Salary Bands

Valuing Talent with Intention and Transparency
ABOUT LEADING EDGE

Founded in 2014, Leading Edge influences and inspires dramatic change in how Jewish organizations attract, develop, and retain top talent.

Leading Edge's flagship program areas focus on supporting and developing CEOs, strengthening partnerships between lay leaders and professionals, and helping to create leading places to work.

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INTRODUCTION

Once upon a time...

Sam and Jamie began new jobs at the same organization on October 1st. Sam had one summer of relevant work experience while Jamie had three years of relevant experience. They both began with annual salaries of $56,000.
Because Sam and Jamie started together and sat near each other at the office, they quickly became close friends. One evening they went to dinner together after work and ended up talking about their paychecks. Jamie was shocked to learn that they were both paid the same amount. She had assumed that she made more than Sam because of her experience and the fact that her role required more advanced skills; Jamie’s job description included rigorous data analysis, while Sam’s involved administrative support and responding to emails. When Jamie learned that their salaries were identical, her motivation waned and she began to wonder if her supervisors really valued her efforts and contributions. It didn’t seem fair or reasonable to her that their pay was the same.

Sam worked hard, and her performance met expectations. Sam’s manager explained that she would receive only a small raise at the end of the first year, but if she continued to improve, she would be rewarded more significantly after another year or two. Sam kept plugging away and after three years received a large raise. She was satisfied with her progress and with her salary.

Jamie was set to receive a significant raise at the end of her first year. But since her manager never communicated this to her, Jamie assumed the worst: that she and Sam were on track to receive identical raises despite Jamie’s more extensive experience and the fact that her role required a more advanced skill set. Jamie grew more frustrated with the situation. She began looking for jobs elsewhere and left for a new opportunity before the end of the year.

When Jamie left, the organization needlessly lost a talented and dedicated employee because they didn’t have a structured compensation strategy and because they failed to communicate. If Jamie’s manager had explained that a raise was coming, Jamie likely would not have left. If the organization assigned Jamie’s and Sam’s roles to two separate salary bands to account for the different amounts of experience and skill levels required of their respective positions, Jamie would have known that her organization intended to compensate her fairly for her work.
How to Use This Guide

The hypothetical case of Sam and Jamie describes one scenario in which salary bands are useful to ensure that employees know that they are being compensated fairly. There are countless others. This guide explains what salary bands are; why they are valuable; and how to create, implement, and communicate them at your organization.

Pages 7-15 provide context and background around why salary bands are relevant, particularly in our sector at this time. We cover the connection between salary bands and salary transparency, as well as the potential for salary bands to address inequities resulting from biased salary decision-making.

If your organization is ready to build salary bands, you might choose to skip to page 16 to read through our suggested six-step process.

We recognize that completing all six steps requires a significant amount of time and effort, and therefore may be too much for some organizations at this time. If you are able to move forward with parts of it, proceed with what you can accomplish and don't get discouraged. Even completing just one of the six steps can make a difference and can serve as the foundation for further salary work in the future. For example, researching market data (step 3) to make sure that your people are being paid close to what they would be paid in similar roles at other organizations is a valuable exercise.

This guide is intended to be used primarily for exempt employees — those who are paid annual salaries and are not eligible for overtime pay. Non-exempt employees — those who are guaranteed an hourly minimum wage and are eligible for overtime pay — present their own unique issues and challenges around pay, which are not addressed in this guide.
We write this guide with an eye toward the Jewish values of ve’ahavta ler’akha kamokha — love your neighbor as yourself — and tzelem Elohim — the concept that every person is created in the divine image and therefore deserves respect. Those who have the responsibility to determine how much money others bring home each month should approach salary determinations with empathy, kindness, and understanding, as Jewish values encourage us to do. It’s important to recognize and remember the power and privilege held by those who make these crucial salary decisions.

A structured and systematic approach to determining and communicating salaries enables organizations to live their values more fully, helping leaders to treat every employee with the respect they would want to receive. Employees who feel taken care of by their organizations are more likely to work harder and remain at the organization even when they have opportunities to leave, resulting in stronger organizations capable of having a larger impact on the world.

**Salary bands** are ranges of pay that provide structure for salary decisions. Each role in an organization is assigned to a band based on the amount of responsibility required of the position, years of experience, and/or the job level.

Salary bands are important for three main reasons:

- **Salary bands encourage consistency**, ensuring that employees with similar skill levels and years of experience are paid within the same range.
- **Salary bands promote equity and fairness**, forcing managers and human resources professionals to stay within a designated range when determining salaries.

**“Who is respected? One who respects others.”**

**BEN ZOMA
MISHNAH AVOT 4:1**
Salary bands provide a starting point for increased salary transparency, as many organizations choose to share some or all of their salary bands with employees. Once roles have been divided into bands, individual salaries within the bands are determined by analyzing skill level, performance, potential for advancement, or a combination thereof.

Here’s one hypothetical example of salary bands at a small organization.

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band A</td>
<td>$51,000</td>
<td>$60,000</td>
<td>$69,000</td>
<td>30%</td>
</tr>
<tr>
<td>Band B</td>
<td>$61,500</td>
<td>$75,000</td>
<td>$88,500</td>
<td>36%</td>
</tr>
<tr>
<td>Band C</td>
<td>$70,400</td>
<td>$88,000</td>
<td>$105,600</td>
<td>40%</td>
</tr>
</tbody>
</table>

Salary in the Field

Salary and benefits are one of six factors that contribute to healthy and thriving organizational cultures (the other five are diversity/equity/inclusion/justice; trusted leaders; a common purpose; respected employees; and developing talent). Great places to work — both in general and in the Jewish nonprofit sector — find equitable and fair ways to meet their employees’ compensation needs, regardless of budget constraints.

Despite the foundational importance of salary, data from the 2019 Leading Edge Employee Experience Survey reveal that salary concerns abound for employees working in the Jewish nonprofit sector. More than a quarter (27%) of respondents feel that they are unfairly compensated compared to coworkers in similar roles, and more than one-third (34%) feel they are unfairly compensated compared to those in similar roles.

1 “Spread” is the size or width of the band, determined by the distance between the midpoint and the minimum / maximum.
at other organizations. Moreover, only 38% of survey respondents said that they understand how salary decisions are made at their organization, and another 23% were not sure.

Some might look at these results and think that the solution is simply to pay people more, and of course this might help. However, increasing pay substantially is not an option for many organizations; more importantly, broader research indicates that pay amounts are less crucial than we think. One of the most significant findings from a 2017 PayScale survey of over 500,000 employees was that “employee satisfaction is driven mostly by feeling that pay is fair, not by how much someone is actually paid.”

The larger issue is not the employees who are underpaid but rather the fact that a majority of our people know little or nothing about how their salary was determined. Without any clear systems or processes for determining salaries, people may assume that pay decisions are arbitrary or subjective. When employees don’t know how their salary was determined, it is natural to wonder if the person across from them in the office — working in a similar role, with similar experience — might be making more than them. We need to refocus our salary conversations away from dollar amounts and toward fairness, consistency, and communication.

