

Faculty Compensation and Best Practices

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Outline

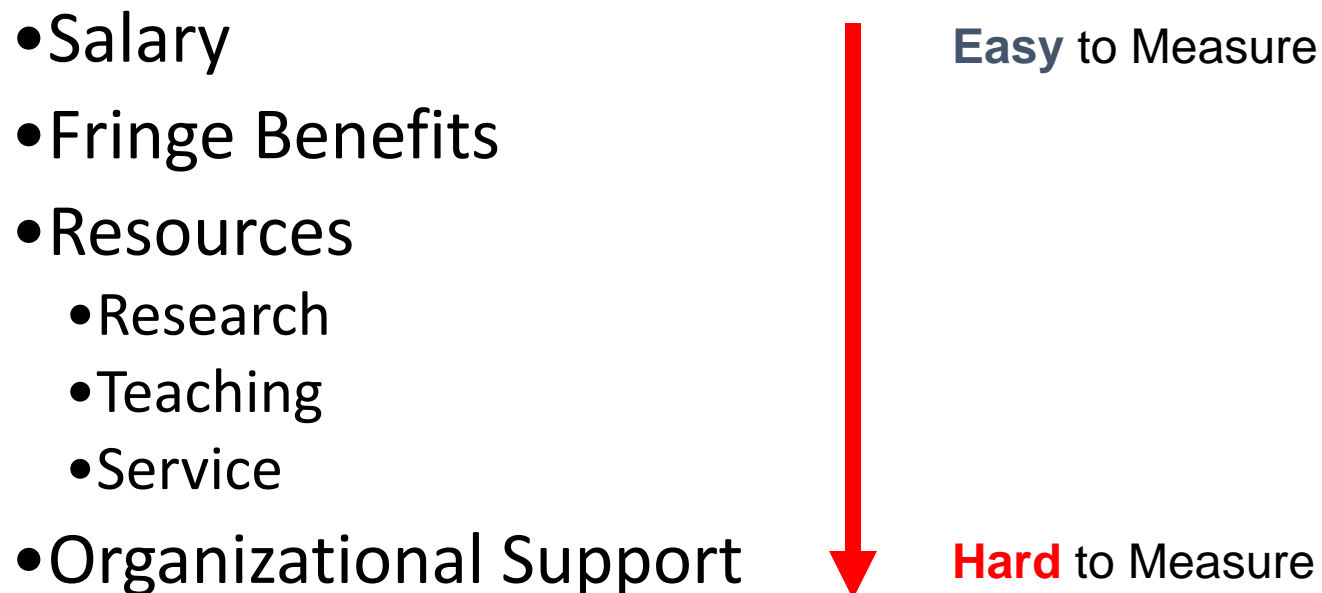
- Faculty Compensation and the AAUP
- Benchmarking Elements of Faculty Compensation
- Best Practices for Faculty Retention
 - A Counter Offer System
 - An in-rank salary advancement system
- Summary

Faculty Compensation


Elements of Faculty Compensation

- Salary
- Fringe Benefits
- Resources
 - Research
 - Teaching
 - Service
- Organizational Support

Elements of Faculty Compensation



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- AAUP Faculty Compensation Survey
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AAUP Faculty Compensation Survey

- Annual Salary and Benefits Survey for nearly 60 years.
- Over 1000 institutions participate.
- Full Time Instructional Faculty (primarily instructional or research/service/instruction). Excluding research faculty, medical faculty and military faculty.
- Carefully validated and standardized definitions of benefits.
- Used by institutions to benchmark their compensation.
- US Bureau of Economic Analysis uses FCS results to set research inflation annually (provides input into NSF, NIH and NEH budgets).

Nevada System of Higher Education

- University of Nevada, Reno (FCS Participant)
- University of Nevada, Las Vegas (FCS Participant)
- College of Southern Nevada (FCS Participant)
- Nevada State College
- Great Basin College
- Truckee Meadows Community College
- Western Nevada College

