THE LABOR MARKET FOR SOCIAL WORKERS: A FIRST LOOK

Prepared for
THE JOHN A. HARTFORD FOUNDATION, INC.

by
Michael C. Barth
Executive Vice President
ICF Consulting
Tel: (703) 934-3090
E-mail: mbarth@icfconsulting.com

with the assistance of
Yvon Pho
American University

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PREFACE

During early discussions about an evaluation of The John A. Hartford Foundation’s Geriatric Social Work Initiative, a number of questions arose concerning the compensation, job finding and changing, and employment of social workers. The more general question arose: what is known about the labor market for social workers? The answer was: very little. Subsequent literature searches verified this answer. As a result, The Hartford Foundation commissioned a “first look” at the social work labor market, and this paper is the result. While written by an economist and structured to examine a labor market as economists would, the paper is purposely non-technical and largely descriptive. The goal is to focus on the important actors, relationships, and data insofar as we can divine them. As a first look, our purpose is as much to define questions as to answer them.
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EXECUTIVE SUMMARY

This study is a complement to the John A. Hartford Foundation’s Geriatric Social Worker Initiative. It is a first look at the labor market for social workers; as such its purpose is as much to define questions as to answer them.

KEY FINDINGS

The labor market for social workers appears to be largely regional, even local. At least until quite recently, reports of “tight” labor markets for social workers appeared not to be associated with expected increases in wages. Unresponsive wages may reflect a large government and non-profit component of the demand for social workers and a labor force which is as, or more, motivated by mission as by money. Unfortunately, there are virtually no prior studies of this market on the basis of which to characterize it. Moreover, there is inadequate data on the basis of which to examine the social work labor market. And, the data which do exist do not reflect a consensus among social work experts and labor market experts regarding who should be considered a “social worker.” We also noted some disagreement regarding how and for what tasks social workers should be trained.

RECOMMENDATIONS

Our recommendations reflect these knowledge and data inadequacies. We suggest consideration of local or regional labor market case studies, the results of which can begin to sketch how this market operates. Special labor market situations, such as the use of social workers in hospitals, might profitably be studied. Also worth examining is the manner in which education in social work contributes to the organization, content and distribution of social work services.

We recommend that a consensus be sought on the definition of a “social worker” for government data collection purposes. Also, the collection of representative longitudinal data on social workers’ jobs, wages, mobility and other factors should be considered.

To accomplish all of the above, some institutional direction will be needed, as well financial support. The social work profession would need to organize a way to begin this process.
1. **INTRODUCTION**

In this brief introduction, we discuss the background of the project, its purposes and limitations. A “road map” of the five major sections of the paper is provided.¹

1.1. **Background**

The John A. Hartford Foundation has determined that, because of the rapid growth in the number of older Americans, increasing the number of competent social workers with skills in geriatrics is an important activity. The number of geriatrically competent social workers can be increased in a variety of ways, including increasing the overall number of social workers and encouraging social workers to shift from other social work subspecialties to aging-related activities. Clearly, these two alternatives would have different effects on overall social well being. The latter, for example, might increase support for the elderly but would decrease support for others. An assessment of these alternatives raises questions of entry into and mobility within the profession, how social workers’ wages are set, and how other factors in what might be called the labor market for social workers affect the profession. Preliminary discussions with experts suggest that very little effort to examine the social work labor market has been undertaken.

1.2 **Purposes**

This paper has several purposes within the general context of providing the first phase of an economic analysis of the labor market for social workers. They are:

- Determine the extent to which the general analysis of labor markets is applicable to the determination of employment and compensation of social workers. The intent is to provide some structure within which the labor market for social workers can be viewed.
- Characterize the elements of the supply of and demand for social workers.

Specifically, how responsive is the rate at which people decide to become and remain

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¹ The author gratefully acknowledges the wise counsel, support, flexibility, and information provided by Laura Robbins of The John A. Hartford Foundation. In addition, many individuals provided assistance, but Joan Levy Zlotnik of the Institute for the Advancement of Social Work Research must be singled out for always finding time to provide insight about the social work field and profession, sources of information and data, contacts, and advice. I thank the above two plus Barbara Berkman of Columbia University and Pat Volland of the New York Academy of Medicine for comments on an earlier draft.
social workers to the rate of compensation of social workers? How responsive are the
different types of organizations that employ social workers to their cost?

- Examine existing data sources. Ultimately, the ability to describe how the market for
social work operates will depend on the availability of data to support both its
description and, potentially, a more sophisticated analysis of market operations in
econometric terms. Accordingly, an important first step is to understand what data
exists and the major data needs.
- Make recommendations for (a) further analysis and (b) data collection.

1.3.  Limitations

This paper is not intended to be a literature review; in fact, there is very little literature to
review. Nor is it intended to develop or estimate formal, quantitative models of the market for
social workers. Rather, it is intended to inform The Hartford Foundation of current conditions in
the market for social workers and identify areas for future focus to better understand this
important labor market. We have tried to avoid technical jargon and the explicit use of economic
tools so that the paper would be accessible to a non-economist audience.

1.4.  Organization of the Paper

This paper is organized into the following sections:

- Section 2, “Data Sources and Data on Social Workers,” introduces the major data
  sources and describes differing perspectives on the number of social workers;
- Section 3, “Key Elements of Supply,” presents the main influences on the quantity
  and quality of individuals available to provide social work services;
- Section 4, “Demand for Social Workers,” examines the demand for social work
  services and the manner in which policy and market factors affect the demand for
  social workers;
- Section 5, “The Labor Market for Social Workers,” explores, very briefly, how this
  market appears to work; and
- Section 6, “An Agenda of Data Collection and Research,” offers our suggestions for
  projects that are likely to add significantly to the understanding of the social work
  labor market.
2. DATA SOURCES AND DATA ON SOCIAL WORKERS

2.1 Introduction

It is useful to begin this examination of the social work labor market with a brief quantitative look at social workers. This process will also give a sense of what data are generally available on social workers and provide a start to determine data needs. There are two primary sources for data on social workers. The National Association of Social Workers (NASW) has published a very complete quantitative description of the social work profession as represented by its membership in the volume, *Who We Are*, by Margaret Gibelman and Philip Schervish (1997). Anyone wanting to know basic descriptive information about the NASW membership/social work profession would profit by beginning here, which we do. Another large-scale data source on social workers is the U.S. Census Bureau’s Current Population Survey (CPS). The CPS is the standard data source for regularly reported labor market data in the U.S. Unfortunately, for reasons detailed below, the CPS and NASW data describe conceptually different groups. Two other data sources, while not nationally representative, are also of potentially great value and are discussed briefly.

2.2 Data Sources

2.2.1 National Association of Social Workers

The NASW was founded in 1955 and is currently the largest organization of professional social workers. Membership is voluntary, and NASW’s roster comprises approximately 155,000 social workers. There are three main categories of NASW membership: regular, associate, and student. Membership expires after one year. Regular membership is open to social workers who have received an undergraduate or graduate degree from a social work program accredited by the Council on Social Work Education (CSWE). Associate membership is limited to employed persons serving in a social work capacity, as defined by the Board of Directors and whose degree is in a field other than social work. This category of membership excludes self-employed practitioners and those in private group practice. Students enrolled in a CSWE-accredited social
work degree program or a program approved for candidacy are eligible for student membership. Additional membership categories are retired, unemployed, and doctoral candidate.

The membership application and the membership renewal form serve as NASW’s data source for information on its members. The membership application asks applicants to provide basic demographic and professional background data, which are subsequently updated at renewal. NASW began collecting data in 1961, but 1988 was the first year in which a complete dataset was created.

There are two limitations to NASW data, one of which we view as major and the other as likely minor. First, because the NASW dataset contains information only about its members, the data are not representative of all social workers. Essentially, the “participants” have been self-selected. While this data source provides detailed information about professional social workers who are members of NASW, it does not do so for the population of all social workers in the U.S. (an issue to which we return below). Selection bias is present because it is likely that the characteristics of social workers who join NASW are different from those who do not join, irrespective of whether they hold a Bachelor of Social Work (BSW) or Masters of Social Work (MSW) degree. Second, the self-reported survey nature of the data collection process results in the potential for non-response and inaccurate reporting.

Despite these limitations, the NASW is an excellent source of data on a subset of professional social workers. A more representative source of data on all social workers is the Current Population Survey.

2.2.2 Current Population Survey (CPS)

The CPS is a monthly survey sponsored jointly by the Bureau of the Census and the Bureau of Labor Statistics. The survey uses a scientifically selected sample of approximately 50,000 households and is administered by the Bureau of the Census. The sample is selected to
represent the civilian non-institutional population aged 15 years and over; however, published data focus only on persons aged 16 and over.

The survey has been conducted for more than 50 years and is the primary source of information on the labor force characteristics of the U.S. population. In addition to estimates for the entire nation, the sample provides estimates on individual states, cities, and geographic regions. The CPS provides estimates of numerous variables such as employment, unemployment, earnings, and hours of work by demographic characteristics. Estimates are also available by occupation, industry, and class of worker.²

Similar to the NASW data, the CPS is in survey form. The inherent limitations of surveys, mentioned earlier, are also present in the CPS. One additional limitation to the CPS not encountered with the NASW data and, for our purposes, by far the most important is that the occupational title is self-reported. That is, the respondent may classify himself or herself in a certain occupational category while another category would be more fitting. This problem is not present in the NASW dataset because only professional social workers with the appropriate credentials are eligible for membership and, consequently, inclusion into the dataset. Nonetheless, the CPS provides information on the most representative sample of social workers in the U.S.

2.2.3 Data on the Job Market for New Graduates – Washington University (Doelling, Matz and Kuehne)

This data resource on social workers was developed by Carol Doelling, Barbara Matz and Jennifer Kuehne (1999). They prepared a report examining the job market experience of 1998 MSW graduates in the U.S.³ The report was the outcome of a survey developed by the Social Work Career Development Group (SWCDG) and modified by the authors. The survey instrument was used to collect data from MSW programs. The purpose of the project was twofold: establish a profile of the job market and job characteristics of 1998 MSW graduates and determine the feasibility of collecting data annually.

² For more information about these data, see www.bls.census.gov/cps/cpsmain.htm.

