

## 25. Teachers' salaries

Teachers are the backbone of the education sector and their salaries represent the single largest cost item in education expenditures. Salaries and working conditions play an important role in attracting, motivating and retaining skilled teachers. In many OECD countries, salaries of teachers are set centrally, often through collective bargaining.

In most countries there are three categories of teachers: primary, lower secondary and upper secondary school teachers. In most OECD member countries, salary brackets increase not only with experience and qualifications, but also with the level of education taught. The data presented here compare the starting, mid-career and maximum statutory salaries of lower secondary teachers in public institutions who have the minimum level of training. These can provide an indication of differences in the returns to teaching experience in OECD member countries. However, international comparisons should consider that statutory salaries are just one, albeit a major, component of teachers' overall compensation. Variations between countries in social benefit and taxation systems as well as in the use of other financial incentives, such as regional allowances, can result in differences in total compensation.

The annual statutory salaries of lower secondary teachers with 15 years of experience range from less than USD 16 000 PPP in Hungary and Estonia to over USD 54 000 PPP in Germany, Ireland, Korea and Switzerland, and to more than USD 98 000 PPP in Luxembourg. In Korea and Portugal, top-of-the-scale salaries are more than 2.5 times greater than starting salaries, but it takes 37 and 31 years (respectively) to reach the top of the scale.

In general, teachers' salaries are less than the average annual wage for employees with a similar level of education (full-time, full-year workers with a tertiary education aged 25-64 years). Spain is the only country where teachers earn more. In New Zealand, Germany, Australia, Finland, Belgium and Sweden teachers' statutory salaries are almost at par with the average earnings of tertiary-educated workers. However, in the United States, Italy, Israel, Slovenia, Hungary, Iceland and the Czech Republic, teachers' salaries are considerably below the average earnings of workers with a tertiary degree. Teachers' salaries have not been adjusted for the differences in contractual working hours and holidays that may be relevant for national and international comparisons.

**Methodology and definitions**

Data refer to the school year 2007-08, from 1 July 2007 to 30 June 2008. Statutory salaries refer to scheduled salaries according to official pay scales. The salaries reported are gross (total sum paid by the employer before tax) less the employer's contribution to social security and pension (according to existing salary scales). They are for a full-time teacher with the minimum training necessary to be fully qualified at the beginning of the teacher career, after 15 years of teaching experience and at the maximum annual salary (top of the scale). Gross teachers' salaries were converted to USD using PPPs for GDP from the OECD *National Accounts Database*.

The relative salary indicator is calculated for the latest year with earnings data available. Teachers' salaries represent those paid after 15 years of work experience. Earnings for workers with a tertiary education are average earnings for full-time, full-year workers in the age group of 25-64 years with education at ISCED 5A/5B/6. For countries for which teachers' salary and workers' earnings information are not available for the same year, the indicator is adjusted for inflation using the GDP deflator.

**Further reading**

- OECD (2005), *Teachers Matter: Attracting, Developing and Retaining Effective Teachers*, OECD Publishing, Paris.
- OECD (2009), *Evaluating and Rewarding the Quality of Teachers: International Practices*, OECD Publishing, Paris.
- OECD (2010), *Education at a Glance 2010: OECD Indicators*, OECD Publishing, Paris.

