

*Annual Faculty Salary and Compensation Report, 2016-2017<sup>1</sup>*

*Committee on Priorities and Resources  
Spring 2017*

**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.<sup>2</sup> 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.<sup>3</sup> For this report (Spring 2017) the CPR has compared salaries and cost of living with the redefined group of 12 liberal arts colleges following procedures established in last year's report. The comparative data on average salaries by rank are provided by the American Association of University Professors (AAUP).

**II. Background**

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, concern over the impact of high-salary professional schools that are specific to 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. In 2016, the CPR adopted a Liberal Arts group of 12 peers for faculty salary benchmarking, choosing the institutions we regard as peer elite liberal arts colleges and without prior consideration of salary levels: Amherst, Bowdoin, Carleton, Davidson, Haverford, Middlebury, Pomona, Smith, Swarthmore, Vassar, Wellesley, and Williams.

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<sup>1</sup> 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.

<sup>2</sup> Recent reports and minutes from CPR meetings are available on the Dean of the Faculty's website.

<sup>3</sup> 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.

Previously, the committee 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 a condensed comparison with the traditional group, we will provide an online appendix with tables that list the average salaries for the traditional group. This report will use the new benchmark set by the CPR in Spring 2016 that presents normalized salaries in a quartile system by rank, and it will also compare salaries with a cost of living adjustment.

*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 several potential sources of bias. One such bias results from the fact that the AAUP does not report by years-in-rank or years-in-service, so we cannot take those into account when making salary comparisons. An institution with a large cohort of professors serving for many years in a particular rank will have a larger average salary at that rank than an institution with proportionally more recently-promoted 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 in 2012-13.

A second potential 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 (law, medical, 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 ad hoc 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. Moving forward the CPR will focus on the Liberal Arts groups as more relevant for purposes of salary comparisons.

A third potential source of bias is regional variation in cost of living. Therefore, we also provide graphs that apply cost of living adjustments for salaries in the Liberal Arts group based on published local living-wage estimates (<http://livingwage.mit.edu/>).

### **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 3<sup>rd</sup> in the Traditional group (see the 2004-05 CPR Salary Report for details and caveats).

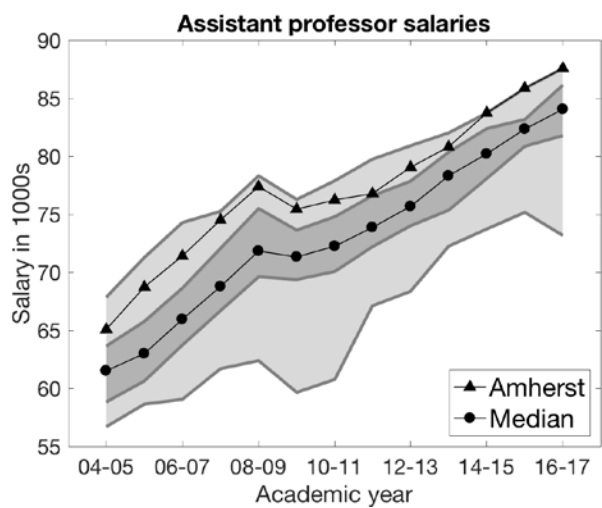
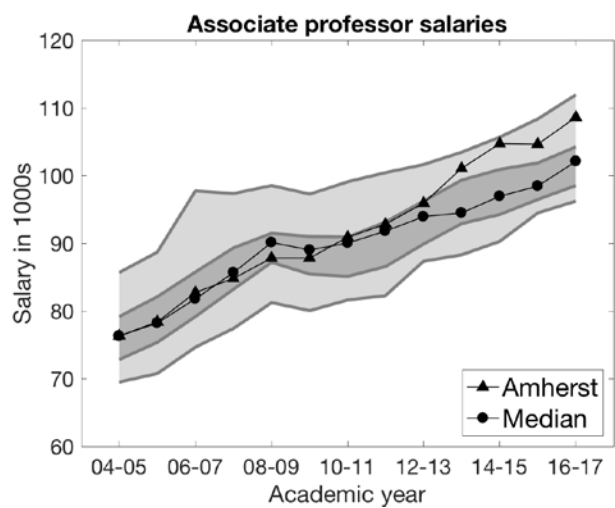
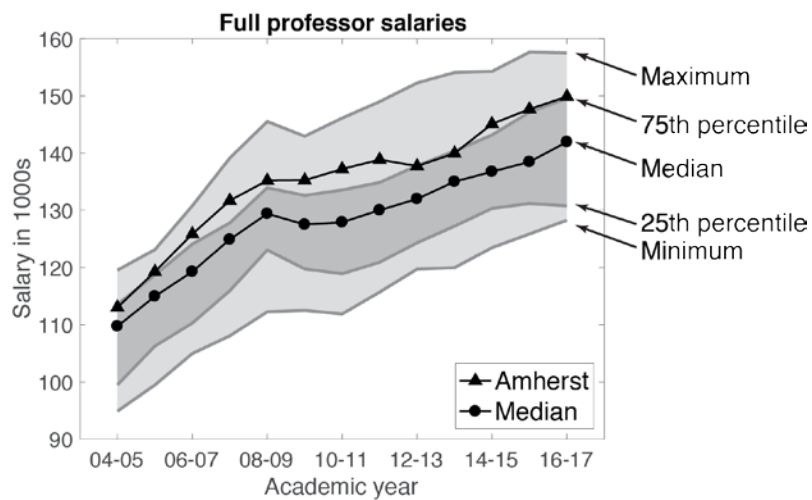
The benchmark targeted to be reached by 1982 was not achieved, and by the mid-1990s Amherst faculty salaries had once again lost relative ground. This resulted in a 1998 commitment to close the gaps for associate and full professors in particular. Then, in 2003, the Administration and Board of Trustees 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, which includes research universities and institutions with professional schools.

