

Helping the Helpers Will Help Us All

The Economic Situation of New
York City's Health Care and
Social Assistance Sector



A Fiscal Policy Institute Report
www.fiscalpolicy.org

May 7, 2012

Introduction

This report provides a profile of employment in New York City's nonprofit health care and social assistance sector. It is an update of a Fiscal Policy Institute report presented three years ago in April 2009.¹ The earlier report was prepared at the request of City Hall to aid in understanding the nonprofit sector as it faced rising challenges during the recession then underway.

This report has a two-fold purpose: (1) to look at the employment importance of the nonprofit health care and social assistance sector in New York City; and (2) to consider how the hardships facing the city's low-income population—the main constituency served by the nonprofit human services sector—have grown in the wake of the Great Recession of 2008-2009 and the weak recovery over the past three years. Since the recession began in 2008, unemployment has soared and remains very high, poverty has grown, incomes for the city's low-income families have fallen sharply, and the number of those reliant on outside assistance such as food stamps has steadily climbed. The weak employment recovery has done little to lessen the hardships facing hundreds of thousands of low-income families and households or the demands placed on the city's nonprofit health care and social assistance sector.

This report differs from the 2009 report in that this analysis focuses solely on the health care and social assistance areas and does not include cultural organizations in the performing arts and museums.² And as noted in the earlier report, while the organizations encompassed in the employment data presented here are largely not-for-profit service providers, some for-profit organizations are included since the Labor Department's payroll employment data does not distinguish between not-for-profit and for-profit organizations. For-profit organizations comprise a portion of employment in certain of the industries included here: mainly in home health care services, nursing homes, and in childcare services. That part of the health care sector that includes doctors' offices and medical labs—a category that represents largely private, for-profit organizations—is not included in our specification of the nonprofit health care and social assistance sector. There are some community health clinics in this category that are not-for-profit; however, the government data source does not make it possible to separate those out.

¹ Fiscal Policy Institute, *The Economic Situation of New York City's Health and Human Services and Cultural Nonprofit Organizations*, April 7, 2009. http://www.fiscalpolicy.org/FPI_NonprofitSectorNYC.pdf

² In the 2009 report, employment in the nonprofit cultural sector accounted for a little over 25,000 compared to nearly 450,000 in the nonprofit health care and social assistance sector (referred to in the 2009 report as the health and human services area.)

Key findings

Size of the sector

- The New York City Nonprofit Health Care and Social Assistance (HCSA) sector is by far the largest employer in the city's private economy, well ahead of professional services, finance and insurance, retail trade, and other leading sectors. Only the combined local, state and federal government sector has more jobs than the HCSA sector.

How many people work in the sector?

- The Nonprofit HCSA sector employed 478,200 people in 2011, one out of every seven private sector workers in New York City, and one of every eight workers in the private and public sectors combined.
- Over the 11 years since 2000, the Nonprofit HCSA sector grew by 20 percent, adding 79,000 jobs while the rest of the city's private sector lost a net of 15,000 jobs and the government sector lost 14,000 jobs. Individual sectors, like food services and retail, gained jobs but other parts of the private economy, like manufacturing and finance and insurance, reduced employment substantially.
- In the four years since the recession began nationally at the end of 2007, the Nonprofit HCSA sector added 31,400 jobs; the rest of the city's private economy gained only 1,700.

Who works in the sector?

- In 2010, there were 492,300 resident workers in the Nonprofit HCSA sector according to the Current Population Survey. This differs from the number of payroll employees because of the different coverage between the Current Population Survey and the payroll survey. The resident employment numbers include some workers classified as self-employed.
- The Nonprofit HCSA workforce is very heavily female, with women accounting for four out of every five workers in the sector, nearly twice the share as in the rest of the city workforce.
- Four out of every five HCSA workers are black, Latina or Asian. For the rest of the city workforce, three out of every five are persons of color.
- Well over half of Nonprofit HCSA workers have attended college or have a 4-year college degree, but the sector also has a slightly higher share of those with less than a high school education than the rest of the city's workforce.
- The Nonprofit HCSA sector is also, on average, older than the rest of the workforce. In health care, 30 percent of workers are 55 years of age or older and in social assistance the share of workers who are 55 or older is 20 percent, compared to 17 percent for the rest of the city workforce. Nonprofits also employ proportionately more 40-54 year-old workers.
- From 2000 to 2010, the Nonprofit HCSA sector increased its employment of people of color with less than a 4-year college degree by nearly 60,000, while the rest of the city economy reduced its employment of this demographic by over 68,000.

The sector's importance in the boroughs outside of Manhattan

- The HCSA sector accounts for nearly 40 percent of all jobs in the Bronx, a third of employment in Brooklyn and Staten Island, 22 percent of all jobs in Queens, but only 11 percent of Manhattan employment.

