Barely Getting By: Struggling to Make Ends Meet at the University of California

UC ADMINISTRATIVE PROFESSIONALS NETWORK

TEAMSTERS International Brotherhood of Teamsters LOCAL 2010

UC ADMINISTRATIVE PROFESSIONAL NETWORK AND THE INTERNATIONAL BROTHERHOOD OF TEAMSTERS – JULY 2020

EXECUTIVE SUMMARY

Why We Wrote this Report

The University of California Administrative Professionals Network and International Brotherhood of Teamsters wrote this report to document issues of compensation inequity – along with the resulting hardship and other consequences – among administrative professionals at the University of California (UC). We limited our analysis in this report to administrative professionals who are covered by UC employment policies – rather than represented by a union – at the UC Los Angeles (UCLA) and UC San Francisco (UCSF) campuses. In addition to showing that compensation inequity exists for policy-covered administrative professionals (PCAPs) at UCLA and UCSF, we also recommend steps that UC administrators can take to mitigate and prevent further inequity. Addressing this inequity is particularly necessary for UC to successfully navigate the uncertain operating environment caused by the global coronavirus pandemic and economic downturn.

What We Found

We found that PCAPs at UCLA and UCSF are overworked and underpaid relative to a variety of baseline comparisons. A large majority of PCAPs said they are taking on more work, often at unreasonable and unmanageable levels, without corresponding increases in compensation in surveys. Compensation inequity has negatively affected PCAPs outside of work as well. Staff have postponed major life events (like having children or retiring), moved farther from jobs for more affordable housing, and been unable to pay for food, medical procedures, or childcare.

Comparisons of PCAP wages to other wages and inflation revealed compensation inequity as well. Current PCAPs wages are 27 percent lower than wages for similar positions at other public and private sector employers throughout California. Since 2009-10, systemwide wage freezes and mandatory increases to pension contributions for policy-covered employees at UC have reduced cumulative wage growth for PCAPs relative to aggregate wages and inflation. In terms of specific costs, skyrocketing rental housing prices have hit PCAPs particularly hard.

We also describe how compensation inequity results in negative organization-level effects, such as high turnover, reduced performance, and lower levels of productivity – which may add risk to UC's reopening plan for later this year.

What We Recommend

To mitigate and prevent compensation inequity among PCAPs at UCLA and UCSF during the economic downturn resulting from the coronavirus pandemic, we recommend the following:

1. **Keep all staff working and on the payroll.**
2. **Retrain and redeploy PCAP staff members.**
3. **Use all existing funding mechanisms before taking adverse staffing actions.**
4. **Engage in a full accounting of administrative bloat to identify savings.**
5. **Share the burden of adverse staffing actions based on income level.**
6. **Provide free childcare.**
7. **Stop increases in pension contributions.**
8. **Ensure a safe workplace that puts employee health first.**

By taking these steps, UC will be prioritizing the wellbeing of PCAP staff, thereby preventing the negative consequences of compensation inequity and potential risk to UC's reopening.

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INTRODUCTION

The University of California (UC) – one of America's largest public university systems and the third largest employer in California[1] – is facing serious budget issues due to the coronavirus pandemic and ensuing economic downturn. On June 29, as tax revenues fell, California Governor Gavin Newsom signed a state budget into law that included a net reduction of $258.4 million in funding for UC.[2] This decrease in state funding has come as UC system simultaneously experienced losses of $1.5 billion between March and late May of this year.[3]

At the outset of the pandemic, University of California President Janet Napolitano sought to provide assurances of stability to UC staff, as the future of campus operations became more uncertain. In early April, Napolitano and chancellors from all 10 UC campuses committed to avoiding layoffs and furloughs through June 30.[4] However, UC has resorted to furloughs and pay reductions as responses to previous economic downturns, and there are already indications that it intends to do so during the current crisis. In May, President Napolitano announced that UC staff covered only by UC employment policies – and not represented by a union – will be subject to a pay freeze for the 2020-21 fiscal year.[5] In June, 200 foodservice workers at the UC Irvine campus received layoff notices.[6] Since then, other communications indicate that cutbacks aimed at policy-covered staff are likely.

Any adverse staffing actions at UC – such as pay freezes, layoffs or furloughs – will be particularly damaging for PCAP staff at the UC Los Angeles (UCLA) and UC San Francisco (UCSF) campuses, as workers in this group have faced compensation inequity since long before the coronavirus pandemic. As this report shows, since 2009-10, pay freezes for UCLA and UCSF PCAPs have led to wages that are 27 percent less than current wages for similar positions at other nearby public sector employers. Aggregate wage growth for all other workers in the region has outpaced PCAP wages by 7.3 percentage points. In terms of inflation, PCAPs are just barely keeping up with the prices of all consumer goods and have seen rental housing costs soar to 17.6 percentage points above cumulative wage growth. These gaps are even wider when accounting for the several increases to policy-covered employee pension contributions that have also cut into PCAP wages.

Compensation inequity for PCAPs at UCLA and UCSF has led to severe hardships on and off the job, which makes it clear that PCAPs cannot endure any further UC cutbacks. In recent surveys, PCAP staff have said that they are overworked, underpaid, and consistently responsible for job duties that are at a more advanced position classification. It is therefore no surprise that a majority of PCAP staff report unreasonable or unmanageable workloads, which frequently require more than 40 hours of work per week. Sixty percent of PCAPs say that they plan on seeking a job at another employer in the next year.

1 "The University of California at a Glance." University of California. February 2020. https://ucop.edu/institutional-research-academic-planning/_files/uc-facts-at-a-glance.pdf.

2 "California State Budget 2020-21." California Department of Finance. Last accessed June 30, 2020. http://www.ebudget.ca.gov/FullBudgetSummary.pdf.

3 Ron Kroichick. "UC employees stage protests over impending layoffs amid coronavirus budget crisis." San Francisco Chronicle. June 25, 2020. https://www.sfchronicle.com/education/article/UC-employees-plan-protest-over-impending-layoffs-15363420.php.

4 "President Napolitano and the 10 UC chancellors provide assurances to UC employees during these unprecedented times." University of California Office of the President. April 2, 2020. https://www.universityofcalifornia.edu/press-room/letter-uc-president-janet-napolitano-and-10-uc-chancellors-uc-community.

5 "President Napolitano announces systemwide pay freeze for policy-covered employees." University of California Office of the President. May 18, 2020. https://ucnet.universityofcalifornia.edu/news/2020/05/president-napolitano-announces-systemwide-pay-freeze-for-policy-covered-employees.html.

6 Kevin Smith, Beau Yarbrough, and Jeong Park. "UC workers protest hundreds of low-wage, dining worker layoffs." Orange County Register. June 24, 2020. https://www.ocregister.com/2020/06/24/uc-workers-protest-hundreds-of-low-wage-dining-worker-layoffs/

Outside of the workplace, compensation inequity is wreaking havoc on the quality of life for PCAPs. Unseemly percentages of staff report they cannot pay their bills, need a second job to make ends meet, move constantly in search of affordable housing, forgo needed medication, are postponing retirement, and suffer food insecurity issues.[7] In free text response sections from surveys, PCAPs described a range of negative effects of compensation inequity, which are paraphrased below:

- Depression and extreme stress are common themes, but PCAPs cannot afford to talk to a doctor or other medical professional about their mental health.
- Single parents are particularly hard-hit. Some report that they ask other people for loans to buy food. To save money on childcare, parents have placed one child in daycare and asked relatives to care for younger children, along with leaving children home alone.
- PCAPs have postponed a variety of major life events due to compensation inequity, including having children, buying a home, and retirement.
- Skyrocketing costs of living – especially for rental housing – have had a significant negative effect on PCAPs. With their UC wages unable to keep up with extremely high housing prices for the Los Angeles and San Francisco areas, PCAPs have had to decide between rent and undergoing necessary medical procedures. Several have moved farther from their jobs in search of more affordable housing.
- Supervisors do not seem understanding or eager to help. In multiple instances, PCAPs said that supervisors, or the institution in general, are callously dismissive or outright unaware of the debilitating effect that compensation inequity has had on PCAPs.

If the UC administration does not mitigate compensation inequity, then the University will be at risk of the negative organization-wide effects that result due to compensation inequity among employees. These negative effects include high rates of worker turnover, lower rates of productivity, and lower quality of work, which altogether negatively affect overall organizational performance. Considering the unprecedented operating environment caused by the coronavirus pandemic and resultant budget shortfalls, UC would do well to ensure that all components of the university system are functioning at the most efficient and effective levels possible. This is particularly true as UC attempts a partial resumption of in-person campus operations for the fall 2020 semester. Ignoring compensation inequity now could likely lead to negative effects that put UC's entire reopening plan at risk.

In this report, the University of California Administrative Professionals Network and the International Brotherhood of Teamsters have provided a list of recommendations that UC can take to address compensation inequity for PCAPs. As UC prepares to address steep budget deficits, the administration must recognize that any pay or staffing reductions for the PCAP workforce will only further exacerbate pre-existing compensation inequity. As such, this report includes the following items:

1. First, we provide an overview of the PCAP population at UCLA and UCSF, with a breakdown of the employee distribution between campuses and descriptions of PCAP job responsibilities.
2. Second, we present survey data from PCAPs at UCLA and UCSF that describe how working conditions at UC have led to rampant compensation inequity, followed by a broader analyses of economic conditions that further validate PCAP reports of compensation inequity.
3. Third, we discuss the negative effects of salary inequity on PCAPs, and the consequences of these effects for UC as a whole – especially as the UC system prepares to reopen during the global coronavirus pandemic.
4. Finally, we offer our recommendations for how UC can address its budget shortfall without severely worsening compensation inequity among PCAPs.

7 Surveys of University of California Los Angeles and San Francisco administrative professionals. 2019 and 2020.

We strongly urge the UC administration to consider the information and recommendations in this report. Refusing to take action will lead to worsening the compensation inequity of PCAPs. In addition to the moral failure of letting compensation inequity cause harm in the lives of UC employees, allowing this inequity to continue will likely put UC systemwide operations at risk at a time when the university can ill afford to do so.

