HSA
Hungarian Studies Association

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December 2007

NEWSLETTER

1. **Nominations:** The terms of the vice-president, secretary-treasurer and two members of the executive committee expire on December 31, 2007. On January 1, 2008, Alice Freifeld, our current VP, will automatically assume the position of the president**.**

The current board -members are:
President: Katalin Fabian, Lafayette College
Vice-President: Alice Freifeld, U. of Florida
Secretary-Treasurer: Susan Glanz, St. John's U.

Executive Committee:
Emese Ivan, Ball State U., Term: 2006-2007.
Judit Szapor, U of Ottawa, Term: 2006-2007.
John Swanson, Utica Coll., Term: 2007–2008.
Edit Nagy, U. of Florida, Term: 2007-2008.

Paul Hanebrink (Rutgers U.) has been nominated for the VP position, Emese Ivan (Ball State U.), Steve Jobbitt (U. of Toronto) and Judith Fai-Podlipnik (Southeastern Louisiana U.) have been nominated for the executive board, and I have been re-nominated for the Secretary/Treasurer's position. I thank you for your trust. Ballots will be emailed next week.

Minutes of the Business Meeting

The second business meeting for the 2007 calendar year was held concurrently with the AAASS New Orleans Convention on Friday, November 16 at 10.15 am, the meeting was chaired by Katalin Fabian.

Agenda was:

a. Report from the president of our associations attempts to cooperate with other central European Associations.
b. Report from the Treasurer

Balance 12/25/2006	$3,395.13	
Income - dues	725.00	
Subtotal	$4,120.13	
Expenditures		
Expenditures from 2006		564.26
Business Meeting (2007)		31.28
Book Award (2007)		200.00
Website maintenance (for 2007)		160.00
Subtotal		955.54
Closing balance 12/6/2007	$**3,164,59**	

c. The decision of the Book Award Committee (Paul Hanebrink, Arpad von Klimo and S. Bela Vardy) was to give the prize to Robert Nemes for his article "Hungary's Antisemitic Provinces: Violence and Ritual Murder in the 1880s" (published by the *Slavic Review*, 66(1), 20. The award, $200, will be mailed to Robert. Congratulations from all of us.

The committee found this article elegantly written and well-constructed, and admired especially the way in which the author combined local-level analysis with a comparative and transnational perspective. It is an exciting contribution to the study of political culture in late nineteenth century Hungary.

A new Book Award Committee was formed to evaluate the books nominated for next year's book award. The committee members are Alice Freifeld (freifeld@history.ufl.edu), Mark Pittaway (M.D.Pittaway@open.ac.uk), Arpad von Klimo (aklimo@zedat.fu-berlin.de) and Paul Hanebrink (hanebrin@history.rutgers.edu). Please submit books for consideration for the award to them.

2. Two topics were proposed for the next year's AAASS conference to be held in Philadelphia, PA on November 20- 23, 2008. The suggestions were to organize panels around two anniversaries: the end of World War 1 (1918) and the other was the anniversary of New Economic Mechanism, Prague Spring (1968). If you would like to participate in either panels or would like me to help organize panels, though now you can submit just paper proposals to the AAASS, please contact me, Susan Glanz. (glanzs@stjohns.edu).
Please visit the AAASS' website at www.aaass.org for more information.

The online system for submitting single paper, panel, and roundtable proposals will be available from late November after the 2007 until the **deadline for submissions, January 11, 2008**.

3. New Business
The European, Russian and Eurasian Studies at the Munk Centre for International Studies at the U. of Toronto has a new website that is chuck full of information: http://www.utoronto.ca/ceres/fin.html

The new director of Rutgers University's Institute for Hungarian Studies is Paul Hanebrink. http://hi.rutgers.edu/about.html. Congratulations from all of us.

The meeting was closed at 12 pm.

3. Publications /presentations of our members:

Zsuzsa Csergö, *Talk of the Nation: Language and Conflict in Romania and Slovakia,* Ithaca: Cornell U. Press, 2007. 228 pp.

László Csorba reviewed **Robert Nemes'** *Once And Future Budapest* (Northern Illinois University Press, June 2005) in the Summer, 2007 issue of *The Hungarian Quarterly* (http://www.hungarianquarterly.com/no186/)

Nándor Dreisziger, *Hungarians, from Ancient Times to 1956, Biographical and Historical Essays*, Toronto: Legas, 2007. Distributed by U. of Toronto Press (http://www.utpress.utoronto.ca/). 204 pp.

Charles Gati reviewed Peter Kenez's, *Hungary from the Nazis to the Soviets: The Establishment of the Communist Regime in Hungary, 1944-194,* in the Fall, 2007 issue of *Slavic Review* Vol. 66. No. 3.

