

2014

SHORTCHANGED

The Hidden Costs of Lockstep Teacher Pay

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INTRODUCTION: MONEY MATTERS

“Teachers aren’t in it for the money.” It’s one of our society’s favorite refrains, and one that shuts down most attempts to talk about teacher salaries. But at a time when education is a more critical gateway to success than ever before, we need to continue the conversation. Even though nobody goes into teaching to get rich, compensation is one of the most important factors determining who enters the profession and how long they stay.

In other words, money matters—a lot. And the hard truth is that the way we pay teachers in this country is shortchanging our very best teachers and holding back our schools, our students and the teaching profession.

Nearly 90 percent of all school districts in America use a lockstep approach to teacher pay that completely ignores job performance.¹ Under this system, teachers typically earn raises for two reasons only: notching an additional year of experience, or earning an advanced degree.² They can’t earn more for being exceptionally successful at helping students learn—and, in fact, top teachers routinely earn less than teachers who perform less effectively in the classroom.

Most people would find it insane that any profession would determine pay without regard for job performance, let alone a field as important as teaching. But defying common sense is just the beginning of the story. Lockstep teacher pay makes it harder for schools to fulfill what everyone agrees is their most important responsibility: giving students the best education possible.

Consider the consequences of lockstep pay:

- **It makes it hard to recruit top talent.** Even people willing to look past the low starting salaries are turned off by the profession’s low expectations and willingness to reward mediocrity.
- **It pushes great teachers out of the classroom—and encourages ineffective teachers to stay.** A conservative estimate is that school districts nationwide spend at least \$250 million annually on automatic pay increases for their ineffective teachers, draining funds that could be used to offer more competitive salaries to new and early-career teachers and reward high performers at every level.³
- **It discourages high performers from teaching in the schools that need them most.** Great teachers should be encouraged—and rewarded—for teaching in high-poverty schools, but most compensation systems treat every teaching assignment the same.

Perhaps most disturbing of all is the message this sends about teaching: *In this profession, great work isn’t valued.* You couldn’t design a policy more indifferent to excellence if you tried.

Some defend lockstep pay on the grounds that years of service and academic degrees are the only “fair” criteria for awarding raises in a complex field like teaching. And surely some teachers appreciate the stability and predictability of this model. But the *profession* clearly loses—as do the most successful teachers.

The truth is, ignoring classroom performance leads to exceedingly unfair results for almost everyone involved. Parents can only watch as school systems drive away great teachers and reward ineffective ones. Successful teachers have to wait years to earn a middle class wage, and face the constant indignity of their accomplishments going unrecognized. Most importantly, students miss out on the chance to learn from great teachers who might have entered the profession or stayed longer.

The fact that talented people are willing to teach not because of the pay but in spite of it is no excuse to let the problem go unaddressed. If we’re serious about giving teachers the respect they deserve, and about giving students the great teachers they deserve, we have to start putting our money where our mouths are. That means not just paying teachers more, but also paying them differently.

The answer is not modest “merit pay” structures that give teachers a bonus now and then. We’re proposing a fundamental change in the way teachers are paid, a strategy that goes beyond paper credentials and time served to base compensation decisions primarily on how well teachers are helping students learn. Like professionals in countless other fields, teachers’ pay ought to reflect the difficulty of their jobs and how well they perform.

In this paper, we explain the major problems of lockstep pay systems and offer three concrete steps that school systems can take to move in a better direction, like the dozens of states, school districts and charter organizations that are currently developing innovative approaches to teacher compensation. We spotlight three examples here—systems that value great teaching above all else, and help attract and retain the caliber of teachers all of us would want for our own children.

¹ U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey (SASS), “Public School District Data File,” 2011–12.

² In addition to step and lane increases, some districts will offer a “cost of living” or COLA increase in the form of an across-the-board raise to all teachers. This can sometimes be the right approach—particularly if tight budgets have frozen teacher salaries for several years prior—but the amount of the increase should be indexed to inflation, not negotiated at the bargaining table. Otherwise, these increases exacerbate the lockstep approach because they are undifferentiated raises posing as COLA.

³ Even if we conservatively assume that around 96 percent of teachers are effective—the approximate finding across sites where TNTP has worked—that still leaves 4 percent who are rated ineffective but still receive around \$250 million in raises each year. The National Center for Education Statistics Schools and Staffing Survey for SY 2011–12 estimates there are 3.9 million teachers in the United States (see nces.ed.gov/surveys/sass/). \$1,500 average per step increase is based on publicly available salary schedules

from six large school districts around the country. 4.12 percent of 3.9 million teachers multiplied by a \$1,500 average annual raise is approximately \$250 million.

⁴ Clotfelter, C., Ladd, H. & Vigdor, J. (2007). *How and Why Do Teacher Credentials Matter for Student Achievement?* (NBER Working Paper 12828). Cambridge, MA: National Bureau of Economic Research.

WHY LOCKSTEP PAY DOESN'T WORK

Most school systems have paid teachers the same way for generations, using an approach called “steps and lanes” that dates from the industrial era. Every teacher’s salary is determined by the same pay scale. Teachers earn raises by climbing another “step” on the salary scale every year, and by advancing to different “lanes” determined by the degree they hold.

The most notable feature of lockstep pay systems is that they lack any attention to job performance. At every level of experience or academic accomplishment, you’ll find teachers at very different skill levels. Some are talented enough to pack more than a year of learning for their students into a single school year, while others struggle to reach students at all. Common sense suggests that great teachers should be earning higher salaries than those who are less effective, but in most districts all teachers get an automatic raise every year regardless of their performance.

This means that in most school systems, the money devoted to teacher salaries is not actually paying for great teaching. Instead, it is paying for paper credentials and time on the job—neither of which has proven to be a reliable indicator of success, particularly beyond the first few years in the classroom.⁴

As a result, lockstep pay hampers recruitment, creates perverse incentives for retention and ignores the urgency of bringing top talent to the schools that most need great teachers.

While all school systems say they want to put great teachers in every classroom through competitive, fair pay, they are not actually paying for great teaching.

LOW EARLY-CAREER SALARIES KEEP TALENTED PEOPLE FROM EVEN CONSIDERING TEACHING.

Talented college graduates have many career choices. While earning potential is hardly the only factor they consider in making their decisions, it is an important one. Teaching has to offer a starting salary that's high enough to make it a viable option for the best and the brightest.

But it doesn't. Starting salaries for teachers are around 25 percent less than starting salaries for professionals in fields like marketing, nursing or accounting (*Figure 1*). This fact is not lost on prospective teachers: A recent national study showed that only 10 percent of top-third college graduates agree that teaching offers a competitive starting salary.⁵

To make matters worse, salaries are stagnant during the first decade of a teacher's career compared to many other professions.⁶ For example, biologists and biology teachers in Chicago—professionals with similar interests and educational backgrounds—earn similar salaries in their first year (*Figure 2*). But by their 10th year, biologists can expect to have more than doubled their salaries, while biology teachers will have seen their salaries rise by only 45 percent.

The further you peer into the future, the worse teaching fares when it comes to earning potential. Teachers often have to work for 20 years or more to reach the top of the salary scale—about twice as long as it takes to reach peak salaries in other professions, whose workers see big raises during the years they are raising children and buying homes.⁷ Teachers may not earn a salary that affords similar choices until it's almost time to retire, often after years of struggling to make ends meet.

No matter how you look at it, teaching is a bad deal for talented people with many career options—so bad that some teachers discourage their own students from considering it.⁸ Are we really willing to keep betting that enough great teachers will enter the profession in spite of low early-career salaries?

It's important to note that the problem is not just a lack of money to fund higher teacher salaries. The reason most school districts can't afford higher early-career salaries is baked right into the lockstep approach to teacher pay. Salary schedules generally “backload” compensation, which means that annual “step” increases are much larger for teachers at the middle or end of their careers.⁹ New York City teachers in their first five years of teaching are provided with step increases of, on average, \$1,000 per year. But a 20-year veteran New York City teacher is richly rewarded with a 12 percent salary increase amounting to \$8,600, without any regard to student learning or the teacher's performance generally.¹⁰ And that's before even considering the money school districts allocate toward retirement benefits for teachers who have served long enough to earn them.

After the longest-serving teachers have earned their step increases, there's simply not much left to reward high-performing early-career teachers or recruit candidates who are considering a career in the classroom.

⁵ McKinsey & Company (2010). *Closing the Talent Gap: Attracting and Retaining Top Third Graduates to a Career in Teaching*. Retrieved from <http://mckinseysociety.com/closing-the-talent-gap>.

⁶ Vigdor, J. (2008). Scrap the Sacrosanct Salary Schedule. *Education Next*, 8 (4). Retrieved from <http://educationnext.org/scrap-the-sacrosanct-salary-schedule/>

⁷ Ibid.

⁸ Salazar, R (2013). Why I Discourage Latino Students from Becoming Teachers. *Chicago Now*. Retrieved from <http://www.chicagonow.com/white-rhino/2013/09/why-i-discourage-latino-students-from-becoming-teachers/>

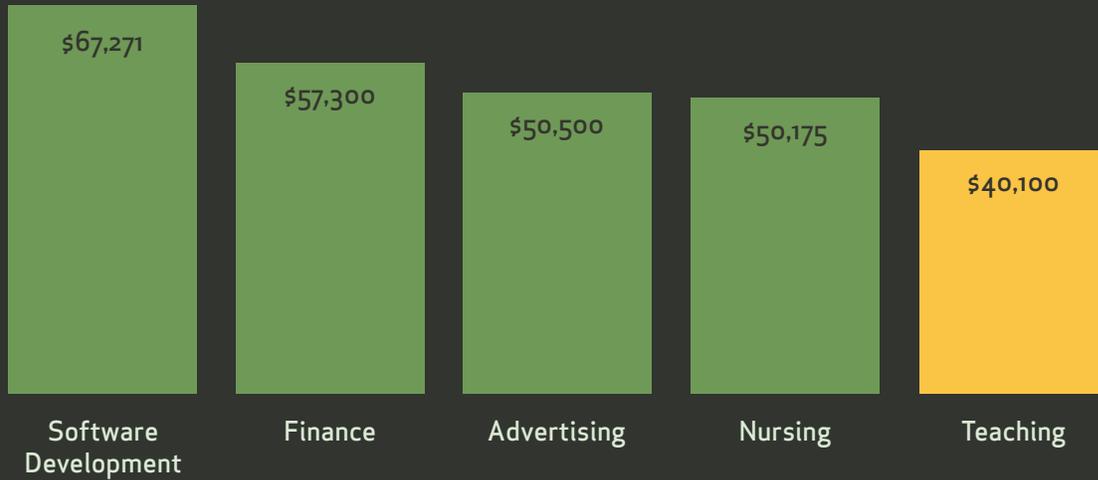
⁹ Grissom, J.A. and Strunk, K.O. (2012). How Should School Districts Shape Teacher Salary Schedules? Linking School Performance to Pay Structure in Traditional Compensation Schemes. *Educational Policy*, 26 (5), 663-695.

