



## Compensation Philosophy and Practices at Dogwood Alliance

### **Purpose:**

The goal of Dogwood Alliance's compensation philosophy is to offer a transparent, thoughtful policy framework that enables the organization to make systematic and equitable decisions around employee compensation.

### **Overview:**

At Dogwood Alliance, our commitment to fairness, equity, and transparency extends to all aspects of our organizational operations, including how we compensate our dedicated team members.

The purpose of this compensation program is to:

- Ensure every employee at Dogwood Alliance is valued and fairly compensated
- Attract, motivate, and retain a talented, diverse workforce
- Support our core mission and operating objectives

The compensation philosophy is intended to ensure that all of our compensation decisions are:

- Fair across positions and considers years of experience in an equitable way
- Equitable among employees in similar roles (also known as internal equity)
- Competitive to the market Dogwood Alliance is benchmarked against (defined below).
- Explainable and transparent to the entire team
- In alignment with the financial sustainability of the organization

We recognize that a well-designed compensation structure is crucial for attracting, retaining, and motivating talent while ensuring that our values of equity and anti-racism are reflected in our practices. By aligning our compensation practices with our organizational values, we can better support our employees, enhance our mission-driven work, and set a standard for equity and fairness in the environmental justice movement.

### **Compensation Types:**

Dogwood Alliance offers the following compensation types:

#### *Salary and Wages:*

We commit that all salaries offered to our exempt employees are fair for their position and years of experience. Dogwood Alliance is committed to offering a fair and competitive wage and salary to all positions.

### *Benefits:*

Healthcare Benefits: All full-time, exempt employees are eligible for an employer-subsidized medical insurance program for themselves, a spouse/domestic partner, and children.

Financial Benefits: We offer a SimpleIRA contribution program, where Dogwood matches 2% of an employee's salary towards the account, regardless of employee contribution.

Paid Time Off: Dogwood Alliance offers 11 paid holidays, half-day refreshers every pay period, vacation, personal time, and a week-long Winter break at the end of the year to staff.

Other Benefits: All full-time, exempt employees are eligible for 3 months of parental leave. All full-time, exempt employees are eligible for a 1-month paid sabbatical after 5 years of tenure at the organization.

Read more about [benefits in our Employee manual](#).

### *Allowances and Perks*

Allowances and Stipends: All full-time employees receive the following allowances, which are automatically applied to their paychecks:

- \$175 monthly work expense stipend to cover costs associated with remote work like utilities, printing, and more.

Work from Home Set Up Reimbursement: All full-time, exempt, remote employees receive a 1-time work from home set-up allowance, reimbursable up to \$350.

Coworking Subsidy: All full-time, exempt employees working outside of Asheville, NC are eligible for a \$100 reimbursement for costs associated with coworking memberships.

Development Fund: All full-time, exempt staff receive \$1000 per calendar year towards professional development or individual racial equity goals.

### **About the Salary Framework:**

Base salary is connected to an individual's role in the organization and their years of relevant experience. It also outlines defined salary growth opportunities over time in a predictable manner.

There are five pay grades (renamed 1, 2, 3, 4, 5) with set salary ranges. Each pay grade level has minimum requirements related to the number of years of relevant experience and scope of responsibility. A pay grade and a job title are related but distinct concepts in organizational structures. Job titles are mapped to specific pay grades. Pay grades were previously referred to as "tiers."

The salary ranges of each pay grade were calculated based on composite market data. Dogwood Alliance has expanded the markets to which salaries are benchmarked. As of June 2024, the salary ranges are benchmarked against similar roles in national and NC-based non-profit organizations with budgets of \$1 million to \$5 million annually. Generally, Dogwood

Alliance strives to remain market competitive by offering salaries around the 50th percentile of market data.

[See Appendix 1 for the Salary Matrix.]

### **Compensation Factors within the Salary Framework:**

Within the salary framework, compensation factors determine where an individual is placed within a salary range. In traditional compensation structures, compensation factors are typically subjective, leading to bias, inequity, and wage gaps across racial, gender, and age demographics.

However, in the labor market, level of experience is an important factor in determining someone's salary. It is fair to pay individuals with more experience a higher base salary than someone with less experience in the same role. Experience is also a measurable factor that is reasonably objective and will provide consistency and transparency.

### **Defining Years of Experience:**

Experience is measured based on prior work experience in jobs and activities that are related to the role that an employee has or is applying for. This is compared to the minimum requirements or qualifications for each role. Related experience will be measured based on years in the position. Prior experience can include paid employment experiences and self-employment.

