

## Negotiation Update

Number 6

### AAUP Economic Compensation Proposal

The Negotiation Team presented their economic compensation proposal to the administration on June 16, 2008. The overall framework of that compensation proposal includes:

- A mixed model, containing both an across-the-board percentage increase and an amount based on rank.
- Increases in promotion increments, salary minima, and overload rates.
- Enhancement in TIAA-CREF contributions.

The proposal intentionally addresses several issues:

- Salary Compression
- Salary Inversion
- Faculty with Especially Low Salaries
- A beginning to salary parity with other Category I universities
- Retirement concerns of faculty
- Equating overload rates (not increased since 2002) with equivalent salary minima levels
- Enhancements in promotion increments, which have not increased since 1996
- Increases in salary minima, which have not changed since 2002
- Real wage increases for all faculty

The proposal is based on demonstrable rationale, which considers inflation and salaries at comparable universities.

1. Comparison of WMU Salary Increases to CPI Increases:

<u>Fiscal Year</u>	<u>WMU Salary Increases</u>	<u>CPI Change (as reported in <i>Academe</i> March-April 2008)</u>
2007-2008	3.25%	4.10%
2006-2007	3.00%	2.50%
2005-2006	3.50%	3.40%
2004-2005	2.75%	3.30%
2003-2004	<u>2.00%</u>	<u>1.90%</u>
Totals	14.50%	15.20%

Western faculty have experienced a real wage **decrease** of 0.7% (15.20% CPI increase compared to a 14.50% salary increase) over the past five years of contracts. That real wage decrease has occurred amidst periods of increasing health care costs, deductibles and co-pays for Western faculty. Thus, the real wage decrease for Western faculty exceeded the 0.7% computed above.

July 2008



2. Salary increases at WMU compared to salary increases reported in *Academe*, March-April, 2008:

<u>Fiscal Year</u>	<u>WMU Salary Increases</u>	<u>Salary Increases for all ranks (as reported in <i>Academe</i>, March-April, 2008)</u>	<u>WMU Shortfall</u>
2007-2008	3.25%	5.10%	(1.85%)
2006-2007	3.00%	5.00%	(2.00%)
2005-2006	3.50%	4.40%	(0.90%)
2004-2005	2.75%	4.50%	(1.75%)
2003-2004	<u>2.00%</u>	<u>3.10%</u>	<u>(1.10%)</u>
Totals	14.50%	22.10%	(7.60%)

Western faculty have fallen behind faculty at other universities in the United States by 7.6% over the past five years. Faculty at other universities have realized a real wage **increase** of 6.9% (22.10% total wage increase - 15.20% increase in the CPI) over the past five years, while faculty at Western have experienced a real wage **decrease** of 0.7% (14.50% wage increase - 15.20% increase in the CPI).

3. Per *Academe*, March-April, 2008, for Category 1 universities:

<u>Rank</u>	<u>Mean <i>Academe</i> Salary (all institutions)</u>	<u>Mean WMU Salary</u>	<u>WMU Salary Shortfall</u>	<u>WMU Percentile Rank</u>
Full Professor	\$108,000	\$93,000	(\$15,000)	28%
Associate Professor	\$75,000	\$69,000	(\$ 6,000)	33%
Assistant Professor	\$63,000	\$55,000	(\$ 8,000)	24%

Faculty at WMU earn significantly less than faculty at other Category 1 universities. Our salary levels are only at the 24%, 33%, and 28% percentile rank for all Category 1 universities for assistant professors, associate professors, and full professors, respectively.

4. Per *Academe*, March-April, 2008, for East North Central universities :

<u>Rank</u>	<u>Mean <i>Academe</i> Salary (for Category I East North Central Institutions)</u>	<u>Mean WMU Salary</u>	<u>WMU Salary Shortfall</u>
Full Professor	\$113,000	\$93,000	(\$20,000)
Associate Professor	\$77,000	\$69,000	(\$8,000)
Assistant Professor	\$66,000	\$55,000	(\$11,000)

We have fallen even farther behind when compared to Category 1 universities in the states of Illinois, Indiana, Michigan, Ohio, and Wisconsin. Full professors, associate professors, and assistant professors are paid \$20,000, \$8,000, and \$11,000, respectively, **less** than faculty at these other Category 1 universities.

5. TIAA-CREF Contributions of Michigan Universities in Excess of WMU's Contributions:

- Northern Michigan University 15.64%
- Oakland University 14%
- Saginaw University 12%
- Ferris State University 12%
- Grand Valley State University 12%
- Lake Superior State University 12%
- Michigan Tech 10.55% + 2% optional matching
- Western Michigan University 11%

Seven universities in the State of Michigan provide for higher TIAA-CREF contributions than does Western Michigan University. These other universities are contributing more to the retirement security of its faculty than is WMU.