

## Budgets based on MSU's own numbers

2020-2021 Budget	Projected	Actual	Notes
State Funding	Loss of \$43 million	No loss	In September 2020, the legislature adopted a budget that protected higher ed funding.
Tuition loss	Loss of \$63 million	Loss of \$56 million	MSU gained \$7 million over projections
Federal funding for MSU as an institution	0	\$87 million	CRRSA and ARP Acts
Federal funding for MSU students	0	\$55 million	CRRSA and ARP Acts  (MSU is essentially a pass through for these funds)

2020-2022 Concessions (Estimated)		
Salary (10 months)	\$15 million	Sliding salary reductions averaging 2.3%
Retirement (18 months)	\$45 million	50% cut in match
Merit Pay Elimination (FY21,22)	\$30 million	Estimated at 4% of faculty salaries, based on a ~2% merit pay elimination over two fiscal years

- MSU imposed 10-month salary cuts of 1-8%; an 18-month, 50% cut in retirement match; and at least a 36-month gap between merit raises for all non-union academic management, faculty, and academic staff. **Note: Only 7% of Tier 1 public universities cut fringe benefits during the pandemic.**
- Faculty have lost an estimated \$90M in salary and benefits from FY21 and FY22
- MSU received \$137M more money than projected in its FY21 budget (\$87M in federal aid, retention of a projected \$43M cut that never happened, and \$7M more in tuition than expected)
- MSU has about \$1.8B in unrestricted balances, an increase of \$474M over last year (according to the *2020-2021 MSU Annual Financial Report*)
- MSU had both its best fundraising year ever and a record endowment return of 42% which stands at \$3.9B (according to the report to University Council)
- MSU had the highest endowment growth in the Big 10 and is 2nd among all public universities over the past 5 years. **Over the same five years, faculty salaries grew less than at any other Big 10 school.**

# Big 10 Universities: Compensation and response to COVID.

Institution	FY20*	FY21*	Salary Rank in the Big 10 - 2021	Salary Change from 2020 to 2021	Responses to COVID in terms of Faculty Pay and Benefits
Northwestern University	\$157,343.00	\$157,615.00	1	0.20%	Resumed the retirement benefit contributions it cut for 8 months from May 2020 in Jan 2021. Ended up with a <b>significant surplus in fiscal year 2020</b> , and professors are urging Northwestern to restore their lost benefits and create a rainy-day fund to help protect employees from future economic crises.
University of Maryland-College Park	\$121,911.00	\$122,863.00	2	0.80%	Reduced salary for income earned above \$150,000 up to 10%. 90% of faculty <b>saw no cuts</b> .
University of Wisconsin-Madison	\$115,358.00	\$121,408.00	3	5.20%	Short-term furloughs of 2-6 days from August 2020 through Oct 2020. <b>No cuts to rate of pay or benefits</b> .
Ohio State University-Main Campus	\$115,770.00	\$116,105.00	4	0.30%	Salary freeze in 2020. Raises reinstated for 2021 (2% increase). <b>No cuts to pay or benefits</b> .
University of Illinois Urbana-Champaign	\$115,466.00	\$115,406.00	5	-0.10%	Salary freeze in 2020, 2% increase in 2021. Senior executive leaders, 10% cut for 6 months. <b>No cuts to pay or benefits for faculty</b> .
Purdue University-Main Campus	\$114,183.00	\$114,439.00	6	0.20%	<b>Deferred</b> merit increases for 2020, <b>no cuts to pay or benefits</b> .
Rutgers University-New Brunswick	\$111,728.00	\$111,638.00	7	-0.10%	Cuts of 10% for president, and 5% senior leaders. Hiring freeze, no special off-cycle pay raises. <b>No cuts to faculty pay, raises or benefits</b> .
University of Michigan-Ann Arbor	\$110,617.00	\$110,947.00	8	0.30%	Salary freeze for faculty for 2020-2021, merit increases reinstated for 2021-2022. Chancellor 10% cut, other executive managers 5% cuts. <b>No cuts to salary or benefits for faculty</b> .
University of Minnesota-Twin Cities	\$110,449.00	\$110,465.00	9	0.00%	10% cuts for senior administrators, temporary salary reductions for 12 month using furloughs. <b>No cuts to rate of pay or benefits</b> .
Michigan State University	\$108,234.00	\$106,315.00	10	-1.80%	<b>A 10 month salary reduction of 1-8% averaging 2.3%. A 36 month scheduled gap between merit pay increases (perhaps resuming October 2022,) 18 month scheduled 50% retirement reduction (reinstating January 2022).</b>
University of Iowa	\$101,179.00	\$105,462.00	11	4.20%	None found.
University of Nebraska-Lincoln	\$100,104.00	\$99,600.00	12	-0.50%	None found.
Indiana University-Bloomington	\$96,084.00	\$96,684.00	13	0.60%	Salary freeze in 2020. <b>No cuts to pay or benefits</b> .
Pennsylvania State University-Main Campus	\$97,442.00	no 2021 data	no data	no data	Athletics department pay cuts 5-10%, 3% unit cuts, <b>no salary or benefit cuts</b> .

