

EDUCATION	
FINANCE	
AND POLICY	

POLICY BRIEF

A degree above? Value-added estimates and estimates and evaluation ratings of teachers with a graduate degree

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Teachers are an integral part of our education system. Policymakers at the state and district levels have focused on ways to reward and retain effective teachers. The majority of states provide permanent salary increases for teachers who have earned a graduate degree. The average salary increase for graduate degrees costs approximately \$174 per student. As such, from a policy perspective, it is important to understand (a) if teachers with a graduate degree are more effective than their peers with undergraduate degrees and (b) if teachers are more effective after earning a graduate degree.

To answer these questions, a recent study examined administrative data from North Carolina public schools. Looking at data from the 2005-2006 through the 2013-2014 school years, the author examined over 15 million test scores and data from nearly 158,000 teachers. To assess for the effects of teachers with graduate degrees, the study examined test scores for multiple groups of teachers: those with undergraduate degrees, those with National Board Certification, those with graduate degrees in their area of teaching, and those with a graduate degree outside of their area of teaching.

Analyses reveal four key findings:

- Teachers with a graduate degree in their area of teaching have similar value-added estimates and higher evaluation ratings than teachers with undergraduate degrees only.
- After earning a graduate degree in their area of teaching, teachers have higher value-added estimates in several comparisons and earn higher evaluation ratings on the Leadership standard.
- Teachers with a graduate degree outside their area of teaching tend to be less effective than teachers with an undergraduate degree only.
- Though there are positive results for teachers with a graduate degree in their area of teaching, the results are smaller than those for teacher experience or those for National Board Certification.

The positive results for in-teaching area graduate degrees highlight the benefits of job-specific human capital. This can inform strategies for policymakers to financially incentivize teachers through earning graduate degrees in the area they are teaching or through National Board Certification. This can also inform policymakers of the nuanced and complicated relationship between teaching credentials and effectiveness. In the future, policymakers should focus on additional outcome measures for evaluating teacher credentials and effectiveness.