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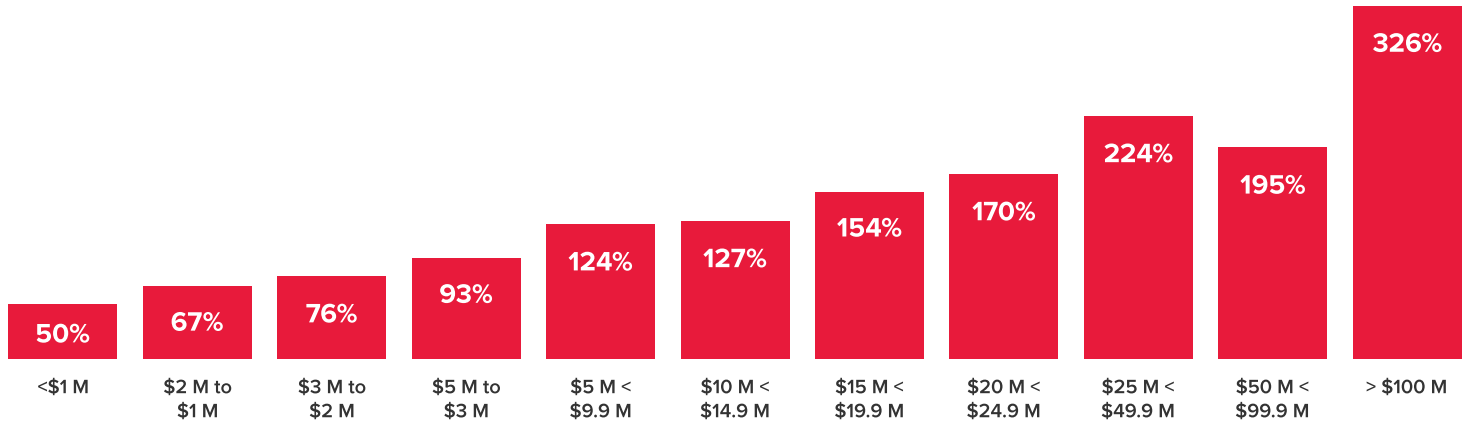
BDO's Nonprofit Executive Compensation Survey: 5 Takeaways

The BDO 2023 Nonprofit Executive Compensation Survey provides a data-driven analysis of the pay practices for Executive Directors (EDs) and Chief Financial Officers (CFOs) from more than 500 different organizations. Representing 12 different sectors and budgets ranging from less than a million to more than 100 million, it offers critical insights into the factors that influence compensation levels and trends in the nonprofit realm.

1. Organization Size and Sector Influence Pay

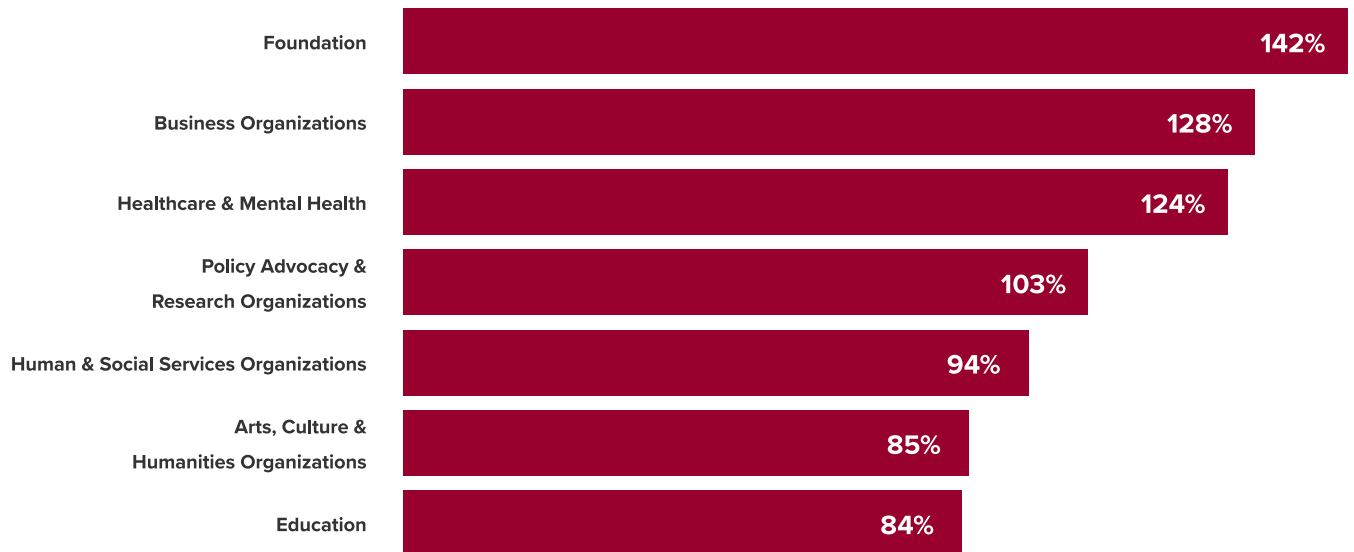
Salary and Total Cash Compensation (TCC) for EDs and CFOs is significantly higher in organizations with larger budgets due to the increased complexity and demands of the roles. The sector also plays a role, with foundations and healthcare organizations often offering higher pay.

