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TREASURE AND TALENT: COMPENSATION OF THEOLOGICAL SCHOOL FACULTY, 1987-1993

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The essay contained in this report was prepared in conjunction with the Auburn Center's study of theological school faculty. The faculty study explored in multiple sub-studies the current state of faculty, faculty development, and the training of potential future faculty. The compensation background study reported here augments the primary research reports on current faculty and faculty development, which were published respectively as "True and False," *Auburn Studies*, No. 4 (January 1996) and "Tending Talents," No. 5 (March 1997).

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TREASURE AND TALENT:
COMPENSATION OF THEOLOGICAL SCHOOL FACULTY 1987-1993

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1. Components of Compensation Data

1.1 Data source

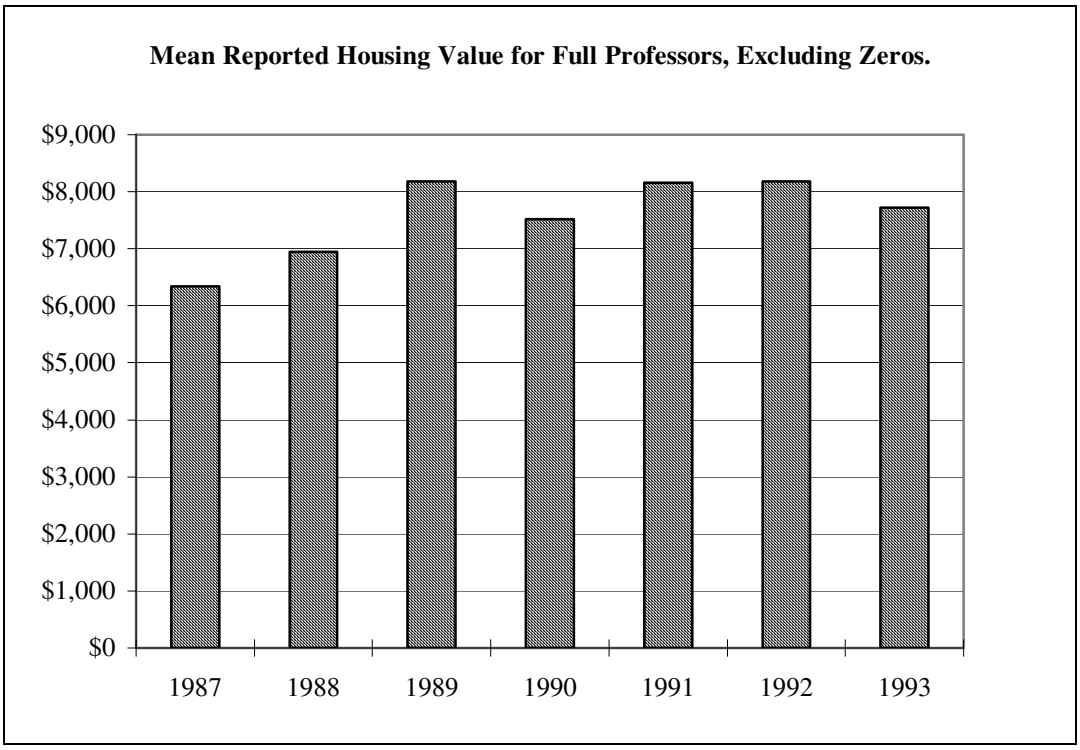
This study obtained the salary data collected by the Association of Theological Schools (ATS) from 1987 through 1993. Each year's forms and data refer to the fall of the year. For example, the "1993" forms, sent in the fall of the 1993/94 academic year, asked for current (1993/94) salary data. Additional data from Auburn Theological Seminary's research files were joined to the ATS' data to facilitate analysis. We limited the study to US schools.

1.2 Compensation variables

The ATS' compensation files contained several variables that deserve some explanation. "Contract salary" is the current contracted annual salary rate. "Housing value" is less straightforward. It is defined as (1) the housing-designated dollars provided in addition to the contract salary or (2) the fair rental value of the house or apartment provided. The ATS' instructions state that the housing provided should not automatically refer to the portion of salary or other compensation that is non-reportable for income tax purposes. The ATS clearly intends for the schools to report the total benefit of cash and cash-equivalent housing in addition to contract salaries, ignoring the tax effects. Twenty to twenty-five percent of faculty are reported with a housing benefit.

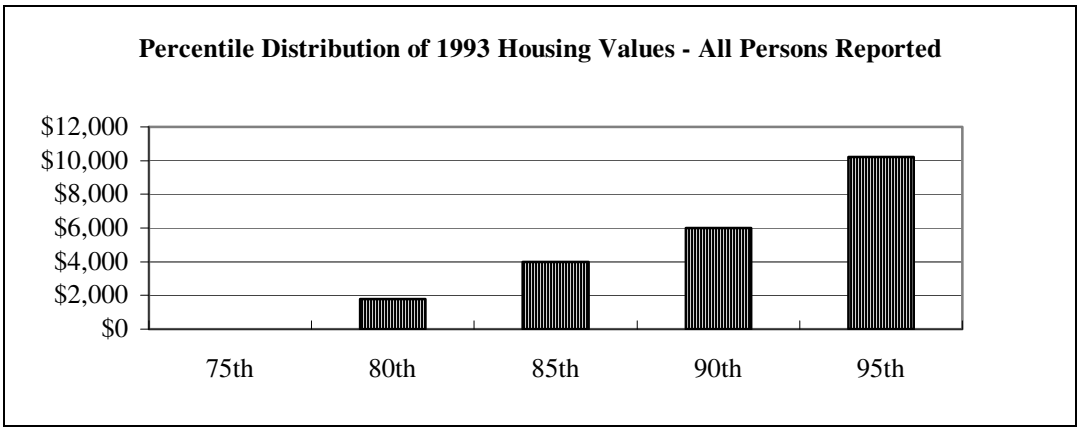
It would appear, from a perusal of the data, that schools report both forms of housing benefit in a variety of amounts. Some schools may have tailored their contract salary and housing benefit to the IRS code, and report those amounts to the ATS, thereby reporting a figure that represents cash transferred to the faculty member. Others may also transfer cash, but calculate their benefit on a different basis. Still other schools report a dollar amount which purports to be the fair rental value. Numerous schools report the same total year after year. The modest amounts reported in several cases lead one to wonder if the value reported in fact resembles a fair market value. There is no easy way to determine the accuracy of the submitted values. The dual definition of housing benefit permits virtually any number to be submitted and be "correct," since the ATS asks for the school's own monetary definition of housing benefit. So even though we don't know with any precision what the numbers represent, we present below two tables and one chart containing summary information on reported housing benefits.

Mean Reported Housing Value for Full Professors, Excluding Zeros.						
1987	1988	1989	1990	1991	1992	1993
$6,345	$6,941	$8,178	$7,518	$8,156	$8,182	$7,722



The table and chart above are curious for the fact that the housing values fluctuate up and down from year to year. Contract salaries, as we shall see, tend to be stable and grow.

Percentile Distribution of 1993 Housing Values - All Persons Reported				
75th	80th	85th	90th	95th
$0	$1,800	$4,000	$6,000	$10,200



The table and chart (above) of the percentile distribution show the amounts reported.[1] These amounts seem modest when one thinks of the fair rental value of a house or apartment, or when one estimates the excludable portion of gross compensation. On the other hand, a school might have a mortgage interest subsidy that they report as the housing benefit — such amounts are plausibly modest, such as a subsidy of $1,000 per year. As mentioned before, we have no way of easily testing the reasonableness of the data.

A second complicated variable is "contributed service." The ATS instructs schools as follows:

> The value of such services should be determined by relating the contract salary of the individual to equivalent salaries and wages for similarly ranked personnel at the same or similar schools.[2]

Nine percent of all reported compensation packages include "contributed service." The vast majority of incidents (94 percent) in which contributed services are reported as compensation are in Roman Catholic schools. Over 40 percent of faculty in Roman Catholic schools contribute service in some way. The only other denominational classification reporting much contributed service were the Anabaptist schools, in which 7.7 percent of their personnel reported some contributed service.

