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## International Association of Hospitality Financial Management Educators (iAHFME) Academic Member 2021 Total Annual Earnings

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### ABSTRACT

This study uses survey research to determine the 2021 annual earnings of hospitality financial management educators. Thirty-three percent of iAHFME members affiliated with educational institutions responded. Survey results show that for 2021, annual base salaries of iAHFME members ranged from \$73,000 to \$174,000. The lowest-paid member was an assistant professor and the highest-paid member, a 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 \$90,000 to \$265,000. Survey results also show that hospitality financial management educators appear to be more highly compensated than the average college professor and their counterparts in the lodging industry.

**Keywords:** compensation, salary, satisfaction, royalties

### The 2021 Survey

Hospitality financial management educators are respected as teachers and researchers, but how well are they paid by their institutions? Further, how much additional income do they earn from universities beyond their annual salaries? What are their external earnings? How have their total earnings changed over the past several years? How satisfied are they with their salaries, their positions, and their professional careers? Do they expect to be promoted? In order to determine answers to these questions and others, a questionnaire was e-mailed to the 45 educator members of iAHFME in April 2022. This article is based on the answers from the 15 (33%) members who responded.

Table 1 reflects selected characteristics of the respondents. The groups of respondents by faculty rank were four full professors, nine associate professors, and two assistant professors. One (7%) of the respondents is an administrator of a hospitality program. The locations of the respondents' academic

units were separate colleges or schools (40%), colleges of business (40%), and human ecology (20%). The highest degree granted by the universities of the respondents for the hospitality discipline ranged from a master's degree (7%) to a PhD. (93%).

Other characteristics of respondents included the following:

- Sixty-seven percent of the respondents were employed by public universities whereas 33% were employed by private universities.
- Thirteen percent of the respondents were female; 87% were male.
- The specializations of respondents included 4 in accounting (27%), 7 in finance (47%), and the remaining 4 (27%) in other areas. Other areas of expertise indicated by respondents included human resources, operations management, and strategic management.
- Fourteen (93%) respondents have earned their PhD.

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

Part A	
Faculty rank	%
Assistant professor	13
Associate professor	60
Professor	27
Total	100
Part B	
Department location	
Business college	40
Human ecology college	20
Separate college	40
Total	100
Part C	
Highest hospitality degree	
Master's	7
PhD	93
Total	100

One respondent has earned his CPA, three the CHAE (from HFTP), four the CHE (from Educational Institute), and three members had other professional certifications such as CHIA, CAHTA, and MAI.

The average duration of employment with educational organizations was 17 years. The range of educational experience varied from 6 years to 40 years. *iAHFME* members were queried regarding their years of industry experience. Responses ranged from 2 years (one respondent) to 30 years. The median response was 6 years. Three (20%) reported 14 years or more. Six (40%) reported 2 to 5 years while three (20%) reported 6 to 7 years.

*iAHFME* members were asked "are you expecting to be promoted within 5 years?" Seven respondents (46%) indicated they were expecting to be promoted, while 5 said they were not. Three were unsure. Since 4 respondents are full professors, 64% of the remaining educators expect to be promoted by 2027!

## Salaries

The annual salaries of responding *iAHFME* members, excluding additional university compensation such as summer school pay, ranged from \$73,000 to \$174,000. The mean average salary was \$116,354 while the median was \$110,000. The largest group of respondents (6 or 40%) received between \$80,000 and \$100,000 as shown in Table 2. The mean average

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

Salary levels	Number of respondents	%
<\$80,000	1	8
\$80,000–\$100,000	6	40
\$100,001–\$120,000	2	13
\$120,001–\$140,000	2	13
\$140,001–\$160,000	2	13
>\$160,000	2	13
Total	15	100

was \$9,127 lower than the mean average salary for 2020.

As shown in Table 3, the range of mean average annual salaries varies from \$80,000 for assistant professor to \$144,000 for full professors. One respondent, who indicated he/she was an administrator, reported a salary of \$174,000.

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

Based on the above tabulation, the range of average salaries by the location of academic unit is \$24,939. *iAHFME* members in business colleges earn the highest average salaries, whereas a faculty member whose hospitality program is located in a separate college has the lowest average salary.

