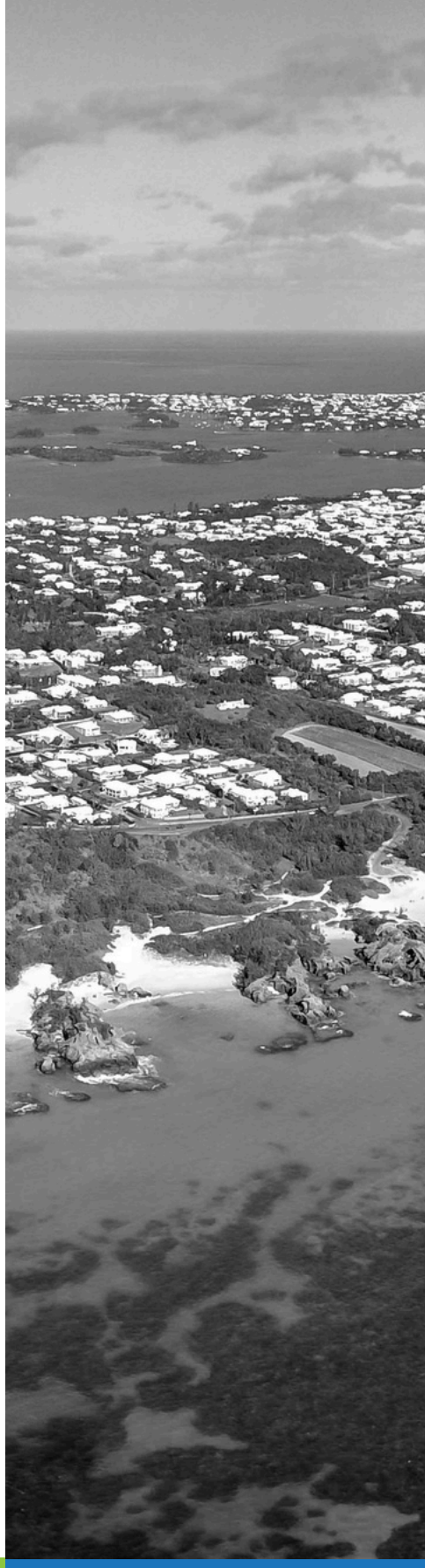
MARCH 2026

Nonprofit Alliance OF BERMUDA

Toolkit for Setting Nonprofit Salaries in Bermuda

A FRAMEWORK FOR FAIR, COMPETITIVE AND SUSTAINABLE COMPENSATION



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THE NONPROFIT ALLIANCE OF BERMUDA

Contents

HOW BOARDS SHOULD USE THIS GUIDANCE 03

WHY THIS GUIDANCE IS NEEDED 04

KEY FINDINGS FROM THE 2026 WORKFORCE SURVEY 05

CORE PRINCIPLES FOR SETTING NONPROFIT SALARIES 07

ESTABLISHING SALARY BANDS 08

WHAT TO CONSIDER WHEN SETTING SALARY BANDS 10

COMPETING WITH THE PUBLIC SECTOR: A BERMUDA CONTEXT 11

FINANCIAL SUSTAINABILITY, ROLE READINESS AND ORGANISATIONAL STAGE 12

EQUITY, ACCESS AND THE FUTURE WORKFORCE 14

APPENDIX A: SALARY-SETTING AND FINANCIAL SUSTAINABILITY CHECKLIST (BOARD USE) 15

APPENDIX B: GUIDANCE FOR STARTUPS AND EARLY-STAGE NONPROFITS 18

APPENDIX C: JURISDICTIONAL SALARY COMPARISONS 20

How Boards Should Use This Guidance

This guidance is designed to support nonprofit boards in Bermuda to make informed, fair and strategic compensation decisions. It is not intended to prescribe specific salary levels, but rather to provide guidance for balancing competitiveness, equity and financial sustainability. This guidance provides a structured, evidence-based framework that integrates:

- **Findings from the 2026 NAB Workforce Survey, reflecting current workforce realities within Bermuda's nonprofit sector; and**
- **Insights from international nonprofit salary benchmarking studies and reports across Canada, the United States and the United Kingdom.**

Boards should use this document to:

ESTABLISH
a clear compensation philosophy;

GUIDE
decision-making for new and existing roles;

SUPPORT
transparent discussion and documentation; and

ALIGN
staffing decisions with organisational maturity and funding realities.

