

# Guide to UUA Salary Recommendations

July 1, 2019 to June 30, 2020

Office of Church Staff Finances

[www.uua.org/compensation](http://www.uua.org/compensation)



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## About Our 2019-2020 Salary Recommendations

### Intent

The UUA Salary Recommendations will assist you in offering appropriate pay to your employees. They are meant to guide, but not limit, congregational compensation decisions. Our intent is to help you attract *and* retain excellent staff, as well to urge you to be a faithful employer – one whose compensation and other staffing practices align with your mission and values as a Unitarian Universalist congregation.

### Methodology

The UUA Salary Recommendations are developed through a comparative wage analysis using data obtained from a variety of national sources of church and nonprofit wages. Economic Research Institute (ERI) data is used to assign a Geo Index to each congregation. See “Understanding Cost of Wages and Cost of Living” below. Our methodology was thoroughly reviewed by an outside human resources consulting firm in 2016.

Our Salary Recommendations are expressed as ranges built around a target, or midpoint. The midpoint represents the market rate for the position, as determined by our wage analysis.

### Notes and Changes for 2019-2020

- Salaries for all jobs are increased by 1.8% from 2018-2019 recommendations, in keeping with anticipated changes to nonprofit wages.
- Living expenses (housing, food, etc.) tend to rise each year. The Social Security Administration has set its cost of living adjustment (COLA) to 2.8% for 2019. This means they expect people’s living expenses to rise about 2.8%, so that the first 2.8% of any increase to your staff’s salaries in 2019 is essentially maintaining their purchasing power, but not providing recognition of added value to your congregation. It is important to evaluate salaries annually based on both **merit** (the increasing value of the staff member over time) and changes in **cost of living**. (See “Understanding and Using the Range,” below, for more about appropriate use of the whole range.)
- We have added a job to the Administrative and Operations section of our Salary Recommendations for Midsize III and larger, based on feedback that the Business Administrator description did not account for the breadth of responsibility and level of impact of some of our larger congregations’ top administrative positions. This new position is titled Director of Finance and Operations and the salary ranges are 10% higher than for the Business Administrator position. (In some congregations, this position is called Director of Administration or Executive Director.) See [Capsule Job Descriptions](#) for job summary.

# Using Our Salary Recommendations

## 1. As You Begin

### Remember these basics:

- Recommendations are based on a full-time exempt or a 40-hour nonexempt workweek. Pro-rate the amounts in the tables for part-time positions, or divide a recommendation by 2080 (which is 52 X 40) to get an hourly rate.
- Salary recommendations **do not include any benefits**. For a full-time employee, [UUA-recommended benefits](#) can add 40% or more.
- For ministerial positions, recommendations include **Salary and Housing**.

## 2. Understanding Cost of Wages and Cost of Living

### Cost of Wages

UUA Salary Recommendations are adjusted to reflect prevailing wage rates in communities where UU congregations are located. Wage data from the Economic Research Institute (ERI) is used to assign a Geo Index to each congregation. Geo Indices range from Geo Index 1 to Geo Index 7, with Geo Index 3 representing congregations in communities where the average wage paid falls close to the U.S. average. Find your congregation on our [Geo Index Listing](#).

### Geo Indices

- Geo Index 1: Average wages below 91 percent of the US average
- Geo Index 2: Average wages between 91 and 96.9 percent of US average
- Geo Index 3: Average wages between 97 and 102.9 percent of US average
- Geo Index 4: Average wages between 103 and 108.9 percent of US average
- Geo Index 5: Average wages between 109 and 114.9 percent of US average
- Geo Index 6: Average wages between 115 and 120.9 percent of US average
- Geo Index 7: Average wages exceeding 121 percent of US average

### Cost of Living

There is a difference between the cost of wages and the cost of living:

- The **cost of wages**, sometimes called the cost of labor, reflects wages paid by employers in a particular location.
- The **cost of living** shows how expensive it is to live in a particular location, based on the prices of goods (including housing) and services.

The UUA Salary Recommendations take into account the **cost of wages** through the Geo Index. In keeping with compensation philosophy and best practices, we do not explicitly incorporate the **cost of living** into our recommendations. However, in order to attract and retain good staff in a place with a high cost of living, you may need to make enhancements to your compensation package.

