

The effect of various pay raises on a starting FY 95 Pitt assistant professor salary of \$40,000

The Table below takes a hypothetical new Pitt assistant professor in FY 1995 with a starting salary of \$40,000 (90.9% of the average salary (\$44,000) for an assistant professor salary in FY 1995) and shows what his/her salary would be in FY 2010 after receiving the pay raises indicated in the Table for 15 years (FY1996-FY2010). The applied pay increases were:

Column A: the full (1x) maintenance and merit/market/equity components of Pitt’s annual salary pool increase every year. **The abbreviation M&M = maintenance and merit/market/equity;**

Column B: two times (2x) the annual M&M components each year;

Column C: a repeating 3 year cycle with the annual 1x M&M increase in years one and two, and a 3x M&M increase the third year;

Column D: a repeating 3 year cycle with the annual 1x M&M increase in years one and two, and a 2x M&M increase the third year;

Column E: a repeating 3 year cycle with the annual 1x M&M increase the first year, a 2x M&M increase the second year and a 3x M&M increase the third year.

In FY 01 a 15% promotion increase (p) was given in place of the 2x or 3x M&M in columns B, C, D and E.

FY 95 \$40,000	A) 1x M&M pay raises every year for 15 straight years	B) 2x M&M each year except for a 15% promotion increase FY 01	C) 3 year cycle w/ a 1x M&M in years 1 and 2, and 3x M&M in year 3 except for a 15% promotion increase in FY 01	D) 3 year cycle w/ a 1x M&M in years 1 and 2, and 2x M&M in year 3 except for a 15% promotion increase in FY 01	E) 3 year cycle w/ a 1x M&M year 1, 2x year 2 and 3x year 3 except for a 15% promotion increase FY 01
FY 96	0% - \$40,000	0% - \$40,000	0% - \$40,000	0% - \$40,000	0% - \$40,000
FY 97	3.5% - \$41,400	7.0% - \$42,800	3.5% - \$41,400	3.5% - \$41,400	7.0% - \$42,800
FY 98	3.0% - \$42,642	6.0% - \$45,368	9.0% - \$45,126	6.0% - \$43,884	9.0% - \$46,652
FY 99	2.7% - \$43,793	5.4% - \$47,818	2.7% - \$46,344	2.7% - \$45,069	2.7% - \$47,912
FY 00	3.5% - \$45,326	7.0% - \$51,165	3.5% - \$47,966	3.5% - \$46,646	7.0% - \$51,265
FY 01	4.0% - \$47,139	p15.0% - \$58,840	p15.0% - \$55,161	p15.0% - \$53,643	p15.0%-\$58,955
FY 02	3.5% - \$48,789	7.0% - \$62,959	3.5% - \$57,092	3.5% - \$55,521	3.5% - \$61,019
FY 03	2.5% - \$50,009	5.0% - \$66,107	2.5% - \$58,519	2.5% - \$56,909	5.0% - \$64,070
FY 04	2.5% - \$51,259	5.0% - \$69,412	7.5% - \$62,908	5.0% - \$59,754	7.5% - \$68,875
FY 05	2.5% - \$52,540	5.0% - \$72,883	2.5% - \$64,481	2.5% - \$61,248	2.5% - \$70,597
FY 06	2.5% - \$53,854	5.0% - \$76,527	2.5% - \$66,093	2.5% - \$62,779	5.0% - \$74,127
FY 07	2.75% - \$55,335	5.5% - \$80,736	8.25% - \$71,545	5.5% - \$66,232	8.25% - \$80,242
FY 08	3.0% - \$56,995	6.0% - \$85,580	3.0% - \$73,692	3.0% - \$68,219	3.0% - \$82,649
FY 09	3.5% - \$58,990	7.0% - \$91,570	3.5% - \$76,271	3.5% - \$70,607	7.0% - \$88,435
FY 10	0% - \$58,990	0% - \$91,570	0% - \$76,271	0% - \$70,607	0% - \$88,435

Note 1: Pitt assistant and associate professor average salaries in FY 10 were \$70,100 and \$84,600, respectively.

