

Changes in Psychologists' Salaries

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The 1995 American Psychological Association salary survey indicates that slightly more than half of doctoral-level licensed psychologists in full-time independent clinical practice have experienced decreases in their salary or net income as a result of the expansion of managed care and other changes in health care delivery systems.

The salary survey, conducted biennially by the research office of the American Psychological Association, is a stratified random sample of association members across employment settings, activities, degree levels, and degree fields. The overall response rate for the 1995 survey was 54.8 percent. Almost 92 percent of the respondents had a doctoral degree.

Figure 1 shows the responses of 744 doctoral-level psychologists to a question about changes in salary or net income as a consequence of managed care and other changes in the health care delivery system. Those reporting declines indicated an average drop of 18 percent. Psychologists in group settings were slightly more likely than those in individual private practice (53.9 percent versus 51.7 percent) to report a decrease in income, while those in individual practice reported a slightly larger average decrease than those in group settings (18 percent versus 16 percent).

The amount of work experience was directly related to the likelihood of a salary decrease. About one-fourth (24.2 percent) of those with

less than five years of experience indicated a decrease, compared with 47.7 percent of those with five to ten years of experience and 55.8 percent of those with more than ten years.

Psychologists with less than five years of experience in individual practice settings were substantially more likely to report a decrease in net income than those in group settings (36.8 percent versus 7.1 percent), while those with five to ten years in individual settings were only slightly more apt to report a decrease than those in group settings (49.5 percent versus 45.2 percent). However, psychologists with more than ten years of experience in group settings were a little more likely to mention a salary decrease than were those in individual private practices (60.6 percent versus 53.2 percent). The overriding observation is that, regardless of setting, salary declines increase in direct relationship to work experience.

Most psychologists who reported increases in salary or net income had more than ten years of experience,

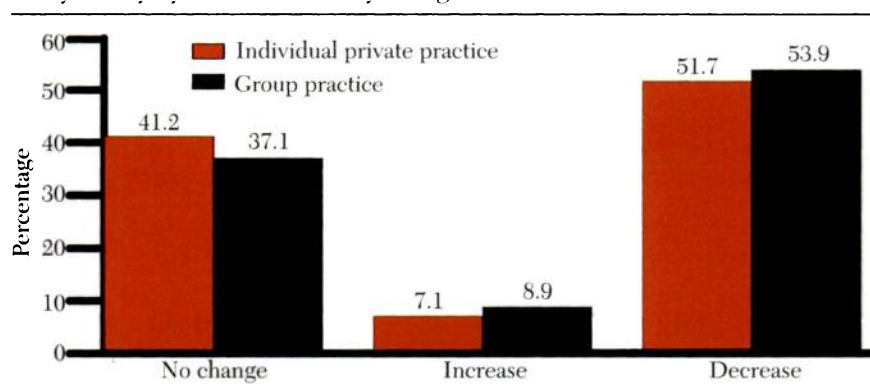
which may point to their having a greater understanding and ability to capitalize on the changes in the health care system.

Analyses by sex and by region of the country revealed some minor differences. Men were slightly more likely than women to report a decrease in income (54.5 percent versus 49.3 percent); however, for both men and women decreases averaged 18 percent. Almost 60 percent of respondents in each of the South Atlantic, West South Central, and East South Central regions reported salary decreases. The highest average decreases (21 percent) were in the Pacific region, followed by the West South Central region (20 percent).

The salary data are cross-sectional, rather than longitudinal, and thus do not permit comparison of individual incomes over time. For this reason, the respondents' attribution of shifts in salary or income to changes in the health care system sheds light on practitioners' opinions but is not an established causal link. ♦

Figure 1

Changes in income reported by doctoral-level psychologists (N=744) in a 1995 salary survey by the American Psychological Association



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