

2022 Report on Nonprofit Wages + Benefits Maine Snapshot

Nonprofits advance innovative solutions to address challenges, connect people to opportunities, and strengthen our social fabric through broader civic engagement. Working hand in hand with government and business, nonprofits make Maine a better place to live, work and visit.

People power missions. Attracting and retaining talented staff and volunteers to the vital work of nonprofits benefits the common good. As employers of 1 in 6 Maine workers, nonprofits are important partners in achieving our state's workforce development goals. Understanding trends in nonprofit staffing and compensation will inform more effective workforce strategies for all of Maine.

At the organizational level, compensation strategy is integral to sustaining nonprofits' missions and teams. Increasingly, nonprofit leaders are recognizing the opportunity—and responsibility—to align conversations around compensation with their organizational values, including commitments to advancing equity and inclusion within their organizations and communities.

Every two years, Maine Association of Nonprofits (MANP) conducts this compensation study to provide reliable, objective data on current wages and benefits practices. This report does not suggest what wages and benefits *should* be at all nonprofits. It is one tool Maine nonprofit leaders can use to catalyze conversations, shape compensation strategies, and comply with IRS rules.

The 2022 survey of nonprofit wages and benefits was conducted in May and June of 2022, more than two years into the COVID-19 pandemic. Like our for-profit peers, nonprofits' business models, budgets, and workforces continue to be in significant flux. While much remains uncertain, and the survey results and comparisons to prior years must be considered with caution, one theme remains clear. Nonprofits—and the funders, donors and partners who care about their missions—must prioritize sustaining their most important resource: human capital.

Key Findings: Workforce Trends

- Hiring is a top priority and top challenge. About half (51%) of responding Maine organizations report they anticipate increasing staffing in the next year. About a quarter (24%) of responding Maine organizations reported a vacancy rate of more than 10%.
- Organizations are making changes in response to the tight hiring market. Compensation competition (both wages and benefits) topped the list of challenges in hiring. Offering remote work, enriching benefits, and referral and hiring bonuses were the most common strategies identified to support recruitment.
- Nonprofits must improve practices for advancing equity in hiring and compensation. More than 25% of responding organizations do not currently include wage information in job ads. Only one in five organizations have required training for hiring teams/managers. Less than a third of organizations are referencing cost of living research when setting compensation.

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Better data is needed to understand disparities. Only about 25% of organizations report they officially track the gender and race of employees, which limits analysis of disparities by these factors (both within organizations and through reports like this). At organizations that collect this information, 57% of senior leadership and 67% of the overall nonprofit workforce are female. Organizations report 11% of their senior leadership and 16% of their overall workforce are Black, Indigenous, or People of Color (BIPOC).

Key Findings: Wages

- ➤ Wages are rising, but not as fast as expenses. The Benchmark Hourly Wage—the average for the 27 job categories that have been included in the survey since the beginning—advanced by \$1.57, or 6.04%, over two years, well behind inflation. Ninety percent (90%) of the full-time job categories saw an increase in average wage compared to 2020; average wages for only 17% of job categories, however, increased more than the Consumer Price Index for the Northeast Region over the same time period.
- Wages aren't covering real-life costs. More than half (56%) of job categories included reported wages that were below a living wage for a single, childless adult as estimated by the <u>MIT Living Wage Calculator</u>. Four job titles had *average* wages below this living wage estimate, including Direct Care Worker, where workforce shortages are most severe.
- Pay gaps are (maybe) closing, but still exist. This year's survey reflects a continued, though smaller, disparity in average pay between female and male executive directors; in Maine, reported wages for women were, on average, 90 cents on the dollar compared to male counterparts. Across Northern New England, BIPOC executive directors make, on average, 88 cents to every dollar paid to their White peers.

	Under \$250K	\$250K- \$500K	\$500K- \$1M	\$1M- \$5M	\$5M- \$10M	Over \$10M
Executive Director	\$69,098	\$72,654	\$85,363	\$112,590	\$160,534	\$178,443
Deputy Director	*	\$50,606	\$64,480	\$85,467	\$111,405	\$130,790
Development Director	*	*	\$59,821	\$72,051	\$81,744	\$94,640
Program/Division Director	\$53,622	\$50,482	\$56,098	\$71,594	\$85,613	\$81,037
Program/Project Manager	*	\$46,717	\$50,378	\$57,512	\$57,886	\$62,109
Administrative Coordinator	*	*	\$40,810	\$44,907	\$45,011	\$40,830

Selected Gross Average Maine Annual Wages by Budget Size

*Fewer than four responses.

Key Findings: Benefits

- Similar to 2020, benefits, on average, cost organizations about 20% of total wages.
- Health care benefits remain common, but are straining both employers and employees. The percentage of Maine organizations offering group health insurance held fairly steady at 73%, and of those employers offering coverage, a significant majority (88%) pay at least 51% of employee premiums. Three quarters (76%) of organizations that offer group health insurance reported they experienced an increase in their health care benefits costs during their last renewal period. As in 2020, employees are also feeling the weight of these rising rates in the form of higher premiums, co-pays, and deductibles.

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Retirement benefits show signs of improvement. Sixty-six percent (66%) offer a retirement plan (up from 55% in 2014). The percentage of organizations leaving it to their employees to fund their own retirement (by offering no plan or an unfunded plan) has dropped to 37% (down from 51% in 2018).

Key Findings: Regional Comparison

The 2022 survey was conducted in partnership with New Hampshire Council of Nonprofits and Common Good Vermont. The following chart offers a snapshot of some key data points.

Historically, the Benchmark Hourly Wage has tracked closely among the three states participating in the survey. The New Hampshire and Vermont reports can be useful sources when doing compensation planning in Maine, though beware of some small sample sizes.

Regional Comparison Snapshot

Chart E-2

		Maine	New Hampshire	Vermont
, u	Per Capita Income Rank Among States (2022)	35	8	26
	# Organizations Included in 2022 Survey	324	174	141
ve) lati	Average Budget Size of Responding Nonprofit	\$3,481,433	\$3,598,021	\$3,080,435
Survey Population	Total # Employed by Responding Organizations	13,352	7,427	4,505
	% of Female Executive Directors	64%	63%	61%
	% of BIPOC Executive Directors	3%	4%	3%
Wages	# of Employees for Whom Wages Were Reported	7,419	2,548	2,510
	Average Full-time Executive Director Wage	\$107,411	\$102,960	\$96,741
	Benchmark Hourly Wage	\$27.57	\$28.62	\$28.47
	Female Executive Director Wages as a % of Male Wages	89.64%	92.49%	73.03%
Benefits	Benefits as a Percentage of Wages	20.6%	18.5%	19.8%
	% of Nonprofits Offering a Health Plan	73%	78%%	76%
	Employers Paying 100% of Employee Health Coverage	44%	36%	29%
	% of Nonprofits with Health Insurance Rate Increase	76%	76%	52%

Order the Full Report

The full report includes more than 30 pages of details on nonprofit wages and benefits in Maine and across northern New England, including analysis by budget size, region and mission.

To order the report, visit <u>www.NonprofitMaine.org/Compensation</u>. Survey participants should have received an email with a code to claim their discount, or can contact MANP at manp@nonprofitmaine.org.

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