

**ILLINOIS STATE  
UNIVERSITY**

**BOARD OF  
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**Report No. 2005.10/1100.07**  
**Faculty and Staff Salaries**  
**at Illinois State University**

**Executive Summary**

This item presents background materials to inform a campus discussion on salaries President Bowman requested in his recent State of the University Address. It includes information about recent initiatives to enhance salaries, the status of faculty and staff in comparison to salaries at other institutions and salary compression. The report shows that:

- The University has done a good job of awarding salary increases to continuing faculty members and staff in the context of available state funding, but that progress is not always reflected in published institutional averages. In the last five years, 42 percent of the University's employees received salary increases more than twice the rate of inflation and 22 percent received salary increases that were three times more than the rate of inflation.
- As commendable as the effort to reward continuing faculty and staff may be, the University's weighted average faculty salary continues to lag weighted average faculty salaries at comparable institutions. To increase average faculty salaries to FY05 comparison group medians would cost an estimated \$3.9 million.
- The average salary for the University's civil service employees is approximately 5 percent below the average of other Illinois public universities. To increase civil service salaries to the FY05 statewide average would cost approximately \$2.8 million.
- Apart from the relatively low comparison of the University's overall salary structure, pockets of disparity exist within and among faculty and staff groups that also need to be addressed. While some groups of faculty and staff are actually above comparable peer groups, others lag farther behind than the University average. In addition, selected positions lag behind comparable positions within the University.

**Board of Trustees  
Illinois State University**

**Faculty and Staff Salaries at Illinois State University**

*Educating Illinois 2003-2010* identifies improving compensation – one of the most influential factors in recruiting and retaining high quality faculty and staff – among the University’s highest priorities. The University’s strategic plan calls for the University to move average faculty salaries to exceed peer group medians, to increase civil service salaries to published benchmarks and to develop mechanisms for analyzing the competitiveness of administrative/professional staff and non-tenure track salaries.

President Bowman in his State of the University Address on September 13, 2005 emphasized the importance of enhancing faculty and staff salaries, identifying making salaries more competitive as his top priority. He called upon the Provost and the Vice President for Finance and Planning to engage in a discussion of salary issues with the campus community and to develop a plan for addressing salary issues. This item presents background materials to inform this campus discussion. It includes information about recent initiatives to enhance salaries, the status of faculty and staff in comparison to salaries at other institutions and salary compression. The report shows that:

- The University has done a good job of awarding salary increases to continuing faculty members and staff in the context of available state funding, but that progress is not always reflected in published institutional averages. In the last five years, 42 percent of the University’s employees received salary increases more than twice the rate of inflation and 22 percent received salary increases that were three times more than the rate of inflation.
- As commendable as the effort to reward continuing faculty and staff may be, the University’s weighted average faculty salary continues to lag weighted average faculty salaries at comparable institutions. To increase average faculty salaries to FY05 comparison group medians would cost an estimated \$3.9 million.
- The average salary for the University’s civil service employees is approximately 6 percent below the average of other Illinois public universities. To increase civil service salaries to the FY05 statewide average would cost approximately \$2.8 million.
- No current national or statewide data base allows for a reliable analysis of the competitiveness of administrative/professional staff salaries.
- Apart from the relatively low comparison of the University’s overall salary structure, pockets of disparity exist within and among faculty and staff groups that also need to be addressed. While some groups of faculty and staff are actually above comparable peer groups, others lag farther behind than the University average. In addition, selected positions lag behind comparable positions within the University. Additional analysis is underway to determine the extent and magnitude of these pockets of disparity.

Recent Efforts to Enhance University Salaries

The University has undertaken a number of initiatives to enhance salary competitiveness, recognizing that the ability to achieve the next level of excellence is dependent upon a faculty and staff complement of the highest quality. Some of these initiatives have been in association with statewide programs involving incremental state resources, while others have been conceptualized by the University and financed without new state funds. All recent initiatives have involved a commitment of University resources derived from internal reallocations and new tuition and fee revenues.

