

Zoos and Aquariums Can Pay Their Interns: Analyzing Financial Data from 501(c)(3)s

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Abstract

The objective of this study was to compare the financial data of AZA-accredited 501(c)(3) facilities with paid and unpaid internship programs. Financial data was collected from each facility's 2018 Form 990 found from the IRS Tax Exempt Organization Tool. The data were analyzed to determine if there was a statistically significant difference in the distribution of each facility's primary sources of revenue and expenses. Financial data was also collected and compared on total revenue, net income, average employee salary, and highest employee salary. There was no significant difference in the distribution of revenue and expenses found between facilities with compensated intern programs and uncompensated intern programs. There was also no significant difference in the total revenue and net income between facility types. The results indicate that all AZA-accredited 501(c)(3)s, regardless of size and operating budget, have the potential to create a compensated intern program. Facilities with compensated intern programs had a significantly greater average employee salary, suggesting that these facilities focus more on compensating staff overall. Facilities with compensated intern programs were interviewed to collect information on how these programs were created and funded. Most respondents said compensation needs to be prioritized and built directly into the annual budget. More research is recommended to determine why facilities are not compensating interns and if compensating interns will provide accessible pathways to zoo and aquarium careers.

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Introduction

Typically, to get a job in the zoo and aquarium industry, one needs to gain experience by volunteering or completing an internship. Internships at non-

profits like zoos and aquariums are often unpaid (Gardener, 2010). Nonprofits compensate unpaid interns with college credit and experience. However, unpaid internships are inaccessible to students from low-income households, as they require a second, paid job to pay for their food and housing. If unpaid labor is a key requirement to gain entry into fields like animal care and conservation, those who cannot afford to participate are less likely to have careers in these fields.

An article by (Smith, 2019) outlined how unpaid internships reinforce the racial and gender wealth gap. According to (Aurand & Yentel, 2019), Black, Indigenous, and people of color (BIPOC) are more likely to come from low-income households than White individuals. This shows that unpaid internships are less accessible to BIPOC and low-income families and create barriers to enter fields that rely on unpaid labor.

In a 2019 survey, (Koc & Longenberger, 2019) from the National Associations of Colleges and Employers (NACE) found that 66.4 percent of graduates who had completed paid internships received job offers, while only 43.7 percent of graduates with unpaid internships received job offers. This statistic demonstrates that paid experiences can help students get jobs more than unpaid experiences can.

Two actions zoos and aquariums can take to create more accessible careers are offering paid internships and creating entry-level paid positions that do not require experience. Entry-level jobs that require applicants to have both experience and a degree automatically screen many applicants out of the pool.

Several facilities accredited by the Association of Zoos and Aquariums (AZA), classified as 501(c)(3) non-profit organizations, have already established a paid internship program. Using publicly available financial data from AZA-accredited 501(c)(3) institutions, we can analyze the income and revenue of facilities with paid internship programs to determine if similar institutions can afford to pay their interns. Tax forms from the Internal Revenue Service provide data on the number of employees, the amount spent on salaries, primary sources of income, and significant expenses. With this data, we expect facilities with paid internship programs to have a greater operating budget or higher annual net income than facilities with unpaid internship programs.

Methods

A list of current AZA-accredited facilities was downloaded in September 2020 from the Association of Zoos and Aquariums' website. This study focuses on facilities that are federally recognized as non-profits, or 501(c)(3)s, as their financial information is publicly accessible on 990 forms via the IRS. Each facility was researched to determine its status as a non-profit. Facilities were organized into four categories: non-profit, public, for-profit, and international. Organizations classified as 501(c)(3)s have a publicly available Employer Identification Number (EIN) that can be found using the IRS's Tax-Exempt Organization Search Tool.

If the tax records listed 0 employees, the organization was determined to be support for an accredited facility, and that facility was categorized as public. For example, several facilities have a “Friends of the Zoo” 501(c)(3) that operates to provide financial support to the facility but does not manage employees. Facilities with a supporting non-profit were not included in this study, as their tax forms did not show all financial data. Some federally recognized 501(c)(3) facilities operate as a public-private partnership and receive most of their financial support from the city or town. A public-private partnership allows a government agency and a private company or organization to work together. The study did not include these facilities because their tax forms did not show all their financial data. International facilities were also not included, as they do not have public tax records in the US.