¹⁰ Based on New York City Public Schools salary schedule for SY 2013-14 for teachers with bachelor's degrees. Retrieved from http://schools.nyc.gov/NR/rdonlyres/DD1B572C-EDBD-47A8-B462-2536040A9133/0/salary_schedule_101812.pdf.

FIGURE 1: National Association of Colleges and Employers, Salary Survey 2013. The overall starting salary for an occupation/industry was calculated using an average of starting salaries for all majors within that occupation/industry. Starting salary for teachers includes elementary and middle school teachers. Survey is available at <http://careers.washington.edu/sites/default/files/all/editors/docs/2013-september-salary-survey.pdf>.

FIGURE 2: Chicago Public Schools salary schedule (SY 2012-13) and Salary.com for the labor market in Chicago, IL.

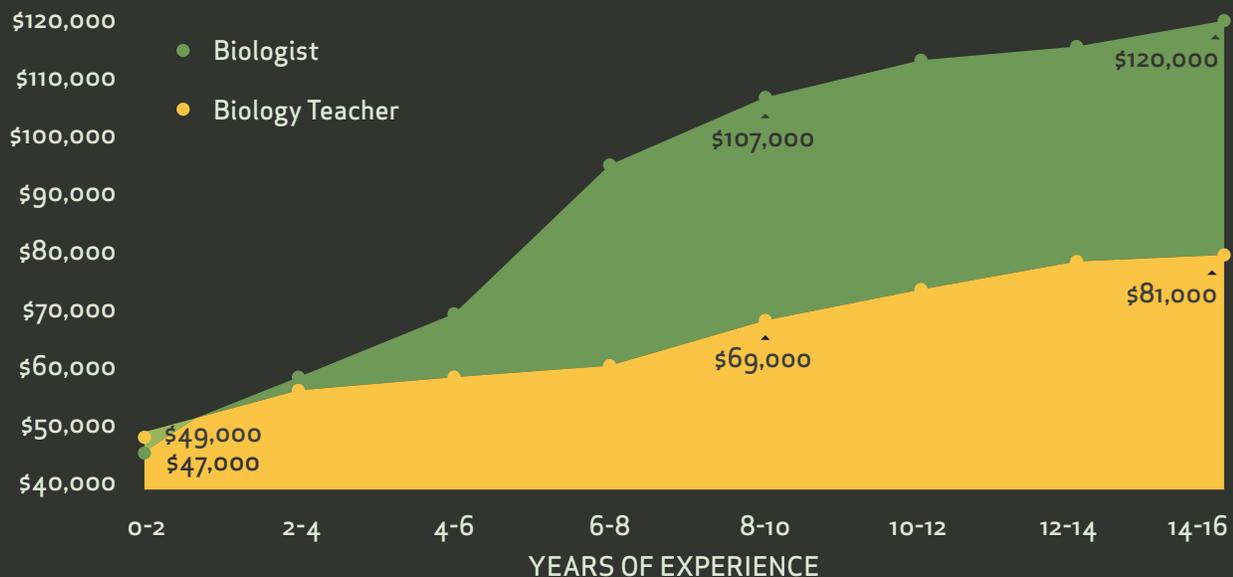
FIGURE 1 | AVERAGE U.S. STARTING SALARIES IN 2013, BY PROFESSION



Teacher starting salaries are simply too low relative to other professions...

...and teacher salaries grow slowly, even in critical-need subjects like science.

FIGURE 2 | AVERAGE SALARY GROWTH OVER TIME, BIOLOGY TEACHER VS. BIOLOGIST IN CHICAGO



GREAT TEACHERS FEEL PRESSURE TO LEAVE THE CLASSROOM, WHILE LESS SUCCESSFUL TEACHERS SEE INCENTIVES TO STAY.

Lockstep teacher pay is hard-wired to undervalue great teaching. As a result, amazing teachers often get shortchanged and pushed out the door.

Imagine how frustrating it must be for teachers who help their students make enormous academic strides year after year. No matter how much they excel at their jobs, they will never be recognized with anything more than the same small raise that every other teacher receives—even teachers who put forth far less effort and whose students demonstrate far less impressive results.

Worse yet, there is no room for variation. In professions that prioritize performance, compensation systems allow for differential pay for individuals based on performance. That's simply not possible in most schools. Lockstep teacher pay strips school leaders of a critical tool—a raise—that they could use to retain a star teacher who is considering leaving.

As unfair as this situation is for effective veteran teachers, it's especially maddening for outstanding early-career teachers, who linger near the bottom of the salary scale for years after they have mastered their craft. All they can do to earn a higher salary is earn their master's degree and wait for the decades to pass—or leave the classroom and find another job.

In *The Irreplaceables*, our 2012 study of teacher retention patterns across the country, we found that schools lose far too many of their best teachers within the first five years of their careers. In two of the districts we studied, high-performing teachers were more than twice as likely as low performers to cite dissatisfaction with compensation as a reason for leaving. Our follow-up case study of D.C. Public Schools (DCPS) showed that changes to compensation policy in DCPS have largely eliminated the issue as

a factor pushing top teachers out of the classroom.¹¹ Inadequate pay ranked 20th on the list of most common reasons high performers cited for leaving DCPS schools; in the other three districts we studied, it was one of the top three factors.

At the same time, teachers who struggle to help their students learn have a strong incentive to stay. They may not have the same opportunities for promotion within the school system, but they get a guaranteed raise year after year, as long as they keep showing up for work—the defining feature of the lockstep approach to teacher pay.

The amount of taxpayer money that goes toward rewarding poor teaching is staggering. Last year, schools in the U.S. spent a conservative estimate of \$250 million giving pay increases to teachers identified by their districts as ineffective.¹³ In one typical urban district, ineffective teachers with 20 years of experience earn nearly 60 percent more than highly effective teachers with five years of experience for fulfilling identical responsibilities (*Figure 3*). Our own research has shown that more than half of the very best teachers across the country earn lower salaries than the average *ineffective* teacher in their districts.¹⁴

This goes a long way toward explaining why 75 percent of low-performing teachers remain at the same school from one year to the next, and half say they plan to remain a teacher for at least another decade.¹⁵ Why wouldn't they?

All too often, lockstep pay systems send a powerful but nonsensical message: Bad teaching is worth the same as good teaching.

¹¹ TNTP (2012). *Keeping Irreplaceables in D.C. Public Schools: Lessons in Smart Teacher Retention*. Brooklyn, NY: TNTP.

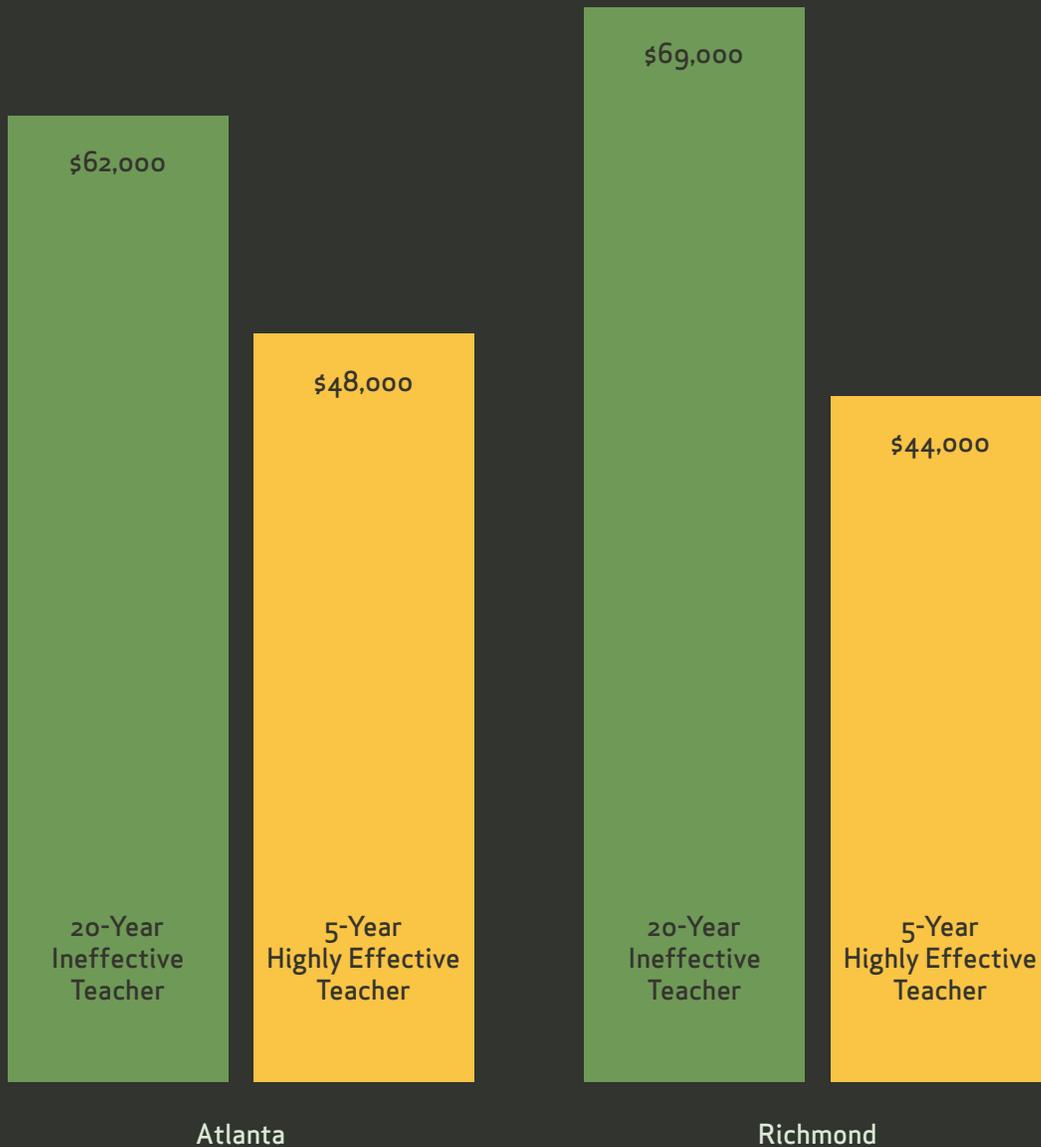
¹³ See footnote 3 for more detail.

