



NONPROFIT

Nonprofits Must Ditch "Salary Cloaking"

09.23.21 | Linda J. Rosenthal, JD



Our third-in-a-row hashtag alert for the nonprofit sector is #ShowTheSalary.

It's aimed at stopping a widespread but harmful hiring practice; namely, advertising an open position at a nonprofit organization without indicating how much the job will pay, or at least posting a reasonably narrow salary range. This practice – sometimes referred to as “salary cloaking” – has the effect of perpetuating “racial and gender compensation gaps.”

The #ShowTheSalary hashtag and campaign is relatively new but after starting in the United Kingdom is picking up momentum in the United States, Canada, and Australia. A lively debate this summer in *The Chronicle of Philanthropy* gave this important topic welcome exposure. Compare: *The ‘Show the Salary’ Campaign Is the Wrong Battle for Achieving Nonprofit Workplace Diversity* (June 22, 2021), Vincent Robinson with *Nonprofit ‘Salary Secrecy’ Targeted in the Name of Pay Equity* (July 14, 2021) Drew Lindsay.

It should come as no surprise that an early and lonely voice in the desert back in 2015 was none other than nonprofit-sector blogger Vu Le. See *When you don't disclose salary range on a job posting, a unicorn loses its wings* (June 1, 2015), *nonprofitaf.com*.

Disclose the Salary

A seasoned former nonprofit executive, Mr. Le pens the blog “Nonprofit AF.” He is a champion of many causes in our sector, combining a “no-BS approach” and an “irreverent sense of humor.” Indeed, he featured prominently in our post from last Thursday on the #FixTheForm campaign, see *Fixing Top Grant-Application “Pain Points”* (September 16, 2021) [including Mr. Le's companion hashtag: #CrappyFundingPractices].



Starting about six years ago, Vu Le has been “urging charities to disclose salaries in job ads.” Back then, he wrote, “Hiring managers, I am begging you ... examine why you are not disclosing your salaries on job postings.”

He explained that among several “terrible habits” nonprofit employers should discard – (others being paying much too little and placing too much emphasis on formal academic degrees) – is one “that many many, many of us have, one that we don’t think much about, but one that is driving lots of people nuts, perpetuates gender and other inequities, and increases the power imbalance between employers and employees: Not listing salary ranges on job posting, and putting “DOE,” which stands for “Depending On Experience” instead.”

Among the reasons why this “salary cloaking” is so insidious are:

- “It wastes everyone’s time.” It doesn’t efficiently expand the applicant pool. List the salary and let applicants self-select whether they may be a good fit.
- “It disregards the fact that people have to support themselves and their families”: the compensation issue is at the top of the list for many job applicants and they need to know about it right off the bat. “... [P]ayment is not a pleasant bonus we get for saving the world.” Most candidates “... can’t spend a half-day writing a cover letter and tailoring a resume to your position, only to find out later that we can’t live on what you are offering.”
- “It perpetuates the gender wage gap.” One reason “is that society rewards men for being aggressive negotiators while punishing women for the same thing. Having a clear range cuts down on the need to haggle, which increases gender pay parity.”
- “It discriminates against people of color: Studies show that similar to women, people of color are also screwed over in the salary negotiation arena. Many people come from cultures where aggressive negotiation is not a norm.”
- “It drives away potential good candidates” because it reflects badly on the organization. “If you aren’t organized enough to figure out your budget in creating a position, and [be] transparent about it, many qualified people won’t want to work for you.” Several of Mr. Le’s “peers in the field state outright that they will not apply for positions that do not list a salary range.”
- “It starts a relationship off on a lack of trust and transparency” with an “awkward and distracting tiptoeing dance...” that often leaves the soon-to-be-employee “bitter and resentful.”
- “It is inaccurate: There is rarely such a thing as ‘Depends On Experience’ in the nonprofit sector. A candidate may be ridiculously experienced, but you have a budget, and there’s no way you are going to go beyond a certain number, no matter how experienced they are.” Be upfront about it, and “no one feels bamboozled.”

