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Nonprofit execs say results weigh more than pay

by Seth Hemmelgarn

For years after he founded San Francisco's AIDS Housing Alliance in 2004, Brian Basinger was paid only what would fit within the limits that Social Security Disability Insurance would allow.

But Basinger, a gay man who's living with AIDS himself and remains executive director of what's now known as Q Foundation AIDS Housing Alliance, recently had to make a change.

His low wages "left the organization in a vulnerable place as far as sustainability planning is concerned," Basinger said in an email. "If something were to happen to me, the organization would be hard pressed to find another person with the required skill set to work for \$700 per month. After much soul-searching, I decided to let go of disability so that we could grow the compensation for my position to market-rate."

Basinger's decision reflects what many have



Q Foundation Executive Director Brian Basinger, right, discusses job performance statistics with peer navigator Nicole Dunn, left, at the Q Foundation office March 30.

long argued is a simple fact: In order to draw and retain talent to lead Bay Area's nonprofits, people need to be paid an attractive salary. Donors should also look at factors such as agencies' outcomes and transparency rather than simply focusing on executive directors' compensation, experts say.

At \$90,000, Basinger's annual compensation is still among the lowest in the region, where many executive directors take in well over \$100,000, according to an analysis of Bay Area LGBT and HIV/AIDS nonprofits by the Bay Area Reporter. But he indicated it could still be helpful for his organization, which with a budget of \$2.5 million provides housing emergency financial assistance, tenants rights counseling, and other services to hundreds of people a year.

"Funders thought that my salary was an indication of the quality of the outcomes of the organization," Basinger said.

Roger Doughty is president of the San Francisco-based Horizons Foundation, which distributes grants to other nonprofits in San Francisco and surrounding cities and works to support the LGBTQ community.

"It's important to remember that LGBT nonprofits have to compete for talent, and we have to compete for talent with much larger and much better-resourced nonprofits such as universities that can often pay considerably

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better," said Doughty, who is gay and has led Horizons for 14 years. "We also have to compete with a thriving and very attractive corporate sector, especially the tech sector."



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Horizons Foundation President Roger Doughty

There's also the high cost of living in the Bay Area.

Doughty said that among the factors donors should look at when determining which agencies to support is whether they're "getting results."

Donors might also want to look at executive compensation, Doughty said, but he suggested that should be in the context of the "caliber of the people who are working there," since that's "perhaps the most critical factor" in the organization's impact.

Doughty also pointed to the Overhead Myth campaign, a joint effort launched in 2013 by three organizations that study nonprofit finances: BBB Wise Giving Alliance, Charity Navigator, and GuideStar.

"We believe that for a donor to correctly assess a charity, the organization must be viewed on three dimensions: its financial health (not just overhead), its governance practices, and the

results of its work," said Charity Navigator CEO Ken Berger in a news release at the time.

Doughty readily disclosed his own annual compensation – \$170,000 – but declined to discuss it, referring questions about the figure to Horizons board Chair Dr. Audrey Koh.

"Roger is one of the most conscientious, hard-working, high-integrity leaders that the LGBTQ nonprofit community has," Koh, a lesbian, said in an email. "He also has substantial recognition in working with and problem-solving with LGBTQ nonprofit leaders across the country, and we applaud that leadership and activism."

She pointed to the "rapid and successful growth in its funds raised" as an example of the work Doughty has overseen at the organization, which has a budget of \$5.1 million. (Doughty said the foundation's total assets "exceed \$25 million.")

"All of these growth areas allow Horizons Foundation to be able to give in amounts and to increasing numbers of the many nonprofit organizations and causes in the six Bay Area counties we concentrate on," Koh said.



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Positive Resource Center CEO Brett Andrews

Added responsibilities

Brett Andrews is a local nonprofit leader who's seen a big increase in his responsibilities recently.

For 14 years, Andrews, a gay man,

has led Positive Resource Center which provides comprehensive benefits counseling and employment services to people who are living with or at risk for HIV/AIDS.