Increased hardships in the wake of the Great Recession and the weak recovery

- The number of unemployed New York City residents skyrocketed to 400,000 during the recession and continues very high in the third year of a very weak recovery.
- The city's poverty rate has jumped since the recession began, increasing from 19 to 21 percent in 2010, the latest year for poverty data. This is according to the measure developed by the City's Center for Economic Opportunity (CEO) that counts the value of the Earned Income Tax Credit and in-kind benefits such as food stamps.
- Recession-related job losses and wage reductions have hit low-income city families with children very hard, with incomes falling from 12 to 22 percent between 2008 and 2010.
- Perhaps the most telling indicator of heightened economic hardship since the recession began is the two-thirds increase from December 2007 to December 2011 in the number of New York City residents receiving food stamps. Over 700,000 persons have been added to the food stamp rolls over the past four years, bringing the December 2011 level to 1.8 million.

Employment in New York City's Nonprofit Health Care and Social Assistance Sector, and its component industries

FIGURE 1

	Total Employment			Annualized Growth Rates	
	Dec-00	Dec-07	Dec-11	Dec 00 - Dec 07	Dec 07 - Dec 11
Nonprofit Health Care	252,894	285,068	308,644	1.7%	2.0%
Home Health Care Services	30,877	60,238	82,690	10.0%	8.2%
Hospitals	156,541	158,976	158,759	0.2%	0.0%
Nursing Care Facilities	50,024	46,559	45,105	-1.0%	-0.8%
Residen. Mental Retrdtn., Mental Hlth., and Sub. Abs. Facs.	15,452	19,295	22,090	3.2%	3.4%
Social Assistance	146,286	161,692	169,555	1.4%	1.2%
Individual and Family Services	102,634	116,703	120,164	1.9%	0.7%
Commun. Food & Hous. and Emerg. and Other Relf. Servs.	----	9,239	9,540	----	0.8%
Vocational Rehabilitation Services	12,736	11,130	11,736	-1.9%	1.3%
Child Day Care Services	19,992	24,493	28,065	2.9%	3.5%
Nonprofit Health Care and Social Assistance	399,180	446,761	478,199	1.6%	1.7%

Note: Social Assistance total differs slightly from the sum of the component industries since it is separately estimated by NYS DOL.

Source: FPI's seasonal adjustment of NYS DOL CES data.

The Nonprofit Health Care and Social Assistance (HCSA) sector employed 478,200 people in New York City as of December 2011. This represents one out of every seven private sector workers in the city, and one of every eight workers in the private and public sectors combined.

The HCSA sector is comprised of eight specific industries, four in nonprofit health care and four in social assistance. Doctors' offices and medical labs are mainly for-profit businesses and are not included in the nonprofit health care sub-sector. The largest individual industry in terms of employment in the HCSA sector is private, nonprofit hospitals with employment of 158,800. This does not include the hospitals that are part of the New York City Health and Hospitals Corporation since they are part of the government sector.

While the HCSA sector is comprised of private, nonprofit organizations, most rely heavily on government funding for Medicaid, Medicare, or social services such as child care or foster care services.

On an annualized basis, total HCSA employment grew at roughly the same pace in the four years since the national recession began in December 2007, as in the seven years from December 2000 to December 2007, both points near the peak of an economic expansion.

The Nonprofit Health Care and Social Assistance (HCSA) Sector is the largest employer in the city's private sector.

FIGURE 2

Selected industry	Total employment
Total, All non-agricultural industries	3,798,219
Total, All private employment	3,249,045
Construction	110,857
Manufacturing	73,342
Wholesale Trade	138,127
Retail Trade	320,723
Information	169,955
Finance and Insurance	321,624
Professional, Scientific, and Technical Services	343,885
Administrative and Support Services	191,895
Educational Services	166,867
Food Services and Drinking Places	231,653
Government	545,113
Nonprofit Health Care	308,644
Home Health Care Services	82,690
Hospitals	158,759
Nursing Care Facilities	45,105
Residen. Mental Retrdtn., Mental Hlth., and Sub. Abs. Facs.	22,090
Social Assistance	169,555
Individual and Family Services	120,164
Commun. Food & Hous. and Emerg. and Other Relf. Servs.	9,540
Vocational Rehabilitation Services	11,736
Child Day Care Services	28,065
Nonprofit HCSA	478,199
Total All Private employment except Nonprofit HCSA	2,770,846

Note: Social Assistance total differs slightly from the sum of the component industries since it is separately estimated by NYS DOL.

Source: FPI's seasonal adjustment of NYS DOL CES data.

