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**2012 CANADIAN NONPROFIT SECTOR
SALARY SURVEY**

an annual compensation and benefits study

Participant's Executive Summary

PREPARED BY ASSOCIATION RESOURCE CENTRE INC
FOR CHARITYVILLAGE® • JUNE 2012

ABOUT CHARITYVILLAGE®

CharityVillage® is Canada's leading online resource for professionals in the nonprofit sector. We connect people to ideas, opportunities and each other. For more information about CharityVillage, contact Shawn Mitchell at shawn@charityvillage.com or at (604) 254-1826.

ABOUT THE ASSOCIATION RESOURCE CENTRE INC.

The Association Resource Centre Inc. is a full-service management consulting firm that specializes in meeting the diverse needs of the not-for-profit sector. Through its Research and Strategy Division, the firm provides a broad range of research services to associations and to the members they serve. The Association Resource Centre's extensive background in governance, strategic planning and not-for-profit research enables it to interpret the data it receives and to provide insightful analysis as to what the data means.

DISCLAIMER

Although the information in this report has been obtained from sources that the Association Resource Centre Inc. believes to be reliable, this report is based on survey responses during the period of March 22, 2012 to April 13, 2012. Accordingly, its accuracy and completeness cannot be guaranteed. This report is for information purposes only. All opinions and estimates included in this report constitute the views of survey respondents combined with our judgment as of this date and are subject to revision.

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Thank you for participating in the 2012 Canadian Nonprofit Sector Salary Survey. This participant executive summary provides an overview of the key statistics from the main report. To order the full report at the special participant price, please contact Shawn Mitchell at shawn@charityvillage.com.

Participant Executive Summary

As part of its mandate to support Canadian nonprofits by providing information and resources, CharityVillage® contracted the Association Resource Centre to carry out its second annual Canadian Nonprofit Sector Compensation & Benefits Study in March 2012. The inaugural study, carried out in 2011, was the first of its kind to focus exclusively on Canadian charities and nonprofits.

An online survey that collected compensation and profile data was conducted in March and April 2012. In all, 1,398 organizations participated, reporting compensation data on over 15,000 nonprofit employees across Canada at six different staff levels. This represents a 17% increase in respondents over the 2011 study.

The following is a summary of key highlights from the 2012 study:

Average cash compensation increases with seniority. The one exception is that average cash compensation for senior executives (level 2) is slightly higher than for Chief Executives (level 1) (see **Exhibit 1**). In 2012, Chief Executives in the nonprofit sector receive average total cash compensation of almost \$86,500: \$85,015 in base compensation and \$1,446 in bonus or additional cash compensation. On the whole, the average bonus or additional cash compensation amounts to a miniscule 1.4% of base compensation. However, only 20% of Chief Executives receive any bonus or additional compensation at all. If we focus just on this select group, the average bonus or additional compensation is 7.2%.

EXHIBIT 1: CASH COMPENSATION BY LEVEL

	Level 1: Chief Executives	Level 2: Senior Executives	Level 3: Senior Management	Level 4: Management/ Supervisory Staff	Level 5: Functional & Program Staff	Level 6: Support Staff
Average Annual Cash Compensation						
Base Compensation	\$85,015	\$88,239	\$73,389	\$54,152	\$43,299	\$38,744
Bonus or Additional Compensation	\$1,446	\$1,336	\$533	\$295	\$137	\$95
<i>Total Cash Compensation</i>	<i>\$86,461</i>	<i>\$89,575</i>	<i>\$73,922</i>	<i>\$54,447</i>	<i>\$43,436</i>	<i>\$38,839</i>
Average hourly rate (base only)	\$43.90	\$45.50	\$38.00	\$28.10	\$22.00	\$19.70
Average bonus (percentage of base compensation)						
Among all staff	1.4%	1.3%	0.7%	0.5%	0.3%	0.2%
Among those who receive bonus pay	7.2%	6.4%	5.3%	4.4%	4.2%	3.1%
Percentage of employees receiving bonus compensation	20%	21%	12%	11%	7%	7%
Sample size	N=728	N=216	N=757	N=1,379	N=1,510	N=1,022
Number of employees represented	728	238	1,080	2,695	6,539	2,687

Cash compensation growth slow and steady: There were few surprises where cash compensation is concerned in the 2012 study. Average compensation growth for the twelve months preceding the study sat at or just below inflation, ranging from 1% to 2.2% depending on staff level. This trend is expected to continue for the time being, with survey participants predicting similar compensation growth over the next year. The individual increases at the top three management levels come despite a mild down tick in sector averages.

Seniority and employment status the keys to higher-paying jobs: For the most part, seniority continues to have a significant impact on cash compensation levels. At the higher management levels, full-time employees also earn more than part-time or contract workers. In fact, compared to their permanent part-time colleagues, full-time and contract Chief Executives earn an average of 37% to 39% more. Similar results are seen for senior executives, where full-time employees earned 27% than part-timers and 13% more than contract employees.

