

Social Assistance in the Private Sector

A small, seldom-examined industry with a large reach

The term “social assistance” is rarely used in conversation, but if you substitute “services” for “assistance,” it may sound more familiar.¹ What’s more, employment trends in this industry often get lost in the limelight of its more prominent cousin, health care. This is because in most data series, the two are paired in the broader industry category of “health care and social assistance.”

However, as a standalone industry, social assistance is an impressive performer. In 2009, it generated approximately 8,925 jobs in Alaska, or 3 percent of total wage and salary employment. (See Exhibit 1.)

¹“Social services” is a common term, but it isn’t an accurate description of this category. Social assistance encompasses multiple types of child care, including after-school and day care that parents pay for themselves, which are not considered social services.

Early estimates for 2010 put the number even higher, at nearly 9,500 jobs, with payroll exceeding \$250 million. These are very conservative numbers, because they only include private-sector employment — most of it in nonprofits. Public-sector social assistance employment is significant, but is outside the scope of this article because it isn’t represented in these data.

The University of Alaska Anchorage recently conducted a study of nonprofit agencies. Of the 1,180 public charities they identified, 492 were social service providers — the largest category of nonprofits — with a workforce of 9,352 and about \$820 million in expenditures.

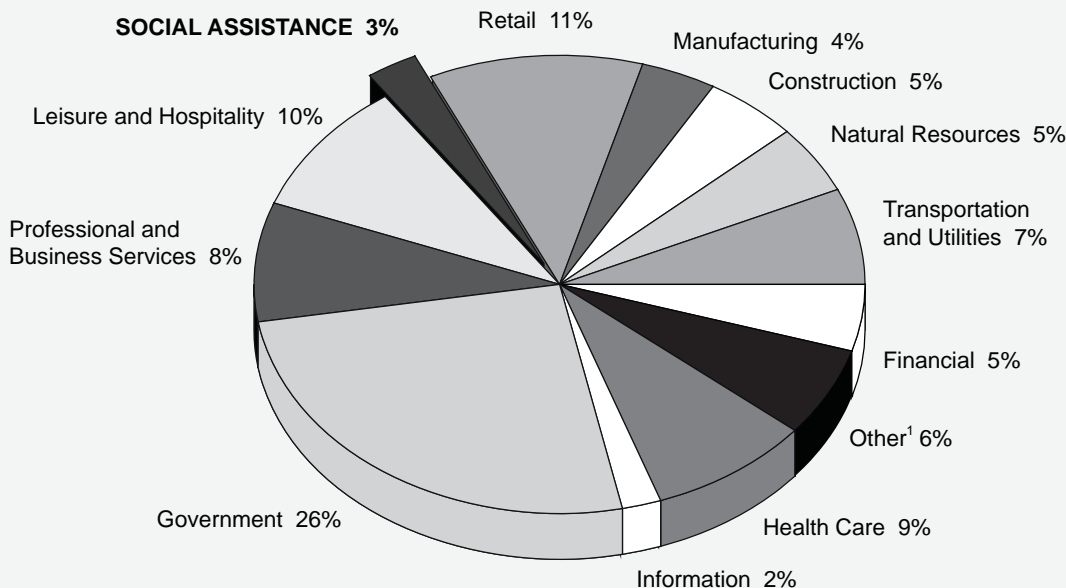
What makes up social assistance

There are four major categories of social assistance: individual family services, vocational rehabilitation, community relief (food, housing, and emergency services), and child care. (See Exhibit 2.)

With the exception of child care,² the broad role of social assistance is to provide support to at-risk populations — the mentally and physically disabled, the elderly, and the economically disadvantaged.

²See the previous footnote for an explanation of “child care” and why it does not fall under the broader mission of the other social assistance subcategories.

1 A Slice of Total Wage and Salary Employment Alaska, 2009



Note: Social assistance includes only private-sector jobs.

