

## FOR IMMEDIATE RELEASE

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### **National Council on Teacher Quality Releases Study Finding Teachers Must Work 24 Years, on Average, to Reach \$75,000 Salary**

*Huge variations among school districts in the time it takes to earn higher salaries, creating big differences in lifetime earnings*

**December 3, 2014** – A study looking at the salaries of teachers in 113 mostly large school districts which employ about 20 percent of the nation's public school teachers finds that teachers' lifetime earnings vary greatly from district to district, due largely to a much unstudied factor: the time it takes to climb the salary ladder.

The report, *Smart Money: What teachers make, how long it takes and what it buys them*, finds that the salary information that usually gets the most attention —starting or ending salaries—doesn't tell the whole story. While it takes an average of 24 years for teachers to reach a common salary of \$75,000,\* some districts, like Boston Public Schools, take as few as 7 years while other districts, like Wichita Public Schools, take more than 30 years. Even after adjusting for cost of living, there are still big disparities. Teachers in Albuquerque Public Schools work over 30 years to get to the same adjusted salary that teachers in Shelby County Schools (TN) make in 10 years.

The report answers the question of which districts get teachers to the top of salary ladders fastest, where they can earn the most money and, after adjusting for the cost of living, which districts provide teachers the most "bang for the buck."

"In many districts, teachers are working for years and years under a system of small, incremental raises. We know it doesn't have to be this way. There are districts that allow teachers, especially exemplary teachers, to more quickly reach their top salaries," commented Kate Walsh, President of the National Council on Teacher Quality, a research and policy organization dedicated to ensuring every classroom is led by a quality teacher. "While some of these districts are able to do so because they converted to a performance pay system, like Washington, D.C., some do so using a traditional model of teacher compensation, like Chicago and Milwaukee."

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\* The salary of \$75,000 was selected to permit comparison among districts and should not be construed as NCTQ's recommended maximum.

The report also ranks districts by available lifetime earnings adjusted by the cost of living for each district. The ranking accommodates performance pay districts by giving each of those districts three rankings: one based on the likely lifetime earnings of a teacher with average evaluation ratings, the second based on the likely lifetime earnings of a teacher with above-average ratings and the third based on the likely lifetime earnings of a teacher consistently rated as exemplary.

The top five districts on lifetime earnings include Pittsburgh and the District of Columbia, for highly effective teachers in those two districts, as well as all teachers in Columbus (OH), Atlanta and Shelby County (TN), which operate under more traditional compensation schemes.

The five districts with the lowest adjusted earnings all have uncommonly high costs of living, depressing what initially appear to be relatively generous salaries: Newark, Hawaii, San Francisco, Orleans Parish (LA) and Jefferson Parish (LA). Newark, a district where performance determines teacher pay, is ranked at the bottom only for teachers evaluated as average performers (after adjusting for cost of living). The district earns a higher ranking for teachers who are consistently evaluated as effective.

Other noteworthy findings:

- Starting and ending salaries can be highly misleading. For example, Rochester posts relatively high starting and ending salaries (\$42,917 and \$120,582 respectively), but, over a 30-year career, teachers accrue \$1.92 million in lifetime earnings. Conversely, Milwaukee teachers start at \$41,070 but accrue \$2.04 million over their careers, because it only takes 15 years to get to their lower max salary of \$78,143.
- The maximum salary a teacher can earn over a 30-year career ranges significantly across districts, starting with \$52,325 in Oklahoma City up to \$106,540 for an exemplary teacher in the District of Columbia.
- After adjusting the cost of living in these communities, the picture changes dramatically. The maximum pay in Newark (for an average teacher) has the buying power of \$38,462 in adjusted dollars (\$50,674 in nominal dollars); Pittsburgh, for an exemplary teacher, offers the highest "bang of the buck" at \$106,440 (\$100,000 in nominal dollars).
- All performance pay systems are not created equal. Some districts like DC and Pittsburgh make it possible for exemplary teachers to earn the maximum pay in relatively short order, while others like Jefferson Parish and Caddo Parish in Louisiana do not.

The report recommends that teachers and unions negotiating on their behalf look past the starting and ending salaries to examine lifetime earnings. Teachers who are unsure

about how long they wish to teach should at least examine likely earnings over five years, where dramatic differences can also be found. NCTQ posts such data on the 113 districts in this study through [NCTQ's Teacher Contract Database](#). Salary information for other districts can be retrieved from either the local union or the district HR office.

The report also recommends that school districts with higher lifetime earnings should market their standing to attract the best candidates. In general, the report urges school district leaders, teachers and policy makers to invest in designing salary structures to shape teaching into the sustainable career it deserves to be.

The full report, including the rankings for all of the districts in the study, is available [here](#).

### *Methodology*

NCTQ analyzed teacher salary schedules for school year 2013-2014 (the most recent year for which such data are available) from 113 public school districts. The districts include the largest 50 districts in the United States, the largest district in every state, Broad Prize Winners and Gates Investment districts.

All factors on lifetime earnings were held constant to permit comparison, including the number of years a teacher works (30) and the education credits a teacher would have earned. The salary of a 30-year veteran teacher was based on earning a master's degree after working five years, an additional 30 credits after 10 years and an additional 30 credits after 15 years.

To adjust for the cost of living, NCTQ applied a multiplier from the Cost of Living Index for 2013 produced by the Council for Community and Economic Research. The analysis of performance pay districts looks at the six districts for which we could reasonably estimate earnings over a 30-year period.

### **About the National Council on Teacher Quality**

The National Council on Teacher Quality advocates for reforms in a broad range of teacher policies at the federal, state, and local levels in order to increase the number of effective teachers. In particular, we recognize the absence of much of the evidence necessary to make a compelling case for change and seek to fill that void with a research agenda that has direct and practical implications for policy. We are committed to lending transparency and increasing public awareness about the four sets of institutions that have the greatest impact on teacher quality: states, teacher preparation programs, school districts and teachers unions. For more information, visit: [www.nctq.org](http://www.nctq.org).