

The Economic Situation
Of New York City's
Health and Human Services
and Cultural
Nonprofit Organizations



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This report on the economic magnitude and importance of the New York City nonprofit health and human services and cultural organizations sector was prepared to aid understanding of this sector as it faces rising challenges during the current recession. We would like to acknowledge the support and guidance of Deputy Mayor Linda Gibbs and Fran Barrett of the Community Resource Exchange. Louisa Chafee, Director of Management Innovation for Deputy Mayor Gibbs, was instrumental in shepherding this report along from conception through completion.

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Introduction: Challenges facing the New York City nonprofit sector

The national recession that began in December 2007 will, as of May, be the longest on record since the Great Depression. It is likely also to be among the steepest downturns in several decades. Unemployment has risen sharply in recent months and indicators of hardship are mounting. In this economic environment, increased service demands inevitably will fall upon the city's nonprofit health and human services sector. At the same time, the revenues received by this sector are under pressure from severely constrained city and state budgets. In addition, nonprofits' corporate and philanthropic fundraising faces daunting challenges given the turmoil in financial markets.

Nonprofit performing arts organizations and museums will also see added pressure on their program revenues, government grants, and corporate and philanthropic fundraising.

The nonprofit health and human services and cultural organizations sectors play an important and growing role in the New York City economy. In addition to the essential services and cultural offerings they provide, these sectors constitute the largest private sector source of employment in the city's economy and are vital particularly to the employment bases of the boroughs outside of Manhattan. These sectors account for much of the city's job growth in this decade and represent a particularly important source of jobs for members of minority populations and less-educated workers.

The Fiscal Policy Institute has developed an economic and demographic profile of the New York City nonprofit sector in order to assist in identifying challenges the sector will face during the current recession. The economic profile includes data on the number, average employment size, total annual wages, and average wages for each component industry. Using New York State Department of Labor data, New York City nonprofit organizations are categorized in this study as health care, human services, performing arts, and museums. The Census Bureau's Current Population Survey is used to develop demographic information on the resident workforce in these industries.

As the City considers how to best counter the adverse effects of the recession, it should keep foremost in its sights the nonprofit health and human services and cultural organizations sectors. To aid in that effort, this report provides an up-to-date economic and demographic profile of the New York City nonprofit service and cultural sectors and their workforces.

Key findings

Size of the sector

- The New York City Health and Human Services and Cultural Nonprofits (HHSC) sector is by far the largest sector in the private economy, well ahead of Finance, Professional Services, and Retail. Only government is larger.

How many people work in the sector

- The HHSC sector employed 473,018 people in 2007, 15.3 percent of the private sector.
- From 2000 to 2007, HHSC added 53,400 jobs, a gain of 12.7 percent. This was in sharp contrast to a 0.6 percent decline in the balance of the private economy (17,000 jobs).
- New York City has been losing jobs since August 2008. In the 5 months from August through January, HHSC was one of only four (of 16) major sectors that increased jobs (on a seasonally adjusted basis). HHSC gained 3,050 jobs over this five-month period.
- Minority employment increased by nearly one third in Health and Human Services (HHS) from 2000 to 2007; elsewhere in the city economy, minority employment grew by less than three percent.

Who works in the sector

- In 2007, there were 490,385 resident workers in Health and Human Services (HHS), a category defined in this report to exclude employment in doctors' offices.
- The HHS resident workforce is much more heavily black non-Hispanic than all other industries. White non-Hispanics are much less likely to be employed in HHS. Hispanics are slightly over-represented; and Asians are slightly under-represented.
- Much of the city's HHS workforce is well educated, with one third having at least a four-year college degree. The HHS workforce is older than the average for all other industries, with 62 percent 40 and older compared to only 50 percent elsewhere.
- HHS employment of minority workers with less than a college degree grew by 24 percent 2000-2007, while other sectors employed 2.8 percent fewer such workers.
- The number of resident workers working in HHS grew by 26 percent from 2000 to 2007, significantly faster than the 1 percent increase in all other industries.
- HHS increased its demand for college-educated workers faster than the broader economy (26 percent compared to 15 percent). Fewer young workers found jobs elsewhere in the economy while HHS increased employment of workers aged 16-24 by 17 percent.

- There are nearly 73,000 “nonemployers” working in the HHSC field in New York City, with about two thirds of those working in the Child Day Care area. (A nonemployer is a worker that is neither an employer of others, nor a payroll employee of someone else.)

Location and size of nonprofit organizations

- While the major cultural organizations are highly concentrated in Manhattan, HHSC accounts for 17 to 33 percent of all payroll jobs in the other boroughs.
- Many nonprofit social service organizations have average employment in the 20-to-40 range. Hospitals average over 2,000 workers, and nursing homes and home health care agencies average roughly 300 workers each.

Wages in the sector

- Total wages paid in HHSC were \$19.7 billion in 2007, nearly 12 percent of total private wages (leaving aside the traditionally high-wage Finance sector).
- The \$41,600 average wage in HHSC in 2007 was about 70 percent of the \$60,000 non-Finance average. Nearly 40 percent of HHSC workers are in industries in which the average wage was less than \$30,000.

