How Do New York City Teacher Salaries Compare?

A Regional Look at New York **City's Competitiveness to Recruit New Teachers**



New York City Independent **Budget Office**















Executive Summary

Hiring and retaining more teachers is a critical issue for the New York City Department of Education (DOE). The City faces teacher shortages and new State mandates to reduce class sizes. A key policy question is how to make teaching in New York City attractive within the local labor markets.

Competitive teacher salaries are one of the main ways the City can attract and retain teachers. IBO compared teacher salaries in traditional public and charter schools in the City with other regions in New York State and neighboring New Jersey. This illustrates the extent to which New York City teachers' salaries compare favorably with other nearby school districts and other local job opportunities. IBO's report explores base (nominal) salary amounts, teacher salaries adjusted for the local cost of living, and teacher salaries adjusted for Master's degrees and years of teaching experience. IBO found that:

- The median teacher salary for traditional public school teachers in New York City is higher in nominal terms than in many other districts in New York State, including Buffalo, Rochester, Syracuse, and Yonkers, and in neighboring districts in New Jersey. New York City's nominal median salary is lower, however, than that in suburban districts in Hudson Valley and Long Island.
- Charter school teachers in New York City earned the lowest median salary, in nominal terms, among the school districts IBO studied.
- Salary differences, however, are observed when IBO looked at teachers with Master's degrees and less than 5 years of teaching, whom IBO classified as novice teachers. When adjusting for education and experience, median salaries in New York City traditional public and charter schools were higher than those in other groups, even including the neighboring suburban areas.
- However, the higher median salaries of novice teachers with a Master's degree disappeared when the nominal salaries were adjusted for variation in similar professional occupations and the cost of living. Adjusted salaries became similar across New York State, and the adjusted salaries in New York City were even lower than in the large cities.
- Median nominal salaries have consistently increased across school districts in New York State and New York City charter schools since the 2017-2018 school year. In New York City, traditional public school salaries were relatively flat in the 2021-2022 and 2022-2023 school years, after rising during the previous four years. This partly relates to contract negotiations between the City and the teachers' union, as well as shifts in teacher composition.

This report examines teacher salaries as a tool to gauge the City's competitiveness in the educational labor market. IBO focuses only on pay, and not on other forms of employment compensation such as health, retirement, and other benefits, largely due to data limitations that would allow for fair comparisons across different geographic areas. It is also likely that salary comparisons are a greater factor for recruiting new teachers over other non-monetary benefits, especially for recent graduates entering the labor force.

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Introduction

In recent years, many schools across the country have experienced difficulty hiring teachers, an issue made more urgent due to current student achievement being substantially below pre-pandemic levels. In New York City, an additional consideration is the recent passage of a State law which significantly lowers class sizes across all levels of K-12 education, thus requiring the City to hire additional teachers. The City's ability to attract and retain teachers will in part depend on how competitive public school teacher compensation is.

In this report, the Independent Budget Office (IBO) compares New York City public school teacher salaries with those in neighboring schools and districts in New York State and New Jersey. IBO uses data on teacher salaries, educational levels, teaching experience, cost of living, and the local labor market. Teacher salaries are further disaggregated by years of teaching experience and education levels to offer a more nuanced comparison. In addition, IBO also adjusts teacher salaries to reflect variation in cost-of-living and in other professional wages across communities. The findings portray a fuller picture of the relative attractiveness of teacher wages in New York City Public Schools vis-à-vis its peers in the City and beyond. IBO's findings offer important context for policymakers as the New York City Department of Education (DOE) embarks on an ambitious plan for hiring new teachers.

Background

More than four years after the onset of the COVID-19 pandemic, public schools across the country still face significant challenges. School districts struggle to reverse the learning loss from the pandemic's widespread disruptions and to hire and retain teachers. Concerns about teacher hiring remain widespread following the pandemic's upheaval on classroom learning, and a national decline in the number of graduates choosing teaching as a profession. In addition, New York City faces pressure to expand the teacher workforce to comply with a new class size reduction law. The City is also looking to hire bilingual teachers to support a growing population of English language learners in the system. (See IBO's report on English language learners in New York City Public Schools.)

In the years leading up to the COVID-19 pandemic, teacher retention in New York City's public schools had been stable, even improving. But there was a drop in retention after the pandemic in the 2021-2022 school year, which was further magnified during the following school year (2022-2023). (See IBO's report on teacher retention.) That same school year, New York State passed an education bill limiting maximum class sizes for grades K through 12 in the city's traditional public schools, as presented in Figure 1.

DOE is currently in the process of phasing in these new class sizes, with full compliance required by the start of 2027-2028 school year. IBO's recent report looking at the teacher hiring needs of the new law found that DOE needs to hire 17,700 additional teachers to cover the new classes needed. (This includes approximately 7,500 existing vacancies for teaching positions).

An important feature of teacher labor markets is that these are, to a large extent, local in nature. Research has shown that throughout the country, teachers are far more local than other college graduates and the majority of young teachers live within 20 miles of the high school they attended.2 This preference for proximity is particularly strong among teachers in New York State, where 85% of entering teachers between 1999 and 2002 taught within 40 miles of their hometown and 60% of them taught within 15 miles.3 The fact that teacher labor

Grade Level	Maximum Class Size
Kindergarten through 3 rd	20 Students
4 th through 8 th	23 Students
9 th through 12 th	25 Students
Physical Education and	
Performance	40 Students

markets are geographically small implies that most of the additional teachers DOE hires would come from neighboring counties and school districts. Thus, the attractiveness of public school teacher salaries in the City compared with nearby areas has substantial implications for the City's ability to hire new teachers.

