

# 11.4 US HEALTH PROFESSIONALS ARE PAID HIGHER THAN OTHER INDUSTRIALIZED COUNTRIES\*

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## Abstract

Health professionals in the United States have much higher relative incomes than do their counterparts in other industrialized countries.

In general, the United States pays higher prices for health labor than are paid elsewhere. The price differential varies a great deal, depending on the category of health professional examined. The average annual remuneration of physician specialists in the United States is more than six times the nation's GDP per capita (which was approximately \$46,000 in 2009). Physician specialists in OECD countries for which such data are available also are well paid, but the comparable ratio to GDP per capita is less than four to one (figure 11.4a). Alternatively, even accounting for the fact that the United States has higher wages and GDP per capita than the OECD comparators have, U.S. specialists, relatively speaking, are paid 50 percent more than their counterparts in competitor nations receive.

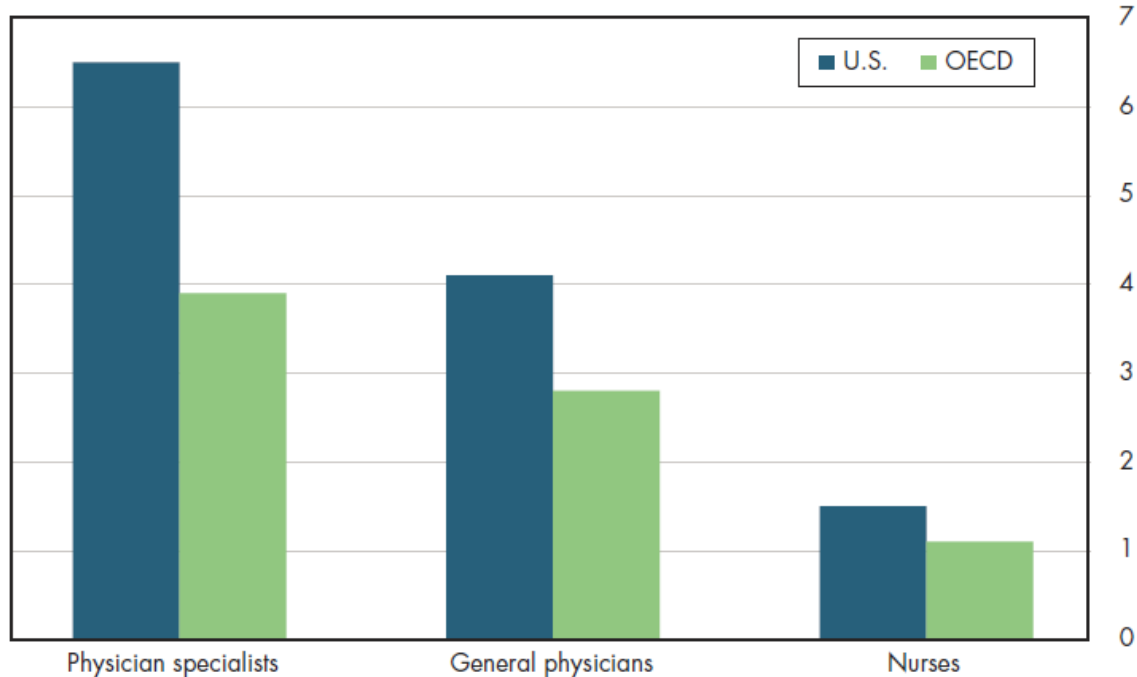
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\*Version 1.1: Sep 26, 2013 2:13 pm -0500

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### 11.4a Physicians and nurses are paid relatively more in the United States than in other OECD countries, but the largest pay differential is for specialists

Ratio of annual compensation to own country GDP per capita (2006)



