



Montana Teacher  
**COMPENSATION REPORT**



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**STATE OF MONTANA**

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## EXECUTIVE SUMMARY

Montana's public education system provides critical supports to the state economy, training the next generation of Montanans. Over the last decade the state has faced a significant workforce shortage, impacting every industry in Montana. Difficulty recruiting and retaining qualified workers has extended to the public school system, with increased reports of teacher vacancies and the rise of emergency authorizations to fill critical roles within the school system.<sup>1</sup> Understanding the important role high quality educators play in the state's future economic growth, the Montana Department of Labor & Industry (MTDLI) has undertaken a more in-depth analysis of teacher compensation. This report examines how teacher compensation varies by district and educator characteristics, and the impact compensation has on teacher employment patterns.

The Office of Public Instruction (OPI) provided the detailed compensation data from the 2022-2023 academic year used for this analysis. The data include 393 school districts, 28,000 teaching and administrative employees, 13,000 quality educators, and 8,700 full-time general education teachers. Salary information provided by OPI was verified through MTDLI administrative wage records. The compensation presented in this report reflects actual wages paid to educators, abstracting away from variation in negotiated salary schedules. Full-time general education teachers are the primary subject of this analysis, although information on additional quality educator positions is provided in the appendices.

Highlights from the analysis of compensation for full-time general education teachers include:

- Teachers earned an average of \$74,800 during the 2022-23 academic year, including all sources of compensation.
  - Salaries comprise most (78%) of total compensation, with other non-salary income accounting for about 3% of compensation.
  - Healthcare, retirement, and other benefits are a significant portion of teacher compensation (19%), averaging \$14,000 in the 2022-2023 academic year.
- Montana teacher salaries averaged \$58,600 in the 2022-23 academic year, ranking 34th highest among states.
  - Eighty percent of teachers were paid between \$39,300 and \$79,900, with salaries varying by education, tenure, school location, and school size.
- Teacher salaries vary most significantly by district size, with larger districts paying the highest salaries. Salaries range from \$63,400 for teachers in class AA schools, to \$47,800 for teachers in class C schools.
  - Nearly 70% of all districts in Montana fall into size class B or C, meaning total enrollment doesn't exceed 300 students.
  - Almost half (47%) of all educators work in class AA districts, with enrollments of over 800 students.
- One of the primary determinants of teacher salary in Montana is educational attainment. The average salary is \$67,800 for teachers with a master's degree, compared to \$54,200 for those with a bachelor's degree.
  - The wage premium for master's degree attainment is \$9,800 on average.
  - Approximately 36% of Montana teachers hold a master's degree.

- Entry-level teachers, with a bachelor's degree and no years of experience, earned an average salary of \$38,800 during the 2022-2023 academic year.
  - Montana entry-level teachers earn less than the national average of \$44,530, ranking 46th highest among states.<sup>2</sup>
  - Montana's entry-level teachers earn the lowest salaries of the surrounding states.
- Most teachers earn non-salary income through stipends offered for taking on additional responsibilities. About 57% of teachers earned a stipend from curriculum development, coaching, directing activities, or other additional duties. The median stipend is \$1,880.
  - Stipends are more common at smaller class B and C school districts, and they make up a larger percentage of teacher compensation.
  - Entry-level teachers are less likely than more experienced teachers to earn non-salary income, particularly for stipends and bonuses.

The Montana labor market has experienced a persistent workforce shortage, which has driven significant wage gains as businesses compete for a limited supply of workers. Montana ranks 2nd in the nation for fastest wage growth since 2020 and is one of only two states where wage growth has outpaced inflation.<sup>3</sup> However, Montana teachers have not experienced the same rapid wage growth as the rest of the state. Over the last five years, teacher wage growth did not overcome nationwide inflationary pressures, resulting in real wage declines. This report provides an analysis of teacher wage growth over the last five years relative to the rising cost of living throughout Montana and the United States.

Highlights from the analysis of teacher wage growth and cost of living include:

- Real wages fell by 1.7% per year for Montana teachers over the last five years. Negative real wage growth means that prices went up faster than wages, reducing purchasing power and therefore standard of living.
  - Montana educators experienced negative real wage growth regardless of tenure. However, wages grew faster for teachers with less experience.
  - Smaller districts raised wages faster than larger districts over the last five years, but not fast enough to outpace inflation. Average annual real wage growth is negative across all district size classes.
- Cost of living is growing most significantly in the western portion of the state. Prices haven risen by an estimated 6% annually since 2018 in the west - three times faster than teacher wage growth. Teacher wages grew by 1.8% per year in the Southwest and 2.0% per year in the Northwest over the last five years.
- Teacher wages have grown fastest in the North Central and Eastern regions of the state, averaging 2.7% and 2.4% per year. However, this wage growth did not exceed cost of living growth.
- Housing costs remain the most significant driver of inflation throughout the state. Financing the typical Montana home under current market conditions would take monthly payments of nearly \$2,700, or over 50% of the average teacher's gross income.<sup>4</sup>
  - Entry-level teachers would pay between 32% and 58% of their monthly income on a mortgage payment for a starter home in Montana.

Teacher compensation influences the public education system's ability to recruit and retain a highly qualified workforce. Persistently low salaries contribute to elevated turnover rates among Montana teachers. Teachers who remain in the profession are more likely than the average Montana worker to hold a second job to supplement their income. This report provides an analysis of educator labor market dynamics, including the rate of turnover and prevalence of multiple job holding among Montana teachers.

Highlight from the analysis of educator labor market dynamics include:

- Over 9% of full-time general education teachers leave the teaching profession each year. This turnover rate is slightly higher than the national average of about 8%.<sup>5</sup>
- Approximately 8.3% of teachers leave the public K-12 school system each year, with a considerable share of these teachers moving into higher wage jobs in other industries.
  - Just over 40% of teachers who leave public education work for a different Montana employer.
  - At least 13% of Montana teachers who left public schools took another job outside the state.
- Teachers who leave the public school system early in their career find similar or higher paying employment in the state. Teachers with more experience are less likely to find a higher paying job outside of the public education system.
- Twenty-six percent of Montana's full-time general education teachers earned income from a second job outside of the public school system during the 2022-2023 school year.
  - The rate of multiple job holders is consistent across district size.
  - Teachers with second jobs are most likely to work in the leisure activities industry, higher education, or private education.
- The average earnings from a second job totaled about \$4,700. This extra income increases average earnings for teachers by about 8%.
- Teachers work multiple jobs throughout the year, not just during the summer.
  - At least 14% of full-time teachers work a second job outside the public school system during the school year, earning about \$7,000 throughout the year.
  - Six percent of all full-time teachers work a second job year-round, increasing total income by about \$10,500 on average.

Montana educators are hard at work training the next generation of Montanans. Their success is critical to the state's continued economic growth. The information provided in this report indicates that Montana teacher compensation is low relative to the rest of the nation, impacting recruitment and retention efforts. Teachers can achieve higher salaries with increases in education and experience, or by working at larger school districts. However, salaries remain low regardless of district or educator characteristics. With the insights provided in this report, educators and policymakers can be better prepared to address educator workforce challenges and design strategies to ensure the public education system is adequately resourced.

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## INTRODUCTION

Montana educators provide critical support to the state economy. Future economic growth depends on a healthy public education system to train a generation of workers qualified to meet the state's evolving workforce needs. Yet workforce challenges in the state's public K-12 educational system are well documented, with a significant number of unfilled positions and a rapid rise of Emergency Authorization of Employment reported for the 2023-24 school year.<sup>6</sup>

Concerns about recruitment and retention of Montana's educators has shifted policymakers focus to wages, where reports have continuously shown Montana teacher salaries rank low relative to other states. These workforce challenges have prompted the Montana Department of Labor & Industry (MTDLI) to research educator compensation to better understand variation in pay across the state.

The data presented in this report comes from administrative data maintained by the Office of Public Instruction (OPI) for all public educators in the 2022-23 academic year. The cross-sectional dataset includes 393 school districts, 28,000 teaching and administrative employees, 13,000 quality educators, and 8,700 full-time general education teachers. These data are matched to unemployment insurance administrative wage records housed at the MTDLI that capture payroll wages earned by Montana educators. The emphasis on payroll wages allows for an analysis of actual earnings, abstracting away from variations in negotiated salary schedules across the state. More information on the data used for this analysis can be found in Appendix A.

The analysis presented in this report focuses on compensation for Montana's full-time general education teachers. While data are available for all teaching and administrative positions in the state, focusing on full-time general education teachers removes the variation in compensation that arises from differences in job responsibilities, hours worked, and staffing patterns. Compensation estimates for school administrators, counselors, special education teachers, and other educator positions are provided in Appendix B.

The first section of the report provides a detailed analysis of teacher compensation, including salary, benefits, stipends, bonuses, and other non-salary income. The focus is on salaries, as the primary means of compensation. Variation in salaries is presented by district and teacher characteristics. The second section provides a detailed analysis of the compensation for entry-level teachers, defined as teachers holding a bachelor's degree without any prior experience. The third section analyzes how compensation for teachers has grown over the last five years relative to the cost of living. The fourth section discusses labor market dynamics for educators, such as turnover and the prevalence of multiple job holding among Montana's public educators. The last section concludes.



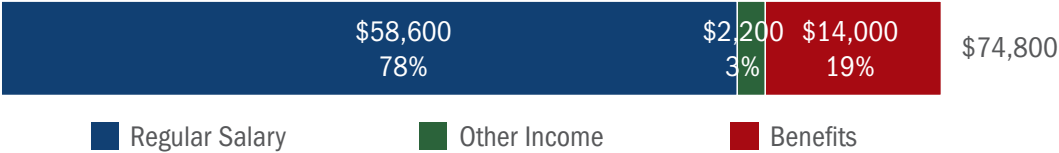


# SECTION 1: TEACHER COMPENSATION

This section provides information on the wages and benefits paid to Montana public educators, demonstrating how various district and teacher characteristics impact compensation. A total of 8,700 full-time general education teachers are included in this analysis. These teachers worked in 393 public school districts across Montana.

Total compensation is used as the most comprehensive measure of teacher pay – including regular salary, benefits, stipends, bonuses, and other non-salary sources of income. Teachers earned an average of \$74,800 during the 2022-23 academic year, including all sources of compensation. Figure 1 shows average compensation by source for teachers.

**Figure 1: Teacher Compensation by Source**



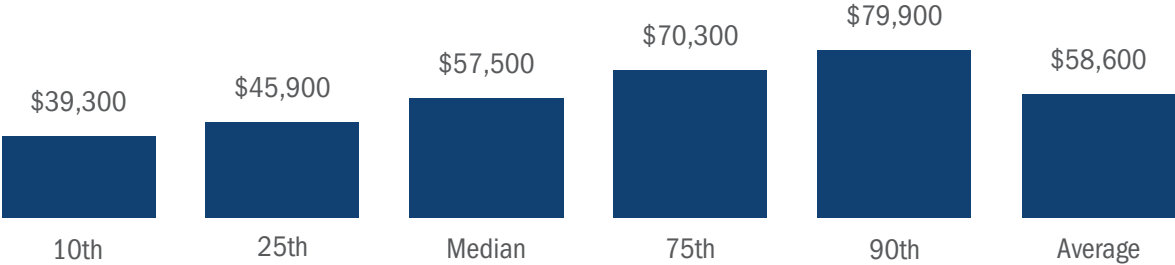
Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes full-time general education teachers, 2022-23 school year.

Salaries comprise most (78%) of total compensation, with other non-salary income making up about 3% of compensation. Healthcare, retirement, and other benefits are a significant portion of teacher compensation, averaging \$14,000 in the 2022-2023 academic year. The analysis that follows focuses on each element of total compensation to better understand its contribution to teacher pay across the state.

## 1.1 Teacher Salaries

Salaries are the primary way through which Montana educators are compensated. The average salary for a full-time general education teacher in Montana was \$58,600 for the 2022-23 academic year. Eighty percent of teachers were paid between \$39,300 and \$79,900, with salaries varying by education, tenure, school location, and school size. In comparison, the average wage for all Montana jobs was \$56,300 over the same period.<sup>7</sup> The salary distribution for Montana’s teachers is shown in Figure 2.

**Figure 2: Salary Distribution for Montana’s Teachers**

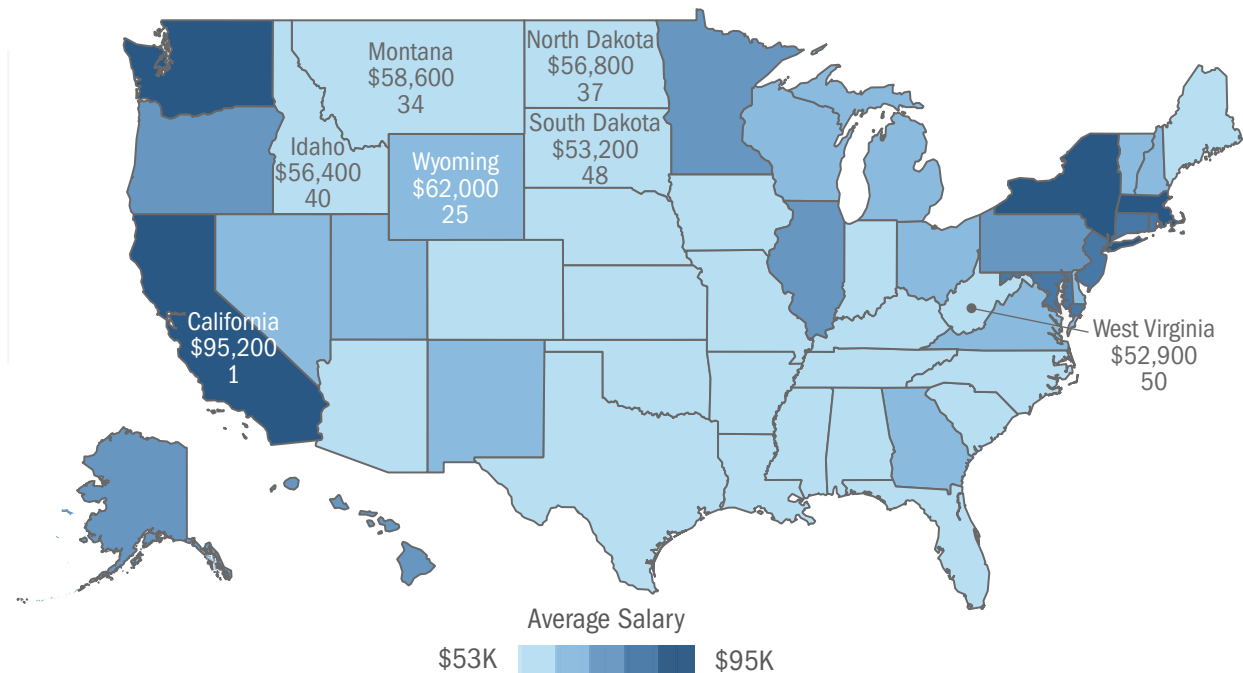


Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes full-time general education teachers, 2022-23 school year.

Montana teachers earn less than the national average of \$69,500, ranking 34th highest among states.<sup>8</sup> However, there's little variation in pay among the lower salary states. Any small change in the estimates affect the rankings significantly. Of the surrounding states, Montana teachers earn higher salaries than South Dakota, Idaho, and North Dakota, but lower than Wyoming. Figure 3 shows average salaries of public school teachers.

Montana teacher salaries averaged **\$58,600** in the 2022-23 academic year, ranking **34th** highest among states.

