# 1999-2000 Annual Review of Faculty Salaries

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From: Faculty Status Committee

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## This document contains the following elements:

Table 1:? Percentile Comparisons of Loyola to all other Group I Universities, 92-93 through 99-00,

Table 2:? Percentage Change by Rank,

Table 3: Time Series regressions past 25 years,

<u>Table 4</u>:Nominal and Real Salaries, 99-00 (this table is attached and is organized by geographical region and within region by listed by school),

<u>Table 5</u>:? Salary Rankings, 99-00 (this table is attached and reports the number of schools with nominal and real salaries greater than Loyola).

#### **Definition of Terms:**

Group I:? Doctoral granting institutions,

Group IIA:? Non-doctoral granting institutions with comprehensive masters and professional degree programs,

Group IIB:? Institutions with general baccalaureate degrees without masters or post-baccalaureate professional programs.

# **Some Background Information**

Faculty Council has traditionally provided the university administration with comparative salary information.? The data reported is extracted from Academe.? Beginning in 1985 the administration requested data be provided in such a way that it reflects regional costs of living.? Therefore, beginning in 1985, a subcommittee of the Faculty Status Committee defined a panel of 101 Group I and IIA schools in cities for which the Bureau of Labor Statistics (BLS) reports specific information.? Each year since, the data has been reported to the administration reflecting not only nominal (actually received) salaries but also real salaries (actually received salaries adjusted to reflect regional costs of living).[1]? The salaries reported in Academe are labeled ?average salaries? but it is unclear what is actually being reported?mean salaries or median salaries.? Because we report median salaries to ourselves (<a href="http://www.luc.edu/depts/acadaff/faculty\_salaries.html">http://www.luc.edu/depts/acadaff/faculty\_salaries.html</a>) it is supposed that we report median salary data to Academe as well.? However, different schools may report data differently.?

# The 1999-2000 Salaries Report

Each year there are a handful of schools that do not report salary information to Academe; this past year (1999-2000) 96 schools reported salary data.[2]?

The salaries reported in the March-April 2000 issue of Academe put Loyola University Chicago in the third quintile (the middle fifth) for Professors, Associate Professors, and Assistant Professors for Group I universities.? (The nominal and real salaries for each level are reported in <u>Table 4</u>.? Nominal salaries are:? Professors--\$83,600; Associate Professors--\$58,900; Assistant Professors--\$49,800).

Loyola University Chicago?s percentile ranking has been steadily decreasing since 1993-1994 (see Table 1).? Professors fell

twelve places, largely, one suspects, as a result of the early transition option offered through Loyola 2000.? Associate Professors fell seven places and Assistant Professors fell two places with respect to two years ago.? (**Note**: It appears that there was a typographical error in the salary reported for the Assistant Professor rank last year.? This year?s report uses the number reported last year, so what appears to be an improvement may not be.)

Table 1:? Percentile Comparison of Loyola to All Group I Universities							
	Salary Only			Compensation (Salary plus benefits)			
	<u>Full</u>	<u>Associate</u>	<u>Assistant</u>	<u>Full</u>	<u>Associate</u>	Assistant	
92-93	72.9	73.3	68.3				
93-94	81.6	79.8	71.4	76.3	74.1	65.4	
94-95	78.3	74.7	59.5	72.8	71.3	55.9	
95-96	75.5	71.2	56.0	70.5	68.8	55.4	
96-97	72.0	67.8	52.2	71.2	67.4	56.2	
97-98	70.7	64.5	55.7	68.9	68.4	66.5	
98-99	68.8	56.6	40.0	66.7	58.0	43.2	
99-00	56.1	50.1	49.2	51.5	47.0	50.6	

?The decline in percentile ranking is worrisome because of what it represents.? In reviewing these data the Faculty Status Committee noticed that this relative decline in salaries at Loyola University Chicago occurred after a relative increase during the 1980s.? The 1980s increase attracted excellent young faculty to the university representing, in essence, **an investment in intellectual capital that the university** cannot afford to give up and certainly does not want to squander as we strive to solve genuine financial problems.? If we do so we will have solved the financial problems at the cost of a weakened academic base.?

Not only does the percentile ranking fall within each category, but a close inspection of the data in <u>Table 1</u> reveals the compensation percentile to be invariably lower than the salary percentile.? This suggests (or is evidence that) the total benefits package is less than adequate, compared to other schools, because when benefits are included in the data professors at Loyola **fall** in the percentile ranking rather than **move up**.???

