



## **Single Salary Schedules for Teachers: Sabotaging Public Education and Wasting Taxpayers' Money**

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### **Introduction**

The teacher shortage will soon be reaching massive proportions as educators begin retiring in record numbers. The National Education Association (NEA), the nation's largest teachers' union, proclaims that America will need 2 million additional teachers over the next decade. They state that there is a teacher recruitment crisis particularly in high-need subject areas such as math, science, and special education.<sup>1</sup> Naturally, their proposed solution will involve local, state, and federal governments reaching deep into the pockets of taxpayers for additional funding.

Reg Weaver, President of the NEA, has called for a starting salary of \$40,000 for all teachers.<sup>2</sup> Currently teachers can expect an average starting pay level around \$30,000.<sup>3</sup> While the issue of adequate teacher compensation is not the focus of this paper, it is important to note that this salary is only for 9-10 months of work and usually comes with a generous benefits package and pension plan. In any case, Mr. Weaver believes that this pay hike will help increase both the quality and quantity of newly-recruited teachers. However, simply tossing more money at prospective teachers will do very little to lift the performance of education in the U.S. At most it will merely allow us to maintain the current level of effectiveness for another decade. America's children, teachers, and taxpayers deserve better from our public education system.

Many maladies afflicting public schools could be addressed by getting rid of the current pay plan for teachers. The so-called "single salary schedule" became popular during the 1960s as a way to ensure that male and female teachers received equal wages. Since then it has become an entrenched institution, and is currently used in 96 percent of school districts.<sup>4</sup> This arrangement determines the appropriate salary level for all teachers

by looking exclusively at two factors: level of education and years of experience. Here is an example from Highlands County in Florida.<sup>5</sup>

**Tables 1. and 2. Highlands County, Florida Teacher Pay**

DEGREE	AMOUNT
Florida Rank II Masters	\$1,900.00
Florida Rank I-A Specialists	\$2,100.00
Florida Rank I Ph.D.	\$3,400.00

YEARS	AMOUNT
1	\$30,000.00
2	\$30,400.00
3	\$30,800.00
4	\$31,200.00
5	\$31,600.00
6	\$32,000.00
7	\$32,400.00

It is simple and convenient – the teacher simply finds the service-based salary amount and then adds the appropriate bonus for educational credentials. Once a teacher has located his or her compensation on the tables, there is nothing that individual can do to change the total. However, this one-size-fits-all solution causes a number of problems for school systems.

### **Creating a Shortage of Math and Science Teachers**

The first shortcoming of this scale is that the subjects and grades taught by an instructor do not factor into the salary equation. Individuals with the knowledge to teach high school math and science classes are typically more valuable in the marketplace than other teachers, partly because math and science programs tend to be more rigorous subjects. Since teacher pay scales are not linked to availability in the marketplace, it is no surprise that in many districts there are shortages of math and science teachers.

As a result of the single salary schedule, a school district (one that is not currently lacking teachers) must pay all of its teachers as if they are the type of teacher it most desperately needs. For a private engineering firm this would be akin to raising the salaries for all of its mechanical engineers because it is having trouble recruiting qualified electrical engineers. Such a pay structure makes absolutely no sense. It only limits the firm's ability to hire qualified electrical engineers by diverting resources to mechanical engineers whom it has no trouble recruiting at their current salary.

Research prepared for the U.S. Commission on National Security/21<sup>st</sup> Century indicates that by 2006, 16 percent of schools' new hires (K-12) will teach math and science.<sup>6</sup> This means that for every \$1 a school district needs to raise starting salaries to hire math and science teachers, it must spend \$5.25 to pay for teachers who could have been hired without spending any additional money. In some districts there simply may not be enough money to hire qualified math and science teachers because of this inflated scale. Even in districts where there is not currently a shortage of funding, this money could be spent on new textbooks, building repairs, or better still be returned to the taxpayers.

Giving school teachers not in high demand more pay just to lure others into the profession sends the wrong signal to all instructors. The current system is not only unfair to students who are taught math and science by unqualified teachers, it is also unfair to taxpayers who are forced to pay higher than market value for the majority of teachers employed. In order to successfully address teacher shortages in critical areas of education, school districts must be free to pay more money for the type of teachers they demand without additional outlays.

## **Pushing the Brightest Americans Away from Teaching**

The second major problem with the single salary structure is that it does not provide incentives for teachers to work hard and apply their skills effectively. The fact that a younger teacher who energizes and inspires students to learn can never earn more than an older teacher who does the bare minimum to keep his or her job is evidence enough that the system needs to be changed. Teachers who spend their evenings crafting creative lesson plans receive no extra benefits, while teachers who simply attend graduate school classes receive automatic raises. Who would choose a job where it is impossible to receive a raise for doing superior work?

With no system in place to reward hard work and ingenuity it is not surprising that the percentage of teachers with higher aptitudes has been falling rapidly since the 1960s, when the single salary schedule spread across the nation.<sup>7</sup> In 1963 five percent of teachers came from the top five percent of colleges (based on SAT scores), by 2000 that figure had fallen to one percent.<sup>8</sup> An econometric analysis performed by Caroline Hoxby, Professor of Economics at Harvard University, has shown that the compression of wages caused by teachers' unions and single salary schedules is the largest factor in determining why society's best and brightest have left the profession.