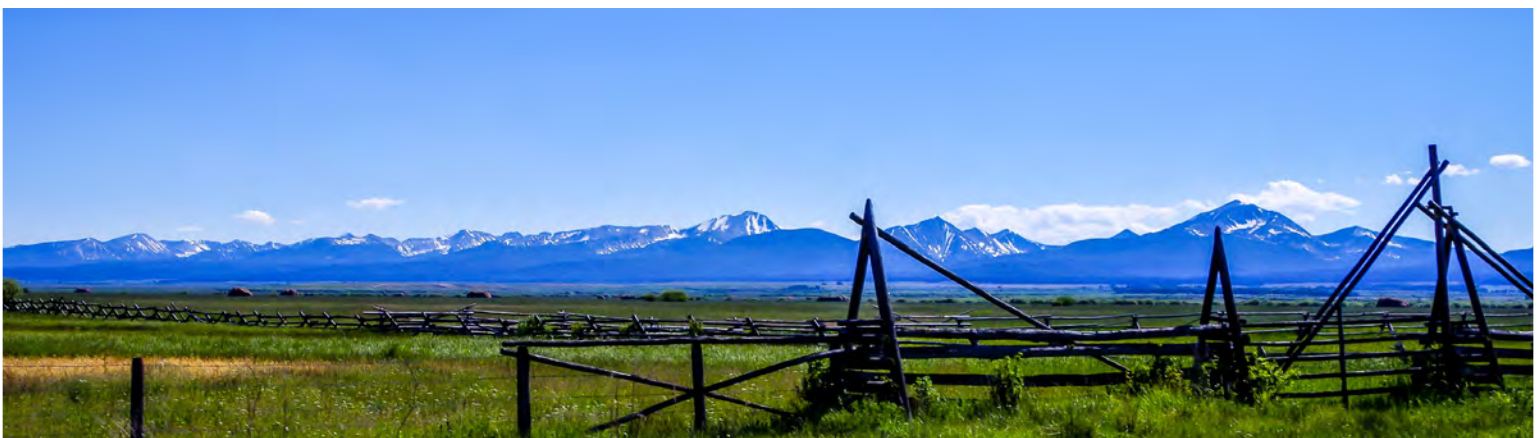
**Figure 3: Average Salary of Public School Teachers**



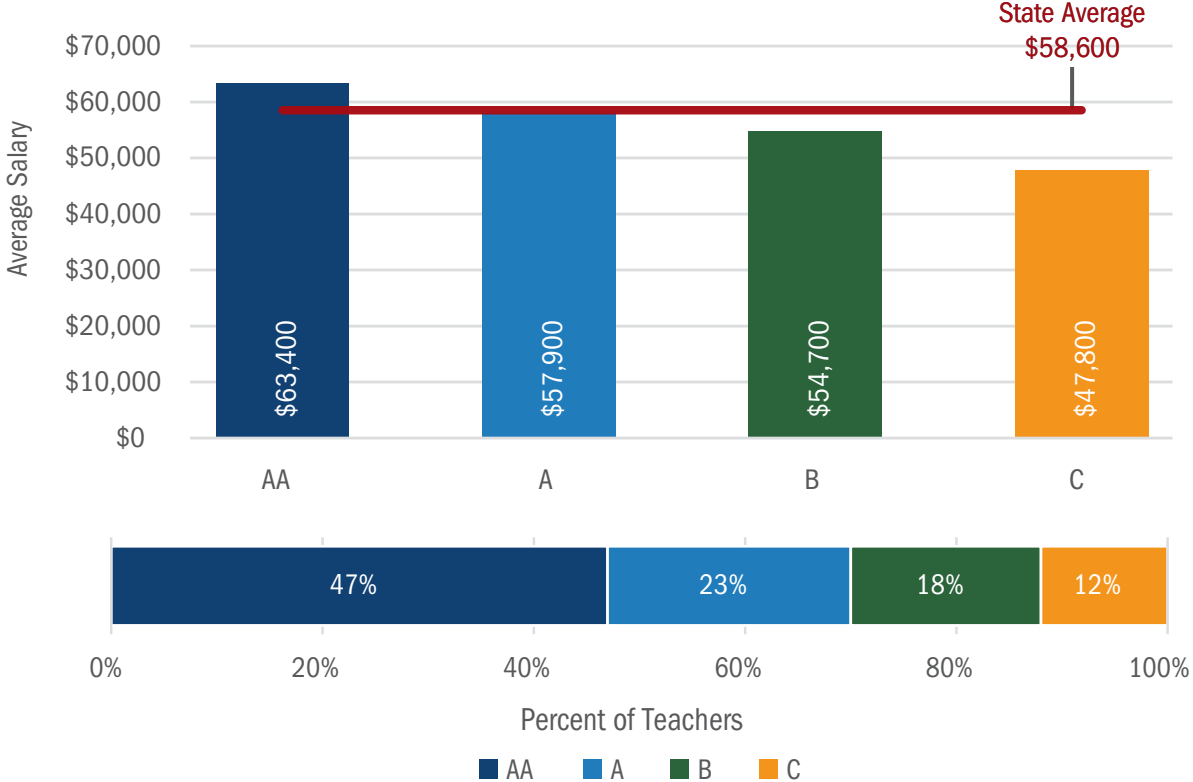
Source: Montana estimate from OPI and DLI UI wage data match summarized by MTDLI. State estimates from NEA.

### 1.1.2 Teacher Salary by District Characteristics

Montana teacher salaries vary significantly based on location and size of the district. Educators in larger districts, with access to more local resources, have higher average salaries. Teachers at class AA schools earn an average salary of \$63,400. Teachers at class C schools earn an average salary of \$47,800. Figure 4 shows the average salary by district relative to the statewide average, and the percentage of teachers working in each district. Nearly half (47%) of all educators work in class AA districts, with enrollments of over 800 students.



**Figure 4: Average Salary and Distribution of Teachers by District Size**




Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana’s full-time general education teachers, 2022-23.


While most teachers work in the state’s larger districts, there are a significant number of smaller districts throughout Montana. 42% of the 400 districts in Montana have an enrollment of 100 students or less. Nearly 70% of all districts in Montana fall into size class B or C, meaning total enrollment doesn’t exceed 300 students. The smaller districts are generally located in the rural eastern and central portions of the state. The southern and western portion of Montana are more populous, and therefore are home to the largest class AA districts. Figure 5 shows a map of the high school and K-12 districts by size.

### DISTRICT SIZE


This report defines district size by the Montana High School Association (MHSA) classification system. The MHSA classifies high schools largely based on total enrollment, with enrollment criteria being:




**Class AA**  
801 and up



**Class A**  
301-800



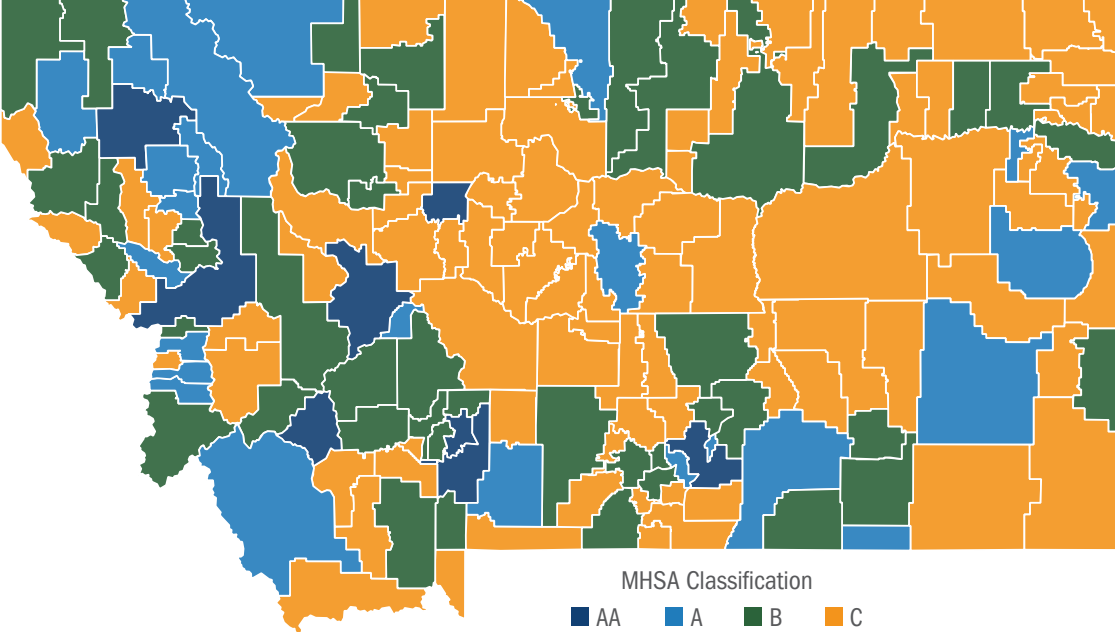
**Class B**  
101-300



**Class C**  
1-100

MTDLI classified elementary districts according to their corresponding high school's classification.

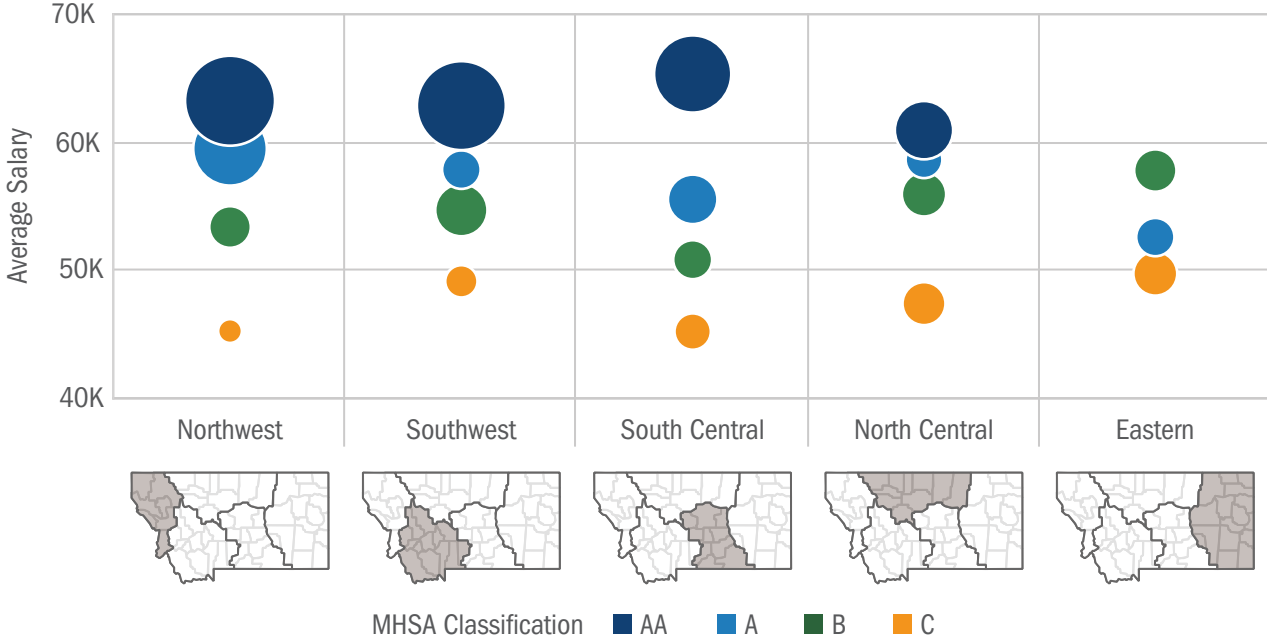
**Figure 5: Montana's High School and K-12 School Districts by MHS Classification**



Source: OPI educator and U.S. Census Bureau 2023 TIGER/Line Shapefiles. Summarized by MTDLI.

Since most of the larger districts are in the western and southern portions of the state, educators in these regions report higher salaries. However, district size does not fully explain the variation in teacher pay across the state. Figure 6 shows the average teacher salary by region and size class. The South Central region reports the highest salaries for class AA teachers. Teachers working in class C districts report the highest salaries in the rural Eastern region.

**Figure 6: Average Teacher Salaries by Region and District Size**



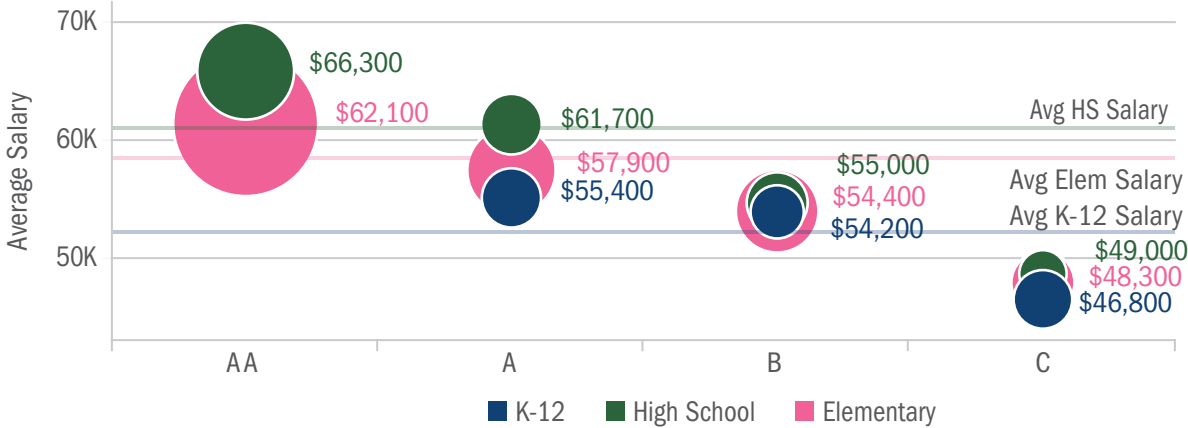
Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana's full-time general education teachers, 2022-23. District size based on MHS. Size of the bubble indicates the number of teachers.



Teacher salary also varies by district type. High school district teachers earn an average of \$61,100 annually – higher than their counterparts at elementary and K-12 school districts. Teachers at elementary districts reported an annual salary of \$58,500. Teachers at K-12 districts earn the lowest salary (\$52,200), largely due to the districts being smaller and in more rural areas.

The differential between teacher salary by district type is more pronounced in larger districts. Salaries at smaller districts are more closely distributed across district type. K-12 teachers at class C schools earn the lowest salary, at \$46,800 annually. Figure 7 shows the average salary for general education teachers by MHSA classification and district level, with the size of the bubble representing the number of teachers.

**Figure 7: Average Teacher Salary by District Size and Type**



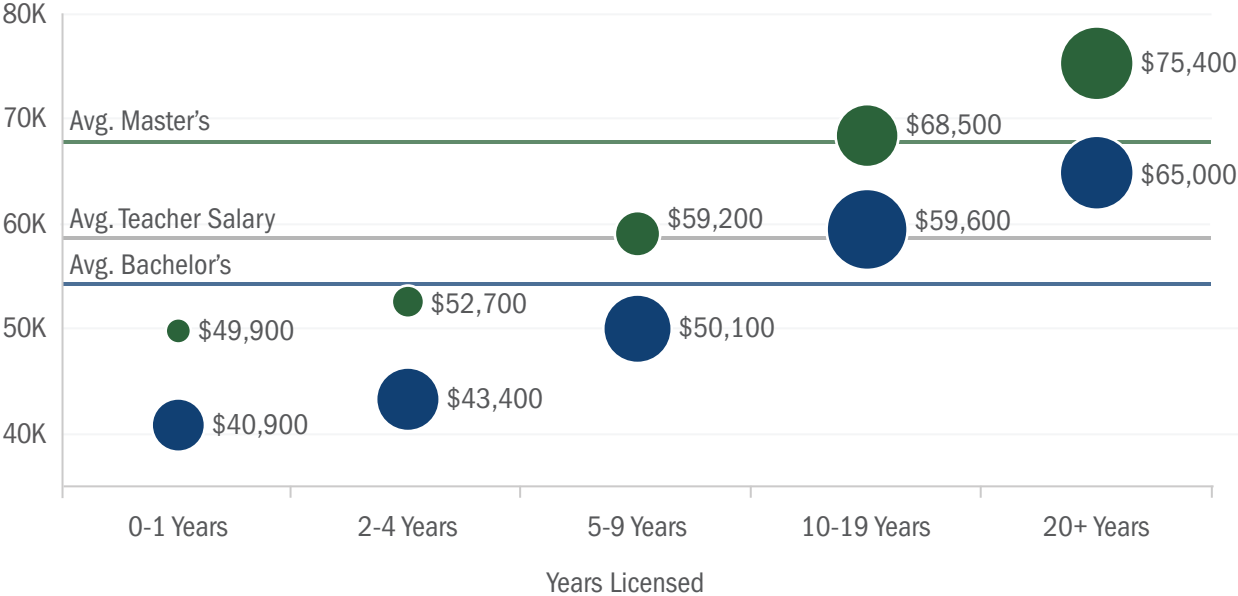
Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes MT full-time general education teachers, 2022-23. Lines are average salary at K-12, elementary, and high school districts. Size of the bubble is the share of teachers. District size based on MHSA class.

**1.1.3 Teacher Salary by Education and Experience**

One of the primary determinants of teacher salary in Montana is educational attainment. The average salary is \$67,800 for teachers with a master’s degree, compared to \$54,200 for those with a bachelor’s degree. The wage premium for master’s degree attainment is about \$9,800 on average. Despite this wage premium, only about 36% of Montana teachers hold a master’s degree. Montana has fewer teachers with graduate degrees than the national average.<sup>9</sup>

Teachers with a master’s degree outearn teachers with a bachelor’s degree for every level of tenure. The wage increase associated with master’s degree attainment is equivalent to roughly seven years of work experience. It takes about seven years for teachers with a master’s degree to surpass the average salary compared to 14 years for teachers with a bachelor’s degree. Figure 8 shows average salaries and the share of teachers by highest level of education and number of years licensed, with the size of the bubble indicating the share of teachers in each category.

**Figure 8: Average Teacher Salary by Highest Education and Years Licensed**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23. Lines show average salaries. Size of the bubble indicates the share of teachers.