This guidance is particularly relevant when approving new roles, reviewing senior leadership compensation and supporting organisations in early growth stages.

Why This Guidance Is Needed

The 2026 NAB Workforce Survey confirms that Bermuda nonprofits are structurally lean yet highly professionalised. Most organisations employ fewer than ten paid staff, yet deliver complex, high-impact services that require professional judgement, regulatory compliance, and public accountability.

At the same time, international benchmarking demonstrates that nonprofit salaries consistently lag public-sector compensation across comparable jurisdictions, particularly at executive and specialist levels. These gaps create significant recruitment and retention risks.

In Bermuda's high-cost economy, where nonprofits also compete with substantially higher-paying sectors such as international business, salary-setting is not merely an operational decision. It is a core governance responsibility that directly affects:

- **Talent attraction and retention;**
- **Organisational continuity and leadership stability;**
- **Programme quality and service delivery; and**
- **Equity and access to nonprofit careers.**

Key Findings from the 2026 Workforce Survey

Boards should ground salary decisions in evidence and context. Key findings from the 2026 survey include:

WORKFORCE PROFILE

- **An average of six to nine paid staff per organisation**
- **Approximately two-thirds of staff working full-time**
- **Typical staffing mix:**
  - **One executive**
  - **Three middle managers**
  - **Four to five professional staff**
  - **Four to five nonprofessional staff**

These findings confirm that most nonprofits in Bermuda operate with very limited redundancy, meaning individual roles often carry substantial operational, reputational and compliance risk.

EDUCATION AND SKILL LEVELS

- **More than 75% of nonprofit roles require postsecondary education**
- **Over half require a university degree**

This confirms that nonprofit roles are professional careers, not entry-level or volunteer-adjacent positions.

COMPENSATION PRESSURES

- **Most organisations review salaries annually;**
- **However, fewer than half of employees received a salary increase in 2025;**
- **Where increases occurred, they were most commonly under 5%; and**
- **Bonuses and incentive plans are uncommon, particularly outside executive roles.**

These patterns indicate constrained wage growth in a high-inflation, high-cost environment.

WHAT "ANNUAL REVIEW" REALLY MEANS

The Workforce Survey shows that while most organisations review salaries annually, fewer than half of employees received an increase in 2025, and most increases were under 5%.

This suggests:

- **Salary review does not necessarily equal salary progression;**
- **Real wages may be declining after inflation; and**
- **Pay compression risks are increasing.**

Board implication:
Boards should distinguish clearly between:

- **Cost of living adjustments (protecting purchasing power)**
- **Merit or progression increases (recognising growth and performance)**
- **Market corrections (addressing competitiveness gaps)**

CROSS-COUNTRY SALARY PATTERNS

1. **United States: Highest nonprofit salaries; pay strongly influenced by organisational budget size and geography**
2. **Canada: Midrange salaries with significant variation by sector, organisation size and work arrangement**
3. **United Kingdom: Consistently lowest salaries; many junior roles cluster near or below living wage thresholds**

Across all three jurisdictions:

- **Nonprofit salaries trail public sector pay**
- **Executive and senior management roles show the largest pay gaps**
- **Recruitment, retention and burnout pressures are widespread**

These findings reinforce the need for transparent salary bands, defensible governance decisions and clear progression frameworks in Bermuda.

Core Principles for Setting Nonprofit Salaries

Boards should adopt a clear compensation philosophy grounded in the following principles:

1 MISSION-ALIGNED, NOT MISSION-DISCOUNTED

- Commitment to mission does not justify below-market pay.

2 COMPARABLE, NOT IDENTICAL, TO PUBLIC SECTOR PAY

- Nonprofits compete in the same labour market and should aim for reasonable proximity to public sector benchmarks.

3 ROLE-BASED FIRST, PERSON-BASED SECOND

- The role determines the salary range
- The individual determines placement within that range

4 TRANSPARENT AND DEFENSIBLE

- Boards should be able to clearly explain and document how salary decisions were reached.

5 FINANCIALLY SUSTAINABLE

- Salaries must align with current and projected organisational resources.

Establishing Salary Bands

Boards are encouraged to approve salary bands, rather than individual salaries, for most roles (the main exception being the Board's role to set the exact salary of the Executive Director).

