

Eradicating Pay Disparities in the Workplace

**NATIONAL PAY GAP OVERALL VS. HEALTHCARE**

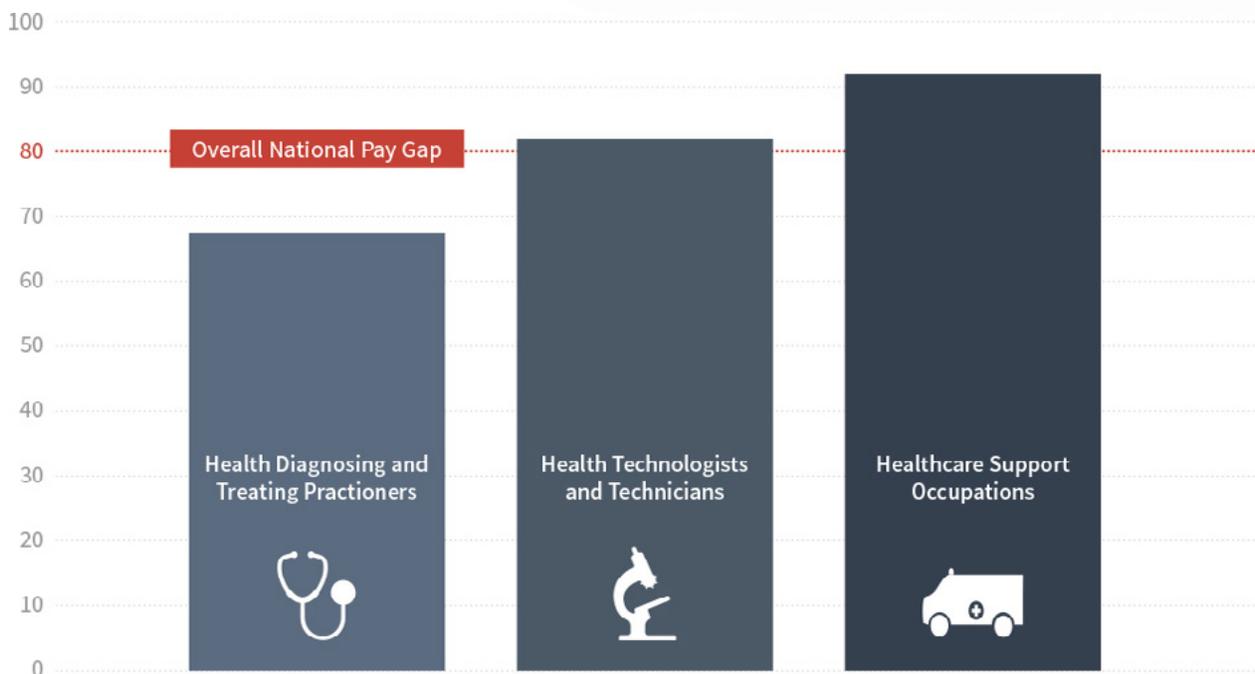
## LET'S SET THINGS STRAIGHT

When it comes to the gender pay gap, many of you are familiar with the oft quoted [women earn 81 cents for every dollar earned by a man](#). However, there is a lot of confusion and miscommunication around this statistic, so let's set things straight. This statistic is calculated by comparing the average weekly earnings for women to the average weekly earnings for men and thus it does not represent equal pay for equal work. What it instead shows is women face an "opportunity gap" because they are underrepresented in today's top paying positions for several reasons: 1) [Women dominate lower-paying fields](#) like education, social work and healthcare while men dominate higher paying fields like technology and finance; and 2) the existence of the "glass ceiling" – in other words, [women don't rise to higher job levels at the same rate as men](#).

One question might be, what happens to the gender pay gap in a field dominated by women, such as healthcare? Given that men and women can be found in different roles and at different levels, the national pay gap can obfuscate the actual gap in pay. However, To answer this question, we at Syndio examined the available data from the Census, Bureau of Labor Statistics (BLS), as well as our healthcare customers who have given us permission to use their anonymized data. Keep reading to find out what we learned.

