Negotiating 101: Why Gender Matters

Theresa Rohr-Kirchgraber, MD, FACP, FAMWA
For discussion today

• A few statistics
• Why I am here; my experience
• A few simple rules of negotiation
• Real world examples of salary negotiations
• Conclusions
• Q & ?A
Stats about Women

- 57% of USA Undergraduates
- 60% of USA master’s degrees
- 20/100 US Senators
- 78/435 US Representatives
- Earn $0.80/$1.00 US Census (40 years = $.018 increase)
- 1/10 Board seat or C-suite (50%+ of workforce)
- 17/195 Country leaders
- 21 CEOs of Fortune 500 companies
- 18% Aspire to reach the C-Suite (36% men)

- Almost never counter an offer (men almost always)
- Dream personally (men dream professionally)
- Feel flattered to be offered a job (especially one that they want)
- Do people really say what we hear?
- How much should we ask for?
Do women earn less than men?
The Equal Pay Act  June 10, 1963
The Gender Earnings Ratio, 1955–2010, Full-Time Workers

Institute for Women’s Policy Research, 2011
Gender-based pay disparity

- Agriculture and related industries: 84.6%
- Mining, quarrying, and oil and gas extraction: 79.7%
- Construction: 92.2%
- Manufacturing: 73.8%
- Wholesale and retail trade: 76%
- Transportation and utilities: 78.6%
- Information: 75.8%
- Financial activities: 70.5%
- Professional and business services: 76.6%
- Education and health services: 77%
- Leisure and hospitality: 83.5%
- Other services: 72.2%
- Public administration: 78.5%
Top occupations with worst wage Gap - 2014

- Chief Executives
- Supervisors of Production
- Managers of Housekeeping
- Financial Managers
- Commodities sales
- Physicians/Surgeons
- Financial advisors

January 2009 - Lilly Ledbetter Fair Pay Act
Why?

- More likely to work part time
- More likely to take time off
- Over 15-year period, 52% of women 26-59 go through at least one year with no income, compared to 16% of men
- Gravitate to lower paying specialties
- Discrimination??
2009 study of high school valedictorians

- female valedictorians were planning to have careers that had a median salary of $74,608,
- male valedictorians were planning to have careers with a median salary of $97,734.

"The typical reason is that they are worried about combining family and career one day in the future."
Symphony Orchestras

- Prior to 1970s, overwhelmingly male (approximately 90%)
- Blinded auditions ↑ likelihood of hiring a female musician

Goldin and Rouse, AER 2000
“Before and After”

• Survey of 43 transgendered workers
  – 16 MTF, 27 FTM

• Results:
  – MTF – 32.3% decrease in overall earnings
  – FTM – 1.5% increase in overall earnings
# Results

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Mean starting salary – Men</th>
<th>Mean starting salary - Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>All physicians</td>
<td>$187,385</td>
<td>$158,727*</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>$125,343</td>
<td>$116,950*</td>
</tr>
<tr>
<td>Family Medicine</td>
<td>$147,874</td>
<td>$139,504*</td>
</tr>
<tr>
<td>Psychiatry</td>
<td>$156,668</td>
<td>$141,852*</td>
</tr>
<tr>
<td>Internal Medicine</td>
<td>$154,900</td>
<td>$142,526*</td>
</tr>
<tr>
<td>Obstetrics and Gynecology</td>
<td>$203,789</td>
<td>$182,047*</td>
</tr>
<tr>
<td>Dermatology</td>
<td>$217,799</td>
<td>$194,818*</td>
</tr>
<tr>
<td>General Surgery</td>
<td>$185,881</td>
<td>$196,721</td>
</tr>
<tr>
<td>Emergency Medicine</td>
<td>$218,767</td>
<td>$206,114*</td>
</tr>
<tr>
<td>Anesthesiology</td>
<td>$229,915</td>
<td>$220,576</td>
</tr>
<tr>
<td>Radiology</td>
<td>$250,709</td>
<td>$233,532</td>
</tr>
</tbody>
</table>
The $16,819 Pay Gap

• New York State Survey of Residents Completing Training (Center for Health Workforce Studies of SUNY Albany) 1999-2008
• Survey conducted each May-June
• Aggregate response rate 62.6%
• Included respondents who reported intent to enter “patient care and clinical practice (in a nontraining position)”, and had been offered and accepted a job.
• N=8223 (4918 men and 3315 women)
NY State

