



COUNCIL ON FOUNDATIONS

1828 L STREET NW WASHINGTON, DC 20036-5168
(202) 466-6512 · FAX (202) 785-3926

2004 Grantmakers Salary and Benefits Report

Executive Summary

Respondents

- The *2004 Grantmakers Salary and Benefits Report* is based on responses from 808 foundations and giving programs, which reported salaries for a total of 6,480 full-time employees. Of the 808 respondents, 63 are corporate grantmakers (foundations or direct giving programs) and 745 are community, private (family or independent) or public foundations. The participating organizations hold 44.6 percent of all foundation assets and were responsible for 31.5 percent of all grants made in 2002.
- We continued our effort, initiated in 1998, to collect data from new health foundations. We received 71 responses out of 141 surveys mailed to these foundations—all of which we were able to include in this report. We received 44 usable responses in 1998.
- Thirty-seven 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 22.8 percent of all full-time paid staff.

Salaries

- The median salary for a CEO/CGO was reported as \$110,000 for 2004; the median salary for a program officer was \$67,057. These salaries vary by size and type of grantmaker and by region of the country.
- Overall, median salaries in the Midwest are 8.4 percent lower than the national median for the same positions. Salaries in the Northeast are 8.9 percent higher.
- Years in position is not a strong predictor of salary for CEOs/CGOs but has a slight effect on salaries for program officers.

Issues Specific to CEOs/CGOs

- Over two-fifths (45.2%) of nonCorporate CEOs and more than two-thirds (70.9%) of CGOs are permitted to make discretionary grants.
- Eighty-two percent of CEOs have a written position description, but only 37.5 percent of CEOs have employment contracts.



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- Among the 153 CEOs for whom 2003 deferred compensation figures were provided, the median deferred compensation amount was \$10,416. The median bonus was \$6,353 for the 144 CEOs whose bonuses were reported. The median bonus was \$12,500 for the 40 CGOs whose bonuses were reported.
- Over 95 percent of corporate grantmakers have a CGO, of which 95 percent are full-time employees and 5 percent are part-time employees. More than half (53.6%) of all CGOs have duties within the parent corporation other than those related to the foundation/giving program. On average, CGOs spend 30.0 percent of their time on these additional parent corporation activities and 70.0 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 2000 to 2004.
- Between 2000 and 2004, overall CEO salaries increased by 24.2 percent in nominal terms at private foundations (126 were analyzed) and by 23.7 percent at community foundations (132 analyzed).
- Between 2000 and 2004, program officer salaries had a nominal increase of 13.3 percent at private foundations (45 analyzed) and 16.7 percent at community foundations (46 analyzed).

Staffing

- Grantmakers with \$100 million or more in assets (or more than \$5 million in grants for corporate grantmakers) employ 69 percent of the total staff reported although they account for only 31.9 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 12.3, with a range of 1.8 to 28.6. 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 6,126 full-time paid staff members, of whom 4,399 were professional-level staff (CEOs, program officers and various other management positions).



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- Women account for three-quarters (75.2%) of all full-time paid staff and 68.3 percent of all professional staff (including 53 percent of all CEO/CGO positions and 73.6 percent of program officer positions). Women hold 92.7 percent of administrative staff positions.
- Over one-fifth (22%, or 1,345 of 6,126) of the full-time paid staff reported are people of color. Blacks, who make up 11.1 percent (or 680) of staff, are the largest minority group reported by respondents. Hispanics and Asians/Pacific Islanders are the next largest groups, accounting for 5.6 percent (346) and 4.3 percent (265) respectively. American Indians and other people of color together are less than 1 percent of reported staff. People of color account for about 5 percent (38 of 747) of full-time paid chief executives and 29.6 percent of program officers reported in the survey.

Longevity of Service

- Full-time CEOs/CGOs have held their executive positions for an average of 7.7 years. Twenty-nine 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-four percent of full-time top grantmaking executives advanced to their jobs from another position within their foundation or giving program.
- The 674 full-time program officers for whom information was provided have held their positions for an average of 3.7 years and have worked at the grantmaking organization for an average of 4.4 years. Nearly 5 percent of program officers have held their positions for 10 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 independent 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—81.9 percent—granted salary increases in 2003, and 92.1 percent planned to award or had already awarded salary increases for 2004.
- Median salary increases for 2003 were 4.0 percent for corporate grantmakers, family and independent foundations. Community foundations reported median salary increases of 3.4 percent for 2003.



