

**A Report on**

**Faculty Compensation at Colorado College**

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**on behalf of the**

**Working Group on Faculty Compensation**

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June 1, 2005

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## I. The Place of Merit

For at least forty years, Colorado College has embraced a system of faculty compensation that combines elements of a single-salary-schedule system (salary brackets for ranks, steps within ranks) used mainly in institutions where teaching is primary, and contract salary (merit pay) system said to characterize research universities. We have a “non-traditional” or a “mixed” system, which may be appropriate in an institution where there is no single criterion of faculty success.<sup>1</sup> A survey of ACM colleges shows that most follow a single salary schedule with no consideration of merit.

Our combination of the two system types, merit and single-salary schedule, has changed over time. In the 1970s, with inflation raging, the question of reward for merit took a back seat to offsetting the rising cost of living. Faculty salaries lost ground to inflation, and progression through the ranks ground to a halt. In the 1980s, a new president (Riley) and a new dean (Brooks) created a system that conditioned progression through the ranks on evaluation of merit. They distributed a substantial part of the pool available for progression according to five categories of merit: maximum, above average, average, below average, and minimum. Faculty reacted rather negatively to the system.

The subsequent dean (Finley) reduced the categories to three (above average, average, below-average), but continued to use money available for progression to reward merit. In addition, annual salary letters carried a line specifying the sort of raise faculty had received. In these years the first concern was always cost of living allowances for all those deemed to be doing satisfactory work.

The current system seems to have emerged in the subsequent tenure of Timothy Fuller. Fuller described the system in a 1996 memo that remains substantially accurate today. All faculty doing satisfactory work received cost of living increases and dollar increments for progression through the ranks. The dean disposed of an additional sum of money to reward “exceptional merit.” The Fuller memo says about 25 per cent of faculty received awards of \$200 to \$1,000 for “exceptional merit,” which were added to base pay. In rare cases faculty failed to receive progression and cost-of-living allowances. Dean Richard Storey retouched and reissued the Fuller document in 2001. That document appears to govern current practice. [Appendix 1] Since the Fuller-Mohrman era, salary letters have included no mention of performance or of recognition “for exceptional merit.”

The current bracket system, inflated every year at top and bottom by the inflation factor, includes two steps in the instructor bracket, six at the assistant level, eight at the associate, and 21 steps at the full-professor level. The dollar amount for progression through the ranks is calculated for each bracket by finding the difference between the top and the bottom and dividing by the number of steps. Under Deans Fuller and Story all faculty judged to be doing meritorious work received both cost of living adjustments and the appropriate dollar amount for progression through the ranks. These deans rarely withheld the cost of living allowance and/or the appropriate amount

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<sup>1</sup> *Faculty compensation systems: Impact on the Quality of Higher Education* by Terry P. Sutton and Peter J. Bergerson (ASHE-ERIC Higher Education Report, 28:2. (San Francisco: Jossey-Bass, 2001), p. 25.

for progression through the ranks. The sum available to reward “exceptional merit” has apparently been fixed at \$30,000 for at least six years.

At no time has the college embraced a policy of gearing faculty salaries to the market place. A memo from Judy Laux dated March, 2004, iterates reasons why the college has established a salary schedule common to all disciplines. [Appendix 2] Her memo offers several rationales for the policy, the most important of which is probably the spirit of collegiality that is preserved. She argued that endowed funds could be used in specific departments and cases to offer incentives for faculty in those few areas where we are disadvantaged by the market.

In a relatively recent, comprehensive study of faculty compensation systems, Sutton and Bergerson offer an extensive discussion of the advantages and disadvantages of merit and single-salary-scale systems.<sup>2</sup> They suggest that the greatest argument for the merit system is that it coincides most closely with American, capitalistic norms, but they find it has serious operational disadvantages. The merit system is significantly more difficult to administer and may put emphasis on quantity rather than quality in research and teaching. The single salary model puts the emphasis on quality scholarship and teaching but leaves the institution open to community censure, which is potentially more damaging in a public institution than in a private one. Sutton and Bergerson recommend a “non-traditional” system such as ours “for non-research oriented institutions with a stated primary mission of undergraduate teaching and professional service but no stated mission emphasis on scholarship. . .”<sup>3</sup>

Sutton and Bergerson argue that the first requirement of a compensation policy is that it coincide with the mission statement of the institution.<sup>4</sup> They suggest the following criteria for judging the benefits of any existing system of compensation: <sup>5</sup> Is the system efficient in terms of

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<sup>2</sup> Sutton and Bergerson, pp. 33-53.

<sup>3</sup>Sutton and Bergerson, p. 69.

<sup>4</sup> “At Colorado College our goal is to provide the finest liberal arts education in the country. Drawing upon the adventurous spirit of the Rocky Mountain West, we challenge students, one course at a time, to develop those habits of intellect and imagination that will prepare them for learning and leadership throughout their lives.”

<sup>5</sup> Sutton and Bergerson, p. 57.

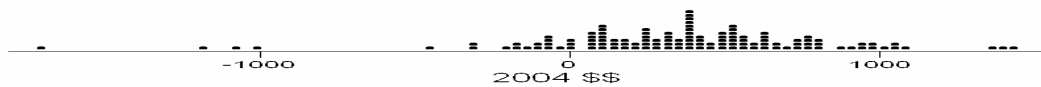
resources it commands, time to implement, training? Are procedures equitable? Do affected parties have a role? Are procedures equitable across disciplines, fields? For women? Minorities? Is the system well understood, on campus and beyond? Does it fit with the culture of the institution? Does it make sense politically on the inside? Does it balance interests, reflect current political realities? Is it reviewed periodically?

These questions emerge for us at Colorado College:

- What is the correct “mix” for CC of merit and the single-salary-scale system? Testimony from former deans suggests that merit figures less prominently in faculty compensation now than it did in the 1980s. Yet Tables 1 and 2 suggest that merit pay nonetheless make substantial difference. Highly confidential data assembled by Fred Tinsley further substantiate that faculty have moved through the ranks at highly differential rates. (This graphic is not bundled with the report but will be available.)

**Table 1**

**Dotplot of Mean Merit Raises  
1997-2004  
(2004 \$\$ per Year)**



**Table 2**

**Total Merit Raises (1997-2004)  
2004 \$\$**



[Note from from Fred Tinsley: I tabulated the merit raises for individual faculty from 1997-2004 by backing out the inflation and progression components. I converted these to constant dollars and took the average of those merit raises. (I did this, of course, because not all faculty were here for all 8 years.) The first figure is a dot plot showing the average merit raises for individual faculty. The second figure is precisely the same as the first, except each mean is multiplied by 8 to give a total merit raise for the 8-year period in 2004 dollars. (If a person was here for all 8 years, this is, indeed, the total merit for that person.) The advantage is that this figure shows the differences in salary in 2004 due to merit raises. (I find this rather striking.)]

- The current system assures progression through the ranks. The College has always sought to avoid serious overlaps between ranks. Yet the extra fund created to reward “exceptional merit” necessarily distorts brackets and creates overlap. Does this make sense?
- Should “exceptional merit” be rewarded by increases in base pay or by one-time bonuses?
- If the College were to move toward greater emphasis on merit, is the current system of faculty evaluation equal to the task? Department chairs have often been reluctant to make distinctions in merit, and then divisional executive committees, seeking to create equity among departments, have often tended to reduce whatever distinctions have been made. Deans sometimes feel inadequately equipped to make decisions on merit. At least two ACM schools review only a portion of the faculty each year and establish merit categories that apply for two or three years at a time. (See **Appendix 3**)
- Do we have a single set of criteria for merit that can be fairly applied across the disciplines? The current efforts of the Faculty Executive Committee to collect departmental judgments about what constitutes “scholarship” may be a step in this direction. See **Appendix 4** for a set of criteria developed elsewhere for use in evaluating faculty performance.
- To what extent would additional emphasis on merit jeopardize the spirit of collegiality that prevails at Colorado College? To what extent would faculty here respond to greater financial incentives with greater productivity in the classroom, in scholarship, or in public service, if the rewards for merit increased?
- Should the college consider “capping” salaries in the full bracket at a dollar figure or after 21 years of service in that bracket in order to encourage retirement?

## II. The Question of Comparison

The AAUP chapter at Colorado College has consistently reported that the college ranks low in salaries among the top thirty schools in U. S. News and World Report. The AAUP estimates the gap between Colorado College and median salaries at the 30 schools at roughly 12%.<sup>6</sup> The administration has said we should compare ourselves with twelve schools, an even more selective group than the top 30. The gap between CC salaries and the median of the Twelve is roughly 10%. The difference between means is somewhat less, or about 9%. Patricia Purdue’s extensive study of Colorado College salaries in the context of the top 50 schools in U. S. News suggests we are 4 to 6% below (depending on rank) that larger set of schools in average and median salaries. We are 2.5% to 4.5% below (depending on rank) the liberal arts colleges with which we compete most directly for students. See the Purdue Report, **Appendix 5**, p. 7, for the data to support these observations.

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<sup>6</sup> The AAUP report is available in the public folders of the AAUP and the Compensation Committee.

The Purdue report (p. 17) shows that we are heavy in the rank of full professor (45% vs. 38% among the top 50 schools.) That fact pulls the average and the median salaries upward, distorting in some measure the overall comparison. It should make us look better in the overall comparisons. That over-weighting of the professorial bracket does not, of course, affect medians and averages for the individual ranks.

Many wealthy, well-endowed schools figure among the Twelve selected by the administration, for reasons never adequately explained and defended to the faculty. It may well be that we cannot compete with these schools in terms of faculty salaries. Patricia Purdue found a relative weak correlation between size of endowment and salary levels, and that relationship diminished further when she compared salary levels with endowment per student. She did not find a strong relationship between tuition and salary levels, either. Nonetheless, our endowment per student is only 4% above the median for the top 50 colleges, we are 10% below the average. We fall 21% below the median for the Twelve. (Purdue report, p. 13) Probably we cannot hope to compete with those colleges in faculty salaries.

The AAUP has argued that our aspirations to improve as a college—to offer the very best liberal arts education in the country—should compel us to compete with the top colleges in terms of salary. There is a positive relationship between salary and U. S. News rankings, but the rankings are in part based on faculty salaries. Hence, the correlation is not a surprise. (Purdue report, 5-7)

Patrick Kirby has produced a table suggesting that, when salaries are adjusted for local costs of living, Colorado College reaches the mean of the Twelve, or comes very close, in all three of the principal ranks. Salaries do appear to vary from region to region, but especially they vary enormously among colleges on the two coasts. The variations among institutions in the West and the Midwest is much more modest. It should be noted from the Kirby table that the mean salary at Colorado College lags behind that of Carleton, Grinnell, and Macalester, three ACM schools with which we often compare ourselves. The Purdue report (p. 19) does suggest that CC looks much better against ten colleges from the Midwest region than it does against the sample of 50 colleges as a whole, not to mention the Twelve or the Thirty.

While the local cost of living, and housing costs in particular, may play some part in faculty decisions to come to Colorado Springs or stay here, this factor is probably not primary. In fact, colleges located in cities where the cost of living is modest, such as Grinnell, often suffer severe disadvantages in the hiring market. As one faculty member put it, someone who studies Asian art wants to know where the nearest museum of Asian art is located. Persons of color often find themselves isolated. Good research libraries are far away. It costs more to travel to Europe, the Middle East, and Africa. The metropolitan area (or lack thereof) includes few specialists working in the same field. Academic spouses and partners have greater difficulty finding employment. Theater, music, and bookstores are few in number compared with New York, San Francisco, and Los Angeles, where the cost of living is much higher.

Candidates come to a place like ours (and stay) for multiple reasons including our academic reputation, the future colleagues they meet, the quality of students, the opportunities for support of research, the financial well being of the college, the climate, the availability of outdoor recreation, ties to the region, etc.. These factors help offset the negative dimensions of small to mid-size

communities mentioned above. Salaries and benefits fit into the picture as well, and the local cost of living may play a part in decisions.

Financial calculations may play a more modest role in faculty calculation than they do for many other professions. Many faculty believe they could make more money doing something else. They are probably less likely to respond to the incentives of merit pay than other groups and less likely to be sensitive to local cost-of-living, more likely to evaluate cultural offerings in a community, than many other groups.

The argument that faculty salary comparisons should be adjusted for the local cost of living strikes many faculty as dubious. The comparisons should also be adjusted for all those factors, positive and negative, that condition a job situation. The market is a national market. It may make sense to compare ourselves with colleges in a roughly similar region, with roughly similar settings, with roughly similar opportunities for research, employment for spouses and partners, and cultural diversity. Cost of living is just one factor among many others. In moving to comparison with only twelve schools, the college hoped to achieve enriched comparison with a small sample of schools, but nuance and sophistication is so far missing from the comparisons.

It is not certain, moreover, that statistics on cost of living by zip code are reliable indicators of what salaries will buy. See **Appendix 6** for an exchange of memoranda on these technical issues. One important point: faculty often do not live in the zip codes where colleges are located; they do not necessarily live in Claremont, CA, where housing costs are high. Costs of living differ enormously from one zip code to another.

The focus on the Twelve has thus far not produced a wealth of data that permits thorough, comprehensive comparison. Hence, it probably makes sense to compare not just with the Twelve, but also with the top thirty, with the top fifty, with some ACM schools, and with the schools we compete with most intensely for students. It is not likely we can resolve this debate about where we are and where we ought to be on the basis of any one set of data or any one calculation.

The discussion of faculty compensation at Colorado College has always been civilized and respectful. The system of faculty compensation currently in place is a product of long-term collaboration between faculty and administration. The result is a system, and a level of compensation and benefits, that enjoys broad support in the faculty. When economic conditions have made it difficult or impossible to offset the ravages of inflation, or when AAUP requests have gone beyond what the Dean's office and the Business Office deemed feasible and desirable, a process of frank discussion and a spirit of strong commitment to the institution have produced compromise or agreement to disagree without bitterness. It is the collaborative nature of the process that gives legitimacy to the system of faculty compensation at Colorado College.

At moments in the past year that process of collaboration has seemed in jeopardy. Lack of clear communication last year, once final decisions had been made, led to a misunderstanding of what had been done. Salary letters contained mention of a 1.3% increase "as recommended by the AAUP," whereas the AAUP had recommended an increase of 2.6% for five years to overcome a gap between the median salary here and that at the top 30 colleges as ranked by U. S. News and World Report. Faculty who participated in discussions came away thinking that the notion of a "gap" had won administration acceptance, but the administration said, contrary to the statement in salary



letters, that the 1.3% had been added to bring faculty increases to the level of staff, whose salaries were being adjusted to reflect market conditions.

Last fall the administration went to the Board of Trustees with numbers on faculty salaries, including adjustments for local cost of living, before the Budget and Planning subcommittee of the FEC or the All-College Compensation Committee had a chance to talk about the tables and the conclusions the administration was drawing from them. The decision to seek outside review through Human Resources of compensation policy for both staff and faculty also came as a surprise to faculty. Faculty compensation practices, long the province of the Dean's office, had always been quite separate from issues of staff compensation, although Human Resources manages a number of benefit programs for both staff and faculty. While the faculty were ultimately excluded from the HR review, a bit of consultation before the fact could have headed off a false start.

The change in meeting schedule of the Board of Trustees may have played a part in these breaches in the collaborative process. The shift in computer software for budgeting created new deadlines and may have gotten in the way of discussion. The transition in the Dean's office may have played a part in the breakdown. And it may be that the current process, whereby compensation proposals reach the All-College Compensation Committee from the AAUP (for faculty) and from the department of Human Resources (for staff), is flawed. The committee's report to the President then goes for consideration to the FEC subcommittee on Budget and Planning and to the Staff Council for comment. The all-college committee is a better place for balancing the concerns of faculty and staff and creating mutual comprehension of compensation policies than it is for hammering out a policy on faculty compensation.

Perhaps the AAUP report needs to undergo preliminary discussion in a group that includes the Dean of the Faculty, the Vice President for Business, the FEC subcommittee on Budget and Planning and the faculty representatives on the All-College Compensation Committee. One implication: the AAUP report would need to be available in early November, and there might, as a consequence, be a need to use June, July and August for cost-of-living calculations. August numbers are available at the end of September.

The ultimate test of faculty compensation policy is the well being of the institution. To offer the "finest liberal arts education" available in this country, we must attract and hold top-flight faculty. It is the faculty who bear primary responsibility for designing and delivering that education. They must feel engaged and responsible, rewarded for their efforts, committed to the enterprise. If they feel responsible and committed, they will inevitably care deeply about every aspect of the institution and, especially, about its financial well-being. A faculty that remains at the center of college decision-making---a full collaborator in budgetary matters---is a faculty that will continue to identify its own well being with the welfare of the institution as a whole. Maintenance of the collaborative project outweighs in importance the particular outcomes of discussion on any one subject or in any one year.

### **III. Recommendations**

#### **A. Merit Pay**

The \$30,000 now allocated for "exceptional merit" should be used for bonuses to reward extraordinary service to the college. Department chairs with heavy loads, FEC members, and faculty who put extraordinary time and effort into departmental affairs and college governance might be eligible to receive extra compensation at the discretion of the dean and the president. This fund should increase each year in step with the consumer price index.

The dean would seek evaluations of half the faculty every other year on scholarship, teaching, and service. As is current practice, the evaluations would come from department chairs via the three Executive Committees. Criteria for meritorious teaching and scholarship would need to be clarified, the role of the divisional executive committees strengthened. Faculty would be put in three or more categories, and the categories would apply to progression for a period of two years.

The dean, in consultation with the president, would use these evaluations to allocate money for progression through the ranks. Faculty ranked “unsatisfactory” might receive no money for progression, as is now the case. Faculty ranked “satisfactory” would receive the sum calculated by the time-honored formula for the appropriate rank less some amount, but not more than one-third less than the average for the rank. Faculty ranked “excellent” would receive the full amount of progression money. Faculty ranked “superior” would receive that amount plus up to one third more.

The monetary reward for college service might help encourage faculty to undertake tasks of governance and to feel greater satisfaction with such service.. A bonus system seems appropriate, because such service is often for limited periods of time. The biennial evaluations would then focus primarily on teaching and scholarship. If alternate-year evaluation proved more satisfactory than current practice, we should consider moving to three-year intervals. The third-year review and the tenure review would serve as the first two such occasions for new faculty in that case.

This recommendation would save money in the long run. The College would incur modest additional cost to adjust the bonus fund for inflation, but it would save because bonuses do not add to base pay; awards for “exceptional merit” currently augment the base. To use a portion of the progression money to reward merit does not require alteration of the existing salary model. The change would, in fact, be a return toward college practices of the 1980s and early 1990s.

## **B. Comparison and the Gap**

The AAUP, the Compensation Committee, the FEC, and the Business Office should consult regularly to insure the reliability of data used in making comparisons. All parties should strive for agreement on the measure of CPI to be used. The director of the Budget has suggested use of BLS data for the Western Region (urban) rather than the BLS national (urban) index. **Appendix 7** compares those indices. In the last ten years the Western index has climbed at a somewhat faster rate than that of the national CPI. If that trend continued, and we switched to the Western index, the COLA adjustments would be greater. We see no reason to change current practices.

