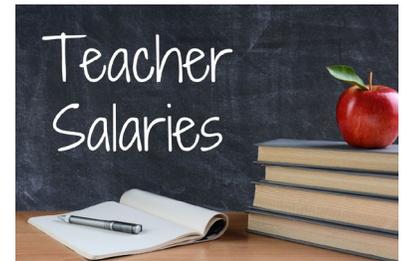




New Ideas in Teacher Compensation

Teachers are the most important influence on the academic and social-emotional growth of our students. The research behind this is undeniable. Yet across the nation, and in all the SREB states, there are teacher shortages in [three or more subject areas](#) from pre-K through high school. Most of the SREB states are also seeing alarming [declines in the teacher candidate pool](#).



Low pay is the No. 1 reason high school students don't consider teaching.

The top three reasons teachers say they leave the profession, according to national surveys, are: not enough support, poor teacher-parent relations, and a lack of proper preparation for the job.

Low pay makes it into the top five for current teachers, but high school students say it's the *number one* reason they are not considering going into teaching.

To help states retain their teachers and recruit the next generation into the profession, SREB is providing policymakers and education leaders this examination of teacher compensation policies in our states — and how some adjustments could help reverse teacher shortage trends. As public education continues to work to recover from the effects of the Great Recession and weathers another recession

due to the coronavirus pandemic, this brief should help policymakers prioritize funding to prevent more damage to the teacher workforce, since effective teachers yield the highest return on our investments in the education of our students.

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Traditional Compensation Strategies

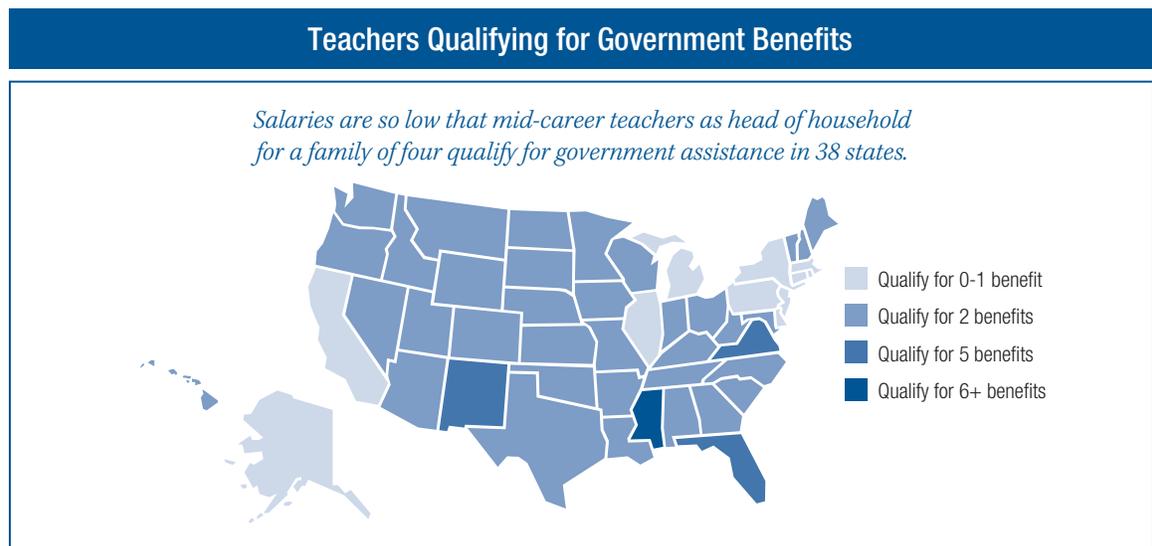
States and districts pay a considerable amount toward teacher salaries and benefits. It is the highest line item in education budgets. “On a national basis in 2016–17,” according to the National Center for Education Statistics, “approximately 80 percent of current expenditures for public elementary and secondary schools were for salaries and benefits for staff, compared with 81 percent in 2000–01. As the proportion of current expenditures for staff salaries decreased from 64 percent in 2000–01 to 57 percent in 2016–17, the proportion of current expenditures for employee benefits increased from 17 to 23 percent.” According to the Census Bureau, the United States spent \$630,431,570 total on education in fiscal year 2018, of which \$504,001,785 was spent on instructional and support salaries and benefits.

