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## International Association of Hospitality Financial Management Educators (iAHFME) Academic Member 2020 Total Annual Earnings

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### ABSTRACT

This study uses survey research to determine the 2020 annual earnings of hospitality financial management educators. Forty-four percent of iAHFME members affiliated with educational institutions responded. Survey results show that for 2020, annual base salaries of iAHFME members ranged from \$63,000 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 \$76,000 to \$245,000. 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 2020 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 emailed to the 50 educator members of iAHFME in April 2021. This article is based on the answers from 22 (44%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were nine full professors, seven associate professors, and six assistant professors. Four (18%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools (32%), colleges of business (45%), and human ecology (18%). The highest degree granted by the universities of the

respondents for the hospitality discipline ranged from a bachelor's degree (18%) to a PhD (59%). The remaining 23% of the universities grant a master's degree as their highest degree.

Other characteristics of respondents included the following:

- Eighty-two percent of the respondents were employed by public universities whereas 18% were employed by private universities.
- Nine percent of the respondents were female; 91% were male.
- The specializations of respondents included three in accounting (14%), 14 in finance (64%), and the remaining five (22%) in other areas. Other areas of expertise indicated by respondents included human resources, operations management, and strategic management.
- Nineteen (86%) respondents have earned their PhD.

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

**Table 1.** Selected Characteristics of the Respondents

Part A	
Faculty Rank	%
Assistant professor	27%
Associate professor	32
Professor	41
Total	100%
Part B	
Department Location	
Business college	45%
Human ecology college	18
Separate college	32
Other	5
Total	100%
Part C	
Highest Hospitality Degree	
Bachelor's	18%
Master's	23
PhD	59
Total	100%

professional certifications such as CFA, CHIA, CHTP, and MAI.

The average duration of employment with educational organizations was eighteen and a half years. The range of educational experience varied from four years to forty-six years. *iAHFME* members were queried regarding their years of industry experience. Responses ranged from zero years (one respondent) to twenty-five years. The median response was six and one-half years. Six (27%) reported ten to fifteen years, and two (9%) reported more than fifteen years. Six (27%) reported two to five years while six (27%) reported six to nine years.

*iAHFME* members were asked "Are you expecting to be promoted within five years?" Eight

**Table 2.** Annual Salaries of *iAHFME* Members

Salary levels	Number of respondents	%
<\$80,000	2	9%
\$80,000–\$100,000	5	23
\$100,001–\$120,000	5	23
\$120,001–\$140,000	3	13
\$140,001–\$160,000	2	9
>\$160,000	5	23
Total	22	100%

respondents (36%) indicated they were expecting to be promoted, while ten said they were not. Three were unsure. Since nine respondents are full professors, 62% of the remaining educators expect to be promoted by 2026!

### Salaries

The annual salaries of responding *iAHFME* members, excluding additional university compensation such as summer school pay, ranged from \$63,000 to \$200,000. The mean average salary was \$125,481 while the median was \$120,000. The three largest groups of respondents (five or 23%) received between \$80,000 and \$100,000 and five individuals (23%) received between \$100,000 and \$120,000, and five individuals (23%) more than \$160,000 as shown in Table 2. The mean average was \$3,435 greater than the mean average salary for 2019.

As shown in Table 3, the range of mean average annual salaries varies from \$92,417 for assistant professor to \$156,778 for full professors. Four respondents, who indicated they were administrators, reported salaries averaging \$148,250.

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

**Table 3.** Average Salary by Faculty Rank/Administrators

Rank	Number of respondents	Range	Mean
Assistant professor	6	\$63,000–\$120,000	\$92,417
Associate professor	7	86,000–150,000	113,582
Professor	9	118,000–200,000	156,778
Administrators	4	118,000–175,000	148,250

**Table 4.** Salaries by Location of Academic Unit

Location	Number of respondents	Range	Mean
Business college	10	\$86,000–\$200,000	\$138,800
Human ecology	4	90,100–175,000	135,025
Separate college	7	76,000–168,000	109,925
Other	1	63,000	63,000

Based on the above tabulation, the range of average salaries by the location of academic unit is \$77,800. *iAHFME* members in business colleges earn the highest average salaries, whereas a sole faculty member whose hospitality program is located in another college has the lowest average salary. Average annual salaries of faculty in separate colleges are \$109,925.

