

National Not for Profit Finance Forum
Pay in the NFP Sector: Understanding and nurturing a scarce resource
May 2019





Market Movements & Trends



Market
Movements



Projections &
Forecasts



Policy &
Pay Practices

A grayscale background image showing a person's hands holding a laptop. The laptop screen displays several data visualization charts, including bar graphs and a line graph. To the right of the laptop, a hand is holding a coffee cup. The overall scene is dimly lit, with the text overlaid in a bright blue color.

Accuracy and Credibility



Strategic Pay Database



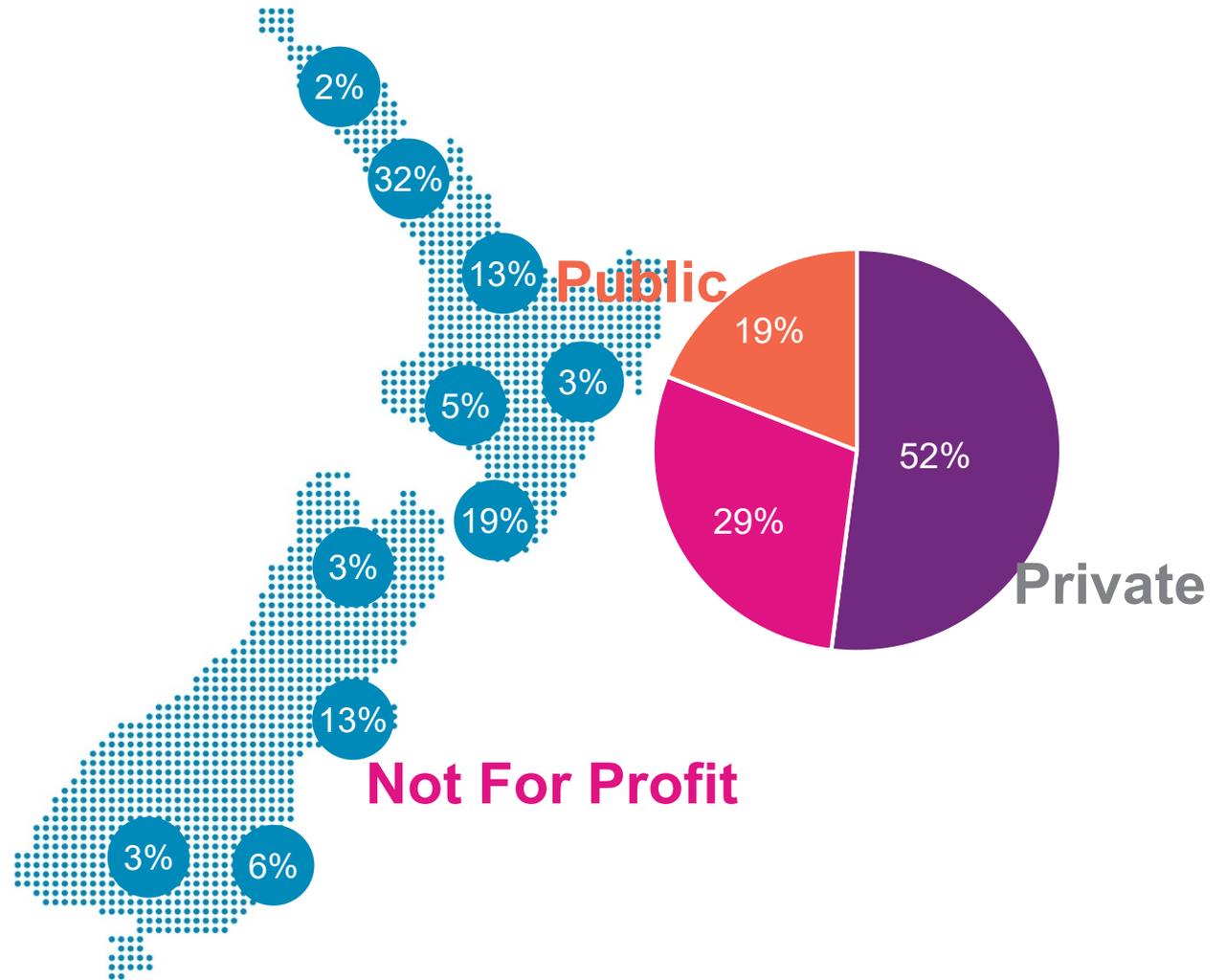
1,268

Organisations



217,647

Employees



...and the Pacific, including Solomon Islands, Vanuwatu, Fiji, Cook Islands, Samoa, FSM



