

The salary position for the GPA groups has been influenced by the year of graduation with each group facing slightly different circumstances. The below 2.5 group saw a steady erosion of their salary position from 1979 to 1983, even though there was a slight (1%) increase between 1979-80 and 1980-81. Salaries improved between 1983-84 and 1984-85, and between 1984-85 and 1985-86, but they remain well below the 1978-79 level. At both the beginning and end of the study period, the below 2.5 group had the highest salary average.

For the 2.5-3.0 group, salary levels have gone up slightly, down sharply, up again, and then down before showing two consecutive years of increases followed by a year of no change in 1985-86. The 3.0-3.5 group, on the other hand, has experienced a small but steady erosion in salary level between 1979 and 1982 with a slow improvement since 1982. Even though this group apparently weathered the economy's inflationary impact without a serious decline in salary level (inflation never exceeded the salary increase by more than 2%), the improvement in salary has not been caused by a sharp increase, rather several successive years of increases just above the inflation rate. As a result, the 3.0-3.5 salary level in 1985-86 barely exceeded (\$49) the 1978-79 level.

Because of the small, yearly sample sizes the salary pattern for the group with grades above 3.5 can

not be clearly discerned. Except for 1981-82 and 1982-83 when reported salaries plummeted, the 3.5-4.0 group has received fairly consistent remuneration, ranging from \$11,000 to \$12,000; that is, until 1985-86 when salary increases fell off by 7%. For three years, this group's average salary was the highest; but in 1985-86, it ranked as the lowest.

RACE

Minority respondents comprised only 6% of those reporting salary. When disaggregated into minority groups, the numbers for Hispanics, Asian-Americans, and foreigners were too small to make meaningful comparisons. Several comparisons were made between Whites and Blacks, as the latter group comprised 82% of minority students. The average salaries for White and Black graduates were \$10,988 (real) and \$10,966 (real), respectively.

CONCLUSION

Inflation had a negative impact on salaries in that annual salary adjustments between 1978 and 1983 failed to keep pace with inflation. Poor economic conditions also contributed, as the number of new positions was reduced, and further depressed salary increases. After 1983, salaries have improved at a rate above or equal to inflation. Recent graduates, still find that their starting salaries purchase less in terms of goods and services.

Reported salaries (average) ranged from \$10,000 for Journalism majors to \$11,171 for Advertising. These salaries may not be truly indicative of first year salaries, as many graduates are involved in training on probationary programs for the first several months after graduation. Successful completion of a training program may result in upward adjustments in salary.

An important finding was the significant difference in salary between men and women. The salary gap has been slowly shrinking as women's salaries have been increasing slightly faster than men's over the last several years. Even after controlling for academic achievement, year of graduation, and other characteristics, the gender difference remained significant.

Collegiate Employment Research Institute

Starting Salary Trends for College of Communications Arts and Sciences Graduates of 1978-1986

Salary Bulletin No. 6

August, 1987

INTRODUCTION

Over the last decade, programs in communications have been very popular with undergraduates, as indicated by increasing enrollments. Some observers contend that enrollment increases are partially caused by higher entry requirements to the more popular majors, such as business. Nevertheless, technological advances which have opened new doors for communicating among the world's people have created exciting new career opportunities. In preparing for a career in communications, information on starting salaries can provide insight into the initial career environment faced by communications graduates.

This bulletin presents salary information for the past eight years (1978-1986), taking into account the effect of inflation on starting salary. This bulletin is a summary of Salary Report No. 7, Starting Salary Trends: College of Communications Arts and Sciences, 1978-1985 (available from the Collegiate Employment Research Institute), plus data from the 1985-86 graduating class.

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SALARY TRENDS

The 1978-79 average reported starting salary (current dollars that are unadjusted for inflation) was \$11,615. Starting salaries have generally increased since 1978 with a 12% gain between 1978-79 and 1980-81, followed by more modest gains the next two years of 5% and 7%. Between 1981-82 and 1982-83 little change was observed in salary levels. Since 1983, salaries have improved at an average of 6.6% per year. The average starting salary (current) in 1985-86 was \$17,684.

