

"An investment in knowledge pays the best interest." -Benjamin Franklin

Every day, North Carolinians entrust the general welfare and education of nearly 1.4 million K-12 students to approximately 93,000 teachers and 109,000 instructional staff. North Carolina's reputation as an educational leader is well known. The quality of our public school teachers has made our state attractive to new families and businesses. There's a mountain of research pointing to the critical role our teachers play in student achievement. When teachers are not properly supported, the impact on children can be devastating.

According to a 2014 report for the <u>American Economic Association</u>, having a quality teacher positively impacts a student's future. The report showed that students with quality teachers were "...more likely to attend college, earn higher salaries, and [were] less likely to have children as teenagers," (Chetty, Friedman, and Rockoff, 2014). Quality teachers with experience, advanced degrees, proper compensation, and subject-specific certification all contribute to student achievement.

Teacher Salaries in North Carolina

The NC State Salary Schedule, which sets NC teachers' base (minimum) salary, starts beginning teachers with a bachelor's degree at \$35,460. Some districts use local funds to supplement the state base pay. This creates disparities between districts that can afford local supplements and districts that cannot. According to the NEA, the statewide average starting teacher salary, not accounting for disparities, is \$37,049, which is higher than the minimum salary requirement but still lower than surrounding states, placing North Carolina at 43rd in the nation. When compared to other southeastern states, North Carolina's average starting salary ranks lower than all states except Mississippi and Arkansas (highlighted orange).

Table 1. Average Starting Salaries and Overall Average Salaries for Southeastern States

State	Average Starting Salary 2019-2020	Overall Average Salary 2019-2020
Alabama	\$41,028	\$54,095
Arkansas	\$35,201	\$50,456
Florida	\$38,724	\$49,102
Georgia	\$38,509	\$60,578
Kentucky	\$37,238	\$53,907
Louisiana	\$41,747	\$51,566
Mississippi	\$36,543	\$46,843
North Carolina	\$37,049	\$54,150
South Carolina	\$37,550	\$53,329
Tennessee	\$38,809	\$51,862
Virginia	\$42,069	\$57,665
West Virginia	\$37,978	\$50,238

Data Collected from the National Education Association



The overall *average* teacher salary in North Carolina in 2019-2020 was \$54,150, about \$10,000 less than the national average teacher salary of \$64,133 according to the <u>National Education Association (NEA)</u> putting NC at *33rd in the nation*. This NC average salary is bolstered by the 23% of NC's teachers who have obtained National Board Certification, which adds 12% to their base salary. As a result, when NC's overall average salaries are compared to other southeastern states, NC fares well, topping all except Virginia and Georgia.

After starting as a teacher, what salary advances can NC teachers expect? Currently, **the top salary on the NC salary schedule is \$52,680**, which a teacher reaches after 25 years in the profession. With the additional 12% from National Board Certification, 25+ year teachers can increase their salary to \$59,000. Between years 15 and 24, the NC salary schedule is fixed with ZERO growth.

Teacher salaries in NC have stagnated for years. According to NEA, between 2018-19 and 2019-20, the **growth in average teacher salaries in NC was the lowest in the nation** - less than 1%. In contrast, New Mexico increased their teacher salaries by a whopping 13.44% and jumped from #49 lowest average salary in the nation to #32, just above NC.

A <u>February 2022 report</u> by the NCGA Fiscal Research Division compared the salary structures of state-funded professions in NC (e.g. teachers, deputy clerks of court, magistrates, correctional officers). Only deputy clerks of court have lower starting salaries and from years 10 through 25, their salaries are higher. Four of the seven professions reach their salary maximum at 6 years, a full 19 years before teachers reach their maximum. Teachers' maximum salaries are the third lowest, higher only than deputy clerks of court and corrections officers.