Institutional Initiatives. FY00 was the last year of a three-year plan initiated by the University to enhance salaries for all employees. The plan, which focused on a different employee group each year, required reallocated monies to supplement new state appropriated funds. Enhancing civil services salaries was afforded priority in FY98, administrative/professional staff salaries in FY99, and faculty salaries in FY00. In FY01 and

FY02, state funds provided under the Recruiting and Retaining Faculty and Staff initiative were allocated across all employee groups allowing for average salary increases of 6.2 percent and 6.9 percent, respectively.

No general salary plan was implemented in FY03, a year in which state appropriated funds were reduced by \$5.7 million, or 6.1 percent. The University did, however, meet contractual obligations and made a limited number of other salary adjustments related to promotions in FY03. Following a year in which no general salary increase plan was implemented, the University engaged in an intense planning effort to match resources with priorities to provide a salary increase program in FY04. The program provided funds for an average 2.7 percent salary increase financed in part with new tuition revenues, but mostly from internal budget reallocations involving reductions in some campus services, a hiring freeze for positions other than faculty, equipment purchase deferrals and shifting resource requirements to other institutional funds. Although no new state funds were provided in FY05 or FY06, the University again provided salary increases in each of those years by using funds from new tuition revenues and internal reallocations. The overall average increase in FY05 and FY06 was 3.0 percent.

Table 1 shows average salary increases awarded by the University in FY00 through FY05 by employee classification. The amounts shown for each year reflect the increase in weighted average monthly salaries for full-time faculty and staff who were employed by the University in the preceding year, and includes increases in salaries attributable to promotions. Salary increases in FY00 through FY02 reflect the efforts associated with special statewide and institutional initiatives. Not all contracts for FY06 have been finalized, and therefore no data are provided for the current fiscal year.

<u>Classification</u>	<u>FY2000</u>	<u>FY2001</u>	<u>FY2002</u>	<u>FY2003</u>	<u>FY2004</u>	<u>FY2005</u>
Faculty	7.1 %	5.4 %	6.8 %	0.7 %	3.2 %	3.6 %
Administrative/Professional	5.5	6.4	6.9	1.3	3.2	3.7
Civil Service (Exempt)	5.3	7.6	7.9	1.2	3.5	4.3
Civil Service (Negotiated)	6.3	7.0	6.5	4.7	4.8	4.9
Total All Classifications	6.3 %	6.2 %	6.9 %	1.6 %	3.5%	3.9 %
Consumer Price Index <sup>1</sup>	3.2	3.5	0.9	1.9	1.7	2.9
Illinois Per Capita Income	4.5	3.9	2.1	2.5	3.5	3.0 <sup>2</sup>
State General Funds	4.1	5.8	6.4	(6.1)	(8.2)	-0-
<sup>1</sup> Index for urban wage earners and clerical employees in Midwest.						
<sup>2</sup> Estimate.						

Salary increases for each employee classification exceeded increases in the Consumer Price Index and increases in Illinois per capita disposable income in each year since FY00, except for FY03 when there was no general salary increase program. Salary increases in the other four years exceed increases in the Consumer Price Index and increases in per capita disposable income -- in some instances by more than double of both indices.

Individual Salary Growth. While averages often are used to describe changes in salaries, it is important that institutional averages not be used to assess efforts toward enhancing an individual faculty or staff member's salary. The use of institutional averages actually masks improvement in an individual's salary. For example, an average salary increase of 5.5 percent based on two individuals each with annual salaries of \$50,000 can result from one person's salary increasing by 1 percent and the other by 10 percent.

To better assess progress in enhancing faculty and staff salaries, Table 2 presents information concerning the changes in salaries for persons employed by the University on a continuous basis in the same employee group from fall 1999 to fall 2004. Information is provided for 1,698 individuals – 435 tenure/tenure-track faculty, 55 non-tenure track faculty, 264 administrative/professionals, and 944 civil service employees. The overall median salary increase between fall 1999 and fall 2004 was 20.9 percent – exceeding the cumulative increase of 17.7 percent provided by salary increase plans for the five fiscal years.

