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Equitable Compensation for Community Engagement Guidebook

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About This Toolkit

This toolkit includes practical guidance and approaches for creating an equitable compensation plan for your organization's community-partnered research projects.

In this toolkit, you will find

- harmful assumptions researchers often incorporate into compensation decisions

- five guiding principles of equitable compensation

- common compensation challenges to prepare for

- practical steps you can take in designing a compensation plan

- examples of common pay structures

Introduction

Community engagement and community-engaged research methods (CEM) involve bringing studied communities into a project or research process as intentional contributors, participants, and/or reviewers. Partnering with community members and people with lived experience during research, policymaking, or practice presents opportunities to enrich the work, incorporate perspectives that are often excluded from decisionmaking, and advance equity across disciplines and professions. Participatory methods center the voices and experiences of community members in a project's process and aim to balance power dynamics between researchers and the community. This can lead to processes and outcomes that are more ethical, effective, and sustainable.[1] But these efforts require careful consideration of how community expertise will be valued and compensated.

Community members and people with lived experience are often called on to "volunteer" their time, experience, and perspectives. Their contributions can be misconstrued as civic engagement, and their expertise may not be valued as much as that of academic or professional experts. But all forms of effort, expertise, and information deserve fair recompense. Community members' participation demands their time, skills, and knowledge—and asks them to share highly personal, sometimes traumatic, life experiences. As organizations look to partner with community members, they should consider equitable compensation strategies that value such contributions.

This toolkit is designed to help practitioners who are interested in participatory engagement to develop or update plans for equitable community compensation, including preparing for necessary conversations and preempting potential challenges. It includes a worksheet of useful steps and considerations you can use to ensure fair community compensation structures at each stage of your engagement.

Confronting Assumptions

A common goal in participatory work is to respond to a long history of marginalized people being afforded limited access to power and decisionmaking structures. It is particularly important to be intentional about the values and perspectives guiding community compensation structures to avoid continuing patterns of harm and bias. "Community" refers to any group that shares an identity, experience, or geographic location. How a community is defined varies from project to project.

Before designing compensation structures for community members, it can be helpful to reflect on the classist and racist assumptions embedded in the compensation structures of our society, and to determine if any of these assumptions are being made by any of the organizations sponsoring the project. Some assumptions can pose significant barriers to equitable compensation, such as the belief that people without higher education, who are economically disadvantaged, or who participate in criminalized activities are irresponsible with money, unreliable, or unable to contribute expert insights. These beliefs deepen racial and gender disparities (Blair et al. 2020; Hahn and Simms 2021; Alexander 2012; NWLC 2020). They do not reflect the reality that, when asking questions related to a specific place or community, the lens of lived experience can provide necessary contextualization and add significant value to a project.

Another misguided assumption that can pose a barrier is that community members might take on a project role dispassionately, primarily for the compensation, if funding is too generous or "coercive." Compensation policies should assume the same level of honest interest from community members as any salaried member of a project, and must reflect an appreciation for the trade-offs community members face in contributing their time and expertise to the work.

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*In participatory work, we must remember that **we are engaging with individuals as colleagues and partners, not as research subjects, constituents, or program participants.** Paying people for their time is not an incentive, it's compensation for their expertise.*

Assumptions around personal finances can also be a challenge. Employers sometimes make assumptions about the financial security of their employees based on the salaries and benefits they distribute. These same assumptions should not be extended to consultants or to other external and/or community-based contributors to projects. Assuming that someone will "be okay" if their invoice is paid two weeks late reflects a privileged assumption of financial security. People may align their bill payments or other obligations around the promise of receiving pay from your project. Overall, compensation for community engagement should be competitive, transparent, prompt, and conscientious.

Confronting Assumptions

Here are some common assumptions to be aware of and work to address as you navigate conversations within your organization about community compensation.

- Marginalized populations have less access to power and decisionmaking structures. They are often excluded from research, policy, and power processes and decisions, even when they have advanced degrees and/or expertise in other fields.

- Many compensation strategies assume that community members will be irresponsible with money, unreliable, or unable to contribute expert insights. These beliefs deepen racial and gendered disparities (Blair et al. 2020; Hahn and Simms 2021; Alexander 2012; NWLC 2020).

- People with lived experience are often viewed as research subjects, constituents, or program participants. When thinking of community members as fellow experts and colleagues, compensation should be viewed as fair recognition of their expertise as opposed to an incentive that might coerce or induce participation for the wrong motives.