AAUP Categories

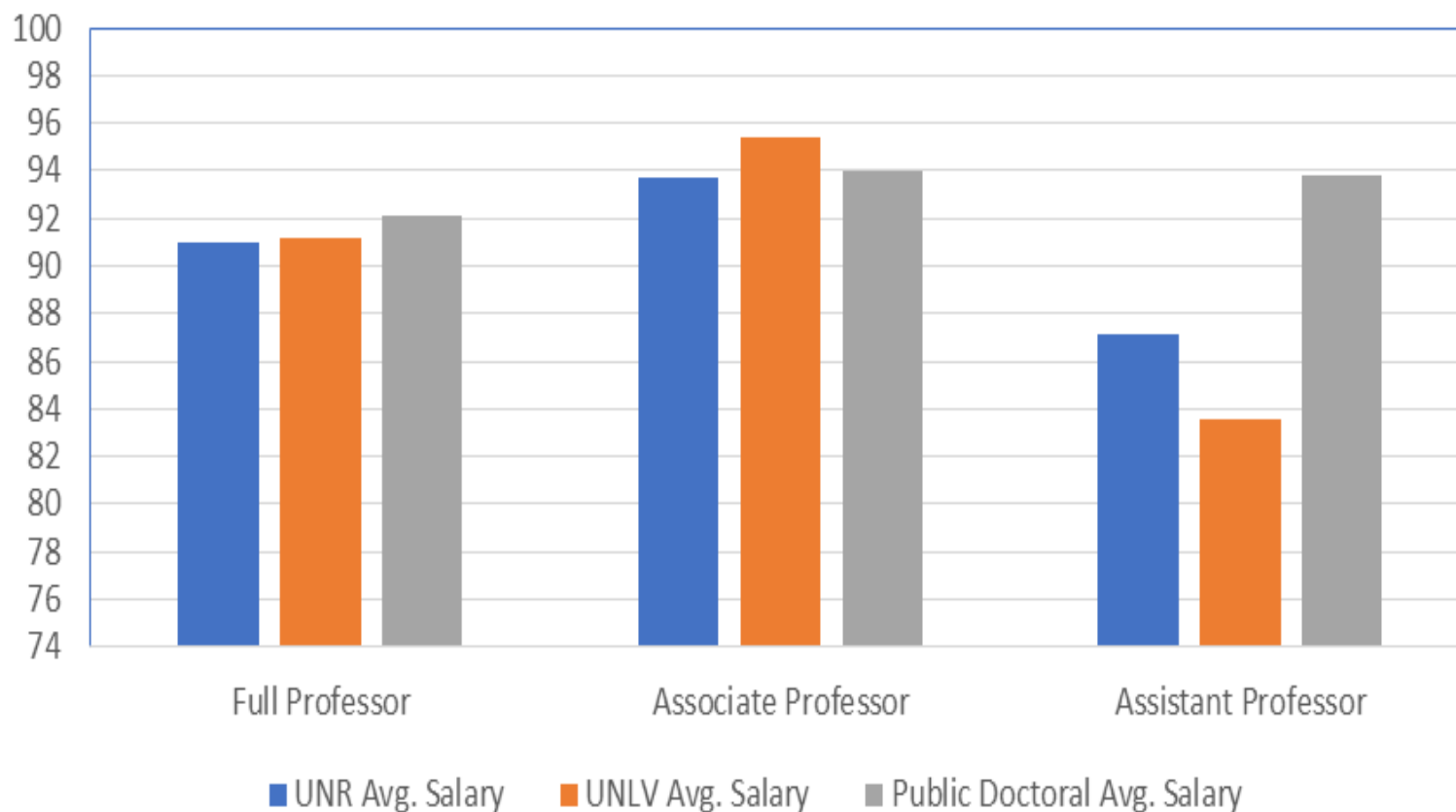
- Doctoral Institutions (I)
- Master (IIA)
- Baccalaureate (IIB)
- Associates with Ranks (III)
- Associates without Ranks (IV)

Nevada System of Higher Education

- University of Nevada, Reno(FCS Participant)
 - Category I (Doctoral)
- University of Nevada, Las Vegas (FCS Participant)
 - Category I (Doctoral)
- College of Southern Nevada (FCS Participant)
 - Category III (Associate's with Ranks)
 - Unique two ranked system (Professor and Instructor) with 5 steps.

