

NEW PROFIT 2021

Compensation Data

Executive Summary

NEWPROFIT

Introduction

With portfolio organizations spread across the country, working in a variety of issue areas and at different stages of organizational maturity, New Profit collaborates with a rich pool of organizations that can learn from one another through shared data and best practices. Organizations in New Profit's portfolio are selected based on their appetite to transform inequitable systems, and their powerful strategies to deepen impact and center equity. These organizations are growing quickly, innovating often, and always pushing the envelope in their work.

In the last two years, organizations of every kind—for profit, nonprofit, big, and small—have experienced significant shifts with talent. As a part of the “great reassessment,” individuals are thinking differently about work and organizations within New Profit's own portfolio are no exception. Many organizations are thinking differently about their senior team structures—who do they need and in what roles? They are asking questions about the role of compensation and compensation philosophy in building the teams they need to achieve their desired growth and impact.

We at New Profit have heard questions that range from the relatively straightforward (“We are recruiting for a Chief Development Officer, what would be a competitive salary?”) to the complex (“We want to operationalize equity in our compensation philosophy, how should we measure pay equity?” or “what are promising practices in compensation equity?”).

In fall of 2021, New Profit sought to answer some of these questions in order to provide insights to members of our community around compensation. We reached out to our portfolio organization across both our Build (mid-stage) and Catalyze (early-stage) investment portfolios to engage both current and alumni organizations in a compensation study. Approximately 150 organizations were invited to participate and New Profit received completed surveys from 43 organizations representing leading organizations in education, workforce development, democracy, and more.

We are excited to share the findings of our Compensation Audit of New Profit's portfolio in the following report.

Executive Summary – Senior Management Compensation

Compensation Summary Data* - All Organizations	1st Quartile	2nd Quartile	3rd Quartile	Average
CEO	\$157,500	\$214,000	\$257,550	\$208,978
COO	\$138,475	\$159,675	\$203,106	\$172,329
CFO	\$112,000	\$150,000	\$185,000	\$145,996
Chief of Staff	\$113,000	\$135,000	\$177,568	\$142,273
VP/Chief Development Officer	\$112,500	\$144,525	\$172,500	\$144,983
Chief Program Officer/VP/Director of Programming	\$140,000	\$155,400	\$183,250	\$162,061
Chief/VP/Director of Communications	\$92,500	\$118,000	\$159,000	\$124,168
Chief Talent Officer/VP/Director of Talent	\$126,250	\$162,500	\$185,000	\$155,704
Regional ED	\$127,500	\$157,500	\$167,750	\$149,709

Group Snapshot

Total organizations: 43 | Average age of organizations: 14 years
Organizations with <10 FTEs: 8 (19%) | Organizations with 10-50 FTEs: 18 (42%) | Organizations with 50+ FTEs: 17 (40%)

Compensation Summary Data* - Large Budget Organizations	1st Quartile	2nd Quartile	3rd Quartile	Average
CEO	\$242,000	\$255,000	\$334,070	\$286,526
COO	\$199,927	\$215,000	\$259,535	\$244,462
CFO	\$150,000	\$181,770	\$200,272	\$174,898
Chief of Staff	n/a			\$243,360
VP/Chief Development Officer	\$162,500	\$180,000	\$203,750	\$186,250
Chief Program Officer/VP/Director of Programming	\$165,000	\$185,000	\$199,707	\$198,191
Chief/VP/Director of Communications	\$108,725	\$155,650	\$129,750	\$122,825
Chief Talent Officer/VP/Director of Talent	\$165,000	\$169,950	\$185,000	\$170,941
Regional ED	\$150,000	\$170,000	\$173,040	\$163,608

Group Snapshot

Total organizations: 7 | Average age of organizations: 21 years
Organizations with <10 FTEs: 0 (0%) | Organizations with 10-50 FTEs: 1 (14%) | Organizations with 50+ FTEs: 6 (86%)

*Represents base salaries only; bonus and benefits excluded from calculation
(a) Large organizations are defined as those with annual budgets greater than \$20 million
(b) Medium organizations are those with budgets from \$5 million to \$20 million
(c) Small organizations are those with budgets under \$5 million

Executive Summary – Senior Management Compensation

Compensation Summary Data* - Medium Organizations	1st Quartile	2nd Quartile	3rd Quartile	Average
CEO	\$192,500	\$229,028	\$258,825	\$225,058
COO	\$140,000	\$159,350	\$202,475	\$169,747
CFO	\$112,100	\$150,000	\$177,500	\$147,367
Chief of Staff	\$126,500	\$141,650	\$154,400	\$142,910
VP/Chief Development Officer	\$140,000	\$160,000	\$185,100	\$154,736
Chief Program Officer/VP/Director of Programming	\$140,000	\$157,450	\$188,638	\$163,703
Chief/VP/Director of Communications	\$133,900	\$140,000	\$185,000	\$144,211
Chief Talent Officer/VP/Director of Talent	\$128,750	\$170,000	\$196,250	\$161,798
Regional ED	\$122,917	\$133,000	\$159,320	\$139,782

Group Snapshot

Total organizations: 18 | Average age of organizations: 15 years
 Organizations with <10 FTEs: 0 (0%) | Organizations with 10-50 FTEs: 7 (39%) | Organizations with 50+ FTEs: 11 (61%)

