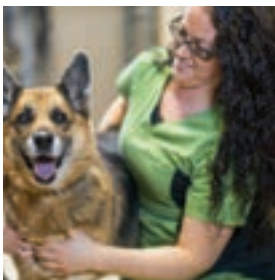# pnp Staffing Group ®

PROFESSIONALS FOR NONPROFITS

2018

NONPROFIT SALARIES and STAFFING TRENDS REPORT

For Greater Washington, DC Area NonProfits & Associations

PNP believes in the power of nonprofits to make a difference in people's lives.

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2018 NONPROFIT SALARIES and STAFFING TRENDS

Summary & Key Findings for Greater Washington, DC Area

Decreased Supply vs. Growing Demand

PNP's annual survey of salaries and trends in Washington, DC Area nonprofits and associations, conducted in September 2017, shows a very ambitious and confident hiring and compensation outlook for 2018.

Fueled by expansion and growth in the sector over the last few years, this confidence is combined with an awareness of the challenges facing organizations in finding talent to fill increasing staff needs and the demands of growth.

Despite political and economic turbulence throughout 2017, the nonprofit sector continues to experience and to reflect the strong demand for the services offered by varied organizations in the arts, education, healthcare, human and social services, foundations, and environmental initiatives.

This year's survey clearly reflects confidence that funding and public support for nonprofit institutions – at an all-time high in 2017 – will continue to be solid. This optimism is not expressed as wishful thinking, but rather by the numbers reported by organizations in the sector.

At the time of this survey, the U.S. unemployment rate was at a low of 4%, with the Bureau of Labor Statistics reporting that demand for workers exceeded supply, particularly in the service sector. Coupled with the shift from one generation of managers to another (Baby Boomers to Millennials) the competition for experienced talent has hit an all-time high.

Our Report reflects both the optimism and the challenges of staffing in the nonprofit sector going into 2018, particularly in finding, hiring, and managing top talent.

*Thank you to our partners for this year's Report: **TopNonprofits, Cerini & Associates, Plan A Advisors, Nonprofit 990,** and **LAPA**. Their support and commitment to organizations, individually and alongside PNP, has expanded services, resources, and capabilities available to nonprofits throughout the sector.*

Key Findings in This Year's DC Area Survey

- 85% of organizations gave salary increases to staff in 2017. In general, a larger percentage of these increases went to senior executives, somewhat mirroring corporate America.

- 25% of nonprofits increased benefits to staff in 2017 – health insurance included.

- 42% gave merit/performance-based salary increases in 2017, a higher number than in any previous year.

- 68%, a significant number of nonprofits and associations, plan to give at least cost-of-living salary increases in 2018.

- 54% of organizations reported encountering a "skills gap" in recruiting their workforce.

- 50% reported concerns about their organization's lack of training and professional development offerings to counter their staff's lack-of-skills.

- 49% said that program development will be their number one reason for hiring in 2018.

- 46% noted that enhancing marketing, branding and communications will be their second reason for hiring in 2018.

- 24% cited turnover and retirement as a reason for hiring new staff in 2017, but 45% of organizations are citing turnover and retirement as a reason for hiring new staff, in 2018.

- 60% of respondents noted that more than 50% of their organization's senior management positions are filled by women. Human and Social Services nonprofits lead the way.

- 50% of organizations report having Millennials in senior leadership positions.

- 63% of nonprofits report now offering flexible schedules for staff, primarily because of the push for "flex-time" from Millennials.

2018 NONPROFIT SALARIES and STAFFING TRENDS

Summary & Key Findings for Greater Washington, DC Area
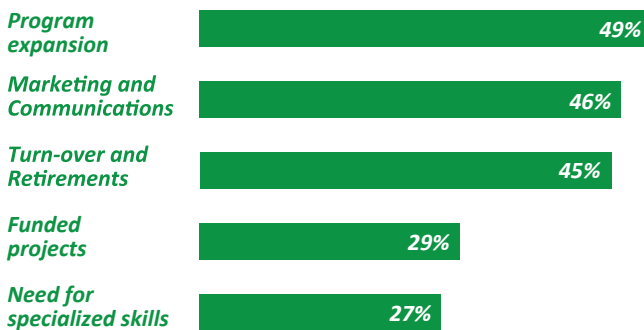
Projections and Trends for 2018

The importance of effective recruitment and retention is clearly reflected throughout all responses to this year's survey. Talent management is a top priority and begins with successfully attracting and keeping good staff.

