

# A NEW WAY TO PAY



Reimagining Teacher  
Compensation

**Educators 4 Excellence**

E4E Pay Structure Policy Team  
March 2012

# Preface


The teaching profession is at a crossroads. Millions of us entered the classroom because we wanted to close the achievement gap, and we know that great teaching has transformative effects on students' lives. But our pay – and society's respect for our vocation – has not caught up to our increasingly complex profession. We are paid using the same antiquated system established four decades ago: incremental salary increases at every new contract, automatic raises for time in the classroom regardless of our success, and rewards for graduate school classes that are required by law but have shown no correlation with teacher effectiveness.<sup>1</sup>

Our salaries should reflect our value as central figures in the education of our next generation. Many of us want increased responsibility – but we don't want to have to leave the classroom and become administrators to get it. We want to be recognized financially for our successes, as our peers in virtually every other profession are. We are not widgets, and we should not be paid as if we were.

Teacher pay can be a taboo subject. Many of us have heard, even from peers, that we should be satisfied with what we have, that doing good should be reward in itself. But on a practical level, our schools cannot afford to lose effective teachers, and we need more great candidates to choose teaching. We came together because we want to elevate the teaching profession, and changing our pay structure is a fundamental piece of that goal.

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1. "Restructuring Teacher Pay to Reward Excellence," National Council on Teacher Quality, 2010, available at [http://www.nctq.org/tr3/docs/nctq\\_salary\\_combo.pdf](http://www.nctq.org/tr3/docs/nctq_salary_combo.pdf).



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# Introduction

**How can a different compensation structure elevate the profession? How does a teacher's paycheck relate to the quality of education a student receives? How can a smarter pay system help improve student achievement?**

## Our Priorities

- 1 Recruit great teaching candidates
- 2 Retain teachers who have a positive impact on students
- 3 Reward teachers who have done an excellent job
- 4 Incentivize professional growth over the course of a teaching career
- 5 Encourage effective teachers to teach in high-needs schools

We analyzed many aspects of teacher pay to answer these questions, looking at everything from what influences teachers to enter the classroom to what keeps them there past the 5-year mark when so many teachers leave. We named five priorities: to recruit great teaching candidates, retain those who have a positive impact on students, reward those who have done an excellent job, incentivize professional growth over the course of a career, and encourage our best teachers to teach in our neediest schools.

We can look to school systems outside of New York for alternatives. In Finland and South Korea, teaching candidates come from the top third of their college classes, and teaching is highly respected.<sup>2</sup> In

2. August, Byron, Paul Kihn, and Matt Miller. "Closing the Talent Gap: Attracting and Retaining Top-Third Graduates to Careers in Teaching." McKinsey & Company, 2010, available at <http://mckinseysociety.com/downloads/reports/Education/>

Washington, D.C. and Denver, effective teachers are rewarded for their impact on students, giving them incentive to stay in the classroom instead of fleeing to suburban districts.<sup>3</sup>

Some experiments with changing teacher pay – even in New York City – have not worked. In fact,

[Closing\\_the\\_talent\\_gap.pdf](#).

3. For more about Denver's ProComp system, see Proctor, Diane, et al, "Making a Difference in Education Reform: ProComp External Evaluation Report 2006-2011," University of Colorado at Denver, 2011, available at <http://www.the-evaluation-center.org/wp-content/uploads/2011/04/Final-ProComp-Report-Oct-14-2011-Making-a-Difference-in-Education-Reform-ProComp-External-Evaluation-Report.pdf>. For more about Washington DC's restructuring of teacher pay, see Dillon, Sam. "In Washington, Large Rewards in Teacher Pay," The New York Times, Dec. 31, 2011, available at <http://www.nytimes.com/2012/01/01/education/big-pay-days-in-washington-dc-schools-merit-system.html?pagewanted=all>.

“merit pay,” which ties bonuses directly to higher test scores, does not have a positive impact on student achievement. We are not interested in replicating failed experiments. As teachers, we already work hard, and we know that more pay will not make us work harder. But we do want to be recognized for our successes. We want to build up our supply of excellent teachers by recruiting and retaining professionals who might otherwise choose other fields.