³ As this paper was completed, we received the 1999 version of the Doelling, et al. report. It appears that there were essentially no material changes from the information provided in the text.
Of the 126 programs that received an invitation to participate in the study, 23 indicated an intention to participate. Subsequently, these programs were sent a 10-question survey instrument seeking information on geographic location, field of practice, job function, credentials required for positions, setting, sources of jobs, application process, and salary range of MSW graduates. Of the 23 schools willing to participate, only 19 submitted data on graduates. In the end, data were gathered on the job experiences of 1,788 MSW graduates of the 1998 class who responded to surveys sent by their program institutions.

A few interesting findings from these data:

- Mental health, child welfare, health, and school social work were the most common fields of practice; group work, rehabilitation, and public assistance/public welfare were the least common;
- On average, graduates spent two months actively seeking employment, applied to nine organizations, interviewed with three employers, and received two job offers;
- The average (mean) starting salary was $35,600;
- Nearly 60 percent of graduates’ positions required at least a MSW degree and in some cases also a license; and
- Just over six percent of institutions submitting data indicated that their graduates worked in the field of aging/gerontological social work.

The limitations of the data include those inherent to surveys (self-reporting, potential for inaccuracy). The very low response rate of schools to the survey also makes the sample quite unrepresentative. For instance, the pool of institutions submitting data did not include any institutions in western states. Furthermore, there is a sample selection bias because the characteristics of the schools that chose to respond to the survey are likely to be different from the schools that did not respond.

All of the above points notwithstanding, this dataset is important and interesting and, if made more representative, could contribute to a study of the job experiences of new MSW graduates.
2.2.4 Longitudinal Data on Practice Preferences of California MSW Students – University of California, Berkeley (Perry)

In his Berkeley doctoral dissertation (1999), Robin Perry examined the practice preferences and career choices of MSW students over the course of their education by exploring the influences shaping those preferences. Data were collected bi-annually for seven years (1992-1998) from students entering and exiting accredited graduate programs of social work in California. This longitudinal aspect of the data makes them more powerful in that the behavior of the same individuals is followed over time, permitting observation of behavioral change in terms of course enrollment and job seeking.

A few interesting findings from Perry’s study are:

- An interest in working with the poor underlies most students’ interest in a variety of practice fields;
- Practice interests are generally guided less by altruism than a desire for self-expression and personal growth; and
- Although the proportion of all students interested in each of the practice areas does not change throughout graduate studies, individuals’ practice-area preferences change a good deal during the course of their education.

The most obvious limitation to Perry’s study is the non-representative sample. His study was restricted to graduate social work programs in the State of California. Another problem relates to attrition. In several cases, students completed the pre-program questionnaire upon entry into the MSW program but did not complete the post-program questionnaire upon graduation. Perry applied powerful and state-of-the-art statistical techniques in order to adjust for the potentially serious attrition problem. Finally, because a survey instrument was used to collect the data, the study faced the aforementioned problems associated with surveys. Even given its geographic limitations, this data source deserves further attention because longitudinal data on students’ behavior can shed much light on those who are about to enter the social work labor market.

We are not aware of other reasonably representative sources of data on social workers or the social work labor market but suspect there may be some. We request any reader to advise us
of other relevant data sources. In the following sections, we will make use of only the NASW and CPS data.

2.3 Alternative Versions of “Who Social Workers Are”

According to the U.S. Census Bureau, approximately 845,000 individuals described themselves as “social workers” in 1999 (see Table 2-1). In contrast, NASW membership data indicate 155,000 social workers (in 1995). Although one would expect lower figures for NASW membership, it is perhaps surprising that only about 18 percent of “social workers” are members. While there are often significant restrictions on who may work as a social worker, there are nonetheless obviously very large numbers of individuals who self-refer as “social workers.” Clearly, the emphasis here must be on “self-refer.” That is, NASW’s definition of a social worker is likely far more limited. For example, nearly 30 percent of “social workers” in the CPS data had less than a bachelor’s degree, and 10 percent did not receive any college-level instruction (see Table 2-1). According to NASW membership policy, these self-reported “social workers” would not be eligible and are not considered social workers. Eliminating these individuals, the ratio of NASW membership to all social workers as defined by the CPS rises to 26 percent, still a very small percentage. In the NASW data, the modal degree attained is the MSW, whereas the bachelor’s is the modal degree in the CPS data. Clearly, the NASW and CPS data are describing different groups.

Examining these data by gender, CPS data suggest that approximately 72 percent of social workers were female in 1999. This figure is up slightly from 1995 when, according to the CPS, the percentage of females in social work was 69.6 percent. NASW membership is also predominantly women and increasingly so over time. In 1991, the percentage of female NASW members was 74.9 percent. In 1995, it was 79.4 percent.6

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4 The most recent year of publicly available NASW data is 1995.

5 For comparison, note that chemists, economists, and psychologists who are members of their professional associations comprise 43 percent, 26 percent, and 44 percent, respectively, of the Census figure for the profession.

6 The most recent year of publicly available NASW data is 1995.
Table 2-1

Number and Percentage of “Social Workers” by Education Category
for the Year 1999 in CPS Data

<table>
<thead>
<tr>
<th>Description</th>
<th>Less Than High School</th>
<th>High School *</th>
<th>Some College **</th>
<th>Bachelor</th>
<th>Master</th>
<th>Ph.D.</th>
<th>Other</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number</td>
<td>12,753</td>
<td>72,633</td>
<td>166,381</td>
<td>354,805</td>
<td>228,288</td>
<td>5,659</td>
<td>4,054</td>
<td>844,572</td>
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<tr>
<td>Percent Distribution</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>1.51%</td>
<td>8.60%</td>
<td>19.70%</td>
<td>42.01%</td>
<td>27.03%</td>
<td>0.67%</td>
<td>0.48%</td>
<td>100.00%</td>
</tr>
<tr>
<td>Female</td>
<td>0.74%</td>
<td>5.41%</td>
<td>14.23%</td>
<td>29.30%</td>
<td>21.02%</td>
<td>0.37%</td>
<td>0.44%</td>
<td>71.50%</td>
</tr>
<tr>
<td>Male</td>
<td>0.75%</td>
<td>3.16%</td>
<td>5.48%</td>
<td>12.67%</td>
<td>6.09%</td>
<td>0.30%</td>
<td>0.05%</td>
<td>28.50%</td>
</tr>
</tbody>
</table>

* Includes GED equivalent.
** Includes Associate degree (Occupational/Vocational or Academic).

Note: Sums may not exactly equal total due to rounding.

Source: Authors’ analysis of data from the Current Population Survey (CPS).

2.4 Compensation of Social Workers

In 1999 the Census reports the mean hourly wage of social workers as $16.24. As seen in Table 2-2, social worker real wages have been essentially flat over time. (Real wages are nominal wages adjusted for changes in the cost of living.) Chart 2-1 graphically illustrates social worker hourly wages over time. The compounded annual rate of growth of social worker real wages over the 1980-99 period has been a meager 0.6 percent. This situation, however, was not experienced solely by social workers; the median worker in the economy also experienced a flat wage rate during the same period (Mishel, Bernstein, and Schmitt (1999)). The real income

7 In 1999, mean annual earnings were $32,993. For reference, the mean wage of all persons in the same year was $14.65.
analysis in Figure 6.2 of Gibelman and Schervish (1997) illustrates the same pattern in the NASW data. These data also show a pronounced and persistent male-female wage differential.

**Table 2-2**

*Average Hourly Wages of Social Workers for Selected Years, 1980 – 1999 in 1999 dollars*

<table>
<thead>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>$14.54</td>
<td>$15.09</td>
<td>$14.74</td>
<td>$15.66</td>
<td>$15.55</td>
<td>$16.24</td>
</tr>
<tr>
<td>Female</td>
<td>13.66</td>
<td>14.32</td>
<td>14.39</td>
<td>15.09</td>
<td>14.67</td>
<td>15.56</td>
</tr>
<tr>
<td>Male</td>
<td>16.15</td>
<td>16.56</td>
<td>15.50</td>
<td>16.83</td>
<td>17.55</td>
<td>17.90</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of data from the Current Population Survey (CPS).

**Chart 2-1**

*Social Worker Average Hourly Wages for Selected Years 1980 – 1999*

Source: Authors’ analysis of data from the Current Population Survey (CPS).
An analysis of the wages of degreed social workers was conducted to investigate the possibility that the non-degreed social workers in the CPS data might be pulling down average wages over time. Table 2-3 shows the hourly wages of social workers with at least a bachelor’s degree over time. The hypothesis that the presence of non-degreed social workers in the CPS data could explain the very slow growth rate of wages (0.6 percent) is not supported by the data for only degreed social workers. The compound annual rate of growth of wages of degreed social workers over the 1992-99 period is 0.8 percent. This growth is slightly larger than the growth of wages of all self-reported social workers. The growth rate of wages of MSW holders in the CPS data over the 1992-99 period was one percent. Thus, there is only a modest education effect in the slow rate of wage growth of social workers seen in the CPS data.

A breakdown of wage rates by degree-type was conducted using CPS data, but the number of observations for a statistically valid analysis was sufficiently large only for MSW holders. The average wage rate for MSWs has remained largely steady. An initial 6.2 percent increase was experienced between 1992 and 1994, with more modest increases of less than one percent in the following years.

Table 2-3

<table>
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<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>All</td>
<td>$17.84</td>
<td>$18.95</td>
<td>$18.98</td>
<td>$18.31</td>
<td>$19.01</td>
</tr>
</tbody>
</table>

Source: Authors’ analysis of data from the Current Population Survey (CPS).

8 We use the (undesirably) shorter 1992-99 period for this analysis because comparable data on earnings by occupation and education are not available prior to 1992 because of changes in the questionnaire and data coding methods.
To examine social worker earnings, we statistically related the variation of social worker annual earnings to factors that, conceptually, should be related to this variation. Such factors include age, education, race, and occupation (in this case whether a social worker or not). Statistical analyses were performed for all individuals and separately by gender. We looked specifically at gender because if variation in annual earnings were different by gender, the pooled analysis would not capture the separate effects.

Based on the statistical analyses, several results are worth noting (more detailed results are found in Appendix A to this section).