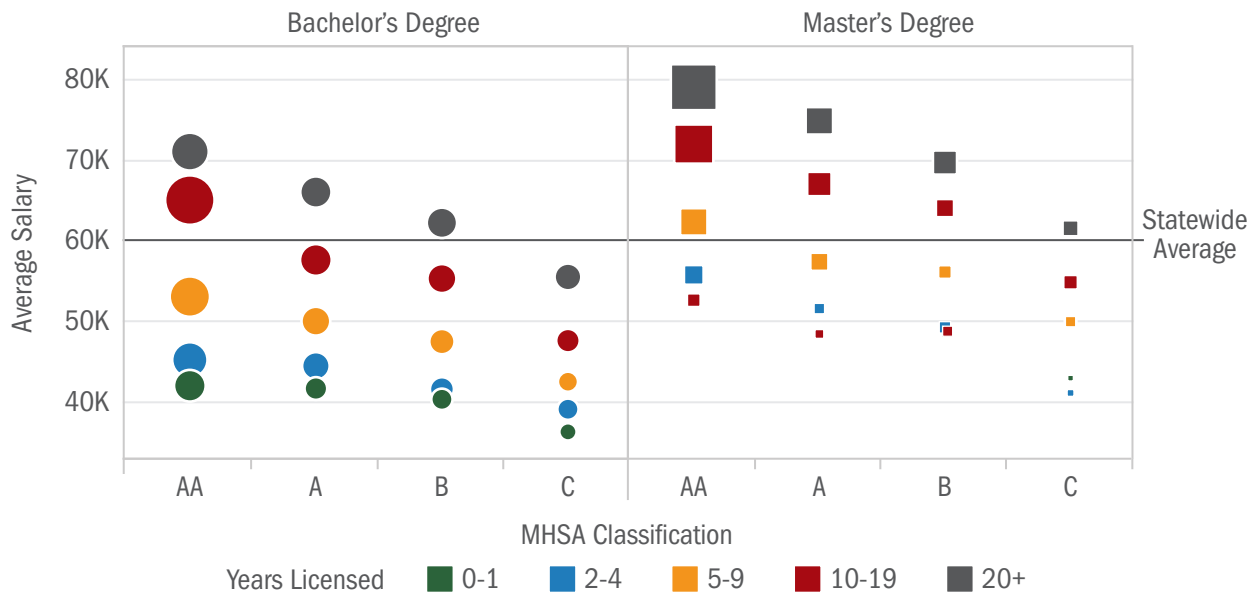
Work experience is also associated with increases in teacher salary. Teachers with five years of experience earn roughly \$6,000 more than those in their first year of teaching. The wage premium for work experience peaks between six and eight years of experience, and then begins to decline. Salary growth related to experience is fastest in the first ten years of teaching.

Education and experience are compensated differently across districts, with larger districts offering higher salaries for similarly qualified teachers than smaller districts. Teacher salaries are more similar across districts for those with less education and experience. Newly licensed teachers make \$5,000 more at class AA schools than class C schools. Teachers with twenty years of experience make an average of \$15,600 more at a class AA school than a class C school. Figure 9 shows average salaries by district size, years licensed, and highest education for full-time general education teachers.

**Teachers earning the statewide average salary of \$58,600 in each district have:**

	AA	A	B	C
CLASS SIZE:	AA	A	B	C
EDUCATION:	BACHELOR'S	MASTER'S	MASTER'S	MASTER'S
EXPERIENCE:	10 YEARS LICENSED	10 YEARS	12 YEARS	22 YEARS

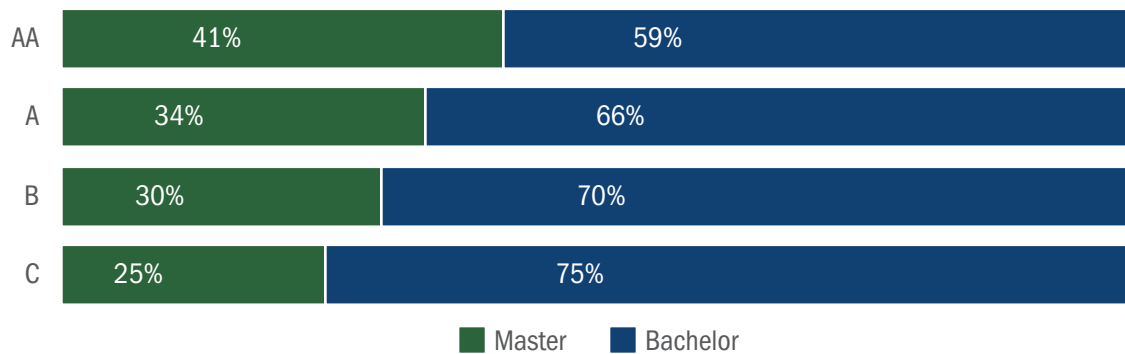
**Figure 9: Average Salary by District Size, Years Licensed, and Highest Degree**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. District size based on MHSA classification. Size of shape indicates number of teachers.

Large districts are more likely to employ teachers with a master’s degree and longer tenure than small districts, likely because they can offer more competitive salaries. Figure 10 shows the share of general education teachers by highest degree and MHSA classification. Over 40% of teachers at class AA schools have a master’s degree compared with 25% at class C districts.

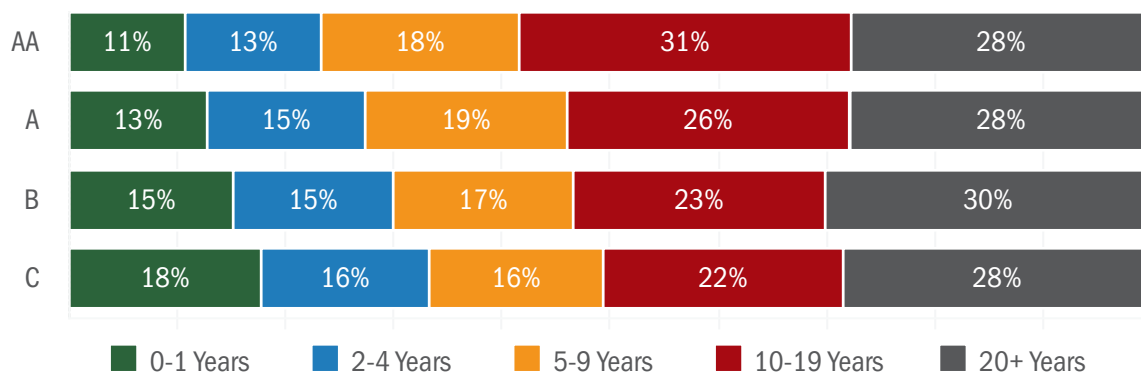
**Figure 10: Share of Teachers by District Size and Highest Degree**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.

Similarly, teachers in larger districts tend to have more experience than those in smaller districts. Only 11% of class AA teachers are newly licensed compared with 18% at class C schools. Figure 11 shows the share of teachers by number of years licensed and MHSA classification.

**Figure 11: Share of Teachers by District Size and Years Licensed**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.

## 1.2 Non-Salary Income

Most teachers earn additional income from non-salary sources, including stipends, bonuses, overtime, and vacation or sick leave payouts. Non-salary income makes up 3% of total compensation, translating to \$1,910 per year at the median. Teachers in smaller school districts are more likely to earn non-salary income than teachers in larger districts. The median non-salary income amount is also higher for smaller districts. However, it remains a small portion of total compensation regardless of district size. Figure 12 shows the median non-salary income for teachers by type.<sup>10</sup>

**Figure 12: Teacher's Non-Salary Income by Type**

Income Type	Districts	Staff	Median Annual Income
All Non-Salary Income	89%	66%	\$1,910
Stipends	82%	57%	\$1,880
Coach (Sports)	56%	11%	\$4,920
Extracurricular	39%	7%	\$3,280
Extra Duty - Requires License	16%	4%	\$2,760
Extra Duty - License Not Required	24%	9%	\$1,920
Position Code Not Listed	74%	32%	\$1,180
Bonuses	22%	8%	\$1,000
Overtime	4%	4%	\$590
Other Wage	39%	8%	\$750

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.



Most teachers earn non-salary income through stipends offered for taking on additional responsibilities. About 57% of teachers earned a stipend from curriculum development, coaching, directing activities, or other additional duties. These opportunities are available at most districts, and the median stipend is \$1,880. Coaches earn the highest median stipend at \$4,920, followed by teachers leading extracurricular activities at \$3,280. Teachers earning a stipend with no position code identified earn the lowest stipend amount.<sup>11</sup>

Stipends are largest and most common at smaller districts. In general, teachers at smaller schools are more likely to take on additional responsibilities than teachers in larger districts. During the 2022-23 year, over 60% of teachers at class B and C districts earned a stipend for additional duties compared with 52-58% of teachers at class AA and A districts. Figure 13 shows teachers with non-salary income and amount by MHSA classification.

**Figure 13: Teacher's Non-Salary Income by Type and District Size**

Income Type	MHSA	Districts	Staff	Median Annual Income
All Non-Salary Income	AA	93%	63%	\$1,500
	A	92%	61%	\$1,880
	B	87%	72%	\$2,860
	C	89%	72%	\$2,230
Stipends	AA	81%	52%	\$1,500
	A	81%	58%	\$1,910
	B	80%	65%	\$2,580
	C	83%	62%	\$2,070
Bonuses	AA	24%	7%	\$710
	A	15%	4%	\$40
	B	20%	12%	\$1,500
	C	26%	15%	\$1,580
Overtime	AA	11%	7%	\$460
	A	6%	0.2%	\$100
	B	4%	4%	\$1,290
	C	1%	0.3%	\$470
Other Wage	AA	50%	8%	\$1,040
	A	30%	4%	\$370
	B	34%	7%	\$800
	C	41%	15%	\$490

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23. Percents are the share of all districts and staff with non-salary income by size class.

Bonuses were paid to 8% of teachers in the 2022-23 academic year, at a median amount of \$1,000. Teachers with more experience were more likely to receive a bonus than those at the start of their career.<sup>12</sup> Smaller districts were also more likely to use bonuses as a component of compensation than larger districts. Thirty-one smaller school districts primarily in the North Central and Eastern regions paid every teacher a bonus. The median bonus at these schools was \$1,580.<sup>13</sup>

Fewer than 5% of teachers are paid overtime. Teachers who receive overtime pay earn a median of \$590, not a significant source of overall compensation. Eight percent of teachers earn other income, which include vacation and sick leave payouts as teachers end their employment, and any other miscellaneous income. Teachers who receive other income receive a median amount of \$750, also not a significant source of overall compensation.

### 1.3 Benefits

Health insurance and retirement benefits are a significant component of overall compensation. Most school districts offer health insurance (92%) and retirement benefits (99%) to teachers, and most teachers receive those benefits. About 86% of teachers receive health insurance at an average benefit amount of \$9,180. Nearly all teachers receive contributions to retirement plans at an average annual amount of \$5,980. About 50% of teachers earn other benefits, such as life and disability, which are only a small part of overall compensation. Figure 14 shows the share of districts providing benefits, the share of teachers receiving benefits, and the average benefit amount.

**Figure 14: Teacher Benefit by Type**

Benefit Type	Districts	Staff	Average Benefit Amount
All Benefits	100%	100%	\$14,020
Health Insurance	92%	86%	\$9,180
Retirement	99%	99.6%	\$5,980
Other Benefits	39%	50%	\$320

*Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23. Percent refers to share of districts and staff receiving benefits by type.*

Teachers receiving health insurance and retirement benefits vary minimally by district size. Most districts offer contributions to retirement plans, with the average benefit amount highest at class AA districts (\$6,580) and lowest at class C districts (\$4,920). The difference in benefit amount is explained by salary variation, as retirement benefits are generally a percent of total salaries. Most districts offer health insurance, with the average benefit amount close to \$9,000, regardless of district size. Data is not available for teacher’s out-of-pocket healthcare costs. Figure 15 shows the share of districts providing benefits, the share of teachers receiving benefits, and the average benefit amount by MHSA classification.

**Figure 15: Teacher Benefit by Type and District Size**

Benefit Type	MHSA	Districts	Staff	Average Benefit Amount
All Benefits	AA	100%	100%	\$14,650
	A	100%	100%	\$14,050
	B	100%	100%	\$13,510
	C	99%	99.7%	\$12,230
Health Insurance	AA	93%	87%	\$9,200
	A	94%	87%	\$9,390
	B	90%	87%	\$9,040
	C	93%	79%	\$8,840
Retirement	AA	100%	100%	\$6,580
	A	100%	100%	\$5,730
	B	100%	100%	\$5,440
	C	99%	99%	\$4,920
Other Benefits	AA	52%	76%	\$240
	A	32%	27%	\$450
	B	37%	27%	\$450
	C	39%	23%	\$790

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23. Percents are share of all districts and staff with benefits by size class.



# SECTION 2. ENTRY-LEVEL TEACHER COMPENSATION

Of particular interest for the recruitment of high-quality educators in Montana are salaries offered to entry-level teachers. This section provides an analysis of the compensation provided to entry-level teachers during the 2022-23 academic year and how it varied across the state. Entry-level teachers are identified as individuals holding a bachelor’s degree without any years of prior experience.

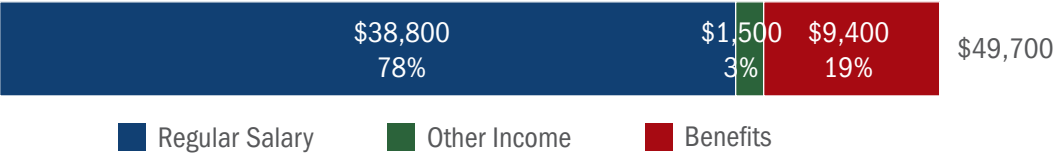
Total compensation for entry-level teachers amounted to \$49,700 on average, including salary, benefits, and non-salary wages. Regular salaries are the largest source of income for entry-level teachers, accounting for 78% of total compensation. Benefits make up another 19% of compensation. Non-salary income, such as stipends and bonuses, make up the remaining 3%. Figure 16 shows the total compensation by source for entry-level teachers.

**ENTRY-LEVEL TEACHERS**

This report defines entry-level teachers as from the Montana University System (MUS) bachelor’s degree graduates who graduated between summer 2021 and summer 2022, obtained initial licensure in 2022, and worked full-time in the 2022-23 academic year.

Although Montana’s public K-12 school system hires new graduates from non-MUS schools, data for these out-of-state and non-MUS campus graduates with graduation dates was unavailable.

**Figure 16: Entry-Level Teacher Compensation by Source**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.

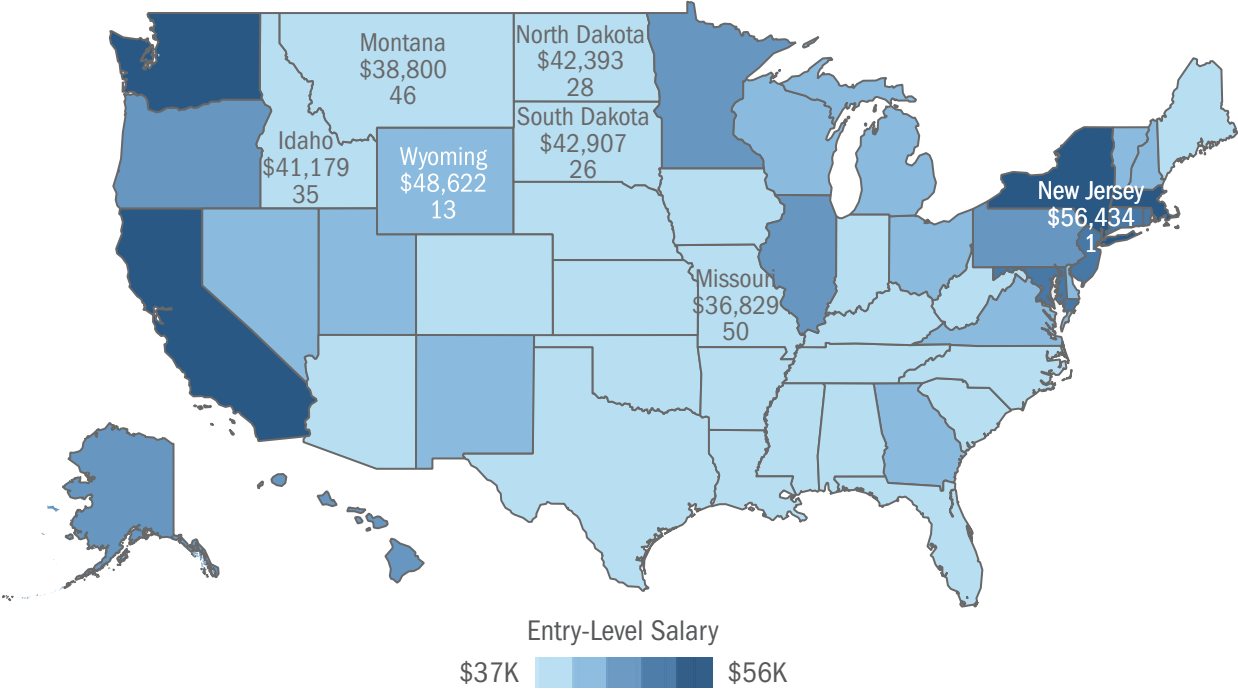
## 2.1 Entry-Level Teacher Salaries

Montana’s full-time entry-level teachers earned an average salary of \$38,800 during the 2022-23 academic year. Montana entry-level teachers earn less than the national average of \$44,530, ranking 46th highest among states.<sup>14</sup> Of the surrounding states, Montana’s entry-level teachers earn the lowest salaries. Figure 17 shows average entry-level salaries of public school teachers by state.