With 478,200 employees, the Nonprofit HCSA sector is by far the largest employer in the city's private economy, well ahead of Professional Services (343,900), Finance and Insurance (321,600), and Retail Trade (320,700). Only the government sector, with 545,100 jobs, is larger.

The Nonprofit HCSA sector has added more jobs than any other sector in the city's economy over the past decade.

FIGURE 3

	Total Employment			Absolute changes			Percent changes		
	Dec-00	Dec-07	Dec-11	Dec 00 - Dec 07	Dec 07 - Dec 11	Dec 00 - Dec 11	Dec 00 - Dec 07	Dec 07 - Dec 11	Dec 00 - Dec 11
Total Nonfarm	3,747,440	3,777,946	3,798,219	30,506	20,273	50,779	0.8%	0.5%	1.4%
Total Private	3,184,997	3,215,882	3,249,045	30,885	33,163	64,048	1.0%	1.0%	2.0%
Construction	124,639	130,628	110,857	5,990	-19,772	-13,782	4.8%	-15.1%	-11.1%
Manufacturing	170,807	98,914	73,342	-71,892	-25,572	-97,464	-42.1%	-25.9%	-57.1%
Wholesale Trade	154,793	150,018	138,127	-4,775	-11,892	-16,666	-3.1%	-7.9%	-10.8%
Retail Trade	284,922	298,913	320,723	13,991	21,811	35,801	4.9%	7.3%	12.6%
Information	188,744	167,493	169,955	-21,250	2,462	-18,789	-11.3%	1.5%	-10.0%
Finance and Insurance	370,857	348,690	321,624	-22,167	-27,066	-49,233	-6.0%	-7.8%	-13.3%
Professional, Scientific, and Technical Services	329,827	339,097	343,885	9,270	4,788	14,059	2.8%	1.4%	4.3%
Administrative and Support Services	209,902	192,329	191,895	-17,574	-434	-18,008	-8.4%	-0.2%	-8.6%
Educational Services	132,997	155,849	166,867	22,852	11,018	33,870	17.2%	7.1%	25.5%
Food Services and Drinking Places	165,396	195,557	231,653	30,161	36,096	66,257	18.2%	18.5%	40.1%
Government	559,080	561,164	545,113	2,084	-16,051	-13,967	0.4%	-2.9%	-2.5%
Nonprofit Health Care	252,894	285,068	308,644	32,175	23,575	55,750	12.7%	8.3%	22.0%
Home Health Care Services	30,877	60,238	82,690	29,361	22,452	51,813	95.1%	37.3%	167.8%
Hospitals	156,541	158,976	158,759	2,435	-217	2,218	1.6%	-0.1%	1.4%
Nursing Care Facilities	50,024	46,559	45,105	-3,465	-1,454	-4,919	-6.9%	-3.1%	-9.8%
Residen. Mental Retrdtn., Mental Hlth., and Sub. Abs. Facs.	15,452	19,295	22,090	3,844	2,795	6,638	24.9%	14.5%	43.0%
Social Assistance	146,286	161,692	169,555	15,406	7,863	23,269	10.5%	4.9%	15.9%
Individual and Family Services	102,634	116,703	120,164	14,069	3,461	17,530	13.7%	3.0%	17.1%
Commun. Food & Hous. and Emerg. and Other Relf. Servs.	----	9,239	9,540	----	301	----	----	3.3%	----
Vocational Rehabilitation Services	12,736	11,130	11,736	-1,606	606	-1,000	-12.6%	5.4%	-7.9%
Child Day Care Services	19,992	24,493	28,065	4,501	3,572	8,072	22.5%	14.6%	40.4%
Nonprofit HCSA	399,180	446,761	478,199	47,581	31,438	79,019	11.9%	7.0%	19.8%
Total Private except Nonprofit HCSA	2,785,817	2,769,121	2,770,846	-16,695	1,725	-14,971	-0.6%	0.1%	-0.5%

Note: Social Assistance total differs slightly from the sum of the component industries since it is separately estimated by NYS DOL.
Source: FPI's seasonal adjustment of NYS DOL CES data.

Over the 11 years since 2000, the Nonprofit HCSA sector grew by nearly 20 percent, adding 79,000 jobs while the rest of the city's private sector lost a net of 15,000 jobs and the government sector lost 14,000 jobs.

Individual sectors, like food services and retail, gained a considerable number of jobs, 66,300 and 35,800, respectively, but other parts of the private economy reduced employment substantially, particularly manufacturing and finance.