#### *Current Benchmarks*

The graphs in this report focus on the comparison group of 12 liberal arts colleges as the more meaningful comparison group: Amherst, Bowdoin, Carleton, Davidson, Haverford, Middlebury, Pomona, Smith, Swarthmore, Vassar, Wellesley, and Williams. The dark gray bands are outlined by the 1<sup>st</sup> and 3<sup>rd</sup> quartiles (25<sup>th</sup> and 75<sup>th</sup> 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. The plotted Amherst values represent the mean (average) salary values within each faculty rank. *The proposed benchmark is to remain at or above the 75<sup>th</sup> percentile among this group of 12 peers.*

#### **1. Historic quartile analysis**

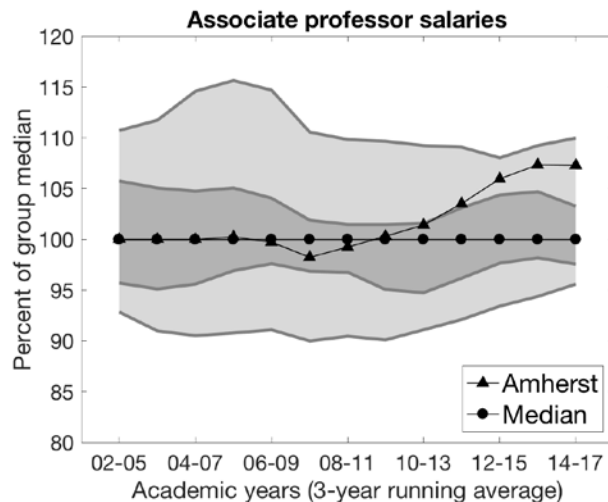
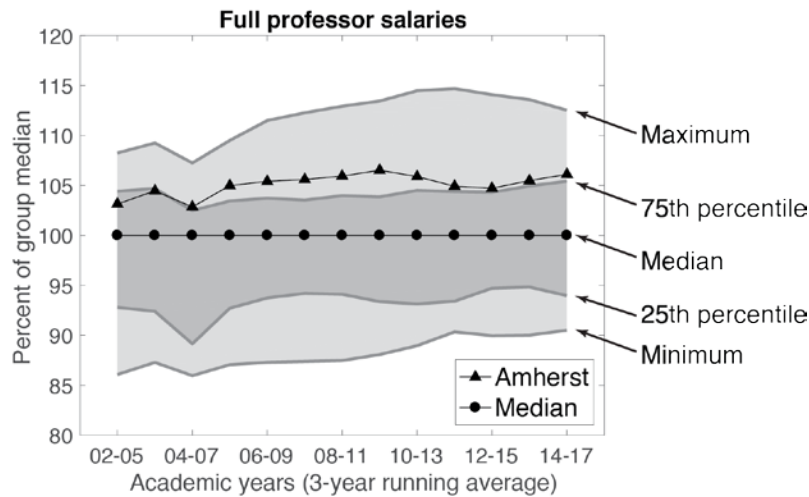
The historic quartile analysis shows a comparison of liberal arts college salaries. The following graphs display salary as absolute numbers in thousands of dollars.

