

Sector Profile

Healthcare

What makes up the Healthcare Sector?

According to the Bureau of Labor Statistics, the healthcare sector combines medical technology and the human touch to diagnose, treat, and administer care to the general population. The healthcare sector is typically comprised of three subsectors (listed to the right).

Why Healthcare?

The healthcare sector is one of the largest employers in California, providing a wide range of job options to residents of both urban and rural areas. With rapid population and expanded coverage under the healthcare reform, the demand for high-quality healthcare services is increasing. In order to provide these services, a sufficient pool of qualified workers is needed. Healthcare continues to add jobs, albeit at a slower pace than usual because of the recent recession. This provides job seekers with an opportunity to enter and retain employment in a wide range of health occupations and skill levels. Many of these jobs provide good wages and career advancement opportunities. Developing a competent healthcare workforce across a full spectrum of occupations is crucial for the sector and economic well-being of California.



Ambulatory Health Care Services provide direct and indirect health care services to ambulatory patients.

68,230 establishments **862,000 employees**



Nursing and Residential Care Facilities provide residential care combined with either nursing, supervisory, or other types of care as needed.

7,700 establishments **268,300 employees**



Hospitals provide medical, diagnostic, and treatment services to inpatients and some out-patient services.

1,400 establishments **497,600 employees**

INSIDER PERSPECTIVE

“The Affordable Care Act will add approximately 32 million more Americans to main stream medicine and access to healthcare. The demand for clinical, support and entry level personnel in California will increase proportionately by 10% with U.S. Medical schools, universities and community colleges galvanized to supply this increased demand. At all levels, this new work force will require those who are evidenced based, critical thinkers and technologically proficient, with one main ingredient, those with a human touch.”

— Michael Hutchinson, CEO
Kern Valley State Prison

Quick Facts

- There are approximately 77,300 healthcare sector establishments in California.
- The healthcare sector accounts for 1.6 million jobs in the state, which comprises approximately 8% of employment across all sectors.
- Over the next three years, this sector will add nearly 130,000 new jobs — growth of 8%.
- Total revenue generated by the healthcare sector in 2011 reached \$158 billion.
- Average sector earnings per worker in 2012 totaled \$70,876.

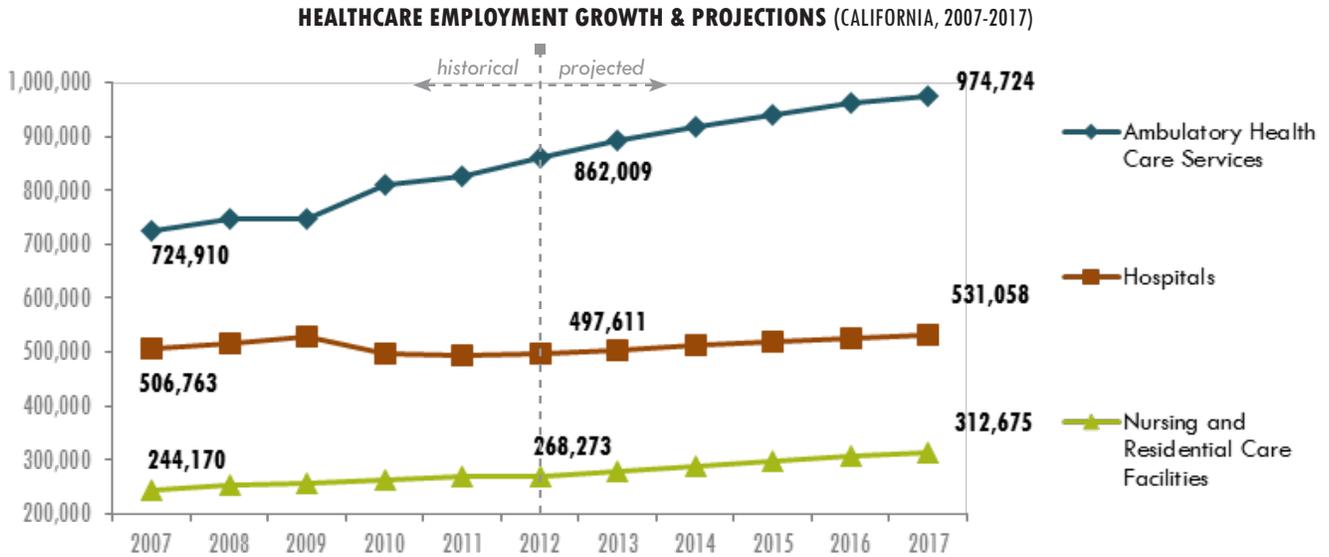
What is Driving Growth?