BOARD RESPONSIBILITIES	MANAGEMENT RESPONSIBILITIES
Approve compensation philosophy and salary bands	Set staff salaries within approved bands
Set and review Executive Director compensation	Monitor market trends and make recommendations regarding bands for board consideration
Ensure transparent and documented processes	Implement board-approved policies

STEP 1: GROUP ROLES BY LEVEL

Use the survey's employment categories: 1) Executive, 2) Middle Management, 3) Professional, 4) Nonprofessional

STEP 2: CREATE SALARY BANDS FOR EACH LEVEL

Each band should include:

- Minimum – developing capability or limited experience
- Midpoint – fully competent and meeting role expectations
- Maximum – extensive experience, high complexity or leadership scope

When setting salary bands for specialist roles, boards should explicitly consider:

- Scarcity of the skill set in Bermuda
- Risk of prolonged vacancies
- Impact on service continuity and compliance
- Scope of responsibility, risk and decision-making authority

STEP 3: PLACING AN INDIVIDUAL WITHIN A SALARY BAND

Once salary bands are established, boards should consider the following factors:

- Relevant professional experience (depth and applicability, not tenure alone)
- Education and professional credentials
- Demonstrated performance (for existing staff)

Boards provide oversight to ensure internal equity, consistency and defensibility.

STEP 4: REVIEWING SALARIES OVER TIME

Boards should ensure that compensation is reviewed regularly and systematically, including:

- Annual salary reviews as part of the budget process
- Clear distinctions between:
  - Cost of living adjustments
  - Merit or performance-based increases
  - Market corrections
- Re-benchmarking roles every 2-3 years using available sector data

Bermuda Specific Examples

EXAMPLE 1 – PROGRAMME DIRECTOR IN A HUMAN SERVICES CHARITY

A Bermuda-based human services organisation with eight paid staff employs a Programme Director responsible for regulatory compliance, frontline service delivery, staff supervision and government reporting. Although the role is mission-driven, its scope and risk profile are comparable to public sector management positions. Boards should therefore set salary bands that reflect this responsibility, even if the organisation initially phases the role from part-time to full-time as funding stabilises.

EXAMPLE 2 – FIRST EXECUTIVE HIRE IN A GROWING NONPROFIT

Several Bermuda nonprofits have hired their first Executive Director in recent years. In many cases, boards appropriately used part-time or fixed-term contracts due to funding uncertainty, while clearly acknowledging that the full market value of the role aligned with senior executive benchmarks. This distinction between role value and organisational readiness reflects sound governance practice.

EXAMPLE 3 – SPECIALIST CLINICAL OR EDUCATION ROLES

Roles such as counsellors, nurses, education officers and clinical directors often require university degrees or professional credentials. Workforce Survey data shows these roles are frequently paid below comparable public sector positions. Boards should consider recruitment risk, service continuity, and burnout when setting salary bands for specialist roles in Bermuda's limited labour market.

What to Consider When Setting Salary Bands

How to Set Salary Bands

When establishing salary bands, boards should take a structured, evidence-informed approach that reflects both the value of the role and the organisation's capacity to sustain it. While budget size matters for sustainability, role scope and risk must also be weighted heavily when setting salary bands. Smaller organisations should not automatically default to the bottom of salary ranges if responsibility is high.

Boards should consider the following factors:

MARKET BENCHMARKING

- Benchmarked salary data for similar roles, using available sector surveys and relevant comparators
- Salary ranges, rather than single point estimates, to allow flexibility and progression

ROLE SCOPE AND RESPONSIBILITY

- Scope of responsibility and complexity of the role
- Decision-making authority and level of autonomy required
- Organisational and operational risk managed by the role

LABOUR MARKET CONSIDERATIONS

- Scarcity of the required skill set in the local labour market
- Competition for talent across the nonprofit, public and private sectors

Together, these factors help boards establish salary bands that are fair, competitive and defensible.

Competing with the Public Sector: A Bermuda Context

Nonprofits in Bermuda deliver complex and essential services, often with limited staffing and under significant operational pressure.

Boards should recognise that:

- Public-sector salaries often exceed nonprofit pay for roles with comparable responsibility.
- Persistent underpayment can result in:
  - High staff turnover
  - Burnout
  - Loss of institutional knowledge
- Investing in competitive pay can reduce long-term costs associated with recruitment, onboarding and performance gaps

Nonprofits are not expected to mirror public sector pay exactly however, significant and unexplained pay gaps are unsustainable and pose organisational risk.

