

Comparing the average faculty salary at the UofA with the U15 in Canada

Informing our ATB proposal

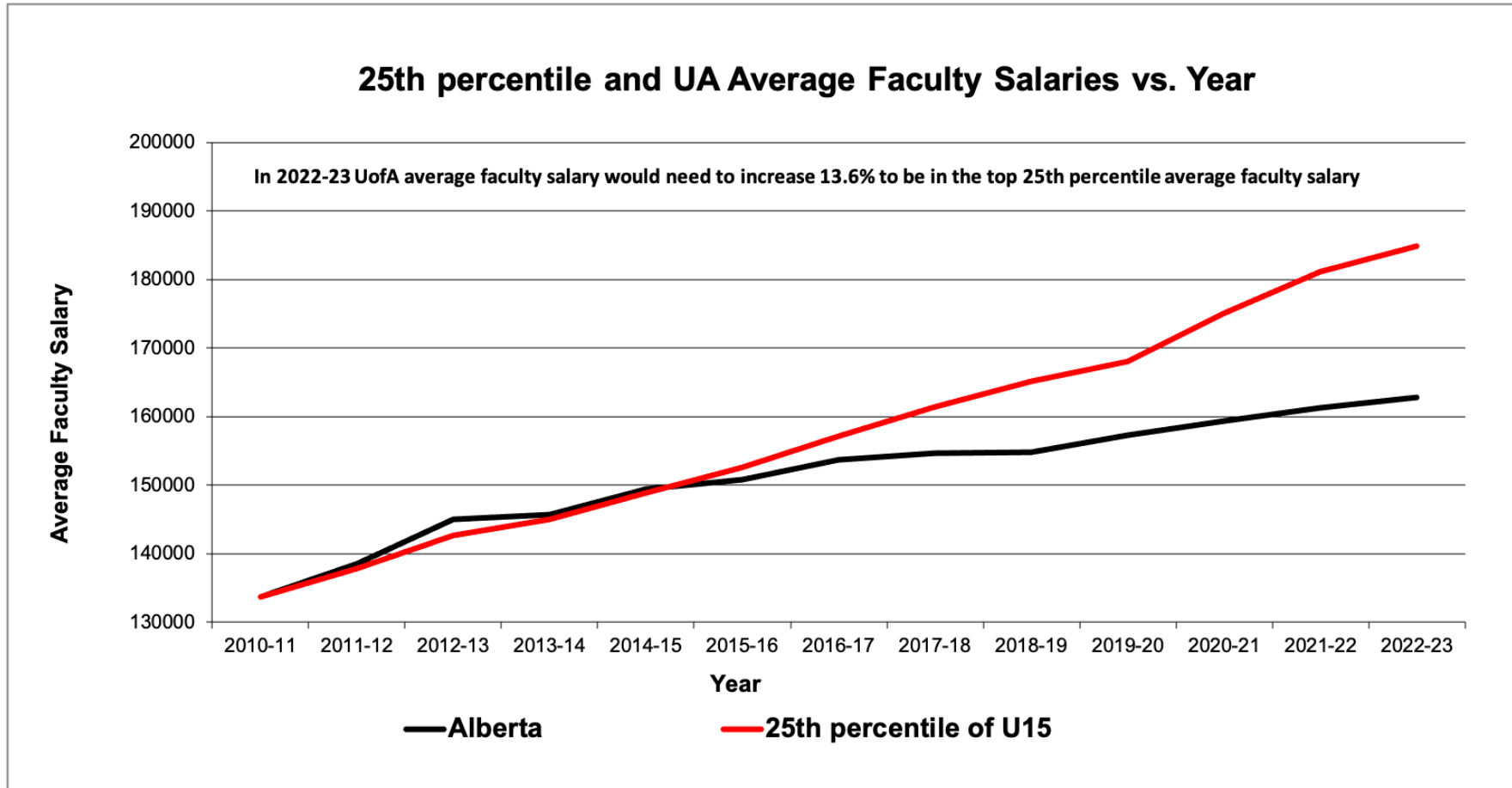
- The historical compact: The top 25th percentile mark in the U15 in Canada
- Examining the *McKinnon Report* comparison: The U15 across Ontario and BC
- Examining the comparison with the “four other top-5 QS-ranked U15” in Canada
- Examining the comparison with all other U15 in Canada.
- Examining the effect of inflation on UofA average faculty salaries via the CPI for Edmonton.
- Percentage allocation in the UofA operating budget to “academic salaries,” as defined by the Canadian Association of University Business Officers (CAUBO), with comparison with the average allocation across Alberta, the average allocation associated with the U15 in Ontario and BC, and the overall Canadian average allocation, respectively.

