

Texas Economic Development Council (TEDC) Summary of 2008 Compensation Survey Results

BACKGROUND

Every other year, the Texas Economic Development Council (TEDC) administers an extensive and confidential online compensation survey as a service to its members. This year, 186 economic development organizations participated in the survey, up from about 100 in 2006. The attached report summarizes the results of the survey, which consisted of 30 questions covering areas ranging from budget and staffing levels to employee salary and benefits.

WHO RESPONDED TO THE SURVEY?

More than half of those who participated in the survey work for economic development corporations (112 respondents or 60 percent). City government employees were the second most likely group to complete the survey (30 respondents or 16 percent), followed by chamber of commerce employees (18 respondents or 10 percent).

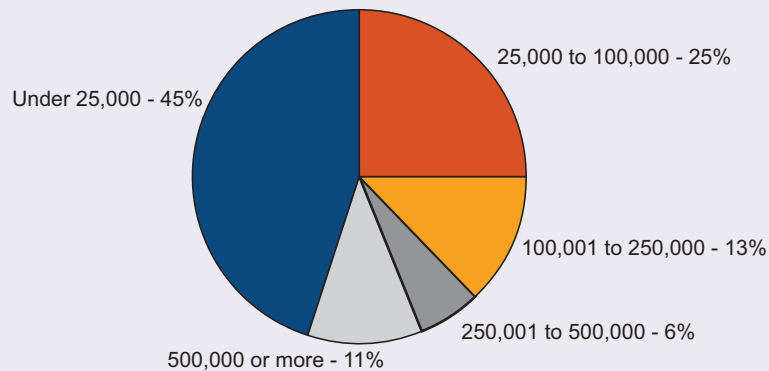
Surveys were received by communities from all over the state. The Metroplex area, however, accounted for the largest number of surveys (40 respondents or 22 percent), followed by the Gulf Coast (30 respondents or 16 percent), Central Texas (25 respondents or 14 percent), and West Texas (22 respondents or 12 percent).

In terms of community size, most survey respondents (129 respondents or 70 percent) represented communities with a population of 100,000 or less. Only 11 percent of completed surveys (20 in total) came from communities with more than 500,000 residents.

A total of 128 cities indicated that they have an economic development sales tax. Of these communities, 34 percent levy the 4A tax, 49 percent levy the 4B tax, and 17 percent levy both the 4A and 4B tax.

Figure 1 illustrates the population of the communities that participated in the survey.

Figure 1: Size of Communities Responding to Survey



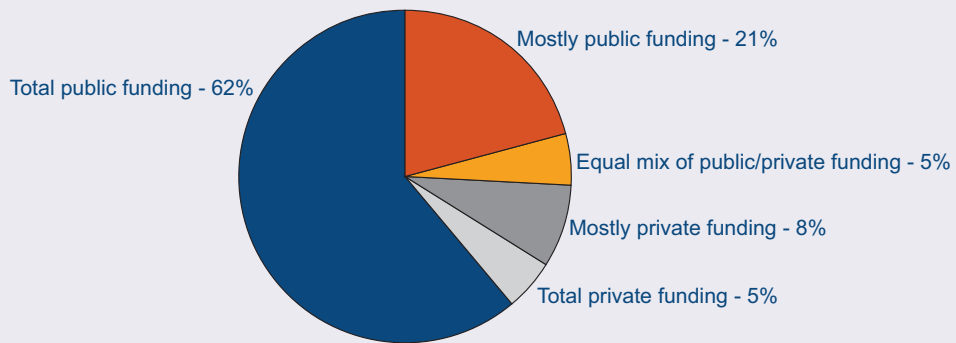
Source: TEDC 2008 Compensation Survey

Thanks again to all of the TEDC members who took the time to respond to the 2008 Compensation Survey. If you have any questions, thoughts, or ideas for the next survey, please contact Carlton Schwab at (512) 480-8432 or carlton@texasedc.org

BUDGET & SOURCE OF FUNDING

In 2008, survey participants were asked for the first time to report the source of their organization's funding. As illustrated in *Figure 2*, more than 80 percent of communities responding to the survey reported that their funding came totally or mostly from public funds. Only 14 percent of survey respondents (21 in total) reported that their organization was funded mostly or completely by private funding.