Percentage Increase	Percent of Employees					
	Tenure Track Faculty	Non-Tenure Track Faculty	Administrative Professional	Civil Service (Open)	Civil Service (Negotiated)	Total
0-14.99	18.2	14.5	11.7	11.6	10.0	12.9
15-19.99	29.7	58.2	44.7	28.0	15.9	28.3
20-24.99	23.0	16.4	13.3	7.8	22.4	17.3
25-29.99	19.1	3.6	9.1	17.3	5.9	12.5
30-34.99	4.8	3.6	7.6	8.1	8.8	7.2
35-39.99	3.9	0.0	3.4	6.6	9.2	6.0
40-44.99	0.5	0.0	3.0	8.3	8.0	5.1
45-49.99	0.5	1.8	2.3	5.0	5.2	3.4
50-59.99	0.2	1.8	0.8	4.3	8.0	3.8
60+	0.2	0.0	4.2	3.1	6.5	3.5
Total	100.0	100.0	100.0	100.0	100.0	100.0

Salaries increased by 30 percent or more between fall 1999 and fall 2004 – an average of 5.5 percent annually for: 46 percent of civil service (negotiated) staff, 35 percent of civil service (non-negotiated), 21 percent of administrative/professional staff, 10 percent of tenure-track faculty, and 7 percent of non-tenure track faculty.

The Consumer Price Index (urban wage earners and clerical employees in the Midwest) increased by 11 percent from September 1999 to August 2004, an average annual increase of 2.1 percent. Salaries for 42 percent of the individuals who were employed in the same classification in fall 2004 as in fall 1999 increased by 25 percent or more during this five-year period – more than twice the increase in the Consumer Price Index. Salaries for 22 percent of the employees increased by 35 percent or more – over three times the growth in the Consumer Price Index.

#### Comparisons with Other Institutions

Comparisons of faculty and staff salaries with those of other Illinois institutions and comparable institutions from throughout the country are important to assess the competitiveness of faculty and staff salaries. Unfortunately, no state or national organization collects comparative data from colleges or universities that focus on individual salary increases. The comparative data available are based on group averages that may or may not be comparable over time. Moreover, most national comparative data focus solely on full-time, tenure/tenure-track faculty; there are few – if any – that provide a good basis for analysis of administrative/professional, civil service employee, or non-tenure track faculty salaries.

Northern Illinois University conducts an annual study that allows for a comparison of civil service staff salaries among Illinois public universities and other State Universities Civil Service System employers. No current study is available comparing administrative/professional staff salaries among Illinois colleges and universities. A group of Illinois State University staff has been assembled to develop a mechanism to enhance the University's ability to determine the competitiveness of administrative/professional staff salaries.

Faculty Salaries – Comparison with Illinois Institutions. The IBHE annually prepares a study using average faculty salary data collected by the American Association of University Professors (AAUP). The study considers average, nine-month salaries for full-time faculty; it excludes earnings related to teaching during the summer term and other activities for which faculty may be compensated. Table 3 presents information from the latest IBHE study based upon fall 2004 (FY05) weighted average faculty salaries.

