

Is Moving From Industry to Academia Financially Worth It? Health Administration Faculty Salaries in the University System of Georgia and How They Compare to Industry and Inflation

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The present study is a secondary analysis of publicly available data pertaining to 44 health administration faculty salaries within the University System of Georgia. Data analysis indicates that overall, mean salaries of entry-level health administration faculty at the rank of Assistant Professor have not kept pace with inflation and are below the median industry salary in health administration. Salaries of health administration faculty at the ranks of Associate Professor and Professor are more in line with current industry salaries and have kept pace with inflation. The study also looks at the breakdown of mean salaries for health administration faculty housed in different schools at different colleges and universities, specifically the School of Business, School of Health, and School of Public Health, and discusses whether it is financially feasible to leave the industry for academia in the present environment.

Keywords: faculty, salaries, inflation, industry, academia, health administration

INTRODUCTION

In the United States, it is not uncommon for our higher education institutions to employ faculty members who have previously had successful industry careers. This is especially common in healthcare (nursing, medicine, healthcare administration), business, and STEM (science, technology, engineering, and mathematics). Having faculty members who have experience in their respective industries can greatly impact student learning and engagement (Wagner et al., 2021). Most practitioners who transition to a full-time faculty role do so because they desire to teach; however, they are not often prepared for the substantial pay cuts, which often total \$10,000 or more annually (Garrison, 2005).

This particular study focuses on the field of health administration. According to Martiniano & Moore (2018), there is an expected increase in demand for undergraduate and graduate degrees in health administration, which will increase demand for health administration faculty members. Health administration faculty members are found in a variety of schools and departments within colleges and universities (Balio et al., 2022). These faculty members will often have a variety of training in health administration, public health, management, sociology, psychology, education, clinical fields, and other areas (Ginter et al., 2009; Weil, 2013). The present study aims to assess the salaries of health administration faculty by faculty rank across the different schools within the public colleges and universities within the University System of Georgia (USG). The study also aims to compare health administration faculty salaries to industry salaries and the current inflation rate to see how they hold up, in addition to providing

information to determine whether it is financially worthwhile to leave an industry career to pursue a faculty career at this time.

METHODS

The present study is a secondary analysis of publicly available data that included 48 full-time faculty salaries in health administration programs over five years at colleges and universities affiliated with the USG. Of the 26 public colleges and universities within the USG, 11 institutions had a bachelor's and/or masters-level healthcare administration/management program. Three institutions had health administration programs that contained an information systems or informatics focus. Because they had a health administration base element, this study included those programs. At each college or university studied, health administration programs were housed in a School of Business, School of Health/Health Sciences/Health Professions, or School of Public Health. Programs were offered across all USG institutions, including research universities, comprehensive universities, state universities, and state colleges (USG, 2023a).

Data were manually gathered from sources made publicly available by the selected institutions, which included university websites, university catalogs, academic program websites, and Open Georgia (2023), therefore, no human contact or participation was required. No personally identifiable data was gathered, analyzed, or kept. Open Georgia (2023) is a website operated through the Department of Audits and Accounts in the State of Georgia. It contains salary information for employees of state agencies and is based on the state's fiscal year, running from July 1 to June 30, and is updated annually. The data gathered specifically looked at full-time faculty salaries at Assistant Professor, Associate Professor, or Professor ranks for 2018-2022. Faculty ranks that included non-tenure track indicators, such as Clinical Assistant Professor, were also included. However, those with the rank of Lecturer or Senior Lecturer were excluded.

The data presented is based on a single snapshot in time and assumes that university websites, academic program websites, university catalogs, and faculty directories were accurate and up-to-date during data collection. Four of the 48 faculty had to be excluded from the final data set. Of those four, three faculty members were in their first year of employment; therefore, those individuals had no salary data in Open Georgia (2023). The fourth exclusion was a full professor who held an endowed position at one of the major research universities within the USG (2023a) that paid almost four times the average salary and would have fundamentally skewed the data. This left a total of 44 health administration faculty across five years.

