

Surveying Trade Group Salaries

By Carol Matlack
and Jennifer Caspar

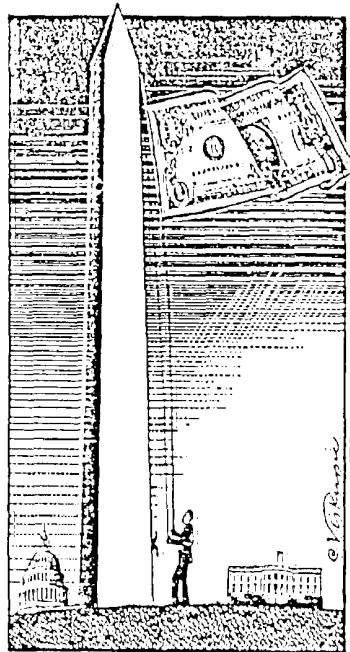
Congress is still reeling from the defeat of a plan to raise salaries for Members and some top federal executives and judges to as much as \$135,000. But in the Washington executive suites of major trade associations, \$135,000-a-year salaries are almost as obsolete as manual typewriters and rotary telephones.

A *National Journal* survey of nearly 130 trade and interest groups shows that top officers' compensation averaged almost \$200,000 in 1987, the most recent year for which information is available. (See next page.) Seventeen executives earned \$300,000 or more, with four topping the \$500,000 mark. Some drew six-figure salaries for working just part-time. Only 12 full-time executives received less than \$89,500, the current salary for most Members of Congress.

The information comes from documents that the groups file annually with the Internal Revenue Service (IRS) as a condition of their tax-exempt status. Under a little-noticed 1987 law, tax-exempt groups now must make the documents available for public inspection.

The highest-paid officers in the survey were American Medical Association (AMA) executive vice president James H. Sammons (\$697,718), Motion Picture Association of America president Jack J. Valenti (\$659,777), National Cable Television Association president James P. Mooney (\$558,813), Edison Electric Institute president William McCollam Jr. (\$550,328), former Interstate Natural Gas Association of America president Jerome J. McGrath (\$424,783), Food Marketing Institute president Robert O. Aders (\$405,882), American Insurance Association president Robert E. Vagley (\$398,107), and U.S. Chamber of Commerce president Richard L. Leshner (\$392,226).

At the bottom were consumer and public-interest groups, including some critics of the congressional pay raise. The lowest-paid full-time officer was Consumer Federation of America executive director Stephen Brobeck (\$38,147), followed by Public Citizen



president Joan B. Claybrook (\$40,000) and National Taxpayers Union chairman James D. Davidson (\$44,563). (Ralph Nader, who helped lead the fight against the pay raise, founded Public Citizen but draws no salary.)

Nonprofit association salaries in Washington are among the highest in the country. A 1988 survey by the American Society of Association Executives pegged the Washington-area average for chief executives at \$111,400, while second-ranked New York City's average was \$98,400. Associations pay close attention to what the competition is paying, often hiring consultants to survey salaries at other groups and recommend raises for their top brass. "We can't hipshoot with salaries. We have to have a formalized system," said Lawrence B. Kraus, vice president for administration at the U.S. Chamber, which hires two consultants and compares their findings before awarding raises.

Generally, associations with the biggest budgets pay their executives the most. Sammons of the AMA, for example, oversees a \$135 million-a-year operation. But with others, there is little correlation between budget and executive pay. The Futures Industry Association, for instance, spent \$328,600 of its \$2.1 million budget on

compensation for its president, John M. Damgard. And some large organizations, such as labor unions and the National Rifle Association (NRA), pay relatively modest salaries.

A few top-earning executives, such as Valenti of the Motion Picture Association and Leshner of the chamber, are well-known figures. Others have scored big victories; Mooney helped win deregulation for cable TV in 1984. But others, such as Aders of the Food Marketing Institute, rarely make news outside trade publications.