For the second year in a row, program growth is the primary reason given for anticipated staff increases in 2018. This year, over 43% cited turnover and replacing retirees as an additional reason for new hires in 2018 – second only to program expansion.

Nonprofits are definitively in prime "Baby Boomer" years, and are confronting staffing needs and changes accordingly. Baby Boomers born in 1953 will turn 65 in 2018. The accelerating need to replace retirees is a trend evidenced in our survey and one that will continue to be consequential for the sector.

Primary Reasons for Projected Hiring in 2018

Program expansion	49%
Marketing and Communications	46%
Turn-over and Retirements	45%
Funded projects	29%
Need for specialized skills	27%

The impact of retirements affects various nonprofit sectors differently.

Plan to Replace Retirees in 2018

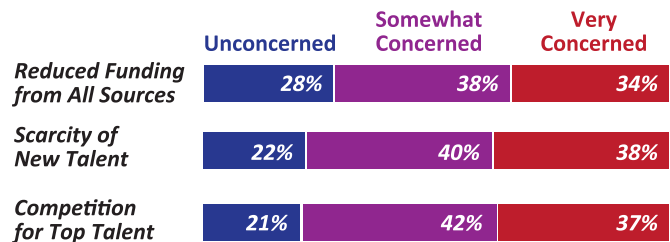|	
Arts organizations	45%
Education	44%
Human and Social Services	41%
Healthcare	29%
Other	26%
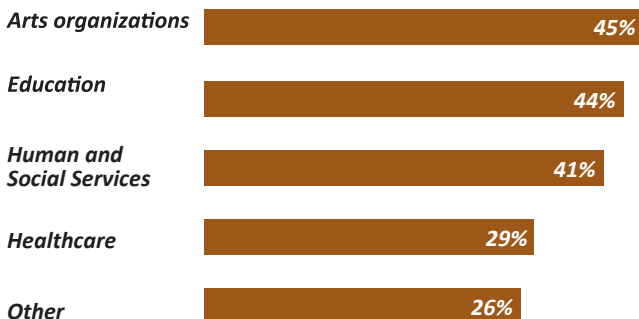
Talent Management Outlook for 2018

This year's survey reflects a positive and aggressive hiring outlook for DC area nonprofits. 72% of respondents noted that they plan to recruit new staff in 2018, as compared to 53% who reported that they added staff in 2017.

The reasons given for hiring in 2018 are about equally divided between nonprofits who plan to add staff in order to expand overall (39%) and those who plan replacements for vacant positions, particularly retirees (45%).
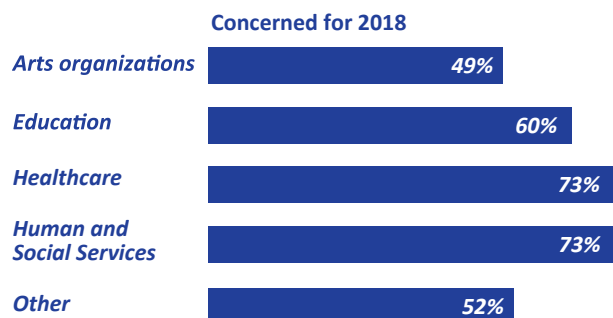
The major issues seen by nonprofits that impact hiring and compensation have remained fairly constant, with concern about scarcity of talent and increased competition, from both for-profits and non-profits, having more impact than in the past.

Principal Concerns Affecting Staffing & Hiring Plans

	Unconcerned	Somewhat Concerned	Very Concerned
Reduced Funding from All Sources	28%	38%	34%
Scarcity of New Talent	22%	40%	38%
Competition for Top Talent	21%	42%	37%

Talent acquisition concerns are reflected differently in different parts of the sector.

