

Resolution to Support Wage Adjustments for Staff and Permanent Decoupling of Annual Wage Increase from Performance

WHEREAS, GW staff salaries and wages have failed to keep up with the cost of living in the DMV area, with several department budgets preventing the hiring of new staff or retention of current staff at a competitive rate;

WHEREAS, between 2021 and 2024, the increased cost of rent has been in excess of 30%, the increased cost of groceries has been in excess of 25%, and the increased cost of gas has been in excess of $19\%^{1+2}$;

WHEREAS, 84% of staff who responded to the Staff Council Commute Survey indicated they are currently expected to commute to campus three or more days per week and pay for the rising costs of transportation, gas, and parking, noting that for an employee starting at \$56,000 a 3% wage increase would not even cover their parking fees³;

WHEREAS, the GW Climate Survey found that financial concerns and economic issues were a concern for staff and Provost Bracey was quoted in the Hatchet stating that GW is working to retain staff⁴ (See <u>Appendix</u> <u>A</u>);

WHEREAS, 68.4% of staff who responded to the Staff Council Performance and Merit Survey on compensation practices at the university gave low salaries at the university as their reason for looking to continue their career elsewhere;

WHEREAS, 68.3% of managers and supervisors who responded to the Staff Council Performance and Merit Survey on merit and compensation practices at the university say they have been actively discouraged from giving the "Exceeds Expectations" rating and thus affecting staff merit pay (See <u>Appendix C</u>);

WHEREAS, the rating system was reduced to three categories in 2019 and official posted guidelines from HR indicate that staff are "possibly exceeding expectations" in order to obtain an Achieves Expectations rating (Low, Medium, or High), with the categories and descriptions being what is publicly posted on the HR website⁵;

WHEREAS, Washington, DC was recently named the 10th most expensive area to live in the U.S.⁶⁺⁷ (See <u>Appendix B</u>);

WHEREAS, stagnant wages and lack of transparency have contributed to the loss of irreplaceable staff⁸⁺⁹;

WHEREAS, the university is understaffed and the remaining staff are being asked to absorb more responsibilities requiring more time and additional skills without commensurate increases in compensation, thus placing an undue burden on staff; Additionally, when staff members leave the institution and are not

¹ <u>https://www.cbsnews.com/news/food-prices-grocery-inflation-biden-economy/</u>

² <u>https://www.washingtonpost.com/opinions/2024/02/28/inflation-since-pandemic-still-high/</u>

³ <u>https://business-services.gwu.edu/faculty-staff-parking</u>

⁴ <u>https://gwhatchet.com/2024/03/04/staffing-remains-below-pre-pandemic-levels-student-facing-offices-stagnate/</u>

⁵ <u>https://hr.gwu.edu/performance-management</u>

⁶ https://www.kiplinger.com/real-estate/605051/most-expensive-cities-in-the-us

⁷ <u>https://smartasset.com/data-studies/salary-needed-live-comfortably-2024</u>

⁸ https://gwhatchet.com/2024/03/04/staffing-remains-below-pre-pandemic-levels-student-facing-offices-stagnate/

⁹ <u>https://gwhatchet.com/2024/01/29/staff-recognition-limited-under-merit-pay-system-staff-experts/</u>

replaced, or when the re-hiring processes are lengthy, those remaining staff members taking on the extra work are not compensated;

WHEREAS, per Provost Bracey's report at the March 2024 Faculty Senate Meeting, GW is the 3rd lowest staffed FTE per 100 students in our market basket¹⁰;

WHEREAS, it costs around \$100K in training time from all relevant parties involved (Department Chair, Finance, etc...) to train a new staff member¹¹;

WHEREAS, the university has announced that it will be raising its tuition 4.2% for the 2024-2025 academic year and the previous years averaged a 4.05 increase but wage increases are far below that¹²;

WHEREAS, research has found that institutions must implement a consistent annual-pay program, where employees can count on a clear, predictable process for increasing compensation. As a point of comparison, research suggests that companies typically adjust the base pay of their employees by 3 to 4 percent annually¹³+¹⁴;

WHEREAS, of staff who responded to the Staff Council Performance and Merit Survey on merit and compensation practices at the university, 71.6% would support moving from annual merit increases based on performance ratings to a yearly standard across-the-board adjustment for all GW staff, with departments/managers retaining the option to provide performance, merit, project, and retention bonuses;

WHEREAS, over 60% of staff who responded to a recent survey on merit and compensation practices at the university commented that they have had to take on second jobs to break even, that GW's low wages discourage employees from making their long term career at GW, and/or that the merit increases, even for the highest tier, do not keep up with the cost of living (See <u>Appendix C</u> for all staff survey results on merit, performance, and compensation practices).

