CUFA Report

concordia university faculty association
association des professeurs de l'université concordia

Fall 2008, Number 1 August 2008

The Long and the Short of Salary

Part 1: Salary Structure

by Charles Draimin

Most CUFA members recognize that the Administration's most recent salary offer is unsatisfactory. The major features of this offer are minimal scale increases over a five year contract (not even coming close to expected inflation), compression of the salary grid, and very ungenerous treatment of Old Model members. None of this looks in any way attractive. But what would be an attractive offer? What is reasonable to expect? What are we trying to achieve in salary negotiations?

To answer these questions some background is useful and so in this article and a subsequent one I will review the history of academic salaries at Concordia paying special attention to how and why academic salaries increase. I will conclude with a summary of what sort of salary settlement we need to make – and keep – our salaries competitive with salaries at comparable universities across Canada.

The story is told in terms of career academic salaries. Where ranks are mentioned I use the normal career progression of probationary and tenured (tenure track) faculty: assistant professor, associate professor and (full) professor. Since all other academic salaries at Concordia are based on the tenure-track model, with the appropriate adaptation this discussion is applicable to ETA, LTA and librarian salary structures. Some of this material was presented at a meeting of CUFA Council in June.

The traditional salary model

In the academy, we all do much the same sort of job throughout our careers. Within the faculty ranks, there is no progression to positions of increasing responsibility, as there is for example in large companies or in professions such as law, accountancy or engineering. Still, we re-create a career progression in our salary model: starting salaries that are unreasonably low considering our age of entry, training and productivity, but with the expectation of annual career increases – steps, CDI – as compensation over the next three decades or so.

The traditional academic salary model in Canada had a very simple structure: salary floors for the different ranks and a standard annual increment all based on the *floor of assistant professor* (FAP). The FAP was the key to this model. The different rank floors were expressed as a percentage of FAP; similarly, the annual increment, at Concordia, the *career development increment*

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(CDI), was expressed as a percentage of FAP (other terms used instead of CDI at Canadian universities are *annual increment* and *progress through the ranks (PTR).*

In the 1990s when all faculty and librarians were on the traditional model, CDI was 3.5% FAP; previously, in the early 1980s, it had been 4%. In any particular year, both FAP and CDI had a dollar value, of course, so, for example, in the mid-1990s, when FAP was approximately $45,000, CDI was $1,575.

The assumption of this salary model is that a faculty member would have just completed the PhD degree, the basic qualification, and would begin his or her career at the FAP. He or she would then move up each year by the amount of the increment. By progressing at the normal rate a faculty member would have reached or passed the floor of the next rank by the time he or she was promoted to it. Only if someone got early promotion would an increase in salary to bring the faculty member to the floor of the next rank be required. Being raised to the floor of the next rank was exceptional. Under normal circumstances with just regular CDI increases of 3.5%, a faculty member could expect to retire after 35 years at a salary 122.5% higher than the salary they were originally hired at (35 CDIs @ 3.5%) – see figure 1. The acronyms FCP and FFP refer to floor of associate professor and floor of full professor respectively. In figure 2 we put some actual salary numbers to this model. In 2001 FAP was about $45,000. Someone aged 45, hired at that salary and expecting to retire could look forward to a final salary of about $100,000 – an increase of 122.5%.

Some features of the traditional salary model

One advantage of the traditional model was its flexibility (see figure 3). Market premiums could be incorporated by simply increasing the salary:

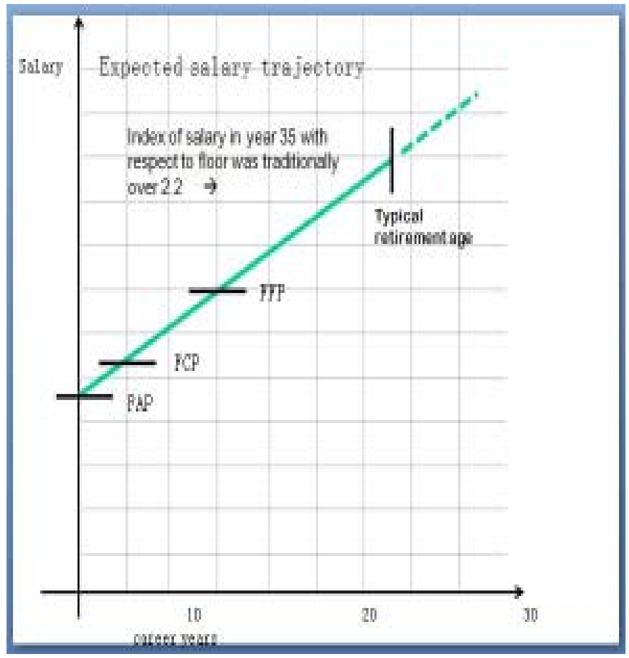

Figure 1

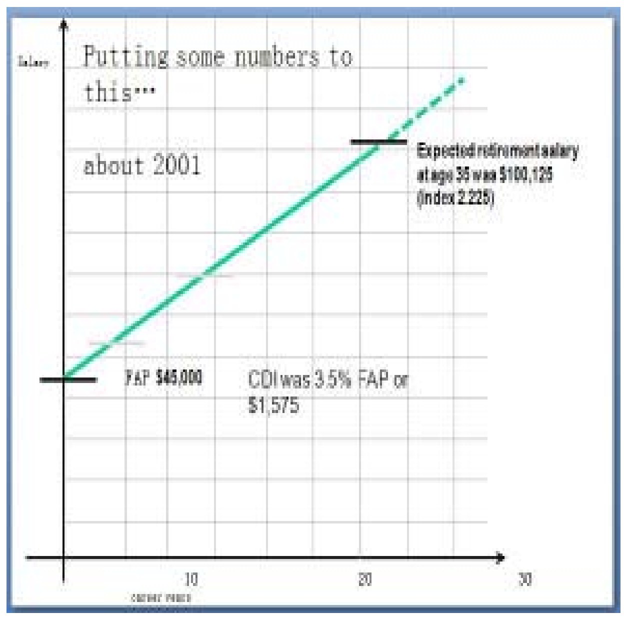

Figure 2

if the market for new hires was tight in a discipline, a market premium could be offered — the new salary profile was a parallel line above the standard model (line A). Similarly, if a particular

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faculty member was very marketable, presumably a result of superior performance, he or she could demand an increase and if the Administration wanted to retain the person, there would be a new salary profile, higher than the original one (line B). Finally, this model provided for performance increment (Concordia had these until the mid 1990s) by offering merit pay into base. This had the effect of pushing the expected salary trajectory up (figure 3, line C)

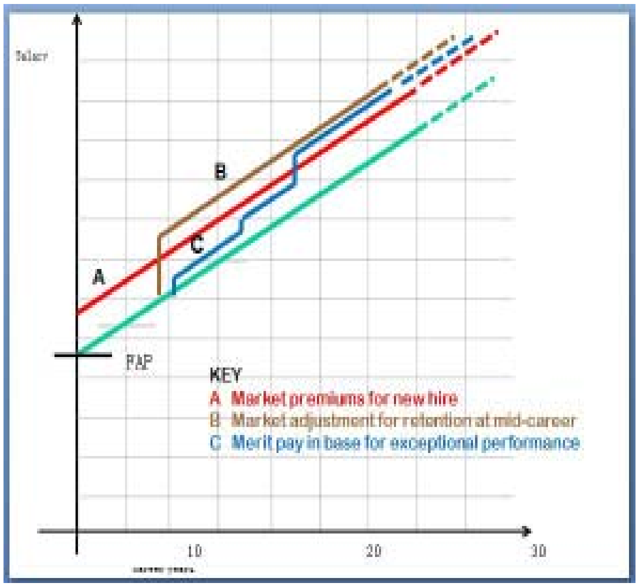

Figure 3

Why the New Model?

