

“The public school is the  
**GREATEST DISCOVERY**  
made by man.”

Horace Mann  
(1796-1859)

“...such education can be provided only by well-trained, professional teachers.”

## Keeping Missouri Communities Strong With Experienced School Teachers

A Position Paper Commissioned By:

**Missouri Retired Teachers Association and Public School Personnel**

with special thanks to MASA Members Emeritus and MRTA Members: Richard Phillips, Bill Elder, Terrence Stewart, and committee.

- A first-rate pension keeps quality professional teachers in the classrooms for our children.
- PSRS/PEERS infuses \$3 billion into the Missouri economy each year.
- Defined Contribution retirement system (401(k)) would be a disaster for public education and Missouri's economy.



# Keeping Missouri Communities Strong With Well-Trained Professional Teachers

## In the Beginning

The challenge of attracting and retaining quality teachers goes back to the formation of public schools in what was referred to as the Territory of Missouri. The Act of 1808, by the “Territorial Legislature of Louisiana,” provided for a Board of twenty-one Trustees, who were authorized to receive donations for the endowment of the public schools. This Act led to securing some “cultured women” to have charge of the children and teach them the ordinary branches of the elementary school. These early teachers were to receive a small salary, often not more than ten or fifteen dollars a month (A History of Education in Missouri, Claude A. Phillips).

Through the early years of the evolution of Missouri’s public schools, much of the concern was on securing funds to support the public schools. Yet the issue of who would teach the children was paramount when reading historical accounts of the public schools in Missouri. In 1839, the Missouri General Assembly established the office of the State Superintendent of Common Schools. This initiative also provided for the distribution of State School moneys among several counties.

In 1875, the third Constitution of Missouri led to numerous changes in the public schools to include the establishment of three Normal Schools in Kirksville, Warrensburg and Cape Girardeau. Their purpose was the professional training of teachers for the approximately ten thousand school districts in Missouri at that time. Later in 1903, again for the purpose of teacher preparation, the Springfield and Maryville Normal Schools were established.

Also, in 1903 the State Superintendent was given the power to inspect and classify the High Schools. Then, in 1909, the General Assembly passed a law providing for the State-wide County Supervision of rural schools. This first classification program for Missouri schools, among several requirements, stated, “The teacher must hold a second grade or higher certificate” (county teaching certificate).

Through two World Wars, a Great Depression and other challenges of the first half of the 20th Century, Missouri Public Schools continued to evolve with a focus still on improving the quality of the teaching profession—well-trained teachers-- that leads to enhanced opportunity for Missouri school-age youth.



## The Focus Expands

In the early 1940’s the focus on strong teachers expanded from training in the “Normal Schools” to include recruiting and retaining those well-trained teachers in all Missouri communities.

In 1941 Everett Keith was named the Missouri State Teachers Association (MSTA) Executive Director. Mr. Keith made establishing a teacher retirement system his top priority. In May 1945 Governor Forrest C. Donnell signed into law, beginning in July 1946, a bill establishing the Public School Retirement System (PSRS), with the purpose to help school districts strengthen the recruitment and retention of quality teaching staff to educate the children of Missouri. The principle guiding recruitment and retention was, and continues to be, to provide financial security in retirement for Missouri teachers. How important this guiding principle would become to help financially invigorate local Missouri communities.

## Attract and Retain Quality Professional Teachers

For the last seventy-three years (1946-2019) PSRS has provided a retirement system that does, in fact, help school districts provide for the recruitment and retention of a quality teaching staff to educate the approximately 900,000 children attending Missouri's Public Schools, as evidenced by:

1. 73% of classroom teaching in Missouri is performed by teachers with 20+ years of service.
2. 95% of Missouri teachers with 15 years of service will teach until they are eligible to retire.
3. In 2018-2019 the average number of years of service for a Missouri teacher was 22.5 years.
4. A January 2019 independent study by Rhee and Joyner, "Teacher Pensions vs. 401(k)" in six states found the majority of teachers in all six states (71%-84%) were better off financially with their pension plans than they would be with a 401(k). In Missouri, 84% of the teachers were better off financially with PSRS pensions than they would be with a 401(k).



## Evidence of Experienced Teachers

In 2019, beginning teacher salaries in Missouri rank 49th nationally with average teacher pay at 39th nationally. Yet on important student performance measures Missouri students perform at or above national averages, as evidenced by:

1. The National high school graduation rate for 2016 was 84% and 85% for 2017. Missouri high school graduation rates for those years was significantly better at 89% and 88%, respectively (National Center for Education Statistics).
2. Nationwide 52% of students take the ACT compared to 76% of Missouri students, with nearly identical composite scores of 20.8 and 20.6 (DESE).
3. The national six-year rate for students attending colleges and universities is 57.6% while for Missouri the rate is 58.6% (DESE).

## Strong Communities

A January 2019 report, "Public Pension Greatly Benefit Rural Areas" cited two other studies, a report by Pacey Economics in Colorado and a 2017 report by the Louisiana Budget Project. Both reports found their state's public pension plans had substantial positive economic impact in their states. Similarly, in Missouri for the last 73 years (1946-2019) PSRS/PEERS retiree's benefits have contributed significantly to Missouri's economy, as recently evidenced by:

1. In 2018, approximately 83,000\* PSRS/PEERS retirees in Missouri received pension benefits totaling more than \$2.6 billion, significantly helping fuel Missouri's economy [\* the number of retirees can change monthly].
2. Those 83,000 retirees live in communities in 114 Missouri counties. Their pension incomes buy goods and services in all 114 counties. Their retirement dollars multiply as business owners in their communities spend those dollars to pay employees and invest in their community enterprises.
3. More significant than one year of PSRS/PEERS pension benefits to Missouri retirees is the past five-years, totaling over \$12 billion. These contributions from the teachers and their school districts positively impact the economy of the state, the 114 Missouri counties and the communities in which the 83,000 retirees live.
4. A report by the National Institute on Retirement Security (NIRS), "Pensionomics 2018: Measuring the Economic Impact of DB Pension Expenditures" found that each \$1.00 in pensions in Missouri ultimately is multiplied to \$1.43 in total output in Missouri.
5. Further, that same report shows each \$1.00 of retiree contribution returns as much as \$6.00 in total output in Missouri.

