



NEW JERSEY TEACHER SALARIES ARE COMPARABLE TO PROFESSIONAL PAY IN PRIVATE SECTOR

Marcus A. Winters, *Senior Fellow*

It is often said that public school teachers are poorly paid. At an average salary of about \$60,000 a year, public school teachers in New Jersey take home substantially less pay than do many other college educated professionals. But teachers tend to work fewer hours in a year than do other professionals. Does the widespread assertion that New Jersey's teachers are poorly paid relative to other professionals hold true after accounting for differences in hours worked? This policy brief uses data from government sponsored labor market surveys to shed light on that question. When adjusted to equivalent working hours, we find that New Jersey's public school teachers earn wages that are competitive with those of private-sector professionals, whose salaries have stagnated or been cut as a result of the recent economic downturn.

Our primary data source is the 2008 Occupational Employment Statistics and Wage Survey made publicly available by the State of New Jersey Department of Labor and Workforce Development.¹ The OES reports estimated mean and by-quartile annual salaries for more than 4,000 job classifications within the state.² Importantly, the survey only reports take-home salaries and thus does not reflect the value of benefits such as health care and retirement, which are much higher for public school teachers than for most professionals in New Jersey's private sector. Thus, the comparisons shown in this paper likely undercount (perhaps

dramatically) overall teacher compensation relative to other workers.

According to the OES, the average salary for a New Jersey elementary school teacher is \$60,090.³ Teachers at the bottom quartile earn \$47,170, those at the median earn \$55,480, and teachers at the seventy-fifth percentile within the state earn \$73,260.

Comparing these salaries to those of private sector employees requires an estimation of the annual number of hours worked in other professions. Unfortunately, reliable data on hours worked is not available from the OES.⁴

To estimate the number of hours worked by private sector employees, we assume that the average worker in New Jersey puts in the same number of hours as does the average worker nationwide. We acquire a national estimate of hours worked by those in the civilian workforce from the National Compensation Survey, which is administered and reported by the federal Bureau of Labor Statistics.⁵ The NCS reports the number of hours an employee is scheduled to work, exclusive of overtime. According to the NCS, the average civilian employee in the United States worked 2,014 hours in 2008 at an average of 36.9 hours a week.

We utilize three different estimates of the number of hours worked by public school teachers in New Jersey. We derive our first, and preferred, estimate from the NCS, which reports that public school elementary teachers were scheduled to work an average of 1,401 hours in 2008. The hours worked translates to an average of 36.9 hours a week for thirty-eight weeks, which is consistent with a 191 school day calendar.

Our second estimate of teachers hours worked comes from the collective bargaining agreement for teachers in Newark, the state's largest school district. Like most such agreements, Newark's teacher contract specifies the exact number of hours that the district can require a public school teacher to work in a day and year. The contract specifies that "There shall be

scheduled no more than 185 pupil days and 191 workdays...."⁶ The contract also specifies that the elementary teachers arrive at 8:20 a.m. and depart at 3:05 p.m., which translates into a six and three quarter hour work day. We can thus calculate that the annual hours worked by a teacher in Newark is not to exceed 1,289.25 in a year. For the purposes of this paper we use the Newark hours as an estimate of required work hours for teachers statewide.

Some will surely contend that the first two estimates fail to account for any hours a public school teacher works in addition to what is scheduled. Many teachers work far more than the required hours, some grading papers deep into each night. While it is undoubtedly true that many teachers work far more than the required hours, many civilian professionals also work far more than the hours required of them, and so the comparison between hours reported on the NCS is likely apt. More, if it were truly commonplace for public school teachers to work much more than the required hours, then one would suspect little need to enshrine the number of required hours so specifically in the collective bargaining agreement. That teachers unions negotiate so strongly to keep the number of hours to be worked specified in the contract from increasing suggests that many teachers treat the contractual hours as binding. For instance, the primary issue in dispute during the widely reported recent conflict between teachers and administration in Central Falls, Rhode Island, in which the school district fired and then eventually rehired all of the teachers in a school, was whether or not to amend the collective bargaining agreement in order to lengthen the school day to seven hours. If the majority of teachers routinely worked far more than what was required in the existing contract it is difficult to understand why raising the required hours would have been such a sticking point in the contract negotiations.

Nonetheless, in order to satisfy such concerns we also report salaries based on a high-end estimate that the average teacher in New Jersey works forty-five hours a week for the thirty-eight weeks that school is in

session. That’s about 34 percent more hours a week than contractually required.

We use our three estimates of hours worked by public school teachers in New Jersey to first convert their reported annual salaries into wages per hour, and then we translate that number into an estimated annual salary had teachers worked the same hours as the average civilian worker in a year. The results of this comparison are found in the below table.

	Mean	25th Percentile	50th Percentile	75th Percentile
Unadjusted Annual Salary	\$60,090	\$47,170	\$55,480	\$73,260
National Compensation Survey Hours (1,401)	\$86,382	\$67,809	\$79,755	\$105,315
Required Hours (1,289.25)	\$93,870	\$73,687	\$86,668	\$114,443
High-end (1,710)	\$70,773	\$55,556	\$65,343	\$86,284

According to our preferred estimate where number of hours worked by public school teachers is derived from the National Compensation Survey, when we take into account the differences in hours worked, the salary for the average teacher in New Jersey translates to about \$86,382 annually in the private sector. According to our measure, the highest paid twenty-five percent of teachers in the state earn the equivalent of six figure salaries.

Teachers who work no more than is required of them according to Newark’s collective bargaining agreement earn on average the equivalent of \$93,870 in private

sector work hours. Even our high-end estimate shows that teachers earn about \$70,773 on average if they worked the same number of hours as the average civilian worker.

Teachers take home relatively low annual salaries. However, the fact that they work many fewer days and hours than the average worker must be considered a meaningful part of their overall compensation.

Perhaps teachers deserve higher salaries for pursuing such laudable careers or because even higher wages are required in order to recruit the most attractive candidates into the profession. This policy brief takes no position on whether teachers are “over-” or “underpaid.”

Nonetheless, decisions that hinge on the relative teacher salaries in New Jersey should be informed by honest calculations of how much teachers actually earn relative to other workers. Given an equal number of hours worked, teachers earn salaries comparable to those of many professionals in New Jersey.

¹ http://lwd.dol.state.nj.us/labor/lpa/employ/qcew/qcew_index.html

² For simplicity, we focus on the category “Elementary School Teachers, Except Special Education.” The OES also reports salaries for middle school and high school teachers, which are greater than that reported for elementary school teachers.

³ The average annual salary for public school teachers reported by the OES is similar to that reported by both the National Center for Education Statistics (Digest of Education Statistics 2009, Tables 76 and 77), and also with an analysis of the salary schedule reported in the collective bargaining agreement for teachers in Newark, New Jersey.

⁴ OES does report hourly earnings for some professions, though not for our category of interest. In addition, for its wages-per-hour calculation the OES simply assumes a 40 hour work week for 52 weeks a year, which is almost certainly a too generous assumption for most occupations.

⁵ <http://www.bls.gov/ncs/ncswage2008.htm>. Hours worked by public school teachers is taken from Table 5, which reports estimates for state and local government workers. We use the estimated hours worked for private employees reported in Table 3, which reports results for civilian workers.

⁶ Newark teacher’s contract, pg. 16