

ISSUE UPDATE

NJEA LEADERSHIP: HIGHEST PAY IN THE NATION BY FAR

ED RICHARDSON AMASSES \$9.3 MILLION OF TEACHERS' HIGHEST-IN-THE-NATION DUES

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EXECUTIVE SUMMARY

The numbers don't lie: the leadership of New Jersey's largest teachers union, the New Jersey Education Association (NJEA), pay themselves more than any other teachers union in the nation. By far.

Sunlight compared the 2018-20 compensation for NJEA leadership with that of its national parent, the National Education Association (NEA), and the other three largest NEA state affiliates: New York State United Teachers (NYSUT), California Teachers Association (CTA), and Pennsylvania State Education Association (PSEA). Among this group, the NJEA is the fourth largest in membership and revenues, so there's nothing in the NJEA's size that would justify excessive compensation.

Yet when it comes to leadership compensation, the NJEA is in a class by itself:

- **Top ten highest-paid execs for each union**. Looking at the top ten highestpaid execs for each union for each year, the NJEA's leadership's average pay was \$752,726 a year, 59% higher than NEA, 65% higher than CTA, 128% higher than NYSUT and 160% higher than PSEA. It's not even close. For the record, \$752,726 is well within New Jersey's "one percenter" class.
- **Single highest-paid exec**. The NJEA's single highest-paid exec averaged an astounding \$2,052,199 per year! More than double CTA, the next-highest, and multiples higher than the other unions. Wall Street would be envious!
- **Top ten highest-paid execs for all unions.** The NJEA had *eight of the top ten* highest-paid execs for *all* the unions for 2018-20, and four of the five over \$1 million. Former executive director Ed Richardson appears on the list three times.
- Ed Richardson: the NJEA's **\$9.3** million political pro. You read that right: over his thirteen-year career as a NJEA exec, Richardson was paid **\$9,311,371**. This must be some sort of record for a public-sector union exec.

NJEA political operatives paid far more than elected officers. Underscoring the politicized nature of the modern NJEA, political operatives dominate the ranks of the NJEA's highest-paid execs. Only 10% of the NJEA's top ten are elected officers, while 90% are headquarters staff, two-thirds of which are involved in political operations. Political pro Ed Richardson is the prime example.

ALL of this is paid for by teachers' highest-in-the-nation dues. The bottom line is that NJEA leadership sees fit to charge teachers the highest dues in the nation by far and then pay themselves the highest compensation in the nation by far.

NJEA leadership are making themselves New Jersey one-percenters on the backs of teachers. If New Jersey teachers knew these facts, they would be outraged.

I. NJEA'S SIZE DOES NOT JUSTIFY EXCESSIVE PAY FOR EXECS

In order to put compensation levels in perspective, Sunlight compared the size of the NJEA with its national parent, the National Education Association (NEA), and the other three largest NEA state affiliates: New York State United Teachers (NYSUT), the California Teachers Association (CTA), and the Pennsylvania State Education Association (PSEA).

Running a larger union with more members and more revenues implies more demanding jobs at the top, which would be expected to result in higher compensation. As shown in Table 1, being a national union, NEA has by far the largest membership and the most revenues. NYSUT is second in membership and third in revenues, while CTA is third in membership and second in revenues. NJEA is fourth in both categories. PSEA's membership is smaller but comparable to NJEA, but it has half the revenues, reminding us that the NJEA has the highest dues in the nation by far (see Section VII below). Looking at this array of unions, there is nothing in the NJEA's size that would justify substantially higher compensation for its top execs.