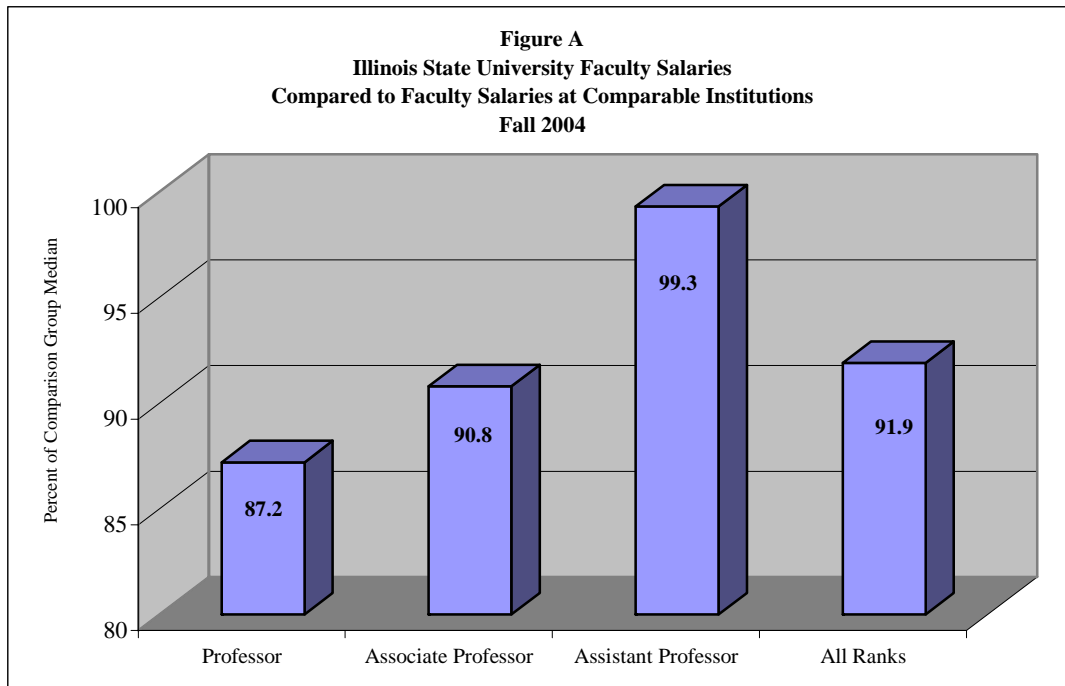
	<u>Professor</u>	Associate <u>Professor</u>	Assistant <u>Professor</u>	<u>Instructor</u>
Chicago State University	\$ 73,500	\$ 60,300	\$ 53,600	--
Eastern Illinois University	72,800	59,400	49,200	\$ 35,300
<b>Illinois State University</b>	<b>75,300</b>	<b>58,100</b>	<b>52,800</b>	--
Northeastern Illinois University	75,200	62,100	53,900	32,500
Northern Illinois University	80,400	62,000	52,100	33,700
Western Illinois University	77,500	59,400	48,000	35,900
Southern Illinois University Carbondale	79,500	60,300	53,400	35,900
Southern Illinois University Edwardsville	77,000	61,900	50,200	38,000
University of Illinois Chicago	102,900	72,700	63,200	51,800
University of Illinois Springfield	81,300	62,500	49,900	--
University of Illinois Urbana-Champaign	111,800	75,100	68,200	47,500
Weighted Average for All Public Universities	<u>\$ 91,800</u>	<u>\$ 65,700</u>	<u>\$ 56,200</u>	<u>\$ 41,800</u>
Note: Governor State University did not distinguish among faculty by rank during years noted and, therefore, is excluded from this table. The median salaries by rank are noted within boxes above.				
Source: American Association of University Professors and Illinois Board of Higher Education				

The University's weighted average salaries for professors, associate professors and assistant professors in fall 2004 ranked eighth, eleventh, and sixth among their respective ranks when compared to other Illinois public universities. Weighted average University salaries in each rank lagged the statewide average – professors by \$16,500, or 22 percent; associate professors by \$7,600, or 13 percent; and assistant professors by \$3,400, or 6 percent. The University's weighted average salary for professors and associate professors lag the median salary of Illinois public universities.

While Illinois public universities share many common goals and objectives – instruction, research, and public service – they differ in their respective mission, geographic location, size and programs offered. These distinctions, in part, drive salary differentials among the institutions. Faculty salaries also can vary from one campus to another based on faculty turnover, average length of service and the distribution of faculty among ranks. To control for differences in mission, program mix and faculty distribution by rank, the IBHE study also compares faculty salaries at Illinois institutions with salaries at similar colleges and universities nationwide.

Faculty Salaries – Comparison Group (Out-of-State Institutions). The University’s comparison group used in the annual IBHE studies includes 30 institutions from across the country; no other Illinois institution is included. All but one of the institutions reported fall 2004 salary data to AAUP. The University’s all-rank weighted average salary of \$61,700 in fall 2004 ranked 21<sup>st</sup> among the faculty salaries of those institutions reporting. Salaries reported by the other institutions in the IBHE comparison group for Illinois State ranged from \$53,400 to \$91,500.

