

3. HEALTH WORKFORCE

3.10. Remuneration of nurses

The remuneration level of nurses is one of the factors affecting job satisfaction and the attractiveness of the profession. It also has a direct impact on costs, as wages represent one of the main spending items in health systems.

Gathering comparable data on the remuneration of nurses is difficult because different countries collect data based on different sources, covering different categories of nurses. The data presented in this section generally focus on the remuneration of nurses working in hospitals, although the data coverage for some countries differs (see the box below on “Definition and deviations”). Hence, the data should be interpreted with caution.

The data on the remuneration of nurses is presented in two ways. First, it is compared with the average wage of all workers in each country, providing some indication on the relative financial attractiveness of nursing compared to other occupations. Second, the remuneration level in each country is converted into a common currency, the US dollar, and adjusted for purchasing power parity, to provide an indication of the relative economic well-being of nurses compared with their counterparts in other countries.

In most countries, the remuneration of nurses is above the average wage of all workers in their country (Figure 3.10.1). This is particularly the case in Mexico, where the income of nurses is more than two times greater than the average wage. In Portugal, it is 70% higher. On the other hand, the income of nurses is lower than the average wage in Hungary, Slovak Republic, Czech Republic and Finland. In Finland, the growth in the salary of nurses lagged behind the growth in the average wage between 2000 and 2007, but in 2008, nurses have obtained a substantial pay raise which should narrow this gap.

When converted to a common currency, the remuneration of nurses is four to six times higher in Luxembourg than in Hungary, Slovak Republic and Czech Republic (Figure 3.10.2). Nurses in the United States also have relatively high earnings compared with their counterparts in other countries. This might explain the ability of the United States to attract many nurses from other countries (OECD, 2007a; Aiken and Cheung, 2008). In Mexico, although the salary of nurses appears to be high compared to other workers in the country, their income level is low compared to nurses in the United States and other countries.

The remuneration of nurses in real terms (taking into account inflation) has increased in all OECD countries over the past five to ten years, with the exception of Mexico where it declined between 2003 and 2007

(Figure 3.10.3). The growth rate in the remuneration of nurses was particularly strong in the Slovak Republic and the Czech Republic, narrowing the gap to a certain extent with their counterparts in other European countries. In the United Kingdom, the income of nurses in real terms grew at an average of 3% per year over the past ten years, two-times more rapidly than the growth in the average wage in the economy.

There is some evidence that low wage is one of the reasons why some nurses leave the profession (Hasselhorn *et al.*, 2005). However, other research found only a weak relationship between wage and nurse labour supply (Shield, 2004; Chiha and Link, 2003; Antonazzo *et al.*, 2003). Other policies, such as improving working-time flexibility and creating career development opportunities, may also help to attract and retain more nurses in the profession (OECD, 2008e).

Definition and deviations

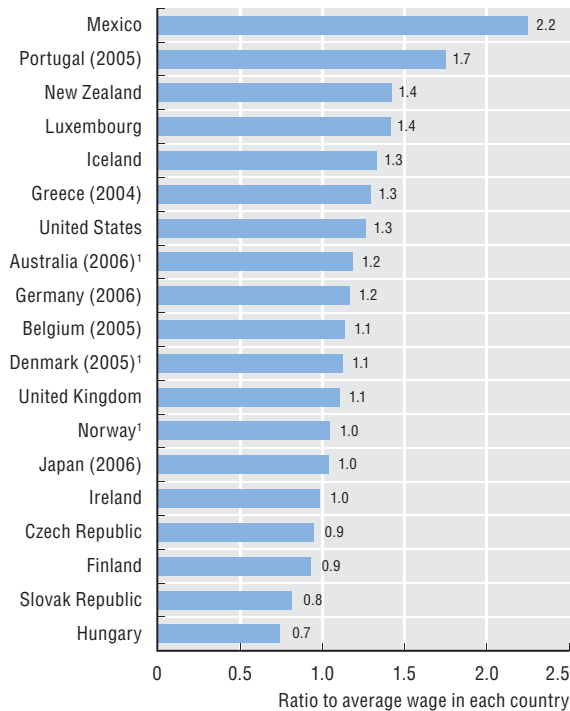
The remuneration of nurses refers to average gross annual income, including social security contributions and income taxes payable by the employee. It should normally include all extra formal payments, such as bonuses and payments for night shifts and overtime. In most countries, the data relate specifically to nurses working in hospitals, although in New Zealand and the United States the data also cover nurses working in other settings.

Data refer only to registered (“professional”) nurses in Australia, Denmark and Norway, resulting in an overestimation compared to other countries where lower-level nurses (“associate professional”) are also included.

