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International Association of Hospitality Financial Management Educators (iAHFME) Academic Member 2019 Total Annual Earnings

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ABSTRACT

This study uses survey research to determine the 2019 annual earnings of hospitality financial management educators. Forty percent of iAHFME members affiliated with educational institutions responded. Survey results show that for 2019, annual base salaries of iAHFME members ranged from \$72,000 to \$200,000. 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 \$82,000 to \$250,000. 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.

Keywords: salaries, total compensation, royalties, consulting, honoraria, summer school pay, faculty ranks

The 2019 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? Do they expect to be promoted? In order to determine answers to these questions and others, a questionnaire was e-mailed to the 60 educator members of iAHFME in April 2020. This article is based on the answers from 24 (40%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were 10 full professors, 9 associate professors, and 5 assistant professors. Five (21%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools (38%), colleges of business (45%), and human ecology (17%). The

highest degree granted by the universities of the respondents for the hospitality discipline ranged from a master's degree (4%) to a Ph.D. (96%).

Other characteristics of respondents included the following:

- Seventy-nine percent of the respondents were employed by public universities, whereas 21% were employed by private universities.
- Four percent of the respondents were female; 96% were male.
- The specializations of respondents included five in accounting (21%), 14 in finance (58%), and the remaining five (21%) in other areas. Other areas of expertise indicated by respondents included cost control, human resources, asset management, and real estate.
- Twenty-two (92%) respondents have earned their Ph.D.

Two respondents have earned their CPA, four the CHAE (from HFTP), three the CHE (from Educational Institute), and six members had other

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Table 1. Selected Characteristics of the Respondents

Part A	
Faculty Rank	%
Assistant Professor	21%
Associate Professor	38
Professor	41
Total	100%
Part B	
Department Location	
Business College	45%
Human Ecology College	17
Separate College	38
Total	100%
Part C	
Highest Hospitality Degree	
Master's	4%
PhD	96
Total	100%

professional certifications such as CFA, CMA, and MAI.

The average duration of employment with educational organizations was 18½ years. The range of educational experience varied from 3½ years to 45 years. *iAHFME* members were queried regarding their years of industry experience. Responses ranged from 0 years (one respondent) to 45 years. The median response was eight years. Seven (29%) reported 10 to 15 years, and five (21%) reported more than 15 years.

iAHFME members were asked “Are you expecting to be promoted within five years?” Eight respondents (33%) indicated they were expecting to be promoted, while 13 said they were not. Two were unsure and one person did not respond to this

Table 2. Annual Salaries of *iAHFME* Members

Salary Levels	Number of Respondents	%
<\$80,000	1	4%
\$80,000–\$100,000	7	29
\$100,001–\$120,000	4	17
\$120,001–\$140,000	3	13
\$140,001–\$160,000	2	8
>\$160,000	7	29
Total	24	100%

Table 3. Average Salary by Faculty Rank/Administrators

Rank	Number of Respondents	Range	Mean
Assistant Professor	5	\$72,000–\$105,000	\$89,200
Associate Professor	9	88,105–150,000	119,345
Professor	10	95,000–200,000	160,900
Administrators	5	90,000–175,000	132,000

question. Since ten respondents are full professors, 57% of the remaining educators expect to be promoted by 2025!

Salaries

The annual salaries of responding *iAHFME* members, excluding additional university compensation such as summer school pay, ranged from \$72,000 to \$200,000. The mean average salary was \$122,046 while the median was \$120,000. The two largest groups of respondents (seven or 29%) received between \$100,000 and \$120,000 and seven individuals (29%) received more than \$160,000 as shown in Table 2. The mean average was \$2,094 greater than the mean average salary for 2018.

As shown in Table 3, the range of mean average annual salaries varies from \$89,200 for assistant professor to \$160,900 for full professors. Five respondents, who indicated they were administrators, reported salaries averaging \$132,000.

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 \$26,069. *iAHFME* members in business colleges earn the highest average salaries, whereas faculty whose hospitality programs are located in separate colleges have the lowest average salaries. The average annual salary of faculty in separate colleges is \$115,567.

The ranges and averages of salaries by specialization are shown in Table 5. Fourteen *iAHFME* members reported specializing in finance, five in accounting, and five respondents identified other areas. Of the major areas of specialization, the highest average salary is paid to faculty specializing in accounting.

Satisfaction

Respondents were queried regarding their levels of satisfaction with their annual salaries, their current

Table 4. Salaries by Location of Academic Unit

Location	Number of Respondents	Range	Mean
Business college	11	\$82,000–\$200,000	\$141,636
Human ecology	4	90,000–175,000	132,750
Separate college	9	72,000–168,000	115,567

Table 5. Salary by Specialization

Specialization	Number of Respondents	Range	Mean
Accounting	5	\$72,000–\$195,000	\$136,000
Finance	14	87,000–200,000	131,722
Other	5	82,000–166,000	121,000

positions, and their professional careers. First, four (17%) indicated they were very satisfied with their annual salaries, whereas 14 (58%) revealed that they were reasonably satisfied. The remaining six (25%) indicated some level of dissatisfaction. Clearly, the majority of *iAHFME* respondents are satisfied with their salaries. Seven respondents (29%) indicated they were very satisfied with their current positions, and 11 (46%) were reasonably satisfied. Five respondents (21%) indicated they were dissatisfied. Regarding their careers, 12 respondents (50%) indicated that they were very satisfied, whereas ten (42%) indicated they were reasonably satisfied, and one 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 75%, 75%, and 92%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators!

