

# Merit Pay for a

*This merit-pay proposal considers what teachers really want—and what schools really need.*

**Susan Moore Johnson and John P. Papay**

*“People don’t expect to be paid like investment bankers. Money is not why you go into teaching. But you should be able to live on a teaching salary.”*  
— Mary

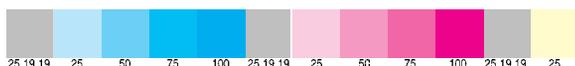


**N**ew teachers like Mary have long worried about their salaries. Could they pay their bills and live a reasonably comfortable lifestyle? Would they be able to buy a house and send their children to college?

Over the past decade, the Project on the Next Generation of Teachers has interviewed many new teachers who voiced such concerns (Johnson & Project on the Next Generation of Teachers, 2004). Although they often were dissatisfied with the size of their paychecks, these teachers more often were annoyed that they could do little to improve their earnings, no matter how hard they worked or how successful they were. Salaries were based solely on how long they had taught and how many courses they had taken. As Esther, who struggled to teach math in an urban vocational school, explained, “I could have these kids doing calculus tomorrow . . . and I would still only get my step [raise] next year. . . . I think that’s a major thing wrong with the entire teaching profession” (Johnson & Project on the Next Generation of Teachers, 2004).

Many teachers were also concerned that their role wouldn’t change over time. Unless they entered administration, where they could earn more money and exercise broader influence, they would essentially have the same responsibilities on the day they retired

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# New Generation

as on their first day of work.

Researchers regularly report that today's early-career teachers are more interested in pay for performance than their veteran colleagues are (Public Agenda, 2009). They seek to combine classroom teaching with other roles—for example, as an instructional coach or data analyst. Currently, many districts are experimenting with bonuses for

while a set of “lanes” qualifies teachers for higher pay as they complete additional academic credits or degrees. The only way a teacher can earn more on this scale is to pursue additional education.

The single-salary scale is regularly criticized for its lockstep quality. As Esther suggested at the beginning of this article, there is no way for teachers to earn more by exercising initiative or

“rising tide of mediocrity” in U.S. public schools in the 1980s. Each time, however, the policy failed to transform either how teachers were paid or how schools performed. It repeatedly fell into disuse for various reasons—inadequate funding, faulty evaluation systems, union opposition, or outcries that the awards were unintelligible, wrong-headed, or biased. Perhaps more important, however, were reformers' unrealistic expectations about what merit pay could do.

Now merit pay is experiencing a resurgence. Many districts have tried to address the constraints of the single-salary scale with bonuses, which typically provide relatively small awards (between \$500 and \$3,000) for teachers whose students perform well on standardized tests as well as for those who transfer to hard-to-staff schools, teach subjects in which there are shortages, or work longer school days. However, such additional pay remains temporary and unpredictable.

These initiatives are more varied and intricate than in past programs, but most are still rooted in the simple assumption that teachers who have the chance to earn more money (even relatively small amounts) will adopt effective instructional practices, work harder, and succeed with students. Merit-pay advocates also expect that highly capable individuals who are confident they can earn rewards will enter and remain in teaching, whereas low performers with little hope of winning a bonus will leave. Most reformers continue to conceive of teachers' pay in a narrow, mechanistic way, regarding it

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teachers whose students score well on standardized tests. But this additional pay is almost always tacked on to the traditional single-salary scale.

We propose a new approach—called the Tiered Pay-and-Career Structure—that responds to early-career teachers' desire to earn more for what they accomplish, extend influence beyond the classroom, and enjoy a career that progresses over time. Our plan would reward individual initiative and career growth—and build the instructional capacity of the whole school.

### The Single-Salary Scale: Stable But Limiting

Virtually all school districts pay teachers according to the single-salary scale, adopted nearly a century ago to end favoritism and discrimination in pay. A set of “steps” provides annual raises for each year of experience in the district,

achieving success with students. However, the single-salary scale has the advantage of providing a level of certainty; it allows districts to anticipate costs and permits teachers to foresee what their pay will be. Given that assurance, some teachers are willing to trade the chance to earn more in the short term at a noneducation job for the guarantee of steady pay as a teacher. In a field that's perpetually hampered by shortages, a system that brings stability to the teaching force has its benefits.

### The (Unrealized) Potential of Merit Pay

Performance-based pay for teachers—often called merit pay—is not a new idea. It enjoyed popularity during the rush to embrace scientific management theories early in the 20th century, as part of the U.S. response to Sputnik in the 1960s, and as a remedy for the

as a single lever with extraordinary power to attract potential teachers, extract effort, improve skills, and promote growth. But a teacher who decides to enter or remain in teaching because of pay today is more likely to be responding to the certainty of the single-salary scale than the fleeting promise of a bonus.