The ranges and averages of salaries by specialization are shown in Table 5. Fourteen *iAHFME* members reported specializing in finance, three 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 positions, and their professional careers. Six (27%) indicated they were very satisfied with their annual salaries, whereas ten (45%) revealed that they were reasonably satisfied. The remaining six (27%) indicated some level of dissatisfaction. Clearly, the majority of *iAHFME* respondents are satisfied with their salaries. Eleven respondents (50%) indicated they were very satisfied with their current positions and eight (23%) were reasonably satisfied. Two respondents (9%) indicated they were dissatisfied. With regard to their careers, eleven respondents (50%) indicated that they were very satisfied, whereas nine (41%) indicated they were reasonably satisfied, and one person (5%) indicated dissatisfaction, and another did not respond to this question. Therefore, overall the percentage of respondents who were either very or reasonably satisfied with their annual salaries, current positions, and professional careers, were 72%,

73%, and 95%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators!

### Additional Compensation

Twelve of the respondents (55%) indicated that they received additional compensation from their universities. This compensation for six of the twelve was for individuals on a nine- or ten-month contract who were paid additionally for teaching summer school. The summer school compensation ranged from \$7,775 to \$23,000. The average (mean) summer school compensation was \$16,296. Two respondents were paid by their universities on an overload basis that ranged from \$7,500 to \$15,000. Another six respondents received "other compensation" from their universities. These amounts ranged from \$2,000 to \$20,000. Some examples of this other compensation included pay for executive education and grants. The total additional income received by the 12 *iAHFME* members from their universities ranged from \$5,000 to \$24,500. 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. Royalties and consulting were the most common sources of noninstitutional income; six members (27%) earned consulting fees, while six members (27%) reported royalty income. Four individuals earned honoraria ranging from \$1,000 to \$5,000. The mean average external earnings for ten respondents reporting external earnings was \$14,630.

**Table 5.** Salary by Specialization

Specialization	Number of respondents	Range	Mean
Accounting	3	\$90,100–\$195,000	\$135,033
Finance	14	86,000–200,000	128,677
Other	5	63,000–150,000	110,800

**Table 6.** Additional Internal Earnings

Type of income	Number of respondents	Range	Mean
Summer school	6	\$7,775–\$23,000	\$16,296
Overload	2	7,500–15,000	11,250
Other	6	2,000–20,000	9,963
All sources	12	5,000–24,500	15,004

**Table 7.** External Earnings

Type of income	Number of respondents	Range	Mean
Honoraria	4	\$1,000–\$5,000	\$2,500
Royalties	6	300–20,000	4,460
Consulting	6	6,500–50,000	20,300
Other	1	15,000	15,000
All sources	10	300–51,000	14,630

### Total Earnings

The average annual total earnings of reporting *iAHFME* members is \$140,393. The range of total earnings was \$76,000 to \$245,000. 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 \$113,758 and full professors' average earnings of \$173,200 is \$59,442. *iAHFME* members who are full professors earn an average of 52% more than assistant professors. However, this research conducted over 31 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 2020, assistant 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 \$21,341 more than their base salaries, which is a 23% difference, whereas the full professors earn \$16,422 more than their base salaries which is 11% greater than their average base salaries of \$156,778. Responding

members who are associate professors had an increase in their total compensation of \$7,215 from their base salary, which was a 6% 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. non-certification. The mean averages for this 2020 survey are shown for salary and total compensation for these categories in Table 10.

Based on figures reported in Part A of Table 10, eighteen of the academicians were employed by public institutions and four 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 \$24 per year, whereas the mean total compensation difference is \$5,421.