¹⁴ TNTP (2012). *The Irreplaceables: Understanding the Real Retention Crisis in America's Urban Schools*. Brooklyn, NY: TNTP.

FIGURE 3: Atlanta Public Schools salary schedule (SY 2013-14); Richmond Public Schools salary schedule (SY 2013-14). Based on salaries for teachers holding a BA.

¹⁵ *Ibid.*

FIGURE 3 | SALARIES OF EFFECTIVE AND INEFFECTIVE TEACHERS UNDER TRADITIONAL COMPENSATION SYSTEMS



Lockstep pay shortchanges highly effective teachers and encourages ineffective teachers to stay in the classroom year after year.

THE BEST TEACHERS AREN'T RECOGNIZED FOR LEADING THE CLASSROOMS WHERE THEY ARE NEEDED MOST.

Schools serving high proportions of students living in poverty, where students often enter school behind academically and cope with challenging circumstances on a daily basis, desperately need more great teachers. Studies have consistently shown that students in these schools are less likely to be taught by high-performing teachers and more likely to be taught by ineffective teachers than schools serving lower proportions of students in poverty.¹⁶

A big part of the problem is that lockstep teacher pay gives teachers no incentive to take on the additional challenges that come with teaching in high-poverty schools. In almost any other profession, specialists are encouraged—and rewarded—for taking on the toughest assignments, but not in teaching. In most districts, salaries are the same in every school, which means that great teachers who step up to the most urgent challenges see their hard work go unrewarded.¹⁷

Getting top-performing teachers in those classrooms with the greatest challenges is critically important. Even with consistently effective teachers whose students achieve a full year of academic growth in each school year, children who begin school behind—or who lose ground as a result of a year with an ineffective teacher—will languish behind their peers in more affluent neighborhoods.¹⁸ Given these realities, districts need systems in place that can help them attract the very best teachers, who can lead their students to gain *more* than one year's growth in a single school year, to schools that need them most—and lockstep pay stands in the way.

Consider how this plays out in a large urban district like Chicago. Under the district's lockstep teacher pay system, a teacher with five years of experience in affluent Lincoln Park stands to earn precisely the same salary as a fifth-year teacher in Kenwood-Oakland, a high-poverty community on the South Side, where differences in student demographics, facilities and school climate demand teachers with a proven track record of helping students learn regardless of the steeper challenges they face (*Figure 4*).

In almost no other field would you find professionals compensated at identical levels for working in vastly different environments with vastly different demands.¹⁹ Yet under lockstep teacher pay, school leaders in high-poverty neighborhoods in Chicago and across the country are deprived of tools that could help them attract and keep the great teachers their students need to master the skills their peers are learning elsewhere.

Just as with the decision to enter the profession in the first place, salary isn't the only factor in a teacher's decision to work in a high-poverty school—but it's certainly an important factor. And decades of experience have proven one thing beyond any doubt: Simply hoping that more great teachers will choose to work in these schools without any additional compensation hasn't worked.

¹⁶ Isenberg, E., et al. (2013). *Access to Effective Teaching for Disadvantaged Students* (NCEE 2014-4001). Washington, D.C.: National Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education.

¹⁷ Prince, C. (2003). *Higher Pay in Hard-to-Staff Schools: The Case for Financial Incentives*. Lanham, MD: Rowman & Littlefield Education.

¹⁸ Hassel, B. and Hassel, E.A. (2010). *Opportunity at the Top: How America's Best Teachers Could Close the Gaps, Raise the Bar, and Keep Our Nation Great*. Chapel Hill, NC: Public Impact.

¹⁹ Kowal, J., Hassel, B. and Hassel, E.A. (2008). *Financial Incentives for Hard-to-Staff Positions: Cross-Sector Lessons for Public Education*. Washington, D.C.: Center for American Progress.

FIGURE 4: Illinois Report Card. Illinois State Board of Education (2013); 5Essentials School Reports, Chicago Public Schools (2013); Chicago Public Schools Salary Schedule (SY 2012-13).

FIGURE 4 | CHARACTERISTICS OF HIGH-POVERTY VS. LOW-POVERTY SCHOOLS IN CHICAGO

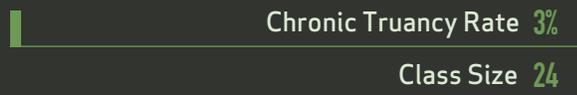
ABRAHAM LINCOLN ELEMENTARY

Lincoln Park, Chicago

STUDENT DEMOGRAPHICS



SCHOOL CONDITIONS



ACADEMIC ACHIEVEMENT

89% Reading Proficiency | **92%** Math Proficiency

SALARY

Step 5 with MA

\$66,147

JACKIE ROBINSON ELEMENTARY

Kenwood-Oakland, Chicago

STUDENT DEMOGRAPHICS



SCHOOL CONDITIONS



ACADEMIC ACHIEVEMENT

41% Reading Proficiency | **31%** Math Proficiency

SALARY

Step 5 with MA

\$66,147

In almost no other field would you find professionals compensated at identical levels for working in vastly different environments with vastly different challenges.

WHAT'S THE RETURN ON MASTER'S DEGREES?

Lockstep teacher pay doesn't reward great teaching, but one thing it does reward is earning an advanced degree. Last year alone, schools across the country spent an estimated \$8.5 billion on raises for teachers due to master's degrees—enough to cover the cost of all school nutrition programs for more than 15 million students.²⁰

When teachers earn a master's degree or a PhD, they move into a new "lane" on the salary scale, which translates into thousands of extra dollars in salary every year for the rest of their career. In fact, teachers who pay \$25,000 for a master's degree today and remain in the profession for 20 years could expect to triple their investment. Not surprisingly, 56 percent of all teachers have master's degrees.²¹

However, there is mounting evidence that this massive investment in advanced degrees is wildly disproportionate to its actual impact on the quality of instruction in classrooms. Over the last several decades, studies have found that advanced degrees have little to no measurable effect on a teacher's ability to help students learn.²² In some cases,

advanced degrees may even have a negative effect. Add these findings to the hardships imposed on teachers who want to earn an advanced degree—the cost of tuition and the many extra hours of work required on nights and weekends—and you're left with an obvious question: Are advanced degrees really worth the billions that teachers and school systems pay for them?

We think the answer is clearly "no." Some degree programs are better than others, and a master's degree might be especially valuable for teachers in certain subjects where advanced content expertise can make a big difference. Yet nearly 90 percent of teachers with master's degrees hold those credentials in areas that have no proven benefit to student achievement.²³ In general, school systems would be better off ending automatic raises for advanced degrees and using the money to reward teachers with track records of excellence in the classroom—whether those teachers hold advanced degrees or not.

²⁰ The amount of the master's bump was calculated using the methodology from *Separation of Degrees: State-by-State Analysis of Teacher Compensation for Master's Degrees* (Roza and Miller, 2009), using updated salary data for teachers from the National Center for Education Statistics Schools and Staffing Survey

for SY 2011-12. The cost of all school-based food assistance to students is estimated at \$16.3 billion by the Federal Education Budget Project at the New America Foundation (available at <http://febp.newamerica.net/background-analysis/federal-school-nutrition-programs>).

²¹ U.S. Department of Education, National Center for Education Statistics, Schools and Staffing Survey (SASS), "Public School District Data File," 2011-12.

²² Clotfelter, C., Ladd, H. & Vigdor, J. (2007). *How and Why Do Teacher Credentials Matter for Student Achievement?* (NBER Working Paper 12828). Cambridge, MA: National Bureau of Economic Research.

²³ Miller, R. and Roza, M. (2009). *Separation of Degrees: State-by-State Analysis of Teacher Compensation for Master's Degrees*. Seattle, WA: Center on Reinventing Public Education.

Last year, schools spent an estimated \$8.5 billion on raises for teachers due to master's degrees—enough to cover the cost of school nutrition programs for more than 15 million students.

A ROADMAP FOR BUILDING SMARTER COMPENSATION SYSTEMS

It's clear that the lockstep approach to paying teachers isn't working. But what's the alternative? The basic idea is simple: If we care about great teaching, we need to pay for great teaching—actual performance in the classroom, not weak stand-ins like advanced degrees or years of service.

Of course, this is easier said than done, and there is no one-size-fits-all approach to teacher pay that meets the needs of every school system. But we believe any smart teacher compensation system should be based on three core principles:

1. Make early-career teacher salaries competitive with those in other fields.
2. Offer raises for strong classroom performance.
3. Create incentives to teach in high-need schools.

These three principles can help school systems move beyond the lockstep approach to teacher pay, and start recruiting and retaining great teachers *because*—not in spite of—the salaries they offer.