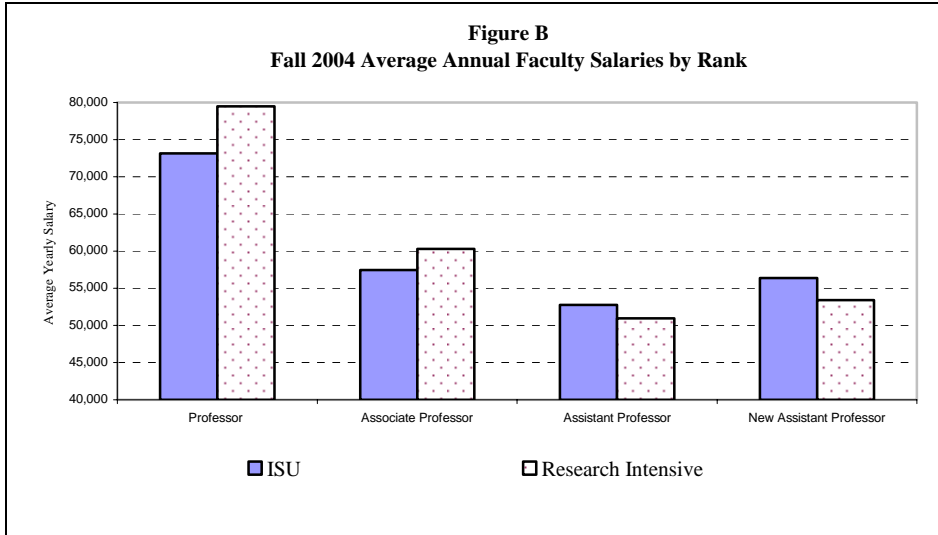
Figure A shows the University’s weighted average faculty salaries as a percent of the median salary of the IBHE comparison group in fall 2004 (FY05). The University’s all-rank weighted average salary of \$61,700 was 8.1 percent below the comparison group median of \$67,100. Professors’ salaries represented 87 percent of the comparison group median, associate professors’ salaries represented 91 percent, and assistant professors’ salaries represented 99 percent.



To increase the University’s average salaries to the median of fall 2004 average salaries at institutions included in the IBHE study would require an investment of approximately \$3.9 million. This estimate does not account for any projected changes likely to be made by other institutions in FY06, nor an amount necessary to exceed the comparison group median. Furthermore, the estimate does not take into consideration the amounts needed to increase individuals’ salaries to the peer group median in instances whereby individual salaries are masked by averages. Exceeding the comparison group median is one of the projected outcomes identified in *Educating Illinois* for improving faculty and staff compensation and retention.

While the IBHE salary survey provides a mechanism by which the University’s salaries overall can be compared with faculty salaries at comparable institutions, it does not consider faculty salaries by discipline. Another national survey conducted by the College and University Professional Association (CUPA) for Human Resources allows for a comparison of faculty salaries by discipline and by rank and also allows for analysis of the University’s salaries with a different set of peer institutions than those identified by IBHE. The CUPA data set provides yet another advantage: it allows for a comparison of salaries for new assistant professors, individuals for whom salaries were not reported in the prior year by their respective institution. (Note: the survey includes new assistant professors in its assistant professor category, i.e., the new assistant category is a subset of the assistant professor category.)

Figure B compares fall 2004 average salaries for Illinois State University faculty by rank to the average faculty salary by rank at public universities classified as research intensive institutions by the Carnegie Foundation. The graph shows that the University has made progress in increasing the average salary of assistant professors – a goal the University set out to accomplish several years ago as a means to enhance faculty recruitment. Average salaries for professors and associate professors, however, lag average salaries for professors and associate professors at other public research intensive institutions.



As referenced above, the CUPA data set includes faculty salary information by discipline and, therefore, allows for a closer examination of salary competitiveness. For purposes of this report, salary data were aggregated at the college level. In fall 2004, average salaries for assistant professors and new assistant professors at Illinois State University slightly exceeded the average salaries for assistant and new assistant professors at other research intensive institutions in fall 2004 in each College. Average salaries for associate professors in the College of Nursing slightly exceed the average salaries for associate professors at public research intensive institutions. On the other hand, average salaries for professors and associate professors fell below the research intensive institutions' average salaries in the Colleges of Applied Science and Technology, Arts and Sciences, Education, Business, and Fine Arts as presented in Figure C.