Entry-level teacher salary averaged \$38,800 in the 2022-23 academic year, ranking **46th** highest among states.



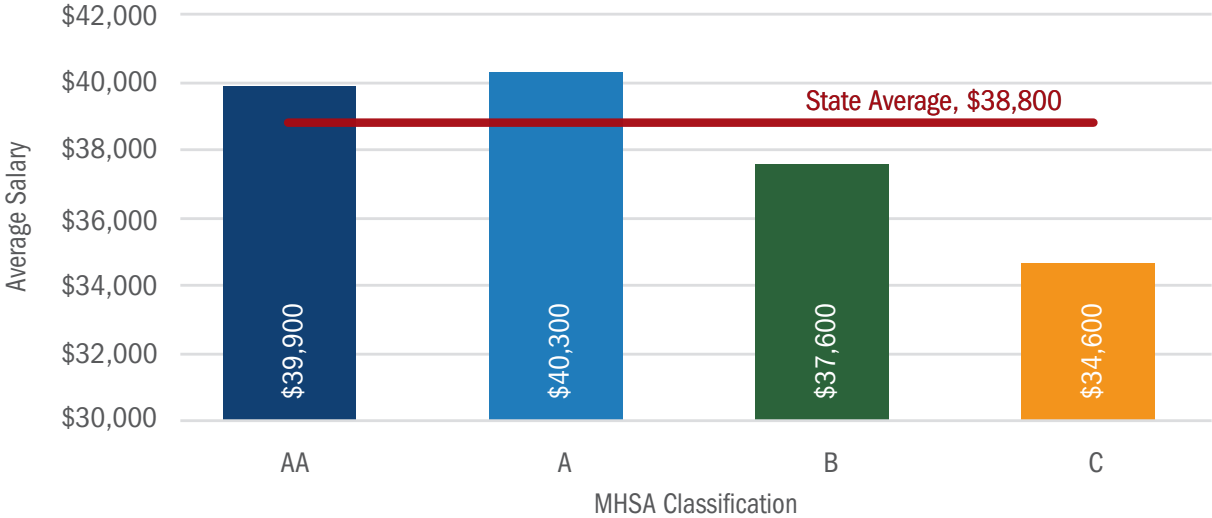
**Figure 17: Average Entry-Level Salaries of Public School Teachers**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. State estimates from NEA.

Salaries for entry-level teachers increase by district size, but with a smaller gap between small and large districts than for teachers overall. Class AA and A schools pay entry-level teachers similarly, with a salary of about \$40,000. Entry-level teachers at class C schools earn an average salary of \$34,600. The difference in compensation between small and large districts is nearly \$6,000. Figure 18 shows the salary paid to entry-level teachers by district size compared to the statewide average.

**Figure 18: Average Entry-Level Salary by District Size**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Teachers include full-time general education teachers, 2022-23

## 2.2 Benefits Provided to Entry-Level Teachers

Most entry-level teachers receive health insurance and retirement benefits. Entry-level teachers are nearly as likely as more experienced teachers to receive retirement benefits (98%) and health insurance benefits (76%). The average retirement benefit was \$3,700 and the average health insurance benefit was \$7,640, both lower than the average for all teachers. Retirement benefits are typically a percent of overall wages, explaining the lower amount for entry-level teachers.

**Figure 19: Average Entry-Level Benefit Amount**

Benefit Type	Districts	Staff	Average Benefit Amount
All Benefits	100%	100%	\$9,380
Health Insurance	80%	76%	\$7,640
Retirement	99%	98%	\$3,700
Other Benefits	30%	44%	\$190

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.

Benefits are provided uniformly across district size class. At least 70% of entry-level teachers in every size class receive health insurance benefits, with benefits ranging from \$7,500 to \$8,000. Retirement benefits are provided by almost every district. Only 4% of class C districts do not report retirement benefits. Retirement benefits range from \$3,250 to \$3,830 across class size. Figure 20 shows the average benefit amount for entry-level teachers by district size class.

**Figure 20: Average Entry-Level Benefit Amount by District Size**

Benefit Type	MHSA	Districts	Staff	Average Benefit Amount
All Benefits	AA	100%	100%	\$9,820
	A	100%	100%	\$9,900
	B	100%	100%	\$8,780
	C	100%	100%	\$7,980
Health Insurance	AA	95%	76%	\$7,520
	A	89%	80%	\$7,640
	B	74%	71%	\$8,050
	C	67%	71%	\$7,760
Retirement	AA	100%	100%	\$3,830
	A	100%	100%	\$3,770
	B	100%	100%	\$3,650
	C	96%	96%	\$3,250

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23. Percents are share of all districts and staff with benefits by size class.

## 2.3 Non-Salary Income for Entry-Level Teachers

Nearly 60% of entry-level teachers receive some form of non-salary income. The median amount earned is \$1,810, comprising 3% of total compensation. Teachers in smaller school districts are more likely to earn non-salary income than teachers in larger districts. The median non-salary income amount is also higher for smaller districts. However, it remains a small portion of total compensation regardless of district size. Figure 21 shows the median non-salary income for entry-level teachers.

**Figure 21: Entry-Level Teacher Non-Salary Income by Type**

Income Type	Districts	Staff	Median Annual Income
All Non-Salary Income	70%	59%	\$1,810
Stipends	66%	53%	\$1,950
Coach (Sports)	9%	6%	\$3,350
Extracurricular	2%	2%	\$640
Extra Duty - Requires License	2%	2%	\$1,500
Extra Duty - License Not Required	10%	7%	\$1,920
Position Code Not Listed	48%	41%	\$1,700
Bonuses	8%	5%	\$710
Overtime	2%	2%	\$1,290
Other Wage	10%	8%	\$400

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2022-23.

Over half (53%) of entry-level teachers earn stipends for additional duties. The median stipend amount is \$1,950, with pay varying by duty. Entry-level teachers are less likely to earn a stipend than the average teacher. This could be because teachers at the start of their career choose to focus on teaching rather than taking on extra responsibilities. It could also be that extra duties are not as widely available or known to new teachers.

Stipends are more common for entry-level teachers in smaller districts with lower salaries. Nearly 75% of entry-level teachers in class B districts earn a stipend. The median value of that stipend was \$2,080 in the 2022-23 academic year. Figure 22 shows how non-salary income varies for entry-level teachers by district size.



**Figure 22: Entry-Level Teacher Non-Salary Income by Type and District Size**

Income Type	MHSA	Districts	Staff	Median Annual Income
All Non-Salary Income	AA	73%	57%	\$1,620
	A	56%	40%	\$1,950
	B	74%	77%	\$2,100
	C	75%	67%	\$1,530
Stipends	AA	59%	47%	\$2,010
	A	56%	40%	\$1,950
	B	74%	74%	\$2,080
	C	71%	63%	\$1,210
Bonuses	AA	5%	3%	\$1,810
	A	0%	0%	NA
	B	4%	6%	\$1,500
	C	21%	21%	\$580

Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. NA=No class A school reports bonus payments. Percents reflect share of districts and staff with non-salary income by district size.

Only 5% of entry-level teachers received bonuses in the 2022-23 academic year, lower than the average across all teachers. Bonuses for entry-level teachers were most common in class C districts, where 21% of new teachers received a bonus. However, the median bonus amount remained small. Across all districts, the median bonus for entry-level teachers was \$710.





# SECTION 3. TEACHER WAGE GROWTH AND COST OF LIVING

Persistently tight labor markets throughout the state have increased competition for workers and generated some of the fastest wage growth in the nation. Montana ranks 2nd in the nation for fastest wage growth since 2020, and is one of only two states where wage growth outpaced inflation. However, education has been the most significant drag on wage growth over the last three years, reporting real wage losses of 2.7%.<sup>15</sup> This section provides a more in-depth analysis of wage growth for Montana’s full-time general education teachers since 2018, and how wage growth compares to the rising cost of living across different areas of the state.

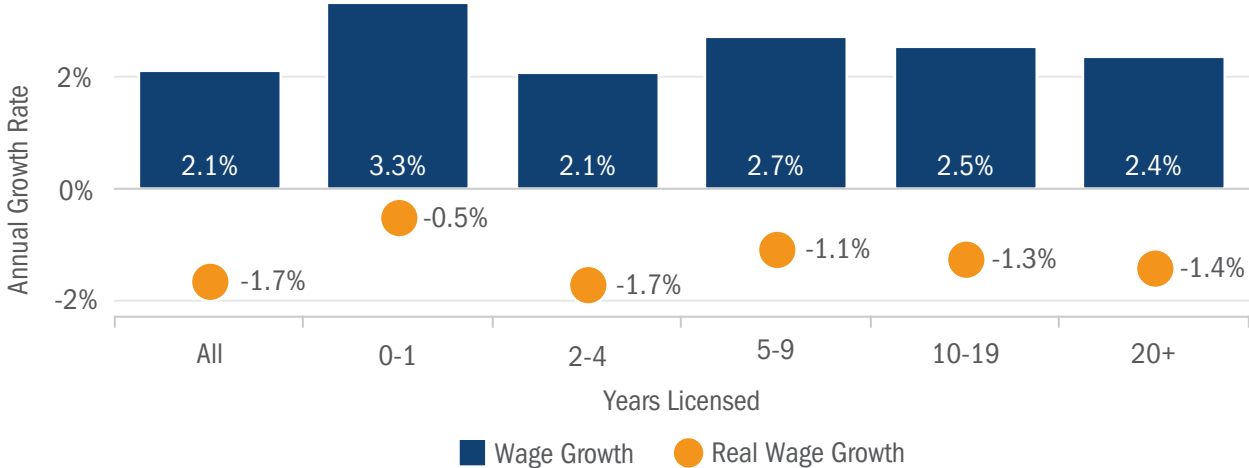
## 3.1 Wage Growth for Montana Teachers

The average salary for Montana general education teachers has risen 2% per year since the 2017-18 academic year. The average salary for teachers in 2017-18 was roughly \$53,000 and rose to over \$58,000 by the 2022-23 academic year. This growth was insufficient to overcome inflationary pressures, resulting in real wage losses of 1.7% per year over the last five years. Over the same period, the average Montana worker experienced 1.8% growth in wages on an inflation-adjusted basis.

Real wages fell by 1.7% per year for Montana’s full-time general education teachers from the 2017-18 to 2022-23 school years.

Figure 23 shows real and nominal wage growth for Montana’s full-time general education teachers by tenure. Average annual real wage growth was negative at every level of experience over the last five years. Negative real wage growth means that prices went up faster than wages, reducing purchasing power and therefore standard of living.

**Figure 23: Average Annual Wage Growth for Teachers by Years Licensed, 2018-2023**

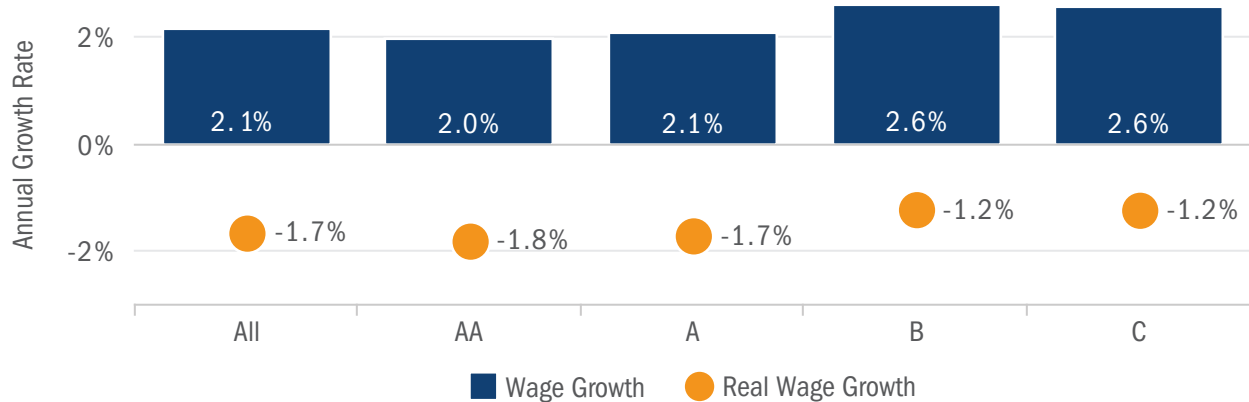


Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2017-18 and 2022-23. Real wage growth adjusted for inflation using the CPI-U.

Schools increased pay for new hires faster than any other experience level, as shown in Figure 23. The average newly hired teacher made \$37,000 during the 2017-18 school year. By the 2022-23 academic year new hires earned \$44,000 on average. This increase translates to 3.3% growth per year. However, after accounting for increases in the cost of living, real wages for new hires has fallen 0.5% per year over the last five years.

Wage growth also varied significantly by district size. Smaller districts increased teacher wages at a faster pace than some of the larger districts, perhaps due to tighter labor markets and more difficulty hiring. Figure 24 shows nominal and real wage growth by district size. Teacher wage growth remains negative on an inflation-adjusted basis across all district sizes.

**Figure 24: Average Annual Wage Growth for Teachers by District Size, 2018-2023**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers, 2017-2018, 2022-23. Real wage growth calculated using the CPI-U.

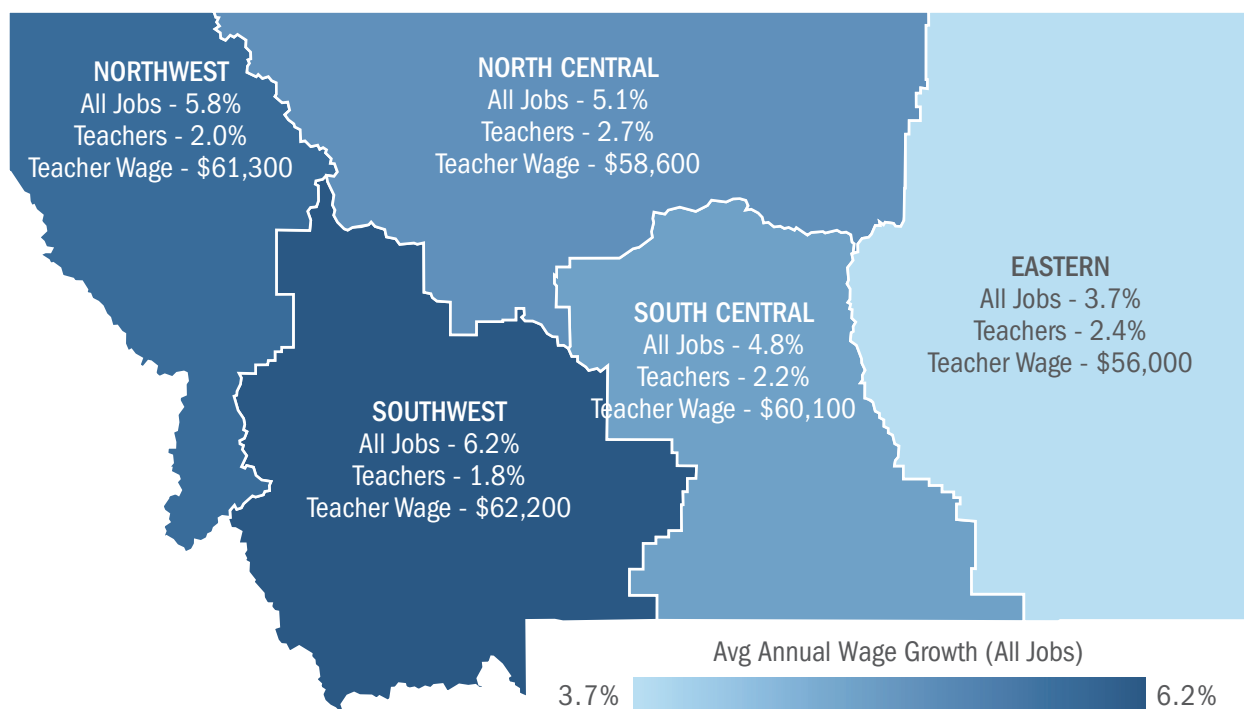
The state’s largest class AA school districts experienced the most significant losses in real wages for teachers over the last five years, falling by 1.8% per year. The state’s more experienced teachers in the largest districts had the slowest wage growth.

### 3.2 Cost of Living by Region

As a large state with a geographically dispersed population, the cost of living varies significantly in different areas of the state. The more populous western areas have experienced an influx of in-migration since 2020, driving a significant increase in the demand for goods and services in those areas. While teachers working in the larger western school districts report the highest wages among teachers, they also face significantly different prices than the more rural areas of the state. Figure 25 shows the average annual wage growth for Montana teachers compared to wage growth across all jobs. Wage growth in each region is used as a proxy for cost of living increases.



**Figure 25: Average Annual Wage Growth by Region, 2017-18 to 2022-23**



Source: BLS QCEW and OPI educator and DLI UI wage data match summarized by MTDLI. Average wage growth across all Montana jobs compared with full-time general education teachers.

