

# SENATE: Economic Status of the Faculty

This Executive Summary is intended to cover the most salient portions of the full Economic Status of the Faculty 2001-2002 Report, which is available online at ([www.upenn.edu/almanac/v49/n26/EconStat2k3.html](http://www.upenn.edu/almanac/v49/n26/EconStat2k3.html)).

## Comparisons with Growth in the Consumer Price Index (CPI)

For FY 2002, the Penn budget guidelines authorized the schools to award, as salary increases, a pool of up to 3.5% of the FY 2002 salaries of continuing faculty members. The recommended salary increase range was 1% to 6%, with Deans being obligated to consult with the Provost about any increases outside this range. To address possible inequity in faculty salaries, Deans were asked to “pay particular attention to any faculty who met standards of merit but whose salaries for various reasons may have lagged over the years.” The Provost also reviews the Deans’ faculty salary recommendations “to insure that raises on average reflect market conditions in each discipline.”

Faculty salary increases by rank, averaged for all schools except Medicine, for FY 2002 are shown below and can be compared to the CPI, and the Penn budget guidelines referenced above. The most recent CPI data available are 3.7% for FY 2000 and 3.2% in FY 2001.

Group/Condition	Average	FY 2002
Full Professors	Median	4.0%
	Mean	6.0%
Associate Professors	Median	4.0%
	Mean	7.9%
Assistant Professors	Median	4.9%
	Mean	6.6%
All Three Ranks	Mean	6.7%

NOTE: Academic base salary percentage increases pertain to all Penn standing faculty members who continued in the same rank during the periods of time reported. Excluded were all members of the Faculty of Medicine, all Clinician Educators from four other schools (Dental Medicine, Veterinary Medicine, Nursing, and Social Work) that have such positions, and faculty members who were promoted or entered Penn employment during the periods of time reported.

There are two important facts the committee would like to highlight, which also answer one of the concerns from last year’s report: (a) for all ranks, the FY 2002 salary increases (on average) were considerably higher than the CPI (albeit the previous year’s) and represent the highest amounts in the past 10 year period; and (b) the mean increases are substantial in absolute value, and even exceed the faculty guideline upper bound of 6.0%. We believe that such a trend, if it continues, will put Penn in a strong competitive position and allow us to attract the highest quality researchers and teachers.

The most impressive salary increase percentages continue to be the cumulative compound salary increments over the 10-year period from FY 1992 through FY 2001:

- Full Professors: 59.6%
- Associate Professors: 64.1%
- Assistant Professors: 68.7%

On the whole (all ranks combined), cumulative mean Penn faculty salary increments during this 10-year period were about twice the growth in the CPI at 30.9%. Furthermore, the mean compound cumulative growth in faculty salaries over the 10-year period exceeded Penn’s budget guidelines (43.1%) by a considerable margin.

## Salary Comparisons:

### Penn’s Competitive Standing Using MIT Salary Survey Data

The most meaningful comparisons of mean faculty salaries at Penn with those at other universities in the MIT salary survey sample are broken out by academic field and rank<sup>1</sup>:

*Rank Order of mean salary levels of Penn faculty members by five academic fields in comparison with selected public and private research universities as of the Fall Term of 2001*

Academic Fields	2001-02
<i>Full Professor</i>	10/20
Natural Sciences	8/20
Soc Sci/Human	11/19
Engineering	5/14
Architecture	4/15
Management	
<i>Associate Professor</i>	
Natural Sciences	4/20
Soc Sci/Human	4/20
Engineering	6/19
Architecture	-
Management	4/15
<i>Assistant Professor</i>	
Natural Sciences	7/20
Soc Sci/Human	8/20
Engineering	12/19
Architecture	10/13
Management	5/15

<sup>1</sup>See Table Four (4) in the Economic Status of the Faculty Report for years 1998-99 through 2001-02.

