2022
SALARY & BENEFITS REPORT

Benchmarking Nonprofit Compensation in Alaska

© DECEMBER 2022

theforaker group

SUPPORTED BY:
MUTUAL OF AMERICA
Your Retirement Company
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.

Alaska’s nonprofit workforce is strong and resilient. Our 2021 report Alaska’s Nonprofits Generate Greater Economic Impact, which is available on our website, articulates the depth and breadth of our employees and the roles they play to make Alaska work. That report also looked closely at the impacts of the pandemic. This report picks up on the larger themes of the economic review and provides an on-the-ground perspective with your comments. Data is collected through participant surveys so, while not as comprehensive, it is just as powerful in its actual reflection of Alaska’s nonprofit workplaces.

We have learned so much about the ways we worked over the last two years and how our workspaces and work life overall has adapted. More staff are working remotely, others are cautiously feeling their way back to offices, and still others have chosen to leave. Understanding the employee marketplace and the decisions in front of us is part of that work. We know many factors influence the way we compensate our staff. We also know that many organizations would like to increase compensation to be more competitive, but existing funding arrangements and other complexities prevent fast change. Wherever you are in the process, we invite you to be curious, engage with your team, and ultimately make the right decisions for your mission.

Inside this report you will not only find the most recent salary and benefits data from first quarter 2022, but also an emphasis on ways we can stand together to end the gender pay gap and work toward creating more welcoming and inclusive workplaces. This year we added information on the makeup of our diversified workforce and responses to our questions about diversity, equity, and inclusion. Another section provides more detail on the way organizations adapted their workplaces and activities from 2020-2022 because of COVID-19.

In sum, this report is action oriented. We provide ways to use data to increase your competitiveness in the marketplace, create a more diverse and equity-centered workplace, and inspire lasting change.

As always, we hope you will encourage your peers to use this report and also to participate next time. The more participation we have, the better our data will be to inform action that moves our organizations forward.

We welcome the opportunity to partner with you on your next steps whether that is a full compensation study, a facilitation on how to move From Bias to Belonging, or a quiet conversation. Please don’t hesitate to call.

With gratitude,

Laurie B. Wolf, CFRE, MNPL
President and CEO
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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: 38,105 Alaskans work for a nonprofit, with one in four non-government jobs tied to nonprofits, and more than 40% in specific regions across the state. We are also enduring a very competitive job market which means as employers we need current data to make decisions. For these reasons, it’s important that we understand how our compensation practices compare to others in the marketplace.

Thanks to the participation of Alaska’s 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.

The 2022 Salary and Benefits Report features:

- Data on gender pay gap challenges and opportunities.
- Baseline conversations on the intersection of race and pay disparity and opportunities
- Suggested action steps and resources to navigate the gender pay gap

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 managing healthcare costs and availability, confronting unconscious bias in compensation decisions, and ensuring gender pay policies all of which have an impact on each decision. For this reason we are providing another 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. For the first time we are also providing a snapshot into our diversified workforce from a race and ethnicity perspective based on self-disclosed data. We hope all this information sparks conversations and action in your workplace.

While survey data is important, using it is essential. We have included a section, Using This Report – Options for Your Next Steps, to help you better use the information included here. 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 2022 represent employees from 142 nonprofits. Demographic highlights from the group include:

- 55% of the nonprofits are in Anchorage.
- 59% employ between one and 20 staff.
- 9.4% have budgets under $500,000.
- 9.5% have budgets between $500,000 and $1,000,000
EXECUTIVE SUMMARY

• 37.6% have budgets between $1,000,000 and $5,000,000.
• 43% have budgets at or over $5,000,000.
• 27.5% budget on a calendar year.

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

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:

<table>
<thead>
<tr>
<th>SALARIES AND BENEFITS COMBINED</th>
<th>% OF ORGANIZATIONS REPORTING CHANGE IN THE VALUE OF SALARIES AND BENEFITS</th>
</tr>
</thead>
<tbody>
<tr>
<td>Decreasing</td>
<td>9%</td>
</tr>
<tr>
<td>Increasing</td>
<td>39%</td>
</tr>
<tr>
<td>Staying the Same</td>
<td>52%</td>
</tr>
</tbody>
</table>

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

• Among agencies who reported information, high deductible plans paired with a Health Savings Account (HSA), a Health Reimbursement Account (HRA) and/or a Flexible Spending Account (FSA) continue to play a role in addressing the increasing costs of healthcare plans.

