

Economic Benefits Committee

Report to the Faculty Senate

Academic Year 2012-2013

March 2013

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Economic Benefits Committee 2012-2013

Standing Charges

1. To make a continuing study of the faculty salary and benefits patterns in American universities and relate these data to the University.
2. To review the structure of the faculty salary and benefit recommendations for the previous year and to recommend the ranges of increments for the following years.

Discussion

The Economic Benefits Committee examined the faculty salaries at each rank and compared the salaries with the following peer institutions:

1. IU South Bend, South Bend, IN
2. IU Southeast, New Albany, IN
3. IUPUI Fort Wayne, Ft. Wayne, IN
4. Purdue North Central, Westville, IN
5. Ball State U., Muncie, IN
6. Morehead State U., Morehead, KY
7. Murray State U., Murray, KY
8. Western Kentucky U., Bowling Green, KY
9. Northern Kentucky U., Highland Heights, KY
10. Eastern Illinois U., Charleston, IL
11. Southern Illinois U., Edwardsville, Edwardsville, IL
12. U. of Tennessee at Chattanooga, Chattanooga, TN
13. U. of Tennessee-Martin, Martin, TN
14. Southeast Missouri State U., Cape Girardeau, MO
15. U. of Central Missouri, Warrensburg, MO

Criteria used in the selection of the peer institutions are classification as a Master's Institution used in the American Association of University Professors (AAUP) salary date (with the only exception of Ball State U.), state funding and the cost of living index for the housing city. The list includes universities selected as USI's peers in the productivity report prepared for the Indiana Commission for Higher Education by the National Center for Higher Education Management Systems (NCHEMS) in 2010.

The Committee collected the AAUP salary data by rank for the academic years **2005-2006 to 2011-2012** from the Chronicle of Higher Education website: <http://chronicle.com/stats/aaup>. The AAUP/Chronicle of Higher Education does not release current data on faculty salaries until the end of March/beginning of April, which puts this charge at risk of not being reported to the faculty senate. This committee reviewed and addressed the standing charge using the most current data available at the time of the report.

Collected data are summarized and presented in the attached tables and graphs at the end of the report. The included reports are:

- AAUP data sheet which contains all of the salary data for peer institutions and USI and compares USI to the mean and median

- Ranking sheet which shows the ranking of USI among the peers with graphs,
- Compression sheet which shows the ratios Professor/Associate and Associate/Assistant for USI and peers.
- Screenshot of the USI profile page from the chronicle.com.

Salaries at all ranks appear to have gone under the median and the mean. There's also a declining trend for assistant professor salaries at USI over the past 6 years. Please refer to and review the attached charts.

Recommendation

While the committee realizes that economic conditions are difficult, it is important that the University address the assistant professor salaries in order to be competitive in recruiting and retaining new faculty. The USI average salary for assistant professor based on current available data is 5.1% (\$2900) below peer institutions. A special adjustment increase should be considered for the assistant professor classification. There are currently 114 faculty at the assistant professor level (tenure and clinical). This committee recommends a one-time increase to current assistant professor incumbents of \$2900 and permanent line funding to maintain that increase for all assistant professor lines. In addition, the University should consider an increment increase for full professors in order to bring that rank more in line with peer institutions and to prevent further decline. The full professor ranking salary average is currently 3.5% (\$2814) below the average of peer institutions. There are currently 41 faculty at the full professor ranking. An incremental increase of 2% the first year and 1.5% the second year would bring the full professor ranking in alignment with peer institutions. This would cost the university \$65,928 the first year and \$49,446 the second. This cost is based on current incumbents at that ranking. Permanent line funding would be necessary to maintain that increase. This is a conservative request as it is based on data over a year old. Salary data for 2013 is not reported until the beginning of April.

2012 Faculty Salary Survey How much 1,251 colleges paid their faculty members.

- College Profiles: Detailed Data
- Article: Pay Levels Barely Budge
- Table of Salaries
- About the Data

University of Southern Indiana

EVANSVILLE, INDIANA

Find a college

Examples: harvard, berkeley

Faculty Salaries		Average Faculty Salaries (2011–12)	
<ul style="list-style-type: none"> Faculty Salaries Faculty Profile Salaries Over Time 	<p>Full Professors +</p> <p>\$80,400</p>	<p>Below median</p> <p>32nd percentile of master's institutions in the survey</p>	
	<p>Associate Professors +</p> <p>\$65,600</p>	<p>Below median</p> <p>34th percentile of master's institutions in the survey</p>	
	<p>Assistant Professors +</p> <p>\$54,600</p>	<p>Far below median</p> <p>23rd percentile of master's institutions in the survey</p>	
	<p>Instructors +</p> <p>\$48,300</p>	<p>Above median</p> <p>56th percentile of master's institutions in the survey</p>	

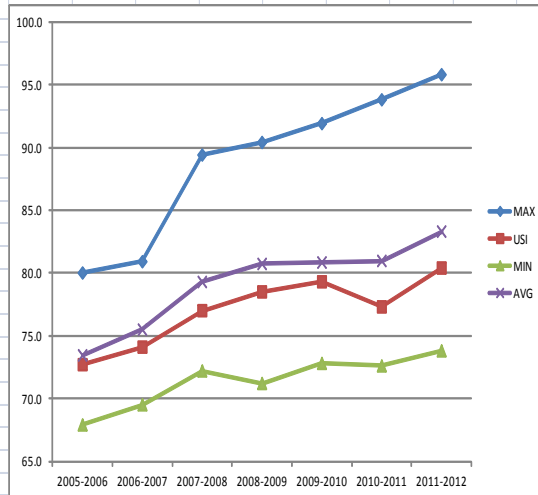
Source: AAUP faculty salary survey. Two-year institutions with and without academic ranks are grouped separately.

