

Grass is Greener on the Other Side of the Fence: Principal and Teacher Salary and Turnover

Abstract

When an educator tries to improve their salary, they have six options: change position, change school, change system, pursue higher education, remain in their position longer, or leave public education. In Montana many salary increases are determined by the highest education obtained and longevity of service. Teachers and principals with the same credential and experience tend to have similar annual pay increases. There appears to be little incentive to earn a doctoral degree for both teachers and principals. Moreover, tenure doesn't always lead to an incrementally higher salary as witnessed by educators with more than 30 years of experience. Educators that leave public education tend to earn less in their first position outside the education system.

Keywords: Educator Salary, Highest Education, Longevity, Turnover, Principal, Teacher

Key Findings

This section summarizes the main findings of this study. Educator salaries in Montana are low when compared to school communities in other states (NEA, 2023). Average teacher salary is 45th in the nation at \$57,556 (NEA, 2023). A major reason why educator salaries are low is that there is little competition from other economic sectors in terms of better wages or higher salaries for workers with the same experience or education level. Moreover, salary decisions are a matter of local control. Low salaries are acute in rural, low-income, and tribal communities. This observation is pertinent when investigating the impact of position, length of service, and highest education obtained on educator salaries. When educators consider improving their salary, often they look for a change of position, go back to graduate studies, stay in their school longer, or

leave the school system entirely. Many educators with experience and who have obtained an advanced degree face difficulties finding positions with comparable wages in the private sector after they leave public education. This mutes the overall effect of experience and advanced training. There is little competition from the outside, hence salaries within public education are low.

By focusing on the 2022-2023 cohort of educators, we can establish differences based on position, tenure, and degree obtained under these conditions. We see that the length of service (licensure) has a larger impact than advanced training on teacher salaries. Position changes often occur through changing of schools and districts. Other position changes often require additional years of higher education and may be hard to come by in the communities in which most teachers live (rural and town). Moreover, there are all the costs of relocation and the sunk costs of living in small towns. Exiting public education in Montana is like other communities throughout the United State with 8% changing schools or districts annually and 8% leaving public education entirely (Carver-Thomas & Darlin-Hammond, 2019).

We analyze turnover data from the Statewide Longitudinal Data System and related databases from 2019-2023. We obtain data on the position information of these educators, their length of service (licensure), and their highest education obtained in 2023. Salary data is from the two most recent years of data (2022 and 2023). We focus on three levels, descriptive statistics about highest education, longevity, and outcomes on salary of the decision to leave public education. There was a broad-based increase in wages between 2022 and 2023, which is partially attributable to ESSER funding. We measure how incremental change is experienced between these years, the impact of an advanced degree on salary, and how these may differ based on the educator's role with the school or district (teacher or principal).

This study discusses an alternative that all educators have when considering their salary: leaving the profession. We identify ‘leavers,’ educators who have left the education system, based on data in the TEAMS and TMT databases at the Montana Office of Public Instruction (OPI) and Unemployment Insurance data from the Department of Labor & Industry¹. This data, with FY 19 as the baseline year, tracks principals over the following four years (until the Spring of 2023). For teachers, it uses FY 22 as the baseline year and tracks into the following fiscal year. This study faces a variety of challenges. Most apparent educators often leave their position or switch schools in the same system. Sometimes this occurs year after year as educators leave their role and return to the school system after a few years of outside work, often in a different role. This mobility may be caused by this ‘grass is greener’ phenomenon. Educators realize that once they leave the education system, they tend to earn the same or less as when they worked in the education system. This differs by years of experience with teachers with less than 10 years of experience tend to earn the same outside of education, about \$21/hour. Teachers with more experience and all principals earn less after they leave the educator workforce (upwards of 40%). Educators often return to the public education sector or other education related professions such as with education contractors, vendors, or private schools.

