

## **Teacher Compensation in Texas**

### **TEXAS EDUCATION AGENCY**

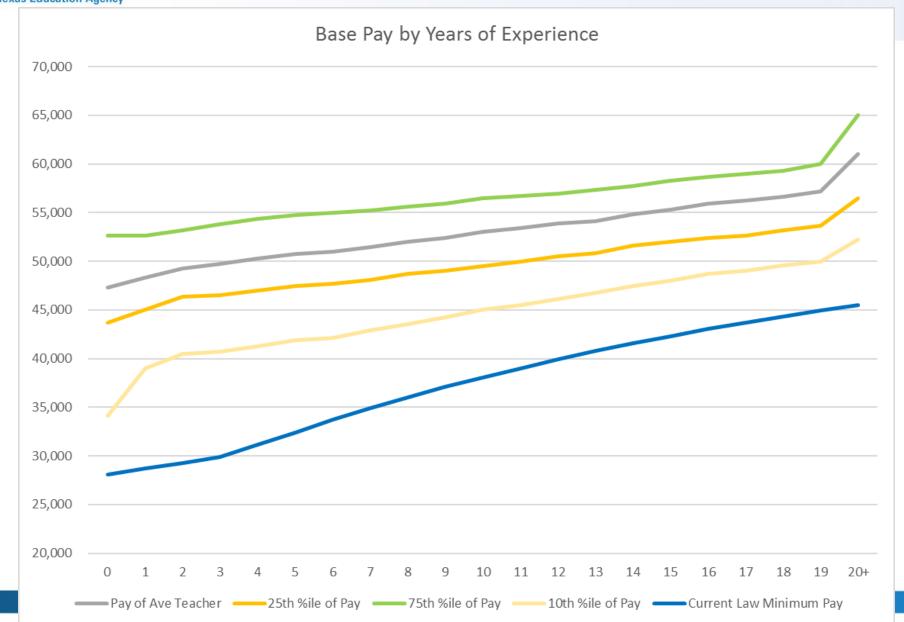
FEBRUARY 25, 2019

2/25/201



### Distribution of Total Teacher Pay 120,000 27.1% 27.0% 100,000 Count of Teachers 80,000 14.1% 12.3% 60,000 40,000 5.8% 5.3% 3.3% 3.1% 0.1% 0.2% 0.9% 20,000 0.6% 0 \$30-40k \$40-45k \$45-50k \$50-55k \$55-60k \$60-65k \$65-70k \$70-80k \$80-90k \$90-100k \$100k+ 0-\$30k

## **TEA** Base Teacher Pay by Years of Experience



## 2017-18 School Year

## TEXAS Education Agency Trends in Student to Teacher & Student to Staff Ratios





### Understanding Compensation: Recruitment Challenges

# **TEA** Country's Best Students Remain Uninterested

### In a 2010 report, McKinsey & Co Found:

- 23% of new teachers in the US come from the top 1/3rd of their college graduating classes.
- 14% of new teachers in high poverty schools come from the top 1/3rd of their graduating classes.

### VS.

 100% of new teachers come from the top 1/3rd of their graduating classes in Singapore, Finland, and South Korea. Closing the talent gap: Attracting and retaining top-third graduates to careers in teaching