Our recommendations will require a different allocation of resources – and possibly more resources. But research tells us that great teaching is a smart investment: in a 20-year study of 2.5 million students, economists found that teachers who raise student achievement, as measured by test score value-added data, also have a huge impact beyond the classroom. Students with a great teacher are less likely to become pregnant as teenagers, more likely to attend college, and more likely to make more money through their late twenties.<sup>4</sup> Spending money wisely

to attract and keep effective teachers will have lasting impact on the quality of our students’ education and life trajectories. At the same time, we know that our recommendations have budgetary implications and that the specifics of any new pay system need to take into account the fiscal constraints our district faces.

Taken together, our recommendations set up a system that will encourage talented people to enter the profession, help them take on more responsibility as they master their craft, and keep them in the classroom by recognizing their success. For these recommendations to work, however, we need a vastly improved multi-measure teacher evaluation system. When we know which teachers excel and which need more support to improve, we can use this information to make better decisions about teacher roles and responsibilities. New York seems poised to adopt new evaluations after recent agreements between the teachers union and the Department of Education, making our ideas newly feasible.

How did we come up with our ideas? Sixteen teach-

ers joined an E4E policy team to research and debate the issue. Our policy team includes teachers from all over the city and many levels of experience: at our meetings, first-year novices and tenth-year veterans alike shared ideas about how to elevate our profession. After an extensive application and interview process, we were selected from a strong pool of over 100 New York City teachers and convened for the first time in October 2011. In meetings after school, we examined New York’s current salary schedule, examples of successful and unsuccessful experiments in teacher pay, and other research. In December 2011, we sent out an open online survey to New York City teachers about our





initial ideas that received more than 200 responses. We analyzed the results, discussed alternative suggestions that teachers submitted, and modified our vision and recommendations accordingly. This paper is the result of our work and includes the opinions of hundreds of New York City teachers. Most importantly, it is grounded in our experiences in the classroom.

*Research tells us that great teaching is a smart investment.*

4. Chetty, Raj, et al. “The Long-Term Impacts of Teachers: Teacher Value-Added and Student Outcomes in Adulthood,” Harvard University, 2012, available at [http://obs.rc.fas.harvard.edu/chetty/value\\_added.html](http://obs.rc.fas.harvard.edu/chetty/value_added.html).

# Recommendations

Grounded in our experiences as New York City classroom teachers, we recommend the following to improve teacher compensation:

-  **1 Increase the starting teacher salary** to \$60,000.
-  **2 Create a career ladder** to give great teachers leadership opportunities.
-  **3 Reward effective and highly effective teachers with bonuses** to keep them in New York City classrooms, with larger bonuses for great teachers in struggling schools.
-  **4 Incentivize top-tier graduates** to teach hard-to-staff subjects with hiring bonuses.

# Background

Like salary schedules in many districts, New York’s “steps and lanes” do little to encourage early-career teachers to stay in the classroom.

New York City’s teacher salary schedule is similar to many across the country. Salaries start at \$45,530,<sup>5</sup> just below Chicago’s starting salary of \$47,000<sup>6</sup> and matching those in smaller cities like San Francisco.<sup>7</sup> The schedule is organized according to “steps and lanes”: as teachers accumulate experience, they rise to the next step, earning incrementally more, and as they earn graduate school credits, they move up to the next lane.

5. The New York City teacher salary schedule is available at <http://schools.nyc.gov/nr/rdonlyres/eddb658c-be7f-4314-85c0-03f5a00b8a0b/0/salary.pdf>.

6. Chicago’s teacher contract projected a \$47,000 starting salary for the 2010-11 school year and a \$49,000 salary for the 2011-12 school year. The contract and schedule are available at <http://www.ctunet.com/grievances/text/2007-2012-CPS-CTU-Collective-Bargaining-Agreement.pdf?1294199486>.

