



## A look at teachers' job requirements, employer costs, and benefits

*By Katherine Tare and McLeod Brown*

With the start of the fall season, teachers across the nation are faced with a new school year. Many teachers are organizing lesson plans, writing exams, and managing classrooms.

In light of this traditional fall routine, this **Beyond the Numbers** article uses data from the Bureau of Labor Statistics (BLS) Occupational Requirements Survey (ORS) program and the National Compensation Survey (NCS) to explore the educational and physical requirements for teachers at different levels in the educational services industry. In addition, the article highlights the cost of compensation and benefits to employers, such as healthcare insurance, paid leave, and retirement plans.

The educational services industry comprises establishments that provide instruction and training in a wide variety of subjects among elementary and secondary schools, junior colleges, universities and professional schools, technical and trade schools, and educational support services. Establishments in the private sector and in state and local government typically employ teachers, instructors, or similar positions to explain, tell, demonstrate, supervise, and direct learning.

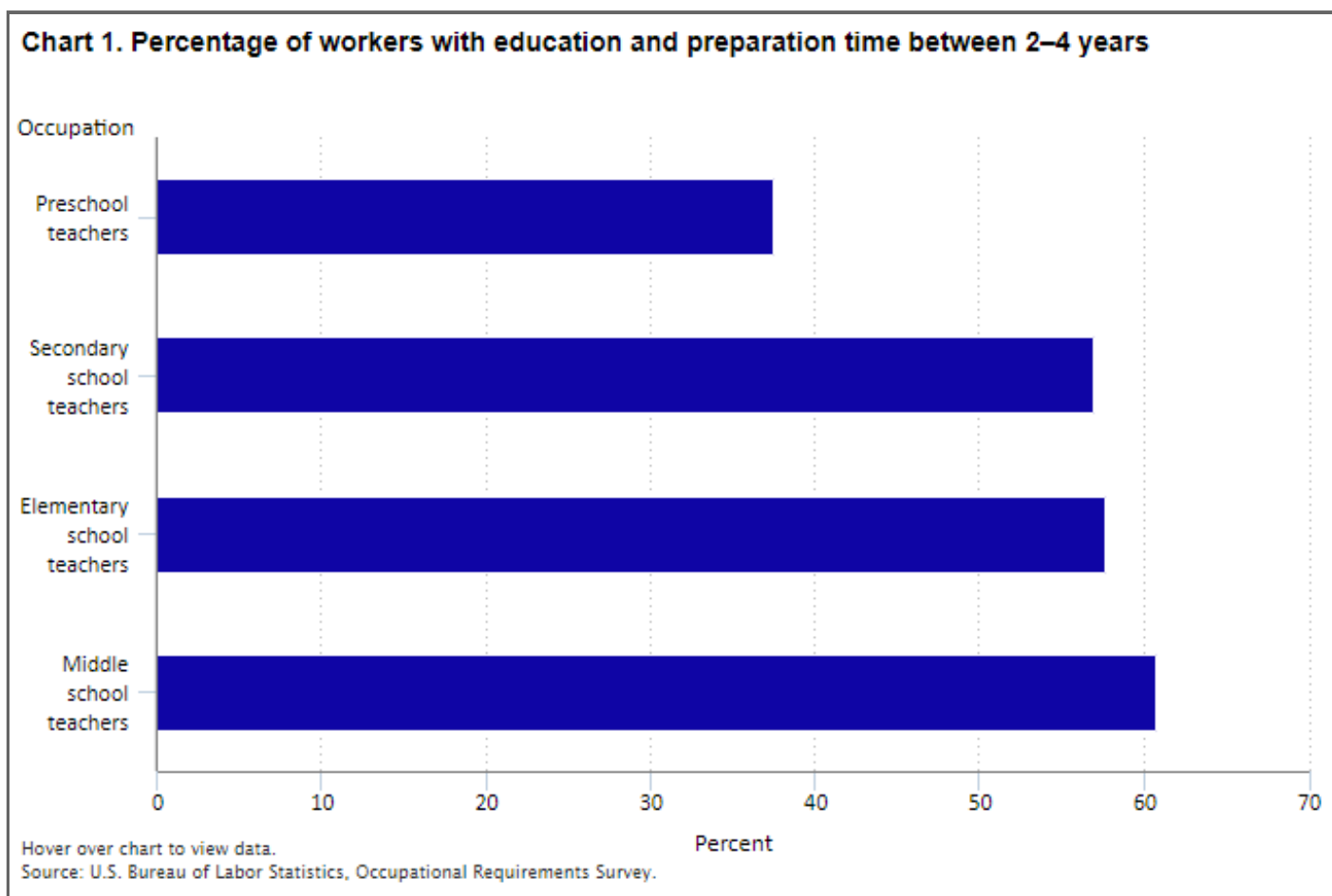
## Job requirements

The ORS provides job-related information regarding physical demands; environmental conditions; education, training, and experience; as well as cognitive and mental requirements for jobs in the U.S. economy.<sup>1</sup> Also, the ORS includes information about jobs in the private industry as well as state and local governments.

