

How Much Did Aunt Martha Promise You, Dr. Nail?

From the 2007-2008 AACSB Salary Survey:

Academic Department	142.4	4.4	158.4	132.5
Chair				

For a college of business department chair last year, the mean salary was \$142,400, which was an increase of 4.4%. At the 75th percentile, the salary average was \$158,400, and at the 50th percentile it was \$132,500. The School of Accountancy is looking to pay \$175,000, if a suitable candidate can be found. Dr. Nail proposed 6 new departments, one of which is Accounting. If we assume another 4.4% increase in average salary that would be \$148,666 (rounded), and \$165,370 and \$138,330 for the other two levels, respectively. \$148,666 for 5 new chair positions is \$743,330. Obviously we are assuming a smoothing effect here since Finance and MIS would be much more costly than average, and the other departments would be lower than this average salary figure. Even under the most robust economic conditions, no one can envision Aunt Martha parting with nearly three-quarters of a million dollars in new money to get 5 more chairs in the CoB. Given the current climate and expectations for the economy, it is highly unlikely anywhere near that much money will be coming Nail's way. Assuming Nail approves of either of the Accounting applicants, he will most likely need to find most, if not all, of the other department chairs from inside the CoB. In some departments that will not be difficult, in some that will be impossible given current faculty members. What will this do to Nail's plans? This could be a long, bumpy ride for Nail.