OVERVIEW OF POLICY-COVERED ADMINISTRATIVE PROFESSIONAL WORKFORCE AT UCLA AND UCSF

Prior to analyzing the compensation inequity of UCLA and UCSF PCAPs, this section provides an overview of the size of the PCAP workforce at UCLA and UCSF, along with PCAP roles and responsibilities on the job.

By the Numbers

PCAP staff at the University of California span a wide variety of non-academic roles across the 10 different UC campuses. In this report, we focus only on the PCAPs at the UCLA and UCSF campuses, including the medical centers at each campus. There are approximately 10,904 PCAPs at UCLA and UCSF. [8] Just over two-thirds of these PCAPs are based at the UCLA campus, while the remainder are at the UCSF campus. A breakdown of where PCAPs at UCLA and UCSF work is in Table 1 below.

Table 1: Job Locations of UCLA and UCSF Policy-Covered Administrative Professionals

Job Location	# of Administrative Professionals	% of All Administrative Professionals
UCLA Campus	6,440	59.1%
UCLA Medical	934	8.6%
UCSF Campus	2,810	25.8%
UCSF Medical	720	6.6%
TOTALS	10,904	100.0%

PCAPs at UCLA and UCSF fill 358 different position titles across 1,005 unique academic, medical, and administrative offices.[9] The most frequently occurring PCAP position title at UCLA is Administrative Specialist, with 1,132 staff members. The most frequently occurring PCAP position at UCSF is Administrative Officer 2, with 359 staff members. Combined, these two position titles make up just 13.7 percent of all PCAP titles across the two campuses, whereas half of all PCAP titles, or 172 in total, cover staff five members or less. Seventy-two position titles – or 20 percent of all titles at UCLA and UCSF – cover just one PCAP staff member.

8 UCLA and UCSF policy-covered administrative professional employee data provided by the University of California. Current as of November 1, 2019.

9 Ibid.

Roles and Responsibilities

The high frequency of PCAPs working in unique position titles has led to these staff members taking on a wide variety of roles and responsibilities. The most popular position titles, like the Administrative Specialist and Administrative Officer 2 positions, include a range of program support duties, such as policy analysis, budget planning, and coordinating internal and external communications.[10,11] Other frequently occurring positions with similar duties are Administrative Analyst, Senior Administrative Analyst, and Program Analyst.

Less frequently occurring position titles are more targeted in scope. For instance, accountants, communications specialists, and human resources generalists are also PCAP position titles but are more targeted in function. In the medical centers, there are titles like Patient Navigator that interface directly with and provide general assistance to patients seeking medical care.[12] Overall, the diversity of and sheer number of duties that PCAPs are assigned show that these staff members are critical to the operations of the University of California.

DEFINITION OF INEQUITY

Establishing a definition of inequity more broadly is also necessary before discussing how compensation inequity affects PCAPs at UCLA and UCSF. To start, inequity requires a relationship – for instance, between a worker and their employer – whereby one person in the relationship gives something and then the other gives something in return. Inequity arises when one side of this relationship receives a different value in exchange for their contribution, as compared to others in the same relationship.[13]

This broader definition of inequity – and, specifically, downward inequity – applies in the context of UCLA and UCSF PCAPs and their compensation. Downward compensation inequity can happen when a worker receives wages that are less than some other baseline, such as wages for workers in similar jobs or the prices of goods and services. Salary inequity for workers can also vary in degree. For instance, in two scenarios of moderate salary inequity, a worker could earn less pay for the same amount of work that others are doing; or, that same worker may put in more effort for the same amount of pay as others. In the case of severe salary inequity, workers contribute more on the job and get paid less than others.

COMPENSATION INEQUITY AMONG UCLA AND UCSF PCAPS

Findings of Compensation Inequity at UCLA and UCSF

Based on the previous example of compensation inequity – along with surveys and wage data – PCAPs at UCLA and UCSF have been experiencing inequity in their salaries since long before the current COVID-19 pandemic and resultant budget shortfalls. In this section, to show that inequity has existed for PCAPs at UCLA and UCSF, evidence is provided from the following four datasets: (1) aggregated PCAP responses to salary inequity surveys; (2) comparisons of the current hourly wages for PCAP job titles at UCLA, UCSF, and similar jobs in the western United States;[14] (3) a comparison over time, from 2009-10 to 2019-20, of UC systemwide wage increases for all policy-covered workers and wage increases in the U.S. western region; and (4) a comparison for the same time period of policy-covered UC policy-covered wage increases and inflation.

10 "Administrative Specialist." University of California Series Job Specifications. Last accessed June 24, 2020. https://ucnet.universityofcalifornia.edu/system_series/f/20/sup2.html.

11 "Administrative Officer II." University of California, San Francisco. Last accessed June 24, 2020. https://www.ncsddc.org/wp-content/uploads/2018/03/ADMIN-OFCR-2-Flyer.pdf.

12 "Patient Navigator – Syringe Services Program." UCLA Health. Last accessed June 24, 2020. https://www.uclahealthcareers.org/job/11074709/patient-navigator-syringe-services-program-venice-ca/.

13 Miner, J.B. "Equity Theory: J. Stacy Adams." Organizational Behavior 1: Organizational Theories of Motivation and Leadership. Pp. 134-158. 2005.

14 The western region of the United States is a geographic division of the U.S. Bureau of Labor Statistics and is comprised of the following states: Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Washington.

Survey Responses

In two surveys conducted in the past year, over 300 PCAPs at UCLA and UCSF answered questions about salary inequity, working conditions, financial security, and turnover. The first survey includes 339 responses received during the period of February 17 through March 26, 2020. The second survey includes 315 responses received during the period of May 27 through June 10, 2020. The surveys were sent to 5,764 PCAPs, out of the total 10,904 PCAPs at UCLA and UCSF. The first survey sought to measure compensation inequity among UCLA and UCSF, while the second survey sought to measure factors in the wake of the coronavirus pandemic and resultant UC budget shortfall.

The survey questions on salary inequity provided insight into PCAPs' pay, workload levels, and work performed at more advanced levels than in an assigned position description. The financial questions asked not only about whether PCAPs were struggling financially, but also about financial security in terms of their ability to pay for other expenses – such as housing, food, and medical care. The turnover questions asked about job security and job search activities, as a measure of turnover intent.

Responses to these surveys show that large margins of PCAPs at UCLA and UCSF are facing salary inequity, with similar margins showing that staff are anxious about adverse workforce actions – such as furloughs or layoffs – and are planning to search for new jobs outside of UC. On the job, PCAPs at UCLA and UCSF say that they face high rates of overwork and job misclassification. Outside of work, PCAPs reported financial stress, housing instability, long commutes, and food insecurity – which all contributed to the staff's sense of inequity. A summary of the survey results is below.

Salary Inequity Responses

- 77 percent of PCAPs have taken on more work without additional compensation.
- Almost half of PCAPs work over 40 hours per week at least once per month. The full breakdown of how often PCAPs work over 40 hours per week is below:
  - 30 percent exceed 40 hours per week every week.
  - 18 percent exceed 40 hours per week one to three weeks per month.
  - 31 percent exceed 40 hours per week one to 10 times per year.
  - 21 percent never work more than 40 hours per week.
- The excessive hours worked per week have led to nearly a majority of PCAPs viewing their work loads as unreasonable or unmanageable, as indicated below:
  - 10 percent of PCAPs describe their workload as unmanageable.
  - 37 percent say their workload is not reasonable, but they manage.
  - 51 percent of PCAPs describe their workload as manageable.
  - 1 percent say that they do not have enough work.
- Excessive and unmanageable workloads have become more common over time, as 47 percent of PCAPs said that, over the last five years, their workloads have increased so that they need to work over 40 hours per week more frequently.
- 90 percent of PCAPs said that their workloads would increase if anyone in their offices were laid off. This workload increase would occur even as PCAP workloads are already unmanageable and more than 40 hours per week.
- 73 percent of PCAPs believe they are performing advanced work at a higher classification and not being paid for it.
- 81 percent of PCAPs received a merit salary increase last year, while 19 percent did not. Without a merit increase, a worker's salary level will remain unchanged.

Financial Hardship Responses

- In the past five years, PCAPs have taken the following actions to earn more money due to low wages at UCLA and UCSF:
    - 33 percent needed a second job to make ends meet.
    - 9 percent have gone without needed medication.
    - 8 percent have gone to a food bank.
    - 13 percent have rented out a room in their house.
    - 34 percent have shared a living space with a relative, friend, or person not in their immediate family (i.e. a roommate).
- 40 percent of PCAPs are postponing their retirement because of financial concerns.
- 71 percent have had difficulty paying their bills in the last two years.
- 87 percent have experienced stress related to their finances or compensation issues.
- Only 4 percent of PCAPs said that a pay cut or reduction in benefits would have no effect on them or their families.
- The below percentages of PCAPs reported that a pay cut or reduction in benefits would have the following effects:
    - 79 percent would struggle to pay bills.
    - 68 percent would struggle to pay for housing.
    - 50 percent would struggle to buy food.
    - 44 percent would struggle to afford necessary medical expenses.

Housing Security Responses

- 70 percent of PCAPs surveyed rent their primary residence, while 30 percent own their primary residence. In the Los Angeles and San Francisco metro areas, for the general population, renter and owners are evenly split.[15]
- With a median employment tenure of eight years among respondents, 53 percent of PCAPs said they have moved residences at least once – with some workers moving more than three times – in search of more affordable housing.
- The numbers of times moved in search of more affordable housing by percentage of workers is below:
    - 47 percent of PCAPs have never moved residences to find more affordable housing since starting work at UCLA or UCSF.
    - 25 percent have moved once.
    - 14 percent have moved twice.
    - 15 percent have moved over three times.