FINDINGS

As indicated in the findings below, the number of faculty at each rank and school changes yearly throughout the five-year period. This is due to several factors, such as leaving an institution, achieving promotion in rank, or beginning an appointment at some point within the five years studied. In the tables below, "School of Health" is an abbreviation for schools with similar names that were compiled into one category. These included the School of Health, School of Health Sciences, School of Health Professions, and School of Health Sciences & Health Professions.

Table 1 reflects the descriptive statistics of the sample for each year. While there were 44 total faculty members, it is important to note that all 44 faculty were not active in each of the five years studied. The majority of the faculty in the study held the rank of Assistant Professor. This is not surprising given that this particular rank is the entry-level faculty rank. Those at the rank of full Professor were the smallest demographic in the sample, as this rank often takes a minimum of ten years or more to achieve. Regarding the school of employment, the School of Health and School of Business went back and forth from year to year with the highest numbers of faculty members.

TABLE 1
DESCRIPTIVE STATISTICS OF SAMPLE (N=44)

Variable	2018 N (%)	2019 N (%)	2020 N (%)	2021 N (%)	2022 N (%)
Rank					
Assistant Professor	13 (48.1)	12 (40)	14 (42.4)	18 (46.2)	18 (43.9)
Associate Professor	8 (30)	12 (40)	12 (36.4)	13 (33.3)	14 (34.1)
Professor	6 (22.2)	6 (20)	7 (21.2)	8 (20.5)	9 (21.9)
School of Employment					
Health	11 (41)	12 (40)	14 (42.4)	17 (43.6)	18 (43.9)
Business	12 (44.4)	14 (46.7)	15 (45.5)	16 (41)	16 (39)
Public Health	4 (15)	4 (13.3)	4 (12.1)	6 (15.4)	7 (17)

Table 2 reflects the mean Assistant Professor salaries by year, indicating the overall average, followed by the average for each school represented. Overall, salaries dipped in 2019 and 2020, ultimately beginning to rebound in 2021 and 2022. However, they never fully recovered to their 2018 levels. Out of the three employment schools, faculty members in the School of Health seemed to be the lowest paid. School of Business faculty seemed to be the highest-paid faculty at this rank on a consistent basis. While the School of Public Health faculty had the highest salaries among the group in 2019 and 2020, it is also important to note there were only two faculty members in that category. Additionally, the salaries dropped by almost \$30,000 in 2021 and 2022.

TABLE 2
ASSISTANT PROFESSOR MEAN SALARIES OF HEALTH ADMINISTRATION FACULTY MEMBERS BY SCHOOL

	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
Overall	\$96,382.00 N=13	\$86,114.98 N=12	\$88,429.51 N=14	\$90,399.77 N=18	\$94,488.37 N=18
School of Health	\$83,915.73 N=4	\$67,274.75 N=3	\$69,671.29 N=4	\$77,965.12 N=6	\$82,276.24 N=6
School of Business	\$103,539.85 N=7	\$84,855.00 N=7	\$89,847.52 N=8	\$98,093.28 N=9	\$104,009.80 N=9
School of Public Health	\$96,262.08 N=2	\$118,785.25 N=2	\$120,273.93 N=2	\$92,188.54 N=3	\$90,348.32 N=3

Table 3 reflects the salaries of full-time faculty members at the rank of Associate Professor. It is important to note that six (6) of the faculty members studied received a promotion to the rank of Associate Professor during the five years studied. Unlike the salaries at the rank of Assistant Professor, the Associate Professor salaries rose over the five-year period, taking a slight dip in 2022. Of the three schools of employment studied, the School of Health had consistently had the lower salaries of each of the groups, while the School of Business consistently had the highest salaries of each of the groups. School of Health steadily increased each year, taking a slight dip in 2022. Meanwhile, the School of Business and the School of Public Health saw consistent and steady increases from 2018-2022.

