

May 6, 2009

SENATE Economic Status of the Faculty

Executive Summary of the Economic Status of the Faculty 2007-2008 Report - Revised¹

Introduction

This Executive Summary is meant to cover the most salient portions of the full Economic Status of the Faculty 2007/08 Report. It is the consensus of the Senate Committee on the Economic Status of the Faculty (SCESF) that having a condensed summary of the full report will lead to a wider dissemination of this information to the faculty-at-large. Covered in this report are the following areas:

- Comparisons with Growth in the Consumer Price Index (CPI)
- Comparisons with Peer Universities Using Data from the AAU Data Exchange
- Comparisons with Peer Universities Using AAUP Survey Data
- Variability in Average Salary Increases by Rank and School/Area
- Trends in Variability Over Time
- Variability by Gender

The Summary concludes with the Committee's Recommendations and Questions for the Administration for 2007-08.

Comparisons with Growth in the Consumer Price Index (CPI)¹

Comparisons with the CPI indicate that:

- a) for all ranks combined, the mean FY 2008 percentage salary increase was less than the percentage increases in the U.S. city-average CPI and Philadelphia CPI,
- b) for each rank, the median FY 2008 percentage salary increase was lower than the percentage increases in the U.S. city-average CPI and the Philadelphia CPI,
- c) mean salary percentage increases were below the percentage increases in the U.S. city average CPI and the Philadelphia CPI for full professors and associate professors, and
- d) unlike in prior years (see prior reports), the mean percentage increases for associate professors did not exceed the faculty guideline upper boundary of 6.0% (Deans must consult with the Provost about any individual increases above 6%).

Average academic base salary percentage increases of continuing Penn standing faculty members by rank in comparison with the Consumer Price Index (CPI) and Penn Budget Guidelines

Group/Condition	Average	FY 2007-08
Full Professors	Median	3.0%
	Mean	4.5%
Associate Professors	Median	3.0%
	Mean	4.5%
Assistant Professors	Median	3.8%
	Mean	5.4%
All Three Ranks	Mean	4.7%
U.S. City Average CPI	Mean	5.0%
Phil. CPI Growth	Mean	5.1%
Budget Guidelines	Mean	3.0%

¹ In July 2008 the Senate Committee on the Economic Status of the Faculty released a preliminary report for 2007-08. This revised report reflects updated peer comparisons and adjusts the CPI comparisons.

NOTES: Academic base salary percentage increases pertain to all Penn standing faculty members who continued in employment at the University during the periods of time reported. Excluded were members of the Faculty of Medicine except basic scientists, all Clinician Educators from four other schools (Dental Medicine, Veterinary Medicine, Nursing, and Social Policy & Practice) that have such positions, faculty who were on unpaid leave of absence, faculty who had chosen phased retirement, and Deans of all schools. FY 2007-08 CPI growth for the U.S. and for Philadelphia is based on a change in CPI from June 2007 to June 2008.

Comparisons with Peer Universities Using Data from the AAU Data Exchange

The best currently available salary data from other institutions of higher education are provided by the American Association of Universities (AAU) Data Exchange. The AAU is comprised of 60 public and private research universities in the United States and two in Canada. The AAU includes several Ivy League institutions (e.g., Penn, Brown, Harvard, Princeton, Cornell, and Yale), other private universities (e.g., Brandeis, Rice, Emory, Vanderbilt), public flagship universities (e.g., Penn State University and the Universities of Michigan, Virginia, and Maryland), and other public universities (e.g., Michigan State, University of California Davis, and University of California Irvine). Please refer to the AAU website for a complete list of member institutions: <http://www.aau.edu/>.

Salary Comparisons: Penn's Competitive Standing

The most meaningful comparisons of mean faculty salaries at Penn with those at other universities in the AAU Data Exchange are broken out by academic field and rank. For the 16 schools/areas, Penn's mean faculty salaries for all ranks in 2007-08 are in the upper third of the distribution for AAU institutions. In fact, mean faculty salaries are at least in the top quartile of AAU institutions for all three ranks in all schools/areas except full professors in dental medicine where Penn's salaries ranked 10th out of 38 in fall 2007; and assistant professors in Dental Medicine, where Penn's salaries ranked 11th of 36; Humanities (SAS), where Penn's salaries ranked 19th of 56; and Natural Sciences (SAS), where Penn's salaries ranked 18th of 57.

