

Wild Animal Initiative's salary algorithm

Algorithm goals

The purpose of this salary algorithm is to consistently uphold Wild Animal Initiative's values. Broadly, that means setting salaries so that people don't have to worry about whether they can live comfortably, whether they're being treated fairly, or whether they made the right choice to work here. Below, we list our specific goals (in descending order of priority) and how we intend to meet them through the salary algorithm.

1. To offer everyone who works at WAI a salary or wage that at least allows them to easily cover their basic needs and leaves some left over, without undue financial stress. To achieve this goal, we:
 - a. have checked that the algorithm would generate a living wage for any possible employee. Living wages are determined using the [Living Wage calculator from MIT](#).
 - b. If we ever find that a salary is not generating a living wage, we will adjust the algorithm accordingly.
2. To minimize inequitable salaries within our team by setting salaries consistently and transparently. To achieve this goal, we will:
 - i. Generate all salaries according to a documented algorithm that uses objective inputs as much as possible.
 - ii. Use a panel comprising the hiring manager, a staff member, and a board member to determine the value of any inputs that are not objective (e.g., initial title level).
 - iii. Offer only the algorithmically generated salary, without the option to negotiate. This reduces bias that comes from differences in willingness or ability to negotiate.
 - iv. Publicly post our algorithm, and internally share our actual salaries so that we are held accountable to our equity goal. To further commit to transparency, actual salaries will also be available upon request to third parties whom we judge to have a legitimate interest in evaluating our organization (e.g., Animal Charity Evaluators, Encompass, Glassdoor). We will re-consider whether to make actual salaries more publicly accessible if and when we notice significant interest from people who neither work at WAI nor represent evaluators.
3. To offer salaries and wages that are competitive with similar roles at similar organizations, so that people are not having to accept a significant financial hit to work at WAI. To achieve this goal:
 - a. We account for job type, level of responsibility, and time at WAI as proxies for variations in the market value of someone's time.

- b. We compare the initial output of the salary algorithm to a market analysis, and we systematically adjust the initial output when it is not competitive.
4. To prevent vast differences in pay between different people working at the organization.
 - a. To achieve this goal, we have a requirement that the most highly paid person does not make more than four times as much as the lowest paid person in terms of hourly wage.

Algorithm

The inputs into our algorithm are title, years at WAI, local cost of living, and inflation. The salary for full-time staff is calculated as follows:

(Base rate + Title adjustment * Title level + Adjustment for years at WAI) * Cost of Living adjustment.

The wage for part-time staff is calculated as an hourly rate by dividing the algorithmically generated salary by 52 weeks/year * 40 hours a week.

Base rates

We intend that our base rates should result in people being able to make wages at WAI that are competitive with what they could make in a similar role at a similar nonprofit. If it becomes obvious that this is not working the way we intend, we will revisit these base rates.

The benchmark for our salaries is the NIH-NRSA salary table, available [here](#). This is a commonly used benchmark for postdoctoral salaries in academia. We use the lowest value for the first year stipend with 0-1 years of experience as the base rate for title level 0 (see below).

Job level

The job level adjustment is \$4000/level. We increase pay with level for three reasons:

1. Moving up the pathway results in greater responsibilities.
2. Moving up the pathway would generally result in someone being able to command a higher salary on the open market.
3. It's nice to get a pay raise when you get promoted.

Each position will be assigned an initial job level at the time the job opening is posted. When an employee takes on new responsibilities that substantially increase their level of responsibility, they will be promoted and their job level will increase accordingly. For each level, roles can be managerial or non-managerial —

management is one type of additional responsibility, but other non-management additions in responsibilities could also be a reason for a level increase. Note that the level codes are below 1 for some roles; this is simply because our base rate data comes from postdoctoral salaries at the National Institutes of Health, and some roles require less experience or responsibility. Note also that the examples below are simply illustrative examples, not binding definitions. For example, when hiring for a very senior role, we might designate it a level 3 even if it will only oversee a small team.

Level	Type (example)
-2	Entry-level roles: could be completed by someone with almost no prior work experience
-1	Assistant roles: require some independent judgement or significant training, but largely rely on direction from more senior staff.
0	Associate roles (e.g., researcher, social media coordinator): involve independent execution of owned projects with significant managerial input on strategy
1	Coordinator roles: independent execution of owned projects with low managerial input on strategy
2	Advanced roles (e.g., senior researcher, program officer/manager): management of a small team (< 4 people) or significant ownership (including autonomous decision making about) of direction of a particular work area
3	Senior roles: management of a large team (> 4 people) or ownership of a program area.
4	Director role (e.g. executive director, programs director): involved in strategic planning, department lead-level.

One way that bias can enter into this algorithm is the rate at which promotions occur, or at hiring when deciding where on the title scale someone is entering. We will carry out periodic audits of job levels against the criteria to ensure that roles are being assigned levels in a fair and consistent way. If a staff member feels they are performing the duties of a higher title level than they are being compensated for, they should bring up this concern with their manager (who may adjust duties, promote the employee, or come to some other resolution). If the manager and employee cannot come to an agreement the issue should be escalated to HR.