An international and market research-based perspective



# **TEAC** Compensation tops list of concerns for teaching as a career for top third college students

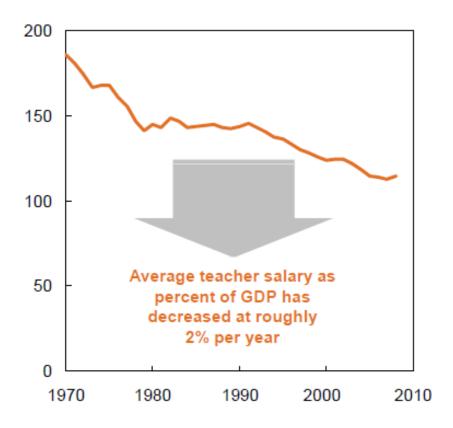
#### DIFFERENCE BETWEEN TEACHING AND PREFERRED OCCUPATION IN PERCENTAGE OF STUDENTS WHO AGREE/STRONGLY AGREE THAT THE OCCUPATION RATES HIGHLY **JOB ATTRIBUTE** 62 If I were to do well in this job, it would be rewarded financially 55 This job offers a competitive starting salary 55 This job pays appropriately for the skills and effort I would bring This job offers a salary that would increase substantially over the 53 next seven to ten years This job would allow me to work in a well resourced, professional 52 environment There are opportunities to continue to advance professionally in 52 this career 51 In this job, people get promoted when they do well 48 I could support a family with this career 48 People in this job are considered successful This job would provide high quality training and support to help 40 me imporve my performance on the job 38 This job attracts the type of people I would want to work with 38 Only top students get jobs in this field My supervisor in this job would help me improve my 35 performance Jobs in this career would prepare me for almost any job I might 35 take in the future 32 This job would be challenging in a satisfying way 20 60 80% 40

Note: Study is on top 1/3 of students not planning on teaching

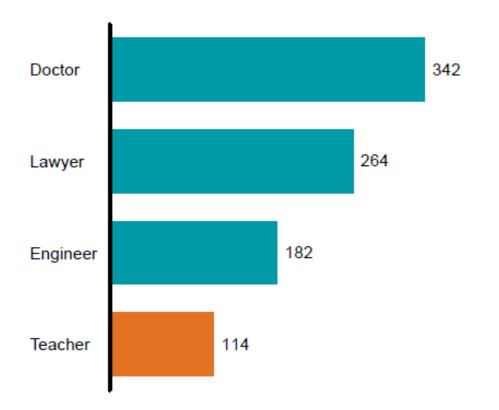
Source: McKinsey Report: Closing the talent gap: attracting and retaining top-third graduates to careers in teaching, September 2010

# **TEA** McKinsey Report: Closing the Talent Gap

Average U.S. teacher salary as percent of GDP per capita 1970 – present Percent

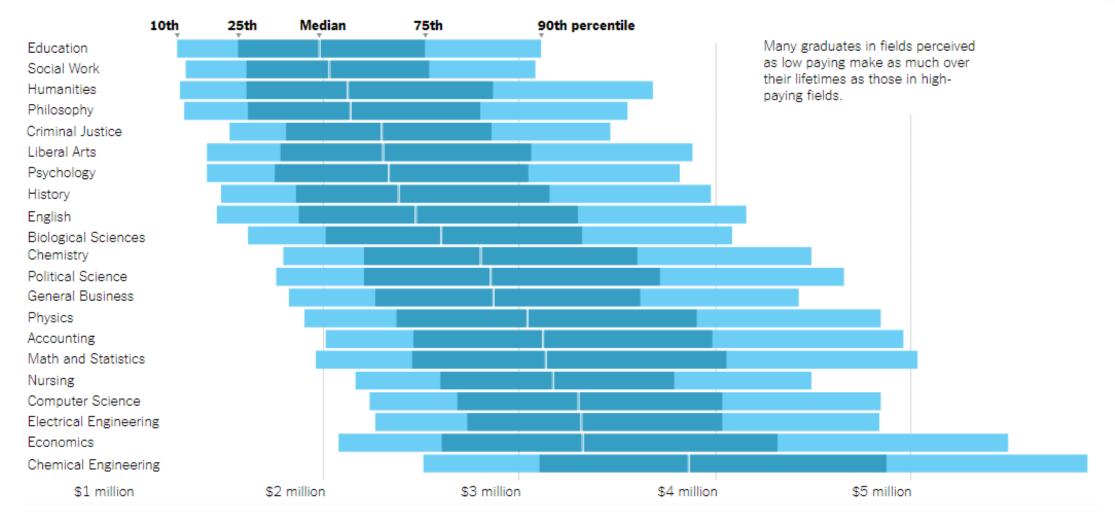


Average professional salaries in US as percent of GDP per capita 2008 Percent





Projected career earnings for college graduates in the ...

