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We help charter school boards  
deliver exceptional results.

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Our nation's public school system is broken.  
You've proactively chosen to be part of the solution.

Nuclear  
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Poet  
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Webinar | October 28, 2020

# Charter School CEO Compensation and Turnover

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The surprising factors influencing charter school CEO compensation and turnover.  
And what boards can do about it.

Presented by





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# Today, we'll share:

- What charter school CEOs earn
- Where we found disparities in their salaries
- Why CEOs are choosing to look for new roles
- What boards can do to keep their CEOs

But first:

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# **Why do we call charter school leaders CEOs?**

And:

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# About the data

# The respondents to our survey represent a cross-section of today's charter school community.

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- 77 CEOs
- Single-site and multi-school organizations
- New and highly experienced
- Many are BoardOnTrack members
- Geographically diverse, representing rural and urban communities in 25 states
- Demographically diverse -- in age, race, and gender



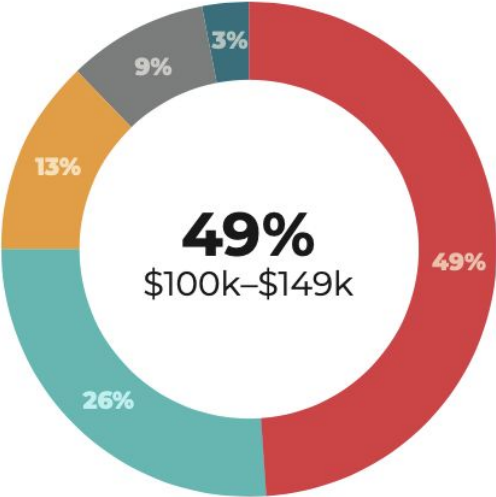
# What

# Charter School CEOs Earn

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# At face value, charter school CEOs' compensation nationwide is fairly simple.

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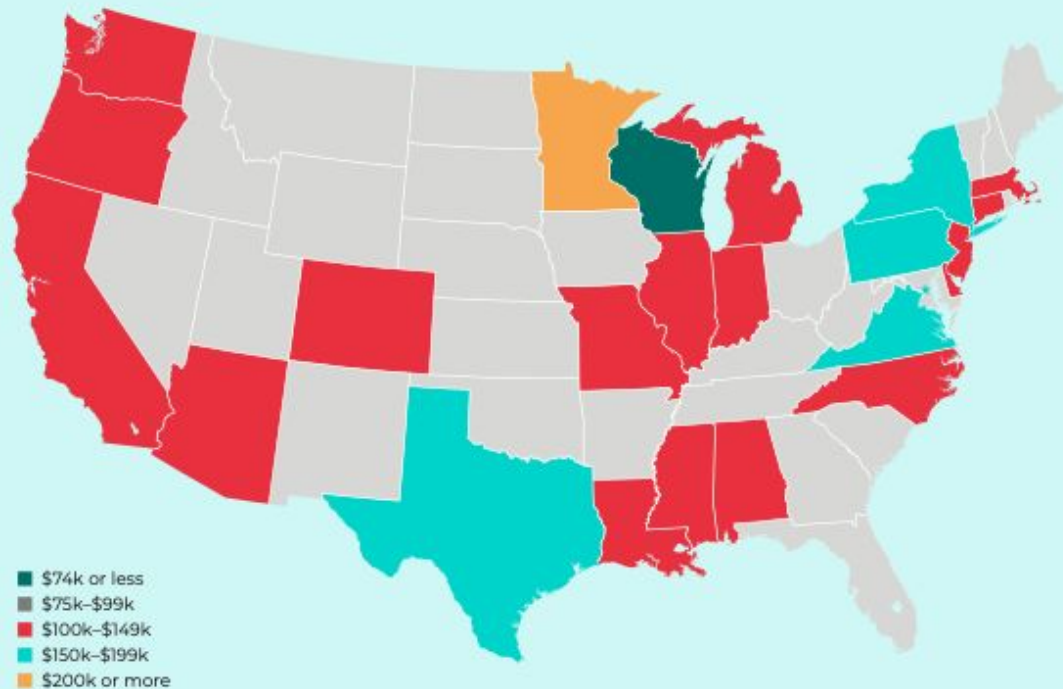
- Nationwide, the majority (75%) earn between \$100k and \$199k annually.
- 12% earn salaries below \$100k annually
- 13% earn salaries of \$200k or more annually

