

How much are teachers really paid?

A Nationwide Analysis of Teacher Pay



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The Free Market Voice for Wisconsin

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EXECUTIVE SUMMARY

Los Angeles and New York City elementary school teachers are some of the highest paid in the country according to the most recent Bureau of Labor Statistics data. It is no surprise that the country's two largest cities would be atop this list, but what may be surprising is the city that beats New York and L.A.

Elementary school teachers in Milwaukee, Wisconsin are the highest paid amongst the nation's large cities, according to this study from the John K. MacIver Institute for Public Policy and the National Center for Policy Analysis.

The joint report looks at median elementary school teacher pay, not including fringe benefits, in 60 selected metropolitan areas. Cities were selected on the basis of availability of data, their population and for geographic balance.

Comparing nominal teachers' salaries provides a basic look into educator pay in the United States, but for a true comparison, salaries must be adjusted for the cost of living in each metro area. When adjusted for cost of living, Los Angeles drops from second highest (\$74,280 – nominal) to 17th highest (\$56,963 – adjusted).

New York City drops even further, from third highest (\$73,000) to 59th out of 60 (\$33,152).

Teachers in Milwaukee do not move from the top spot, however. When adjusted for cost of living, teacher pay drops slightly from \$74,540 to \$73,078.

City	Elementary School Teacher - Median Salary	Elementary School Teacher - Adjusted Median Salary
Milwaukee	\$74,540	\$73,078
Los Angeles	\$74,280	\$56,963
New York City	\$73,000	\$33,152
Memphis	\$51,770	\$60,621
Columbus	\$61,050	\$70,011

THE FOUR CITIES WITH THE WORST TEST SCORES ARE THE FOUR CITIES WITH THE HIGHEST PAID TEACHERS.

While high-cost cities like Los Angeles and New York see significant drops when teachers' median pay is adjusted, less expensive cities like Memphis, Tennessee and Columbus, Ohio see major gains. Median teacher pay in Memphis jumps \$8,851, from \$51,770 to \$60,621. Columbus teachers' pay increases even more, from \$61,050 to \$70,011 – a difference of \$8,961.

The median adjusted salaries in the 60 metro areas range from \$32,312 in Honolulu, Hawaii to \$73,078 in Milwaukee, Wisconsin. The national median salary for an elementary school teacher is \$53,590.

While this study looks at median teacher pay, it also questions how well students perform in these cities. Do the metro areas with the highest adjusted teacher pay have students performing at the highest level? The answer is a resounding no.

(continued on next page)

(executive summary continued)

In fact, of the 19 metro areas that have data available for the National Assessment of Educational Progress (NAEP) – also known as the Nation’s Report Card – the four cities with the worst test scores are the four cities with the highest paid teachers (Detroit, MI; Cleveland, OH; Fresno, CA and Milwaukee, WI).

Los Angeles students outpace Milwaukee students in spite of the fact that their teachers’ adjusted median pay is about \$16,000 less. New York students perform even better on the NAEP tests despite adjusted median teacher pay that is nearly \$40,000 less than teachers in Milwaukee.

It is clear that Milwaukee has more work to do when it comes to educational performance. According to the latest statewide standardized testing, only 24.1 percent of fourth-grade students are proficient in math and only 16.8 percent of fourth-grade students are proficient in reading. Both are about half of the statewide average.

While teacher pay varies greatly across the country, Milwaukee makes it clear that higher pay does not always translate into higher test scores. Moving forward, policy makers may need to look to other educational reforms if they intend on better preparing students for success.

***ONLY 24.1 PERCENT
OF FOURTH-GRADE
MILWAUKEE STUDENTS
ARE PROFICIENT
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HOW MUCH ARE TEACHERS REALLY PAID?

Teachers' pay is a hot button topic these days, and some states are responding to demands for higher salaries. Mississippi recently authorized a \$2,500 increase in annual pay for its public school teachers over the next two years. The governor of North Carolina is considering a pay increase for teachers because one in ten is allegedly leaving the state to pursue higher pay. Other states are considering pay increases based on factors other than a teacher's level of education and tenure. Michigan, Wisconsin and Ohio are currently revising the criteria they use to evaluate teacher performance and how to compensate these teachers.

The real issue is: how far does teacher pay go toward purchasing goods and services? In some cases, adjusting for the cost of living does not make much difference. Elementary school teachers in Milwaukee, Wisconsin, for example, receive the highest median pay of any of the 60 metropolitan areas examined, both before and after adjusting for living expenses.