Commute Time Responses

- 71 percent of PCAPs said they would move closer to work if they could afford it.
- Commutes between 2012 – the median UC start date for PCAP survey respondents – and present have increased by 25 percent, from 78.8 minutes to 98.1 minutes. The average weighted commute times for the Los Angeles and San Francisco areas was 30.2 minutes in 2013 and 33.3 minutes in 2018, or an increase of only 10 percent.[16]

15 American Community Survey. U.S. Census Bureau. http://data.census.gov.

16 American Community Survey. U.S. Census Bureau. http://data.census.gov

Food Security Responses

- Based on survey answers coded in line with U.S. Department of Agriculture standards,[17] 46 percent of UCLA and UCSF PCAPs are food insecure.
- This conclusion is based on PCAP responses to questions that asked whether PCAPs experienced specific food insecurity situations over the past 12 months. Below are the percentage results of answers to these questions:
    - 43 percent of PCAPs said that the food they bought did not last and that there was not enough money to buy more.
    - 52 percent could not afford to eat balanced meals.
    - 39 percent skipped or cut the size of meals due to lack of money to buy food.
    - 34 percent ate less than they felt they should, also due to lack of money.
    - 28 percent reported being hungry but not eating due to lack of money.

Job Security and Turnover Questions

- 47 percent of PCAPs said that they are worried they will be laid off after June 30, 2020.
- 61 percent said that they are worried they will be furloughed after June 30, 2020.
- 51 percent said that they searched for a new job outside UC in the last year.
- 60 percent plan to look for another job outside UC in the next year, with 32 percent very likely and 28 percent somewhat likely to start the job search. The remaining 40 percent do not plan on searching for a new job.
- The below percentages of respondents cited the following reasons for searching for a new job outside UC:
    - 80 percent are seeking better pay.
    - 67 percent are seeking more opportunities for promotion.
    - 42 percent are seeking more respectful treatment.
    - 38 percent are seeking better job security.
    - 33 percent are seeking a more reasonable workload.
    - 26 percent are seeking improved benefits.

These responses show that ULCA and UCSF PCAPs are likely experiencing compensation inequity not just from overwork and work performed at higher job classification levels, but also from the consequences of precarious financial, housing, and food security situations. This inequity may be driving job turnover among PCAPs, as better pay and promotion opportunities were the leading reasons for why 60 percent of survey respondents plan to search for a new job.

Comparison of Current PCAP Wages to Other Wages

If the survey data made it clear that PCAPs at UCLA and UCSF feel they are experiencing compensation inequity – and are planning on leaving UC because of it – then comparing current PCAP wages with similar jobs can further validate that inequity is occurring. This section provides such a comparison by calculating wage disparities between frequently occurring PCAP job titles at UCLA and UCSF against job titles at similar employers.

17 "U.S. Household Food Security Survey Module: Six-Item Short Form." U.S. Department of Agriculture. Economic Research Service. September 2012. https://www.ers.usda.gov/media/8282/short2012.pdf.

Methodology

To conduct this wage comparison, we identified the top three highest frequency position titles among the PCAP workforce at UCLA and the top three at UCSF, which together accounted for almost one-third of all PCAP staff at the two campuses. Next, we chose exact or similar position titles from other public higher education institutions and local government agencies in the Los Angeles and San Francisco areas. These comparison organizations included California State University, two community colleges, and both the county and city governments of Los Angeles and San Francisco. We also chose wages for all management analyst class positions in California, as compiled by the Bureau of Labor Statistics.[18] We then averaged the hourly wage rates for the UCLA, UCSF, and comparison position titles.

Findings

We found that PCAPs at UCLA and UCSF are earning wages that are on average 27 percent less than wages for comparable positions at other public and private sector employers across California. The results of this wage comparison analysis show that, even across a variety of similar positions, wages at other employers are higher than at UC. Based on these results – when taking survey data into account as well – it is clear that PCAPs at UCLA and UCSF are underpaid, in addition to being overworked and misclassified. This discrepancy in wages is also likely a contributing factor to the overwhelming majority of PCAP survey respondents who said that they are planning on searching for new jobs with better pay and promotional opportunities. Figure 1 and Table 2 show wage differences between UC PCAP and comparison positions.

Figure 1: Comparison of Current UCLA and UCSF PCAP Wages with Wages for Similar Positions at Other Employers

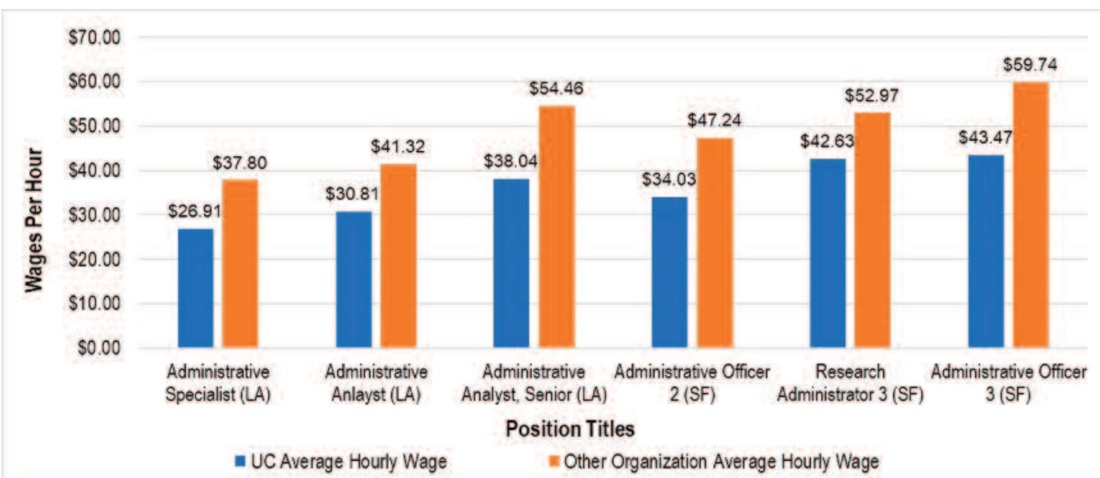


Table 2: Comparison of Current UCLA and UCSF PCAP Wages with Wages for Similar Positions at Other Employers

UAP Position Title (Campus)	# of UAPs in Position Title	% of all UCLA & UCSF UAPs	UC Average Hourly Wage	Other Organization Average Hourly Wage	Difference, $	Difference, %
Administrative Specialist (LA)	1,132	10.4%	$26.91	$37.80	-$10.88	-28.8%
Administrative Anlayst (LA)	810	7.4%	$30.81	$41.32	-$10.50	-25.4%
Administrative Analyst, Senior (LA)	716	6.6%	$38.04	$54.46	-$16.42	-30.1%
Administrative Officer 2 (SF)	352	3.2%	$34.03	$47.24	-$13.21	-28.0%
Research Administrator 3 (SF)	154	1.4%	$42.63	$52.97	-$10.33	-19.5%
Administrative Officer 3 (SF)	190	1.7%	$43.47	$59.74	-$16.28	-27.2%
***Totals* and Averages**	***3,354***	***30.8%***	**$35.98**	**$48.92**	**-$12.94**	**-26.5%**

18 "May 2019 State Occupational Employment and Wage Estimates, California." U.S. Bureau of Labor Statistics. Last modified March 2020. https://www.bls.gov/oes/current/oes_ca.htm.

Comparison of PCAP Wages to Other Wages Over Time

The discrepancy between current PCAP wages at the University of California and wages for similar employers is not a new phenomenon. In fact, wages for policy-covered UCLA and UCSF administrative professionals have been lagging relative to other wages in the region for some time. This section includes an analysis of how, when, why wage levels at UC have changed over time for all policy-covered workers at UC – a population which includes PCAPs – and how those wage changes compare to wages at other employers and against inflation.

How Do Wage Changes at UC Occur?

Policy-covered UC workers receive wage increases via two systemwide wage increase policies. The first policy allows for general salary increases, which provide wage raises for policy-covered workers automatically and uniformly across all positions. The second policy covers merit increases.[19] Workers receive merit increases depending on the results of a performance evaluation by a direct supervisor.[20] The systemwide process for implementing either of these wage increases starts with the UC president,[21] who recommends a staff compensation package to the UC Board of Regents through an annual budget proposal.[22] Following approval of the budget, and approval by the president of an annual wage increase, offices across the UC system can then begin implementing wage increases. Although general salary increases and merit increases are initially authorized by the UC Office of the President through systemwide guidelines, executive officers – which include chancellors, laboratory directors, and other UC administrators[23] – establish local wage increase guidelines in accordance with systemwide guidelines.[24]

In years with merit increases for policy-covered UC workers, local guidelines have stipulated that merit increases fall between no increase and a set local maximum, which have differed across campuses. For instance, in 2019-20, local wage increase guidelines published by the UC Berkeley and UC Santa Barbara campuses show that UC Santa Barbara set a wage increase maximum at five percent,[25] while UC Berkeley set its maximum increase at six percent.[26] Merit increase guidelines at the same campus have also changed from year to year. At UC Santa Barbara in 2016-17, the cap on merit increases was six percent.[27] However, the following year, the cap on merit increases at the same campus was five percent.[28]

Even though UCLA and UCSF have not published merit increase guidelines that show merit increase maximums, the survey data from UCLA and UCSF PCAPs reveals the approximate distribution of merit increases for this workgroup.[29] In 2019, 53 percent of PCAP survey respondents received a three percent merit increase, which matches the average systemwide merit increase reported by UC.[30] Forty percent of PCAPs surveyed received merit raises of less than three percent. Six percent received increases of more than three percent. Figure 2 shows the breakdown of UCLA and UCSF PCAP merit increases in 2019.

19 "PPSM-30: Compensation." Personnel Policies for Staff Members. University of California. December 10, 2018. https://policy.ucop.edu/doc/4010400/PPSM-30.

20 "PPSM 23: Performance Management." Personnel Policies for Staff Members. University of California. December 10, 2018. https://policy.ucop.edu/doc/4010397/PPSM-23.

21 "Knowledge Bank: Merit Increase." Human Resources. University of California San Francisco. https://hr.ucsf.edu/hr.php?audience=staff&KB=3.

22 "APPROVAL OF THE UNIVERSITY OF CALIFORNIA'S 2020-21 BUDGET FOR CURRENT OPERATIONS." Office of the President. University of California. November 14, 2019. https://regents.universityofcalifornia.edu/regmeet/nov19/b4.pdf.