In recent years, there have been concerns regarding teacher salaries falling behind the salaries of other college graduates. A study analyzing salaries for 137 specific majors found that, both among bachelor's degree holders and among graduate degree holders, education majors ranked in the bottom quartile in terms of median annual salaries. Two-thirds of U.S. teachers in a national survey reported that their base salary was inadequate, compared with only 39% of U.S. working adults. Nationally, research on teacher hiring and turnover has underlined the importance that teachers often place on their earnings while deciding on potential employment options. An earlier study investigating teacher attrition in five large metropolitan areas in upstate New York found that teachers in districts with higher salaries—relative to non-teaching salaries in the same county—are less likely to leave teaching and that teachers are less likely to change districts when they are working in a district near the top of the teacher salary distribution in that county.

Recently, the DOE has made concerted attempts to hire more teachers—both with respect to meeting class size reduction targets under the new State law and with respect to addressing potential teacher shortages due to higher attrition (and lower uptake for new hires). For example, the DOE offers incentives like signing bonuses to teachers who work at specific schools of high-need and tuition assistance. In a City Council hearing last year, Emma Vadehra, Deputy Chancellor for Operations at the DOE, testified that the City might ask schools to prioritize hiring teachers over other positions—aides, administrators, deans, counselors and social workers—in order to ensure compliance with the State law. Mayor Adams called on the teachers' union last spring to help boost teacher recruitment after Schools Chancellor Banks asserted that the City would need to triple its rate of hiring teachers to address the State's class-size law requirements.

Research Questions

IBO looks to answer the broad question of how teacher pay in New York City traditional public schools compares with the rest of the New York State. Within this context, IBO covers the following research questions:

- 1. How does teacher pay in New York City public schools compare with City charter schools and other school districts in New York State and nearby New Jersey counties?
- 2. What are the salary differences between City public schools and other schools when education levels and years of teaching experience are taken into account?
- 3. What are the salary differences between City public schools and other schools when adjusted to reflect the regional cost of living or other local job opportunities in non-teaching positions?
- 4. What have been the trends in teacher pay over the last six years across New York City public and charter schools, and other public schools in New York State?

IBO explores teacher salaries as the focus of teacher recruitment efforts for New York City public schools. IBO recognizes that other forms of compensation such as health, retirement, and other benefits may also influence employee decisions, but there is not data to allow for fair comparisons across school jurisdictions and for most entry-level teachers, salary and cost of living considerations are likely the main form of compensation that drives decision making.

Data

IBO uses data from multiple data sources to best answer the above research questions. IBO used data from the States of New York and New Jersey on teacher salaries. Teacher salary data was limited to reporting for regular school districts and omits specialized school districts and charter schools outside of New York City.⁷

IBO compares median teacher salaries in New York City public schools to those in New York City charter schools, and to public schools in New York State (outside of the city). New York State requires teachers to earn state certification, which would extend across all New York schools. Because charter schools may employ teachers without state certification, those teachers would need to become certified before seeking employment outside of their existing school.8 For a more nuanced comparison, the brief additionally looks at teacher salaries in the next largest public school systems in New York State (the other four large urban school districts - Buffalo, Rochester, Syracuse, and Yonkers) and at teacher salaries in communities closer to the City. The latter group includes school districts in the middle and upper Hudson Valley and districts in Long Island.9

Because New York City borders New Jersey, this report also analyzes median salaries across school districts in nearby areas of New Jersey. 10 New Jersey teachers would require New York state certification before teaching within New York City public schools. IBO includes districts in the following counties which are closer to New York City—Bergen, Essex, Hudson, Hunterdon, Mercer, Middlesex, Monmouth, Morris, Ocean, Passaic, Somerset, Sussex, Union, and Warren.¹¹

Data from the U.S. Census Bureau's Comparable Wage Index for Teachers (CWIFT) was used to adjust teacher salaries for regional differences in cost of living and compensation in comparable occupations. Lastly, IBO used the Family Budget Calculator dataset from Economic Policy Institute (EPI). Details of IBO's data and methodology are presented in an appendix.

Findings

Teacher salaries vary significantly based on a teacher's educational background and years of teaching experience. As an example, the current contract for New York City public school teachers—a result of collective bargaining between the Office of Labor Relations, the Office of Management and Budget, the DOE and the United Federation of Teachers, the teachers' union—breaks down salaries for every combination of educational background and experience. For example, a novice teacher with a Master's degree (plus 30 hours) would earn \$70,703 in the beginning and then after the first year, the salary would increase to \$71,917; after the second year it would rise to \$72,432, and so on.¹²

Figure 2 shows the distribution of the most popular categories of teacher education-experience levels across traditional public schools and charter schools in New York City, and compares them to the average across New York State outside of the City. The vast majority of K-12 teachers in the City's public schools hold a Master's degree. IBO focuses on two salary measures: median salaries of all full-time classroom teachers, and median salaries of full-time classroom teachers with Master's degree and 1-5 years of teaching experience. Teachers with Master's degrees and less than five years of teaching experience were the most common category of educators in New York City public schools for the school year 2022-2023.

Nominal Median Teaching Salaries. The (nominal) median teaching salary in New York City traditional public schools (\$98,699) was higher compared to the median salaries of other districts in New York State (\$94,582), other four large urban school districts (\$84,923), and neighboring New Jersey (\$80,299) as shown in Figure 3. However, the median teacher pay in the City was smaller than those in school districts in Hudson Valley and Long Island (\$112,182). Also, New York City's charter schools had the lowest median teaching salary (\$77,073) among the groups.

