

## ETHNIC GROUP

The final major variable to be considered was race or ethnic group. Because of the very small number of ethnic graduates, all racial groups other than White and Black have been collapsed into one group, labeled other. The average Black salary was \$11,011 (real), slightly ahead of the combined average of \$10,504 for other minority groups. The average White salary was \$10,375.

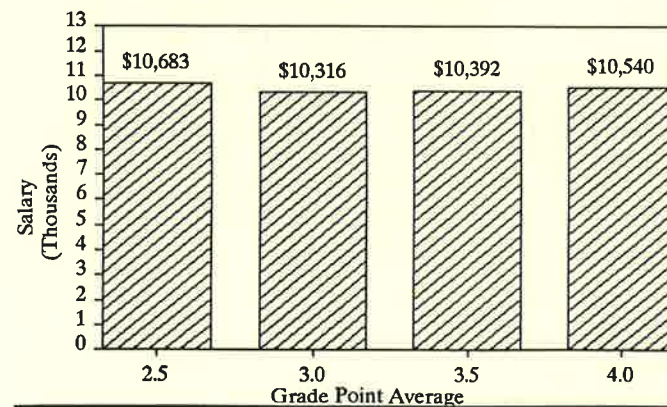
Location has played an important role in the decision to accept a job. When Michigan's economy was depressed in the early 1980's, the majority of teacher candidates left the state. With improvement in the state's economic condition, more teachers have opted to remain in the state.

## CONCLUSION

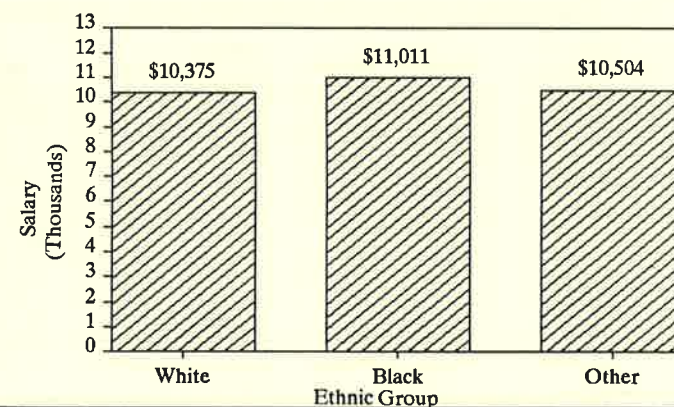
Starting salaries for new teachers have been affected by inflation and poor economic conditions. Historically, teachers have had lower salaries than other professional occupations. The economic conditions only served to increase the salary discrepancy between teachers and other occupations. Teachers have been enjoying a resurgence in their salary levels with several years of adjustment rates. While the increment of change may be smaller, salaries should continue to improve, as the nation re-emphasizes education.

A major problem with regards to teacher's salaries is the gap between men and women. The gender differential remains significant even after women's salaries improved at the expense of men in 1986. Women need to be assisted in determining their worth in the labor market and in negotiating salary during the job interview.

**Figure 6: Education Salaries (real) by Grade Point Average**



**Figure 7: Education Salaries (real) by Ethnic Group**



Collegiate Employment Research Institute  
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# Collegiate Employment Research Institute

## Starting Salary Trends for Education Graduates of 1978-1986

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### INTRODUCTION

National attention has been focused for the past several years on the shortcomings of the nation's educational system. One area of concern has been the remuneration of teachers. Salary information for new teachers over the past eight years provides some insight into how inflation and economic conditions have influenced teachers salary. The early 1980's were not kind to education. Not only were salaries being eroded by inflation, but economic conditions, local tax initiatives, and the demographic distribution of children all influenced the revenues available to education.

This bulletin presents salary information on graduates from the College of Education and those who received teacher certificates for the period 1978-1986. This bulletin is a summary of Salary Report No. 2, Starting Salary Trends and Analysis: College of Education and Other Teacher Certificate Graduates, 1978-

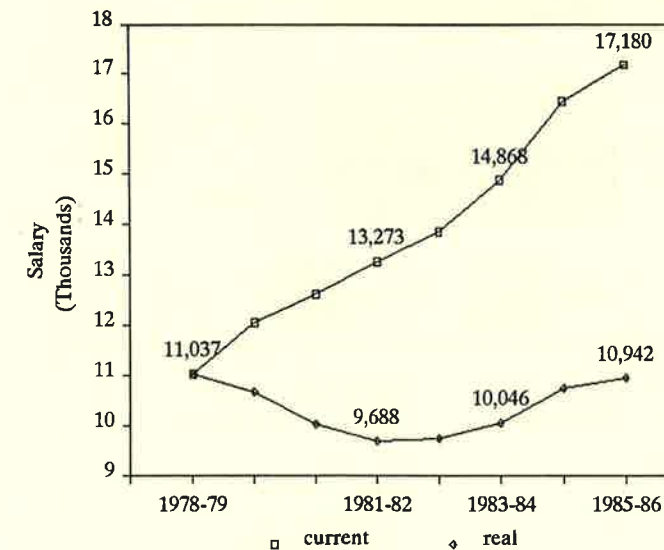
1985 (available from the Collegiate Employment Research Institute), plus data from the 1985-86 graduating class.

