

This document proposes a few methods an organization could use to generate a list of anonymized compensation data, to help people outside the organization to understand how they compensate their staff.

This document does not represent any organization with which I am affiliated. Conversely, any organization or group is free to link to this document if they want to use it for any purpose.

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Rationale (for org outsiders)

From the outside of an organization, I find it easier to think about the org in concrete detail if I have some awareness of the distribution of annual compensation amounts that they pay to their staff, even if I don't know to what roles the various amounts are being paid. For instance, take a look at these two lists of compensation

Example Org A (3 staff)	Example Org B (6 staff)
~\$150k	~\$100
~\$135k	~\$65
~\$115k	~\$65
	~\$60
	~\$55
	~\$55

To me, these two orgs feel very different at a glance. Perhaps they do to you as well, even if our reasons or conclusions might be very different.

It's often possible to construct an estimate of this sort of information about an organization from publicly available facts. E.g.:

1. Look at their total funding intake (e.g., from public fundraiser pages and/or Form 990s),

- 2. Look at their website to get a sense of how many people are on their team, and in what roles
- 3. Use their publically available Form 990's to subtract out compensations for their top-paid employees,
- 4. Calculate an average salary for the remaining staff, and add in some variance based on the roles of those staff.

While doing this kind of work is somewhat time-consuming, having a list like this is valuable because it makes it easier to think about the org at-a-glance, e.g., if you're comparing them against lots of other orgs, or if it's going to be a long time before you think about this org again.

To the extent that orgs might be willing to generate very-roughly-accurate lists of compensation amounts, the total effort involved in this process can be reduced, and the information can be made more up-to-date. The rest of this document describes some methods for orgs electing to do just that.

Methods (for orgs)

Below are some methods that organization managers or directors might consider using to share anonymized compensation information with specific outsiders or the public. Hopefully one of these methods might appeal to your org for one or more use cases, but I offer no guarantees. Depending on your org's culture, you might want to ask your staff before providing the information to outsiders.

Method 1 (easiest):

Share a complete list of compensation amounts not linked to names or titles:

Example:

Private compensation list:	Shared compensation list (no names/titles)
Alex (CEO): \$82k Bailey (COO): \$77k Cody (CFO): \$74k --- Total: \$233k	\$82k \$77k \$72k --- Total: \$233k

Method 2 (most privacy):

Step 1: Generate a private, ranked list of salaries at your org.

Step 2: For each salary, generate a random number between -\$3000 and \$3000, and add that to the salary. For instance, you can use the following link to generate a list of 100 such numbers:

<https://www.random.org/integers/?num=100&min=-3000&max=3000&col=1&base=10&format=html&rnd=new>

Adding random numbers means that readers of the shared list do not possess the exact salary of anyone at the org, which would make it harder for a hacker to use the exact numbers in an act of identity theft. It also makes it harder for an outsider to infer the identities of the remaining people on the list if they find out the identity of one of the people.

(I chose a random number limit of \$3,000 somewhat arbitrarily because it felt like a good trade-off between total accuracy and privacy, all things considered. There are methods in differential privacy for optimizing this number with respect to certain constraints, but not all of the soft constraints here are easy to represent in that formalism, so I just picked \$3k.)

Step 3: Report the resulting list of randomly-altered salaries, with no names or titles attached.

Example:

Actual compensation list:	Shared compensation list (no names/titles)
Alex (CEO): \$82k	~\$84,500
Bailey (COO): \$77k	~\$76,000
Cody (CFO): \$74k	~\$72,000
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Total: \$233k	Total: ~ \$232,500

Method 3 (most transparency):

If you choose to share salary information linked to job titles, it is even more helpful to outsiders in that it helps us build our understanding of how different roles are compensated in the ecosystem of organizations that your team is a part of.

However, there are a few reasons an org might wish to consider against this option:

- (non-necessity) relevant outsiders might not consider this information strictly necessary for thinking about your org.
- (decipherability) outsiders would implicitly know the approximate salaries of specific individual staff at the org, which might be uncomfortable for those staff.

- (hackability) If an authorized third party ever obtained the data, they could potentially use it to decypher salaries linked to names and publish and/or otherwise abuse the data.

Nonetheless, I've included this method in case some orgs actively prefer to share salary information linked to titles.

In such a case, I would still suggest adding random numbers to the salaries as a minor adjustment to decrease the probability that the precise number would ever be used in a future act of identity theft. For instance, you can use the following link to generate a list of 100 such numbers to add to the amounts:

<https://www.random.org/integers/?num=100&min=-3000&max=3000&col=1&base=10&format=html&rnd=new>

Example:

Actual compensation list:	Shared compensation list (titles only)
Alex (CEO): \$82k Bailey (COO): \$77k Cody (CFO): \$74k --- Total: \$233k	CEO: ~\$84,500 COO: ~\$76,000 CFO: ~\$72,000 --- Total: ~\$232,500

Happy sharing!

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