

## JFCS Salary Setting Process Summary

We learned in the 2018 JFCS staff engagement survey that many staff don't have a strong understanding of how the agency sets salaries. This summary is designed to demystify the process and increase knowledge among staff. It is important to note that salary is one of several components that make up compensation at JFCS. Other components include employer contributions for medical insurance, paid holidays and vacation, sick leave, employer 401(k) contributions, flexible scheduling, and more.

Salaries are determined with input from the HR Manager, COO, and hiring manager or director, and are approved by the CFO. Multiple factors are considered when determining an individual's salary. The strongest factor is the position, i.e. the responsibilities and tasks that the individual performs. Other factors include required education and/or licensure, if any; comparables in the local job market; and the individual's work experience.

Before each position is posted, HR gathers salary data from multiple sources. Candidates are informed of the salary range during phone screens. Our primary salary data sources are (1) comparable positions at JFCS and (2) the MN Council of Nonprofits Salary and Benefits Survey. We are committed to setting salaries at or above the 50<sup>th</sup> percentile for Twin Cities nonprofits based on the Survey. Because the Survey reports salaries based on 2080 hours/year (40 hours/week), we convert the salary data to 1950 hours/year (37.5 hours/week). If a JFCS position combines multiple positions from the Survey, HR develops a blended salary based on the amount of time that the position spends on each role.

For positions at JFCS that are not included in the MN Council of Nonprofits Survey, other resources are utilized, such as the US Bureau of Labor Statistics Minneapolis-St. Paul-Bloomington, NJHSA Salary Survey, and OfficeTeam Salary Guide. We occasionally obtain comparable salary information from job postings, particularly on the MN Council of Nonprofits job board. The job responsibilities, rather than the job title, are pertinent to determine if the position is a match. Also, the size and location of the organization will be considered (e.g., 120 employees vs. 750; St. Cloud vs. Metro). When comparing the salary listed in a survey or posting from for-profit businesses, we typically reduce by ten percent. Since fall 2015, JFCS has had a minimum wage of \$15/hour for all positions.

Annually, HR reviews all salaries to ensure that they remain at or above the 50<sup>th</sup> percentile for Twin Cities nonprofits based on the MN Council of Nonprofits Survey. Additionally, individual staff or their supervisors may request a salary review by HR. Staff are encouraged to do so when their role has changed significantly so that their responsibilities no longer match the position upon which their salary was based. Staff and supervisors can ask HR for information about how their salary compares with the MN Council of Nonprofits Survey or other benchmarks.

JFCS strives to provide a cost of living increase to all staff every year (currently implemented on January 1). This reflects the agency's commitment to providing competitive market salaries and to reward staff for their excellent work.

JFCS provides occasional one-time bonuses to reward staff for sustained efforts and contributions that go well above and beyond expectations. JFCS has considered and decided to not provide merit pay.