

Compensation Report

Overview and Methodology

The *2019 GuideStar Nonprofit Compensation Report* draws exclusively from data reported on Forms 990 and 990-EZ. These are information returns filed annually with the Internal Revenue Service (IRS) by most tax-exempt organizations—the 990 is used by organizations with annual revenues of \$200,000 or more, and the 990-EZ by organizations with annual revenues of \$200,000 or less and EOY assets of less than \$500,000. Organizations are instructed to supply compensation information for all officers, directors, trustees, and up to 20 key employees who earn at least \$150,000. Additionally, information is provided for certain other employees who earn at least \$100,000.

The report considers 162,853 observations from 113,549 forms filed with the Internal Revenue Service by section 501(c) nonprofits for fiscal year 2017. Statistics are reported on total compensation; for the purposes of this report, total compensation is defined as the sum of Form 990, Part VII, Line 1a, Columns D, E, and F, or Form 990-EZ, Part IV, Columns C, D, and E, and Part VI, Columns C, D, and E. Individuals with total compensation of less than \$15,000 were not included in order to make the cleansing and processing of the data more manageable. The vast majority of the filings examined for this report, 93 percent, were 990s; only 7 percent were EZs.

The *2019 GuideStar Nonprofit Compensation Report* also reports statistics on annual increases in total compensation. Because these statistics are driven by direct comparison with 2016 data for individuals who held the same positions at the same organizations, this data is less rich. It includes 106,252 observations from 79,910 organizations.

Job Categories

The report shows the following job categories broken down by various combinations of gender, geography, organization type, and organization size. Because of the way organizations are required to report compensation on Form 990, only one position is available for most organizations, that of CEO/Executive Director. The report is extremely robust in that area, less so in the others. The chart below lists the number of individuals in the report who were classified into each job category and provides a few examples of the types of job titles mapped to each one.

The machine coding of the information into these job categories was relatively straightforward after extensive data cleansing, except in the case of CEO/Executive Director. Heads of organizations might be called President, CEO, Administrator, or some other title. When someone with such a title was the most highly compensated person

reported on an organization's return, the default coding was into the CEO/Executive Director category. In other cases, more care had to be taken. For example, physicians and football coaches frequently make more money than the heads of their organizations.

Job Category	Examples of Titles Included in the Category
CEO/Executive Director (103,993)	CEO Executive Director President
Top Administrative Position (6,881)	Administrative Director Chief Administrative Officer Finance and Administration Director General Manager Vice President of Administration
Top Business Position (3,200)	Business Affairs Director Business Development Director Business Manager Chief Business Development Officer Sales Director
Top Development Position (3,518)	Advancement Director Chief Development Officer Major Gifts Officer
Top Education/Training Position (1,659)	Academic Vice President/Provost Chief Learning Officer Dean of Academic Affairs Director of Educational Services Vice President of Human Resources and Training
Top Facilities Position (949)	Director of Facilities Director of Plant/Grounds Services Vice President of Facilities Operations Vice President of Facilities Management
Top Financial Position (22,490)	Assistant Treasurer and CFO Associate Vice President of Finance CFO Senior Vice President of Finance and Administration

Job Category	Examples of Titles Included in the Category
Top HR Position (2,143)	Human Resources Director Vice President of Human Resources Vice President of Human Resources and Training
Top Legal Position (1,576)	Chief Legal Counsel General Counsel Legal Affairs Vice President Legal Affairs Officer
Top Marketing Position (1,400)	Chief Marketing and Brand Officer Director of Marketing Director of Marketing and Communications
Top Operations Position (8,711)	Chief Operations Officer COO Operations Director
Top Program Position (2,507)	Program Coordinator Program Director Executive Director of Programs Vice President of Programs
Top Public Relations/Communications Position (1,138)	Director of Communications Director of Marketing and Communications Director of Public Relations
Top Technology Position (2,688)	Chief Information Officer Chief Technology Officer Director of Information Systems Vice President of Information Technology

Note: A single position might be coded into more than one job category. For example, if a person's title was Director of Finance and Administration, and no other person at the organization was more highly compensated in either area, the position was coded as both the top financial position and the top administrative position.

Gender

As of this year, in the tables where the data is split out by gender, gender has been assigned using data from the Social Security Administration. The Social Security Administration provides separate annual files from 1880 to 2017 containing name, sex, and number of individuals born in the United States with a Social Security number (ssa.gov/oact/babynames/limits.html). Names with 5 or more occurrences are listed. The data set used to assign gender in this report was limited to data from 1927 to 1997, with the assumption that individuals listed on organizations' IRS filings would be between the ages of 20 and 90. The number of occurrences for each name for each sex during this period were totaled and the percentage of time a given name was assigned a specific gender was calculated. For example, the name Mary was given to females in 99.6 percent of observations and to males in 0.04 percent. Only names with 20 or more total occurrences and a male/female percentage greater than 70 percent were used to assign gender in this report. Individuals listed on the tax filings with names that were not included the Social Security Administration data set or with male/female percentages less than 70 percent were assigned an unknown gender. Less than 1 percent of the observations in this year's report changed from male to female or vice versa compared to the old method of assigning gender. With this new methodology, however, the number of individuals assigned an unknown gender decreased by 41 percent, from 12,612 to 7,455.