- Compensation for community members and people with lived experience is no different than compensation for permanent employees. While people may be engaged as consultants or in other temporary positions, their payment should be transparent and timely.

Five Guiding Principles of Equitable Compensation

Connecting with people is the soul of community engagement. Building trustful, collaborative relationships with potential experts is essential to developing strong roots in a community. The starting point for honoring the relationship with community is to adopt five core principles for developing compensation plans for community collaboration.

Keep these five principles in mind when doing the administrative and relational work necessary for paying community members:

1. *Be transparent and honest.* The most important value when planning compensation for community members is transparency. Being honest and up-front about your organization, the project goals and budget, and the compensation timeline and process is essential to fostering trust and mutual accountability with partners.

2. *Seek feedback and allow the perspectives and needs of the community to guide you in the right direction.* Listening to and centering community feedback—from the outset of the relationship—is a key tenet of participatory methods. Seek community feedback on your compensation arrangements early and often to ensure that pay is appropriate to community expectations.

3. *Offer compensation that reflects your respect for community members' expertise.* While compensation rates and amounts will vary by context and project, they should reflect the importance of community contributions to the project. The compensation package for community members should compare favorably with those of other project members who are providing similar project support.

4. *Strive for flexibility to adjust to unforeseen and unintended consequences of compensation.* A mantra of community engagement: the unexpected will happen. Building flexibility into your project budget for unforeseen expenses will help you react quickly and thoughtfully to community needs.

5. *Prepare to advocate for structural change to your organization's compensation framework.* If your compensation efforts are unprecedented in your organization, you may need to advocate for change. This may involve creative thinking to accomplish simple tasks in the short term and longer-term conversations to reform systems and procedures so that compensation runs smoothly in the future.

Common Compensation Challenges

While each community partnership is different and faces its own contextual challenges, several issues are common across initiatives and organizations. Outlined here are some of the key challenges that can arise around equitable compensation in project partnerships. Some are challenges for individuals/community members and others are challenges that organizations will face. In the next section we share guidance on how to address these and other challenges.

Intraorganizational Communication

Participatory work that includes community members as colleagues and fellow experts is a fairly new approach for many organizations. Project staff can play an important role in internal education and advocacy to ensure other staff in the organization understand why community-engaged work is valuable and different. Partnership among staff with various functions is necessary to effect organizational change, and all of that begins with open communication and a commitment to collaborating to find solutions jointly.

Incompatible Systems

Innovative approaches often mean that organizations are structurally ill-prepared to appropriately compensate community members. Traditional payment models rely on easy-to-distribute gift cards or in-kind donations that can be tracked by the organization, but these methods of payment can have a limiting and patronizing impact on community members. Many organizations lack a timely system for payment or reimbursement of expenses, as their compensation systems are designed for salaried workers in less vulnerable situations who can financially weather the delay of conventional payroll processes.

Upfront Costs

Community members face upfront costs for participation, such as childcare, transportation, and time off from work. If left unaddressed, these costs can unnecessarily burden community members and impede their contributions.

Unclear Compensation Rates

It can be mystifying to identify fair and appropriate compensation rates for community partners without a prior framework. Compensating community partners often means assigning value to knowledge or skills that organizations have little experience translating to their usual pay scales. Additionally, the organizational staff most likely to determine these pay scales are often removed from the community engagement process.

Income Consequences

Additional income can cause unintended, and sometimes devastating, consequences for community members. Some pay agreements, such as those with independent contractors, may have withholding regulations that are unfamiliar to community members and can create a burdensome liability during tax season. Income shocks—large influxes of cash at one time—could disqualify community members from receiving important government benefits, such as housing assistance, health insurance, or financial assistance through programs such as Temporary Assistance for Needy Families.

Professional Development

Community members' future or current employers may not recognize short-term or informal relationships as being pathways for substantial professional development, since these relationships may be hard to articulate.

Taking Action and What to Expect

You and/or your organization can do several key things to ensure you are executing the five guiding principles in alignment with a community's well-being and the nature of your partnership—before, during, and after your project. The process of negotiating equitable and holistic compensation for your community partners will also require you to address several expected and unexpected challenges.

