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The Salary Debate

Sarah C. McKenzie
University of Arkansas, Fayetteville

Gary W. Ritter
University of Arkansas, Fayetteville

UNIVERSITY of ARKANSAS
Office for Education Policy

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In America, teacher compensation has undergone major changes over the last 200 years. Throughout much of the early 19th century, teachers were often paid with room and board within a community and taught all grades. Around 1921, a form of the single salary schedule still in use today was implemented (Protsik, 1995), where teachers' salaries were linked to their educational background and their years in the field.

Like the salaries of most other public officials, however, teachers' salaries shift with changing social, economic, and political climates. The pay rate for teachers is also influenced by a number of variables (e.g. the size of the district, the number of students in the district, the number of schools in the district, and other community factors). Regardless of the multiple factors affecting teacher pay, it remains a controversial issue in many states. This work attempts to summarize the arguments surrounding the teacher salary debate across the nation and within the State of Arkansas. The current debate seems to be two-fold: focusing on the adequacy and equity of teacher pay. Adequacy is measured by comparing the pay of teacher to that of other professionals. Equity is measured by examining differences in teacher pay across school districts and even states.

Teacher Salaries: A National Review

The debate over the levels and distributions of teacher salaries continues, as policymakers and education officials attempt to recruit the best and brightest into their schools. However, the extant literature regarding teacher salaries has yet to reach a definitive answer regarding the adequacy of teacher pay. Some research indicates that teachers are paid inadequately—that is, they are not paid as well as individuals in other professions, yet other research that teachers are paid relatively high in comparison to other individuals.

Adequacy: Teachers Underpaid!

Nearly thirty years ago, Lortie (1975) noted that "teachers tend to underplay the role of material rewards in their decision to enter the occupation," in large part because "many people both inside and outside teaching believe that teachers are not supposed to consider money, prestige, and security as major inducements" (p. 30). While teachers may or may not have financial reasons to enter the teaching field, a debate over whether teachers earn significantly less than other professionals has emeged. Much research reveals that the earnings gap between teachers and other college graduates is substantial and has widened over the last few years (e.g. American Council on Education Division of Government and Public Affairs, 1997; Henke, Chen, & Geis, 2000; Olson, 2000).

According to Olson (2000), in 1994 teachers with bachelor's degrees earned over $11,000 less per year than non-teachers with bachelor's degrees; however, by 1998, this gap had increased to over $18,000 per year. A similar gap was found for teachers and non-teachers with master's degrees. Teachers with master's degrees earned $12,918 less than non-teachers with master's degrees in 1994 and $24,648 less in 1998 (Olson, 2000). Another report from the National Center for Education Statistics acknowledges that the teacher-non-teacher earning gap has increased, citing that among graduates with a bachelor's degree in 1992-93 who were working full time jobs five years later, teachers "earned among the lowest annual salaries of their college cohort" (Henke, Chen, & Geis, 2000).

A report by the Educational Research Service's (ERS) found that teachers are not paid well in comparison to other education employees. According to the ERS *2003-2004 National Survey of Salaries and Wages in Public Schools* report, teachers are the only public education employees

whose salary increase over the last ten years fell below the consumer price index (inflation). From 1993 to 2003, the consumer price index increased by 27.3 percent, while central office administrators' (i.e. superintendents) salaries rose by 36.5 percent, principals' salaries and assistant principals' salaries increased by 31.3 percent, support personnel's salaries (teacher's aides, bus drivers, etc.) increased by 32.2 percent, and auxiliary personnel's salaries (counselors, nurses, etc.) gained 28.6 percent. Teachers' salaries, however, rose by only 25.0 percent. This information may seem compelling; however, other research has reached different conclusions regarding teacher salaries.

