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Teacher Compensation in Michigan: State Policy Context and Insights from TeachMichigan

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Teacher Compensation in Michigan: State Policy Context and Insights from TeachMichigan

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Research consistently demonstrates that teachers are the most important school-based factor shaping student outcomes, with effects that persist well into adulthood (Chetty et al., 2014). Yet Michigan, like many states, faces significant challenges in attracting and retaining effective educators. Teacher turnover has reached record levels and the pipeline of new teachers remains below historical averages. These staffing challenges are particularly acute as schools work to help students recover from pandemic-related learning disruptions.

This report examines how teacher compensation could help address Michigan's educator workforce challenges. We begin by analyzing the context that has elevated compensation as a policy issue, including widespread teacher shortages, declining interest in teaching, and the urgency of supporting students' academic recovery from the pandemic. We then examine public opinion data that reveal substantial support among both Michigan residents and policy elites for improving teacher compensation.

Finally, we examine learnings from TeachMichigan that could inform Michigan's approach to teacher compensation. Together, these analyses provide insight into both the challenges Michigan faces and potential paths forward for ensuring students have access to skilled educators.

CONTEXT: A CRITICAL MOMENT FOR TEACHER COMPENSATION IN MICHIGAN

Michigan, like many states, faces significant educator workforce challenges that create new urgency around the issue of teacher compensation. The state confronts widespread teacher shortages that are straining schools' ability to adequately staff classrooms, while simultaneously grappling with declining interest in the teaching profession that threatens to exacerbate these staffing challenges in the years ahead. This is happening at a time when it is more important than ever for students to have access to high-quality teachers as the state works to recover from the negative effects of the COVID-19 pandemic. Against this backdrop, teacher salaries in Michigan have seen long-term declines, making it harder to attract and retain teachers. In this section, we discuss the present context that has elevated teacher compensation as a policy issue, review trends in how Michigan's teachers are compensated, and identify factors that drive those trends.

Michigan's Teacher Shortage(s)

Michigan faces a meaningful shortage of teachers, with recent data showing unprecedented turnover rates that threaten school stability and student learning along with declines in the number of newly certified teachers. In the 2022-2023 school year, 10% of Michigan teachers left the profession entirely, while more than 15% changed districts and nearly 25% changed schools. These challenges are particularly acute in urban areas and charter schools, and among less experienced teachers and teachers of color (Kilbride et al., 2024).

The issues caused by turnover are compounded by a diminishing pipeline of new teachers. The number of individuals completing teacher preparation programs in Michigan declined steadily from 2012-2013 through 2019-2020. While there has been a modest rebound in recent years, the number of new teachers entering the profession remains well below the long-run average (Kilbride et al., 2024). This combination of high turnover and reduced entry into the profession creates significant staffing challenges for schools.

These shortages have important implications for educational quality. Districts struggling to fill positions may need to take desperate measures to staff their classrooms. One strategy may be to have existing teachers cover classes during their planning time, but the additional burdens on teachers may lead to burnout that

further fuels attrition (Singer et al., 2023). Another potential strategy is to rely on long-term substitutes or teachers who are not fully qualified for their assigned positions, which may lower the quality of instruction students receive (Burns et al., 2023; Torres et al., 2023). This means that many students, particularly those in historically underserved communities where shortages tend to be most severe, may not have access to appropriate instruction from qualified teachers in their subject areas.

Declining Status of the Teaching Profession

Michigan's staffing challenges reflect a broader decline in the perceived status of the teaching profession. Recent polling from Phi Delta Kappan, an organization that has conducted public opinion polls on educational issues for more than half a century, reveals that only 37% of the public would want a child of theirs to become a teacher, the lowest level ever recorded and significantly below the historical average of 60% (PDK, 2022). When asked why they would not want their child to become a teacher, respondents most frequently cited inadequate pay and benefits. Even more concerning, current teachers are less likely to want a child of theirs to become a teacher. In a 2024 survey, just 21% of teachers would advise their own children or the children of close friends and family members to pursue a career in teaching (EdWeek, 2024).

These findings align with broader research on the status of the teaching profession. Kraft and Arnold Lyon (2024) document several troubling trends: teacher job satisfaction has reached an all-time low, the occupational prestige of teaching continues to decline, and interest in teaching as a career choice has diminished substantially. As fewer people view teaching as a desirable profession, both the quantity and quality of potential candidates may decline. Similarly, as current teachers become increasingly dissatisfied, they may be more likely to leave the profession and less likely to encourage others to enter it. Put simply, these interconnected challenges of a teacher shortage along with declining professional status create a self-reinforcing cycle that makes it harder for Michigan to attract and retain the teachers it needs, which in turn negatively impacts students.

Recovering From the COVID-19 Pandemic

The teacher shortage and declining status of the profession come at a particularly challenging time as schools work to help students recover from pandemic-related learning disruptions. Like students in other states, Michigan students experienced lost learning opportunities due to the COVID-19 pandemic (Kilbride et al., 2023; Kuhfeld, 2022). The impact was severe: student achievement dropped precipitously in both mathematics and reading during the first year of the pandemic. To put the magnitude of this reduced achievement in context, academic declines brought on by the pandemic were greater than those observed in New Orleans after Hurricane Katrina (Kuhfeld, 2022).

