

Prepared for the Pacific Northwest Regional Economic Conference, May 2025 Emily Trautman, Senior Economist



Workforce Shortages Affecting Public K-12 Schools

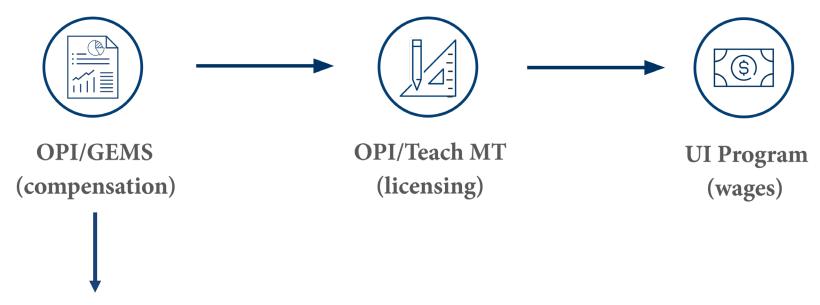
- Workforce shortages in Montana, impacting every industry across the state.
- Workforce shortages in public education.
 - Increased reports of teacher vacancies.
 - Increased use of emergency authorizations to fill critical roles.
- Montana teacher wages rank low nationally.



MTDLI Research Objective

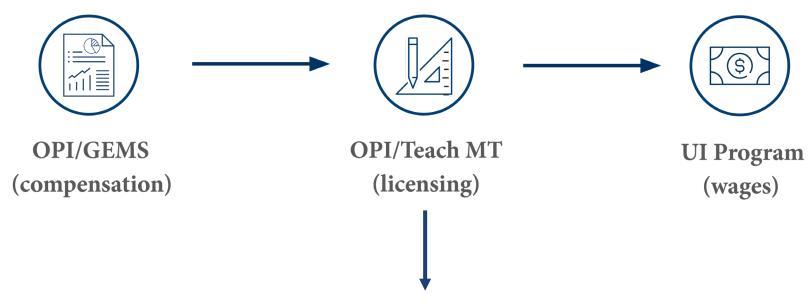
Develop a measure of total compensation received by K-12 public educators in Montana. Understand variation in compensation by school and teacher characteristics.





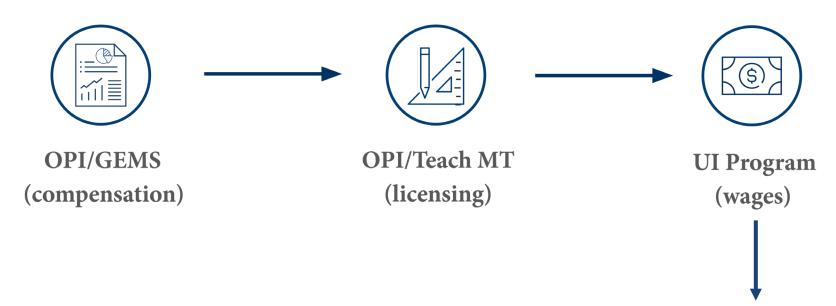
- Individual-level
- Compensation data e.g. salaries, stipends, benefits
- Personnel job title and FTE





- Individual-level licensure
 - Education
 - Initial Licensure Date



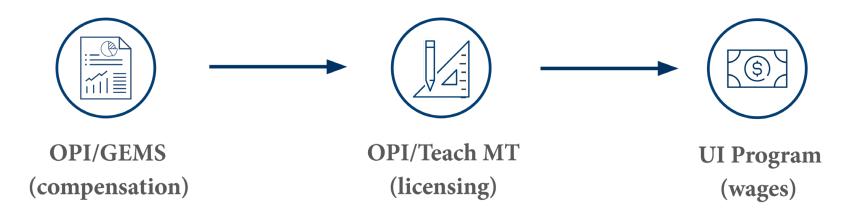


- Montana's UI wage records
 - Validate OPI data
 - Detailed analysis
 - Multiple job holdings
 - Turnover



Cross-sectional dataset for the 2022-23 school year, including:

