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## **Salaries of Executives in Jewish not-for-profit organizations: Thinking about our Charity Dollars--a blog by Rabbi Marc D. Angel**

Submitted by mdangel1 on Fri, 04/01/2016 - 15:32

Last year, the "Forward" (December 10, 2012) published an article listing the salaries of executives in Jewish not-for-profit organizations. Eighteen of these individuals are earning over \$400,000 per year, with the top salary at over \$879,000.

I subscribe to the notion that Jewish not-for-profits need to pay proper salaries to their employees. Unless proper compensation packages are offered, these institutions will not be able to attract the best and the brightest executives. Good executives are essential to the fulfillment of the missions of those organizations for whom they work.

However, I do question what constitutes "proper compensation". I recently read that President Obama's salary as President of the United States is \$400,000 per year. With all respect to the executives in Jewish organizations, none of their jobs compares in difficulty and responsibility to that of the President of the United States.

The problem gets stickier when we realize that the top executives of our not-for-profit institutions have other lower level administrators on their staffs. If the top executives are making huge salaries, we can suppose that their vice-presidents and assistants are also making healthy amounts of income. This means that every time we make a contribution to these institutions, significant chunks of our donations go to support the executive team. We understand the need to pay for "overhead"; otherwise the institutions could not function well.

We understand the importance of paying respectable compensation packages. But it is difficult to get enthusiastic about making donations to institutions whose chief executives are being paid annual salaries of four, five, six, seven, eight hundred thousand dollars and more.

Perhaps one of the reasons salaries are so high is that the Boards of these institutions are often composed of very wealthy people. They may be earning millions of dollars a year and have vast estates; to them, four hundred or eight hundred thousand dollars doesn't sound like all that much. Even baseball players get paid millions of dollars a year; so what's the problem with offering a half million or more dollars to our executives?

But what about those millions of people who don't earn astronomical amounts, and who are asked to make donations in order to support extravagant life-styles for the executive staffs of the institutions who are soliciting their donations? And what if they lose confidence in the idealism of those executives who take huge salaries, even at a time when they are laying off workers? People might naturally ask: "why should I be donating money to these institutions, when I'm struggling to pay my own bills, to pay my children's day school tuitions, etc.?"

During the prosperous years, these compensation packages (while a questionable use of tzedaka dollars) do not seem so perturbing. After all, wealthy members of the Board contribute to cover these costs. The public feels economically well off and offers its contributions generously.

But when the "seven lean years" arrive, these compensation packages must surely raise eyebrows. It is unpleasant to receive requests for donations from institutions whose executives receive higher compensation than the President of the United States.

Shouldn't we be thinking carefully about how we spend our charity dollars? Shouldn't we be concerned (outraged!) by lavish compensations given to heads of not-for-profit corporations? Contributors have power to change the status quo by directing their contributions only to those not-for-profits that pay respectable--but not exorbitant--salaries/packages.

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