Figure 2: Source of Organizational Funding-All Communities



Source: TEDC 2008 Compensation Survey

STAFFING LEVELS

Most of the communities that participated in the survey operate with relatively small staffs. More than 7 out of 10 survey respondents reported having 3 or fewer full-time employees. In contrast, only 24 communities (13 percent) reported having 8 or more staff persons. As illustrated in *Figure 3*, staffing levels are closely tied to community size.

Figure 3: Number of Staff by Community Size

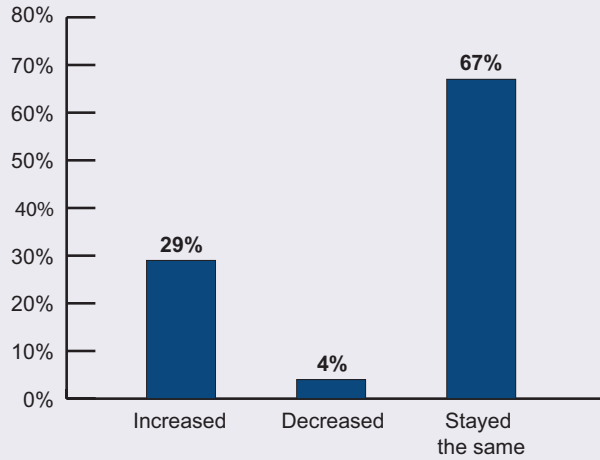
Number of Staff	Community Population				
	Under 25,000	25,000 to 100,000	100,001 to 250,000	250,001 to 500,000	More than 500,000
1	49%	30%	0%	36%	10%
2-3	49%	50%	21%	0%	10%
4-5	0%	15%	42%	27%	5%
6-7	0%	2%	17%	0%	15%
8 or more	3%	2%	21%	36%	60%

Source: TEDC 2008 Compensation Survey

Note: All numbers are rounded

Communities were asked this year to report whether staffing levels have increased, decreased, or stayed the same over the past two years. As illustrated in *Figure 4*, most communities reported that staffing levels remained constant.

Figure 4: Staffing Levels over Past Two Years



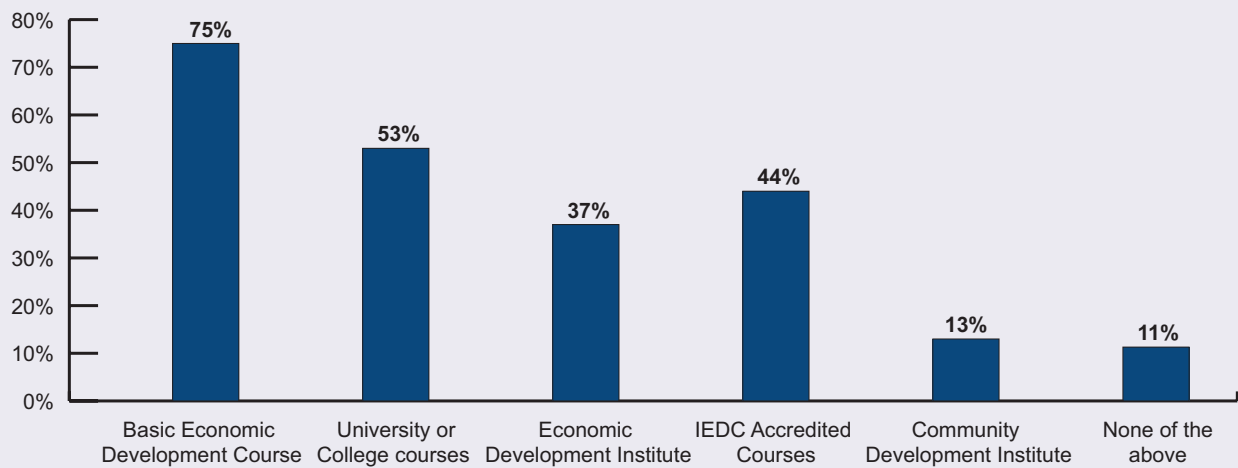
Source: TEDC 2008 Compensation Survey

STAFF TRAINING AND EXPERIENCE

Formal Training in Economic Development

Another new question for the 2008 survey was “What formal training in economic development has your CEO/Executive Director had?” The responses are listed in *Figure 5* below:

Figure 5: Formal Training Completed by CEO/Executive Directors



Source: TEDC 2008 Compensation Survey

CED Certification

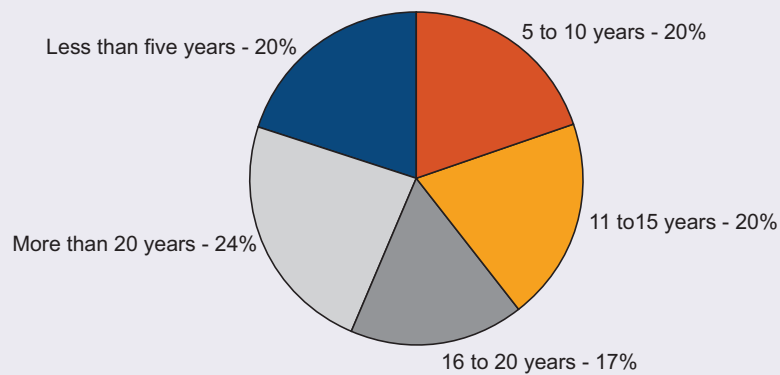
In 2008, only 22 percent (40) of communities reported that their CEO/Executive Director was a Certified Economic Developer. Twenty-five communities (14%) reported that their CEO/Executive Director was in the process of becoming certified.

Number of Years Experience

In 2006, communities were asked to report the exact number of years economic development experience held by its CEO or Executive Director. This year, communities were asked to report years of experience using the ranges illustrated in *Figure 6* below.

Nearly a quarter (44 or 24 percent) of communities reported that their CEO/Executive Director had 20 years or more experience in economic development. It should also be noted, however, that a similar number of communities (36 or 20 percent) reported that their CEO/Executive Director had less than five years economic development experience.

Figure 6: Years Experience of CEO/Executive Directors



Source: TEDC 2008 Compensation Survey

SALARY

Like the 2006 survey, the 2008 survey did not ask communities to provide specific salary information. Although gathering specific salary information is desirable, most communities prefer to provide salary information using ranges.

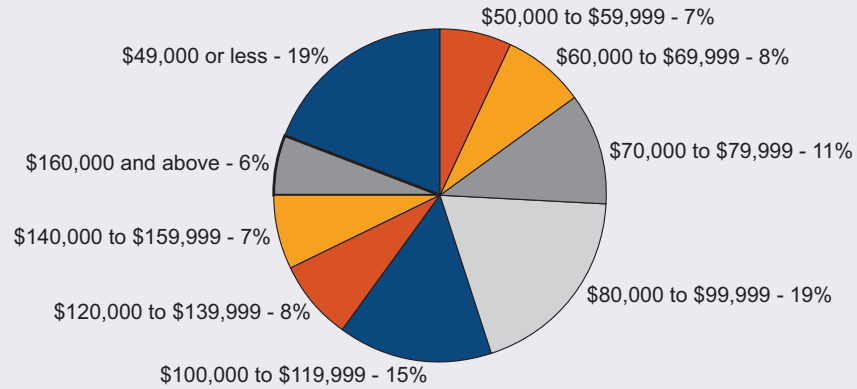
For the 2008 survey, communities were asked to provide the base salary range as of January 1, 2007 (exclusive of bonuses, commissions, pension, or retirement plans) for their CEO/Executive Director, professional and clerical personnel.

CEO/Executive Director

Most communities participating in the survey reported that their CEO/Executive Directors earned under \$100,000 per year. A fairly significant number of communities (65 communities or 36 percent), however, reported that their CEO/Executive Director earned more than \$100,000 per year. In addition, more than a quarter (26 percent) of communities reported that their CEO/Executive Director earned less than \$60,000 per year in base salary.