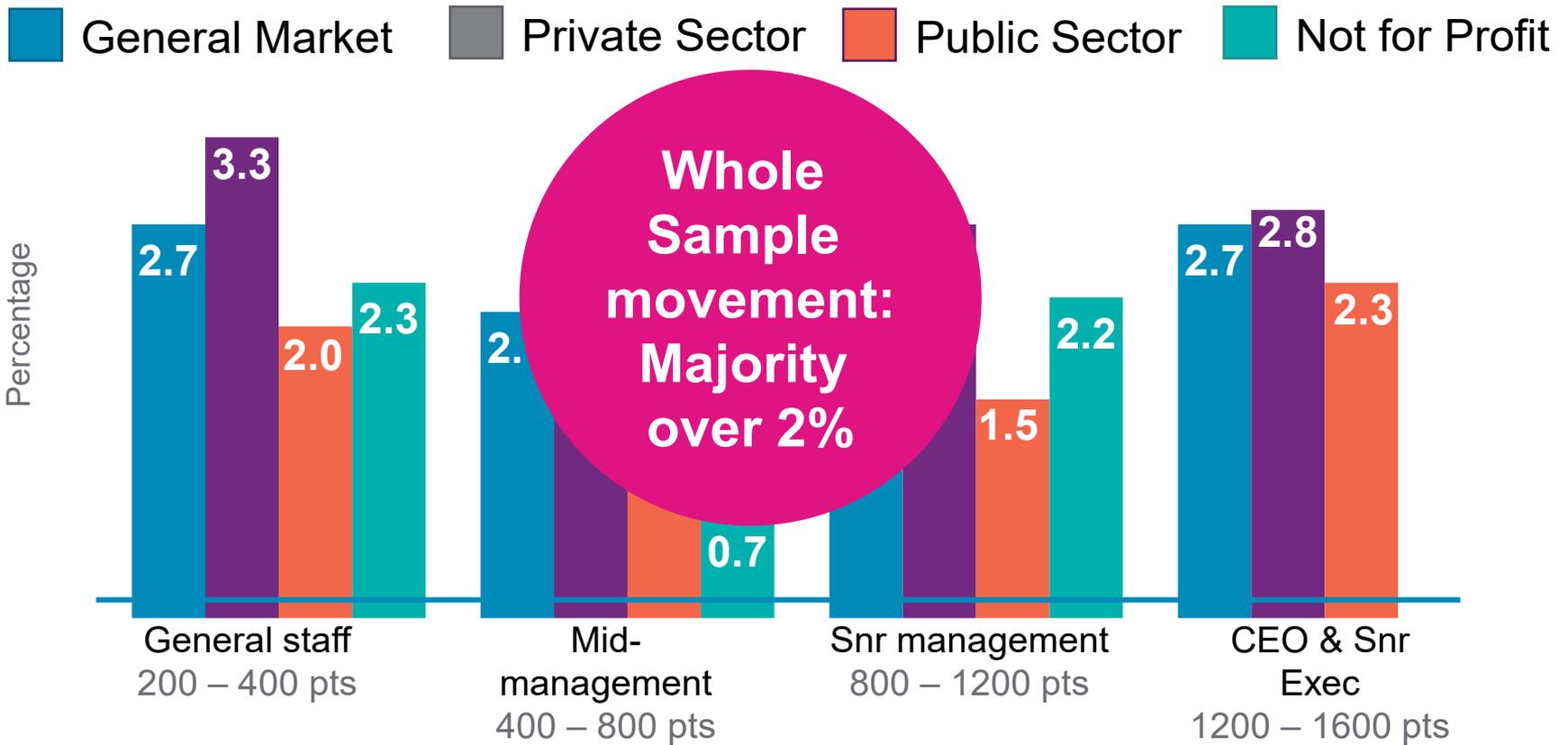
Market Movements



Whole Sample Movements: General Market

Median Fixed Remuneration: SP10[®] Job Level