### STARTING SALARY TRENDS

The average starting salary for education majors in 1978-79 was \$11,037 (current dollars) and has risen steadily to \$17,180 in 1985-86. Annual increases have ranged from \$579 to \$1,590 or 4% to 11%. After showing two strong years of growth of an average of 9% between 1982-83 and 1984-85, salaries in 1985-86 increased by approximately 4%. This increase was slightly higher than the university-wide increase of 2%.

After adjusting starting salaries for inflation<sup>1</sup>, the actual salary position of teachers deteriorated from 1978 to 1982 when real salaries decreased by an average of 4% per year. In other words, salary increases averaging over 6% (current dollars) over the same time period did not cover inflation. Michigan's economic situation also influenced school districts who suddenly were short of money and in some cases, students. Lack of funds meant fewer

**Figure 1: Average Starting Salary All Education Graduates (Current and Real)**



<sup>1</sup>The CPI index has been calculated for the annual period from July to June which closely approximates the academic year. For the academic year, 1980-81, the period covers July, 1980 to June, 1981. The 1978-79 year equalled 100 in the index.

teachers could be hired and those that were received lower salaries.

Inflation came under control around 1982 and the economy also began to perform better. As a result, starting salaries (real dollars) have increased gradually from 1982 to 1985. Between 1984-85 and 1985-86, the rate of increase slowed to 2%, down from 7% for the previous year. The 1985-86 average salary (real) of \$17,701 was approximately 1% below the 1978-79 salary average.

Education graduates, particularly from 1979 to 1982 have experienced an erosion in what their salaries would purchase compared to teachers from 1978. Today, after four years of salary increases above inflation, teachers remain no better off financially than graduates of the late-1970's (in terms of purchasing power).

### EDUCATION SPECIALTY

Not all teachers face the same conditions in the labor market. The demand for elementary, secondary, and special education teachers, for example, can be quite different, particularly in different parts of the country. According to average salaries (real figures are reported unless otherwise noted) over the past eight years, health and physical education teachers had the highest real salaries (\$11,046) followed by special education (\$10,600) and secondary teachers (\$10,428). Starting salaries for elementary teachers were the lowest at \$10,085. The College of Education no longer offers an industrial arts degree, but for those graduates who reported prior to 1983, the average salary was \$10,492.



Annual changes in starting salaries varied by education specialty, reflecting different employment markets encountered by their respective graduates. The accompanying chart provides 1978-79 and 1985-86 average salaries (in real dollars) for each specialty. The percentage figures indicate whether salaries in 1986 were below or above the 1978 level.

For health and physical education and elementary teachers, salaries in 1986 were higher than those in 1978. Elementary salaries which had actually declined in four of the five