A bachelor's degree is the minimum education level required for 95.9 percent of elementary school teachers, 94.9 percent of middle school teachers, and 97.4 percent for secondary school teachers. For 37.0 percent of preschool teachers, a bachelor's degree is required, and for 45.9 percent, a high school diploma is required. An associate's degree is required for 16.4 percent of preschool teachers.

Specific Vocational Preparation (SVP) is an estimate determined by the amount of preparation time required, which includes pre-employment training, prior work experience, minimum formal education requirements, and postemployment training.<sup>2</sup>

The ORS contains SVP categories that range from level 1 for a short demonstration to level 9 for 10 or more years of preparation time to successfully perform the job. Even though the preparation time varies across the occupation, most teachers take between 2–4 years. For 37.5 percent of preschool teachers, preparation time was between 2–4 years, or SVP level 7. (See chart 1.)



The ORS also publishes information on environmental conditions, which describe the extent of a worker’s exposure to an environmental condition, such as extreme temperatures or the outdoors.

For example, 21.2 percent of secondary school teachers are exposed to the outdoors, compared with 30.8 percent of middle school teachers. For preschool teachers, 88.5 percent are exposed to a moderate noise intensity level.

The ORS collects information on physical requirements for each occupation, such as how frequently workers are required to sit, walk, or stand on the job.<sup>3</sup> The strength levels, or physical demands for each job, are measured as a range of five categories: sedentary, light, medium, heavy, and very heavy.<sup>4</sup> Standing and walking are common physical requirements in some teaching occupations. For example, elementary school teachers spend 70.7 percent of the workday standing or walking, and for preschool teachers, it is 65.3 percent of the workday.

As mentioned earlier, some teachers spend the majority of the day walking, so a light strength level is required for 92.2 percent of middle school teachers, 89.9 percent of elementary school teachers, and 82.3 percent of secondary school teachers. A medium strength level is required for 54.3 percent of preschool teachers.