The historical compact: The top 25th percentile mark in the U15 in Canada

- From 2000 to 2015, increases to academic staff salary was explicitly bargained at the UofA with the goal of having average faculty salaries (AFS) at the UofA in the top 25th percentile of average faculty salaries associated with the U15 medical/doctoral universities in Canada. The across-the-board (ATB) percentage increase so obtained was applied equally to all constituencies.
- At one time there was a Board motion committing the UofA to the top 25th percentile goal.
- Several years ago the Board revised this motion to remove explicit mention of the 25th percentile goal and replaced it with an aspiration target of providing “competitive” compensation.
- Why use the relationship between the UofA AFS and the 25th percentile mark in the U15 to determine the ATB ask?
 - The only reliable, objective, multi-institutional and long-term longitudinal academic salary dataset there is in Canada is the Statistics Canada *UCASS* faculty salary dataset.
 - The only dataset upon which both sides, by mutual understanding, can be reasonably assured that one is comparing apples with apples, and thereby having a fact-based rational conversation on more or less objective academic salary comparisons.
 - Annual percentage increases in the 25th percentile mark associated with the U15 have, over the last 20 years or so, exceeded, on average, annual CPI increases.

The top 25th percentile mark and UofA AFS from 2010-11 to 2022-23

defined as the average of the current-year 2nd and 3rd ranked institutional AFS



The top 25th percentile mark and UofA AFS from 2010-11 to 2022-23

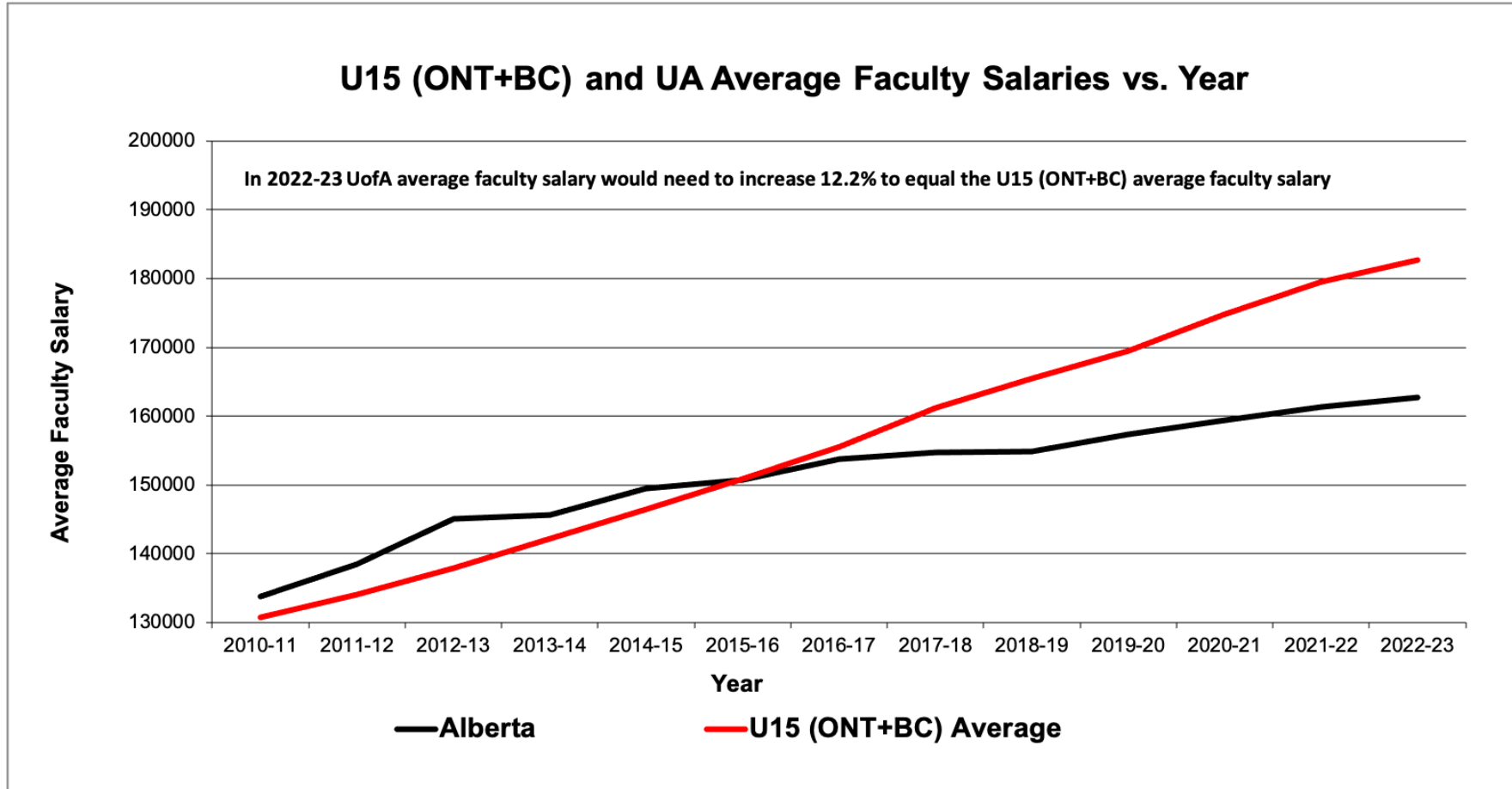
- 2022-23 is the most recent year for which there is UCASS data. There is no 2023-24 UCASS data as yet.
- The top 25th percentile mark is defined as the average of the current-year 2nd and 3rd ranked AFS for the U15 universities. It is an average based on institutional AFS.
- From 2010-11 until 2015-16, UofA AFS closely tracked the 25th percentile mark.
- Since 2015-16, UofA AFS is below the 25th percentile mark and the gap is increasing steadily over time.
- This is true for all professorial ranks without exception.
- In 2022-23, the 25th percentile mark in the U15 was \$184,813.
- In 2022-23, the UofA AFS was \$162,731.
- **The 2022-23 25th percentile mark is about 13.6%, or about \$22.1K, higher than the 2022-23 UofA AFS.**
- *My best guess is that UofA AFS would need to increase on the order of about 16% effective July 1, 2024 in order to be in the top 25th percentile in the U15 in 2024-25.*

