Earlier chapters of this report covered our review of existing research and our analyses of data on school administrators, all of which were aimed at understanding the careers of administrators in K–12 schools. We presented an overview of the existing information on school administrators’ characteristics; the moves into, through, and out of the school administrative field that people make; and the factors influencing those moves. We found little evidence of a nationwide crisis in the school administrator market. We did, however, find issues that may be of concern to policymakers.

AGING TRENDS MAY IMPLY SHORTER CAREERS IN SCHOOL ADMINISTRATION

Overall, it appears that school administration is a stable professional area experiencing neither tremendous growth nor tremendous decline. The national trends obscure some important regional variations, however, and high rates of growth in the number of school administrators suggest that strong demand may be putting pressure on labor markets in some western states.

Many policymakers are concerned about the impending retirement of a large proportion of current school administrators. Our analyses suggest that principals are indeed an aging group, but that school and district choices in hiring principals and the existing retirement programs may be contributing to this trend. Not only is the average age of principals increasing, but so is the average age of new principals (i.e., those who have three or fewer years of experience as a principal). At the same time, the prevalence of principals over age 55 has not changed. Taken together, these findings imply that new principals will spend fewer years in the principalship than previous new principals did before reaching retirement age. This is more of an issue in the public sector, where principals appear to be much less likely to remain on the job after 55.

Although the trends suggest that new principals will now have shorter careers, recent studies emphasize that schools and districts view administrative experience as a desirable quality and seek out experienced individuals to fill vacant school administrative positions.
ALTERNATIVE CAREER OPPORTUNITIES FOR SCHOOL ADMINISTRATORS ARE NEITHER MORE NOR LESS ATTRACTIVE THAN BEFORE

We found little evidence that labor market forces are having a negative impact on the attractiveness of school administration as a career option. In other words, we found no evidence of high or increased rates of exit to suggest that people are being lured away from school administrative positions by jobs in other sectors of the economy. We also found little evidence to support the idea that the incentives for school administrators to leave the education career field have changed in recent years. When we compared school administration to professional management options outside of education, we found no evidence that the real hourly wage of school administrators has changed relative to that of other professional managers over the years 1983 to 1999. In addition, we saw little evidence that school administrators are in fact leaving to take jobs in other sectors of the economy. Those who exited school administration typically left the labor force entirely or returned to teaching. On average, those leaving experienced a decrease in the average number of hours they worked per week and in their average wage. Thus, it does not appear that school administrators are being lured away from their positions by high-paying private-sector jobs.

PAY GAP BETWEEN ADMINISTRATIVE POSITIONS IN THE PUBLIC AND PRIVATE SECTORS IS SHRINKING

Although our analyses do not raise general concerns about the labor market conditions for school administrators, they do indicate that administrative salaries have increased more rapidly in private schools than in public schools over the past decade. As a result, public schools may be facing greater competition from private schools when trying to fill school administrative positions.

A key question for policymakers is whether this change in relative compensation has led more public school principals to move into the private sector. It is still true that public school principals earn substantially more than private school principals do. However, we also know that compared with public school principals, private school principals reported fewer problems in their schools. Our analyses suggest that movement of principals and other administrators between the public and private sectors is uncommon but does occur. As of 1994, transfers of principals and other administrators between the private and public sectors appeared to be roughly equal, rather than a mass exodus from the public to the private sector. However, private school principals were slightly more likely to move to the public sector than vice versa. We know that between 1988 and 2000, the average years of experience as a principal for current principals declined in public schools but increased in private schools. Unfortunately, the existing data did not allow us to examine trends in movement between the two sectors over time, or to specifically address the question of whether public school principals became more likely to leave for the private sector in the past decade. Thus, although the evidence raises concerns, we cannot, at a national level, address the question of whether the narrowing in the salary gap between
public and private school principals has made administrative positions more attractive in the private sector than in the public sector.