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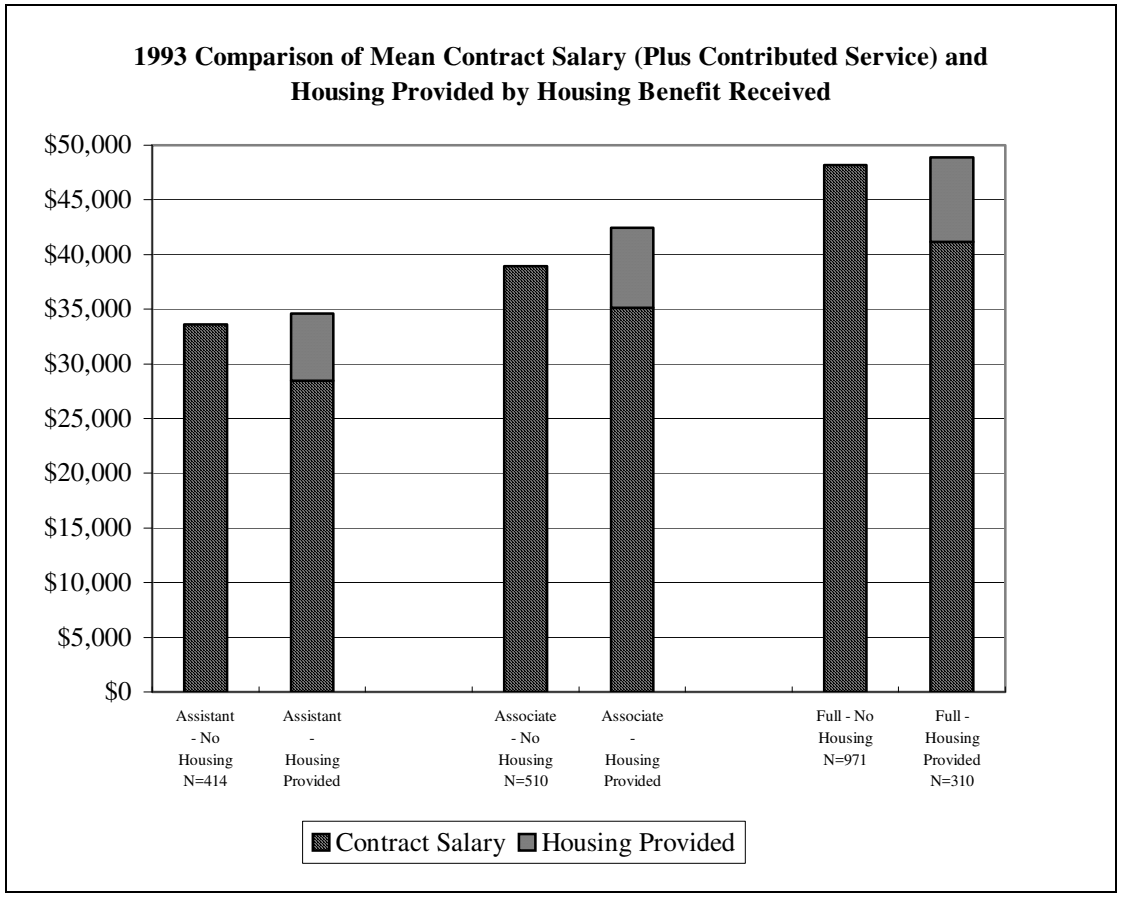
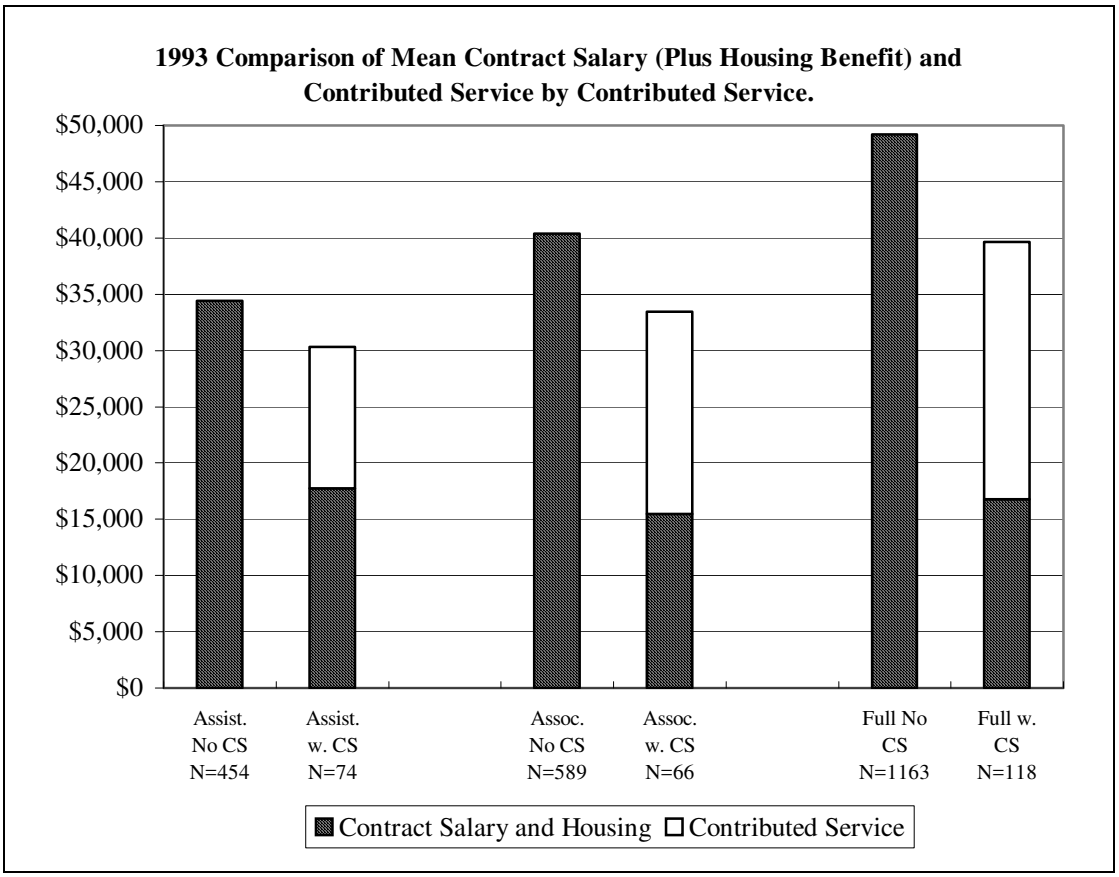
[1] Percentiles are the particular cases above and below which the other cases fall. The 95th percentile is the housing value greater than 95 percent of all the reported housing values, but less than five percent of the reported values. Since the 75th percentile is zero we know that compensation reports for three quarters of faculty had no housing value reported separately for them. The 50th percentile, also known as the median, is the case for which half the cases fall above and half the cases fall below.

[2] 1995 ATS-S-1 *Instructions.*

For our purposes we will combine the variables of contract salary, housing benefit, and contributed service into a variable called "direct compensation." Of course, we can imagine that there could be comparability problems if the schools do not report their data properly. But combining these categories of direct compensation seems better than the alternative of ignoring them and limiting ourselves to contract salary. The charts that follow below compare the direct compensation of persons with and without reported housing benefits and contributed service.



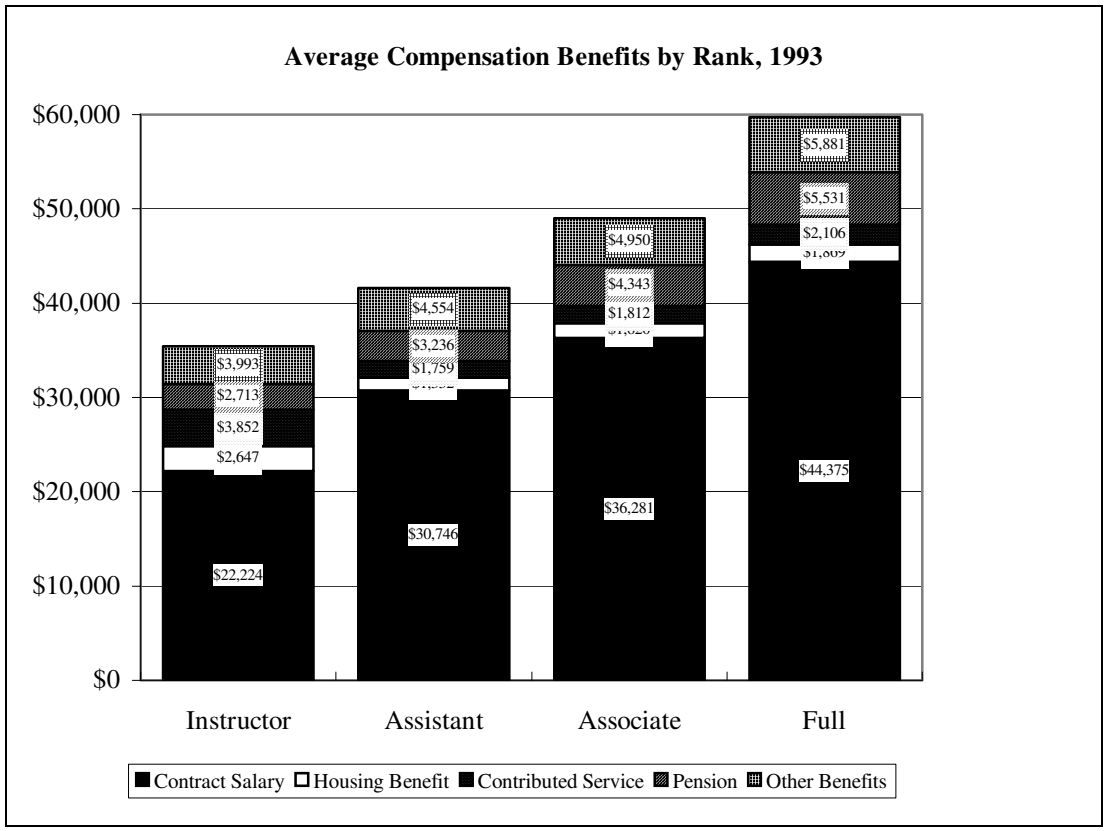
Comparing total direct compensation shows that the lower average contract salary of those with housing benefit is offset and, on paper, exceeded when housing benefits are added to contract salary.



A thorough discussion of contributed service would require supplemental research into the polity and practices of Roman Catholic dioceses and orders. Such research would be interesting and worthwhile, but is beyond the scope of the present study.

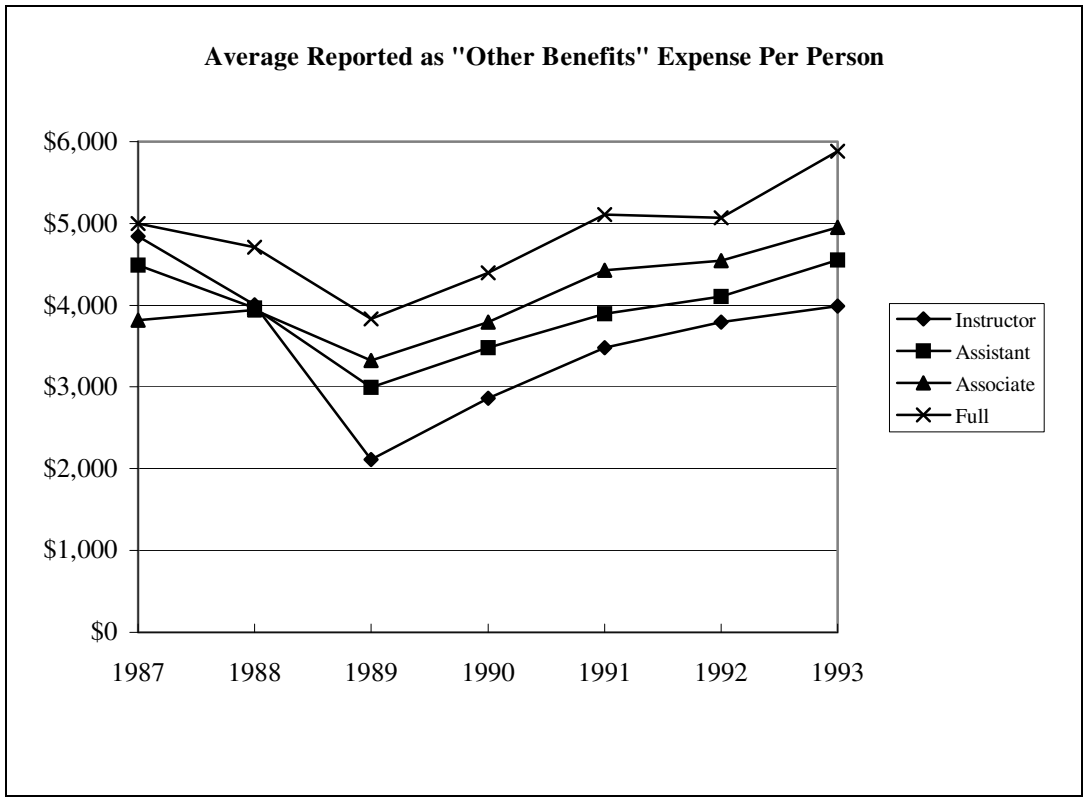
1.3 Other benefit variables

The ATS also collects information on additional benefits. They request information on pension payments and the amount paid for all other benefits. We can probably safely presume that medical insurance and other benefits of employment, if offered, are reported in this category. Pension and other benefits are substantial, adding, on average, a cost of 23 to 29 percent of direct salary. The total average compensation package reported to the ATS, by rank, is shown below.