The average teacher salary in the U.S. in 2018-19 was \$58,540. In 1989-90, teacher salaries averaged \$59,944. In 1999-2000, teacher salaries averaged \$59,924. In 2009-10 just before the effects of the Great Recession were felt on state education budgets, teacher salaries averaged \$61,804. A decade after the recession, teacher salaries are lower on average than in the 1980s.

Average Teacher Salary in Constant Dollars	
1989-90	\$59,944
1999-00	\$59,924
2009-10	\$61,804
2018-19	\$58,540

While these averages, and even the decline in pay, may seem reasonable at first glance, it is important to put these numbers into context. A report from the Center for American Progress in 2014 did just that, reporting that teachers with a graduate degree and 10 years of experience make less than a truck driver, and in Georgia less than a flight attendant. They also found that in 11 states, 20% or more of teachers work a second job — in those same states, a teacher with a bachelor’s degree and 10 years of experience was making under \$40,000 per year in 2014. In that year, say authors Boser and Strauss, mid-career teachers with bachelor’s degrees and 10 years of experience who were head of household for a family of four would qualify for two or more government benefits in 36 states.

SREB conducted an updated analysis of these statistics using data from 2018-19. Based on eight nationally calculable government benefits, including food and housing assistance programs and health insurance assistance, 38 states have average teacher salaries low enough that mid-career teachers who are head of household for a family of four qualify for two or more government benefits. Four states — Florida, Mississippi, New Mexico and West Virginia — have average teacher salaries so low that a mid-career teacher as a head of household for a family of four qualifies for five or more government benefits. (See Appendix A for information by state.)



For data see Appendix A

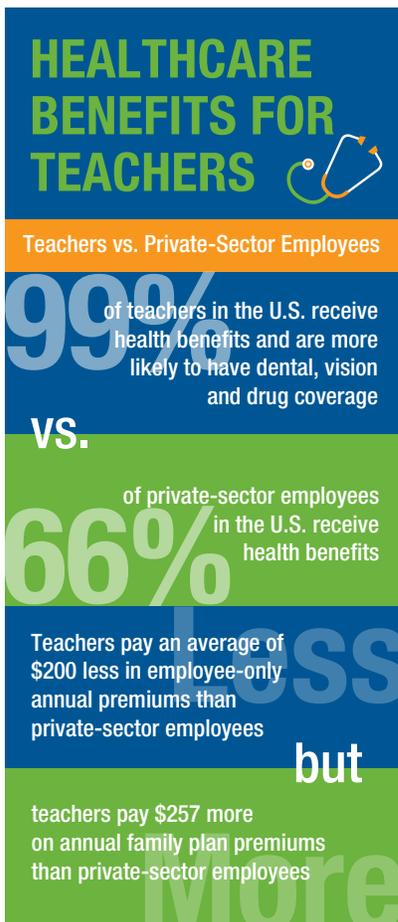
Bringing Compensation Up to Date

As a growing movement of educators demanded raises and increases in education funding over the last several years post-recession, states have begun to increase teacher salaries. From 2016-2020, 13 of the 16 SREB states approved teachers raises, ranging from \$1,000 (or 2%) in some states to 18% in others. In half of these states, though, the raises provide only a partial cost-of-living raise, inching teachers closer to pre-recession wages but still falling short against an average annual inflation rate of over 3%. (See Appendix B for an SREB-state-by-state look at teacher raises since 2016.)

For raises to be an effective tool in recruiting new teachers, states will need to consistently provide cost-of-living raises while also working to fund raises that increase teacher salaries to levels comparable to other professionals. The Society for Human Resource Management cites the average starting salary for recent college graduates with bachelor's degrees in the U.S. in 2019 as \$51,347. The average starting salary for teachers in the same year was \$40,139. Just one state, New Jersey, and the District of Columbia met or exceeded that average professional starting salary, and thirty-two states had a starting teacher salary below \$40,000. These states are not staying competitive with the market on recruiting the next generation of teachers, who cite pay as the number one factor for not entering the profession. (See Appendix A for the starting teacher salary in all states.)



The average starting salary in 2019 for teachers was 19% lower than the average starting salary for all recent college graduates.



Health Benefits

While only two-thirds of private sector employees receive health benefits, 99% of teachers do, and in SREB's assessment of the quality of that insurance, teacher plans are slightly above average compared to those typically offered in the private sector. Teachers are also more likely to have dental care, vision care and prescription drug coverage. Teacher health care plans cover the full calendar year, even for those on 10-month contracts. More teacher plans also cover full medical premiums than in the private sector (24% versus 15%), and even when these are not fully covered, state plans typically pay over \$900 more than private plans. Bureau of Labor Statistics data (Aldeman 2018) shows teachers on average pay about \$200 less in premiums.

