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One benefit of a weak job market: better teachers

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Ever since the job market improvements that followed the Great Recession, states have reported sharp declines in the number of people attending university-based teacher preparation programs. This would indicate an obvious connection between the strength of the economy and the number of people who want to be teachers. But, for the first time, economists have confirmed that the strength of the job market also influences the quality and effectiveness of teachers. In their article "Weak market, strong teachers: recession at career start and teacher effectiveness" (National Bureau of Economic Research working paper no. 21393, July 2015), Markus Nagler, Marc Piopiunik, and Martin R. West show how the health of the economy affects the quality of teachers and the success of students.

By studying 10 years of Florida Comprehensive Assessment Test (FCAT) math and reading scores for students in third, fourth, and fifth grades, the researchers found that people who become teachers during a recession are significantly more effective at raising test scores than people who enter the profession when the economy is strong. Controlling for teaching experience, the researchers found that teachers who start during a recession raise math test scores by about .10 standard deviation more than teachers who enter during nonrecessionary periods. The study also shows that teachers who start during a recession are about .05 standard deviations more effective in raising reading test scores. Nagler, Piopiunik, and West calculate that the difference in average math effectiveness translates into an increase of about $13,000 in discounted lifetime earnings per classroom taught each year.

The researchers find that their results are best explained by a model in which higher skilled workers choose teaching over other professions during a recession because of lower expected earnings in alternative occupations. In addition, the overall supply of workers for public sector jobs is larger during economic downturns in the United States. Recessions "negatively shock the outside options of potential teachers." Those who might take other jobs during a nonrecession period turn to teaching because it offers stability over the business cycle; demand for teachers "depends primarily on student enrollment and is typically unresponsive to shortrun changes in macroeconomic conditions." However, teachers who enter the profession during a recession are more likely to exit the profession.

The authors highlight two policy implications of their study. First, they believe that increasing the economic benefits of becoming a teacher will increase the quality of the teaching workforce over the long term. In fact, they say that increasing teacher pay and benefits may be "necessary to maintain an adequate supply of teachers." Second, they believe states should use this information to increase hiring during recessions in order to improve the quality of education.