Why did we move to a grid model? Very simply, I think it was to bring some transparency, predictability and accountability to salaries at Concordia. The traditional model was very flexible but in the end it was too flexible. Market premiums on hire were paid for future promise that was not always realized. Although the elevated salary would continue to the end of the career, it could be argued that it was not always justified. Similarly, merit increases in base would persist through an entire career but the early successes they rewarded were not sustained. In some case too there was the sense that such awards reflected success at self-promotion or just good relations with colleagues or administrators. The upshot was that different patterns of accomplishment would affect long-term salary in a way that was not consistent with what a dispassionate review of the full career might justify. Almost everyone was on his or her own salary trajectory and differences were not always easy to rationalize (figure 4). A snapshot of salaries at any point was equally difficult to justify even after taking account of discipline (figure 5).

A grid system, called the New Model, was

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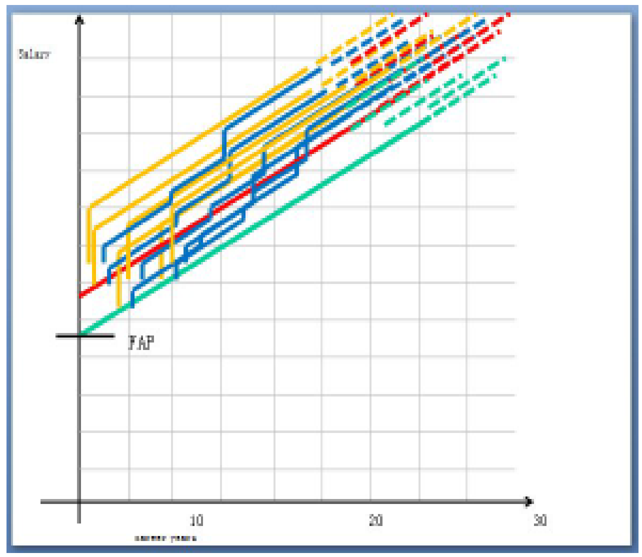

Figure 4

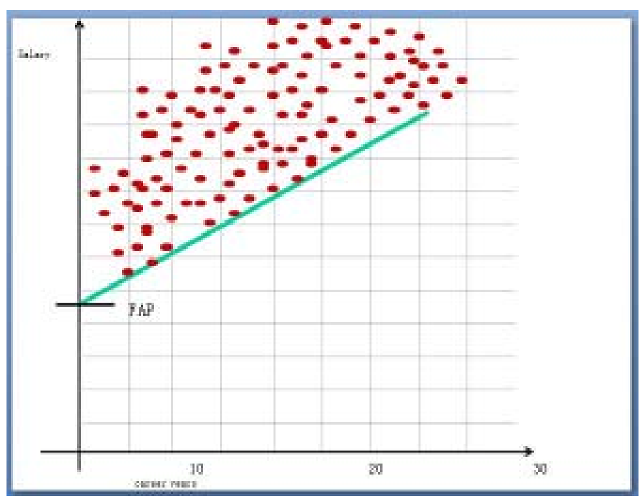

Figure 5

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introduced in 2003 to systematize salaries. Allowing for some variation depending on the years of promotion, there is a unique salary given one's rank and years in rank. There are incentives for early promotion (this is where the differences that do exist arise), but merit is paid as a stipend and does not affect regular salary or the regular salary trajectory (see figure 6). There is provision for salary supplements. They are part of regular salary but they are outside the grid. Market Supplements (MS) are awarded in certain disciplines according to an agreed-upon schedule and they are amortized over the course of a career. Individual Supplements can be paid with the approval of the salary committee on a five-year renewable basis. Permanent Supplements were awarded in some cases when members were put on the grid for the first time.