It is unwise to limit comparison of faculty compensation at Colorado College to that of the twelve distinguished schools selected by the Board of Trustees (called the Senior Staff Twelve in the Purdue report), because most of the Twelve have financial resources well beyond ours. A broader comparison of colleges ranked in the top 50 makes us look better on salaries, but whether the standard of comparison is the Twelve, the top thirty schools (U. S. News) used by the AAUP, the fifty schools included in the Purdue report, or the schools we compete with most intensively for students (see the Purdue report), salaries at Colorado College tend to fall below the averages in each group and for all professorial ranks. Moreover, the gap seems to be widening, especially in the assistant professor category. (See **Appendix 8** for tables excerpted from the December, 2004, report of the AAUP.)

Salaries represent, it is true, only one part of overall faculty rewards. Our complete package of benefits may help explain why the college seems to do well in winning preferred candidates in national searches. Startup money, research funds, family leaves, hiring of spouses and partners, travel funds, summer teaching opportunities, the Rocky Mountains, and many other factors condition the willingness of faculty to come to CC and remain here. Only broad comparisons that go beyond salary and normal fringe benefits can provide a full picture of CC's place among liberal arts institutions. Annual conversations about faculty compensation ought to include multiple comparisons and to focus not just on salary and fringe benefits but also on other variables, some of them qualitative.

Without fresh resources to support faculty salaries, the college may have difficulty sustaining both educational programs and the compensation policies of the recent past. The addition of about a dozen full-time faculty positions to replace part-time teaching and to convert adjunct places is beginning to place heavy additional burdens on the compensation budget. Departmental budgets have already been squeezed and squeezed again. Programs such as the First Year Experience have not enjoyed full funding. New resources appear to be dedicated to building projects and other items on the Presidential agenda, such as Civic Engagement and the State of the Rockies. We hope that these initiatives will not be permitted to compromise the College's basic educational program and its longstanding commitment to a faculty compensation policy that is fair and competitive.

The College should make every effort to ensure that faculty compensation policy keeps us competitive with comparable institutions. Even if insufficient resources and other priorities prevent a systematic campaign to reduce the gap now, the College should not permit the differential to widen. Although the current compensation structure permits us to attract and hold good faculty, deterioration in our competitive position would ultimately undermine that capacity and require a costly policy of catch-up.

### **C. Procedure and a Timetable**

The college begins every budget cycle with a set of broad priorities for the use of new revenue. Is our focus for the year to be new tenure track hires? Building renovation? Civic Engagement? Compensation and fringe benefits for existing employees? Academic program? When the Administration establishes its list of priorities early in the fall, it should bring it for discussion to the Faculty Executive Committee. If this list then came before the faculty for general discussion at the October meeting, the chances for constructive debate on all compensation issues would be improved.

The All-College Compensation Committee needs to make its report to the President by the end of Block 3, because the FEC needs to see it and respond to it before the holiday break. That means the Compensation Committee needs a report from the AAUP by the end of Block 2.

The AAUP report would first be considered by a faculty subcommittee of the Compensation Committee. The Faculty Subcommittee would report to the Compensation Committee as a whole, which would then reconcile its recommendations with those prepared by the Staff Subcommittee, which would have considered the recommendations of Human Resources for staff salaries.

The chair of the Compensation Committee and the chair of the FEC Budget and Planning Subcommittee would call a special faculty meeting in the first week of Block 4 to consider the reports of the AAUP and the Compensation Committee.

The calculation of CPI data should be based on the numbers for June, July, and August, because August numbers become available by September 15. That would give the AAUP more than a month in which to prepare its report. We are current using the average of the 12-month increase in the CPI for the months of July, August, and September.

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## FACULTY SALARIES AT COLORADO COLLEGE

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November 6, 2001

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Our collective philosophy on faculty salaries at CC, first articulated by Dean Fuller in 1996, is to recognize progression through the ranks and merit within our traditional egalitarian spirit. We operate on the view, confirmed by experience, that most faculty are performing well in the work they were hired to do, and that distinctions among them will only occasionally be large. Nonetheless, there can be no doubt that adequate financial reward and the prospect of long-term security, which remain hallmarks of this college, are essential factors in the morale, dedication and stability of the faculty. While always contingent on the College's finances, it is in light of these factors that the college has followed the policy outlined below since 1985:

- We do not discriminate among disciplines. For example, the faculty has long held that classicists and historians should be paid on a par with composers and economists.
- We do not impose a single profile of academic success. As long as effective teaching is assured, we accept that some faculty will do more research, some will do more institutional service, and different individuals will draw the balance between different components of their work in different ways at different times in their careers.
- We attempt to minimize overlapping salary brackets (but this goal is difficult to achieve given the nature of the faculty salary policy).
- One goal is to give long-term faculty a clear image of the shape of their careers, and how, assuming they do good work, they can progress from the bottom of the Assistant Professor rank, when they start, to the top of the Full Professor rank, when they retire. This assumption is based on an average career of thirty-five years.

The following three components are used to calculate faculty salary increases.

1. **Cost of Living.** Adjustments are given for the annual cost of living based on a formula averaging the inflation rate of July/August/September of the previous year with the average inflation rate of July/August/September of the current year. Each year, we increase the bottom and top of each bracket, including full professor, by inflation.
2. **Merit progression through the rank.** This component involves annual, stepwise advancement through each rank (Assistant, Associate, Full), from the bottom of the rank to its top in an averaged number of years (six years in Assistant, eight years in Associate, twenty-one in Full; hence, thirty-five years overall), using a fixed dollar amount in each rank. Progression increases constitute a normal merit raise because to receive it allows a faculty member to move closer to the top of the rank. It is a merit increase in that no one is entitled to receive all, or even part, of it but must be evaluated as worthy of it by report of the department chair and the divisional executive committee. The flat dollar amounts are not the same for all ranks. Steps will vary according to the dollar difference between the top and bottom of the rank, divided by the difference in years between the top and bottom of the rank.

*For a simple, hypothetical example, if the starting salary of a new Assistant Professor was \$45,000, and the top of that rank was \$51,000, the time in rank being six years, normal progression would involve adding \$1,000 each-year to the cost of living adjustment. At the end of the six years, a good faculty member with satisfactory performance will have reached the top of the bracket which will be \$51,000 adjusted for inflation, and be ready for review of tenure and promotion to the Associate level. Consequently, there is no sharp break between one rank and another, and rarely any giant steps for a faculty member.*

3. **Special merit.** We continue to recognize superlative teaching, scholarship, special contributions and extraordinary professional work through special merit increases. These are relatively unusual cases where less than a quarter of the faculty in a typical year might receive this recognition, which usually ranges from \$200 to

\$1,000. We maintain a portion of the salary pool for this purpose. Faculty receiving special merit increases may reach the top of a bracket earlier than anticipated with cost of living and progression increases alone.

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No faculty member is guaranteed any of these components, but it is generally understood most faculty, doing the work they are supposed to do, at the level expected at CC, will receive the cost of living adjustment and a merit advancement for step-progression through the rank. Special merit means just that: it is awarded to recognize special achievement or contribution.

**The following process is used to determine faculty salary increases.**

Department chairs or program directors (chairs) prepare an annual, written evaluation of each faculty member in their respective department or academic program. Self-evaluation reports submitted by faculty members, detailing their accomplishments for the year in teaching, scholarship and service, contribute an essential component to this evaluation. Chairs may recommend "below average," "average," or "above average" raises – they do not specify dollar amounts. Average or normal would be cost of living plus merit step-progression through the rank.

These recommendations are then reviewed in each division by the elected executive committee of the division (Natural Science, Social Science, Humanities) to insure consistency and equity among departments and programs within the division. The executive committees may support, or they may suggest an alternative to, the department chair's recommendations. They may also provide an evaluation of the department chair, and the Dean and Associate Dean of the Faculty will as well review the work of department chairs.

The department chair recommendations, the self-evaluations and the executive committee reviews all come to the Dean of the College who, on the basis of the information and recommendations provided, advice from the Associate Dean of the Faculty, plus his own knowledge of the faculty, calculates an actual salary increment for each faculty member. The Dean and the President then review the proposed salary increases.

Under this system, the required addition to the faculty salary pool each year is the number of dollars needed to cover the cost of living adjustment, the merit step-progressions, and the (relatively small) increment for special merit. Early in the budgetary process, the Vice President for Business and Finance and the Dean determine the dollars needed to sustain our policy (factoring in contributions from endowment payout in support of named professorships). We must then find those dollars within projections for new revenue, balanced against other budget needs. Thus, like all other enterprises at the College, our faculty salary procedure remains dependent on the College's financial status.

Richard Storey, Dean of the College, Dean of the Faculty

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\* Revised from the original document, which was written and distributed November 27, 1996, by Timothy Fuller, former Dean of the Faculty and the College.

### Thoughts on the Non-Differential Approach To Faculty Salaries

The trustees have indicated on a number of occasions a curiosity (and perhaps a disbelief) about the non-differential approach to faculty salaries at Colorado College. Since many of them come from a business background, they are predisposed to allowing the "market" to set prices for labor and cannot understand why we would choose to approach this in such a radically different way. Furthermore, many believe this approach creates an overall higher expenditure, an understandable conclusion given that average entry salaries at CC are higher than national averages in the vast majority of disciplines. What follows are some warnings against oversimplification and some comments about the pros and cons of the egalitarian approach.

First, the entry-level salary comparison, while accurate, compares *national* averages within disciplines rather than averages for *comparable colleges*. Having reached agreement on this issue, we should not regress...

Secondly, the administrative simplicity of the current system should not be discounted.

Third, subjecting faculty to the "vagaries of the marketplace" (the constant changes in each discipline) could divert them from their more important mission of teaching and scholarship and/or encourage them to look elsewhere.

More importantly, why abandon a structure that creates much internal peace and that allows us to hire outstanding people in the humanities and in most positions in the social and natural sciences? We have three or four disciplines (a dozen or so positions) that require attention, because the inequities are significant and interfere with hiring and retention. Rather than dismantling our egalitarian approach (and creating administrative headaches and internal ill-will), we should address the few market inequities with additional research stipends; *endowed funds already exist to address most of the issue*. Designated faculty would receive summer research support to help bring them nearer to the compensation in their fields. We would reward extra effort, garner more national exposure through the resulting publications and presentations, and avoid creating a "star system" that could engender dissention among the troops.

We have many ways to save money and cut costs than to dismantle the current faculty salary policy (and it is not even clear if we would save money...). The real question is, on the whole, will CC be better off?

From Judy Kant  
3/04

Questions and Answers:

*We are exploring the possibility of inviting a team of external reviewers to campus to look at our faculty compensation process, including the calculation of cost of living; the selection of a set of benchmark colleges and determination of salary gap; gap rectification, if warranted; merit pay; progression through the ranks; benefits; and so on. So I'm doing some preliminary investigation! Several questions:*

*1) Have any of you invited a review team to your campus to look at faculty compensation? If yes, would you be willing to talk with me about how you structured the review and what you think of the outcome? Is such a review a worthwhile endeavor?*

None of the responding deans reported have using an external review of compensation practices. One said explicitly that external review would not be helpful. He said he used data from ACM schools and other peer institutions (a 16-college reference group), to put his institution in perspective.

*2) Could any of you suggest people who might make good reviewers? Are there consultants out there who work with faculty compensation and benefits and with liberal arts colleges? We would need to compose a team acceptable to a number of constituencies - faculty, obviously, but also our business people and HR, senior staff....*

Two persons suggested a total of three names. I won't list them here.

*3) Do any of you combine the compensation process for administrators, staff and faculty (in any way, to any degree)?*

Everyone said the processes are separate but some said they go with a single percentage or very close to it. One noted that benchmarks are separate. One noted that the salary of a retiring faculty member goes back into the salary pool. This is not true of administrators. He said the President of the institution was committed to pegging faculty salaries to a peer group. Regional and local data serve as the standard for nonexempt staff.

*4) At what points in the process of determining percentage increase of compensation (i.e., in the budget process) for the following year do faculty have input?*

Almost everywhere there is some faculty input. In one case it comes AFTER the overall percentage is established. In several cases the process is similar, or at least analogous, to ours. One dean said chairs make recommendations, but third-year and tenure reviews also help the deans office know who is doing an outstanding job.

Over the years, because of our collegial organization we have found that our (elected) faculty



salary committee has worked very effectively with president and dean. At the moment we have a carefully calibrated framework in which we operate--benchmarks, steps, goals, what happens if we have this or that much to spend, etc. This is always comforting, especially when you don't have as much money as you'd like to have to allocate. I think that all parties are reasonably satisfied with our current process--and we do have more money to allocate than was once the case.@ This was offered as a reason why the institution has not sought external review.

5) *Do you have a merit pay system and, if so, how does it work?*

#1 There is a very small amount of money for merit. AI worry that it is insulting.@

#2 No merit. College has a step system.

#3 No formal system for merit. Salaries bumped up at tenure and promotion. Difference comes in allocation of development money and released time.

#4 Straight percentage increases Awith some funds set aside for promotion and equity increases.@

#5 Subjective, informal merit system based on teaching evaluations, puff sheet (my translation) and chair=s evaluation. Dean does it.

#6 No merit.

#7 Biennial review. 1<sup>st</sup> half of alphabet one year, 2<sup>nd</sup> the next. Merit rating lasts two years. L Dept chairs + personnel committee + dean + president in process.

#8 AWe have just moved to a new system for faculty salaries. We have long had a peer reviewed merit based system. Faculty members are reviewed on a 3 year cycle. They submit a reflective report and the department chair writes recommendation. Then a faculty committee considers the reports and recommendations and recommends a merit score from 1-5. That merit score is then used each year for the next 3 years to establish a salary which would consist of an across the board amount, rank adjustment (if any) plus an increment % or amount) based upon the merit score. It would be typical that the total merit amount would be 1/3 to 2 of the increase in the pool. Pre-tenure faculty members have their merit scores established by our personnel committee as a part of the pre-tenure and tenure reviews.@

#9 Technically a merit system exists. In fact, when salary increases shrunk to low levels, the system disappeared. This dean hopes to go back to one, when more substantial raises are possible. The college would then need an adequate review process, which did not exist when merit was a part of the system.

#10 The dean and the president make decisions on basis of all available data including informal feedback. AWe know who the strong faculty are in a variety of ways. It=s done in an *ad hoc*, informal way.@ AWe pay people more who are doing exceptional work.@ This dean said department chairs review faculty every year, but then he also made reference to biennial reviews available to the president and the dean.

# Appendix A: Illustrative Criteria for Faculty Merit Awards

---

## *Teaching*

### *Mandatory Criteria:*

1. Consistently well organized
2. Consistently well prepared
  - Demonstrates consistent and comprehensive knowledge of subject material
  - Keeps content updated: uses research, updates bibliography
3. Consistently displays enthusiasm and interest in class preparation
4. Encourages opinions and relevant disagreement from students
5. Maintains a climate of fair and impartial interaction with students
6. Demonstrates excellent verbal communication techniques to enhance classroom learning
7. Demonstrates ability to relate theory to practice

### *Meets at Least Two of the Following Criteria:*

1. Develops and maintains creative learning materials to enhance classroom learning
  - For self-use
  - For department
2. Develops or collaboratively develops an elective course that is approved for teaching

- 
3. Contributes to curriculum planning group
    - Chair of curriculum planning group
    - Develops or assists in developing new or revised courses
  4. Develops and uses evaluation procedures based on course objectives
    - Tests and/or written assignments
    - Clinical evaluation tools
  5. Seeks improvement in both teaching and evaluation methods, for example
    - Attends workshops, in-service programs, continuing education courses
    - Takes courses related to professional growth
  6. Participates in or directs an honors fellowship grant, thesis/dissertation, or honors project

*The applicant must document meeting these criteria through the use of peer evaluations, student evaluations, administrative evaluations, or other specific materials that directly demonstrate excellence in teaching.*

### ***Scholarly Productivity***

*Qualifies for Merit Salary Supplement by Meeting One of the Following Criteria:*

1. Engages in research project and/or writes or participates in writing report(s) of the results
2. Has manuscript accepted for publication
3. Authors instructional materials including but not limited to:
  - Textbook
  - Audiovisual programs
  - Computer software
4. Serves as reviewer for publisher
5. Serves as a member of editorial board for professional publications
6. Writes grants
  - Submits proposals
  - Awarded grant
7. Makes presentation at professional meeting

---

## ***Service***

### *Mandatory Criteria:*

1. Attends international, national, regional, and/or state professional meetings
  - Represents university, college, or department
  - Attends for own enhancement at own expense
2. Attends local professional meetings regularly
3. Serves professional organizations in one of four capacities:
  - Officer
  - Committee member
  - Delegate to meetings
  - Attends meeting at own expense and reports back
4. Participates in community activities

### *Serves in Two of Six Areas:*

1. Serves as a regular consultant to community agencies
2. Serves as an active board member of a recognized community group
  - Active member
  - Officer
  - Committee chair
3. Serves on university committees
  - Active member
  - Officer
4. Assists in developing courses outside the university (for public or private schools, community organizations, public service groups, for example)
  - Consultation service
  - Cooperative teaching with other departments
  - Assists in developing interdisciplinary course in university
5. Actively recruits nursing students for Ball State University
6. Item writer for standardized test.

---

*Source: Elliott & Ryan, 1986, p. 132.*

**A Study of Faculty Salaries and Potential Correlative Factors**

**for the Joint Working Group on Faculty Compensation**

Patricia Purdue

Draft of 4/8/05 10:36 AM

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## Executive Summary

This report is intended to address questions raised by members of the Joint Working Group on Faculty Compensation. Unless otherwise specified, the sample group is the top 50 liberal arts schools, as ranked by *U.S. News & World Report*. When appropriate, comparisons were also made to the top 30 liberal arts schools (traditionally used by the AAUP) and the Senior Staff Twelve.

The following conclusions can be drawn from the data in this report:

- Average faculty salaries correlate modestly well with *U.S. News* ranking. Average benefits per faculty member correlate weakly with *U.S. News* ranking. This is not unexpected since faculty compensation is factored into the *U.S. News* ranking.
- By all measures used, CC appears to pay faculty less than the top 50, the top 30, and the Senior Staff Twelve.
- Average faculty salaries correlate weakly with total endowment, endowment per student, and tuition.
- CC's endowment is 19% larger than the median for the top 50 schools, but endowment per student is only 4% higher than the median. Both total endowment and endowment per student are less than the average for the top 50, as well as the averages and medians for the top 30 and the Senior Staff Twelve.
- Average faculty salaries do not correlate with the percentage of the faculty that is not tenured or tenure-track.
- Faculty salaries on the coasts tend to be higher than in the rest of the country, though the number of schools included in the West Coast sample was small and may be skewed.
- At each professorial rank, the median of the salaries at rural schools is highest and urban schools lowest. The same is true for the average of the salaries, except at the rank of associate professor. (The descriptions "rural," "suburban," and "urban" are taken from *U.S. News*.)
- Colorado College pays between 2.4% to 8.6% (depending on professorial rank and measure used) less than the schools with which it competes most strongly for students.

