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INTERNATIONAL ASSOCIATION OF HOSPITALITY FINANCIAL MANAGEMENT EDUCATION (iAHFME) ACADEMIC MEMBER 2015 TOTAL ANNUAL EARNINGS

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ABSTRACT. This study uses survey research to determine the 2015 annual earnings of hospitality financial management educators. Of the International Association of Hospitality Financial Management Education (iAHFME) members affiliated with educational institutions who were invited to participate, 58% responded. Survey results show that for 2015, annual base salaries of iAHFME members ranged from \$75,000 to \$264,000. The lowest-paid member was an assistant professor and the highest-paid member was a full professor. Many respondents supplemented their base salaries by teaching during summer school or consulting or both. The total annual earnings of iAHFME members ranged from \$81,000 to \$264,000. Survey results also show that hospitality financial management educators appear to be more highly compensated than the average college professor than their counterparts in the lodging industry.

THE 2015 SURVEY

Financial management educators are respected as teachers and researchers, but how well are they paid by their institutions? Furthermore, 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? To determine answers to these and other questions, a questionnaire was mailed to the 50 educator members of iAHFME in April 2016. This article is based on the answers of 29 (58%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were 11 professors, 12 associate professors, and 5 assistant professors. Two (7%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools (41%), colleges of business

(41%), and human ecology (18%). The highest degree granted by the universities of the respondents for the hospitality discipline included bachelor's degree (11%), master's degree (33%), and Ph.D. (56%).

Other characteristics of respondents included the following:

- 76% were employed by public universities, whereas 24% were employed by private universities.
- 15% were female, 85% were male.
- 6 were in accounting (22%), 14 in finance (50%), and 7 (26%) in other areas. Other areas of expertise indicated by iAHFME members include cost control, business development, lodging, and management.
- 25 (96%) respondents to this question have a Ph.D.

One respondent has earned a CPA, five the CHAE, six the CHE, and four members had other professional certifications such as CHTP, CHIA, and CHRM.

TABLE 1. Selected Characteristics of Respondents

Part A	
Faculty Rank	%
Assistant Professor	18
Associate Professor	43
Professor	39
Total	100%
Part B	
Department Location	
Business College	41
Human Ecology College	18
Separate College	41
Total	100%
Part C	
Highest Hospitality Degree	
Bachelor's	11
Master's	33
Ph.D.	56
Total	100%

Respondents, on average, have been with their current institutions for 7 years. Nine (31%) have fewer than 5 years with their current institutions, and 6 (21%) have 20 or more years. Nine (31%) have 5–10 years of experience and 5 (18%) have 11–20 years. The average duration of employment with education organizations was 14 years; thus, on average, respondents have been with their current institutions for 50% of their educational careers. *iAHFME* members were queried regarding their years of industry experience. Responses ranged from 0 years (1 respondent) to 20 years. The median response was six years. Seven (22%) reported 10–15 years, and 5 (17%) reported more than 15 years.

Salaries

The annual salaries of responding *iAHFME* members, excluding additional university compensation such as summer school pay, ranged from \$75,000 to \$264,000. The mean average salary was \$120,667, and the two largest groups of respondents (nine or 34%) received between \$80,000 and \$100,000 and six individuals (22%) received between \$101,000 and \$120,000 as shown in [Table 2](#).

As shown in [Table 3](#), the range of mean average annual salaries varies from \$82,600 for assistant professor to \$158,900 for full professors. Two respondents, who indicated they

TABLE 2. Annual Salaries of *iAHFME* Members

Salary Level	Number of Respondents	%
< \$80,000	2	7
\$80,000–\$100,000	9	34
\$100,001–\$120,000	6	22
\$120,001–\$140,000	4	15
\$140,001–\$160,000	2	7
> \$160,000	4	15
Total	27	100

TABLE 3. Average Salary, by Faculty Rank/Administrators

Rank	Number of Respondents	Range	Mean
Assistant Professor	5	\$75,000–\$93,000	\$82,600
Associate Professor	12	\$80,000–\$130,000	\$104,667
Professor	10	\$120,000–\$264,000	\$158,900
Administrator	2	\$145,000–\$264,000	\$204,500

were administrators, reported salaries ranging from \$145,000 to \$264,000 with a mean of \$204,500.

The range and average salary by the location of respondents' academic units are shown in [Table 4](#).

On the basis of the aforementioned tabulation, the range of average salaries by the location of academic unit is \$41,582. *iAHFME* members in business colleges earn the highest average salaries, whereas those faculty whose hospitality programs are located in colleges of human ecology have the lowest average salaries. Average annual salaries of faculty in separate colleges are \$119,909.

The ranges and averages of salaries by specialization are shown in [Table 5](#). Fourteen *iAHFME* members reported specializing in finance, 6 in accounting, and 7 identified

TABLE 4. Salaries, by Location of Academic Unit

Location	Number of Respondents	Range	Mean
Business college	11	\$88,000–\$185,000	\$134,182
Human ecology	5	\$75,000–\$120,000	\$92,600
Separate college	11	\$75,000–\$264,000	\$119,909

TABLE 5. Salary, by Specialization

Specialization	Number of Respondents	Range	Mean
Accounting	6	\$88,000–\$264,000	\$166,167
Finance	14	\$75,000–\$185,000	\$109,124
Other	7	\$75,000–\$130,000	\$104,571

other areas. Of the major areas of specialization, the higher average salary is paid to faculty specializing in accounting.