Benchmarking data shows that executive and senior management roles have the widest nonprofit–public sector pay gaps across all jurisdictions reviewed. These gaps are particularly pronounced in:

- Organisations with smaller budgets
- Human services and care focused nonprofits
- Roles combining leadership, compliance, fundraising and operational oversight

The Workforce Survey confirms that in Bermuda:

- Executives typically work longer hours than other staff groups
- Executives carry responsibility for governance support, regulatory compliance, funding relationships, staff management and public accountability
- Executive turnover, while infrequent, has a disproportionately high organisational impact

Financial Sustainability, Role Readiness and Organisational Stage

Boards must ensure that compensation decisions are both fair and financially sustainable, and appropriate to the organisation's stage of development.

VALUING THE ROLE VS. TIMING THE HIRE

Boards should clearly distinguish between two related but separate questions:

- What is this role worth in the labour market?
- Is the organisation ready to fund this role at this level on a sustained basis?

A role may be appropriately valued at a full-time salary, but not yet fundable given current funding stability, programme scale or administrative capacity.

FUNDING RELIABILITY AND SUSTAINABILITY

Before approving a full-time salary, boards should consider:

- Reliability and predictability of funding (e.g. multiyear funding versus short-term grants)
- The organisation's ability to sustain the role beyond a single funding cycle
- Concentration risk, where a role depends on one or two funding sources

Where funding is uncertain, boards may reasonably:

- Delay hiring, or
- Structure the role as part-time or phased, with a clear pathway for growth

USING PART-TIME AND PHASED ROLES RESPONSIBLY: WHAT GOOD PRACTICE LOOKS LIKE

The Workforce Survey confirms that many Bermuda nonprofits responsibly use:

- Part-time roles
- Fixed-term contracts
- Phased expansions as funding stabilises

SCALING ROLES OVER TIME

For newer or growing organisations — particularly those hiring their first paid staff member — boards should consider progressive role scaling as a sound governance practice. This may include:

- Starting the role part-time, with clearly defined outputs
- Expanding hours or scope as funding stabilises and demand increases
- Transitioning to full-time once organisational scale, impact, and systems justify it

LINKING COMPENSATION TO IMPACT

Boards should consider whether organisational scale justifies a full-time role, including:

- Volume of services delivered or people reached
- Programme complexity and intensity
- Administrative, compliance and leadership demands

Scaling a role over time reflects responsible governance and financial stewardship, not diminished role value.

SPECIAL CONSIDERATION: STARTUPS AND FIRST HIRES

For startup and early-stage nonprofits, boards should:

- Be cautious about committing to full-time salaries too early
- Use part-time, contract or phased roles to build capacity responsibly
- Set clear milestones (funding stability, demand, organisational complexity) to guide future expansion

Equity, Access and the Future Workforce

LOW PAY DISPROPORTIONATELY EXCLUDES:

- Young professionals
- Single-income households
- Individuals without independent financial support

COMPETITIVE, TRANSPARENT COMPENSATION PRACTICES:

- Improve equity and access to nonprofit careers
- Strengthen leadership pipelines
- Reduce turnover and burnout
- Support long-term sector resilience

BOARD REMINDER:
Undercompensation is not cost-free. The long-term costs of turnover, recruitment, and lost institutional knowledge often exceed the investment required to pay fairly and competitively.

International trends, particularly in Canada, the U.S., and the U.K., show growing movement toward:

- Pay transparency
- Standardised role evaluation
- Gender-neutral salary criteria

Benchmarking research suggests Bermuda is likely to follow similar expectations over time.

BOARD IMPLICATION:
Salary decisions should be:

- Documented
- Evidence-based
- Consistent across roles

This protects organisations against reputational, governance and equity risks.

- This strengthens leadership pipelines and supports the long-term resilience of the nonprofit sector.

Appendix A: Salary-Setting and Financial Sustainability Checklist

For Boards of Directors — Bermuda Nonprofits

Use this checklist when:

- **Approving new roles**
- **Reviewing Executive Director compensation**
- **Setting or adjusting salary bands**
- **Assessing affordability during budget cycles**

1. ROLE CLARITY AND ORGANISATIONAL NEED

□ Is the role clearly defined, with documented responsibilities, scope and decision making authority?
□ Does the role respond to a demonstrated organisational or community need?
□ Does the scope reflect management, professional or specialist responsibilities rather than administrative support only?
□ Given the organisation's lean staffing model, would the absence of this role pose material operational or compliance risk?

Board lens: Small staff size does not mean small responsibility. Workforce Survey data shows most Bermuda nonprofits operate with minimal redundancy.