- In general, a standard model of earnings generation appears to fit social workers, ruling out the notion that social workers’ earnings are somehow generated differently than others in the work force;\(^9\)
- Even after important factors such as age, education, and race are considered, social workers earn roughly 11.0 percent less than individuals working in all other occupations;
- Female social workers appear to experience a relatively smaller adverse wage differential than do men. (Indeed, in the equation we estimated this effect is statistically zero (see Table A-1 in Appendix A).) The explanation for this gender difference is beyond the scope of this paper but may be related to the more generally observed labor market phenomenon that occupations with large numbers of women tend to pay less. When a male works within a “women’s” occupation, he fares, relatively, even worse;\(^{10}\)

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\(^9\) See, for example, Mincer (1974).

\(^{10}\) See, for example, England and Herbert (1993).
In a separate but similar analysis examining the earnings of only social workers, social workers with a master’s degree earn 18.5 percent more than social workers with a bachelor’s degree.

The following sections address various elements of the social work labor market, generating questions and hypotheses. In Section 6, we return to the question of what data might be useful to answer the questions and test the hypotheses.
This appendix presents the results of the statistical analyses summarized in Section 2-4. Multivariate log linear regression analysis was used with CPS microdata. Two regressions are presented in Tables A-1 and A-2. In each, the natural log of annual earnings was regressed on the following variables: age; age squared; marriage dummy;\textsuperscript{11} public sector dummy; education dummies (less than high school; high school; some college: Master’s degree; Ph.D.; with Bachelor’s degree the excluded group); race dummies. In Table A-1, the regression was run on data for all occupations, so a social work dummy is included. In Table A-2, the regression was run only on those in the social worker occupation. In both instances, the equations were run for all individuals in the sample and separately for males and females.

\textsuperscript{11} A “dummy” variable represents a qualitative factor. In the case of marriage, the variable would take the value of “1” if married and “0” if not.
Table A-1

Results of Ln Annual Earnings Regression Model by Gender for all Occupations

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Variable Mean</th>
<th>All</th>
<th>Male</th>
<th>Female</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>(a)</td>
<td>(b)</td>
<td>(c)</td>
<td>(d)</td>
</tr>
<tr>
<td>Intercept</td>
<td>N/A</td>
<td>8.113</td>
<td>8.073</td>
<td>8.126</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.015</td>
<td>0.020</td>
<td>0.022</td>
</tr>
<tr>
<td>Age</td>
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<td>0.111</td>
<td>0.119</td>
<td>0.103</td>
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<tr>
<td></td>
<td></td>
<td>0.001</td>
<td>0.001</td>
<td>0.001</td>
</tr>
<tr>
<td>Age Squared</td>
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<td>-0.001</td>
<td>-0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.000</td>
<td>0.000</td>
<td>0.000</td>
</tr>
<tr>
<td><strong>Dummy Variables:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Worker</td>
<td>0.007</td>
<td>-0.110</td>
<td>-0.129</td>
<td>-0.021</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.021</td>
<td>0.035</td>
<td>0.024</td>
</tr>
<tr>
<td>Married</td>
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<td>0.080</td>
<td>0.172</td>
<td>-0.064</td>
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<tr>
<td></td>
<td></td>
<td>0.004</td>
<td>0.005</td>
<td>0.005</td>
</tr>
<tr>
<td>Public Sector</td>
<td>0.167</td>
<td>-0.069</td>
<td>-0.094</td>
<td>0.019</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.005</td>
<td>0.006</td>
<td>0.006</td>
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<tr>
<td><strong>Education Dummies:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than High School</td>
<td>0.125</td>
<td>-0.801</td>
<td>-0.771</td>
<td>-0.874</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.007</td>
<td>0.008</td>
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<tr>
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<td>0.007</td>
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<tr>
<td>Some College</td>
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</tr>
<tr>
<td></td>
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<td>0.005</td>
<td>0.007</td>
<td>0.007</td>
</tr>
<tr>
<td>Master</td>
<td>0.063</td>
<td>0.160</td>
<td>0.104</td>
<td>0.205</td>
</tr>
<tr>
<td></td>
<td></td>
<td>0.008</td>
<td>0.010</td>
<td>0.011</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>0.025</td>
<td>0.430</td>
<td>0.315</td>
<td>0.448</td>
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<td></td>
<td></td>
<td>0.012</td>
<td>0.013</td>
<td>0.020</td>
</tr>
<tr>
<td><strong>Race Dummies:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
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<td>-0.078</td>
<td>-0.168</td>
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<tr>
<td></td>
<td></td>
<td>0.006</td>
<td>0.008</td>
<td>0.008</td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.093</td>
<td>-0.021</td>
<td>-0.090</td>
<td>0.015</td>
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<tr>
<td></td>
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<td>0.007</td>
<td>0.009</td>
</tr>
<tr>
<td>Other</td>
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<td>-0.113</td>
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<td></td>
<td>0.008</td>
<td>0.010</td>
<td>0.011</td>
</tr>
</tbody>
</table>

R-squared: 0.319
Number of Observations: 158,908, 81,162, 77,745

*** significant at the 1% level  ** significant at the 5% level  * significant at the 10% level

Source: Authors’ analysis of 1999 data from the Current Population Survey (CPS).
# Table A-2

## Results of Annual Ln Earnings Regression Model by Gender for Social Workers

<table>
<thead>
<tr>
<th>Independent Variable</th>
<th>Variable Mean</th>
<th>All (a)</th>
<th>Male (c)</th>
<th>Female (e)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Intercept</td>
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<td>8.753</td>
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<td>(0.195)</td>
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<td>(0.230)</td>
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<tr>
<td>Age</td>
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<td>0.058</td>
<td>0.048</td>
<td>0.066</td>
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<tr>
<td></td>
<td></td>
<td>(0.010)</td>
<td>(0.018)</td>
<td>(0.012)</td>
</tr>
<tr>
<td>Age Squared</td>
<td>1744</td>
<td>-0.001</td>
<td>-0.001</td>
<td>-0.001</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.000)</td>
<td>(0.000)</td>
<td>(0.000)</td>
</tr>
<tr>
<td>Dummy Variables:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Married</td>
<td>0.549</td>
<td>-0.046</td>
<td>0.103</td>
<td>-0.119</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.032)</td>
<td>(0.062)</td>
<td>(0.037)</td>
</tr>
<tr>
<td>Public Sector</td>
<td>0.570</td>
<td>0.205</td>
<td>0.137</td>
<td>0.206</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.031)</td>
<td>(0.062)</td>
<td>(0.036)</td>
</tr>
<tr>
<td>Education Dummies:</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Less than High School</td>
<td>0.013</td>
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<td></td>
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<tr>
<td>High School</td>
<td>0.088</td>
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<tr>
<td></td>
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<td>(0.043)</td>
<td>(0.010)</td>
<td>(0.068)</td>
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<tr>
<td>Some College</td>
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<td>-0.325</td>
<td>-0.342</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.043)</td>
<td>(0.079)</td>
<td>(0.050)</td>
</tr>
<tr>
<td>Master</td>
<td>0.271</td>
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<td>0.216</td>
<td>0.186</td>
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<tr>
<td></td>
<td></td>
<td>(0.038)</td>
<td>(0.074)</td>
<td>(0.044)</td>
</tr>
<tr>
<td>Ph.D.</td>
<td>0.012</td>
<td>0.022</td>
<td>0.102</td>
<td>-0.086</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.141)</td>
<td>(0.207)</td>
<td>(0.189)</td>
</tr>
<tr>
<td>Race Dummies:</td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Black</td>
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<td>0.077</td>
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<td></td>
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<td>(0.040)</td>
<td>(0.072)</td>
<td>(0.048)</td>
</tr>
<tr>
<td>Hispanic</td>
<td>0.071</td>
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<td>-0.025</td>
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<tr>
<td></td>
<td></td>
<td>(0.061)</td>
<td>(0.102)</td>
<td>(0.074)</td>
</tr>
<tr>
<td>Other</td>
<td>0.037</td>
<td>-0.067</td>
<td>-0.061</td>
<td>-0.074</td>
</tr>
<tr>
<td></td>
<td></td>
<td>(0.081)</td>
<td>(0.160)</td>
<td>(0.093)</td>
</tr>
</tbody>
</table>

R-squared: 0.249
Number of Observations: 1,086

*** significant at the 1% level  ** significant at the 5% level  * significant at the 10% level

Source: Authors’ analysis of 1999 data from the Current Population Survey (CPS).
3. **KEY ELEMENTS OF SUPPLY**

In order to understand the factors that influence the supply of social workers, it is useful to begin with an understanding of how economists think about labor supply. The total supply of labor refers to the quantity and quality of people available to a society to do its work. It is derived from summing the answers to two basic questions over all individuals in the economy:

1. Will I enter the labor force?
2. How many hours will I work?

Then, the supply of labor to an occupation, such as social work, is contingent upon the education and career choices of a large number of individuals. The model of labor supply typically used by economists isolates a person’s wage rate and income as the key economic variables guiding the allocation of time between labor market and leisure activities. As a result, changes in the market wage affect the total labor supply. Wage rates paid within an occupation affect the supply of labor to that occupation relative to others.

Of course, the wage rate and individual preferences are not the only relevant influences on labor supply. The labor supply model can be extended to include other influences: population and the labor force; the “production” of social workers; market entry and exit; occupational alternatives for social workers; time and taste; public policy; and labor unions.

### 3.1 Population and Labor Force

While quite important in the aggregate, population size is relevant to social work labor supply only in extreme cases. If the population is large relative to overall labor demand in the economy, there will be, all other things equal, relatively large numbers of people available to enter the social work field (subject to educational and other requirements to be discussed below). On the other hand, if the population is small relative to overall labor demand, the labor market for all occupations, including social work, will be relatively “tight.”

This suggests that employers, who are the demanders of labor, are more likely to be flexible in their hiring practices. For example, a (non-social work) employer who would not ordinarily hire a person with a social work background may do so if the individual demonstrates he or she has the skills...

---

12 The tightness of a labor market refers to the quantity of labor supplied relative to the quantity of labor demanded. If potential entrants are relatively few or scarce, and jobs are readily available, the labor market is considered to be “tight.”
to successfully perform the job. Alternatively, employers who would normally hire persons possessing a Bachelor of Social Work (BSW) degree may experiment with applicants with a general Bachelor of Arts (BA) degree. Thus, population size is a potentially important determinant of labor market tightness. The tightness of the labor market, in turn, affects the number of opportunities that exist for individuals open to branching out into different occupations.

