have increased faculty salaries in the last two years in an effort to make up for smaller increases in previous years. That effort, coupled with somewhat smaller increases for top administrators than in the private sector, has resulted in the less rapidly widening gap depicted in the figure. Nonetheless, the basic conclusion is the same: a positive relationship between presidential and faculty salaries does not appear in the data for either public or private institutions. There does seem to be a strong positive relationship between higher pay for presidents and higher pay for other top administrators across institutional categories and across the public-private divide, however.

As Trachtenberg pointed out in his Chronicle interview, "college presidents are paid more than professors of French." But, as he also noted, the large and growing differences in compensation for senior administrators relative to their faculties have moral and ethical implications. When market forces are widely offered as a reason why presidents, administrative vice presidents, and football coaches must be paid enormous salaries—while at the same time market forces are blamed for the continuing suppression of contingent faculty wages, the growing use of graduate students in undergraduate teaching, and the increasing length of postdoctoral fellowships—we would be remiss if we did not ask hard questions about priorities.

Specialization
A college or university budget is a blueprint indicating where the institution’s priorities lie. Because higher education is a labor-intensive venture, the allocation of staff across different departments within a college or university has significant impact on how the institution operates.

The AAUP has long championed academic freedom and tenure because these conditions are necessary to ensure that faculty can consider a wide range of viewpoints in their teaching and research and are not restricted to whatever perspective happens to be popular or profitable at the moment.

Faculty participation in academic governance is an essential check and balance at a time when U.S. colleges and universities are embracing the operating strategies of for-profit corporations with growing fervor. Students are viewed as “customers” and faculty are coming under pressure to alter curricula to provide the courses that the customers want, regardless of the value of those courses in contributing to the goals of a postsecondary education. Colleges and universities increasingly conceptualize higher education as a commodity and attempt to provide it at the lowest cost. They do so by reorganizing themselves as “knowledge factories” in which a variety of internal functions (for example, dining services and facilities maintenance) are outsourced to for-profit contractors who pay their workers minimum wages and in which the central teaching and research functions are outsourced to legions of poorly paid non-tenure-track adjunct faculty, postdoctoral fellows, and graduate students.