



# 2020 SALARY & BENEFITS REPORT

---

*Benchmarking Nonprofit Compensation  
in Alaska*

the**foraker**group

© DECEMBER 2020

SUPPORTED BY:

**MUTUAL OF AMERICA**  
Your Retirement Company®

DECEMBER 2020

Dear Nonprofit Partners:

Thank you for your interest in assessing your organization's compensation program. As always, we could not produce this report without the many Alaska nonprofits that participated in the survey. We appreciate the time they devoted to this effort. Our special thanks, also, to **Mutual of America** for their continued support of this work and their commitment to the nonprofit sector.

We appreciate your interest in providing the best salary and benefit package possible for your employees. We are confident you will find the information you need in this report to adjust your compensation for current employees, if appropriate, or to set the right salary range for a new employee.

**To help you better use this information**, we have added a section that covers how to (1) create an organizational salary structure, (2) compare salaries for competitiveness in the marketplace, (3) review benefit offerings against peer organizations, and (4) promote pay equity. You also will find **ways to close the gender pay gap woven throughout**, including questions we encourage you to ask as you establish salary levels for employees, along with steps you can take today to close any gaps that may exist in your organization.

To further explore and seek to end the pay gap, we joined with the Alaska Department of Labor and Workplace Development and the University of Alaska Center for Economic Development earlier this year to conduct a groundbreaking study on nonprofit sector wages with a focus on the pay gap. Findings from that study, combined with the data from this survey, provide a comprehensive look at the gender pay gap, which we cover in the Gender Pay Equity section.

No study in 2020 would be complete without considering the **impact of COVID-19 on employment**. A full picture has yet to emerge, and employment is only one aspect of that impact. While we know the pandemic will affect the sector for some time, this report provides a glimpse of a shift that already is occurring in the way organizations operate. You'll find that outlined in the Executive Summary.

We hope, as always, that this report provides you information to help you take action. We welcome the opportunity to **partner with you on your next steps** whether that is a full compensation study or a quiet conversation. Please don't hesitate to call.

With gratitude,



Laurie B. Wolf, CFRE, MNPL  
President and CEO

# TABLE OF CONTENTS

<b>1</b>	<b>EXECUTIVE SUMMARY</b>	
<b>5</b>	<b>HOW TO USE THIS REPORT</b>	
<b>8</b>	<b>PAY EQUITY IN ALASKA</b>	
<b>11</b>	<b>DEFINITIONS</b>	
<b>14</b>	<b>DEMOGRAPHICS</b>	
	List of Participants .....	14
	Participant Demographics .....	16
<b>18</b>	<b>BENCHMARK JOB DESCRIPTIONS</b>	
<b>24</b>	<b>SALARY DATA</b>	
	All Respondents .....	25
	Southcentral .....	27
	Interior .....	29
	Southeast .....	30
	Budgets less than \$1 million .....	31
	Budgets \$1 million to \$5 million .....	32
	Budgets greater than \$5 million .....	33
	20 or fewer employees .....	35
<b>36</b>	<b>BENEFITS SUMMARY</b>	
	Major Medical Insurance .....	37
	Dental Plans .....	39
	Vision Plans .....	40
	Holidays and Leave .....	41
	Retirement Plans .....	45
	Group Life Insurance .....	46
	Short-Term Disability Insurance .....	47
	Long-Term Disability Insurance .....	48
	Accidental Death and Dismemberment Insurance .....	49
	Other Benefits .....	50
	COVID-19 .....	52

# EXECUTIVE SUMMARY

---

As nonprofit leaders, it's essential that we have tools to make informed decisions. One of those tools is the Foraker Salary and Benefits Report, which gives us context and a comparative benchmark for compensation in Alaska's nonprofit sector. Our sector is a major employer in the state: 44,092 Alaskans work for a nonprofit, representing 17% of the workforce statewide and more than 40% in specific regions across the state. For this reason, it's important that we understand how our compensation practices compare to others in the marketplace.

With the participation of the nonprofits who provided their data, along with the generous support of **Mutual of America** who sponsored this report, we are pleased to provide the only holistic look at compensation specific to Alaska's nonprofits. We view this report as a way for us to collectively build the credibility of the sector, to offer perspective for making decisions on salaries and benefits, to provide knowledge of our sector to employees and funders, and to create a basis for comparing our sector to others in the state, thus allowing us to remain competitive in the overall marketplace.