Rank of mean salary levels for Penn faculty members by academic field in comparison with universities participating in the AAU Data Exchange.

Academic Field	Fall 2004	Fall 2005	Fall 2006	Fall 2007
Full Professor				
Annenberg	1/34	2/35	2/36	1/38
Dental Medicine	4/34	6/34	8/35	10/38
Design	9/52	7/51	3/53	9/53
Engineering & Applied Science	20/56	14/55	14/56	14/56
Graduate Education	2/44	3/43	4/45	4/48
Humanities (SAS)	6/56	5/55	5/56	10/56
Law	6/36	6/36	7/36	10/41
Medicine-Basic Science	2/34	3/35	3/37	3/37
Natural Science (SAS)	11/57	12/56	11/57	15/57
Nursing	2/23	2/24	2/24	2/26
Social Policy & Practice	5/22	4/22	6/24	6/25
Social Science (SAS)	10/56	9/55	9/56	9/57
Veterinary Medicine	1/14	1/14	1/13	4/17
Wharton-Business & Management	3/52	2/52	3/53	7/53
Wharton-Public Policy	3/19	3/19	3/18	--
Wharton-Statistics	1/35	1/34	1/35	1/34

Associate Professor

Annenberg	--	--	--	--
Dental Medicine	1/30	--	--	8/35
Design	9/50	7/50	1/51	7/53
Engineering & Applied Science	11/56	9/55	7/55	10/56
Graduate Education	2/47	2/46	3/46	4/48
Humanities (SAS)	6/56	8/55	6/56	10/56
Law	--	--	--	--
Medicine-Basic Science	2/31	4/34	2/36	3/37
Natural Science (SAS)	6/57	11/56	9/57	11/57
Nursing	7/26	3/26	3/26	5/26
Social Policy & Practice	--	5/22	5/24	--
Social Science (SAS)	11/56	11/55	9/56	11/57
Veterinary Medicine	2/14	2/14	1/13	3/17
Wharton-Business & Management	1/51	1/52	1/53	2/53
Wharton-Public Policy	--	--	--	--
Wharton-Statistics	--	--	--	--

Assistant Professor

Annenberg	--	--	--	--
Dental Medicine	--	--	4/34	11/36
Design	2/50	4/49	--	5/52
Engineering & Applied Science	12/56	11/55	6/56	13/56
Graduate Education	12/43	7/43	6/45	6/47
Humanities (SAS)	14/56	13/55	14/56	19/56
Law	3/23	5/28	--	--
Medicine-Basic Science	4/33	5/34	9/38	6/37
Natural Science (SAS)	10/57	7/56	8/57	18/57
Nursing	5/27	6/27	4/26	5/26
Social Policy & Practice	--	--	--	--
Social Science (SAS)	9/56	8/55	15/56	10/57
Veterinary Medicine	1/14	1/14	1/13	1/17
Wharton-Business & Management	3/50	7/52	3/53	6/53
Wharton-Public Policy	--	--	--	--
Wharton-Statistics	--	--	--	1/33

NOTES: -- Indicates that comparisons are not available. Calculations of rank only include those universities that have relevant departments. Therefore, the number of universities among which Penn is ranked varies by field.

Data source: AAU Data Exchange.

Comparisons with Peer Universities Using AAUP Survey Data

Presented below is a comparison of the mean salaries of all *full* professors at Penn with those at a small select group of research universities based on data obtained by the Penn administration, collected annually by the American Association of University Professors (AAUP), and published in *Chronicle of Higher Education*.

