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THE CHRONICLE OF PHILANTHROPY

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Most Nonprofits Will Increase Salaries, Study Finds

by Jennifer C. Berkshire

March 7, 2011

Nonprofits are stepping up their hiring and increasing the pay of many employees, according to a new survey of trends in three regions of the East Coast.

The report, on a total of 1,700 nonprofits in New York, New Jersey, and Washington, found that 63 percent of charities plan to increase staff salaries this year, while one in three groups intend to hire additional employees to help carry out their missions.

That's a significant change from recent years, says Gayle Brandel, president of Professionals for Nonprofits, the staffing firm, with offices in Newark, N.J., New York, and Washington, that conducts the annual survey.

"The nonprofit sector is feeling increasingly confident that the worst of the downturn is over and that it's time to start hiring again," says Ms. Brandel.

The survey found that just 10 percent of charities continued to reduce their work forces in 2010, while the remainder either made no staff changes or added employees, including executive, finance, development, and program staff members. That's a trend that is likely to pick up in 2011, says Ms. Brandel.

Hunting for Talent

Increases in nonprofit budgets are expected to drive a growth of staffs, she notes. Nearly one-third of the charities surveyed said they anticipated higher budgets in 2011, which will allow them to hire more people.

"These groups are feeling much better about their ability to raise money in the coming year," says Ms. Brandel. "Donations are up, foundation grants are increasing."

The survey found that nearly a quarter of the nonprofits plan to hire fund raisers. Yet more of the groups will focus their efforts on hiring program staff members, Ms. Brandel says.

"During the hard times, a lot of these groups had no choice but to cut at the meat of their organizations—the programs," she says. "Now they're saying that they're ready to rebuild their program work."

Growing Salary Gaps

The survey found that many charities are concerned about finding qualified talent over the next year. Half of the nonprofit groups said that despite high unemployment in the broader economy, filling the new job openings could prove difficult.

“Finding the right people for these jobs is always a challenge, but now we’re starting to see real competition, especially for fund raisers and program staff,” says Ms. Brandel.

The survey, which is conducted annually, tracked salary ranges for 30 positions at organizations of varying sizes. One surprise contained in the data: In 2010, salary ranges for employees at the same organizations were wider than for any previous year the researchers studied.

Ms. Brandel says the wider range reflects the different kinds of adjustments that nonprofit groups were forced to make in response to the economic downturn. Some groups, she thinks, widened their compensation ranges to attract talent.

“You had some groups that rebounded much more quickly than others and were able to start adding staff and raising salaries,” she says. “Other nonprofits—I’m thinking of arts and social-service groups in particular—were still struggling just to keep the doors open and the lights on.”

The overall picture painted by the survey data is of a field that’s poised to make a strong recovery. Surveys conducted by Professionals for Nonprofits before 2010 found that most charities responded to the economic downturn by freezing hiring and salaries. Those days appear to be over, says Ms. Brandel.

“Not everyone is completely out of the woods yet, but the data indicates that charities are feeling much better about the future and about their economic prospects.”

Among the findings of the survey:

- Forty-nine percent of charities in New Jersey, New York, and Washington plan to increase staff salaries by 1 percent to 3 percent, while 14 percent expect to increase salaries by 3.1 percent to 5 percent.
- Only 10 percent of charities continued to reduce the size of their staffs in 2010, while the remainder either made no staff changes or began to hire additional employees.

The salary surveys of groups in New York, New Jersey, and Washington conducted by Professionals for Nonprofits are available for free download on the group's Web site. Go to: <http://www.nonprofitstaffing.com>.

Nonprofit Pay: Salary Ranges in Washington and New York

Chief executive officers

Budget size	Washington	New York
\$2.1- to \$5-million	\$120,000-\$140,000	\$140,000-\$160,000
\$5.1- to \$10-million	\$140,000-\$180,000	\$160,000-\$220,000
\$10.1- to \$20-million	\$160,000-\$200,000	\$180,000-\$260,000
\$20.1- to \$50-million	\$200,000-\$240,000	\$250,000-\$300,000
More than \$50-million	\$240,000-\$300,000	\$280,000-\$350,000+

Chief development officers

Budget size	Washington	New York
\$2.1- to \$5-million	\$90,000-\$110,000	\$100,000-\$120,000
\$5.1- to \$10-million	\$100,000-\$120,000	\$120,000-\$140,000
\$10.1- to \$20-million	\$110,000-\$140,000	\$140,000-\$160,000
\$20.1- to \$50-million	\$120,000-\$150,000	\$160,000-\$180,000
More than \$50-million	\$130,000-\$160,000	\$180,000-\$220,000

SOURCE: Professionals for NonProfits