Comparing the UofA AFS with the U15 in Ontario and BC AFS

The *McKinnon Report* comparison

- The UCP-government-ordered *McKinnon Report* suggested that public sector salaries in Alberta should align with public sector salaries in, for example, Ontario and BC.
- Let us compare the UofA AFS with the AFS associated with all the U15 in Ontario and BC.
- The U15 in Ontario and BC are the seven universities: UOttawa, Queen's, UToronto, McMaster, Waterloo, Western, and UBC.
- We define the AFS associated with the U15 in Ontario and BC as the AFS across these universities weighted by the number of faculty at each institution. This more accurately reflects the average annual salary paid to individual faculty across the U15 in Ontario and BC than a simple institutional average across the seven institutions.
- The data we present is for the period from 2010-11 to 2022-23.
- 2022-23 does not as yet include the UCASS data from UToronto. We assume that the 2022-23 UToronto AFS is 2% higher than the 2021-22 UToronto AFS.
- This 2% assumption for the 2022-23 UToronto AFS is almost certainly an *under estimate* since faculty at the UToronto were awarded an 8% ATB retroactive to July 1, 2022.

Comparing the UofA AFS with the U15 in Ontario and BC AFS from 2010-11 to 2022-23

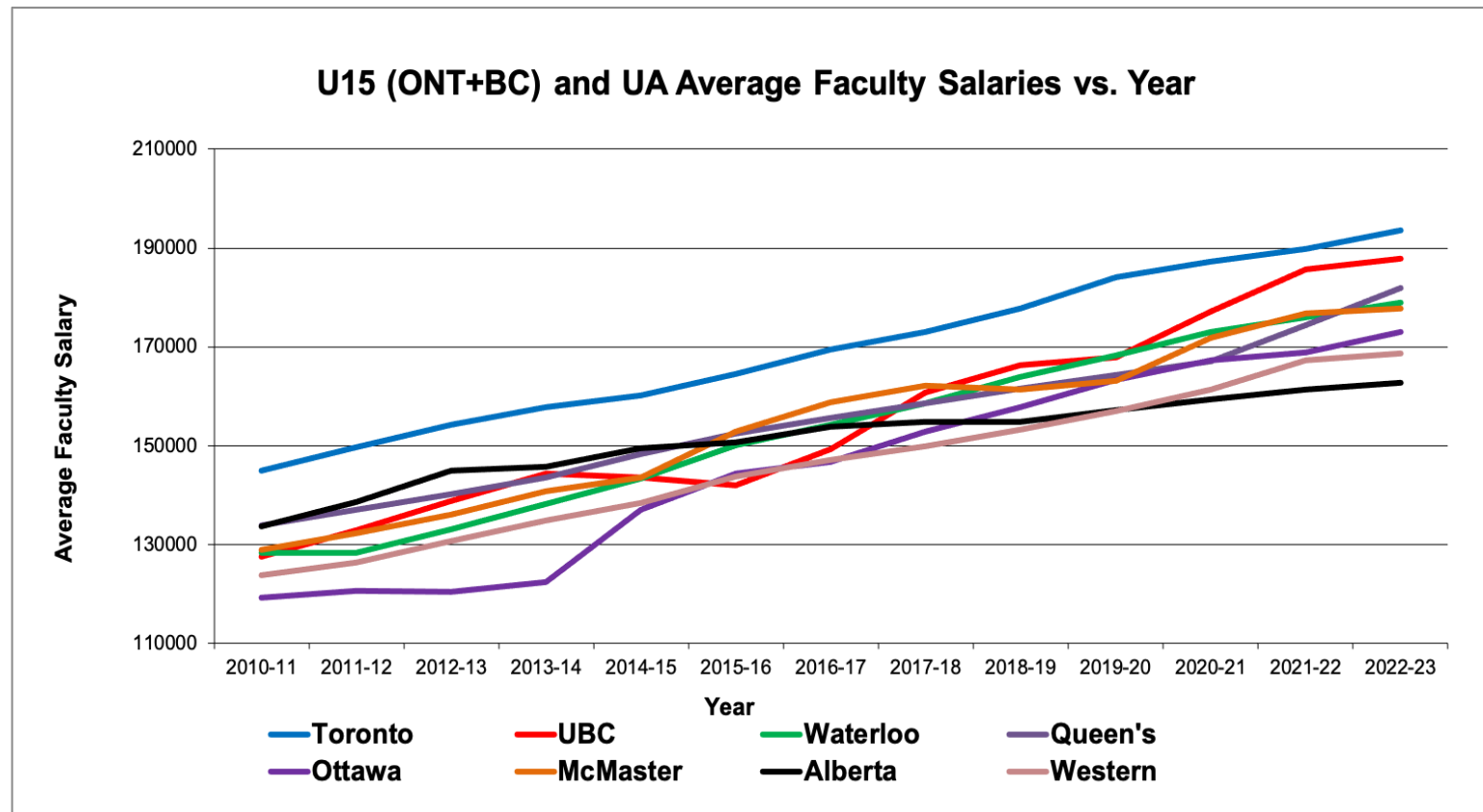


Comparing the UofA AFS with the U15 in Ontario and BC AFS from 2010-11 to 2022-23

