

Health Care Employment Is Rising. Is That a Good Thing?

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FULL TEXT

There are places in America where factories have closed, mines have shut and farms have reverted to forest but hospitals and clinics are continuing to open. Health care services in such places perform two vital functions: not just caring for the sick and old but also supplying much-needed jobs. Case in point: Breathitt County in the coal fields of eastern Kentucky.

There are other places in America where the economy is strong, living standards are high and a large health care sector attracts consumer dollars from far away. Case in point: Olmsted County in southeastern Minnesota, home of the famous Mayo Clinic.

I found both types of places when I created a spreadsheet of the counties in the United States most dependent on private health care employment, using regional data from the Commerce Department's Bureau of Economic Analysis. (I couldn't easily add public-sector employment so the picture is incomplete.)

The health care and social assistance sector is already the biggest private employer in the United States, according to the Census Bureau, with 20 million employees and more than \$1 trillion in payroll as of 2018.

This sector's share of employment is projected to keep growing as the population ages. Last month the Bureau of Labor Statistics projected that health care employment would grow 16 percent from 2020 to 2030, adding 2.6 million jobs, more than any other occupation.

In a way, looking at the counties in this table is like peering into the future, because they are already dependent on health care jobs in a way that other places will soon be.

I did some reporting on the top three counties in the table. Each has a different story. Montour County in central Pennsylvania leads the list because it's a small, mostly rural county that happens to be the home of a big hospital —Geisinger Medical Center in Danville —that treats traumatic injuries and other serious health problems. The Geisinger Health System employs nearly 10,000 people in Montour County, according to economic development officials.

Geisinger helps the community in other ways too. It contributed \$300,000 for a wireless broadband system for Montour County, according to Timothy Hippensteel, a project manager of a local development agency called Drive. Geisinger also makes payments to the county in lieu of property taxes, which it doesn't owe because it's a nonprofit. "Without Geisinger, this county would not be what it is," says Ken Holdren, the chairman of the county commissioners, who worked for Geisinger in finance for 30 years before retiring. (Not everything is perfect, though, he says: The county has to pay a coroner every time someone dies in the hospital, and Covid-19 has pushed the annual cost of that to more than \$100,000.)

The biggest success story in the table is No. 2, Minnesota's Olmsted County, where the Mayo Clinic in Rochester draws patients from across the upper Midwest, as well as elsewhere in the United States and abroad. Mayo has become even more important to the city in recent years because IBM has reduced jobs there at what was once one of its bigger computer factories. "It is a true blessing to have a world-renowned health care institution based in our county," says John Wade, the president of Rochester Area Economic Development Inc.

Every county that is dependent on the health care industry must decide whether to double down on its specialty or to diversify so it doesn't have all its economic eggs in one basket. Olmsted County is open to all kinds of

employers, but it's emphasizing health care, says Patrick Seeb, the executive director of Destination Medical Center, which, despite its name, is not a hospital but an economic development agency responsible for doling out infrastructure funds from the State of Minnesota.

Seeb is trying to get people to call Rochester America's Med City. Google and Epic Systems have opened offices there to work with Mayo on, respectively, data mining and electronic medical records, he says. And now other companies are arriving because of Google and Epic. "It's concentric circles," he says.

The third county on the list is a less happy story. Kentucky's Breathitt County is in a part of Appalachia that has suffered from declining employment, dwindling population and poor health. "Health care is one of our biggest employers," says Sue Clair, who has a real estate development company in the county seat, Jackson. "We don't have any other kind of employment but that." A 40,000-square-foot industrial building was put up more than 20 years ago with public funds but has never attracted a commercial tenant. "Right now it has the Breathitt County Water District in it," she says.

Breathitt County is not alone on the list in being hard-pressed. Three of the top 10 counties are in eastern Kentucky, and another, Cumberland, is in south-central Kentucky, all of which are struggling economically. That's no coincidence. When the local economy falters, total employment dwindles, and the need for health care services increases, both of which push counties upward on the list. Kentucky has the nation's third-highest mortality rate, after West Virginia and Mississippi, according to the National Center for Health Statistics.

Kosali Simon, a health care economist who is the associate vice provost for health sciences at Indiana University in Bloomington, ran some calculations for me using her own set of data and found that the share of a county's population in poverty is a predictor of the share of its employment from health care and social assistance.

Many economists view rising health care employment nationally as a mixed blessing. "Every person employed in health care is one less person available to work in other industries," David Cutler, a health care economist at Harvard University, wrote in a 2018 article for *The JAMA Forum*, a publication of the American Medical Association. "Thus, people should work in health care only if the extra care is more valuable than the output would be in some other industry."

However, it's hard to argue that small towns and cities that are dependent on health care have too many health care jobs. If anything, they may not have enough to meet demand. "As the United States struggles with health care provider shortages, an uneven distribution of workers means that shortages are often more profound in rural areas," says the Rural Health Information Hub, a federally funded clearinghouse.

The readers write

I wholeheartedly disagree with the message in the article on college degrees.

College education is very important because of the holistic education it provides. It teaches students how to be ethical, principled and empathetic. Bill Gates and Mark Zuckerberg are examples of great technical minds who couldn't handle the complex ethics of their professions. With a college degree, they would have been better equipped to address their companies' complex ethical issues.

Based on my 22 years of I.T. experience, I can confidently say that a degree gives an employer confidence in an employee's theoretical and practical education.

I think your article sends the wrong message to young people.

Jamal Kazmi

Houston

Quote of the day

"Death may be an avenue of escape from many of the woes of life, but it is no escape from taxes."

—Judge Sterry R. Waterman of the U.S. Court of Appeals for the Second Circuit, writing in *Estate of William Kahr v. Commissioner of Internal Revenue* (1969)

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