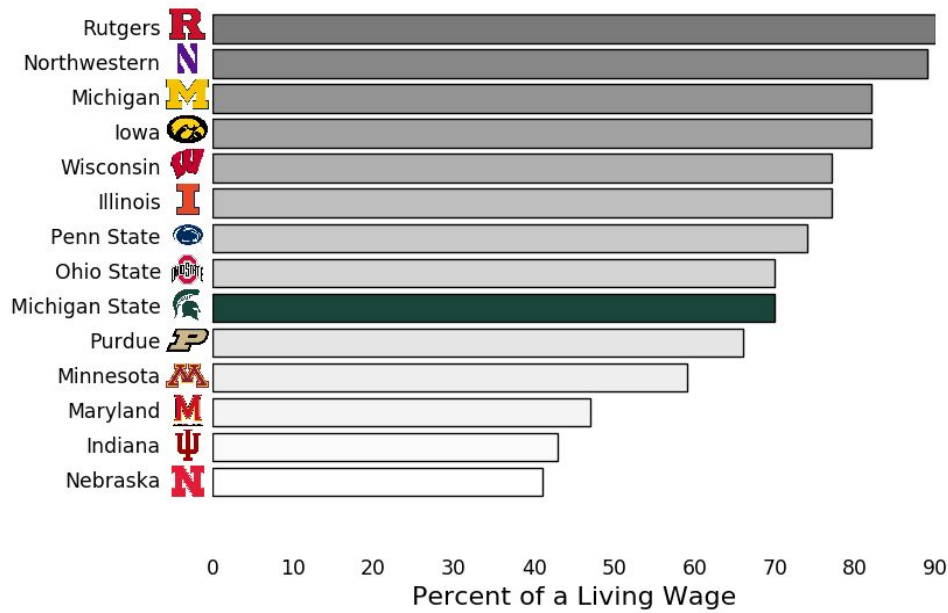


Graduate Assistant Minimum Stipends



A comparison between the minimum salary level for a two semester appointment of a graduate assistant at Michigan State and other peer institutions. This data was collected from each institution, and the living wage is found with the MIT Living Wage Calculator (livingwage.mit.edu) with permission by Dr. Amy Glasmeier [1]. The data used in this graph is as of December 2018. Northwestern University guarantees funding through the summer, so the data reported here is adjusted for two semesters for a consistent comparison.

What are we asking for?

An increase in the contractual minimum pay (that is, the lowest the University is allowed to pay) for graduate assistants so that they can not be paid less than \$20,643 for a fall and spring semester appointment. This corresponds to a 30% increase in the current contract minimum.

Can the university afford such a big increase to the contract minimum?

The university can absolutely afford what we are asking for. The cost of our proposal to the university for all the graduate assistants currently represented by the graduate employees union is about \$4.7 million. That is about 0.16% of Michigan State’s operating revenue of \$2,899 million in 2018 [2]. The university spent \$799 million on instruction in 2018, but only about 3.4% of that, about \$27 million went to teaching assistants by our calculations. For scale, MSU spent \$49.396 million on interest payments for capital and related financing activities.

One way to fund our request without changing anything about current spending would be to increase spending from the endowment, as has already been encouraged by the Roosevelt Institute and others [3]. The Roosevelt Institute’s report on MSU goes on to outline how financial mismanagement through risky investments like interest rate swaps have led to the university spending more on hedge fund managers and interest than on education in the 2016-2017 school year. They calculate that mismanagement at MSU has cost approximately \$493.6 million. Fortunately, the Roosevelt Institute’s report also outlines how this problem can be solved so that more millions are not wasted at the expense of supporting the thing that universities exist to do: education.

What has the university spent money on?

By no means a complete list, but some highlights:

- \$500,000, that is, one half of one million dollars, to monitor the social media of reporters and victims of Larry Nassar [4].
- Former interim president and ex governor John Engler, had \$2.3 million approved to renovate the fourth floor of the administration building [5]. Have you been to the fourth floor of the administration building? It

is one of the nicest places on campus. Engler wanted to “create an environment that conveys a sense of professionalism.” If the university was strapped for cash, they would not be spending money to renovate the fanciest office on campus.