1. AAUP Average salaries by rank		2005-2006			2006-2007			2007-2008			2008-2009			2009-2010			2010-2011			2011-2012		
		Prof	Assoc	Assist	Prof	Assoc	Assist	Prof	Assoc	Assist	Prof	Assoc	Assist	Prof	Assoc	Assist	Prof	Assoc	Assist	Prof	Assoc	Assist
IU Southbend	South Bend, IN	78.0	56.3	49.6	76.8	56.2	50.5	76.6	56.8	51.3	78.1	58.4	54.0	76.4	58.1	53.6	75.0	57.0	53.6	74.7	59.1	57.2
IU Southeast	New Albany, IN	72.8	61.9	55.4	74.7	60.9	54.1	77.8	63.7	56.0	79.8	63.4	57.4	80.7	62.6	58.3	79.3	65.1	57.2	82.2	67.0	62.0
IUPUI Fort Wayne	Fort Wayne, IN	71.3	57.6	51.1	73.4	59.3	52.5	75.4	61.2	54.9	80.0	63.5	58.2	78.3	64.3	58.5	82.9	68.7	61.4	85.2	70.2	62.7
Purdue North Central	Westville, IN	72.1	56.0	46.4	78.6	57.0	47.6	82.5	59.1	48.6	83.9	60.7	50.5	82.8	60.6	52.0	83.6	63.3	55.9	85.6	64.1	57.0
Ball State U.	Muncie, IN	73.6	58.8	46.5	76.6	61.0	48.3	79.2	63.3	50.2	82.2	64.2	51.8	82.1	64.0	52.0	84.0	65.0	53.3	85.5	67.0	54.4
Morehead State U.	Morehead, KY	71.6	56.3	49.2				76.2	60.6	50.7	75.8	61.9	51.4	72.8	60.1	50.5	72.6	59.9	51.1	75.5	61.4	52.0
Murray State U.	Murray, KY	76.3	61.1	51.0	77.0	62.3	53.0	79.9	64.8	54.7	79.8	64.2	52.7	80.1	63.1	52.6	80.6	63.3	52.7	84.2	65.8	54.6
Western Kentucky U.	Bowling Green, KY	77.0	60.4	50.3	78.9	62.0	51.3	81.9	65.4	53.3	83.5	65.0	54.3	83.8	64.5	53.0	84.9	65.8	54.4	85.9	66.0	54.3
Northern Kentucky U.	Highland Heights, KY	76.9	62.1	55.9	78.3	63.3	56.4	89.4	70.4	59.7	90.4	70.3	62.1	91.9	69.6	62.6	93.8	68.8	62.7	95.8	71.8	65.6
Eastern Illinois U.	Charleston, IL	74.6	60.7	51.0	74.4	59.6	51.1	83.5	66.7	57.1	86.0	68.2	59.6	88.1	71.7	62.1	86.7	70.9	62.7	91.6	73.7	63.0
Southern Illinois U. Edwardsville	Edwardsville, IL	80.0	64.4	51.7	80.9	66.1	53.7	81.4	68.2	55.8	85.5	69.8	58.4	87.0	71.2	60.0	85.6	70.9	59.8	89.9	74.1	62.2
U. of Tennessee at Chattanooga	Chattanooga, TN	73.1	61.8	50.8	76.9	63.7	52.2	82.7	66.5	53.5	84.3	66.7	54.4	84.4	65.7	56.1	84.7	66.4	56.8	85.5	66.3	56.6
U. of Tennessee-Martin	Martin, TN	67.9	53.5	47.2	69.5	56.0	48.7	73.6	57.7	52.4	71.2	54.4	52.9	73.9	58.4	52.8	72.6	58.9	53.0	73.8	62.6	54.1
Southeast Missouri State U.	Cape Girardeau, MO	68.1	55.2	48.4	69.6	55.8	50.0	72.2	57.9	50.5	74.2	58.5	52.8	74.0	58.9	53.8	73.3	58.5	54.4	75.8	58.0	57.4
U. of Central Missouri	Warrensburg, MO	69.0	56.4	47.9	72.6	59.7	48.2				78.4	63.6	50.8	77.8	63.9	50.6	78.5	64.5	50.8	81.0	64.8	52.5
USI		72.7	56.0	50.3	74.1	57.6	50.3	77.0	60.2	53.3	78.5	63.0	54.7	79.3	63.5	54.6	77.3	65.1	54.5	80.4	65.6	54.6
	Median	73.0	58.2	50.3	76.6	59.7	51.1	79.2	63.3	53.3	79.9	63.6	54.2	80.4	63.7	53.7	81.8	65.1	54.5	84.7	65.9	56.8
	(USI-Median)/Median	-0.3%	-3.8%	0.0%	-3.3%	-3.5%	-1.6%	-2.8%	-4.9%	0.0%	-1.8%	-0.9%	1.0%	-1.4%	-0.3%	1.7%	-5.4%	0.1%	0.1%	-5.1%	-0.5%	-3.9%
	Average	73.4	58.7	50.2	75.5	60.0	51.2	79.3	62.8	53.5	80.7	63.5	54.8	80.8	63.8	55.2	81.0	64.5	55.9	83.3	66.1	57.5
	(USI-Avg)/Avg	-1.0%	-4.5%	0.3%	-1.8%	-4.1%	-1.7%	-2.9%	-4.2%	-0.3%	-2.8%	-0.8%	-0.1%	-1.9%	-0.4%	-1.1%	-4.5%	0.9%	-2.5%	-3.5%	-0.7%	-5.1%

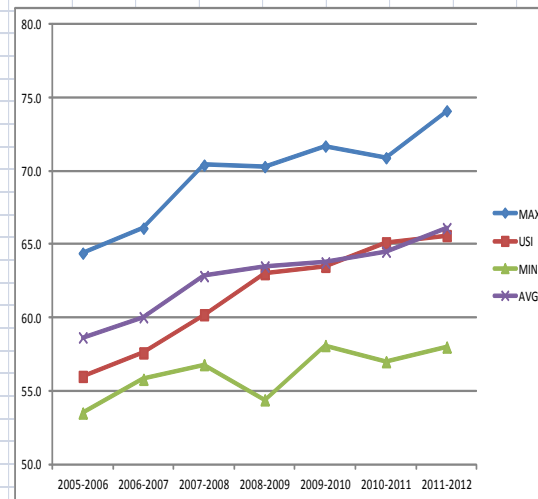
2. Ranking and graphs

(USI figures are highlighted.)

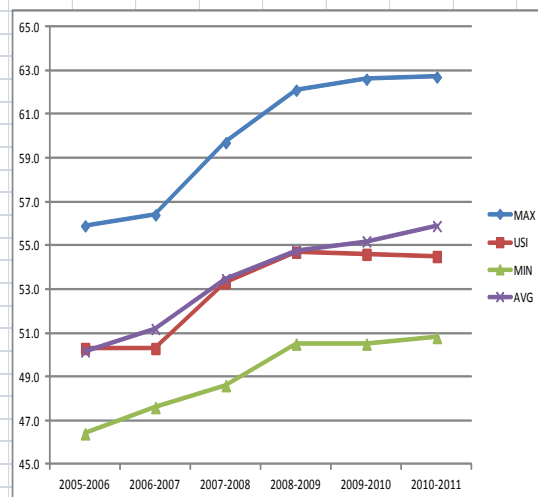
Prof	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	80.0	80.9	89.4	90.4	91.9	93.8	95.8
	78.0	78.9	83.5	86.0	88.1	86.7	91.6
	77.0	78.6	82.7	85.5	87.0	85.6	89.9
	76.9	78.3	82.5	84.3	84.4	84.9	85.9
	76.3	77.0	81.9	83.9	83.8	84.7	85.6
	74.6	76.9	81.4	83.5	82.8	84.0	85.5
	73.6	76.8	79.9	82.2	82.1	83.6	85.5
	73.1	76.6	79.2	80.0	80.7	82.9	85.2
	72.8	74.7	77.8	79.8	80.1	80.6	84.2
	72.7	74.4	77.0	79.8	79.3	79.3	82.2
	72.1	74.1	76.6	78.5	78.3	78.5	81
	71.6	73.4	76.2	78.4	77.8	77.3	80.4
	71.3	72.6	75.4	78.1	76.4	75.0	75.8
	69.0	69.6	73.6	75.8	74.0	73.3	75.5
	68.1	69.5	72.2	74.2	73.9	72.6	74.7
	67.9			71.2	72.8	72.6	73.8
MAX	80.0	80.9	89.4	90.4	91.9	93.8	95.8
USI	72.7	74.1	77.0	78.5	79.3	77.3	80.4
MIN	67.9	69.5	72.2	71.2	72.8	72.6	73.8
AVG	73.4	75.5	79.3	80.7	80.8	81.0	83.3