■ \$74k or less      ■ \$150k-\$199k  
■ \$75k-\$99k      ■ \$200k or more  
■ \$100k-\$149k

**Salary ranges are somewhat influenced by geography.**

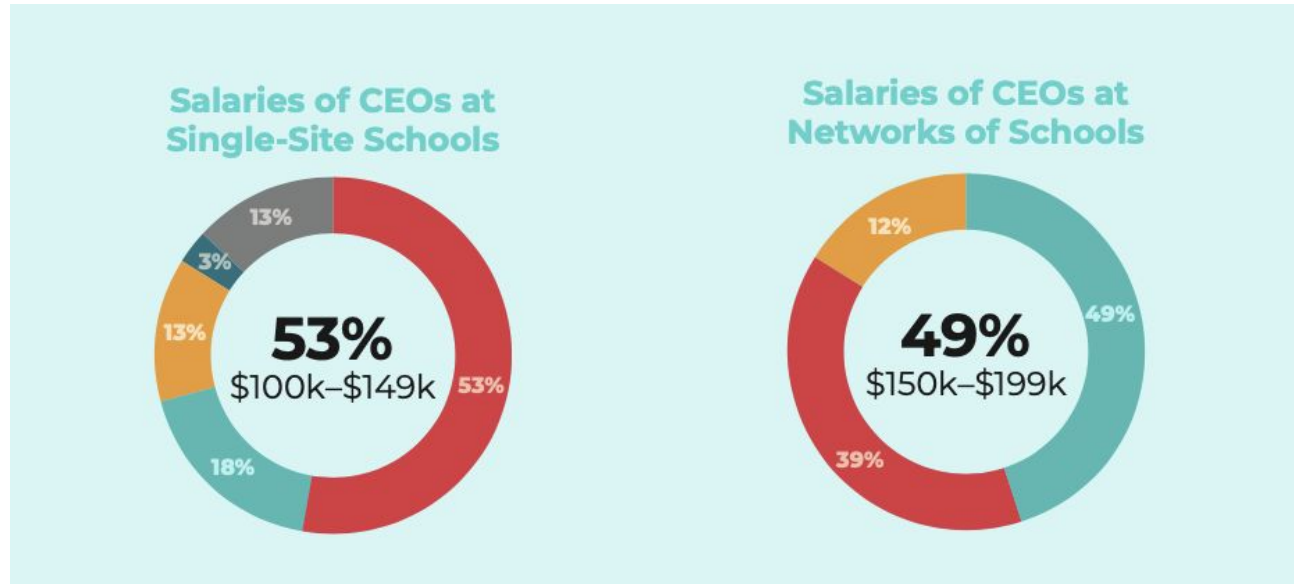
While averages are fairly even, the CEOs in the higher salary brackets (\$150k-\$199k) and (\$200k+) tend to be in states where the cost of living is elevated.

### Average Charter School CEO Salary by State



# CEOs at networks of schools are far more likely to fall in the higher salary brackets, regardless of location.

- \$74k or less
- \$75k-\$99k
- \$100k-\$149k
- \$150k-\$199k
- \$200k or more



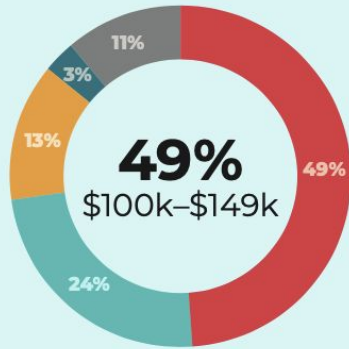
# **Where We Found Disparities In CEO Salaries**

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**Largely, CEOs' salary ranges are  
evenly distributed across women and men.  
With one exception...**

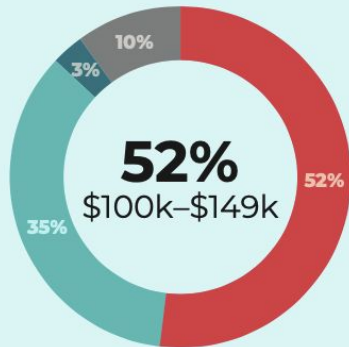
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## Men's Salaries