Figures 7 and 8 illustrate salary information in general and disaggregated by community size.

Figure 7: CEO/Executive Director Annual Base Salary: All Communities



Source: TEDC 2008 Compensation Survey

Figure 8: CEO/Executive Director Annual Base Salary: By Community Size

Annual Salary	Total*	Community Population				
		Under 25,000 people	250,000 to 100,000 people	100,001 to 250,000 people	250,001 to 500,000 people	More than 500,000 people
\$0-\$49,999	19%	38%	7%	0%	9%	0%
\$50,000 - \$59,999	7%	11%	7%	0%	0%	0%
\$60,000 - \$69,999	8%	9%	11%	4%	9%	0%
\$70,000 - \$79,999	11%	16%	11%	4%	0%	5%
\$80,000 - \$99,999	19%	21%	29%	8%	9%	5%
\$100,000 - \$119,999	16%	4%	22%	25%	55%	16%
\$120,000 - \$139,999	8%	0%	7%	25%	9%	21%
\$140,000 - \$159,999	7%	1%	7%	25%	9%	11%
\$160,000 or above	6%	0%	0%	8%	0%	42%

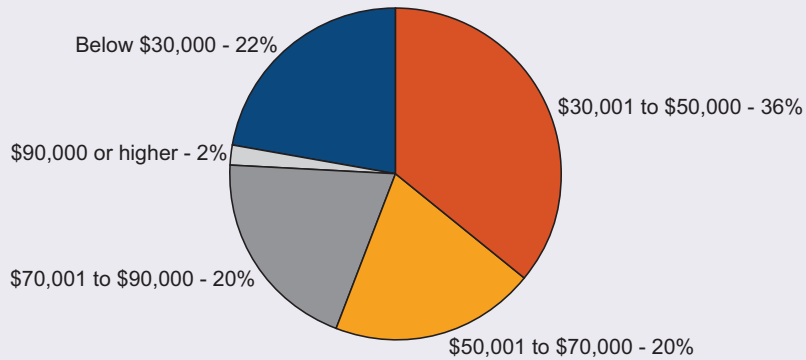
Source: TEDC 2008 Compensation Survey

Note: All numbers are rounded

Professional Staff

As illustrated in *Figure 9*, more than half (58 percent) of communities reported that professional staff earned \$50,000 per year or less.

Figure 9: Professional Staff Annual Salary: All Communities

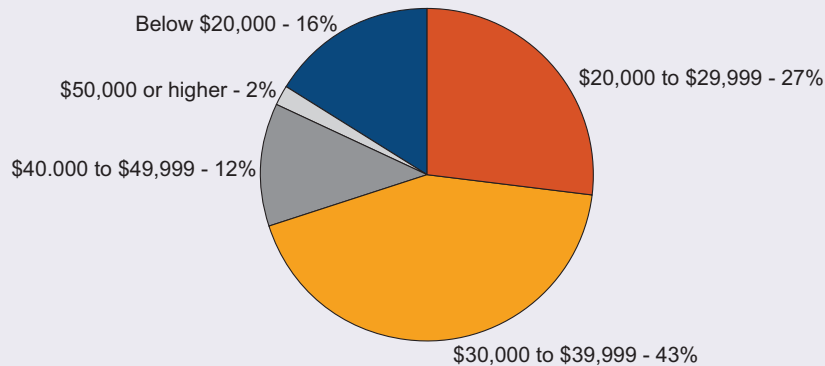


Source: TEDC 2008 Compensation Survey

Clerical Staff

As illustrated in *Figure 10* below, the most frequently reported salary range for clerical staff was \$30,000-\$39,999.

