



RESEARCH EDUCATE

South Dakota teacher salaries lowest in nation

1-16-14 Joy Smolnisky (joys@SDbpi.org)

Last year the average teacher salary in South Dakota was the lowest in the nation at \$39,540—thirty percent lower than the national average.ⁱ

The SD average teacher salary was also significantly lower than neighboring states. Average teacher salaries in SD's neighboring states are between 20% and 46% higher.

Even after recalculating to account for the cost-of-living differences among states (regional price parity),ⁱⁱ the purchasing power of the average teacher salary in neighboring states remained 16% to 32% higher than South Dakota salaries. (Figure 1)

South Dakota teacher salaries decreased between 2000 and 2013. All neighboring state teacher salaries increased.

teachers in SD's neighboring states have higher average salaries with higher purchasing power

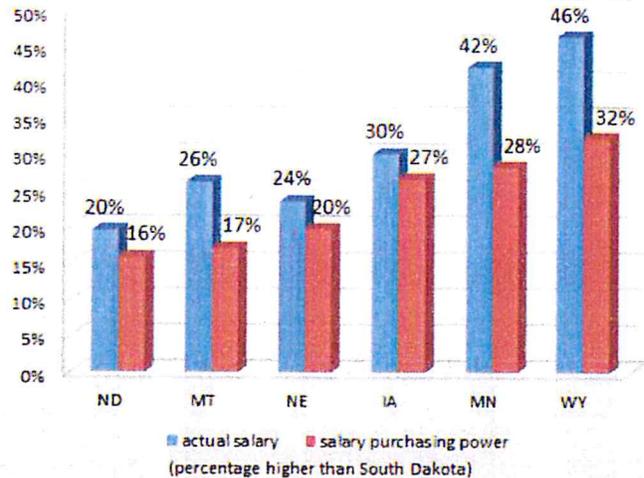


FIGURE 1 Chart and analysis by SD BPI; Data Source: NCES, Census, BLS

average teacher salary trends among neighboring states (since 2000 in constant dollars)

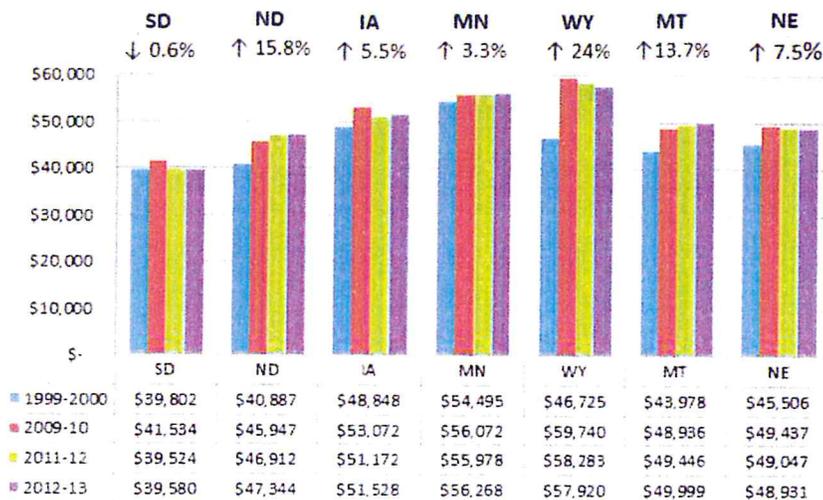


FIGURE 2 Analysis and chart by SD Budget & Policy Institute; Data Source: NCES Table 211.60

SD average teacher salaries have trailed neighboring state salaries since 1969.

Between 1969 and 1999 there was slight progress in narrowing the salary gap between SD and its neighboring states. But since the late 90's, when the current SD school funding formula was instituted, SD's average teacher salary (in constant dollars) has decreased by 0.6% while neighboring states have increased teacher salaries (in constant dollars) by a range of 3.3% to 24% (Figure 2).

ⁱ National Center for Education Statistics, Table 211.60 Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected years, 1969-70 through 2012-13 http://nces.ed.gov/programs/digest/d13/tables/dt13_211.60.asp

ⁱⁱ Bettina H. Aten, Eric B. Figueroa, and Troy M. Martin. Real Personal Income and Regional Price Parities for States and Metropolitan Areas, 2007-2011, (data source: census bureau and bureau of labor statistics). August 2013.

