

Gender Wage Disparities in Medicine: Time to Close the Gap



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Women physicians are paid less than their male peers across medical specialties and geographies. While the medical literature to date has focused on documenting the existence of a wage gap, less attention has been paid to fixing this gap. We focus on interventions around auditing, salary transparency, family leave, and childcare that can be implemented to advance gender wage parity.

KEY WORDS: gender; physician compensation; wage gap; disparities; bias.

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The gender wage gap in medicine demands attention and remediation. Women currently make up 47.5% of US medical school graduates, yet studies show a persistent wage gap between men and women physicians across nearly all specialties and geographies after adjusting for hours worked, years in the profession, and medical specialty.¹⁻⁷ One study found that at 24 public US medical schools, women's salaries were on average 8.0% or \$19,879 less than men's, a difference that was present at all faculty ranks.⁸ While there may be a perception that women physicians earn less because they work fewer hours or see fewer patients, when adjusted for these factors, women MDs *still* earn less than their male peers.^{3, 4, 9} The gap in women physicians' pay is likely due to several factors, from basing salaries on historically unequal pay, to institutional factors including overt and implicit bias, to cultural factors such as perceptions of women's career aspirations and goals, especially once they have children. The medical literature to date has largely focused on documenting the existence of a wage gap, and less attention has been given to fixing this gap.^{10, 11} We focus on specific interventions organizations can implement to reduce the gender wage gap and compensate women physicians fairly for their work.

In their Guide to Gender Pay Equity, the Australian government outlines three types of gender pay gap analyses: like-for-like gap analyses which compare salaries of men and women doing equivalent work, by-level gap analyses which compare salaries of men and women with similar job titles, and organizational-level gap analyses which compare the average salaries of all men and women in an organization.¹² In this paper, we will focus primarily on like-for-like gender wage gaps and organizational-level gaps.

How can we achieve wage equity? First, organizations can commit to auditing, reporting, and correcting gender disparities in like-for-like pay. In response to the California Fair Pay Act of 2015, which required companies to justify differences in salaries between men and women doing the same job, UCSF found that some women were being paid less than their male peers.¹³ As a result of this analysis, 131 faculty in the UCSF School of Medicine received salary adjustments totaling \$1.577 million. This analysis took into account many of the complexities of physician pay, evaluating base salary, negotiated salary, clinical incentives, and leadership positions, and then used a matched-pair analysis to look for outlier salaries.¹⁴ Johns Hopkins published a similar analysis in 2014 which showed that women faculty members were paid 3.4% less in terms of FTE salary and 8.6% less in total salary.¹⁵ Institutions and physicians groups can commit to undertaking these analyses to ensure their physicians are paid equitably.¹⁶

Another approach to addressing the like-for-like wage gap is salary transparency. This is the approach that several physicians' organizations, including hospitalists at John Muir in California and the social media company Buffer, have taken.^{17, 18} One of the ways that women under-earn compared to men is that they ask for less money when negotiating salaries.¹⁹ If salaries are available for any employee to look up, women will have more salary data to use as reference points when negotiating. While pay transparency is not mandatory in the USA, in Sweden, where the gender pay gap is narrower than that in the USA, salaries are available through a public income tax database, enabling anyone to look up their co-worker's salary.²⁰ However, negotiation alone is unlikely to erase the like-for-like wage gap. Studies have shown that women have a reason to be reluctant to negotiate: they often face backlash for doing so.²¹ Additionally, research has shown that even when women negotiate as often as men, they are less

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likely to receive a raise.²² Importantly, Buffer realized they could not rely on salary transparency to fix their organizational-level pay gap of women being paid less than men. They have since reassessed their pay structure as an additional method of addressing a like-for-like pay gap and focused on recruiting more women into senior positions to address their organizational pay gap.^{23, 24}

In addition to auditing and salary transparency, companies can avoid perpetuating an existing gender wage gap. Organizations that base employees' pay on the individual's historical salary may be perpetuating an existing wage gap, intentionally or not. Several states and cities have passed laws explicitly prohibiting employers from asking about salary history, including Massachusetts, Philadelphia, and New York.²⁵ Organizations can commit to not asking about salary history, regardless of their local laws, when hiring physicians and tying pay to the particular role the individual is being hired for rather than their previous salary.

Employers can also focus on an important time in women's careers when they are particularly likely to face both like-for-like and organizational wage gaps—when they have children. A recent National Bureau of Economics working paper shows that while women have made significant gains towards wage equity in the past several decades, “most of the remaining gender inequality in earnings is due to children.”²⁶ Having children adversely affects the wages of women in high-earning occupations, like medicine, while men with children often see an increase in their wages, effects that have been termed the “motherhood penalty” and “fatherhood bonus.”^{7, 27} Studies of physicians have shown that women with children work on average 10 fewer hours per week compared with women physicians without children and among male and female physician scientists, women physician parents spend 8.5 more hours per week on domestic tasks.^{28, 29} As Dr. Jolly and her colleagues conclude, for women “time spent on domestic labor competes with working time.”²⁹ Additionally, economist Claudia Goldin has shown that “even when mothers cut back at work, they are not paid proportionately less ... they are still paid less than men for the hours they work.”³⁰ To address the like-for-like *and* organizational wage gap women physicians face when having children, employers can audit their payrolls to make sure that women who choose to work fewer hours are being paid equitably. Additionally, women who become mothers are often discriminated against, recommended for lower starting salaries, seen as less competent, and passed over for promotions based on the assumption that they do not want a more senior role if they have young children at home.³¹ This type of discrimination contributes to the organizational wage gap and hinders women physicians' career advancement. Employers can push back against this type of discrimination by considering a wide pool of candidates for leadership positions and promotions and by making sure that women who are mothers are not excluded based on assumptions about their career aspirations.

The provision of on-site or subsidized childcare can also address the organizational wage gap by mitigating the trend of women physicians decreasing their hours at work once they have children. These types of initiatives, which make it easier for women to stay at work rather than cutting back on work hours to care for their children, have had impressive results at companies like Patagonia, Home Depot, and Clif Bar.³² Patagonia CEO Rose Marcario has argued that there is a strong business case for providing on-site childcare: Patagonia recoups about 91% of the roughly \$1 million in costs through tax credits, improved employee engagement, and low turnover among staff who use the daycare program.³³ At Patagonia's headquarters, 100% of women who have had children while working at the company have returned to work, and roughly 50% of managers and senior leadership are women.³¹ Given that the cost of replacing a physician, including lost revenue and recruitment costs, is estimated between \$250,000 and \$1 million, offering childcare benefits that are accessible and affordable makes financial sense for employers.³⁴

It is time to move from documenting the existence of a gender wage gap to closing the gap between men and women physicians.

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