Concern about Success in Recruiting New Talent

Concerned for 2018

Arts organizations	49%
Education	60%
Healthcare	73%
Human and Social Services	73%
Other	52%

WASHINGTON, DC AREA FINDINGS AND TRENDS

Candidates & the Marketplace

All issues and challenges in strategic planning for nonprofits revolve around the importance of recruiting and keeping good people who can successfully deliver services and mission. We asked, "When hiring, would you be more likely to

- Pay more than budgeted for a highly experienced performer, a 'super star;' or

- Go for a less experienced but solid 'worker bee' well within budget"

62% noted that they would try to stretch their organization's budget to hire a more experienced, high performance employee, while 38% noted that they would stay within budget and hire a competent worker with less experience.

Increasingly, the value of more experience and high performance is preferable to nonprofit managers.

Nonprofits are finding new and more fully defined ways to attract exceptional candidates in a competitive market, even those candidates who may be beyond their salary ranges.

From highlighting the value of the organization's mission to highlighting the prestige of the organization itself, a wide range of nonprofits noted that they were successful in 2017 in hiring a candidate who, at first, wanted more than they could pay but then came on board for less. Yet, 24% of respondents said they do not try to attract nor make offers to candidates whose expectations exceed the organization's pre-set salary limits.

TopNonprofits

TopNonprofits is the online resource for the modern nonprofit professional. Over 3 million executives visited the website last year to access the best-of-the-best awards list, blog posts, podcasts, webinars and more, all produced by industry experts and thought-leaders.
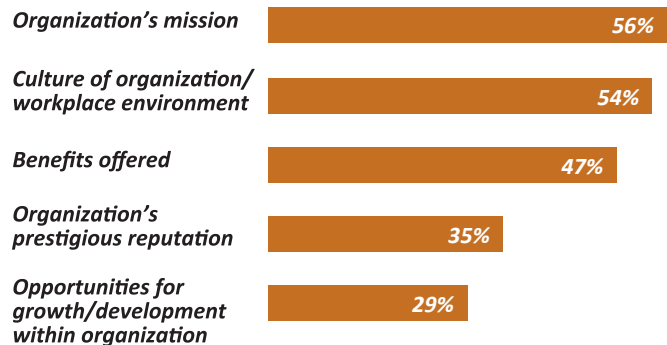
Effective Recruiting

In 2017, 64% of nonprofits report the experience of having at least one candidate decline their best offer, and go elsewhere.

A remarkable 36% report that they made an offer, the candidate accepted, and then withdrew prior to the start date. And 33% had a candidate accept, start on the job, but then resign within the first three months of employment.

This trend in hiring, reflecting a marketplace that is "candidate-driven", will continue to be challenging and a matter of concern to nonprofits and to PNP. More than ever, to attract the staff you want and need, nonprofits must understand how to compete effectively for talent. The following chart reflects what candidates in the marketplace consider important when looking at an organization.

Critical Recruiting/Hiring Strategies

Strategy	Percentage
Organization's mission	56%
Culture of organization/ workplace environment	54%
Benefits offered	47%
Organization's prestigious reputation	35%
Opportunities for growth/development within organization	29%

Talent Management

33% of managers often lose a talented candidate over a small difference in salary offered and salary expected.

