

HEALTH CARE INDUSTRY INFORMATION
TRENDS, STATISTICS, FACTS AND FIGURES

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CAPITOL BUSINESS

Significant Points

- As one of the largest industries in 2008, healthcare provided 14.3 million jobs for wage and salary workers.
- Ten of the 20 fastest growing occupations are healthcare related.
- Healthcare will generate 3.2 million new wage and salary jobs between 2008 and 2018, more than any other industry, largely in response to rapid growth in the elderly population.
- Most workers have jobs that require less than 4 years of college education, but health diagnosing and treating practitioners are highly educated.

Nature of the Industry

Combining medical technology and the human touch, the healthcare industry diagnoses, treats, and administers care around the clock, responding to the needs of millions of people—from newborns to the terminally ill.

Industry organization. About 595,800 establishments make up the healthcare industry; they vary greatly in terms of size, staffing patterns, and organizational structures. About 76 percent of healthcare establishments are offices of physicians, dentists, or other health practitioners. Although hospitals constitute only 1 percent of all healthcare establishments, they employ 35 percent of all workers (table 1).

Industry segment	Employment	Establishments
Table 1. Percent distribution of employment and establishments in health services by detailed industry sector, 2008		
Total	100.0	100.0
Ambulatory healthcare services	42.6	87.3
Offices of physicians	17.0	36.0
Home healthcare services	7.2	3.7
Offices of dentists	6.2	20.4
Offices of other health practitioners	4.7	19.6
Outpatient care centers	4.0	3.6
Other ambulatory healthcare services	1.8	1.4
Medical and diagnostic laboratories	1.6	2.4
Hospitals	34.6	1.3
General medical and surgical hospitals	32.5	1.0

Other specialty hospitals	1.4	0.2
Psychiatric and substance abuse hospitals	0.7	0.1
Nursing and residential care facilities	22.8	11.4
Nursing care facilities	12.2	2.8
Community care facilities for the elderly	5.2	3.5
Residential mental health facilities	4.1	4.0
Other residential care facilities	1.3	1.1

SOURCE: BLS Quarterly Census of Employment and Wages, 2008

The healthcare industry includes establishments ranging from small-town private practices of physicians who employ only one medical assistant to busy inner-city hospitals that provide thousands of diverse jobs. In 2008, around 48 percent of non-hospital healthcare establishments employed fewer than five workers. In contrast, 72 percent of hospital employees were in establishments with more than 1,000 workers.

The healthcare industry consists of the following segments:

Hospitals. Hospitals provide complete medical care, ranging from diagnostic services, to surgery, to continuous nursing care. Some hospitals specialize in treatment of the mentally ill, cancer patients, or children. Hospital-based care may be on an inpatient (overnight) or outpatient basis. The mix of workers needed varies, depending on the size, geographic location, goals, philosophy, funding, organization, and management style of the institution. As hospitals work to improve efficiency, care continues to shift from an inpatient to outpatient basis whenever possible.

Nursing and residential care facilities. Nursing care facilities provide inpatient nursing, rehabilitation, and health-related personal care to those who need continuous nursing care, but do not require hospital services. Nursing aides provide the vast majority of direct care. Other facilities, such as convalescent homes, help patients who need less assistance. Residential care facilities provide around-the-clock social and personal care to children, the elderly, and others who have limited ability to care for themselves. Workers care for residents of assisted-living facilities, alcohol and drug rehabilitation centers, group homes, and halfway houses. Nursing and medical care, however, are not the main functions of establishments providing residential care, as they are in nursing care facilities.

Offices of physicians. About 36 percent of all healthcare establishments fall into this industry segment. Physicians and surgeons practice privately or in groups of practitioners who have the same or different specialties. Many physicians and surgeons prefer to join group practices because they afford backup coverage, reduce overhead expenses, and facilitate consultation with peers. Physicians and surgeons are increasingly working as salaried employees of group medical practices, clinics, or integrated health systems.

