Reasons for Compensation Adjustments

**MERIT**

Merit is the historical basis for all salary increases at the University of Colorado. Peer evaluation of faculty performance in the areas of teaching, research/creative work, and service forms the basis for merit increases. Salary adjustments or increases that take into account market, career, equity, or structural factors must be simultaneously based on merit.

**MARKET ADJUSTMENTS**

Market adjustments are increases in salaries given to departments and/or individuals to match significant competitive changes in the compensation available to members of a particular discipline or specialty at comparable institutions. At times, shortages drive up the salaries of specialists in a field; in order to keep valued faculty in these fields and maintain quality at CU, market adjustments are provided.

**STRUCTURAL ADJUSTMENTS**

Structural adjustments are granted to whole units or categories of faculty when it is determined that the entire structure of salaries is out of alignment. For example, salary compression for senior faculty could lead to the decision to make structural adjustments in the salaries of full professors.

**SALARY EQUITY INCREMENTS**

The University is committed to equity for minorities and women and has followed a practice of periodic reviews of the salary profiles of these groups compared to others. Each campus also now has a process for reviewing the salary grievances of individual faculty to insure equitable evaluation of merit.

**CAREER MERIT**

Merit is the constant principle on which salary increases are made. But, because the salary pool varies from year to year, the actual “reward” that a faculty member gains for meritorious performance can vary from year to year. Two faculty who begin with the same salary and who have equally productive records could find themselves, after 5 or 10 years, with different salaries simply because of variations in the merit pool from one year to the next and the timing of their productivity. Evaluations using career merit allow a unit to remedy any inadvertent discrepancies caused by the vicissitudes of state budgets and timing.

**INVESTMENT (SPECIAL OPPORTUNITY) INCREMENTS**

Investment increments are strategies for maintaining or enhancing faculty strength in units that have been selected as centers for excellence. They may also be used to build or maintain diversity in a unit.