23 "PPSM-2: Definition of Terms." Personnel Policies for Staff Members. University of California. March 5, 2019. https://policy.ucop.edu/doc/4010389/PPSM-2.

24 "PPSM-30: Compensation." Personnel Policies for Staff Members. University of California. December 10, 2018. https://policy.ucop.edu/doc/4010400/PPSM-30.

25 Cynthia Señeriz. "Merit Program Guidelines for Non-Represented (Policy-Covered) Staff (FY 2019-20)." Human Resources. University of California Santa Barbara. July 10, 2019. https://www.hr.ucsb.edu/sites/www.hr.ucsb.edu/files/docs/Merit%20Program%20Guidelines%20FY2019-20%20FINAL.pdf.

26 "Frequently Asked Questions - Salary Program FY20." University of California Berkeley. https://policy.ucop.edu/doc/4010389/PPSM-2.

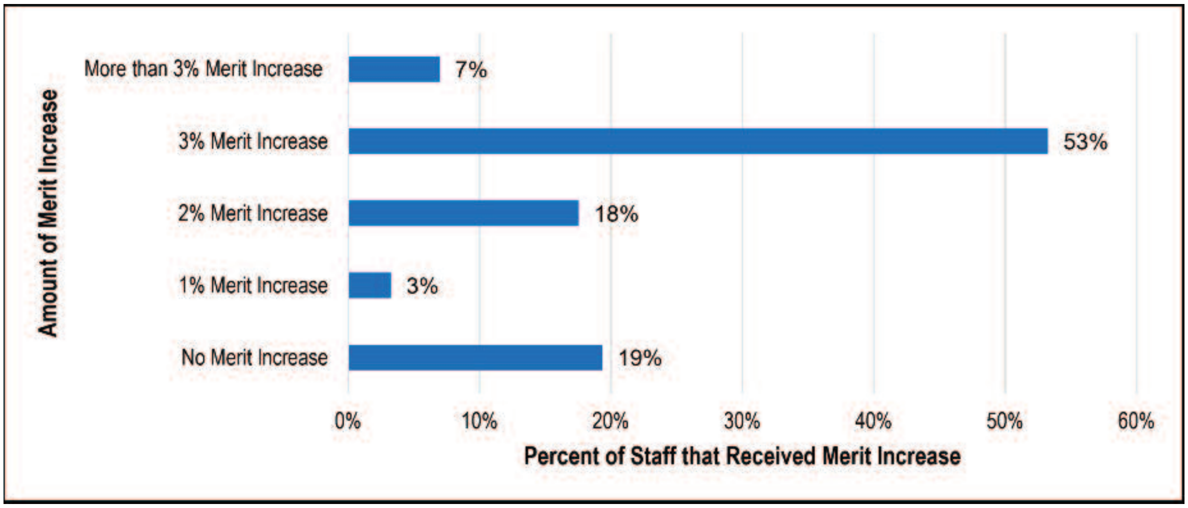
27 "MERIT PROGRAM GUIDELINES FOR NON-REPRESENTED (POLICY-COVERED) STAFF (FY2016-2017)." Human Resources. University of California Santa Barbara. https://www.hr.ucsb.edu/memos/2016/merit-program-guidelines-non-represented-policy-covered-staff-fy2016-2017.

28 Cynthia Señeriz. "Merit Program Guidelines for Non-Represented (Policy-Covered) Staff (FY 2017-2018)." Human Resources. University of California Santa Barbara. June 8, 2017. https://www.hr.ucsb.edu/sites/www.hr.ucsb.edu/files/docs/compensation/Merit_Program_Guidelines_2017_FINAL.pdf.

29 Survey forms did not allow for responses of half-point increases. Therefore, this data is an approximation, as respondents who received any merit increase with a half-point (e.g. 2.5 percent, 3.5 percent) were only able to submit a response indicating that they received a whole number increase (e.g. two percent, three percent).

30 https://www.ucop.edu/operating-budget/_files/rbudget/2020-21-budget-detail.pdf. p. 150.

Figure 2: ULCA and UCSF Policy-Covered Administrative Professionals Receiving Merit Pay Increases in 2019



When Have Wage Changes Happened?

The most recent 2020-21 *Budget for Current Operations* published by the UC Chief Financial Officer provides a history of wage changes for all policy-covered staff across the UC system – which includes PCAPs.[31] With the 2009-10 fiscal year as a starting point – as the immediate aftermath of the Great Recession – and by analyzing the 10 years of wage changes that followed, the data shows that policy-covered staff wages at UC lagged from 2009-2010 through 2012-13, with no wage increases at all except for merit raises in 2011-12.[32] In 2013-14 and 2014-15, there were general salary increases of three percent for all policy-covered UC workers. From 2015-16 through 2018-19, there have been average merit raises of three percent each year for these workers. Overall, annual wage increases for the 2009-10 to 2019-20 period averaged 2.2 percent. Table 3 below summarizes the annual wage changes from 2009-10 through 2019-20.

Table 3: Wage Changes for Policy-Covered Workers at the University of California,
2009-10 to 2019-20

Year	Percent of Wage Change*	Type of Wage Change
2009-10	0.00%	Wage freeze with one-year salary reduction
2010-11	0.00%	Wage freeze
2011-12	3.00%	Merit raise
2012-13	0.00%	Wage freeze
2013-14	3.00%	General salary increase
2014-15	3.00%	General salary increase
2015-16	3.00%	Merit raise
2016-17	3.00%	Merit raise
2017-18	3.00%	Merit raise
2018-19	3.00%	Merit raise
2019-20	3.00%	Merit raise
Average	**2.20%**	**N/A**

31 "Budget for Current Operations, Context for the Budget Request, 2020-21." Office of the President. University of California. Page 150. https://www.ucop.edu/operating-budget/_files/rbudget/2020-21-budget-detail.pdf.

32 The University of California uses a fiscal year that runs from July 1 through June 30. Fiscal years in this report are represented by two-year timeframes. For example, the 2010 fiscal year is represented by using the 2009-2010 timeframe. See: https://www.accounting.uci.edu/support/fiscalofficers/generalledger/fiscalperiod.html

At first glance, this history of wage changes for policy-covered workers does not include wage cuts – aside from the one-year salary reduction in 2009-10. However, starting in April 2010, policy-covered workers saw their take-home compensation fall due to a mandatory increase of monthly employee contributions to the University of California Retirement Plan (UCRP). From 2010-11 to 2014-15, UC workers faced increasing UCRP contributions of two percent of their salaries in 2010-11 and then 1.5 percent each of the following four years. This raised the total contribution percentage of their salaries from zero percent prior to April 2010-11 to eight percent in 2014-15.[33]

Workers hired on or after July 1, 2013 have not been subject to UCRP monthly contribution increases. Instead, the contribution requirements for these workers was set at seven percent and has remained constant since 2013.[34] Table 4 shows the effect of increased pension contributions on wage increases for policy-covered UC workers.

Table 4: Wage and Pension Contribution Changes for Policy-Covered Employees at the University of California,
2009-10 to 2019-20

Year	UC Policy-Covered Wage Change	Type of Wage Change	Employee Pension Contribution Change	UC Wage Change, Less Pension Contribution Changes
2009-10	0.00%	Wage freeze	0.00%	0.00%
2010-11	0.00%	Wage freeze	2.00%	-2.00%
2011-12	3.00%	Merit raise	1.50%	1.50%
2012-13	0.00%	Wage freeze	1.50%	-1.50%
2013-14	3.00%	General salary increase	1.50%	1.50%
2014-15	3.00%	General salary increase	1.50%	1.50%
2015-16	3.00%	Merit raise	0.00%	0.00%
2016-17	3.00%	Merit raise	0.00%	0.00%
2017-18	3.00%	Merit raise	0.00%	0.00%
2018-19	3.00%	Merit raise	0.00%	0.00%
2019-20	3.00%	Merit raise	0.00%	0.00%
Average	**2.20%**	**N/A**	**0.70%**	**1.50%**

*Merit raises are systemwide averages, as indicated by UC. Merit raise differs by employee at supervisor discretion.

As indicated by Table 2, increased employee pension contributions from 2010-11 to 2014-15 cut into the general salary increases and merit raises that policy-covered UC workers received during that same period. Over the full eleven-year period from 2009-2010 through 2019-2020, for workers hired before April 2010 – and thus subject to all annual UCRP contribution increases – the change in pension contributions depressed the average annual wage increase by 0.80 percentage points. This reduction reduced the real average wage increase for these policy-covered UC workers by 38 percent to 1.30 percent per year.

Of the 10,904 PCAPs currently employed at UCLA and UCSF, approximately 29 percent (or 3,154 individuals) were hired prior to April 2010, and thus would have borne the full brunt of mandatory employee contribution increases to UCRP. Eleven percent of these PCAPs were hired between April 2010 and July 2013, and as such would have faced at least one pension contribution increase. Sixty percent of UCLA and UCSF PCAPs were hired after July 2013. Pension contributions have been constant at seven percent for this group. This breakdown of hire dates means that 40 percent of all UCLA and UCSF PCAPs would have faced at least one mandatory pension contribution increase during their tenure at UC.

33 "Budget for Current Operations, Context for the Budget Request, 2020-21." Office of the President. University of California. Page 152. https://www.ucop.edu/operating-budget/_files/rbudget/2020-21-budget-detail.pdf.

34 In March 2016, the Board of Regents approved a new retirement choice program for employees hired or rehired on or after July 1, 2016. This program allows UC employees to choose between participating in UCRP or a 401(k)-style plan called Savings Choice.

Why Have Wage Changes Happened?