\*Salary data are from the *National Center on Education Statistics (nces.ed.gov)*

- MSU administration is rightfully concerned about the prudent use of reserves. They have a responsibility to the future of the university and its ability to thrive.
- What about their responsibility to the faculty and academic staff. What about their need to thrive?

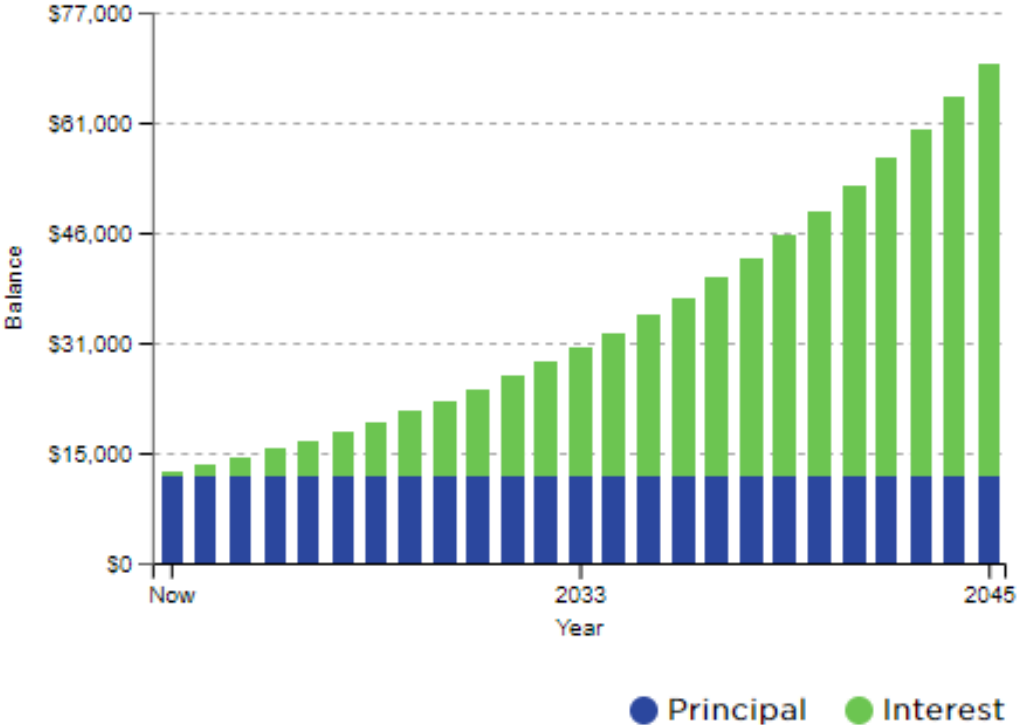
# How much will you have lost in your 403b by the time you retire?