TEACHER PAY AND THE COSTS OF LIVING

Public officials and teachers' unions often compare teacher salaries in a particular city or region against the national average or against other U.S. cities. They assume teachers in areas with higher than average pay are doing well, whereas teachers in areas paying below the national average are doing poorly. But teachers and policymakers may want to consider the cost of living — the quantity of goods teachers can actually purchase with their salaries — rather than simply comparing income levels. An analysis of data on median elementary school teacher pay in 60 major metropolitan areas reveals that, after adjusting for each area's cost of living, the salaries in some cities regarded as higher-paying are actually quite low, while cities that appear to pay below average wages are rather generous.

Many factors affect a teacher's salary — such as continuing education credits and sponsorship of extracurricular activities. But simply totaling the number of dollars they receive does not provide a complete picture of how well, or poorly, teachers in a given city or region are faring. Knowing what a teacher's dollar will buy locally is a more meaningful measure of how well teachers are paid.

The local cost of living is determined by comparing prices for a basket of consumer goods and services. Prices for housing, groceries, utilities, health care and so forth vary from city to city and region to region. According to an index published by the Council for Community and Economic Research (CCER)¹, the cost of living varies widely among metropolitan areas.

For example:

- The cost of living in Manhattan is more than twice that of Philadelphia and three times more than Tulsa, thanks to housing costs that are over four times the national average.
- A house that sells for \$130,000 in Tulsa would cost at least \$896,000 in Manhattan.
- The cost of living in Birmingham, Alabama, however, is about 12 percent below the national average, because of housing prices that are less than three-fourths of the national average.
- Nationally, housing accounts for 26 percent of living costs for the typical family.

MEDIAN ELEMENTARY SCHOOL TEACHER PAY IN SELECTED REGIONS

An examination of median salaries for elementary school teachers in 60 metropolitan areas — selected on the basis of availability of data, their population and for geographic balance — shows that²:

- The median salary for elementary school teachers in the United States is \$53,590 annually.
- The median salary ranges from \$41,940 in Phoenix to \$74,540 in Milwaukee.

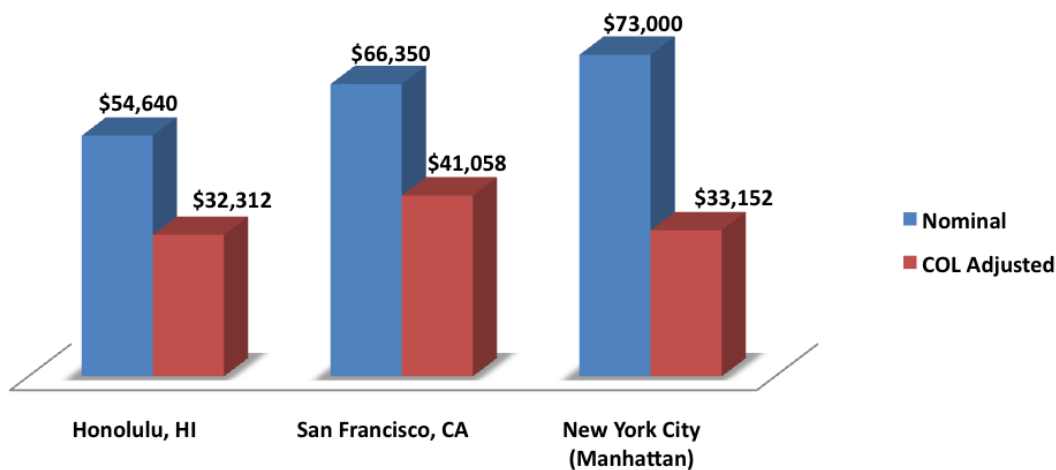
The salary in each area was adjusted for the cost of living using the CCER 2013 Annual Average data.

ADJUSTED PAY FOR ELEMENTARY SCHOOL TEACHERS

With a median salary of \$74,540, Milwaukee's elementary teachers receive the highest salaries of the major metropolitan areas examined. When adjusted for cost of living, the median salary drops slightly to \$73,078, but still ranks at the top. Other high median salaries are not that impressive when adjusted for the area cost of living. For instance [see Figure I³]:

- New York City (Manhattan borough), ranks third highest with a median annual salary of \$73,000, but falls to \$33,152 when adjusted for the cost of living, placing it near the bottom of the pay scale nationwide.
- San Francisco's median salary of \$66,350 sounds attractive until the area's high cost of living is factored in, reducing it to \$41,058.
- In Honolulu, the median salary of \$54,640 is slightly above the national median, but falls to the very bottom of the 60-city sample when adjusted for the cost of living to \$32,312.

