

## **COMMITTEE ON FACULTY WELFARE**

### **Salary Analysis, 2021-22**

**Background:** The Committee on Faculty Welfare (CFW) has monitored faculty salaries for over a decade with the main focus on the parity of UCSC faculty salaries with those of faculty at other UC campuses. CFW has closely monitored the effects of the Special Salary Practice (SSP) introduced in 2008 and modified in 2018. In addition to tracking the gap between faculty salaries at UCSC and at other UC campuses, CFW has consistently argued that such analysis needs to include a cost of living variable. A 2019 Senate resolution<sup>1</sup> called for a cost of living (COL) variable to be included in the campus's annual analysis of faculty salaries, and in the resulting Annual Report of Faculty Salary Competitiveness. However, this variable has yet to be included in the campus's annual analysis and report.

This year's CFW analysis shows that since the modification of the Special Salary Practice in 2018, UCSC faculty salaries have fallen further behind other UC campuses, even without the inclusion of COL. Adjusting for cost of living exacerbates this trend significantly, with UCSC salaries falling behind virtually every other campus in the UC system. This makes UCSC faculty salaries non-competitive.

The SSP instituted in 2008 had an explicit goal of equating UCSC faculty salaries to the median salaries across the UC system (9 campuses)<sup>2</sup>. This goal has not been achieved and we are falling further behind. CFW's 2020-21 salary analysis showed that the modification of the SSP in 2018 had been premature and the associated report called for the restructuring of the SSP and other measures aimed at closing the gap in salaries.<sup>3</sup> CFW calls again this year for a restructuring of the SSP.

CFW also deems it crucial that all centrally sanctioned salary raises be applied to full salaries (including off-scale salary) rather than to just the on-scale portion of salaries. In 2021-2022 the UCSC administration decided to apply the 3% increase sanctioned by the Academic Salary Program only to on-scale salaries. CP/EVC Kletzer communicated to the Senate that the money saved from applying the 3% increase in this way would be used to supplement a salary equity program to be implemented in 2021-2022. CFW disagreed with this decision. CP/EVC Kletzer has since committed to applying future increases, including the 2022-2023 4% Academic Salary Program increase to full salaries (including off-scale salary). This is a crucial measure since other UC campuses apply increases to total salaries. CFW will continue to monitor this situation.

Lagging faculty compensation is especially worrisome in the light of the campus's ongoing effort to recruit talented and diverse new faculty. Given the severe crisis in housing availability and affordability in the Santa Cruz area, elevating UCSC faculty salaries to be on par with other UC campuses after the cost of living adjustment becomes manifestly critical.

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<sup>1</sup> UCSC Academic Senate Resolution on the Commitment to Ensure Salary Equity and Competitiveness within the UC System, November 2019

<sup>2</sup> Senate-Administrative Task Force on Faculty Salaries Report, September 10, 2008

<sup>3</sup> [Committee on Faculty Welfare, Faculty Salary Analysis, 2020-21](#)

### **Key Findings:**

This year, CFW compared the salaries of UCSC faculty within each rank (Assistant Professor, Associate Professor, Professor) with the median salary of the corresponding rank faculty on other UC campuses. The comparison was done in two different ways. First, we used 9 campuses (all except for UCSF) as a comparison group when we looked at how UCSC relative salaries changed between the previous years and the most recent one analyzed here (2020). We used the 9-campus reference group because it was used in previous analyses. Second, we used an 8-campus reference group (all except for UCSF and UCSC) for the rest of the analysis. UCSC was excluded in order to compare two independent sets of data. We do not see a reason for including UCSC in the reference dataset except for historical consistency. We believe that there is little value in comparing UCSC to itself. We recommend adopting the 8-campus reference group to avoid skewing analysis results in the future. UCSF was excluded due to its unique focus on graduate professional education in medical fields. In this year’s analysis, we also did not separate Regular and BEE scales for the sake of brevity. Both Regular and BEE salaries show the same trends.