TEACHING IS A GATEWAY TO SCHOOL ADMINISTRATION

Although there are many potential pathways to school administration, a vast majority of principals and superintendents begin their career as a teacher. Certainly, certification requirements play some role in the pervasiveness of this pattern. However, the fact that nearly 90 percent of private school principals—who are not subject to state certification requirements—have served as teachers suggests that such requirements are not the only reason schools tend to draw school administrators from the pool of teachers. Additional, informal barriers that discourage non-teachers may be embedded in the hiring process and the expectations of those reviewing résumés.

Because teaching is the main gateway to school administration, an understanding of the factors that encourage teachers to move into administrative positions and deter them from doing so is crucial. Certification requirements for administrators, which typically require certified teachers to obtain additional credits or degrees from an approved program, may pose a barrier to teachers and to people outside the education field.

Other professions may provide insight for the education sector as to how to manage career transitions from teaching to administration. Cultural barriers between managers and practitioners are common in organizations that rely on skilled technical professionals. Such organizations typically create a dual career track consisting of career advancement opportunities for those who move into management and for those who instead develop into highly experienced practitioners. Other structural barriers may exist as well, in the form of tenure and retirement systems.

A key issue is whether teachers have a financial incentive to move from teaching to school administration. Our analysis revealed that financial incentives generally do exist but are weak or nonexistent at certain individual schools. We found that on an adjusted annual basis, public school principals earned 33 percent more and private school principals earned 44 percent more than experienced teachers in the same school did. In the public sector, we found no evidence to suggest that the magnitude of the pay differential was related to observable school characteristics; in the private sector, we found that the pay differential for principals of Catholic and other religiously affiliated schools was less than that for principals of nonsectarian schools. When we compared the hourly wage of school administrators with that of teachers, we also found that administrators earned more.

Despite concerns to the contrary, there appears to be no shortage of people who are officially qualified to assume (i.e., are certified for) school administrative positions. Certainly, certification requirements may pose a barrier to people—particularly those with non-teaching backgrounds—who might be interested in becoming a principal. If this were a significant problem, the barrier could be removed or relaxed to ease the way for such people to join the pool of potential principals. So far, how-
ever, the certification data suggest that the number of people expending the extra effort needed to meet the certification requirements remains ample.

Finally, it is worth pointing out that while teaching is the gateway to school administration, only a small fraction of teachers need to move into school administration to ensure an adequate supply. The number of school administrators is less than 10 percent of the number of teachers.

**THERE IS LITTLE EVIDENCE OF PRINCIPAL SORTING BASED ON OBSERVABLE SCHOOL CHARACTERISTICS**

Our analysis suggests that a school’s observable characteristics can serve as a useful proxy for the degree of problems in the school. It also revealed that principals at the types of schools that tend to have more problems (e.g., larger, more diverse high schools) tend to earn more money than do those at schools with fewer problems.

There is one important exception to the consistent relationships among school problems, school characteristics, and principals’ salaries. In public schools, principals whose schools had a larger fraction of students enrolled in the free and reduced-price lunch programs (i.e., low-income students) earned less than did principals whose schools had a smaller proportion of such students, even though the schools with the larger fraction were perceived as “more problematic” by principals.

In spite of this disconnect between school problems and principals’ salaries in schools with more low-income students, we found no evidence that the principals in these schools had less experience compared to other principals. In other words, there is no evidence that principals are fleeing low-income schools to go to high-income schools.

Our analysis of principals’ experience revealed no evidence to support the idea that principals tend to move away from schools with certain observable characteristics as they gain more experience. In particular, we found no evidence that more-experienced principals were systematically choosing to work in suburban schools, schools with smaller enrollments, and schools with a smaller proportion of minority, low-income, or LEP students.

We did find (after controlling for observable school characteristics) that principals in schools with more reports of one type of problem—school conflict problems—did have less experience. We concluded that there is some relationship between principals’ reports of school problems and observable school characteristics, but that there is also some variation in principals’ perceptions of school conflict problems that is unexplained by the observable school characteristics.