With respect to "real" salaries (see <u>Table 4</u>), salaries adjusted for regional differences in the cost of living as defined by the BLS, Consumer Expenditure Survey, 1994-95, Professors and Associate Professors each fell eleven places, while Assistant Professors fell one with respect to two years ago.? As the panels for Group I and Group IIA schools reveal (see <u>Table 5</u>), the majority of these changes came with respect to other Group I schools.? The comparison with the Catholic schools in our panel (see <u>Table 5</u>) shows a similar pattern, particularly at the Professor and Associate Professor levels.? In addition, this report normally compares Loyola with our closest competitors:? DePaul, Notre Dame, and Marquette.? We were third, with Marquette below us, at the Professor level for both nominal and real salaries and at the Assistant Professor level for nominal salaries.? In the other three categories, we were fourth.? It has not been customary to compare Loyola to the other eleven schools in the Chicago area.? In the future that comparison might be worth considering, too, especially as it relates to how each adjusts, or fails to adjust, for changes in the cost of living in Chicago (more about comparisons based on the cost of living, below).

The percentage changes by rank from 96-97 academic year to 97-98 are presented in below (see <u>Table 2</u>). These numbers should be compared to a median increase of 4.8 percent for continuing faculty in all the 2,576 institutions reported in Academe (4.9 percent for Group I schools).

Table 2:? Percentage change by Rank, 96-97 to 97-98

Loyola Professor	-1.99%	
Loyola Associate Professor	1.03%	
Loyola Assistant Professor	7.79%	
Consumer Price Index	3.68%[3]	

The percentage increases reported for Loyola's continuing faculty are 2.0, 2.0, and 3.0, respectively.? These numbers are "for faculty members remaining on staff in 1998-99.? This increase is that for individuals as opposed to a percentage change in salary levels from previous year."? The numbers above (<u>Table 2</u>) are Loyola's "average salary in a given rank."? Each individual continuing in rank could receive a higher increase than the average for the rank if the distribution of faculty salaries in that rank became more skewed toward the lower tail.? These numbers further highlight the apparent typographical error in the previous year?s reported figure for Assistant Professors, which showed a decrease of 1.07 percent.

In the table of salary rankings (<u>Table 5</u>) the number of schools reporting **real** (adjusted) salaries greater than Loyola?s is invariably more than the number of schools reporting nominal salaries greater than Loyola?s.? This suggests (or is evidence that) the cost of living in Chicago is not being adequately accounted for in determining faculty salaries and that others have done a better job than Loyola in adjusting for and meeting changes in the cost of living.? This is further supported by the fact that only seven of the 26 geographical areas in Table 4 have CPIs greater than Loyola (San Francisco, Anchorage, Washington DC, Honolulu, Atlanta, Minneapolis, and Dallas).? This constitutes 27 percent of the geographical areas listed but only 18 percent of the schools listed.? The other 18 geographical areas (69 percent) have CPIs below that of Chicago.? A full 70 percent of the schools listed are in geographical areas with CPIs below that of Chicago is a relatively expensive place to live but salaries do not reflect that fact.

Time series regressions of Loyola's salaries for the past 25 years (1971 to present), by rank, produce the following for the rate of growth of nominal salaries and the CPI over time (all highly statistically significant):

Table 3:? Rate of Growth of Nominal Salaries and the CPI, 1971 to present				
Loyola Professor	6.43%			
Loyola Associate Professor	5.66%			
Loyola Assistant Professor	5.62%			
Consumer Price Index	5.33%			

## Summary

Our average salary increase over all ranks is in the bottom 10 percent of Group I schools for the third consecutive year.? There is no question this pattern of raises is an important contributor to any deterioration of faculty morale.? The Faculty status Committee recommends that Faculty Council concern itself with these issues by contracting to measure faculty morale and especially to measure the degree and extent to which this pattern of raises contributors to any deterioration of faculty morale.?

[1] Lou Cain, Professor of Economics, has collected and reported the data to the Faculty Status Committee, which then reports it to Faculty Council.? Professor Cain also provided the data in this year?s report.

[2] The sample was defined to include all Group I and IIA schools in major metropolitan areas in 1985; one or two of those

schools have changed categories in the interim. ?This past year Adelphi, Detroit, Roosevelt, and San Francisco did not send data to Academe.? Adelphi and Detroit have been absent for the past several years.

[3] Our comparisons use the current reported U.S. city average CPI-U index from Consumer Price Index.? This figure is customarily revised after we collect it.