Teacher Education and Career Outcomes

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Abstract

This paper analyzes how public school teachers make educational decisions and the effects that these decisions have on their future labor market outcomes. In particular, it looks at the impact of college options and characteristics on the recent increase in the incidence of master’s degrees for employed teachers. Teachers’ education and career decisions are modeled via a dynamic framework in the presence of teacher-specific unobserved heterogeneity. Descriptive statistics from an administrative database indicate that there is high variation in the ability of these degrees to provide teachers with improved career options. Results indicate that the availability of distance education programs are the main impacts on teachers decisions, even if they may cost more, and that the decision of where and how to obtain a master’s degree is heavily influenced by whether they want to improve their career options or not. Counterfactual simulations analyze the effect of removing the premium for a master’s degree and find that teachers who receive master’s from for-profit universities are more likely to change their behavior in this alternative world than teachers from traditional universities.

JEL Classification: C35; I21; I28; J24; J41; M5

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