Teaching Salaries Adjusted for Education and Experience. Most of these differences, however, are explained when education and teacher experience is considered. Considering novice teachers—those with less than 5 years of teaching experience—who hold Master's degrees, median salaries across traditional public schools and charter schools in the City were very similar (\$74,080 and \$74,848, respectively). These median salaries were higher than those in other New York State districts (\$62,816) and large cities

Figure 2 Number of Teachers By Education Level and Years of	ucation Leve	l and Yea		nce in Sc	Experience in School Year 2022-2023	22-2023					
		New Y Public	New York City Public Schools	New Charte	New York City Charter Schools	New York State Public Schools (excluding NYC and Charters)	k State chools ng NYC arters)	Schoo Hud	School Districts in Hudson Valley and Long Island	Other La York Star York Star Districts Roch Syra and Yc	Other Large New York State School Districts (Buffalo, Rochester, Syracuse, and Yonkers)
Educational Level	Years of Experience	Number	Percent Total	Number	Percent Total	Number	Percent Total	Number	Percent Total	Number	Percent Total
	1-5			149	1.7%	2,526	1.9%	1,375	1.9%	187	2.2%
	6-10			43	0.5%	241	0.2%	109	0.1%	21	0.2%
	11-15			9	0.1%	88	0.1%	25	%0.0	12	0.1%
	16-20			∞	0.1%	91	0.1%	23	%0:0	6	0.1%
Less Than Bachelor's	21-25				%0.0	43	%0.0	7	%0.0	7	0.1%
	26-30					27	%0.0	_	%0.0	3	%0.0
	31-35			_	%0.0	12	%0.0				
	36-40							2	%0:0	4	%0:0
	Over-40									2	%0.0
	1-5	671	1.0%	2,862	32.3%	6,401	4.9%	2,858	3.9%	526	6.2%
	6-10	107	0.2%	692	8.7%	1,525	1.2%	778	1.1%	133	1.6%
	11-15	108	0.2%	179	2.0%	325	0.2%	158	0.5%	41	0.5%
	16-20	79	0.1%	64	0.7%	230	0.2%	138	0.5%	31	0.4%
Bachelor's Degree	21-25	34	%0:0	18	0.2%	187	0.1%	126	0.5%	38	0.5%
	26-30	11	%0.0	7	0.1%	81	0.1%	36	%0.0	31	0.4%
	31-35	Ŋ	%0.0	n	0.0%	20	0.0%	00	%0.0	7	0.1%
	36-40			2	0.0%	6	0.0%	8	%0.0	8	%0.0
	Over-40					2	%0.0	2	0.0%	2	0.0%
	1-5	1,315	1.9%	199	2.2%	202	0.4%	206	%8:0	20	0.2%
	6-10	505	0.7%	101	1.1%	173	0.1%	96	0.1%	10	0.1%
	11-15	290	%6:0	19	0.2%	77	0.1%	33	%0:0	S	0.1%
	16-20	496	0.7%	വ	0.1%	63	%0:0	31	%0.0	7	0.1%
Bachelor's +30 or more hours	21-25	168	0.2%	7	0.1%	20	%0.0	27	%0.0	7	0.1%
	26-30	19	%0:0	2	%0.0	26	%0:0	18	%0:0	9	0.1%
	31-35	7	%0.0			4	%0.0	_	%0.0		M
	36-40		%0.0			4	0.0%	2	%0.0		
	Over-40			_	%0.0	7	%0.0	3	%0.0		

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		New Yo	New York City Public Schools	New Yc Charter	New York City Charter Schools	New York State Public Schools (excluding NYC and Charters)	State chools ig NYC rters)	Schoo Hudi	School Districts in Hudson Valley and Long Island	Other La York Star Districts Roch Syra and Yo	Other Large New York State School Districts (Buffalo, Rochester, Syracuse, and Yonkers)
Educational Level	Years of Experience	Number	Percent Total	Number	Percent Total	Number	Percent Total	Number	Percent Total	Number	Percent Total
	1-5	23,215	34.1%	1,710	19.3%	14,040	10.8%	7,755	10.5%	973	11.6%
	6-10	2,629	3.9%	1,408	15.9%	12,888	%6.6	6,885	9.3%	1,147	13.6%
	11-15	2,794	4.1%	535	%0'9	10,495	8.1%	5,154	7.0%	830	%6.6
	16-20	2,144	3.1%	180	2.0%	14,267	10.9%	6,494	8.8%	892	10.6%
Master's Degree	21-25	727	1.1%	71	%8'0	14,624	11.2%	6,168	8:3%	266	11.8%
	26-30	145	0.2%	28	0.3%	8,392	6.4%	3,201	4.3%	521	6.2%
	31-35	44	0.1%	10	0.1%	3,088	2.4%	1,131	1.5%	175	2.1%
	36-40	9	%0.0			689	0.5%	284	0.4%	41	0.5%
	Over-40	-	%0.0			160	0.1%	68	0.1%	18	0.2%
	1-5	7,888	11.6%	75	%8:0	1,784	1.4%	905	1.2%	48	%9'0
	6-10	6,083	8:9%	150	1.7%	2,709	2.1%	1,783	2.4%	200	2.4%
	11-15	8,040	11.8%	92	1.0%	3,496	2.7%	2,569	3.5%	226	2.7%
	16-20	6,741	%6'6	39	0.4%	8,295	6.4%	96,796	9.2%	317	3.8%
Master's +30 or more hours	21-25	2,742	4.0%	32	0.4%	11,502	8.8%	9,664	13.1%	453	5.4%
	26-30	989	%6:0	10	0.1%	7,122	5.5%	5,883	8.0%	283	3.4%
	31-35	113	0.2%	2	%0:0	2,444	1.9%	1,924	2.6%	87	1.0%
	36-40	21	%0:0	_	%0:0	262	0.5%	485	%2'0	20	0.2%
	Over-40	7	%0.0			166	0.1%	133	0.5%	7	0.1%
	1-5			24	0.3%	88	0.1%	41	0.1%	17	0.5%
	6-10			19	0.5%	9/	0.1%	49	0.1%	12	0.1%
	11-15			6	0.1%	8	0.1%	54	0.1%	∞	0.1%
	16-20			9	0.1%	173	0.1%	139	0.5%	∞	0.1%
Doctorate	21-25			2	%0.0	225	0.5%	173	0.5%	17	0.5%
	26-30					118	0.1%	88	0.1%	∞	0.1%
	31-35			_	%0.0	45	%0.0	40	0.1%	2	%0.0
	36-40					4	%0.0	41	%0.0	7	%0.0
	Over-40					9	%0.0	9	%0.0		
Total		68,089	100%	8,850	100%	130,307	100%	73,950	100.0%	8,421	100%
SOLIRCE IRO analysis based on annual Personnel Master Files from New York State Education Department	nniial Personnel	Macter Files	from New York	State Educati	on Denartmen	+					