When it comes to national pay gaps in healthcare occupations, there is a mixed bag of results. For Health Diagnosing and Treating Practitioners (e.g., Physicians, RNs, Therapists, etc.), the pay gap between men and women is significantly worse than the overall national pay gap: 66.7 cents vs. 81.1 cents. However, both Health Technologists & Technicians (e.g., MRI Technicians, Paramedics, etc.) and Healthcare Support Occupations (e.g., Home Health Aides, Medical Assistants, Transcriptionists, etc.) have a pay gap that is narrower than the national pay gap (81.7 cents and 91.1 cents respectively). So why the difference across these groups? One explanation might be that gender pay gaps tend to be larger in white-collar jobs as these jobs often demand longer hours and are less forgiving of career disruptions. This can disproportionately impact career growth and earnings potential for women in these roles as they bear a [larger amount of the family responsibility](#).

### PAY GAP (CENTS ON DOLLAR)



<sup>1</sup> National earnings data by Occupation and Gender is from the Bureau of Labor Statistics, 2018. See Table 2 referenced here: <https://www.bls.gov/opub/reports/womens-earnings/2018/home.htm>

National pay gaps paint one picture, but what if we look at how pay gaps in healthcare vary by state? Using data from the 2018 American Community Survey we did just that and the variation is quite wide. The 10 states with the narrowest pay gaps are listed below. Nevada tops the list with a pay gap in healthcare (not including support occupations) of 95.2 cents on the dollar. When it comes to the 10 states with the widest pay gaps, Wyoming ranks unenviably first, with a pay gap in healthcare of 49.1 cents on the dollar.

### 10 STATES WITH THE NARROWEST HEALTHCARE PAY GAP:

	STATES	PAY GAP (CENTS ON THE DOLLAR)
	MISSOURI	82.9
	NEW MEXICO	83.5
	CALIFORNIA	84.2
	NEW YORK	84.2
	NORTH DAKOTA	89.2
	HAWAII	89.6
	RHODE ISLAND	90.1
	VERMONT	90.3
	DELAWARE	92
	NEVADA	95.2