- From 2010-11 until 2015-16, the UofA AFS was somewhat higher than the ONT+BC U15 AFS but tracked similarly, i.e., the difference was more or less maintained.
- Since 2015-16, the UofA AFS is less than the ONT+BC U15 AFS, and the gap is increasing steadily over time.
- In 2022-23, the AFS for Assistant, Associate and Full Professors, respectively, at the UofA are all dead last when compared to the AFS associated with their respective ranks across the U15 in Ontario and BC.
- In 2022-23, the ONT+BC U15 AFS was \$182,637.
- In 2022-23, the UofA AFS was \$162,731.
- **The 2022-23 AFS for the ONT+BC U15 is about 12.2%, or about \$19.9K, higher than the 2022-23 UofA AFS.**
- This analysis yields a qualitatively similar result to the analysis associated with comparing the UofA AFS with the 25th percentile mark associated with the U15.
- *My best guess is that AFS at the UofA would need to increase on the order of about 15% effective July 1, 2024 in order to be more or less the same as the U15 in ONT+BC AFS in 2024-25.*

Comparing the UofA AFS with the U15 in Ontario and BC AFS from 2010-11 to 2022-23

- From 2010-11 to 2015-16, the UofA AFS was in the top 3 and often number 2 compared to all other U15 in Ontario and BC (and indeed with respect to all the U15).
- In 2022-23, the top 3 AFS are associated with UToronto, UBC and Queen's, respectively.
- Since 2019-20, the UofA AFS is below the AFS associated with all other U15 in Ontario and BC.