Whole Sample Movements: Sector

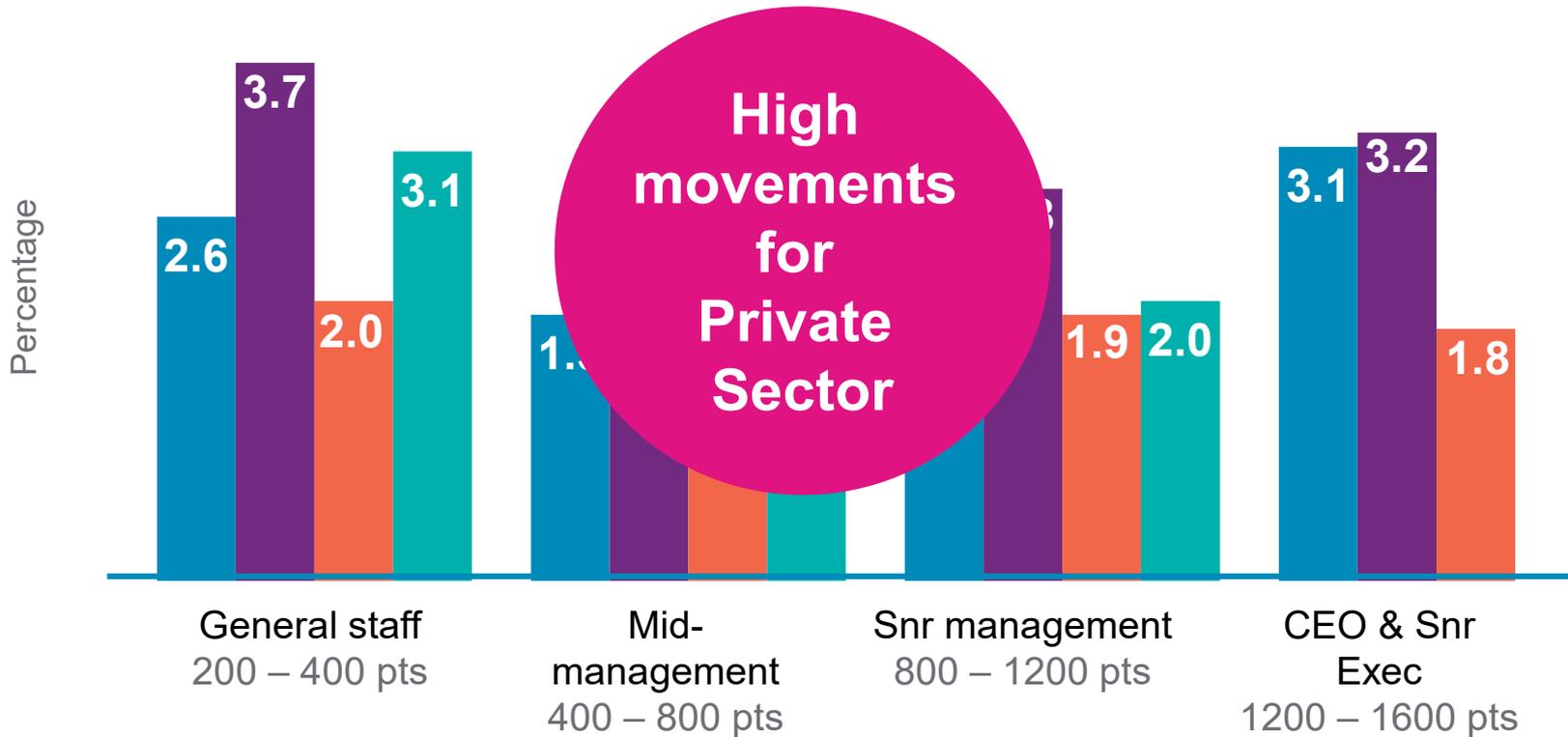
Median Fixed Remuneration: SP10[®] Job Level

