

To: North Carolina Superintendent for Public Instruction  
From: Senior Economic Analyst  
Date: Dec. 1, 1986  
Re: Response to North Carolina Taxpayer's Association Report on Teacher Salaries

### **Overview**

In an attempt to block proposed tax increases that could enhance teacher quality and recruitment by raising salaries, the North Carolina Taxpayer's Association recently asserted that teachers' salaries have risen 111% between 1976 and 1986. This number is misleading because it fails to consider inflation. When inflation is taken into account, salaries between 1976 and 1986 have actually dropped for both new and experienced teachers. Salary data also reveal that there were more new teachers and fewer experienced teachers working in 1976 than in 1986. Therefore, current salary levels may have failed to attract new teachers as more professional opportunities have become available to women. Raising teacher salaries will help attract higher quality teachers and thereby bolster the quality of public education.

### **Effects of Inflation on Teacher Salaries**

In 1976, the average starting teacher salary in North Carolina was \$8312, and the average maximum teacher salary was \$11,757. NCTA bases its teacher salary growth figures on these numbers, which, at first glance, appear much lower than today's salaries. However, when expressed in terms of 1986 dollars, the average teacher starting salary in 1976 was actually \$16,010.48, and the average maximum salary was \$22,646.20. Compare those 1976 figures to current averages: Today's starting teachers with bachelor's degrees earn \$15,936.00 on average, and our state's highest-paid teachers, who have earned master's degrees and taught at least fifteen years, earn \$21,992.00. New teacher salaries have actually fallen about half a percent in the last decade, and the most experienced teachers' salaries have fallen almost three percent.

### **Imminent Need for New Teachers**

Besides failing to adjust for inflation, NCTA also failed to note that there were more beginning teachers in 1976 than there are in 1986. In 1976, the average salary for all N.C. teachers, \$9500, was closer to the \$8312 average starting salary than to the \$11,757 maximum salary. In 1986, though, the average statewide teacher salary of \$20,000 is closer to our average maximum salary of \$21,992 than to our average starting salary of \$15,936. In other words, we now have more teachers nearing the ends of their careers and fewer teachers coming in to fill their places. Furthermore, women in 1986 have more opportunities in other sectors of the economy than they had in 1976. Schools must now compete against high-paying careers in law, medicine, and business in order to recruit the most talented college graduates. Arresting the downward trend in teachers' real wages by providing a pay raise for teachers should help North Carolina attract the most qualified individuals to teach in our public schools.