Understanding Alaska's Teacher Pay Gap

Alaska has an opportunity to strengthen its education system and workforce by addressing challenges in teacher recruitment and retention. Teacher compensation plays a significant role in persistent vacancies and high teacher turnover, especially in rural and remote communities. In a 2021 statewide survey of over 4,000 educators, teachers rated compensation as the top factor influencing their decisions to continue teaching in the state, above retirement and healthcare benefits. For the past four decades, Alaska gradually shifted from being a national teacher compensation leader to offering salaries below the national average once cost of living is factored in. This brief provides district and state leaders with historical context and salary comparisons to make informed decisions about teacher compensation in Alaska.

Historical Overview of Alaska Teacher Pay

Figure 1. Alaska teacher salary patterns over time

1970s–Early 1990s	Mid-1990s	2000s–2010s	Today
National Leader 170% of national average—highest in the US	**Decline Begins** Budget pressure and oil revenue shifts	**Widening Gap** Inflation erodes gains year by year	**Shrinking Value** Teachers earn more, but each dollar buys less

GENEROUS PAY LED TO TEACHER RECRUITMENT BOOM

From the 1970s through early 1990s, Alaska was the national leader in teacher compensation. According to archived state economic data, teachers' pay reached about 170% of the national average in 1980, making it the highest teacher compensation in the United States. This compensation level was funded mostly through oil revenue, which provided the state with substantial financial resources for public services. Robust compensation packages functioned as the state's main teacher recruitment tool to offset the high cost of living and to incentivize teachers to work in rural and remote areas. A key component of Alaska's compensation package was its former Tier I defined-benefit pension teacher retirement system. This system offered lifetime retirement income based on salary and service paired with subsidized retiree

health benefits. School districts supplemented base salaries with robust incentive packages including cost-of-living adjustments, moving allowances, and housing subsides. As a result, Alaska's substantial financial advantage attracted qualified educators from inside and outside the state and its workforce remained relatively stable until the mid-1990s.

THE WIDENING GAP IN TEACHER PAY

The gradual decline in Alaska's teacher recruitment competitiveness began in the mid-1990s with reductions in teacher compensation.

- Alaska's growing cost of living along with budget pressures, fluctuations in oil revenue, and changes in state fiscal priorities constrained education spending.
- Teacher turnover also contributed to declining average compensation. Alaska's statewide early retirement incentives led experienced, higher-paid teachers to retire and they were replaced by younger, less expensive teachers entering lower on the district salary schedules. This compositional shift lowered the average teacher salary in the late 1990s.

1 of 4 **Alaska is one of only four states to raise teacher salaries by less than 70 percent over a 30-year period.** Inflation caused the compensation gap to continue to widen.

National Landscape in Teacher Pay

Today, Alaska has approximately 500 public schools operating within 53 school districts. Each district has significant autonomy regarding compensation, negotiates independently with teacher unions, and publishes pay scales as part of its collective bargaining agreement. This decentralized approach results in substantial variation based on location and amenities. Urban districts, such as Anchorage and Fairbanks, tend to offer higher base salaries, while rural districts lean on other types of benefits, such as housing assistance or travel allowances.

According to the National Education Association (NEA), Alaska's average public school teacher salary in school year (SY) 2023–24 was $78,256, slightly above the national average of $72,030 and ranking 10th in the country. States with higher average salaries include California, New York, and Massachusetts. At first glance, this places Alaska among the states with the highest compensation. However, nominal salary rankings are a misleading benchmark because they do not account for purchasing power—what a dollar can actually buy in a given state.

ALASKA SLIPS WHEN COST OF LIVING IS FACTORED IN

For a more accurate national comparison, salaries can be adjusted using the Bureau of Economic Analysis (BEA) Regional Price Parity (RPP) indices, which measure the relative cost of goods and services across states (table 1). Alaska's RPP of 103.3 in SY 2023–24 indicates that prices in the state run roughly 3.3 percent above the national baseline. Alaska's adjusted teacher salary of $75,758 dropped it from 10th to 12th place nationally.

Table 1. Nominal vs RPP-adjusted average teacher salaries for the 12 highest-paying states and Washington, DC, SY 2023–24