Within the HCSA sector, trends have varied considerably among the eight component industries. Employment in home health care services nearly tripled between 2000 and 2011, adding 51,800 jobs, almost two thirds of all the job growth within the sector. Employment in residential and mental health facilities grew by 43 percent and child care services employment grew by 40 percent. Hospital employment was only slightly greater in December 2011 than in December 2000, while the number of jobs declined in nursing care facilities and vocational rehabilitation services.

In the four years since the recession began nationally at the end of 2007, the Nonprofit HCSA sector added 31,400 jobs. During this period, the rest of the city's private economy, taken together, gained only 1,700 jobs. However, over the December 2007-2011 period, food services (restaurants) added more jobs (36,100) than the Nonprofit HCSA sector.

The Nonprofit HCSA workforce is heavily female and persons of color, slightly less educated and older than the rest of the city workforce.

FIGURE 4

	All Industries	Nonprofit Health Care	Social Assistance	All industries other than Nonprofit HCSA
Gender	100.0%	100.0%	100.0%	100.0%
Male	52.6%	18.9%	19.0%	57.9%
Female	47.4%	81.1%	81.0%	42.1%
Race-Ethnicity	100.0%	100.0%	100.0%	100.0%
White, Non-Hispanic	37.9%	22.3%	18.5%	40.5%
Black, Non-Hispanic	22.3%	46.1%	34.9%	19.1%
Hispanic	25.4%	21.0%	34.0%	25.4%
Asian and Other	14.5%	10.5%	12.7%	15.0%
Education	100.0%	100.0%	100.0%	100.0%
Less than High School	12.7%	13.9%	17.4%	12.4%
High School Graduate	24.5%	25.9%	26.4%	24.3%
Some College	21.4%	24.0%	19.8%	21.2%
At least a Bachelor's	41.3%	36.2%	36.4%	42.2%
Age	100.0%	100.0%	100.0%	100.0%
16-24	11.8%	3.8%	10.2%	12.7%
25-39	37.2%	26.4%	29.8%	38.8%
40-54	32.4%	39.6%	39.6%	31.2%
55 and older	18.6%	30.2%	20.4%	17.3%
Industry Total	3,589,053	339,976	152,309	3,096,767

Note: Nonprofit health care industries does not include offices of physicians, dentists, chiropractors, optometrists, and other health practitioners.

Source: FPI analysis of Current Population Survey data.

In 2010, there were 492,300 resident workers in the Nonprofit HCSA sector according to the Current Population Survey. This differs from the number of payroll employees because of the different coverage between the Current Population Survey and the payroll survey. The resident employment numbers include some workers classified as self-employed.

- The Nonprofit HCSA workforce is very heavily female, with women accounting for four out of every five workers in the sector, nearly twice the share for the rest of the city workforce.
- Four out of every five HCSA workers are black, Latina or Asian. For the rest of the city workforce, three out of every five are persons of color.
- Well over half of Nonprofit HCSA workers have attended college or have a 4-year college degree, but the sector also has a slightly higher share of those with less than a high school education than the rest of the city's workforce.
- The Nonprofit HCSA sector is also older, on average, than the rest of the workforce. In health care, 30 percent of workers are 55 years of age or older and in social assistance the share of workers who are 55 or older is 20 percent, compared to 17 percent for the rest of the city workforce. Nonprofits also employ proportionately more 40-54 year-old workers.

The Nonprofit HCSA sector is a major employment source for less educated workers of color.

FIGURE 5

	2000	2010	Change 2000-2010	
			Number	Percent
Black, Latino and Asian workers with less than a bachelor's degree, all industries	1,626,468	1,617,592	-8,876	-0.5%
Nonprofit Health Care and Social Assistance	221,115	280,871	59,755	27.0%
Share of HCSA sector total employment	56%	57%		
All other industries except Nonprofit Health Care and Social Assistance	1,405,353	1,336,722	-68,631	-4.9%
Share of total all other industries employment	46%	43%		

Note: Nonprofit health care and social assistance does not include offices of physicians, dentists, chiropractors, optometrists, and other health practitioners.

