

SUMMARY

2011 Management Compensation Report for Not-For-Profit Organizations

CONDUCTED BY: PRM CONSULTING GROUP
SEPTEMBER 2011



“People Really Matter”

**A Fully Integrated Complement of HR
Solutions and People Strategies**

2011

**Management Compensation Report
Not-for-Profit Organizations**

September 2011

Data Effective July 1, 2011

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I. Introduction

A. Overview

This is the 30th edition of the annual survey report of management positions in not-for-profit organizations. The survey collected and tabulated total cash compensation (base salary plus other additional cash) and salary range data on a total of 100 positions. The prevalence of special benefits and perquisites was surveyed for Top Executive and Deputy Executive Officer positions as well as for other positions at the top staff and department staff levels, while compensation practices data were surveyed by organization type. The compensation practices section covers salary management, pensionable earnings limits, retirement and savings plans, medical benefits, paid time off, variable compensation, and board compensation.

The report includes individual summary tables for all positions covered in the survey. The tables contain base salary statistics for each position reported by total respondents, geographical location, organization type, organization budget, total employees, and time in position.

B. Survey Respondents

This year's survey questionnaire was completed and returned by a total of 320 organizations, a 5.3% increase in the number of responses over last year. Of the total respondents, 196 organizations (or 61% of them) also participated in the 2010 survey.

The names of the survey respondents are listed in Table 1 in alphabetical order by type:

- **Trade associations** represent companies, industries or other organization groups.
- **Professional associations** represent individuals associated with specialized occupations.
- **Educational organizations** provide and/or promote educational activities.

I. Introduction

- **Health and social welfare organizations** provide and/or promote public health and social welfare services.
- **Other associations** represent organizations that fall into more than one category or survey respondents not included in the above categories.

Table 2 contains a profile of the survey respondents. Most survey respondents (56 organizations, or 17%) are located in Washington, DC. Virginia (representing primarily the Northern Virginia area) represents the second largest group of this year's survey respondents (approximately 13% of total). Professional associations are the largest group by organization type, representing 38% of all respondents. Most respondents have annual budgets of between \$8.0 million and \$15.9 million, or a staff size ranging from 60 to 99 employees.

* * * * *

The continued success of this survey would not be possible without your organization's participation. We appreciate both those organizations that have supported this endeavor from its inception, as well as new survey respondents, and we hope that the survey is helpful in your organization's compensation planning.

Listing of Survey Respondents by Organization Type

Trade Associations

- * AHRI: Air-Conditioning, Heating, and Refrigeration Institute
- American Association of Advertising Agencies
- American Benefits Council
- * American Chemistry Council
- * American Gas Association
- * American Petroleum Institute
- American Public Transportation Association
- American Society of Travelers
- * AMT - The Association for Manufacturing Technology
- * ATIS - Alliance for Telecommunication Industry Solutions

- * Business Software Alliance

- * Consumer Data Industry Association
- Craft and Hobby Association
- Cruise Lines International

- Distilled Spirits Council of the US

- Healthcare Distribution Management Association

- * International Council of Shopping Centers
- * International Franchise Association

- * Kitchen Cabinet Manufacturers Association

- MAPI / Manufacturers Alliance
- Metal Powder Industries Federation

- * NAMM - National Association of Music Merchants
- * National Association of Chain Drug Stores
- * National Association of Convenience Stores
- * National Association of Home Builders
- * National Defense Industrial Association
- National Federation of Independent Business
- National Petrochemical and Refiners Association
- National Propane Gas Association

Listing of Survey Respondents by Organization Type

- * National Rural Electric Cooperative Association
- * National Sporting Goods Association
- * National Truck Equipment Association
- NEMA - National Electrical Manufacturers Association
- Nuclear Energy Institute

- * Packaging Machinery Manufacturers Institute
- Produce Marketing Association
- * Property Casualty Insurers Association of America

- Toy Industry Association
- * Trusight

Professional Associations

- AACE
- * AIHA
- * American Academy of Actuaries
- * American Academy of Dermatology
- * American Academy of Ophthalmology
- American Animal Hospital Association
- * American Anthropological Association
- American Association for Cancer Research
- * American Association for Clinical Chemistry
- * American Association for the Advancement of Science
- American Association of Immunologists
- * American Association of Motor Vehicle Administrators
- * American Association of Pharmaceutical Scientists
- * American Association of Physicists in Medicine
- * American Association of Textile Chemists and Colorists
- American Biological Safety Association
- * American Chemical Society
- * American College of Chest Physicians
- * American College of Emergency Physicians
- * American College of Foot and Ankle Surgeons
- American College of Cardiology
- * American Dietetic Association
- American Gastroenterological Association