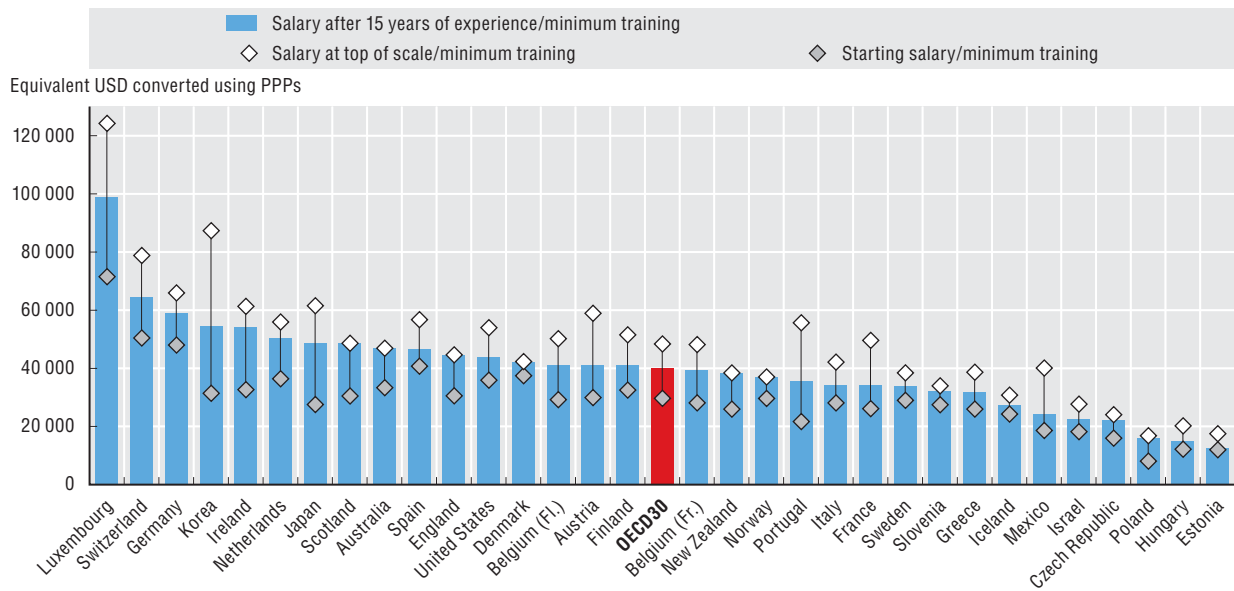
**Figure notes**

Data are not available for Canada, Chile, the Slovak Republic and Turkey. Belgium is presented as Belgium (Fr) and Belgium (Fl). The United Kingdom is presented as England and Scotland.

25.2: Data are not available for Ireland, Japan, Luxembourg, Mexico and Switzerland. Data for Finland, Korea, New Zealand, Norway, Spain and Sweden refer to 2007. Data for Austria, Belgium, Denmark, France, Greece, Iceland, Italy, Portugal and Slovenia refer to 2006.

Information on data for Israel: <http://dx.doi.org/10.1787/888932315602>.

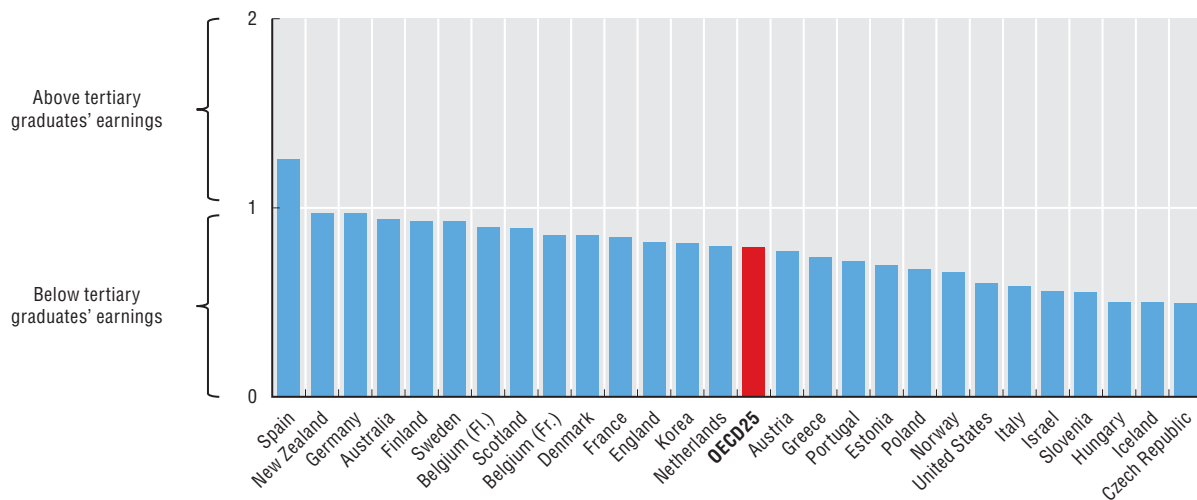
### 25.1 Teachers' salaries in lower secondary education in public institutions (2008)



Source: OECD (2010), *Education at a Glance 2010: OECD Indicators*, OECD Publishing, Paris.

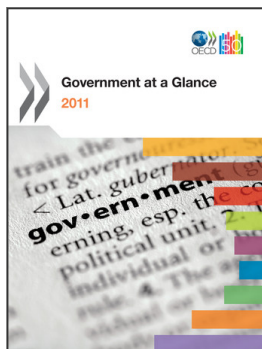
StatLink <http://dx.doi.org/10.1787/888932390671>

### 25.2 Ratio of teachers' salaries to earnings of tertiary-educated workers (2008)



Source: OECD (2010), *Education at a Glance 2010: OECD Indicators*, OECD Publishing, Paris.

StatLink <http://dx.doi.org/10.1787/888932390690>



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