In Michigan, while mathematics achievement has rebounded to fall 2020 levels, reading achievement has continued to decline (Kilbride et al., 2023). More concerning still is the widening of achievement gaps. Nationally, the gap between students in high- and low-poverty schools has increased by 15-20% between fall 2019 and fall 2021, and racial/ethnic achievement gaps have likewise grown significantly (Kuhfeld, 2022). Michigan faces particular challenges in this area, as the achievement gap between the state's highest-achieving students (those scoring at the 90th percentile among Michigan students) and lowest-achieving students (those scoring at the 10th percentile among Michigan students) is larger than the national average (Kilbride et al., 2023).

The path to academic recovery appears lengthy. Lewis & Kuhfeld (2024) estimate students will need the equivalent of four additional months of learning to catch up to pre-pandemic achievement levels in both reading and mathematics. In Michigan, although more students are meeting expected growth targets, the pace of improvement is insufficient to reach pre-pandemic achievement levels in the near future (Kilbride et al., 2023).

Research has consistently shown that teachers are the most important in-school factor related to student outcomes (Aronson et al., 2007; Chetty et al., 2014). This means that recovering from the negative impact of the pandemic requires a stable and skilled teacher workforce. Yet, Michigan is experiencing a shortage of high-quality teachers precisely when students need them the most, creating a significant obstacle to academic recovery efforts.

Increased Attention to Teacher Compensation as a Policy Lever to Attract and Retain Teachers

In response to the urgent challenges of teacher shortages and academic recovery, teacher compensation has gained attention at both the federal and state levels. President Biden specifically called for raising teacher pay in his 2022 and 2023 State of the Union addresses (Biden, 2022; 2023), and in 2023 bills were introduced in both the U.S. House of Representatives and Senate that would have established a \$60,000 minimum salary for teachers nationwide (Sanders, 2023; Wilson, 2023). While these proposals did not lead to policy changes at the federal level, many states have taken action to address teacher compensation. In 2023, 18 Democratic and Republican governors specifically proposed raising teacher salaries in their 2023 State of the State addresses (FutureEd, 2023a, 2023b). During that year's legislative session, standalone bills to increase teacher compensation were introduced in 26 states, with nine ultimately enacting teacher pay laws while others increased compensation through their budgeting process (Aranda-Comer, 2023).

The emphasis on compensation reflects a growing body of evidence linking education funding, particularly investments in teacher salaries, to improved student outcomes. In a comprehensive meta-analysis that examined studies from 2001-2020, Jackson and

Mackevicius (2024) found that increased education funding leads to significant improvements in student achievement. Recent studies of state-level salary reforms have found that higher teacher salaries both improve student outcomes (Shakya, 2024) and reduce teacher turnover, particularly among teachers who belong to historically high-attrition groups (Candelaria et al., 2024; Rauscher et al., 2024). Moreover, when examining how increased educational expenditures improve student outcomes, teacher salary increases explain the largest share of these improvements (Rauscher et al., 2024).

These findings suggest that addressing teacher compensation could help Michigan tackle multiple challenges simultaneously: strengthening the pipeline of new teachers, reducing turnover among current teachers, and creating conditions that support student achievement recovery. However, developing effective compensation policies requires understanding both the current state of teacher pay in Michigan and the factors that have shaped it, topics we examine in the next section.

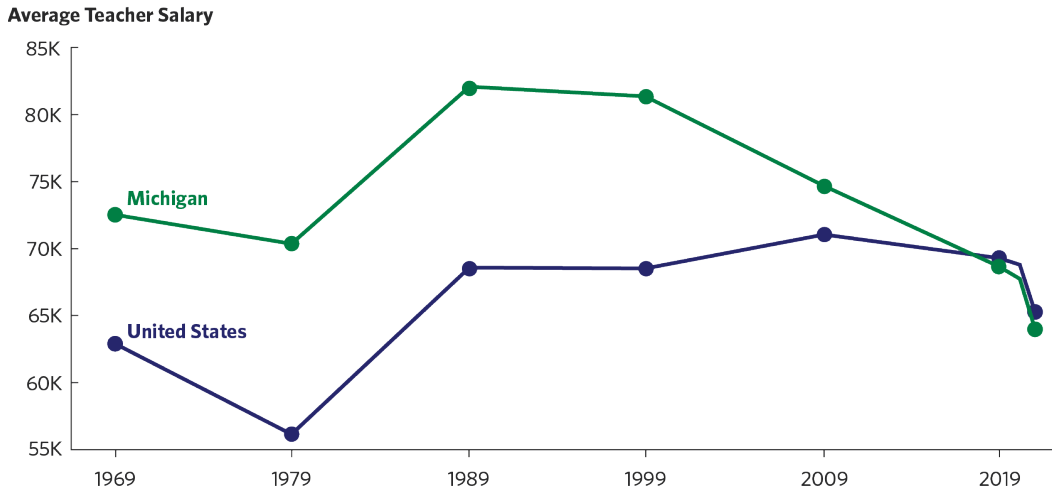
Teacher Compensation in Michigan

Teacher compensation in Michigan has experienced a decades-long decline in real terms. This trend has been strongly shaped by state-level policy decisions that have resulted in lower levels of funding for education, both compared to previous levels of funding in Michigan and compared with other states, and inaction on the issue of teacher salaries. In this section, we examine the state of teacher compensation in Michigan, analyzing trends in both starting and average salaries, comparisons with other states, and the factors that have shaped these patterns. Understanding these trends is crucial for considering and developing policies that make high-quality teachers accessible to all students.

