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The myths of the underpaid and overworked teachers in Pa. | Opinion

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by **JESSICA GRIFFIN / STAFF PHOTOGRAPHER**

Teachers marching down North Broad Street in May during a demonstration for a fair contract. Philadelphia teachers approved a new deal in June.

by **Antony Davies & James R. Harrigan**

During the dot-com bubble, workers with private retirement plans enjoyed fat returns. From 1990 through 2000, the S&P 500 quadrupled, meaning that the typical retirement portfolio averaged a 15 percent annual return over the course of an entire decade.

But while the stock-market boom was fantastic for workers with private retirement plans, Pennsylvania teachers didn't share the good fortune. They had defined benefit pensions, which are immune from market gyrations. That, and the fact that the Pennsylvania teacher retirement fund was fully funded, gave politicians the opening to win votes by boosting teacher retirement benefits to match the skyrocketing returns private retirement plans were getting.

What did politicians conveniently ignore? Teacher pension benefits are guaranteed, regardless of market performance. So while teachers' defined benefit pensions did not participate in the massive run-up from 1990 to 2000, they also didn't suffer when the S&P 500 fell by 40 percent from 2000 through 2009. And when the market tumbled, suddenly there wasn't enough money to pay for the lavish benefits politicians had promised.

Today, the Pennsylvania teacher pension fund is underfunded by about \$43 billion. To make good on our politicians' promises, Pennsylvania taxpayers will have to come up with that \$43 billion beyond what they currently pay in taxes.

Under current rules, Pennsylvania teachers contribute 7.5 percent of their salaries to the pension fund. In return, they receive about 78 percent of the average of their last three years' salaries after 35 years of service. Given average life expectancies, this means that teacher pensions generate about a 10 percent return on the employee's contributions. For a risk-free pension, that's an incredibly hefty return that results in a median annual pension of about \$62,000 for retired full-time teachers.

But if politicians don't raise taxes or find \$43 billion elsewhere, Pennsylvania teachers will have to take a pension cut. And if that happens we will surely hear the tired refrain that teachers are underpaid and overworked, and that any cut to their pensions would be an injustice of the first rank. But, at least in Pennsylvania, teachers are neither underpaid nor overworked, regardless of the frequency with which the claim is offered.

According to the 2015 state Department of Education database, the median salary for the 100,471 full-time, non-special-ed schoolteachers in Pennsylvania is about \$63,000. The median wage among Pennsylvania workers generally, by comparison, is \$36,670. But that comparison isn't entirely fair as teachers are better educated than the average worker. We'd expect them to earn more on that count alone.

Yet statewide, the median salary for all workers with bachelor's degrees is about \$47,000, vs. \$56,463 for similarly educated public school teachers. Public school teachers with graduate degrees have a median salary of \$68,174, which is about \$4,000 higher than that of Pennsylvania graduate-degree-holders in general. And this last group includes doctors, lawyers, and college professors.

Pennsylvania teachers are not paid well; they are paid very well.

But what of being overworked? Here too, the numbers do not bolster the claim.

A typical salaried worker puts in almost 2,500 work-hours over the course of a year. How does that compare with teachers? Suppose the typical teacher works 10 hours per school day and works 200 days per year, rather than the 180 days schools are legally required to be open. At that rate, the typical teacher works 2,000 hours per year. That's fewer hours than a typical salaried worker works, and the typical salaried worker doesn't have the job security of tenure.

Yesterday's politicians bought votes by taking a fiscally sound teacher pension plan and driving it far into debt. Tomorrow's politicians will have to choose between saddling taxpayers with the bill or cutting teacher pensions. Neither option will be popular, but one thing is certain: Pennsylvania teachers cannot claim that they should be spared the budgetary knife more than anyone else, because they are neither underpaid nor overworked.

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