

## ***Are Teachers and Professors Overpaid?***

In a recent Op-Ed in the *Las Vegas Review Journal* (March 30, 2011), we asked whether public service workers are overpaid relative to private-sector workers with equal education and experience. Our empirical analysis concluded that the higher wages earned by state and local public service workers nationwide are properly attributed to demographic factors, such as comparatively higher levels of educational attainment and experience for public service workers. In this article, we will address these questions with respect to education professionals in Nevada specifically. The data show that Nevada K-12 teachers and higher education faculty pay has fallen behind adjusted national norms for compensation of workers of comparable education and experience.

First, our analysis of 3.6 million salaries and other economic data over the past 22 years for Nevada and the rest of the USA shows that Nevada private-sector workers earn 4.1-percent *more* than private-sector workers with similar demographic factors nationwide. So, comparisons of public and private salaries in Nevada must adjust for the higher-than-national-average pay for private sector workers in this state.

Now turning to education professionals, we find that when the data are properly interpreted, K-12 teachers nationally earn 17.5-percent *less* than other college graduates in the private sector and higher education professors nationally earn 12.2-percent *less* than others with advanced degrees in the private sector. In Nevada, teachers earn 12.3-percent *less* than teachers in other states, while Nevada professors earn 17.7-percent *less* than professors in other states. Combining these findings, we conclude that Nevada teachers earn 27.6-percent *less* than other college graduates in the private sector nationwide, while Nevada professors earn 27.8-percent *less* than others with advanced degrees in the private sector nationwide.

Second, our analysis of 160 thousand data points for Nevada and the rest of the USA in 2010 shows that K-12 teachers nationally continue to earn 16.6-percent *less* than other college graduates. In Nevada, K-12 teachers also earn 16.5-percent *less* than teachers employed in other states. Combining these findings, we conclude that Nevada teachers earn 30.3-percent *less* than other college graduates in the private sector nationwide. Aside from teachers, Nevada local government employees (e.g., police and fire) earn 12.5-percent *more* than their counterparts in other states, although only 6.9-percent *more* than private-sector workers.

In 2010. Nevada professors achieve parity relative to other states. But, professors nationally still earn 11.04-percent *less* than others with advanced degrees in the private sector nationwide.

In sum, we can conclude that at the national level, K-12 teachers receive lower pay, given their education and experience, than private-sector workers. Moreover, teachers' pay lowers the premium on local government workers, on average, in all states. Nevada is not an exception. Rather, the effect of lowering the premium is larger in Nevada because Nevada teachers receive lower pay than teachers in other states.

Cuts to professorial pay may negate the slow gains that Nevada professors have made over approximately three decades. The prospect of K-12 teacher and higher education faculty pay causing Nevada teachers and faculty to fall even further behind those in the rest of the country bodes poorly for the *quality* of students Nevada professors will attempt to educate in the future.

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