## Motivation

The various graphs and statistics in this report were produced in an attempt to answer questions raised by various members of the Joint Working Group on Faculty Compensation. For example, some wondered if schools with larger endowments tended to pay their faculty more than schools with smaller endowments. (There does not seem to be a strong correlation, as shown in the section “Faculty Salaries compared with Endowment.”)

## Methods & Data Analysis

All of the following charts use data from the 2003-04 academic year. Unless otherwise noted, the top 50 schools, as ranked by *U.S. News & World Report*, are included. In some cases, not all 50 schools are shown due to a lack of data. For the list of schools used, please see Appendix A.

**Averages and Medians:** Of the various documents the All-College Compensation Committee has received, some use medians for comparison purposes and some use averages. Both are given for most of the analyses shown in this document. Often the median and average of a particular set of data are within a few percent of each other; however, when the sample size is small, these two numbers are less likely to agree closely because the average is more sensitive to the presence of outlier data points.

**Other statistical tools:** Some additional statistical analysis was done on each (where possible):

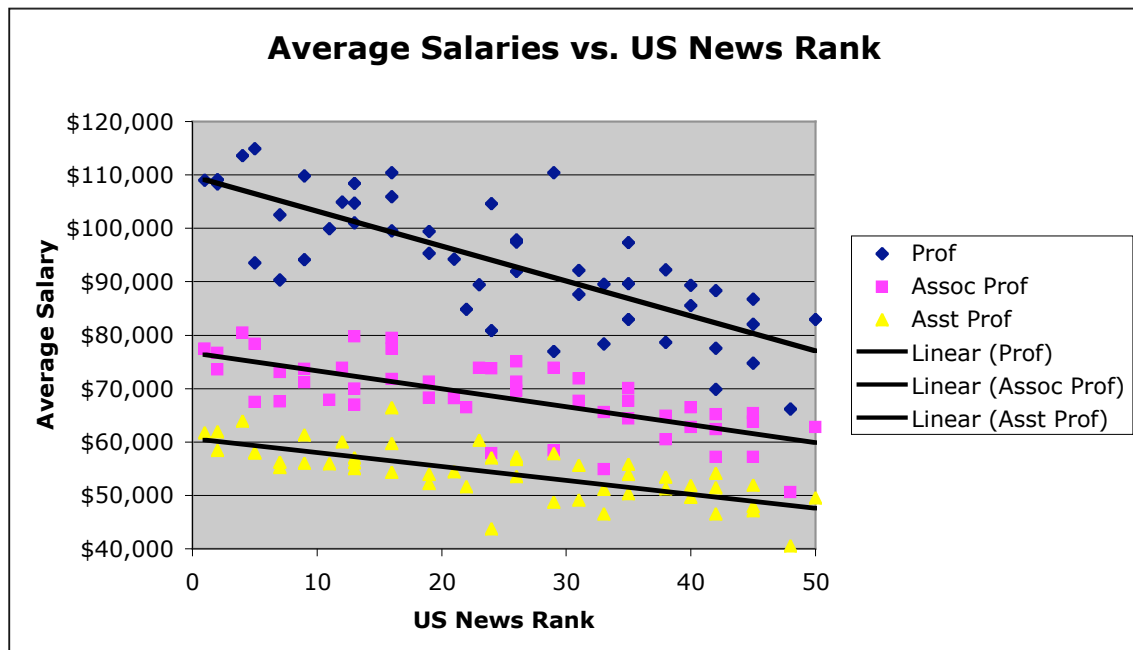
1. The slope of the best-fit line (determined by standard linear regression techniques) was determined along with its uncertainty. If the slope is only a few times larger than the uncertainty, then the line is nearly “flat,” indicating little correlation in this context. If the slope is an order of magnitude larger than the uncertainty, that can be interpreted as a significant trend.
2. The correlation coefficient is given. The closer the correlation coefficient is to 1, the more highly correlated the data. If the correlation coefficient is exactly 1, then the data falls on a perfect line.
3. The  $r^2$  value is given (this is the square of the correlation coefficient). This represents the fraction of the variance in the two variables that is shared. For example, if  $r^2=0.59$ , then 59% of the variance is shared between the two variables.



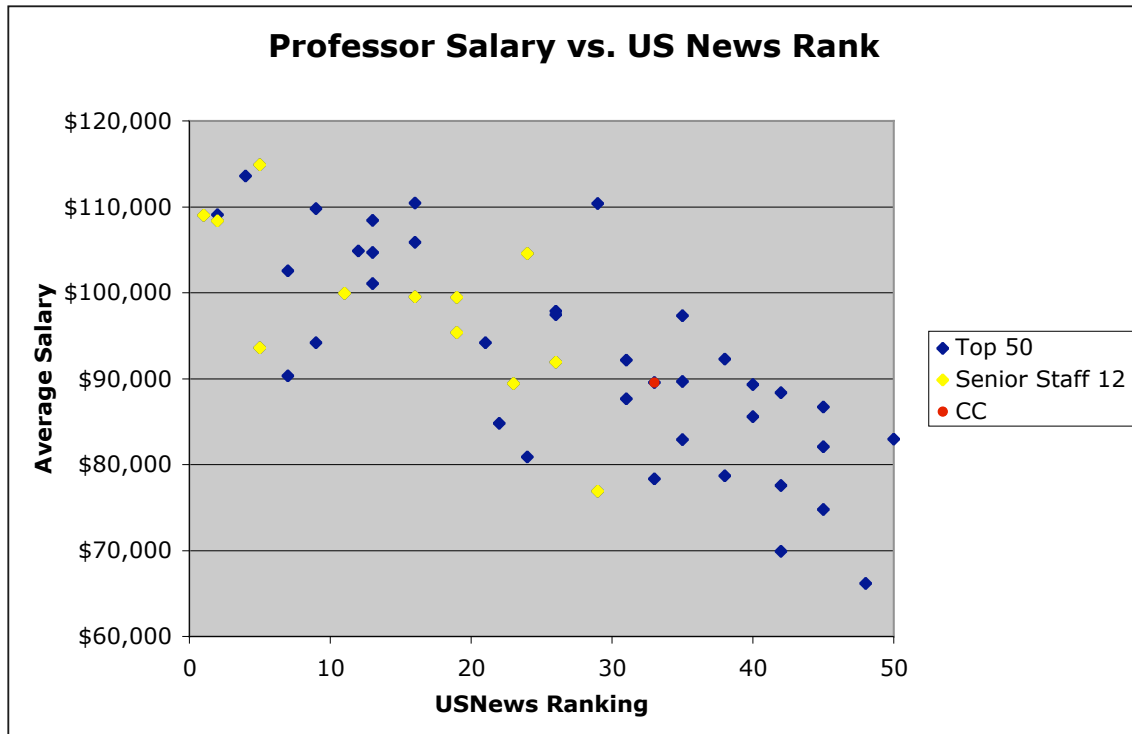
## Comparisons

### ***Faculty Salaries compared with U.S. News Ranking***

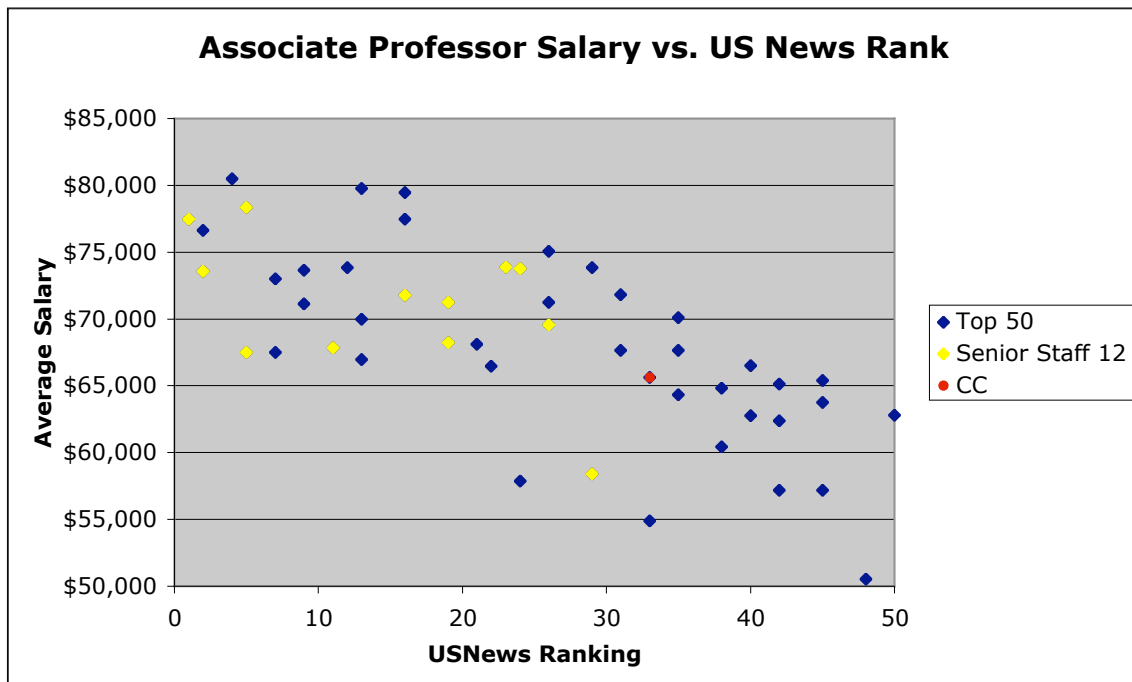
The first comparison looks at the average faculty salary at each professorial rank to see if it is correlated with the *U.S. News* ranking.



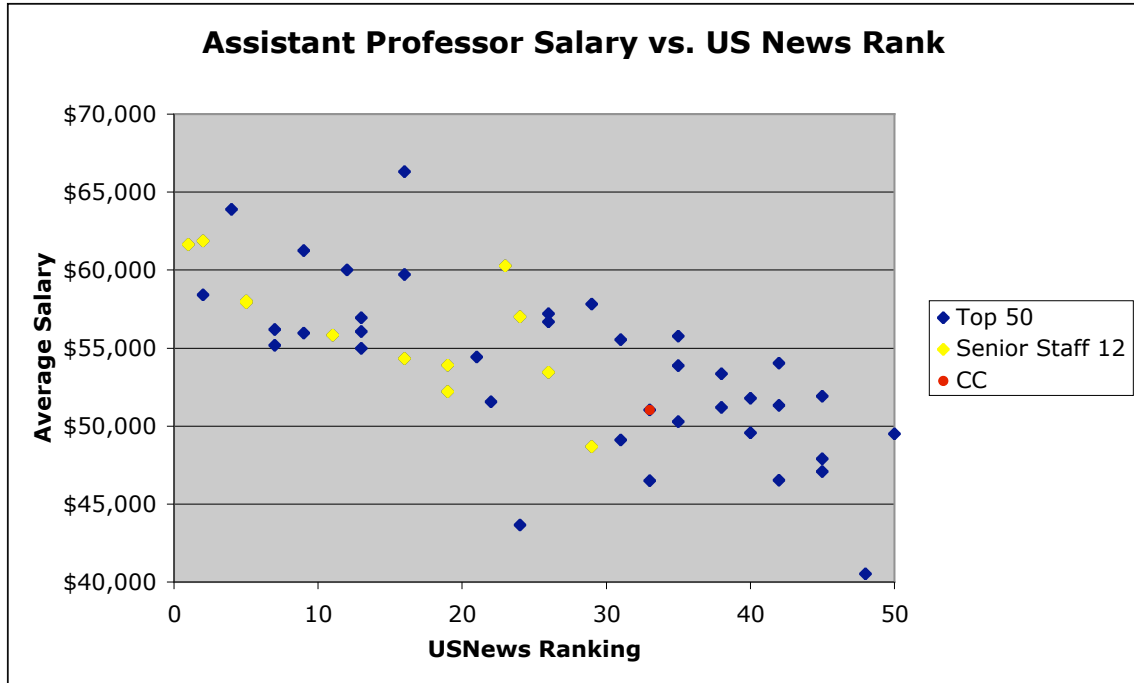
The following graphs look at each professorial rank separately and indicate where Colorado College and the Senior Staff 12 schools fall on the plots.



The best-fit line for full professors has a slope of  $\$650 \pm 80$  per (*US News*) rank step. The correlation coefficient is 0.77 and  $r^2$  is 0.60.



The best-fit line for associate professors has a slope of  $\$340 \pm 50$  per (*US News*) rank step. The correlation coefficient is 0.70 and  $r^2$  is 0.49.



The best-fit line for full professors has a slope of  $\$260 \pm 40$  per (*U.S. News*) rank step. The correlation coefficient is 0.72 and  $r^2$  is 0.51.

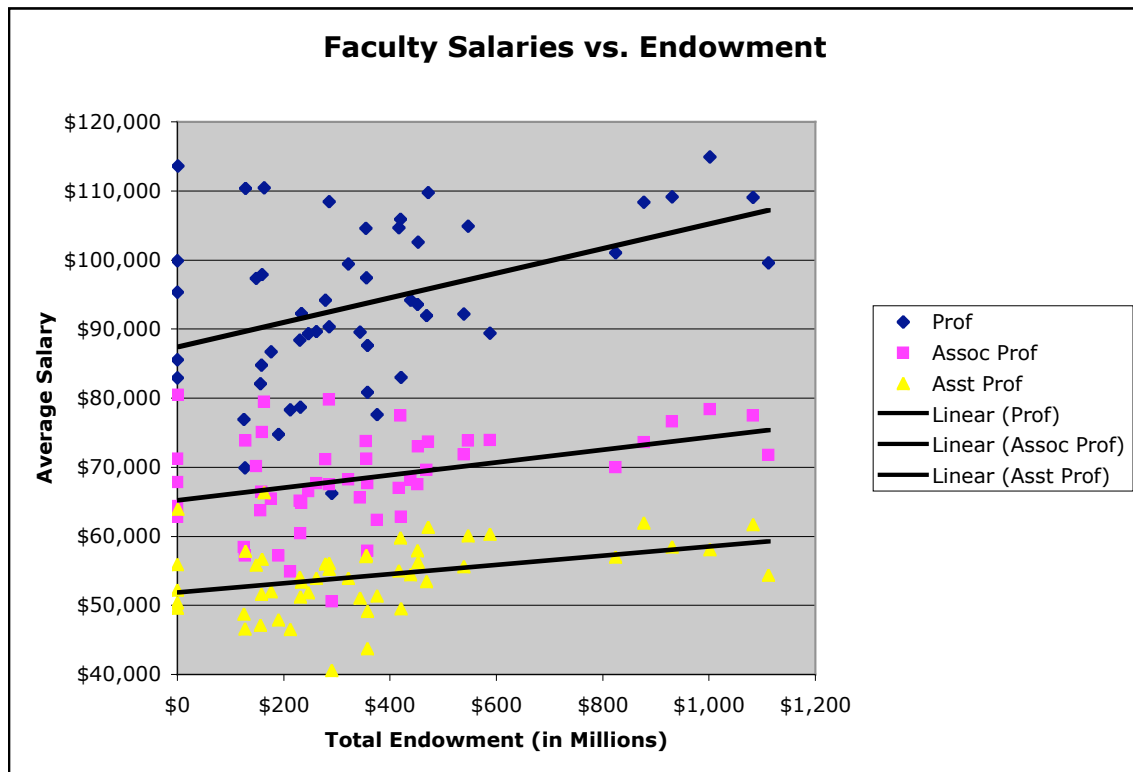
The relative sizes of the slopes and their uncertainties, as well as the correlation statistics, indicate that the average salaries modestly correlate with the *U.S. News* ranking. This is not unexpected, as faculty compensation is part of the formula used by *U.S. News* (see Appendix B for details).

The following table indicates how average faculty salaries at CC (ranked 33) compares to the medians and averages of the top 50, top 30, and Senior Staff 12 schools.

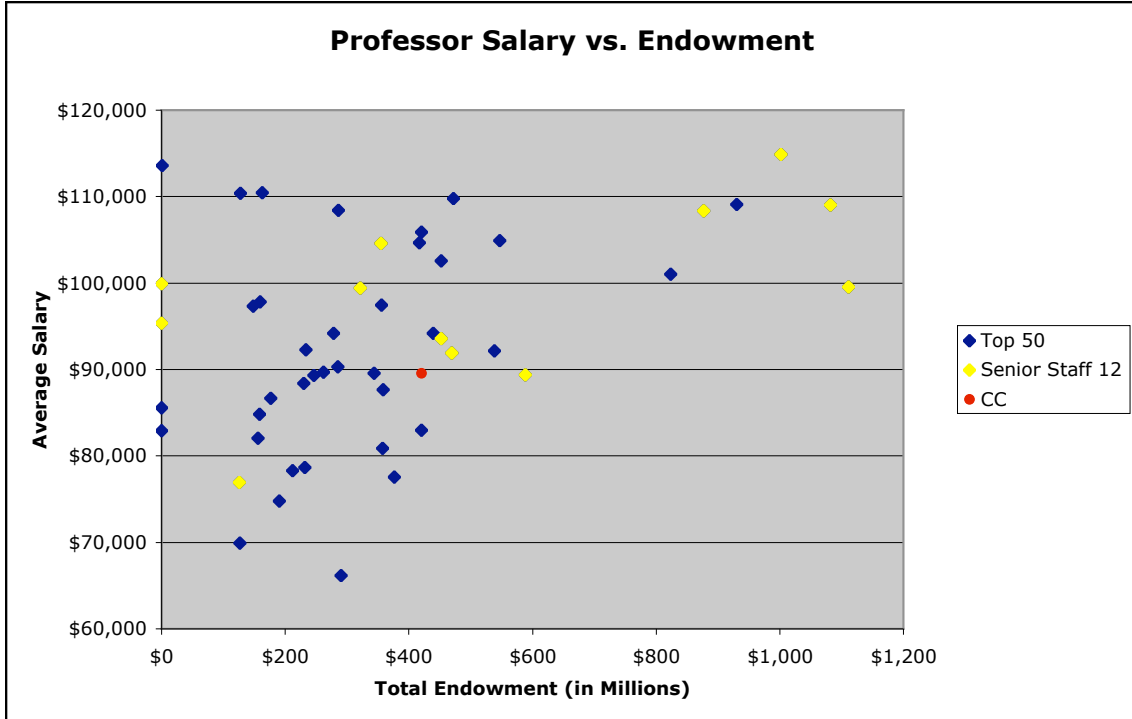
	Full	Associate	Assistant
Colorado College	\$89,551	\$65,615	\$51,044
Median (All 50)	\$93,570	\$68,117	\$54,416
CC	-4%	-4%	-6%
Average (All 50)	\$93,783	\$68,473	\$54,249
CC	-5%	-4%	-6%
Median (Top 30)	\$100,483	\$72,398	\$56,810
CC	-11%	-9%	-10%
Average (Top 30)	\$100,113	\$71,803	\$56,711
CC	-11%	-9%	-10%
Median (Senior Staff 12)	\$99,502	\$71,502	\$56,418
CC	-10%	-8%	-10%
Average (Senior Staff 12)	\$98,578	\$70,965	\$56,259
CC	-9%	-8%	-9%