The following principles also apply:

- Tenure at Dogwood Alliance. Tenure at the organization is included in the calculation of experience. No additional data is required from the employee related to positions held at Dogwood Alliance.
- Prior work experience. Prior experience is coded as fully related, partly related, or not related.
  - **Fully related experience** includes experience where job duties in a prior position relate directly to the job duties of the current role. For example, a candidate applies for an Administrative Assistant position and has prior experience as a full-time Administrative Assistant.
  - **Partially related experience** includes prior positions with some skills relevant to the current role, but that may not relate directly to the job duties at Dogwood Alliance. Partially related experience is weighted at 50% compared to fully related experience.
  - **Part-time positions of 20 hours a week or less** will be weighted at 50% of full-time positions. Multiple, overlapping positions that collectively add up to at least twenty-five hours a week are included on the same basis as full-time work.
  - Multiple overlapping positions will be included as one full-time position to avoid double counting.
- Some unpaid community organizing. Unpaid community organizing experience will be recognized and considered as equivalent to years of formal experience if it is fully related to the minimum requirements of the role. For example, a candidate applies for a Gulf

South organizer position and spent two years organizing (without getting paid) with their community in Alabama to protect ancestral land. In this circumstance, the unpaid community organizing would be evaluated based on Dogwood’s full-time or part-time experience calculations above.

- The following categories of experience are not included:
  - Internships (paid or unpaid) during high school, undergraduate, or graduate education.
  - Service on boards, committees, leadership or membership in school clubs and activities, or other similar roles.
  - Experience before high school graduation.
  - Experience that is not fully or partially related to the current role. For example, prior experience as a waiter would not be counted as related to a program director role.

Role of Education in Experience Calculations:

Education and level of educational attainment do not play a role in experience calculations.

**Determining Individual Placement on the Salary Grid**

Salary placement is determined by position and years of relevant experience as shown in the salary grid. For instance, an HR director with 6.5 years of relevant experience would be placed at Step 2 of the Director salary band at \$75,750 in 2024.

**Determining Salary Increases at Dogwood Alliance**

Annual Increases: At the beginning of the new fiscal year, Dogwood Alliance employees may receive an annual increase of up to 3% to help offset some of the effects of inflation. The annual increase is not compulsory and each year a determination will be made based on the fiscal health of the organization as to whether or not staff will receive the adjustment. Annual increases are not step increases. Annual increases happen at the beginning of the new fiscal year and may place employees slightly above their current experience benchmark. When annual increases are made, the salary matrix will be adjusted accordingly.

Annual Increase Scenario				
Minimum Base Salary of Pay Grade 2	Maximum Base Salary of Pay Grade 2	Annual Increase	New Minimum Base Salary of Pay Grade 2 the next year	New Maximum Base Salary of Pay Grade 2 the next year
\$60,000	\$80,000	2%	\$61,200	\$81,600

Periodic Step Increases: Dogwood Alliance employees may be eligible for periodic step increases when they gain additional tenure in their role. The additional tenure may move an employee to a higher step on the salary band. Step increases will be at least calculated and updated every quarter so that there is little lag between tenure increases and pay. Pay cheques

will reflect the updated step increase at the beginning of the next pay period after a new step is reached. Once an employee reaches the last step of their salary range, they no longer qualify for additional step increases. However, they would still be eligible for annual increases when they occur.

Periodic Step Increase Scenario				
Pay Grade	Years of Experience at hire	Base Salary Upon Hire in 2024	Tenure at the Organization	Minimum Base Salary in 2028
Pay Grade 1	3 years of prior experience	\$55,625 (Step 4)	4 years in the same role for a total of 7 years of experience	\$61,250 (Step 7) Assuming no annual increases.

What's the difference between Annual and Tenure increases? Annual increases help offset some of the effects of inflation. Step increases provide a structured way for employees to receive pay raises based on their tenure. If annual increases and step increases happen simultaneously, both would be applied to a base salary.

Simultaneous Step Increase and Annual Increase Scenario					
Pay Grade	Years of Experience in 2024	Salary in 2024	Years of Experience in 2025	Annual Increase	Base Salary in 2024
Pay Grade 1	1.5 years of experience	\$51,875 (Step 2)	2.5 years of experience	2%	\$53,750 + 2% = \$54,825 (Step 3)

**Eliminating Merit-Based Pay:**

Merit-based pay without reasonably transparent & objective factors to measure performance can exaggerate or introduce disparities in pay. Merit-based pay can also exacerbate the problem of in-group favoritism. Supervisors may be more likely to provide higher ratings for employees they like or who have similar backgrounds or experiences. Basing pay increases on biased performance assessments can create pay disparities and exacerbate existing pay inequity.

