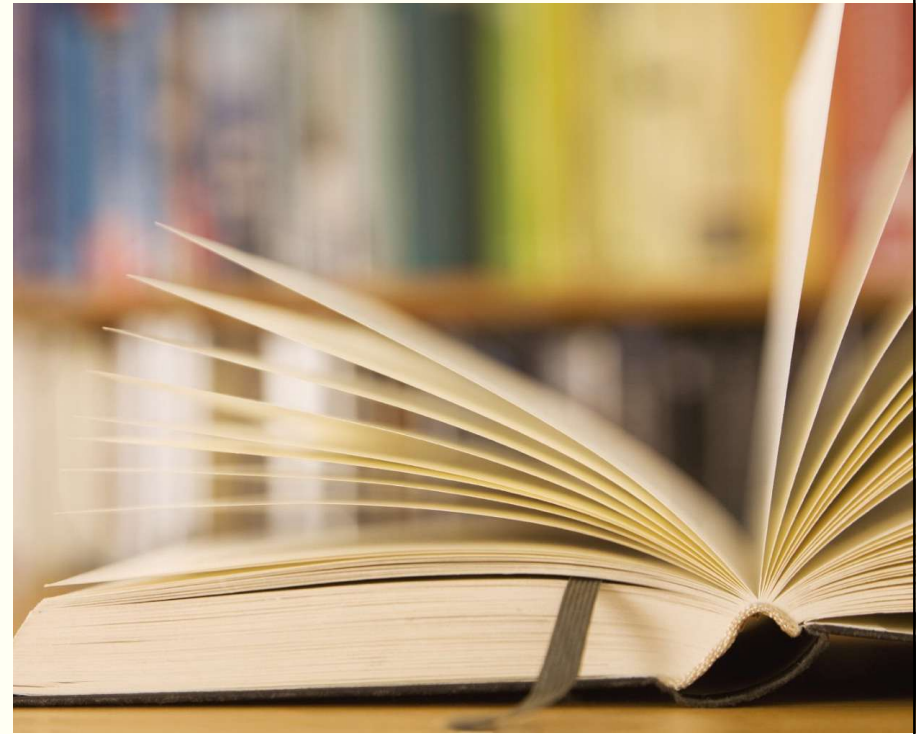


# LABOR MONOPSONY IN RURAL PENNSYLVANIA AND ITS IMPLICATIONS FOR TEACHER TURNOVER

Ethan S. Ake-Little, Ph.D.  
Executive Director of AFT Pennsylvania  
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# What is Labor Monopsony?

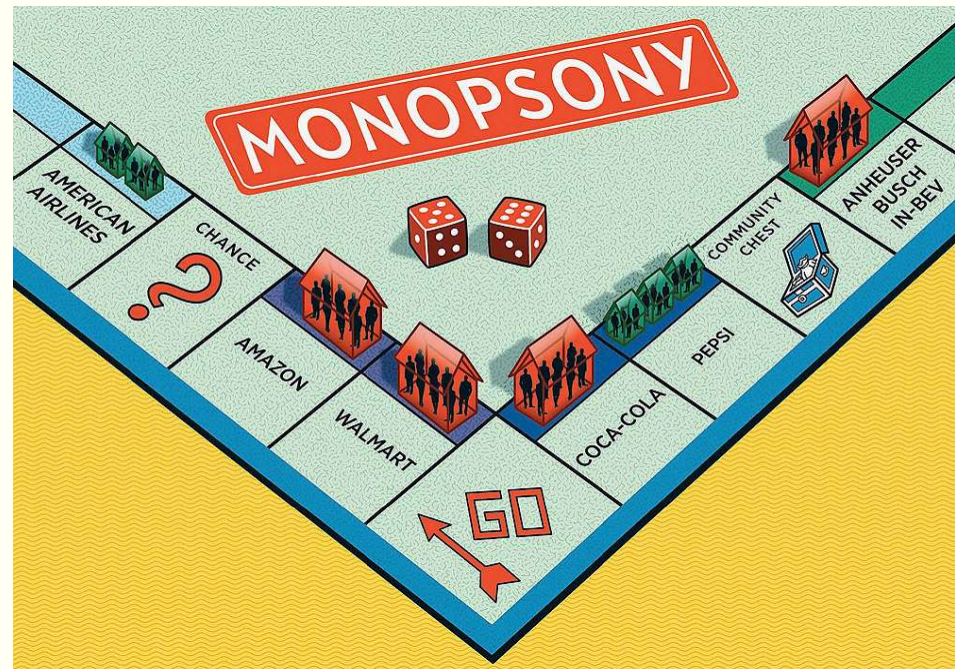
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It sounds like a fancy, technical term but it's easy (and intuitive) to understand!

Most people know (or at least heard of) the term – **MONOPOLY**. We use the term *monopoly* when referring to a company (e.g., Standard Oil, AT&T, Amazon). They were (or are) considered monopolies because they controlled the sale of something.

But monopolistic behavior doesn't just apply to a corporation, it can also apply to an *employer*.