Addressing three key areas—organizational assessment, critical considerations, and community conversations— can help you plan, prepare, and roll out an equitable community compensation plan. Below, we briefly discuss each area. The Compensation Checklist on page 10 also provides a helpful action guide that you can follow.

Conduct an Organizational Assessment

Before getting started with your project, take some time to research how compensation has been handled at your organization previously. An effective assessment requires considering the internal structure of your organization, understanding the factors that key organizational decisionmakers face when determining compensation (including the requirements of different funders/grants/contracts), and exploring whether your organization has multiple options for compensating community members. Through preliminary meetings and informational interviews with key stakeholders, you can uncover what current practices may be suitable for your needs, which ones could be modified, and where there are opportunities to facilitate the process for your community partners.

As you work to remove barriers and improve institutional structures, you should communicate with community members so that they are aware of the capacity of your organization to meet their needs and what structural barriers may need to be addressed to ensure fair compensation. Be clear about your organization's limitations and restrictions as well as your approach to overcoming these obstacles. Knowing and communicating limits early in the process can prevent misunderstandings later in the partnership.

Consider the Community's Needs

As you begin conceptualizing an equitable compensation program, centering community—and communicating transparently and regularly—will help you understand how to best align community needs and organizational capacity. Here are some approaches that can help make community compensation more adaptive and sustainable:

- Place a premium on adaptive and continuous communication.

- Consider offering opportunities for career development or advancement for the community partners you hope to retain.

- Routinely pull from a pool of internal personnel for resources—both to support community members and to ensure your process is strong and offers a positive experience for all team members.

- Expect to become a critical messenger within your organization, and look to support institutional growth that facilitates improved and increased community engagement.

You can also consider nonmonetary forms of compensation. Individuals and community organizations may have an interest in or need for in-kind payment. Community partners may be facing several trade-offs to participate, such as having to find childcare or pay travel costs. Community organizations may have other priorities besides direct financial compensation, such as building out their website or social media platforms, receiving accounting advice, donating to community causes, or receiving training and support for fundraising. An equitable compensation approach will identify and anticipate these needs and interests. Consider leveraging your organization's platform and other resources as a source of nonmonetary support. Often, community partners will not bring up these in-kind forms of compensation, but they may arise as you take the time to discuss their priorities and goals and share details about what you and your organization have to offer.

Communicate Early and Often

As early as possible, open lines of communication with your community partner(s) about their hiring and payment preferences. Every project is different, but including and considering community voices throughout the process is a constant. Early-stage project planning with the community should devote time to discussing the details of compensation. These transparent conversations are essential to outlining contractual obligations and organizational limitations—and centering the needs of community members.

Learn the policy landscape influencing your community partners' compensation experience throughout the project process. Conduct active research and open discussions with partners to uncover the local, state, and federal tax and income policies that would affect your compensation framework. As you go, develop a "landscape review" for future work so others can understand the full spectrum of policies at play. Also, identify tax expertise for participants to consult, if needed, applying the cost to your budget. The focus should be on ensuring that community members have the information and support they need to make an informed and careful decision about accepting compensation for their work.

What Is the Right Amount?

While it is not possible to give an exact formula for how much to pay a community partner, given that specific project roles vary, we provide preliminary guidance:

- Use the market rate for similar roles, including for roles filled by employees, to determine how much compensation community partners should receive.

- Consider relevant experience. Criteria might include years of lived experience, knowledge of their community, leadership role(s) in the community, and previous experience collaborating on similar initiatives. Consider the hourly rate that you would have paid to an expert consultant or internal colleague.

- When the nature of the work is not permanent and the wages offered are temporary, there should be some premium to account for the short term nature of the work and potential expenses associated with participation (e.g., child care, transportation, time off of from another job).

- Take into account the fair living wage of your locality, and whether the compensation you are providing meets that standard.

Above all, compensation structures should explicitly acknowledge the value of a community partner's expertise, time, and labor. When community organizations join a project to provide their expertise, you will need to budget for their operational and staff-support costs in the same way you would for any consulting firm or subcontract.

Example Pay Structures

This section outlines some of the most common pay structures that Urban research teams have used to pay individuals for engaging with projects. While any pay-structure decision will carry specific considerations and processes for your organization, these examples may be helpful frameworks as you determine how to actualize equitable compensation for your project. Special attention should be given to tax considerations[2] and the resources needed to access funds (e.g., a bank account, a computer with internet access to activate an e-gift card).

