

# Compensation

## Salary & Stipends

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### Executive Summary

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Seattle may once have been an affordable city to live in, but it is no longer. Rents have sharply increased for decades, while overall cost of living has risen even faster. Today, Seattle is among the most expensive metropolitan areas in the United States. Unfortunately, the University of Washington's (UW) compensation for resident physicians and dentists has not kept pace. **When compared to 50 large academic programs across the country, UW has the lowest rate of compensation proportional to cost of living.** The residents and fellows at UW are currently compensated so poorly that we qualify for Low Income Public Housing.

**In order to uphold the quality of care the UW Medicine believes in, residents must live within close proximity to sites of care, limiting residents to high-cost neighborhoods.** Our peers, from low-cost locations like Ann Arbor, MI to high-cost ones like San Francisco, provide adequate housing stipends to correct this imbalance.

**UW's rate of unmatched residency positions is among the worst in the nation.** In our analysis, we found a negative correlation between UW residency match rates and Seattle cost of living over the last 17 years, and this trend continues to worsen. In order to continue being a premier research and clinical care institution, we need to be able to compete for the very best candidates.

To correct this longstanding imbalance between compensation and cost of living, the University of Washington Housestaff Association (UWHA) proposes the following:

1. Salary increase to match our peer institutions, with **starting salary for post-graduate year (PGY) 1 residents \$64,036.83 in AY20** and other PGY salaries increased accordingly
2. Pay **increase of 4% per year** thereafter, to match increases in cost of living and in line with other government workers in King County
3. Increase the **housing stipend to \$16,438.73 per year**, to match peer institutions in high-cost locations and alleviate rent burden
4. Increase the chief resident stipend to **\$500 per month**

UWHA and its members want UW to be the very best academic medical center and public institution of graduate medical education in the country. We cannot accomplish this as the lowest-paid residents in the country given our cost of living. We trust that you will find our proposal to be data-driven and fair given our findings.

### Salary Background

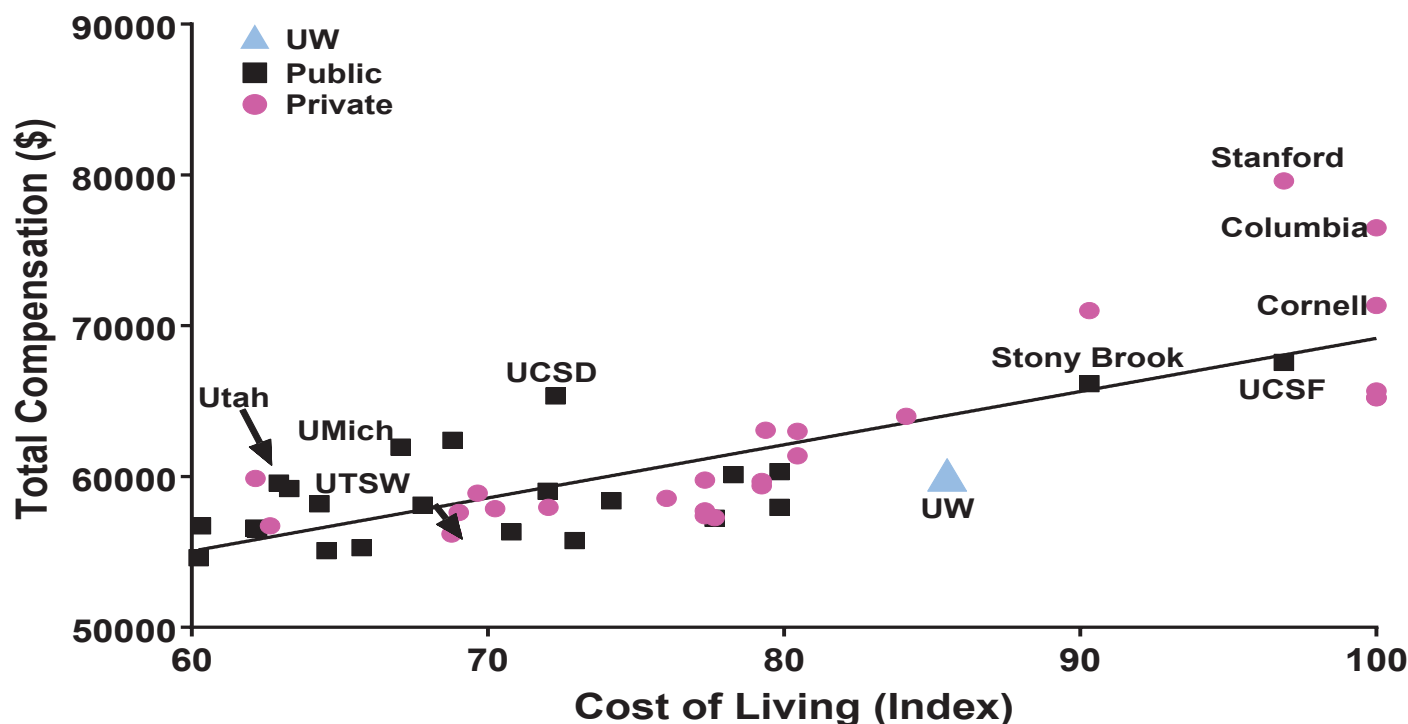
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#### The Lowest Paid Residents

