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Compensation Strategies Used in Public and Academic Libraries

A Report from the 2005 Survey of Librarian Salaries

It is important for librarians to know how their salaries are determined. It may be one question that can be asked by new librarians, either during the interview or after an offer is made: "How is the library funded and how are salaries and other compensation determined?" How much do current employees understand about the compensation plan? Is there a plan?

Each year, the *Survey of Librarian Salaries* includes one or several supplemental questions. In 2005, we included three that will be discussed in this and future issues of *Library Worklife*.

Collective bargaining agreements mandate the increases for 25 library systems.

It was encouraging to see that market data was used in nine cases. The market was defined as local city employees, salary surveys of similar cities, and other libraries in the region.

Step increases, within or in the absence of collective bargaining agreements, were mentioned often.

Several systems give a bonus or base pay increase for staff with or who acquire an MLS. One system named a bonus of \$3000.

Bilingual pay is one of the more unique compensation methods. Staff who speak an additional language are rewarded financially for that skill. Other unique methods in public libraries were cash in lieu of insurance and a clothing allowance (one library system for each).

Academic Library "Other Methods of Compensation"

Responses from the 115 academic libraries reporting "other compensation methods: were equally varied. For 28 institutions, academic librarians' total compensation is governed by faculty pay scales and/or collective bargaining agreements, usually with faculty. As with public libraries, for state academic institutions, the state may determine the compensation plan. For private institutions, the administration and boards do so. At least one respondent felt that the compensation strategy was "arbitrarily" determined by the administration.

Academic librarians benefit from market data and pay equity studies in several libraries. Academic institutions take a market-based approach by using benchmarking studies, College and University Personnel Association (CUPA) surveys and peer comparison. One even implemented a methodology based on recommendations from a compensation consultant.

Staff are rewarded with longevity pay and increases based on continuing education and professional development. Stipends and promotions were strategies only reported in the academic library context.

Definitions

Compensation Methods

Base plus Cost of Living Allowance (COLA)

An adjustment to the base salary by a percentage that is assumed to match increases in costs for goods and services on a national, regional or local level or account for changes in the market.

Scale plus Cost of Living Allowance (COLA)

A range of pay rates, from minimum to maximum, set for a specific pay grade plus a cost of living adjustment .

Cash incentives

Additional compensation used to motivate and reward employees for exceeding performance or productivity goals.

Bonuses (Variable Pay)

An incentive pay plan which awards employees compensation, in addition to their base salary, for achieving individual or group performance and productivity goals.

Broadbanding

A pay structure that consolidates existing job classifications and ranges into wider pay bands

Job-based or skill-based pay

A salary differentiation system that bases compensation on an individual's education, experience, knowledge, skills or specialized training.

Merit pay

A compensation system whereby base pay increases are determined by individual performance.

Other

Additional Forms of Compensation

Awards programs