Listing of Survey Respondents by Organization Type

- American Geological Institute
- * American Immigration Lawyers Association
- American Institute for Chemical Engineers
- * American Marketing Association
- * American Mathematical Society
- American Medical Association
- * American Meteorological Society
- * American Oil Chemists' Society
- * American Physiological Society
- American Railway Engineering and Maintenance of Way Association
- American Registry for Diagnostic Medical Sonography
- * American Society for Cell Biology
- American Society for Microbiology
- American Society for Pharmacology and Experimental Therapeutics
- American Society for Quality Assurance
- American Society for Therapeutic Radiology and Oncology
- * American Society of Agricultural and Biological Engineers
- * American Society of Anesthesiologists
- * American Society of Civil Engineers
- * American Society of Clinical Oncology
- * American Society of Landscape Architects
- American Society of Mechanical Engineers
- * American Society of Naval Engineers
- American Society of Plant Biologists
- * American Society of Safety Engineers
- * American Urological Association
- * American Water Resources Association
- * AOAC International
- ARVO
- ASA, CSSA, SSSA
- * ASAE and The Center for Association Leadership
- ASHP
- * ASHRAE
- ASIS International
- * ASM International
- * Association for Financial Professionals
- * Association for Psychological Science
- * Association of Corporate Counsel
- * Association of Fundraising Professionals

Listing of Survey Respondents by Organization Type

- * Biophysical Society

- * CCIM Institute
- * College of American Pathologists
- * CPCU Society
- * Credit Union Executives Society

- Entomological Society of America

- * Geochemical Society
- * Geological Society
- * Government Finance Officers Association

- * Human Factors and Ergonomics Society

- * IEEE
- * Illuminating Engineering Society
- * Institute of Food Technologists
- * Institute of Industrial Engineers
- * Institute of Internal Auditors
- * Institute of Mathematical Statistics
- International Association for the Study of Pain
- International Association of Privacy Professionals
- * International Facility Management Association
- * International Microelectronics and Packaging Society
- International Society for Magnetic Resonance in Medicine
- International Society for Pharmaceutical Engineering
- International Society of Explosives Engineers
- ISA

- * Materials Research Society
- * Medical Group Management Association
- * Medical Society of the State of New York
- * Modern Language Association of America

- * National Association of Insurance and Financial Advisors
- * National Governors Association
- * National Society of Professional Engineers

Listing of Survey Respondents by Organization Type

- * Oncology Nursing Society
- * Optical Society of America

- * Pediatric Nursing Certification Board
- * Project Management Institute

- * Radiological Society

- * SAE International
- SAMPE
- Seismological Society of America
- * Society for Mining, Metallurgy and Exploration
- Society for Neuroscience
- Society of Actuaries
- Society of American Military Engineers
- Society of Critical Care Medicine
- * Society of Exploration Geophysicists
- * Society of Manufacturing Engineers
- Society of Motion Picture and Television Engineers
- * Society of Petroleum Engineers
- * Society of Women Engineers
- * Soil and Water Conservation Society
- * SPIE

- * The American Association of Petroleum Geologists
- * The American Society for Nondestructive Testing
- * The Electrochemical Society
- * The Minerals, Metals, and Materials Society
- The Society of Environmental Toxicology and Chemistry
- * The Society of Thoracic Surgeons
- * The Wire Association International

- Water Environment Federation

- * YPO-WPO

Listing of Survey Respondents by Organization Type

Educational Organizations

- AACC International
- * Accreditation Board for Engineering and Technology
- ACGME
- AIST - The Association for Iron and Steel Technology
- * American Association for Artificial Intelligence
- * American Association of Colleges of Osteopathic Medicine
- American Astronomical Association
- American Board of Medical Specialties
- American Ceramic Society
- American Concrete Institute
- * American Geophysical Union
- * American Institute of Physics
- American Physical Society
- American Society for Nutrition
- American Vacuum Society
- American Water Works Association
- American Welding Society
- Association for Computing Machinery

- * BetterInvesting

- Center for Creative Leadership
- Close Up Foundation
- * Coastal and Estuarine Research Foundation
- Construction Specifications Institute
- Council for Agricultural Science and Technology

- * Fabricators and Manufacturers Association
- * FASEB - Federation of American Societies for Experimental Biology

- * High/Scope Educational Research Foundation

- * Institute of International Education
- * International Centre for Diffraction Data
- * International Foundation of Employee Benefit Plans
- * International Precious Metals Institute

- Jobs for the Future

Listing of Survey Respondents by Organization Type

- * Laser Institute of America

- NACME, Inc.
- * National Association of Colleges and Employers
- National Council of Examiners for Engineering and Surveying
- National Council of Teachers of Mathematics
- National Ground Water Association
- * National School Board Association

- * Road Scholar (Elderhostel, Inc.)

