



# **Faculty Salary Trend Analysis**

## **FY 2005**

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Office of Institutional Research and Evaluation  
Office of The Vice Provost for Academic Affairs  
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Below is a trend analysis of faculty salaries at the University of Arizona (UA) and Arizona State University (ASU). Benchmark salaries are from the American Association of University Professors (AAUP) annual faculty salary and benefits survey<sup>1</sup>.

Specifically, Arizona faculty salaries are compared to 28 Arizona Board of Regents (ABOR) peer institutions for UA and ASU on an annual basis. For the most recent year, this analysis includes both the published AAUP averages and UA salaries as of January 2005. This is because the State appropriated UA faculty increases were implemented after the AAUP reporting deadline.

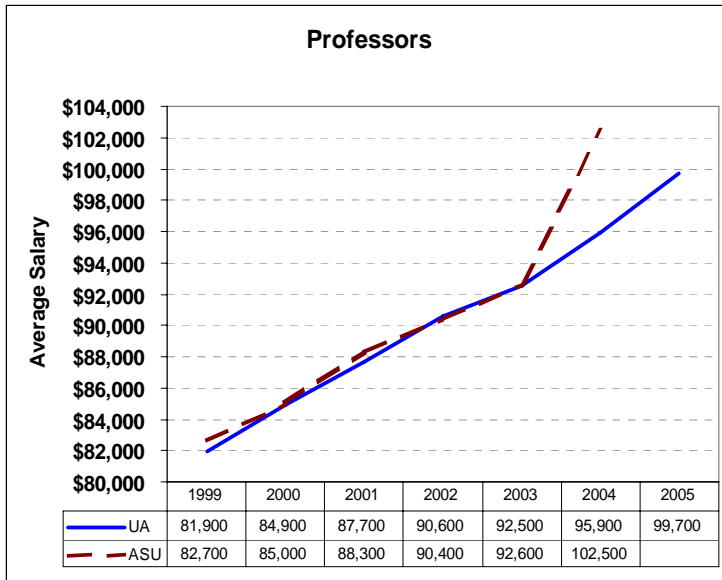
In 1989, the UA faculty salaries were at the average of the market. During the 1990's the situation deteriorated. While the rest of the nation's public universities received salary increases sufficient to keep up with the market, State salary increases in Arizona barely kept pace with the consumer price index (CPI). In the early 2000's the State faced severe fiscal constraints and cut all their agencies base budgets. Arizona University salaries not only fell further behind the market; they were also no longer competitive with respect to hiring and retention. In response, last year the State appropriated a statewide general fund increase as well as a one-time \$3.7 million key personnel retention salary package for the UA. Those dollars went a long way in beginning to restore competitiveness in Arizona, especially at the UA.

The table below is a trend of faculty salary market competitiveness. It shows the percentile rankings<sup>2</sup> of UA and ASU with respect to their peer institutions. The percentiles were computed in descending order with higher percentiles indicating schools with higher salaries and lower percentiles indicating schools with lower salaries. The University goal is to be at least at the 50<sup>th</sup> percentile.

		ABOR Peer Percentile Ranking Trend						
		Fall						January
		1999	2000	2001	2002	2003	2004	2005
<b>Professor</b>	<b>UA</b>	32	20	16	17	15	16	27
	<b>ASU</b>	35	20	17	17	15	40	
<b>Associate</b>	<b>UA</b>	17	15	14	20	18	13	27
	<b>ASU</b>	40	21	20	18	11	20	
<b>Assistant</b>	<b>UA</b>	26	28	30	27	23	26	39
	<b>ASU</b>	37	31	32	27	23	35	
<b>All Ranks</b>	<b>UA</b>	26	21	18	19	17	18	27
	<b>ASU</b>	37	21	20	18	17	34	

