
 Eden Alternative  
 Environmental And Energy Study Institute  
 Federation Of State Medical Boards

Housing Trust Silicon Valley  
 Human Capital Development Leader-Strategist- Coach-Scholar  
 Human Rights First  
 International Association of Lions Clubs  
 International Center for Not-for-Profit Law  
 International Rescue Committee  
 Jobs for the Future  
 Lutheran World Relief  
 Mercy Corps  
 Meridian International Center  
 MPTF  
 National Aquarium  
 National Commercial Collections Group  
 National Endowment for Democracy  
 National Industries for the Blind  
 NORC at the University of Chicago  
 Oak Ridge Associated Universities  
 Oxfam America  
 Pew Research Center  
 Pheasants Forever  
 Public Broadcasting Service  
 Public Health Institute  
 R Street Institute  
 RTI International  
 Southwestern Medical Foundation  
 Space Telescope Science Institute  
 Sustainable Forestry Initiative  
 The Word Among Us  
 Women Employed