¹Includes other services, private education services, wholesale trade, and unclassified

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Individual family services

Individual family services has the widest range of the social assistance categories — it is also the largest. Its overarching mission is to provide for the welfare of children, the elderly, and people with disabilities. It includes foster care, adoption agencies, youth centers, day care for the elderly, senior centers, nonmedical home care, social activities, and a variety of services to improve the quality of life for vulnerable populations.

The category also comprises crisis intervention, hotlines, self-help organizations, and independent living centers whose services allow people to remain in their homes and stay connected to their communities.

Two examples of large Alaska organizations are Access Alaska and Cook Inlet Tribal Council. (See Exhibit 3.) The help they give often goes beyond the definition of this category.

Vocational rehabilitation

The second-largest group, vocational rehabilitation, is relatively well-defined. Its mission is to help people return to the workforce, and it primarily provides job counseling, job training, and work experience to people with disabilities as well as to the unemployed.

This category includes rehabilitation/habilitation facilities, which create a work environment with ample supervision and assistance for people with mental or physical disabilities.

Assets, Inc., one of the state's premier providers of vocational rehabilitation, prints *Alaska Economic Trends* in a habilitation facility located in its print shop and bindery. Assets is the state's second-largest social assistance employer and the largest in the vocational rehabilitation category. It provides employment and training for those with developmental disabilities and mental illnesses, among other support services.

Community relief

Community relief is the smallest of the four categories. The housing, food, and emergency services it provides targets low income individuals and those affected by natural disasters, fires, temporary economic setbacks, or displacement. These

2 Social Assistance Employment¹ Alaska, 2000 and 2010

	2000	2010*	Change 2000-2010
Individual Family Services	2,169	4,384	102%
Community Relief (Food, Housing, and Emergency)	579	1,009	74%
Vocational Rehabilitation	1,136	2,330	105%
Child Care	1,503	1,769	18%
Total	5,387	9,492	76%

¹Includes only private-sector jobs

*preliminary

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

agencies distribute food, clothing, and medical supplies as well as provide temporary shelter, transitional housing, and housing repair.

In 2009, 71 Alaska organizations fit into this category. The quintessential community relief organization in Alaska is The Salvation Army, the fourth-largest social assistance employer in the state. The Salvation Army provides all of the above services plus many beyond this category.

Child care

Child care services³ includes day care as well as care for preschoolers and older children when they are not in school. In 2010, 142 child care businesses reported paid employees. However, there are many small, family-run child care providers without paid employees that aren't represented in these numbers.

From the 1960s to 1990, this industry exploded as mothers began to enter the job market in record numbers. However, since the 1990s, female participation in the workforce hasn't changed much. As a result, growth is now more closely tied to changes in the population of younger children.

Impressive industry-wide growth

Although health care's share of the health care and social assistance category typically gets all the

³As noted earlier, "social assistance" as a category includes all forms of child care, including for-profit day care and after-school care that parents pay for themselves. These distinctions make child care as a category different from most of the other social assistance categories, which exist to serve at-risk or vulnerable populations.