2. ROLE VALUE VS. TIMING READINESS

□ Has the board explicitly distinguished between:
- What the role is worth in the labour market, and
- Whether the organisation is ready to fund it at that level today?

□ If funding is uncertain, has the board considered phased, part-time, contract or fixed-term options without undervaluing the role?
□ Is the full market value of the role documented, even if temporarily phased?

Board lens: Phasing is a timing decision, not a valuation decision.

3. MARKET EVIDENCE & BENCHMARKING

□ Has the role been classified using NAB's standard levels (Executive, Middle Management, Professional, Nonprofessional)?
□ Has local Bermuda Workforce Survey data been reviewed for this role or level?
□ Have international nonprofit benchmarks (Canada/U.S./U.K.) been considered to understand market norms?
□ Has the board considered public sector comparators to assess recruitment and retention risk?

Board lens: Benchmarking evidence shows nonprofit salaries trail public sector pay across all comparable jurisdictions.

4. SALARY BANDS AND INTERNAL EQUITY

□ Is the role covered by an approved salary band (minimum, midpoint, maximum)?
□ Is the band role-based, rather than person-based?
□ Is placement within the band justified by:

- Relevant experience and credentials
- Role complexity and scope
- Demonstrated performance (for existing staff)?

□ Has internal equity been considered relative to other roles at the same level?

Board lens: Salary bands reduce bias, support transparency, and protect boards under future pay transparency expectations.

5. SPECIALIST AND SCARCE SKILL CONSIDERATIONS

□ Does the role require specialist qualifications (e.g., clinical, education, finance, development, compliance)?
□ Is the skill set scarce within Bermuda's labour market?
□ Would prolonged vacancy or turnover materially affect service delivery, compliance or reputation?

Board lens: Evidence shows chronic underpayment for scarce roles leads to longer vacancies and repeated turnover.

6. FUNDING RELIABILITY AND SUSTAINABILITY

□ Is funding for this role predictable and multiyear, where possible?
□ Can the organisation sustain this salary beyond a single grant or funding cycle?
□ Is there concentration risk, where one or two funders support most of the role's cost?
□ Has the board assessed the risk of future staff reduction or role contraction?

Board lens: Financial sustainability is about durability, not just affordability today.

7. SALARY INCREASES AND PROGRESSION

□ Is there clarity on whether increases are:

- Cost of living adjustments
- Merit or performance-based
- Market corrections?

□ Are salary reviews meaningful, rather than symbolic (given inflation and cost of living pressures)?
□ Is pay compression or stagnation being monitored?

Board lens: Workforce data shows many staff receive reviews without increases — this affects morale and retention over time.

8. TOTAL COMPENSATION AWARENESS

□ Are benefits (medical, pension, leave) understood as part of total compensation?
□ Is base salary still competitive on its own, particularly for early career and single-income staff?
□ Are benefits used to supplement, not justify, below-market pay?

Board lens: Benefits matter, but evidence shows they do not replace competitive base salary in high-cost jurisdictions like Bermuda.

9. GOVERNANCE, TRANSPARENCY AND DOCUMENTATION

□ Is the compensation decision documented in board or committee minutes?
□ Could the board clearly explain how and why the salary or band was set?
□ Is the decision aligned with the organisation's compensation philosophy?
□ Would the decision remain defensible under greater public or funder scrutiny?

Board lens: Good documentation protects both the organisation and the board.

10. FINAL BOARD CHECK

□ Does this compensation decision:

- Support talent retention?
- Reduce operational and governance risk?
- Align with organisational scale and impact?
- Reflect Bermuda's cost of living and labour market realities?

BOARD REMINDER:
Undercompensation is not cost-free. The long-term costs and consequences of turnover, burnout, recruitment and service disruption often exceed the investment required to pay fairly and competitively.

Appendix B: Guidance for Start-Ups and Early-Stage Nonprofits

Early-stage organisations face unique challenges when building paid staff capacity. While roles may be appropriately valued at full-time market rates, organisations may not yet have the funding stability or operational scale to sustain them.

Boards should:

- Distinguish between role value and organisational readiness
- Use phased or part-time roles as a responsible starting point
- Set growth milestones tied to funding, demand and complexity
- Avoid reliance on short-term or uncertain funding for permanent roles

This approach supports responsible growth, organisational viability, and expanding impact.

Early-stage nonprofits in Bermuda operate under unique funding and capacity constraints. This guidance helps boards balance fair role valuation with financial sustainability, based on evidence from the NAB Workforce Survey and international nonprofit benchmarking.

