way, then the salary structure of nonvested IHE will be compressed and this narrowing will show up, as it does in table 6, with an increasing differential in salaries between vested and nonvested IHE as academic rank advances.

The data on average faculty salaries, by rank, presented in table 6, tells very little about the dispersion of the salaries of faculty around the mean salary of each rank. Large salary dispersion may mean that the college or university is giving substantial cash awards to its most competent faculty in order to reduce their mobility. If salary dispersion is greater in vested than in nonvested IHE, then the voluntary separation rate because of vesting will be understated in the present study.

Why would a college or a university want to have a vested pension system? Vesting has several undesirable features: first, it is more expensive, for the IHE has to pay the retirement benefits of those who leave as well as those who stay; and second, vesting makes it easier for senior faculty to move. Since most IHE use an elaborate weeding-out process to select their tenured faculty, it would seem unwise for them, in effect, to subsidize their departure. If IHE do adopt vesting, it must mean that they are either unaware of these consequences or, what is more likely, they have other methods of discouraging the mobility of the senior staff. The most important immobilizing device is money. Thus, the so-called merit increase is really a tax on mobility; it is the antithesis of severance pay.

The data on salary dispersion in higher education were not available according to the extent of vesting of pension systems. I have, therefore, used "control" as a surrogate for vesting; for, as will be recalled, most privately controlled IHE have vested pension systems and most publicly controlled IHE have nonvested systems. The dispersion data are presented by type of IHE, for again "colleges" and "universities" show distinctly different results. Quartile deviations, by control and type, are presented in table 7. It should be noted that privately controlled (vested) universities have wider salary dispersion than publicly controlled (nonvested) universities; thus, for universities, voluntary separations because of vesting are understated in table 3. But, for colleges, the pattern is reversed—publicly controlled (nonvested) colleges have wider salary dispersion than privately controlled (vested) colleges, and, thus, the voluntary separations because of vesting in table 3 are overstated. The conclusions drawn earlier from the separation data have been reinforced. Nonvested pension systems retard the mobility of university faculty members but do not affect the mobility of college faculty members.

TABLE 7.—QUARTILE DEVIATIONS IN FACULTY SALARIES IN COLLEGES AND UNIVERSITIES, BY RANK AND CONTROL OF INSTITUTION, 1961–62

| | Colleges | | Universities | |
|---|---|---|---|---|
| | Privately controlled (vested) | Publicly controlled (nonvested) | Privately controlled (vested) | Publicly controlled (nonvested) |
| Professor | 1,290 | 2,660 | 2,035 | 1,225 |
| Associate professor | 585 | 770 | 810 | 550 |
| Assistant professor | 575 | 525 | 555 | 360 |
| Instructor | 740 | 745 | 185 | 395 |

Source: U.S. Office of Education, "Higher Education Planning and Management Data," 1962.