- John Engler created new positions for his former political allies during his time as the governor of Michigan. Three of these, “Vice President and Special Counsel to the President,” “Vice President and University Spokesperson,” and “Executive Vice President for Government and External Relations” account for \$750,000/year worth of salary in new positions [6, 7].
- George Perles, former trustee, who has been accused of being complicit in covering up the crimes of Larry Nassar, had his debt of \$200,000 to the university forgiven when he resigned from his position [8]. This event is currently under investigation by the Michigan Attorney General [9].
- \$16 million so far paying all or part of legal fees for MSU officials complicit in the Larry Nassar scandal [10]. Those officials that the university has or will cover the legal fees for include Lou Anna Simon, former gymnastics coach Kathie Klages, and former dean William Strampel.
- \$2 million for a bank of lights in the football stadium. Previously, TV networks provided temporary lights when they were needed [11].

All of that together is \$21.75 million. That is over 4.6 times what it would take to give us the increase to our contractual minimum salary that we are asking for in this list alone.

That is a very big raise, right?

In terms of a percentage, yes, it is a big increase. Keep in mind, we are not asking for a 30% raise for everyone, only to the minimum that the university can pay. This would affect about 90% of graduate assistants who are represented by the graduate employees union, but only about 60% would see an increase in their pay more than 15%. This is also not a 30% increase in a six figure salary, this is a 30% increase from \$15,408 per year. What we are asking for is still less than the living wage for a single adult as reported by the MIT living wage calculator. **The increase we are asking for is not unprecedented. With this increase, our stipends would be on par with graduate assistants at Rutgers and Northwestern adjusted for the cost of living.**

What goes into the living wage calculation?

You can read more about it at livingwage.mit.edu [1]. This includes food, medical costs, housing transportation, and other costs associated with living in a particular area. You will notice, that even removing the cost of healthcare from the living wage, what we are asking for is still less than the required annual income for a single adult in the Lansing/East Lansing area.

How can I help as a graduate student?

Join the union! You can join at geuatmsu.org/get-involved/join-geu/. Show up to events and actions to support our bargaining team (you will get emails about these events before they happen).

[1] A. Glasmeier, “Living Wage Calculator,” *MIT*, available: livingwage.mit.edu, Accessed December 2018

[2] Michigan State University, “Annual Financial Report 2017-2018,” *MSU*, 2019, available: www.ctrlr.msu.edu

[3] A. Banerji, B. Kennedy, A. Sengal, “The Financialization of Higher Education at Michigan State University,” *Roosevelt Institute*, April 2018, available: rooseveltinstitute.org

[4] J. Doubek, “Report: Michigan State Spent \$500,000 To Keep Tabs On Nassar Victims, Journalists,” *NPR*, March 2018, available: npr.org

[5] RJ Wolcott, “MSU Spending \$2.3M to get admin building ready for next president,” *Lansing State Journal*, December 2018, available: lansingstatejournal.com

[6] “Minutes of the Meeting of the Michigan State University Board of Trustees,” *MSU*, February 2018, available: trustees.msu.edu

[7] “Minutes of the Meeting of the Michigan State University Board of Trustees,” *MSU*, April 2018, available: trustees.msu.edu

[8] D. Jesse, “Perles resigned from MSU's board. Then a debt he owed was wiped out,” *Detroit Free Press*, January 2019, available: freep.com

[9] D. Jesse, “Michigan Attorney General investigating Perles’ resignation from MSU board,” *Detroit Free Press*, February 2019, available: freep.com

[10] M. Mencarini, “MSU to pay for Lou Anna Simon’s defense as legal bills for Larry Nassar scandal near \$20M,” *Lansing State Journal*, January 2019, available: lansingstatejournal.com

[11] RJ Wolcott, “Spartan Stadium Renovations Nearly Complete,” *Lansing State Journal*, July 2017, available: lansingstatejournal.com

The Graduate Employees Union (GEU)

Request to Raise the Contract Minimum

Graduate students at MSU are a diverse group at the core of many University functions. We make significant contributions to the two largest revenue sources of the university: tuition (through teaching), and research grants (through research--which we do as graduate students regardless of whether we have a research assistantship or not). We are a skilled labor force that can not be easily replaced. We are subject matter experts in our respective fields. We work long hours at low wages for the sake of bettering both ourselves and MSU as a whole. While we realize that life as a graduate student is not meant to be lucrative, we find ourselves increasingly unable to afford the costs of living, and are thus asking for an increase to the contractual minimum that the university is allowed to pay us to place our salaries in line with our peers at other competitive institutions.

