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(Job Talk)

Gender Homophily in Referral Networks: Consequences for the Medicare Physician Pay Gap

Abstract

Female physicians—now a quarter of active U.S. doctors—still work puzzlingly less than their male counterparts. This paper suggests an explanation: gender homophily in physician referrals (more same-gender referrals). I model how referral networks form when doctors decide which specialists to refer to. The model highlights that homophily can arise from either gender-biased preferences or physician sorting by gender into market segments, like hospitals. I suggest how to separately identify and quantify gender bias in directed networks empirically, and propose a homophily measure robust to differences in physician availability. Analyzing administrative data on 100 million Medicare physician referrals from 2008–2012 I find reduced-form evidence for gender homophily in referrals, and estimate it is predominantly due to biased preferences, not sorting. As most referrals are still made by men, biased referrals lower demand for female specialists. Homophily explains 14% of the average within-specialty workload gap. Evidence suggests it further contributes to the absence of women from specialties relying on referrals from men. In the healthcare environment, my results imply that increased participation of female physicians generates positive externalities for related specialties. More generally, my findings suggest that homophily contributes to the persistence of occupational inequalities.

http://portal.idc.ac.il/en/schools/economics/about/Pages/seminars.aspx