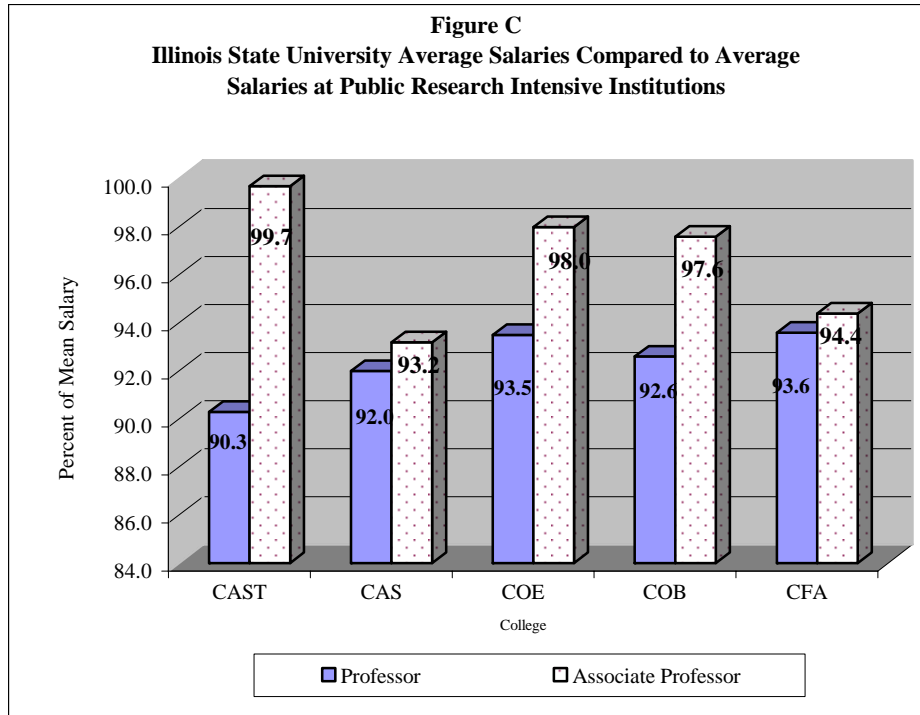


Figure C shows the average Illinois State salary for professors in each of the Colleges presented fell at least 6.4 percent below the average salary for professors at other public research intensive institutions. While slightly more competitive, the average salary for associate professors lagged average salaries for associate professors at public research intensive institutions as well. Average salaries for associate professors lagged those at other institutions by as much as 7 percent in the College of Arts and Sciences.

While the analyses summarized in Figures B and C use a different data source, different institutions with which to compare Illinois State University salaries and a different basis of comparison than the analysis presented in Figure A, the analyses summarized in the three figures reveal a consistent pattern: average salaries for professors and associate professors fall below those at other institutions. It is also important to note that these analyses look only at the mean or median of comparison group salaries; to enhance competitiveness of faculty salaries would require that the University's average faculty salaries exceed these measures.

Civil Service Salaries. Table 4 shows weighted average salaries for civil service employees at public universities for FY01, FY03 and FY05. The salaries reported in this table do not reflect any increments for over-time pay. The weighted average civil service salary for all public universities in FY05 was \$37,723, an increase of 12.7 percent over FY01. Average civil services salaries at the University grew by more than the statewide average during this period, increasing by 14.7 percent from \$31,047 to \$35,605. The University's average salary was 6 percent lower than the statewide weighted average in FY05, and ranked second (behind the University of Illinois at Urbana-Champaign) among the institutions located outside the Chicago metropolitan region.

Table 4  
Illinois Public Universities  
Weighted Average Annual Civil Service Salaries

	<u>FY2001</u>	<u>FY2003</u>	<u>FY2005</u>	% Change FY2001 to FY2005
Chicago State University	\$ 31,392	\$ 32,930	\$ 34,273	9.2 %
Eastern Illinois University	31,486	33,211	33,917	7.7
Governors State University	30,444	32,101	33,544	10.2
<b>Illinois State University</b>	<b>31,047</b>	<b>33,067</b>	<b>35,605</b>	<b>14.7</b>
Northeastern Illinois University	31,433	32,229	34,279	9.1
Northern Illinois University	30,681	31,678	34,315	11.8
Western Illinois University	32,964	32,566	34,425	4.4
Southern Illinois University Carbondale	31,238	33,021	34,787	11.4
Southern Illinois University School of Medicine	28,229	29,953	30,036	6.4
Southern Illinois University Edwardsville	32,274	29,986	30,111	(6.7)
University of Illinois Chicago	39,388	41,823	46,322	17.6
University of Illinois Springfield	28,224	28,619	30,889	9.4
University of Illinois Urbana-Champaign	32,493	33,589	37,437	15.2
 Weighted Average, All Public Universities	 <u>\$ 33,473</u>	 <u>\$ 34,487</u>	 <u>\$37,723</u>	 <u>12.7 %</u>
 Weighted Average Excluding University of Illinois Chicago			 <u>\$ 35,169</u>	