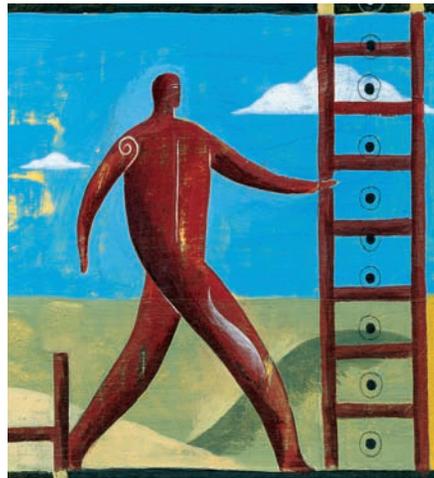
Merit pay does look more promising than in the past, however. Some districts have replaced teacher evaluation checklists with complex, standards-based assessments that include detailed rubrics for judging teachers' performance. Meanwhile, more comprehensive student testing systems enable districts to develop value-added methods that can compare different teachers' contributions to student learning—at least as measured by standardized tests. The value-added methods currently available aren't yet reliable enough to form the basis for a district's evaluation system. But they can contribute certain information that a district might combine with comprehensive teaching evaluations to make meaningful and convincing judgments about individual teachers' performance.

A school district is far better positioned today than it was 20 years ago to identify its best teachers and engage them in improving the work of colleagues. However, few districts do so. Most pay-for-performance plans remain free-standing, unaligned with the district's goals for students, the staffing needs of schools, and the career aspirations of teachers. Policymakers and administrators, responding to short-term demands for better test scores, have often overlooked the importance of making schools places where teachers can succeed with *all* students and can build professionally rewarding, financially sustainable careers. They have failed to join the potential of pay with the power of teaching's intrinsic rewards—doing meaningful work, watching students learn and grow, and

collaborating with others to achieve a greater good.

### **Toward More Fundamental Change**

The plan we have developed is designed to fundamentally change how districts pay and promote educators. It builds on the lessons of past pay-for-performance initiatives and the career ladders in place in several districts across the United States. We propose to replace the single-salary scale with a career-based pay plan that includes three components—a set of four tiers of career



growth; a learning and development fund that allocates resources for teacher learning and stipends to teachers who take on leadership duties; and short-term, local financial incentives for special situations. Each local school district would need to tailor this structure to fit its unique situation and needs.

### **The Tiered Pay-and-Career Structure**

The tiered pay-and-career structure we envision is designed to attract strong candidates to teaching, support their development, and offer substantially higher pay to those who perform well and take on responsibility for improving instruction beyond their classroom. The structure would reward teachers for

effective instruction, ongoing learning, successful leadership, and continual commitment—all behaviors that advance the interests of students. If it were widely adopted, this pay plan could become as recognizable and enduring as the single-salary scale is today, but it could remain flexible and responsive to local priorities and needs.

Performance expectations and rewards would be embedded in four tiers, each one requiring teachers to know and do more while providing expanded professional opportunities and the chance to earn higher pay. Each tier would include several pay steps to reward teachers' loyalty and encourage retention. The specific number of steps, salary levels, and criteria for advancement would be determined locally. Teachers moving up a tier would earn substantial pay raises, as employees in other fields do when they're promoted. Thus, the plan would couple stability with an opportunity for more rapid salary growth and differentiation.

*The four tiers.* Tier I would include all probationary teachers, who would move to Tier II on gaining tenure. Tenure would be granted with care rather than being routinely awarded to teachers who remain on the job, as it currently plays out in most districts. Those reaching the top step in Tier II could remain there as long as they performed effectively. Their salaries would increase with cost-of-living allowances or across-the-board raises.

Tiers III and IV would include excellent teachers who systematically shared their expertise with colleagues. Districts could tailor the specific qualifications and responsibilities teachers would need to embrace to reach these higher levels. Generally, Tier III would include teachers whose pedagogy (as documented in performance evaluations); success with students (as evidenced by achievement test scores and measures of parental satisfaction); and commitment to colleagues' development (as affirmed

in reviews by peers and supervisors) were judged exemplary. Most would continue to teach full-time while serving as models and mentors for their peers. Their classrooms would be open to other teachers as laboratories for learning.

These master teachers would be eligible for school-based leadership roles—such as grade-level team leader, department head, or school data analyst—in addition to their work as classroom teachers. They would receive Tier III compensation supplemented by a stipend or release time for these assigned roles. After completing such an assignment, they would remain in Tier III and continue to be eligible for other roles.

Teachers would be promoted to Tier IV for continuing to be highly effective with students and achieving the qualifications necessary for roles that carried broader responsibilities, such as coordinating induction for new teachers, conducting performance reviews as a peer evaluator, or facilitating the introduction of a new curriculum. These teachers would probably not have their own classroom during special assignments; after finishing these special contributions, Tier IV teachers would return to the classroom and be eligible for new assignments as they became available. Whether on special assignment or teaching full-time, Tier IV teachers would be expected to exercise pedagogical leadership.

#### ***The Learning and Development Fund***

The second element of our pay strategy, the learning and development fund, is designed to infuse life into the tiered pay-and-career structure by providing teachers with opportunities to acquire new skills and exercise new responsibilities throughout their careers. Teaching is a complex craft, continually demanding new skills and knowledge, yet most districts' professional development is superficial and sporadic.

