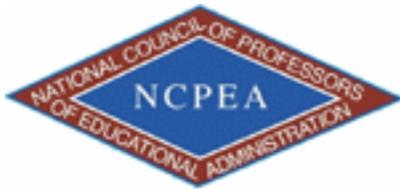


FINANCIAL AND NON-FINANCIAL INCENTIVES ON TEACHER RECRUITMENT AND RETENTION: TEACHERS' PERSPECTIVES*

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1 Introduction

A growing concern throughout the country is the issue of teacher attrition (Garcia, Slate, & Delgado, 2009; Martinez-Garcia & Slate, 2009; Martinez-Garcia, Slate, & Tejeda-Delgado, 2008). Teacher shortages are present across the country. Johnson et al. (2001) reported that schools will have an estimated 2.2 million teaching vacancies that will need to be filled by 2010. The U.S. Department of Labor's Bureau of Labor Statistics, however, forecast an even greater number of teachers needed, due to growth and replacement factors (Gerald & Hussar, 2003). Their forecast was for approximately 400,000 additional teachers per year, almost twice the estimated number of Johnson et al. (2001). As a result of current teaching vacancies,

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many states have to employ teachers in areas in which they do not have expertise or to employ teachers with emergency permits (Prince & Quinn, 2002).

Teacher workload creates stress and a resulting desire to leave the teaching field for a job in which they are treated with respect, dignity, professionalism, and are paid, on the average, \$10,000 more annually (American Federation of Teachers [AFT], 1999). The AFT indicated that teacher compensation is a critical factor in teachers' employment decisions. Lewis (2001) responded that, "Human resources personnel in school districts across the United States are struggling to design compensation systems or improve existing systems to keep these potential candidates from pursuing careers with much greater financial incentives" (p. 2).

Teacher behavior, in terms of remaining in a school district or applying to a different school district, has been documented to be influenced by salary levels (Conley & Levinson, 1993; Lewis, 2001; Winston, 1994). Teacher pay continues to fall short of keeping up with the cost of inflation. As such, school districts need to increase their teacher pay or to offer signing bonuses or other financial incentives to increase their number of applications for open teaching positions. A review of the literature provides evidence that many states and school districts are offering incentive pay and/or stipends to supplement teacher pay. Goorian (2000) noted that teachers with the National Board for Professional Teaching Standards certification receive a one-time \$10,000 bonus whereas teachers in North Carolina receive a 12% pay increase for the life of this certificate. In Florida, teachers with this certificate receive a 10% salary increase as well as a 10% bonus if they mentor newly hired teachers.

In critical needs areas such as math and science, longtime teacher shortages remain and continue to worsen (Stutz, 2009). As such, school districts across the country have provided increased teacher salaries (Chaika, 2000; Vos & Bombach, 2002). Moreover, to encourage teachers to work in low-performing schools, school districts in cities such as New York offer teachers a 15% pay raise (Prince, 2002). Weld (1998) noted that teacher salary increases were more important in attracting new teachers than in retaining teachers already employed.

To retain and attract teachers school districts have utilized various incentives. One seemingly attractive incentive is that of signing bonuses, long used by business and nursing fields (Global MBA Survey, 2002; Prince, 2002). Signing bonuses, though apparently attractive, may be problematic in that questions arise concerning their effect. Do signing bonuses encourage teachers to move more often from one school to another school so that they can collect the additional monies? To what extent do signing bonuses encourage less-qualified persons to become teachers?

Along with signing bonuses as financial incentives, school districts have utilized incentives in the areas of housing benefits, health insurance, retire/rehire practices, on-site day care, scholarships, and loans. For example, Abercrombie (1998) noted that Baltimore provided teachers with a \$5,000 home-buying grant, along with relocation assistance for teachers moving from another state. Gaines (2000) reported that Mississippi provided their teachers with scholarships, low-interest home loans, low-cost rental housing, moving expenses, and graduate course tuition for teachers who worked in areas of teacher shortages.

To date, few researchers have investigated the issue of financial and non-financial incentives on teacher recruitment and retention from the perspectives of teachers. The only recent study we located that was pertinent to this issue was one conducted by Kelly, Tejada-Delgado, and Slate (2008) in which they investigated the views of superintendents concerning teacher recruitment and retention. In this study, however, we examined the factors that teachers report that influence them in their decisions regarding employment in a particular school district. The purpose of this study is to ascertain teachers' views on financial and non-financial factors related to retaining them in their current position or to attracting them to another teaching position.

