

Financial Turmoil: Teacher Labor Market Trends and What They Mean for District Budgets

Note: Presentation is on-the-the record but Q/A after is off-the-record unless otherwise noted



March 16, 2021 @EdunomicsLab
Edunomics Lab, Georgetown University
Slides available at edunomicslab.org

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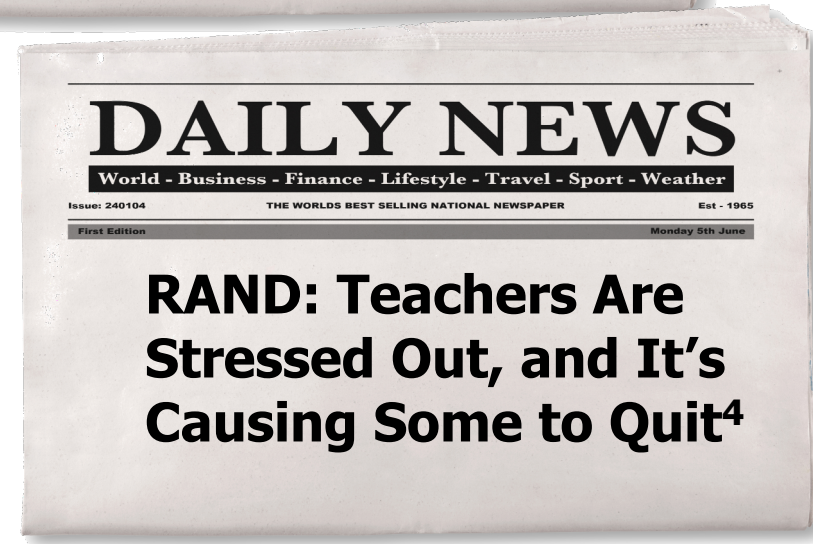