Total Cash Compensation by Budget Size*



*Numbers are expressed as a percentage of the average for all respondents

Total Cash Compensation by Sector*



*Numbers are expressed as a percentage of the average for all respondents

2. CFO Pay Relative to Ed Pay

The survey indicates that the CFO’s pay as a percentage of the ED’s pay decreases as the organization’s size increases, highlighting the scaling effect on executive compensation structures.

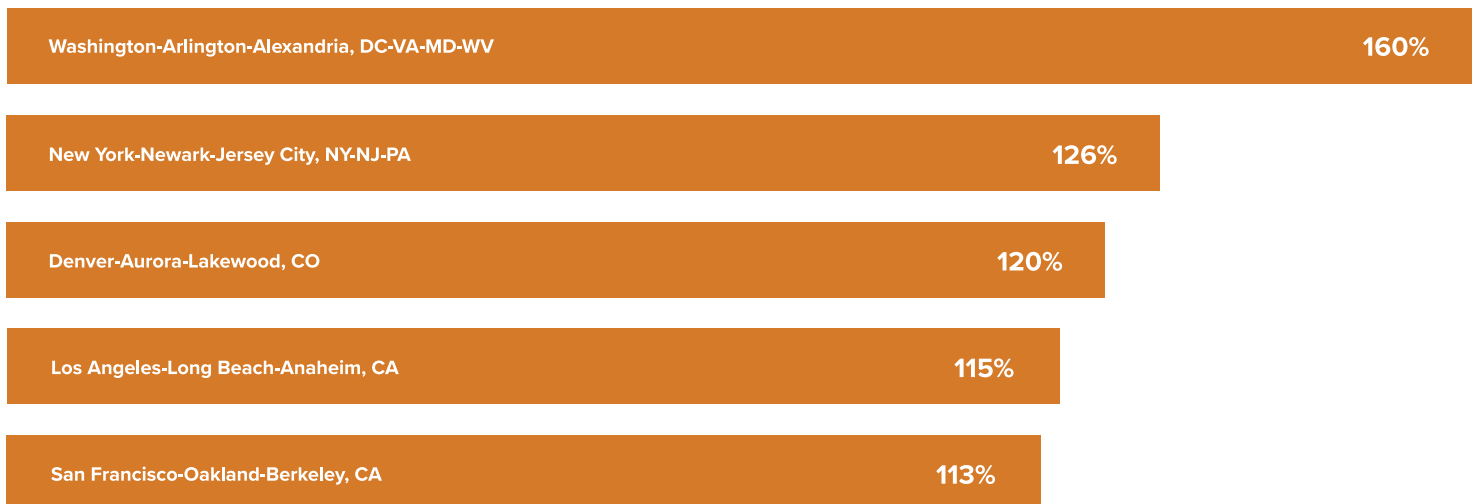
CFO Salary/TCC as a % of ED Salary/TCC



3. Geographic Location Matters

Pay levels vary by geographic location, reflecting the cost of living and the local talent market. Metropolitan areas with a high cost of living, and significant competition for talent, such as Washington D.C. and New York City, show higher compensation levels.

