Teacher Compensation Reform Decision Guide
August 2023

The State of Teacher Compensation

America’s teaching profession became a fixture in news headlines during the COVID-19 pandemic and has remained there since. States across the country report persistent teacher vacancies, sharply declining enrollment in teacher preparation programs, and concerns about the quality of teachers in U.S. classrooms. Although the root causes of teacher shortages vary, the state of teacher compensation is a certain contributor. To attract and keep the teachers our students deserve, we must pay them more.

The research on the importance of teachers in driving student outcomes—and the current challenges states face with attracting, supporting, and retaining an experienced, effective workforce that mirrors the diversity of the student population—point clearly to the need to improve how we compensate and reward teachers.

Teachers matter. Many factors contribute to student success in school, but none are as consequential as the teacher at the front of the class (Chetty et al., 2014). Qualified teachers help bring out a range of important and positive outcomes in their students, from higher performance on tests to better behavior to increased graduation rates (Jackson, 2019). Further, teachers who have effective colleagues become more effective themselves (Sherman, 2013).

Teacher attrition is high, and current teachers are exhausted. In 2021, there were an estimated 3,197,000 public school teachers in the workforce (ThinkImpact, n.d.). But, as reported by The Wall Street Journal, at least 300,000 public school teachers and other staff left the field between February 2020 and May 2022 (Dill, 2022). K-12 teachers report the highest burnout rate across all professions, with more than 4 out of every 10 teachers reporting burnout “always” or “very often” at work (Smith, 2022). In many locations, more than half of teachers leave within their first five
years. Every one of the 50 states has reported shortages in at least some districts and in certain subjects (García et al., 2022). These vacancies tend to exacerbate inequity, as they are most likely to occur in areas that serve a larger percentage of students of color and students from low-income homes.

**Diversity in teaching needs to be prioritized.** Students benefit from exposure to diversity among the teachers they experience during their academic careers. Fifty-three percent of U.S. students identify as people of color (Schaeffer, 2021), yet teachers of color are underrepresented in public schools across the country—Black, Indigenous, Latine, and Asian individuals make up 37 percent of the adult population in the United States and 50 percent of children but only 19 percent of the teaching force (American Educational Research Association, 2022). In addition, teachers of color report even lower levels of well-being than do teachers as a whole because low salaries are a source of stress (RAND Corporation, n.d.). This makes it difficult to recruit, retain, and sustain teachers of color and impacts the diversity that corresponds to the student demographics.

**Enrollment in teacher preparation programs is plummeting.** Currently, preparation programs overall are training several hundred thousand candidates fewer than they were a decade ago. Between 2010 and 2020, enrollment in teacher preparation programs nationwide declined by more than one third (Camera, 2019) and dropped even more precipitously during the pandemic (Goldberg, 2021). Young people report decreasing levels of interest in entering the teaching profession, and the majority of parents are not supportive of teaching as a career choice for their children (Auguste et al., 2010, Exhibit 5, p. 27; PDK International, n.d.).

**Teacher salaries are not keeping pace with those of similar professions.** The wage gap between teachers and other college-educated professionals is significant and growing. On average, teachers earn only 76.5 cents on the dollar compared with what is paid for other forms of professional work (Saenz-Armstrong, 2021). Although remote work options have soared for most forms of work that require a college education, teaching remains almost exclusively in-person, effectively creating an additional barrier for those making their choice of career today. Contrary to the prevailing myth that teachers do not care about financial compensation, they say it is a meaningful part of the way they understand the value of their work (Lindsay et al., 2021; Podolsky et al., 2016).

Figure 1 highlights key numbers regarding the current state of the U.S. teacher workforce.
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Figure 1. Teacher Workforce by the Numbers

3,197,000
teachers in U.S. K-12 public schools

Teacher Compensation Overview

- According to USAFacts (2022), the average public school teacher salary in 2021 was $65,090—more than $10,000 below the average pay for all full-time, year-round workers ($75,203).

- When adjusted for inflation, the average public school teacher’s pay has risen only $83 since the 1989/90 school year (Stanford, 2023).