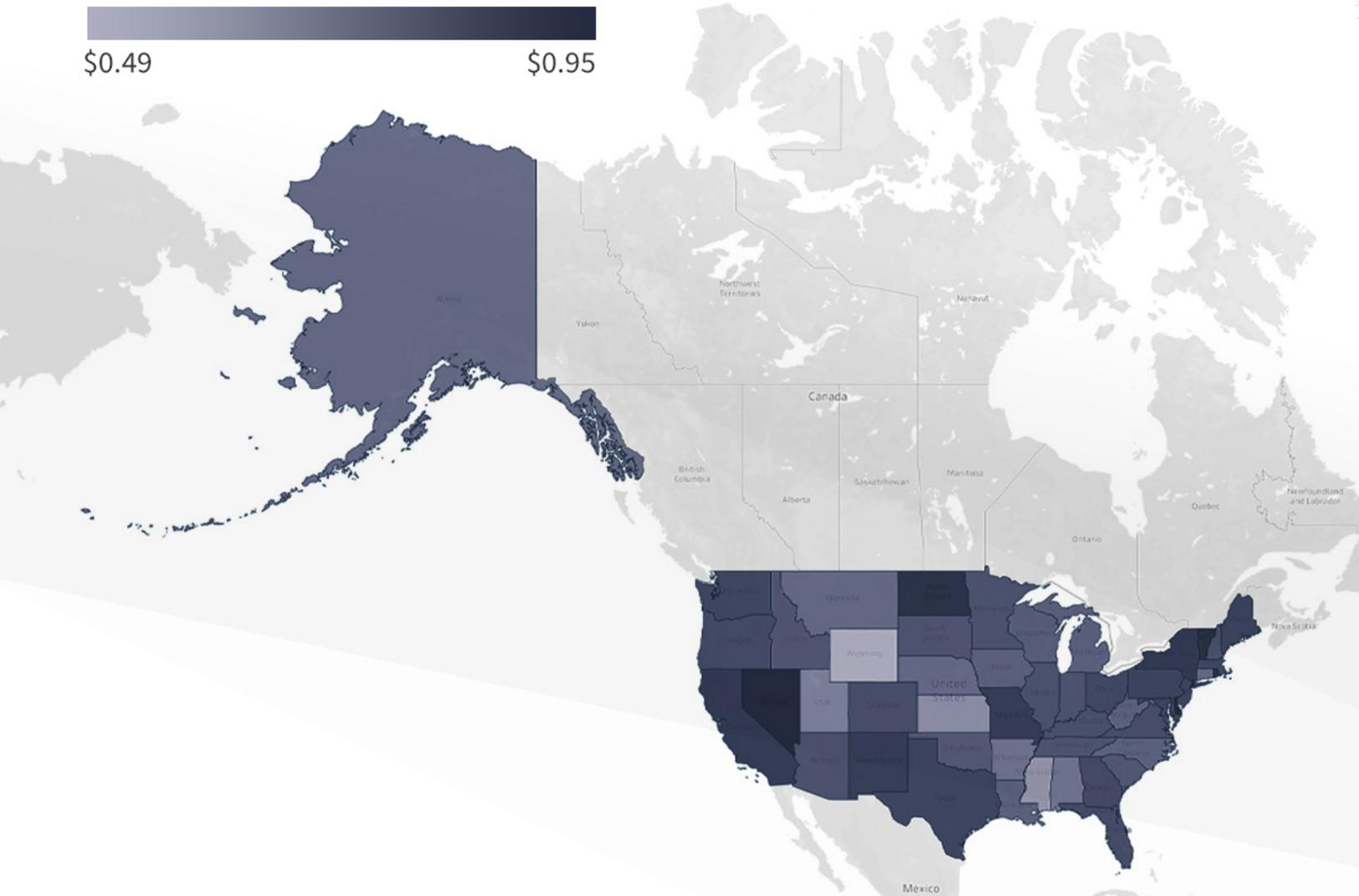
## 10 STATES WITH THE WIDEST HEALTHCARE PAY GAP:

	STATES	PAY GAP (CENTS ON THE DOLLAR)
	WYOMING	49.1
	MISSISSIPPI	55.3
	KANSAS	57
	UTAH	59.8
	ALABAMA	63.1
	ARKANSAS	63.6
	MONTANA	66.3
	ALASKA	66.5
	NEBRASKA	66.5
	CONNECTICUT	66.5

<sup>2</sup> Earnings data is from table S2412. An interactive version of this table is available here: <https://data.census.gov/cedsci/table?q=S2412&g=&table=S2412&tid=ACSS T1Y2018.S2412&lastDisplayedRow=19>

