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International Association of Hospitality Financial Management Educators (iAHFME) Academic Member 2018 Total Annual Earnings

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ABSTRACT

This study uses survey research to determine the 2018 annual earnings of hospitality financial management educators. Forty-two percent of iAHFME members affiliated with educational institutions responded. Survey results show that for 2018, annual base salaries of iAHFME members ranged from \$71,250 to \$285,000. The lowest-paid member was an assistant professor and the highest-paid member, 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 \$80,000 to \$285,000. Survey results also show that hospitality financial management educators appear to be more highly compensated than the average college professor and their counterparts in the lodging industry.

The 2018 survey

Hospitality 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 universities 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 emailed to the 60 educator members of iAHFME in April 2019. This article is based on the answers of 25 (42%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were 11 full professors, 6 associate professors, and 8 assistant professors. Three (12%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools (52%), colleges of business (32%), human ecology (12%), and other colleges (4%). The highest degree granted by the universities of the respondents for the hospitality

discipline ranged from a master's degree (4%) to a PhD (96%).

Other characteristics of respondents included the following:

Eighty-eight percent of the respondents were employed by public universities whereas 12% were employed by private universities.

Four percent of the respondents were female; 96% were male.

The specializations of respondents included 5 in accounting (20%), 15 in finance (60%), and the remaining 5 (20%) in other areas. Other areas of expertise indicated by respondents included law, economics, strategic management, and technology.

Three respondents have earned their CPA, four the CHAE (from HFTP), seven the CHE (from Educational Institute), and four members had other professional certifications such as CFA, CHIA, and CHTP.

The average duration of employment with education organizations was 16½ years. The range of educational experience varied from 2½ years to

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Table 1. Selected Characteristics of the Respondents

Part A	
Faculty	%
Assistant professor	32
Associate professor	24
Professor	44
Total	100%
Part B	
Department Location	%
Business college	32
Human ecology college	12
Separate college	52
Other	4
Total	100%
Part C	
Highest Hospitality Degree	%
Master's	4
PhD	96
Total	100%

44 years. *iAHFME* members were queried regarding their years of industry experience. Responses ranged from 0 years (one respondent) to 23 years. The median response was six years. Seven (28%) reported 10 to 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 \$71,250 to \$285,000. The mean average salary was \$119,952, and the two largest groups of respondents (seven or 29%) received between \$100,000 and \$120,000 and five individuals (21%) received between \$120,000 and \$140,000 as shown in Table 2.

As shown in Table 3, the range of mean average annual salaries varies from \$85,869 for assistant professor to \$148,780 for full professors. Three respondents, who indicated they were administrators, reported salaries averaging \$181,933.

Table 2. Annual Salaries of *iAHFME* Members

Salary Levels	Number of Respondents	%
<\$80,000	4	17
\$80,000–\$100,000	3	13
\$100,001–\$120,000	7	29
\$120,001–\$140,000	5	21
\$140,001–\$160,000	3	12
>\$160,000	2	8
Total	24	100%

Table 3. Average Salary by Faculty Rank/Administrators

Rank	Number of Respondents	Range	Mean
Assistant professor	8	\$71,250–\$105,000	\$85,869
Associate professor	6	\$85,086–\$140,000	\$117,348
Professor	10	\$98,000–\$285,000	\$148,780
Administrators	3	\$128,000–\$285,000	\$181,933

Table 4. Salaries by Location of Academic Unit

Location	Number of Respondents	Range	Mean
Business college	8	\$80,000–\$190,000	\$122,625
Human ecology	3	\$95,086–\$145,000	\$113,362
Separate college	13	\$71,250–\$105,000	\$119,827

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

Based on the above tabulation, the range of average salaries by the location of academic unit is \$9,263. *iAHFME* members in business colleges earn the highest average salaries, whereas 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 \$119,827.