Assoc	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	64.4	66.1	70.4	70.3	71.7	70.9	74.1
	62.1	63.7	68.2	69.8	71.2	70.9	73.7
	61.9	63.3	66.7	68.2	69.6	68.8	71.8
	61.8	62.3	66.5	66.7	65.7	68.7	70.2
	61.1	62.0	65.4	65.0	64.5	66.4	67.0
	60.7	61.0	64.8	64.2	64.3	65.8	67.0
	60.4	60.9	63.7	64.2	64.0	65.1	66.3
	58.8	59.7	63.3	63.6	63.9	65.1	66.0
	57.6	59.6	61.2	63.5	63.5	65.0	65.8
	56.4	59.3	60.6	63.4	63.1	64.5	65.6
	56.3	57.6	60.2	63.0	62.6	63.3	64.8
	56.3	57.0	59.1	61.9	60.6	63.3	64.1
	56.0	56.2	57.9	60.7	60.1	59.9	62.6
	56.0	56.0	57.7	58.5	58.9	58.9	61.4
	55.2	55.8	56.8	58.4	58.4	58.5	59.1
	53.5			54.4	58.1	57.0	58.0
MAX	64.4	66.1	70.4	70.3	71.7	70.9	74.1
USI	56.0	57.6	60.2	63.0	63.5	65.1	65.6
MIN	53.5	55.8	56.8	54.4	58.1	57.0	58.0
AVG	58.7	60.0	62.8	63.5	63.8	64.5	66.1



Assist	2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
	55.9	56.4	59.7	62.1	62.6	62.7	65.6
	55.4	54.1	57.1	59.6	62.1	62.7	63.0
	51.7	53.7	56.0	58.4	60.0	61.4	62.7
	51.1	53.0	55.8	58.2	58.5	59.8	62.2
	51.0	52.5	54.9	57.4	58.3	57.2	62.0
	51.0	52.2	54.7	54.7	56.1	56.8	57.4
	50.8	51.3	53.5	54.4	54.6	55.9	57.2
	50.3	51.1	53.3	54.3	53.8	54.5	57.0
	50.3	50.5	53.3	54.0	53.6	54.4	56.6
	49.6	50.3	52.4	52.9	53.0	54.4	54.6
	49.2	50.0	51.3	52.8	52.8	53.6	54.6
	48.4	48.7	50.7	52.7	52.6	53.3	54.4
	47.9	48.3	50.5	51.8	52.0	53.0	54.3
	47.2	48.2	50.2	51.4	52.0	52.7	54.1
	46.5	47.6	48.6	50.8	50.6	51.1	52.5
	46.4			50.5	50.5	50.8	52.0
MAX	55.9	56.4	59.7	62.1	62.6	62.7	65.6
USI	50.3	50.3	53.3	54.7	54.6	54.5	54.6
MIN	46.4	47.6	48.6	50.5	50.5	50.8	52.0
AVG	50.2	51.2	53.5	54.8	55.2	55.9	57.5



3. Ranking of compression ratios

(USI figures are highlighted.)

A=Prof/Assoc, B=Assoc/Assist

2005-2006		2006-2007		2007-2008		2008-2009		2009-2010		2010-2011		2011-2012	
A	B	A	B	A	B	A	B	A	B	A	B	A	B
1.39	1.26	1.38	1.26	1.40	1.26	1.38	1.25	1.37	1.26	1.36	1.27	1.26	1.03
1.30	1.25	1.37	1.24	1.35	1.24	1.34	1.24	1.32	1.23	1.32	1.22	1.23	1.08
1.29	1.22	1.29	1.23	1.28	1.23	1.31	1.23	1.31	1.22	1.32	1.21	1.21	1.12
1.27	1.21	1.27	1.22	1.28	1.22	1.29	1.22	1.30	1.20	1.29	1.20	1.34	1.12
1.27	1.20	1.26	1.21	1.27	1.22	1.28	1.20	1.29	1.19	1.29	1.19	1.28	1.23
1.27	1.20	1.25	1.20	1.26	1.20	1.28	1.20	1.28	1.19	1.28	1.19	1.23	1.18
1.25	1.19	1.25	1.18	1.25	1.18	1.27	1.20	1.28	1.17	1.27	1.17	1.28	1.21
1.25	1.18	1.24	1.17	1.25	1.18	1.26	1.20	1.27	1.17	1.25	1.17	1.30	1.22
1.24	1.14	1.24	1.15	1.25	1.17	1.26	1.15	1.27	1.16	1.23	1.14	1.33	1.09
1.24	1.14	1.24	1.15	1.25	1.15	1.26	1.14	1.26	1.15	1.22	1.13	1.24	1.17
1.24	1.14	1.24	1.13	1.24	1.14	1.26	1.13	1.25	1.11	1.22	1.13	1.21	1.19
1.23	1.13	1.23	1.13	1.23	1.13	1.25	1.11	1.23	1.11	1.22	1.12	1.29	1.17
1.23	1.13	1.22	1.12	1.23	1.11	1.24	1.10	1.22	1.10	1.21	1.11	1.18	1.16
1.22	1.12	1.22	1.12	1.22	1.11	1.23	1.09	1.22	1.09	1.21	1.10	1.31	1.01
1.18	1.11	1.21	1.11	1.19	1.10	1.22	1.08	1.22	1.08	1.21	1.08	1.25	1.23
1.18	1.11					1.22	1.03	1.21	1.07	1.19	1.06	1.23	1.20

4. Instructor salaries

		2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
IU Southbend	South Bend, IN							
IU Southeast	New Albany, IN							
IUPUI Fort Wayne	Fort Wayne, IN	40.0	42.7	43.5	41.7	44.7	49.6	47.5
Purdue North Central	Westville, IN							
Ball State U.	Muncie, IN	36.5	37.3	39.4	40.5	40.4	41.7	43.3
Morehead State U.	Morehead, KY	34.8		36.0	37.5	37.2	37.8	38.3
Murray State U.	Murray, KY							
Western Kentucky U.	Bowling Green, KY	37.8	38.4	39.4	40.6	40.6	41.8	41.7
Northern Kentucky U.	Highland Heights, KY	50.4	51.9	47.8		59.8	56.8	59.0
Eastern Illinois U.	Charleston, IL	36.6	36.2	40.1	41.5	43.1	42.2	45.1
Southern Illinois U. Edwardsville	Edwardsville, IL	37.1	38.0	37.5	38.1	39.7	38.6	39.5
U. of Tennessee at Chattanooga	Chattanooga, TN	40.4	41.9	42.4	37.7	39.4	39.2	45.3
U. of Tennessee-Martin	Martin, TN	41.3	42.6	44.3	43.1	45.2	45.0	48.2
Southeast Missouri State U.	Cape Girardeau, MO	38.8	39.7	40.4	41.6	41.6	41.2	42.3
U. of Central Missouri	Warrensburg, MO	34.3	35.3		38.0	37.9	37.3	38.7
USI		40.2	42.0	43.2	45.5	46.3	47.2	48.3
	Median	38.3	39.7	40.4	40.6	41.1	41.8	44.2
	(USI-Median)/Median	5.0%	5.8%	6.9%	12.1%	12.7%	13.1%	9.3%
	Average	39.0	40.5	41.3	40.5	43.0	43.2	44.8
	(USI-Avg)/Avg	3.0%	3.6%	4.7%	12.3%	7.7%	9.3%	7.9%