- Sigma Xi
- * Society for Industrial and Applied Mathematics

- TERC
- * The Association of Theological Schools
- The Endocrine Society

- * Young Audiences

Health and Social Welfare Organizations

- * AlphaNet
- * Alzheimer's Association
- * American Cancer Society
- * American Diabetes Association
- American Foundation for Suicide Prevention
- * American Foundation for the Blind
- * American Heart Association
- * American Kidney Fund
- * American Liver Foundation
- * American Lung Association
- Anxiety Disorders Association of America
- * Arthritis Foundation
- * Asthma and Allergy Foundation of America

- * Barth Syndrome Foundation
- Blood Systems
- * Boy Scouts of America

Listing of Survey Respondents by Organization Type

- * Boys and Girls Clubs of America
- * Braille Institute

- CHF International
- Child Trends
- * Communities In Schools
- * Cystic Fibrosis Foundation

- * Easter Seals
- Elizabeth Glaser Pediatric AIDS Foundation
- Engineers Without Borders

- Feeding America

- Girl Scouts of the USA
- * Girls Incorporated
- * GLSEN
- Gulf Coast Regional Blood

- * Help Hospitalized Veterans
- * Huntington's Disease Society of America
- * Hydrocephalus Association

- Independent Sector
- Indiana Blood Center
- International Youth Foundation

- * Joint Commission

- * Lance Armstrong Foundation
- LeadingAge
- * Long Island Association for AIDS Care

- * MENTOR / The National Mentoring Partnership
- Mosaic

- * National Center for Missing and Exploited Children
- National Council on Aging
- National Down Syndrome Society
- * National Eczema Association

Listing of Survey Respondents by Organization Type

- * National Foundation for Ectodermal Dysplasias
 - National Industries for the Blind
 - National Lutheran Community
- * National Marfan Foundation
 - National Multiple Sclerosis
 - National Psoriasis Foundation
 - National Youth Leadership Council
- * Osteogenesis Imperfecta Foundation
 - Pact, Inc.
- * Parkinson's Action Network
 - PKD Foundation
- * Prevent Blindness America
 - Resolve: The National Infertility Association
- * Save the Children
 - Senior Service America
- * Sjogren's Syndrome Foundation
 - Spina Bifida Association of America
- * Spondylitis Association of America
- * The ALS Association
 - The Arc
 - The Association of Junior Leagues International
 - The Children's Inn at NIH
- * The LAM Foundation
 - The Leukemia and Lymphoma Society
- * The Safer Foundation
- * Tourette Syndrome Association
- * Travelers Aid International
- * Us TOO International
 - USO World Headquarters
 - Volunteers of America
 - Volunteers of America Texas
- * Wilder Foundation

Listing of Survey Respondents by Organization Type

Youth Advocate Programs

* Zero to Three

Other Associations

* Africare

* American Forest Foundation

* BPO Elks of the USA

CFED

* Consumers Union

Environmental Law Institute

Freedom Forum

German Marshall Fund

* Guttmacher Institute

Lincoln Institute of Land Policy

* Lions Clubs International

National Aquarium

National Audubon Society

National Council for International Visitors

* NORC

* Pheasants Forever

* Population Action International

* Population Council

* Public Broadcasting Service

* Rainforest Alliance

* Resources for the Future

* SIFE

Social Science Research Council

Listing of Survey Respondents by Organization Type

- * Tax Analysts
- * The Advertising Council
- * The Catholic Foundation
- * The Florida Aquarium
- * The Heritage Foundation
- * The Humane Society of the United States
- * The Mary Baker Eddy Library
- * The Word Among Us

- * University Corporation for Atmospheric Research
- * Urban Land Institute

* Indicates 2010 survey participant.

II. Survey Methodology

A. Data Collection and Analysis

On-line survey questionnaires were used to obtain the requested compensation data, and respondents were asked to report annual base salaries data as of July 1, 2011. Other cash compensation data were requested for cash payments made at the end of the most recently completed fiscal year. Compensation data were submitted by survey respondents for a total of 10,104 employees.

The submitted data were then reviewed for accuracy and completeness. The compensation data were processed and tabulated to generate the reported summary statistics. To ensure the confidentiality of individual respondents, no compensation data are reported if fewer than three observations were included in the variable breakdowns. Only the mean and median are reported for three or four observations.

B. Explanation of Terms

1. CASH COMPENSATION

Base Salary represents the current annual base salary reported for each survey position as of July 1, 2011.

Total Cash Compensation represents the sum of the current annual base salary plus any other cash compensation provided to position incumbents during the most recently completed fiscal year.

Salary Range represents the average salary opportunities, including salary range minimum, midpoint and maximum, reported for each position during the current fiscal year.

Number of Organizations represents the number of respondents that reported matches to each survey position.

II. Survey Methodology

Number of Incumbents represents the total number of full-time employees reported for each survey position by the responding organizations.

Low represents the lowest actual compensation figure reported.

25th Percentile represents the compensation figure above which 75% of all reported compensation figures fall.

Mean represents the simple average of all compensation figures reported.

Median (50th Percentile) represents the compensation figure above and below which half of all reported compensation figures fall.

75th Percentile represents the compensation figure above which 25% of all reported compensation figures fall.

High represents the highest actual compensation figure reported.