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2 Results from the 2019 Leading Edge Employee Experience Survey: In response to “I believe my total compensation (salary + benefits) is fair relative to similar roles at my organization,” 43% responded favorably (agree or strongly agree), 30% neutral, and 27% responded unfavorably (disagree or strongly disagree). In response to “I believe my total compensation (salary + benefits) is fair relative to similar roles at other organizations,” 35% responded favorably (agree or strongly agree), 31% neutral, and 34% responded unfavorably (disagree or strongly disagree).

3 In response to “I understand how salary decisions and raises happen at my organization,” 38% responded favorably (agree or strongly agree), 23% neutral, and 39% responded unfavorably (disagree or strongly disagree).

4 Society for Human Resources Management citing results from a 2017 PayScale Survey.
Research also demonstrates a connection between increased communication around salary and employee engagement. A 2015 PayScale study of over 71,000 employees found that 82% of employees were satisfied with a lower-than-average salary as long as the rationale behind it was explained. Although we do not support paying people under market value, ensuring that employees understand what happened behind the scenes to set their salary can have a more profound impact than simply increasing pay. Salary is about more than just a number; the way that salaries are set and shared is perceived by employees as a reflection of how much the organization cares about and values its people. Using salary bands to streamline and clarify the salary-determination process is an attainable goal that can help employees understand the rationale behind their annual pay.

Addressing Bias

Over a decade ago, sites such as PayScale and Glassdoor allowed workers to post their individual salaries anonymously, arming employees with crucial data to negotiate salaries and raises more effectively. This new data helped uncover the persistent gender and racial pay gaps that unfortunately still exist today. As of 2019, white women earn $0.79 for every $1 that white men earn; Black women earn only $0.62 for every $1 that non-Black men earn; and Latina women earn only $0.54 for every $1 that non-Hispanic men earn for similar work.

Although these discrepancies are rooted in structural inequities requiring complex and multi-faceted solutions, one crucial reason these pay gaps remain is the implicit biases that so often impact salary decisions.

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5 Harvard Business Review article citing the results from a 2015 PayScale Study.
6 Glassdoor
7 National Partnership for Women and Families
This typically occurs when HR professionals, managers, or leaders — even the most highly trained and well-intentioned ones — award higher salaries to certain groups of people including: those who look or act like them, those with similar life experiences or backgrounds, those who they believe have more leadership potential (usually white men), or those with whom they have a prior personal relationship. All of these biases generally exacerbate existing pay gaps between men and women, and between white employees and People of Color.

In addition to the biases mentioned above that relate directly to identity, other cognitive biases can also drive inequities:

**STATUS QUO BIAS**

The status quo bias makes us feel that any departure from what is normal or expected is negative. This discourages us from learning new information that may be surprising or shift our perspective. Gathering data through market research around what your people might get paid at other organizations (as explained in step 3 of our process) encourages more fair and equitable salary decisions but simultaneously forces us to reckon with prospective loss of control or power when we share that data with others. It may also push us to admit to ourselves that previous salary decisions may have been wrong or misguided. Awareness of status quo bias may help normalize benchmarking with market data and help us realize that gathering and sharing information around salary levels is a good thing.

**HALO EFFECT**

Salary bands can help reduce the halo effect, which is the tendency for positive impressions or feelings about one aspect of a person to influence us to see them positively in other ways as well, even without evidence. For example, people often assume that someone who is charming or impressive in an interview will do great work. These people are often awarded higher salaries. (In fact, performance in interviews, especially unstructured interviews, is a poor predictor of job performance.) By establishing clear salary parameters, you reduce reliance on irrelevant positive associations with individuals, your personal judgments, and other extraneous influences.

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8 2011 meta-analysis in the *International Journal of Selection and Assessment*. 
SIMILAR TO THE HALO EFFECT, THE HORN EFFECT CAUSES ONE’S OVERALL perception of an individual to be altered by a single negative trait or behavior. One example of this is that when hiring professionals view an employee as being physically unattractive, they may incorrectly and subconsciously view this same employee as unintelligent, and allow this flawed thinking to influence their decision on what the person’s salary should be.

THE CURSE OF KNOWLEDGE BIAS LEADS US TO BELIEVE THAT WHAT WE KNOW or believe to be true is obvious to everyone else. It is often difficult for us to imagine that what is obvious and clear for us can sometimes be confusing for others. For example, if we know how to do calculus, then we may erroneously assume everyone else must know how to do it too. We all have different routes to knowledge and build our own networks of learning and understanding, and we can easily forget how hard it is to learn something new. Once we have mastery over a given area of knowledge, we tend to forget how hard it is to acquire. When it comes to negotiating for a higher salary, we should not assume that everyone knows how. While some people understand inherently how to negotiate, and still others have honed their negotiation skills over the years, many are not comfortable with negotiating or do not know how, and they should not receive lower pay as a result.

Implementing salary bands can mitigate these biases in small but significant ways, promoting pay equity by providing explicit limits on how low or high salaries can be.

Salary Transparency

Building and implementing salary bands is one useful strategy to increase salary transparency at your organization. There are three main advantages to more transparency around salary:

- **Improved trust** — When employees trust leaders to decide pay rationally, it helps build an open, honest culture.

- **Increased employee engagement** — When more pay information is out in the open, employees are more comfortable with their salary, which leads to more job satisfaction.
Better organization wide communication — When managers have honest conversations with their direct reports about pay, this builds stronger relationships that lead to better communication throughout the organization.

A Transparent Culture

In addition to the benefits listed above, transitioning to a more transparent culture also helps combat pay disparities. Historically and presently, women and minorities are often underpaid without realizing it, simply because employees don’t know their coworkers’ salaries. But open discussion around salary among peers can be a useful tool to fight pay inequities. At organizations where people have a sense of how their pay compares to others at their level, employees who are paid unfairly (below their assigned band if bands exist, or less than someone doing similar work with the same amount of experience) will be much more likely to realize it and feel equipped to raise the issue with their manager, leader, or HR professional. The organization will then likely be able to remedy the issue.

Therefore, in the long term, the more organizations can create a culture of transparency, the harder it will be for pay gaps and pay inequities to persist. Transparency leads to greater ability to pay employees fairly and consistently, ensuring that organizations can compensate all of their people equitably.

Flexible Transparency

Salary transparency does not mean sending out an all-staff email with an attached spreadsheet showing a list of individual salary amounts. Although this type of full transparency is lauded in some sectors and has received media attention, it would be a radical shift that many
organizations are not ready for, and there are legitimate concerns that sharing individual salaries may lead to difficult interpersonal dynamics at work. Therefore, the benefits of individual-level salary transparency may not be worth the risks, at least for now. Yet even in the absence of full transparency, employees will appreciate when their leaders share generalized salary information.

Salary transparency should not be viewed as a yes-or-no, all-or-nothing decision. Think about what is right for you, your team, and the culture that you want to create. While there is no one right way to be transparent around salary, almost every organization can benefit from small or incremental increases in salary transparency. Some organizations might choose to share the full set of salary bands with the entire staff; smaller organizations might communicate to each employee which band their role has been assigned to without sharing the other bands, if they are not comfortable with employees knowing the pay bands of those above or below them. Use the table below to help you move toward more salary transparency. Identify where your organization is currently and think about how you might move one or two steps to the right.