For family plans, however, teachers pay an average of \$257 more in premiums than employees in the private sector, despite the fact that private sector plans cost more. This is due to school districts contributing about \$600 less than other employers.

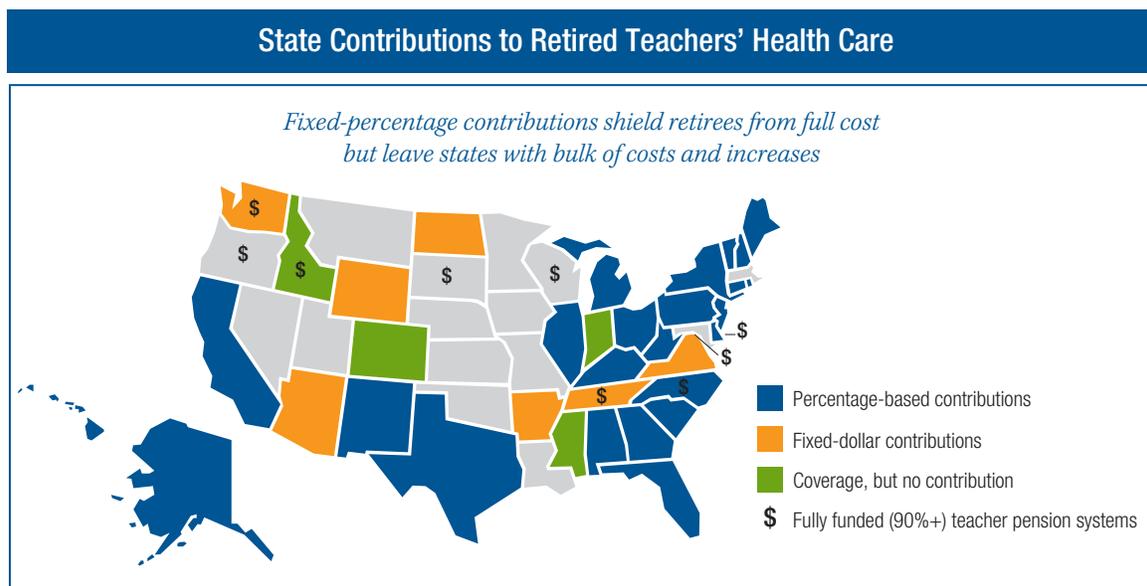
As health care costs rapidly rise — average family premiums have risen 54% since 2009 — districts are faced with a tough decision to allocate an increasingly larger share of their budget to rising health insurance costs or to provide better raises.

If health benefits are to remain an incentive for becoming or remaining an educator, states and districts will need to plan ahead to cover the rising costs of that insurance, perhaps paying more toward family plans to maintain better health benefits and lower contribution rates.

Retirement Benefits

Another bonus to a teaching career is its retirement benefits, but with better benefits come, again, higher costs to states. A 2010 analysis of U.S. Department of Labor statistics showed that employer contributions to retirement for public school teachers was 14.6%, compared to 10.4% for private professionals. As plan costs increase and the private sector reduces contributions, this gap only widens.

Retirement plans for teachers, largely in the form of pensions (or “defined benefits” in 35 states), pay out not what a teacher pays in but an amount determined by a formula that considers pay at retirement, age and years of service. States and districts contribute far more in this model than teachers. During hard economic times when investments suffer, or when the number of retirees is high in comparison to the number of current teachers, costs increase for governments. Retirement benefits vary by state, as does [eligibility](#) to enter full retirement status.



Note: Almost all “non-pension retirement benefits” are health-care benefits. Data shown only for states with data available and that cover teachers.
Sources: “Healthcare for Life,” Education Next 2018; “Doing the Math on Teacher Pensions,” NCTQ 2014.

Another way that states attract and retain teachers is by providing pension healthcare benefits. While only 24% of private businesses offered these in 2017, they were part of the benefits package for 69% of teachers. Thirty-five states offer post-employment health coverage to teachers using three different models. Many states are doing away with these benefits, however, or revising policies to require more stringent eligibility requirements, or simply severely underfunding them — setting up a budgetary crisis in the future. One of the 35 states, North Carolina, will no longer offer this benefit to teachers hired after January 2021.