2. SUPPLEMENTAL BENEFITS AND PERQUISITES

Number of Respondents represents the total number of organizations reporting data for the benefits and perquisites questions.

Supplemental Benefits and Perquisites represents benefits and/or non-cash compensation provided to selected positions in addition to the broad-based benefits generally available to all employees.

Percentage of Survey Respondents Reporting represents the number of organizations checking the specific supplemental benefits or perquisites surveyed for a given position, divided by the number of organizations that reported at least one benefit or perquisite for that position or position level.

III. Compensation Data Reported

A. Total Cash Compensation Highlights

This section summarizes cash compensation data reported for the 100 survey positions. It includes summary statistics on the actual total cash compensation and base salary data reported for each position. This section also contains the reported position salary range data.

Table 3 contains the total cash compensation data reported for each survey position. The statistics include the lowest and highest actual total cash compensation data reported for each position.

The mean total cash compensation reported for the Top Executive Officer by all respondents is \$353,400, while the reported median is \$283,300. Last year, the reported mean and median for the position were \$328,700 and \$271,200; this represents an increase of 10.8% at the mean, or an increase of 4.5% at the median. The actual total cash compensation reported for the Top Executive Officer ranges from a low of \$41,000 to a high of \$2,090,400.

The mean total cash compensation reported for the five highest paid staff positions (excluding the Top Executive Officer) is as follows:

Highest Paid Positions	Mean Total Cash
1. Top Medical Services Position	\$283,500
2. Top Legal Position/General Counsel	\$246,900
3. Top For-Profit Subsidiary Executive	\$232,000
4. Deputy Executive Officer	\$224,400
5. Top Government Relations Position	\$189,900

III. Compensation Data Reported

B. Individual Position Summary Tables

Individual summary tables for each survey position begin on page 28 and are listed below. The tables provide detailed base salary data reported by geographical location, organization budget, organization type, total employees and time in position.

Survey Position	Page
1. Top Executive Officer	28
2. Deputy Executive Officer	29
3. Chief of Staff	30
4. Board/Committee Administrator	31
5. Executive Assistant	32
6. Top Administrative Position	33
7. Top Financial Position	34
8. Accounting Manager	35
9. Top Information Technology Position	36
10. LAN Manager	37
11. Database Manager	38
12. Website Developer	39
13. Webmaster	40
14. Help Desk/Information Technology Position	41
15. Office/Facilities Manager	42
16. Top Human Resource Position	43
17. Human Resource Manager	44
18. Top Legal Executive/General Counsel	45
19. Senior Staff Attorney	46
20. Staff Attorney	47
21. Paralegal	48
22. Top Governance Position	49
23. Top Field Services Position	50
24. Regional Office Head	51
25. Field Services Manager	52
26. Top Government Relations Position	53
27. Top International Relations Executive	54
28. Top Federal Relations Position	55
29. Federal Relations Position	56
30. Top Regulatory Relations Position	57
31. Top State Relations Position	58
32. State Relations Manager	59
33. State Relations Position	60
34. Legislative Network Position	61
35. Regulatory/Legislative Specialist	62

III. Compensation Data Reported

Survey Position	Page
36. PAC Position	63
37. Top Political/Social Policy Position	64
38. Top Communications Position	65
39. Public Relations Manager	66
40. Public Relations Position	67
41. Top Editorial Position	68
42. Managing Editor (Print)	69
43. Managing Editor (Online)	70
44. Senior Editor	71
45. Editor	72
46. Assistant/Associate Editor	73
47. Art Director	74
48. Audio Visual Position	75
49. Production Manager	76
50. Production Position	77
51. Fulfillment Position	78
52. Information Services Position	79
53. Top For-Profit Subsidiary Executive	80
54. Top Foundation Executive	81
55. Grant Proposal Manager	82
56. Grant Position	83
57. Top International Development Executive	84
58. Top Marketing Position	85
59. Top Strategic Initiatives Position	86
60. Head of Online Business Development	87
61. Marketing Position	88
62. Sales Position	89
63. Advertising Position	90
64. Top Membership Position	91
65. Member Relations Position	92
66. Call Center/Member Service Manager	93
67. Call Center/Member Service Representative	94
68. Senior Call Center/Member Service Representative	95
69. Membership Records Position	96
70. Registrar	97
71. Top Constituency Relations Position	98
72. Top Convention and Meetings Position	99
73. Convention and Meetings Manager	100
74. Exhibit Manager	101
75. Exhibition Sales Position	102

III. Compensation Data Reported

Survey Position	Page
76. Program Planner	103
77. Meetings Planner	104
78. Top Program Position	105
79. Senior Program/Section Manager	106
80. Program/Section Manager	107
81. Program Staff Position	108
82. Program Assistant	109
83. Top Volunteer Program Position	110
84. Top Professional Education Position	111
85. Professional Education Manager	112
86. Professional Development Position	113
87. Top Public Education Position	114
88. Top Medical Services Position	115
89. Professional Certification Position	116
90. Top Statistician	117
91. Top Scientific/Technical Research Position	118
92. Research Position	119
93. Top Engineering Position	120
94. Engineering Position	121
95. Research Manager	122
96. Standards Development/Technical Services Position	123
97. Top Development Position	124
98. Regional Development Position	125
99. Major Gifts Position	126
100. Fundraising Position	127

Top Executive Officer

Responsible for directing the daily work activities of the organization. Accountable for the successful execution of organizational programs, policies and procedures. Responsible for overseeing the effective utilization of the organization's financial and human resources. This is the top paid staff position reporting to the Board of Directors.