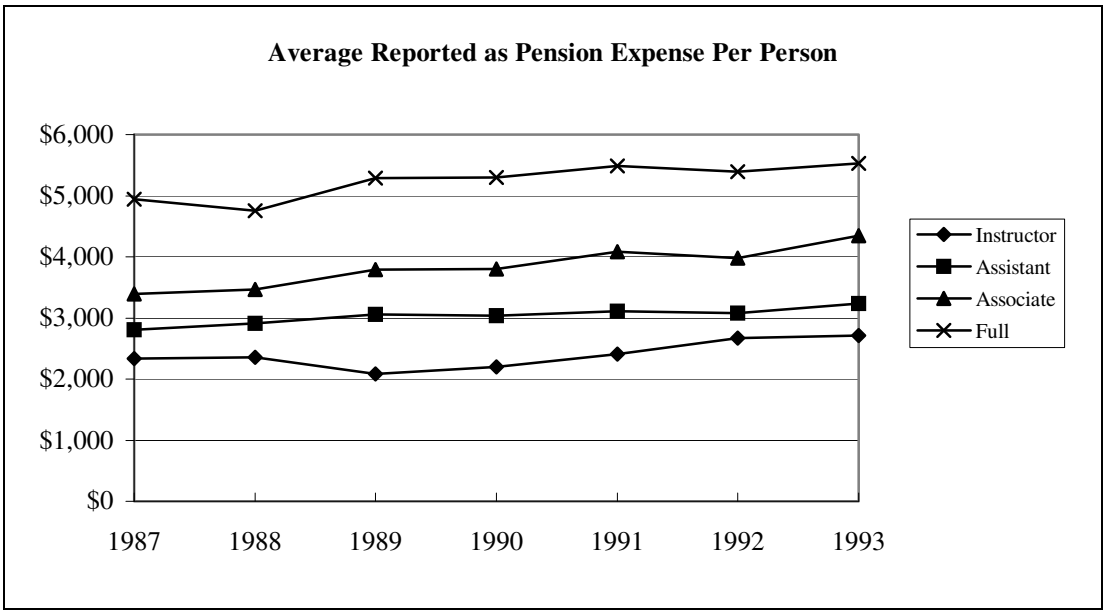
Medical insurance is one of the fastest-rising costs faced by employers during the period under study, but is problematic for us to pin down. First, the data as reported do not segregate or specify medical insurance costs. Second, the data do not and cannot provide a determination whether identical insurance benefits have been provided. In other words, the net compensation to faculty could have been reduced by changes in benefit plans that, for instance, required a greater employee contribution. This added expense (which would constitute a real compensation decrease) would not be discernible from the data submitted.

The data we have on "other benefits" fit two hypotheses. The reported cost of other benefits fell from 1987 to 1988 and from 1988 to 1989, and rose each year thereafter. This would support an hypothesis of benefit reduction, or of passing on a portion of the costs to the employee. The increases subsequent to 1989, under this hypothesis, reflect a lack of availability of further cost-cutting steps.



The data also support the hypothesis that medical insurance costs are rising rapidly, as we see in the rapid escalation of expense from 1989. In the four years from 1989 to 1993 "other benefits" costs rose, on average, by 47 percent, a rate far higher than the consumer price index or the rate at which direct compensation increased. If schools are absorbing the bulk of the increase without resort to further cost-sharing, faculty and other employees are receiving a real, if hidden, benefit. Unfortunately, as mentioned, we lack the data on benefit coverage to support either the conclusion that faculty have been burdened by medical cost sharing or that they benefit through protection from medical cost inflation. Either hypothesis could accurately describe particular institutions.

The steep slope of the cost increases and decreases in "other" benefits may be contrasted with pension contributions. These data rise modestly year to year. This is to be expected, since most pension plans tie the contribution to the amount of contract salary.



1.4 Personnel variables

The ATS data file contains salary information on all faculty and administrators. In most cases administrators such as the chief business officer or development director do not hold faculty rank, and therefore are easily excluded from the analysis. Some administrators, however, hold faculty rank. Usually such persons as the academic dean or the director of the doctor of ministry program are also faculty members, and in fact teach on a regular, if reduced, schedule. They may receive some extra compensation for this work. This extra compensation for administrative work was, according to the ATS instructions, not supposed to be reported.[3] Nonetheless, the data probably include some administrative compensation for certain individuals.[4] In instances when we looked at small subsets of the data we excluded all chief executives and deans from the population of faculty. These occasions are noted in the text below.

1.5 Continuity of data

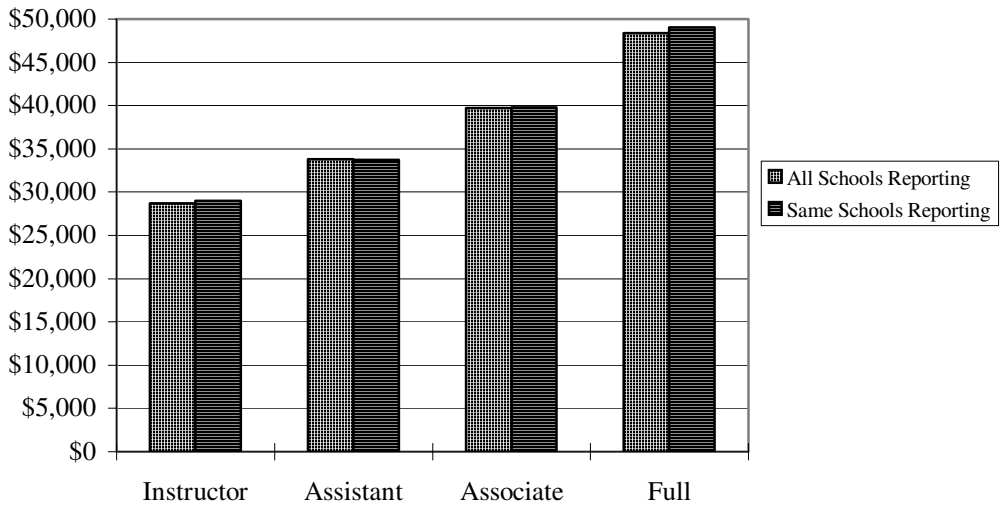
The ATS' data contains all the salary reports from all reporting schools from 1987 forward. Unfortunately, however, not all schools report their data every year. A review of the data by school shows that from time to time a school might not submit salary data. In addition, schools that joined the Association in the years since 1987 obviously did not

[3] *Ibid.*
[4] The distorting effect of the highest paid faculty - the deans and chief administrators - on average faculty compensation is slight, on the order of a couple of hundred dollars.

submit data prior to the time of their membership. Thus any longitudinal analysis has a potential distortion, in that it could be comparing different sets of schools year to year.

To test the extent of this particular distortion we compared the average 1993 direct compensation for all U.S. schools with those who had continuous data (i.e., those schools that submitted reports each year). As may be seen on the chart below, little distorting effect is evident.

1993 Mean Contract Salary Plus Housing Value Plus Contributed Services, Comparing All Reporting 1993 Schools With Schools Reporting Continuously From 1987-1993.



Lastly, we acknowledge that we are not looking at the same persons year after year. Individuals retire, resign, are promoted, and institutions expand. The changes in compensation each year reflect both changes in the general level of remuneration (as might be experienced by a professor receiving a cost-of-living adjustment) and changes in personnel, as in the case of a newly-promoted professor receiving less compensation than the retired professor she replaces.[5]

[5] The recent appointment of women professors replacing retiring males is W. Lee Hansen's explanation of the lower salaries for women faculty in Bowen and Schuster, *American Professors: A National Resource Imperiled*, New York, Oxford University Press, 1986, p. 103.

2. Findings

2.1 Compensation and inflation

W. Lee Hansen's chapter on faculty salaries in *American Professors: A National Resource Imperiled* contains a dramatic chart.[6] It shows that, during the fourteen academic years from 1969-70 to 1983-84, the average higher education faculty salary did not increase in real (after-inflation) terms for twelve straight years. Only during the last two years of the period — 1982-83 and 1983-84 — did compensation increases exceed the Consumer Price Index. The losses were not principally due to an unusual stinginess of colleges and universities, but, rather, to high inflation. The period Hansen studied set records for inflation in the U.S. this century, reaching an academic year high in 1979-80 of 13.3 percent. Indeed, the reason real salaries increased at the end of the period is that inflation subsided to 3.8 percent. There is evidence that indicates that college and university faculty have recovered some of the ground lost in the 1970s, as shown by the data published periodically in the Chronicle of Higher Education. One graph shows that from July 1983 through November 1995 college and university faculty salaries increased by 67.8 percent, outstripping the 53.6 percent increase in the Consumer Price Index.[7] The average real, after-inflation increase for this recent twelve year period is approximately 1.1 percent per year.[8]

Inflation remained low during the 1987 to 1993 period. During those six years the Consumer Price Index rose 26.3 percent. The average direct compensation for all ranks of theological school faculty kept pace, and even posted a modest real gain. The three charts that follow illustrate this stable if unspectacular trend.