Seattle is one of the most expensive places in the United States to live, and compensation to be a resident here should reflect that. However, **UW residents are the lowest paid residents by cost of living in the country.** UWHA analyzed fifty of the largest and most prestigious academic medical centers in the country, UW's peer institutions. Many programs in far cheaper locations pay as much or

more than UW. On this graph, the black line represents the average compensation per unit of cost of living. Our peer public institutions meet or exceed this average. Consider the University of Michigan, located in a far lower cost city but paying substantially more than UW. This is not some private enterprise with a massive endowment to fund salaries. This is our nearest peer public institution, with the same challenges and prospective resident pool as UW.

## Total Compensation Versus Cost of Living



Furthermore, UW itself recognized this by requesting funds from the legislature to give raises of 2-4% to faculty and staff (1). UW stated that “allocating more state resources for [raises] is critical to remain competitive with peers (many of which offer higher salaries in locations with a lower cost of living)” (1). UWHA agrees.

And the cost of living is only going up: housing prices have increased nearly 160% since the late 1990s (2). Beyond rent, the Consumer Price Index (CPI), a gauge of how expensive “everything” is, has been rising at or above 3% in all but two months since early 2016 (3). In Seattle, the value of a dollar is lower than nearly all other cities in the United States (4).

## UW Residency Spots Go Unfilled

Compensation is a key factor in deciding which residency programs to apply to and where to go. Many of us ranked UW lower precisely because the pay was so poor. Many more never ranked UW at all for the same reason.

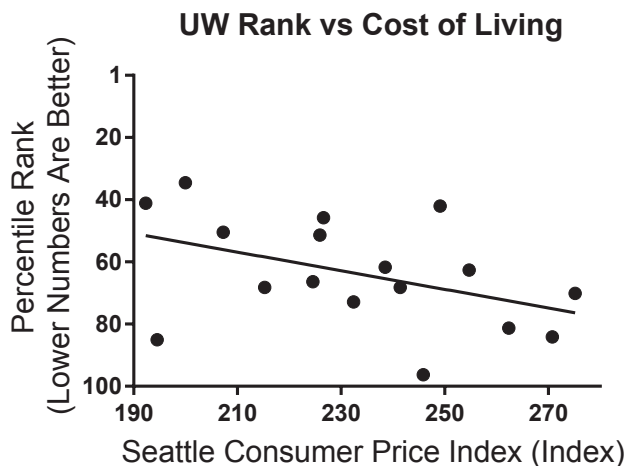
Failing to compensate residents fairly is impacting UW’s reputation. Over the last thirteen years, UW has had a more difficult time filling its residency positions each year. **In the last three years, out of the 100 largest academic centers in the country, UW ranked 80th in terms of ability to fill residency spots. Only twenty programs were worse.**

1) Office of Planning and Budgeting. [Summary of 2019-21 Operating Budget Requests](#). University of Washington.

2) Rosenberg, Mike. [Hoping for Seattle-area rents to get cheap? Don't hold your breath](#). Seattle Times

3) Bureau of Labor Statistics. [Consumer Price Index - Seattle](#).