Table 1.						
Union	Members (2019-20)	Revenues (2020)				
National Education Association	2,969,041	\$	396,836,869			
New York State United Teachers*	433,458	\$	165,220,357			
California Teachers Association	320,075	\$	221,973,651			
New Jersey Education Association	200,200	\$	150,341,187			
Pennsylvania State Education Association	177,759	\$	76,379,003			

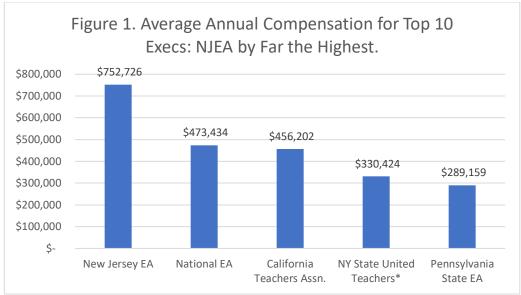
Sources: membership from <u>Education Intelligence Agency</u>; revenues from 2020 IRS Forms 990 for NEA, CTA, NJEA and PSEA, *2019 Form 990 for NYSUT.

II. TOP TEN HIGHEST-PAID EXECS

And yet NJEA does pay its top execs substantially higher compensation. In order to get a sense of overall executive compensation, we looked at the last three IRS Form 990s filed for NJEA, NEA, NYSUT, CTA, and PSEA,¹ and derived the average annual compensation for the ten most highly paid executives. It wasn't even close.

As shown in Figure 1, the NJEA's Top Ten averaged \$752,726 a year. The NJEA top ten's average compensation was 59% higher than NEA's \$473,434, 65% higher than CEA's \$456,202, and a jaw-dropping 128% than NYSUT's \$330,424 and 160% higher than PSEA's \$289,159. When it comes to compensation for top execs, the NJEA is clearly an outlier.

¹ 2018-20 for NJEA, NEA, CTA and PSEA; 2017-19 for NYSUT.



Sources: IRS Forms 990: NJEA, NEA, CTA, PSEA 2018-20; *NYSUT 2017-19.

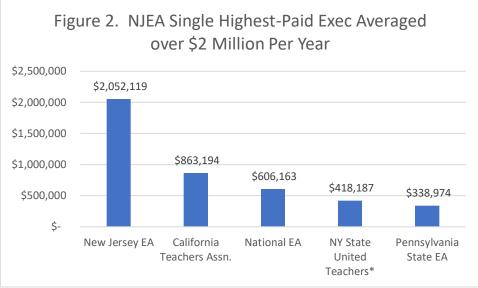
New Jersey One-Percenters. For the record, the \$752,726 average compensation level puts these NJEA execs well within New Jersey's "one-percenter" class, which required a minimum income of $\frac{5701,005}{1000}$ in 2020.

III. SINGLE HIGHEST-PAID EXECS

Not only did the NJEA pay its top ten much more than any of the other unions, its single-highest-paid execs in each year² were paid multiples higher than the other unions' highest-paid exec.

As can be seen in Figure 2, the NJEA's highest-paid exec averaged an astounding \$2,052,119 a year, more than double the next highest amount (CTA's \$863,194), more than triple the NEA's \$606,163, almost five-times higher than NYSUT's \$418,187, and more than six-times higher than PSEA's \$338,974. For every year, the NJEA paid the single-highest compensation. Once again, the NJEA is an outlier.

² Ginger Gold Schnitzer – 2018; Ed Richardson – 2019-2020.



Sources: IRS Forms 990: NJEA, NEA, CTA, PSEA 2018-20; *NYSUT 2017-19.

IV. TOP TEN HIGHEST ANNUAL PAY AMONG ALL THE UNIONS

NJEA compensation also stands out when looking at the ten-highest-paid execs for all years across all the unions. As shown in Table 2, eight out of the ten highest compensation levels were for NJEA execs. The other two were execs for CTA, a much larger union in a much larger state than NJEA. Note that four of the five execs that were paid over a million dollars were NJEA. Note also that the NJEA's Ed Richardson is on the list three times. (More on Richardson in Section VI below). Once again, the NJEA is the outlier.