Last year the agency merged with AIDS Emergency Fund, which offers financial assistance to people disabled by HIV/AIDS, and Baker Places, which provides residential substance abuse treatment and other services. The combined agency is still known as Positive Resource Center.

Andrews' base salary has gone from \$161,000 before the mergers to \$205,000. He indicated he'd be taking on his Baker Places leadership duties completely in April, and he said he and PRC's board are working out what his new salary would be. PRC has a budget of \$7 million and Baker Places, which has 109 licensed beds across San Francisco, has a budget of \$14 million.

PRC's board has a CEO evaluation and compensation committee that uses a northern California nonprofit survey, which has 400 to 500 respondents, according to Andrews, who said donors don't ask him about his compensation.

When donors are "writing very significant and meaningful checks to an organization, they're pleased to know there's a level of expertise and sophistication in terms of financial management and agency oversight and program delivery that is making the best use of their donation," Andrews said.

One of the primary funders of many of San Francisco's health-related nonprofits is the city's Department of Public Health.

Asked in an email how much weight the agency gives to compensation when considering which nonprofits to support, and how much support to give them, DPH spokeswoman Rachael Kagan responded, "Executive compensation is not a criteria that is considered in our contracting process."

Although only a few local LGBTQ-related nonprofit leaders have annual salaries that are higher than Andrews', his earnings are relatively low compared with what he and many others could make in the private

sector.

"If money was a motivator, I suspect I would have long since left" the



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St. James Infirmary Executive Director Stephany Ashley

nonprofit world, he said.

Stephany Ashley, executive director of St. James Infirmary, which provides free medical services, HIV testing, food, and other assistance to sex workers, is one of the lowest-paid LGBT- and health-related nonprofit heads in San Francisco.

But in response to emailed questions, Ashley, who identifies as queer, said that her \$70,000 base salary "is set at what I believe is a livable and generous wage."

She said she's even declined raises, "because I have other fiscal priorities for the organization that are far more important."

When it's time to look for a new executive director, Ashley said, "It's possible that the salary may be renegotiated in order to secure the best candidate." However, it doesn't sound like she's leaving any time soon.

"I plan to stay at St. James as long as I am an effective and appropriate person to lead the organization or until the next round of leadership is ready to take the helm," Ashley said, adding, "My goal is not to overstay my term."

She said that funders have "never shared" with her that they're concerned her salary is "too low."

"In fact, I think many funders, and certainly our grassroots

community donors (who make up the majority of our donors) appreciate that we spend most of our money on direct service provision as opposed to inflated administrative, development, or management salaries," Ashley said.

The nonprofit, which has about 20 paid staff and a projected budget this year of \$850,000, is still "largely volunteer-run," and is "one of the most cost effective models of community health care possible," Ashley said.

"We provide a tremendous amount of services, advocacy and education on a very small budget, and as our budget grows, our resources continue to reach those who it is our mission to serve," she said. "I am very proud of that fact."

Q Foundation's help

David Bogachik, a 41-year-old transgender man, said he turned to Q Foundation "at a crucial moment in my new life" after he moved to San Francisco from Ukraine 18 months ago.

"I knew that SF is going through hard times but couldn't imagine all the challenges local community faces here," Bogachik said. One of the city's biggest problems – the lack of affordable housing – Bogachik confronted himself.

"Our landlord raised the rent by 50 percent, and all the members of our queer co-op had to move out," he said. At the same time, someone that he'd signed the lease with "disappeared" with two months of rent money and the deposit.

Bogachik was able to find a new home, "but my account was empty, and it took some time to fix it." Friends directed him to the Q Foundation, and the agency helped him with the security deposit and one month's rent, plus "smart money coaching."

Asked how much Basinger's salary matters to him, Bogachik said, "I hope his salary is commensurate with his professional experience, and reflective of the expected value and long-term impact he will create for the community over time. It should also be reflective of the exorbitant cost of living in San Francisco." ▼