Trends in Teacher Compensation in Michigan

Teacher salaries in Michigan have declined substantially over the past two decades, both in real terms and relative to other college-educated workers. As shown in Figure 1, inflation-adjusted average teacher salaries in Michigan have fallen by more than 20% since 1999, the second-largest decline among the 50 states and Washington, D.C. (Burns & Mavrogordato, 2024). This decline means that teachers today have significantly less purchasing power than previous generations. To put this in perspective, if teacher salaries had merely kept pace with inflation since 1999, the average teacher in Michigan would earn approximately \$81,700 today rather than \$64,884, the average Michigan teacher's salary in the 2022-2023 school year (Burns & Mavrogordato, 2024).

Figure 1. Average Teacher Salaries Over Time, Adjusted for Inflation to Constant 2021-2022 Dollars



a. Sources: Salary data through 2020-2021 taken from the National Center for Education Statistics Table 211.60, which draws data on nominal salaries taken from the National Education Association’s (NEA’s) Estimates of School Statistics, which includes early estimated salaries for 2021-2022. Corrected salary data for 2021-2022 taken from the National Education Association’s Salary Benchmark report. b. Average salaries adjusted to constant 2021-2022 dollars based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. c. Note: the CPI does not account for differences in inflation rates from state to state.

Teacher salaries in Michigan have also declined relative to other college-educated workers and teachers in other states. Teachers in Michigan now earn roughly 20% less than other college-educated workers with similar levels of education and experience (Allegretto, 2023). This wage penalty creates significant disincentives for pursuing a career in education, particularly given the increasing costs of obtaining the required credentials to become a teacher. Michigan's position relative to other states has also deteriorated markedly. Between 1970 and 2000, Michigan consistently ranked among the top states for teacher compensation, typically placing 4th to 6th nationally (Burns & Mavrogordato, 2024; NCES, 2023). However, the state's standing has declined considerably since then, with Michigan now ranking 17th among states and the District of Columbia in terms of average teacher salaries (Burns & Mavrogordato, 2024; NCES, 2023; NEA, 2024).¹

The situation is even more concerning when examining starting teacher salaries, where Michigan compares even less favorably. From the 2021-2022 to the 2022-2023 school year alone, Michigan's ranking in starting teacher salaries dropped from 37th to 41st nationally (NEA, 2024). And based on recent actions taken in other states to improve salaries, Michigan is likely to fall further behind on this metric (Burns & Mavrogordato, 2024). These declines in average and starting salaries likely make teaching less attractive relative to other professions, which is particularly concerning given current challenges in attracting new teachers to the profession and retaining

teachers who are already in the classroom. These changes did not happen by chance but reflect policy choices made in recent decades. To better understand these choices, the next section examines factors that have shaped declining salaries in Michigan.

Policy Choices and Declining Teacher Salaries in Michigan

The marked decline in Michigan's teacher salaries reflects specific policy decisions at the state level. First, the state's overall investment in education has declined substantially over time. Second, while many states have taken systematic action to raise teacher compensation, Michigan's response has been both limited and temporary. Combined, these factors constrain local districts' ability to offer teachers competitive salaries.

Declining Investment in Education

Michigan stands alone in its declining commitment to education funding. In 1994, Proposal A fundamentally changed how Michigan funds its schools, shifting primary responsibility for education funding from local districts to the state. Under this system, the vast majority of districts' funding comes from state appropriations, and districts cannot use local millages for operating expenditures, like teacher salaries. This means that, in the last 30 years, the most important K-12 funding decisions are made at the state level. Since this shift, Michigan has seen declining investments in education. Between 1995 and 2015, aggregate inflation-adjusted educational expenditures in Michigan fell by 18% (Arsen et al., 2019). And among all states, Michigan was the only one to experience a real decline in K-12 spending between 2002 and 2020 (Garth Smith & Campbell, 2022). While other states have increased their investment in education over this period, with many seeing double-digit percentage increases in real expenditures, Michigan's investment has moved in the opposite direction.

One factor in this decline is Michigan's shrinking student population, which fell by more than 20% between 2002 and 2020 (Garth Smith & Campbell, 2022). However, demographic changes alone did not drive these reductions. Even after accounting for enrollment changes, Michigan ranks 41st among the states in per-pupil revenue growth from 2002 to 2020 and now falls below the national average in per-pupil revenues (Garth Smith & Campbell, 2022).

Funding declines have direct implications for districts, teachers, and students. With limited control over their revenues and restrictions on how local funds can be used, districts may need to make difficult choices. For instance, districts may need to choose between offering competitive teacher salaries on one hand and maintaining facilities or providing student support services on the other. The constraints on both state funding and local revenue-raising capacity mean that many districts struggle to offer salaries that can attract and retain high-quality teachers.