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Headlines have been sounding alarms of teacher exodus

... but none include data on exits!



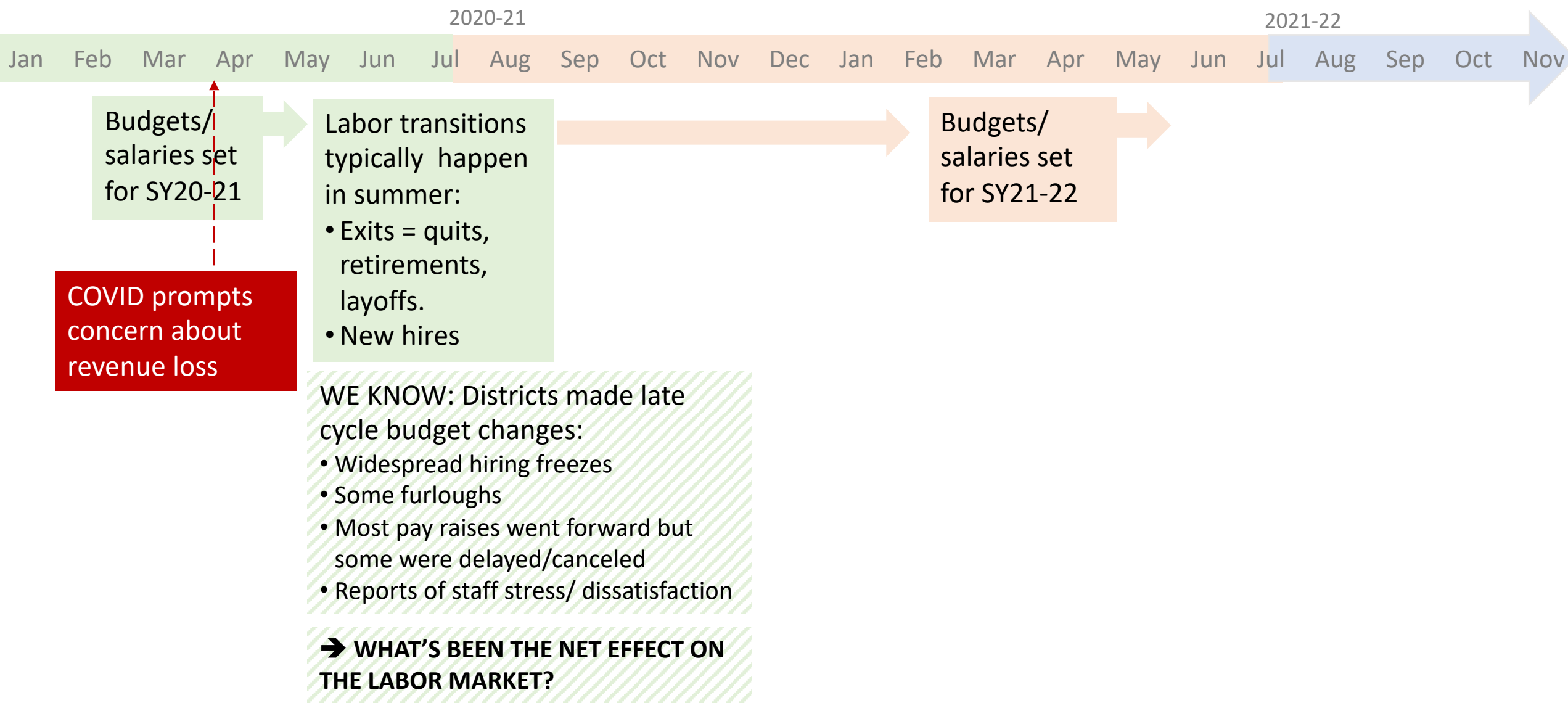
1. <https://www.cnbc.com/2020/10/09/teacher-shortage-and-covid-19-create-challenge-for-education-system.html>