Offices of dentists. About 20 percent of healthcare establishments are dentist's offices. Most employ only a few workers, who provide preventative, cosmetic, or emergency care. Some offices specialize in a single field of dentistry, such as orthodontics or periodontics.

Home healthcare services. Skilled nursing or medical care is sometimes provided in the home, under a physician's supervision. Home healthcare services are provided mainly to the elderly. The development of in-home medical technologies, substantial cost savings, and patients' preference for care in the home have helped change this once-small segment of the industry into one of the fastest growing healthcare services.

Offices of other health practitioners. This segment of the industry includes the offices of chiropractors, optometrists, podiatrists, occupational and physical therapists, psychologists, audiologists, speech-language pathologists, dietitians, and other health practitioners. Demand for the services of this segment is related to the ability of patients to pay, either directly or through health insurance. Hospitals and nursing facilities may contract out for these services. This segment also includes the offices of practitioners of alternative medicine, such as acupuncturists, homeopaths, hypnotherapists, and naturopaths.

Ambulatory healthcare services. This segment includes outpatient care center and medical and diagnostic laboratories. These establishments are diverse including kidney dialysis centers, outpatient mental health and substance abuse centers, blood and organ banks, and medical labs that analyze blood, do diagnostic imaging, and perform other clinical tests.

Recent developments. In the rapidly changing healthcare industry, technological advances have made many new procedures and methods of diagnosis and treatment possible. Clinical developments, such as infection control, less invasive surgical techniques, advances in reproductive technology, and gene therapy for cancer treatment, continue to increase the longevity and improve the quality of life of many Americans. Advances in medical technology also have improved the survival rates of trauma victims and the severely ill, who need extensive care from therapists and social workers as well as other support personnel.

In addition, advances in information technology have a perceived improvement on patient care and worker efficiency. Devices such as hand-held computers are used record a patient's medical history. Information on vital signs and orders for tests are transferred electronically to a main database; this process eliminates the need for paper and reduces recordkeeping errors. Adoption of electronic health records is, however, relatively low presently.

Cost containment also is shaping the healthcare industry, as shown by the growing emphasis on providing services on an outpatient, ambulatory basis; limiting unnecessary or low-priority services; and stressing preventive care, which reduces the potential cost of undiagnosed, untreated medical conditions. Enrollment in managed care programs—predominantly preferred provider organizations, health maintenance organizations, and hybrid plans such as point-of-service programs—continues to grow. These prepaid plans provide comprehensive coverage to members and control health insurance costs by emphasizing preventive care. Cost effectiveness also is improved with the increased use of integrated delivery systems, which combine two or more segments of the industry to increase efficiency through the streamlining of functions, primarily financial and managerial. These changes will continue to reshape not only the nature of the healthcare workforce, but also the manner in which healthcare is provided.

Various healthcare reforms are presently under consideration. These reforms may affect the number of people covered by some form of health insurance, the number of people being treated by healthcare providers, and the number and type of healthcare procedures that will be performed.

Working Conditions

Recent developments. Average weekly hours of nonsupervisory workers in private healthcare varied among the different segments of the industry. Workers in offices of dentists averaged only 27.4 hours per week in 2008, while those in psychiatric and substance abuse hospitals averaged 35 hours, compared with 33.6 hours for all private industry.

Many workers in the healthcare industry are on part-time schedules. Part-time workers made up about 20 percent of the healthcare workforce as a whole in 2008, but accounted for 37 percent of workers in offices of dentists and 32 percent of those in offices of other health practitioners. Many healthcare establishments operate around the clock and need staff at all hours. Shift work is common in some occupations, such as registered nurses. It is not uncommon for healthcare workers hold more than one part-time job.

Work environment. In 2008, the incidence of occupational injury and illness in hospitals was higher than the average for private industry overall. Nursing care facilities had an even higher rate.