Adequacy: Teachers Paid Fairly

According to the American Federation of Teachers (AFT) *Survey and Analysis of Teacher Salary Trends 2002* (www.aft.org), teacher salaries lie in the middle of the career salary spectrum. Teachers are paid more than the general public and many individuals, but less than selected professionals (e.g. accountants, professors, and computer technicians). Perhaps the best examples of how teacher salaries compare to other professions can be found in the 2002 AFT report, which states that:

- In 2001-2002, the average teacher salary increased 2.7 percent compared to the inflation rate of 1.6 percent.
- After adjusting for inflation, the 2002 average teacher salary was $44,367, which is only $788 more than what it was in 1994 and only $2,599 more than the average salary in 1972, a real increase of only $87 per year.
- In 1991, the average salary for teachers was 21 percent higher than the average annual salary for all full-time workers in the United States. Since 1991, however, this gap has reduced. In 2002, teacher salaries were only 8 percent higher than the salary of all full-time workers. Similarly, in 2002, teachers earned 3 percent more than the average government worker, which is approximately one-fifth of the 15 percent advantage they had in 1994.
- Teacher salaries represent a smaller fraction of total education spending than they did 30 years ago. In 1971, the average education expenditure on teacher salaries was 50.3 percent compared to 38 percent in 2001-2002. The percentage of education spending dedicated to teacher salaries has remained below 40 percent since 1991.
- Since 1975-1976, teacher salaries have increased 252 percent, and beginning teacher salaries have increased 257 percent. Other non-hourly education workers' (superintendents, principals, secretaries, etc.) salaries have increased at a higher level over this same time period.
- Despite an 18 percent teacher pay increase between 1996-2002, teachers lost ground to several professions. For example, salaries went up 29 percent for accountants, 27 percent for buyers, 32 percent for attorneys, 29 percent for computer systems analysts, 26 percent for engineers, and 28 percent for full and assistant professors.
- Part of the pay differential between teachers and other professions is likely due to the shorter work year for teachers, which averages about 190 days compared to about 225 days for other workers.
- Teachers do, however, earn more than the average salary for all other workers in the United States. In 1999-2000, the average teacher salary was $41,544 compared to the average annual income for all workers at $38,074.

The AFT report indicates the teacher salaries are higher than the salaries of other professionals, yet other professional salaries are gaining on the salaries of teachers. The AFT report, however, does note that at least part of the pay differential between teachers and other professions is likely due to the shorter work year for teachers, which averages about 190 days compared to about 225 days for other workers. Similarly, a 1993 National Center for Education Statistics study noted the different work schedules for teachers and other professionals. Perhaps, this study summarizes best the adequacy of teacher salaries because it notes that teachers are paid higher than some professionals and lower than others.

A 1993 study compared the salaries of teachers to bachelor degree recipients in computer science,

math, physical sciences, business/management, writers/artists, biology, communication, public affairs/social services, and all of these occupations combined (Rollefson & Rohr, 1993). Based on the report, teachers' salaries averaged $19,913 compared to $30,419 for computer science, who were the highest, and $19,227 for public affairs, who were the lowest. However, when the teachers' average salary is based on an average contract length of 9.7 months compared to 12 months for other occupations, teachers gain on the other professions. Using this information, teachers earned nearly $800 more than all occupations and rank fourth behind individuals with degrees in computer science, math/physical science, and business/management (see Table 1).

Table 1: Average Annual Salary of New Bachelor Degree Recipients in Teaching and Other Occupations, 1990-1991.

Occupation	Salary	Difference from Teaching	Adjusted Annual Salary*	Adjusted Difference* from Teaching
Teaching	$19,913	--	$19,913	--
Computer Science	$30,419	$10,504	$24,640	$4,727
Math/Physical Science	$26,040	$6,125	$21,092	$1,179
Business/Management	$25,961	$6,046	$21,028	$1,115
Writers/Artists	$25,232	$2,438	$18,106	**-$1,807**
Biologists	$21,325	$1,410	$17,273	**-$2,640**
Communications	$19584	**-$329**	$15,863	**-$4,050**
Public Affairs/Social Services	$19,227	**-$686**	$15,574	**-$4,339**
All occupations	$23,632	$3,717	$19,142	**-$771**

Source: National Center for Education Statistics Issue Brief 1 1993 (Rollefson & Rohr, 1993).
*The author using 9.7/12 of the annual salary for each occupation created the adjusted figures.