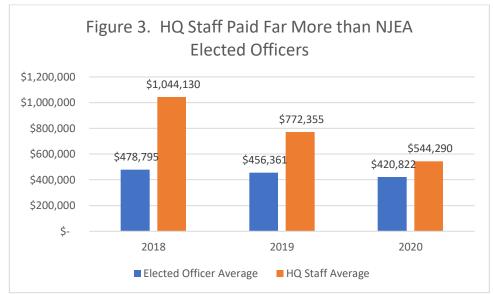
Table 2.							
Name	Year	Union	Position	Amount			
Ginger Gold Schnitzer	2018	NJEA	Asst Dir UniServ	\$	2,792,431		
Ed Richardson	2019	NJEA	Former Exec Dir	\$	2,485,357		
Joe Nunez	2019	CTA	Former Exec Dir	\$	1,305,553		
Kevin Kelleher	2018	NJEA	Research Dir	\$	1,303,309		
Ed Richardson	2018	NJEA	Executive Dir	\$	1,097,325		
Ed Richardson	2020	NJEA	Former Exec Dir	\$	878,569		
Steve Swetsky	2018	NJEA	Asst Exec Dir	\$	808,967		
Thomas Hardy	2019	NJEA	Reg Dir UniServ	\$	791,894		
Ramon Gomez	2020	CTA	Asst Exec Dir	\$	726,678		
Karen Kryven	2018	NJEA	Comptroller	\$	701,672		
Sources: IRS Forms 990 2018-20.							

V. NJEA HQ STAFF VERSUS ELECTED OFFICERS

Note that there are *zero* NJEA elected officers (president, vice president, secretary-treasurer) in Table 2 above.

That's because only three NJEA elected officers were among the NJEA's top-tenhighest-paid execs for 2018-20: two in 2018, zero in 2019 and one in 2020. On average, nine out of the top ten highest paid NJEA execs were from headquarters staff.

All of which is to say that NJEA headquarters staff was paid substantially more than the elected officers. This is confirmed in Figure 3: average compensation for headquarters staff³ was more than double (118%) that of the elected officers in 2018, 69% higher in 2019, and 29% higher in 2020. Incredibly, in 2018, the average compensation for the top nine headquarters staff was *over a million dollars*!



Sources: NJEA IRS Forms 990 2018-2020.

Highly paid headquarters staff is mostly political operatives and organizers.

Two-thirds of those high-earning headquarters staff are involved in political operations.⁴ As documented by a previous Sunlight <u>research report</u>, in 2013, the first year of Ed Richardson's tenure as executive director, the NJEA's Executive Office was taken over by political operatives and organizers. Since then the NJEA has become highly politicized, with the NJEA's political spending <u>exploding upward</u>. And these political types have <u>paid themselves very well</u> – as exemplified by the 2018-20 period.

³ Average compensation for headquarters staff based on the NJEA top ten highest-paid execs for 2018-2020 excluding the three elected officers who made the top ten (two in 2018, one in 2020). Average compensation for elected officers based on the compensation for the three elected officers for 2018-20.

⁴ These include executive directors, assistant and deputy executive directors, UniServ directors, and heads of government relations and communications.

VI. ED RICHARDSON: NJEA'S \$9.3 MILLION-DOLLAR POLITICAL PRO

Political organizer⁵ and former executive director Ed Richardson is truly in a class by himself. Over his thirteen-year career as a NJEA exec, Richardson amassed a jaw-dropping \$9,311,371 in compensation, as shown in Table 3 below. That averages out to \$716,259 a year, which would put Richardson among the top ten highest levels of compensation for *all the unions* (as shown in Table 2 above). Every single year. For thirteen years.