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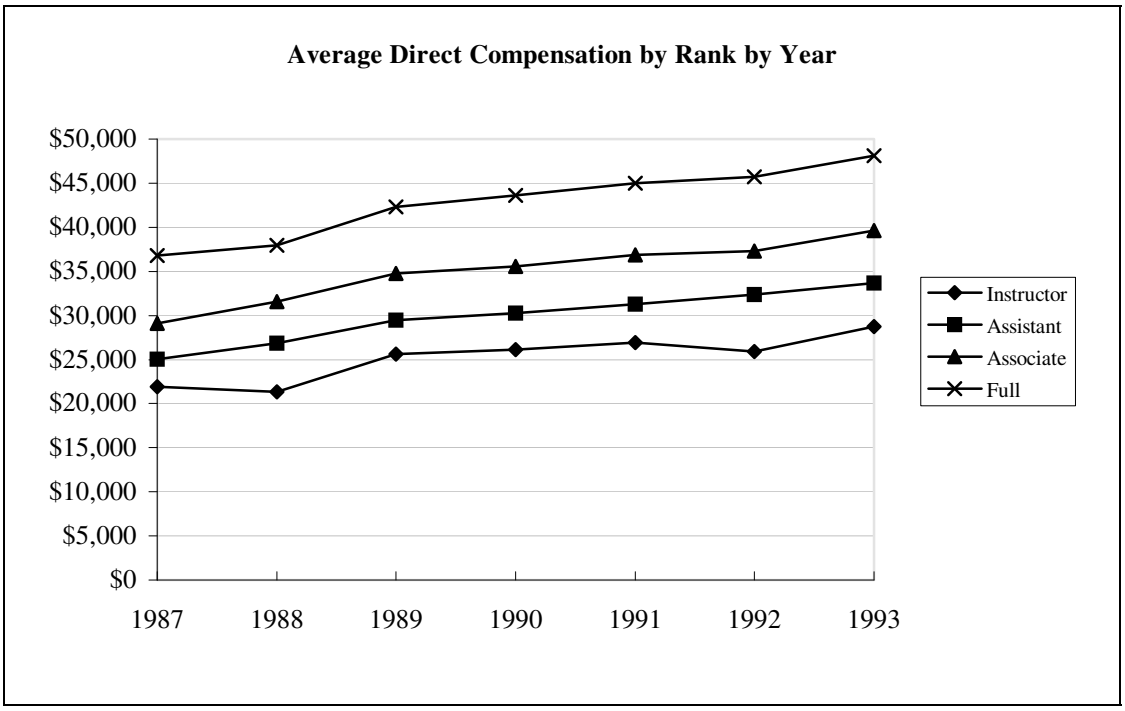
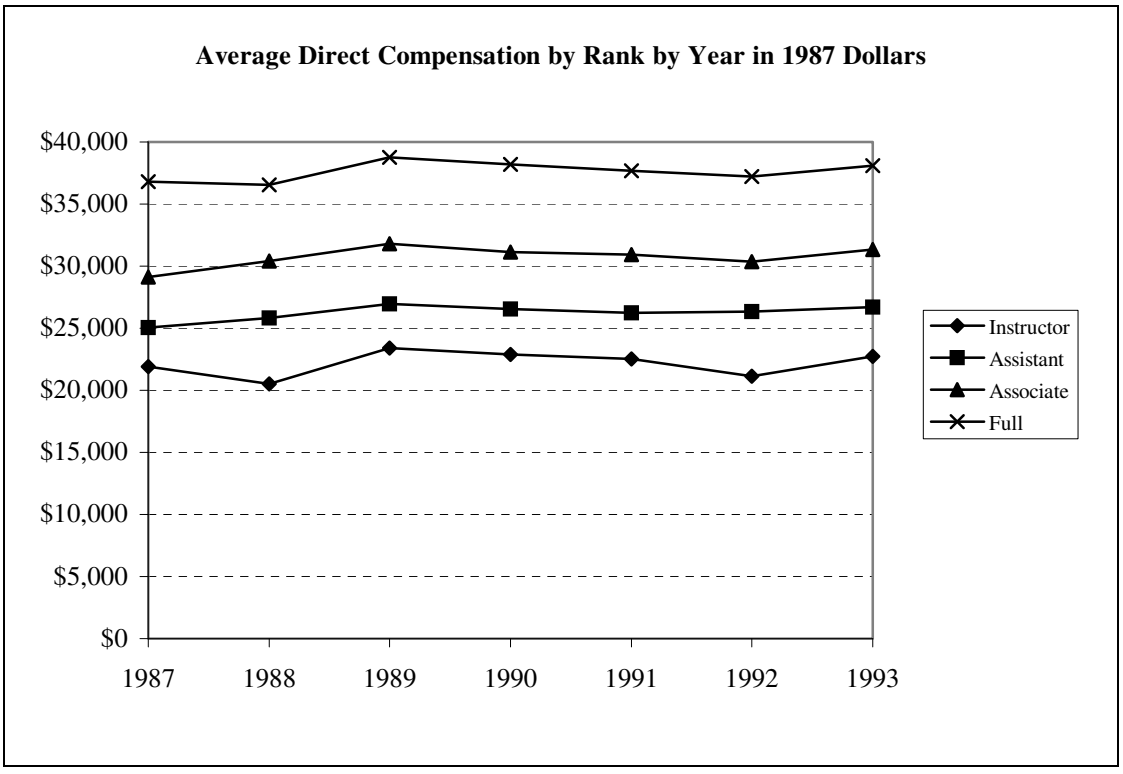
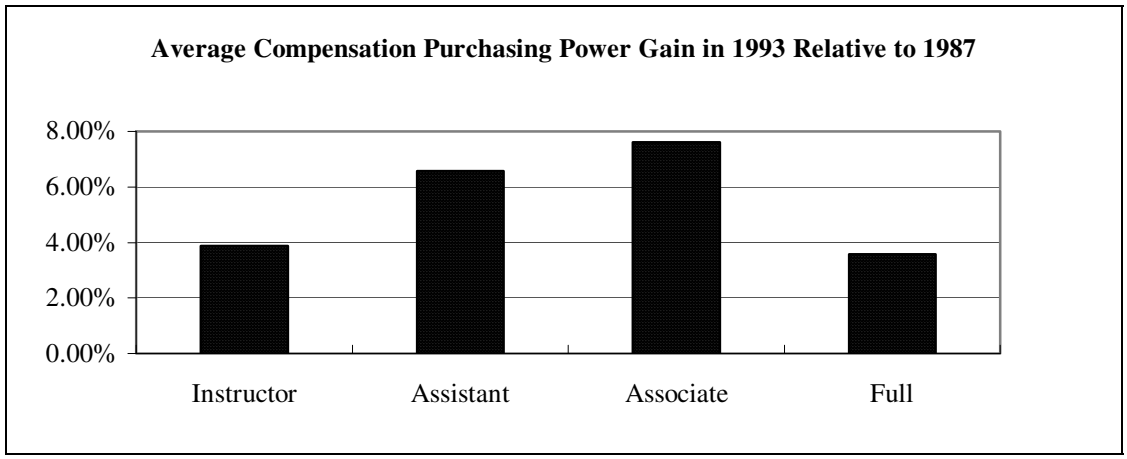
[6] Bowen and Schuster, *American Professors: A National Resource Imperiled*, New York, Oxford University Press, 1986.

[7] *The Chronicle of Higher Education,* January 5, 1996, Volume XLII, Number 17, page A16. Source: the American Association of University Professors and the U.S. Department of Labor.

[8] Hansen approximates the real income loss in the 1970-71 to 1983-84 as about 17 percent (85). Thus the subsequent recovery has not entirely erased the deficit.


Average Direct Compensation by Rank by Year
$50,000
$45,000
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
1987
1988
1989
1990
1991
1992
1993
Instructor
Assistant
Associate
Full


Average Direct Compensation by Rank by Year in 1987 Dollars
$40,000
$35,000
$30,000
$25,000
$20,000
$15,000
$10,000
$5,000
$0
1987
1988
1989
1990
1991
1992
1993
Instructor
Assistant
Associate
Full



Direct compensation rose, in real terms, between .7 and 1.4 percent per year, very much in line with compensation increases received by faculty in colleges and universities generally. One could argue that faculty received a greater real benefit than this if it could be shown that medical insurance costs, as discussed, were absorbed by the institution. One could also argue, in a few particular cases, that the reported rental value of the housing provided was not adjusted for inflation; faculty receiving this benefit would be better off than these figures show. On the other hand, particular institutions may have passed on part of the medical insurance burden to faculty, thus decreasing their net compensation in a way that would not show on these data.

As seen on the foregoing chart, assistant and associate professor compensation increased somewhat more, in real terms, than that of full professors. The difference does not amount to much, however — less than one percent per year — so that we are reluctant to call this a turn toward a "seller's" or job-seekers market.

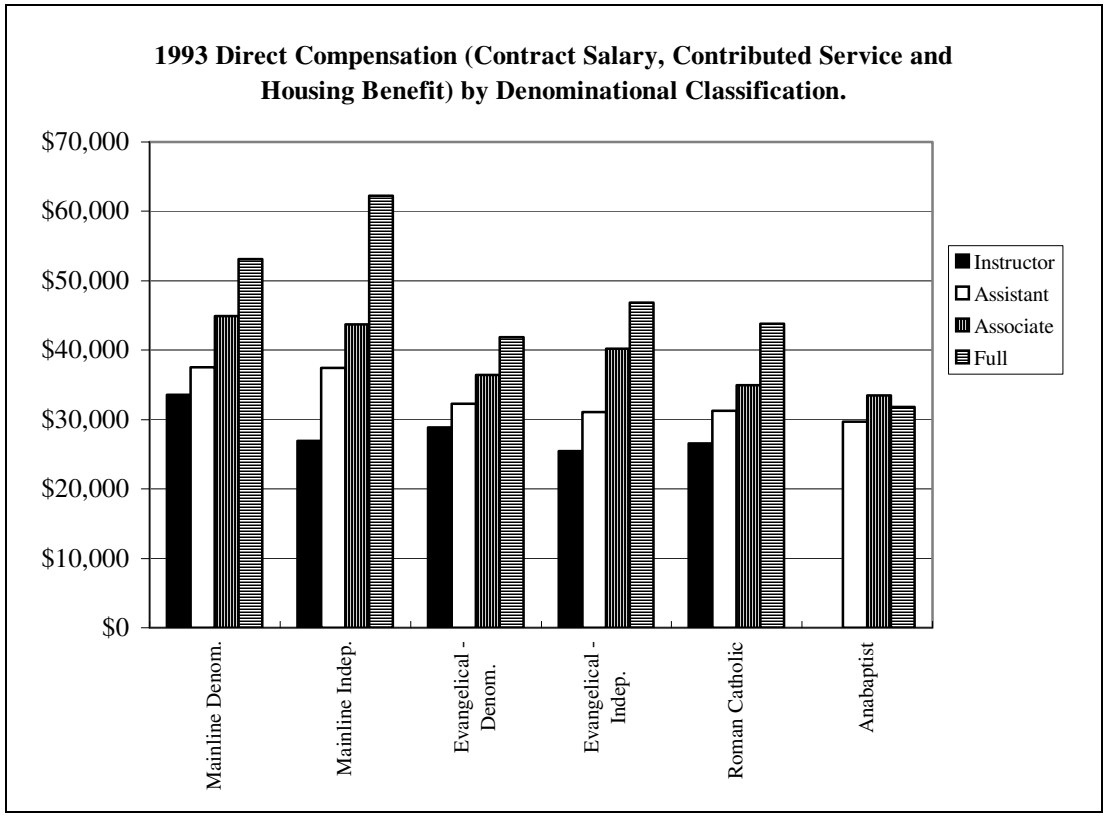
2.2 Compensation by denominational classification

Auburn Theological Seminary and Hartford Seminary developed a classification of theological schools based upon the religious tradition of the institution. The four classifications are mainline Protestant, evangelical Protestant, Roman Catholic, and Anabaptist/Peace Tradition. In the case of the broadly classified "mainline" and "evangelical" schools a further difference is noted, i.e., distinguishing those schools directly associated with a particular denomination and those that are institutionally independent.

