

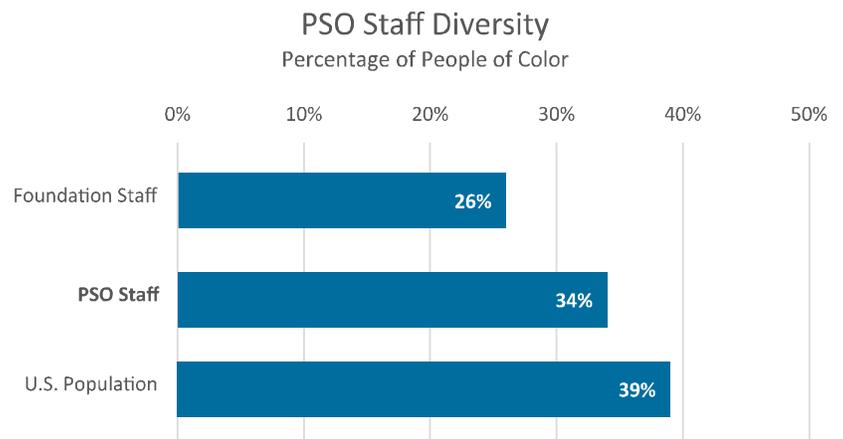
EXECUTIVE SUMMARY

2017 Compensation & Benefits for Philanthropy-Serving Organizations

United Philanthropy Forum’s first-ever *2017 Compensation & Benefits for Philanthropy-Serving Organizations* report provides comprehensive benchmarking data and analyses on the employment practices of regional and national¹ philanthropy-serving organizations (PSOs), based on the responses of 50 PSOs. The report is part of the Forum’s ongoing efforts to advance, inform and support the vital work of PSOs in the philanthropy field. The report provides PSOs with data, information and knowledge to learn from their peers and benchmark themselves against similar organizations, and provides funders with key data and trends about a critical component of the philanthropy field. The report is an important contribution to the Forum’s ongoing and growing work to lead change and increase impact in philanthropy. Key findings include:

PSO Staff Diversity

- PSOs are more diverse than foundations but less diverse than the country.** Two-thirds (66%) of PSO staff are white, compared to 74% for U.S. foundations, indicating that PSO staff are more racially and ethnically diverse than the field that they serve.² However, this figure is higher than the 61% of the U.S. population that are white,³ suggesting that PSOs need to make additional progress to reflect the full diversity of the country. The need for diversity is even greater at the CEO level, where 78% of CEOs of PSOs are white (although this remains well below the 90% share reported for foundation CEOs⁴ and nonprofit CEOs⁵ nationwide). Studies have shown that a more diverse workforce that includes a range of perspectives enhances creative thinking, innovation and problem solving, resulting in better decisions.⁶



- PSOs are predominately female.** Among all regional and national PSOs, just over three-quarters (76%) of PSO staff positions are held by women. This share is identical to the percentage of women among foundation staff nationwide.⁷ Among the CEOs of regional PSOs, women also accounted for a similar share of positions (78%). However, among national PSOs, men accounted for half of the CEO positions.

¹ National PSOs focus on a funding issue, population group, philanthropic practice or type of funder.

² 2016 Full Grantmaker Salary and Benefits Report, Council on Foundations; see <http://philanthropynewsdigest.org/news/study-finds-persistent-age-gap-lack-of-diversity-in-foundation-staff>

³ Population Distribution by Race/Ethnicity, The Henry J. Kaiser Family Foundation; see <http://www.kff.org/other/state-indicator/distribution-by-raceethnicity>

⁴ 2016 Full Grantmaker Salary and Benefits Report

⁵ Leading with Intent: A National Index of Nonprofit Board Practices (2017 Edition), BoardSource

⁶ The Business Case for Equality and Diversity, Department for Business Innovation & Skills; see <http://www.raeng.org.uk/publications/other/the-business-case-for-equality-and-diversity>

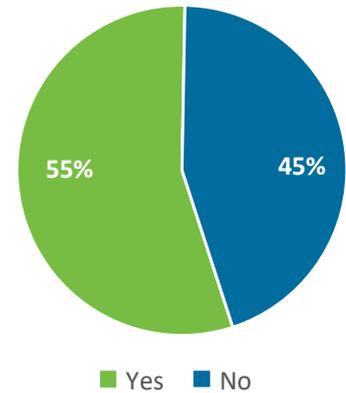
⁷ 2016 Full Grantmaker Salary and Benefits Report

PSO Staff Retention & Recruitment

- PSOs are experiencing staff growth.** A majority of PSOs (55%) plan to add at least one staff position in their next fiscal year, which is nearly identical to the 57% of all U.S. nonprofits that expected to create new staff positions in 2016.⁸ In the past 12 months, 27 PSOs reported creating a total of 54 new staff positions.
- Most PSOs had staff turnover in the past year but see steady turnover levels.** A large majority of PSOs (75%) experienced at least one staff transition in their last fiscal year, but they appear to view their rate of turnover as remaining fairly constant. Compared to two years ago, a majority of PSO respondents (57%) consider their rate of turnover to be at about the same level and just 15% perceive it as being higher. This is consistent with trends for the nonprofit sector as a whole, where turnover rates have remained fairly steady over the past few years.⁹
- Most PSOs report positive experiences in recruiting new staff.** Among PSOs that have recruited for a senior-level position in the past two years, most rate their experience as “extremely positive” (36%) or “generally positive” (36%). For those filling junior-level roles, the share reporting an “extremely positive” experience was lower (23%), although fully half (50%) characterized the experience as being “generally positive.” Roughly one-quarter of PSOs reported a “mildly challenging” or “extremely challenging” hiring experience, identifying such challenges as candidates’ lack of knowledge about philanthropy and nonprofits, difficulty in identifying candidates who can handle the multiple tasks required of most PSO staff members, and less competitive wages.