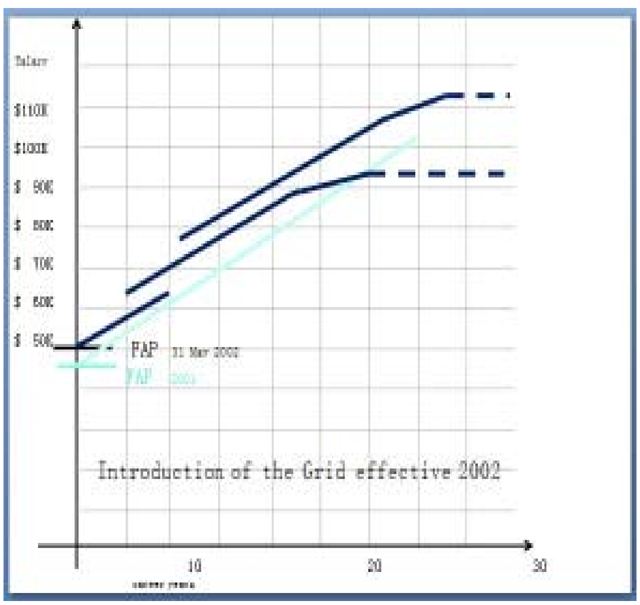

Figure 6

The grid is more predictable, transparent and equitable than the traditional model. With the supplements, it has some flexibility to adapt to market conditions but this flexibility is limited and to some extent transparent. The basic characteristic of the academic salary model, the low to high career progression, is still evident.

Comparing the models

A key characteristic of the salary structure is the degree to which the normal salary increases over a career. We can measure this by the ratio of year 35 salary (salary at the "normal retirement age") to FAP which I will call *the height of the salary structure (HSS)*. Since academic starting salaries are historically so low, it is important that there is an adequate increase over the career. Unfortunately, our experience at Concordia has been *salary compression*: since the early 1980s, the ratio of the projected salary at retirement to the FAP has been falling. This has been strikingly so in the Old (traditional) Model; the introduction of the New Model in 2003 represented a slight moderation in this downward trend.

Because the Administration is in fact proposing a further compression with its new grid, it is worth examining how this has evolved. In the early 1980s when CDI was 4% FAP, the prospective year 35 salary was 140% more than FAP and so HSS was 140%. If, for example, you started at an FAP of $45,000, you could look forward to a salary at age 65 of $108,000. In the 1990s, CDI dropped to 3.5% and HSS fell to 122.5%; someone starting at $45,000 could look forward to a prospective year 35 salary of only $100,000. In 2003 CDI in the traditional model (now renamed the "Old Model") was reduced to 3% of FAP. Although nobody now begins a full career on the Old Model under our contract, a 3% CDI implies an HSS of only 105%; in principle, someone starting at $45,000 would look forward to retiring at about $92,250. Salary compression at Concordia has been significant. Over about 20 years, HSS for the traditional model has dropped from 140% to 105%, a reduction of 25%. The probable reasons for this will be explored below.

Because of the extra steps at tenure (and potentially also for promotion to full professor if taken

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early enough), the current New Model has varying career profiles depending on dates of promotion. Even though the basic step in the initial years in the model is the same 3% of FAP as in the Old Model, measuring HHS is not a simple matter of multiplying the step size by 35; rather, you must trace a typical career profile in the New Model by counting 35 steps on the three salary grid indices (see the current Collective Agreement, Appendix 4A, p. 221). For example, someone who gains tenure in their 5th year as assistant and then is promoted to professor in their 15th year as associate professor would get to step D21 in year 35. Since the New Model grid indices are based on the full salary (the index for assistant professor is 1.0), you must subtract 1 from the index given (2.13) to find the ratio of step 21 salary to FAP. In this case it is 1.13 and so the HSS is 113% of FAP. Someone on the fast track, who is promoted to full in year 7 of associate professor would get to step D23 at year 35 and the HSS for this person would be 117% (see figure 7). Both are lower than the HSS in the traditional model in the 1990s but not as low as the Old Model, the current version of the traditional model.