Inaction on Teacher Salaries

While many states have taken decisive action to raise teacher compensation, Michigan's response has been both modest and temporary. For instance, the state appropriated \$63.8 million for teacher compensation in the 2024 fiscal year (Michigan Department of Education, 2023), but this one-time funding amounts to only \$600-\$800 per teacher (Burns & Mavrogordato, 2024). Also for the 2024 fiscal year, the state created a program through which teachers who have federal student loans can receive stipends of up to \$200 per month (or \$400 per month in Title I schools) to offset the cost of their federal student loan payments, which provides some teachers with an additional \$2400-\$4800 in compensation per year (Michigan Department of Education, 2023). For the 2025 fiscal year, the state has created new flexibility in how high-poverty districts (bands 5 and 6 of the state's opportunity index) can use their at-risk funding (31a), an appropriation that provides additional per-pupil funding for economically disadvantaged students (Michigan Department of Education, 2024). This new rule allows high-poverty districts to use up to 30% of these funds to support teacher recruitment and retention, which includes teacher pay. However, this approach creates potential trade-offs with other crucial uses of at-risk funds. Moreover, because districts are only eligible to use at-risk funding for teacher compensation in the year they are identified as high-poverty and the following two years, many may be reluctant to raise teacher pay using these funds given the possibility that demographic changes could make them ineligible in the future.

Michigan has seen proposals for more ambitious efforts to raise teacher salaries, but they were not adopted. Among the proposals that were not adopted are a 2022 effort by Governor Gretchen Whitmer for educator retention bonuses that began at \$2000 per year and increased to \$4000 over a four-year period (Barghouthi, 2022). The following year saw proposals in the Michigan Senate for a \$50,000 minimum teacher's salary and significantly more funding for teacher compensation (\$120 million) than what was ultimately adopted (the \$63.8 million noted in the previous paragraph) (Shayket, S. 2023).

The limited nature of Michigan's response becomes particularly evident when compared with systematic approaches taken by other states. For example, between the 2022-2023 and 2023-2024 school year, Arkansas raised its minimum teacher salary from \$36,000 to \$50,000 (Zamarro et al., 2024). Georgia implemented sustained increases, providing raises of more than \$2,000 between the 2021-2022 and 2022-2023 school years, followed by an additional \$2,500 for 2023-2024 (Amy, 2024; Georgia Department of Education, 2023). South Carolina has taken a progressive approach, implementing a series of increases that brought the minimum salary from just under \$39,000 in 2021 to \$47,000 in 2024 (Bustos, 2024; Raven, 2023). As of the 2021-2022 school year, each of these states had a lower starting teacher salary than Michigan but have passed Michigan in the rankings due to these efforts. These states demonstrate how systematic investment can meaningfully address teacher compensation.

Connecting the Dots: Understanding the Need for State Action

Michigan faces several interconnected challenges that create new urgency around teacher compensation. The state currently confronts widespread teacher shortages and declining interest in the teaching profession precisely when students need high-quality teachers to recover from the COVID-19 pandemic. At the same time, teacher salaries in Michigan have declined steadily over the past two decades, both in real terms and relative to other states. While average teacher salaries have fallen by more than 20% when adjusted for inflation, starting salaries now rank among the lowest in the nation. These trends reflect specific policy choices: Michigan is the only state to see a real decline in K-12 funding between 2002 and 2020, and while other states have taken systematic action to raise teacher pay, Michigan's response has been limited, temporary, and unconnected to a larger strategy around the state's teacher workforce.

Addressing these challenges requires understanding the appetite for change among Michigan residents. This is particularly important because the state's education funding structure, which places primary responsibility for school funding at the state level and restricts districts' ability to raise local revenue, means that meaningful improvements in teacher compensation require state-level action. In the next section, we examine public opinion data that provides insight into Michiganders' views on teacher compensation and their preferences for change.

SUPPORT FOR INCREASING TEACHER COMPENSATION IN MICHIGAN

As outlined in the previous section, Michigan's education funding system places primary responsibility for school funding at the state level and constrains districts' ability to raise local revenue for teacher compensation. This means that meaningful improvements in teacher compensation require action by state policymakers. Given this structure, understanding both public and policymaker perspectives on teacher compensation is crucial for identifying politically viable paths to addressing Michigan's compensation challenges.

To understand these perspectives, we draw on two complementary surveys. The first, the State of the State Survey (SOSS), was administered in January 2024 to a representative sample of 1,000 Michigan adults. The SOSS is conducted by Michigan State University's Institute for Public Policy and Social Research (IPPSR) and uses random sampling techniques to gather data from adults across the state. The survey asked respondents about their views on both starting and average teacher salaries, including whether these should increase, decrease, or stay about the same, and what respondents believed appropriate salary levels should be.²

