

New York University president receives base pay of \$1.3 million

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4 September 2018

Recently released tax returns show that New York University (NYU) President Andrew Hamilton's base pay was \$1.3 million in 2016, his first year in that position. An estimate of Hamilton's total pay—including compensation and bonuses—would be roughly \$2 million, placing him tenth on the list for highest-compensated university administrators, directly above The New School University President David Van Zandt.

According to the 2017 US Census, Hamilton's \$1.3 million pay is almost 24 times higher than the average New York City annual income of \$55,191 and 86 times higher than the poverty threshold \$15,000 for a single person. His base pay is the second highest of all university presidents in the United States, according to a 2018 list of executive compensation at private and public colleges released by the *Chronicle of Higher Education*.

While base pay excludes bonuses and other compensation, NYU's 990 tax return shows that Hamilton receives an additional \$250,000 in deferred compensation each year, to be collected after five years, for a sum of \$1.25 million. The document also lists a total of \$448,914 as a yearly "estimated amount of other compensation from the organization and related organizations."

Courtesy of NYU, Hamilton lives in a presidential penthouse that was renovated in 2016 with \$1.1 million in university funds. Before moving to NYU, Hamilton had claimed a desire to address the affordability of the university. However, as vice chancellor of Oxford in the United Kingdom from 2009-2015, he angered many students by suggesting the need to raise the legal tuition increase above the cap of £9,000 (roughly \$10,982).

Hamilton's immense overcompensation is not primarily a matter of personal greed. He and NYU are a

particularly egregious example of a general trend in higher education which, despite not needing to make a profit or reward shareholders, seeks to enrich a layer of administrators as a part of a general process of financial parasitism, favoring the top layers of income earners. In the process, higher education is attuned to the wishes of the upper middle class, shunting the working-class and poor aside and further into debt. These students struggle in New York City to cover tuition and a cost of living that is among the country's highest.

Since 2001, tuition has more than doubled, from \$23,336 to \$51,828. If a student chooses to live on campus, NYU suggests an added \$18,000 for dorm living and a meal plan. The cheapest option for room and board, however, adds up to a total of \$11,000, which includes only six meals a week and a non-air conditioned room shared between three people. None of the aforementioned totals include extra spending money for events or meals off campus, health care costs, clothing, transportation or books.

Students who choose to avoid NYU's housing costs and move off campus are hardly better off. Average rent near campus in Greenwich Village is \$4,021 for a 1-bedroom apartment and \$6,771 for a 2-bedroom, according to CityRealty.com. Students often have to move farther off campus sacrificing hours and incurring additional costs for public transit, in exchange for cheaper rent in areas like Brooklyn's Bushwick, where the average rent for a 2-bedroom is still difficult to afford, at \$2,456.

The tuition cost listed on NYU's website does not include the hidden fees that students and parents are often not aware of until after classes have begun. In 2015, over 400 NYU faculty members published a document titled *The Art of the Gouge*, which outlined how NYU extracts money from students, only to short

change educational and health services in favor of executive pay raises and real estate ventures. One method of extraction is to saddle students and parents with extra hidden fees.

Students and families complain they are forced to pay extra for the use of the gym or health services and even for vaguely-defined fees labeled “registration and services,” “program fees” and “academic support.” Students and parents often are not aware of these fees until classes have already begun. In some cases, the report outlines, hidden fees can total up to \$10,000.

These costs are rarely covered by a student’s financial aid package. For seven years in a row, the Princeton Review has awarded NYU first place for worst financial aid. New data from the US Department of Education reveals that students from low-income families graduate from NYU burdened with debt. According to *The Art of the Gouge*, NYU’s Pell Grant recipients—students from families with an income of less than \$30,000 a year—graduate with an average of \$23,250 in federal loans.

Over 21 percent of the student body receives Pell Grants. Compared to Harvard, Yale and Columbia, which charge roughly \$6,000-\$7,000 in tuition for Pell Grant recipients, NYU charges \$25,462 or 84 percent of a Pell Grant family’s income, forcing students to take out crippling loans. After graduation, the average loan debt for NYU students is \$31,210.

Rising tuition and student debt take an increasing toll on students’ lives. Some students rely on the website SeekingArrangements.com to make enough money to pay for rent and food. Seeking Arrangements is a website that pairs wealthy men and women (“Sugar Daddies/Mommas”) with younger “sugar babies” who go on dates or form long-term relationships in exchange for hundreds or sometimes thousands of dollars and expensive gifts. The Seeking Arrangements website shows 1,529 NYU student members, placing NYU third on the list of universities with the most “sugar babies.” A variety of other websites also connect desperate and indebted college students with wealthy patrons.

Students also seek tuition money on websites like GoFundMe, an online fundraising platform that is used frequently by the working class and poor to pay for medical expenses, funerals, and college tuition. While there isn’t sufficient data on the use of online

fundraising platforms to pay for college, one search for “New York University” on the database yields 6,771 results for students asking for funding for various portions of fees and tuition.

NYU students also fall victim to the nationwide trend of student hunger. Several student groups have attempted to address student food insecurity by creating smart phone apps that allow students to donate pre-paid swipes into dining halls for their peers, keeping up Facebook groups that broadcast the location of leftover food from catered events on campus, and—in an effort that was blocked by administration—working to form a food bank.

While sex work, fundraising platforms, and student hunger apps may alleviate some of the day-to-day financial stress suffered by students, none will act as more than a band-aid in the face of the larger social crisis expressed so sharply by the salary of the NYU president. Behind these numbers are New Yorkers struggling against rising rents, debt, stagnant wages and eviction, as developers seek to make way for luxury condominiums.

The disparity between the life of Andrew Hamilton and the multimillionaire and billionaire members of NYU’s Board of Trustees on the one hand, and the struggles of NYU’s students, faculty and staff on the other, stems from the corporatization of higher education, which squeezes as much money as possible from students and poorly-paid adjunct faculty to fund CEO-style salaries, real estate ventures and projects that bolster NYU’s image.



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