

SBS IN THE NEWS

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City Focuses on Recession-Proof Health Care Jobs

By Diane Cardwell
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Through the cycles of boom and bust that have roiled New York City's glossy finance, media and high-tech industries over the last 20 years, one segment of the economy has churned steadily along, reliably producing jobs and helping cushion even the sharpest downturns: health care.

Now, as the population ages and Congress dangles the possibility of a flood of newly insured patients seeking care, the city is looking to capitalize on growth in the field, which is expected to create more new jobs across the country than any other industry in the coming decade.

On Monday, city officials plan to open an employment center dedicated to training workers for and placing them in health-related jobs, from home care aides to registered nurses. The aim of the center, the city's second employment office to focus on a single industry, is not just to find work for people, officials say, but also to help them start or advance full-fledged careers.

In the shift to working more closely with specific industries — an approach to work force development that is becoming increasingly popular among government agencies nationwide — officials hope to better anticipate job openings with higher wages and greater potential for advancement, as well as to recruit and train workers to fill them.

"We spent a lot of time, and rightfully so, assessing people and helping people with their résumés and finding out what color their parachute was," said Robert W. Walsh, the commissioner of the Department of Small Business Services, who has overseen adult job placement for the city since 2003. "Now we're looking at the other side of the equation: What do businesses need?"

The city opened the other center dedicated to a specific sector — transportation and warehousing — a little over a year ago in Jamaica, Queens, and there are more to come.

Mr. Walsh plans to open a center focused on manufacturing, and hopes to create one devoted to tourism, hospitality and the culinary trades.

The health care center, at LaGuardia Community College in Long Island City, Queens, seems particularly promising: Officials say that their health care job placements have nearly doubled over the past year and now represent 21 percent of all city placements.

But even though the field has proved to be nearly recession-proof — a bright spot of job growth in otherwise gloomy times — some economists warn that it cannot make up for losses in other sectors, like finance or law, where the jobs are often higher paid, generating more tax revenue and stimulating more economic activity.

Every job on Wall Street, where average compensation is expected to be \$410,000 this year, generates three and a half other jobs in the city, said Doug Turetsky of the city's Independent Budget Office. "A home health aide doesn't earn enough to have anywhere near that kind of effect," he said.

And James A. Parrott, chief economist at the Fiscal Policy Institute, a liberal research group, said that growth in what is mainly a service sector cannot not make up for shrinkage in so-called export industries like finance, law, information and manufacturing. "It shouldn't be seen as sufficient to diversify the economy or replace declining export sectors," he said.

Nonetheless, Mr. Parrott and others said that the sustained creation of new jobs, many of them attached to hospitals and paying middle-class wages, was clearly a positive development for the city and one that was likely to continue, regardless of the fate of federal health care legislation.

Demographics is one reason: The city's elderly population has grown consistently since the late 1990s, often faster than elsewhere in the nation, according to a recent analysis of the health care industry by Martin Kohli, the

regional economist at the New York office of the Bureau of Labor Statistics. Starting in 2002, the number of city residents age 65 and over has grown faster on average than New York's overall population.

Because the elderly generally have more medical needs and access to health insurance through Medicare, Mr. Kohli wrote, health care spending for that group has tended to be at least twice as high as that for all age groups.

Indeed, Medicare and Medicaid spending in New York has helped finance the boom in health care employment, Mr. Parrott said. According to his analysis, medical benefits have generally grown as a share of personal income in the city since the 1970s, but increased sharply during economic downturns, like those in the early 1990s and after 2001.

Mr. Kohli's analysis reported that from 1990 to last year, jobs in the city grew by 6.4 percent, but those in the health care sector — excluding municipal jobs — grew by 41.5 percent, to 402,200 from 284,200.

And spending is poised to stay high. Between 2000 and 2005, the Medicaid rolls nearly doubled as the state expanded programs and the city made it easier for people to apply. These days, the federal government is picking up a bigger share of the tab through the stimulus program, Mr. Parrott said, bringing more money into the city and helping finance new hospital jobs in recent months.

In addition, the trend toward outpatient care and the push to computerize patient records is creating a demand for new jobs with new skills.

"Technology has changed in health care, driving different kinds of care, so much more focused on outpatient services and so much more focused on health information technology," said Kathleen Kearns, a senior vice president at Continuum Health Partners, which operates major hospitals in the city, and an executive of the city's Workforce Investment Board, which oversees employment efforts. "If I had a niece who had any capacity and interest in this, I would push her into I.T. because health care I.T. is definitely a growth area for us."

The new health care employment center, which aims to harness all that growth and make sure New Yorkers have the skills to get the jobs, is located at LaGuardia Community College because the college has a health care training program, officials said. The center is working closely with health care businesses and providers to stay on top of their job needs, as well as to market the city's ability to find them qualified workers.

The notion of creating sector-specific centers and linking them to the city's community colleges and their professional education programs grew from the Bloomberg administration's antipoverty commission's goal of helping people up to the first rung of a career ladder.

Mr. Walsh wants to take that idea further and connect the centers to vocational high schools, where students often plan to take the skills they have learned straight into the work force rather than attend college.

"If we build out these career centers, and we make links with the community colleges, the next logical step would be to make a further link" with career/technical education schools, he said. "That has not been there, and I think we can play a role given that we now have career centers that have relationships with a good variety of sectors."