According to U.S. Bureau of Labor Statistics (BLS) estimates based on data collected from employers, the overall U.S. labor force is projected to increase by 17 million between 1998 and 2008, reaching 155 million by 2008 (implying a growth rate of 1.2 percent per annum) (Braddock (1999)). Over the same period, BLS projects the number of social workers to rise from 604,000 to 822,000, an increase of 36.1 percent or 3.1 percent per annum. Clearly, based on BLS projections, social work is undergoing a rapid expansion.

3.2 The “Production” of Social Workers

Social workers are “produced,” or developed, via didactic and experiential methods. The profession views both learning methods as essential, as evidenced by its support of degree programs involving both classroom and practicum requirements. Traditionally, social workers have been expected to have a degree in social work from a college or university program accredited by the Council on Social Work Education (CSWE). The undergraduate degree in social work is the BSW, while graduate degrees include the Master of Social Work (MSW) and the Doctorate in Social Work (DSW) or Ph.D. Social work degree programs involve classroom study as well as practical field experience.

However, not all individuals practicing social work received degrees in social work (as we saw in the Section 2 presentation of Census data on social workers). In fact, entrance into the

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13 In Section 2 we reported CPS data showing approximately 845,000 social workers. The CPS is based on data collected from households. The 604,000 figure comes from the Bureau of Labor Statistics’ Occupational Employment Statistics Survey (OESS) of employers. The OESS data used by the BLS for its labor force growth projections for social workers do not include approximately 268,000 persons employed as “social and human service assistants.” If this 268,000 figure is added to the 604,000 number in the OESS for social workers, the sum (872,000) is relatively close to the 845,000 CPS estimate of the number of social workers. We do not suggest this is a sufficient reconciliation of the CPS and OESS data. We do note that BLS often uses different sources of data to address different questions, and we have followed this practice here. In Section 6, we suggest a project with the potential to reconcile the diverse data on social workers.
social work field also can be obtained through a general Bachelor of Arts degree in psychology, sociology, counseling, or related fields. The skills necessary to become a successful entry-level social worker include the ability to understand, empathize with, and help resolve problems experienced by others; access assistance within a community; differentiate between “normal” and non-normal behavior; and plan for oneself and those whom one is assisting. Clearly, knowledge of human behavior is important. Additionally, the duties performed by social workers require a tremendous amount of compassion and patience. Social workers may also need skills in community planning, advocacy, and program and policy development.

Obviously, non-social work degreed individuals can possess these attributes. In this respect, social work differs, in degree if not in kind, from other fields such as engineering or medicine where there are more specialized, testable skills. As a result, there is a large potential supply of people who could be social workers. Hence, as the need for social workers increases, there would be sufficient numbers available to fill jobs, thereby avoiding a shortage that would drive up wage rates.

For students pursuing undergraduate social work degrees, there were 421 accredited BSW programs, as of June, 2000, according to CSWE (and 32 in candidacy). These programs prepare graduates for entry-level case or group worker positions involving direct interaction with clients. They usually include courses in dealing with a culturally diverse clientele; promoting social and economic justice; dealing with at-risk populations; human behavior and the social environment; social work practice; social welfare policies; social research methods; social work values and ethics; case management; and program implementation.

MSW programs build upon the skills obtained at the undergraduate level to prepare graduates for work in their chosen fields of concentration. At the master’s level students become proficient in performing clinical assessments, managing large caseloads, and exploring new ways to draw upon social services to meet the needs of clients. The master’s degree also requires 900 hours of fieldwork during the two-year program. For therapy and more advanced clinical practice, a MSW is essential. Entry into a master’s program does not require a BSW. As of 1999, CSWE reports 139 accredited MSW programs in social work (and 19 in candidacy). The Ph.D. or DSW prepares students for research, teaching, and further advanced practice. There are

63 doctoral programs, according to the Group for Advancement of Doctoral Education in Social Work.

Recently, enrollment in social work programs dropped slightly (see Table 3-2). According to CSWE statistics, BSW enrollment has decreased by 6.9 percent, while that of MSWs has dropped by 4.4 percent. Enrollment in DSW programs is essentially unchanged. Ryan et al. (2000) have argued that enrollment in social work has declined because there are good jobs elsewhere, a hypothesis we think is worth testing. They also note the view that social work education should be preparing students for a community-centered practice involving work as community organizers and developers, in contrast to clinical social work. This is a controversial notion with significant implications for the training of social workers, particularly as it relates to specialization at the MSW level.

Table 3-1

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Bachelor in Social Work</td>
<td>45,604</td>
<td>42,443</td>
<td>-6.9%</td>
</tr>
<tr>
<td>Master in Social Work</td>
<td>33,312</td>
<td>31,759</td>
<td>-4.4%</td>
</tr>
<tr>
<td>Doctorate in Social Work</td>
<td>2,097</td>
<td>2,102</td>
<td>0.2%</td>
</tr>
</tbody>
</table>


3.3 Market Entry and Exit

Regardless of educational background, there are numerous instances in which individuals make career changes, leave the labor force, or re-enter the job market. These instances inevitably influence the supply of labor to a particular field. The supply of social workers depends not only on new entrants from degree programs but also on career changers and workers moving in and out of the labor force.
New graduates from social work programs serve as the primary source of new social workers. These graduates have been trained in and actively seek jobs specifically related to social work. Another key source of potential entrants is individuals in related occupations. The appropriate skills may have been gained through work experience that supplemented a non-social work education. Related occupations include, for example, registered nurses, religious workers, counselors, counseling psychologists, and welfare services workers.

Wages are a significant economic force driving the supply of labor. In Table 3-3 we show the average hourly wages paid to individuals in several potentially alternative occupations which could be separately identified in the CPS. Table 3-4 shows the wage ratios of these occupations in relation to social work. Except for religious workers, all the other identifiable occupations pay more than social work.

### Table 3-2

**Comparison of Average Hourly Wages for Social Workers and Related Occupations for 1995 and 1999 in 1999 dollars**

<table>
<thead>
<tr>
<th>Description</th>
<th>Social Worker</th>
<th>Counselor *</th>
<th>Manager **</th>
<th>Registered Nurse</th>
<th>Religious Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>1995:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>$15.66</td>
<td>$19.09</td>
<td>$16.65</td>
<td>$19.66</td>
<td>$11.73</td>
</tr>
<tr>
<td>Female</td>
<td>15.09</td>
<td>18.78</td>
<td>14.64</td>
<td>19.53</td>
<td>11.29</td>
</tr>
<tr>
<td>Male</td>
<td>16.83</td>
<td>19.77</td>
<td>18.96</td>
<td>21.35</td>
<td>12.50</td>
</tr>
<tr>
<td><strong>1999:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>16.24</td>
<td>19.36</td>
<td>17.85</td>
<td>19.78</td>
<td>14.05</td>
</tr>
<tr>
<td>Female</td>
<td>15.56</td>
<td>17.98</td>
<td>16.26</td>
<td>19.67</td>
<td>13.65</td>
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<tr>
<td>Male</td>
<td>17.90</td>
<td>22.73</td>
<td>19.90</td>
<td>21.21</td>
<td>14.83</td>
</tr>
</tbody>
</table>

* Includes Educational and Vocational.
** Only for service organizations.

Source: Authors’ analysis of data from the Current Population Survey (CPS).
Table 3-3
Ratio of Average Hourly Wages for Social Workers and Related Occupations for 1995 and 1999
in 1999 dollars

<table>
<thead>
<tr>
<th>Description</th>
<th>Social Worker</th>
<th>Counselor *</th>
<th>Manager **</th>
<th>Registered Nurse</th>
<th>Religious Worker</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>For the Year:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1995:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>1.00</td>
<td>1.22</td>
<td>1.06</td>
<td>1.26</td>
<td>0.75</td>
</tr>
<tr>
<td>Female</td>
<td>1.00</td>
<td>1.17</td>
<td>1.13</td>
<td>1.27</td>
<td>0.74</td>
</tr>
<tr>
<td>Male</td>
<td>1.00</td>
<td>1.24</td>
<td>0.97</td>
<td>1.29</td>
<td>0.75</td>
</tr>
<tr>
<td>1999:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>All</td>
<td>1.00</td>
<td>1.19</td>
<td>1.10</td>
<td>1.22</td>
<td>0.87</td>
</tr>
<tr>
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<td>1.00</td>
<td>1.27</td>
<td>1.11</td>
<td>1.18</td>
<td>0.83</td>
</tr>
<tr>
<td>Male</td>
<td>1.00</td>
<td>1.16</td>
<td>1.04</td>
<td>1.26</td>
<td>0.88</td>
</tr>
</tbody>
</table>

* Includes Educational and Vocational.
** Only for service organizations.

Source: Authors’ analysis of data from the Current Population Survey (CPS).

Having the right education is, at times, not enough to practice social work. There is some form of licensure in most states. The purpose of licensing is to provide quality assurance to the public through identification of standards for the professional practice of social work.\(^\text{15}\) The licensing or registration standards that social workers must meet vary by state. Each state defines by law what is required for each level of social work licensure. According to the Association of Social Work Boards (ASWB), there are typically four categories of practice that states may regulate. These categories along with their generalized minimum requirements are listed below (specific requirements vary by state):

- Basic: Baccalaureate social work degree upon graduation;\(^\text{16}\)
- Intermediate: Master’s degree in social work (MSW) with no post-degree experience;

\(^\text{15}\) For an excellent summary of the economist’s perspective on and analyses of occupational licensing, see Kleiner (2000).

\(^\text{16}\) In some instances, non-social work degrees are accepted at the Basic level.
• Clinical: MSW with two years post-master’s direct clinical social work experience; and
• Advanced: MSW with two years post-master’s supervised experience.\textsuperscript{17}

Individual states choose how many practice levels they wish to regulate. According to ASWB, most states regulate at least two levels of social work practice. (For a complete list of licensing requirements by state, see \url{www.aasswb.org}.) Licensed social workers must meet state-determined minimum standards for education and experience and are usually required to pass a licensing examination. The overall effectiveness of licensing in the job market is highly uncertain because in some cases positions may be renamed and job descriptions rewritten to circumvent the licensed social worker requirement. Anecdotally, we are told that these practices exist so that non-social work degreed applicants can be eligible for employment in social work positions.

In addition to state licensing and monitoring, there are private sector initiatives to assure quality. Some private sector programs offer “certification” for professional social workers at varying levels of practice and in different areas of specialization. Certification programs, which differ from licensing in that they are voluntary, offer a range of credentials. Typically, they require a minimum of a degree from an accredited or state-approved program.