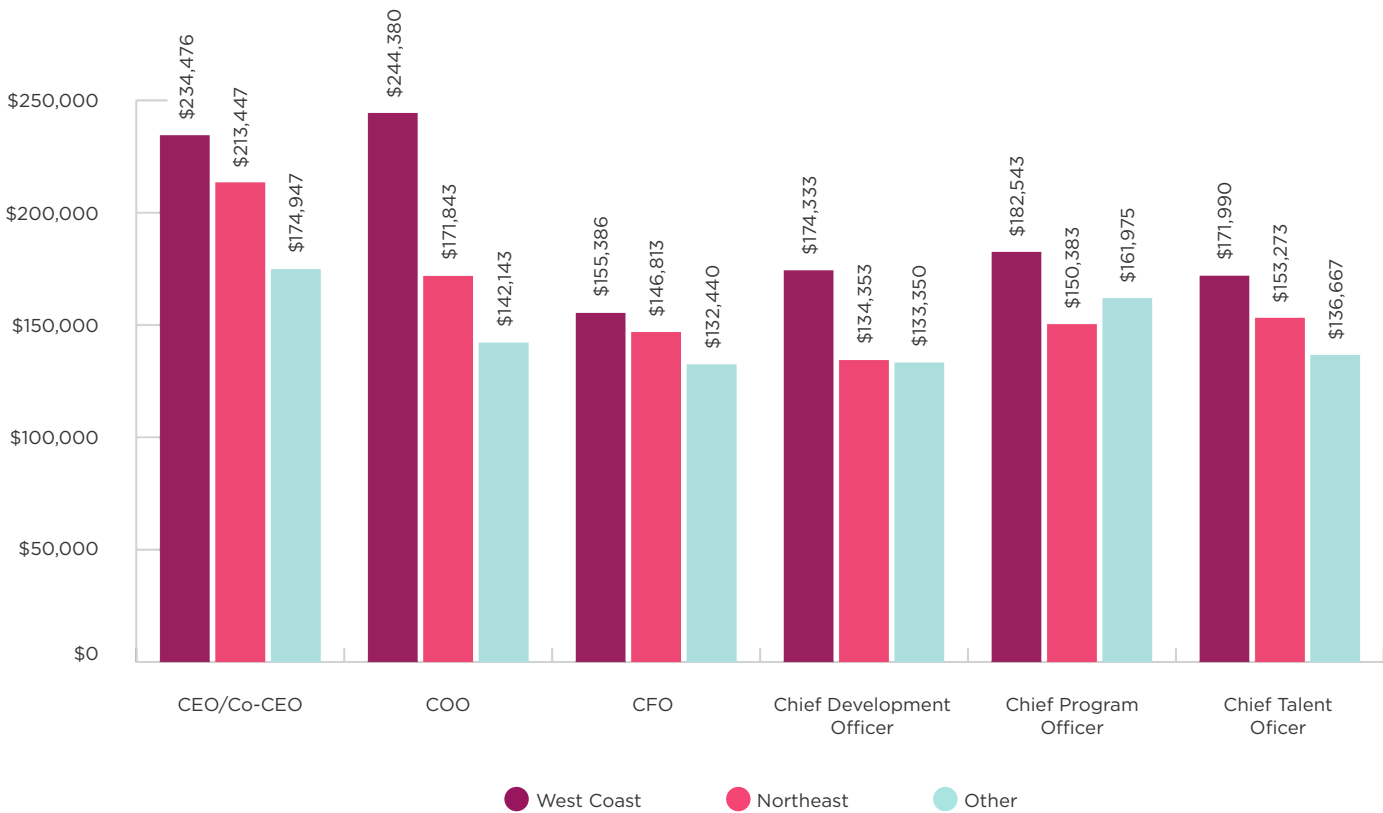
Compensation Summary Data* - Small Organizations	1st Quartile	2nd Quartile	3rd Quartile	Average
CEO	\$105,000	\$152,500	\$208,000	\$162,740
COO	\$100,000	\$140,000	\$155,000	\$135,714
CFO	\$8,000	\$95,000	\$112,500	\$97,500
Chief of Staff	\$87,000	\$130,000	\$160,000	\$127,286
VP/Chief Development Officer	\$95,000	\$120,000	\$140,000	\$116,886
Chief Program Officer/VP/Director of Programming	\$110,000	\$140,000	\$151,400	\$163,703
Chief/VP/Director of Communications	\$67,500	\$90,000	\$105,000	\$132,971
Chief Talent Officer/VP/Director of Talent	\$100,000	\$105,000	\$117,500	\$95,000
Regional ED	n/a			\$110,000

Group Snapshot

Total organizations: 18 | Average age of organizations: 10 years
 Organizations with <10 FTEs: 8 (44%) | Organizations with 10-50 FTEs: 10 (56%) | Organizations with 50+ FTEs: 0 (0%)

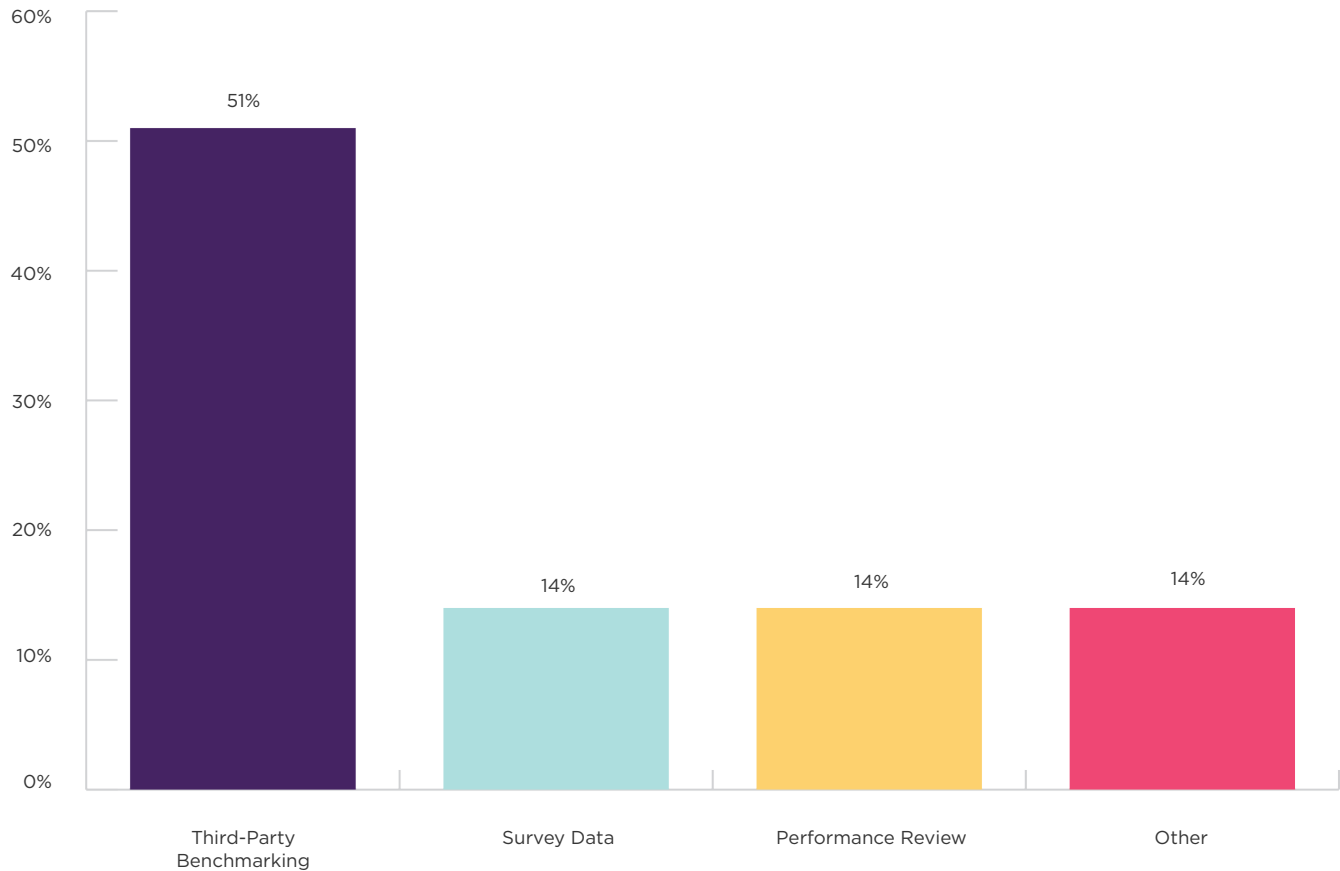
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AVERAGE LEADERSHIP BASE SALARY BY HQ REGION