We find that UCSC faculty salaries are below and are falling further behind salaries of faculty on the other UC campuses. Figure 1 shows that UCSC faculty salaries lag behind those of UC peers in each of the three ranks. Furthermore, the gap in salaries has stayed the same or increased, when compared to 2018, for both the Assistant Professor and Professor ranks. We suspect that this particular trend is not observed at the Associate level simply because of the significant number of Associate Professors that get “stuck” at that rank at UCSC. To confirm this hypothesis we would need to compare the number of years that Associate Professors spend at that rank at UCSC and at other UC campuses. We could not conduct this analysis this year, but we encourage the administration to look into this issue.

In order to understand UCSC’s negative trend in salaries further, we compared the rate of salary increase between UCSC and the rest of the UC campuses. Figure 2 shows that since 2018, UCSC salaries have increased slower than UC salaries for both the Assistant Professor and Professor ranks. However, prior to 2018, UCSC seemed to be catching up to the rest of UCs in all three ranks.

### ***Cost of Living***

Any salary equity and competitiveness analysis is incomplete unless cost of living in the diverse campus locations is considered. Santa Cruz county is one of the most expensive places to live not just in California, but in the whole country.<sup>4</sup>

CFW has conducted analyses that take cost of living into consideration in 2017-2018, and 2021.<sup>5</sup> We repeat this analysis this year. In the interest of continuity, we use data from two calculators that have been used in the past – the Living Wage Calculator, developed by the Department of Urban Studies and Planning at the Massachusetts Institute of Technology (MIT), and [www.relocation.com](http://www.relocation.com) (Relocation). To these two calculators, we add the Self Sufficiency Standard

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<sup>4</sup> <https://www.bea.gov/news/2021/real-personal-consumption-expenditures-and-personal-income-state-2020>

<sup>5</sup> [Committee on Faculty Welfare, Faculty Salary Analysis, May 2017](#)  
[Committee on Faculty Welfare, Faculty Salary Analysis, April 2018](#)  
[Committee on Faculty Welfare, Faculty Salary Analysis, 2020-21](#)

developed at the University of Washington (SSS). We added this calculator after consultation with Professors Steven McKay and Miriam Greenberg, who used this calculator in their COLA analysis for graduate students<sup>6</sup>. The SSS, like the MIT calculator, focuses on the real cost of bundles of items that people need in a given region. We excluded the Regional Price Parities developed by the Bureau of Economic Analysis (BEA), which CFW used in a previous report, because the BEA does not focus on bundles of essential items and instead relies exclusively on self-reported expenditures. Such reliance is problematic for two reasons. First, self-reported expenditures are likely not reflective of the expenditures someone faces in a region; that is, it is not reflective of the actual cost of items in a given area. Second, what someone decides to spend money on, particularly in conditions of financial duress, is likely not reflective of what they need in order to achieve an acceptable quality of life. We thus excluded the BEA and introduced the SSS. In all other respects, we employed the same methodology as in the 2017 report.

Figure 3 shows the comparison between UCSC median faculty salaries and those of other UC campuses after the cost of living adjustments have been made according to the three models above. It is clear that the adjustment reveals an even larger lag of UCSC salaries than what the unadjusted numbers show. Furthermore, we compared UCSC median salaries to each of the UC campuses separately. Figure 4 shows that UCSC salaries are behind every UC campus with the possible exclusion of UCI. We note that UCI is located in an expensive housing area, but, unlike UCSC, it has an effective faculty housing program that is not taken into account by the COL calculators.