There are at least two possible explanations for the relationship among principals’ experience, school characteristics, and school problems. First, the market for school principals may be following the logic of the theory of compensating differentials, and the observed differences in the salaries offered by schools with different characteristics are adequately compensating principals for the added difficulty of the job that can be explained by the observable school characteristics. The fact that experienced
principals are sorting out of schools with a high level of reported school conflict problems could reflect the fact that observable school characteristics do a poor job of predicting which schools have conflict problems, and hence compensation variation that is tied to observable school characteristics does not reward principals at conflict-ridden schools. Second, it may be that principals are assigned to positions and do not gain more leverage to choose where they work as they gain more experience. Both explanations are inconsistent with the notion that there is a crisis in the ability of schools to attract and retain principals.

FINANCIAL INCENTIVES TO ENTER AND LEAVE SCHOOL ADMINISTRATION DIFFER BY STATE

Overall, our analysis provided little evidence of a national crisis in terms of the characteristics of school administrators, moves into and out of administrative positions, and the incentives driving these moves. However, our results did reveal some important differences in financial incentives for principals across states.

Principals in some states fared differently than principals in other states did. In some states (such as Connecticut and New Jersey), principals were highly paid relative to both principals in other states and teachers in their own state. In other states (such as Hawaii, North Carolina, the Dakotas, and Wyoming), principals were poorly paid relative to principals in other states but well paid relative to teachers in their own state. Another type of difference (evident in Michigan) was that principals were well paid relative to principals in other states but poorly paid relative to teachers in their own state. Finally, in some states (West Virginia and Utah, for instance), principals were poorly paid relative to both principals in other states and teachers in their own state. These findings may be of interest to state policymakers when they are considering the results of this analysis vis-à-vis their own market conditions.

IN SPITE OF A STABLE NATIONAL PICTURE, INDIVIDUAL SCHOOLS AND DISTRICTS FACE CHALLENGES IN RECRUITING AND RETAINING SCHOOL ADMINISTRATORS

Our analysis focused on national and state averages and on systematic variation by school characteristic. Based on our results, we conclude that there is no national crisis and, indeed, no crisis generally facing certain types of schools (urban, low-income, etc.). However, it is important to keep in mind that the data revealed a significant amount of local variation. There are over 14,000 school districts and over 100,000 schools in the United States. In some of these, principals earned less than experienced teachers in the same school did. And in some of the schools, principals were in their first year on the job. Although we have no data on turnover at the school level, some schools are likely to be experiencing frequent turnover. However, our analysis suggests that such problems are decidedly local in nature. For example, we found that some urban, low-income schools were having trouble keeping experienced principals, whereas other such schools succeeded in retaining principals over long periods of time.
RECOMMENDATIONS AND AREAS FOR FUTURE STUDY

Our analysis provides no evidence to support the notion of a nationwide crisis in the ability of K–12 schools to attract and retain school administrators. It does, however, raise issues for policymakers and education administrators to consider.

Trends in the age and experience distribution of school principals suggest that public schools are hiring increasingly older people into the principalship and that relatively few principals remain in their positions beyond age 55. If experience is a desired characteristic for school principals, then policymakers should consider policies and programs to promote the entry of people into the principalship earlier in their career and/or to keep them in the job beyond age 55.

In view of recent increases in the compensation offered to private school administrators, as well as the decline in the experience of public school principals and the increase in the experience of private school principals, public policymakers should pay close attention to possible competition from the private sector. District administrators or state policymakers might try to identify a way to monitor, at a local and a regional level, movement of administrators between the public and private sectors and the relative salaries between the two sectors. One issue worth exploring in greater detail is the extent to which principals retire from the public sector at relatively early ages and then take jobs in the private sector. A more in-depth exploration of the relative working conditions in the private versus the public sector may be worthwhile as well, especially given the argument that private school principals accept lower pay because they value the greater job flexibility they have relative to public school principals.

A richer understanding of charter school principals might help policymakers appreciate the importance of such flexibility in attracting people into administrative positions. Charter school principals earn substantially less than their counterparts in other public schools do. We found that 49 percent of charter school principals had been principals at another school. Why are such people willing to accept the lower salaries offered by charter schools? Working conditions that relate to flexibility and control may be important to these individuals.