In economic jargon, these quality standards are considered to be “barriers to entry” into the social work field because they assign an external cost or barrier to potential entrants. This cost serves as a deterrent to those who are not willing to make the investment in formal education and test preparation required to achieve certification or licensure. Licensing requirements act as a screening device by eliminating those who are not serious about the field.\textsuperscript{18}

For instance, as mentioned earlier, many employers of entry-level social workers prefer, but do not require, a BSW. Thus, there is a potentially large applicant pool of persons with a general BA degree to fill these positions. This statement becomes less true as the degree of

\textsuperscript{17} According to a ASWB representative, the educational requirement of “Advanced” and “Clinical” levels are equal but the “Advanced” examination is considered more difficult.

\textsuperscript{18} The true value of education, licenses, and certificates in denoting quality is difficult to assess. Dhooper, et al. (1990) asserts that social work education makes a significant difference in the quality of service. The evidence appears to us to be skimpy. Recently, Kraus (1999) has argued that, in the child welfare field, experience and personal characteristics are more important than education.
specialization increases. For a social worker to perform therapy and advanced clinical practice, a MSW is required. In some places a license, too, may be needed. But non-social workers with MA degrees in, for example, psychiatric nursing, counseling, or psychology may compete for the same positions or, in individual practices, the same clients. Thus, the effect of licensure may be minimal if the only control on the supply of labor that is exercised by the social work profession is the requirement that all social workers be licensed. If unlicensed MA counselors can fulfill the same jobs, then the social work licensure requirement has less impact. If the alternative, non-social worker source of the professional was also licensed, then the effect of social work licensure would presumably be the same as if neither profession was licensed.

3.4 Occupational Alternatives for Social Workers

Not only can non-social work degreed individuals enter the social work field, degreed social workers can work in other fields. The skills possessed by a social worker are portable into several different yet related occupations. The number of alternatives that exist increases with the education level attained and with experience.

For example, one possible alternative to social work is high school counseling. In the business arena, alternatives exist as personnel or human resource workers. These options are potentially available for individuals with at least a BSW degree. Persons with the attributes and intelligence of social workers would probably perform well in personnel or human resource department jobs involving, for example, dispute resolution.

At the graduate education level, there are additional choices. According to the BLS (BLS (2000)), opportunities exist in management and administration for social workers with at least a MSW degree. Still another occupational alternative is teaching. While many individuals earning a DSW intend to teach social work at the university level, teaching is also an alternative for MSW graduates. These teaching positions, however, are usually at small colleges or community colleges and may be part-time. Typically, a DSW or Ph.D. is necessary for conducting research.

One of the major factors that can shift labor from social work to alternative occupations is the relative wage—the wage a social worker can earn relative to that in a potentially alternative occupation. Most labor supply models identify the wage as one of the key variables guiding the allocation of time between labor and leisure activities and relative wages as
allocating time among labor market activities or occupations. The higher the market wages of alternative occupations in relation to social work, holding tastes constant, the greater the likelihood that social workers would move into these alternative occupations. Based on the admittedly limited data in Table 3-4, occupations that appear closely related to social work appear to have wages ranging up to 20 percent greater than those for social work. The current, very tight labor market may exhibit relatively greater wage differentials and would provide a natural experiment to determine if persons in the social work field would exit for higher wages elsewhere.

3.5 Time and Taste

Time is an important factor in labor supply analysis. In the so-called “short run”—a period in which people cannot change their education—people can only move into jobs for which they already have the requisite skills. In the “long run,” all education and skill factors are variable. In the “long run,” people can retool and take time to explore new occupations. For example, students can pursue an MBA instead of a MSW. MSW social workers can become web developers. Long-run choices depend on anticipated career earnings in addition, of course, to tastes and preferences for types of work.

A central factor in occupational choice is one’s preference or taste for a job. Typically, the economist’s treatment of this determinant of labor supply ends with something like the previous sentence. In the present case, a few more sentences seem warranted. Based on reading about social work and conversations with social workers, we have come to believe that the “taste” for providing social work services is quite strong. A strong taste for a profession implies that the worker would seek to work in it, even if doing so conveys greater risk or lower pay. Thus, despite the (potential) opportunity to earn more in an alternative occupation, the desire to be a social worker may be so strong that career earning differences will not have a strong effect in drawing people out of social work. Employers may be sensitive to such job preferences and exploit them by resisting wage increases that follow the market.

It is difficult to anticipate and measure occupational tastes and preferences. But the implication is clear: a strong commitment to a line of work may not alone cause low pay, but it certainly can be a supporting factor. Observing job choices of degreed social workers in the very tight job market of recent years may give some indication of the extent to which occupational
mobility exists outside of social work. Determining the reason for exit from the profession over time also would shed some light on the taste question.

3.6 Public Policy

Public policies also can affect the labor supply of social workers. Consider, for example, the 1982 change to the Civilian Health and Medical Program of the Uniformed Services (CHAMPUS). This change eliminated the physicians’ role in supervising treatment by clinical social workers. Instead, the legislation enabled social workers to be reimbursed directly for psychotherapy, thereby attaining vendor status. This policy changed the military insurance program but could have had a broader impact since other parts of the health care delivery system often adopt the same policies. To our knowledge, there have not been studies conducted examining the 1982 CHAMPUS legislation on social workers. However, following similar legislation in Massachusetts, there have been three studies examining the effect of social work services vendorship on social workers in that state.

The first study surveyed social workers four months after the vendorship law took effect.19 The results indicated that one-fourth of the social workers who responded to the survey planned to establish a private practice within a year.20 Additionally, over half of the respondents currently in private practice intended to expand their private practice in the next year. These responses suggest a potentially significant effect of the legislation on what social workers do. The second study found that although vendorship increased the proportion of social workers in solo private practice, it did not result in social workers abandoning organized practice settings.21 That is, social workers sought new, independent practices without leaving their regular employment. The final study, an extension of the other two, examined the effect of the increase in private social work practices on the number of people receiving individual social services.22 The study found that vendorship had no effect on the overall demand for services – that there was no change in the numbers of beneficiaries receiving social work services. Rather,


20 Only Licensed Independent Social Workers (LICSW) are eligible for vendorship in Massachusetts.

21 Shatkin, et al. (1986).

vendorship only affected market shares of the social service providers. Specifically, eligible social workers treated 10 percent of “new” users of the outpatient benefit and two percent of “continuing” users. The only material effect of direct reimbursement for social work services in Massachusetts seems to have been the relatively modest substitution of social workers for other providers by new benefit recipients.

3.7 Social Workers and Labor Unions

In some industries, labor unions are a major force on the supply side of the market. The economic rationale of unions is to control the supply of labor so that a group of individuals can exert power when negotiating compensation and working conditions with powerful employers.

We explored the incidence of union membership among social workers using the CPS data. Overall, 24 percent or about 204,000 social workers report being a member of a union. (See Table 3-5.) Of this figure, about three-fourths are college educated. Separate analysis of CPS data showed that nearly 89 percent of social worker union members are in the public sector and that about half are employed by local government.

Table 3-4

<table>
<thead>
<tr>
<th>Description</th>
<th>Union</th>
<th>Percent Of Sector</th>
<th>Percent of Total</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>High School or Less</td>
<td>11,102</td>
<td>5.4</td>
<td>1.3</td>
<td>85,362</td>
</tr>
<tr>
<td>Some College</td>
<td>39,046</td>
<td>19.2</td>
<td>4.6</td>
<td>166,358</td>
</tr>
<tr>
<td>Bachelors</td>
<td>91,592</td>
<td>45</td>
<td>10.8</td>
<td>354,782</td>
</tr>
<tr>
<td>Masters, Ph.D., Other</td>
<td>61,856</td>
<td>30.4</td>
<td>7.3</td>
<td>238,069</td>
</tr>
<tr>
<td>Total</td>
<td>203,597</td>
<td>100</td>
<td>24.1</td>
<td>844,572</td>
</tr>
</tbody>
</table>

Note: Sums may not exactly equal total due to rounding.
Source: Authors’ analysis of data from the Current Population Survey (CPS).

23 Note that some educational categories that were used previously (see Table 3-1) had to be combined here because there were too few observations in the CPS to support independent reporting.
A very useful overview of the role of unions in the social work field is found in the section “Unions,” in the Encyclopedia of Social Work (Tambar (1995)). This report indicates that approximately 25 percent of the social work labor force is unionized, about the same percent as in the CPS. Unionized social workers tend to be members of the American Federation of State, County, and Municipal Employees and the Service Employees International Union. According to Tambar (1995), social workers as unionists tend to seek better pay and working conditions, as well as to advance professional goals and social policy.

Because social workers work in relatively small and highly dispersed units, and across the public, private, and not-for-profit sectors, accumulating their economic power is a challenge. This may be why unions do not appear to have been a major factor in social work labor markets.
4. DEMAND FOR SOCIAL WORKERS

When economists talk about demand for social workers, they usually mean a schedule of the number of social workers demanded by those who employ social workers, at alternative wage rates. Typically, a demand schedule will be an inverse relationship; that is, all other things being equal, the lower wage rate, the greater the quantity demanded and vice versa.

Social workers are the central resource used to produce and distribute social work services. Accordingly, the “demand” for social workers depends on – is derived from – the demand for social work services. To understand the determinants of the demand for social workers, we must understand (at least) two related phenomena: how social workers are used in the production of social work services, and what determines the level of demand for social work services.

The fact that social workers are used to produce a product – social work services – is of great importance. Social workers are demanded by organizations that provide social work services. For example, a hospital hires social workers to provide counseling and information to the families of elderly patients. All other things equal, the more social work services are being consumed, the more social workers will be hired.

The remainder of this section will first examine exactly what services social workers provide. Once this is established, we will identify the demanders of social work services. In section 4.3, we offer a brief case study to examine how public policy measures can potentially influence the demanders of social work services and consequently affect the demand for social workers. The case study focuses on social workers in the hospital setting. Other influences on demand and an evaluation of the importance of cost in the provision of social work services will also be examined.