N = 43; West Coast, n = 11; Northeast, n = 21; Other, n = 11

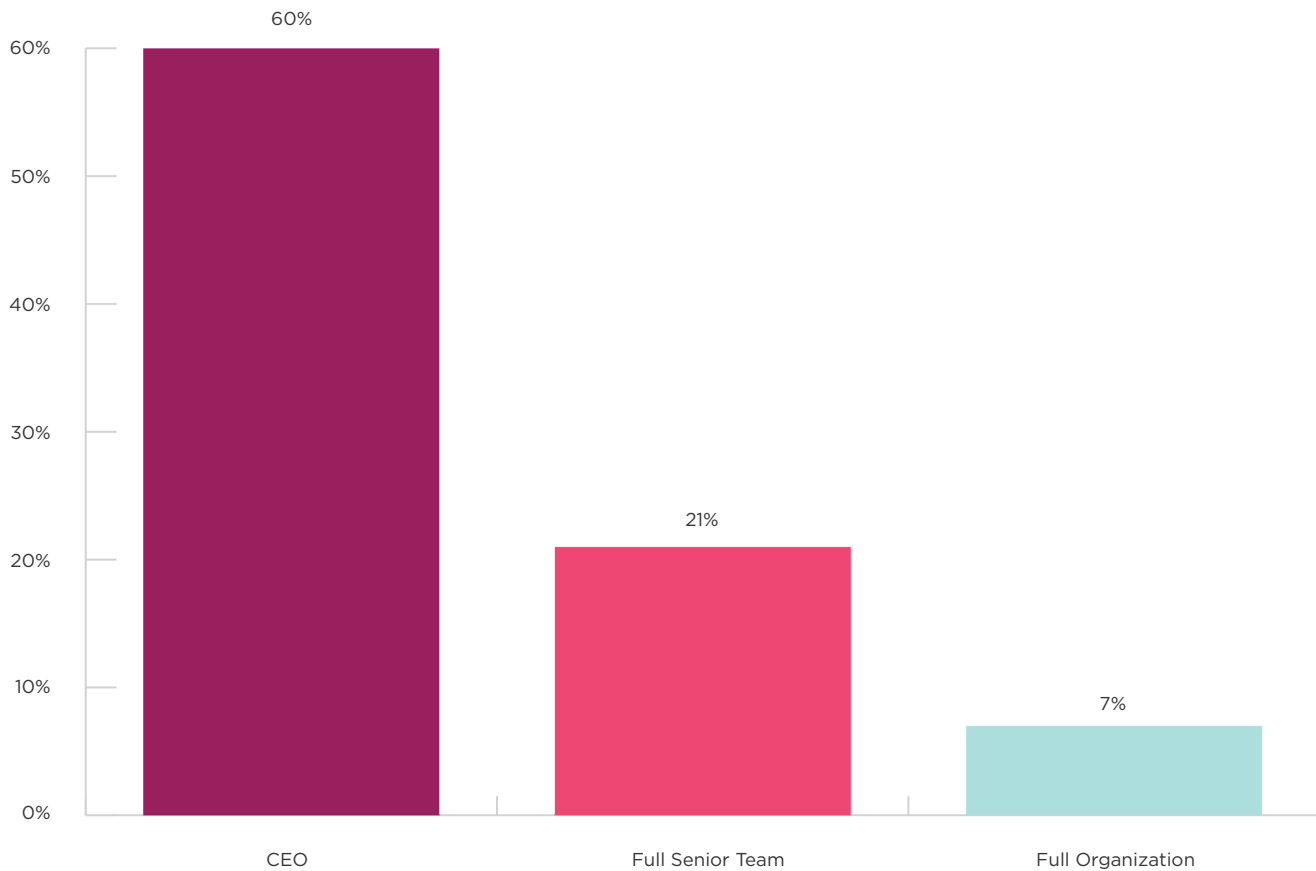
CEO COMPENSATION METHODOLOGY



Fifty-one percent (51%) of organizations surveyed use third-party benchmarking to determine CEO compensation packages, 14% use survey data, 14% use CEO performance reviews to influence compensation packaged, and 14% uses other in-house practices.

Fifty-six percent (56%) organizations mentioned that compensation for everyone on their Senior Team is determined the same way.

