

2010 Benefits Report

DC Metro Nonprofits

Issue One

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Key Findings of 2010 Benefits Survey of Nonprofits of the Washington, DC Metro Area

We thank the over 300 DC Metro Area nonprofit organizations that responded to our Benefits Survey in June 2010. Because significant differences were apparent based on organizational budget size and not organizational type, we present our findings by budget size.

Some Highlights

The amount spent on employee benefits is determined by an organization's budget size - small organizations tend to spend up to 15% of their budgets on benefits while larger organizations may spend up to and, at times, over 30 percent.

Respondents in all budget categories provide health insurance to employees, with the majority providing dental insurance as well.

Organizations spend at least \$5K each year on health and dental insurance coverage per employee with the majority spending in the range of \$10-\$25K.

The majority of surveyed organizations offer a 403(b) as their retirement plan.

Small and large organizations are equally generous with vacation and holiday time regardless of budget size. While only a limited number of organizations offer sabbaticals, summer hours and flex time are more popular than we expected.

The majority of nonprofits, regardless of budget size, offer their employees opportunities to participate in outside training, seminars and conferences. Professional development is supported throughout the sector, demonstrating a commitment to learning and staff development.

Bonuses and incentives are becoming more common in the sector and supplemental benefit plans, especially 457(b) retirement plans, are offered more frequently to top executives, particularly in larger organizations.

The Economy and its Impact on Benefits

Despite a difficult 2009, the vast majority of nonprofit organizations did not make any significant changes in the benefits offered to their employees.

- Only 1% of organizations eliminated health benefits and 7% reduced the health benefits they offered
- 17% increased the employee share of their health plan costs
- Only 1% of organizations eliminated their dental plans and 7% increased the employee share of their dental plan costs

7% of the organizations surveyed eliminated their contributions to employee retirement plans entirely. 81% noted no change in their retirement plans, although 12% reduced their organizations' contributions.

76% of the respondents reported no change in the professional development benefits offered to staff. 8% of organizations eliminated professional development activities while 16% reduced them in 2009.

Despite the difficult economy, only 5% of organizations reduced vacation time for employees while 96% continued to offer the same vacation time as in prior years.

Although it is apparent that there was a "tightening of the belt" by organizations regarding their employee benefits in 2009, it appears that the changes made were not as significant as we expected.

The benefits offered by an organization to its employees are a crucial component of an organization's compensation package.

As with salaries, offering the right mix of benefits allows an organization to compete effectively in the marketplace for the best talent. Offering too much may not be cost effective, but offering too little may decrease an organization's ability to attract and keep the staff it wants.

2010 Benefits Report of DC Metro Nonprofits

OPERATING BUDGET	<\$5M	\$5.1 -10M	\$10.1 -20M	\$20.1 -50M	\$50M+
Number of Employees in Organization:					
<25	83%	28%	3%	1%	1%
25-49	13%	38%	30%	4%	3%
50-99	3%	28%	39%	40%	19%
100-199	1%	6%	21%	32%	25%
200-499	0%	0%	7%	20%	20%
500+	0%	0%	0%	3%	32%
% of Budget Organization Spends on Benefits:					
<15%	60%	50%	27%	20%	1%
15-20%	19%	21%	15%	17%	25%
21-25%	10%	10%	17%	24%	31%
26-30%	6%	6%	15%	18%	25%
31-35%	3%	8%	19%	20%	17%
36%+	2%	5%	7%	1%	1%
Dollar Amount Organization Spends on Benefits Per Employee:					
<\$5K	26%	6%	2%	2%	1%
\$5K-\$9.9K	38%	44%	32%	15%	5%
\$10K-\$14.9K	21%	32%	28%	18%	20%
\$15K-\$19.9K	7%	9%	23%	19%	15%
\$20K-\$24.9K	4%	3%	10%	18%	18%
\$25K-\$29.9K	4%	6%	5%	23%	33%
\$30K+	0%	0%	0%	5%	8%