Compared to other institutions, our contract minimums are low. For example, our contract minimums are less than those of Illinois, Wayne State, Michigan, Northwestern, and many others, adjusted for the local cost of living using the MIT living wage calculator [1]. A living annual wage in the Lansing/East Lansing area according to the MIT living wage calculator for a single adult is \$23,543 (as of 1/24/2019). Right now, a graduate student who is paid the contract minimum for a teaching assistantship with a half time fall and spring semester appointment makes \$15,408 per year. The increase we are asking for puts a level 1 half time TA at a salary of \$20,643 per year, still less than the calculated living wage. With that increase, graduate assistants within our bargaining unit would be paid on par with our peers at Northwestern and Rutgers (again, this is all adjusted to the cost of living).

The rising cost of housing both in university-run apartments and in the greater Lansing area is far outpacing inflation. It is not hard to find evidence of this. All that you need to do is ask someone who has rented in the Lansing area over the last five years or so and they will confirm that the cost of renting an apartment has gone up significantly. A HUD comprehensive housing market analysis of the Lansing and East Lansing area in 2017 recorded a 5% increase in rental costs, more than twice the rate of inflation [12]. With our current contract minimums, many of us cannot afford adequate housing and are forced to spend so much of our income on housing, that we struggle to afford basic necessities. At 1855 place, an apartment complex which the university developed to be competitive with the housing market in the area, the lowest possible rent is \$785/month for a shared 4-bedroom efficiency unit in a building that houses a mixture of graduate and undergraduate residents [13]. A first-year graduate student with with a 1/2-time level 1 appointment living here under current salary rates would be paying more than 60% of their salary (before taxes) towards rent. That leaves less than \$400 a month for food, books, healthcare, transportation and anything else. These students are 'severely rent burdened' as defined by the US Department of Housing and Urban Development (HUD) [14]. Our ask, a 30% increase to the contract minimum, would shift the level 1, 1/2-time graduate assistant within our bargaining unit to paying a little less than half of their salary on housing. **We are asking for a contract that allows MSU graduate assistants within our bargaining unit to be able to afford their living expenses.**

Who is affected most by the high cost of living and low salaries? Without a doubt, international students who don't have the same support structure here as domestic students, and parents who need to provide for their children as well as themselves. Furthermore, the university prohibits graduate students from being full time workers, and international students along with their spouses and dependents, are often not allowed to work outside of the university. The diversity of our graduate student body is a strength that we cannot afford to lose. A diverse background of experiences and perspectives make the research we do better, while at the same time enriching the learning experience for the undergraduate students we teach. Too often we hear about graduate assistants struggling to afford food for their children or a stable place to live in an unfamiliar country. If Michigan State University wants to attract diversity, they need to provide their graduate employees with the financial compensation they need to be successful. Graduate students who are working full time providing a valuable service to the university should not be worried that a single financial emergency will end their careers as academics.

What this does for the university

We think that it is important for the University to renew a commitment to its graduate assistants. An adequately paid body of graduate students that is not struggling to get by is better able to focus on their respective tasks and contribute to the overall quality of the University. We are not striving to accumulate wealth; rather, we are simply looking to afford to live in the place where we work without worrying about making ends meet. Paying us better also makes MSU a much more attractive place to go to grad school, which makes MSU more competitive long term. The cost of graduate assistants to the university is tiny compared to the larger budget. The increase in the contract minimums that we are asking for, 30%, is in the peripheries of the overall budget (we estimate our asks to be less than 0.17% of the university's operating revenue). ***We as graduate students share a mutual interest with the university in its success. At a time when MSU is re-evaluating itself in light of recent events, a decision to pay us adequately would send a strong signal to the student body about Michigan State Universities values moving forward.***

[12] "Comprehensive Housing Market Analysis Lansing-East Lansing MI," *US Department of Housing and Urban Development*, January 2017, available: huduser.gov

[13] "2018-19 Housing Rates" Michigan State University, available: liveon.msu.edu/rates, accessed: February 2019

[14] "Resources: Severe Rent Burden," *US Department of Housing and Urban Development*, available: huduser.gov, accessed: January 2019

