

SMART MONEY:

What teachers make, how long it takes and what it buys them.

EXECUTIVE SUMMARY

What teachers are paid matters. Many factors play a role in making the decision to become a teacher, but for many people compensation heavily influences the decision not only to enter the profession but also whether to stay in it. Compensation certainly influences where a teacher chooses to work. And because school districts take different approaches to compensation, prospective teachers should accept a new job with their eyes wide open. Knowing where salaries start and end isn't enough; they must also understand the path they will take from starting salary to the top of the scale. 

[So just how do teacher salaries stack up across the country?](#)

In this report we answer that question and discuss facts about salaries that don't receive much attention. We examine the relative competitiveness of teacher salaries among large school districts in the United States, answering three mostly ignored questions:

1. In which districts will teachers rise to the top of the salary ladder the fastest?
2. Over the span of a full career, where can teachers earn the most money?
3. After adjusting for cost of living, which districts provide teachers the most “bang for the buck”? 



Using the 2013-2014 teacher salary schedules for 113 school districts, we rank districts in two ways: 1) by the likely lifetime earnings and 2) by the number of years it takes a teacher to reach an annual salary of \$75,000 (which, on average, is the maximum teachers can earn over a 30-year career).¹ The rankings, presented in nominal dollars and adjusted for the cost of living in each community, provide a good idea of the competitiveness of these districts, particularly for the teachers who work in them and who constitute nearly 20 percent of all the public school teachers in the nation.²

Based on 2013-2014 salary schedules, we have learned that:

- Generous starting or ending salaries do not necessarily signal that a district offers a competitive salary structure for teachers. 
- Estimating that most teachers are unlikely to work past 30 years, the maximum salary a teacher will earn ranges significantly, from \$52,325 in Oklahoma City to \$106,540 in the District of Columbia.³
- 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 such as the District of Columbia and Pittsburgh make it possible for exemplary teachers to earn the maximum pay in relatively short order, while others such as Jefferson Parish and Caddo Parish in Louisiana do not.
- On average it takes teachers 24 years to reach their maximum pay;  this timeframe is much longer than for other professions. The speed of income growth has a dramatic impact on how much a teacher will take home over the course of a career, which is a little-considered feature of teachers' pay packages that accounts for tremendous disparities in teachers' overall earnings. The range of time it takes to reach \$75,000, roughly the average maximum salary, ranges from seven years in Boston to over 30 years in Wichita.

1 The maximum salary across districts in the sample varies widely; the average maximum salary is \$74,600. This paper uses the rounded-up figure of \$75,000 as a benchmark to compare districts against an absolute standard. Additionally, NCTQ uses a standard measure to calculate a typical teacher's expected lifetime earnings: the salary of a 30 year veteran teacher who earned a master's degree after working five years, adding an additional 30 credits after 10 years and an additional 30 credits after 15 years.

2 While salary is not the only element of teacher compensation that should be considered, it is arguably the most influential factor.

3 Teachers who are rated exemplary in the District of Columbia earn more than \$106,500. See section IV, Pay for Performance.