Table 211.60. Estimated average annual salary of teachers in public elementary and secondary schools, by state: Selected years, 1969-70 through 2012-13

State	Current dollars							Constant 2012-13 dollars\1\							Percent change, 1999-2000 to 2012-13
	1969-70	1979-80	1989-90	1999-2000	2009-10	2011-12	2012-13	1969-70	1979-80	1989-90	1999-2000	2009-10	2011-12	2012-13	
United States	\$8,626	\$15,970	\$31,367	\$41,807	\$55,202	\$55,418	\$56,383	\$52,929	\$47,681	\$57,258	\$57,240	\$59,035	\$56,446	\$56,383	-1.5
Alabama	6,818	13,060	24,828	36,689	47,571	48,003	47,949	41,835	38,992	45,322	50,233	50,874	48,893	47,949	-4.5
Alaska	10,560	27,210	43,153	46,462	59,672	62,425	65,468	64,795	81,239	78,773	63,613	63,816	63,583	65,468	2.9
Arizona	8,711	15,054	29,402	36,902	46,952	48,691	49,885	53,450	44,946	53,671	50,524	50,212	49,594	49,885	-1.3
Arkansas	6,307	12,299	22,352	33,386	46,700	46,314	46,632	38,699	36,720	40,802	45,710	49,943	47,173	46,632	2.0
California	10,315	18,020	37,998	47,680	68,203	68,531	69,324	63,292	53,801	69,363	65,281	72,939	69,802	69,324	6.2
Colorado	7,761	16,205	30,758	38,163	49,202	49,049	49,844	47,621	48,382	56,147	52,251	52,619	49,959	49,844	-4.6
Connecticut	9,262	16,229	40,461	51,780	64,350	69,465	69,766	56,831	48,454	73,859	70,894	68,818	70,753	66,866	-1.6
Delaware	9,015	16,148	33,377	44,435	57,080	58,800	59,679	55,315	48,212	60,928	60,838	61,044	59,890	59,679	-1.9
District of Columbia	10,285	22,190	38,402	47,076	64,548	68,720	70,906	63,108	66,251	70,100	64,454	69,030	69,994	70,906	10.0
Florida	8,412	14,149	28,803	36,722	46,708	46,479	46,944	51,615	42,244	52,578	50,278	49,951	47,341	46,944	-6.6
Georgia	7,276	13,853	28,006	41,023	53,112	52,938	52,880	44,645	41,360	51,123	56,166	56,800	53,920	52,880	-5.9
Hawaii	9,453	19,920	32,047	40,578	55,063	54,070	54,300	58,003	59,474	58,500	55,557	58,886	55,073	54,300	-2.3
Idaho	6,890	13,611	23,861	35,547	46,283	48,551	49,734	42,277	40,637	43,557	48,669	49,497	49,451	49,734	2.2
Illinois	9,569	17,601	32,794	46,486	62,077	57,636	59,113	58,715	52,550	59,863	63,646	66,388	58,705	59,113	-7.1
Indiana	8,833	15,599	30,902	41,850	49,986	50,516	51,456	54,199	46,573	56,410	57,299	53,457	51,453	51,456	-10.2
Iowa	8,355	15,203	26,747	35,678	49,626	50,240	51,528	51,266	45,391	48,825	48,848	53,072	51,172	51,528	5.5
Kansas	7,612	13,690	28,744	34,981	46,657	46,718	47,464	46,707	40,873	52,470	47,894	49,897	47,584	47,464	-0.9
Kentucky	6,953	14,520	26,292	36,380	49,543	49,730	50,326	42,663	43,351	47,994	49,809	52,983	50,652	50,326	1.0
Louisiana	7,028	13,760	24,300	33,109	48,903	50,179	51,381	43,123	41,082	44,358	45,331	52,299	51,110	51,381	13.3
Maine	7,572	13,071	26,881	35,561	46,106	47,338	48,119	46,461	39,025	49,070	48,688	49,308	48,216	48,119	-1.2
Maryland	9,383	17,558	36,319	44,048	63,971	63,634	65,265	57,573	52,422	66,298	60,308	68,413	64,814	65,265	8.2
Massachusetts	8,764	17,253	34,712	46,580	69,273	71,721	73,129	53,775	51,511	63,365	63,775	74,083	73,051	73,129	14.7
Michigan	9,826	19,663	37,072	49,044	57,958	61,560	61,560	60,292	58,707	67,673	67,148	61,983	62,702	61,560	-8.3
