

MEMORANDUM

600 ATLANTIC AVENUE • BOSTON MA 02210 WWW.BOS.FRB.ORG

NEW ENGLAND PUBLIC POLICY CENTER

This memorandum is preliminary in nature and subject to revision and review. Any views expressed are not necessarily those of the Federal Reserve Bank of Boston or of the Federal Reserve System.

To: Neal Pierce, Washington Post Writers Group
From: Alicia Sasser and Matthew P. Nagowski
Date: March 3, 2006
Re: Health care employment across New England and the nation

This memo is in response to an inquiry concerning health care employment across the six New England states relative to the nation.

Table 1 presents health care workers as a percentage of the total workforce and the number of health care workers per 1,000 people for all 50 states (and the District of Columbia) for 2004 (the latest year for which data of this sort are available). Each state's relative ranking is provided in parentheses. Note that eight states have unreported employment statistics, either for the entire health care industry or for some subset of it. As a result, no ranking could be calculated for these states. At the bottom of the table, we provide the averages across all 43 states with data, as well as for New England as a whole, are provided for comparative purposes.

In general, the New England region enjoyed a relatively high level of health care workers in 2004. Five of the six New England states fell within the top quartile of both rankings—the sole exception being New Hampshire. Maine in particular stood out, ranking 2nd for its share of health care workers in the labor force and 4th for the number of health care workers per 1000 people. Among the six New England states combined, the region contained 54.8 health care workers per 1,000 people (11.4 percent of total workers) compared with 40.5 health care workers per 1,000 people (9.1 percent of total workers) across all 43 states with data available.

How has the region's density of health care workers changed over time? Figures 1A and 1B provide a historical look at New England's health care workforce for the 15-year period from 1990 to 2004. Relative to the rest of the nation, New England has historically enjoyed a higher number of health care workers per capita. Over this time period, no New England state employed fewer workers per capita than the national average.

Moreover, as demonstrated in Figures 2A and 2B, the health care workforce as a percentage of total employment also increased between 1990 and 2004. The New England region witnessed faster health care employment growth than the U.S as a whole; health care workers as a percent of the labor force grew by 22.3 percent in New England, while increasing by only 20.1 percent across the nation.



New England Public Policy Center http://www.bos.frb.org/economic/neppc/ neppc@bos.frb.org 617-973-4257 Among the New England states, Maine experienced the largest increase in its health care workforce. The number of health care workers per 1,000 people in Maine increased from 39.6 to 57.1 between 1990 and 2004—a 44 percent gain. Meanwhile, Massachusetts experienced the slowest growth in its health care workforce, lagging behind the national growth rate by close to four percentage points in terms of health care workers per 1,000 residents.

Figure 3 shows the absolute change in health care employment, by sub-sector, between 1990 and 2004. Clearly, ambulatory sector employment has increased the most over the 15-year period. Both Vermont and Maine experienced absolute growth in the ambulatory health care work force in excess of 75 percent, mirroring the national trend. For all other health care sub-sectors across the New England states, absolute employment growth has lagged behind the national rate.

The distribution of the health care workforce across the three different health care sub-sectors has also changed over time, and Figures 4A and 4B depict these changes between 1990 and 2004. Nationwide, the share of workers in the ambulatory sub-sector has grown relative to the share of workers in hospitals. Interestingly, the opposite has occurred in New England, where hospital employment has grown relative to the ambulatory sub-sector. Employment in the third sub-sector—residential and nursing care—has stayed flat relative to ambulatory and hospital employment for both New England and the nation.

Sources

U.S. Census and Bureau of Labor Statistics, State and Area Employment Statistics http://www.bls.gov/sae/home.htm



Figure 1A: Health care workers per 1,000 people

Year

Figure 1B: Health care workers per 1,000 people



Year

Figure 2A: Health care workers as a percent of total employment



Figure 2B: Health care workers as a percent of total employment



Year







■ Ambulatory ■ Hospital □ Residental and Nursing Care ■ Total Health Care Employment





Health Care Workforce - 1990

Figure 4B

Health Care Workforce - 2004



Numbers may not add perfectly due to rounding.