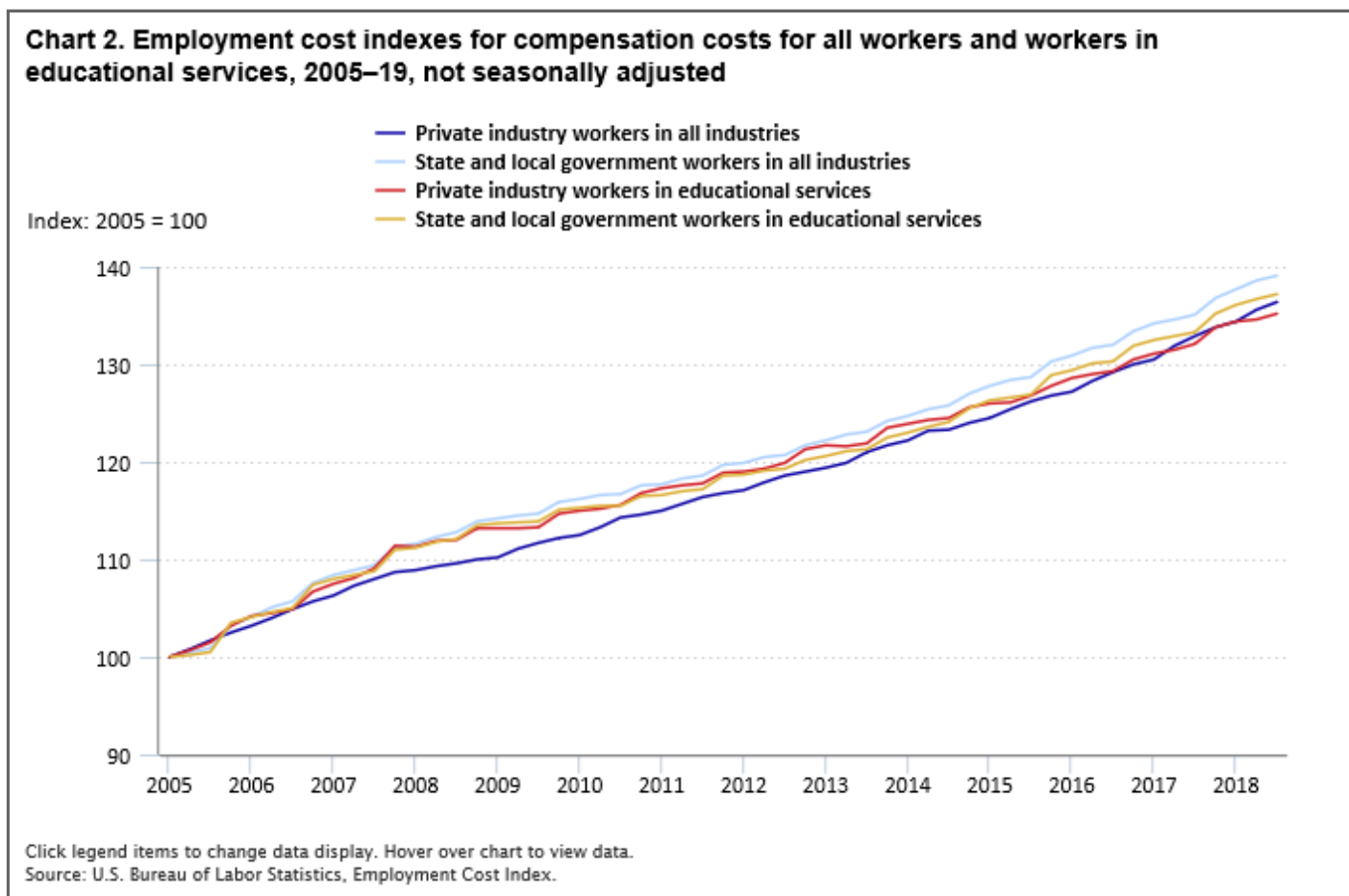
## Compensation

Now that we know a little about the various job requirements that come with being a teacher, let’s turn to how they are compensated.

One measure of compensation produced by the NCS program is the Employment Cost Index (ECI). The ECI is a Principal Federal Economic Indicator that measures the change in the cost of labor. Total compensation costs include employer costs for wages, salaries, and benefits.

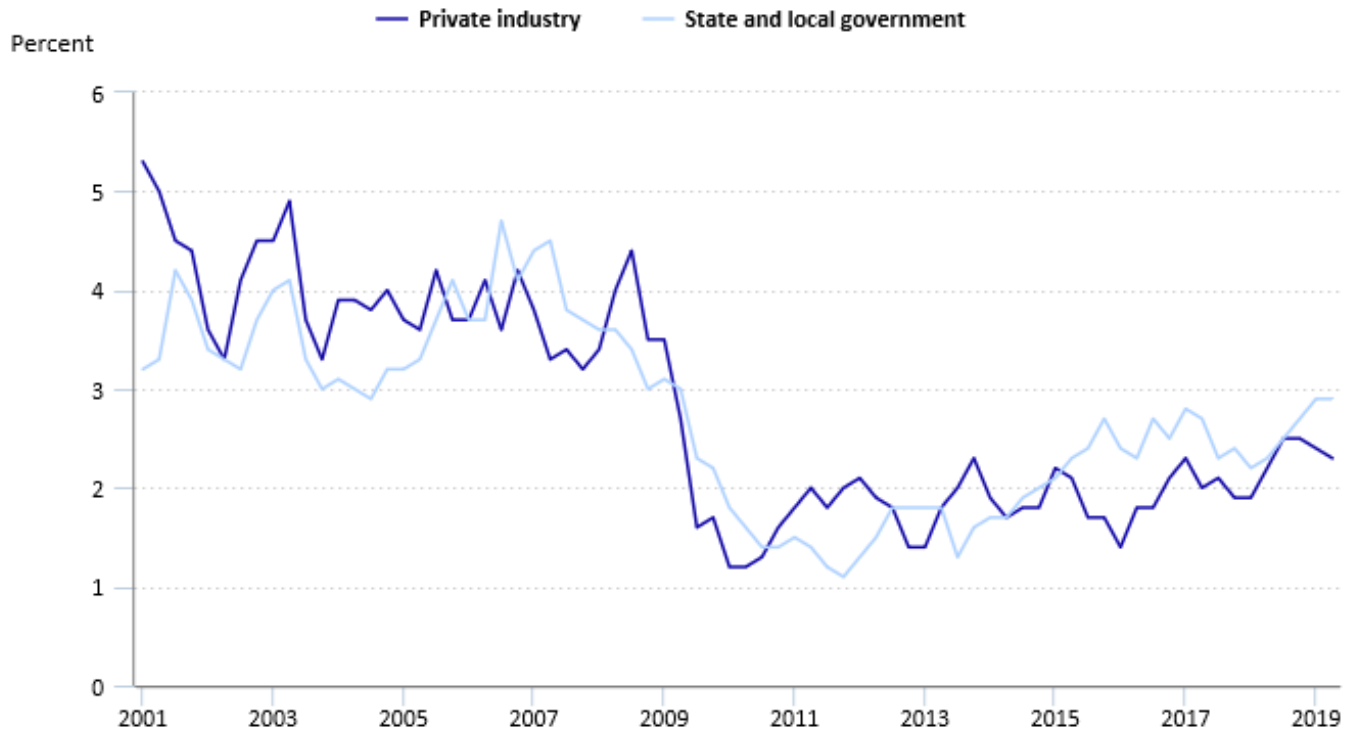
The ECI reflects costs incurred by the employer for the employee, or what it costs the employer for the employee to work. ECI data is available by industry; the educational services industry discussed below includes teachers and other workers such as instructional aides.

Since 2005, compensation costs for workers in the educational services industry have increased by 35.2 percent for private industry and 37.2 percent for state and local government workers. Chart 2 illustrates changes in total compensation for workers in the educational services industry, compared with all workers in private industry and state and local government.



