



Reforming Missouri’s Minimum Teacher Salary

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KEY POINTS

Missouri is home to one of the lowest starting and average teacher salaries in the country. In response, Governor Mike Parson’s proposed 2023 budget called for the state to increase the minimum starting teacher salary from \$25,000 to \$38,000. In addition, the State Board of Education included increasing the minimum teacher salary to \$35,000 as one of its legislative priorities. This brief examines these proposals, finding:

- Under the Governor’s proposal, 93% of the state’s traditional and charter public school districts would be required to raise the salary of at least one teacher.
- On average, districts with teachers earning less than \$38,000 would need their salaries to increase by \$3,472. However, only 14.3% of teachers statewide would experience a salary increase.
- To meet the \$38,000 minimum, we estimate the total cost of increased salary and benefits to be approximately \$42.5 million annually.
- Meeting the \$35,000 minimum would increase the salaries of only 7% of teachers statewide and would cost approximately \$15.7 million annually.

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Teacher Salary Policy Landscape

As school districts across the nation struggle to combat teacher shortages, many states have responded by increasing teacher pay to improve recruitment and retention. In 2019, Illinois passed an annual pay increase, resulting in a minimum salary of \$40,000 in the 2023-24 academic year.¹ In Alabama, teachers with 1- to 9-years’ experience will receive a pay raise of at least 4% and more experienced teachers will receive raises of 5 to 21%.² In 2022, New Mexico enacted legislation to increase base teacher salaries by an average of 20%³ while Mississippi is increasing its average teacher salaries by more than 10%.⁴

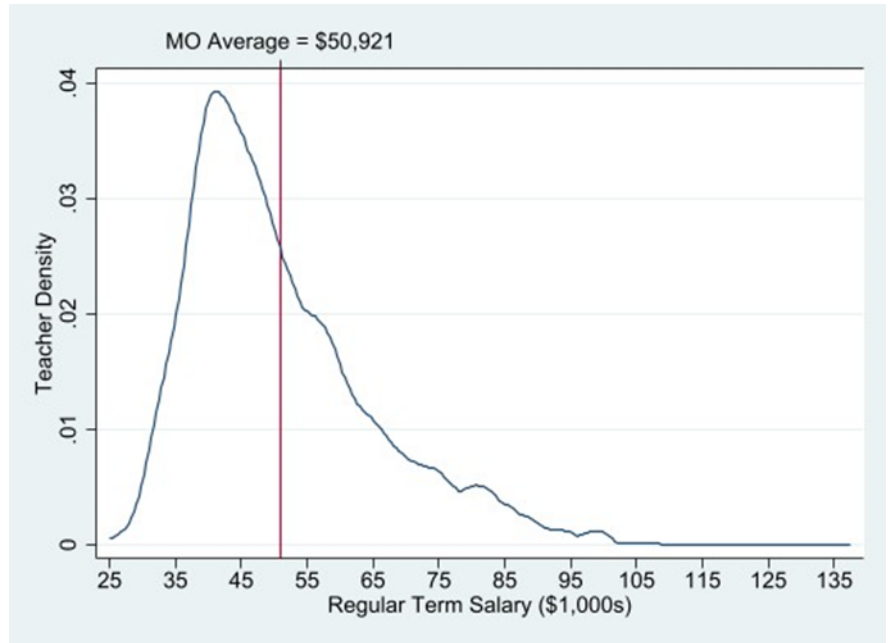
Like these states, Missouri lawmakers have proposed increasing teacher pay, focusing on starting teacher salaries. Currently, Missouri’s state statutory minimum teacher salary is \$25,000 for a beginning teacher and \$33,000 for teachers with at least 10 years’ teaching experience and a master’s degree⁵. The average starting salary for teachers in the state is \$32,970, edging out Montana for lowest in the nation.⁶

According to the National Center for Education Statistics, Missouri’s average public school teacher salary during the 2020-21 school year was \$51,557, the sixth lowest in the nation and 20.8% lower than the national average.⁷ From 2009-10 to 2020-21 average teacher salaries in Missouri declined 6.3% in inflation-adjusted dollars, nearly double the national average decline of 3.2%. An analysis of 2019 salaries finds that Missouri teachers make 24.1% less than other comparable, college-educated workers in the state.⁸ Low salary often is associated with low retention rates which exacerbate teacher shortages. Retention rates for Missouri teachers in their first three years dropped from 64.1% in 2019-20 to 55.6% in 2020-21.⁹