ORGANIZATIONS INVOLVING BOARD IN COMPENSATION DECISIONS BY ROLE/GROUP

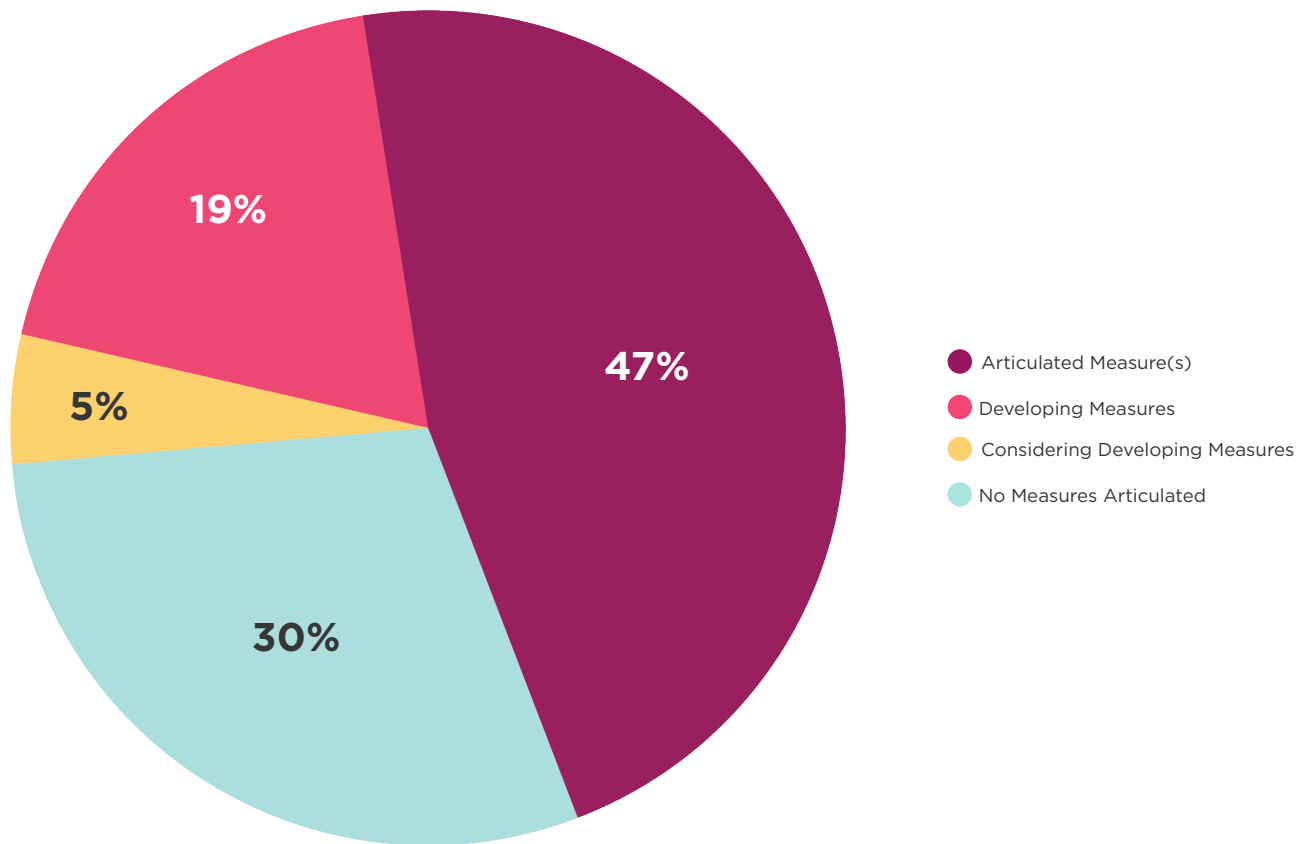


One hundred percent (100%) of organizations surveyed reported that their organizational Boards help decide compensation for the CEO, Senior Team, or both.

Sixty percent (60%) of organizations reported that their Board sets some combination of salary and bonus for the CEO only, 21% reported the Board as having a role in both CEO and Senior Team salaries, and 7% reported the Board as being involved in setting salaries for the whole organization.

Executive Summary – Equity Practices

DO YOU MEASURE PAY EQUITY?



Almost all organizations surveyed (95%) indicated a desire to consider equity in compensation.

30% of those organizations (n = 10) noted that one of the biggest challenges around equitably compensation was defining pay equity.

Other Highlights

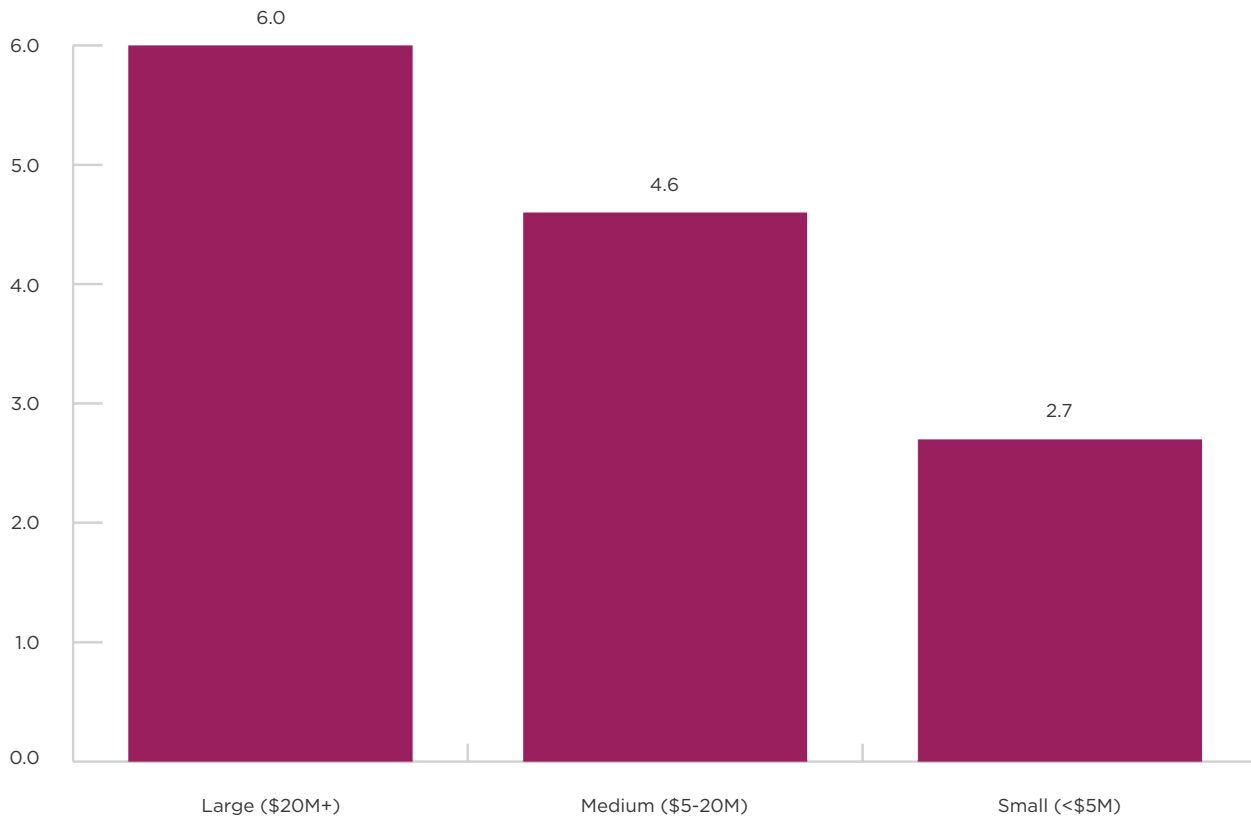
Practices and Policies: Organizations provided some of the practices and policies they have in place around compensation equity including:

- Regular review of compensation
- Sharing salary bands with employees
- Eliminating negotiation practices
- Having clear and equitable salary adjustment practices
- External consultants for equity audits

Challenges: Organizations provided some of the challenges they have when trying to implement equitable compensation practices, including:

- Defining pay equity
- Competition for specialized talent
- Budget and sustainability
- Disparities between junior and senior talent
- Collective employee buy-in
- Organizational growth