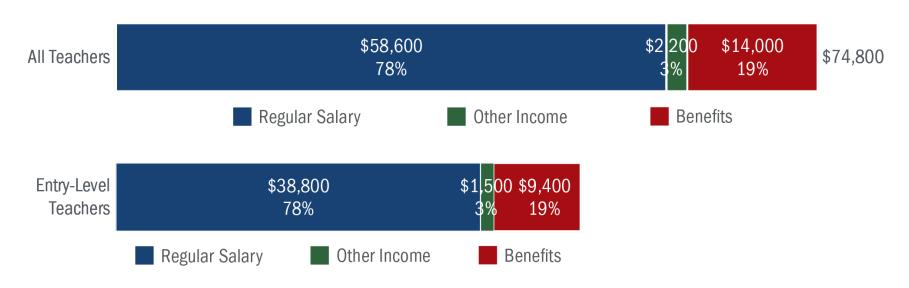
- 393 school districts
- 28,000 teaching and administrative employees
- 8,700 full-time general education teachers





Teachers Earn \$75k in Total Compensation, with salaries comprising most of overall compensation

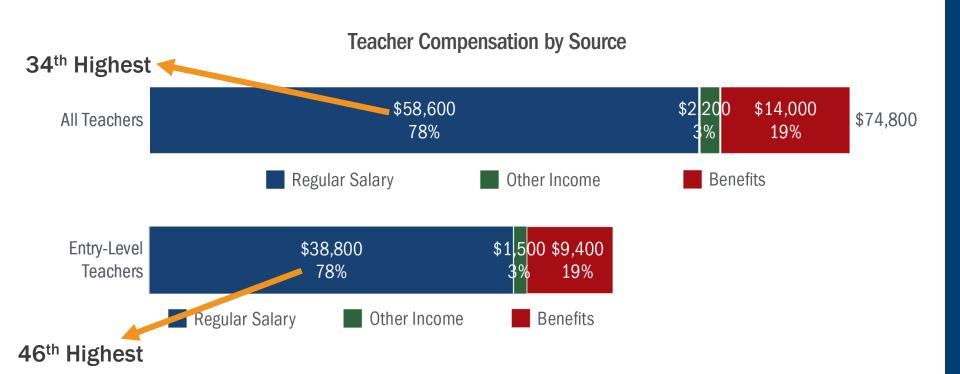




Teachers defined as full-time general education teachers throughout this report. Entry-level are individuals holding a bachelor's degree without any prior experience.



Teachers Earn \$75k in Total Compensation, with salaries comprising most of overall compensation



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80% of Teachers Paid Between \$39k-\$80k

Salary Distribution for Montana's Teachers





Salaries Vary by District Size with larger districts paying the highest salaries

Teacher Average Salary

Entry-Level Teacher Average Salary



Most teachers work in Class AA (47%) or Class A (23%) districts.



Salaries Increase with Education & Experience



Large districts offer higher salaries for similarly qualified teachers than smaller districts.



Real Wages Decreased for Teachers from the 2017-18 to 2022-23 school years

Average Annual Nominal and Real Wage Growth by Years Licensed



Real wages increased by 1.8% annually for the average Montana worker over the same time.

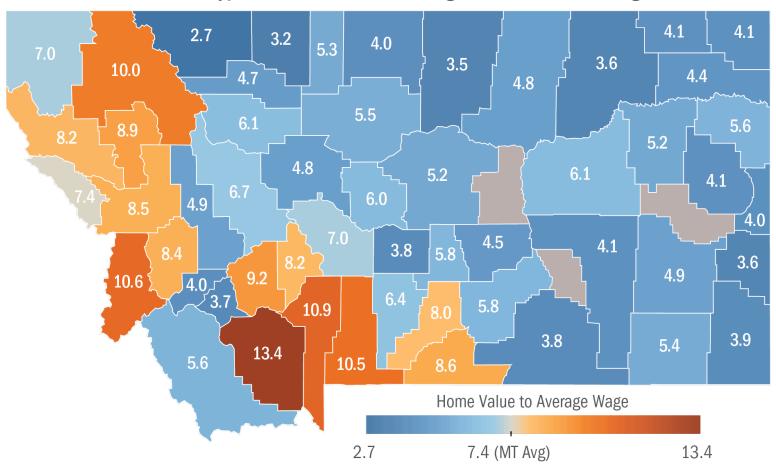


Source: MTDLI. Montana Teacher Compensation Report. 2024.

