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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*. Academic and public library respondents told us the compensation strategies they use, whether staff is covered by collective bargaining agreements and the number of full-time equivalents (FTEs) in various departments of the library. This month, we will explore the compensation strategies used in libraries. In June, we will report on the percentages of librarians, other professionals and support staff who are covered by collective bargaining agreements. We will analyze the final question about FTEs by department in July. The first two of these questions were also asked in the 1997 Survey (See [1997 Results](#) below).

The *Survey of Librarian Salaries 2005* asked respondents to indicate "which compensation strategies do you use in your current pay system" and to check all that applied.* There were seven typical strategies and six additional forms of compensation (see [Definitions](#) below).

The survey provided thirteen compensation methods to choose from, as well as the option to add others. The first set was pay-related compensation methods ([Table 1](#)). The most popular form of compensation is merit pay. Staff receive increases based on their success in reaching personal goals. Of the 2039 libraries included in the response, Cost of Living Allowances are most frequently cited. Base plus cost of living allowance (586, 29%) and scale plus COLA (492, 24%) are used, for a total COLA usage of 53%. The next most popular method, merit pay, was cited by 753 (37%) libraries. The least used method is cash, cited for just 22 libraries (1%). It is interesting to note that broadbanding as a compensation theory is not very popular in libraries in a time when positions are being metamorphosized and consolidated at a great rate. On both the Librarian and non-MLSs salary surveys, whenever we give an option for "Other," the entries and comments are legion, often reflecting the realities of working in multiple functional areas, particularly in smaller libraries and with support staff positions. Broadbanding arranges positions into "much broader salary ranges or bands encompassing more diverse jobs with appreciably different pay levels... The ranges are designed this way to encourage lateral transfers instead of promotions, facilitate the ability of employees to enrich and enlarge their jobs without the necessity of a reclassification or promotion, and improve recruitment and retention efforts, especially when competing with the private sector" (See *Alternative Compensation Plans* by Paula Singer in *LW*, v1n5).

Compared with the 1997 results, library staff cannot count on basic Cost of Living Allowances as readily, as this method is used 8% less than eight years ago. Merit pay or pay for performance was used in 42.3% of libraries in 1997, and 37% in 2005.

TABLE 1: Compensation Methods

Compensation Method	# Libraries	% of Total (n=2039)*	Public**	Academic**
Base plus COLA	586	29	387	196
Scale plus COLA	492	24	401	106

Merit pay	753	37	470	286
Job-based or skill-based pay	383	19	205	167
Bonuses	122	6	87	37
Broadbanding	75	4	39	40
Cash	22	1	23	4

*Many libraries use more than one method: total responses = 2433.

** Total responses by library type = 2448; 1612 responses from public libraries and 836 from academic libraries.

For alternative compensation methods, payment or reimbursement for conference attendance was *the* most cited additional compensation method for libraries (Table 2). It is not known whether this includes local, regional, state, national or even international conferences. It is also not known whether this feature is offered to all staff. Compensatory, or comp, time is the next most frequent method, which is allowing a staff to take time off for working additional hours. Payment of membership dues is higher than one might anticipate, at 40%. Again, it is not known whether this includes local, regional, state, national or even international associations or whether the memberships are exclusively in library associations.

It is unfortunate that awards programs scored lowest on the list at 10%. Our hope is that more libraries will celebrate the staff by recognizing and rewarding excellence on National Library Workers Day in April or during other staff appreciation events on campuses and in local governments. The 2006 National Library Workers Day (NLWD) was the most successful ever and we received heartwarming and joyous emails and phone calls about how libraries paid homage to their staff. The **NLWD Stars campaign** drew 223 nominations describing excellence by library staff across the United States and from two countries.

Use of sabbaticals fell 50% over the eight-year span, from 28.2% in 1997 to 14% in 2005. Awards programs have remained rather steady, around 10%.

Table 2: Additional Forms of Compensation

Alternative Compensation Methods	# Libraries	% of Total (n=2039)
Conference attendance	1,517	74
Compensatory time	996	49
Membership dues	826	40
Sabbaticals	291	14
Awards programs	204	10

Once again, we thought we had covered all the bases. However, richness came from Other Compensation Methods category. We received objective and subjective responses, such as the compensation strategy of “longevity, augmented by random increases based on politics.” There were 297 “Other” entries.

Both public and academic respondents' “Other” lists contained at least one comment that said that increases may be “on the books” (in the budget), but not distributed because revenues fall short or priorities change.

Public Library "Other Methods of Compensation"

One hundred seventy seven public libraries reported other compensation methods. Many were combination. Many were combinations of the methods cited in Table 1 or those in concert with the methods below. Here is a selection and brief anecdotes of the ways these methods are applied:

- Longevity pay is given in 32 public library systems, either alone or in combination with another method, such as merit pay.
- Percentage increases, which may match COLA, exceed COLA or be given without regard to the cost of living. These increases are determined by boards and trustees, city and state governments, civil service specifications, local school districts, or a percentage that the library can afford based on the budget.

- 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
- Compensatory time
- Conference attendance
- Membership dues
- Sabbaticals
- Team-based pay
- Other

*The *2005 Librarian Salary Survey* was completed by 2058 libraries: 1285 (62.4%) public libraries and 773 (37.6%) academic libraries; 2039 answered the supplemental questions.

Results from the 1997 Survey

By Mary Jo Lynch

1. What is the basis for your current pay system? Please check all that apply.

Table 2: Basis for Pay Systems

	% of respondents
pay for performance/merit based system	42.3
across-the-board cost of living adjustments	61.7
variable pay (system varies with type of work)	16.6
other	24.4

Of those who specified "other," 92 were from academic libraries. Thirty-four (34) of them mentioned a schedule based on various factors and 15 of the 34 noted that it was the same as the faculty schedule. Union contracts were mentioned by 29 academic respondents. Only three mentioned market factors. Of the 116 public library respondents who specified "other," 37 mentioned some kind of salary schedule and 33 mentioned a union contract. Market factors were noted by four respondents from public libraries.

2. Which alternative forms of compensation does your library offer? Please check all that apply.

Table 3: Alternative Forms of Compensation

	% of respondents
sabbaticals/time off	28.2
bonuses/incentives	8.4
job enrichment	16.0
awards programs	9.8
Team-based pay	0.5
Other	11.4
none of the above	49.4

Most frequently mentioned as "other" forms of compensation were professional development/continuing education funds (14 mentions), conference/travel funds (11) and tuition reimbursement (11).

We would love to have your *feedback* on this article!