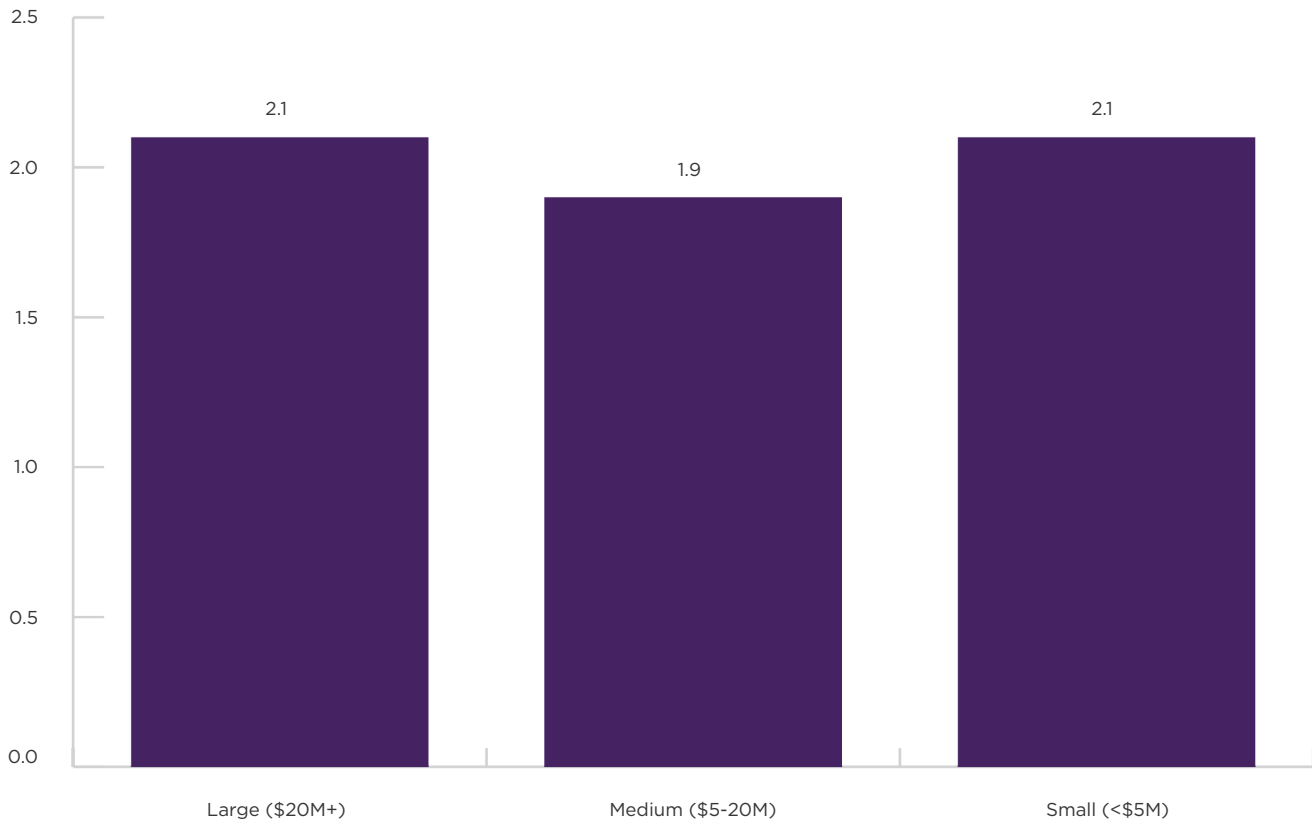
AVERAGE PAY RATIO FOR FULL ORG BY BUDGET SIZE



Pay ratios at the full organization level were reported directly from the organization. Large organizations (n = 7) have an average pay ratio of 6, meaning that the highest paid employee makes about 6 times the lowest paid employee. Medium organizations (n = 17) have an average pay ratio of 4.6 and small organizations (n = 17) have an average pay ratio of 2.7.

N value discrepancies between the full org and senior team analyses are contributed to missing data. Organizations that did not provide pay ratio data are excluded from the full organization analysis. Organizations that only provided one position compensation were excluded from the senior team pay ratio analysis.

AVERAGE SENIOR TEAM PAY RATIO BY BUDGET SIZE



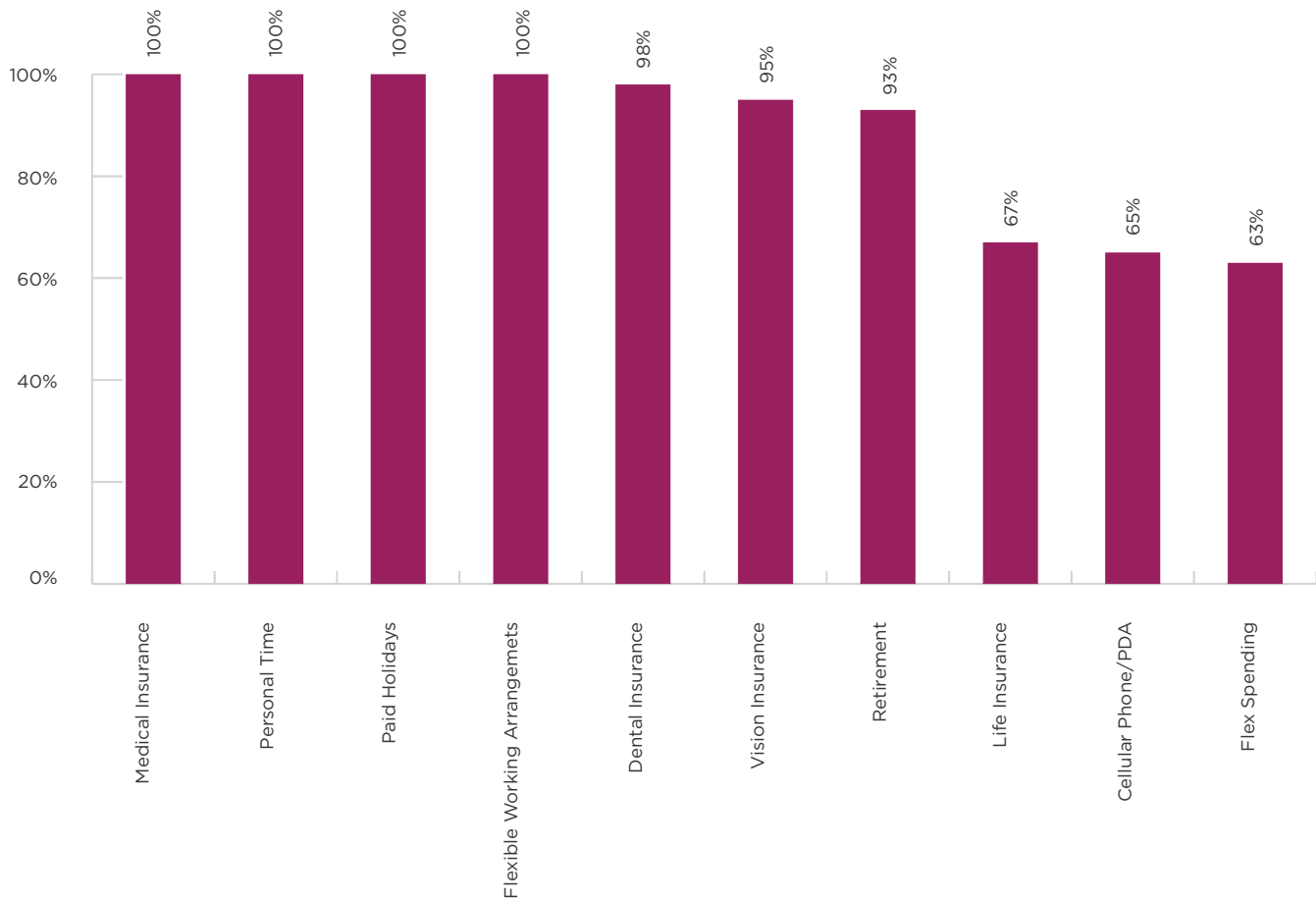
Pay ratios at the senior team level were calculated based on provided senior team compensation data. Large organizations (n = 6) have an average pay ratio of 2.3, medium organizations (n = 18) have an average pay ratio of 1.9 and small organizations (n = 15) have an average pay ratio of 2.0.

N value discrepancies between the full org and senior team analyses are contributed to missing data. Organizations that did not provide pay ratio data are excluded from the full organization analysis. Organizations that only provided one position compensation were excluded from the senior team pay ratio analysis.

