Statement from the Faculty Assembly
On the Mercer Compensation Study
February 12, 2020

At the January 16, 2020 meeting of the Academic Senate, Mercer Consulting provided a summary report of the faculty salary study it began conducting in spring 2019. The Faculty Assembly would like to acknowledge this important work. Fairly compensating faculty (and staff) is critical to institutional success and to the long-term viability of The Catholic University of America. Indeed, the Mercer report provides valuable external data that confirms the issues raised by the Faculty Assembly last year regarding faculty compensation. While we believe the Mercer study is a step in the right direction, we call upon the University to aggressively prioritize fair compensation of faculty and staff in its budgeting decisions. Addressing salary and compensation is central to Catholic social teaching on the dignity of work and the rights of workers.

For the past decade and beyond, through pay freezes and other financial decisions, The Catholic University of America has neglected to fairly compensate its faculty and staff. This has contributed to poor morale and workplace dissatisfaction, which are clearly reflected in the Gallup Workplace Engagement Survey results released in January 2020.

The Faculty Assembly concurs with the major conclusion of the Mercer Study, namely, that faculty salaries are far below the market median, a gap that is likely even greater when accounting for the cost of living in the DC metropolitan area. Immediate and substantial action should be implemented to close the gap with our peer institutions and to keep up with annual cost-of-living increases (COLA; avg=1.9%/yr since 2010).

Furthermore, we believe that the Mercer report underestimates the salary inequity compared to our peers and has several structural flaws. Some of these flaws include:

- The peer institution group selected includes numerous schools that are outliers weighing down the averages. We note that 17% (7/41) of peer institutions have revenues under $100M, or nearly half of CUA’s revenues and enrollments. Nearly 42% (17/41) of the peers used in the study are not in our Carnegie Class. **<u>Suggestion</u>: Outliers should be removed from the analysis.**
- The Mercer analysis does not account for the cost of living in the DC metropolitan region. For example, using the cost-of-living calculator at BestPlaces.net, the cost of living in Washington DC is 50.3%, 73.8%, 59.9% more expensive than Philadelphia, Pittsburgh, and Richmond. **<u>Suggestion</u>: Incorporate cost-of-living adjustments in salary analysis. There are many calculators to help with this adjustment.**
- The Mercer analysis does not report salaries by gender. Aggregate data for the entire faculty masks any potential inequity by gender. The fact that the Conway School of Nursing is 95% female and has the lowest salary of all schools/departments, raises the question of potential gender salary inequity. **Suggestion: Analyze any disparity in salaries by gender and ensure that there are no inequities.**

- The Mercer study does not provide granularity between tenure-track and non-tenure-track faculty salaries and may be insufficient to determine pay equity for non-tenure-track faculty. **Suggestion: Differentiate between tenure- and tenure-track salaries and ensure equity for non-tenure-track faculty.**

- The target adjustment to reach the median (50%) salary level does not seem to be particularly ambitious as over 40% of the schools are not even in our Carnegie Class. **Suggestion: Raise the target adjustment goal to the top 25% of the peer group.**

- The proposed strategy to address compensation inequity to prioritize those below the market median is simplistic as the Mercer study data does not account for faculty time-in-rank and performance. This approach will undo prior merit-based adjustments. Further, this approach will likely lead to wage scale compression at each rank. **Suggestion: A more thoughtful approach to salary adjustments is needed so that all faculty will benefit from this effort.**

In conclusion, while we applaud the University administration and the Board of Trustees for taking preliminary steps to evaluate the salary and compensation issue at The Catholic University of America, we encourage the University to consider the points raised above, and incorporate them in its continued analysis and deliberations of faculty compensation.