Cost of living is growing most significantly in the west. Prices have risen by an estimated 6% annually over the last five years - nearly three times faster than teacher wages. Teacher wages have grown by about 2% per year in these regions, yet prices in the west have risen by an estimated 5.8% to 6.2% over the same period. Teacher wages have grown fastest in the rural North Central and Eastern regions, averaging 2.7% and 2.4% per year. However, this wage growth did not exceed cost of living growth.

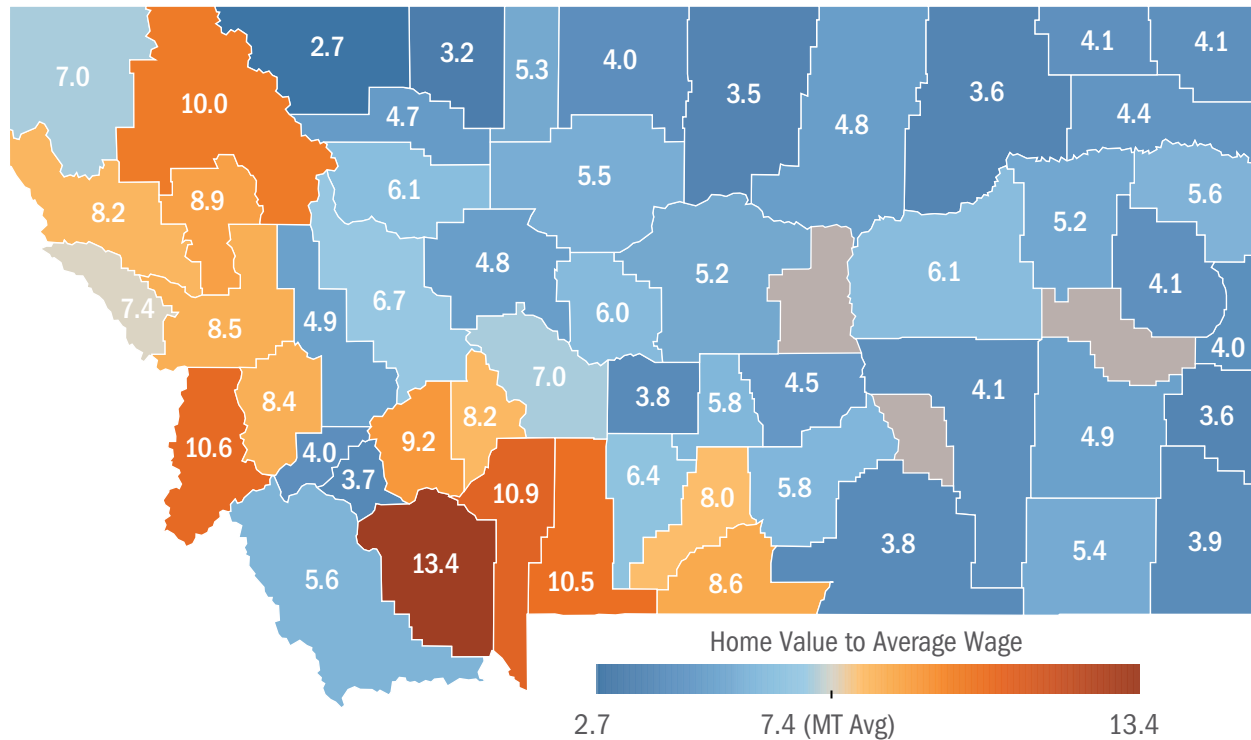
### 3.2.1 Housing Affordability for Montana Teachers

Housing costs remain one of the primary drivers of inflation and causes of regional variation in cost of living within the state. Montana's home values increased by 77% over the last five years, with the western portion of the state seeing the fastest growth and highest overall housing prices.<sup>16</sup> The typical Montana home value during the 2022-23 school year was \$453,900.<sup>17</sup> Financing this home under current labor market conditions would take monthly payments of nearly \$2,700, or over 50% of the average teacher's gross income.<sup>18</sup>

Housing affordability is a crucial element of the recruitment of new teachers, yet homeownership remains unaffordable for many entry-level teachers in the state. Entry-level teachers in urban areas would pay an estimated 58% of their monthly income on a starter home mortgage payment, and entry-level teachers in rural areas would pay an estimated 32%.<sup>19</sup>

The ratio of home prices to income can be used as a general comparison of affordability in a local labor market. Figure 26 shows how the average Montana teacher wage compares to the typical home value in each county of the state. Counties shaded orange have higher home value to wage ratios indicating less affordability than the Montana average. Counties shaded blue have lower home value to wage ratios indicating more affordable areas of the state.

**Figure 26: Ratio of Typical Home Value to Average Annual Teacher Wage**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Zillow ZHVI monthly average Jul22-Jun23. Includes Montana full-time general education teachers. ND = nondisclosable (less than 10 wage records).

The housing market is least affordable for Montana teachers in the western portion of the state, particularly in and around the larger towns of Bozeman, Kalispell, and Missoula. The typical home values in these areas range from 8 to 13 times the average teacher wage. The typical Montana home value is 7.4 times Montana’s full-time general education teacher wage.



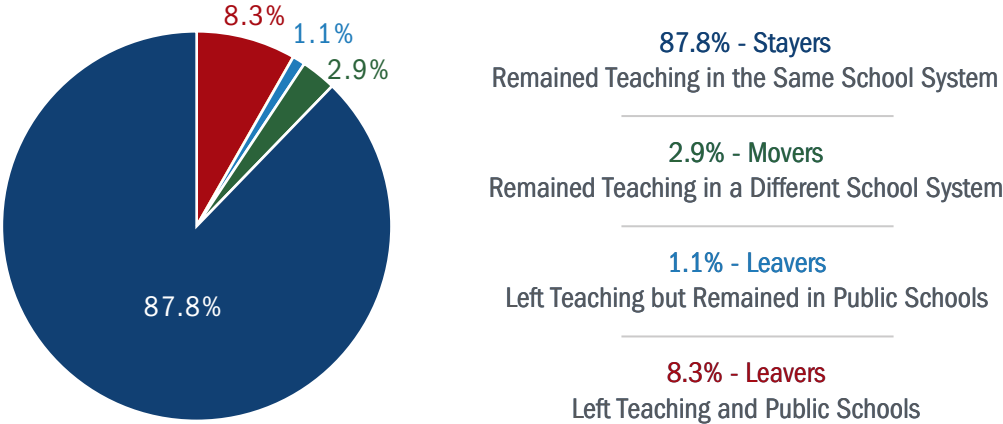
# SECTION 4. TEACHER LABOR MARKET DYNAMICS

Every year about 40% of Montanans leave their job – some switch jobs, others change careers, and others retire.<sup>20</sup> Worker mobility is a necessary component of a well-functioning labor market. However, high levels of turnover within a particular industry or occupation can be costly for businesses and workers alike. This section provides an in-depth analysis of teacher employment patterns, including turnover and the prevalence of multiple job holdings among Montana educators.

## 4.1 Educator Turnover

Over 9% of full-time general education teachers leave the teaching profession each year. This turnover rate is slightly higher than the national average of about 8%.<sup>21</sup> Most teachers leaving the profession exit the public school system altogether (8%), while a small share moves into non-teaching positions within public education (1%).<sup>22</sup> Often these teachers will move into administrative or support roles, which typically offer higher wages and may be more aligned with their personal interests. Figure 27 shows the average annual employment patterns of teachers between the 2013-14 and 2021-22 school years.

**Figure 27: Employment Patterns of Montana Teachers, Average Annual 2013-14 to 2021-22**

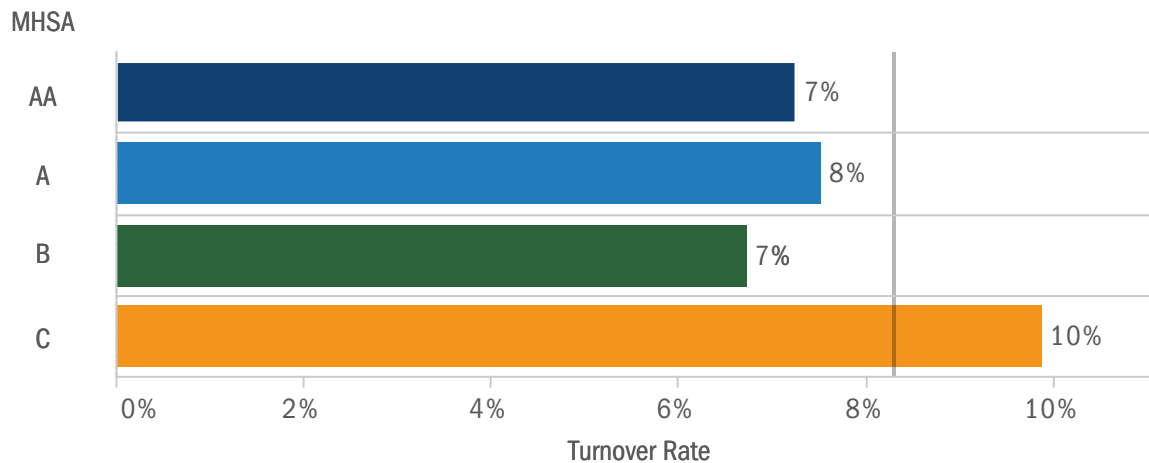


Source: OPI educator and DLI UI wage data match summarized by MTDLI. Stayers include teachers who moved into a different teacher role (supervising, Title I, special education, etc.). Includes annual averages for teachers employed in 2013-14 through 2021-22 compared with their employment status one year later.

Most Montana teachers (88%) remain in the same job each year. About 3% of all teachers remain teaching but move school systems. Teachers who move school systems tend to be younger with less experience and work in smaller districts. These teachers can often achieve more significant wage growth by switching to a larger district in the short-term. However, wage growth is similar in the long run for teachers who switched schools compared to those who remained with their initial school. Teachers who move school systems each year generate job openings at the schools they leave, but they also help fill openings at the other districts. Therefore, they have a net neutral impact on the supply of teachers statewide.

The largest component of educator turnover is teachers who leave the public education system. Approximately 8.3% of teachers leave the public K-12 school system each year. Teachers in the smallest and most rural districts are the most likely to leave. Figure 28 shows the share of teachers leaving public schools by class size.

**Figure 28: Turnover Rate by District Size for Teachers, 2022-2023**



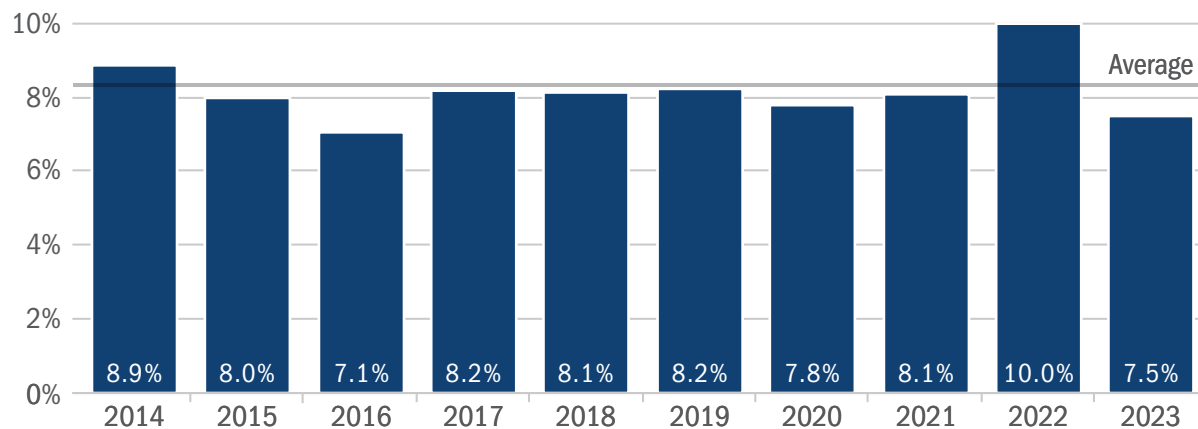
Source: OPI educator and DLI UI wage data match summarized by MTDLI. District size based on MHS classification. Includes Montana full-time general education teachers, 2022-23.

A considerable share (40%) of teachers leaving public education work for another Montana employer in the following year. Class C teachers who leave the public education system are less likely to find another job in Montana. Only 25% of these teachers are reemployed in the state in the following year. Those who are not employed may be retired, caregiving, enrolled in school, self-employed or working in another state.

### 4.1.1 Turnover Trends

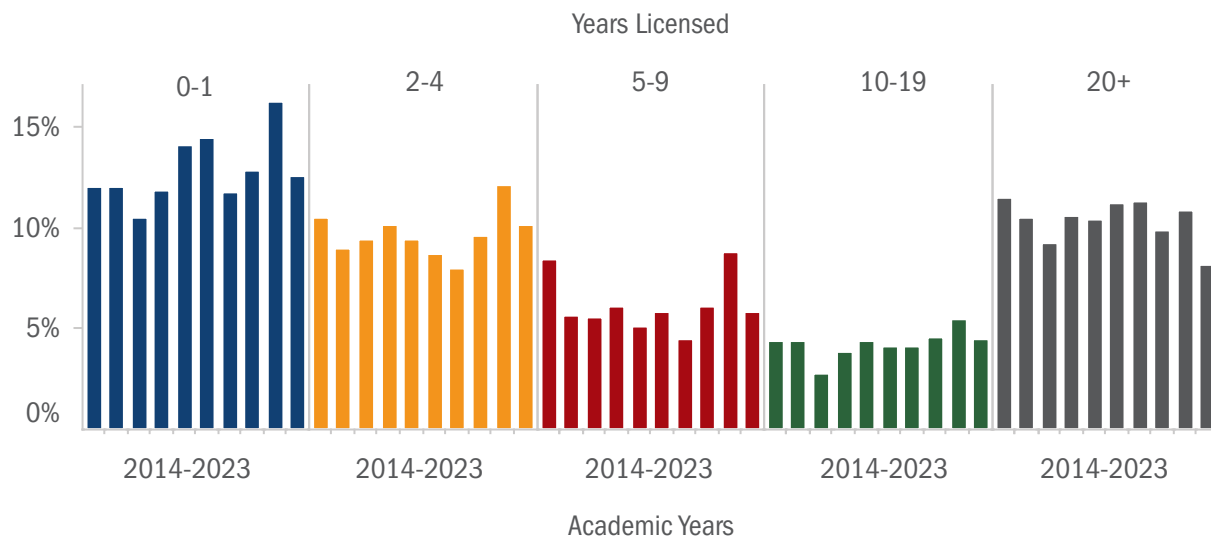
The share of Montana teachers leaving public schools has been relatively steady over the last decade, similar to national trends.<sup>23</sup> In Montana, the pandemic changed the rate at which teachers left public schools. Turnover fell after the 2019-20 school year, likely due to increased uncertainty with the economy. However, turnover spiked post pandemic as the economy recovered and burn out among teachers increased. Most teachers who left public education post-pandemic had less than ten years of experience. Teachers with more experience did not see as significant of an increase in turnover following the 2021-22 academic year. Figure 29 shows the share of teachers exiting public education between the 2013-14 and 2022-23 school years. Figure 30 shows how that turnover varies by years licensed.

**Figure 29: Percent of Teachers Leaving Public Schools**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. Year denotes last year employed by public school.

**Figure 30: Percent of Teachers Leaving Public Schools by Years Licensed**

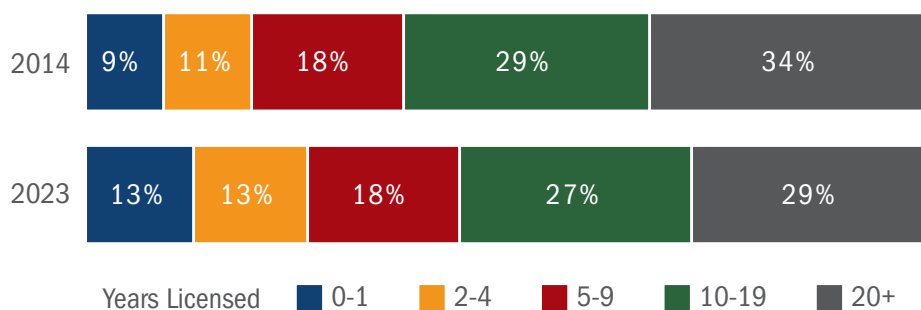


Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. Year denotes last year employed by public school.

The likelihood of teachers leaving public education is highest in the first few years of their career, and then decreases until they reach more than twenty years of experience. Approximately 13% of teachers with less than two years of experience left the public education system after 2022-23. Turnover dropped to 4% for teachers with 10 to 19 years of experience. Teachers with more than twenty years of experience are reaching retirement age – 8% left public education after the 2022-23 school year.

Teacher retirements have been a significant driver of turnover over the last ten years. Many teachers have retired from the public education system and have been replaced by new teachers with less experience. In 2014, over one-third of teachers had at least twenty years of experience. By 2023, that percentage had dropped to 29%. Figure 31 shows the share of teachers by years licensed for the school years 2013-2014 and 2022-23.