3 Top 50 Social Assistance Providers¹ Alaska, 2009

Rank	Organization Name	Employment
1	Job Ready, Inc.	500-749
2	Assets, Inc.	250-499
3	Access Alaska	250-499
4	The Salvation Army	250-499
5	Cook Inlet Tribal Council	250-499
6	Frontier Community Services	250-499
7	REACH, Inc.	100-249
8	Fairbanks Resource Agency	100-249
9	Mat-Su Services For Children and Adults	100-249
10	Tanana Chiefs Conference	100-249
11	Kawerak, Inc.	100-249
12	Bristol Bay Native Association	100-249
13	Catholic Community Services	100-249
14	Progressive Personal Care, Inc.	100-249
15	Community Connections	100-249
16	Chugach Government Services, Inc.	100-249
17	Alaska Island Community Services	100-249
18	Center For Community	100-249
19	Easter Seals Alaska	100-249
20	Southeast Regional Resource Center	100-249
21	Alzheimer's Disease Resource Agency	100-249
22	Anchorage Community YMCA	100-249
23	Chugach McKinley, Inc.	100-249
24	Gentle Care Services	100-249
25	Bright Beginnings	50-99
26	Alaska Family Services	50-99
27	Aleutian Pribilof Island Association, Inc.	50-99
28	Catholic Social Services	50-99
29	Focus	50-99
30	Juneau Youth Services	50-99
31	Adult Learning Programs of Alaska	50-99
32	Covenant House Alaska	50-99
33	Family Centered Services of Alaska	50-99
34	Alaska Care Group, Inc. (Comfort Keepers)	50-99
35	Kids' Corp, Inc.	50-99
36	Acacia Personal Care Services	50-99
37	Vladi & Associates LLC	50-99
38	Big Brothers Big Sisters of Alaska	50-99
39	Connecting Ties, Inc.	50-99
40	Chugiak Children's Services, Inc.	1-49
41	Palmer Senior Citizens Center	1-49
42	Chugiak Senior Citizens', Inc.	1-49
43	SeaView Community Services	1-49
44	Little Red School House	1-49
45	Juneau Alliance For Mental Health, Inc. (JAMHI)	1-49
46	Crossroads Counseling and Training Services	1-49
47	Play N Learn	1-49
48	Mat-Su Activity & Respite Center	1-49
49	Home Instead Senior Care	1-49
50	Safe and Fear Free Environment, Inc. (SAFE)	1-49

¹Includes only private-sector jobs
Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

glory when it comes to growth, social assistance has been no slacker. Over the past decade, social assistance employment nearly doubled, from 5,387 in 2000 to 9,492 in 2010 — a growth rate of 76 percent. (See Exhibit 5.) These are impressive numbers, given that during the same time period, overall employment grew by only 13 percent, and even the dynamic health care industry only expanded by 57 percent.

Employment more than doubled in vocational

4 Regional Employment¹ Alaska social assistance, 2009

Area	Number of Jobs
Statewide	8,925
Aleutians East Borough	*
Aleutians West Census Area	15
Anchorage, Municipality of	3,955
Bethel Census Area	*
Bristol Bay Borough	*
Denali Borough	*
Dillingham Census Area	*
Fairbanks North Star Borough	919
Haines Borough	20
Hoonah-Angoon Census Area	*
Juneau, City and Borough of	780
Kenai Peninsula Borough	726
Ketchikan Gateway Borough	218
Kodiak Island Borough	110
Lake and Peninsula Borough	*
Matanuska-Susitna Borough	998
Nome Census Area	*
North Slope Borough	*
Northwest Arctic Borough	*
Petersburg Census Area	*
Prince of Wales Census Area	*
Sitka, City and Borough of	102
Skagway, Municipality of	8
Southeast Fairbanks Census Area	*
Valdez-Cordova Census Area	116
Wade Hampton Census Area	*
Wrangell, City and Borough of	*
Yakutat, City and Borough of	*
Yukon-Koyukuk Census Area	*

¹Includes only private-sector jobs
*Confidential or zero employment. For more on data suppression, see the box on page 8.

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

rehabilitation and individual family services, and the community relief category was not far behind. Child care employment has also grown more rapidly than the overall workforce, but moderately compared to the other players in social assistance.

Big employers around the state

In the *Alaska Economic Trends* 2010 list of the 100 largest private-sector employers in the state, seven were social assistance agencies. Because need exists everywhere, there are social assistance employment opportunities in all regions of the state — and often in places where economic opportunities are scarce. (See Exhibit 4.)

