

Appendix P

International Comparator Studies

Introduction

There is a dearth of major recent comparative studies of international salaries in Higher Education. Perhaps the most comprehensive is conducted by the Association of Commonwealth Universities (ACU) which has undertaken six surveys of academic salaries and benefits since 1997. Originally conducted under the auspices of the Commonwealth Higher Education Management Service (CHEMS), the ACU salary survey compares salaries and related terms and conditions for academic staff in select Commonwealth countries.

Salary indicators are analysed in several ways. Salary data is displayed on country pages, breaking down figures by institution and academic ranking. These figures are displayed using both local currencies and US dollars converted using a Purchasing Power Parity (PPP) conversion factor. Low, middle and high-end salaries are represented, as well as national averages.

Another relatively recent study is a chapter contained within the National Institute of Economic and Social Research (NIESR) publication 'Recruitment and Retention of Academic Staff in Higher Education' and relates to 2001. This is not a bespoke survey but an analysis of already published government statistics.

More recently the European University Institute Max Weber programme produced basic statistics on comparative average academic salaries on a limited range of job roles in a wide range of countries. The European commission has also undertaken a comprehensive survey of researcher salaries across Europe although this is not confined to universities but includes those working in the public and private sectors.

The most up to date study was commissioned by The New Zealand Vice-Chancellors Committee and is titled 'University Staff Academic Salaries & Remuneration: A Comparison of New Zealand and Selected International (Australia, Canada, England, USA) data'. The study uses a PPP system converted to US dollars and compares a range of universities in each of the countries studied other than England where it applies the grading structure to the national pay spine as utilized by University College London only.

All of these studies have limitations for informing the JNCHES review, the most obvious being the lack of information on support staff. The ACU studies and the New Zealand Vice – Chancellors Committee report are obviously geographically limited and the NIESR data is now several years old.

It is quite difficult to draw conclusions from these disparate reports although one feature of the more recent studies is the UK's relative position is improving rapidly.

1. ACU 2006 – 07 Academic Staff Salary Survey

The 2006/07 ACU Salary Survey examines academic salary scales and associated benefits in 46 institutions across five Commonwealth countries: Australia, Canada, New Zealand, South Africa, and the United Kingdom.

The survey compares salary scales for academic staff from the point of entry up to professorial level. The salary scales are analysed using a purchasing power parity (PPP) conversion factor which incorporates the cost of living into the currency conversion (all currencies are expressed in US dollars).

Respondents provided details of the bottom and top of the scale for the following positions: lecturer, senior lecturer, associate professor and professor (bottom of scale).

To calculate the averages, the midpoint of each scale was averaged across the responses; it should be noted that these reflect the average of the scale and not the average of actual salaries received by staff at the participating institutions. In some institutions for example salaries may be weighted at the upper end of the scale and at others at the lower end. The analysis, however, focuses on comparing the scales for different posts across an international sample rather than the concentration of salaries within the scale, which could be influenced by a number of different variables at different institutions.

Key findings:

- Australian academic pay scales, at all levels, continue to be above those of the other responding countries in terms of purchasing parity, the overall average of the midpoints of the salary scales (including the bottom of the professorial scale) is PPP\$80,859. This is 26% higher than Canada, ranked second in the survey, a significant increase since the last survey.
- The pay differential between Australia and Canada is much more pronounced at the upper end of the academic spectrum.
- Canada ranks second overall with an average of PPP\$63,969 and the UK trails closely behind Canada with an average of PPP\$63,735. Across all post levels this represents a difference of less than 0.4%. The gap between Canada and the UK is much smaller than in the 2004/05 survey.
- New Zealand (PPP\$56,024) and South Africa (PPP\$52,232) continue to be ranked fourth and fifth, respectively.
- South Africa has the highest salary scales relative to national per capita GDP. South African salaries scales are also the most differentiated of all the countries.
- The level of growth in the academic salaries scales since the last survey was highest in South Africa. This may reflect the impact of restructuring and investment in South African higher education over the past few years.
- When comparing academic salary scales with salaries in the legal profession (for which

recent comparative information is available in most of the countries surveyed) academic salaries compare poorly.

2. Recruitment and Retention of Academic Staff in Higher Education (NIESR)

The data for this study come from a mixture of surveys and censuses that are available within the individual countries and not from a specifically designed survey. The countries studied are the UK, US, Canada, Australia, Sweden and France.

