

Staff Compensation: Insights & Guidance for Public Media

**PUBLIC
MEDIA
CO.**

October 27, 2021

A Public Media Company webinar | www.publicmedia.co

WEBINAR LOGISTICS

1. All microphones are muted and cameras off
2. We welcome conversation – please use chat function to share questions and thoughts
3. Webinar being recorded and posted on PMC website:
www.publicmedia.co/webinars

**Staff Compensation:
Insights & Guidance
for Public Media**

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PURPOSE OF TODAY

1. Understand the **critical role of clear compensation** policies and practices for nonprofit organizations
2. **Share insight into CEO compensation** across 84 public media stations, including how compensation is structured and varies by revenue size, location, org type
3. Learn how to get **more compensation clarity at your station** (and why it's important) with direct insight from **KING FM** leaders Brenda Barnes and Susan Harmon



WEBINAR PRESENTERS



Brenda Barnes
CEO,
KING FM



Susan Harmon
Board VP,
KING FM



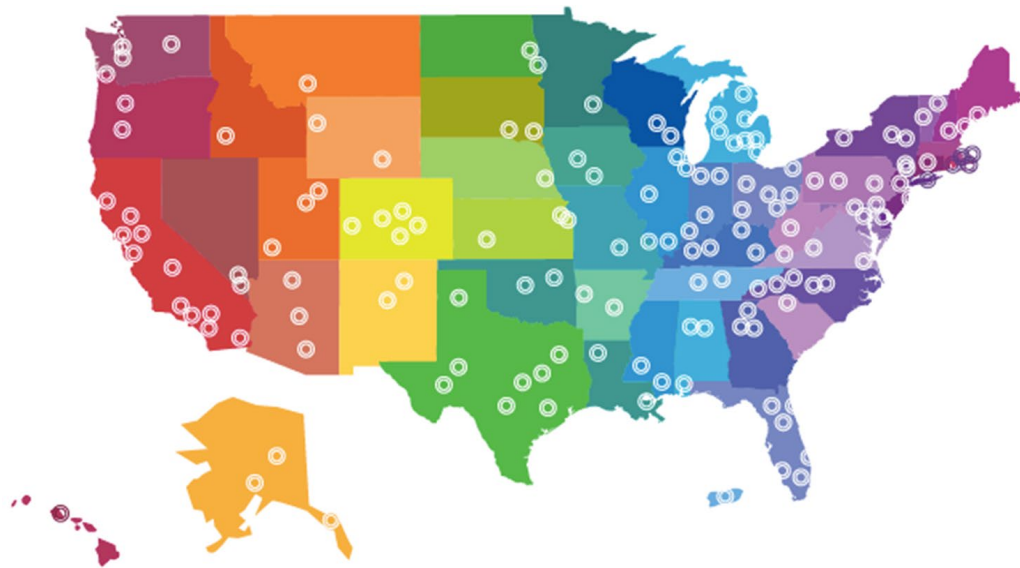
Steve Holmes
Director,
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David Lough
Principal,
Ascend Consulting

ABOUT PUBLIC MEDIA COMPANY

Public Media Company is a nonprofit consulting firm dedicated to serving public media. We leverage our business expertise to increase public media's impact across the country.

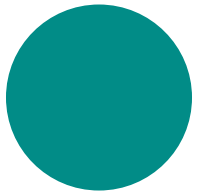


Public Media Company works in partnership with stations in urban and rural communities to find innovative solutions and grow local impact. We have worked with **over 300 radio and TV stations in all 50 states**

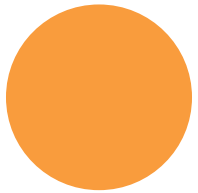
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COMPENSATION CLARITY

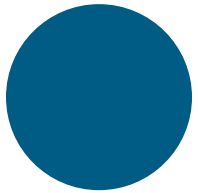
Why are clear compensation policies and practices important?