The Salary Transparency Spectrum

<table>
<thead>
<tr>
<th>Fully Secretive</th>
<th>Fully Transparent</th>
</tr>
</thead>
<tbody>
<tr>
<td>The organization completes market research and shares market data with employees.</td>
<td>The organization has a compensation philosophy that is shared with all employees and salary bands. However, employees are informed only of the salary band to which their role has been assigned.</td>
</tr>
<tr>
<td>The full set of bands for all levels of the organization are shared with employees.</td>
<td>Starting salaries and raises are given to employees without any clear system or structure.</td>
</tr>
<tr>
<td>The organization has a compensation philosophy and salary bands, but they are both shared only with the HR team and with some or all managers / leaders.</td>
<td>Employees are informed of the band to which they are assigned, as well as the bands directly above and below them.</td>
</tr>
<tr>
<td>Individual salaries are shared internally and/or externally.</td>
<td></td>
</tr>
</tbody>
</table>
Four Tips for Salary Transparency

Here are some other ways to improve salary transparency:

**SHARE SALARY BANDS ON JOB POSTINGS**
When you post an opening online, include the salary band for the role. Candidates who are interested only in higher salaries will likely not apply, and those who do submit an application will know approximately what number to expect if they receive a job offer. This also builds trust with potential new employees. However, it’s important to remember to communicate information about salary bands to current employees first. Otherwise, you risk alienating staff when they see salary band information on a job posting for the first time.

**DON’T ASK FOR SALARY HISTORY**
Instead of asking job applicants to disclose current or prior salaries during interviews, share the pay band for the role even if you already included it in the job posting. Many times, previous salaries were determined through biased processes. If you base new offers on flawed numbers from the past, you may be perpetuating existing pay gaps. It is also illegal in 19 states to ask about salary history.

**CLARIFY TIMELINES AND ROLES**
Formalize and communicate the timeline for discussions of pay raises so that employees know when these conversations will occur and can prepare accordingly. Managers can include the discussion of raises as part of a larger conversation about employees’ performance and advancement opportunities. Ensure that all employees understand who is responsible for making decisions related to salaries and raises. It must be clear to everyone who is responsible for approving, recommending, and communicating compensation decisions in order to avoid blame and confusion. This way, employees know who to talk to if there is a question or concern, and there are no false stories spread about who is making the decisions behind the scenes.

**EMPHASIZE TOTAL COMPENSATION**
Compensation is more than just annual salary. Sometimes employees are so focused on the annual number that they forget to consider the cost of benefits. For example, health insurance, professional development costs, and other benefits should be included in an analysis of total compensation offered to an employee. Managers and/or HR professionals can share Total Rewards Statements — a document breaking down each component of salary and benefits — with each employee, so that they can fully grasp the extent of how they are compensated.
Salary Bands in Six Steps

Now that we’ve explained why salary bands are important, we will address how to create them. If you plan to build and implement salary bands at your organization, we recommend moving through the full six-step process explained in the remainder of this guide. However, if that’s too much for you at this time, completing only a few — or even one — of the steps below will still have a positive impact at your organization.

**STEP 1:**
Create a compensation philosophy outlining your organization’s overall approach toward salary and benefits.

**STEP 2:**
Complete a job analysis to determine the skills and abilities needed to perform each role within the organization.

**STEP 3:**
Benchmark with market data to understand the market value for similar roles at other organizations.

**STEP 4:**
Build bands by choosing minimum, midpoint, and maximum pay points, and then assign each role to a band.

**STEP 5:**
Determine salaries for each individual by considering skill level, tenure, performance, and overall value to the organization.

**STEP 6:**
Share salary bands with staff and communicate with individual employees about where their salaries fall within the band and why.
Create a Compensation Philosophy

A compensation philosophy is a formal, written policy describing an organization’s approach to salary and benefits to be shared with all stakeholders. The philosophy is typically crafted by the senior leaders or the executive team, often in partnership with HR professionals and managers; you might consider involving board members as well. The philosophy includes strategies and guiding principles for how compensation decisions will occur and is based on a variety of factors including an organization’s size, mission, vision, and budget.
A compensation philosophy should address some or all of the following questions:

- What are the values, principles, or goals that will drive your compensation strategy?
- How do you plan to motivate employees to perform their best?
- Will you lead, lag, or match the market salary rate?
- If you must lag (pay less than market rate), will you be transparent about it?
- If you must lag, how will you attract new talent to join the organization?
- How will you decide on and communicate salaries and raises?
- How will you respond to employees who negotiate for higher salaries?
- How will you share salary bands with employees?
- What types of benefits will you offer employees and what system will you use to manage those benefits?

Create Your Compensation Ecosystem

A compensation philosophy should encapsulate an organization’s entire compensation program beyond just individual salaries. The components typically include:

- Benefits packages (health insurance, retirement, parental leave, life/disability insurance)
- Vacation time or paid time off
- Sick leave
- Flexible work arrangements
- Bonuses and supplemental incentive pay
- Professional development: This could involve providing stipends to cover the cost of workshops, training, or professional learning. It could also include opportunities for employees to observe and learn from other professionals, or offering employees options for new projects to expand their portfolios and learn new skills.
Equal Access

Share the compensation philosophy document across the organization and ensure that every employee — no matter the level, role, or length of time in the organization — has access to it. Consider adding your compensation philosophy to your employee handbook. Make sure that your employees know that it exists and tell them where they can find it.

Align Compensation Philosophy and Culture

Your compensation philosophy should support and align with your organization’s mission, culture, and values. It should also be linked to your organization’s overall strategy for attracting, retaining, and motivating high-quality employees. It should not be seen as separate, but rather as a crucial element of the total employee experience.

Put It Into Practice

In order for your compensation philosophy to thrive, it needs to come to life! Here are some ways to make that happen:

- Share relevant information about benefits in job postings, in recruitment materials, and on your organization’s website.
- If you are building salary bands and sharing them with your staff, make sure that all job openings that are listed or posted online include the salary range for the role.
- Include details about your organization’s compensation philosophy in the onboarding process for all new employees.
- Define and communicate the schedule for when employees will receive raises.
- Define and communicate clearly when and how employees will apply for promotions.
Examples of Compensation Philosophies

- Community Action Partnership  
  [https://capnw.org/file_download/inline/1d4caca1-44ae-46ee-b062-8eb9476839ca](https://capnw.org/file_download/inline/1d4caca1-44ae-46ee-b062-8eb9476839ca)

- Utah State University  
  [https://hr.usu.edu/compensation/philosophy](https://hr.usu.edu/compensation/philosophy)

- Thrivent Financial  

- Leading Edge  
  [https://docs.google.com/document/d/1R6q3spQ9StxQuk9Gajv1XUo9Pv7w4n70s3Aw64iKBULup/](https://docs.google.com/document/d/1R6q3spQ9StxQuk9Gajv1XUo9Pv7w4n70s3Aw64iKBULup/)

“At one point, another colleague and I were in the same position, and it turned out she was making slightly more, for no reason other than she had aggressively demanded a raise. That person and I then coordinated an ask for a raise, and were told no. We were both regional directors. About a year later, she and I were promoted and very assertively and strategically negotiated raises. Immediately afterward, a new associate director, with no fundraising experience (while we had been fundraisers for about seven years) was hired, and offered almost the identical salary we had been receiving, for a job that was less demanding, and with much less responsibility for the region’s annual fundraising campaign. It was insulting.”