The ranges and averages of salaries by specialization are shown in Table 5. Fifteen *iAHFME* members reported specializing in finance, five in accounting, and five respondents identified 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. Six (24%) indicated they were very satisfied with their annual salaries, whereas 12 (48%) revealed that they were reasonably satisfied. The remaining seven (28%) indicated some level of dissatisfaction. Clearly, the majority of *iAHFME* respondents are satisfied with

Table 5. Salary by Specialization

Specialization	Number of Respondents	Range	Mean
Accounting	5	\$98,000–\$285,000	\$166,800
Finance	14	\$71,575–\$145,000	\$109,750
Other	5	\$71,250–\$140,000	\$101,811

their salaries. Eleven respondents (44%) indicated they were very satisfied with their current positions and 11 (44%) were reasonably satisfied. Three respondents (12%) indicated they were dissatisfied. With regard to their careers, 15 respondents (60%) indicated that they were very satisfied, whereas 9 (36%) indicated they were reasonably satisfied, and the remaining person (4%) indicated dissatisfaction. Therefore, overall the percentage of respondents who were either very or reasonably satisfied with their annual salaries, current positions, and professional careers, were 72%, 88% and 96%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators.

Additional compensation

Fifteen of the respondents (60%) indicated that they received additional compensation from their universities. Eight of the 15 were individuals on a 9- or 10-month contract who were paid additionally for teaching summer school and other assignments. The summer school compensation ranged from \$4,500 to \$21,850. The average (mean) summer school compensation was \$15,523. Six respondents were paid by their universities on an overload basis that ranged from \$3,600 to \$36,000. Another eight respondents received "other compensation" from their universities. These amounts ranged from \$2,300 to \$23,000. Some examples of this other compensation included pay for research and seminars. The total additional income received by the 15 *iAHFME* members from their universities ranged from \$3,600 to \$39,000. 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

honoraria, royalties, consulting, and other. Table 7 contains a summary of members' responses. Honoraria and royalties were the most common sources of noninstitutional income; four members (16%) earned honoraria, whereas four members (16%) reported royalty income. The mean average honoraria and royalty income were \$2,250 and \$9,138. In total, 11 (44%) of the *iAHFME* members earned income ranging from \$550–\$60,000 from external sources. The mean average external earnings for respondents reporting external earnings was \$13,959.

Total earnings

The average annual total earnings of reporting *iAHFME* members is \$136,841. The range of total earnings was \$80,000 to \$285,000. Table 8 reveals the total average earnings of *iAHFME* 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 \$104,679 and full professors' average earnings of \$165,395 is \$60,716. *iAHFME* members who are full professors earn an average of 58% more than assistant professors. However, this research conducted over 29 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.

Table 6. Additional Internal Earnings

Type of Income	Number of Respondents	Range	Mean
Summer school	8	\$4,500–\$21,850	\$15,523
Overload	6	\$3,600–\$36,000	\$11,183
Other	8	\$2,300–\$23,000	\$13,288
All sources	15	\$3,600–\$39,000	\$17,505

Table 7. External Earnings

Type of Income	Number of Respondents	Range	Mean
Honoraria	4	\$1,000–\$5,000	\$2,250
Royalties	4	\$550–\$30,000	\$9,138
Consulting	3	\$3,000–\$50,000	\$20,000
Other	3	\$5,000–\$20,000	\$11,667
All sources	11	\$550–\$60,000	\$13,959

Table 8. Total Earnings by Faculty Rank/Administrators

Faculty Rank	Number of Respondents	Range of Total Earnings	Mean
Assistant professor	8	\$80,000–\$128,000	\$104,679
Associate professor	6	\$86,086–\$170,000	\$132,014
Professor	10	\$98,000–\$285,000	\$165,395
Administrator	3	\$142,000–\$285,000	\$190,783

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

Faculty Rank	Average Base Salary	Average Total Earnings	Difference (\$)	Difference (%)
Assistant professor	\$85,869	\$104,679	\$18,810	18
Associate professor	\$117,348	\$132,014	\$14,667	11
Professor	\$148,780	\$165,395	\$16,615	10
Administrators	\$181,933	\$190,783	\$8,850	5

