

# Teachers' shrinking wage advantage

## Alaska used to pay the most, but now we're tenth

### Average teacher pay by state, 2022

State	Wage
1 New York	\$92,222
2 Massachusetts	\$88,903
3 California	\$87,275
4 District of Columbia	\$82,523
5 Washington	\$81,586
6 Connecticut	\$81,185
7 New Jersey	\$79,045
8 Rhode Island	\$76,852
9 Maryland	\$75,766
<b>10 Alaska</b>	<b>\$73,722</b>
11 Illinois	\$72,301
12 Pennsylvania	\$72,248
13 Oregon	\$69,671
14 Minnesota	\$68,491
15 Hawaii	\$67,000
<b>United States</b>	<b>\$66,397</b>
16 Delaware	\$65,647
17 Michigan	\$65,198
18 Ohio	\$63,153
19 Vermont	\$62,866
20 New Hampshire	\$62,783
21 Georgia	\$61,249
22 Wyoming	\$60,820
23 Wisconsin	\$60,453
24 Virginia	\$59,965
25 Iowa	\$59,262
26 Texas	\$58,887
27 Maine	\$58,757
28 Utah	\$58,619
29 Colorado	\$58,481
30 Nevada	\$57,804
31 Nebraska	\$57,420
32 Alabama	\$55,834
33 North Dakota	\$55,769
34 Kansas	\$54,815
35 Oklahoma	\$54,804
36 Arizona	\$54,580
37 Kentucky	\$54,574
38 New Mexico	\$54,272
39 Idaho	\$54,232
40 Indiana	\$54,126
41 North Carolina	\$53,644
42 Montana	\$53,628
43 Tennessee	\$53,619
44 South Carolina	\$53,393
45 Arkansas	\$52,486
46 Missouri	\$52,481
47 Louisiana	\$52,376
48 Florida	\$51,230
49 West Virginia	\$50,315
50 South Dakota	\$49,761
51 Mississippi	\$47,162

Source: The National Center for Education Statistics

By JOSHUA WARREN

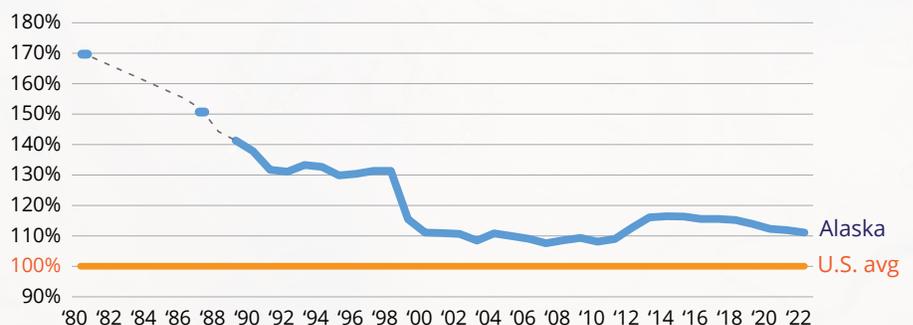
In the 1980s and '90s, Alaska had a distinct competitive advantage when recruiting teachers. In addition to offering natural beauty, recreation, and adventure, Alaska had the highest average salary in the country for K-12 teachers.

In 1980, Alaska teachers made 170 percent of the national average for teachers (see the graph below), which made recruiting easy despite the higher cost of living and, sometimes, the adjustment to remote rural life. In the decades since, Alaska has fallen closer to the national average while some states have increased their teacher pay in comparison.

The 2022 rankings at left list New York as the top-paying state for teachers, with an average salary of nearly 140 percent of the U.S. average. When Alaska was paying 170 percent in 1980, New York was paying 124 percent.

Alaska ranked 10th last year at 111 percent, a percentage the state has hovered around since the late 1990s. Alaska's average wages for teachers dropped sharply in the late 1990s, as the graph below shows. Amid sweeping budget cuts, the state offered teachers an early retirement incentive, which included dropping the required years of service from 20 to 17. Many highly paid, experienced teachers in Alaska accepted that offer and were replaced with lower-paid new teachers, which brought the average down.

### Alaska's teacher wage premium over U.S.



Note: Data were unavailable for 1981 through 1986 and 1988.

Source: The National Center for Education Statistics

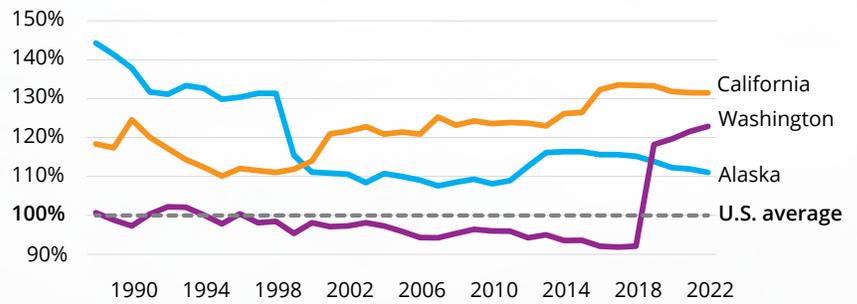
## Two neighboring states pay more

Two of the states that have surpassed Alaska are among our closest neighbors: Washington and California.