## CENTS ON THE DOLLAR FOR HEALTHCARE OCCUPATIONS BY STATE

Cents on the Dollar

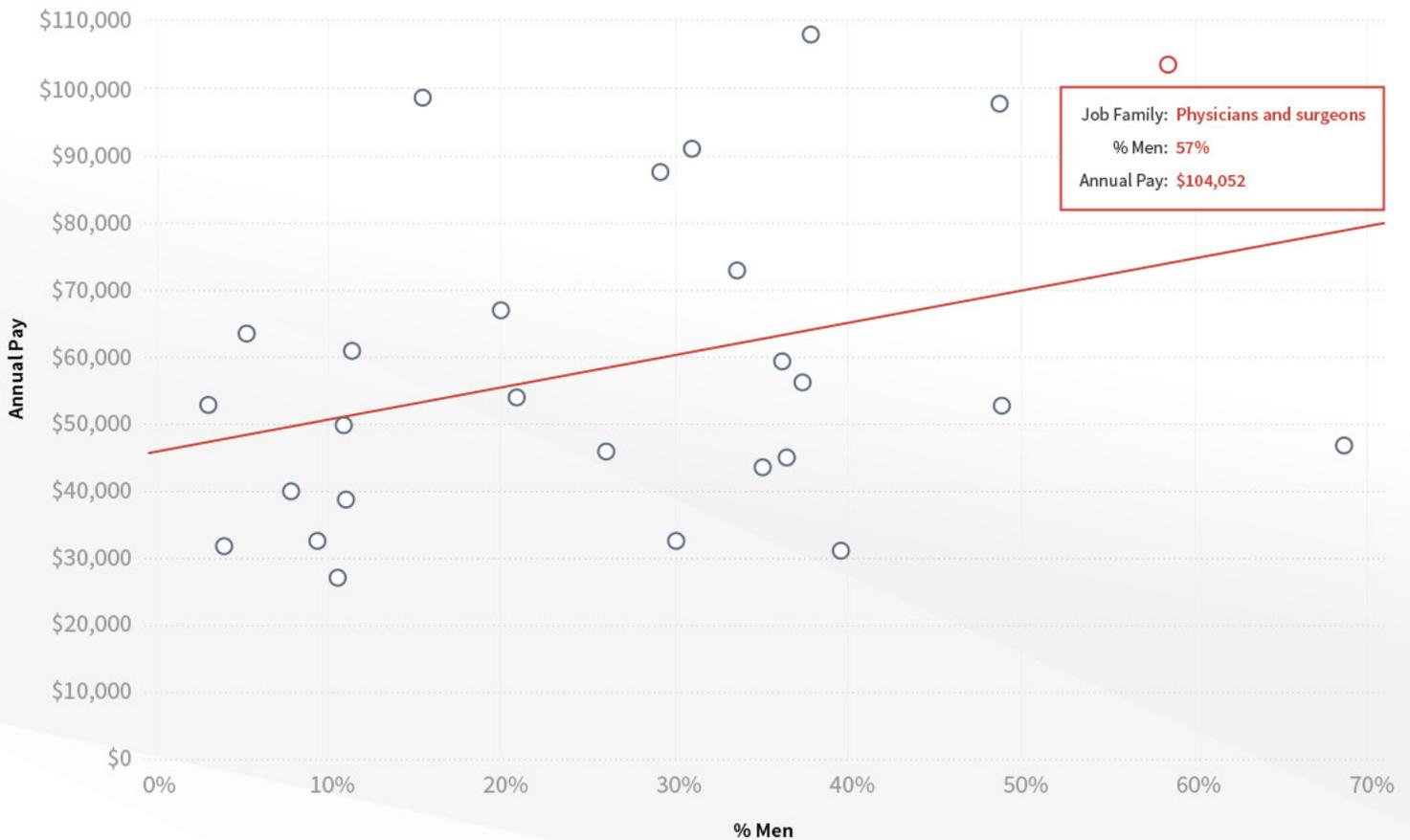


So why such extreme differences across the states? One explanation could be the presence of unions. Many of the states with the narrowest pay gaps in healthcare are the same states with strong unions (e.g., California and New York). And as the [Economic Policy Institute found](#), unions help to narrow the gender pay gap.

Similar to the aforementioned overall pay gap of 81 cents, the national and state-by-state healthcare pay gaps are telling an important story of women being underrepresented in top paying healthcare fields, but they are not accurately reflecting the occurrence (or non-occurrence) of pay equity. Although healthcare is a field dominated by women, when you examine specific healthcare jobs, a pattern emerges – there is a distinct positive correlation between national median pay and percentage of men. In other words, healthcare jobs with the highest percentage of men tend to be the best paying healthcare jobs. From the graph below, you can see this positive correlation between pay and percentage of men, but the pattern is not perfect. For example, one of the jobs dominated by men is one of the best paying – Physicians and Surgeons (57% men and national median pay of \$104,000), but another top paying healthcare job Nurse Practitioners (at \$98,488) is only 15% men.

<sup>2</sup> National earnings data by Occupation and Gender is from the Bureau of Labor Statistics, 2018. See Table 2 referenced here: <https://www.bls.gov/opub/reports/womens-earnings/2018/home.htm>. Only jobs from Healthcare practitioners and technical occupations and Healthcare support occupations are considered. Medical and Health Services Managers are not included.