Salaries are much lower at the unions and interest groups, but some adversaries are surprisingly well matched. Reed Larson of the National Right to Work Committee and Legal Defense and Education Foundation (\$138,968) wasn't far behind AFL-CIO president Lane Kirkland (\$154,979). And although NRA executive vice president Warren Cassidy (\$98,977) was ahead of Handgun Control Inc. president Charles J. Orasin (\$64,143), Orasin was part-time.

The survey covered most trade groups with \$5 million-plus budgets and headquarters or offices in Washington, as well as several dozen groups in the \$1 million-\$5 million range and a few smaller groups. A handful of labor unions and interest groups also were included. Several powerful groups are missing, though. Some, such as the American Bar Association and the Association of Trial Lawyers of America, have not yet filed 1988 returns and do not have to disclose earlier returns because their 1987 fiscal years began before the law took effect. Others, such as the National Association of Realtors, the National Rural Electric Cooperative Association and the American Association of Retired Persons, do not classify their top executives as officers. The IRS requires only that salaries of "officers, directors and trustees" be disclosed.

Only the Associated Builders and Contractors would not disclose its filing, and the American Iron and Steel Institute declined to itemize salaries. *National Journal* filed complaints with the IRS against both groups. □

Additional research assistance was provided by Matthew S. Sucherman.

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The Wages of Leading an Association

Organization	1987 revenues	Highest-paid officer	Compensation*
Agriculture, food, beverage and tobacco			
American Farm Bureau Federation	\$13,303,165	Dean R. Kleckner, president	\$125,000
Beer Institute	3,696,822	James C. Sanders, president	205,641
Distilled Spirits Council of the United States	7,549,796	F. A. Meister, president	247,081
Fertilizer Institute	3,281,395	Gary D. Myers, president	247,949
Food Marketing Institute	19,803,578	Robert O. Aders, president	405,882
Grocery Manufacturers of America	7,290,737	George W. Koch, president	327,313 ¹¹
Natl. Beer Wholesalers Assn.	2,915,442	Ronald Rumbaugh, executive v.p.	152,647
Natl. Food Processors Assn.	13,737,029	Charles J. Carey, president	175,847
Natl. Milk Producers Federation	1,984,692	James C. Barr, chief executive officer	140,500 ¹
Natl. Soft Drink Assn.	4,791,008	Frederick L. Webber, president	229,205 ²
Smokeless Tobacco Council	2,835,224	Michael J. Kerrigan, president	224,089
Snack Food Assn.	1,992,703	John Cady, president	121,665
Tobacco Institute	33,550,113	Horace R. Kornegay, chairman	285,293
Banking, finance and insurance			
American Bankers Assn.	\$60,273,664	Donald G. Ogilvie, president	\$375,000 ¹¹
American Council of Life Insurance	26,102,332	Richard S. Schweiker, president	308,187
American Financial Services Assn.	3,518,245	Robert B. Evans, president	249,430
American Insurance Assn.	15,094,539	Robert E. Vagley, president	398,107
Assn. of Bank Holding Companies	1,342,446	Thomas L. Ashley, president	230,004 ¹
Assn. of Thrift Holding Companies	314,938	Patrick A. Forte, president	100,000
Bank Capital Markets Assn.	1,922,803	Richard L. LeCair, executive director	109,000
Consumer Bankers Assn.	2,435,600	Joe Belew, president	116,317
Credit Union Natl. Assn.	18,833,564	Ralph S. Swoboda, president	178,936
Financial Services Council	601,302	Samuel J. Baptista, president	172,200
Futures Industry Assn.	2,094,854	John M. Damgard, president	328,600
Independent Bankers Assn. of America	5,213,292	Kenneth A. Guenther, executive v.p.	130,000
Independent Insurance Agents of America	9,669,561	Jeffrey Yates, executive v.p.	67,200 ⁴
Natl. Assn. of Federal Credit Unions	2,723,546	Kenneth Robinson, president	80,000
Natl. Council of Savings Institutions	9,687,043	Mark J. Riedy, president	250,000
Securities Industry Assn.	12,214,660	Edward I. O'Brien, president	365,000
U.S. League of Savings Institutions	34,866,115	William O'Connell, president	300,000 ³
Communications and high technology			
ADAPSO, Computer Software and Services Industry Assn.	\$3,818,545	George T. DeBakey, executive director	\$105,975
American Electronics Assn.	8,030,520	J. Richard Iverson, president	185,625
Assn. of Independent Television Stations	2,513,070	Preston Padden, president	176,000
Competitive Telecommunications Assn.	1,179,072	Jerry McAndrews, president	131,333
Electronic Industries Assn.	23,766,442	Peter F. McCloskey, president	251,540
Industrial Biotechnology Assn.	1,352,090	Richard D. Godown, president	110,688
Motion Picture Assn. of America	22,683,165	Jack J. Valenti, president	659,777 ⁶
Natl. Assn. of Broadcasters	17,666,497	Edward O. Fritts, president	213,300
Natl. Cable Television Assn.	10,829,371	James P. Mooney, president	558,813 ⁷
U.S. Telephone Assn.	9,196,618	John Sodolski, president	162,000
Education and welfare			
American Assn. for the Advancement of Science	\$31,723,475	Alvin W. Trivelpiece, executive officer	\$107,192 ¹
American Assn. of School Administrators	7,668,207	Richard D. Miller, executive director	140,768
American Council on Education	13,326,627	Robert H. Atwell, president	146,592
American Public Welfare Assn.	2,681,748	Sidney Johnson, executive director	106,218
Assn. of American Medical Colleges	14,456,212	Robert G. Petersdorf, president	275,000
Assn. of American Universities	1,467,317	Robert M. Rosenzweig, president	147,445
Natl. School Boards Assn.	10,935,911	Thomas A. Shannon, executive director	121,751