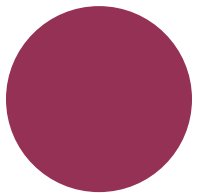
Helps ensure fair, competitive, and transparent pay for employees across the organization



Helps people feel valued (knowing they are paid fairly) and removes misunderstanding and mistrust



Helps ensure compensation is equitable and not benefiting one group over another



Helps with recruitment and retention

PUBLIC MEDIA CEO COMPENSATION ANALYSIS & FINDINGS



DATA
COLLECTED
FOR
84 STATIONS

						CEO Compensation Data from Form 990						
						Cash Compensation			Additional Compensation			
Name	State	City	Fiscal Year	Revenue (\$ million)	CEO Title	Base	Bonus	Total Cash	Retirement & Deferred	Nontaxable Benefits	Other	Total Additional
				4.10	Executive Director	126,839	5,000	131,839	5,493	13,423	0	18,916
				4.70	CEO	192,804	0	192,804	0	3,117	0	3,117
				9.61	Executive Director/CEO	162,651	35,000	197,651	19,927	3,240	0	23,167
				10.05	General Manager	173,885	0	173,885	12,996	9,656	0	22,652
				1.82	President/GM			87,744				12,192
				12.12	President & CEO	222,736	0	222,736	4,601	23,074	363	28,038
				4.01	President/GM			98,333				10,887
				9.42	President & CEO	263,143	0	263,143	3,150	6,963	0	10,113
				7.96	President & CEO	200,614	0	200,614	9,250	23,770	0	33,020
				3.76	Chief Executive Officer			125,275				26,683
				6.53	President & CEO	244,377	0	244,377	0	0	0	0
				3.84	President & CEO	164,807	43,112	207,919	3,296	14,308	0	17,604
				8.18	President	216,718	0	216,718	4,587	8,464	0	13,051
				7.90	President/CEO	210,743	0	210,743	7,453	1,366	0	8,819
				9.60	Secretary/President/CEO	147,665	0	147,665	21,000	11,797	0	32,797
				4.66	President	197,592	0	197,592	6,200	8,634	0	14,834
				8.67	President & CEO	267,102	0	267,102	18,500	14,217	9,131	41,848
				6.85	GM/President	216,967	0	216,967	10,763	7,510	0	18,273
				2.75	General Manager			115,172				11,623
				6.15	President	155,390	0	155,390	16,801	8,501	0	25,302
				12.43	President	180,587	29,238	209,825	4,085	8,707	11,491	24,283
				6.20	President & General Manager	150,726	20,000	170,726	5,019	11,649	0	16,668
				20.83	President	239,915	19,500	259,415	12,795	18,642	0	31,437
				5.04	CEO & President	136,297	0	136,297	8,266	12,103	0	20,369
				14.28	President & CEO	275,998	0	275,998	13,503	3,057	0	16,560
				2.31	President			90,947				5,774

MIX OF ORGANIZATIONS ANALYZED

Revenue	# Orgs.
<\$5M	33
\$5M-\$10M	28
\$10-\$15M	14
\$15-\$20M	3
>20M	6
Total	84

REVENUE SIZES

Type	# Orgs.
Radio	26
TV	35
Joint	23
Total	84

ORGANIZATION TYPES

Region	# Orgs.
Central	24
East	19
South	22
West	19
Total	84

LOCATIONS

COMPENSATION STRUCTURE

- Public media orgs use a variety of compensation offerings: cash (salary, bonus) & non-cash (retirement, stipends, other benefits)

Bonus Payer?	Percent of Orgs.	Avg Revenue (\$ million)	Out of Total Cash	
			Avg % Salary	Avg % Bonus
Yes	31%	\$11.1	88%	12%
No	45%	\$8.5	100%	0%
N/A	24%	\$3.2		
All	100%	\$8.1		

- About 1/3 of analyzed public media orgs reported paying CEO bonuses
- Of those, bonuses amount to 10-15% of salary

- Non-cash compensation typically amounts to approx. 10% of salary
- Public media CEO pay much less than equivalent for-profits

