CDFI Loan Fund Compensation and Benefits Survey

Data in effect March 1, 2017

Sponsored by

OPPORTUNITYFINANCE NETWORK

Quatt ASSOCIATES
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About Quatt Associates

We are a management consulting firm dedicated to enabling the nonprofit community to operate more effectively and strategically. We specialize in:

- CEO/senior executive compensation and IRS compliance (Intermediate Sanctions)
- Staff compensation systems
- Compensation surveys and research
- Staff compensation benchmarking and analysis
- Benefits benchmarking and analysis
- Executive and staff performance management systems
- Strategic planning
- Organizational diagnostics and organizational effectiveness
- Organizational performance metrics and leadership assessments
- Employee opinion surveys
Introduction

This is the Participant Report for the 2017 Community Development Financial Institution ("CDFI") Compensation and Benefits Survey sponsored by Opportunity Finance Network® ("OFN").

Report Contents

The survey includes summary data for:

♦ Compensation for twenty-one benchmark positions, including the Chief Executive Officer
♦ Compensation for the top five compensated executive and senior management positions (ranked by total cash compensation)
♦ CDFI benefits prevalence and cost
♦ CEO contract and tenure

For all positions, the survey provides data on base salary, bonus/incentive target, actual bonus/incentive compensation, total cash compensation (base plus bonus), and most recent base salary increase. In addition, for the Chief Executive Officer, we provide data on the cost to the CDFI of the CEO’s benefits, qualified retirement, deferred compensation, and perquisites broken down.

For each position, in addition to reporting aggregate data across all participants, we have also provided data by:

♦ Asset Size (On Balance Sheet Assets)
♦ Number of Employees
♦ Headquarters Location
♦ Service Area

Effective Date of Data

All base salary data is effective as of March 1, 2017, and bonus/incentive compensation data is effective for the respondents’ most recently completed fiscal year.

Additional Data Source—American Bankers Association 2016 Compensation & Benefits Survey

With permission from the American Bankers Association ("ABA"), we have reproduced the most relevant cuts of data from their 2016 Compensation & Benefits Survey for each position in this survey, to provide mainstream bank data for reference purposes. Data for the ABA survey typically represents the annual year 2015.

In the ABA tables, “Commercial Bank” reflects the type of bank charter and includes all asset sizes in the data.

Participants

One hundred forty-three CDFIs participated in this survey. Because not all CDFIs provided data for all positions, the number of responses reported for a given position may be less than one hundred forty-three. The names of the participating CDFIs are listed in the Appendix.
Methodology

We distributed survey questionnaires in April 2017 to obtain the data for this study. Survey participants were asked to match positions within their own CDFI to survey position descriptions. For the non-executive positions, participants often have more than one incumbent. Survey participants have averaged the data for their CDFI in order to produce a single number for each benchmark position.

Survey respondents reported annual base salary data as of March 1, 2017. We requested that they report the most recent bonus/incentive awarded on an annual basis. Please note that the bonus/incentive compensation summary data is based only on those incumbents actually receiving bonus/incentive compensation. As a result, the sum of the summary base salary compensation and summary bonus/incentive compensation does not necessarily equal the summary total cash compensation.

Data Cuts

In this report, we also present compensation data by several data cuts. In order to allow the best possible matches by different factors, we have organized the data into the following groups:

<table>
<thead>
<tr>
<th>Data Cut</th>
<th># CDFIs</th>
<th>Median 2017 On Balance Sheet Assets</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Asset Size</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than $10M</td>
<td>63</td>
<td>$3.4M</td>
</tr>
<tr>
<td>$10M to $29.9M</td>
<td>32</td>
<td>$18.9M</td>
</tr>
<tr>
<td>$30M to $59.9M</td>
<td>23</td>
<td>$39.0M</td>
</tr>
<tr>
<td>Greater than $60M</td>
<td>25</td>
<td>$98.9M</td>
</tr>
<tr>
<td><strong>Number of Employees</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>0 to 5.0</td>
<td>44</td>
<td>$3.5M</td>
</tr>
<tr>
<td>5.1 to 10.0</td>
<td>29</td>
<td>$9.3M</td>
</tr>
<tr>
<td>10.1 to 25.0</td>
<td>37</td>
<td>$19.2M</td>
</tr>
<tr>
<td>Greater than 25</td>
<td>32</td>
<td>$65.2M</td>
</tr>
<tr>
<td><strong>HQ Location</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Major Urban</td>
<td>79</td>
<td>$11.3M</td>
</tr>
<tr>
<td>Minor Urban</td>
<td>39</td>
<td>$19.2M</td>
</tr>
<tr>
<td>Rural</td>
<td>24</td>
<td>$12.5M</td>
</tr>
<tr>
<td><strong>Service Area</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>National</td>
<td>14</td>
<td>$65.3M</td>
</tr>
<tr>
<td>Multi-State</td>
<td>25</td>
<td>$33.7M</td>
</tr>
<tr>
<td>State</td>
<td>42</td>
<td>$18.3M</td>
</tr>
<tr>
<td>County/Counties</td>
<td>33</td>
<td>$7.5M</td>
</tr>
<tr>
<td>City/Metro Area/Neighborhood</td>
<td>27</td>
<td>$6.4M</td>
</tr>
</tbody>
</table>
Summary Statistics
In an effort to present the most meaningful data and to protect the confidentiality of data from individual CDFIs, we have reported summary data using the following criteria:

<table>
<thead>
<tr>
<th>Summary Statistics Reporting Guidelines</th>
</tr>
</thead>
<tbody>
<tr>
<td>Five or more responses</td>
</tr>
<tr>
<td>Four responses</td>
</tr>
<tr>
<td>Three responses</td>
</tr>
<tr>
<td>Fewer than three responses</td>
</tr>
</tbody>
</table>