The UK data come from the four quarters of the 2001 *Labour Force Survey* (LFS). Academics are defined using the three-digit 1992 Standard Industrial Classification (SIC) and the three-digit 2000 Standard Occupational Classification (SOC). The two measures of salaries used are gross weekly wages (variable *grsswk*) and net weekly wages.

The major findings of the study are shown in the two tables below. Real salaries have been converted using Purchasing Power Parity rates from OECD Main Economic Indicators

Table 2.1 Academic Real Earnings Quartiles 2001

		1 st Quartile	2 nd Quartile	3 rd Quartile
UK (Gross)	Total	26,000	30,992	37,180
	Male	26,104	32,370	39,403
	Female	25,012	29,016	32,500
US	Total	24,074	35,054	49,097
	Male	26,628	38,555	52,599
	Female	21,010	28,050	41,364
Australia	Total	26,669	32,754	38,354
	Male	27,973	34,339	38,354
	Female	-	-	-
NZ	Total	20,018	25,726	31,023
	Male	21,998	27,583	35,033
	Female	18,044	23,478	28,659
Canada (professors)	Total	21,274	28,449	35,033
	Male	22,942	29,196	37,542
	Female	18,773	25,031	32,536
Canada (assistants)	Total	8,915	13,882	18,774
	Male	10,712	14,598	20,854
	Female	8,541	13,344	17,081
Sweden	Total	16,962	21,329	26,283
	Male	16,895	22,840	28,550
	Female	16,374	20,153	23,176
UK (net)	Total	17,446	21,580	25,220
	Male	17,992	22,308	26,936
	Female	16,523	20,280	23,400
France	Total	15,868	19,835	24,596
	Male	17,190	21,158	26,447
	Female	14,943	18,513	19,990

Source: NIESR
Table 2.2 Academic Real earnings deciles 2001

	1 st decile	2 nd decile	3 rd decile	4 th decile	5 th decile	6 th decile	7 th decile	8 th decile	9 th decile
UK									
Total	21,788	25,012	26,988	29,016	30,992	32,978	35,984	39,000	44,980
Male	22,350	25,012	27,581	30,524	32,370	35,256	38,376	43,004	50,123
Female	21,611	24,024	26,109	27,976	29,016	30,992	31,980	34,788	38,111
US									
Total	15,251	21,886	25,862	30,385	35,054	39,978	45,595	52,599	68,648
Male	17,509	24,549	29,436	33,668	38,555	42,925	49,097	56,101	70,910
Female	14,007	19,624	22,433	25,533	28,050	33,668	37,169	44,866	54,714
Australia									
Total	20,992	25,313	27,870	30,325	32,754	35,209	37,638	38,354	38,354
Male	22,399	26,694	29,251	31,782	34,339	36,896	38,354	38,354	38,354
Female	0	0	0	0	0	0	0	0	0
Canada Professors									
Total	14,012	19,606	23,356	25,031	28,449	30,868	33,373	37,538	41,715
Male	14,022	20,858	24,476	26,281	29,196	31,289	35,876	38,792	41,718
Female	13,665	16,854	20,858	23,773	25,031	29,196	31,285	33,430	36,223
Canada assistants									
Total	6,672	8,343	10,715	12,511	13,882	15,183	17,461	20,854	25,030
Male	6,673	8,911	12,511	12,598	14,598	15,574	18,773	21,025	25,031
Female	6,672	7,592	8,947	11,677	13,344	14,602	15,853	19,192	24,129
New Zealand									
Total	14,039	18,776	21,261	23,607	25,726	27,844	29,963	32,604	41,516
Male	16,786	20,580	23,269	25,426	27,583	29,741	31,898	38,210	44,563
Female	11,988	16,198	19,202	21,353	23,478	25,551	27,623	29,695	31,767
France									
Total	11,240	15,247	17,190	18,513	19,835	21,158	23,802	25,733	30,414
Male	11,240	15,868	18,182	19,835	21,158	23,802	24,992	27,505	33,059
Female	10,579	13,885	15,604	17,164	18,513	19,174	19,835	21,158	25,786
UK (net)									
Total	14,352	16,796	17,992	19,760	21,580	22,776	24,128	26,416	30,004
Male	14,404	17,295	18,616	21,029	22,308	24,024	25,688	28,610	33,020
Female	14,144	15,756	17,420	17,992	20,280	21,580	22,256	24,128	26,416

Source: NIESR

The study then goes on to look at modelling of career earnings in the UK and the US. Once that age, qualifications and ethnicity are accounted for the study shows that UK academics earn less than non-academics. However, it also shows that people remaining in academia have a different lifetime earnings profile to graduates working outside academia. Academic earnings start from a lower point, but increase faster over the span of an academic career. The wage an individual can earn as an academic will be below that which they could earn elsewhere until they reach their mid-fifties when the position is reversed.

