

Vital Signs: Health Care, Social Assistance Industries Thriving

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The health care and social assistance industry comprises establishments providing health care and social assistance for individuals. Both health care and social assistance are included in this sector because it is difficult to distinguish the boundary between these two activities. All industries in this sector share a common process, namely, labor inputs of health practitioners or social workers with the requisite expertise.

This article will look at the economic contribution of Oregon's health care and social assistance industry, how it is distributed throughout the state, which counties employ the largest number of workers, and show the fastest employment growth, and what may be contributing to that growth.

Where's the Money?

According to the 2002 Economic Census, health care and social assistance made up 13.1 percent of industry employment in Oregon (Graph 1). It had an annual payroll of more than \$5.5 billion, and took in gross revenues of nearly \$13.9 billion.

Ambulatory health care services brought in the most revenues at \$5.9 billion with the hospital industry a close second at \$5.3 billion. The next-highest revenue subsector was nursing and residential care facilities at \$1.4 billion followed by social assistance at \$1.1 billion.

Growth in U.S. per capita health spending has been higher than the growth in the consumer price index since 1980, according to the Kaiser Family Foundation. Expenditures on health care were nearly \$1.7 trillion in 2003 – almost two and a half times the \$696 billion spent in 1990. Hospital care contributed about 25 percent, physician services contributed about 21 percent, and prescription drugs contributed almost 16 percent of the total growth in national health expenditures between 1993 and 2003. According to the Department of Health and Human Services, Oregon's health care expenditures per capita in 1998 were \$3,334 – only 89 percent of the U.S. per capita expenditures.

Beaver State Facts

The state's workforce is spread throughout Oregon's 36 counties in a geographic area of 97,132 square miles with 295 miles of coastline. The state has three major geological differences that divide it into distinct bands running north and south – the coastal region, Willamette Valley, and the High Desert. The geographic center of the state is in Crook County, 25 miles south-southeast of Prineville. The state has claim to fame for having the deepest gorge in North America (Hell's Canyon in Wallowa County) and the deepest lake in the United States (Crater Lake in Klamath County). Oregon's population was approximately 3,504,700 in 2004 with an average civilian labor force of about 1,856,200.

In 2004, Oregon's total nonfarm employment was 1,593,918. The state's health care and social assistance sector made up 10 percent of the state's jobs covered by unemployment insurance. The sector was made up of 9,800 firms that employed nearly 166,000 workers (Graph 2). Almost one-third of the sector's workers worked in

hospitals, one-third worked in ambulatory health care, about one-fifth worked in nursing and residential care, and the rest were employed in the social assistance sector.

The Industry's Big Players

Which counties in Oregon employ the most workers in the health care and social assistance industry? In 2004, the counties with the highest employment levels in health care and social assistance were – not surprisingly – those with the largest populations: Multnomah, Washington, Lane, Clackamas, and Marion counties. The "big five" counties employed almost 108,000 – or 65 percent – of health care and social assistance workers statewide (Table 1).

Way out in front was Multnomah County, with more than 45,000 employees in 1,400 physician offices and health clinics, eight hospitals, about 330 nursing and residential care facilities, and over 470 social assistance firms. Surely its population of 685,950 was a significant contributing factor to the county's large employment in this industry. The remaining four counties each contributed between 8 and 10 percent of the state's health care and social assistance industry employment. Due to their large population base (Marion 298,450; Clackamas 356,250; Lane 333,350; and Washington 480,200), it is no surprise that these counties employed nearly two-thirds of workers in this industry in 2004.

Counties With Highest Employment Growth

Are the counties with the highest employment in health care and social assistance also the fastest growing in this industry? The results showed the "top five" included two rural counties, two in the Willamette Valley, and one in Central Oregon. Lincoln and Hood River counties were at the top of the list (Table 2).

Although the number of jobs they added was small compared with larger populated counties, Lincoln and Hood River's change in employment represented a whopping 45 percent and 29 percent growth rate, respectively. Benton County came in third, adding 765 jobs and growing by almost 20 percent. Clackamas County was fourth and the only county with both the largest employment and fastest employment growth. The county's employment grew by 15.7 percent or 1,870 from 2001 to 2004. Listing just five counties left out other areas that were close contenders. Washington, Yamhill, Douglas, and Josephine counties saw employment growth from between 12 percent and 13 percent during this period.