Tibor Glant, *Remember Hungary, Essays on the Hungarian Revolution and War of Independence in American Memory*. Introduction by István Deák. Boulder, CO.: Social Science Monographs, Center for Hungarian Studies and Publications, Inc. Distributed by Columbia U. Press. 246 pp.

Mary Gluck gave the Kann Memorial Lecture at the Center for Austrian Studies at the University of Minnesota on September 20, 2007 on "Jewish Humor and Popular Culture in Fin-de-Siecle Budapest."

Paul A. Hanebrink, *In Defense of Christian Hungary: Religion, Nationalism, and Antisemitism, 1890-1944.* Ithaca: Cornell U. Press, 2006. 255 pp.

Peter Hidas, "Canada and the Hungarian Jewish refugees, 1956-57" in *East European Jewish Affairs*, Vol. 37, No. 1, April 2007
http://www3.sympatico.ca/thidas
http://community.webshots.com/user/peterhidas

Peter Kenez reviewed Paul A. Hanebrink's, *In Defense of Christian Hungary: Religion, Nationalism, and Antisemitism, 1890-1944* the Fall, 2007 issue of *Slavic Review*. Vol. 66. No. 3
_____________ , Hungary from the Nazis to the Soviets: The Establishment of the Communist Regime in Hungary, 1944-1948. Cambridge, England: Cambridge U. Press, 2006. 312 pp.

Barnabas Racz, conducted a seminar at Karoli University (Budapest) Law School on "Institutions and Procedures of Direct Democracy in the US", Nov. 2007;
_________ ,was an invited participant at the International Conference on Electronic Voting Systems organized by the Hungarian Ministry of Local Governments and Regional Development and the National Election Office in Nov. 2007;
_________ , published a monograph "Hungary and the United Nations 1956-1962: A Legal and Political Analysis" by the Hungarian UN Society (Magyar ENSZ Társaság), 2007.

Ivan Sanders reviewed Kati Marton's *The Great Escape: Nine Jews Who Fled Hitler and Changed the World (Simon and Schuster, 2006)* in the Autumn, 2007 issue of *The Hungarian Quarterly*.
http://www.hungarianquarterly.com/no187/
____________ , "Eggerth Márta diszkrét bája", in *Élet és Irodalom*, 2007, November 23.
http://www.es.hu/pd/display.asp?channel=PUBLICISZTIKA0747&article=2007-1125-2035-34PHTF
___________ , "György Pálfi and Contemporary Hungarian Cinema" at Columbia U., Dec. 6, 2007 at the Back from Utopia. Human Rights and Cinema in Post-Communist Societies Conference.

Steven Béla Várdy reviewed Gergely Romsics', *Myth and Remembrance: The Dissolution of the Habsburg Empire in the Memoir Literature of the Austro-Hungarian Political Elite,* trans. from the Hungarian by Thomas J. DeKornfeld and Helen D. Hiltabidle in the Fall, 2007 issue of *Slavic Review* Vol. 66. No. 3.

Alexander Vári reviewed Pál Germuska's, *Indusztria bűvöletében: Fejlesztéspolitika és a szocialista városok;* and Sándor Horváth's, *A kapu és a határ: Mindennapi Sztálinváros,* in the Fall, 2007 issue of *Slavic Review* Vol. 66. No. 3.

Jason Wittenberg reviewed H. David Baer's, *The Struggle of Hungarian Lutherans under Communism,* foreword, László G. Terray, in the Fall, 2007 issue of *Slavic Review* Vol. 66. No. 3.

Eric Beckett Weaver, *National Narcissism: The Intersection of the Nationalist Cult and Gender in Hungary.* NY: Peter Lang, 2006. 246 pp.

4. Call for papers

a. The **40th National Convention of the AAASS** will be held at the Philadelphia Marriott in Philadelphia, Pennsylvania, from Thursday, November 20, 2008 through Sunday, November 23, 2008. Please visit the AAASS' website at www.aaass.org.

The online system for submitting single paper, panel, and roundtable proposals will be available from late November after the 2007 convention is over. Deadline for submissions is **January 11, 2008**.

b. The 33th annual conference of the **American Hungarian Educators'** will be held in Pittsburgh, PA at Duquesne U, in May 2008. Please visit the organization's website for more details http://hungaria.org/hal/ahea/. Deadline for proposal submission is January 20, 2008.

c. The FINNO-UGRIC STUDIES ASSOCIATION OF CANADA (FUSAC), is the sole North American academic organization embracing all Uralic-speaking peoples. Their next conference will take place, June 7-8, 2008 at the University of British Columbia, Vancouver and in conjunction with the Congress of the Social Sciences and Humanities. **Paper titles are due by December 15, 2007 and abstracts by February 15, 2008.** Conference Organizing Committee, FUSAC, Department of Linguistics, Simon Fraser University, 8888 University Drive, Burnaby, B.C. V5A 1S6. CANADA. e-mail: mcrobbie@sfu.ca**.** The organization's website is http://vpacademic.yorku.ca/fusac.