The healthcare sector is continually changing — several factors are currently transforming healthcare and its workforce.

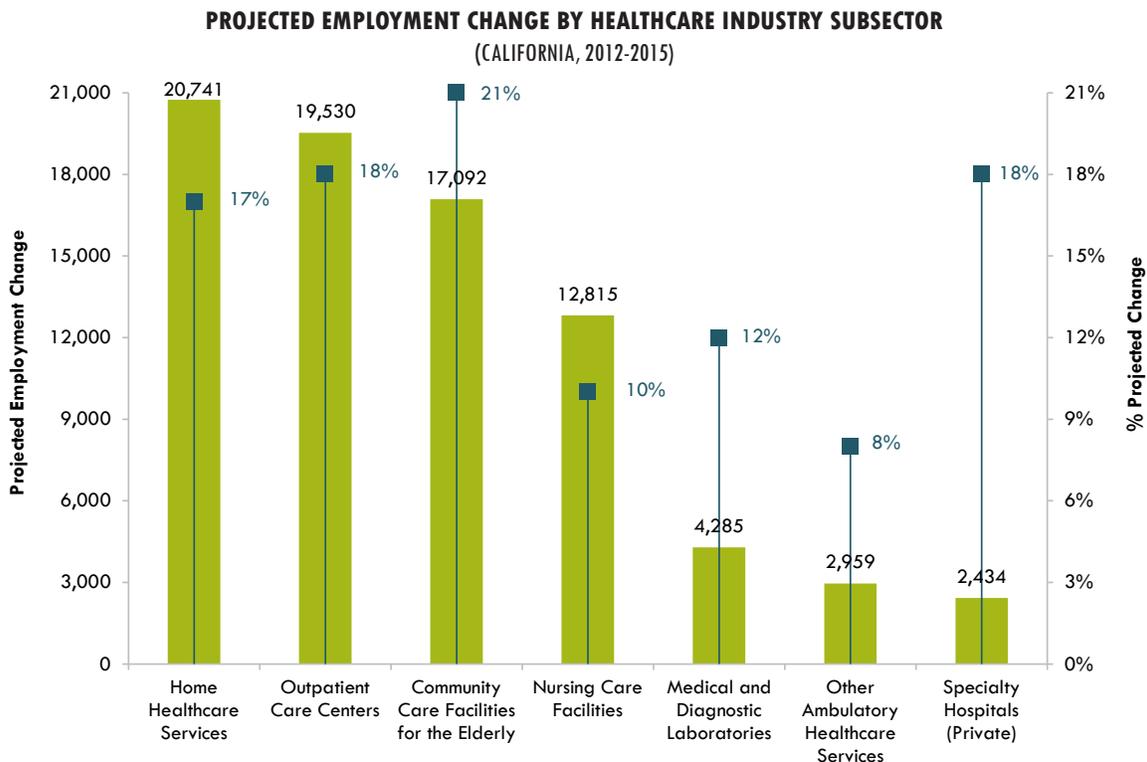
- At the national level, the Patient Protection and Affordable Care Act (PPACA) contains provisions which will, if fully implemented, create more demand for health care services and change the way services are delivered. More primary care workers, such as nurses and medical assistants, will be needed. Community colleges play a vital role in preparing the workforce for many of these jobs.
- Technological advances, such as health informatics and wireless technology, are affecting the delivery of health care and prompting changes in the skills required for traditional allied health occupations.
- Demographic factors such as a growing and aging population are creating a demand for expanded services. One-third of California’s nursing workforce is older than 50 and over half are expected to retire in the next decade.

What is the Industry Outlook?