Additional Compensation

Twelve of the respondents (50%) indicated that they received additional compensation from their universities. This compensation for 4 of the 12 was for individuals on a 9- or 10-month contract who were paid additionally for teaching summer school. The summer school compensation ranged from \$10,000 to \$22,027. The average (mean) summer school

compensation was \$16,757. Three respondents were paid by their universities on an overload basis that ranged from \$7,500 to \$30,000. Another six respondents received “other compensation” from their universities. These amounts ranged from \$840 to \$45,000. Some examples of this other compensation included pay for continuing education and grants. The total additional income received by the 12 *iAHFME* members from their universities ranged from \$2,000 to \$45,000. 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, royalties, and consulting were the most common sources of noninstitutional income; three members (13%) earned honoraria and four members (17%) reported royalty income. Three individuals earned consulting fees ranging from \$15,000 to \$45,000. In total, the responding *iAHFME* members earned income ranging from \$700 to \$45,000 from external sources. The mean average external earnings for ten respondents reporting external earnings was \$14,770.

Table 6. Additional Internal Earnings

Type of Income	Number of Respondents	Range	Mean
Summer School	4	\$10,000–\$22,027	\$16,757
Overload	3	7,500–30,000	15,500
Other	6	840–45,000	13,723
All Sources	12	2,000–45,000	16,322

Table 7. External Earnings

Type of Income	Number of Respondents	Range	Mean
Honoraria	3	\$200–\$25,000	\$8,733
Royalties	4	500–25,000	7,875
Consulting	3	15,000–45,000	26,667
Other	1	10,000–10,000	10,000
All Sources	10	700–45,000	14,770

Total Earnings

The average annual total earnings of reporting *iAHFME* members is \$144,695. The range of total earnings was \$82,000 to \$250,000. 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 \$97,700 and full professors' average earnings of \$181,020 is \$83,320. *iAHFME* members who are full professors earn an average of 85% more than assistant professors. However, this research conducted over 30 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.

Historically, the higher the faculty rank, the larger the dollar difference between the average (mean) base salary and total earnings. In 2019, full professors fared the best among the three professor ranks. For differences as shown in absolute terms and on a relative (%) basis, see Table 9. Assistant professors on the average earn \$8,500 more than their base salaries, which is a 9% difference, whereas the full professors earn \$20,120 more than their base salaries, which is 11% greater than

their average base salaries of \$160,900. Responding members who are associate professors had an increase in their total compensation of \$11,096 from their base salary, which was a 9% increase in compensation.

Differences Based on Certification and Type of Institution

For 30 years, the results of these surveys have revealed annual salary and total university pay by types of institution (public vs. private), and by certification vs. noncertification. The mean averages for this 2019 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, 19 of the academicians were employed by public institutions and 5 by private institutions. Across the two levels of compensation, that is, annual salary and total earnings, privately employed professors earn less. The mean salary difference is \$7,653 per year, whereas the mean total compensation difference is \$26,772.

Finally, certification appears to make a difference. Ten respondents of the 24 (42%) have at least one professional certification. The certified respondents

Table 8. Total Earnings by Faculty Rank/Administrators

Faculty Rank	Number of Respondents	Range of Total Earnings	Mean
Assistant Professor	5	\$82,000–\$107,500	\$97,700
Associate Professor	9	90,000–166,000	130,441
Professor	10	95,000–250,000	181,020
Administrator	5	90,000–205,000	146,600

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	\$89,200	\$97,700	\$8,500	9%
Associate Professor	119,345	130,441	11,096	9%
Professor	160,900	181,020	20,120	11%
Administrator	132,000	146,600	14,600	10%

Table 10. Mean Compensation by Type of Institution and Certification

Part A	Type of Institution		
	Public (n = 19)	Private (n = 5)	Difference
Annual Salary	\$123,653	\$116,000	(\$7,653)
Total Compensation	150,272	123,500	(26,772)
Part B	Certification		
	No (n = 14)	Yes (n = 10)	Difference
Annual Salary	\$120,793	\$123,800	\$3,007
Total Compensation	136,927	155,570	18,643

received an average of \$3,007 more in salary and \$18,643 more in total compensation than the respondents without any certifications.