Minnesota	8,658	15,912	32,190	39,802	52,431	54,959	56,268	53,125	47,507	58,761	54,495	56,072	55,978	56,268	3.3
Mississippi	5,798	11,850	24,292	31,857	45,644	41,646	41,994	35,576	35,380	44,344	43,617	48,813	42,418	41,994	-3.7
Missouri	7,799	13,682	27,094	35,656	45,371	46,406	47,517	47,854	40,849	49,458	48,818	48,464	47,267	47,517	-2.7
Montana	7,606	14,537	25,081	32,121	45,759	48,546	49,999	46,670	43,402	45,784	43,978	48,936	49,446	49,999	13.7
Nebraska	7,375	13,516	25,522	33,237	46,227	48,154	48,931	45,252	40,354	46,589	45,506	49,437	49,047	48,931	7.5
Nevada	9,215	16,295	30,590	39,390	51,524	54,559	55,957	56,543	48,651	55,840	53,931	55,102	55,571	55,957	3.8
New Hampshire	7,771	13,017	28,986	37,734	51,443	54,177	55,599	47,682	38,864	52,912	51,663	55,015	55,182	55,599	7.6
New Jersey	9,130	17,161	35,676	52,015	65,130	67,078	68,797	56,021	51,236	65,124	71,216	69,653	68,322	68,797	-3.4
New Mexico	7,796	14,887	24,756	32,554	46,258	45,622	46,573	47,836	44,447	45,191	44,571	49,470	46,468	46,573	4.5
New York	10,336	19,812	38,925	51,020	71,633	73,398	75,279	63,421	59,151	71,055	69,854	76,607	74,759	75,279	7.8
North Carolina	7,494	14,117	27,883	39,404	46,850	45,947	45,947	45,983	42,148	50,899	53,950	50,103	46,799	45,947	-14.8
North Dakota	6,696	13,263	23,016	29,863	42,964	46,058	47,344	41,086	39,598	42,014	40,887	45,947	46,912	47,344	15.8
Ohio	8,300	15,269	31,218	41,436	55,958	56,715	58,092	50,928	45,588	56,986	56,732	59,844	57,767	58,092	2.4
Oklahoma	6,882	13,107	23,070	31,298	47,691	44,391	44,128	42,227	39,133	42,113	42,851	51,003	45,214	44,128	3.0
Oregon	8,818	16,266	30,840	42,336	55,224	57,348	58,758	54,107	48,564	56,296	57,964	59,059	58,411	58,758	1.4
Pennsylvania	8,858	16,515	33,338	48,321	59,156	61,934	63,521	54,352	49,308	60,856	66,158	63,264	63,083	63,521	-4.0
Rhode Island	8,776	18,002	36,057	47,041	59,686	62,186	63,474	53,849	53,747	65,820	64,406	63,830	63,339	63,474	-1.4
South Carolina	6,927	13,063	27,217	36,081	47,508	47,428	47,924	42,504	39,001	49,683	49,400	50,807	48,308	47,924	-3.0
South Dakota	6,403	12,348	21,300	29,071	38,837	38,804	39,580	39,288	36,867	38,882	39,802	41,534	39,524	39,580	-0.6
Tennessee	7,050	13,972	27,052	36,328	46,290	47,082	48,289	43,258	41,715	49,382	49,738	49,504	47,955	48,289	-2.9
Texas	7,255	14,132	27,496	37,567	48,261	48,373	48,110	44,516	42,193	50,192	51,435	51,612	49,270	48,110	-6.5
Utah	7,644	14,909	23,686	34,946	45,885	48,159	49,393	46,903	44,513	43,237	47,846	49,071	49,052	49,393	3.2
Vermont	7,968	12,484	29,012	37,758	49,084	51,306	52,526	48,891	37,273	52,960	51,696	52,492	52,257	52,526	1.6
Virginia	8,070	14,060	30,938	38,744	50,015	48,703	49,869	49,517	41,978	56,475	53,046	53,488	49,606	49,869	-6.0
Washington	9,225	18,820	30,457	41,043	53,003	52,232	53,571	56,604	56,190	55,597	56,194	56,683	53,201	53,571	-4.7
West Virginia	7,650	13,710	22,842	35,009	45,959	45,320	46,405	46,940	40,933	41,697	47,932	49,150	46,160	46,405	-3.2
Wisconsin	8,963	16,006	31,921	41,153	51,264	53,792	55,171	54,996	47,788	58,270	56,344	54,824	54,790	55,171	-2.1
Wyoming	8,232	16,012	28,141	34,127	55,861	57,222	57,920	50,511	47,806	51,370	46,725	59,740	58,283	57,920	24.0