Figure 10: Clerical Staff Annual Salary: All Communities



Source: TEDC 2008 Compensation Survey

RAISES AND BONUSSES

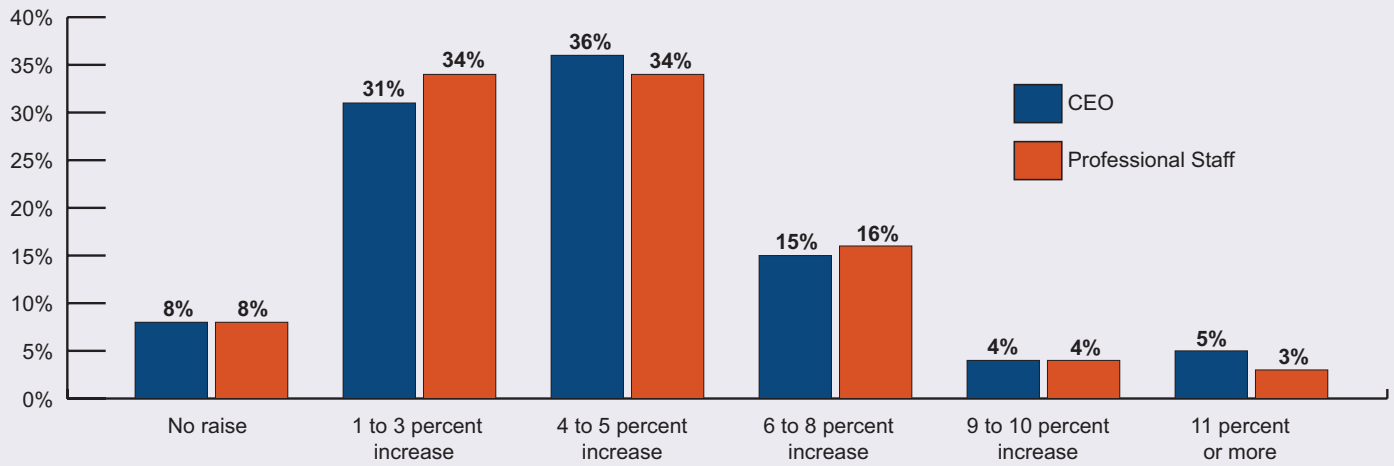
Performance Appraisals

A total of 148 or 82 percent of the CEO/Executive Directors' participating in this survey reported that they undergo an annual performance appraisal. This year's survey asked participants to report the percent change in base pay for both the CEO/Executive Director and professional staff in the past 12 months not associated with a promotion or change in duties.

Raises

The 2008 survey asked communities to report the percent change in base pay for the CEO/Executive Director in the past 12 months. Figure 11 breaks down the annual raises received by CEO/Executive Directors and Professional Staff in the past 12 months (excluding salary increases associated with a promotion or change in duties). As illustrated below, for both CEO/Executive Director and professional staff positions, about 2/3 of all raises were in the range of 1-5 percent.

Figure 11: Increase in Base Pay for CEO/Executive Director & Professional Staff during Past 12 Months



Source: TEDC 2008 Compensation Survey

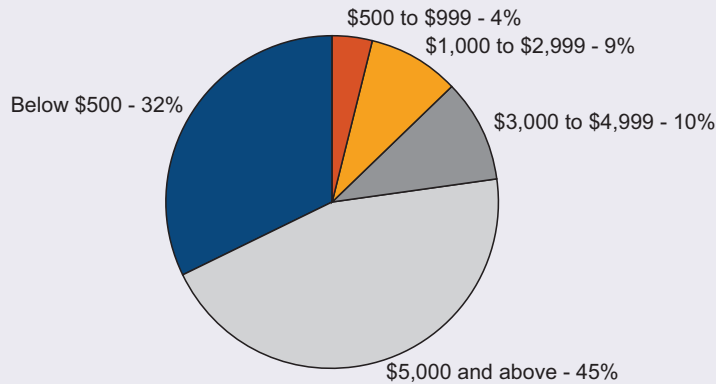
Note: Numbers are rounded.

Bonuses and Commissions

The 2008 survey results suggest that bonuses and commissions are not widely used as supplemental compensation for CEO/Executive Director and professional staff positions. This is probably because most survey respondents work for public entities (e.g. economic development corporation, city, county government).

The CEO/Executive Director position is eligible for supplemental cash payments such as bonuses and commissions in 38% of the communities that responded to the survey (a total of 69 communities). It appears that the bonuses awarded are either relatively modest or quite generous. For example, 32 percent of the CEO/Executive Directors eligible for a bonus received less than \$500, while 45 percent earned \$5,000 or more (see *Figure 12* for more details).

