

Annual Faculty Salary and Compensation Report, 2014-2015¹

Committee on Priorities and Resources **Spring 2016**

I. Charge

The Faculty Handbook charges the Committee on Priorities and Resources (CPR) to report each year to the Faculty on the status of Amherst faculty salaries and compensation.² Since the late 1970s, the annual report has compared salaries and compensation at Amherst with those at 12 other colleges and universities known as the Traditional Group. Since 2003-04, the CPR has also compared salaries and compensation with a broader group of colleges and universities that includes the original 12 plus an additional 18 institutions; this is the New Group.³ For this report (Spring 2016) the CPR has compared salaries and cost of living with a redefined group of 12 liberal arts colleges. The comparative data on average salaries by rank are provided by the American Association of University Professors (AAUP).

II. Background and New Issues Addressed

New issues:

This year the CPR considered three new issues. First, we have adjusted the newest comparison group composed of 12 liberal arts colleges, changing the composition slightly.⁴ Previously, the committee has compared Amherst College salaries with a “traditional group” group of research universities and liberal arts colleges. While the salary analysis in this report no longer provides only a condensed comparison with the traditional group, we will provide an online appendix with tables that list the average salaries for the traditional group. Second, the CPR has set a new benchmark that presents normalized salaries in a quartile system by rank. Third, we compare salaries with a cost of living adjustment.

Background:

¹ This report is submitted by the voting members of the Committee on Priorities and Resources (CPR). We would like to thank the colleagues who assisted in compiling data, especially in the Institutional Research and Human Resources offices. We thank the *ex officio* CPR members, including Thomas Dwyer, Catherine Epstein, Kevin Weinman, and Maria-Judith Rodriguez.

² Recent reports and minutes from CPR meetings are available on the Dean of the Faculty’s website.

³ CPR created the New Group in 2005; the process is described in the CPR’s Amherst College Institutional Comparison Group Report of 2005. The CPR, in creating this New Group, was responding to a request from the Administration and the Board of Trustees to choose a definitive comparison group.

⁴ The 12 liberal arts colleges are now Amherst, Bowdoin, Carleton, Davidson, Haverford, Middlebury, Pomona, Smith, Swarthmore, Vassar, Wellesley, and Williams.

Since the 1970s the CPR has compared faculty salaries with peer institutions. A Traditional Group was used for many years. In 2003, the Board of Trustees and the Administration asked the CPR to create a New Group to better define salary benchmarks that the faculty saw as comparable. However, issues regarding adjustments for professional schools at several universities in the larger New Group led to the formation of a Liberal Arts group in 2014, to allow direct comparisons with Liberal Arts peer institutions. This year the CPR proposes that the Liberal Arts groups be adopted for future salary benchmarking.

Data Resources and Limitations:

We rely primarily on salary data compiled by the AAUP (American Association of University Professors). These tend to be crude measures of the total compensation (which include some, but not all, benefits in various degrees across institutions), and they do not reflect regional or geographical differences in the cost of living. Moreover, salary information for Amherst faculty and that compiled by the AAUP includes only tenure-line faculty who are full-time teachers; faculty with partial administrative roles or with reduced teaching loads due to phased retirement or other factors are not included in this report.

Within the salary data there are two potential sources of bias: demographic balance within ranks and the role of professional schools at universities. First, AAUP does not report by years-in-rank or years-in-service; therefore an institution with many long-serving full professors will have a larger average salary at the full professor rank than an institution with proportionally more recently-promoted full professors. In 1997-98 the Amherst Administration conducted a confidential time-in-rank and salary survey and it concluded that demographic differences did not have a significant effect on Amherst's rankings in the Traditional Group. However, in recent years the college has experienced significant turnover and these shifts now do appear to contribute to changes in the current rankings, notably a drop in the average salary of Full Professors.

