Faculty salaries, like much of American higher education itself, are widely differentiated according to several factors. The most significant sources of variation are institutional type (including both the level of degree offered and institutional affiliation) and academic rank. Two other important factors affecting salaries are gender and regional location. Finally, a number of factors affecting the salaries of individual faculty members are specific to each situation, even though commonalities can be observed across the spectrum. These individual factors include the faculty member’s discipline, record of publications and scholarship, the presence of collective bargaining, and race or ethnicity. This article provides an overview of the most salient differences in faculty salaries, as identified above, and points to trends which should be of particular interest to policy-makers. In addition, it situates the consideration of faculty salaries within the context of broader issues in public higher education.

The source of primary data presented here is the annual Faculty Compensation Survey conducted by the American Association of University Professors (AAUP). The AAUP survey includes accredited institutions at all levels, both public and private. AAUP has collected and published faculty salary data in its “Annual Report on the Economic Status of the Profession” for nearly six decades. Table B reports average faculty salary at four-year institutions for academic year 2003-2004 by state, level and control of institution, and academic rank. (The AAUP collects data from Associate degree colleges as well, but the survey response for 2003-2004 did not provide sufficient cases for an accurate breakdown by state.)

In comparing faculty salaries between states, the most important factor—and perhaps the most significant source of variation in faculty salaries overall—is institutional type. Institutional type itself can be divided into two components: the level of institution, categorized in the AAUP survey by highest degree; and the control of the institution, generally distinguishing between public and private. Table A shows the variation in national average faculty salary by these two components of institutional type.

Approximately 70 percent of full-time faculty in the United States are employed at public institutions. However, as Table A indicates, faculty salaries at private-independent four-year institutions are 8 to 28 percent higher than those at public institutions. (Private-independent Associate degree institutions, by contrast, are few in number and tend to compensate their faculty at lower levels.) Table A distinguishes between two categories of institutions that are often lumped together as “private”—those that are independent and those that are affiliated with a religious denomination. Faculty salaries at institutions in the latter category are generally lower, although the average for church-related doctoral institutions is pushed upward by a relatively small group of large research universities that pay higher salaries. By contrast, in Table B average salaries for private baccalaureate colleges in some states are depressed by combining private-independent and church-related colleges into one category, since the proportion of church-related colleges is much larger in some states and most church-related colleges are in the baccalaureate category.

Tables A and B give an indication for the most current year of the primary issue of interest to state policymakers: the divergence of faculty salaries between public and private sectors. At the national level, and in most states, faculty at public institutions receive lower salaries on average than do faculty at comparable private institutions. But this situation is not static. The AAUP annual report has followed the trend of public/private differentials for many years. As Ronald G. Ehrenberg summarized in a recent AAUP report:

Several researchers have used AAUP data to document the decrease in the average salary of faculty members at public academic institutions relative to that of their peers at pri-
The public/private salary gap continued to widen in 2003-2004, as Table A indicates. The table shows the increase in average salary levels from 2002-2003, by institutional type. Overall, faculty salary levels at public institutions increased at or below the rate of inflation (measured at 1.9 percent from December 2002 to December 2003), while salary levels at private-independent institutions rose at substantially higher rates. Although these differences for a single year are small, the cumulative effect over time is stark: During the 1970-1971 academic year the average full professor at a private-independent doctoral university earned 10 percent more than his or her counterpart at a public doctoral university; by 2003-2004, that gap was 29 percent.

Although average faculty salary alone is not a sufficient indicator of institutional quality, it seems self-evident to observe that, given substantial and widening differences in pay over time, public colleges and universities will have difficulty attracting and keeping the most productive and innovative scholars and teachers. This becomes a public policy issue if we wish to make high-quality higher education accessible to large segments of the public, and not only to those who can pay the cost of and gain admission to private universities and colleges.

For the comparison of average faculty salaries between states, Table B also shows the important distinction between senior faculty members (holding the rank of professor) and generally entry-level faculty (assistant professors). Differences between states in average salary at either rank could indicate a disadvantage in attracting highly-qualified faculty, whether they be established scholars who bring immediate prestige and assume leadership of both scholarly projects and collegiate governance structures, or entry-level faculty who represent the potential for developing research and teaching.

A number of researchers have investigated the continuing salary differences between men and women faculty, differences which cut across institutional type and academic rank. The AAUP has collected institution-level data on average salaries by gender since the mid-1970s. An analysis of those data indicates a remarkably persistent salary disadvantage for women faculty over more than a quarter century. When faculty of the same rank are compared, average salaries for women are 7 to 12 percent lower than those of men. The greatest differences are at the rank of full professor. There are some variations in this comparison by institutional type, as average salaries are more equal in baccalaureate and Associate colleges, and are generally more equal at public colleges and universities. However, it is also the case that women faculty are more likely to hold positions that have lower salaries on average: they are more likely than men to be at public community colleges, they are less likely to achieve the rank of professor, and they are less likely to have tenure. (Women are also more likely than men to hold part-time faculty positions, but the AAUP survey includes salary data only for full-time faculty.) As a result, when the weighted average salaries of all women full-time faculty are compared with all full-time men, women receive only about 80 percent of the salary of men. The AAUP data indicate that this has been the case since the late 1970s, with surprisingly little change in the overall figure.