- According to the Economic Policy Institute, although the weekly teacher wage penalty (i.e., how much less teachers earn than do other comparable college-educated workers) is 23.5 percent, the penalty shrinks to 14.2 percent when benefits are considered, a gap that has widened from just 2.7 percent in 1993 (Allegretto, 2022).

- Only teachers who teach in the same state for decades benefit from the teacher pension system. According to Aldeman and Rotherham (2019), half of new teacher hires stay in the profession long enough to receive any pension at all, one third of teachers receive pensions that are less than their own paid contributions.

300,000+
teachers resigned between February 2020 and May 2022

1/3 drop
in teacher preparation enrollment programs between 2010 and 2020

Teacher wage compared with wage for other professional work is 75.6 cents on the dollar
from their teaching salary, and only one fifth of teachers receive full pension benefits.

- Midcareer teachers with 10 years of experience (who are the head of a household of four) are eligible for public benefits programs in 43 states and Washington, DC; in 26 states they are eligible for five or more public benefits programs (Boser & Straus, 2014).

- Fifty percent of the country’s public school teachers have a master’s degree (National Center for Education Statistics, 2020). Earning a master’s degree can lead to earning a higher salary. Indeed, for all professions the average lifetime salary premium (i.e., how much more a person with a master’s makes over a lifetime than does a person without a master’s) for getting a master’s degree is $410,000 (Saenz-Armstrong, 2021). However, in a National Council on Teacher Quality (2020) study of 90 large school districts, the average lifetime salary premium for teachers who get a master’s degree is half that amount, nearly $200,000, or $7,000 per year over a 30-year career.

- The National Council on Teacher Quality (2020) study of 90 large school districts found that, on average, it takes a teacher with a bachelor’s degree about 27 years to reach the salary milestone of $75,000; it takes a teacher with a master’s degree 24 years. In 76 of 90 districts, teachers with a bachelor’s degree never meet the $75,000 threshold, and in 48 of 90 districts, teachers with a master’s degree never meet it.

- If the proportion of school funding spent on teacher salaries were the same as it was in 1970, currently teachers would be paid an average of $140,000 as opposed to an average of $65,000 (Hassel & Ayscue Hassel, 2020).

- In 2020/21, there were no states in which teachers earned a starting salary of at least $60,000 according to a National Education Association (2022) report on teacher salary benchmarks. Montana had the lowest starting salary that year, at $32,495, and Washington, DC, had the highest, at $56,313.

These and many other facts about teacher salaries in the United States can be found in the WestEd brief Teacher Compensation: Busting the Myths and Generating Dialogue.
The Purpose of This Guide

In the postpandemic world, political leaders are voicing a common refrain: “We need to value our teachers by paying them more.” Acknowledging this important reality is the first step on the path to systemic change. However, enacting this goal in state or district policy is complex—there are many practical, political, and process considerations that must be navigated en route to negotiating change.

Making changes to teacher compensation will require the engagement of an array of interested parties with differing points of view and competing priorities. This guide is intended to facilitate planning and collaboration across diverse entities.

The guide is structured to help you plan. The guide is organized around the following components:

- **Vision**: WHY are we undertaking this change?
- **Community engagement and political will**: WHO must we engage in the process?
- **Data**: WHAT do we know and need to learn?
- **Process and goal**: HOW will we work together and make decisions?
- **Finance and implementation**: WHERE and WHEN will the change take place?

Figure 2 illustrates the interconnectedness of these components in the process of planning for change.
Vision

WHY Are We Undertaking This Change?

On the surface, the need to pay teachers a fair salary is hard to dispute. Our children’s future and the future of U.S. life is at stake. In reality, though, each person’s definition of a fair salary varies, and an increase in teacher salaries has implications for every taxpayer. Changing teacher pay is a political process. It must begin with a high-level vision that can galvanize the public. It must be easily understood by a range of interested parties, from teachers themselves to skeptics in the general population. This set of questions will help you develop a compelling, coherent WHY statement to guide the process.

