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,