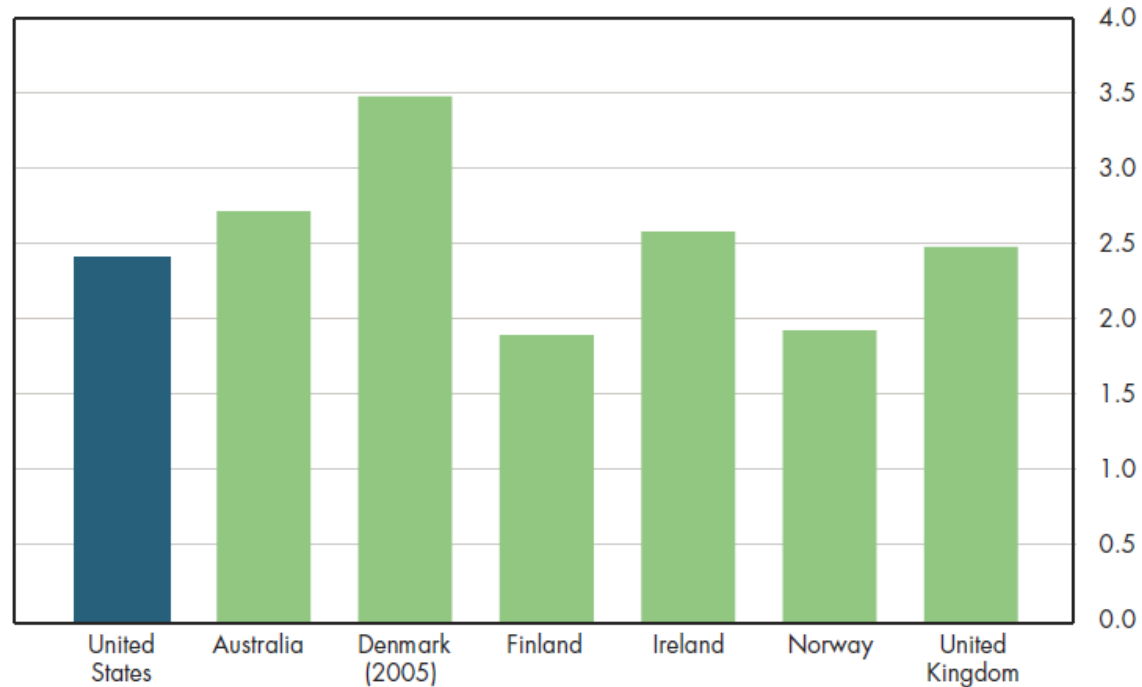
A similar result with less pronounced differences can be told for general physicians. In the United States, their relative compensation is the same as the average compensation of specialists in the OECD. Generalist physicians in the OECD earn on average less than three times per capita GDP in their own country. Thus, U.S. physician generalists are paid in relative terms almost 50 percent more than physicians in other industrialized nations receive.

The U.S. pay differential shrinks further in the case of nurses. U.S. nurses, on average, are paid approximately 50 percent more than GDP per capita, whereas in the OECD they are paid approximately 10 percent more on average. Thus, a typical U.S. nurse earns approximately 30 percent more than do counterparts in the OECD.

More detail illustrates some of the variation masked by using averages. The annual compensation for nurses employed in American hospitals is almost 2.5 times as high as that for the average U.S. worker (figure 11.4b). This is the same as the relative compensation of nurses in the UK. Although relative nurse pay is lower in some other countries (Finland and Norway), it is higher in Australia, Denmark, and Ireland. U.S. health workers generally are compensated well in absolute and relative terms. Even so, this does not imply that U.S. prices for health labor necessarily are the highest in the world when taking into account the earnings or resources available to the rest of a nation's workers or population.

## 11.4b Nurses in American hospitals are paid more than twice the average employee wage, but that is also true elsewhere

*Ratio: annual compensation of salaried hospital nurses relative to all workers (2007)*



## 1 Downloads

Download PowerPoint versions of both figures.

- Figure 11.4a Image Slide (as it appears above)<sup>1</sup>
- Figure 11.4a Editable Slide (can be formatted as desired)<sup>2</sup>
- Figure 11.4b Image Slide (as it appears above)<sup>3</sup>
- Figure 11.4b Editable Slide (can be formatted as desired)<sup>4</sup>

## 2 References

- Author's calculations.
- Organisation for Economic Co-operation and Development.

<sup>1</sup><http://https://hub.mili.csom.umn.edu/content/m10107/latest/11.4aIMG.ppt>

<sup>2</sup><http://https://hub.mili.csom.umn.edu/content/m10107/latest/11.4aDATA.ppt>

<sup>3</sup><http://https://hub.mili.csom.umn.edu/content/m10107/latest/11.4bIMG.ppt>

<sup>4</sup><http://https://hub.mili.csom.umn.edu/content/m10107/latest/11.4bDATA.ppt>