The healthcare sector in California currently accounts for about 1.6 million jobs. The largest healthcare subsector, by number of jobs, is ambulatory health care services (725,000 jobs in 2012), followed by hospitals (507,000 jobs) and nursing and residential care facilities (244,000 jobs). In recent years, most healthcare industries grew at a moderate rate, with the exception of hospitals, which cut employment in 2010. However, the five-year employment outlook remains strong for all three healthcare subsectors.



The graphic below illustrates short-term employment change in healthcare industries by absolute number of jobs created and percentage growth relative to 2012 employment. Home health care services are slated to add the most jobs in the next three years, while community care facilities for the elderly will increase employment at the fastest rate. Other industries projected to add jobs include outpatient care centers, nursing care facilities, medical and diagnostic labs, other ambulatory health care services, and specialty hospitals. All of these industries are expected to realize substantial relative growth – between 8% and 21% by 2015.



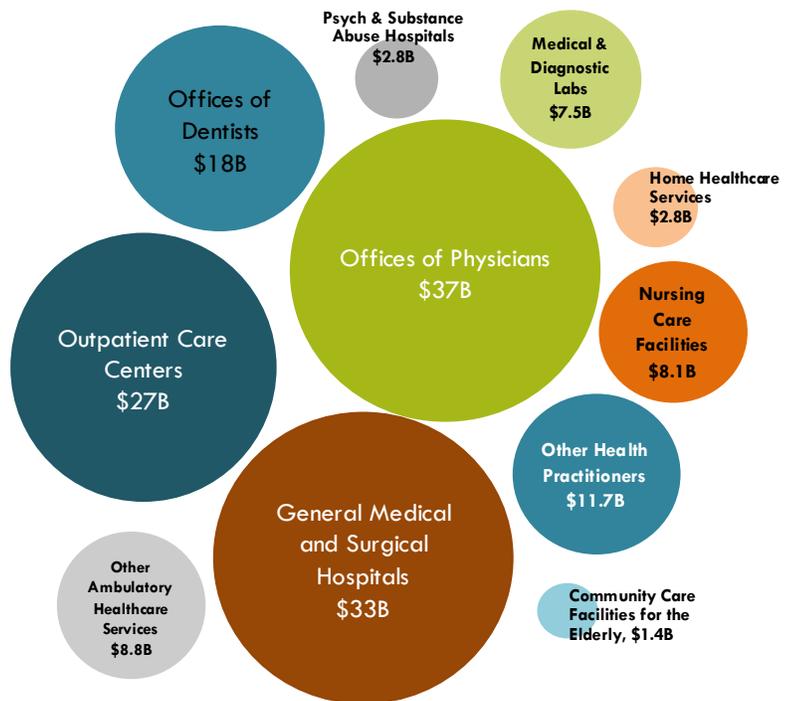
What Clusters are Driving Economic Activity?

In 2012, the California healthcare sector generated roughly \$158 billion in revenue. Offices of physicians recorded the highest sales volume (\$37 billion), accounting for nearly one-third of the healthcare sector's revenue. General medical and surgical hospitals and outpatient care centers also reported significant revenue in the same year.

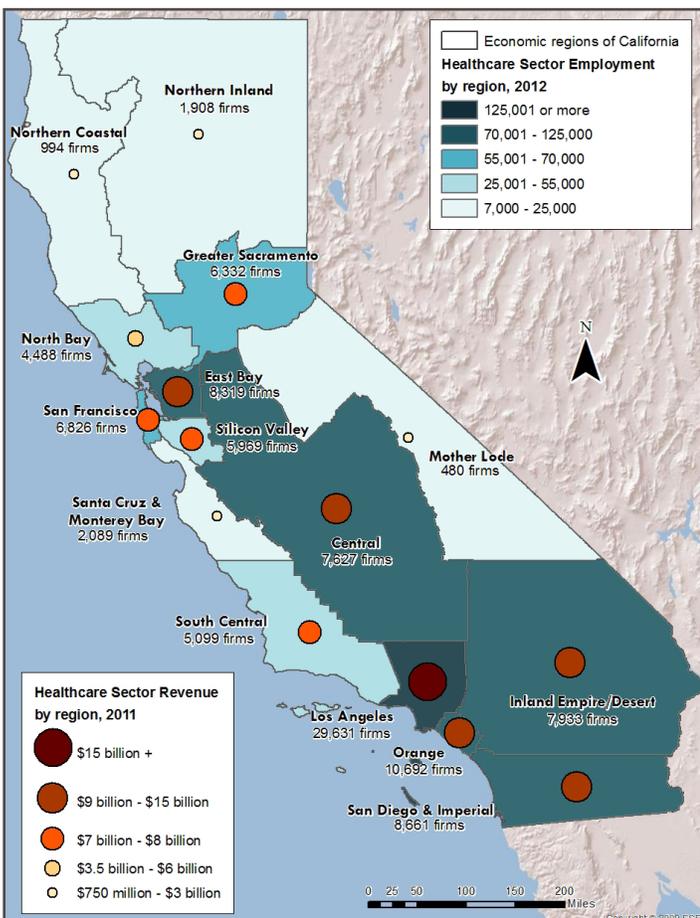
Where are the "Hot Spots"?