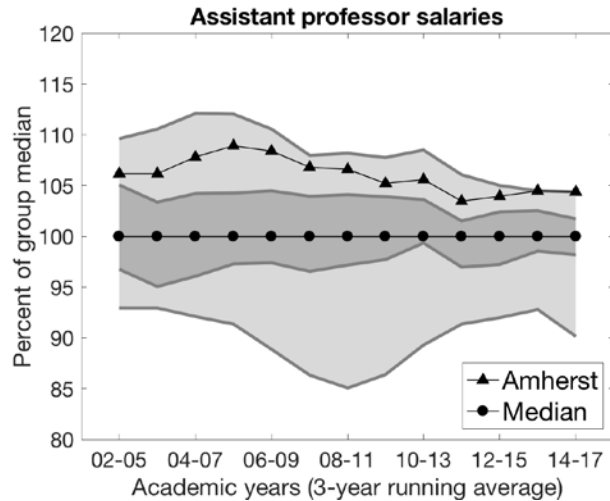


## 2. Normalized data

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 sustained 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.

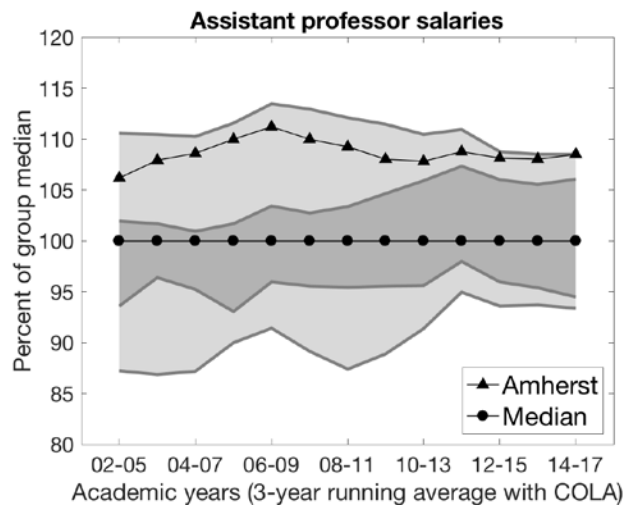
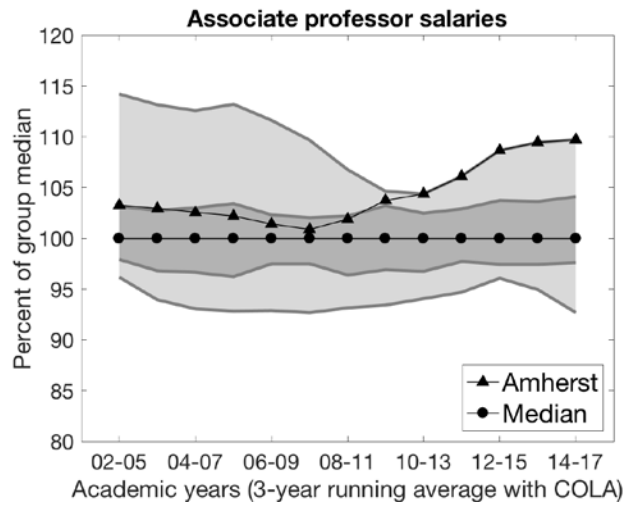
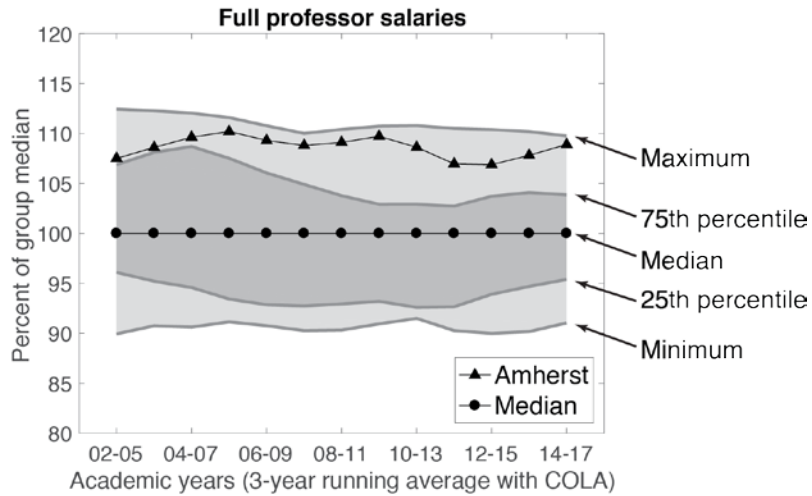




### 3. Cost of living adjusted data

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.