A second source of bias comes from the inclusion of professional school faculty salaries in the AAUP data, which contributes to salaries in the Traditional Group and the New Group. Salaries at professional schools (schools of law, medicine, etc.) are usually higher than salaries at liberal arts institutions, due to market competition given opportunities available to professionals in those fields outside of academia. In the last several years the CPR has carried the recommendation of the CPR's 2005 Institutional Comparison Group Report which recommend simple adjustments ranging from 5 to 10 percent and, in rare cases, by up to 20 percent, so that the absolute disparities between Amherst's salaries and those of many universities tended to be less dramatic. We have discontinued inclusion of adjusted salary data in the New Group in this report, as these adjustments are mainly ad hoc guesses. Moving forward the CPR emphasizes focus on the Liberal Arts groups which do not involve any professional school bias.

A third source of bias in the past was regional variations in cost of living. However, for the first time this year the CPR now includes cost of living adjustments for salaries in the Liberal Arts group.

III. Benchmarks

History

Historically the Amherst College Board of Trustees has sought to raise faculty salaries to meet stated goals. As noted in the 2004-05 CPR Salary Report, in 1958 the Trustees issued a policy statement that Amherst faculty salaries should be "...as high as those in any other college in the country...". In 1970 this policy was updated to indicate that faculty compensation should be "...at a level no lower than that of other institutions of the highest quality...". Nevertheless, in the 1970s faculty salaries dropped significantly on a relative basis. This resulted in much discussion and a resolution by the Board in 1979 that by 1982 faculty salaries should be increased to regain Amherst's 1968 relative competitive position, which in 1968 corresponded to 3rd in the Traditional group (see the 2004-05 CPR Salary Report for details and caveats).

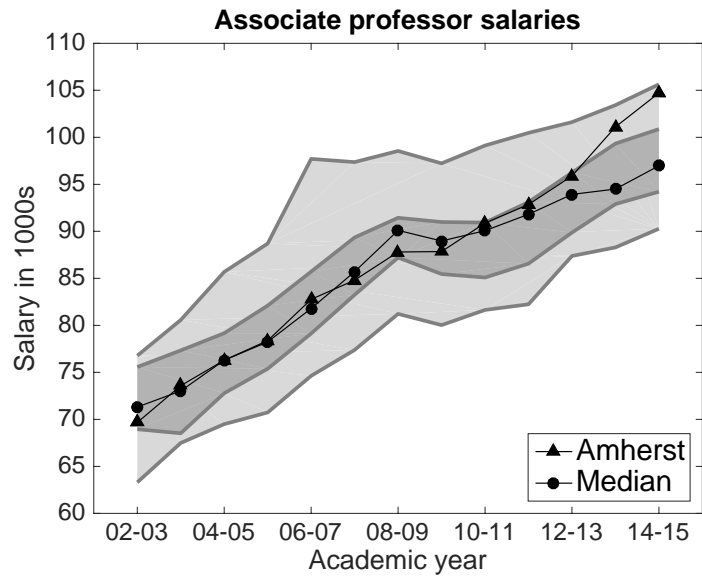
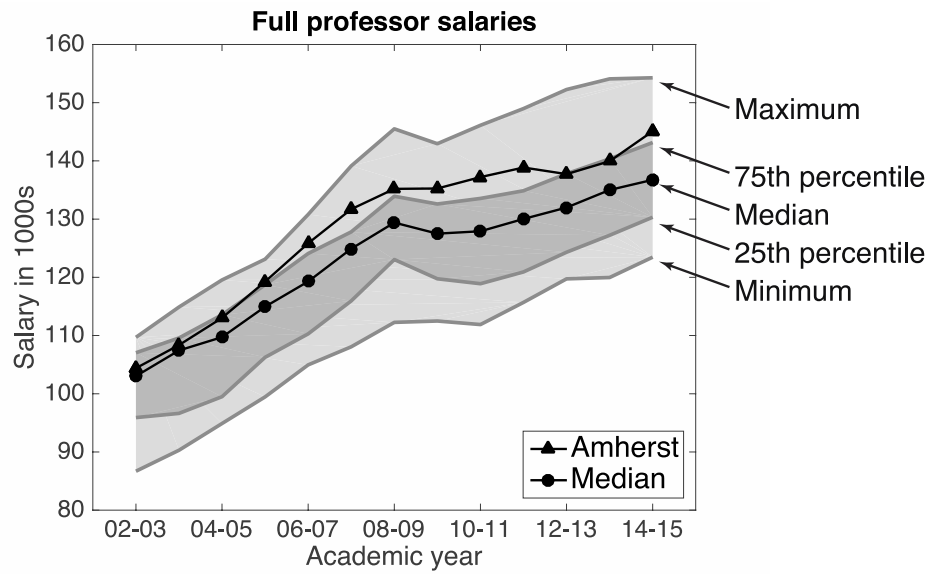
The benchmark targeted to be reached by 1982 was not achieved, and by the mid-1990s Amherst faculty salaries had once again lost relative ground. This resulted in a 1998 commitment to close the gaps for associate and full professors in particular. Then, in 2003, the Administration and Board of Trustees asked the CPR to set a benchmark for a ranking within the New Group that Amherst should try to reach and maintain. The 2004-05 salary report concluded that despite several periods in which salary trends were corrected to improve the relative positions of Amherst professors and despite increases in real or inflation-corrected salaries, salaries of Amherst professors have tended to rest below both the median and the mean (average) of the Traditional Group.