A key point of our analysis is that teaching is the main gateway to school administration. For the most part, tomorrow’s administrators are today’s teachers, a fact that has several important implications for policymakers to consider.

First, to attract high-quality administrators, one must attract high-quality potential administrators into the teaching pool. Second, changes in teachers’ wages and working conditions can affect the incentives teachers have to move into administration. The spillover effect of teacher pay increases or class size reductions should be kept in mind. Third, teaching is the fundamental activity going on in schools, so while some teachers do need to be developed into administrators, most teachers will remain in the classroom for their entire career. A focus on school administration thus should not overlook the need to cultivate and reward experienced, expert teachers who remain in the classroom. Finally, seeing teaching as the main gateway to school administration may simply be a self-fulfilling prophecy. Formal barriers (such
as certification requirements) and informal barriers (such as district hiring practices) all but exclude people with no teaching experience from consideration for administrative positions. If policymakers are serious about drawing people from outside of education into school administration, these barriers must be addressed.

To the extent that there are problems in the market for school administrators, they are local and idiosyncratic. This presents a challenge to policymakers because there is no easy target toward which to aim solutions. It does not appear that urban schools, low-income schools, and schools with a large number of LEP students are systematically having more trouble than suburban, high-income schools in this labor market. If we had observed such systematic trends, policy recommendations would be easier to craft. Instead, our analysis suggests that one must closely monitor local market conditions and personnel management practices in order to craft targeted solutions. While the primary monitoring burden will fall on district administrators, solutions to identified problems may require state-level intervention wherever an entire district cannot summon the resources to compete with neighboring districts or fails to adequately monitor or respond to local labor market conditions.

Finally, although our analysis revealed no evidence that schools with a high proportion of low-income students were having trouble attracting and retaining experienced principals, our findings on incentives suggest that this is an area for policymakers to monitor closely. Working conditions in such schools are harder, as measured by principals’ reports of school problems, and salaries are lower. It may be that some schools and districts with a large proportion of low-income students do not have the resources to attract principals by compensating them financially for the more difficult working conditions. This issue may need to be addressed at the state level.

THERE IS STILL MUCH MORE TO BE LEARNED

Our review of the literature on the careers of school administrators indicated that there is still much to be learned. We were able to generate a useful set of information about administrative careers using the existing national data, but a greater understanding of these careers requires richer data.

One major item that limited our analysis was the lack of information on principal quality. Most companies and government organizations have performance review processes in which individuals are given a performance rating. Although such procedures may exist for school administrators in some schools and districts, the data are not available in any systematic way that makes them usable for research or comparison purposes. Other approaches to measuring principal quality are possible, but they pose important challenges. This area is worthy of future attention.

The existing literature and cross-sectional data focus on describing the current stock of school administrators and ignore career moves and the factors influencing those moves. A more thorough understanding of the flows and how they could be influenced by policy would be useful to policymakers and educational administrators.
We think that an analysis of state-level administrative data will provide the most useful insights on the career flow issues of school administrators. Such data allow one to examine the career choices that individuals make over time and the benefits they receive from those choices. As discussed earlier, SASS data suggest that administrative careers typically are constrained by state but not district boundaries. Moreover, states differ on important dimensions that restrict career flow and influence the demand for administrators.

Several states have longitudinal data on teachers and administrators that allow individuals to be tracked as they move from teaching through administrative positions in the state. Using individual-level data from a single state, one can track careers as people move across schools and districts. Note that a focus on states does not imply that school or district issues are irrelevant. Indeed, some important empirical observations related to these levels may emerge from such an analysis. For example, some districts or schools may be losing principals to other districts. Because state data include district and often school identifiers, career flows can also be considered from these perspectives within the context of a state-level analysis. An identification of districts to examine in greater depth would follow a preliminary state-level analysis. Such an analysis would begin to answer the flow questions posed earlier—the questions most relevant to policymakers. Finally, with a state-level analysis, the relationship between issues of compensation, working conditions, and turnover could be explored in greater detail.