

Housing Economic Effects on First Year Teachers

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Abstract: Although collective bargaining laws in California have been in existence for some time and have shaped the terms of contracts, California teachers still face economic hindrances. The economic reality of the housing market, in turn, results in the profession becoming less attractive for graduates, and the state of California continues to face teacher shortages. When looking at the cost of apartment across various cities compared with the income of teachers, the data demonstrates a consistent shortfall across the state.

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I. Literature Review And Background

Salary Negotiations

In 1975 then Governor Jerry Brown signed the Rodda Act (named for Senator Rodda) also called the Educational Employment Relations Act, affording California public school teachers collective bargaining rights (California Teachers Association). A California administrative body was created out of this legislation called Public Employment Relations Board (PERB). These laws and mechanisms have been actively utilized by teachers unions including more than 170 California public school strikes, sickouts and other work stoppages since 1975 (California Teachers Association). The activism has made a tangible difference. For instance in 2015, teachers not represented by a union had a -25.5 percent wage gap when viewed with other professions and the gap was 6 percentage points smaller for unionized teachers (Allegretto and Mishel, 2016).

Teaching Salaries when Compared to Other Types of Professions

Despite activism when compared with other types of professions, teachers are losing ground in comparable pay. Allegretto and Mishel, from the Economic Policy Institute stated “[t]he average weekly wages (inflation adjusted) of public-sector teachers decreased \$30 per week from 1996 to 2015, from \$1,122 to \$1,092 (in 2015 dollars). In contrast, weekly wages of all college graduates rose from \$1,292 to \$1,416 over this period.” (2016). Allegretto and Mishel also compare the wage gap to other professions “For all public-sector teachers, the relative wage gap (regression adjusted for education, experience, and other factors) has grown substantially since the mid-1990s: It was -1.8 percent in 1994 and grew to a record -17.0 percent in 2015” (2016).

Salary Effect on Teacher Recruitment

Not surprisingly the interest pursuing teaching as a career has gone down from 16% in 2010 to 5% in 2016 in students who are college bound. (Darling-Hammond, Furger, Shields, and Sutchter, 2016). This trend is especially problematic in the state of California. In 2015, 815 districts of registered voters stated that teacher shortages were a serious problem (Sutchter, 2018). California teacher shortages have become more pronounced since 2014-15 school year in areas such as math, science and special education (Freedberg, 2018). The Learning Policy Institute has stated that as of 2017, 80% of California school districts are understaffed (Sutchter, Carver-Thomas, and Darling-Hammond, 2018). “California school districts especially struggle staffing highly qualified teachers—those with full licensing, a bachelor’s degree, and subject matter competency in the subject the teacher teaches.” (de Wit, 2016, p.404). Shortages tend to disfavor minority students (Sutchter, 2018).

Housing

Housing, in fact, is the primary factor causing the choice of career as a teacher to be unaffordable. Of district respondents 61% thought more affordable housing would help with the shortfall (Sutchter, 2018). This fact is not surprising when examining the housing market.

The rule of thumb that no more than 30% of a person’s income including utilities should be spent on rent has come as a result of several government policies, including the United States National Housing Act of 1937 which created the national public housing program. This standard went down in the 1960 but has remained no more than 30% since 1981 (Elkins, 2018).

The variability of housing in relation to income becomes apparent when viewed with other states. According to the Bureau of Labor Statistics California teachers California (median \$69,990) ranks among the following five states with the highest median salaries for elementary school teachers: Massachusetts (\$69,890), Connecticut (\$70,820), Alaska (\$71,460), and New York (\$74,830) (U.S. Department of Labor, 2017). However, given the differentiation of living situations in California the picture becomes more complicated. Median rent for a one bedroom in Alaska runs approximately \$1200 (Falsey, 2017). Median rent in Connecticut was \$1115 in 2016 (Department of numbers, 2017). Massachusetts median rent was \$1,179 in 2016 but it should be noted that Boston is also rents as high as \$2,270 (Acitelli, 2018). The one state that may be comparable with variability of rent is New York, where average rent is \$1,281 (Department of numbers, New York 2017). However, in parts of New York City, rent can range from \$2000 to \$4000 a month (Hoffower, and Gal, 2018).

Federal Housing Programs

Although some federal programs exist accommodation to counter the problem of housing affordability for teachers, the scale of the problems is still large as the number of teachers in California is 313,989 as of 2016-2017 (California Department of Education, 2018).¹ Moreover, the salaries can seem federally disproportionately high as Californian costs of living is so different from the average. For example De Wit points out although the federal government provides HOME Investment Partnership Program, California teachers cannot benefit from the program due to the size of their salaries (2016).

