



NIC MAP's New Employment and Wage Data Report

by Beth Burnham Mace

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Ms. Mace is a member of the National Association of Business Economists (NABE), the Urban Land Institute (ULI), ULI's Senior Housing Council and New England Women in Real Estate (NEWIRE/CREW). In 2014, she was appointed a fellow at the Homer Hoyt Institute and was awarded the title of a "Woman of Influence" in commercial real estate by Real Estate Forum Magazine and Globe Street. Ms. Mace is a graduate of Mount Holyoke College (B.A.) and the University of California (M.S.). She has also earned The Certified Business Economist™ title (CBE) from the National Association of Business Economists (NABE). Ms. Mace is often cited in the Wall Street Journal, the New York Times, Seniors Housing Business, Seniors Housing News and McKnight's Senior Living and has a bi-monthly column in the National Real Estate Investor.

With roughly 60% of a typical operator's expenses associated with its workforce, labor is a critical component of operating a seniors housing and care property. And, today with the U.S. experiencing tight labor markets across broad-based industry sectors and geographic locations, more attention than ever is being paid to labor availability and wage rates. Seniors housing and care operators and their capital partners are increasingly aware of the effect of a slowing workforce on their operations and practices. Market feasibility studies currently consider the characteristics of not only the senior and adult child-influencer demographic cohorts of a primary market area, but also its labor market characteristics. These characteristics include the availability and type of worker that can be offered a job, and the competition from other industries that exists for that same potential employee. Competition for employees to fill positions ranging from housekeeping and maintenance managers to CNAs and LPNs increasingly extends beyond seniors housing and care operators to other industry sectors as well. Anecdotal stories of decision makers aborting or postponing development or expansion plans or choosing one market over another due to a lack of skilled labor are ever more common. Moreover, tightening labor markets and rising wage rates are directly affecting bottom line.

To help provide data on the depth of local labor pools and wage levels, the NIC MAP® Data Service (NIC MAP) recently launched a new resource tool for clients on the NIC MAP web platform. The NIC MAP Bureau of Labor Statistics Employment and Wage Report is a new report that provides metropolitan area, state and national level employment and wage data for occupational job categories associated with the seniors housing and care sector. This report provides operators, developers, and capital providers the ability to benchmark the occupation-specific wage rates being used in business plans and pro forma models against national and state-level figures, in addition to offering users the means to compare metropolitan area wage rates within states for relevant occupations. Among the benefits of this new report are simplifying the task of acquiring and downloading data from the Bureau of Labor Statistics (BLS) into property level P&L statements and modeling specific wage rates for each of the labor groupings within an organization.

Under the federal government's industry classification system (NAICS), NIC has accumulated data from five separate BLS data files, collected from the BLS Occupational Employment Statistics (OES) surveys, to facilitate easy access to occupational-level wage data for the two seniors housing and care industry categories tracked by the BLS. Specifically, the report provides state and national employment data and corresponding annual/hourly wages across occupations for the skilled nursing and CCRC/assisted living sectors. In addition, the report provides state-wide metropolitan area comparisons of key occupational job titles and displays employment levels along with corresponding annual/hourly wages across these occupations.