30% of the time, when a candidate turns down a job, it is because an organization reduces its salary offer during the hiring process.
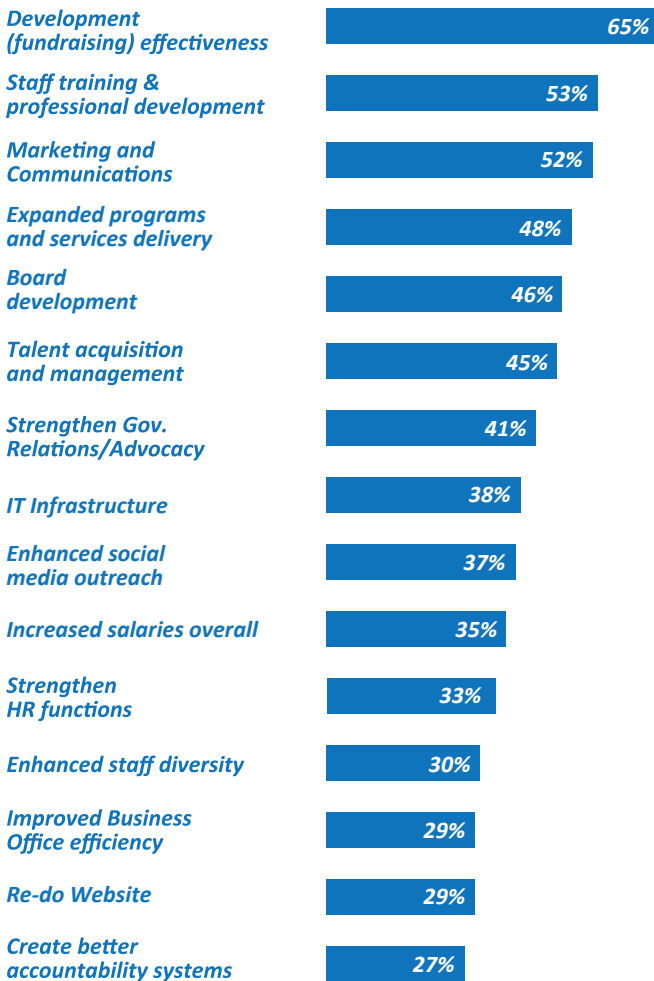
20% of the time, an organization loses a candidate of choice because they hesitate too long to make an offer.

WASHINGTON, DC AREA FINDINGS AND TRENDS

Where Nonprofits Are Going

As always, hiring priorities tend to be in the program and fundraising areas. Staff training and professional development has moved into second place on the priority list, with improved marketing and communications receiving greater attention than in previous surveys. These priorities reflect the continuing needs of nonprofits:

Organizational Priorities in 2018

| Priority	%
Development (fundraising) effectiveness	65%
Staff training & professional development	53%
Marketing and Communications	52%
Expanded programs and services delivery	48%
Board development	46%
Talent acquisition and management	45%
Strengthen Gov. Relations/Advocacy	41%
IT Infrastructure	38%
Enhanced social media outreach	37%
Increased salaries overall	35%
Strengthen HR functions	33%
Enhanced staff diversity	30%
Improved Business Office efficiency	29%
Re-do Website	29%
Create better accountability systems	27%

Changes in Leadership

A significant finding in this year's survey is that, more than ever, senior executive management positions in nonprofits are being filled by women.

57% of DC respondents noted that in 2017 women filled more than 50% of their organization's senior management positions, including CEO, CFO, COO – a substantial increase from year 2016.

An additional 29% of respondents reported that more than one-third of their senior executive positions are now filled by women. Overall, more than 89% of nonprofits have substantial numbers of women in leadership positions.
Human and Social Services organizations lead the way.

Sectors where more than 50% of Executive Positions Filled by Women

Sector	%
Human and Social Services	67%
Arts	63%
Education	58%
Healthcare	51%
Other	50%
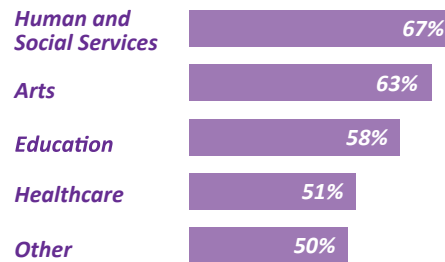
In addition, our survey also showed that the growing presence of Millennials in leadership roles in organizations is bringing incremental benefits of new vitality, energy, and innovation in nonprofit management. 54% of organizations report now having Millennials in senior leadership positions.