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Executive Summary – Benefits

TOP 10 BENEFITS OFFERED



All organizations (n=43) offer **medical insurance, personal time off, paid holiday, and flexible work arrangements.**

Most organizations also offer dental insurance, vision insurance, and retirement.

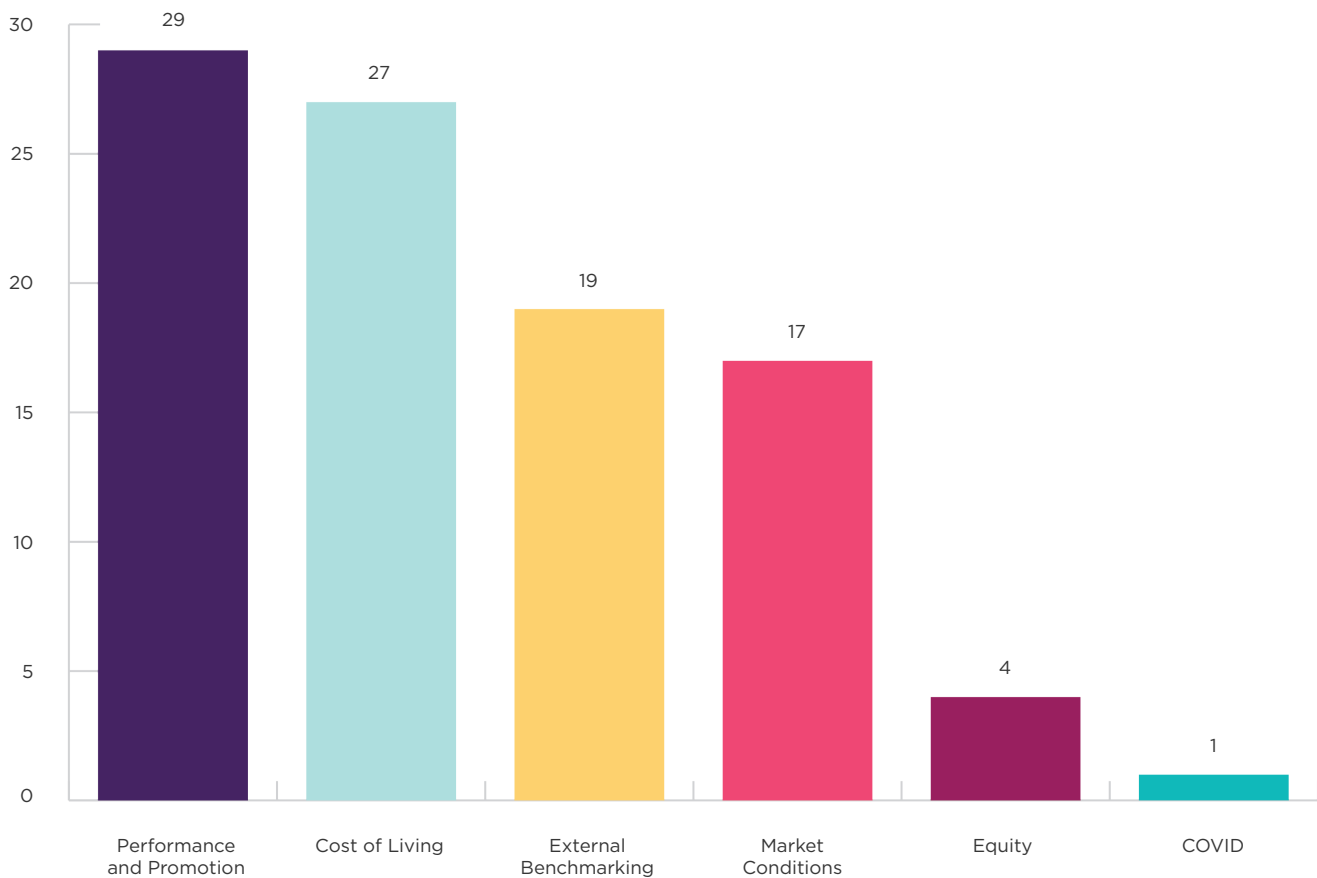
Ninety-three percent (93%) of organizations (n=40) offer retirement packages as a benefit, most commonly through 401k or 403b. **Sixty percent (60%)** of organizations that offer retirement as a benefit (n=24) offer matching. The average matching amount is **4%**.

Executive Summary – General Compensation Practices

Geography affects how **53%** of respondents determine compensation, with organizations adjusting for locations with higher average incomes.

Although **79%** of organizations (n=34) typically increase compensation on an annual basis, less than half (**49%**) increased salary for all employees last year (2020) with many citing economic adjustments due to COVID-19, performance, and limited funds as contributing factors. Of the organizations that did increase compensation last year, the median increase was 5%.

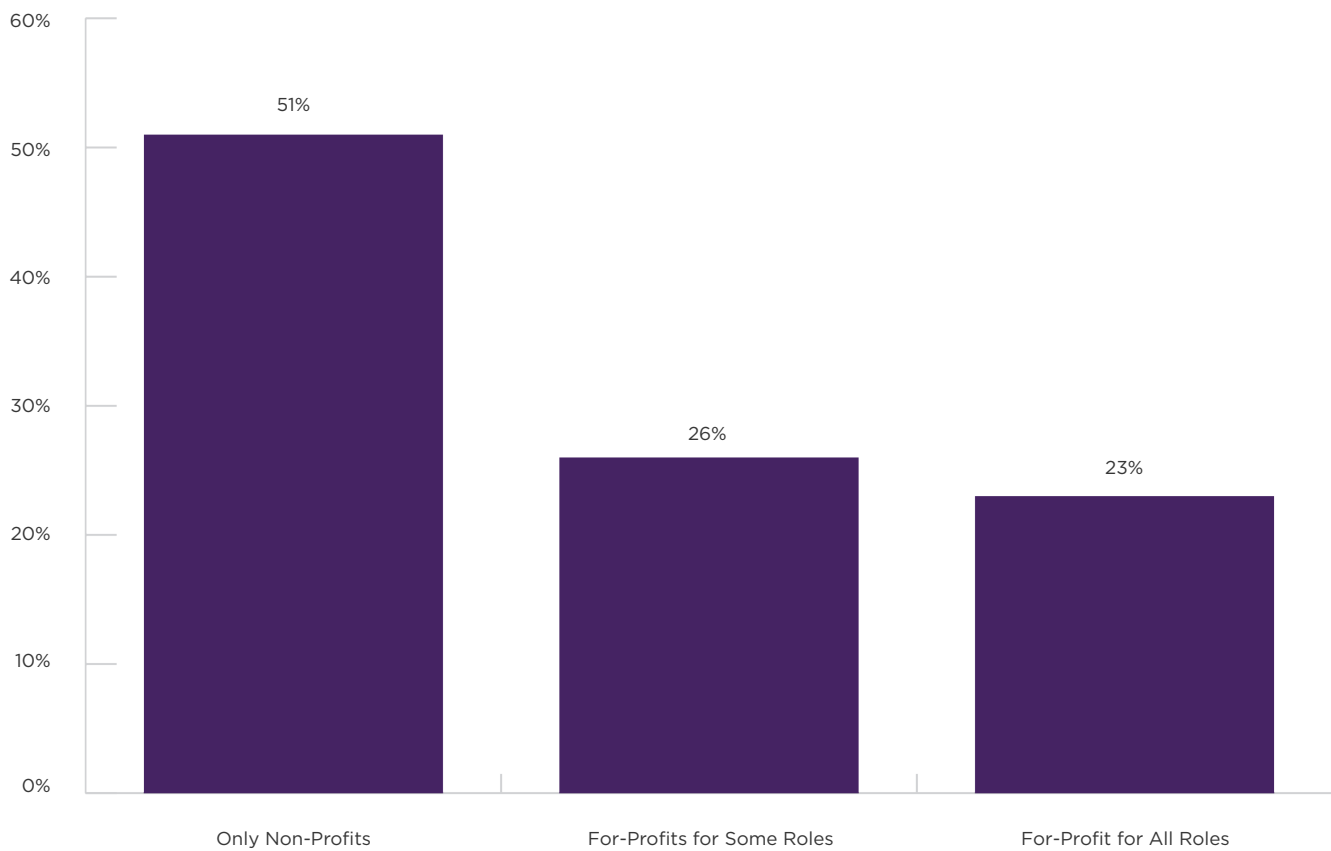
FACTORS THAT INFLUENCE COMPENSATION INCREASES