7. San Francisco’s salary schedule is available at <http://www.uesf.org/pdf/2010-2012-certificated-salary-schedule.pdf>.

Teachers can earn tenure, but not a significant salary bump, after three years in the classroom; a fourth year teacher with a master’s degree makes just \$707 more than a third year teacher with a master’s degree.<sup>8</sup>

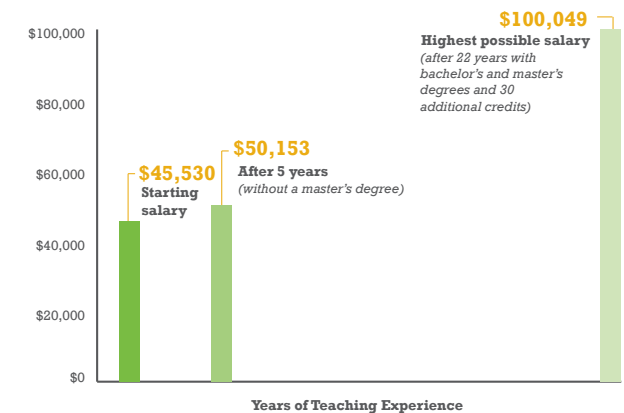
The largest salary bump comes after year twenty, just as teachers near pension eligibility.<sup>9</sup> This is despite research showing that half of New York teachers leave the classroom within five years.<sup>10</sup> With significant pay increases coming only at the end of teachers’ careers, nothing in the current salary schedule incentivizes early-career teachers to continue teaching.

8. New York City teacher salary schedule.

9. Between years 18 and 20, teachers with all possible graduate school credit receive a \$8,612 pay increase.

10. Boyd, Donald, et al. “Teacher Layoffs: An Empirical Illustration of Seniority v. Measures of Effectiveness,” University at Albany, 2010, available at <http://www.teacherpolicyresearch.org/portals/1/pdfs/TeacherLayoffs%20July2010.pdf>.

## Current New York City Teacher Salaries



SOURCE: New York City Department of Education, “Salary Schedule: Certified Teachers Schedule”

# Starting Salaries

**Offering higher starting salaries will encourage the most talented graduates and career changers to consider teaching as a competitive career option.**

## **Rationale**

One direct way to attract talented people to the teaching profession is to increase teachers' starting salaries. Every year, smart college graduates enter law, medicine, or business, enticed by the prospect of reasonable compensation right away. Only 14 percent of teachers in high-poverty American schools come from the top third of their graduating classes.<sup>11</sup> Great teaching is difficult work, easily as intellectually and emotionally demanding as more highly esteemed careers, and talented graduates will not choose it in large numbers without a meaningful starting salary increase.

A recent study showed that many more college students from highly selective colleges and universities

11. August et al 2010.

would consider teaching if the starting salary were \$65,000.<sup>12</sup> We've seen this in practice too - Connecticut struggled to staff many high-needs schools but created a teacher surplus after increasing starting salaries in the 1990s.<sup>13</sup>

***Talented graduates will not choose teaching in large numbers without a meaningful starting salary increase.***

Career changers are also deterred from choosing the classroom. Few are likely to tolerate the economic hardship that comes with a \$45,000 starting salary in order to teach, especially following financial success in other professions. If we want students to have access to teachers with life experience in relevant fields - former

12. August et al 2010.

13. Darling-Hammond, Linda. "Doing what matters most: Investing in quality teaching." National Commission on Teaching and America's Future, Teachers College, Columbia University, 1998, available at <http://www.calstate.edu/ier/reports/LDHRpt.pdf>.





scientists teaching high school chemistry or former bankers teaching high school math – we need to offer career changers much better options.

### **Gradual Starting Salary Jump**

New York City should increase its starting salary for teachers to \$60,000 over the course of the next five years, increasing the starting salary faster than other step increases. Instead of jumping immediately to \$60,000 from \$45,000, the city and teachers' union should negotiate a higher percentage increase

in the next contract so that beginning teachers see a disproportionate raise. In other words, instead of a five percent increase for all teachers, first-year teachers should see a 10 percent increase for each of the next three years.

Alone, an increased starting salary will not transform our profession. Combined with more opportunities for advancement within teaching, financial recognition for success, and incentives to work in tough schools, however, it can begin to make teaching a much more attractive career path.