### Faculty Salaries compared with Endowment

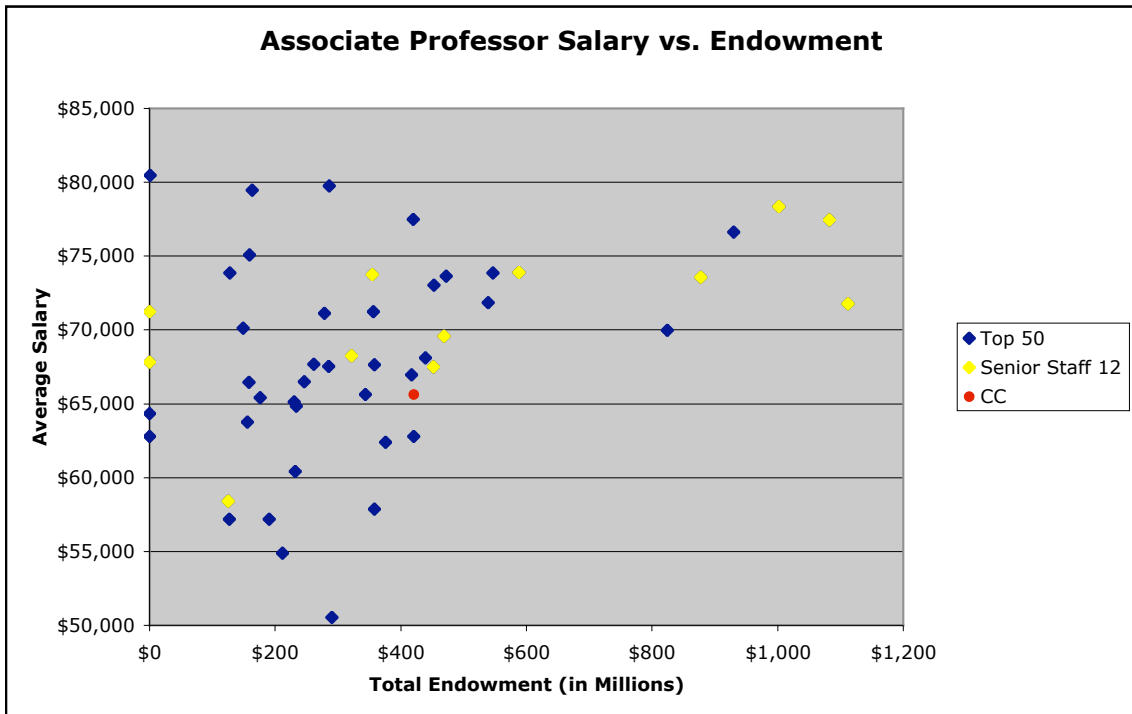
The first comparison looks at the average faculty salary at each professorial rank to see if it is correlated with the size of the school's endowment.



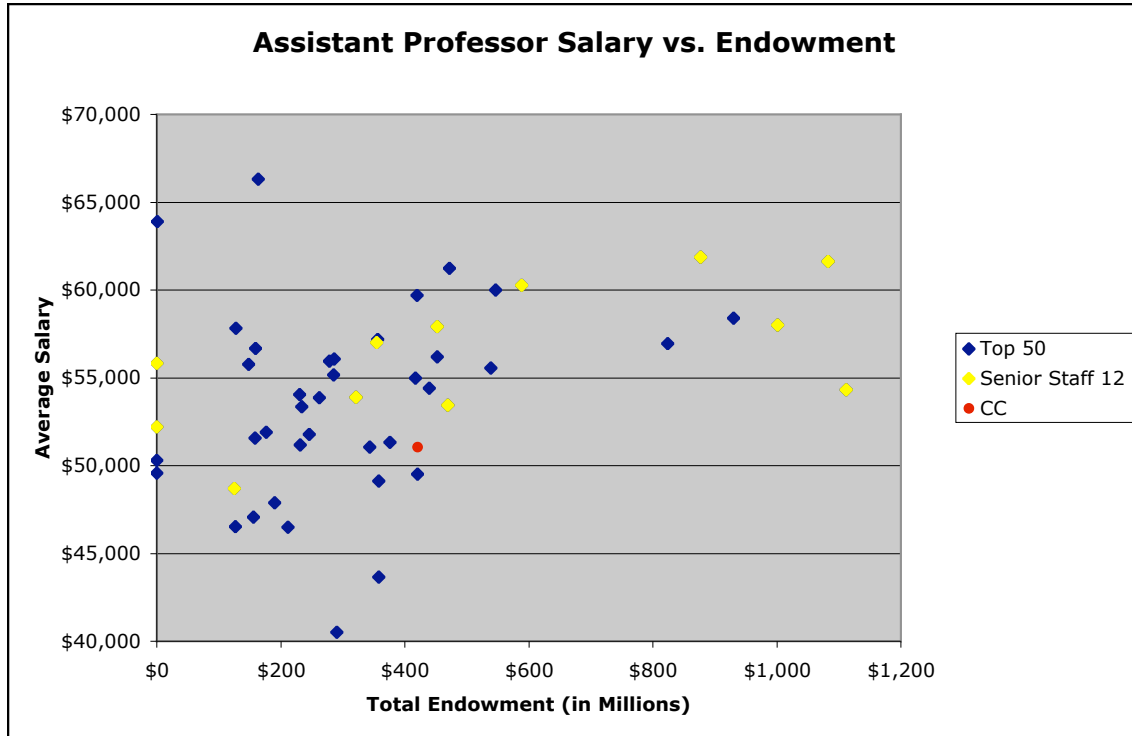
The following graphs look at each professorial rank separately and indicate where Colorado College and the Senior Staff 12 schools fall on the plots.



The best-fit line for full professors has a slope of  $\$18 \pm 6$  per million dollars in endowment. The correlation coefficient is 0.41 and  $r^2$  is 0.17.



The best-fit line for associate professors has a slope of  $\$9 \pm 3$  per million dollars in endowment. The correlation coefficient is 0.37 and  $r^2$  is 0.14.



The best-fit line for assistant professors has a slope of  $\$7 \pm 3$  per million dollars in endowment. The correlation coefficient is 0.35 and  $r^2$  is 0.13.

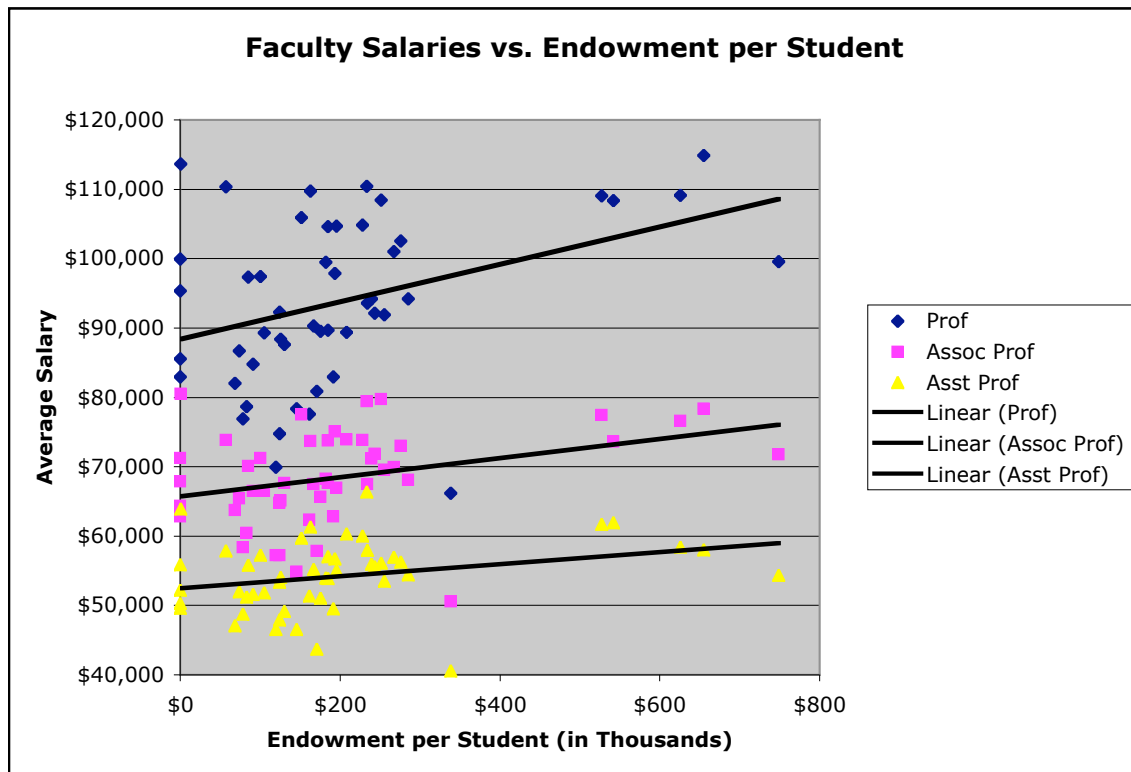
Given the relative size of the slopes and their uncertainties, plus the low values of the correlation coefficients and  $r^2$  values, there does not seem to be a strong correlation between endowment and faculty salaries.

The following table indicates how at CC's endowment compares to the medians and averages of the top 50, top 30, and Senior Staff 12 schools.

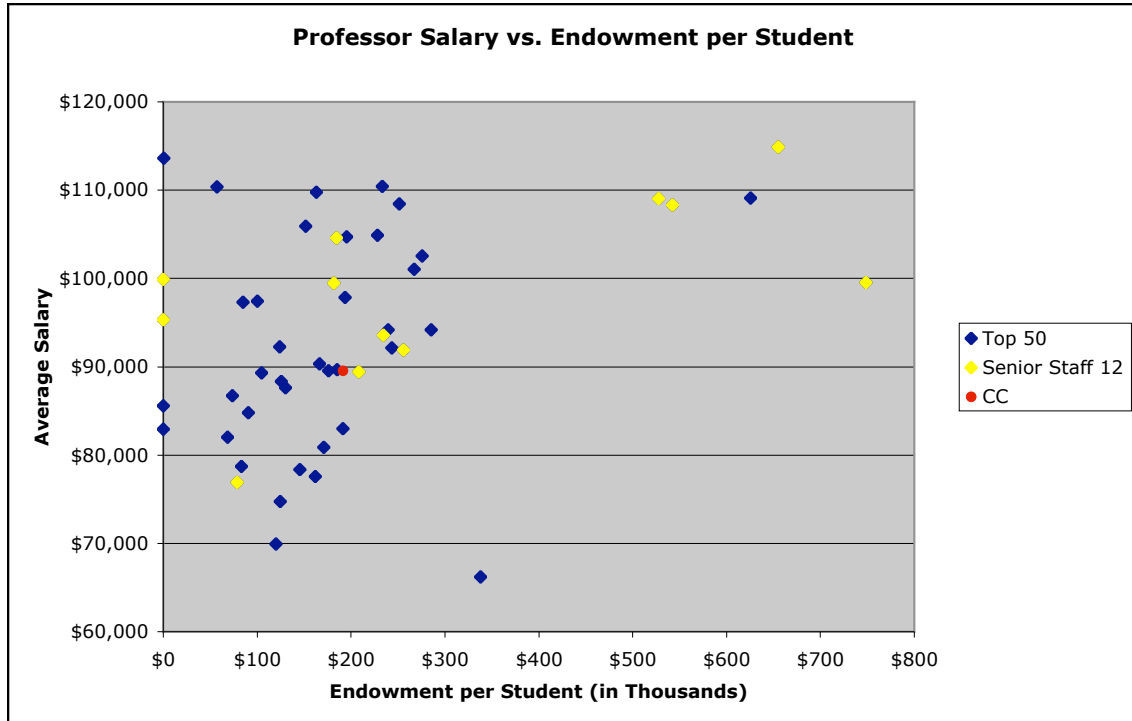
Colorado College	\$343,787,117
Median (All 50)	\$288,231,294
CC	19%
Average (All 50)	\$352,834,528
CC	-3%
Median (Top 30)	\$387,279,266
CC	-11%
Average (Top 30)	\$435,281,326
CC	-21%
Median (Senior Staff 12)	\$460,533,225
CC	-25%
Average (Senior Staff 12)	\$531,995,827
CC	-35%

### ***Faculty Salaries compared with Endowment per Student***

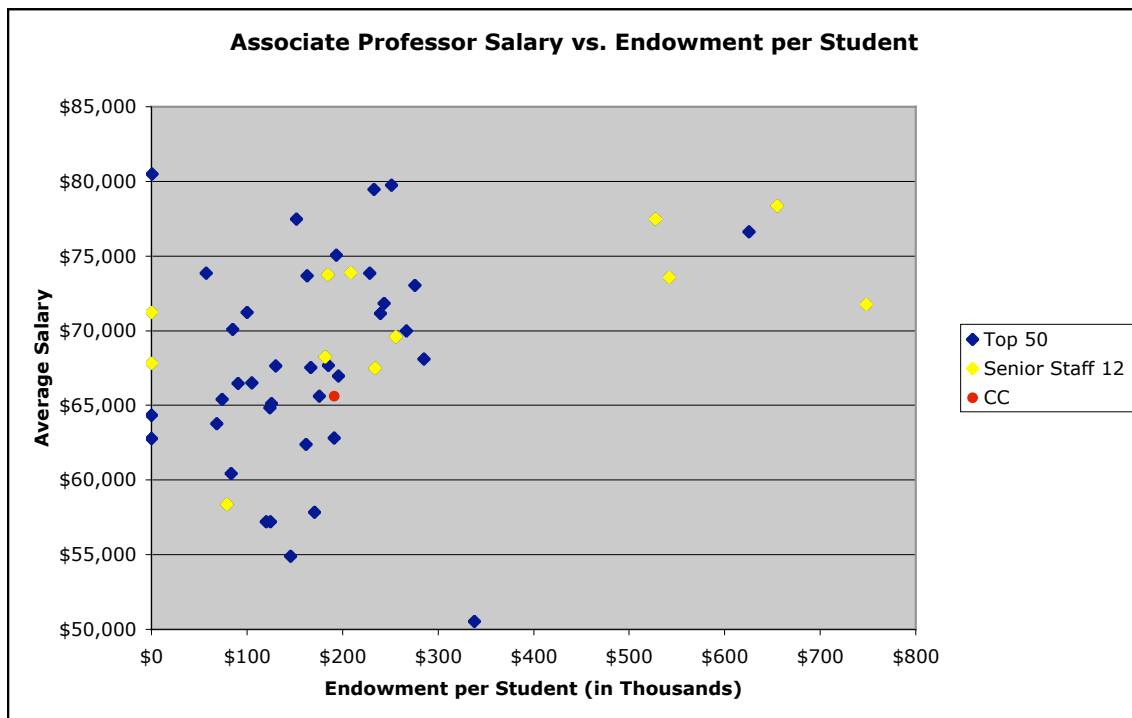
The first comparison looks at the average faculty salary at each professorial rank to see if it is correlated with the school's endowment per student.



The following graphs look at each professorial rank separately and indicate where Colorado College and the Senior Staff 12 schools fall on the plots.

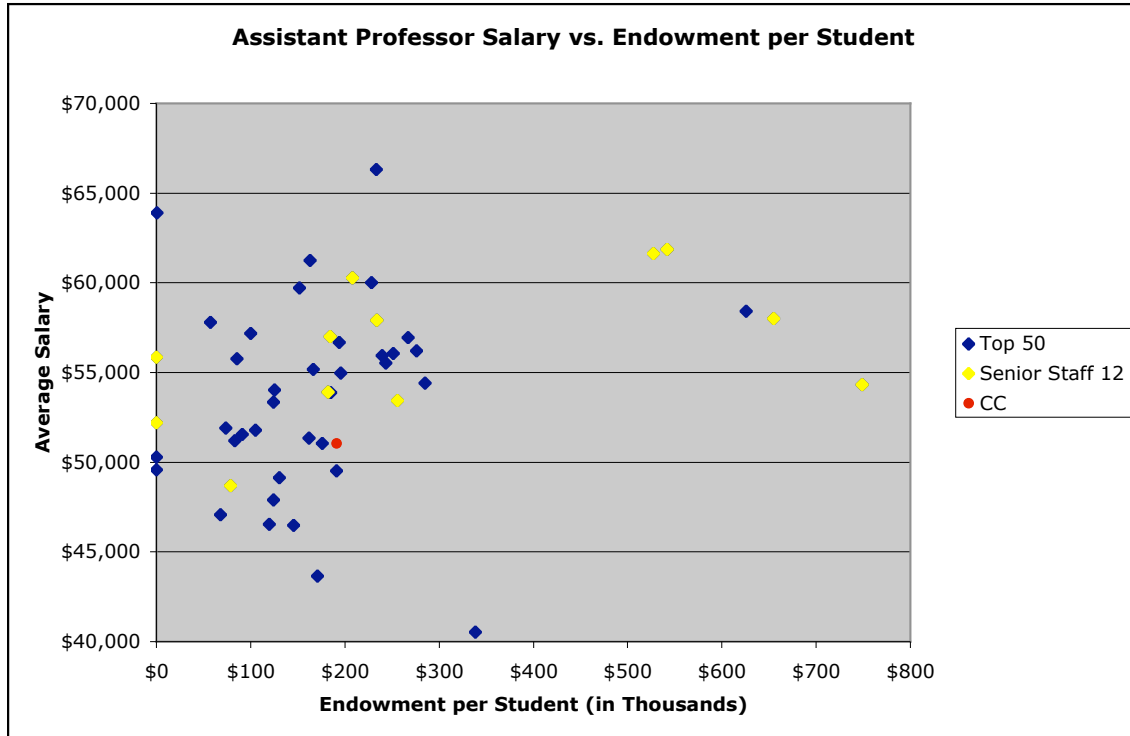


The best-fit line for full professors has a slope of  $\$27 \pm 8$  per thousand dollars in endowment per student. The correlation coefficient is 0.37 and  $r^2$  is 0.14.



The best-fit line for associate professors has a slope of  $\$14 \pm 6$  per thousand dollars in endowment per student. The correlation coefficient is 0.34 and  $r^2$  is 0.11.





The best-fit line for assistant professors has a slope of  $\$9 \pm 4$  per thousand dollars in endowment per student. The correlation coefficient is 0.28 and  $r^2$  is 0.08.

