

# Follow the Incentives: A Teacher Quality Tale

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Follow the incentives is a virtual synonym of the well-known “follow the money.” Our K-12 education system is proof that we are in denial of the basic principle that behavior follows reward, and flees penalty. The incentives are quite often at odds with the public interest. Until we change the key incentives, attempts at education reform will be costly acts of futility; hope triumphing over experience.

The teacher quality mandates of the latest federal school reform initiative, the 2002 No Child Left Behind (NCLB) law are a prime example. Not a single state met the NCLB’s June, 2006 deadline for all teachers to highly qualified, nor will any comply any time soon. Like the unrealized “Goals 2000” that preceded NCLB, the teacher quality promise sounded good. Indeed, Albert Shanker, President of the American Federation of Teachers for nearly 30 years, said 1/4 were incompetent (750,000 incompetent teachers!!). Among the remainder, many are not qualified to teach the courses assigned to them. For example, 68% of eighth graders are taught math by teachers with no degree or certificate in the field. Add to that, the typical teacher receives no tangible reward for being effective, and suffers no penalty for ineffectiveness, and you understand why many of my economics students struggle with basic math. Luckily, working with children yields many intangible rewards. Without that, the terribly low proficiency levels I reported in this space last week would be even worse. Many teachers try hard, and are innovative, despite the absence of tangible incentives to do so. But the overall terrible academic results match the weak and perverse incentives.

Think about the incentives a minute, and you quickly see why teaching attracts the least able college graduates, and why the most able among them have the highest turnover rates. Regardless of subject field shortages, incoming teachers are paid the same salary. So, teaching attracts many students with low-paying majors, and few from high-paying majors like math and science. So, English, History, and PhysEd Majors teach a lot of math and science courses. Then, we base raises on experience, not results. So, teachers with few opportunities outside teaching stay and collect their annual raises, often for not much more than just showing up. That’s part of the reason why we do poorly in well-staffed subjects like history. Many of those able to secure larger raises by leaving teaching – in high demand fields, and the most creative and energetic – seize the opportunity to improve their standard of living. We’ve got a school system that is attractive to the least able and asks them to do things they are not prepared for, and that is unattractive to the most able.

So, why don’t the school boards and superintendents dismiss those just showing up (or worse)? You know the answer. Follow the incentives. Even in Texas, where teacher unions are relatively weak, it is very difficult to fire a teacher. The long, costly,

and contentious dismissal process is enough to discourage a lot of people. Then add to that a public school, which is assured of students, can easily survive bad teachers, and they aren't paid by the boss, and it obvious why so many bad teachers are tolerated. Few parents have affordable alternatives to their assigned neighborhood public school. Schools of choice are much quicker to dismiss ineffective teachers. Parents can enroll their children elsewhere at no additional cost.

Actually, a careful look at the incentives of the world's most difficult, unnecessary job – school district superintendent (future piece in this space) – shows the situation to be even worse. Because lower quality schooling does not mean less funding (perversely, the opposite is more likely), superintendents do not even hire the best applicants. The brighter ones are seen as more likely to cause trouble. How so? They are more likely to resist the de-professionalization implied in being told what to teach, how to teach it ('teacher-proof' materials), including a precise timetable to follow. Micro-management, the political answer to persistent failure to wring significantly improved performance from the present system, is less offensive to the least able.