

Executive Compensation at Compassion International (2018)

Door
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Compassion International, Inc. (CI) is a Colorado Springs, Colorado based 501 (c) (3) engaged in Christian ministry to “release children from their economic, social, physical, and spiritual poverty.” Although CI is one of the largest US charities based in Colorado, the organization primarily operates internationally having raised \$953 million in 2018 and spent \$635 million (\$67 out of every \$100 in revenue) on grants to foreign organizations, individuals, and governments.

CI has dozens of related tax-exempt organizations in other countries (i.e. Thailand, Mexico, Ghana, Brazil, Peru, Ecuador, etc) in which CI is the direct controlling entity. However, it is unclear if these tax-exempt organizations are the recipients of the grants from CI.

The second largest expense is for compensation for the 1,196 employees who received \$168 million (\$18 out of every \$100 in revenue), which equates to **an average compensation of \$140,500**. As a comparison, Samaritan’s Purse (a non-profit that also works in humanitarian aid) raises about the same amount of revenue but has 2,965 employees who were compensated \$144 million or an average compensation of \$48,700.

228 of the 1,196 employees received more than \$100,000 in compensation which means there are some very well compensated employees at CI.

- **\$476,818: Santiago H Mellado, President and CEO**
- **\$404,566: Ken Calwell, SVP, CMO**
- **\$375,701: Ed Anderson, Former SVP and CFO**
- **\$369,371: Cassandra Shepard, SVP (until 4/18)***
- **\$321,469: Paul Ackerman, SVP, CFO**
- **\$314,625: Mark Hanlon, SVP**
- **\$302,461: Mark Yeadon, SVP**
- **\$293,555: Stephen Oakley, SVP, General Counsel, Corp Secy (Until 12/31/18)**

- **\$282,742: Thomas Beck, SVP**
- **\$281,824: James R Davis, VP – USA**
- **\$274,796: Ronald Orrick, VP IT**
- **\$263,032: Mark Fugleberg, VP GME Leadership Office**
- **\$250,225: Michael L Johnson, Director, Marketing USA**
- **\$247,590: Raphael Louis-Edouard Lassague, Regional VP**
- **\$245,188: Silas Balraj, Regional VP**
- **\$243,610: Sidney Mwavu, Regional VP**
- **\$237,299: James Hansen, SVP, Interim Corp Secy**

*The 990 represents the year beginning July 1, 2018 and ending June 30, 2019 which means the departure date of 4/18 did not occur in the operating year.

The 17 most highly compensated employees received a collective \$5.2 million, which equates to an average compensation of \$306,000. If the total compensation to all employees (\$168 million) was adjusted for the compensation paid to the 17 most highly compensated employees, then 1,179 employees were compensated approximately \$163 million which equates to an average compensation of \$138,300 which means the employees of CI appear to be well compensated.

16 of the 17 most highly compensated employees (or 94% of the most highly compensated employees) listed above are male while 1 (or 6% of the most highly compensated employees) is a female (and she is reported to have left 4/18). Given that 47% of the workforce in the United States is female, how is that CI does not have 1 female, at year-end on the list of the most highly compensated employees?

CI pays for companion travel and provides tax indemnification and gross up payments. Specifically, “eligible employees may take a trip every fifth year of employment with a family member to a country where Compassion serves children. Every three years, Board members and each of their spouses are invited to accompany the CEO to a country where Compassion serves children. Spouse travel is treated as a taxable benefit” although CI makes payments to these employees to cover the taxes on the spouses’ portion of travel.

The IRS Form 990 (2018) also reports CI paid severance to two employees :

- \$226,023: Cassandra Shepard
- \$175,100: Ed Anderson

CI made a \$318,108 (amount determined by a management decision) gift, grant, or capital contribution to “Asia Development Services, Inc” (a related organization). No other information is provided.

149 independent contractors received more than \$100,000 in compensation with the five highest listed below:

- \$3.7 million: Brewco Marketing Group of Central City, KY for marketing services
- \$3.4 million: Premier Productions of High Point, NC for marketing services

- \$3.2 million: Salesforce, The Landmark at One Market of San Francisco, CA for consulting services
- \$2.5 million: Workday of Pleasanton, CA for consulting services
- \$2.2 million: Postmaster of Colorado Springs, CO for postage

In summary, CI raises nearly \$1 billion annually spending about 67% of revenue on grants to foreign organizations, individuals, or governments. Website information reports CI partners with local churches in foreign organizations but it is unclear if the grants were awarded to the churches or to the affiliated organizations in foreign countries in which CI is the direct controlling entity. CI spends \$18 out of every \$100 in revenue on compensation for its nearly 1,200 employees, 17 of which are highly compensated employees who received \$237,000 – \$477,000. 16 of the 17 most highly compensated employees are male while 1 is a female, who has departed the organization.

To read the IRS Form 990 (2018), click [here](#).