

Labor Market Report From the Verdugo Workforce Investment Board

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Special sector report

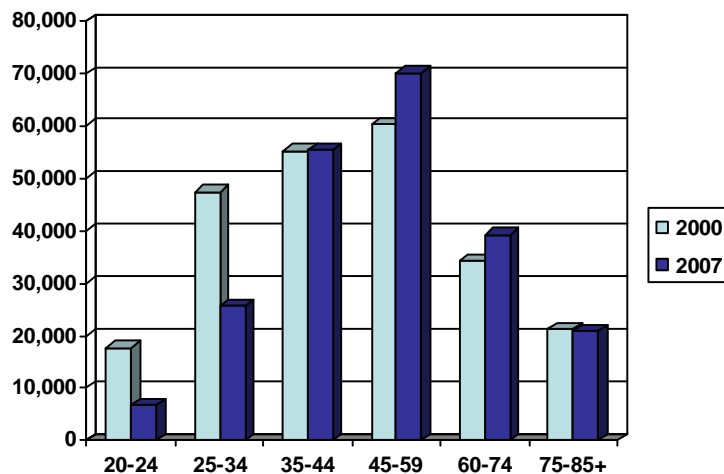
The future of health care in the Verdugo region

The local health care industry was one of the few industries that came through the recession relatively unscathed as employment held steady. The state of the health care industry is particularly important for the Verdugo region, which is comprised of Burbank, Glendale, and La Canada Flintridge, because it represents the second largest industry sector with over 24,000 employees.

What's even more remarkable is that the region is able to support 4 major medical centers within a relatively small geographic region. In the past 20 years, the number of hospitals in the San Fernando Valley, which includes the Verdugo area, has dwindled by 40% due to rising costs and competitive pressures. Yet, Verdugo hospitals remain strong. On a related note, the region also supports a very strong network of doctors, who utilize the local hospital network for patient services, and dentists' offices.

What is the future of this industry? What health care jobs will be in demand in future years?

Probably the biggest positive for the industry is the aging of a very large baby boomer population in the Verdugo region. As this population ages, it will need more medical (and dental) services. As the chart below indicates (from Census data), in the next 10 years, a large portion of the region's population will be over the age of 50.



A big uncertainty for the industry will be future health care legislation that comes out of Washington. Different versions of a national health care reform bill have had both negatives and positives for local employment, so it's uncertain what impact passage of a bill would have.

Whatever the outcome of the health bill, demand for certain types of health care jobs will remain strong as demand for services continues. A recent analysis of the four hospitals in our region showed the

following job openings for various occupations. A recent study by the California Hospital Association also showed strong demand in these same occupational areas statewide.

Job Category	Number
Nursing	88
Therapists	26
Pharmacy	6
Laboratory/Radiology	5
Grand Total	125

Jobs within the radiologic area, such as X-ray/CAT scan/MRI technicians, remain difficult to fill. Laboratory positions, such as medical technologists, are another area that's difficult to fill. Specialty areas, such as physical and occupational therapists and pharmacists, have national labor shortages.

Though nursing school graduates are having difficulty finding work, a serious nursing shortage in the region is expected to resurface as the economy moves toward recovery and demand for health care services increases. Demand for experience registered nurses in specialty areas, such as surgical nurses and critical care nurses, will always be in heavy demand.

Due to a \$22 billion stimulus investment in digitizing medical records by the Obama Administration, this new field is expected to create many jobs in the future. Doctor reimbursements for Medicare patients will also be affected by how quickly they adopt the digital medical records technology.

In conclusion, the health care industry is truly one of the economic pillars that support the Verdugo economy. With demand for service anticipated to escalate for decades in the Verdugo region, health care will continue to be a cornerstone of the local labor market.