

March 2022

SREB

Teacher Compensation in SREB States

Takeaways From SREB's Latest Data Dashboard

Every child deserves a good teacher — in every class, every year. Too often, students who need the most support have the least qualified or experienced teachers. Shortages of well-qualified and effective teachers continue to be a challenge for SREB states and the nation.

Improving teacher compensation alone won't solve teacher shortages, but it is one critical factor in recruiting and keeping some of the best and brightest teachers in our classrooms. The [SREB Teacher Compensation Dashboard](#) shows where states stand on teacher salaries and benefits, helping policymakers make informed decisions for their states.

Ending shortages, elevating the profession

Teacher shortages are both an education issue and a workforce issue. Educators help prepare all students for future jobs and careers, and students deserve our very best — especially as they graduate into a workforce and economy undergoing massive changes brought on by automation and new technology. Without better teaching in our classrooms, millions of Southerners will become virtually unemployable or stuck in low-wage jobs and poverty, according to SREB's 2019 *Unprepared and Unaware* report.

Solutions require long-term commitment and investment from state leaders. Elevating the profession means building a blueprint to address *all* the difficulties in attracting and retaining great teachers: better preparation and pathways into the profession, clearer licensing systems that can signify professional growth, mentoring and support for experienced teachers, and better compensation.

This policy brief was prepared by Megan Boren, SREB project manager for postsecondary education. For more information, please contact megan.boren@sreb.org or visit [SREB.org/TeacherWorkforce](https://www.sreb.org/TeacherWorkforce).

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Looking at teacher compensation as a whole shows us that:

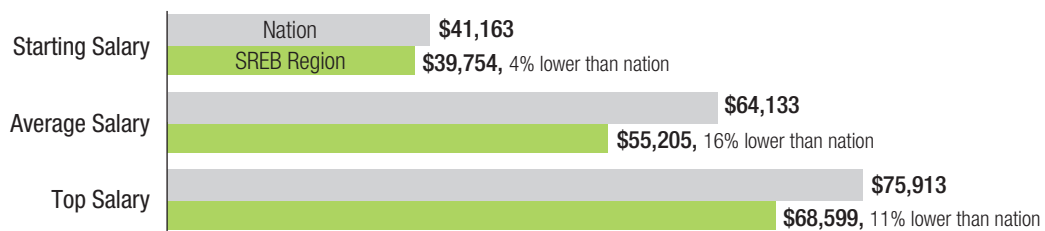
- **Pay matters.** Higher salaries alone can't address teacher shortages — but they can help. Many SREB states have work to do to catch up with regional and national averages.
- **Benefits can cost a lot.** How much do monthly health insurance costs impact teachers' overall compensation? In many states, individual coverage costs teachers very little. Family policies, however, average \$648 a month across the region — and are much higher in some states.
- **Retirement should pay better.** Most professionals don't stay in one career anymore. States can save money and help teachers build more retirement savings through optional portable investment plans. States should bring teachers to the table to build new options.
- **Take-home pay puts it all together.** How do all these factors impact teachers' paychecks? States should monitor net pay and the costs of benefits to attract and retain teachers.

Compensation =
 salary +
 health insurance +
 retirement +
 non-financial rewards

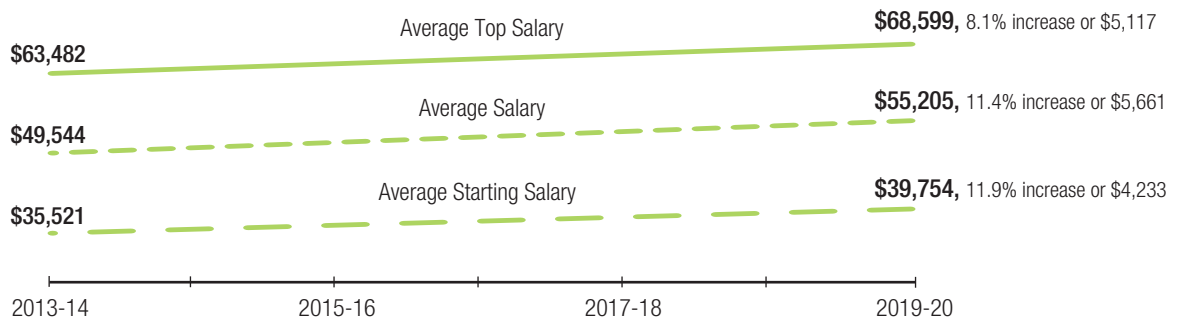
Highlights From the Teacher Compensation Dashboard