Definition of the New York City nonprofit health and human services and cultural organizations (HHSC) sector

Figure 1 lists the detailed six-digit industries included in this analysis of the nonprofit health and human services and cultural organization sector, hereafter referred to as HHSC. As of 2007, the latest full year for which we currently have employment data at this detailed level, total HHSC employment was 473,018. This specification includes health and human service-delivery oriented industries dominated by nonprofit organizations, and cultural organizations.¹

FIGURE 1
NYC's nonprofit (HHSC) sector, and its share of private sector employment, 2007

Industry	NAICS code	Firms	Employment	Annual wages	Average wages
HEALTH CARE INDUSTRIES DOMINATED BY NONPROFITS					
HOME HEALTH CARE SERVICES	621610	206	59,050	\$1,551,713,257	\$26,278
GENERAL MEDICAL & SURGICAL HOSPITALS	622110	67	144,711	\$8,971,492,420	\$61,996
PSYCHIATRIC & SUBSTANCE ABUSE HOSPITALS	622210	5	1,922	\$102,125,176	\$53,128
SPECIALTY HOSPITALS (EXC PSYCH & SUBSTANCE ABUSE)	622310	14	10,782	\$861,224,705	\$79,874
NURSING CARE FACILITIES	623110	191	46,592	\$1,943,182,087	\$41,706
RESIDENTIAL MENTAL RETARDATION FACIL	623210	438	11,986	\$330,076,848	\$27,539
RESIDENTIAL MENTAL HEALTH/SUBSTANCE ABUSE	623220	269	6,670	\$219,207,070	\$32,866
CONTINUING CARE RETIREMENT COMMUNITY	623311	7	483	\$16,786,223	\$34,754
HOMES FOR THE ELDERLY	623312	88	2,896	\$71,131,327	\$24,564
OTHER RESIDENTIAL CARE FACILITIES	623990	180	5,755	\$186,668,711	\$32,435
SOCIAL ASSISTANCE (HUMAN SERVICES)					
CHILD & YOUTH SERVICES	624110	372	12,344	\$345,776,618	\$28,012
SERVICES-ELDERLY/PERSONS WITH DISABILITIES	624120	667	82,303	\$1,827,118,275	\$22,200
OTHER INDIVIDUAL & FAMILY SERVICES	624190	766	21,026	\$697,461,446	\$33,171
COMMUNITY FOOD SERVICES	624210	49	1,054	\$44,796,028	\$42,501
TEMPORARY SHELTERS	624221	101	2,660	\$81,200,133	\$30,529
OTHER COMMUNITY HOUSING SERVICES	624229	90	3,362	\$118,699,929	\$35,304
EMERGENCY & OTHER RELIEF SERVICES	624230	43	1,787	\$78,933,200	\$44,171
VOCATIONAL REHABILITATION SERVICES	624310	190	8,323	\$283,807,404	\$34,100
CHILD DAY CARE SERVICES	624410	1,481	23,881	\$637,437,714	\$26,692
PERFORMING ARTS					
THEATER COMPANIES & DINNER THEATERS	711110	487	9,126	\$484,565,084	\$53,096
DANCE COMPANIES	711120	100	2,616	\$144,479,103	\$55,240
MUSICAL GROUPS & ARTISTS	711130	370	2,169	\$136,467,523	\$62,917
OTHER PERFORMING ARTS COMPANIES	711190	37	124	\$6,051,549	\$48,803
MUSEUMS, HISTORICAL SITES, SIMILAR INSTITUTIONS					
MUSEUMS	712110	177	5,961	\$285,024,586	\$47,813
HISTORICAL SITES	712120	14	2,423	\$122,329,945	\$50,497
ZOOS & BOTANICAL GARDENS	712130	13	2,567	\$104,136,558	\$40,560
NATURE PARKS & OTHER SIMILAR	712190	16	445	\$16,507,638	\$37,054
TOTAL, SELECTED HEALTH and HUMAN SERVICES, AND CULTURAL ORGANIZATIONS (HHSC)					
		6,438	473,018	\$19,668,400,557	\$41,581
ALL PRIVATE, NEW YORK CITY					
FINANCE AND INSURANCE		11,512	339,228	\$97,460,903,888	287,302
ALL NYC PRIVATE EXCEPT FINANCE AND INSURANCE		210,942	2,754,022	\$164,710,608,198	\$59,807
HHSC AS SHARE OF ALL NYC					
HHSC AS SHARE OF ALL NYC NON-FINANCE		2.9%	15.3%	7.5%	49.1%
		3.1%	17.2%	11.9%	69.5%

Note: Data includes for-profit organizations.

Source: New York State Department of Labor, QCEW insured employment data.

The industry employment and the demographic information presented in this report generally do not distinguish between nonprofit and for-profit employers. However, the overwhelming majority of employment encompassed in these tables does represent nonprofit organizations. Data from the Commerce Department's 2002 Economic Census indicates that, once Ambulatory Services such as doctors' offices², which are mainly for-profit, are subtracted out, 94 percent of the payroll and 92 percent of the balance of employment in the New York City Health Care and Social Assistance sector is in nonprofit organizations.³ Generally, three categories of industries within the HHSEC sector as specified here include some for-profit establishments: home health care, nursing homes, and child care services. For example, in Manhattan, 32 percent of home health services employment is in for-profits, 18 percent of nursing home employment is in for-profit establishments, and 16 percent of child care services employment is in for-profits.⁴ By law, all hospitals in New York State are nonprofits. Almost all social service delivery organizations are nonprofit.

How important is the nonprofit sector?

