



Teacher Quality & Compensation

By Bill Peacock, Vice President of Research

THE ISSUE

Research clearly shows that the quality of a student's teacher is the most important school-related factor in raising student achievement. In fact, a Tennessee study found that students with strong teachers for three consecutive years achieve 50 percent more than students with weak teachers. The study also found that students with strong teachers erase the achievement gap associated with race, ethnicity, and income within three to five years.

Yet, fewer high-ability individuals are choosing to teach. With numerous career options now available to women, many bright female students choose to become lawyers and doctors over a career in teaching. Research finds that teachers with strong academic credentials—strong verbal scores on the SAT or ACT or attendance at a selective college—are more likely to produce large gains in student learning. Yet, college graduates with the lowest SAT or ACT scores are more than twice as likely as those with top scores to choose teaching as their profession, according to the National Center for Education Statistics.

Money can be a powerful incentive in attracting and retaining the best teachers. However, most public school districts in Texas, and nationwide, pay their teachers off of a rigid salary schedule. This outdated method of compensation pays weak teachers more than they are worth and prevents star teachers from making what they would bring based on performance.

Another misconception about teacher quality is that possession of a master's degree leads to a more effective teacher. During the 2009-10 school year, 70 percent of Texas school districts paid stipends to teachers with master's degrees. As a result, master's degrees in education had the highest growth rate of all master's degrees between 1997 and 2007. Yet research finds no correlation between possession of an advanced degree and higher teacher effectiveness.

Across-the-board pay raises are also touted as a way to increase teacher quality. Research suggests that selective and targeted pay raises are more effective at increasing teacher

quality and improving student learning than a one-size-fits-all method that does not take into account individual teacher performance. Across-the-board pay raises actually tie the hands of local school officials, removing their discretion over how to best spend their resources to attract, retain, and reward the best teachers by rewarding effective and ineffective teachers equally.

Many Texas school districts are creating their own incentive pay programs at the local level. In the 2009-10 school year, 395 school districts representing 2.8 million public school students had some type of merit pay plan in place. Initial studies by the National Center for Performance Incentives find that Texas performance pay plans did not undermine teacher collaboration or workplace collegiality, and a majority of school personnel support performance pay and "believe it is a good compensation practice." In addition, these studies find strong evidence that the size and receipt of a financial bonus has an impact on teacher turnover with the probability of turnover decreasing noticeably as the size of the bonus increased. Assuming that strong teachers received bonuses and weak teachers did not, this type of turnover will likely improve the quality of teaching in these schools.

THE FACTS

- ★ Fewer than 7 percent of U.S. public school teachers graduated from selective colleges. (National Council on Teacher Quality)
- ★ Personnel costs (salaries and benefits) consume the majority of school district budgets. Texas school districts spent 80 percent of their budgets on personnel costs in the 2006-07 school year. (Moak, Casey & Associates)
- ★ Texas' minimum single salary schedule acts as a type of minimum wage for teachers requiring school districts to pay at least the specified salary at each step on the 20-step schedule.
- ★ In Texas, the average starting salary for a new public school teacher was \$35,793. Average teacher salaries in-

creased 3.2 percent over the previous year to \$48,650 for the 2009-10 school year. (TASB/TASA Teacher Salary Survey)

- ★ Approximately 27 percent of Texas teachers have a master's degree and receive an extra \$1,423 per year equaling more than \$124.5 million spent on a method of compensation that has no correlation with higher student achievement. (Center for American Progress, Center for Reinventing Public Education)
- ★ Nationwide, 90 percent of teacher's masters degrees are in education and not the subject they teach. (Center for American Progress, Center for Reinventing Public Education)
- ★ Texas has the largest state incentive pay system in the country recognizing and rewarding excellent teaching.
- ★ Receiving a \$3,000 financial bonus reduced the probability of teacher turnover by 18 to 24 percent. Failure to receive a financial bonus was a strong predictor of teacher turnover. (National Center on Performance Incentives, Vanderbilt University)

RECOMMENDATIONS

- ★ Eliminate Texas' minimum salary schedule to allow school officials more freedom at the local level to target resources at local needs.
- ★ Increase teacher incentive pay funds so school leaders can give teachers raises, bonuses, and stipends that are determined based on each teacher's skill level, performance, and effectiveness and not with across-the-board pay raises which treat every teacher the same regardless of their effectiveness.
- ★ Target resources where the money will be most effective, such as:
 - Paying higher salaries or stipends for teaching in shortage areas such as math, science, bilingual education, and special education;

- Paying higher salaries or stipends for working in a difficult work assignment in a low-performing school;
 - Tying pay raises to positive performance reviews; and
 - Rewarding large student gains with bonuses or raises.
- ★ Discourage school districts from paying teachers more for possession of a master's degree.

RESOURCES

Shortchanging Our Kids: How Poor Teacher Quality & Failed Government Policies Harm Students by Brooke Dollens Terry, Texas Public Policy Foundation (Oct. 2009) <http://www.texaspolicy.com/pdf/2009-10-PP28-teacherquality-bt.pdf>.

Bringing Teacher Compensation into the 21st Century by Brooke Dollens Terry and K. Emma Pickering, Texas Public Policy Foundation (Mar. 2008) <http://www.texaspolicy.com/pdf/2008-03-PP08-teacherpay-bt.pdf>.

Paying for Results: Examining Incentive Pay in Texas Schools by Brooke Dollens Terry, Texas Public Policy Foundation (Sept. 2008) <http://www.texaspolicy.com/pdf/2008-09-RR09-IncentivePay-bt.pdf>.

2009-10 Salaries and Wages in Texas Public Schools Teacher Report, Texas Association of School Boards and Texas Association of School Administrators (Jan. 2010) http://www.tasb.org/services/hr_services/salary_surveys/documents/tchrHL0910.pdf.

Separation of Degrees: State-By-State Analysis of Teacher Compensation for Master's Degrees, Schools in Crisis: Making Ends Meet by Marguerite Roza and Raegen Miller, Center for American Progress, Center on Reinventing Public Education (July 2009) http://www.americanprogress.org/issues/2009/07/separation_of_degrees.html.

Lifting Teacher Performance by Andrew Leigh and Sara Mead, Progressive Policy Institute (Apr. 2005) www.ppionline.org/documents/teachqual_0419.pdf.

Increasing the Odds: How Good Policies Can Yield Better Teachers by Kate Walsh and Christopher Tracy, National Council on Teacher Quality (2004) www.nctq.org/nctq/images/nctq_io.pdf. ★