Historically, the higher the faculty rank, the larger the dollar difference between the average (mean) base salary and total earnings. In 2018, assistant professors fared the best among the three professor ranks. For differences as shown in absolute terms and on a relative (%) basis. Assistant professors on the average earn \$18,810 more than their base salaries, which is an 22% difference, whereas the full professors earn \$16,615 more than their base salaries, which is 11% greater than their average base salaries of \$148,780. Responding members who are associate professors had an increase in their total compensation of \$14,667 from their base salary which was a 12% increase in compensation.

Differences based on certification and type of institution

For 29 years, the results of these surveys have revealed types of certification and types of institution. The mean averages for this 2018 survey are shown for salary, total compensation received from their universities, and total compensation for these categories in Table 10.

Based on figures reported in Part A of Table 10, 21 of the academics were employed by public institutions and three 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 \$51,865

per year, whereas the mean total compensation difference is \$39,111.

Finally, certification appears to make a difference. Ten respondents of the 24 (42%) have at least one professional certification. The certified respondents received an average of \$24,713 more in salary and \$16,813 more in total compensation than the respondents without any certifications.

Comparisons to prior years

Similar studies of total annual earnings of iAHFME members were conducted for 1989–2017¹ (Schmidgall, 1990–2018). A brief comparison of the results is shown in Table 11. Overall, average salaries increased from 1989–1991, 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, decreased in 2015, increased in 2016, and decreased in both 2017 and 2018.

Comparisons to others

It is interesting to compare the above results to the average compensation of financial executives in the hospitality industry and to university educators as

Table 10. Mean Compensation by Type of Institution and Certification

Part A	Type of Institution		Difference
	Public (n = 21)	Private (n = 3)	
Annual salary	\$113,468	\$165,333	\$51,865
University total	\$124,610	\$171,033	\$46,423
Total compensation	\$131,922	\$171,033	\$39,111
Part B	Certification		Difference
	No (n = 14)	Yes (n = 10)	
Annual salary	\$109,625	\$134,409	\$24,783
University total	\$122,481	\$141,519	\$19,038
Total compensation	\$129,806	\$146,619	\$16,813