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

Full Professor Salaries: Percentage Differences by Year

University	2005-2006	2006-2007	2007-2008
Harvard	12.5%	+13.4%	11.7%
Stanford	4.2%	+0.7%	6.0%
Princeton	4.6%	+4.6%	5.2%
Chicago	3.5%	3.8%	4.4%
Yale	0.9%	0.7%	1.1%
Pennsylvania	\$149.9K	\$156.5K	\$163.3K
Columbia	N/A	N/A	-0.4%
NYU	-3.9%	-4.5%	-0.6%
Northwestern	-6.1%	-5.9%	-6.3%
Duke	-9.0%	-9.3%	-7.0%
MIT	-6.4%	-6.8%	-7.7%
N.C. (Chapel Hill)	-23.1%	-19.0%	-17.9%
Michigan	-16.2%	-16.7%	-19.1%
Virginia	-17.9%	-18.2%	-23.1%
Carnegie-Mellon	-17.4%	-18.8%	-23.5%
Texas (Austin)	-22.8%	-22.6%	-29.6%
MN (Twin Cities)	-26.4%	-25.5%	-34.6%
UCLA	-14.3%	-14.9%	N/A
U.C. (Berkeley)	-15.8%	-16.1%	N/A

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 except basic scientists, 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 Policy & Practice). Data Source: AAUP Salary Surveys.

Variability in Average Salary Increases by Rank and School/Area

It should be recognized that the salary increase guideline of 3% for FY 2008 is just that, a guideline, and pertains to an aggregate of all increases for all ranks combined for each of Penn's schools (i.e., merit increases for continuing faculty members, special increases for faculty members who have been promoted in rank, and market adjustments for faculty members with generous salary offers from other institutions). Therefore, a comparison of the median increase awarded to faculty members of a particular rank and school with the salary guideline only gives an indication of the extent to which the guideline was implemented in that particular instance.

With respect to *full professors*, in four of the 14 schools/areas (Dental Medicine, Medicine-Basic Science, Social Work, and Veterinary Medicine), median salary increases for FY 2008 were within half a percentage point of the general guideline of 3.0% (i.e., between 2.5% and 3.5%), while three were lower than 2.5% (Humanities (SAS), Natural Science (SAS), and Social Science (SAS)), and the other seven were above 3.5% (Annenberg, Design, Engineering & Applied Science, Graduate School of Education, Law, Nursing, and Wharton).

With respect to *associate professors*, in six (Dental Medicine, Design, Engineering & Applied Science, Medicine-Basic Science, Social Science (SAS), and Veterinary Medicine) of the 12 schools/areas (data describing Annenberg and Law are not published because of the small number of faculty at this rank), the median salary increase for FY 2008 was within half a percentage point of the general guideline of 3% (i.e., between 2.5% and 3.5%), while two were lower than 2.5% (Humanities (SAS), Natural Science (SAS)) and the other four were above 3.5% (Graduate School of Education, Nursing, Social Policy & Practice, and Wharton).

With respect to *assistant professors*, in two (Dental Medicine and Design) of the 12 schools/areas (data for Annenberg and Social Policy and Practice are not published because of the small number of faculty at this rank) the median salary increases for FY 2008 were within half a percentage point of the general guideline of 3.0% (i.e., between 2.5% and 3.5%), while three were lower than 2.5% (Humanities (SAS), Natural Science (SAS), Social Science (SAS)) and the other seven were above 3.5% (Engineering & Applied Science, Graduate School of Education, Law, Medicine-Basic Science, Nursing, Veterinary Medicine, and Wharton).

Variability in Average Salary Levels by Rank

The table below shows mean and median faculty salaries by rank for all schools combined for each of four years: 2004-05 through 2007-08. In FY2008, mean salaries were 75% higher for full professors than for assistant professors and 16% higher for associate professors than for assistant professors. After weighting the data to reflect differences in the distribution of faculty across schools by rank, mean salaries of full professors were 85% higher than for assistant professors and mean salaries of associate professors were 26% higher than assistant professors.

Mean and median academic base salary levels of Penn standing faculty members who continued in rank by rank.

Rank	Academic Year	Salary	
		Average	Amount
Full Professor	2004-2005	Mean	141,863
		Median	129,850
	2005-2006	Mean	148,154
		Median	137,000
	2006-2007	Mean	154,314
		Median	143,000
	2007-2008	Mean	160,865
		Median	148,000
Associate Professor	2004-2005	Mean	94,513
		Median	84,100
	2005-2006	Mean	99,374
		Median	87,550
	2006-2007	Mean	102,928
		Median	91,600
	2007-2008	Mean	106,229
		Median	94,336
Assistant Professor	2004-2005	Mean	81,664
		Median	70,524
	2005-2006	Mean	86,704
		Median	72,723
	2006-2007	Mean	89,564
		Median	74,336
	2007-2008	Mean	91,784
		Median	75,500

NOTES: Mean academic base salary levels are based on all Penn standing faculty members who continued in employment from their respective prior years. Excluded were all members of the Faculty of Medicine except basic scientists, all Clinician Educators from four other schools (Dental Medicine, Veterinary Medicine, Nursing, and Social Policy & Practice), faculty members who were on unpaid leave of absence, faculty who had chosen phased retirement, and Deans of all schools. All salaries reported on

a 12-month basis, for the purposes of this analysis, are adjusted to be comparable with the salaries reported on a 9-month basis.