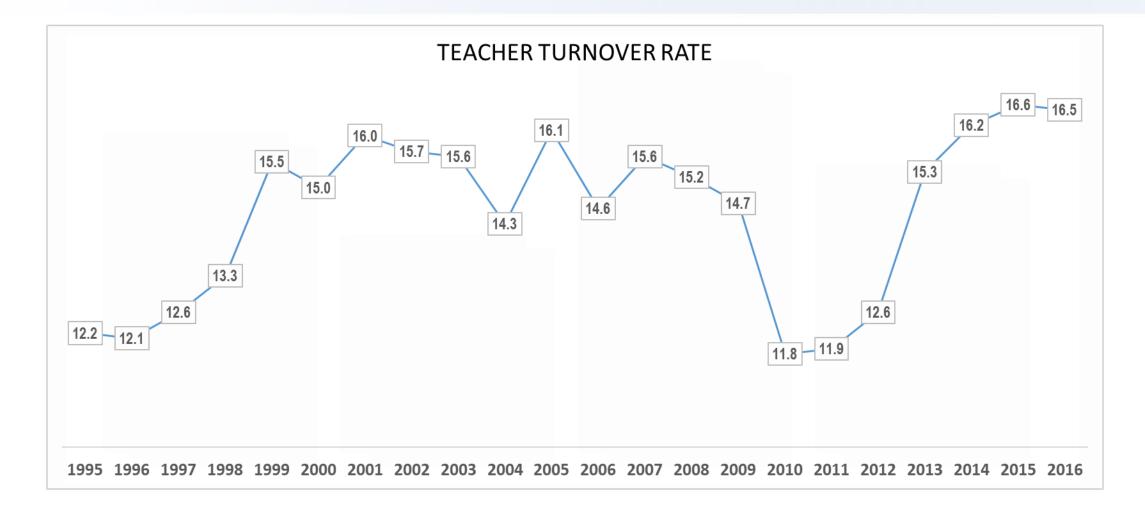


Source: "The Lifetime Earnings Premia of Different Majors", Douglas A Webber, 2014 (updated 2017), via nytimes.com



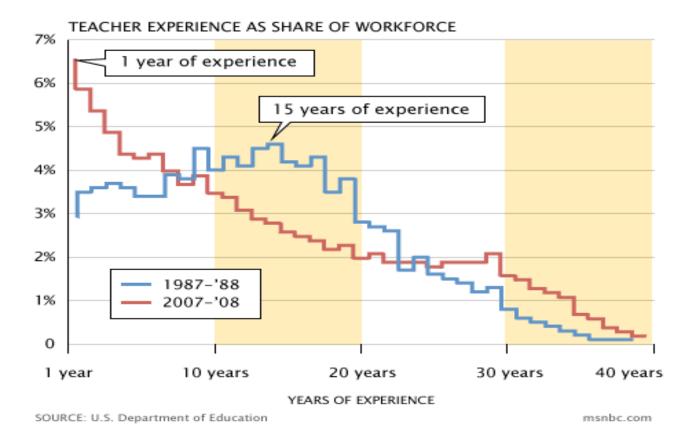
## Understanding Compensation: Retention Challenges