Years at WAI

For every year worked at WAI, salary will increase in a logarithmic manner (i.e. the amount of increase will decrease over time). We increase salary annually to incentivize staying with our organization. The function to generate the annual contribution is:

$$f(W) = 40,000 / (1 + \exp(-0.25 * (W))) - 20,000$$

The effective increases are found by subtraction $f(W)$ from $f(W+1)$. Therefore, if W an employee's years at WAI, then:

- $W = 0$; Addition to base pay = 0
- $W = 1$; Effective contribution to annual raise = $f(1) - f(0) = \$2487.06$
- $W = 5$; Effective raise = $f(5) - f(4) = \$1849.65$
- $W = 20$; Effective raise = $f(20) - f(19) = \$75.38$

Increasing salary logarithmically rather than linearly reduces the risk of salary growth outpacing budget growth, and limits the difference between our top and bottom earners. However, there is the risk of discouraging someone from staying beyond a certain number of years. Therefore, by April 1, 2024, we will reassess how we reward years spent at WAI, including whether to add loyalty bonuses such as additional vacation time.

Cost of living

It is unfortunately very expensive to fully account for fluctuations in cost of living between employees. However, we recognize that despite the flexibility offered by WAI, many employees will not be fully able to choose where they live based on cost of living. To help address these differences in a way that is reasonable for the organizational budget, we categorize employee residencies based on a "low," "medium," or "high" cost of living.

Which band your city or residence area falls in depends on the cost of living index on Numbeo (e.g. https://www.numbeo.com/cost-of-living/region_rankings_current.jsp?region=019) according to the following table

	COL Index	Adjustment
High	$X > 82$	+ 10%

Medium	$55 < X < 82$	0
Low	$X < 55$	- 10%

Inflation

The NIH salary scales are released annually and will go most of the way toward accounting for inflation by increasing the base rate each year. The individual input coefficients will also be rescaled during annual budget setting to reflect inflationary changes based on the projected inflation rate, available [here](#).

Market rate

We include a market rate adjustment in our algorithm because different types of roles can command different salaries (in terms of average wages). For example, a fundraiser of similar levels of experience typically has a higher salary than a researcher at a nonprofit. Therefore, offering the same salary to all types of positions would require some people to sacrifice their earning potential to work here while others earn as much as they would anywhere else.

The market rate adjustment will consist of the following steps:

1. The salary algorithm will be used to identify a salary range for a new role, going from someone of minimal experience in a low cost of living area to someone with 5 years of experience living in a high cost of living area (or something different as appropriate for the role).
2. Operations will work with the hiring manager to identify 10 - 30 similar jobs in medium cost of living areas and the salaries being offered for those jobs.
3. If the algorithmic salary does not fall within one standard deviation of the mean salary of the comparison roles, we will do the following:
 - a. If the algorithm results in a higher-than-average salary, we use the algorithm generated salary.
 - b. If the algorithm results in a lower-than-average salary, we will make up to a 15% increase or bring it within one standard deviation of the mean, whichever is lower.
 - i. If we find this system is significantly impacting our ability to make effective hires, we will revisit it.

Because of existing systemic inequities and biases in our society, there is a risk that the market rate adjustment will replicate unfair practices of the wider world within our organization. For that reason, every 5 years we will perform a salary audit to make sure that the market rate adjustment has not led to particular

identity groups receiving lower salaries than others for the similar work. We will also internally publish our salaries in order to empower employees to notice any issues as they arise.

International Salaries

We contract workers in other countries via employers of record, which allow us to set their salaries. To generate international salaries, we will first calculate the domestic wage equivalent using the algorithm, and then use the purchasing power parity (from [this database](#)) to formulate the international salary.

The conversion will be performed each year on the employee's hiring anniversary. If the conversion would result in a local currency salary decrease, the salary will be maintained at the previous level for that year. If the conversion would result in more than a 40% increase in the USD cost of the international currency compared to the USD cost of a domestic employee with the same algorithm inputs, we will negotiate a compromise with the employee in question based on the budgetary needs for that year. Compromises might involve a reduction in hours to an affordable amount or agreeing to a reduced wage.

If the PPP equivalent salary in the international currency would cost less in USD than a domestic hire, we will offer to pay the employee in USD.

Examples

Salary for an intern living in a low cost of living area (lowest possible salary)

- Job level: -2
- Years at WAI: 0
- Cost of living adjustment: 0.9
- Total: **\$40,365.00 = (52850 + 4000*-2 + 0)*0.9**

Salary for a research associate in a high cost of living area after 2 years working at WAI:

- Job level: -1
- Years at WAI: 2 → Coefficient = $40,000 / (1 + \exp(-0.25 * (2))) - 20,000 = 4898.37$
- Cost of living adjustment: 1.1
- Total: **\$59,123.21 = (52850 + 4000*-1 + 4898.37)*1.1**

Salary for a director working at WAI for the past 10 years, in a medium COL area:

- Job level: 4
- Years at WAI: 10
- Cost of living adjustment: 1
- Total: **\$85,815.67**

SOP for implementing the salary algorithm

We use the salary algorithm to generate or update a person's salary at each of the following points:

1. Before we post a job opening.
2. When we make an offer to a candidate.
3. When we update the budget in March of each year.
4. When a person is promoted or otherwise changes roles.
5. When a person moves their place of residence.
6. When we change the salary algorithm.

SOP for reviewing the salary algorithm

1. By April 1, 2024: Reassess how we reward years spent at WAI, including whether to add loyalty bonuses such as additional vacation time.
2. By April 1, 2026, and every 5 years thereafter, we will perform a salary audit to make sure that the market rate adjustment has not led to particular identity groups receiving lower salaries than others for the similar work.
3. Whenever we hire for a new role, we will assess whether the salary algorithm has affected our ability to attract talented candidates.
4. Every year during annual budgeting, we will assess the algorithm to ensure it is generating a living wage for all roles.

The salary algorithm was approved by a unanimous all staff vote on April 9th, 2021.