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- Salary increases for independent and family foundations are projected at 4.0 percent for 2004. Corporate grantmakers, public foundations and community foundations project an increase of 3.5 percent.
- In 2004, salary increases most often became effective in January (50.3%). About 20 percent of responding organizations used the employee's hiring anniversary as the effective date for 2004 salary increases.
- Nearly one in three nonCorporate grantmakers (31.9%) indicated that some or all members of their staff were eligible for bonuses in 2003.

Benefits

- The overwhelming majority of the respondents (93%) reported that their foundations offered full-time employees "voluntary" benefits in addition to required benefits such as FICA.
- The vast majority of grantmakers (74%) 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 26 percent.
- Among the grantmakers that offer voluntary benefits, the vast majority (92.3%) offer employees retirement. The second most widely offered benefit is medical insurance benefits, reported by 90.7 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 8.8 percent, and costs for retirement are 8.5 percent. As a percentage of total voluntary benefits, they account for 46.7 percent and 43.3 percent, respectively.
- Among the grantmakers that offer a retirement plan and that indicated the type of plan offered, 7.1 percent offer both a defined benefit and a defined contribution plan, 90.5 percent offer only a defined contribution plan and 2.4 percent offer only a defined benefit plan. Among grantmakers that offer defined contribution plans, almost three-fifths (57.4%) 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.
- Nearly three out of five funders (55%) have part-time employees. More than one-quarter (27.6%) of grantmakers with part-time employees do not offer them any benefits, not even paid leave; and about 12.1 percent offer them only paid leave. Sixty percent of respondents with part-time employees provide them with benefits other than paid leave.



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- Slightly more than 25 percent of the respondents have retired employees. Overall, more than half of the respondents with retirees do not offer them benefits (55.7%) and slightly less than half do (44.3%).
- Fewer than 20 percent of respondents (17.7%, or 115 of 650) indicated that their foundation extends benefits to the unmarried domestic partners of employees. Thirty-one 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 for organizations where the CEO is the only full-time paid staff person, is one of two full-time staff or is one of three.

Education Benefits/Tuition Reimbursement

- Two in five foundations (287 of 707) offer education benefits to full-time staff. Education benefits are more likely to be offered by independent foundations, larger-staffed foundations and those with assets of more than \$250 million.
- The predominate education benefit offered by foundations is tuition/education reimbursement or assistance (89.1%), followed by flexible work schedule (44.2%). Twenty-four foundations (8.7%) allow employees to use unpaid leave to pursue their education.
- About 60 percent of respondents (57.4%) reimburse 100 percent of expenses, and 14.9 percent (37 of 249) apply a performance-based reimbursement method. For example, an "A" qualifies the employee for 100 percent reimbursement, whereas a "C" yields 50 percent. Reimbursable expenses covered by the foundations that offer education benefits include tuition (96.1%) and books (59.5%).
- Most grantmakers (67.3%) that offer education benefits have no expectation as to the employee's continued service in return for tuition reimbursement. Among the grantmakers that do expect continued service (32.7%), the length of employment varies between six months (8.0%) and one year (42.7%).

Cost of Medical Coverage

- The vast majority (73.7%) of foundations cover 100 percent of the health benefits cost for the employee alone and when they do ask the employee to contribute, the employer covers about 87 percent of the cost. Most respondents ask the employee to contribute something (generally 20%) toward the premium for others covered by the health plan.



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- The annual median deductible is \$300 for the single coverage and \$750 for family coverage. Before the medical plan covers a portion of the covered expenses, a community foundation employee must meet a deductible of \$500 and \$1,000 for dependents. By contrast, single and family deductibles are \$250 and \$750 respectively for independent, family and public foundations.
- Community foundations, small-staffed foundations and those with less than \$10 million in assets have medical plans that are significantly higher in costs to the employee for the various plan elements. Conversely, the medical plans favored by family, independent and public foundations, and foundations with more than \$10 million in assets cost the employee less for the plan features.

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 *2004 Corporate Grantmakers Salary Survey*. We received 63 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 education benefits/tuition reimbursement, medical plan features (annual deductible, office visit and prescription drug co-pays, lifetime benefit maximum, etc.) and the cost of medical plan coverage.
- In 2004, we added a grants management assistant position to the survey. Respondents reported salaries for 60 individuals in this position.
- This year we also asked respondents a series of questions on conflict of interest policies.