The Los Angeles region is home to over 29,000 healthcare sector establishments (28% of all healthcare firms in the state) and employs about 370,000 workers. Other regions with sizable numbers of healthcare firms include the Central Valley, Orange, and the Inland Empire/Desert. Notably, even in regions with fewer healthcare establishments, employment is significant to the region's economic base.

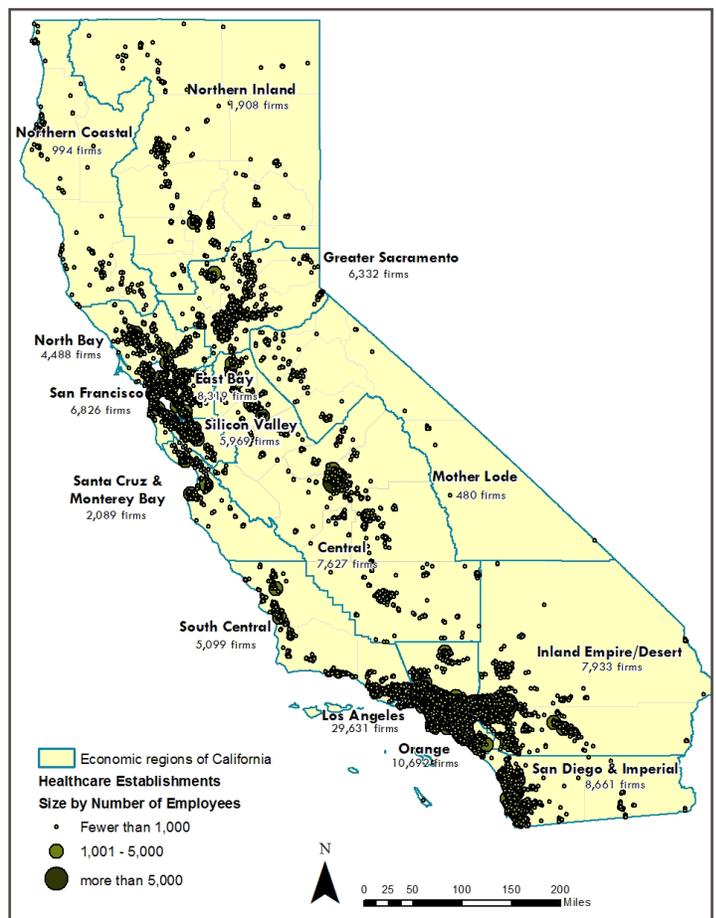
2012 REVENUE BY INDUSTRY CLUSTER



HEALTHCARE EMPLOYMENT & REVENUE BY REGION



LOCATION OF HEALTHCARE FIRMS



How Much Does It Pay?

Average annual salaries paid by the healthcare sector in California in 2012 were \$65,000, slightly higher than the national average for the same industries. Private hospitals offer the highest average pay per worker (\$87,000) followed by ambulatory health services (\$72,000) and nursing & residential care facilities (\$37,000). The highest paid community college relevant healthcare occupations include dental hygienists, nurses (vocational and registered), and technologists/technicians of various fields of practice.