If we care about
great teaching,
we need to pay for
great teaching—
actual performance
in the classroom.

MAKE EARLY-CAREER TEACHER SALARIES COMPETITIVE WITH THOSE IN OTHER FIELDS.

Making early-career salaries more competitive with other professions is the most important thing school systems can do to recruit more talented teachers. This should be a priority for every school system, but it is especially urgent for new or turnaround schools and schools that have especially challenging cultures; districts that hire later than districts in surrounding areas; and districts located in areas with a high cost of living.

WHAT IT LOOKS LIKE:

Increase starting salaries.

Benchmark starting salaries against competitor districts and other professions in the area to ensure that base salaries are sufficient to compete for top talent.

Increase salaries quickly for effective teachers.

Pay for effective teachers should increase quickly during the first five years of a teacher's career, so that prospective teachers can clearly see the potential rewards for success in the classroom. As a rule of thumb, a highly effective teacher should be able to earn six figures within six years in high-cost markets or the market equivalent in areas where the cost of living is lower.

Use recruitment bonuses that vest over time.

Recruitment bonuses can provide some immediate rewards for teachers who agree to teach in a particular school or subject, but they should be awarded thoughtfully to make sure that they encourage teachers to stay. By vesting recruitment bonuses over a five-year period, schools can encourage top teachers to stay long enough to see even larger rewards for their great work in the classroom.

Austin Independent School District, for example, uses \$1,000 recruitment stipends and up to \$3,000 retention stipends to attract talented candidates to schools participating in REACH, a program intended to empower, support and reward educators for innovation and success in the classroom.²⁴ These bonuses typically vest over one to two years. While that's a good start, we believe higher base salaries and larger stipends vested over a five-year period would encourage more sustainable improvement in teacher quality at high-need schools.

PITFALL TO AVOID:

Raising starting salaries too high.

Even the most promising prospective teachers might not reach their full potential in the classroom. The only way to know for sure whether someone is a great teacher is to actually watch him or her teach and measure his or her results with students. For that reason, starting salaries should be competitive enough to bring talented new teachers into the classroom, but not so high that they create a large incentive to stay for teachers who turn out to be ineffective.

²⁴ Austin Independent School District. Retrieved from http://www.austinisd.org/sites/default/files/dept/reach/docs/REACH_Guide_13-14.pdf.

OFFER RAISES FOR STRONG CLASSROOM PERFORMANCE.

School systems have limited resources to devote to teacher salaries, and they should use them to reward great teaching—so that the best teachers have an incentive to stay in the classroom longer.

WHAT IT LOOKS LIKE:

Reduce or eliminate automatic raises for years of service and advanced degrees.

Experience in the classroom and academic study hold some value, but in lockstep pay systems they are treated as the only things that matter and as proxies for quality. Making them the sole criteria for earning raises ignores a teacher's actual performance in the classroom and creates the perverse incentives we described earlier, pushing great teachers out and discouraging ineffective teachers from leaving.²⁵ Instead, compensation systems should value experience in a way that is commensurate with its relationship to performance.

Reducing or eliminating automatic raises for years of service and advanced degrees will make funds available for school systems to reward what matters most: helping students learn. Veteran teachers should have nothing to fear from a system that takes performance into account—their experience is an asset.

Stop awarding salary increases to ineffective teachers.

In almost every other field, raises in salary are contingent on strong performance; if you do not perform well in your job, you receive no or minimal increases. Why should teaching be any different? Giving teachers automatic raises for staying in the classroom another year, even when they aren't helping their students learn, sends the message that performance doesn't matter. Ending this practice would free up funds to award greater salary increases or bonuses to good and great teachers, and make it more likely that chronically unsuccessful teachers will leave voluntarily for a profession that is a better fit.

Accelerate raises for high performers.

Effective teachers should be eligible for substantial raises early in their careers, especially if they maintain their strong performance year after year. The most exceptional teachers should be able to move to the top of the salary scale quickly, within 10 years. When the best teachers see that their work will be recognized and rewarded year after year—even at the beginning of their careers—they will be more likely to stay in the classroom longer.

This isn't just speculation: In Washington, D.C., which now awards large bonuses and raises for great teaching, high-performing teachers almost never leave the district because of dissatisfaction with their compensation.²⁶

Our research also suggests that teachers would welcome raises based on classroom performance. When we surveyed more than 11,000 teachers in three of the nation's largest districts, two-thirds told us they would choose to teach at a school offering either base salary increases or bonuses to top performers over a school with a traditional pay system, all else being equal.²⁷

PITFALL TO AVOID:

Ignoring early- and mid-career teachers.

Traditional salary schedules backload teacher pay so that teachers reach peak salary around retirement age instead of when they are making key decisions about whether or not to stay in the profession, in their district or at their school.

Smart compensation systems should ensure that base salary, bonuses, stipends, benefits and any other piece of the total compensation system are both competitive and compelling to teachers at every point in their career.

²⁵ Rivkin, S., Hanushek, E., & Kain, J. (2005). Teachers, Schools, and Academic Achievement. *Econometrica*, 73(2), 417-458; and Chingos, M. & Peterson, P. (2011). It's Easier to

Pick a Good Teacher than to Train One: Familiar and New Results on the Correlates of Teacher Effectiveness. *Economics of Education Review*, 30(3), 449-465.

²⁶ TNTP (2012). *Keeping Irreplaceables in D.C. Public Schools: Lessons in Smart Teacher Retention*. Brooklyn, NY: TNTP.

²⁷ TNTP (2012). *The Irreplaceables: Understanding the Real Retention Crisis in America's Urban Schools*. Brooklyn, NY: TNTP.

CREATE INCENTIVES TO TEACH IN HIGH-NEED SCHOOLS.

If we want to close our nation's pervasive achievement gap, the students who are furthest behind need to make even greater academic progress than their peers. That cannot happen unless school systems bring outstanding teachers to their highest-need classrooms.

WHAT IT LOOKS LIKE:

Offer performance-based bonuses for teachers in high-need schools and subjects.

Research suggests that incentives can help districts attract high-performing teachers to low-performing schools.²⁸ In the districts we studied for our 2012 report *The Irreplaceables*, the share of teachers who said they would be willing to teach at a low-performing school over a high-performing school doubled when top performers were offered a 20 percent bonus. This effect was even more pronounced when considering only the views of top performers.²⁹ While some research suggests that performance-based pay may dissuade some high-performers from accepting challenging assignments in high-need schools—due to biases in observation ratings for teachers with lower-performing students, for example—we believe this points more to how important it is to ensure that evaluation systems do not favor teachers whose students start at higher achievement levels, rather than an inherent problem in basing compensation on performance.³⁰

PITFALL TO AVOID:

Rewarding ineffective teachers in high-need schools and subjects.

Some compensation systems will offer a bonus, stipend or base salary increase to any person willing to fill a hard-to-staff position. This can actually create incentives for low-performing teachers to teach in high-need schools—exactly what school systems need to avoid. Rewards for teachers in high-need schools and subjects should be contingent on strong performance in the classroom.

²⁸ Glazerman, S. et al. (2013). *Transfer Incentives for High-Performing Teachers: Final Results from a Multisite Experiment* (NCEE 2014-4003). Washington, D.C.: National

Center for Education Evaluation and Regional Assistance, Institute of Education Sciences, U.S. Department of Education.

²⁹ TNTP (2012). *The Irreplaceables: Understanding the Real Retention Crisis in America's Urban Schools*. Brooklyn, NY: TNTP.

³⁰ For evidence about bias in observation ratings, see Whitehurst, G. (2014). *Evaluating Teachers with Classroom Observations: Lessons from Four Districts*. Washington, D.C.: Brookings Institution.

IS PERFORMANCE-BASED PAY AFFORDABLE?

A common objection to many of these policy suggestions is that they are simply unaffordable, especially for urban school systems with tightly constrained resources.

Moving to a smarter compensation system does not require a sharp increase in funding, however—and it can't, because most states and districts are unlikely to see significant increases in funds available for teacher salaries anytime soon, especially with the rising costs of teacher pensions in many states.³¹ It does, however, require that school systems make a fundamental choice: Do they want to pay for years of service, advanced degrees and everything else they are currently buying with teacher salaries? Or do they want to pay for great teaching? Doing both is not an affordable option.

School systems that decide to pay for great teaching can afford to do it because they will no longer be constrained by the rigid boundaries of lockstep compensation. To limit transition costs, districts may need to phase in the new system, increasing starting salaries and implementing performance-based salary bumps slowly as they save by not spending on proxies for performance. Over time, the money that funded raises for ineffective teachers or automatic increases for master's degrees can be used to fund performance-aligned pay.

As a practical matter, districts can create sustainable compensation systems by paying for them through reliable, stable funding sources, while remaining

flexible enough to accommodate fluctuations in per-pupil revenues, student enrollment and staffing ratios. Ideally, salaries should cost a district the same or less than the current levels of per-pupil funding dedicated to total salary.

As a rule of thumb, designing a system that can be funded at 65 percent of per-pupil revenues will ensure that teachers' total compensation packages (base salaries, bonuses, stipends, benefits and payroll taxes) can be funded with a steady portion of the budget, although some schools may be able to fundraise to cover variable costs, such as bonuses. The overall compensation model should include costs that are both fixed (salary/benefits) and variable (bonus/stipends) so that in times of funding shortfalls or shifting priorities, districts can adjust variable costs to avoid a budget gap.

