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IAHFME Academic Member 2016 Total Annual Earnings

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ABSTRACT

This study was conducted to determine the 2016 annual earnings of hospitality financial management educators. Forty-three percent of IAHFME's members affiliated with educational institutions responded. Annual base salaries ranged from \$77,000 to \$272,000. The lowest paid member is an assistant professor while the highest paid member is a full professor. Many respondents supplement their base salaries by both teaching during summer school and consulting. The total annual earnings of members ranged from \$77,000 to \$391,000. Hospitality financial management educators appear to be more highly compensated than the average college professor and hospitality financial executives.

The 2016 survey

Financial management educators are respected as teachers and researchers, but how well are they paid by their institutions? Further, how much additional income do they earn from their employers beyond their annual salaries? What are their external earnings? How have their total earnings changed over the past several years? How satisfied are they with their salaries, their positions, and their professional careers? In order to determine answers to these questions and others, a questionnaire was mailed to the 60 educator members of IAHFME in May 2017. This article is based on the answers of the 26 (43%) members who responded.

Table 1 presents selected characteristics of the respondents. The groups of respondents by faculty rank were 11 professors, 11 associate professors, 3 assistant professors, and 1 instructor. Four (15%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools, colleges of business and human ecology, and other colleges. The degrees granted by the universities of the respondents for the hospitality discipline ranged from bachelor's degrees (15%) and master's degrees (23%) to PhDs (62%).

Other characteristics of respondents included the following:

- Eighty percent of the respondents were employed by public universities while 20% were employed by private universities.
- Twenty percent of the respondents were female while the remaining 80% were male.
- The specializations of respondents included 8 in accounting (32%), 12 in finance (48%), and the remaining 5 (20%) in real estate/development.
- Twenty-four (92%) respondents have earned their Ph.D.

Three respondents had earned a CPA, six a CHAE, six a CHE, and two members had other professional certifications, which were ISHE and CMA.

Respondents, on average, have been with their current institutions for 14 years. Five (19%) have less than 5 years with their current institutions while nine (35%) have 20 or more years. Five (19%) have 5–10 years of experience and seven (27%) have between 11 and 20 years of experience. The average duration of employment with education organizations was 21 years; thus, on average, respondents have been with their current institutions for 67% of their educational careers. IAHFME members were queried regarding their years of industry experience. Responses ranged from zero time (two respondents) to 20 years. The median response was 10 years. Twelve

Table 1. Selected Characteristics of the Respondents.

Faculty Rank	%
Part A	
Instructor	4
Assistant Professor	12
Associate Professor	42
Professor	42
Total	100%
Part B	
Department Location	%
Business College	46
Human Ecology College	15
Separate College	39
Total	100%
Part C	
Highest Hospitality Degree	%
Bachelor's	15
Master's	23
Ph.D.	62
Total	100%

(46%) reported 10–15 years, and three (12%) reported more than 15 years.

Salaries

The annual salaries of responding IAHFME members, excluding additional university compensation such as summer-school pay, ranged from \$77,000 to \$272,000. The mean average salary was \$128,141. Details are provided in Table 2.

As shown in Table 3, the range of mean average annual salaries varies from \$82,667 for assistant professor to \$160,558 for full professors. Four respondents, who indicated they were administrators, reported salaries ranging from \$124,000 to \$272,000, with a mean of \$181,250.

The range and average salary by the location of respondents' academic units are shown in Table 4.

Based on these tabulations, the range of average salaries by the location of academic unit is \$24,502. IAHFME members "located" in colleges of business (11 respondents) earn the highest average salaries, while those faculty whose hospitality

Table 2. Annual Salaries of AHFME Members.

Salary Levels	Number of Respondents	%
<\$90,000	5	20
\$90,001–\$100,000	5	20
\$100,001–\$120,000	4	16
\$120,001–\$150,000	3	12
\$150,001–\$175,000	4	16
>\$175,000	4	16
Total	25	100%

Table 3. Average Salary by Faculty Rank.

Rank	Number of Respondents	Range	Mean
Instructor	1	\$126,942	\$126,942
Assistant Professor	3	\$77,000–\$86,000	\$82,667
Associate Professor	11	\$80,000–\$190,000	\$111,182
Professor	10	\$95,580–\$272,000	\$160,558
Administrators	4	\$124,000–\$272,000	\$181,250

Table 4. Salaries by Location of Academic Unit.