### ***Senate Collaboration on Addressing Salary Equity and Competitiveness at UC Santa Cruz***

In spring 2021 and fall 2022, CFW collaborated with the Committee on Academic Personnel (CAP) to form a working group that assessed salary competitiveness and the effect of the 2018 modification of the SSP. In January 2022, the committees communicated to the Chancellor and CP/EVC the findings that the salary gap is present and is likely increasing, and proposed that the SSP be improved to address the issue.<sup>7</sup> The transmittal also recommended that the 3% increase implemented in the 2021-22 Academic Salary Program be retroactively applied to total faculty salaries (including off-scale salaries), and that future across-the-board increases be applied to total salaries as well.

In a response to Senate Chair Brundage,<sup>8</sup> CP/EVC Kletzer acknowledged the seriousness of the problem but suggested that the SSP does not need to be modified because it is already one of the most progressive programs among the UC campuses. The CP/EVC additionally shared plans to implement both a one-time salary equity program to increase faculty salaries that are low for their rank and step relative to UCSC peers, and a new option for faculty to request a salary equity review to complement the current Career Equity review that focuses solely on rank and step.

CFW has three concerns about this response.

First, the goal of the UCSC SSP is to allow UCSC salaries to catch up with other campuses. As has been shown repeatedly in CFW's analyses, this has not happened yet. Consequently, we

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<sup>6</sup> University of California, Santa Cruz, Report from the Graduate Student Cost of Attendance and Living Calculator Project, September 2020

<sup>7</sup> CFW Chair Orlandi to Chancellor Larive and CP/EVC Kletzer, 1/21/22, Re: Addressing Salary Equity and Competitiveness at UC Santa Cruz.

<sup>8</sup> CP/EVC Kletzer to Senate Chair Brundage, 3/07/22, Re: Faculty Salaries.

believe the modified SSP is not progressive enough. A more aggressive SSP is warranted, and it should be more impactful than current programs at other UCs. To provide a further data point for this claim, we repeated an analysis that CFW conducted in 2017. We included faculty at each rank who are high earners – faculty who are in the 10 and 25 percentiles of high salaries (Figure 5). Faculty who are high earners are also presumably high achievers. We compared their salaries to those of high earners in other UC campuses. We found that UCSC salaries lag behind in this category even more so than for all of the faculty combined. This gives us reason to believe that high achievers on our campus are not adequately rewarded, and this is an issue that an improved SSP could help correct.

Second, other UC campuses are also implementing a one-time salary equity program to improve low salaries at different ranks and steps. This was a measure sanctioned centrally by the UC. Thus, the UCSC program will likely not succeed in addressing inequities *vis-a-vis* UC peers.

Finally, although a salary equity review process will be helpful to address individual cases of salary compression and inversion, CFW contends that such a review will put the burden of righting institutional inequities on individual faculty. Developing such a program acknowledges the existence of unequal compensation for equal work and therefore calls for a systemic solution that should include a reform of the entire system of compensation at UCSC. Therefore, CFW supports the equity review program, but does not consider it as a substitute for an improved SSP.

Respectfully submitted;

COMMITTEE ON FACULTY WELFARE

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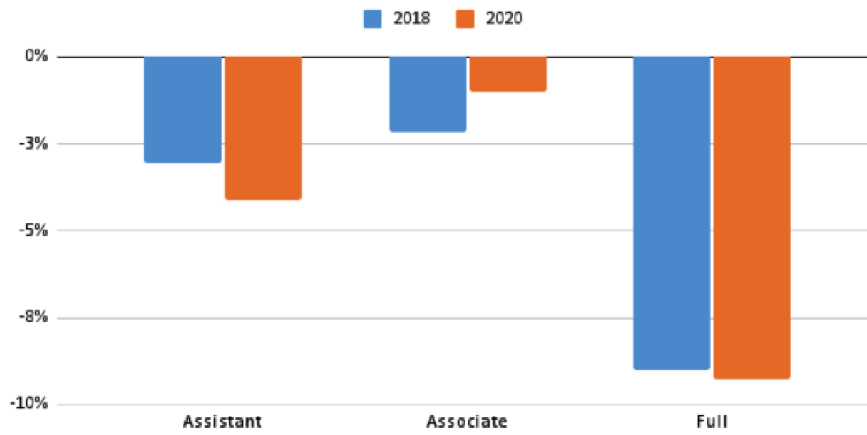
Su-hua Wang