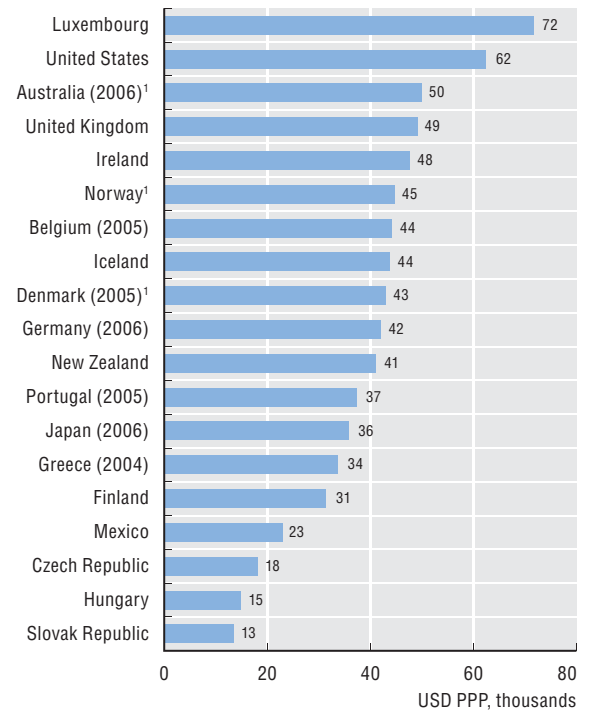
The data relate to nurses working full-time, with the exception of Belgium where part-time nurses are also included (resulting in an underestimation). The data for some countries do not include overtime payments (*e.g.* Ireland and Mexico). None of the countries report data on informal payments, which in some countries may represent a significant part of total income.

The remuneration of nurses is compared to the average wage of full-time employees in all sectors in the country, except in Iceland, Mexico and New Zealand where it is compared to the average wage in selected industrial sectors.

3.10.1 Hospital nurses' remuneration, ratio to average wage, 2007 (or latest year available)

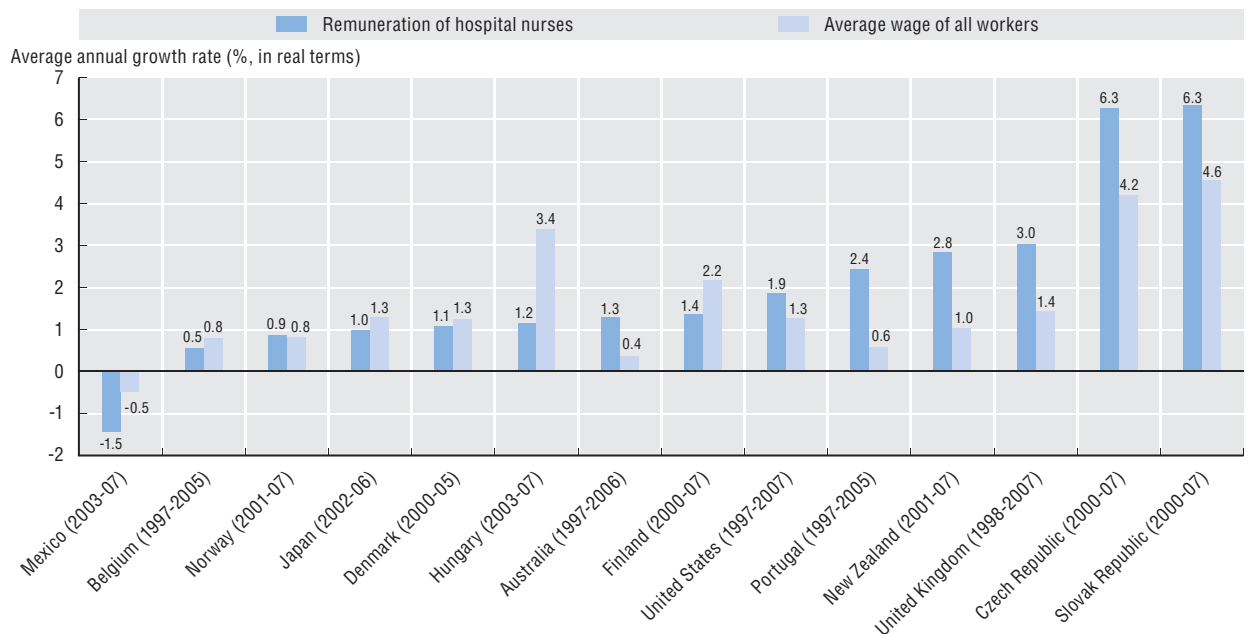


3.10.2 Hospital nurses' remuneration, USD PPP, 2007 (or latest year available)



1. Data refer to registered ("professional") nurses in Australia, Denmark and Norway.

3.10.3 Growth in the remuneration of hospital nurses



Source: OECD Health Data 2009 for the remuneration of nurses; OECD Employment Outlook 2009 and OECD Taxing Wages 2009 for average wage of workers in the economy.

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