Matched Organisation Movements by Sector

Median Fixed Remuneration: SP10[®] Job Level



■ General Market
 ■ Private Sector
 ■ Public Sector
 ■ Not for Profit



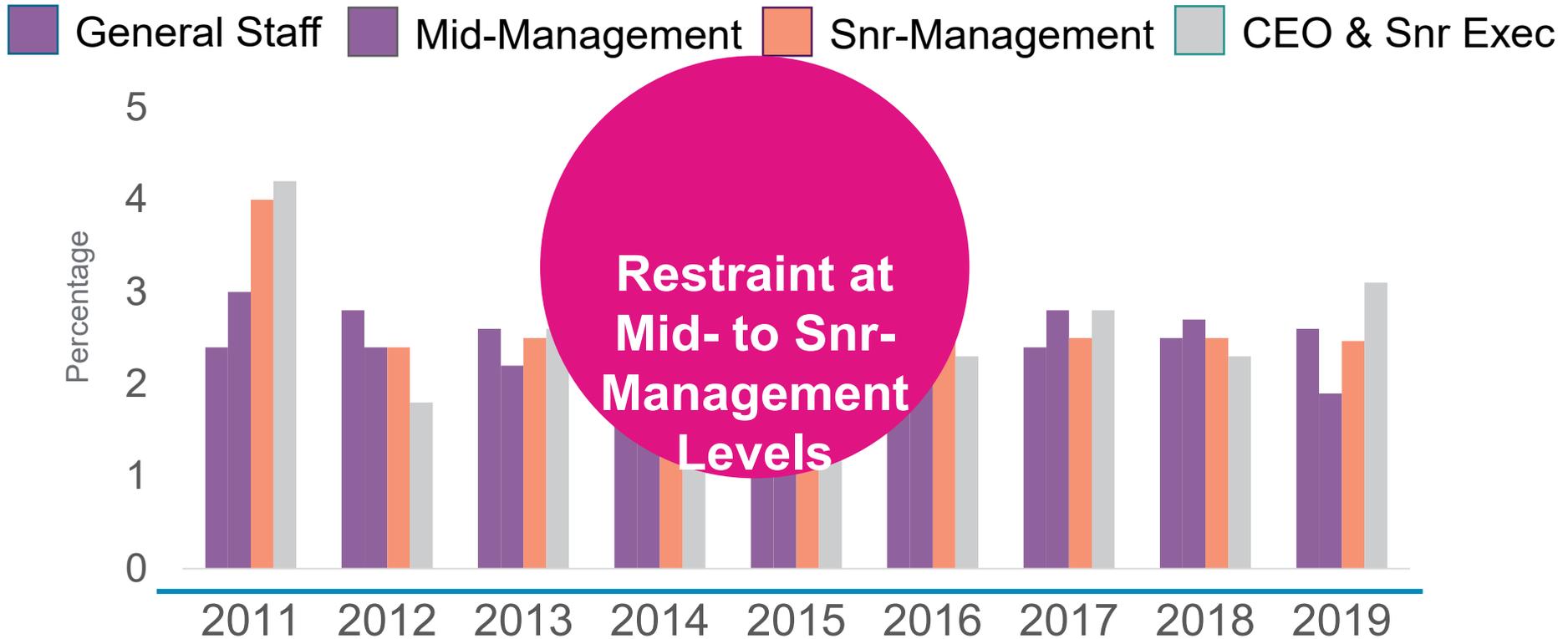
Matched Organisations Movements by Sector