Do you plan to add any staff positions in your next fiscal year?

Share of PSOs

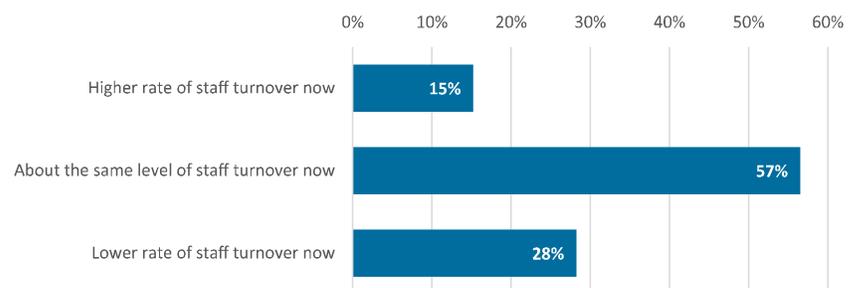


PSO Staff Compensation

- Most PSOs use performance-based compensation systems.** Four out of five responding PSOs (81%) employ a performance-based compensation system in which raises vary across employees at least in-part based on their job performance. Nonetheless, just over half of PSOs (54%) apply an annual cost-of-living adjustment to all employee salaries. Just over two-fifths of PSO staff (41%) were eligible for performance-based bonuses. In the latest year, regional PSOs offered a median salary increase of 1-3%, while national PSOs offered a higher median salary increase of 3-4%.

Compared to two years ago, do you perceive a change in the rate of staff turnover at your organization?

Share of PSOs



⁸ 2016 Nonprofit Employment Practices Survey, Nonprofit HR, GuideStar and the Improve Group; see http://www.nonprofithr.com/wp-content/uploads/2016/04/2016NNPHR_SurveyInfographicV2-3.pdf

⁹ Ibid.

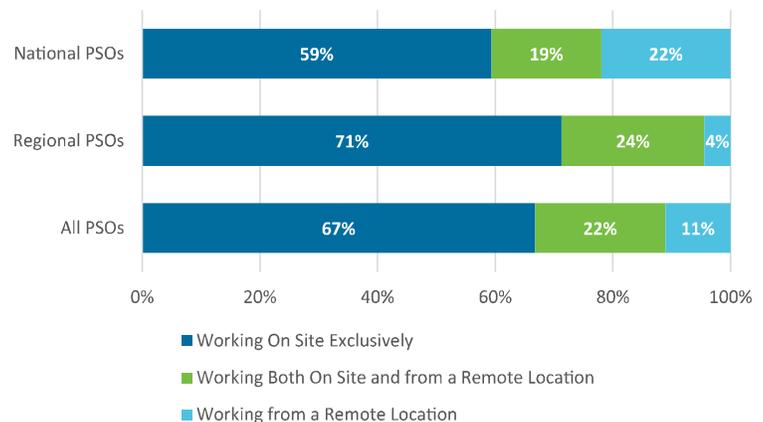
PSO Staff Benefits

- Most PSOs offer healthcare benefit, but don't cover dependent costs.** 95% of PSOs offer some type of medical, dental and/or vision plan/insurance or a healthcare stipend to their employees. More than two-thirds of PSOs (68%) that offer healthcare plans/insurance cover the full cost of this benefit for their full-time employees, while just 9% cover the full cost of this benefit for employees' dependents.
- Most PSOs offer retirement benefit, but don't match employee contributions.** 92% of PSOs offer some type of retirement benefit to their full-time employees. Two-thirds of PSOs contribute to their employees' retirement plan based on a percentage of their base salary, with the median percentage being 6%. A much smaller percentage of PSOs (37%) match employees' contributions to their retirement plans.
- Combined PTO not common among PSOs.** A majority of responding PSOs (77%) offer separate vacation, sick and personal days, while 23% offer combined personal time off (PTO) days. Most PSOs reported increasing the number of vacation days that staff can accrue over time, with 20 days representing the median value reported for the maximum number of vacation days that employees can accrue in a single year.

PSO Staff Work Location

- Most PSO staff work on site; off-site work is more common with national & smaller PSOs.** The majority of staff at PSOs work on site, although a sizable minority are taking advantage of more flexible working arrangements. Among the 325 permanent staff for which respondents indicated a working location, just over two-thirds (67%) worked exclusively on site; 22% worked remotely at least one day per week; and 11% worked off-site exclusively. National PSOs were much more likely than regional PSOs to report staff working remotely at least part of the time (41% versus 29%), as were smaller PSOs.

Staff Working Locations



About the Forum

United Philanthropy Forum is the largest network serving philanthropy in America. The Forum connects a diverse network of regional and national philanthropy-serving organizations (PSOs) to lead change and increase impact in philanthropy. The Forum's membership includes more than 60 philanthropy associations and networks across the United States that represent more than 7,000 foundations and other philanthropic organizations. Our ultimate goal is to help ensure that philanthropic investments are making the greatest possible impact to strengthen people and communities across the country.

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