Figure I
Median vs Adjusted Salaries
(Elementary School Teachers)



Sources: Author's calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): "Annual Median Wage, Elementary School Teachers," and CCER 2013 Annual Average data.

FIGURE II. MEDIAN TEACHER PAY - 60 SELECTED METRO AREAS (ADJUSTED FOR COST OF LIVING)⁴

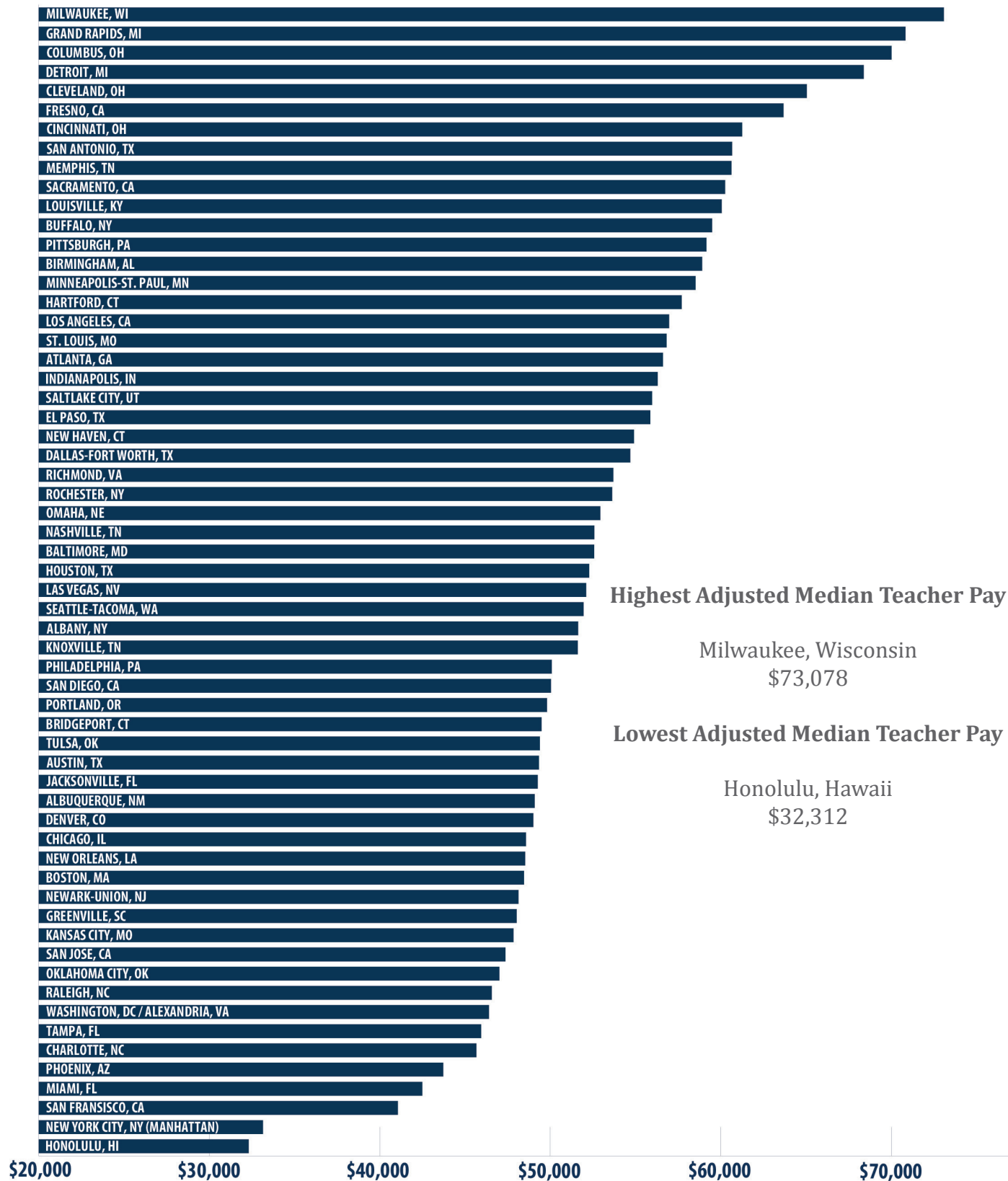
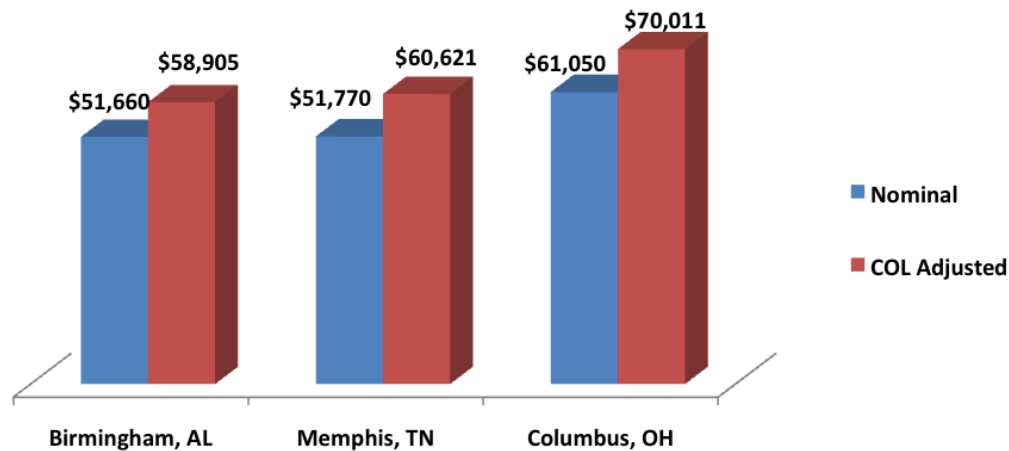