Further changes in leadership and management in the sector are reflected in the proliferation of new titles:
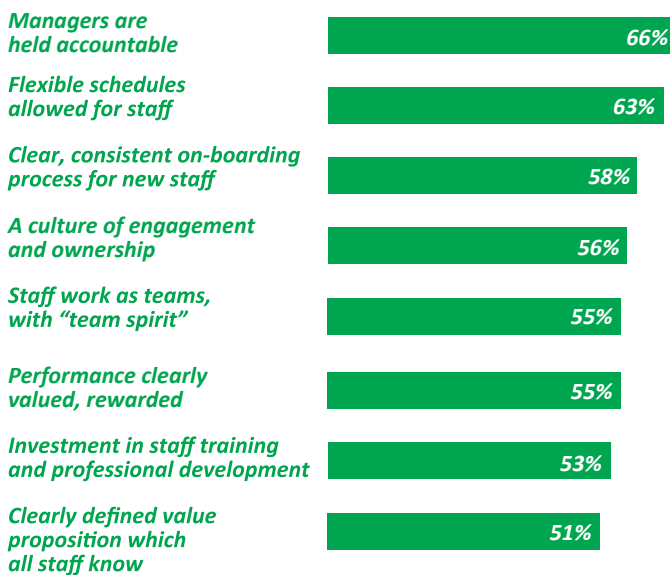
%	Title
49% of organizations now	have a Social Media Manager
30%	have a Chief of Staff
29%	have a Director of Outreach
22%	have a Training Manager
18%	have a Relationships Manager
16%	have a Brand Manager
13%	have a Knowledge Manager

Essential Best Practices

Looking at all factors, and taken together with salaries, that make nonprofits successful in finding and keeping talented staff in a competitive market, "best practices" is key. The evidence from our 2017 survey is that several elements are considered essential both by candidates and by employers in making an organization a "go to" place to work:

Characteristics of Nonprofits Successful in Attracting Talent

Managers are held accountable	66%
Flexible schedules allowed for staff	63%
Clear, consistent on-boarding process for new staff	58%
A culture of engagement and ownership	56%
Staff work as teams, with "team spirit"	55%
Performance clearly valued, rewarded	55%
Investment in staff training and professional development	53%
Clearly defined value proposition which all staff know	51%

These practices represent the most effective and compelling ways to compete in the marketplace for talent in the years ahead. Despite turbulent economic times and competition for both funding and talent, those organizations that find ways to make their place of work productive, supportive, enjoyable, teaching-and-learning environments, will be leaders in the sector in 2018.

TOPNONPROFITS

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HOW TO USE THIS REPORT

More than 1,500 organizations, a record number of nonprofits, responded to our salary survey questionnaire this year. Covering most of the key positions critical to the management of a non-profit or association, our Salary Report gives you the information you need to be able to compete effectively for talent in the marketplace.

Salaries for 44 positions are listed for five different organizational budget sizes. 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.

If your organization is paying below the salary range listed for a position in your budget category, or for a similar position in your budget category, it means that 70% of nonprofits in your area are paying a higher salary to fill that position than you are, putting you at risk of not being able to recruit and retain staff in a competitive market.

ABOUT US

PNP STAFFING GROUP was founded in 1996, as Professionals for Nonprofits, to provide staffing services exclusively to the nonprofit, association, and social good sector.

PNP offers a single place for all your staffing needs in all the professional areas you need to fill. We are proud of proven results for hundreds of nonprofits while working smartly and efficiently within our clients' budgets. We believe in the power of nonprofits to make a difference in peoples' lives and we provide the staff to help make that difference.