Housing Affordability

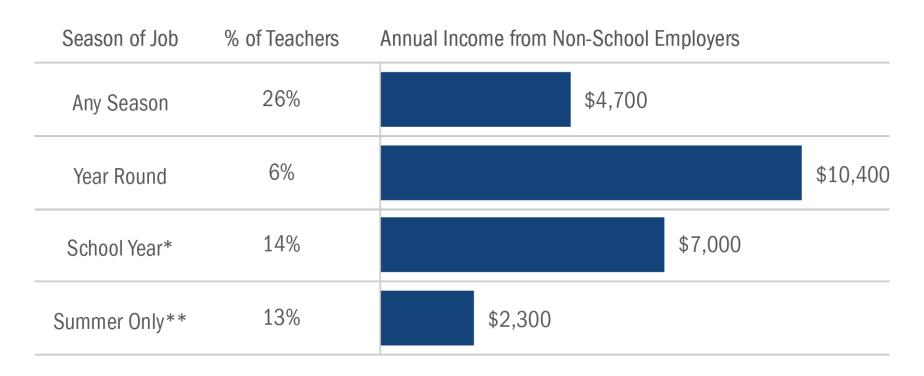
most challenging in the western part of Montana

Ratio of Typical Home Value to Average Annual Teacher Wage





Teachers More Likely to Hold a Second Job than other Montana year-round workers

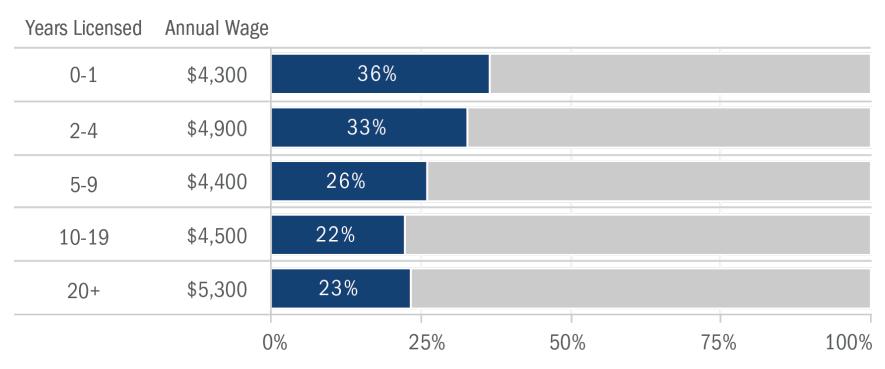


26% of teachers have a second job earning \$4,700 on average. 14% of teachers work a second job at some point during the school year.



Teachers More Likely to Hold a Second Job than other Montana year-round workers

Share of Teachers with a Second Job by Years Licensed

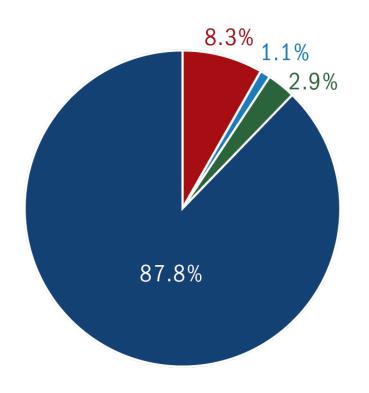


Share of Teachers with a Second Job



Source: MTDLI. Montana Teacher Compensation Report. 2024. 2022-2023 school year.