## PERCENTAGE OF MEN VS. NATIONAL MEDIAN PAY IN HEALTHCARE JOBS



To illustrate this another way, below is a table of the 10 highest paying healthcare jobs according to national pay rates, as well as the percentage of men within that job. Given that healthcare is a field dominated by women, most healthcare jobs have less than 50 percent men. To put the below percentages in perspective, 25 percent of all healthcare practitioners and technical occupations are men. Therefore in 6 of the 10 highest paying healthcare jobs the percentage of men is higher than the average for healthcare in general.

## 10 HIGHEST PAYING HEALTHCARE JOBS

<b>Occupation</b>	<b>National Median Pay (2018 OES Wages)</b>	<b>Percentage of Men</b>
Pharmacists	\$107,692	37%
Physicians and Surgeons	\$104,052	57%
Nurse practitioners	\$98,488	15%
Dentist	\$97,968	48%
Physician assistants	\$91,104	31%
Veterinarians	\$87,204	28%
Physical therapists	\$72,540	34%
Occupational therapists	\$66,716	20%
Speech-language pathologists	\$63,180	6%
Registered Nurses	\$60,684	12%

An additional way to determine if men are better represented in healthcare's top paying jobs is to compare the average national pay for the 5 most common healthcare jobs for men and the 5 most common healthcare jobs for women. As previously mentioned, the healthcare field is dominated by women so to determine the most common healthcare jobs for men and women, we examined the proportion of men and women in healthcare in particular healthcare jobs. The tables below list out the 5 most common jobs for men and women in healthcare, as well as the associated national median pay as reported by the BLS via the Occupational Employment Statistics (OES). The average pay for the 5 most common male healthcare jobs is \$69,150, while the average pay for the 5 most common female healthcare jobs is only \$52,551. Therefore, if a man chooses to go into healthcare, they are more likely to be found in top paying roles when compared to women who choose to go into healthcare.

## 5 MOST COMMON MALE HEALTHCARE JOBS

<b>Occupation</b>	<b>National Median Pay (2018 OES Wages)</b>	<b>Proportion Men</b>
Physicians and Surgeons	\$104,052	26.4%
Registered Nurses	\$60,684	17.5%
Nursing, psychiatric, and home health aides	\$26,832	8.6%
Emergency medical technicians and paramedics	\$46,488	6.8%
Pharmacists	\$107,692	5.4%

## 5 MOST COMMON FEMALE HEALTHCARE JOBS

<b>Occupation</b>	<b>National Median Pay (2018 OES Wages)</b>	<b>Proportion Women</b>
Registered Nurses	\$60,684	42.4%
Nursing, psychiatric, and home health aides	\$26,832	23.6%
Medical assistants	\$31,824	8.5%
Licensed practical and licensed vocational nurses	\$39,364	8.1%
Physicians and Surgeons	\$104,052	6.6%

As we've seen from the data, there is a positive correlation between national median pay and percentage of men within a healthcare job. This means the difference in how men and women are distributed within the healthcare field could explain the wide pay gap observed for healthcare diagnosing and treating practitioners. But what if we examine pay for men and women within the same healthcare job?

It's important to remember pay equity is concerned with equal pay for equal work and thus an essential first step for analyzing pay equity is to compare pay across substantially similar employees. The primary motivating question used to determine if employees are substantially similar is, are individuals doing substantially similar work as a composite of skill, effort, responsibility and working conditions? The core responsibilities, necessary training and environment is quite varied across healthcare fields. Therefore, when we narrow the analysis to how pay compares within one specific healthcare occupation, we get closer to understanding pay equity in healthcare.

Leveraging national pay data by gender and occupation reported by the BLS, we find the pay gap for the 10 healthcare occupations with enough data to report pay for each gender. They are listed in the table below. As you can see from these data, the pay gap still varies widely even when examining pay within a specific healthcare occupation. Clinical laboratory technologists and technicians have a pay gap that favors women – a typical woman in this occupation earns \$1.11 for every dollar earned by the typical man. However, on the flipside, the pay gap for physicians and surgeons greatly disfavors women with the typical woman in this occupation only earning \$0.67 for every dollar earned by the typical male.