SATISFACTION

Respondents were queried regarding their levels of satisfaction with their annual salaries, their current positions, and their professional careers. First, 5 (19%) indicated that they were very satisfied with their annual salaries, whereas 14 (52%) revealed that they were reasonably satisfied. The remaining 8 (29%) indicated some level of dissatisfaction. It is clear that the majority of iAHFME respondents are satisfied with their salaries. Twelve respondents (44%) indicated that they were very satisfied with their current positions, and 11 (41%) were reasonably satisfied. One respondent indicated being dissatisfied or very dissatisfied. With regard to their careers, 14 respondents (54%) indicated that they were very satisfied, whereas 8 (31%) indicated they were reasonably satisfied, and 4 indicated some level of dissatisfaction. Therefore, overall the percentage of respondents who were either very or reasonably satisfied with their annual salaries, current positions, and professional careers, were 70%, 85%, and 85%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators.

ADDITIONAL COMPENSATION

Of the respondents, 14 (48%) indicated that they received additional compensation from their universities. This compensation for 13 of the 14 was for individuals on a 9- or 10-month contract who were paid additionally for teaching summer school. The summer school compensation ranged from \$4,000 to \$30,000.

TABLE 6. Additional Internal Earnings

Type of Income	Number of Respondents	Range	Mean
Summer School	13	\$4,000–\$30,000	\$13,341
Overload	6	\$7,500–\$38,500	\$17,883
Other	9	\$5,000–\$30,000	\$12,800
All sources	21	\$4,000–\$60,000	\$18,875

The average (mean) summer school compensation was \$13,341. Six respondents were paid by their universities on an overload basis that ranged from \$7,500 to \$38,500. Another 9 respondents received “other compensation” from their universities. These amounts ranged from \$5,000 to \$30,000. Some examples of this other compensation included pay for research and seminars. The total additional income received by the 14 iAHFME members from their universities ranged from \$4,000 to \$60,000. 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, and other. [Table 7](#) contains a summary of members’ responses. Royalties and consulting were the most common sources of noninstitutional income; 7 members (24%) earned royalties whereas 9 (31%) reported consulting income. The mean average royalties and consulting income were \$7,500 and \$20,286. Five members reported honoraria, and 2 reported other. In total, 13 (45%) of the iAHFME members earned income ranging from \$1,100 to \$46,000 from external sources.

TABLE 7. External Earnings

Type of Income	Number of Respondents	Range	Mean
Honoraria	5	\$1,000–\$10,000	\$4,200
Royalties	7	\$1,000–\$25,000	\$7,500
Consulting	9	\$2,000–\$45,000	\$20,286
Other	2	\$1,100–\$10,000	\$5,550
All Sources	13	\$1,100–\$46,000	\$21,910

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The mean average external earnings for respondents reporting external earnings was \$21,910.

TOTAL EARNINGS

The average annual total earnings of reporting *i*AHFME members is \$141,074. The range of total earnings is \$81,000 to \$264,000. Table 8 reveals the total average earnings of *i*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 \$94,650 and full professors' average earnings of \$190,889 is \$96,239. *i*AHFME members who are full professors earn an average of 123% more than do assistant professors. However, this research conducted over 26 years also suggests that as assistant professors earn their rank, much larger paychecks will come.

A comparison of the average salary and total earnings by faculty 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 in Table 9 are in absolute terms for three ranks and in two of the three ranks on a relative (%) basis. Assistant professors on the average earn \$12,050 more than their base salaries, which is a 13% difference, whereas the full professors' annual total earnings are \$190,889 which is 17% greater than their average base salaries of \$158,900. Responding members who are associate professors had an increase in their total compensation of \$14,528 from their base salary which was a 12% increase in compensation.

TABLE 8. Total Earnings, by Faculty Rank/Administrators

Faculty Rank	Number of Respondents	Range of Total Earnings	Mean
Assistant Professor	5	\$81,000–\$103,500	\$94,650
Associate Professor	12	\$80,000–\$233,000	\$118,925
Professor	10	\$122,000–\$264,000	\$190,889
Administrator	2	\$145,000–\$264,000	\$204,500

TABLE 9. Comparison of Average Salaries and Total Earnings, by Faculty Rank/Administrators

Faculty Rank	Average Base Salary	Average Total Earnings	Diff. (\$)	Diff. (%)
Assistant Professor	\$82,600	\$94,650	12,500	13
Associate Professor	\$104,667	\$118,925	14,268	12
Professor	\$158,900	\$190,889	31,989	17
Administrator	\$204,500	\$204,500	0	0

DIFFERENCES ON THE BASIS OF CERTIFICATION AND TYPE OF INSTITUTION

For 26 years, the results of these surveys have revealed types of certification and types of institution. The mean averages for this 2015 survey are shown for salary, total compensation received from their universities, and total compensation for these categories in Table 10.

