

CAREER AND LIFE PLANNING EXERCISE



AIM

Evaluating Compensation

It all adds up....or
doesn't it?

Evaluating Compensation

Compensation is comprised of base salary, productivity-based output, benefits and bonuses. With this exercise, you will quantify elements and components of each offer you receive so you can compare them against each other.

Objectives:

By the end of this exercise, the participant will be able to:

- Perform a detailed evaluation of a compensation offer.
- Compare and contrast offers based on a quantitative analysis that includes qualitative factors.



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How to Use This Tool:

Follow these steps to complete the compensation package worksheet that begins on the following page:

Step	Instructions
1. Importance	In the importance column, rate the level of importance for each compensation and benefits element on a scale from 1 to 5 (1 = not very important; 5 = absolutely critical).
2. Offer	<p>Fill in the base salary, signing bonus (if applicable), loan repayment plan (if applicable), and productivity compensation for each hospital/group.</p> <p>For each benefits element, record the dollar value of the offer for each hospital/group. For example, for paid time off, calculate one week's pay, and then multiply the amount by the number of weeks of paid time off offered. Although you will need to do some calculations to quantify this way, doing so allows you to compare offers more easily.</p> <p>If both you and the employer contribute an amount in a particular area, such as health insurance, record both numbers, and then subtract your contribution from the employer's for the total monetary value.</p>
3. Satisfaction	On a scale from 1 to 5 (1 = not acceptable; 5 = very satisfied), rate each compensation and benefits item offered by each hospital/group. By assessing the satisfaction level, you will be able to identify items that you would like to negotiate. (Remember that not all items are negotiable, depending on the hospital/group and their employment policies.)
4. Subtotal	Now multiply the importance number by the satisfaction number for each element and enter the result in the subtotal column for each hospital/group. For example, if you ranked base salary as a "5" in importance and a "3" in satisfaction with a particular offer, its quantifiable value is 15.
5. Total	At the bottom of the table, add the subtotals from compensation and benefits to calculate a monetary and satisfaction total for each offer.



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Related Resources

To view resource, click on the desired Title or go to physiciancareerplanning.com and type in the desired title or Resource No. into the "Enter Keyword" field and click search.

TITLE	RESOURCE NO.
Physician Compensation	ST-03
Calculating Physician Productivity	E-28
Compensation Package Worksheet	E-23
Sample Physician Compensation Analysis	S-11



Evaluating Compensation

COMPENSATION PACKAGE WORKSHEET		Hospital/Group #1			Hospital/Group #2			Hospital/Group #3		
		Importance (1-5)	Offer	Satisfaction (1-5)	Subtotal	Offer	Satisfaction (1-5)	Subtotal	Offer	Satisfaction (1-5)
Compensation										
Base salary (first-year wages)										
Signing bonus										
Loan repayment										
Productivity compensation (gross charges, net collections, RVUs)										
Compensation Subtotal										
Benefits										
Paid time off										
Relocation package										
Temporary housing										
Pension/retirement plan/401(k)										
Health insurance										
Dental insurance										
Life insurance										
Benefits Page 1 Subtotal										



Evaluating Compensation

COMPENSATION PACKAGE WORKSHEET <i>continued</i>		Hospital/Group #1			Hospital/Group #2			Hospital/Group #3		
		Importance (1-5)	Offer	Satisfaction (1-5)	Subtotal	Offer	Satisfaction (1-5)	Subtotal	Offer	Satisfaction (1-5)
Benefits										
Disability insurance										
Continuing medical education (CMEs)										
Reimbursement of dues, memberships and licenses										
Malpractice insurance										
Automobile allowance										
Cell phone allowance										
Other business expenses										
Payroll taxes (Social Security, Medicare)										
Other (e.g., on-boarding, coaching)										
Benefits Page 2 Subtotal										
Benefits Page 1 Subtotal										
Compensation Subtotal										
Totals										