The HHSC nonprofit sector is the largest sector in the private New York City economy and has grown considerably in recent years. Figure 1 shows that in 2007, the HHSC sector accounted for 15.3 percent of all private payroll employment in New York City.⁵

The 473,000 employees in the HHSC sector in 2007 made it second only to government (562,000) among all sectors. HHSC is by far the largest sector within the private economy. Other large employers in the city include: Finance and Insurance, 341,400; Professional and Technical services, 324,300; Retail Trade, 293,100; and Accommodation and Food Services, 229,900. See Figure 2.

FIGURE 2

The nonprofit HHSC sector is NYC's largest private sector employer.

<u>Sector</u>	<u>Total employment</u>
TOTAL, ALL NON-AGRICULTURAL INDUSTRIES	3,640,055
TOTAL, PRIVATE EMPLOYMENT	3,093,343
NONPROFIT HEALTH AND HUMAN SERVICES AND CULTURAL ORGANIZATIONS (HHSC)	473,018
FINANCE AND INSURANCE	341,430
PROFESSIONAL AND TECHNICAL SERVICES	324,256
RETAIL TRADE	293,087
ACCOMMODATION AND FOOD SERVICES	229,886
GOVERNMENT	546,712
SUBTOTAL, 6 LEADING SECTORS	1,661,677
SHARE OF TOTAL NYC EMPLOYMENT, 6 LEADING SECTORS	46%

Source: New York State Department of Labor, QCEW insured employment data.

Total and average wages

Figure 1 also shows that total wages in the HHSC sector in 2007 were \$19.7 billion, representing 7.5 percent of all private sector wages paid in New York City. Excluding the very high wage finance and insurance sector, HHSC wages were 11.9 percent of total private wages.

The average wage in the HHSC sector was about \$41,600 in 2007, slightly less than half of the overall private sector wage in the city that year (\$84,750). The average HHSC wage was about 70 percent of the non-finance and insurance private sector average wage of \$59,800.

Average wages within the HHSC sector range from \$22,200 in the large industry providing services to the elderly and the disabled to nearly \$80,000 in specialty hospitals. Nearly 40 percent of HHSC workers are employed in six industries in which the average wage in 2007 was less than \$30,000. These low-wage industries include: home health care, residential mental retardation facilities, homes for the elderly, child and youth services, services to the elderly and disabled, and child care services. General hospitals, the largest employer among the industries within the HHSC sector, have an average wage of about \$62,000, reflecting the higher salaries of physicians and administrators.

Job growth, 2000 to 2007

From 2000 to 2007, the HHSC sector grew by 12.7 percent, adding 53,400 jobs. This increase is in sharp contrast to a net (0.6 percent) decline in the rest of the city's private sector job base (17,000). Citywide, during the 2001 recession and the ensuing protracted slowdown, exacerbated in New York by the economic aftershocks of September 11, employment declined by about 235,000 from December 2000 to the August 2003 low-point. The recovery and expansion that began in the fall of 2003 ended in the middle of 2008. Most industries within HHSC continued to add jobs through the last recession and downturn. See Figure 3 on page 8.

FIGURE 3
From 2000 to 2007, the nonprofit HHSC sector gained jobs while the rest of the private sector lost jobs.

Industry	NAICS code	Employment		Change, 2000-2007	
		2000	2007	Absolute	Percent
HEALTH CARE INDUSTRIES DOMINATED BY NONPROFITS					
HOME HEALTH CARE SERVICES	621610	257,185	290,847	33,662	13.1%
GENERAL MEDICAL & SURGICAL HOSPITALS	622110	143,176	144,711	1,535	1.1%
PSYCHIATRIC & SUBSTANCE ABUSE HOSPITALS	622210	1,983	1,922	-61	-3.1%
SPECIALTY HOSPITALS (EXC PSYCH & SUBSTANCE ABUSE)	622310	9,693	10,782	1,089	11.2%
NURSING CARE FACILITIES	623110	48,006	46,592	-1,414	-2.9%
RESIDENTIAL MENTAL RETARDATION FACIL	623210	8,645	11,986	3,341	38.6%
RESIDENTIAL MENTAL HEALTH/SUBSTANCE ABUSE	623220	5,959	6,670	711	11.9%
CONTINUING CARE RETIREMENT COMMUNITY	623311	274	483	209	76.3%
HOMES FOR THE ELDERLY	623312	2,040	2,896	856	42.0%
OTHER RESIDENTIAL CARE FACILITIES	623990	6,067	5,755	-312	-5.1%
SOCIAL ASSISTANCE (HUMAN SERVICES)					
CHILD & YOUTH SERVICES	624110	138,133	156,740	18,607	13.5%
SERVICES-ELDERLY/PERSONS WITH DISABILITIES	624120	11,122	12,344	1,222	11.0%
OTHER INDIVIDUAL & FAMILY SERVICES	624190	74,354	82,303	7,949	10.7%
COMMUNITY FOOD SERVICES	624210	14,218	21,026	6,808	47.9%
TEMPORARY SHELTERS	624221	3,665	1,054	-2,611	-71.2%
OTHER COMMUNITY HOUSING SERVICES	624229	2,363	2,660	297	12.6%
EMERGENCY & OTHER RELIEF SERVICES	624230	1,839	3,362	1,523	82.8%
VOCATIONAL REHABILITATION SERVICES	624230	2,557	1,787	-770	-30.1%
CHILD DAY CARE SERVICES	624310	8,713	8,323	-390	-4.5%
CHILD DAY CARE SERVICES	624410	19,302	23,881	4,579	23.7%
PERFORMING ARTS					
THEATER COMPANIES & DINNER THEATERS	711110	13,901	14,035	134	1.0%
DANCE COMPANIES	711120	8,701	9,126	425	4.9%
MUSICAL GROUPS & ARTISTS	711130	2,750	2,616	-134	-4.9%
OTHER PERFORMING ARTS COMPANIES	711190	2,363	2,169	-194	-8.2%
OTHER PERFORMING ARTS COMPANIES	711190	87	124	37	42.5%
MUSEUMS, HISTORICAL SITES, SIMILAR INSTITUTIONS					
MUSEUMS	712110	10,400	11,396	996	9.6%
HISTORICAL SITES	712120	5,281	5,961	680	12.9%
ZOOS & BOTANICAL GARDENS	712130	2,704	2,423	-281	-10.4%
NATURE PARKS & OTHER SIMILAR	712190	2,343	2,567	224	9.6%
NATURE PARKS & OTHER SIMILAR	712190	72	445	373	518.1%
TOTAL, SELECTED HEALTH and HUMAN SERVICES, AND CULTURAL ORGANIZATIONS (HHSC)					
		419,619	473,018	53,399	12.7%
ALL PRIVATE, NEW YORK CITY					
FINANCE AND INSURANCE		3,056,860	3,093,250	36,390	1.2%
ALL NYC PRIVATE EXCEPT FINANCE AND INSURANCE		360,365	339,228	-21,137	-5.9%
ALL NYC PRIVATE EXCEPT FINANCE AND INSURANCE		2,696,495	2,754,022	57,527	2.1%
ALL PRIVATE, NEW YORK CITY, EXCEPT HHSC					
		2,637,241	2,620,232	-17,009	-0.6%