When salary figures were adjusted for inflation, the impact of inflation on current salary trends can be observed¹. Between the years 1978 and 1983, current salary increases failed to keep pace with inflation as indicated by the negative slope in figure 1. Even when current salaries increased 12% between 1978-79 and 1979-80, the increase fell 1% short of the inflation rate for that period. Inflation

hit salaries particularly hard the following year: a 6% decline in real terms. This sharp decline also reflects conditions in the general economy such that salary increases, if they occurred at all, could not match the increasing costs for goods and services.

As the economic situation began to improve in 1983-84, current salary increases exceeded the rate of inflation by 4% and 5% over the next two years. The salary increase between 1984-85 and 1985-86 equalled the rate of inflation. These increases over the last few years point to a stronger economy and a better labor market for Communication Arts graduates.

DEPARTMENTS

Graduates from individual departments within Communication Arts have experienced slightly different markets which are often reflected in starting salary. Journalism graduates had the lowest average salary at \$10,011 (all figures are real unless otherwise noted), nearly \$900 below Telecommunications. The remaining salaries ranged from \$10,875 for Telecommunications to \$11,352 for Communications, with Advertising in the middle at \$11,171. Because the majority of Audiology and Speech graduates continue in a fifth year residency program, starting salary information has not been included, as available information may not be reflective of actual labor market conditions.

The individual departments followed similar salary trends over the study period. The general pattern was a period of dramatic decline followed by a gradual and consistent improvement. For example, Telecommunications salaries

Figure 6: Communications Salaries (real) by Grade Point Average

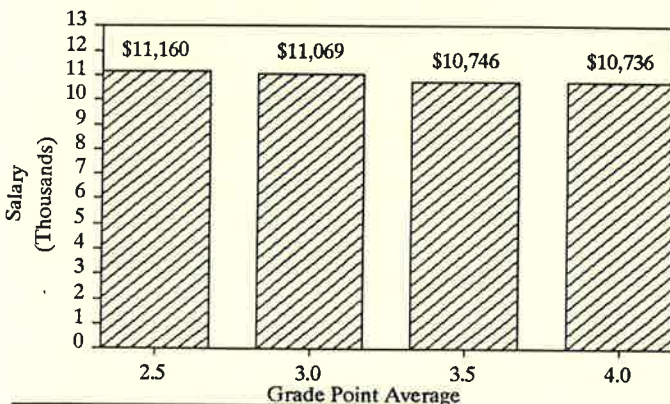


Figure 7: Communications Salaries (real) by Ethnic Group

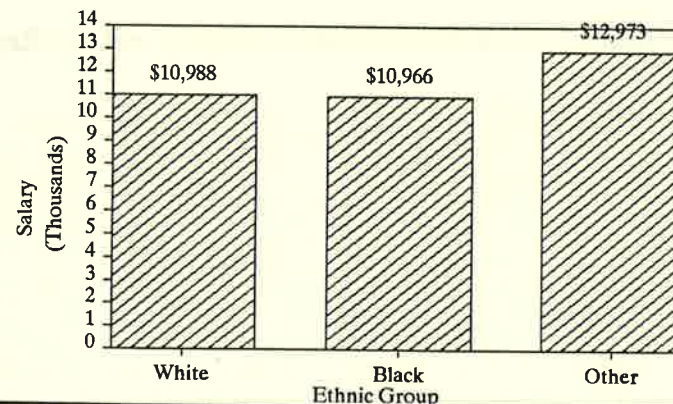
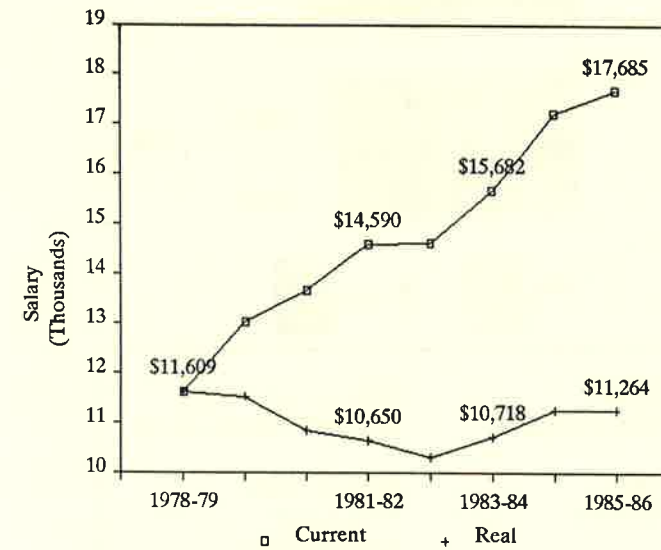


