

CentrePiece Spring 2009

Increasing numbers of teachers have been moving into the independent sector in recent years. **Richard Murphy** and colleagues examine whether this has been driven by differences in pay or differences in working conditions compared with state schools.



Going private:

the competition for independent and state school teachers

Pivate schools in Britain have a longstanding history of influence and power. Yet very little research has been done on how these schools affect the economy, especially in the labour market for teachers.

Our research looks at the differences between the two sectors and shows that there has been an increasing flow of teachers from the state sector to the private sector. This has been caused not by differences in pay but by differences in working conditions.

The private educational sector currently teaches 7.5% of pupils in England, the same proportion as in 1990. But while the share of pupils has remained constant, the share of teachers employed in private schools has been increasing and now stands at 14%. Hence the gap in terms of pupil-teacher ratios has been widening: the private sector now has an average of 9 pupils per teacher; the state sector average is 18.

Fee-paying schools not only employ more teachers per pupil but also have more teachers with a postgraduate degree. This gap has also been growing. In the period since 2000, 60% of male teachers in the private sector had a higher degree compared with 45% in the state sector.

So where is the private sector getting these teachers from? Using information from the Independent Schools Council's annual census, we find that the state sector is an increasingly important source of teachers. The net annual flow of teachers from public to private has quadrupled over the last 15 years, rising from 400 in 1993 to 1,600 last year.

These transfer rates imply that a quarter of the 48,000 teachers in



Independent schools have an average of 9 pupils per teacher; the state sector average is 18

independent schools have once worked in the state sector. This represents a substantial transfer of skills and experience from the state sector, which usually goes unnoticed.

We explore the reasons why a teacher would move from the state sector to the private sector, first looking at earnings and second at working conditions. Using data

from the Labour Force Survey and the British Household Panel Survey, we compare the average hourly wages and weekly earnings for teachers in both sectors.

We find that the hourly rate for both male and female teachers is largely the same across sectors (see Table 1). But controlling for other teacher characteristics, such as work experience, qualifications and region, female teachers in private schools are actually paid less per hour and per week than a comparable teacher in the state sector. For male teachers, there is no significant difference between the sectors.

The one group of teachers that are paid relatively more in private schools are those educated in 'shortage subjects', such as maths or science, and hence likely to teach those subjects. According to our results, male and female teachers

Table 1:

Comparing the average (mean) pay of male and female teachers in the state and independent sectors

	1996-2000		2001-2005	
	State	Independent	State	Independent
Male				
Real gross hourly wage	£13.00	£13.10	£13.90	£14.20
Real gross weekly pay	£573.90	£610.00	£634.70	£704.10
Female				
Real gross hourly wage	£11.80	£11.30	£12.70	£12.50
Real gross weekly pay	£469.00	£421.00	£517.90	£503.00

The independent school sector is gaining far more teachers from the state sector than it loses



This article summarises 'Competition for Private and State School Teachers' by Francis Green, Stephen Machin, Richard Murphy and Yu Zhu, CEE Discussion Paper No. 94 (<http://cee.lse.ac.uk/cee%20dps/ceedp94.pdf>) and *Journal of Education and Work* 21(5): 383-404 (November 2008).

Richard Murphy is a research economist in CEP's education and skills programme. **Stephen Machin** is research director of CEP and professor of economics at University College London. **Francis Green** and **Yu Zhu** are at the University of Kent at Canterbury.

educated in a shortage subject earn 15% more per week compared with their state counterparts. This premium suggests that the private schools are using their greater pay flexibility to help attract teachers in these subjects.

At the same time, over the past decade or so, the state sector has managed to reduce the gap in the proportion of teachers with a degree in a shortage subject – from 7 to 2 percentage points – through such measures as 'golden hellos' for student teachers trained to teach these subjects.

Given the absence of differences in earnings, we turn to variations in working conditions as possible explanations for the teacher flows. We find that in the late 1990s, teachers at private schools got on average 10 more days holiday per year and worked half the amount of overtime per week. These differences have diminished more recently with teachers at private schools having to do more unpaid overtime and receiving fewer holidays, while the state sector has remained constant.

We also analyse information on satisfaction with different aspects of the job. This reveals that private school teachers are more satisfied with their jobs than those in the state sector, although the difference between the two sectors has narrowed since 1997.

Over time, state school teachers have become more satisfied with their total pay and job security compared with those in the private sector. In terms of satisfaction with the work itself and hours worked, the private sector has maintained its lead although the gap has narrowed. These higher levels of satisfaction are likely to be the key elements explaining the flow of

teachers from the state sector to the private sector.

Our research shows that the state sector is a major and increasing source of supply of teachers for the independent sector. The way in which teachers are attracted is not through wages – with the possible exception of shortage subjects – but through superior working conditions.

This comes in the form of smaller classes, better infrastructure, the lack of regulation and probably the type of pupils they have to teach. It is very difficult for the state sector to compete along these lines. Although we have seen a narrowing of the differences between the two sectors, private schools still remain more attractive to some teachers in the state sector and hence the flow of teachers continues.

Teachers are attracted to the independent sector not through wages but through superior working conditions



Figure 1: Comparing the job satisfaction of teachers in the state and independent sectors