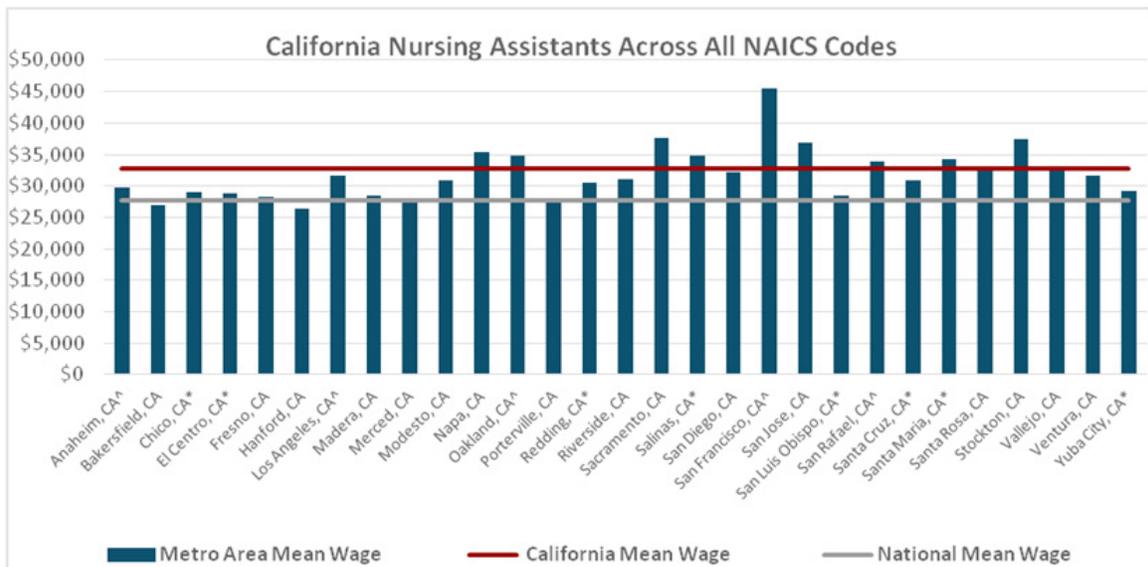
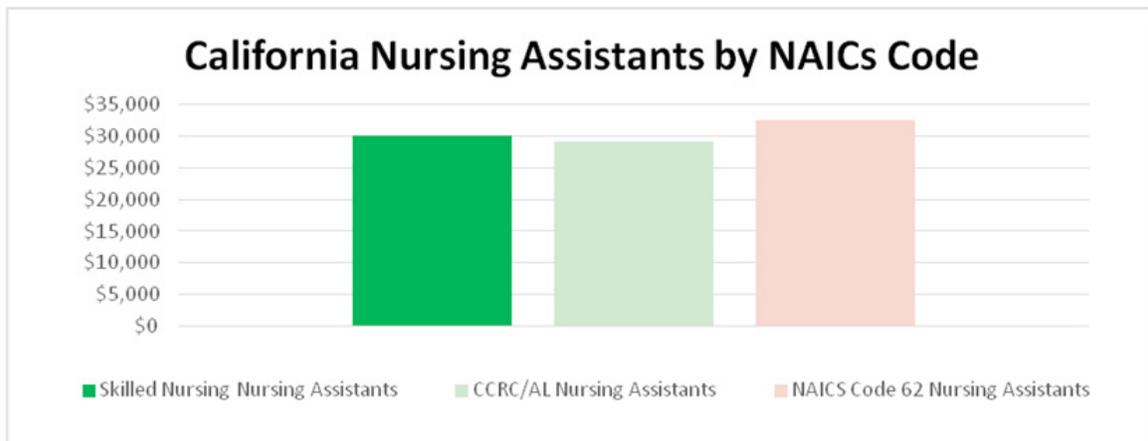
An in-depth user guide and documentation available in the Document Library of the NIC MAP Client Portal makes available descriptions of specific applications for the report. Two examples of applications of the data included in the report are offered below.

First Example: Assessment

Within each State Report are thirteen occupation-specific worksheets that compare occupation wage rates across all metropolitan areas within a state, as well as a comparison of occupation-specific wage rates for the three relevant seniors housing and care NAICS codes tracked by the BLS OES survey at the state-level:

- Skilled Nursing sector—NAICS Code 623100
- CCRC/Assisted Living sectors—NAICS Code 623300
- Health Care and Social Assistance--NAICS Code 62 (a broad category that combines the two prior industry groupings)

The two charts below (1) Nursing Assistants by NAICs Code and (2) Nursing Assistants across all NAICs Codes can be found in one of these occupation-specific worksheets (in this instance, California nursing assistants.)



- The three-bar bar chart on the worksheet displays wages at the state level for nursing assistants by these three NAICS industry codes, and shows that the average wage rate for nursing assistants in California is lower for skilled nursing and CCRC/AL industry sectors than for health care and social assistance in aggregate.
- The multi-bar bar chart on the worksheet displays wage rates for all nursing assistants within the state of California by metropolitan area, and shows that the highest wages are paid in San Francisco, followed by Stockton, Sacramento, and San Jose. The lowest wages are paid to Hanford (Kings County), Porterville (also known as the Visalia metropolitan area), and San Luis Obispo. Apart from Hanford, Merced, and Bakersfield; average nursing assistant wage rates across all metropolitan areas are higher in California than the nation.
- Combined, the two charts show relative wage rates across metropolitan areas for a specific occupation, while also providing comparison data for NAICS-specific occupation wage rates at the state-level. Looking specifically at Anaheim, for example, the combined two charts on this worksheet indicate that Nursing Assistants are paid slightly higher in the Anaheim metropolitan area than at the state-level, but lower than in San Francisco, and that wage rates tend to be lower in the two industry classifications related to seniors housing. Other occupation-specific worksheets in the California report show, for example, that physical therapists tend to be better paid in the CCRC sector than in other industry sectors, and that wages for physical therapists in the Anaheim-area are higher than the national average.