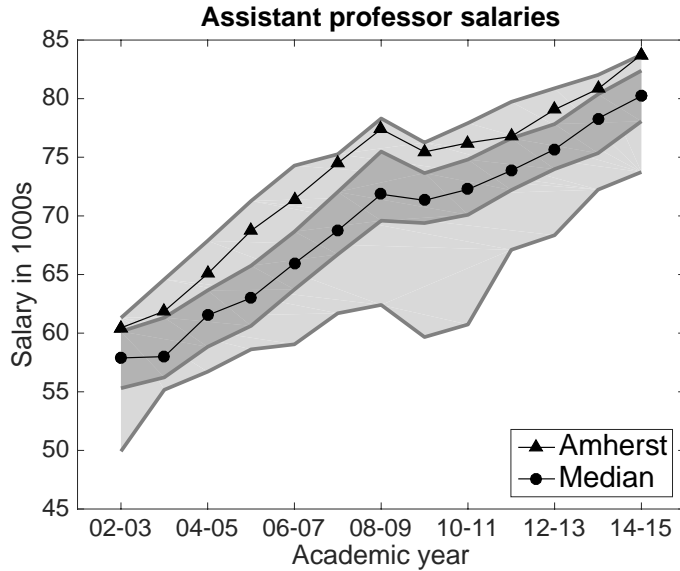
Current Benchmarks

The tables in this report include the comparison group of 12 liberal arts colleges: Amherst, Bowdoin, Carleton, Davidson, Haverford, Middlebury, Pomona, Smith, Swarthmore, Vassar, Wellesley, and Williams. The dark gray bands are outlined by the 1st and 3rd quartiles (25th and 75th percentiles), while the minimum and maximum values bound the light gray bands. The median marks the split between the upper 6 and the lower 6 salaries from this group of 12. The upper light gray band marks the top 3 salaries; dark gray band marks the middle 6 salaries; lower gray band marks the bottom 3 salaries.

1. Historic quartile analysis

The historic quartile analysis allows for a comparison of the past 13 years. The salary patterns are in absolute numbers.

