

NEWSLETTER

McGILL ASSOCIATION OF UNIVERSITY TEACHERS

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SALARIES OF ACADEMIC STAFF AT MCGILL

HISTORY

Academic salaries at McGill have been dropping in comparison to salaries at other Canadian universities throughout the last two decades. In the 1970's we were near the top, while now we are far below it. MAUT has been repeatedly documenting the salary erosion in the Newsletter, by providing you with comparative figures gathered from Statistics Canada through CAUT. We have also done more than document - we have been actively and persistently working to reverse the situation. The historical decline in treatment of McGill staff, its significance, and ways to deal with it, were addressed by Patrick Glenn, Malcolm Baines and Ted Meighen, speaking on behalf of MAUT in 1994 to the Planning and Priorities Subcommittee of the Academic Policy and Planning Committee, which was then considering the problems of university financing. MAUT strongly argued for an end to the philosophy of growth that for 20 years had fostered a continual increase in staff numbers coupled with a simultaneous decline in staff salaries. It was pointed out that McGill faculty had contributed greatly, both indirectly and directly, to help alleviate the financial problems of the university. Their benefits had decreased, the 6% salary increase upon promotion to full professor had been eliminated, and a decision by academics in the early eighties to *temporarily* contribute 2.8% of salary, plus accompanying benefits, "in order to balance the budget", was still in effect (and remains so to this day).

Restoration of salaries to a reasonable level, taking into account the standing of McGill in the academic and general community, was clearly needed.¹

MAUT referred to the Budget Task Force Report of 1981, which stated that "Salary policy for the academic staff is intended to provide respectable salary levels and working conditions in comparison with other major Canadian universities."² In 1995 we calculated the disparities for the previous 15 years, and showed that academic staff had contributed tens of millions toward the university budget through underpayment of their salaries, which by that time totalled at least \$6 to 9 million less each year than comparable salaries at other major universities. We emphasized that additional placement of the accumulated deficit on the salaries of the academic staff would be particularly drastic, as by being underpaid, each staff member present during those 15 years had already contributed in the range of \$50,000 to \$100,000 in lifetime earnings toward reduction of the university deficit.

In April of 1995, MAUT held a retreat to consider strategies for coping with the cutbacks in university funding. Many issues were considered, including the matter of academic salaries, about which we stated in our report: **"The underlying question is that of the value of the academic work done at McGill. Is it in the interest of the University to drive down**

salary levels and hence devalue its academic staff, both present and future, in an increasingly competitive world? MAUT is of the view that a University of quality implies salaries of quality, and the one cannot exist without the other."³ We again emphasized the effects of low salaries on morale, and pointed out that such salaries would not attract the calibre of academic required to keep McGill a first-rate university. The existing policy, lacking firm guidelines on what our salaries should be, was clearly unsatisfactory from the standpoint of the individual staff member as well as from the viewpoint of maintaining McGill as one of the leading Canadian universities during the next century.

Past administrative reactions to the MAUT position were concisely summarized during our recent conference. David Crawford, a former representative on the Academic Salary Policy Subcommittee, described three main responses: 1) Our salary comparisons were not accepted as reliable, because the data had been compiled through CAUT. 2) Even if our salaries were comparatively low, our benefits were thought to be sufficiently high to make up the difference. 3) Even if both salaries and benefits were low, our university was considered so desirable that superior candidates would still prefer to come here, and would remain. (It should be pointed out that similar views were shared at that time by a variety of colleagues, not only at the administrative level.)

THE PRESENT

So what has changed? A lot. First, and foremost, it is now recognized within the McGill administrative structure that academic salaries must reflect our standing among the top ten Canadian research universities or we will not be able to maintain this standing. Principal Shapiro has publicly advocated this position for several years. Last year the Academic Policy and Planning Committee and the university Senate

both endorsed a report which included the recommendation that "McGill University shall continue to take immediate budgetary measures to enhance the competitive position of its academic salary structure." MAUT also passed the following motion at a general meeting: "We resolve that **McGill University should enact a plan whereby the salary scales of academic staff at the University are adjusted to be commensurate with the mean of the Group of Ten by the year 1999 and with the position of McGill University relative to other Canadian universities, by the year 2002.** Furthermore, to prevent further attrition and to strengthen the academic staff at McGill it is essential that the University implement policies to both attract and retain excellent academic staff."

