

# Performance pay is a good lesson for education, expert finds

March 13 2009

---

Tuesday, President Barack Obama announced a new education reform, calling for a merit-pay system for teachers in hopes of improving student performance. As the nation's public schools spend \$187 billion in salaries, based on the latest Department of Education data, University of Missouri researcher Michael Podgursky has found a link between teacher pay and student achievement.

"The evidence certainly suggests when you offer appropriate pay incentives to teachers, you're likely to get better results," said Podgursky, professor of economics in the MU College of Arts and Science. "In addition, the single-salary pay schedule is particularly inefficient because the factors it rewards, [teacher](#) experience and level of [education](#), are not strong predictors of [teacher productivity](#). Without consideration of the logic or unintended consequences of current teacher [compensation policies](#), school systems will continue to face financial and performance efficiency challenges."

Podgursky has conducted many studies on the effect of teacher pay and has surveyed all research studies of merit-pay systems in the United States, as well as programs in Israel, Africa and the United Kingdom. He has found that single-salary pay schedules can cause a [shortage of teachers](#) in specific subject areas like science and math, an inequitable distribution of novice teachers and makes it harder to recruit and retain effective teachers.

"Because single-salary pay schedules does not adapt to teaching field

demands, the teacher market adjusts in terms of quality," Podgursky said. "The pay schedule also allows teachers with more seniority to exercise the option to move to better working conditions, migrating away from high-poverty schools. Novice teachers frequently fill the subsequent openings in these high-poverty schools. [Economic theory](#) also suggests that if more effective teachers are rewarded on the basis of performance, incumbent teachers would have an incentive to work more effectively to raise their performance."

Traditionally, teacher pay is based on a salary schedule - years of experience and education level. Nationwide, there are roughly 3.1 million public school teachers. Podgursky said the current salary system increases expenditures without directly impacting student achievement. He advocates school districts to emulate private sector employers, who understand that strategic pay policies are a very important lever in raising firm performance.

Podgursky has published numerous articles and reports on education policy and [teacher quality](#), and co-authored a book, *Teacher Pay and Teacher Quality*. The primary focus of his recent work has been on personnel policy in schools and the effects on teacher quality. Podgursky is the lead investigator on several research contracts on teacher compensation funded by the U.S. Department of Education and private foundations.

Source: University of Missouri-Columbia ([news](#) : [web](#))

Citation: Performance pay is a good lesson for education, expert finds (2009, March 13) retrieved 9 April 2024 from <https://phys.org/news/2009-03-good-lesson-expert.html>

study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.