WHY Focus on Teachers?

- What do you want to be true about the teaching profession in your state 10 years from now?
- What do you want to be true about schools and student learning in your state in 10 years?
- How is what you want in 10 years different from what you experience or observe about the teaching profession in your state today?
- What are the larger economic and social contexts in your state that impact the teacher workforce?

There are many reasons to consider increasing teacher pay. You may be solving different issues in your context. Here are some examples: There are a growing number of unfilled teaching positions in your local districts. You recognize that the teacher workforce is retiring rapidly. There is widespread concern about student learning loss as we emerge from the COVID-19 pandemic. There is competition from a neighboring state to recruit for and fill teaching positions. Whatever problem you are solving in your particular context, it is important to be able to clearly state the most important problem you seek to solve by elevating teacher pay and to paint a picture of the impact of the agreed-upon solutions and how to implement them.

WHY Now?

- How does the proposed change meet the current political moments in your context?
- What is the popular narrative about teachers in your state, and is that narrative changing?
- What evidence or anecdotes do people use when discussing this narrative?

Your vision must serve as a call to immediate action. It must recognize the context beyond schools. For example, during the pandemic, parents were brought into greater proximity with the challenges teachers face, and it sparked greater respect and gratitude for teachers. That empathy might help make the case for improved pay now. Alternatively, as all Americans contend with the implications of inflation in their own lives, there is an opportunity to highlight how teacher salaries have not kept pace with inflation compared with those of other professionals.
WHY This Approach?

- What is known from the research about best practices for recruiting and retaining teachers?
- Are you focusing on all teachers in your state or on a subset of the teaching force?
- Are you focused on raising salaries across the board, or are you focused on reenvisioning the teacher role by including, for example, greater leadership and responsibility?

Your answer to the question about why you should focus on teachers has implications for the approach you propose. If you are seeking to attract a new generation of teachers to the profession, you might be considering how to modernize the role. If you anticipate near-term budget shortfalls, an across-the-board increase for teachers may not be feasible. The vision for how you approach a solution must follow logically from the definition of your problem and your time frame for solving it.

WHO Must We Engage in the Process?

Public education is a complex ecosystem. There is a wide array of communities with interest in the outcome of any change—from superintendents to union leaders to state legislators, the public, and more. Each group holds a piece of the expertise needed to make the system work, and each holds some degree of power. The authentic engagement of each of these groups is of paramount importance at all stages of the process. Moving a nascent vision to a shared commitment requires identifying WHO the interested groups are and what incentives they will respond to.

WHO Are the Decision-Makers?

- Which individuals or groups proposed this change?
- Who are its early champions?
- Who needs to be at the table for the planning process?
- Are there any must-haves at the start?
- Are there any known nonnegotiables at the start?

Assembling the right representative group to lead and move the change process forward is at least half the battle on the path to implementation. Striking a balance between being inclusive and keeping the group size manageable is key to effective planning. Securing basic agreement regarding high-level vision while surfacing possible areas of difference are necessary early steps. As one example, many unions have long-held stances on certain issues. As another, some states have stronger local control histories, which can impact the process.

WHO Else Will You Engage and How?

- Are there public meeting laws that require open meetings?
- How will you engage the educator community?
- How will you engage the public?
- Who is responsible for initiating and sustaining outreach?
- How will you engage the education community?
Any planning process would be expected to take place over a series of weeks or months. If meetings are not public, you will need to determine how to communicate with educators and the public, at what stages, and at what intervals. Typically, more communication is better. Two-way communication is typically better than announcing a new plan from on high. Public forums and polling in the early stages can inform decision-making and head off future frustration, but these efforts take up staff time.

**WHO Are Your Allies and Opposition?**
- Where does the public stand?
- Which individuals or groups do you expect to be key allies?
- Where might you expect opposition?
- Are large districts likely to have a different perspective than small districts are? Are urban districts likely to differ from rural districts?