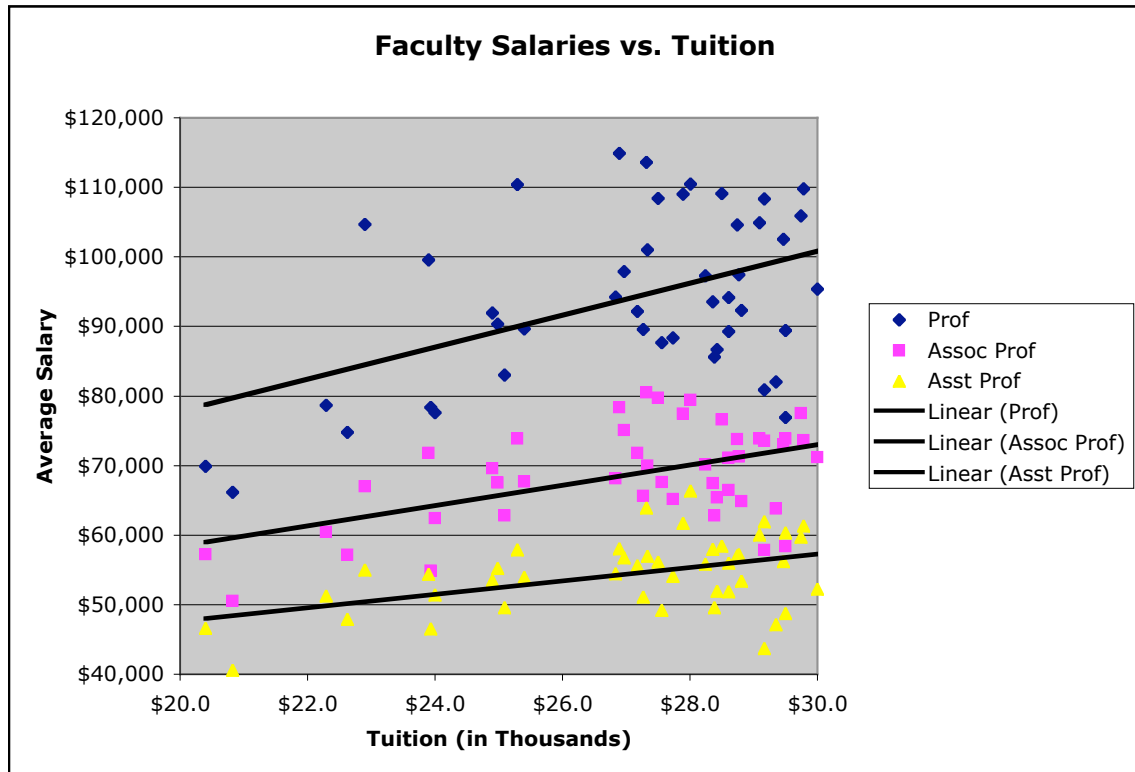
Given the relative size of the slopes and their uncertainties, plus the low values of the correlation coefficients and  $r^2$  values, there does not seem to be a strong correlation between endowment per student and faculty salaries.

The following table indicates how CC’s endowment per student compares to the medians and averages of the top 50, top 30, and Senior Staff 12 schools.

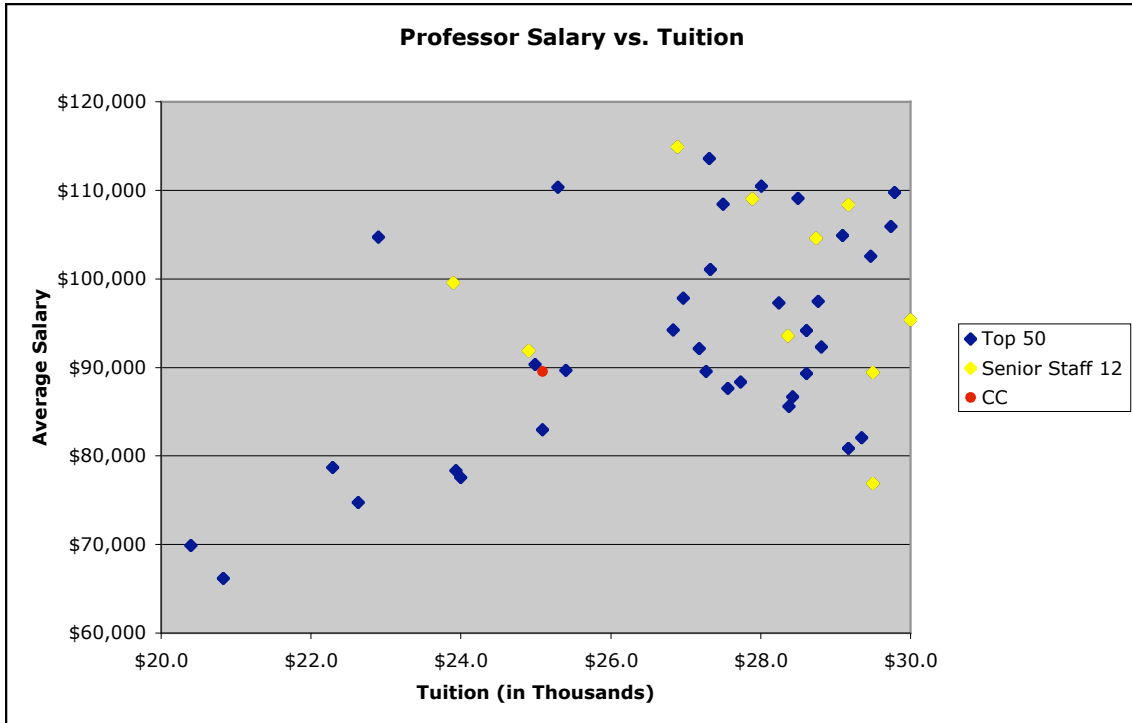
Colorado College	\$175,850
Median (All 50)	\$168,708
CC	4%
Average (All 50)	\$196,444
CC	-10%
Median (Top 30)	\$201,847
CC	-13%
Average (Top 30)	\$243,742
CC	-28%
Median (Senior Staff 12)	\$221,199
CC	-21%
Average (Senior Staff 12)	\$301,380
CC	-42%

### Faculty Salaries compared with Tuition

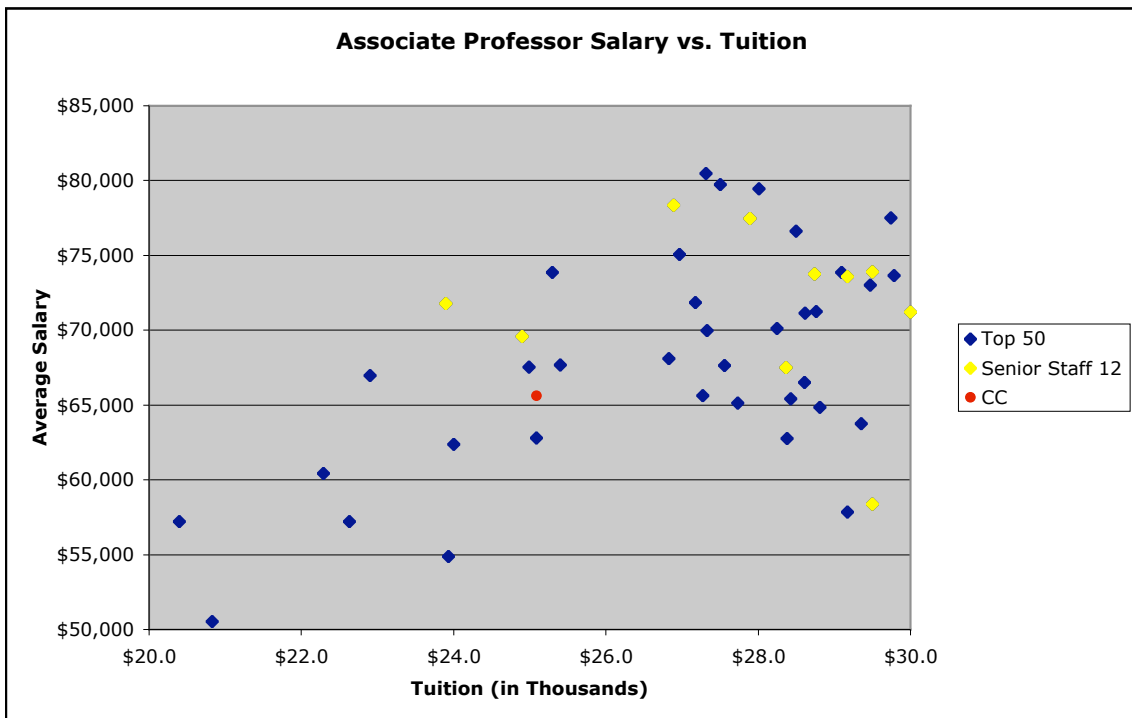
The first comparison looks at the average faculty salary at each professorial rank to see if it is correlated with the school's tuition.



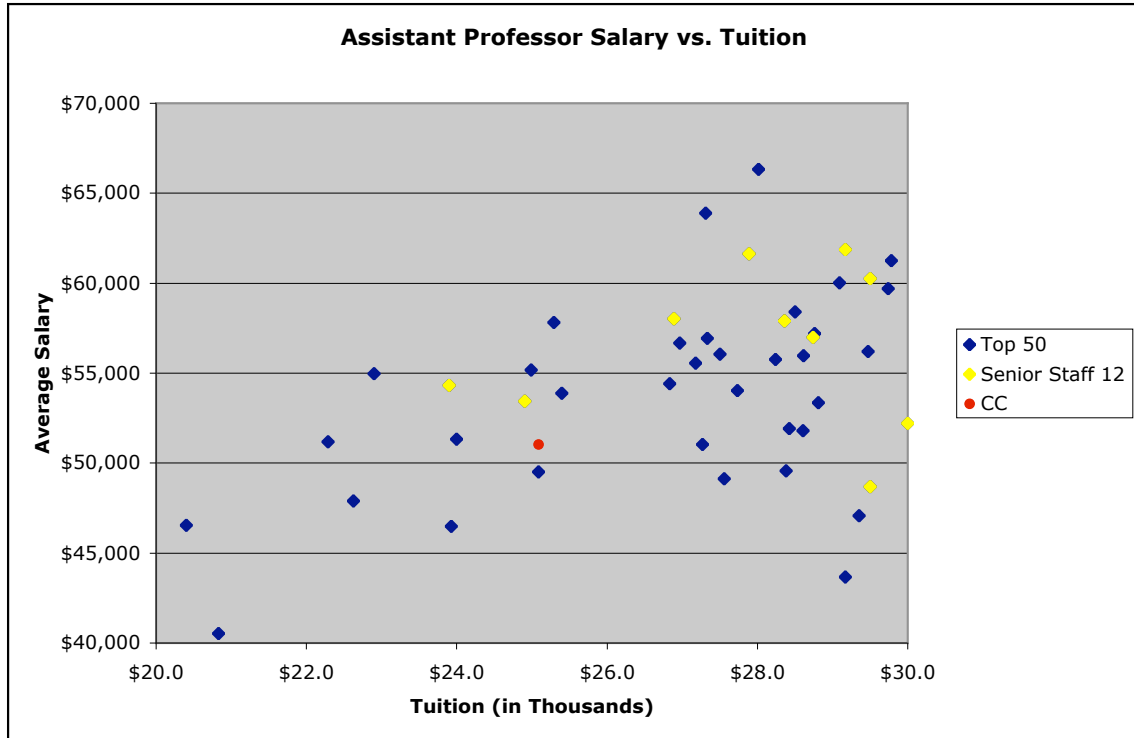
The following graphs look at each professorial rank separately and indicate where Colorado College and the Senior Staff 12 schools fall on the plots.



The best-fit line for full professors has a slope of  $\$2300 \pm 700$  per thousand dollars in tuition. The correlation coefficient is 0.47 and  $r^2$  is 0.22.



The best-fit line for associate professors has a slope of  $\$1500 \pm 400$  per thousand dollars in tuition. The correlation coefficient is 0.51 and  $r^2$  is 0.26.



The best-fit line for assistant professors has a slope of \$1000 ± 300 per thousand dollars in tuition. The correlation coefficient is 0.45 and  $r^2$  is 0.20.

Given the relative size of the slopes and their uncertainties, plus the low values of the correlation coefficients and  $r^2$  values, there does not seem to be a strong correlation between tuition and faculty salaries.

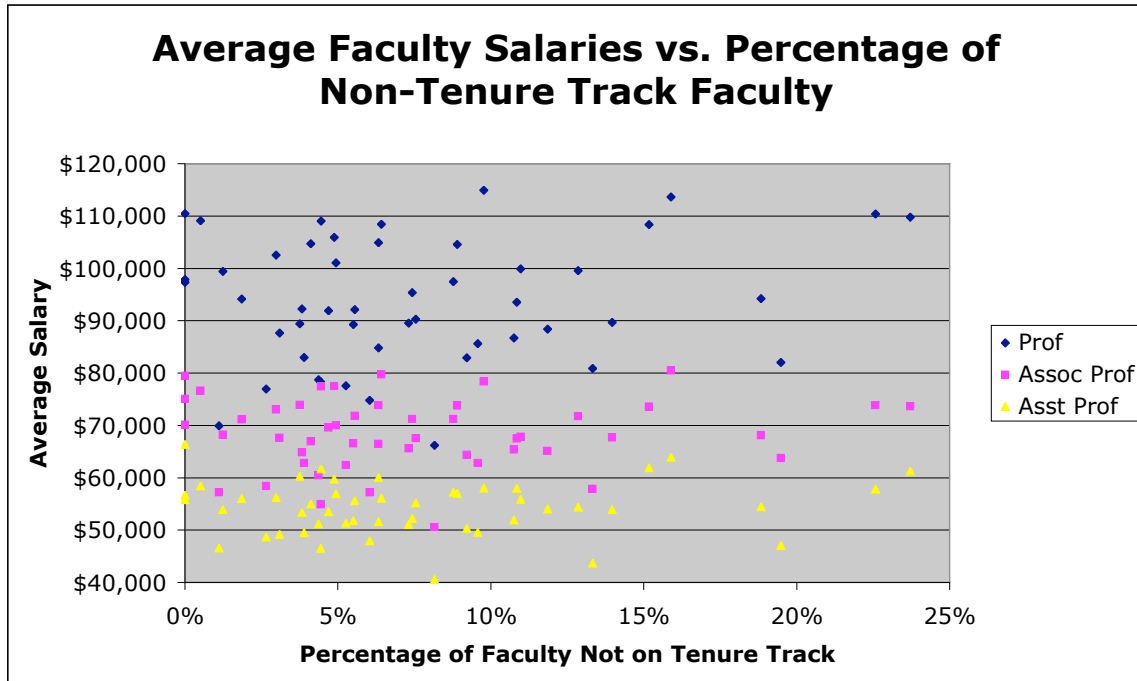
The following table indicates how CC’s tuition compares to the medians and averages of the top 50, top 30, and Senior Staff 12 schools.

Colorado College \$27,270

Median (All 50)	\$27,812
CC	-2%
Average (All 50)	\$27,073
CC	1%
Median (Top 30)	\$28,362
CC	-4%
Average (Top 30)	\$27,745
CC	-2%
Median (Senior Staff 12)	\$28,551
CC	-4%
Average (Senior Staff 12)	\$27,885
CC	-2%

### **Faculty Salaries compared with Percentage of Non-Tenure-Track Faculty**

The first comparison looks at the average faculty salary at each professorial rank to see if it is correlated with the percentage of the school’s faculty that is not on the tenure track (i.e., adjuncts, instructors, lecturers).



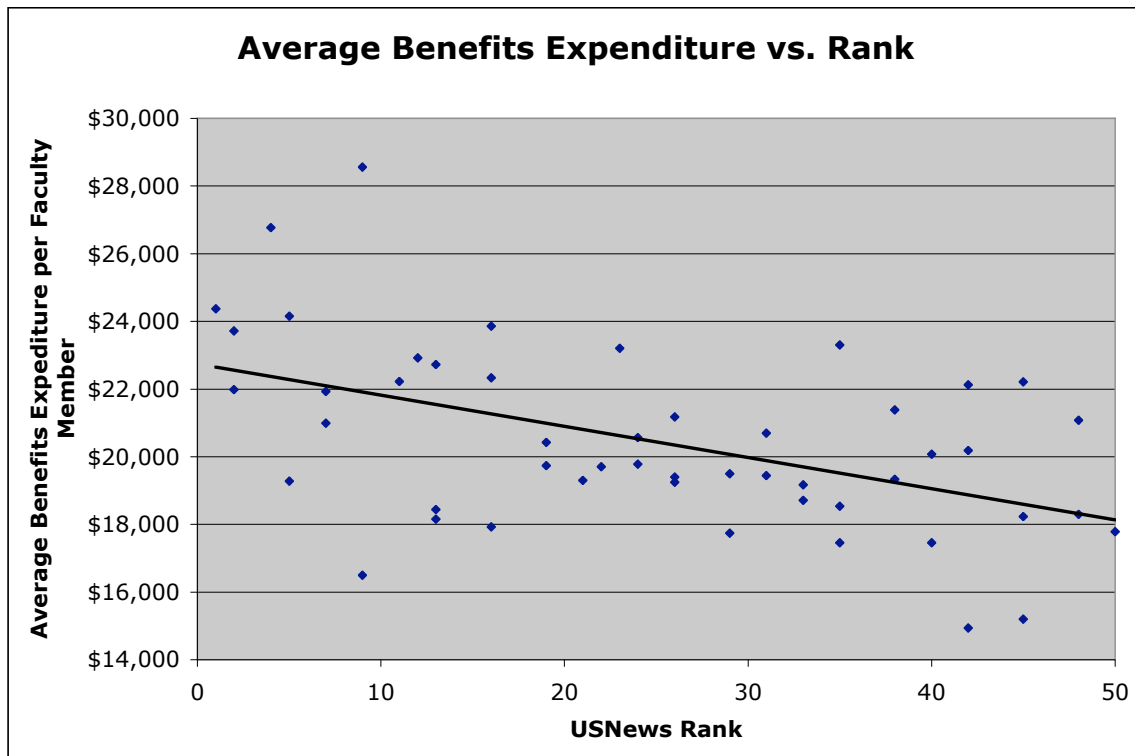
The correlation factors for full professor, associate professor, and assistant professor are 0.17, 0.05, 0.07, respectively. The  $r^2$  values are 0.03, 0.002, 0.004, respectively. There does not appear to be a correlation between salaries and percentage of non-tenure-track faculty.

The following chart shows the average and median percentage of faculty in the full, associate, assistant, and other professor categories for the three comparison groups. “Other” includes adjuncts, lecturers, and instructors.

