Faculty Salary Depression in the Montana University System – A Brief Synopsis

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### UM Salary Compression (2013-14)

<table>
<thead>
<tr>
<th>Overall Weighted Average</th>
<th>UM Average Salary</th>
<th>Peer Inst Avg Salary</th>
<th>UM Percent of Peer Average</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professor</td>
<td>85,503</td>
<td>106,105</td>
<td>80.58%</td>
</tr>
<tr>
<td>Associate Professor</td>
<td>68,423</td>
<td>76,935</td>
<td>88.94%</td>
</tr>
<tr>
<td>Assistant Professor</td>
<td>62,438</td>
<td>66,625</td>
<td>93.72%</td>
</tr>
<tr>
<td>Instructor</td>
<td>45,469</td>
<td>49,002</td>
<td>92.79%</td>
</tr>
</tbody>
</table>

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The Role of The Market

• The Market generally determines salaries at more junior ranks (Assistant and Associate Prof.)

• Market rate generally increases more rapidly than across the board/normal salary increases.

• The Market produces salary inversions and compressions
Inversion & Compression

• Inversion: the salary of a more junior faculty member exceeds that of a more senior faculty member.
  – By rank.
  – By years of service.

• Compression: the overall range of salary levels, from most senior to most junior, diminishes over time.
Where Bargaining Fits

Pre-Budget Bargaining (Not MUS) → State Appropriation (HB 2) → OCHE/BOR Fiscal Allocation - System/Campuses → Campus Budgets

OCHE/BOR Fiscal Allocation - System/Campuses → Faculty Collective Bargaining

OCHE/BOR Fiscal Allocation - System/Campuses → MUS Benefits – Health & Retirement

MUS Benefits – Health & Retirement → Faculty Compensation
Solutions

• Full assessment of salary depression at each Montana institution to understand levels and dynamics.
• Establish a goal of allocating funds to mitigate this problem.