Comparing the UofA AFS with the “four other top-5 QS-ranked U15” AFS in Canada

- UofA is a “top-5” QS-ranked U15 university in Canada.
- How does the UofA AFS compared to the AFS associated with the “other four top-5 QS-ranked U15”?
- The “other four top-5 QS-ranked U15” are: UToronto, McGill, UBC and Waterloo.
- In 2022-23, the AFS (weighted by the number of faculty at each university) associated with the “other four top-5 QS-ranked U15” is \$182,807.
- In 2022-23, the UofA AFS was \$162,731.
- **The 2022-23 “four other top-5 QS-ranked U15” AFS is about 12.3%, or about \$20.1K, higher than the 2022-23 UofA AFS**
- This analysis yields a qualitatively similar result to the analyses associated with comparing the UofA AFS with the 25th percentile AFS mark associated with the U15, *and* the ONT+BC AFS.
- *My best guess is that UofA AFS would need to increase on the order of about 15% effective July 1, 2024 in order to be more or less the same as the “four other top-5 QS-ranked U15” AFS in 2024-25.*

Comparing the UofA AFS with the AFS associated with all other U15 in Canada

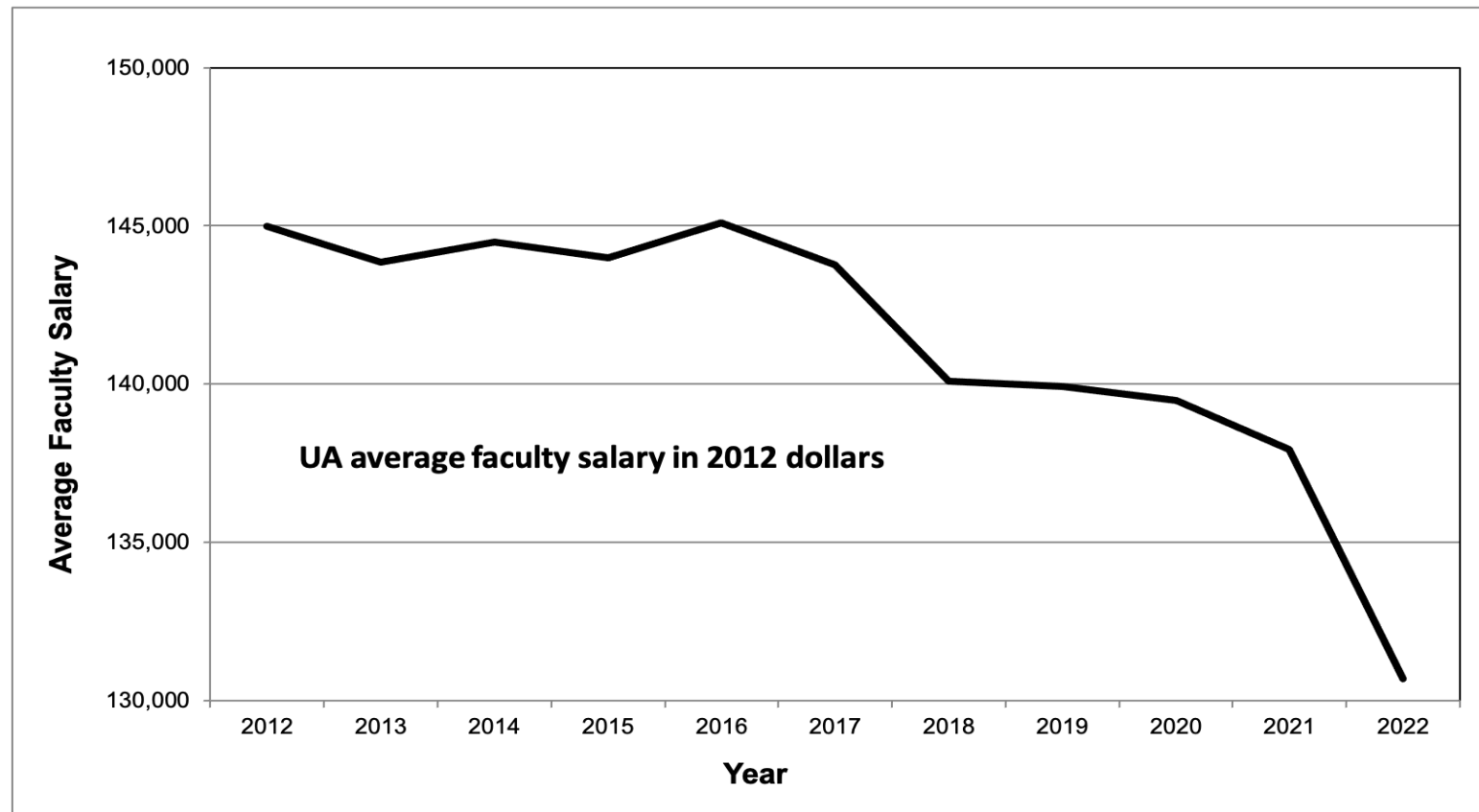
U15 university	Average faculty salary in 2022-23	Rank in U15
Dalhousie	\$145,163	11
McGill	\$159,205	10
Montreal	\$142,667	12
Laval	\$137,728	15
McMaster	\$177,837	5
Ottawa	\$173,099	7
Queen's	\$181,859	3
Toronto	\$193,562	1
Waterloo	\$179,031	4
Western	\$168,745	8
Manitoba	\$140,301	14
Saskatchewan	\$175,636	6
Alberta	\$162,731	9
Calgary	\$141,508	13
UBC	\$187,768	2

