"We know a good teacher can increase the lifetime income of a classroom by over $250,000," the president told the country in his State of the Union speech. His comment was based on a pioneering study by Chetty, Friedman, and Rockoff, published in this issue (see “Great Teaching,” research, page 62), which for the first time combines tax data that reveal earnings at age 28 with information on student learning when that person was in elementary school.

The president said the study showed that we need new resources and policies to “keep good teachers on the job and reward the best ones.” But does the work of the Chetty team justify strong policy interventions? Do school board members need to peruse Education Next’s reader-friendly version of this econometric study, then take appropriate steps to replace weak teachers with high performers?

A number of commentators think not. “The differences produced by the high value-added teachers are relatively small,” Diane Ravitch tells her readers. Maria Bustillos objects to “firing ‘weaker’ teachers for the sake of a barely perceptible increase in students’ lifetime income.” Sherman Dorn says the effects are only “moderate.”

For these commentators, apparently, teachers are made of the same ticky-tacky that was used to build those identical “little boxes on the hillside” about which folksinger Malvina Reynolds crooned back in the 1960s. The people in those ticky-tacky houses were all made out of “ticky-tacky,” she warbled, and “they come out all the same.”

The Reynolds melody was as catchy as her words, and every adolescent was soon whistling it. But, fortunately, great teachers have always ignored such nonsense. They passionately care about the lives and education of each individual student—even when they know that the rewards come slowly.

Education is a long, measured process. Good parents start the education of their children the minute they are born, even though the payoff is years away. It is even more so with teachers, as they work with students for fewer hours a day. Nonetheless, a top-notch teacher, as compared to a typical one, can over the course of a year raise student performance by as much as a third of a year’s worth of learning.

But despite those gains, salaries earned at age 28 are only $182 more, or 1 percent higher, for students who have experienced a year of great teaching. When the payoff is so low, why should we care whether schools keep their good teachers? Why should we bother asking bad teachers to find another job?

The answer is simple: One percent gains seem small, but they add up in the same way those saved Ben Franklin pennies do. Just 1 percent of additional income from one year in a room with a great teacher adds up to $25,000 over the typical wage earner’s lifetime. Extrapolating out to 10 years of excellent instruction, one can hazard the claim that the opportunity to enjoy consistently high-level instruction bolsters lifetime income by a quarter of a million dollars. That just about justifies the handsome tuitions charged by high-quality private schools and the large sums parents pay to buy homes in neighborhoods with outstanding schools.

And a great teacher works with not just one student but has a substantial average impact on all 28 of those in the typical class the Chetty team studied. Over the space of just 10 years, a teacher affects the lives of 280 students. On average, a great teacher has an impact that adds up to nothing short of $7 million. When the future is discounted at the standard rate, the annual value of the great teacher, relative to the typical one, drops to around a quarter of a million dollars, the number President Obama used.

Admittedly, some of these numbers are extrapolations and all are subject to error. But there is no justification for all teachers to be paid an identical salary as long as they have the same meaningless credentials and have spent the same number of years in the classroom. It’s time for school districts to stop treating teachers as if they were ticky-tacky—little boxes, sitting in the classroom, all teaching just the same.

— Paul E. Peterson