

**PROPOSAL FOR QUALIFIED TEACHER AND STAFF
COMPENSATION MARKET ANALYSIS
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We propose to analyze teacher salaries in Montana in relation to hiring and retaining quality teachers. We will use economic analysis to answer four questions:

- 1) As teacher salaries in Montana have fallen relative to the national average, have there been more difficulties hiring or retaining teachers?
- 2) Are difficulties in hiring a widespread problem in Montana, or concentrated in a few geographic regions or a few fields?
- 3) How does pay for non-teaching occupations in the education sector (administrators, counselors, physical therapists, and occupational therapists) compare with the pay of other similar occupations in Montana?
- 4) Given the set of working conditions and labor market opportunities faced by Montana teachers and educational staff, what is an appropriate range of compensation?

We will use five methods to address these questions.

First, we will examine surveys of teacher turnover, teacher certification, and out of field teaching from 1988 to 2000 (NCES Schools and Staffing Survey). This was a period when Montana teacher salaries fell substantially relative to the national average. We will compare the changes in Montana with trends in other states in the region as well as national trends.

Second, we will analyze district data on recruitment, retention, and turnover in conjunction with several factors: (1) the district salary schedule, (2) salaries in other Montana districts in the area, (3) salaries in the county in other professional occupations (including private sector teaching), (4) the geographic region (e.g., urban, rural).

Third, we will look at recruitment into the teaching profession in Montana. We will collect data from teacher preparation programs across the state to see how many students trained as teachers leave the state and how many leave the profession. To the degree that the data are available, we will also make comparisons with other states.

Fourth, we will use the BLS Current Population Survey to compare salaries in the education sector with salaries of other professionals in Montana in specific occupational categories (e.g., compare salaries of physical therapists in the education sector with physical therapists in other sectors).

Finally, we will use statistical models (hedonic indices) to estimate the appropriate range of compensation for staff in Montana, given the working conditions (e.g., school size), student body characteristics (e.g., percent minority), and local labor market characteristics (e.g., urban, rural) that they face.

This analysis will help identify factors that affect the recruitment and retention of teachers and the range of salaries necessary to maintain a high quality educational staff.

PROPOSED BUDGET:

Salaries and benefits:

Doug Young	1 month salary + 20% for benefits	\$10,465
Christiana Stoddard	1 month salary + 20% for benefits	\$8,000
Research assistant	\$12.00/hr for 2 months+ 38% for benefits	\$5,696
Travel to Helena, phone bills, copying expenses		\$500
Total		<hr/> \$24,660

TIMEFRAME: All work will be completed by October 1, 2005.

INVESTIGATOR QUALIFICATIONS:

Christiana Stoddard is an assistant professor of economics at MSU - Bozeman. She received her Ph.D. in economics from the University of California - Santa Barbara. Her primary field of research is the economics of education. She has published peer-reviewed articles on methods for comparing teacher salaries across states and the effect of changes in the general labor market for women on teacher hiring practices. More information is available at <http://www.homepage.montana.edu/~cstoddar/> .

Doug Young is a professor of economics at MSU – Bozeman. He received his Ph.D. in economics from the University of Wisconsin – Madison. His primary field of research is public finance. In addition to peer-reviewed articles, Doug has written and lectured extensively on Montana tax and spending issues, including school funding. More information is available at <http://dyoung.org> .

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