SOURCE: IBO analysis based on annual Personnel Master Files from New York State Education Department
NOTE: Calculations reflect full-time classroom teachers.
+30 hours refers to a salary differential that teachers in New York City public schools can earn on completion of additional credits beyond a Bachelor's or Master's degree. These may +30 hours refers to a salary differential that teachers in New York City public schools can earn on completion of additional Teaching Standards certification, and CLEP exams.

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(\$61,528). Furthermore, the salaries in the city exceeded those in the Hudson Valley and Long Island school districts (\$70,803).

These findings suggest that novice teachers with Master's degrees would likely start their careers with similar salaries in New York City's traditional public and charter schools. Their salaries are relatively competitive compared to other regions in nominal dollars. However, when looking at the overall teacher population, the finding underlines the importance of accounting for characteristics of teachers. A large part of the higher median salaries for teachers in the vicinity of New York City is due to teachers being more experienced (and thus being paid more for that experience).

The lower overall median salary of teachers in New York City public schools compared with neighboring districts reflects the trend that teachers with more experience and education were concentrated in the suburban areas. The City's charter schools had the lowest median salary among all teachers studied but a salary among novice teachers similar to the City's public schools. This suggests that charter school teachers generally have less education and teaching experience, which accounts for salary differences. About 51% of teachers in charter schools had less than five years of teaching experience and held either Bachelor's or Master's degrees.

Teaching Salaries Adjusted for Regional Cost of Living and Alternative Employment Options. Although New York City public school salaries look competitive when specifically looking at novice teachers with a Master's degree, teacher recruitment also depends on the local cost of living and what other nonteaching professional opportunities pay. New York City has a reputation of being an expensive city to live in, particularly for housing, so cost of living is a consideration when individuals make employment choices. Furthermore, potential teachers could take other non-teaching jobs, either related to education or in a

Teachers Salaries by Educa	tion Level and	rears or Expe	All New	Large Cities (Syracuse, Rochester,	Hudson/	
Median Salaries by Teacher Samples	NYC Public Schools	NYC Charter Schools	York State (except NYC)	Yonkers, Buffalo)	Nassau/ Suffolk	New Jersey
Nominal Teacher Salaries						
All Teachers	\$98,699	\$77,073	\$94,582	\$84,923	\$112,182	\$80,229
With Master's Degree, 1-5 Years of Teaching	\$74,080	\$74,848	\$62,816	\$61,528	\$70,803	
CWIFT-Adjusted Teacher Salaries						
All Teachers	\$86,125	\$67,254	\$93,585	\$87,452	\$103,690	\$72,967
With Master's Degree, 1-5 Years of Teaching	\$64,642	\$65,312	\$62,936	\$65,656	\$65,813	
Cost of Living-Adjusted Teacher Salaries						
All Teachers	\$60,965	\$48,506	\$64,723	\$63,265	\$67,464	\$69,522
With Master's Degree, 1-5 Years of Teaching	\$45,797	\$47,243	\$44,178	\$47,322	\$43,418	

SOURCES: IBO analysis based on annual Personnel Master Files from New York State Education Department; Taxpayers' Guide to Education Spending from New Jersey Department of Education; Comparable Wage Index for Teachers (ACS-CWIFT), National Center for Education Statistics, U.S. Department of Education; Family Budget Calculator, Economic Policy Institute NOTE: Comparable Wage Index for Teachers (CWIFT) adjustment reflects how a teacher salary compares to other non-teaching employment opportunities in the local labor market. Data on teacher education and experience were not available for New Jersey schools.

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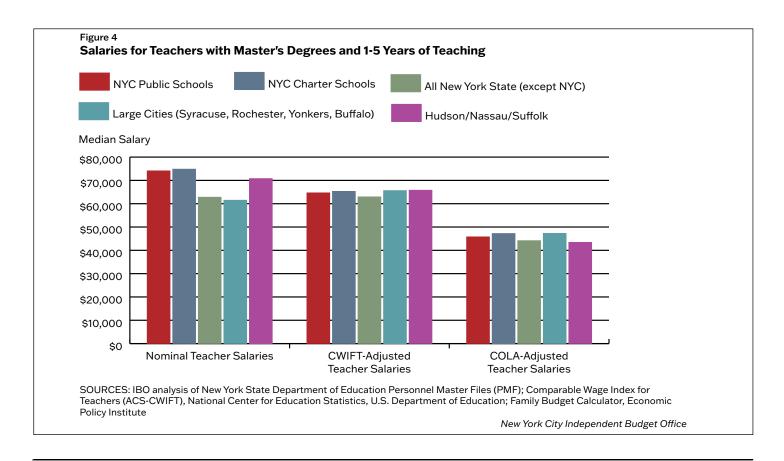
different field. How competitive teaching salaries are compared with other professional opportunities in the local job market also matters.