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Energy and natural resources			
American Gas Assn.	552,114,132	George H. Lawrence, president	\$333,574
American Mining Congress	4,940,621	John A. Knebel, president	230,000
American Petroleum Institute	48,791,280	Charles J. DiBona, president	329,607
Bituminous Coal Operators Assn.	1,905,260	Joseph P. Brennan, president	153,881
Edison Electric Institute	72,184,244	William McCollam Jr., president	550,328
Independent Petroleum Assn. of America	2,700,000	H.B. Suggins, president	120,000
Interstate Natural Gas Assn. of America	2,637,288	Jerome J. McGrath, president	424,783 ¹
Natl. Coal Assn.	4,617,277	Richard L. Lawson, president	78,000
Natl. Forest Products Assn.	7,437,008	Barry E. Cullen, president	101,367
Natural Gas Supply Assn.	2,447,108	Nicholas Bush, president	140,000
U.S. Council for Energy Awareness	16,520,595	Harold B. Finger, president	320,734
General business and professional			
American Business Conference	\$1,344,576	William Lilley III, president	\$280,000 ¹¹
American Institute of Architects	26,607,490	Louis L. Marinesi, executive v.p.	259,977 ¹¹
American Planning Assn.	5,197,229	Israel Stollman, executive director	90,298
American Society of Assn. Executives	13,376,039	R. William Taylor, president	259,632
Building Owners and Managers Assn.	3,382,962	Noel R. Leary, executive v.p.	79,866
Business Roundtable	5,119,786	William L. Lurie, president	208,750
Employers Council on Flexible Compensation	11,210,227	Kenneth E. Feltman, executive director	79,500
Natl. Assn. of Manufacturers	13,763,110	Alexander B. Trowbridge, president	282,943
Natl. Cooperative Business Assn.	7,440,906	Stewart Kohl, president	97,602
Natl. Federation of Independent Business	44,246,821	John Sloan Jr., president	182,394
U.S. Chamber of Commerce	64,980,521	Richard L. Leshner, president	392,226
Health			
American Assn. of Homes for the Aging	54,422,513	Sheldon Goldenberg, president	\$190,544
American Health Care Assn.	5,091,320	Thomas Bell, service corporation administrator	147,322
American Hospital Assn.	71,814,925	Carol M. McCarthy, president	241,474
American Medical Assn.	135,391,768	James H. Sammons, executive v.p.	697,718
American Pharmaceutical Assn.	6,501,108	John F. Schlegel, president	57,079
American Psychological Assn.	32,049,961	Leonard D. Goodstein, executive v.p.	157,500
American Public Health Assn.	5,109,312	William H. McBeath, executive director	114,400
Health Insurance Assn. of America	20,870,196	Carl J. Schramm, president	245,886
Natl. Assn. for Home Care	3,831,122	Val J. Halamandaris, president	124,500
Pharmaceutical Manufacturers Assn.	20,950,175	Gerald J. Mossinghoff, president	276,558
Interest groups and labor unions			
AFL-CIO	\$51,924,570	Lane Kirkland, president	\$154,979
American Federation of State, County and Municipal Employees	79,435,709	Gerald W. McEntee, president	173,360
American Legion	31,153,248	Robert W. Spangle, national adjutant	62,651
Common Cause	11,719,492	Fred Wertheimer, president	72,889
Consumer Federation of America	506,111	Stephen Brobeck, executive director	38,147 ¹²
Handgun Control Inc.	3,947,291	Charles J. Orasin, president	64,143 ¹³
International Brotherhood of Teamsters	89,487,510	Jackie Presser, president	272,601 ¹⁴
Natl. Abortion Rights Action League	3,348,790	Kate Michelman, executive director	76,478
Natl. Education Assn.	139,539,556	Mary H. Futrell, president	159,890 ¹¹
Natl. Rifle Assn.	69,741,989	Warren Cassidy, executive v.p.	98,977
Natl. Right to Life Committee	6,472,671	John C. Willke, president	48,149 ¹³
Natl. Right to Work Committee/Legal Defense and Education Foundation	9,676,452	Reed Larson, president	138,968
Natl. Taxpayers Union	2,673,977	James D. Davidson, chairman	44,563
Natl. Wildlife Federation	53,571,280	Jay D. Hair, president	202,275 ¹⁵
Public Citizen	2,808,801	Joan B. Claybrook, president	40,000
Veterans of Foreign Wars	5,014,964	Earl Stock, commander in chief	116,182 ¹⁴
Manufacturing and construction			
Aluminum Assn.	\$5,767,081	John C. Bard, president	\$151,138
American Apparel Manufacturers Assn.	2,760,886	G. Stewart Boswell, president	114,706
American Paper Institute	13,492,340	Byron (Red) Cavaney Jr., president	197,748