5. Miscellaneous/Publications of possible interest

Judit Gazsi, Andrea Petö und Zsuzsanna Toronyi, eds., **Gender, Memory and Jewish Women in Contemporary Europe.** The essays of this collection were born from the conference "Diversities - Bet Debora in Budapest", the 4th Conference of the European Jewish Women, Activists, Academics, and Rabbis at the Central European University, Budapest. The authors are academics and activists from Israel, US, Hungary, Belgium, Germany, Switzerland, France are giving an overview of how European Jewish woman are negotiating everyday practices in a historical perspective between religion and modernity, orthodoxy and employment, political engagement and religious laws.
The book is an essential reading for academics and students of Jewish Studies, History, Gender Studies.
Studien zur Geschichte Ost- und Ostmitteleuropas, Bd. 6
Paperback, 13x20 cm, 258 pages, 36 photos. ISBN 978-3-933337-55-9. 25 Euros.
bestellungen@gabrieleschaeferverlag.de
www.gabrieleschaeferverlag.de

Andrew Harrison Schwartz, *The Politics of Greed, How Privatization Structured politics in Central and Eastern Europe,* Rowman and Littlefield. (2006)

Sharon L. Wolchik and Jane L. Curry, eds., *Central and East European Politics: From Communism to Democracy*, Rowman and Littlefield (2007).

Aspasia - *International Yearbook of Central, Eastern and Southeastern European Women's and Gender History*. http://journals.berghahnbooks.com/asp/

> *Aspasia* is an international peer-reviewed yearbook that brings out the best scholarship in the field of interdisciplinary women's and gender history focused on – and produced in – Central, Eastern, and Southeastern Europe. This region includes such countries as Albania, Belarus, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Estonia, Greece, Hungary, Latvia, Lithuania, Macedonia, Moldova, Montenegro, Poland, Romania, Russia, Serbia, Slovakia, Slovenia, Turkey, and Ukraine.

Learning & Teaching, *The International Journal of Higher Education in the Social Sciences*, is a peer-reviewed journal that uses the social sciences to reflect critically on learning and teaching in the changing context of higher education. http://journals.berghahnbooks.com/ltss/

> The journal invites students and staff to explore their education practices in the light of changes in their institutions, national higher education policies, the strategies of international agencies and developments associated with the so-called international knowledge economy.

The disciplines covered include politics and international relations, anthropology, sociology, criminology, social policy, cultural studies and educational studies. Recent topics include curriculum innovation, students' academic writing, PhD research ethics, neo-liberalism and academic identity, and marketisation of higher education.
The readership spans practitioners, researchers and students. It includes undergraduates and postgraduates interested in analyzing their experience at university, newly appointed staff taking a qualification in learning and teaching, staff of learning and teaching units, experienced teachers in higher education and researchers on university reform.

Linda J. Cook, *POSTCOMMUNIST WELFARE STATES, Reform Politics in Russia and Eastern Europe,* Ithaca: Cornell U. Press, 2007.

Balazs Szalontai, *Kim II Sung in the Khruschev Era, Soviet-DPRK relations and the Roots of North Korean Despotism, 1953-1964*. Stanford U. Press together with the Woodrow Wilson Center Press. (2007).

Please, do not forget to pay your annual dues. Make checks ($25) payable to HSA.

HAPPY HOLIDAYS!

2006-07 Report on the Economic Status of the Profession

http://www.aaup.org/AAUP/comm/rep/Z/ecstatreport2006-07/survey2006-07.htm
Financial Inequality in Higher Education
(Please note links to tables and figures in this document are in .pdf format)

