
Economic Policy Institute

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TEACHER PAY LAGS BEHIND

Salaries Have Dropped Compared To Similar Workers and Occupations;
Makes Raising, Maintaining Teacher Quality Difficult

Pay for the nation's teachers is considerably lower than for other workers with similar education and skills. Despite growing national attention to the schools' need to recruit and retain highly skilled teachers, that wage gap grew larger over the last decade, according to a new book by the Economic Policy Institute.

How Does Teacher Pay Compare? reviews recent analyses of teacher pay and benefits and provides its own detailed analysis of trends in teacher pay and how it measures up in the labor market. Authors Sylvia Allegretto (EPI economist), Sean Corcoran (EPI research associate) and Lawrence Mishel (EPI President) found what amounts to a teaching penalty, a pay gap that has grown in recent years: since 1993 teacher wages have fallen 11.5 percent relative to workers with similar education and skills. Moreover, the authors also document that there was no improvement in benefits that offset this increased wage disadvantage.

“Over time, the wage gap between teachers and their peers becomes a gulf that can sabotage schools' best efforts to recruit and retain the best teachers,” said co-author Sylvia Allegretto. “This gap puts teachers in an untenable position, where they have to choose between their students and their own families' wellbeing.”

The book comes at a time when the No Child Left Behind Act mandates school systems to have highly qualified teachers, and scholars continuously affirm the importance of quality teaching. Yet, pay disparities will make it more difficult for school systems to keep effective professionals from being lured away by higher-paying fields that increasingly pay more.

Some of the book's major findings include:

- Teacher quality is key to student and school success. The ability of schools to attract and retain quality teachers over the long run is strongly shaped, however, by how much teachers earn relative to other comparable workers.
- Teachers' wages have fallen farther behind those of other workers since 1996. While other college graduates – in fact, all other workers – saw weekly wages rise 12%, teachers' inflation-adjusted weekly wages rose hardly at all – just 0.8%.
- In 2003, the average weekly wage of teachers was \$833; in contrast, the average weekly wages for college graduates who were not teachers was \$1,078.
- Between 1993 and 2002 teachers' weekly wages lagged behind that of other workers with similar education and experience, by 13% among women and by 12.5% among men.
- Compared to other workers in comparably skilled occupations, including accountants, reporters, registered nurses and computer programmers, teachers earned \$116 less per week in 2002, a wage disadvantage of 12.2%.
- Weekly wages have grown far more slowly for teachers than for workers in comparable professions, deteriorating almost 15% since 1993.

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“Our findings indicate a sizable erosion of teacher pay over the last ten years, relative to other professions, and this will make sustaining and improving teacher quality more difficult,” said co-author Sean Corcoran, a leading expert on long-term trends in teacher quality.

Teacher Pay examines wage data from the Current Population Survey (from the Bureau of Labor Statistics) and finds that between 1996 and 2003 teacher inflation-adjusted weekly wages grew considerably slower than those of other college graduates, 0.8% versus 11.8%. In analyses which compare teachers to those with similar education and experience, the authors find that teacher weekly wages eroded by roughly 6% for both male and female teachers over the 1996-2003 period. These wage losses followed a similar 6% erosion that occurred over the 1993-96 period. Over the longer period from 1979 to 2003, the weekly wages of female teachers eroded 18.5% relative to comparably educated and experienced workers, while the equivalent weekly wage erosion among male teachers was 9.3%.

Teacher Pay uses newly available BLS data on occupational skills to identify 16 different occupations – including architects, inspectors, journalists, accountants, and computer programmers – that are comparable to teachers in the skills used on the job. The wages in these comparable occupations provides another important benchmark for teacher wages. In 2002, teachers earned \$116 per week less than those working in these comparable occupations even though teachers report working more hours each week. Teachers’ weekly wages have grown far more slowly than those in comparable occupations: teacher wages have deteriorated about 15% since 1993 and by 12% since 1983 relative to comparably skilled occupations.

Some analysts discount evidence of poor teacher wages, or believe teachers are already well compensated, because teachers are thought to enjoy good benefits. **Teacher Pay** finds that teachers do have a greater share of their compensation in health and pension benefits (13.5%) than do other professionals, whose share is 11.3%. Some of these higher costs, however, are offset by the lower payroll taxes paid by teacher employers because some teachers are not in the Social Security program. Moreover, teachers lose ground in other benefit categories, such as paid leave, premium pay and bonuses. In short, the authors find that a 14% wage disadvantage for teachers translates into a very similar 12.5% disadvantage in total compensation, including all benefits. This suggests that studies that find a teacher wage disadvantage would have similar findings if they could assess total compensation. An additional finding is that teacher benefits rose about the same as those for other professionals since 1994, the earliest data available.

The book refutes recent claims that teachers are actually well paid when work hours are taken into account. These claims are based on comparisons of hourly wages of teachers and other professionals provided in the BLS National Compensation Survey (NCS). **Teacher Pay** notes that these claims are not valid because the data on which it is based report work hours differently for teachers than for other occupations. The BLS statistician in charge of the survey’s methodology agrees that it is inappropriate to compare hourly wages of teachers to others using the NCS.

“If we as a society want to provide a qualified teacher in every classroom, then we’ll have to deal with the sizable erosion of teacher pay relative to their peers that has occurred over the last ten years,” said co-author Lawrence Mishel. “Maintaining or improving teacher quality cannot be done on the cheap.”

The Economic Policy Institute is a nonprofit, nonpartisan economic think tank founded in 1986. The Institute can found on the web at <http://www.epinet.org>.