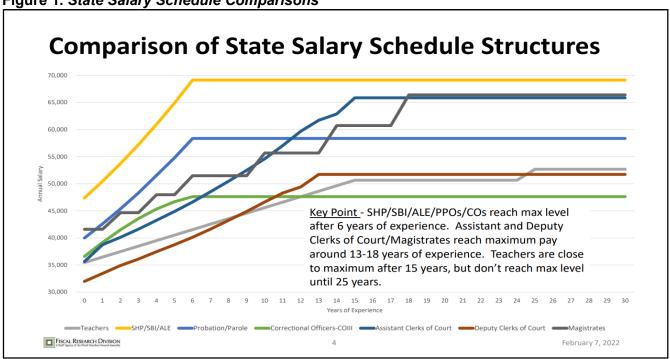


Figure 1. State Salary Schedule Comparisons

Data from the NCGA Fiscal Research Division

Benefit offerings complement the teacher salary structure and also affect the profession's desirability. According to the NCGA Fiscal Research Division, when compared to its neighboring states, NC has the lowest total benefit value for active medical, retiree medical, and pension/defined contribution combined



(see *Figure 2*). From 2021 forward, NC stopped offering new teachers a retiree medical benefit (green bar). This, in addition to NC's weak salary structure makes surrounding states more attractive options for future and current teachers.

Benefits Comparison to Neighboring States Benefit Value per Year Worked for Average New Teacher \$35,000 \$30.000 \$25,000 \$20,000 \$15,000 \$10,000 \$5,000 Based on 2019 Fiscal Research Division analysis, using methodology similar to March 2015 Fiscal Brief titled "Comparison of the Value of State Employee Benefits' ■ Value of Active Medical ■ Value of Retiree Medical ■ Value of Pension/Defined Contribution FISCAL RESEARCH DIVISION February 7, 2022

Figure 2. Teacher Benefits for North Carolina and Neighboring States

Data from the NCGA Fiscal Research Division

NC has not always compared so poorly to surrounding states or the national average. For many years, NC's average was slightly below the national average. After 2000 the gap grew fairly steadily.



The National Center for Education Statistics (NCES) data on average teacher salaries from 1969 through 2021 reveals that in 1999-2000 the average NC teacher salary was \$39,404. When adjusted for inflation that number is \$65,630 in today's dollars, more than \$11,000 above the current NC average teacher salary.

Data collected from National Center for Education Statistics

2021 - 2023 Biennium Budget



On November 15, 2021, the NC General Assembly released the <u>2021-2023 state budget report</u> which includes the state's education budget. The budget provided teachers with a 1.3% raise each year for the next two years. When added to the salary step schedule increases, the result is an average 2.5% each year for an average of 5% increase between 2021 and 2023 (<u>NC Department of Public Instruction 2021</u>). These increases do not come close to raising teacher pay in NC to the national average.

The budget allocated funds for one-time bonuses of \$300 be distributed to all teachers and support staff in addition to a \$3,500 performance bonus for AP, IB, AICE, and CTE educators. The budget also allocated a recurring "...state subsidized supplement of up to \$4,250 per teacher," distributed to low wealth counties to help recruit and retain teachers. The small wealth county supplements excluded Buncombe, Charlotte-Mecklenburg, Durham, Guilford, and Wake. (<u>Granados 2021</u>). In the 2020-21 school year, these counties accounted for about one-third (25,000) of the 82,000 state-funded, full-time teachers employed in NC. Therefore, one-third of NC teachers will not receive the state-funded salary supplement, leaving them to rely solely on **one-time bonuses** and local district supplements that may not adequately address the long-term effects of low teacher pay.

At the same time, the budget includes a plan to phase out the corporate income tax, negatively impacting revenue for education in NC. The current 2.5% corporate income tax rate will be reduced to 2.25% in 2025 (currently the lowest in the nation) and reduced to 0% by the end of the decade.

Although the 2021-2023 budget provided teachers with a small salary raise, some one-time bonuses, and salary supplements for low-wealth districts, it fell far short of addressing the salary needs of NC educators. It also failed to fully fund the Leandro plan (see The Facts on Leandro) to raise teacher pay to the national average, it failed to increase salary supplements nearly one-third of educators in North Carolina, and it failed to increase education revenue. The budget did not address low teacher pay in a substantial way beyond temporary fixes. A full summary of the biennium report can be found on our website.

Conclusion

NC is known for its highly accredited educators, who lead the nation in the number of teachers who have earned National Board Certification. Despite being highly qualified, these teachers are not properly compensated for their work, causing new and old educators to leave the profession. In a 2021 interview about teacher salaries and the 2021-23 budget, Gina Guzzo, a former Wake County educator says, "...the really great feeling you have when you're teaching and helping kids, that isn't something that pays your mortgage or pays your water bill...so ultimately, that was a definite big factor in why I decided to leave." Quality teachers positively impact the future of students, when these educators are not properly supported, student futures are jeopardized.

See The Facts on the NC Teacher Pipeline for more information.

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