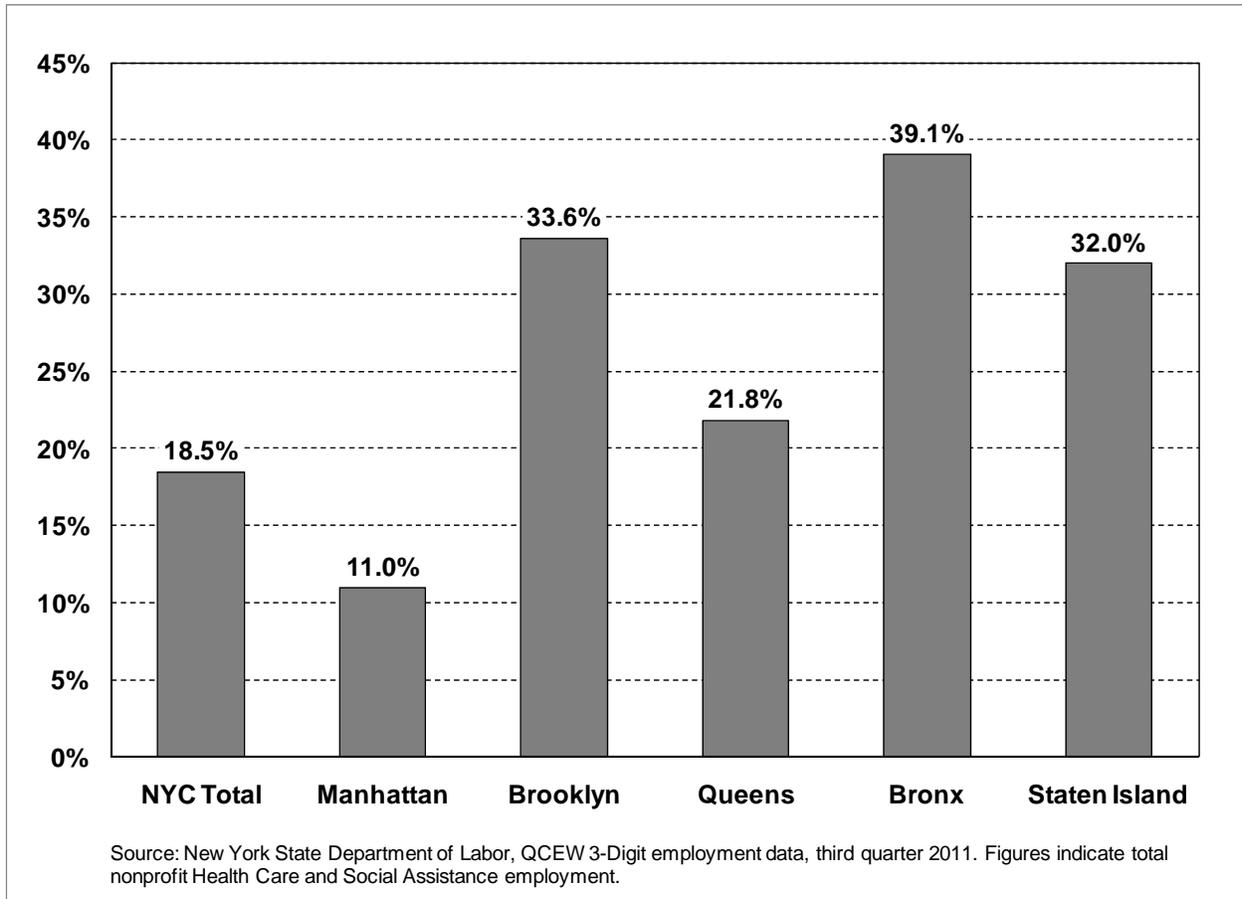
Source: FPI analysis of Current Population Survey data.

While educational attainment has increased among all demographics within the city's workforce over the past decade, persons of color without a bachelor's degree still comprise 45 percent of the city's resident workforce. The Nonprofit HCSA sector is much more prominent as an employer of this group than the rest of the city's sectors overall. Persons of color without a bachelor's degree comprise 57 percent of the Nonprofit HCSA workforce, compared to 43 percent of the rest of the city's sectors overall.

The Nonprofit HCSA sector increased its employment of people of color with less than a 4-year college degree by nearly 60,000 from 2000 to 2010, while the rest of the city economy reduced its employment of this demographic by over 68,000.

The Nonprofit HCSA sector is a substantial source of private employment in the boroughs outside of Manhattan.