	Full	Assoc	Asst	Other
Colorado College	45%	17%	31%	7%
Median (All 50)	38%	26%	31%	6%
Average (All 50)	36%	25%	30%	10%
Median (Top 30)	38%	26%	30%	6%
Average (Top 30)	38%	25%	29%	8%
Median (Senior Staff 12)	38%	26%	32%	8%
Average (Senior Staff 12)	39%	24%	30%	8%

### ***Benefits compared with U.S. News Ranking***

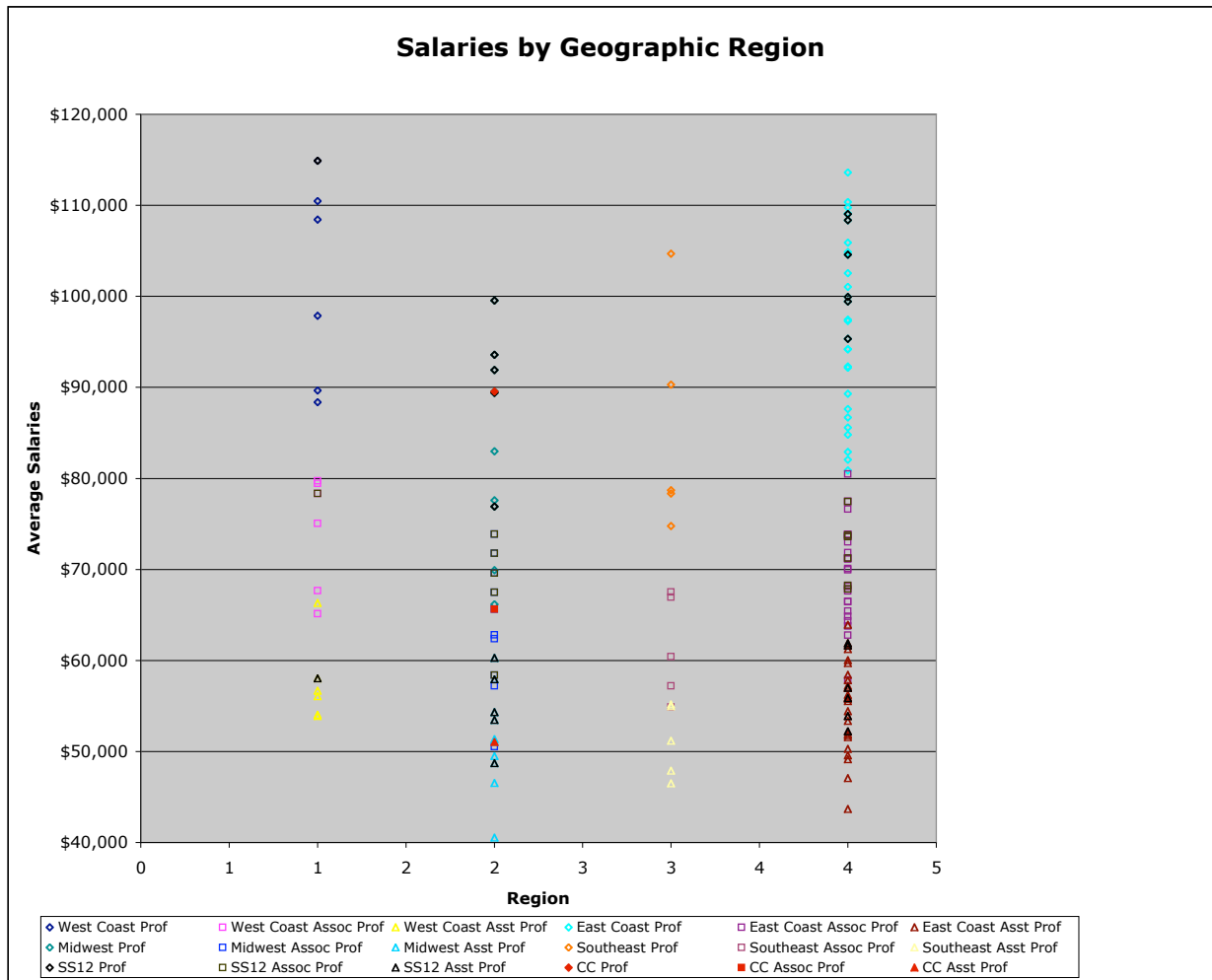
This shows the average benefits expenditure per faculty member vs. *U.S. News* rank. Average compensation (salary plus benefits) per professorial rank was not available. This plot uses the average benefits expenditure over all faculty. If some benefits, such as retirement, are based on a percentage of salary (as is common), then higher paid faculty members would receive more than the average amount.



The best-fit line has a slope of  $\$90 \pm 20$  per *U.S. News* rank step. The correlation coefficient is 0.50 and  $r^2$  is 0.25. The correlation is not strong.

### Comparison of Schools by Geographic Region

In the following chart, the top 50 schools are divided into 4 regions of the country: West Coast, Midwest, Southeast, and East Coast. Each of the columns below represents one of these regions (West Coast on left, Midwest in column two, Southeast in column 3, East Coast on right). In each column, the diamond symbols represents average salaries for full professors, squares for associate professors, and triangles for assistant professors. The Senior Staff Twelve are indicated by the black symbols, and the red is CC.



This chart gives some indication of the higher cost of living on the coasts, but the small sample sizes in some of the regions may be skewing the results. For example, as noted below, all but one of the schools in the West Coast group are in the Los Angeles area.

A few notes about the sample represented here:

1. The West Coast column includes only 6 schools, all but one located in the greater Los Angeles metropolitan area. For those schools:

	Full	Assoc	Asst
Median	\$103,144	\$76,707	\$56,366
Average	\$101,613	\$74,236	\$57,495

2. The Midwestern column, which includes CC, has 10 schools. Eight are located in towns with populations less than 20,000. For the Midwestern schools:

	Full	Assoc	Asst
Median	\$86,196	\$64,207	\$51,190
Average	\$83,757	\$63,966	\$51,360

3. The Southeastern column includes only 5 schools. For those schools:

	Full	Assoc	Asst
Median	\$78,692	\$60,432	\$51,188
Average	\$85,355	\$61,401	\$51,141

4. The East Coast column includes 29 schools, whose geographical settings vary from rural to suburban to urban. For those schools:

	Full	Assoc	Asst
Median	\$97,372	\$70,624	\$55,807
Average	\$97,190	\$70,110	\$55,140

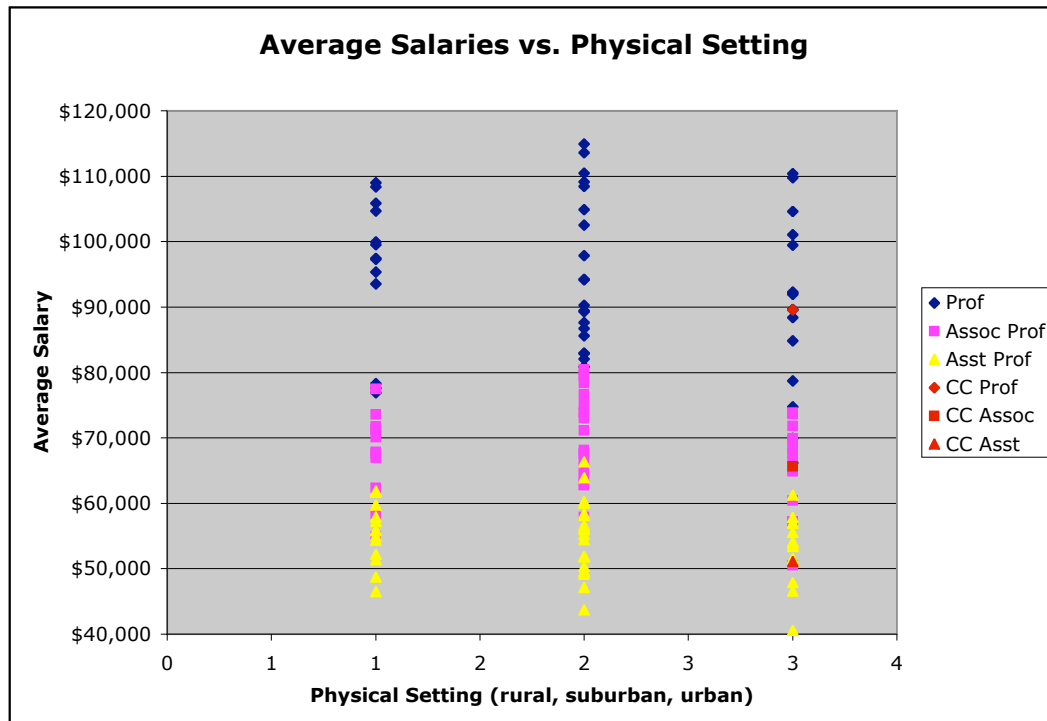
5. For comparison, the average salaries for CC are:

	Full	Assoc	Asst
CC	\$89,551	\$65,615	\$51,044



## Comparison of Salaries with Physical Setting

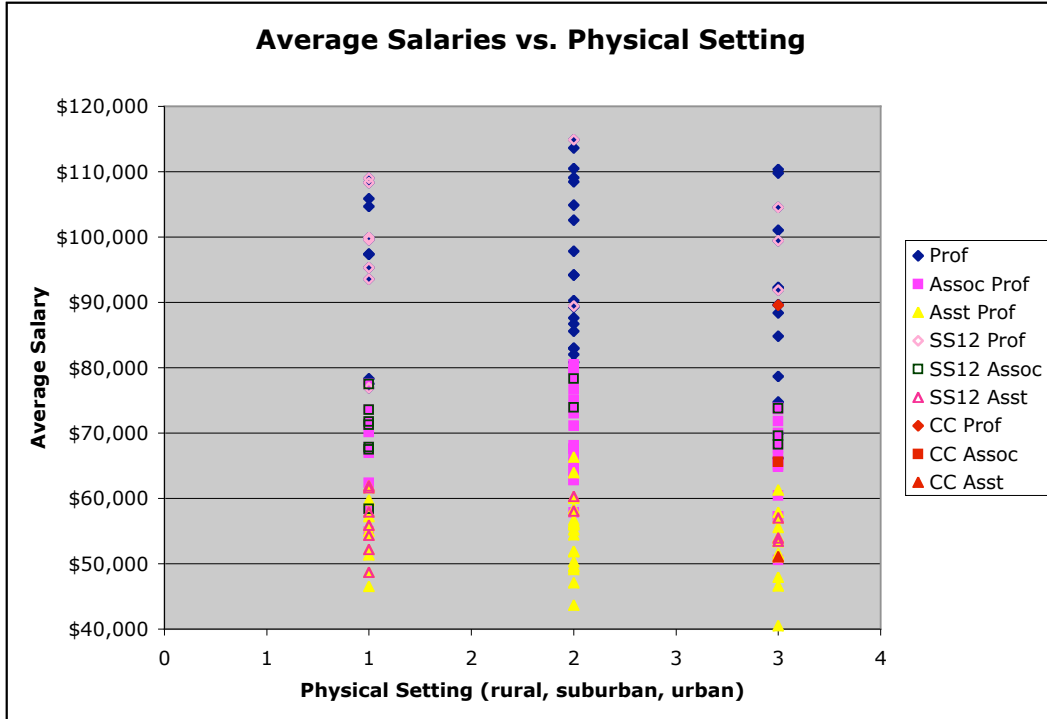
In this plot, schools that *U.S. News* describes having a “rural” setting are in the left column, “suburban” in the middle, and “urban” on the right. CC is represented by the red shapes in the urban column.



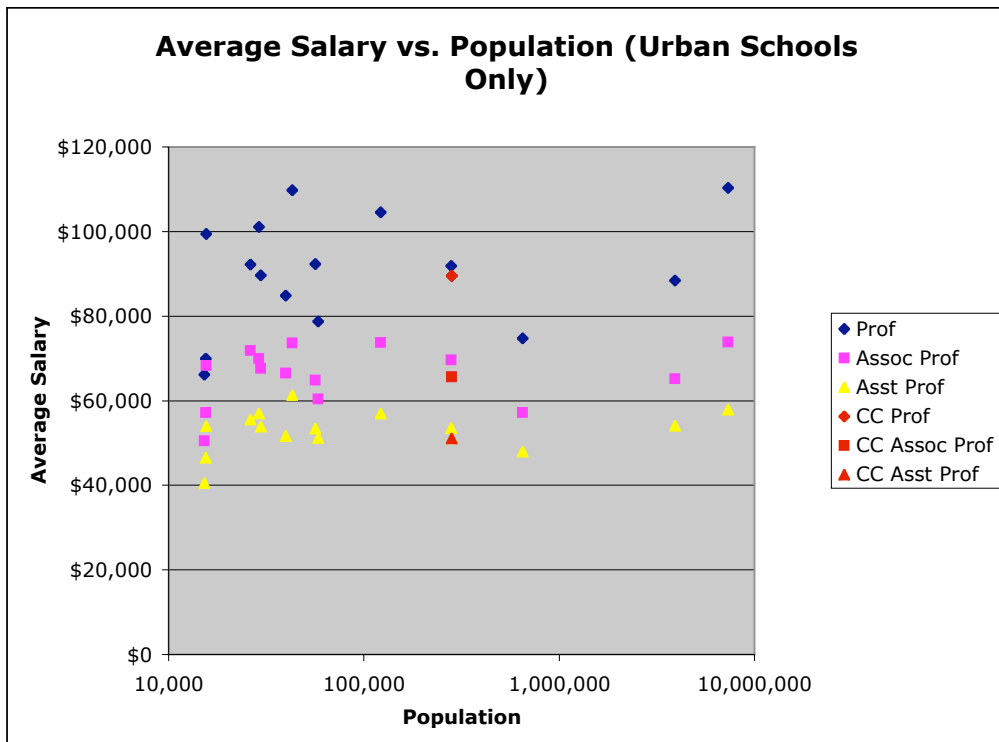
The median and average for each category are shown below, along with the number of schools in each category.

	Prof	Assoc	Asst	# Schools
Median (Rural)	\$97,434	\$70,109	\$55,774	13
Average (Rural)	\$95,686	\$68,526	\$55,227	13
Median (Suburban)	\$92,238	\$69,628	\$55,562	20
Average (Suburban)	\$95,396	\$70,417	\$54,717	20
Median (Urban)	\$90,789	\$67,065	\$53,658	16
Average (Urban)	\$90,219	\$66,000	\$52,869	16

To see where the Senior Staff Twelve fall, the same plot is reproduced below with those 12 schools indicated.



It is important to note that the cities hosting the “urban” schools vary significantly in size. The smallest have populations of about 15,000, and the largest are New York City (pop. 7.3 million) and Los Angeles (pop. 3.9 million). The following compares the average salaries for schools classified as urban with the population of the host city.



## Comparison with Top Cross-Over Schools

In this section, comparisons are made with the schools with which CC competes for students. Using the chart in Appendix A, the following schools are CC's strongest competitors for students. The schools below are divided into large universities and liberal arts colleges. All of the liberal arts colleges below are in the top 50 except Lewis & Clark College and Reed College. The green shaded colleges are part of the Senior Staff Twelve.

Institution Name	Avg Salary, Prof	Avg Salary, Assoc Prof	Avg Salary, Asst Prof	Avg Salary, Instructor	# times on top 10 list in past 5 years
UNIV OF COLORADO AT BOULDER	\$98,495	\$71,238	\$60,987	\$43,900	5
UNIVERSITY OF DENVER	\$89,171	\$67,268	\$55,839	\$44,250	4
COLORADO STATE UNIVERSITY	\$86,761	\$64,654	\$53,324	\$34,444	3
UNIVERSITY OF PUGET SOUND	\$84,111	\$62,418	\$51,512	\$54,597	3
STANFORD UNIVERSITY	\$142,594	\$98,749	\$78,907		1
MIDDLEBURY COLLEGE	\$99,921	\$67,833	\$55,840	\$52,009	5
WHITMAN COLLEGE	\$89,669	\$67,662	\$53,870	\$44,818	5
COLBY COLLEGE	\$99,455	\$68,241	\$53,904	\$44,695	5
GRINNELL COLLEGE	\$99,549	\$71,775	\$54,332	\$49,044	4
LEWIS & CLARK COLLEGE	\$91,774	\$61,271	\$48,649	\$49,646	3
MACALESTER COLLEGE	\$91,908	\$69,579	\$53,445	\$42,039	3
OBERLIN COLLEGE	\$89,409	\$73,885	\$60,267	\$49,409	2
OCCIDENTAL COLLEGE	\$88,368	\$65,137	\$54,037	\$46,384	2
REED COLLEGE	\$85,243	\$63,712	\$54,349		1
POMONA COLLEGE	\$114,894	\$78,349	\$58,011	\$46,700	1
CLAREMONT MCKENNA COLLEGE	\$108,436	\$79,747	\$56,062	\$48,357	1
BATES COLLEGE	\$84,807	\$66,468	\$51,560	\$47,323	1
KENYON COLLEGE	\$76,921	\$58,395	\$48,697	\$43,799	1
CARLETON COLLEGE	\$93,570	\$67,490	\$57,906	\$44,394	1
average (all)	\$95,529	\$69,677	\$55,868	\$46,224	
median (all)	\$91,774	\$67,662	\$54,332	\$46,384	
average (lib arts)	\$93,852	\$68,539	\$54,352	\$46,817	
median (lib arts)	\$91,841	\$67,748	\$54,185	\$46,700	
COLORADO COLLEGE	\$89,551	\$65,615	\$51,044	\$44,564	
CC compared to average (all)	-6.3%	-5.8%	-8.6%	-3.6%	
CC compared to median (all)	-2.4%	-3.0%	-6.1%	-3.9%	
CC compared to average (lib arts)	-4.6%	-4.3%	-6.1%	-4.8%	
CC compared to median (lib arts)	-2.5%	-3.1%	-5.8%	-4.6%	

At the bottom of the above chart are the average and median salaries at each professorial rank. The averages and medians are calculated with all the cross-over schools and with only the liberal arts colleges. The differences between each of those quantities and CC are also shown.