The table and chart below show that mainline Protestant schools provide higher levels of compensation than the other types. A number of mainline seminaries are linked to universities, which have higher pay scales than most seminaries. In addition, mainline Protestants have been in the top and middle socioeconomic tier of U.S. society, a fact that may be reflected in their institutions' pay scales.[9]

1993 Direct Compensation (Contract Salary, Contributed Service and Housing Benefit) by Denominational Classification.

	Mainline - Denom.	Mainline - Independent	Evangelical - Denom.	Evangelical - Independent	Roman Catholic	Anabaptist
Instructor	$33,599	$26,943	$28,885	$25,427	$26,565	$0
Assistant	$37,535	$37,399	$32,243	$31,101	$31,243	$29,653
Associate	$44,885	$43,679	$36,428	$40,194	$34,925	$33,506
Full	$53,127	$62,223	$41,862	$46,807	$43,765	$31,860



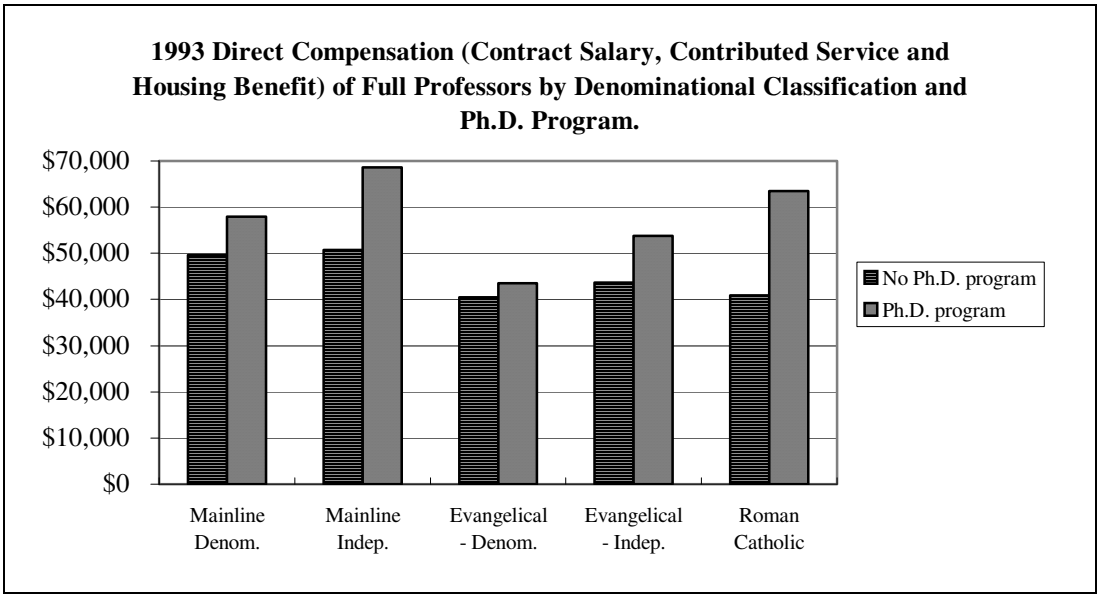
[9] Roof, Wade Clark, and William McKinney, *American Mainline Religion: Its Changing Shape and Future*. New Brunswick: Rutgers University Press, 1987, p. 110.

2.3 Compensation by Ph.D. program

We also compared compensation of full professors by denominational classification and the presence of a Ph.D. or equivalent program. The results show that professors in schools offering a Ph.D. or equivalent receive, on average, higher compensation than their counterparts in schools that do not offer the Ph.D. or its equivalent. Anabaptist schools do not appear in the table and chart below as they do not offer a Ph.D. or equivalent.

1993 Direct Compensation (Contract Salary, Contributed Service and Housing Benefit) of Full Professors by Denominational Classification and Ph.D. Program.

	Mainline Denom.	Mainline Indep.	Evangelical - Denom.	Evangelical - Indep.	Roman Catholic
No Ph.D. program	$49,663	$50,737	$40,529	$43,731	$40,901
Ph.D. program	$57,929	$68,604	$43,496	$53,791	$63,548



Two explanations fit the data. Market forces may be at work. Scholarly ability may be in greater demand in schools offering the Ph.D., and that this demand may cause the school to offer higher salaries to secure and retain such personnel. The data, as shown above, support this hypothesis.

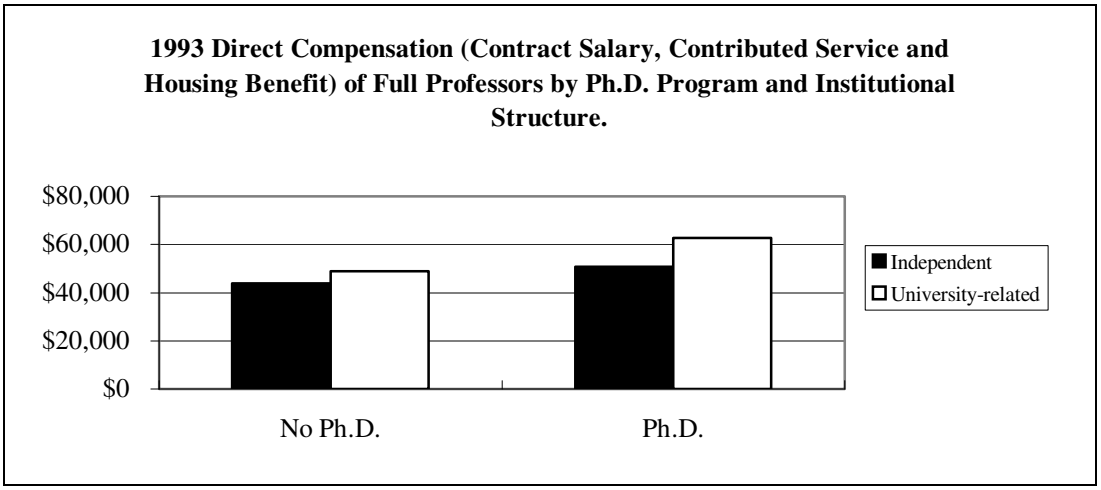
A second explanation is that theological schools that offer the Ph.D. are often related to universities. Salary and compensation in university-related seminaries may in part be determined by university policy. University policy is, in turn, influenced by a

larger and more competitive universe for faculty than that faced by theological schools. University-wide across-the-board increases designed to retain non-theological high-demand faculty would thus have the secondary effect of boosting theological faculty salaries. Theological faculty in universities may also benefit by internal university dynamics, insofar as arts and sciences faculty successfully assert the need for equity or proportionality in compensation with faculty in high-demand fields such as law, business, or computer science.

The data support both hypotheses. As shown, faculty in Ph.D.-granting schools receive higher pay than those in non-Ph.D. schools. In addition, university-based theological school professors receive, on average, higher pay than their counterparts in independent schools, regardless of the level of program. The following table and chart present the averages. In general, this compensation pattern holds true within denominational classifications, with the only exception applying to denominational evangelical schools that grant the Ph.D. or equivalent. In that subgroup faculty of free-standing schools average higher compensation than faculty in university-related schools.[10]

1993 Direct Compensation (Contract Salary, Contributed Service and Housing Benefit) of Full Professors by Ph.D. Program and Institutional Structure.

	No Ph.D.	Ph.D.
Independent	$43,943	$50,862
University-related	$48,951	$62,784



[10] In this instance we are comparing 128 full professors in free-standing schools with 18 university-related professors.

It may be the case that university-related divinity schools "set the pace," i.e., are the institutions that lead the way in accelerating faculty compensation. The resultant salary expectation then pressures independent schools with Ph.D. programs; they must compete with the salaries offered by the university-related schools to obtain comparably skilled and accomplished faculty.

2.4 Comparing compensation of women and men

The number of women at faculty ranks of assistant professor or higher increased from 1987/88 to 1993/94. Their growth rate in those ranks was substantially higher than that of men. The number of positions held by men increased about two or three percent over the seven years, while the number of women, in total, jumped from 259 to 440, an increase of 70 percent. In aggregate these schools were able to expand their faculties, although this trend was not sustained in the entire ATS population in recent years.[11]

Numbers of Faculty Reported, by Rank and Sex, from Schools Reporting Faculty Compensation Each Year

	1987	1988	1989	1990	1991	1992	1993
Men - Assistant	316	311	323	314	319	317	326
Women - Assistant	115	118	129	117	124	138	151
Men - Associate	457	443	455	448	459	470	466
Women - Associate	76	80	94	110	109	129	147
Men - Full	1,038	1,053	1,051	1,043	1,056	1,033	1,063
Women - Full	68	72	77	80	93	94	142

Women are approximately one fifth of all faculty members but are concentrated in the lower ranks of assistant and associate professors.[12]

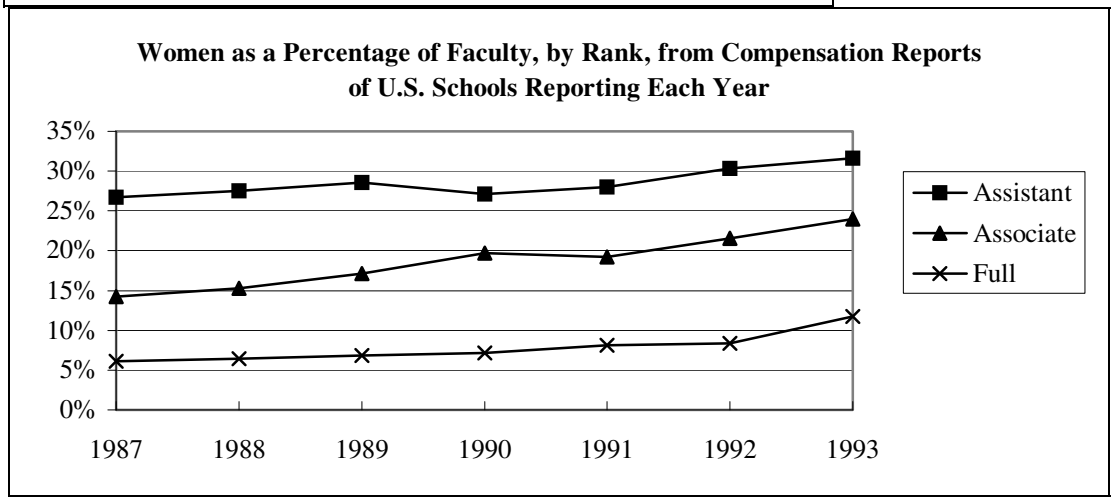
Women as a Percentage of all Positions Reported, by Rank, from Schools Reporting Each Year

	1987	1988	1989	1990	1991	1992	1993
Instructor	28%	37%	25%	32%	37%	39%	35%
Assistant	27%	28%	29%	27%	28%	30%	32%
Associate	14%	15%	17%	20%	19%	22%	24%

[11] The *ATS Fact Book 1995-96,* p. 69, confirms the increase of female faculty members at all ATS schools for the period 1991/92 through 1995/96, but shows both increases and decreases year to year in the number of male and female faculty. The ATS includes Canadian schools. The data shown in the table in this paper are from U.S. schools who reported compensation each of the seven years under examination.