\1\Constant dollars based on the Consumer Price Index (CPI), prepared by the Bureau of Labor Statistics, U.S. Department of Labor, adjusted to a school-year basis. The CPI does not account for differences in inflation rates from state to state.

NOTE: Some data have been revised from previously published figures. Standard errors are not available for these estimates, which are based on state reports.

SOURCE: National Education Association, *Estimates of School Statistics, 1969-70 through 2012-13*. (This table was prepared April 2013.)

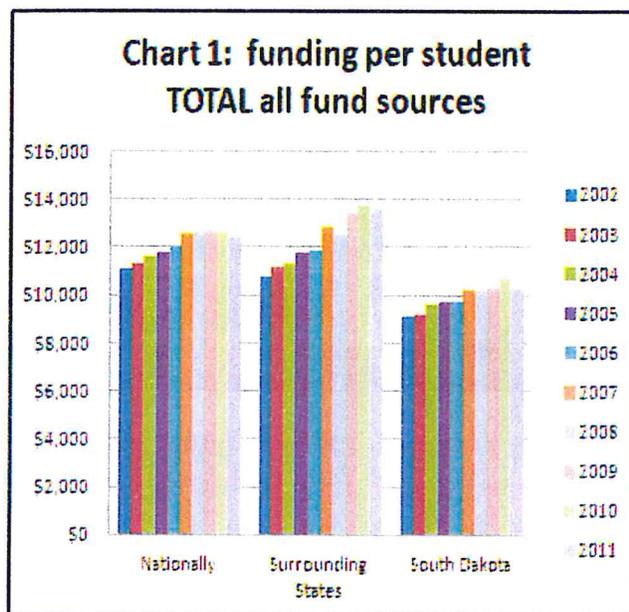


How much does per-student funding vary between students in SD, its surrounding states and throughout the nation?

On May 21, 2013, the US Census Bureau released the [2011 Public Education Finance Report](#). Data from Table 11 of the report allows a comparison of per-student funding sources between states. Analysis of the last ten years data shows South Dakota has consistently lagged both the surrounding state¹ average and the national average in per-student funding for education.

"The amount of state aid provided to local school districts for general K-12 education is based on an equitable formula that starts with the same amount of funding per student. Small schools receive more money per student. The total amount of per-student funding for a school district is paid for by a combination of money raised by the school district through local property taxes and money raised by the state through statewide taxes. School districts also have other sources of revenue for general education beyond state aid."

Source: [SD Dept of Education State Aid Issue Brief](#) .



Why does South Dakota's "equitable formula" leave average per-student funding for South Dakota students consistently below national and surrounding state averages?

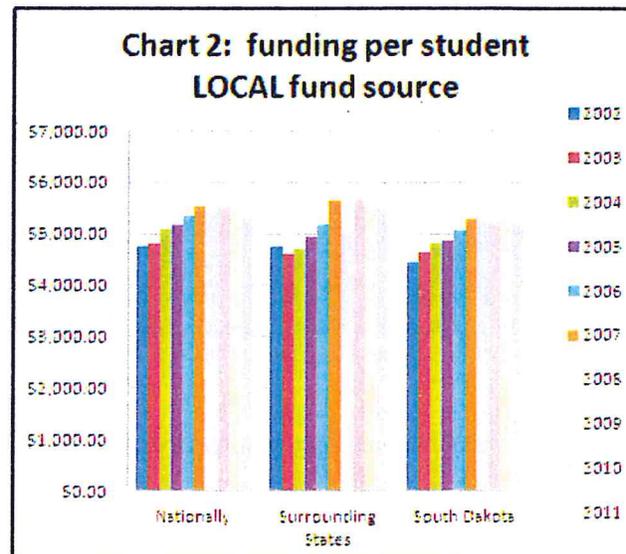
SD Budget and Policy Project is examining the data relevant to this question² in a series of research publications. This report - the first - examines sources of per-student funding.

