A Very Slow Recovery

THE ANNUAL REPORT ON THE ECONOMIC STATUS OF THE PROFESSION 2011–12

BY SARANNA THORNTON AND JOHN W. CURTIS

In last year's report on faculty compensation and the economic status of higher education, we suggested that while the Great Recession of 2007–09 might be officially over for the broader economy, the higher education recession could not plausibly be described as a thing of the past. The news this year is not much better; 2011–12 represents the continuation of a historic low period in faculty compensation. If this is the recovery, we may be in for a long ride—and we have to wonder whether we'll ever get back to where we were before the crash.

This year's report begins with a summary of the findings of the annual AAUP survey of full-time faculty compensation. We then go on to consider a hot topic in policy debates about higher education: the rising price of college tuition and the questions about what's driving it. (Spoiler alert: it's not faculty salaries!) Following that, we take another look at what college and university presidents are earning—a topic about which we receive questions every year. In the final sections of this year's report we touch on new topics. We provide a fresh analysis of the impact of unionization on full-time faculty earnings across different institutional sectors. We anticipate the release of new data on part-time faculty pay that will enable a much more complete description of faculty compensation. And in light of the issues raised by the emergence of the "Occupy" movement, our final section goes beyond our usual focus on higher education and looks at the broader US income distribution.

Where do you fit in "the 99%"?

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FULL-TIME FACULTY COMPENSATION

The AAUP has been surveying colleges and universities to collect data on full-time faculty compensation for more than six decades. One purpose of this project has been to provide faculty members with data they can use to compare their salaries and benefits with those of their peers. Another is to provide comparisons between institutions, which are useful to faculty members and academic administrators involved in hiring and compensation decisions.

The most basic measure of the economic status of full-time faculty members is the change in the overall average salary level when compared with the previous year. For the 2011–12 academic year, this average was 1.8 percent higher than in the previous year at those institutions that submitted data to the AAUP in both years. The top half of table A documents this year-to-year change in overall average salary for the last four decades. With the rate of inflation this year measured at 3 percent, 2011–12 marks the third consecutive year—and the sixth year in the last eight—in which the change in average full-time faculty salary has fallen below the change in the cost of living.

As this last point underscores, average full-time faculty salaries have been stagnant for a number of years, dating back well before the most recent recession. Figures in the upper half of table A and the left half of survey report table 1 include results only from institutions providing data in two consecutive years. When all of the salary data submitted in each year is adjusted to account for inflation, the overall average salary of a full-time faculty member in 2011–12 is less than 1 percent higher than it was five years ago, in 2006–07.

As has been the case for decades, salaries at different types of colleges and universities have moved at different rates over the past year. Survey report table 1 provides a breakdown of the year-to-year change by type of institution and faculty rank. The left half of the table presents the change in overall salary levels. Again this year, the increase in average salary was greater at private colleges and universities than at those in the public sector. This difference held across baccalaureate, master's, and doctoral institutions and for both religiously affiliated and independent private institutions. Although salary increases for some private college faculty members lagged behind those in public institutions, the aggregate figures document a widening gap between the two sectors.

The other major indicator derived from AAUP data is the change in salary for continuing faculty members. Unlike the measure described above, which assesses changes in salary for all full-time faculty members, the continuing faculty measure is designed to reflect the experience of individual faculty members who remained employed at the same institution. In 2011–12, continuing faculty members received an average salary increase of 2.9 percent, barely keeping pace with inflation. The results of the continuing faculty salary analysis are shown in the lower half of table A and the right half of survey report table 1.

The average salary increase for continuing faculty members is generally greater than the change in overall average salary. It includes all forms of salary increases (across-the-board, discretionary, and promotion) and does not reflect the lower starting salaries of newly appointed faculty members who are often replacing more senior colleagues. As table A indicates, the 2.9 percent average increase for 2011–12, while higher than the rate the previous two years, forms part of a historic period of minimal increases in faculty salaries. Aside from the last two years, the average increase for continuing faculty members was the lowest it's been in the last forty years!

The pattern of increases for continuing faculty members by institutional sector, depicted in survey report table 1, mirrors the changes in overall average salaries. The average increase for all continuing faculty members with full-time appointments at independent private colleges and universities was 3.6 percent, as compared with an average of 3.1 percent at religiously affiliated institutions and 2.6 percent at public-sector institutions. The private-sector advantage held across all three institutional levels where we have sufficient data from both public and private institutions.

In sum, faculty salary levels this year are marginally better than they have been the last two years but are still historically low. The recovery is slow in coming.

RISING TUITION PRICES

On January 13, 2012, Vice President Joe Biden spoke to an audience at Central Bucks High School West in Pennsylvania. During the question-and-answer period, a parent of two college students asked the vice president, "What is driving up the cost of education in this country?" In a rambling response, Biden mentioned declining state appropriations, increases in on-campus amenities, and rising faculty salaries as the primary causes of increases in tuition price. Relying on a single anecdote regarding faculty salaries in the law school at Widener University, the vice president opined, "Salaries for college professors have escalated significantly. They should be good, but they have escalated significantly."

Two weeks later, at the University of Michigan, President Barack Obama affirmed that "higher education is not a luxury. It's an economic imperative that every family in America should be able to afford." Unlike the vice president, the president didn't blame faculty salaries for driving up the cost of higher education, and he correctly noted that the trend in tuition costs is unsustainable if we are to preserve, and potentially increase, access to higher education.

Two variables are relevant to the analysis of college tuition: published tuition price and net tuition cost. Published tuition price is the "sticker price" colleges and universities print in their

TABLE A

Percentage Change in Average Nominal and Real Salaries for Institutions Reporting Comparable Data for Adjacent One-Year Periods, and Percentage Change in the Consumer Price Index, 1971–72 to 2011–12