On the basis of the figures reported in Part A of Table 10, 18 of the academicians were employed by public institutions and 6 by private institutions. Across all three levels of compensation (i.e., annual salary to total compensation), privately employed professors earn more. The mean salary difference is \$31,005 per year, whereas the mean total compensation difference is \$33,803.

Last, certification does not appear to make a difference. Of the 27 respondents, 11 (41%) have at least one professional certification. The certified respondents received an average of \$14,778 less in salary and \$23,265 less in total compensation than the respondents without any certification.

TABLE 10. Mean Compensation, by Type of Institution and Certification

Part A	Type of Institution		
	Public (n = 19)	Private (n = 6)	Difference
Annual Salary	\$111,895	\$142,900	\$31,005
University Total	\$124,855	\$150,833	\$25,978
Total Compensation	\$131,697	\$165,500	\$33,803
Part B	Certification		
	No (n = 16)	Yes (n = 11)	Difference
Annual Salary	\$126,688	\$111,909	\$14,778
University Total	\$137,234	\$120,591	\$16,643
Total Compensation	\$148,047	\$124,782	\$23,265

TABLE 11. Comparative Salaries and Total Earnings, 1989–2015

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000	2001
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
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
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
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
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
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
Administrator	*	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908	\$72,750	\$82,200	\$105,679	\$94,775	\$91,943	\$93,805	\$91,191
Average Annual Salaries	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Average Annual Salaries	\$87,250	\$86,520	\$94,075	\$88,502	\$97,906	\$112,439	\$112,205	\$112,153	\$104,979	\$119,500	\$126,376	\$124,431	\$129,892
Average Total Annual Earnings	\$115,111	\$113,637	\$119,117	\$122,599	\$127,007	\$144,897	\$148,931	\$153,505	\$128,195	\$126,054	\$159,560	\$154,085	\$148,042
Instructor	\$53,162	\$35,500	\$45,000	\$45,500	\$45,000	NA	NA	NA	NA	NA	NA	NA	NA
Assistant Professor	\$90,621	\$79,371	\$87,022	\$98,333	\$95,038	\$80,333	\$87,305	\$94,915	\$88,998	\$94,776	\$101,117	\$87,489	\$88,620
Associate Professor	\$103,732	\$106,786	\$115,464	\$132,530	\$127,141	\$148,967	\$168,387	\$156,844	\$127,114	\$146,363	\$143,753	\$166,536	\$130,145
Full Professor	\$152,623	\$152,779	\$161,227	\$164,833	\$152,877	\$189,250	\$194,636	\$215,663	\$173,180	\$184,000	\$208,870	\$193,485	\$197,440
Administrator	\$104,841	\$113,964	\$121,318	\$102,375	\$95,967	\$167,875	\$196,833	\$217,500	\$169,875	\$159,592	\$198,467	\$211,463	\$190,000
Average Annual Salaries	2015												
Average Annual Salaries	\$120,667												
Average Total Annual Earnings	\$141,074												
Instructor	NA												
Assistant Professor	\$94,650												
Associate Professor	\$118,925												
Full Professor	\$190,889												
Administrator	\$204,500												

*Not included in the 1989 survey.

COMPARISONS TO PREVIOUS YEARS

Similar studies of total annual earnings of iAHFME members were conducted for 1989–2014 (Schmidgall, 1990–2015). 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, decreased in 2013, increased in 2014, and decreased in 2015.

COMPARISONS TO OTHERS

It is interesting to compare the aforementioned results to the average compensation of financial executives in the hospitality industry and to hospitality financial management educators. The annual compensation for Hospitality Financial & Technology Professionals members associated with lodging from the most recent survey including salary, deferred compensation, and bonuses for 2013 by position was as follows. (Venegas, 2014).

• Accounting manager	\$ 61,625
• Assistant controller	\$ 83,825
• Director of finance	\$158,673
• Controller/comptroller	\$111,469
• Corporate controller	\$117,250
• IT director	\$100,357

The Chronicle of Higher Education reported average salaries for 2014–2015 by faculty rank across research universities with academic ranks as follows:

• Professor	\$122,030
• Associate professor	\$89,442
• Assistant professor	\$77,956

It is clear that hospitality financial management professors appear to be compensated

more generously than are educators in general and some counterparts in the lodging industry.

SUMMARY

The mean average salary of iAHFME members participating in iAHFME's annual total earnings survey was \$120,667. The average salary varied by rank from \$82,600 for an assistant professor to \$158,900 for full professors. Salaries of iAHFME members focusing on topics other than accounting and finance topped the list.

Of the responding iAHFME members, 48% reported receiving additional compensation from their institutions. The mean average was \$18,875.

The most common sources of external earnings were royalties and consulting. Forty-five percent of the respondents reported external earnings that averaged \$21,910.

The mean total annual earnings that respondents reported for 2015 ranged from \$81,000 to \$264,000. The mean average was \$141,074. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 12% for associate professors to a 17% increase by full professors.

Last, 70% of the respondents reported some degree of satisfaction with their salaries while the remaining 30% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 85% reported some degree of satisfaction.

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