TOP EARNING COMMUNITY COLLEGE RELEVANT HEALTHCARE OCCUPATIONS (CALIFORNIA, 2012)

Job Title	Annual Salary Range (25th - 75th Percentile)	Minimum Education Level
Dental hygienists	\$79,000 – \$109,000	Associate degree
Registered nurses	\$75,000 – \$106,000	Associate degree
Medical and health services managers	\$72,000 – \$122,000	Bachelor's degree
Medical and clinical lab technologists	\$65,000 – \$93,000	Bachelor's degree
Respiratory therapists	\$62,000 – \$80,000	Associate degree
Radiologic technologists and technicians	\$57,000 – \$83,000	Associate degree
Licensed vocational nurses	\$44,000 – \$59,000	Postsecondary certificate
Surgical technologists	\$43,000 – \$61,000	Postsecondary certificate
Health technologists and technicians	\$40,000 – \$55,000	Postsecondary certificate
Medical and clinical lab technicians	\$35,000 – \$50,000	Associate degree

What Jobs are in Demand?

In the next three years, the healthcare sector will need health professionals with varying levels of education. The table below shows projected demand for a workforce skilled in several fields of health, including dental, technical, administrative, and primary care. Several of the occupations expected to be in high demand by 2015 will require an Associate degree or a vocational training credential. This emphasizes the important role community colleges will play in preparing the state's healthcare workforce. Data provided in the table below is sorted by the number of job openings, which includes new and replacement jobs. Between November 2012 and February 2013, healthcare firms posted more than 170,000 online job advertisements. Individual occupational totals are shown in the column on the far right.

TOP JOB OPPORTUNITIES IN HEALTHCARE FOR COMMUNITY COLLEGE STUDENTS

Job Title	2012 Jobs	3-year Change	% Change	Replacements	Openings	Median Hourly Wage	Minimum Education Level	Online Job Postings
Registered nurses	261,339	19,032	7.3%	15,711	34,743	\$43.72	Associate degree	31,030
Nursing aides, orderlies & attendants	127,000	13,202	10.4%	6,223	19,425	\$13.35	Postsecondary certificate	2,850
Bookkeeping/accounting clerks	231,517	8,122	3.5%	6,761	14,883	\$18.95	Moderate-term OJT	405
Licensed vocational nurses	68,738	5,821	8.5%	6,146	11,967	\$24.60	Postsecondary certificate	3,115
Medical secretaries	80,787	7,168	8.9%	4,058	11,226	\$16.52	Moderate-term OJT	2,270
Medical assistants	84,699	5,273	6.2%	4,921	10,194	\$15.30	Moderate-term OJT	3,340
Dental assistants	45,536	1,955	4.3%	3,196	5,151	\$17.12	Postsecondary certificate	2,150
Medical and health services managers	31,370	1,984	6.3%	2,552	4,536	\$45.98	Bachelor's degree	7,060
Dental hygienists	21,159	1,397	6.6%	1,414	2,811	\$46.50	Associate degree	280
Radiologic technologists & technicians	18,330	1,668	9.1%	981	2,649	\$34.02	Associate degree	2,315

Not shown in the table above but deserving honorable mention were physical therapists and speech language pathologists, with 8,200 and 3,800 postings, respectively. Job posting data is also valuable for understanding skills in demand — the top skills or knowledge areas posted by healthcare employers are shown to the right.

TOP SKILLS/KNOWLEDGE AREAS REQUIRED BY EMPLOYERS

(NOVEMBER 2012 - FEBRUARY 2013)

patient care	26,290	scheduling	9,135
acute care	12,840	treatment planning	8,590
physical therapy	11,240	medical coding	7,000
advanced cardiac life support	10,700	clinical experience	6,530
case management	9,410	therapy	6,255

Data notes and sources: Data and information included in the Sector Profile were compiled from the following public and proprietary sources: American Public Health Association; the Affordable Care Act's Public Health Workforce Provisions: Opportunities and Challenges (June, 2011); Alliance for Health Reform, Health Care Workforce: Future Supply vs Demand (April, 2011); Bureau of Labor Statistics; CA Employment Development Department; Economic Modeling Specialists, Inc.; InfoGroup, Inc.; Burning Glass Technologies.