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ASSOCIATION OF HOSPITALITY FINANCIAL MANAGEMENT EDUCATORS (AHFME) ACADEMIC MEMBER 2012 TOTAL ANNUAL EARNINGS

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ABSTRACT. This study uses survey research to determine the 2012 annual earnings of hospitality financial management educators. Forty-two percent of AHFME members affiliated with educational institutions responded. Survey results show that for 2012, annual base salaries of AHFME members ranged from \$65,000 to \$221,000. The lowest-paid member was an associate 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 AHFME members ranged from \$70,000 to \$338,000. Survey results also show that hospitality financial management educators appear to be more highly compensated than the average college professor.

THE 2012 SURVEY

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 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 AHFME in April 2013. This article is based on the answers of the 25 (42%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were ten professors, nine associate professors, and six assistant professors. Nine (36%) of the respondents are administrators of hospitality programs. The locations of the respondents' academic units were separate colleges or schools, colleges of business and human ecology, and other colleges. The highest degree granted by the universities of the

respondents for the hospitality discipline ranged from a bachelor's degree (28%) and master's degree (44%) to a PhD (28%).

Other characteristics of respondents included the following:

- Sixty-four percent of the respondents were employed by public universities; 36% were employed by private universities.
- Twelve percent of the respondents were female; 88% were male.
- The specializations of respondents included three in accounting (12%), ten in finance (40%), and the remaining twelve (48%) in other areas. Other areas of expertise indicated by AHFME members include real estate, information technology, tourism, and marketing.
- Twenty-three (92%) respondents have earned a PhD.

One respondent had earned a Certified Public Accountant (CPA), three the Certified Hospitality Accountant Executive (CHAE), four the Certified Hospitality Educator (CHE), and three members had other professional certifications

TABLE 1. Selected Characteristics of the Respondents

Part A	
Faculty Rank	
Assistant Professor	24%
Associate Professor	36%
Professor	40%
Total	100%
Part B	
Department Location	
Business College	48%
Human Ecology College	8%
Separate College	32%
Other	12%
Total	100%
Part C	
Highest Hospitality Degree	
Bachelor's	28%
Master's	44%
PhD	28%
Total	100%

such as Certified Hospitality Technology Professional (CHTP) and Certified Management Accountant (CMA).

Respondents, on average, have been with their current institutions 9 years. Eight (32%) have fewer than 5 years with their current institutions and six (24%) have 20 or more years. Five (20%) have 5 to 10 years of experience and six (24%) have between 11 and 20 years of experience. The average duration of employment with education organizations was 15 years; thus, on average, respondents have been with their current institutions for 60% of their educational careers. AHFME members were queried regarding their years of industry experience. Responses ranged from 1 year (one respondent) to 25 years. The median response was 9 years. Six (24%) reported 10 to 15 years, and seven (28%) reported more than 15 years.

Salaries

The annual salaries of responding AHFME members, excluding additional university compensation such as summer school pay, ranged from \$65,000 to \$221,000. The mean average salary was \$126,376, and the largest group of respondents (seven, or 28%) received greater than \$160,000, as shown in Table 2.

As shown in Table 3, the range of mean average annual salaries varies from \$84,783 for

TABLE 2. Annual Salaries of AHFME Members

Salary Levels	Number of Respondents	%
< \$80,000	5	20%
\$80,001–\$100,000	4	16%
\$100,001–\$120,000	5	20%
\$120,001–\$140,000	3	12%
\$140,001–\$160,000	1	4%
> \$160,000	7	28%
Total	24	100%

assistant professor to \$165,000 for full professors. Nine respondents, who indicated that they were administrators, reported salaries ranging from \$95,700 to \$221,000 with a mean of \$153,411.

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 \$20,213. AHFME members in colleges of human ecology (only two respondents) earn the highest average salaries, whereas those faculty whose hospitality programs are located in business colleges have the lowest average salaries. Average annual salaries of faculty in human ecology colleges and separate colleges are above \$122,000.

The ranges and averages of salaries by specialization are shown in Table 5. Ten AHFME members reported specializing in finance. Three reported accounting, and twelve 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 with regard to their levels of satisfaction with their annual salaries, their current positions, and their professional careers. First, six (24%) indicated that they were very satisfied with their annual salaries, whereas 17 (68%) revealed that they were reasonably satisfied. The remaining two (8%) indicated dissatisfaction. Clearly, the majority of AHFME respondents are satisfied with their salaries. Thirteen respondents (52%)

TABLE 3. Average Salary by Faculty Rank

Rank	Number of Respondents	Range	Mean
Assistant Professor	6	\$65,000–\$105,000	\$84,783
Associate Professor	9	\$70,000–\$208,000	\$116,856
Professor	10	\$100,000–\$221,000	\$165,000
Administrators	9	\$95,700–\$221,000	\$153,411