During the 1997/98 academic year, a workgroup of the Academic Salary Policy Subcommittee (ASPSC) was created, with the specific goal of achieving an effective long-range salary policy for academic staff. It met frequently throughout the entire year, and interviewed a wide range of experienced academics and administrators within the university. Barbara Hales, our representative on the workgroup, also organized and chaired a special MAUT conference on salary policy⁴, to allow broad consultation and recommendations from all of us. The workgroup achieved a major breakthrough with the design of a survey, commissioned and paid for by the university, to obtain accurate and indisputable statistics on the actual values of our salaries and benefits in comparison to those in the other major Canadian universities. The survey was conducted by an outside agency, and the results are now in. Our estimates have been independently validated - our salaries are unjustifiably low, and our benefits do not in any way neutralize these low salaries.

MAUT has a clear, and determined policy on this matter. Underfunding of McGill academics has gone on long enough. The university administration has recognized the seriousness of the problem, and has cooperated with MAUT



during the previous academic year to document the extent of the salary deficit in a reliable way. A new salary policy has been agreed upon that will address the problem once and for all, in a demonstrably fair manner. The Principal has already put the initial steps of this policy into place, as you will have noted in his letter to all academic staff on November 20, and he is strongly committed to linking McGill academic salaries to those of our colleagues in the best research-intensive universities in the country, within a reasonable time frame. The ASPSC workgroup is also formulating a series of additional recommendations to address related issues such as market differentials, internal equity, and the methods of allocating and communicating the annual merit awards. We expect many of these procedures to also be in place within the next year.

THE FACTS

Context

To put the data into perspective, some comments from the initial sections of the survey⁵ are in order. The consultants acknowledge that McGill is facing a situation common to most Canadian Universities - that of undergoing fundamental changes in both financial strategy and culture in order to deal with the cutbacks in government funding. Considering that McGill wants to make sure it can retain and motivate (and where necessary, attract) an excellent group of academic staff, it must achieve an ongoing understanding of how the current compensation programs compare with those provided by the other nine Canadian universities in the appropriate reference group. For this purpose, AON Consulting Inc. was hired by McGill to do a complete analysis of our compensation program - in other words, to determine the values of our salaries, our benefits (health, dental, life insurance), and our pension plan, and also to assess the value of a range of

other provisions, from sabbatical policy to parking here at McGill. The other universities in the reference group (the Group of Ten that MAUT often refers to in the Newsletter) were, in alphabetical order: Alberta, British Columbia, Laval, McMaster, Montreal, Queens, Toronto, Waterloo, and Western Ontario. The mandate and design of the survey was reviewed by the Academic Salary Policy workgroup, then a questionnaire, accompanied by a letter from Principal Shapiro, was sent to each of the other institutions. The facts speak for themselves.

Results

Age: The consultants stated that "McGill has an average age for its academic staff which is higher than all other universities. We do not know whether this is a planned strategy of human resources development or if the lack of new hires or promotions is leading McGill into this actual situation." Whatever the reason, it confirms the growing awareness of a scarcity of young colleagues at any meeting of McGill academics.

Salaries: Our actual salaries were described as follows: "McGill's average salary paid at every level studied, the 25th centile, average, median and 75th centile is substantially below the average of all universities for all ranks." In fact, our salaries are below the average by 6.8, 13.0, 14.4 and 28.6% for Full, Associate, and Assistant Professors, and Faculty Lecturers, respectively.

Benefits: We are below the average in overall benefits as well. Our life insurance coverage, equal to one times salary, "is low in comparison to other universities, as eight of the other nine have higher coverage, in two cases being as high as three-and-a-half times salary." For long-term disability, "There is only one university that is less generous than McGill." Our health care plan "is less generous than five of the universities, placing it slightly below average",

and our dental plan "can be considered below average for preventive and basic service, average for major but above average for orthodontic services."