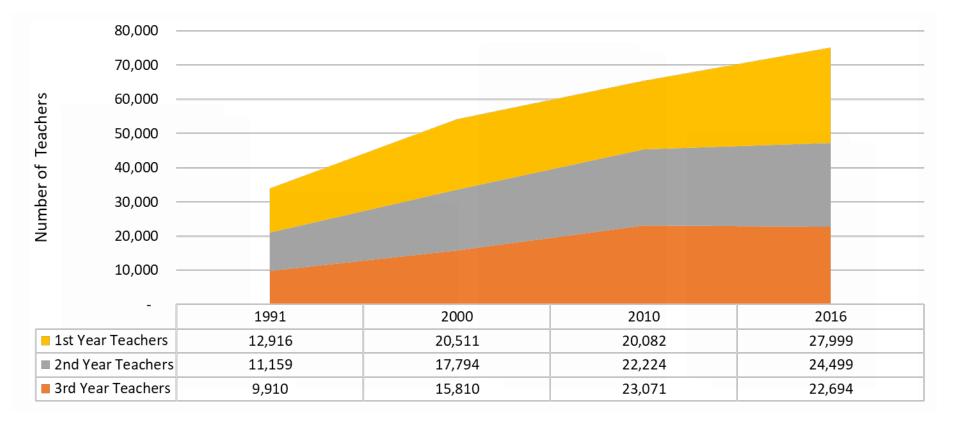


### Teacher experience





In the span of 25 years, the percentage of teachers with more than three years of experience has dropped by 5.1% from 83.5% in 1991 to 78.4% in 2016)

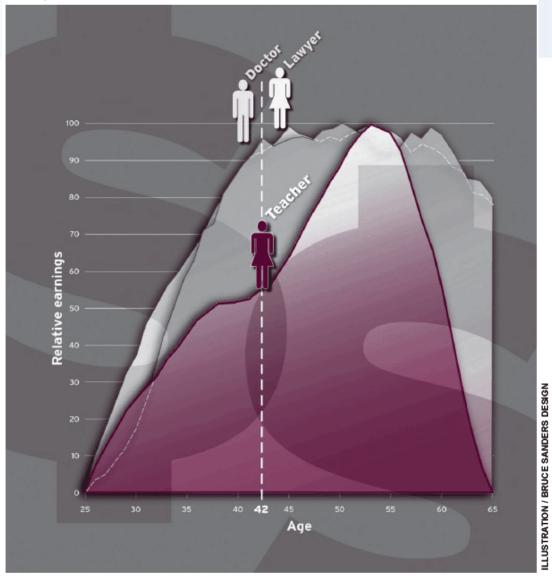


\*Teachers in their 4<sup>th</sup> year or more totaled **171,940 in FY1991**, **214,112 in FY2000**, **267,726 in FY2010**, **and 272,160 in FY2016**.



### A Slower Climb

It is well known that teachers earn less than doctors and lawyers. However, few realize that most doctors and lawyers make up much of the gap between their initial and peak earnings by their early 40s, while teachers' earnings rise slowly and peak when they reach their mid-50s and are near retirement.



Note: The figure plots five-year moving averages of annual earnings, measured relative to the difference between earnings at age 25 and peak earnings for each profession.

SOURCE: U.S. Census Bureau, American Community Survey, 2006



In 2015-16, Salaries & Benefits for Teachers & Teaching Personnel comprised \$25.2 billion (42.9%) of all Revenues in Texas (All Funds)