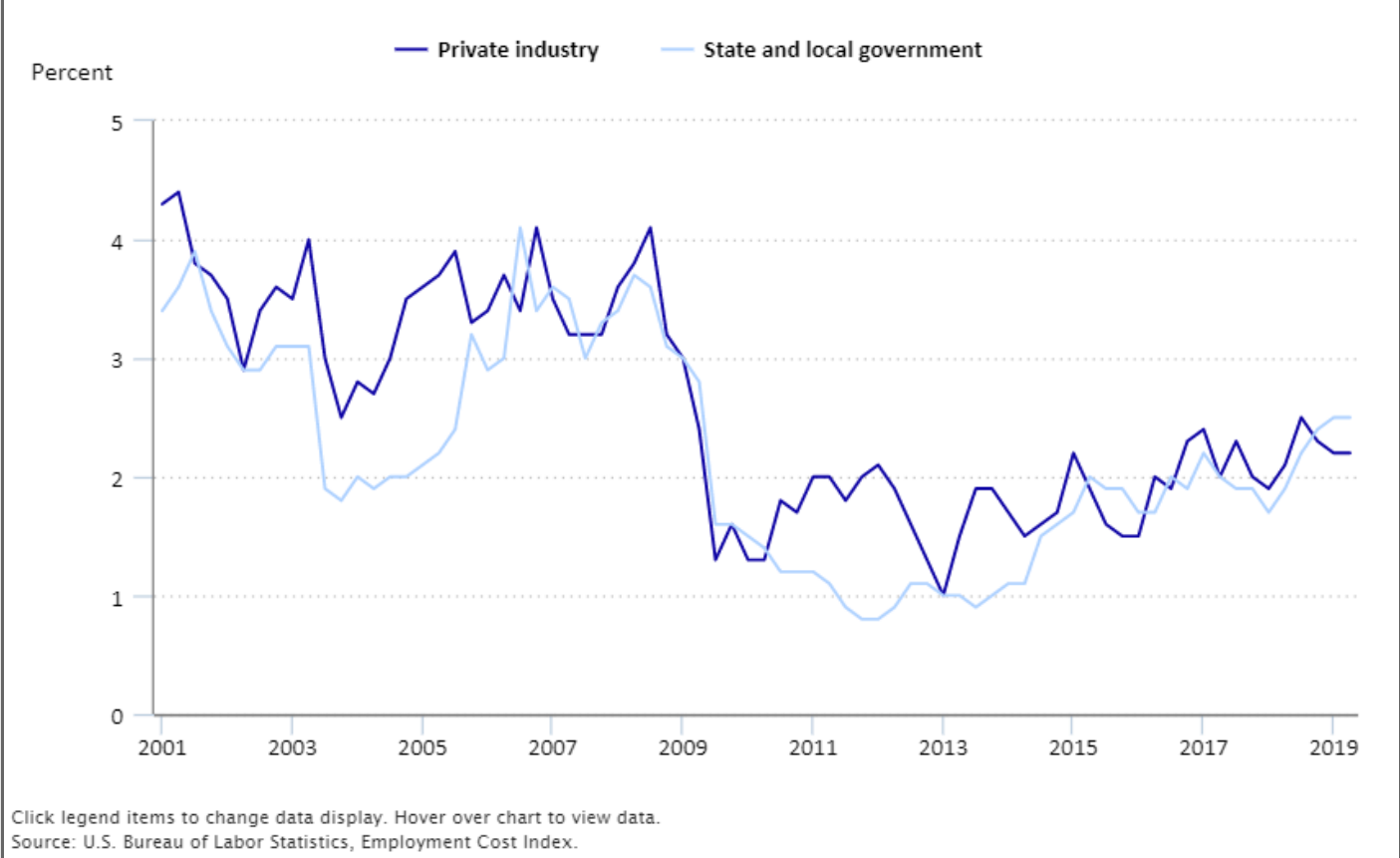
From March 2018 to March 2019, total compensation costs increased by 2.9 percent for state and local government and 2.4 percent for private industry. (See chart 3.) However, in the same time span, the costs of wages and salaries for state and local government workers in the educational services industry increased by 2.5 percent, whereas the increase for private industry was 2.2 percent. (See chart 4.)

**Chart 3. Twelve-month percent changes in total compensation for educational services workers, 2001–19**



Click legend items to change data display. Hover over chart to view data.  
 Source: U.S. Bureau of Labor Statistics, Employment Cost Index.

**Chart 4. Twelve-month percent changes in wages and salaries for educational services workers, 2001–19**



Another NCS measurement is the Employer Costs for Employee Compensation (ECEC). By comparison, the ECEC captures the average cost to employers for wages, salaries, and benefits per employee hour worked at a point in time and the ECI measures total compensation growth over time. Based on the March 2019 ECEC, wages and salaries make up a larger percentage of total compensation for private industry workers (71.8 percent) than for state and local government workers (65.0 percent) in the educational services industry. The total benefit costs for state and local government workers accounted for the remaining 35.0 percent of total compensation costs. (See table 1.)