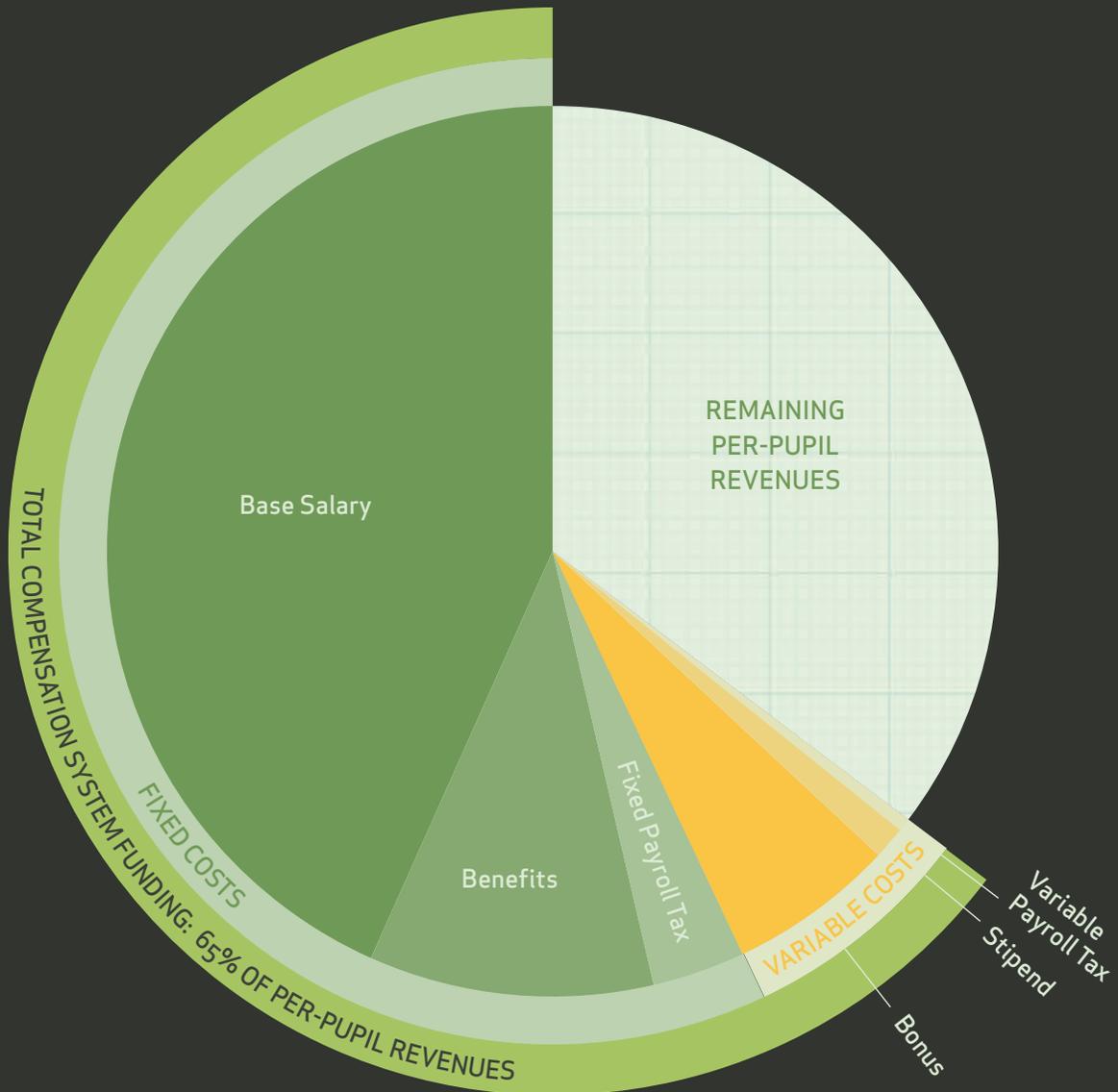
Figure 5 illustrates how such a compensation system might be funded. The green sections (base salary and base salary increases, benefits and payroll tax on those expenditures) are relatively fixed. The yellow sections represent costs that are a part of a teacher's total compensation package, but which are variable from year to year (bonus, stipend and payroll tax on those expenditures). If more teachers than expected earn base salary increases in a year, for instance, the district has the flexibility to accommodate those results without compromising the sustainability of the system.

³¹ Policy changes related to teacher retirement benefits could have a big impact on a district's ability to afford performance-based pay, but for the

purposes of this paper, we're assuming those policies are unlikely to change in most states anytime soon. Even without changes to teacher retirement

benefits, states and districts can take many steps to create compensation systems based primarily on performance in the classroom.

FIGURE 5 | A SAMPLE COMPENSATION FUNDING MODEL, AS A SHARE OF TOTAL PER-PUPIL REVENUES

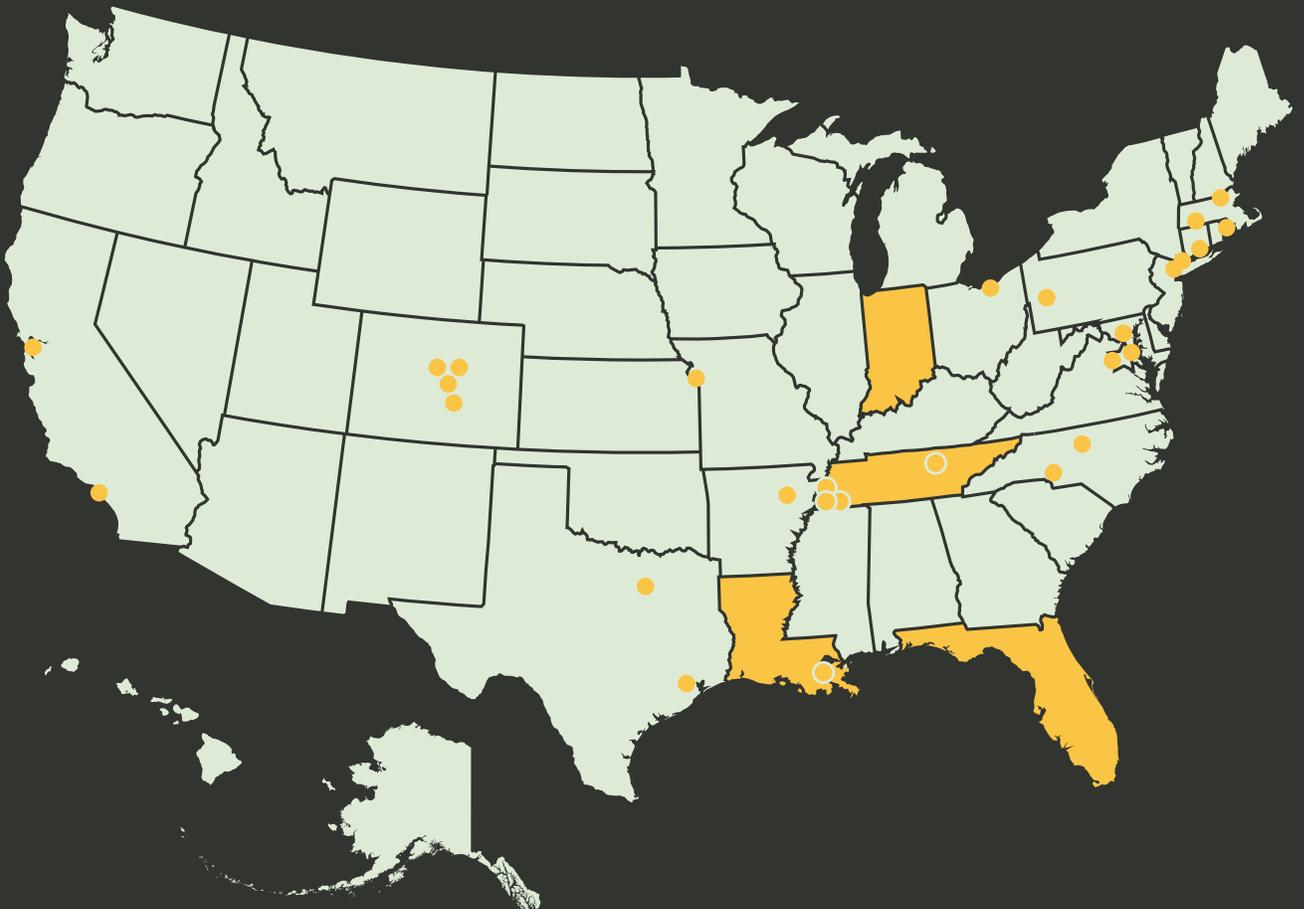


As a rule of thumb, a compensation system should be funded at 65 percent of total per-pupil revenues to be both sustainable and flexible.

EARLY ADOPTERS OF SMART COMPENSATION: DISTRICTS AND STATES LEADING THE WAY

Many school systems across the country are already leaving behind the lockstep approach to teacher pay in favor of smarter compensation systems that value great teaching (see a sample of these states and districts in Figure 6). These pioneering states and districts are showing that alternatives to lockstep pay can work in almost any context, from large urban schools to small rural districts, from cities with a large union presence to charter networks. Although few of these systems have it all figured out, each of them is building a compensation system where strong performance earns great teachers base salary increases or significant bonuses of at least \$5,000.

FIGURE 6 | SCHOOL SYSTEMS WHERE TEACHER PAY ACCOUNTS FOR PERFORMANCE



School systems are adopting smart compensation systems across the country.

STATEWIDE:

Florida
Indiana
Louisiana
Tennessee

DISTRICTS & CHARTER MANAGEMENT ORGANIZATIONS:

AR Augusta School District
CA Aspire Public Schools
CO Denver Public Schools
CO Douglas County School District
CO Harrison School District Two
CO Jefferson County Public Schools
CT Achievement First
DC District of Columbia Public Schools
LA Louisiana Recovery School District
MA Lawrence Public Schools
MA Springfield Public Schools
MD Baltimore City Public Schools
MD Prince George's County Public Schools
MO Kansas City Public Schools
NC Charlotte-Mecklenburg Schools
NC Guilford County Schools
NJ Newark Public Schools
NY Achievement First
OH Cleveland Metropolitan School District
PA Pittsburgh Public Schools
RI Achievement First
TN Achievement School District
TN Aspire Public Schools
TN Putnam County Schools
TN Shelby County Schools
TX Dallas Independent School District
TX Houston Independent School District

CASE STUDIES

Next, we will highlight school systems that are taking very different approaches to designing a smarter way to pay their teachers, including a large urban district with a union contract, a large charter network spanning several states and small rural districts leveraging new state policies to reform teacher compensation. While each school system pursued its goals in a different way, they are all advancing the conversation about teacher compensation by devoting funds to reward teachers for doing their most important job: helping students learn.