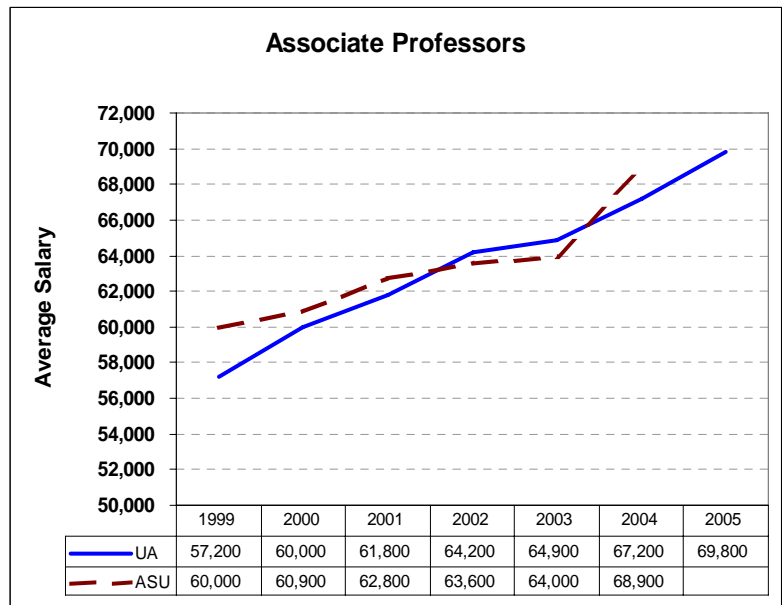
The UA overall returned to their fall 1999 levels if one compares the all rank salaries of January 2005 to the fall 2004 peer average. In 1999, the UA all ranks was at the 26<sup>th</sup> compared to 27<sup>th</sup> percentile in 2005. ASU, on the other hand took a different route. Overall, ASU has not caught up to their 1999 all ranks level (37 compared to 34), but if one looks at their full professors, they have surpassed their 1999 level (35 compared to 40). The real story, though, is the difference between UA and ASU faculty salaries. While, Arizona faculty salaries still rank significantly lower than their peers overall, on average, ASU faculty fare better than UA faculty.

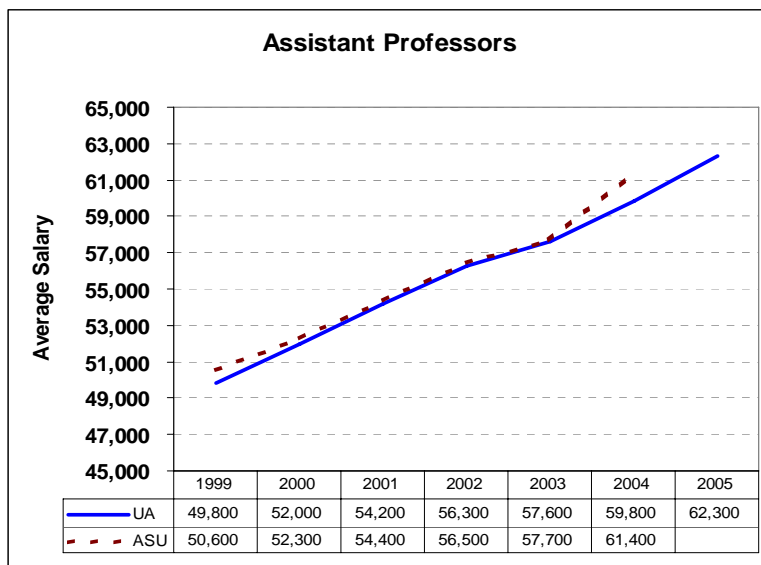
What is noteworthy were the different compensation policies implemented at the two institutions last year. ASU gave top priority to increasing their full professor and second priority to their assistant professor salaries. The UA gave equal priority to increasing full and associate professor salaries while bringing up assistant professors salaries as close to market as possible. The results of the different implementation strategies have yielded the following results:



From the fall of 1999 through the fall of 2003, the UA and ASU average salaries for full professors were not radically different from each other. In the fall of 2004, ASU used their state appropriated salary increases to appreciably increase full professor salaries, while the UA increased full and associate professors correspondingly (approximately 7.6%). The result is that full professors at ASU now make significantly more on average than those at the UA.

ASU increased their associate professor salaries but not to the extent they raised their full professor salaries. The UA associate professors on average are making slightly more (approximately \$900 more) than ASU associate professors.