Note: Data includes for-profit organizations.

Source: New York State Department of Labor, QCEW insured employment data.

Employment trend since the August 2008 peak

While the latest employment data are not available on a detailed industry basis, we can reasonably approximate the HHSC set of industries using monthly employment data provided under the Current Employment Statistics (CES) payroll survey by the state labor department. One difference is that the CES data provide employment for performing arts only together with sports organizations. To avoid confusion, when we cite employment data for HHSC industries using the CES data we will label it HHSC-CES.

In January 2009, the latest month for which payroll employment data are available, HHSC-CES sector employment was 531,300, although keep in mind that this figure overstates the nonprofit sector because it includes sports organizations and possibly a few other minor industries. The HHSC-CES sector share of total New York City payroll employment was 14.2 percent in December, and as a share of all private employment, it was 16.8 percent.

FIGURE 4

Since NYC's August 2008 employment peak, the nonprofit HHSC sector is one of only four sectors that have increased employment.

Sector	Change in employment August 2008 to January 2009	
	Number	Percent
TOTAL, ALL NON-AGRICULTURAL INDUSTRIES	-77,631	-2.0%
TOTAL, PRIVATE EMPLOYMENT	-86,339	-2.7%
NONPROFIT HEALTH AND HUMAN SERVICES AND CULTURAL ORGANIZATIONS (HHSC-CES)	3,049	0.6%
CONSTRUCTION	-12,404	-9.3%
MANUFACTURING	-7,979	-8.4%
WHOLESALE TRADE	-4,369	-2.9%
RETAIL TRADE	-8,797	-2.9%
TRANSPORTATION AND UTILITIES	-6,724	-5.3%
INFORMATION	-1,310	-0.8%
FINANCE AND INSURANCE	-15,904	-4.6%
REAL ESTATE	532	0.5%
PROFESSIONAL AND TECHNICAL SERVICES	-9,385	-2.7%
MANAGEMENT OF COMPANIES	-2,289	-3.7%
ADMINISTRATIVE SUPPORT	-4,699	-2.5%
PRIVATE EDUCATIONAL SERVICES	1,767	1.1%
ACCOMMODATION AND FOOD SERVICES	-3,630	-1.5%
OTHER SERVICES	1,291	0.8%
GOVERNMENT	-4,613	-0.8%

Note: August 2008 was the peak total employment month for New York City.

Source: New York State Department of Labor, CES payroll employment data, seasonally adjusted FPI.

While the nation started to lose jobs in January 2008 and officially entered a recession in December 2007, New York City lagged entering the downturn by a few months. It appears that New York City's employment level peaked in August 2008. Since then, New York City's total job count has declined by 77,600, a decline of 2.0 percent. Of the 16

major sectors of the New York economy, only four, HHSC-CES, Real Estate, Private Educational Services, and Other Services, experienced job gains over the August 2008 to January 2009 period. Employment in HHSC-CES fared the best, with a growth over the five months from August to January of 3,050 jobs, representing a 0.6 percent growth rate.

Demographic profile of nonprofit health and human services (HHS) workforce

Using micro data from the Current Population Survey, it is possible to develop a demographic profile of New York City's nonprofit health and human services workforce.⁶ In 2007, there were 490,385 resident workers in the health and human services sectors (excluding the offices of doctors, dentists, and other health practitioners).