American Textile Manufacturers Institute	4,421,238	Carlos E.J. Moore, executive v.p.	151,633
Chemical Manufacturers Assn.	27,320,587	Robert A. Roland, president	298,489
Chemical Specialties Manufacturers Assn.	1,373,703	Ralph E. Engel, president	66,788
Chlorine Institute	1,821,078	Robert J. Smerke, president	94,000
Flexible Packaging Assn.	1,675,585	Glen Braswell, president	90,000
Footwear Industries of America Inc.	1,536,003	Fawn K. Evenson, president	100,000
General Aviation Manufacturers Assn.	1,603,019	Edward W. Stimpson, president	173,319
Glass Packaging Institute	3,382,800	Lewis D. Andrews Jr., president	126,834
Natl. Assn. of Home Builders	25,689,870	Kent W. Colton, executive v.p.	272,885
Natl. Electrical Manufacturers Assn.	9,300,042	Bernard H. Falk, president	207,856
Natl. Machine Tool Builders Assn.	10,945,889	James A. Gray, president	212,585
Society of the Plastics Industry	16,043,222	Larry L. Thomas, president	180,000
Synthetic Organic Chemical Manufacturers Assn.	3,513,564	Robert A. Lang, president	119,916
Service, retail, wholesale and advertising:			
American Advertising Federation	\$2,434,388	Howard H. Bell, president	\$157,875
American Hotel and Motel Assn.	6,387,123	Kenneth F. Hine, executive v.p.	116,059
American Society of Travel Agents	9,073,999	W. Ray Shockley, executive v.p.	110,204
Direct Selling Assn.	1,786,934 ¹	Neil H. Offen, president	165,000
Natl. Assn. of Chain Drug Stores	6,316,713 ¹	Robert J. Bolger, president	235,703 ¹¹
Natl. Assn. of Wholesaler-Distributors	2,327,352 ¹	Dirk Van Dongen, president	153,894
Outdoor Advertising Assn. of America	3,074,744 ¹	Kevin C. Gottlieb, president	125,000 ¹²
Transportation and aerospace:			
Aerospace Industries Assn.	\$5,123,742 ¹	Don Fuqua, president	\$205,594
Air Transport Assn.	17,992,924	William F. Bolger, president	170,833
American Bus Assn.	4,344,982	Norman R. Sherlock, president	176,627 ¹³
American Institute of Aeronautics and Astronautics	16,619,106 ¹	James J. Harford, executive director	155,580
American Trucking Assns. Inc.	22,856,472	Thomas J. Donohue, president	286,049
American Waterways Operators	1,319,125	Joseph Farrell, president	132,583
Assn. of American Railroads	71,575,527	William H. Dempsey, president	337,274
Highway Users Federation	3,009,514	Lester P. Lamm, president	141,939
Insurance Institute for Highway Safety	6,790,591	Brian O'Neill, president	180,408 ¹⁴
Motor Vehicle Manufacturers Assn.	14,806,805	Thomas H. Hanna, president	177,000
Natl. Automobile Dealers Assn.	15,628,526	Frank E. McCarthy, executive v.p.	113,782 ¹⁵

