Leaving the station

Railroads are moving out, leaving room for health care to dominate Roanoke's economy
More than a railroad town

No industry dominates Roanoke the way railroads once did, but health care is getting close

by Jenny Boone
When the Norfolk Southern building houses other offices, the railroad's trains will still rumble through downtown.
Brent Williams gave up a business career to become a respiratory therapist. Like most soon-to-be college graduates, Brent Williams’ mind was on the job hunt well before his May 2014 graduation from the Jefferson College of Health Sciences.

His search didn’t take long. A month before Williams graduated with an associate degree in respiratory therapy, Carilion Roanoke Memorial Hospital hired him as a respiratory therapist. He began work a few months later, after receiving his state license to practice.

“It was very easy,” says Williams, 33, about landing the hospital job, the place where he did his clinical training through Jefferson College and met many of the practitioners with whom he now works.

Carilion Clinic typically hires about 65 percent of Jefferson College students upon graduation. Williams’ story is a microcosm of the jobs picture across the nation, state and the Roanoke Valley.

He swapped a business career for health care, one of the few industries that grew during the recession. The swift hiring pace for health-care jobs will continue for at least 10 more years in the Roanoke region, with the expected addition of about 4,700 jobs, says Chris Chmura, president and chief economist with Chmura Economics & Analytics in Richmond.

In the Roanoke metropolitan statistical area, 22,639 people were employed in the health-care or social assistance field in the second quarter of 2014, outpacing all other industries, according to the Virginia Employment Commission (VEC).

That total is well above the number of people who worked for what was once the Roanoke area’s largest employer – the railroad industry. At least 4,500 people in the Star City worked for Norfolk & Western Railway, before a merger that ultimately changed its fate.

N&W’s overwhelming presence in the region created for Roanoke a decades-long identity as a railroad town.

The tide turned in 1982, when N&W merged with Southern Railway Co. to form Norfolk Southern Corp. The company’s headquarters moved to Norfolk, along with about 1,500 Roanoke jobs. About 3,000 railroad jobs remained in the Star City.

That number had dwindled to 1,700 before January, when Norfolk Southern announced it would move 500 Roanoke jobs to Norfolk or Atlanta. Employees who worked in such roles as marketing, information technology and accounting, all considered high-paying jobs, had the option of relocating or leaving the company.

Norfolk Southern said the move is about synergy, streamlining and making better use of its real estate. The company has not said what will become of its 203,000-square-foot Roanoke office building.

Approximately 1,200 people still
are employed by Norfolk Southern in Roanoke. They work at a switching yard and locomotive and car maintenance facility at Shaffer's Crossing and a locomotive overhaul and rebuilding facility in the company's East End Shops. How long those jobs will remain in Roanoke is unknown.

And though the loss of 500 jobs is not good news for Roanoke, Norfolk Southern's presence in the area already was declining, beginning with the 1982 merger, says Beth Doughty, executive director of the Roanoke Regional Partnership, an economic development organization. "The idea that the sky is falling is not true," she says of the job loss announcement.

In the years after the railroad's headquarters shifted to Norfolk, Roanoke slowly took on a new identity.

Some now consider it a health-care region. Though employment numbers reveal this trend, not everyone is willing to tie that description to the Roanoke Valley. Doughty points to the diversity of the region's economy. "The idea that we are a railroad town or a company town is not realistic or accurate," she says. "I think Roanoke's strength lies in its diversity. You don't want to put all of your eggs in one basket."

Even so, three health-care companies ranked in the top 10 largest employers in the Roanoke MSA during the second quarter of 2014, according to the Virginia Employment Commission. They are Carilion Roanoke Memorial Hospital, the Department of Veterans Affairs, which operates the Salem VA Medical Center, and HCA Virginia Health System.

Other companies listed in the top 10 employers include Kroger, school systems in Roanoke City and Roanoke and Franklin counties, Wells Fargo Bank and Walmart.

The professional, scientific and technical sector is another growth industry for the Roanoke area, according to Chmura. While this industry employs about 7,300 in the Roanoke MSA, it is projected to add only 1,300 new jobs in the next 10 years, a lot fewer than in the health-care industry, she says. These kinds of jobs encompass a variety of categories, such as law, accounting, engineering, landscaping, biotechnology, veterinary and more.

Nationally, a study by the Center for Health Workforce Studies at the University at Albany, State University of New York, found that between 2010 and 2020, jobs in the health-
care sector are projected to grow by 30 percent, more than twice as fast as the general economy. The report analyzes data from the Bureau of Labor Statistics.

In the Roanoke MSA, health-care and related jobs make up more than 17 percent of the region’s employment, compared with about 12 percent 20 years ago, Doughty says. Other industries with employment growth in the past 20 years include educational services, with 7.5 percent of jobs, compared with 6 percent 20 years ago, she says.

When considering a new job, the stable nature of the health-care field attracted Williams. He earned a bachelor’s degree in business from Brigham Young University in 2006, and soon after that he began a business serving as a vendor for gum-ball and soda machines. He mostly worked with Macy’s stores throughout the country and managed nine employees.

Much of his work, Williams says, focused on figuring out how he could make as much money as possible. But the job wasn’t rewarding, he says. Also, he began worrying about the risks of running a business and its future security. He ended up selling half of the business to go back to school. “What I liked about health care, it’s solid,” says Williams, a Roanoke Valley native who is married with two sons, ages 2 and nearly two months. “It’s going to be there for a long time.”