2 <https://www.nytimes.com/2021/01/19/us/pandemic-substitute-teacher-shortages.html>

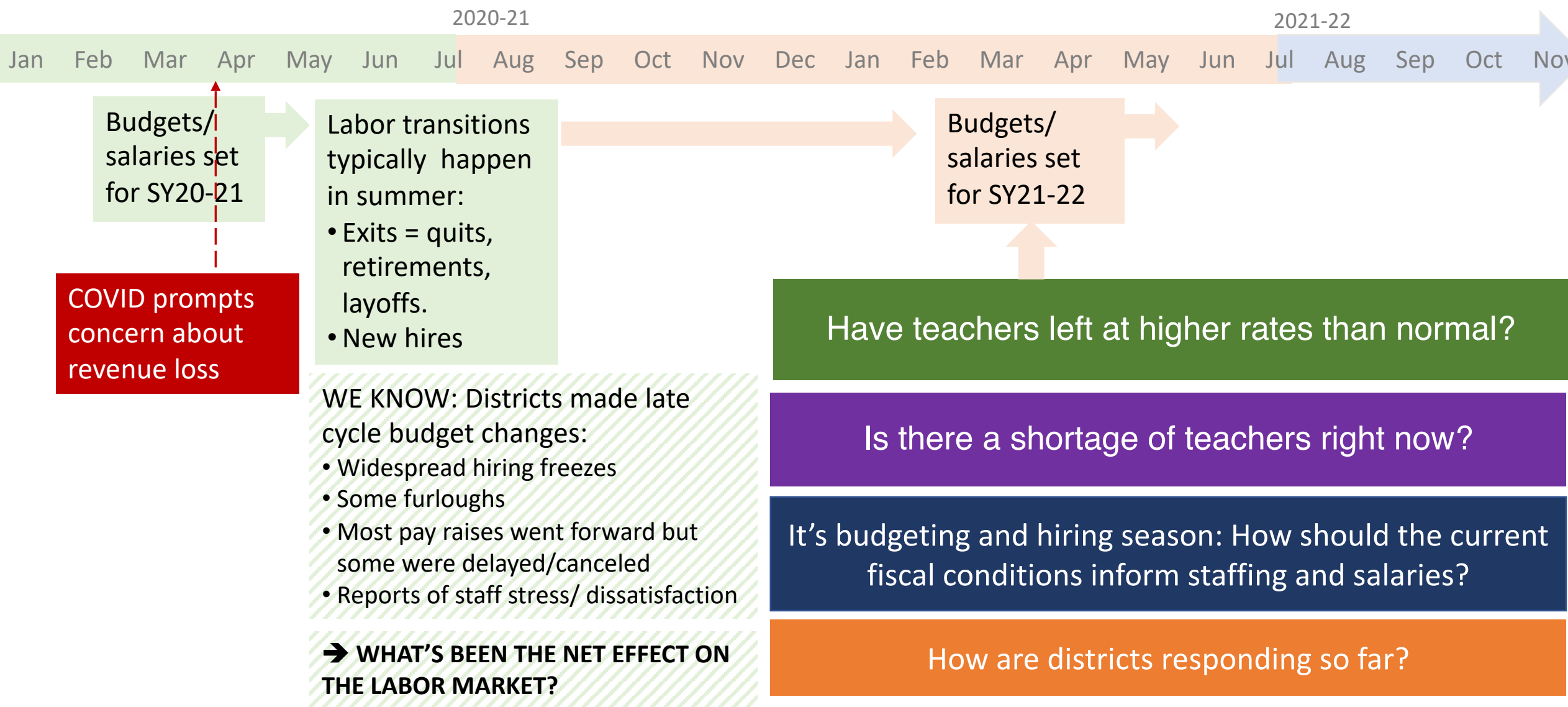
3. <https://www.usatoday.com/story/news/education/2020/05/26/coronavirus-schools-teachers-poll-ipsos-parents-fall-online/5254729002/>

