



The Promises and Pitfalls of Alternative Teacher Compensation Approaches

EXECUTIVE SUMMARY

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What is the “best” way to pay teachers? Few policy makers are pleased with the current system, but attempts to move toward merit pay have largely been short-lived and unsuccessful. While there is no perfect teacher compensation system, research evidence can help policy makers choose and adapt a plan likely to work well within a particular context. Critics of both traditional compensation and newer alternatives are quick to point out the strengths of the system they support, but the limitations of individual systems are frequently misunderstood or unrecognized. To improve the viability of a new plan, policy makers and stakeholders should conduct extensive analyses before implementation.

Specifically, when considering an alternative compensation system, it is recommended that policy makers:

- Assess the district’s or state’s goals. Goals should be identified and prioritized.
- Determine whether and how new financial incentives might help meet these goals, whether it is feasible to motivate teachers to pursue a particular goal, and whether factors in the compensation system are aligned with existing programs.
- Design a compensation system aligned with intentions. Choices among teacher compensation systems involve variable cost, complexity, and tradeoffs; each alternative has unique advantages and challenges. In addition, the political context within which the system will operate must be considered, especially whether there will be long-term political and financial support.