Figure 1: Average Starting Salary All Communications Graduates (Current and Real)



¹The CPI index has been calculated for the annual period from July to June which closely approximates the academic year. For the academic year, 1980-81, the period covers July, 1980 to June, 1981. The 1978-79 year equalled 100 in the index.

declined 18% between 1979-80 and 1981-82, but rallied by approximately 16% over the following three years. Telecommunications graduates received 1985-86 salaries (real) that were slightly higher than the 1978-79 average. Recent starting salary adjustments have exceeded the inflation rate, returning the 1985-86 salary level to approximately the same purchasing power as seven years earlier. An exception to the recovery trend was found in Journalism, where after two years of improvement, salaries suddenly dropped in 1983-84. Salaries improved in 1984-85 and leveled off in

1985-86, but several additional years of salary data are needed to verify whether the upward trend will continue.

EMPLOYER

The average starting salary (real) offered by manufacturing firms was significantly higher than the other sectors at \$12,887 (real). The average salary paid by government was \$11,555 (real). The average starting salaries for service, education, and "other" were very similar, ranging from \$10,064 to \$10,854.

When sorted by year of graduation, the sample sizes, in some cases, became too small, restricting the interpretation of the trends in starting salary. For Communications Arts graduates employed in the manufacturing and service sectors, the salary pattern showed a decline between 1978 and 1982 followed by a gradual increase through 1986, though manufacturing's salary appeared to level off between 1983-84 and 1984-85 and 1984-85 and 1985-86. For the other sectors which have small samples, the patterns were highly cyclical. In these cases, graduates may be facing a different set of op-

portunities each year, precluding an accurate interpretation of short-run salary trends.

JOB LOCATION

The decision to accept a position in Michigan versus one outside the state may be affected by salary implications. The difference in starting salary between those working in and out-of-state was \$540 (real) with the advantage to out-of-state positions. Areas paying higher salaries can be found in the northwest, northcentral, and northeast states. It should be noted, however, that out-of-state figures have not been adjusted for regional cost-of-living differences.

Salary trends according to job location found Michigan positions experiencing a four year decline in starting salary levels before a slight but steady improvement began in 1983. Out-of-state positions saw a slight increase in current salary levels above inflation between 1978-79 and 1979-80, followed by a decline of 10% the next year. Salary levels continued to decline the next two years at 3% annually. Unlike the salary recovery in Michigan, the out-of-state recovery was more robust with a 7% increase between 1982-83 and 1983-84, followed by a 10% increase the next year. At the end of the study period, Michigan, with an increase of 3% in 1985-86, and out-of-state positions, with a decrease of 5% in 1985-86, had starting salaries slightly less than those in 1978-79. For all recent graduates, current salaries have im-