Wage changes at the University of California have generally occurred in line with the health of the state budget. In the years following the Great Recession from 2009-10 through 2012-13 – as the California governor's office sought to balance the budget – policy-covered wages at UC were mostly stagnant, as campuses dealt with wide-ranging cuts throughout the university system. The state only began to ease budget austerity for UC in 2013-2014, increasing the UC base budget by five percent and marking the end of a period of fiscal volatility. Merit raises for policy-covered workers at UC began ticking upward again starting in 2013-2014.[35]

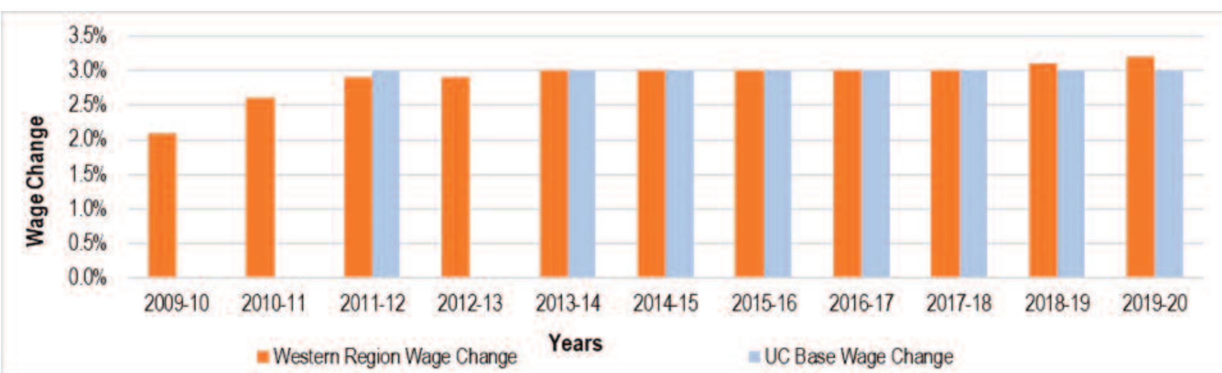
The increased employee contributions to UCRP began as a result of growing pension liabilities. Starting in April 2010, the University of California Board of Regents restarted employee and employer pension contributions, which followed a 20-year policy instituted by the Board of Regents in 1990 of no employer or employee contributions. The university has cited market downturns due to the Great Recession as a cause for increased liabilities in UCRP.[36] However, as early as 2006 – a year prior to the start of the recession – UC faced criticism for its management of UCRP. This criticism included accusations that UC invested in riskier funds than necessary and paid high commissions for outsourced financial management firms.[37] As such, workers at UC likely paid the price for UC's mismanagement of UCRP.

Comparison of UC Policy-Covered Wage Increases to Other Wage Increases

For policy-covered staff at UC, the three years without wage increases between 2009-10 and 2019-20 – even before accounting for increased pension contributions – have reduced wage increases relative to aggregate wages in the region. Compared to wages in the western region of the United States,[38] since 2009-10, the straight average of annual UC wage increases has lagged behind western region wage increases by 0.7 percentage points.

This comparison, and all comparisons that follow, use the 2019-20 average policy-covered merit wage increase of three percent per year for years that UC granted merit increases – although UCAP survey data shows that 40 percent of UCAPs received less than three percent in merit raises last year. Additionally, the wage changes that follow have not been adjusted for inflation. See Figure 3 and Table 5 for a comparison of each year's wage increase for policy-covered UC workers and U.S. western region workers.[39]

Figure 3: UC Systemwide Policy-Covered Base Wages and Western Region Wages
2009-10 to 2019-20, Year Over Year Change



35 "Budget for Current Operations, Context for the Budget Request, 2020-21." Office of the President. University of California. Page 174. https://www.ucop.edu/operating-budget/_files/rbudget/2020-21-budget-detail.pdf.

36 "UC borrows $2.7 billion to fund pension debt." Newsroom. University of California Los Angeles. July 28, 2014. https://newsroom.ucla.edu/dept/faculty/uc-borrows-2-7-billion-to-fund-pension-debt.

37 Cathy Cockrell. "Many eyes on the pension prize." NewsCenter. University of California Berkeley. October 26, 2006. https://www.berkeley.edu/news/berkeleyan/2006/10/26_pension_pt2.shtml.

38 The western region of the United States is a geographic division of the U.S. Bureau of Labor Statistics and is comprised of the following states: Alaska, Arizona, California, Guam, Hawaii, Idaho, Nevada, Oregon, Washington.

39 "2019-2020 Salary Budget Survey." World at Work Total Rewards Association. https://www.worldatwork.org/resources/surveys/salary-budget-survey-worldatwork-surveys.

Table 5: UC Systemwide Policy-Covered Base Wages and Western Region Wages
2009-10 to 2019-20, Year Over Year Change

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Average, 2009-10 to 2019-20	% Point Gap From Western Region Wages
Western Region Wage Change	2.1%	2.6%	2.9%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	2.9%	N/A
UC Base Wage Change	0%	0%	3%	0%	3%	3%	3%	3%	3%	3%	3%	2.2%	-0.7

This difference in average annual growth for policy-covered UC workers and western region wages validates the compensation inequity that PCAPs at UCLA and UCSF have reported via survey responses. When combined with increases to UC employee pension contributions, the gap in wage increases is even more pronounced. The increased UCRP contributions depressed wage increases for policy-covered UC workers from 2.9 percent to 1.5 percent over the 2009-10 to 2019-20 period, which is 1.4 percentage points less than averaged western region wage increases. See Figure 4 and Table 6.

Figure 4: UC Systemwide Policy-Covered Base Wages Less Pension Contributions andWestern Region Wages
2009-10 to 2019-20, Year Over Year Change

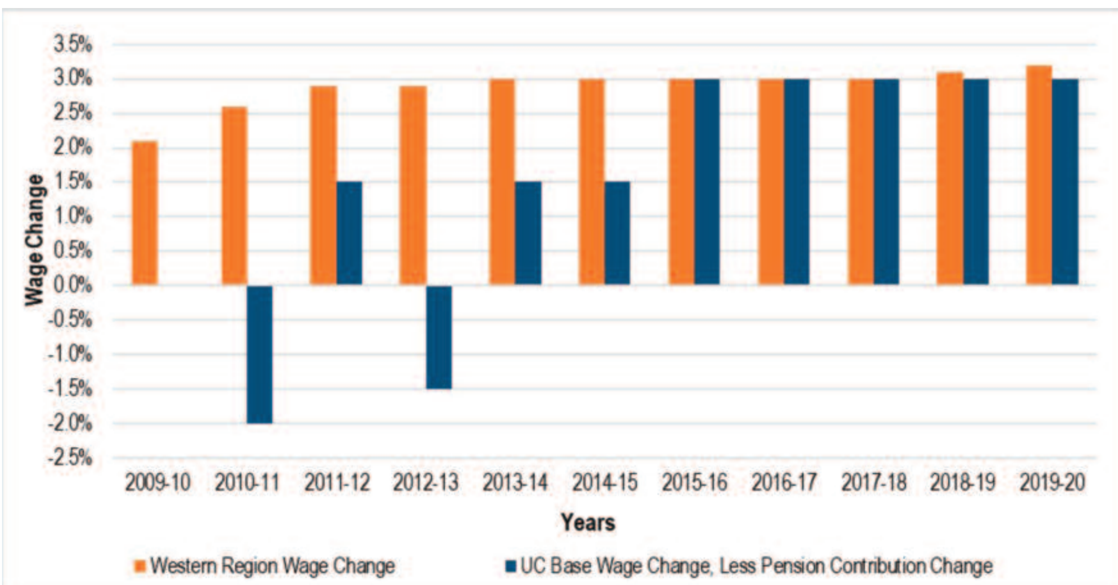


Table 6: UC Systemwide Policy-Covered Base Wages Less Pension Contributions and Western Region Wages
2009-10 to 2019-20, Year Over Year Change

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Average, 2009-10 to 2019-20	% Point Gap From Western Region Wages
Western Region Wage Change	2.1%	2.6%	2.9%	2.9%	3.0%	3.0%	3.0%	3.0%	3.0%	3.1%	3.2%	2.9%	N/A
UC Base Wage Change, Less Pension Contribution Change	0.0%	-2.0%	1.5%	-1.5%	1.5%	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%	1.5%	-1.4

The gap between policy-covered UC and western region wage increases is even larger when calculated for cumulative growth. By indexing changes in wages to the base year of 2009-10, it becomes clear that the years without wage increases between 2009-10 and 2012-13 have had a long-lasting negative effect on cumulative wage growth. This lack of wage increases caused policy-covered UC wages to dip below western region wages and never catch up. By 2019-20, policy-covered UC wages were 7.3 percentage points lower than western region wages. When accounting for the increased pension contributions for UC workers, policy-covered UC wages were 17 percentage points below 2019-20 western region wages. See Figure 5 and Table 7.

Figure 5: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Wages
2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

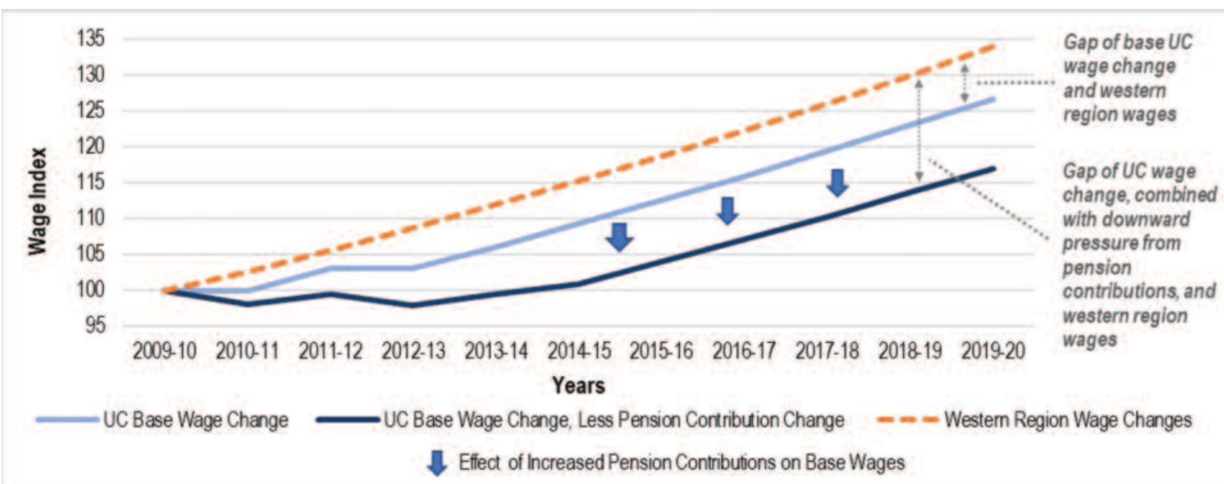


Table 7: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Wages
2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% Change, 2009-10 vs 2019-20	% Point Gap From Western Region Wages
Western Region Wage Changes	100.0	102.6	105.6	108.6	111.9	115.3	118.7	122.3	125.9	129.8	134.0	34.0%	N/A
UC Base Wage Change	100.0	100.0	103.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7	26.7%	-7.3
UC Base Wage Change, Less Pension Contribution Change	100.0	98.0	99.5	98.0	99.4	100.9	104.0	107.1	110.3	113.6	117.0	17.0%	-17.0