NOTE: Salary rank orders pertain to the mean academic base salary levels of Penn standing faculty members from the Sciences (of SAS) and Social Sciences and Humanities (of SAS), and the Schools of Engineering and Applied Science (for engineering), Graduate Fine Arts (for architecture), and Wharton (for management). Rank orders are reported only if the number of faculty members is four or more.  
Data source: MIT Salary Survey.

As a broad overall generalization for the four schools at Penn included in the MIT survey, as weighted by faculty size, it is fair to conclude that Penn’s mean faculty salaries (for full and associate ranks) were above the mean of the MIT sample as of the Fall 2001. However, for the assistant professor ranks, the weighted average indicates a salary base right at the mean of the comparison schools. While, of course, average (or slightly above average) is not bad if Penn has the aspirations of being average, we hope that it is in an area in which the administration could take a closer look. We believe that if salaries remain at these levels, Penn will have a hard time attracting and retaining the best and the brightest faculty.

SCESF has also analyzed both the rank order salary data and the more detailed salary data (e.g., frequency distributions) from which the rank orders were computed. Based on our comprehensive study of data from the MIT Salary Survey (including the frequency distributions data not released for publication), we describe below, in separate paragraphs for each academic field and rank, the two most salient points: (a) the competitive position of a Penn mean salary level as of Fall 2001 and (b) the change (if any) in this competitive position during the past five years.

- *Full Professors in the Natural Sciences*—The mean salary of full professors in the natural sciences at Penn ranked 10th of 20 universities in the relevant MIT sample, although 1 of the 9 schools above Penn was very close. Accordingly, Penn’s current competitive position within the MIT sample is best described as average. This position of Penn’s mean salary in the natural sciences represents very little difference in comparison to last year, and to the last five years overall.

- *Full Professors in the Social Sciences and Humanities*—The mean salary of full professors in the social sciences and humanities at Penn ranked 8th of 20 universities in the relevant MIT sample, although 2 of the 7 universities above Penn were less than 2% higher. Accordingly, Penn’s current competitive position in the widely distributed MIT sample in this academic field is best described as somewhat above average. This competitive position of Penn’s mean salary in the social sciences and humanities has been stable during the past five years, and may be improving slightly.

- *Full Professors in Engineering*—The mean salary of Penn’s engineering professors ranked 11th of 19 universities in the relevant MIT sample, although 3 of the 10 universities above Penn were less than 2% higher. The mean engineering salaries in the MIT sample are not dispersed widely (all falling within 15% of the median), and have become even more tightly bunched during the past five years. The importance of this is that the Penn mean salary, though average, is still reasonably close to those above. Nonetheless, the current competitive position of Penn’s mean salary in engineering represents a slight decline in its competitive position since 1996-97.

- *Full Professors of Architecture*—The mean salary of Penn’s GSFA professors was competitive in that it ranked 5th of 14 universities in the relevant MIT sample. However, two of the four universities with higher salaries exceeded Penn’s level by a considerable amount. In comparison with the entire sample of 14 universities reporting data for architecture, the mean GSFA salary leads a narrowly disbursed middle group. In general, the current competitiveness of the GSFA mean salary represents a noticeable<sup>2</sup> improvement since 1996-97.

- *Full Professors of Management*—The mean salary of Penn’s Wharton professors ranked 4th of 15 universities in the relevant MIT sample. During the past five years, the dispersion of mean salaries has declined noticeably—the significance of which is that the Wharton mean salary in the MIT sample is nonetheless close to the majority of those above (i.e., the mean Wharton salary is reasonably competitive with most of the highest offered elsewhere). The current Wharton mean salary represents a noticeable improvement in its competitive position since 1996-97. However, one point of concern is the drop in size from 18 academic institutions in 2000-2001 to 15 in 2001-2002 in the MIT data. As it appears that at least one of these may be from the high end, this brings into question the stability of these findings. We hope that the amount of fluctuation in the comparison sample does not continue at this pace.