Gathering information on the perspectives of varied individuals and groups is a necessary starting point in community engagement. You’ll need to understand the messages that allies find compelling but also the messages that elicit opposition. Who are the trusted messengers that will help persuade, or at least counter, the opposition? Because cost to taxpayers is the most likely source of opposition, your ability to convince the public that spending those dollars will generate a worthwhile return is going to matter.

**Data**

**WHAT Do We Know and Need to Learn?**
The question of how to elevate salaries must be one that is data driven in order to instill confidence among all constituencies that decisions are being made in the public interest. You must return to the answers to your why questions and validate that the assumptions driving it are correct. This is the stage at which you grapple with the question of **WHAT**. What data help make the case for the vision? What data yield a more nuanced understanding of how we approach teacher pay? What data are missing and needed for our case? Finally, what is the role of local control in funding teacher salaries?

**WHAT Are the Rules in Your State?**
- What share of salaries and overall school funding comes from your state? What comes from your district? What comes from other sources, such as the federal government and philanthropy?
- Does your state have a minimum salary?
- Does your state have statewide salary parameters, or are salaries controlled entirely at the local level?

A large driver in decision-making is whether there are statewide rules governing teacher salaries or whether all aspects of the salary are controlled locally. Fewer than half of states have statewide teacher-compensation rules, and the national trend is toward districts and unions determining salary locally. Even in states in which local control...
dominates, the state legislature or department of education may consider opt-in, pilot, or grant programs that spur action within forward-looking districts and competition that drives other districts to follow suit.

The educator labor market most often varies across a state and could be mapped as an overlapping set of distinct hyperlocal markets. Maybe a group of 10 districts in your state are close enough to a higher-paying state that there is interstate competition for teachers. Maybe one district has a bigger population than the rest of the districts in the state combined. Circumstances like these need to be analyzed and incorporated into your planning.

**WHAT Data Will Drive Understanding?**

- What are the demographics of your teaching force (e.g., how many teachers are in their first five years in the role, and how many are expected to retire annually)? What are the demographics projected to be in five years? In 10 years?
- How are the demographics of the student population expected to change?
- How many teachers does your state produce by grade and subject? Do other states contribute in substantial ways?
- Where are district shortages? What, if anything, do those districts have in common (e.g., low pay, high poverty)?
- Which districts are the outliers and in what ways?
- What percentage of the average district budget is allocated to teacher salaries? Administration? Other education staff?

These are the questions about money that must be answered in order to drive a campaign for public understanding. Although all of them may seem straightforward, obtaining the data is typically anything but. Individual districts may hold some of the data, and teacher preparation programs may hold some. Other data sources may include the state department of education and the federal government. Often the data that are available must be pieced together from separate sources before they tell the whole story.

**WHAT Data Do You Have and How Will You Handle Data Gaps?**

- What data are likely to be available?
- Will you need data from surrounding states?
- What incentives will data holders have to process your requests? What levers can you use?
- Can you hire a support person to collect, organize, and analyze data from the variety of sources it may need to be drawn from?

During the early stages of planning, it would be wise to conduct a preliminary data scan to determine what data sources are easily available and what might be problematic to obtain. Now is the time to strategize about how you will prioritize among the pieces of the data puzzle that most help your case. Perhaps a neighboring state is willing to trade their data if you are willing to share yours. Perhaps districts or unions can apply for grant funds to gather data. This is also the time to consider staff support.
Delaware Public Education Compensation Committee’s Use of Data

Pursuant to Senate Bill 100, An Act to Amend Title 14 of the Delaware State Code Relating to the Public Education Compensation Committee, the Delaware Department of Education convened the Public Education Compensation Committee (PECC). The PECC is a broadly representative group of interested parties charged with reviewing Delaware’s educator compensation structure and its ability to compete with regional school districts, Delaware’s private business sector, and other governmental agencies and to develop recommendations to establish a new compensation structure for educators (and other employee groups) outlined in Title 14 of Delaware’s state code.

First, the committee was introduced to Delaware’s total compensation structure by representatives from the state’s pension and benefits offices. Total compensation includes employee benefits such as health care and pension benefits in addition to salary.