- From 2010-11 to 2015-16, the UofA AFS was in the top 3 in the U15 and often ranked 2nd.
- Starting in 2016-17, the UofA AFS ranking has been declining to where, in 2022-23, we are ranked 9th.
- The UofA AFS is now less than all other U15 west of Quebec except for UManitoba (14th) and UCalgary (13th).
- In 2022-23, the AFS associated with the other 14 U15 is \$169,524.
- In 2022-23, the UofA AFS is \$162,510.
- **The 2022 AFS associated with the other 14 U15 is 4.3%, or about \$7K, higher than the UofA AFS.**
- *I estimate that the UofA AFS would need to increase about 6.8% effective July 1, 2024 to have the UofA AFS more or less equal to the national U15 AFS in 2024-25.*

The UofA AFS in terms of 2012 dollars over the period 2012 - 2022

The effect of inflation as measured by the CPI for Edmonton since 2012

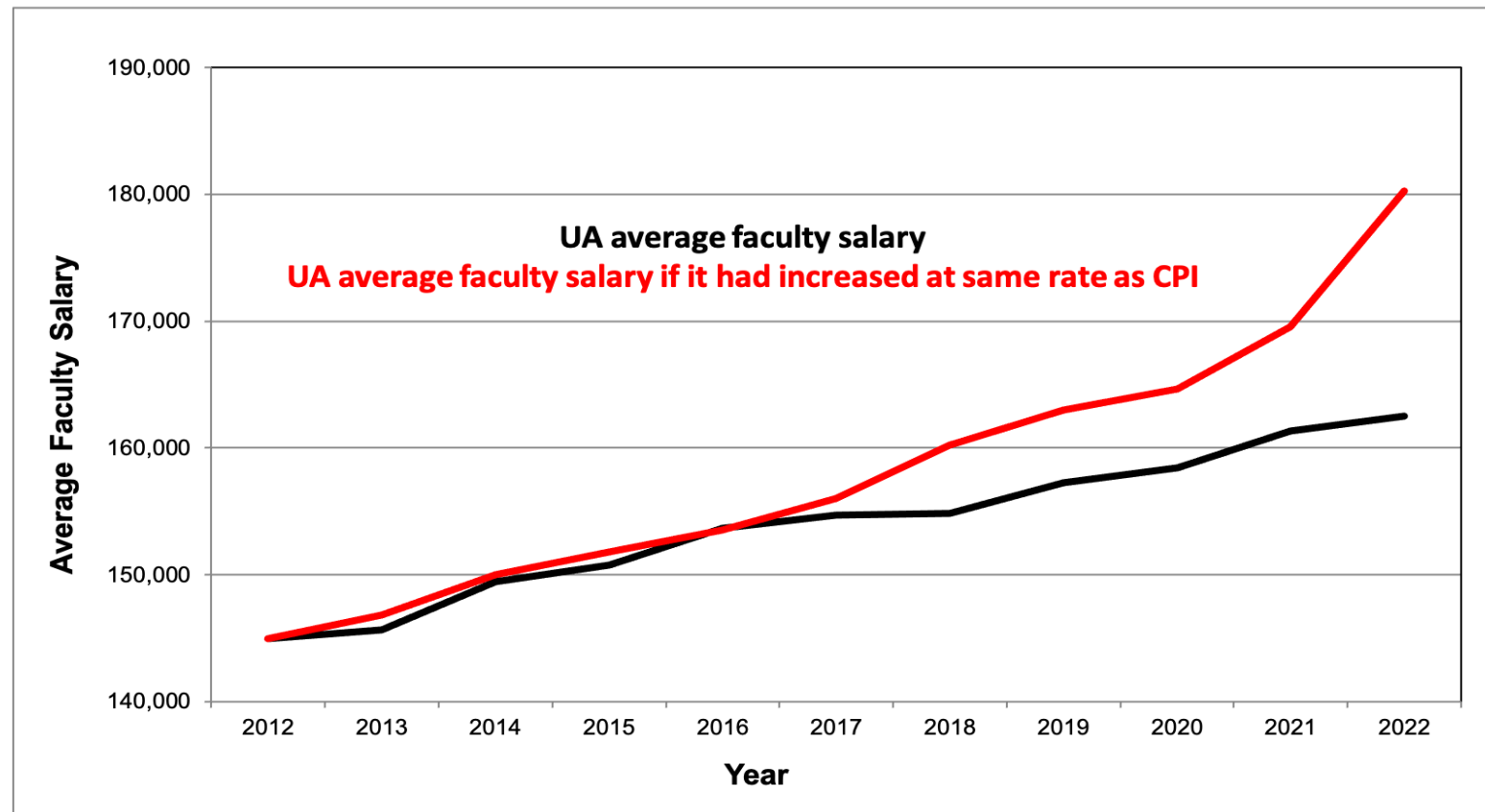
- *Over 2012 to 2016, annual increases in the UofA AFS kept pace, more or less, with annual CPI increases.*
- *Over 2016 to 2022, annual increases in the UofA AFS have not kept pace with annual CPI increases.*
- *Since 2016, the UofA AFS has declined by about 10% when expressed in constant 2012 dollars.*



The UofA AFS if it had increased at the same annual same rate as CPI over 2012 - 22