**Table 1. Employer cost for employee compensation and percentage of total compensation for the educational services industry in private industry or state and local government, March 2019**

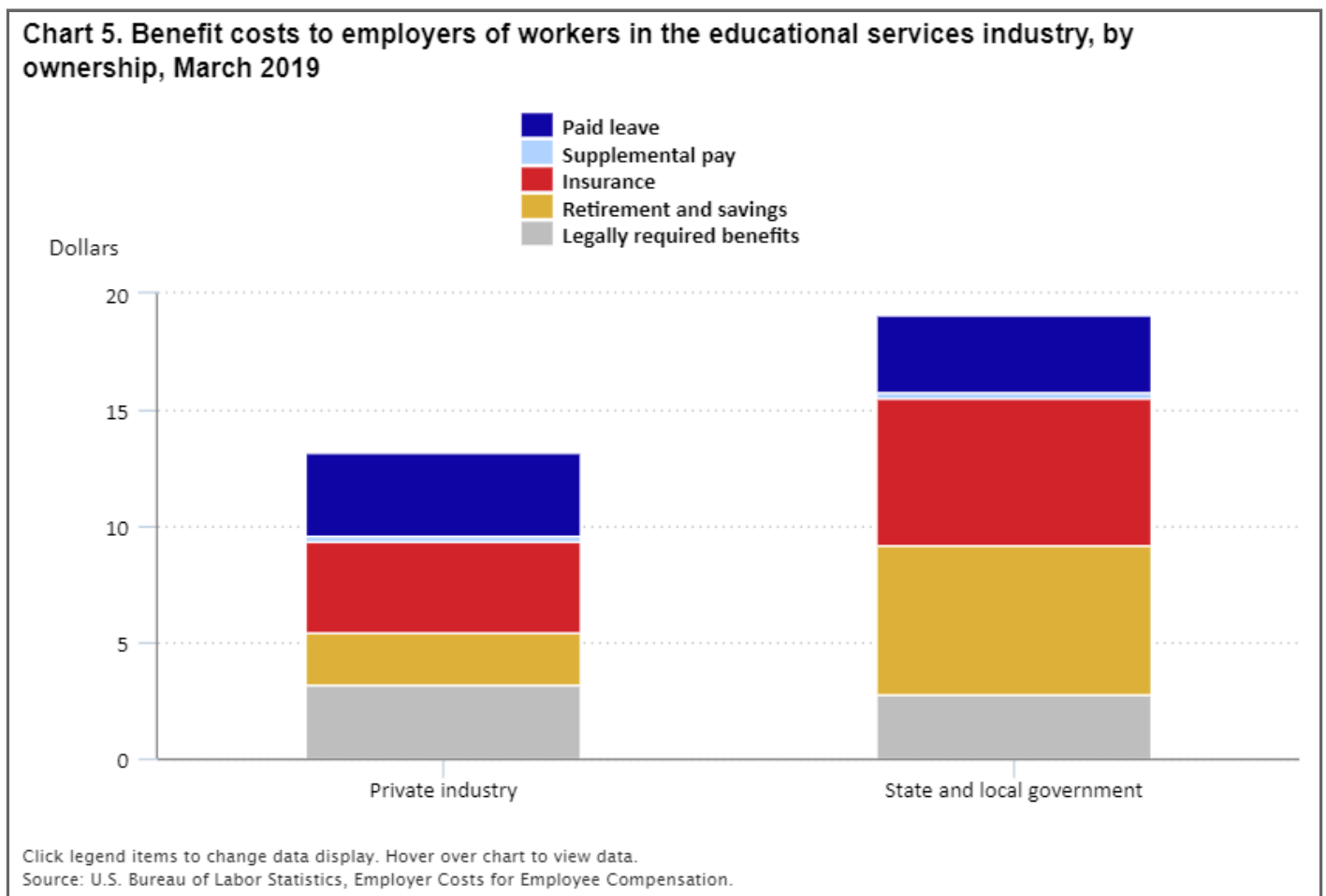
Compensation component	Private industry		State and local government	
	Cost	Percentage	Cost	Percentage
Total compensation	\$46.71	100.0	\$54.45	100.0
Wages and salaries	33.56	71.8	35.37	65.0
Total benefits	13.15	28.2	19.08	35.0
Paid leave	3.61	7.7	3.36	6.2
Supplemental pay	0.25	0.5	0.25	0.5
Insurance	3.86	8.3	6.34	11.6
Retirement and savings	2.28	4.9	6.40	11.8
Legally required benefits	3.16	6.8	2.73	5.0

See footnotes at end of table.

Note: Subcategories of total benefits cost for private industry do not add up to total benefits due to rounding error. Subcategories of total benefits percentages for state and local government do not add up due to rounding error.  
 Source: U.S. Bureau of Labor Statistics, Employer Costs for Employee Compensation.

Though wages and salaries are similar for educational services in private industry and state and local government, differences arise when we examine the benefit costs to the employer.

Some benefit components account for a larger share of compensation costs for employers. For state and local government educational services workers, these include retirement and savings at \$6.40 per employee hour worked and insurances (including healthcare costs), at \$6.34. For private industry workers, the insurance cost to employers was \$3.86 per employee hour worked, paid leave costs were \$3.61, and legally required benefits were \$3.16. Chart 5 shows a comparison of employer costs for employee benefits, by private industry and state and local government (that is, by ownership). (See table 1 and chart 5.)