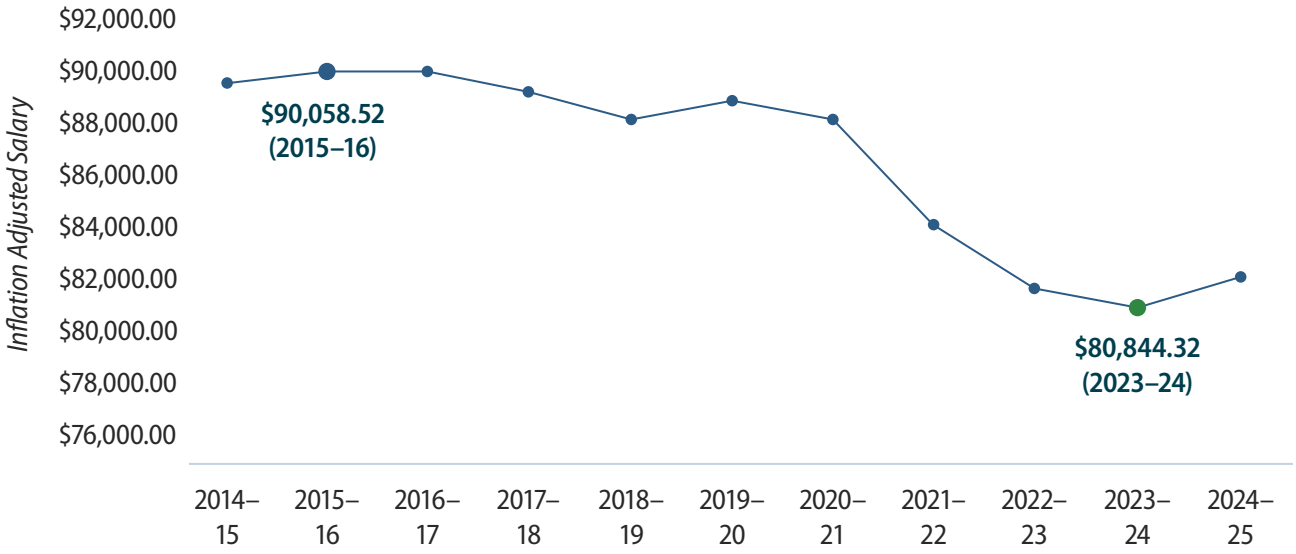
State	Average Salary	RPP Index	Cost of Living Adjusted Salary	Nominal Rank	Adjusted Rank
California	$101,084	112.20	$90,097	1	1
New York	$95,615	107.84	$88,662	2	2
Massachusetts	$92,076	107.68	$85,513	3	3
Washington	$91,720	108.37	$84,636	4	4
Connecticut	$86,511	104.20	$83,023	6	5
Maryland	$84,338	104.60	$80,628	7	6
Rhode Island	$82,189	102.07	$80,526	9	7
Pennsylvania	$76,961	97.40	$79,015	12	8
District of Columbia	$86,663	110.71	$78,277	5	9
Illinois	$75,978	98.75	$76,938	13	10
New Jersey	$82,877	108.94	$76,075	8	11
Alaska	**$78,256**	**103.30**	**$75,758**	**10**	**12**

Source: RPP-adjusted salaries calculated by dividing each state's nominal average salary by its BEA Regional Price Parity index (2023), then multiplying by 100. Nominal salary data from NEA Rankings & Estimates (2024); RPP indices from the U.S. Bureau of Economic Analysis.

EARNING MORE BUT WITH LESS PURCHASING POWER

Although reported teacher salaries in Alaska have risen steadily in the past decade, they have not kept pace with inflation. When accounting for the rising cost of everyday goods like groceries, gas, and housing, the picture looks very different over a 10-year period (figure 2). Measured in 2024–25 dollars, the average teacher salary at its peak in SY 2015–16 had a purchasing power of $90,059. By SY 2023–24, that dropped to $80,844—a functional loss of $9,214 in purchasing power due to inflation. Alaska teachers are earning more on their paychecks, but each year their dollar buys less.

Figure 2. Alaska average teacher salary in inflation-adjusted dollars, SY 2014–15 through SY 2024–25



Source: Teacher salaries reported by school year were converted to constant dollars using the Consumer Price Index for All Urban Consumers (CPI-U), averaged over the corresponding July–June school year period, consistent with NCES methodology. All figures are expressed in constant 2024–25 dollars. Nominal salary data were retrieved from the Alaska Department of Education and Early Development (DEED); CPI-U indices from the U.S. Bureau of Labor Statistics.

Path Forward

Alaska ranks 12th among states in teacher compensation, but inflation has steadily reduced what teachers can actually afford, affecting their quality of life. Closing that compensation gap requires intentional strategies designed for Alaska's unique recruitment and retention challenges. For more information and other resources on teacher retention and recruitment and to learn more about how districts and states have approached building and sustaining their teacher workforce, check out Alaska's Department of Education and Early Development Teacher Retention and Recruitment website.

Resources

Effective compensation for teachers requires looking beyond salary, which represents only one piece of a teacher's total compensation package. Working conditions, health and retirement benefits, and other factors all play a significant role in attracting and retaining educators. The following resources offer guidance and ideas specific to the Alaska context that can inform deeper discussion and decision-making around a comprehensive compensation strategy.

Teacher Salary and Compensation

- Are Alaska teacher salaries competitive?
- Come, Stay, Earn: Financial Opportunities to Augment Teacher Salaries (PDF | slide deck)

Collective Bargaining: Compensation Beyond Salary

- Negotiated Success: Contractual Benefits that Enhance Recruitment and Retention (PDF | slide deck)

General K–12 Education Spending

- How much does Alaska spend on K–12 education? Research Summary
- How has Alaska K–12 education spending changed? Trends from 2017–2023
- What drives the cost of education in Alaska?

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