

2002 Grantmakers Salary and Benefits Report

Executive Summary

Respondents

- The *2002 Grantmakers Salary and Benefits Report* is based on responses from 837 foundations and giving programs, which reported salaries for a total of 6,837 full-time employees. Of the 837 respondents, 90 are corporate grantmakers (foundations or direct giving programs) and 747 are community, private (family or independent) or public foundations. The participating organizations hold 39.0 percent of all foundation assets and were responsible for 40.4 percent of all grants made in 2000.
- We continued our effort, initiated in 1998, to collect data from new health foundations. We received 74 responses out of 135 surveys mailed to these foundations—all of which we were able to include in this report. We received 44 usable responses in 1998.
- Thirty-six positions are covered in the salary and benefits report, and the body of the report provides details on salaries for those positions. Staff members who hold the positions of chief executive officer/chief giving officer (CEO/CGO) and program officer account for 23 percent of all full-time paid staff.

Salaries

- The median salary for a CEO/CGO was reported as \$98,000 for 2002; the median salary for a program officer was \$65,000. These salaries vary by size and type of grantmaker and by region of the country.
- Overall, median salaries in the Midwest are 8.70 percent lower than the national median for the same positions. Salaries in the Northeast are 9.72 percent higher.
- The number of years in position is not a strong predictor of salary for CEOs/CGOs, but it has a slight effect on salaries for program officers.

Issues Specific to CEOs/CGOs

- Nearly half (45%) of noncorporate CEOs and nearly four-fifths (79.3%) of CGOs are permitted to make discretionary grants.
- Seventy-six percent of CEOs have a written position description, but only 33 percent of CEOs have employment contracts.
- Among the 154 CEOs for whom 2001 deferred compensation figures were provided, the median deferred compensation amount was \$10,000. The median bonus was \$5,000 for the 119 CEOs whose bonuses were reported. The median bonus was \$10,000 for the 59 CGOs whose bonuses were reported.

- Ninety-eight percent of corporate grantmakers have a CGO, of which 93.2 percent are full-time employees and 6.8 percent are part-time employees. More than half of all CGOs (54.3%) have duties within the parent corporation other than those related to the foundation/giving program. On average, CGOs spend 40 percent of their time on these additional parent corporation activities and 60 percent on foundation/giving program activities such as grantmaking, matching gifts and employee volunteer programs.

Longitudinal Salary Analysis

- Using a panel of grantmaking organizations that have responded consistently over time, longitudinal analyses were performed on CEO and program officer salaries from 1998 through 2002.
- Between 1998 and 2002, overall CEO salaries increased by 27.5 percent in nominal terms at private foundations (142 were analyzed) and by 32.4 percent at community foundations (120 analyzed).
- Between 1998 and 2002, program officer salaries had a nominal increase of 13.2 percent at private foundations (45 analyzed) and 13.1 percent at community foundations (37 analyzed).

Staffing

- Grantmakers with \$100 million or more in assets (or more than \$5 million in grants for corporate grantmakers) employ 67.1 percent of the total staff reported, although they account for only 29.2 percent of all respondents. In aggregate, independent foundations tend to have larger staffs than any other type of grantmaker. The average (mean) staff size for independent foundations is 12.0, and the median is 4.0. In general, staff size increases as assets grow.
- Corporate grantmakers have fewer employees designated full time to grantmaking functions than any other type of organization surveyed.

Gender and Race/Ethnicity of Staff

- Race/ethnicity and gender information was supplied for 6,486 full-time paid staff members, of whom 4,407 were professional-level staff (CEOs, program officers and various other management positions).
- Women account for three-quarters (75.6%) of all full-time paid staff and 67.8 percent of all professional staff (including 54.3 percent of all CEO/CGO positions and 69.9 percent of program officer positions). Women hold 92.2 percent of administrative staff positions.
- Almost one-quarter (24.5%, or 1,586 of 6,486) of the full-time paid staff reported are people of color. Blacks, who make up 13.1 percent (or 849) of staff, are the largest minority group reported by respondents. Hispanics and Asians/Pacific

Islanders are the next largest groups, accounting for 5.5 percent (359) and 4.8 percent (313), respectively. American Indians and other people of color together are roughly 1 percent of reported staff. People of color account for fewer than 6 percent (45 of 774) of full-time paid chief executives and 34.5 percent of program officers reported in the survey.

Longevity of Service

- Full-time CEOs/CGOs have held their executive positions for an average of 7.4 years. Thirty percent have held the top position for ten years or more. Of all CEOs, those at independent foundations report the longest average tenure in their positions. Twenty-three percent of full-time top grantmaking executives advanced to their jobs from another position within their foundation or giving program.
- The 731 full-time program officers for whom information was provided have held their positions for an average of 3.0 years and have worked at the grantmaking organization for an average of 3.6 years. Less than 4 percent of program officers have held their positions for ten years or more.