The data in Figure 5 indicate that the city's health and human services (HHS) workforce is much more heavily female than all other industries. Whereas women constitute 42 percent of the workforce in other industries, in HHS they outnumber men three to one. The HHS workforce is much more heavily black non-Hispanic, with blacks representing nearly twice the share of all HHS workers (38 percent) compared to their share of workers in all other industries (20 percent).

FIGURE 5

Workers in the NYC health and human services sector tend to be female, members of minority groups, older, and slightly less educated than workers in other sectors.

	All industries	Health and human services (HHS)	All other industries (except HHS)
GENDER	100.0%	100.0%	100.0%
Male	53.2%	23.2%	57.9%
Female	46.8%	76.8%	42.1%
RACE-ETHNICITY	100.0%	100.0%	100.0%
White non-Hispanic	37.5%	21.0%	40.1%
Black non-Hispanic	22.1%	37.6%	19.7%
Hispanic	25.3%	27.6%	24.9%
Asian and Other	15.1%	13.6%	15.3%
Subtotal: minorities	62.5%	78.8%	59.9%
EDUCATION	100.0%	100.0%	100.0%
Less than high school	12.3%	14.1%	12.1%
High school graduate	28.6%	29.8%	28.4%
Some college	20.3%	22.7%	19.9%
Bachelor's degree and higher	38.7%	33.3%	39.6%
AGE	100.0%	100.0%	100.0%
16-24	10.8%	6.2%	11.5%
25-39	37.7%	31.6%	38.6%
40-54	34.5%	40.9%	33.5%
55 and older	17.0%	21.3%	16.3%
INDUSTRY TOTAL	3,614,490	490,385	3,124,105

Note: HHS excludes offices of physicians, dentists, and other health practitioners.

Source: Fiscal Policy Institute analysis of Current Population Survey micro data.

White non-Hispanics are under-represented among employees in HHS (21 percent compared to 40 percent among all other industries.) Hispanics are slightly over-represented in HHS, and Asian and other groups are slightly under-represented.

Much of the city's HHS workforce is well educated, but it is slightly less educated overall than the workers in other sectors, and it is generally older. One third of HHS workers have at least a four-year college degree, compared to 40 percent of workers in other sectors. Sixty two percent of HHS workers are 40 and older while only 50 percent of the workers in all other sectors are 40 and older.

The demographic implications of disproportionate growth in the HHS sector from 2000 to 2007

As Figure 4 above showed, the HHSC sector expanded payroll employment by 12.7 percent from 2000 to 2007, while employment in all other sectors in the city's economy barely registered a 0.9 percent job growth. The contrast in growth over this period is even sharper in terms of the city's resident HHS workforce. The number of resident city workers employed in all other industries increased by 1.1 percent, but the number of resident city workers employed in HHS grew by 26.2 percent from 2000 to 2007.

FIGURE 6

From 2000 to 2007, the NYC health and human services (HHS) sector has increased its employment of resident workers by 26 percent; all other sectors, by one percent.

	All industries			Health and Human Services * (HHS)			All other industries (except HHS)		
	2000	2007	Change	2000	2007	Change	2000	2007	Change
GENDER									
Male	1,845,905	1,923,468	4.2%	90,814	113,583	25.1%	1,755,091	1,809,885	3.1%
Female	1,633,127	1,691,022	3.5%	297,780	376,802	26.5%	1,335,347	1,314,220	-1.6%
RACE-ETHNICITY									
White non-Hispanic	1,361,820	1,354,496	-0.5%	95,369	103,000	8.0%	1,266,451	1,251,496	-1.2%
Black non-Hispanic	819,626	799,163	-2.5%	170,774	184,266	7.9%	648,852	614,897	-5.2%
Hispanic	841,334	915,078	8.8%	84,148	136,378	62.1%	757,186	778,700	2.8%
Asian and other	456,253	545,752	19.6%	38,304	66,742	74.2%	417,949	479,010	14.6%
Subtotal: minorities	2,117,213	2,259,993	6.7%	293,226	387,386	32.1%	1,823,987	1,872,607	2.7%
EDUCATION									
Less than high school	591,716	446,126	-24.6%	63,599	69,013	8.5%	528,117	377,113	-28.6%
High school graduate	947,948	1,034,272	9.1%	114,983	146,323	27.3%	832,965	887,949	6.6%
Some college	737,990	734,636	-0.5%	80,080	111,520	39.3%	657,910	623,116	-5.3%
Bachelor's degree and higher	1,201,379	1,399,456	16.5%	129,932	163,531	25.9%	1,071,447	1,235,925	15.4%
AGE									
16-24	458,896	388,941	-15.2%	25,733	30,181	17.3%	433,163	358,760	-17.2%
25-39	1,465,750	1,362,188	-7.1%	138,549	155,075	11.9%	1,327,201	1,207,113	-9.0%
40-54	1,118,814	1,248,218	11.6%	149,718	200,733	34.1%	969,096	1,047,485	8.1%
55 and older	435,572	615,142	41.2%	74,595	104,396	40.0%	360,977	510,746	41.5%
INDUSTRY TOTAL	3,479,033	3,614,490	3.9%	388,594	490,385	26.2%	3,090,439	3,124,105	1.1%

Note: HHS excludes offices of physicians, dentists, and other health practitioners.

Source: Fiscal Policy Institute analysis of Current Population Survey micro data.

