**BRIEF ANALYSIS**

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## Teachers' Cost of Living Matters More

by Danielle Georgiou, Pamela Villarreal and Matt Moore

Public officials and teacher unions often compare teacher salaries in a particular city or region against the national average or against other U.S. cities. They assume teachers in areas with higher than average pay are doing well, whereas teachers in areas below the national average must fare poorly. Legislators in states where teacher pay is below the national average are under considerable pressure to raise salaries.

However, our analysis suggests officials may want to consider the cost of living — the quantity of goods teachers can actually purchase with their salaries — rather than simply comparing pay. Our analysis of teacher pay in 50 major metropolitan areas shows that after the adjustment, some cities regarded as higher-paying are actually below average, while cities that appear to pay so-so wages are actually quite generous.

**Why Is the Cost of Living Important?** Teacher pay is determined mostly by years of service and level of education; the grade level taught or a teacher's effect on student performance are not considered, and advanced degrees are given equal weight.

- The average wage for elementary public school teachers in the United States is \$45,670.
- The average wage for elementary teachers in the regions considered in our analysis range from \$59,514 in New York City to \$32,209 in Oklahoma City.

Of course, other factors can affect a teacher's salary, such as continuing education credits and sponsorship of extracurricular activities. But simply totaling the number of dollars they are paid doesn't give a complete picture of how well, or poorly, teachers in a given city or region are faring. It is much more meaningful to know what a teacher's dollar will buy locally.

The local cost of living is determined by prices for a basket of consumer goods and services. Prices for housing, groceries, utilities, health care and so forth vary from city to city and region to region. The cost of living for each metro area was determined using the "ACCRA Cost of Living Index," published quarterly by the American Chamber of Commerce Researchers Association.

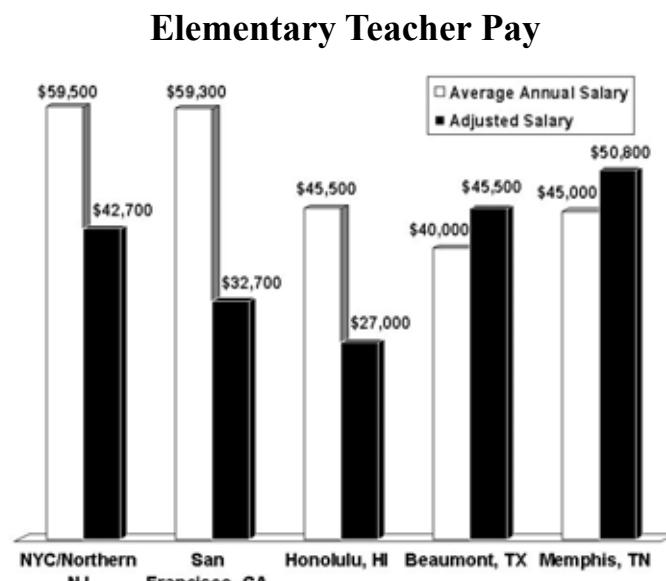
The data shows the cost of living varies widely. For example:

- The cost of living in San Francisco is 80 percent higher than the national average, largely because area housing costs are three times the national average.

- The cost of living in Memphis, Tenn., is more than 11 percent below the national average, primarily because housing prices

there are only three-fourths the national average.

**Methodology.** Average teacher salaries for elementary and secondary teachers were determined using the U.S. Bureau of Labor Statistics' Metropolitan Area Occupational Employment and Wage Estimates report. The salaries in each area were adjusted for the cost of living. We analyzed 50 metropolitan areas, selected according to availability of data, size and geographic balance. They include the United States' largest 20 metro areas (except for Detroit, Mich., which was not included in the ACCRA data).



Source: NCPA calculations.

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**National Results.** When pay for elementary and secondary teachers is adjusted by the cost of living, the rankings of the 50 cities shift:

- With an average salary of \$59,514, New York City's elementary teachers receive the highest salaries in the nation, but when adjusted for the cost of living, the number drops to \$42,662, making New York City's teacher compensation 25th among major cities. [See the table.]
- With an average salary of \$59,284, elementary teachers in San Francisco rank 2nd in the nation; adjusted for the cost of living, the salary falls to \$32,663, plunging the city to next to last (49th).
- In Honolulu, the average annual salary equals \$45,467, but the adjusted salary is only \$27,048, pushing that city to last place (50th).