IBO found that the higher median salaries of the City teachers disappeared when adjusting the nominal salaries for variation in wages of comparable non-teaching professional positions, or for differences in costof-living (see Figure 3).

Adjusted median teacher salaries for both all teachers and novice teachers in New York City public schools were no longer notably higher than those in the State's other districts. When looking at how 'novice teacher with Master's degree' salaries compared with other job opportunities, the salaries of teachers in New York City public schools are adjusted from \$74,080 down to \$64,642 to reflect the relative attractiveness of other job opportunities outside of teaching. For New York State school districts outside the City, the adjusted median salary for the same type of teacher is \$62,936—very similar to New York City. Adjusting for cost of living factors, median salaries are adjusted down to \$45,797 for New York City public schools, similar to the median salary of \$44,178 for New York schools outside of the City.

Across all dimensions of adjusted median salaries, New York City public and charter schools were even lower than those in the next largest New York school districts of Buffalo, Rochester, Syracuse, and Yonkers. Variation in the median salary for novice teachers with Master's degrees shrunk across the schools and regions, as Figure 4 presents. Adjusted median salaries became very comparable across different schools and communities.

After these adjustments, IBO finds that the salary level of novice teachers with a Master's degree is quite similar across the State. Based on salary alone, New York City is not a substantially more attractive place for teachers to start their careers. In fact, new teachers who start teaching elsewhere in the State—apart from Long Island—or in nearby New Jersey areas, see their salaries eroded less by the cost of living.



For New York City charter school teachers, median salaries— both nominal and adjusted—are lower than those in the City's public schools. This gap shrunk, however, when adjusted. Much of the large gap in median teacher pay between City public and charter schools is due to the additional education credentials (including Master's degrees) and experience held by public school teachers. In particular, 49.8% of teachers in the City's charter schools have Master's degrees while 94.0% of public school teachers have Master's degrees (see Figure 2).

Salary Changes Over Time. IBO further looked at the evolution of nominal median salaries for all teachers over the last six years, stretching back to the pre-COVID era (school year 2017-2018). Figures 5 and 6 show that median salaries generally increased across all groups, with 9% to 17% growth rates from the school year 2017-2018 through the school year 2022-2023. Median salaries in New York City public schools substantially increased by 17% from the 2017-2018 school year through the 2020-2021 school year, a rate higher than in any of the other comparison groups. Median City public school salaries, however, leveled off since 2020-2021. The relative stability of median teaching salary in New York City in recent years reflects both shifts in teacher composition and the delay in negotiations for the new contract. For example, PMF data for New York City public schools indicate a substantial rise in teachers with fewer than five years of experience from the school year 2021-2022 to the school year 2022-2023. Note that the new contract with the teachers' union, effective in 2023, provided a 3% salary increase and a \$3,000 ratification bonus in 2023.

Conclusion

In this report, IBO found that, in nominal terms, New York City public school teachers have higher median salaries than most of their peers in New York City charter schools, other districts in New York State, and the neighboring counties of New Jersey. The one exception consists of school districts in the counties adjoining the City—Nassau and Suffolk counties in Long Island and counties in the Hudson Valley—whose public school teachers enjoy a substantial salary advantage, in nominal terms, compared with those working in New York City.

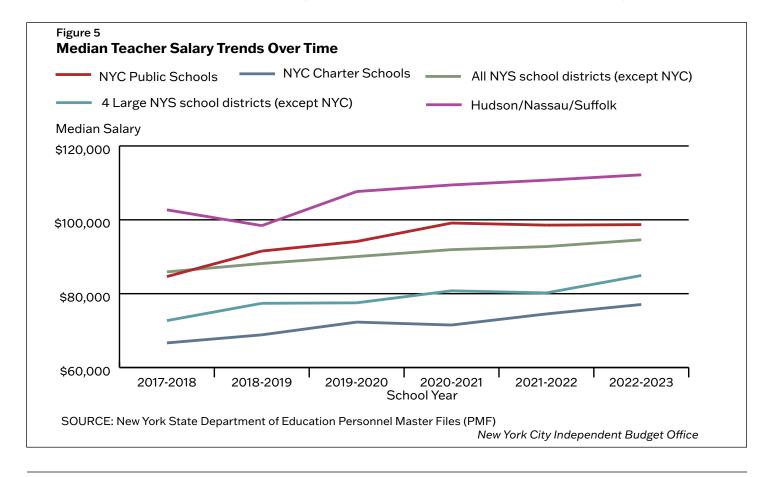


Figure 6 Median Teache	er Salary G	rowth Pr	e- and Pos	t-Pandemi	c				
	2017- 2018	2018- 2019	2019- 2020	2020- 2021	Percent Growth 2018-2021	2021- 2022	2022- 2023	Percent Growth 2021-2023	Percent Growth 2018-2023
NYC Public Schools	\$84,631	\$91,541	\$94,130	\$99,128	17%	\$98,561	\$98,699	0%	17%
NYC Charter Schools	\$66,663	\$68,851	\$72,302	\$71,506	7%	\$74,515	\$77,073	8%	16%
All New York State (except NYC)	\$85,904	\$88,171	\$90,048	\$91,926	7%	\$92,755	\$94,582	3%	10%
Other Large New York State School Districts (Buffalo, Rochester, Syracuse, and Yonkers)	\$72,707	\$77,388	\$77,521	\$80,775	11%	\$80,208	\$84,923	5%	17%
Mid-Hudson/ Upper Hudson/ Nassau-Suffolk	\$102,699	\$98,426	\$107,658	\$109,444	7%	\$110,737	\$112,182	3%	9%
SOURCE: New York	k State Depa	rtment of Ec	lucation Perso	onnel Master	Files (PMF)		New York Ci	ty Independent	Budget Office

