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INTERNATIONAL ASSOCIATION OF HOSPITALITY FINANCIAL MANAGEMENT EDUCATION (iAHFME) ACADEMIC MEMBER 2014 TOTAL ANNUAL EARNINGS

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ABSTRACT. This study uses survey research to determine the 2014 annual earnings of hospitality financial management educators. Forty-three percent of iAHFME members affiliated with educational institutions responded. Survey results show that for 2014, annual base salaries of iAHFME members ranged from \$70,000 to \$258,000. 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 \$71,000 to \$270,000. 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 2014 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? In order to determine answers to these questions and others, a questionnaire was mailed to the 60 educator members of iAHFME in April 2015. This article is based on the answers of 26 (43%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were 10 professors, 11 associate professors, and 5 assistant professors. Five (19%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools (42%), colleges of business

(35%), and human ecology (23%). The highest degree granted by the universities of the respondents for the hospitality discipline ranged from a bachelor's degree (23%) and master's degree (38.5%) to a PhD (38.5%).

Other characteristics of respondents included the following:

- Sixty-nine percent of the respondents were employed by public universities, whereas 31% were employed by private universities.
- Four percent of the respondents were female and 96% were male.
- Seven respondents were in accounting (27%), 13 in finance (50%), and 6 (23%) in other areas. Other areas of expertise indicated by iAHFME members include real estate, cost control, tourism, and marketing.
- Twenty three (89%) respondents had earned a PhD.

Two respondents have earned a CPA, four the CHAE, six the CHE, and four members had other professional certifications such as CHTP and CMA.

TABLE 1. Selected Characteristics of the Respondents

	%
Part A	
Faculty Rank	
Assistant Professor	19
Associate Professor	42
Professor	39
Total	100%
Part B	
Department Location	
Business College	35
Human Ecology College	23
Separate College	42
Total	100%
Part C	
Highest Hospitality Degree	
Bachelor's	23%
Master's	38.5
PhD	38.5
Total	100%

Respondents, on average, have been with their current institutions 10 years. Nine (35%) have fewer than five years with their current institutions and nine (35%) have 20 or more years. Three (12%) have 5 to 10 years of experience and four (15%) have between 11 and 20 years of experience. The average duration of employment with education organizations was 20 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 (one respondent) to 18 years. The median response was six years. Eight (31%) 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 \$70,000 to \$258,000. The mean average salary was \$129,892 and the two largest groups of respondents (six or 26%) received greater than \$160,000 and six individuals (26%) received between \$80,000 and \$100,000 as shown in Table 2.

As shown in Table 3, the range of mean average annual salaries varies from \$79,020 for assistant professor to \$162,170 for full professors.

TABLE 2. Annual Salaries of iAHFME Members

Salary Level	Number of Respondents	%
< \$80,000	5	19
\$80,000–\$100,000	6	23
\$100,001–\$120,000	5	19
\$120,001–\$140,000	0	0
\$140,001–\$160,000	4	16
> \$160,000	6	23
Total	26	100%

Five respondents, who indicated they were administrators, reported salaries ranging from \$96,000 to \$258,000 with a mean of \$174,800.

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 \$45,189. 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 \$130,045.

The ranges and averages of salaries by specialization are shown in Table 5. Thirteen iAHFME members reported specializing in finance, seven in accounting, and six respondents identified other areas. Of the major areas of specialization, the higher average salary is paid to faculty specializing in areas other than accounting and finance.

SATISFACTION

Respondents were queried regarding their levels of satisfaction with their annual salaries, their current positions, and their professional careers. First, 5 (19%) indicated they were very satisfied with their annual salaries, whereas 19 (73%) revealed that they were reasonably satisfied. The

TABLE 3. Average Salary by Faculty Rank/Administrators

Rank	Number of Respondents	Range	Mean
Assistant Professor	5	\$70,000–\$95,000	\$79,020
Associate Professor	11	\$72,000–\$200,000	\$114,581
Professor	10	\$96,000–\$258,000	\$162,170
Administrator	5	\$96,000–\$258,000	\$174,800

TABLE 4. Salaries by Location of Academic Unit

Location	Number of Respondents	Range	Mean
Business college	9	\$84,700–\$176,000	\$141,189
Human ecology	6	\$70,000–\$153,000	\$96,000
Separate college	11	\$72,100–\$258,000	\$130,045

remaining two (8%) indicated some level of dissatisfaction. Clearly, the majority of *iAHFME* respondents are satisfied with their salaries. Fifteen respondents (58%) indicated they were very satisfied with their current positions and 10 (38%) were reasonably satisfied. One respondent indicated they were dissatisfied. With regard to their careers, 17 respondents (65%) indicated that they were very satisfied, whereas 9 (35%) indicated they were reasonably satisfied. Therefore, overall the percentage of respondents who were either very or reasonably satisfied with their annual salaries, current positions, and professional careers, were 92%, 96%, and 100%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators!