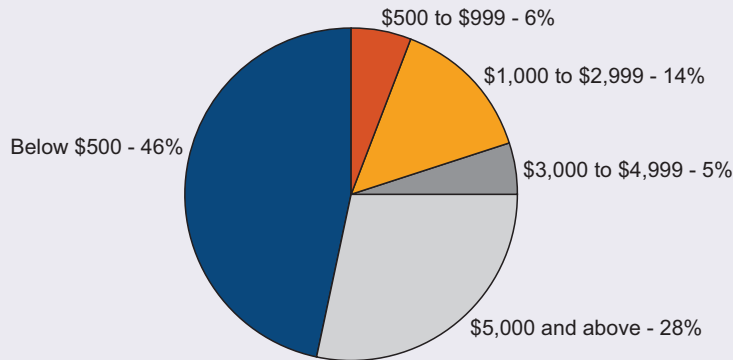
Figure 12: CEO/Executive Director Bonus Amounts



Source: TEDC 2008 Compensation Survey

Economic development professionals other than the CEO/Executive Director were eligible for supplemental cash bonuses or commissions in 26% of responding communities (a total of 42 communities). *Figure 13* illustrates other professional staff bonus ranges by community size.

Figure 13: Professional Staff Bonus Amounts by Community Size



Source: TEDC 2008 Compensation Survey

Of those communities that provide supplemental cash payments, the most common way to determine the amount is overall organizational performance (41 communities or 24%), closely followed by personal performance (38 communities or 22%). In 29 communities (17%), bonus payments were totally discretionary.

BENEFITS

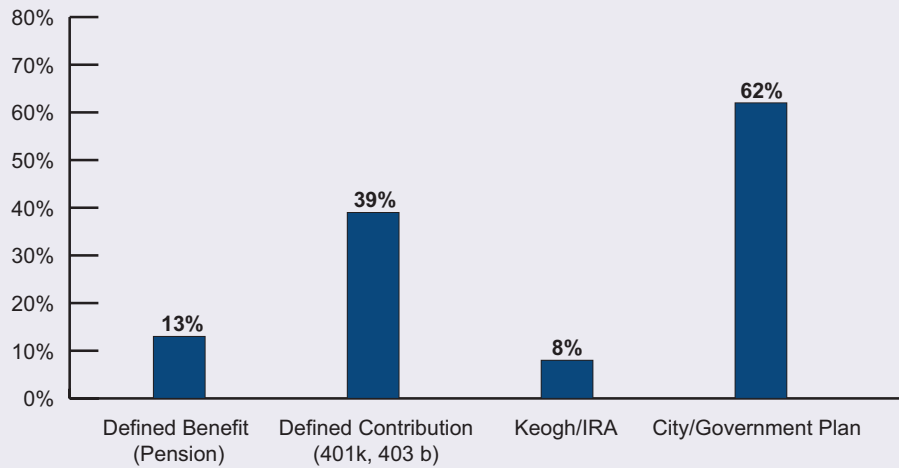
Employment Contracts

Only 29% of communities responding to the survey reported that their CEO/Executive Director had a formal employment contract. Among those communities that have formal employment contracts in place with their CEO/Executive Director, short term (1-2 years) are the most common.

Retirement Plans

In past surveys, the TEDC learned that almost all economic development professionals were covered by a retirement plan. The 2008 survey asked communities to report the specific type of retirement benefit offered. *Figure 14* illustrates the responses.

