

# BARGAINING ALERT!

## Faculty Compensation at Queen's

The Policy behind Your Salary Letter



*This Alert is specific to tenure-track, tenured, and non-renewable faculty. Another Alert for other Member groups is forthcoming.*

Three months ago, those of us who belong to the regular faculty group (tenure-track, tenured, and non-renewable) received our annual salary letters, which set out our total increase for 2007-2008, divided into a "Merit Increment" and a "Scale" increase, and for some either a "junior increment" or a "senior abatement." What do these terms mean, what is the policy behind this division of our increases, and how well is this policy working? This Alert briefly answers these questions, so that Members can reflect on whether QUFA should propose changes to the policy in the upcoming negotiations for a new collective agreement.

Faculty members with non-renewable contracts are included in this Alert because this is how their Queen's salary is constructed; however, their time at Queen's is much shorter than discussed here, so the senior abatement would likely not apply.

### **Q** Does "Merit" really mean merit?

**A** For many people, what the salary letter calls a "merit increment" is in essence a "progress-through-the-ranks" (PTR) or career development increase that is given simply to reflect the improved performance that comes from greater experience.

A "merit increment" of 10 (which is what the vast majority of us receive) is actually a pure PTR increase. A minority of faculty also receive extra points (scores of 12, 15, or 20) to reflect especially meritorious performance, but these extra points amount to only 9% of the pool of money awarded as standard PTR increases. So by far the largest part of our annual "merit" increases are a product of the PTR steps built into the salary policy rather than of assessments of our individual performances.

### **Q** How was the Queen's salary policy formulated?

**A** Until 1984, Queen's had no consistent salary policy. In 1982-1983, a joint QUFA/administration task force studied the actual pattern of salaries at the time, and proposed a policy that would make an individual faculty member's salary history replicate that pattern.

They noted the average salary at age 28 in 1983 was approximately \$29,900, and the average on retirement was \$61,644 (2.06 x \$29,900). They therefore designed

the policy so that average professors who started at Queen's at 28 would see their salaries increase to 2.06 times their initial salaries by retirement (the actual ratio would vary slightly if the individual's starting salary was above or below the average starting salary assumed in the policy). This was to be accomplished by a series of annual PTR increases, which were set each year as a dollar amount equal to a fixed percentage of the assistant professor salary floor. This increase could vary somewhat for those faculty who received "merit" scores greater or less than 10. Increases were also designed to be slightly larger at the beginning of a career and smaller at the end (see discussion of "junior increments" and "senior abatements" below).

This policy has been modified several times since its introduction in 1984, but its basic structure remains the same.

### **Q** What determines "junior increments" and "senior abatements"?

**A** In keeping with the original salary policy, the current collective agreement sets out differentiated increases. For 2007, it provides for a PTR increase of \$2586 for those with a merit score of 10, but also for an extra increase ("junior increment") of \$517 for those with a) less than 10 years' experience and b) a salary less than \$85,329, and for reductions ("senior abatements") in the PTR increase for those with salaries above \$113,772. These abatements start at

\$983 and rise to \$1500 for those with salaries above \$134,457. (These breakpoints, at which junior increments cease or senior abatements take effect, have been linked to the official salary floor.) So the “model” career salary curve is not a straight line, but in theory rises faster at the beginning and more gently at the end of a person’s career.

**Q Does promotion have any direct impact on your salary?**

**A** No. Unlike some universities, Queen’s does not have floors or ceilings for the associate professor and professor ranks (there is a floor for assistants). However, a faculty member who is promoted quickly will also almost certainly have received some merit points over and above the standard PTR increases.

**Q What is the “scale” increase?**

**A** The magnitude of the scale increases is determined through the collective bargaining process. The 2005-2008 Faculty, Librarians, and Archivists Collective Agreement provided for scale increases of 3.0%, 3.0%, and 3.05% in each of the three years covered by the agreement.