The results are similar for secondary school teachers:

- In Los Angeles, secondary teachers average \$56,384, well above the national average of \$47,120, and rank 5th among major cities; however, when adjusted for the cost of living, Los Angeles teachers' pay plunges to 45th.
- Salaries for secondary teachers in Houston rank 30th, but the cost of living adjustment moves the city up to 15th.

Slight improvements are seen in a few cities: in Beaumont, Texas, the average annual salary for elementary teachers is \$39,960, while the adjusted salary is \$45,513 and in Memphis, Tenn., average annual salary is \$45,108 and adjusted salary is \$50,797. [See the figure.] Overall, public school teachers who are paid above the national average may actually be compensated below the national average when the cost of living is considered.

**Conclusion.** Clearly, the cost of living makes a difference when examining teacher pay and making comparisons between different regions. Because the cost of living varies widely from city to city and region to region, public officials and teacher unions should consider how much a teacher's dollar can buy, not just numerical pay, when discussing teachers' wages.

### 50 Cities Ranked by Adjusted and Unadjusted Elementary Teacher Pay

City	Adjusted Rank	Pay*	Unadjusted Rank	Pay
Pittsburgh, PA	1	\$55,571	7	\$53,626
Grand Rapids, MI	1	\$55,568	6	\$53,790
Buffalo, NY	3	\$52,148	8	\$51,887
Cleveland, OH	4	\$51,265	9	\$51,880
Memphis, TN-AR-MS	5	\$50,797	26	\$45,108
El Paso, TX	6	\$50,759	17	\$46,800
Columbus, OH	7	\$50,291	13	\$50,291
Louisville, KY	8	\$48,902	22	\$45,626
Cincinnati, OH	9	\$48,856	21	\$45,778
Atlanta, GA	10	\$47,489	18	\$46,254
Houston, TX	11	\$46,439	32	\$42,306
Ft. Worth, TX	12	\$46,227	31	\$42,390
Philadelphia, PA	13	\$46,196	3	\$55,620
Dallas, TX	14	\$46,063	27	\$43,990
St. Louis, MO	15	\$45,978	19	\$46,116
Beaumont-Pt. Arthur, TX	16	\$45,513	38	\$39,960
Kansas City, MO	17	\$45,412	28	\$43,641
Minneapolis-St. Paul, MN	18	\$45,355	11	\$50,435
Augusta, GA	19	\$45,163	36	\$40,827
Hartford, CT	20	\$44,226	5	\$53,823
Denver, CO	21	\$43,812	20	\$45,827
Huntsville, AL	22	\$43,785	37	\$40,107
Birmingham, AL	23	\$43,204	30	\$42,556
Boise, ID	24	\$43,001	35	\$41,840
NYC/Northern NJ	25	\$42,662	1	\$59,514
San Antonio	26	\$42,535	34	\$41,259
Lubbock, TX	27	\$42,460	44	\$36,940
Richmond, VA	28	\$42,220	33	\$42,178
Portland, OR	29	\$42,143	24	\$45,346
Longview, TX	30	\$41,351	45	\$36,720
Charleston, SC	31	\$40,015	39	\$39,415
Austin, TX	32	\$39,465	41	\$38,478
Texarkana, TX	33	\$38,789	47	\$35,220
Miami, FL	34	\$38,783	29	\$43,515
Orlando, FL	35	\$38,753	42	\$38,327
Washington, DC	36	\$38,400	14	\$49,497
Albuquerque, NM	37	\$38,252	40	\$39,170
Seattle, WA	38	\$38,173	25	\$45,121
Tampa, FL	39	\$37,901	43	\$37,560
Providence, RI	40	\$37,474	15	\$48,004
Boston, MA	41	\$37,336	10	\$51,187
Chicago, IL	42	\$36,183	16	\$47,436
Phoenix, AZ	43	\$35,934	46	\$35,575
San Diego, CA	44	\$35,210	12	\$50,385
Oklahoma City, OK	45	\$34,934	50	\$32,209
Raleigh, NC	46	\$34,912	48	\$34,214
Jackson, MS	47	\$34,862	49	\$32,840
Los Angeles, CA	48	\$34,776	4	\$54,738
San Francisco, CA	49	\$32,663	2	\$59,284
Honolulu, HI	50	\$27,048	23	\$45,467

\*Adjusted for standard of living costs.

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