Teacher Salaries

Average Salaries, 2019-20



Salary Changes, 2013 to 2020 SREB Region



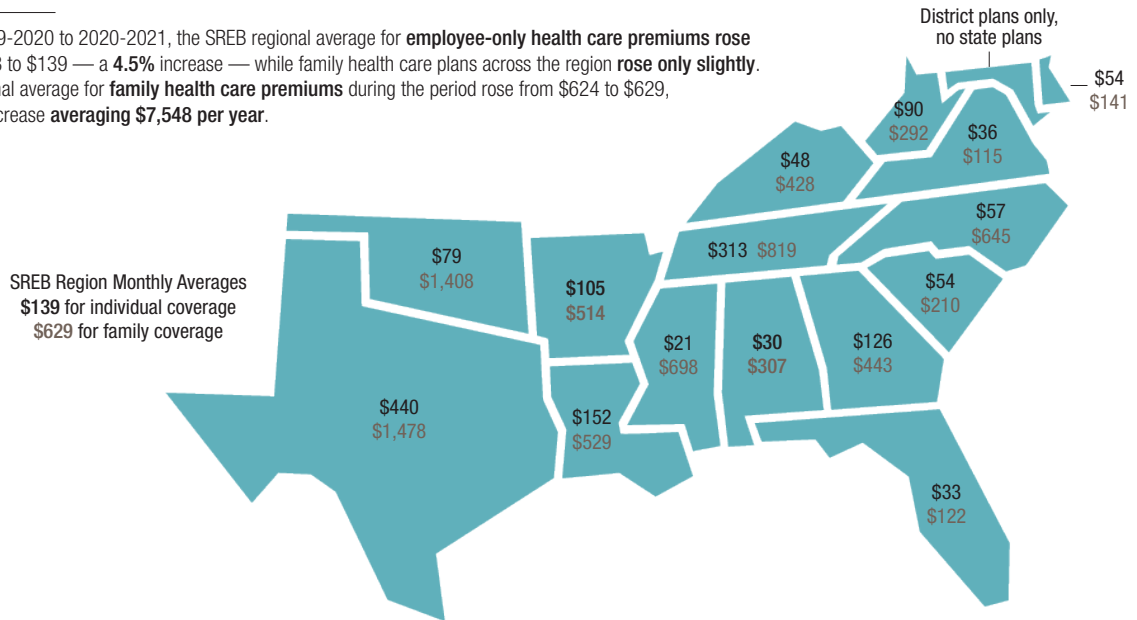


Health Benefits

Average monthly health insurance premiums paid by teachers

Nationally, health insurance costs have risen 55% in the last decade, according to Kaiser Health News, and these costs continue to impact teachers' take-home pay. State and district leaders must annually plan for the continued rising costs of health insurance, especially during and after the pandemic, to prevent exorbitant additional costs to teachers, decreasing their take-home pay.

From 2019-2020 to 2020-2021, the SREB regional average for **employee-only health care premiums rose** from \$133 to \$139 — a **4.5% increase** — while family health care plans across the region **rose only slightly**. The regional average for **family health care premiums** during the period rose from \$624 to \$629, a 0.8% increase **averaging \$7,548 per year**.