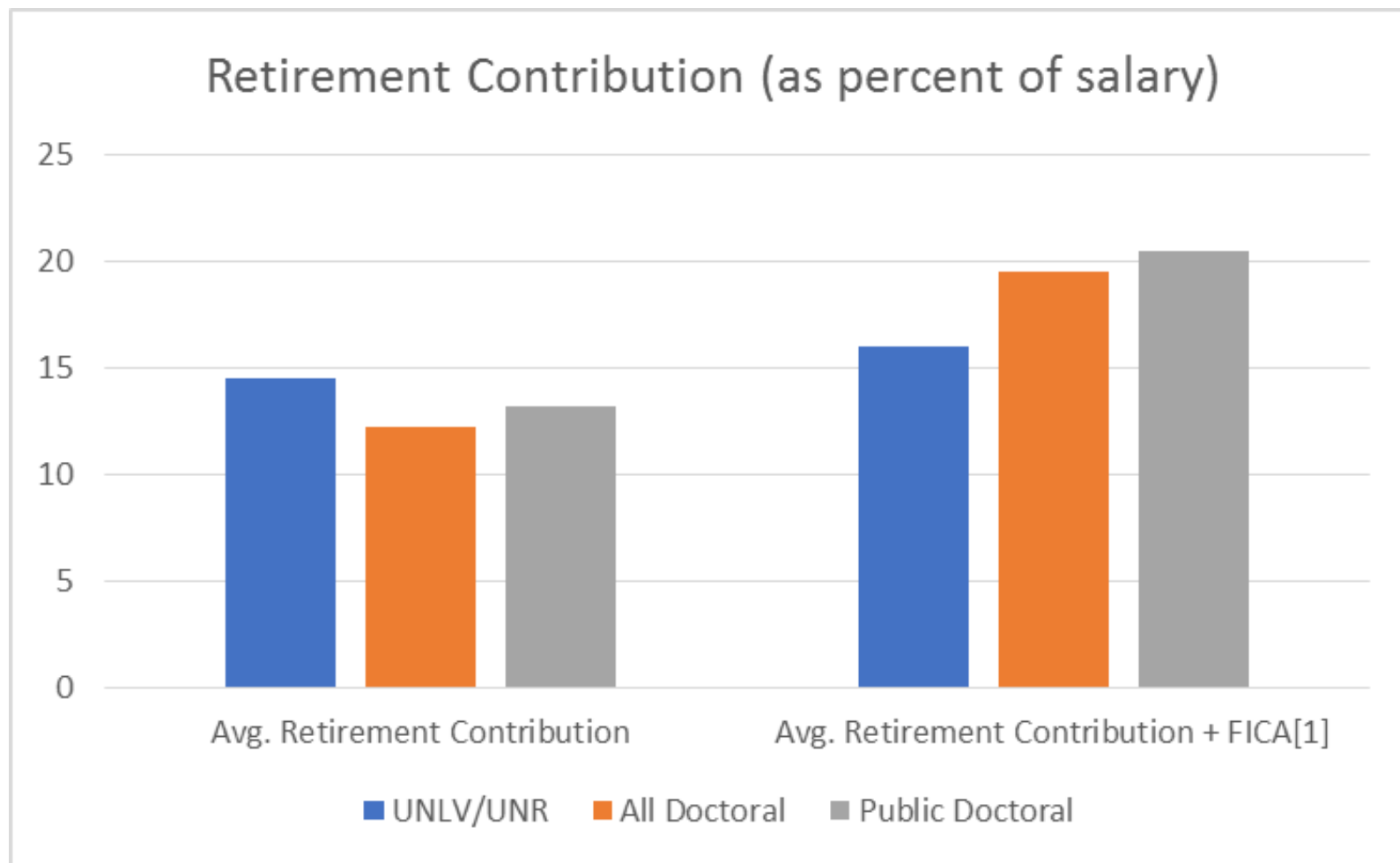
Benchmarking Faculty Compensation

Faculty Compensation Survey, 2017-18

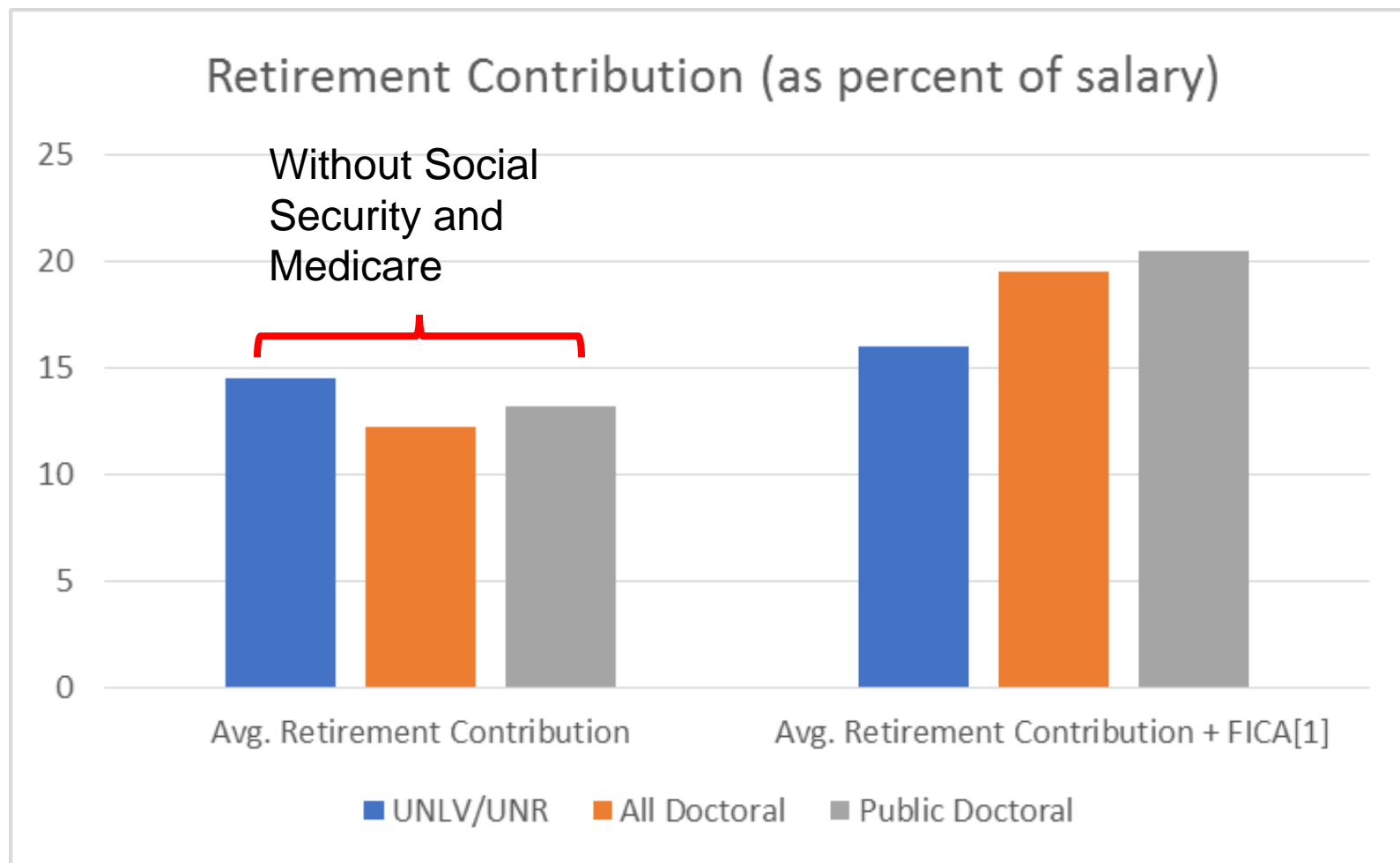


Fringe Benefits

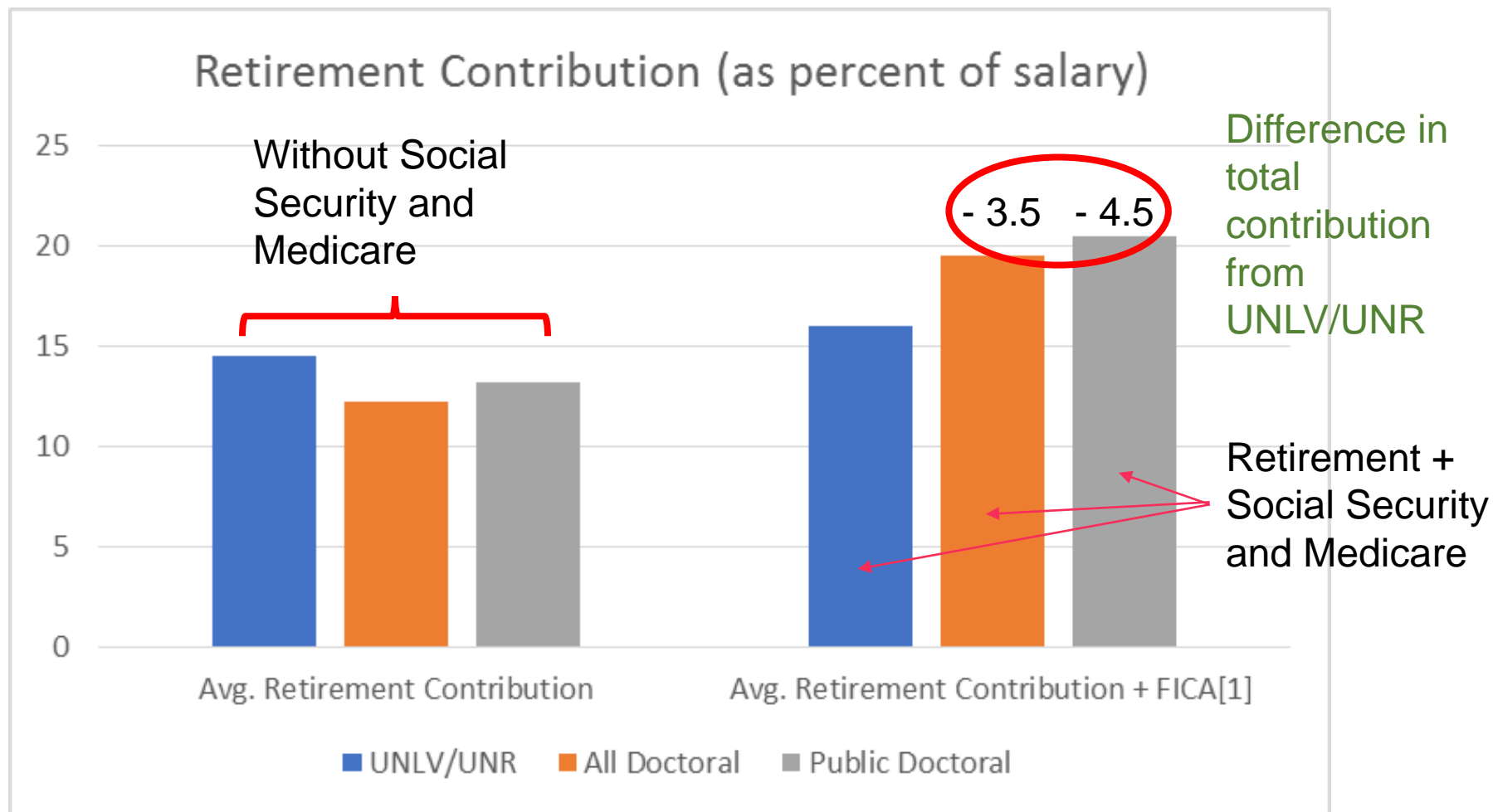
- The two largest benefits as a percent of salary: Retirement and Medical.
- AAUP measures benefits as an expenditure and not as value (actuarial or otherwise).
- Average contribution as a percent of salary.
- Average expenditure per faculty member.
- Only benefits for current faculty during the reporting academic year.