Problem Definition

In this brief, we present descriptives of these educator salaries for 2023 and provide an analysis of the difference in salary for the same educators compared to 2022. In 2023, there were 11,321 full and part time teachers, 10,137 teachers worked more than a .90 equivalent teaching position

¹ The Montana SLDS is indebted to the Department of Labor and Industry’s Data & Operations Bureau for their guidance, matches, and analysis. These are important views on the complex situation of educator turnover that is only enabled through reference to the Unemployment Insurance data.

(less than an hour of the workday was not spent on instruction or in school). There are 7574 teachers who had full time salary data for 2022 and 2023. There were 460 principals working across Montana's schools with salary data from 2022 and 2023. All principals were included in the analysis regardless of FTE, as the principal role is often split with other roles (including superintendent, curriculum director, and teacher). These positions are federally reported, and teacher roles are grouped together in federal reporting.

Teachers

Statewide new teachers' salaries remain low (\$41,639). This low starting salary has changed little over the past 4 years (\$3457), especially when accounting for inflation. Yet in subsequent years of employment, salaries do improve, most noteworthy in Title 1 schools or schools on or near a reservation. Yet the upper limit of what a typical teacher earns in Montana is relatively low. After 20 years of experience, the average real wage teacher salary is about \$69,000. There are notable differences between groups of teachers. Teachers in Title 1 schools that have 25 percent of their students classified as Title 1 earn on average \$60,662 (the highest of any identified group). Teachers from small schools (less than 150 students) earn on average \$44,946 (the lowest of any group).

Building Leader

Principal salaries increased in 2023, however there was no significant difference based on school size. The average principal salary was \$91,921.70; however, this data point masks important differences based on classification of the school and based on enrollment in the school system. The school system was the level of analysis that was chosen since many principals also are the superintendent of the district/system.

Table 1: Principal Salaries (Descriptives)

Category	Mean
Average Principal Salary (2023)	\$91,921.70
On Reservation	\$88,247.66
Comprehensive or Targeted Support	\$95,475.66
Schools with over 25% Title 1 Students	\$95,363.29
40 or fewer students in the system	\$72,251.73
41 to 150 students	\$75,436.62
151 to 400 students	\$79,187.37
401 to 850 students	\$85,175.53
851 to 2500 students	\$91,811.01
More than 2500 students in the system	\$116,483.79

The principal salary for the 48 on reservation schools was not significantly different from the other schools in the state, although when broken down by system size there are important differences (such as when comparing on-reservation systems with systems of less than 400 students where on reservation principals earn substantially more than rural schools of a similar size). Schools designated as comprehensive or targeted support or schools with large populations of Title 1 students have principals who on average earn above the mean. Most salaries that occur above the mean are in systems with at least 851 students.

What's the alternative?

An important alternative to relative low wages within public education is to leave the system and pursue work elsewhere. The alternatives for principals and teachers involve staying the same position, changing positions, changing schools, changing systems, or leaving the public education system entirely. The teacher analysis was conducted based on the leavers of the 2022 teaching cohort in the 2023 fiscal year. The salary and educator data for the teaching role consisted of 11,050 teachers, of whom 95% were matching to Unemployment Insurance records. For those teachers with a year or more of experience, 883 were no longer in the public school.

Approximately 4% of all teachers changed school systems (UI records do not have a firm count of the number of teachers that switch schools within a system). A similar number of teachers changed schools within the same system according to SLDS records. Upon termination, these teachers often received leave payouts and may also have received stipends while working which raises their overall salary level in their final year.

Based on TEAMS data, the Montana SLDS delivered 339 leavers from the principal population between FY 19 and FY 23 (five years). The Department of Labor and Industry was able to match 83% to unemployment insurance records. Possible reasons why a principal would be excluded include difficulty in the matching process (wrong name/social security combination) or the principal may have been working on a contract basis and thus would not appear in the Unemployment Insurance data).