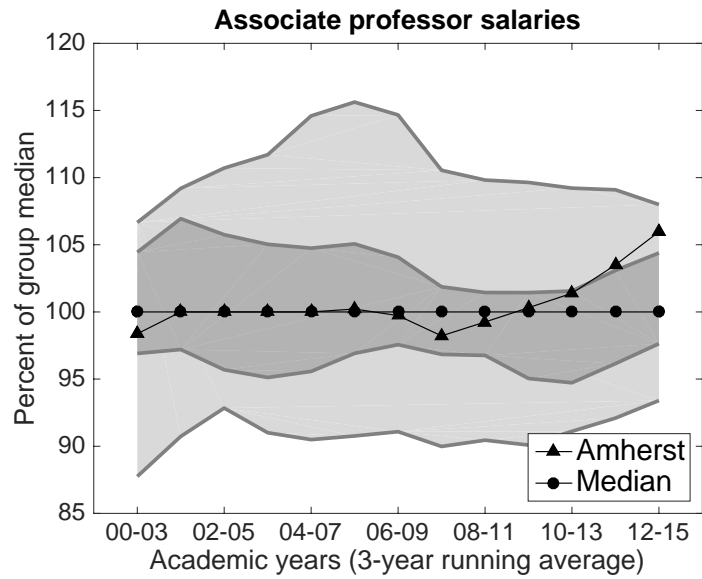
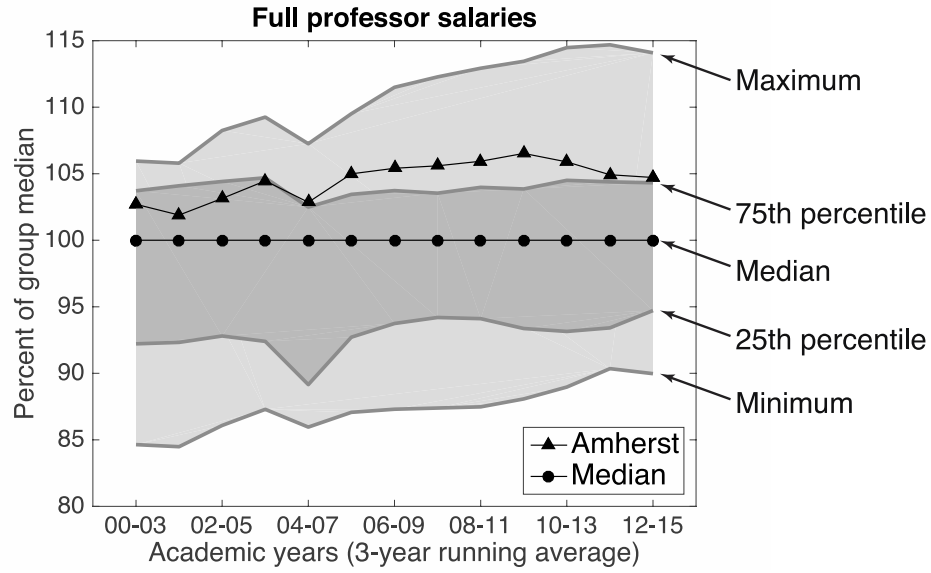


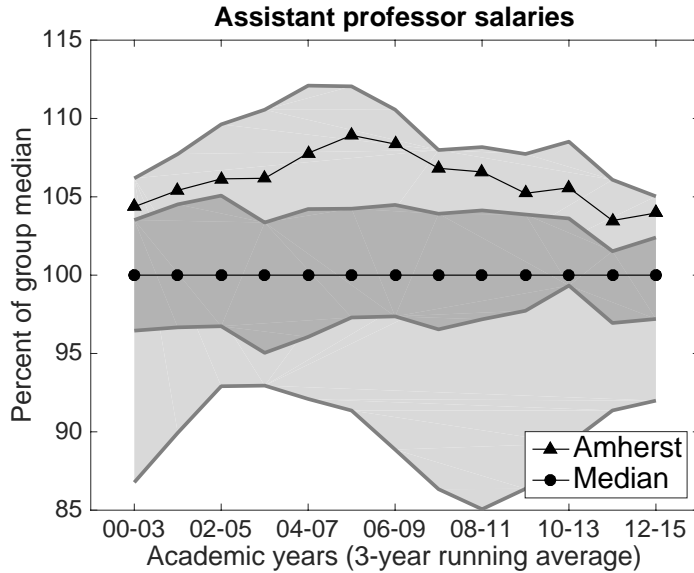


2. Normalized data

For easier comparison over time, we normalized the salaries by dividing each salary by the group median for that time point. The normalized graphs display the 3-year running average to smooth the data, with the center year indicated.

If the goal is to keep Amherst’s salaries among the top 3 (top quarter) in this group of peers (top light gray band) in order to remain competitive, then we have been doing well in terms of assistant professor salaries and have shown recent improvement in associate professor salaries. The full professor salaries are more complicated, as this group spans a wider range of experience, from newly promoted faculty to those nearing retirement after several decades at the college. A spate of retiring senior faculty replaced by younger faculty rising through the ranks can cause a large drop in full professor salaries.