* Compensation includes all salary, benefits and expense allowances reported to the Internal Revenue Service or, for labor unions, to the Labor Department. All figures are from tax year 1987 unless otherwise noted.

¹ Figures from 1988 return.

² Replaced in 1988 by Dwight C. Reed.

³ Information supplied by *American Banker*, which obtained the association's 1987 return from the IRS. The association does not have to disclose the return because its 1987 fiscal year began before the disclosure law took effect.

⁴ Yates also is paid by an affiliated, for-profit organization. That salary was not disclosed.

⁵ Replaced in 1988 by Frederick L. Webber.

⁶ Includes \$26,391 from an affiliate that owns the association building.

⁷ According to the association, Mooney's 1987 compensation included "a substantial payment of appreciated stock under a previous multiyear contract as well as appreciated stock accrued but not paid under the current contract."

⁸ Resigned in 1988. Replaced by Richard S. Nicholson.

⁹ Retired Dec. 31, 1987, and was replaced by Jerald V. Halvorsen. McGrath's 1987 compensation included \$153,702 from a supplemental retirement plan.

¹⁰ Replaced in 1988 by Barry K. Rogstad.

¹¹ Replaced in 1988 by James P. Cramer.

¹² Brobeck is authorized to receive up to \$53,000 but drew only \$38,147.

¹³ Listed as part-time employee.

¹⁴ Died in 1988 and was replaced by William J. McCarthy.

¹⁵ Figures from 1986 return.

¹⁶ Stock was to receive this compensation in 48 payments from Sept. 1, 1987, to Aug. 31, 1989.

¹⁷ Replaced in 1988 by Ronald L. Ziegler.

¹⁸ Gottlieb worked only six months in 1987 and resigned in 1988.

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