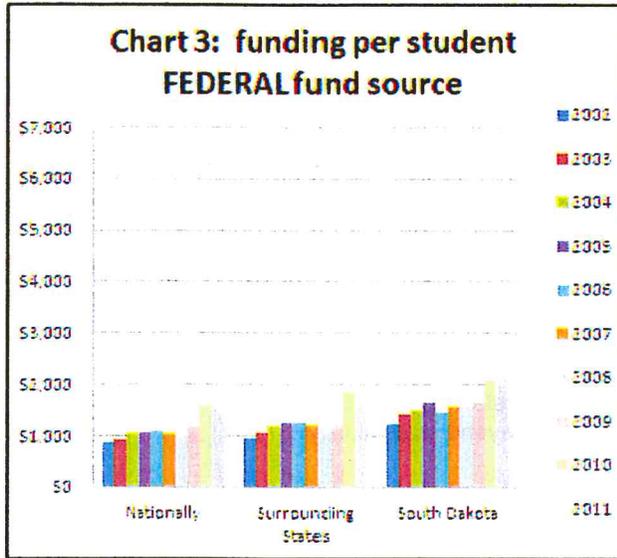
The [Public Education Finance Report](#) (page vi) defines revenues sources: "Revenue from federal sources" includes monies passed through state governments, as well as federal outlays directly received. "State source revenue" consists only of amounts originating from state governments. "Revenue from local sources" is comprised of revenue raised locally—including taxes, charges, and miscellaneous revenues.

Local Funding Sources

As of 2011, South Dakota's average per-student funding from local sources was 3% lower than the national average and 5% lower than the surrounding state average.

SD Budget & Policy Project analysis of ten year data reveals average per-student funding from local sources for South Dakota students has been 3-6% lower than the national average.





South Dakota's per-student averages from local source funding fluctuated between 8% more and 6% less than the surrounding state average.

Federal Funding Sources

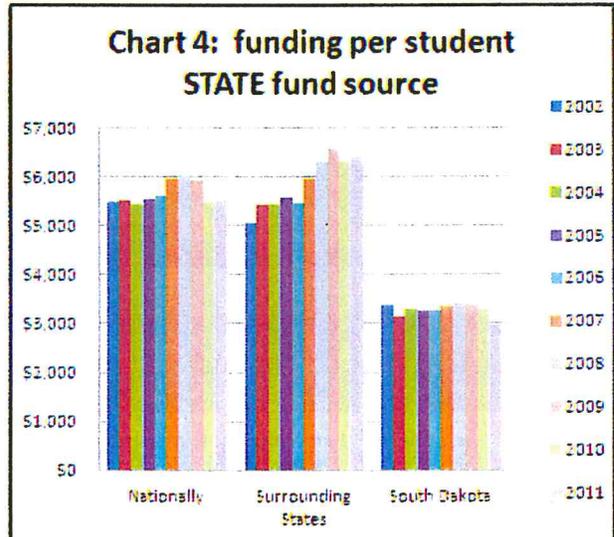
SD Budget & Policy Project analysis of the last 10 years data reveal average federal per-student funding for South Dakota students has consistently been higher than the national or surrounding state per-student averages.

As of 2011, South Dakota's federal average per student funding was 37% higher than the national average federal per-student funding and 29% higher than the surrounding state average.

State Funding Sources

It is in state source per-student funding that South Dakota most significantly lags the national and surrounding states averages. As of 2011, South Dakota's state source average per-student funding was 46% lower than the national average federal per-student funding and 53% lower than the surrounding state average.

Analysis of the 10 year trend reveals South Dakota's deficit in state-source per-student funding has been steadily worsening relative to national averages (from negative 38% to negative 46%) and surrounding state averages (from negative 33% to negative 53%).



1 Surrounding states are all adjacent states: North Dakota, Montana, Wyoming, Nebraska, Iowa and Minnesota.
 2. Charts by SD Budget & Policy Project, inflation adjusted to 2011 dollars, data sources: 2002-2011 US Census Public Elementary and Secondary Education Funding Tables 11

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