## Benefits

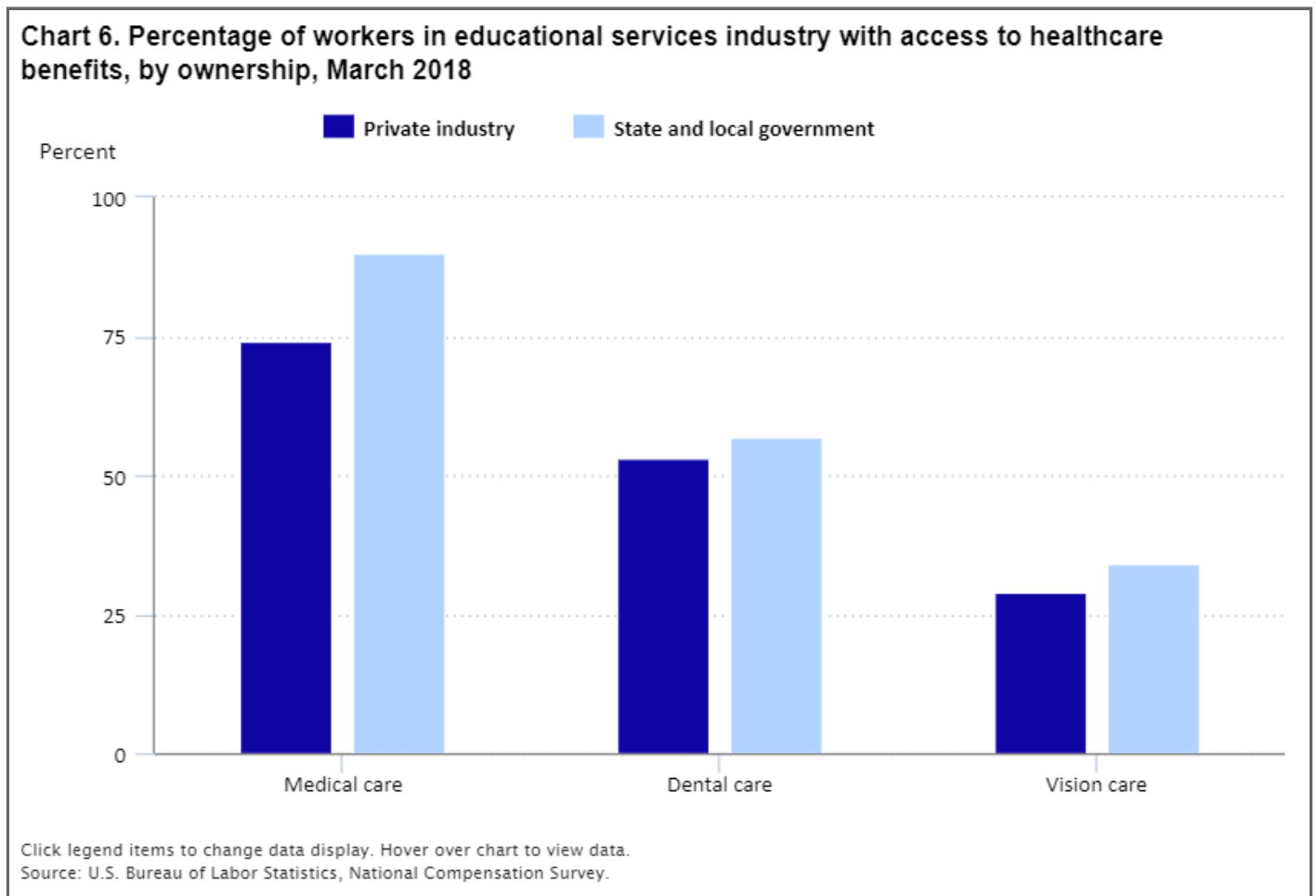
Overall, for the reference period of March 2019, total benefits costs were higher to the employers of state and local government workers in the educational services industry than private industry employers.

The NCS program also provides estimates on the incidence of benefits: the percentage of workers that have and participate in employer-sponsored benefit plans. A broad range of employer-sponsored benefits are included such as paid leave (holidays, vacation, and sick leave), healthcare, insurances (disability and life), and retirement plans.

Some of the differences in the costs of benefits reflect the availability to employees, participation, and plan generosity.

## Healthcare

Healthcare benefits provide services or payments for services rendered in the hospital or by a qualified medical care provider and include medical plans, dental, vision care, and outpatient prescription drug plans. In March 2018, dental care plans were available to 53 percent of private industry workers in educational services and to 57 percent of state and local government workers. Vision care plans were available to 34 percent of state and local government workers in educational services and to 29 percent of workers in the private industry. (See chart 6.)

