US college executive pay soars along with student debt

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A recent report published by *The Chronicle of Higher Education* illustrates the vast enrichment of college presidents at the expense of their students. While over 40 college presidents took in more than $1 million each in 2011, today's average college graduate shoulders $29,000 in student loan debt.

The data provided in the report outlines the compensation provided to 550 chief executives at 500 private nonprofit colleges in the United States during the 2011 calendar year. These 500 colleges were chosen because they feature the largest endowments. The compensation data was gleaned from tax documents filed by nonprofit entities.

Out of the 550 college executives, 180 of them received more than $500,000 in compensation during 2011, while the top 42 received more than $1 million. Much of the compensation came from bonus pay, deferred compensation, and nontaxable benefits, with many of these executives, much like corporate CEOs, receiving less than half of their total compensation from base pay.

Robert Zimmer, the president of University of Chicago, was the top earner of 2011 receiving total compensation of $3,358,723. His base pay, $917,993, made up only 27 percent of his total earnings.

Joseph Aoun of Northeastern University took in $3,121,864, making him the second highest paid college president. His base pay was $674,498, a mere 21.6 percent of his total compensation.

Dennis Murray of Marist College was the third highest paid college president of 2011 with a total income of $2,688,148, only 16.1 percent of which came from his base pay of $431,650.

Lee Bollinger, the president of Columbia University, was the fourth highest paid college executive, taking in a total of $2,327,344. His base pay of $988,668 made up 42.5 percent of his total compensation for 2011.

The fifth highest paid college president in 2011 was Lawrence Bacow of Tufts University, who received $2,223,752. Only 16.8 percent of his total compensation came from his base pay of $373,687.

The total number of college presidents who earn more than $1 million has steadily risen since 2004, which saw only seven earning such figures. However, presidents are not the only college employees who double as millionaires. Many medical professionals and athletic directors receive equal if not higher compensation when compared to their executive counterparts.

Meanwhile, a report published recently by the Institute for College Access & Success Project on Student Debt reported that the average college graduate in 2012 left school with an average of $29,400 in student loan debt. This amount increased from an average of $26,600 in 2011. In addition, it was reported that seven of every ten college seniors graduated with student loan debt, one fifth of which was owed to private lenders who inject the loans with exorbitant interest rates.

Between 2008 and 2012, student loan debt has risen at an average rate of 6 percent each year. Simultaneously, colleges in the United States have drastically increased tuition while the average household income has been shrinking. On top of these developments, the United States job market continues to plummet, leaving most graduates with little or no income.

Despite these statistics, private nonprofit colleges still seek to justify the extravagant sums of money being paid to their presidents.

Ron Seifert, who advises college trustees on presidential compensation, defended the income of

Robert Zimmer by pointing to the enormous budget of University of Chicago. “It would be really difficult for you to prove to me that challenges associated with running a $200 million institution are the same as somebody running an institution at $2 billion,” he stated. “They are inherently different in terms of the managerial skills required.”

David Cohen, chairman of the board at University of Pennsylvania, whose president Amy Gutmann was the 15th highest paid in 2010, explained the importance of being competitive with other universities concerning presidential salary. “We were hard-pressed to figure out who was a better president than Amy Gutmann,” he declared. After a “restructuring” of her compensation package, Gutmann saw a 43 percent increase in her earnings over the following year. In 2011, she was the sixth highest earner.

Seifert and Cohen both demonstrate here that increased profits and financial successes are the main drivers of compensation at these “nonprofit” colleges.