4.1 What Are Social Work Services?

Social workers provide a variety of services to consumers. According to the BLS, there are essentially 11 separate areas of social work practice, each of which caters to and specializes in meeting the needs of a specific subgroup of the population.24

- Clinical,

24 For a complete description of each practice area, see the Bureau of Labor Statistics (2000).
In addition to the above BLS categories, we would add to this list supervision, management, research, community organization, and education-training capacities based on Gibelman and Schervish (1997). 25

4.2 Who Purchases Social Work Services?

Prior to identifying the purchasers of social work services, it is worth discussing briefly how the market recognizes their needs. In any type of market analysis, only individuals who express a willingness and ability to pay are included. That is, a distinct difference exists between need and effective demand for social work services. The primary differentiating factor is the ability to purchase, as indicated by having the money to do so. Although many individuals may have a need for social work services, only those individuals willing and able to pay for these services are included in the notion of “demand” for social work services.

Figure 4-1 below illustrates how need translates into effective demand for social work services. The need that exists for social work services is ongoing. However, this need does not become effective demand until there is money to pay for the services. This funding comes from the public and private sectors and is, we believe, greatly influenced by the social and political climate.

25 Both the BLS list and the extended list involve overlap. For example, the term “clinical” could be applied to several of the other categories.
As previously noted, according to the BLS, the number of social workers is anticipated to increase by 218,000 by the year 2008 (Braddock (1999)). This 36.1 percent increase is among the larger growth rates expected by BLS for any single occupation. Who is purchasing the services social workers provide? One way to answer this question is to determine where social workers work.

Social workers are hired by public, not-for-profit, and for-profit organizations. The data sources available offer quite different estimates of the percentage of social workers who work for government (federal, state, and local). Table 4-1 uses Census data from the CPS and offers the most complete and representative summary. It indicates that 57 percent of social workers work for a government entity – two percent federal, 27 percent state, and 28 percent local. The BLS’ Occupational Outlook Handbook reports that 40 percent of social work positions are in the public sector (BLS (2000)). Still a third source, Gibelman and Schervish (1997), reports that among NASW members who responded to the auspices question (approximately 87,000), 34 percent work in the public sector – three percent federal, 13 percent state, 17 percent local, and one percent military. These jobs are primarily in departments of health and human services, mental health, social services, child welfare, housing, education, and corrections. We have no explanation for the differences in these data regarding public sector employment of social workers except that the sources differ and cover different groups, as previously explained. Nonetheless, while the data differ, the public/private percentage of share is similar – social workers in the government tend to work most for local government, followed by state, and then by far the least, for the federal government.
### Table 4-1

**Number and Percentage of “Social Workers” by Working Sector**  
For the Year 1999 using CPS Data

<table>
<thead>
<tr>
<th>Sector</th>
<th>Number (a)</th>
<th>Percent (c)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Private for-profit</td>
<td>148,449</td>
<td>17.58</td>
</tr>
<tr>
<td>Private not-for-profit</td>
<td>215,365</td>
<td>25.50</td>
</tr>
<tr>
<td>Private Total</td>
<td>363,814</td>
<td>43.08</td>
</tr>
<tr>
<td>Public federal</td>
<td>16,606</td>
<td>1.97</td>
</tr>
<tr>
<td>Public state</td>
<td>223,827</td>
<td>26.50</td>
</tr>
<tr>
<td>Public local</td>
<td>240,324</td>
<td>28.46</td>
</tr>
<tr>
<td>Public Total</td>
<td>480,757</td>
<td>56.93</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>844,572</strong></td>
<td><strong>100.00</strong></td>
</tr>
</tbody>
</table>

Note: Sums may not exactly equal total due to rounding.

Source: Authors’ analysis of data from the Current Population Survey (CPS).

Private sector employers such as social service providers, hospitals, nursing homes, home health providers, and other health centers or clinics also hire social workers. Corporations may employ social workers to staff their Employee Assistance Programs (EAPs), which offer mental health services as an employment benefit. Other purchasers of social work services include private schools, clinics, and correctional facilities.
4.3 The Effect of Public Policy and Business Dynamics on the Demand for Social Workers: A Limited Case Study

It is interesting to look at how some of the demand factors noted above manifest themselves in the real world. For example, hospitals and care facilities have reportedly come under both government and business pressure to behave in ways that have led to a reduction in the number of social workers employed.

As is well known, the second half of the 1990s saw significant pressure from the Medicare program to reduce outlays. At the same time, the health care field in many regional markets has seen an increasingly privatization resulting in a significant competitive battle for market share causing an increasing focus on attempts to maintain profitability, which has manifested itself in cost-cutting.

In order to determine how these factors might affect the demand for social workers, we interviewed directors and case management team leaders in three major hospitals in a large eastern United States health care market. In addition to confirming the effect of government policy and product market competition on the demand for social workers, these interviews provided important facts about the role and behavior of social workers.

In Hospital One, a formerly independent department of social work services had merged with another department that specialized in utilization review to create a case management department. Reportedly, the driving force for this change was pressure from Medicare and managed care companies to improve the efficiency of hospitals by shortening patients’ length of stay, increasing patients’ safety and satisfaction while in the hospital, and lowering the re-admittance rates of recently discharged patients. Hospital One hired consultants who recommended creation of a case management department to anticipate and coordinate all elements of a patient’s time in the hospital. This department employs both MSW social workers and nurses with a clinical and utilization review backgrounds. Prior to the change, there were five social workers and eight registered nurses (RNs) employed. Currently, the hospital employs three social workers and nine RNs. The proportion of social workers has dropped from 38 percent to 25 percent.

As reported to us, the case management department operates in a tense atmosphere because the outlooks of the social workers and the nurses differ. Nurses focus on accomplishing tasks and seeing patients through the discharge process in a timely manner. Social workers, on
the other hand, are more concerned with addressing the perceived wants and needs of the patient. Often this concern results in keeping patients in the hospital for an extended period so that families can make the necessary home care preparations. There was resistance when the department held formal sessions to facilitate information exchange between social workers and RNs. These joint learning sessions were unsuccessful because, as reported during the interview, neither the nurses nor the social workers were forthcoming in these meetings. Weekly meetings are now held to discuss particular cases, thereby ensuring exposure to differing occupational perspectives and treatment methods. Now four years since the initial change, the department has begun to function smoothly, although some tension between the social workers and nurses still exists.

Hospital Two underwent a similar change to its social work department in 1997. Again, the social work department had merged with a department performing utilization review to form a case management department. The change at the medical center took place for three primary reasons. The first was an increased number of payment denials from managed care companies for extra days of a patient’s time in the medical center. The second was an overall high average length of stay per patient. Finally, the medical center experienced a large number of complaints that crisis prevention and psychosocial needs of the patients were not being fully addressed.

The change resulted in a redefinition of the role of the social workers and the creation of nurse case managers. Social workers are no longer responsible for discharge planning; rather, their attention has been directed toward psychosocial needs, crisis management, adjustment to illness, and other medical social work concerns. Case managers, who must possess a bachelor’s or master’s degree and be a registered nurse, now have responsibility for discharge planning. The department currently employs six licensed MSW social workers and nine nurse case managers. Previously, there were more than ten social workers at the hospital. The transition was difficult, especially for social workers because they believed their jobs were being eliminated.

Hospital Three went a different way (until recently at least), retaining a free-standing social work department. In this situation, the director of the social work department reports directly to upper management, which reportedly appreciates the worth of the social work department and its functions. The department currently employs more than 25 licensed MSW social workers. These social workers are responsible for all levels of clinical discharge planning,
counseling, and standard medical social work duties. The hospital leadership recognizes that it has gone against the nationwide trend of dismantling such departments. Recently, however, hospital leadership has changed, and the new director of the social work department has been asked by the new hospital leadership to develop a partnership model with the utilization management department. The future of the social work department therefore remains uncertain.

Of course, we cannot generalize from several telephone interviews. Nonetheless, several points raised during these discussions are worth noting. First, competitive pressures, significantly affected by public policy (Medicare expenditure reduction), led to reorganizations that reduced the independence of social work departments as well as the number of social worker positions. Second, social workers were not perceived as willing or able to perform in the manner in which hospital managers were moving operational policy. Interestingly, other social work managers have reported to us that social workers were “inflexible” when required to adapt to a new situation. This new situation changed their role from a care coordinator to a member of a team, one of whose goals was to speed-up hospital discharges. The social workers were not in favor of these revised policies, which may have been a source of their “inflexible” attitudes. Thus, social workers have had less influence in the development and operation of the newly emerging case management departments than they might have had if they had aggressively and cooperatively sought to play significant roles, despite not favoring the new policies.

A third factor related to the use of social workers, nurses, and other staff in hospitals is their relative pay. Nurses are paid more than social workers. If hospitals substitute nurses for social workers, they must believe this will increase overall efficiency, presumably by leading to earlier discharges. At the same time, there is apparently some tendency for lower-paid human services workers to be substituted for social workers as suggested recently by the BLS:

Social service employment of social workers in private social service agencies will grow, but not as rapidly as demand for their services. Agencies increasingly will restructure services and hire more lower-paid human service workers and assistants instead of social workers (BLS (2000), p. 163).

It is interesting to note that registered nurses (RNs) see the situation not dissimilarly to social workers. A recent study by Buerhaus and Staiger (1999) attributes much of the slowdown
in nurse employment to the growth of managed care. Absent a reduction in the incidence of managed care, the apparent competition between RNs and social workers in the health care field could well continue.

4.4 Other Policy Influences on Demand

Earlier, we suggested that the social and political climate affects the level of public and private spending and thereby the effective demand for social work services. A noteworthy example was the War on Poverty of the 1960s. This particular government policy provided the resources to hire people into the social work profession because it was part of a national consensus. Public policy reflected general attitudes by allocating money to these pursuits. Increased funding, in turn, lead to an increase in the demand for social workers. Of course, the War on Poverty also had an effect on the supply side of the labor market by making social work a more attractive profession.