Of the 241 AZA-accredited facilities in September 2020, 120 were determined to be 501(c)(3)s eligible for this study. Each facility’s website was researched to determine if they have an established internship program and if they offer compensation to their interns. If no information was found, facilities were contacted via email. Out of the 120 facilities eligible for the study, 108 had an established internship program, 8 had no internship program, and 4 had no information about an internship program or did not respond to an email inquiry. Several facilities operate as one non-profit with multiple accredited locations. Therefore, the 120 facilities were condensed into 98 501(c)(3)s.

The EIN of each institution was run through the IRS’s Tax-Exempt Organization search to download the facilities’ 2018 990 forms. At the time of research, some facilities did not have a 2019 form available to download. Information from the Summary (Part 1), Compensation of Highest-Paid Employees (Part VII), Statement of Revenue (Part VIII), and Statement of Functional Expenses (Part IX) was recorded. Specific information was collected to determine how much money was received from Contributions, Gifts, and Grants (lines 1a, 1d, 1e, 1f, & 1g), Fundraising Events (line 1c), Membership Dues (line 1b), Program Service Revenue (line 2), and other sources.

The amount of money spent on Grants (lines 1-3), Salaries, Wages, Employee Benefits and Compensation (lines 5-10), Fees for Services (lines 11a-g), Advertising (line 12), Office Expenses (line 13), Occupancy (line 16), and other expenses were also recorded. Fees for services include legal, accounting, lobbying, and professional fundraising service fees. Occupancy includes items like rent, mortgage payments, and property taxes. While there are other categories in Part IX, they were left blank on the majority of tax forms. The categories chosen account for areas where the greatest amount of money was spent. Data were compiled in an excel spreadsheet.

Each revenue source and expense were calculated into a percentage of overall revenue or expenses. The average salary of employees was calculated by dividing the overall amount spent on salaries and wages (Part I, line 15) by the number of employees (Part 1, line 5). The highest salary listed in Part VII was recorded, along with the employee’s title.

Facilities were split into two main categories - ‘Compensated Intern Program’ and ‘Uncompensated Intern Program.’ If a facility offered compensation as an

hourly wage or stipend, it was marked as a ‘Compensated Intern Program.’

Average percentages of total revenue and expenses for both program types were compared with an independent-samples t-test to determine if there was a statistically significant difference ($p < 0.05$) in each category. The averages of total revenue, net income, and employee salaries were also compared with an independent-samples t-test. Both descriptive and inferential statistics are presented in the results section.

Facilities classified as non-profit or public with Compensated Intern Programs were contacted to answer a brief questionnaire or participate in an interview based on a set of questions. These questions were used to determine how facilities successfully built their compensated intern program, their funding, and how other facilities could use these strategies to develop their own program.

Results

Results & Statistics from Form 990

Of the 98 total facilities eligible for this study, 23 offered compensation for their interns. Eight of these offered stipends, seven offered an hourly wage, and eight did not specify the type of compensation. Nine of the facilities providing compensation also offered unpaid internships.

There was no significant difference between facilities with Compensated Intern Programs and facilities with Uncompensated Intern Programs in every category of revenue sources ($p > 0.05$) and every category of expenses, except for Occupancy ($p = 0.043$). The exact percentages are displayed in Table 1, and the data is visually presented in Figures 1 and 2.

Table 1
Distribution of revenue and expenses by intern program type.

	Compensated Intern Program		Uncompensated Intern Program		t(96)	p
	M	SE	M	SE		
Distribution of Revenue						
Contributions, Gifts & Grants	35.68%	3.76%	35.58%	2.25%	0.021	0.491
Membership dues	10.44%	2.38%	10.35%	0.75%	0.047	0.481
Fundraising events	1.47%	0.27%	1.83%	0.31%	-0.621	0.268
Program Service Revenue	39.53%	4.14%	40.96%	2.08%	-0.322	0.374
Other Revenue	12.88%	2.53%	11.27%	1.10%	0.657	0.474
Distribution of Expenses						
Grants	5.18%	2.07%	2.34%	1.16%	1.179	0.121
Salaries, Wages & Benefits	49.91%	1.97%	50.97%	1.10%	-0.465	0.322
Service Fees	5.31%	0.69%	4.46%	0.44%	0.960	0.170
Advertising	3.62%	0.40%	3.82%	0.45%	-0.235	0.407
Office Expenses	3.54%	0.48%	3.12%	0.40%	0.539	0.296
Occupancy	3.85%	0.71%	5.52%	0.48%	-1.733	0.043
Other expenses	28.59%	2.23%	29.76%	1.26%	-0.449	0.327

Some facilities listed membership dues as part of their Program Service Revenue (Part VIII, line 2) instead of in the Membership Dues section (Part VIII, line 1b). A portion of both facility types listed Membership Dues in the Program Service Revenue section. For these facilities, Membership Dues were subtracted from the Program Service Revenue.