AVERAGE CEO COMPENSATION

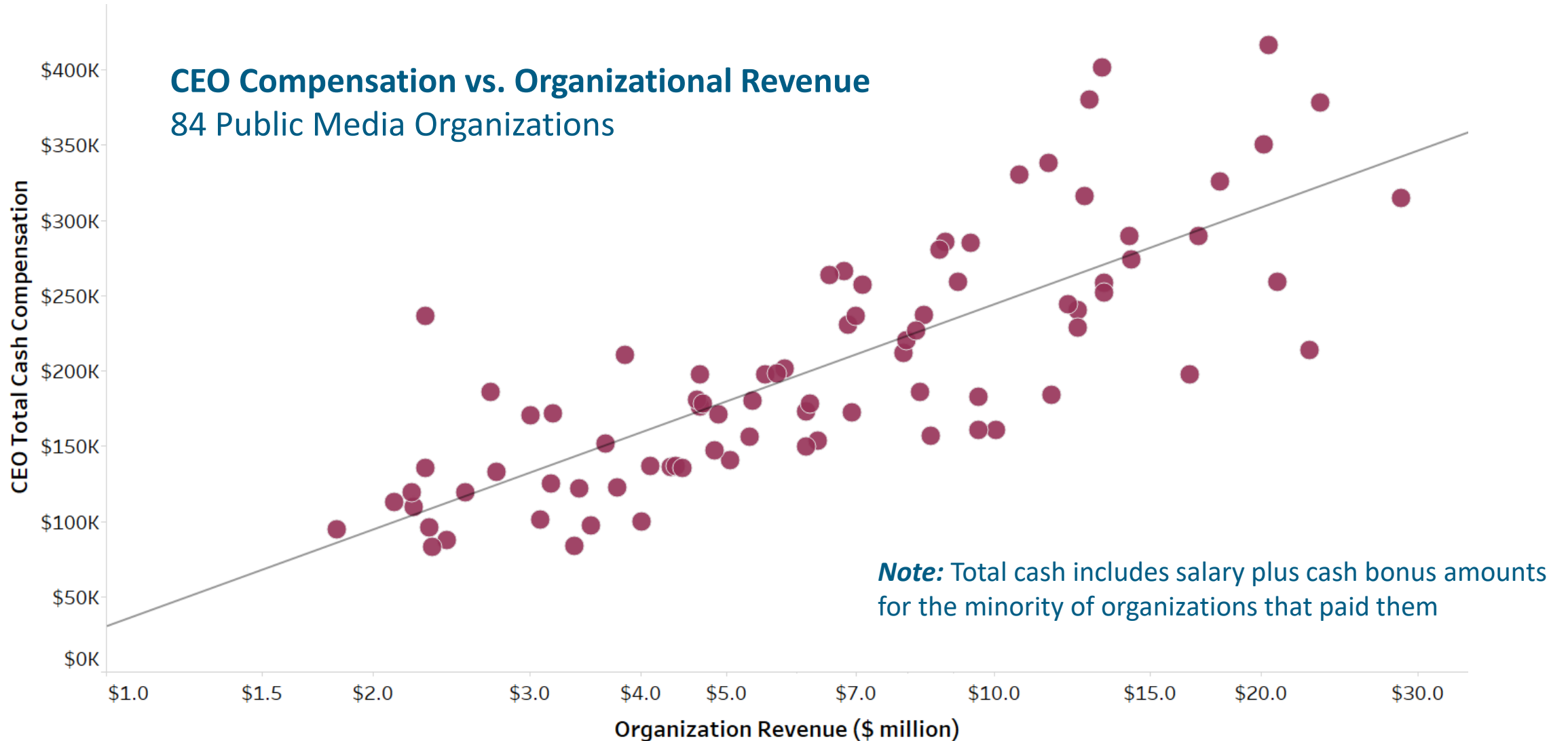
Type of Broadcaster	Averages*	
	Revenue (\$ million)	CEO Total Cash**
Joint	\$11.3	\$252,000
Radio	\$7.5	\$191,000
TV	\$6.4	\$179,500
All	\$8.1	\$202,900