Notwithstanding the shorter work year of teachers, the debate over whether teachers are paid adequately seems to depend more on to whom they are compared. When compared to accountants, professors, engineers, and attorneys, teachers do earn substantially less; however, when compared to all United States workers, writers, social services workers, public affairs workers, and other public employees, teachers seem to earn substantially more. As states and districts continue to adopt new salary schedules and try to recruit new and better teachers, the debate over teacher salaries and other professionals' salaries is likely remain controversial. The adequacy of teachers' salaries, however, is only one way to compare salaries, they can also be compared based on equity between states and districts.

Equity: Comparing Teachers to Teachers

While comparisons between teachers and non-teachers seems to be unresolved to date, comparisons within the teaching field, between teachers, also remains quite controversial. According to the 2001-2002 AFT annual survey, beginning-teacher salaries increased by 3.2 percent, to an average of $30,719, from 2000-01 to 2001-02. The national average teacher salary also increased to $44,367, a gain of 2.7 percent. Regardless of the overall increases in salaries, a disparity remains between certain teachers' salaries across regions (see Table 2).

Table 2: Highest and Lowest Paying States: Beginning Teacher Salaries in 2001-2002

Salary Level	State	Beginning Average Salary
Highest Salaries	Alaska	$36,294
	New Jersey	$35,311
	New York	$34,577
	Connecticut	$34,551
	California	$34,180
Lowest Salaries	Mississippi	$24,567
	Maine	$24,054
	South Dakota	$23,938
	Montana	$22,344
	North Dakota	$20,988

Source: Salary figures taken from Table I-7 State Rankings by 2001-02 Average Teacher Salary Adjusted by the 2001 AFT Interstate Cost of Living Index from Nelson and Drown, *Survey and Analysis of Teacher Salary Trends 2002*, 13. (www.aft.org/research) and from *Education Week* summary, available http://www.edweek.org/ew/articles/2003/08/06/43tl.h22.html

Similar results emerge when the average teacher salary is examined. According to the 2001-02 AFT annual survey, teachers in California earned the highest average salaries at $54,348, while teachers in South Dakota received the lowest average annual salary at $31,383. Similar to the disparity found between states, within state differences also exist. For example, according to the *2001-02 Annual Statistical Report of the Public Schools of Arkansas*, the highest average K-12 full time equivalency (FTE) salary was $44,959, while the lowest average FTE salary was $25,359. In reaction to the disparity between states' average teacher salaries, several state legislatures have made changes to their states' teacher salary schedules. One such state is Arkansas, where the State's Supreme Court ruling in *Lake View v. Huckabee* forced the state to re-evaluate its teacher salary schedule.

ARKANSAS' TEACHERS

Arkansas resides among the lowest payers in the nation with respect to average teacher salaries. While the average teachers' salaries in Arkansas are higher than salaries in several surrounding states, Arkansas' teacher salaries remain well below the national average and have been there for at least the past decade (see Table 3). In fact, in 2002-03, Arkansas ranked 44th of 51 states in terms of average teacher salary. Of course, some of this difference is due to the fact that the cost of living throughout the state of Arkansas is lower than throughout the nation as a whole. A cost of living category was included in the 2001-02 AFT report, which found that, after controlling for cost of living differences, Arkansas ranking improved to 35th with the average Arkansas teacher salary trailing the national average by approximately $3,500.

Regionally, Arkansas teacher salaries appear equitable in relation to the six border states' teacher salaries. Of the seven states, Arkansas ranked fourth in 1991, 1997, 2003 and fifth in 2002; however, when the salaries were adjusted for cost of living, Arkansas ranked third in 2002.