PAID DAYS FOR EMPLOYEES					
Vacation - Year One					
0-9 days	16%	13%	10%	0%	0%
10-15 days	71%	75%	69%	87%	85%
16-20 days	11%	10%	13%	8%	14%
21+ days	2%	2%	8%	5%	1%
Vacation - Year Four					
0-9 days	3%	0%	0%	0%	0%
10-15 days	35%	43%	18%	20%	29%
16-20 days	55%	48%	61%	62%	61%
21+ days	7%	9%	21%	18%	10%
Holidays					
0-9 days	33%	25%	17%	15%	15%
10-15 days	67%	67%	78%	77%	80%
16-20 days	0%	8%	5%	8%	5%
Sick Time					
0-9 days	41%	26%	26%	28%	2%
10-15 days	55%	71%	71%	60%	78%
16+ days	4%	3%	3%	12%	20%
Other Time Off					
Personal	50%	60%	56%	47%	54%
Flex Time	28%	26%	34%	44%	48%
Summer Hours	10%	15%	34%	37%	30%
Sabbaticals	4%	13%	9%	15%	10%

OPERATING BUDGET	<\$5M	\$5.1 -10M	\$10.1 -20M	\$20.1 -50M	\$50M+
RETIREMENT PLANS OFFERED					
None Offered	13%	0%	0%	0%	0%
Defined Benefit	2%	1%	10%	25%	32%
401a	1%	3%	5%	15%	33%
401k	35%	42%	35%	44%	21%
403b	47%	53%	61%	60%	84%
Simplified Employee Pension	2%	1%	4%	6%	2%
% of Employee's Salary Organization Contributes to Retirement Plan - Fixed/Unmatched					
None Offered	48%	24%	34%	20%	26%
1-3%	16%	36%	24%	17%	10%
4-6%	24%	25%	24%	27%	15%
7-9%	4%	5%	9%	13%	15%
10-12%	5%	5%	8%	16%	31%
12%+	3%	5%	1%	7%	3%
% of Employee's Salary Organization Contributes to Retirement Plan - Fixed/Matching					
None Offered	35%	23%	30%	14%	8%
1-3%	17%	27%	29%	21%	3%
4-6%	35%	23%	20%	36%	27%
7-9%	5%	19%	20%	16%	23%
10-12%	7%	7%	0%	12%	37%
12%+	1%	1%	1%	1%	2%
Dollar Amount Organization Contributes Towards Retirement Plan Per Employee					
None	32%	6%	6%	0%	0%
<\$100	5%	1%	0%	0%	0%
\$100-\$249	2%	5%	0%	0%	0%
\$250-\$499	5%	4%	0%	0%	0%
\$500-\$999	4%	6%	17%	0%	0%
\$1000-\$2,499	27%	28%	11%	12%	1%
\$2,500-\$4,999	15%	22%	37%	33%	73%
\$5,000+	10%	28%	29%	55%	26%

How to Use the Data

This Benefits Report illustrates trends in benefits offered by nonprofits and allows managers to compare their organization's benefit offerings to those offered by similar size organizations. By looking at the survey results provided in your organization's budget category, you can evaluate whether your organization's benefits are competitive in the nonprofit marketplace.

Figures in bold italics identify trends reported by a clear majority of respondents. Are your benefits consistent with the largest percentage of responses in your budget class?