Number of Orgs.	Number of Incs.	BASE SALARY			
		25th %ile (\$000)	Mean (\$000)	Median (\$000)	75th %ile (\$000)

A. Summary	285	285	206.7	319.7	273.2	375.0
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B. Geographic Location

- Virginia
- Maryland
- Washington, DC
- New York City
- Chicago Area
- Northeast
- Midwest
- South
- West

C. Organization Type

- Trade Association
- Professional Association
- Educational Organization
- Health & Social Welfare Org
- Other Association

D. Organization Budget

- Less than \$1.5 mm
- \$1.5 mm - \$3.9 mm
- \$4.0 mm - \$7.9 mm
- \$8.0 mm - \$15.9 mm
- \$16.0 mm - \$29.9 mm
- \$30.0 mm - \$59.9 mm
- \$60.0 mm or more

E. Total Employees

- Less than 15
- 15 - 34
- 35 - 59
- 60 - 99
- 100 - 249
- 250 or more

F. Time in Position

- Less than 1 Year
- 1.0 - 2.9
- 3.0 - 4.9
- 5.0 - 9.9
- 10.0 - 14.9
- 15 Years or more

SEE FULL REPORT FOR RESULT DETAILS

IV. Total Compensation Practices Data Reported

This section summarizes compensation practices data reported by the survey respondents. Table 6 contains detailed results of common practices in salary management, pensionable earnings limits, retirement and savings plans, medical benefits, paid time off, variable pay, and board of director compensation practices.

A. Salary Range and Pay Practices

- Approximately 64% of the survey respondents reported using salary ranges.
- Of the respondents utilizing salary ranges, most use traditional ranges and review them once a year.

Because of the recent economic downturn, this year's survey analyzes salary range and salary increase percentage figures reported by the survey respondents based on two distinct scenarios – including zero values, and excluding zero values. Specifically, the reported “zero values” reflect the degree to which survey respondents are freezing their salary range and/or salary increase budgets due to financial considerations. The most recent and projected percentage increases excluding zero values are summarized in Section A of Table 6. A summary of the most recent and projected salary range/salary increase practices when the reported zero values are included is provided in the table shown below.

Survey Question	Orgs. Reporting Zero Values		SUMMARY STATISTICS: Zero Values Included			
	# of Orgs.	% of Survey	25th %ile	Mean	Median	75th %ile
Most recent salary range adjustment	113	51%	0.0%	1.4%	0.1%	2.8%
Next planned salary range adjustment	101	46%	0.0%	1.5%	0.5%	3.0%
Most recent salary increase:						
• Top Executive	117	53%	0.0%	1.6%	0.2%	3.0%
• Management	101	46%	0.0%	1.6%	0.4%	3.0%
• Other Exempt	94	43%	0.0%	1.6%	2.0%	3.0%
• Nonexempt	99	45%	0.0%	1.5%	1.0%	3.0%

IV. Total Compensation Practices Data Reported

Survey Question	Orgs. Reporting Zero Values		SUMMARY STATISTICS: Zero Values Included			
	# of Orgs.	% of Survey	25th %ile	Mean	Median	75th %ile
Next planned salary increase						
• Top Executive	84	38%	0.0%	2.1%	2.5%	3.0%
• Management	71	32%	0.0%	2.1%	2.5%	3.0%
• Other Exempt	70	32%	0.0%	2.0%	2.5%	3.0%
• Nonexempt	73	33%	0.0%	2.0%	2.5%	3.0%