3. 'University Staff Academic Salaries & Remuneration: A Comparison of New Zealand and Selected International (Australia, Canada, England, USA) data'

For the purpose of calculating an average salary for England by academic rank, the report applies the grading structure to the national pay spine as utilized by University College London. They use figures reported by the national pay spine, where "all staff are paid according to a national grading structure which is supported by national role profiles setting out the nature of the roles within each grade". This contrasts with the methodology used for the other participating countries where a range of universities are used (five in the USA, eight in Australia, six in Canada and eight from New Zealand.)

Between 2005 and 2008, English staff salaries witnessed the highest increases of all five countries, ranging between 23% and 29% for all staff pay grades.

Table 3.1 Movement in Academic Salaries (adjusted to US\$ PPP) 2005 - 2008

Rank	Australia	Canada	England	USA	NZ
Lecturer/Assistant Professor	14%	9%	25%	16%	17%
Senior Lecturer	13%	NA	23%	NA	14%
Associate Professor	14%	8%	29%	17%	18%
Professor	14%	8%	26%	18%	18%

Source: The New Zealand Vice-Chancellors Committee

However, despite the high increases, England (in 2008) ranks fourth in staff salaries when calculated in terms of PPP, lagging behind Australia, Canada, and the US.

Table 3.2 Salary by Country (US\$ PPP - 2008)

Rank	Australia	Canada	England	USA	NZ
Lecturer/Assistant Professor	\$59,000	\$65,500	\$50,500	\$70,700	\$44,900
Senior Lecturer	\$71,200	NA	\$60,400	NA	\$58,600
Associate Professor	\$83,700	\$80,500	\$74,200	\$83,000	\$71,600
Professor	\$102,300	\$100,100	\$82,200	\$113,900	\$77,700

Source: The New Zealand Vice-Chancellors Committee

4. Max Weber Programme Academic Careers Observatory

The table below provides a comparison of average gross salaries across countries. Titles of academic positions differ from country to country but for means of comparison they were unified into just five. In countries where the position or its equivalent does not exist, the space is left blank.

Table 4.1 Average gross salaries per month 2007 (€)

	PhD	Postdoc	Junior Lecturer/ Assistant Professor	Senior Lecturer/ Associate Professor	Full Professor
Belgium (2007)	--	--	4.318	5.138	6.625
Canada (2007)	--	--	4.856	6.096	7.145
Denmark (2007)	3.152	4.560	--	5.499	6.974
Finland (2007)	2.290	3.220	--	3.420	5.218
France (2007)	--	2.500	--	3.000	4.500
Germany (2007)	--	--	3.277	3.744	4.546
Ireland (2004)	--	--	5.250	6.400/7.700*	9.750
Israel (from 2009)	--	--	3.726	4.224/4.907*	6.455
Italy (2004)	--	1.500	2.500	4.000	5.500
Netherlands (2004)	--	--	3.974	5.541	6.544
Norway (2005)	3.203	3.950	--	4.330	5.297
Poland (2006/2007)	--	--	586	1.127	1.758
Russia (2007)	250	--	--	600**	900/1.100** *
Spain (2003)	--	1.584	2.250	2.750	3.584
Sweden (2006)	2.365	3.317	3.142	3.800	5.145
UK (2007)	--	3.813	4.766	5.842	6.353
Ukraine (2006)	50	100	200	400	1.000
USA (2006)	--	3.708	4.820	5.785	8.529

Source: European University Institute

* These figures refer to respectively the "Senior Lecturer" and "Associate Professor" positions.

**This figure refers to the undifferentiated "lecturer" position.

*** These figures refer to respectively the "Professor" and "Chair" positions.

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All numbers are gross and the salaries are provided by institutions or ministries in the respective countries.

It should also be noted that in the different countries there are varied options for topping the salary with bonuses and other means of income. This is especially true in the case of Spain and the US where the salaries comparatively seem very low, but the actual salary can be much higher depending on the productivity and outside activities of the individual.