[12] *ATS Fact Book 1995-96,* p. 72.

Full	6%	6%	7%	7%	8%	8%	12%



The relatively recent addition of numbers of women to all ranks provides a partial explanation for the lower compensation women receive. Insofar as a school operates with a scale of salaries at each rank, newcomers to the rank are more likely to begin at the bottom of the scale, whereas those who have been at the rank for a number of years are more likely to have moved up the compensation scale.

Percentage of Women By Rank by Denominational Classification of School in 1993

	Mainline Denom.	Mainline Indep.	Evangelical - Denom.	Evangelical - Indep.	Roman Catholic	Anabaptist
Assistant Professors						
Number of Women	77	10	23	13	26	2
Number of Men	87	10	83	30	111	5
% Women	47%	50%	22%	30%	19%	29%
Mean Comp. Women	$ 37,612	$ 36,316	$ 31,585	$ 30,304	$ 29,779	$ 27,300
Mean Comp. Men	$ 37,467	$ 38,482	$ 32,109	$ 31,541	$ 31,231	$ 30,594
Difference Men/Women	-0.4%	6.0%	1.7%	4.1%	4.9%	12.1%
Associate Professors						
Number of Women	70	10	23	9	32	3
Number of Men	128	21	152	69	91	5
% Women	35%	32%	13%	12%	26%	38%
Mean Comp. Women	$ 44,503	$ 43,154	$ 34,259	$ 44,555	$ 34,993	$ 32,427
Mean Comp. Men	$ 45,011	$ 43,929	$ 36,765	$ 40,575	$ 34,998	$ 34,154
Difference Men/Women	1.1%	1.8%	7.3%	-8.9%	0.0%	5.3%
Full Professors						
Number of Women	61	19	25	8	29	0
Number of Men	418	79	292	127	139	8
% Women	13%	19%	8%	6%	17%	0%
Mean Comp. Women	$ 50,528	$ 59,616	$ 41,080	$ 43,289	$ 43,808	-
Mean Comp. Men	$ 53,541	$ 62,850	$ 42,093	$ 48,212	$ 44,437	$ 42,194
Difference Men/Women	6.0%	5.4%	2.5%	11.4%	1.4%	-

The table above shows male/female salary differences by rank and school type. As noted earlier, professors working for mainline Protestant schools are better paid than those working for other classifications of schools. Mainline schools also show higher percentages of women at each faculty rank. The difference in pay between men and women varies considerably by subcategory. The largest range occurs in independent evangelical schools, where female associate professors receive nearly ten percent more than males while male full professors receive eleven percent more than females. Other denominational classifications have variances of lesser range.

Some of these data might appear to constitute unequal or inconsistent treatment of professors by sex, but numerous mitigating factors may be cited. As noted earlier, schools vary according to the level of degree program — whether or not a Ph.D. or equivalent is offered — within their denominational classification. As we shall see in a subsequent section, institutions also vary widely in the level of compensation they provide. An unequal distribution of women among institutions offering the Ph.D. and among institutions with sharply different pay scales are two additional factors contributing to compensation disparities. Also, as cited above, the recent arrival of women at particular ranks may put them near the bottom of the salary scale.

On the other hand, differences in salary by sex could be attributable to preferential treatment of men. It is unlikely that one will find a conscious bias in favor of men, but some systems of rewards could disproportionately favor men by favoring those who have been long-lived and productive. Men evidently have had more time and opportunity to develop as "stars," and therefore currently reap the compensation benefits that they have earned. In other words, a "star" system of compensation rewards professional accomplishment, and thereby indirectly confers preference on those persons, predominantly men, who have had the most opportunities and the longest time to gain recognition and reputation.

No single consideration seems sufficient to explain the gaps in compensation between women and men. Only a careful examination of policies and personnel on a school by school basis would reduce the speculative quality of our interpretation. Unfortunately, such an effort is beyond the scope of this paper.

2.5 Compensation by teaching field

Hansen concluded that colleges and universities compete with the for-profit sector for faculty:

> The most important changes in the structure of faculty salaries have come about through the growth of the private sector of the economy and the demand this has created for individuals with highly specialized skills. This has resulted in a bidding up of salaries in academic departments whose members are most vulnerable to outside offers. Institutions have been forced to raise salaries in high demand fields at the expense of salary increases for faculty members in other fields. (81).

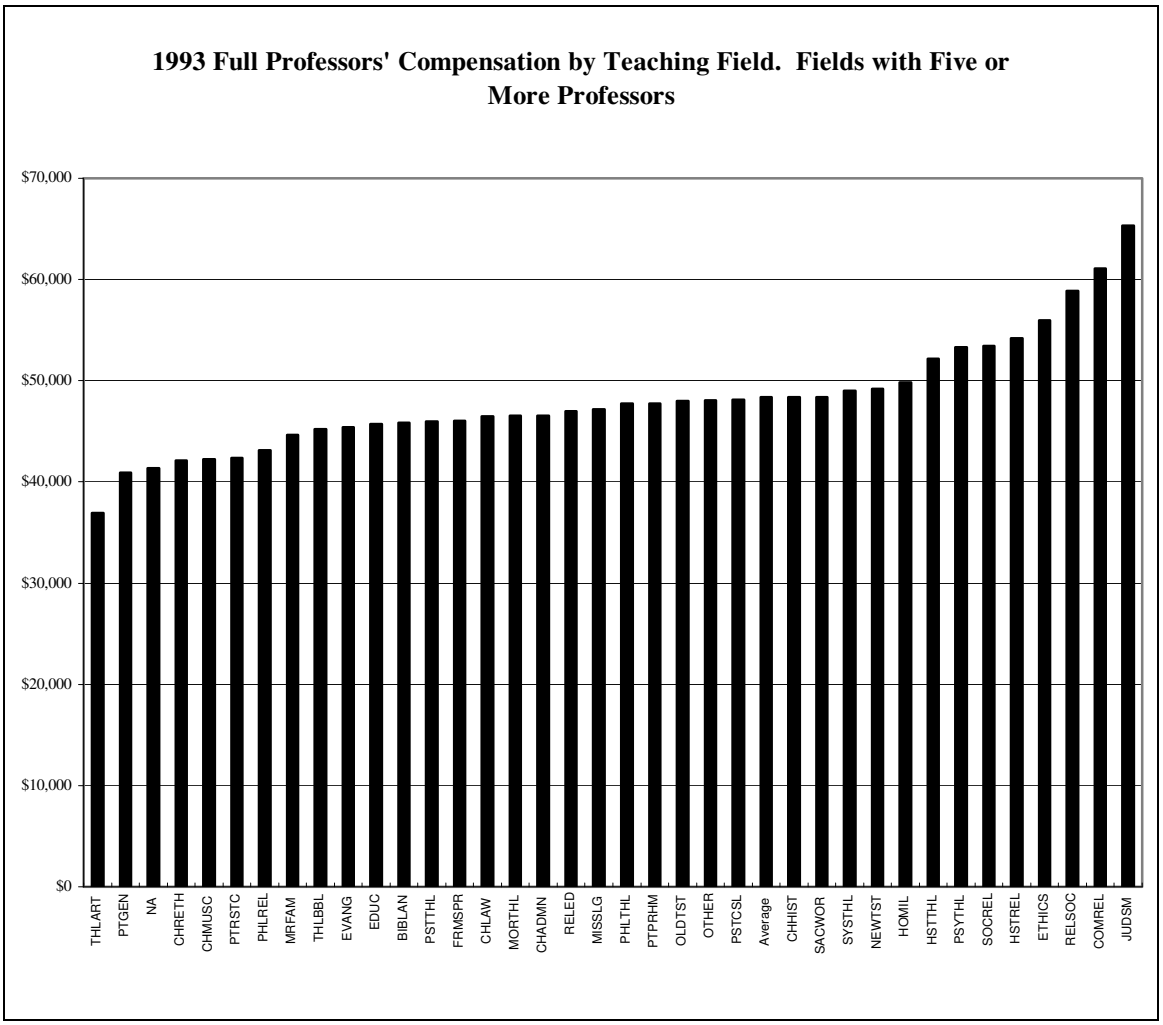
Published data on faculty salaries confirm this finding. The following table (in alphabetical order) and chart on the following page (in average salary order), show that applied sciences, business disciplines, and certain other marketable competencies are compensated above the average of all professors. Arts, religion, and social service lag behind the average.

Full Professors' 1992-93 Average Salaries at Private Four-Year Institutions, by Field

Accounting	$64,477	English	$50,273	Physical science	$53,674
Anthropology	$56,247	Enterprise mgmt.	$67,428	Physics	$59,865
Architecture	$57,403	Foreign lang.	$51,870	Political science	$55,739
Area or ethnic	$54,376	Geography	$54,003	Protective service	$52,379
Art	$47,998	Geology	$60,403	Psychology	$52,426
Average of all	$53,881	History	$52,137	Public health	$65,102
Business economics	$56,273	Home economics	$39,136	Social sciences	$52,308
Chemistry	$53,755	Library science	$54,508	Social work	$48,037
Communications	$48,406	Life sciences	$51,573	Sociology	$51,350
Computer science	$57,074	Management	$62,962	Special ed.	$46,858
Curriculum & instruction	$57,600	Marketing	$69,745	Speech/language	$54,807
Economics	$64,529	Mathematics	$54,895	Student counsel.	$53,520
Ed. Administration	$47,718	Multi-disc. Studies	$52,338	Teacher ed.	$43,663
Ed. Media	$51,271	Music	$46,792	Theater arts	$50,191
Education	$48,226	Nursing	$47,023	Theological studies	$44,192
Engineering	$70,223	Parks & rec.	$43,735	Visual/perform. arts	$49,265
Engineering tech.	$54,409	Philosphy & religion	$49,837		

When listed in salary order one sees that the upward slope on the graph is gradual until one reaches the eight or nine fields with the highest average compensation. These fields contain the salary "stars," probably persons who also receive attractive offers from other organizations. This is almost certainly true in the highly compensated fields of engineering and management.

Theological faculty salaries, when sorted by teaching field, show, on an initial look, a similar pattern. The average compensation, by field, follows in the chart below. (A listing of field codes may be found in the appendix.) Chief executives and academic deans, if reported as faculty members, were filtered out of this analysis.



