The Health Care & Social Assistance Industry in New Mexico

The health care and social assistance sector comprises establishments providing health care and social assistance for individuals. This sector includes both health care and social assistance because it is sometimes difficult to distinguish between the boundaries of these two activities. The industries in this sector are arranged on a continuum starting with those establishments providing medical care exclusively, continuing with those providing health care and social assistance, and finally finishing with those providing only social assistance. The services provided by establishments in this sector are delivered by trained professionals.

The health care and social assistance industry comprises four three-digit North American Industry Classification System (NAICS) subsectors: ambulatory health care services; hospitals; nursing and residential care facilities; and social assistance. All four of these subsectors were present in New Mexico as of 2016. There are 39 national (detailed) industries classified within those four subsectors, all of which are present in New Mexico.

Note: All data presented are from the Quarterly Census of Employment and Wages (QCEW) program unless otherwise noted.

Current Employment

Health care and social assistance was the largest industry in New Mexico as of 2016 (out of 20 total). An annual average of 139,522 public- and private-sector jobs represented 17.3 percent of total employment. As shown in Exhibit 1, New Mexico’s industry concentration was larger than that of the U.S. as a whole (14.7 percent) and exceeded the concentrations of all other southwestern states.

The location quotient (LQ) is one measure used to identify industry specialization. An LQ is essentially a ratio of ratios that measures the concentration of an industry’s employment against the concentration of that industry’s employment in a larger reference area (e.g., the state or nation). If an LQ is equal to 1, the industry has the same share of its area employment as it does in the larger reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the larger reference area. An LQ less than 1 indicates an industry with a lesser share of the local area employment than is the case in the larger reference area. (Source: U.S. Bureau of Labor Statistics)

Exhibit 2 shows the health care and social assistance industry location quotients for all 50 states and the District of Columbia (D.C.) in 2016. New Mexico had the seventh-highest location quotient (1.25) in the country. Based on this measure, employment in the health care and social assistance industry in New Mexico is relatively large when compared to employment...
in other states. West Virginia, Massachusetts, and Maine had the largest location quotients (all above 1.30), while D.C. and Nevada had the smallest location quotients (both below 0.80).

Exhibit 3 shows the concentration of health care and social assistance jobs and the respective location quotients for New Mexico's counties. San Miguel County has the largest concentration of health care and social assistance employment (33.7 percent) as of 2016 and thus the highest location quotient (1.95). Sierra had the second-largest employment share and location quotient (27.0 percent and 1.56, respectively), followed by McKinley (25.3 percent and 1.46) and Mora (24.5 percent and 1.42). Harding and Los Alamos had the lowest shares and location quotients, at 3.2 percent and 5.6 percent and 0.18 and 0.33, respectively.

Exhibit 4 shows the distribution of jobs across the four subsectors. More than one in three jobs in the health care and social assistance industry were in the ambulatory health care services subsector. About 27.3 percent of all jobs in the industry were in hospitals, while about one-quarter were in social assistance. Jobs in the nursing and residential care facilities subsector made up 15.6 percent.

Exhibit 5 provides information on the national (detailed) industries within health care and social assistance for which data could be reported. (Note that industries with suppressed data are not included, and only private-sector data are shown due to limitations related to data suppression.) The health care and social assistance detailed industry with the most employment as of 2016 was general medical and surgical hospitals, with 21,113 jobs, representing 17.9 percent of all health care and social assistance industry employment. Services for the elderly and disabled, with 12.2 percent, had a combined employment of more than 32,000 jobs (18,386 and 14,391, respectively). Offices of physicians, except mental health, with 10.4 percent of industry employment, rounded out the list of detailed industries with more than 10 percent of health care and social assistance industry employment.

Five of the 39 detailed industries had a location quotient greater than 1.50 (when comparing locations to the national average). For example, in 2016 there were 5,886 offices of dentists in Bernalillo County, with a location quotient of 1.12. This was the highest location quotient for any county in New Mexico. The counties with the largest number of dentists were Bernalillo (5,886), Santa Fe (2,684), and Doña Ana (2,094), each with a location quotient above 1.0. The counties with the lowest location quotients were Otero (1,076), with a location quotient of 0.56, and Catron (317), with a location quotient of 0.37.