ADDITIONAL COMPENSATION

Of the respondents, 13 (50%) indicated that they received additional compensation from their universities. This compensation for 8 of the 13 was for individuals on a 9- or 10-month contract who were paid also for teaching summer school. The summer school compensation ranged from \$1,000 to \$25,000. The average (mean) summer school compensation was \$11,063. Three respondents were paid by their universities on an overload basis that ranged from \$12,000 to \$35,000. Another four respondents received “other compensation” from their universities. These amounts ranged from \$5,000 to \$50,000. Some examples of this other compensation included pay for research

TABLE 5. Salary by Specialization

Specialization	Number of Respondents	Range	Mean
Accounting	7	\$72,000–\$258,000	\$133,529
Finance	13	\$70,000–\$176,000	\$113,192
Other	6	\$110,000–\$178,000	\$145,167

TABLE 6. Additional Internal Earnings

Type of Income	Number of Respondents	Range	Mean
Summer school	8	\$1,000–\$25,000	\$11,063
Overload	3	\$12,000–\$35,000	\$19,667
Other	4	\$5,000–\$50,000	\$17,750
All sources	13	\$1,000–\$60,000	\$16,807

and seminars. The total additional income received by the 13 *iAHFME* members from their universities ranged from \$1,000 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; seven members (27%) earned royalties whereas six members (23%) reported consulting income. The mean average royalties and consulting income were \$7,000 and \$10,271. Three members reported honoraria and four reported other. In total, 15 (58%) of the *iAHFME* members earned income ranging from \$1,000–\$67,000 from external sources. The mean average external earnings for respondents reporting external earnings was \$23,560.

TOTAL EARNINGS

The average annual total earnings of reporting *iAHFME* members is \$148,042. The range of total earnings is \$71,000 to \$270,000. [Table 8](#) reveals the total average earnings of *iAHFME* members by faculty rank. As expected,

TABLE 7. External Earnings

Type of Income	Number of Respondents	Range	Mean
Honoraria	3	\$4,000–\$10,000	\$7,000
Royalties	7	\$200–\$40,000	\$10,271
Consulting	6	\$1,000–\$65,000	\$27,667
Other	4	\$2,000–\$40,000	\$23,625
All sources	15	\$1,000–\$67,000	\$23,560

TABLE 8. Total Earnings by Faculty Rank/Administrators

Faculty Rank	Number of Respondents	Range of Total Earnings	Mean
Assistant Professor	5	\$71,000–\$107,000	\$88,620
Associate Professor	11	\$72,000–\$268,000	\$130,145
Professor	10	\$96,000–\$270,000	\$197,440
Administrator	5	\$96,000–\$258,000	\$190,000

full professors have the highest total earnings of the three faculty rankings. The difference between the average total earnings for assistant professors of \$88,620 and full professors' average earnings of \$197,440 is \$108,820. iAHFME members who are full professors earn an average of 123% more than assistant professors. However, this research conducted more than 25 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 above are in both absolute and relative terms. Assistant professors on the average earn \$9,600 more than their base salaries, which is an 11% difference, whereas the full professors' annual total earnings are \$197,440, which is 18% greater than their average base salaries of \$162,170. Responding members who are associate professors had an increase in their total compensation of \$15,564 from their base salary which was a 12% increase in compensation.

DIFFERENCES BASED ON CERTIFICATION AND TYPE OF INSTITUTION

For 25 years, the results of these surveys have revealed types of certification and types

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	\$79,020	\$88,620	9,600	11
Associate Professor	\$114,581	\$130,145	15,564	12
Professor	\$162,170	\$197,440	35,270	18
Administrator	\$174,800	\$190,000	15,200	9

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

	Type of Institution		
	Public (n = 18)	Private (n = 7)	Difference
Part A			
Annual Salary	\$109,750	\$162,713	\$52,963
University Total	\$116,889	\$173,963	\$57,074
Total Compensation	\$126,456	\$207,557	\$81,101
	Certification		
Part B	No (n = 15)	Yes (n = 11)	Difference
Annual Salary	\$137,360	\$110,618	\$26,742
University Total	\$144,793	\$120,345	\$24,448
Total Compensation	\$163,020	\$127,618	\$35,402

of institution. The mean averages for this 2014 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 7 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 \$52,963 per year, whereas the median total compensation difference is \$81,101.

Last, certification does not appear to make a difference. Thirteen respondents of the 26 (50%) have at least one professional certification. The certified respondents received an average of \$26,742 less in salary and \$35,402 less in total compensation than the respondents without any certification.

COMPARISONS TO PRIOR YEARS

Similar studies of total annual earnings of iAHFME members were conducted for 1989–2013 (Schmidgall, 1990–2015).¹ 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,

¹See Schmidgall, R. S. earnings surveys in *The Journal of Hospitality Financial Management*, volumes 1–23.

TABLE 11. Comparative Salaries and Total Earnings, 1989–2014

	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
	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

*Not included in the 1989 survey.

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 and increased in 2014.

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).²

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

The Chronicle of Higher Education (2014) reported average salaries for 2014–2015 by faculty rank across research universities with academic ranks as follows³:

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

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

²See Venegas, T. (2014). HFTP biannual compensation and benefits survey report. *The Bottomline*, 29(3), 23–42.

³"Median Salaries of Tenured and Tenure Stream Track Professors at 4 Year Colleges, 2014–15." (2015). *The Chronicle of Higher Education*. March 16, 2015.

total earnings survey was \$129,892. The average salary varied by rank from \$79,020 for an assistant professor to \$162,170 for full professors. Salaries of iAHFME members focusing on topics other than accounting and finance topped the list.

Fifty percent of the responding iAHFME members reported receiving additional compensation from their institutions. The mean average was \$16,807.

The most common sources of external earnings were royalties and consulting. Of the respondents, 58% reported external earnings that averaged \$23,560.

The mean total annual earnings that respondents reported for 2014 ranged from \$71,000 to \$270,000. The mean average was \$148,042. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 11% for assistant professors to an 18% increase by full professors.

Last, 92% of the respondents reported some degree of satisfaction with their salaries, while the remaining 8% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 96% and 100% reported some degree of satisfaction.

AUTHOR NOTE

Raymond S. Schmidgall, PhD, is the Hilton Hotels Professor of Hospitality Financial Management in The School of Hospitality Business at Michigan State University.

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