Figure 14: Types of Retirement Benefits Offered



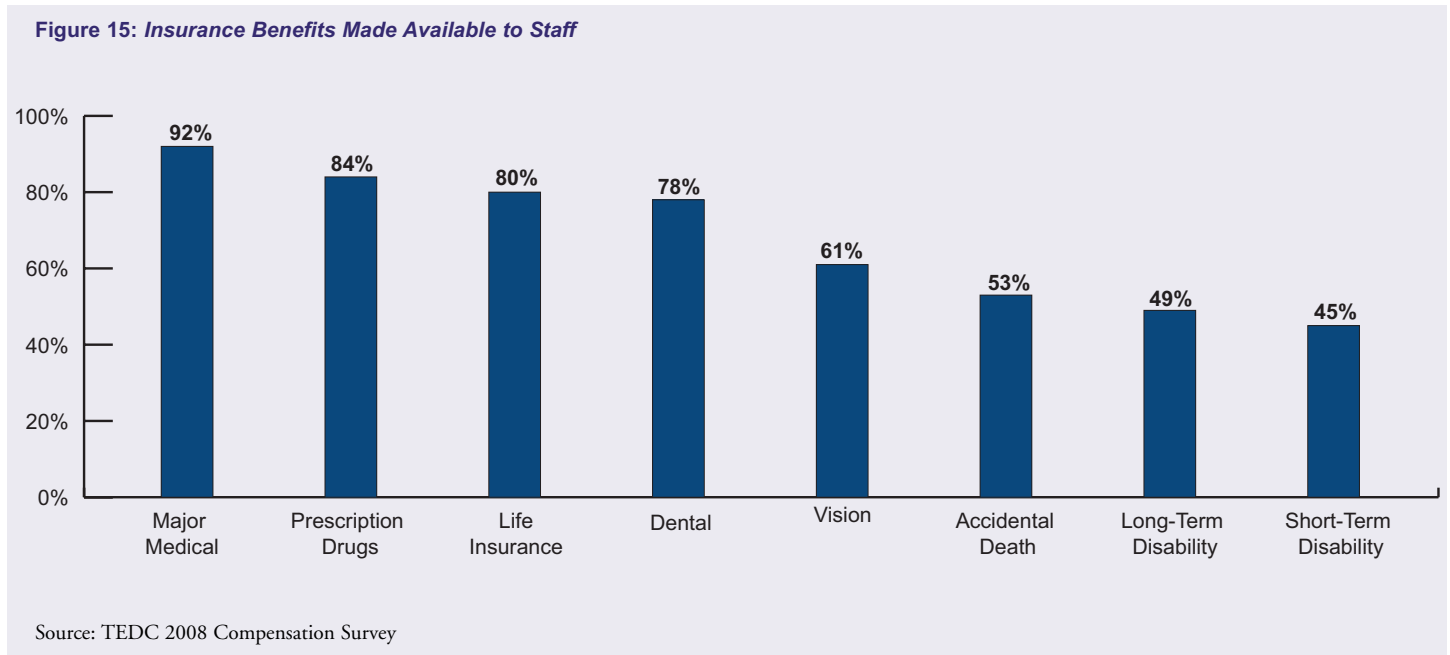
Source: TEDC 2008 Compensation Survey

Note: Numbers do not add up to 100% because communities offer more than one type of benefit.

Insurance Benefits

In 2008, almost all communities indicated that they provide major medical insurance coverage for their economic development staff (92%) as well as prescription drug coverage (84% in 2008) and life insurance (80%). Less common are dental and vision benefits, as well as accidental death and disability benefits.