Inflation is down, and full-time faculty salaries are finally back up. These would seem to be encouraging signs for the economic status of higher education. Unfortunately, however, one good year cannot reverse discouraging trends that have been developing over decades. Growing financial inequality in the United States has become a prominent public issue. In February 2007, President Bush publicly acknowledged the growing gap between rich and poor Americans and recommended that firms reconsider the size of the salaries they pay to chief executives.1 In a fall 2006 speech, Janet Yellen, president of the San Francisco Federal Reserve Bank, said that U.S. income inequality has risen to such a level that "there are signs that [it] is intensifying resistance to globalization, impairing social cohesion, and could, ultimately, undermine American democracy."2
Financial inequality is growing in U.S. higher education, too. In this report, we observe increasing differences between the endowments of rich and poor institutions, between the salaries of college and university presidents and their faculties, between the salaries of athletic coaches and professors, and between well and poorly compensated faculty members. This economic inequality has the potential to negatively affect higher education. We will address this potential in the context of this year's survey findings.
Average Salaries Up
In terms of the average salary for all full-time faculty members, 2006–07 was the best year since 2001–02.3 Overall faculty salaries climbed 3.8 percent compared with the previous year. The inflation rate, as measured by the Consumer Price Index, was 2.5 percent between December 2005 and December 2006, lower than it had been the previous two years. Adjusted for inflation, then, the average salary rose by 1.3 percent, the first "real" increase in salaries since 2003–04.
Table A provides an overview of this year's findings, as well as a long-term review of the changes from year to year over the past three decades. The upper half of the table shows the change in both nominal (actual) and inflation-adjusted (real) salaries by rank from one year to the next when all ranked faculty

members at all institutions are considered. Among all faculty, the average salaries of full professors rose more than the pay of faculty in other ranks, but all ranks saw real increases of more than 1 percent.
The lower half of the table presents figures for faculty members who remained in full-time positions at the same institutions where they taught the previous year ("continuing" faculty). Increases this year were highest for associate and assistant professors. Because the figures for continuing faculty include raises arising from promotions and other factors, these ranks usually see the steepest increases. Unlike salary increases for all faculty, those for continuing faculty have exceeded the rate of inflation for more than two decades.

A Closer Look

American higher education is characterized by tremendous institutional diversity. The tables and appendices in this report portray some of that diversity by presenting results from multiple institutional categories. Colleges and universities are described in two ways: by category, which refers to the highest degree offered, and by affiliation, which groups institutions according to whether they are public, private-independent (non-church-related), or religiously affiliated. Survey report table 1 presents the percentage change in average salaries among full-time faculty from 2005–06 to 2006–07 for institutions that reported data in both years.

In terms of the change in average salaries, shown on the left-hand side of the table, increases were highest this year at doctoral universities (category I) and associate degree colleges (categories III and IV). A more significant finding, however, appears in the columns representing institutional affiliation. For the first time in several years, average salaries increased more at public colleges and universities than they did at private-independent or church-related institutions. Although the difference is not large, it probably reflects an effort by public institutions to make up for stagnant salaries over the past several years.

Increases for continuing faculty did not, however, vary much across institutional types. The figures for continuing faculty increases are on the right-hand side of the table. With only a few exceptions, continuing faculty saw average raises of about 5 percent, regardless of where they were employed.

Survey report tables 2 and 3 break down changes in salary by institutional type. Survey report table 2 shows the change in average salary levels, while survey report table 3 describes the average raises received by continuing faculty. The left-hand side of each table presents the distribution in terms of the percentage of institutions, and the right-hand side categorizes the total number of fulltime faculty at those institutions.

Survey report table 2 indicates that average salary levels at 61 percent of institutions outpaced the rate of inflation, rising by 3 percent or more. Compared with private colleges and universities, a higher percentage of public institutions had average salary levels that outpaced the inflation rate, and a greater percentage of public colleges and universities were in the highest category of increase—those where average salary levels rose by 6 percent or more. But the news wasn't all good for public institutions. Average salary levels decreased at nearly 8 percent of colleges and universities, and public institutions were more likely to fall into this group as well. (Decreases in the overall average salary for a particular college or university usually indicate a substantial shift from senior to more junior faculty, often as older faculty retire.)

In terms of the number of faculty members affected by changes in salary levels, two-thirds worked at institutions reporting that average salary levels rose by at least 3 percent over the previous year. Again, compared with faculty at private institutions, a larger percentage of public college and university faculty members were employed at institutions that saw that level of increase.

Average raises for continuing faculty were even more concentrated at the higher levels. Nearly half of the institutions represented in survey report table 3 conferred average raises of 5 percent or more for continuing faculty, and nearly 90 percent of institutions reported average increases exceeding the rate of inflation. Notably, however, a greater percentage of private-independent institutions reported average raises for continuing faculty at the highest levels compared with public and religiously affiliated colleges and universities.

When counting faculty members in table 3, however, a higher percentage of those working at public colleges and universities received raises at the highest levels (6 percent or more) compared with those at private institutions. That is because public colleges and universities end to be larger than private institutions in the same category.