The fact that the resident city workforce in HHS gained so much more than the payroll job growth in HHSC may be explained, at least in part, by three factors:

- The exclusion of Performing Arts and Museums from the HHS grouping, although those two sectors are relatively small, with a combined payroll job count of a little over 24,000;
- The substitution of resident workers for non-resident commuters working in HHS; and
- Growth in self-employed or workers misclassified as independent contractors within HHS, particularly in home health care and child care services, the two areas that saw the greatest increases in resident workers within HHS.

The fairly rapid growth among HHS jobs over this period, a period during which the net employment change elsewhere in the broader economy was extremely slight, meant that the HHS sector increased its demand for college-educated workers even faster than the broader economy (26 percent compared to 15 percent). In addition, the HHS sector was a significant employer of workers with some college and those with less than a high school education while the broader economy was reducing its employment of workers in those educational attainment categories. While fewer young workers found jobs in the broader New York City economy from 2000 to 2007, the HHS increased its employment of young workers aged 16-24 by 17 percent.

The health and human services sector is a major source of job growth for New York City's minorities

From 2000 to 2007, there was an increase of 143,000 (6.7 percent) in the number of members of traditional racial and ethnic minorities resident workers in New York City. Within the HHS sector, minority employment increased by nearly one third over this period while in the broader economy there was an increase of only 2.7 percent. This means that two out of every three of the net increase in the jobs held by minorities from 2000 to 2007 occurred in the HHS sector.

The HHS area is particularly important as a source of employment for less-educated minority workers living in New York City. In 2007, of the resident workforce employed in all other sectors as a group (3,124,105), 43.7 percent (1,366,101) were members of minority groups with less than a bachelor's degree. In the HHS area, however, 56.1 percent of workers (274,892 out of 490,385) were less educated minorities. See Figure 7 on page 13.

And given the much more substantial growth in HHS since 2000, the sector saw a 24.3 percent increase in less-educated minority workers from 2000 to 2007, a period during which all other sectors sharply reduced their employment of workers with less than a high school diploma (28.6 percent) and had an overall decline in the employment of minorities with less than a bachelor's degree of 2.8 percent.

FIGURE 7

The health and human services sector is a major source of job growth for members of minority groups.

	Minorities with less than a bachelor's degree			
	2000	2007	Change, 2000 to 2007	
			Number	Percent
ALL INDUSTRIES	1,626,468	1,660,993	34,525	2.1%
HEALTH AND HUMAN SERVICES (HHS)	221,115	274,892	53,777	24.3%
Share of total NYC	13.6%	16.5%		
ALL OTHER INDUSTRIES (EXCEPT HHS)	1,405,353	1,366,101	-39,252	-2.8%
Share of total NYC	86.4%	82.2%		

Note: HHS excludes offices of physicians, dentists, and other health practitioners.

Source: Fiscal Policy Institute analysis of Current Population Survey micro data.

HHSC is a major source of employment outside of Manhattan

While the major cultural organizations in performing arts and museums are concentrated in Manhattan, health care and human services employment is well dispersed throughout the city. In the boroughs outside of Manhattan, HHSC overall is much more significant as a source of jobs than in Manhattan, where its presence is over-shadowed by the major export-oriented finance, professional, management, and information sectors. As Figure 8 indicates, HHSC accounts for from 17 percent of all private sector employment in Queens to 33 percent of private jobs in the Bronx. Staten Island and Brooklyn fall in between those two.

FIGURE 8
The nonprofit HHSC sector is a substantial source of private employment in the boroughs outside of Manhattan.