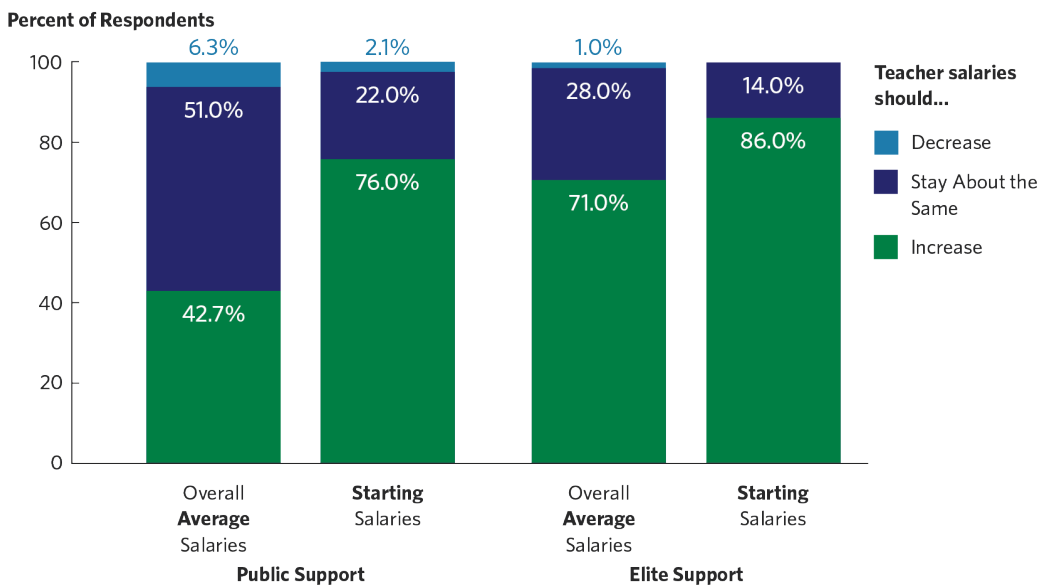
The second survey, the Michigan Policy Insiders Panel (MPIP), captures the views of Michigan's "policy elites" - individuals directly involved in shaping state policy. Administered in spring 2024, this survey gathered responses from 153 participants including state agency staff, legislators, legislative staff, lobbyists, think tank members, and political media members. The MPIP asked similar questions about teacher salaries and also examined support for various policy approaches that could be used to shape teacher compensation in Michigan.

Together, these surveys provide insight into both the public appetite for change and policy preferences among those most directly involved in shaping state education policy. In the sections that follow, we examine what these data reveal about support for improving teacher compensation in Michigan and preferences for how to achieve those improvements.

Strong Public Support for Raising Teacher Pay

Survey findings reveal high levels of public support for increasing teacher compensation in Michigan, particularly for early career educators. To gauge opinion on this issue, respondents were provided with current starting and average teacher salaries in Michigan and asked whether these should increase, decrease, or stay about the same. We summarize the responses to these questions in Figure 2. As this shows, the vast majority of Michigan residents, 76%, believe that starting teacher salaries should increase, while 22% responded that salaries should stay about the same and just 2.1% believe they should decrease. This strong preference for raising starting salaries may reflect public recognition that Michigan's starting teacher salaries have not kept up with inflation.

Figure 2. Public and Elite Support for Increasing Teacher Salaries



Public opinion on average teacher salaries shows a more moderate but still substantial appetite for change. On the SOSS, just over half of Michiganders, 51%, believe that the state's average teacher salary should stay about the same. At the same time, 42.7% believe that the average teacher's salary should increase, while only 6.3% believe it should decrease. The imbalance between those supporting increases and those supporting decreases suggests that average salaries could increase while maintaining majority support for current or higher compensation levels.

The survey also asked respondents what they believed teacher salaries should be. Michiganders support substantial increases, particularly for new teachers. We use the average response to this item as a measure of the public's preferred starting and average teacher's salary. The public believes starting teacher salaries should be \$48,777, nearly \$10,000 higher than the current average starting salary. This increase would significantly improve Michigan's position relative to other states and bring starting salaries more in line with those of other college-educated workers (Burns & Mavrogordato, 2024). Regarding average teacher salaries, the public believes these should increase to \$68,517, approximately \$3,600 higher than current levels.

Support for improving teacher compensation is even stronger among Michigan's policy elites, measured by responses in the MPIP. More than 70% support higher average teacher salaries, with the typical respondent indicating salaries should increase by approximately \$9,300. Support for raising starting salaries is even stronger, with 86% of policy elites favoring an increase, and respondents indicating that starting salaries should increase by about \$11,200.

These findings reveal a clear consensus around the need to address teacher compensation in Michigan. Both the public and policy elites strongly support raising teacher pay, with particularly robust backing for improving starting salaries. The alignment between public preferences and policy elite views suggests a viable path forward, particularly for efforts that prioritize increasing pay for early career educators. At the same time, the substantial support for raising average salaries indicates that comprehensive approaches that both attract new teachers and retain experienced educators could gain traction.

Setting the Stage for Action

Survey data reveal significant support among both the public and policy elites for improving teacher compensation in Michigan. The alignment between these groups is particularly strong regarding starting teacher salaries, with more than three-quarters of the public and over 85% of policy elites supporting increases. Both groups also favor meaningful raises for early career teachers, with preferred salaries approximately \$10,000 higher than current starting salaries. While support for increasing average teacher salaries is more moderate, particularly among the public, there remains substantial backing for competitive salaries for all teachers.

This broad-based support for improving teacher compensation creates an opportunity for meaningful reform. The next section describes lessons learned about educator compensation from TeachMichigan, one state initiative that seeks to retain “high-impact” teachers in hard-to-staff schools and districts.

CURRENT INITIATIVES: INSIGHTS FROM TEACHMICHIGAN

Michigan's limited policy infrastructure around teacher compensation, combined with strong public and policy elite support for improving teacher pay, creates an opportunity to learn from current initiatives that could inform future policy development. Policymakers may look both to programs within Michigan and reforms enacted in other states, providing insight into various approaches for improving teacher compensation.

