

TO: Faculty and Staff
FROM: Tracy Fitzsimmons, President
SUBJECT: 2008 Annual Salary Increase
DATE: October 24, 2008

During a national economic crisis that is affecting each member of our community every day, I am happy to be able to report that the university has remained financially strong and stable. While we have experienced a significant decline in our endowment's value and a brief but substantial increase in our variable interest rate on our bonds, our enrollment and fundraising have been at the expected levels. Most importantly, our students continue to benefit from a highly competent and committed faculty and staff.

The University Cabinet (comprised of deans, vice presidents, and faculty, staff and student representatives) and I are pleased to be able to give salary increases this year – despite the challenging economic climate.

After a lengthy discussion, the Cabinet and I have decided to allocate the raise pool in a way that will make the most impact on those who are most economically vulnerable during these difficult times.

Each eligible employee will receive a \$1,000 increase to base pay effective November 1, 2008. Please note that this is not a bonus; it is an increase to base pay so that the university will also be paying the related benefits increases.

We believe that this flat, across-the-board increase is the best way for our raise pool dollars to make the greatest impact for our staff and faculty. It benefits most those with lower salaries, yielding for some a 3 percent or 4 percent salary increase. We believe this increase will be invaluable in dealing with the high costs of gas and food for those whose short terms needs place them in acute financial risk. We also recognize that, for those with higher salaries, the percentage increase will be smaller.

This salary increase attempts to strike a balance between the need to give well-deserved raises for our many outstanding faculty and staff members and a responsible recognition of, and response to, the uncertain state of the economy. We trust that this decision reflects our university's commitment to be "ethical, compassionate citizens who are committed to making responsible contributions within (our) community."

As has always been the case, those eligible for the increase are those benefited employees, in good standing, who were employed at Shenandoah University in their current position prior to July 1, 2008.

I am honored to work – and learn – with you.