II. Research Question

Here we examine the feasibility of California teachers to obtain housing at a proportionate rate throughout various cities in the state of California.

III. Methodology

In this study we have obtained teachers’ salaries from school districts in Northern and Southern California. We researched average rent for one bedroom and affordability.

Quantitative research methods were used in this study. The best format for data analysis was descriptive statistics calculating mean, variance, standard deviation, and matched pairs t-test between means. The purpose of this study is to compare 1st year teachers’ salaries to a mean of (61,025), which is the average for Californian’s per person salary. We would like to ascertain if teacher’s salary is within (below, at, over) the average Californian salary, including assessing rent and affordability. This will include other fields and industries, an average of all jobs.

IV. Results

California School District Teacher Salaries for School Year 2017-2018

Name of School District	1 st year Bachelor’s Degree	20 years, Master’s plus 45 credits
Pomona Unified School District	46,287	93,692
Oakland Unified School District	46,570	80,157
Los Angeles School District	50,368	
Brentwood Union District	54,205	91,972
Long Beach School District	57,697	103,374
Riverside Unified School District	59,843	110,063
San Francisco School District	60,552	89,828

Average Rent for One Bedroom/affordability

Riverside	1,267/1396
Pomona	1,270/1080
Brentwood	1,720/1264
Long Beach	1,746/1346
Los Angeles	2,017/1175
Oakland	2,294/1086
San Francisco	3,210/1413

¹ AB45 California School Employee Housing Assistance Grant Program was vetoed by the governor in January 2018. (California Legislative Information, 2018)

Descriptive Statistics

Mean	53,646
Variance	3629
SD	6024
μ_0	61,025

Matched Pairs T-test Between Means

Mean variable 2	1,932
T-statistic	23.194
SD variable 2	674.73

The mean for teachers' salaries comprised by the sample have concluded that teacher salaries are below the average for California, approximately a SD of 6024, which represents the dispersement of accuracy away from the mean. Riverside and San Francisco School District are close to the mean for California, reflecting only Riverside (1182), and San Francisco (473) below the mean.

Pomona (46,287) and Oakland (46,570) are far below the mean. Oakland School District salaries after 20 years of service (80,157) is 29,907 dollars below Riverside's salary. This represents a high discrepancy in salary because the rent in Oakland (2,294) is far more substantial than Riverside (1,267). The affordability formula has shown that Oakland 1st year teachers can only afford 1,086 dollars in monthly rent. If they would like to live in Oakland that is a discrepancy of 1208 dollars a month.

The mean in California for rent for one bedroom is 1,932 dollars. The average affordable average for 1st year teachers is 1,251 dollars. This represents 681 dollars below the average rent for one bedrooms. This indicates that 1st year teachers will have difficulty affording to rent which may result in ascertaining second jobs. In addition, teachers will have to commute extended distances to work because they may have to find housing farther away from their job sites.

V. Discussion

Teachers' salaries vary across of California. The data shows that 1st year teacher salary is not consistent /comparative to what teacher's need to pay for housing, meaning that 1st year teachers can't afford to live means of shelter, as well as the cost of living expenses other than rent are high in California so this furthers the burden. The questions that arise are what can school districts do to pay teachers more, and what possible options can state, and federal entities provide to assist teachers in obtaining higher salaries? Or can economic residuals change to provide better economic living opportunities and costs? Should there be economic infrastructure changes of lowering rent prices so the cost of living can lessen comparative to the increases year to year? This circumstance also begs the question of whether a full time college (often graduate educated) professional in what is agreed to be an important profession should be able to pay for their basic living needs in an area near the community they serve.

VI. Conclusion

California teachers' salaries are far below the formula of what is needed to afford housing. Living in San Francisco is not an option for 1st year teachers. 1st year teachers will need to acquire roommates to help pay living costs or accompany themselves with a significant other to assist in living costs.

Having two incomes within one household provides a better chance for affording housing. For example, two incomes of 60,552 (first year salary in SF school district) and 61,052 (the mean salary for one person in CA) equals 121,604, which a family household can afford 2,866 in rent. This will in turn allow families with two incomes to live in SF or in the surrounding area. However, what if a person does not have the option to another income, then there is an existing issue that is precipitating over year after year. One must also consider the increases in cost of living compared to the increases the school district provides for teachers.

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