- *Associate Professors in the Natural Sciences*—The mean salary of associate professors in the natural sciences at Penn ranked 4th of 20 universities in the relevant MIT sample, although 1 of the 3 universities above Penn were less than 2% higher. The competitive position of the Penn mean salary in the natural

<sup>2</sup>The word “noticeable” is used here to refer to a change of 3% to 5% in the salary data over time whereas the word “considerable” is used to describe a change of 6%, or more, in the salary data over time. Salary data that change only 0% to 2% over time are regarded as stable.

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sciences appears in good shape, and has improved slightly over the last 5 years.

- *Associate Professors in the Social Sciences and Humanities*—The mean salary of associate professors in the social sciences and humanities at Penn ranked 4th out of 20 universities in the relevant MIT sample. Accordingly, Penn's current competitive position in the MIT sample in this academic field is well above average, and, in fact, has improved considerably since FY 1996-1997.

- *Associate Professors in Engineering*—The mean salary of associate professors in engineering at Penn ranked 6th of 19 universities in the relevant MIT sample, with 1 of the 5 universities above Penn less than 2% higher. Accordingly, Penn's current competitive position in the MIT sample in this academic field is adequate. The competitive position of the Penn mean salary in engineering has been reasonably stable since 1996-97.

- *Associate Professors of Management*—The mean salary of associate professors at Penn's Wharton School ranked 4th of 15 universities in the relevant MIT sample, although one of the 3 universities above Penn was virtually identical. Accordingly, Penn's current competitive position in the MIT sample in this academic field is somewhat above average. The current Wharton mean salary represents a noticeable improvement in its competitive position since 1996-97. The one area of concern is that the MIT sample now only represents 15 schools for associate professors, down from 18 in previous years. We do not believe that this instability in the comparability of the samples negates the statement regarding Penn's competitiveness. However, we should try and keep this sample as consistent as possible.

- *Assistant Professors in the Natural Sciences*—The mean salary of assistant professors in the natural sciences at Penn ranked 9th of 20 universities in the relevant MIT sample, although 2 of the 8 universities above Penn are less than 2% higher. Even so, Penn's current competitive position within the MIT sample is best described as average because the Penn salary was very close to the median of the sample. The current competitive position of the Penn mean salary in the natural sciences has been stable since 1996-97.

- *Assistant Professors in the Social Sciences and Humanities*—The mean salary of assistant professors in the social sciences and humanities at Penn ranked 9th of 22 universities in the relevant MIT sample, although one of the 8 universities above Penn was less than 2% higher. Penn's current competitive position in the MIT sample in this academic field has improved from considerably below average in FY 1999-2000 to average. In the longer term, the competitive position of the Penn mean salary in the social sciences and humanities was about the same as in 1996-97.

- *Assistant Professors in Engineering*—The mean salary of assistant professors in engineering at Penn ranked 13th of 19 universities in the relevant MIT sample, although 4 of the 12 universities above Penn were less than 2% higher. Because mean salaries are tightly bunched at the lower end of the distribution, Penn's mean salary in this academic field is less than 3% below the median. However, the competitive position of the Penn mean salary in engineering has improved noticeably since FY 1999-2000 and was reasonably close to that of 1996-97.

- *Assistant Professors of Architecture*—The mean salary of assistant professors in Penn's GSFA ranked 10th of 13 universities in the relevant MIT sample, although 1 of the 9 universities above Penn was less than 2% higher. Thus, Penn's mean salary in this academic field is not particularly competitive in the MIT sample. In addition, the competitive position of the current GSFA mean salary has declined noticeably since 1996-97.

- *Assistant Professors of Management*—The mean salary of assistant professors in Penn's Wharton School ranked 5th of 15 universities in the relevant MIT sample, although one of the 4 universities above Penn was less than 2% higher. Accordingly, Penn's current competitive position in the MIT sample in this academic field is somewhat above average. The competitive position of this Wharton mean salary has improved noticeably since 1996-97.