Ranking

2005-2006	2006-2007	2007-2008	2008-2009	2009-2010	2010-2011	2011-2012
50.4	51.9	47.8	45.5	59.8	56.8	59
41.3	42.7	44.3	43.1	46.3	49.6	48.3
40.4	42.6	43.5	41.7	45.2	47.2	48.2
40.2	42.0	43.2	41.6	44.7	45.0	47.5
40.0	41.9	42.4	41.5	43.1	42.2	45.3
38.8	39.7	40.4	40.6	41.6	41.8	45.1
37.8	38.4	40.1	40.5	40.6	41.7	43.3
37.1	38.0	39.4	38.1	40.4	41.2	42.3
36.6	37.3	39.4	38.0	39.7	39.2	41.7
36.5	36.2	37.5	37.7	39.4	38.6	39.5
34.8	35.3	36.0	37.5	37.9	37.8	38.7
34.3				37.2	37.3	38.3

Other charges as relayed by the Senate:

1. Faculty Senate Charge: Cost of Living Adjustment (COLA)- Request was to review the COLA for faculty salaries. A full report follows:

Introduction

The University of Southern Indiana has been a beacon of higher education in the southern Indiana region since the fall of 1965. More than 30,000 students have graduated from U.S.I., with some going on to become community leaders, business leaders, and even United States Congressmen. This does not happen at a university unless the faculty are invested in the long-term outcome of the students they teach. To attract and keep quality faculty members, senior administration must compensate the faculty for their hard work. *The Chronicle* reports that salaries at U.S.I. for full, associate, and assistant professors are at the 32nd, 34th, and 23rd percentiles, respectively, compared to all of the universities reporting, which is below the median for full and associate professors and far below the median for assistant professors **Invalid source specified.** Instructors fared better as their salaries were in the 56th percentile of all the universities reporting and are considered above the median **Invalid source specified.**

Salaries only account for one factor in the economic decision-making process. The cost of living in a particular region can dramatically affect the standard of living of an individual. For example, a person making a given salary in one region may enjoy a better standard of living in another region with the same salary because its cost of living is lower, resulting in more discretionary income. Likewise, the opposite could be true. A move to another region may force a person on a given salary to adjust to a lower standard of living if costs in that new region are higher than what they enjoyed in the previous region, thereby decreasing their discretionary income. In this report, we analyzed salary data from the American Association of University Professors (AAUP) as published by *The Chronicle* and measured it against economic indicators like the Consumer Price Index (CPI) **Invalid source specified.** and the cost of living at peer institutions. We show that U.S.I. is not only lagging in absolute pay levels compared to peer institutions, but also that those pay levels have not kept up with changes in the CPI and do not afford its faculty members the same standard of living compared to salaries received at our peer institutions.

Comparison of Faculty Salaries to Peer Institutions

We first wanted to know how the absolute value of faculty salaries compared to our peer institutions. To do this, we acquired a list of our peer institutions (Table 1) and compiled salary data **Invalid source specified.** for full, associate and assistant professors, along with those at the instructor level of service, and compared the salary at each faculty level to the average of all other peer institutions since 2005 (Figure 1). The list of peer institutions included universities selected as USI's peers in the productivity report prepared for the Indiana Commission for Higher Education by the National Center for Higher Education Management Systems (NCHEMS) in 2010. The data shows that full professor salaries have fallen below the average at the rest of the peer institutions, while associate salaries align more with the average salary at peer institutions. Assistant professor salaries have aligned well with the average at our peer institutions prior to the 2008-2009 academic year, but have since fallen below the average and is trending down, while the average at our peer institutions is trending up. Lastly, instructor salaries have remained higher than the average at our peer institutions, with both U.S.I. and peer institutions instructor salaries trending up. This shows that while associate professor and instructor salaries are competitive with our peer institutions, full and assistant professor salaries are not.

University	Location	Region (used for cost of living comparison)
<i>University of Southern Indiana</i>	<i>Evansville, IN</i>	<i>Evansville, IN</i>
Indiana University - South Bend	South Bend, IN	South Bend, IN
Indiana University - South East	New Albany, IN	New Albany, IN
Indiana University-Purdue University - Fort Wayne	Fort Wayne, IN	Fort Wayne, IN
Purdue - North Central	Westville, IN	*South Bend, IN
Ball State University	Muncie, IN	Muncie, IN
Morehead State University	Morehead, KY	*Lexington, KY
Murray State University	Murray, KY	*Paducah, KY
Western Kentucky University	Bowling Green, KY	Bowling Green, KY
Northern Kentucky University	Highland Heights, KY	*Covington, KY
Eastern Illinois University	Charleston, IL	*Springfield, Decatur, Champaign, IL
Southern Illinois University - Edwardsville	Edwardsville, IL	*St. Louis, MO
University of Tennessee at Chattanooga	Chattanooga, TN	Chattanooga, TN
University of Tennessee-Martin	Martin, TN	*Jackson, TN
Southeast Missouri State University	Cape Girardeau, MO	No nearby region on PayScale.com
University of Central Missouri	Warrensburg, MO	No nearby region on PayScale.com

Table 1. Peer institutions of U.S.I.