## Appendix A: Lists of Schools used in Comparisons

### ***Top 50 Liberal Arts Colleges (as ranked by U.S. News, 2003-04)***

Rank	School Name	State
1	Williams College	(MA)
2	Amherst College	(MA)
2	Swarthmore College	(PA)
4	Wellesley College	(MA)
5	Carleton College	(MN)
5	Pomona College	(CA)
7	Bowdoin College	(ME)
7	Davidson College	(NC)
9	Haverford College	(PA)
9	Wesleyan University	(CT)
11	Middlebury College	(VT)
12	Vassar College	(NY)
13	Claremont McKenna College	(CA)
13	Smith College	(MA)
13	Washington and Lee University	(VA)
16	Colgate University	(NY)
16	Grinnell College	(IA)
16	Harvey Mudd College	(CA)
19	Colby College	(ME)
19	Hamilton College	(NY)
21	Bryn Mawr College	(PA)
22	Bates College	(ME)
23	Oberlin College	(OH)
24	Mount Holyoke College	(MA)
24	Trinity College	(CT)
26	Bucknell University	(PA)
26	Macalester College	(MN)
26	Scripps College	(CA)
29	Barnard College	(NY)
29	Kenyon College	(OH)
31	College of the Holy Cross	(MA)
31	Lafayette College	(PA)
33	Colorado College	(CO)
33	Sewanee--University of the South	(TN)
35	Bard College	(NY)
35	Connecticut College	(CT)
35	Whitman College	(WA)
38	Franklin and Marshall College	(PA)
38	Furman University	(SC)
40	Dickinson College	(PA)
40	Union College	(NY)
42	Centre College	(KY)
42	DePauw University	(IN)
42	Occidental College	(CA)
45	Gettysburg College	(PA)
45	Rhodes College	(TN)
45	Skidmore College	(NY)
48	Sarah Lawrence College	(NY)
48	Wabash College	(IN)
50	Denison University	(OH)

**Senior Staff Twelve (with US News Ranking)**

Rank	School Name
2	Amherst College
5	Carleton College
19	Colby College
16	Grinnell College
19	Hamilton College
29	Kenyon College
26	Macalester College
11	Middlebury College
23	Oberlin College
5	Pomona College
24	Trinity College
1	Williams College

**Top Ten Cross-Over Colleges of Admitted Students**

Students Admitted for Academic Years 1998-99 through 2002-03

Rank	1999-00	2000-01	2001-02	2002-03	2003-04
1	Univ. CO at Boulder	Univ. CO at Boulder	Univ. CO at Boulder	Univ. CO at Boulder	Univ. CO at Boulder
2	Middlebury College	Middlebury College	Middlebury College	Univ. of Denver	Univ. of Denver
3	Lewis & Clark College	Univ. of Denver	Univ. of Denver	Whitman College	Middlebury College
4	Reed College	Univ. of Puget Sound	CO State Univ	Colby College	Lewis and Clark College
5	CO State Univ.	Colby College	Whitman College	Middlebury College	Colby College
6	Colby College	Grinnell College	Carleton College	Grinnell College	Univ. of Puget Sound
7	Oberlin College	Whitman College	Colby College	Occidental College	Occidental College
8	Whitman College	Lewis & Clark College	Macalester College	Tied: Bates, Claremont McKenna, Kenyon, Macalester	Whitman College
9	Grinnell College	CO State Univ.	Pomona College		Grinnell College
10	Stanford Univ.	Oberlin College	Univ. of Puget Sound		Macalester College

## Appendix B: How *U.S. News* Ranks Schools

### Undergraduate ranking criteria and weights

The *U.S. News* rankings published on August 20, 2004 are based on several key measures of quality, described below. *U.S. News* uses these measures to capture the various dimensions of academic quality at each college. These measures fall into seven broad categories: peer assessment; graduation and retention rate; faculty resources (for example, class size); student selectivity (for example, average admission test scores of incoming students); financial resources; alumni giving; and, only for national universities and liberal arts colleges, graduation rate performance. The indicators include both input measures, which reflect the quality of students, faculty, and other resources used in education, and outcome measures, which capture the results of the education an individual receives.

Scores for each measure are weighted as shown to arrive at a final overall score. For a more detailed explanation of the ranking indicators and methods, please read our methodology and our definitions of ranking criteria, below.

Ranking Category	Category Weight		Subfactor	Subfactor Weight	
	National Universities and Liberal Arts Colleges	Universities (Master's) and Comprehensive Colleges (Bachelor's)		National Universities and Liberal Arts Colleges	Universities (Master's) and Comprehensive Colleges (Bachelor's)
Peer assessment	25%	25%	Peer assessment survey	100%	100%
Student selectivity (Fall 2002 entering class)	15%	15%	Acceptance rate	10%	10%
			High school class standing —top 10%	40%	0%
			High school class standing —top 25%	0%	40%
			SAT/ACT scores	50%	50%
Faculty resources (2002)	20%	20%	Faculty compensation	35%	35%
			Percent faculty with top terminal degree	15%	15%
			Percent full-time faculty	5%	5%
			Student/faculty ratio	5%	5%
			Class size, 1-19 students	30%	30%
			Class size, 50+ students	10%	10%
Graduation and retention rate	20%	25%	Average graduation rate	80%	80%
			Average freshman retention rate	20%	20%
Financial resources	10%	10%	Average educational expenditures per student	100%	100%
Alumni giving	5%	5%	Average alumni giving rate	100%	100%
Graduation rate performance	5%	0%	Graduation rate performance	100%	0%
<b>Total</b>	<b>100%</b>	<b>100%</b>	—	<b>100%</b>	<b>100%</b>

### Definitions of Ranking Criteria

**Peer Assessment.** How the school is regarded by administrators at peer institutions. A school's peer assessment score is determined by surveying the presidents, provosts, and deans of admissions (or equivalent positions) at institutions in the school's category. Each individual was asked to rate peer schools' undergraduate academic programs on a scale from 1 (marginal) to 5 (distinguished). Those individuals who did not know enough about a school to evaluate it fairly were asked to mark "don't know." A school's score is the average score of all the respondents who rated it. Responses of "don't know" counted neither for nor against a school. The survey was conducted in the spring of 2004 and about 61 percent of those surveyed responded.

**Acceptance rate.** The ratio of the number of students admitted to the number of applicants for the fall 2003 admission. The acceptance rate is equal to the total number of students admitted divided by the total number of applicants. Both the applications and acceptances only counted first-time, first-year students.

**Alumni giving.** The average percent of undergraduate alumni of record who donated money to the college or university. Alumni of record are former full- or part-time students that received an undergraduate degree and for whom the college or university has a current address. Graduates who earned only a graduate degree are excluded. Undergraduate alumni donors are alumni with undergraduate degrees from an institution that made one or more gifts for either current operations or capital expenses during the specified academic year. The alumni giving rate is calculated by dividing the number of appropriate donors during a given academic year by the number of appropriate alumni of record for that year. These rates were averaged for the 2002 and 2003 academic years. The percent of alumni giving serves as a proxy for how satisfied students are with the school.

**Class size, 1-19 students.** The percentage of undergraduate classes, excluding class subsections, with fewer than 20 students enrolled during the fall of 2003.

**Class size, 50+ students.** The percentage of undergraduate classes, excluding class subsections, with 50 students or more enrolled during the fall of 2003.

**Expenditures per student.** Financial resources are measured by the average spending per full-time equivalent students on instruction, research, public service, academic support, student services, institutional support, and operations and maintenance (for public institutions only) during the 2002 and 2003 fiscal years. The number of full-time equivalent students is equal to the number of full-time students plus one-third of the number of part-time students. (Note: This includes both undergraduate and graduate students.) We first scaled the public service and research values by the percentage of full-time equivalent undergraduate students attending the school. Next, we added in total instruction, academic support, student services, institutional support, and operations and maintenance (for public institutions only) and then divided by the number of full-time equivalent students. After calculating this value, we applied a logarithmic transformation to the spending per full-time equivalent student, prior to standardizing the value. This calculation process was done for all schools.

**Faculty compensation.** The average faculty pay and benefits are adjusted for regional differences in cost of living. This includes full-time assistant, associate, and full professors. The values are taken for the 2002-2003 and 2003-2004 academic years and then averaged. (The regional differences in cost of living are taken from indices from Runzheimer International.)

**Faculty with Ph.D.'s. or top terminal degree.** The percentage of full-time faculty members with a doctorate or the highest degree possible in their field or specialty during the 2003-2004 academic year.

**Average freshman retention rate.** The percentage of first-year freshmen that returned to the same college or university the following fall, averaged over the first-year classes entering between 1999 and 2002.

**Proportion of full-time faculty.** The proportion of the 2003-2004 full-time equivalent faculty that is full-time. The number of full-time equivalent faculty is equal to the number of full-time

faculty plus one-third of the number of part-time faculty. (Note: We do not include the following: faculty in pre-clinical and clinical medicine; administrative officers with titles such as dean of students, librarian, registrar, or coach, even though they may devote part of their time to classroom instruction and may have faculty status; undergraduate or graduate students who are teaching assistants or teaching fellows; faculty on leave without pay; or replacement faculty for those faculty members on sabbatical leave.) To calculate this percentage, the total full-time faculty is divided by the full-time equivalent faculty.

**Average graduation rate.** The percentage of freshmen who graduated within a six-year period, averaged over the classes entering between 1994 and 1997. (Note: This excludes students who transferred into the school.)

**Graduation rate performance.** The difference between the actual six-year graduation rate for students entering in the fall of 1997 and the predicted graduation rate. The predicted graduation rate is based upon characteristics of the entering class, as well as characteristics of the institution. If a school's actual graduation rate is higher than the predicted rate, then the school is enhancing achievement.

This measure is only included in the rankings for schools in the National Universities and Liberal Arts Colleges categories.

**High school class standing.** The proportion of students enrolled for the fall 2003 academic year who graduated in the top 10 percent (for national universities and liberal arts colleges) or 25 percent (master's and comprehensive colleges) of their high school class.

**SAT/ACT scores.** Average test scores on the SAT or ACT of all enrolled first-time, first-year students entering in 2003. Before being used as a ranking indicator, the scores are converted to the percentile of the national distribution corresponding to that school's scores.

**Student/faculty ratio.** The ratio of full-time-equivalent students to full-time-equivalent faculty during the fall of 2003, as reported by the school, Note: This excludes faculty and students of law, medical, business, and other stand-alone graduate or professional programs in which faculty teach virtually only graduate-level students. Faculty numbers also exclude graduate or undergraduate students who are teaching assistants.



## Memorandum

**TO:** Mr. Patrick Kirby, Vice President Tom Nycum, Professors Fred Tinsley, Armin Wishard, John Stinespring, Robert Lee

**FROM:** Werner G. Heim

**SUBJECT:** Local cost of living

**DATE:** December 6, 2004

In connection with the determination of the 2005-06 faculty salary schedule, you might be interested in the enclosed article from the *Colorado Springs Gazette* of Saturday, December 4, 2004, Business Section, pages 1 and 6. In using data such as those in the article, several cautions should be observed, among them the following.

- 1) Cost of living data gathered by private organizations usually are not based on the same methodology, market basket, and number of sites surveyed as the national CPI data of the BSL and, therefore, may not be comparable to the national data.
- 2) Cost of living data gathered in geographically dispersed areas by private organizations may not be based on exactly the same procedures, market basket, and number of sites surveyed, especially when gathered by different organizations, and, therefore, may not be comparable to each other.
- 3) Local cost of living data are often valid for only a very well defined geographic area and not applicable outside of that area. For example, the cost of housing is often considerably different between a central city and its bedroom suburbs.
- 4) Local cost of living data are often much more variable over time than national data. While the cost of living in Colorado Springs may be currently slightly below the national average, it has fairly recently been quite comparable and may again be at or above the national average soon. In part, this relative volatility is due to events in other parts of the country as, for example, the current relatively low cost of housing in Colorado Springs is probably due, at least in part, to extraordinarily high housing costs in California and portions of the East Coast.

# Cost-of-living shift gives Springs a lift

City 4 percent below national average

By WAYNE HEILMAN  
THE GAZETTE

Living in Colorado Springs is a bargain, at least compared with the rest of the nation.

In the July-to-September quarter, the cost of buying a variety of goods and services — such as shopping for groceries and paying for health care — was 4 percent below the national average, according to ACCRA, a nonprofit association based in Alexandria, Va.

"This makes (Colorado Springs) that much more competitive when businesses compare Colorado Springs with other cities. It can help sway businesses to move here," said John Cassiani, executive vice president of the Greater Colorado Springs Economic Development Corp.

SEE SPRINGS' COST - PAGE 6

*Gazette, Dec. 4, 2004  
Business P. 1 p. 6*

## SPRINGS' COST: Housing a key factor

FROM PAGE 1

ACCRA's cost-of-living index does not measure inflation, but instead compares price levels for consumer goods and services in 309 cities. It is designed to help compare living costs for people considering moving to other cities.

Most of the drop for Colorado Springs came in the housing part of the index, which fell to 4.9 percent below the national average in the quarter. Colorado

Springs' housing index was 0.8 percent below the national average in the April-to-June quarter. Five years ago, the average cost of a home was nearly 18 percent above the national average. "We have seen housing prices in California go up by more than 30 percent this year, compared to an increase of less than 4 percent here," Cassiani said.

Three more of the six components of the index also dropped in the past three months when compared with

the national average, including groceries, transportation and health care. Components measuring utility costs and miscellaneous goods and services both rose.

Among other Colorado cities, living costs as of Sept. 30 in Denver were 4.8 percent above the national average, Grand Junction was 1 percent above the national average, Greeley was 8.3 percent below the average and Pueblo was 9.3 percent below the national average.

**E-mail [Patrick Kirby to Werner Heim, December 7, 2004]**

Dear Werner:

I have received and read your memorandum with regard to cost of living and I too share your concern that we consistently and objectively treat data in as quantifiable equitable manner as is possible. Certainly, within any geographical context the assignment of a cost of living factor is usually problematic. Having said that, rather it is the federal or state government, private industry and/or corporations or higher education; routinely it is the practice of most organizations who find themselves in the position of comparing dollar values from a variety of geographical area's to factor the dollar values into a base index.

The cost of living is a real factor and does measurably influence both the individual's perception of what is fair as well as what is the going or market rate in a given geographical location. I would expect that if an administrator or faculty member was asked to spend six months in Boston, Hartford, New York, or California that there would be on the part of the employee an expectation that they would be held financially harmless if they were required to live in a high cost area such as described. For example in Claremont, Ca (Pomona) the cost of housing is about double that of Colorado Springs and it is reasonable to expect that if we asked someone to live in Claremont on CC business that we would make them whole. Almost everyone, in fact everyone I have discussed this issue with has agreed. "My point" is why doesn't this go both ways! It is clear that if the cost housing is 80% more in one area than another; that compensation and the local market rate are impacted. In the case of our faculty, exempt and non exempt staff it is less costly to live in Colorado Springs than in New England, or New York, or California. This is real, pragmatic and does affect one decision's with regard to choosing a place to live and work.

1) The cost of living data that we used was Sperling's Best Places, and certainly, I am flexible with regard to the source of the data. Yet, it should be noted:

**Compare Cost of Living**

To maintain the same standard of living, your salary of \$50,000 in Colorado Springs, CO should increase to \$71,286 in Boston, MA

Stated another way, it's 42.6% more expensive to live in Boston, MA than Colorado Springs, CO

Where applicable, numbers worse than the national average are displayed in red.

Need more detail? [Compare 3,000 cities in 100 categories](#)

Sources - BLS Consumer Price Index, Census Bureau, NAHB, surveys "

"Please note that this site utilizes: BLS, CPI, census bureau, and NAHB"

2) As this data is predicated upon BLS and other federal sources and even uses the same methodology this data is comparable. In fact, a BLS staff analyst recommended the Sperling site to me.

3) Certainly, rather a person lives in Briargate, Black Forest, Woodland Park, or any of a variety of other locations is a decision of personal choice and frankly is not "quantitatively" germane to the problem at hand. What is most often (comparative cost of money analysis) done is that a city wide or SMSA (Standard Metropolitan Statistical Area) approach is taken. Hence, we would use a Colorado Springs Average cost of living, where a person ultimately chooses to live is a personal choice.

4) In going back and looking historically where Colorado Springs has been from a cost of living perspective, there has not been (in my view) any statistically significant (more than one standard deviation) movement in the last four to five years.

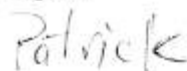
5) CS is above the national mean with regard to the cost of living; the challenge is that eight of our twelve peers with whom we compare ourselves with (Amherst, Colby, Hamilton, Middlebury, Oberlin, Pomona, Trinity, and Williams) are higher than Colorado Springs. In fact, this group (Amherst, Colby, etc) average cost of living index is 118.91 compared to the springs at 103.7 (national average = 100).

In summary, I would agree that comparing compensation data from a variety of diverse geographical locations is indeed complex and problematic. Yet, not to do so in my view would constitute dereliction of responsibility on behalf of those who have a fiduciary responsibility to the institution. I have participated in these kinds of studies on several occasions and should we hire a major accounting firm or consultant firm to compare our compensation levels with our peer group one of the first things they would do is to decide on how to place all the dollar values in a common base.

Lets be factual here, the average faculty compensation for Pomona is \$85,661 compared to 70,297 here at CC. Yet, while Pomona's average faculty compensation is 22% greater than CC's, it is relevant that Claremont's (Home to Pomona) cost of living is 143.2 compared to the springs at 103.7: Simply put the actual cost of living for Claremont, CA is 38% greater than Colorado Springs, yet their faculty only receive 22% more. Hence, economically our faculty while being paid on average 22% less live and work in an area that is 38% less expensive. This means that our faculty's buying power is actually 16% greater than that of the faculty at Pomona. This is real, and it is relevant quantitatively and statistically. The average cost of living for our peer group is 111: with Pomona on the high end at 143.2 and Grinnell on the low end at 94.4. The numbers become even more significant when one looks at Housing: Peer group avg = 119, low = 84.3 (Kenyon) to the high = 207.7 Claremont with CS at 119.1.

I am very open with regard to addressing what we use for data and to ensure that we are consistent in our analytical approach. It is critical that we be fair, open, and unemotional as we evaluate these numbers, yet not to recognize that differences in cost across this peer group is significant and the variance is more that one standard deviation off the mean would not in my view be prudent.

Regards,



E-mail [Fred Tinsley to Patrick Kirby, December 7, 2004]

Dear Patrick,

I am currently on sabbatical and under a publication deadline. So, I have not had time to review the methodology of your recent analysis of local CPI's, nor will I have time until next semester. I am assuming that it at least resembles what you were doing during the last academic year. In other words, you are analyzing local CPI's by zip code for areas near the campus's in question. If this is incorrect, then I offer my apologies. But, I do want to initiate a dialogue.

(1) Let us not forget the ultimate goal of our joint efforts in studying salaries, cost-of-living, etc: hiring and retaining the best faculty to teach our students. We are not looking for reasons either to ignore or inflate market gaps in salaries.

(2) CPI (global or local) is an average, i.e., a measure of location only and, as such, ignores any variation in housing prices about that average. Though it is a useful indicator, it would be much better to understand the distribution of housing prices in an area. I am sure that these are multi-modal distributions depending on neighborhood, etc. But, if an area is bimodal, the average might be completely meaningless.

(3) Since you mentioned Claremont, CA, I'll use it as an example. I visited the Century 21 website. I specified Claremont, CA with the following parameters: radius of 25 miles or less, cost of \$250,000 or less, at least 2 bedrooms, and at least one bath. I then put in the exact same parameters for Colorado Springs, CO. Century 21 has 233 listings in Claremont and 103 in Colorado Springs that fit these parameters. I "visited" a couple of the homes near Claremont and they seemed reasonably nice. (I am sure prospective faculty do similar things.) The only point of this example (in my mind) is that we need more data than the local CPI's (or the local Housing Price Indices (HPI), for that matter) when deciding what it costs to live in an area. Be sure that I am not making any grandiose claims about the relative living costs between Colorado and California; nor, however, am I ready to grant that "it costs twice as much to live there". (And, think of the fresh fruit!)

(4) Local HPI's (as averages) are inherently more variable because they are based on smaller samples. The government acknowledges this and even publishes a standard deviation with each local estimate. These standard deviations or of the HPI's themselves and still do not measure the variation among individual houses.