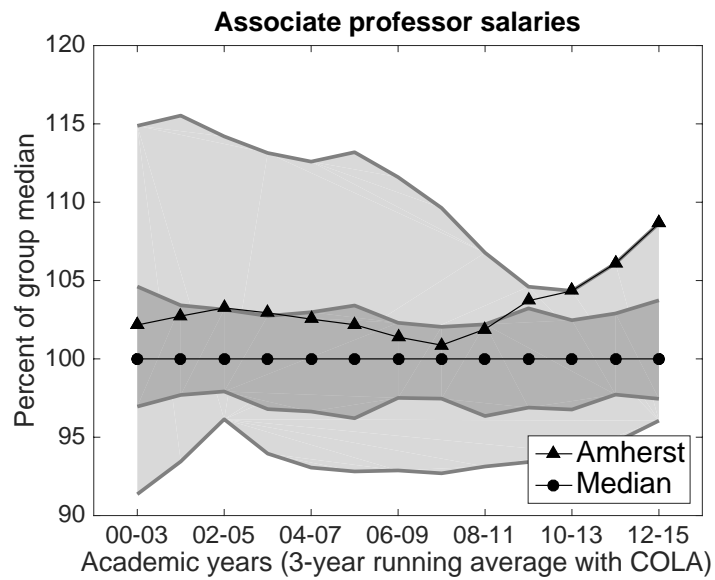
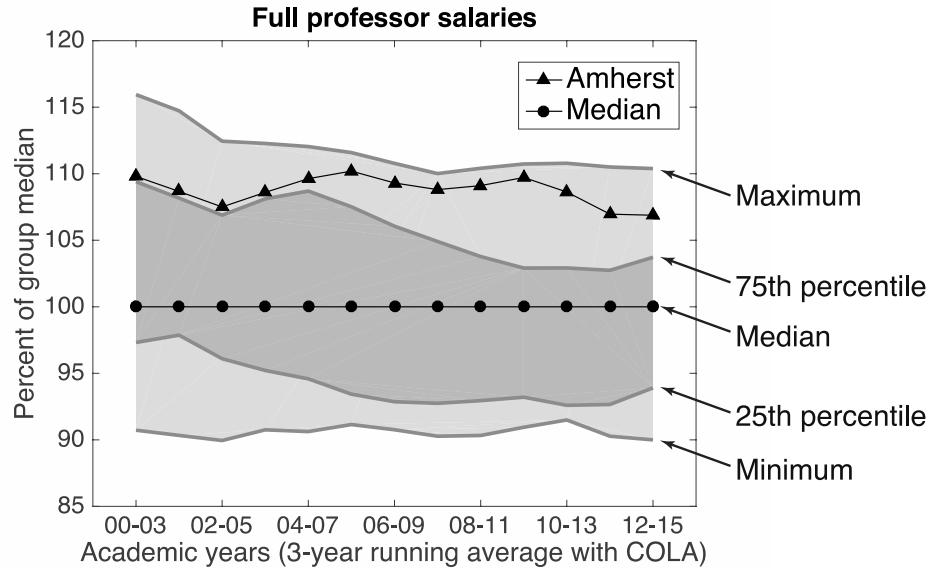