At first glance, it may appear that the comparison between UC policy-covered wages, less pension contributions, and aggregate western region wages is an apples-to-oranges comparison, as there is no equivalent application of increased retirement contributions to western region wages. However, this comparison is possible because it is unlikely that most western region workers – and their aggregate wages – have faced the same mandatory retirement contribution increases as UC workers. Among all workers in the western region, only 20 percent participate in defined pension benefit plans,[40] some of which – like UCRP – have required mandatory employee contributions since 2009.[41] The remaining 80 percent of these workers would not have faced mandatory retirement contribution increases, as these workers either participate in defined contribution plans – which rarely set a required employee contribution rate[42] – or do not have access to retirement benefits at all. Therefore, with only 20 percent of western region workers participating in defined pension benefit plans, any mandatory pension contribution increases would have had a limited effect at most on aggregate western region wages.

Overall, the comparison over time between changes in policy-covered UC wages and other wages in the western region shows that the inequity faced by PCAPs has not been a sudden, recent occurrence. The data also make clear that the failure of UC leadership to provide wage increases almost a decade ago – coupled with the decision to increase employee pension contributions – continues to negatively affect current wages. This cumulative effect on wages may be part of why the current wages for policy-covered UC administrative professionals are below workers in similar roles at other organizations, thus contributing to the compensation inequity faced by PCAPs.

Comparison of PCAP Wage Changes and Inflation Over Time

Along with trailing other workers' wages in the western United States, policy-covered UC staff have also seen their wages struggle to keep up with inflation. Since 2009-10, policy-covered UC base wages have increased only 0.2 percentage points more than the straight average two percent rate of inflation for the western region during the same period. Increased pension contributions depressed wage increases for UC workers below the average rate of inflation by 0.6 percentage points. Figure 6 and Table 8 show how wages for policy-covered UC staff have changed when compared to inflation.[43]

40 "Table 2. Retirement benefits: Access, participation, and take-up rates, civilian workers." U.S. Bureau of Labor Statistics. March 2019. https://www.bls.gov/ncs/ebs/benefits/2019/ownership/civilian/table02a.pdf.

41 "Employee Contributions to Public Pension Plans." National Association of State Retirement Administrators. September 2019. https://www.nasra.org/files/Issue%20Briefs/NASRAContribBrief.pdf

42 The most popular defined contribution plans are 401(k) plans. Employers are allowed to enroll employees in these plans automatically, but employees can opt out. See: https://www.irs.gov/retirement-plans/plan-participant-employee/401k-resource-guide-plan-participants-401k-plan-overview.

43 "Consumer price index – Western Region, All urban consumers." Bureau of Labor Statistics. http://data.bls.gov. All inflation data is the annual average based on the July-June UC fiscal year, not seasonally adjusted. Annual inflation data for 2020 does not include June, as the data was not yet released during publication of this report.

Figure 6: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Rate of Inflation

2009-10 to 2019-20, Year Over Year Average Chang

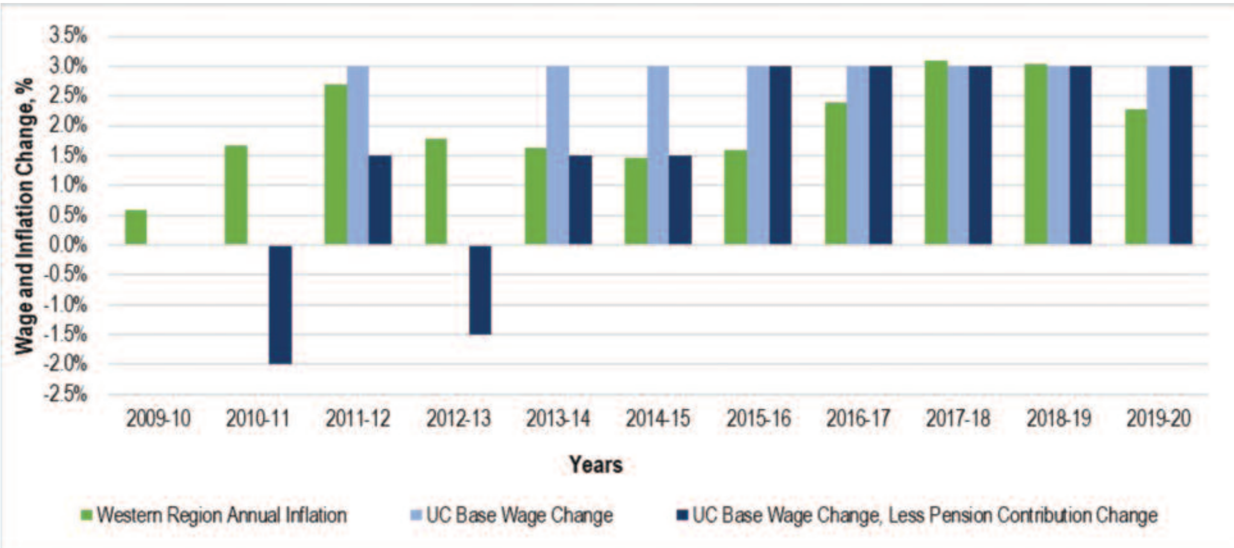


Table 8: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Rate of Inflation

2009-10 to 2019-20, Year Over Year Average Change

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	Average, 2009-10 to 2019-20	% Point Gap From Western Reg. Inflation
Western Region Annual Inflation	0.6%	1.7%	2.7%	1.8%	1.6%	1.5%	1.6%	2.4%	3.1%	3.0%	2.3%	2.0%	N/A
UC Base Wage Change	0.0%	0.0%	3.0%	0.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	3.0%	2.2%	0.2
UC Base Wage Change, Less Pension Contribution Change	0.0%	-2.0%	1.5%	-1.5%	1.5%	1.5%	3.0%	3.0%	3.0%	3.0%	3.0%	1.5%	-0.6

In cumulative terms, years without raises from 2009-10 to 2012-13 have had a persistent negative effect on policy-covered UC wages relative to inflation. However, unlike in the comparison to western region wage increases, the merit increases in 2013-14 and 2014-15 – coupled with historically low levels of inflation[44] – enabled policy-covered UC wages to catch up to and surpass inflation in 2014-2015. Since 2009-10, policy-covered UC staff wages have cumulatively grown to 2.8 percentage points above the cumulative rate of inflation. However, after accounting for pension contribution increases, policy-covered wages have fallen behind inflation by 9.7 percentage points over the 2009-10 through 2019-20 period. Figure 7 and Table 9 provide year-over-year UC policy-covered wage changes compared to the rate of inflation.

44 Michael T. Kiley. "Low Inflation in the United States: A Summary of Recent Research." Board of Governors of the Federal Reserve. November 23, 2015. https://www.federalreserve.gov/econresdata/notes/feds-notes/2015/low-inflation-in-the-united-states-a-summary-of-recent-research-20151123.html.

Figure 7: UC Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Rate of Inflation
2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

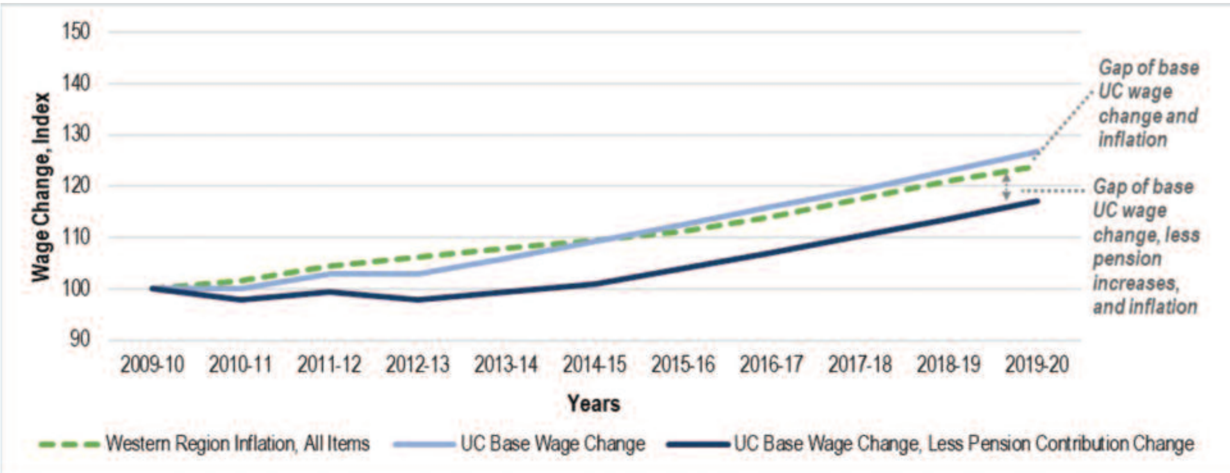


Table 9: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Western Region Rate of Inflation
2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% Change, 2009-10 vs 2019-20	% Point Gap From Western Reg. Inflation
Western Region Inflation, All Items	100.0	101.7	104.4	106.3	108.0	109.6	111.3	114.0	117.5	121.1	123.8	23.8%	N/A
UC Base Wage Change	100.0	100.0	103.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7	26.7%	2.8
UC Base Wage Change, Less Pension Contribution Change	100.0	98.0	99.5	98.0	99.4	100.9	104.0	107.1	110.3	113.6	117.0	17.0%	-9.7

In terms of inflationary cost pressures associated with specific items or services, survey responses from UCSF and UCLA PCAPs indicate that housing costs are a significant expense. The fact that San Francisco and Los Angeles are, respectively, the first and seventh most expensive rental markets in the United States[45] validates the survey responses, especially as 70 percent of PCAPs are renters rather than homeowners. Survey responses also showed that PCAPs were adapting to rental costs by seeking lower rental prices, either by modifying existing living situations (e.g. living with a roommate) or seeking less expensive housing farther from their workplaces.

