

# III CAP Project

## MODULE 3 VIDEO 11 SOURCES OF LOCAL PRICE DATA

Hello and welcome to Module 3, Video 11. I'm Rob Shand and, following directly from the previous video on sources of national prices, I'll walk you through some sources of local prices that my colleagues and I have found useful in our work. In this video, we will cover Sources of local prices, and sources of geographic adjustment indices for converting between national and local prices.

For local prices, the sources will be much more specific to your intervention, setting, and context. For personnel, most public agencies have salary schedules for positions that show variations by the level of education and years of experience. For example, here is a snapshot of the 2021-22 teacher salary schedule for New York City public schools which I found online by searching for "New York City teacher salary schedule." The columns represent different levels of education and the rows represent the first five years of experience. So, for example, a teacher with a BA starting their 5th year of teaching earns a salary of \$64,494.

<https://www.uft.org/your-rights/salary/doe-and-city-salary-schedules/teachers-salary-schedule-2018-2021>

Many government agencies also make individual salaries publicly available, which may be necessary to use if a position is unique and there is not a standard market salary range. For example, here is a searchable database of public employee salaries for South Carolina, which includes public university faculty and staff, and also employees of the state's Department of Education. <https://admin.sc.gov/transparency/state-salaries>

However, be cautious when using an individual's salary as the price for that personnel ingredient for both privacy reasons if the data are not public and because individual salaries also have baked into them a lot of factors that are arguably not relevant to your economic evaluation, such as differences in individual bargaining power and negotiating prowess, labor market discrimination faced by women and people of color, and differences in positional roles and qualifications that may be tangential to the intervention in question. If a position

is relatively unusual such that there is not a salary schedule or range, you could use public salary transparency databases to get several individual salaries for that position and then take an average.

You may also want to consult domain-specific resources for more granular data. For instance, for higher education projects, IPEDS (Integrated Postsecondary Education Dataset which is provided by the US Department of Education's National Center for Education Statistics) reports salaries for faculty in public and private institutions for the academic year on 11/12-month and 9/10-month contracts. No data are reported for salaries and benefits of other staff.

If you go to [nces.ed.gov/ipeds](https://nces.ed.gov/ipeds) and click "Use the Data", then click "Look Up an Institution" type in your institution – here, I'm using my own institution of American University, then click "Human Resources" and scroll down to see average salaries by faculty rank.

For local prices for facilities, if they are available, rental rates are preferred over annualized new construction prices as they convey more information about the true opportunity cost of using a space for one purpose rather than alternative uses.

Some schools do make their facilities available for rent and you can find these rates online. Here's one from Seattle Public Schools.

If you can't find local rental rates, the second-best alternative is local new construction costs which you can annualize over the useful lifetime of the building.

Finally, although construction prices vary regionally more than materials and equipment prices, national average construction prices can be used if local construction prices are not available, as they would represent a very small share of the costs when annualized over the lifetime of the facility. National prices can be adjusted for regional differences as we'll show you in Module 4.

For materials and equipment, it's generally fine to use the same sources for local prices as for the national average prices I mentioned earlier, but there may also be more regional, location- and/or domain-specific vendors that have specific prices, contracts, and catalogs that you may be able to access.

You can use geographical indices to convert between national average prices and prices for a particular region or locality, or vice versa, to come up with a rough estimate for how a local price would generalize or a national price would particularize to a specific setting. The Comparable Wage Index for Teachers (CWIFT) from the National Center for Education Statistics, uses regional variation in non-teaching positions to adjust for systemic differences in teacher salaries and other educational expenditures across regions and can be used to adjust education personnel prices:

<https://nces.ed.gov/programs/edge/Economic/TeacherWage#:~:text=The%20CWIFT%20is%20a%20measure,make%20comparisons%20across%20geographic%20areas>.

And Regional Price Parities from the Bureau of Economic Analysis of the US Department of Commerce reflect differences in overall price levels across states and metropolitan areas and can be used to adjust other prices such as facilities and materials. We'll show you how to make these adjustments in Module 4 which focuses on analyzing cost data.

<https://www.bea.gov/data/prices-inflation/regional-price-parities-state-and-metro-area>

We hope these resources are useful to you in locating appropriate national and/or local average prices and making adjustments between them.