



GREATER HOUSTON PARTNERSHIP

August 28, 2014

The Honorable Susan King  
Chairman, Select Committee on Health Care Education and Training  
Texas House of Representatives  
Austin, TX 78768

Dear Chairman King:

Texas and specifically the greater Houston region have enjoyed robust growth in recent years. According to estimates, this explosive growth will generate more than a quarter million jobs for skilled workers within the next three to five years<sup>i</sup>. The challenge is meeting this ever growing demand. Healthcare is a high growth industry and will continue to be over the next decade.

In an effort to meet the ongoing demand for skilled workers, the Greater Houston Partnership, the 11-county Houston region's largest business organization, launched UpSkill Houston, an innovative industry-led initiative to address the challenges regional employers face in finding the talent to fill middle skills occupations. The UpSkill Houston action plan, available at [www.houston.org/upskillhouston](http://www.houston.org/upskillhouston), is a blueprint for leaders in the business community, educational institutions and social service organizations to collaborate together to build a quality workforce that meets employer's needs and ensures that Houstonians have the skills and opportunities to enter the workforce and build successful careers.

As the committee begins to address the critical issues related to healthcare, education and workforce development, the Partnership stands ready to provide you with the information needed to advance a solution. We welcome the beginning dialogue of a conversation and look forward to sharing the ongoing work of UpSkill Houston at a future time. We must develop a qualified employee base properly trained for tomorrow's job needs or face an understaffed economy that will stifle the growth and vitality of our state.

We applaud your leadership and the work of the committee, and thank you for your support in furthering this effort.

Regards,

A handwritten signature in black ink that reads 'Bob Harvey'.

Bob Harvey  
President and CEO

Attachment: Healthcare Industry Profile from *Addressing Houston's Middle Skills Jobs Challenge: A Plan by the Greater Houston Partnership Regional Workforce Development Task Force*

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<sup>i</sup> EMSI Complete Employment – 2013.2, US Bureau of Labor Statistics, TIP Strategies, Inc.

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## Addressing Houston's Middle Skills Jobs Challenge

A Plan by the Greater Houston Partnership  
Regional Workforce Development Task Force

[www.houston.org/upskillhouston](http://www.houston.org/upskillhouston)

### Healthcare Industry Profile

**Growth Trends:** Healthcare continues to be a key driver of the Houston area economy. In 2013, the sector employed nearly 300,000 workers in the 10-county metropolitan area<sup>i</sup>. Employment in this sector is closely tied to population growth and, is far less volatile than other industrial sectors. Of note, the Houston-area job growth in healthcare increased steadily throughout the recession, outperforming national growth trends in the sector and total employment across industries in the region. The region's continued population growth, coupled with an improving national economic outlook, a rebound in commercial real estate lending, and implementation of the Affordable Care Act have translated into a surge of healthcare-related investments. Recent projects in the Houston region include a number of medical office buildings and expansion of several of the region's largest healthcare systems, including major construction projects planned for Houston Methodist, Memorial Hermann Health System, and Texas Children's Hospital.

**Middle Skills:** Healthcare industries are typically defined based on the educational degree held by the practitioners included in the industry, such as doctors, surgeons, chiropractors and dentists. The bulk of employment in this sector is comprised of middle skills workers, such as registered nurses, medical assistants and dental assistants. These occupations represent more than one-half of total employment across all the major subsectors for healthcare. The share of middle skills workers is highest in hospital settings where they account for nearly two out of every three jobs (64 percent)<sup>ii</sup>.

**Key Occupations:** Registered nurses (RNs) and licensed vocational nurses (LVNs) comprise a significant share of healthcare workers. RNs and LVNs combined account for nearly one-third (31.1 percent) of total employment in the hospitals subsector<sup>iii</sup>. Nursing assistants are also an essential part of staffing for hospitals but play a much more significant role in residential settings where they represent one in four jobs (25.8 percent)<sup>iv</sup>. When RNs and LVNs are added in, the share that nursing comprises of total employment in nursing and residential care facilities rises to 40 percent. Beyond nursing positions, maintenance workers and residential advisors also fall into the top 25 key occupations in the middle skills area.