Exhibit 5 includes the employment share of major industries, location quotients, and average weekly wages for each industry. The highest employment share was for general medical and surgical hospitals, with 17.9 percent of all jobs in the industry. The highest location quotient was for nursing care facilities, with a location quotient of 1.98. The highest average weekly wage was for offices of physicians, except mental health, with $1,364. The lowest location quotient was for child day care services, with a location quotient of 0.87.
New Mexico industry share with the U.S. share), including all other outpatient care centers (2.00); services for the elderly and disabled (1.98); home health care services (1.86); medical laboratories (1.72); and temporary shelters (1.63).

The top-paying private-sector detailed industry in health care and social assistance was diagnostic imaging centers, with an average weekly wage of $1,842. Other top-five-highest-paying health care and social assistance industries included offices of physicians, except mental health, ($1,364 per week); general medical and surgical hospitals ($1,238 per week); all other outpatient care centers ($982 per week); and offices of mental health physicians ($980 per week). Services for the elderly and disabled ($301 per week) and child day care services ($372 per week) had average weekly wages that placed them among the bottom-paying health care and social assistance detailed industries in 2016.

As of the first quarter of 2016, the majority of private-sector health care and social assistance establishments (79.8 percent) employed fewer than ten people (Exhibit 6). Just 2.3 percent of all establishments in health care and social assistance employed 100 or more workers. Based on available data, employers with 20 to 49 workers had the highest average weekly wage ($789).

Historic Employment Trends

Note: Employment estimates for the health care and social assistance industry are not seasonally adjusted, making analysis of employment peaks and troughs difficult. This historical analysis, therefore, focuses on general trends.

Exhibit 7 shows the indexed monthly change in employment for January 2013 through December 2016. Employment growth in New Mexico generally trended up across all industries and in health care and social assistance specifically over the period. Employment in health care and social assistance grew at a faster pace than employment for all industries combined. Average over-the-year growth for all industries was 0.7 percent, ranging between a low of 0.1 percent (2016) and a high of 1.0 percent (2015). Average over-the-year growth in health care and social assistance was 2.9 percent, ranging between a low of 1.6 percent (2014) and a high of 4.0 percent (2015). As of December 2016, health care and social assistance employment was nearly 10.7 percent larger than employment in January 2013, while all industry employment was 4.1 percent larger. It is worth noting that Medicaid expansion in New Mexico went into effect in the latter half of 2013.

Of the four health care and social assistance subsectors, employment increased in all but one between 2013 and 2016 (see Exhibit 8). Employment losses (541 jobs, 1.2 percent loss per year) were reported in nursing and residential care facilities. The largest subsector, ambulatory health care services, grew by 4,386 jobs, or an average 3.0 percent per year. Hospitals, the next largest subsector, grew by 2,836 jobs, or 2.6 percent per year. Numeric and average annual percentage gains (4,951 jobs, 6.5 percent) were largest in social assistance.
Projected Employment Trends

Employment has been projected to grow by approximately 65,830 jobs, or 7.7 percent, between 2014 and 2024. As shown in Exhibit 9, employment in the health care and social assistance industry is projected to grow three times as fast, at a rate of 23.1 percent, representing 28,460 new jobs, than employment across all industries. Ambulatory health care services is projected to contribute the most to overall industry growth, increasing by 15,230, while growth in social assistance is projected to grow the fastest (34.9 percent) of all subsectors.

Employment at hospitals is projected to grow faster than the statewide average (9.2 percent), while jobs in nursing and residential care facilities are expected to increase by 700, or 5.1 percent.

Occupational Composition

Exhibit 10 provides information on the most common detailed occupations found within health care and social assistance. As of 2016, there were over 300 occupations found within the industry (based on the Standard Occupational Classification system listing of occupations). About one in four positions in the health care and social assistance industry were made up of personal care aides, nursing assistants, and home health aides, with personal care aides being the most common (data are confidential). The second most common occupation was registered nurses (13,751 jobs, or 11.2 percent of total industry employment), followed by nursing assistants (data are confidential) and medical assistants (4,678 jobs, or 3.8 percent of total employment).

The median annual wage for all occupations, not just those in health care and social assistance, was $32,900 in 2016. Three of the ten most common occupations listed in Exhibit 10 paid a higher average annual wage than the all-occupation average, with registered nurses, paying a median wage of $67,580, at the top of that list. First-line supervisors of office and administrative support workers, and licensed practical and licensed vocational nurses also had a wage that was higher than the all-occupation average. Personal care aides, the most common occupation, was among the top ten occupations within health care and social assistance that had the lowest median annual wage ($18,990).