	Prof.	Assoc.	Asst.	Inst.	All Ranks	Prof.	Assoc.	Asst.	Inst.	All Ranks	Change in CPI-U
	NOMINAL TERMS					REAL TERMS					
ALL FACULTY											
1971–72 to 1973–74	9.7	9.6	9.1	8.8	9.4	-2.8	-2.9	-3.4	-3.7	-3.1	12.5
1973–74 to 1975–76	12.4	12.1	11.7	12.3	12.1	-7.7	-8.0	-8.4	-7.8	-8.0	20.1
1975–76 to 1977–78	10.1	10.4	10.2	10.4	10.2	-1.8	-1.5	-1.7	-1.5	-1.7	11.9
1977–78 to 1979–80	13.5	13.2	13.1	12.8	13.3	-10.0	-10.3	-10.4	-10.7	-10.2	23.5
1979–80 to 1981–82	18.6	18.0	18.7	17.5	18.5	-3.8	-4.4	-3.7	-4.9	-3.9	22.4
1981–82 to 1983–84	11.2	11.0	11.9	12.1	11.4	3.4	3.2	4.1	4.3	3.6	7.8
1983–84 to 1985–86	13.2	12.7	13.2	12.5	13.1	5.3	4.8	5.3	4.6	5.2	7.9
1985–86 to 1987–88	11.3	10.9	10.9	8.9	11.1	5.7	5.3	5.3	3.3	5.5	5.6
1987–88 to 1989–90	12.5	13.4	12.7	11.0	12.3	3.2	4.1	3.4	1.7	3.0	9.3
1989–90 to 1991–92	9.1	9.0	9.5	9.1	9.1	-0.3	-0.4	0.1	-0.3	-0.3	9.4
1991–92 to 1993–94	5.7	5.5	5.7	5.6	5.6	0.0	-0.2	0.0	-0.1	-0.1	5.7
1993–94 to 1995–96	6.6	6.4	6.0	6.2	6.4	1.3	1.1	0.7	0.9	1.1	5.3
1995–96 to 1996–97	2.9	3.0	2.4	3.2	3.0	-0.4	-0.3	-0.9	-0.1	-0.3	3.3
1996–97 to 1997–98	3.6	3.2	2.8	2.6	3.3	1.9	1.5	1.1	0.9	1.6	1.7
1997–98 to 1998–99	4.0	3.6	3.5	2.9	3.6	2.4	2.0	1.9	1.3	2.0	1.6
1998–99 to 1999–00	4.3	4.0	3.9	3.7	3.7	1.6	1.3	1.2	1.0	1.0	2.7
1999–00 to 2000–01	4.4	3.9	4.4	3.6	3.5	1.0	0.5	1.0	0.2	0.1	3.4
2000–01 to 2001–02	4.2	3.8	4.8	4.2	3.8	2.6	2.2	3.2	2.6	2.2	1.6
2001–02 to 2002–03	3.4	3.1	3.8	2.2	3.0	1.0	0.7	1.4	-0.2	0.6	2.4
2002–03 to 2003–04	2.4	2.0	2.3	2.0	2.1	0.5	0.1	0.4	0.1	0.2	1.9
2003–04 to 2004–05	3.4	3.0	3.2	2.7	2.8	0.1	-0.3	-0.1	-0.6	-0.5	3.3
2004–05 to 2005–06	3.7	3.3	3.3	3.2	3.1	0.3	-0.1	-0.1	-0.2	-0.3	3.4
2005–06 to 2006–07	4.2	3.9	4.1	3.9	3.8	1.7	1.4	1.6	1.4	1.3	2.5
2006–07 to 2007–08	4.3	4.1	4.1	3.9	3.8	0.2	0.0	0.0	-0.2	-0.3	4.1
2007–08 to 2008–09	3.8	3.6	3.6	3.3	3.4	3.7	3.5	3.5	3.2	3.3	0.1
2008–09 to 2009–10	1.0	0.8	1.1	1.4	1.2	-1.7	-1.9	-1.6	-1.3	-1.5	2.7
2009–10 to 2010–11	1.4	1.2	1.5	0.9	1.4	-0.1	-0.3	0.0	-0.6	-0.1	1.5
2010–11 to 2011–12	2.2	1.6	2.1	1.7	1.8	-0.8	-1.4	-0.9	-1.3	-1.2	3.0
CONTINUING FACULTY											
1971–72 to 1973–74	10.4	12.4	12.8	13.7	11.9	-2.1	-0.1	0.3	1.2	-0.6	12.5
1973–74 to 1975–76	14.2	15.7	16.5	17.9	15.6	-5.9	-4.4	-3.6	-2.2	-4.5	20.1
1975–76 to 1977–78	12.5	13.2	13.5	13.7	13.0	0.6	1.3	1.6	1.8	1.1	11.9
1977–78 to 1979–80	15.2	16.3	17.4	18.0	16.1	-8.3	-7.2	-6.1	-5.5	-7.4	23.5
1979–80 to 1981–82	19.9	21.0	22.4	22.3	20.9	-2.5	-1.4	0.0	-0.1	-1.5	22.4
1981–82 to 1983–84	13.3	13.9	15.3	14.7	14.1	5.5	6.1	7.5	6.9	6.3	7.8
1983–84 to 1985–86	14.2	15.1	16.3	16.1	14.9	6.3	7.2	8.4	8.2	7.0	7.9
1985–86 to 1987–88	12.8	13.7	14.6	13.8	13.5	7.2	8.1	9.0	8.2	7.9	5.6
1987–88 to 1989–90	13.7	15.0	16.0	15.5	14.6	4.4	5.7	6.7	6.2	5.3	9.3
1989–90 to 1991–92	10.2	11.6	12.5	12.5	11.2	0.8	2.2	3.1	3.1	1.8	9.4
1991–92 to 1993–94	7.1	8.3	9.1	9.1	8.0	1.4	2.6	3.4	3.4	2.3	5.7
1993–94 to 1995–96	8.0	9.0	9.6	9.5	8.8	2.7	3.7	4.3	4.2	3.5	5.3
1995–96 to 1996–97	3.0	4.0	4.2	4.6	3.5	-0.3	0.7	0.9	1.3	0.2	3.3
1996–97 to 1997–98	4.0	4.6	4.8	5.0	4.3	2.3	2.9	3.1	3.3	2.6	1.7
1997–98 to 1998–99	4.5	5.0	5.3	5.3	4.8	2.9	3.4	3.7	3.7	3.2	1.6
1998–99 to 1999–00	4.5	4.9	5.4	5.3	4.8	1.8	2.2	2.7	2.6	2.1	2.7
1999–00 to 2000–01	5.0	5.4	5.8	5.8	5.3	1.6	2.0	2.4	2.4	1.9	3.4
2000–01 to 2001–02	4.8	5.1	5.7	5.4	5.0	3.2	3.5	4.1	3.8	3.4	1.6
2001–02 to 2002–03	4.1	4.4	4.7	4.5	4.3	1.7	2.0	2.3	2.1	1.9	2.4
2002–03 to 2003–04	2.8	3.3	3.5	3.8	3.1	0.9	1.4	1.6	1.9	1.2	1.9
2003–04 to 2004–05	4.2	4.7	4.8	4.7	4.5	0.9	1.4	1.5	1.4	1.2	3.3
2004–05 to 2005–06	4.1	4.7	4.8	4.4	4.4	0.7	1.3	1.4	1.0	1.0	3.4
2005–06 to 2006–07	4.7	5.3	5.4	5.1	5.0	2.2	2.8	2.9	2.6	2.5	2.5
2006–07 to 2007–08	4.8	5.4	5.4	5.7	5.1	0.7	1.3	1.3	1.6	1.0	4.1
2007–08 to 2008–09	4.5	5.0	5.2	6.0	4.9	4.4	4.9	5.1	5.9	4.8	0.1
2008–09 to 2009–10	1.4	2.1	2.1	2.1	1.8	-1.3	-0.6	-0.6	-0.6	-0.9	2.7
2009–10 to 2010–11	2.2	2.7	2.8	2.3	2.5	0.7	1.2	1.3	0.8	1.0	1.5
2010–11 to 2011–12	2.7	3.1	3.3	3.2	2.9	-0.3	0.1	0.3	0.2	-0.1	3.0

