Female veterinarians earn less, but ...

... the AVMA starting salary calculator showing that looks at many factors. And that does NOT mean any female DVM should ask a practice owner for less money than her male peers.

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Numbers about average earnings don't lie, but they also don't tell YOUR individual future in veterinary medicine. (Photo Getty Images)

For more than three decades the American Veterinary Medical Association (AVMA) has been publishing the mean starting salary for new veterinarians, and these studies have clearly shown a gender wage gap: Women make less than men, whether they are new graduates, associates or practice owners.

Some of the gender gap can be explained by type of practice, location of employment and other factors, but not all of the gap can be explained by the factors for which we have data. For all U.S. college graduates who have indicated their starting salary in any employment opportunity prior to graduation, we can explain 71 percent of the variation in their salaries with the factors we currently measure. One of those has been, and continues to be, gender.

A new guide based on historical data

A new graduate starting salary calculator was first introduced to the profession in April 2015 in the 2015 AVMA Report on Veterinary Debt and Income and in a dvm360 magazine article, "How to predict veterinary compensation." The data is from 2001 to 2015 U.S. veterinary college graduates who provided information about their starting salaries. The tool indicates the degree to which statistically significant demographic variables -- things like gender, practice type, region, age, hours
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More recently, the AVMA developed a laminated sheet we use to counsel students about their debt-to-income ratio. Use of the calculator for the purpose of determining the starting salary for a specific set of demographic variables makes clear that female graduates have historically been paid $2,406.97 less than male graduates across the board. This information has been met with a great deal of indignation, because it seems to suggest that women should accept less money than men for the same position. This is not the case.

The introductory paragraph to the calculator states:

This calculator provides the average starting salary for specific segments of the profession and was developed from data collected from graduating veterinary students through the AVMA Senior Survey. This calculator was developed to provide you with a starting point for your own salary negotiation. The calculator is a predictive tool and uses values for gender, practice type, region, hours worked, additional degrees and debt load that were found to be statistically significant predictors of starting salary. The calculator does not provide a guaranteed salary or recommended salary for any individual veterinarian and each veterinarian is responsible for negotiating their starting salary.

'Not a guaranteed or recommended salary'

Unfortunately, our attempt to provide an adequate explanation of -- and descriptions for -- the use of the tool apparently did not achieve its goal. While the third line of the paragraph above suggests that this estimate may provide a starting point for salary negotiations, the last sentence was intended to warn against using this salary tool to define a "recommended" salary.

One might ask, "Why should a female veterinarian start negotiations with a salary $2,400 below a male counterpart?" Or, "Why should a mixed animal practitioner start negotiations with a salary $4,000 below a companion animal practitioner?" Or, "Why should a practitioner in the Midwest start salary negotiation at a point less than one on the coasts?"
The new salary calculator is a tool to help inform new veterinarians about the factors that may affect their salary. It does not provide answers as to why those factors affect starting salary. The salary, using nearly 30,000 observations from the past 15 years, provides the mean salary for very specific employment opportunities and individual characteristics. Some will make more and some will make less than these mean values.

Eliminating gender distorts other factors

So should the AVMA provide a calculator that contains all factors other than gender? Consider Table 1 below, where the salary calculator provides one column that includes gender and one column that excludes it.

Now, consider the case of a 2016 graduate who is 28 years old, female, plans to work 40 hours per week, has $145,000 in debt and is applying to be a companion-animal-predominant practitioner in Virginia (Region 2). The calculator predicts that, based on historical observation, the mean salary for this situation will be $76,348.

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However, if we eliminate the gender factor, the calculator predicts that the mean salary will be $74,343 – that's $2,000 less than the calculator with the gender factor. Also note the difference in the impact on starting salary of the food animal and industry factors. They are much greater when gender is removed because there are fewer women in these practice types. By eliminating the gender factor, we create a misspecified statistical model and the effect of gender is captured in the remaining factors based on their male-female proportion.
The factors that affect salary have been in place for many years. In most markets, these types of differences would begin to disappear as market participants begin to use them to gain advantages. Higher salaries in one situation would cause more
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graduates to seek employment in that situation and this would cause those salaries to decline, while allowing the salaries in other situations to increase.

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The current salary calculator is a guide to allow graduates to understand what factors have affected past starting salaries. Perhaps in the future, through the use of this tool, we will see the gender gap disappear. Fortunately, we will have new estimates for the salary calculator each year and you will be able to measure the change in the profession’s starting salary gender wage gap.

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