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Nico Orlandi, Chair

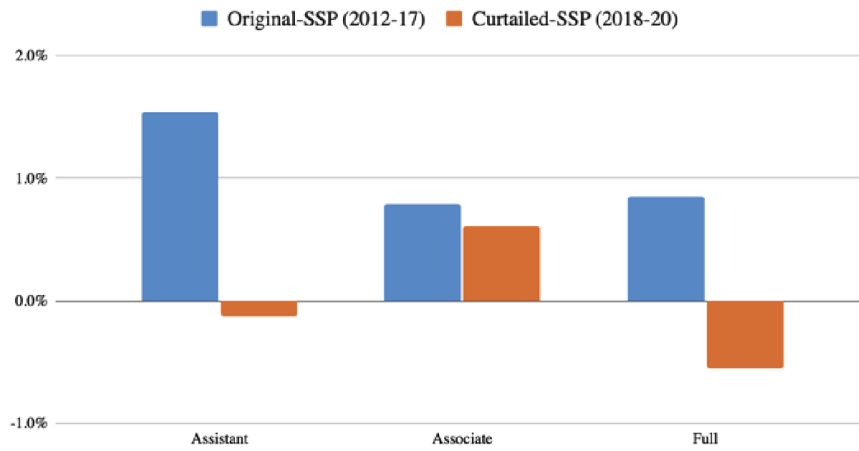
August 15, 2022

### Differential Salary between UCSC and 9-campus (REG+BEE)

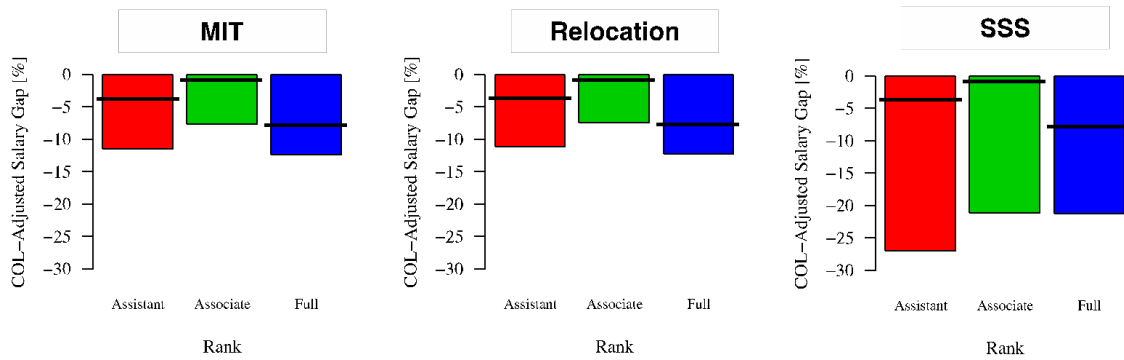


**Figure 1: UCSC faculty salaries are behind the rest of UC campuses.** Relative difference in percent between median salary of UCSC faculty and that of the faculty in other UC campuses is shown. Comparison group includes all UC campuses except for UCSF. The data for 2018 and 2020 are shown. 2018 is the first year after the SSP was modified. 2020 is the last year for which we have data. The comparison has been done separately for the three Professor series ranks.

