



Employee Compensation Philosophy

Across the country there is a systemic lack of investment in nonprofit leadership and talent. As such, a key part of MANP's Vision for the Sector is to lift up the critical value of the nonprofit workforce, advocate for appropriate compensation, and model healthy compensation practices.

Rather than functioning as a static **policy**, the following articulation of our compensation **philosophy** is intended to provide a transparent view into the frameworks our staff and board use make compensation strategy decisions that reflect our values, equity commitments, and pragmatic realities.

Principles

MANP is committed to transparent compensation practices that attract talented employees to our work, reflect our organizational values, align with our commitment to equity, support strategic objectives, and are achievable by a sustainable revenue model. MANP recognizes we have a unique opportunity and responsibility to lead and model practices that advance these principles for others in our network.

MANP's approach to compensation is holistic, and considers wages, monetary benefits (insurance contributions, etc.), and non-monetary benefits (such as schedule flexibility and access to professional development). This philosophy reflects our aspirations to be a leader with respect to:

- **Talent Investment:** We will invest in employee well-being and professional growth and offer compensation that is highly competitive compared to other organizations of our size, region, and living wage estimates.
- **Equity:** Employees with similar responsibilities will be paid on the same range, regardless of department. Employees will be placed on ranges consistently and with transparency, and in a way that equally values professional, lived, and educational experience. We value the work of employees at all levels of our organization: the ratio of highest paid to lowest paid employee will not exceed 3 to 1 (hourly rate). Employees are trained and practices are implemented to mitigate bias in hiring and compensation management.
- **Transparency:** All employees will understand how their position fits into the organization's pay categories, how they are individually placed onto a range, what factors will influence wage increase, what their benefits package includes, and how compensation fits into the organization's overall budget. Additionally, candidates for



hire will be provided with an overview of MANP's compensation philosophy and pay ranges, including starting wage/range for the open position.

- **Sustainability:** We will conduct regular evaluation and realignment of our ranges and practices to hold ourselves accountable to our goals within the evolving context of internal and external factors and our own ongoing learning. Specifically, we will not grow wages at a pace that requires unsustainable pressures on staff-led revenue generation.
- **Employee choice:** Wherever possible, we will offer benefits that allow individual employees flexibility.

Roles

Board/Staff Workgroups: As needed, convene to help develop, review and revise the compensation philosophy.

Board: Accepts and supports the organization's compensation philosophy, and is an active partner in ensuring adequate resources to fund compensation in alignment with the philosophy.

Executive Director: Sets pay categories, ranges and benefits in alignment with the philosophy. In consultation with staff supervisors, places specific positions within ranges, and approves all compensation for new hires and annual adjustments. Models transparency and encourages feedback.

Staff: Provide feedback regarding working conditions, market conditions, and benefits.

Wages

Design of Pay Categories and Ranges

Individual positions are grouped into **job categories** according to varying levels of responsibility, years of experience, and specific skills and expertise.

Each category has a **starting pay range**. MANP is also committed to ensuring that all interns are paid at or above the minimum wage as defined by the State of Maine.

All **positions** in the same category share the same pay range regardless of whether the role is on the programmatic or operations side of the organization; we value the work of all departments equally.



Maintaining Categories and Ranges

Every 2-3 years the Executive Director reviews pay ranges using multiple sources to evaluate market competitiveness. The economic environment may sometimes require a reassessment more frequently, such as in times of rapid inflation and deflation.

Recognizing that the market itself reflects inequitable practices, MANP also references resources that describe living wage needs to ensure our ranges are appropriately supporting employees to the best of our ability, though there are budgetary and pragmatic limitations to these aspirations given that living wage estimates can vary widely based on specific family circumstances.

The ranges will also be evaluated within the context of our organizational growth, staff/board capacity for resource generation, and fiscal responsibility, so that we can offer employees a high level of confidence that we can sustain ranges for the next 2-3 years.

Setting Base Pay for New Hires

Pay range information will be shared on all job postings, in line with MANP's commitment to compensation transparency. A new hire's starting pay will typically be set between the minimum and midpoint of the starting pay range for the position, and will be determined by the hiring manager in consultation with the Executive Director based on the individual's professional, lived and educational experience; skills; external labor market conditions; and internal pay equity.

MANP does not engage in pay negotiation in recognition of research that negotiation can perpetuate wage inequities by disproportionately disadvantaging non-white candidates, women, and trans and/or gender nonconforming candidates.

When budget allows, and market competition requires, MANP will occasionally offer a one-time flat fee hiring bonus.

When and How We Increase Base Pay

Annual Adjustments: Pay and pay ranges will be adjusted each year to reflect cost of living increases. We aspire to offer increases that meet or exceed a rolling 3-year average of annual inflation, while recognizing that we will not always be able to adjust to volatile economic conditions.

Job responsibility changes: If an employee's job responsibilities have changed substantively, their job category/title and pay will be adjusted accordingly.



MANP is committed to ensuring employees feel valued, invested in, celebrated for accomplishments, and motivated to excel. However, MANP **does not increase salaries based on performance** as the determination of merit-based pay is highly subjective and difficult to evaluate fairly and transparently.

When do we offer additional pay?

Bonuses: When budget allows, MANP offers all employees a year-end bonus. Bonuses are a flat amount to all employees regardless of position, with the exception of the Executive Director whose bonus pay is determined by the board.

Stipends: MANP supports the use of stipends and other incentive pay in certain rare circumstances related to temporary job and responsibility changes, such as covering a colleague's responsibilities during an extended leave, or providing staff support to a board committee outside of normal job responsibilities, such as a leadership transition/search committee. These stipends will be at the discretion of the Executive Director.

Executive Director Pay

An ad-hoc committee of board members led by the Board Chair will conduct a formal performance evaluation of the Executive Director on an annual basis to review progress against agreed upon goals. After this process is complete, the committee proposes a compensation package to the board for approval, considering both living wage and market data, such as that collected through MANP's own biennial survey of Maine nonprofit wages and benefits, comparable organizations' 990s, other salary surveys, and real-time information about workforce and compensation trends available through job boards.

Benefits

MANP considers benefits to be an essential component of appropriate compensation and strives to offer a robust benefits package that prioritizes employee wellness, professional growth, and flexibility. We are committed to ensuring our benefits package offers value to employees of different job categories, ages, family structures, and personal circumstances. Whenever possible, we offer employees choice in how to use their benefits, especially as it relates to personal definitions of family and wellness.

The Executive Director reviews MANP's benefits package on an annual basis with input from staff. The Executive Director will propose benefits package changes to the board as part of the budgeting process.