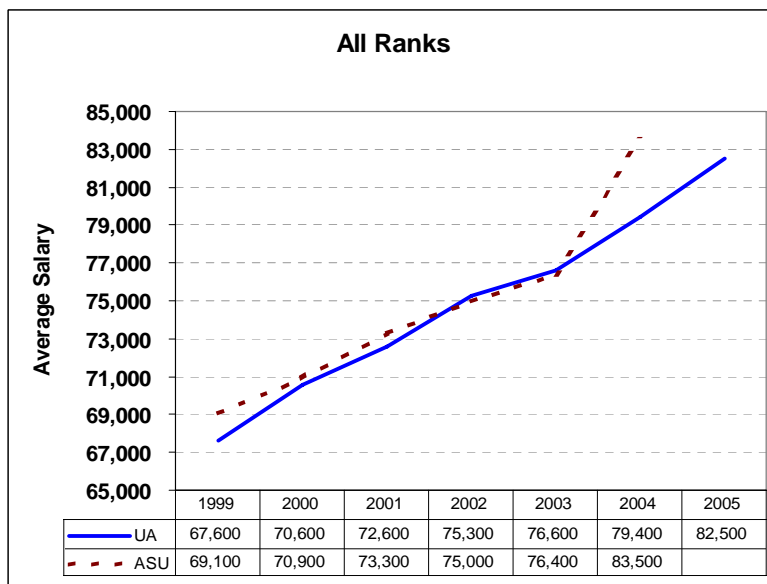


Assistant professors at the UA, like associate professors, fair slightly better than those at ASU. But once again the difference of approximately \$900 is marginal.

Combining the three ranks of full, associate, and assistant, ASU faculty on average make more than those at UA. The difference of approximately \$1,000 is only 1% but that difference significantly increases ASU's percentile ranking among our ABOR peers.

If one uses the January 2005 average salaries for all ranks, the UA comes in at the 27<sup>th</sup> percentile. ASU, on the other hand, comes in at the 34<sup>th</sup>

percentile. This is due to full professor salary differences at Arizona's two research-intensive institutions and the fact that full professors make up 47-50% of the faculty.



Comparing UA professor salaries as of January 2005 to ASU, full professors at ASU make on average \$2,800 or 3% more than UA. Full professors carry the weight of sponsored research and the academic mission of an institution. The UA's compensation policy has full and associate professor salaries ranking equally among their peers at the 27<sup>th</sup> percentile while assistant professors who have to be hired in at market fairing slightly better in terms of salary rankings coming in at the 39<sup>th</sup> percentile. The upside of equalizing market position between UA full and associate professors is that known salary compression issues at the associate professor level are somewhat rectified. ASU gave priority to full and assistant professors with both average salaries now ranging in the 39<sup>th</sup> to 40<sup>th</sup> percentile rankings. ASU associate professors currently rank at the 20<sup>th</sup> percentile.

In conclusion, the last round of State salary increases improved the faculty standing with respect to the market. It is imperative that the State continues to at a minimum keep up with at least the average market movement so Arizona does not lose ground. The best strategy would be to increase faculty salaries slightly above the average market rate, currently at 4%<sup>3</sup>, so that in the long run University salaries would be able to reach the 50<sup>th</sup> percentile and be on par with the market. Steady, incremental gains given the State's financial situation would be more palatable to our state leaders.

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<sup>1</sup>The AAUP salary data reported herein is for combined academic and fiscal appointment faculty, with fiscal appointment salaries converted to the academic equivalent using an industry-standard .8182 conversion factor. The analysis includes only full-time, tenure-track faculty and includes all colleges except for the College of Medicine.

<sup>2</sup>The referenced percentile rankings are from The University of Arizona, Office of Institutional Research and Evaluation's *AAUP Faculty Salary Comparisons* reported on an annual basis.

<sup>3</sup>The 4% average market rate is the percent increase in the all ranks median salary of UA/ASU combined ABOR peers from fall 2003 of \$83,000 to fall 2004 of \$86,400 as reported in the *AAUP Faculty Salary Comparisons*.