4. <https://www.edweek.org/teaching-learning/teachers-are-stressed-out-and-its-causing-some-to-quit/2021/02>

Typical district financial cycles



Typical district financial cycles



Have teachers left at higher rates than normal?

First we
looked to BLS:

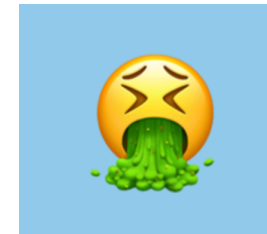
BLS data reported:
-- **Fewer** staff exits (14% in 2020 vs 18% in 2019)

This was consistent
with anecdotal data
from districts

But then **ON
THURSDAY 3/11**
BLS revised its
data

BLS revised data reports:
-- **Higher** staff exits (23% in 2020 vs 18% in 2019)

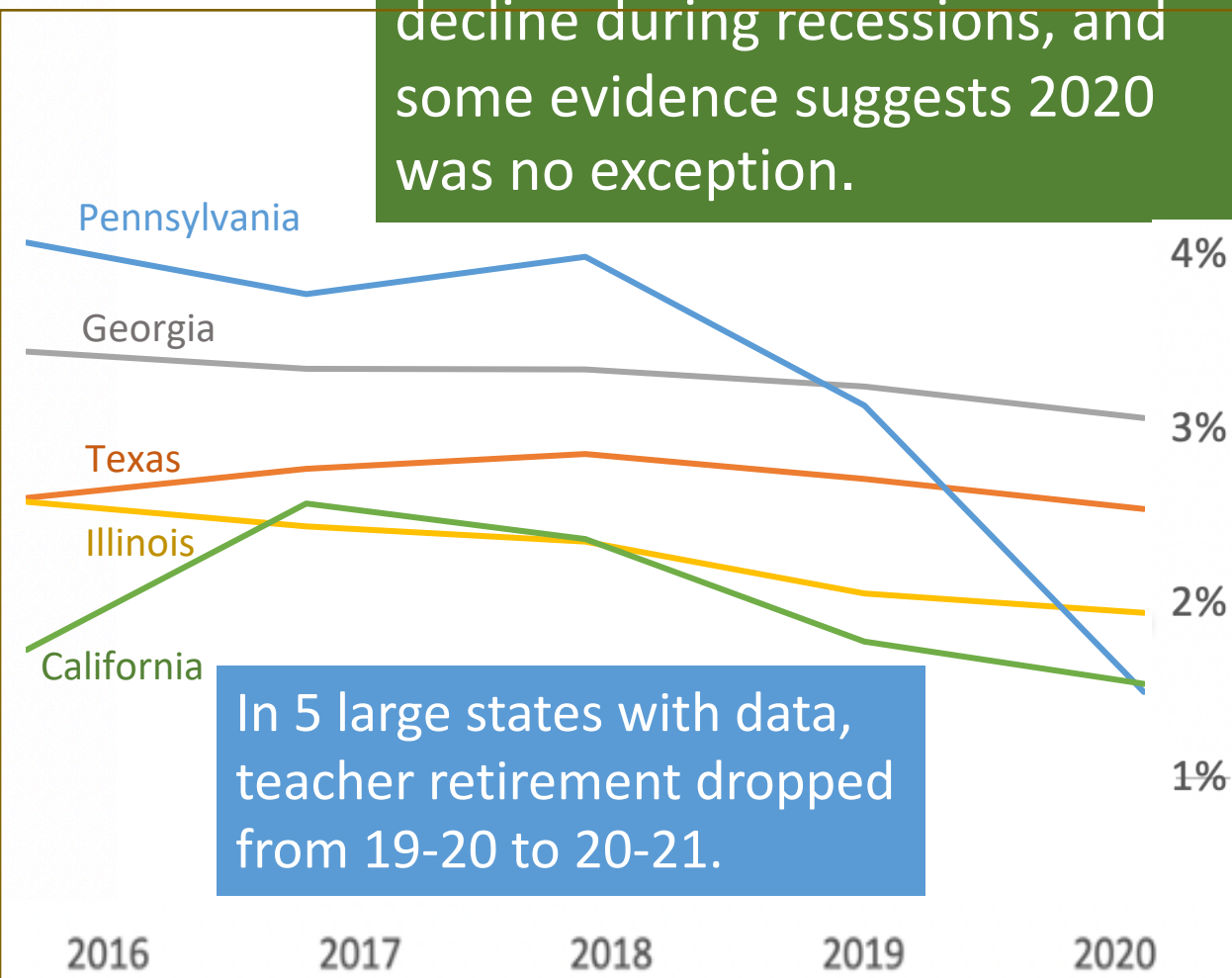
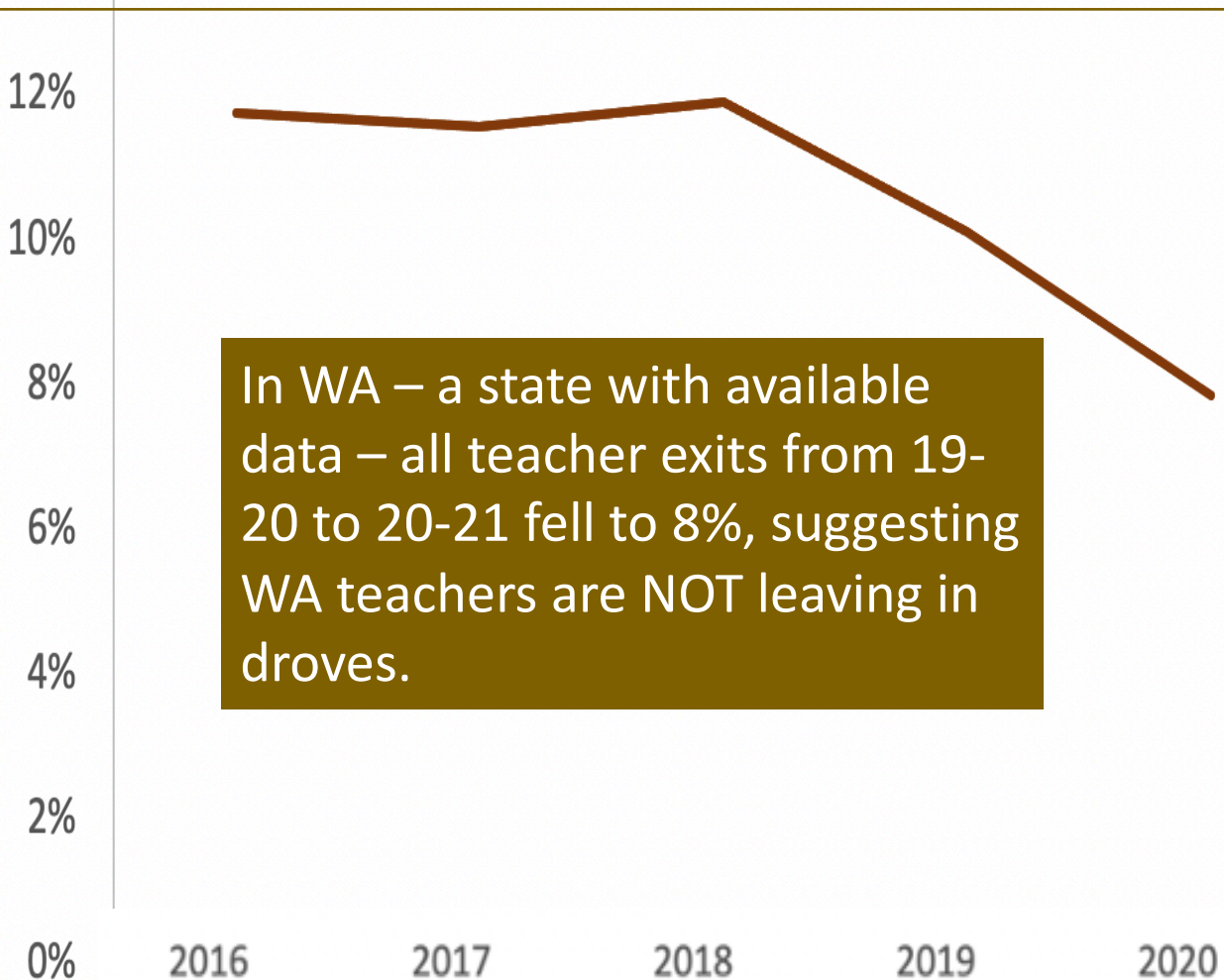
(attempting to adjust for
challenges in collecting data
during COVID)



