Social polarization in American academia

Pay for US university presidents soars

Naomi Spencer
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A new report released November 20 by the *Chronicle of Higher Education* documents the continued rise in pay for college and university presidents in the United States. The figures reflect the growing integration of top academic administrators into the corporate elite, with presidents increasingly seeing themselves as executives tasked with overseeing their institutions in the interests of corporations and wealthy donors.

The *Chronicle* noted that the pay of presidents at public universities, which rely in part on state funding, has risen markedly, with the number of presidents receiving annual compensation of more than $500,000 nearly doubling, from 23 to 42. The survey was based on data from 853 private and public universities and colleges. The median pay for presidents of public universities rose about 4 percent in 2004-2005 over the previous academic year, to $374,846.

University of Delaware President David Roselle was the highest-paid public university president, receiving just under $980,000 in 2004-2005, $260,000 more than he received just one year earlier. Rounding out the top five were Martin Jiscke (Purdue University—$880,950), Mark Emmert (University of Washington—$752,700), J. Bernard Machen (University of Florida—$751,725) and Mary Sue Coleman (University of Michigan—$742,148). Last year, Coleman was the highest-paid public university head, with a compensation package worth $724,604.

The median pay for private university presidents in 2004-2005 was higher, at $497,046. Seven presidents of private schools received compensation packages worth more than $1 million last year, according to the *Chronicle*. First on the list with a total compensation package worth nearly $2.75 million is Audrey Doberstein, recently retired president of Wilmington College in Delaware.

The second highest-paid president is Lynn University's Donald Ross, also recently retired. Ross, who founded Wilmington College before moving to Boca Raton, Florida and subsequently incorporating colleges in Puerto Rico and Ireland, was paid $1.3 million last year. In the *Chronicle*'s 2005 survey, Ross topped the list with over $5 million.

Unlike public institutions, which are in large part funded by state governments, private universities are not required to disclose their current compensation figures. In many instances, the justification for administrative compensation at private universities is murky or entirely absent. However, it is clear that many of the small private and religious colleges, such as Wilmington and Lynn University, are created and run essentially as for-profit enterprises, and that a thin layer of administrators benefit enormously.

Other presidents at private schools receiving over $1 million were Peter Traber (Baylor College of Medicine), E. Gordon Gee (Vanderbilt University), Karen Pletz (Kansas City University of Medicine and Biosciences), Peter Lehman (Cornell University) and Roger Hull (Union College).

What can justify these exorbitant pay packages? A November 20 article in the *New York Times* claimed that they are a product of the retirement of the baby boom generation and the "greater competition for experienced executives" between institutions. Raymond Cotton, a lawyer specializing in negotiating contracts for academic presidents, told the newspaper, "The absolute number of people available who can do these jobs well is shrinking . . . When demand increases and supply is shrinking, price goes up."

The argument that such compensation packages are needed to attract people capable of running an academic institution is not credible. If the main job of a

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university or college president were presumed to be the promotion of education, intellectual achievement and social awareness, then considerations other than self-enrichment would be foremost in attracting the best qualified and motivated individuals. As a general proposition, those most devoted to education as a matter of public service are not likely to be the types who demand exorbitant salaries.

In fact, it is increasingly the case that the role of college presidents is not to promote education, but rather to solicit donations, obtain corporate backing for research facilities, and oversee large investment portfolios. Particularly at the major universities, corporations see the educational system as an asset for conducting research and generating a supply of highly skilled labor. The top officials at colleges and universities are increasingly regarded as corporate executives rather than stewards of education.

The same argument—that large pay packages are necessary to attract top people—is frequently invoked to explain the compensation of corporate CEOs. But the obscenely inflated compensation of executives in the private sector is often unrelated to the performance of the firms which they head. As a general rule they are rewarded for ensuring that large shareholders and they themselves are delivered huge payoffs, regardless the cost to the financial health and stability of the company, the workers, and the economy as a whole. Similar though perhaps somewhat less direct processes are at work at the universities, where presidents are paid to manage their institutions in the interests of big business.

In this regard, the rise of pay at public universities is particularly significant. In recent years, the share of the budget financed by private corporations at many public universities has increased sharply, particularly at major research universities. For example, at the University of Michigan state financing accounted for only 18 percent of revenues in 2004, while at the University of Virginia it accounted for only 8 percent. While corporate funding plays an ever greater role, tuition continues to rise to meet the shortfall from slashed state budgets.

One of the principal roles of college presidents has long been to solicit donations and develop relations with businesses. However, as the wealth of the circles in which they move has skyrocketed in the past two decades, and as the role of corporations at universities has increased, the pay for university administrators has gone up accordingly.

Meanwhile, students and professors alike are subjected to an education system in crisis. Tuition continued its upward spiral and student aid decreased last year. As a result, many working class students are priced out of university education or forced to work long hours while accumulating heavy debt. Tuition has risen by an average six percent every year for more than a decade, while federal grants have been cut. (See “Pell Grants cut, tuition fees rise: Higher education costs increase for the most needy”)

The College Board recently reported that the average total in tuition, fees, and room and board charges for in-state students at public universities was $12,796 for the 2006-2007 academic year. For four-year private colleges, the figure totals $30,367 this year.

Median debt among 2003-2004 graduates who borrowed to finance their education was $19,300, up from $16,400 the year before. While more recent data is not yet available, the College Board stated in its most recent debt report, “it is almost certain that debt levels have increased since 2003-04, because neither family incomes nor grant aid has kept pace with increases in college charges.”

At the same time, university faculty face less job security, lower pay, and increased workloads as tenure-track positions are replaced by part-time and probationary jobs. These trends, propelled by reactionary legislation and growing corporatism in academia, reflect the widening social chasm within American society as a whole.

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