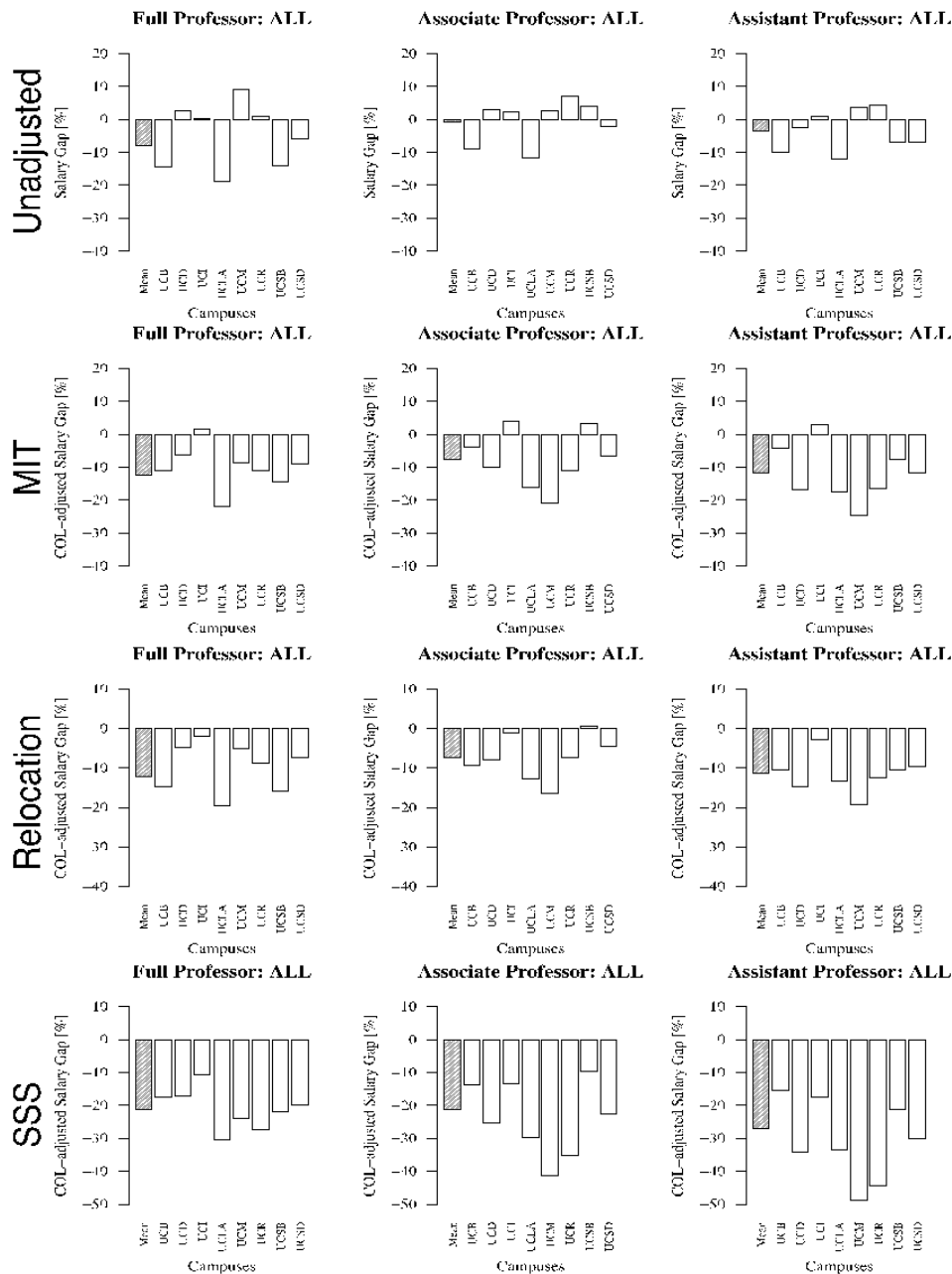
Difference between UCSC and 9-campus yearly salary growth (positive: UCSC salaries grow faster than 9-campus average)



**Figure 2: UCSC salaries are falling behind the rest of UC campuses.** Difference between the relative rate of salary growth in the UC campuses and UCSC is shown. Positive and negative differences correspond to the higher and slower salary growth rate at UCSC respectively. UCSC salaries increased faster between 2012 and 2017 when the original SSP was in place. That trend was reversed after the SSP was modified in 2017. Comparison group includes all UC campuses except for UCSF. The comparison has been done separately for the three Professor series ranks.

