Overpaid presidents and administrative bloat?

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There has been a recent flurry of articles on university presidents’ pay. As non-profits, compensation data about top earners in colleges and universities is publicly available and this generates an annual discussion about the fairness of presidential compensation. The New York Times offers the relatively neutral, “Pay for U.S. College Presidents Continues to Grow.” While some headlines give away the angle, such as this: “College Presidents Make a Killing While Schools Struggle.”

As a president, you might think it would be wise for me to Take the 5th and move on, but there is a broader issue that these discussions of compensation raise that merits comment. Presidents are part of a bigger administration at colleges and universities, and issues of compensation can serve as a proxy for concerns about administrative bloat and the attendant impact on college costs. It is true in recent decades that administrative costs and the number of administrators have risen faster than faculty numbers and student enrollment. These administrators are often highly educated and institutions must pay market-determined compensation to hire top quality talent from a national pool. Both the number of employees and compensation add to the cost structure of colleges and universities.

The issue for students, parents and the public, however, should not be the total dollars paid in compensation, but what educational services are being provided by these administrators. If there is little or no value added and what we are seeing is simply administrative bloat, then there is no question about what should be done. If, on the other hand, there are valuable and necessary services being provided by these administrative professionals, we need to recognize these costs as essential to the educational outcomes we are hoping to achieve.

It will not be a shock to discover where I come down in this debate. Even in my 25 years in higher education, student needs and the educational process are fundamentally different, and the changes have been even greater in the period since the end of World War II. The changes are legion but just a couple to note as examples. First, we have an increasingly ethnically and economically diverse student body, which comes to college less academically prepared to succeed than their peers were a generation or two ago. Second, even many academically prepared students have emotional and physical needs that colleges were not able or expected to address a generation ago. (These changes could obviously be the topic of a much longer discussion.)
So even if you think presidents are making a killing, please remember that the expectations students and parents have for higher education have changed, which is likely good for society, but these increased demands also require new administrative resources to meet them.