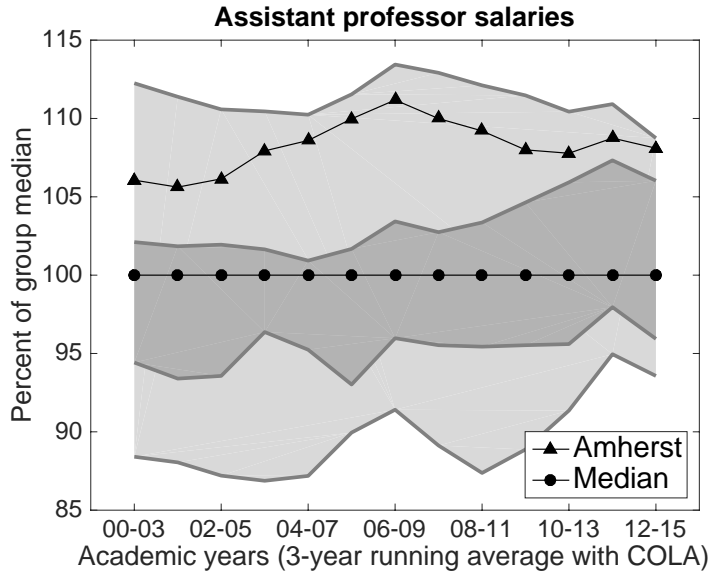


3. Cost of living adjusted data

We adjusted the salaries to take cost of living into account. The cost of living adjustments (COLA) in the following tables were generated from the MIT living wage calculations: <http://livingwage.mit.edu/>. The living wage is a measure of the cost of living of basics for a family of 4 with 1 worker (2 adults, 2 children, and only 1 adult working), and the website provides values for each county in the US. We adjusted the salaries relative to the cost of living in Hampshire County. For example, Pomona's salaries tend to be higher than other peer institutions because of the high cost of living in that region. Since Pomona's cost of basics is about 12.8% in excess of Amherst's (based on the county where each college is located), we divide Pomona's mean salary by 1.128 to calculate the COLA salary.

If the goal is to keep Amherst's salaries among the top 3 (top quarter) in this group of peers (top light gray band) in order to remain competitive, then we have been doing well in terms of assistant professor salaries and have shown recent improvement in associate professor salaries. The full professor salaries are more complicated, as this group spans a wider range of experience, from newly promoted faculty to those nearing retirement after several decades at the college. A spate of retiring senior faculty replaced by younger faculty rising through the ranks can cause a large drop in full professor salaries.





IV. Actual Salary and Compensation Comparisons

As usual, we caution faculty members not to read these average data for comparison with their individual increases since the average data as reported by the AAUP include salary increases at the time of promotion or tenure in the more junior ranks, thus overstating the actual salary increases for most members of the Assistant and Associate Professor groups. We also reiterate that long-term trends are more significant than short-term trends, for they smooth out demographic variations in rank that result from hiring, promotion and retirement.

This year we continue to include median values for Amherst salaries. Median Amherst College salaries are meant to be compared only to the average Amherst salary within rank, to provide a better sense of the salary distribution within rank. This should not be compared with the median for the college/university comparison group, as this is the median of the average salaries reported. This is exemplified by the fact that the group median in many cases is the average Amherst salary, even though the Amherst median salary is somewhat lower.

A. Full Professors

For the 2014-15 academic year, the median salary for full professors at Amherst was \$140,000. This median salary was above the 75th percentile, that is, among the top three schools. With the exception of 2002-03 and 2004-05 school year, the full professor median salary has been at or above the 75th percentile. When the data is normalized for a 3-year average, the graph demonstrates that from 2000-03 to 2004-07 the full professor median salary was above the median for the 12 schools, but below the 75th percentile. However, the

salary rose above the 75th percentile in 2004-07. Since then, the normalized data suggests the full professor median salary was at the 75th percentile, or at the bottom of the top three schools. Nevertheless, when adjusted for cost of living expenses, since 2000-03 the full professor median salary has consistently remained above the 75th percentile.

B. Associate Professors

This is typically the most volatile group because the number of people in this category is usually small, and there tends to be fairly rapid promotion out of the category. Over the last decade, promotion from Associate to Full Professor at Amherst in most cases occurred at six years post-tenure, contributing to a lower percentage of total faculty at the Associate rank at Amherst (about 20% of the faculty). Moreover, the rapid promotion (relative to many peer institutions) means that Associate Professors at Amherst tend to have fewer years-in-service (as well as fewer years-in-rank) than do Associate Professors at the various comparative institutions. As an assumption, it seems likely that those individuals at other institutions who remain at the Associate Professor rank for more than six years continue to receive salary increases; if true, this would mean that the average salary for Associate Professors at those institutions would be skewed higher.

