

# Are Teachers Compensated Enough? Consequences of the Teacher Wage Gap

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## Executive Summary:

Teachers truly are the backbone of society. They are the role models to our children, giving young people the power of education. However, teachers earn a significantly lower wage than similar college graduates, known as the teacher pay gap. This gap is negatively affecting both teachers and students in many ways, as discussed in this brief. For the sake of our youth, school districts need to increase teacher salaries.

In 2018, public school teachers earned, on average, **just 78 cents for every dollar** earned by other working individuals with the same education. This is a record 22% pay gap, a sharp increase from 6.3% in 1996.

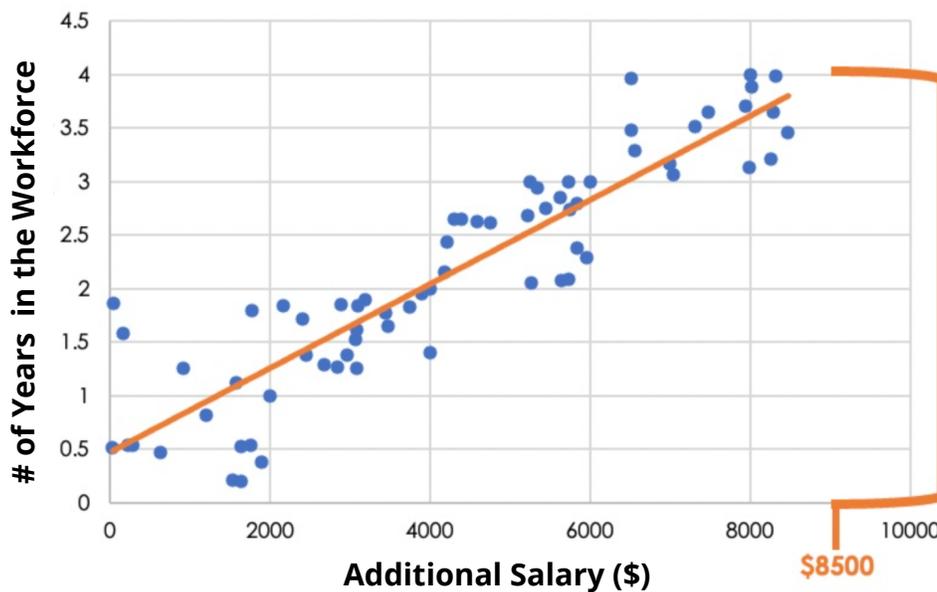
This brief describes 4 key ways in which the teacher wage gap has impacted teachers and students, as drawn from studies across various disciplines:

1. Increased Teacher Turnover
2. Fewer College Students Choosing Education, Especially those with the Highest Potential
3. Worsened Student Outcomes
4. Consequences Magnified for Students of Color and Low-Income

# 1. Increased Teacher Turnover

**Teacher turnover** is the rate at which teachers exit schools by the end of a school year, either moving to other schools or leaving education entirely. High teacher turnover rates contribute to the shortage of teachers in public schools, a problem that has intensified over time. A large contributing factor to this shortage of teachers and high rates of turnover in schools is, not surprisingly, teacher compensation.

A study conducted on new Michigan public elementary and high school teachers correlating the teachers' salaries with the number of years they stayed in teaching found that **a salary decrease of \$8,500 was associated with four fewer years of remaining in teaching for new teachers.**



In other words, current salaries, which are low compared to other jobs that require the same training, may be pushing teachers out of schools. Teacher turnover harms student achievement, disrupts school climates, and is expensive for districts. For students, when a teacher leaves, the continuity of a student's learning experience is disrupted. For schools, teacher turnover disrupts school stability and relationships among faculty. For districts, high turnover rates create extra costs for schools to hire and onboard new teachers — up to \$20,000 or more for every teacher who leaves.