Note 2: The annual consumer price index (CPI-W) increases from FY 96 to FY 10 were: 2.7%, 2.5%, 3.3%, 1.7%, 1.6%, 2.7%, 3.4%, 1.6%, 2.4%, 1.9%, 3.3%, 3.5%, 2.5%, 4.1% and 0.1% respectively. The assistant professor would need a FY 10 salary of **\$57,780** just to keep pace with inflation for the 15 year period from FY 96 to FY 10.

As the table shows, after receiving the indicated pay raises in Column A (the full (1x) M&M salary increase

components each year for 15 years), the assistant professor's projected FY 10 salary would be **\$58,990**. That is:

\$1,210 (2.1%) **above** the FY 10 salary (\$57,780) needed to prevent loss of buying power due to inflation;
\$11,110 (-15.8%) **below** Pitt's average salary for an assistant professor in FY 10 (\$70,100); and,
\$25,610 (-30.3%) **below** Pitt's average salary for an associate professor in FY 10 (\$84,600).

After receiving the indicated pay raises in Column B (two times (2x) the full M&M salary increase components each year for 15 years except for FY 2001 when the increase was 15% after promotion to associate professor), the assistant professor's projected FY 10 salary would be **\$91,570**. That is:

\$33,790 (58.5%) **above** the FY 10 salary (\$57,780) needed to prevent loss of buying power due to inflation;
\$21,470 (30.6%) **above** Pitt's average salary for an assistant professor in FY 10 (\$70,100); and,
\$6,970 (8.2%) **above** Pitt's average salary for an associate professor in FY 10 (\$84,600).

After receiving the indicated pay raises in Column C (a repeating 3 year cycle for 15 years with the annual 1x M&M increase in years one and two, and a **3x** M&M increase the third year, except in FY 2001 it was a 15% increase after promotion to associate professor), the assistant professor's projected FY 10 salary would be **\$76,271**. That is:

\$18,491 (32.0%) **above** the FY 10 salary (\$57,780) needed to prevent loss of buying power due to inflation;
\$6,171 (8.8%) **above** Pitt's average salary for an assistant professor in FY 10 (\$70,100); and,
\$8,329 (-9.8%) **below** Pitt's average salary for an associate professor in FY 10 (\$84,600).

After receiving the indicated pay raises in Column D (a repeating 3 year cycle for 15 years with the annual 1x M&M increase in years one and two, and a **2x** M&M increase the third year, except in FY 2001 it was a 15% increase after promotion to associate professor), the assistant professor's projected FY 10 salary would be **\$70,607**. That is:

\$12,827 (22.2%) **above** the FY 10 salary (\$57,780) needed to prevent loss of buying power due to inflation;
\$505 (0.7%) **above** Pitt's average salary for an assistant professor in FY 10 (\$70,100); and,
\$13,993 (-16.5%) **below** Pitt's average salary for an associate professor in FY 10 (\$84,600).

After receiving the indicated pay raises in Column E (a repeating 3 year cycle for 15 years with the full 1x M&M salary increase components the first year, a 2x M&M increase the second year and a 3x M&M increase the third year except in FY 2001 it was a 15% increase after promotion to associate professor), the assistant professor's projected FY 10 salary would be **\$88,435**. That is:

\$30,655 (53.1%) **above** the FY 10 salary (\$57,780) needed to prevent loss of buying power due to inflation;
\$18,335 (26.2%) **above** Pitt's average salary for an assistant professor in FY 10 (\$70,100); and,
\$3,835 (4.5%) **above** Pitt's average salary for an associate professor in FY 10 (\$84,600).

How do your starting salary and pay raises compare to the hypothetical ones in this report?

- If you are receiving 1x M&M or lower pay raises most years, your salary does not advance much beyond the rate of inflation.
- To move up the academic pay scale at Pitt beyond the average salary for a Pitt associate professor and towards the average salary for a Pitt full professor, two factors are important:
 - 1) It helps immensely to begin with a **high starting salary** (*i.e.*, one that is near or higher than the average Pitt salary for the academic rank into which you are hired). See for yourself by comparing the \$36,000, \$40,000 and \$44,000 starting salary tables to each other;

and,
 - 2) You need to be receiving **2x M&M and/or 3x M&M raises regularly** (every 3 years or less).

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