



Table 9. State rankings, cents spent on teacher benefits for every dollar spent on teacher salaries, 2002-03 school year.

Teacher candidates choose where to work based on the total package of compensation, not just the weekly paycheck. The amount each state spends on benefits is almost wholly ignored when discussing education finance.

The U.S. average for public school teachers is 27.3 cents of benefits for every dollar of salary. The results from Table 9 show enough of a spread among the various states for us to come to a few conclusions about how states allocate money for teachers. A relatively low-paying state like West Virginia looks a lot more inviting when benefits are computed. The same may be said for Utah. Indiana, Oregon and Michigan, all relatively high-paying states, should be meccas for prospective teachers because they match their high salaries with high benefits ratios.

If low-paying states also have low benefits ratios, as in Texas, then we can expect to see severe teacher shortages, even if such states offer other inducements.

Though researchers often try to offset regional differences in cost-of-living when computing teacher salaries and per-pupil spending, they omit one factor that may have a great deal to do with whether a prospective teacher will take a job in one state over another: income taxes.

Nine states do not tax income - Alaska, Florida, Nevada, New Hampshire, South Dakota, Tennessee, Texas, Washington and Wyoming - giving teachers, and everyone else in these states, an effective five to six percent raise. At the same time, the majority of teachers in DC, Arkansas, California, Hawaii, Idaho, Maine, Oregon, South Carolina and Utah (assuming their income is computed separately from other household members) can find themselves paying the top marginal rates, which in California is 9.3 percent.



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(Derived from Table 8 – Public Education Finances 2003, US Census Bureau, March 2005)

U.S. 27.3 cents					
1)	Indiana	44.3	27)	North Dakota	27.76
2)	West Virginia	44.1	28)	Alaska	27.64
3)	Wisconsin	42.9	29)	Montana	27.56
4)	Oregon	41.2	30)	South Carolina	27.5
5)	Maine	38.0	31)	California	27.2
6)	Michigan	37.9	32)	Minnesota	27.14
7)	Utah	35.5	33)	Connecticut	27.07
8)	Delaware	34.0	34)	Alabama	26.8
9)	Massachusetts	33.4	35)	New Mexico	26.1
10)	Wyoming	31.9	36)	Pennsylvania	25.9
11)	Rhode Island	31.7	37)	Mississippi	25.8
12)	Maryland	31.2	38)	Kentucky	25.5
13)	District of Columbia	31.1	39)	Virginia	25.3
14)	Nevada	30.5	40)	Florida	25.2
15)	New York	30.0	41)	Oklahoma	25.1
16)	Idaho	29.8	42)	South Dakota	24.7
17)	Ohio	29.5	43)	Tennessee	22.4
18)	Nebraska	29.4	44)	Washington	21.91
19)	Vermont	29.1	45)	Arkansas	21.89
20)	Georgia	28.744	46)	Missouri	21.8
21)	New Hampshire	28.741	47)	Kansas	20.9
22)	Louisiana	28.2	48)	Arizona	19.3
23)	New Jersey	28.15	49)	Colorado	18.8
24)	Iowa	28.08	50)	North Carolina	17.7
25)	Illinois	27.9	51)	Texas	15.1
26)	Hawaii	27.82			