## Comparisons with Peer Universities of Full Professors Salaries Using AAUP Survey Data

The relative standings of mean salaries of Penn full professors for academic year 2001-2002 is presented below<sup>3</sup>. The order of listing of universities was determined by the magnitude of mean salaries of full professors (from high to low) for the academic year. Next, the difference between a comparison university's mean salary and Penn's mean salary was computed as a percentage of Penn's mean salary.

<sup>3</sup>See Table 5 in the Economic Status of the Faculty Report for years 1986-87 through 2001-2002.

<sup>4</sup>See Table 9 in the Economic Status of the Faculty Report for the complete table.

<sup>5</sup>The mean salary figures for full professors for 1999-00 are higher than those recorded in Table 5 (see full report) which are drawn from AAUP reports. This discrepancy is a product of two AAUP policies: first, to exclude faculty members with decanal titles (which will reduce the AAUP mean); second, to include all faculty members in a rank (including those newly appointed to a rank) whereas Table 9 data are limited to faculty members who continued in the same rank from the prior year (a difference that will also reduce the AAUP mean).

*Full professor salary comparisons: Percentage differences in mean academic base salary levels of Penn full professors in comparison with salary levels of full professors at a sample of comparable research universities for Academic Year 2000-2001*

University*	Percentage Differences by Year
University*	2000-01
Harvard	13.1%
Princeton	2.9%
Yale	2.5%
Stanford	2.3%
Chicago	0.9%
PENNSYLVANIA	\$128.0K
NYU	-1.3%
Columbia	-2.0%
MIT	-3.8%
Northwestern	-4.5%
Duke	-7.2%
U.C. (Berkeley)	-9.5%
UCLA	-9.6%
Michigan	-14.9%
Carnegie-Mellon	-15.0%
Virginia	-15.9%
N.C. (Chapel Hill)	-19.2%
Texas (Austin)	-22.8%
MN (Twin Cities) %	-23.8%

NOTE: Penn academic base mean salaries are based on standing faculty members at the rank of professor. Excluded are all members of the Faculty of Medicine and all standing faculty members who are appointed as Clinician Educators from four other schools that have such positions (Dental Medicine, Veterinary Medicine, Nursing, and Social Work). Data source: AAUP Salary Surveys.

\*Universities are ordered from highest to lowest mean salaries for full professors as of 2000-2001. For each year reported, the difference between the Penn mean salary and the mean salary for a comparison university was computed as a percentage of the Penn salary.

After reviewing the data, the committee noted that mean salaries for full professors at Penn gradually have become more competitive during the past 15 years. In addition, the percentage advantage of salaries at Harvard, Stanford, and Yale over Penn have decreased substantially during this period of time, while only Chicago gained in percentage advantage, although it declined in 2001-2002. In addition, for all the schools below Penn as of 2001-2002, each has fallen further behind Penn. This implies, overall, a good degree of competitiveness on Penn's part. The committee would also like to note that while Penn's competitive position in this respect is strong in general, aggregated salary data such as these do not reveal which schools, and departments within schools, may provide mean salaries that are particularly competitive or that may lag behind their competition. Therefore, SCESF continues to seek comparative salary data that is specific to each of Penn's schools.

## Variability in Average Salary Levels by Rank

Trends in mean faculty salaries for the last three years are shown by rank below<sup>4</sup> for all schools combined, except Medicine<sup>5</sup>. Such data give the crudest perspective on rank differences in salary, however, because of aggregation biases across schools. For example, one might expect a considerably larger difference between mean assistant and associate professor salaries. The modest difference might be accounted for by the facts that the Law School has no associate professors (a fact that might decrease the observed associate professor mean) and the Wharton School has a considerably higher percentage of assistant professors than is typical of other schools (a fact that could increase the observed assistant professor mean).