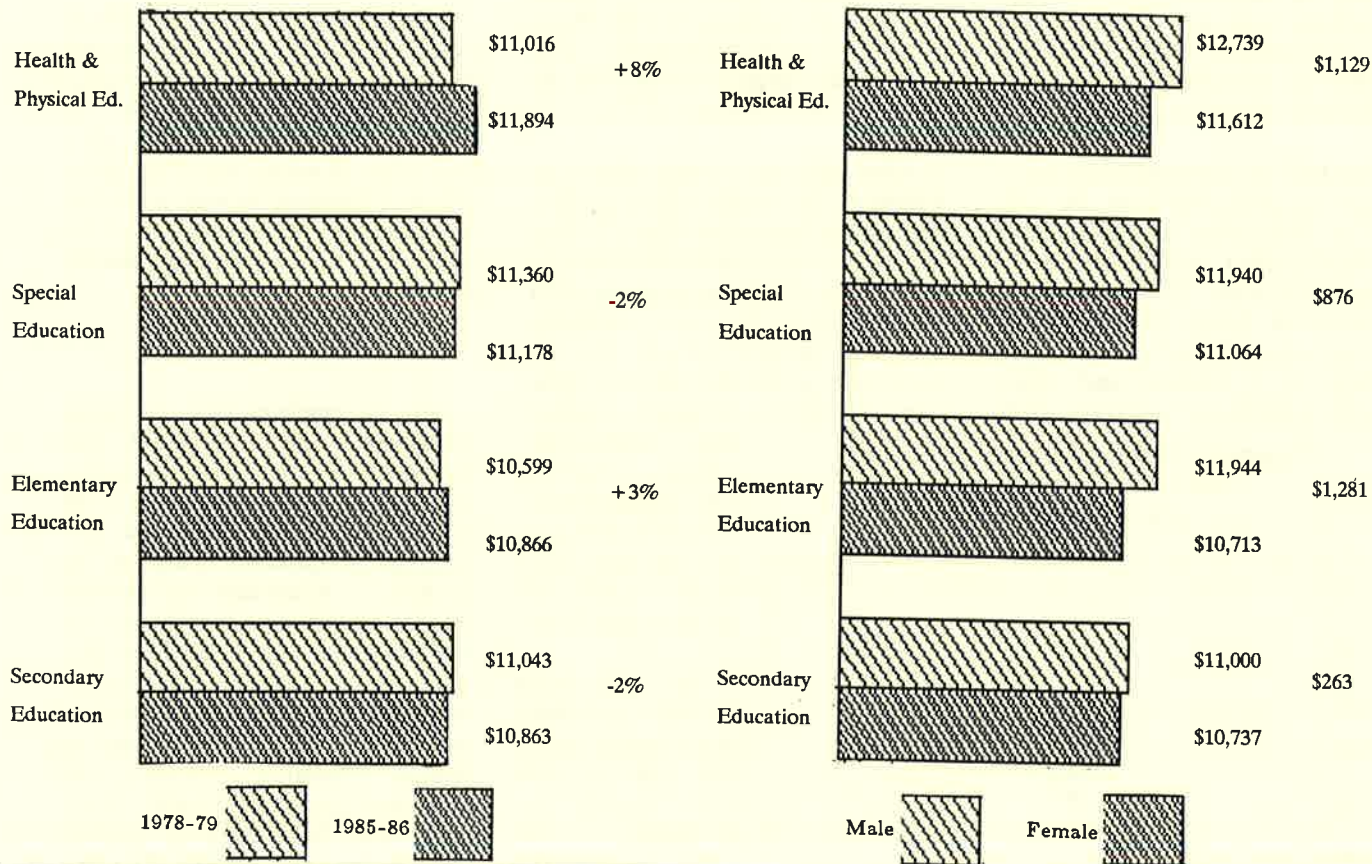
periods prior to 1984 rose sharply in 1985. This surge did not continue in 1986 as salaries actually fell off by 3%. Still, teachers in these two fields received salaries that had recovered from the effects of inflation. 1986 salaries for special education and secondary teachers still lagged (2%) behind 1978 salaries. An encouraging sign for elementary teachers has to be the comparable salaries with secondary teachers.

### GENDER

The overall average starting salary (real) for men was \$10,980 and for women, \$10,249. This difference proved to be statistically important. Men enjoyed the salary advantage in all specialties with the difference ranging from \$307 (real) in elementary education to \$1,298 (real) for secondary education. A number of factors, not accounted for in this study, may contribute to the difference, such as characteristics of the school district or additional salary for supervising athletics and other special programs. Even adjusting

**Figure 2: Salary (real) by Academic Major in Education**  
Bachelor's Degree, Overall Average

**Figure 3: Average Salary (real) by Gender for Education Majors**  
(Difference = Men - Women)



salaries for these type of factors, a salary difference between men and women would remain.

Men have had higher salaries across all years of the study. Women's salaries pulled out of the doldrums sooner and slightly faster than men's which caused the difference to drop from \$1,234 (real) in 1982 to \$91 (real) in 1985. Male salaries continued to surge in 1986 (increased 4%) while women's salaries leveled off (increasing less than 1%), increasing the salary gap to \$435.

### JOB LOCATION

Location can play an important role in setting starting salary levels. Cost of living and the strength of the regional economy are two locational aspects that are often factored into starting salary offers. In this report, adjustments have not been made for those conditions in the reported averages.

The average starting salary for teachers working in Michigan was \$10,349 (real), \$202 less than the reported out-of-state average of \$10,551 (real). Michigan has had the reputation of paying high teachers' salaries. In 1978, Michigan salaries exceeded out-of-state salaries by \$259. This situation changed as over the next three years, Michigan salaries declined over 16% while out-of-state positions dropped 7%. The locational difference jumped to over \$800 (real) and has remained at that level through 1985, as salary increases in all locations paralleled each other. In 1986, however,

Michigan salaries continued to increase (5%) while out-of-state salaries declined 1%. As a result the locational difference was cut by two-thirds to \$343 (real). With improvement in salaries more teachers have elected to remain in Michigan.

