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Social Assistance Jobs to the Rescue?

Pittsburgh area jobs continue to fall as the recession tightens its grip on the region. Bureau of Labor Statistics data for March show private payroll jobs dropping by 19,200 from the year earlier reading. Coming on the heels of February's year over year decline of 16,800, the March job count confirms a further weakening in the labor market. March 2009's payroll employment stood at its lowest March level since 1999.

Nearly every major industry classification experienced job losses. Manufacturing employment fell for the 21st consecutive month and at its present rate of decline will post an April reading under 90,000—a level not seen in many decades. And, construction jobs recorded a year over year decline for the third time in 2009. That sector had shown some resilience during 2008. Significant employment losses continued to pile up in retail as well as the leisure and hospitality sector.

Once again the exceptions to jobs cuts were found in education and the health services sector, which includes private social services providers. Growth in private education (2,100 jobs since March 2008) is being led, not surprisingly, by increases in employment in the area's colleges, universities, and professional schools (1,300).

Meanwhile, health services and social assistance job gains (3,300 year over year) are being bolstered in large part by the social assistance sub-sector. Social assistance, which includes individual and family services, vocational rehabilitation, and child day care services, accounted for 1,300 jobs or more than a third of the growth in health related jobs.

Since 2000 the region's social assistance jobs have grown by 10,000, a rise of 53 percent from the 18,000 reading nine years earlier. Meanwhile, the much touted private education sector—part of the “eds and meds” dynamo—recorded a gain of 5,600 jobs over the same period, a pickup of 11.5 percent that pales in comparison to the social assistance growth rate. Over the last nine years social assistance accounted for fully one third of health related job gains. This sub-sector is obviously a significant factor in preventing the region's employment total from falling even faster.

The social assistance job growth phenomenon is not confined to the Pittsburgh area. In March, the statewide the year over year increase in social assistance jobs reached 6,500.

And since 2000, the social assistance sector statewide has expanded by nearly 60,000 employees—a jump of 66 percent—making it one of the very fastest growing jobs categories.

While any job increases are usually seen as welcome news, especially in a recession, growth in social assistance jobs undoubtedly reflects additional demand for services brought on by the recession. As such they do not point to economic health, indeed, just the opposite. And, even though the jobs are nominally in the private sector, many of the agencies rely heavily on taxpayer funding to sustain their operations.

Furthermore, this is not a sector that produces many high-paying jobs. For example, nationwide, the average hourly wage in 2009 for workers in this sector is \$12.75. All told, growth in social assistance jobs is not unalloyed good economic news.

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