[1] Using the associate professor rank – these numbers are within .5% for other ranks at UNLV/UNR. FICA is Medicare + Social Security.

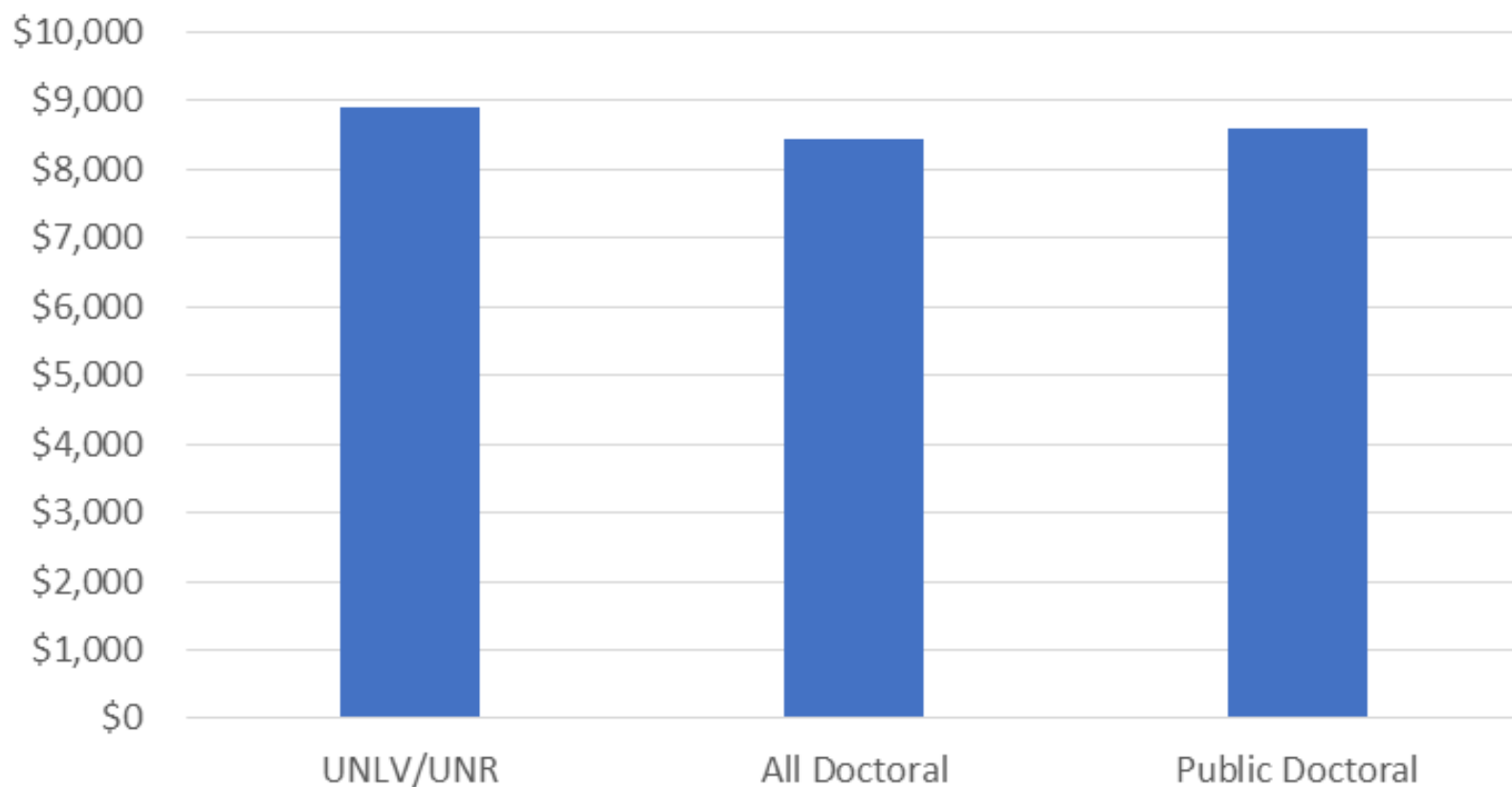


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FICA is Medicare + Social Security Employer Contribution.

Avg. Annual Total Medical Employer Expenditure



Fringe Benefits in Retention

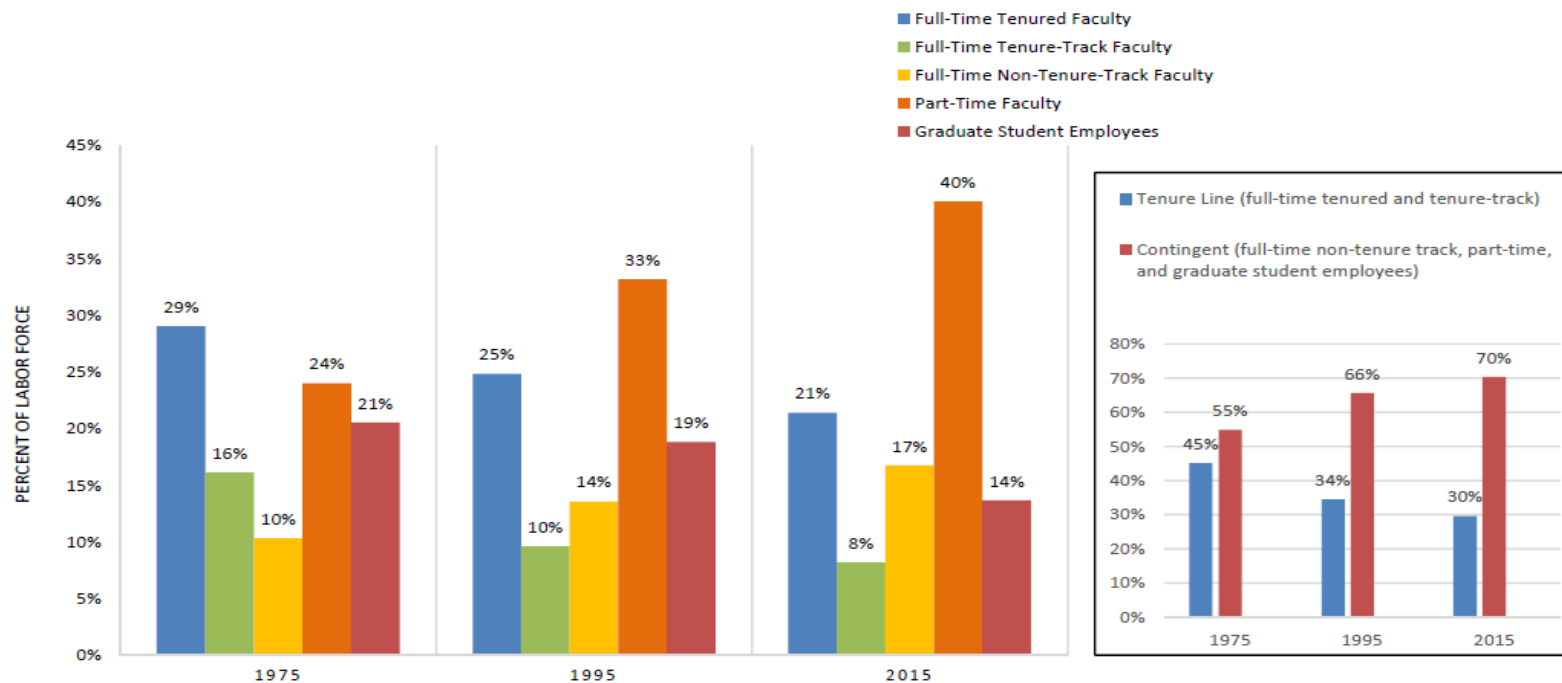
- A general perception is that salary and not benefits drive issues in retention.
- That's not true – there are two cases where benefits could lead to faculty seeking outside opportunities:
 - Decreasing medical benefits or increasing premiums effectively is seen as a pay cut.
 - Senior and mid-career faculty become acutely aware of retirement benefits. Reduction in retirement benefits (for defined benefit systems) or in contributions will lead to faculty looking for other opportunities.