NEWARK PUBLIC SCHOOLS: A Universal Salary Scale

In November 2012, Newark Public Schools (NPS) teachers ratified a new contract that dramatically changed the way they get paid—in short, their raises are now based solely on performance.³² The district adopted a “universal salary scale” that replaces a model of steps and lanes and focuses instead on each teacher’s performance and effectiveness over time (*Figure 7*).³³

The new teacher compensation model is a simple approach to increasing base salaries that rewards the district’s top performers and gives all teachers the opportunity to earn more money earlier in their careers. Under the new system, teachers who receive an annual evaluation rating of “effective” or “highly effective” on Newark’s Framework for Effective Teaching will move up one step on the salary schedule. Teachers who earn an “ineffective” rating will not move to the next step at the end of the school year and will receive no salary increase, and those rated “partially effective” will only move ahead under the superintendent’s discretion.

In addition to base salary increases, the universal salary scale provides for up to \$12,500 in annual rewards for top teachers—teachers rated “highly effective” earn a \$5,000 bonus, an additional \$5,000 stipend for working in a low-performing school and an additional \$2,500 for working in a hard-to-staff subject area. Furthermore, although the district has moved away from rewarding the attainment of advanced degrees, teachers on the universal scale

who complete an education program aligned to district priorities and the Common Core State Standards can receive a one-time award of up to \$10,000, and another \$10,000 after completing three additional years of service in NPS.

This means that altogether, Newark’s most effective teachers can earn more than \$100,000 in a single year—with more than 40 percent of those earnings directly linked to how much students are learning in the classroom.³⁴

Newark’s system is being phased in so that current teachers with master’s degrees and PhDs have the option to stay on their existing salary schedule, but in time all teachers will be on the unified salary schedule. In the meantime, regardless of which scale teachers are on, only effective teachers can move up the scale, so teachers are receiving a clear message from the school district: Performance matters in Newark. And teachers are hearing this message and acting upon it: Last year, 94 percent of teachers rated “effective” or higher chose to continue teaching in the district for another year.

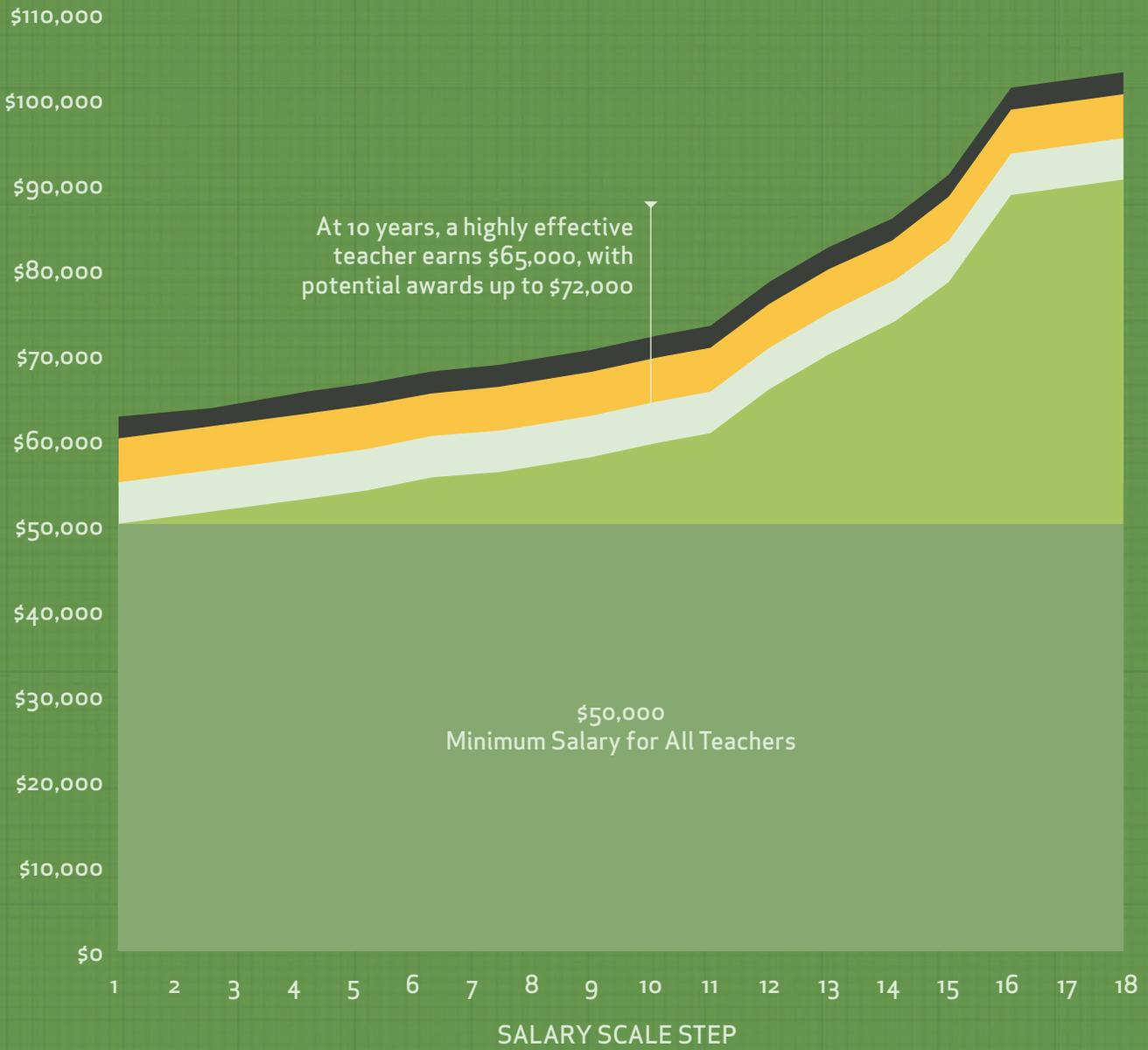
Newark’s recent education reforms have hardly been uncontroversial. Yet despite all of the political turmoil, one policy change that has not generated significant opposition is shifting how teachers are paid and providing bonuses to top performers.

³² TNTP supported Newark Public Schools with staffing initiatives, and NPS remains a client of TNTP.

³³ Newark Public Schools. Retrieved from <http://www.nps.k12.nj.us/cms/lib7/NJ01001467/Centricity/Domain/3/CompensationDetails>

FIGURE 7: Newark Public Schools, 2014.

FIGURE 7 | SALARY RANGE FOR TEACHERS IN NEWARK, NJ



- Salary Step Increase, Based on Effectiveness
- Highly Effective Award
- Teach in Low-Performing School Award for Highly Effective Teachers
- Hard-to-Staff Subject Area Award for Highly Effective Teachers

Earnings for Newark teachers rise dramatically over time, with an increasing share of pay tied to student learning—encouraging more successful teachers to stay and less successful ones to leave.

ACHIEVEMENT FIRST: Teacher Growth and Recognition

Achievement First, a network of 29 high-achieving charter schools located in New York, Connecticut and Rhode Island, designed its Teacher Career Pathway to recognize effective instruction and retain great teachers by offering top performers higher salaries and greater status.

The model is composed primarily of base salary increases based on the individual teacher's performance and experience, as well as school-wide bonuses based on the overall success of the school (*Figure 8*).³⁵ Newly hired teachers are generally placed in Stage 1, 2 or 3 based on their previous teaching experience. As teachers progress up the stages, they receive increased compensation, stipends for independent professional development, school-based and network-wide recognition and greater input into school and network decisions.

"I wanted to find a place that compensated teachers in a way that's commensurate with the impact they are having on their kids and their commitment to their schools."

—Emily Spine, Grade 1 teacher,
Achievement First Aspire Elementary School

A teacher must satisfy rigorous criteria to be called a "distinguished" or "master" teacher, including multiple years of data showing strong performance in classroom instruction, student achievement, and peer, student and family relationships. Accordingly, Stage 4 and 5 teachers in Achievement First's schools earn dramatically more through base salary alone than they would on the standard district salary schedule.