Tokens of Appreciation

- **Guiding concept:** One-time payment (usually capped at a nominal amount) to thank someone for their time as a community expert. This is not an incentive payment.

- **Often used for:** Paying community members who attend a one-time event or provide expert input or feedback at a single point in time.

- **Considerations:** Following some engagement, the project team will pay the individual in cash or with a gift card, gathering contact information as needed (e.g., an email address for sending a virtual gift card). However, funding restrictions attached to specific projects may present additional barriers (e.g., federal funding regulations around purchasing food; nonprofit organizations being hesitant to issue cash payments for audit purposes). Gift cards tend to be the most popular route for organizations given auditing considerations but can present technological difficulties and feel paternalistic to the recipients. Consider that "cash is king" for its autonomy and ease of access.

Honoraria

- **Guiding concept:** One-time payment for completing a set project, presentation, or role.

- **Often used for:** Paying advisors and/or advisory boards; compensating experts who give time to an interview or presentation.

- **Considerations:** Typically, this payment is at the discretion of the payer, but some organizations may require administrative documentation. Honoraria are considered taxable income and recipients will need to report the income to the IRS during tax season.

Consultant Agreements

- **Guiding concept:** Agreement detailing an ongoing relationship with someone providing expertise to some effort.

- **Often used for:** Paying subject matter experts, community-based researchers, or project consultants for short- to mid-term ongoing work.

- **Considerations:** Consultant retainment processes and paperwork will be highly specific to your organization, and carry different requirements for nonprofit and private organizations. Administrative documentation involved in this process generally includes a consultant agreement, a description of work, and a selection memo/competitive review statement. Consultants are required to report income to the IRS via form 1099.

Hiring Part- or Full-Time Employees

- **Guiding concept:** Hiring someone from the community or with relevant lived experience as a full-time, part-time, or temporary employee of your organization.

- **Often used for:** Retaining community-based researchers or project consultants, and ensuring that community voice and lived experience are an engrained part of the organization.

- **Considerations:** This approach has many benefits. In addition to creating a sustainable partnership and link to the community, it offers a long-term career opportunity and less fluctuation in compensation, ensuring the individual is less vulnerable to losing essential forms of public support in return for short-term compensation. Part- or full-time permanent employment also offers a straightforward approach to managing taxes. Hiring will follow the structures defined by an organization's human resources department and institutional norms. However, the project team should be closely involved in the process—including writing the job description, leading any necessary interviews, and advocating for why it may be important to bring someone in with atypical education or professional experience.

Final Considerations

As you develop plans for paying community members, be prepared for what may be a series of difficult conversations. Money is a fraught subject in our society and is deeply personal, practical, and political. Reflect on whether your proposed compensation framework strikes the right balance between the structural and economic limits of your organization and the maximum benefits for community members. Done well, an equitable compensation plan can lead to more sustainable present and future partnerships. Remember that like any other professional relationship, both sides are accountable to the agreed partnership. While the community members you retain will be accountable to the scope of work and professional norms you outline, your organization should also consider how to be accountable to your community partners—through compensation and other key elements of the partnership. Following the guiding principles in this toolkit can ensure that your project's community compensation efforts are anchored in transparency, flexibility, and respect for community voices and expertise, and that, if needed, you can advocate for structural change to your organization's compensation framework.

Compensation Checklist

Use this checklist of tasks and considerations to track your progress as you work to develop a compensation framework for your project and organization.

Conduct an Organizational Assessment

☐ Identify the offices, operating structures, and personnel you will need to work with in order to establish compensation for your community partners. A flow chart or another visualization may help your team understand how compensation is handled at your organization.

☐ Note the logistical and historical justifications for the current or standard compensation process at your organization and the key factors that decisionmakers consider when determining compensation.

☐ Identify relevant local, state, or federal benefits that may be impacted by your organization's payment to community partners.

☐ Identify the various options your organization offers for compensating community members. Compare and contrast the benefits and drawbacks of each of these options for your project.

☐ Identify key tax limitations and reporting requirements for each type of compensation agreement. Provide resources to community members to support tax filing options if possible.

Consider the Community's Needs

☐ Identify budget options for buffer funds to create flexibility when needed.

☐ Maintain lines of communication and transparent engagement with key members of your organization throughout the project.

☐ Establish and maintain lines of communication and sustainable relationships with your community partners during and beyond the project period.