1.1 Research Questions

1. What are the perceptions of teachers concerning salaries on attracting and retaining them?
2. What are the perceptions of teachers concerning the effectiveness of signing bonuses on attracting teachers to a school district?
3. What are the perceived benefits of attracting and retaining qualified teachers?

4. What school district levels of support and practices are perceived by teachers to be associated with teacher retention?
5. What are the views of teachers regarding non-financial incentives on teacher recruitment and retention?

2 Method

2.1 Participants

A stratified random sampling procedure was used to select the superintendents of 10 public school districts from each of the 20 educational regions in the State of Texas. This procedure yielded a pool of 200 superintendents. From this pool, to obtain teachers to be surveyed, 1 superintendent from each of the 20 educational regions was purposively selected to obtain an equal representation of urban, suburban, and rural schools. This subgroup of 20 superintendents was contacted and requested to select an elementary campus, a middle/intermediate campus, and a secondary campus within their district to participate in the teacher survey. Thus, the teachers surveyed in this study included teachers from two elementary campuses, two middle/intermediate campuses, and two secondary campuses within each of the 20 educational regions in the State of Texas.

The majority of the teacher sample were female ($n = 251$, 74.3%). Most teacher participants were White ($n = 267$, 79.0%), followed by Hispanic ($n = 54$, 16.0%), African-American ($n = 3$, 0.9%), and Other ($n = 8$, 2.4%). The majority of teachers in this study had a bachelor's degree ($n = 233$, 68.9%), followed by a master's degree ($n = 95$, 28.1%), and a doctoral degree ($n = 3$, 0.9%). Concerning grade levels currently teaching, 130 teachers (38.5%) were teaching at the PK-5 grade level, 100 teachers (29.6%) at the 6 – 8 grade level, and 103 teachers (30.5%) at the 9 – 12 grade level.

2.2 Instrumentation

The teacher survey titled *Teacher Recruitment and Retention Survey* was designed to elicit beliefs concerning financial incentives in the form of signing bonuses, above state base pay, and employee benefits in influencing teachers to apply for positions in new districts. In addition, teachers were asked to identify specific support structures offered by districts that would encourage them to retain a position rather than seek employment elsewhere. Examples of support structures included mentoring programs, day care, active and effective site-based decision-making, small student-teacher ratio, timely and effective professional development, and readily available supplies and materials for teaching.

For the teacher measure, developed from a thorough review of the research literature, content validity was assessed through the use of a panel of expert witnesses. Thirty teachers (15 elementary and 15 secondary) reviewed the teacher survey for content, clarity, and appropriateness. Their suggestions for revisions were incorporated into a revision of the initial teacher measure. Reliability of the teacher instrument was conducted through a pilot study of 41 teachers. Cronbach's coefficient alpha for the financial benefits items was .74 and the coefficient alpha for the non-financial benefits items was .85, more than acceptable for research purposes (Nunnally & Bernstein, 1994).

2.3 Procedures

The 20 superintendents whose school districts were purposively selected from the pool of 200 superintendents were contacted and requested to participate in the study. Following a discussion of the study, these superintendents were provided with one online link, an URL, for them to ask their teachers to complete titled *Teacher Recruitment and Retention Survey*. Teachers then were asked to go online to complete the survey within the next two weeks.

3 Results

Teachers' responses to the survey questions about financial and non-financial benefits are discussed question by question. Concerning teacher salary above the state base pay level, only 18% of teachers indicated that no amount of pay above the state base would influence them to leave their current district. For the remaining 82% of teachers who participated in this study, they would consider applying for a position in another district for a higher salary. Table 1 displays these findings.

Teachers' Responses to "I would apply for a teaching position in another district if the position included above state base pay of (excluding extra duty stipends)"

Pay	Frequency	Percentage
Do not pay above state base	61	18.0
\$500 to \$1,999 above the state base	10	3.0
\$2,000 to \$4,999 above the state base	69	20.4
\$5,000 to \$7,499 above the state base	101	29.9
\$7,500 or more above the state base	97	28.7

Table 1

Regarding the influence of signing bonuses on whether or not teachers would apply for a teaching position in another district, a low percentage, 21.1%, stated that no amount of signing bonus would influence them to apply for a teaching position in another district. The remaining 78.9% of teacher respondents, however, reported that they would apply for a teaching position in another district, depending on the size of the signing bonus (see Table 2).