In that 2015 blog post, Vu Le also tossed in another point: “Salary history must die too.... How is what someone made in a previous job relevant to the current, completely different position? Salary history is a great way to ensure that people who are underpaid—again, a lot of women, people of color, people with disabilities—remain underpaid....”



Happily, at least nineteen states, including California, have taken action on that point, now prohibiting asking about salary history in job negotiations. See [California bans the box, outlaws salary history questions](#) (October 16, 2017) Valerie Bolden-Barrett & Kate Tornone, [hrdrive.com](#).

New Tactics

Alas, Vu Le's private campaign to urge organizations and funders to ditch their "salary cloaking" history was not making much headway.

So, recently, he turned to Twitter. Lurking underneath the amiable tone of a very-much-public tweet is a "barbed message that [aims to publicly shame](#) nonprofits and foundations." Dozens have been targeted — large and small. "Each tweet notes that the organization has posted an advertisement for an open position that didn't indicate how much the job would pay." Such "salary cloaking," the tweet concludes, "perpetuates racial and gender compensation gaps. Please always #ShowTheSalary."

This new Vu Le tactic is [getting results](#).

The [#ShowTheSalary](#) hashtag campaign website expands on the reasons why organizations should list salaries. See [Time To Include #ShowTheSalary In The Hiring Process](#) (August 1, 2021) Joe Patti, [artshacker.com](#).

See as well: [Show The Salary: A campaign about power](#) (January 26, 2021) Michelle Man, [thinknpc.org](#) ["There is one basic enabler of inequities that organisations can tackle right now—jobs adverts being published without transparent salaries....(Redressing) power imbalances in the charity sector is hard because issues like unconscious biases, imbalances of power and privilege, and pay disparities are layered and complex."] Since September 2020, Ms. Man reports, "150 organisations have signed the [Show The Salary pledge](#)—including charities, membership bodies, recruitment agencies and sector partners."

And from Australia, see: [Let's be transparent with Salaries #ShowTheSalary](#) (August 26, 2021) Julia Caponi, [dogoodjobs.com](#).

Recent Debate

Several months ago, *The Chronicle of Philanthropy* presented a guest opinion piece opposing this movement. See Vincent Robinson's article referenced above: [The 'Show the Salary' Campaign Is the Wrong Battle for Achieving Nonprofit Workplace Diversity](#) (June 22, 2021), Vincent Robinson. Publishing it had the opposite result than that intended by (at least) Mr. Robinson; it prompted a series of rebuttal articles and letters to the editor that took the wind out of the sails of this contrarian position.

See letters to the editor including one from Mike Geiger, President and CEO of the Association of Fundraising Professionals, [Disclosing Salaries Is Good for the Fundraising Profession and Society as a Whole](#) (July 12, 2021). See also, for instance, additional letter responses: [Nonprofit Salaries Should Absolutely Be Disclosed in Job Ads](#).



An editor of the Chronicle of Philanthropy, Drew Lindsay, penned the above-reference article titled *Nonprofit 'Salary Secrecy' Targeted in the Name of Pay Equity* (July 14, 2021) in which he ties together the various efforts and arguments, pro and con, and includes references to social science research which Mr. Lindsay explains “...confirms the insidious nature of ‘salary cloaking.’” More particularly, it “indicates that women and workers of color face bias in pay talks and don’t fare well; partly as a result, they are paid less than their white male counterparts. Without a salary range, they are robbed of information that would strengthen their bargaining position and make negotiations more objective.” See cited studies including this one and this one.

Conclusion

This is an important movement worth watching over the next months and years.

By the way, the second of our third-in-a-row hashtag alerts is our post on Tuesday: *Critical Days of Action for the Nonprofit Sector* (September 21, 2021). The #Relief4Charities campaign to ask Congress to help the nonprofit sector continues and grows more urgent by the day.

— Linda J. Rosenthal, J.D., FPLG Information & Research Director