Location	Number of Respondents	Range	Mean
Business college	11	\$95,580–\$190,000	\$141,502
Human ecology	4	\$93,000–\$164,000	\$119,250
Separate college	10	\$77,000–\$272,000	\$117,000

programs are located in separate colleges have the lowest average salaries.

The ranges and averages of salaries by specialization are shown in Table 5. Twelve IAHFME members reported specializing in finance. Eight reported specializing in accounting, and five respondents identified real estate/development as their specialization. Of the major areas of specialization, the higher average salary is paid to faculty focusing on real estate/development.

Satisfaction

Respondents were queried regarding their levels of satisfaction with their annual salaries, their current positions, and their professional careers. First, five (19%) indicated they were very satisfied with their annual salaries, while 17 (65%) revealed that they were reasonably satisfied. The remaining four (16%) indicated dissatisfaction. Clearly, the majority of IAHFME respondents are satisfied with their salaries. Eight respondents (31%) indicated they were very satisfied with their current positions while 15 (58%) are reasonably satisfied. With regard to their careers, 14 respondents (54%) indicated they were very satisfied, while 9 (36%) indicated they were

Table 5. Salary by Specialization.

Specialization	Number of Respondents	Range	Mean
Accounting	8	\$85,000–\$272,000	\$145,448
Finance	12	\$77,000–\$160,000	\$107,662
Real estate/ development	5	\$110,000–\$190,000	\$149,600

reasonably satisfied. Therefore, overall the percentage of respondents either very or reasonably satisfied with their annual salary, current positions, and professional careers, was 85%, 89% and 92%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators! By comparison, almost 51% of employees across the United States say that are very or somewhat satisfied with their jobs according to the Conference Board, which surveyed 1,600 workers during November 2016.¹

Additional compensation

Eleven of the respondents (42%) indicated that they received additional compensation from their universities. This compensation was for individuals on a 9- or 10-month contract who were paid for teaching summer school. The summer school compensation ranged from \$5,000 to \$30,000. The average (mean) summer school compensation was \$16,333, while the median amount was \$15,500. Two respondents were paid by their universities on an overload basis that ranged from \$7,500 to \$30,000. Another seven respondents received “other compensation” from their universities. These amounts ranged from \$5,000 to \$60,000. Some examples of this other compensation included pay for research and seminars. The total additional income received by the 11 IAHFME members from their universities ranged from \$5,000 to \$81,000. More details are provided in Table 6.

External earnings

IAHFME members were further queried regarding their earnings from sources external to their institutions. Choices included on the questionnaire were honorariums, royalties, consulting fees, and other. Table 7 contains a summary of members’ responses. Consulting was the most common source of non-institutional income, as six members (23%) earned additional income through consulting. The mean average royalties and consulting income were \$31,800 and \$27,167, respectively. Four members reported honoraria. In total, 10 (38%) of the IAHFME members earned income from external sources, ranging from \$1,200 to \$120,000. The

Table 6. Internal Earnings.

Type of Income	Number of Respondents	Range	Median	Mean
Summer school	11	\$5,000–\$30,000	\$15,500	\$16,333
Overload	2	\$7,500–\$30,000	\$18,750	\$18,750
Other	7	\$5,000–\$60,000	\$10,000	\$16,701
All sources	11	\$5,000–\$81,000	\$13,500	\$22,545

Table 7. External Earnings.

Type of Income	Number of Respondents	Range	Median	Mean
Honoraria	5	\$200–\$9,000	\$1,500	\$3,540
Royalties	4	\$1,000–\$100,000	\$3,000	\$31,800
Consulting	6	\$10,000–\$53,000	\$25,000	\$27,167
All sources	10	\$1,200–\$120,000	\$20,100	\$30,790

mean average external earnings for respondents reporting external earnings was \$30,790 and the median average was \$20,100.

Total earnings

The average annual total earnings of reporting IAHFME members is \$150,359. The range of total earnings is \$77,000–\$391,000. Table 8 provides the total average earnings of AHFME members by faculty rank. As expected, full professors have the highest total earnings of the three faculty rankings. The difference between the average total earnings for assistant professors of \$98,333 and full professors’ average earnings of \$179,328 is \$80,995. IAHFME members who are full professors earn an average of 82% more than assistant professors. However, this research conducted over many years also suggests that as assistant professors earn their rank, much larger paychecks will come.

A comparison of the average salary by faculty rank and total earnings by rank is shown in Table 9.