Teachers' Responses to "I would apply for a teaching position in another district if the position included a signing bonus of:"

Signing Bonus	Frequency	Percentage
No amount	71	21.0
\$500 to \$1,999 signing bonus	27	8.0
\$2,000 to \$4,999 signing bonus	94	27.8
\$5,000 to \$7,499 signing bonus	75	22.2
\$7,500 or more signing bonus	70	20.7

Table 2

Next, teachers were queried about school district contributions to their health care plans. As Table 3 shows, about a fourth, 23.7%, would not be influenced by any amount of contributions to their health care benefits and, therefore, would not apply for another teaching position due to this factor. The remaining 76.3% of teachers indicated that health care benefits contributions could potentially influence them to apply for a teaching position in another district.

Teachers’ Responses to “I would apply for a teaching position in another district if the position included contributions to health care benefits of:”

Signing Bonus	Frequency	Percentage
No amount would influence me to leave this district	80	23.7
100% of employee premium	75	22.2
100% of employee and children premium	43	12.7
100% of employee and spouse premium	32	9.5
100% of employee and family premium	108	32.0

Table 3

For the question concerning whether they would apply for a teaching position in another district if the position included free dental insurance, 134 teachers (39.6%) responded that they would apply for such a position whereas 204 (60.4%) stated that they would not apply for such a position. Table 4 shows how teachers responded to a question about life insurance being part of a teacher compensation package. Over half of the teachers (53.0%) indicated that no amount of life insurance coverage would influence them to leave their current teaching position.

Teachers’ Responses to “I would apply for a teaching position in another district if the position included a life insurance policy in the amount of:”

Signing Bonus	Frequency	Percentage
No amount would influence me to leave this district	179	53.0
\$25,000	23	6.8
\$50,000	33	9.8
\$75,000	26	7.7
\$100,000	77	22.8

Table 4

Next, teachers were queried about four additional financial incentives. These district benefits included day care for employees’ children, low-interest housing loans, subsidized apartment complexes, and tuition reimbursement. Table 5 depicts teachers’ agreement, in percentages, to each item regarding the degree to which that factor would influence them to stay in a district rather than seek employment elsewhere.

Teachers’ Responses in Percentages to Financial Support System Factors That Would Influence Them to Remain in Their Current Teaching Position

Financial Support System Factor	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
<i>continued on next page</i>					

Day care for employee's children	24.0	37.3	21.9	10.4	6.5
Low-interest housing loans	23.7	33.4	19.8	13.6	9.5
Subsidized apartment complexes	14.8	21.3	31.7	18.0	14.2
Tuition reimbursement	47.9	33.1	9.5	5.6	3.8

Table 5

The majority of teachers, 61.3%, responded favorably to day care for their children as an incentive for remaining in their current position. Again, a majority of teachers, 57.1%, responded favorably to low-interest housing loans as an incentive for remaining in their current teaching position. Not as strong of an incentive was the support factor of subsidized apartment complexes, as only 36.1% of teachers indicated that this factor would be an incentive for them to remain in their current position. Undoubtedly, this factor represents the degree to which teachers already own or rent homes as opposed to living in apartments. The most influential support factor responded to favorably by our sample was that of tuition reimbursement. Over three-fourths, 80%, of teachers indicated their agreement with tuition reimbursement being an incentive in influencing them to remain in their current teaching position.

Finally, teachers were asked to respond to eight non-financial incentives in terms of the extent to which each support system item would influence them to remain at their current position rather than seeking employment elsewhere. Teachers' responses, in percentages, are shown in Table 6.

Teachers' Responses in Percentages to Non-Financial Support System Factors That Would Influence Them to Remain in Their Current Teaching Position

Non-Financial Support System Factor	Strongly Agree	Agree	Undecided	Disagree	Strongly Disagree
Timely and effective professional development	42.4	46.0	6.5	3.9	1.2
Readily available supplies and materials for teaching	53.7	41.2	3.0	1.2	0.9
<i>continued on next page</i>					

Teacher mentoring program	31.8	50.1	12.5	5.0	0.6
Active and effective site-based decision-making	44.2	43.3	8.6	3.0	0.9
Positive learning environment	71.1	27.1	0.6	0.6	0.6
Student/teacher ratio of 18 or less	64.2	29.0	3.9	1.8	1.2
Additional planning time	62.5	29.0	5.5	2.4	0.6
Student discipline is consistent and fair	68.6	27.3	1.6	0.9	1.6

Table 6

As can be seen in Table 6, teachers indicated strong agreement with these non-financial incentives as factors that would influence them to remain in their current teaching positions. At least 80% of teachers responded that they agreed with each of the eight non-financial incentives on the survey. Of these items, 98.2% of teachers responded the most positive to the influence of a positive learning environment on their decision of whether to stay or leave their current teaching profession.