• Academic year 2010-2011
• Total number of residency programs = 1071 (12.1%)
• Total number of residents = 15,826 (14.0%)
Results

Location of Practice

<table>
<thead>
<tr>
<th>Area Type</th>
<th>Men (%)</th>
<th>Women (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>City</td>
<td>45</td>
<td>55</td>
</tr>
<tr>
<td>Suburb/small</td>
<td>50</td>
<td>50</td>
</tr>
<tr>
<td>city</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Rural</td>
<td>10</td>
<td>90</td>
</tr>
<tr>
<td>Missing</td>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

Area Type

Percent (%)
Results

Clinical Hours Per Week

<table>
<thead>
<tr>
<th>Hours</th>
<th>Men (%)</th>
<th>Women (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>0-19</td>
<td></td>
<td></td>
</tr>
<tr>
<td>20-29</td>
<td></td>
<td></td>
</tr>
<tr>
<td>30-39</td>
<td></td>
<td></td>
</tr>
<tr>
<td>40-49</td>
<td>30%</td>
<td>40%</td>
</tr>
<tr>
<td>50+</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Unadjusted Salary Difference

- **Men**
- **Women**

<table>
<thead>
<tr>
<th>Year</th>
<th>Men</th>
<th>Women</th>
</tr>
</thead>
<tbody>
<tr>
<td>1999</td>
<td>$100,000</td>
<td>$100,000</td>
</tr>
<tr>
<td>2000</td>
<td>$110,000</td>
<td>$110,000</td>
</tr>
<tr>
<td>2001</td>
<td>$120,000</td>
<td>$120,000</td>
</tr>
<tr>
<td>2002</td>
<td>$130,000</td>
<td>$130,000</td>
</tr>
<tr>
<td>2003</td>
<td>$140,000</td>
<td>$140,000</td>
</tr>
<tr>
<td>2004</td>
<td>$150,000</td>
<td>$150,000</td>
</tr>
<tr>
<td>2005</td>
<td>$160,000</td>
<td>$160,000</td>
</tr>
<tr>
<td>2006</td>
<td>$170,000</td>
<td>$170,000</td>
</tr>
<tr>
<td>2007</td>
<td>$180,000</td>
<td>$180,000</td>
</tr>
<tr>
<td>2008</td>
<td>$190,000</td>
<td>$190,000</td>
</tr>
</tbody>
</table>
Regression Adjusted Salary Difference

$100,000
$120,000
$140,000
$160,000
$180,000
$200,000
$220,000
Men
Women
Conclusions

• Proportion of women increased from 38% (1999) to 43% (2008)
• 1/3 of female graduates entered primary care
• Within specialty, women have lower starting salaries
• Unadjusted salary difference increased from 12.5% to 17%
• Controlling for variables explained the entire difference in 1999, but by 2008 there was an unexplained gap of $16,819
Linda Brodsky, MD

- Tenured Professor of Otolaryngology and Pediatrics, SUNY Buffalo
- Founder and President, Pediatric ENT Associates
- Founder and Director of the Center for Pediatric Quality, Children's Hospital of Buffalo
- Founder and President of Women MD Resources
Why such a wage gap?

Emma, social science researcher: 
"I realized . . . that I could have really negotiated for much more. . . but I didn't. Because I accepted, 'Oh, I want to tie in with the range. I should feel lucky I have this job."

Eleanor, literature professor and biographer: 
"When it came down to it, I backed down because I didn't want [my editor] to hate me."

Becky, a journalist: "When I go into a negotiation . . . I think about maintaining that relationship before I think about my own [needs] really."
Negotiation

- Women report “a great deal of apprehension” (2.5x men)

- Women will pay $1000+ to avoid negotiating the price of a car

- Women ask for, and expect 30% less when negotiating
Why Negotiate?

Arrive at a common understanding

Create benefits for both parties

Ultimately create the legal language that will “govern” the relationship going forward

Earn respect

Wouldn’t you want someone who is willing to stand up for what they believe on your team?
Successful negotiation is a necessity

- We can learn to negotiate in ways that have a more positive impact
- Increases our sense of self worth
- Improves our position in society
- Increases financial security
- Provide a positive impact
Negotiation rules

Everything is negotiable

BUT: Negotiate with those who can make decisions

Begin with the end in mind
- What’s most important?

