

The Way School Districts Pay Teachers Ignores School Staffing Problems. Strategic Salary Incentives Can Help.

Research One-Pager
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Why do salary incentives matter? Incentives can be an important tool for attracting and retaining teachers in hard-to-staff positions. But districts rarely compensate teachers based on the challenges and demands of their specific teaching positions (Springer, 2023).

- Not all teaching positions are equally easy to staff. Special education and STEM jobs are more difficult to fill; schools with more students of color and in rural areas also have more difficulty filling vacancies (Goldhaber et al., 2023).
- The way districts typically pay teachers—based on experience and degrees—seems straightforward, fair, and easy to administer. But experience and degree-based pay systems offer no incentives for teachers to fill hard-to-staff positions.

Do salary incentives make a difference? The short answer is yes. Both research and theory suggest that teachers respond to strategic incentives that address the demands of the labor market.

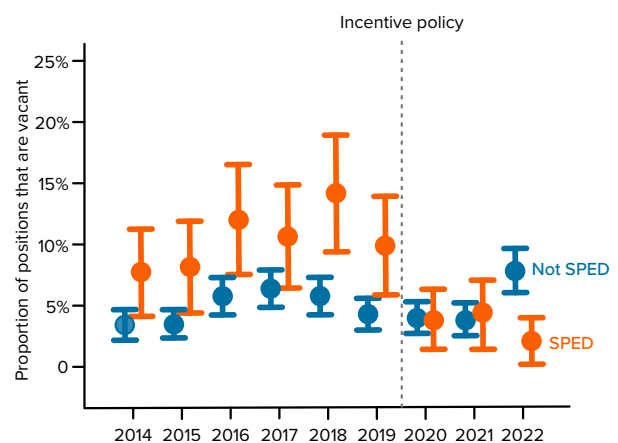
- For example, studies show that strategic bonuses of a few thousand dollars can help reduce teacher turnover in difficult-to-staff subjects (Clotfelter et al., 2008a; Feng & Sass, 2018).
- Bonuses of \$5,000 for National Board Certification have also been shown to reduce turnover and redistribute teachers with specific endorsements across schools (Cowen & Goldhaber, 2018).

What about incentives for special educators? Most prior research has looked at incentives for general education teachers. CALDER recently released a working paper on incentives to address special education teacher shortages (Theobald et al., 2023), a problem with a long history in public education (Bettini et al., 2017; Bettini et al., 2021; Billingsley & Bettini, 2019; Boe, 2006; Gilmour, in press; Gilmour & Wehby, 2020; Mason-Williams et al., 2020).

We studied what happened when Hawai'i raised salaries for all its special education teachers in 2020 by \$10,000 and offered an extra \$8,000 for teachers in hard-to-staff schools. Taken together, these incentives could boost a new special education teacher's starting pay from \$49,100 to \$67,100.

We found that Hawai'i's strategic incentives reduced special education vacancies. Special education vacancies in hard-to-staff schools saw the biggest drops (Fig 1) (Theobald et al., 2023).

Fig 1. Proportion of vacant positions by position type and year in Tier 4 schools (the hardest-to-staff schools).



Hawai'i's incentives appeared to succeed by prompting non-special education teachers to transfer into special education positions, rather than by reducing special education teacher turnover. Our models provide plausibly causal evidence that the incentives led to a more equitable distribution of qualified special education teachers within the state—at least in the short run.

Some caveats. Hawai'i's unique governance, geography, and the policy's implementation during COVID-19 caution against overgeneralizing the results. Other studies suggest that complex or bureaucratic incentives can be challenging to implement, especially if teachers are unaware if they are eligible to receive them (Clotfelter et al., 2008b). By contrast, Hawai'i's policy [was clear and well-publicized](#). And although we did not study student outcomes, other studies suggest salary incentives can help improve student achievement when they are part of comprehensive human capital reforms (Dee & Wyckoff, 2015; Hanushek et al., 2023; Morgan et al., 2023).

The Bottom Line. Research suggests that strategic incentives can help school districts tackle staffing challenges in hard-to-staff schools and subjects, including special education. Districts should consider both paying all teachers more *and* paying them differently to ensure all students have access to the teachers they need.

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