Effective Teacher Retention Bonuses


Purpose: This study tested the effectiveness of salary bonuses in improving teacher retention at priority schools.

Subjects: This study was conducted in all 82 of Tennessee’s “priority schools” (schools that had not made Adequate Yearly Progress based on NCLB standards) during the 2012-13 school year. Of the 2,830 teachers in these schools, 473 were offered retention bonuses.

Research Question: Will a $5,000 bonus improve retention of highly effective teachers in priority schools?

Research Methods: All teachers defined by their district as “high quality,” working in priority schools, were eligible for this study. All eligible teachers were offered $5,000 retention bonuses for returning to priority schools the following school year. The proportion of teachers who chose to return to priority schools was compared to that of the following school year, when such bonuses were not offered.

Results: No evidence was found to support the use of teacher retention bonuses.

Implications: The authors highlight two potential implications of these findings, both of which open doors for further research. One theory brought forth by this study is that salary is not the defining factor in where teachers choose where to work. If this is the case, further study may illuminate what teachers do prioritize, if not pay. A second hypothesis is that eligible teachers were encouraged to continue working in priority schools, while ineligible teachers were discouraged by their exclusion from the program. This could have caused the overall number of returning teachers to stay constant. If this is so, similar studies using tiered bonus systems or lower thresholds for “quality” teachers may prove to be more effective.