When an employer controls some aspect of employment, they can also behave like a monopoly. This is known as **MONOPSONY** because they control the purchase of something (labor).



# Labor Monopsony & Geography

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To be a monopsonist, you must be the only (or a small handful of) game in town.

This generally happens in a small town or rural area where the number of employers  $<$  number of available employees.

So, naturally, if you have a lot of people looking for jobs and only one employer, then the employer can have their pick of whomever they want to hire.

County Name	County Size	County Population (2010)	City Name	City Size	City Population (2019)
Coconino County (AZ)	18,661 sq.mi.	134,421	Charleston (SC)	135 sq mi	137,566
Sweetwater County (WY)	10,491 sq mi	43,806	Niagara Falls (NY)	17 sq mi	47,720
Aroostook County (ME)	6,828 sq mi	71,870	Camden (NJ)	10 sq mi	73,562

## Labor Monopsony & Employment

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Monopsony is great if you are the employer 😊 but not so great if you are employee 😞. Why?

Well, since supply (of labor) is higher than demand (of open job), the employer can go low in terms of wages and benefits.

But it also means that the employee is likely to have less job protections since said employee can be easily replaced.

This can become a serious problem in terms of the culture and morale of the workplace since employees feel like they have been sentenced to forced labor.

## Schools as Workplaces

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In schools, a culture of frustration, burnout and low morale all feed into a major problem facing rural schools – **TEACHER TURNOVER**.

High teacher turnover can cause a host of symptoms – little investment in (creating or improving) school life, lack of professional growth, and poor student achievement.

More so than urban schools, turnover in rural schools is an even more problematic since teachers who want to leave have very few employment options (monopsony)

So either they will stay simply for the sake of being employed *or* they may choose to leave the profession altogether.



## Teacher Turnover by the Numbers

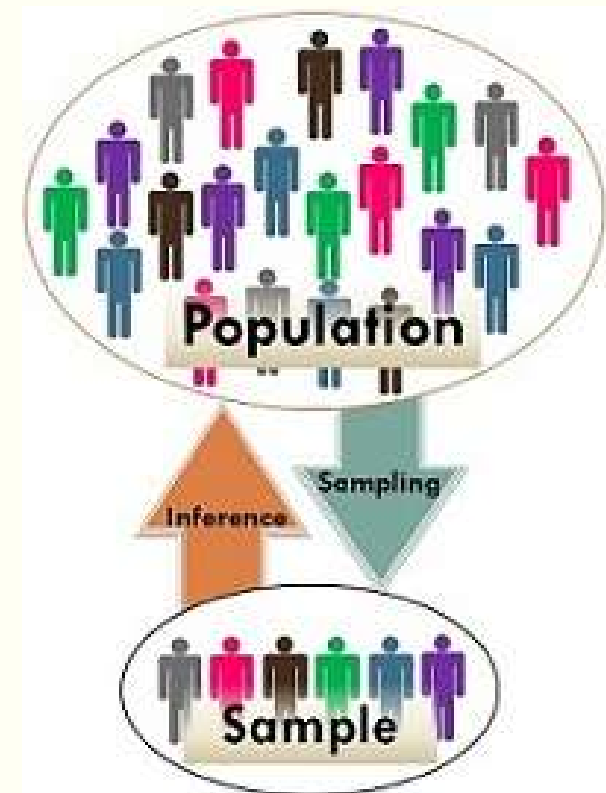
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Teacher turnover studies in rural regions tend to be few and far. The studies that do exist are either (a) qualitative (trying to better understand *how* teachers make turnover related decision) or (b) quantitative (trying to understand trends in turnover).

My research is quantitative, but unlike most other studies, I used **POPULATION** data and *not* sampling.

The population I used was the *entire* rural teacher workforce in Pennsylvania over a five-year period (AY2012-13 through AY2016-17).

The full study included the *entire* Pennsylvania teacher workforce during this time in the Greater Philadelphia, Greater Pittsburgh, and Central Pennsylvania regions.



# The Bad News...

If you're a rural education, then you know rural teacher turnover is a serious problem.

Select Teacher Mover and Leaver Rates by Experience Level (AY2011-12 through AY2016-17)

	Movers	Leavers	Ratio of Leavers to Movers	Movers	Leavers	Ratio of Leavers to Movers
	Number of Educators	Number of Educators		Number of Educators	Number of Educators	
Rural Title I Districts	24	646	<b>26.9</b>	375	1607	4.3
Rural Non-Title I Districts	61	850	<b>13.9</b>	795	2837	<b>3.6</b>
School District of Philadelphia	93	969	10.4	1555	1476	0.9
Pittsburgh Public Schools	4	153	38.3	104	350	3.4
Central Pennsylvania Region Totals	203	4306	21.2	2871	10425	3.6
Greater Philadelphia CSA Totals	995	6055	6.1	5953	5791	1.0
Greater Pittsburgh CSA Totals	93	1757	18.9	977	3907	4.0

Mover and leaver rates for rural schools are *higher* than that of the School District of Philadelphia and the Greater Philadelphia region!