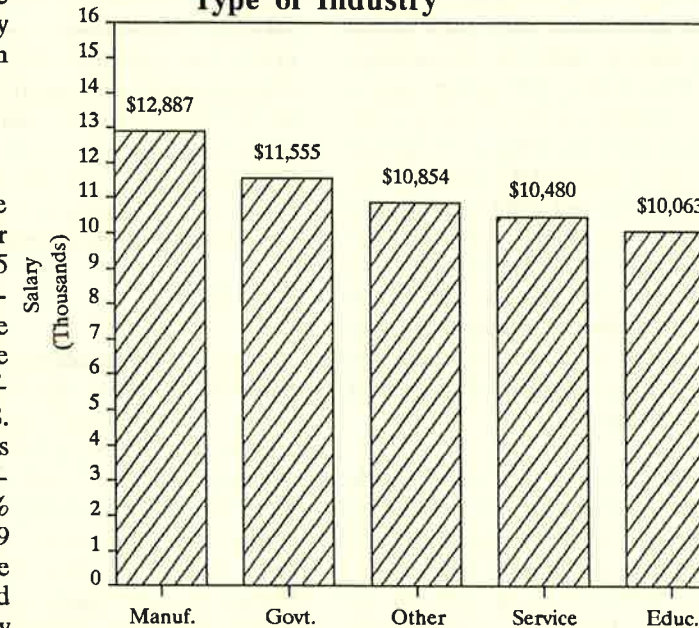
proved enough to overcome the erosion in salary caused by inflation in previous years.

GENDER

The average starting salary for men was \$11,445 (real) as compared to the \$10,657 average for women; a difference of \$788. Women's salaries dropped approximately 10% between 1978-79 and 1980-81 while men experienced only a 3% salary decline. Over the next two years, the salary level for men continued to decrease some 8%. Women enjoyed a 3% increase between 1980-81 and 1981-82; but a 4% drop the next year negated this increase. For both men and women, starting salaries have increased since 1982 with men's salaries rising slightly faster than women's salaries; but men experienced a 2% decline between 1984-85 and 1985-86 while women experienced a 2% increase making the salary increases over the past three years 9% for both sexes.

The gap between men's and women's salaries has fluctuated from above \$1,000 to below \$400. Only in 1981-82 when men's salaries dropped sharply and women's increased from the previous year, did the gap actually close. The recent

Figure 5: Communications Salaries (real) by Type of Industry



improvement in salaries which had, until 1985-86, favored men has caused the gap to widen considerably; but 1985-86 salary increases that favored women have again reduced the size of the gap.

In comparing salaries across departments, the average starting salary for men exceeded that of women by more than \$900 in the departments of Communications and Advertising. These large differences suggest that the positions women are entering upon graduation simply did not pay as well as for men, even if the work was similar. For the other departments the differences were smaller.

GRADE POINT AVERAGE

Grade point average introduces some interesting comparisons. Graduates with high grade point averages do not necessarily receive the top salaries. The group with a GPA below 2.5 had the highest average salary, \$11,161 (real). The lowest average salary (\$10,736) was reported by graduates with the highest grades.

Figure 2: Salary (real) by Academic Major in Communications Bachelor's Degree, Overall Average