After considering total compensation, the committee systematically collected data and analyzed salary information for each employee group included in the state salary schedule, including teachers; administrators; paraprofessionals; and those serving in various secretarial, custodial, and food service roles. For each employee group, salary data for role-alike positions were also collected from Maryland and Pennsylvania to determine how Delaware’s salary schedule compared both as a state average and at the district level for districts that border Delaware.

A working group of school business officials and state finance employees was convened to consider the data and develop sample cost options for each employee group. Sample cost options have been presented to the full committee at each of the committee’s monthly meetings. Informed by the data, sample cost options include the following increases in the state’s salary schedule: a percent only increase, a flat amount increase, or a combined percent and flat amount increase. The goal of the increases is to achieve regional competitiveness with border states across all employee groups.

PECC will make recommendations to the governor to inform development of the FY25 state budget. Enacting the recommendations from the PECC may also require enabling legislation.
Process and Goal

HOW Will We Work Together and Make Decisions?

Defining how a state commission will work together in advance of the first meeting is crucial. Basic logistical questions, such as who will be in charge of sending out emails and setting an agenda, will need to be answered. And the more political dynamics can be transparent from the start, the better. In some locations, legislation is the catalyst for a working group; in others, advocates might spark a process that ends in legislation. A range of processes can work as long as they are explicitly defined and understood across the group. HOW is the guiding question for this part of the work.

HOW Will We Work Together?
- What is the timeline for the work?
- What are the explicit boundaries for the work (e.g., legislation)?
- What are the implicit boundaries for the work (e.g., certain districts or unions have voiced strong opposition to certain approaches)?
- How will you staff facilitation of the commission? What funding exists for this?
- Will the group work toward developing one compensation model, or will it build a few models and select the best among them?
- Will a final plan be decided with a vote by the committee? By the committee cochairs? Negotiated with the state union? Negotiated district by district? Is the committee advisory only?

Begin with the end in mind, and consider that there are significant budget implications for making the change all at once versus phasing it in over several years. Build extra time into planning in order to consider different projections and how districts can absorb the costs associated with each.

HOW Do We Define the Educators in Our Scope?
- Are you rethinking compensation for all education staff or just for teachers?
- Are you rethinking all teachers or certain subgroups (e.g., hard-to-staff subjects and schools)?
- Are you considering changes to the teacher role (e.g., career ladders, teacher leadership opportunities, hybrid teaching options)?

Classroom teachers comprise roughly half of the educators employed by a school district. When you are negotiating contracts for other educators, changes to the teacher contract can set a precedent. Be clear from the outset about who your target group does and does not include. Even within the category “classroom teacher” there are ways to consider prioritizing certain subgroups. For example, many districts and states have addressed shortages of specific teachers (e.g., special education teachers, teachers working in low-performing schools) by providing a pay differential to attract candidates.

HOW Do We Define Compensation?
- Are you considering only changes to salary or to both salary and benefits (e.g., health care insurance, pension)?
• Are you considering only base pay or also considering bonuses, stipends, and other incentives? Would the bonuses be a part of the system in perpetuity or only in the short term?
• Are you considering collapsing or changing the step-and-lane system?
• Will this be a flat increase versus a percentage increase versus a hybrid approach?

Health care and pension costs are a fast-growing share of the overall teacher compensation puzzle. It is important to define early whether they are a part of the committee’s scope. Adding additional complexity is the step-and-lane system on which most teacher salaries are based. Determining the implications of compensation changes at each step and in each lane is time-consuming but necessary.

The Step-and-Lane System
There can be as many as 17 steps and eight lanes. The steps are often correlated to years of service, and the lanes are correlated to level of education and training (e.g., a teacher with a master’s degree is in a different lane than a teacher with a bachelor’s degree). If a teacher earning $55,000 and a teacher earning $65,000 both receive a 3 percent increase, the gap between their salaries widens. A different approach might be to give both of them a flat $1,700 increase. Paying a flat increase accelerates the compensation of the lower-paid teacher at a greater rate but holds the raise of the higher-paid teacher under 3 percent.