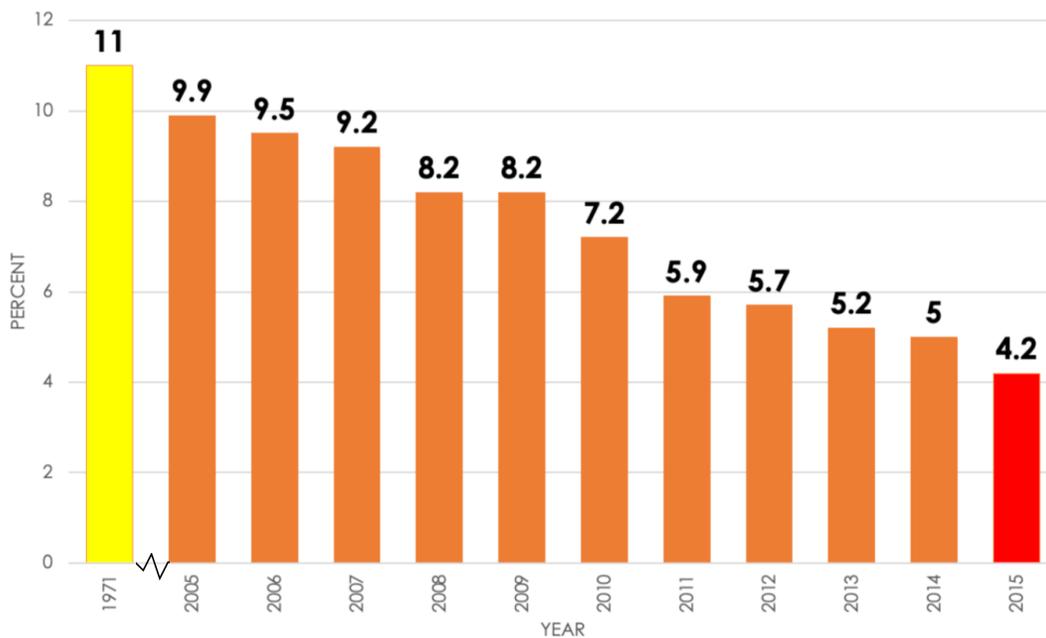
## 2. Fewer College Students Choosing Education, Especially those with the Highest Potential

Another consequence of low teacher pay is the inability to attract students into the teaching profession, especially “high-quality” individuals. The number of college students who are interested in becoming educators continues to drop dramatically.

In 2015, the percentage of college freshman who intended to major in education was only 4.2%, the lowest in over 45 years. From 1971 to 2000, the percentage stayed around 10-11 %. In 2005 it was 9.9 %, and over the past 10 years, the percentage has consistently declined.

### Where are the Education Majors?

Percent of incoming college freshman likely to select education as chosen field of study