Endowments

Institutions increasingly rely on returns on their endowment investments to finance faculty salaries, facilities maintenance, educational technology, and other operating costs. Investment income can make a significant difference in the funds available to an institution. Private colleges and universities have long depended on it, and public universities have undertaken major capital campaigns over the past decade to make up for decreases in state appropriations. Twenty-four universities are now engaged in capital campaigns of at least $1 billion.4

Data collected from the 765 institutions that participated in the 2006 Endowment Study conducted by the National Association of College and University Business Officers suggest that colleges and universities have used an average of 4.5 to 5.1 percent of their total endowment assets over the past ten years to finance annual expenditures. 5 This percentage is referred to as the institution's "spending rate." Remarkably, as figure 1 illustrates, even though the market value of endowments varies dramatically across institutions, spending rates diverge by only a few tenths of a percent. Together, the institutional participants in the study had a total of more than $340 billion in endowment assets. Given an average spending rate of 4.6 percent, endowment assets contributed $15.6 billion toward their expenditures for the fiscal year that ended June 30, 2006.

The amount of revenue that a particular college or university gains from its endowment income varies dramatically between institutions with large endowments, and those with smaller ones. Table B depicts the market value of the ten largest university endowments on June 30, 2006.6 According to the 2006 Endowment Study, the sixty-two institutional respondents that had endowment assets of $1 billion or more represented only 8.1 percent of the colleges and universities participating in the survey. Yet those sixty-two institutions owned 67.4 percent of all endowment assets. Institutions that had endowments of $100 million or less represented more than half of the responding institutions, but owned just 5 percent of total endowment assets.

Drawing on data from figure 1 and the 2006 Endowment Study, we can estimate the amount of funds available to institutions from their endowments. With an endowment of $28.9 billion and a spending rate of approximately 4.6 percent, Harvard University had about $1.3 billion in revenue available to flow into its operating budget in fiscal 2006. These funds could help provide the highest quality learning facilities and offer faculty salaries that enable the university to recruit the most talented faculty away from other positions in academe, government, or the private sector. By contrast, Mount Ida College of Massachusetts reported an endowment of $8.7 million. Assuming a spending rate of 4.4 percent, that yields about $383,900 in funds to finance its educational programs in fiscal 2006, approximately 0.03 percent of what Harvard had to spend.

Large endowments also make possible investment opportunities that enable endowments to grow. According to the 2006 Endowment Study, institutions that had endowments of more than $1 billion invested an average of 36 percent of their endowments in "alternative assets," such as hedge funds, which are more risky than other assets but potentially produce higher yields. By contrast, institutions that had endowments of less than $100 million invested an average of less than 10 percent of their endowments in alternative assets. They favored traditional stock and bond assets, which are less risky but also yield lower rates of return. As figure 2 shows, institutional respondents to the 2006 Endowment Study that had the largest endowments enjoyed an average one-year rate of return of 15.7 percent, nearly double the 7.8 percent average return rate for the institutions that had the smallest endowment. This substantial difference in investment returns suggests that the gap in institutional wealth among colleges and universities is likely to grow larger.

For decades, U.S. higher education has been a ticket to a more prosperous lifestyle for millions of American and international students. But in the knowledge-based economy in which we now operate, education also contributes to income inequality. Differences in the size and income of college and university endowments are worrisome because they yield significant differences in the amount of resources individual institutions have available to build top-notch educational facilities and offer salaries and benefits that allow them to recruit and retain the most talented faculty. We in the higher education community need to ask how the growing endowment gap will affect the desirability of an academic career at less well-funded institutions and how, in turn, that will affect the quality of education available to students and income inequality among them.

Presidential Salaries

Compensation for chief executives is another area in which academe mimics the broader economy. In 1965, the average corporate chief executive officer earned twenty-four times as much as the average worker.7 By 2005, average CEO pay was 262 times the pay of an average worker. During the past decade, chief executives of colleges and universities have also experienced extraordinary increases in their compensation. As Figure 3 illustrates, the inflation-adjusted salaries of chief executives in higher education increased by more than 35 percent from 1995–96 to 2005–06, while the inflation-adjusted salaries of faculty members increased a mere 5 percent. Inflation-adjusted endowments grew an average of 82 percent during that time. These figures raise a question of priorities: if institutional endowment funds and presidential compensation grew at substantial rates, why should faculty compensation remain so depressed?

In its 2006 survey of executive compensation, the Chronicle of Higher Education reported that 112 of the 853 chief executives surveyed had compensation packages totaling at least $500,000.8 In 1996, only one president received a compensation package in excess of $500,000.9 Five chief executives currently receive more than $1 million in compensation.