Industry	NAICS code	NYC Total	Manhat-tan	Brook-lyn	Queens	Bronx	Staten Island
HEALTH CARE INDUSTRIES DOMINATED BY NONPROFITS		290,847	111,559	66,677	51,826	44,223	13,796
HOME HEALTH CARE SERVICES	621610	59,050	23,103	18,284	11,882	5,132	649
GENERAL MEDICAL & SURGICAL HOSPITALS	622110	144,711	61,873	29,744	23,777	21,461	7,856
PSYCHIATRIC & SUBSTANCE ABUSE HOSPITALS	622210	1,922	614	0	D	0	0
SPECIALTY HOSPITALS (EXC PSYCH & SUBSTANCE ABUSE)	622310	10,782	9,478	169	D	D	D
NURSING CARE FACILITIES	623110	46,592	7,166	10,841	11,100	13,816	3,670
RESIDENTIAL MENTAL RETARDATION FACIL	623210	11,986	1,937	4,833	2,724	1,534	958
RESIDENTIAL MENTAL HEALTH/SUBSTANCE ABUSE	623220	6,670	3,066	1,138	948	1,304	214
CONTINUING CARE RETIREMENT COMMUNITY	623311	483	D	157	D	D	0
HOMES FOR THE ELDERLY	623312	2,896	779	501	825	498	294
OTHER RESIDENTIAL CARE FACILITIES	623990	5,755	3,543	1,010	570	478	155
SOCIAL ASSISTANCE (HUMAN SERVICES)		156,740	57,150	47,606	27,161	19,584	5,169
CHILD & YOUTH SERVICES	624110	12,344	6,185	2,486	1,326	1,937	410
SERVICES-ELDERLY/PERSONS WITH DISABILITIES	624120	82,303	26,307	26,616	17,436	9,170	2,774
OTHER INDIVIDUAL & FAMILY SERVICES	624190	21,026	9,715	6,646	1,457	2,393	816
COMMUNITY FOOD SERVICES	624210	1,054	637	151	133	89	44
TEMPORARY SHELTERS	624221	2,660	951	810	294	548	D
OTHER COMMUNITY HOUSING SERVICES	624229	3,362	2,665	456	33	194	D
EMERGENCY & OTHER RELIEF SERVICES	624230	1,787	1,388	275	64	59	D
VOCATIONAL REHABILITATION SERVICES	624310	8,323	3,565	1,372	1,671	1,585	131
CHILD DAY CARE SERVICES	624410	23,881	5,737	8,794	4,747	3,609	994
PERFORMING ARTS		14,035	13,081	737	137	56	19
THEATER COMPANIES & DINNER THEATERS	711110	9,126	8,549	449	81	45	D
DANCE COMPANIES	711120	2,616	2,458	151	6	0	D
MUSICAL GROUPS & ARTISTS	711130	2,169	1,978	129	34	9	19
OTHER PERFORMING ARTS COMPANIES	711190	124	96	8	16	2	D
MUSEUMS, HISTORICAL SITES, SIMILAR INSTITUTIONS		11,396	7,543	984	691	1,799	112
MUSEUMS	712110	5,961	4,734	492	588	35	112
HISTORICAL SITES	712120	2,423	2,370	D	0	0	D
ZOOS & BOTANICAL GARDENS	712130	2,567	D	492	103	1,764	D
NATURE PARKS & OTHER SIMILAR	712190	445	439	D	0	0	D
TOTAL, SELECTED HEALTH and HUMAN SERVICES, AND CULTURAL ORGANIZATIONS (HHSC)		473,018	189,333	116,004	79,815	65,662	19,096
ALL PRIVATE, NEW YORK CITY AND BOROUGHS		3,093,250	1,910,952	435,323	461,770	199,002	86,203
HHSC AS SHARE OF ALL PRIVATE		15.3%	9.9%	26.6%	17.3%	33.0%	22.2%

Notes: Data includes for-profit organizations. Entries of "D" indicate that employment is not disclosed to protect the identity of an individual or a small number of establishments.

Source: New York State Department of Labor, QCEW insured employment data.

Average employment per establishment varies widely

Figure 9 also shows the average employment per establishment (this is often, but not always, a specific job site). Generally HHSC organizations are much larger than the average New York City business (74 workers on average versus the 14 average across all industries). Within HHSC, hospitals are among the largest employers in the city, averaging 2,160 workers each, while many nonprofit service organizations have average employment in the 20-to-40 range. Home health care organizations are relatively large at nearly 300 workers each, as are nursing care facilities. Child care services average about 16 workers each. Performing arts companies have about 14 each, while museums average nearly four times that, at 52.

FIGURE 9

Aside from large employers such as hospitals, most nonprofit HHSC organizations employ 20 to 40 workers.

Industry	NAICS code	Number	Employment	Average employment
HEALTH CARE INDUSTRIES DOMINATED BY NONPROFITS				
HOME HEALTH CARE SERVICES	621610	206	59,050	287
GENERAL MEDICAL & SURGICAL HOSPITALS	622110	67	144,711	2,160
PSYCHIATRIC & SUBSTANCE ABUSE HOSPITALS	622210	5	1,922	384
SPECIALTY HOSPITALS (EXC PSYCH & SUBSTANCE ABUSE)	622310	14	10,782	770
NURSING CARE FACILITIES	623110	191	46,592	244
RESIDENTIAL MENTAL RETARDATION FACIL	623210	438	11,986	27
RESIDENTIAL MENTAL HEALTH/SUBSTANCE ABUSE	623220	269	6,670	25
CONTINUING CARE RETIREMENT COMMUNITY	623311	7	483	69
HOMES FOR THE ELDERLY	623312	88	2,896	33
OTHER RESIDENTIAL CARE FACILITIES	623990	180	5,755	32
SOCIAL ASSISTANCE (HUMAN SERVICES)				
CHILD & YOUTH SERVICES	624110	372	12,344	33
SERVICES-ELDERLY/PERSONS WITH DISABILITIES	624120	667	82,303	123
OTHER INDIVIDUAL & FAMILY SERVICES	624190	766	21,026	27
COMMUNITY FOOD SERVICES	624210	49	1,054	22
TEMPORARY SHELTERS	624221	101	2,660	26
OTHER COMMUNITY HOUSING SERVICES	624229	90	3,362	37
EMERGENCY & OTHER RELIEF SERVICES	624230	43	1,787	42
VOCATIONAL REHABILITATION SERVICES	624310	190	8,323	44
CHILD DAY CARE SERVICES	624410	1,481	23,881	16
PERFORMING ARTS				
THEATER COMPANIES & DINNER THEATERS	711110	487	9,126	19
DANCE COMPANIES	711120	100	2,616	26
MUSICAL GROUPS & ARTISTS	711130	370	2,169	6
OTHER PERFORMING ARTS COMPANIES	711190	37	124	3
MUSEUMS, HISTORICAL SITES, SIMILAR INSTITUTIONS				
MUSEUMS	712110	177	5,961	34
HISTORICAL SITES	712120	14	2,423	173
ZOOS & BOTANICAL GARDENS	712130	13	2,567	197
NATURE PARKS & OTHER SIMILAR	712190	16	445	28
TOTAL, SELECTED HEALTH and HUMAN SERVICES, AND CULTURAL		6,438	473,018	73
ALL PRIVATE, NEW YORK CITY		222,454	3,093,250	14

Note: Data includes for-profit organizations.