45 Crystal Chen. "Zumper National Rent Report: June 2020." Zumper. https://www.zumper.com/blog/zumper-national-rent-report-june-2020/

These actions may be attributable in part to inequity caused by base wages for policy-covered UC staff not keeping up with rising rental housing costs, even though – as previously demonstrated – UC base wages have kept pace with overall inflation. A comparison of cumulative UC policy-covered wage growth to rental housing prices in the U.S. western region reveals that wages for policy-covered UC staff have indeed failed to keep up with rent prices.[46] From 2009-10 to 2019-20, rental prices for the western region increased by 44.2 percent, which was 17.9 percentage points more than the 26.7 percent change in policy-covered UC wages over the same period. Rental prices were 27.2 percentage points higher than base wages after accounting for pension contribution increases. See Figure 8 and Table 10.[47]

Figure 8: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Inflation for Rent of Primary Residence

2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

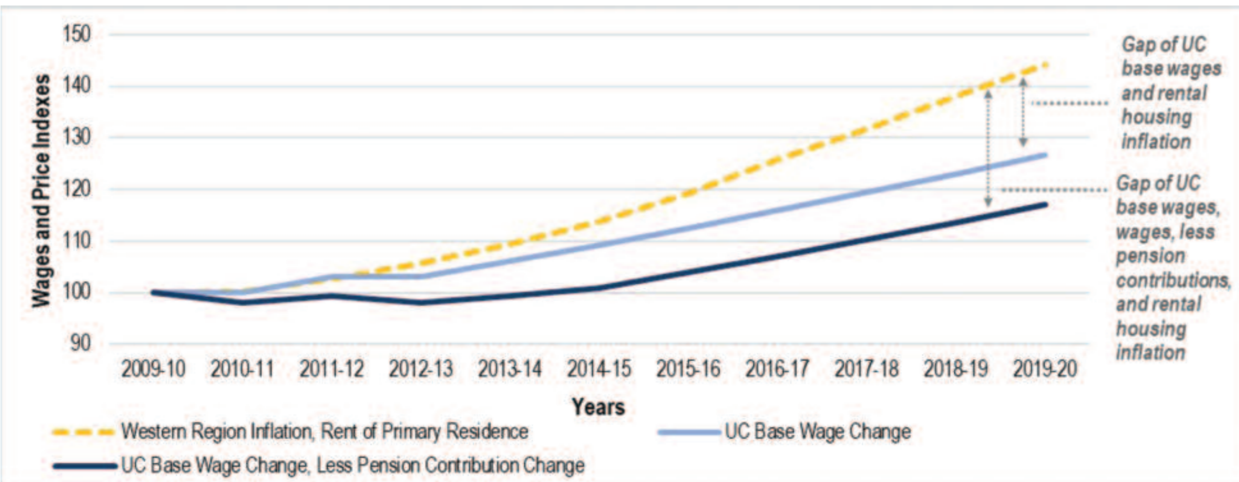


Table 10: UC Systemwide Policy-Covered Base Wages, UC Systemwide Policy-Covered Base Wages Less Pension Contributions, and Inflation for Rent of Primary Residence

2009-10 to 2019-20, Year Over Year Cumulative Change (Indexed, 2009-10 = 100)

	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	% Change, 2009-10 vs 2019-20	% Point Gap From Western Reg. Inflation
Western Region Inflation, Rent of Primary Residence	100.0	100.3	102.8	105.8	109.3	113.8	119.2	125.8	131.8	138.1	144.2	44.2%	N/A
UC Base Wage Change	100.0	100.0	103.0	103.0	106.1	109.3	112.6	115.9	119.4	123.0	126.7	26.7%	-17.6
UC Base Wage Change, Less Pension Contribution Change	100.0	98.0	99.5	98.0	99.4	100.9	104.0	107.1	110.3	113.6	117.0	17.0%	-27.2

46 In this analysis, rental prices are represented by the inflation rate for rent of primary residence in the western region of the United States. See the BLS Handbook of Methods, Consumer Price Index, page 16 for more information: https://www.bls.gov/opub/hom/pdf/cpihom.pdf.

47 "Consumer price index, Rent of Primary Residence – Western Region, All urban consumer." Bureau of Labor Statistics. http://data.bls.gov. All inflation data is the annual average based on the July-June UC fiscal year, not seasonally adjusted. Annual inflation data for 2020 does not include June, as the data was not yet released during publication of this report.

The analysis in this section is evidence that, like with western region wages, UCLA and UCSF PCAPs have experienced compensation inequity relative to inflation. From 2009-10 to 2019-20, wages for policy-covered UC staff have only barely kept up with rising inflation in the western U.S. For the same period, the cumulative increase of UC policy-covered staff wages has also fallen behind rental housing costs. The gaps are even larger when accounting for mandatory increases to employee pension contributions. The findings here validate survey responses from PCAPs, who have described experiencing the effects of these macroeconomic trends due to sluggish UC wage growth.

NEGATIVE EFFECTS OF COMPENSATION INEQUITY

Negative Effects Overview

As demonstrated in the previous sections, policy-covered UCLA and UCSF administrative professionals face downward salary inequity compared to other current wages, other wages over time, and inflation over time. In this section, we show that downward salary inequity leads to a range of negative effects. These effects include diminished productivity, work quality, and job satisfaction among workers. Salary inequity may also result in high rates of worker turnover.

After workers begin experiencing downward salary inequity, studies have shown that several negative effects are likely to occur. Specifically, under moderate salary inequity, workers have produced lower quality[48] work at a slower pace.[49] Workers facing salary inequity also exhibit lower levels of job satisfaction[50] and less commitment to the employing organization.[51] As the degree of salary inequity becomes more severe, workers have a higher propensity to separate from their current jobs.[52]

When highlighting the negative effects of compensation inequity in the context of UC, it is important to note the reason for these effects occurring at a systemwide level versus on an individual level. One worker at UC producing less or at a lower quality may occur due to a range of factors unique to that individual worker. However, if these same issues arise among thousands of workers across UC campuses, then the issues are more likely the consequences of long-term, pervasive compensation inequity due to compensation policy choices made by UC administrators.

Likelihood of Negative Effects Among PCAPs at UCLA and UCSF

The fact that workers experiencing salary inequity are likely to leave their job appears to be borne out in survey response data from PCAPs at UCLA and UCSF. For these workers, 32 percent said that they are very likely to search for a new job outside UC in the next year and 28 percent are somewhat likely to do so. The remaining 40 percent do not plan on searching for a new job. If just half of the ‘very likely’ respondents leave their UC administrative professional positions, the turnover rate for this group would be 16 percent. For context, the average staff turnover rate in 2019 at UCLA and UCSF was nine percent,[53] and the 2019 turnover rate for state of California management analysts – who have roles similar to UCLA and UCSF PCAPs – was 5.9 percent.[54]

48 Evan, William M., and Roberta G. Simmons. "Organizational Effects of Inequitable Rewards: Two Experiments in Status Inconsistency." Administrative Science Quarterly 14, no. 2 (1969): 224-37. Accessed July 9, 202 https://www.jstor.org/stable/2391101.

49 R.D. Pritchard et al. “Effects of perceptions of equity and inequity on worker performance and satisfaction,” Journal of Applied Psychology 56, no. 1 (1972): 75-94. https://doi.org/10.1037/h0032135.

50 Pfeffer, Jeffrey and Nancy Langton. “The Effect of Wage Dispersion on Satisfaction, Productivity, and Working Collaboratively: Evidence from College and University Faculty.” Administrative Science Quarterly. Vol. 38, No. 3 (Sep., 1993), pp. 382-407. http://doi.org/10.2307/2393373.

51 Buttner, E. and K. Lowe. “The relationship between perceived pay equity, productivity, and organizational commitment for US professionals of color,” Equality, Diversity and Inclusion 36, no. 1 (2017): pp. 73-89. https://doi.org/10.1108/EDI-02-2016-0016.

52 Finn, R. H. and S. M. Lee (1972). “Salary equity: Its determination, analysis, and correlates,” Journal of Applied Psychology 56, no. 4 (1972): 283–292. https://doi.org/10.1037/h0033089

53 “Accountability Report 2019.” Office of the President. University of California. 2019. https://accountability.universityofcalifornia.edu/2019/chapters/chapter-6.html

54 “2018 California State Employee Total Compensation Report.” California Department of Human Resources. University of California. December 2019. https://www.calhr.ca.gov/state-hr-professionals/Documents/2018-California-State-Employee-Total-Compensation-Report-1.pdf

Conditions that contribute most to the probability of a worker leaving their job include low wages, lack of perceived employment prospects improving, and an organizational climate where coworkers intend to leave.[55] These characteristics mirror the working conditions for UCLA and UCSF PCAPs. In survey responses, PCAPs cited higher pay and more promotional opportunities as the top two most frequently occurring reasons for searching for a job outside of UC. With 60 percent of PCAPs saying that they will search for a new job in the next year, there also appears to a be a climate of turnover intent among PCAPs and their coworkers.

Cost and Risk of Negative Effects

The high rate of UCLA and UCSF PCAPs who are planning to search for new jobs – combined with workplace conditions that lead to a high probability of worker separation – could result in a correspondingly high number of PCAPs leaving for another job. By the UC Office of the President's own analysis, high turnover is often costly in terms of lost productivity, lost institutional knowledge, and replacement costs.[56] Additionally, studies have found that costs to replace a worker that leaves a job run from approximately 20 percent[57] to 33 percent of that worker's salary.[58]

In the short term, the volatile rate at which U.S. employers are making new hires – which reached historic lows in April[59] and historic highs in May[60] – will likely prevent some turnover of UCLA and UCSF PCAPs. However, UC could still face heightened turnover risk as soon as the end of this year, as the economy begins to improve due the wide availability of a coronavirus vaccine. Epidemiology experts have predicted that a coronavirus vaccine will be available by late 2020 or early 2021,[61] and economists have said that a permanent economic recovery hinges on the release of a vaccine.[62] As such, PCAPs at UCLA and UCSF who had planned to search for other jobs and leave UC will likely do so as soon as more jobs open up, in correlation with an improving economy.