Year	Table 3. Position	Amount		
2008	Asst Dir HR	\$	286,470	
2009	Asst Dir HR	\$	313,423	
2010	Asst Dir HR	\$	346,312	
2011	Asst Dir HR	\$	424,674	
2012	Asst Dir HR	\$	154,109	
2013	Executive Director	\$	703,927	
2014	Executive Director	\$	588,025	
2015	Executive Director	\$	1,212,625	
2016	Executive Director	\$	473,451	
2017	Executive Director	\$	347,104	
2018	Executive Director	\$	1,097,325	
2019	Former Exec Dir	\$	2,485,357	
2020	Former Exec Dir	\$	878,569	
TOTAL		\$	9,311,371	
AVERAGE		\$	716,259	

Sources: NJEA IRS Forms 990 2008-20.

ALL paid for by New Jersey teachers' automatically withheld dues.

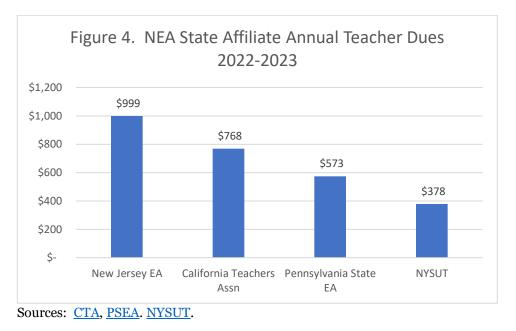
Richardson's average of \$716,259 is easily more than ten-times what the average New Jersey teacher earned during that time span.⁶ And yet it is those same teachers whose highest-in-the-nation dues paid for Richardson's lavish compensation, who had little choice but to join the NJEA and have their annual dues automatically withheld from their paychecks. The fact is that teachers had little say in how their dues were being used. Seen in this context, Richardson's \$9.3 million is obscene.

⁵ Richardson began his NJEA headquarters career as a political organizer in the Communication Division, then moving to human resources manager, and ultimately to executive director.

⁶ The average NJEA full-time teachers currently makes \$70,212 per year, according to the <u>NJEA</u>. From 2018-2020, they undoubtedly made less than that.

VII. LAVISH EXEC PAY FUNDED BY HIGHEST DUES IN THE NATION

At \$999 in annual NJEA dues, New Jersey teachers pay the highest dues in the nation, and have for many years.⁷ Figure 4 shows how high NJEA dues are when compared to the other NEA state affiliates we have analyzed: 30% higher than CTA dues, 74% higher than PSEA dues, and 164% higher than NYSUT dues.⁸



CONCLUSION

NJEA leadership rewards itself lavishly with teachers' dues. The bottom line is that NJEA leadership sees fit to charge teachers the highest dues in the nation by far and then pay themselves the highest compensation in the nation by far. Mostly for political operatives and organizers.

Remember that the average NJEA teacher's salary is only <u>\$70,212 per year</u>, so \$999 is a lot of hard-earned money being automatically withheld from teachers' paychecks. Thanks to this rigged system, the teachers never even see the money. It goes directly to the NJEA, where leadership spends it on lavish executive compensation and politics.

NJEA leadership are making themselves New Jersey one-percenters on the backs of teachers. If New Jersey teachers knew these facts, they would be outraged.

⁷ <u>Education Intelligence Agency</u> compiled a list of 2017-2018 dues for all NEA state affiliates: NJ \$897, AK \$740, CA \$677, MI \$645, HI \$610. Currently, <u>NEA-Alaska</u> dues are \$745; <u>Michigan EA</u> are \$655; and <u>Hawaii State EA</u> are \$864, while the NJEA's are \$999, so the NJEA remains comfortably in the lead. For the record, wealthy-state NEA affiliates <u>Connecticut Education Association</u> and <u>Massachusetts Teachers Association</u> dues are both \$503. This does not include the \$204 paid annually to the NEA or local dues.

⁸ NYSUT is an affiliate of both NEA and American Federation of Teachers (AFT), but has an AFT dues structure, where a larger portion of overall dues goes to the local. Unlike NJEA, NYSUT receives a substantially smaller percentage of overall dues than the locals or the national unions (AFT and AFL-CIO).