Trends in Variability Over Time

The variability (i.e., the Inter Quartile Range, IQR) of median salaries for Penn's 14 school/areas increased between FY 2005 and FY 2008 for full professors. This is evidence of ongoing rapidly increasing disparity of faculty salaries across Penn's 14 schools/areas. Schools/areas offering higher median salaries apparently also offer higher annual percentage increases. That is, the increases in the IQR are not just proportional to the increase in salary levels from one year to the next, but the disparities among schools/areas in median salaries are growing in percentage terms as well as in dollars.

These data indicate that, in general, differences in median faculty salaries between lower paying schools/areas and higher paying schools/areas have been, and continue to be, slowly increasing both in dollar amount and in percentage difference. As noted in prior SCESF reports, variability among schools/areas is no doubt a product, to a considerable extent, of market forces in the hiring of faculty members and in the relative wealth of schools (i.e., financial ability to support faculty salaries). The relative wealth of schools available for supporting faculty salaries is, in major part, a function of how much income a school is able to earn and the level of non-faculty expenditures it regards as essential.

Variability by Gender

In response to recommendations in previous reports, this report includes two tables describing gender differences in faculty salaries.²

First Quartile (Q1), Median (Md.), and Third Quartile (Q3) Percentage Salary Increases of Faculty who Continued in Rank by Gender and Rank: 2007-08

Rank	Gender	Q ₁	Median	Q ₃
Full Professor	Men	2.0%	3.0%	4.4%
	Women	2.0%	3.7%	5.1%
Associate Professor	Men	2.0%	3.0%	4.0%
	Women	2.0%	3.0%	4.4%
Assistant Professor	Men	2.2%	3.6%	5.0%
	Women	2.0%	3.5%	4.8%

The general pattern seems to be approximately equal salary increases in percentage terms. The range of differences for the male minus female percentage increases by ranks-quartiles in FY 2008 was -0.7 to 0.2. In three cases the percentage increases in FY2008 lower for women than for men: the first, second, and third quartiles for assistant professors.

Mean academic base salary levels of Penn faculty members by gender and rank

Rank	Unweighted			Weighted			
		Women	Men	% Difference	Women	Men	% Difference
2004-05	Mean	134,083	142,944	6.6%	136,564	142,944	4.7%
	Median	120,538	131,100	8.8%	129,656	139,868	7.9%
2005-06	Mean	139,891	149,032	6.5%	142,952	149,032	4.3%
	Median	127,051	138,450	9.0%	138,089	146,213	5.9%
Full Professor 2006-07	Mean	146,762	155,230	5.8%	149,979	155,230	3.5%
	Median	132,200	144,150	9.0%	145,760	152,018	4.3%
2007-08	Mean	151,066	162,614	7.6%	153,170	162,614	6.2%
	Median	137,200	149,718	9.1%	149,735	158,595	5.9%

Associate Professor	2004-05	Mean	87,999	99,150	12.7%	97,948	99,150	1.2%
		Median	78,600	90,150	14.7%	97,018	96,317	-0.7%
	2005-06	Mean	92,619	102,478	10.6%	93,111	102,478	10.1%
		Median	82,750	93,000	12.4%	93,649	100,531	7.3%
	2006-07	Mean	94,695	107,698	13.7%	105,236	107,698	2.3%
		Median	87,263	95,900	9.9%	107,349	104,579	-2.6%
	2007-08	Mean	98,373	110,473	12.3%	108,174	110,473	2.1%
		Median	91,150	98,226	7.8%	109,888	106,065	-3.5%
Assistant Professor	2004-05	Mean	77,794	85,464	9.9%	86,074	85,464	-0.7%
		Median	65,845	74,500	13.1%	83,808	84,000	0.2%
	2005-06	Mean	80,762	89,345	10.6%	89,955	89,345	-0.7%
		Median	68,190	77,340	13.4%	86,653	87,421	0.9%
	2006-07	Mean	83,835	92,169	9.9%	93,002	92,169	-0.9%
		Median	70,563	80,038	13.4%	89,946	88,924	-1.1%
	2007-08	Mean	87,247	95,505	9.5%	96,663	95,505	-1.2%
		Median	73,054	82,000	12.2%	93,592	92,420	-1.3%