About half of respondents (49%) benchmark salaries for some or all roles with for-profit organizations. For-profit benchmarked roles include sales, operations, marketing, specialized roles in technology and product, communications, and graphic design. The most common reason for benchmarking with for-profit organizations was to find talent for roles that don't typically exist in the non-profit space.

Forty-nine percent of organizations (n = 21) surveyed have performed a compensation audit, with most being satisfied with the results. Recommended external partners include: triNet, Edgility Consulting, Tipping Point, HR Collaborative, Quatt Associates and Compensation Works, Deloitte, and Jones & Associates PLLC.

ORGANIZATIONAL BENCHMARKING SOURCES



Other Challenges and Questions

COMMON QUESTIONS AND CHALLENGES RAISED RELATED TO COMPENSATION PRACTICES

Compensation and Performance Metrics – what is a fair and equitable way to connect performance metrics to compensation?

For-profit Trained Employees – what are best practices for retention of talent, particularly in the tech and product development spaces, when they have expectations consistent with their previous for-profit jobs?

Fundraising and Finances – how can we engage funders to provide capital that can be used to increase compensation and benefits?

Quality and Relevant Data – what are ways to get quality and timely market data for benchmarking and compensation practices? Are there best practices for equitable compensation strategies?

Growing Sustainably – how can we balance compensating our current employees well with the need to hire for new employees that are needed to grow and advance our organization?

Attracting Talent in High-cost Regions – how can we attract and retain talent when our organization is headquartered in high-cost areas (e.g., the Bay Area, New York City)?

Bonuses – how do we determine an appropriate bonus structure, particularly between good years and challenging years?

Figure A – Organizations with less than \$5M in budget

Compensation Summary Data* - Small Organizations	Average Base Salary	Average Bonus
CEO	\$162,740	\$4,951
COO	\$135,714	\$3,330
CFO	\$97,500	\$600
Chief of Staff	\$127,286	\$3,533
VP/Chief Development Officer	\$116,889	n/a
Chief Program Officer/VP/Director of Programming	\$132,971	\$5,000
Chief/VP/Director of Communications	\$95,000	\$5,000
Chief Talent Officer/VP/Director of Talent	\$110,000	\$4,006
Regional ED	n/a	n/a

Equity Practices

Forty-four percent (44%) of organizations articulated measures of pay equity. Twenty-three percent (23%) are actively developing or planning to develop measures soon.

Organizations in this group are more likely to have small staff sizes. Organizations note that with a small number of FTEs, it feels easier to catch and note any compensation discrepancies that arise.

The most common pay equity strategies in this group are:

- Pay ratios (of 2:1) across the organization
- Keeping an eye on salary discrepancies as the organization grows
- Undergoing an equity audit for compensation

General Compensation Practices

- Fifty percent (50%) of organizations have completed a compensation audit.
- Fifty-six percent (56%) of organizations consider geography in their compensation packages.
- Seventy-two percent (72%) of organizations typically increase compensation annually. The average compensation adjustment for the last two years was 5.2%.
- Sixty-one percent (61%) of organizations only benchmark against non-profit organizations. Thirty-nine percent (39%) benchmark against for-profit organizations for some or all positions.
- Seventeen percent (17%) of organizations indicate that the board helps to set the salary for the full organization.

Benefits Summary

One-hundred percent (100%) of organizations provide medical insurance, PTO, Paid Holiday, and Flexible Working Arrangements

Dental - 94% provide dental insurance

Vision - 89% provide vision insurance

Life Insurance - 56% provide life insurance

Retirement - 89% provide retirement. 56% of organizations offer matching. The average match amount is 4%

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Figure B – Organizations with \$5-20M in budget

Compensation Summary Data* - Medium Organizations	Average Base Salary	Average Bonus
CEO	\$225,058	\$15,047
COO	\$169,747	\$5,750
CFO	\$147,367	\$4,776
Chief of Staff	\$142,910	\$10,775
VP/Chief Development Officer	\$154,736	n/a
Chief Program Officer/VP/Director of Programming	\$163,703	\$7,333
Chief/VP/Director of Communications	\$144,211	\$5,000
Chief Talent Officer/VP/Director of Talent	\$161,798	\$3,000
Regional ED	\$139,782	\$10,000

Equity Practices

Forty-four percent (44%) of organizations articulated measures of pay equity. 17% are actively developing or planning to develop measures soon.

The most common pay equity strategies in this group are:

- Undergoing a compensation analysis internally or from an outside consultant
- Sharing salary bands transparently across the organization
- Reviewing salary with an eye towards discrepancies by identity

General Compensation Practices

- Forty-four percent (44%) of organizations have completed a compensation audit.
- Fifty-one percent (51%) of organizations consider geography in their compensation packages.
- Eighty-nine percent (89%) of organizations typically increase compensation annually. The average compensation adjustment for the last two years was 5.1%.
- Forty-four percent (44%) of organizations only benchmark against non-profit organizations. Thirty-nine percent (39%) benchmark against for-profit organizations for some or all positions.

Benefits Summary

One-hundred percent (100%) of organizations provide Medical Insurance, PTO, Paid Holiday, and Flexible Working Arrangements, Dental Insurance, and Vision Insurance.