☐ Document your research and conversations to ensure that you and your organization do not have to recreate the wheel for future community projects.

☐ Create a structure to maintain open and regular communication about compensation throughout the project. This may be setting regular meetings, creating a standing agenda item, assigning a project team member to liaison with relevant departments, or choosing another form of structured commitment to transparent communication.

☐ Consider whether your organization has a pathway to retain community partners where appropriate.

☐ Document processes, successes, and issues as they arise to promote future partnerships and develop internal resources.

Communicate Early and Often

☐ Ensure your community partner(s) understands their individual scope of work and responsibilities as well as how their contributions fit into to the overall project goals.

☐ Identify the amount you will pay your community partner(s) for the scope of work.

☐ Identify your community partner(s) preferences for the type of role and relationship they want with your organization.

☐ Identify your community partner(s) preferences for how and when they are paid.

☐ Communicate any organizational limitations and barriers to equitable payment to your community partners, and let them know whether you are working to address them during the project timeline.

☐ Consider the following:

- Does the rate of compensation reflect the time and expertise the partner is contributing to the work?

- Does the role, title, or label used for your community partner's work appropriately recognize their contributions as a partner and fellow expert in the work?

- Is your method of compensation flexible enough to meet community partner needs?

- Does your timeline meet the level of urgency your community faces for up-front expenses?

- Do your community partners have nonmonetary needs or interests? If so, what sort of in-kind compensation could be beneficial in addition to the agreed compensation?

- Does your payment have implications for community members in terms of access to public supports, or tax liabilities?

- Do your community partner(s) have the ability to receive your proposed payment method? Does it require a bank account, Social Security number, or other financial structure?

- Is your compensation framework offering opportunities for professional development and career advancement?

Additional Resources

- **Does It Pay to Pay? Exploring What It Means to Compensate Outreach Participants**
  Urban Planning Partners, Inc.
  https://www.up-partners.com/news/2020/10/16/does-it-pay-to-pay-exploring-what-it-means-to-compensate-outreach-participants-cyfz2-jwgn6-x8srm

- **Compensation and Reimbursement of Research Participants**
  University of Toronto Division of the Vice President, Research and Compensation
  https://research.utoronto.ca/compensation-reimbursement-research-participants

- **Compensation Philosophy**
  Community Action Partnership of Ramsey and Washington Counties
  https://caprw.org/file_download/inline/1d4caca1-44ae-46ee-b062-8eb9476839ca

- **Guidance on Compensation of Community Partners in Research at Virginia Commonwealth University**
  Cynthia George, Valerie Holton, and Amber Haley
  https://scholarscompass.vcu.edu/cgi/viewcontent.cgi?article=1005&context=cer_resources

Notes

1 For more information on community engagement and power sharing, see John Sankofa, Hannah Daly, and Elsa Falkenburger, *Community Voice and Power Sharing Guidebook*, 2021, Washington, DC: Urban Institute, https://www.urban.org/research/publication/community-voice-and-power-sharing-guidebook.

2 This document is not intended to outline specific tax advice. Tax considerations vary by locality and state. Before finalizing any pay structure for community engagement, consult tax experts and payroll specialists within your organization (if applicable). Be sure to provide as complete information as possible to those you engage.

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Positionality Statement

Our team includes one Black man, one White trans nonbinary person, one Hispanic woman, and one White woman. Our research draws on our backgrounds in public health, public policy, social work, transformative justice, affordable housing, and community-based participatory methods. Our professional experiences include partnering with the communities at the heart of Urban's work to explore research questions, evaluate programming, deliver services, support community members' priorities and needs, and supplement their self-sufficiency. We work at a relatively well-resourced and predominately White research organization based in Washington, DC. We acknowledge the extensive history of intentional and unintentional harm that research organizations have caused to structurally marginalized communities. Our team is committed to the values and lenses of meaningful community engagement, complex personhood, equity, and justice in creating and sharing our work. Ultimately, we value lived experiences as expertise and reject the notion that only technically trained researchers can be experts.

Acknowledgments

About the Urban Institute

The Urban Institute is a nonprofit research organization that provides data and evidence to help advance upward mobility and equity. We are a trusted source for changemakers who seek to strengthen decisionmaking, create inclusive economic growth, and improve the well-being of families and communities. For more than 50 years, Urban has delivered facts that inspire solutions—and this remains our charge today.

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