Healthcare workers involved in direct patient care must take precautions to prevent back strain from lifting patients and equipment; to minimize exposure to radiation and caustic chemicals; and to guard against

infectious diseases. Home care personnel and other healthcare workers who travel as part of their job are exposed to the possibility of being injured in highway accidents.

Employment

As one of the largest industries in 2008, healthcare provided 14.3 million jobs for wage and salary workers. About 40 percent were in hospitals; another 21 percent were in nursing and residential care facilities; and 16 percent were in offices of physicians.

Healthcare jobs are found throughout the country, but they are concentrated in metropolitan areas.

Occupations in the Industry

Healthcare firms employ large numbers of workers in professional and service occupations. Together, these two occupational groups account for 76 percent of jobs in the industry (table 2). The next largest share of jobs, 18 percent, is in office and administrative support. Management, business, and financial operations occupations account for only 4 percent of employment. Other occupations in healthcare made up only 2 percent of the total.

Professional occupations, such as *physicians and surgeons, dentists, registered nurses, social workers, and physical therapists*, usually require at least a bachelor's degree in a specialized field or higher education in a specific health field, although *registered nurses* also may enter through associate degree or diploma programs. Professional workers often have high levels of responsibility and complex duties. In addition to providing services, these workers may supervise other workers or conduct research. Some professional occupations, such as medical and health services managers, have little to no contact with patients.

Health technologists and technicians work in many fast-growing occupations, such as *medical records and health information technicians, diagnostic medical sonographers, radiologic technologists and technicians, and dental hygienists*. These workers may operate medical equipment and assist health diagnosing and treating practitioners. These technologists and technicians are typically graduates of 1-year or 2-year postsecondary training programs. Service occupations attract many workers with little or no specialized education or training. For instance, some of these workers are *nursing aides, home health aides, building cleaning workers, dental assistants, medical assistants, and personal and home care aides*. *Nursing or home health aides* provide health-related services for ill, injured, disabled, elderly, or infirm individuals either in institutions or in their homes. By providing routine personal care services, *personal and home care aides* help elderly, disabled, and ill persons live in their own homes instead of in an institution. With experience and, in some cases, further education and training, service workers may advance to higher-level positions or transfer to new occupations.

Each segment of the healthcare industry provides a different mix of wage and salary health-related jobs.

Hospitals. Hospitals employ workers with all levels of education and training, thereby providing a wider variety of opportunities than is offered by other segments of the healthcare industry. About 28 percent of hospital workers are registered nurses. Hospitals also employ many physicians and surgeons, therapists, and social workers. About 21 percent of hospital jobs are in a service occupation, such as nursing, psychiatric, and home health aides, or building cleaning workers. Hospitals also employ large numbers of office and administrative support workers.

Nursing and residential care facilities. About 63 percent of nursing and residential care facility jobs are in service occupations, primarily nursing, psychiatric, and home health aides. Professional and administrative support occupations make up a much smaller percentage of employment in this segment, compared with other parts of the healthcare industry. Federal law requires nursing facilities to have licensed personnel on hand 24 hours a day and to maintain an appropriate level of care.

Offices of physicians. Many of the jobs in offices of physicians are in professional and related occupations, primarily physicians, surgeons, and registered nurses. About 37 percent of all jobs, however, are in office and administrative support occupations, such as receptionists and information clerks.

Offices of dentists. Roughly 35 percent of all jobs in this segment are in service occupations, mostly dental assistants. The typical staffing pattern in dentists' offices consists of one dentist with a support staff of dental hygienists and dental assistants. Larger practices are more likely to employ office managers and administrative support workers.

Home healthcare services. About 59 percent of jobs in this segment are in service occupations, mostly home health aides and personal and home care aides. Nursing and therapist jobs also account for substantial shares of employment in this segment.

Offices of other health practitioners. About 42 percent of jobs in this industry segment are professional and related occupations, including physical therapists, occupational therapists, dispensing opticians, and chiropractors. Healthcare practitioners and technical occupations and office and administrative support occupations also accounted for a significant portion of all jobs—35 percent and 31 percent, respectively.