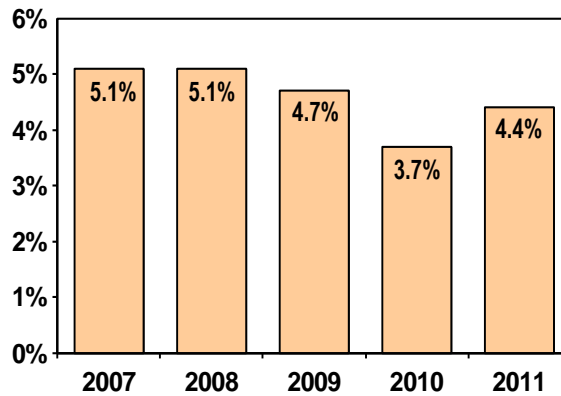
- About half of all survey respondents indicate they either did not adjust, or do not plan to adjust their salary ranges during the most recently completed/upcoming fiscal year.
- More than half of all survey respondents reported salaries increases were frozen during the most recent fiscal year for the Top Executive, while over 40% of them reported salary freezes for other staff positions.
- While, 38% of them anticipate freezing Top Staff Executive salaries, and approximately one-third of survey respondents are planning for a salary freeze for other staff positions during the upcoming fiscal year.
- Overall, the most recent actual and anticipated average salary range adjustments are about 1% lower when zero values are included.
- The most recent and anticipated average salary increase adjustments for the top executive officer are 2.8% and 1.0% lower, respectively, when zero values are included.
- For all other staff levels combined, the most recent average salary increases are approximately 1.3% lower when zero values are included, while the anticipated salary increases are approximately 0.8% lower, on average, including zero values.

IV. Total Compensation Practices Data Reported

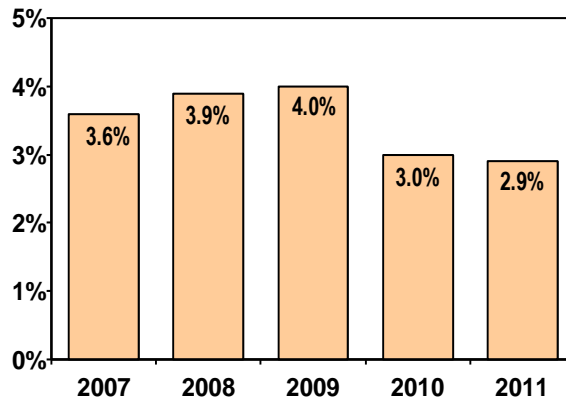
Five-Year Salary Increase Trends

The following graphs display five-year trends for top executive salary increases, salary increases for other employees, and salary range adjustments. The figures represent average percentages reported for this year and in previous survey reports in each respective year. Salary increase adjustments for other employees represent the combined averages for management, other exempt and nonexempt staff levels combined. (Note: All figures exclude zero values.)

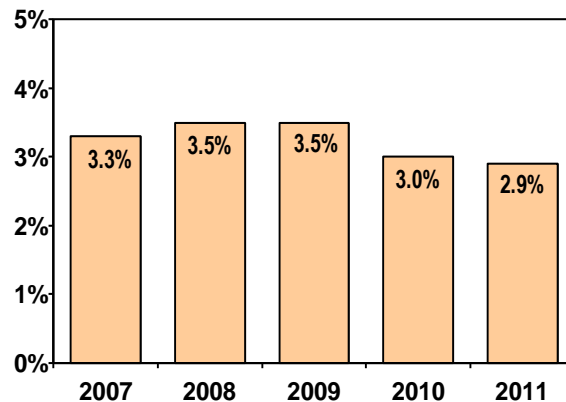
*Average
Top Executive
Salary Increases*



*Average
Salary Increase
Adjustments – All
Other Employees*



*Average
Salary Range
Adjustments*



IV. Total Compensation Practices Data Reported

B. Pensionable Earnings Limit Practices

Survey respondents were asked how they are changing their retirement practices in order to meet executives' needs as a result of the legislation enacted under the Omnibus Budget Reconciliation Act (OBRA). OBRA reduces the cap on annual pay that can be counted in making contributions and paying benefits under qualified plans to \$245,000 for the current calendar year. Therefore, in order to maintain the same level of retirement benefits, executives earning more than \$245,000 annually must make up these lost benefits through other means.

- Approximately 12% of all respondents reported they have either approved or are still considering changes to restore lost retirement benefits for their affected executives.
- About 7% of survey respondents indicated they have decided not to restore lost benefits.
- The most common supplemental retirement vehicle is a 457(b) plan, but the plan typically does not provide a tax gross-up on the benefits.

C. Retirement and Savings Plan Practices

- About half of all survey respondents offer more than one type of retirement or savings plan.
 - A 401(k) plan is the most common retirement plan vehicle and is typically utilized as the primary plan, reported by 90% of all respondents.
 - Only 16% of all survey respondents reported they maintain a defined benefit (DB) plan.
- The typical provisions for defined contribution plan retirement benefits are as follows:
 - There is a five-year cliff vesting schedule for employer contributions;

IV. Total Compensation Practices Data Reported

- The plan(s) include both employer matching and unmatched employee contributions;
- The average employer contribution is 7.2% of base salary and there is a 100% match.
- Finally, organizations reporting a supplemental executive retirement plan (SERP) typically indicate benefits are based on a 457(b) arrangement that serves as a restoration plan for executives who are impacted by IRS earnings limits.