Note: Salary increases for the years to 1995–96 are grouped in two-year intervals in order to present the full 1971–72 through current year series. Consumer Price Index for all Urban Consumers (CPI–U) from the US Bureau of Labor Statistics; change calculated from December to December. Nominal salary is measured in current dollars. The percentage change in real terms is the nominal change adjusted by the change in the CPI–U. Figures for All Faculty represent changes in salary levels from a given year to the next. Figures for Continuing Faculty represent the average salary change for faculty on staff at the same institution in both years over which the salary change is calculated. Figures for prior years have been recalculated using a consistent level of precision.

admissions materials. It's the price paid by students who aren't receiving any financial aid. Net tuition cost is the published tuition price minus grant aid, tax credits, and tax deductions; it represents the out-of-pocket tuition costs for students and families. Colleges and universities have learned to set tuition in much the same way that airlines set ticket prices, charging different people different rates for the same service. (In economics this would be referred to as "price discrimination.") Students who pay full price help subsidize the grants that lower the costs for students receiving need- or merit-based aid.

Parents, politicians, and the press tend to focus on increases in published tuition prices. Although that measure overstates the rate of increase, it does contribute to the "sticker shock" that may discourage some students from pursuing higher education. According to the College Board's *Trends in College Pricing 2011*, for the most recent five-year period between 2006–07 and 2011–12 average published tuition and fees at four-year colleges increased by 5.1 percent more than inflation. But net tuition and fees increased by just 1.4 percent above the inflation rate during the same period, and some two-thirds of all students receive at least some form of financial aid. Tuition prices are rising and are a source of anxiety for many middle-class families, although the net effect may not be as great as many people think.

So, why *is* the price of college tuition rising? AAUP survey data demonstrate that, contrary to a persistent myth, full-time faculty salaries are not the cause of rising tuition prices over the last three decades, as shown in table B. During the 1980s, increases in inflation-adjusted published tuition and fees at private four-year colleges and universities were more than double the increases in full-time faculty salaries. Tuition prices increased at three times the rate of faculty salaries in public four-year colleges and at more than four times the rate in community colleges. And this was during a decade when full-time faculty salaries were rising to compensate for significant losses against inflation in the previous decade.

During the 1990s, increases in both tuition and fees and full-time faculty salaries slowed somewhat. Nonetheless, the pattern of tuition prices rising several times faster than faculty salaries continued. Tuition and fees in four-year colleges once again rose three or four times as fast as full-time faculty salaries, on average. And the inflation-adjusted published tuition and fees in public two-year colleges increased by 5.4 percent, even while real faculty salaries declined by 2.1 percent.

TABLE B

Change in Inflation-Adjusted Published Tuition and Fee Prices and Full-Time Faculty Salaries, by Type of Institution, 1981–82 to 2011–12

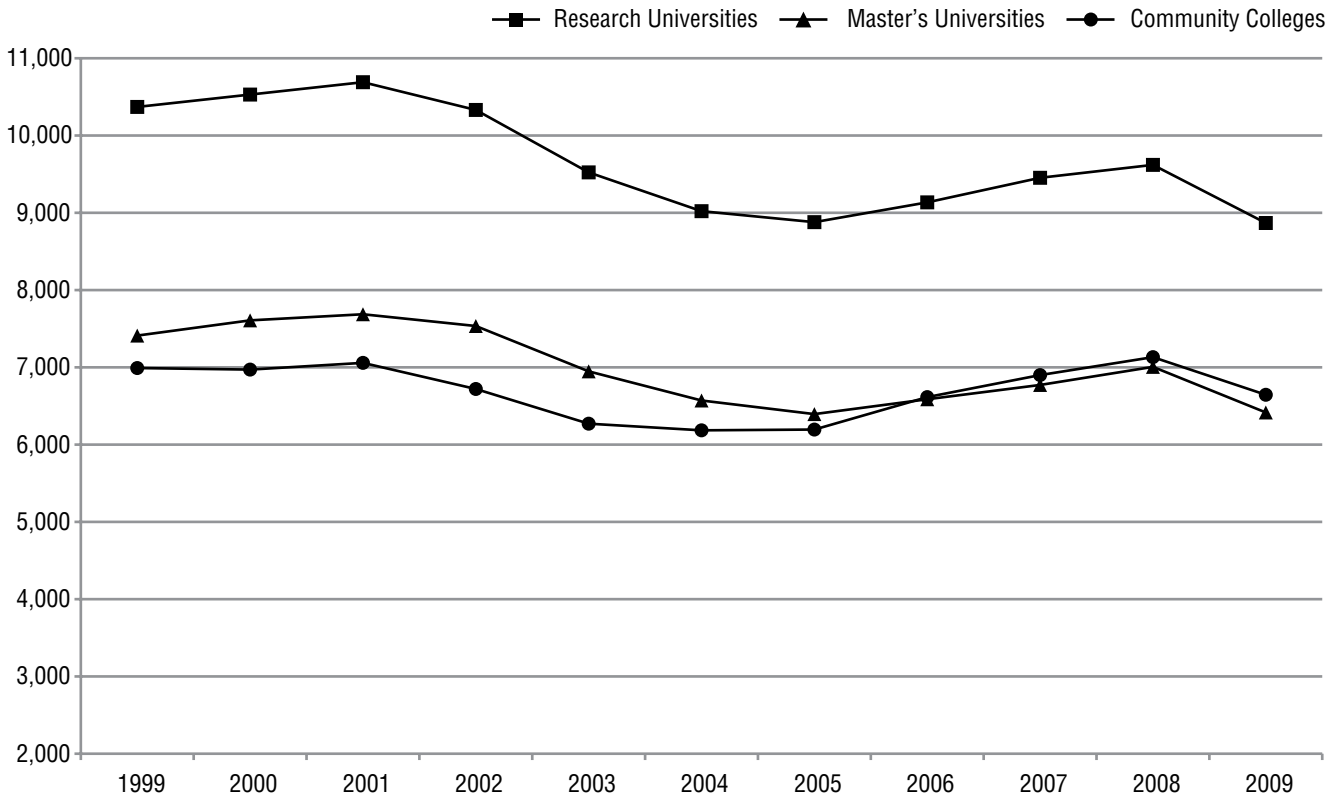
	Percent Change		
	1981–82 to 1991–92	1991–92 to 2001–02	2001–02 to 2011–12
Private Nonprofit Four-Year			
Tuition and Fees	60.4	35.9	28.9
Faculty Salary: Doctoral Universities	30.6	11.4	7.7
Faculty Salary: Master's Universities	20.9	7.7	1.9
Faculty Salary: Baccalaureate Colleges	25.1	11.4	4.3
Public Four-Year			
Tuition and Fees	55.9	37.1	72.0
Faculty Salary: Doctoral Universities	19.0	9.6	0.7
Faculty Salary: Master's Universities	18.4	17.0	-5.3
Faculty Salary: Baccalaureate Colleges	14.4	4.6	0.6
Public Two-Year			
Tuition and Fees	81.5	5.4	44.8
Faculty Salary: Associate's Colleges	17.9	-2.1	-2.5

Note: Average published tuition and fees are in constant 2011 dollars, weighted for enrollment. Mean salary for all ranks is in constant 2011 dollars. "Two-year" salary is for institutions with ranks only. Private salary excludes religiously affiliated institutions.