Quantitatively, the estimated value of our benefits is approximately 5% of salary. (This consists of 0.5% for life insurance, 2.7% for disability, and 1.8% for health and dental coverage for a family. This latter value reduces to 0.9% for single coverage.) The average for the reference group is 6%. Looked at in a slightly different manner, the amount of money paid by the university toward our benefits is lower than the average for the other universities by approximately 1.3%. Translating this into dollars, our benefits have a value which is approximately \$1000 per year lower than average for an academic earning \$75,000 with family coverage.

Pension: Analysis of the pension plan should be prefaced with the note that what has to be evaluated is not the actual pension which we will collect. This is determined by a variety of factors, and the McGill pension plan, as Tony Deutsch and Mary MacKinnon recently documented at our meetings, is in good shape. What is relevant for the present purposes is the cost paid by the university toward our pension plan, and McGill's value has been calculated at 6.9% of your salary. The average for the other universities is 7.8%. In other words, McGill contributes approximately \$675 per year less than the average toward the pension plan of an academic earning \$75,000.

Other: There are other elements that contribute in some material way to our total compensation, and each of these was examined in this survey. In summary, McGill does provide all of the programs available elsewhere, but for most of them our provisions were either average or below that being offered at other universities. There were, however, a few bright lights in this category - our sabbatical leaves, daycare, and the tuition assistance program.

The following is a brief overview: Our allowances for *conferences and research expenses* are below the market, the policy on *stipends* for course overload is similar to that found at other universities, and our *vacation* of one month matches the practices elsewhere. *Parking* is paid entirely by the employee at all other universities, as it is at McGill, but the amount we pay is higher than at every other location but one. Similarly, the cost per month for us to obtain access to *athletic facilities* is the second highest in the group. We do have a *mortgage* loan subsidy, but this is not of major benefit in times of low interest rates, such as the present. McGill's policy on *moving expenses* is below the market except in the case of full professors. The majority of universities provide *faculty club* membership, so we are not unique or above the market in having retained our own.

On the plus side, our policy on *sabbatical leave* is similar to policies found elsewhere, but the 90-100% of salary provided at McGill is equal or superior to that paid at other universities. We also have access to a non-profit *daycare*, which is not available in most universities, and our *tuition assistance* is more liberal than many.

In summary, our salaries are well below average, and when our benefits and pension are included in the analysis, the picture is even worse. Our total compensation is 8.7, 15.1, 16.8, and 31.2% below the average for Full, Associate, and Assistant Professors, and Faculty Lecturers, respectively, while compensation for Librarians is approximately equal to average levels (Table 1). Compared to the two other leading universities our salaries are much further behind (Table 2). The data for librarians must be interpreted with care because of the differences between universities - some have a single rank for librarians, while McGill has more than one. The survey concludes with the following statement: **The performance of the Academic staff at McGill is consistently ranked among Canada's top three research intensive universities. In order to be consistent with this leadership positioning of**

McGill in the Canadian university education system, particularly in terms of attracting and retaining eminent academics, McGill's compensation policy should reflect the same standard."

CONCLUSIONS

McGill's chances of surviving the current financial crisis are significantly less if we are a house divided. We need to target the source of the problem, and to do it accurately. Our inadequate salaries did not result from defects in the current administration at McGill. Principal Shapiro is clearly and forcefully stating to MAUT, to the Board of Governors, to the press, and to the government, that McGill academics are underpaid, and have been underpaid for a long time. He has made a strong commitment to correct the situation, and so has Vice-Principal Chan. The source of the problem is the abysmally low level of government support for higher education in all of Canada, but most notably, in Quebec. The question is what are we going to do about it.

The short term solution is to increase the deficit for the upcoming year, in order to prevent further erosion of our salaries and to take a significant step toward restoration of an appropriate salary scale. This is not a sustainable strategy, but would provide some relief, halt the damage, and permit the university community to search together for viable long term solutions to the underfunding. The Principal is advocating this route for the upcoming year. The Board of Governors, if it has not already done so, must recognize the consequences if it wavers in its commitment to the academic staff.

