Impacts of the Recession on Arizona’s Health Care Workforce

June 23, 2015
Breann Marie Preston, Economist
Office of Employment and Population Statistics
Arizona Department of Administration
Breann.Preston@azdoa.gov
Outline

• Health Care Overview
• Health Care Composition
• Ambulatory Sector Wages by age and sex
• Hospital Sector Wages by age and sex
Health Care Overview
Arizona’s Health Care Highlights

• Health Care (HC) year-to-date average nonfarm employment share is 10.8% (April 2015)
• HC’s payroll is 284,500 in Arizona as of April 2015
• The average weekly earnings for a Healthcare Practitioner in Arizona is $1,457.12
• The average weekly earnings for Healthcare Support occupations in Arizona is $596.73
HC Highlights Continued

• HC employment declined only once over the year since 1991 (May, 2000)
• Strong performance in HC was driven by consistent growth in Ambulatory Health Care Services
• Arizona’s HC industry is projected to grow at 8.4% over 2-years (2014-2016) and 33.4% over 10-years (2012-2022)
• Health Care Occupations are some of the fastest growing in both the 2-year and 10-year projections in Arizona

Data provided by BLS CES program
Arizona Industry Employment Share
1991 Annual Average, Not Seasonally Adjusted

- Education and Health Services: 9.6%
- Financial Activities: 6.5%
- Construction: 5.4%
- Natural Resources & Mining: 0.9%
- Trade, Transportation & Utilities: 20.5%
- Government: 19.1%
- Manufacturing: 11.5%
- Leisure & Hospitality: 10.8%
- Professional & Business Svcs: 9.9%

Source: Produced by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Arizona Industry Employment Share
2014 Annual Average, Not Seasonally Adjusted

- Education and Health Services: 14.8%
- Professional & Business Svcs: 14.9%
- Leisure & Hospitality: 11.1%
- Manufacturing: 6.1%
- Financial Activities: 7.4%
- Other Services: 3.4%
- Natural Resources & Mining: 0.5%
- Government: 16.0%
- Trade, Transportation & Utilities: 19.2%

Source: Produced by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics
Health Care's Employment Share

- 1990: 7.3%
- 1991: 7.9%
- 1992: 7.1%
- 1993: 7.9%
- 1994: 8.3%
- 1995: 8.3%
- 1996: 8.3%
- 1997: 8.3%
- 1998: 8.3%
- 1999: 8.3%
- 2000: 8.3%
- 2001: 8.3%
- 2002: 8.3%
- 2003: 8.3%
- 2004: 8.3%
- 2005: 8.3%
- 2006: 8.3%
- 2007: 8.3%
- 2008: 8.3%
- 2009: 8.3%
- 2010: 8.3%
- 2011: 8.3%
- 2012: 8.3%
- 2013: 8.3%
- 2014: 8.3%
- 2015: 8.3%

Recession periods are shaded:
- 1990-1991
- 2001-2002
- 2008-2009

Data provided by BLS CES program
Arizona Health Care Employment (CES Data)

Arizona Health Care Employment Level

- Recession
- Health Care
- 12 per. Mov. Avg. (Health Care)

In Thousands

Feb. 2001: 162.1
Nov. 2001: 167.6
Dec. 2007: 236.8
June 2009: 246.5
April 2015: 284.5

Source: Produced by the Arizona Office of Employment and Population Statistics in cooperation with the U.S. Dept. of Labor, Bureau of Labor Statistics

Data provided by BLS CES program
Arizona Health Care Employment (CES Data)

Health Care Over-the-Year Percent Change

- Recession
- United States
- Arizona

Data provided by BLS CES program
Arizona Employment Recovery

Arizona Total Nonfarm Employment Index
Percent of Job Losses Below Peak (Seasonally Adjusted)

Source: CES data from Bureau of Labor Statistics

Data provided by BLS CES program

Laborstats.az.gov
602-771-2222

Average Annual Change
Annualized Growth Rate

Prepared by ADOA, Office of Employment and Population Statistics in cooperation with the U.S. Census Bureau

Laborstats.az.gov
602-771-2222
Health Care Industry Composition
Sub-Sector Employment Share

HC Shares and Employment Totals

<table>
<thead>
<tr>
<th>Year</th>
<th>Ambulatory</th>
<th>Hospital</th>
<th>Nursing</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005 Q1</td>
<td>50.40%</td>
<td>31.86%</td>
<td>17.74%</td>
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<tr>
<td>2008 Q1</td>
<td>52.20%</td>
<td>31.31%</td>
<td>16.49%</td>
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<tr>
<td>2011 Q1</td>
<td>51.79%</td>
<td>31.41%</td>
<td>16.80%</td>
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<tr>
<td>2014 Q1</td>
<td>51.74%</td>
<td>30.61%</td>
<td>17.65%</td>
</tr>
</tbody>
</table>