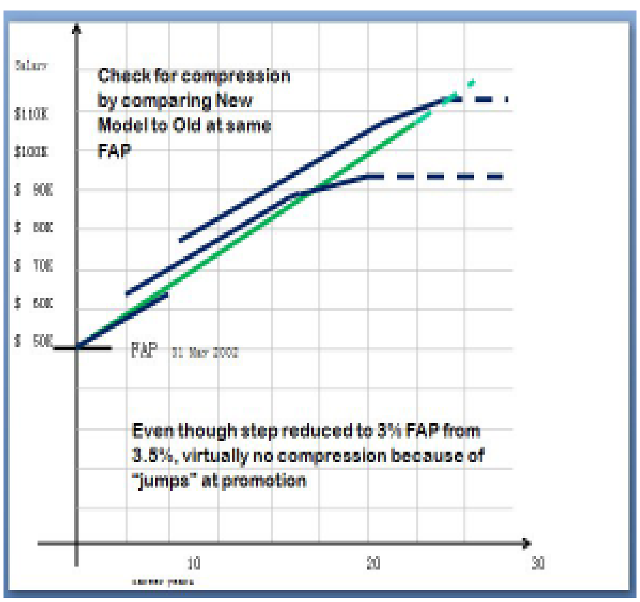

Figure 7

It must be acknowledged that the measure of compression I am using above is a system measure, not necessarily an average measure. For many reasons, faculty members would rise above the basic grid. This was fairly common in the traditional model because of the possibility of merit in base. But the grid, too, has provision for supplements. They may be more systematic and they may erode over time, but that doesn't mean that they won't become more common and effectively raise HSS. (Whatever the salary system, there are always pressures to raise individual salaries, and the Administration will often find reasons to accommodate.) Still, the HHS is a measure of the height of the basic salary trajectory, and there will always be many faculty members on that trajectory. To the extent that the structure is compressed, faculty members will find that their lifetime earnings will be less than they first expected. Moreover, to the extent that salary structures at other universities are not suffering this compression, we will find ourselves falling behind.

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In the next issue I explain why no system of step/CDI increases alone can ensure that our salaries stay competitive and what this implies for our negotiating strategy.

Stay tuned for more negotiation updates

Glossary

Career development increment (CDI)	The annual increase in salary within the traditional model. Defined as a percentage of *FAP,* but in any year, it has a dollar value. Comparable to the *step* in the grid model.
Career years	Total number of years in a probationary or tenured (tenure-track) position. At Concordia, members in such a position typically start in their early to mid thirties, so the prospective length of a career is normally 30 to 35 years.
Ceiling	The highest salary at a rank. To allow comparisons from year to year, it is usually measured using the index of salary rather than actual salary amounts.
Compression	Shortening the potential salary growth in the salary model over a career. Often identified with reduction in the index of the ceiling at rank of professor.
Floor of assistant professor (FAP)	In any academic year, the lowest salary that may be paid to someone holding the rank of assistant professor. Typically it is the starting salary for new PhDs. FAP is the standard reference point for both academic salary models.
Floor of associate professor (FCP) / Floor of professor (FFP),	In any academic year, the lowest salary that may be paid to someone holding the rank of associate professor/professor. Promotion from the rank below will normally bring one to the floor.
Grid	A salary system based on floors by rank and years in rank. The salary at every such position has fixed index of salary. The grid is indexed to changing price levels by raising the whole grid proportionally.
Height of the salary structure (HSS)	The degree to which the normal salary increases over a career. It is measured as the ratio of the expected salary in the 35th year of a career to the FAP. Scale (cost of living) adjustments are ignored.
Index of salary	Ratio of salary at a particular rank to *FAP* within a salary model. A measure of salary growth within a salary model. Use of an index for this purpose avoids problems of a changing value of the dollar.
Step	Increase in salary from one year to the next within the *grid* model. Usually measured as a percentage of *FAP*, though in any year it has a dollar value. Comparable to *CDI* in traditional model.
Traditional model	Traditional academic salary model. It is based essentially on *FAP* and *CDI.* There is no fixed relationship between rank or seniority and salary. Sometimes called “starting salaries.”