Pension benefits, as Chad Aldeman notes in *Education Next*, may help retain late-career teachers but have little effect on the recruitment of new teachers — most likely because they pay little attention to such benefits, being far less likely than former generations to remain in one career for a lifetime.

For this reason, state lawmakers should consider shifting to contributions based on fixed dollar amounts, which caps the state’s future liability and shifts some costs to retirees (as in Arkansas, Arizona, North Dakota, Tennessee, Virginia, Washington and Wyoming), or phasing out investments in costly pension benefits to new hires (as in North Carolina). States could also cover health benefits to retirees until age 65, when Medicare kicks in, and divert those savings to increased salaries and support dollars to help recruit and invest in the growth of early career teachers.

Innovative Incentive Strategies

Because tax revenues are falling due to the health pandemic, and early predictions caution that recovery could take up to a decade, states and districts must look to incentives for the teaching profession that provide moderate-, low- and no-cost strategies.

Moderate-Cost Strategies

Funding Individualized Professional Growth

Teachers, like all professionals, need support and professional development to continue honing their craft. Many states and districts curate, buy or host professional development resources annually, and some have created helpful repositories for pedagogical and content development to allow teachers to select what they need. There are also many free online resources, but most quality, in-depth professional development comes at a cost. With low salaries (and many teachers purchasing classroom supplies out-of-pocket), few teachers at any level can pay for continued learning.

States and districts could consider providing professional development stipends for teachers — a small sum of money dedicated solely to purchasing professional development geared to each teacher's needs. District oversight would be required to be sure the funds were used for quality development, but a multitude of options should be allowed, such as books, courses, college credits, National Board Certification, seminars, micro-credentials or coaching. States could bolster this strategy further by curating a report of quality professional development for various needs.

Maintaining or Returning Planning Periods

One of the complaints of many teacher groups and protests the last few years is the disappearing planning period. This open period for teachers to plan ahead, consult colleagues for help, email parents and catch up on paperwork is either being reduced, taken away, or diverted by administrators for other meetings or requirements.

There is much debate about lowering class size as an alternative to increasing teacher salary and benefits. However, schools, districts and states could alternatively think about lessening the overall caseload for many teachers — reducing how many classes they teach per day — rather than focusing on class size. This strategy can help schools maintain or return the planning period.

District leaders, or even state policymakers, might consider funding a small number of additional positions to allow teachers to have a full planning period. Additionally, restrictions could be put in place on the amount of time per week that administrators can require teachers to complete other tasks or meetings during planning periods.

Bonuses for Teachers in Advanced Teaching Roles

While many states provide raises or bonuses for teachers based on factors such as time spent on continued education, earning a master's degree, National Board Certification, teaching tenure and so on, these strategies show little or no correlation with increasing instructional skills or student growth.

States and districts should consider a more effective strategy of rewarding teacher outputs and outcomes. To be clear, this is different from performance or differential pay, which has sometimes brought political friction and conflicting or negative results. Many states have



Many states have implemented tiered certification or licensing for advanced teaching roles, but none have offered financial incentives for these leadership roles statewide.

implemented tiered certification or licensing for advanced teaching roles, but none have offered financial incentives for these leadership roles statewide. By doing so while maintaining classroom instruction for a portion of the day — teaching more students, leading professional learning communities, leading staff meetings and pedagogical or content trainings, mentoring early-career teachers on improvement plans — states and districts can reward teachers for increased responsibility. Key to this strategy is assessing teachers’ effectiveness in the classroom, their appropriate leadership and adult coaching skills and dispositions, to be sure that only the appropriate teachers assume these roles. North Carolina and Alabama education leaders are currently working on state plans to do just this.

Recognizing Teachers

Louisiana — Recognizing teachers for their hard work can take many forms, from a principal simply acknowledging stellar performance or professionalism, to small rewards, to statewide programs. The Louisiana Department of Education, for example, created the Teacher Leader Program in 2013. School districts nominate teachers, inviting them to apply to become Teacher Leader Advisors. These advisors support state and district efforts by developing instructional materials, leading professional learning opportunities and providing feedback on the state department’s current and future strategies. The state department pays advisors for materials and activities, and a larger group of teacher leaders attend an annual summit in New Orleans. Over 5,000 teachers attended the last summit.

Tennessee — The Tennessee Department of Education and the State Collaborative on Reforming Education (SCORE) created the Tennessee Teacher Leader Collaborative in 2015. The statewide campaign invites teachers to “choose the teacher leader pathway most appealing to [them].” Teachers can access leadership opportunities in four areas: public advocacy, coaching, feedback gathering and public outreach.