For the 2014-15 academic year, the median salary for associate professors at Amherst was \$102,500 and above the 75th percentile. The normalized data demonstrates that from 2000-03 to 2008-11 the associate professor salaries were at or below the group median. Only in 2012-15 did the associate professor salaries rise above the 75th percentile. When the data is adjusted for cost of living, the associate professor median salary remains between the 50th and 75th percentile, until 2008-11 when it rises above the 75th percentile. For 2010-13 and 2012-15, the associate professor median salary adjusted for cost of living has remained at the top of the 12 schools.

C. Assistant Professors

This is the category where the most direct competition among academic institutions takes place: when candidates are hired at the Assistant Professor level they may negotiate their salaries relative to other offers they have received, whereas few tenured professors are actively on the job market in any given year and thus receiving competitive offers.

For the 2014-15 academic year, the assistant professor median salary was \$81,000. The normalized data demonstrates that the assistant professor median salary has remained above the 75th percentile since 2002-03. The cost of living adjusted data suggests that the median assistant professor salary fluctuated between 105% and 110% of the group median, except in 2006-09 when it was above 110%.

V. Additional Issues

A. Tables with other comparisons

Given in thousands of dollars. For complete tables, see spreadsheet posted online:
https://www.amherst.edu/academiclife/dean_faculty/faccommittees/cpr.

Liberal arts college group salary data (Amherst, Bowdoin, Carleton, Davidson, Haverford, Middlebury, Pomona, Smith, Swarthmore, Vassar, Wellesley, Williams)

	FY2012-13		FY2013-14		FY2014-15
FULL		FULL		FULL	
AC Mean	137.7	AC Mean	140.0	AC Mean	145.1
AC Median	132.8	AC Median	137.5	AC Median	140.0
Group Median	133.2	Group Median	135.7	Group Median	139.2
Group Mean	131.8	Group Mean	134.2	Group Mean	136.8
ASSOCIATE		ASSOCIATE		ASSOCIATE	
AC Mean	95.8	AC Mean	101.1	AC Mean	104.7
AC Median	93.5	AC Median	100.0	AC Median	102.5
Group Median	92.5	Group Median	93.4	Group Median	96.6
Group Mean	92.9	Group Mean	95.1	Group Mean	97.3
ASSISTANT		ASSISTANT		ASSISTANT	
AC Mean	79.0	AC Mean	80.8	AC Mean	83.7
AC Median	77.0	AC Median	79.0	AC Median	81.0
Group Median	75.3	Group Median	78.3	Group Median	79.7
Group Mean	74.8	Group Mean	77.2	Group Mean	79.2

Traditional group salary data (Harvard, Yale, Dartmouth, Wellesley, U Michigan-Ann Arbor, U Virginia, Amherst College, Williams, Wesleyan, Smith, Indiana U-Bloomington, UMass-Amherst, Mount Holyoke)

	FY2012-13		FY2013-14		FY2014-15
FULL		FULL		FULL	
AC Mean	137.7	AC Mean	140.0	AC Mean	145.1
AC Median	132.8	AC Median	137.5	AC Median	140.0
Group Median	137.7	Group Median	140.0	Group Median	145.1
Group Mean	147.8	Group Mean	151.8	Group Mean	155.3
ASSOCIATE		ASSOCIATE		ASSOCIATE	
AC Mean	95.8	AC Mean	101.1	AC Mean	104.7
AC Median	93.5	AC Median	100.0	AC Median	102.5
Group Median	95.2	Group Median	99.5	Group Median	102.4
Group Mean	98.1	Group Mean	101.5	Group Mean	103.4
ASSISTANT		ASSISTANT		ASSISTANT	
AC Mean	79.0	AC Mean	80.8	AC Mean	83.7
AC Median	77.0	AC Median	79.0	AC Median	81.0
Group Median	80.4	Group Median	82.0	Group Median	85.4
Group Mean	83.3	Group Mean	85.8	Group Mean	88.5

New group salary data (31 institutions)