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

<table>
<thead>
<tr>
<th>BENEFIT</th>
<th>ORGANIZATIONS WITH COVERAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Insurance – Major Medical</td>
<td>70%</td>
</tr>
<tr>
<td>Health Insurance – Dental</td>
<td>63%</td>
</tr>
<tr>
<td>Health Insurance – Vision</td>
<td>63%</td>
</tr>
<tr>
<td>Paid Holidays</td>
<td>94%</td>
</tr>
<tr>
<td>Formal Leave Plan – Paid-Time-Off or Vacation/Sick</td>
<td>94%</td>
</tr>
<tr>
<td>Retirement</td>
<td>76%</td>
</tr>
<tr>
<td>Group Life Insurance</td>
<td>49%</td>
</tr>
<tr>
<td>Long-Term Disability Insurance</td>
<td>26%</td>
</tr>
<tr>
<td>Short-Term Disability Insurance</td>
<td>25%</td>
</tr>
<tr>
<td>Accidental Death &amp; Dismemberment Insurance</td>
<td>30%</td>
</tr>
</tbody>
</table>

See the Benefits Summary for full details.

SALARIES
To maintain confidentiality and provide viable information, five responding organizations are required before data is shown in this report. Please 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, Southeast Alaska, Interior Alaska, annual budget sizes ranging from $100,000 to greater than $10 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. The gender and race analysis is also shown in a way to make comparisons to your workforce. All relevant tables should be reviewed for a comprehensive understanding before salary decisions are made for a specific job.

**GENDER PAY EQUITY IN ALASKA NONPROFITS**
Our intent is to increase the data and knowledge of the gender pay gap in Alaska’s nonprofit sector. This report focuses on the top-level employees in the nonprofit workplace, and 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 Addressing Gender Pay Equity section. You can also learn more about proven practices to close the pay gap, which we provide in our new section Using This Report – Options for Your Next Steps, and we urge you to apply them to every job classification in your workplace.

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%: Chief Executive Officer/Executive Director (16%), Deputy Director/Chief Operations Officer (18%), Development/Fundraising Director (16%), and Finance Director (16%). Importantly, to understand the true impact of the pay gap, all employees must be assessed. Foraker is committed to working with the Alaska Department of Labor and Workforce Development to provide this comprehensive data analysis.

**FACTORING DIVERSITY AND EQUITY INTO COMPENSATION**
Across the country, a persistent gender pay gap exists in every sector. And data shows the pay gap is exacerbated when race and ethnicity are tabulated. This report seeks to raise consciousness and encourage conversations in every workplace in an effort to lessen unconscious bias and ensure that tools like this one do not inadvertently reinforce the pay gap. Beyond this data, it is essential that each organization be ready to attract and retain the best workforce, which means creating and sustaining a diverse, equitable, and welcoming environment.

To better understand how survey participants are addressing race and ethnic diversity in their workplace, they responded to four related questions. Two key responses are reported for this summary:

- 70% of survey respondents agreed that their organization’s hiring practices proactively encourage and support people with diverse backgrounds and abilities to apply for employment.
- 60% of respondents agreed that their organization had created and implemented policies (such as recruitment and hiring policies, retention and workplace inclusiveness policies, and professional development and advancement policies) that seek to ensure people within the organization in similar positions are compensated equally regardless of their gender, age, race, diverse abilities, gender identity, socio-economic status, and beliefs, and that they have equal opportunity for advancement.

Additional data is found in A Look Into Our Diversified Workforce.

This report also provides information on the racial makeup of employees from responding organizations. The data shows the following makeup:

- White – 64.9%
- Alaska Native / American Indian – 15.2%
- Hispanic – 5.9%
- African-American – 4.3%
- Multiracial – 4.2%
- Asian – 3.6%
- Hawaiian / Pacific Islander – 2.1%
COVID IMPACT ON EMPLOYMENT AND COMPENSATION
Recognizing that the pandemic affected every organization in the past few years, we asked several questions to highlight the impact on employment and compensation.

REMOTE WORK
• 62% of the survey respondents have employees working remotely a majority (greater than 20%) of their workday.
• 83% expect this working arrangement to continue into 2023.

ACCESS TO FEDERAL ECONOMIC RELIEF
• 77% of the survey respondents indicated they had received U.S. Department of Treasury COVID-19 Economic Relief funding.
• Of these, 75% indicated they used the funds for increases to salary/base pay.

SHIFTS IN EMPLOYMENT
• 34% of the survey respondents indicated their staffing levels increased while 44% said their staffing levels remained the same during the last two years. Note this is not an indicator of any shift in people – only positions.

Additional data is found in COVID Impact on Employment and Compensation, which is at the end of this report.

CONSUMER PRICE INDEX FOR URBAN ALASKA (FORMERLY THE ANCHORAGE CPI)
According to the Consumer Price Index for Urban Alaska the inflation rate for the first half of 2022 was 8.4%. For the year 2021, the inflation rate was 4.9%.

Alaska Economic Trends also reported that the unemployment rate for the state from May 2021 to May 2022 was 4.7%. The most current information on the state of our economic downturn can be found at the Center for Economic Development in a report entitled Alaska’s Economic Performance in National Context, which states that in 2021 Alaska ranked 50th in employment growth, average unemployment rate and GDP growth rate of all the 50 states.

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 2022 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 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.

FINAL THOUGHTS
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. 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.

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.