Governor Parson’s FY2023 budget proposes raising the minimum teacher salary to

\$38,000¹⁰ while the Missouri State Board of Education has proposed raising the minimum teacher salary to \$35,000 by 2025.¹¹ Seventy-percent of the pay increase is proposed to be covered by the state, with 30% of the burden falling to the districts.¹² The legislature has not yet agreed upon a proposal while some districts have expressed mixed feelings.¹³ Some have emphasized that increases to minimum salary would have no salary impact on teachers paid \$38,000 or more while others worry whether the funding structure will support higher salaries moving forward. According to the Department of Elementary and Secondary Education (DESE), 95% of the state's school districts have one or more teachers who are paid less than \$38,000.¹⁴

Figure 1: Distribution of regular term teacher salaries, 2020-21



Findings

We examined teacher salaries across the state using data from DESE for the 2020-21 school year. These data consist of 65,273 public school teachers with a full-time equivalency (FTE) of at least 0.75. In Figure 1, we observe the distribution of base salaries of teachers across the state, highlighting the state average salary of \$50,921.¹⁵ The state's median teacher salary is \$47,512.

Twenty-five districts employ at least one teacher earning \$25,000

Twenty-five of the state's 552 traditional and charter public school districts employ at least one teacher earning the state-mandated minimum \$25,000 (Figure 2). Most of these districts are concentrated in rural areas, but three districts in the St. Louis region employ at least one teacher at \$25,000. Interestingly, these low-paying districts neighbor districts with minimum observed salaries between \$38,000 and \$46,250. Under the Governor's proposed salary model, 514 districts would have to raise the salary of at least one teacher to comply with the new minimum salary of \$38,000.

In Table 1, we project the two debated proposals' costs and

Figure 2: Observed minimum teacher salary by district

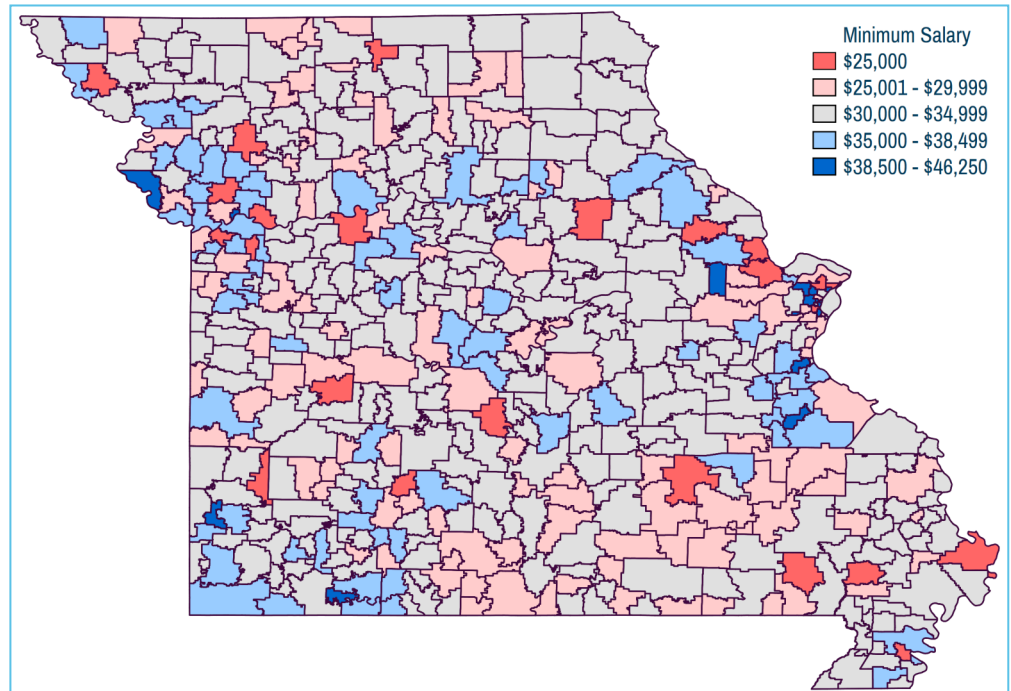


Table 1: Teacher salary proposal projections

	\$35,000	\$38,000
Number of teachers affected	4,574	9,362
Proportion of teachers affected	7.0%	14.3%
Average salary increase (conditional on receiving one)	\$2,626	\$3,472
Total salary cost	\$12,012,908	\$32,500,268
Total benefits cost (estimated)	\$3,751,315	\$10,095,303
Total cost	\$15,764,223	\$42,585,072
State cost projection	\$7,442,494	\$20,153,062
Local cost projection	\$8,321,729	\$22,432,010