As shown at right, California has topped Alaska for more than 20 years, and Washington jumped ahead of Alaska five years ago after decades of low pay that usually fell below the U.S. average.

Washington's wage spike in the late 2010s came after the Washington Supreme Court ruled in 2012 that the state wasn't adequately funding education. After several years of wrangling, that resulted in big increases in teacher salaries in 2018 and smaller bumps in subsequent years.

## Teachers lost wage ground to nearby states

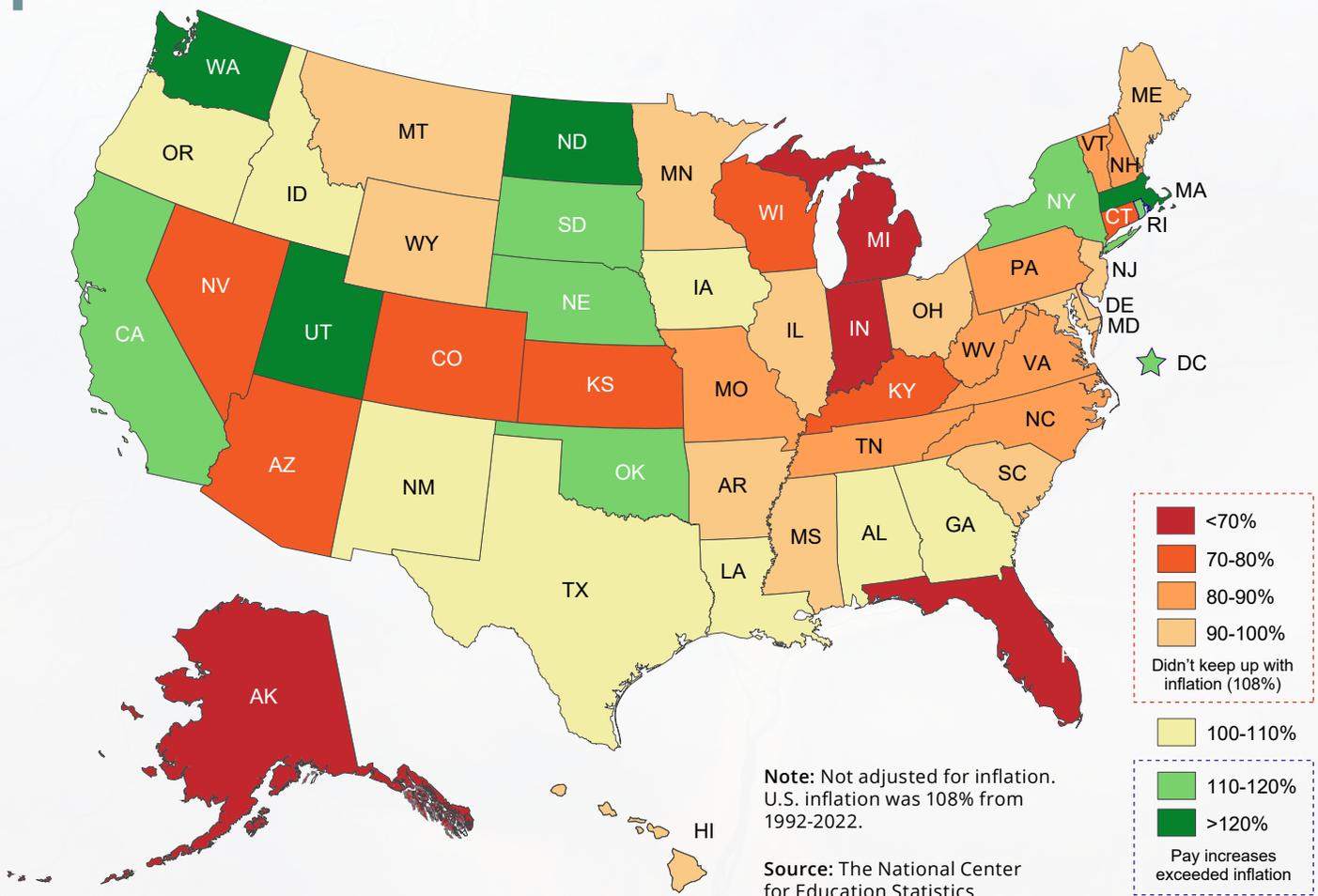


Source: The National Center for Education Statistics

## Inflation-adjusted pay has fallen

Inflation has also taken its toll, and inflation-adjusting salaries over the last few decades shows teachers in about half of all states, including Alaska, have lost ground.