*Mean academic base salary levels of continuing Penn standing faculty members by rank*

Rank	Academic Year	Salary	Amount
Full Prof.	1999-00	Average	117,092
		Mean	106,338
	2000-01	Median	121,424
		Mean	110,300
	2001-02	Median	127,446
		Mean	112,546
Associate Prof.	1999-00	Mean	79,519
		Median	74,000
	2000-01	Mean	83,890
		Median	78,600
	2001-02	Mean	90,050
		Median	82,187
Assistant Prof.	1999-00	Mean	69,417
		Median	60,450
	2000-01	Mean	73,187
		Median	64,760
	2001-02	Mean	79,003
		Median	75,000

NOTE: Mean academic base salary levels are based on all Penn standing faculty members who continued in the same rank in FY 2000, FY 2001, and FY 2002 from their respective prior years. Excluded were all members of the Faculty of Medicine, all Clinician Educators from four other schools (Dental Medicine, Veterinary Medicine, Nursing, and Social Work) that have such positions, and faculty members who were promoted effective for each year reported.

As discussed in the prior section, percentage salary increases for assistant professor, in the aggregate, have been considerably greater than for full professors during the past three years. This trend was also seen when the committee reviewed the weighted ratio of professor to assistant professor salaries, which has declined year-by-year since 1998-99. Thus, full professor salaries are losing the internal "competition" for salary increase resources within Penn, as well as losing ground over the same period of time in the external competition with other universities in the MIT salary survey sample.

#### Status of Committee Recommendations Submitted in 2000-01 and New Recommendations

(Note: All references to table and page numbers in the Q&A below refer to the full ESF report, which can be found at [www.upenn.edu/almanac/v49/n26/EconStat2k3.html](http://www.upenn.edu/almanac/v49/n26/EconStat2k3.html)).

Below is a progress report of recommendations made in FY 2000-2001 for development of faculty compensation policy and procedures. These recommendations are presented below, along with the responses of Provost Barchi. SCESF's comments and subsequent developments are also included. In addition, we include a set of new issues to discuss.

#### FY 2001-2002 Faculty Salary Policy and Procedure Issues for Provost Response

1. *Salary Competitiveness Issue.* The need to attain and maintain faculty salary levels that are highly competitive with salaries provided by peer universities, while simultaneously sustaining other components of university operations essential to providing high quality instruction, research, and service.

##### SCESF Recommendations:

a. Apparently, mean faculty salaries in several academic fields included in the MIT Salary Survey have fallen behind the level at which Penn ordinarily competes. If these four faculty groups are as meritorious, on the whole, as comparable faculty groups at Penn with more competitive mean salary levels, it is recommended that priority be placed on increasing mean salaries to Penn's competitive level of the groups that have fallen behind.

These areas are:

(1) Full professors in: Engineering

**Provost Response:** *We will examine this situation and recommend changes if they are warranted. In particular, if there are exceptionally productive faculty members whose salaries are lagging those salaries should be brought up. On the other hand, we do not feel that resources should be invested simply to increase mean salary levels without individual justification.*

**SCESF Response:** We thank and agree with the Provost that this is not a blanket request to increase all full professors' salaries in Engineering; yet, a point to make sure is communicated with appropriate administration at the school of Engineering.

(2) Assistant professors in:

Natural Sciences, Engineering & Architecture

**Provost Response:** *We concur with this area of focus. In general salaries of assistant professors should reflect the need to attract and keep the very best young faculty members. If we are losing out in either of these respects we will improve our offers and counter-offers in these areas.*

**SCESF Response:** Although likely beyond the role of the SCESF, this suggests (if not already done) tracking of offers made to assistant professors and their acceptance rate, to provide a benchmark as to our competitive position.

b. Even though priority should be placed on regaining Penn's competitive level in the academic fields identified above, it is recommended that equal priority be given to recognizing in advance and rewarding with salary increases distinguished performance of faculty members who choose not to seek, or use, attractive offers of external appointment to negotiate salary increases.