Data from the AAUP survey, presented in survey report table 15, provide another indicator of the salaries of presidents relative to those of faculty. This comparison is important, because presidents are more commonly compared to corporate CEOs. Such a comparison is inappropriate, however, as nearly all colleges and universities are still not-for-profit enterprises providing a benefit for society as a whole—not just for shareholders. The table shows a ratio of presidential salary to the average salary for a full professor on that campus. The ratio for 2006–07 ranges from 1.24 at one private baccalaureate college to 6.82 at one private master's degree university. The median figures, representing the middle of the range from high to low in each category, indicate that most presidents earn three times the salaries paid to their senior faculty members. Why are these trends in executive compensation problematic?

Individuals who possess the motivation and the talent to obtain terminal degrees in their disciplines also have the ability to take highly paid positions in the corporate sector. When a professor decides to forsake a higher salary in private industry for the less tangible rewards of educating generations of students, he or she provides a public service. College and university presidents are also engaged in public service. Among other leadership duties, they serve as role models for faculty, staff, and students at their institutions. In years when budgets are tight, presidents should lead by example and neither seek nor accept annual salary increases in excess of those awarded to other employees. Likewise, when the financial environment improves, the generous compensation packages necessary to recruit and retain the most highly qualified chief executives should also be extended to the faculties they lead.

Some observers justify offering chief executives compensation in excess of that awarded to faculty by noting that the total cost to the university is relatively small when the CEO is highly compensated. A 10 percent pay increase for a university president earning $500,000 requires just $50,000 in additional spending in the following year. A 10 percent salary increase for five hundred faculty members earning the 2006–07 average salary of $73,207 (see survey report table 4) would create $3,660,334 in additional expenditures. Even a 1 percent faculty salary increase ($732 for each person in this example) would require $366,033 in additional spending. It is often argued that when tight budgets permit only such a minimal increase—which faculty would not miss, it is said—it is much better, in terms of recruitment, retention, and morale, to give a few large salary increases to senior administrators instead.

This argument is wrong for many reasons. Although an additional $732 in pretax income may not be sufficient to finance a family vacation, pay for new living-room furniture, or replace a twelve-year-old roof, it is not an insignificant amount. For this author and her children, that $732 would buy takeout pizza two nights a month—twenty-four nights a year of not having to cook dinner. It would also finance numerous other things that would make a professor's life easier and more enjoyable: help with housekeeping or clothes for a child or for oneself. Moreover, a single percentage point salary increase for an average assistant professor (see survey report table 4) earning $58,662 in 2006–07 would yield an additional $17,599 in pretax income over a thirty-year career, even before compounding through annual percentage salary increases. Invested tax free in a 403(b) retirement plan, that "negligible raise" would ultimately yield hundreds of thousands of dollars.

Salaries of Coaches

The January 2007 announcement that Nick Saban, head coach of the Miami Dolphins professional football team, would leave his position to coach at the University of Alabama rolled through academe like a tidal surge. Saban's eight-year contract guarantees him $32 million plus the opportunity to earn an additional $700,000 to $800,000 annually in bowl-game bonuses. James Duderstadt, former president of the University of Michigan and a member of the U.S. Secretary of Education's Commission on the Future of Higher Education, echoed the sentiments of many when he noted that the decision by a university that ranks near the bottom of state spending on higher education to pay its head football coach $4 /million a year sends the wrong message about priorities. According to the National Association of State Student Grant and Aid Programs, the state of Alabama's entire budget for need-based financial aid was just $3.35 million in 2004–05.10 Some people justify huge salaries for superstar coaches by arguing that high-profile coaches produce winning seasons that result in additional alumni giving or net profits in the athletic budget. Theoretically, these additional revenues can then be used to support the academic mission of a university. In their 2001 book, The Game of Life: College Sports and Educational Values, higher education scholars James Shulman and William Bowen cite data from different sources to debunk these myths. Surprisingly, they find a correlation between winning and alumni giving only at co-ed liberal arts colleges. But these institutions rarely pay even six figure salaries to their athletic coaches.

Shulman and Bowen also report that athletic revenue (including gate receipts, revenue from bowl games, and television contracts) typically falls short of expenditures. They estimate the annual net cost of a National Collegiate Athletic Association (NCAA) Division I-A athletic program in the late 1990s to have been in the $7 to $8 million range. In 2002–03 Revenue and Expenses of Divisions I and II Intercollegiate Athletics Programs, the NCAA states that only 40 percent of Division I-A universities reported profits in their athletic programs. The other 60 percent ran average deficits of $4.4 million. And no more than 11 percent of colleges and universities in other NCAA divisions reported a profit from their athletic programs.

Table C compares recent compensation provided to coaches at universities with Division I-A athletic programs to that of full professors and university presidents. Because the data vary considerably, the table presents averages, highs, and lows. Salary for full professors ranged from $63,030 at Marshall University to $136,374 at Duke University; the weighted average for the sample was $101,744. University presidents earned $416,719 on average, with the highest compensation going to the president of the University of Southern California and the lowest to the president of the University of Memphis.

