About the Author

• Professor in the Louise McBee Institute of Higher Education at the University of Georgia

• Economist by training

• Research focuses on issues relating to faculty compensation (salaries and benefits)
Background of Study

• Much work has been done on faculty salaries

• Less attention given to benefits
  – Benefit studies have focused on retirement plans
  – However, there are a wide range of benefits that may be given to faculty as part of their compensation
Benefits may include:

- Retirement
- Health insurance
- College tuition
- Life insurance
- Unemployment insurance
- Social Security
- Parking
- Athletic tickets
- Other perks
Guiding Research Questions

1. How large are faculty benefits, and how have benefits changed over time?
   – Focus on level and type of benefits

2. Are faculty benefits higher at certain types of institutions?
   – Do colleges that pay higher salaries also pay higher benefits...or is there a tradeoff between salary and benefits?
Data Sources

Four-year institution-level data (public & private):

• Integrated Postsecondary Education Data System (IPEDS):
  – Retirement benefits and health insurance for most years 1980 to 2010

• American Association of University Professors (AAUP):
  – Total benefits for years 2005-2018
  – Retirement and medical benefits 2015 to present
Table 1: Average Total Benefits for Four-Year Institutions by Year

<table>
<thead>
<tr>
<th>Year</th>
<th>Average Total Benefits</th>
<th>Percent of Total Compensation</th>
<th># Institutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>$25,205</td>
<td>21.7%</td>
<td>781</td>
</tr>
<tr>
<td>2006</td>
<td>$25,367</td>
<td>21.8%</td>
<td>781</td>
</tr>
<tr>
<td>2007</td>
<td>$25,950</td>
<td>21.9%</td>
<td>784</td>
</tr>
<tr>
<td>2008</td>
<td>$25,826</td>
<td>22.0%</td>
<td>738</td>
</tr>
<tr>
<td>2009</td>
<td>$26,404</td>
<td>22.0%</td>
<td>764</td>
</tr>
<tr>
<td>2010</td>
<td>$26,489</td>
<td>22.3%</td>
<td>798</td>
</tr>
<tr>
<td>2011</td>
<td>$26,743</td>
<td>22.4%</td>
<td>766</td>
</tr>
<tr>
<td>2012</td>
<td>$26,696</td>
<td>22.5%</td>
<td>765</td>
</tr>
<tr>
<td>2013</td>
<td>$27,083</td>
<td>22.5%</td>
<td>743</td>
</tr>
<tr>
<td>2014</td>
<td>$27,739</td>
<td>22.7%</td>
<td>712</td>
</tr>
<tr>
<td>2015</td>
<td>$28,843</td>
<td>22.9%</td>
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</tr>
<tr>
<td>2016</td>
<td>$28,833</td>
<td>23.5%</td>
<td>684</td>
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<tr>
<td>2017</td>
<td>$29,304</td>
<td>23.7%</td>
<td>647</td>
</tr>
<tr>
<td>2018</td>
<td>$29,123</td>
<td>23.7%</td>
<td>656</td>
</tr>
</tbody>
</table>
Average Expenditures on Retirement and Health Benefits

Change: Retirement = +19%, Health = +427%
Statistical Analyses

• Cross-sectional regression models for 2018

• Dependent variable = Total Benefits ($ and %)

• Dependent variables = Salary, Retirement, Health, All Other Benefits ($ and %)
Key Results for Total Benefits

• As average salary rises, dollar benefits rise but percent benefits fall

• Private colleges and HBCUs have lower total benefits (~$4,000)

• Regional differences in benefits (lower in south and plains)
Key Results for Type of Benefits

• Large differences in health benefits by region
• Private colleges have higher salaries and lower retirement benefits
• Determinants of other benefits follow same pattern as average salaries
• Positive association between revenue per student and salaries and benefits…but not health)
Questions for Higher Education

• How will college manage the rising cost of providing health insurance?

• As colleges face financial pressures, can they continue to increase benefits for faculty?
  – Will colleges shift more financial responsibility for retirement and health onto employees?

• What to make of the differences between public and private institutions?
Thank You!

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