2019 LEADING EDGE EMPLOYEE EXPERIENCE SURVEY RESPONDENT
Complete a Job Analysis

A job analysis is the process of identifying the tasks and responsibilities required of each role in the organization. This allows you to group jobs into families, functions, and levels. Completing a job analysis helps employees understand each individual’s role within the larger organization and clarifies career pathways so that employees know what promotions may be available in the future.
Job Families, Functions, and Levels

- A job **family** is a group of job functions that involves similar types of work. For most organizations, job families align with departments. Jobs in the same family require related training, skills, abilities, and knowledge.

- A job **function** is a more specific area within a job family. Roles in the same job function require the same or very similar skill sets.

- A job **level** (also referred to as a “step” or “grade”) is used to group jobs according to levels of experience, amount of responsibility, or supervision requirements. **Each job level can then have a specific salary band assigned to it.**

How to Conduct a Job Analysis

You can use a combination of employee questionnaires, interviews with individual employees at multiple levels, and daily observations to get a full picture of each role in the organization. Through this thorough analysis of each role, you can then sort jobs by family, function, and level. The following questions should guide your process:

- What specific **knowledge or experiences** are needed for each position? What does a person in this role need to **know** to perform the job?

- What specific **skills or competencies** are needed for each position? What does a person in this role need to **do** in order to adequately perform the job?

- Where is each role within the **organizational chart** (who reports to whom)?
The chart below is likely an over simplified version of the reality at many organizations, and yet it displays why job families, job functions, and job titles are useful.

**Job levels — shown in the far right column below — are often used to delineate salary bands. Note that all of the roles grouped in “Level 1,” regardless of family or function, are also assigned salary Band A, and all “Level 2” jobs are in Band B, etc.**

Using simple titles across the organization streamlines the process of assigning salary bands. Note that in this example, all “associate” positions are designated as Level 1 roles, and all manager positions or “senior” roles are Level 2 roles; these employees have several years of experience and have earned a promotion. Level 3 consists of directors who manage a team of employees. As part of the salary band process, you might decide to revise job titles at your organization in order to make it easier to sort roles into families, functions, levels, and bands.

<table>
<thead>
<tr>
<th>Job Family</th>
<th>Job Function</th>
<th>Job Titles</th>
<th>Job Level (Salary Band)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Programming</td>
<td>Direct Services</td>
<td>Services Provider</td>
<td>Level 1 (Band A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Programs Associate</td>
<td>Level 1 (Band A)</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Senior Program Associate</td>
<td>Level 2 (Band B)</td>
</tr>
<tr>
<td>Volunteer Engagement</td>
<td>Volunteer Associate</td>
<td>Level 1 (Band A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Volunteer Manager</td>
<td>Level 2 (Band B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Volunteer Director</td>
<td>Level 3 (Band C)</td>
<td></td>
</tr>
<tr>
<td>Development / Marketing</td>
<td>Development Associate</td>
<td>Level 1 (Band A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Development Manager</td>
<td>Level 2 (Band B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Major Gifts</td>
<td>Level 3 (Band C)</td>
<td></td>
</tr>
<tr>
<td>Marketing</td>
<td>Digital Marketing Associate</td>
<td>Level 1 (Band A)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Manager</td>
<td>Level 2 (Band B)</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Marketing Director</td>
<td>Level 3 (Band C)</td>
<td></td>
</tr>
</tbody>
</table>
Benchmark with Market Data

The next step is to research the external market to understand how employees at other organizations are compensated. *This information can guide you when creating bands so that employees' salaries are reasonably close to what they would be in similar roles at other organizations.* When searching for relevant statistics, look for salary data from organizations with similar budgets, from the same type of organization. Then, search by position to find the approximate market salary for each role.

Using reliable and valid salary data is crucial for finding a reasonable benchmark. We recommend two data sources, which are not free but provide valuable and well-researched information specifically geared for nonprofit organizations:

- PRM Consulting Benchmarks
- Bluewater Nonprofit Times

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9 Reliability means the extent to which the survey was or is able to provide consistent results. Validity refers to the extent to which the research instrument measures what it is intended to.
Here are some other resources with crowdsourced or self-reported data, which are likely less accurate but free:

- **PayScale** — the world’s largest crowdsourced data set
- **LinkedIn** — released a new salary tool in November 2016
- **Comparably** — provides salary data and information about workplace culture
- **Glassdoor** — a user-friendly tool to filter salary information by title and location
- **FairyGodBoss** — a site geared toward helping women advance their careers, with a section for self-reported salary information

This research can be confusing if job titles vary between organizations, or if the same title means something entirely different from one organization to the next. Further complicating the process is the fact that certain roles include the responsibilities and/or tasks usually required of multiple roles. **In these cases, read through job descriptions at other organizations in order to match the tasks with those required of the role at your organization.** If there is a role that is a combination of more than one position, find the market salary for multiple roles and average them to find an approximate benchmark.

**Lead, Lag, or Match**

Once benchmark salary is established, employers will need to decide whether to lead, lag, or match that market rate. Leading means to pay more than similar organizations do, lagging means to pay less, and matching means to pay the average or close to it. For example, let’s say you discover that the benchmark salary for your organization’s Program Manager role is approximately $65,000. Can you pay that or are you able to pay $70,000? If you must pay less than $65,000, think about non-monetary ways to compensate employees for their work, and about how you will communicate this trade-off to those you recruit. (Simply hoping employees won’t notice the lag is a recipe for killing mutual trust and respect.) As you decide whether to lead, lag, or match, you are preparing for the next step of building the bands.
Build Bands

The information you collected through the job analysis and benchmarking will enable you to group roles together and assign them to appropriate bands. If you already created job levels in step 2, then match each level with a corresponding band. If you did not yet create job levels, consider doing that now.

The requirements of the role — the years of experience, skills, and knowledge needed to be successful in that position — should determine how roles are divided into bands. Individual performance and value can be used to determine where an individual's salary falls within the band, but job requirements should be the only determinant when developing the bands.

Now that your roles have been grouped, start creating the bands. Each band should have a minimum, midpoint, and maximum pay point. Once the midpoint is determined using market data, the next step is to figure out the spread of each band. **There are no clear rules for this but a 30% spread is a common and reasonable choice.** For example, if the midpoint of your band is $60,000, to find a 30% width, calculate 15% of $60,000 ($9,000) and add that to the midpoint to get a maximum of $69,000. Then subtract $9,000 from $60,000 to get a minimum of $51,000.
Individual performance and value can be used to determine where an individual’s salary falls within the band, but job requirements should be the only determinant when developing the bands.

The band spread typically increases as you move to the higher salaries. This way, higher-level employees with more experience can be awarded significant raises based on tenure or performance without being promoted to the next band. The top bands usually have the broadest bands (between 40% and 60%), but all bands should have a maximum, including the bands incorporating CEOs and other senior leaders. This will ensure that compensation is determined based on articulated and rational criteria for all employees, with no exceptions.