4 Discussion

Recruiting and retaining teachers in America today is an ongoing concern (Garcia et al., 2009; Martinez-Garcia & Slate, 2009; Martinez-Garcia et al., 2008; Snider, 2009; Stutz, 2009). In the State of Texas, this concern is exacerbated due to a rapidly growing and diverse student population. In this study, teachers reported a desire for compensation more comparable to other degreed professionals. Though salary is not the only factor for teachers when they consider employment in a specific school district, salary is certainly an important factor (Snider, 2009). Findings regarding base pay salary are congruent with the Texas Association of School Boards (2002) which reported in *Compensation Trends for Texas Teachers*, “Districts that hire the most beginning teachers were paying an average of nearly \$34,000” (p. 1), a figure which translates to almost \$10,000 over the state base pay schedule for first year teachers (Texas Education Agency, n.d.).

As might be expected, a substantial number of teachers, almost 80%, reported that a signing bonus would entice them to apply for a teaching position in another school district. Our findings support a conclusion that school districts that offer signing bonuses of at least \$2,000 would increase the number of applicants they would receive for open classroom positions. This finding is congruent with the extant literature. Prince and Quinn (2002) reported that signing bonuses of \$2,500 reduced teaching vacancies from 120 in 1999 to 0 in 2001 in Anaheim, California. Rhodda (2000) described similar results in the Elk Grove United Schools. Though plagued with a higher than average attrition rate (Viadero, 2001), the Massachusetts Institute for New Teachers Program elicited over 3,500 teaching applicants when it offered a \$20,000 signing bonus over four years (Massachusetts Department of Education, n.d.). Most recently, Snider (2009) noted that over 100 teachers and guidance counselors in Maryland’s Anne Arundel County, one of the 50 largest school districts in the U. S., made over \$100,000 annually.

Teachers in this study stated that they would be motivated to seek employment in school districts that offered tuition reimbursement, day care for their children, low-interest housing loans, and contributions of

100% to their health insurance premiums. These teachers were not inclined, however, to apply for teaching positions in school districts based upon life insurance benefits, dental insurance benefits, or subsidized apartment complexes. The effectiveness of tuition reimbursement (Chaika, 2000; Prince, 2002), child care for employees' children (Jacobson, 1999), and low-interest housing loans (Prince, 2002) have been documented in the literature. Interesting, the findings herein on the value of health care benefits contradict the findings of Pisciotta (2001). No literature was located in which the financial benefits of life insurance, dental insurance, or subsidized apartment complexes were investigated. Though teachers in this study did not support the efficacy of these support factors, other researchers are encouraged to investigate these issues as they may differ in other geographic regions.

Clearly, teachers responded favorably to the non-financial incentives of district support and practices. Teachers, as would be expected, want to work in a school that has a positive learning environment; in a school that has consistent and fair student discipline; in a school with readily available supplies and materials; in a school with classes of 18 or fewer students; in a school with effective staff and professional development; and, in a school with a teacher mentoring program. These non-financial support factors have been previously verified by numerous researchers (e.g., Darling-Hammond, 2003; Johnson & Birkeland, 2003; Pisciotta, 2000; Robinson & Wittebols, n.d.; Snider, 2009; Vos & Bombach, 2002; Wagner & Porter, 2000).

Results of this study may assist school district leaders in determining how to recruit more effectively new teachers to their school districts and how to retain more effectively the teachers they have already employed. Districts that are finding it difficult to retain currently employed teachers and to recruit new teachers may benefit from these findings. These researchers have contributed a unique element in the research, by directly asking teachers their views on financial incentives and on non-financial incentives related to their employment decisions. Researchers are encouraged to investigate these issues with different teacher populations, as well as to determine whether differences might be present in teachers' views as a function of school setting (i.e., urban, suburban, rural), school level (i.e., elementary, middle, secondary), and region of the country. Another suggestion by Snider (2009) seems quite relevant as well, that school districts should focus not only on altruism as a reason to teach but also emphasize salary and benefits where "teacher compensation has the greatest advantage over the private sector (Snider, 2009, ¶ 4). Teachers, in Snider's words, should be made aware by school districts that pay well of their teacher compensation as well as the advantage that teacher benefits have over private sector benefits.

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