Congregations in high cost of living areas should be prepared to increase salaries and/or moving expenses to ensure the competitiveness of their position openings and affordability for their staff

(especially for those relocating from lower-cost areas). Some congregations are helping ministers with housing costs through shared equity arrangements. Professionals seeking to relocate should be aware of cost the of living and housing in their potential new location.

Note that you can look up the overall cost of living (plus breakdowns by category, e.g., housing) of any U.S. location, compared to the U.S. average, on the [Sperling's Best Places](#) website.

### 3. Locate Your Membership Size

On the appropriate Geo Index chart for your congregation, look for the MIN-MID-MAX columns corresponding to your membership size. (If you are unsure of your membership size, check the [List of Certified Congregations](#). (Between November and February, while congregational certification is taking place, you may need to “View Past Year’s Lists.”)

### 4. Choose the Best Job Title

Use our [Capsule Job Descriptions](#) to determine the best fit job title for each staff position in your congregation. You may determine that one of your positions is best described as a blend of two of our capsule descriptions. In such a case, you can use the straight average or a weighted average of two jobs.

The job title you use for the purposes of following our Salary Recommendations may or may not correspond to the staff member’s actual position title in your congregation.

### 5. Understanding and Using the Range

**Midpoint Represents Market Value:** The midpoint, or target, of the range for each position represents the current market value for the job as determined by our comparative wage analysis. There is a suggested range around the target within which we expect most employees to fall. The range provides flexibility to pay individuals based on their experience, skills, proficiency, and contributions to the congregation’s success, as well as to ensure that internal equity (how salaries align relative to each other within the staff team) is maintained. The full range is considered market competitive.

**Sections of Range:** As you consider where to place a new or continuing employee, think about the range as follows:

- **Entry section:** bottom 25% of range: This portion of the range is for an employee who partially meets job responsibilities and is growing into the job. The minimum is appropriate for a new hire with little or no relevant experience. A new hire with previous experience and/or relevant educational credentials might be offered closer to the 25% mark. In a competitive environment, be prepared to go above the entry level range to get the candidate you want.
- **Proficient section:** middle 50% of range: The middle 50% of the range is where most employees are expected to fall. This portion of the range is for employees who have the full skill set and are fulfilling their job responsibilities well. Aside from length of service, factors

to consider in determining merit adjustments within this part of the range are: participation in or completion of continuing education opportunities, strong performance and contributions, and expanding or deepening in their role over time.

- **Master section:** top 25% of range: This portion of the range tends to be reserved for seasoned staff members who add value to the organization above and beyond the expected responsibilities and skill set. For instance, consider the benefit to your congregation of a staff member who: exceeds expectations in most aspects of their work, possesses treasured institutional knowledge, represents the congregation in the community, serves as a mentor to colleagues, and/or takes on leadership roles in the Association or their professional organization. You are welcome to pay above the maximum of the range, and doing so can help you attract and retain excellent staff.

## **Salary Structure Adjustment**

All positions have increased by 1.8% on the 2019-2020 charts, relative to 2018-2019. So if you increase a staff member's salary by 1.8% in the 2019-2020 year, they will remain at the same place within the range for their position as they were on the 2018-2019 chart.

## **Internal alignment**

Internal alignment, or internal pay equity, is very important. In fact, when an employee considers whether their salary is fair, they are most likely to compare it to the salaries of their coworkers. Salaries within a congregation should "make sense" relative to each other, taking into account similarities and differences in responsibility, experience, and performance across your staff.

## **Prevailing Local Wages**

Especially for positions that draw from the local talent pool, be aware of the going rate for similar jobs in the area. Also, always make sure you are honoring any minimum or living wage laws for your location!

## **Balancing Compensation and Staffing Levels**

There is a "rub" between staffing levels and staff salaries. If you are struggling to pay your staff appropriately and to move them up through the range over time, you may need to revisit your level of staffing. The best solution to maintaining just compensation, in some cases, is having fewer staff positions and/or reducing hours for particular positions.

Changes to staffing levels or hours should not be made lightly, of course. Eliminating a position entirely is nearly always a challenging endeavor and we recommend seeking advice from your UUA regional staff on how to proceed. If you reduce hours for a position, whether at a time of turnover or for a staff member in place, be sure to review the position description and adjust the job scope. It goes without saying that reasonable job scopes are inherent to a just compensation process.