Median Fixed Remuneration: SP10® Job Level

Long Term Trends: Matched Organisation Movements

Median Fixed Remuneration: SP10[®] Job Level





Annual Increases: Matched Organisations Movements

Median Fixed Remuneration: SP10[®] Job Level



Projections & Forecasts

Overall Projected Payroll Increases 2019/20

General Market

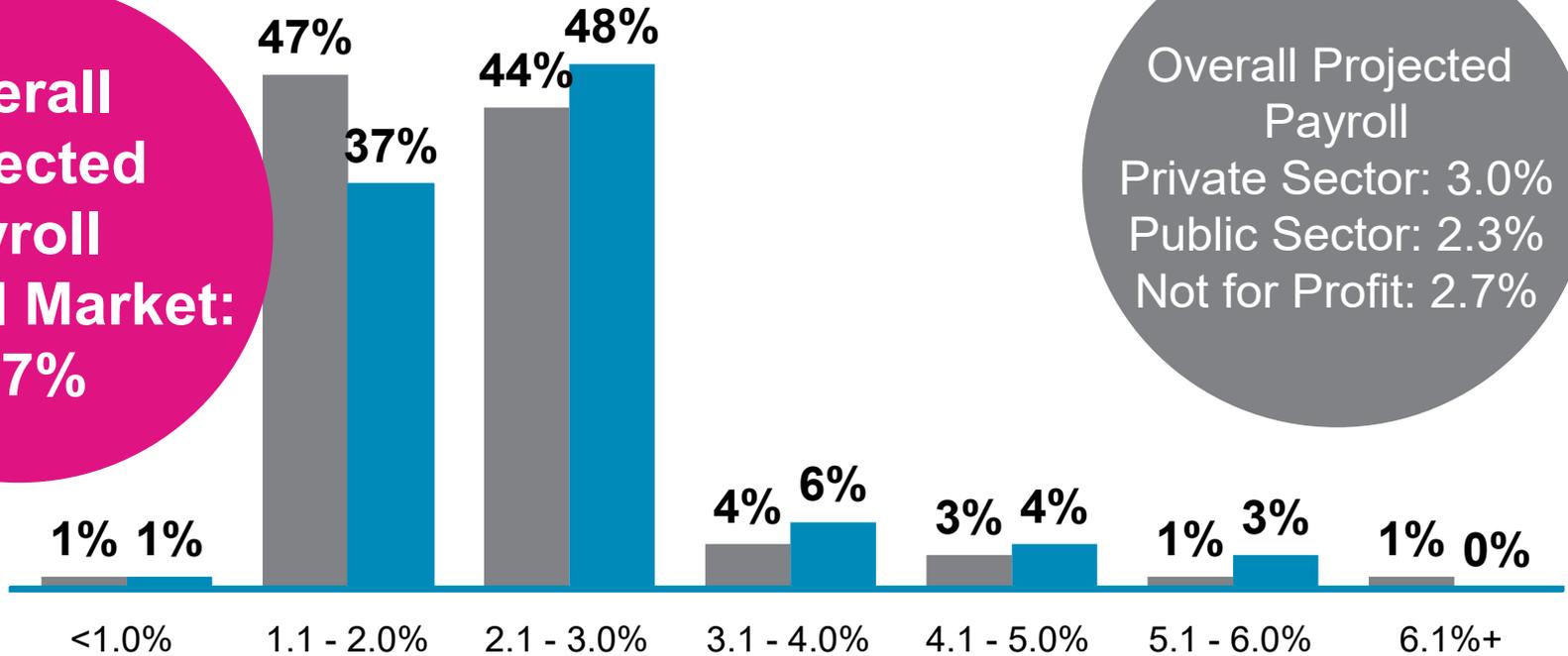


■ Mar 18/19

■ Mar 19/20

**Overall
Projected
Payroll
General Market:
2.7%**

**Overall Projected
Payroll**
Private Sector: 3.0%
Public Sector: 2.3%
Not for Profit: 2.7%



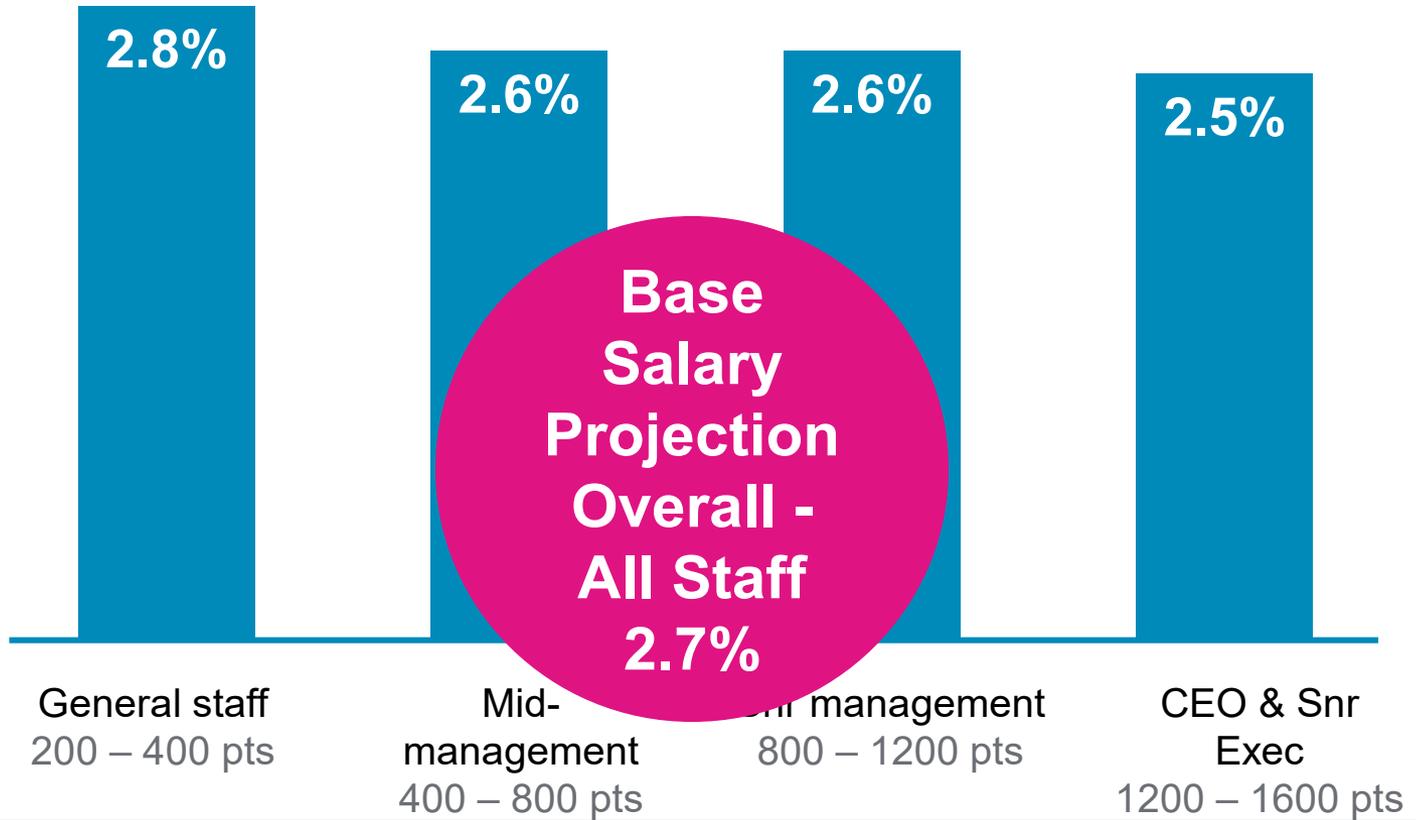
Overall Projected Payroll Increases 2019/20