8% of Teachers Leave the Public School System Annually



87.8% - Stayers Remained Teaching in the Same School System

2.9% - Movers Remained Teaching in a Different School System

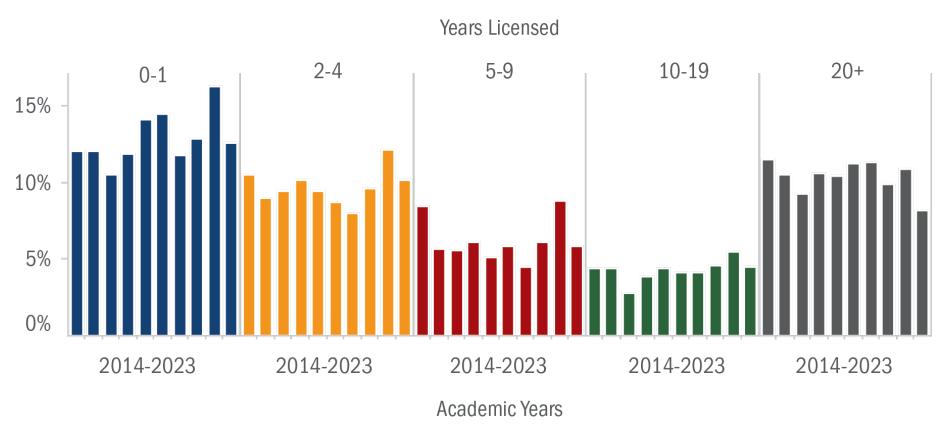
1.1% - Leavers Left Teaching but Remained in Public Schools

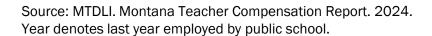
> 8.3% - Leavers Left Teaching and Public Schools



Turnover Decreases as Experience Increases spike in turnover after the 2021-22 school year

Percent of Teachers Leaving Public Schools by Years Licensed







41% of Teachers Who Left Public Education are Reemployed in Montana

Of the Teachers Leaving Public Education:

41% 59%

Reemployed in Montana

Not Reemployed in Montana

The other 59% are either self-employed, moved out-of-state, retired, caregiving, or left the labor force for another reason.



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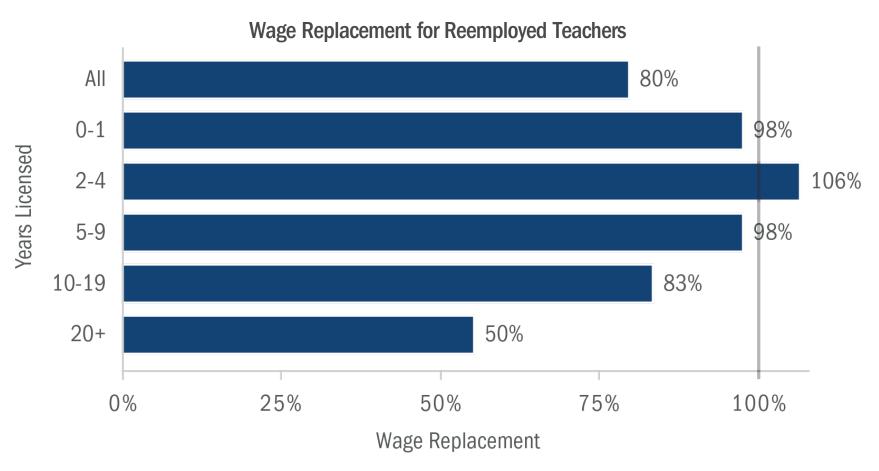
Reemployed in Montana

Not Reemployed in Montana

The other 59% 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.



Some Teachers Find Similar or Higher Paying Employment after leaving public education





Final Thoughts

Montana educators provide critical support to the state economy, training the next generation of Montanans

Workforce challenges in education are well-documented

- Vacancies
- Increased emergency authorizations

Entry-level teacher salaries not competitive with other states

Salaries improve as teachers gain experience

Teachers experienced real wage loss over last five years

- Other Montanan's experienced rapid wage growth
- Rising costs increase affordability challenges

Elevated turnover and high rates of multiple job holdings



Full Report Available:

lmi.mt.gov/publications



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