One source of insight is TeachMichigan, a state-funded initiative that provides substantial stipends to “high-impact” educators who commit to teaching in high-needs schools in partner districts for multiple years. While TeachMichigan is not a state policy as the state does not define the parameters of which educators and districts are eligible or the structure of its compensation or programming, TeachMichigan's approach to improving compensation for excellent teachers in high-need settings offers valuable lessons about both the potential and challenges of targeted compensation reforms. Additionally, other states have implemented various initiatives that could inform Michigan's approach. Several states have enacted policies to significantly raise starting teacher salaries, responding to challenges similar to those Michigan faces in attracting new teachers to the profession. Other states have developed systematic approaches to providing additional compensation for teachers in hard-to-staff schools and subject areas, directly addressing staffing challenges that Michigan also confronts.

In this section, we examine these initiatives to understand how they might inform policy development in Michigan. We begin with an analysis of TeachMichigan, followed by examining state efforts to raise starting salaries and create incentives for teaching in hard-to-staff positions.

TeachMichigan

TeachMichigan sets out to strengthen high-needs schools in Michigan by supporting and retaining their most effective educators in hard-to-staff schools in specific partner districts across the state. Through a competitive application process, TeachMichigan identifies high-impact educators—both teachers and leaders—at different career stages, who become “fellows” once they accept an invitation to join TeachMichigan, and provides them with intensive professional learning and targeted financial

incentives to support their development and retention. As of fall 2024, TeachMichigan is working with 18 districts from across the state to support the retention of more than 400 educators.

The compensation component of TeachMichigan provides fellows with stipends totaling \$35,000 over three years: \$10,000 in each of the first two years followed by \$15,000 in the third year. These stipends aim to create meaningful incentives for talented educators to remain in schools serving students who are economically disadvantaged.

While it is too early in TeachMichigan's implementation to evaluate its impact on educator retention, EPIC's ongoing evaluation of the program provides insight into how TeachMichigan shapes fellows' compensation and their incentives to remain in their schools. In the following sections, we examine the impact of TeachMichigan stipends on fellows' total compensation and analyze fellows' perceptions of their compensation under the program.

The Impact of TeachMichigan Stipends on Educator Compensation

To examine how TeachMichigan shapes educator compensation, we analyze data from the eight traditional public school districts that partnered with TeachMichigan in fall 2023, the first cohort to complete a full year of programming and receive their initial stipends. We focus on traditional public schools because charter schools are not subject to the same reporting requirements, making salary data unavailable for this group. Using district-level salary data from the Michigan Department of Education's Bulletin 1014 and information drawn from each district's collective bargaining agreement, we examine how TeachMichigan stipends impact compensation for both new and mid-career teachers.

Table 1 presents three sets of figures for each of the eight districts we examine. The first set of three columns on the left of Table 1 show the size of the TeachMichigan stipends in years 1 and 2 (which are \$10,000 in each of these years) as a percentage of the starting teacher's salary in that district, the size of the TeachMichigan stipend in year 3 (\$15,000), and the size of TeachMichigan's total stipend as a percentage of a starting teacher's salary over three years. The second set of three columns repeats this but for the average teacher's salary in each district. Lastly, the two columns on the right side of Table 1 show the ranking of each district's average teacher salary within their Intermediate School District (ISD) or Regional Educational Service Agency (RESA) along with the number of traditional public school districts in that ISD/RESA, first using only the average teacher's salary in the district, and then after adding the average TeachMichigan stipend over three years (approximately \$11,667 per year over three years). Collectively, these figures allow one to see the magnitude of stipends relative to the new and average teacher's base salary across TeachMichigan districts and how stipends shape teachers' incentives to move to other districts within the local labor market for higher pay.

Table 1. TeachMichigan Stipends as a Percentage of Salary								
	New Teacher Salaries			Average Teacher Salaries				
	First and Second Stipends as a % of Salary ¹ (1)	Final Stipend as a % of Salary ¹ (2)	Total Stipend as a % of 3-year Salary ¹ (3)	First and Second Stipends as a % of Salary ² (4)	Final Stipend as a % of Salary ² (5)	Total Stipend as a % of 3-year Salary ² (6)	Average Salary Rank Within ISD ² (4)	Average Salary Rank Within ISD Including TeachMichigan Stipend (7)
Benzie Central Schools	26.4%	39.6%	30.8%	15.3%	23.0%	17.9%	7/17	2/17
Detroit Public Schools Community District	26.0%	39.0%	30.3%	13.7%	20.5%	15.9%	24/35	6/35
Grand Rapids Public Schools	22.6%	33.9%	26.4%	15.9%	23.9%	18.6%	18/22	4/22
Kentwood Public Schools	21.7%	32.6%	25.4%	15.1%	22.7%	17.6%	13/22	3/22
Lansing Public Schools	24.4%	36.7%	28.5%	17.4%	26.1%	20.3%	8/12	1/12
Saginaw Public Schools	22.2%	33.3%	25.9%	16.5%	24.7%	19.2%	7/12	1/12
Sault Ste. Marie Public Schools	29.2%	43.8%	34.0%	19.0%	28.6%	22.2%	11/15	4/15
Traverse City Area Public Schools	22.7%	34.0%	26.5%	14.4%	21.5%	16.7%	3/17	1/17

¹ Source: district salary schedules and/or collective bargaining agreements.

² Source: Bulletin 1014.