D. Medical Benefits Practices

- Preferred provider organization (PPO) plans are the most commonly provided option, reported by 68% of all respondents.
- Health maintenance organization (HMO) plans are the second most commonly provided option, reported by 39% of all respondents.
- Approximately 39% of survey respondents reported they have taken steps to control medical costs during the past year, with most indicating they are adopting new coverage options and/or requiring increased employee contributions.
- However, most organizations report that employees contribute less than 30% of the premium cost for individual and family coverage.
- Most survey respondents (70%) report they have a flexible spending account plan which pays for certain employee and/or dependent care expenses on a pre-tax basis.
 - Typically, the plan also pays for eligible dependent care expenses on a pre-tax basis.

IV. Total Compensation Practices Data Reported

- Most of the plans do not allow employees to choose their benefit levels, “cash out”, or use “benefit credits” to customize their coverage under the plan.

E. Dental Benefits Practices

- A dental PPO plan is the most common arrangement for providing dental benefits to employees, reported by 56% of all respondents.
- Employees typically contribute less than 30% of the premium cost for individual and family coverage.
- The average annual deductible is \$49 and \$126 for individuals and families, respectively, and annual benefits are capped at \$1,605 per covered individual.
- Orthodontia coverage, if provided, has an average maximum lifetime benefit of \$1,465.
- The plan typically pays for most of the cost of basic services but slightly less than half of the cost for major and restorative services.

F. Paid Time Off Practices

- Overall, survey respondents typically provide 10 paid holidays and two floating holidays per year, and the maximum annual carryover averages 24 days.
- Paid time off is most commonly allocated to employees based solely upon length of service, but almost as many organizations consider both service and position level.
- Median annual vacation accruals vary based on position level and range from 14 to 15 days for the Top Executive Officer and management employees, to 10-11 days for other exempt and nonexempt employees.

IV. Total Compensation Practices Data Reported

G. Variable Compensation Practices

- More than half of all survey respondents (58%) reported they provide variable cash compensation opportunities to their employees.
- Most survey respondents with variable pay plans reported they utilize a formal plan to determine awards, and typically most (if not all) employees are eligible to participate at some level.
- Discretionary bonuses are the most commonly reported type of variable pay opportunity provided overall.
- The average percent of payroll reserved for variable compensation plans is 4.0% for all respondents.
- Trade and professional associations are more likely to have some form of a variable pay plan in place, than other types of not-for-profits, but trade associations typically provide higher award opportunities as a percent of base salary.

H. Board of Directors Practices

- Survey respondents typically reimburse their Board members for meeting expenses, and there is typically no cap on reasonable expenses associated with attending Board meetings.
- However, there is usually no reimbursement provided for office, secretarial, or spouse travel expenses.
- The average Board term is two years, and Board members typically attend four meetings per year.

Summary of Compensation Practices

All Survey Partici- pants	TYPE OF ORGANIZATION				
	Trade	Profes- sional	Educa- tional	Health Social Welfare	Other

A. Salary Range and Pay Practices

o Salary Ranges Used

-- Traditional	177	19	75	21	46	16
-- Broadband	28	5	6	6	8	3
-- None	59	6	27	8	15	3

o Number of Respondents Reviewing Salary Ranges

-- Annually	177	22	74	24	44	13
-- Other	32	1	9	4	11	7

o Most Recent Salary Range Adjustment

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	1.5%	2.0%	2.0%	2.0%	1.5%	1.9%
-- Mean	2.3%	2.5%	2.3%	2.8%	2.1%	2.1%
-- Median	2.9%	3.0%	3.0%	3.0%	2.5%	2.0%
-- 75th Percentile	3.0%	3.0%	3.0%	4.0%	3.0%	2.8%

o Next Planned Salary Range Adjustment

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	0.4%	2.0%	1.5%	0.8%	0.4%	2.0%
-- Mean	2.3%	2.7%	2.4%	2.4%	2.3%	2.3%
-- Median	2.6%	3.0%	3.0%	2.8%	2.0%	1.8%
-- 75th Percentile	3.0%	3.0%	3.0%	3.1%	3.0%	2.8%

o Most Recent Salary Increase

<u>Top Executive</u>	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	3.0%	2.8%	3.0%	2.8%	2.9%	2.0%
-- Mean	4.4%	3.4%	4.9%	4.4%	4.1%	4.1%
-- Median	3.0%	3.0%	3.5%	3.0%	3.0%	3.0%
-- 75th Percentile	5.0%	5.0%	5.0%	4.0%	5.0%	4.0%

<u>Management</u>	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.7%	3.0%	3.0%	2.5%	2.5%	2.0%
-- Mean	3.1%	2.9%	3.3%	3.0%	3.0%	3.0%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	4.0%	3.5%	3.7%	4.0%	4.0%	4.0%

<u>Other Exempt</u>	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.5%	2.8%	3.0%	2.5%	2.5%	2.0%
-- Mean	2.9%	2.9%	3.0%	2.9%	2.9%	2.9%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	3.5%	3.7%	3.5%	4.0%	3.5%	4.0%

Summary of Compensation Practices

All Survey Partici- pants	TYPE OF ORGANIZATION				
	Trade	Profes- sional	Educa- tional	Health Social Welfare	Other

