March 1, 2007

The Honorable Deval Patrick, Governor Room 360 The State House Boston, MA 02133

Re: Massachusetts State College Faculty Salary Study (2006)

Dear Governor Patrick:

We are pleased to provide you with a copy of a report on a recent study of the salaries of faculty at the State Colleges in Massachusetts. The study, completed in late 2006, was commissioned by the Boards of Trustees and Presidents of the State Colleges. It replicates, with current data, a study the Colleges and the Board of Higher Education commissioned in 2004. While there have been relative improvements in the salaries of our faculties during the past two years, you will see from the 2006 report that faculty at our State Colleges are still not compensated at a nationally competitive level. These lower than average salaries dramatically affect our ability to attract and retain high quality faculty on our campuses. The tens of thousands of Massachusetts residents who attend our colleges as students deserve and properly demand higher education of the highest quality; but the erosion of the competitive value of our faculty salaries will inevitably cause an erosion of educational quality on our campuses. We must act to prevent that.

The study compared State College faculty salaries with those of faculty at peer institutions: those that are unionized, public, Masters-level institutions in the nation's leading industrial states. It uses data collected by the College and University Professional Association for Human Resources (CUPA) – an organization that serves more than 6,500 human resource administrators at nearly 1,600 colleges and universities in the United States. The 2006 study found that across all ranks, faculty at our State Colleges receive 6% less than the <u>average</u> salary of their peers, with full professors earning 11% less. Moreover, the shortcomings were starkest in those fields that are critical to the future growth of the Massachusetts economy. Salaries for full professors in business administration and management were 19% less than those of their peers; they were 17% less in biology, 9% less in computer and information sciences, and 9% less in the physical sciences.

To adjust for the high cost of living in Massachusetts, the study also compared the salaries of State College faculty with their peers at the 75th percentile. This comparison shows State College faculty at all ranks are underpaid by 14%, with full professors the worst off, earning only 81 cents on the dollar compared to their peers. Analysis of faculty salaries at the 75th percentile is consistent with a Board of Higher Education/Community College faculty salary study that was completed in 1999 and that has since been implemented at the fifteen Community Colleges in Massachusetts. Use of the 75th percentile of faculty salaries at peer institutions in industrialized states also appropriately captures the high cost of living in Massachusetts as compared to other states. Indeed, according to two MassINC studies: "The State of the American Dream in Massachusetts" and "Homeownership in Massachusetts: A New Assessment", Massachusetts ranked 26th in home affordability in 1980, but by 2000, Massachusetts was the third least affordable state in the nation. By the year 2000, Massachusetts housing prices were 60% above the U.S. average, and from 2000 to 2003, Massachusetts was among the national leaders in housing inflation, witnessing an additional 40% growth in housing prices over that period (Source: Warren Group Publications).

To return to a reasonable level of competitiveness in faculty salaries at the State Colleges, we must be realistic in accounting for the high cost of living in Massachusetts. In recruiting faculty for the State Colleges, we conduct national searches to identify and recruit the highest quality faculty from across the country. When considering hiring offers, however, candidates are increasingly choosing to locate in states with lower costs of living even if salary levels are comparable. In considering employment offers, our preferred candidates often turn to leading web-based cost-of-living calculators to compare costs. According to one such web tool, for example, an employee in Dallas Texas earning the average State College full professor's salary of \$74,700 would have to earn nearly 31% more (\$97,477) in Boston just to maintain the same standard of living (Source: Inflationdata.com). Most of the cost differential is attributable to high housing costs in our state.

When surveyed on recent faculty hiring patterns, the State Colleges have reported as many as $1/3^{\rm rd}$ of otherwise successful faculty candidates have refused to relocate to Massachusetts due to low salary / high cost of living factors. Additionally, we are losing existing faculty to states with lower costs of living at an accelerating rate. Many of the faculty who are leaving Massachusetts tend to be younger, recently hired professors, who are simply having a very difficult time making ends meet in Massachusetts.

With higher educational standards, enhanced accountability, and the growing economic importance of public higher education, the State Colleges must be in a competitive position to recruit and retain the highest quality faculty possible for our 77,750 students (Source: Higher Education Data Warehouse, unduplicated annual credit head count). A greater proportion of jobs in Massachusetts are found in professional and technical occupations than elsewhere in the country. The Division of Employment and Training, in its employment projections for the State through 2010, has determined that 321,500 job openings will require a bachelor's degree or higher, as compared to 68,720 jobs that will require an associate's degree – almost a 5 to 1 ratio. More than 87% of those who graduated from the State Colleges in 2006 were residents of Massachusetts. Based on follow-up studies of graduates, we estimate that between 70% and 80% of State College alumni are employed here in positions of critical importance to the Commonwealth's present and future economic well-being.

The Massachusetts State Colleges are the most affordable and accessible regional gateway for our citizens to pursue four-year degrees and professional development opportunities in Massachusetts. Our faculty are the indispensable molders of the thousands of minds that will help shape the future of the Massachusetts economy. We know you understand that to invest in our faculty, in our State Colleges, and in public higher education more generally is to make the most fundamental of investments in our own future as a State. As the Massachusetts Technology Collaborative noted in its 2003 Index of the Massachusetts Innovation Economy: "A strong public sector higher education system is needed to complement private higher education. Low and declining support per capita threatens the Massachusetts Innovation Economy and its well educated workforce."

Despite the critical economic function our faculty perform in Massachusetts, our colleagues in the classroom often do not believe that the State they serve values the contributions they make every day. The attached salary study lends credence to that belief by underscoring the less than competitive compensation that we provide our faculty. We hope that we can meet with you at your earliest convenience to discuss the study and possible solutions to the disparities identified in the report. Thank you in advance for your consideration of the study.

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