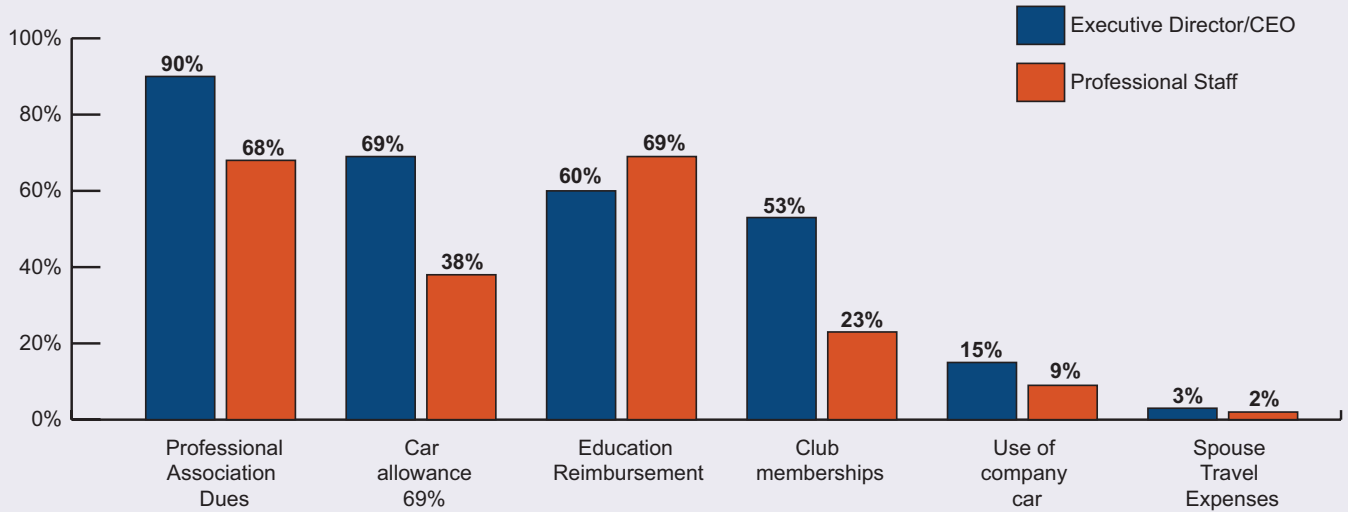
Figure 15 illustrates the percent of participating communities that offer specific benefits to their staff.



Other Benefits

CEO/Executive Directors receive a number of other benefits, the most common being professional association dues and a car allowance. Reimbursement for educational expenses and club memberships are also fairly common. In addition to the benefits listed in *Figure 16*, several survey communities reported that their employer reimburses them for mileage and/or provides a cell phone allowance. Other benefits available in some communities include extra vacation time for the CEO/Executive Director, a Texas toll tag, an annual physical, and airline upgrades.

Figure 16: Other Benefits Offered: CEO/Executive Director and Professional Staff

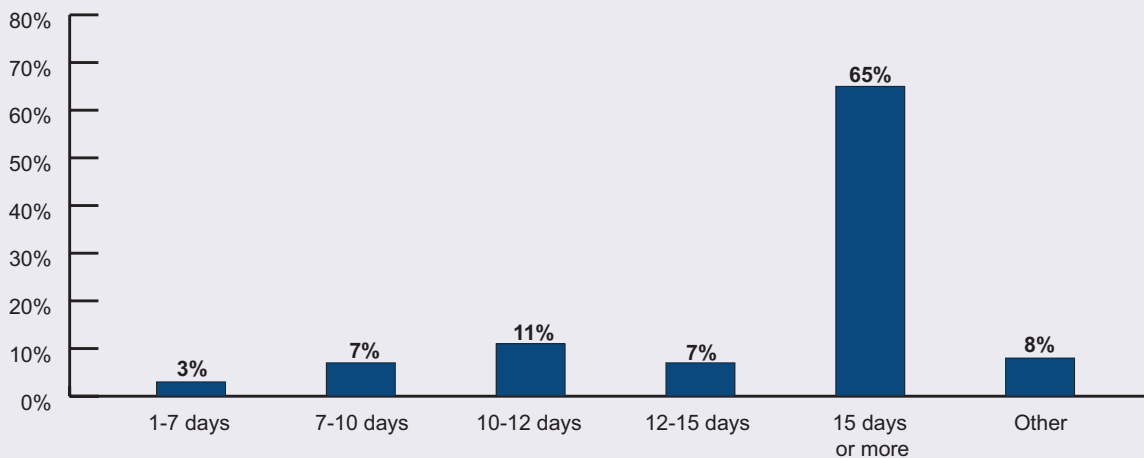


Source: TEDC 2008 Compensation Survey

Paid Leave

For the first time, the TEDC asked about communities to report information about paid leave. More than half (65%) of communities reported that employees were eligible for 15 days or more of paid leave (including vacation, sick and personal days off, but not paid holidays).

Figure 17: Number of Days Paid Leave



Source: TEDC 2008 Compensation Survey