Looking first at how TeachMichigan stipends impact starting teacher salaries, the program provides substantial increases in compensation for new teachers. In the first two years of fellowship, the \$10,000 annual stipend represents between 21.7% and 29.2% of the minimum teacher's salary across participating districts. This percentage increases in the third year when fellows receive \$15,000, ranging from 32.6% to 43.8% of the minimum salary. Across all three years of fellowship, TeachMichigan increases total compensation for new teachers by one-fourth to one-third of their base salary.

For mid-career teachers earning salaries closer to their district's average, TeachMichigan stipends represent a smaller but still meaningful increase in compensation. The \$10,000 stipend in years one and two amounts to 13.7% to 19% of the average teacher's salary, while the \$15,000 stipend in year three represents 20.5% to 28.6%. Over three years, TeachMichigan increases total compensation for these educators by 15.9% to 22.2% of their base salary. When examining how these stipends affect districts' competitive position within their region, we find dramatic

improvements. Without TeachMichigan stipends, most participating districts rank in the bottom half of their ISD in terms of average teacher salaries. However, including the average stipend of \$11,667 per year raises compensation to the top third of districts in every ISD, with three districts - Traverse City Area Public Schools, Lansing Public Schools, and Saginaw Public Schools - moving to the highest-paying position in their ISD. Consistent with TeachMichigan's aim of increasing educator retention, the impact of the program's stipends on fellows' compensation substantially reduces their financial incentive to seek employment in other districts.

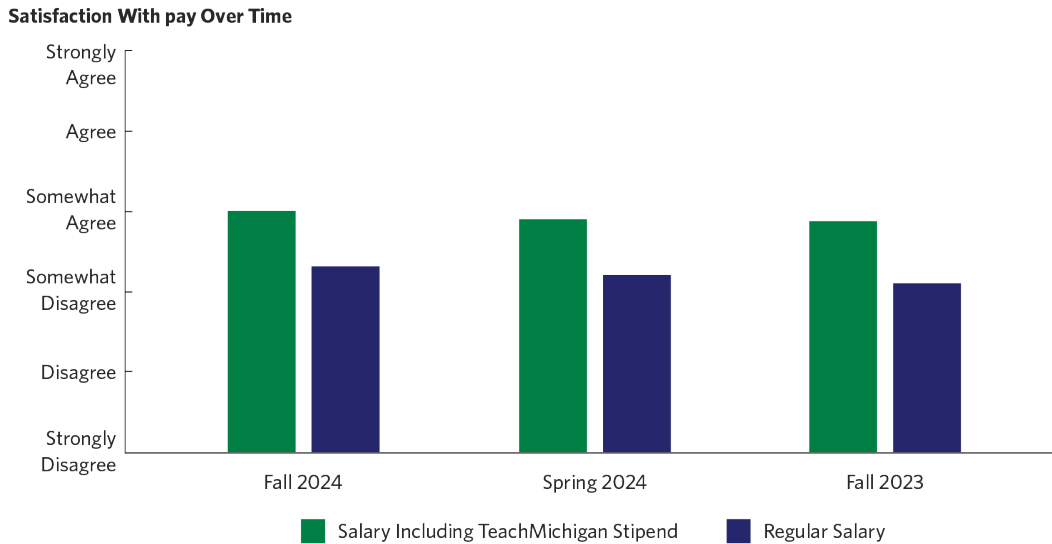
TeachMichigan's approach to educator compensation meaningfully increases fellows' total pay and dramatically improves participating districts' competitive position within their regions. However, understanding whether these increases translate into greater satisfaction with compensation and influence fellows' career decisions requires examining how they view their compensation. In the next section, we analyze survey data that provides insight into fellows' perceptions of their pay and beliefs about their employment alternatives.

TeachMichigan Fellows' Perceptions of Their Compensation

To understand how TeachMichigan stipends shape fellows' views of their compensation, we draw on data from three surveys administered to fellows who began the program in fall 2023. These fellows have completed a full year of programming and received their initial stipends, providing insight into how the program affects their perspectives on compensation. Surveys administered in fall 2023, spring 2024, and fall 2024 asked fellows about their satisfaction with both their base salary from their district and their total compensation including TeachMichigan stipends. The most recent survey, conducted in fall 2024, also examined fellows' perceptions of their employment alternatives, asking whether they believe they could earn more by moving to another district or leaving education entirely. Together, these data help illuminate how TeachMichigan shapes both satisfaction with compensation and beliefs about career opportunities.

Figure 3 presents the average response to items that asked fellows about their level of satisfaction with their compensation in each survey wave. This reveals that TeachMichigan stipends meaningfully increase fellows' satisfaction with their compensation, though concerns about base pay persist. When asked about their satisfaction with their base salary from their district, fellows' responses averaged "somewhat disagree" on the survey scale, indicating general dissatisfaction with their regular compensation. While satisfaction with base salary showed some improvement over time, fellows consistently reported being unsatisfied with their district compensation across all three survey waves.

Figure 3. Satisfaction With Pay Over Time



Fellows were asked: "To what extent do you agree or disagree with the following statements about your compensation as an educator? a. I am satisfied with the pay I receive from my district or charter network (i.e., regular salary plus any school or district stipends/wages). b. I am satisfied with my total pay (i.e., regular salary plus school or district stipends/wages and TeachMichigan stipend).

