OVERVIEW

PNP’s annual survey of salaries and staffing trends in Washington, DC area nonprofits, conducted in October - November 2018, shows a heightened tension between supply and demand for talent in an increasingly competitive marketplace.

PNP’s findings demonstrate that DC nonprofits are growing and hiring – that they are showing and reporting confidence in the future, and are making plans accordingly.

At the same time, DC nonprofits report that increased competition for talented staff is pushing up salaries and requiring new strategies for recruitment and retention to cope with retirements, turnover, and attrition.

Despite political and economic turbulence throughout 2018, the nonprofit sector experienced a strong and steady demand for the services offered by various organizations in the arts, education, healthcare, human and social services, and organizations with cultural and environmental missions.

At the time of the survey, the U.S. unemployment rate was at a 25-year low, as reported by the Bureau of Labor Statistics. Demand for skilled staff exceeded supply, particularly in the service sector. Coupled with an on-going generational shift at the management level (from Baby Boomers to Millennials), reported last year and clearly accelerating this year, the competition for experienced talent appears to be at an all-time high.

These conditions have substantial and significant consequences for nonprofits, in terms of salaries, benefits, expectations for new hires, expectations for leadership, and in meeting the challenges of finding, hiring, retaining, compensating, engaging and managing talented and productive staff.

PNP’s Salaries & Trends Report is intended to help nonprofit managers and decision-makers meet those challenges with immediate, fresh, and relevant information, especially in regard to staff salaries and staffing trends -- information that you can use in strategically planning for growth and success in 2019.

KEY FINDINGS IN DC AREA NONPROFITS

- 49% of organizations plan to hire new staff and expand in 2019, but for 38% hiring will be for replacements due to retirements and vacancies only.
- 56% plan to give performance-based salary increases in 2019 – up from 42% last year -- and another 27% are now “considering” such a policy and practice.
- 70% note that they give promotions to staff with a corresponding salary increase.
- 48% foresee program expansion in 2019; and 37% of DC area nonprofits anticipate overall organizational growth in the year ahead.
- 66% of nonprofits surveyed see Development/ fundraising as their greatest staff need.
- 52% report encountering a “skills gap” when recruiting new staff.
- In a competitive market for top talent, a remarkable 73% of respondents note they would “stretch” and pay more than budgeted in order to get a highly experienced person, a “potential star;” while 26% say they would go for a less experienced person who was well within budget.
- 62% report difficulty replacing senior executives with capable people; 21% find filling middle management positions most challenging; and 17% report having the most difficulty filling early career positions with well-qualified candidates.
- One significant change and development PNP has documented over the past several years is growth in the number of women in senior executive management positions in nonprofits. In DC, 69% of organizations now report that more than half of their executive positions are filled by women, and an additional 22% note that almost half of their executive positions (that is, 45%-49%) are filled by women.
Staff Changes in 2018

- **Staff Size**
  - Increased Number of Staff: 58%
  - Maintained Number of Staff: 32%
  - Decreased Number of Staff: 10%

- **Staff Salaries**
  - Increased Salaries Overall by 3% or More: 85%
  - Salaries Remained Flat: 13%
  - Decreased Salaries: 1%

- **Staff Benefits**
  - Increased Benefits: 29%
  - No Change in Benefits: 70%
  - Decreased Benefits: 1%

Projected Staff Changes in 2019

- **Staff Size**
  - Will Add Staff and Expand: 49%
  - Will Replace & Fill Vacancies Only: 38%
  - Undecided at This Time: 4%
  - Not Planning to Hire New Staff: 8%
  - Number of Staff Will Decrease 2019: 1%

- **Staff Salaries**
  - Will Give Salary Increases Up To 3%: 64%
  - Will Give Salary Increases of Up To 6%: 15%
  - Will Give Select/Merit-based Increases Only: 8%
  - Will Increase Salaries for Executive-Level Staff Only: 4%
  - No Salary Increases Planned: 2%
  - Undecided: 7%

Talent Management Outlook for 2019

Despite a competitive marketplace, nonprofit managers report a positive and confident hiring outlook for year 2019. Our survey shows overall agreement that the ability to offer competitive compensation is key when demand for top talent exceeds supply, and comes first when seeking to attract talent. After compensation, opportunities for professional growth, the appeal of the organization’s mission, and the attractiveness of the organization’s workplace environment and culture are seen as the most important factors in helping to attract talent to your organization.

In addition, effective recruitment and retention strategies and practices as well as efficient and clear hiring processes are also key to attracting staff. Good talent management is a top priority.
Talent Management

**34%** of nonprofit managers report that they lost a talented candidate in 2018 over a small difference in salary offered and salary requested.

**30%** of the time, when a desired candidate turns down a job offer, it is because the organization has actually reduced the offered salary for the position during the hiring process.

**36%** of the incidents of an organization “losing” a candidate of choice it was because they waited too long (more than 45 days after the interview) to make the offer.