→ 13% of the men surveyed earn \$200k or more

## Women's Salaries



→ None of the women surveyed earn at this level



**In addition, we found that CEOs who partner effectively with their boards earn more.**

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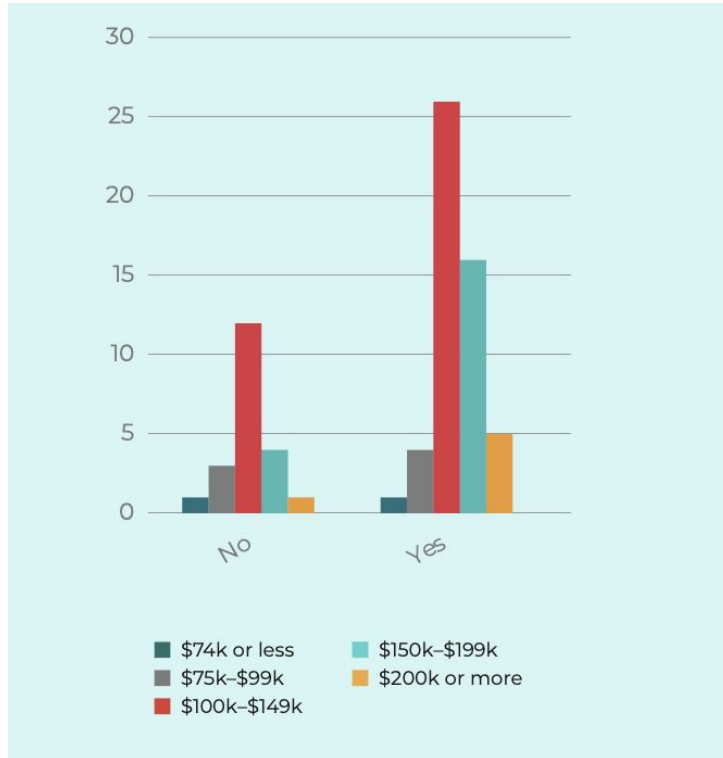


# CEO salaries grow with their boards' understanding of their roles.



- The average salary of CEOs whose boards understand their role **well** or **very well** is higher
- Among CEOs whose boards understand their role well or very well, 89% earn \$100k or more.
- The only CEOs who earn \$200k or more report their boards understand their role well or very well.

## CEO salaries grow with consistent CEO evaluation processes

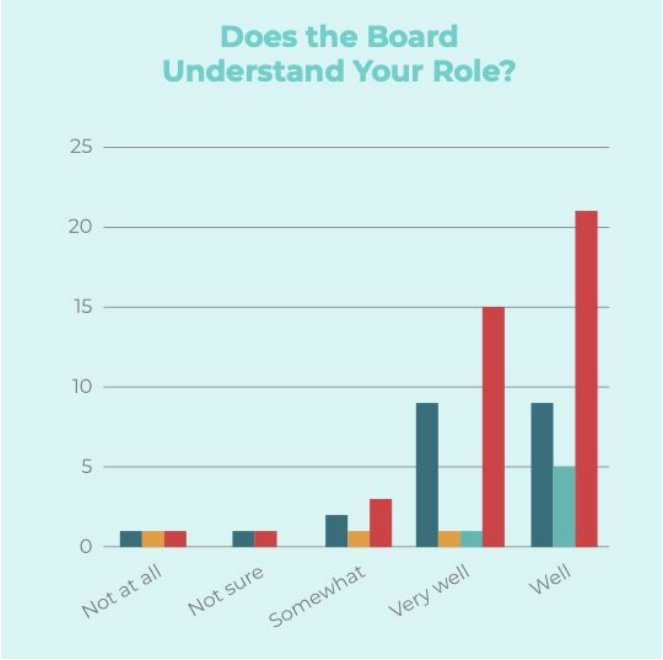


- CEOs are more likely to earn \$100k+ range if their board follows a consistent CEO evaluation process.
- 90% of CEOs who have a consistent CEO evaluation earn at this level.
- CEOs who don't have a consistent evaluation seem to be twice as likely to fall below the \$100k salary mark (20% of those who don't have a consistent process vs. 20% of those who do)

**CEOs who've received pay increases  
in the last year...**

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# CEOs who've received pay increases in the last year have boards who understand their role.

