

5. WHAT CAN LABOR ECONOMICS TELL US ABOUT THE EARNINGS AND EMPLOYMENT PROSPECTS FOR FACULTY?

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INTRODUCTION

The many individuals who make up the faculty in the American higher education system are extremely diverse in their backgrounds, professional expertise, interests, and motivations for becoming faculty members. They do, however, share the fact that each of them is employed by an institution of higher education and has a personal incentive to learn about the various aspects of their conditions of employment. Accordingly, the academy has long been interested in understanding the economic status of the academic profession and how it is changing. The American Association of University Professors (AAUP), for example, regularly collects data from colleges and universities on faculty compensation and reports their findings to their membership. The latest report (American Association of University Professors, 2001) identified the following trends and changes in faculty compensation:

“For the fourth consecutive year, faculty salary levels increased after adjusting for inflation . . .”

“The average faculty member earns 26 percent (\$15,299) less than the average highly-educated professional.”

“Salary disparities among disciplines are also accelerating and reflect the importance of external markets relative to internal institutional constraints and purely academic markets.”

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“The disparity between male and female salaries persists and, in some respects, continues to widen.”

The conditions of employment for faculty — compensation, fringe benefits, length of appointment, responsibilities — are influenced by a number of important factors relating to the demand for higher education services and the supply of qualified individuals for faculty positions. Some of these factors, such as the state of the economy, the demand for postsecondary education among high school graduates and federal support for university research, can affect faculty in many different disciplines. Other factors, such as changes in the external (non-academic) labor markets available to individuals with faculty qualifications and variations in the demand for specific fields, also contribute to observed differences in the conditions of employment across disciplines.

The academic profession has seen a number of profound changes over time that have had an impact on academic labor markets for faculty. The emergence of part-time faculty as a significant source of labor raises questions not only about the effects of their increasing use in higher education, but also on how part-time faculty are being treated by institutions with respect to their level of pay and benefits (Tuckman, 1976; Tuckman and Pickerill, 1988; Gappa and Leslie, 1993; Roueche *et al.*, 1996; Barker, 1998). Population swings due to the “baby boom” of the 1950s and the more recent “baby boomer echo” of the 1980s have had — and will continue to have — significant effects on labor markets and the demand for higher education services (Radner and Miller, 1975; Welch, 1979; Stapleton, 1989; Nickell, 1993; Schoenfeld, 1993). Likewise, legislation in the United States has also influenced the academic labor market for faculty. The introduction of the GI Bill following World War II opened the doors to higher education for significant numbers of Americans. Other legislation, such as the Equal Pay Act, has helped to focus attention on the conditions of employment for women as well as faculty from underrepresented race/ethnicity groups, and fueled the increase in college participation rates among these groups of students.

Many questions exist among faculty with regard to the economic status of their profession: Will more professors be needed in the coming years, and if so, in which areas? Is faculty pay likely to rise significantly in the future? Why do professors in some fields such as Information Sciences earn more than faculty in other disciplines, and what may happen to these differences in the coming years? Are women and minority faculty members treated fairly in academe, and if not, what can be done to improve their