Table 3: Average Teacher Salary Comparison 1991-2002

State	Average Salary '90-'91	Average Salary '96-'97	Average Salary '01-'02	*Adjusted Average Salary '01-'02	Average Salary '02-'03
Arkansas	**$27,168**	**$30,987**	**$36,026**	**$40,733**	**$37,536**
Louisiana	$26,411	$28,347	$36,328	$40,390	$37,116
Mississippi	$24,368	$27,662	$33,295	$38,025	$35,135
Missouri	$28,923	$33,143	$36,053	$40,040	$37,641
Oklahoma	$26,514	$30,187	$32,870	$37,646	$33,277
Tennessee	$28,621	$34,267	$38,515	$43,172	$39,186
Texas	$29,719	$32,426	$39,230	$44,110	$39,972
US Average	$34,213	$38,436	$44,367	$44,367	$45,771
AR Diff. From US Avg.	$-7,045	$-7,449	$-8,341	$-3,634	$-8,235
AR Rank of 51 (high=1)	42	44	46	35	44

Source: American Federation of Teachers, Survey and Analysis of Teacher Salary Trends, 2002
* Adjusted Salary data based on Inter-State Cost of Living index calculated by AFT.

While the salary comparisons alone provide insight into how teachers are paid in different states and localities, one of the biggest controversies over teacher salaries is based on the expected effects. If states where teachers are receiving lower pay increased the salary schedule, could these state policymakers expect to see more qualified applicants, more gifted students going into the teaching profession, and eventually higher student test scores and lower discipline problems in the classroom? Intuitively, increasing pay and expecting better applicants makes sense; however, the research does not clearly support the correlation between increased teacher pay and student performance.

Effects of Salary Increases

Several scholars who have examined the question of global, or blanket, teacher salary increases find them to be ineffective for attracting and retaining teachers (Ballou & Podgursky, 1997; Hanushek, Kain, & Rivkin, 1999). Many such scholars believe that targeted increases (e.g. merit-pay) provide more effective incentives for teachers. They maintain that global salary increases do not work as intended because: (1) teachers are motivated more by the intrinsic value of teaching rather than the financial rewards (Public Agenda, 2000); (2) teachers make career decisions based on many factors besides their salary (Hanushek et al., 1999); and (3) the structure of the teaching field has too many caveats (e.g., tenure, seniority-based hiring, and certification requirements) that overshadow the financial incentives (Ballou & Podgursky, 1997).

Others, however, have arrived at different conclusions. Murnane, Singer, and Willet (1991) posit that increased salaries should be part of a broader approach to recruit talented graduates into the teaching profession. Their argument is based on the idea that salaries affect the length of time teachers stay in the profession, and that salaries are more likely to affect the decisions of new teachers than experienced teachers.

While the exact effects of increased salaries are unknown, most researchers do agree that a good strategy for attracting high quality teachers should include increasing starting salaries (e.g. Ferris & Winkler, 1986; Murnane et al., 1991).

Conclusion

Regardless of how much teachers earn, several important considerations are presented in the extant literature.

- Teachers' contracts are generally for 9.7 months compared to 12 months for other

professions, which means teachers work approximately 190 days compared to 225 by other professionals.

- Teachers' salaries have increased by over 250 percent in the last 30 years and nearly 20 percent in the last 6 years.
- In comparison to all other occupations, the national average teacher salary is pproximately 10 percent more than the average annual salary for all United States workers.
- In comparison to college graduates outside of teaching, teachers' beginning salary is approximately 25 percent less, $37,313 and $27,895 respectively.

The debate over teacher salaries and the effects of increases is likely to remain controversial as policymakers continue to change teacher salary schedules and as potential teachers enter other professions and talented students enter other disciplines. As the relative benefits of increasing teacher salaries continues to be discussed, the data continue to imply that salaries may not be the only incentive to enter the teaching field; however, it certainly is a factor. The debate over salary adequacy indicates that teachers' salaries lie somewhere in the middle, above many social science positions and below many physical science and business positions. With regard to equity, the disparity may be much clearer, as teachers in California and other states can earn over $50,000, while teachers in South Dakota and other states earn slightly more than $30,000; a $20,000 disparity that is not resolved by the cost of living index. In Arkansas, teachers appear to earn significantly less than the national teacher salary average, however, Arkansas teachers' salaries appear comparable to teachers within the region.

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