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

Table 11. Comparative Salaries and Total Earnings, 1989–2018

	1989	1990	1991	1992	1993	1994
Average annual salaries	\$43,000	\$50,820	\$51,613	\$51,491	\$51,428	\$57,390
Average total annual earnings	\$65,415	\$69,106	\$68,642	\$66,479	\$70,460	\$75,128
Instructor	\$38,250	\$39,400	\$40,765	\$43,760	\$43,000	\$27,000
Assistant professor	\$52,540	\$59,096	\$53,775	\$52,680	\$56,000	\$49,072
Associate professor	\$65,511	\$66,152	\$71,057	\$65,612	\$73,433	\$69,849
Full professor	\$99,207	\$96,917	\$90,700	\$95,391	\$96,478	\$108,783
Administrator	*	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908
	1995	1996	1997	1998	1999	2000
Average annual salaries	\$59,263	\$70,473	\$68,827	\$70,125	\$70,434	\$74,259
Average total annual earnings	\$74,106	\$88,186	\$93,533	\$89,825	\$96,620	\$97,373
Instructor	\$37,337	NA	\$29,000	\$75,500	\$12,000	\$73,333
Assistant professor	\$53,086	\$64,386	\$68,360	\$64,875	\$66,583	\$61,938
Associate professor	\$73,795	\$77,694	\$82,729	\$85,335	\$103,070	\$92,727
Full professor	\$99,745	\$115,493	\$121,408	\$126,447	\$127,082	\$131,618
Administrator	\$72,750	\$82,200	\$105,679	\$94,775	\$91,943	\$93,805
	2001	2002	2003	2004	2005	2006
Average annual salaries	\$77,619	\$87,250	\$86,520	\$94,075	\$88,502	\$97,906
Average total annual earnings	\$102,456	\$115,111	\$113,637	\$119,117	\$122,599	\$127,007
Instructor	\$40,000	\$53,162	\$35,500	\$45,000	\$45,500	\$45,000
Assistant professor	\$79,967	\$90,621	\$79,371	\$87,022	\$98,333	\$95,038
Associate professor	\$89,561	\$103,732	\$106,786	\$115,464	\$132,530	\$127,141
Full professor	\$148,803	\$152,623	\$152,779	\$161,227	\$164,833	\$152,877
Administrator	*	\$104,841	\$113,964	\$121,318	\$102,375	\$95,967
	2007	2008	2009	2010	2011	2012
Average annual salaries	\$112,439	\$112,205	\$112,153	\$104,979	\$119,500	\$126,376
Average total annual earnings	\$144,897	\$148,931	\$153,505	\$128,195	\$126,054	\$159,560
Instructor	NA	NA	NA	NA	NA	NA
Assistant professor	\$80,333	\$87,305	\$94,915	\$88,998	\$94,776	\$101,117
Associate professor	\$148,967	\$168,387	\$156,844	\$127,114	\$146,363	\$143,753
Full professor	\$189,250	\$194,636	\$215,663	\$173,180	\$184,000	\$208,870
Administrator	\$167,875	\$196,833	\$217,500	\$169,875	\$159,592	\$198,467
	2013	2014	2015	2016	2017	2018
Average annual salaries	\$124,431	\$129,892	\$120,667	\$128,141	\$123,579	\$119,952
Average total annual earnings	\$154,085	\$148,042	\$141,074	\$150,377	\$155,517	\$136,841
Instructor	NA	NA	NA	\$126,942	\$130,000	NA
Assistant professor	\$87,489	\$88,620	\$94,650	\$98,333	\$112,309	\$104,679
Associate professor	\$166,536	\$130,145	\$118,925	\$140,382	\$137,225	\$132,014
Full professor	\$193,485	\$197,440	\$190,889	\$179,328	\$202,286	\$165,395
Administrator	\$211,463	\$190,000	\$204,500	\$184,925	\$231,567	\$190,793

* Not included in the 1989 survey.

a whole. The annual compensation for Hospitality Financial & Technology Professionals (HFTP) members associated with lodging from the most recent survey including salary, deferred compensation, and bonuses for 2018 by position was as follows (Venegas, 2018):²

Accounting Manager	\$78,150
Assistant Controller	\$73,715
Director of Finance/Controller	\$124,438
IT Director	\$87,064

The American Association of University and Professors reported average salaries for 2018–2019 by faculty rank across all universities with academic ranks as follows:³

Professor	\$136,506
Associate Professor	\$93,133
Assistant Professor	\$80,289

Clearly, hospitality financial management professors appear to be compensated more generously

² Tanya Venegas, “2014 HFTP Biannual Compensation and Benefits Survey Report,” *The Bottomline*, 29(3), 23–42.

³ See www.higheredjobs.com/salary/Display.cfm?SurveyID=39.

than 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 \$119,952. The average salary varied by rank from \$85,869 for an assistant professor to \$148,780 for full professors. Salaries of *iAHFME* members focusing on accounting topped the list.

Sixty percent of the responding *iAHFME* members reported receiving additional compensation from their institutions. The mean average was \$17,505.

The most common sources of external earnings were honoraria and royalties. Forty-four percent of the respondents reported external earnings that averaged \$13,959.

The mean total annual earnings that respondents reported for 2018 ranged from \$80,000 to \$285,000.

The mean average was \$136,841. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 18% for assistant professors to a 10% increase for full professors.

Finally, 72% of the respondents reported some degree of satisfaction with their salaries while the remaining 28% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 88% and 96%, respectively, reported some degree of satisfaction.

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