

What is a Compensation Study and Why Should Your District Want One?

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With the changing labor environment, there are more and more discussions about pay, benefits, and other key factors in attracting quality employees. How do you know if your pay is competitive? Searching labor statistic websites and talking to your neighbor schools will only get you so far. A compensation study may be able to give you the answers you need.

A compensation study provides information regarding employee compensation programs, including wages, salaries, leave plans, performance pay and fringe benefits. The data provided in these types of reports provides information that is a comparison of amounts paid on average either in your area, or in school districts of a similar size or nature.

A study of this nature is time intensive and will require some strong analytical skills. This starts with determining what type of information you need. Are you only concerned about your hourly staff pay as the minimum wage increases? Are you more concerned about the certified staff or in attracting highly effective teachers? These types of questions will determine the information to be requested from other districts or employers. It is important to include some non-financial data for the comparison as well. Factors such as the amount of paid leave time, or number of contract days worked are important to include in your comparisons as well.

Once these factors are determined, a survey is created and provided to multiple districts either in your area or of a similar size/location. Some surveys might be provided to other local government entities such as city or county offices, or to larger or more distant entities to ensure a good comparison is provided. It is key to obtain information from several other entities to obtain an appropriate comparison. Raw data can be provided to participating

districts to convince them to participate, or several districts could work together to obtain and pay for a compensation study.

This survey can include questions about the support staff, certified teachers, administrators and more. Comparisons are made based on job description and/or duties as well as expected education level, experience and more. This will allow a comparison of like items to like items. If a classroom aide at one district is required to have a Bachelor's degree and at another district they only need an Associate's degree, this needs to be considered as the higher requirements will usually mean increased pay. Once all the data is received, a report is prepared with comparisons based on the selected categories.

This report data is arranged by staff classification (e.g., salary, certified, hourly, classified, etc.). It will also include averages and comparisons between the requesting district(s) to the average. It could include evaluations of hourly rates, daily rates, average number of days worked, etc. It could also include data regarding number of paid leave days offered, medical benefits provided and average cost to employee for single and/or family coverage. All of this is based on the key information determined during engagement planning and requested via the survey.

All of this information provides key insights into the differences in your district's average salaries by category to other districts of a similar size or to other employers in your area. This provides insight into the competitiveness of your wages and benefit packages. A good compensation study can allow your district to make better decisions when building or updating the salary schedule, deciding on new or updated benefit packages, and/or other compensation decisions. It can be a tool for discussions with employee unions and/or department heads when making salary determinations. It will also allow for better transparency in compensation.

If you are interested in a compensation study, please [contact us](#) and we can discuss the options available to your district.

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