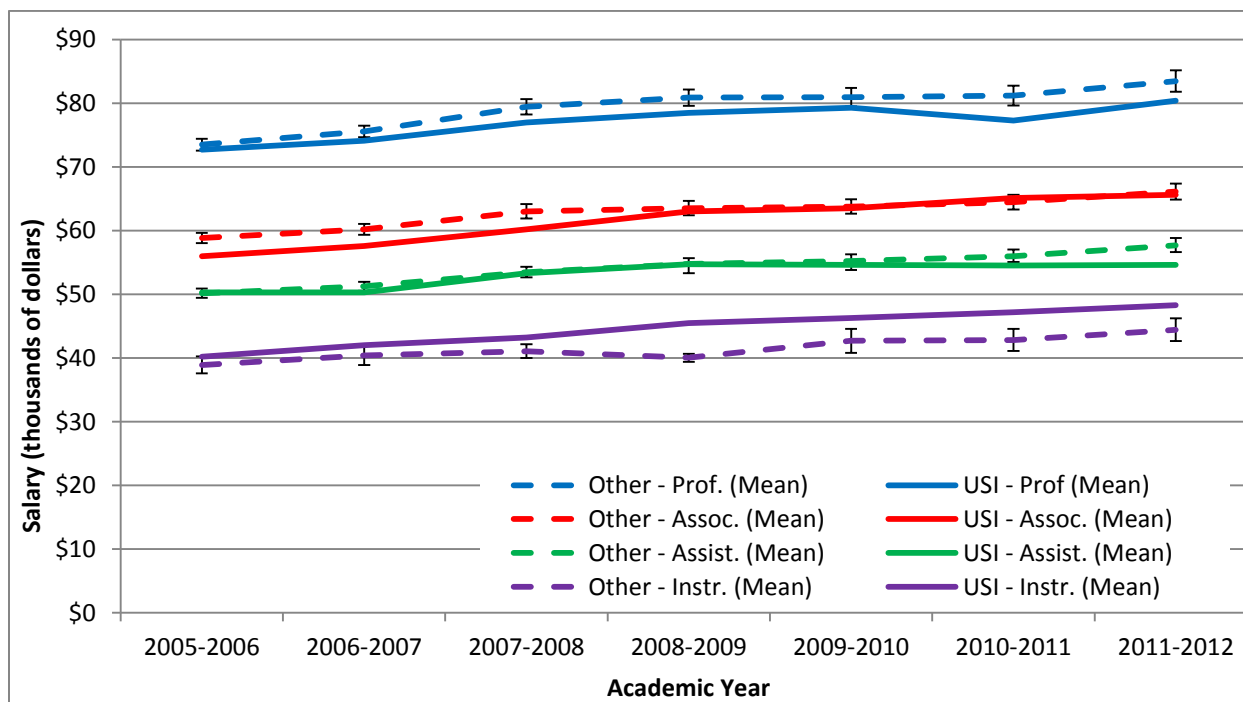


Figure 1. Comparison of average U.S.I. salaries by rank compared to peer institutions since 2005.

Comparison of trends in faculty salaries to trends in the Consumer Price Index

We next wanted to know how trends in faculty salaries compared to trends in the CPI, which is the cost of a basket of goods determined and published by the Bureau of Labor Statistics. We plotted the reported average salary for each rank from each year at U.S.I. against the CPI for January of each year reported (CPI is reported monthly, while salaries are reported as a yearly value)(Figure 2). As shown, the

trend in salaries at all levels is shallower than the trend in the CPI, indicating that faculty salaries are not keeping up with the cost of consumer goods. Since the y-axis for faculty salaries is not at the same scale as the y-axis for CPI value, it may be difficult to justify a difference in trends between CPI and faculty salary. To show the discrepancy more clearly, we calculated the percent change in the CPI to the percent change in faculty salaries since 2006 (Figure 3). This shows full and assistant professors have not changed concomitantly with the CPI, whereas associate professors and instructors have exceeded the change in CPI since 2006.

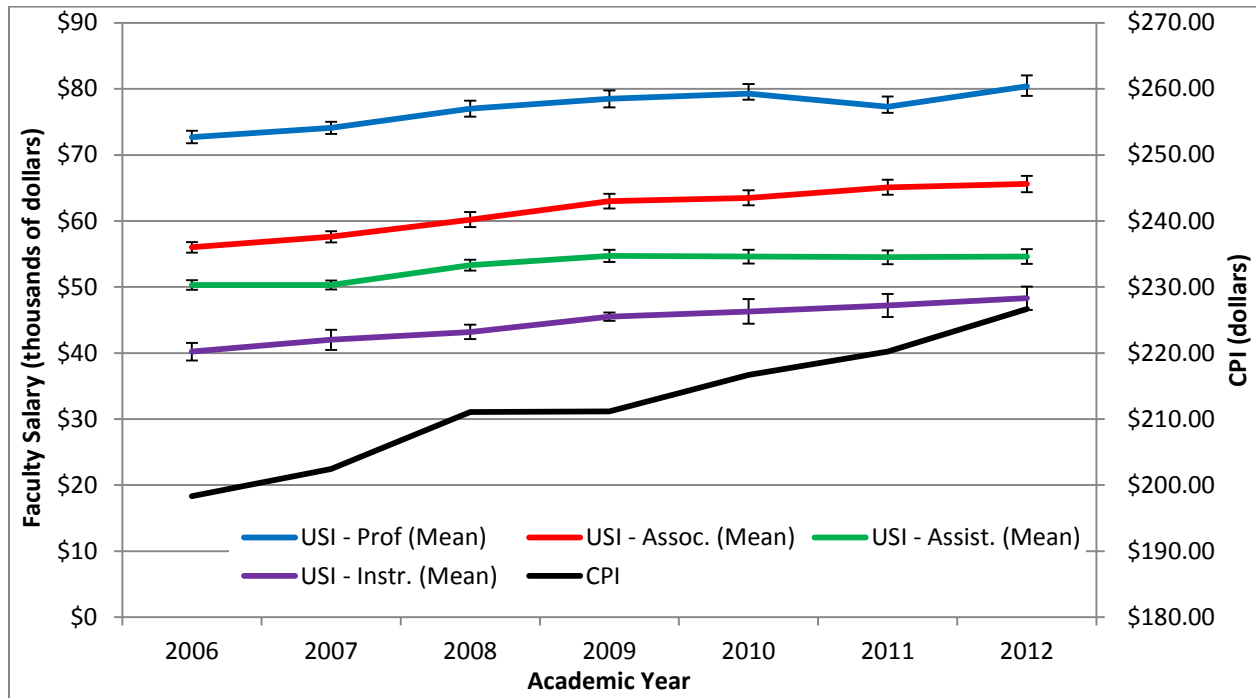


Figure 2. Comparison of faculty salary trends to trends in the CPI since 2006.