The annual scale increases are supposed to ensure that an individual’s career salary “curve,” as established by the salary policy, is not eroded by inflation, and that faculty also share in the overall growth of the economy and consequent rise in living standards.

If scale increases do not keep pace with inflation, individual faculty, with their annual PTR increments, are actually moving up an escalator that is sinking into the ground. This was the case from 1975 to 1985, and again from 1991 to 1996.

If scale increases do not keep up with increases in starting salaries, the curve of current salaries appears

flattened, as the junior faculty members’ salaries are higher relative to their senior colleagues’. As we shall see, this has been the case in recent years.

**Q What has changed since the current salary policy was introduced in 1984?**

**A** Two major changes have occurred since the introduction of the policy:

**1. Career patterns have changed**

The policy assumed a typical career of 35-37 years, beginning at age 28-30. While the average age of new hires in 1955-1978 was 30, this was already rising in the early 1980s, and in recent years the average age at which new hires at Queen’s began their careers reached as high as 36.

Furthermore, a larger number of faculty (many of them women) start an academic career even later, or have interruptions for family reasons. The recent ending of mandatory retirement also calls into question the assumed length of an academic career. There is also more inter-university mobility in some disciplines.

All this means that the assumption that faculty have 35-37 years at Queen’s to reach their maximum salary is no longer valid.

**2. Starting salaries have risen faster than those for more experienced faculty**

The collective agreement puts a floor under starting salaries, but sets no ceiling. In the past ten years, average starting salaries at Queen’s have risen by roughly 65% (34% after inflation). During the same period, the cumulative scale increases for existing Queen’s faculty were only 2% more than inflation.

While the official minimum salary for an assistant professor was \$55,202,

the average starting salary for faculty hired at the assistant rank during 2006-2007 was \$85,585. This has had three major consequences:

- **New hires can look forward to a flatter individual salary “curve.”**

Most new appointees receive few if any junior increments, as they are appointed at salaries near the \$85,329 cut-off or above it. At the same time, some recently appointed faculty reach the “senior” abatement cut-off after only a few years at Queen’s. This, plus the fact that the PTR increments are dollar amounts and not percentages, means that after 35 years, an average faculty member hired in 2006-2007 would receive only 1.77 times his or her starting salary--a smaller differential than the 2.06 envisaged in the original salary policy, but still significantly more than the average for those currently at that level of experience.

- **The current salary curve has been compressed in the market-driven disciplines.**

In these disciplines, there is now a smaller difference between the salaries of recent appointees and their older colleagues, who were appointed at lower real starting salaries. This has affected the graph of average salaries actually paid in 2007 to the different age groups of Queen’s faculty, which does not correspond at all to the theoretical salary “curve” for an individual professor’s career. On average, those in the 60+ age group are receiving only some 35% more than those in the 30-34 age group. This reduction in the differential, while a departure from the original salary policy, goes in the direction of giving younger faculty higher incomes when they most need them. However, in a few market-driven disciplines, salary “compression” has become salary “inversion”: i.e., younger, less

experienced recent hires are being paid more than their colleagues in the next oldest group. It is the responsibility of the Vice-Principal (Academic) to address these salary anomalies with funds from the Principal's Anomalies Fund, but they nevertheless continue.

- **Differences in salary profiles between disciplines have widened.**

On the other hand, some of the less well-paid disciplines, such as the humanities, still have salary curves that correspond more or less to the policy as it was originally intended: the program of annual PTR increases set out in the current collective agreement (Article 42) would take a faculty member hired at \$65,000 in 2006, who earned average merit scores, to a salary 2.14 times as large (\$139,079 in constant dollars) after 35 years (see Figure 1, below). This ratio is comparable to that for a faculty member from a similar discipline under the 1984 policy; it contemplated that faculty members from less well-paid disciplines would start somewhat below the average.