distribution of salary increases, increasing the state’s minimum teacher salary to \$35,000 or \$38,000. In these projections, we raise all teachers earning below those amounts to the new proposed minimum, leaving the remainder of the teachers at their current base salary level. Under the \$35,000 proposal 4,574 (7.0%) of the more than 65,500 teachers in Missouri’s public schools would receive an average salary increase of \$2,626. Under the \$38,000 proposal 9,362 (14.3%) teachers would receive an average salary increase of \$3,472.

Nearly every district will have to raise the salary of at least one teacher

In Figures 3 and 4 we focus on the \$38,000 proposal.

As shown in Figure 3, nearly every district would be required to increase the salary of at least one teacher, but the average amount gained varies substantially. More than a quarter of districts (149) would see an average increase between \$0 and \$499 while nearly one-third of districts (181) would experience an average salary increase of \$1,500 to \$3,999. Interestingly, 58 districts would witness an average salary increase of at least \$4,000, with one district (Thornfield R-I) required to increase its average salary by over \$8,400. Many of the districts experiencing the largest average salary gains are concentrated in rural areas, specifically across the southern portion of the state.

Figure 3: Average salary increase to meet \$38,000 minimum by district

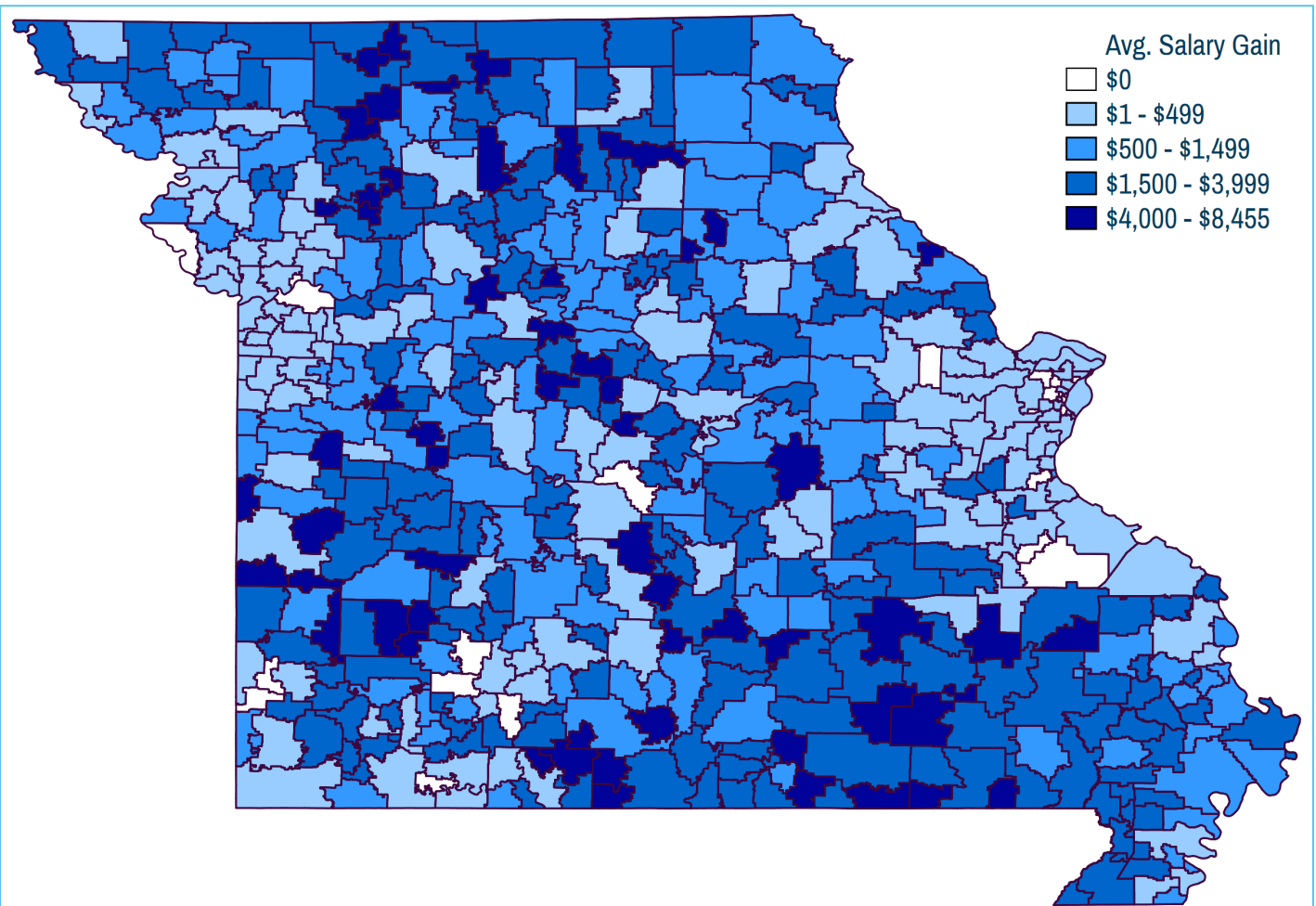
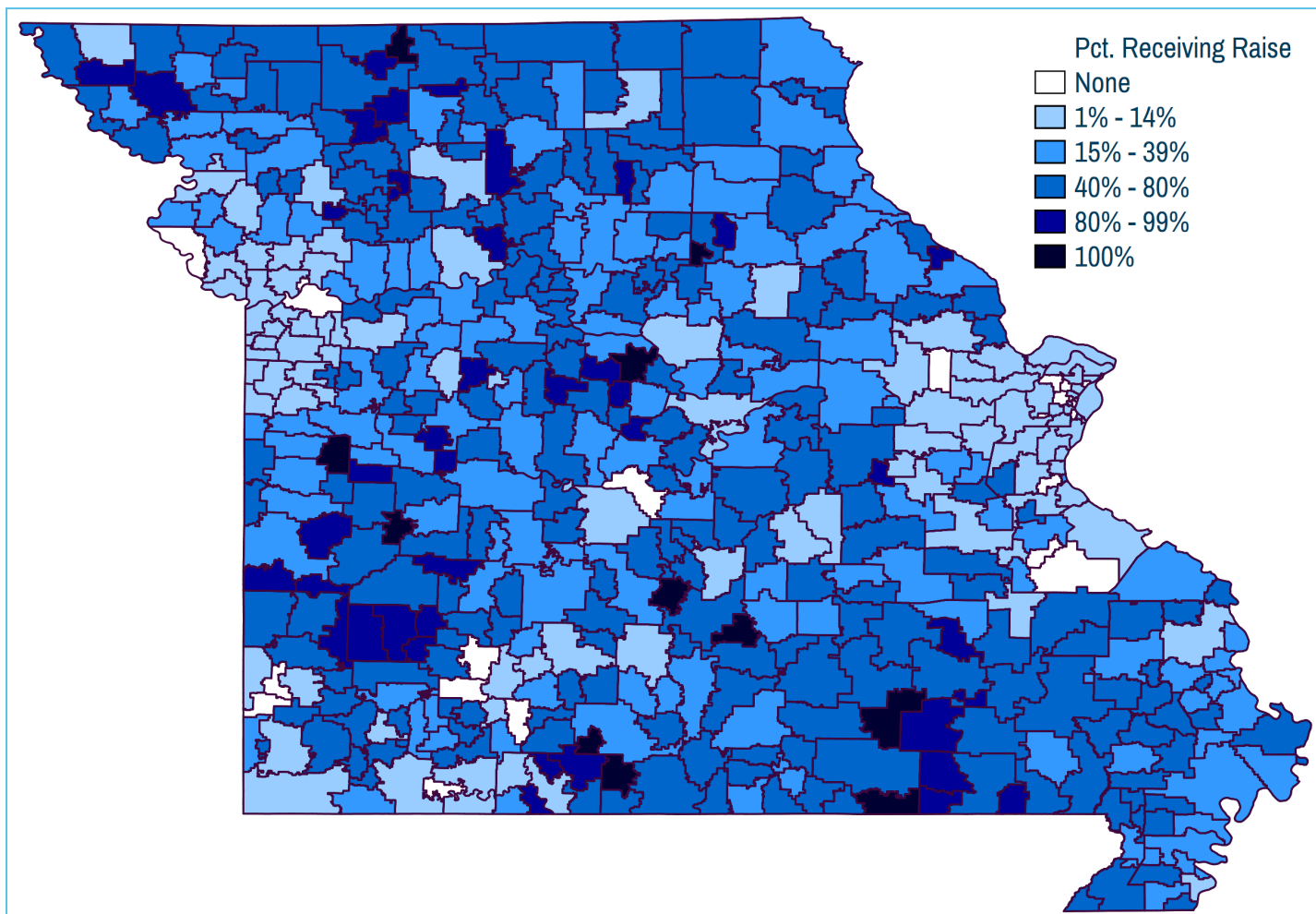