Sources: Tuition data are from the College Board, *Trends in College Pricing 2011* (Washington, DC: College Board, 2011), 13, figure 4 (recalculated using raw data from figure 4a). Faculty salary data are from the AAUP Faculty Compensation Survey.

FIGURE 1

State and Local Appropriations per FTE Student, Public Colleges and Universities, 1999–2009 (in Constant 2009 Dollars)



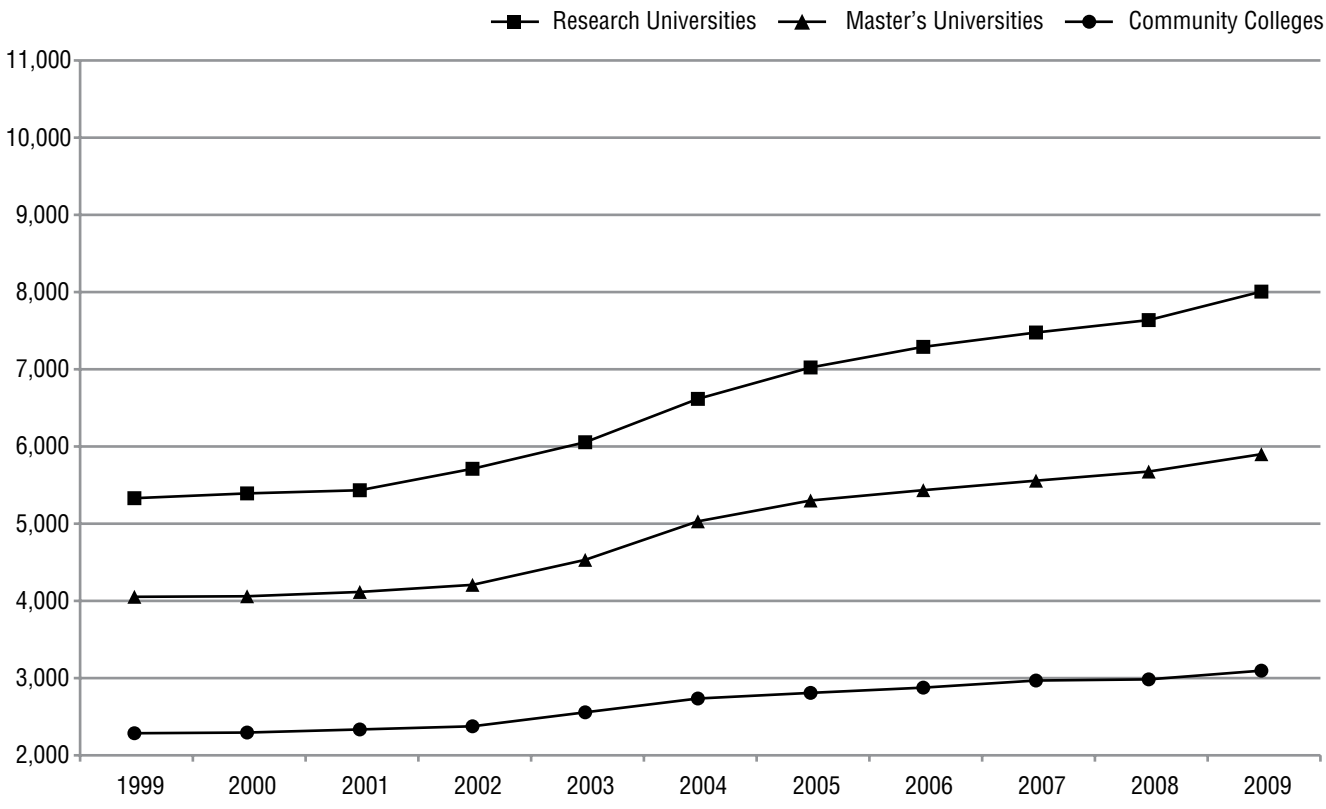
Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending, 1999–2009* (Washington, DC: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), 48, figure A1.

In the most recent decade the tuition trends at public and private institutions diverged substantially. As figure 1 illustrates with data from the independent Delta Project on Postsecondary Education Costs, Productivity, and Accountability, state and local appropriations for public higher education declined between 1999 and 2009 after adjusting for inflation and increasing enrollment. Public colleges and universities had little choice but to raise tuition prices to make up for the decline in government support, and figure 2 indicates that at public colleges and universities net tuition revenues per full-time equivalent (FTE) student increased between 35 and 50 percent between 1999 and 2009. By the end of this period, tuition was nearly as large a source of revenue as state and local appropriations for public research and master's universities, although it had reached only about half the level of appropriations in community colleges.

The final column of table B depicts the dramatic impact of these changing revenue streams on the published tuition prices over the last ten years and the substantial differences between public and private sectors. Published tuition and fees at public two-year colleges increased by 44.8 percent above the inflation rate during the last decade, while average full-time faculty salaries at these institutions declined by 2.5 percent in real terms. At public four-year institutions, published tuition and fees increased a whopping 72 percent more than inflation, while full-time faculty salaries barely budged—and, indeed, declined significantly at public master's universities. Private four-year colleges and universities increased their published tuition rates by 28.9 percent more than inflation, while faculty salary increases ranged from 1.9 to 7.7 percent. (The separate Delta Project data indicate that net tuition revenues per FTE student at four-year private colleges rose between 21 and 27 percent between 1999 and 2009.) The relatively lower tuition price increases in private nonprofit colleges may be partly explained by their greater reliance on income from the investment of

FIGURE 2

Net Tuition Revenues per FTE Student, Public Colleges and Universities, 1999–2009 (in Constant 2009 Dollars)



Source: Donna M. Desrochers and Jane V. Wellman, *Trends in College Spending, 1999–2009* (Washington, DC: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2011), 48, figure A1.