A second example of public policy having a (potentially) material effect on the demand for social workers is the proposed Medicare Social Work Equity Act of 1999 (MSWEA). This pending legislation could ultimately affect all social workers, although it is of particular interest to those practicing in skilled nursing facilities (SNFs). The MSWEA addresses three issues of concern to social workers. First, beginning in January 1999 social workers were no longer able to bill Medicare for services provided to certain patients in SNFs. Instead, SNFs receive a lump sum payment for patients. While this grants the SNF more discretion in allocating funds, it also reduces the likelihood that SNFs will contract with clinical social workers to provide services because the daily reimbursement amount is too low to cover ancillary services such as social work. The MSWEA proposes to exclude clinical social work services from the lump sum payment coverage. Second, MSWEA would exempt clinical social workers from consolidated billing which requires clinical social workers to bill the SNF which in turn bills Medicare. Instead, social workers would bill Medicare directly. Finally, MSWEA would eliminate wording in existing laws that have led to confusion between social services and clinical social work. This confusion engendered the belief that social services provided at the SNF are the same as clinical social work services. Clearly, this is legislation that would be strongly favored by social workers.
Another recent change in public policy may have a material effect on social workers. The Balanced Budget Act of 1997 altered Medicare’s reimbursement system by no longer paying nursing homes their costs plus a profit. Medicare now specifies how much it will pay and how long patients can stay in nursing homes under certain conditions (Peter Grant (2000)). As a result, the number of gerontological social workers in nursing homes likely would be reduced, as their judgment is replaced by an administrative procedure.

Finally, as this paper is written, Medicare reimbursement policies are being cited for the massive and alarming withdrawal of managed care organizations from the Medicare market. No doubt, aggressive HMO policies to seize market share, plus possibly some poor cost and price planning, have had an effect as well. Two points seem relevant: first, as HMOs exit the Medicare market, elderly patients will return to a fee-for-service health care system that typically does not offer the sorts of preventive and social support services typical of HMOs. Second, as a result, there will be fewer social workers to assist patients. It is clear, then, that the very large component of the demand for social work services accounted for by government can have both direct and indirect effects on the demand for social workers.

4.5 Other Influences on Demand

Clearly, public policy plays a significant role in shaping the demand for social workers. There are, however, other non-policy influences affecting the demand for social workers. Among these rather technical influences are price sensitivity, substitution effects, complementarity effects, and labor cost as a share of total cost. Each of these influences is important to understanding labor market demand and will be discussed below.

As noted at the beginning of this section, the demand for social work labor is derived from the demand for the final product—social work services. Thus, if the demand for social work services is insensitive to changes in its price, then the demand for the providers of the service (social workers) also will be insensitive to changes in the price (i.e., the wage of social workers). Furthermore, the more insensitive the demand for social work labor to changes in social workers’ wages, the higher the wage rate they can command. Conversely, if the demand for social work services is sensitive to changes in price, so too will be the demand for social workers.
The wages of substitutes for and complements to social work labor are potentially important in the evaluation of market demand. For example, if wages paid to counselors (a potential substitute for social workers) fall, then the purchasers of social work services are more likely to substitute counselors for social workers. The more easily managers could substitute counselors, for example, for social workers, the more rapid and complete this substitution would be.

If the number of readily available substitutes for social workers is large, social worker labor demand will be more responsive to changes in wages paid to substitute labor. Again in the significant sector of demand which is unlicensed, because the skills possessed by social workers are not easily tested, there is likely to be a large pool of substitute labor waiting to enter the social work field. As a result, at the Bachelor’s degree level at least, the demand for social workers is likely to be highly sensitive and responsive to changes in wage rates.

Complements (inputs that combine with social workers to produce social work services) are also important in evaluating the demand for social workers. Recall from the hospital case study, nurse case managers and social workers work in conjunction with one another in hospital case management departments. The duties performed by each are highly interdependent. The RN case managers are in charge of patient discharge planning, while the social workers are in charge of the patients’ psychosocial needs and other medical social work concerns. Assume a hospital requires both case managers and social workers to function effectively. If the wage rate paid to either case managers or social workers were to rise, it is likely that the demand for the other would fall in response (unless the hospital could somehow increase total outlays). Aside from this example, there does not appear to be an obvious complement to the labor of social workers. In fact, whether a social worker is a complement to another occupation is largely specific to the individual workplace.

4.6 **The Cost of Social Workers and the Cost of Social Work Services**

The final factor that affects the demand for social workers is the share of labor cost in total cost. Section 2 outlined the compensation received by social workers. This compensation is the direct cost of a social worker in the production of social work services. There are, of course, other costs that vary dramatically across social workplaces.
Economic theory suggests that the share of an input’s cost in the total cost of the production of a good or service can potentially affect the demand for that good or service. This is because a majority of any increase in input costs are passed along to the ultimate consumer through an increase in the price of the good or service. If the price of an input accounts for a relatively small share of total cost, any price increases in the particular input would meet little resistance from final consumers, because the price increase passed along would be minor. Conversely, the larger the share of costs accounted for by a particular input, the greater the price increase due to a rise in the price of the input. This is sometimes referred to as the principle of “the importance of being unimportant.”

The percentage of the total cost of social work services accounted for by social workers would appear to vary with the nature of employment. If a social worker were a private counselor, for example, compensation would account for much of the social worker’s costs. The precise share would depend upon the cost of office space and other fixed costs, but compensation would constitute a material share of total cost. In another example, the total cost of providing social work services is likely a modest component of hospital costs. Yet, as we saw in Section 4.3, at least some hospitals have gone to considerable lengths to reduce the number of social workers. This may be because the hospitals work to reduce labor costs or to reduce costs of particular labor categories. Either way, it would appear that social workers constitute a materially large share of some cost category that is relevant when employment decisions are made (at least in the hospitals we contacted). If so, increases in the compensation of social workers would have an effect on the cost of social work services.
5. THE LABOR MARKET FOR SOCIAL WORKERS

A market is a place, real or conceptual, where suppliers and demanders come together and, in the case of labor, agree on pay and the conditions of employment. The market for BSWs and MSWs appears to be largely regional, even local. The market for Ph.D./DSWs may be national. In this section, we briefly examine various characteristics of a labor market and indicate how the social work market appears to operate. In no case is our judgment definitive. Indeed, in nearly all cases further research would be valuable to develop the sort of information needed to form properly definitive judgments.

5.1 Market Clearing

If a labor market “clears,” there are neither significant numbers of unfilled jobs (vacancies) nor unemployment. Typically, if there are job vacancies, one will observe future wage offers to be higher. Yet, we are told that in the market for child welfare workers, job vacancies persist, while wages do not increase. One explanation for this phenomenon is that wages are determined administratively and not by the market. This explanation is consistent with a system of government-determined wages and a government entity that is unresponsive to the persistence of the job vacancies. One reason for such unresponsive employer behavior could be budget constraints that prevent wage increases. Another could be the perception on the part of the government that it can hire BAs instead of BSWs at the current administratively set wage. If social workers were wage sensitive, one would expect social workers to respond by seeking other jobs. At the same time, there should be slower entry to the profession via reduced enrollment in university BSW programs.

26 The economics profession provides a good example. A significant percentage of the jobs for Ph.D. economists, for example, are “on the market.” At the annual meeting of the American Economic Association, Ph.D. students send resumés, which are placed in large binders; universities, research organizations, governments, and private companies send position descriptions. Appointments for interviews are made in advance and at the meeting. This “market” is a very important part of the overall job search and vacancy-filling process.

27 Job vacancies exist when the quantity of labor supplied exceeds the quantity of labor demanded. Unemployment exists when the reverse is true. We ignore here the notion of “frictional” unemployment, the sort of unemployment that exists because of job changing and that is, in the aggregate, compatible with full employment.

28 This is the pattern of behavior Freeman (1975) found in the case of Ph.D. physics students.
One reason the social work labor market might exhibit vacancies is that it is very slow to adapt (or “sticky”). Stickiness on the employer side might be explained by the significant share of social work employment in the government sector and, on the employee side, by the very strong preference of social workers for social work jobs.

We have been told anecdotally that in the San Francisco Bay area there has been a rapid run up in the wages of social workers in the private care market in response to a significant increase in nursing home enrollments. If so, this suggests that at least on the demand side, the market is operating to set wages that would attract the needed number of social workers. It would, therefore, be of great value to prepare carefully designed case studies of several regional markets, such as the San Francisco Bay area, to determine if wages and employment have been affected by recent phenomena, how quickly, and through which channels of communication and wage change.

5.2 An Economist’s (Incomplete) Summary

Labor economists ask about the responsiveness of both demand and supply to changes in the wage rate. If these relationships are known quantitatively, most questions concerning the effect on wages and employment of various economic shocks – public policy shifts, unionization of workers or changing demography – can be answered. Typically, a great deal of effort in data collection and statistical analysis is required to determine these quantitative relationships.

In the case of social workers, there is too little of both market understanding and data to undertake the quantitative analysis. Section 6 contains a list of suggested activities that would increase our understanding of how the market for social workers operates and our ability for quantitative description and eventual analysis.

For now, we offer some speculations on the social work labor market. On the supply side, the market appears highly segmented by educational level. There is some, but modest, competition between BSWs and MSWs; the latter may compete with DSWs, but only on the margin. At the BSW level, there are large numbers of substitutes for social workers, implying a highly responsive supply to the market. Note that this responsiveness is not provided by BSWs but rather by BAs in other fields of whom there is a large number. At the MSW level, there are relatively fewer substitutes, although in the health care field, apparently, there is a tendency to substitute nurses for social workers. Hence, we conclude that the supply of BA/BSW “social
workers” is relatively more responsive than that of MSWs. Across the education spectrum, we observe that social workers are highly committed to doing social work which, as noted, may lead to stickiness in the market and help to depress social workers’ wages.

On the demand side, the issue is even more complicated and the lack of general information more apparent. In general, the demand for labor is said to depend upon — or be derived from — the demand for the final product (social work services), as described in Section 4. While often a small percentage of apparent total cost, the compensation of social workers seems to constitute an economically material percentage of the cost of social work services. Nonetheless, the demand for social work services is probably relatively unresponsive to its price for two reasons. In the modestly sized private market, consumers’ incomes are probably relatively large compared with the cost of social work services. In the public sector, budgets for social work services are set in a process that appears quite independent of the market for social workers. All of these factors tend to imply a demand for social workers that is relatively unresponsive to price.

Note that we have made no statements about the mobility of social work labor across subfields, such as child welfare and geriatrics, or between the public and private sectors. We have seen no useful information to form the basis on which to do so. But the mobility of labor within the social work field is of great interest and importance. Finally, the demand for social work services and the demand for social workers are both affected in significant ways by public policy decisions. These decisions relate both to program design (e.g., who can provide a service) and to funding levels.
6. AN AGENDA OF DATA COLLECTION AND RESEARCH

To a significant degree, the preceding sections have offered reasonable descriptions and inferences but little in the way of definitive statements about the labor market for social workers. Given the paucity of data and previous research on the topic, this is as it should be. In order to improve this situation, it will be necessary to collect data and undertake carefully designed studies. In this section we first discuss possible research, with emphasis on two sets of systematic, data-intensive case studies, and next offer suggestions for a program of data collection. We conclude with a few suggestions on some institutional steps to facilitate these efforts.