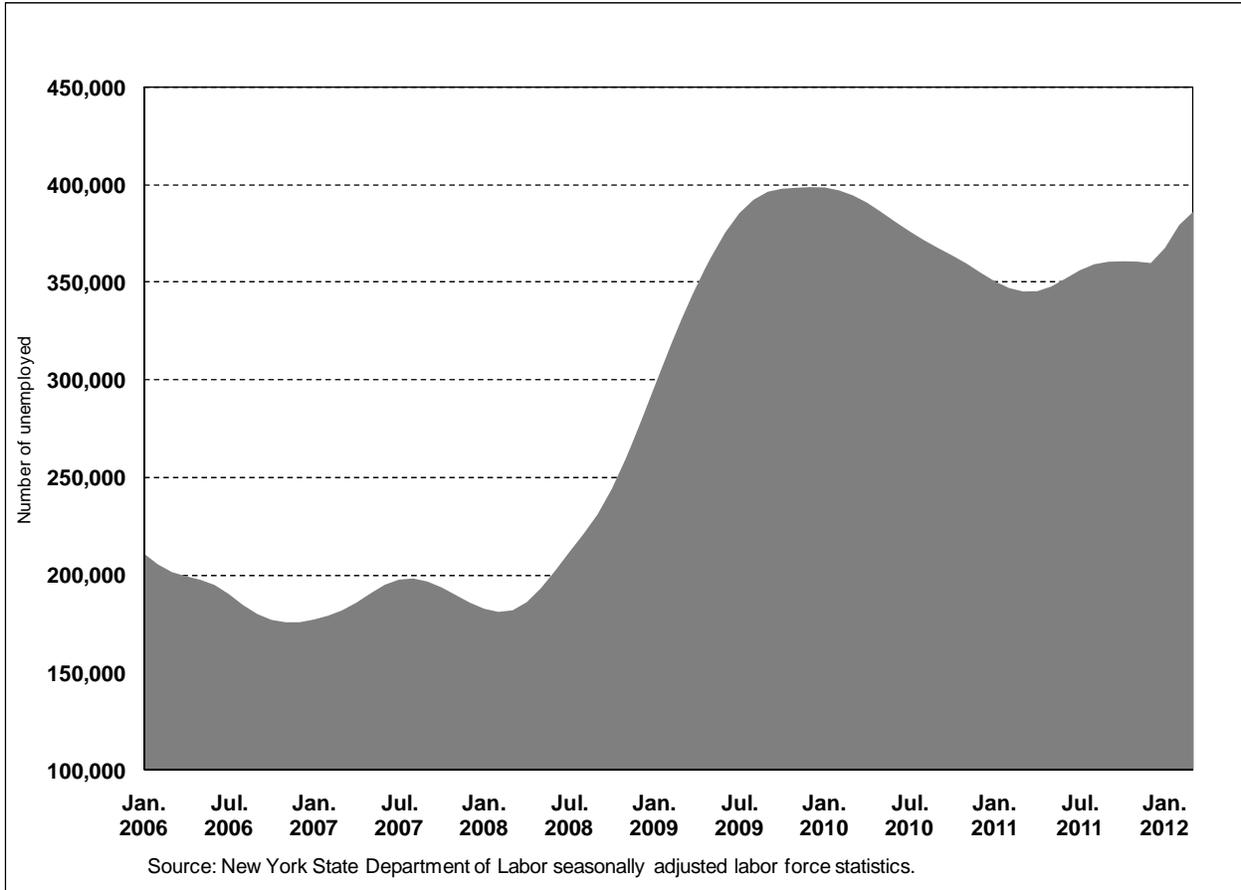
FIGURE 6



The Nonprofit HCSA sector represents a major source of employment in the boroughs outside of Manhattan. The HCSA accounts for nearly 40 percent of all jobs in the Bronx, a third of employment in Brooklyn and Staten Island, 22 percent of all jobs in Queens, but only 11 percent of Manhattan employment.

NYC unemployment has been over 350,000 for 3 years; it has come down slightly but only because discouraged workers have dropped out.

