Report: low wages equal unstable economy

Take a look at the health care jobs transition during the past decade to grasp the potential impact of a less-educated and low-wage workforce.

Instead of adding middle-class and high-paying jobs, the industry is increasingly built upon entry-level jobs (see “By the Numbers” at right). For Albany — and most other upstate New York communities — that is a big deal because health care remains the largest source of private-sector jobs.

Analysts at Brookings Institution described the troubling trend in health care as the latest example of the nation's increasingly unstable economy. They contend inequality in wages is key as fewer people make enough money to sustain significant economic growth.

Joseph Twardy, president and CEO of Visiting Nurse Service in Schenectady, counted that the shift is also part of recovering from the financial crises of 2008, when employers shed jobs and banks froze lending.

As part of the turnaround, people are getting training and developing new skills, especially in health care. The unemployed are finally finding more jobs, including at the Schenectady-based nursing company with 220 workers. Twardy said hiring has steadily increased in recent years, along with the company’s annual revenue. It has reached about $15 million, compared to $11 million in 2012.

The next step involves adding more pathways from these entry-level jobs into the middle class and beyond.

> BY THE NUMBERS

48% Part of the Albany area's health care workforce has less than a four-year degree. That's out of 19,000 health care workers. In Albany, there's still far better than many other communities. In a ranking that focused on the share of less-educated health care workers, Albany finished 64th. Compare that to Syracuse, which had the 12th largest share of less-educated health care workers, at 56 percent. Buffalo ranked 26th, with nearly 54 percent.

46% National increase of health care workers with an associate degree or less since 2000. Similarly educated workers in other occupations saw just 3 percent growth during the same period.

> DEALBOOK

ORTHOPEDIC DEAL A SIGN OF THE TIMES

Alan Okun, CEO of OrthoNY, says the days of a doctor hanging out a shingle and starting a business are long gone.

"What you're seeing is all these physicians are flocking to the hospitals," he said.

For an example, just look at OrthoNY's story. The company was formed last year by a merger that made it one of the region's largest independent physician groups.

While competing with hospitals for doctors, OrthoNY also wisely forged partnerships with them. More importantly, the company recently managed to keep pace by adding more physicians to its roster.

On July 1, OrthoNY acquired Schenectady Regional Orthopedic Associates and hired 59 of its 79 total workers, including all of the doctors at the Schenectady-based practices. OrthoNY, which already had about 200 workers, paid in the low six figures for the operation, Okun said.

With the addition of the Schenectady-based company, OrthoNY now has 11 locations in a 60-mile span, from Glens Falls south to the Albany suburb of Delmar.