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PROFESSIONALS FOR NONPROFITS

WASHINGTON, DC AREA SALARY RANGES

POSITIONS	BUDGET SIZES AND 2017 SALARIES				
Management	**$2M - 5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
CEO/President	140-170K	175-220K	220-270K	270-320K	330-380K
Executive Vice President	NA	130-160K	160-200K	210-250K	250-29OK
Executive Director	100-130K	130-160K	170-220K	220-260	260-300K
Chief Operating Officer	80-110K	110-150K	150-180K	175-220K	220-260K
Finance	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
CFO/VP Finance	90-110K	120-150K	150-180K	170-210K	210-250K
Director of Finance	80-90K	90-110K	110-130K	120-150K	160-200K
Controller	60-75K	70-80K	80-90K	90-120K	120-150K
Staff Accountant	50-60K	60-70K	60-70K	70-80K	80-90K
Bookkeeper	40-50K	40-50K	50-60K	60-70K	60-75K
Fundraising	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
VP/Chief Development Officer	90-120K	120-150K	140-170K	170-210K	200-250K
Director of Development	75-90K	90-110K	100-130K	130-160K	170-200K
Director of Major Gifts	NA	80-90K	80-100K	100-120K	120-140K
Director of Foundation / Corporate Relations	NA	70-80K	80-90K	90-110K	110-140K
Director of Special Events	50-60K	60-70K	70-80K	70-80K	75-90K
Grants Writer	50-60K	50-60K	60-70K	70-80K	70-80K
Development Associate	40-50K	50-60K	50-60K	60-70K	65-75K
Development Assistant	35-40K	40-50K	40-50K	40-50K	40-50K
Marketing & Communications	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
VP of Marketing/Communications	80-100K	100-110K	120-130K	130-160K	165-200K
Director of Marketing/Communications	70-80K	70-80K	80-100K	90-110K	100-130K
Marketing/Communications Associate	40-50K	40-50K	50-60K	50-60K	50-70K
Social Media Professional	NA	40-50K	40-50K	50-60K	50-60K
Dir. of Advocacy/Gov Relations	80-90K	85-100K	100-120K	110-130K	120-150K
Membership	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
Director of Membership	80-90K	90-100K	100-110K	100-120K	110-150K
Director of Meetings	60-70K	70-90K	90-100K	90-100K	100-120K
Membership Coordinator	50-60K	50-60K	60-70K	60-70K	60-75K
Meetings Coordinator	40-50K	40-55K	50-60K	60-70K	60-70K
Components Director	50-60K	50-60K	65-80K	75-85K	75-90K
Components Associate	40-50K	40-50K	40-50K	40-50K	45-60K
Programs & Education	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
VP of Programs/Education	90-100K	100-120K	120-140K	130-170K	170-210K
Director of Programs/Education	70-80K	80-90K	90-110K	100-130K	130-150K
Programs/Education Associate	50-60K	50-60K	60-70K	60-70K	60-75K
Programs/Education Assistant	35-40K	40-50K	40-50K	40-50K	40-50K
Human Resources	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
VP/Director HR	80-90K	90-100K	100-120K	120-140K	130-170K
HR Manager	50-60K	60-70K	70-80K	80-100K	85-100K
Benefits Manager	50-60K	60-70K	60-70K	60-80K	70-90K
HR Associate	40-50K	40-50K	40-50K	50-60K	50-60K
Technology	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
VP/Director of IT	80-100K	90-110K	110-130K	130-160K	160-200K
Network Administrator	60-70K	60-70K	70-80K	80-100K	90-110K
Database Manager	50-60K	50-60K	60-70K	70-80K	75-90K
Website Manager	40-50K	50-70K	60-70K	70-80K	75-90K
Administration	**$2M - $5M**	**$5.1M - 10M**	**$10.1M - 20M**	**$20.1M - 50M**	**over $50M**
Executive Assistant	40-50K	50-60K	50-60K	60-70K	70-90K
Administrative Assistant	35-40K	35-45K	40-50K	40-50K	50-70K
Office Manager	40-50K	50-60K	50-60K	50-60K	55-75K
Receptionist	35-40K	35-45K	35-45K	40-50K	50-60K

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- Understands unique needs of sector
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- Finds candidates with passion & commitment to fit your organizational culture
- 30,000 nonprofit & association candidates in PNP database
- Oversees process that is efficient, fast and results driven
- Proud of an 80% referral rate from satisfied clients
- Customized and responsive staffing
- Consistent track record of success
- Strong commitment to supporting the wonderful work of each organization

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