	FY2012-13		FY2013-14		FY2014-15
FULL		FULL		FULL	
AC Mean	137.7	AC Mean	140.0	AC Mean	145.1
AC Median	132.8	AC Median	137.5	AC Median	140.0
Group Median	148.6	Group Median	154.1	Group Median	156.9
Group Mean	156.3	Group Mean	160.6	Group Mean	165.0
ASSOCIATE		ASSOCIATE		ASSOCIATE	
AC Mean	95.8	AC Mean	101.1	AC Mean	104.7
AC Median	93.5	AC Median	100.0	AC Median	102.5
Group Median	101.0	Group Median	103.4	Group Median	105.6
Group Mean	104.0	Group Mean	107.2	Group Mean	110.3
ASSISTANT		ASSISTANT		ASSISTANT	
AC Mean	79.0	AC Mean	80.8	AC Mean	83.7
AC Median	77.0	AC Median	79.0	AC Median	81.0
Group Median	84.3	Group Median	87.0	Group Median	90.6
Group Mean	87.4	Group Mean	90.3	Group Mean	93.0

B. Comparisons across Disciplines and by Gender

In light of national conversations about inequalities between disciplines and by gender the CPR began to analyze Amherst salaries by gender and discipline in 2013-14 and found no major consistent trend by gender or discipline, except for a gender disparity in full professor salaries. Such differences are likely due to differences in age/years-in-rank and market conditions for specific disciplines. Further disaggregation by race, rank, and gender would yield cohort sizes so small that they would raise privacy concerns, so we did not test this hypothesis.

Analysis by Gender – FY 2014-15 salary data

Rank	Female			Male		
	Median	Mean	Count	Median	Mean	Count
Assistant	\$81,000	\$83,019	27	\$82,250	\$84,636	22
Associate	\$105,000	\$107,267	15	\$96,000	\$102,167	15
Full	\$135,000	\$137,607	29	\$143,750	\$149,443	50
All	\$107,000	\$110,438	71	\$117,000	\$124,904	87

Analysis by Discipline – FY 2014-15 salary data

Discipline/Rank	Median	Mean	Count
<i>Humanities</i>			
Assistant	\$81,000	\$81,367	15
Associate	\$96,250	\$100,813	16
Full	\$141,100	\$145,884	38
<i>Social Sciences</i>			
Assistant	\$81,000	\$86,917	18
Associate	\$124,000	\$117,143	7
Full	\$151,000	\$154,904	13
<i>Physical/Life Sci</i>			
Assistant	\$82,250	\$82,406	16
Associate	\$104,000	\$101,214	7
Full	\$135,000	\$139,479	28

C. How Salaries Are Set

Each year, the Administration, with the advice of the CPR and the approval of the Trustees, establishes a “pool” for faculty salary increases. This “pool” represents a percentage of the total salary budget for the teaching staff.⁵ A similar “pool” is established for staff and administrators. The amount of this percentage increase, previously in the 3%-5% range, results in the dollars which the Administration then allots to salaries. A 3% percentage increase in the “pool,” however, does not mean that everyone receives a 3% salary increase, for from that “pool” must come adjustments for promotions, for equity across ranks, and for other one-time increases. Generally speaking, those promoted from assistant to associate professor, and then to full, have received a raise equal to approximately twice the pool for that year, with corrections made in years when the pool is larger or smaller than normal, to ensure equity among cohorts promoted in different years.

Members of the Faculty have noted that salary notices are often not provided until only a few weeks or days before that new salary takes effect (July 1st). This has much to do with the timing of Board of Trustee meetings. But, waiting as late as possible to finalize the pool often allows the Administration to make positive adjustments to salaries as the budget plays itself out at the end of the fiscal year -- it allows the Dean to most fully distribute the salary pool.

⁵Teaching staff includes tenure and tenure-track faculty, coaches, lecturers and visitors.

VI. Conclusions and Recommendations

This year the CPR evaluated salary data across a new comparison group of 12 liberal arts colleges. We compared salary data normalized in a quartile system by rank and adjusted for cost of living. In sum, the historic quartile analysis in absolute numbers, the normalized data of median salaries, and the cost of living adjusted data demonstrate that the Amherst salary at all ranks is consistently around or above the 75th percentile, or among the top three schools. The data suggest that the 2014-15 Amherst salaries are competitive with our peer institutions. The CPR recommends that the top quartile of the liberal arts group be adopted as the new salary benchmark.