Nonexempt

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.5%	2.5%	2.7%	2.4%	2.5%	2.0%
-- Mean	2.8%	2.7%	2.8%	2.8%	2.9%	2.9%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	3.5%	3.2%	3.5%	4.0%	3.5%	3.6%

o Next Planned Salary Increase

Top Executive

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.8%	2.9%	3.0%	2.0%	2.0%	2.5%
-- Mean	3.3%	3.1%	3.7%	2.7%	3.0%	3.0%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	4.0%	4.0%	4.0%	4.0%	3.0%	4.0%

Management

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.5%	3.0%	3.0%	2.0%	2.0%	2.0%
-- Mean	2.9%	3.1%	3.2%	2.4%	2.6%	2.6%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	3.5%	3.5%	3.5%	3.0%	3.0%	4.0%

Other Exempt

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.6%	3.0%	3.0%	2.0%	2.0%	2.0%
-- Mean	2.9%	3.1%	3.1%	2.4%	2.6%	2.6%
-- Median	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%
-- 75th Percentile	3.5%	3.6%	3.5%	3.0%	3.0%	4.0%

Nonexempt

	----- ZERO VALUES NOT INCLUDED -----					
-- 25th Percentile	2.5%	2.5%	3.0%	1.5%	2.0%	2.0%
-- Mean	2.8%	3.0%	3.0%	2.3%	2.6%	2.6%
-- Median	3.0%	3.0%	3.0%	2.7%	3.0%	3.0%
-- 75th Percentile	3.5%	4.0%	3.5%	3.0%	3.0%	4.0%

o Formal Job Evaluation Plan

-- Yes	133	14	59	18	34	8
-- No	137	17	51	17	35	17

B. Pensionable Earnings Limit Practices

o Restoration of Benefits

-- Approved	28	4	10	5	8	1
-- Disapproved	21	1	9	2	7	2
-- Still Considering	10	3	5	--	1	1

V. Benefits and Perquisites Data Reported

Table 7 contains a detailed analysis of benefits and perquisites provided by all respondents as well as by organization type.

Most survey respondents (86%) reported additional benefits and perquisites for their **Top Executive Officer**. The most prevalent types provided are professional association memberships, supplemental life insurance, an employment contract and supplemental retirement, reported by 47% or more of the survey respondents.

Among the participants who reported pay data for the **Deputy Executive Officer**, 80% also reported additional benefits and perquisites for the position. The Deputy Executive Officer is most commonly provided professional club/association memberships, supplemental life insurance, and supplemental disability, reported by 30% or more of the survey respondents.

Approximately 60% of survey respondents reported additional benefits and perquisites for their **Top Staff** positions. Among these organizations, 67% provide professional club/association memberships.

Although less common for **Department Staff Positions**, approximately 53% of all respondents reported providing some form of supplemental benefits/perquisites for positions at this level. The most common supplemental benefits are professional club/association memberships and parking, reported by 41% and 36% of respondents.

VI. About PRM Consulting Group

PRM Consulting Group, Inc. (PRM) provides a fully integrated complement of consulting services tailored to meet our clients' human resource management needs. We focus on each client and work collaboratively with them to maximize employee performance and improve organizational efficiency. We create the strategies and solutions to assist clients in attracting, retaining and engaging the caliber of employee talent necessary to achieve their mission and objectives.

Our philosophy is to provide advice and counsel which places the client's interests first. PRM accepts only those assignments that we are fully qualified to perform. We seek to deliver the highest possible quality services in helping clients maximize their people resources.

PRM was formed in 1999 by experts from some of the world's top consulting and corporate firms. As a result, our consulting resources include seasoned professionals with a demonstrated track record of developing effective client solutions. With roots in rewards and performance consulting, PRM has grown into a broad-based organization and human resources consultancy with over 100 years of combined consulting experience.

We blend our practice area expertise with our industry knowledge to help clients develop the right solutions for their unique challenges. We are intimately familiar with a variety of industry market sectors, including general industry, technology, not-for-profit, health care, higher education, governmental and quasi-governmental.

Each client's needs differ. Staff levels, competency, conflicting priorities and limited resources all affect how our clients use our services. To PRM consultants, collaboration means fully understanding what our clients need and marrying our services to ensure value-added success. We regularly work with clients on several levels:

- Benchmarking and best-practices analysis
- Expert advice
- Implementation and communication
- Outsourcing
- Program design

VI. About PRM Consulting Group

- Strategy definition
- Survey design and administration.

We integrate our consulting services across all functional areas within human resources so that programs and policies fit together. The specific human resource areas in which we maintain particular expertise include:

- Employee benefits and perquisites
- Employment and recruitment
- Organizational development and communication
- Retirement and capital accumulation
- Rewards and recognition
- Performance management
- Training and development.

PRM is dedicated to helping not-for-profit organizations maximize and enhance their people resource capabilities.

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