Ambulatory healthcare services. Outpatient care centers employed high percentages of professional and related workers like counselors and registered nurses. Medical and diagnostic laboratories predominantly employ clinical laboratory and radiological technologists and technicians. Emergency medical technicians and paramedics are also employed in ambulatory services.

Occupation	Employment, 2008		Percent Change, 2008-18
	Number	Percent	
Table 2. Employment of wage and salary workers in healthcare, 2008 and projected change, 2008-2018. (Employment in thousands)			
All Occupations	14,336.0	100.0	22.5
Management, business, and financial occupations	614.6	4.3	16.8
Professional and related occupations	6,283.9	43.8	22.5
Counselors	171.3	1.2	22.6
Social workers	206.7	1.4	19.5
Dietitians and nutritionists	35.5	0.3	9.8
Pharmacists	67.5	0.5	14.0
Physicians and surgeons	512.5	3.6	26.0
Physician assistants	66.2	0.5	41.3
Registered nurses	2,192.4	15.3	23.4

Clinical laboratory technologists and technicians	278.8	1.9	14.0
Emergency medical technicians and paramedics	142.1	1.0	9.2
Licensed practical and licensed vocational nurses	619.1	4.3	21.9
Office and administrative support occupations	2,540.3	17.7	19.7
Billing and posting clerks and machine operators	194.8	1.4	19.7
Receptionists and information clerks	386.3	2.7	16.1
Secretaries and administrative assistants	770.7	5.4	26.5

NOTE: Columns may not add to total due to omission of occupations with small employment.

SOURCE: BLS National Employment Matrix, 2008-18.

Training and Advancement

A wide variety of people with various educational backgrounds are necessary for the healthcare industry to function. The healthcare industry employs some highly educated occupations that often require many years of training beyond graduate school. However, most of the occupations in the healthcare industry require less than four years of college.

A variety of postsecondary programs provide specialized training for jobs in healthcare. People interested in a career as a health diagnosing and treating practitioner—such as physicians and surgeons, optometrists, physical therapists, or audiologists—should be prepared to complete graduate school coupled with many years of education and training beyond college. A few healthcare workers need bachelor's degrees like social workers, health service managers, and some RNs. A majority of the technologist and technician occupations require a certificate or an associate degree; these programs usually have both classroom and clinical instruction and last about 2 years.

The healthcare industry also provides many job opportunities for people without specialized training beyond high school. In fact, 47 percent of workers in nursing and residential care facilities have a high school diploma or less, as do 20 percent of workers in hospitals.

Some healthcare establishments provide on-the-job or classroom training, as well as continuing education. Most healthcare workers that do not have postsecondary healthcare training and work directly with patients will receive some on-the-job training. These occupations include nursing aides, orderlies, and attendants; psychiatric aides; home health aides; physical therapist aides; and EKG technicians. Hospitals are more likely than other facilities to have the resources and incentive to provide training programs and advancement opportunities to their employees. In other segments of healthcare, the variety of positions and advancement opportunities are more limited. Larger establishments usually offer a broader range of opportunities.

Some hospitals provide training or tuition assistance in return for a promise to work at their facility for a particular length of time after graduation. Nursing facilities may have similar programs. Some hospitals have

cross-training programs that train their workers—through formal college programs, continuing education, or in-house training—to perform functions outside their specialties.

Persons considering careers in healthcare should have a strong desire to help others, genuine concern for the welfare of patients and clients, and an ability to deal with people of diverse backgrounds in stressful situations. Many of the healthcare jobs that are regulated by State licensure require healthcare professionals to complete continuing education at regular intervals to maintain valid licensure.

Opportunities for advancement will vary depending on the occupation itself. Healthcare service assistants and aides may advance to positions with more responsibility with years of experience or additional education or training. Health technologists and technicians often advance by becoming credentialed in a specialty within their field or with additional education or training. Health professionals may advance to managerial or administrative positions.