... So we
gathered a few
more data
sources →

Have teachers left at higher rates than normal?

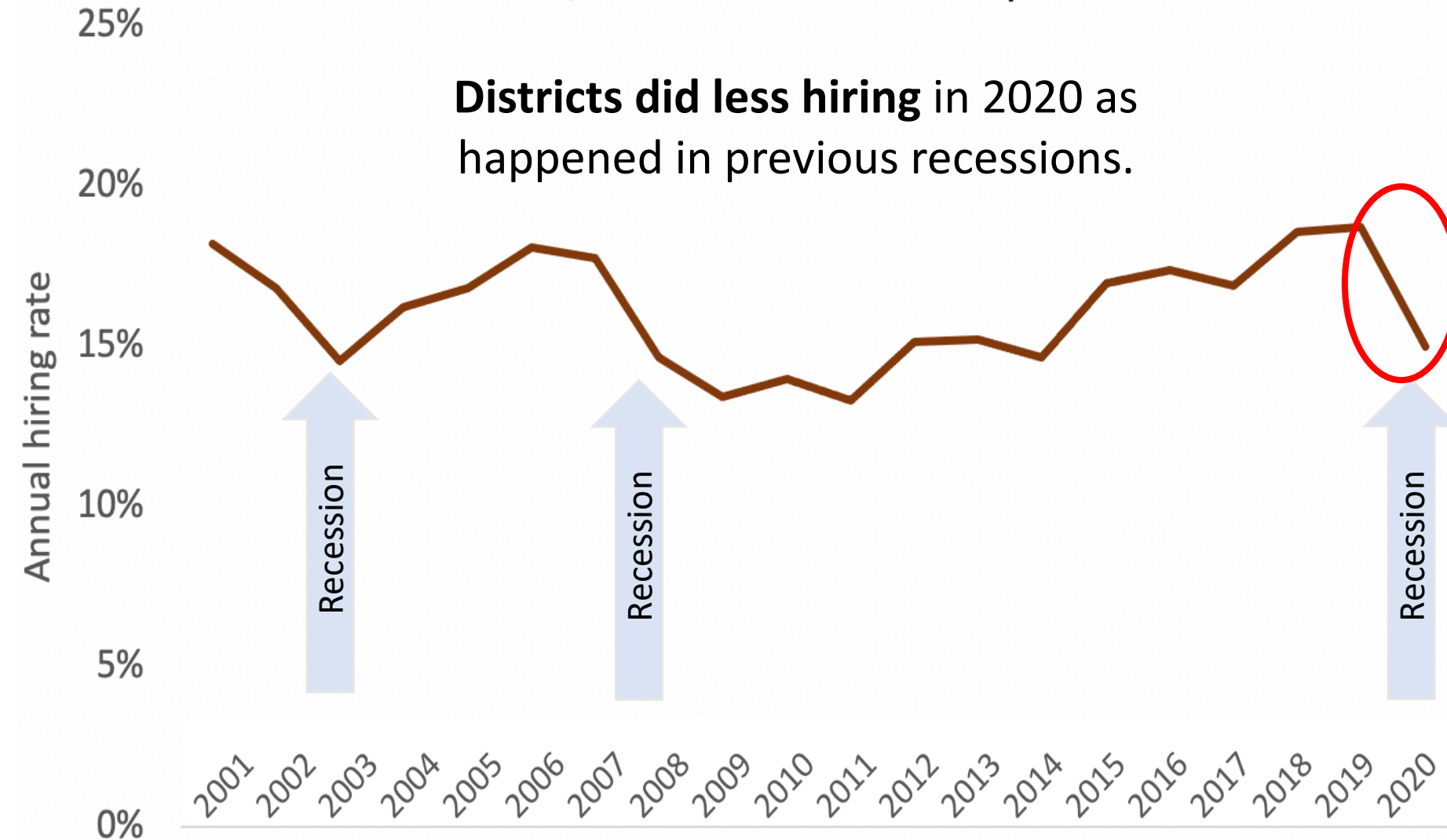
Answer: **Likely no.** Attrition in public education tends to decline during recessions, and some evidence suggests 2020 was no exception.



Washington data retrieved from: <https://www.k12.wa.us/safs-database-files>.
Pension data from state comprehensive annual financial reports.