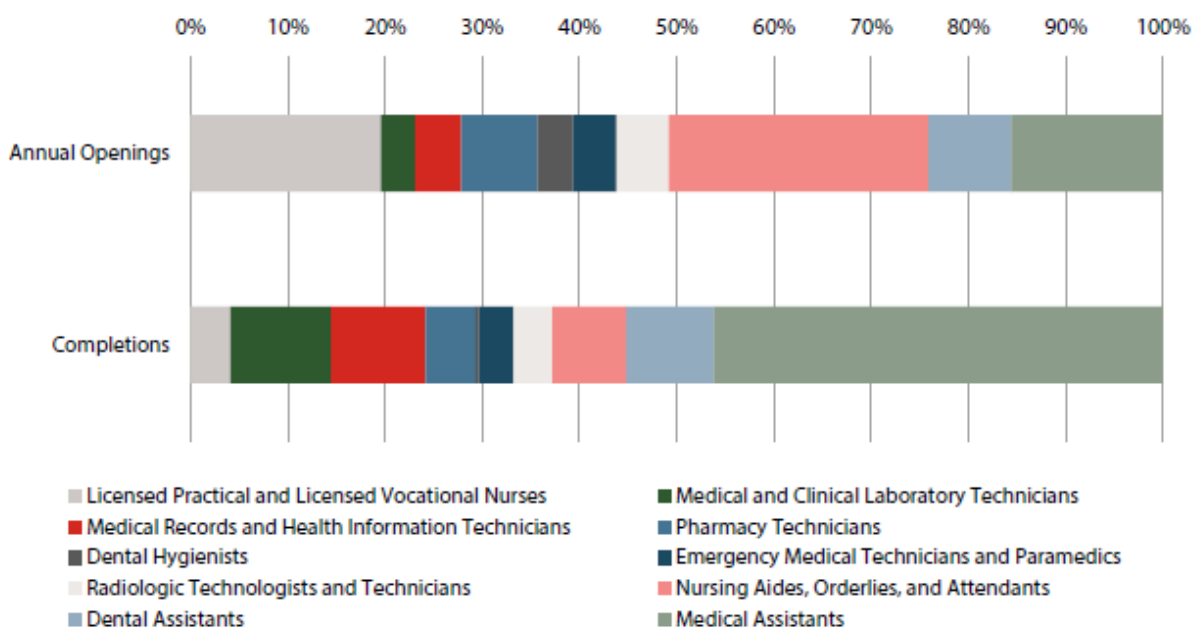
**Education and Training:** Among the awards and degrees conferred for credit in healthcare related fields of study, medical assisting leads the region's largest category of awards with an average of more than 3,800 completions each year<sup>v</sup>. Registered nursing completions in the middle skills area (ADRN's) averages just over 1,200 degrees and awards annually<sup>vi</sup>. It should be noted that employers are increasingly looking to nurses with advanced degrees.

The distribution of openings and completions by occupation is out of balance. There is an oversupply of graduates for some occupations and an undersupply for others. For example, within the health science career cluster, graduates are most likely to be in fields related to health information management, medical billing and medical assistants. Yet, the fields of licensed vocation nurse, pharmacy tech, dental hygienist,

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and nursing aid are high in demand but under-represented. On average, there are six times more medical assistant graduates than openings, and four times more health information specialists. Within dental careers, there are more than two times more dental assistants than openings but only one-fifth as many dental hygienists as openings.



Source: TIP Strategies Calculations, EMSI, Bureau of Labor Statistics, NCES, Alvin Community College, Brazosport College, Houston Community College, Lee College, Lone Star College, and San Jacinto College

The comparison of the supply of graduates and the annual openings demonstrates that the region has an adequate supply of graduates. However, the supply of graduates does not appear to be well-aligned with the regional demand for entry-level workers with a post-secondary award. To have a more efficient, demand-driven workforce system, students and training providers need better information about regional employers' hiring needs and skills requirements. In addition, the system needs more and better information from education and training providers to understand the supply of workers in the region.

The Houston region has several programs and initiatives that link the healthcare industry to training and employment opportunities. They include, but are not limited to:

- Administered by the Texas Workforce Commission, the **College Credit for Heroes** program seeks to award college credit to veterans to explore a range of careers, with emphasis on allied health programs.
- **Accelerate Texas: Advancing Adult Students.** Funded by the Texas Higher Education Coordinating Board as part of the state's "Closing the Gaps Initiative" – a program to advance lower-skilled adult learners into high demand occupations in the healthcare industry area.
- **The Workforce Solutions Health Services Steering Committee** oversees a variety of activities to develop more collaborative relationships between business and education specific to the healthcare industry. The committee is comprised of senior executives from area hospitals, health systems and academic institutions, as well as representatives of the Greater Houston Partnership.

- **The Futures Academy** – A dual enrollment model that enables students at seven Houston Independent School District to earn industry certificates and college credits and credits toward an Associate of Science degree after their senior year.
- **Capital Idea Houston** – A workforce development program providing community college education and case management services for low-income participants. The primary technical training area is in the allied health environment. Partners in the program include Houston Community College and the Lone Star College System.

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<sup>i</sup> EMSI Complete Employment – 2013.2

<sup>ii</sup> Ibid.

<sup>iii</sup> EMSI Complete Employment – 2013.2, US Bureau of Labor Statistics, TIP Strategies, Inc.

<sup>iv</sup> Ibid.

<sup>v</sup> Gulf Coast area community colleges.

<sup>vi</sup> Ibid.