Outlook

Healthcare will generate 3.2 million new wage and salary jobs between 2008 and 2018, more than any other industry, largely in response to rapid growth in the elderly population. Ten of the twenty fastest growing occupations are related to healthcare. Many job openings should arise in all healthcare employment settings as a result of employment growth and the need to replace workers who retire or leave their jobs for other reasons.

Employment change. Wage and salary employment in the healthcare industry is projected to increase 22 percent through 2018, compared with 11 percent for all industries combined (table 3). Employment growth is expected to account for about 22 percent of all wage and salary jobs added to the economy over the 2008-18 period. Projected rates of employment growth for the various segments of the industry range from 10 percent in hospitals, the largest and slowest growing industry segment, to 46 percent in the much smaller home healthcare services.

Industry segment	2008 Employment	2008-18 Percent change
Table 3. Employment in healthcare by industry segment, 2008 and projected change, 2008-18 (Employment in thousands)		
Healthcare, total	14,336.0	22.5
Hospitals, public and private	5,667.2	10.1
Nursing and residential care facilities	3,008.0	21.2
Offices of physicians	2,265.7	34.1
Home healthcare services	958.0	46.1
Offices of dentists	818.8	28.5
Offices of other health practitioners	628.8	41.3
Outpatient care centers	532.5	38.6
Other ambulatory healthcare services	238.5	6.8
Medical and diagnostic laboratories	218.5	39.8

SOURCE: BLS National Employment Matrix, 2008-18

Employment in healthcare will continue to grow due to many contributing factors. The proportion of the population in older age groups will grow faster than the total population between 2008 and 2018. In addition, older persons have a higher incidence of injury and illness and often take longer to heal from maladies. As a result, demand for healthcare will increase, especially in employment settings specializing in gerontology care for the elderly. Employment in home healthcare and nursing and residential care should increase rapidly as life expectancies rise, and families are less able to care for their elder family members and rely more on long-term care facilities.

Advances in medical technology will continue to improve the survival rate of severely ill and injured patients, who will then need extensive therapy and care. New technologies will continue to enable earlier diagnoses of many diseases which often increases the ability to treat conditions that were previously not treatable. Industry growth also will occur as a result of the shift from inpatient to less expensive outpatient and home healthcare because of improvements in diagnostic tests and surgical procedures, along with patients' desires to be treated at home.

Many of the occupations projected to grow the fastest in the economy are concentrated in the healthcare industry. For example, over the 2008-18 period, total employment of home health aides is projected to increase by 50 percent, medical assistants by 34 percent, physical therapist assistants by 33 percent, and physician assistants by 39 percent.

Rapid growth is expected for workers in occupations concentrated outside the inpatient hospital sector, such as pharmacy technicians and personal and home care aides. Because of cost pressures, many healthcare facilities will adjust their staffing patterns to reduce labor costs. Where patient care demands and regulations allow, healthcare facilities will substitute lower paid providers and will cross-train their workforces. Many facilities have cut the number of middle managers, while simultaneously creating new managerial positions as the facilities diversify. Traditional inpatient hospital positions are no longer the only option for many future healthcare workers; persons seeking a career in the field must be willing to work in various employment settings. Hospitals will be the slowest growing segment within the healthcare industry because of efforts to control hospital costs and the increasing use of outpatient clinics and other alternative care sites.

Demand for dental care will rise due to greater retention of natural teeth by middle-aged and older persons, greater awareness of the importance of dental care, and an increased ability to pay for services. Dentists will use support personnel such as dental hygienists and assistants to help meet their increased workloads.

Job prospects. Many job openings should arise in all employment settings as a result of employment growth and the need to replace workers who retire or leave their jobs for other reasons. Tougher immigration rules that are slowing the numbers of foreign healthcare workers entering the United States should make it easier to get a job in this industry.