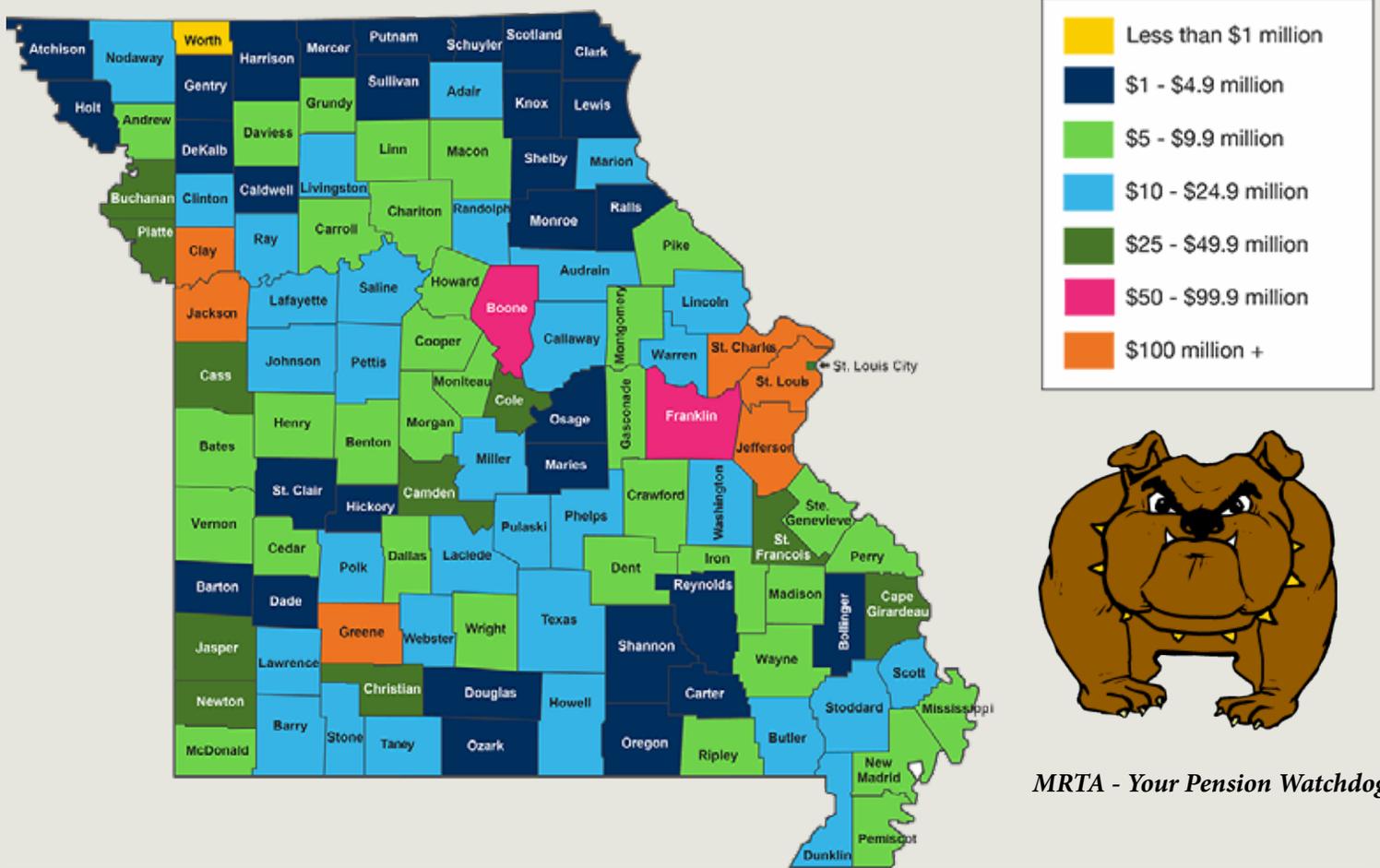
The past 73 years have laid a strong foundation for the future of education retirees in Missouri. MRTA recognizes how the Public School Retirement System (PSRS) has contributed to creating strong communities in Missouri by providing a strong retirement program for Missouri teachers. Let's keep it that way.

**Because of PSRS**

1. Retirees are financially far better off than they would be under a 401(k) plan.
2. Schools are better off because they have veteran teachers.
3. Student performance is better because of veteran teachers.
4. Communities are better off because retirees spend their pension benefits in the community, and those expenditures are multiplied.
5. Every county in Missouri is financially better off.
6. The State's economy is enriched by \$3 billion annually.

Any changes to PSRS's retirement benefit calculations resulting in a reduction of benefits will negatively impact Missouri's economy, and negatively impact every county in Missouri. Let's not do that to our children's future.

**Economic Impact of Education Retirees make Strong Communities**



*MRTA - Your Pension Watchdog*

As of December 31, 2019, over 97,000 individuals received benefits from PSRS/PEERS. Total annual benefits paid were more than \$3 billion. Of this amount, more than \$2.7 billion, or 89%, was distributed among Missouri's 114 counties, positively impacting the state's economy.

**To become a member of MRTA go to [www.mrta.org](http://www.mrta.org)**  
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