

Valley's nonprofit execs paid far below top levels

BY RUBEN HERNANDEZ
rhernandez@bizjournals.com

A new report on nonprofit executive directors' salaries in Maricopa County confirms it: They're not in it for the money — especially if they are female.

The Nonprofit Compensation and Benefits Report published by the Arizona State University Center for Nonprofit Leadership and Management showed the average salary for a male executive director as \$94,462, compared to \$70,972 for female directors.

Moreover, Valley nonprofit directors in general fare poorly against their counterparts in other markets. Phoenix may be the fifth-largest city, but ranks only 23rd among the nation's top 25 markets when it comes to paying nonprofit executives, according to a 2004 Charity Navigator study.

One reason may be that local charities are smaller in terms of asset bases and revenue. Phoenix's largest charities have a median asset base of \$9 million, compared with the national median of \$11.3 million, according to Charity Navigator. Also, Phoenix area agencies have median revenue of \$9.1 million and contributions of \$6.5 million, ranking the Valley 14th and 15th, respectively.

'While significant gains have been made in providing competitive compensation for nonprofit executives, in my mind, most are still underpaid.'

Todd Hornback

Alliance for Arizona Nonprofits

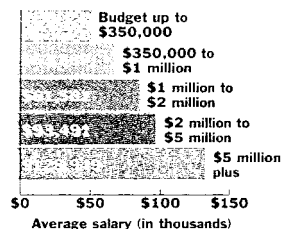
among the top 25 markets.

Valley charity leaders also fare poorly compared to the for-profit sector. Based on the survey of 229 Maricopa County nonprofits, the ASU study reports an average salary of \$80,923. In comparison, the U.S. Department of Labor shows an average CEO salary of \$135,280 for all industries in the Phoenix market.

The disparity in male versus female pay exists despite the fact that female executives outnumber male executives 58 percent to 42 percent in the Valley. However, a higher percentage of male executives work for

NONPROFIT SALARIES

Average salaries for executive directors in Maricopa County based on the nonprofit's budget:

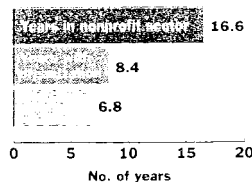


Source: Arizona State University Center for Nonprofit Leadership & Management

MATT DEPINTO/THE BUSINESS JOURNAL

DIRECTOR EXPERIENCE

Average number of years of service for nonprofit executive directors in Maricopa County:



Source: Arizona State University Center for Nonprofit Leadership & Management

MATT DEPINTO/THE BUSINESS JOURNAL

larger organizations, which pay more.

Still, the news saddens the female executive director of one of the Valley's leading agencies.



Luz Sarmina-Gutierrez

"It's particularly disheartening for me because the mission of most nonprofits is to help people to move to higher levels," said Luz Sarmina-Gutierrez, head of Valle del Sol Inc. in Phoenix. "But it still seems to make a difference if you are male or female."

The disparate pay pattern reflects the general society trend to pay women less than men for the same job, she said.

Phil Pancrazio, executive director of Arizona Bridge to Independent Living, which works with the disabled, agreed there were more female executives in smaller agencies in Maricopa County.

But he said gender should make no difference in comparable salaries.

"I don't think that's appropriate at all," he said. "Women ought to be paid in the same way that men are paid, bottom line."

In addition, although Phoenix charities are among the fastest growing in the country, all executive director salaries rose a relatively flat 3.8 percent compared to a 2001 study.

Charities in Phoenix are growing revenue at the fifth-fastest rate of 7.8 percent, according to Charity Navigator. That figure outpaces the median annual growth rate of 5.4 percent for revenue among all 3,000 charities evaluated in the study.

The ASU study also found that only 21 percent of the county nonprofits studied offer a bonus program for executive directors — a common practice in the business world.

Todd Hornback, executive director of the new advocacy group Alliance for Arizona Nonprofits, said local salaries need to rise to compensate for how hard executives work.

"While significant gains have been made in providing competitive compensation for nonprofit executives, in my mind, most are still underpaid given the nature of their work," he said.

"From saving the lives of women and children, feeding the hungry, and protecting our environment, to strengthening our spirit and quality of life, nonprofit leaders deserve our community's investment in them and the people they reach."