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LOW PAY IS SHUTTING TEACHERS OUT OF SOME HOUSING MARKETS
In 80 percent of the largest school districts, a teacher with an MA and five years' experience cannot comfortably afford housing payments

WASHINGTON, D.C. -- The National Council on Teacher Quality (NCTQ) released [a report](#) today that highlights the serious challenge teachers face in being able to afford housing in the districts where they teach. In its October [Teacher Trendline](#), NCTQ used data from the [Teacher Contract Database](#) to compare teacher salaries with rental and homeownership pricing data in 124 large school districts across the country.

The findings show that while renting a one-bedroom apartment is within reach for new teachers working in most districts, in about a quarter of the districts, it is not. Home ownership is even more difficult. In some districts, saving up for the recommended down payment of 20 percent or meeting mortgage obligations is beyond a teacher's means, even for a teacher who is at the higher end of the salary schedule. That problem is particularly acute in school districts located in the West and Northeast.

Perhaps the most surprising finding is that even in districts where saving up for a down payment on a home is "doable", making the monthly housing payment is well outside the comfortable reach of teachers. In 80 percent of the districts, a teacher with five years of experience still would need to expend more than the recommended 30 percent of their income on housing payments.

Key findings of the *Trendline* analysis include:

- In one out of four of the largest school districts in the U.S., a starting teacher cannot afford to rent a one-bedroom apartment.
- While the average length of time needed to accumulate a down payment of 20 percent towards a median-price home is ten years, assuming a 10 percent savings rate, there is tremendous variation. Texas is notably affordable with seven of its large districts--San Antonio, Aldine, Brownsville, Fort Worth, Pasadena, Dallas, and Arlington--enabling a teacher to achieve a down payment on a median-priced home in five years or less.
- At the other end of the spectrum are teachers in San Francisco, Capistrano (CA), Oakland, Fairfax County (VA), and Hawaii, where it would take teachers over 20 years to save a comparable down payment.
- Only in a minority of districts are monthly housing payments affordable, with San Antonio, Baltimore City, and Philadelphia being the most affordable for teachers.
- A number of districts, such as Oklahoma City, Polk County (FL), El Paso, and Omaha, are in the lowest quartile for monthly housing costs but have kept teacher salaries so low that homeownership is still a struggle for their teachers.
- There are eight districts--West Ada (ID), Jordan (UT), Loudoun County (VA), Hawaii, San Francisco, Oakland, Capistrano (CA), and Los Angeles--where a single teacher will never be able to dedicate the recommended 30 percent or less of a salary to monthly housing payments, *even when earning the maximum possible teacher salary.*

View the full report [here](#). To view salary, rental, and homeownership pricing data for all the districts in our sample, explore our [interactive map](#).

The Policy View

These data make it clear that districts must consider cost-of-living when determining teacher salaries, but more importantly, that the practice of school districts reserving the biggest pay increases to teachers only at the tail end of their careers has serious consequences. Incremental pay raises over the first ten years of teaching make it less likely that a teacher even in her forties can buy a home, a problem that deters potential teachers from the profession and leads to higher turnover.

“The most important symbol for prosperity is home ownership. It doesn’t just fall to school districts to ensure that teachers can achieve this goal in a reasonable time frame, but also their states,” said Kate Walsh, NCTQ’s President. “On so many levels, teacher pay is in need of a massive overhaul, but we must start at the beginning to fix this problem, ensuring that teachers can put a roof over their heads.”

As some schools districts across the United States have difficulty recruiting teachers, a good place to start tackling the problem is in considering housing.

For more, see NCTQ’s [Smart Money](#) report.

Methodology

To conduct this analysis, NCTQ examined teacher salaries against the average price of a one-bedroom rental and the median price of homes in the school districts. It considered the time needed to come up with a 20 percent downpayment for a home and the ability of a teacher to afford a monthly housing payment, which includes mortgage, taxes, insurance, and utilities.

The sample districts include the 100 largest in the country by student population, and the largest district in each state, if not already represented. The salary data for these 124 districts are housed in NCTQ’s [Teacher Contract Database](#), and the analysis includes starting salary for a teacher with a bachelor’s degree, salary for a teacher with five years’ experience and a master’s degree (which tends to qualify teachers for a pay raise), and the maximum salary in each district. Median-apartment rent in each district was retrieved from Zillow, while median-housing costs were retrieved from the Census Bureau’s American Community Survey. The Department of Housing and Urban Development considers families who pay more than 30 percent of their income on housing as “cost-burdened”, therefore the 30 percent standard was applied for calculations of affordability.

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To schedule an interview with Kate Walsh, President of NCTQ, please contact Eric Duncan at (202) 393-0020 ext. 130.

About the National Council on Teacher Quality:

The National Council on Teacher Quality is a nonpartisan research and policy group, committed to modernizing the teaching profession and based on the belief that all children deserve effective teachers. We recognize that it is not teachers who bear responsibility for their profession's many challenges, but the institutions with the greatest authority and influence over teachers. More information about NCTQ can be found on our website, www.nctq.org.