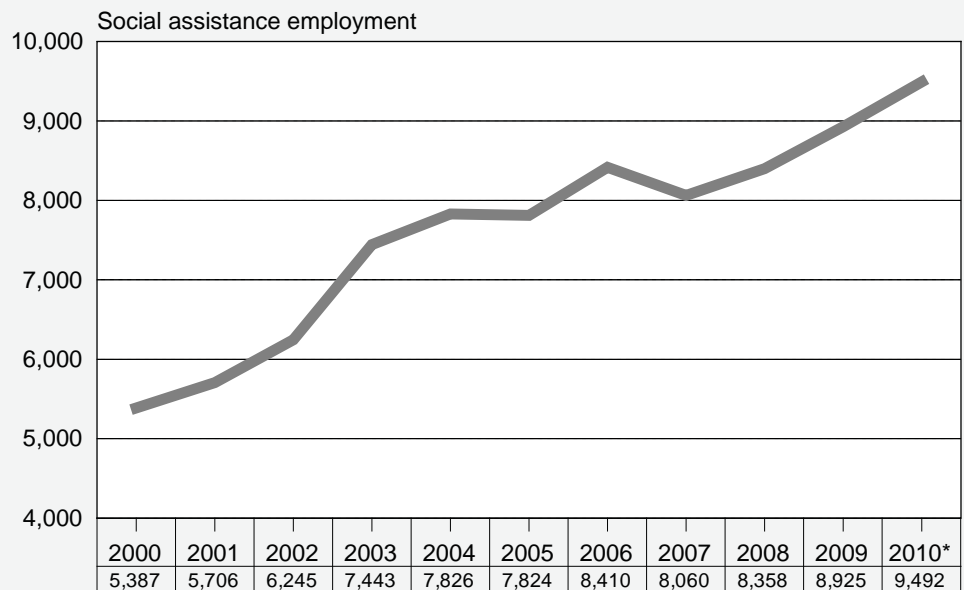
In some of Alaska's smallest communities, where there may be only a handful of jobs, a few are often in social services. In some communities, these employers are among the largest in their area.

For example, Kawerak, Inc., and the Bristol Bay Native Association are the second-largest and fourth-largest employers in Nome and the Dillingham Census Area, respectively. Also, Tanana Chiefs Conference is the third-largest employer in the Yukon-Koyukuk Census Area and is also one of Fairbanks' largest employers. Mat-Su Services for Children and Adults is the eleventh-largest employer in the Matanuska-Susitna Borough.

Further benefits of this industry are employment opportunities at every level of training and education, and the fact that they tend to be year-round jobs.

Social Assistance Employment Nearly Doubled¹ Alaska, 2000 to 2010

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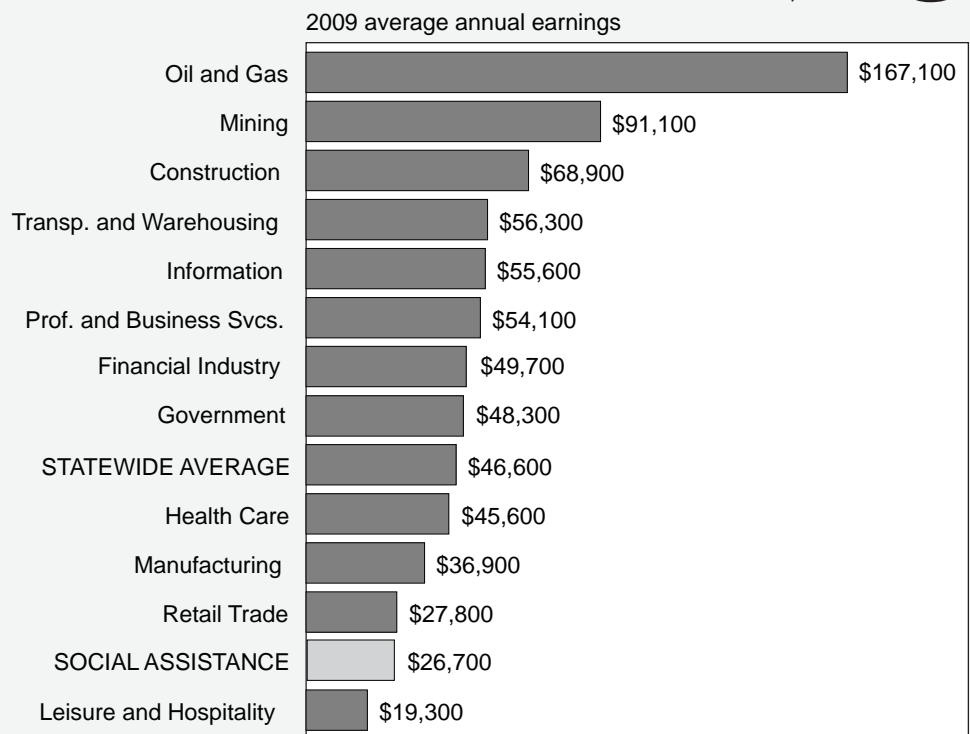
¹Includes only private-sector jobs