## The 2020 Salary and Benefits Report features:

- Salary data for 48 positions including executive director, finance director, development director, administrative support, accountants, clinical support, and program staff
- Regional breakdown of data from Southcentral, Interior, Western, and Southeast Alaska
- Data from organizations with budgets ranging from less than \$100,000 to over \$10 million
- Data from 20 types of nonprofits, including youth development, educational institutions, medical disciplines, arts, culture, and humanities groups
- Benefit data on medical, dental, vision, holidays and leave, retirement plans, life insurance, and more

- Data on gender pay gap challenges and opportunities

We know you are making critical decisions about how to fairly compensate your employees. To do this, you not only need to consider salaries but also bigger issues like healthcare costs and availability and gender pay policies that have an impact on each decision. For this reason, we are providing a third round of data on understanding the gender pay gap in Alaska's nonprofit sector. Our 2016 report set a baseline, and this year the data marks the trends in pay equity and continues to highlight ways we can make progress toward a more equitable pay scale throughout the sector.

While survey data is important, using it is essential. For the first time, we have included a section in this report on how to better use the information it contains. If you need further assistance, consider our personalized facilitation and educational programming to ensure you have the information, resources, and support to turn data into action.

## DEMOGRAPHICS

Participating organizations for 2020 represent employees from 153 nonprofits. Foraker Partner organizations dominate the respondent list and represent 85% of total respondents. Demographic highlights from the group include:

- **51.6%** are in **Anchorage**.
- **59.1% employ** between **one and 20 staff**.
- **31.9%** have budgets **under \$500,000**.
- **35.3%** have budgets between **\$1,000,000 and \$5,000,000**.
- **19%** have budgets at or **over \$5,000,000**.
- **65.4%** budget on a **July 1st to June 30th year**.
- **25.5%** budget on a **calendar year**.

The **Demographics** section provides a full list of respondents and detailed information on the composition of this group.

## EXECUTIVE SUMMARY *continued*

### EXEMPT/NON-EXEMPT

The **Definitions** section explains these terms, which relate to whether or not a particular position is covered by the Fair Labor Standards Act (FLSA). Salary data displayed in this report reflect job category only, not whether a position is exempt or non-exempt. Several factors determine whether a job is exempt, and any assessment regarding this designation should be organization and position specific and in compliance with federal and Alaska statutes and regulations. If you have questions about the FLSA rules, please contact the Alaska Department of Labor and Workforce Development.

### BENEFITS

The following table indicates the survey responses related to change in the value of salaries and benefits combined:

SALARIES AND BENEFITS COMBINED	% OF ORGANIZATIONS REPORTING CHANGE IN THE VALUE OF SALARIES AND BENEFITS
DECREASING	11.3%
INCREASING	27.7%
STAYING THE SAME	60.7%

Based on our data since 2010, it appears that certain benefit trends continue to move slowly in the direction described below:

- Paid-time-off leave (PTO) is currently favored over a combination sick and vacation plans. 70% of respondent organizations prefer a PTO plan.
- Employee out-of-pocket costs for healthcare deductibles and premiums continue to increase.
- High deductible plans paired with a Health Savings Account (HSA), a Health Reimbursement Account (HRA) and/or a Flexible Spending Account (FSA) are increasingly the structure for addressing the costs of healthcare plans.

The following table summarizes results from the benefits component of the survey:

BENEFIT	ORGANIZATIONS WITH COVERAGE
HEALTH INSURANCE - MAJOR MEDICAL	64%
HEALTH INSURANCE - DENTAL	54%
HEALTH INSURANCE - VISION	48%
PAID HOLIDAYS	93%
FORMAL LEAVE PLAN - PAID-TIME-OFF OR VACATION/SICK	88%
RETIREMENT	67%
GROUP LIFE INSURANCE	47%
LONG-TERM DISABILITY INSURANCE	19%
ACCIDENTAL DEATH & DISMEMBERMENT INSURANCE	33%

See the **Benefits Section** of this report for full details.

### SALARIES

To maintain confidentiality and provide viable information, five responding organizations are required before data is shown. You can help improve the amount of information we can report in the future by encouraging your peer organizations to take the survey the next time it is offered. We all benefit with more participation.

### BREAKOUT SECTIONS

The breakout sections for salary data repeat those first established in 2008. While some breakouts contain limited information, they are still reported for possible value to organizations in those categories. The breakout sections include: All Respondents, Southcentral Alaska, Interior Alaska, Southeast Alaska, budget size less than \$1 million, budget size \$1 million to \$5 million, budget size greater than \$5 million, and organizations with 20 or fewer employees.