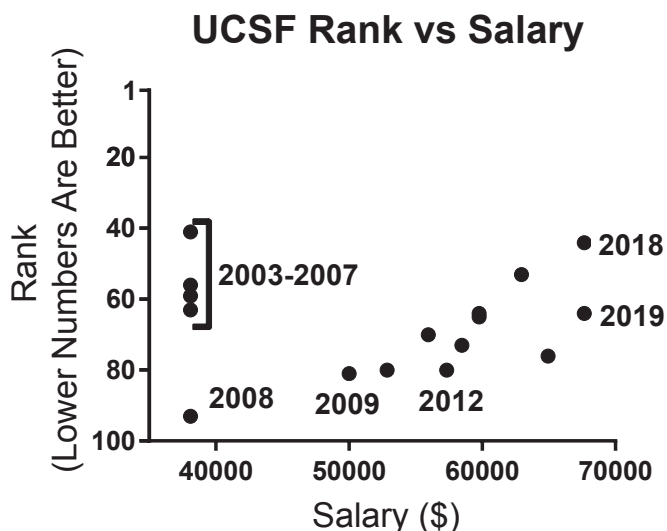
4) Cole, Alan. [The Real Value of \\$100 in Metropolitan Areas](#). The Tax Foundation



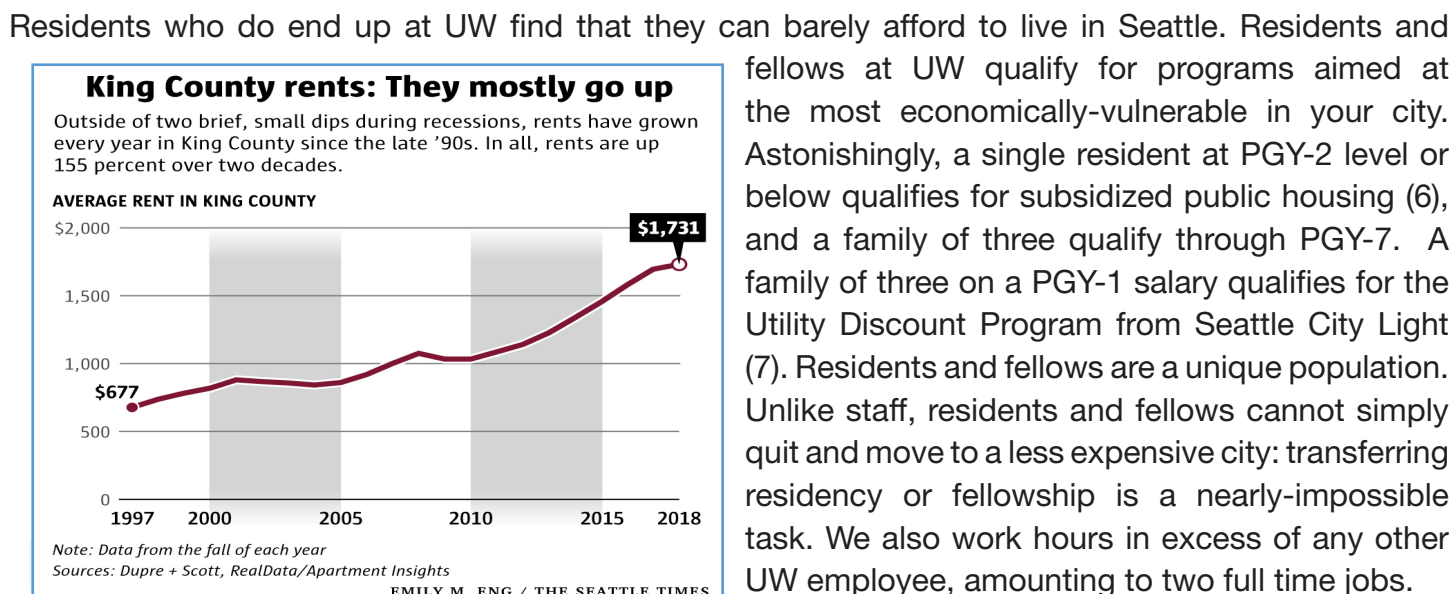
Worse still, many UW programs including Family Medicine and Anesthesiology have had to resort to the Supplemental Offer and Acceptance Program (SOAP) to fill these empty spots with residents who failed to match at other programs. Unfilled spots and being forced to use SOAP are signs of an institution in rapid decline. Programs further lose prestige and applicants as word spreads that they are not seen as desirable. Residents have a choice when they apply to residency, and they are increasingly choosing to look elsewhere.