This graph of theological disciplines is similar to that for colleges and universities, in that there are slight differences among most fields in the middle range, but considerable premiums appear to be paid to about twenty percent of the fields. Pay in some sub-fields is likely higher (Judaism, Comparative World Religions, Religion and Society, Ethics, History of Religions, Sociology of Religion, Psychology and Theology and Historical Theology) because those fields tend to be recognized and supported in

universities. This is, not unlike Hansen's, a market hypothesis, namely, that these highly paid teachers are marketable to religion, sociology, and psychology programs in numerous secular universities. This demand therefore would drive up the price of scarce scholars. In addition, freestanding seminaries may be less likely to see an essential role for those fields in their curricula, and consequently employ fewer persons for research and teaching in those fields; this phenomenon, if true, raises the average amount paid by eliminating lower compensation figures from the average.

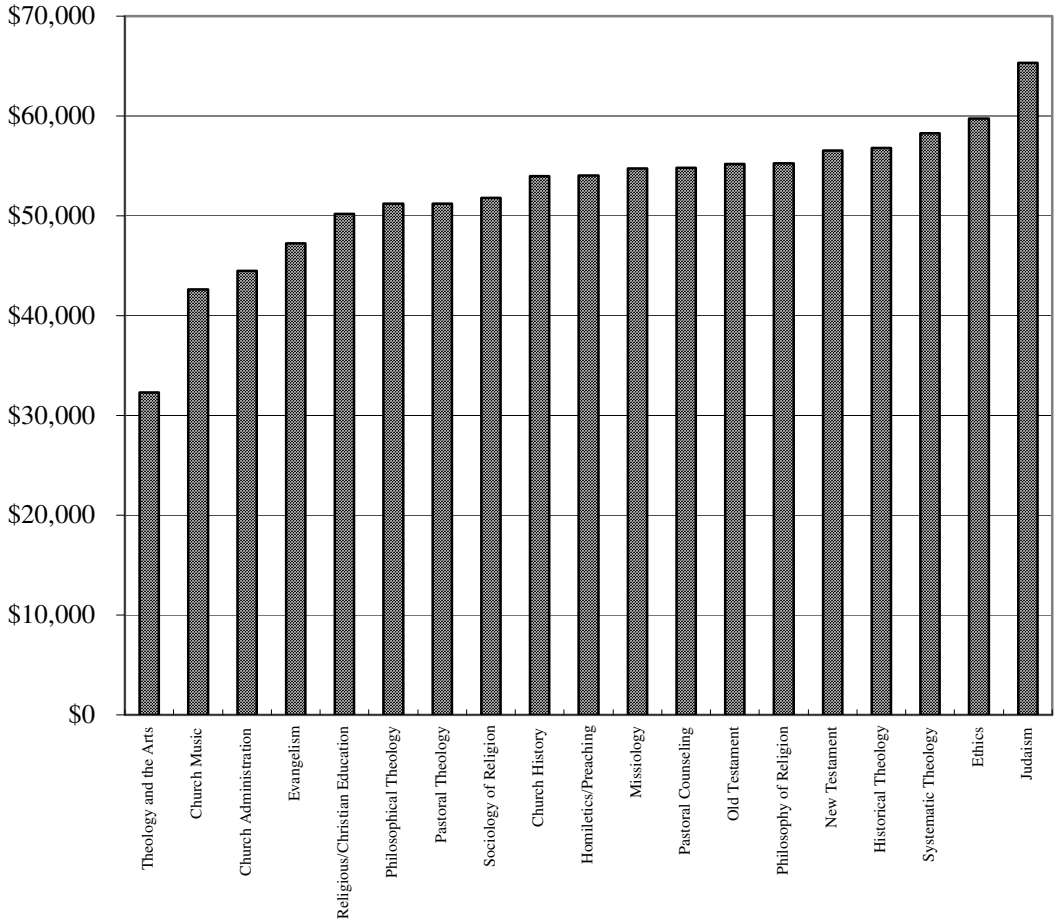
If we try to level the field by comparing only those professors teaching in Ph.D. granting institutions, we find only modest differences by field, as indicated in the following table and chart. The only "star" field remains Judaism.

We also see one finding consistent with the findings from colleges and universities, namely, that the fields relating to the arts are consistently lower-than-average in compensation.

Average Compensation of Full Professors in 1993 by Teaching Field. Fields With Five or More Persons. Professors Teaching in Institutions with Ph.D. Programs.

Field	Average Compensation	Number
Church Administration	$44,509	5
Church History	$54,004	42
Church Music	$42,610	21
Ethics	$59,738	27
Evangelism	$47,259	9
Historical Theology	$56,805	14
Homiletics/Preaching	$54,059	26
Judaism	$65,337	5
Missiology	$54,739	21
New Testament	$56,564	57
Old Testament	$55,164	55
Pastoral Counseling	$54,784	10
Pastoral Theology	$51,241	10
Philosophical Theology	$51,209	10
Philosophy of Religion	$55,284	5
Religious/Christian Education	$50,164	22
Sociology of Religion	$51,789	9
Systematic Theology	$58,274	66
Theology and the Arts	$32,278	5

Average Compensation of Full Professors in 1993 by Teaching Field. Fields With Five or More Persons. Professors Teaching in Institutions with Ph.D. Programs.



We regrouped the particular teaching fields into a number of general categories, shown on the table below.[13] When viewed by institutional type we confirm our finding that the "Religion" category, encompassing the specialties of comparative religion, Judaism, Islam, and the history of religions, receives the highest compensation in schools that offer the Ph.D. or equivalent.[14] Other than this, there is no consistent, industry-wide finding of one field receiving higher compensation than another. Compensation by fields

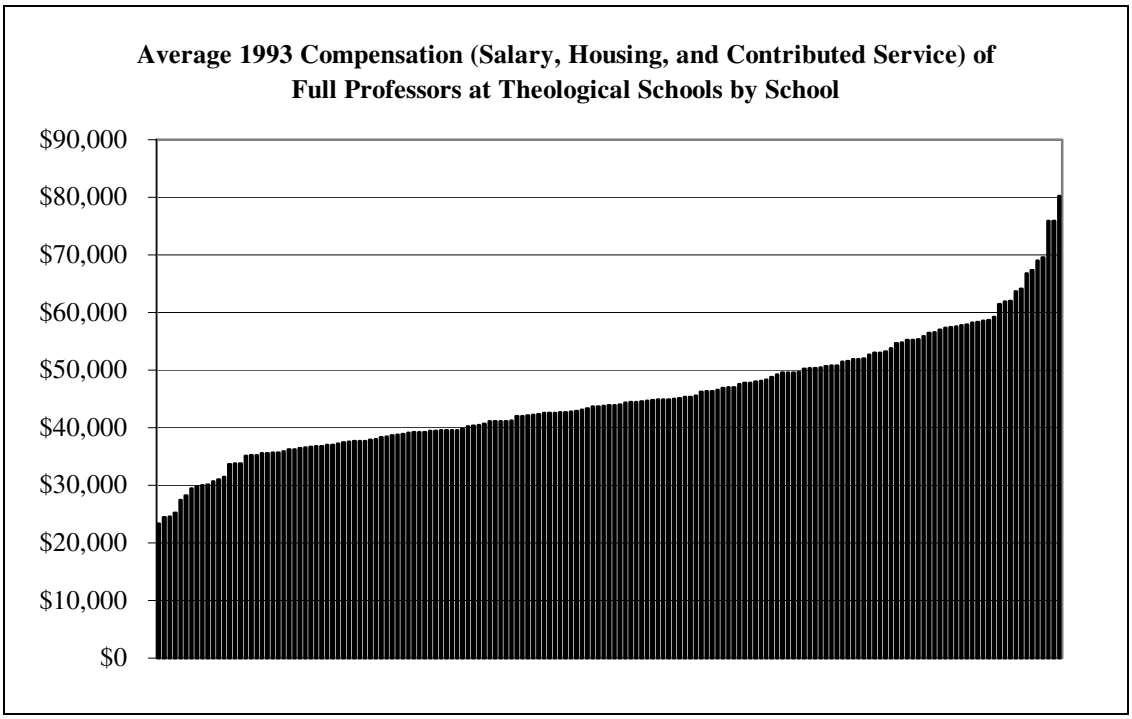
[13] A listing of the general categories is found in the appendix.
[14] The table does not include university-related schools that do not offer the Ph.D., as there were too few professors to make meaningful comparisons.

is most similar in freestanding schools that do not have Ph.D. or equivalent programs, but this result may be partially caused by the larger numbers of faculty in each category.

Average Full Professor Compensation by General Field, Program, and Institutional Affiliation in 1993. Averages of Less than Five Persons Omitted.			
	Freestanding, no Ph.D.	**Freestanding, Ph.D.**	**University, Ph.D.**
Bible	$44,093	$51,925	$63,688
Theology	$42,206	$52,093	$66,916
Ethics	$46,367	$54,976	$64,855
History	$43,988	$50,529	$60,096
Practics	$43,305	$49,477	$59,622
Education	$43,396	$50,243	
Human Science	$54,074	$54,395	$54,102
Religion	$46,197	$55,221	$85,143
Formation	$45,071		
Arts	$47,972	$37,849	
Number	725	320	141

2.6 Compensation by institution

Schools vary considerably in their wealth and aspiration. We have seen that university-based schools and schools with doctoral programs have, on average, higher levels of compensation, and that we therefore can attribute much of the differences in faculty compensation to those two factors. We seem to be able to attribute less difference in compensation to the subject matter or discipline, especially when we look at all theological schools. To round out the general description of compensation, we present below the average 1993 salaries for all full professors by institution, from lowest to highest. The 166 institutions are not identified.