**Provost Response:** *We strongly agree with this recommendation and have discussed this on numerous occasions with the deans. We hope that deans and department chairs are already sensitive to this issue. We will stress the need for attention to it when we transmit salary information.*

**SCESF Response:** We appreciate the Provost's sincerity on what we feel is a crucial matter.

2. *Salary Equity Issue.* The need to identify and eliminate inequity among individual faculty salaries by rank within departments (and schools organized as single departments).

#### SCESF Comment:

As reviewed in this SCESF's Annual Report for 2001-02, a considerable percentage of faculty members (18%) received salary increases for FY 2001 that were below the growth in the CPI (Phil.) for the 12 months ending June 2001. Moreover, this percentage was higher than in the prior year (9%). Consistent with this higher percentage was a general decline across schools in the first quartile salary increase for full and associate professors. It thus appears likely that some faculty members who have performed at least at a satisfactory level have received salary increases less than growth in the CPI. If so, this represents an effective reduction in salary in terms of purchasing power—a circumstance that is clearly inequitable given that the overall salary increase percentage for each school was well in excess of the growth in the CPI.

#### SCESF Recommendations:

a. In view of the quantitative facts identified above, it is recommended that further consideration be given by the Provost and the Deans to eliminating, or decreasing in frequency, the assumed inequitable practice of awarding salary increases below the annual growth in the CPI (Phil.) to faculty members who have performed at least at a satisfactory level. In making this recommendation, we realize that the feasibility of awarding increases to faculty members with satisfactory performance at least as great as growth in the CPI depends on the difference between funds available for salary increases and the CPI growth percentage—with the larger the positive difference, the greater the feasibility of providing salary increases of at least the CPI growth percentage.

**Provost Response:** *It is certainly reasonable, in principle, to try to provide salary increases at least at the level of the increase in the CPI to faculty members who perform at a level that is at least satisfactory. However, the need to provide rewards to the most productive faculty members, as requested by this committee (see above), to improve starting salaries, and to address inequities which develop over time, coupled with limitations on overall University, school, or departmental resources, can make the achievement of this goal difficult in some years. In fact, average salary increases for Penn faculty over the past decade have run well above the annual increase in CPI.*

**SCESF Response:** We wholeheartedly agree with the Provost that Penn's average salary increases have led the CPI dramatically over the past decade (Table 1), and that the ability to manage micro-level year to year increases versus the CPI is difficult and agreeably questionable as a goal.

b. Therefore it is further recommended that, for each faculty member who has performed at least at a satisfactory level during the prior year but who is awarded a salary increase that is less than the most recent data available about the annual percentage growth in the Philadelphia CPI (e.g., from January through December of the prior year), the faculty member should be provided by the relevant academic administrator with the following information:

- that his/her performance has been at least satisfactory, and
- the circumstances that caused the percentage increase below the CPI growth percentage.

**Provost Response:** *The salary letter that faculty members receive should include an explicit assessment of their recent work. That letter should also indicate why the salary level has been set in a particular way.*

**SCESF Response:** We agree. Our question is how many of Penn's faculty actually receive such an explicit assessment? If the SCESF committee members are representative of such a fraction, the answer is not high. We therefore request that the Provost continue to request that such feedback be provided.

#### SCESF Comment:

The Committee hopes that this recommendation will be implemented for salary increases decided during the Spring Term 2003, and that, as may be appropriate, this information will be provided to individual faculty members about their performance at the time each is notified of their annual salary increase.

3. One further request, which arose out of the SCESF meeting to discuss this report, is that in Tables 6, 7, and 8 we do not report quartiles for schools by rank where the sample size is 10 or less (as quartiles would be based on two people). While we agree wholeheartedly with this, we would still like to see a measure of dispersion for these schools by rank. Accordingly, we recommend that in future years, the committee is provided a two or three year average for those schools in which we normally would not be able to report a 1st or 3rd quartile.

