

Faculty Thoughts on Salaries

- A few were happy with the university's proposals.
- Most felt that the proposal was inadequate.
 - Worries about falling behind the cost of living.
 - If the university can't make up for cost-of-living increases in a "good" year, what does that suggest for the future?
 - Questions about how the university can afford to hire up to 30 new faculty members but not provide adequate raises.
 - Concerns about faculty retention and recruitment when the university plans to grow quickly.

Florida Polytechnic University Faculty Salaries

Inflation and Labor Market Increases Since 2018

Salary Proposal Principles

- Adjust fully for inflation since last raise (or start)
- Adjust partly for labor market increases over inflation
- *Any reasons this is not reasonable and fair?*
- Data readily available to implement these principles

Inflation

- Real Salary = Purchasing Power
 - Declines over time due to price increases if salaries do not increase
- Two primary measures of inflation
 - Consumer Price Index
 - Source: US Bureau of Labor Statistics
 - Personal Consumption Expenditure Index
 - Source: National Income and Product Accounts, US Bureau of Economic Analysis

Market Salary Changes

- Market salaries typically rise faster than inflation
- Two measures
 - Average weekly earnings (AWE)
 - Source: US Bureau of Labor Statistics
 - Employment Cost Index – Salaries (ECI)
 - Source: US Bureau of Labor Statistics

Data and Implications for Raises

Inflation, Earnings Changes, and Implied Salary Increases

	Year	Inflation			Earnings			Mean
		CPI	PCE	Mean	AWE	ECI	Mean	
Annual Increase	18-19	1.66	1.53	1.60	1.04	2.99	2.01	1.80
	19-20	0.96	1.01	0.98	5.46	2.68	4.06	2.51
	20-21	3.76	2.89	3.33	4.78	4.14	4.46	3.89
	21-22		2.20					
	22-23		2.05					
Implied Increase by Cohort	Fall 18	6.50	5.52	6.01	11.64	10.12	10.88	8.42
	Fall 19	4.76	3.93	4.34	10.50	6.93	8.70	6.50
	Fall 20	3.76	2.89	3.33	4.78	4.14	4.46	3.89

Proposal

- Raise to adjust to the mean of inflation and market increase
 - 8.5% if started 2018 or before
 - 6.5% if started 2019
 - 4.0% if started 2020
- One off compensation for lost purchasing power
 - $(0.045) \times 2018 \text{ Salary} - 2019 \text{ Bonus}$ if started 2018 or before
 - $(0.035) \times 2019 \text{ Salary}$ if started 2019