Other programs have recognized this problem. At UCSF, poor compensation in the early 2000s tracked directly with more unmatched positions. When UCSF instituted significant salary increases, they immediately began filling more positions, a trend which has continued as salary has increased over the last 15 years.

UWHA members have an enormous stake in the prestige of UW. As UW's stature goes, so go our own prospects for fellowship, job offers, and future career advancement. UWHA is very worried about these trends. We hope that the leaders at UW are even more so.



## UW Residents Struggle While Making UW a Profit



6) [Low Income Housing: Eligibility](#). Seattle Housing Authority.

7) [Utility Discount Program](#). Seattle City Light.

UW stands alone even among the most conservative employers in its miserliness. King County government employees will be receiving 5% locality raises under their newest contract, a recognition of the inevitable: you can't pay nothing and expect to fill jobs (8).

Furthermore, each resident and fellow brings significant funds for UW. Medicare paid over \$100,000 per resident and fellow in 2016, the latest year data are available (9), and replacing residents with nurse practitioners would mean paying a salary of on average \$107,480 per year (10). Housestaff provide most of the outstanding care our patients receive in the UW Medicine system at a greatly discounted cost, while living paycheck to paycheck.

## **How Important Is Diversity and Inclusion to UW?**

A further, more insidious consequence of poor pay and unfilled positions is a dramatic blow to resident diversity. Prospective housestaff without family money or a high-earning spouse are thinking twice about choosing UW. Residents from backgrounds underrepresented in medicine (URM) fall into this category, and these are critical trainees for UW to recruit. Innumerable studies have shown the benefit to patients and the entire care team when there is a diversity of experiences and life history on medical teams. The ACGME considers diversity as a core element when evaluating programs (11). UW claims to understand this: at a meeting of the UWMC Board Facilities, Finance and Joint Conference Committee in early 2019, top financial leaders of UW Medicine themselves stressed that diversity through the match is a key element to the success of UW Medicine. Other institutions are realizing the same challenge and fighting for change. Housestaff at UCSF, facing a similar situation, have raised the exact same concerns, with one resident noting that poor compensation “changes who comes here” (12). **We must address this challenge before UW becomes a program accessible only to the already wealthy or those with spouses who work for tech companies.**

## **Housestaff Feedback**

*“The cost of housing in Seattle is quite expensive and colleagues in other expensive cities such as SF and NYC get housing allowances or access to subsidized housing. Since this is the largest part of my spending by far, I think it would go a long way if the residency could subsidize this. Prices have only continued to increase in Seattle.”*

*“The cost of living is outrageous in Seattle, when rents are at least 3 times the cost of living in competitor cities for my residency program at the same salary. Other HCOL programs like Stanford or the NYC programs offer much more in the way of total compensation including housing stipends that are much more generous.”*

*“Salary is simply not enough to cover cost of living in Seattle. It would be impossible for me to pay for rent, food, and childcare if not for my spouse's income.”*

*“My residency program I came from had far better benefits, better pay, and a reasonable housing stipend. I pay more for rent here and get no subsidy to help pay for it; it's criminal. We work for less money and benefits than most other institutions around the country and that's pathetic. UW needs to stop living in the 1950s if it expects its housestaff to work as hard as the 21st century requires.”*

8) WFSE Council 28. [Ratification](#)

9) Centers for Medicare and Medicaid Services. [Hospital 2552-2010 form](#).

10) US Bureau of Labor Statistics

11) Accreditation Council for Graduate Medical Education. [Common Program Requirements](#).

12) Tence, Victor. Medical residents, [interns walk off the job at UCSF Medical Center over failed contract talks](#). San Francisco Examiner.

*“Compare the average intern wages to Seattle’s \$15/hr minimum wage, including 1.5 time for overtime above 40 hrs/wk, holidays, nights/weekends. Compelling argument for better pay”*

*“Increased Salary should be the number 1 priority for negotiating. The cost of living has skyrocketed in Seattle the past 6 years, and affordability is markedly less than most programs in different cities. ... A salary increase would benefit residents the most as we struggle to make it by living paycheck to paycheck. I’d guess that if you surveyed residents that a large percentage would spend over half their paycheck on housing each month.”*

Without competitive compensation, UW will have an increasingly difficult time recruiting the best and the brightest trainees to come here, and the ones who do come will be disproportionately wealthy and less diverse:

*“of the places I interviewed, UW is in the bottom 5 for pay (on par with the Midwest) yet with one of the top 3 most expensive cost of living setups.”*

*“We lost a lot of good applications due to high cost of living.”*

*“rents are at least 3 times the cost of living in competitor cities for my residency program at the same salary.”*

*“Major issue with training here and recruitment is ever-increasing cost of living in Seattle. The best way to address this is salary increases.”*

## Salary Proposal

In light of the high cost of living in Seattle and the poor pay provided by UW, particularly when compared to our peers nationally, UWHA proposes the following:

1. A starting salary for PGY1 residents of **\$64,036.83**
2. Per annum increases in all PGY salaries of 4%, in line with requests of the state by UW itself
3. Salaries for advanced PGY levels and subsequent academic years as follows:

	R1	R2	R3	R4	R5	R6	R7	R8
<b>AY20</b>	\$64,036.83	\$66,534.27	\$69,262.17	\$72,240.44	\$75,346.78	\$78,888.08	\$82,990.26	\$87,720.71
<b>AY21</b>	\$66,598.30	\$69,195.64	\$72,032.66	\$75,130.06	\$78,360.66	\$82,043.61	\$86,309.87	\$91,229.54
<b>AY22</b>	\$69,262.24	\$71,963.46	\$74,913.96	\$78,135.26	\$81,495.08	\$85,325.35	\$89,762.27	\$94,878.72

	R9	R10	R11	R12
<b>AY20</b>	\$93,159.39	\$99,401.07	\$106,557.95	\$114,762.91
<b>AY21</b>	\$96,885.77	\$103,377.11	\$110,820.27	\$119,353.43
<b>AY22</b>	\$100,761.20	\$107,512.20	\$115,253.08	\$124,127.56

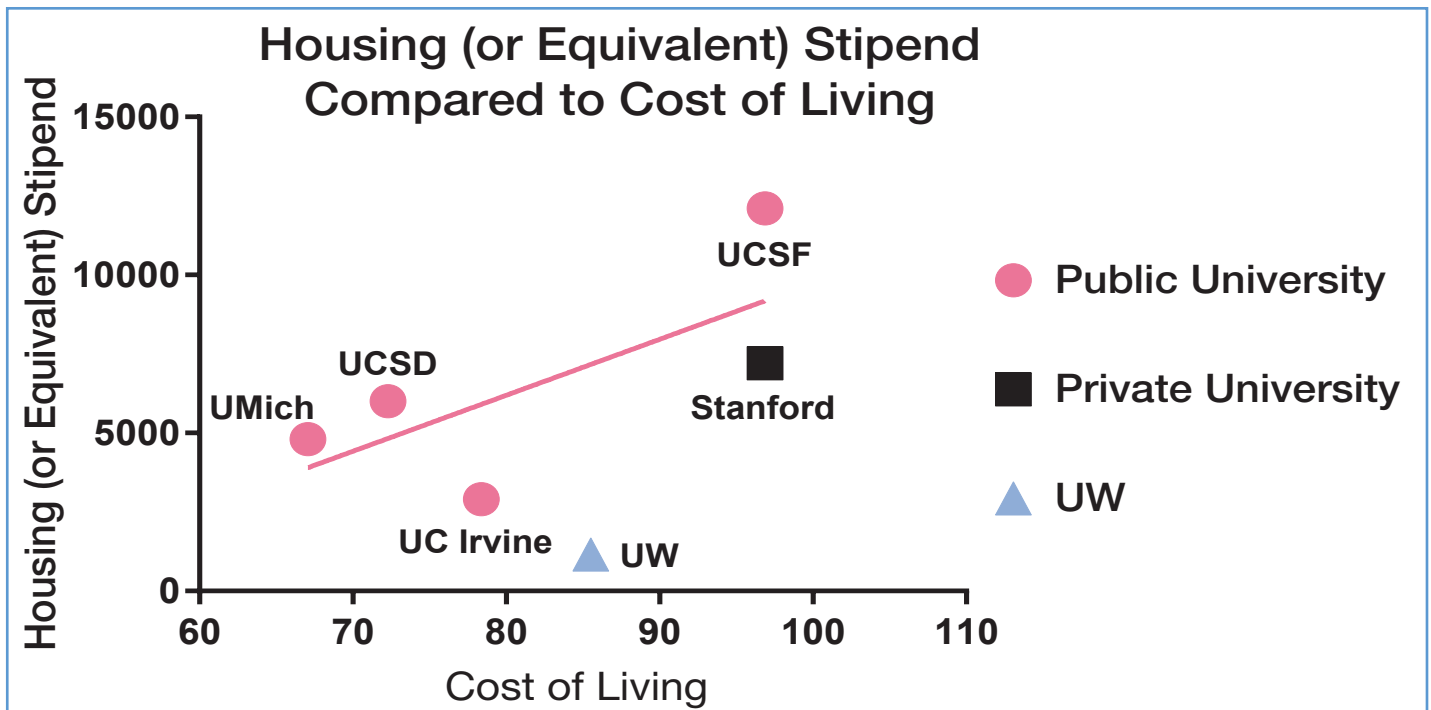
This increase merely matches our peers, including many institutions who are both lower-ranked and in far lower-cost locations. UWHA cannot put it better than UW itself did: “[raises are] critical to remain competitive with peers (many of which offer higher salaries in locations with a lower cost of living)” . This is critical to maintaining our competitive edge in the very crowded field of residency and fellowship training. The per annum increase of 4% is necessary to keep ahead of increases in cost of living and is in-line with what other government employees have requested and what UW itself is proposing to the legislature. In addition, where public union contract negotiations have stalled, the outcome has not been kind to employers: other King County state employees whose contracts went to arbitration saw