Output Display

For each combination of variables with at least 5 observations, information is displayed. When there are fewer than 10 observations, only the average and median values are displayed. For between 10 and 20 observations, we display the average and the 25th, median (50th percentile), and 75th percentiles. For more than 20 observations, the 10th and 90th percentiles are also displayed. These percentile values approximate the distribution of compensation within a given category. As an example, if the 25th percentile value is \$43,278, this means that about 25 percent of employees in the category made less than \$43,278 and about 75 percent made more than that.

In cases where there are few observations, the median is likely to be the most reliable statistic. Still, this report does not use sampling but draws instead from every fiscal

year 2017 Form 990 available to the author on July 29, 2019, on which compensation information was reported and could be codified. In most categories where the number of observations is small, it is because the number of such organizations in the entire population is as small or almost as small.

In general, the report is not useful for comparisons across categories, especially when the number of observations is small. For example, in the \$250,000 to \$500,000 budget group, the median salary for the top legal position is \$72,292, versus \$62,400 for CEOs. The CEO median, however, is based on 15,081 organizations, whereas that for the top legal position is based on only 22 organizations, and the CEO is more highly compensated (or is also in the top legal position) in 11 of those 22.

Besides job category, results are displayed for various combinations of gender, organization size, geography, and organization type. As noted above, gender was determined using data from the Social Security Administration.

Organization Budget Size

Organization size is represented here by annual expenses. Two different groupings are used, depending on the amount of information available for a particular table:

- Four groups: \$500,000 or less; \$500,001 to \$1,000,000; \$1,000,001 to \$5,000,000; and greater than \$5,000,000
- Nine groups: \$250,000 or less; \$250,001 to \$500,000; \$500,001 to \$1,000,000; \$1,000,001 to \$2,500,000; \$2,500,001 to \$5,000,000; \$5,000,001 to \$10,000,000; \$10,000,001 to \$25,000,000; \$25,000,001 to \$50,000,000; and greater than \$50,000,000

Geography

Two different geographical groupings are used: state (including Puerto Rico, District of Columbia, and U.S. Virgin Islands), and metropolitan statistical area.

Metropolitan Statistical Area (MSA)

Data is displayed only for MSAs for which sufficient data is available, a total of 337. The level of detail available varies greatly, with larger MSAs obviously having more information available than smaller ones. The following MSAs have 500 or more observations. A full list of the MSAs included in the report is in Appendix A.

- Albany-Schenectady-Troy, NY
- Albuquerque, NM
- Atlanta, GA
- Austin-San Marcos, TX
- Baltimore, MD
- Bergen-Passaic, NJ
- Birmingham, AL
- Boston, MA
- Buffalo-Niagara Falls, NY
- Charlotte-Gastonia-Rock Hill, NC-SC
- Chicago, IL
- Cincinnati, OH-KY-IN
- Cleveland, OH
- Colorado Springs, CO
- Columbus, OH
- Dallas-Fort Worth, TX
- Denver-Boulder, CO
- Detroit, MI
- Fort Worth, TX
- Grand Rapids-Muskegon-Holland, MI
- Greensboro—Winston-Salem—High Point, NC
- Harrisburg-Lebanon-Carlisle, PA
- Hartford, CT
- Honolulu, HI
- Houston, TX
- Indianapolis, IN
- Jacksonville, FL
- Kansas City, MO-KS
- Los Angeles-Long Beach, CA
- Louisville, KY-IN
- Madison, WI
- Memphis, TN-AR-MS
- Miami, FL
- Milwaukee, WI
- Minneapolis-St. Paul, MN-WI
- Nashville, TN
- Nassau-Suffolk, NY
- New Orleans, LA
- New York, NY-NJ
- Newark, NJ
- Norfolk-Virginia Beach-
Newport News, VA-NC
- Oakland, CA
- Oklahoma City, OK
- Orange County, CA
- Orlando, FL
- Philadelphia, PA-NJ
- Phoenix-Mesa, AZ
- Pittsburgh, PA
- Portland, OR-WA
- Providence-Fall River-
Warwick, RI-MA
- Raleigh-Durham-Chapel Hill, NC
- Richmond-Petersburg, VA
- Riverside-San Bernardino-Ontario, CA
- Rochester, NY
- Sacramento, CA
- Salt Lake City-Ogden, UT
- San Antonio, TX
- San Diego, CA
- San Francisco-Oakland, CA
- San Jose, CA
- Seattle-Everett, WA
- St. Louis, MO-IL
- Tampa-St. Petersburg-
Clearwater, FL
- Washington, DC-MD-VA
- West Palm Beach-Boca Raton, FL

Organization Type

There are two primary organization type groupings in this report, (a) 501(c)(3) organizations and (b) other subsections.

Section 501(c)(3) organizations are classified using the National Taxonomy of Exempt Entities (NTEE), a hierarchical system developed by the National Center for Charitable Statistics (NCCS) and used to group nonprofit organizations. Some 91,774 filings fall into this category.

The report uses three levels of hierarchy for 501(c)(3)s: NTEE major group (general), NTEE decile group (more specific), and NTEE centile group (most specific). For example, the Museum of Modern Art belongs to the NTEE major group “Arts, Culture, and Humanities”; the NTEE decile group “Museums”; and the NTEE centile group “Art Museums.” More information about the NTEE system, including definitions, is available at the NCCS website (nccs.urban.org/classification/NTEE.cfm). Note: N.E.C. below means “not elsewhere classified.”

A full list of the major, decile, and centile NTEE codes used in this report can be found in Appendix B.

Nonprofit organizations that fall outside the 501(c)(3) category are listed by their IRS subsections in the Other Subsections portions of the report. Of the 113,549 filings in this report, 21,775 fall into this category.