

Mind the gap: confronting pay disparity in healthcare



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AMN Healthcare is a healthcare staffing company that principally provides travel nurse staffing services. Its core business is the placement of nurses and allied health professionals on temporary assignments at hospitals and healthcare facilities throughout the US.

SDG alignment



SDG target 3.C: Substantially increase health financing and the **recruitment, development, training and retention of the health workforce** in developing countries, especially in least developed countries and small island developing States.



SDG target 5.5: Ensure **women's full and effective participation and equal opportunities** for leadership at all levels of decision-making in political, economic and public life.



SDG target 8.5: By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and **equal pay for work of equal value**.

Engagement objectives:

- Take a leadership role to redress the gender pay gap within US healthcare
- Scale-up existing volunteering efforts to support healthcare in lower- and middle-income countries

Building a better tomorrow

Last year, for the first time ever, more women applied to – and enrolled in – US medical schools than men¹. But if recent data is any indication, they probably will not earn as much as their male counterparts when they enter the medical field.

According to a survey of 65,000 physicians by Doximity, a social networking platform for healthcare professionals, female doctors earned 28% less than their male peers². That's wider than the average pay gap of all US workers: according to the US Census Bureau, women earned about 80% of what men made in 2016³. Meanwhile, female nurses make 10% less than their male counterparts⁴, despite the fact that women outnumber men in the nursing profession by 10 to 1.

What's more, there's been a significant backward step in the country's efforts towards gender pay parity: in 2017, the Trump administration rolled back the requirements for large companies to collect pay data by gender, race and ethnicity – a year after it was introduced by the Obama administration.

Bridging pay disparities in US healthcare

In order for women to achieve full parity with men in the workplace, we must eliminate the conscious and unconscious biases that still play a significant role in influencing the gender differences in pay. The fact that a sizable pay differential exists in the nursing profession, where women massively outnumber men, is evidence that the problem is not one of supply.

The recruitment industry is uniquely positioned to not only highlight the scale of the problem and the unconscious bias that exists in US healthcare recruitment but to play an important role in mitigating it too.

Indeed, many staffing companies recognise this, but we are encouraging them to go further in their efforts and play a more active role in addressing gender pay disparity in US healthcare.

¹ "Women were the majority of US medical school applicants in 2018," published by the Association of American Medical Colleges on 4 December 2018.

² "Female doctors make \$105,000 less than male peers, review finds," published by Bloomberg on 13 March 2018.

³ "Female doctors make \$105,000 less than male peers, review finds," published by Bloomberg on 13 March 2018.

⁴ Bureau of Labour Statistics published in 2016.

Our engagement efforts span a recruitment company's ability to work with the industry and their clients to establish equitable hiring practices, including for example trialling the usage of blind CVs; promote greater gender diversity at senior levels within hospital clients, including on their boards to encourage more focus on this from the top; and to conduct further research to shine the spotlight more prominently on pay equality in this field.

In addition to improving practices on the demand side, we think that recruitment companies can likely do more to actively support their female candidates through tailored coaching and career planning services, as well as the provision of advice to navigate pay negotiations.

Our engagement on pay equality is still at a nascent stage. There is no simple solution to what is a systemic problem, however, a combination of these steps may go a long way to shifting towards fairer pay outcomes. To demonstrate this we will discuss briefly our engagement with AMN Healthcare.

Delivering the theory of change

To achieve the objectives of our engagement with AMN Healthcare and generate positive changes aligned with SDG three, five and eight, we aim to apply the following steps:

- 1 Make the case to senior management and the company board of both the commercial and societal benefits of taking action at a company and industry level;
- 2 Encourage more programmatic partnerships to educate and train healthcare workers in less developed countries.

The practice of change: AMN Healthcare

We have met with senior management and board members of AMN Healthcare and are very encouraged by their recognition of the problem of pay disparity in US healthcare and their passion to address it. Indeed, given its standing in the recruitment industry, AMN recognises its ability to take a leadership position on this agenda by refining their own practices but also raising the agenda with their industry peers.

The company has already been proactive in drawing attention to this issue. Last year, Merritt Hawkins, a subsidiary of AMN, conducted research on the scale of pay inequality in the state of Maryland. It found that on average female physicians earned about 50% less than their male peers. Even when controlled for number of hours worked female physicians still earned 37% less than their male counterparts.

AMN, which is led by chief executive Susan Salka, has made a concerted effort to focus on its own operations in recent years. For example, it has undertaken its own pay audit of directly-employed staff. That the company is now willing to turn its attention to driving change outside its four walls is to be applauded.

Another focus of our engagement with AMN is around its ability to scale up its existing volunteering efforts to support healthcare training in lower- and middle-income countries. As more nurses and physicians seek greater flexibility, the number of applicants for locum roles has increased in recent years. It is therefore no surprise that AMN's annual medical and community development event in Guatemala, with HELPS International, is oversubscribed.

Since initiating efforts and underwriting over \$200,000, AMN clinical and community volunteers have created temporary acute care hospitals and taken part in more than 300 surgeries and conducted over 3,000 patient visits. Given the breadth of connections that staffing companies such as AMN have, we believe that there is an opportunity to have a more lasting impact by exploring a programmatic partnership. For example, the company's current corporate responsibility initiatives could be expanded and used as a basis for training and developing the health workforce in lower- and middle-income countries, thereby leaving a sustainable legacy while also broadening the experiences and skill-set of those nurses returning to work in the US.

AMN has demonstrated a willingness to continue our dialogue on these issues. Indeed, it has consistently been very receptive and responsive to our engagements on a range of matters in the past, in particular around corporate governance, as evidenced by recent changes to their proxy access policy, management compensation and board diversity.

Through our ongoing engagements, we believe that AMN will play an integral role in tackling the gender pay gap in US healthcare and look forward to continuing to work with them to bring about this necessary change.

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