Table A: Average Full-Time Faculty Salary 2003–2004, By Institutional Category and Control

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<tbody>
<tr>
<td>Doctoral</td>
<td>$71,815</td>
<td>2.0%</td>
<td>$91,865</td>
<td>2.9%</td>
<td>$77,271</td>
<td>3.2%</td>
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<tr>
<td>Master’s</td>
<td>58,668</td>
<td>0.5</td>
<td>63,252</td>
<td>3.2</td>
<td>58,563</td>
<td>2.4</td>
</tr>
<tr>
<td>Baccalaureate</td>
<td>53,666</td>
<td>1.4</td>
<td>63,236</td>
<td>3.9</td>
<td>50,475</td>
<td>2.8</td>
</tr>
<tr>
<td>Associate</td>
<td>50,958</td>
<td>0.4</td>
<td>39,168</td>
<td>n.d</td>
<td>36,048</td>
<td>n.d</td>
</tr>
</tbody>
</table>

Source: American Association of University Professors, Faculty Compensation Survey.  
Notes: Includes all full-time primarily instructional faculty, with or without academic rank.  
Figures are weighted average (mean) salaries; salaries of faculty members on 12-month contracts have been adjusted to an academic year (9-month) equivalent.  
n.d. = no data. There were too few responding institutions for meaningful analysis.
The AAUP data allow only for comparisons of institutional averages. Other investigators have utilized individual-level data to attempt to determine whether gender differences in salary can be attributed to differences in the distribution of women faculty according to other professional characteristics. A recent analysis of 1998 data by the U.S. Department of Education considered some 13 factors that might contribute to the salary difference between men and women faculty.

It concluded that, even when all of those factors are controlled in the analysis, men still earn 9.4 percent more than women, on average. Toutkoushian and Conley, in a recent comprehensive review and extension of various analytical models developed during the 1990s, found that progress appeared to have been made in narrowing the “unexplained” salary gap between men and women faculty—that not attributable to differences on observable factors—but that the gap remains at between 4 and 6 percent. As they point out, “[t]hese unexplained wage gaps are not only statistically significant, but are large in a practical sense especially when compounded over a woman’s career. These inequities persist across most institution types and fields, and thus we should not lose focus on the fact that more improvement in the situation for women is needed.”

What many statistical analyses fail to investigate, however, are the reasons why women continue to be overrepresented in the situations that result in lower average salary, as noted above. That, too, is a critical policy issue that remains to be addressed, if women are to participate fully in the academic profession.

Faculty salaries also vary by geographic region. The AAUP data, divided into nine regions, indicate that the highest overall average faculty salaries are found in New England, a region dominated by private higher education institutions, and the Pacific, heavily influenced by relatively high salaries in California. An analysis of regional salary trends over time indicates that the regional differences have also been widening. Growth in average salaries over the last 25 years has been most rapid in New England, with salaries in the latter region falling generally into the middle range nationally. Salary growth in the Middle Atlantic region has also generally kept pace, while faculty salaries in the East North Central and, especially, East South Central regions have fallen further behind. The latter two regions are characterized by more public institutions, especially at the doctoral level, reflecting the public-private salary disparities discussed above.

In addition to the broad differences in faculty salaries by categories discussed above, salaries for individual faculty members also vary according to a number of specific aspects of the individual situation. In recent years, salary differences between faculty in different disciplines have emerged as a recurring topic for discussion, with the influence of “the market” often cited as the force driving widening disparities even within the same institution. Faculty in fields such as business, engineering or computer technologies, whose skills have been in demand in the private sector, have frequently been able to secure higher salaries than their colleagues in the humanities and social sciences. Analyses such as the two individual-level studies cited previously have also concluded that faculty members with a more substantial record of publications and scholarship earn higher salaries, even when other factors are taken into account. This likely reflects the continuing premium accorded to research among the several roles of faculty, an emphasis that appears to apply to faculty even in predominantly teaching institutions.

Faculty salaries are also affected by the presence of collective bargaining, although a comprehensive recent analysis of the net impact of collective bargaining remains to be done. On the one hand, faculty collective bargaining may lead to higher salary levels for the faculty as a whole, and may lessen inequities within the compensation system; on the other hand, collective bargaining may act to preserve aspects of faculty self-governance and peer review, which can reinforce the differences by discipline and rank discussed above. Finally, the existence of systematic differences in faculty salary by race or ethnicity is a controversial topic, on which there is not conclusive evidence. The U.S. Department of Education analysis referenced above concluded that “…some racial/ethnic differences [in salary] existed in 1998. Compared with White faculty, Asian/Pacific Islander faculty had higher average salaries, were more likely to hold advanced degrees, and had greater representation at public doctoral, research and medical institutions. Black faculty had lower average salaries and were less likely to have advanced degrees or attain tenure or full professorship than White faculty.” However, the analysis concluded that when all factors were considered simultaneously, racial or ethnic category did not represent a statistically significant source of differences in faculty salaries.

