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2006 Executive Compensation in Nonprofit Organizations of West Michigan

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Johnson Center
at Grand Valley State University

August 2006

Executive Compensation in
Nonprofit Organizations of West Michigan

Allegan, Kent, Muskegon, and Ottawa Counties



Selected Highlights from the
2006 Michigan Nonprofit Compensation
and Benefit Survey

Regional Comparison of Executive Director / Chief Executive Officer (CEO) / President / Chief Professional Officer (CPO) Compensation:

Statewide compensation data suggest that nonprofit executives in West Michigan are generally paid less than their counterparts in Southeast Michigan, Mid Michigan, and Calhoun and Kalamazoo Counties where average salaries range from \$72,857 to \$91,80. West Michigan nonprofit executives, paid on average \$71,685, are paid more than their counterparts in Eastern Michigan, Washtenaw County, the Traverse City Area, and Upper Peninsula where average salaries range from \$57,561 to \$66,291.

West Michigan Executive Director Compensation:

Salaries for the top positions in West Michigan vary based on organizational size and type as well as individual factors, such as experience, education, or length of time on the job. Average salaries range from \$29,600 to \$131,189, depending on budget size.

Multiyear Pattern (2002, 2004, 2006)

This is the third report of Executive Compensation in Nonprofit Organizations of West Michigan. Survey data from 2002, 2004, and 2006 show that organizations with budgets over \$5 million are consistently more likely to be headed by male CEOs.

EXECUTIVE DIRECTOR COMPENSATION BY REGION

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
POPULATION CENTERS				
West Michigan ¹	137	\$71,685	\$50,000	\$86,000
Southeast Michigan ²	82	\$91,801	\$52,300	\$107,131
Mid Michigan ³	51	\$82,278	\$50,000	\$80,000
Calhoun and Kalamazoo Counties	50	\$72,857	\$48,000	\$86,000
Washtenaw County	43	\$66,291	\$55,000	\$76,000
Eastern Michigan ⁴	29	\$68,610	\$45,858	\$76,000
Traverse City Area ⁵	14	\$60,331	\$45,788	\$77,500
Upper Peninsula	14	\$57,561	\$36,000	\$65,000
Other	89	\$56,399	\$40,000	\$67,000

¹ West Michigan – Allegan, Kent, Muskegon, and Ottawa Counties

² Southeast Michigan – Macomb, Oakland, and Wayne Counties

³ Mid Michigan – Clinton, Eaton, Ingham, and Jackson Counties

⁴ Eastern Michigan – Bay, Genesee, Lapeer, Midland, and Saginaw Counties

⁵ Traverse City Area – Antrim, Benzie, Grand Traverse, Kalkaska, and Leelanau Counties

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	\$29,660	\$21,000	\$37,500
\$100,001 - \$250,000	14	\$45,673	\$37,938	\$49,752
\$250,001 - \$500,000	28	\$54,240	\$40,500	\$57,000
\$500,001 - \$1,000,000	21	\$61,825	\$55,709	\$72,000
\$1,000,001 - \$5,000,000	44	\$78,136	\$60,000	\$87,314
\$5,000,001 - \$10,000,000	11	\$97,082	\$76,440	\$109,000
More than \$10,000,000	11	\$131,189	\$102,000	\$151,265
ORGANIZATION TYPE				
Arts/Culture	10	\$61,871	\$47,000	\$86,000
Education	7	\$72,071	\$45,000	\$124,930
Environment/Wildlife	2	x	x	x
Health/Human Service	68	\$74,666	\$52,000	\$88,627
Philanthropy	8	\$117,228	\$85,000	\$141,633
Public/Societal Benefit	21	\$61,928	\$49,939	\$68,850
Recreation	1	x	x	x
Religious	19	\$62,933	\$49,098	\$72,000

x = fewer than three responses

This report highlights selected findings on executive compensation from the *2006 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 August 2005 to January 2006 as part of a statewide study of compensation and benefits paid to nonprofit personnel. One hundred fifty-five West Michigan nonprofit organizations participated in the survey.

The *2006 West Michigan Nonprofit Compensation and Benefit Survey* contains information on salaries for 58 job titles, education and experience required, benefits, various types of time off, and executive demographics and perquisites. Survey respondents reported low and high ends of the salary range along with the average salary paid. The complete report is available for purchase; organizations that completed the survey received a complimentary copy.

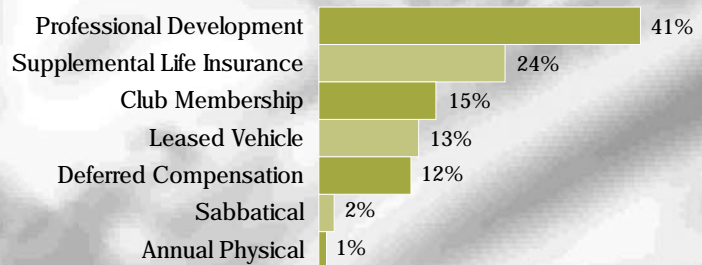
To order the complete report, contact the Johnson Center at 616-331-7585 or visit www.johnsoncenter.org.