FIGURE 7



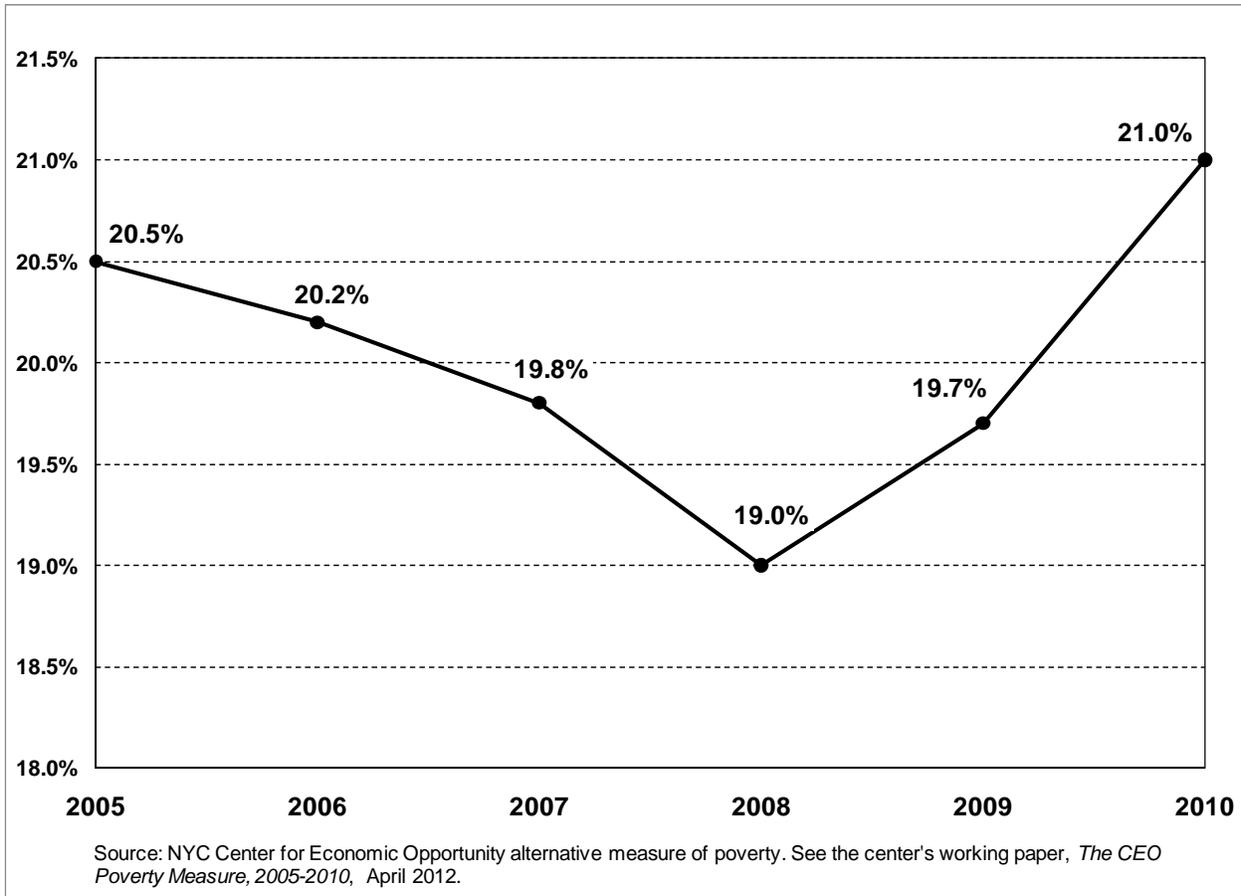
Indicative of the sharply higher levels of need in New York City since the recession began, unemployment has soared and remains very high, poverty has risen, incomes for the city's low-income families have fallen sharply, and the number of those receiving food stamps has risen by two thirds.

The number of unemployed New York City residents has skyrocketed since the recession began, effectively doubling from under 200,000 in 2006 and 2007 to between 350,000 and 400,000 over the past three years since the spring of 2009. Nationally, this is the weakest recovery since the 1930s and in New York City we have seen the number of unemployed start rising again over the past year, partly because discouraged workers have resumed looking for work in response to a moderate pickup in job growth.

The unemployment rate for March 2012 increased to 9.7 percent and is up by nearly a percentage point from 8.8 percent a year ago. The average duration of unemployment is more than nine months.

Poverty rose sharply in 2009 and 2010 as low-income households lost jobs and wages.

FIGURE 8



The city's poverty rate has jumped since the recession began, increasing from 19 to 21 percent in 2010, the latest year for poverty data. This is according to the measure developed by the City's Center for Economic Opportunity (CEO) that counts the value of the Earned Income Tax Credit and in-kind benefits such as food stamps.³ (The official poverty rate as published by the U.S. Census Bureau also increased by two percentage points from 2008 to 2010, rising from 16.8 percent to 18.8 percent.)

For New York City children, the CEO poverty rate rose by nearly three percentage points from 2008 to 2010, increasing from about 23 percent to nearly 26 percent. Similarly, the poverty rate for families with children rose from 20 percent to 23 percent.

³ *The CEO Poverty Measure, 2005-2010*, a working paper by the NYC Center for Economic Opportunity, April 2012.

Earnings for New York City low-income families with children have fallen considerably since the recession began in 2008.

FIGURE 9

Percentile	Family with children			Percentage change 2008-2010
	2008	2009	2010	
15	\$12,727	\$11,578	\$9,889	-22.3%
20	\$17,151	\$16,150	\$14,653	-14.6%
25	\$21,581	\$20,970	\$18,815	-12.8%
30	\$26,211	\$25,333	\$22,896	-12.6%
35	\$31,240	\$29,984	\$27,187	-13.0%
40	\$36,037	\$34,634	\$31,659	-12.1%

Source: NYC Center for Economic Opportunity income measure. See the center's working paper, *The CEO Poverty Measure, 2005-2010*, April 2012.