6.1 Research Studies

6.1.1 Local or Regional Labor Market Case Studies

The market for social workers appears to be largely local or regional. Accordingly, a carefully structured set of studies in several different markets could inform us about both the supply and demand sides of these markets and whether, and if so, how they vary across labor markets with different conditions. Characteristics of the studies might include:

- Common design; central coordination of methodology and preparation of reports; preparation of a synthesis;
- Selection of markets that have some common features (e.g., size) and some disparate features (e.g., unemployment rate), the degree of difference depending on the number of studies;
- Description of markets in terms of government and private demanders of social workers; available supply by education; availability of alternative sources of social workers and of jobs for social workers; wage levels;
- Interviews with key actors: deans and directors of social work education programs; key employers; selected social workers at BSW, MSW levels; non-social work-degreed people in “social worker jobs;”
- Data collection via surveys that would be representative of the market; and
• If feasible, some longitudinal\textsuperscript{29} element, so that changes in the market could be observed and, hopefully, associated with observable phenomena such as public policy changes, major philanthropic activity, etc.

Benefits of such studies would include:

• The ability to learn if there are either unemployment of social workers or job vacancies for social workers and, if so, whether and how the market responds in terms of wages, education, in- or out-migration, etc.;
• The ability to observe responses of markets to policy changes and the responsiveness of both the supply and demand sides. (This information would be useful for predicting responses to a program such as the Hartford Geriatric Social Work Initiative that aims to increase the supply of a subgroup within social work);
• The ability to learn if there is substitution of non-social work degreed professionals for social workers;
• The ability to gain insight into the mobility of social workers across geographic regions and subspecialties within the social work profession; and
• The ability to establish a framework for future longitudinal data collection.

6.1.2 “Interesting Situation” Case Studies

The labor market case studies described above might be too ambitious or costly. An alternative would be to study interesting situations in which new stimuli have affected the labor market and are causing observable changes. Such situations would certainly include health care facilities. The material sketched in Section 4.3 barely scratched the surface of what could be learned in terms of “true” educational requirements for social work jobs and the substitution of non-social work degreed professionals for social workers. A structured case study of the use of social workers in the health care field should include public and private and for-profit and non-profit health care institutions. By interviewing different levels of supervisors and employees (hospital senior executives; senior social workers; other social workers; heads of key departments such as care management; nurses and other cooperating staff), it would be possible to gain a sense of how changes in public policy and the economics of health care have affected

\textsuperscript{29} Longitudinal data refers to observations on the same individual or organization at different points in time.
social workers. Information on the cost of social workers relative to total cost also could be obtained. By doing such studies at several institutions, one could learn if the dynamics are institution-specific or generalizable. Finally, conducting such case studies in a few markets would add a regional dimension. Since much of the work of social workers in the health care setting relates to older persons, this effort could be of value in describing the labor market toward which the supply-side-oriented Hartford Geriatric Social Work Initiative is directed. Recent high quality research on the labor market for nurses would provide useful input to such studies (see Buerhaus and Staiger (1997, 1999)).

6.1.3 The Relative Importance of Education in Social Work in the Production of Social Work Services

Several observations made in this report suggest a diversity of views regarding the education and tasking of social workers. In Section 2, we noted the low ratio of NASW members to “social workers” as self-reported in the Current Population Survey. Kraus, et al. (1999) argue that in some situations, a degree in social work should not be required for jobs that have traditionally required such a degree. At the same time, Ryan et al. (2000) urge the profession to focus on “community work,” which appears to encompass a set of skills that may overlap but not require a degree in social work. In Section 4.3, we noted the merging of social work with health care quality control in hospitals.

In this context, it would appear useful to examine the precise contributions of social work education to the delivery of social work services. Clearly, this is a task first and foremost for social work practitioners and educators, but the economist’s perspective can be helpful in the following ways. Economists will ask questions such as the following: What is the relative importance of the subjects studied by social work students? What is the trade-off between breadth of training to depth within a particular field in the value of social work graduates to employers and to clients? Is the delivery of social work services different (in terms of quality and cost) when delivered by a social work degreed person in contrast to a person with a non-social work degree? Much of this analysis would require some measure of “quality” of service, a notoriously difficult concept to define, let alone measure.
6.1.4 Social Worker Costs and Human Resource Decisions

The discussion in Section 4 indicated some uncertainty about the share of social worker compensation in social work costs. Recognizing that this question may be of interest principally to economists, it would be useful to determine the total costs of production of social work services and to compare these costs with social worker compensation. Then, it would be interesting to learn how a variety of human resource decisions involving social workers are made and whether social worker costs are an important variable in this decision-making process. It is possible that costs would affect hiring, training, promotion, and retention. The report by Kraus, et al. (1999) puts great weight on these factors from the viewpoint of adequate staffing for child welfare and social work.\(^{30}\) Perhaps the economic dimension should be a more important factor in this analysis.

6.2 Data Collection

The discussions in Sections 2, 3 and 4 of this paper indicate that data are needed on several topics. Of very high priority is the need for a more statistically and substantively representative picture of the number of social workers, their education, and career paths. Doing so requires resolving the differences between the NASW and CPS data, as described in Section 2. Also important is to determine the earnings and earnings mobility of social workers. Doing so requires both the baseline data just noted and some longitudinal or year-over-year cross-sectional data. Accordingly, we offer three suggested projects.

6.2.1 Who are the Social Workers?

If the social work profession wishes to have a consistent, economy-wide base of information, it will have to determine whether it wishes somehow to sanction or cooperate in the development of data that include non-social work degreed “social workers.” A starting point would be a meeting with BLS experts to determine if it would be possible to collect in a special supplement to the CPS a few additional pieces of data on the jobs held by self-referred “social

\(^{30}\) The interested reader should see Zlotnik (2000).
workers” in the CPS. Such data would be instrumental in comparing these jobs to the jobs of
degreed social workers. The supplement also should include an additional question identifying
the specific degree type held by the self-referred “social worker.” The existence of one
recognized data source on social workers would obviate the sort of data inconsistencies reported
in Section 4.2 with regard to the public sector employment of social workers. It would also be
useful to develop a mutually exclusive set of social work job categories.

6.2.2 Representative, Longitudinal Data on Social Work Graduates

In Section 2, we described the data collected by Doelling, et al. As we indicated, it
would be useful to collect several pieces of information on a representative set of MSW
graduates over time. A practical program to build on the initial work of Doelling et al. would
include the following:

- In the near term, collect only the data currently being collected. It is always tempting
to collect more data, and we can think of desirable pieces of information to collect.
Nonetheless, Doelling et al. have obtained an extremely low level of interest and
participation in their modest survey. Adding to the data requested should wait until
the sample is made larger and more representative.

- Secure institutional support for the study on an on-going basis. Ideally, this
institutional support should be from within the social work profession and be
committed to prolonged support for the project.

- Engage in a structured and targeted attempt to obtain increased and geographically
more representative participation. If adequate financial support were available, one
could draw a statistically representative, regionally stratified sample of MSW-
granting schools. A method of selecting students within schools would be developed
so that analysis of the nested sample would produce statistically representative

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31 The cost of such a supplement would have to be funded by the organization seeking it. Gaining both
programmatic and financial support from an appropriate federal agency would be important.

32 A more specialized data source would be the Association of Social Work Boards (ASWB). Potentially, the
ASWB could collect information on individuals applying for a license exam or exam materials. Relevant
information would be demography, earnings, location, current job, and reason for taking the license exam.
results. Failing this, the institutional sponsor could work with Doelling, et al.\textsuperscript{33} to personally contact a number of schools in each region of the country to even out the participating sample, as it is increased in size. Participating schools would be encouraged to treat the survey as a serious and important effort and “encourage” students to participate.

- The data would be analyzed by Doelling et al. or whomever the institutional sponsor selected, and a report would be publicized. Data could be made available to the public.

- It would be of great value if the Doelling et al. data were longitudinal. A longitudinal survey would enable researchers to track people who exit social work positions and to see their reasons for leaving and where they go. Determining the reason for exit from the profession over time could potentially shed some light on the wage or taste question discussed in Section 3.\textsuperscript{34}

We have targeted this discussion on MSW graduates. Data on BSW graduates also would be of obvious value, and collection should be considered.

6.2.3 Longitudinal Data on Student Choice and Behavior

In Section 2, we noted the potential value of the dataset analyzed by Perry. This dataset should be explored by an appropriate scholar within the social work profession to determine whether or not the California sample is sufficiently representative to warrant further development and dissemination. That is, it may be that the California data is thought to be sufficiently representative of social work students in substance, although certainly not statistically, to yield interesting results and therefore be worth augmenting over time. Were the data of wider relevance, they could be used to study the intentions and the behavior of MSW students. Follow-up of the graduates could be undertaken to observe mobility by job, earnings, and location.

\textsuperscript{33} It must be noted that Doelling, et al., are unaware of this suggestion. Given their work to date, they are an obvious candidate to play a central role in this effort; there are no doubt other competent candidates.

\textsuperscript{34} It would be interesting to add aspects of the Perry longitudinal component to this survey by examining the practice preferences and career choices shaping specific job choices. It would also be worthwhile to determine if availability of jobs influenced the field of specialization that the students chose.
6.3 Institutional Direction

Like many activities, research is not well directed by a central authority. The system of research by large numbers of academics competing for spots in peer-reviewed journals is the standard for nearly all fields. Much of the research we have suggested, however, has little grounding in the social work profession. There is no tradition of such large-scale data collection and even less of economics-oriented research. Accordingly, it seems, to us at least, that some institution needs to step forward and jump-start a program of research.

One way to begin this process would be to organize a conference of experts with the following two goals:

• Determine if the research program set forth in Sections 6.1 and 6.2 is worth pursuing. If the answer is yes, then,
  • Identify a research organization that could raise funds and provide an initial institutional home for this effort. The institution would be responsible for circulating these ideas and allocating research and data collection resources to other research institutions.
REFERENCES