Figure III
Median vs Adjusted Salaries
(Elementary School Teachers)



Sources: Author's calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): "Annual Median Wage, Elementary School Teachers," and CCER 2013 Annual Average data.

Teachers in some cities enjoy much better circumstances. Indeed, in nine metropolitan areas the cost of living adjustment takes teachers' salaries from at or below the national median of \$53,590 to well above it. Consider:

- The median salary in Salt Lake City, Utah, is \$52,890, but increases to \$55,968 when adjusted for the cost of living.
- The median salary in St. Louis, Missouri, is \$53,580, but climbs to \$56,819 when adjusted for the cost of living.
- The median salary in Indianapolis, Indiana — \$51,790 — increases to \$56,293 when adjusted for the cost of living — a difference of \$4,500!

Some salary gains resulting from cost of living adjustments are even larger. For instance [see Figure III⁵]:

- In Birmingham, Alabama, the median salary rises by more than \$7,200 — from \$51,660 to \$58,905 — when adjusted for the cost of living.
- Teachers in Memphis, Tennessee, experience an increase of \$8,851 — from their median salary of \$51,770 to \$60,621 — when factoring in the cost of living.
- The largest gain in the 60 metropolitan areas examined occurs in Columbus, Ohio, where the median salary of \$61,050 rises to \$70,011 after adjusting for the cost of living — a nearly \$9,000 increase.

HOW ARE STUDENTS PERFORMING?

Table I shows the average reading and math scores of fourth grade students compared to the median adjusted salaries for elementary school teachers. The table shows that the four cities with the highest pay, all exceeding \$60,000, rank in the bottom four major urban districts for test scores in both subjects.

The reading and math scores come from the National Assessment of Educational Progress (NAEP), also known as the Nation's Report Card. NAEP is a biannual exam given to public school students in grades four and eight. While the majority of the data recorded is limited to statewide results, the U.S. Department of Education has also singled out 21 large urban districts in order to track the educational achievement and progress of their students. Two of these districts – Jefferson County (KY) and Hillsboro County (FL) – were not included in this analysis since they cover an entire county rather than solely their hub cities.

A score of 249 in fourth-grade math is proficient, which represents solid academic performance. The national average is 242. In fourth-grade reading, a score of 238 is proficient. The national average is 222⁶.

While Milwaukee's students are doing slightly better than students in last-place Detroit and Cleveland, the district still lags significantly behind other major cities in America. Cities like Charlotte, Miami, Boston, and San Diego all outpace Milwaukee schools in fourth grade reading and math. **The 15 metro areas that performed better than Milwaukee all had median adjusted elementary school teacher salaries that are at least \$16,115 less.**