The higher the faculty rank, the larger the dollar difference between the average (mean) base salary and total earnings. The differences as shown are in both absolute and relative terms. Assistant professors on the average earn \$15,667 more than their base salaries, which is a 19% difference, while the full professors’ annual total earnings are \$179,328 which is 12% greater than their average base salaries of \$160,558. Responding members who are associate professors had an increase in their total

¹ Lauren Weber, “Expecting Less, John Holder Cheer Up.” *The Wall St. Journal*, September 2–3, 2017, pp. B1–B2.

Table 8. Total Earnings by Faculty Rank.

Faculty Rank	Number of Respondents	Range of Total Earnings	Median	Mean
Instructor	1	\$126,492	\$126,492	\$126,492
Assistant Professor	3	\$77,000–\$121,000	\$97,000	\$98,333
Associate Professor	11	\$80,000–\$391,000	\$110,000	\$140,382
Professor	10	\$95,580–\$272,000	\$167,250	\$179,328
Administrators	4	\$138,700–\$272,000	\$164,500	\$184,925

Table 9. Comparison of Average Salaries and Total Earnings by Faculty Rank/Administration.

	Average Base Salary	Average Total Earnings	Difference (\$)	Difference (%)
Instructor	\$126,492	\$126,492	0	0
Assistant Professor	\$82,667	\$98,333	15,667	19
Associate Professor	\$111,182	\$140,382	29,200	26
Professor	\$160,558	\$179,328	18,770	12
Administrators	\$181,250	\$184,925	3,675	2

compensation of \$29,200 from their base salary, which was a 26% increase in compensation.

Differences based on certification, type of institution, and gender

For many years these survey results have revealed types of certification, type of institution, and gender of respondents. **Table 10** shows the median averages for salary, total compensation received from their universities, and total compensation for these categories.

Based on figures reported in Part A of **Table 10**, 20 of the academicians were employed by public institutions and five by private institutions. Across all three levels of compensation, that is, annual salary to total compensation, privately employed professors earn more. The mean salary difference is \$10,000 per year, while the median total compensation difference is only \$1,029.

Differences based on gender are clear, though only five women responded to this survey. Women earned a median average salary of \$32,000 less and an average of \$17,471 less from their universities. Overall all women received \$17,821 less than men in total compensation.

Finally, certification does not appear to make a difference. Ten respondents of the 25 (40%) have at least one professional certification. The certified

Table 10. Median Compensation by Type of Institution, Gender, and Certification.

Part A	Type of Institution		
	Public (n = 20)	Private (n = 5)	Difference
Annual salary	\$115,000	\$125,000	\$10,000
University total	\$120,971	\$125,000	\$4,029
Total compensation	\$123,971	\$125,000	\$1,029
Gender			
Part B	Female (n = 5)	Male (n = 20)	Difference
Annual salary	\$90,000	\$122,000	\$32,000
University total	\$111,000	\$128,471	\$17,471
Total compensation	\$115,000	\$132,821	\$17,821
Certification			
Part C	No (n = 15)	Yes (n = 10)	Difference
Annual salary	\$120,000	\$97,790	\$22,210
University total	\$126,942	\$106,000	\$20,942
Total compensation	\$126,942	\$111,000	\$15,942

respondents received an average of \$22,210 less in salary and \$15,942 less in total compensation than the respondents without any certification.

Comparisons to prior years

Similar studies of total annual earnings of AHFME members were conducted for 1989–2011.² A brief comparison of the results is shown in **Table 11**. Overall, average salaries increased from 1989 to 1991, dropped slightly in both 1992 and 1993, increased significantly from 1994 to 1996, dropped slightly in 1997, increased annually for 1998 through 2002, dropped slightly in 2003, increased in 2004, dropped significantly in 2005, increased in both 2006 and 2007, dropped in 2008–2010, increased in 2011 and 2012, and have sporadically changed since 2012.

Comparisons to others

It is interesting to compare these results to the average compensation of financial executives in the hospitality industry and to hospitality financial management educators. The annual salary for HFTP members

²See R.S. Schmidgall, earnings surveys in *The Journal of Hospitality Financial Management*, volumes 1–24.

Table 11. Comparative Salaries and Total Earnings, 1989–2016.