If you think of it as a battle, it will be

Strength comes from:
- Information
- Alternatives
- Time
- Empathy

Understand which party possesses more of each before proceeding

Negotiation can be an ongoing process !!
Don’t Ask/Negotiate for What We Want!

• Belief that if we work hard, we’ll get the recognition and rewards we deserve

• Do a poor job of tooting our own horns

• Don’t leverage our relationships

• Concerned about the distant future
Medical Director

Candidate: A female academic physician, 10+ years experience

The Offer: $200K with 20% bonus

The negotiation:

• Took the offer immediately without negotiation (would have gone to 215K)
• Worked for the company for one year; strong performer, given raise after one year
• Asked for a raise after two years (outside normal process) as she thought she was underpaid based on information obtained from friends in other companies
• Given a larger raise than planned (8% instead of 3%) She made 222K for year #3 BUT gave up 15k/15k/17k for a total of 47 K in first 3 years
• Worth $179 K over next 10 years of career (3% wage inflation)
# The math

<table>
<thead>
<tr>
<th></th>
<th>scenario 1</th>
<th>scenario 2</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
<td>$200,000.00</td>
<td>$215,000.00</td>
<td>$15,000.00</td>
</tr>
<tr>
<td>YEAR 2</td>
<td>$206,000.00</td>
<td>$221,450.00</td>
<td>$15,450.00</td>
</tr>
<tr>
<td>YEAR 3</td>
<td>$222,480.00</td>
<td>$239,166.00</td>
<td>$16,686.00</td>
</tr>
<tr>
<td>YEAR 4</td>
<td>$229,154.40</td>
<td>$246,340.98</td>
<td>$17,186.58</td>
</tr>
<tr>
<td>YEAR 5</td>
<td>$236,029.03</td>
<td>$253,731.21</td>
<td>$17,702.18</td>
</tr>
<tr>
<td>YEAR 6</td>
<td>$243,109.90</td>
<td>$261,343.15</td>
<td>$18,233.24</td>
</tr>
<tr>
<td>YEAR 7</td>
<td>$250,403.20</td>
<td>$269,183.44</td>
<td>$18,780.24</td>
</tr>
<tr>
<td>YEAR 8</td>
<td>$257,915.30</td>
<td>$277,258.94</td>
<td>$19,343.65</td>
</tr>
<tr>
<td>YEAR 9</td>
<td>$265,652.75</td>
<td>$285,576.71</td>
<td>$19,923.96</td>
</tr>
<tr>
<td>YEAR 10</td>
<td>$273,622.34</td>
<td>$294,144.01</td>
<td>$20,521.68</td>
</tr>
</tbody>
</table>

$178,827.52
Managing Medical Director

Candidate: A male physician; 20+ years experience

The Offer: $270K with 20% bonus, stock

The negotiation:

• Initially turned down offer; not enough money. Company kept looking (time)
• Came back to him after 6 months, offered 290K
• He stated he had looked at market and needed to make 320 minimum based on comparisons he made for other similar jobs (information)
• He was offered 305K given city was cheaper COL than California (information counter)
• He stated that he knew the COL was cheaper (empathy) but was not sure he could give up the unvested stock at current company
• Offered a cash sign on bonus to partially cover that loss
## The Gain