The ranges and averages of salaries by specialization are shown in Table 5. Seven *iAHFME* members reported specializing in finance, four in accounting, and three 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. First, 2 (13%) indicated they were very satisfied with their annual salaries, whereas 7 (47%) revealed that they were reasonably satisfied. The remaining 6 (40%) indicated some level of dissatisfaction. Clearly, the majority of *iAHFME* respondents are satisfied with their salaries. Six respondents (40%) indicated they were very satisfied with their current positions and 7 (47%) were reasonably satisfied. Two respondents (13%) indicated they were dissatisfied. With regard to their careers, 6 respondents (40%) indicated that they were very satisfied, whereas 6 (40%) indicated they were reasonably satisfied, and 3 people (2%) indicated

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

Rank	Number of respondents	Range	Mean
Assistant professor	2	\$73,000–\$87,000	\$80,000
Associate professor	9	\$85,000–\$155,000	\$112,145
Professor	4	\$110,000–\$174,000	\$144,000
Administrators	1	\$174,000–\$174,000	\$174,000

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

Location	Number of respondents	Range	Mean
Business college	6	\$92,000–\$155,000	\$126,000
Human ecology	3	\$90,000–\$174,000	\$124,667
Separate college	6	\$73,000–\$170,000	\$102,551

**Table 5.** Salary by Specialization

Specialization	Number of respondents	Range	Mean
Accounting	4	\$90,000–\$170,000	\$134,250
Finance	7	\$87,000–\$174,000	\$113,329
Other	3	\$73,000–\$110,000	\$89,333
Total	14	\$73,000–\$174,000	\$114,165

dissatisfaction. Therefore, overall the percentage of respondents who were either very or reasonably satisfied with their annual salaries, current positions, and professional careers, were 60%, 87%, and 80%, respectively. As a whole, this appears to be a fairly well-satisfied group of educators!

### Additional Compensation

Twelve of the respondents (80%) indicated that they received additional compensation from their universities. This compensation for six of the 12 was for individuals on a 9- or 10-month contract who were paid additionally for teaching summer school. The summer school compensation ranged from \$5,000 to \$21,000. The average (mean) summer school compensation was \$15,167. Four respondents were paid by their universities on an overload basis that ranged from \$3,000 to \$10,000.

Another 5 respondents received “other compensation” from their universities. These amounts ranged from \$2,000 to \$30,000. The total additional income received by the 12 *iAHFME* members from their universities ranged from \$2,500 to \$40,000. More details are provided in Table 6.

### External Earnings

*iAHFME* members were further queried regarding their earnings from sources external to their institutions. Choices included on the questionnaire were honoraria, royalties, consulting, and other. Table 7 contains a summary of members’ responses. Three members (20%) earned consulting fees, while three members (20%) reported royalty income. Three individuals earned honoraria ranging from \$500 to \$1,500. The mean average external earnings for six respondents reporting external earnings was

**Table 6.** Additional Internal Earnings

Type of income	Number of respondents	Range	Median	Mean
Summer school	6	\$5,000–\$21,000	\$17,000	\$15,167
Overload	4	\$3,000–\$10,000	\$8,000	\$7,250
Other	5	\$2,000–\$30,000	\$5,000	\$10,900
All Sources	12	\$2,500–\$40,000	\$12,500	\$14,542

**Table 7.** External Earnings

Type of income	Number of respondents	Range	Median	Mean
Honoraria	2	\$500–\$1,500	\$1,000	\$1,000
Royalties	3	\$500–\$1,000	\$500	\$667
Consulting	3	\$15,000–\$150,000	\$30,000	\$65,000
All Sources	6	\$500–\$150,000	\$8,250	\$33,167

\$33,167. This was clearly skewed by one member receiving \$150,000 for consulting services.

### Total Earnings

The average annual total earnings of reporting *iAHFME* members is \$141,254. The range of total earnings was \$90,000 to \$265,000. Table 8 reveals the total average earnings of *iAHFME* members by faculty rank. As expected, full professors have the highest total earnings of the three faculty rankings. The difference between the average total earnings for assistant professors of \$97,750 and full professors' average earnings of \$148,375 is \$50,625. *iAHFME* members who are full professors earn an average of 52% more than assistant professors. However, this research conducted over 32 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 2021, associate 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 \$17,750 more than their base salaries, which is an 18% difference, whereas the associate professors earn \$35,611 more than their base salaries which is 24% greater than their average base salaries of \$112,145. Responding members who are full professors had an increase in their total compensation of \$4,375 from their base salary which was a 3% increase in compensation.

