



**Division of Research  
and Statistics**

# **The Health Care Sector in New York State**

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**A Division of the New York State Department of Labor**

## Overview of the U.S. Health Care System: Big and Getting Bigger

The U.S. health care system is big and growing at an above-average rate. In 2014, health care spending in our nation grew by 5.3% to \$3.0 trillion, or \$9,523 per person, and accounted for 17.5% of U.S. Gross Domestic Product (GDP), according to the Centers for Medicare & Medicaid Services (CMS).

Projections from CMS covering the 2015-2025 period indicate U.S. health care spending is expected to grow at an average rate of 5.8 %/year. This rate of increase is 1.3 percentage points faster than projected annual growth in overall U.S. GDP over this period. As a result, health care's share of American GDP is expected to rise from 17.5% in 2014 to 20.1% by 2025.

This projected increase in health care spending is a continuation of a trend that has been in place over the past half century. For example, U.S. health care spending experienced phenomenal growth between 1960 and 1980 as its share of GDP almost doubled, rising from only 5.0% in 1960 to 8.9% in 1980.

What accounts for the rapid, long-term growth in U.S. health care spending? Health care economists cite several key factors as contributing to above-average increases in U.S. health care expenditures, including:

- Advancements in technology are a primary driver. As knowledge in health and health care conditions expands, new and improved products, techniques, and services are developed. For example, Sovaldi, a specialty drug introduced in 2013 to treat hepatitis C, costs about \$95,000 for a full treatment.
- Rising personal income is another important factor. As disposable personal income increases, a greater proportion of it is typically spent on health care products and services.
- The aging of the U.S. population is a third key factor. By 2030, our nation's 76 million baby boomers (people born in 1946-1964) will account for one in five Americans. As this group ages, they will require more care and have more long-term medical needs.
- Related to the third factor above is increasing life expectancy (at birth) in the U.S. It grew from 73.7 to 78.8 years between 1980 and 2013 due to the combined effects of innovations in health care, reduction in malnutrition, improvements in sanitation, and infectious disease control.

## A Significant Industry in New York State

Health care also plays a significant role in New York State’s economy. It employed more than 1.2 million workers (private and public sectors combined) in 2015, according to the Quarterly Census of Employment and Wages (QCEW), which is based on employers’ Unemployment Insurance records. This translates into about one in seven jobs in the state in 2015. Total wages paid out by the state’s health care sector were \$66.7 billion in 2015, or about 11% of total payrolls in the state. The average pay for health care workers was \$55,500 in 2015.

Between 2009 and 2015, combined private and public sector health care employment grew by 9%. This rate of change was slightly above the growth rate registered by all non-health care industries in the state (+8%) over the same time frame. A growing health care sector has a significant employment impact in New York State. Data from Economic Modeling Specialists International indicate that for every 100 new health care jobs created in New York, an additional 107 spin-off jobs are created within the state.

## Employment and Wages in New York State’s Health Care Sector

New York State’s health care sector is diverse, consisting of the five industry groups shown in the table below: hospitals; nursing and residential care facilities; offices of health practitioners; home health care services; and, outpatient, laboratory, and other ambulatory care services.

The table shows the following information by detailed health care industry: employment level in 2015, percent change in jobs between 2009 and 2015, and average wage in 2015. All data in the table below and in the analysis that follows come from the QCEW.

### Health Care Sector Employment and Wages\*, New York State, 2015

Industry Sector (NAICS Code)	Employment, 2015	Percent Change, 2009-2015	Average Wage, 2015
<i>Hospitals, private, federal, state, and local</i> (622)	436,200	+1%	\$71,200
<i>Nursing and residential care facilities</i> (623)	269,800	-1%	\$37,200
<i>Offices of health practitioners</i> (6211, 6212, 6213)	256,100	+12%	\$66,800
<i>Home health care services</i> (6216)	166,900	+60%	\$27,300
<i>Outpatient, laboratory, and other ambulatory care services</i> (6214, 6215, 6219)	73,500	+16%	\$53,400
<b>TOTAL</b>	<b>1,202,500</b>	<b>+9%</b>	<b>\$55,500</b>

Source: Quarterly Census of Employment and Wages

\*Includes both public and private sectors

**Hospitals** – This industry accounted for the most jobs (436,200) in New York State’s health care sector in 2015, making up 36% of overall employment. This industry group experienced a small (+1%) employment gain between 2009 and 2015. Hospitals have the highest average wage (\$71,200) in New York State among the five health care industries in this analysis.