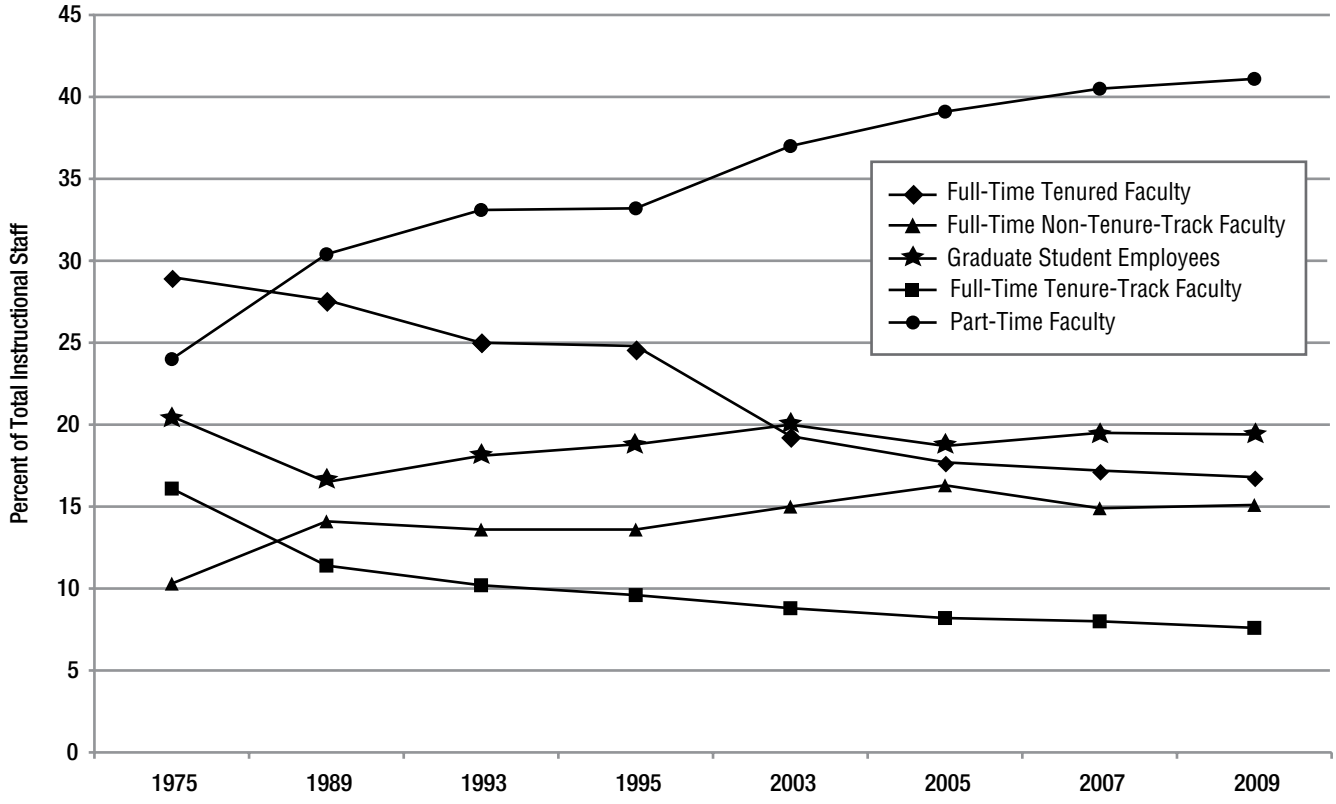
endowment assets. Although endowments fell dramatically during the 2007–09 recession, over the long run growth in the market value of these funds has provided a financial cushion.

AAUP data clearly indicate that full-time faculty salaries have not been driving up the costs of higher education over the last three decades. But figure 3 provides additional compelling evidence that the revenue from increased tuition prices is not being invested in faculty members. As has been discussed repeatedly in this annual report, the proportion of full-time tenured and tenure-track faculty members has been falling precipitously. During this period the proportion of faculty members working part time has increased substantially, at rates of pay that are only a fraction of what full-time faculty members receive.

The evidence is unequivocal: faculty pay is not the source of rising tuition prices. And we're not the only ones reaching that conclusion. The Delta Project concluded in its *Trends in College Spending, 1998–2008* that "over the 1998 to 2008 period, the share of instruction spending declined against increased spending for academic support (libraries and computing), institutional support (administration), and student services. . . . The common myth that spending on faculty is responsible for continuing cost escalation is not true."[1]

One factor partly responsible for rising tuition prices is the increased employment of noninstructional staff. Some of this hiring is attributable to increased federal and accreditor-mandated reporting requirements. Another factor is the increased use of computer and other equipment, which necessitates larger information technology departments. Enrollments have increased, as well. However, data from the US Department of Education show steady declines in student-to-staff ratios between 1976 and 2009. There are more students and more nonfaculty staff members, but the

FIGURE 3
Trends in Instructional Staff Employment Status, 1975–2009
All Institutions, National Totals



Source: US Department of Education, IPEDS Fall Staff Survey.

latter category has grown more rapidly. While the student-to-faculty ratio in public institutions remained constant between 1976 and 2009 at about seventeen to one, the student-to-staff ratio declined from nine to one to six to one. Private nonprofit colleges and universities lowered their ratios from seven students per staff member to four during this same time period. The student-to-faculty ratio at these private institutions also declined, from fourteen to one to eleven to one, but the increased use of non-tenure-track faculty members has offset the costs that lower ratios might otherwise have produced.

Our answer to the parent at Central Bucks High School West is that college tuition is definitely not increasing because of "escalating" faculty salaries.