## Growth in teachers' wages by state from 1992 to 2022



National inflation over the last three decades was 108 percent, and as the map on the previous page shows, all of the states in orange and red fell below inflation for their increases in average teacher pay. Alaska is one of four states that increased teachers' wages by less than 70 percent over those 30 years.

Adjusting wages for inflation over the last *two* decades (based on Alaska's urban consumer price index) shows real wages grew 1 percent for all workers in Alaska and nearly 5 percent for those with bachelor's degrees who were not teachers. (See the chart on the right.) Teachers' average inflation-adjusted wages fell more than 4 percent over those 20 years.

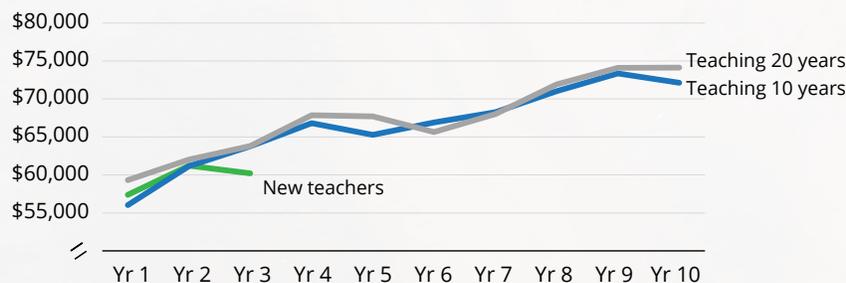
## Newer teachers earn less over the course of their careers

The difference is more pronounced for newer teachers. Those who began teaching in the 2020s, and even in the 2010s, started their careers earning less than their counterparts who started teaching in the early 2000s.

New teachers — for this article, those who began in fiscal year 2020 — started at least 3 percent lower than those in the past, and that pay gap has expanded over time, leaving those just entering the profession falling further behind their more experienced counterparts. (See the graph below.)

At the 10-year mark, educators who began in fiscal year 2012 were about \$2,000 per year behind those who started in 2000 at their 10-year mark. To match their predecessors' wages by the time they reach 20 years of service, the 2012 starters would need more than an 18 percent pay increase, which

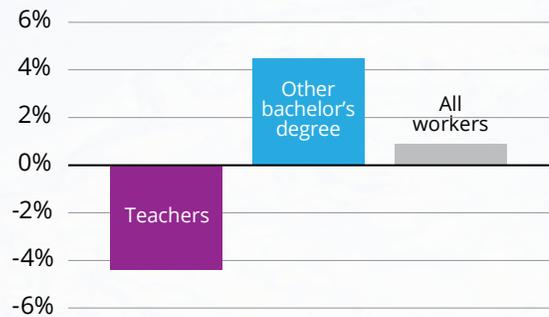
## Wage growth for new teachers, predecessors



Note: Wages inflation-adjusted to 2022 dollars.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Adjusted wages for teachers declined from 2002 to 2022



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Educators who began in 2012 are about \$2,000 a year behind those who started 10 years earlier.

would be counter to the wage trend of their predecessors' second decade.

## Teachers leaving faster than they can be replaced

In the 2000s, about 8,000 people worked as teachers each year in Alaska, peaking at 8,232 in 2002. That level held for a decade but since 2013, the number has steadily decreased. By 2022, the teacher count was down 16 percent from 2002, to 6,916.

Teaching has always seen a lot of churn. At the peak in 2006, for example, 1,508 people taught who didn't the following year. Offsetting most of that loss, 1,248 *started* teaching that year. But while the number of Alaska teachers leaving each year has decreased, even fewer have entered the occupation each year.

Those who stop teaching have also become more likely to leave

education altogether. In 2017, over 20 percent who quit teaching took another education-related job. In 2022, it was only about 15 percent.

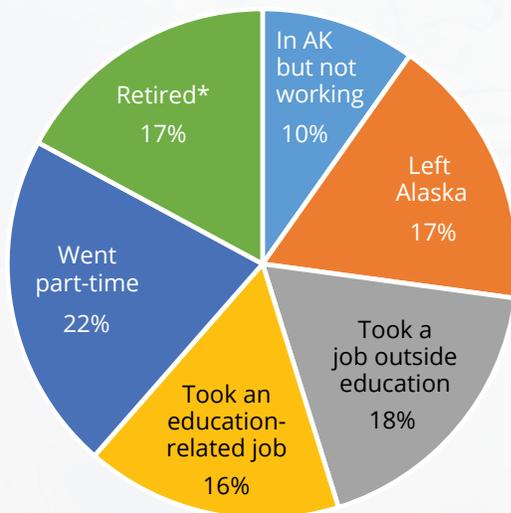
As the pie chart below shows, a large group who stopped teaching last year left Alaska, and some likely left to teach elsewhere. These former teachers were not Alaska residents as of 2022 and were no longer earning a regular paycheck in Alaska.