Life Insurance - 78% provide life insurance

Retirement - 94% provide retirement. 56% of organizations offer matching. The average match amount is 4%

Figure C – Organizations with over \$20M in budget

Compensation Summary Data* - Large Organizations	Average Base Salary	Average Bonus
CEO	\$286,526	\$14,563
COO	\$244,462	\$1,250
CFO	\$174,898	\$8,150
Chief of Staff	\$243,360	\$15,000
VP/Chief Development Officer	\$186,250	n/a
Chief Program Officer/VP/Director of Programming	\$198,191	\$5,583
Chief/VP/Director of Communications	\$122,825	\$10,800
Chief Talent Officer/VP/Director of Talent	\$170,941	\$6,917
Regional ED	\$163,608	\$6,950

Equity Practices

Fifty-seven percent (57%) of organizations articulated measures of pay equity. 43% are actively developing or planning to develop measures soon.

The most common pay equity strategies in this group are:

- Equity audit completed by an external consultant
- Reviewing salary with an eye towards discrepancies by identity.

General Compensation Practices

- Fifty-seven percent (57%) of organizations have completed a compensation audit.
- Twenty-nine percent (29%) of organizations consider geography in their compensation packages.
- Seventy-one percent (71%) of organizations typically increase compensation annually. The average compensation adjustment for the last two years was 6%.
- Forty-three percent (43%) of organizations only benchmark against non-profit organizations. Fifty-seven percent (57%) benchmark against for-profit organizations for some or all positions.

Benefits Summary

One-hundred percent (100%) of organizations provide Medical Insurance, PTO, Paid Holiday, and Flexible Working Arrangements, Dental Insurance, and Vision Insurance.

Life Insurance - 71% provide life insurance

Retirement - 100% provide retirement. 57% of organizations offer matching. The average match amount is 3%

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Appendix A: Senior Management Compensation – All Organizations

Organization	Region (HQ)	Focus	Budget	CEO	COO	CFO/Director Finance	Chief Development Officer	Chief Program Officer	Chief Talent Officer
Org 1	Northeast	Civic Engagement	\$0-5M	\$85,000	-	-	\$82,000	-	-
Org 2	Northeast	Youth empowerment	\$0-5M	\$160,000	-	\$90,000	\$125,000	\$90,000	-
Org 3	Northeast	Education	\$10-20M	\$190,000	\$153,000	\$131,000	-	-	-
Org 4	Northeast	Civic Engagement	\$0-5M	\$175,000	-	-	\$95,000	\$150,000	\$105,000
Org 5	Other	Education	\$0-5M	\$268,000	\$210,000	-	-	-	-
Org 6	Other	Criminal Justice Reform	\$0-5M	\$100,000	-	-	-	-	-
Org 7	Northeast	Education	\$10-20M	\$178,500	-	\$140,000	\$140,000	\$140,000	\$140,000
Org 8	Other	Education	\$0-5M	\$150,000	\$140,000	-	\$140,000	\$120,000	\$130,000
Org 9	Northeast	Education	\$10-20M	\$267,190	\$202,475	\$190,840	\$202,475	\$192,351	\$202,475
Org 10	Northeast	Education	\$50M+	\$198,539	\$199,706	\$198,539	-	\$199,707	\$134,754
Org 11	West Coast	Education	\$0-5M	\$285,000	-	-	\$140,000	\$140,000	-
Org 12	Northeast	Economic Empowerment	\$20-50M	\$230,000	-	\$215,000	-	\$185,000	\$200,000
Org 13	Northeast	Education	\$0-5M	\$214,000	\$160,000	-	\$150,000	\$152,800	-
Org 14	Northeast	Education	\$5-10M	\$175,000	\$140,000	\$112,000	\$95,000	\$115,000	-
Org 15	West Coast	Education	\$0-5M	\$225,000	-	-	-	-	-
Org 16	Other	Postsecondary Pathways	\$0-5M	\$95,000	\$95,000	-	-	-	-
Org 17	West Coast	Criminal Justice Reform	\$0-5M	\$100,000	-	\$100,000	-	\$100,000	-
Org 18	Other	Education	\$0-5M	\$155,000	\$150,000	\$150,000	\$120,000	-	-
Org 19	West Coast	Education	\$20-50M	\$348,140	\$348,140	\$200,850	\$195,000	\$283,250	\$169,950
Org 20	Northeast	Civic Engagement	\$5-10M	\$228,055	-	-	-	-	-
Org 21	Northeast	Health	\$0-5M	\$288,705	-	-	-	-	-
Org 22	West Coast	Education	\$10-20M	\$260,100	-	\$166,464	-	\$234,090	-
Org 23	Northeast	Education	\$5-10M	\$300,000	-	\$191,000	-	\$177,500	\$204,500
Org 24	West Coast	Education	\$0-5M	\$190,000	-	-	-	\$178,000	-
Org 25	Other	Postsecondary Pathways	\$20-50M	\$320,000	-	\$165,000	\$155,000	\$158,000	-
Org 26	Northeast	Postsecondary Pathways	\$5-10M	\$325,000	\$275,000	\$240,000	-	\$150,000	\$160,000
Org 27	Other	Criminal Justice Reform	\$0-5M	\$132,613	-	-	\$110,000	-	\$95,000
Org 28	Other	Criminal Justice Reform	\$0-5M	\$150,000	\$105,000	\$50,000	\$90,000	-	-
Org 29	Other	Postsecondary Pathways	\$10-20M	\$262,800	-	\$112,200	\$185,100	\$164,900	-
Org 30	West Coast	Education	\$10-20M	\$252,000	-	-	-	-	\$200,000
Org 31	Northeast	Education	\$20-50M	\$255,000	\$230,000	\$125,000	\$230,000	\$165,000	\$165,000
Org 32	West Coast	Postsecondary Pathways	\$5-10M	\$200,000	-	\$170,000	\$160,000	\$200,000	-
Org 33	Northeast	Wellness & Restorative Justice	\$0-5M	\$120,000	-	-	-	-	-
Org 34	West Coast	Health	\$10-20M	\$230,000	-	\$150,000	\$211,000	\$150,000	\$180,000
Org 35	Northeast	Economic Empowerment	\$5-10M	\$82,000	\$65,000	\$72,000	\$75,000	-	-
Org 36	Northeast	Education	\$20-50M	\$400,000	-	-	-	-	-
Org 37	Northeast	Education	\$5-10M	\$185,400	\$133,900	\$100,000	-	\$130,000	-
Org 38	West Coast	Economic Empowerment	\$50M+	\$254,000	\$200,000	\$145,000	\$165,000	-	\$185,000
Org 39	Northeast	Postsecondary Pathways	\$10-20M	\$225,000	\$159,350	\$95,000	\$149,050	\$140,000	\$97,000
Org 40	West Coast	Postsecondary Pathways	\$10-20M	\$235,000	\$185,000	-	\$175,000	\$175,000	\$125,000
Org 41	Other	Wellness & Restorative Justice	\$0-5M	\$36,000	\$90,000	-	-	-	-
Org 42	Other	Education	\$10-20M	\$255,000	\$205,000	\$185,000	-	\$205,000	\$185,000
Org 43	Northeast	Education	\$5-10M	\$200,000	-	\$155,000	-	\$118,000	\$124,000