*estimated

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Social Assistance Earnings Tend to Be Low¹ Alaska, 2009

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¹Includes only private-sector jobs

Source: Alaska Department of Labor and Workforce Development, Research and Analysis Section

Earnings tend to be low

Social assistance is known for paying low wages, and the data support this conclusion. The average annual earnings for social assistance in 2009 were \$26,700:⁴ among the lowest for all industries. (See Exhibit 6.) In contrast, the yearly average among all industries was \$46,600.

The biggest occupations in this industry help explain the average low pay. These jobs include child care workers, teacher assistants, personal and home care aides, social and human service assistants, preschool teachers, and home health aides — all jobs with typically low wages. The large number of part-time jobs in these areas is also a factor.

Some occupations in social assistance have above-average earnings — such as psychologists and computer specialists — but they are the exception.

The outlook is hard to predict

The future of social assistance is uncertain. If we only consider the demographic outlook for Alaska, it appears the demand for these services could only grow.

According to the department's population projections, highlighted in the December 2010 issue of *Alaska Economic Trends*, Alaska's senior population — a big consumer of these services — will be the fastest-growing age group in the state. By 2024, those age 65 and over are projected to more than double. The state's younger population, also major recipients of social services, are also forecasted to grow faster than the overall population.

However, economic conditions are also a factor in the sector's future, and they are harder to predict. A lack of public funding could curb this industry's growth and even reduce its services. Most of these providers are nonprofits whose funding comes from public sources, so they are subject to the current battle to reduce the federal deficit.

⁴Average monthly earnings are obtained by dividing total earnings by 12. This data source cannot distinguish between part-time jobs, full-time jobs, or hourly data. These are overall industry earnings and not occupational wage data. For occupational wage data, see our Web site at laborstats.alaska.gov.

Why certain employment data are suppressed

By SARA WHITNEY
Trends Editor

In employment data tables, categories are sometimes marked with an asterisk (*) or "ND" to indicate nondisclosable or suppressed information. For example, among many of the smaller areas, boroughs, and census areas in Exhibit 4 of this issue's social assistance profile, there are slightly more categories marked as suppressed than there are actual numbers.

This is because of the Bureau of Labor Statistics' disclosure rules for the Quarterly Census of Employment and Wages, which protect the confidentiality of specific employers' numbers and identity when releasing these figures. Data are typically suppressed in small geographic areas or in an industry dominated by a single employer. This is because if the pool is small enough, it may be possible to distinguish the results of a single or handful of entities.

There are two types of data omission. Primary suppression is required when an employer's identity or data can be directly inferred from the numbers. Primary suppression in a category is determined by a BLS formula based on the number of establishments, the total employment, the number of employers, and the contribution of the largest employers to total wages and jobs.

Secondary suppression is necessary when looking at certain figures may make it possible to infer the value or identity of other withheld employment. In that case, both categories must be withheld to protect anonymity.

For more on the BLS's QCEW data methods, see the frequently asked questions at <http://www.bls.gov/cew/cewfaq.htm>.