However, fellows expressed notably higher satisfaction when considering their total compensation including TeachMichigan stipends. On average, fellows reported "somewhat agree" when asked about their satisfaction with their total compensation, representing an increase of approximately 0.7 points on the survey scale compared to their satisfaction with base salary alone. This substantial difference suggests that TeachMichigan stipends meaningfully improve fellows' views of their compensation. At the same time, the fact that fellows only "somewhat agree" that they are satisfied with their total compensation, even with the addition of substantial stipends, may reflect broader concerns about educator pay relative to other professions or the temporary nature of the stipends (3 years).

Data from the fall 2024 survey provide insight into fellows' perceptions of their employment alternatives, shown in Figure 4. On average, fellows "somewhat agree" that they could secure better-paying positions in another school district and, on average, "agree" that they could find higher-paying jobs outside of education entirely. These beliefs likely reflect awareness of real differences in compensation opportunities. Fellows' perception that they could earn more in other districts aligns with the above discussion that most TeachMichigan districts rank in the bottom half of their ISD for teacher salaries without considering TeachMichigan stipends. Similarly, fellows' stronger belief that they could earn more outside education may stem from awareness of the substantial wage penalty teachers face compared to other professionals with similar education and experience.

These perceptions highlight the power of financial incentives in shaping where teachers choose to work. Fellows' apparent awareness of better-paying opportunities, both within and outside education, underscores discussions in previous sections of this report about how compensation differences create incentives for teacher mobility. While TeachMichigan stipends currently provide meaningful incentives for these high-impact educators to remain in high-needs schools, fellows' beliefs about better-paying alternatives raise concerns about the long-term stability of staffing in schools serving disadvantaged populations, particularly after the fellowship period ends.

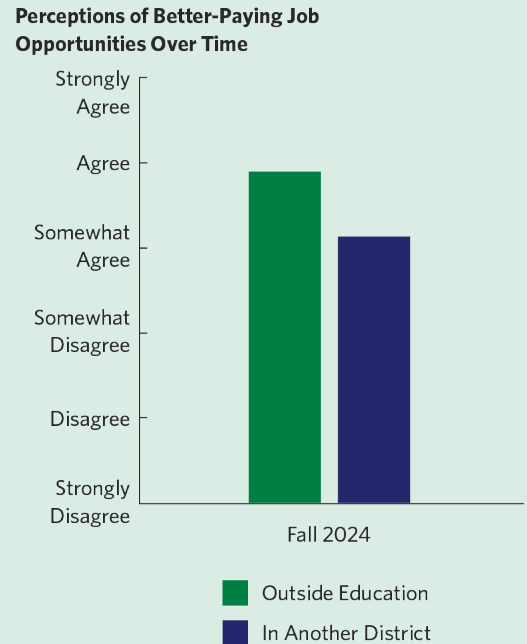
While TeachMichigan stipends currently provide meaningful incentives for these high-impact educators to remain in high-needs schools, fellows' beliefs about better-paying alternatives raise important considerations about long-term retention, especially at the conclusion of the TeachMichigan fellowship. Fellows may wish to maintain the level of compensation they enjoy during their fellowship period, which could encourage them to seek employment opportunities elsewhere after the program ends, a dynamic that is consistent with previous research on incentives for teachers in hard-to-staff schools (Glazerman et al., 2013).

CONCLUSION

This analysis of teacher compensation in Michigan reveals meaningful challenges in attracting and retaining educators. Average teacher salaries have declined by more than 20% in real terms since 1999, while starting salaries now rank 41st nationally. These compensation issues coincide with record-high turnover rates and diminishing interest in the teaching profession, creating substantial staffing challenges for schools working to support student learning and recovery from pandemic-related disruptions.

Survey data indicate strong support for addressing these compensation challenges. More than three-quarters of Michigan residents and over 85% of policy elites favor raising starting teacher salaries, with both groups supporting increases of approximately \$10,000. Current initiatives provide insight into potential policy

Figure 4. Perceptions of Better-Paying Job Opportunities



Fellows were asked: "To what extent do you agree with the following statements? - I could get a better-paying job in another district if I wanted to." and "To what extent do you agree with the following statements? - I could get a better-paying job outside of education if I wanted to."

approaches. TeachMichigan demonstrates how targeted compensation increases can reduce incentives for educator mobility and increase satisfaction with pay, particularly for educators in high-needs schools.

The alignment between public preferences and policy elite views, combined with evidence from existing programs, suggests viable paths forward. Successful reforms in other states show how strategic investments in teacher compensation can help build a stable and skilled educator workforce - one capable of providing the consistent, high-quality instruction needed to support student achievement and long-term educational outcomes.

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ENDNOTES

¹ The average US teacher’s salary is calculated to represent the salary of the typical teacher in the United States and is not calculated by taking the average of state-level average teacher salaries. Some states with high average teacher salaries have significantly higher salaries. For instance, the average California teacher earned more than \$95,000 in 2022-2023 and the average New York teacher earned more than \$92,000 (NEA, 2024). Some higher-paying states also have a large number of teachers. As a result, the average US teacher’s salary is higher than one would get from taking the average of state-level average teacher salaries, and is why Michigan has an average teacher salary that is below the national average and is ranked 17th among the 50 states plus Washington D.C.

² The analyses presented here use weighted responses to make results more representative of the larger population. See Burns & Mavrogordato (2024) for further discussion of weighting in this survey.