

A Closer Look at Fringe Benefits for Faculty

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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



CURRENT EMPLOYEES



Leave

Compensation /
Position Mgmt

Benefits

Managers

Professional
Development

Time Entry

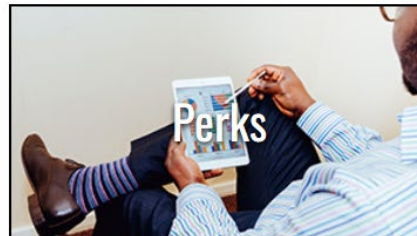
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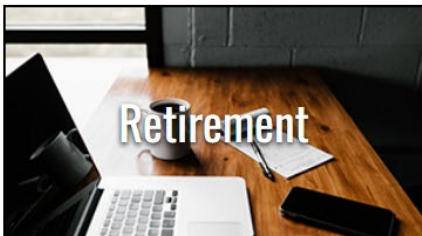
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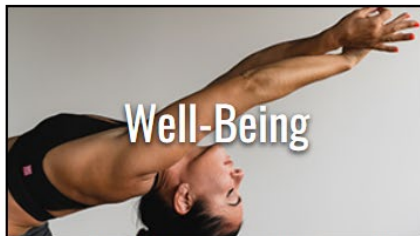
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Benefits
may
include:

- 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

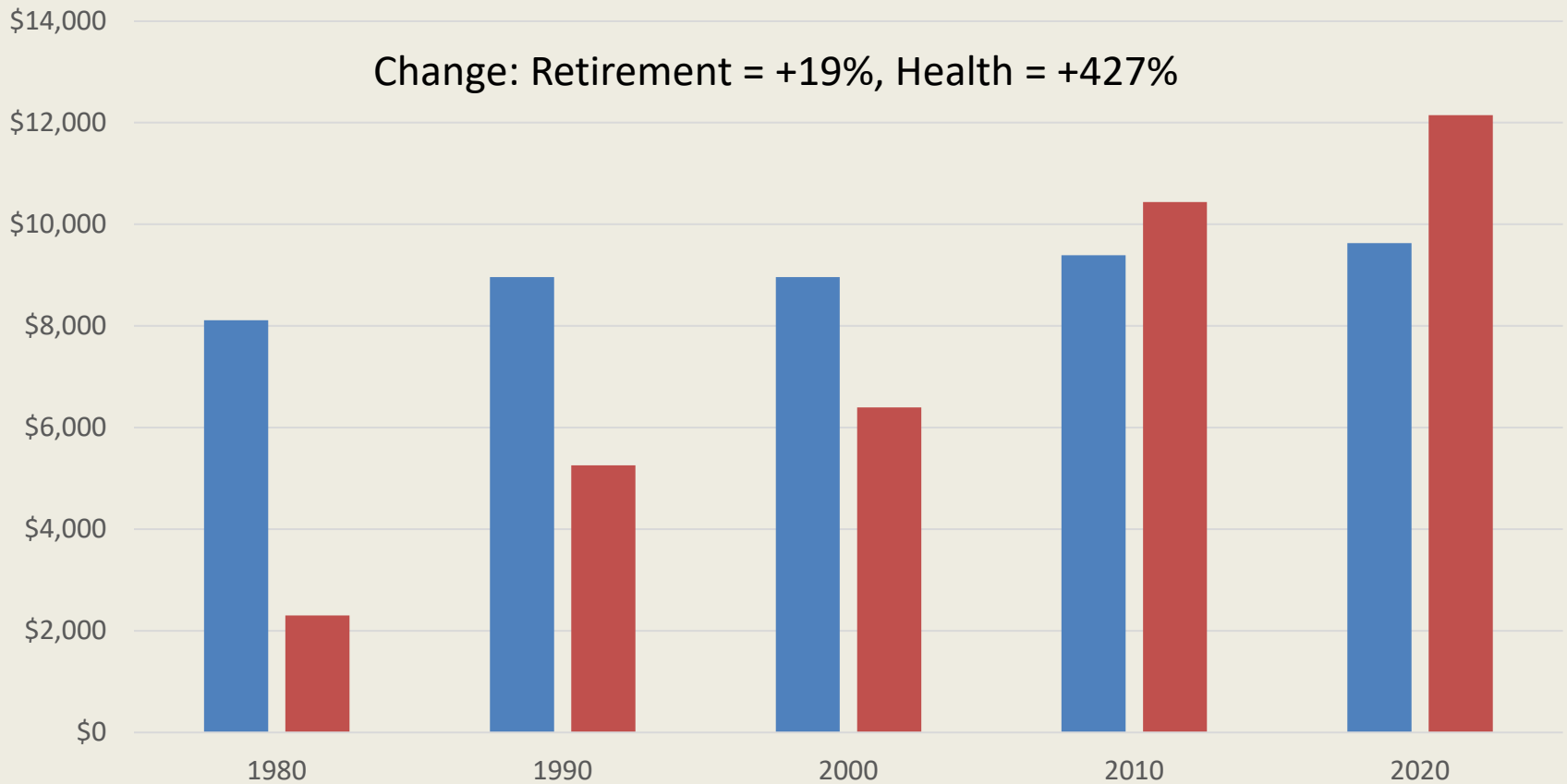


Table 1: Average Total Benefits for Four-Year Institutions by Year

Year	Average Total Benefits		# Institutions
	Dollars	Percent of Total Compensation	
2005	\$25,205	21.7%	781
2006	\$25,367	21.8%	781
2007	\$25,950	21.9%	784
2008	\$25,826	22.0%	738
2009	\$26,404	22.0%	764
2010	\$26,489	22.3%	798
2011	\$26,743	22.4%	766
2012	\$26,696	22.5%	765
2013	\$27,083	22.5%	743
2014	\$27,739	22.7%	712
2015	\$28,843	22.9%	655
2016	\$28,833	23.5%	684
2017	\$29,304	23.7%	647
2018	\$29,123	23.7%	656



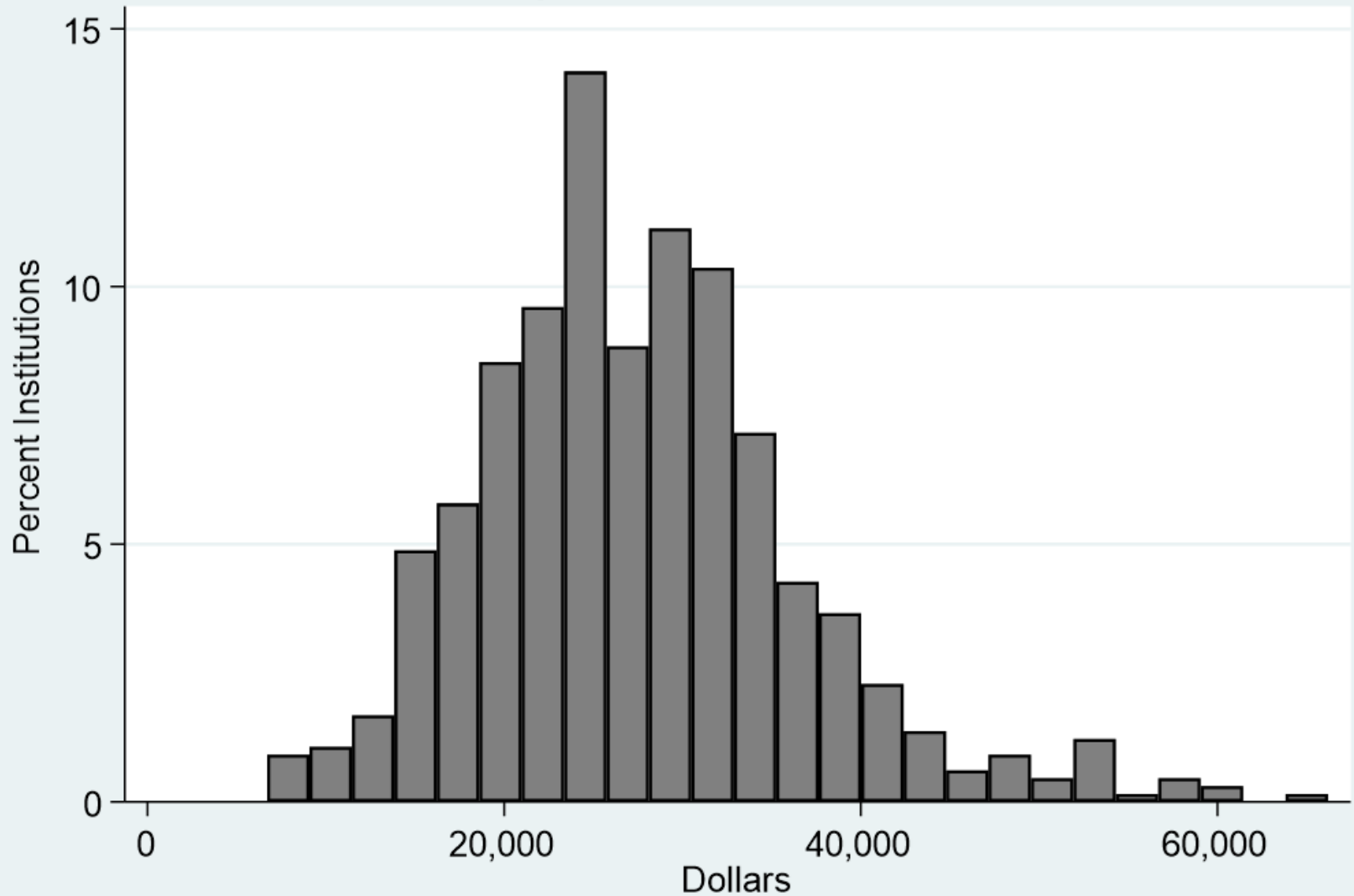
Average Expenditures on Retirement and Health Benefits



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■ Retirement ■ Health

Average Total Benefits -- 2018



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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