College of Southern Nevada

- Difficult to benchmark salary data with respect to ranks (Professor, Instructor)
- Any attempt at benchmarking these ranks would vary wildly with respect to which group was used to benchmark “Professor” ranked and whether steps 1 through 5 were categorized as Assistant, Associate or Full Professor for comparison purposes.

Current National Trends, Part-Time Adjuncts

Trends in The Academic Labor Force, 1975-2015

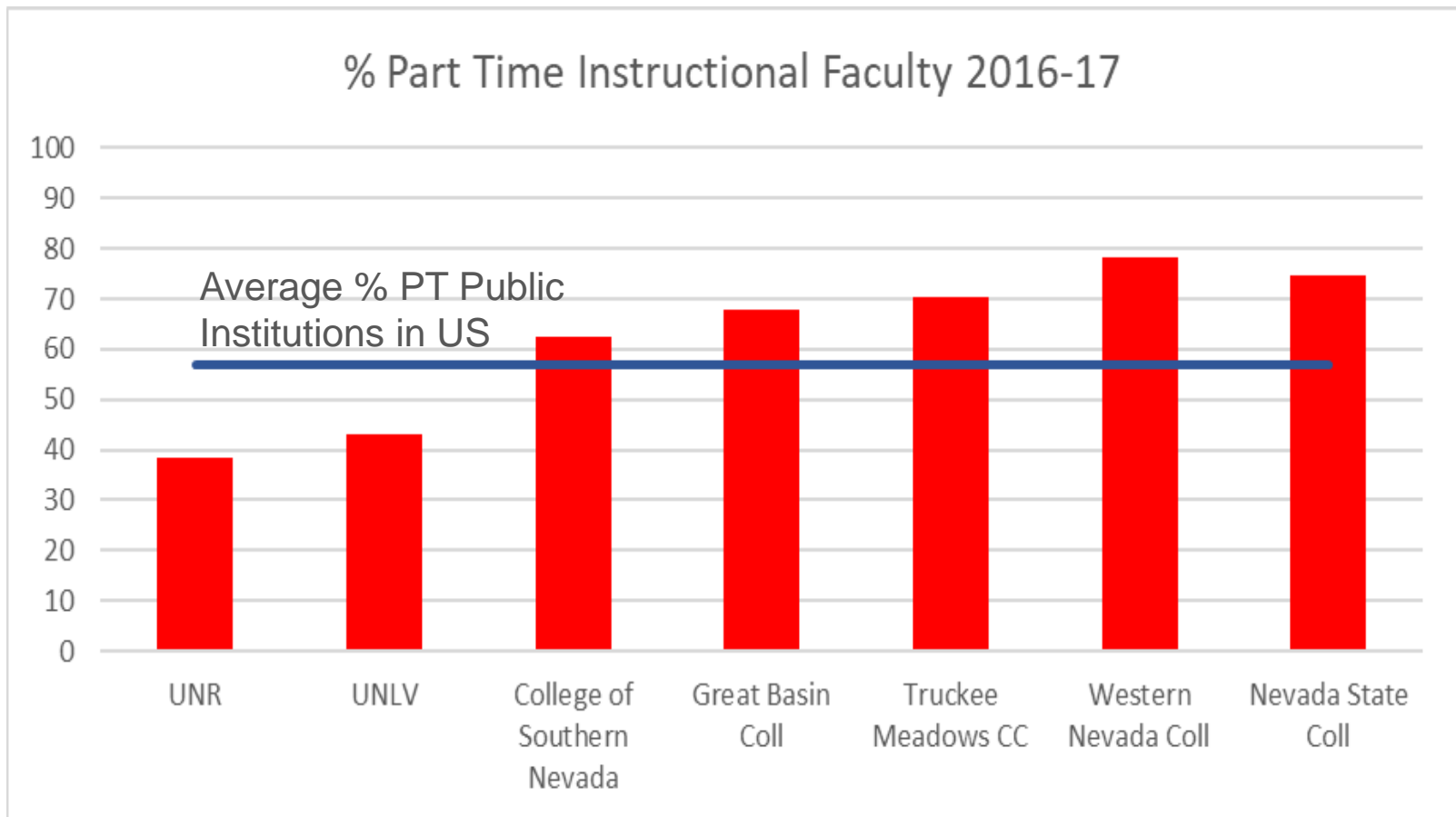


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Compiled by the American Association of University Professors Research Office, March 2017. Source: Integrated Postsecondary Education Data System.