52% of the matched principals are true leavers (no longer in the public school system, residing out of state, or retired). Over the five-year period many principals moved schools or changed positions and thus did not appear in the Montana SLDS leaver data. There was also a fair amount of mobility in that the principals moved in and out of different educational roles. 20% of the identified principals continued to work in the public school system, but changed roles or districts as seen in the licensure data.

Literature

Salary is important. There are many wage gaps involving educators, however the trend in Montana indicates that all Montana educators are at a disadvantage. Salary also plays an important role in turnover decisions. Educator pay in the United States does not keep pace with comparable workers (same education and experience) (Allegretto & Mishel, 2016). Nationally,

when speaking of the pay gap with comparable workers, it is best to reference pay gap(s), including the gap among females in which female teachers earned 13.9% less than their peers in other sectors of the workforce, the wage gap for male teachers is 24.5%, and the pay gap among experienced teachers is 17.8%. Montana differs from this trend in that the wages earned in public education are much more than the wages these educators can find in their first position outside of the educator workforce. It is important to note that this trend is likely to occur in other states where teacher salaries are less than the state's living wage (Education Week, 2018, Learning Policy Institute, 2022). In fact, Carver- Thomas & Patrick (2022) note five states have teacher salaries that earn over 90% of the income that comparable workers make, largely because salaries outside of the public education sector are so low.

Salary remains one of the most impactful factors in employment/turnover decisions. When asked by the US Department of Education (2021), only 45% of teachers are satisfied with their salary. Of these teachers only 30% claimed that the stress and disappointments in teaching at their school aren't worth it. Salary seems to be the issue. The same is not true with benefits. Nationally, teacher benefits have improved compared to other comparable positions (Hanushek, 2016). Yet benefits in and of themselves do not make up for the lower salaries that teachers receive. Salary is important, although not the only determinant of staying or leaving. According to the US Department of Education (2016), 45% of teachers said that if they could get a higher paying job, they would leave teaching as soon as possible (in Granger, Woolfold & Griffin Brown, 2022).

Results

The results to this study address three levels: the impact of highest education obtained on salary, the impact of longevity on salary (do those educators with the same level of education and longevity earn the same), and the impact of turnover on salary in the first year outside of the education system.

Highest Education

In most salary scales there are steps and ladders which are defined by the highest education obtained and the number of years of service. Nearly half of teaching positions are staffed by an educator that has at least a master's degree (5692). Only 109 of these positions are staffed by an educator with an education doctorate or a Doctor of Philosophy.

Table 3: Highest Degree (Teacher -2023)

	Frequency	Percent
	20	0.15
Associate's degree	8	0.06
Bachelor's Degree	6528	50.17
Doctoral Degree	77	0.59
DEd Degree	32	0.25
Juris Doctorate	10	0.08
Master's Degree	5692	43.75
NULL	640	4.92
Other/non-Degree	4	0.03
Total	13011	100.00

School administrators earn the most among these individuals with an advanced degree. Teachers with a general education position who hold either a PhD or DEd (40) earn \$62,544 on average. All things considered, the incremental effect on salary of a doctorate appears to be less than a master's degree or additional years of experience.

Among principals and teachers, educators earn in 2023 on average more than they did in 2022. When the mean difference of salaries for master's degree holders is calculated for these groups between 2022 and 2023, we see that the increases in compensation rates is not dependent on position. Principals (\$3379) have similar raises across all years of service when compared to general education teachers (\$3014) when educational attainment and years of service are the same.