- The following examples use average salaries of Assistant, Associate and Full Professors at MSU with a 7% annual return from the *National Center on Education Statistics (NCES)* .
- NCES data does not include specialists or librarians, but these examples will be illustrative of the impact of retirement cuts for librarians and affected academic staff
- Want to calculate the impact on your own retirement account with different numbers? We used the [Compound Interest Calculator at Nerdwallet.com](#) for the following slides

# Loss of 5% retirement match for 18 months

- Professor, MSU salary of \$151,939\*

\$69,881

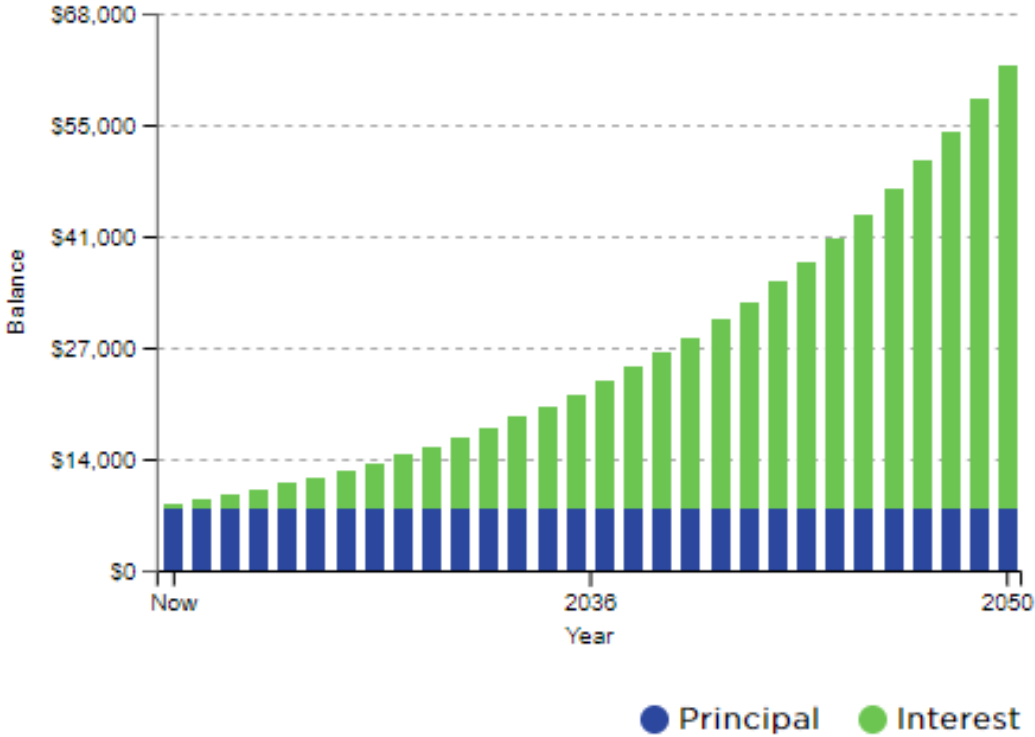


*\*Average MSU professor salary from the National Center on Education Statistics (nces.ed.gov)*