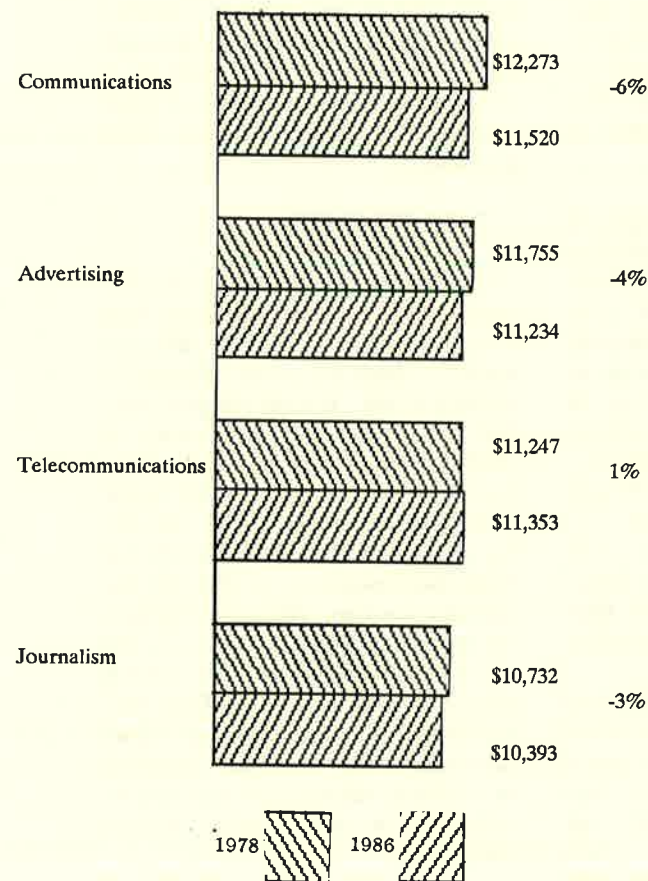


Figure 3: Average Salary (real) by Gender for Communications Majors (Difference = Men - Women)

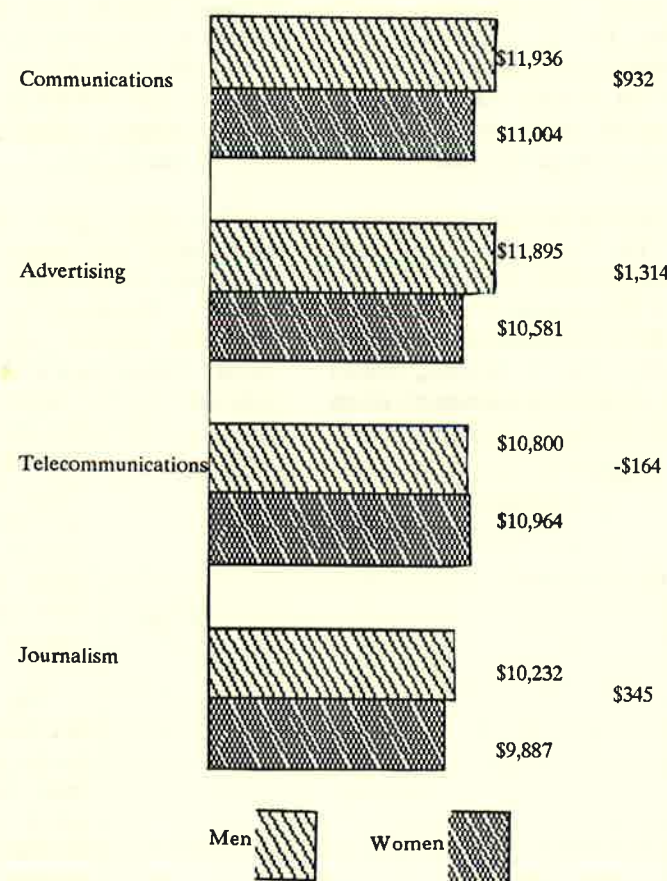
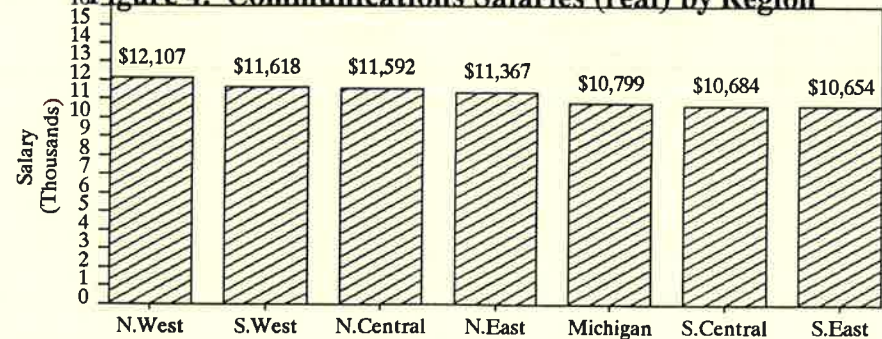


Figure 4: Communications Salaries (real) by Region



The Salary Bulletin is published by the:
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 Placement Services
 Michigan State University
 East Lansing, MI 48824

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