You may discover that a staff member is very willing to renegotiate their job scope so that they can receive a better *rate* of pay for working somewhat fewer hours. (We know of one valued professional who said to their leadership, "Given my level of skill and experience, the salary you are offering me is appropriate for X hours of work per week. Here's what I can do for you in X hours.") In other cases, you may lose the staff member if there is any reduction in total pay for the position, regardless of rate or job scope.

Conversations about compensation can be hard. We advise clarity, transparency, kindness, and collaboration in your communications with staff about their jobs and their pay.

## **6. Other Factors**

### **Cost of turnover**

It is worth mentioning that the total cost of replacing a staff member can be significant: lost productivity plus the time and expense of recruiting, hiring, and orienting – and potentially some less tangible costs, such as congregational anxiety or staff team morale. If you are making a decision about compensation or staffing that you believe might cost you a current (effectively-performing) staff member, think through the possible costs. You may experience some “sticker shock” in finding a replacement. The more attractive the salary (and other aspects of your compensation package), the more likely you are to have a strong applicant pool from which to choose.

### **Contextual Considerations**

Any number of factors in your congregation may influence how you use the guidelines and how you place individual staff within the recommended range for their position. Examples:

- Consider the membership size of your congregation relative to the size category. Are you close to the next size category?
- Religious Education program enrollment that is unusually large relative to your membership size should be taken into account for Religious Educator positions. Typically, RE enrollment falls between 20% and 40% of membership. If your RE enrollment is 50% or more of your membership, it is appropriate to adjust RE salaries upwards.
- Consider “complexity.” Your congregation’s depth and breadth of programming, or expectations of one or more particular staff, may be greater than typical for a congregation of its size.

## **7. The “Art” of Compensation**

The UUA Office of Church Staff Finances assists hundreds of congregations, each with its own membership and attendance patterns, programming, budget, and staffing structure. In developing and distributing our annual Salary Recommendations, we seek to provide clear, consistent advice to every congregation, based on sound compensation principles. This is not customized counsel that perfectly fits any single congregation, so the work of applying the general guidelines to your unique context is up to you.

We encourage you to take a thoughtful and systematic approach, keeping the values of equity, economic justice, and integrity at the heart of your compensation deliberations. As you proceed, you will realize that compensation is not an exact science. When it comes to choosing the right capsule job description (or blend), placing an employee along the salary range, considering internal alignment, or contemplating a truly unique aspect of your congregation or its staff, you will be making judgment calls. This is the “art” of compensation.

We are here to help, as are your regional [Compensation Consultants](#). These trained UUA volunteers are available to consult with congregational leaders, including Boards and Search Committees, at no cost to the Congregation. Our Compensation Consultants possess a breadth of knowledge regarding compensation and staffing practices and can help you to access other UUA resources.

## Reminders and Related Issues

### Other Payroll Costs

Remember that benefits based on [UUA Compensation Guidelines](#), along with payroll taxes, can easily add 40% or more on top of salary for a full-time position.

Our [Benefits Summary Chart](#) and [Benefits Tune-up Workbook](#) can assist you in properly administering UUA benefits.

### Fair Labor Standards Act

The Fair Labor Standards Act (FLSA) is a federal law that protects employees by establishing standards for a minimum wage, overtime, recordkeeping, and youth employment. The resources on our [Fair Labor Standards Act](#) webpage can help you make sure you are managing payroll and recordkeeping correctly for your staff.

### Employee or Independent Contractor?

Congregations sometimes assume a worker is an independent contractor when, based on the law, they should be treated as an employee. This is a critical legal distinction, with implications for benefits, taxes, and more. Let our [Employee or Independent Contractor?](#) resources guide you in properly classifying workers as employees or independent contractors.

### Stay Updated

Sign up for [Compensation and Staffing News](#) to receive monthly tips and resources on compensation and personnel matters from the Office of Church Staff Finances. (Back issues are posted on our [Office of Church Staff Finances Publications](#) page.)

## About the Office of Church Staff Finances

In addition to our compensation and staffing practices work, the OCSF manages the UUA Health Plan and oversees the Dental, Life, and Long-Term Disability insurance plans as well as the UU Organizations Retirement Plan. OCSF staff are able to answer many general questions about compensation and benefits. Together with our Compensation Consultants, OCSF staff are available to help support our congregations as they strive to be responsible, faithful employers.

For more information, contact Jan Gartner, Compensation and Staffing Practices Manager, at [comp@uua.org](mailto:comp@uua.org).