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Despite Cuts, Associations Retain Employees With Attractive Pay, Benefits

Chicagoland Associations Poised to Compete in Recovering Job Market, Finds Association Forum Survey



CHICAGO, Nov. 10, 2010 /PRNewswire-USNewswire/ --When the job market finally recovers, many employers expect to lose their top performers. Chicagoland associations, however, are working hard to retain theirs, finds a new report from the Association Forum of Chicagoland.

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An annual survey of compensation, benefits and office practices at Chicagoland associations and nonprofits, the *2010 –2011 Association Compensation and Benefits Survey* found that association employers have had to reduce pay increases and cut many standard benefits, including paid holidays, for instance, paid sick days and defined-benefit pension plans. In response, however, many associations have increased the availability of popular alternative benefits, such as tuition reimbursement, flextime scheduling and telecommuting.

As a result, turnover at Chicagoland associations was 11.7 percent in 2010, down from 13.4 percent in 2008 — when the recession began — with 23.7 percent of associations reporting a three-year decline in turnover, up from 13.2 percent two years ago.

"Although they've not been impervious to it, associations have been working tirelessly for the past two years to minimize the impact of the recession on their workforce," said Association Forum President and CEO Christie A. Tarantino, CAE. "This year's survey is proof that their efforts are paying off in the form of happy, well-compensated employees, many of whom will likely stay in their current jobs even as the job market recovers."

Raises Outpace Inflation

Although they're smaller this year than they were last year, Chicagoland associations continue to offer modest pay raises to their employees, according to the Association Forum; its survey places increases

this year and next slightly ahead of inflation, which averages between 1 percent and 3 percent annually.

Overall, 2010 salaries increased by 3.1 percent for exempt-level association employees, down from 3.6 percent in 2009; 2.8 percent for non-exempt level employees, down from 3.2 percent; and 4 percent for CEOs, down from 4.7 percent. Salaries are projected to increase in 2011 by 3.2 percent for exempt-level employees, 2.9 percent for non-exempt level employees and 3.8 percent for CEOs.

"Like the cost of living, the cost of doing business in the United States keeps on growing, especially for nonprofits," Tarantino said. "Still, associations continue — even in the worst of times — to reward their employees with pay raises, which positions them to be among the most popular employers in the emerging job market."

Benefits Hold Their Ground

During the last two years, Chicagoland associations — who were last surveyed about their benefits packages in 2008 — have replaced some of their most expensive benefits with more affordable, yet equally popular, alternatives, according to the Association Forum.

Among the highlights from this year's survey:

- **Paid time off:** Approximately 30.2 percent of associations offer 10 paid holidays, down from 31.1 percent in 2008, while 37.1 percent offer fewer than five paid sick days, up from 17.7 percent. On the other hand, 26.4 percent of associations offer three personal days, up from 15.6 percent in 2008. Similarly up is the length of paid maternity/disability leave, which averaged seven weeks in 2010 and four weeks in 2008, and — for dads — the length of paid paternity leave, which averaged four weeks in 2010 and two in 2008.
- **Health insurance:** The vast majority of associations (96.7 percent) offer health insurance for their employees, 25.9 percent immediately upon employment and 53.4 percent after one month. Although 40 percent of associations pay 100 percent of employees' premiums, that's down from 53.4 percent in 2008. Similarly down is employer coverage of dependents; 46.7 percent of associations pay less than half of dependents' premiums, up from 31.5 percent in 2008.
- **Retirement plans:** Although fewer associations are offering defined benefit pension plans (8.3 percent in 2010, versus 15.5 percent in 2008), more are offering 401(k) plans (65.8 percent in 2010, versus 61.5 percent in 2008).
- **Reimbursement expenses:** Fewer associations are reimbursing executives and other employees for special business expenses. Fewer CEOs, for instance, are reimbursed for first class air travel (6.1 percent, down from 12.2 percent), personal vehicles (5.7 percent, down from 36.5 percent), regular parking (27.8 percent, down from 37.2 percent), spouse travel expenses (19.1 percent, down from 26.3 percent), home computer (19.1 percent, down from 27.6 percent) and relocation expenses (14.8 percent, down from 17.9 percent).
- **Miscellaneous benefits:** To compensate for cuts in some areas, more associations are offering unique benefits like financial planning assistance (17.1 percent, up from 12.1 percent), health club memberships (17.9 percent, up from 15.3 percent) and employee assistance programs (40.2 percent, up from 36.9 percent), which exist to help employees deal with personal problems like substance abuse, emotional distress and workplace conflicts.

- **Personnel policies:** To similarly counter cuts in areas like paid time off, more associations are offering flexible work arrangements, including flextime scheduling (67.8 percent, up from 60 percent) and telecommuting arrangements (27.5 percent, up from 21.5 percent).

"This year's survey offers more than data," Tarantino said. "Because these numbers represent best practices, it's a guidebook for associations that want to attract and retain top talent, now and going forward."

Domestic Partners Covered

As part of its ongoing commitment to diversity, the Association Forum for the first time this year surveyed associations about domestic partnerships and found that approximately 40 percent of associations extend benefits to domestic partners — 4.5 percent exclusively to same-sex couples; 1.8 percent exclusively to different-sex couples; 4.5 percent to any household member, regardless of gender or relation; and 28.8 percent to all couples.

Among those that offer them, domestic partnership benefits are the same or equivalent to the spousal benefits given to legally married same-sex couples at 85.4 percent of associations.

"The Association Forum is committed to encouraging and increasing diversity at Chicagoland associations," Tarantino said. "Measuring diversity, as we did in this year's survey, is an important step toward fulfilling that mission."

Survey Methodology

A total of 121 organizations participated in the *2010 – 2011 Association Compensation and Benefits Survey*, which was conducted for the Association Forum by The Management Association of Illinois.

This year's survey features 2,024 rates of pay for 73 different positions. Organized by budget, membership type, geographic scope of membership, job title and job location (city or suburban), the data is designed to help Chicagoland associations make informed decisions about employee pay, benefits and personnel policies.

To order the survey, visit the Association Forum's website at www.associationforum.org.

ABOUT THE FORUM

The mission of the Association Forum of Chicagoland is to "advance the professional practice of association management." Founded in 1916, the Forum serves 47,000 association professionals whose efforts serve more than 37 million members and generate \$22 billion in global annual expenditures. Visit www.associationforum.org.

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