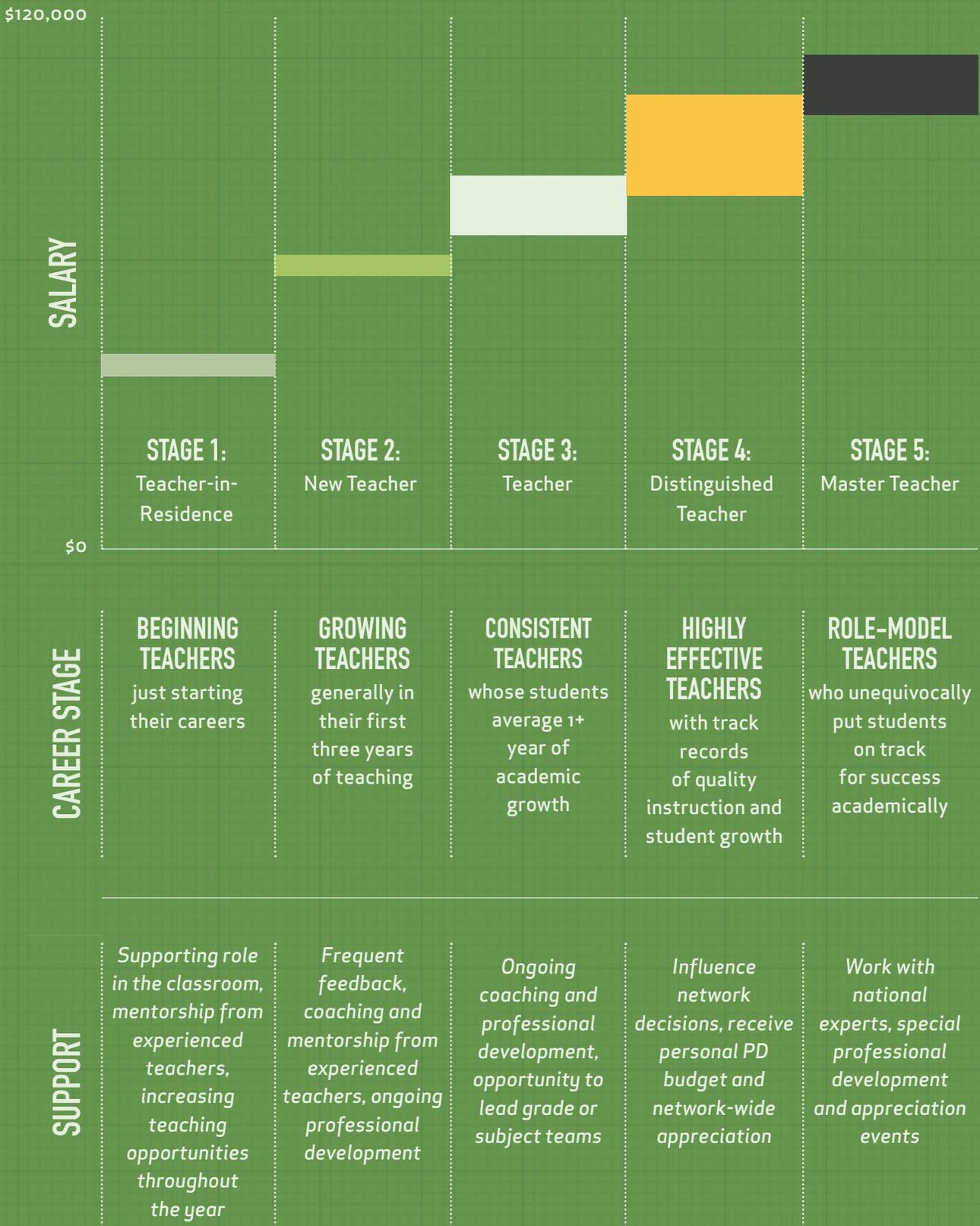
Emily Spine is a Stage 3 teacher who relocated to New York City from Milwaukee this year specifically to teach first grade at Achievement First Aspire Elementary School, after experiencing one of the network's professional development sessions in her previous district. The Teacher Career Pathway was a major influence on her decision to move. "In my second year of teaching, I was in the building from seven until seven, and I was looking at my paycheck and that was not being reflected at all," she says of her experience under a traditional steps and lanes system. "That's not right. I wanted to find a place that compensated its teachers in a way that's commensurate with the impact they are having on their kids and their commitment to their schools."

For Greta Gartman, a fifth-grade science teacher at Achievement First Bridgeport Academy Middle School in Connecticut, the focus on teacher leadership was a huge draw to the network. "I was very excited to hear that Achievement First was valuing great teachers staying in the classroom, rather than pushing great teachers into administration," she says. "Having less contact with students because you're great doesn't really make sense to me." As a Stage 4 teacher, Gartman says she feels inspired to be a role model for other teachers. "My lessons should be examples," she says. "Other people are looking at me to know what great teaching looks like, so I'm always trying to do my best."

³⁵ Retrieved from Achievement First
<https://www.achievementfirst.org/high-school/join-our-team/learn-grow/teacher-career-pathway/>

FIGURE 8: Achievement First, 2014.

FIGURE 8 | TEACHER CAREER PROGRESSION AT ACHIEVEMENT FIRST CHARTER SCHOOLS



STATE-LED COMPENSATION REFORM: A Catalyst for Change in Smaller School Systems

States like **Florida, Indiana, Louisiana** and **Tennessee** have passed laws requiring districts to design compensation systems that incorporate specific performance-based criteria. For example, Louisiana's law requires that compensation increases be based on teacher effectiveness, demand and experience—with no factor accounting for more than 50 percent of the formula used to calculate salaries.³⁶ In Florida, the law dictates that teacher raises are based in part on evaluation ratings, ensuring that highly effective teachers earn considerably more than effective teachers, and that teachers who do not get results in the classroom do not receive raises.³⁷

To help districts successfully transition from steps and lanes to performance-based systems, these states have positioned their education agencies to support design and implementation of the new systems. Both Louisiana's and Indiana's Departments of Education developed frameworks that comply with their state laws for districts to either adopt off-the-shelf or customize for local needs.³⁸

For example, Louisiana offered its districts a sample model that includes six levels, “novice” through “level V,” each with its own salary range (*Figure 9*). All teachers rated “proficient” or higher receive annual raises based solely on their effectiveness rating, while teachers rated “ineffective” receive no raises. Teachers move to the next salary range when they receive three ratings of “highly effective” or four ratings of at least “effective.” In this way, the model rewards consistently effective performance in the classroom over time and serves as a strategy to attract and retain great teachers.

Since Louisiana's law passed, 63 districts have submitted compensation plans that take teachers' classroom performance into account. Interestingly, none of those districts took a state-provided framework off-the-shelf, preferring to instead customize their own models.³⁹

One of these is **Cameron Parish**, a district along the Gulf of Mexico, that recognizes consistently effective classroom instruction with a \$400 base salary increase for all teachers rated “effective: proficient” or above, with an additional \$500 stipend for teachers who achieve a rating of “highly effective.” While these salary bumps are small by any measure, Cameron Parish offers an example of a district that has not let challenges or a lack of funds stop it from putting a stake in the ground on prioritizing performance, which sends an important message. And with the system established, they have the opportunity to increase base salary boosts and stipends in the years to come.

Sabine Parish in the western part of the state took a different approach, providing \$1,000 stipends to only those highly effective teachers with value-added scores, as a way to recognize the rigor of that achievement.⁴⁰ Additionally, Sabine Parish offers an incentive that boosts teacher pay up to six salary steps for two years rated “effective: proficient” or “highly effective” in a hard-to-staff subject in a struggling school—if the teacher agrees to stay for three years.

In this way, state-led changes to teacher compensation can have far-reaching positive effects, encouraging innovation in districts large and small.

³⁶ Louisiana's Act 1 was passed in 2012. See <http://media.nola.com/politics/other/Act%201.pdf>.

³⁷ Florida's Senate Bill 736 was passed in 2011. See <http://www.flsenate.gov/Session/Bill/2011/0736>.

³⁸ See Louisiana Department of Education's resource library on teacher compensation: <http://www.louisianabelieves.com/resources/library/teaching> and Indiana Department of Education's resource library on teacher compensation: <http://www.doe.in.gov/effectiveness/compensation-systems>.

³⁹ Louisiana Department of Education, Act 1: Educator Compensation. See <http://www.louisianabelieves.com/docs/teaching/act-1-report.pdf?sfvrsn=4>.

⁴⁰ Sabine Parish has suspended their value-added stipend due to the hold on VAM by the LDOE for the next two years; therefore, they will not be providing any stipends for transitional student growth data during this two-year transition period. All other stipends remain in place.

FIGURE 9: Louisiana Department of Education, 2014.

“You are definitely driven...to make sure you’re really maintaining high expectations for yourself professionally and for your students...”

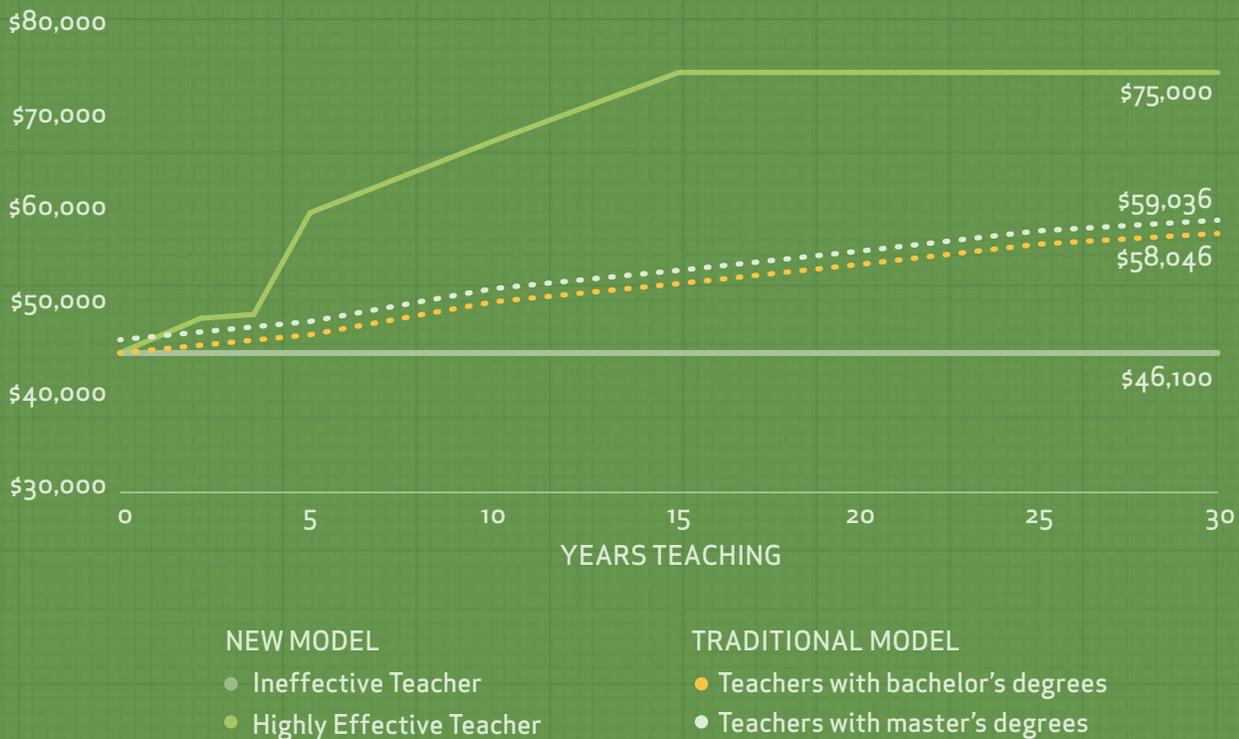
–Jillian Amrich, Grade 3 teacher, *Success Preparatory Academy*

Many teachers find that these changes benefit them and their students alike. Jillian Amrich, a third-grade teacher at Success Preparatory Academy in New Orleans, explains that performance-based compensation recognizes teachers who stay focused on student achievement from the first day of school to the last. “You are definitely driven—even through the end of the year—to make sure you’re really maintaining high expectations for yourself professionally and for your students to show that you’re improving and

showing growth,” she says. “There’s also a sense of pride about it, of wanting to continue to grow and push yourself.”