### Differences Based on Type of Institution, Certification, and Gender

For many years the results of these surveys have revealed annual salary and total university pay by types of institution (public vs. private), by gender, and by certification vs. non-certification. The mean averages for this 2021 survey are shown for salary, total compensation received from their universities, and total compensation for these categories in Table 10.

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

Faculty rank	Number of respondents	Range of total earnings	Median	Mean
Assistant professor	2	\$92,000–\$103,500	\$97,750	\$97,750
Associate professor	9	\$90,000–\$265,000	\$133,000	\$147,756
Professor	4	\$121,500–\$176,000	\$148,000	\$148,375
Administrator	1	\$174,000–\$174,000	\$174,000	\$174,000

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

Faculty rank	Average base salary	Average total earnings	Diff. \$	Diff. %
Assistant professor	\$80,000	\$97,750	17,750	18
Associate professor	\$112,145	\$147,756	35,611	24
Professor	\$144,000	\$148,375	4,375	3

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

Part A	Type of institution		
	Public (n = 10)	Private (n = 5)	Difference
Annual salary	\$91,153	\$122,000	\$30,848
University total earnings	\$110,500	\$122,000	\$11,500
Total earnings	\$114,153	\$133,000	\$18,848
Part B	Gender		
	Male (n = 13)	Female (n = 2)	Difference
Annual salary	\$100,000	\$158,500	\$58,500
University total earnings	\$115,000	\$169,000	\$54,000
Total earnings	\$121,500	\$169,000	\$47,500
Part C	Certification		
	No (n = 6)	Yes (n = 9)	Difference
Annual salary	\$101,000	\$110,000	(\$9,000)
University total earnings	\$115,653	\$120,000	\$4,348
Total earnings	\$139,153	\$122,000	(\$17,153)

Based on figures reported in Part A of Table 10, 10 of the academicians were employed by public institutions and five by private institutions. Across the three levels of compensation, that is, annual salary, university total earnings, and total earnings, privately employed professors earn more. The mean salary difference is \$30,848 per year, whereas the mean total earnings difference is \$18,848.

Gender appears to make a difference. Note, only 2 respondents were female. Thirteen respondents of the 15 (87%) are male. The differences as shown in Part B of Table 10 are substantial, as the two females' average annual salaries, university total earnings, and total earnings greatly exceed the averages for the male counterparts.

Finally, certification does not appear to make a major difference except for total earnings earned by

members without certifications exceeds those who are certified by \$17,153. This is skewed by the members who received consulting fees of \$150,000.

### Comparisons to Prior Years

Similar studies of total annual earnings of iAHFME members were conducted for 1989–2020 (Schmidgall, 1990–2021). 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, increased in 2011 and 2012, decreased in 2013,