<b>Occupation</b>	<b>National Median Pay (Men)</b>	<b>National Median Pay (Women)</b>	<b>Pay Gap</b>
Clinical laboratory technologists and technicians	\$42,588	\$47,372	\$1.11
Physical therapists	\$73,320	\$72,124	\$0.98
Nursing, psychiatric, and home health aides	\$29,016	\$26,676	\$0.92
Registered Nurses	\$66,092	\$60,112	\$0.91
Diagnostic related technologists and technicians	\$64,064	\$55,172	\$0.86
Pharmacists	\$118,092	\$98,280	\$0.83
Emergency medical technicians and paramedics	\$49,036	\$39,726	\$0.81
Miscellaneous healthcare support occupations, including medical equipment preparers	\$36,556	\$29,068	\$0.80
Licensed practical and licensed vocational nurses	\$48,672	\$38,636	\$0.79
Physicians and Surgeons	\$130,676	\$87,204	\$0.67

What could explain this wide variation in pay gaps across healthcare occupations? That brings us to the second step of a pay equity analysis. After we've compared pay across substantially similar employees, we then determine if there are gender-neutral, legitimate factors that can explain the observed gap. In other words, if we account for job-related factors that measure skill, effort, responsibility or working conditions, do we see these observed pay gaps shrink? Let's take the occupation with the widest reported pay gap as an example – physicians and surgeons. There is a high amount of variability in this group depending upon a number of factors, one of which is specialty. For example, the national median pay for a neurosurgeon is [\\$604,901](#), while the national median pay for a dermatologist is nearly half at [\\$343,400](#). These jobs differ for a multitude of reasons, including specialized training and residency programs, day-to-day tasks and working conditions (operating room vs. medical office). It also turns out neurosurgeons are more frequently men with only [1 in 20 being a woman](#) and dermatologists are more frequently women with nearly [61 percent being women](#). Therefore, the wide pay gap observed for physicians and surgeons could be partially explained by differences such as these.

We have now reached the limit of publicly available data. To truly understand the state of the pay gap in healthcare positions, we need to explore the neutral and explanatory factors that determine how pay for a given position is set. These include things like relevant years of experience, location of work, type of healthcare setting, work shift, etc. For this analysis, we turn to a subset of our healthcare customers who leverage [Syndio's software solution](#) software solution to analyze, resolve and monitor their pay equity in an ongoing fashion. When performing a statistically robust analysis on substantially similar workers accounting for official pay policies and processes, we observe a different pattern in pay gaps by occupation. Most notably – the pay gaps substantially shrink, with many being greater than \$0.93 and are only statistically significant for a subset of the customers' employee population. What does this mean? It means, a robust pay equity analysis requires accurate grouping data and relevant explanatory factors to truly paint a picture of how pay compares between substantially similar men and women.

Now that you are fully versed on the gender pay gap in healthcare, you may be asking what your organization can do to address it. As [Marc Benioff from Salesforce famously found out](#), you don't know you have a problem until you examine the data. Therefore, a good first step for any organization is to run a pay equity analysis leveraging a trusted solution with a vetted methodology. By utilizing a data-science powered software solution, you can determine where there are unexplained pay gaps and where you may need to employ remediation tactics in order to remain compliant with state and federal laws. It's safe to say pay equity is a movement that is gaining momentum in multiple jurisdictions and industries, including healthcare. A one and done approach doesn't cut it in today's world, as your business and workforce are changing too frequently to not embrace ongoing pay equity analyses. This is especially true in healthcare, which is projected by the BLS to grow more than twice as much as the average occupation over the next 10 years ([12% vs. 5%](#)). Investing in a software solution empowers you to check and adjust your pay equity strategy as your business develops and your employee population changes.

Come visit us at <https://synd.io/products/payeq/> to learn more.