

May 16, 2016 Summary Report from the Committee on Priorities and Resources (CPR)

The CPR is grateful for the opportunity to share some of our accomplishments and chief concerns this year. Throughout the year we worked to address topics relating to the committee's charge (e.g., budgetary and campus operations review, the salary report), we continued to address issues raised in the prior year (student affairs, benefits issues), and we addressed new issues brought to the committee (e.g., retirement formula inquiries). This year the voting members approved the following two proposals:

1. A proposal to reform the College's retirement contribution formula. The committee conducted a detailed analysis of the formula that the college uses for contributions to individual retirement accounts at the college. Our formula was compared with a cohort of 14 liberal arts peer colleges. We found that the retirement benefits varied significantly as a function of income. Lower-earning individuals at the college accrued among the lowest ranking retirement benefits among liberal arts peers. The relative rank of benefits increases as income increases at the college, rising as high as fourth. We also determined that the current formula prevented some lower-earning groups from reaching ideal savings target rates, whether characterized as a percentage of salary savings, or income replacement terms when Social Security payments were factored with projected 403(b) savings. The CPR proposes an adjustment to the current formula that brings all income groups at the college into more equal comparative rankings (second, third or fourth relative to liberal arts peers); that indexes the formula to the Social Security maximum income definition; that produces no losses to any income groups; and that can be introduced in a way to make it work within the annual college budget. A detailed report is available on the CPR web page.

2. A proposal for a new faculty salary benchmark. In the past the benchmark for professor salaries has been 102-105% of the median of the professionally-adjusted New Group, which is comprised of 31 universities and colleges. Problems with the use of the New Group have emerged due to the imprecise ability to adjust for salaries at professional schools at large universities, and other concerns related to comparing large universities and liberal arts colleges. In 2013-14 the CPR adopted the use of a Liberal Arts Group in its analysis of faculty salaries. This year the CPR conducted a historical analysis of salaries within the Liberal Arts Group, reviewing salary data extending back several years. We performed a quartile analysis and also performed cost-of-living adjustments for salaries within the Liberal Arts Group. The CPR recommends that a new benchmark be adopted. Specifically, the CPR recommends that Amherst professor salaries be benchmarked to the cost-of-living adjusted top quartile of the Liberal Arts Group. Details can be reviewed in the annual salary report available on the CPR web page.

Sincerely,

John-Paul Baird, Chair of the CPR
Kevin Gladu
Paul Gramieri '17
Natasha Kim '18
Tanya Leise
Solsiree Del Moral
Tracie Rubeck
Phillip Yan '18
Geof Woglom

Ex officio members / non-voting members:
Thomas Dwyer
Catherine Epstein
Kate Godin
Maria-Judith Rodriguez
Kevin Weinman