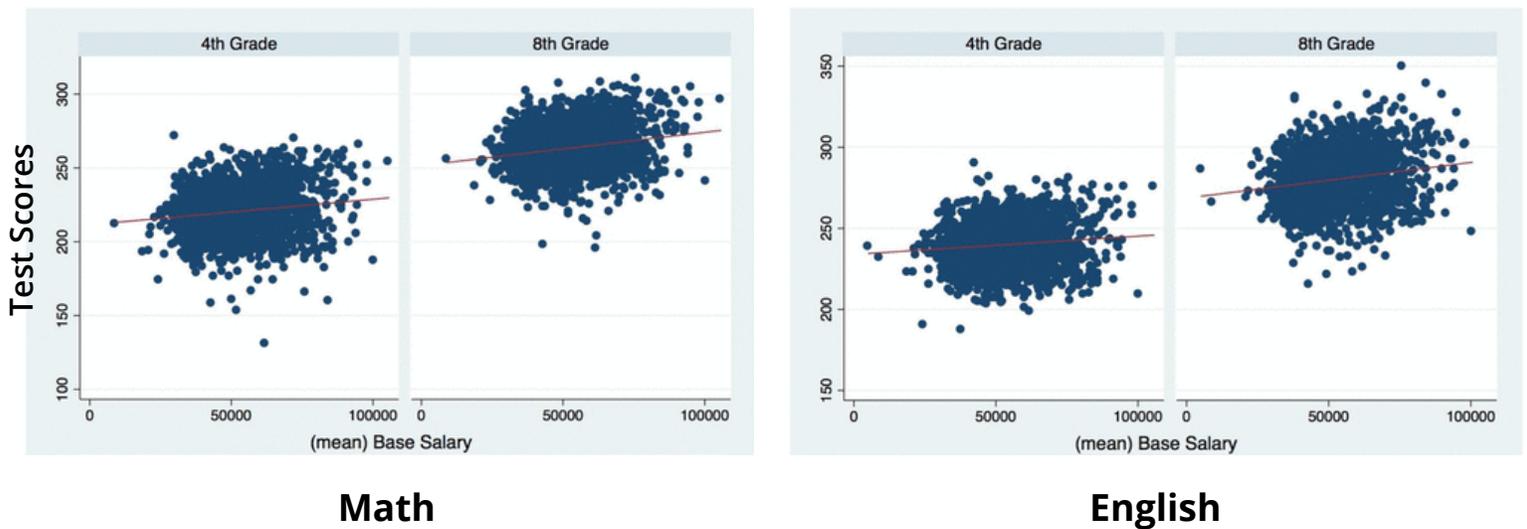


In addition, from 2010 to 2014, the number of ACT-tested high school graduates interested in education majors or professions decreased by more than 16%, while the number of all graduates who took the ACT increased by nearly 18%

## 2. Worsened Student Outcomes

Students perform better where teachers are paid better. One study analyzed the link between teacher wages and two measures of student outcomes: high school dropout and college enrollment rates. They found that **raising the teacher wages by 50% reduced high-school dropout rates by more than 15% and increased college enrollment rates by approximately 8%.**

Another study found that from 2015 to 2016, 4th and 8th grade students' math and english test scores were higher in districts that offer a higher base salary to teachers, compared to students' scores in districts with a lower teacher base salary. **A 10% increase in base teacher salary was significantly associated with an increase of about 0.2 points in test scores in both subjects.** The association between teacher salaries and performance is stronger in higher grade-levels than in lower grade-levels, judging based on the steepness of the slopes of the fitted lines.



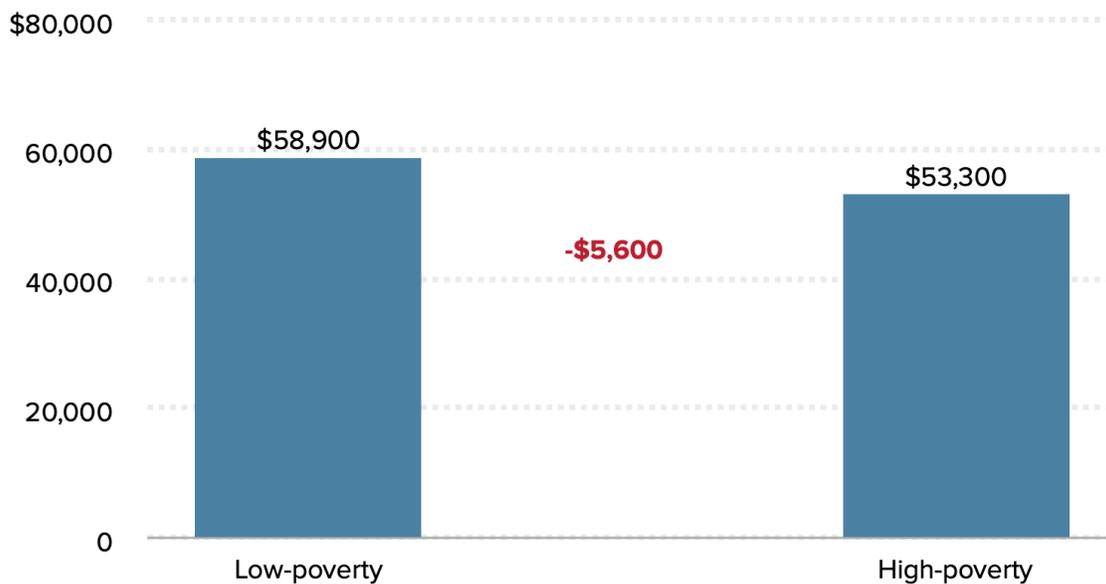
These results can also be interpreted in the *opposite direction* - lower teacher pay leads to increased high school dropout rates, decreased college enrollment rates, and decreased test scores. Districts that provide higher teacher compensation are better able to attract high-quality teachers and retain them in schools. In addition, teachers' morale and enthusiasm are more likely to be higher when they are paid more. Students are performing worse where teachers are paid worse.