Again, 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 at all ranks in terms of COLA-adjusted salaries.



#### **IV. Summary of Salary Comparisons with Peer Liberal Arts Colleges**

As usual, we caution faculty members not to read these mean (average) data for comparison with their individual increases because the mean 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 salary values in the summary tables below as an alternative measure that is less sensitive to outliers than the mean.

##### **A. Full Professors**

For the 2016-17 academic year, the median salary for full professors at Amherst was \$144,600 and was 3<sup>rd</sup> among the 12 peer institutions. Full professor salaries at Amherst have been near the 75<sup>th</sup> percentile for the past 5 years. However, when adjusted for cost of living expenses, the full professor salary at Amherst has consistently remained above the 75<sup>th</sup> 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 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 from Assistant to Associate (relative to many peer institutions) means that Associate Professors at Amherst tend to have fewer years-in-service than do Associate Professors at some comparative institutions (and so fewer years to have accumulated incremental salary increases). It is 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 2016-17 academic year, the median salary for associate professors at Amherst was \$101,000 and 2<sup>nd</sup> among the 12 peer institutions. Over the past decade, salary for Associate Professors at Amherst has steadily improved relative to that of our peers, so that it is now quite competitive.



### **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 2016-17 academic year, the assistant professor median salary was \$86,100 and 1<sup>st</sup> among the 12 peer institutions, which has been true for the most recent 3 years. The normalized data demonstrates that the assistant professor median salary has remained above the 75<sup>th</sup> percentile since 2002-03. The cost of living adjusted data shows that the median assistant professor salary has been effectively fluctuating between 105% and 110% of the group median.

### **V. Additional Salary Data**

#### **A. Tables with further comparisons**

The following 3 tables give salaries in thousands of dollars. For complete tables, see the spreadsheet posted online:

[https://www.amherst.edu/academiclife/dean\\_faculty/faccommittees/cpr](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)

|                  | <b>FY2014-15</b> |                  | <b>FY2015-16</b> |                  | <b>FY2016-17</b> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>FULL</b>      |                  | <b>FULL</b>      |                  | <b>FULL</b>      |                  |
| AC Mean          | 145.1            | AC Mean          | 147.7            | AC Mean          | 149.9            |
| AC Median        | 140.0            | AC Median        | 144.2            | AC Median        | 144.6            |
| Group Median     | 139.2            | Group Median     | 138.5            | Group Median     | 142.5            |
| Group Mean       | 136.8            | Group Mean       | 138.5            | Group Mean       | 141.3            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  |
| AC Mean          | 104.7            | AC Mean          | 104.6            | AC Mean          | 108.6            |
| AC Median        | 102.5            | AC Median        | 98.9             | AC Median        | 101.0            |
| Group Median     | 96.6             | Group Median     | 99.0             | Group Median     | 102.4            |
| Group Mean       | 97.3             | Group Mean       | 99.3             | Group Mean       | 102.2            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  |
| AC Mean          | 83.7             | AC Mean          | 85.9             | AC Mean          | 87.6             |
| AC Median        | 81.0             | AC Median        | 83.5             | AC Median        | 86.1             |
| Group Median     | 79.7             | Group Median     | 82.6             | Group Median     | 83.9             |
| Group Mean       | 79.2             | Group Mean       | 81.3             | Group Mean       | 82.9             |

**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)

|                  | <b>FY2014-15</b> |                  | <b>FY2015-16</b> |                  | <b>FY2016-17</b> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>FULL</b>      |                  | <b>FULL</b>      |                  | <b>FULL</b>      |                  |
| AC Mean          | 145.1            | AC Mean          | 147.7            | AC Mean          | 149.9            |
| AC Median        | 140.0            | AC Median        | 144.2            | AC Median        | 144.6            |
| Group Median     | 145.1            | Group Median     | 147.7            | Group Median     | 150.3            |
| Group Mean       | 155.3            | Group Mean       | 159.2            | Group Mean       | 163.2            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  |
| AC Mean          | 104.7            | AC Mean          | 104.6            | AC Mean          | 108.6            |
| AC Median        | 102.5            | AC Median        | 98.9             | AC Median        | 101.0            |
| Group Median     | 102.4            | Group Median     | 104.0            | Group Median     | 107.1            |
| Group Mean       | 103.4            | Group Mean       | 106.1            | Group Mean       | 109.3            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  |
| AC Mean          | 83.7             | AC Mean          | 85.9             | AC Mean          | 87.6             |
| AC Median        | 81.0             | AC Median        | 83.5             | AC Median        | 86.1             |
| Group Median     | 85.4             | Group Median     | 85.9             | Group Median     | 89.5             |
| Group Mean       | 88.5             | Group Mean       | 90.0             | Group Mean       | 93.5             |