<table>
<thead>
<tr>
<th></th>
<th>Scenario 1</th>
<th>Scenario 2</th>
<th>Delta</th>
</tr>
</thead>
<tbody>
<tr>
<td>YEAR 1</td>
<td>$ 270,000.00</td>
<td>$ 305,000.00</td>
<td>$ 35,000.00</td>
</tr>
<tr>
<td>YEAR 2</td>
<td>$ 278,100.00</td>
<td>$ 314,150.00</td>
<td>$ 36,050.00</td>
</tr>
<tr>
<td>YEAR 3</td>
<td>$ 286,443.00</td>
<td>$ 323,574.50</td>
<td>$ 37,131.50</td>
</tr>
<tr>
<td>YEAR 4</td>
<td>$ 295,036.29</td>
<td>$ 333,281.74</td>
<td>$ 38,245.45</td>
</tr>
<tr>
<td>YEAR 5</td>
<td>$ 303,887.38</td>
<td>$ 343,280.19</td>
<td>$ 39,392.81</td>
</tr>
<tr>
<td>YEAR 6</td>
<td>$ 313,004.00</td>
<td>$ 353,578.59</td>
<td>$ 40,574.59</td>
</tr>
<tr>
<td>YEAR 7</td>
<td>$ 322,394.12</td>
<td>$ 364,185.95</td>
<td>$ 41,791.83</td>
</tr>
<tr>
<td>YEAR 8</td>
<td>$ 332,065.94</td>
<td>$ 375,111.53</td>
<td>$ 43,045.59</td>
</tr>
<tr>
<td>YEAR 9</td>
<td>$ 342,027.92</td>
<td>$ 386,364.87</td>
<td>$ 44,336.95</td>
</tr>
<tr>
<td>YEAR 10</td>
<td>$ 352,288.76</td>
<td>$ 397,955.82</td>
<td>$ 45,667.06</td>
</tr>
</tbody>
</table>

$ 401,235.78
Women Don’t Ask

Linda Babcock and Sara Lashever

• Less likely to negotiate at work
  – costs more than half a million dollars in earnings over the course of our respective careers.

• Miss out by
  – failing to negotiate salary, promotions and other advancement opportunities that men commonly and aggressively pursue.

• Reluctant advocate for ourselves
  – is often the difference between climbing the career ladder at a healthy pace and not climbing it at all.
A tale of 4 new physicians

• 4 IM residents are hired from the same residency program onto a public hospital staff.
• Same background, same job
• All told there was no negotiation about salary
• Come July 1, 2 have $10,000 more than the other two.
Signing Bonus

- 2 Men asked for and received signing bonus
- 2 Women did not
Case #3

MS3 wants a letter of recommendation
“The letter, writers who were primarily male, appeared to have relied on gender schemas in writing the letters and that as a result men were more often associated with ability and women were more often associated with hard work”
Recommendation letters

Letters for Women
- Shorter
- Less record focused
- More likely to have gender terms
- Grindstone adjectives (hard working, dependable)
- Had more doubt raisers
- More reference to personal live

Letters for Men
- Stand out adjectives (excellent, superb) repeated more often 2/letter for men vs 1.5 for women
- More reference to CV and publications
What is holding us back

• Stereotypes about Women
• Ugly female behaviors (*Queen Bee syndrome*)
• **Lack of female role models**
• Our own “self-inflicted insecurities”
• Invisibility
• Too emotional
• A “need to please”
• A reluctance to “raise our hand”
• Multiple demands on our time (family)
Motherhood Bias?

- Mothers 43% less likely to be hired
- Mothers rated as less competent and promotable
  - Less likely to be recommended for management positions
  - Less likely to be promoted
  - Lower starting salary

What can you do?

• Start networking
• Collaborate with others outside your circle
• Mentor others
• Use gender neutral wording like Chair instead of Chairman
• Attend special workshops/conferences
• Join organizations that encourage networking
Self Confidence

• Acceptance letter
  – When will they know I’m a fraud?
  – Maybe they were looking for the next person on the list?

• 1st year
  – Going from the top 10% in undergrad

• 3rd year verbal, physical harassment and intimidation are part of the clerkships
Strategies to eliminate disparity

- Identify the problem
- Institutional commitment
- Transparency
  - Salaries, Criteria for promotion, Individual assets
- Mentorship
- Negotiation training
- Keep yourself in play
• “I’m sorry...”
• “I’m just....”
• “I know I am just a ....”
• “I believe..”
• “Let me tell you..”
• “I was just reading about...”
• “What about...”
• “I want to...”
• “I plan to...”
Lessons learned

You never make more money per hour than when you are negotiating

Salary negotiations are compounded over time

Take the time to gather information, develop alternatives

Know what is most important to you before you start

Ask for what you want in a polite, empathetic way

If they don’t say “no” to at least one issue, you probably didn’t negotiate enough

Negotiating (done properly) gains you respect

Get comfortable with your position/language. Role-play if needed
Warren Buffett: one of the reasons for his great success was that he was competing with only half of the population.
Questions??
Theresa Rohr-Kirchgraber, MD
trohrkir@iu.edu