TABLE 3
ASSOCIATE PROFESSOR MEAN SALARIES OF HEALTH ADMINISTRATION FACULTY MEMBERS BY SCHOOL

	2018	2019	2020	2021	2022
Overall	\$112,023.52 N=8	\$121,406.25 N=12	\$124,558.09 N=12	\$124,081.39 N=13	\$122,531.86 N=14
School of Health	\$88,954.01 N=3	\$89,019.17 N=5	\$92,449.07 N=5	\$95,407.36 N=6	\$94,675.86 N=7
School of Business	\$145,936.75 N=3	\$159,955.01 N=5	\$161,162.46 N=5	\$160,133.17 N=5	\$163,745.89 N=4
School of Public Health	\$95,757.95 N=2	\$106,002.08 N=2	\$113,319.72 N=2	\$119,974.00 N=2	\$132,577.16 N=3

Table four reflects the mean salaries for faculty at the rank of full Professor. Despite a slight dip in 2019, salaries at this rank increased steadily and finished higher in 2022 than in 2018. While the School of Health still had the lowest salaries in this category, it is hard to make a firm generalization given the small number of faculty members studied who had achieved this rank. It is important to note that one (1) faculty member in the School of Public Health was employed by one of the major research universities and held an administrative role in addition to faculty duties.

TABLE 4
PROFESSOR MEAN SALARIES OF HEALTH ADMINISTRATION FACULTY MEMBERS BY SCHOOL

	2018	2019	2020	2021	2022
Overall	\$108,161.73 N=6	\$106,276.42 N=6	\$114,098.11 N=7	\$126,236.48 N=8	\$138,852.82 N=9
School of Health	\$110,422.54 N=4	\$105,116.52 N=4	\$115,080.26 N=5	\$114,394.91 N=5	\$112,666.64 N=5
School of Business	\$103,640.10 N=2	\$108,596.23 N=2	\$111,642.76 N=2	\$108,626.56 N=2	\$154,040.17 N=3
School of Public Health	\$-- N=0	\$-- N=0	\$-- N=0	\$220,664.14 N=1	\$224,221.69 N=1

Table five shows changes in the mean salary of each rank overall from 2018 to 2022. Additionally, this table breaks down starting and ending mean salaries by faculty rank and school of employment. Overall, from 2018 to 2022, faculty at the rank of Assistant Professor saw a 2 percent decrease in salaries over five years. However, those at the rank of Associate Professor and Professor saw a 9.4 percent increase and a 28.4 percent increase, respectively. As pointed out previously, School of Business faculty generally outearned faculty in the School of Health and School of Public Health. As noted in Table 4, there was only one School of Public Health faculty member at the rank of Professor in 2021 and 2022, so it is impossible to make generalizations based on that limited information.

TABLE 5
CHANGES IN MEAN SALARY BY RANK AND SCHOOL OF EMPLOYMENT

	Faculty Rank	2018 Salary	2022 Salary	Change
Overall	Assistant Professor	\$96,382.00	\$94,488.37	-2.0%
	Associate Professor	\$112,023.52	\$122,531.86	+9.4%
	Professor	\$108,161.73	\$138,852.82	+28.4%
School of Health	Assistant Professor	\$83,915.73	\$82,276.24	-2.0%
	Associate Professor	\$88,954.01	\$94,675.86	+6.4%
	Professor	\$110,422.54	\$112,666.64	+2.0%
School of Business	Assistant Professor	\$103,539.85	\$104,009.80	+0.5%
	Associate Professor	\$145,936.75	\$163,745.89	+12.2%
	Professor	\$103,640.10	\$154,040.17	+48.6%
School of Public Health	Assistant Professor	\$96,262.08	\$90,348.32	-6.1%
	Associate Professor	\$95,757.95	\$132,577.16	+38.5%
	Professor	\$--	\$224,221.69	--

DISCUSSION

This study aimed to examine trends in health administration faculty salaries for full-time faculty members at colleges and universities within the University System of Georgia. According to the current U.S. Inflation Calculator (2023), at the time of this writing, “The annual inflation rate for the United States is 6.0% for the 12 months ended February 2023 after rising 6.4% previously, according to U.S. Labor Department data published March 14” (par. 1).