# Loss of 5% retirement match for 18 months

- Associate Professor, MSU salary of \$101,654\*

\$62,247

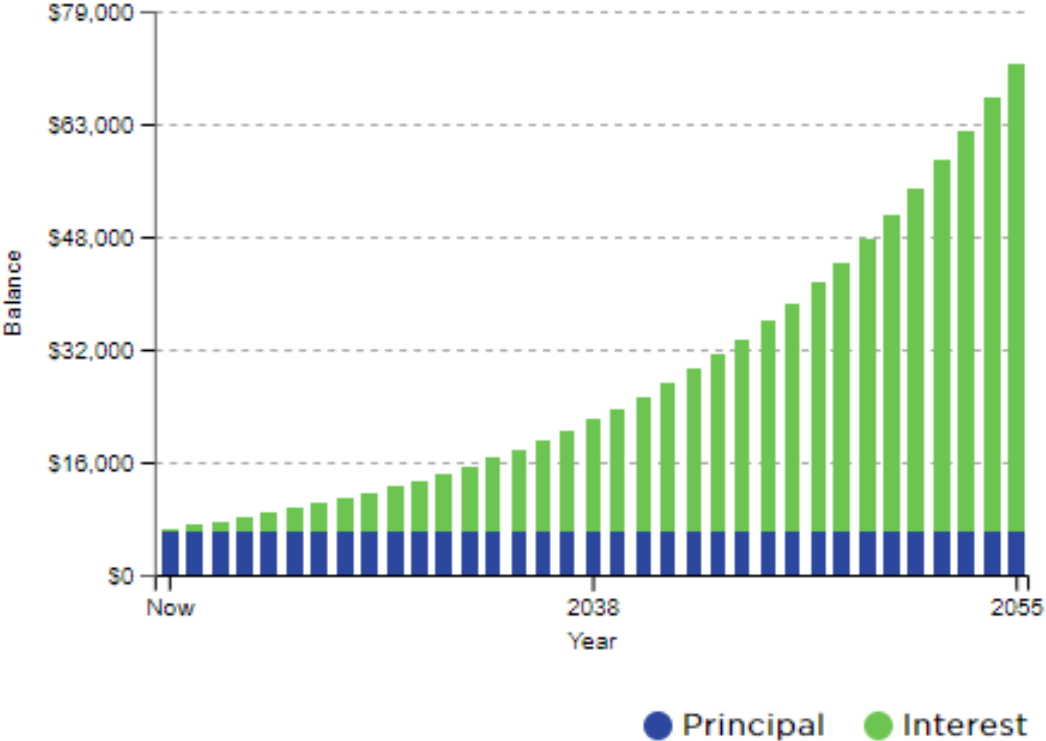


\*Average MSU assoc professor salary from the National Center on Education Statistics ([nces.ed.gov](http://nces.ed.gov))

# Loss of 5% retirement match for 18 months

- Assistant Professor, MSU salary of \$82,938\*

\$72,063



\*Average MSU asst professor salary from the National Center on Education Statistics ([nces.ed.gov](http://nces.ed.gov))

# How much did you lose in lifetime earning due to missing one 2% merit pay increase?

- Lifetime income from a single 2% merit raise\*
  - Professor with 20 earning years left: **\$73,815**
  - Associate professor with 30 earning years left: **\$82,475**
  - Assistant professor with 35 earning years left: **\$82,941**

\* Using average salaries of Assistant, Associate and Full Professors at MSU from the *National Center on Education Statistics (NCES)*



# Increased Turnover of Faculty and Academic Staff: Cost of actions during the pandemic?

- Oct 2018- Sep 2019
  - 459 total (259 men, 200 women, 126 minority)
    - Self identified: 25 Black, 75 Asian, 18 Hispanic
- Oct 2019- Sep 2020
  - 375 total (213 men, 162 women, 120 minority)
    - Self identified: 22 Black, 70 Asian, 22 Hispanic
- Oct 2020- Sep 2021
  - 488 total (275 men, 213 women, 159 minority)
    - Self identified: 35 Black, 90 Asian, 30 Hispanic
- **Change from Sep 2020 to Sep 2021**
  - **30% increase (29%↑ men, 31%↑ women, 33%↑ minority)**
    - **Self identified: 59%↑ Black, 29% ↑ Asian, 36% ↑ Hispanic**

Sign the petition in support of the retroactive restoration

**MSU**  
**RESTORE**  
**THE CUTS!**

- <https://www.ipetitions.com/petition/restore-the-cuts-to-faculty-and-academic-staff-pay>