NOTES: Female faculty members are weighted using male weights. Male weights are calculated as a ratio of male faculty in each school/area to the total number of male faculty at Penn. Schools/areas that had less than three female faculty in a given rank in a given year are assigned male weight of zero. % difference is calculated as the difference between male and female salaries divided by the female salary. Negative percent differences occur when the female salary exceeds the male salary. All salaries reported on a 12-month basis, for the purposes of this analysis, are adjusted to be comparable with the salaries reported on a 9-month basis.

These data show that both mean and median salaries were higher for men than women at all ranks in FY 2005 through FY 2008. An important limitation of the average salary data shown in the first two columns of the table is that they do not control for differences in the distribution of faculty by gender or differences in average salaries across schools/areas. The small numbers of men and women at some ranks in some schools/areas limit further disaggregation of the data.

Gender differences in salaries are substantially reduced after correcting for gender differences in the distribution of faculty across schools/areas. After applying the weight, median and mean salaries for women and men assistant professors differ by no more than 1.3% from FY 2005 to FY 2008. Among associate professors, mean weighted salaries were 2.1% higher for men than for women and median salaries were 3.5% lower for men than for women in FY 2008. Among full professors, both mean and median weighted salaries were somewhat higher for men than for women in FY 2008 (6.2% and 5.9%).

¹ The consumer price index (CPI) refers to prices for a basket of goods and services purchased by "average workers."

² This information is presented only at the aggregate level because for a number of school/areas-rank cells the number of one gender (generally female) is fairly low.

SCESF Recommendations and Questions for the Administration for 2007-08

In accordance with Faculty Senate policy, following are recommendations and questions for the administration that arose in the SCESF discussions, including some updates on the status of recommendations made in previous SCESF reports

1. Accuracy of Information

As indicated in prior reports and in conversations with the Provost's Office, the SCESF continues to have concerns about the accuracy of data and information in the tables produced by the Office of Institutional Research and Analysis. During the process of completing the first version of the 2007-08 report, the SCESF learned of errors in the data provided to the SCESF for the 2006-07 report and made necessary revisions. In the process of completing this second version of the 2007-08 report, the Office of Institutional Research and Analysis informed the SCESF of challenges in reconstructing the previously supplied tables for 2007-08. According to the Office of Institutional Research and Analysis, these challenges likely reflect the sensitivity of the data to criteria for selecting faculty to include in the analyses

SCESF Recommendation

The SCESF recommends that the Provost's Office and the Office of Institutional Research and Analysis identify and adopt the selection criteria and other procedures that are needed to ensure the accuracy and consistency of all future faculty salary data.

The Provost, the Office of the Vice President for Institutional Affairs, and the Assistant Vice President for Institutional Research and Analysis accept this recommendation and are committed to resolving these issues effectively.

2. Timeliness of Information Provided to the SCESF

Over the past several years, the SCESF has struggled to obtain timely faculty salary data. The administration's current procedures for providing data on the characteristics of Penn's faculty are complex and require substantial time to complete.

SCESF Recommendation

The SCESF recommends that the Provost continue efforts to develop the Faculty Database Information System in order to easily provide accurate academic base salary data for faculty in all schools. The SCESF also recommends that the Provost's Office establish a timeline to ensure that the Office of Institutional Research and Analysis provides the necessary tables to the SCESF by the end of each calendar year, so that the SCESF may issue its report each January.

The Provost is committed to further development and maintenance of a Faculty Information System in the interests of timelier reporting of faculty data, including salary information. While we still depend upon data from the University payroll system for reporting on faculty salaries – data which for a number of reasons have proven problematic for this purpose -- we are examining ways of refining the entry of payroll data to improve the accuracy and flexibility of reporting. In the meantime, we are working with the Office of

the Vice President for Institutional Affairs and the Assistant Vice President for Institutional Research and Analysis to set a more efficient timeline for the supply of data to the Committee.