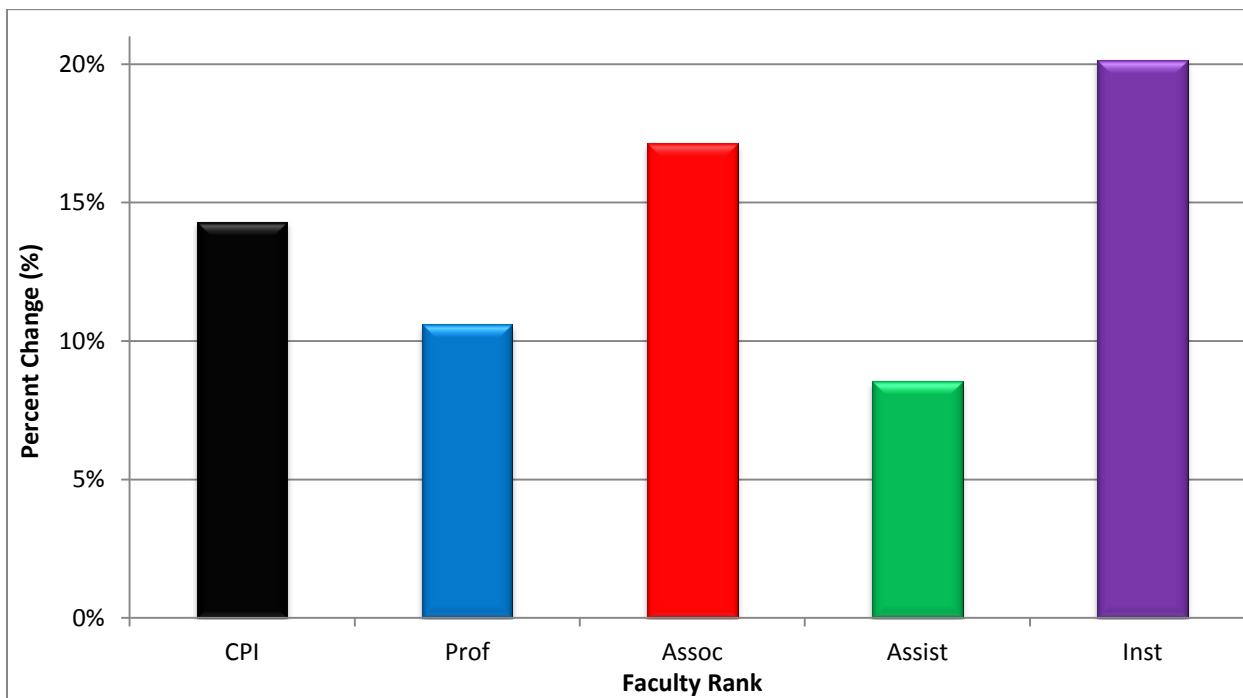


Figure 3. Percent change in the CPI since 2006 compared to the percent change in faculty salaries.

Cost of living comparison to peer institutions

The absolute value of salaries is not a good measure of salary competitiveness since the cost of living in various regions can differ dramatically. Additionally, the CPI is not regarded as a good measure of cost of living since it indicates only what the cost of a set of goods is. It does not indicate how much each item in the CPI is used or how the items in the CPI are used. **Invalid source specified.** The cost of living index (COLI) is commonly used by consumers, for example, to determine if taking a new job is better than their current position, even if the pay is increased, or to negotiate fair salaries. It is also used by companies who have employees in different regions or cities to determine a fair pay rate for those employees. Many websites use data from the COLI to offer these services. We used www.payscale.com as a source to investigate standard of living differences between regions of our peer institutions and U.S.I. **Invalid source specified.**

We first wanted to know how much of a salary increase or decrease would a faculty member have to take to maintain the same standard of living they enjoy in the Evansville region if he or she moved to one of our peer institutions, but kept their current salary (2012). To this end, we used a cost of living calculator **Invalid source specified.** and entered “Evansville, IN” as the “Moving from” region to calculate a percent change in salary that would be required to maintain the current standard of living at a peer institution. For the “Moving to” region entry, we used the city in which the peer university being compared was located. If the exact city of the peer university was not listed in the calculator, the nearest city listed was used to determine the conversion (See “*” in Table 1). Southeast Missouri State University and University of Central Missouri were not compared in this portion of the study, because a suitable, nearby city was not available in the calculator we used. We then applied that change to the 2012 salary for each rank to calculate the salary required for the move using the following formula (Figures 4A, B, C, and D – solid, colored bars).

$$\text{Required Salary} = \text{USI Salary} \times (1 + \text{percent change reported})$$

These data show that a faculty could move to a peer institution and either afford the same or better standard of living if they kept their same salary. None of the peer institutions required an increase in salary for the move, indicating that a move to another university would only be moderately beneficial, and likely not worth the trouble of pursuing.

We then wanted to know how much those universities are actually paying above or below the amount needed to maintain the current standard of living enjoyed at U.S.I. (Figures 4A, B, C, and D – white bars). Out of the 13 peer universities compared, only three offered salaries less than the required amount to maintain the current standard of living, and thus resulting in a lower standard of living if they kept the same pay rate. The remaining 10 universities offer salaries that are higher than what would be required for a faculty member to move from U.S.I. to the peer institution, thereby offering a higher standard of living – and in some cases this was fairly substantial. The data for instructors are not complete, as not all peer institutions report instructor data.

However, out of the nine peer institutions that do report instructor data, only three of them offer a higher standard of living than the other six. This indicates that the majority of other universities in our peer group offer lower standards of living than that offered at U.S.I.

Lastly, we wanted to compare the overall average difference between the salary a faculty member would have to receive at peer institutions to maintain their current standard of living and the average salary those peer institutions actual offered for each faculty level (Figure 5). To do this, we calculated an average of the salary needed to maintain the current standard of living at another university, as well as an average of the actual salary offered at each faculty level at those peer institutions. We then subtracted the average salary offered at peer institutions (Actual paid) from the average salary required to move to that institution, but still maintain the current standard of living enjoyed at U.S.I. (Salary needed) to calculate an absolute discrepancy, and divided that by the average actual salary paid by those peer institutions to derive an average percent discrepancy. See formula below.

$$\frac{\text{Salary needed} - \text{Actual paid}}{\text{Actual salary paid}} \times 100$$

This analysis showed that full professors who choose to stay at USI have more than 8% less standard of living, while associate and assistant professors lose 6% and 10% worth of standard of living by doing the same, respectively. Instructors, overall, enjoy a better standard of living by staying at U.S.I. than they would if they left to go to another university (2.4% greater standard of living at U.S.I.).

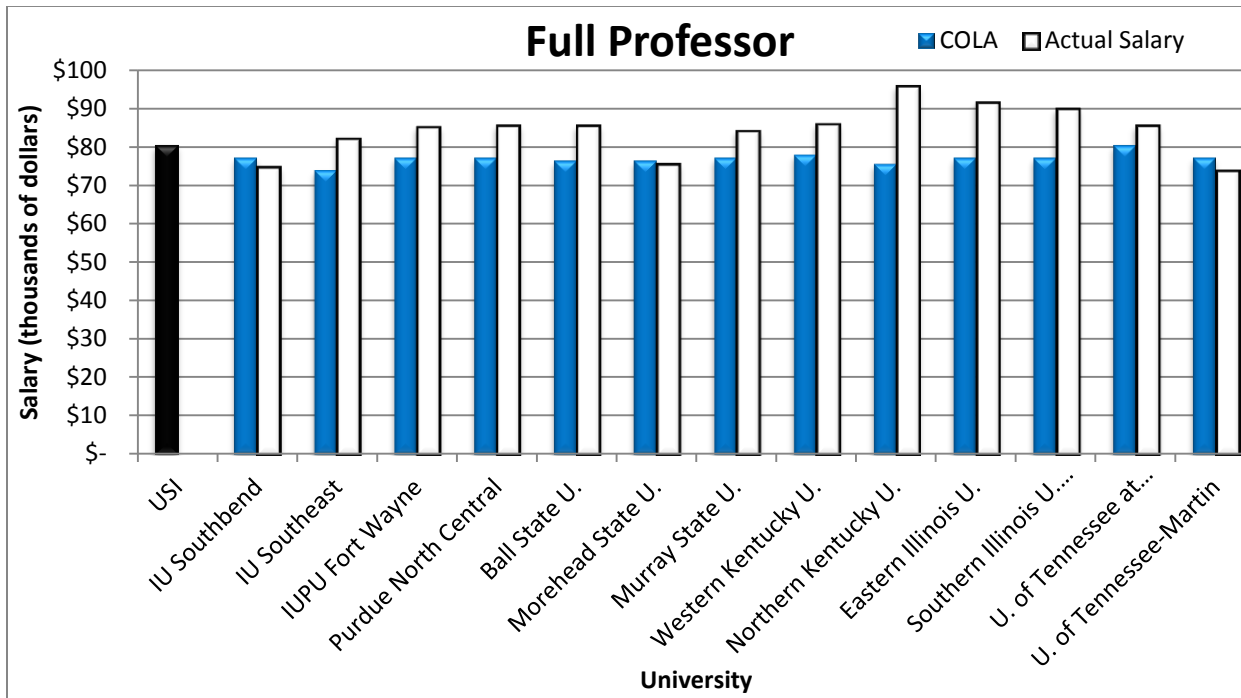


Figure 4A. Cost of living comparison and actual salaries offered at peer institutions for full professors.