Figure 4: Percent of teachers receiving salary increase to meet \$38,000 minimum by district



Fourteen percent of Missouri’s teachers would experience some sort of salary gain, though in 38 districts, no teachers would experience any sort of gain in salary (Figure 4). Conversely, 11 districts would have to raise the salary of every teacher on staff. As with the districts experiencing the largest average dollar amount gains, the districts with the highest shares of teachers who would receive a raise are concentrated in rural parts of the state.

The estimated cost to increase salary and benefits is \$42.5 million under the \$38,000 plan

Next, we estimate the total annual cost of each proposal, summing the salary increases while also estimating associated additional employee benefits costs.¹⁶ The respective proposals would cost just over \$12 million and \$32.5 million in salary, amounts that rise to \$15.7 million and \$42.5 million when including benefits. Next, we estimate the total annual cost of each proposal, summing the salary increases while also estimating associated additional employee benefits costs. The respective proposals would cost just over \$12 million and \$32.5 million in salary, amounts that rise to \$15.7 million and \$42.5 million when including benefits. To quantify the respective cost burdens these proposals might confer on local districts and the state, we imagine a cost-sharing arrangement where school districts pay for these increases proportional to how they each contributed to district-specific revenues in the 2020-21 school year (i.e., how school costs currently are split between local and state revenue sources). Here, we imagine that salary increases would expand available educational revenues rather than displace allocations to any additional expenditure. Under this arrangement, the state would be accountable for just over 47% of revenue increases in each proposal, \$8.3 million (\$35,000 proposal) and \$22.4 million (\$38,000 proposal), respectively. In the current proposed budget, the state would foot 70% of these costs, though it is unclear if the cost-sharing arrangement may shift in future years.

Conclusion

Starting salaries for teachers in Missouri are the second lowest among the 50 states and the District of Columbia while the state's average overall salary is the sixth lowest nationwide. The Missouri State Board of Education and Governor Parson have proposed increasing the teacher pay minimum to \$35,000 and \$38,000, respectively. Our analyses show that the \$38,000 minimum has potential to improve salaries for some teachers; 14.3% of teachers would receive increases averaging \$3,472. While the \$35,000 plan would improve salaries, it would only affect 7% of teachers. With more teachers affected through the \$38,000 plan, the cost for the state and local districts is higher, with our estimates for salary and benefits carrying a \$42.5 million price tag. Lastly, it remains unclear if the state will carry through on its proposal to cover 70% of the costs and for how many school years in the future. Otherwise, districts may be forced to shoulder larger burdens if prevailing revenue sharing arrangements between the state and local school districts continue unchanged.

Ultimately, these investments have the potential to make a substantial difference in some teachers' financial well-being, both day to day and for long-term planning (e.g., saving for retirement, college tuition, home purchase, etc.). On the other hand, the vast majority of teachers statewide would not witness a salary increase under either of the current proposals. While other states pursue efforts to improve teacher salaries, previous research shows that higher salaries may positively influence teacher retention. Previous research from PRiME has shown that Missouri's starting and average salary is lower than those districts immediately across the border, likely making it difficult to attract and retain teachers.

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- ¹³ Ibid.
- ¹⁴ Ibid.
- ¹⁵ This average differs slightly from that published by NCES, likely due to small differences in the sample of teachers examined.
- ¹⁶ To estimate benefits costs, we apply school district-specific instructional benefits costs expended in the 2018-19 school year obtained from NCES (the latest year available).