## Housing Stipend Background

### A Lower Housing Stipend Than Any Other Program

Our peer institutions in high-cost locations provide significant housing stipends, university-owned housing, and significantly increased salaries. UW stands alone in providing no resident housing, objectively poor compensation, and a nearly-meaningless housing stipend. Even in lower-cost locations, premier programs such as the University of Michigan provide substantial supplemental stipends. Recruiting top candidates takes money, and UW is alone in ignoring this: among top programs, UW provides by far the lowest stipend, both when compared to the cost of living and not. UW's stipend is not even 10% of UCSF's.



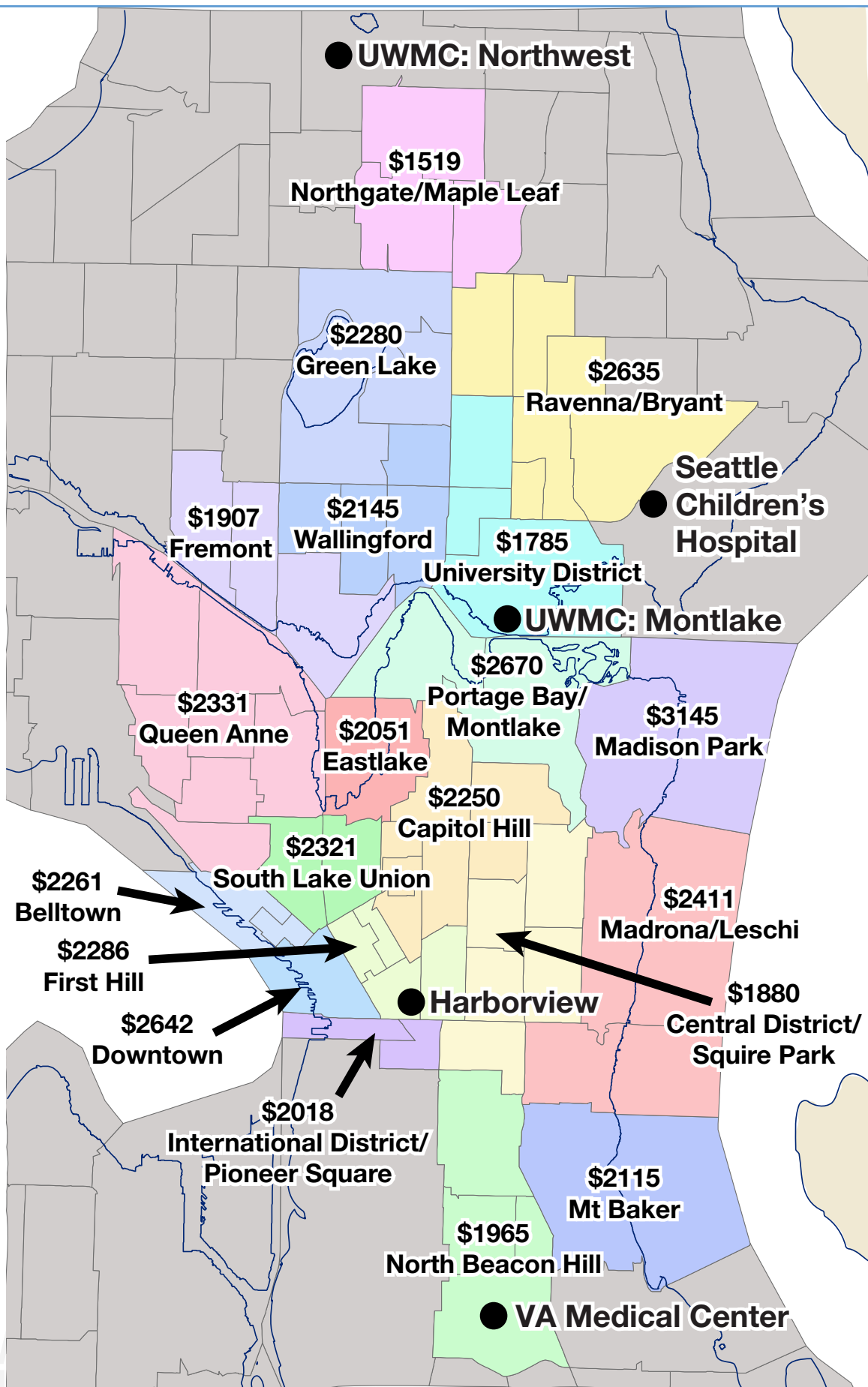
### Forced to Live in the Most Expensive Neighborhoods

