School Administrators, What Did You Spend Your Money On?

By: James V. Shuls

When my wife and I took our four children to Disney World over spring break, we knew they would pester us for every little knick-knack and toy that they saw. So, instead of keeping the purchasing power in our hands, we put it in theirs. We gave them each a set amount of money and put it in an envelope with their name on it. Then when they wanted to purchase something, we took it out of their envelope. If they wanted something and didn’t have enough, we could just ask them “What did you spend your money on?”

As we watch teacher strikes throughout the country, that’s the same question we should be asking public school administrators.

For decades, our nation has seen substantial increases in education funding. In Missouri, per-student spending in inflation-adjusted dollars increased 33 percent from 1992 to 2014. Yet during that time, average teacher salaries decreased by 4 percent. How is that possible?

What did you spend your money on?

When we look at the numbers, the answer is obvious—people and pensions.

As economist Benjamin Scafidi has shown, the growth in the number of teachers and staff has far surpassed the growth in students. From 1992 to 2015, Missouri saw a 9% increase in students. Meanwhile, schools bulked up by increasing the teaching workforce by 28% and all
other staff, including school principals and central office workers, by 24%. When given the money, schools chose to spend it on decreasing the pupil teacher ratio from 16.0 to 13.6. They chose to spend it on aides, principals, secretaries, you name it. They chose not to spend it on pay raises.

But that's not the only thing keeping teacher salaries down. School administrators also chose (or were forced to choose) to shift compensation into retirement and benefits. This was a shift of about 6 percent of current operating expenditures that went from salary to benefits (see the figure below for a breakdown of Missouri expenditure numbers from 1998 to 2014). Make no mistake: This wasn't done in order to make teacher benefits better. It was done to help pay for the promises they'd already made.

We all want great teachers, and many of us believe we should increase teacher pay. In fact, 61 percent of respondents in the 2017 Education Next poll said we should increase or greatly increase teacher pay. Yet when we increase funding for public schools, the money just doesn't make it into teachers’ paychecks. Something has to give.

Given the budgetary pressures faced in most states, marching to the statehouse is not an effective strategy. Even if they succeed in getting more funding for public education, there is a good chance that it will not result in substantial pay raises for teachers. At least that's what history has shown us.

Instead, teachers should be marching to their central office; because to get higher teacher salaries, the system has to change. Schools need staffing policies that provide teachers with raises. And pensions must be reformed so teachers can have more pay today, not in 30 years when they retire. In other words, teachers need to start asking the question: “What did you spend our money on?”
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