Reducing Teachers’ Role in Direct Student Support

From additional duties like hall-monitoring and lunch or bus duty to counseling and medical care, teachers are asked to do more than teach students and master content. Many districts have had to make cuts to non-instructional staff such as school counselors, school schedulers, nurses, librarians and teachers’ assistants, increasing the burden of student support felt by teachers. Centers for Disease Control surveys in 2016 showed less than 35% of districts with a full-time school nurse, 22.5% with a school-based health center providing primary and mental health care, and only 12.3% with a policy requiring schools to screen students for mental health issues. Given the increasing social-emotional needs of students caused by the still-emerging effects of COVID-19, students need these physical and mental health supports in order to learn.



From bus duty to counseling, teachers are asked to do more than teach students.

State and district leaders could look at reassessing school budgets to hire support staff. They might also partner with local medical and mental health providers to provide daily access for students to nurses and counselors. Such access might even be provided to students during virtual instruction time periods via tele-health programs.

Low- or No-Cost Strategies

Partnering with Local Businesses

Districts can look to their private sector neighbors for support; many companies look on this as an opportunity to invest in their future workforce. By seeking partnerships with local businesses to donate their time, services or products, district leaders could offer one-time or even annual benefits to their teachers. Catering lunch for teacher workdays, donating classroom supplies or gift cards, assisting teachers in fields that connect with their curriculum, training in technology, donating equipment or software — many of these possibilities can lead to benefits for students as well.

Supporting Teacher Well-Being

Once schools are back to consistent in-person instruction, school leaders can work to create an atmosphere that values teachers' well-being and mental health. [Creating a positive culture](#) with open communication, teacher community building, support and collaboration can do wonders for morale, spirit and productivity, not to mention teacher retention. The following is a list of strategies that school and district leaders might use to support teacher and staff well-being:

- **Exercise** — create time and space for teachers to work out before or after school in a gymnasium, cafeteria, auditorium or common area
- **Mindfulness** — create time and space for teachers to practice mindfulness or meditation before, during or after school, either individually or collectively
- **Support Groups** — create time and space for teachers to form support groups to discuss the stress involved with teaching
- **Counseling** — seek partnerships with local or virtual therapists to provide counseling services to teachers, which may be needed even more given the increased social-emotional issues arising from the health pandemic
- **Professional Development** — seek out books, webinars or more formal professional development resources related to teacher well-being and provide these opportunities to teachers and staff

Providing space for teachers to come together to lower stress and restore mental health may lead to even more ideas. Leaders can listen and be open to suggestions from these group interactions to improve school culture and morale.

A love of children and a desire to invest in future generations have always been, for many, the first reasons to become a teacher. But teaching is a professional career, one that requires a bachelor's degree and encourages the master's (58% of teachers in the nation hold a master's or higher). Despite this, very few states compensate their teachers at a professional level. Insufficient salary, benefits and other financial incentives contribute to teachers leaving the profession, and they are a major factor in the decline of interest in joining the profession. Compensation is also a key factor in another important reason for the teacher shortage — a decline in respect for teachers.

Teaching is among the essential professions in any civilized society, arguably the one that makes all others possible. Education leaders and policymakers have an opportunity now to weigh both traditional and innovative teacher compensation strategies to alleviate teacher shortages and return the profession to a position of respect in our states commensurate with its importance to our world.



Teaching is a professional career, one that requires a bachelor's degree and encourages a master's.

Appendix A

Teacher Salary and Government Benefits

Comparative Federal Government Benefits, SREB Analysis

An x denotes mid-career teachers qualify for the benefit if they head a household of 4 or more