Table 4: Difference of salaries between 2022 and 2023 by years of experience for educators with a master's degree

Position	Tenure Grouping	Mean	N	Std. Deviation
Principal	0-9 years	\$3,192.69	28	2084.138
	10-19 years	\$3,336.88	83	2264.377
	20-30 years	\$3,534.73	102	2303.453
	Over 30 years	\$3,214.12	43	1939.596
	Total	\$3,379.32	256	2201.949
Supervising Teacher	0-9 years	\$2,326.93	3	2763.068
	10-19 years	\$2,094.11	3	1199.363
	20-30 years	\$3,967.62	6	3448.388
	Over 30 years	\$1,662.89	3	906.640
	Total	\$2,803.83	15	2583.906

Teacher - General Education	0-9 years	\$3,620.77	456	2055.058
	10-19 years	\$3,374.41	857	1916.201
	20-30 years	\$2,493.21	777	1788.112
	Over 30 years	\$2,431.82	309	1808.327
	Total	\$3,014.42	2399	1953.127
Teacher - Gifted and Talented	10-19 years	\$3,329.42	1	
	20-30 years	\$2,563.89	4	1704.635
	Over 30 years	\$2,590.61	2	306.891
	Total	\$2,680.89	7	1245.202
Teacher - Special Education	0-9 years	\$4,167.18	91	2140.535
	10-19 years	\$3,791.54	80	1873.865
	20-30 years	\$2,960.76	84	2056.561
	Over 30 years	\$3,281.08	26	2812.031
	Total	\$3,617.61	281	2161.011
Teacher - Title I	0-9 years	\$4,387.57	12	2881.486
	10-19 years	\$2,797.78	18	1218.547
	20-30 years	\$2,989.22	18	2597.808
	Over 30 years	\$2,211.36	11	1500.854
	Total	\$3,070.20	59	2213.672

Length of Service

Length of service is defined in this study by years of licensure in Montana for the following groups: less than ten years, between 10 and 20 years, 20 to 30 years, and more than 30 years. By identifying change in wages between 2022 and 2023 we can identify which position types experienced the most growth.

The largest group of education positions is staffed by an educator with less than 10 years of experience (4457). The remaining groups of educators have between 10 and 20 years of experience (3779 positions) or between 20 and 30 years of experience (2960 positions). Fewer instructional and school administrative positions are staffed by people with more than 30 years of experience (1436).

Supervising teachers tend to have the lowest salary of all administrative and teaching positions. These roles are often rural in schools with low enrollments. Supervising teachers did have an increase in average salaries between 2022 and 2023 (\$3314) that was higher than the average for General Education teachers (\$3021). Principal salaries increases were about the same (\$3354) as with supervising teachers, but less than other administrators. This is surprising since in many rural areas, the same educators adopt the role of both superintendent and principal.

There are differences by years licensed in the amount educators are paid. For principals, the salary difference between years licensed is less (less than 10 years of experience and more than 30 years of experience). In fact, principals with more than 30 years of experience earn on average grew only \$833 more in 2023 than their peers that have ten less years of experience. The effect of the number of years licensed on salary increases diminishes for those with more than 30 years of experience.

Competition

Teachers with less than 10 years of experience who left tended to make a similar salary to when they were teaching. Given the relatively low salaries of these teachers, the average annualized hourly wage for these teachers was \$21.61. Teachers with more than 10 years of experience

tended to leave teaching jobs that paid \$73,600 (real wage including stipends). These leavers earned less outside of the education system when they continued working (about 40% less).

364 former teachers began working outside the education system in a variety of industries in 2023. This included the education sector (outside of public schools) (90 former teachers), travel and leisure (76), healthcare (57), trade (55), and government (53). Moving into government and manufacturing yielded the highest wages for former teachers, but it was still less than they earned as teachers.

The real wage of the principals that left was on average \$109,959. This includes their base wage/salary, stipends, and leave payouts in the year they leave. Of the 52% who left and are still working, their real wage outside of the education system were on average \$61,290. This represents 39% of those former principals that were matched. Principals became employed in a variety of industries, most frequently in education areas excluding the public school system. This may have been working with an association, private school, or a vendor.

Policy Alternatives

The choice to leave is a complex phenomenon that included factors besides the amount of salary. Salary is frequently mentioned in the literature as having a large impact on decision making. What may be occurring is that there is a “grass is greener on the other side of the fence” trend. The more experience an educator has and the more senior the role is, the choice to leave often entails a salary that is often a fraction of what educators earned as teachers and principals. These educators in turn return to education whether it be in the public or private sector. These findings may contribute not only to the turnover literature in Montana, but also to educator retention

practices. It comments on the opportunities available in Montana communities for former educators.