General Market

Base Salary Projections: 2019/20

General Market





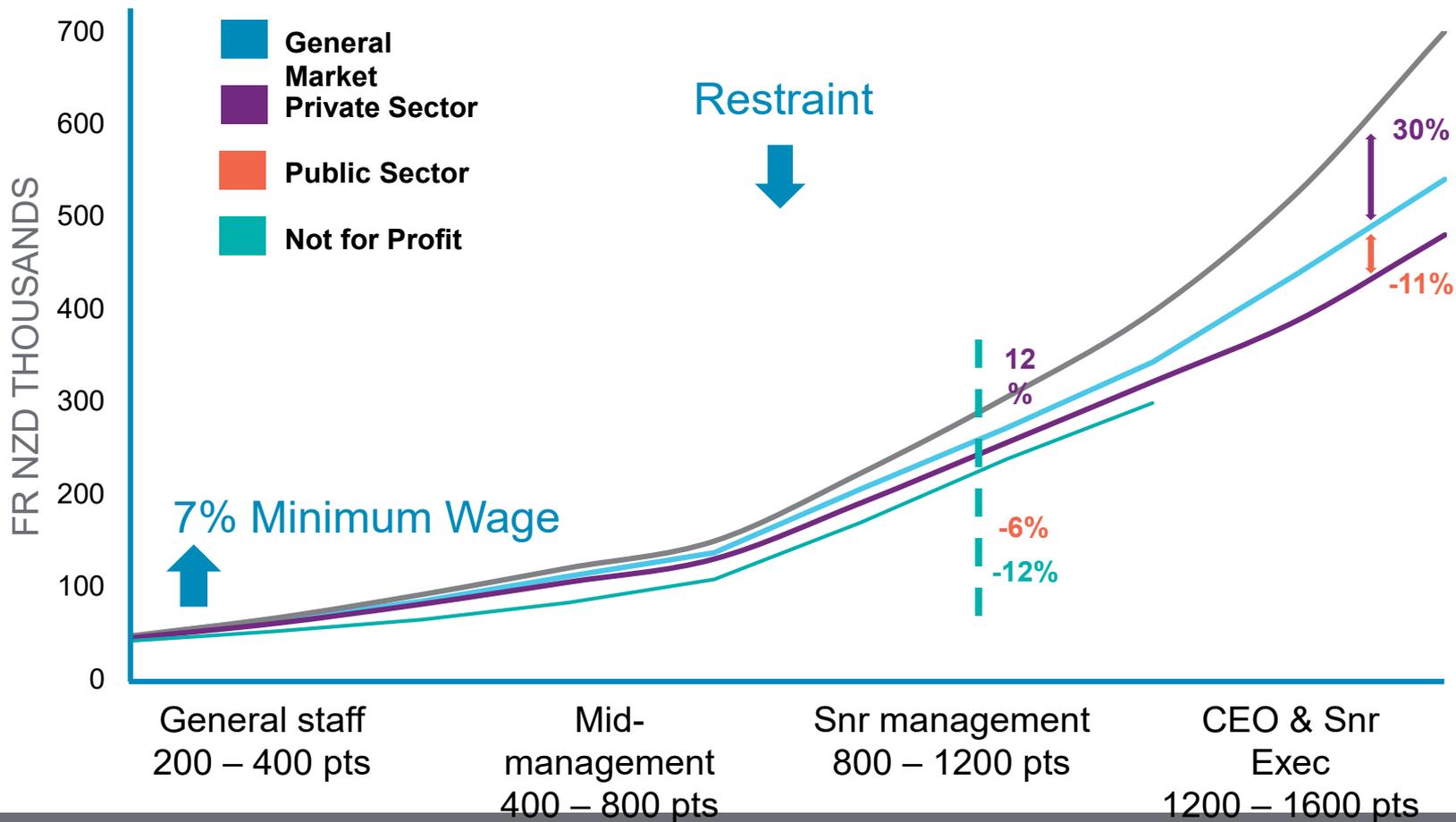
Base Salary Projections 2019/20

General Market



Projections & Market
Forecasts Movements

Pay
Practices



Actual Pay Practices by Sector



Pay Landscape
Impacts

Pay Changes for lower level roles

- One Auckland mayoral candidate in 2016 promised he would introduce the Living Wage for Council employees (he became Mayor and the policy is being implemented)
- In 2017 we saw the introduction of large pay increases for residential care employees (subsequently extended in 2018 those doing similar work in mental health)
- In 2018 the incoming government promised to increase the minimum wage to \$20ph by 2021 (they remain on track to do this having just raised the minimum wage to \$17.70 ph)
- The combination of these three initiatives have seen an acceleration of pay movements at the lower levels of pay across most sectors in NZ

From our Database: NFP Survey 2018

Residential Homecare / Support Worker

SS23

Position Summary

Provides individual care services in the homes of clients. Focus on personal care and basic personal needs attention. Medical needs requiring intervention are referred to medical staff. Typically ACE qualified or equivalent in experience.

SP Grade 8 - 10

SP10 Points 215 - 285

SP Band C - D

Total Sample		Base Salary				Fixed Remuneration				Total Remuneration			
# Orgs	# Jobs	LQ	Med	UQ	Ave	LQ	Med	UQ	Ave	LQ	Med	UQ	Ave
7	655	39 520	43 680	43 680	42 826	40 706	43 680	44 990	43 562	40 706	43 680	44 990	43 562
Whole Sample Movements		14.0%	20.1%	16.2%	18.0%	15.1%	18.0%	16.7%	17.6%	15.1%	18.0%	16.7%	17.6%
Same Incumbent Movements			20.1%		21.6%		20.1%		21.5%		20.1%		21.5%

Support Worker

SS24

Position Summary

Provides non-clinical social service support and personal assistance to individuals, families or children, generally in the home or an organised situation, e.g. daycare centre. May include cleaning & cooking.

SP Grade 6 - 8

SP10 Points 166 - 235

SP Band B - C

Total Sample		Base Salary				Fixed Remuneration				Total Remuneration			
# Orgs	# Jobs	LQ	Med	UQ	Ave	LQ	Med	UQ	Ave	LQ	Med	UQ	Ave
20	464	39 520	41 600	43 681	41 529	39 520	42 179	44 990	42 426	39 520	42 179	44 990	42 433
Whole Sample Movements		24.6%	22.3%	18.7%	19.7%	21.0%	21.9%	20.2%	19.9%	21.0%	21.9%	20.2%	19.8%
Same Incumbent Movements			16.1%		14.6%		16.2%		15.2%		16.2%		15.2%

What does our database show is happening

Base Salary, Median Data, Current (March 2017)				
	Not for Profit Sector	Public Sector	Private Sector	Jobs we typically see at these Levels
Grade 5	33,932	35,824	37,446	Tea-Person type roles, Production Worker
Grade 6	36,486	38,647	40,106	Very Basic Admin, Reception
Grade 7	39,222	41,805	43,535	Residential Care employees, More basic Admin, Reception
Grade 8	41,377	45,153	47,240	Admin roles/Admin/Reception combined
Grade 9	43,630	48,653	51,113	First level Supervision/small teams
Grade 10	46,078	52,458	55,323	Larger Supervisory

