This dissertation research examined the characteristics of teacher incentive pay programs in the United States. Using the 1999, 2003, and 2007 SASS datasets, this study found that large and ethnically diverse districts in urban areas with less union influence were more likely to offer PRP. However, highly qualified teachers in high demand were no more likely to receive a larger amount of PRP. The 2010 Teacher Compensation Programs survey data also showed that poor rural districts were less likely to offer teacher incentive pay programs. Using statewide longitudinal Teachers’ Opportunity to Learn survey data, this study found that most of the PRP recipients were evaluated by school principals, who conducted classroom observations and face-to-face meetings to assess the teachers’ teaching practice and professional development activities. After controlling for teacher and school characteristics, this study found a modest yet positive association between PRP and improvement in teacher practice of constructivist instruction.