New educators ( $\leq 5$  yrs. Experience) in rural schools *leave* the profession at an alarming rate (26.9:1 in Title I rural districts and 13.9:1 in non-Title I rural districts).

Experienced educators ( $> 5$  yrs. Experience) in rural schools have much higher *mover* rates than new teachers (think monopsony).

# Teacher Retention by the Numbers

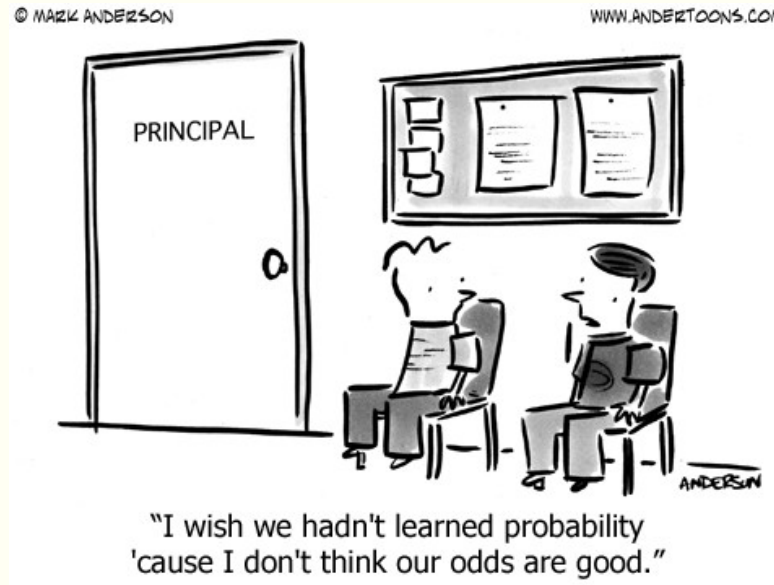
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We can't change geography, and, in Pennsylvania, the state is looking to *consolidate* rural districts so the geography will be even more a barrier.

But what we can do is make teachers *not* want to jump ship – especially new teachers – at a time when teacher certification rates in the state have collapsed.

One way to make rural teaching more enticing is higher pay. But how much?

My research uses a quantitative (statistical) method called **SURVIVAL ANALYSIS**, which tries to predict (using probability) the effect of a treatment (in our case more money) has on survival (retention).



## The Good News...

Even a small to moderate increase in pay (10%/20%) makes an impact on retention!

**Select Log Odds Ratios (and Corresponding Percentages) for Teacher Salary Increases**

	New Educator w/Bachelor's Degree			Experienced Educator w/Master's Degree		
	(Log) Odds Ratio	10% Salary ↑	20% Salary ↑	(Log) Odds Ratio	10% Salary ↑	20% Salary ↑
Rural Title I Districts	0.789 (0.037)***	-2.23%	-4.23%	0.676 (0.022)***	-3.66%	-6.89%
Rural Non-Title I Districts	0.787 (0.026)***	-2.26%	-4.27%	0.752 (0.024)***	-2.68%	-5.06%
School District of Philadelphia	0.268 (0.195)***	-11.79%	-21.34%	0.466 (0.083)***	-7.02%	-13.00%
Pittsburgh Public Schools	0.291 (0.456)**	-11.10%	-20.15%	0.509 (0.226)**	-6.23%	-11.58%

\*p<0.05, \*\*p<0.01, \*\*\*p<0.001

Keep in mind that the effect of pay increase is not the same over amount – the effect of adding \$5,000 to a \$40,000 salary is likely different than adding \$5,000 to an \$80,000 salary.

Interestingly, experienced teachers are more likely to stay (*decrease in* turnover) when given a 10 to 20 percent pay increase.

Keep in mind that increasing pay is only *part* of the equation and can't solve the turnover problem alone. Teachers are motivated not just with money!

## Working With (and NOT Against) Teachers

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We don't have to accept high teacher turnover as the price for teaching in rural schools. There is a way for teachers to feel that they have a say in their workplace.



Employees *could* depend on the good graces of the employer to raise our wages, provide better benefits, and improve our working conditions.

*OR*

Employees can band together to negotiate these things and hold their employer accountable.

If you want high rates of retention, then a *combination* “treatment” of higher pay, better benefits, and addressing working condition concerns is essential.

## Some (Concluding) Thoughts for Administrators

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### The Employer

You have the upper hand.

The costs of turnover can be damaging both financially and socially.

Unless you teach all the students yourself, you will have to develop trust with teachers.

### New Teachers

Don't let new teachers suffer in silence!

Add additional support systems for new teachers.

Consider incentives for new teachers.

### Experienced Teachers

Don't assume experienced teachers are fully invested.

Create alternate pathways for their involvement.

Consider incentives for continued professional growth.

### The Union

Develop good union-management relations.

Think of collective bargaining as a relationship "tune-up"

Remember you are doing business with family.

THANK YOU!

Contact Information

Email Address: [ethanake@temple.edu](mailto:ethanake@temple.edu)