Finally, certification appears to make a difference. Nine respondents of the twenty-two (41%) have at least one professional certification. The certified respondents received an average of \$11,315 more in salary and \$25,143 more in total compensation than the respondents without any certifications.

**Table 8.** Total Earnings by Faculty Rank/Administrators

Faculty rank	Number of respondents	Range of total earnings	Mean
Assistant professor	6	\$76,000–\$158,000	\$113,758
Associate professor	7	86,000–151,000	120,797
Professor	9	118,300–245,000	173,200
Administrator	4	118,300–195,000	162,200

**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	\$92,417	\$113,758	\$21,341	23%
Associate professor	113,582	120,797	7,215	6
Professor	156,778	173,200	16,422	11
Administrator	148,250	162,200	13,950	9

**Table 10.** Mean Compensation by Type of Institution and Certification

		Type of institution	
Part A	Public (n = 18)	Private (n = 4)	Difference
Annual salary	\$125,476	\$125,500	\$24
Total compensation	139,329	144,750	5,421
		Certification	
Part B	No (n = 13)	Yes (n = 9)	Difference
Annual salary	\$120,852	\$132,167	\$11,315
Total compensation	130,029	155,172	25,143

### Comparisons to Prior Years

Similar studies of total annual earnings of iAHFME members were conducted for 1989–2019. (Schmidgall, 1990–2020). A brief comparison of the results is shown in Table 11. Overall, average salaries increased from 1989 to 1991, dropped slightly in both 1992 and 1993, increased significantly from 1994 to 1996, dropped slightly in 1997, increased annually for 1998 through 2002, dropped slightly in 2003, increased in 2004, dropped significantly in 2005, increased in both 2006 and 2007, dropped in 2008–2010, increased in 2011 and 2012, decreased in 2013, increased in 2014, decreased in 2015, increased in 2016, decreased in both 2017 and 2018, increased in 2019, and decreased in 2020.

### 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).

- Accounting manager \$78,150
- Assistant controller \$73,150
- Director of finance/controller \$124,438
- IT director \$87,064

*The Chronicle of Higher Education* reported average salaries for 2019–2020 by faculty rank across public universities with academic ranks who require high research activity as follows:

- Professor \$116,178
- Associate professor \$88,411
- Assistant professor \$77,391

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 \$125,481. The average salary varied by rank from \$92,917 for an assistant professor to \$156,778 for full professors. Salaries of iAHFME members focusing on accounting topped the list.

Fifty-five percent of the responding iAHFME members reported receiving additional compensation from their institutions. The mean average was \$15,004.

The most common source of external earnings were royalties and consulting. Forty-five percent of the respondents reported external earnings that averaged \$14,630.

The mean total annual earnings that respondents reported for 2020 ranged from \$76,000 to \$245,000. The mean average was \$140,315. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 6% for associate professors to a 23% increase for assistant 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, 73% and 95%, respectively, reported some degree of satisfaction.



**Table 11.** Comparative Salaries and Total Earnings, 1989–2020

	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	2020
Average annual salaries	\$124,431	\$129,892	\$120,667	\$128,141	\$123,579	\$119,952	\$130,379	\$125,481
Average total annual earnings	\$154,085	\$148,042	\$141,074	\$150,377	\$155,517	\$136,841	\$144,695	\$140,315
Instructor	NA	NA	NA	\$126,942	\$130,000	NA	NA	NA
Assistant professor	\$87,489	\$88,620	\$94,650	\$98,333	\$112,309	\$104,679	\$97,700	\$113,758
Associate professor	\$166,536	\$130,145	\$118,925	\$140,382	\$137,225	\$132,014	\$130,441	\$120,797
Full professor	\$193,485	\$197,440	\$190,889	\$179,328	\$202,286	\$165,395	\$181,020	\$173,200
Administrator	\$211,463	\$190,000	\$204,500	\$184,925	\$231,567	\$190,793	\$146,600	\$162,200

\* Not included in the 1989 survey.

## 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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