Bonus Programs, Perquisites, and Pay Increases

Some nonprofit organizations offer bonus programs and/or perquisites to their top executives. Forty-one percent of the responding organizations offer professional development and 19% have an executive bonus program.

Among those offering a bonus, the average award is \$9,188.

EXECUTIVE DIRECTOR PERQUISITES



The average pay increase for CEOs in 2005 was 4.4%. No pattern exists between budget size and pay increase.

Executive Director Profile: Age, Gender, and Tenure

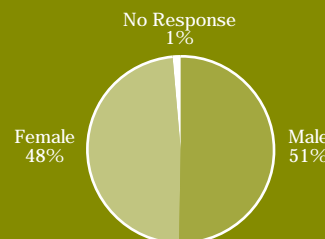
Nine out of ten Executive Directors in this survey are 40 years of age or older; 62% have been in their position for six years or less. Men are more likely to head the largest nonprofits; 75% of nonprofits with operational budgets over \$5 million are headed by male CEOs.

CEO GENDER BY BUDGET SIZE

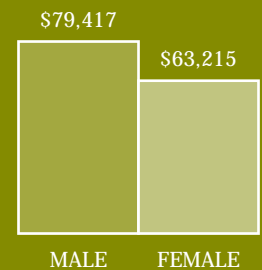
Organizational Budget	% Male CEOs	% Female CEOs
\$100,000 and Under	46%	46%
\$100,001 - \$250,000	33%	67%
\$250,001 - \$500,000	27%	74%
\$500,001 - \$1,000,000	57%	43%
\$1,000,001 - \$5,000,000	57%	44%
\$5,000,001 - \$10,000,000	85%	15%
More than \$10,000,000	67%	27%

Percents may add up to less than 100 due to non-responses. Percents may add up to more than 100 due to rounding.

EXECUTIVE DIRECTOR GENDER REPRESENTATION



AVERAGE EXECUTIVE DIRECTOR SALARY BY GENDER



Salaries vary significantly by gender – the average salary for male executive directors is \$79,417 and for females \$63,215.

EXECUTIVE DIRECTOR AGE

Age of Current CEO	Male CEOs	Female CEOs	Total
29 years or less	0%	0%	0%
30-39 years	6%	12%	9%
40-49 years	24%	28%	26%
50-59 years	46%	45%	46%
60-69 years	19%	13%	16%
70+ years	4%	1%	3%

EXECUTIVE DIRECTOR TENURE

Length of Time as CEO	Male CEOs	Female CEOs	Total
0-3 years	36%	45%	41%
4-6 years	19%	23%	21%
7-9 years	10%	12%	11%
10+ years	35%	20%	27%

Compensation Of Other Executive Positions Among West Michigan Nonprofits

PROGRAM DIRECTOR

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	73	\$42,757	\$32,000	\$47,298
ORGANIZATION BUDGET				
\$100,000 and Under	3	\$32,000	\$32,000	\$32,000
\$100,001 - \$250,000	4	\$29,083	\$25,000	\$32,250
\$250,001 - \$500,000	9	\$37,554	\$31,000	\$45,575
\$500,001 - \$1,000,000	13	\$35,871	\$31,000	\$39,064
\$1,000,001 - \$5,000,000	29	\$42,787	\$34,778	\$47,298
\$5,000,001 - \$10,000,000	7	\$44,699	\$35,490	\$47,282
More than \$10,000,000	8	\$62,508	\$47,500	\$73,185

CHIEF FINANCIAL OFFICER

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	40	\$61,459	\$44,000	\$74,037
ORGANIZATION BUDGET				
\$100,000 and Under	•	•	•	•
\$100,001 - \$250,000	•	•	•	•
\$250,001 - \$500,000	3	\$50,882	\$34,600	\$64,545
\$500,001 - \$1,000,000	1	x	x	x
\$1,000,001 - \$5,000,000	20	\$54,671	\$39,603	\$65,000
\$5,000,001 - \$10,000,000	6	\$66,805	\$57,000	\$85,470
More than \$10,000,000	10	\$75,950	\$65,770	\$90,000

• = no responses

x = fewer than three responses

DEVELOPMENT DIRECTOR

	Number of Responses	Average	25% Earn Less Than	25% Earn More Than
ALL RESPONSES	43	\$52,347	\$40,050	\$60,519
ORGANIZATION BUDGET				
\$100,000 and Under	•	•	•	•
\$100,001 - \$250,000	•	•	•	•
\$250,001 - \$500,000	4	\$45,813	\$31,125	\$60,500
\$500,001 - \$1,000,000	8	\$40,423	\$34,391	\$50,000
\$1,000,001 - \$5,000,000	19	\$53,545	\$43,000	\$58,000
\$5,000,001 - \$10,000,000	4	\$69,658	\$55,665	\$83,650
More than \$10,000,000	7	\$57,470	\$47,000	\$65,795

• = no responses



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