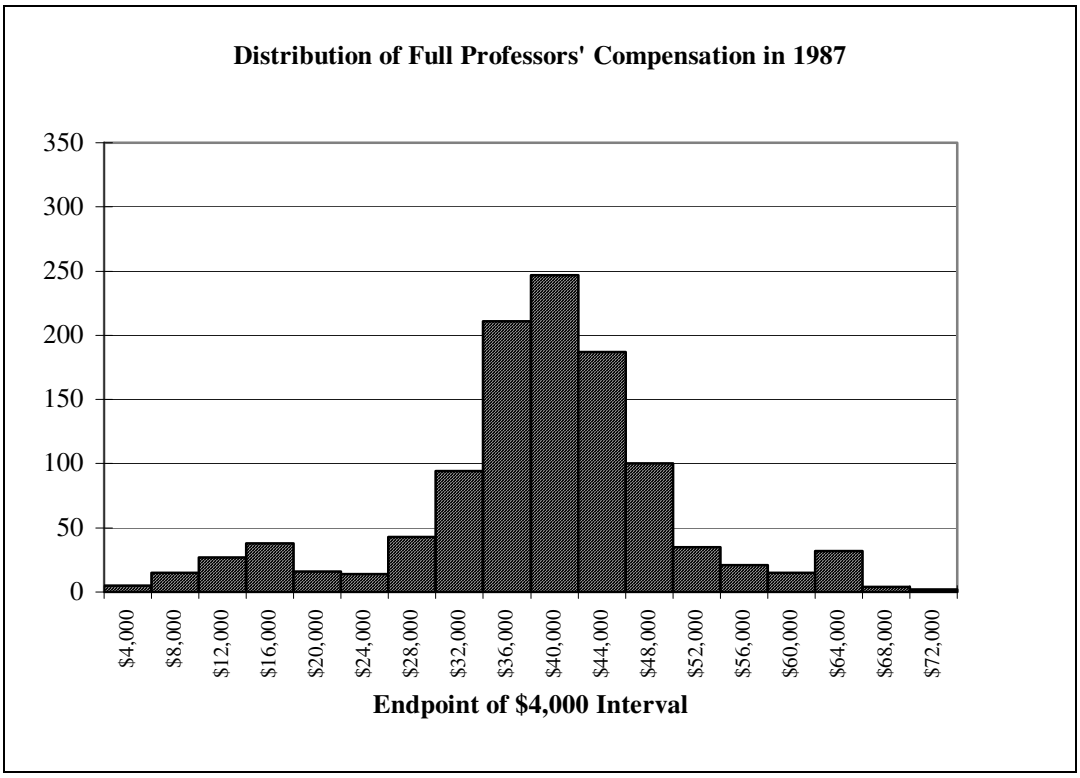


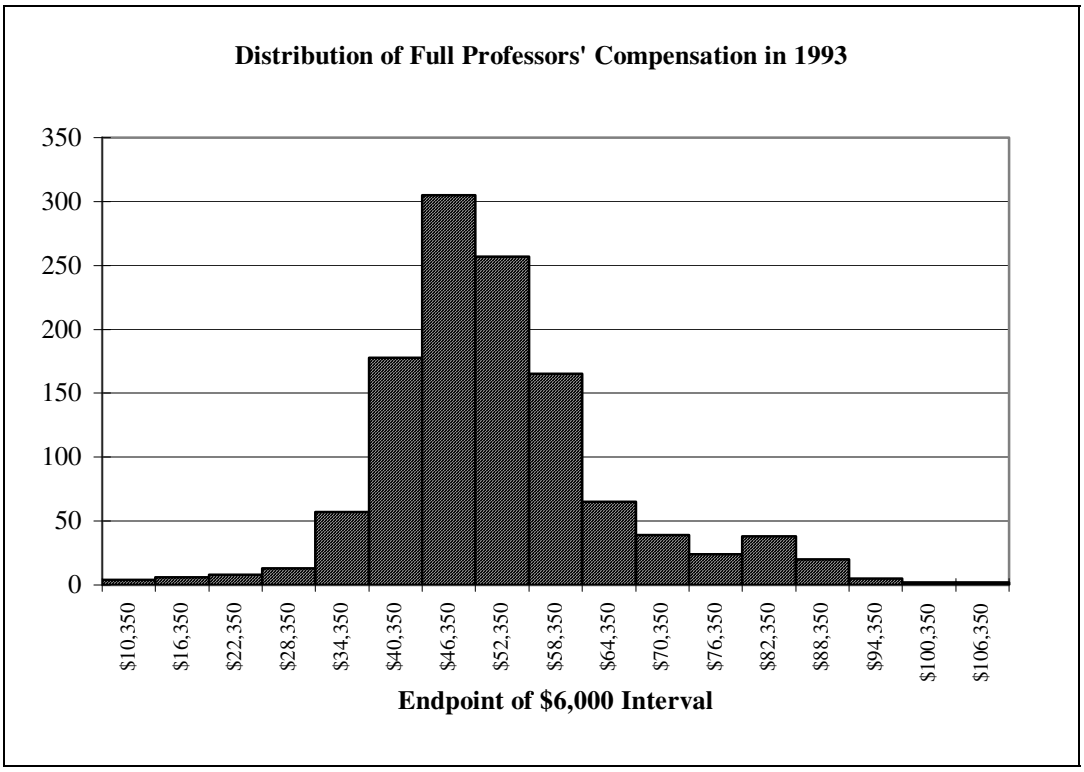
Unless a school paid its full professors less than $35,000 or more than $60,000, its pay scale was similar to numerous other schools in 1993. We found only three schools — clearly a compensation elite — whose average full professor direct compensation was in excess of $75,000. The next nine schools following the elite also form a visible group, with average direct compensation in the range from $60,000 to $70,000.

The slope of the chart showing average compensation by school shows that there is greater differentiation by school than there is by teaching field. This was, of course, shown earlier when we saw that the amount of compensation varied with university affiliation and level of degree programs.

2.7 The distribution of compensation

Is there a general trend to a wider differentiation of salaries? That is, are salaries more "spread out," or are they clustering around a mean? The first figure below shows the distribution of full professors' compensation reported for 1987. The second figure below is the distribution of full professors' compensation in 1993. Please note that the horizontal scale and salary interval changes between the two graphs.


Distribution of Full Professors' Compensation in 1987
350
300
250
200
150
100
50
0
$4,000
$8,000
$12,000
$16,000
$20,000
$24,000
$28,000
$32,000
$36,000
$40,000
$44,000
$48,000
$52,000
$56,000
$60,000
$64,000
$68,000
$72,000
Endpoint of $4,000 Interval


Distribution of Full Professors' Compensation in 1993
350
300
250
200
150
100
50
0
$10,350
$16,350
$22,350
$28,350
$34,350
$40,350
$46,350
$52,350
$58,350
$64,350
$70,350
$76,350
$82,350
$88,350
$94,350
$100,350
$106,350
Endpoint of $6,000 Interval

By looking at the two graphs we see that the 1993 graph has a longer "tail" out to the right edge of the graph than does the 1987 graph, which appears to be a little more balanced or symmetrical around the mode. In statistical language, this distribution has become positively skewed, or skewed to the right over time.[15]

Another way of understanding this change is to look at the ratio of the 95th percentile of compensation to the median, or 50th percentile, of compensation.[16] In 1987 the 95th percentile of compensation was 47.9 percent higher than the 50th percentile; in 1993, the 95th percentile was 66.8 percent higher than the 50th percentile. Clearly, the professors enjoying higher compensation are moving further ahead of the middle of the pack.

What do these findings say about compensation? It indicates there is a slight tendency for higher compensation growth among higher paid faculty. This does not necessarily mean that there is any general trend to reward particular individuals with high salaries, or that there is an intensification of competitive bidding for the most highly-regarded fifteen percent of professors in a discipline. Observation of the per-school average salary variance shows that many schools pay professors of the same rank identical salaries, or salaries in a narrow range. Some of the schools with these narrow ranges are among the schools providing the highest compensation. On the other hand, some schools show a broad range of compensation within ranks; one can imagine that particular persons might be prized, sought after, and bid for by their schools. The data, however, do not illumine these speculations. In the few observed cases of unusual differences we are unable to determine the policy basis for the difference, i.e., whether compensation increases rewarded productivity (however measured), longevity, or were designed to retain marketable persons.

Yet another hypothesis might account for some of the positive skew: a number of the schools able to accelerate faculty salaries are schools whose endowments rose with the excellent investment markets of the 1987-1993 period. This hypothesis at least makes the common-sense point that the school's means have much to do with whether or not increases can be offered, quite apart from the particular compensation distribution policy used by the school.

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[15] The 1987 distribution is actually skewed slightly to the left, or negatively, its skewness measured at minus .524. The 1993 distribution is positively skewed, measuring +.841.

[16] Percentiles are the particular cases above and below which the other cases fall. The 95th percentile is a high compensation - greater than 95 percent of all the full professors. Five percent received higher compensation than the 95th percentile. The 50th percentile, also known as the median, is the case for which half the cases fall above and half the cases fall below.

A second interesting compensation phenomenon occurred within the lowest-paid segment of theological professors. The tenth percentile, as shown on the table below, rose quickly, coming much closer to the average of other schools. Those schools also, then, may have found the means to raise their faculty's compensation.

Selected Percentiles of Full Professors' Compensation, Comparing 1987 and 1993. Same Schools Reporting.					
	10th	**25th**	**50th**	**75th**	**90th**
1987	$22,716	$32,496	$37,530	$42,467	$47,815
1993	$35,593	$40,992	$46,700	$54,000	$65,735
Increase	56.7%	26.1%	24.4%	27.2%	37.5%

Put in shorthand, we see the greatest salary gains on the extremes of the population. The best-paid ten percent and the lowest-paid ten percent exceeded the inflationary rate of 26.3 percent. The poorest-paid segment is considerably better off, while the best-paid segment gained a few steps on the rest of the field. The middle simply perseveres, showing a tiny loss to inflation.

2.8 Conclusion

We conclude from these data and our other research that compensation is not a major issue for theological faculties. In a survey of faculty in Roman Catholic and Protestant theological schools conducted by Auburn in 1993, two-thirds of those surveyed said that they are satisfied or very satisfied with their salaries, and a higher percentage are satisfied with their benefits packages.[17]

This level of satisfaction is somewhat surprising, given how much less theological faculty are paid than faculty in many other higher education fields. Several findings in this report may help to explain why faculty are comfortable with their levels of compensation. One reason may be the absence of striking discrepancies in pay levels among schools of similar types. University-related institutions do pay markedly higher salaries than most free-standing seminaries, but generally schools that resemble each other have similar scales. Another reason may be the absence of a glaring gap between salaries of various groups, such as women and men. Finally, though senior and high-ranking professors make a great deal more than the new junior faculty in their own institutions, the greatest gains in compensation over inflation have been in the lowest paid sector. A star system in which the rich get a lot richer while other groups lose

[17] Barbara G. Wheeler, "True and False," *Auburn Studies*, No. 4 (January 1966): 10.

ground often generates resentment and dissatisfaction. Such systems are evidently not widespread in theological education.

At the same time, however, the satisfaction of the majority may mask the problems of at least one sub-group. Though half of all assistant professors indicated in our survey that they are satisfied with their salaries, we learned through an interview-based study that some junior faculty face real financial hardship as they establish a household, support children and other dependents, and often pay back educational debts on relatively low salaries.

Schools should perhaps also be concerned about the markedly higher pay scales in a few fields. Some seminaries would like to expand their faculty to include teachers in fields like world religions and religion and the human sciences, most of whose practitioners are currently teaching in colleges and universities. They may find that faculty in these areas expect higher salaries than some seminaries now pay.