In recent years, the issue of faculty compensation has increasingly been linked to other trends in higher education financing. Although space does not allow for a full consideration of these issues here, it is important to include them in order to place faculty salaries in their proper context.
The fundamental challenge facing higher education in the last few years has been a withdrawal of public funding. This has happened both directly and indirectly and at both state and federal levels. Direct funding of public higher education institutions from state sources has not kept pace with rising overall costs, so that states are now providing a smaller percentage of institutional revenues than ever before. According to figures compiled by the U.S. Department of Education, in FY 2001 state and local governments supplied 40 percent of current-fund revenues for public higher education institutions, down from 49 percent only 20 years previously.11 And this figure is much lower at large research universities, where the proportion of state support now frequently falls below 20 percent.

Faced with a decline in state revenues, public institutions have raised tuition at an accelerated pace. Some observers have portrayed this as a shift to a “high tuition/high aid” model, in which rising tuition prices would be met with increased levels of financial aid, so that students with financial need would not be denied access to college. It does not appear that student financial aid has kept pace with increased tuition prices, however. The largest federal source of student financial aid is the Pell Grant program. The maximum Pell award has remained flat for several years, so that needy students must find additional sources for more of their tuition bills. At the same time, many states and institutions have shifted funding for student aid programs from need-based to merit-based awards. As Donald E. Heller notes, merit based awards increased from 9 percent of state grants awarded without consideration of need in 1981 to nearly 25 percent of those awards in 2001. And at the same time, non-need-based aid increased to 44 percent of all grant aid.12 Thus, rising tuition prices threaten the ability of low-income students to afford higher education, because need-based financial aid has not kept pace with tuition increases.

Nor have tuition revenues fueled higher faculty salaries. As reported in the AAUP’s 2003-2004 Annual Report on the Economic Status of the Profession, average faculty salaries have not kept pace with increasing tuition prices over the last 25 years. The report compared faculty salary data from the AAUP annual survey with figures on tuition from the College Board’s annual report Trends in College Pricing. It concluded:

The bottom line is that although faculty and staff salary increases obviously contribute to increases in tuition, other factors have played more important roles during the last quarter century. These factors include the escalating costs of benefits for all employees, reductions in state support of public institutions, growing institutional financial-aid costs, expansion of the science and research infrastructure at research universities, and the increasing costs of information technology. If tuition and fee increases had been held to the rate of average faculty salary increases during this period, average tuition and fees would be substantially lower today in both the public and private sectors.13

Seen in this broader context, rising tuition prices are a consequence of the trend also producing increased disparities in faculty salaries between public and private institutions: a withdrawal of public funding. If, at the same time, needy students do not receive aid sufficient to match increased tuition prices, enrollment patterns may shift as well. This complicated matrix points toward a single outcome, if trends remain on the same course: higher education will become increasingly differentiated in terms of quality, and will be increasingly less accessible to financially disadvantaged students—reversing four decades of developments in the American system of public higher education.

There are several thousand institutions of higher education in the United States, reflecting the wide variety of institutional traditions, missions and resources that is a central feature of the American system. Faculty in these institutions fill a number of roles and bring differing professional qualifications to their positions; with more than 600,000 full-time faculty employed in different institutional situations across the country, the variation in faculty salaries is tremendous. This article has provided an overview of the key factors differentiating faculty salaries. It has also identified critical issues facing state government policy-makers with regard to their public higher education sectors: the long-term decline in faculty salaries at public institutions, relative to those at private institutions; disadvantages for women faculty; and the consequences of a withdrawal of state funding for both quality and accessibility at public colleges and universities. States look to their higher education institutions to provide high-quality education in a range of rapidly changing fields of endeavor, as centers of innovation in science and technology, and as sources of solutions to pressing social needs. As enrollments continue to grow, and the need for expanded access...
to high-quality higher education becomes increasingly apparent, state policy-makers must identify sufficient resources to allow their higher education sectors to meet these new demands.

Notes


5 Pacific: Alaska, California, Guam, Hawaii, Oregon and Washington.

6 South Atlantic: Delaware, District of Columbia, Florida, Georgia, Maryland, North Carolina, Puerto Rico, South Carolina, Virginia and West Virginia.


8 East North Central: Illinois, Indiana, Michigan, Ohio and Wisconsin.

9 East South Central: Alabama, Kentucky, Mississippi and Tennessee.

10 Condition of Education 2002, 103


About the Author

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Note

Opinions expressed in this article are those of the author, and not of the AAUP.