Source: Northern Illinois University Personnel Office and Illinois Board of Higher Education

To increase the University's weighted average civil service salary to the FY05 weighted average of all public universities would require an investment of \$2.8 million. As with the estimate provided earlier for faculty, this amount does not include any adjustment attempting to project changes in other public universities' civil service salaries beyond FY05, nor an adjustment to exceed published benchmarks, a projected *Educating Illinois* outcome.

The University of Illinois at Chicago has the highest weighted average civil salary among the public universities, and employs approximately 25 percent of all public university civil service staff. As a consequence, the statewide weighted average salary is affected significantly by the University of Illinois at Chicago that operates a hospital and has many employees in civil service classifications for medical employees. When information for the University of Illinois at Chicago is excluded, the weighted average annual salary for public university civil service staff totals \$35,169. The University's weighted average salary of \$35,605 in FY05 exceeded the statewide average (excluding the University of Illinois at Chicago).

#### Salary Compression

Considering salaries involves not only looking at how the University's faculty and staff salaries compare to faculty and staff salaries at other institutions, but also requires consideration of the University's salary structure and whether intra-institutional disparities and inequities exist. Such disparities and inequities include salary compression across ranks and levels and lack of comparability among similar job classifications across the University. Some common conditions include:

- An erosion of compensation as a factor distinguishing faculty/staff rank – a narrowing of the gap between salaries paid faculty at different faculty ranks.
- New employees or employees in lower-level positions earning higher salaries than those in higher-level positions, something that is often referred to as salary inversion – an exaggerated type of compression.
- Little or no correlation between an individual's years of service and compensation.
- Comparable salary positions exhibiting different salary growth paths not attributable to changing job descriptions.
- Employees with similar responsibilities who have dissimilar salaries.

Each of the above assumes that employee performance is not a factor. Each factor is being considered in the context of the University's on-going discussion of salaries, and analyses supporting this discussion are underway and should lead to more definitive data in time for the salary incrementation process in spring 2006.

### Conclusions

Illinois State University has done a good job of awarding salary increases to continuing faculty and staff in the context of available funding. The University has made difficult decisions about priorities among competing needs and allocated scarce resources to its salary program. Average salary increases for continuing faculty and staff the past several years have been above inflation rates. In addition, the University achieved the goal established in the mid 1990s to reverse the trend of diminishing salaries for new assistant professors which was having a debilitating affect on departments' ability to recruit strong faculty. By all accounts, the quality of new faculty hires continues to improve underscoring the relationship between compensation and competitiveness.

Despite these efforts, the University's overall salary structure for faculty and all civil service employees (i.e., including those staff hired in recent years) lag those at comparison group institutions. Absent a mechanism to compare administrative staff salaries, no analysis currently is available comparing administrative/professional staff salaries at the University with administrative/professional staff salaries at other institutions.

To increase the average faculty salaries to comparison group medians and to increase the average civil service salaries to the statewide average would require the University to make an immediate investment of at least \$6.6 million. It is not known what investment would be required to make any necessary adjustments to salaries of administrative/professional employee salaries. An investment of \$6.6 million would bring salaries to FY05 comparison group median/average levels only; the estimate does not take into consideration salary increases at other institutions in FY06 or those projected for FY07. Meeting the goals of *Educating Illinois* with respect to faculty and staff salaries will require continued planning and focus of resources to priorities.

In addition to bringing faculty and staff salaries to external comparison levels, it is important to address those internal salary inequities and disparities that exist among faculty and staff salaries at the University. In some instances, but not all, salary adjustments made to enhance competitiveness with salaries at other institutions take care of these internal inequities and disparities. Therefore, additional funds may be necessary to address inequities and disparities identified over the next several months as analyses of salary compression issues continue.