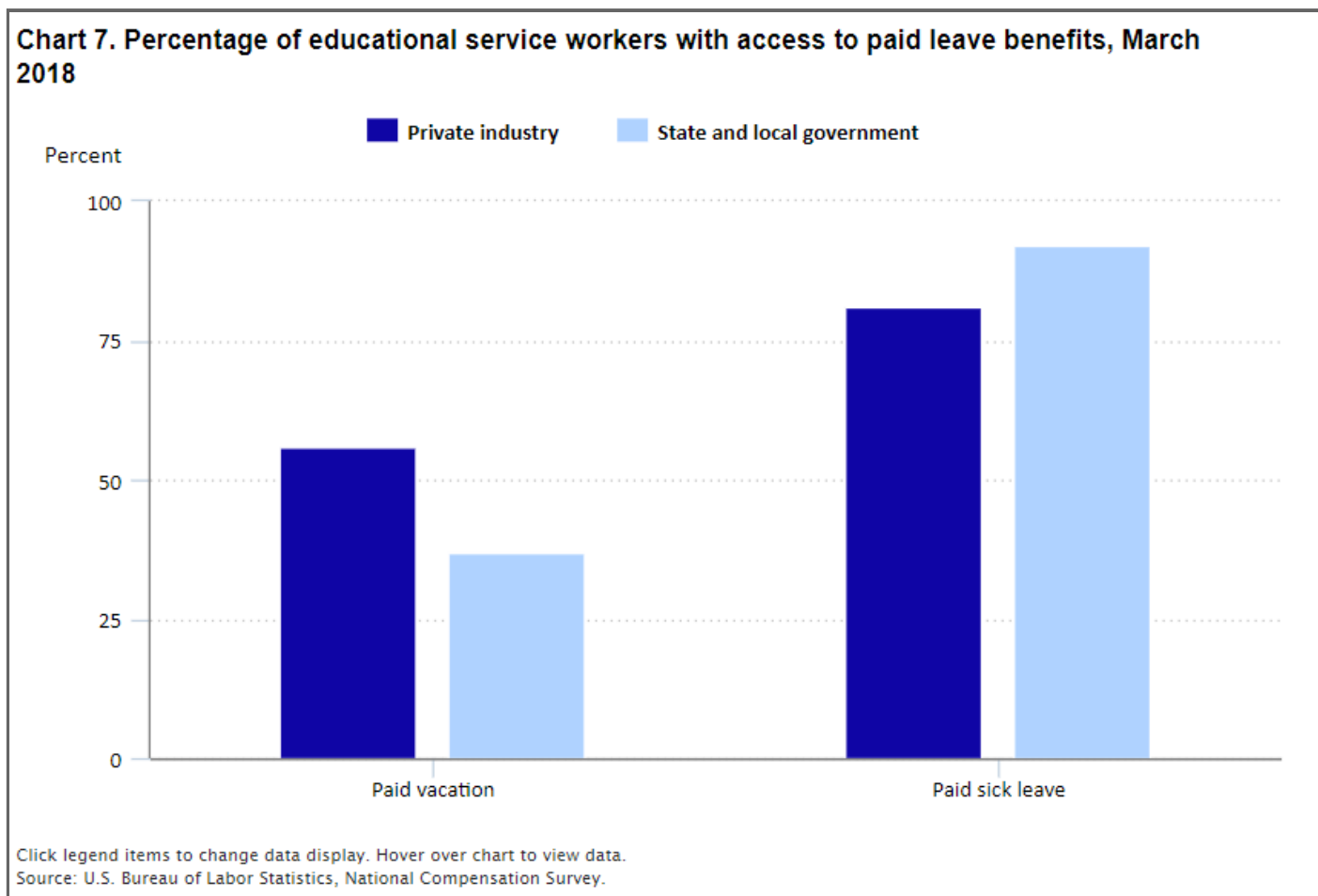


## Paid leave

Paid vacations commonly are granted to employees only after they meet specified service requirements and are available to 56 percent of private industry workers in educational services. Primary, secondary, and special education teachers typically have a work schedule of 37 or 38 weeks per year; 15 percent of state and local government teachers had access to vacations, and 32 percent had access to holidays. In many cases, the time off during winter and spring breaks during the school year were not considered vacation days for the purposes of the NCS.

