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Executive Compensation in Nonprofit Organizations of West Michigan

Kent, Ottawa, Muskegon, and Allegan Counties

*Selected Highlights from the
2004 West Michigan Nonprofit Compensation and Benefit Survey*

Executive Director / Chief Executive Officer (CEO) / President / Chief Professional Officer (CPO):

Salaries for the top positions in West Michigan nonprofit organizations vary based on organizational size and type as well as personal factors, such as experience, education, or length of time on the job. Average salaries range from \$31,500 to \$118,149, depending on budget size.

Regional Comparison of Executive Director Compensation

Statewide compensation data suggest that nonprofit executives in West Michigan are generally paid less than their counterparts in Southeast Michigan where the average salary is \$91,362. West Michigan nonprofit executives, paid on average \$71,434, are paid more than their counterparts in Eastern Michigan, Calhoun and Kalamazoo Counties, Mid Michigan, and Washtenaw County population centers where average salaries range from \$55,212 to \$66,562.

Executive Director Compensation by Organization Budget and Type

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ORGANIZATION BUDGET				
\$100,000 and Under	8	\$31,500	\$25,500	\$38,000
\$100,001- \$250,000	20	\$47,494	\$42,875	\$50,125
\$250,001- \$500,000	32	\$49,155	\$38,125	\$54,750
\$500,001- \$1,000,000	24	\$59,587	\$48,617	\$72,000
\$1,000,001- \$5,000,000	40	\$80,087	\$62,000	\$95,000
\$5,000,001- \$10,000,000	11	\$109,868	\$74,520	\$160,000
More than \$10,000,000	13	\$118,149	\$96,500	\$132,900
ORGANIZATION TYPE				
Arts/Culture	11	\$57,671	\$43,750	\$76,125
Environment/Wildlife	2	\$59,000	\$55,000	\$63,000
Education	9	\$85,112	\$44,000	\$117,900
Foundations	7	\$99,387	\$57,000	\$125,000
Health/Human Service	75	\$72,439	\$45,000	\$90,698
Public/Societal Benefit	21	\$76,514	\$43,000	\$100,586
Recreation	2	\$46,750	\$33,500	\$60,000
Religious/Faith-based	19	\$57,450	\$49,000	\$67,000

Executive Director Compensation by Region

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
POPULATION CENTERS				
West Michigan ¹	148	\$71,434	\$47,875	\$85,051
Washtenaw	44	\$64,512	\$46,325	\$76,250
Calhoun & Kalamazoo	56	\$58,257	\$41,550	\$75,220
Mid Michigan ²	56	\$66,562	\$51,250	\$79,004
Southeast Michigan ³	107	\$91,362	\$56,798	\$116,000
Eastern Michigan ⁴	50	\$64,553	\$43,875	\$80,000
Other	131	\$55,212	\$37,720	\$68,500

¹West Michigan - Kent, Ottawa, Muskegon, and Allegan counties

²Mid Michigan - Clinton, Eaton, Ingham, and Jackson counties

³Southeast Michigan - Macomb, Oakland, and Wayne counties

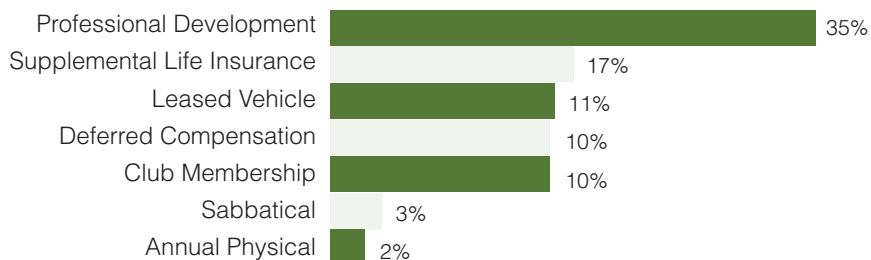
⁴Eastern Michigan - Bay, Genesee, Lapeer, Midland, and Saginaw counties



Bonus Programs, Perquisites, and Pay Increases

Some nonprofit organizations offer bonus programs and/or perquisites to their top executives. Thirty-five percent of organizations offer professional development and 13% have a bonus program. For those with a bonus program, the average award is \$9,762.

Executive Director Perquisites



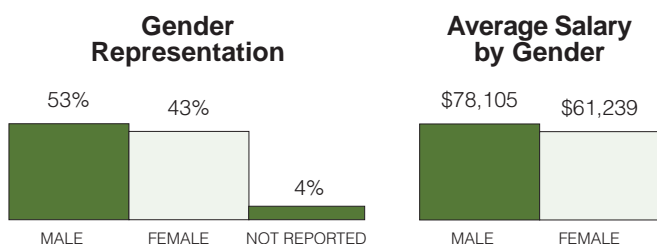
The average pay increase for CEOs in 2003 was 3.9%. No pattern exists based on budget size. Pay increases range from 1.6% to 5.0%.