State	Salaries		Number of Benefits Qualified for (2019)						Total Number of Benefits
	2018-19 Starting Teacher Salary	2018-19 Average Teacher Salary	Marketplace Health Insurance Assistance	CHIP	WIC	EFNEP	SBP & NSLP	HUD Rental Assistance	
Alabama	39,479	50,810	x					x	2
Alaska	48,047	70,277	x						1
Arizona	36,400	49,892	x					x	2
Arkansas	34,724	51,019	x					x	2
California	48,207	82,282	x						1
Colorado	34,229	53,301	x					x	2
Connecticut	46,407	76,465	x						1
Delaware	42,412	62,308	x						1
District of Columbia	56,313	78,477	x						1
Florida	37,932	48,395	x		x	x	x	x	5
Georgia	35,656	57,137	x					x	2
Hawaii	48,428	59,757	x					x	2
Idaho	36,370	50,757	x					x	2
Illinois	39,817	66,600	x						1
Indiana	36,498	50,937	x					x	2
Iowa	37,406	58,140	x					x	2
Kansas	36,781	49,800	x					x	2
Kentucky	36,932	53,434	x					x	2
Louisiana	40,400	50,923	x					x	2
Maine	35,477	54,974	x					x	2
Maryland	45,685	70,463	x						1
Massachusetts	46,737	82,042	x						1
Michigan	37,111	61,825	x						1
Minnesota	39,554	58,221	x					x	2
Mississippi	35,067	45,574	x	x	x	x	x	x	6
Missouri	32,600	50,064	x					x	2
Montana	32,132	54,034	x					x	2
Nebraska	35,116	54,506	x					x	2
Nevada	40,190	54,280	x					x	2
New Hampshire	38,305	58,146	x					x	2
New Jersey	52,854	70,212	x						1
New Mexico	36,405	47,826	x		x	x	x	x	5
New York	46,426	85,889	x						1
North Carolina	37,739	53,975	x					x	2
North Dakota	39,748	53,434	x					x	2
Ohio	36,709	57,799	x					x	2
Oklahoma	37,014	52,412	x					x	2
Oregon	37,181	64,385	x					x	2
Pennsylvania	45,404	68,141	x						1
Rhode Island	43,092	67,040	x						1
South Carolina	34,471	50,395	x					x	2
South Dakota	38,819	48,786	x					x	2
Tennessee	37,951	51,714	x					x	2
Texas	42,418	54,155	x					x	2
Utah	40,569	50,342	x					x	2
Vermont	39,567	61,027	x					x	2
Virginia	41,077	52,466	x					x	2
Washington	47,416	72,965	x					x	2
West Virginia	35,767	47,681	x		x	x	x	x	5
Wisconsin	38,538	51,453	x					x	2
Wyoming	45,814	58,618	x					x	2
United States	40,154	58,540							

SREB states are highlighted in blue.

Eight comparable federal government benefits were included in this analysis. No state's salaries are low enough for teachers heading a household of 4+ to qualify for Medicaid or the Supplemental Nutrition Assistance Program (SNAP).

Acronym Key: CHIP Childrens Health Insurance Program; WIC Women's, Infants, Children Program; EFNEP Expanded Food & Nutrition Education Program; SBP & NSLP School Breakfast Program & National School Lunch Program; HUD Housing and Urban Development.

Sources: Starting Teacher Salaries: <https://www.nea.org/sites/default/files/2020-09/2018-2019%20Teacher%20Salary%20Benchmark%20Report.pdf>
Average Teacher Salaries: https://nces.ed.gov/programs/digest/d19/tables/dt19_211.60.asp?current=yes

Appendix B

Salary Increases in SREB States

Teacher pay increases enacted by SREB state legislatures in the past four years

2019-20

Alabama	4%
Arkansas	\$1,000
Delaware	2%
Florida	\$2,000 (Florida Education Finance Program funds provided sufficient for such an increase; actual salary amounts determined locally via collective bargaining)
Georgia	\$3,000 (for employees funded through state Quality Basic Education formula)
Louisiana	\$1,000
Mississippi	\$1,500
Oklahoma	\$1,220 (either across-the-board or average raise in a district)
South Carolina	4% to 10.6%
Tennessee	2.5% (Basic Education Program funds provided sufficient for such an increase; allocations determined locally, does not apply to non-BEP funded positions)
Virginia	5% (3% raise took effect 7/1/2020; additional 2% as of 9/1/2020)
West Virginia	5% average

2018-19

Alabama	2.5%
North Carolina	6.5% average
Oklahoma	15.8% to 18.3%
Tennessee	2% (BEP funds provided sufficient for such an increase; allocations determined locally, does not apply to non-BEP funded positions)
West Virginia	5% average

2017-18

Georgia	2% (for employees funded through state QBE formula)
North Carolina	10% average over the biennium (2017-19)
Tennessee	4% (BEP funds provided sufficient for such an increase; allocations determined locally, does not apply to non-BEP funded positions)

2016-17

Alabama	4% (for teachers who earn less than \$75,000 annually; 2% for teachers who earn more than \$75,000 annually)
North Carolina	4.7% average
Tennessee	4% (BEP funds provided sufficient for such an increase; allocations determined locally, does not apply to non-BEP funded positions)

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