Those of you who have followed the debates at MAUT and elsewhere on the future of McGill will remember the many ideas and potential solutions that have been generated to cope with the budget crisis. These have all, in one way or another, been passed along and examined at different levels of the university, and many of

them have been put into practice. The fact that we have weathered a 25% cut in budget over the last five years and have remained near the top of Canadian universities is nothing short of remarkable, and is a testimony to the dedication of all sectors of the university, and to the adaptability of individuals and of groups within McGill. There is hardly anyone, academic or nonacademic, who has not changed the nature and scope of their work activities to a great extent during this time. We have worked wonders, but we have travelled this route about as far as we can go.

There are several other paths we can take that would involve redefining McGill to try and continually fit within the confines of a shrinking and unpredictable budget provided by the provincial government. We could replace many of our academics with poorly paid sessional lecturers, who have little or no link to research or to the major academic decision-making bodies within the university. We could also try to privatize. Both prospects are unpalatable to many or all of us. If we are to continue the scope and calibre of our endeavours and maintain our goals of universal access to education, we need to increase and stabilize our finances, and one strategy is to undertake a massive public awareness campaign. The other Quebec universities are now facing a similar dilemma, and an increase in concerted action may prove effective. There is also a growing awareness in the rest of the country that universities in general have suffered enormous losses due to the reduction in federal transfer payments. The Canadian Association of University Teachers presented a brief on this problem to the House of Commons in October⁶ (see Figure 1), and CAUT is now about to mount a large-scale public campaign on behalf of higher education in Canada. Ottawa must be made to listen.

The university administration is now committed to a policy of paying its academic staff according to a mutually agreed upon salary policy - one that will keep us among the top in

the country. The goal is clear, and the commitment to reach it is genuine; money is not being needlessly diverted to less important matters. The heart of the problem is not within the university.

The reluctance of the government to adequately fund all universities in Quebec, not just McGill, must be opposed more forcibly. Rational persuasion is not working; there must be intense effort, in cooperation with our sister universities, to strongly protest the lack of support for higher education. McGill must also reappraise the current policy of emphasizing debt repayment to the detriment of its ability to pay salaries adequate to maintain its academic reputation, particularly when the other universities in Quebec are following a less stringent policy. Lastly, if the only solution is to mount a special fundraising drive aimed at providing endowments for academic salaries, then it should be done. All three strategies may be necessary, but the fundamental choice is clear - either something is done now, or McGill will no longer be the university we know.

Everyone in the university community - students, staff, and the Board of Governors, can assist in publicizing the inadequate funding of our universities. By belonging to MAUT, academic staff are directly participating in funding the efforts of FQPPU and CAUT in this regard. The

public awareness campaign for higher education currently being initiated at the national level is designed "to create public awareness of and opposition to the impact of persistent underfunding, skyrocketing tuition costs, corporate intrusion, and the imposition of a market-based model" in our universities. The Canadian Federation of Students will work with CAUT on this campaign, which will also involve the new Public Education Network - a coalition of the major teacher/faculty and student associations from Quebec and the rest of Canada. Governments respond to pressure, and this is a time when none of us should remain silent.

Edith Zorychta
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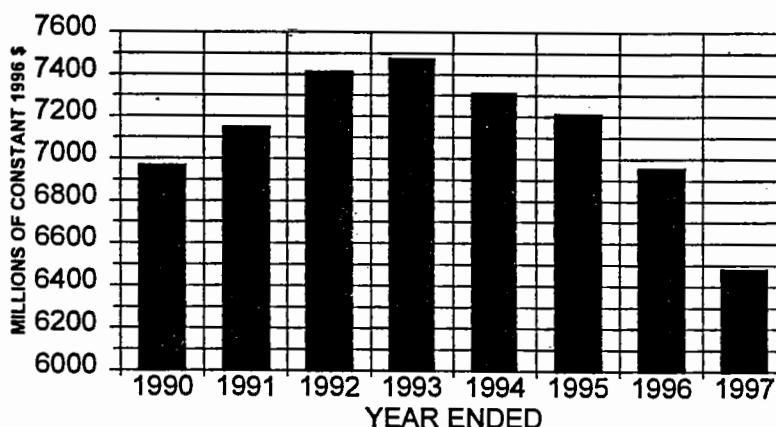


Figure 1

University Income From Total Government Grants and Contracts⁶ (Contribution of all levels of government to university income. Source: *Financial Statistics of Universities and Colleges*, Canadian Association of University Business Officers and Statistics Canada.)