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Data compiled from IPEDS by AAUP Research Office

Pay for Adjunct Faculty

	Public			
	Average	Median	Minimum	Maximum
Category I (Doctoral)	12,431	10,800	645	50,674
Category IIA (Master's)	8,817	5,969	1,063	49,481
Category IIB (Baccalaureate)	5,662	5,493	3,665	7,975
Category III (Associate's with Ranks)	3,986	3,677	3,391	5,201
Category IV (Associate's without Ranks)	n.d.	n.d.	n.d.	n.d.
All Combined (Except Category IV)	9,332	6,622	645	50,674

Amount Paid per Part-Time Faculty Member Teaching on a Per-Section Basis for 143 Reporting Institutions (AAUP FCS, 2017-18)

Part-time contingent faculty in both states (i.e. North Dakota and Ohio) are paid about 60 percent less per course regardless of whether the population includes all faculty or is limited to primarily teaching faculty. [GAO-18-19 Contingent Faculty, pg 37] <https://www.gao.gov/assets/690/687871.pdf>

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Fringe Benefits for Adjuncts

	Full-time tenure-track	Full-time contingent	Part-time contingent (adjunct)
Georgia (percent receiving benefit)			
Retirement benefits	99.10%	97.90%	19.40%
Health insurance	89.30%	78.80%	7.10%
Life insurance	91.40%	91.50%	9.30%
North Dakota (percent receiving benefit)			
Retirement benefits	99.50%	98.40%	9.30%
Health insurance	92.30%	88.00%	9.10%
Life insurance	99.80%	99.50%	9.70%

Table 8 from GAO-18-49 Contingent Faculty

<https://www.gao.gov/assets/690/687871.pdf>

From 2017-18 AAUP FCS, only 5% of institutions indicated offering part-time faculty all benefits while 33% said they offered some.

Best Practices in Faculty Retention

In-rank Salary Advancement Based Raises versus Retention Offer System

Participants felt HWO University's policy of requiring outside offers in order to provide salary increases made it harder for administrators to retain good early career faculty.... looking for outside offers to raise salaries led faculty to see better, otherwise undiscovered opportunities elsewhere.

From: O'Meara, K. (2015). Half-way out: How requiring outside offers to raise salaries influences faculty retention and organizational commitment. *Research in Higher Education*, 56(3), 279-298.

A Retention Offer System

- Secrecy renders any cost benefit analysis difficult.
- It is often a handful of administrators that determine what is “on the table” leading to the likelihood that **inequality** is encoded by this process.
 - For example, a recent study from the University of Wisconsin found that (outside academia) professional women are as likely to ask for salary increases as professional men, but they are less likely to receive them. Artz, B., Goodall, A., & Oswald, A. (Forthcoming). Do women ask. *Industrial Relations: A Journal of Economy and Society*.
- Creates **inequality** based on willingness to leave an institution. **Seeking outside offers means a faculty member must be willing to leave their institution and their community.**
- Rewards institutional disloyalty and creates resentment.
- Even if a job never materializes – actively looking reduces productivity.

Costs of Competing Offers

- The only published study located that quantified competing offers:
 - Matier, M. W. (1990). Retaining faculty: A tale of two campuses. *Research in Higher Education*, 31(1), 39-60.
 - Two public R1 universities from the 1987-88 year.
 - Found that the amount of a competing offer differed between private and public institutions, 55% and 28%, respectively.
 - On top of other non-salary components offered – e.g. startup funds, equipment purchasing, teaching release, research support and in some cases closing costs, down payment toward a new home and mortgages for below market rates.

Typical Academic Job Cycle for Tenure Track Positions

- Applications are accepted usually from October to January with final decisions from February through May.
 - an updated CV,
 - research plans
 - teaching principles
 - If the position at a new institution includes tenure, a full tenure dossier might have to be prepared.
- Less likely to engage in service to the institution, take on new students and seek new funding for research projects.
- Even if an institution manages to retain a faculty member through this process, the retained faculty member may not be happy about having to go through this process to be adequately compensated for their value.

Best Practices for Faculty Compensation

- An in-rank salary advancement system.
- Must be **transparent** and **fair** to be effective.
- **Faculty consultation and buy in through the design and implementation.**
- Avoids salary compression and inversion.
- Avoids inequality introduced by a primarily retention offer system.
- Demonstrates to faculty in a clear concrete way their excellent contributions to the institutions are valued and rewarded.

Summary

- An in-rank salary advancement system will lead to retention of faculty.
- Faculty benefit from a transparent and fair reward system in which they have a voice at the setup stage and in execution.
- Compensation systems that lack transparency and fairness are likely to foster low morale and lower productivity. A counter offer system implicitly rewards lower productivity and even faculty who are retained aren't happy about it.

Thank you!

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