

Board Compensation and Benchmarking Analysis



What is Board Compensation Benchmarking?

Board compensation should be commensurate with the time, efforts, and demands of the board's work. Compensation benchmarking is an accepted employee practice. This benchmarking is used by employers, including NRECA members, to help determine an appropriate range of salaries for various jobs at the cooperative. This benchmarking identifies and compares similar jobs offered by competitors and the current average market rate being paid to workers in those positions.

Compensation benchmarking for an electric cooperative board is very similar. Board members devote a great deal of time and effort to keeping up with a complex and rapidly evolving industry. Compensating board members for their time, effort, and expertise in steering the cooperative makes sense. However, aligning that compensation with other boards, the industry, and the board's expectations can be challenging.

How We Can Help

NRECA's Board Compensation Benchmarking Analysis provides national, regional, and peer group benchmarking information to allow the Board to have a more productive discussion on board compensation at their cooperative.

What does the Board Compensation Benchmarking Analysis include?

- Written report
- PowerPoint
- One hour board presentation
 - Conducted virtually by NRECA Consulting Services
 - Highlights key points from report
 - Answers board member questions about the results

The Board Compensation Benchmarking Analysis compares the cooperative's board compensation with other cooperatives nationally and regionally. In addition, the compensation is compared with a peer group of cooperatives selected to roughly mirror the subject cooperative, usually in size, kWh sales, revenue and/or other factors.

Can we get this from another source?

Only NRECA Consulting Services has access to the proprietary information in the National Directors Survey (www.cooperative.com/nds). The NRECA Board Compensation Benchmarking Analysis uses the best electric cooperative and broad data available to create the report for your cooperative.

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