TABLE I. ADJUSTED MEDIAN TEACHER PAY AND TEST SCORES IN 19 NAEP METRO AREAS

City	2013 NAEP Assesment Subject/Score ⁷		Adjusted Median Salary
	4th Grade Math	4th Grade Reading	
Milwaukee	221	199	\$73,078
Detroit	204	190	\$68,379
Cleveland	216	190	\$65,045
Fresno	220	196	\$63,674
Los Angeles	228	205	\$56,963
Atlanta	233	214	\$56,611
Dallas	234	205	\$54,692
Baltimore City	223	204	\$52,575
Houston	236	208	\$52,278
Philadelphia	223	200	\$50,082
San Diego	241	218	\$50,038
Austin	245	221	\$49,335
Albuquerque	235	207	\$49,083
Chicago	231	206	\$48,569
Boston	237	214	\$48,461
Washington D.C.	229	206	\$46,403
Charlotte	247	226	\$45,664
Miami-Dade	237	223	\$42,491
New York City	236	216	\$33,152

TEACHER PAY IN WISCONSIN

Of our 60 metropolitan areas examined, Milwaukee, Wisconsin elementary school teachers have the highest median pay, both in nominal terms and adjusted for the cost of living. How do other areas of Wisconsin fare? While some cities are slightly below the national median salaries, all with the exception of Madison, rise above the national medians when adjusted for the cost of living. [See Table II⁸]

- Teachers in Eau Claire benefit the most from the cost of living adjustment; the adjusted median salary increases by over \$4,500.
- In Madison, however, the area's higher cost of living brings the teachers' median salary (which is below the national medians) to an even lower level.
- Overall, when ranking these Wisconsin cities with the 59 metropolitan areas, four of them (Milwaukee, Wausau, Janesville and Eau Claire) are in the top 20 highest adjusted median salaries for elementary school teachers.

In general, teachers in Wisconsin do fairly well compared to other metropolitan areas. Only Madison has median salaries that are below the national median. It is also important to note that these salaries do not include the value of employee benefits, including health care, retirement pensions, and time off during the summer. For instance, teachers in Milwaukee Public Schools received an average benefits package equal to \$41,591 in 2011-12⁹. These "implicit" benefits add greatly to teacher compensation.

TABLE II. NOMINAL AND ADJUSTED ELEMENTARY SCHOOL TEACHER PAY IN WISCONSIN

City	Elementary School Teacher - Median Salary	Elementary School Teacher - Adjusted Median Salary
Milwaukee	\$74,540	\$73,078
Wausau	\$60,350	\$64,626
Janesville	\$54,550	\$58,420
Eau Claire	\$52,260	\$57,014
Green Bay	\$52,220	\$55,763
Madison	\$51,620	\$48,873

Sources: Author's calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): "Annual Median Wage, Elementary School Teachers," and CCER 2013 Annual Average data.

CONCLUSION

Clearly, the cost of living makes a difference when examining teacher pay and making comparisons between different regions. Because the cost of living varies widely from city to city and region to region, public officials, teacher unions and taxpayers should consider how much a teacher's dollar can purchase, not just the number of dollars, when discussing teachers' wages.

CITATIONS AND SUPPORTING INFORMATION

TABLE III. MEDIAN ELEMENTARY SCHOOL TEACHER SALARIES - NOMINAL AND ADJUSTED

City	Median salary	Adjusted for cost of living	Difference
Milwaukee, WI	\$74,540	\$73,078	\$1,462
Los Angeles, CA	\$74,280	\$56,963	\$17,317
New York City (Manhattan)	\$73,000	\$33,152	\$39,848
Hartford, CT	\$71,550	\$57,702	\$13,848
Bridgeport, CT	\$71,300	\$49,487	\$21,813
New Haven, CT	\$71,160	\$54,907	\$16,253
San Jose, CA	\$70,720	\$47,368	\$23,352
Sacramento, CA	\$67,780	\$60,249	\$7,531
Boston, MA	\$67,700	\$48,461	\$19,239
Fresno, CA	\$66,730	\$63,674	\$3,056
San Francisco, CA	\$66,350	\$41,058	\$25,292
Grand Rapids, MI	\$65,940	\$70,827	-\$4,887
Detroit, MI	\$65,370	\$68,379	-\$3,009
Cleveland, OH	\$65,110	\$65,045	\$65
San Diego, CA	\$65,050	\$50,038	\$15,012
Washington, DC/Alexandria, VA	\$65,010	\$46,403	\$18,607
Minneapolis-St. Paul, MN	\$64,370	\$58,518	\$5,852
Newark-Union, NJ	\$63,440	\$48,134	\$15,306
Seattle-Tacoma, WA	\$61,870	\$51,948	\$9,922
Columbus, OH	\$61,050	\$70,011	-\$8,961
Philadelphia, PA	\$59,790	\$49,291	\$10,499
Baltimore, MD	\$59,410	\$52,575	\$6,835
Buffalo, NY	\$59,190	\$59,487	-\$297
Portland, OR	\$58,570	\$49,804	\$8,766
Albany, NY	\$56,590	\$51,633	\$4,957
Cincinnati, OH	\$56,170	\$61,254	-\$5,084
Chicago, IL	\$55,640	\$48,257	\$7,383
Pittsburgh, PA	\$55,550	\$59,159	-\$3,609
Louisville, KY	\$54,890	\$60,055	-\$5,165
Rochester, NY	\$54,700	\$53,627	\$1,073
Honolulu, HI	\$54,640	\$32,312	\$22,328
Richmond, VA	\$54,610	\$53,697	\$913
Atlanta, GA	\$53,950	\$56,611	-\$2,661