**Figure 31: Share of Teachers by Number of Years Licensed**



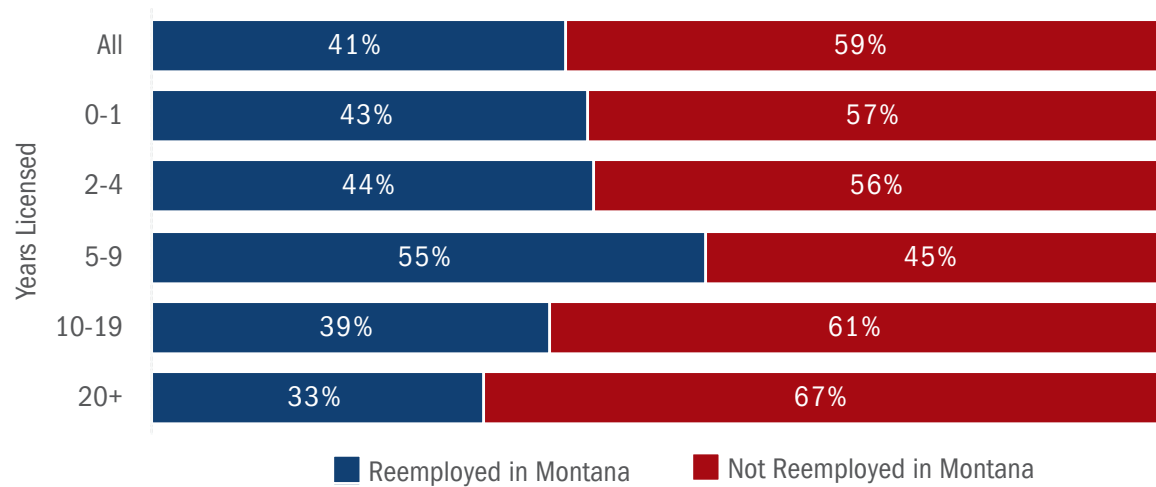
Source: OPI educator and DLI UI wage data match, summarized by MTDLI. Includes Montana full-time general education teachers, 2013-14 and 2022-23 academic years.

### 4.1.2 Workforce Outcomes for Teachers Leaving Public Schools

Just over 40% of teachers who leave public education work for a different Montana employer. The other 60% are either self-employed, moved out-of-state, retired, caregiving, or left the labor force for another reason. At least 13% of teachers who left Montana public schools took another job outside the state. About half of these teachers continue to work in education in another state.<sup>24</sup>

Teachers with less than ten years of experience are more likely to find another job in Montana than those who leave teaching after more than a decade. Figure 32 shows the percentage of teachers who left public education and work for another Montana employer the following year. Reemployment rates within the Montana economy are broken out by teacher tenure.

**Figure 32: Reemployment Status of Teachers Leaving Public Schools by Years Licensed**



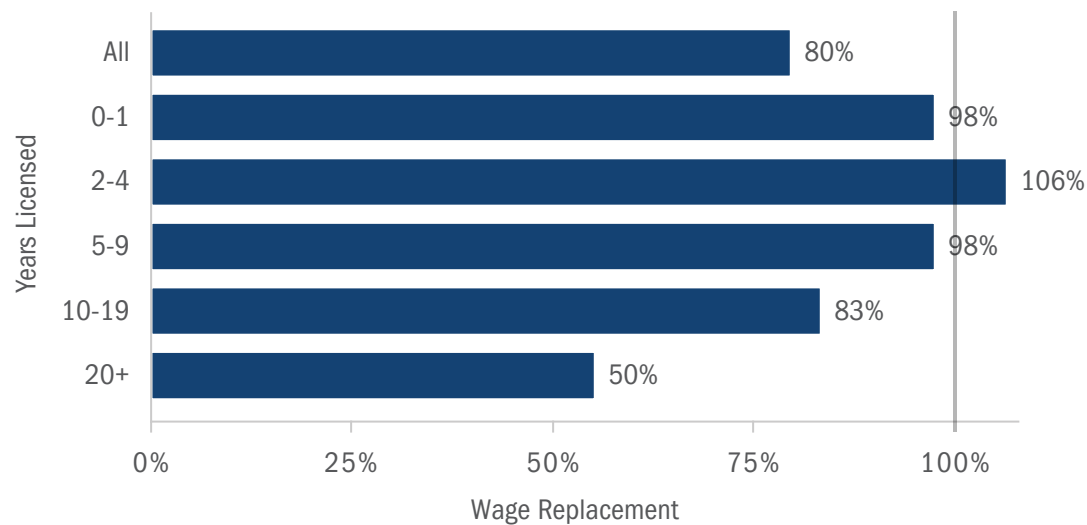
Source: DLI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers employed in the 2022-23 school year and working outside public education after 2023Q2.

On average, teachers who leave the public school system early in their career find similar or higher paying employment in the state. Teachers with more experience are less likely to find a higher paying job outside of the public education system. Educators with more than a decade of experience earn higher wages which are harder to replace. Those with more than twenty years of experience are likely eligible for retirement benefits and may not need to fully replace their salary if they leave the public education system. Figure 33 shows the wage replacement for teachers leaving public schools and finding continuous employment in a different industry.<sup>25</sup>





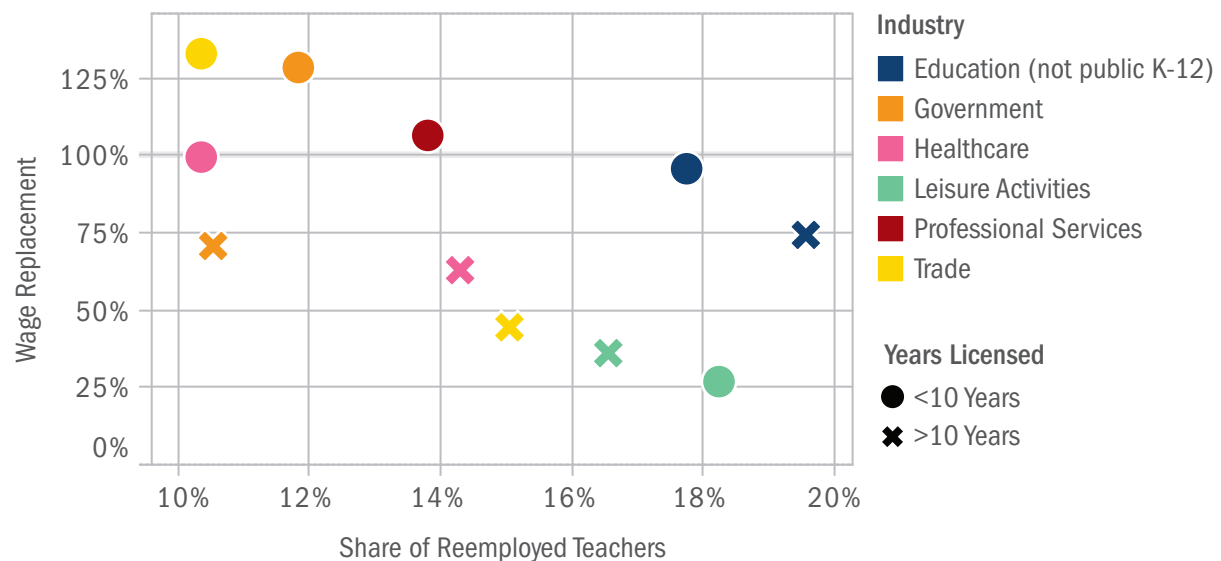
**Figure 33: Wage Replacement for Reemployed Teachers**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers employed in the 2022-23 school year and working outside public education after 2023Q2. Wage replacement estimate is wages earned in 2023Q4 and 2024Q1 compared with 50% of teacher salaries for consistently employed teachers (wages earned in 2023Q3, 2023Q4, and 2024Q1).

Teachers who find another job in Montana most often move to higher education, private education, or leisure activities. The leisure activities industry is one of Montana’s largest employing industries – including jobs in hotels, restaurants, and recreation. Teachers who leave the profession to work in this industry earn less than they did in the public school system. Figure 34 shows the distribution of employment by industry for teachers who change careers, and the wage replacement rate of their new career relative to their teacher salary.

**Figure 34: Employment and Wage Replacement by Industry for Reemployed Teachers**



Source: OPI educator and MTDLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers who left public schools after 2022-23. Industries with less than 10 workers excluded. Wage replacement shown is for consistently employed teachers i.e. those earning wages in each quarter between 2023Q3 and 2024Q1. Wage replacement is calculated as wages earned in 2023Q4 and 2024Q1 compared with 50% of teacher salaries.

Teachers who leave the profession with less than ten years of experience can replace their salary by working in trade, government, professional services, and healthcare. However, teachers leaving the profession with more than ten years of experience earn less in the subsequent year regardless of their employing industry.

### 4.2 Multiple Job Holdings

Teachers are more likely than the average Montana worker to hold multiple jobs.<sup>26</sup> Twenty-six percent of Montana’s full-time general education teachers earned income from a second job outside of the public school system during the 2022-23 school year.<sup>27</sup> The average earnings from a second job totaled about \$4,700. This extra income increases average earnings for teachers by about 8%. The rate of multiple job holders is consistent across district size, suggesting the appeal to earn extra income is similar for teachers at urban and rural school districts.

Many teachers work multiple jobs throughout the year, not just during summer months. At least 14% of full-time teachers work a second job during the school year, and 6% work multiple jobs year-round. Those working multiple jobs year-round report earning an average of \$10,400 annually from their second job. About 13% of teachers hold multiple jobs only in the summer, earning an average of \$2,300 from their summer employment. Figure 35 shows the share of teachers holding multiple jobs and the seasonality of those positions.

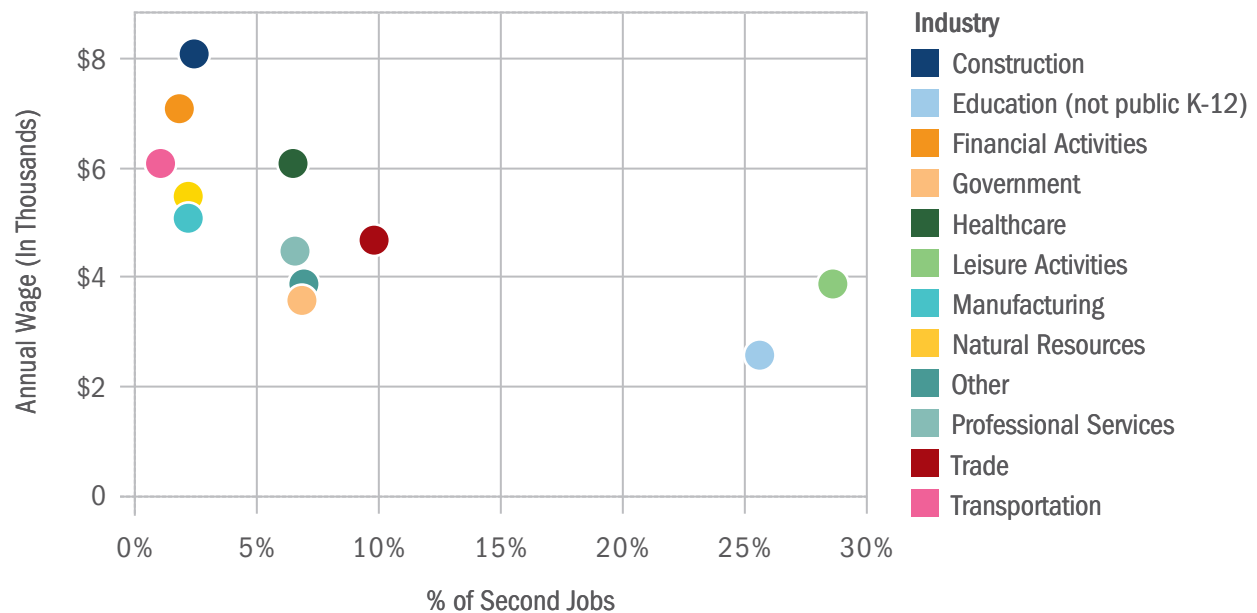
**Figure 35: Multiple Job Holding among Teachers by Seasonality of Job**

Season of Job	% of Teachers	Annual Income from Non-School Employers
Any Season	26%	\$4,700
Year Round	6%	\$10,400
School Year*	14%	\$7,000
Summer Only**	13%	\$2,300

Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. Second/multiple jobs are jobs with employers outside the public K-12 school system. \*Teachers working a second job during the school year are those where employment includes quarters 2022Q4 or 2023Q1. \*\*Teachers working summer only is estimated based on teachers working a second job exclusively in 2022Q2 and/or 2023Q2.

Teachers with second jobs most commonly work in leisure activities, postsecondary education, or private education. The leisure activities industry tends to be lower-wage jobs with a higher share of part-time employment compared with other industries. Teachers earn the most money from a second job in construction, financial activities, transportation, and healthcare. Figure 36 shows the share of teachers with a second job by industry.

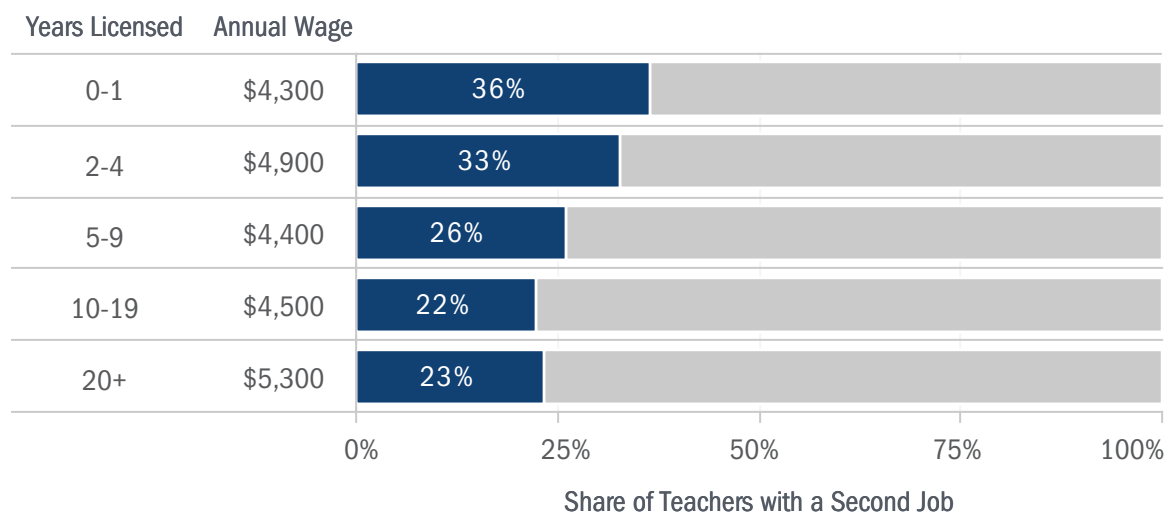
**Figure 36: Teacher's Second Jobs by Industry**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes full-time general education teachers. Second multiple jobs are jobs with employers outside the public K-12 school system.

The share of multiple job holdings is highest for teachers earlier in their career, when salaries are lowest. Multiple job holdings decrease as teachers gain experience. Newly licensed teachers are less likely to earn a stipend from additional duties than teachers with more tenure. Teachers may quit jobs outside the public education system and transition to additional duties within their school as they gain experience. However, the median stipend of \$1,900 is less than what teachers earn from a second job. Earnings from a second job are similar regardless of years licensed. Figure 37 shows the share of teachers with multiple jobs by number of years licensed.

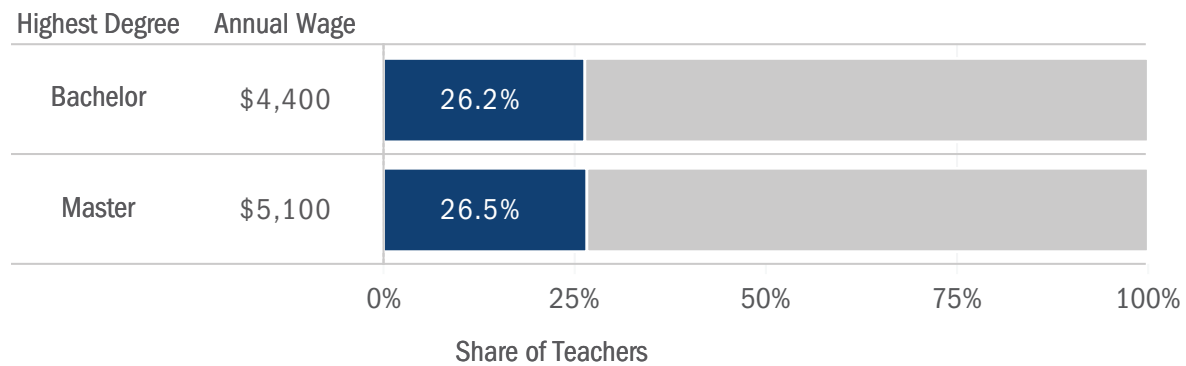
**Figure 37: Share of Teachers with a Second Job by Years Licensed**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. Second/multiple jobs are jobs with employers outside the public K-12 school system.