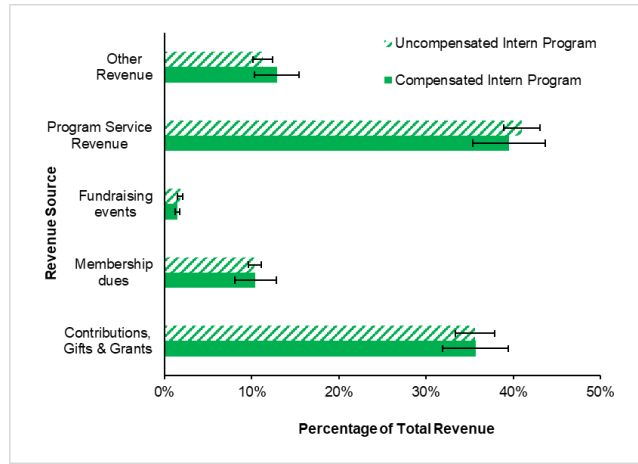


Figure 1: Distribution of revenue sources for AZA facilities with intern programs. Each category is represented as a percentage of total revenue.

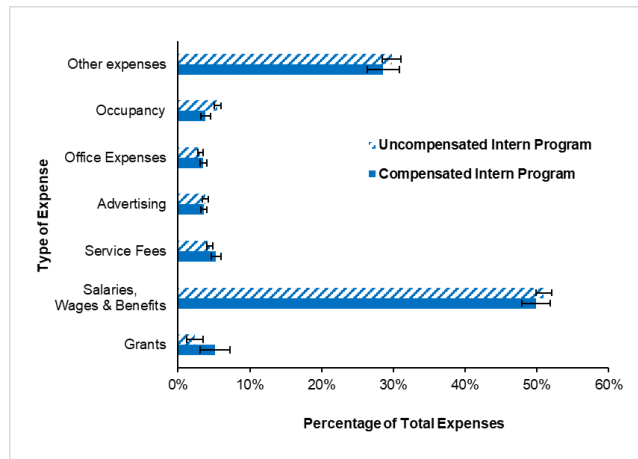


Figure 2: Distribution of expenses for AZA facilities with intern programs. Each category is represented as a percentage of total expenses.

The Program Service Revenue type is displayed in Figure 3. Admission fees were reported the most, followed by Programs, Membership Dues, and Concessions.

The types of expenses listed in the ‘Other Expenses’ section (line 24) are shown in Figure 4. The highest reported expense was Animal & Specimen Care, with sixty-seven out of ninety-six facilities reporting. Other expenses reported were Events, Supplies & Equipment, Fees, Maintenance, Research &

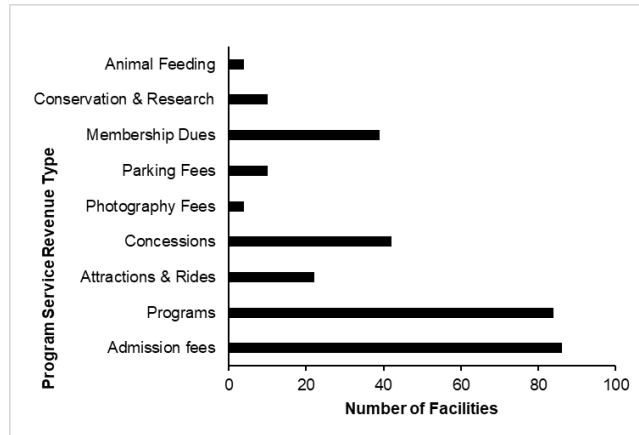


Figure 3: Different types of Program Service Revenue by the number of reporting facilities.

Conservation, Dues & Subscriptions, and Education.

