

Study 12/2022

Teacher Salaries in 2021: Peak Reached so What Next?²

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Summary

- In the long term, the level of teacher salaries co-determines the attractiveness of the teaching profession and ensures sufficient interest in choosing to embark on a career in teaching. The selectivity of the profession, both in the process of university preparation and during the career itself, stimulates the quality of teachers' work. However, these are long-term processes, occurring through continuous entry into and exit out of the profession and through further training. Therefore, the effects of teacher salaries on interest in the profession, teacher quality and educational outcomes can only be traced over a period of years, or rather decades.
- The level of teacher salaries relative to other salaries in the economy is an important indicator. Until 2017/2018, teacher salaries in the Czech Republic (CR) were among the lowest in the EU and top ten most economically advanced countries in the world (OECD). In 2021, however, thanks to an unusually dynamic rate of increase for several years in a row, salaries of Czech teachers reached levels significantly closer to the average of OECD and EU countries, reaching 122% of the average salaries in the Czech economy. Thus, in just a few years, the government of Andrej Babiš achieved what no previous government had managed to do; it succeeded in making significant steps towards fulfilling its ambitious commitment, which few people had believed was possible given the lack of success the past.

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- In the coming years, maintaining the achieved relative level of teacher salaries will require increasing them at the rate of nominal wage growth in the economy. However, relative teacher salaries are likely to fall slightly to 119% in the 2022 outlook. Based on promises made in the summer following the government's negotiations with unions, salaries are likely to remain at the same level in 2023. Teacher salaries will certainly not reach the 130% level promised by the previous and current governments, let alone the salaries of the wider pedagogical workforce.
- In 2021, relative salaries for teachers in all age groups increased further. By far the most attractive salaries now are those of the youngest teachers under 30. By contrast, the relative salaries of middle-aged teachers aged 30-49 remain the lowest. Teachers' salaries rise very slowly with years of experience (even in the international comparison), but also over the long term, throughout their teaching career. In addition to the setting of salary scales, the continued absence of career regulations and quality standards for the performance of the teaching profession at various stages of the career contributes to this.
- Variability in teacher salaries remains very low in 2021 and does not reflect the diversity in the quality of teachers' work. Teacher pay continues to be principally determined by scales, i.e. primarily by years of experience. Overly generalized salaries in the education sector lead to underpayment and insufficient motivation of quality teachers. This is associated with a higher risk of teachers leaving the profession and low interest in the profession among younger generations.
- After the 2019-2020 period, the share of the above-scale component of teachers' salaries continued to increase in 2021, albeit to a lesser extent than before. The 13-16% share of the above-scale component achieved in 2021 far exceeds the 8-12% share of the public sector's university-educated segment.
- Doubts as to whether the achieved relative level of salaries will be maintained have undermined the hard-won confidence of the public, and particularly of people interested in the teaching profession over the last few years. The idea of the statutory valorization of teacher salaries, originally proposed by the authors of this study in 2017, is therefore still on the table. At the time of completing this study, it is going as a government proposal to the Parliament.
- In addition, in the coming years, the continued need to increase the number of teaching staff, including teachers, must be considered in terms of government spending on education, taking into account demographic developments, the objectives of reducing inequalities and the immigrant wave of school-age children from Ukraine. The demands of the educational budget will be driven by low salaries and wages for non-teaching professions in regional education.
- When comparing teachers' pay over time or across countries, it is important to consider the details of the methodology of calculations. There are many reasons values may vary for apparently identical indicators, and these are not always sufficiently elucidated in discussions accompanying the methodologies and data sources used. It is crucial to be clear, for example, whether or not the pay includes all components of pay, including end-of-year bonuses, whether the pay includes that of the school principals, whether only teachers' salaries are counted, or if there is a broader range of pedagogical positions included. It is also important to note whether private school data is included, whether the figures are only for primary schools, or if they are for a whole regional education sector including preschools and upper-secondary schools.