TABLE 4. Salaries by Location of Academic Unit

Location	Number of Respondents	Range	Mean
Business college	12	\$68,000–\$221,000	\$119,600
Human ecology	2	\$70,000–\$220,000	\$139,813
Separate college	8	\$65,000–\$180,000	\$122,500
Other colleges	3	\$95,700–\$165,000	\$120,213

TABLE 5. Salary by Specialization

Specialization	Number of Respondents	Range	Mean
Accounting	3	\$78,000–\$172,000	\$109,667
Finance	10	\$70,000–\$208,000	\$122,990
Other	12	\$65,000–\$221,000	\$133,375

indicated that they were very satisfied with their current positions and 12 (48%) were reasonably satisfied. With regard to their careers, 16 respondents (64%) indicated that they were very satisfied, whereas 9 (36%) indicated that 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%, 100%, and 100%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators!

Additional Compensation

Sixteen of the respondents (64%) indicated that they received additional compensation from their universities. This compensation for 12 of the 16 was for individuals on a 9- or 10-month contract who were paid additionally for teaching summer school. The summer school compensation ranged from \$2,500 to \$30,000. The average (mean) summer school compensation was \$12,567 and the median amount was \$10,500. Eight respondents were paid by

their universities on an overload basis that ranged from \$6,000 to \$50,000. Another four respondents received “other compensation” from their universities. These amounts ranged from \$8,000 to \$25,000. Some examples of this other compensation included pay for research and seminars. The total additional income received by the 16 AHFME members from their universities ranged from \$6,500 to \$72,000. More details are provided in Table 6.

External Earnings

AHFME members were further queried regarding their earnings from sources external to their institutions. Choices included on the questionnaire were honorariums, royalties, consulting fees, and other. Table 7 contains a summary of members’ responses. Royalties and consulting were the most common sources of noninstitutional income; 11 members (44%) earned additional income in these two ways. The mean average royalties and consulting income were \$16,518 and \$18,545. Seven members reported honoraria and three reported other. In total, 14 (56%) of the

TABLE 6. Internal Earnings

Type of Income	Number of Respondents	Range	Median	Mean
Summer school	12	\$2,500–\$30,000	\$10,500	\$12,567
Overload	8	\$6,000–\$50,000	\$9,800	\$19,700
Other	4	\$8,000–\$25,000	\$9,250	\$12,875
All Sources	16	\$6,500–\$72,000	\$18,150	\$22,494

TABLE 7. External Earnings

Type of Income	Number of Respondents	Range	Median	Mean
Honoraria	7	\$500–\$10,500	\$2,000	\$4,143
Royalties	11	\$1,000–\$50,000	\$3,000	\$16,518
Consulting	11	\$2,000–\$60,000	\$10,000	\$18,545
Other	3	\$5,000–\$30,000	\$20,000	\$18,333
All Sources	14	\$1,200–\$80,000	\$23,000	\$30,764

AHFME members earned income from external sources, ranging from \$1,200–\$80,000. The mean average external earnings for respondents reporting external earnings was \$30,764 and the median average was \$23,000.

Total Earnings

The average annual total earnings of reporting AHFME members is \$159,560. The range of total earnings is \$70,000 to \$338,000. Table 8 reveals the total average earnings of AHFME 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 \$101,117 and full professors'

average earnings of \$208,870 is \$107,753. AHFME members who are full professors earn an average of 107% more than assistant professors. However, this research, conducted over 23 years, also suggests that as assistant professors earn their rank, much larger paychecks will come!

A comparison of the average salary by faculty rank and total earnings by 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 \$16,334 more than their base

TABLE 8. Total Earnings by Faculty Rank

Faculty Rank	Number of Respondents	Range of Total Earnings	Median	Mean
Assistant Professor	6	\$71,500–\$166,500	\$92,850	\$101,117
Associate Professor	9	\$70,000–\$338,000	\$146,363	\$143,753
Professor	10	\$100,000–\$307,000	\$198,500	\$208,870
Administrators	9	\$95,700–\$338,000	\$192,000	\$198,467

TABLE 9. Comparison of Average Salaries and Total Earnings by Faculty Rank

	Average Base Salary	Average Total Earnings	Diff. \$	Diff. %
Assistant Professor	\$84,783	\$101,117	\$16,334	19%
Associate Professor	\$116,856	\$143,733	\$26,877	23%
Professor	\$165,000	\$208,870	\$43,870	27%
Administrators	\$153,411	\$198,467	\$45,056	29%

salaries, which is a 19% difference, whereas the full professors' annual total earnings are \$208,870, which is 27% greater than their average base salaries of \$165,000. Responding members who are associate professors had an increase in their total compensation of \$26,877 from their base salary, which was a 23% increase in compensation.

Differences Based on Certification, Type of Institution, and Gender

For 23 years, the results of these surveys have revealed types of certification, types of institution, and gender of respondents. The median averages for this 2012 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, 16 of the academicians were employed by public institutions and nine 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 \$17,750 per year, whereas the median total compensation difference is \$37,150.