**Provost Response:** *We will do this in cases where it is feasible.*

**SCESF Response:** Good, and in future reports we will make sure to denote those quartiles that are based on some combination of current and historical data.

4. This committee would like to laud the School of Medicine, basic sciences, for agreeing to participate in this year's report for the first time. We would like this trend to continue, and request that the provost do everything

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possible to insure this. In addition, we want to make sure that no “conditions” are required for this request; that is, the school of medicine is asked to comply to provide salary data as are all other schools.

**Provost Response:** *We will do this.*

**SCESF Response:** Thank you. Also, as we state on page 14, we hope that the School of Medicine, basic sciences, will also start providing the SCESF external comparison data that we believe exists. This will allow us the opportunity to provide them the same oversight we provide to our schools and departments.

5. One recommendation that came out of this committee, was the possibility of having a shorter version of this report (say 10 pages or so) for general consumption, and a more detailed version (like this report) that is provided on-line for the persons wanting details. We believe that this would lead to a wider dissemination of this information to the faculty at large, and we hope that the provost would work with next year’s committee to determine what might appear in this so-called “executive summary SCESF report”.

**Provost Response:** *We agree that this would be useful.*

**SCESF Response:** Good. The 2002-2003 SCESF report will likely contain a shorter version to be published in the *Almanac* with a longer version available online. We hope that this will increase *Almanac* readership and get all faculty involved in SCESF issues.

Note that you are currently reading this executive summary, and it was decided to do it this year, after the provost and SCESF had discussed this point.

6. One further request that came out of the SCESF meeting, was the possibility of having the provost meet with the SCESF prior to setting salary guidelines for the next fiscal year. As we understand such decisions usually take place in mid-late Spring semester. We would hope that such a meeting could take place early in the Spring semester. Our belief is that this would add to the comfort level that the SCESF had about the decisions that were made regarding salary setting policy.

**Provost Response:** *We are willing to meet with SCESF in the spring.*

**SCESF Response:** We look forward to that meeting.

7. We make a recommendation for next year’s report that the SCESF report both sets of data for Nursing (nine month salaries, no stipends, and no clinical income) as well as what is currently reported so that we can track both sets of information. We request that the Provost assist us in collecting this data from the nursing school going forward.

**Provost Response:** *Tracking both sets of data for the School of Nursing would have little value.*

**SCESF Response:** We recognize the Provost’s concern that looking only at nine month salaries could lead to micro-managing of one’s total compensation and hence may have a negative impact.

8. As it has been over three years, it was the 1998-99 report, in which faculty benefits were looked at in comparison to our peer institutions, we request that the Provost’s office provide this information to the SCESF for year 2002-2003 in accordance with what was done in 1998-99. Furthermore, going forward, we believe that this should be looked at roughly every five years if not more frequently.

**Provost Response:** *We agree that this is a timely request. We will work with the committee to carry out such a study*

**SCESF Response:** Good. We hope this can be one of the points of discussion for our spring meeting.

9. One of the concerns of the SCESF is the low relative spread in salaries at the full professor level, which may indicate a problem in attracting faculty at the upper end of the scale. This is evidenced in Table 10, in which the spread in full professor salaries as a ratio to median salary is lower than that for assistant and associate professor. We would like to request that the Provost continue monitoring this situation and advise the committee as to what efforts are being made to allow Penn’s “top end” to stay competitive.

**Provost Response:** *In general, we fully agree that salaries should be determined by performance and not only by time in rank. We, too, would expect that this would lead to a broad but acceptable spread in full professors’ salaries. We will examine this issue. However, it is not obvious that the spread in salaries has provided any serious obstacle to offering competitive salaries to excellent external candidates for positions at the full professor rank, or to responding to competitive offers in senior retention cases.*

**SCESF Response:** We thank the Provost for stating that this is a matter he will look into.

10. Issue Concerning Data on the Competitiveness of Faculty Salaries not Included in the MIT Survey. The need to seek, or compile, evidence about the competitiveness of faculty salaries at schools not included in the MIT survey.

