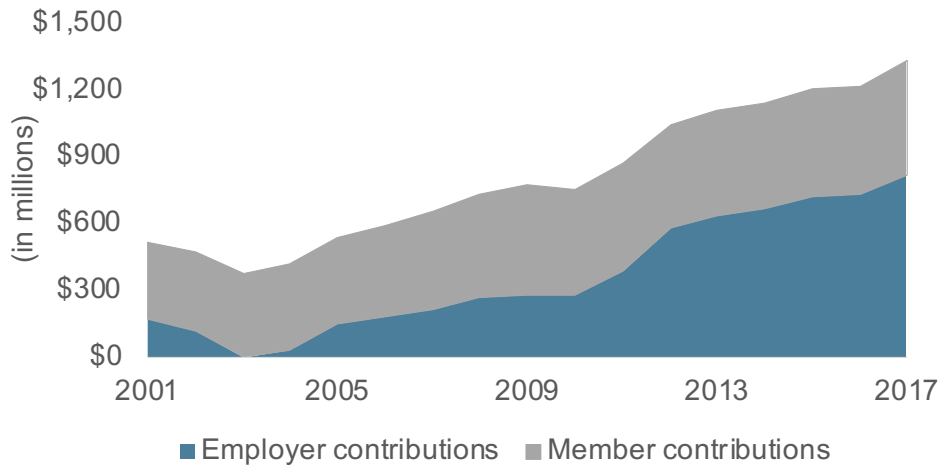


North Carolina Teacher Pensions: How They Work, and How They Affect Teacher Recruitment and Retention

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The rapidly rising cost of teacher pensions is pulling money away from the classroom

Contributions to the North Carolina Retirement System on behalf of educators have roughly tripled over the last 15 years

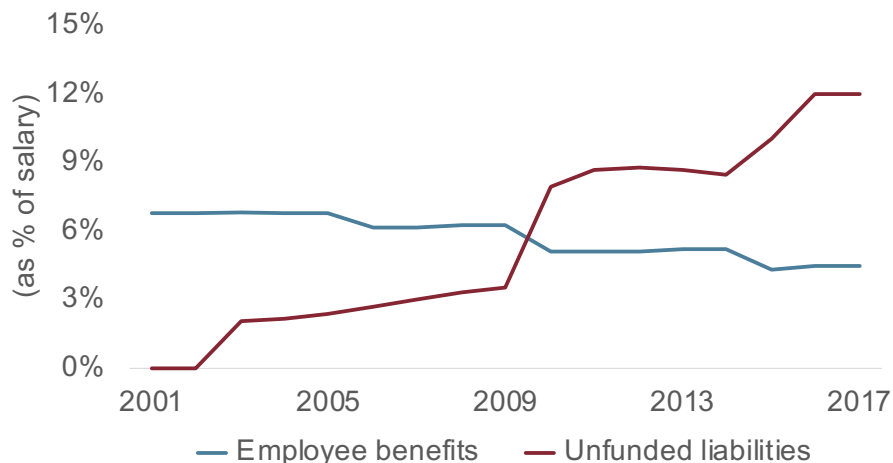


Source: Author's analysis of data from the Public Plans Database: <http://publicplansdata.org>

2

Teachers are not benefiting from those increases

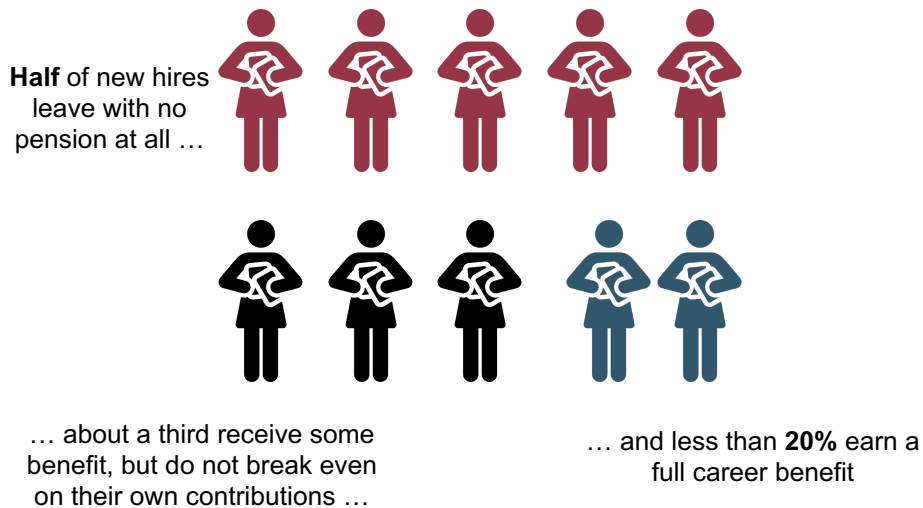
Benefits for workers have gotten worse over time, even as total costs have risen



Source: Author's analysis of data from the Public Plans Database: <http://publicplansdata.org>

3

Worse, the way benefits accumulate is not aligned with the way most teachers progress through the profession



Source: <https://www.educationnext.org/why-most-teachers-get-bad-deal-pensions-state-plans-winners-losers/>

Pensions are often seen as a tool to help schools attract and retain teachers, but the evidence is more complicated

New Hires

- Rising employee contribution rates **have not deterred** new teachers from entering the profession
- Early-career teachers **do not remain just to qualify** for a pension (e.g., “vesting”)
- Factors like **salary, geography, and other working conditions** are more powerful drivers of recruitment and retention

Veteran Teachers

- Pensions do help retain **teachers nearing their retirement age**, but this effect occurs late in a teacher’s career
- For those who reach retirement age, pension plans **nudge veteran teachers** out of the classroom and into retirement
- When states enhanced their pension benefits in the 1990s, teacher retention rates **barely changed**

As such, retirement plans should be thought of as a tool to **meet the needs of workers**, not as a lever for employers to shape their workforce

Source: <https://www.teacherpensions.org/blog/what-does-evidence-say-about-teacher-recruitment-retention-and-retirement>

For more information, visit:
www.teacherpensions.org

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