

## **United Way CEO Ranks 1st in Study of Benefits**

**Gloria Pace King's pension is unusually big for someone with 17 years of service.**

By Kerry Hall and Mark Price

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Gloria Pace King's combined salary and benefits package is the highest among 31 United Ways around the country, based on an Observer analysis of tax records.

Her salary ranks fourth.

It includes a bonus that was the biggest among a sampling of 14 agencies of similar or larger size.

Her expense account is at least a third higher than her peers.

Yet, King's retirement package sets her most apart.

She'll receive a full, lifetime pension of more than \$200,000 a year – 60 percent of her pay. Experts say that level is typically reserved for 30-year employees. King, expected to retire within three years, would receive it after 17.

In 2007 the board of directors of United Way of the Central Carolinas increased King's benefits contributions more than sevenfold to \$822,000. She will receive retirement payments of roughly \$500,000 for the next three years – part of an accelerated effort, the board says, to bring King's pension to where it should be. Those payments, the board says, skew any comparison of King's salary and benefits.

But even without the increase, King's former pension payment of more than \$108,000 was the largest among the United Ways surveyed – many of which serve more people and raise more money.

The board has declined to explain why the catch-up payments are needed; to give details of how it arrived at the size of King's pay package; and to release minutes of board meetings that could shed light on the issue.

Thursday evening, the Observer gave the board's public relations firm a list of questions related to the paper's findings. The firm said the board would try to provide answers by Monday.

Monday, the board again declined comment.

The board planned to hold a closed-door meeting this morning. Chairman Graham Denton declined Monday to provide details.

King will not attend, said her attorney, Bill Diehl. Diehl told the Observer last week that King signed a three-year contract in January. He said she hired him after the Observer and its TV news partner, NewsChannel36, questioned King's pay in June.

King, president and chief executive since 1994, has declined comment throughout. Her board has said she has earned her salary and benefits.

The United Way of Central Carolinas ranks among the United Way's top 20 largest fundraisers. The watchdog group Charity Navigator gives King's agency high marks for efficiency.

The board credits King with boosting the agency to No. 2 in the number of donors giving at least \$10,000.

Under King, said former chairman Mac Everett, the agency's board has assumed a higher profile with the corporate community. Today, the 60-plus-member group includes bank presidents, university chancellors and executives from some of the area's most important companies.

Russell Robinson, a longtime board member who hired King, says she has built the best United Way in the country.

"Everybody knows Gloria," says Neil Belenky, the retired CEO of the Greensboro United Way. "And they know Charlotte because of her."

But lingering questions over King's pay and the board's handling of donor money threaten the agency's annual campaign, set to start next week. The United Way supports 91 agencies. Last year, the United Way said its drive raised \$43.5 million, more than double the amount from King's first year.

Aaron Dorfman, executive director of the National Committee for Responsible Philanthropy, says the Charlotte board "is out of touch" with reasonable compensation for a nonprofit CEO.

"The numbers speak for themselves," he said. "It's obvious they're providing her with a much higher-than-usual benefits package, even when compared with other United Ways, which typically provide compensation packages much higher than the rest of the charitable sector."

### **Bonus quadrupled**

Giving King a full pension more than a decade earlier than most employees will mean an extra \$70,000 a year for life, estimates Dan Farrell, a Michigan-based accounting expert and consultant on compensation and benefits issues.

"I don't see too many people getting deals like that," he said.

Companies typically pay between 5 percent and 15 percent of an executive's salary on benefits each year, said Linda Lampkin, researcher director with ERI Economic Research Institute, which studies nonprofit compensation.

In 2007, King's benefits were three times her salary. In 2006, they amounted to 22 percent. This year, they stand to be almost twice as much.

Her bonus more than quadrupled in less than a decade – hitting \$90,000 last year, or about a third of her salary.

Cities such as Seattle, Indianapolis and Birmingham did not offer bonuses.

Others, such as Philadelphia, Cleveland and Dallas, pay bonuses of 10 to 20 percent of CEO salaries. In Dallas, that amounted to \$64,000 in the 2006 fiscal year, the next highest amount from the agencies surveyed.

In Winston-Salem, where the bonus is up to 10 percent of the annual CEO salary, the bonus amounted to \$18,500.

### **Perceptions of excess**

Belenky, Greensboro's former United Way CEO, said there has been a disconnect between United Way boards and the public. He said boards are typically made up of successful business leaders who bring corporate practices to a nonprofit entity. Those practices including paying top-level salaries to successful CEOs such as King.

That can lead to a perception of excess. Belenky said he experienced it firsthand when he told his board he wanted to leave a year early but keep his full retirement.

“The board and I were from two very different worlds,” he said. “They were trying to do right by me, but there are options they presented that simply would not have translated well in the public sector.”

Gary Dollar, CEO of the United Way of Greater St. Louis, earned \$254,487 last year and received roughly \$76,000 in benefits.

“We believe in people knowing how the money that they invest in us and the community is spent,” he said.

He said he wouldn't share specifics about other employees to protect their privacy. But as for his pay: “I'm the top here, the leader. You have a right to know.”

Charlotte philanthropist David Barnhardt, who intends to withhold his United Way donation for the first time in 40 years, said the upcoming campaign will take a hit over the controversy.

The best local agency leaders can do now, he said, is come clean about the compensation

issue, then release a copy of King's contract and the minutes of the meetings in which the board voted on her pay. "It all comes back to transparency," Barnhardt said.

Staff writers Eric Frazier, Michael Gordon, Gary Wright and Nancy Wang contributed.

*Photo: United Way President, Gloria Pace King.*

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