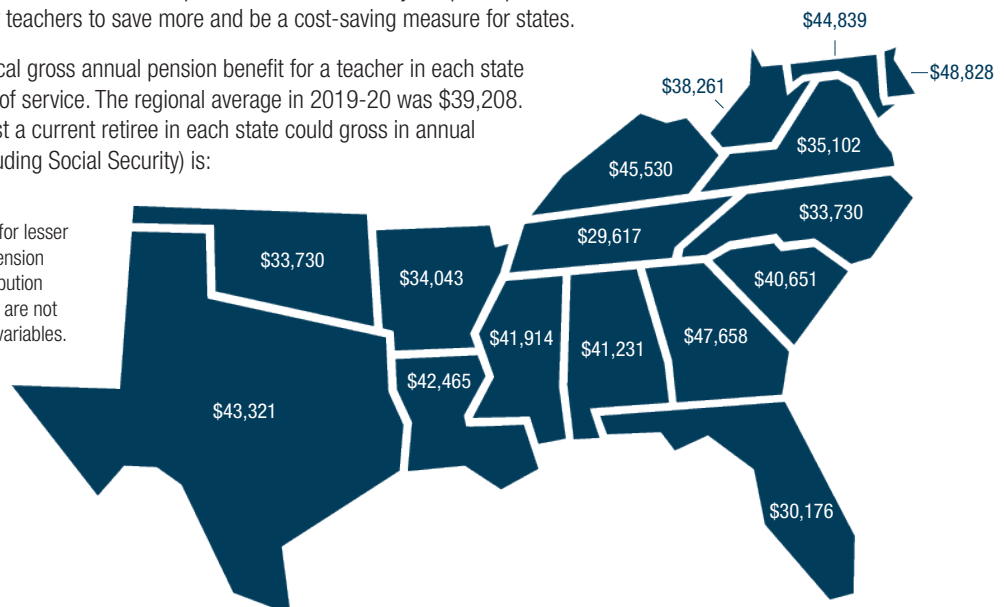
Retirement Benefits

Average gross annual pension benefit in 2019-20

All states offer pension plans to teachers, and most SREB states have pension tiers with varying benefits for newer teachers. Five states have portable investment or hybrid plan options for teachers which can allow younger teachers to save more and be a cost-saving measure for states.

SREB calculates the typical gross annual pension benefit for a teacher in each state at age 65 with 30 years of service. The regional average in 2019-20 was \$39,208. This map shows the most a current retiree in each state could gross in annual pension benefit (not including Social Security) is:

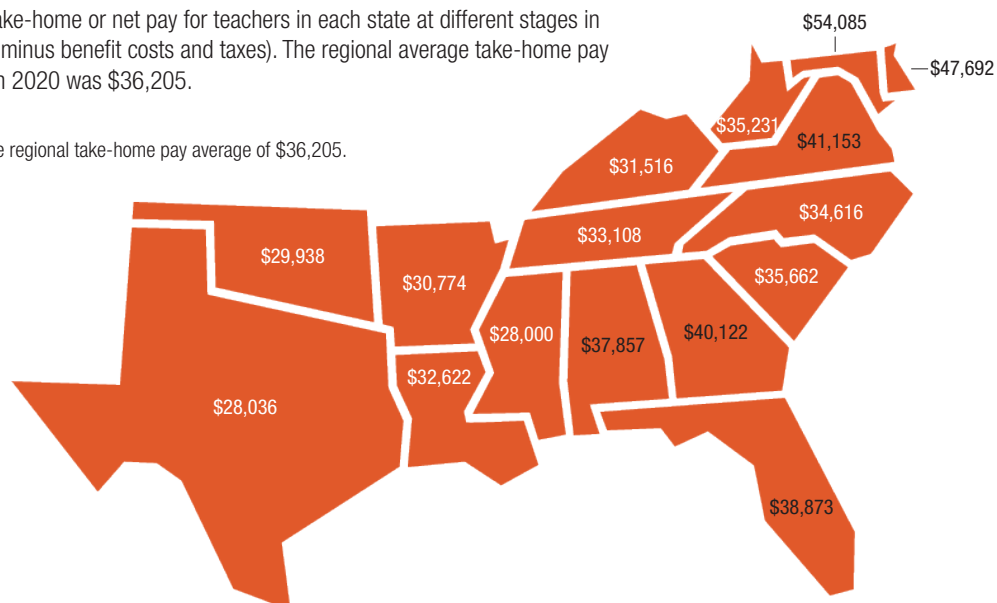
Most newer teachers qualify for lesser benefits due to changes in pension benefit tiers by states. Contribution plan and hybrid plan benefits are not calculated due to numerous variables.



Average take-home pay for mid-career teachers in 2020

SREB calculates typical take-home or net pay for teachers in each state at different stages in their career (gross salary minus benefit costs and taxes). The regional average take-home pay for mid-career teachers in 2020 was \$36,205.

Salaries in black are above the regional take-home pay average of \$36,205.



See the Big Picture

Addressing teacher shortages means addressing all the challenges in attracting and retaining teachers: better preparation and paths into the profession, licensing systems, mentoring and professional support, and compensation. SREB's upcoming report *A Blueprint to Solve Teacher Shortages* shows how some states are creating bold, innovative plans to elevate the teaching profession and rebuild our educator pipeline.



[SREB.org/TeacherCompensation](https://www.sreb.org/TeacherCompensation)

SREB Teacher Compensation Dashboard

- Salaries, 2013-14 to 2019-20
- Health benefits, 2019-20 to 2020-21
- Retirement benefits, 2018-19 to 2019-20
- Take-home pay, 2019 and 2020

SREB resources to help:

- Data on teacher shortages and preparation by state: [SREB.org/TeacherShortages](https://www.sreb.org/TeacherShortages)
- More solutions and resources: [SREB.org/TeacherWorkforce](https://www.sreb.org/TeacherWorkforce)