However, these salary differences narrowed considerably when IBO accounted for differences in education and experience levels. Salaries across novice teachers with Master's degrees were similar across area school systems. Some school districts, such as those on Long Island, had teachers with more years of experience, and thus earned higher salaries. City charter schools, relative to City public schools, had far fewer teachers with Master's degrees. The adjusted median salaries of teachers with similar educational backgrounds are also generally similar when factoring in local options for non-teaching professional employment or regional the cost of living.

These findings provide important policy implications regarding teacher hiring and retention. For new teachers with a Master's degree, New York City public school salaries are in line with other regional teaching options. This means New York City does not have a comparative advantage relative to other places regarding salaries. But it also indicates that City teachers are unlikely to be lured away to teaching jobs outside the City because of salary levels alone. Separate from pay or other employment benefits, New York City has many other attractive features as a place to work—restaurants, parks, and shopping, arts and cultural opportunities, among others.

Understanding the nuances of education, experience, alternative employment options, and regional cost of living is critical to the City's efforts to hire additional teachers. New York City will need to hire thousands of additional teachers to comply with the new State rule for reducing class sizes. While the DOE will certainly look to hire additional new teachers already local to the City, the ability to attract teachers from outside the City—competitive salaries being one factor—will increasingly gain importance.

Appendix: Data and Methodology

Teacher Salaries. IBO used data from the New York State Department of Education Personnel Master Files (PMF) on public school classroom teacher salaries. The PMF files contain detailed information on school staff, including classroom teachers, administrators, guidance counselors, assistant principals and principals. For this report, IBO only uses data on "Classroom Teachers," and only considers the data covering "Full-Time" teachers. IBO also dropped unique types of districts under School Type—"BOCES," "Charter" (for those outside of New York City), School for the Blind, School for the Deaf, and New York City Chancellor's Office. For public school teachers working in New Jersey, IBO used New Jersey Department of Education data as reported in the Taxpayers' Guide to Education Spending.¹³

IBO documents levels and trends in public school teacher salaries in New York City, New York State and adjoining districts in New Jersey. For brevity, IBO focuses on median salaries of full-time, classroom teachers. Additional information on average salaries, as well as for the distribution of salaries are available for download in a table accompanying this report.

Teacher Salaries Compared to Other Local Employment. Teaching jobs in school districts, even within states and within regions inside a state, can vary widely in terms of how competitive they are relative to other professional jobs—the relative attractiveness of teacher salaries in a community also depends on wages and salaries of college graduates in other occupations in the same local labor market. IBO uses the U.S. Census Bureau Comparable Wage Index for Teachers (CWIFT), based on the American Community Survey, to adjust teacher salaries or regional differences in comparable occupations..

Intuitively, all types of workers demand higher wages in areas with higher cost of living, desirable local amenities (desirable climate, low crime, access to arts and cultural attractions), or both. The CWIFT measure illustrates geographic differences in the cost of hiring teachers by highlighting systematic, regional variations in the wages of comparable workers who are not K-12 educators. It is now widely used to adjust district-level school finance data to make more robust comparisons across geographic areas.

School districts vary considerably along multiple dimensions—alternate employment opportunities, closeness to amenities, public safety, local services, cost of living, among others. A simple comparison across jurisdictions in terms of nominal teacher salaries is likely to not show a full picture of salary competitiveness. To address this, the CWIFT measure adjusts nominal teacher earnings. Formally, CWIFT for a locality is the predicted wage level for that area benchmarked against the national average predicted wage, which is obtained using a regression model that leverages nation-wide American Community Survey data. The latest year of CWIFT data available is 2021-2022. IBO uses these indices to adjust nominal teacher salaries from 2022-2023. Since the CWIFT dataset only includes the federal NCES id codes on school districts and does not contain the state id codes, this report uses the "Public School District Locator" tool from the U.S. Department of Education's National Center for Education Statistics to download a crosswalk file. The CWIFT estimates are centered around 1, with districts with more higher incomes and higherearnings households generally having values exceeding 1.

In New York State, 234 out of the 685 school districts have CWIFT estimates exceeding 1. Almost all of these districts are located in New York City suburbs–Long Island (Nassau County–56 districts; Suffolk County–69 districts) and Hudson Valley (Westchester County–46 districts; Orange County–15 districts; Dutchess County–12 districts; etc.). New York City had a CWIFT value of 1.146 in 2021-2022, compared to school districts in upstate New York which are closer to 1.000. Intuitively, this means that salaries of workers "comparable to teachers" are 14.6% higher in New York City compared to upstate school districts – and thus New York City teacher salaries need to be about 15% higher in order to be roughly comparable. If New York City public school teacher pay is only 10% higher compared to public school teacher pay in upstate

school districts, then becoming a DOE teacher will not be as appealing an occupation for New York Citymetro college graduates. IBO normalizes nominal teacher salaries in each school district (or sector) by the corresponding CWIFT estimate to arrive at CWIFT-adjusted teacher salaries.