1. SEPARATE ROLE VALUE FROM TIMING

Boards should always distinguish between:

- What the role is worth in the labour market, and
- Whether the organisation is ready to fund it fully today

Early constraints do not reduce the inherent value or responsibility of a role.

2. USE PHASING RESPONSIBLY

Phased approaches (e.g., part-time, fixed-term, staged expansion) are appropriate when funding is uncertain, provided that:

- The full market value of the role is identified and documented
- Phasing is time limited and intentional
- There is a clear pathway to expansion if funding stabilises

Phasing is a timing decision, not a valuation decision.

3. BE REALISTIC ABOUT FIRST HIRES

First-paid roles in startups often combine:

- Programme delivery
- Administration and compliance
- Fundraising and stakeholder engagement

Boards should:

- Recognise the true scope and risk of these blended roles
- Avoid classifying them as entry-level if responsibilities are not
- Reduce hours, rather than reducing pay rates, where needed

Under-resourcing first hires increases burnout and organisational risk.

4. ASSESS FUNDING SUSTAINABILITY EXPLICITLY

Before approving salaries, boards should consider:

- Reliability and duration of funding
- Dependence on one or two funding sources
- Ability to sustain salaries beyond a single grant cycle

Where funding is uncertain, boards may delay hiring or phase roles but should avoid building permanent staffing models on short-term funding.

5. PLAN TO SCALE ROLES OVER TIME

Boards should revisit role scope and compensation as:

- Service demand grows
- Regulatory and compliance requirements increase
- Funding complexity expands
- Leadership and management demands rise

Allowing roles to expand without compensation review creates inequity and risk.

6. KEEP EQUITY AND ACCESS IN VIEW

Persistently low pay:

- Narrows the talent pool
- Disadvantages younger professionals and single-income households
- Undermines long-term sector sustainability

Even modest early salaries should be paired with clear intent to progress toward competitiveness.

KEY BOARD TAKEAWAY:
Early-stage constraints justify careful staging — not chronic undervaluation. Boards demonstrate good governance by recognising true role value, managing risk transparently and planning deliberately for sustainable growth.

Appendix C: Jurisdictional Salary Comparisons

The following table presents comparative salary benchmarks for selected roles (both public sector and nonprofit) across four jurisdictions: Canada, the United States, the United Kingdom, and Bermuda. This information is intended to support internal salary guidance, workforce planning and compensation decision-making, rather than to establish fixed or prescriptive pay rates.

Positions have been matched as closely as possible to broadly comparable roles in each jurisdiction based on typical scope of responsibility, seniority and functional alignment. Exact role equivalency is not always possible due to differences in organisational structures, job titling, regulatory environments and labour market practices across jurisdictions. As a result, the comparisons should be interpreted as indicative rather than definitive.

Salary figures have been compiled from a range of external workforce surveys, benchmarking reports and publicly available compensation studies relevant to each jurisdiction. To enable cross-jurisdictional comparison, all amounts have been converted to U.S. dollars (USD) using average exchange rates applicable to the reference years noted in the table.

IMPORTANT CONSIDERATIONS AND LIMITATIONS

- Reference Years: Data reflect different collection years by jurisdiction (e.g., Canada 2025, United Kingdom and United States 2022, Bermuda Nonprofit Survey 2026, and Bermuda Public Sector Salary Report 2026). Market conditions may have shifted since publication.
- Cost of Living and Taxation: Figures do not account for differences in cost of living, taxation or social security systems, which may materially affect real compensation value and employee take-home pay.

Compensation for Key Roles – USD ($)

Benchmarking Report Positions	Workforce Survey Category	Canada (2025)	United Kingdom (2022)	United States (2022)	Bermuda (Public Sector) 2026	Bermuda Nonprofits (2026)
Executive Director / Chief Executive	Executive	$90,840	$80,340	$118,710	$165,073	$117,000
Senior Executive	Development Director/Manager	$87,029	$72,129	$116,508	-	$90,000
Management/Supervisory Staff	Marketing/Communications Manager	$71,650	$54,872	$79,962	-	$75,000
Functional & Programme Staff	Education Officer	$39,641	-	$53,346	$121,948	$74,000
Support Staff	Social Worker (General)	$37,482	-	$32,863	$117,708	$45,737

**Both public sector and nonprofit*

Nonprofit Alliance OF BERMUDA

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