*Current national average rates

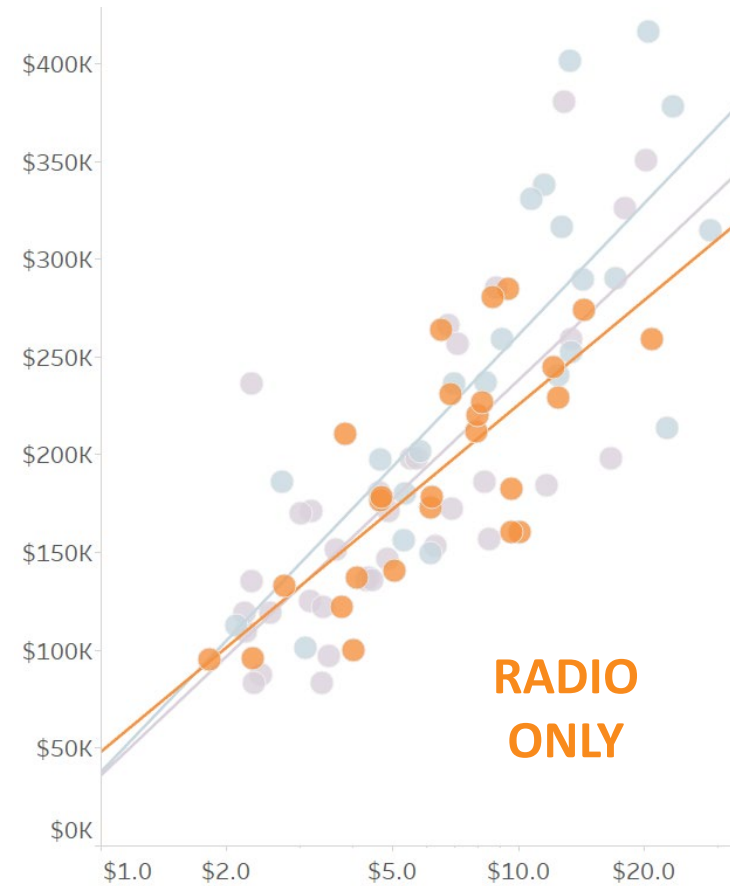
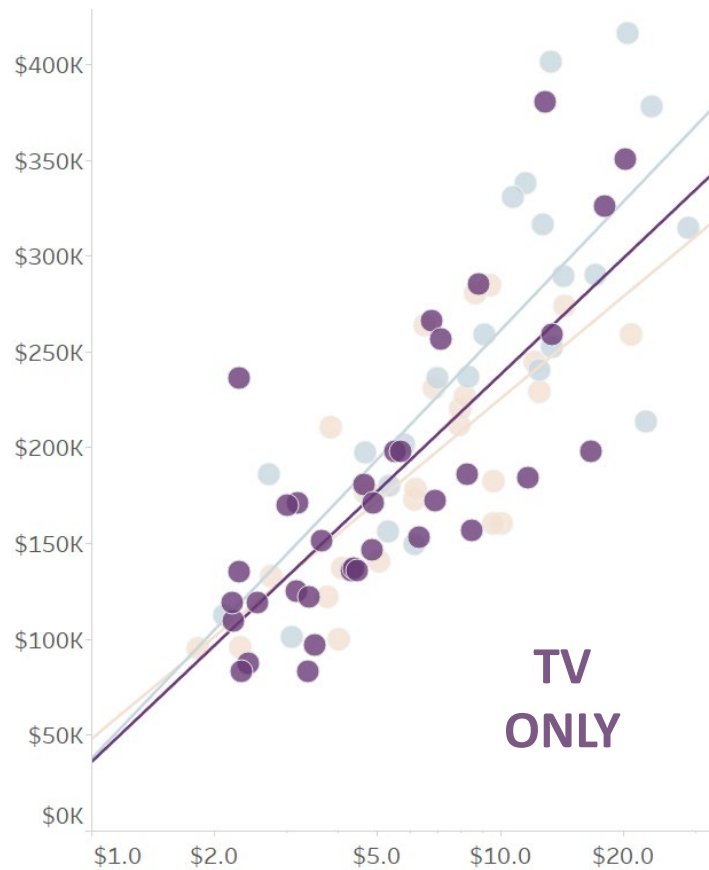
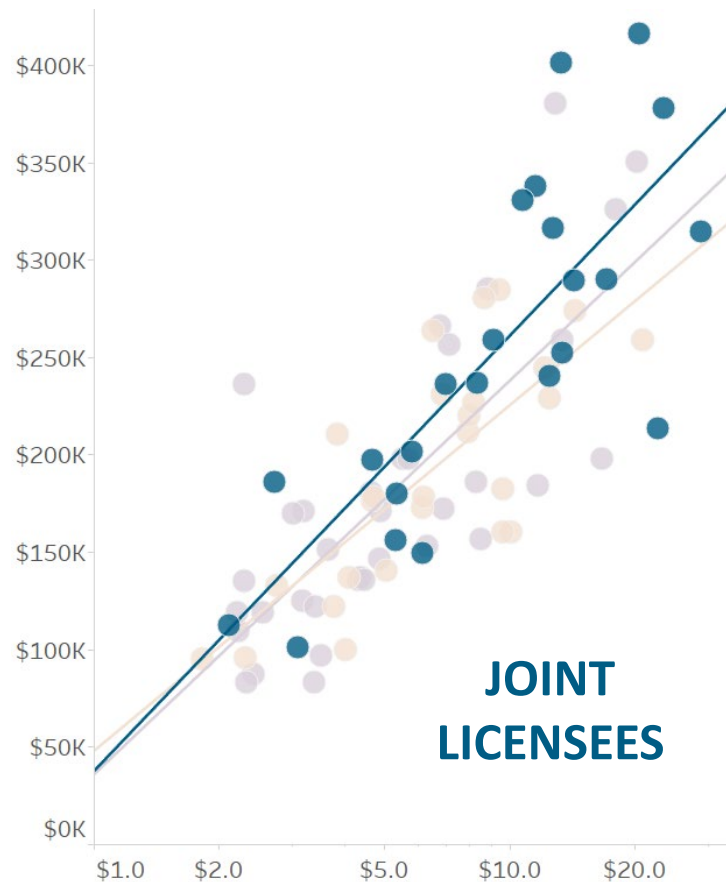
**Total cash = Salary + annual cash bonus