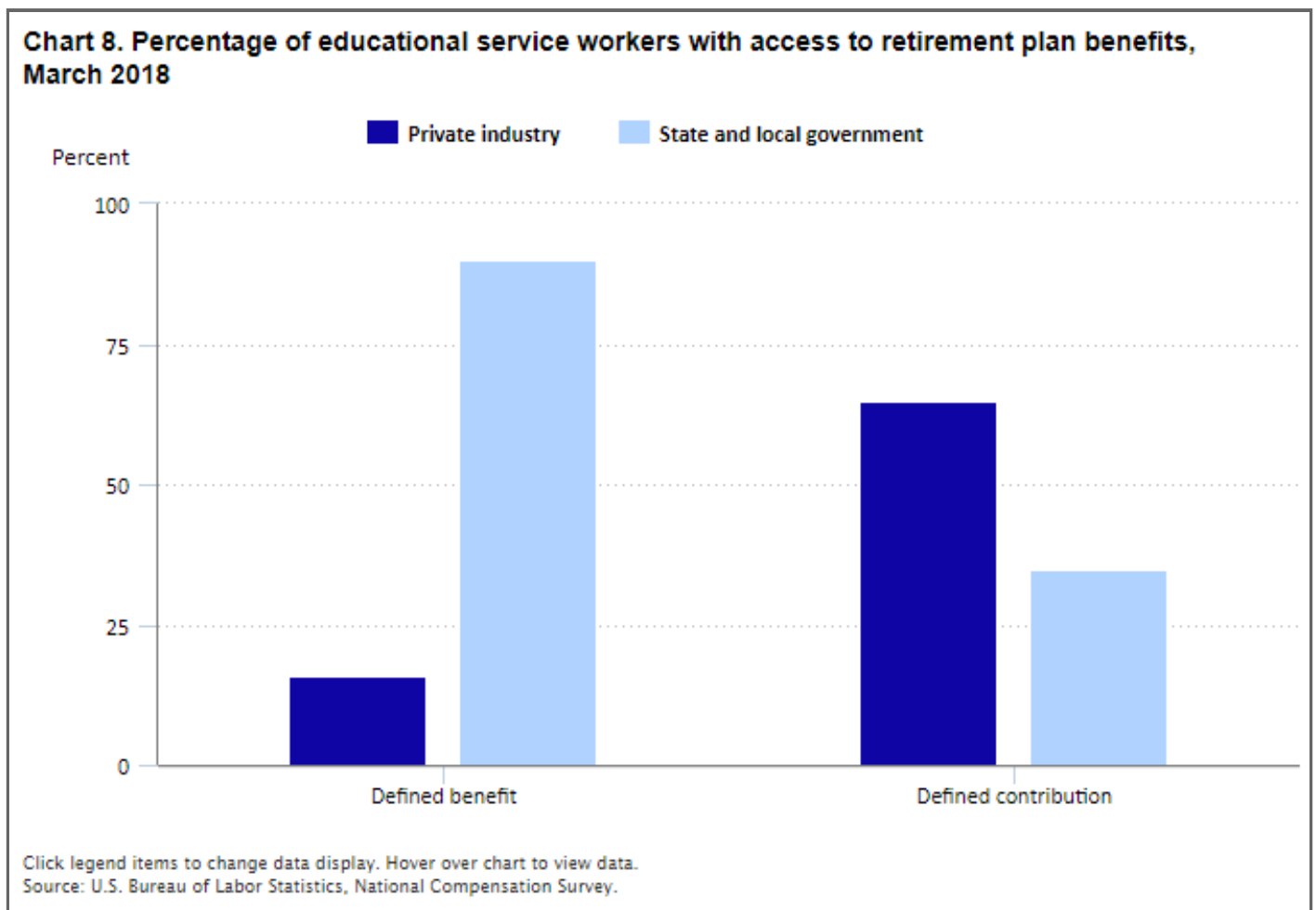


Sick leave is paid absence from work if an employee is unable to work because of a nonwork-related illness or injury. The employer usually provides all or part of an employee’s earnings, and 92 percent of state and local government workers in educational services had access to this benefit. (See chart 7.)



## Retirement and savings

The NCS publishes data on two types of retirement and savings plans: defined benefit and defined contribution plans. Defined benefit plans (pension plans) provide employees with guaranteed retirement benefits based on benefit formulas (determined by age, length of service, and preretirement earnings), and these plans were available to 90 percent of state and local government workers in the educational services industry. Defined contribution plans specify the level of employer contribution and place those funds into individual employee accounts. These plans were available to 35 percent of state and local government workers in the educational services industry. (See chart 8.)



Ninety percent of private industry workers participating in frozen defined benefit plans had access to alternatives to the frozen plans.<sup>5</sup> All state and local government workers participating in frozen defined benefit plans had access to other retirement options.

## Summary

Data from the Occupational Requirement Survey shows us that the most common minimum education level required for primary, secondary, and special education teachers is a bachelor’s degree, and the most common level required for preschool teachers is a high school diploma.

The National Compensation Survey indicates that workers in educational services have different compensation packages depending on whether they are employed in private industry or in state and local government. However, since 2005, total compensation costs for state and local government educational services workers have increased at similar rates as private industry workers. Benefit costs make up a larger proportion of compensation costs for state and local government workers. While private industry has largely replaced defined benefit plans with defined contribution plans, most state and local government workers continue to have defined benefit plans available to them.

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## NOTES

<sup>1</sup> For more information on Bureau of Labor Statistics Occupational Requirements Survey, see [www.bls.gov/ors/](http://www.bls.gov/ors/).

<sup>2</sup> The [minimum education factsheet](#) on the ORS website provides more detail on the Specific Vocational Preparation (SVP) estimates.

<sup>3</sup> See the Bureau of Labor Statistics Occupational Requirements Survey, [sitting and standing or walking requirements: fact sheet](#).

<sup>4</sup> See the Bureau of Labor Statistics Occupational Requirements Survey, [sedentary strength requirements](#).

<sup>5</sup> Frozen retirement plans are benefit plans that typically are closed to new enrollees and limit future benefit accruals for some or all active plan participants.

## SUGGESTED CITATION

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