The primary role of this industry is to provide inpatient services including surgery, diagnostic tests and specialized medical treatments. Hospitals often also offer outpatient services to meet the needs of patients. This industry encompasses a variety of hospitals, from surgical hospitals to psychiatric hospitals.

**Nursing and Residential Care Facilities** – This industry group makes up 22% of total health care employment in New York State, making it the second largest overall. This industry group experienced a small (-1%) employment loss between 2009 and 2015. Workers in the Nursing and Residential Care Facilities industry had the second lowest average wage (\$37,200) in New York State in 2015.

Facilities in this industry are designed to provide extended stay and long-term services, through nursing and supervisory care. Examples include nursing care facilities, substance abuse facilities and developmental disability facilities.

**Offices of Health Practitioners** – This is the third largest health care industry in New York State, with just over 256,000 workers in 2015. Offices of Health Practitioners saw a 12% employment increase in 2009-2015. Earning an average of \$66,800/year, workers in this industry had the second highest average wage in 2015, trailing only hospital workers.

Employers in this sector operate private or group practices either in their own offices or in larger facilities, such as medical centers. This sector is comprised primarily of the offices of physicians and dentists. They made up 21% of New York’s health care sector employment in 2015. Offices of other medical specialties, such as optometrists and podiatrists, are also found in this industry.

**Home Health Care** – Accounting for 14% of health care jobs in New York State in 2015, this is the lowest-paying health care industry, with an annual average wage of just \$27,300. However, Home Health Care experienced the most rapid employment increase (+60%) of any health care industry in the state between 2009 and 2015.

This industry provides nursing and care services in the home to patients. Some types of home health services provided are physical therapy, nutritional services and personal care services. Home health care agencies and visiting nurse associations are two types of employers that fall into this industry sector.

**Outpatient, Lab & Other Ambulatory Care** – This is the smallest health care industry in the state, accounting for only 6% of overall sector jobs in 2015. The employment count in the Outpatient, Lab &

Other Ambulatory Care industry expanded by 16% in 2009-2015, the second most rapid expansion of any industry in the state's health care sector. With annual average wages of \$53,400 in 2015, this industry is in the middle of the pack.

This industry is comprised of establishments that provide general and specialized outpatient care. Some examples of employers in this sector include family planning centers, medical and diagnostic laboratories and ambulance services.

## **What Are the Most Common Job Titles in New York's Health Care Industries?**

The appendix tables at the end of this report show the five most common job titles in each of the five health care industries analyzed here. These results are based on 2015 employment data from New York State's Occupation Employment Statistics (OES) program.

Also contained in these tables are occupational wages that are specific to the industry shown. For example, Registered Nurses working in hospitals earned a median hourly wage of \$40.44, or about \$84,000 per year. In contrast, Registered Nurses working in the Outpatient, Laboratory, and Other Ambulatory Care Services industry earned a median hourly wage of \$35.11 per hour, or about \$73,000 per year. Wages for Registered Nurses employed at hospitals were about 15% higher than those working at Outpatient, Laboratory, and Other Ambulatory Care Services.

The final data element included in the tables that follow is statewide occupational projections covering 2014-2024, which represent the latest available data. In general, most health care occupations are expected to experience job growth faster than the overall New York State economy (+13.1%) over the 2014-2024 period. The exceptions to this general rule are clerical job titles (e.g., Office Clerks, Secretaries and Administrative Assistants) found in the various health care industries, which are expected to experience job growth in 2014-2024, but at a slower rate than that of the overall economy.

## **Summary**

In this report, we have attempted to highlight some of the different industries that make up the state's health care sector. In turn, we focused on the top occupations that comprise each of these health care industries.

Health care accounts for a significant share of the economy at both the state and national levels. For a variety of economic and demographic reasons, most projections expect health care's share of the economy to continue to increase over the next decade.

## **For Further Information**

Questions regarding this report should be directed to Kevin Jack, Statewide Labor Market Analyst. He can be reached via email at [Kevin.Jack@labor.ny.gov](mailto:Kevin.Jack@labor.ny.gov) or by phone at (518) 457-3800.