Looking at the overall changes in mean salaries from 2018 to 2022, Assistant Professors saw a 2 percent decrease, while Associate Professors and Professors saw increases over 6 percent. This means that Assistant Professor salaries did not increase with inflation, and actually took a cut over the five years studied. Assistant Professors within the School of Health also saw a 2 percent decrease, while Assistant Professors in the School of Public Health saw a 6.1 percent decrease. Therefore, none of these groups had salaries that kept pace with inflation.

Given that inflation was 6 percent, several other groups had positive increases in salary from 2018-2022; however, they did not keep pace with inflation. School of Business Assistant Professors had an increase of just 0.5 percent, and School of Public Health Professors had an increase of only 1.6 percent.

With regards to how healthcare administration faculty salaries compare to their industry counterparts, the Bureau of Labor Statistics (2023) states that the median annual salary for healthcare administrators was \$101,340 in May 2021, with the lowest 10 percent earning \$60,780, and the highest 10 percent earning \$205,620. Overall, the mean salaries of Assistant Professors fall slightly short of the median salaries of those in the industry. This is particularly important since someone considering leaving the industry to teach would likely start at the rank of Assistant Professor and thus would take a pay cut. According to Garrison (2005), transitions from industry to academia are often accompanied by a pay cut of at least \$10,000, with some listing cuts of over \$100,000. Associate Professors and Professors’ salaries seem to align with industry salaries. However, those are promotional ranks that usually take five to ten years of teaching experience, along with other responsibilities in research and service. Additionally, it is important to note that all of the colleges/universities and faculty studied worked in the University System of Georgia. As public institutions that are controlled by the state, any salary increases are decided and allocated by the state legislature during the annual budgeting process and are often not based on merit as with industry salary increases (Amy, 2022).

LIMITATIONS AND FUTURE RESEARCH

There were several limitations to this study. Since the study was conducted with secondary publicly available data, the study assumes that the university websites, academic program websites, university catalogs, and faculty directories were accurate and up-to-date during data collection. Salary information was collected from Open Georgia (2023), which reports salaries based on the state's fiscal year from July 1-June 30. Open Georgia only records total salary information for the entire fiscal year and does not differentiate whether faculty members were 9-month, 10-month, or 12-month employees. Additionally, it does not specify if faculty members took course overloads or conducted independent studies. All of these can have an impact on the total annual compensation rates.

Furthermore, the USG (2023a) classifies colleges and universities into different categories (research universities, comprehensive universities, state universities, and state colleges). Schools within each category had healthcare administration programs in this study. However, the system's different categories of colleges/universities will often have vastly different pay scales based on enrollment, tuition prices, graduate/undergraduate teaching responsibilities, and research requirements.

In the future, it would be interesting to see how these faculty salaries compare to the surrounding states in the southeast and the entire United States. This builds on the work of Menachemi et al. (2016) and Balio et al. (2022), who conducted similar studies in the past on a national level. It would also be interesting to look at the salary breakdowns in Georgia across demographic factors, such as gender, race, highest degree held, and classification of the college/university where one is employed.

CONCLUSION

Despite receiving a \$5,000 salary increase in the FY 2023 budget (Amy, 2022) and an additional \$2,000 cost-of-living increase in the FY 2024 budget (Salzer, 2023), it does not appear that faculty at the entry-level rank of Assistant Professor are being offered salaries that are keeping pace with the industry or inflation. The Georgia legislature also voted in the FY 2024 budget to cut an additional \$66 million from the USG (2023b), which will be divided up and absorbed across all 26 colleges and universities. Suppose one's desire is to teach and give back (Garrison, 2005). In that case, a pay cut and fewer responsibilities might not deter a switch from industry to academia in the field of health administration. However, with costs on the rise and budget cuts and uncertainty brewing in the legislature, it might not be the best time to leave a secure industry position for a faculty role in higher education.

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