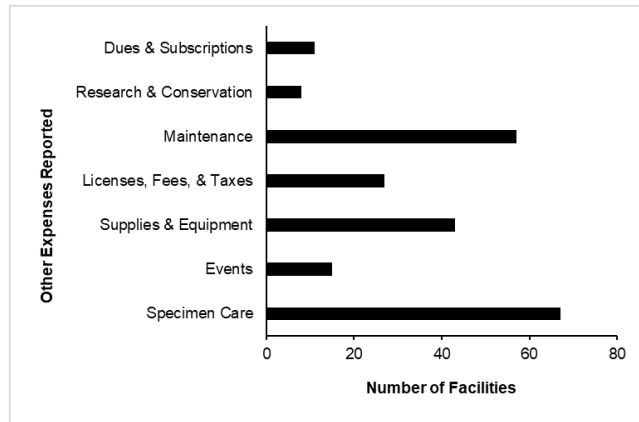


Figure 4: Different types of expenses listed by the number of reporting facilities.

The purpose of comparing the overall percentages of revenue sources and expenses was to compare facilities with a high operating budget to facilities with a low operating budget. The mean total revenue of all facilities was compared to determine if facilities with a compensated intern program had an overall high operating budget. There was no significant difference ($p > 0.05$) in total revenue between facilities with compensated and uncompensated intern programs (Table 2). The highest total revenue reported from a facility with a Compensated Intern

Program was \$278,649,802, while the highest total revenue from a facility with an Uncompensated Intern program was \$1,466,053,226. The lowest reported revenues were \$2,988,403 and \$1,048,148, respectively.

Table 2

Mean values of Total Revenue, Net Income, Admissions Fee Income, and Animal Care Expenses by intern program type.

	Compensated Intern Program		Uncompensated Intern Program		<i>t</i> (96)	<i>p</i>
	<i>M</i>	<i>SE</i>	<i>M</i>	<i>SE</i>		
Total Revenue	\$46,066,857	\$12,318,863	\$43,201,927	\$19,713,562	0.078	0.469
Net Income	\$3,881,840	\$2,903,665	\$3,191,352	\$1,233,074	0.249	0.402
Admissions Fee Income	\$11,719,672	\$2,402,314	\$6,879,229	\$1,411,732	1.688	0.048
Animal Care Expenses	\$996,450	\$241,846	\$663,121	\$118,721	1.160	0.125

There was no significant difference ($p > 0.05$) found between the net income (total revenue minus total expenses) of each facility type. The average net income for facilities with compensated intern programs was \$5,465,159, while the average for facilities with uncompensated intern programs was \$3,191,352. This data suggests that facilities with multiple operating budgets and overall net income can compensate interns.

Eighty-six out of the ninety-six total facilities reported income from admissions fees in Part VIII's 'Program Service Revenue' section. Facilities with compensated intern programs had significantly higher ($p = 0.048$) income from admissions fees than facilities with uncompensated intern programs. The minimum income from admissions in both categories was \$0, suggesting that a high income from admission fees is unnecessary to support a compensated intern program.

While it appears that, on average, facilities with compensated intern programs spend more on animal care, there was no significant difference ($p > 0.05$) between these two values. It is expected that all of the zoos and aquariums included in this study have expenses in this category, as they need to provide food and veterinary care for the animals. However, this category is optional to include in the 'Other Expenses' section, and only sixty-seven out of ninety-six facilities recorded animal care expenses. Therefore, it is assumed that facilities that did not specify animal care expenses included it in other categories such as supplies or equipment.

Average employee salary was determined by dividing the total amount spent on salaries and wages by the number of listed employees. The highest reported salary was also recorded. Facilities with compensated intern programs had both a significantly greater average employee salary ($p < 0.001$) and average highest reported salary ($p = 0.007$). It is interesting that even though there was no significant difference in the total revenue (Table 2), there was a significant difference in salaries (Table 3). Perhaps certain facilities overall prioritize paying their staff (both regular employees and interns) a better wage than others do.