Here is an example of salary bands at a small organization. Most organizations would likely have more than three bands. Band A uses the 30% spread mentioned previously.

<table>
<thead>
<tr>
<th></th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
<th>Spread</th>
</tr>
</thead>
<tbody>
<tr>
<td>Band A</td>
<td>$51,000</td>
<td>$60,000</td>
<td>$69,000</td>
<td>30%</td>
</tr>
<tr>
<td>Band B</td>
<td>$61,500</td>
<td>$75,000</td>
<td>$88,500</td>
<td>36%</td>
</tr>
<tr>
<td>Band C</td>
<td>$70,400</td>
<td>$88,000</td>
<td>$105,600</td>
<td>40%</td>
</tr>
</tbody>
</table>
A common misconception is that salary bands should not overlap. In truth, they often do and it is typically the best option for most organizations. In the previous example, bands A and B overlap by $7,500, and bands B and C overlap by $18,100. This type of moderate overlap — where the midpoint of one band is near the minimum for the next band — is preferred because it allows for flexibility. Organizations might want to award raises to employees while keeping them in the same band, if they do not yet meet the criteria for a promotion or if a higher-level position is not available. In these instances, you might want a salary for a role in Band B to be higher than a salary for a role in Band C. However, most organizations avoid having substantial overlaps, as this may lead to pay equity issues and can potentially defeat the purpose of having bands in the first place. In general, overlaps should not exceed $10,000. Here are three different types of overlap:
Organizations that choose to implement salary bands might do so without making any adjustments to current salaries. In these cases, use salary bands to guide you when determining starting salaries for new employees. In order to avoid rewarding those who are more willing or able to negotiate than others, starting salaries should generally be based on the band to which the role has been assigned, along with the number of years of relevant experience. For example, any employee hired for a role assigned to Band A with two years of relevant experience should begin with the exact same salary. If an employee tries to negotiate, explain the reasoning behind the starting salary and note that your organization’s policy is not to negotiate in an effort to embrace transparency and equity as values. This way the employee will understand that the organization does not engage in salary negotiations with any employee, and is not singling them out. You might also mention the potential for a raise after their first year in the job, if that is part of your organization’s approach.
To determine raises within a given band, an individual's skill level, overall value, and performance all come into play. In short, the job requirements + the individual = salary. Typically, salaries for new employees are in the bottom third of the band to allow for raises to near or beyond the midpoint after one to three years. The top third of the band is generally reserved for the highest performers who are not ready or not able to be promoted to the next job level. Even among the highest performing teams, certain individuals will inevitably have a greater impact than others due to their unique skills or contributions. Organizations should consider paying these critical individuals near the high end of the appropriate band to reward their performance.

If you are building and implementing salary bands, you may need to compare the salaries of all current employees to determine which adjustments to make, in order to ensure that all salaries fit within the newly established bands. You might be able to bring everyone's salary into the proper band just by giving people specific raises, but it may be more complicated than that, and sometimes it takes up to a few years to get everyone into the correct salary range. If adjustments need to be made, make sure that explanations are provided to employees so that they understand the reasoning behind any of these changes. Organizations should not decrease an employee's salary in order to make it fit into the proper salary band. Instead, explain to the employee that they are currently paid above the band for their role and therefore they will not receive raises until they are promoted to a role in the next band.
Share the Bands

Once you have mapped out the bands, assigned roles to bands, and determined individual salaries within the bands, think about how to communicate this information to your employees. It often makes sense to communicate the overall plan to the executive team and then to your managers and directors before telling your entire staff. Remember, if you are not ready to leap toward sharing the full set of bands with your entire staff, think about taking small steps toward more transparency.

Communicate the Process

The overall plan and process for implementing salary bands should be communicated from the top down to all employees. This includes the purpose of the bands, an explanation of any completed job analyses, the results of any market research, and a timeline for when employees will see the bands. Even if you have non-exempt employees on staff who will not be directly affected by the salary bands, you may want to include them as well so that all employees are on the same page. While the general information about the bands should come from the senior leaders, if you plan to share bands with employees, it is advisable for this information to be relayed through private conversations with managers, as described below. However, smaller organizations might find it easier to share the bands with the entire staff at one time, and then follow up with individual discussions afterward.
New Hires vs. Tenured Employees

Salary bands should be communicated both to new employees during the onboarding process and to tenured employees. New employees will likely understand and accept the salary bands without many issues, so introducing bands to them should be simple. Some tenured employees, however, may have strong feelings after seeing the bands for the first time, as pay is inevitably tied up with complex and challenging emotions for many people involving pre-existing dynamics and relationships. This is not a reason to avoid sharing the bands, but be aware of this and remind managers to think about how they will respond to employees who might have emotional reactions during these conversations.

Individual Conversations

Due to tenured employees’ questions and concerns — which are better addressed in the moment — it is usually best for the information around salary to be relayed to employees during private one-on-one conversations. Managers or HR professionals should explain to individual employees which band their role is assigned to, where their salary is within the band, and what opportunities they have to move up in the band or to the next band. Managers can give the information to each employee and let them know they will revisit it again in their next meeting after the employee has had time to review and digest the information.

Managers should also consider how to make salary a more frequent topic of conversation; once per year may not be enough. While it may be awkward to bring up the topic of pay, the more frequently you discuss it, the easier it becomes.

Train Managers

Managers can generally benefit from training around how to have salary conversations with their direct reports; knowing how to initiate these discussions and ensuring that they go smoothly do not come naturally for many managers. If you can't provide any formal
training, think about at least sending out talking points or tips to help managers prepare for conversations about pay with their employees. Alternatively, depending on the size of your organization, consider having someone from the human resources department discuss salary bands with individual employees. HR professionals may have more knowledge, training, or experience around salary conversations and therefore may feel more comfortable. You might also have your HR manager or someone else in charge of compensation teach managers the philosophy, calculations, and processes behind salary determinations and raises so that they can then relay this information to employees.

In addition to sharing the bands, make the effort to talk about information relating to how salaries compare to market rate salaries, even if the numbers lag the market. Most employees have not done the research themselves and may assume that their salary lags more than it actually does. Employees whose salaries match or lead the market will appreciate the transparency, whether or not they are aware of current market rates.

One recent study indicated that two-thirds of employees whose salaries matched the market incorrectly believed that they were being underpaid just because they didn't know what the market rate was.11 Another study from 2017 showed that 90% of respondents who thought they were being paid below the market rate for their position actually were paid at or above market rate.12 This is clearly an issue in our sector as well; as mentioned earlier, a large portion of our people feel that they are underpaid compared to those in similar roles at other organizations. Although some of these individuals are undoubtedly underpaid compared to the market, with many others, it may come down to perception. In these cases, a quick conversation about market rate salaries can make a difference, and employees will be more satisfied once they learn that their salary is in fact fair in relation to the market.

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11 Harvard Business Review article explaining the results from a 2015 PayScale Study.
12 Society for Human Resources Management citing results from a 2017 PayScale Survey.
OTHER CONSIDERATIONS

Related Questions

While building bands, think about also including guidelines that address the following:

- Which factors will dictate where a new hire’s salary falls within the band?
- How will the organization handle employees who negotiate or demand a raise?
- Who decides whether raises are given and how much they will be?
- How quickly can current employees move up within a band?
- Are raises granted based on performance, years of experience, or a combination?
- How often will salary bands be updated to reflect changes in the external market?

