# VI. COMPENSATION IN SELECTED PUBLIC SECTOR OCCUPATIONS

## 26. Doctors' and nurses' salaries

Compensation levels are among the factors affecting the attractiveness of different professions in the health sector and the job satisfaction of incumbents. They also have a direct impact on health care costs, as wages represent one of the main spending items in health systems.

Data are included for general practitioners (GPs) and specialists who are salaried and for nurses who work in hospitals, as the focus is primarily on government workers. Self-employed doctors have been excluded, as they are not employed by government, although in many countries they are paid from public sources on a fee-for-service basis (data for self-employed doctors are available in Health at a Glance 2009 and OECD Health Data).

In all three occupational groups, there are very substantial differences across countries in their absolute level of compensation. The average salary of nurses and general practitioners is lowest in eastern European countries, Mexico and Turkey, and highest in Luxembourg. In 2008, the salary of medical specialists was highest in Ireland, although the remuneration of self-employed specialists in some other European countries such as the Netherlands and Luxembourg was higher (data not shown). The range in salaries across countries is highest for specialists where the difference between the highest and lowest paying country is around six-fold. Both doctors and nurses in Hungary have the lowest reported remuneration, although this does not include the extensive use of informal out-of-pocket payments.

In all countries, specialists earn the most, followed by general practitioners and by nurses. This partially reflects the varying skill sets of the three occupations as well as the time needed to be fully trained. The compensation gap is particularly large across the occupations in Luxembourg, Turkey, New Zealand, Finland, Israel and the United Kingdom.

The compensation of specialists compared to the tertiary-educated wage ranges from almost equal in Hungary to 2.5 times greater in New Zealand. Hungarian GPs earn close to the tertiary-educated wage, while in Iceland they earn almost twice as much. Finally, Hungarian nurses make half of the tertiary-educated wage, while New Zealand nurses earn slightly above the average tertiary wage.

### Methodology and definitions

Remuneration of doctors refers to average gross annual income, including social security contributions and income taxes payable by the employee. It should normally include all extra formal payments, such as bonuses and payments for night shifts, on-call and overtime. Salaries were converted to USD using PPPs for GDP from the OECD National Accounts Database.

Payment for overtime work or social security contributions is excluded for salaried specialists in Mexico and the Netherlands, and for general practitioners and specialists in New Zealand and Switzerland. In Ireland and Mexico, data on nurses do not include overtime payments. Incomes from private practices of salaried doctors are not included in some countries. Informal payments, which may be common in certain countries (e.g. Hungary and Mexico), are not included. Data for some countries include part-time workers (Australia, Luxembourg, Mexico, the United Kingdom for specialists and the United States). In the United States and New Zealand, the data cover not only nurses working in hospitals but in other settings as well.

In Australia and Norway, data refer only to registered nurses, resulting in an overestimation compared to other countries where lower levels of nurses are also included. In countries where hospitals are both publicly and privately run, nurses' salaries will also reflect remuneration paid in the private sector.

Earnings for workers with a tertiary education are average earnings for full-time, full-year workers in the age group of 25-64 years with education of ISCED 5A/5B/6.

#### **Further reading**

OECD (2009), Health at a Glance 2009: OECD Indicators, OECD Publishing, Paris.

#### Figure notes

Data for Austria, Belgium, Canada, Chile, Denmark, Estonia, France, Greece, Korea, Poland, Portugal, Spain, Sweden and Switzerland are not available. Data for the Netherlands refer to 2006.

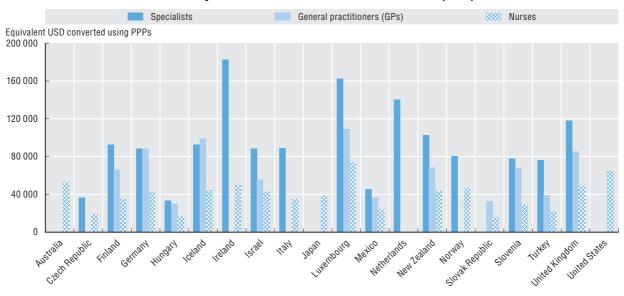
26.1: Data for Australia, New Zealand (general practitioners) and the United Kingdom (general practitioners) refer to 2007. Data for Germany and Luxembourg (general practitioners and specialists) refer to 2006.

26.2: Data for Australia, the Czech Republic, Germany, Ireland, Japan, Luxembourg, Mexico and Turkey are not available. Data for Finland and Iceland refer to 2007. Data for Iceland for tertiary-educated workers refer to 2006. Data for Italy and Slovenia refer to 2006.

Information on data for Israel: http://dx.doi.org/10.1787/888932315602.

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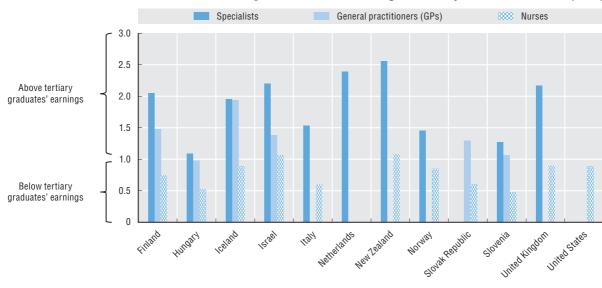
#### 26.1 Compensation of salaried doctors and nurses (2008)



Source: OECD Health Data 2010.

StatLink http://dx.doi.org/10.1787/888932390709

#### 26.2 Ratio of salaried doctors' and nurses' compensation to the earnings of tertiary-educated workers (2008)



Source: OECD Health Data 2010 for the compensation of salaried doctors (e.g. specialists, general practitioners) and nurses; OECD (2010), Education at a Glance 2010: OECD Indicators, OECD Publishing, Paris for the earnings of tertiary-educated workers.

StatLink http://dx.doi.org/10.1787/888932390728



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