Adjusting for Cost of Living Differences. As an alternate way to adjust nominal teacher salaries for costof-living differences across localities, IBO used the Family Budget Calculator dataset from Economic Policy Institute (EPI).¹⁷ This calculator measures the income a family needs in order to attain a modest yet adequate standard of living. The budgets estimate community-specific costs for 10 family types (a combination of one or two adults with zero to four children) in all counties and metro areas in the U.S. Compared with the federal poverty line and the Supplemental Poverty Measure, EPI's family budgets provide a more adequate measure of economic security in America and is increasingly being used in policy discourse. A recently published brief from the Urban Institute, which calculates the true cost of economic insecurity in the United States today, includes the EPI Family budget calculator as one of the key resources that help estimate a better metric of standard of living.¹⁸

The Family Budget Calculator accounts for factors like household income, housing, food, transportation, healthcare, childcare, and taxes, and is available for each county. This report uses the calculator which documents costs for a two adults-two children family, but the patterns with respect to other family structures are very similar and mirror the original results. In 2023, the latest year for which such budget data are available, Manhattan's index value was 1.78, compared to Chenango County in central New York State (1.00).

Salaries Among Other Forms of Employee Compensation. This report has only compared teachers across New York State and New Jersey based on their current salaries (current monetary compensation). This is primarily due to data limitations. Public school teachers often receive additional benefits—current benefits (like health insurance) as well as pensions and other post-employment benefits once they retire. Deferred compensation is an important element of teacher compensation. Deferred compensation allows employees to delay receiving a portion of their salary to a later point, and taxes on that income are deferred until point in time when the employee receives the payment.

Because potential teachers presumably look at the whole array of earnings and benefits before committing themselves, it is instructive to ask if current and future benefits, and future pensions, differ significantly across New York State. There is the outstanding question of whether DOE is disproportionately generous or sparse in areas of non-salary compensation. New York City public school teachers are enrolled in New York City Teachers Retirement System (TRS), while all non-City teachers are enrolled with New York State Teachers Retirement System (NYSTRS). As private entities, charter schools can choose to either offer a pension themselves, join a larger group plan (like TRS or NYSTRS) if they are eligible, or they could forgo a pension altogether and opt for 401-k plans.19

As with pensions, both New York City and New York State have relatively attractive post-employment benefits in addition to pensions compared with other places. Unlike the State, however, New York City offers premium-free retiree healthcare (the only one in the United States to do so). But these insurance plans often have a defined covered area, which might be a concern for out-of-town teachers planning to leave the City upon retirement. Due to data limitations and differing values based on personal preferences, fair comparisons of different healthcare and pension benefits are not possible. For recruiting new teachers many of whom are likely recent graduates— IBO expects non-monetary compensation such as health insurance and retirement plans to be less of a decision-driver for where to seek employment than salary, local cost of living, and area amenities.

Endnotes

¹See Grose, Jessica (2023). People Don't Want to Be Teachers Anymore. Can You Blame Them? The New York Times, September 13, 2023, https://www.nytimes.com/2023/09/13/opinion/teachers-schools-students-parents.html and Kraft, Matthew A. and Melissa Arnold Lyon (2024). The Rise and Fall of the Teaching Profession: Prestige, Interest, Preparation, and Satisfaction Over the Last Half Century. American Educational Research Journal, Volume 61 Issue 6, December 2024, https://journals.sagepub.com/doi/abs/10.3102/00028312241276856. ²Reininger, M. (2012). Hometown disadvantage? It depends on where you're from: Teachers' location preferences and the implications for staffing schools. Educational Evaluation and Policy Analysis, 34(2), 127–145.

³See Boyd, D., Lankford, H., Loeb, S., and Wyckoff, J. (2005). The draw of home: How teachers' preferences for proximity disadvantage urban schools. Journal of Policy Analysis and Management, 24(1):113–132.

⁴See Carnevale, A. P., Cheah, B., & Hanson, A. R. (2015). The economic value of college majors. Washington, D.C.: Georgetown University Center on Education and the Workforce, http://cew.georgetown.edu/cew-reports/valueofcollegemajors/#data-tool.

⁵See Elizabeth D. Steiner, Ashley Woo, Sy Doan (2023), All Work and No Pay — Teachers' Perceptions of Their Pay and Hours Worked: Findings from the 2023 State of the American Teacher Survey, RAND Corporation, September 12, 2023, https://www.rand.org/pubs/research_reports/RR41108-9.html.

⁶See Jan Ondrich, Emily Pas, and John Yinger (2008). The Determinants of Teacher Attrition in Upstate New York. Public Finance Review, Volume 36, Issue 1, https://doi.org/10.1177/1091142106294716.

⁷IBO omitted the schools whose school type was described as BOCES or STATE OP. Boards of Cooperative Educational Services (BOCES) provide shared educational programs and services to school districts within the New York State.

⁸Charter schools in New York State have the same teacher certification requirements as traditional public schools, and teachers must be certified by New York State in a particular subject area. But a charter school can employ up to 15 uncertified teachers who fall within the following three categories: 1) five teachers (or 30% of the teachers in a charter school, whichever is less); 2) five uncertified teachers of mathematics, science, computer science, technology, or career and technical education; and 3) five additional teachers. For more on this, see New York State Board of Regents, Charter School Parent Guide, November 2021.