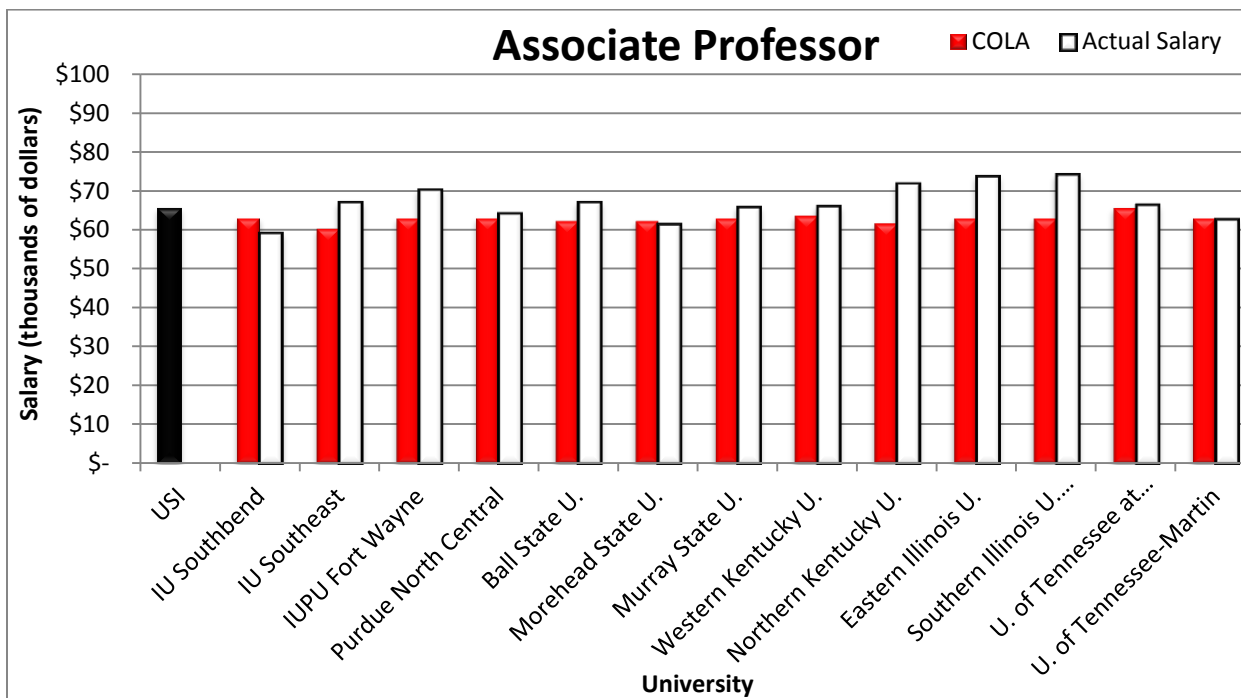


Figure 4B. Cost of living comparison and actual salaries offered at peer institutions for associate professors.

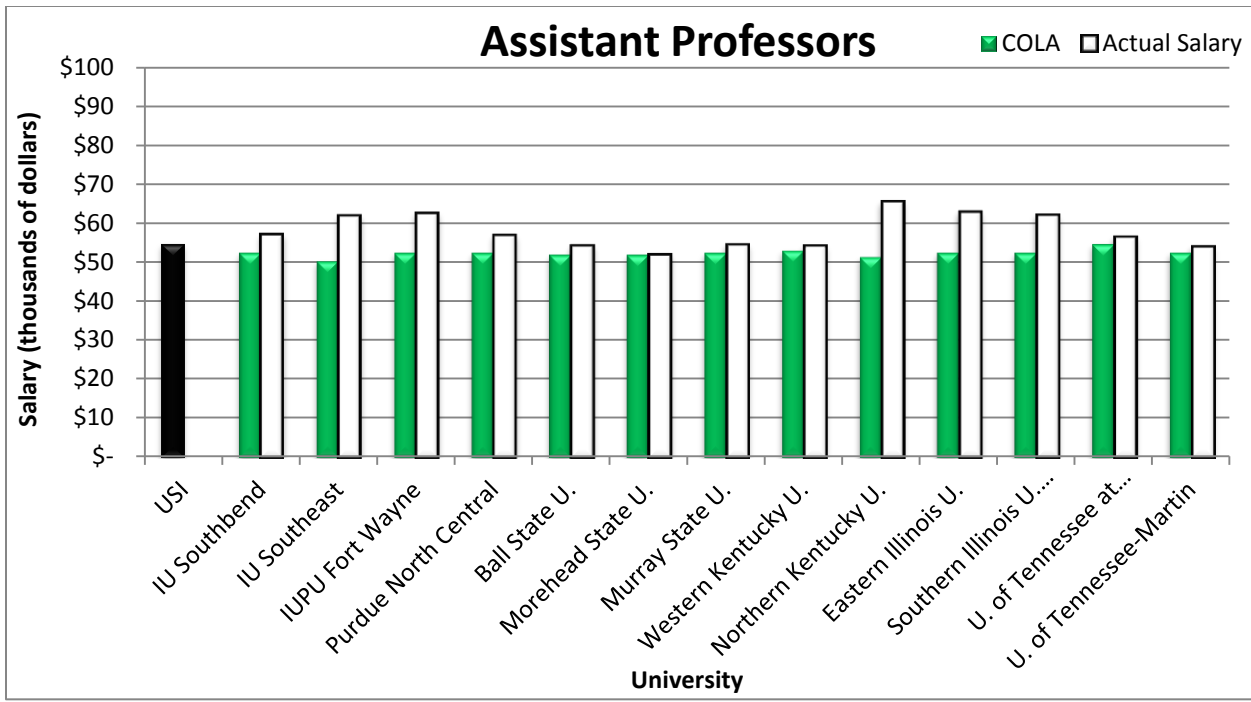


Figure 4C. Cost of living comparison and actual salaries offered at peer institutions for assistant professors.

