Salary Data/Market Raises FAQ

1. **How and when is this data compiled?** The University of Tennessee participates in an annual faculty salary study with other universities compiled by the University of Oklahoma. The data from UT includes base salaries and longevity pay for all faculty using the October payroll information. Using the UT October payroll and data from Oklahoma State University Office of Planning, Budget, and Institutional Research Common Data Set, each fall the Budget & Planning Committee requests that the UT Office of Institutional Research & Assessment produce an Excel file which shows data for every rank (Lecturer, Assistant, Associate, and Full Professor) in every unit in relation to our peer institutions..
2. **Why do we use averages rather than medians?** Data on medians is not available in the comparison groups. However, even if it were available, it is not clear that using medians would be better for our purposes. For example, averages are a better measure of overall commitment to salaries, and hence more closely connected to the "market competitiveness" of a department.
3. **Why are we careful to focus on averages by rank and department, as opposed to "all ranks" in departments, or averages at the college level?** "All ranks" averages are strongly influenced by the relative numbers in each rank. For example, in a department with relatively many full professors, whose salaries are generally higher than those of assistant professors, the "all ranks" average, as a percentage of peers, may actually be higher than the corresponding percentages for all ranks (see, for example, the Top 25 comparisons for the Management department). Likewise, averages for rank at the college level may be distorted by relative numbers of faculty in higher paying fields.
4. **Why don't the numbers in the spreadsheet agree with data from my department?** Salaries come from various sources and there may be differences between what is in the spreadsheet and known salaries within departments. If these data are used to help formulate market based raises then it is reasonable to expect departments to be given an opportunity reconcile the data with actual salaries.
5. **Why do we recommend that departments should work out the details of distributing the market raise pools they receive, as opposed to simply coming up with a formula for deans to apply to all faculty members?** Any distribution of raises (including across the board, which uses the simplest of formulas) will produce inequities, both real and perceived. Each department has unique circumstances that its members are best positioned to understand and consider as part of a fair distribution of raises based on the department's overall market competitiveness. As an added measure to ensure fairness, we do recommend that departmental distribution plans be approved by college-level administration.
6. **Why do we recommend that an "average" department have a target salary average of 95% of the given peer group, as opposed to 100%?** The goal of market-based raises is to increase faculty pay enough to improve morale, hence productivity, and reduce the chance of defection of productive faculty members. There are non-tangibles and actual costs in seeking or changing jobs that impact whether or not faculty members feel adequately rewarded and willing to remain at the University of Tennessee. In other words, for a strategy focused on retention and morale, faculty generally do not need to be paid 100% of what they could expect to earn elsewhere in order to remain productive members of our community. The needs of faculty who could demonstrably command much higher salaries elsewhere should be met through merit raises.

7. **Where would the resources come from for market-based raises?** There is evidence that students generally appreciate their professors and believe that they should be adequately paid. Moreover, state legislators may appreciate an effort to allow market forces to determine salaries to a greater extent than would occur via across the board raises. We hope that by presenting a method to bring faculty salaries into line with prevailing markets, which is perceived as both simple and relatively fair, that tuition increases or state appropriations intended for this purpose will be generally acceptable to students and taxpayers.