Occupations with the most replacement openings are usually large, with high turnover stemming from low pay and status, poor benefits, low training requirements, and a high proportion of young and part-time workers. Nursing aides, orderlies and attendants, and home health aides are among the occupations adding the most new jobs in this industry between 2008 and 2018, about 592,200 combined. In contrast, occupations with relatively few replacement openings—such as physicians and surgeons—are characterized by high pay and status, lengthy training requirements, and a high proportion of full-time workers.

Another occupation that is expected to have many openings is registered nurses. The median age of registered nurses is increasing, and not enough younger workers are replacing them. As a result, employers in some parts of the country are reporting difficulties in attracting and retaining nurses. Healthcare workers at all levels of education and training will continue to be in demand. In many cases, it may be easier for jobseekers with health-specific training to obtain jobs and advance in their careers. Specialized clinical training is a requirement for many jobs in healthcare and is an asset even for many administrative jobs that do not specifically require it.

Earnings

Industry earnings. Average earnings of nonsupervisory workers in most healthcare segments are higher than the average for all private industry, with hospital workers earning considerably more than the average and those employed in nursing and residential care facilities and home healthcare services earning less (table 4). Average earnings often are higher in hospitals because the percentage of jobs requiring higher levels of education and training is greater than in other segments. Those segments of the industry with lower earnings employ large numbers of part-time service workers.

Industry segment	Earnings		
	Hourly	Weekly	Weekly hours
Table 4. Average earnings and hours of nonsupervisory workers in healthcare by industry segment, 2008			
Total, private industry	\$18.08	\$608	33.6
Healthcare	20.38	678	33.2
Hospitals, public and private	23.99	866	36.1
Medical and diagnostic laboratories	23.21	804	34.6
Offices of dentists	22.36	613	27.4
Offices of physicians	22.09	732	33.1
Outpatient care centers	21.13	718	34.0
Offices of other health practitioners	19.35	543	28.0
Home healthcare services	16.17	478	29.6
Other ambulatory healthcare services	15.76	571	36.3
Nursing and residential care facilities	13.70	439	32.1

SOURCE: BLS Current Employment Statistics, 2008.

As in most industries, professionals and managers working in healthcare typically earn more than other workers in the industry. Wages in individual healthcare occupations vary as widely as the duties, level of education and training, and amount of responsibility required by the occupation (table 5). Some establishments offer tuition reimbursement, paid training, child day care services, and flexible work hours. Healthcare establishments that must be staffed around the clock to care for patients and handle emergencies often pay premiums for overtime and weekend work, holidays, late shifts, and time spent on call.

Occupation	Ambulatory healthcare services	Hospitals	Nursing and residential care services	All industries
Table 5. Median hourly wages of the largest occupations in healthcare, May 2008				
Registered nurses	\$28.65	\$30.71	\$27.20	\$30.03

Licensed practical and licensed vocational nurses	17.82	18.37	19.44	18.77
Dental assistants	15.53	16.17	14.46	15.57
Medical secretaries	14.31	14.21	13.49	14.27
Medical assistants	13.59	14.32	11.83	13.60
Receptionists and information clerks	12.33	12.75	10.64	11.80
Office clerks, general	11.96	13.33	11.91	12.17
Nursing aides, orderlies, and attendants	11.37	12.03	11.07	11.46
Home health aides	9.73	11.58	9.81	9.84
Maids and housekeeping cleaners	9.62	10.28	9.21	9.13

SOURCE: BLS Occupational Employment Statistics, May 2008.

Earnings vary not only by type of establishment and occupation, but also by size; salaries tend to be higher in larger hospitals and group practices. Geographic location also can affect earnings.

Benefits and union membership. Healthcare workers generally receive standard benefits, such as health insurance, paid vacation and sick leave, and pension plans. However, benefits can vary greatly by occupation and by employer.

Although some hospitals have unions, the healthcare industry is not heavily unionized. In 2008, 17 percent of workers in hospitals were members of unions or covered by union contracts, while all other healthcare sectors had rates below the 14 percent average for all industries