For a strong candidate who was seeking a salary above what the nonprofit could offer, innovative nonprofit managers reported several approaches that proved to work in persuading the candidate to come on board anyway. When employers presented the following, they reported successes in recruiting the people they wanted. Such techniques will be needed more than ever in 2019:

**Incentives In Recruiting Good Candidates**

- **Emphasize Mission and Brand of Organization**: 53%
- **Emphasize “Extra Benefits,” Such as Flex-Time**: 51%
- **Focus on Organization’s Prestigious Reputation**: 42%
- **Show Growth Opportunities Within Organization**: 39%
- **Offer Training & Professional Development**: 30%
- **Culture of Organization/Workplace Environment**: 25%

However, it should be noted that 28% of respondents said they do not make offers to any candidates whose expectations exceed their budgeted salary range.

**Summary of Best Practices for a Competitive Employer**

- **Offer Competitive Salaries**: 72%
- **Strengthen the Organization’s “Brand” as a “Go-To” place to Work**: 57%
- **Develop “Package” of Perks, like Work-Remotely/ Flex Hours**: 50%
- **Increase or Add-on Uses of Social Media**: 49%
- **Add and/or Enhance Training for HR Staff**: 48%
- **Develop Internal Networking/Employee Referral Program**: 33%
For every nonprofit, staffing priorities are determined by the needs of the organization to carry out its mission and its strategic plans to meet those needs efficiently and effectively.

As always, hiring priorities for nonprofits are weighted toward fundraising and program development. However, this year, staff training and professional development moved into first place as a reported priority.

Nonprofits are clearly concerned with external issues in the present, but the successful and effective ones are also keeping an eye on leadership and productivity issues and challenges in the future.

Demographics and Organizational Changes

Millennials are now the dominant generation in the U.S. workforce and are having a meaningful impact on the nonprofit community. We asked DC area nonprofits what changes they have made in their organizations in 2018 because of the growing presence and influence of Millennials. The responses are also indicative of what we can expect to see more of in 2019.

An interesting development in nonprofit practice influenced by Millennials is a significantly growing willingness to allow employees, not just contract workers, to work remotely, “from home.” We asked DC nonprofits what percentage of their full-time employees worked remotely in 2018.

### Demographics and Organizational Changes

<table>
<thead>
<tr>
<th>Because of Millennials</th>
<th>DC Nonprofits Have</th>
</tr>
</thead>
<tbody>
<tr>
<td>Adopted New Technologies</td>
<td>51%</td>
</tr>
<tr>
<td>Created More Flexible Work Schedules</td>
<td>42%</td>
</tr>
<tr>
<td>Reduced Expectations for Length of Employment</td>
<td>40%</td>
</tr>
<tr>
<td>Improved Professional Development Training</td>
<td>36%</td>
</tr>
<tr>
<td>Developed Leadership Training Programs</td>
<td>32%</td>
</tr>
<tr>
<td>Done Organizational Study of Life/Work Balance Issues</td>
<td>20%</td>
</tr>
<tr>
<td>Revised &amp; Accelerated Hiring Processes</td>
<td>17%</td>
</tr>
</tbody>
</table>

An interesting development in nonprofit practice influenced by Millennials is a significantly growing willingness to allow employees, not just contract workers, to work remotely, “from home.” We asked DC nonprofits what percentage of their full-time employees worked remotely in 2018.

### Nonprofit Employees Working Remotely

| Exclusively | 13% |
| At least one day per week | 33% |
| At least one day every two weeks | 26% |
| Less than one day every two weeks | 16% |
| None, not at all | 12% |
## DC Nonprofit Salary Ranges in 2018