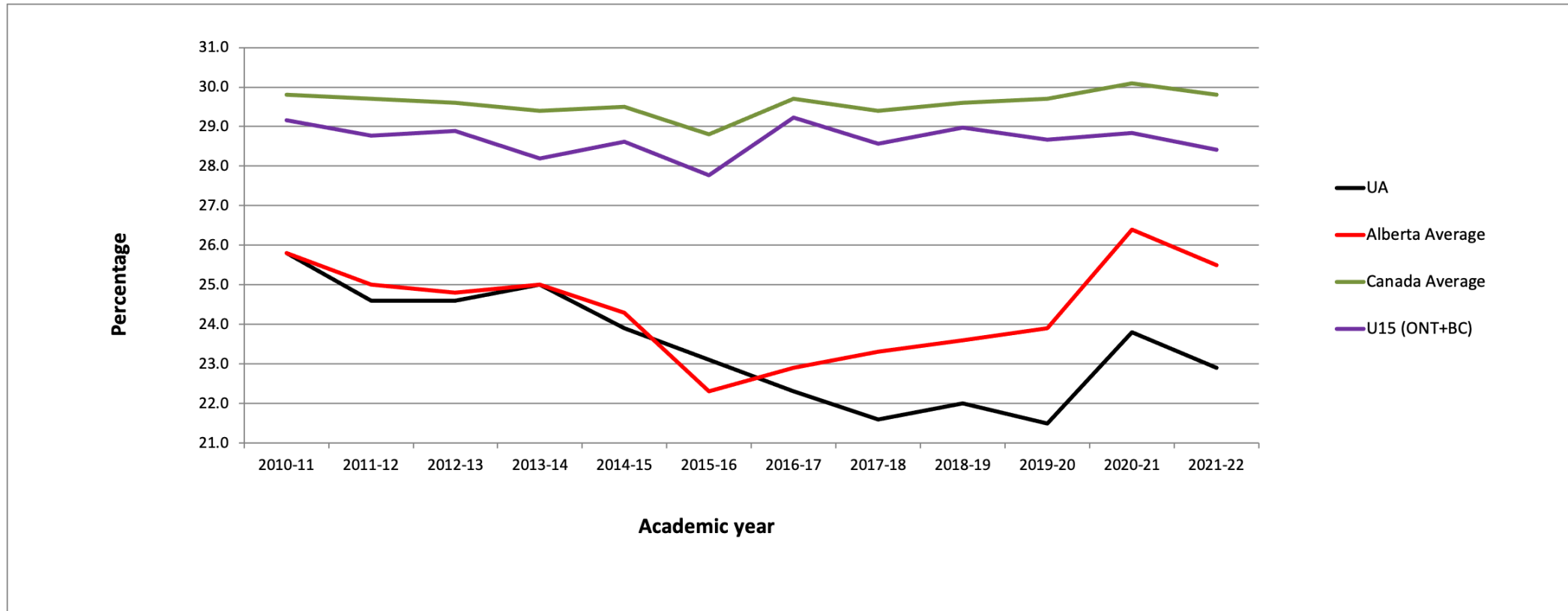
The effect of inflation as measured by the CPI for Edmonton since 2012

- Over 2012 to 2016, annual increases in the UofA AFS kept pace, more or less, with annual CPI increases.
- Over 2016 to 2022, annual increases in the UofA AFS have not kept pace with annual CPI increases.
- The 2022 UofA AFS was \$162,510. If the UofA had been indexed to the CPI, in 2022 it would have been \$180,276.
- The \$180,276 number is qualitatively similar to the previous U15 comparator calculations presented.



The percentage allocation in the operating budget to CAUBO-defined academic salaries

- *Over 2010 - 2015, the percentage allocation in the UofA operating budget closely tracked the average percentage allocation across the other seven Alberta PSIs that report financial data to CAUBO.*
- *Since 2016, the percentage allocation in the UofA operating budget is 2-3% lower than the average Alberta percentage allocation.*
- *Over the period 2010-15, the UofA AFS was competitive with our U15 comparators. Since about 2016 it is not.*



The percentage allocation in the operating budget to CAUBO-defined academic salaries

The graphs shown in the last slide are consistent with the analysis described in an Op-Ed column in the Saturday, January 7, 2022 Edmonton Journal by Trevor Harrison and Richard Mueller, both of the University of Lethbridge. The Harrison-Mueller analysis states:

“Alberta spends less per student on instruction and more on support and other services, at least at the university level, than comparator provinces and this has implications for both the recruitment and retention of students and professors in Alberta. The MacKinnon report pointed out something similar, blaming high administration costs for what it reported as higher overall costs per student at post-secondary institutions in Alberta.”

- If the UofA had allocated the same fraction of its operating budget to academic salaries as the average Alberta percentage allocation, then in 2021-22, for example, the UofA would have allocated an approximately additional \$28.8M in operating budget dollars toward “academic salaries,” as defined by CAUBO.
- An additional expenditure of \$28.8M toward academic salaries (i.e., faculty and ATS) in 2021-22 would have corresponded to approximately a 9.7% increase in average faculty and ATS salaries at the UofA in 2021-22.
- An additional operating budget expenditure of \$28.8M in the 2021-22 UofA operating budget corresponds to about 1.6% of total operating budget expenditures in 2021-22.

Final Thoughts

Budgets are about priorities.

What the underlying narrative here is suggesting, in my opinion, is that notwithstanding the hubris and the rhetoric, the Employer is not committed to making the required, modest and comparable budgetary choices that would easily enable it to pay competitive academic salaries commensurate with our “top-5” and “top-120” academic QS-ranked standing nationally and internationally, respectively.

It is not about “inability to pay,” it is about “unwillingness to pay” academic salaries commensurate with our national and international academic standing and any notion of providing “competitive” compensation.