WHERE and WHEN Will the Change Take Place?
While your goal may be to ensure a great teacher for every student, your path to getting there runs directly through the budget. So this is a financial question rather than an education question. Most districts would love to pay teachers more but believe they cannot afford it. Overcoming their challenges—with targeted incentives, with extra time, with flexibility—will be the key to success. Districts will need help moving from vision to reality. This is the place to tackle WHERE and WHEN questions.

WHERE Is Funding for the Increase Coming From?
• Is there a way to raise revenue?
• Are there expense trade-offs that can be made within the current budget?
• Will there be resources for districts and schools that have large gaps between current compensation and the new targets?
• Could there be unintended consequences for providing funding to districts if you cannot mandate that they spend it on salaries?
Revenue Raising Versus Expense Trade-Off

In a revenue-raising approach, an education leader implements a method of increasing revenue, but it must be ongoing. Using an expense trade-off approach, leaders determine what can be moved from one line item to another in the budget in order to support a new initiative. Both approaches must be taken with the appropriate buy-in from all relevant groups.

See the WestEd blog post Increasing Teacher Compensation: How Do We Foot the Bill for more about how to fund increases in teacher compensation.

Example: Florida

In Florida, as the state seeks to increase teacher salaries without a clear plan for state-level revenue raising, several districts, including those for Palm Beach and Orange Counties, have already raised revenue through an increase in property taxes. At the federal level, parallel bills in the House and Senate propose legislation to increase the starting teacher salary to a minimum of $60,000. The Senate bill proposes funding this increase by increasing the estate tax, and the House bill proposes funding the increase through teacher salary incentive grants to states—both are revenue-raising approaches.

Employee salaries and benefits comprise as much as 80 percent of every district’s budget. The expense of raising salaries for all, or even a substantial portion of, teachers cannot be recouped by cutting from other areas of the budget that cover, for example, books, technology, or transportation. It is likely necessary to consider expense trade-offs, revenue raising, or both. An additional complication for states that do not have mandatory state salary scales is that a district may receive money from the state that is intended for salaries but use it for other purposes. The state has no lever to prevent that local decision.
Example: Arizona

In Arizona, several districts have established differentiated staffing models in order to expand the reach and effectiveness of teacher leaders and build the capacity of novice teacher residents through the Mary Lou Fulton Teachers College Next Education Workforce initiative at Arizona State University. In a few districts that are implementing this model, teacher leaders are offered significant stipends of between $7,000 and $15,000, and teacher residents receive an annual stipend of $12,000 to $20,000, all through a creative expense trade-off. For the two pilot districts, the funding was provided by leveraging unused dollars from teacher vacancies—one unfilled teacher role funded three residents’ annual stipends in addition to the teacher leader stipend for supporting those residents.

WHEN Will Teachers See a Change in Their Paychecks?

- Is there a phase-in timeline?
- Are there any supports or incentives that will support effective implementation?
- How will district staff be taught about the change and enlisted as ambassadors to help others understand it?
- How will you track progress on implementation?
- Does the state have any mechanism to ensure salaries increase on schedule?

Specific cultural norms run like a river through the educator staff of every district. Each educator needs to understand the why behind the changes and the vision for a few years from now. Effective communication takes time and intentionality. It is prudent to expect some resistance to any change, especially one that adjusts how individual teachers’ salaries rise relative to those of other teachers. Perhaps the state education commissioner or governor might visit a district that is struggling with the change. Perhaps you build a public relations campaign to accompany the launch of the new plan. Implementation is the stage at which many well-intentioned policies fail. Make sure implementation is a priority from the start.

Conclusion

The time to improve teacher compensation is now. Several states—including Delaware, New Mexico, and North Carolina—have tackled this challenge to ensure all their young people have a bright future. The American Teacher Act is advancing the imperative to better compensate teachers at the federal level. It is possible to attract and retain a strong teacher workforce, and this guide describes the essential scaffolding you will need to succeed.
References


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