<table>
<thead>
<tr>
<th>Positions</th>
<th>Budget Sizes and 2018 Salaries</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>under $5M</td>
</tr>
<tr>
<td><strong>Management</strong></td>
<td></td>
</tr>
<tr>
<td>CEO/President</td>
<td>150-180K</td>
</tr>
<tr>
<td>Executive Vice President</td>
<td>120-130K</td>
</tr>
<tr>
<td>Executive Director</td>
<td>130-140K</td>
</tr>
<tr>
<td>Chief Operating Officer</td>
<td>100-120K</td>
</tr>
<tr>
<td><strong>Finance</strong></td>
<td></td>
</tr>
<tr>
<td>CFO/VP Finance</td>
<td>100-120K</td>
</tr>
<tr>
<td>Director of Finance</td>
<td>80-90K</td>
</tr>
<tr>
<td>Controller</td>
<td>60-75K</td>
</tr>
<tr>
<td>Staff Accountant</td>
<td>50-60K</td>
</tr>
<tr>
<td>Bookkeeper</td>
<td>45-55K</td>
</tr>
<tr>
<td><strong>Fundraising</strong></td>
<td></td>
</tr>
<tr>
<td>VP/Chief Development Officer</td>
<td>100-120K</td>
</tr>
<tr>
<td>Director of Development</td>
<td>80-90K</td>
</tr>
<tr>
<td>Director of Major Gifts</td>
<td>NA</td>
</tr>
<tr>
<td>Director of Foundation / Corporate Relations</td>
<td>NA</td>
</tr>
<tr>
<td>Director of Special Events</td>
<td>50-60K</td>
</tr>
<tr>
<td>Grants Writer</td>
<td>50-60K</td>
</tr>
<tr>
<td>Development Associate</td>
<td>40-50K</td>
</tr>
<tr>
<td>Development Assistant</td>
<td>35-45K</td>
</tr>
<tr>
<td><strong>Marketing &amp; Communications</strong></td>
<td></td>
</tr>
<tr>
<td>VP, Marketing/Communications</td>
<td>90-110K</td>
</tr>
<tr>
<td>Dir, Marketing/Communications</td>
<td>80-90K</td>
</tr>
<tr>
<td>Marketing Associate</td>
<td>40-50K</td>
</tr>
<tr>
<td>Social Media Professional</td>
<td>50-60K</td>
</tr>
<tr>
<td>Director of Advocacy/Gov Rel</td>
<td>80-90K</td>
</tr>
<tr>
<td><strong>Programs &amp; Education</strong></td>
<td></td>
</tr>
<tr>
<td>VP of Programs/Education</td>
<td>90-110K</td>
</tr>
<tr>
<td>Director of Programs/Education</td>
<td>70-80K</td>
</tr>
<tr>
<td>Programs/Education Associate</td>
<td>40-50K</td>
</tr>
<tr>
<td>Programs/Education Assistant</td>
<td>40-50K</td>
</tr>
<tr>
<td><strong>Human Resources</strong></td>
<td></td>
</tr>
<tr>
<td>VP/Director HR</td>
<td>75-90K</td>
</tr>
<tr>
<td>HR Manager</td>
<td>60-70K</td>
</tr>
<tr>
<td>Benefits Manager</td>
<td>60-70K</td>
</tr>
<tr>
<td>HR Associate</td>
<td>40-50K</td>
</tr>
<tr>
<td><strong>Technology</strong></td>
<td></td>
</tr>
<tr>
<td>VP/Director of IT</td>
<td>100-110K</td>
</tr>
<tr>
<td>Network Administrator</td>
<td>60-70K</td>
</tr>
<tr>
<td>Database Manager</td>
<td>50-60K</td>
</tr>
<tr>
<td>Website Manager</td>
<td>50-60K</td>
</tr>
<tr>
<td><strong>Administration</strong></td>
<td></td>
</tr>
<tr>
<td>Executive Assistant</td>
<td>50-60K</td>
</tr>
<tr>
<td>Administrative Assistant</td>
<td>35-40K</td>
</tr>
<tr>
<td>Office Manager</td>
<td>40-50K</td>
</tr>
<tr>
<td>Receptionist</td>
<td>35-40K</td>
</tr>
</tbody>
</table>
HOW TO USE THIS REPORT

This report provides you with most of the key positions critical to the management of a nonprofit organization and with information needed to be able to effectively recruit and retain talented staff in today’s competitive marketplace. In addition, it gives you some key markers for planning for 2019.

Salary ranges for 38 positions are given for five different budget sized organizations.

Salary extremes are removed and the median salary is noted for each position. We then extend out from that median to include 20% of salaries above and 20% of salaries below, creating a fairly broad 40 percentile range – to serve as a guideline, rather than a predictor, for decision-makers.

If your Nonprofit is paying below the salary range listed for a position, in your staff-size category, it means that roughly 70% of organizations in your area are paying a higher salary for a position than you are, putting you at the competitive risk of not being able to recruit and retain the staff you want and need. To the extent that you can, it is definitely better and more advantageous to lean toward the high side of the salary range when making an offer to talent you wish to hire.

ABOUT US

PNP Staffing Group was founded in 1996, as Professionals for NonProfits, to provide staffing services to the nonprofit, association, and social good sector exclusively.

PNP offers a single place for all Nonprofit staffing needs, in all the professional areas you need to fill.

With a candidate database of over 30,000, PNP will recruit for you candidates with nonprofit experience and commitment to the sector.

We are proud of our track record of results for thousands of nonprofit organization partners – large, medium, and small – as we work smartly, efficiently and effectively within our clients’ budgets and timing expectations.

We provide local expertise with a national reach.

We have a proven track record of success, with an 80% referral rate from satisfied clients.

PNP is a full-service staffing firm:

- Executive Search – retained
- Direct Hire Search – contingency
- Interim Professionals
- Hourly & Long Term Temps
- Temp-To-Hire
- Consultants & Consulting Services
- HR Outsourcing
- Events Staff
- Membership Services Staff
- Program Staff
- IT personnel
- Special Project Managers
- Payrolling Services

Please call us at 202-719-9600 (DC office) when you need any staffing services or simply want to discuss your options and staffing strategies.

WPNP believes in the power of nonprofits to make a difference in people’s lives, and provides the staff to help make that difference.