Teachers with a master’s degree are equally likely to hold a second job as teachers with a bachelor’s degree. However, teachers with a master’s degree tend to earn more income from that second job, raising their total earnings by about 7%. Regardless of education or experience, teachers are more likely to hold multiple jobs than the average Montana worker.

**Figure 38: Share of Teachers with a Second Job by Highest Level of Education**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes Montana full-time general education teachers. Second/multiple jobs are jobs with employers outside the public K-12 school system.



## CONCLUSION

Critical to the success of the state's public education system is the recruitment and retention of highly qualified teachers. Yet workforce challenges in education are well-documented, with a rise in teacher vacancies and an increase in emergency authorizations to fill critical roles in the public education system. A key component of teacher recruitment and retention is compensation, which is below the national average. The average salary for a Montana full-time general education teacher was \$58,600 in the 2022-23 academic year – ranking 34th highest among states. Compensation for entry-level teachers, with a bachelor's degree and no prior experience, is less competitive. Montana entry-level teachers earn \$38,800 on average, which is less than the national average of \$44,530 and ranks 46th highest among states.

Significant variation in compensation exists by district, with larger districts offering more competitive salaries than smaller districts. Salaries range from \$63,400 for teachers in class AA schools, to \$47,800 for teachers in class C schools. Increases in education and experience are also associated with increased compensation. Teachers with a master's degree earned an average salary of \$67,800, compared to \$54,200 for those with a bachelor's degree. Eighty percent of teachers were paid between \$39,300 and \$79,900, with salaries varying by education, tenure, school location, and school size.

Salaries are the primary component of total teacher compensation, comprising 78% of a teacher's pay. Another 3% of compensation comes from non-salary income, such as stipends, bonuses, and overtime. About 57% of teachers earned a stipend from curriculum development, coaching, directing activities, or other additional duties. Teachers in smaller districts are more likely to take on additional duties, and stipends are a more significant component of compensation in these districts. Benefits comprise another 19% of total compensation, with nearly all teachers receiving retirement and health insurance benefits.

Over time, Montana teachers have not experienced the same rapid wage growth as workers in other industries. Real wages fell by 1.7% per year for Montana teachers over the last five years. Negative real wage growth means that prices went up faster than wages, reducing purchasing power and therefore standard of living. Real wage losses persist regardless of district size or the education and experience of the teacher.

Persistently low salaries and wage growth have contributed to elevated turnover rates among Montana teachers. Over 9% of full-time general education teachers leave the teaching profession each year, higher than the national average. Teachers who remain in the profession are more likely than the average Montana worker to hold a second job. Twenty-six percent of Montana's full-time general education teachers earned income from a second job outside of the public school system during the 2022-2023 school year. These teachers worked multiple jobs to supplement their income throughout the year, not just during the summer months.

Montana educators provide critical support to the state economy, training the next generation of Montanans. The information provided in this report indicates Montana teacher compensation is among the lowest in the nation, impacting recruitment and retention efforts across the state. With the insights provided in this report, educators and policymakers can be better prepared to address teacher workforce challenges and design strategies to ensure the public education system is adequately resourced.

# APPENDIX A - METHODOLOGY

The MTDLI's research objective for this report is to summarize and publish accurate compensation estimates for Montana's educators to better understand variation in pay across the state. Reliable estimates require a combination of three data sources from MTDLI and OPI. The resulting cross-sectional dataset includes 393 school systems, 28,000 teaching and administrative employees, and 8,700 full-time teachers for the 2022-23 academic year.

## A.1 Description of Data

The primary data on educator compensation comes from the Compensation Expenditure Detail Reports collected by the OPI in accordance with 20-7-104, MCA. This reporting collects and reports information pertaining to all salaries paid to employees in the district in a fiscal year. The data are captured on the individual-level and includes personnel information such as job title and FTE, and additional compensation details like wages and benefits by source.

To verify the accuracy of the compensation data, OPI wage data is compared to MTDLI's unemployment insurance (UI) administrative wage records. The wage data comes from the mandatory reporting of payroll wages by employers to MTDLI for UI program purposes. The wages reported are the total amount of wages earned by a worker in a quarter.

The third primary data source is teacher licensure housed in the TeachMT (TMT) database at the OPI. These data provide information on teacher education, experience, and licensure. MUS graduate data from the Office of Commissioner of Higher Education (OCHE) is also used in this report to supplement data regarding teacher's highest level of education. The inclusion of licensure data and MUS graduate data allows for an analysis of compensation that accounts for variation in teacher qualifications. The licensure data is also used as an intermediary to connect OPI compensation data with MTDLI administrative wage records.

The data match is completed in a confidential and secure manner, with only aggregated results shared to prevent the disclosure of any protected information, consistent with MTDLI's data security standards. The figure below illustrates how the three primary data sources are combined.



## A.2 Data Match and Verification Results

Producing data of high quality and reliable accuracy is an essential aspect to MTDLI’s research on educator compensation. MTDLI took two steps to ensure data accuracy. First, individual-level wage data from OPI were compared to the individual’s UI wage records in the same period. 95% of OPI’s full-time general education teachers matched to an employee in the UI wage records. Of the records that matched, 89% of OPI’s teacher wages were within 2% of the UI wage records. The proximity of the match increases confidence in the OPI data.

Figure 39 shows the number of districts reporting educators, the number of full-time educators, and the share of that data considered reliable (matched to the UI wage records and within 2% of that UI wage). Administrator licensees and professional licensees both have a low share of reliable data, primarily due to a poor match with the UI wage records. Of the data that matched, most (80%) were reliable.

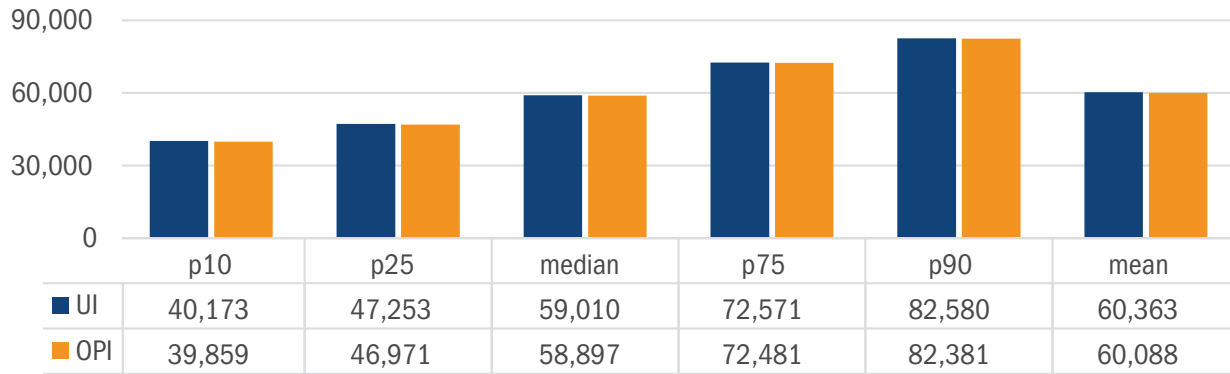
**Figure 39: Number of Full-Time Educators and the Share of Reliable Data, 2022-23**

Educator Type	Districts	Staff
Quality Educator	388	11,797 (80%)
Administrative License	235	676 (58%)
Professional License	86	255 (34%)
Educator License	388	\$10,887 (82%)
General Education Teacher	342	8,665 (83%)
Special Education Teacher	206	941 (82%)
Support	191	750 (82%)
Title I Teacher	58	102 (71%)
Program Coordinator	43	95 (46%)
Supervising Teacher	75	76 (50%)

Source: OPI educator and DLI UI wage data match summarized by MTDLI.

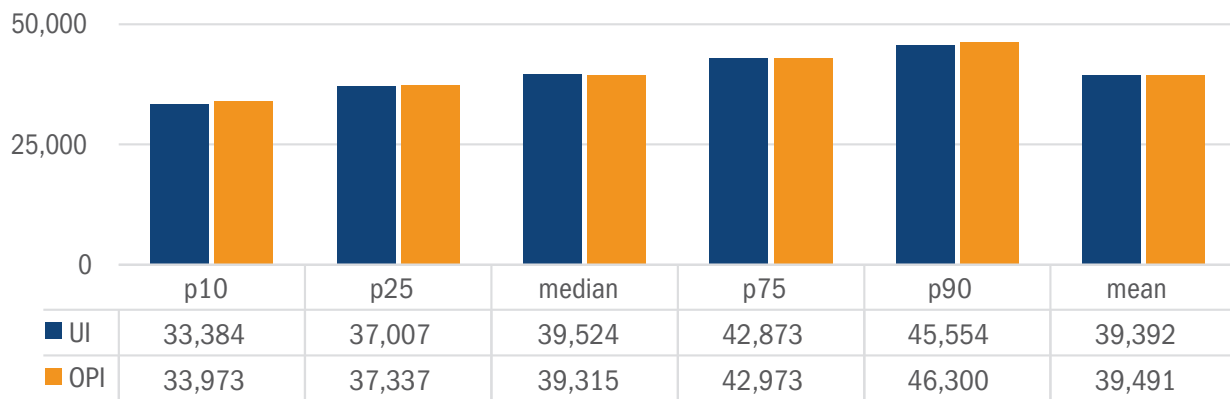
The second method of verification is to determine whether analysis of both data sources lead to consistent results. Figure 40 shows the estimated distributions of Montana teacher wages, derived from the UI data and the OPI data. Figure 41 shows estimated distributions for entry-level teachers. Both figures show OPI’s median wage estimates are within \$200 of UI’s median wage estimates, further increasing confidence in OPI’s data. MTDLI applied a similar method of verification for all estimates.

**Figure 40: MT Full-Time General Education Teachers Wage by Data Source**



Source: MTDLI UI administrative wage records, 2022Q3-23Q2. OPI and GEMS, 2022-23 school year. Teachers include position code TC01 (general education teachers) where FTE=1

**Figure 41: Entry-Level Full-Time General Education Teachers Wage by Data Source**



Source: MTDLI UI administrative wage records, 2022Q3-23Q2. OPI and GEMS, 2022-23 school year. Teachers include position code TC01 (general education teachers) where FTE=1

### A.3 Data Used for Estimates

Salary, non-salary income, and benefits reported in this publication are from OPI’s compensation Expenditure Detail Reports, having been validated by UI wage records to ensure reliable estimates. Although inconsistencies exist between the data sources used, MTDLI has been able to develop methods to ensure estimates produced are reasonably accurate.

Analyses of labor market dynamics over time, metrics on turnover, and multiple job holding, is sourced primarily from UI wage records. Historical turnover rates are estimated using ten years of OPI licensing data. Wage growth is estimated using Compensation Expenditure Detail Reports from the 2017-2018 school year compared with the 2022-23 school year.



# APPENDIX B - QUALITY EDUCATORS

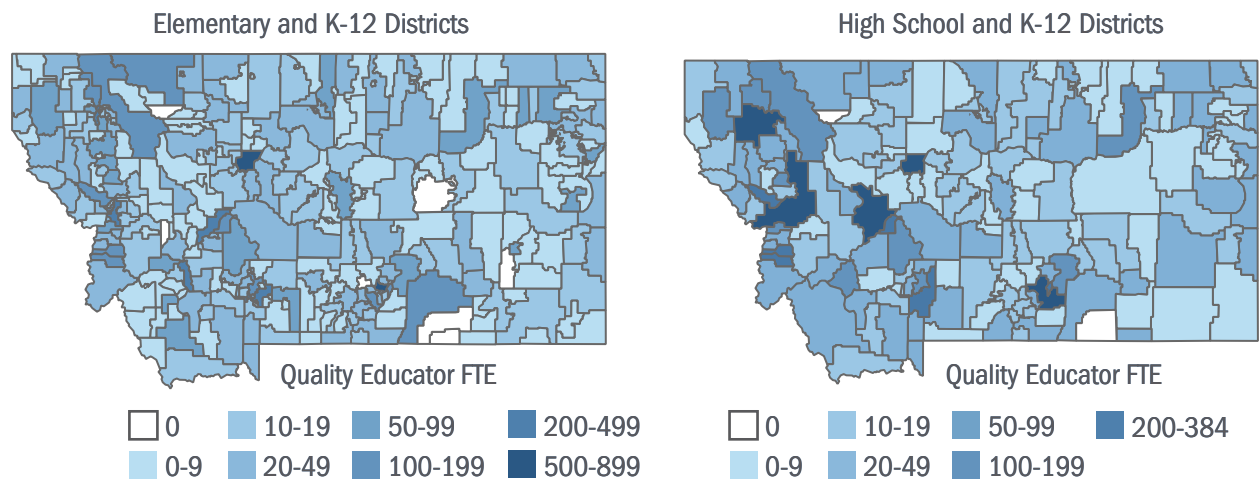
Montana’s quality educators refer to the 13,000 educators primarily working in a public school district, and holding an educator license, administrator license, or other professional license.<sup>28</sup> Professions by license type include:

**Educator License** – Teachers, including general education, special education, Title I, supervising, and gifted and talented. Support occupations such as school counselors and librarians. Program coordinators, activities/athletic directors, and instructional coaches. Quality educators exclude substitute teachers.

**Administrator License** – Primarily superintendents, principals, and curriculum coordinators.

**Professional licensees** – Include nurses, physical therapists, speech pathologists and audiologists, psychologists, social workers, licensed clinical professional counselors, occupational therapists, and nutritionists.

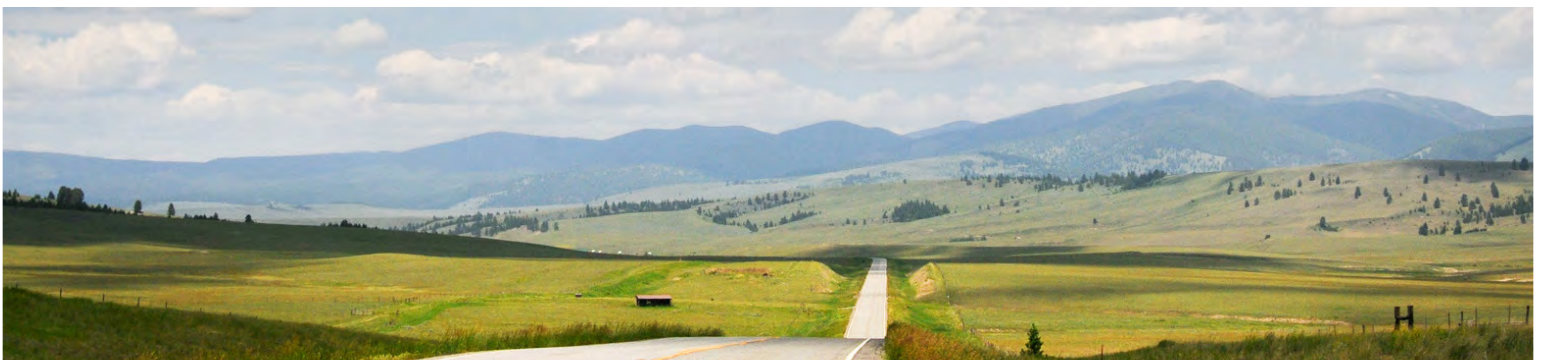
**Figure 42: Quality Educator FTE by Montana’s School District**



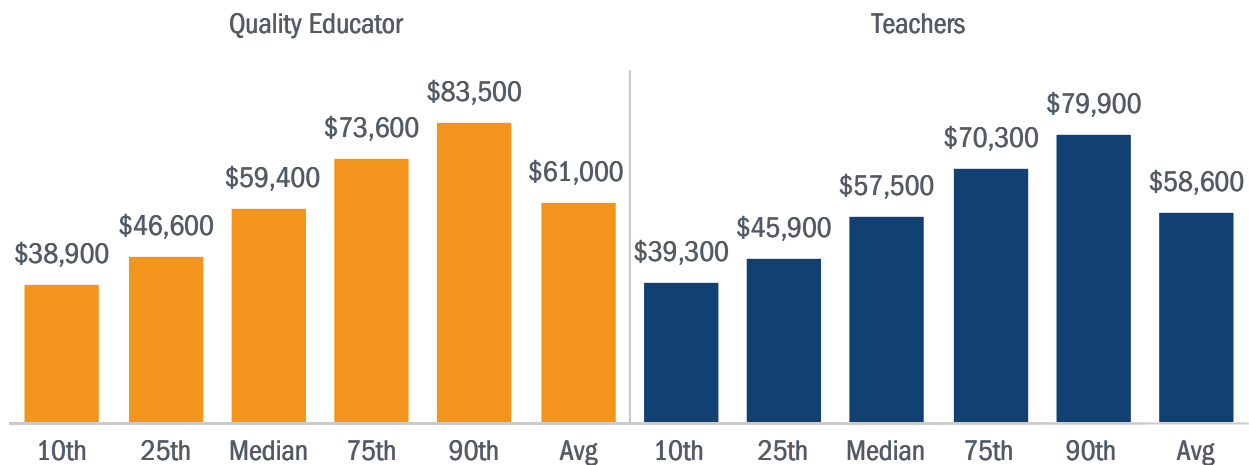
Source: OPI educator and U.S. Census Bureau 2023 TIGER/Line Shapefiles. Summarized by MTDLI.