A few of the calculated average employee salaries were less than the federal minimum wage. In 2018, the year this data was collected, the federal minimum wage was \$7.25 an hour. At \$7.25 an hour, 40 hours a week, for 52 weeks, a

Table 3*Mean values of Average Employee Salary and Highest Reported Salary by intern program type.*

	Compensated Intern Program		Uncompensated Intern Program		<i>t</i> (96)	<i>p</i>
	<i>M</i>	<i>SE</i>	<i>M</i>	<i>SE</i>		
Average Employee Salary	\$38,218	\$2,536	\$26,153	\$1,408	2.481	0.000
Highest Reported Salary	\$375,869	\$54,297	\$257,847	\$20,197	4.111	0.007

minimum wage salary would be \$15,080 before taxes. Nine facilities with uncompensated intern programs and zero facilities with compensated intern programs were found to have an average wage below \$15,080. This could be because the majority of employees at these facilities are part-time, temporary, or seasonal. Another explanation is that the numbers are misreported, or the facility uses an alternative funding source for additional salaries and wages. Average employee salaries for facilities with compensated intern programs ranged from \$15,723 to \$61,096, while salaries for facilities with uncompensated intern programs ranged from \$9,627 to \$96,624.

The highest reported salaries at both types of facilities were over ten times higher than the average employee salary. These salaries were mostly held by the President & CEO or Executive Director of each organization. Salaries ranged from \$55,000 to \$933,268 for facilities with uncompensated intern programs and \$102,535 to \$1,414,983 for facilities with compensated intern programs.

Summary of Findings from Interviews and Questionnaires

The 23 facilities included in the study were contacted to complete a questionnaire or interview. Ten completed the questionnaire or interview, two denied an email request, and eleven did not respond to an email request. Facilities with compensated intern programs that are not considered 501(c)(3)s but are supported by a 501(c)(3) and managed by the city or another organization, were also contacted to participate. Five of these facilities completed a questionnaire or interview.

Internship Program Logistics

The majority of respondents were involved in the hiring, management, and development of interns. Some respondents were more involved in supporting and developing the intern program itself. Most respondents reported their interns receive stipends ranging from around \$200 to \$1200 a month. Several reported compensation is given in the form of an hourly wage. Internship length at each facility varies between 6 weeks and a year, with most around 3 to 4 months. The majority of these internships require 30 to 40 hours per week. The number of interns at each facility ranges from 1 to around 200 interns, with most around 10.

Internship areas vary greatly, but the majority of interns work in the animal care departments. Other areas include conservation, research, education,

veterinary care, marketing, and communications. Some interns rotate between areas during their program, while others work in a specific area or with a specific group of animals. The majority of programs followed a learning path or syllabus with objectives like completing a specific project. A few facilities partner with a local college or university to directly provide internships for the students.

Funding Sources for Compensated Internship Programs

The funding for these programs comes from a variety of sources. Some respondents stated that the funding is built directly into the budget, just as other salaries and wages are. A few reported that the funding comes from the city or their supporting nonprofit. Many respondents said that the internships are grant and donor funded. Some of these grants are available for other facilities to apply for, while some are given directly to a specific facility. Several respondents explained that a grant or organization could help cover a portion of the funding, and their facility will supplement the rest from their budget. A few respondents explained that grants are not sustainable because they are not always guaranteed yearly.

Respondents stated that donor-funded internships are usually handled through their development department, and relationships with the donors can take years to build. For this type of funding, respondents typically work with the development team to find donors who directly will fund the internship program. Respondents also said that community partners are more excited to work with the facility if they are involved in the internship development process. One respondent suggested looking for donors who would fund an internship if it was named after the donor. If donors cannot provide financial support, facilities should look for ways the donors could provide housing or transportation.

Advice for Building a Compensated Internship Program

The number one response for advice on building a compensated intern program was to prioritize the funding in the budget. Respondents said to work with senior leadership and other co-workers to advocate for funding. Several said to revisit the budget and determine how facilities could reallocate funds to the internship program. Facilities should reduce the number of internships available if they can only afford to pay a few. Others said to start compensating interns with what the budget allows, even if it is a small stipend.

Several facilities recommended surveying current interns or local college students to include their voices and get the conversation started. Students have demonstrated they are more interested in paid opportunities and can dedicate more time to learning from their internship if they do not have to work a second job for income. One respondent suggested using payourinterns.org for resources on talking to leaders and managers about funding an internship program.

Discussion

The data collected indicate that facilities with compensated and uncompensated intern programs spent money similarly and received similar types of revenue. These results suggest that zoos and aquariums with different operating budgets, total revenue, and net income are financially able to provide compensation to their interns. Zoos and aquariums with compensated intern programs were expected to have a greater total revenue or net income, allowing more funding to be used on their intern programs. This was not the case.