**Appendix Table 1:  
Five Most Common Occupations,  
NAICS Industry 622:  
Hospitals (private, federal, state, and local),  
New York State, 2015**

<b>Rank</b>	<b>SOC Code</b>	<b>Occupational Title</b>	<b>% Share of Industry Workforce</b>	<b>Median Hourly Wage*</b>	<b>Projected Employment Change (%), 2014-2024</b>
<b>1</b>	29-1141	Registered Nurses	23.4%	\$40.44	+17.1%
<b>2</b>	31-1014	Nursing Assistants	8.2%	\$17.53	+16.0%
<b>3</b>	29-1069	Physicians and Surgeons, All Other	6.0%	\$47.05	+13.5%
<b>4</b>	11-9111	Medical and Health Services Managers	3.5%	\$56.44	+12.5%
<b>5</b>	43-9061	Office Clerks, General	3.0%	\$18.35	+8.3%

Sources: Occupational Employment Statistics; Employment Projections program

\*Note: Listed occupational wage is specific to this industry

**Appendix Table 2:  
Five Most Common Occupations,  
NAICS Industry 623:  
Nursing and Residential Care Facilities,  
New York State, 2015**

<b>Rank</b>	<b>SOC Code</b>	<b>Occupational Title</b>	<b>% Share of Industry Workforce</b>	<b>Median Hourly Wage*</b>	<b>Projected Employment Change (%), 2014-2024</b>
<b>1</b>	31-1014	Nursing Assistants	19.7%	\$15.82	+16.0%
<b>2</b>	39-9021	Personal Care Aides	13.0%	\$11.92	+31.1%
<b>3</b>	31-1011	Home Health Aides	9.3%	\$11.60	+45.3%
<b>4</b>	29-2061	Licensed Practical and Licensed Vocational Nurses	7.3%	\$23.26	+18.1%
<b>5</b>	29-1141	Registered Nurses	6.0%	\$36.36	+17.1%

Sources: Occupational Employment Statistics; Employment Projections program

\*Note: Listed occupational wage is specific to this industry



**Appendix Table 3:  
Five Most Common Occupations,  
NAICS Industries 6211, 6212, and 6213:  
Offices of Health Practitioners,  
New York State, 2015**

Rank	SOC Code	Occupational Title	% Share of Industry Workforce	Median Hourly Wage*	Projected Employment Change (%), 2014-2024
1	43-4171	Receptionists and Information Clerks	14.1%	\$14.83	+17.1%
2	43-6014	Secretaries and Administrative Assistants (Excl. Legal, Medical)	7.0%	\$17.35	+10.0%
3	31-9091	Dental Assistants	6.7%	\$16.96	+19.0%
4	31-9092	Medical Assistants	6.5%	\$15.94	+23.7%
5	29-1069	Physicians and Surgeons, All Other	5.3%	\$113.09**	+13.5%

Sources: Occupational Employment Statistics; Employment Projections program

\*Note: Listed occupational wage is specific to this industry

\*\*Note: Listed occupational wage is mean wage

**Appendix Table 4:  
Five Most Common Occupations,  
NAICS Industry 6216:  
Home Health Care Services,  
New York State, 2015**

<b>Rank</b>	<b>SOC Code</b>	<b>Occupational Title</b>	<b>% Share of Industry Workforce</b>	<b>Median Hourly Wage*</b>	<b>Projected Employment Change (%), 2014-2024</b>
<b>1</b>	31-1011	Home Health Aides	59.2%	\$10.90	+45.3%
<b>2</b>	39-9021	Personal Care Aides	16.9%	\$11.14	+31.1%
<b>3</b>	29-1141	Registered Nurses	8.1%	\$40.00	+17.1%
<b>4</b>	29-2061	Licensed Practical and Licensed Vocational Nurses	2.8%	\$22.61	+18.1%
<b>5</b>	29-1123	Physical Therapists	1.2%	\$45.22	+29.3%

Sources: Occupational Employment Statistics; Employment Projections program

\*Note: Listed occupational wage is specific to this industry

**Appendix Table 5:  
Five Most Common Occupations,  
NAICS Industries 6214, 6215, and 6219:  
Outpatient, Laboratory, and Other Ambulatory Care Services,  
New York State, 2015**

Rank	SOC Code	Occupational Title	% Share of Industry Workforce	Median Hourly Wage*	Projected Employment Change (%), 2014-2024
1	29-2041	Emergency Medical Technicians and Paramedics	11.3%	\$14.81	+29.1%
2	29-1141	Registered Nurses	9.6%	\$35.11	+17.1%
3	31-9097	Phlebotomists	4.2%	\$18.43	+24.8%
4	43-4171	Receptionists and Information Clerks	3.8%	\$16.88	+17.1%
5	21-1023	Mental Health and Substance Abuse Social Workers	3.3%	\$23.40	+22.5%

Sources: Occupational Employment Statistics; Employment Projections program

\*Note: Listed occupational wage is specific to this industry

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