2010 Benefits Report of DC Metro Nonprofits

OPERATING BUDGET	<\$5M	\$5.1-10M	\$10.1-20M	\$20.1-50M	\$50M+
INSURANCE BENEFITS OFFERED					
Health Insurance	98%	100%	100%	100%	100%
Health Savings Plan	28%	21%	52%	37%	24%
Dental	88%	94%	96%	100%	100%
Life/ADD	66%	92%	98%	94%	95%
Short Term Disability	50%	63%	65%	75%	95%
Long Term Disability	61%	92%	91%	87%	96%
Vision	65%	68%	61%	87%	75%
Employee Assistance Program	13%	42%	65%	81%	93%
% Paid by Organization Towards Health Insurance for Employee Only					
<60%	21%	7%	9%	6%	2%
60-74%	18%	18%	5%	6%	28%
75-84%	20%	23%	33%	26%	31%
85-99%	14%	26%	38%	31%	19%
100%	27%	32%	15%	31%	20%
% Paid by Organization Towards Health Insurance for Dependent Coverage					
0%	28%	11%	5%	6%	0%
<60%	34%	43%	40%	7%	0%
60-74%	15%	18%	23%	33%	42%
75-84%	10%	19%	20%	34%	30%
85-99%	9%	6%	9%	13%	18%
100%	4%	3%	3%	7%	10%
% Paid by Organization Towards Health Insurance for Family Coverage					
0%	27%	13%	5%	0%	0%
<60%	36%	43%	34%	20%	0%
60-74%	15%	16%	33%	25%	54%
75-84%	8%	13%	17%	43%	25%
85-99%	9%	8%	9%	6%	17%
100%	5%	7%	2%	6%	4%
% Paid by Organization Towards Dental Insurance for Employee Only					
0%	20%	15%	4%	0%	0%
<60%	13%	10%	14%	23%	8%
60-74%	16%	8%	16%	9%	19%
75-84%	17%	11%	24%	19%	34%
85-99%	10%	18%	23%	18%	19%
100%	24%	38%	19%	31%	20%
% Paid by Organization Towards Dental Insurance for Dependent Coverage					
0%	31%	22%	10%	6%	1%
<60%	35%	44%	55%	23%	17%
60-74%	5%	11%	5%	18%	18%
75-84%	7%	11%	20%	21%	35%
85-99%	6%	4%	5%	12%	18%
100%	16%	8%	5%	20%	11%
% Paid by Organization Towards Dental Insurance for Family Coverage					
0%	32%	19%	14%	2%	1%
<60%	35%	44%	43%	29%	18%
60-74%	6%	14%	11%	18%	22%
75-84%	11%	11%	19%	25%	42%
85-99%	6%	3%	9%	18%	13%
100%	10%	9%	4%	8%	4%

OPERATING BUDGET	<\$5M	\$5.1-10M	\$10.1-20M	\$20.1-50M	\$50M+
INSURANCE BENEFITS OFFERED (continued)					
Total Dollars Organization Spends Per Employee for Health and Dental Insurance					
\$100-249	2%	3%	4%	0%	0%
\$250-499	10%	5%	2%	0%	0%
\$500-999	8%	11%	11%	0%	0%
\$1,000-2,499	12%	9%	5%	7%	10%
\$2,500-4,999	33%	43%	50%	20%	10%
\$5,000+	35%	29%	28%	73%	80%
Life Insurance Coverage					
None Offered	38%	8%	9%	0%	0%
1X Annual Salary	44%	52%	48%	52%	22%
2X Annual Salary	18%	40%	43%	48%	78%
Short Term Disability Coverage					
None Offered	52%	37%	35%	25%	7%
50% of Weekly Salary	10%	10%	9%	18%	24%
66% of Weekly Salary	28%	47%	48%	47%	46%
75% of Weekly Salary	6%	5%	4%	4%	12%
100% of Weekly Salary	4%	1%	4%	6%	11%
Long Term Disability Coverage					
None Offered	40%	5%	4%	12%	2%
50% of Monthly Salary	14%	10%	8%	6%	3%
66% of Monthly Salary	35%	71%	77%	74%	86%
75% of Monthly Salary	8%	12%	4%	3%	8%
100% of Monthly Salary	3%	2%	7%	5%	1%

PROFESSIONAL DEVELOPMENT OFFERED					
None Offered	16%	10%	9%	0%	0%
Memberships Professional Organizations	46%	71%	63%	80%	98%
Tuition Reimbursement	23%	52%	45%	73%	65%
In House Training	44%	74%	54%	86%	99%
Outside Training & Conferences	78%	84%	82%	86%	94%
Dollar Amount Organization Spends on Professional Development per Employee					
None Offered	16%	10%	10%	0%	0%
<\$500	52%	36%	42%	44%	0%
\$500-\$999	15%	30%	26%	21%	47%
\$1000-\$2,499	15%	18%	15%	25%	26%
\$2,500-\$4,999	2%	6%	5%	4%	15%
\$5,000+	0%	0%	2%	6%	12%

Overall, mid-sized nonprofits (budgets between \$10.1-\$20M and \$20.1-\$50M) are as generous with their employee benefit offerings as larger organizations (above \$50M).

Small organizations (less than \$10M) offer somewhat more limited benefits due to budget constraints, but still provide a good package of benefits to their employees.