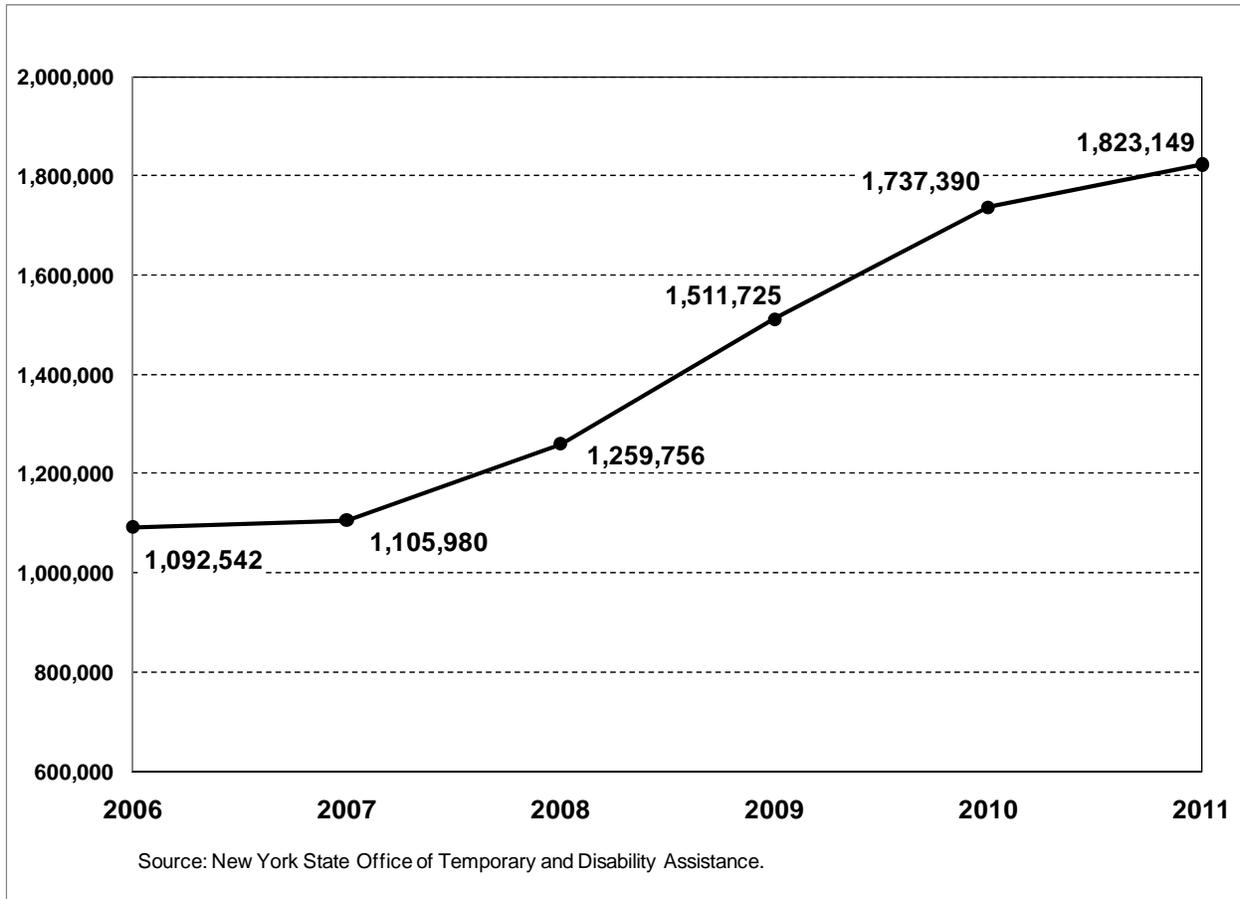
Recession-related job losses and wage reductions have hit low-income city families with children very hard, with incomes falling from 12 to 22 percent between 2008 and 2010, according to the City's Center for Economic Opportunity (CEO). For families with children at the 20th percentile for family income, for example, incomes fell by 14.6 percent between 2008 and 2010.

In addition to outright job losses, many New York City workers are working fewer hours.

The CEO analysis of family income includes in-kind food stamp and housing assistance, payroll taxes and tax credits such as the Earned Income Tax Credit, and reflects non-discretionary spending for commuting to work, childcare, and out-of-pocket medical care as deductions from income.

The number of New York City residents receiving food stamps has grown by 700,000 (that is, by two thirds) since the recession began.

FIGURE 10



Perhaps the most telling indicator of increased economic hardship since the recession began is the two-thirds increase in the number of New York City residents receiving food stamps between December 2007 and December 2011. Over 700,000 persons have been added to the food stamp rolls over the past four years, bringing the December 2011 level to 1.8 million.

The Fiscal Policy Institute (www.fiscalpolicy.org) is an independent, nonpartisan, nonprofit research and education organization committed to improving public policies and private practices to better the economic and social conditions of all New Yorkers. Founded in 1991, FPI works to create a strong economy in which prosperity is broadly shared.