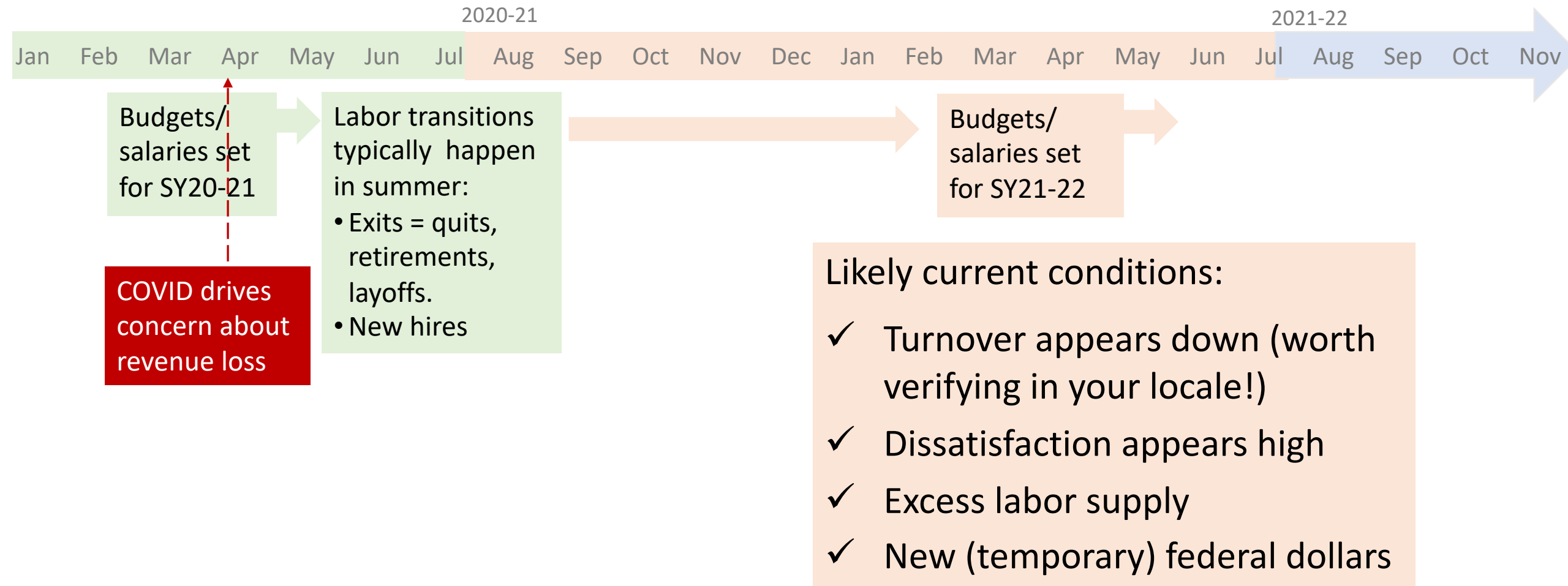


Is there a shortage of teachers right now?



Answer:
Probably not.
Hiring rates across public education **fell** last year—suggesting there may be an excess of supply at the moment.

It's budgeting and hiring season: How should the current fiscal conditions inform staffing and salaries?



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Hiring

- ✓ Deeper talent pool: Evidence from the last recession found that districts hire better teachers amidst excess labor supply.
- ✓ Use caution in hiring: Federal funds are temporary (think about the cliff), and some funds must address learning recovery.
- ✓ Stipends can be used to buy more staff time without long term commitments.

Salaries

- ✓ Salary adjustments needn't be applied uniformly (yet) to address retention (and across-the-board base pay increases drive up long-term obligations).
- ✓ Consider temporary one-time bonuses to address satisfaction.
- ✓ Salary adjustments can be targeted to identified shortage areas (e.g., hard-to-staff schools or subjects).

2020-21

2021-22

Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov Dec Jan Feb Mar Apr May Jun Jul Aug Sep Oct Nov

Budgets/
salaries set
for SY20-21

COVID drives
concern about
revenue loss

Labor transitions
typically happen
in summer:

- Exits = quits, retirements, layoffs.
- New hires

Budgets/
salaries set
for SY21-22

Some “as-usual” salary activity

(fixed % on step/column)

Chesterfield, PA	5.5%
Pierre, SD	4%
Fairfax, VA	3%
Roanoke, VA	2%
Great Falls, MT	2%
Prince William, VA	2%
Atlanta, GA	2%

Few targeted raises
Except for subs

Some atypical pay activity:

Clayton Co, GA **\$2,000** hazard bonus, all employees

St. Louis, MO **\$1,900** /teacher bonus

Henry Co, VA **\$1,000** /employee bonus

St. Tammany Parish, LA **\$1,000** /teacher

COVID bonus, **\$700** other staff

Metro Nashville, TN **\$1,000** /employee

COVID bonus

Detroit, MI **\$750** /teacher returning to in-person, hazard pay

Springfield, MO **\$600** /employee bonus for COLA

How are districts responding so far?

Note: Teachers prefer
that raises be
communicated in
dollars (vs percents)*

What comes next?

Need to continue monitoring data on LOCAL district labor **attrition** (vs satisfaction surveys).

Caution: Last recession's federal funding caused a fiscal cliff, and lots of layoffs.

When hiring, take advantage of deeper talent pool and hire well.

Watch your long-term obligations. Teacher attrition may stay low for years.



Q & A

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Keep us posted on how
things are playing out in
your locale:

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