Base Salary, Median Data, Current (March 2019)				
	Not for Profit Sector	Public Sector	Private Sector	Jobs we typically see at these Levels
Grade 5	35,470	37,237	38,823	Tea-Person type roles, Production Worker
Grade 6	38,117	40,264	42,287	Very Basic Admin, Reception
Grade 7	40,926	43,625	46,138	Residential Care employees, More basic Admin, Reception
Grade 8	42,960	47,038	50,080	Admin roles/Admin/Reception combined
Grade 9	45,087	50,606	54,202	First level Supervision/small teams
Grade 10	47,398	54,484	58,682	Larger Supervisory

What does our database show within Sectors

Not For Profit Sector		Gap March 2017		Gap March 2019	
Grade 5 and Grade 6		7.5%		7.5%	
Grade 6 and Grade 7		7.5%		7.4%	
Grade 7 and Grade 8		5.5%		5.0%	
Grade 8 and Grade 9		5.4%		5.0%	
Grade 9 and Grade 10		5.6%		5.1%	
Public Sector		Gap March 2017		Gap March 2019	
Grade 5 and Grade 6		7.9%		8.1%	
Grade 6 and Grade 7		8.2%		8.3%	
Grade 7 and Grade 8		8.0%		7.8%	
Grade 8 and Grade 9		7.8%		7.6%	
Grade 9 and Grade 10		7.8%		7.7%	
Private Sector		Gap March 2017		Gap March 2019	
Grade 5 and Grade 6		7.1%		8.9%	
Grade 6 and Grade 7		8.5%		9.1%	
Grade 7 and Grade 8		8.5%		8.5%	
Grade 8 and Grade 9		8.2%		8.2%	
Grade 9 and Grade 10		8.2%		8.3%	

NFP Sector	Relativity unchanged in the the lower grades (Grades 5 and 6)				
	Relativity in the higher grades has been squeezed by 0.5%				
	but no change elsewhere (lowest paid nos decreased?)				
Public Sector	Relativities have not changed				
Private Sector	Relativities have increased in the lower grades, higher grades minor change				

What does our database show between Sectors

Base Salary, Median Data, Current (Sector Relativity: March 2017)				
	Not for Profit Sector	Public Sector	Private Sector	Jobs we typically see at these Levels
Grade 5	100.00	105.6%	110.4%	Tea-Person type roles, Production Worker
Grade 6	100.00	105.9%	109.9%	Very Basic Admin, Reception
Grade 7	100.00	106.6%	111.0%	Residential Care employees, More basic Admin, Reception
Grade 8	100.00	109.1%	114.2%	Admin roles/Admin/Reception combined
Grade 9	100.00	111.5%	117.2%	First level Supervision/small teams
Grade 10	100.00	113.8%	120.1%	Larger Supervisory

Base Salary, Median Data, Current (Sector Relativity: March 2019)				
	Not for Profit Sector	Public Sector	Private Sector	Jobs we typically see at these Levels
Grade 5	100.00	105.0%	109.5%	Tea-Person type roles, Production Worker
Grade 6	100.00	105.6%	110.9%	Very Basic Admin, Reception
Grade 7	100.00	106.6%	112.7%	Residential Care employees, More basic Admin, Reception
Grade 8	100.00	109.5%	116.6%	Admin roles/Admin/Reception combined
Grade 9	100.00	112.2%	120.2%	First level Supervision/small teams
Grade 10	100.00	114.9%	123.8%	Larger Supervisory

From the Data

Relativities between the sectors have changed especially for the higher grades (Grades 9 and 10)

For the lowest two grades (Grades 5 and 6) relativities have contracted

Implications

For the **NFP Sector** the picture is mixed as the data suggests that they are likely more competitive for the lowest level jobs but less competitive when you get into the supervisory roles

For the **Public and Private Sectors** the changes are less dramatic and relativities both within the sector and between sectors are affecting them much less

Implications

Ongoing Questions/Issues/Challenges/Opportunities

- Pay budgets: They show no sign of increasing, our latest data shows overall forecast movements of 2.7%
- Spend more of the budget at the lower levels
- Typically collateral damage not funded
- Raised expectations in the marketplace
 - Public Sector disputes, major groups in disputes
 - Increased government involvement (Nurses, Teachers, Doctors)
- Government policy clear
 - Curtail increases at the top, spend money elsewhere
- The question of relativities
 - Semiskilled/unskilled roles getting large pay increases
 - Their pay levels approaching/exceeding skilled colleagues
 - Traditional relativities and pay relationships being tested to breaking point



In Summary



Market Movements
of between 2-3%



Forecasts just
under or around
3%



Gap widening between
Private and Public
sectors



A New Breed of
Top Management
Team