*Competitive teacher salaries will make teaching a competitive profession. - Thomas McManus*

# Career Ladder

## Career Ladder

**Creating multiple levels of teaching will enable teachers to build their career, increase responsibilities, and benefit students and colleagues without leaving the classroom.**

### Rationale

Teachers need the chance to advance within their profession without leaving the classroom. After teaching for five to 10 years, many teachers seek ways to distinguish themselves and take on more responsibility, but currently, the only way to do so is to become an administrator. We welcome a fresh stream of great administrators drawn from the ranks of teachers, but we know that teaching children and managing adults are different skills, and many of us would rather excel as teachers for the length of our careers.

Ambitious and effective teachers should be provided opportunities to build their career and increase responsibility without having to leave the classroom. As an example to build from, in New York City's 33 "persistently lowest achieving" schools, master teachers provide mentoring and professional development for their peers and earn a higher salary.<sup>14</sup> In addition

to earning a new title and increased compensation, this role ensures that effective teachers have a platform to share their expertise and best practices so more students can benefit.

### Career Ladder

Teachers should begin their careers as Novices, progress to become full classroom teachers, and have the option of advancing to Lead Teacher and then Master Teacher status, each with different roles within a school. To move from rung to rung on the ladder, teachers would have to demonstrate effectiveness using the new evaluation framework.

Each rung of the ladder should have different responsibilities. For example, novice teachers should be required to observe master teachers, co-plan with peers, and be observed more frequently. Three years of effective teaching would allow teachers to apply to

teachers, see the Department of Education explanation at <http://schools.nyc.gov/offices/dhr/masterteacher>.

14. For more about New York's master and turnaround

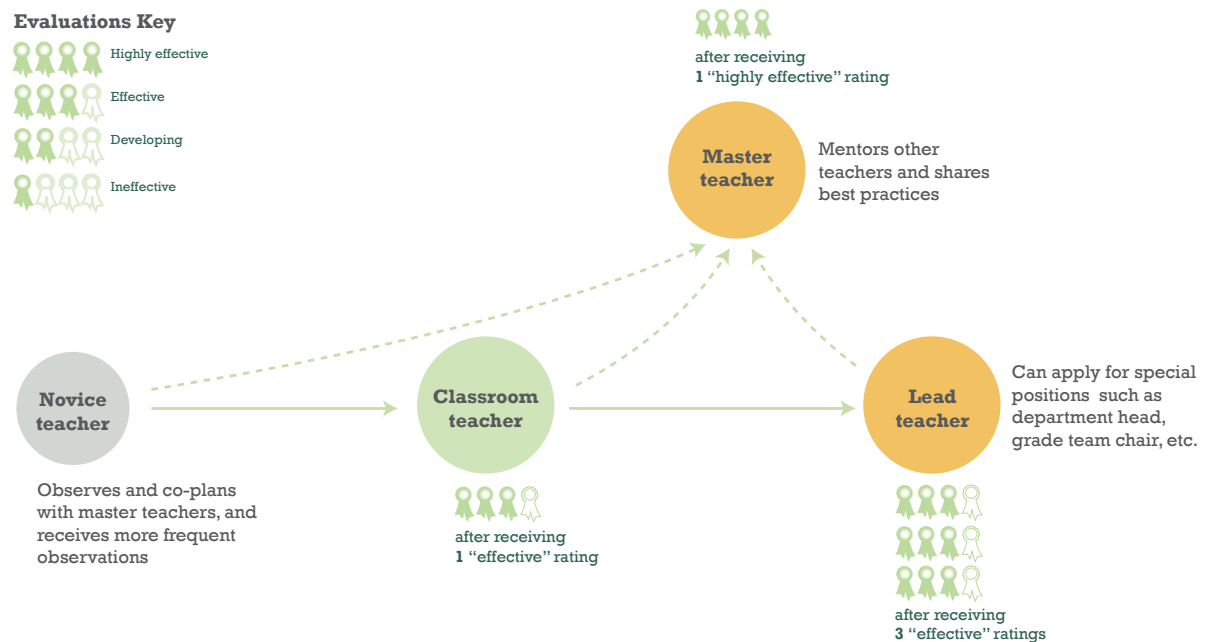


become a Lead Teacher and take on the responsibilities of grade team leader, data coordinator, or department chair.