**New Group salary data (31 institutions)**

|                  | <b>FY2014-15</b> |                  | <b>FY2015-16</b> |                  | <b>FY2016-17</b> |
|------------------|------------------|------------------|------------------|------------------|------------------|
| <b>FULL</b>      |                  | <b>FULL</b>      |                  | <b>FULL</b>      |                  |
| AC Mean          | 145.1            | AC Mean          | 147.7            | AC Mean          | 149.9            |
| AC Median        | 140.0            | AC Median        | 144.2            | AC Median        | 144.6            |
| Group Median     | 156.9            | Group Median     | 157.6            | Group Median     | 162.8            |
| Group Mean       | 165.0            | Group Mean       | 167.7            | Group Mean       | 173.0            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  | <b>ASSOCIATE</b> |                  |
| AC Mean          | 104.7            | AC Mean          | 104.6            | AC Mean          | 108.6            |
| AC Median        | 102.5            | AC Median        | 98.9             | AC Median        | 101.0            |
| Group Median     | 105.6            | Group Median     | 106.5            | Group Median     | 111.7            |
| Group Mean       | 110.3            | Group Mean       | 109.0            | Group Mean       | 116.6            |
|                  |                  |                  |                  |                  |                  |
| <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  | <b>ASSISTANT</b> |                  |
| AC Mean          | 83.7             | AC Mean          | 85.9             | AC Mean          | 87.6             |
| AC Median        | 81.0             | AC Median        | 83.5             | AC Median        | 86.1             |
| Group Median     | 90.6             | Group Median     | 91.8             | Group Median     | 94.2             |
| Group Mean       | 93.0             | Group Mean       | 95.4             | Group Mean       | 97.9             |

## 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 Discipline, FY 2016-17

| <i>Discipline/Rank</i>              | <i>Mean</i> | <i>Median</i> | <i>Count</i> |
|-------------------------------------|-------------|---------------|--------------|
| <b>Humanities</b>                   |             |               |              |
| Professor                           | \$146,646   | \$148,600     | 39           |
| Associate Professor                 | \$104,908   | \$97,700      | 13           |
| Assistant Professor                 | \$84,874    | \$84,900      | 19           |
| <b>Social Sciences</b>              |             |               |              |
| Professor                           | \$162,375   | \$153,850     | 16           |
| Associate Professor                 | \$115,970   | \$110,550     | 10           |
| Assistant Professor                 | \$90,865    | \$86,100      | 17           |
| <b>Physical &amp; Life Sciences</b> |             |               |              |
| Professor                           | \$144,290   | \$129,900     | 29           |
| Associate Professor                 | \$104,417   | \$106,200     | 6            |
| Assistant Professor                 | \$86,038    | \$86,100      | 13           |

### Analysis by Gender, FY 2016-17

| <b><u>Rank</u></b> | <b><u>Female</u></b> |             |              | <b><u>Male</u></b> |             |              |
|--------------------|----------------------|-------------|--------------|--------------------|-------------|--------------|
|                    | <i>Median</i>        | <i>Mean</i> | <i>Count</i> | <i>Median</i>      | <i>Mean</i> | <i>Count</i> |
| Full               | \$142,200            | \$142,752   | 33           | \$147,500          | \$154,673   | 49           |
| Associate          | \$111,500            | \$111,121   | 14           | \$100,900          | \$106,287   | 15           |
| Assistant          | \$86,100             | \$86,132    | 25           | \$86,100           | \$89,161    | 23           |
|                    |                      |             |              |                    |             |              |
| All                | \$112,950            | \$116,942   | 72           | \$118,300          | \$129,011   | 87           |

### **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.<sup>4</sup> 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 1<sup>st</sup>). This has much to do with the timing of Board of Trustee meetings. 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.

### **VI. Conclusions and Recommendations**

This year the CPR evaluated salary data across a comparison group of 12 liberal arts colleges, first used in last year’s report. 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 in the 75<sup>th</sup> percentile, or among the top three schools. The data suggest that the 2016-17 Amherst salaries are competitive with those of our peer liberal arts colleges.

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<sup>4</sup>Teaching staff includes tenure and tenure-track faculty, coaches, lecturers and visitors.