A total compensation information package refers to the information shared with applicants about the rewards earned through employment. As illustrated in exhibit 1, total compensation includes indirect compensation, direct compensation, and school culture and working conditions. Communicating total package compensation has the potential to improve desired outcomes such as staff recruitment and retention, employee morale, and internal and external pay equity.

This resource is targeted to district leaders and hiring personnel. It provides definitions and rationales for three key elements included in total compensation. School districts and human resources departments can use this infographic to understand all aspects of a total compensation package and develop communication and recruitment tools inclusive of all forms of compensation. Exhibit 2 provides details on each component.
Direct Compensation

What it is: Direct compensation “involves monetary payments to employees for time worked or results obtained.”

Why it’s important: Applicants use direct compensation to compare positions between districts. Compensation is one of the most influential factors that impacts recruitment and attrition of effective and diverse educators.

EXAMPLE: Bonuses for high-need positions. Detroit Public Schools Community District is attracting special education personnel to their schools by offering a $15,000 bonus, in addition to salary.

Indirect Compensation

What it is: Indirect compensation includes the “extras” that are extremely important in total compensation but often don’t get communicated effectively to job applicants. Indirect compensation involves “expenditures made by an employer on behalf of all employees and is typically referred to as ‘fringe benefits.’”

Why it’s important: The most important reason for providing indirect compensation is to show educators that the district “cares about them, values their contributions, and wants to ensure their needs are met.” Educators may not join the profession for a high salary, so indirect compensation is especially important to justly compensate labor.

EXAMPLE: Childcare services for educators with families. Many educators have additional family responsibilities. A group of districts in Colorado are responding by providing educators with childcare programs for infants and toddlers with locations and schedules that align with teaching.

School Culture and Working Conditions

What it is: School culture can be defined “as the guiding beliefs and values evident in the way a school operates.” Culture can include all those things that make a educators want to wake up and come to school. It’s feeling valued by the community, parents, and administration. It’s having a great team to collaborate with and work friends. It’s feeling comfortable approaching the principal and sharing feedback. Additionally, it’s seeing a future for yourself in the district, including opportunities for advancement to leadership positions.

Why it’s important: Research has shown that workplace culture impacts retention. For educators, it may be especially important due to the emotional and personal nature of the job. Having a principal you trust,
opportunities for leadership, and strong collaboration are all connected to why educators stay in the profession and at their schools.\textsuperscript{11}

**EXAMPLE: Opportunities for advancement.** Teacher leadership opportunities are associated with an increase in retention rates of exemplary educators over time.\textsuperscript{12} District of Columbia Public Schools established the Leadership Initiative For Teachers (LIFT), which incentivizes excellent teachers to stay in the classroom. LIFT is a five-stage career ladder that “provides high-performing teachers with opportunities for advancement inside the classroom, as well as additional responsibility and increased recognition and compensation.”\textsuperscript{13}

**Social media connection**

Share how your district is communicating total compensation to potential educators. Tag @mieducation and #ProudMichiganEducator.

Looking for more info on how to communicate total compensation?
The Center on Great Teachers and Leaders developed a five-part tool for states and districts to develop a communication plan and coordinate its execution.


**Notes**


5 UT Health. (n.d.). *Types of compensation*. [https://www.uth.edu/hr/department/compensation/types-of-compensation.htm](https://www.uth.edu/hr/department/compensation/types-of-compensation.htm)


10 Center on Great Teachers and Leaders. (n.d.). *Understanding teaching conditions*. [https://gtlcenter.org/technical-assistance/professional-learning-modules/understanding-teaching-conditions](https://gtlcenter.org/technical-assistance/professional-learning-modules/understanding-teaching-conditions)