Let’s take the hypothetical Mrs. Smith. She begins her career as a Novice, spending time observing excellent teachers, co-planning with peers, and receiving more frequent observations from her administrators. She learns quickly and earns an “effective” rating at the end of her third year, trading in her Novice status to become a full classroom teacher. She continues to excel, earning an effective rating in her fourth and fifth years, as well. Because of her success, she is eligible to apply for a Lead Teacher position, taking on grade team leader responsibilities. As a Lead Teacher, she receives another effective rating in her sixth year. In her seventh year, she earns a “highly effective” rating and decides to apply to become a Master Teacher, earning her a pay increase and the responsibility of mentoring newer teachers, which she sees as an exciting challenge.

## Career Ladder

### Evaluations Key



*A career ladder is an extremely effective way to attract and retain top-tier teaching talent. - Lori Wheal*

# Rewarding Effective Teachers

**Paying teachers more for effectiveness will help retain our best teachers and bring talented teachers to high-needs students.**

## **Rationale**

Paying teachers more for effectiveness would help accomplish three important goals: 1) attract ambitious teachers to the profession, allowing them to earn more money earlier in their careers, 2) reward teachers who are already doing a great job but lack recognition, and 3) incentivize our best teachers to go to our highest-needs schools.

**1. Attract:** Research shows that 11 percent more top-college graduates would enter teaching if performance bonuses were given to the top 10 percent of teachers.<sup>15</sup> Research has also shown that current year-to-year salary increases with no opportunity for individual advancement are a limiting factor in teacher recruitment.<sup>16</sup>

**2. Reward:** The current system of teacher pay

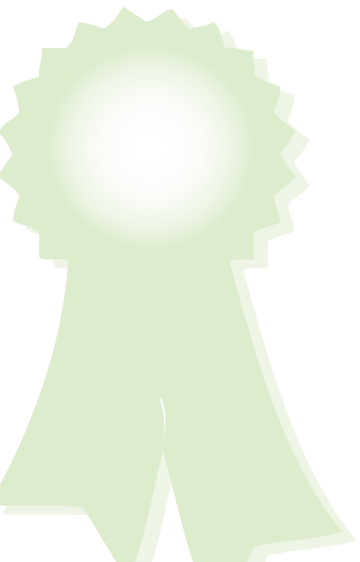
only rewards continued education and experience but does nothing to acknowledge effective teaching. As teachers, we get great satisfaction from watching our students grow, but we receive little formal recognition of our success. Financial rewards for effectiveness could reduce early burnout and decrease the 50 percent five-year teacher attrition rate.

Compensation programs that reward effectiveness are already showing results. Since 2006, when Denver's ProComp program began, teacher recruitment and retention have steadily improved: teachers are entering the system with an interest in earning bonuses for great performance, and those who receive the bonuses are staying longer.<sup>17</sup> Washington, DC started a new program in 2011 that gives significant raises to effective teachers, and teachers are already

15. August et al 2010.

16. Odden, Eric, and Carolyn Kelley. "Paying Teachers for What They Know and Do: New and Smarter Compensation Strategies to Improve Schools." Thousand Oaks, CA: Corwin Press, 2002.

17. An in-depth study of the first four years of ProComp indicated that the program did have some effect on teacher retention, likely helping to retain about 160 more teachers than Denver Public Schools would have retained without the program. For more details, see Proctor 2011.



# Effective Teachers

choosing to stay in the district instead of leaving for suburban schools.<sup>18</sup> New York's failed School-wide Performance Bonus Program granted collective bonuses for increases in student test scores. In contrast, Denver and DC's systems base rewards on a multi-measure evaluation system, rewarding individual teacher effectiveness with predictable one-time bonuses and increases in base salary. New York's program, which has since been cancelled, aimed to incentivize improvement, rather than reward already high-performing teachers. It also allowed school committees to decide which teachers would receive bonuses, and most gave them to every teacher in the school, even those who had not been effective. In other words, the program did not give great teachers recognition or in-

18. Dillon 2011.

**Compensation programs that reward effectiveness are already showing results.**

centive to stay in the classroom, and students did not benefit.<sup>19</sup> DC and Denver's models align much more closely with what we believe will help students most.

