



NEXT MOVE GROUP: TYPICAL TERMS & COMPENSATION IN AN ECONOMIC DEVELOPER'S CONTRACT

WORKBOOK



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Salary. (00:00:36)

- Guidestar.org show you the salaries for economic developers across that nation

Moving Allowance. (00:04:03)

- Most organizations will provide a moving allowance from \$5,000-\$15,000
- Some will use as a signing bonus
- Some will make you provide receipts for moving
- Some will provide living expenses until your previous home sells
- Some will have a clause in your contract about having to pay the money back if you don't live in that county or if you terminate your contract to go elsewhere within the first few years

Car Allowance. (00:06:11)

- Most organizations provide a car allowance, or an organization owned vehicle. Personally, we believe getting the money for your own car is the best option because getting a DUI or speeding ticket in an organization car is almost guaranteeing a spot on the front page of the newspaper. Owning your own car makes the front page less likely, but not impossible.
- Car allowances range from \$400-\$1,000 per month
- Mileage reimbursement is also possible if travelling outside of a certain range for a meeting or taking prospects around.

Vacation / Paid Time Off. (00:08:24)

- Most organizations are moving towards 'Paid Time Off' versus vacation and sick leave being combined
- Paid Time Off usually starts at two weeks annually and goes up with time in the organization
- You can try to negotiate three weeks Paid Time Off in your first year

Retirement. (00:09:40)

- County/ State Retirement – you have to be considered a public employee which comes with its own problems. You will most likely need to be with that organization for 5–6 years before having access.
- IRA (more likely option) – great option because there's no vesting, you get all that money from day one

Health Insurance. (00:11:28)

- Most organizations will cover 100% of costs for the economic developer
- Very few organizations will cover your entire family
- It's possible to negotiate full coverage from the organization for you as the employee then negotiate your family to be covered at a reduced rate

Disability Insurance. (00:12:57)

- Most organizations do not offer disability insurance unless you ask for it, and it is highly recommended that you ask for it.
- Long term disability insurance costs the organization a few hundred dollars, so don't think you're asking for too much.
- If you become disabled, this insurance will cover up to a certain percentage of your salary long-term.
- If you cannot negotiate long term disability into your package, we highly recommended purchasing it for yourself.

Life Insurance. (00:14:48)

- Most organizations have a small life insurance policy
- The younger you are the more life insurance that's available to you
- Try to negotiate a larger life insurance policy – do your research based on your age and how much it will cost the organization

Vision/Dental Insurance (00:16:24)

- Approximately 95% of organizations offer vision and dental insurance for yourself and your family
- Very inexpensive and easily worked into negotiations

Bonus Potential. (00:16:52)

- Most organizations, unless funded solely through the government, will offer a performance-based bonus
- Public organizations are less likely to offer bonuses or accept negotiations for bonuses
- Private organizations generally offer bonuses
- Combination organizations (publicly and privately funded) generally offer bonuses between \$10,000–\$30,000

Wellness/Fitness (00:18:17)

- Majority of organizations offer a wellness/fitness plan because they are encouraged by their insurance companies. The healthier you are, the less insurance must pay for.

Further Education. (00:18:41)

- When you're making \$120,00-\$200,000 per year the board has a hard time justifying tuition assistance.
- If you are making \$75,000-\$100,000 the board will likely support your request for further education.

Country Club/Recreational Club Membership (00:20:03)

- Fewer organizations are offering private club membership these days

Golden Handcuffs (00:20:59)

- Organizations will put "Golden Handcuffs" on you to protect their investment in you
- In some contracts there will be a clause stating you must pay back moving expenses if you leave before a certain time. Or if you leave before a certain time, you'll have to buy yourself out of your contract. Many organizations will pay to have you break your contract with another organization, but it's not guaranteed.

Length/Buyouts. (00:22:40)

- Most contracts run about three years with the option to add a fourth year.
- Most contracts will automatically renew unless a party does not wish to continue. That's usually about three months before it expires.
- Some organizations offer an employment agreement rather than a contract. If so, it's advised to ask for a "three months out." If you're let go simply because they don't like you, no crime was committed or issues have arisen, you can ask to receive three months pay out immediately.

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