**UW residents cannot simply choose to live in more affordable areas.** UWHA's members are required by virtue of UW's coverage policies to live in one of a very limited number of neighborhoods in Seattle because they must be able to reach each hospital by car within 30 minutes even in traffic. These range from the VA in Beacon Hill to Northwest Hospital in Northgate.

Consider the graphic of neighborhoods on the following page. Average rents by neighborhood come from Rent Jungle. Only neighborhoods where one can reasonably hope to make it to any of UW's covered hospitals within 30-40 minutes are included. For some neighborhoods, that time estimate is generous in traffic. There are only two neighborhoods -- Northgate and the University District -- that lie below average Seattle rent. **A PGY-1 resident paying the average rent across these neighborhoods (\$2267) is spending 45% of his or her salary on rent, qualifying as rent burdened according to the Department of Housing and Urban Development (HUD) (14).** If we consider only the five lowest-rent neighborhoods in the map, rent is still over 40% of salary. If we consider those five lowest-cost

13) 2019-21 Budget & Policy Highlights: Employee compensation. Office of the Governor, State of Washington.

14) Department of Housing and Urban Development. [Affordable Housing](#).



Map of Average 1 Bedroom Apartment Rent by Neighborhood, with UW Hospitals for Reference

neighborhoods again, total PGY-1 compensation must be \$80,475.56 for residents to pay less than 30% of their salary and therefore not be rent burdened. Our proposed salary increase is far below the level needed to prevent rent burden without an additional housing stipend.

## **Housing Stipend Proposal**

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UW must increase its home-call stipend. Residents and fellows are forced to live in the most expensive neighborhoods in the region to meet the call obligations placed on them by UW. The university is obligated to support that requirement. To fix this, UWHA proposes the following:

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1. Increase the housing stipend to \$16,438.73, which would allow residents to live in one of the five cheapest neighborhoods within allowed commuting distance without paying over 30% of their salary in rent
2. Provide yearly increases in the housing stipend of 5%

This proposal is fair and aligns UW with our peers, fairly compensating residents for the unique demands of their position.

## **Chief Resident Stipend**

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Chief residents provide crucial leadership and organizational services to their programs. They help oversee and educate their fellow trainees, perform administrative duties such as scheduling, and act as the liaisons between their peers and their program. These duties come with a supplemental stipend in recognition of their increased responsibilities relative to their peers. This stipend, at \$150 per month, is far less than our peers. Yale, New York University, and Einstein Medical College, to name just three, provide over \$4000 per year for chief residents in recognition of their contribution. UW can do better. UWHA proposes the following increase to the chief stipend:

- Increase the chief resident stipend to \$500 per month