The presentation layout of this report clearly allows you to compare salaries in multiple ways to those of other organizations that are comparable in location, organizational type, budget, and workforce size. All relevant tables should be reviewed for a comprehensive understanding before salary decisions are made for a specific job.

## EXECUTIVE SUMMARY *continued*

As part of our ongoing commitment to better understand and make our partners aware of the gender pay gap, we also have identified in the **All Respondents Breakout** section those positions where there is a pay gap differential. Based on the data submitted for this survey, there were four positions that had a pay gap greater than 10%: Development Director (86%), Finance Director (73%), Operations Manager (89%), and Clinical Director (87%).

### **CONSUMER PRICE INDEX FOR URBAN ALASKA (FORMERLY THE ANCHORAGE CPI)**

According to the July 2020 Alaska Economic Trends report, inflation was 1.4% for 2019. However, because of the COVID-19 pandemic, the April 2020 index showed a deflation rate of 2.5% from April 2019. The first one-half of 2020 indicated a 1.7% deflation rate.

Alaska Economic Trends also reported that the unemployment rate for the state from May 2019 to May 2020 was 12.2%.

### **COST OF LIVING IN RURAL ALASKA**

As we know, the cost of living (COL) in rural Alaska is much higher than Anchorage and the Mat-Su Valley. According to the July 2020 *Alaska Economic Trends* report, several factors indicated these differences. The first considered housing, both for the average purchase price of a new home as well as the median rent of a two-bedroom apartment. The second was fuel costs, heating fuel, and gasoline. For those organizations that have employees living in rural Alaska, be aware of the salary survey data and consider the COL differentials when conducting a compensation and/or a benefit analysis of incumbent staff or the hiring of new employees. *Alaska Economic Trends* is an excellent resource for better understanding these various COL elements.

### **RESULTS**

The change in survey participants from year-to-year makes it difficult to draw absolute conclusions. Job titles that show significant gains in one cycle can show losses in

the next. The changing composition of the participating group from one survey to the next also makes viable conclusions about wage changes difficult. For example, 65% of the 2020 participants submitted data in 2018, meaning 35% of 2020 participants were new to the survey this year (or may have responded in previous cycles). Therefore, while no sound conclusions regarding trends in salaries increasing, maintaining, or decreasing can be made, we are confident that the survey provides valid and useful information for decision making.

### **GENDER PAY EQUITY IN ALASKA NONPROFITS**

As a starting point to increase the data and knowledge of the gender pay gap, this report focuses on the top-level employees in the nonprofit workplace. We understand that this issue is much deeper and wider than simply the pay of those employees. To that end, we encourage you to review our findings in the **Gender Pay Equity** section. You can also learn more about proven practices to close the pay gap, which we provide in our new section **How to Use This Report**, and we urge you to apply them to every job classification in your workplace.

### **IMPACT OF COVID-19**

Recognizing that COVID-19 has impacted the sector this year, as it will for the foreseeable future, we asked this question: “COVID-19 had a significant impact on all nonprofit agencies in 2020 and will probably have a continuing impact through 2021. Please describe how COVID-19 has impacted your planning for compensation and benefits administration of employees.”

The impact reported by participants varied with 59% reporting a negative impact and 30% reporting no impact. The remaining 11% said the pandemic actually had a positive impact.

Examples given by those who experienced a negative impact included staff reductions, loss of revenue, cancellation of fundraising events, employees taking more time off work to care for family members, wages

## EXECUTIVE SUMMARY *continued*

---

remaining flat, and a reduction in the number of clients. Those who did not experience a negative impact reported that their budgets didn't change, and they were able to continue with their annual planning for compensation and benefits administration. Some even reported implementing wage increases.

The few organizations that experienced a positive impact needed to add staff because of an increased demand for services. In one situation, the organization added benefits to retain and attract employees. Interestingly, one agency added staff specifically for cleaning and other COVID-related workplace requirements.

### **FINAL THOUGHTS**

Foraker remains committed to providing well-researched information so that you can make the best decision on how to compensate current and future employees. We recognize that fair and equitable pay is critical, and we stand with you in a commitment to see equitable workplaces. We encourage all employers to view compensation as the sum of salary dollars and the monetary value of benefits. Thinking about total compensation in this manner, and expressing this approach to employees and job applicants, can give the clearest picture of what you as an employer can offer and what the employee can expect in return for a commitment to your organization.

Thank you, again, to those who took part in our survey and to **Mutual of America** for their sponsorship. We look forward to working with you as you use this report. We are pleased to offer it as a tool that will provide significant support for compensation practices across Alaska's nonprofit sector.