GROUP	AVG. SALARY	BENEFITS	PENSION	TOTAL,\$	RATIO, %
PROFESSOR					
Other Universities	92,256	4,487	7,196	103,038	
McGill	86,421	3,243	5,963	95,627	-8.7%
ASSOCIATE PROF.					
Other Universities	75,711	3,924	5,905	85,540	
McGill	67,012	2,660	4,624	74,296	-15.1%
ASSISTANT PROF.					
Other Universities	60,439	3,405	4,714	68,568	
McGill	52,811	2,234	3,644	58,689	-16.8%
FACULTY LECTURER					
Other Universities	56,432	3,269	4,402	64,103	
McGill	43,877	1,966	3,028	48,871	-31.2%
LIBRARIANS					
Other Universities	56,806	3,281	4,431	64,518	
McGill	58,987	2,420	4,070	65,477	+1.5%

Table 1

Comparison of Total Compensation package: McGill versus other universities in the Group of 10.

GROUP	AVERAGE AGE, years		AVERAGE SALARY, \$		SALARY RATIO, %
	LEADING	MCGILL	LEADING	MCGILL	
Full Professors	54.8	58.0	100,477	86,421	-16.2%
Associate Professors	48.6	51.0	80,537	67,012	-20.2%
Assistant Professors	40.3	39.0	64,437	52,811	-22.0%
Faculty Lecturers	42.8	46.0	61,461	43,877	-40.1%
Librarians	50.1	50.8	62,452	58,987	-5.9%

Table 2

Comparison of Average Ages and Salaries: McGill versus the other leading universities in Canada

See text for explanation of the details.

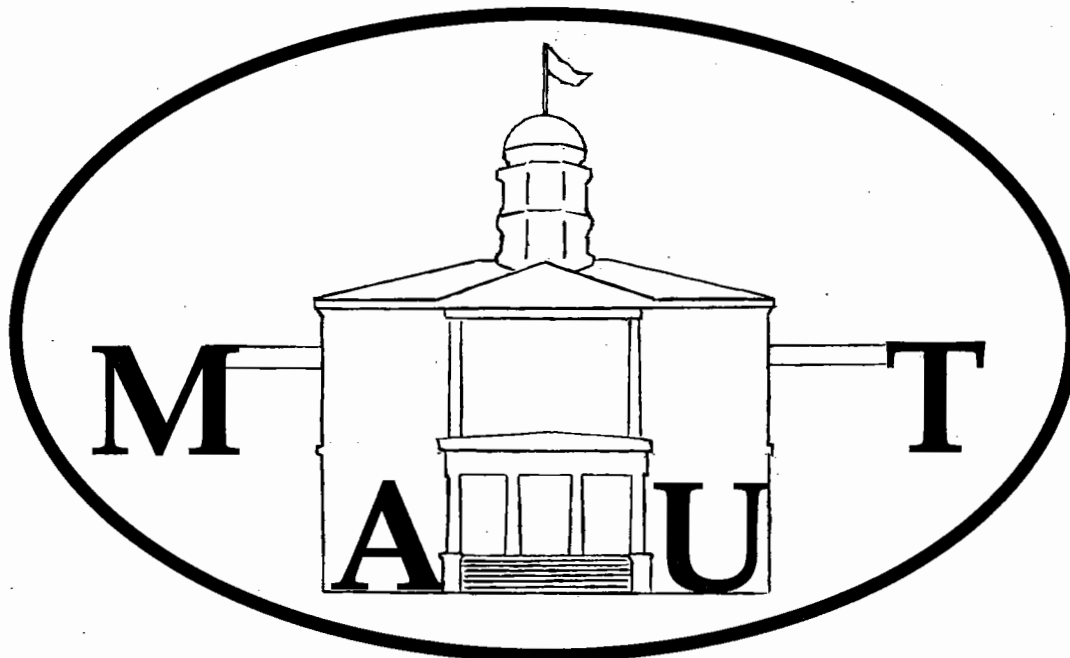
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