Besides leaving, educators often choose to change positions, pursue higher education, and make it a goal to stay leaders in the public education system. There are salary differences between those that have a bachelor's degree and those that hold a masters. However, the incremental effect on salary of an advanced degree is minimal, especially for teachers. Position does have an impact with large proportions of teachers leaving schools and systems. However, when comparing teacher and principal salaries between 2022 and 2023, salary growth for teachers and principals at the same level of education and longevity is roughly the same. That means that the likely impact of degree attainment and longevity is similar. And that is where it should be. Education and experience should be counted similarly between all positions.

Implications

Statewide new teachers' salaries remain low (\$41,639). This low starting salary has changed little over the past 4 years (\$3457), especially when accounting for inflation. Starting general education teacher salaries have not increased at the same pace as for other teachers out of state. To stay at the same pace, for example, starting salaries would need to increase at the same pace as other teachers. This is evidenced in the difference year over year in teacher salaries. There are multiple schools that hire for low wage positions (under \$35,660) and account for roughly 10 percent of the state's schools. This occurs both among new and veteran teachers. Few schools hired multiple teachers at this level. The choice to employ teachers at this level occurred in many schools.

There are important differences in principal salaries by school size, the locale of the school, and the relative neighborhood poverty. All principals in the state were factored into this analysis regardless of FTE. In some schools, principals' salaries increased at a breakneck pace, such as those systems in town locales with more than 850 students. However, in other communities such as in on-reservation communities and schools with fewer than 150 students there were more tempered average salary increases.

This study analyzed five data elements: position, salary, length of experience, highest education obtained, and turnover. A measure of similarity between these administrators and teachers is the amount wage/salary grew from 2022 to 2023. Principal and teachers' salaries grew at a moderate pace. The teachers whose salaries grew the most were among those teachers earning the most compensation (special education).

Small salary increases are noted for the teachers with less than 10 years of experience. Educators with between 10 and 20 years of experience have the largest salary increases of any group. This often occurs after educators switch positions, earn their masters, or receive a promotion.

Educators with between 20 and 30 years of experience have higher salary increases than those educators in the less than 10 years and more than 30 years categories. Salaries increase decline for the group with more than 30 years. Thus, incremental increases due to longevity taper off as an educator nears retirement, lessening the incentive to continue working.

This muted effect of highest education obtained, and longevity occur in a context where job prospects for educators for positions that pay more and offer opportunities for advancement are few. Efforts to improve salaries occur in the context of internal and external factors. Until competition for roles outside of the education system improves, educators' salaries will likely remain low and have fewer opportunities for advancement.

Recommendation

As seen in the salary growth of teachers and principals in 2023, increases were similar between the two groups. That means that as a system, Montana values both the highest education obtained and length of service similarly. There is much discussion about improving salaries in the first three years of service to address the high degree of turnover. Yet, this approach is not effective unless we also increase the salaries of those having more years of experience, especially between five and seven years when instructional knowledge and pedagogical knowledge begin to be extremely hard to replace.

Recognition that pay does not necessarily increase as the number of years of service increases is important. Educators with more than 30 years of experience do not have salary increases that are substantially different from those with 10 years less of experience. This has a ceiling effect on salaries. Recognizing this gap and paying teachers appropriately for their experience would mean that salaries may indeed ratchet up to levels not traditionally seen in Montana with few teachers exceeding \$80,000.

This brief also serves as a cautionary tale about leaving the education system after having gained experience and tenure. Salaries are 60% of what educators had in the public education system. Dispelling the myth that things are better on the outside would be warranted along with efforts to question the authentic reasons why educators decide to leave. Earning more after leaving education is simply not an option in most cases.

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