**3. Incentivize:** In addition, New York teachers have no financial incentive to teach at struggling schools. Teachers at high-performing schools, often with higher-income students, make the same amount of money as teachers in often higher-poverty low-performing schools. We want to keep great educators in the system, and we need them in New York City's highest-needs schools. A bonus for great teachers to move to struggling schools would help attract the city's best teachers to the schools that need

19. Marsh, Julie, et al. "A Big Apple for Educators: New York City's Experiment with Schoolwide Performance Bonuses Final Evaluation Report," RAND Corporation, 2011, available at [http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND\\_MG1114.pdf](http://www.rand.org/content/dam/rand/pubs/monographs/2011/RAND_MG1114.pdf).

them most and keep great teachers in those schools where they already exist.

### Bonuses and Base Salary Increases

Using a new evaluation system as a guide, we recommend that effective and highly effective teachers receive bonuses, with different amounts for different performance levels. In addition, continually high-performing teachers should be able to move up the salary schedule more quickly. (Our recommendations are outlined on page 15.)

We drew on the examples of Denver and Washington, DC, among others, to determine the size of our recommended bonuses: they should be large enough to be meaningful but not fiscally out of reach for districts. Our recommended bonuses are a starting point; what's more important than the numbers themselves is the structure for rewarding effective teaching.

Nothing hurts a student more than teacher turnover; bonuses can keep great teachers in the classrooms where they're needed most. -Margaret Coppola  
Henry Warrington

Seventh grade special education teacher, Manhattan

Eighth grade special education teacher, Manhattan

As an example, let's go back to Mrs. Smith. At the end of her third year, she receives her first effective rating and, as a result, receives a \$2,000 bonus. She earns the same effective rating in her fourth year, earning another bonus. In her fifth year, after her third consecutive effective rating, she not only collects her bonus, but she also jumps four years on the salary schedule — from year six to year 10. In her seventh year, she earns her first highly effective rating and a larger bonus of \$3,000.





The bonuses and base salary increases would overlap with new career ladder guidelines. Three years of effective teaching would earn teachers a base salary increase and also allow them to apply to be a Lead Teacher. Additionally, a teacher who is rated highly effective can apply to become a Master Teacher. Both roles give teachers the potential to earn more by applying for increased responsibilities.

### **Bonuses for Effective Teachers in Struggling Schools**

To attract great teachers to struggling schools, teachers previously deemed effective or highly effective should earn a one-time bonus of \$5,000, distributed at the end of their first year at the new school. In addition, teachers at struggling schools who earn effective and highly effective ratings should earn a double bonus: in a regular school they would earn \$2,000 and \$3,000, respectively, but in a struggling school they should earn \$4,000 and \$6,000. The New York City Department of Education could determine which schools would qualify as “struggling.” The current list of 33 persistently lowest achieving schools, all of which have received School Improvement Grants, is one place to begin.

"If we want to educate students to compete in a global economy we must pay our teachers enough to do the same." - Alyssa Rigg

## Bonus and Base Salary Increases

Rating	1st year	2nd Consecutive Year	3rd Consecutive Year
 <b>Effective</b>	+\$ <b>\$2,000</b> Bonus (\$4,000 for teachers in struggling schools)	+\$ <b>\$2,000</b> Bonus (\$4,000 for teachers in struggling schools)	+\$ <b>\$2,000</b> Bonus (\$4,000 for teachers in struggling schools)  \$ <b>+3 years</b> Base salary increase   <b>Lead</b> Teacher eligibility
 <b>Highly Effective</b>	+\$ <b>\$3,000</b> Bonus (\$6,000 for teachers in struggling schools)   <b>Master</b> Teacher eligibility	+\$ <b>\$3,000</b> Bonus (\$6,000 for teachers in struggling schools)	+\$ <b>\$3,000</b> Bonus (\$6,000 for teachers in struggling schools)  \$ <b>+3 years</b> Base salary increase

# Hard-to-Staff Subjects

## Supporting Recruitment for Hard-to-Staff Subjects

Financial incentives can bring teaching talent to hard-to-fill subjects.