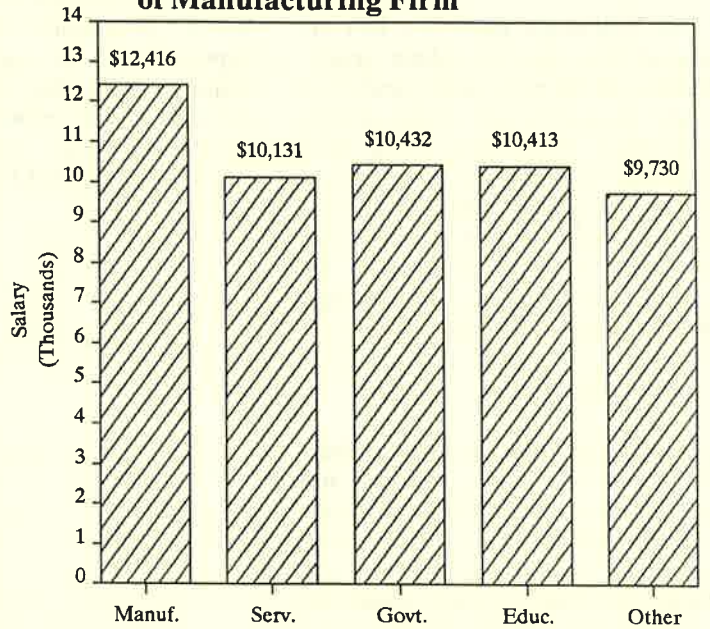
Special education and health and physical education teachers had higher average salaries in Michigan. For secondary and particularly elementary teachers, out-of-state positions paid much higher salaries.

Teaching graduates have accepted positions in every region of the country. Popular areas include the southcentral and northcentral (Great Lake states other than Michigan). California was not far behind. Starting salaries were highest in the southcentral (\$10,865) and southwest (\$10,777). The remaining regions were grouped closely together with the southeast (\$10,110) and northeast (\$10,099) at the low end.

### EMPLOYER

Not all teaching graduates opted to enter the classroom. Many industrial arts graduates went into

**Figure 5: Education Salaries (real) by Type of Manufacturing Firm**

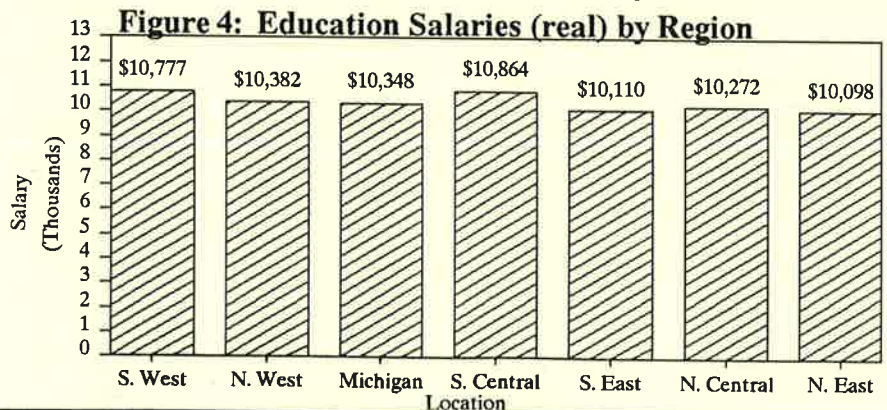


manufacturing. Besides education, teacher graduates were most likely to find employment in banking and retail sales. The accompanying chart provides the average salaries for teachers by type of employer. The "other" category includes employment with consulting firms, volunteer organizations and self-employed. Manufacturing had the highest overall salaries at \$12,416 and the "other" category had the lowest, \$9,730. Salaries for government, service, and educational employers were similar between \$10,100 and \$10,500.

### GRADE POINT AVERAGE

Generally it is assumed that graduates who have demonstrated higher academic achievement receive higher salaries. Based on averages presented in the accompanying chart, this assumption did not hold true for teachers. In fact, the groups with a GPA below 2.5 and GPA above 3.5 received comparable salaries of \$10,683 (real) and \$10,540 (real) respectively. Between 2.5 and 3.5, the average salary was approximately \$10,359 (real).

**Figure 4: Education Salaries (real) by Region**



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L. Patrick Scheetz  
Director of the Institute  
Philip D. Gardner  
Research Administrator  
Hae-Ik Hwang  
Research Assistant  
Shari Majeski  
William Riley  
Data Analysts