**SCESF Recommendations:** In accordance with the agreement with the Provost in 1999 and 2000, it is recommended that the Provost continue his efforts to secure data on the competitiveness of faculty salaries in Penn’s schools not included in the MIT Salary Survey or the surveys for veterinary medicine and dental medicine.

**Provost Response:** *We will try to obtain such data.*

**SCESF Response:** We appreciate it, as it will allow us to make a more meaningful set of comparisons.

## B. Final Summary:

While the Penn faculty have remained equally competitive in most areas, and have gained in some (and thankfully lost ground in few), the salary increases with respect to the CPI is the great message from this report. We are concerned about the large number of Penn faculty who received raises below the CPI in the 2001-2002 year, and furthermore have 5 year average raises below the CPI. We believe that an explicit policy needs to be developed such that:

(a) when the faculty midpoint salary raise guideline is given (e.g. 3.5%) to the schools, its level will be set in accordance with actual or projected CPI,

(b) faculty members who receive raises below the CPI, or have raises below the 5 year compounded CPI are informed as such,

(c) Department chairs/Deans should be provided information regarding faculty members who have received raises below the CPI in the past,

(d) We recommend that department chairs/deans be provided information as to the raise that would be required to bring each faculty member’s salary to at least the minimum CPI growth at the time they are setting salaries.

**Provost Response:** *Department chairs and others who set faculty salaries should have direct access to information on faculty salary history and salary tracking relative to the CPI. This information should be taken into consideration, along with a variety of factors such as individual performance and school and University financial position, in determining salaries for the coming year. The salary letter that a faculty member receives should certainly include an explicit assessment of their recent work and indicate why the salary level has been set in a particular way. However, a selective focus on maintaining minimum salary increases at the level of the CPI, given the constraints of the overall resources often available for salary increases, has a collateral negative impact on resources required to keep the best faculty from looking elsewhere, to recruit the best new faculty, or to reduce the salary inequities that develop as faculty members’ productivity changes.*

**SCESF Response:** We agree that the overall impact of targeting all salaries towards the CPI could have a collateral negative impact. Our hope is that this information is provided to Department Chairs and Deans so that the CPI, as well as other criterion, can be used as guiding tools (not rigid constraints) to their decision making.

We hope the Provost and the Administration considers these recommendations.

## Members of the 2001-2002 Senate Committee on the Economic Status of the Faculty

*Eric T. Bradlow, Associate Professor of Marketing and Statistics, Committee Chair*

**Terms Expire April 2002**

*Andrew Postlewaite, Professor of Economics*

*Lorraine Tulman, Associate Professor of Nursing*

**Terms Expire April 2003**

*Howard Goldfine, Professor of Microbiol/Med.*

*Janice F. Madden, Professor of Sociology*

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*Eric T. Bradlow, Associate Professor of Marketing and Statistics*

*Richard E. Kihlstrom, Miller-Freedman Professor of Finance*

**Terms Expire April 2005**

*Jere R. Behrman, Professor of Economics*

*Linda Brown, Professor of Nursing*

**Ex Officio (2001-2002)**

*Senate Chair David B. Hackney, Professor of Neuroradiology*

*Senate Chair-elect Mitchell Marcus, RCA Professor of Artificial Intelligence*

*Past Senate Chair Gerald J. Porter, Professor of Mathematics*

**Ex Officio (2002-2003)**

*Senate Chair Mitchell Marcus, Professor of Computer & Information Science*

*Senate Chair-elect Lance Donaldson-Evans, Professor of Romance Languages*

*Past Senate David B. Hackney, Professor of Radiology*