A Highly Educated Classroom:
Illinois Teachers Are Not Overpaid

Executive Summary

Teachers in Illinois are among the best-educated in the nation and earn appropriate incomes that reward their skill. Illinois teachers are highly educated, with over 62 percent of full-time public elementary, middle, and secondary school teachers in the state having earned a master’s degree. An additional 16 percent of full-time public school teachers have a bachelor’s degree. These highly skilled educators help foster the next generation of workers and innovators who will grow Illinois’ economy. Full-time public K-12 teachers in Illinois earn more than highly educated workers in Illinois’ private and nonprofit sectors. As in all other states, the dominant determinants of pay are based on salary schedules, which provide larger salaries to teachers with higher levels of formal education and for each additional year of teaching experience. These systems reward teachers with pay increments (i.e., “steps and lanes”) for acquiring and demonstrating specific knowledge and skills needed to meet educational goals.

In part driven by the belief that public school teachers are not “underpaid,” some commentators have called for reforming the practice of allocating teacher pay (Heiss, 2004). In Illinois, for example, it was recently claimed that teachers at Chicago Public Schools are the highest-paid in the nation’s 50 largest school districts (Korte, 2016). However, claims of excessive pay have been discredited by additional research, which finds that teachers experience a wage penalty of between 10 and 19 percent when compared to similarly situated private sector workers (Mishel, 2012; Keefe, 2012; Allegretto, et al., 2011; Olson & Lubotsky, 2011). Illinois has no state income tax and needs quality teachers that are highly educated, skilled, and trained so the state can compete in the global economy. Quality educators are only attracted to the teaching profession if public schools offer salaries that are competitive in the marketplace (Staus, 2014). Properly understanding teacher pay is critical to developing an efficient teacher compensation structure. School districts need to be able to recruit, professionally develop, and retain a quality educational workforce. In one large national survey, 75 percent of teachers report that salary is an essential element to retaining effective teachers (Scholastic & Bill and Melinda Gates Foundation, 2012). Survey respondents also concur that if additional revenues are raised to improve local public schools, 34 percent of teachers would feel more motivated to work for higher salaries.

BACKGROUND

Educators are the backbone of any civil society and economy. A well-educated society tends to produce positive economic and social outcomes, such as high worker incomes, high productivity, high life expectancy, high civic and political engagement, and high life satisfaction (Berger & Fischer, 2013). Research has also found that high quality and highly trained educators improve the individual prospects of the next generation by increasing intergenerational mobility. Because teachers influence the ability of children to thrive in the future, it is imperative that students are taught by the best educators in environments conducive to learning.

Over the last two decades, a chorus of education researchers and policymakers have focused attention on K-12 teacher compensation systems. In Illinois, as in all other states, the dominant determinants of pay are based on salary schedules, which provide larger salaries to teachers with higher levels of formal education and for each additional year of teaching experience. These systems reward teachers with pay increments (i.e., “steps and lanes”) for acquiring and demonstrating specific knowledge and skills needed to meet educational goals.

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- Full-time public and nonprofit sector workers with a bachelor's degree earn more than $76,000 per year, over $13,000 more than public school teachers in Illinois.
- Full-time public and nonprofit sector teachers with a master's degree earn about $103,000 per year, approximately $40,000 more than public school teachers in Illinois.

A key difference between public school teachers and their private sector counterparts is that income is distributed much more equally among public school teachers. The top 1 percent of teachers earns about $124,000 per year (and only after many years of experience), while the top 1 percent of private sector workers earns $505,000 in Illinois.

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