NOW, THEREFORE, BE IT RESOLVED BY THE GW STAFF COUNCIL

The Staff Council is officially requesting:

- (1) That all staff receive a one-time, across-the-board salary increase of 5% in Fiscal year 2025.
- (2) That in the fiscal years following, all staff receive a university-wide annual standardized wage increase between 3% and 5% not associated with performance ratings¹⁵.
- (3) That a bonus pool is provided annually to departments to reward top performers or staff who have gone above and beyond the call of duty for an extended period of time as defined by Human Resources Bonus and Lump Sum pay guidelines¹⁶.
- (4) That the annual staff wage adjustment and bonus pools be used expressly for wage increases and not to fund other efforts or offset other budgetary shortfalls.
- (5) A comprehensive review of staff wages and salary bands is performed every three (3) years to align with the cost of living.

¹⁶ https://hr.gwu.edu/managing-compensation

¹⁰ <u>https://blogs.gwu.edu/facultysenate/files/2024/02/240301-Faculty-Senate-Core-Indicators-2024-Final-721e94767269fe88.pdf</u> (page 32)

¹¹ Based on training time multiplied by hourly salaries of all relevant training parties for a Department Manager/Supervisor, such as Department Chairs, Finance Directors and Assistant Directors, other department employees and faculty. ¹² https://gwtoday.gwu.edu/2024-25-academic-year-tuition-rates-appounced

¹² <u>https://gwtoday.gwu.edu/2024-25-academic-year-tuition-rates-announced</u> 13

https://www.mhprofessional.com/the-talent-management-handbook-third-edition-making-culture-a-competitive-advantage-by-acquiring-9781259863554-usa

¹⁴ https://www.chronicle.com/article/your-pay-is-terrible-youre-not-alone

¹⁵ https://www.american.edu/hr/faculty-staff/compensation.cfm (as an example)

The Staff Council firmly believes that these changes will increase staff recruitment and retention at the university. The Staff Council firmly believes that these changes will increase staff morale and retention at the university¹⁷+¹⁸. It is our strong, research-based opinion that a failure to do so will result in an increased number of staff seeking employment outside of the university, difficulty recruiting new staff, and continued low morale amongst GW staff, all of which negatively impacts the student experience¹⁹.

That this Resolution to Support Wage Adjustments for Staff and Permanent Decoupling of Merit Increases from across-the-board salary increases be appropriately inscribed and conveyed to university leadership, with a copy to be included in the GW Staff Council's April official meeting minutes.

THE STAFF COUNCIL OF THE GEORGE WASHINGTON UNIVERSITY HEREBY EXPRESSES ITS FULL SUPPORT FOR A COMPREHENSIVE WAGE REVIEW AND ADJUSTMENT PROCESS FOR STAFF TO ENSURE A COMPETITIVE AND APPROPRIATE MARKET RATE, AS WELL AS THE PERMANENT DECOUPLING OF ANNUAL SALARY INCREASES FROM PERFORMANCE MANAGEMENT TO BE REPLACED WITH STANDARDIZED ANNUAL SALARY INCREASES AND FUNDED PERFORMANCE-BASED BONUS OPTIONS.

Sponsored by: Staff Experience Committee

Adopted by Vote April 19, 2024

Bridget Schwartz, President on behalf of Executive Officers of the GW Staff Council Staff Representatives of GW Schools and Divisions

¹⁸ See the study and recommendations here

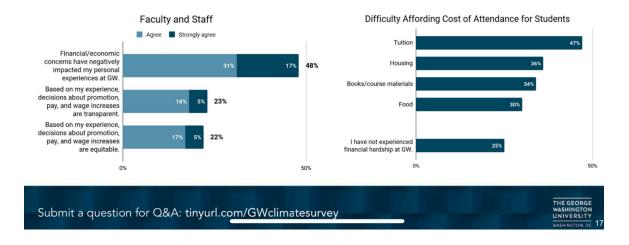
¹⁷ <u>https://www.highereddive.com/news/over-half-of-higher-ed-employees-likely-to-seek-another-job-survey-finds/627926/</u> (full study here)

¹⁹ https://www.higheredjobs.com/Articles/articleDisplay.cfm?ID=3000

APPENDIX A

Opportunities for Improvement

Financial and economic issues were a concern for most students, faculty, and staff, and this was worse for minoritized individuals.



APPENDIX B

Salary Needed to Live Comfortably in U.S. Cities

Cities are ranked by the lowest annual salary needed for a single adult to live in sustainable comfort using the 50/30/20 budgeting rule.

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Rank	City	Hourly wage needed for a single adult	Salary needed for a single adult	Total salary needed for two working adults with two children
17	Spokane, Washington	\$39.74	\$82,659	\$216,986
64	Washington, District of Columbia	\$47.80	\$99,424	\$275,642
91	Seattle, Washington	\$57.40	\$119,392	\$283,712

This study considered 99 of the largest U.S. cities and used the latest data from the MIT Living Wage Calculator, last updated on Feb. 14, 2024.

Source: SmartAsset 2024 Study • Get the data • Embed

smart<mark>asset</mark>"

Taken from: https://smartasset.com/data-studies/salary-needed-live-comfortably-2024

APPENDIX C

Staff Survey on Merit and Performance Results Slide Deck