**Table 11.** Comparative Salaries and Total Earnings, 1989–2021

	1989	1990	1991	1992	1993	1994	1995	1996	1997	1998	1999
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
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
Instructor	\$38,250	\$39,400	\$40,765	\$43,760	\$43,000	\$27,000	\$37,337	NA	\$29,000	\$75,500	\$12,000
Assistant professor	\$52,540	\$59,096	\$53,775	\$52,680	\$56,000	\$49,072	\$53,086	\$64,386	\$68,360	\$64,875	\$66,583
Associate professor	\$65,511	\$66,152	\$71,057	\$65,612	\$73,433	\$69,849	\$73,795	\$77,694	\$82,729	\$85,335	\$103,070
Full professor	\$99,207	\$96,917	\$90,700	\$95,391	\$96,478	\$108,783	\$99,745	\$115,493	\$121,408	\$126,447	\$127,082
Administrator	*	\$71,667	\$64,842	\$70,622	\$77,213	\$71,908	\$72,750	\$82,200	\$105,679	\$94,775	\$91,943
	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
Average annual salaries	\$74,259	\$77,619	\$87,250	\$86,520	\$94,075	\$88,502	\$97,906	\$112,439	\$112,205	\$112,153	\$104,979
Average total annual earnings	\$97,373	\$102,456	\$115,111	\$113,637	\$119,117	\$122,599	\$127,007	\$144,897	\$148,931	\$153,505	\$128,195
Instructor	\$73,333	\$40,000	\$53,162	\$35,500	\$45,000	\$45,500	\$45,000	NA	NA	NA	NA
Assistant professor	\$61,938	\$79,967	\$90,621	\$79,371	\$87,022	\$98,333	\$95,038	\$80,333	\$87,305	\$94,915	\$88,998
Associate professor	\$92,727	\$89,561	\$103,732	\$106,786	\$115,464	\$132,530	\$127,141	\$148,967	\$168,387	\$156,844	\$127,114
Full professor	\$131,618	\$148,803	\$152,623	\$152,779	\$161,227	\$164,833	\$152,877	\$189,250	\$194,636	\$215,663	\$173,180
Administrator	\$93,805	\$91,191	\$104,841	\$113,964	\$121,318	\$102,375	\$95,967	\$167,875	\$196,833	\$217,500	\$169,875
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Average annual salaries	\$119,500	\$126,376	\$124,431	\$129,892	\$120,667	\$128,141	\$123,579	\$119,952	\$130,379	\$125,481	\$116,354
Average total annual earnings	\$126,054	\$159,560	\$154,085	\$148,042	\$141,074	\$150,377	\$155,517	\$136,841	\$144,695	\$140,315	\$141,254
Instructor	NA	NA	NA	NA	NA	\$126,942	\$130,000	NA	NA	NA	NA
Assistant professor	\$94,776	\$101,117	\$87,489	\$88,620	\$94,650	\$98,333	\$112,309	\$104,679	\$97,700	\$113,758	\$97,750
Associate professor	\$146,363	\$143,753	\$166,536	\$130,145	\$118,925	\$140,382	\$137,225	\$132,014	\$130,441	\$120,797	\$147,756
Full professor	\$184,000	\$208,870	\$193,485	\$197,440	\$190,889	\$179,328	\$202,286	\$165,395	\$181,020	\$173,200	\$148,375
Administrator	\$159,592	\$198,467	\$211,463	\$190,000	\$204,500	\$184,925	\$231,567	\$190,793	\$146,600	\$162,200	\$174,000

\*Not included in the 1989 survey.

increased in 2014, decreased in 2015, increased in 2016, decreased in both 2017 and 2018, increased in 2019, and decreased in both 2020 and 2021.

### 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 (salary) for Hospitality Financial & Technology Professionals (HFTP) members associated with lodging located in the United States from the most recent survey for 2022 by position was as follows (HFTP, 2022):

Staff Accountant	\$59,667
Assistant Controller	\$84,508
Director of Finance/Controller	\$142,191
IT Director	\$104,536

The James G. Martin Center for Academic Reward reported average salaries for 2019 by faculty rank across public universities with academic ranks who require high research activity as follows (James G. Martin Center, 2019):

Professor	\$141,324
Associate Professor	\$96,045
Assistant Professor	\$83,149

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 \$116,354. The average salary varied by rank from

\$80,000 for two assistant professors to \$144,000 for full professors. Salaries of *iAHFME* members focusing on accounting topped the list.

Eighty percent of the responding *iAHFME* members reported receiving additional compensation from their institutions. The mean average was \$14,542.

The most common sources of external earnings were royalties and consulting. Forty percent of the respondents reported external earnings that averaged \$33,167.

The mean total annual earnings that respondents reported for 2021 ranged from \$90,000 to \$176,000. The mean average was \$141,254. The percentage increase in compensation of respondents from their base salaries to total compensation by rank varied from 24% for associate professors to a 3% increase for full professors.

Finally, 69% of the respondents reported some degree of satisfaction with their salaries while the remaining 40% reported some degree of dissatisfaction. With regard to their current positions and professional careers, 87% and 80%, respectively, reported some degree of satisfaction.

### Author Note

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

Jung Hee Yu, PhD, is a lecturer at Daegu University.

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