Employment and Population Statistics

Data provided by LED program

Laborstats.az.gov
602-771-2222
Sector Employment Share by Sex

Employment Share by Gender

<table>
<thead>
<tr>
<th>Year</th>
<th>HC Female</th>
<th>HC Male</th>
<th>Hospital Female</th>
<th>Hospital Male</th>
<th>Ambulatory Female</th>
<th>Ambulatory Male</th>
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</thead>
<tbody>
<tr>
<td>2014 Q1</td>
<td>26.3%</td>
<td>25.4%</td>
<td>25.6%</td>
<td>74.6%</td>
<td>74.4%</td>
<td>73.7%</td>
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<tr>
<td>2011 Q1</td>
<td>25.3%</td>
<td>24.1%</td>
<td>25.1%</td>
<td>75.9%</td>
<td>74.9%</td>
<td>74.7%</td>
</tr>
<tr>
<td>2008 Q1</td>
<td>23.8%</td>
<td>22.4%</td>
<td>23.9%</td>
<td>77.6%</td>
<td>76.1%</td>
<td>76.2%</td>
</tr>
<tr>
<td>2005 Q1</td>
<td>23.3%</td>
<td>21.8%</td>
<td>23.4%</td>
<td>78.2%</td>
<td>76.6%</td>
<td>76.7%</td>
</tr>
</tbody>
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Data provided by LED program
Ambulatory Sector Wages by Age & Sex
Wages for Ambulatory Services Sector (22-24; 25-34; 35-44; 45-54; 55-64; 65-99)

Average Monthly Wage

- Ambulatory - 22-24
- Ambulatory - 25-34
- Ambulatory - 35-44
- Ambulatory - 45-54
- Ambulatory - 55-64
- Ambulatory - 65-99

Data provided by LEHD program (EARNs)
Wages for Ambulatory Services Sector (M/F 22-24; 25-34)

Average Monthly New Hire Wage

- Ambulatory - 22-24 - Female
- Ambulatory - 22-24 - Male
- Ambulatory - 25-34 - Female
- Ambulatory - 25-34 - Male

Data provided by LEHD program (EARNHIRNS)
## Wages for Ambulatory Services Sector (M/F 35-44; 45-54; 55-64)

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<tr>
<th>Year</th>
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<th>Ambulatory - Female - 55-64</th>
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Data provided by LEHD program (EARNHIRNS)
Wages for Ambulatory Services Sector (Ages 22-24; 25-34)

Average Monthly Wage

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<td></td>
<td>$6,790</td>
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Data provided by LEHD program (EARNs)
Possible Explanations

• Male/Female Employment Share

• Male/Female Medical School Graduation Rates

• Differing pay rates between Medical Specialties
Hospital Sector Wages by age and sex
Hospital Sector Wages (55-64; 65-99)

Average Monthly Wage

- Hospital - Female - 55-64
- Hospital - Male - 55-64
- Hospital - Female - 65-99
- Hospital - Male - 65-99

- 2006: $1,115
- 2007: $1,115
- 2008: $1,798
- 2009: $1,798
- 2010: $1,798
- 2011: $1,943
- 2012: $1,943
- 2013: $1,943
- 2014: $1,943

Data provided by LEHD program (EARNs)
## Employment and Population Statistics

### EARNHIRAS
- Average Monthly Earnings for workers who started working with that firm the quarter before.
- Did not work for that employer **2 quarters previous**

### EARNHIRNS
- Average monthly earnings of new workers who started working at the firm in the previous quarter.
- Did not work for that employer in the **4 quarters before they started the current position**.
Wages for Hospital Sector (55-65 Males)

New Hire Average Monthly Wage

- Hospital - Male - 55-64 - Average of EarnHirAS
- Hospital - Male - 55-64 - Average of EarnHirNS
- Linear (Hospital - Male - 55-64 - Average of EarnHirAS)
- Linear (Hospital - Male - 55-64 - Average of EarnHirNS)

Data provided by the LED program
Wages for Hospital Sector (65-99 Males)

New Hire Average Monthly Wage

Hospital - Male - 65-99 - Average of EarnHirAS

Linear (Hospital - Male - 65-99 - Average of EarnHirAS)

Hospital - Male - 65-99 - Average of EarnHirNS

Linear (Hospital - Male - 65-99 - Average of EarnHirNS)
Possible Explanations

• The trend of wage growth in Hospital Wages for workers over 55 is seen in multiple states
• This is not accompanied by growth in workers under the age of 55
• Changes in work patterns for the 65-99 age group
Arizona Department of Administration

Employment and Population Statistics

Contact Information

Website: https://laborstats.az.gov/
Phone: 602.771.2222
Email: labor.info@azdoa.gov