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Dace Blaskovitz: Welcome back to Money and Politics in Delaware, excuse me, his formal name is Eric Allen. He goes by Rick Hanushek, he's coming to Delaware. It's October 15th, he's the guest speaker at CRI's event and let me go right further juggler, young man, because I'm a big fan of your work and improving schools is difficult but possible. Pause, the most important aspect of schools is the quality of the teachers says, Rick Hanushek, tell your story.

Eric Hanushek: Well, there's been a lot of debate about what is it about schools that's important, and some people would like to believe that the quality of schools can be measured simply by the amount of money we spend on schools. We've spent half a century now looking at that and find that spending, per se, is not a magic bullet. It does not lead to higher performance. Sometimes it does, sometimes it doesn't.

Eric Hanushek: And so that's the people from over a long period of time to say, "ah, schools aren't really important. The only thing that really matters is the quality of a family and that's what determines performance." Well, it turns out that that's wrong. Unfortunately, it's not just the families and we can't just fix the families, but in fact what we found is that effectiveness of teachers, and the quality of teachers, is the key element in schools and teachers it turns out are very, very important. They mean the difference between whether a kid is going to learn and progress or whether he's going to be stagnant and maybe drop out of school.

Dace Blaskovitz: Let me put you on the spot. Let me take you to Delaware just a minute. And since we were talking about Caesar Rodney Institute, the chairman is John Stapleford. He's a once a month visitor to the program and he tells these stats with regularity and Rick, Delaware ranked 14th highest among all the States and expenditures on public education.

Dace Blaskovitz: 80% of the collective billions does not make it to the Delaware classroom it's spent on bureaucracy, says Dr. Stapleford and okay, what about the outcomes? And that is that almost two thirds of the eighth graders have tested functionally illiterate in reading and or math in the state of Delaware. And four of four in this is your jaw dropper to you, sir, the inflation adjusted average annual salary at Delaware's elementary and secondary public school teachers has been going down, dropping from 65,000-ish in 1989-90 to 60,000-ish in 2017-18. It's a loaded question, but when you hear those numbers, what do you say?

Eric Hanushek: Well, what I say is that we've chosen a bad equilibrium in economist terms. We've chosen a bad way to run our schools and we just seem to be stuck there. We really do underpay our, at least our best teachers. It turns out that on average in the United States, a teacher can make more outside of teaching than in teaching. And so we penalize people for being willing to teach. The result of this is that we don't get the best people going into teaching. And that in fact

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affects the student achievement. So we've chosen this system where we underpay teachers, we get what we expect out of that and it doesn't work very well.

Eric Hanushek: I don't know the precise numbers in Delaware, but they've rather matched the national numbers on the fact that teacher wages have been pretty stagnant and were making mistakes. So we see recently last year there were several strikes in West Virginia, and Oklahoma, and Arizona, and Los Angeles, of teachers are asking for more money. There was a big debate in almost in every case or whether it was a strike to state or the city ended up giving more money to the teachers.

Eric Hanushek: And so you might ask, well, does that solve our problem? And the fact is no, don't solve our problem. And might even make it slightly worse at least for some time to come because there's an economic theorem that I'm sure you know Dace, and that is poor teachers like more money as much as good teachers. And so if you just raise everybody's salary, you end up keeping both poor and good teachers in teaching.

Eric Hanushek: And it'd be a long time before we cut to a different group of people. What we need to do in my opinion, and what Delaware might benefit from is actually raising teacher salaries. But doing it with a tilt towards a more effective teachers and away from the least effective teachers so that there's a bargain there that says teachers as a group, we'll give you more money, but it has to be directed more towards the people that are really producing in the classroom, the effective teachers.

Dace Blaskovitz: The problem then, let me challenge you just a minute because you're the guru. The problem from the outside looking in is that is a professor's answer. One that's logical, agreed upon, and it works. In practical terms, the problem is students do not pay union dues. The union is run to be a union job shop for lack of word choice. And you see that 80% of the money goes to arguably bureaucracy and not the classroom. And then you're going to compound the story and say not only is the model broken, but then once you drill down to the second paragraph that the teachers should be paid on some type of incentive basis. That's a double choke. What do you say, Rick?

Eric Hanushek: Well I think that you've put your finger on one of the problems of U.S. education. Teachers' union in the U.S. have not been helpful in terms of providing for better student performance and making sure there are good teachers in the classroom. Now in general, the teachers' unions fight against notions that we should differentiate between teachers.

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Eric Hanushek: But let me give you an example of how big the difference is. Long ago I did a study in Terre, Indiana and in a group of all poor kids you could walk into a school and in one classroom there was a teacher that's getting a year and a half of learning every year out of her kids. And then you walked down the hall and you find another teacher that's at the other end of the spectrum that's getting half a year of learning each year.

Eric Hanushek: So depending upon where kids are assigned, it could end up as much as a whole year difference in learning by just the random assignment to a classroom. Now those numbers are so large and have such a big impact on the kids in those classes and ultimately on the state of Delaware, etc., or the state of Indiana in that case that I think we should be willing to consider more radical changes. And essentially buying out the teacher's union by offering to pay more competitive wages, particularly to the effective teachers.

Dace Blaskovitz: Tick tock on a clock. You got exactly one minute and another one of your pieces, the evolution of charter schools is that the escape route?

Eric Hanushek: Charter schools are certainly a positive force. I think you have to allow choice particularly to people that don't have much choice. So charter schools have been particularly effective in urban areas where you have poor people that can't take the options that you and I take of moving to a different place to get a better school. And so charter schools are part of the answer.

Dace Blaskovitz: I've got to turn to the audience. His name is Rick Hanushek. Eric Allen Hanushek if you're looking on the proverbial internet. The talk is Education Impacts the Economy. It is October 15th in Delaware. It's the CRI 11th annual banquet. The phone number is (302) 273-0080, or you can go online, the CaesarRodney.org fascinating guy. And what's going to happen is I will see you back here next week for more Money and Politics and Delaware.