Factors Contributing to Growth

The following may have contributed to strong employment growth in health care and social assistance:

Hood River County

- The county is a regional service center for the west end of the Columbia Gorge: services are provided to both the Oregon and Washington sides of the Columbia River.
- Although the county's 65-and-older population decreased somewhat from 2000 to 2004, the under-65 population increased by 720, with those under 5 years increasing by 104. This population growth, which includes a growing Hispanic population, is creating more demand for health care services.

Lincoln County

- While the 5-to-64 population decreased by 465 due in part to lack of employment opportunities (e.g., decline of the forestry and fishing industries), the 65-and-older population increased by 386 due largely to the area attracting retirees to its temperate coastal climate.

- A strong hospital sector exists to respond to the demand for health services from the aging population. Although hospitals make up more than 40 percent of health care and social assistance employment, according to Samaritan Health Services, most recent employment growth has been in such social assistance sectors as vocational rehabilitation services and services for the elderly and people with disabilities.

Benton County

- Population grew by 3,597 from 2000 to 2004 with 329 residents 65 and older. The majority of employment growth occurred in nursing and residential care facilities.

Clackamas County

- The county's total population grew by 17,858 people or 5.3 percent from 2000 to 2004. Of these new residents, 1,823 were 65 or older. The county has a large, diversified health care and social assistance sector, which made up 10.3 percent of total employment.

Deschutes County

- The county population grew by a whopping 20,084 people or 17.4 percent from 2000 to 2004 and 1,817 of these residents were 65 or older.
- Because of its high desert climate and other amenities, the county is a magnet for retirees and others searching for a better quality of life. Health care workers and other professionals are drawn to the area for the same reason.
- Hospitals and clinics in Deschutes County serve as a medical hub for the entire region and also serve a number of Eastern Oregon residents.

Economic Engine – or Not

Health care and social assistance contributed \$9.8 billion or 7.6 percent to Oregon's total gross state product (GSP) of \$128.1 billion in 2004, according to the Bureau of Economic Analysis. The sector's share of total employment among Oregon's counties varied from 1.5 percent to 15.4 percent (Table 3). The industry supplied a large portion of employment (13% to 15%) in Josephine, Wasco, Benton, and Jackson counties in 2004. The largest percentage of health care and social assistance employment was 15.4 percent in Josephine County. Factors contributing to this large industry include an aging and growing population with 20 percent of residents 65 years and older, a recent hospital expansion, and people from nearby rural counties traveling to Josephine for their health care and social services.

For many counties in Eastern and Central Oregon, the industry contributed much less to the economy. Morrow, Sherman, and Jefferson counties' share of employment in health care and social assistance ranged from 1 percent to 3 percent. Residents in these less-populated counties may be using health care and social assistance services from urban centers in nearby counties.

There were a few counties that experienced job losses in the industry from 2001 to 2004. Union, Harney, and Grant counties in Eastern Oregon lost a small number of health care and social assistance workers, as did Lake and Linn counties.

Employment losses in a few of the state's rural eastern counties can be attributed to a few small business closures. Also, the less-densely populated counties may have access to substantial health care services in nearby

counties. Close proximity of health care and social services may play a part in Lake and Linn counties. Both are close to service providers in the larger cities of Deschutes, Klamath, Benton, or Marion counties.

Summary

Health care and social assistance is an important and growing industry in Oregon. It makes up 13 percent of employment and had an annual payroll of over \$5.5 billion in 2004. This industry is not equally distributed throughout the state's 36 counties. Sixty-five percent of employment is concentrated in five Willamette Valley counties. On the other hand, the counties with the highest employment growth in 2004 were more varied geographically and demographically. High employment growth factors included changes in demographics, geographic location and climate, and industry mix and concentration.

The importance of this industry to each county's economy also varies widely across the state. It contributed a large portion of employment (13% to 15%) in Josephine, Wasco, Benton and Jackson counties. It contributed much less (1.5% to 4.9%) in a number of Eastern Oregon counties, including Grant, Jefferson, Sherman, and Morrow.

