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

Note: Presentation is on-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

Marguerite Roza  @MargueriteRoza
MR1170@georgetown.edu

Chad Aldeman  @ChadAldeman
CA903@Georgetown.edu

Katie Silberstein  @K_M_Silberstein
KS1747@georgetown.edu
Headlines have been sounding alarms of teacher exodus... but none include data on exits!

A shortage of teachers and Covid-19 create a perfect storm for the education system¹

Back to school? 1 in 5 teachers are unlikely to return to reopened classrooms this fall, poll says³

Pandemic Teacher Shortages Imperil In-Person Schooling²

RAND: Teachers Are Stressed Out, and It’s Causing Some to Quit⁴

---

Typical district financial cycles

Budgets/salaries set for SY20-21

COVID prompts concern about revenue loss

Labor transitions typically happen in summer:
- Exits = quits, retirements, layoffs.
- New hires

WE KNOW: Districts made late cycle budget changes:
- Widespread hiring freezes
- Some furloughs
- Most pay raises went forward but some were delayed/canceled
- Reports of staff stress/dissatisfaction

WHAT’S BEEN THE NET EFFECT ON THE LABOR MARKET?
Budgets/salaries set for SY20-21

Labor transitions typically happen in summer:
- Exits = quits, retirements, layoffs.
- New hires

COVID prompts concern about revenue loss

WE KNOW: Districts made late cycle budget changes:
- Widespread hiring freezes
- Some furloughs
- Most pay raises went forward but some were delayed/canceled
- Reports of staff stress/dissatisfaction

→ WHAT’S BEEN THE NET EFFECT ON THE LABOR MARKET?

Have teachers left at higher rates than normal?

Is there a shortage of teachers right now?

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

How are districts responding so far?

©2021 Edunomics Lab, Georgetown University
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)

But then **ON THURSDAY 3/11**  
BLS revised its data  
(attempting to adjust for challenges in collecting data during COVID)

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

This was consistent with anecdotal data from districts

... 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.

In WA – a state with available data – all teacher exits from 19-20 to 20-21 fell to 8%, suggesting WA teachers are NOT leaving in droves.

In 5 large states with data, teacher retirement dropped from 19-20 to 20-21.

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.

**Districts did less hiring** in 2020 as happened in previous recessions.

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

COVID drives concern about revenue loss

Budgets/salaries set for SY20-21

Labor transitions typically happen in summer:
• Exits = quits, retirements, layoffs.
• New hires

Budgets/salaries set for SY21-22

Likely current conditions:
✓ Turnover appears down (worth verifying in your locale!)
✓ Dissatisfaction appears high
✓ Excess labor supply
✓ New (temporary) federal dollars
It’s budgeting and hiring season: How should the current fiscal conditions inform staffing and salaries?

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).

Budgets/salaries set for SY20-21

COVID drives concern about revenue loss

Labor transitions typically happen in summer:
• Exits = quits, retirements, layoffs.
• New hires

Some "as-usual" salary activity
(fixed % on step/column)

<table>
<thead>
<tr>
<th>Location</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chesterfield, PA</td>
<td>5.5%</td>
</tr>
<tr>
<td>Pierre, SD</td>
<td>4%</td>
</tr>
<tr>
<td>Fairfax, VA</td>
<td>3%</td>
</tr>
<tr>
<td>Roanoke, VA</td>
<td>2%</td>
</tr>
<tr>
<td>Great Falls, MT</td>
<td>2%</td>
</tr>
<tr>
<td>Prince William, VA</td>
<td>2%</td>
</tr>
<tr>
<td>Atlanta, GA</td>
<td>2%</td>
</tr>
</tbody>
</table>

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

Few targeted raises
Except for subs

How are districts responding so far?

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

*Edge Research

See: Edunomics Lab District Tracker: https://edunomicslab.org/district-budget-decisions-labor-implications/
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

Note: Q&A is off the record unless otherwise stated

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

MR1170@georgetown.edu
CA903@Georgetown.edu
KS1747@Georgetown.edu
Lma86@Georgetown.edu

Visit EdunomicsLab.org for webinar slides, recording and other resources on how financial turmoil is impacting K-12