Our compensation system is based on a reasonably objective factor like years of experience, instead. This allows compensation to be divorced from performance. In the same vein, we recognize that rewarding exceptional performance is important. We are committing to building

an equitable, transparent process for performance-based bonuses and a larger employee recognition program. That work is ongoing and underway.

### **No Negotiation at Time of Hire:**

To ensure a fair and equitable hiring process, Dogwood Alliance will not engage in salary negotiations during the hiring process, nor will Dogwood Alliance consider a candidate's prior salary. This practice aims to reduce gender-based and race-based disparities. By eliminating negotiations, and using an experience-based, transparent step system, we ensure that all candidates are treated equally and fairly.

All job postings will include the salary range for the position. Salary ranges will be determined based on market data, internal pay equity, and the organization's compensation philosophy. All job offers will be made within a clearly defined salary range that is transparent and equitable and adheres to Dogwood's experience-based salary grid. No exceptions or negotiations will be made regarding the initial salary offer.

### **Transparency and Confidentiality:**

Dogwood Alliance promotes a culture of transparency while respecting employee confidentiality regarding compensation. We believe in transparency, but not at the expense of confidentiality.

Dogwood Alliance will not discuss or share the pay of one employee with another employee. Employees who have access to the compensation information of other employees or applicants as a part of their essential job functions cannot disclose the pay of other employees or applicants to individuals who do not otherwise have access to compensation information. However, in accordance with the law and our values as an organization, employees are free to share their salary information with each other. Employees will receive confidential compensation letters every year alerting them of their updated compensation.

The compensation philosophy and salary structure will be publicly available on our website. Every job posted by Dogwood Alliance will include the salary range. Educational materials about market competitiveness, and pay equity are available upon request. Employees are encouraged to discuss any compensation questions with HR.

### **Review of Compensation Philosophy and Practices:**

Compensation work is always evolving and is never complete; it is more comprehensive and transparent today as we have grown significantly from our early days, and in the future, when we grow larger, there will be policies, practices, or necessary elements that aren't currently captured. We must have ongoing feedback and review to understand any issues and improve the system. When we find an issue that should be resolved, the improvement will positively impact everyone where that particular change is relevant to them.

Therefore, we review our compensation philosophy every two years, anchored to the middle of the strategic plan review. We review compensation across our job architecture to ensure that our compensation remains consistent with our competitiveness targets, accounts for the

changing cost of labor, and accounts for any broader changes required. The review will also include an equity impact analysis. If adjustments to any positions or policies are warranted, we will make those adjustments every two years during the normal review process.

In addition, compensation benchmarking, which involves matching job descriptions and pay ranges to similar jobs in other organizations in the market to identify the salary for a given role, will occur at least every five years, aligned with Dogwood Alliance's five-year strategic plan timeline.

**Dogwood Alliance's Salary Framework**

			Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9
Pay Grade	Roles	Min Experience	Min	12.50%	25.00%	37.50%	50.00%	62.50%	75.00%	87.50%	Max
5	Executive Director	7 years executive exp	7<>8	8<>10	10<>12	12<>14	14<>16	16<>18	18<>21	21<>24	24+
			\$115,000	\$118,875	\$122,750	\$126,625	\$130,500	\$134,375	\$138,250	\$142,125	\$146,000
4	Senior Management Team	7 years	7<>8	8<>10	10<>12	12<>14	14<>16	16<>18	18<>21	21<>24	24+
			\$90,000	\$93,125	\$96,250	\$99,375	\$102,500	\$105,625	\$108,750	\$111,875	\$115,000
3	Directors	5 years	5<>6	6<>8	8<>10	10<>12	12<>14	14<>16	16<>18	18<>21	21+
			\$73,000	\$75,750	\$78,500	\$81,250	\$84,000	\$86,750	\$89,500	\$92,250	\$95,000
2	Managers	3 years	3<>4	4<>5	5<>6	6<>8	8<>10	10<>12	12<>14	14<>16	16+
			\$60,000	\$62,500	\$65,000	\$67,500	\$70,000	\$72,500	\$75,000	\$77,500	\$80,000
1	Associate	0 years	0<>1	1<>2	2<>3	3<>4	4<>5	5<>6	6<>8	8<>10	10+
			\$50,000	\$51,875	\$53,750	\$55,625	\$57,500	\$59,375	\$61,250	\$63,125	\$65,000