## More retention and fewer younger teachers

Since 2012, the percentage of all teachers who were in their first year has gradually fallen. Over that period, the share with more than 10 years of experience has grown.

Alaska teacher retention has improved in recent years. In 2016, over 40 percent of the teachers who started that year were already gone the next. In 2021, about 75 percent of the new teachers taught

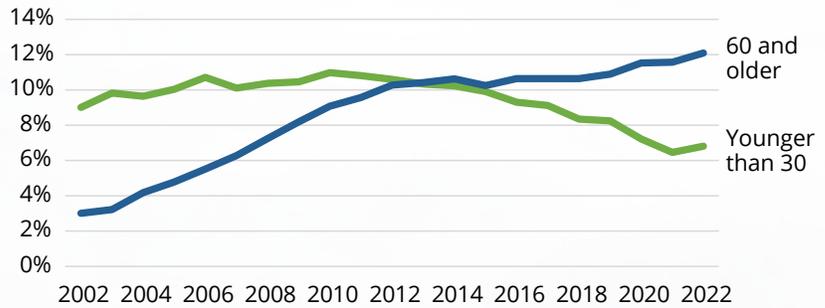
## Where did the Alaska teachers who quit teaching in 2022 go?



Source: Retired means at least 58 years old and not teaching. Residents not working did not show up in wage records, but could be self-employed.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

## Fewer young teachers, more near retirement



Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

again the following year. That time frame saw less hiring and less movement in general, though — partly because of the pandemic — which would increase retention regardless of other factors.

## A unique retirement system

Alaska's retirement system for new public teachers is unique among states, and Alaska is the only state that no longer offers new teachers some type of defined benefit retirement system.

Since 2006, new Alaska teachers have been automatically entered into a defined contribution retirement plan. Upon retirement, they have an investment account to manage and use how they want. While this offers the most flexibility for their accumulated savings, it puts all the investment risk on the employee. The money can also run out during retirement.

Under a defined benefit plan, the employee gets a guaranteed monthly check for life and often some support for a surviving spouse. This shifts most of the actuarial and investment risk to the employer.

Most states offer teachers only a defined benefit plan while a few offer a hybrid or a choice between the two systems. Offering only a defined contribution retirement plan can affect retention as well as recruitment. A defined contribution plan like Alaska's gives teachers the flexibility to take out all of what they and their employers have contributed after vesting in just five years.

Public employees in Alaska and 14 other states also opted out of Social Security in favor of their own retirement systems. Not paying into Social Security adds another layer to Alaska's lack of a defined

benefit plan, making Alaska the only state that doesn't offer at least some low-risk guaranteed retirement to its newer teachers.

## The nationwide challenge in recruiting and keeping teachers

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Looking at how teaching in Alaska has changed over the decades and how we compare to other states can shed light on Alaska's relative strengths and weaknesses. Difficulty recruiting new teachers is a national phenomenon, one that has led some states to relax the requirements to lead a classroom.

Compounding the staffing challenge in Alaska is that nearly an eighth of teachers are older than 60, and the number of teachers younger than 30 is the lowest in more than 20 years, as the graph on the previous page shows.

With teachers in such demand everywhere and so many near retirement, an additional option for Alaska is to recruit from the state's large supply of former teachers: more than 2,600 people have taught in the past 10 years, are younger than 58, and are still working in Alaska but in a different profession.

Multiple national sources have looked at factors that might lead teachers to leave the profession or dissuade students from choosing it as a career. They show that many challenges teachers report aren't unique to Alaska.

The research firm Rand Corporation, for example, found complaints about lower morale and well-being during the pandemic, racial discrimination, and poor working conditions.

Rand also estimated teacher burnout at almost 60 percent, which was consistent across the three years they conducted the survey (2021, 2022, and 2023). The causes listed were managing student behavior, taking on extra work because of staff shortages, and feeling like goals and expectations at their schools are unattainable.

The EdWeek Research Center found that teacher satisfaction had fallen from a high of 62 percent in 2008 to just 20 percent in 2023. The share who said they were very likely or fairly likely to leave the occupation also went up considerably.

In 2022, Gallup found that K-12 workers had the highest job burnout rate in the U.S. — this poll estimated it at 44 percent — and the gap from other professions had increased.

Other reported issues included a lack of administrative support, new unfunded mandates, less support staff, constantly changing education policies, lack of respect, health and safety concerns, political attacks, too-large classrooms, inadequate planning time, and the fact that the pandemic exacerbated all of these problems.

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