## B.1 Quality Educator Salaries

Average salaries for all full-time quality educators were \$61,000 during the 2022-23 academic year, slightly higher than the average salary for general education teachers. Higher salaries for quality educators are related to the inclusion of highly paid administrator licensees. The salary distribution for full-time general education teachers and full-time quality educators is shown in Figure 43.



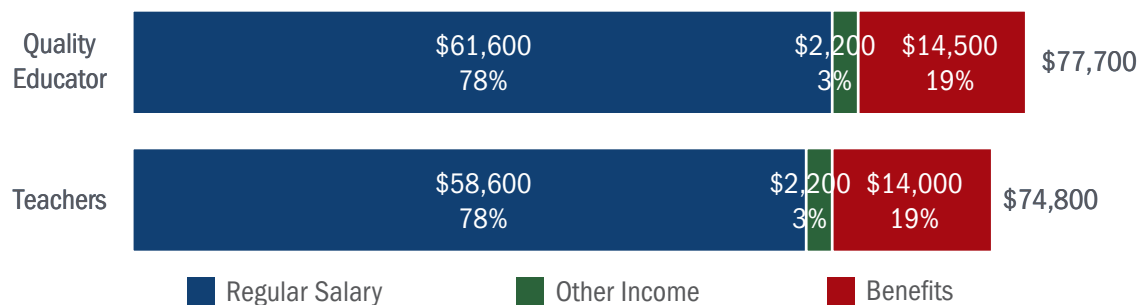
**Figure 43: Salary Distribution for Full-Time Quality Educators, 2022-2033**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes full-time educators, 2022-23.

Total compensation for full-time quality educators was \$77,700, higher than the average for full-time general education teachers as shown in Figure 44. Quality educators earn 78% of total compensation from salaries, 3% from non-salary income, and 19% from benefits, similar to general education teachers. Most quality educators receive health insurance benefits (85%) and retirement benefits (>99%). Most quality educators earn non-salary income (63%), but it is a small share of overall compensation. The share of quality educators receiving benefits and non-salary income is similar to general education teachers in Section 1.

**Figure 44: Quality Educators Compensation by Source**



Source: OPI educator and MTDLI UI wage data match, summarized by MTDLI. Include full-time educators, 2022-23.

Quality educators include three license types: administrator licenses, professional licenses, and educator licenses. Administrator licensees have the highest average salaries of the three licensing groups, and they are the primary reason quality educators have higher average salaries than general education teachers. Administrator licensees, including superintendents, principals, and other program coordinators/directors, earn about \$100,700 annually. Quality educators with a professional license, such as speech-language pathologists, nurses, occupational therapists, social workers, and others, earn about \$60,000 annually. Average salaries by license type and position are shown in Figure 45.

**Figure 45: Regular Salaries for Full-Time Quality Educators, 2022-2023**

Educator Type	# of Districts	# of Full-Time Educators	Average Annual Salary
Quality Educator	391	11,797	\$61,000
Administrative License	303	676	\$100,700
Professional License	123	255	\$60,000
Educator License	389	10,877	\$59,100
General Education Teacher	348	8,665	\$58,600
Special Education Teacher	286	941	\$58,300
Support	294	750	\$65,800
Title I Teacher	116	102	\$59,500
Program Coordinator	108	95	\$74,000
Supervising Teacher	96	76	\$43,400
Gifted and Talented Teacher	11	8	\$73,200

Source: OPI educator data and DLI UI wage data match summarized by MTDLI. Support includes school counselors, librarians, etc. Program coordinators include program coordinators, instructional coaches, etc.

Most quality educators hold an educator license, primarily working as general education teachers. Educator licensees earn an average salary of \$59,100 annually. Three educator positions earn similar salaries to this average, including general education teachers, special education teachers, and Title I teachers.

Supervising teachers have the lowest salary of all educator licensees, at about \$43,400. Most supervising teachers work in small schools with enrollment less than 50 students. Smaller schools are associated with lower pay (section 1.1.2). Supervising teachers are reported at 41 of the 45 school districts not reporting a general education teacher.

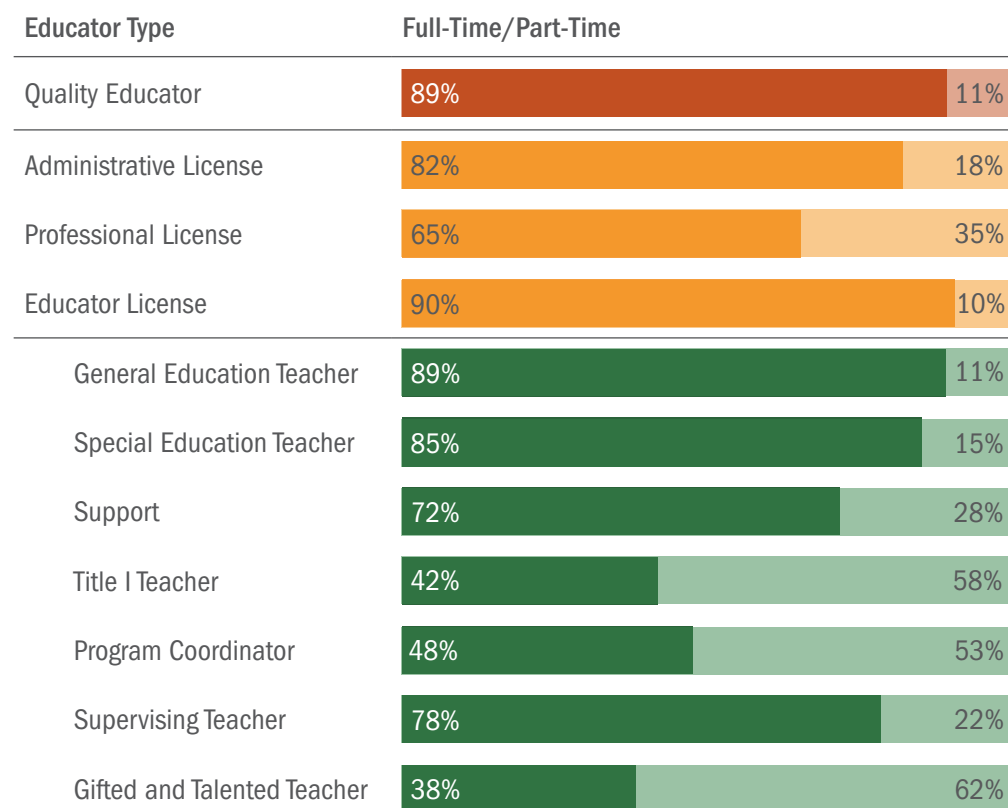
Gifted and talented teachers earn the highest salary of all teaching positions, at \$73,200. There are only three school districts reporting full-time gifted and talented teachers. These 8 gifted and talented teachers work at larger school districts, which are correlated with higher pay.

Educator licensees also include support occupations and program coordinators. Support occupations include school counselors, library media specialists, and school psychologists, earning an average salary of \$65,800. Program coordinators, including program coordinators without evaluation duties, activities and athletic directors, and instructional coaches, are the highest paid educator licensees, at about \$74,000.

## B.2 Quality Educators Work Full-Time

Most quality educators are full-time staff. However, about 11% of all quality educators and general education teachers are part-time. Part-time quality educators, general education teachers, and special education teachers are contracted for 0.6 FTE on average, with each earning an average annual salary of about \$49,000. Staff with a professional license are more likely to be part-time than other license types. Most Title I teachers, Gift and Talented teachers, and program coordinator positions are part-time. Figure 46 shows the share of educators working full-time by license type.

**Figure 46: Share of Educators by Part-Time/Full-Time Status, 2022-2023**

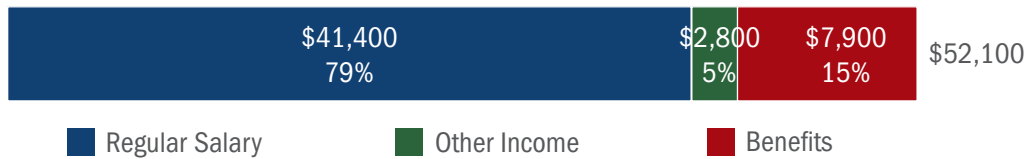


Source: OPI educator data and DLI UI wage data match summarized by MTDLI. Part-time defined as less than one FTE across all positions.

### B.3 Emergency Authorizations

Schools having difficulty recruiting and retaining licensed educators may hire an applicant who qualifies for emergency authorization. As unfilled teaching positions rise and number of initial licensure decrease, the state has experienced a dramatic increase in the number of emergency authorization of employments.<sup>29</sup> There were 166 emergency authorization of employments in the 2022-23 school year, used across all district sizes but most commonly in rural areas.<sup>30</sup> However, these teachers remain a small share of the entire workforce, with about 12,000 educator licensees in the state. Salaries of general education teachers with an emergency authorization are similar to newly licensed teachers, at about \$41,400 as shown in Figure 47.

**Figure 47: Teacher Compensation by Source for Emergency Authorization**



Source: OPI educator and DLI UI wage data match summarized by MTDLI. Includes full-time teachers 2022-23.



## Endnotes

- 1** OPI. Teacher Recruitment and Retention. Available at: <https://leg.mt.gov/content/Committees/Interim/2023-2024/Education/Meetings/september-2023/edic-OPI-RR-sep-2023.pdf>
- 2** National and non-Montana state estimates from the National Education Association's 2022-2023 Teacher Salary Benchmark report. In this report, salary estimates were based on collective bargaining agreements/salary schedules, using an unweighted district level average, meaning methodologies differ between these two reports. The report estimate for Montana was \$34,476, ranking 51st among states. Only 56% of Montana school districts were represented. Full report available: <https://www.nea.org/sites/default/files/2024-04/2022-2023-teacher-salary-benchmark-report.pdf>
- 3** 2024 Labor Day Report, MTDLI.
- 4** Assumes a 6.3% interest rate with a 3% down payment. The interest rate is the average 30-year mortgage rate from July 2022 to June 2023. The low down payment assumption reflects a first-time homebuyer. If the buyer was able to put 20% down then the mortgage payment would be about \$2,250, or 44% of the average teacher's gross income.
- 5** NCES. "Eight Percent of Public School Teachers Left Teaching in 2021, a Rate Unchanged Since Last Measured in 2012." Available: [https://nces.ed.gov/whatsnew/press\\_releases/12\\_13\\_2023.asp](https://nces.ed.gov/whatsnew/press_releases/12_13_2023.asp)
- 6** Office of Public Instruction. Teacher Recruitment and Retention. Prepared for the September 2023 Education Interim Committee meeting. Available at <https://leg.mt.gov/content/Committees/Interim/2023-2024/Education/Meetings/september-2023/edic-OPI-RR-sep-2023.pdf>
- 7** Quarterly Census of Employment and Wages (QCEW). Average wage for all industry 2022Q3 – 2023Q2.
- 8** National and non-Montana state estimates from National Education Association's Rankings of the States 2023 and Estimates of School Statistics 2024 report. In this report, salary estimates were based on state departments of education data except for four states, including Montana. Montana teacher salaries were estimated using Census ACS data for an average salary of \$56k, ranking 42nd. Full report available: [https://www.nea.org/sites/default/files/2024-04/2024\\_rankings\\_and\\_estimates\\_report.pdf](https://www.nea.org/sites/default/files/2024-04/2024_rankings_and_estimates_report.pdf)
- 9** Educational attainment for Montana's full-time general education teachers based on highest degree earned provided by OPI and OCHE. Educational attainment of teacher across the U.S. calculated by the National Center for Education Statistics (NCES) during the 2017-18 academic year. NCES estimate available: [https://nces.ed.gov/surveys/ntps/tables/ntps1718\\_fttable04\\_t1s.asp](https://nces.ed.gov/surveys/ntps/tables/ntps1718_fttable04_t1s.asp).
- 10** For non-salary income, the median is a better estimate than the average due to the significant variation in reported income. Teachers with high non-salary income skew average wages up significantly.
- 11** Some additional duties may be included as part of regular salaries depending on the contracted wage. This report focuses on reported stipends.
- 12** 5% of teachers at the start of their career receive a bonus, compared with about 7-9% across all other experience levels.
- 13** Average enrollment at these schools range from 5 to 534 students, with the average size being 97 students.
- 14** National and non-Montana state estimates from the National Education Association's 2022-2023 Teacher Salary Benchmark report. In this report, salary estimates were based on collective bargaining agreements/salary schedules, using an unweighted district level average, meaning methodologies differ between these two reports. The report estimate for Montana was \$34,476, ranking 51st among states including D.C. Only 56% of Montana school districts were represented. Full report available: <https://www.nea.org/sites/default/files/2024-04/2022-2023-teacher-salary-benchmark-report.pdf>

- 15** 2024 Labor Day Report. MTDLI.
- 16** FHFA. HPI. Purchase-Only Index.
- 17** Zillow.
- 18** Assumes a 6.3% interest rate with a 3% down payment. The interest rate is the average 30-year mortgage rate from July 2022 to June 2023. The low down payment assumption reflects a first-time homebuyer. If the buyer was able to put 20% down then the mortgage payment would be about \$2,250, or 44% of the average teacher's gross income.
- 19** Zillow All Homes – Bottom Tier. Urban estimate is the average value of Montana counties with population greater than 30,000. Rural is the average value of Montana counties with population less than 30,000.
- 20** Census QWI. Includes everyone who leaves their employer, not necessarily their occupation.
- 21** NCES. "Eight Percent of Public School Teachers Left Teaching in 2021, a Rate Unchanged Since Last Measured in 2012." Available: [https://nces.ed.gov/whatsnew/press\\_releases/12\\_13\\_2023.asp](https://nces.ed.gov/whatsnew/press_releases/12_13_2023.asp)
- 22** This analysis looks at general education teachers. General education teachers moving into a different type of teaching position are not counted as "leavers."
- 23** NCES. "Eight Percent of Public School Teachers Left Teaching in 2021, a Rate Unchanged Since Last Measured in 2012."
- 24** U.S. BLS Wage Record Program. August 2024.
- 25** About 72% of reemployed teachers earn wages in each quarter between 2023Q3 and 2024Q1. Wage replacement is calculated as wages earned in 2023Q4 and 2024Q1 compared with 50% of teacher salaries.
- 26** Sixteen percent of Montanans working year-round hold two or more jobs. MTDLI analysis of EQUI data.
- 27** Teachers may also hold multiple roles within their school district; however, to be considered a multiple job holder in this analysis they must work for another employer besides the public K-12 school system. Excludes self-employment.
- 28** A full list of position codes by license type and quality educator eligibility can be found here: <https://opi.mt.gov/Portals/182/Page%20Files/School%20Accreditation/PositionCodes%206.11.19.pdf?ver=2023-10-31-131244-787>.
- 29** OPI. Teacher Recruitment and Retention. Available at: <https://leg.mt.gov/content/Committees/Interim/2023-2024/Education/Meetings/september-2023/edic-OPI-RR-sep-2023.pdf>
- 30** OPI 2023 Educator Licensure Annual Report. Available at: <https://opi.mt.gov/Portals/182/Page%20Files/Board%20of%20Public%20Education/January%202024/2.%20Educator%20Licensure%20Report.pdf?ver=2024-02-28-134342-220>
- 31** OPI. Teacher Recruitment and Retention. Available at: <https://leg.mt.gov/content/Committees/Interim/2023-2024/Education/Meetings/september-2023/edic-OPI-RR-sep-2023.pdf>
- 32** National and non-Montana state estimates from the National Education Association's 2022-2023 Teacher Salary Benchmark report. In this report, salary estimates were based on collective bargaining agreements/salary schedules, using an unweighted district level average, meaning methodologies differ between these two reports. The report estimate for Montana was \$34,476, ranking 51st among states. Only 56% of Montana school districts were represented. Full report available: <https://www.nea.org/sites/default/files/2024-04/2022-2023-teacher-salary-benchmark-report.pdf>
- 33** 2024 Labor Day Report, MTDLI.

- 34** Assumes a 6.3% interest rate with a 3% down payment. The interest rate is the average 30-year mortgage rate from July 2022 to June 2023. The low down payment assumption reflects a first-time homebuyer. If the buyer was able to put 20% down then the mortgage payment would be about \$2,250, or 44% of the average teacher’s gross income.
- 35** NCES. “Eight Percent of Public School Teachers Left Teaching in 2021, a Rate Unchanged Since Last Measured in 2012.” Available: [https://nces.ed.gov/whatsnew/press\\_releases/12\\_13\\_2023.asp](https://nces.ed.gov/whatsnew/press_releases/12_13_2023.asp)