⁹The counties included in this group include Dutchess, Orange, Putnam, Rockland, Sullivan, Ulster and Westchester (Mid Hudson region); Albany, Columbia, Fulton, Greene, Montgomery, Rensselaer, Saratoga, Schenectady and Schoharie (Upper Hudson region); and Nassau and Suffolk (Long Island region).

An alternate comparison group, consisting of school districts in Downstate Small Cities and Downstate Suburbs, gives similar results. These findings are not reported separately but available on request.

¹⁰Teachers with valid New York State teaching certificates are eligible to teach in New Jersey, though they must meet certain requirements. New Jersey also has a program called the Alternate Route Interstate Reciprocity Pilot Program, which allows eligible out-of-state teachers to teach in New Jersey public schools. For more on these, see New Jersey Department of Education, Certification and Reciprocity. Conversely, people who had been a certified public school teacher in other states or who have completed a teacher education program in another state are eligible to teach in New York State – for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State — for details, see New York State Education Department, see New York State Education Department, see New York State Education Department, see New York State Educat

"School districts in New Jersey are organized by both enrollment and grade ("Operating Type, Enrollment Group")-this report includes the following groups - Group A. K-6; Group B. K-8 / 0 - 400; Group C. K-8 / 401 - 750; Group D. K-8 / 751 +; Group E. K-12 / 0 - 1800; Group F. K-12 / 1801 - 3500; Group G. K-12 / 3501 +; and Group H. 7-12 / 9-12. The report omits the following groups - Group I. CSSD; Group J. Vocational; and Group K. Charter.

¹²See Teacher salary schedule (2022–27), United Federation of Teachers, available at https://www.uft.org/sites/default/files/attachments/teachers-salary-schedules-2023.pdf. See also How to read the salary schedule, United Federation of Teachers, https://www.uft.org/your-rights/salary/how-read-salary-schedule. The "30 hours" refers to a salary differential, an incremental increase in a teacher's salary based on completed academic coursework beyond a degree. These additional 30 credits can be from undergraduate or graduate courses, and include professional development courses and/or activities approved by the chancellor, National Board for Professional Teaching Standards certification, and CLEP exams. For details, see New York City Teaching Fellows, What are salary differentials?

¹⁸For additional details, see Department of Education, State of New Jersey, <u>Taxpayers' Guide to Education Spending – 2023</u>. The statistics on median classroom teacher salaries are available from <u>Indicator 16 - Ratio of Students to Classroom Teachers and Median Classroom Teacher Salary</u>. Due to data limitations, IBO has not been able to break down teacher salaries in New Jersey by educational level and experience (unlike for New York State). For a primer on New Jersey's teacher workforce, see Daniel Douglas, Ann Obadan, Marjory F. Palius, and Stephanie Walsh (2024), New Jersey's Teacher Workforce Landscape: 2024 Annual Report, Heldrich Center for Workforce Development, Edward J. Bloustein School of Public Policy, Rutgers-New Brunswick, February 2024, https://www.nj.gov/education/rpi/docs/2024_New_Jersey_Teacher_Workforce_Landscape_Annual_Report.pdf.

¹⁴See Introduction to the American Community Survey's Comparable Wage Index for Teachers (ACS-CWIFT), https://nces.ed.gov/programs/edge/docs/EDGE_ACS_CWIFT_FILEDOC.pdf. The CWIFT database is hosted by the National Center for Education Statistics, U.S. Department of Education, at https://nces.ed.gov/programs/edge/economic/teacherwage

¹⁵See Wyckoff, Jim (2024), Teacher Salaries: A Policy Brief, Journal of Policy Analysis and Management, Volume 43, Issue 3, Summer 2024, pages 944-953, https://onlinelibrary.wiley.com/toc/15206688/2024/43/3. Wyckoff uses CWIFT estimates to adjust teacher salaries in Virginia, arguing that because salaries of comparable workers (comparable to teachers) in Northern Virginia may be as much as 30-40% above the state average, teacher salaries should be higher by that extent to be competitive. See Rockefeller Institute of Government (2024). A Review of New York State's Foundation Aid Education Funding Formula With Recommendations For Improvement, December 2024, https://rockinst.org/wp-content/uploads/2024/12/2024-12-Foundation-Aid-Report.pdf. This report assesses New York State's funding formula and suggest potential improvements—one such recommendation is to replace the existing Regional Cost Index with the federal CWIFT. The report highlights the advantages of using CWIFT, particularly its availability down to the county and district level, and the fact that it is calculated by the National Center for Education Statistics (NCES) on an annual basis. Together, these ensure that the metric is representative at the local level and provides a recent, rather than an outdated, estimate.

¹⁶The year-to-year variation in CWIFT estimates for the same school district is generally small, and the bias from using 2021-2022 CWIFT to adjust 2022-2023 nominal salaries should be minimal.

¹⁷For more details, see Economic Policy Institute, Family Budget Calculator https://www.epi.org/resources/budget/. The full dataset is available here - https://files.epi.org/uploads/fbc_data_2024.xlsx (January 2024) while their methodology is discussed at https://www.epi.org/publication/family-budget-calculator-documentation/. The figures are in 2023 dollars.

isSee Gregory Acs, Ilham Dehry, Linda Giannarelli, and Margaret Todd (2024), Measuring the True Cost of

Economic Security: What Does It Take to Thrive, Not Just Survive, in the US Today?, Urban Institute, November 2024, https://www.urban. org/sites/default/files/2024-11/Measuring-the-True-Cost-of-Economic-Security.pdf. ¹⁹For more details, see Statute 119.2 from the New York State Education Department, <u>Charter School Regulations 119.2 | New York State</u> **Education Department.**