Turnover

- Overall, the turnover rate was 13.3 percent. Family foundations had the lowest overall turnover rate (although their administrative staff turnover was comparable to that of other grantmaker types). Public foundations had the highest rate of turnover, with community foundations second. In almost all instances, there was greater turnover (an additional 4 percentage points or more) in the administrative positions than the professional positions.

Salary Administration

- Most respondents—88.3 percent—granted salary increases in 2001, and 91.5 percent planned to award or had already awarded salary increases for 2002.
- Median salary increases for 2001 were 5.0 percent for community, family and independent foundations. Corporate grantmakers reported median salary increases of 4.0 percent for 2001.
- Salary increases for corporate grantmakers and community foundations are projected to be 4.0 percent for 2002. Family foundations project a 5.0 percent increase and independent and public foundations 4.6 percent and 4.7 percent, respectively.
- In 2001, salary increases most often became effective in January (41.2%). About 22 percent of responding organizations used the employee's hiring anniversary as the effective date for 2001 salary increases.
- Slightly more than one in three noncorporate grantmakers (33.7%) indicated that employees were eligible for bonuses in 2001.

Benefits

- Almost all of the respondents (97.9%) reported that their foundations offered full-time employees “voluntary” benefits in addition to required benefits such as FICA.
- The vast majority of grantmakers cover 100 percent of the cost of the benefits they offer the employee as an individual; that is, the employee is not required to contribute to the cost of the benefit.
- The median cost of total staff benefits (required and voluntary) as a percentage of total salaries is 22.7 percent.
- Among the grantmakers that offer voluntary benefits, the vast majority (92.0%) offer employees medical insurance benefits. The second most widely offered benefit is retirement, reported by 90.5 percent of the respondents. They account for the highest percentage of total salary: the median costs for health, dental, vision care and prescription drug insurance are 7.4 percent, and costs for retirement are 7.8 percent. As a percentage of total voluntary benefits, they account for 43.1 percent and 45.4 percent, respectively.
- Among the grantmakers that offer a retirement plan and that indicated the type of plan offered, 8.0 percent offer both a defined benefit and a defined contribution plan, 89.6 percent offer only a defined contribution plan or plans and 2.3 percent offer only a defined benefit plan. Among grantmakers that offer defined contribution plans, over half (56.3%) offer a 403(b) plan. Where employers offer only a 403(b) plan, their maximum contributions range from 2 percent to 25 percent, with a median of 9 percent.
- Three out of five funders have part-time employees. More than one-fourth (26.8%) of grantmakers with part-time employees do not offer them any benefits, not even paid leave; and about 11.2 percent offer them only paid leave. Sixty-two percent of respondents with part-time employees provide them with benefits other than paid leave.
- Fewer than 30 percent of the respondents have retired employees. Overall, slightly more than two-fifths of the respondents with retirees offer them benefits and about three-fifths do not.
- More than 17 percent of respondents (115 of 653) indicated that their foundation extends benefits to the unmarried domestic partners of employees. When we first asked this question in 1998, only 10.1 percent of grantmakers extended benefits to domestic partners. Forty-nine of the respondents that do not currently offer domestic partner benefits are considering adopting such a policy.

Small-Staffed Foundations

- To provide more information to individuals managing small-staffed foundations, a table in this report presents the median, mean and range of the CEO's base salary in organizations whose CEO is the only full-time paid staff person, is one of two full-time staff or is one of three.

Corporate Grantmakers

- To improve both the response rate and the usefulness of the salary report for corporate foundations and direct giving programs, a separate survey instrument was used for the seventh year—the *2002 Corporate Grantmakers Salary Survey*. We received 90 responses.
- The report analyzes issues specific to managers (CGOs) of corporate giving programs. These include the title of the top staff executive, the person to whom the CGO reports, other giving responsibilities, other corporate responsibilities, bonuses and discretionary grantmaking.

Family Foundations

- Salary reporting for family foundations covers ten positions—CEO, program director, senior program officer, program officer, program associate, program assistant, executive assistant, grants manager/administrator, administrative assistant and secretary.

New Features

- Beginning with the 2000 survey, the Council is collecting and publishing benefits information annually. This year, detailed information was collected on paid holidays, short-term disability programs, severance, telecommuting, Section 125 plans and health care cost containment measures.
- In 2000, we also added a fourth advancement/development position to the survey: director of gift planning/gift planning officer. Respondents reported 43 such positions in 2000 and 67 this year.
- This year we dropped four positions with low and decreasing response rates—secretary of the corporation, assistant secretary, secretary/treasurer and assistant vice president/assistant director. In 2001, fewer than 10 salaries were reported for three of the four positions, and 21 salaries were reported for secretary of the corporation.