Source: New York State Department of Labor, QCEW insured employment data.

The growing importance of “nonemployers”

Excluded from payroll employment data but included in the Current Population Survey of the resident city workforce is a relatively obscure, but growing, category of worker called “nonemployers.” Nonemployers are neither an employer of others, nor a payroll employee of someone else. These workers may be true sole proprietors or independent contractors, or at least regarded as independent contractors by employers even if not legally permitted.⁷ The Census Bureau compiles data on nonemployers by industry and by borough with the latest data available at this writing for 2006. The data is compiled based on IRS 1099 Forms that record “Miscellaneous Income”. Across all industries, there was a 26 percent increase from 2000 to 2005 in the number of nonemployers in New York City.⁸

As Figure 10 indicates, there are an estimated 72,800 nonemployers residing within the five boroughs who work in the HHSC sectors. These workers were paid a total of \$867.3 million, an average of \$11,900 per nonemployer. Two thirds of the nonemployers within HHSC work in Child Day Care, and are presumably home-based child care workers. There are also large numbers in Home Health Care (8,471) and Individual and Family Services (5,501). There may be some overlap in nonemployers and payroll employees. However, to the extent that nonemployers are *not* also counted as payroll employees at some point during the year, the total number of people working in HHSC in New York City would be correspondingly greater.

FIGURE 10

In addition to the payroll workers employed in the HHSC sector, there were nearly 73,000 “nonemployers” in HHSC in 2006.

industry	code	count	receipts
HOME HEALTH CARE SERVICES	6216	8,471	\$120,047,000
NURSING AND RESIDENTIAL CARE FACILITIES	623	3,133	\$57,626,000
INDIVIDUAL AND FAMILY SERVICES	6241	5,501	\$80,644,000
COMMUNITY FOOD AND HOUSING	6242	224	\$3,657,000
VOCATIONAL REHABILITATION SERVICES	6243	522	\$9,698,000
CHILD DAY CARE SERVICES	6244	51,868	\$495,872,000
PERFORMING ARTS COMPANIES	7111	2,633	\$91,205,000
MUSEUMS & HISTORICAL SITES	712	490	\$8,568,000
TOTAL, SELECTED HEALTH AND HUMAN SERVICES, AND CULTURAL ORGANIZATIONS (HHSC)		72,842	\$867,317,000

Notes: "Nonemployers" is a U.S. government category signifying those who are neither employers of others, nor payroll employees of someone else. The data series is compiled by the U.S. Census Bureau using IRS Form 1099 payments.

Source: U.S. Census Bureau, Nonemployer data.

Endnotes

¹ The HHSC specification differs from the broader specification of New York City's nonprofit sector developed by John Seley and colleagues in a series of reports and discussion papers issued by The New York City Nonprofits Project in 2002 and 2003. The Seley nonprofit sector includes all of the HHSC industries except for performing arts and, in addition, includes the entire private Educational Services sector and a catch-all category of industries grouped by the federal government under the heading, "Religious, Grantmaking, Civic, Professional and Similar Organizations." For 2000, the employment in Seley nonprofit grouping totaled 585,257, as compared to 419,619 jobs in the HHSC grouping. Thus, for 2000, employment in the HHSC grouping was nearly 72 percent of the Seley specification of the nonprofit sector.

² Ambulatory Services includes the offices of doctors, dentists and other health practitioners, and home health care services. The offices of physicians and other health practitioners largely are for-profit. The proportion of employment in home health service organizations with for-profit employers ranges from one-third in Manhattan to 58 percent in Queens among the three largest boroughs.

³ U.S. Commerce Department, 2002 Economic Census. The Census distinguishes between "establishments exempt from federal income taxes" (i.e., nonprofits) and "establishments subject to federal income tax" (i.e., for-profit ownership).

⁴ Data disclosure limitations preclude aggregating data across the five boroughs for detailed industries. Some other examples of the for-profit share in these industries are: Brooklyn, 42 percent of home health services employment is for-profit and 33 percent of nursing home employment is for-profit. In the Bronx, 44 percent of nursing care facilities employment is for-profit and 15 percent of childcare employment is for-profit.

⁵ Payroll employment excludes self-employment and independent contractors.

⁶ The Current Population Survey (CPS) sample for New York City is not large enough to separately analyze the workforce in the performing arts and museum industries. In the analysis described here, workers in the offices of doctors, dentists, and other health practitioners have been excluded from the broader Health Services and Social Assistance sector. The CPS analysis is for the resident workforce in New York City—it excludes non-residents working in New York City, but it includes two categories of workers not included in the payroll employment data: the self-employed and those misclassified as independent contractors. The CPS distinguishes between nonprofit and for-profit employers, but the survey does not provide a large enough sample for New York City to permit analysis at that level.

⁷ The New York State Labor Department considers several factors, such as whether an "independent contractor" works for multiple clients or is directly supervised, in determining whether a worker is a bona fide independent contractor or a payroll employee.

⁸ Fiscal Policy Institute, *The State of Working New York, 2007: Encouraging Recent Gains but Troubling Long-Term Trends*, 2007, p. 52.



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