An Eye to the Future

Creating salary bands is a great opportunity to rebuild and upgrade your whole compensation system; this often means that the introduction of new bands will coincide with a roll-out of raises and promotions. However, depending on the budget, your organization may need time to get from where you are to where you want to be, meaning that employees might not receive the raises that they are hoping for right away. In this situation, clarify for employees where their salaries lie within the band now and where you expect their salaries to be over the next one to three years, if they can’t be there yet. Consider building individualized charts showing each employee’s current salary band, current salary, and their projected band for the next one to three years.

Cost of Living

Cost-of-living raises should generally be given annually to all employees to keep up with inflation and the increased cost of
expenses. This is typically around 2% - 3% but changes each year depending on the economy. Consider including this policy in your employee handbook or in your compensation philosophy so that employees know what to expect. Many organizations use official government data from the U.S. Bureau of Labor Statistics to determine cost-of-living raises. If employees at your organization are dispersed geographically, different cost-of-living adjustments may be needed based on the specific cost of living in each city or region.

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**Pay Audits**

Most organizations will need to fit salary bands into pre-existing systems for determining pay. This can be a daunting process to start. One recommendation is to complete a pay audit, which is an internal salary assessment examining all information relating to salary throughout the organization. This includes job titles, hire dates, base salaries, performance ratings, years of experience, and more. These audits are typically done to seek out and address any gender-based or race-based pay gaps that may exist. If you discover an issue, rectify it and consider offering back pay to employees who were not compensated fairly in the past if you are able.

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**Timing**

Set a schedule so that raises for all employees are decided at the same time. This helps ensure equity so that you can look at all of your employees together as an organization, using the bands as a framework. If you make salary decisions throughout the year at different times, external circumstances, short-term budget issues, or differing fundraising forecasts may impact these decisions for certain employees more than others.

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**Pay for Performance**

If your organization already has annual performance reviews, consider building a system that connects pay raises with performance. If you do this, it is crucial to create and communicate clear metrics for how performance will be measured so that
employees understand how their work will be evaluated.

When designed and implemented carefully, an objective pay-for-performance system can increase productivity by providing extra motivation and can help eliminate the hard-to-avoid biases involved in determining individual salaries and raises.

However, there are legitimate concerns around pay-for-performance systems, and they are certainly not right for every organization. Some leaders worry that tying pay to performance might breed a culture of distrust and competition. Others may simply not do the type of work that lends itself to objective performance evaluations. Moreover, as many organizations shift away from annual performance ratings toward more frequent feedback, it could become more complicated to tie pay to performance. If you choose not to connect pay to performance, it is usually best to create a simple tenure-based system where annual raises are awarded based on years of experience.

Bonuses

Instead of or in addition to a formalized pay-for-performance system, you might consider giving bonuses to employees whose performance has exceeded expectations or to those who have gone above and beyond on a project. This is also a way to reward employees while remaining in the salary band structure, as bonuses can be considered separate from annual salaries.

Checks and Balances

We recommend having multiple people involved in the process of deciding individual salaries in order to encourage equity. Having only one person make these decisions can often result in unfair salaries due to one individual’s personal preferences or biases. One suggestion is to institute a two-step process for determining salaries: Managers first decide on a number for their direct report, and then a senior leader or HR professional is consulted as the second step. If there is a disagreement, then they will need to discuss their reasoning and reach a compromise.
EPILOGUE

Back to Sam and Jamie

Let's return to the story of Sam and Jamie from the beginning, except they now exist in a different world in which their organization has already implemented salary bands. In this alternate universe, our story begins in the same way: Sam and Jamie start new jobs at the same organization at the same time, each with the same starting salary of $56,000.
Although they begin with the same annual salary, just as they did in our original world, their roles are now assigned to two different salary bands. Because Sam has only one summer of relevant work experience, and Band A requires 0-2 years of experience, Sam is hired for a position that is within Band A. However, because Jamie has several years of relevant work experience, and Band B requires 2-5 years of experience, Jamie is hired for a position that is within Band B.

Here's a table showing the organization's salary bands:

<table>
<thead>
<tr>
<th>Band</th>
<th>Role Requirements</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
<th>Spread</th>
</tr>
</thead>
</table>
| A    | Entry-level employee  
0-2 years of work experience                      | $44,000  | $51,500  | $59,000  | 30%    |
| B    | Mid-level employee  
2-5 years of work experience                      | $56,000  | $70,000  | $84,000  | 40%    |
| C    | High-level employee  
5-10 years of work experience  
Manager of at least 2 others                    | $72,750  | $97,000  | $121,250 | 50%    |

As part of the onboarding process, Sam and Jamie both have conversations with their manager about salary. They are told which band their role is in and why, as well as what type of raise they can generally expect. When Jamie later discovers that she and Sam earn the same amount, she is not surprised or upset because she understands that her role is assigned to a higher band.

Sam receives only a small raise from $56,000 to $59,000 after one year, and she remains in Band A. After two years, she is promoted to a new role in Band B due to improved performance, with a salary of $64,000.

Jamie receives two significant raises due to excellent performance; after her first year, from $56,000 to $62,000, and then one year later up to $70,000. Despite these large raises, Jamie remains in the same role in Band B because she does not yet meet the requirements for the next band. Jamie’s manager explains this...
to her in order to ensure that Jamie understands why she is not yet promoted. Jamie continues to work hard and advances to a new role, one that is assigned to Band C, at the end of her third year.

Here’s a chart outlining the annual salary progression of both employees:

<table>
<thead>
<tr>
<th>Year</th>
<th>Sam</th>
<th>Jamie</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1 (Starting Salary)</td>
<td>$56,000 (Band A)</td>
<td>$56,000 (Band B)</td>
</tr>
<tr>
<td>Year 2</td>
<td>$59,000 (Band A)</td>
<td>$62,000 (Band B)</td>
</tr>
<tr>
<td>Year 3</td>
<td>$64,000 (Band B)</td>
<td>$70,000 (Band B)</td>
</tr>
<tr>
<td>Year 4</td>
<td>$70,000 (Band B)</td>
<td>$82,000 (Band C)</td>
</tr>
</tbody>
</table>

Sam and Jamie both began with the same salary, but because Jamie’s role required more experience and more advanced skills, it was assigned to Band A while Jamie’s was assigned to Band B. It took time for Sam to learn and demonstrate improvement, while Jamie was able to earn successive raises due to sustained excellent performance and hard work. Without the existence and the communication of these bands, Jamie would not have known that the organization recognized her potential to advance more quickly than Sam. Sam and Jamie are satisfied, motivated, and engaged in this new and improved world in which salary bands exist.