Coaches' compensation (excluding bonuses but including salary plus "other income") averaged just under $1 million, with substantial variation between the highest-(University of Oklahoma) and the lowest-paid football coach (University of Louisiana-Monroe).

If paychecks reflect the value of an individual to the university and its core educational mission, then Division I-A head football coaches are, on average, 9.4 times more valuable than their full professor colleagues. By this metric, the head football coach at the University of Oklahoma is 36 times more valuable than an average full professor at his university. The data suggest that even university presidents are less valuable to these institutions than football coaches. On average, coaches earned more than twice as much as their institution's chief executive officer. While Miami University of Ohio appears to place a greater premium on the skills of its chief executive than on its head football coach, the University of Oklahoma apparently values its football coach eleven times as much as its president.

We might ask what message universities send to alumni, taxpayers, students, faculty, and staff when they pay such exorbitant salaries to their coaches. The U.S. House Ways and Means Committee has reportedly asked the NCAA to explain why coaches are paid so much and whether athletic departments with millions of dollars in revenue deserve tax-exempt status.11 Perhaps these congressional hearings will inspire university administrators and governing boards to rethink who is contributing to their core educational missions and reward the people who are teaching the students a bit more appropriately.

Inequality Among Faculty

Income inequality in the broader U.S. economy far exceeds that observed among higher education faculty. In 2005, the income of households at the twentieth percentile among all American households was just 11.6 percent of the household income at the ninety-fifth percentile.12 Thus a household at the twentieth percentile took in total income that was only about one-tenth as much as that available to a household at the ninety-fifth percentile.

Figure 4 shows an equivalent measure of inequality in the average salaries of full professors, comparing the average at the twentieth percentile to that at the ninety-fifth by institutional type. The closer the average at the twentieth percentile is to 100 percent of the ninety-fifth percentile figure, the smaller the amount of income inequality. As salary differences increase between the least- and best-paid faculty members, some qualified academics will probably leave academe or choose private-sector jobs in the first place. This phenomenon would directly affect the quality of higher education in the United States.

Although income differences among professors are smaller than those among American workers overall, professorial income has varied substantially by institutional type in recent decades. As figure 4 illustrates, full professors at the twentieth percentile in 2005–06 received between 54 and 65 percent of the salary received by full professors at the ninety-fifth percentile. The ratio was smallest at baccalaureate colleges (category IIB) and highest at master's universities (category IIA). As the downward slope in most of the trend lines demonstrates, the differential in compensation among full professors grew during the last twenty years. Community colleges with academic ranks (category III), which exhibited the least variation in 1986–87, showed greater income differences by 2005–06 than either doctoral (category I) or master's universities.

Figure 5 compares assistant professor salaries by institutional type. As the figure illustrates, assistant professors experienced slightly less variation in income by institution in 2005–06 than full professors did. Assistant professors at the twentieth percentile received between 66 and 73 percent of the average salary of assistant professors at the ninety-fifth percentile. The fact that assistant professors are more mobile than their senior colleagues may partly explain the smaller range in assistant professor salaries. Colleges and universities must keep salaries for junior faculty competitive or risk losing them to better-paying institutions. Typically, there are more junior- than senior-level job openings, which also enhances the mobility of junior faculty. Senior faculty may also have deeper roots in their communities, thus increasing the non-monetary costs of moving. Given such differences in the academic job markets for junior and senior faculty, even institutions under budgetary pressure would feel obliged to pay competitive salaries to recruit and retain junior faculty. The limited mobility of senior professors can lead to salary compression—which occurs when experienced faculty are paid only slightly more than their junior colleagues—and may also result in larger salary variation between more wealthy and less wealthy institutions.

The smaller range in assistant professor salaries may also arise because faculty members just beginning their careers may resemble one another in their demonstrated research and teaching skills to a greater degree than they will later in their careers. Certainly, the difference in scholarly production between the most- and the least-published full professors exceeds that between the most- and least-published assistant professors. Differences in teaching ability may also be more marked at senior levels. These larger skill differentials could contribute to the larger variation in salaries at the full professor level.

The range of salary variation among assistant professors expanded slightly over the past two decades. Among assistant professors at community colleges, however, the distance between high and low salaries actually declined. In 1986–87, assistant professors at the twentieth percentile at community colleges earned 67 percent as much as assistant professors at the ninety-fifth percentile. By 2005–06, however, assistant professors at the twentieth percentile at community colleges earned almost 73 percent as much as those at the ninety-fifth percentile.

It is possible that faculty have not experienced income inequality to the same degree as the average American partly because professors are highly educated. Still, income inequality is a matter of concern in higher education, especially insofar as it decreases faculty members' recognition of their shared professional interests.