Just Say NO!

by Norman Ingram

The last collective agreement (often called the "yellow collective agreement" because of the colour of its cover) expired on 31 May 2007. It was a good collective agreement which provided for a significant *rattrapage* (or salary catch-up), a salary grid that is much more transparent than the old salary model, and a 2.25% cost-of-living-amount (known as COLA) for the first four out of the five year life of the yellow collective agreement and the actual change in the consumer price index in the last year (which was about the same).

This was, as I say, a "good" agreement, particularly because it addressed and helped to rectify the enormous gulf which separated Concordia salaries from virtually the rest of the country. In 2002 we had not had a cost-of-living increase since the mid-nineties. The salary situation was truly catastrophic. It was not to the credit of Concordia that before the last collective agreement came into effect in 2002, despite being on the fast track and receiving early tenure in my third year here, my salary after ten years at Concordia was the princely sum of $61,000 per annum – about the same as a CEGEP instructor at the time, and $4,000 less than my cousin, an elementary school teacher in Ontario with a B.A., was earning.

Happily for me, and for countless other professors at Concordia, the implementation of the yellow collective agreement did much to rectify this situation.

"I had thought that stagnating salaries at Concordia were ancient history, but I fear we are beginning to slip back"

I had thought that stagnating salaries at Concordia were ancient history, but I fear we are beginning to slip back. A significant gap is growing between our salaries and those of other professors across the country at comparative, comprehensive universities. Statistics provided by the Canadian Association of University Teachers (CAUT) indicate that in the 2005-06 academic year (three years ago, but the most recent year for which comparative data are available), the national average for all ranks was almost 14% *higher* than the average Concordia salary. Since the Administration will cavil that this includes the higher paid medical/doctoral universities, it should be pointed out that even if one compares our salaries to our own group of what *Maclean's* calls the "comprehensive universities", the numbers still indicate a severe shortfall in Concordia salaries: the comprehensive university average for assistant, associate and full professor was 10.6% higher than the corresponding Concordia average. Those numbers are, as you can well imagine, only greater today. Six percent more would be a conservative estimate as we have been two years now without a scale (cost of living) increase. That would put the average salary at the comprehensive universities a little over 16% higher than Concordia's.

So what has happened in the negotiation of a new collective agreement? In one sense, precious little... The Administration has dragged its feet from the outset of negotiations, coming to meetings ill-prepared, cancelling meetings, and beginning the entire process late, despite the

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fact that CUFA had indicated that it was ready to begin long before the last collective agreement expired.

A year elapsed, devoted to important but time-consuming negotiations on non-monetary issues. These are almost entirely settled, and so in late April this year, negotiation of the monetary clauses of the agreement finally began. CUFA presented an opening demand for 16% *rattrapage* to bring us in line with the Canadian average, and a standard-of-living increase of 4% per annum (an enhanced COLA), while maintaining the same step/CDI increases of 3% of FAP (floor of assistant professor). The general principles that underlay these demands were those of the former yellow collective agreement.

The Administration agreed that the yellow collective agreement had been a very good one, and that its salary model was sound.

Nevertheless, the Administration believed that it could be "improved" and those improvements formed the centrepiece of their salary offer. Their initial offer proposed to put everyone (old and new model) on a new grid. There would be *no rattrapage* as such. Although those in the rank of assistant professor would enjoy up to a 7.4% increase in the first year, others would get less, as little as 1% beyond the step/CDI already paid for 2007-08. There would be no scale increase for 2007-08. Each subsequent year, the scale increase would be 1% of the floor of the assistant professor rank (about $600) on a yearly basis. It should be pointed out that despite the apparent increase at the rank of assistant professor, the new grid would be no improvement for most members. In fact, even those assistant professors who did get the largest increases would discover that the 'jump' that members now enjoy on receiving tenure will be gone; what is given with one hand is taken away with the other.