(5) My understanding from the Administration about the "Senior Staff Twelve" was that we would form close, 'data-exchanging' relationships with these schools so that we could have access to more and better information about these and other issues. Has this happened? Do we have access to data directly from the schools about where faculty live and how much it costs? About special hidden benefits or arrangements? That would be interesting for Claremont and others (Lake Forest **egads!**, for example). If not, do we plan to?

(6) I thought we (administration and faculty) had agreed to discuss these matters before making

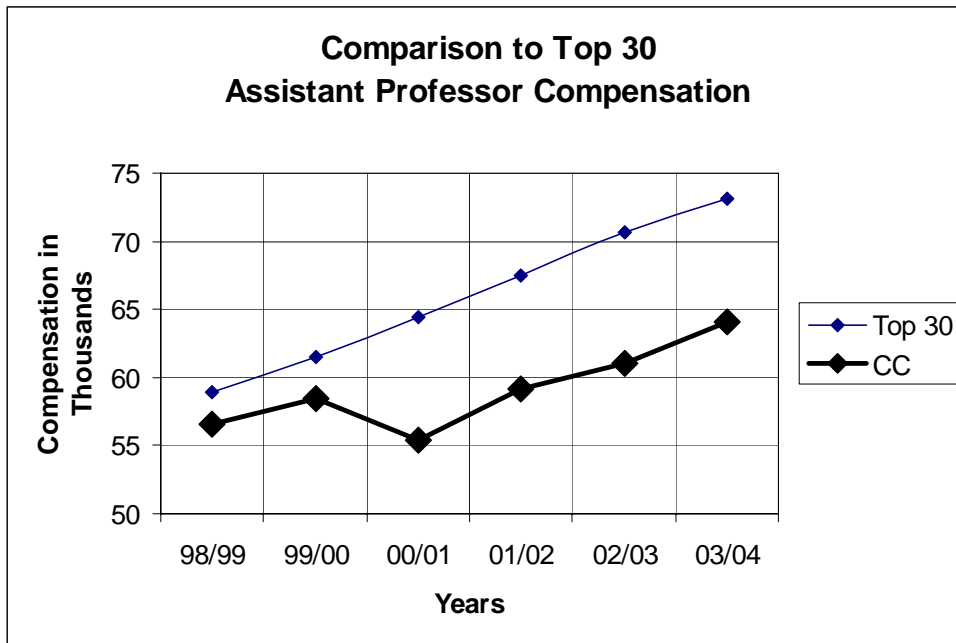
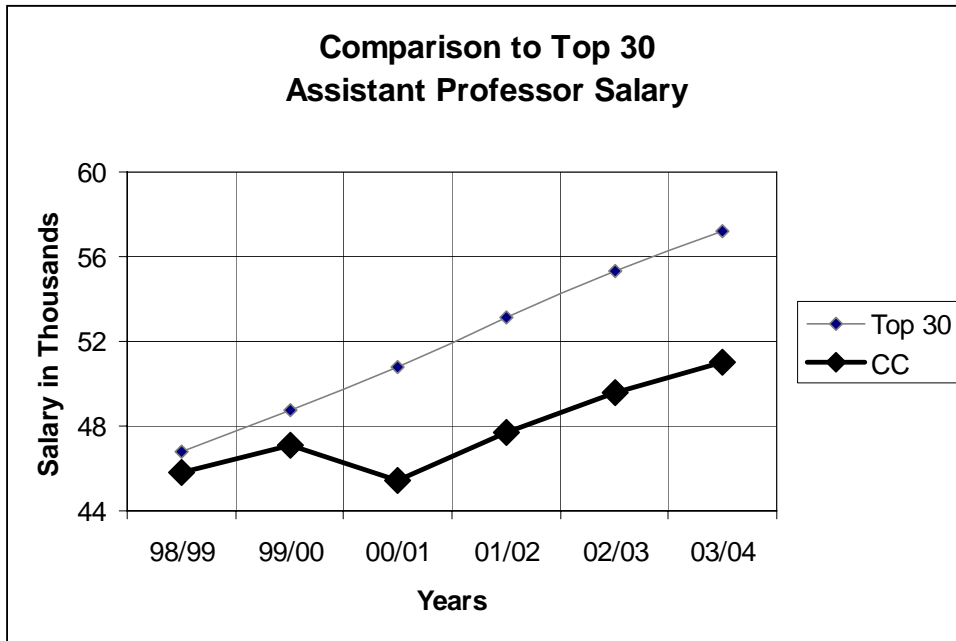
local cost of living officially part of the compensation equation. I recently have heard rumors that the Business Office has been citing your studies as reasons for down-playing any gap in salary and compensation between us our competitors. I hope these rumors are false. To extrapolate minimal data from twelve schools to the some 30-50 colleges against which we compete is deeply troubling to me, particularly if the data are available for all 30-50.

These are only a few of my concerns. We are ignoring intangibles such as isolation. When I was as Middlebury (cons ago), I could drive (and did, so) to Hanover, Boston, etc. for academic and other special events. I would be happy to discuss with you some time the real costs (to me) associated with something as simple as maintaining an active research program in mathematics. Although the information age has helped, it has not completely eliminated the cost of being isolated.

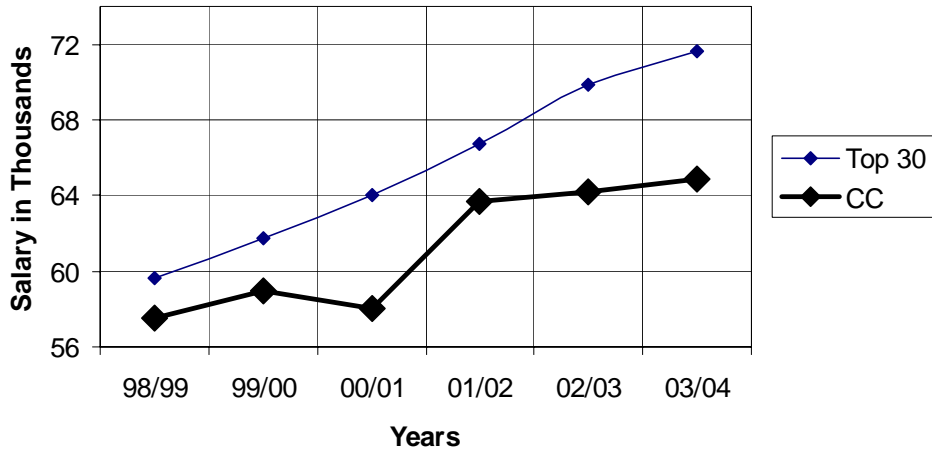
Sorry about the brevity and "dashed-off" nature of this note, but I have to get back to writing.

Take care. I look forward to future discussions.

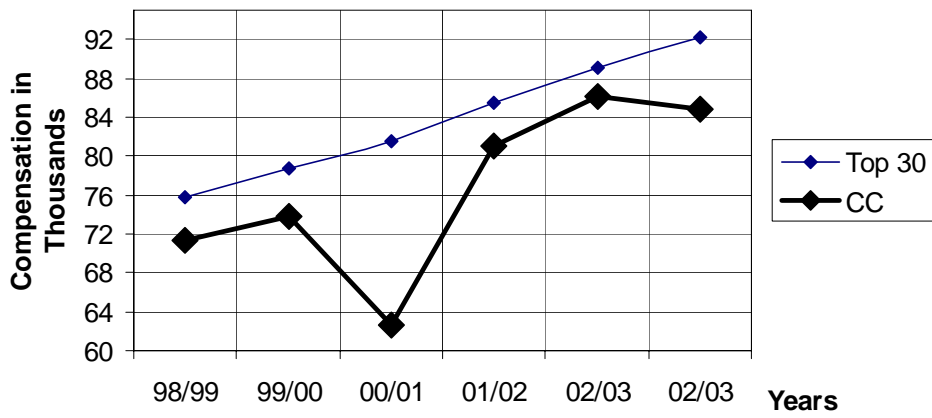
... Fred Tinsley



**Comparison to Top 30  
Associate Professor Salary**

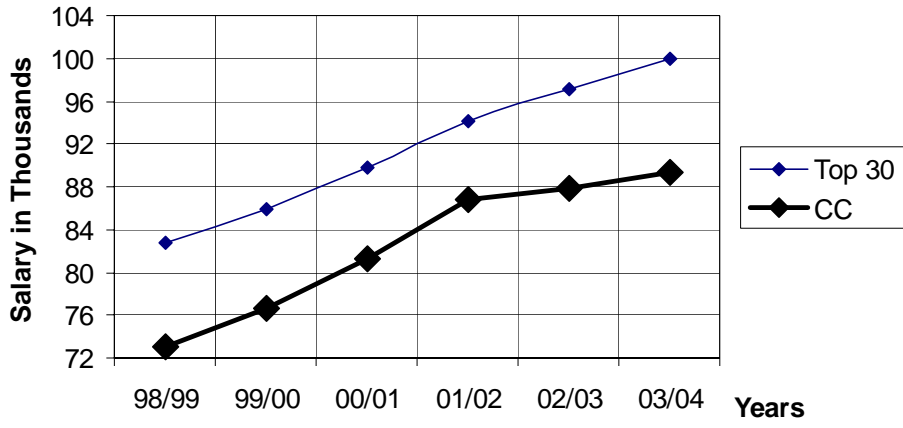


**Comparison to Top 30  
Associate Professor Compensation**

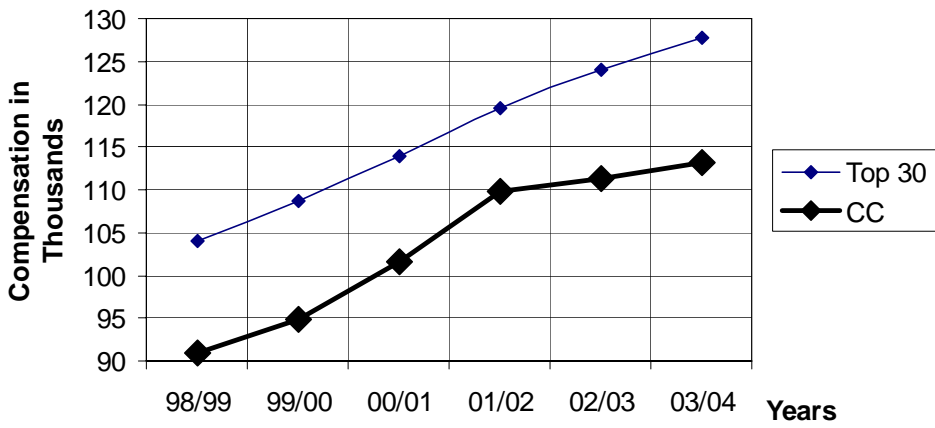




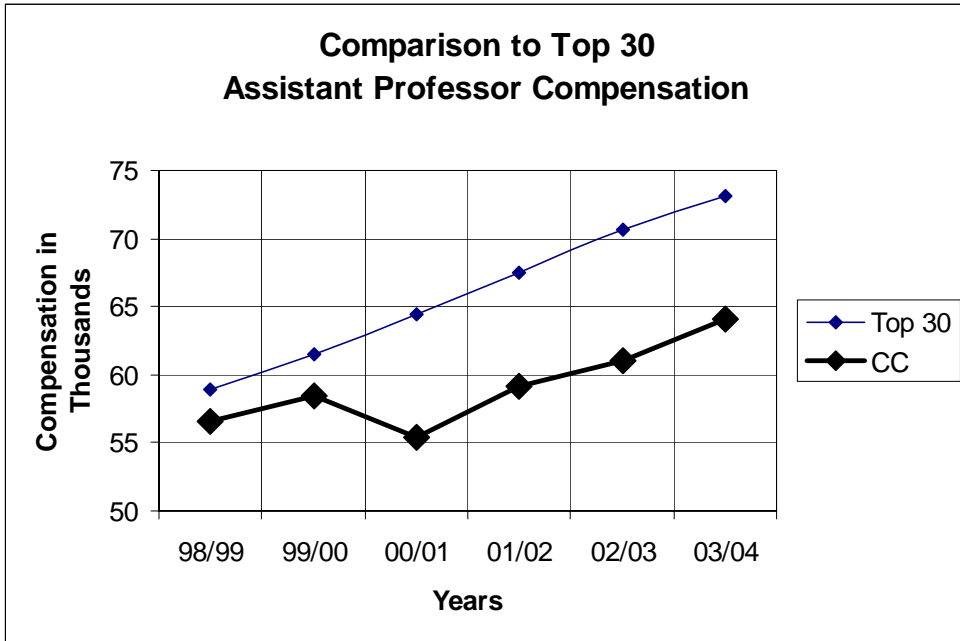
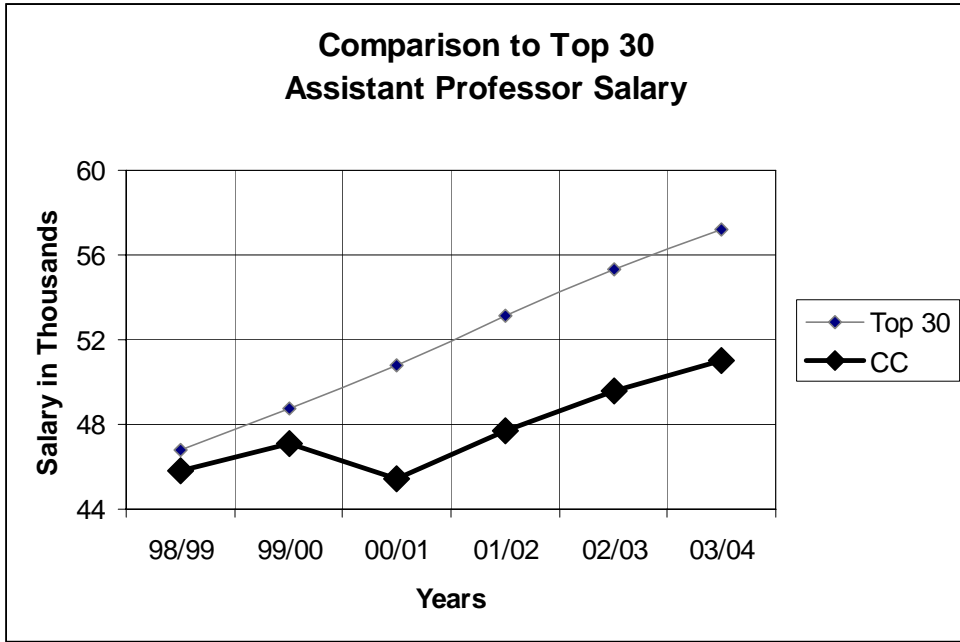
**Comparison to Top 30  
Full Professor Salary**



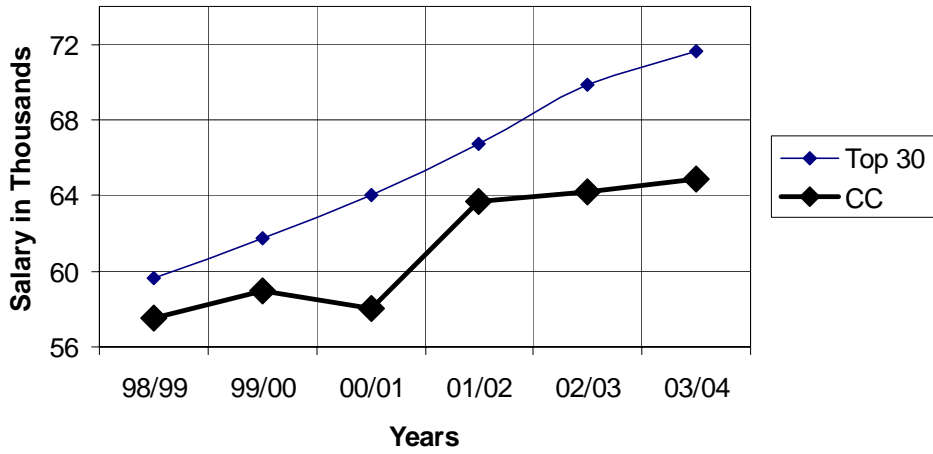
**Comparison to Top 30  
Full Professor Compensation**



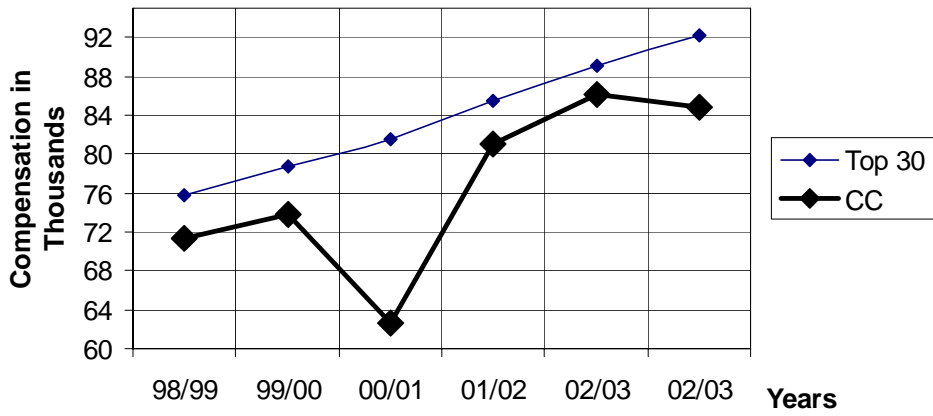
Appendix 8  
From the AAUP report of December, 2004



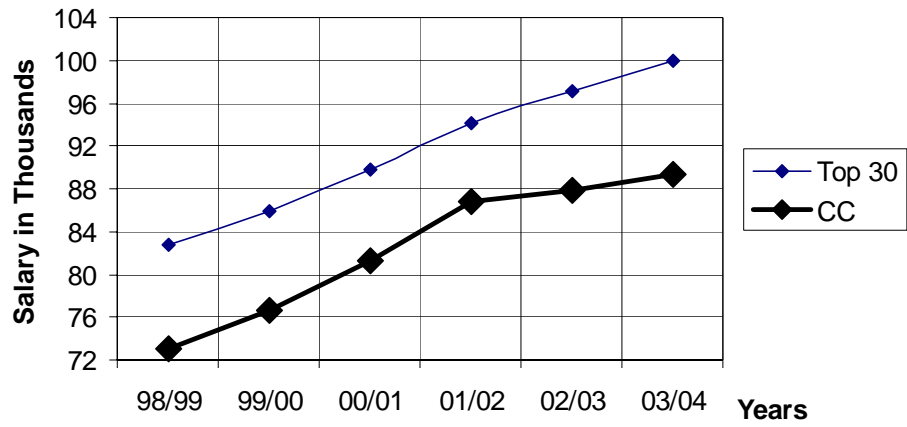
**Comparison to Top 30  
Associate Professor Salary**



**Comparison to Top 30  
Associate Professor Compensation**



### Comparison to Top 30 Full Professor Salary



### Comparison to Top 30 Full Professor Compensation