Any additional downward pressure on salary inequity for UCLA and UCSF PCAPs could also increase the risk that turnover and other negative organizational effects occur. Despite this risk, UC has enacted policies that will lead to further compensation inequity – like freezing PCAP wages[63] – even as the university is navigating a host of operational uncertainties caused by the coronavirus pandemic. One such uncertainty is the daunting task of resuming in-person teaching, student residency, and general campus operations for the 285,000-plus students, and countless other instructors, researchers, and other campus community members who UC sent home at the outset of the pandemic. The UC Board of Regents has adopted a plan to partially reopen campuses for the fall semester, though this plan is subject to change.[64]

55 Goodman, Doug, Galia Cohen, and Robert Blake. "Does Turnover Intention Matter? Evaluating the Usefulness of Turnover Intention Rate as a Predictor of Actual Turnover Rate." Review of Public Personnel Administration: 2015. https://doi.org/10.1177/0734371X15581850.

56 "Accountability Report 2019." Office of the President. University of California. 2019. https://accountability.universityofcalifornia.edu/2019/chapters/chapter-6.html

57 Heather Boushey and Sarah Jane Glynn. "There Are Significant Business Costs to Replacing Employees." Center for American Progress. November 16, 2012. https://www.americanprogress.org/wp-content/uploads/2012/11/CostofTurnover.pdf

58 Thomas F. Mahan, Danny Nelms, Christopher Ryan Bearden, and Brantley Pearce. "2019 Retention Report." Work Institute. https://info.workinstitute.com/hubfs/2019%20Retention%20Report/Work%20Institute%202019%20Retention%20Report%20final-1.pdf

59 "JOB OPENINGS AND LABOR TURNOVER – APRIL 2020." U.S. Bureau of Labor Statistics. June 9, 2020. https://www.bls.gov/news.release/archives/jolts_06092020.pdf.

60 "JOB OPENINGS AND LABOR TURNOVER – MAY 2020." U.S. Bureau of Labor Statistics. July 7, 2020. https://www.bls.gov/news.release/archives/jolts_07072020.pdf.

61 Caroline Chen. "How — and When — Can the Coronavirus Vaccine Become a Reality?" ProPublica. June 17, 2020. https://www.propublica.org/article/how-and-when-can-the-coronavirus-vaccine-become-a-reality.

62 Enda Burran. "Fate of Global Economy Rests More Than Ever on Finding Vaccine." Bloomberg. May 23, 2020. https://www.bloomberg.com/news/articles/2020-05-23/fate-of-global-economy-rests-more-than-ever-on-finding-vaccine.

63 "President Napolitano announces systemwide pay freeze for policy-covered employees." University of California Office of the President. May 18, 2020. https://ucnet.universityofcalifornia.edu/news/2020/05/president-napolitano-announces-systemwide-pay-freeze-for-policy-covered-employees.html.

64 Larry Gordon. "UC may allow partial campus reopenings in the fall." Bloomberg. May 20, 2020. https://edsource.org/2020/uc-may-allow-partial-campus-reopenings-in-the-fall/632102.

As UCLA and UCSF PCAPs are responsible for a broad range of program management functions at their respective campuses, this workgroup will likely play a major role in whatever process UC implements to reopen campuses. However, the decision to freeze PCAP wages will increase compensation inequity for PCAPs and thus increase the risk of negative organizational effects. Unfortunately, UC leadership has decided to enact this wage freeze policy right as the university will depend on the high level of organizational performance necessary to ensure the successful resumption of normal university activities.

RECOMMENDATIONS TO MITIGATE COMPENSATION INEQUITY

This section provides eight recommendations for how UC administrators can mitigate compensation inequity for PCAPs at UCLA and UCSF. By taking these steps, UC's leadership can prevent the negative effects of PCAP compensation inequity from worsening, which in turn would decrease unnecessary risks to UC's reopening plan – the success of which will largely depend on the critical skills and responsibilities of PCAPs.

In short, the recommendations here urge UC to maintain current PCAP workforce levels. If UC must make workforce cuts, the burden of these cuts should be proportionate – with high-earning UC employees bearing the brunt of any systemwide reductions in compensation. Finally, UC needs to be proactive in reducing compensation inequity by committing to no increases in employee pension contributions, providing workers with protective equipment and a safe workplace, and covering employee childcare costs for the duration of the pandemic stay-at-home orders.

The list of eight recommendations to mitigate compensation inequity is as follows:

1. **Prioritize and value PCAP staff – keep all staff working and on the payroll.** Already hard-hit PCAPs cannot and should not bear the brunt of the current financial downturn. As demonstrated in this report, UCLA and UCSF PCAP staff have endured years of previous wage freezes that put them behind their peers in terms of current compensation. Additionally, the majority of PCAP staff al ready have unreasonable or unmanageable workloads. Cutting staff – either through layoffs or furloughs – will only reduce the number of staff members available to complete the same amount of work. Large percentages of staff report they will leave for better paying jobs as soon as they can, and continuing cutbacks will only exacerbate the flight of these workers.

2. **Retrain and redeploy PCAP staff members.** The UC administration needs to ensure effective retraining and redeployment of staff where needed to maintain full employment of PCAP staff. In addition to assigning PCAPs to existing positions at the university, UC should also train and place PCAP in new jobs required to stop the spread of the coronavirus pandemic. Experts recommend that there is a need for hundreds of thousands of these jobs nationwide.[65] The university is already partnering with the state of California to train and reassign civil servants to these jobs.[66]

3. **Use all existing funding mechanisms before taking any adverse staffing actions.** The university can tap into a wide array of available resource pools to offset systemwide revenue losses. Doing so would help to avoid layoffs, furloughs, increases to pension contributions, higher parking fees, or other actions that would negatively affect PCAP staff. These existing funding options include the billions of dollars in reserve – like the Blue and Gold Pool, the Total Return Investment Pool, and the General Endowment Pools – federal stimulus dollars, and the ability to borrow at low interest rates.

65 Megan Cerullo. "Lost your job? Consider becoming a 'contact tracer.'" CBS News. May 28, 2020. https://www.cbsnews.com/news/contact-tracer-job-unemployment-coronavirus-containment/.

66 Aidin Vaziri. "How UCSF is training 10,000 new pandemic detectives to fight the coronavirus." San Francisco Chronicle. May 13, 2020. https://www.sfchronicle.com/bayarea/article/UCSF-partners-with-California-to-launch-massive-15265995.php.

4. **Engage in a full accounting of administrative bloat to identify savings.** There are potential operational inefficiencies that UC can streamline to realize cost savings. According to survey data, 63 percent of PCAPs at UCLA and UCSF said that their department or office could save money if management ad dressed areas of inefficiency or wasted resources. Additional areas for spending cuts could include the travel and entertainment accounts of executive leadership, along with a suspension of all management bonuses.

5. **Share the burden of any adverse staffing actions.** If UC must engage in layoffs, furloughs, or other workforce cuts, these sacrifices should be a shared burden that is proportionately applied to all UC employees based on income. Those with the highest incomes – including executive officials, high-level managers, tenured professors, doctors, and athletic coaches – are best positioned financially to absorb any decrease in compensation. As this report shows, wages for PCAPs have not kept pace with inflation or similar jobs outside of UC, and, as such, PCAPs should not bear the brunt of cuts.

6. **Provide childcare.** As pandemic shelter-in-place mandates remain in effect and children are unable to attend school or daycare, UC needs to provide the childcare resources for staff who require assistance. Offering free childcare can help prevent compensation inequity by covering required costs that would otherwise be cutting into PCAP take-home wages.

7. **Stop any further increases in pension contributions.** This report demonstrates the longstanding, downward pressure on wages that occurs with any freeze or reduction in take-home compensation, including mandatory increases to employee pension contributions. Maintaining pension contribution levels would prevent further downward pressure on wages.

8. **Ensure a safe workplace that puts employee health first.** The university must adhere to CDC-recommended standards of occupational health, workplace safety and personal protective equipment for office environments.[67] Doing so will provide staff members with the means to protect themselves, rather than forcing staff to buy their own protective supplies. Additionally, on some campuses, workplace safety policy related to coronavirus exists, but campus leadership does not monitor or enforce this policy. According to PCAPs, department heads, managers, and others UC community members are interpreting policy in ways that do not meet minimum safety standards and put employees at high-risk for exposure to coronavirus. As such, there is a need for clear, specific, and enforceable guidance and best practices for workplace safety. Staff who report violations of this workplace health and safety guidance should be protected from all forms of retaliation.

CONCLUSION

As the coronavirus pandemic has produced sudden and unforeseen conditions in state and higher education budgets, the University of California must prioritize and value PCAPs in any response to the crisis at hand. This report has shown that PCAPs at UCLA and UCSF have already borne the brunt of previous cutbacks in pay increases, all while experiencing overwork and job duties at higher classification levels, without more compensation. Adverse actions by UC leadership against these workers will only deepen the already-severe compensation inequity they have faced – and the wide range of related hardships that come with it.

By acting on the recommendations provided in this report, administrators at UC can stem the tide of compensation inequity for PCAPs staff members at UCLA and UCSF. Due to critical role that PCAPs play in supporting university programs, preventing further compensation inequity for this workgroup is crucial to navigating the unprecedented task of operating – and, later this year, potentially reopening – a statewide university system during a global pandemic. As such, the uncertain operational path ahead for the university demands that UC not worsen the inequity that PCAPs already face.

67 "COVID-19 Employer Information for Office Buildings." United States Centers for Disease Control and Prevention. May 27, 2020. https://www.cdc.gov/coronavirus/2019-ncov/community/office-buildings.html