Additionally, the Administration's proposed new grid would have variable step sizes, a little higher than now in the first years of the ranks, then falling to much lower step size earlier than they do now, especially at the rank of associate. The argument was that this diminishing step model would encourage people to move up the ladder to full professor. The ladder was very short, however; the Administration proposed just twenty (20) full value steps in an entire career, from beginning to end. Even the best and brightest would fall off the end of their ladder, sooner rather than later.

"...the University was asking us to take a significant real-dollar pay cut."

Effectively, the University was asking us to take a significant real-dollar pay cut. The double-think required to believe that this was an "improvement" on the former agreement is astounding, particularly as it did not deal with the most striking feature of Concordia salaries: the fact that they are very low with respect to those at other Canadian universities. One other aspect of their initial offer that directly affects about one third of the tenured and probationary members is the requirement that all current old model members be moved to the new model on not very attractive terms. The Administration's offer was derisory to the point of being insulting.

Since then, there has been very limited movement. The University is now proposing a real (proportional) scale increase of 1% of salary

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(not just of 1% of FAP), but continues to refuse anything significant in the way of *rattrapage* and, despite a few small changes, their 'improved' grid stands.

All of this *might* be acceptable if sufficient COLA were in place to protect one's salary against the ravages of inflation, but the core of the Administration's offer is a derisory cost-of-living offer of essentially 1% a year for all five years. (It is worth noting that they, for their own reasons, refuse to call their scale increase "cost of living" – and for good reason. It is a parody of cost of living, and on avoiding this term for their offer we fully agree.)

Effectively freezing our salaries betrays a certain arrogance on the part of the Administration. Although there is some increase in the junior ranks, essentially, the Administration's position is that a good part of the professoriate – those who are senior Associate Professors and those who have been full Professors for some time – have reached their "sell-by" date. They are somehow past it. They are no longer as productive as junior colleagues, and should therefore be forcibly superannuated – figuratively, if not literally. Although there may well be exceptions, I can certainly say personally that I am a much better professor and a much better historian today than when I arrived at Concordia sixteen years ago.

"Effectively freezing our salaries betrays a certain arrogance on the part of the Administration."

What all this means, of course, is severe salary compression once one gets beyond the first five years or so at Concordia. And, because pensions are based on the best – typically the last – three years of salary, that ineluctably means much lower pensions at the end of the day. The Administration thinks it is awfully clever proposing this; they think that newly-hired faculty are going to be bowled over by the munificence of Concordia's starting salaries (think again there!). They seem to think that junior faculty are stupid, or myopic at best, and won't notice the fact that once the bloom is off the rose, and tenure has been granted, their salaries will depreciate in real-dollar terms. They also seem to think that they can play "divide-and-conquer", that they can drive a wedge between junior assistant professors and the rest of the faculty. How wrong they are. All of this leads one to question the extent to which the Administration is really serious about turning Concordia into a "destination university".

The Administration claims that the University is facing a budget crisis. Perhaps it is – to a very limited extent. But one could well argue that since the new Quebec funding formula has been in place since the 2006-07 academic year, the crisis ought to have been foreseen. Instead, the size of the administrative sector has ballooned, both in terms of numbers and salary levels (73% for the President since the early years of the decade!). In some quarters, this might be called fiscal mismanagement. It certainly is not leadership from the front.

The Administration's latest salary offer is either Machiavellian, or else terribly confused. Either way, it is unacceptable to CUFA. There are so many apparent or malevolent inconsistencies in it, that at the last negotiation meeting, the CUFA team submitted a page and a half of questions and requests for clarification. To say that it is Byzantine is putting it mildly. Most important, there is *no rattrapage*, so we don't recover from our continued decline compared to other academics in Canada. There is essentially *no cost-of-living adjustment*, so the immiseration of the academic proletariat will continue. Just where are we going?

As Nancy Reagan once said, in quite another context, *"just say no!"*.

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Upcoming Council Meeting

When: Monday, September 22, 2008

Where: SGW Campus
Room H765-767

Time: 9:30 am - noon

Council meetings are open to all members

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