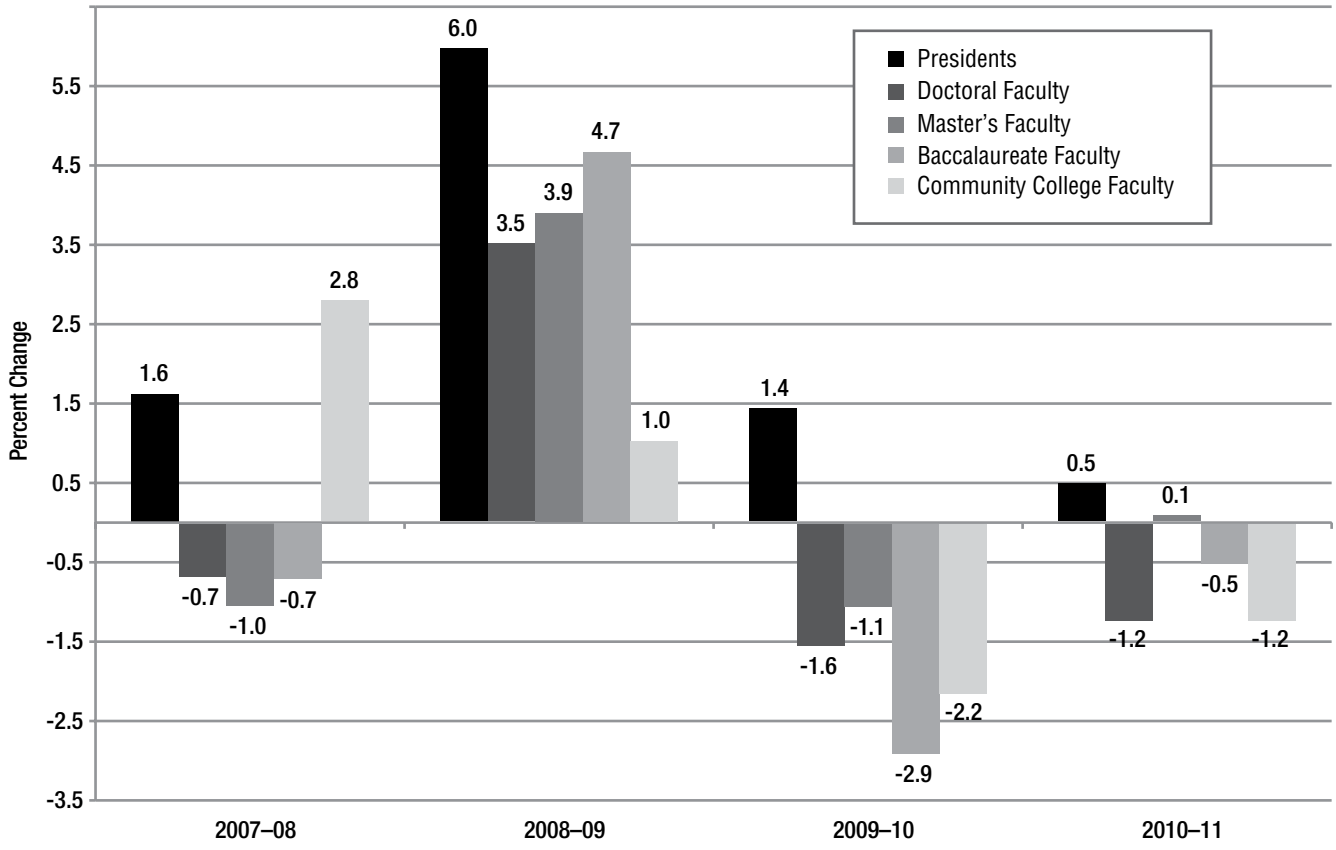
PRESIDENTIAL SALARIES

A classic leadership principle is to lead by example. An extraordinary demonstration of this principle is to be found in General Charles Krulak, retired commandant of the US Marine Corps and former member of the Joint Chiefs of Staff, who was selected to serve as the thirteenth president of Birmingham-Southern College in March 2011. In June 2010, Birmingham-Southern had announced it would be making budget cuts of approximately 20 percent because of mismanagement in awards of financial aid under the prior president, combined with revenue reductions resulting from the Great Recession. What was the general's first action following the public announcement of his appointment? He stated that he would forego his first year's salary in order to demonstrate his commitment to the college and the need to restore its fiscal health.

How do other college and university presidents compare on this gauge of leadership, as the worst recession since the Great Depression has diminished institutional revenues? Have they made the same sacrifices they have asked faculty and staff members to make through pay freezes and cuts? Figure 4 provides some evidence of where the burden has fallen, comparing annual percentage changes in inflation-adjusted median salaries of presidents and full-time faculty members between 2007–08 and 2010–11.

FIGURE 4

Change in Inflation-Adjusted Median Salary from Prior Year, 2007–08 to 2010–11



Sources: Presidential salary data are from the College and University Professional Association for Human Resources. Faculty salary data are from the AAUP.

Although the starting point of the Great Recession was later established as December 2007, it was not until fall 2008 that the first warning bells began to sound in real time. By that time, budgets for the 2008–09 academic year had mostly already been set. Further, the rate of inflation between December 2007 and December 2008 was only 0.1 percent. As was noted in the 2008–09 edition of this report, "after six years of stagnation, inflation-adjusted full-time faculty salaries [were] up on average for 2008–09 because inflation [was] running at its lowest rate in decades." The first two years of annual salary changes in figure 4, occurring before budgets had felt the full impact of the recession, show presidents generally collecting salary increases well above those granted to faculty members. Between 2006–07 and 2007–08, the presidential salary gains of 1.6 percent net of inflation fell short of the increases awarded to community college faculty members. But compared with faculty members at four-year institutions, who experienced real decreases, presidents clearly were able to protect their own incomes. In the second year of prerecession budgets (2007–08 to 2008–09) presidential salary increases exceeded those of faculty members at all institutional types.

Similarly, while the recession officially ended in June 2009, the feeble recovery didn't begin to show until after 2010–11 budgets were finalized. The second two years of salary changes reflect institutional budgets formulated during the Great Recession. Between 2008–09 and 2009–10, median faculty salaries at all types of institutions decreased after adjusting for inflation. In the following year, inflation-adjusted faculty salaries increased by a negligible 0.1 percent at master's universities, while falling further at all other types of institutions. By contrast, college and university presidents' median salaries continued their upward climb during both years, even if by only a small amount in 2010–11.

Consideration of the full four-year period vividly illustrates the same pattern in the not-for-profit higher education sector—rising CEO pay in the face of stagnating pay for workers—that is manifest in the for-profit sector of the economy. Over the four-year period, inflation-adjusted median presidential salaries increased by 9.8 percent. By contrast,

TABLE C

Average Salary for Full-Time Faculty Members, by Unionization Status and Type of Institution, 2010–11

	Public						Private						Union Effect (%)	
	Unionized			Not Unionized			Unionized			Not Unionized				
	Avg. Salary	% of Faculty	Inst.	Avg. Salary	% of Faculty	Inst.	Avg. Salary	% of Faculty	Inst.	Avg. Salary	% of Faculty	Inst.	Public	Private
CATEGORY I (Doctoral)														
Professor	116,376	22.7	50	118,628	77.3	110	137,173	2.3	3	152,710	97.7	66	-1.9	-11.3
Associate	82,896	25.2	50	80,784	74.8	110	99,027	4.9	3	95,958	95.1	66	2.5	3.1
Assistant	68,943	24.3	50	70,093	75.7	110	77,245	3.6	3	83,332	96.4	66	-1.7	-7.9
Other Ranks	53,665	29.5	61	49,707	70.5	99	77,292	0.7	3	65,123	99.3	66	7.4	15.7
All Combined	85,003	24.7	61	87,256	75.3	99	104,153	3.0	3	110,325	97.0	66	-2.6	-5.9
CATEGORY IIA (Master's)														
Professor	94,714	57.0	110	83,181	43.0	118	106,755	6.5	10	96,420	93.5	176	12.2	9.7
Associate	75,609	50.7	110	67,147	49.3	118	86,414	7.6	10	73,268	92.4	176	11.2	15.2
Assistant	63,962	46.0	110	57,735	54.0	118	70,822	5.7	10	61,374	94.3	176	9.7	13.3
Other Ranks	51,832	41.6	113	44,394	58.4	115	58,008	5.0	10	53,706	95.0	176	14.4	7.4
All Combined	75,539	49.7	113	63,791	50.3	115	85,332	6.4	10	73,751	93.6	176	15.6	13.6
CATEGORY IIB (Baccalaureate)														
Professor	89,309	35.3	32	82,471	64.7	53	99,103	3.6	12	88,147	96.4	358	7.7	11.1
Associate	73,849	32.0	32	67,104	68.0	53	77,871	3.3	12	67,342	96.7	358	9.1	13.5
Assistant	62,144	32.4	32	55,729	67.6	53	63,196	3.5	12	55,726	96.5	358	10.3	11.8
Other Ranks	52,624	24.8	33	47,514	75.2	52	53,955	2.1	12	49,966	97.9	358	9.7	7.4
All Combined	70,875	31.6	33	62,863	68.4	52	78,725	3.4	12	68,501	96.6	358	11.3	13.0
CATEGORY III (Associate's with Ranks)														
Professor	81,062	43.6	57	68,696	56.4	87	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	15.3	
Associate	67,454	37.3	57	57,907	62.7	87	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	14.2	
Assistant	58,994	39.9	57	51,189	60.1	87	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	13.2	
Other Ranks	52,961	39.2	58	44,592	60.8	86	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	15.8	
All Combined	66,710	40.2	58	56,377	59.8	86	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	15.5	
CATEGORY IV (Associate's without Ranks)														
No Rank	60,393	51.7	40	54,617	48.3	36	n.d.	n.d.	n.d.	n.d.	n.d.	n.d.	9.6	