Second Example: Benchmarking

The first worksheet in the report provides employment and wage details for seventeen separate occupations relevant to the seniors housing and care sector. Specifically, the report provides state and national employment levels (number of employees) and corresponding annual/hourly wages across industry-specific occupation estimates for:

- Skilled Nursing sector—NAICs Code 623100
- CCRC/Assisted Living sectors—NAICs Code 623300
- Health Care and Social Assistance NAICs Code 62 (a broad category that combines the
- Skilled Nursing and CCRC/AL groupings)

The report, which is based on the most up-to-date data from the U.S. Bureau of Labor Statistics (2016) and released in April 2017 is compiled by NIC MAP to help operators, developers, and capital providers benchmark the occupation-specific wage rates often included in business plans and pro forma models against national and state-level figures and indices.

For example, nine of the seventeen reported occupation groups for the state of California are shown in the excerpted table below. A quick glance at the table (provided below) reveals that there were nearly 90,000 workers employed in the CCRC and Assisted Living NAIC industry classification grouping in 2016 with an average wage of \$32,000 per year (4% above the national average). Furthermore, greater than one-third of these workers were employed in the personal care and service occupations (OES code 39-000), where wages averaged \$25,000 per year (3% above the national average).

While not detailed in the table, there are many specific occupations below these main categories. Within the personal care and service occupations category for example, there are seven more specific categories which include recreation workers, personal care aides, and first-line supervisors of personal service workers among. This level of detail can be used by operators and investors to compare their wage rates with those at the state and national-level. The data could also be easily downloaded into property level P&L statements and be used to define and model specific wage rates for each of the labor groupings within an organization.

Another example, not shown in the table, is that wage rates for nursing assistants in both the CCRC/AL and skilled nursing sectors in California are 13% higher than at the national level, while personal care and service occupations are 2% lower for the skilled nursing sector.

**Bureau of Labor Statistics Employment and Wage Report
California | CCRC/AL and Skilled Nursing NAICS Codes | May 2016**

Group	CCRC and Assisted Living (NAICS Code 623300)		
	State CCRC Total Workers	State CCRC Annual Mean Wage	State CCRC Wage Index vs. National
All Occupations	89,710	\$32,100	1.04
Management Occupations	2,880	\$93,630	1.14
Business and Financial Operations Occupations	770	\$62,500	1.13
Community and Social Service Occupations	690	\$42,380	0.96
Arts Design Entertainment Sports and Media Occupations	60	\$66,470	1.29
Healthcare Practitioners and Technical Occupations	5,640	\$59,100	1.14
Protective Service Occupations	320	\$29,360	1.04
Food Preparation and Serving Related Occupations	15,330	\$27,170	1.13
Building and Grounds Cleaning and Maintenance Occupations	5,300	\$27,480	1.12
Personal Care and Service Occupations	34,580	\$25,180	1.03

Among other applications, the report also allows users to compare wage levels across and between job types and occupations for sector-specific NAICS codes at the state and national level, including the numbers of workers employed by occupation for both the skilled nursing and CCRC/AL sectors. For example, most healthcare support occupations in California are Nursing Assistants with average annual salary of approximately \$30,000. Comparatively, medical and health services managers, which comprise the majority among managerial occupations, are paid on average more than \$100,000 per year.

The NIC MAP Bureau of Labor Statistics Employment and Wage Report is designed to offer valuable insights into labor market conditions at the metropolitan area, state, and national level by providing

comprehensive data on employment levels and wage rates by occupation. The data can be used to plan, compare, and benchmark business plan and pro forma models by both operators and capital providers.

Note that the data provided in the NIC MAP Bureau of Labor Statistics Employment and Wage Report is directly from the BLS, and NIC has not altered nor reviewed it for accuracy. As with all data derived from sample surveys, OES research estimates are subject to sampling and non-sampling error.