Policy Brief

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Great Teachers Deserve Greater Pay

How to Raise Teacher Salaries Without Spending More Money

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Texas teachers are paid below the national average. Of course, taking account for our state's low cost of living causes Texas teacher salaries to compare much more favorably with those throughout the country. Nevertheless, the unadjusted statistic still provides powerful imagery for those debating teacher pay issues in Texas. Teachers, as a result, are calling on lawmakers to increase their pay.

Fortunately, it is both desirable and possible to increase the salaries of effective teachers. Unfortunately, those salaries have been held hostage by three culprits: one well-intended reform, a disturbing hiring trend, and an outdated teacher pay system.

The first culprit is the consistent reduction of class sizes in Texas. While class size reduction is popular among teachers and parents, it is the most expensive education reform implemented over the past several decades. Because of this, Texas now boasts the 9th-lowest elementary class sizes in the country. This reform has eaten up vast amounts of precious resources that could have been used to significantly raise teacher salaries. In fact, if we were to raise the student-to-teacher ratio in Texas (currently 15:1) to that of 1969 (24:1), the average teacher salary, at today's spending levels, would exceed $70,000.

Unfortunately, researchers have found little to no positive effect on student achievement as a result of class size reduction. In fact, it can have a detrimental effect on teacher quality, since it requires districts to hire more teachers from the existing pool that had been passed over for previous openings. As a result, shortages are amplified, and the teaching quality gap between poor and affluent schools is further widened.

Imagine the teaching talent that could be retained in the classroom if class sizes were larger, but the average teacher made $70,000. More top college graduates would be attracted to teaching, erasing the current shortage of math and science teachers and improving overall teacher quality. There would be more students in every classroom, but the quality of instruction for those students would be vastly improved.

The second culprit is school districts' prioritization of administrators over teachers, and of quantity over quality of employees. From 1995 to 2001, the number of school employees for a given number of students increased by 14 percent. At the same time, the inflation-adjusted expenditures per student increased by roughly the same percentage. This implies that most of the additional funds committed to public education in Texas have gone toward hiring and paying additional personnel, rather than paying existing teachers more.

In recent years, the number of administrators in Texas schools has grown even faster than the number of teachers. Today, there is one non-teacher for every teacher employed in Texas public schools, a 20 percent higher rate of non-teacher employment than in the rest of the nation. Not surprisingly, research fails to find a correlation between increased administrative spending and student achievement, and some research even indicates negative effects.

Class size reductions and increases in staff positions and salaries have failed to produce substantial benefits—and may have even hurt student achievement. Instead of spending money to hire additional employees, districts should raise class sizes to more efficient, yet manageable sizes, and should streamline administrative positions. Doing so would free up funds that could be used to equip the best teachers in the hardest posts with salaries as high as six figures.

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The third culprit placing a low ceiling on teacher salaries is the teacher pay system itself. In the 2004-05 school year, the average Texas teacher was paid about $41,000. Of course, Texas teachers of average effectiveness weren't the only ones making $41,000, as both excellent and ineffective teachers made about the same amount. Such is the result of the minimum salary schedule, which encourages paying teachers the same regardless of grade level, subject, or degree of effectiveness. More than nine out of ten Texas school districts structure their pay scales in such a manner.

The minimum salary schedule virtually guarantees shortages by school, grade level, and subject. Because teacher pay is the same between schools within a district, the best and/or most experienced teachers are concentrated in the most affluent schools. Middle and high schools, which typically require more specific subject knowledge of their teachers, have a more difficult time filling positions than do their elementary counterparts. Math and science teachers can usually command a higher salary in private industry, so these subjects are plagued by shortages. And the drastic growth of special education and bilingual programs has led to teacher shortages in these areas as well.

The most detrimental effect of the single salary schedule is the compression of teacher salaries. In the early 1960s, a female teacher who attended a highly selective college earned a nearly 60 percent pay premium. In 2000, that same teacher received essentially no premium, despite evidence indicating a positive correlation between teacher aptitude and student achievement. And researchers Hoxby and Leigh found that about three-quarters of the decline in teacher quality during the 1960s was actually due to wage compression driven by unionization, not improvements in gender equity. The single salary schedule has thus led to a host of difficulties for Texas schools.

Today, Texas teacher associations are calling for an across-the-board pay raise of at least $2,000. Unfortunately, an across-the-board pay raise (where every teacher in the state receives the same increase regardless of subject or grade level taught, school characteristics, or cost of living differences) would merely exacerbate the problems caused by the single salary schedule. Since teacher quality varies widely both within and between schools, it is both unfair and illogical to reward all teachers the same, regardless of their ability or subject matter. Doing so simply encourages mediocrity, and fails to show appreciation for those teachers who go above and beyond the call of duty. It also neglects specific teacher shortages and varied rates of turnover found throughout the state.

So how do we best reward excellent teachers, while at the same time addressing the specific needs of individual schools and districts? The first step is to abolish the single salary schedule in order to provide the needed flexibility for local districts to address this challenge. With this change, we would see more performance pay plans like the one implemented by Houston ISD that gives bonuses to individual teachers and entire campuses based on increases in student test scores. The state could also encourage results-based pay by enhancing the November 2005 executive order issued by Governor Perry that allocates $10 million for qualifying schools to design their own personalized incentive pay plans. These plans may address both teacher quality, as well as shortages in specific areas.

Teacher quality is the most important school factor in student achievement, and student achievement should be the number one priority of Texas schools. Lawmakers owe it to Texas children to allocate education dollars in a way that attracts and keeps the best teachers in the system, and an across-the-board teacher pay raise won't do that. Effective teacher pay reforms will improve teacher quality and, most importantly, provide all students in Texas public schools with the opportunity to acquire the academic skills they need to be successful.

Sources: "Better Salaries for Teachers in Texas Public Schools," by Chris Patterson and Jamie Story, available at http://www.texaspolicy.com/pdf/2005-11-teacherpay-rr.pdf and "Lifting Teacher Performance," by Andrew Leigh and Sara Mead, Progressive Policy Institute, April 2005, available at http://www.ppionline.org/documents/teachqual_0419.pdf.

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