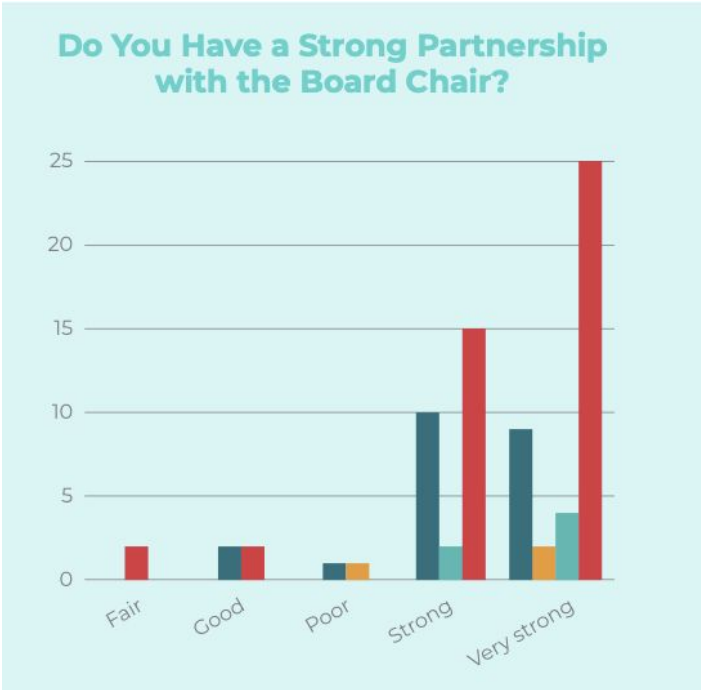


CEOs who state their boards understand their role **well** or **very well** are far more likely to also report having received a pay increase in the last year.

**Respondents who have received a pay increase**

- No
- Not yet, and I'm not sure I will
- Not yet, but I expect it
- Yes

# CEOs who've received pay increases in the last year have a strong partnership with their board chairs.



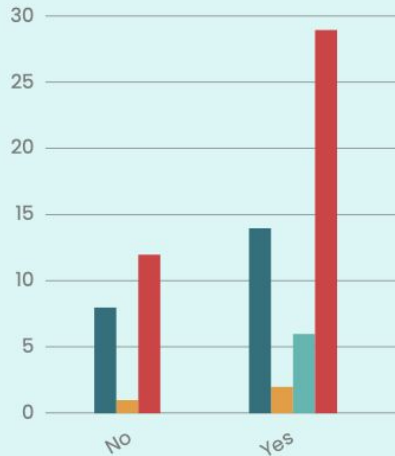
CEOs who've received a pay increase in the last year are far more likely to rate their partnership with their board chairs as **strong** or **very strong**.

**Respondents who have received a pay increase**

- No
- Not yet, and I'm not sure I will
- Not yet, but I expect it
- Yes

## CEOs who've received pay increases in the last year follow a consistent CEO evaluation process

### Do You Follow a Consistent CEO Evaluation Process?



#### Respondents who have received a pay increase

■ No ■ Not yet, and I'm not sure I will ■ Not yet, but I expect it ■ Yes

CEOs who've received a pay increase in the last year are far more likely to state that they do follow a consistent CEO evaluation process.

# **Why CEOs Are Choosing To Look For New Roles**

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# CEOs with a strong board-CEO partnership are far less likely to have plans to leave.

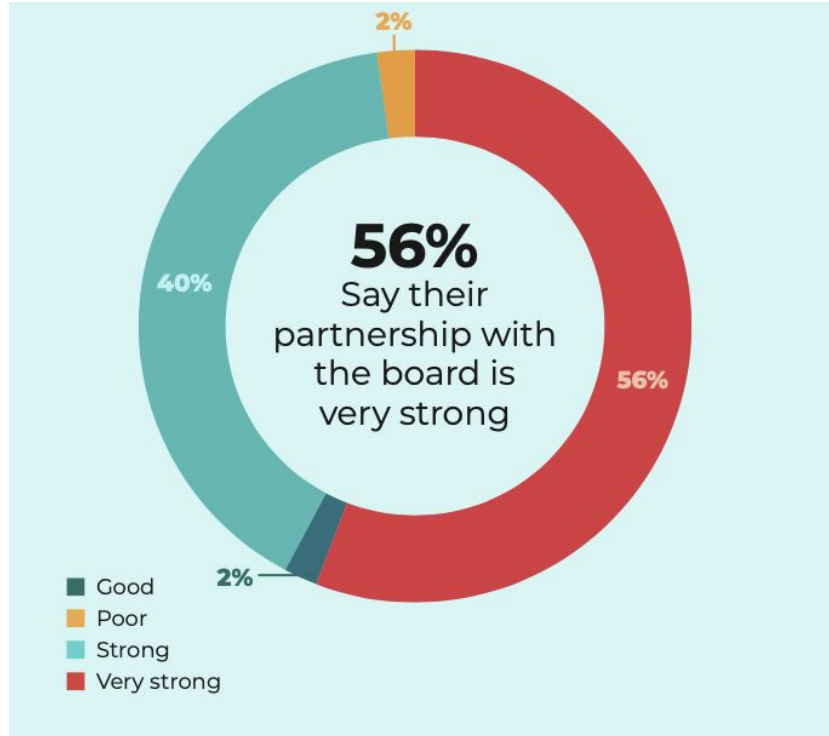
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- 92% of CEOs who are not likely to look for a job say their boards understand their role well.
- 96% of CEOs not likely to look for a job say they have a strong or very strong partnership with the chair.



