

Careers

Compensation in focus Foundation salaries rise by up to 5 percent

Pay hikes for North Carolina foundation employees will exceed the overall rate of inflation this year. The trend is in line with national expectations about foundation pay raises.

BY KYLE MARSHALL

North Carolina foundations are keeping 1994 salary increases in step with recent history.

Since the mid-to-late-1980s, foundation employees have seen their pay increased about 4 percent to 5 percent annually. The pattern appears to be holding true this year, both nationally and in North Carolina.

"Last year it was about 5 percent, and that's roughly what we're looking at again this year," says Gayle Williams Dorman, executive director of the Mary Reynolds Babcock Foundation in Winston-Salem.

A 5 percent salary increase is more than enough to beat inflation. Last year consumer prices rose by just 2.7 percent, the smallest increase since 1986, and that increase follows several years of low inflation.

Yet most foundations don't consider the lack of inflation to be an

excuse to keep a lid on compensation increases. They want to make sure they go beyond a simple cost-of-living increase for their staff this year.

Raises last year were expected to amount to an average of 5 percent for most U.S. foundations, according to the annual compensation survey by the Council on Foundations, a Washington research and public policy organization that promotes philanthropy.

That was the average expected pay increase at independent, private and community foundations, while corporate foundations planned on an average increase of 4.5 percent. Their lower pay hikes generally result from the continued trend of corporate belt-tightening.

In some instances, an employee has done outstanding work or has taken on extra responsibilities to cover for an unfilled position, and the foundation will recognize it with a larger pay increase than would otherwise be the case.

That's true for the Mary Reynolds Babcock Foundation, where Dorman's predecessor, William Bondurant, retired a year ago. Until Dorman began in August as the new executive director, the rest of the small staff — five full-time employees — had to pitch in to keep the founda-

tion running smoothly.

"We recognized the extra work that some of the staff had done during the transition from one executive director to another," in the form of above-average pay increases and a reclassification of one position that resulted in greater compensation, Dorman says.

The foundation's board relied on the findings of the Council on Foundations survey before making decisions on 1994 compensation.

In many other cases, staffers will receive the same percentage increase this year as last year.

The Z. Smith Reynolds Foundation in Winston-Salem plans on a 5 percent across-the-board pay hike this year for its staff, which includes eight full-time employees, two part-time consultants and a part-time clerical worker. The 5 percent raise has held true for the last several years.

Executive Director Tom Lambeth says foundations are able to offer bigger pay raises this year than are many corporations.

After several years of slow economic growth, corporate downsizings and increased pressure on profits, for-profit companies aren't about to let their payroll costs run out of control.

FOUNDATION SALARIES

1993 foundation salaries in the South, by selected positions

Chief Executive Officer	\$82,000
Vice-President — Administration	73,000
Senior Program Officer	70,400
Vice President — Program	69,100
Treasurer/Chief Financial Officer	53,800
Associate Director	53,400
Program Director	53,300
Comptroller	48,900
Program Officer	46,400
Development Officer	43,800
Communications Officer	41,200
Accountant	31,000
Administrative Assistant	26,400
Secretary	23,200
Receptionist	18,900



Source: 1993 Foundation Salary Report, Council on Foundations

Philanthropy Journal of North Carolina

While many foundations also have experienced pressures to keep expenses down, they aren't under the same quarterly constraints that for-profit companies are, Lambeth says.

"I don't think we're as influenced by a slow economy," he says. "We really don't feel quite the impact in the rise and fall of the economy that private companies do."

At the same time, compensation is becoming more sophisticated for nonprofits, he says. The Council on Foundations report is closely fol-

lowed, even if it takes a while for the data to be released. The most recent report, issued in August, asked about pay expectations for 1993 and included a summary of actual pay increases for 1992.

Concerns over excessive executive compensation in the wake of the problems that surfaced in 1992 at the United Way of America have led many foundations to take a closer look at how they handle pay issues.

"There's more attention being given to just what is an appropriate salary," says Lambeth.

HOPKINS

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Principles of the Voluntary Sector," comes at a time of increased public scrutiny of the nonprofit sector in the U.S., and its development in Third World countries and the emerging democracies of the former Soviet bloc.

The document should be valuable for both, says Lester Salamon, director of the policy studies program.

"We are witnessing a kind of worldwide increase in interest in this kind of organization," he says. "I think the statement is therefore as important here as it is elsewhere, particularly with all the rethinking and questioning that is underway here."

The statement outlines both the sector's obligations and its privileges. Its four sections cover the rationale and role of the nonprofit sector; private giving and volunteering; the relationship between government and the nonprofit sector; and suggested standards such as public

disclosure of activities and finances and reasonable administrative costs.

Countries such as Russia that are rewriting their laws will find practical guidance in the statement, says Salamon.

Indeed, it was increasing questions from participants in the Johns Hopkins International Fellows in Philanthropy Program from countries in the former Soviet bloc that led to the idea for the statement.

Already, the document has been translated into several languages, including Czech, Romanian, Bulgarian, Hungarian and German.

Signers of the document include nonprofit, foundation and government officials from Croatia, Ghana, The Netherlands, Israel, Canada, Germany, Brazil, France, England, African, the U.S. and other countries.

Single copies are free, and multiple copies are available for \$1.25.

To order a copy or to sign the statement write to: Voluntary Sector Principles Statement, Institute for Policy Studies, The Johns Hopkins University, Shriver Hall, Baltimore, MD 21218.

Plugging in

Publication lists media contacts but leaves some out

REVIEW

North Carolina.

Media Update is a revised edition of a media list formerly produced on a subscription basis by The Human Services Institute in Greensboro. It costs \$15 for members of the N.C. Center, \$22 for nonprofits that are not members and \$30 for others.

If you buy the current edition and want future Updates, you'll have to pay for them.

That's a lot to pay for a list that can be obsolete rather quickly, given the high turnover in the news business. And Media Update fails to identify useful contacts at some news outlets, such as advertising managers who handle public service

Dealing with the media can be intimidating for nonprofits. The philanthropy world generally is barely a blip on the radar screen of reporters and editors.

Yet spreading the word about your nonprofit can be an important part of your overall strategy. Public awareness about what you're doing, and about the challenges you face, can better connect you with constituents, potential donors and volunteers.

So resources designed to help your nonprofit work with the media can be valuable.

A new publication from the N.C. Center for Nonprofits is a step in this direction. Unfortunately, it offers an incomplete list of contacts at publications and radio and TV stations in

announcements and reporters and editors whose jobs involve covering individual subject areas, including nonprofits and philanthropy.

Media Update also lacks any explanation of how to work with the media. That's unfortunate because the N.C. Center has a host of materials about media strategy.

To learn about the media, a sure bet is simply to do some homework. Get to know your local media outlets. Introduce yourself to their reporters and editors. Your local public library should have a directory of newspapers throughout the state. And you can ask the N.C. Center about its materials on media strategy.

You can reach the N.C. Center at (919) 571-0811.

Todd Cohen

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TECHNOLOGY

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By way of contrast, CBS President Howard Stringer said at a recent industry forum that people interact all day and don't want to do more at night. He said given a choice, people simply wanted to laugh and be entertained.

Perhaps, but I think Stringer missed the real potential of interactive technology by missing its social dynamic. It is a system that can put adults, children, businesses, teachers, the poor, even inmates, in greater charge of their universe, thereby giving them a sense of ownership and caring.

Let's hope those who traffick on North Carolina's information highway take that lesson to heart.