- Based on average data, **joint licensee CEOs are compensated the most** – but joint licensees are also the largest orgs in the study
- **What are the true drivers of compensation differences in public media?**

ORG SIZE IMPACTS PAY



ORG TYPE IMPACTS PAY



ORG TYPE IMPACTS PAY

CEO Pay Differentials from National Average by Org Type

Pay Differentials by Type of Organization		
Radio	TV	Joint
-6%	-2%	7%

Joint licensee CEOs receive
**higher compensation than
others** (even when station
revenue is taken into
consideration):

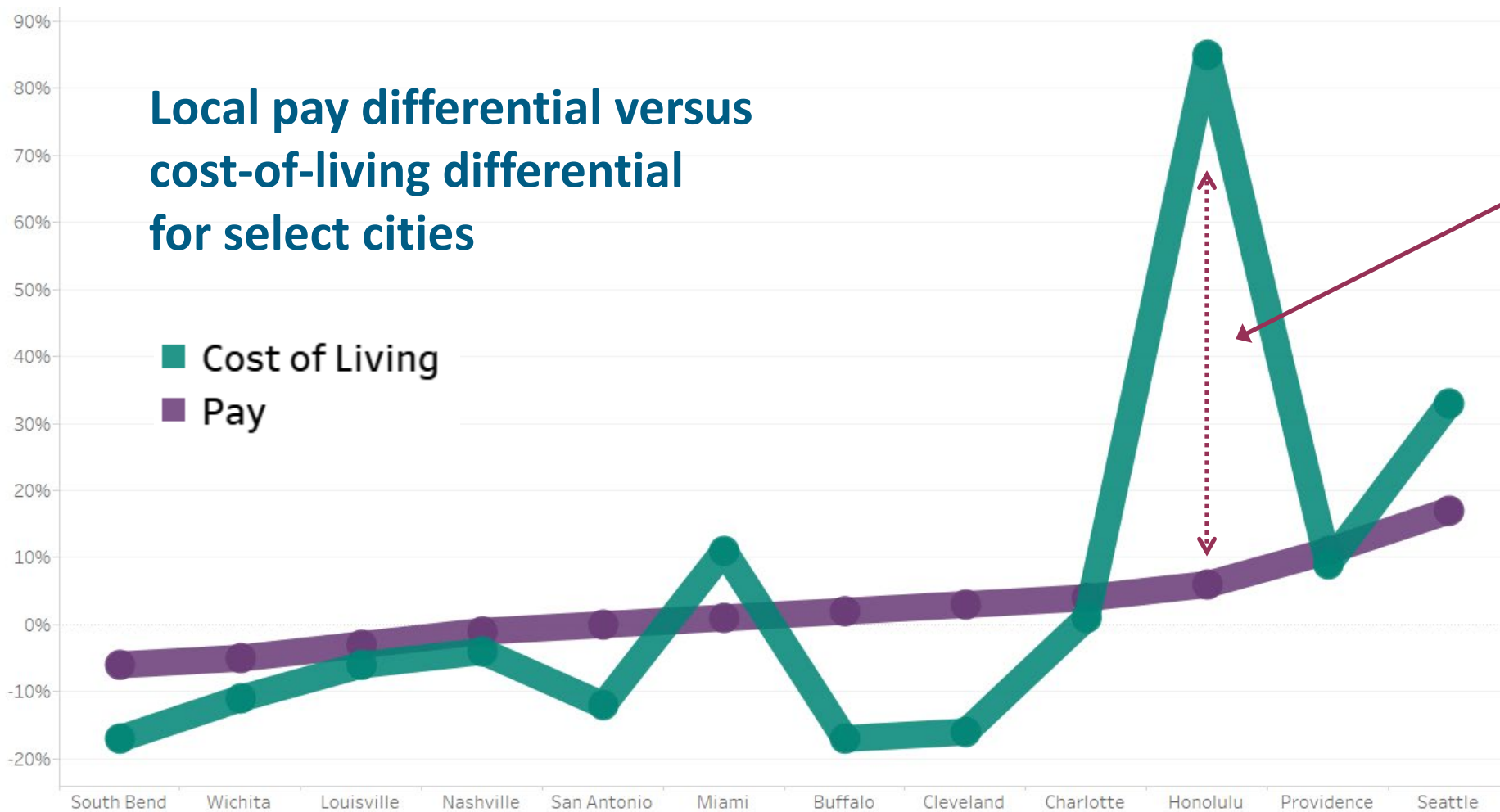
**+7% compared with all
station average**