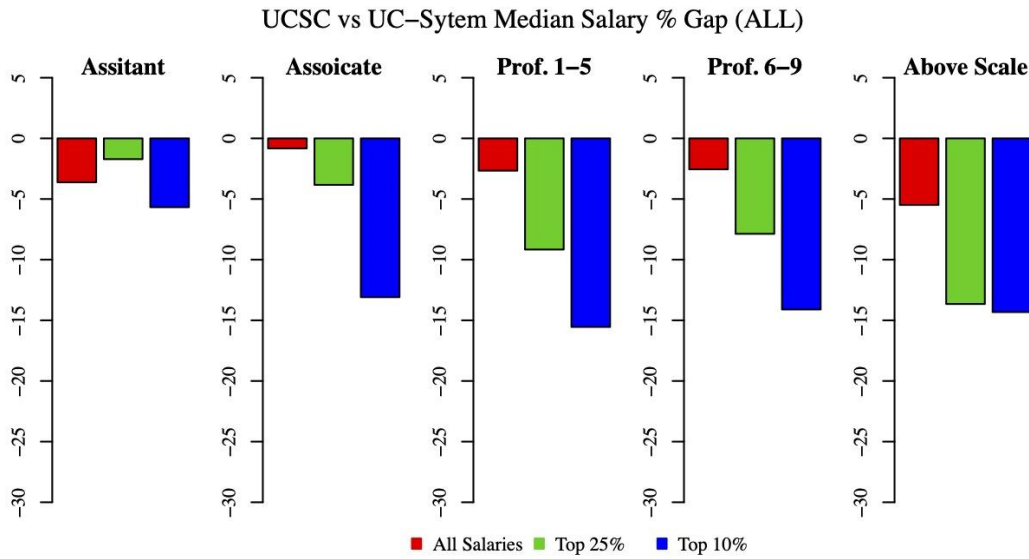


**Figure 3: Cost of Living Adjustment exacerbates the gap between UCSC faculty salaries and those of the rest of UC campuses.** Relative difference in percent between median salary of UCSC faculty and that of the faculty in other UC campuses is shown. The salaries were adjusted for the cost of living differences between locations of the campuses. Specific cost of living calculators used are: **(MIT)** Living Wage Calculator developed by the Department of Urban Studies and Planning at the Massachusetts Institute of Technology; **(Relocation)** [www.relocation.com](http://www.relocation.com); **(SSS)** Self Sufficiency Standard developed at University of Washington. Horizontal black bars on each panel show the salary gap without adjustments. Comparison group includes all UC campuses except for UCSC and UCSF. The comparison has been done separately for the three Professor series ranks.



**Figure 4: UCSC faculty salaries are below each of the UC campuses when adjusted for the cost of living.** Relative difference in percent between median salary of UCSC faculty and that of the faculty in each of the other UC campuses is shown. The salaries were adjusted for the cost of living differences between locations of the campuses. Specific cost of living calculators used are: **(MIT)** Living Wage Calculator developed by the Department of Urban Studies and Planning at the Massachusetts Institute of Technology; **(Relocation)** [www.relocation.com](http://www.relocation.com); **(SSS)** Self Sufficiency Standard developed at University of Washington. The comparison has been done separately for the three Professor series ranks. Note that while UCI is located in an area with expensive housing, it also has an efficient faculty housing program not taken into account in the adjustments.





**Figure 5: High earners at UCSC lag behind their UC peers.** Relative difference in percent between median salary of UCSC faculty and that of the faculty in other UC campuses is shown for different Professor series ranks. The comparison is done separately for all faculty (red bars), faculty within the top 25% (green bars) and within the top 10% (red bars) of the salaries. Comparison group includes all UC campuses except for UCSC and UCSF.