Meanwhile, huge sums of money meant to reward learning are tied up in the lanes of a district's salary scale. This approach is "payoff-based" because it rewards education already completed—often many years ago. By contrast, a more focused "investment-based" approach would provide teachers with incentives and resources that encourage them to pursue current opportunities for growth.

In our plan, districts would gradually move money formerly set aside to boost teachers' pay as they changed lanes into a special fund, which would be

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managed by a district-level committee of teachers and administrators. This committee would decide where best to commit the fund's resources from year to year, responding to emerging needs and opportunities for supporting teachers' learning. For example, the committee might decide to invest in professional development to help teachers learn a new instructional technology or to support teachers who choose to apply for certification from the National Board for Professional Teaching Standards. Thus, a district could offer a richer, more balanced mix of payoff-based and investment-based options for teachers at various stages of their careers.

The learning and development fund would also provide stipends for Tier III or IV teachers holding specialized roles.

This fund—which would be part of the core budget yet under the joint control of teachers and administrators—would permit planning and ensure continuity of teacher leadership and development.

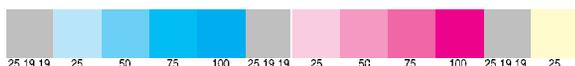
#### ***Other Local Incentives***

As their communities evolve, districts may also face circumstances that require more targeted, short-term incentives. For example, they might need to attract special educators to meet a looming shortage or assemble an experienced faculty for a turnaround school effort, and they might decide to pay such teachers a salary supplement. Under our plan, districts could draw on local, state, or federal sources to fund incentives designed to attract and assign particular kinds of teachers or to pay bonuses that reward special accomplishments.

#### **Implementing the Plan**

Unlike the single-salary scale, this pay plan allows for considerable variation as teachers develop in their careers, move from tier to tier, and choose from available opportunities for learning and increased responsibility. The credibility of the plan depends on two factors: (1) a fair, open, well-informed process for making key decisions (such as setting guidelines for initial salary placement, allocating resources from the learning and development fund, defining selection criteria for teacher leaders, and managing performance awards) and (2) evidence that, over time, the tiered career structure improves student learning.

Developing and implementing such a plan will require new collaboration among the teachers, union leaders, administrators, and school board members. The plan is not self-winding; a committee can't design it, adopt it, and then step back to watch it work. Any district adopting this pay structure will need new approaches to financial analysis (to shift funds from the salary lanes to the fund for learning and devel-



opment) and well-developed systems for evaluating teachers' and schools' performance. Districts will need to develop new roles, along with systems for selecting, supporting, and supervising the teachers who hold them.

Although this plan has yet to be adopted by a school district, many of its components are working successfully in districts across the United States. For example, the Teacher Advancement Program (TAP) offers differentiated roles and pay to teachers in 200 schools nationwide. Skilled mentor teachers in TAP schools model exemplary practice, advise their peers, and conduct standards-based evaluations of other teachers, which, along with student performance, play a part in determining teachers' pay. In Montgomery County, Maryland, expert teachers assume roles as peer evaluators and staff developers in a "career lattice" currently being

created by the teachers union and administration. Meanwhile, Denver, Colorado, has replaced its single-salary scale with an array of financial incentives and rewards called ProComp.

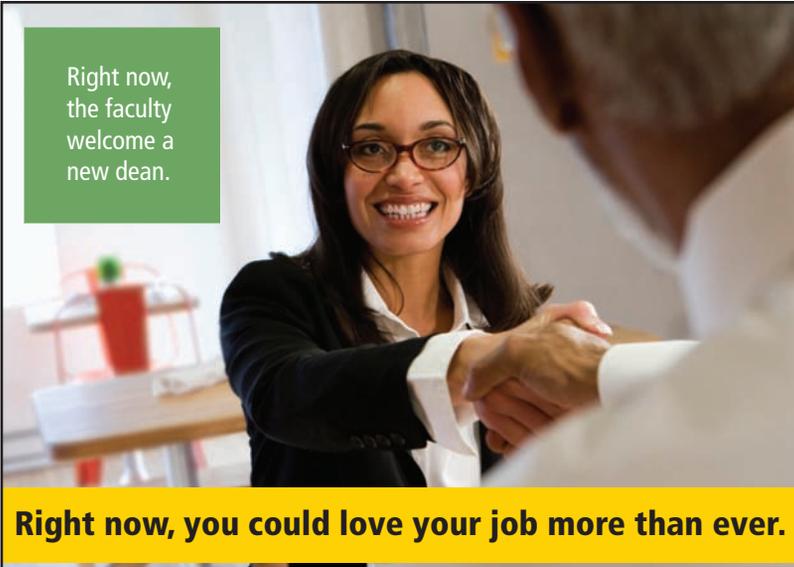
If the plan described here were widely adopted, prospective teachers in any district would know what to expect: basic pay for all effective teachers, higher tiers that recognize different levels of expertise and responsibility, and incentives for educators to continually develop knowledge and skills. Competent teachers could be confident of a steady income, novices who plan to teach for only a few years could count on support from expert teachers, and those with long-term career interests would have opportunities for ongoing learning, increased influence, and higher income. And schools could anticipate higher teacher retention and better student learning. **EL**

**References**

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