## 4. Consequences Magnified for Students of Color and Low-Income

The aforementioned consequences of the teacher wage gap, including increased teacher turnover and worsened student outcomes, are magnified for students of color and lower socio-economic status.

- In 2016, turnover rates were 50% higher for Title I schools and 70% higher for schools with the most students of color.
- High-poverty schools serve a greater proportion of low-income students and students of color. In the 2015-2016 school year, teachers in high-poverty schools made approximately \$5,600 less than teachers in low-poverty schools - nearly a 10% difference!

**Base salaries for teachers in high- and low-poverty schools and gap between these salaries**



High-quality teachers are dissuaded from choosing to teach in a high-poverty school over a low-poverty school, but students in disadvantaged schools may need and benefit the most from high-quality teachers. These findings have important implications — because the consequences of low teacher pay are unequal, any reforms to teacher salary must first target low-income schools.

## Conclusion

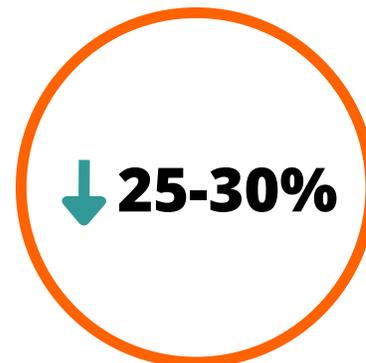
**The teacher wage gap is real, large, and growing.** The teacher wage gap has led to detrimental impacts on both students and educators. First, college students, especially high-achieving ones, are averted from entering teaching in the first place. Next, once they enter teaching, many new teachers decide against remaining in teaching because they could earn greater salaries in a non-teaching career. The data show that the shortage of high-quality teachers in schools have had a negative impact on student achievement. Finally, all of these consequences are exacerbated in high-poverty schools, where the teacher wage gap is even greater.

## Recommendations

The pressing issue is: how do we attract and retain high-quality teachers *in high-poverty schools with a high proportion of minority and low-income students?*

In order to equalize the distribution of high-quality teachers to students, policies must provide extra support and funding to high-poverty schools and teachers (Garcia & Weiss, 2019a). This suggests that a state policy of salary differentials may be effective. Between 2001 to 2004, the North Carolina Bonus Program awarded an annual bonus of \$1,800 to eligible teachers in eligible schools in the state of North Carolina. The teachers had to be certified in math, science or special education, and the schools had to be high-poverty or low-performing, creating a within-district and within-school salary differential. After four years, this program **lowered the percentage of teachers who left their schools by 25-30%**, proving to be effective at keeping credentialed and experienced teachers at high-poverty schools.

**NC Bonus  
Program**



**Teacher Turnover Rates**

If the primary goal of schools is to foster learning, growth, and development in students, then **we must increase teacher pay**, focusing on supporting credentialed teachers in high-poverty schools first.

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