LOCATION IMPACTS PAY

- Location can significantly impact CEO compensation
- **Local employment market should drive location-based compensation differentials**
- Cost of living may be a consideration (especially for people coming from a different market) but it is not the principal driver – pay in local market most important



PAY \neq COST OF LIVING



Significant gap between local pay rates and cost of living = lower purchasing power

HOW TO REVIEW COMPENSATION

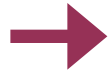


COMPENSATION KEY STEPS

1. Collect relevant benchmarks (all compensation, not just salary)
2. Make adjustments
 - Revenue size
 - Organization type
 - Location (local employment market)
3. Start with the CEO
4. Align leader/management pay with CEO
5. Build a compensation structure that extends to all staff

COMPENSATION REVIEW

**1. IDENTIFY CEO
COMPENSATION
GUIDELINES BASED
ON REVENUE SIZE**



**2. ORG TYPE
ADJUSTMENT**



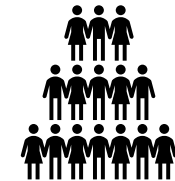
**3. LOCAL
EMPLOYMENT
MARKET
ADJUSTMENT**



**4. ALIGN STAFF
COMPENSATION
WITH CEO**

Revenue (\$ million)	Low-Range (25th Percentile)	Mid-Range (50th Percentile)	High-Range (75th Percentile)
2.0	80,200	94,400	108,600
3.0	112,300	132,100	151,900
4.0	135,000	158,800	182,600
6.0	167,000	196,500	226,000
8.0	189,800	223,200	256,700
10.0	207,400	244,000	280,600
15.0	239,400	281,700	323,900
20.0	262,100	308,400	354,700

a. Pay Differentials by Type of Organization		
Radio	TV	Joint
-6%	-2%	7%



CASE STUDY

CLASSICAL

KING FM 98.1



KING FM CASE STUDY

- KING FM board commissioned exec compensation study
- KING FM leaders then expanded the study to cover staff
- Key players:
 - Brenda Barnes (CEO, KING FM)
 - Susan Harmon (Board VP, KING FM)
 - David Lough (compensation consultant)

SUMMARY POINTS

- CEO compensation is the starting point
- Other staff compensation flows from there
- Organization size and location matter
- Organization type matters
- Compensation reviews are not just for community licensees
- Reach out to us if you'd like to learn more (steve@publicmedia.co)

Public Media Company Webinars

Public Media Company has begun hosting a series of informational webinars for public media General Managers and station leaders to help them stay on top of our ever-evolving media landscape.

Webinar will be available on PMC website for all to view

www.publicmedia.co/webinars

THANK YOU!



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