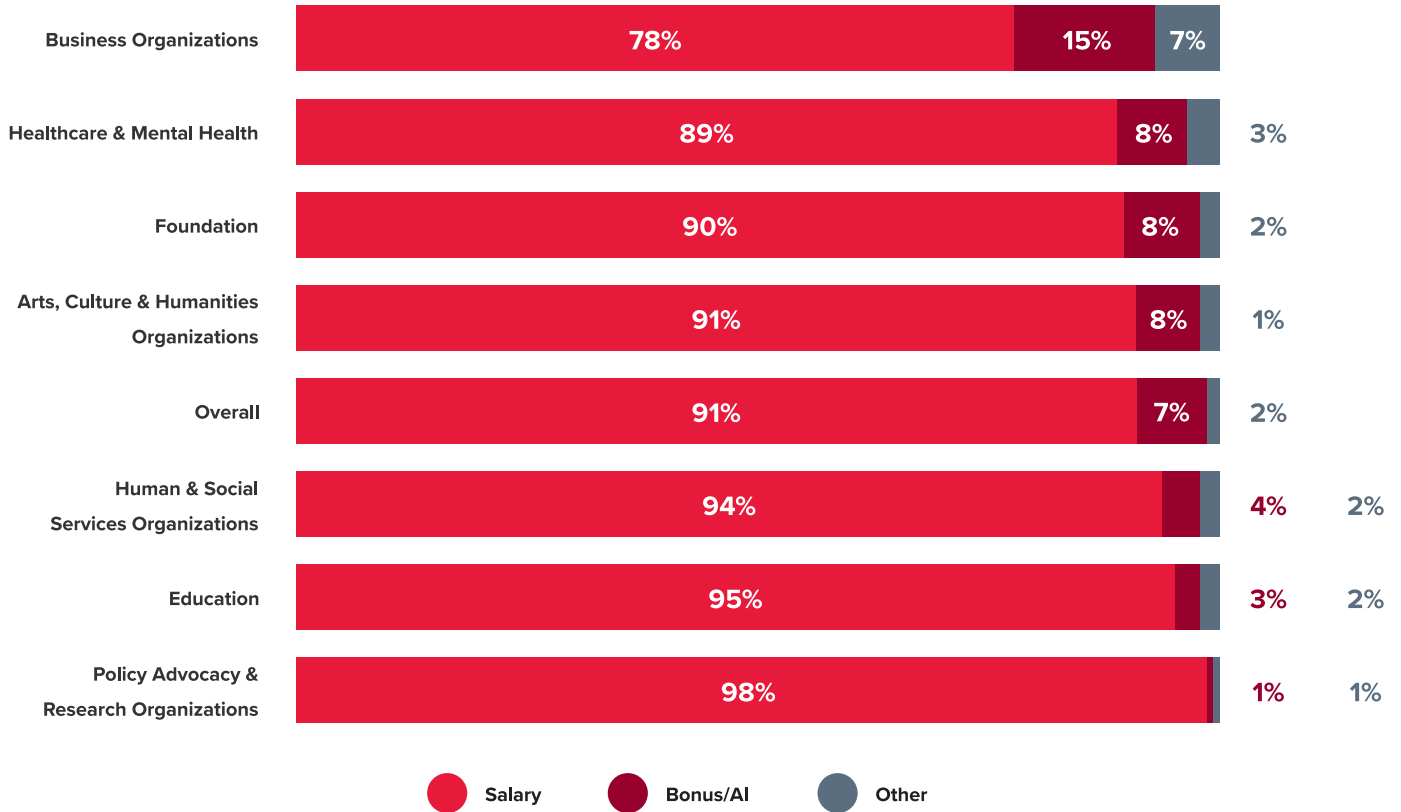
Top 5 Metro Areas



4. Diverse Compensation Packages

While base salary remains the primary component of compensation, there is a growing trend towards including Bonus/Annual Incentives (AI) and deferred compensation plans, such as 401(k) and 457 plans, particularly in sectors that compete with for-profit entities for talent (e.g., business associations).

Mix of Pay by Sector



5. Moving Forward

Nonprofits must continue to develop competitive compensation packages to attract and retain top talent without risking intermediate sanctions from the IRS. Access to reliable compensation data, like that provided by the BDO survey, is essential for making informed decisions that align with the organization’s mission and financial resources.

Have Questions? Contact Us.