Differences based on gender are clear, though only three women responded to this survey. Women earned a median average salary

of \$21,400 less and an average of \$38,550 less from their universities. Overall, all women received \$47,300 less than males in total compensation.

Finally, certification does not appear to make a difference. Eight respondents of the 25 (32%) have at least one professional certification. The certified respondents received an average of \$10,100 less in salary and \$19,900 less in total compensation than the respondents who did not have any certification.

Comparisons to Prior Years

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

Comparisons to Others

It is interesting to compare the above results to the average compensation of financial

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

Part A		Type of Institution		
	Public (n = 16)	Private (n = 9)		Difference
Annual Salary	\$112,250	\$130,000		\$17,750
University Total	\$125,750	\$138,500		\$12,750
Total Compensation	\$129,350	\$166,500		\$37,150
Part B		Gender		
	Female (n = 3)	Male (n = 22)		Difference
Annual Salary	\$95,700	\$117,100		\$21,400
University Total	\$95,700	\$134,250		\$38,550
Total Compensation	\$95,700	\$143,000		\$47,300
Part C		Certification		
	No (n = 17)	Yes (n = 8)		Difference
Annual Salary	\$116,700	\$106,600		\$10,100
University Total	\$133,500	\$115,350		\$18,150
Total Compensation	\$140,500	\$120,600		\$19,900

TABLE 11. Comparative Salaries and Total Earnings, 1989–2012

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999	2000
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
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
Instructor	\$38,250	\$39,400	\$40,765	\$43,760	\$43,000	\$27,000	\$37,337	NA	\$29,000	\$75,500	\$12,000	\$73,333
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
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
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
Administrator	*	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908	\$72,750	\$82,200	\$105,679	\$94,775	\$91,943	\$93,805
	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Average Annual Salaries	\$77,619	\$87,250	\$86,520	\$94,075	\$88,502	\$97,906	\$112,439	\$112,205	\$112,153	\$104,979	\$119,500	\$126,376
Average Total Annual Earnings	\$102,456	\$115,111	\$113,637	\$119,117	\$122,599	\$127,007	\$144,897	\$148,931	\$153,505	\$128,195	\$126,054	\$159,560
Instructor	\$40,000	\$53,162	\$35,500	\$45,000	\$45,500	\$45,000	NA	NA	NA	NA	NA	NA
Assistant Professor	\$79,967	\$90,621	\$79,371	\$87,022	\$98,333	\$95,038	\$80,333	\$87,305	\$94,915	\$88,998	\$94,776	\$101,117
Associate Professor	\$89,561	\$103,732	\$106,786	\$115,464	\$132,530	\$127,141	\$148,967	\$168,387	\$156,844	\$127,114	\$146,363	\$143,753
Full Professor	\$148,803	\$152,623	\$152,779	\$161,227	\$164,833	\$152,877	\$189,250	\$194,636	\$215,663	\$173,180	\$184,000	\$208,870
Administrator	\$91,191	\$104,841	\$113,964	\$121,318	\$102,375	\$95,967	\$167,875	\$196,833	\$217,500	\$169,875	\$159,592	\$198,467

Note. *Not included in the 1989 survey.

executives in the hospitality industry and to hospitality financial management educators. The annual compensation for Hospitality Financial & Technology Professionals (HFTP) members associated with lodging, including salary, deferred compensation, and bonuses for 2012, by position, was as follows (Venegas, 2013).

Accounting Manager	\$52,523
Assistant controller	\$81,227
CFO	\$203,568
Controller/Comptroller	\$113,649
Corporate Controller	\$124,723
IT Director	\$103,293
Regional Controller	\$137,875

The Chronicle of Higher Education ("Average Salaries," 2013) reported average salaries for 2012–2013 by faculty rank across all institutions with academic ranks as follows:

Professor	\$134,747
Associate Professor	\$88,306
Assistant Professor	\$76,822

Clearly, hospitality financial management professors appear to be compensated more generously than educators in general and some of their counterparts in the lodging industry.

SUMMARY

The mean average salary of AHFME members participating in AHFME's annual total earnings survey was \$126,376. The average salary varied by rank from \$84,783 for an assistant professor to \$165,000 for full professors. Salaries of AHFME members focusing on topics other than accounting and finance topped the list.

Sixty-four percent of the responding AHFME members reported receiving additional compensation from their institutions. The mean average was \$22,494.

The most common sources of external earnings were royalties and consulting. Fifty-six percent of the respondents reported external earnings that averaged \$30,764.

The mean total annual earnings that respondents reported for 2012 ranged from \$70,000 to \$338,000. The mean average was \$159,560. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 19% for assistant professors to a 27% increase by full professors.

Finally, 92% of the respondents reported some degree of satisfaction with their salaries although the remaining 8% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 100% reported some degree of satisfaction for both!

AUTHOR NOTE

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