TABLE III. (CONT.)

City	Median salary	Adjusted for cost of living	Difference
San Antonio, TX	\$53,870	\$60,664	-\$6,794
St. Louis, MO	\$53,580	\$56,819	-\$3,239
Salt Lake City, UT	\$52,890	\$55,968	-\$3,078
Las Vegas, NV	\$52,520	\$52,103	\$417
Dallas-Fort Worth, TX	\$52,450	\$54,692	-\$2,242
Houston, TX	\$51,860	\$52,278	-\$418
Indianapolis, IN	\$51,790	\$56,293	-\$4,503
Memphis, TN	\$51,770	\$60,621	-\$8,851
Birmingham, AL	\$51,660	\$58,905	-\$7,245
El Paso, TX	\$51,170	\$55,862	-\$4,692
Denver, CO	\$51,060	\$49,002	\$2,058
New Orleans, LA	\$47,940	\$48,522	-\$582
Kansas City, MO	\$47,460	\$47,843	-\$383
Jacksonville, FL	\$46,950	\$49,265	-\$2,315
Omaha, NE	\$46,170	\$52,930	-\$6,760
Nashville, TN	\$46,060	\$52,580	-\$6,520
Austin, TX	\$45,980	\$49,335	-\$3,355
Knoxville, TN	\$45,830	\$51,610	-\$5,780
Miami, FL	\$45,720	\$42,491	\$3,229
Albuquerque, NM	\$45,500	\$49,083	-\$3,583
Greenville, SC	\$44,760	\$48,026	-\$3,266
Charlotte, NC	\$43,700	\$45,664	-\$1,964
Tulsa, OK	\$43,610	\$49,388	-\$5,778
Raleigh, NC	\$43,590	\$46,570	-\$2,980
Tampa, FL	\$42,820	\$45,944	-\$3,124
Oklahoma City, OK	\$42,450	\$47,010	-\$4,560
Phoenix, AZ	\$41,970	\$43,719	-\$1,749

Sources: Author's calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): "Annual Median Wage, Elementary School Teachers," and CCER 2013 Annual Average data.

CITATIONS

¹ “CCER 2013 Annual Average data,” Cost of Living Index - The Council for Community and Economic Research; <http://www.coli.org/>

² “Annual Median Wage, Elementary School Teachers,” U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013); <http://www.bls.gov/oes/>

³ Author’s calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): “Annual Median Wage, Elementary School Teachers,” and CCER 2013 Annual Average data

⁴ Author’s calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): “Annual Median Wage, Elementary School Teachers,” and CCER 2013 Annual Average data

⁵ Author’s calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): “Annual Median Wage, Elementary School Teachers,” and CCER 2013 Annual Average data

⁶ “National Assessment for Educational Progress (NAEP) 2013 Mathematics and Reading,” U.S. Department of Education; http://www.nationsreportcard.gov/reading_math_2013/#/performance-overview

⁷ “National Assessment for Education Progress (NAEP) 2013 Mathematics and Reading: Trial Urban District Assessments,” U.S. Department of Education; http://www.nationsreportcard.gov/reading_math_tuda_2013/#/tuda-performance

⁸ Author’s calculations based on U.S. Bureau of Labor Statistics, Occupational Employment Statistics Survey (OES) (2013): “Annual Median Wage, Elementary School Teachers,” and CCER 2013 Annual Average data.

⁹ “Average annual teacher compensation at Milwaukee Public Schools,” PolitiFact Wisconsin; <http://www.politifact.com/wisconsin/statements/2011/mar/04/maciver-institute/maciver-institute-says-average-annual-salary-and-b/>