

US: University presidents' pay rises to record levels

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Salaries for university presidents rose by 7.6 percent from 2007 to 2008, according to an annual survey released by the *Chronicle of Higher Education* earlier this month. Much like their Wall Street counterparts, presidents of both public and private colleges and universities have enjoyed years of pay increases in sharp contrast to the deteriorating conditions of workers and students.

The latest data available from the College Board shows that tuition for public university students in the US increased by 6.3 percent from 2006 to 2007, another year in which tuition rose much faster than inflation. As the economic crisis intensifies, public universities nationwide are trimming workers' wages and raising tuition, while top-earning presidents rake in millions.

David J. Sargent, president of Suffolk University in Boston, received \$2.8 million in 2006-2007. The university decided to raise his salary after a "compensation expert" determined that his 2005-2006 salary of \$416,971 was less than 75 percent of the national average, and that he was "woefully underpaid." One wonders where the "compensation experts" are for analyzing the pay for part-time faculty, student, and service workers at universities.

The president of Northwestern University (Evanston, Illinois), Henry S. Bienen, took in \$1,742,560; while Lee C. Bollinger, president of Columbia University in New York City, received \$1,411,894. At public universities, David P. Roselle of the University of Delaware resigned in 2007 with a compensation package of \$2.4 million. Ohio State University President E. Gordon Gee is the highest paid public university president, hauling in more than \$1.3 million last year in salary. Twelve more public university presidents take in over \$700,000 annually.

Other top university positions have also seen large pay raises, particularly those of head sports coaches. In 2007, a *USA Today* survey found that the average salary of football coaches at major colleges and universities surpassed \$1 million for the first time. That year, more than 50 coaches made over \$1 million; in 1999, only 5 coaches were paid that much. Top administrative positions also pay in the mid-six figures, after years of pay increases greater than inflation.

According to the report, public university presidents are "gaining ground" in compensation on their private counterparts. In 2007-2008, median pay and benefits rose 7.6 percent to \$427,400. Both public and private presidents are also catching up with the compensation rates of corporate CEOs, especially with respect to their rates of salary increases irrespective of economic conditions.

In the wake of the release of the *Chronicle's* report, some of the highest paid university presidents have stated they would "give back part of their pay or forgo their raises," the *New York Times* reported Sunday. The majority of these givebacks, however, amount to token gestures in response to the public outcry in response to the publicity surrounding the issue, and do little to alter the reality of burgeoning university president pay.

For example, Amy Gutmann, president of the University of Pennsylvania, received \$1,088,786 in 2006-2007—a 40 percent increase over the previous year. She is giving back \$100,000—less than 25 percent of that raise—to fund undergraduate research. Elson S. Floyd, president of Washington State University, made \$600,000 in his first year and got a \$125,000 raise over the summer. He is volunteering to take a \$100,000 cut in pay.

While pay for public university presidents has increased an astonishing 35.6 percent in the last five years, US Census Bureau figures show median US household income *fell* by \$1,043 from 1999 through 2006, the last year for which figures are available. Labor Department statistics suggests that real wages have fallen a further 2.4 percent in the past year alone.

The pay of top college presidents also mimics corporate compensation in its vast disparity from the earnings of most employees at the school. The low wages of part-time teachers, food service, cleaning, transportation, and student workers at universities generally amount to only \$3,000 to \$30,000 a year. An average food service worker may take home only \$10,000 a year, well below the official federal poverty line. At \$427,400, the average salary of a public university president is nearly 43 times this amount, while the average income of a top private school president is a hundred times greater.

Increasingly, university educators find themselves at the bottom end of this enormous divide as colleges shift to part-time, adjunct

faculty. The *Chronicle* notes that nearly 46 percent of college faculty nationwide was part-time in 2003, compared to just 22 percent in 1970. At community colleges, 67 percent of teaching staff were part-time, up from 27 percent in 1970. For equivalent work, they “are paid just over a fourth as much, per course, as their full-time counterparts.”

Nancy McMahon, a part-time English teacher at Madison Area Technical College, described to the *Chronicle* the effect this shift is having on the quality of education. “You find it very hard to put in the kind of time you would like to because you have to do other things to make a living,” she said. Factoring in all the preparation, office hours, grading, and class time, she said her income per course “comes out to minimum wage.”

While presidents’ salaries continue to soar, universities are being increasingly operated more like businesses than centers of learning. With part-time teachers earning a fraction of what tenure-track professors do, universities are making huge cuts in labor costs. With such low incomes, many adjunct faculty must teach at multiple schools, or work at other jobs. They are also generally excluded from healthcare, pensions, or any regular system of advancement.

Conditions at Virginia Commonwealth University

These trends in presidential pay, conditions of the workforce, and quality of education are shown clearly at Virginia Commonwealth University in Richmond, Virginia. The largest public university in the state of Virginia, with 32,284 students, VCU is facing a 5 percent budget cut, owing to a \$3.2 billion shortfall in the state budget.

The teaching staff consists of 1,888 faculty, 1,101 adjunct faculty, 805 graduate teaching assistants, and several dozen undergraduate student teachers and aides. More than half of the teaching staff are part-time. VCU states that the “adjunct faculty are qualified individuals hired for limited or special assignments to teach particular courses or sections. Adjunct faculty members are often employed on a single semester or summer session basis, with no formal expectation of continuation.” In other words, more than a third of the teaching staff have absolutely no job security or established rights for advancement.

Undergraduates at VCU are employed as teachers as well, with some earning as little as \$9 an hour. Teaching two classes, three times a week, for a semester (15 weeks), such a teacher earns only about \$2,400. To put this pay rate into perspective, tuition for VCU students is \$3,100 a semester for in-state students. For out-of-state students it is \$9,370 a semester, a 6.3 percent increase over the previous semester. Adding in rent, living expenses, books,

supplies, and transportation, an undergraduate part-time teacher’s income amounts to only a fraction of expenses.

By contrast, the outgoing president of VCU, Eugene P. Trani, made \$587,786 in 2007-2008, up from \$537,622 the year before. In 2004, he made \$383,000. The university also provides the president with a residence and car. University departments, meanwhile, in an effort to avoid cutting wages and salaries are cutting back to the bare essentials, by sharply curtailing spending on travel, teaching supplies, printing, and other expenses.

But while departments cut back, the salaries of many university and college presidents are supplemented by their corporate connections. One third of college presidents serve as directors on company boards, an example of the close ties between universities and big business. E. Gordon Gee, in addition to the \$1.3 million he took in as the top-paid public university president, received \$604,000 as a director of four major companies: Massey Energy, Limited Brands, Hasbro, and Gaylord Entertainment.

According to *Forbes.com*, VCU President Trani made roughly \$330,000 last year sitting on the boards of Universal Corp. and LandAmerica Financial Corp. Universal Corp., based in Richmond, Virginia, is the world’s largest buyer and processor of leaf tobacco in nearly 40 countries around the world. VCU medical center sits just blocks from the headquarters of Philip Morris, Universal’s largest customer.

In the spring of 2008, the *New York Times* uncovered a secret research agreement between VCU and Philip Morris: “The contract bars professors from publishing the results of their studies, or even talking about them, without Philip Morris’s permission. If ‘a third party,’ including news organizations, asks about the agreement, university officials have to decline to comment and tell the company. Nearly all patent and other intellectual property rights go to the company, not the university or its professors.”

This increasingly business-like environment and such pro-corporate dealings are likely only to worsen as state and private funding to universities is sharply cut.



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