### Rationale

Just as we should incentivize New York's best teachers to come to struggling schools, we should use financial incentives to encourage great candidates to teach hard-to-fill subjects. High school math and science, ESL, and special education require unique skills and content knowledge, making recruitment especially difficult. Currently, ESL, special education, and secondary math and science are the only areas not affected by New York City's hiring freeze because recruitment is more difficult in those subjects. If the city determines that positions in other subjects are harder to fill, hiring bonuses should be used for those areas instead. Bonuses could both deepen the hiring pool, making it more likely for graduates from

the top third of their classes to become teachers,<sup>20</sup> and reward those who choose to work in especially demanding positions.

*Bonuses could deepen the hiring pool.*

### Bonuses for Teaching Hard-to-Staff Subjects

To attract candidates to work in high-needs subject areas, teachers should receive a one-time \$3,000 bonus, distributed at the end of the first year teaching that subject. It is essential that we attract high-quality teachers with deep content knowledge for all subject areas. Given the current difficulty in staffing certain positions, we believe a recruitment bonus should be used until there is no longer a shortage.

<sup>20</sup>. August et al 2010.

"Being a great teacher is hard! To attract the best people we need to re-think how we value educators." - Max Wagner



# Conclusion

U.S. Secretary of Education Arne Duncan recently said that it should be our goal “to make teaching not only America’s most important profession, but also America’s most respected profession.”

Accomplishing this goal will take more than a few minor changes; it will require a major cultural shift in the way America views the teaching profession. A first step is revamping teacher compensation to acknowledge what matters: our contributions to our students and our schools.





# Pay Structure Changes

## Summary of Pay Structure Changes

Our recommendations include detailed solutions to three of New York City's most pressing teacher-related policy problems. Here's how we address each need:



### Recruitment

Attract talented graduates to the teaching profession with financial incentives.

-  **Increase Starting Salaries**
-  **Create a Career Ladder**
-  **Reward Effectiveness**
-  **Give Bonuses for High-Needs Subjects**



### Retention

Make sure great teachers stay in New York City classrooms and build a sustainable career.

-  **Create a Career Ladder**
-  **Reward Effectiveness**

### Hiring & Placement

Incentivize teachers to fill positions in high needs schools and subjects.

-  **Reward Effectiveness**
-  **Give Bonuses for High-Needs Subjects**

**Rebekah Adamek** teaches fourth grade in Manhattan.

**Carl Carpenter** teaches third through fifth grade ESL in Manhattan.

**Margaret Coppolo** teaches seventh grade special education in Manhattan.

**Sara Griffin** teaches first grade in Manhattan.

**Christopher Guidarelli** teaches fifth grade special education in Brooklyn.

**Sierra Jorgensen** teaches kindergarten in the Bronx.

**Laura Klein** teaches eighth grade special education in the Bronx.

**Kane Koller** teaches sixth and seventh grade science in Brooklyn.

**Albert Lowe** teaches ESL in the Bronx.

**Thomas McManus** teaches middle school science in the Bronx.

**Peter Orso** teaches eighth grade math in Brooklyn.

**Alyssa Rigg** is a District 75 alternate assessment coordinator in Brooklyn.

**Edward C. Robinson** teaches seventh and eighth grade social studies in the Bronx.

**Max Wagner** teaches third grade in Brooklyn.

**Henry Wellington** teaches eighth grade special education in Manhattan.

**Lori Wheal** teaches eighth grade English language arts and is a master teacher in the Bronx.

# Pay Structure Policy Team

For far too long, education policy has been created without a critical voice at the table - the voice of classroom teachers.

**Educators 4 Excellence (E4E)**, a teacher-led organization, is changing this dynamic by placing the voices of teachers at the forefront of the conversations that shape our classrooms and careers.

With a quickly growing national network of over 4,000 educators united by the E4E Declaration of Teachers' Principles and Beliefs, E4E teachers can learn about education policy and research, network at E4E's event series with like-minded colleagues and important education policymakers, and take action by advocating for teacher-created policy recommendations that lift student achievement and the teaching profession.

Learn more at [Educators4Excellence.org](https://Educators4Excellence.org).