



RI Housing Executive Director Compensation Study Results

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Table of Contents

Introduction	2
Methodology	3
Definitions	3
Market Pricing	4
Aging Data	4
Compensation Study Results	5
Market Analysis	5
Salary Range Placement	5
Findings and Recommendations	6

Introduction

CBIZ Compensation Consulting (“CBIZ”) was engaged by Rhode Island Housing Mortgage and Finance Corp (RI Housing) to conduct a comprehensive compensation study for its employees, which included the Executive Director.

To assist RI Housing in evaluating market competitive base salary for the Executive Director, CBIZ gathered salary information from publicly available sources for specific quasi-governmental organizations in the state of Rhode Island.

The remainder of this report will explain the methodology and expand on this summary to clearly document the approach taken to analyze RI Housing’s current compensation level for the Executive Director.

Methodology

Definitions

Base Salary: the annual fixed rate that an individual is paid for performing a job.

Data Points:

- 25th percentile: the value in an array that falls at the first quarter of the sampled data (75% of the values in the sample are greater than the 25th percentile value).
- 50th percentile: the value in an array that falls in the middle or median of the sampled data (half of the values in the sample fall above this value and half fall below it). This is the data point of reference for the proposed pay range.
- 75th percentile: the value in an array that falls at the third quarter of the sampled data (25% of the values in the sample are greater than the 75th percentile value).

Compa-ratio: the employee's current salary divided by a market comparison point, which is usually the market 50th percentile. An employee whose salary equals the 50th percentile of the market has a compa-ratio of 100%. A compa-ratio of less than 100% indicates that the employee's salary is less than the 50th percentile of the market, and a compa-ratio greater than 100% indicates that the employee's salary is greater than the 50th percentile of the market.

Market Pricing

Compensation Philosophy

According to a recent WorldatWork survey of market pricing practices, most organizations (approximately 85%) utilize a compensation philosophy that strives to compensate employees at the median of the competitive labor market. Median pay is the point at which half of the employers pay more and half pay less.

Based on CBIZ's discussions with RI Housing, it intends to be competitive with its level of pay, which generally corresponds to setting the pay range at the market median.

Peers

RI Housing identified a group of peer quasi-governmental organizations located in Rhode Island that RI Housing competes with for executive talent. The following peer organizations were identified and included in the analysis.

- I-195 Commission
- Narragansett Bay Commission*
- Quonset Development Corporation*
- Rhode Island Convention Center Authority
- Rhode Island Health and Educational Building Corporation*
- Rhode Island Infrastructure Bank*
- Rhode Island Public Transit Authority
- Rhode Island Resource Recovery Corporation
- Rhode Island Student Loan Authority
- Rhode Island Turnpike and Bridge Authority

Aging Data

Data must be adjusted to account for market pay movement between the time the pay data was published and when the data is to be used. All salary data were aged to reflect estimated market pay as of January 1, 2025. Data was aged using a factor of 3.6%, which reflects the 12-month increase in compensation average as reported by the Bureau of Labor Statistics' *Employment Cost Index* and WorldatWork's *Salary Planning Survey*.

*In the peer list above, an asterisk indicates a peer organization where updated data was not available. For these peers, CBIZ utilized 2023 base salary data and aged the data one extra year using an adjustment factor of 4.1%. This method of aging provides up-to-date salary data and allows for an "apples to apples" comparison across all peer data points.

Compensation Study Results

Market Analysis

The following table displays the raw and aged market data for each peer organization. The summary market data and corresponding compa-ratios are reported for the 25th, 50th, and 75th percentiles.

Peer Organization	Title	January 2023 Raw Base Salary	January 2024 Raw Base Salary	Aged Base Salary (Jan 1. 2025)
RI Resource Recovery Corporation	Former Exec Director	253,239	277,649	287,672
RI Student Loan Authority	Exec Director	230,217	237,120	245,680
RI Convention Center Authority	Exec Director	205,000	218,600	226,492
I-195 Commission	Exec Director	211,000	213,637	221,349
RI Public Transit Authority	CEO	177,745	181,795	188,358
RI Turnpike and Bridge Authority	Exec Director	169,947	182,787	189,386
RI Infrastructure Bank*	CEO	281,139	--	303,357
RI Health and Educational Building Corporation*	Exec Director	240,945	--	259,987
Quonset Development Corporation*	Managing Director	220,802	--	238,252
Narragansett Bay Commission*	Exec Director	204,139	--	220,272

Summary Market Data

	Current Base Salary	Market Data Percentiles			Comp-Ratios (Actual/Market)		
		25th	50th	75th	25th	50th	75th
Executive Director							
Base Salary	\$229,195	\$220,541	\$232,372	\$256,410	104%	99%	89%

Salary Range Placement

As part of the organization-wide compensation study, CBIZ developed a salary structure for all of RI Housing's jobs. CBIZ placed the Executive Director position into a salary grade 16 within the proposed structure.

The salary range for grade 16 is provided below. In the proposed salary range, the salary grade midpoint is set to approximate the market median. A range spread of 55% has been applied around the range midpoint. The range spread is the difference between the range minimum and range maximum. A range spread of 50-60% is typical for an Executive Director position.

Grade	Minimum	Midpoint	Maximum	Range Spread
16	\$182,095	\$232,171	\$282,247	55%

Findings and Recommendations

- The Executive Director's base salary compa-ratio is 98.6% when compared to the market 50th percentile. This indicates that base pay is approximately 1.4% below the peer organization base salary market median.
- Base salary between the 25th and 75th percentile is generally considered market competitive:
 - 25th percentile – Reflects entry level pay for someone new to a role and learning on the job
 - 50th percentile – Typically paid to someone fully proficient at the roles and responsibilities of the job
 - 75th percentile – This point can be reached through extensive tenure and/or outstanding performance
- Based on the incumbent's five years of experience within the position, the Board may consider moving compensation to the midpoint point of the proposed salary range assuming individual and organization performance has met or exceeded expectations. The cost to move base salary to the midpoint of the range is approximately \$2,976 or 1.3% of base salary.
- RI Housing should consider multiple factors when reviewing/adjusting compensation levels including:
 - Unique qualifications and areas of knowledge required
 - Time in position
 - Compensation philosophy
 - The market data contained in this report
 - Individual performance
 - Organization performance
 - Market opportunities for the incumbent and potential impact should the incumbent leave the Organization
 - Budgetary constraints
- Annually update the salary range and evaluate annual employee pay increases based on market pay trends. In order to reduce the administrative burden associated with both, CBIZ will provide annual recommendations for structure updates and salary increase budgets for five years after the study.
- For the Executive Director position, conduct a market review every two to three years to ensure the salary range remains market competitive.