3. Inclusion of SCESF in Process of Setting Budget Guidelines.

As in previous reports, this committee suggests that the SCESF meet with the Provost for substantive discussions before salary guidelines for the next fiscal year are established. As we understand that salary guidelines are usually determined by mid-spring-semester, we recommend that such a meeting would take place when the SCESF report is produced. We believe that this meeting would raise the SCESF's confidence about the decisions that are made regarding salary-setting policy. While SCESF reports since 2004-05 have indicated the Provost's willingness to meet with the SCESF for such purposes, this procedure has not been implemented. Consultation is rendered meaningless unless it occurs before salary setting policy is made.

SCESF Recommendations

The Provost Office will meet with the SCESF prior to setting salary guidelines, starting in 2009-10.

The Provost agrees to meet with members of SCESF prior to the time the salary increase is announced for the following year.

4. Salary Competitiveness.

To provide high-quality instruction, research, and service, the University must maintain and attain faculty salaries at levels that are highly competitive with salaries provided by peer universities, while simultaneously sustaining other components of university operations.

SCESF Recommendations

a. Mean salaries at Penn have fallen behind the comparison groups in the AAU Data Exchange in a number of areas. The SCESF recommends that priority be placed on increasing mean salaries to competitive levels for the faculty groups that have fallen behind.

The Provost agrees to explore reasons for the competitive standing of Penn's salaries in particular fields identified by the Committee, and to work with the school deans to take corrective actions that may be justified and financially feasible.

b. Even though priority should be placed on regaining Penn's competitive level in the academic fields identified above, the SCESF recommends 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. We note that there is room for improvement for faculty in many of the ranks by school/area comparisons. Moreover, the gaps in mean salaries between full professors at Penn and full professors at Stanford, Princeton, Chicago, and Yale

increased between 2005-06 and 2007-08. The question arises whether the University can keep and attract the highest-quality faculty members unless faculty salaries are in the top group.

The Provost will closely scrutinize market conditions as the basis for salary recommendations of the schools and departments, recognizing that deans and chairs must balance needs to attract distinguished faculty, retain those with outside offers, and treat comparably distinguished faculty equitably. The President and Provost remain committed to further enhancing Penn's ability to offer highly competitive faculty salaries, while recognizing that some of our peers enjoy greater financial resources than Penn, and may also have more developed faculties in some fields of study. We seek, through strategic investments in faculty recruiting and compensation, to consolidate our competitive strengths and address or competitive shortcomings.

5. Salary Equity.

Inequity among individual faculty salaries by rank within departments (and schools that are organized as single departments) must be identified and eliminated. Only 20% of all continuing standing faculty and 18% of continuing full professors received percentage salary increases for FY 2008 that were above the growth in the CPI (Phil.) for the same period. This finding suggests that many faculty members who have performed at a satisfactory level have received salary increases less than growth in the CPI. This circumstance is not surprising given that the University's budget guideline (3.0%) was 40% less than the increase in the Philadelphia CPI (5.1%) and that the overall mean salary increase percentage for all ranks combined over this period was less than the growth in the Philadelphia CPI (4.7% versus 5.1%). Nonetheless, this finding represents an effective reduction in salary in terms of purchasing power for these faculty.

SCESF Recommendations

a. The SCESF recommends that the Provost and Deans give further consideration to decreasing instances when faculty members who have performed at least at a satisfactory level are awarded salary increases that are below the annual growth in the CPI (Phil.). 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.

The Provost agrees to give this matter further consideration. When increases in the available salary pool are comparable to the percentage increase in the CPI, Deans and Department Chairs may have difficulty rewarding especially meritorious faculty performance while also granting increases at or above the growth in CPI to all faculty members who are performing at a satisfactory level. Cost considerations, meanwhile, limit the extent to which the aggregate salary pool can exceed the growth in CPI.

b. The SCESF also requests support from the Provost to meet with Deans of particular schools to further understand processes for determining salary increases and communicating salary increases to faculty, as well as the forces that contribute to low percentage increases for faculty in the school. The committee is especially interested in understanding forces that contribute to differences across schools in the percentage of faculty who receive salary increases at or above the rate of inflation.