**Q What can be done?**

It is usually stated that the annual PTR increments reflect the increase in knowledge, ability, and experience that professors acquire with longer service. However, there are few other professions that provide continuing increases to reflect experience over a person's whole career. And in actual fact, the salary policy was originally drafted to replicate the 1983 salary curve, which was itself the unplanned result of the varying policies of previous years.

Another view is that the higher salaries received later in one's career are a deferred payment for the work that was underpaid at the beginning, and that the other part of this bargain

is the mutual commitment to a long-term employment relationship.

In any event, the policy means that professors' salaries are lowest when their financial needs are arguably the greatest (when they are buying a home, starting a family, etc.). The fact that careers are today typically shorter and less regular than in 1983 is another reason to reconsider the policy.

Furthermore, the salary curves in many disciplines no longer correspond to the policy in any case. As we have noted, there are good reasons to welcome the rise in starting salaries. But the fact that it has come about mostly as a result of unplanned market forces means that it has been accompanied by several problems.

And then there is "merit." As we have pointed out above, once the normal career development (PTR) component is factored out, the dollars directed to reward true merit represent an extremely small fraction of annual compensation increases

(about 0.2% of total salary). Is retaining the current "merit" system worth the energy and time devoted to it every year, not to mention the significant negative impact it inflicts on faculty morale across the University?

In summary, several of the assumptions about typical career salary patterns built into the 1983 salary model no longer pertain. The negotiations for the next collective agreement (May 2008 - ) provide an opportunity to address issues such as junior increments and senior abatements, salary compression, inter-disciplinary differentials, and merit. Our proposals must take account of the views and interests of *all* our Members.



*QUFA encourages you to print out a copy of this Bargaining Alert and post it in a visible space in your department or unit. Thank you!*

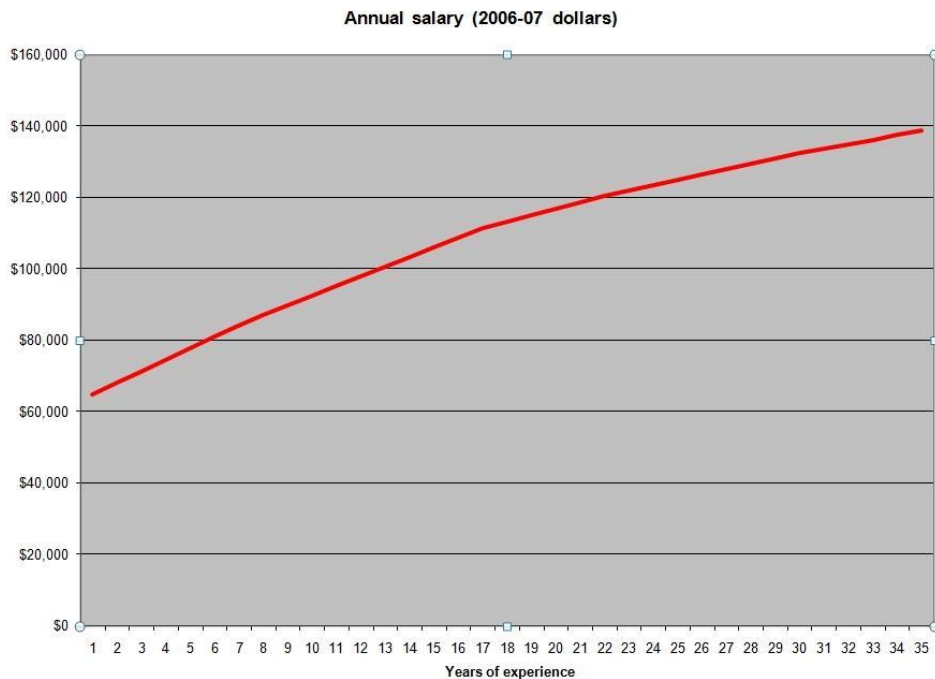


Figure 1: A "model" career salary curve.