Toronto and Ottawa still tops for nonprofit compensation: Average compensation tends to increase with the size of the community in which employees are located. Similar to 2011, the highest pay among Chief Executives is found in the Greater Toronto Area (GTA) at an average annual salary of \$96,676, followed closely by Alberta \$94,735 and Ottawa \$93,468. At the other end of the spectrum, the "Rest of Ontario" region tends to be among the lowest-paying of all regions at \$77,041.

High-paying nonprofits share certain characteristics: With some exceptions, the highest-paying Canadian nonprofits are organizations that do not classify themselves as charities. They are often national in scope and are large both in terms of revenue and the number of employees (although employees at the lower staff levels of large organizations do not benefit to the same extent as those in management). For the most part, the top compensators are not unionized. They are also more likely to be affiliated organizations (organizations that operate under the same umbrella name or brand but are run as separate nonprofit organizations).

Health, community and arts & culture organizations offer high pay: On average, health-related organizations and, to a lesser extent, community benefit organizations and arts & culture organizations offer higher compensation than the rest of the sector. In addition, the highest-paying nonprofits often have a primary role that involves education/training, community programs & services, or arts/cultural programming and community social services.

The glass ceiling still exists in the nonprofit sector — or does it? The nonprofit sector continues to be predominantly staffed by women at all levels. That said, the higher the seniority level, the higher the portion of male employees. More specifically, the portion that is men ranges from 17% at level 6 to 34% at level 1. The annual salaries for men and women range from \$40,424 (men) and \$40,503 (women) at level 6 to \$97,357 (men) and \$79,553 (women) for level 1 executives. At first glance the results would suggest that men continue to

earn more on average than women at most staff levels, aside from management/supervisory staff and support staff. However, deeper analysis shows the gender gap is a function of the size of organization: males are more likely to work in bigger organizations, which typically pay better.

Age and other experience continue to play a role: Salaries grow most rapidly during the early stages of employees' careers before levelling out near retirement. Higher education and certifications also translate to higher compensation. Other experience factors, such as discipline-specific experience, experience in the sector, seniority and time spent in current role are also directly tied to compensation.

Performance incentive plans continue to be the exception: Just 7% of respondents reported that their organization provides a formal performance incentive plan, which is unchanged from 2011. Formal incentive plans continue to be most prevalent at the management levels. Organizational performance is used most heavily to measure performance among Chief Executives and senior executives. In contrast, individual performance measures are common to all staff levels.

Retirement benefits common, less so for Chief Executives: Retirement benefits are frequently offered by nonprofit employers, although Chief Executives are significantly less likely to receive the benefit than others. RRSP plans continue to be the most common form of retirement benefit.

Nonprofits continue to invest in staff education: The vast majority of employees across all staff levels receive some sort of education benefit from their organization, with the dollar value of the benefit increasing by staff level. In contrast, less than 40% of employees enjoy automobile benefits.

Perks common in nonprofit sector: Although they don't add significant monetary value to the compensation package, perks are common in the nonprofit sector. Employer-paid conference registration and travel costs continue to be among the top five perks for all nonprofit employees surveyed. Tuition reimbursement/assistance and employer-paid cell phones or smart phones for work purposes were also common perks across most staff levels.

Benefits can add significant value to the overall compensation. As shown in **Exhibit 2**, benefits can add more than \$10,000 to the value of the compensation package at the most senior levels. The value stated for “those who receive the benefit” is the average value of the benefit when it is offered. These values *do not* represent the entire population and subsequently are not additive and cannot be used to determine the overall average value of the compensation package. In contrast, the “among all staff” value represents the average compensation value of benefits for *all* employees in the sector. These can be added together to calculate the total value of benefits provided at each level.

EXHIBIT 2: SUMMARY OF BENEFIT VALUES

AMONG THOSE WHO RECEIVE THE BENEFIT						
	Level 1: Chief Executives	Level 2: Senior Executives	Level 3: Senior Management	Level 4: Management/ Supervisory Staff	Level 5: Functional & Program Staff	Level 6: Support Staff
Health	\$6,309	\$7,485	\$5,866	\$4,579	\$5,080	\$4,542
Retirement	\$5,831	\$5,249	\$3,918	\$2,785	\$1,984	\$1,965
Education	\$1,082	\$945	\$920	\$716	\$548	\$660
Automobile	\$2,393	\$2,765	\$1,511	\$1,204	\$731	\$629
Perquisites	\$1,892	\$1,819	\$1,370	\$979	\$606	\$558
AMONG ALL STAFF						
Health	\$4,700	\$6,587	\$5,479	\$4,208	\$4,699	\$3,856
Retirement	\$2,863	\$3,580	\$2,950	\$2,075	\$1,486	\$1,352
Education	\$876	\$783	\$789	\$608	\$474	\$530
Automobile	\$823	\$1,092	\$486	\$271	\$200	\$165
Perquisites	\$1,568	\$1,621	\$1,228	\$838	\$461	\$392
Average Total Value	\$10,830	\$13,663	\$10,932	\$8,000	\$7,320	\$6,295

Notes: “Among all staff” averages the value of benefits across all employees, including those who do not receive the benefit. “Among those who receive the benefit” averages the value of the benefit among employees who receive the benefit. See the explanation at the beginning of the chapter of how to use these values.