Disciplinary Differences

Over the past twenty years, the AAUP has periodically analyzed differences in faculty salaries by discipline. To do so, the Association has drawn on data from an annual survey of faculty salaries conducted since 1974 by the Office of Institutional Research at Oklahoma State University. Most of the institutions included in the sample belong to the National Association of State Universities and Land Grant Colleges; many are the "flagship" doctoral-granting universities of their states. Although the sample is only a subset of the universities included in the AAUP's sample of doctoral-granting universities—primarily larger public universities—the consistent membership of the Oklahoma State group facilitates analysis over time.

Table D shows average disciplinary salaries for full professors at intervals from 1985–86 to 2005–06. Table E presents average disciplinary salaries for assistant professors over the same intervals. For convenience, salaries in the sixteen disciplines included and the all discipline average are computed as a percentage of salaries in English language and literature.

Little research has been done to quantify the factors that cause disciplinary differences in salaries. Sociologist Marcia Bellas, however, examined the effects of numerous variables on differences in average entry-level salaries for 1988–89 for full-time assistant professors in sixteen different disciplines.13 Variables that affected salary differentials included unemployment rates within specific disciplines, the percentage of qualified individuals in a field who were in nonacademic jobs, the median nonacademic wage in a field, productivity (as measured by publications and grant support), the percentage of faculty holding a PhD, and the percentage of women faculty within a discipline. Bellas found that lower-paying disciplines tended to have more unemployment, lower median wages in nonacademic jobs, fewer terminal degree recipients employed outside of academe, and relatively higher concentrations of women.

The Oklahoma State data show that salary differences among full professors in many disciplines tended to peak in the early to mid-1990s, and then fall somewhat. That happened in communications, computer science, engineering, health sciences, law, mathematics, physical sciences, and the all-discipline average. Different causal factors appear to be important in different disciplines. In health sciences, colleges and universities have added degree programs (and faculty) to prepare students for occupations, such as respiratory therapist and physician assistant, that pay less than the medical specialties that dominated this field two decades ago. In computer science, the decline in relative faculty salaries probably reflects weakness in private sector demand for computer professionals following the "dot-com bust." Private-sector salaries may also be falling because of the outsourcing of jobs in software engineering. Similarly, increased use of low-paid postdoctoral fellows in the physical sciences may be responsible for inhibiting salary growth in those fields.

Faculty in business administration and law had the largest salary differentials relative to English faculty in 2005–06. Full professors in business earned 47 percent more on average than their English faculty colleagues, while full professors of law earned 54 percent more. Business faculty, unlike their colleagues in law, have enjoyed a continually larger salary differential compared with English faculty over the past twenty years. Their experience likely mirrors the growing income inequality in the overall economy, where the salaries of workers at the ninety-fifth percentile increased much more rapidly than those of other groups. As the salaries of corporate executives continue to rise at a rapid clip, universities must pay higher salaries to recruit and retain business school faculty. The current state of the U.S. and global economy makes a reversal of this trend seem unlikely. The salary differential in the social sciences relative to English also increased steadily during the past twenty years, although not as much as in business. No doubt this growth arises at least partly from rapidly increasing salaries for economics professors.

The salary differentials between the higher-paying disciplines and English are larger at the assistant professor level than at the full professor level, probably because of greater outside economic opportunities for junior faculty in these disciplines compared with senior faculty. A new PhD recipient in finance who can move with ease from an academic position to a corporate job requires more inducement to stay put than a finance professor who has spent most of his or her career in academe. Compared with salaries in English, salaries for assistant professors in communications, engineering, the health professions, and law appear to have peaked in the 1990s. Over the past several years, the salary differential between English and these disciplines has grown smaller. The best-paid disciplines for assistant professors are business (101.9 percent more than English), computer science (59.5 percent more), and law (65.9 percent more). Observers of higher education over the past two decades have worried that widening salary differentials across disciplines would damage the cooperative relationship among faculty that sustains effective shared governance. Although some of the disciplinary differentials that emerged and grew during the 1980s have diminished, others, particularly in business, have grown and will probably continue to do so.

In its Statement on Government of Colleges and Universities, the AAUP maintains that "[t]he faculty should actively participate in the determination of policies and procedures governing salary increases," as part of its role in a system of shared governance. The faculty role in financial decision making includes participation in determining both individual salaries and institutional priorities. In American society, talking about individual salaries and income inequality has sometimes been considered impolite. As we have argued in this report, however, it is a subject that we must discuss openly and frankly, because financial inequality has significant implications for the quality of higher education. We hope that this report provides a substantive basis for such discussion.

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Notes

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