## CEOs who are not likely to look for a new role in the next year.



Nearly every CEO who rates their partnership with their board chair as **strong** or **very strong** is not likely to look for a new role in the next year.

# **What Boards Can Do To Keep Their CEOs**

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What boards can do to keep their CEOs...

# **1. Understand the CEO's role well.**

# What's standing in the way of boards understanding their CEOs' roles well?

**CEOs who aren't confident about how well their boards understand their roles cite board members who:**

- are not educators themselves
- struggle to grasp the governance-management line
- don't understand the CEO's role beyond the general idea of being top executive
- aren't unified: some board members understand better than others
- haven't evolved alongside the increasing complexity of multi-site or growth-mode organizations

## **Two additional challenges were cited frequently enough to warrant discussion:**

Inclusion of certain internal stakeholders on the board further challenges the board's understanding of the CEO role.

**“Most [board members] are parents of the school so there are times they struggle with board vs. parent roles.”**

CEOs whose boards understand their role well still find board turnover to be a challenge.

**“Half the board is new within the last year”**

**“Our board has experienced turnover and I am not certain that they all understand my role in the way that our original board did. I must do some training for them.”**

**“We have new board members that do not know their role well.”**

# Five key differences among boards who understand the CEO's role very well.

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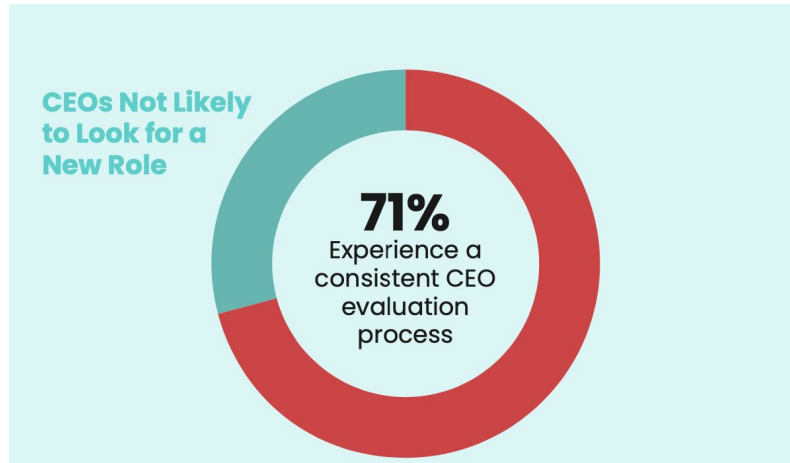
1. Partnership and communication
2. CEO proactively guides the board
3. Board training and professional development
4. CEO goals that the board understands
5. Governance-management line is maintained

What boards can do to keep their CEOs...

**2. Consistently run an annual CEO evaluation.**



# A consistent CEO evaluation strengthens the board-CEO partnership.



71% of CEOs who experience a consistent CEO evaluation process say they're not likely to look for a new role in the near future.

# What's standing in the way of a consistent evaluation process in many charter schools?

Here's what CEOs told us.

12%  
"The board runs the evaluation inconsistently; it's different year to year, or doesn't happen every year."

11%  
"The board hasn't prioritized this as a main function."

33%  
"The board hasn't defined a consistent process, or is just beginning to define one."

11%  
"We're in our founding year, the board is still figuring things out."

14%  
"This is our first year with a process; I can't say how consistent it'll be."

# Put this knowledge into action today...

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1. **Discuss with your board:**

How do you stack up against the five key differences for boards who understand their CEO's role well?

2. **Run an annual CEO evaluation**

Members can use the BoardOnTrack evaluation tool.

3. **Join the next webinar:**

CEO Succession Planning for Charter Schools

4. **Watch for an invitation**

to join our private online community forum

# **Knowledge + Action = Results**

How can we help you put this knowledge into action?

Ask us anything!