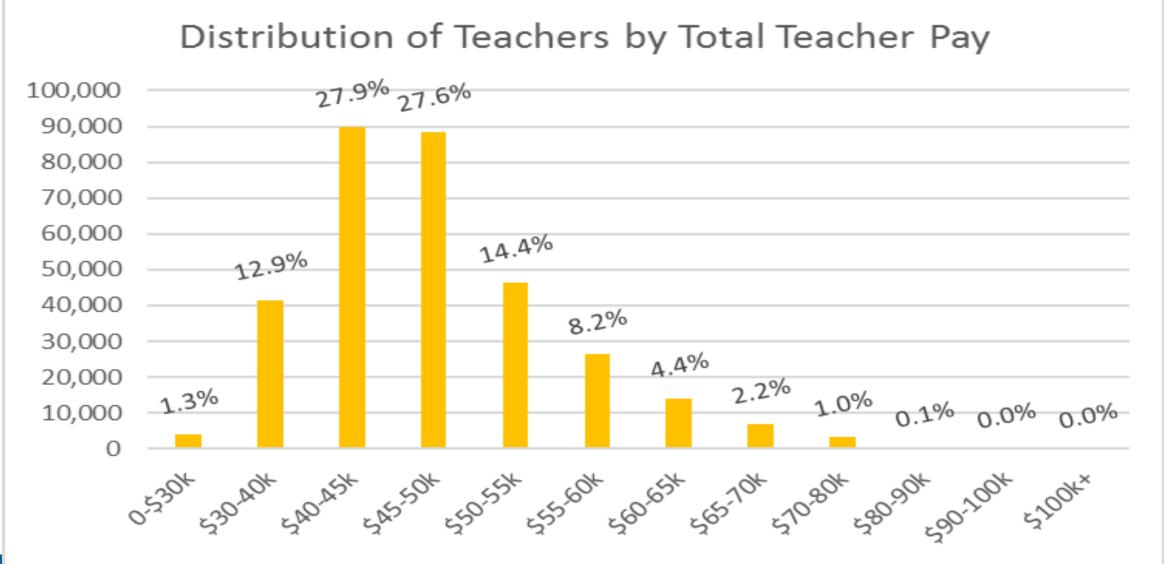
Category	Total Expenditures	% of Total Revenue (All Funds)
Teacher, Teacher Assistant, Substitute Salary/Wages*	\$21,423,495,000	36.4%
Teacher & Related Payroll Taxes, Retirement, Health & Employee Insurance*	\$3,796,030,676	6.5%
Supplies & Instructional Materials	\$1,887,442,433	3.2%
Services	\$798,332,048	1.4%
Student Service Charges	\$143,587,786	0.24%
Other	\$20,875,451	0.04%
Total Amount Spent on Instruction (All Funds)	\$28,069,763,394	47.7%

Total Revenue (ALL Funds) \$58,797,907,294



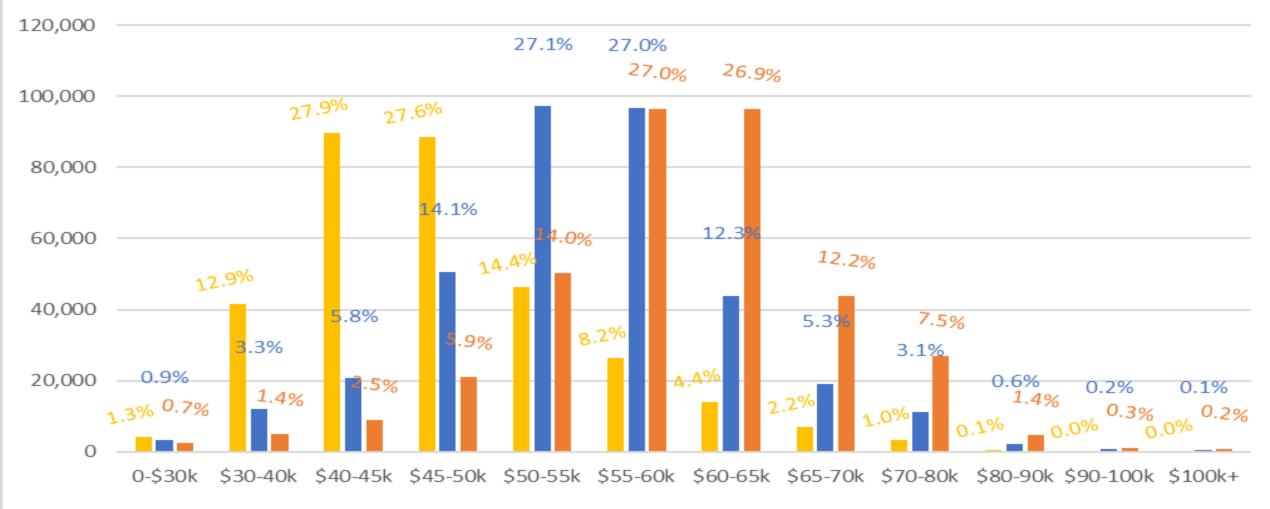
## Appendix







### Distribution of Teachers by Total Teacher Pay



■ 2007-08 ■ 2017-18 ■ Post SB3

# **TEAR** Base Teacher Pay by Years of Experience





Base Pay by Years of Experience Comparing 2007-08, 2017-18, and Post SB3