In addition, Amrich stressed the importance of offering teachers leadership opportunities—not just higher compensation—to help retain more great teachers. “It’s really important that schools are building teachers as experts and leaders within the school,” she says. “It keeps teachers in the building who know our mission and culture.”

FIGURE 9 | TEACHER BASE SALARY BY YEARS OF EXPERIENCE, TRADITIONAL MODEL VS. NEW MODEL IN LOUISIANA



Louisiana’s salary model recognizes accumulated performance over time, with greatest differentiation in pay after a teacher’s fifth year.

IMPLEMENTATION CONSIDERATIONS:

Perhaps the only thing more important than designing a smart compensation system is implementing it well. Teachers need to understand how any new pay system works and see it as a way to recognize and reward their accomplishments in the classroom. Principals should be able to use salaries as a tool to recruit and retain their best teachers. State and district leaders should feel empowered to share their approach to teacher pay as a signature policy that reflects the values of their community and the importance of the teaching profession.

School systems considering a smarter approach to teacher pay should keep these cornerstones of good implementation in mind:

Start with a strong teacher evaluation system.

It's impossible to use pay to reward great teaching when schools cannot consistently or accurately identify their best teachers. Many states and districts still use *Widget Effect*-era evaluation systems that fail to distinguish great teaching from good, good from fair and fair from poor.⁴¹

When linking teacher salaries to classroom performance, school systems need to engage their communities in building and implementing a rigorous evaluation system that paints a more accurate picture of teacher performance. It doesn't have to be perfect before it becomes the basis for compensation—evaluation systems are always works in progress—and some districts, like Dallas and Washington, D.C., have chosen to undertake the hard work of implementing evaluation and compensation systems at the same time. When done well, both systems are thoughtfully sequenced, consistently implemented, clearly communicated and generally understood by educators. When evaluation systems are linked to compensation, it's even more imperative that school leaders have the observation skills and tools necessary to avoid inflated ratings, and that teachers have a clear way to address any concerns with their evaluations.

Explain the changes clearly.

Develop strong communications plans to engage and invest the entire school community in the new system. Effective implementation is a process, not an event, and it demands clear, consistent and transparent communication.

The district should lead the effort by:

- Using surveys or focus groups to gauge the appetite for change and to hone messages that can help build a critical mass of support for a performance-based system.
- Creating a strategic communications plan for the development and roll-out of the new system, including a clear timeline, key messages and major activities.
- Proactively and repeatedly explaining the rationale for the new system and how it will work.
- Ensuring that educators have a way to express their concerns and preferences—and have their questions answered.
- Offering tools for teachers like a salary calculator to communicate precisely what the transition to performance-based pay will mean for their paychecks.
- Enlisting supporters to help manage the change, inform strategy and manage expectations for early implementation.

**Effective implementation is a process,
not an event, and it demands clear,
consistent and transparent
communication.**

Get the timing right.

Strategic timing is critical to ensure that teachers transitioning into a performance-based compensation system can be accurately placed within the new system based on prior performance. Doing so will help teachers feel like the system is fair and transparent. Ideally, a district will have completed the first year of its evaluation system before using the system to inform compensation. That should not, however, preclude districts from designing evaluation and compensation systems at the same time.

Be realistic.

Design the system using realistic assumptions about the local context, including reliability of teacher evaluation data, baseline levels of teacher effectiveness, attrition rates and changes in benefit costs. System design is based on many assumptions about how the model will play out in practice—and the types of costs that will be incurred. Assumptions include how quickly teachers are expected to improve and advance through the system, future attrition rates and rising benefit costs. Be aspirational, but also realistic, about the local context. Promising raises to all effective teachers in the context of an evaluation system that persistently awards inflated ratings undermines the message that performance matters—and jeopardizes the long-term sustainability of performance-based pay.

Ensure that teacher and student data is accurate.

Even the most thoughtfully designed system will lack credibility if compensation decisions are not based on accurate data. That's why leaders need to invest in data systems and analytic capacity to ensure that teachers' pay reflects the performance of students who were actually in their classrooms, as well as quality control mechanisms to ensure that any discrepancies are identified and resolved quickly.

Ease teachers into the performance-based pay system.

The lockstep approach has been the dominant mode of teacher compensation for decades, so it's reasonable to expect that it will take teachers time to warm up to the benefits of performance-based pay. One or more of these strategies can help make the transition smooth, transparent and positive:

- Make sure that nobody gets a salary cut as a result of the move to the new system.
- Consider using the steps and lanes structure that teachers know well, but changing the way teachers move up through the system.
- Consider making it optional for teachers to stay on the old salary schedule or move to the new one.

⁴¹Weisberg, D., et al. (2009). *The Widget Effect: Our National Failure to Acknowledge and Act on Differences in Teacher Effectiveness*. Brooklyn, NY: TNTF.

CONCLUSION: GIVING GREAT TEACHING THE VALUE IT DESERVES

Across the country, tens of thousands of talented and dedicated teachers are doing whatever it takes to make sure that students reach their potential. Unfortunately, too many irreplaceable teachers toil away for years without being recognized or rewarded for their tremendous efforts in and out of the classroom. Nowhere is this neglect more pronounced than in the shamefully insufficient salaries they tend to be paid.

It's time to stop shortchanging great teachers. Every year that school systems neglect the issue of compensation, more life-changing teachers leave the classroom too soon, more talented people pass over the profession entirely, and more of the public gets the wrong message about the true value of great teachers to our society.

Smarter compensation systems alone will not solve these problems, but they are a critical step toward giving more students great teachers and giving the teaching profession the status it deserves. The ideas we have proposed will position school systems for success as they tackle this critical piece of the puzzle.

Teachers have waited long enough for their paychecks to reflect the value they bring to their schools and their students. Across the country, more and more school systems are offering a new vision of the profession, one where great teachers don't have to choose between the satisfaction of shaping their students' lives and financial security. We hope their experiences will inspire even more education leaders to follow their lead and start paying great teachers what they're worth.

ABOUT TNTP

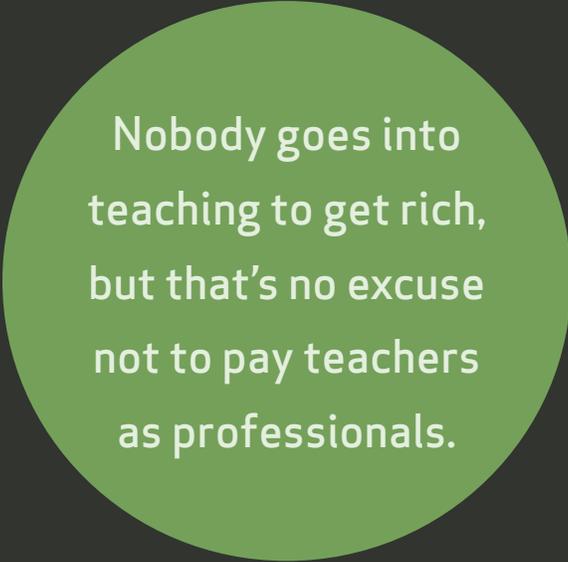
TNTP is a national non-profit organization working to end educational inequality by ensuring that all students get excellent teachers. Founded by teachers and inspired by the power of great teaching to change lives, we help schools, districts and states grow great teachers, manage their teaching talent strategically, and build systems that prioritize effective teaching in every classroom. Since 1997, we have recruited or trained nearly 50,000 teachers for high-need schools, catalyzed large-scale reform through acclaimed studies such as *The Widget Effect* (2009) and *The Irreplaceables* (2012), pioneered next-generation teacher evaluation and development systems, and launched one of the nation's premiere awards for excellent teaching, the Fishman Prize for Superlative Classroom Practice. Today TNTP is active in more than 25 cities.

ACKNOWLEDGMENTS

This report was a collaborative effort involving individuals across TNTP. Much of the content stems from the extensive work of our Compensation & Career Pathways client teams. Emily Silberstein and Heather Barondess led research and analysis, with support from Danielle Proulx. Stephanie Corona Leblond, Elizabeth Ettema and Alex Spurrier also contributed research support. Five members of our leadership team—Amanda Kocon, Daniel Weisberg, Ariela Rozman, Timothy Daly and David Keeling—shared their insights. Heather Barondess and Chris Arnold led writing, and James Cho led design.

Officials at Newark Public Schools, Achievement First and the Louisiana Department of Education generously shared their work with us. We are grateful for their efforts and insights. We also extend our heartfelt thanks to the teachers who candidly shared their experiences and perspectives in this paper, and to Bryan Hassel and Emily Ayscue Hassel for their insightful feedback.

The report, graphics and figures were designed by Kristin Girvin Redman and Bethany Friedericks at Cricket Design Works in Madison, Wisconsin.



Nobody goes into
teaching to get rich,
but that's no excuse
not to pay teachers
as professionals.

Compensation is one of the most important factors in determining who enters the profession and how long they stay—and the hard truth is that the way we pay teachers is shortchanging our very best and holding back our schools, our students and the teaching profession.

Nearly 90 percent of all school districts in this country use a lockstep teacher pay system, in which teachers can only earn raises by notching another year of experience or earning an advanced degree—not based on their actual performance with students.

This approach fundamentally undermines the value of great teaching. *Shortchanged: The Hidden Costs of Lockstep Teacher Pay* offers three principles for building smarter compensation systems that pay for what really matters: how hard teachers' jobs are and how well they're doing them, and shares the stories of school systems that are already putting these principles into action.

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