Answers from interviews and questionnaires suggest that funding for internships should be included in the annual budget just as regular employees' salaries are. The one category with a statistically significant difference in expenses was 'Occupancy.' Facilities with uncompensated intern programs had a greater percentage of expenses in this category. Occupancy includes things like rent, property taxes, and mortgages. This suggests that facilities with uncompensated intern programs are in areas with a higher cost of living or have a physically larger facility. This is an area that should be researched further in future studies.

The majority of respondents from the interviews and questionnaires stated that the number one way to fund an intern program was to make it a priority. Historically, AZA accreditation standards have focused on the welfare of the animals. While this is important, there have been very few standards concentrating on the welfare of zoo and aquarium employees. These are the folks responsible for animal welfare. Paying interns and staff a living wage should be prioritized in the budget just as much as animal care is prioritized in the budget.

If we look at the average net income of each facility type, we can calculate how this net income could be redistributed into the budget. Facilities could use their net income to fund intern programs. Both types of facilities in this study had an average net income of over 3 million dollars. If facilities hired 20 interns at \$15 an hour for 40 hours a week, 52 weeks a year, they would spend \$624,000 annually. This would still leave enough net income for cushion funds.

Another significant result was the revenue received from admission fees. The lack of significant difference in total revenue suggests that uncompensated intern programs receive revenue from sources outside of admission fees. For example, these facilities could receive a large portion of their revenue from grants or donations. Grants and donations often specify how they need to be spent. Perhaps facilities with compensated intern programs have greater flexibility in their expenses as they can use admission fees to fund their intern programs.

One of the most surprising findings was the significant difference in average employee salaries and the highest reported salaries. At \$24,428, the average employee salary at facilities with uncompensated intern programs comes to about \$11.74 an hour for a 40-hour work week, 52 weeks a year. The average employee salary at facilities with compensated intern programs, \$35,031, comes to about \$16.84 an hour. These are both greater than the federal minimum wage of \$7.25. In 2019, the median annual earnings for individuals with a high school diploma

was \$38,792, according to the (of Labor Statistics, 2020). For individuals with a bachelor's degree, this salary increased to \$64,896. If Bachelor's degrees are needed to enter the zoo and aquarium field, the salaries should reflect that.

These facilities may argue that they do not have the necessary funds to increase salaries. Still, statistics from the average net income and average highest reported salary show there may be more funds available. On average, the salaries for CEOs and Presidents were ten times higher than the average employee salary. At one facility, the Executive Director's salary was \$616,062, almost 35 times greater than their average employee salary of \$17,406. In a future study, it would be interesting to see the relationship between CEO salaries and employee salaries.

The methods of this study were helpful to summarize the overall financial data of AZA-accredited 501(c)(3) facilities. Form 990 can often be very lengthy, sometimes over 20 pages. Therefore, not every aspect of financial data was analyzed. Form 990 also includes information on the specific grants given out by the facility reporting and information on types of fundraising events. It would be interesting to review this information in the future to see if there are particular grants facilities could apply for or fundraising events that have proven to be successful.

The next step for this study would be to compare the average employee salary to the estimated living wage for the town or city in which the facility is located. It is important to recognize that even if students are able to participate in an unpaid internship, there are still several barriers that prevent specific individuals from entering the field. Even if all internships become paid, any student that has a large number of expenses like student loans, car payments, or credit card debt may not be able to afford the current average salaries offered at these facilities. The study highlights just a few of the barriers that are apparent in this field.

Conclusion

Overall, the resources, funding, and structure exist for zoos and aquariums to develop a paid internship program. Results from financial data and interviews reveal that it is a matter of making it a priority in the budget and having discussions at the management level. Information gathered from interviews and questionnaires revealed that students' voices are essential in these decisions and help motivate leaders to make changes in their programs.

Unpaid internships have been getting a lot of attention lately due to many individuals' recent interests in addressing equity issues. Often, non-profit organizations are defended for their lack of funding available, but is this the case? The results from this study conclude that there are AZA-accredited 501(c)(3) facilities with available funding to compensate interns, and their revenue and expenses do not differ significantly from other AZA-accredited 501(c)(3) facilities.

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