By "compression of wages" Professor Hoxby is referring to the fact that teachers at all levels of aptitude tend to make the same amount of money. Professor Hoxby's initial hypothesis, that increasing opportunities and compensation for intelligent women in other fields led to a reduction in teachers with higher aptitudes, was shown to have a much smaller effect on the problem. Simply boosting the salaries for all teachers across the board will not significantly increase the number of capable individuals interested in the profession. However, it would corner the market for the least talented of all college graduates in America. Since 1963 the proportion of teachers graduating from the lowest quarter of colleges has increased from 16 percent to 36 percent.<sup>9</sup> Obviously, this should not be the goal of education reform in America.

## **Merit-Based Pay: A Viable Alternative**

The best alternative to a single salary schedule is a system that allows for merit-based pay. While some people believe that this concept is incompatible with the public education system, the bottom line is that every principal in America could furnish parents with a list of the ten best teachers at their school. These teachers deserve to be rewarded for their efforts and encouraged to stay in their vocation. Teachers whose work does not merit a reward should not receive more money for just showing up to the job.

Poorly performing teachers must be sent a message that they need to change their work patterns or risk losing their jobs. Teachers are no different than other employees and will respond to a properly balanced system of incentives just like the rest of us. It is inconceivable that out of the thousands of school districts in the U.S., there aren't more capable of creating a merit-based system that works. It is true that this less rigid structure will not suit everyone, but a system that is fair to most is better than a system that is unfair for all.

Additionally, a merit-based pay plan might help school districts retain ambitious younger individuals who often leave teaching after a few years for more attractive opportunities in other fields. By rewarding performance, schools would be better able to keep their best young teachers in the classroom. As Professor Hoxby's research indicates, teachers are not leaving simply for higher salaries, they are leaving because they are not being rewarded for their efforts. A poll conducted by Public Agenda, a non-partisan opinion research organization, found that 55 percent of new teachers agree that school districts should be able to use criteria other than education and experience to financially reward teachers.<sup>10</sup> Perhaps if teachers' unions listened to the demands of their younger members, more of them would be willing to remain in the profession. The message from teachers' unions is loud and clear: individuals who rightfully expect to be rewarded for hard work and superior performance have no place in teaching.

### **Conclusion**

Getting rid of the single salary schedule will not be an easy task, but teachers are not oblivious to the problems that the current policy causes. According to the Public Agenda poll mentioned above, 58 percent of teachers say that when teachers are given tenure in their district it is no guarantee that they have worked hard and proved themselves. Additionally, 78 percent of teachers believe that there are at least a few colleagues in their school who are just going through the motions. Yet, more than a few teachers remain unwilling to change the system: only 42 percent believe that teachers in high-demand areas should be paid more, while 52 percent believe that merit pay would simply allow principals to play favorites instead of rewarding good teachers. It is clear that the teachers' unions and non-technical teachers have an interest in maintaining the present scheme. After all, who wouldn't want a secure job whose pay rivals the company's most valuable employee?

Despite these challenges, for the most part teachers are interested in increasing the overall quality of education. Teachers' unions on the other hand, seem only concerned with increasing the pay of all educators. They work to present the facade of a system functional enough to avoid major reforms that would reduce their power. Throwing more money at all teachers is simply not the most effective way to recruit talented people with the necessary skills to increase the quality of public education in America. Citizens and conscientious educators must stand up to the inflexible unions and get rid of the single salary schedule before any more money is squandered propping up a broken system.

### **About the Author**

*Matt Schultz served as an Associate Policy Analyst with the National Taxpayers Union Foundation in the summer of 2005, and is currently a Senior at the University of Rochester studying Economics and Mathematics.*

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<sup>1</sup> National Education Association, “Attracting and Keeping Quality Teachers,” August 2005, <http://www.nea.org/teachershortage/index.html>.

<sup>2</sup> National Education Association, “NEA President Calls on Nation to Join the Fight for Great Public Schools for Every Child,” July 3, 2005, <http://www.nea.org/newsreleases/2005/nr050703e.html>.

<sup>3</sup> “NEA Wants \$40,000 Starting Salary for Teachers,” MSNBC, July 3, 2005, <http://msnbc.msn.com/id/8456345/>.

<sup>4</sup> Podgursky, Michael, “Reforming the Single Teacher Salary Schedule in Public Schools,” *Texas Education Review*, Winter 2003-2004, <http://www.educationreview.homestead.com/2003ReformingTeacherPay.html>.

<sup>5</sup> Highlands County School Board, “Salary Schedules,” 2004-2005, [http://www.highlands.k12.fl.us/salary04\\_05.doc](http://www.highlands.k12.fl.us/salary04_05.doc).

<sup>6</sup> U.S. Commission on National Security/21<sup>st</sup> Century, “Journeys Through the Teacher Pipeline: Recapitalizing American Education,” May 15, 2001, p.14, [http://govinfo.library.unt.edu/nssg/addedum/Education\\_Addendum.pdf](http://govinfo.library.unt.edu/nssg/addedum/Education_Addendum.pdf).

<sup>7</sup> Hoxby, Caroline M. and Andrew Leigh, “Pulled Away or Pushed Out? Explaining the Decline of Teacher Aptitude in the United States,” December 2003, [http://post.economics.harvard.edu/faculty/hoxby/papers/hoxbyleigh\\_pulledaway.pdf](http://post.economics.harvard.edu/faculty/hoxby/papers/hoxbyleigh_pulledaway.pdf).

<sup>8</sup> Ibid.

<sup>9</sup> Ibid.

<sup>10</sup> Public Agenda News Release, “America’s Teachers – Don’t Make us Scapegoats,” June 4, 2004, [http://www.publicagenda.org/press/press\\_release\\_detail.cfm?list=53](http://www.publicagenda.org/press/press_release_detail.cfm?list=53).