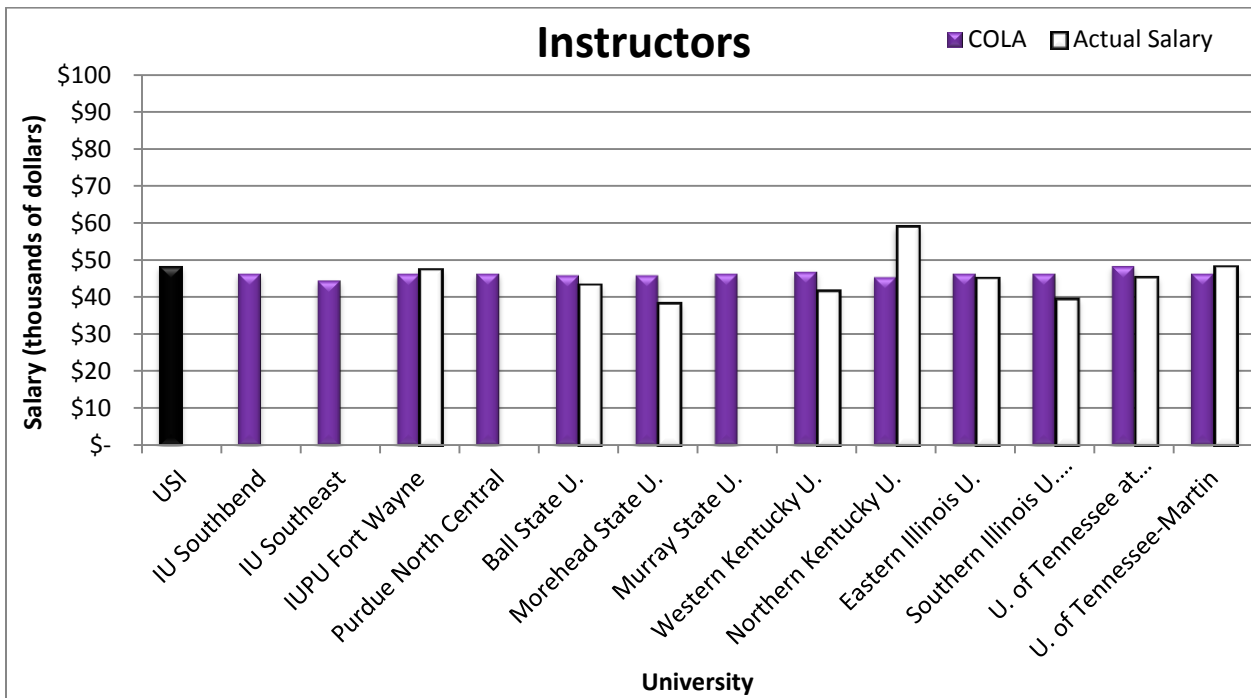


Figure 4C. Cost of living comparison and actual salaries offered at peer institutions for assistant professors.

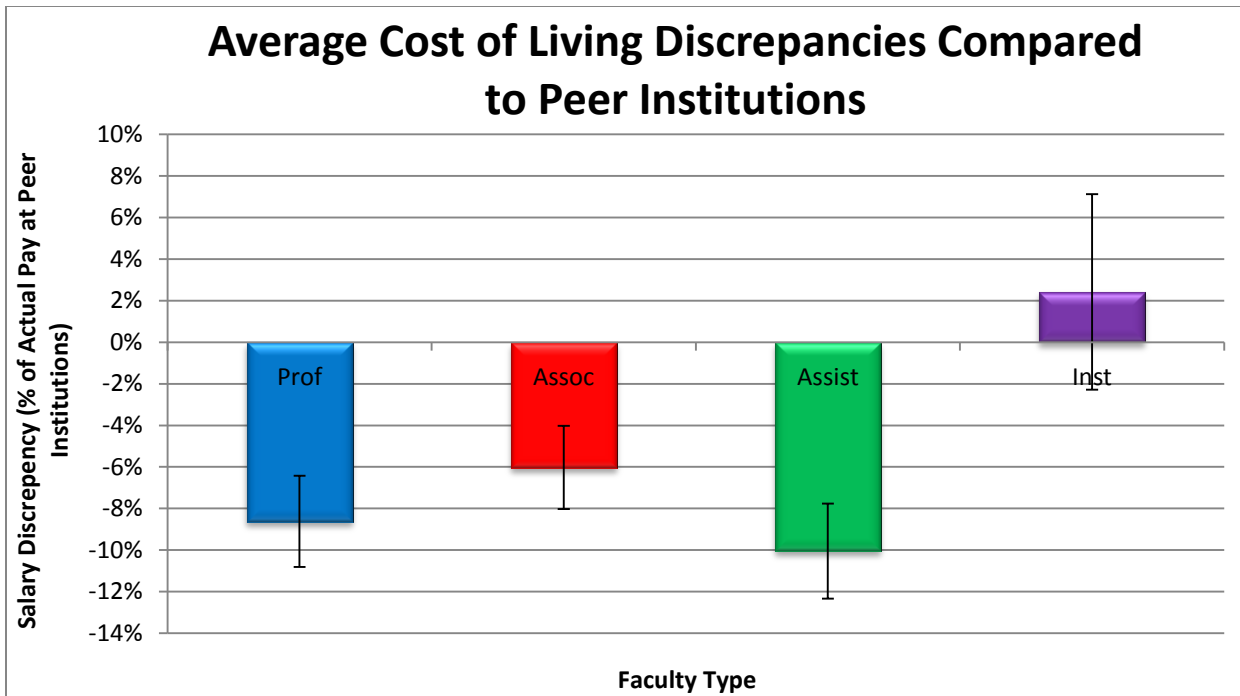


Figure 5. Average cost of living discrepancies compared to peer institutions.

Recommendations

The total cost of implementing an action plan to bring faculty standard of living in line with our peer institutions would cost a total of \$1,326,264.76. This would adjust the salary discrepancy shown in Figure 5 to \$0.00. The adjustments per faculty rank are shown below. The cost reflects current incumbent faculty rankings. The cost does not reflect the funds needed to support permanent line funding to maintain that increase for all ranking lines. :

- Full Professor (41) - \$297,786.28
- Associate Professor (90) - \$362,630.70
- Assistant Professor (114) - \$665,847.78

Seeing that an adjustment of this magnitude over a short period of time could be overwhelming, we propose that the university implement this pay increase over the course of 3 years, with 33.3% of the recommended adjustments being made each year, which would increase faculty salary rates at a cost of approximately \$442,088.25 each year for the next three years. Additionally, we recommend that the university also perform a cost of living investigation such as this every 3 years to maintain a competitive faculty salary level ongoing.

Notes

The recommendations in this report are independent of any other recommendations of any other report that may originate from this committee. If the recommendations in this report are accepted and implemented in full, then other faculty salary requests and/or recommendations from this committee would be null and void. If other faculty salary requests and/or recommendations are accepted and implemented, then the values described in this report would lessen by the amount granted according to those recommendations. Lastly, this is a conservative request that is based on data from *The Chronicle*, and does not take into consideration any increases or decreases in salaries reported by U.S.I.'s peer institutions in April 2013.

Conclusions

For U.S.I. to remain a competitive university, senior administration must address the issue of lagging faculty salaries. The discrepancies noted above are particularly obvious at the full and assistant professor levels. This is a dangerous place to be as it could potentially cause vested faculty to consider leaving U.S.I. for higher paying positions, and cause highly qualified applicants for tenure-track positions, which typically begin at the assistant professor level, to look elsewhere for employment.

References

There are no sources in the current document.