Executive Director Profile: Age, Gender, and Tenure

The majority of Executive Directors in this survey are 40 years of age and older; 54% have been in their position for six years or less.

Men are more likely to head the largest nonprofits; 88% of all nonprofits with operational budgets over \$10 million are headed by male CEOs.

Salaries vary significantly by gender – the average salary for male executives is \$78,105 and for females \$61,239. This difference is partially explained by the larger percentage of male executives in larger organizations.



Executive Director Gender by Budget Size

Organization Budget	Male CEOs	Female CEOs
\$100,000 and Under	25%	67%
\$100,001- \$250,000	38%	58%
\$250,001- \$500,000	47%	47%
\$500,001- \$1,000,000	44%	56%
\$1,000,001- \$5,000,000	60%	36%
\$5,000,001- \$10,000,000	77%	23%
More than \$10,000,000	88%	6%

Percents will not add to 100 because of non-responses.

Executive Director Tenure

Length of Time as Current CEO	Male	Female	Total
0-3 years	32%	37%	34%
4-6 years	14%	27%	20%
7-9 years	13%	14%	13%
10+ years	39%	19%	30%
Not reported	2%	3%	2%

Executive Director Ages

Age of Current CEO	Male	Female	Total
29 years or less	2%	1%	2%
30-39 years	6%	21%	12%
40-49 years	24%	30%	27%
50-59 years	51%	43%	47%
60-69 years	13%	4%	9%
70+ years	3%	1%	2%
Not Reported	1%	--	1%

Compensation Of Other Executive Positions Among West Michigan Nonprofits

Program Director/Supervisor/Project Manager

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	78	\$41,597	\$32,000	\$48,925
ORGANIZATION BUDGET				
\$100,000 and Under	--	--	--	--
\$100,001- \$250,000	7	\$30,988	\$26,625	\$37,363
\$250,001- \$500,000	18	\$35,286	\$26,125	\$38,106
\$500,001- \$1,000,000	15	\$39,230	\$32,000	\$43,000
\$1,000,001- \$5,000,000	23	\$44,976	\$38,750	\$50,000
\$5,000,001- \$10,000,000	9	\$41,174	\$32,045	\$51,919
More than \$10,000,000	6	\$55,940	\$41,954	\$70,685

-- denotes fewer than 3 responses

Chief Financial Officer

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	47	\$62,110	\$49,076	\$72,912
ORGANIZATION BUDGET				
\$100,000 and Under	--	--	--	--
\$100,001- \$250,000	--	--	--	--
\$250,001- \$500,000	--	--	--	--
\$500,001- \$1,000,000	6	\$53,061	\$36,272	\$70,412
\$1,000,001- \$5,000,000	17	\$56,273	\$45,000	\$63,000
\$5,000,001- \$10,000,000	10	\$64,986	\$49,139	\$82,950
More than \$10,000,000	12	\$72,518	\$62,660	\$83,613

-- denotes fewer than 3 responses

Development Director

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	40	\$51,623	\$36,013	\$63,375
ORGANIZATION BUDGET				
\$100,000 and Under	--	--	--	--
\$100,001- \$250,000	--	--	--	--
\$250,001- \$500,000	5	\$35,000	\$25,000	\$47,500
\$500,001- \$1,000,000	7	\$41,907	\$34,098	\$53,750
\$1,000,001- \$5,000,000	15	\$53,545	\$41,500	\$64,625
\$5,000,001- \$10,000,000	5	\$63,705	\$46,413	\$83,000
More than \$10,000,000	6	\$66,365	\$56,000	\$80,363

-- denotes fewer than 3 responses

This report highlights selected findings on executive compensation from the *2004 West Michigan Nonprofit Compensation and Benefit Survey*. The survey was conducted by the Dorothy A. Johnson Center for Philanthropy and Nonprofit Leadership at Grand Valley State University from October 2003 to July 2004 as part of a statewide study of compensation and benefits paid to nonprofit personnel. One hundred and seventy-one West Michigan nonprofit organizations participated in the survey.

The *2004 West Michigan Nonprofit Compensation and Benefit Survey* contains information on salaries for 64 job titles, education and experience required, medical and insurance benefits, vacation/holiday/sick time off, and executive demographics and compensation. Survey respondents reported low and high ends of the salary range along with the average. The complete report is available for purchase; organizations that completed the survey received a complimentary copy.

***To order the complete report, contact the
Johnson Center at (616) 331-7585 or visit
www.johnsoncenter.org.***



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