Notes: "Inst." is the number of institutions. "Other ranks" includes instructors, lecturers, and unranked faculty; approximately 95 percent of these positions are off the tenure track. "N.d." indicates too few institutions providing salary data.

Sources: Faculty salary data are from the AAUP Faculty Compensation Survey. Unionization status data are from the National Center for the Study of Collective Bargaining in Higher Education and the Professions at Hunter College of the City University of New York and other sources.

full-time faculty salaries remained flat at doctoral universities, increased by less than half a percent at baccalaureate and community colleges, and rose by less than 2 percent at master's universities.

Extraordinary examples aside, shared sacrifice has not been practiced by the presidents of our colleges and universities.

UNION IMPACT

During 2011, collective bargaining rights came under attack from legislators and governors in Wisconsin, Ohio, Michigan, Florida, and other states, and the attacks have continued in 2012 in Indiana, Arizona, and elsewhere. These attacks have focused particularly on public employees, resting to a significant extent on a false assertion that public-sector workers are overpaid relative to workers in the private sector. Last year's edition of this report cited two studies that demonstrated this claim is false when jobs requiring similar levels of education were compared. Several more state-specific studies emerged during the course of 2011, confirming that public-sector workers are not more generously paid than workers in the private sector.

Partly in response to these attacks, and also in light of the continuing disinvestment in public higher education, faculty members around the country have expressed renewed interest in forming unions to protect their academic freedom and preserve a faculty voice in institutional decision making. Full-time faculty members at Bowling Green State University in Ohio voted in 2010 to form an AAUP-affiliated union, as did faculty members at the University of Illinois at Chicago in 2011 and at the University of Oregon last month. (The latter two chapters will be jointly affiliated with the American Federation of Teachers.) In many cases the primary motivation for these unionization drives is a desire for a more equitably shared process of institutional governance, or to arrest the continuing shift away from full-time tenure-track faculty appointments. But another significant reason to form a union is to improve compensation.

Numerous academic studies have treated the impact of a faculty union on compensation. However, many of these analyses are quite dated or are limited to a few institutions or one particular sector. Table C provides current data as a means of evaluating the effect of unionization on full-time faculty salaries.

The data summarized in table C do not take into account all of the different variables that affect faculty compensation. Even so, they do include three of the major factors influencing full-time faculty salaries in addition to unionization: institutional sector (public and private), category (based on degrees awarded), and faculty rank. The data are drawn from the AAUP Faculty Compensation Survey and supplemented with information on unionization from the National Center for the Study of Collective Bargaining in Higher Education and the Professions at Hunter College of the City University of New York and other sources. The table presents average 2010–11 academic-year salaries for full-time instructional faculty members at more than 1,300 colleges and universities that provided data to the AAUP.

Table C indicates that the effect of unionization on full-time faculty salary varies between institutional types. Overall average salaries are 2.6 percent lower in unionized public doctoral universities and 5.9 percent lower in unionized private doctoral universities, when all ranks of faculty are combined. There is a large salary advantage for unionized non-tenure-track faculty members in doctoral universities, however, amounting to 7.4 percent in public universities and 15.7 percent in private universities. Unionized associate professors also earned more on average than their nonunion counterparts.

At other types of institutions, the positive effect of unionization on salary is quite substantial, between 7 and 16 percent. Full-time faculty members at public master's universities earn an average of 15.6 percent more than their counterparts at nonunionized master's universities. In the private sector, the corresponding union salary advantage is 13.6 percent. At baccalaureate colleges, faculty members in unionized settings earned an average of 11.3 percent more in the public sector and 13.0 percent more in private colleges. For faculty members in public community colleges, the union premium was 15.5 percent in colleges that assigned faculty ranks and 9.6 percent in those that did not.

The positive effect of unionization on full-time faculty salaries appears to be related to union density, indicated in the table by the percentage of faculty members in each category who are unionized. Union density is lower in doctoral universities than in other types of institutions and is much lower in the private sector as a result of the US Supreme Court's 1980 *Yeshiva* decision, which makes it nearly impossible for full-time faculty members in that sector to form new unions. With union organizing campaigns under way or successfully completed recently at major public doctoral universities, the salary differential in that sector may shift in years to come.

In sum, union membership appears to provide an advantage in earnings for full-time faculty members at nearly all types of institutions, consistent with the aggregate advantage found for unionized workers across occupations. The faculty earnings advantage is stronger in sectors where unionization is more prevalent, giving support to the adage that there is strength in numbers. In the face of attacks on collective bargaining across the country, which would clearly result in further stagnation of faculty pay, the need for organized resistance has never been greater.

PART-TIME FACULTY PAY

For many years, this annual report has included whatever data were available on the growth of what is now the largest segment of the academic workforce: our academic colleagues employed in contingent positions. Figure 3 shows that contingent academics (full-time non-tenure-track and part-time faculty members, along with graduate student employees) made up more than 75 percent of the total instructional staff as of fall 2009, the last year for which comparable data are available. Compensation data for these positions have been extremely limited, however. Data on part-time faculty pay have not been part of the annual AAUP compensation survey, because our institutional contacts often do not have the same access to centralized part-time faculty wage data and because part-time pay is tied to actual courses taught rather than to annual salary allocations. The US Department of Education's National Study of Postsecondary Faculty, which included part-time faculty members but not graduate student employees, last collected data for fall 2003 and is now defunct. Other national compensation datasets, such as those compiled by Oklahoma State University and the College and University Professional Association for Human Resources, do not include part-time faculty members and do not provide a separate analysis of non-tenure-track compensation. A separate data collection project on contingent academic compensation has clearly been needed for some time.