Some might wonder whether it was fair for Jamie to have the same starting salary as Sam in the first place, even if their roles were assigned to different bands. Jamie had three years of experience compared to Sam’s one summer, so didn’t she deserve a higher salary to begin with, in addition to being placed in a higher band? The answer could be yes. Implementing salary bands is not a magic pill to solve all of our problems relating to salary. Perhaps the organization made a mistake and should have given Jamie a higher starting salary to account for her experience. But at least salary bands helped the organization communicate to Jamie that it valued her experience and performance, even if it did not (or could not) pay her more from the beginning.
APPENDIX

Examples of Salary Bands

The following examples are salary bands used by real organizations in the Jewish nonprofit sector, shared with permission. We are including these to help you envision how you might create and implement bands at your organization. Specific dollar amounts may be different than they would be at your organization. We encourage you to focus on the criteria used to differentiate the bands and sort roles into them.

Example 1

<table>
<thead>
<tr>
<th>Profile</th>
<th>Engagement Roles</th>
<th>Minimum</th>
<th>Point A</th>
<th>Point B</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-E</td>
<td>Community Coordinator</td>
<td>$45,000</td>
<td>$48,500</td>
<td>$52,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>2-E</td>
<td>Community Manager</td>
<td>$50,000</td>
<td>$57,000</td>
<td>$64,000</td>
<td>$70,000</td>
</tr>
<tr>
<td>3-E</td>
<td>Community Director</td>
<td>$65,000</td>
<td>$70,000</td>
<td>$75,000</td>
<td>$80,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Profile</th>
<th>Rabbinical Roles</th>
<th>Minimum</th>
<th>Point A</th>
<th>Point B</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-R</td>
<td>Community Rabbi</td>
<td>$90,000</td>
<td>$99,000</td>
<td>$108,000</td>
<td>$115,000</td>
</tr>
<tr>
<td>2-R</td>
<td>Senior Rabbi</td>
<td>$100,000</td>
<td>$106,500</td>
<td>$113,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>3-R</td>
<td>Rabbinical Director</td>
<td>$115,000</td>
<td>$120,000</td>
<td>$125,000</td>
<td>$130,000</td>
</tr>
</tbody>
</table>
Level | Attainment
--- | ---
**MINIMUM** | This is the entry level for the given profile; the employee fulfills the minimum requirements for the job.
**POINT A** | Employee has the experience and knowledge to master most of the duties related to the job in an independent manner. Employees whose salary falls between the Minimum and Point A are in the development phase, and are still learning their job and actively developing applicable skill sets.
**POINT B** | Employee is highly experienced and their level of productivity exceeds the job requirements. Employees whose salary falls between Point A and Point B are in the maturity phase as they master the requirements of their job and their performance therein.
**MAXIMUM** | The employee is continuously producing results that are well above the requirements of the job. Employees whose salary falls between Level B and Maximum are in the leadership phase because they have demonstrated superior leadership skills and a strong commitment to the organization.

<table>
<thead>
<tr>
<th>Role</th>
<th>Experience / Responsibilities</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>COORDINATOR</strong></td>
<td>Entry-level (0-3 years)</td>
</tr>
</tbody>
</table>
| **MANAGER** | 3-5 years' professional experience  
Reports to Senior Manager or Director |
| **SENIOR MANAGER** | 5-8 years' experience  
Supervisory role/capacity |
| **DIRECTOR** | Owns and sets departmental vision and budgets  
Reports directly to Managing or Executive Director |
| **MANAGING DIRECTOR** | Manages full department(s) with multiple staff members within organization  
Works directly with Executive Director in setting strategic goals |
| **EXECUTIVE DIRECTOR** | Responsible for an entire city's operations, vision, and growth  
Reports to C-Suite |
| **C-SUITE** | National responsibilities  
Executive Leadership team  
Reports to Board of Governors/Directors or to CEO |
| **COMMUNITY RABBI** | 0-3 years' experience  
Guides educational programming and pastoral engagement for city operations |
| **SENIOR RABBI** | 3-10 years' experience  
Guides educational programming and pastoral engagement for city operations |
| **RABBINICAL DIRECTOR** | Supervisory role/capacity  
Oversees educational and pastoral vision for national organization  
Executive Leadership team |
### Band Placement Criteria Consideration
- Years of experience
- Type and depth of prior experience
- Reporting structure
- Role responsibilities/ownerships
- Higher degree/certificate
- Inner-band levels leave room for performance-related raises, opportunities for internal advancement

### Degree Bumps*
- Completion of a relevant certificate: $500
- Completion of a relevant MA: $1,000
- Completion of a relevant PhD: $1,500

---

### Example 2

<table>
<thead>
<tr>
<th>Band</th>
<th>Requirements / Responsibilities</th>
<th>Roles</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td>BAND 1</td>
<td>0-3 years of experience</td>
<td>Associate, Coordinator, Assistant</td>
<td>$35,000</td>
<td>$45,000</td>
<td>$55,000</td>
</tr>
<tr>
<td>BAND 2</td>
<td>2+ years of experience</td>
<td>Manager</td>
<td>$40,000</td>
<td>$55,000</td>
<td>$70,000</td>
</tr>
<tr>
<td></td>
<td>May supervise at least one employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAND 3</td>
<td>3-5 years of experience</td>
<td>Senior Manager</td>
<td>$50,000</td>
<td>$67,500</td>
<td>$85,000</td>
</tr>
<tr>
<td></td>
<td>Typically supervises at least one employee</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAND 4</td>
<td>5+ years of experience</td>
<td>Assistant Director</td>
<td>$65,000</td>
<td>$87,500</td>
<td>$110,000</td>
</tr>
<tr>
<td></td>
<td>Supervises at least 2-4 employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAND 5</td>
<td>5+ years of experience</td>
<td>Director</td>
<td>$85,000</td>
<td>$110,000</td>
<td>$135,000</td>
</tr>
<tr>
<td></td>
<td>Supervises at least 2-4 employees</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>BAND 6</td>
<td>10+ years of experience</td>
<td>Vice President</td>
<td>$110,000</td>
<td>$155,000</td>
<td>$200,000</td>
</tr>
<tr>
<td></td>
<td>Oversees a department; full authority to make decisions</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

*Bump is based on the final offered salary and intended as a general guideline.
Example 3