The Provost believes that Deans have been responsive to such requests in the past and encourages their cooperation with the Committee.

6. Gender Equity

Average salaries are lower for women than for men faculty, especially for full professors, even after weighting the data to reflect differences in the gender distribution of faculty by school and area. The suggestion of gender inequity in faculty salaries is troubling.

SCESF Recommendation

The SCESF recommends that the Provost's Office place priority on identifying the causes of observed gender differences in salaries and addressing any inequities that are not attributable to legitimate forces.

The Progress Report on Gender Equity completed this year included a follow-up analysis indicating general equity in salaries once individual departmental affiliation, time in rank, and other factors are taken into consideration.

7. Completeness of Data

Previous SCESF reports requested that Tables 6, 7, and 8 in the full report, tables that provide percentage salary increases by rank, school, and quartile, be adapted to show a two- or three-year average for cases where the number of faculty is 10 or less (as quartiles would be based on two people). This recommendation has not yet been implemented. The SCESF also requests that future reports show not only percentage salary increases by rank and school, but also actual average salary levels by rank and school.

SCESF Recommendation

Implement the procedure for providing information for small cells in Tables 6, 7 and 8 by averaging data over two or three years for the 2008-09 report. Provide an additional table to the SCESF for the 2008-09 report that summarizes average salary levels by rank and school.

The Provost's Office agrees to explore these requests with the Office of Institutional Research and Analysis.

8. Faculty benefits.

As faculty benefits at Penn compared with peer institutions have not been examined since the 1998-99 report, the SCESF requests that the Provost's office provide this information for next year in accordance with what was done in 1998-99. Furthermore, going forward, we believe that, as recommended in prior reports, benefits be looked at roughly every five years. Although the Provost indicated previous SCESF reports that this was a reasonable request, we believe that this process has not yet been initiated.

SCESF Recommendations

Undertake the report on faculty benefits in 2008-09.

While time is limited for a report on faculty benefits this academic year, the Provost agrees to work with the Vice President for Human Resources to undertake such a study next academic year, and every five years thereafter.

9. Competitiveness of Salaries at the "Top End".

The SCESF has previously expressed concern about the low relative spread in salaries at the full professor level, as low spread may indicate a problem in attracting faculty at the upper end of the scale. Table 10 provides continued evidence of this problem, as the spread in full professor salaries as a ratio to median salary is comparable to that for assistant professors. Moreover, the spread in full professor salaries remained virtually unchanged between 2004-05 and 2007-08. In previous reports, the SCESF requested 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.

SCESF Recommendation

As in previous reports, we emphasize that ongoing monitoring of the competitiveness of "top end" salaries is important and should be continued.

The Provost's Office, in reviewing proposed salary increases, will continue to monitor salaries and increases at the upper end of the distribution of full-professors. As noted above, however, when increases in the available salary pool are limited, deans and chairs may have great difficulty rewarding especially meritorious faculty performance while also granting increases at or above the growth in CPI to all faculty members who are performing at a satisfactory level.

10. Information For Putting Individual Salary Increases into Perspective.

As stated in the previous SCESF report, one important objective of the SCESF is to improve information to faculty members about salary levels and changes. However, when receiving notification of their salaries for the next academic year, faculty generally do not have information to help them put their salary increases into some broader perspective, and the next SCESF report will not be available to help with that perspective for almost a year. Because of lags in information processing, information about how their salary changes fit into the broader distribution of salary changes at the University or even school level cannot be provided at the time of the salary increase notification. But, at a minimum, it would seem possible

and desirable for salary notification letters to provide not only the new salary level, but also the percentage change in salary that that level implies.

SCESF Recommendation

The Provost's Office should consider implementing a procedure so that all faculty salary letters include the percentage change, as well as the level, of the new salary.

The Provost considers this a reasonable recommendation and will discuss its implementation with the Deans.

Members of the 2008-09 Senate Committee on Economic Status of the Faculty

Laura Perna (GSE) **Chair**
Anne O'Sullivan (Nursing)
David Pope (SEAS)
Daniel Raff (Wharton)
Sarah Kagan (Nursing)
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