The AAUP is one of the founding members of the Coalition on the Academic Workforce (CAW), which is "committed to

addressing issues associated with deteriorating faculty working conditions and their effect on college and university students in the United States." In 2010, CAW resolved to help address the lack of data on contingent academic compensation and working conditions by surveying individuals employed in those positions. The questionnaire developed by CAW was distributed through multiple media by many of the coalition's member organizations, and data were collected online from September through November 2010. Some twenty-nine thousand individuals responded to the survey, nearly twenty-one thousand of them employed in contingent positions. The responses to selected survey items will be tabulated in CAW's forthcoming report on the data; the AAUP has played a leading role in preparing that report.

More than ten thousand part-time faculty members responded to questions in the CAW survey regarding their instructional workload, compensation, institutional support, and demographic characteristics. When the data are tabulated, they will present a much more complete picture of faculty compensation than has been possible for many years. We will be able to analyze differences in pay rates attributable to institutional sector (public, private nonprofit, or for-profit), institutional level (based on degrees awarded), and geographic region. They will enable us to quantify the super-exploitation of the individuals who make up the largest segment of the academic workforce. These data will serve as an important tool as we continue to challenge this exploitation and work in solidarity with our colleagues in the "academic precariat" to bring it to an end.

TABLE D
Projected Household Income Distribution, 2011

Percentile	Income Level (Dollars)
99th	506,553
95th	200,026
90th	154,131
80th	97,298
70th	73,866
60th	57,213
50th	42,327
40th	32,188
30th	23,873
20th	16,358
10th	9,235

Notes: Percentiles contain equal numbers of people; they may contain differing numbers of households. Cash income includes wages and salaries, employee contributions to tax-deferred retirement savings plans, interest income, taxable dividends, Social Security and veteran's benefits, and alimony and child-support payments.

Source: Urban Institute–Brookings Institution Tax Policy Center, Table T11-0089.

"THE 99%"

Since its beginning in fall 2011, the "Occupy" movement has changed the discourse on inequality in the United States. Focused initially on Wall Street and the excesses of the financial industry, the movement has broadened its focus to address other aspects of economic life, including higher education issues such as student debt and the price of tuition. College and university students and staff and faculty members have participated in Occupy activities at multiple campuses. One of the central arguments of the various Occupy movements has been that government policies, such as taxation and federal support for the banking and financial industries, have protected the wealthiest 1 percent of Americans at the expense of the rest of the population. This argument juxtaposes the suffering of the many, measured in continuing high unemployment levels and home-foreclosure rates, with record profit levels for corporations and the return of exorbitant salaries and bonuses for senior executives throughout the private sector.

A counterargument to the Occupy movement maintains that some of the wealthiest members of our society, the CEOs of major corporations, are "job creators" and need to be rewarded so that they will continue producing more jobs. Proponents of this perspective advocate for reductions in taxation and government regulation as incentives for job creation. Interestingly, one common characteristic of the CEOs of the one hundred largest US corporations (the Fortune 100) is that ninety-four of them are college graduates: forty-six from private institutions, thirty-nine from public colleges and universities, and nine from foreign universities. Sixty-four of the "job-creating" CEOs also hold graduate degrees, predominantly MBAs and law degrees. These CEOs benefited from the societal investment in higher education, in both public and private not-for-profit sectors. Entrepreneurs without college degrees, such as Rupert Murdoch, Steve Jobs, and Bill Gates, are the exceptions. Looked at from one perspective, the real job creators are the college professors who taught the occupants of the corner offices many of the skills they needed to ascend the corporate ladder, including those gained from courses in fields such as philosophy, English, and the fine arts.

The CEOs of these large corporations find themselves almost without exception in the top 1 percent of the US income distribution. Where do faculty members fit into that distribution? Table D shows the projected 2011 distribution of household cash income in the United States. It is broken into deciles, categories that represent 10 percent of the population, along with the top 5 and 1 percent. The percentiles shown are the income level corresponding to a given percentage of the population. Thus, the tenth percentile is the income level earned by the lowest-earning 10 percent of the population, the twentieth percentile is the level

earned by the lowest-earning 20 percent of the population, and so on. Cash income includes salaries, employee contributions to tax-deferred retirement savings plans, interest income, taxable dividends, Social Security and veteran's benefits, and alimony and child-support payments received.

Data from the AAUP survey reflect only the salaries of individuals, so they are not directly comparable with the household income levels in table D. To understand where a faculty member would fit into the US income distribution, consider a full professor at a community college. He has a PhD and earned the median salary for a full professor at a community college in 2010–11, $68,498, and has a spouse who earned $51,000 in her job. Together they had $1,500 in dividend income. The sum of these earnings is their cash income, equal to $120,998. Although the professor is in the top 1 percent of Americans by educational attainment, his family's income puts him and his wife at about the eighty-fifth percentile in terms of cash income.

Next, consider an assistant professor teaching at a master's university and earning $58,490 in 2010–11 (the median salary). She is single and has $600 in interest income and taxable dividends. Her cash income was $59,090, which puts her just above the sixtieth percentile of households for that year.

For a complete picture of where faculty members might fit in the income distribution, we should consider an example of a part-time colleague. Unfortunately, until we have data from the CAW survey described in the preceding section, such an example would be a matter of informed speculation at best. Given the limited earnings available from teaching on a per-course basis, many part-time faculty members will have another source of income or will be teaching courses at multiple institutions in order to piece together a living income. Many will also be part of dual-income households. But without more comprehensive data, estimating the proportions in each of these categories is mostly guesswork. It seems a safe bet, however, that the vast majority of part-time faculty members are not living at the top of the income distribution.

In terms of education, faculty members are in the top 10 percent of all American workers, but their salaries clearly don't put most of them in the top 10 percent of the income distribution. Of course, no one chooses a career in the professoriate in order to get rich, but a reasonable academic version of the "American dream" might include being compensated fairly for the years of schooling it took to become a college professor, as well as the work done in the classroom, laboratory, studio, and elsewhere to teach the skills that spur economic growth. This report indicates that most full-time faculty members struggle to attain that objective. And for our colleagues working in part-time appointments, as for millions of fellow community members, the possibility of achieving this most basic of American ideals must seem little more than a pipe dream.

The struggle goes on.

ACKNOWLEDGMENTS

The annual collection of compensation data requires the collaboration of hundreds of colleagues at colleges and universities around the country, to whom we are most grateful. The data would be far less complete and accurate were it not for the hard work of AAUP research assistant Samuel Dunietz, the calm and helpful voice on the end of the phone for so many of our survey contacts. We also acknowledge the assistance of Paul Thornton, a student at Hampden-Sydney College, in the compilation of data on CEO educational background.

NOTE

1. Donna M. Desrochers, Colleen M. Lenihan, and Jane V. Wellman, *Trends in College Spending, 1998–2008* (Washington, DC: Delta Project on Postsecondary Education Costs, Productivity, and Accountability, 2010), 22.