<table>
<thead>
<tr>
<th>Band</th>
<th>Role / Title</th>
<th>Minimum</th>
<th>Midpoint</th>
<th>Maximum</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>BAND A</strong></td>
<td>(CEO Level) - Salary set by the board</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chief Executive Officer</td>
<td>$130,000</td>
<td>$180,000</td>
<td>$230,000</td>
</tr>
<tr>
<td><strong>BAND B</strong></td>
<td>(Chief Level)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chief Financial Officer</td>
<td>$110,000</td>
<td>$140,000</td>
<td>$180,000</td>
</tr>
<tr>
<td></td>
<td>Chief of Development Communications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Chief Program Officer</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BAND C</strong></td>
<td>(Director Level)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Advocacy</td>
<td>$75,000</td>
<td>$92,500</td>
<td>$110,000</td>
</tr>
<tr>
<td></td>
<td>Director of Administration</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Programs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Director of Communications</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>BAND D</strong></td>
<td>(Associate Director Level)</td>
<td></td>
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<tr>
<td></td>
<td>Associate Director of Programs</td>
<td>$65,000</td>
<td>$75,000</td>
<td>$85,000</td>
</tr>
<tr>
<td></td>
<td>Associate Director of Development</td>
<td></td>
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<tr>
<td></td>
<td>Associate Director of Communications</td>
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<tr>
<td><strong>BAND E</strong></td>
<td>(Manager / Administrator Level)</td>
<td></td>
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<tr>
<td></td>
<td>Program Manager</td>
<td>$45,000</td>
<td>$62,500</td>
<td>$80,000</td>
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<tr>
<td></td>
<td>Education Manager</td>
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<tr>
<td></td>
<td>Office Manager</td>
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<tr>
<td></td>
<td>Development Manager</td>
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<tr>
<td></td>
<td>Data Administrator</td>
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<tr>
<td></td>
<td>Staff Accountant</td>
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<tr>
<td></td>
<td>Manager of Development &amp; Fundraising</td>
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<tr>
<td></td>
<td>Communications Manager</td>
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<tr>
<td></td>
<td>Donor Relations Manager</td>
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<td></td>
<td>Grants Manager</td>
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<tr>
<td><strong>BAND F</strong></td>
<td>(Associate / Coordinator Level)</td>
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<tr>
<td></td>
<td>Program Coordinator</td>
<td>$35,000</td>
<td>$50,000</td>
<td>$65,000</td>
</tr>
<tr>
<td></td>
<td>Program Associate</td>
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</tbody>
</table>

Download a salary band Excel template at [https://leadingedge.org/salary-band-template](https://leadingedge.org/salary-band-template)
## GLOSSARY

<table>
<thead>
<tr>
<th>Term</th>
<th>Definition</th>
</tr>
</thead>
<tbody>
<tr>
<td>MINIMUM</td>
<td>The lowest salary in each band.</td>
</tr>
<tr>
<td>MIDPOINT</td>
<td>The 50th percentile or halfway point of each band.</td>
</tr>
<tr>
<td>MAXIMUM</td>
<td>The highest salary in each band.</td>
</tr>
<tr>
<td>SPREAD</td>
<td>The size or width of the band, determined by the distance between the midpoint and the minimum / maximum. When building bands, use the spread to calculate a percentage of the midpoint. Then add and subtract this value from the midpoint to determine the minimum and maximum.</td>
</tr>
<tr>
<td>SALARY TRANSPARENCY</td>
<td>A general approach to compensation in which employers make the effort to share some salary information with employees.</td>
</tr>
<tr>
<td>PAY EQUITY</td>
<td>A system in which employees are compensated consistently and fairly, regardless of gender, race, religion, age, national origin, or sexual orientation. Pay equity takes into account job-related factors such as tenure, experience, and education level, allowing for managers and directors to be paid more than associates and administrative support personnel.</td>
</tr>
<tr>
<td>PAY PARITY</td>
<td>A system under which there is absolute equality in relation to pay, meaning that employees with the same job are always paid the same amount. Current federal laws require that organizations focus on equity, as true parity can be difficult to measure and enforce due to the generally accepted system of awarding higher compensation to those with more experience or skill, even if the work completed is the same.</td>
</tr>
<tr>
<td>IMPLICIT BIAS</td>
<td>Also referred to as unconscious bias or implicit stereotype, this refers to attitudes, opinions, or assumptions about other people because of the social group to which they belong. They are unintentional, deeply ingrained, and usually outside of a person's awareness; they frequently contradict an individual's espoused beliefs or values. These develop over time through societal exposure and affect the way that people perceive, reason, remember, and make decisions.</td>
</tr>
<tr>
<td>EXPLICIT BIAS</td>
<td>The attitudes, preferences, opinions, or assumptions we have about a person or a group of people on a conscious level. They occur as a result of deliberate thought and therefore can be regulated with effort.</td>
</tr>
</tbody>
</table>
### ADDITIONAL RESOURCES

#### THE PAY GAP / PAY EQUITY
- **What You Need to Know About the Gender Pay Gap in 2019**
  

- **PayScale Pay Equity**
  
  https://www.payscale.com/data/pay-equity

- **Quick Take on Women's Earnings and the Pay Gap**
  
  https://www.catalyst.org/research/womens-earnings-the-pay-gap/

- **Quantifying America's Gender Wage Gap**
  

- **Pay Black Employees Based on Their Performance Not Bias**
  

- **Want to Close the Pay Gap? Pay Transparency Will Help**
  

- **How Companies Are Achieving Pay Equity**
  
  https://www.diversitybestpractices.com/how-companies-are-achieving-pay-equity

#### SALARY TRANSPARENCY
- **Most Organizations Don't Feel Ready to Share Pay Ranges**
  

- **Why Discussing Your Salary is Crucial**
  

- **How to Discuss Pay with Your Employees**
  
  https://hbr.org/2014/04/how-to-discuss-pay-with-your-employees

- **Most People Have No Idea Whether They’re Paid Fairly**
  
  https://hbr.org/2015/10/most-people-have-no-idea-whether-theyre-paid-fairly

- **4 Reasons it Pays to Share Salary Ranges**
  

- **3 Employers Share Their Approaches to Pay Transparency**
  

- **Why Salary Transparency is Important**
  
  https://www.ana.net/blogs/show/id/mm-blog-2019-05-salary-transparency

- **How Much Do You Make?**
  

- **What You Need to Know About Pay Transparency**
  
  https://vivahr.com/pay-transparency-need-know/

- **Opening Up About Compensation Is Not Easy**
  
  https://firstround.com/review/opening-up-about-comp-isnt-easy-heres-how-to-get-more-transparent/
Pay Fairness Perception Beats Higher Pay
https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/pay-fairness-beats-higher-pay-for-engagement.aspx

How to Improve Employee Engagement and Retention
https://www.payscale.com/data/employee-engagement

The New Reality of Pay Transparency

The Benefits of Sharing Your Salary

**SALARY IN THE JEWISH COMMUNITY**

Salary Transparency is a Jewish Value
https://ejewishphilanthropy.com/salary-transparency-is-a-jewish-value/

Why We Require Salary Ranges on Job Postings

The Gender Equity in Hiring Project
https://www.genderequityinhiringproject.org/advocacy

**JOB POSTINGS**

CareerHub Guide to Recruiting and Hiring
https://www.leadingedge.org/resource/a-guide-to-recruiting-and-hiring

When You Don’t Disclose Salary Range on a Job Posting, a Unicorn Loses Its Wings

Not Showing the Salary Range in Jobs Postings is Archaic

A Step Toward Racial and Gender Pay Equity: Post Your Salary or Pay Range
https://www.gainpower.org/gain-power-requires-salary-ranges-in-job-postings/

4 Reasons it Pays to Share Salary Ranges

**MISCELLANEOUS**

Compensation Practices to Retire

PayScale 2020 Best Practices
https://www.payscale.com/cbpr

Stop Asking Candidates for Salary History
https://hbr.org/2020/07/stop-asking-job-candidates-for-their-salary-history

Job Leveling to Grade a Position’s Value
https://www.shrm.org/resourcesandtools/hr-topics/compensation/pages/job-leveling.aspx

Developing a Compensation Philosophy

States with Salary History Bans

4 Secrets to Pay Transparency Success
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Director of Finance and Administration at the Israel Policy Forum