Table 1

Counties with Largest Employment in Health Care and Social Assistance, Oregon, 2004

County	Average Annual Employment	Percent of State Industry Employment
Multnomah	45,674	27.6%
Washington	17,565	10.6%
Lane	17,238	10.4%
Clackamas	13,783	8.3%
Marion	13,576	8.2%
Total five-county	107,836	65.1%

Table 2

Counties With Fastest Employment Growth in Health Care and Social Assistance, 2001-2004

County	Avg. Annual Employment 2004	Change in Employment 2001-04	Percentage Change 2001-04	Percent of State Industry Employment
Lincoln	1,450	449	44.9%	0.9%
Hood River	1,338	303	29.3%	0.8%
Benton	4,652	765	19.7%	2.8%
Clackamas	13,783	1,870	15.7%	8.3%
Deschutes	6,340	769	13.8%	3.8%
Total five-county	27,563	4,156		16.7%

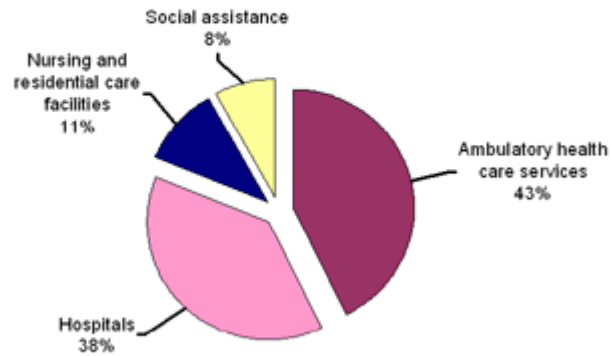
Table 3**Employment by County in Health Care and Social Assistance
Oregon, 2004 (sorted by % of total employment)**

County	Employment 2004	Change in Employment 2001-04	Percentage of Total County Employment
Josephine	3,375	357	15.4%
Wasco	1,420	57	14.5%
Benton	4,652	765	13.5%
Jackson	10,531	885	13.3%
Hood River	1,338	303	12.3%
Lane	17,238	366	12.3%
Polk	2,009	135	12.1%
Union	1,156	-24	12.1%
Baker	604	77	11.9%
Klamath	2,532	129	11.4%
Malheur	1,416	17	11.2%
Douglas	4,184	446	11.0%
Multnomah	45,674	1,677	10.9%
Deschutes	6,340	769	10.8%
Linn	3,565	-75	10.8%
Lincoln	1,450	449	10.7%
Yamhill	3,151	354	10.7%
Clatsop	1,640	57	10.4%
Marion	13,576	753	10.4%
Clackamas	13,783	1,870	10.0%
Curry	613	92	9.1%
Tillamook	736	23	8.9%
Umatilla	2,563	110	8.8%
Gilliam	65	6	8.5%
Coos	1,854	57	8.3%
Columbia	792	53	7.9%
Washington	17,565	2,032	7.8%
Crook	467	33	7.4%
Wheeler	20	14	7.0%
Wallowa	138	2	6.1%
Harney	142	-15	5.7%
Lake	118	-14	5.1%
Grant	135	-1	4.9%
Jefferson	199	23	3.1%
Sherman	10	2	1.7%
Morrow	57	6	1.5%

Graph 1

Health Care and Social Assistance Gross Receipts, Oregon, 2002

(Total Receipts: \$13.86 billion)

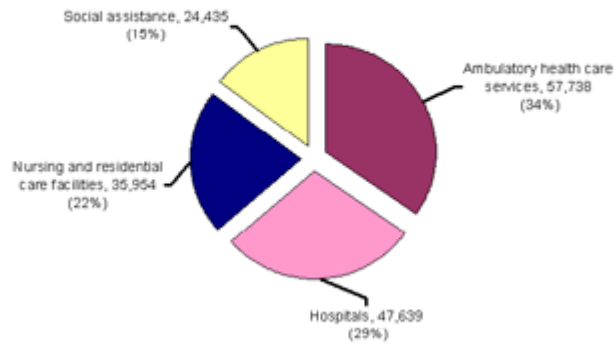


Source: 2002 Economic Census

Graph 2

Health Care and Social Assistance, Oregon 2004

(Total Industry Employment: 165,766)



[Oregon Employment Department](#)