Comparisons to Prior Years

Similar studies of total annual earnings of iAH-FME members were conducted for 1989–2018¹

(Schmidgall, 1990–2019). 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

Table 11. Comparative Salaries and Total Earnings, 1989–2019

	1989	1990	1991	1992	1993	1994	1995	1996
Average Annual Salaries	\$43,000	\$50,820	\$51,613	\$51,491	\$51,428	\$57,390	\$59,263	\$70,473
Average Total Annual Earnings	\$65,415	\$69,106	\$68,642	\$66,479	\$70,460	\$75,128	\$74,106	\$88,186
Instructor	\$38,250	\$39,400	\$40,765	\$43,760	\$43,000	\$27,000	\$37,337	NA
Assistant Professor	\$52,540	\$59,096	\$53,775	\$52,680	\$56,000	\$49,072	\$53,086	\$64,386
Associate Professor	\$65,511	\$66,152	\$71,057	\$65,612	\$73,433	\$69,849	\$73,795	\$77,694
Full Professor	\$99,207	\$96,917	\$90,700	\$95,391	\$96,478	\$108,783	\$99,745	\$115,493
Administrator	*	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908	\$72,750	\$82,200
	1997	1998	1999	2000	2001	2002	2003	2004
Average Annual Salaries	\$68,827	\$70,125	\$70,434	\$74,259	\$77,619	\$87,250	\$86,520	\$94,075
Average Total Annual Earnings	\$93,533	\$89,825	\$96,620	\$97,373	\$102,456	\$115,111	\$113,637	\$119,117
Instructor	\$29,000	\$75,500	\$12,000	\$73,333	\$40,000	\$53,162	\$35,500	\$45,000
Assistant Professor	\$68,360	\$64,875	\$66,583	\$61,938	\$79,967	\$90,621	\$79,371	\$87,022
Associate Professor	\$82,729	\$85,335	\$103,070	\$92,727	\$89,561	\$103,732	\$106,786	\$115,464
Full Professor	\$121,408	\$126,447	\$127,082	\$131,618	\$148,803	\$152,623	\$152,779	\$161,227
Administrator	\$105,679	\$94,775	\$91,943	\$93,805	\$91,191	\$104,841	\$113,964	\$121,318
	2005	2006	2007	2008	2009	2010	2011	2012
Average Annual Salaries	\$88,502	\$97,906	\$112,439	\$112,205	\$112,153	\$104,979	\$119,500	\$126,376
Average Total Annual Earnings	\$122,599	\$127,007	\$144,897	\$148,931	\$153,505	\$128,195	\$126,054	\$159,560
Instructor	\$45,500	\$45,000	NA	NA	NA	NA	NA	NA
Assistant Professor	\$98,333	\$95,038	\$80,333	\$87,305	\$94,915	\$88,998	\$94,776	\$101,117
Associate Professor	\$132,530	\$127,141	\$148,967	\$168,387	\$156,844	\$127,114	\$146,363	\$143,753
Full Professor	\$164,833	\$152,877	\$189,250	\$194,636	\$215,663	\$173,180	\$184,000	\$208,870
Administrator	\$102,375	\$95,967	\$167,875	\$196,833	\$217,500	\$169,875	\$159,592	\$198,467
	2013	2014	2015	2016	2017	2018	2019	
Average Annual Salaries	\$124,431	\$129,892	\$120,667	\$128,141	\$123,579	\$119,952	\$122,046	
Average Total Annual Earnings	\$154,085	\$148,042	\$141,074	\$150,377	\$155,517	\$136,841	\$144,695	
Instructor	NA	NA	NA	\$126,942	\$130,000	NA	NA	
Assistant Professor	\$87,489	\$88,620	\$94,650	\$98,333	\$112,309	\$104,679	\$97,700	
Associate Professor	\$166,536	\$130,145	\$118,925	\$140,382	\$137,225	\$132,014	\$130,441	
Full Professor	\$193,485	\$197,440	\$190,889	\$179,328	\$202,286	\$165,395	\$181,020	
Administrator	\$211,463	\$190,000	\$204,500	\$184,925	\$231,567	\$190,793	\$146,600	

* Not included in the 1989 survey.

¹ See Schmidgall, R.S., earnings surveys in *The Journal of Hospitality Financial Management*, volumes 1–27.

2008–2010, increased in 2011 and 2012, decreased in 2013, increased in 2014, decreased in 2015, increased in 2016, decreased in both 2017 and 2018, and increased in 2019.

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 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 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 \$122,046. The average salary varied by rank from \$89,200 for an assistant professor to \$160,900 for full professors. Salaries of *iAHFME* members focusing on accounting topped the list.

Fifty percent of the responding *iAHFME* members reported receiving additional compensation from their institutions. The mean average was \$16,322.

The most common source of external earnings was honoraria. Forty-two percent of the respondents reported external earnings that averaged \$14,770.

The mean total annual earnings that respondents reported for 2019 ranged from \$82,000 to \$250,000. The mean average was \$144,695. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 9% for assistant professors to a 11% increase for full professors.

Finally, 75% of the respondents reported some degree of satisfaction with their salaries, while the remaining 25% reported some degree of dissatisfaction. Regarding their current positions and professional careers, 75% and 92%, respectively, reported some degree of satisfaction.

Author Note

Raymond S. Schmidgall, PhD, is the Hilton Hotels Professor Emeritus retired from the School of Hospitality Business at Michigan State University.

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² Tanya Venegas. 2018 "HFTP Annual Compensation & Benefits Report, HFTP, Austin, Texas.

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