2010 Benefits Report of DC Metro Nonprofits

OPERATING BUDGET	<\$5M	\$5.1 -10M	\$10.1 -20M	\$20.1 -50M	\$50M+
BONUSES & INCENTIVES					
None Offered	53%	37%	41%	43%	12%
Offered	47%	63%	59%	57%	88%
Criteria Used by Organization to Determine Bonus					
Organizational goals & performance	12%	17%	14%	14%	8%
Team Goals & Performance	5%	8%	8%	17%	14%
Individual Goals & Performance	18%	29%	28%	14%	34%
Combination	22%	26%	33%	28%	50%
Management Discretion Only	28%	35%	33%	43%	35%
Average Bonus to Top Executives as % of Salary					
1-9%	12%	17%	20%	25%	26%
10-19%	8%	10%	18%	21%	20%
20%+	1%	3%	4%	7%	11%
Average Bonus to Professional Staff as % of Salary					
1-5%	32%	44%	24%	31%	32%
6-9%	10%	8%	16%	18%	18%
10-20%	1%	3%	3%	3%	9%
Average Bonus to Administrative & Support Staff as % of Salary					
1-5%	37%	41%	28%	40%	32%
6-9%	6%	6%	8%	10%	12%
10-20%	1%	5%	7%	1%	1%

Note: The above data reveals that despite the economic downturn, nonprofit organizations in the DC area continue to provide incentive payments in 2010 to their top executives as well as their professional and support staff.

Projections for year ending 2010

When nonprofit managers were asked about any planned changes in employee benefits during the remainder of 2010, we received the following responses:

- 54% plan no benefit changes
- 11% plan to reduce benefits
- 19% are undecided

Good news –

- 7% plan to reinstitute dropped benefits
- 9% plan to add additional benefits

Based on the responses from this survey, we are optimistic that the nonprofit sector will continue to provide generous and meaningful benefits to its employees into 2011.

OPERATING BUDGET	<\$5M	\$5.1 -10M	\$10.1 -20M	\$20.1 -50M	\$50M+
PERKS OFFERED TO TOP EXECUTIVES					
None Offered	0%	0%	0%	0%	0%
Supplemental Retirement	9%	17%	17%	20%	67%
457(b) Plan	11%	31%	28%	30%	22%
457(f) Plan	1%	3%	1%	1%	1%
After Tax Annuity Plan	2%	1%	1%	3%	1%
Supplemental Life Insurance	21%	41%	31%	45%	25%
Supplemental Disability	6%	11%	13%	13%	27%
Annual Physical	3%	3%	7%	1%	1%
Long Term Care Insurance	2%	6%	7%	10%	7%
Estate & Financial Counseling	0%	0%	1%	5%	4%
Car Or Car Allowance	13%	31%	24%	20%	16%
Parking Allowance	31%	48%	50%	40%	30%
Sabbatical Leave	13%	13%	15%	20%	15%
Expense Budget	9%	10%	10%	20%	25%
Tuition Assistance	13%	24%	36%	40%	24%
Memberships To Prof Clubs/Assoc	31%	44%	43%	50%	41%
Severance Agreement	13%	20%	35%	40%	20%
Dollar Amount Organization Spends on Benefits to Top Executives					
<\$10,000	83%	60%	62%	55%	50%
\$10,000-\$14,999	5%	10%	11%	12%	11%
\$15,000-\$24,999	7%	12%	13%	13%	10%
\$25,000-\$49,999	5%	16%	11%	13%	12%
\$50,000+	0%	2%	3%	7%	17%

PERKS OFFERED TO SENIOR MANAGERS					
None Offered	0%	0%	0%	0%	0%
Supplemental Retirement	1%	9%	13%	12%	28%
457(b) Plan	2%	15%	11%	23%	24%
457(f) Plan	0%	3%	1%	1%	1%
After Tax Annuity Plan	0%	1%	1%	3%	1%
Supplemental Life Insurance	3%	18%	15%	23%	25%
Supplemental Disability	1%	10%	10%	7%	14%
Annual Physical	0%	0%	1%	1%	1%
Long Term Care Insurance	1%	6%	5%	10%	7%
Estate & Financial Counseling	0%	0%	1%	2%	4%
Car Or Car Allowance	2%	6%	3%	4%	7%
Parking Allowance	25%	21%	39%	15%	19%
Sabbatical Leave	3%	12%	9%	12%	6%
Expense Budget	2%	3%	3%	3%	5%
Tuition Assistance	6%	15%	22%	31%	23%
Memberships To Prof Clubs/Assoc	12%	21%	27%	23%	20%
Severance Agreement	1%	1%	16%	15%	11%

The 2010 Benefits Report is a joint collaboration between James E. Rocco Associates and Professionals for NonProfits.

