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Teacher bonuses not linked to better student performance, study finds

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Offering teachers incentives of up to \$15,000 to improve student test scores produced no discernible difference in academic performance, according to a study released Tuesday, a result likely to reshape the debate about merit pay programs sprouting in D.C. schools and many others nationwide.

The study, which the authors and other experts described as the first scientifically rigorous review of merit pay in the United States, measured the effect of financial incentives on teachers in Nashville public schools and found that better pay alone was not enough to inspire gains.

Advocates of performance pay did not immediately challenge the methodology of the study. But they said its conclusions were narrow and failed to evaluate the full package of professional development and other measures that President Obama and philanthropists such as Bill Gates say are crucial to improving America's public schools.

"Pay reform is often thought to be a magic bullet," said Matthew Springer, a Vanderbilt University education professor who led the study. "That doesn't appear to be the case here. We need to develop more thoughtful and comprehensive ways of thinking about compensation. But at the same time, we're not even sure whether incentive pay is an effective strategy for improving the system itself."

With backing from federal and state governments and private foundations, a growing number of public schools in recent years have embraced the idea of paying teachers, at least in part, on how much they improve student achievement.

Obama has encouraged the movement, through \$4.35 billion in federal Race to the Top grants and other federal programs, despite the skepticism of some teachers unions and lawmakers within his party. D.C. Schools Chancellor Michelle A. Rhee became a hero in reform circles in part because of her insistence on a teachers' contract that allows [performance bonuses](#). Some Prince George's County teachers also are earning bonuses.

Central to such changes is the idea that teachers should be rewarded when their students achieve outsize gains on standardized tests. That is a major shift from the tradition of determining pay by seniority and credentials such as master's or doctoral degrees.

The study was conducted by the National Center on Performance Incentives at Vanderbilt. The center, which takes no advocacy position on the issue, was created at the university's highly regarded Peabody College of Education and Human Development in 2006 with a \$10 million federal research grant.

In a three-year experiment funded by the federal grant and aided by the Rand Corp., researchers tracked what happened in Nashville schools when math teachers in grades 5 through 8 were offered bonuses of \$5,000, \$10,000 and \$15,000 for hitting annual test-score targets. About 300 teachers volunteered. Researchers

randomly assigned half of the participants to a control group ineligible for the bonuses and the other half to an experimental group that could receive bonuses if their students reached certain benchmarks.

Researchers designed the bonuses to be large enough to function as a legitimate incentive for teachers whose average salary, according to a union official, is between \$40,000 and \$50,000. There were no additional variables in the experiment: no professional development, mentoring or other elements meant to affect test scores. The bonuses, totaling nearly \$1.3 million, were funded by businessman Orrin Ingram, according to news reports. A university spokeswoman said Tuesday evening that she could not confirm those reports, and Ingram could not be reached for comment.

On the whole, researchers found no significant difference between the test results from classes led by teachers eligible for bonuses and those led by teachers who were ineligible. Bonuses appeared to have some positive effect in the fifth grade, researchers said, but they discounted that finding in part because the difference faded out when students moved to the sixth grade.

Obama administration officials and a wide range of experts were quick to note that the study did not examine the effect of performance pay in combination with other measures intended to improve teaching.

"While this is a good study, it only looked at the narrow question of whether more pay motivates teachers to try harder," said Peter Cunningham, assistant U.S. education secretary for communications and outreach. "What we are trying to do is change the culture of teaching by giving all educators the feedback they need to get better while rewarding and incentivizing the best to teach in high-need schools, hard to staff subjects. This study doesn't address that objective."

Administration officials say a federal program that backs performance pay in dozens of school systems has grown to \$400 million a year, from about \$100 million when Obama took office in 2009. Federal officials say a number of such efforts have shown promising initial results; they also are planning a comprehensive review of the program.

Eric A. Hanushek, an expert on the economics of education at Stanford University's conservative-leaning Hoover Institution, said the Vanderbilt study did not address a key question.

"The biggest role of incentives has to do with selection of who enters and who stays in teaching - i.e., how incentives change the teaching corps through entrance and exits," Hanushek said. "I have always thought that the effort effects were small relative to the potential for getting different teachers. Their study has nothing to say about this more important issue."

Erick Huth, president of the Metropolitan Nashville Education Association, a teachers union, said the study raised significant questions about "the extent to which we spend a lot of time trying to develop complex schemes to measure teacher performance and then reward [teachers] based on that performance." He said the study indicates that such efforts "may be a waste of time."

In the D.C. school system, teachers deemed "highly effective" based on test scores and other measures began receiving bonuses this year of up to \$10,000, as well as other potential compensation benefits. The performance pay plan, a cornerstone of Rhee's effort to overhaul the city schools, is backed by a [new contract](#) with the Washington Teachers' Union and funding from private foundations.

Prince George's is entering the third year of a performance pay program that offers some teachers up to \$10,000

based on good evaluations, improved student test scores and other factors. Superintendent William R. Hite Jr. said that there is some evidence that teacher retention has improved but that it is too early to say anything about student academic performance.

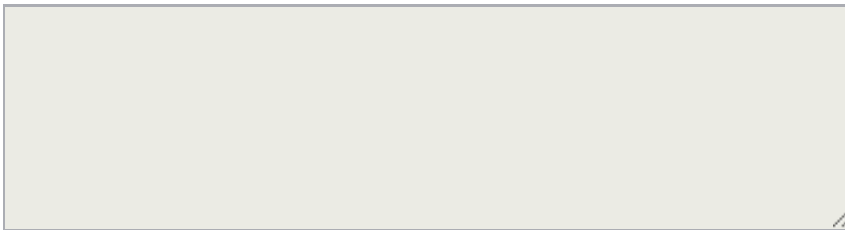
Staff writers Bill Turque and Michael Birnbaum contributed to this report.

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