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002
Average annual salaries	\$43,000	\$50,820	\$51,613	\$51,491	\$51,428	\$57,390	\$59,263	\$70,473	\$68,827	\$70,125	\$70,434	\$74,259	\$77,619	\$87,250
Average total annual earnings	\$65,415	\$69,106	\$68,642	\$66,479	\$70,460	\$75,128	\$74,106	\$88,186	\$93,533	\$89,825	\$96,620	\$97,373	\$102,456	\$115,111
Instructor	\$38,250	\$39,400	\$40,765	\$43,760	\$43,000	\$27,000	\$37,337	NA	\$29,000	\$75,500	\$12,000	\$73,333	\$40,000	\$53,162
Assistant professor	\$52,540	\$59,096	\$53,775	\$52,680	\$56,000	\$49,072	\$53,086	\$64,386	\$68,360	\$64,875	\$66,583	\$61,938	\$79,967	\$90,621
Associate professor	\$65,511	\$66,152	\$71,057	\$65,612	\$73,433	\$69,849	\$73,795	\$77,694	\$82,729	\$85,335	\$103,070	\$92,727	\$89,561	\$103,732
Full professor	\$99,207	\$96,917	\$90,700	\$95,391	\$96,478	\$108,783	\$99,745	\$115,493	\$121,408	\$126,447	\$127,082	\$131,618	\$148,803	\$152,623
Administrator	^a	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908	\$72,750	\$82,200	\$105,679	\$94,775	\$91,943	\$93,805	\$91,191	\$104,841
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Average annual salaries	\$86,520	\$94,075	\$88,502	\$97,906	\$112,439	\$112,205	\$112,153	\$104,979	\$119,500	\$126,376	\$124,431	\$129,892	\$120,667	\$128,141
Average total annual earnings	\$113,637	\$119,117	\$122,599	\$127,007	\$144,897	\$148,931	\$153,505	\$128,195	\$126,054	\$159,560	\$154,085	\$148,042	\$138,569	\$150,377
Instructor	\$35,500	\$45,000	\$45,500	\$45,000	NA	NA	NA	NA	NA	NA	NA	NA	NA	\$126,942
Assistant professor	\$79,371	\$87,022	\$98,333	\$95,038	\$80,333	\$87,305	\$94,915	\$88,998	\$94,776	\$101,117	\$87,489	\$88,620	\$94,650	\$98,333
Associate professor	\$106,786	\$115,464	\$132,530	\$127,141	\$148,967	\$168,387	\$156,844	\$127,114	\$146,363	\$143,753	\$166,536	\$130,145	\$118,925	\$140,382
Full professor	\$152,779	\$161,227	\$164,833	\$152,877	\$189,250	\$194,636	\$215,663	\$173,180	\$184,000	\$208,870	\$193,485	\$197,440	\$190,889	\$179,328
Administrator	\$113,964	\$121,318	\$102,375	\$95,967	\$167,875	\$196,833	\$217,500	\$169,875	\$159,592	\$198,467	\$211,463	\$190,000	\$204,500	\$184,925

^aNot included in the 1989 survey.

associated with lodging for 2016 by position was as follows.³

Accounting manager	\$55,667
Assistant controller	\$69,930
CFO	\$141,932
Controller	\$89,782
Corporate controller	\$98,111
IT director	\$107,172
UP finance	\$138,618

The Higher Ed Jobs reported average salaries for 2016–2017 by faculty rank across research institutions with academic ranks as follows⁴:

Professor	\$120,498
Associate professor	88,926
Assistant professor	76,767

Clearly, hospitality financial management professors appear to be compensated more generously than educators in general and many counterparts in the lodging industry.

Summary

The mean average salary of IAHFME members participating in IAHFME's annual total earnings survey was \$128,141. The average salary varied by rank from \$82,667 for an assistant professor to \$160,558 for full professors. Salaries of IAHFME members focusing on real estate/development topped the list.

Forty-two percent of the responding IAHFME members reported receiving additional compensation from their institutions. The mean average was \$22,545.

The most common sources of external earnings were honoraria and consulting. Thirty-eight percent of the respondents reported external earnings that averaged \$30,790.

The mean total annual earnings that respondents reported for 2016 ranged from \$77,000 to \$391,000. The mean average was \$150,359. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 12% for full professors to a 26% increase by associate professors.

Finally 85% of the respondents reported some degree of satisfaction with their salaries while the remaining 15% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 89% and 92% reported some degree of satisfaction for each.

Disclosure statement

The authors report no conflicts of interest. The authors alone are responsible for the content and writing of the article.

Notes on contributor

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³Tanya Venegas, "2016 HFTP Compensation and Benefits Survey Report," *HFTP*, Austin, Texas.

⁴See www.higheredjobs.com/salaryDisplay.cfm?SurveyID=39.