Now, he works 12-hour shifts three nights a week in the intensive care unit and the emergency room at Roanoke Memorial Hospital. As a respiratory therapist, Williams helps patients who have trouble breathing by using therapies or supplementing oxygen through a breathing tube.

Because of his new position, Williams’ wife was able to leave her job as a buyer at Advance Auto Parts to stay at home full time with their two children. Williams now has a better benefits package with Carilion, which has helped his family, he says.

As for his pay, Williams says his starting salary is comparable to his earnings with his vending business. The starting salary range for respiratory therapists is $45,000 to $60,000, he says.

Carilion Clinic, a nonprofit organization, employs 8,880 in the Roanoke Valley, a 26 percent increase from 7,011 in 2005, according to spokesman Chris Turnbull. Carilion operates about 134 health-care facilities in the Roanoke Valley, including four hospitals, 25 primary-care centers and other practices that include specialty care, imaging, rehabilitation and more.

There are several reasons for Carilion’s steady rise in employment, and they mirror national...
trends, says Debbie Lovelace, senior director of human resources at Carilion. The baby boomer generation, which includes people born between 1946 and 1964, is aging and requiring more health-care services. Also, the introduction of the Affordable Care Act allows more Americans to have health insurance. Therefore, more people are seeing doctors and requiring health-related services.

The Roanoke Valley's large senior citizen population and reputation as a good place to retire is likely a significant factor driving the health-care industry as well, experts say.

Lately, Carilion has hired an increasing number of people to work in the fields of analytics and informatics, such as financial and information technology analysts, Lovelace says. "These positions research health-related trends in the community, and their annual pay ranges from $50,000 to $60,000 and may reach $90,000, she says.

Also, there's a particularly strong demand for nurse practitioners who help reduce the patient load on doctors by treating common illnesses, Lovelace says. Additionally, entry-level jobs, such as medical assistant positions, are popping up at more physician offices within Carilion. Medical assistants take patients' vital signs and do other intake work, reducing the responsibilities for a doctor or a nurse practitioner, Lovelace says.

Some nurse practitioners can earn about $90,000 a year, while medical assistants generally start at $20,000, Lovelace says.

A new outpatient center for orthopedic and neuromuscular services in Roanoke may create more Carilion jobs, though employment figures for the facility are not yet known. Carilion is in the midst of renovating the 65,000-square-foot space of a former Ukrop's Super Market store on Franklin Road in Roanoke for an outpatient facility specializing in neuroscience, orthopedics, spine surgery, rehabilitation therapy, pain management and more. It is expected to open in 2016.

This new location will expand space for Carilion's orthopedic outpatient services currently located on Postal Drive and at its Riverside location in Roanoke. Both have averaged 250 patient visits a day in past years, according to Carilion.

The organization's Roanoke Valley footprint has grown substantially in the past decade, with the addition of the Virginia Tech Carilion School of Medicine and Research Institute, located adjacent to Roanoke Memorial Hospital in a growing biomedical health sciences campus. The institute and medical school opened in 2010, and the school's first class of 40 students graduated last year. Carilion also owns Jefferson College of Health Sciences.

Though Carilion is the largest private employer in the Roanoke Valley, it's not the only provider of health-care jobs. One of its competitors, LewisGale Regional Health System, part of HCA Inc.'s Capital Division, operates a hospital in Salem,
Employment by industry: Roanoke MSA

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<tr>
<th>Industry</th>
<th>Employment</th>
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<tr>
<td>Health care and social assistance</td>
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<td>Retail trade</td>
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<td>Manufacturing</td>
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<td>Administrative, support and waste management</td>
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<td>Utilities</td>
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<tr>
<td>Mining, quarrying, oil and gas extraction</td>
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Source: Virginia Employment Commission, Quarterly Census of Employment and Wages, 2nd Quarter (April, May, June) 2014

and others in Montgomery County, Pulaski and Low Moor.

The health system employs a total of 3,200 people, plus 250 contracted workers, says R.J. Redstrom, its vice president of human resources. This total has remained relatively steady in the past five years.

Registered nurses make up the largest employee segment across the health system's hospitals, he says. "They allow us to be open 24/7," Redstrom says.

Similarly, nurses and nurse practitioners, along with doctors and physician assistants, are the jobs in most demand at the Salem VA Medical Center, which has about 2,000 full-time employees, says spokeswoman Ann Benois. Physician assistants earn much higher salaries than medical assistants, with one news source citing $62,000 as the low-end range for this group. Other high-demand jobs there include pharmacy, lab and imaging personnel.

Lately, LewisGale has had a difficult time finding and keeping nurses. Nurses have options to work in doctor's offices, in schools and elsewhere, creating a competitive hiring landscape for the health system, Redstrom says.

Plus, nurses who have been in the profession for many years are retiring, and more are needed to replace them. "The same things creating the need are creating the void," Redstrom says.

Nursing is Jefferson College's largest undergraduate academic program. Registered nurses are projected to earn an average of $69,110 annually, says Mark Lambert, spokesman for the college.

A survey of all Jefferson College graduates from the classes of 2011, 2012 and 2013 combined showed that about 74 percent landed jobs in the Roanoke Valley and adjacent areas, Lambert says.

Victoria Altizer, a Franklin County native, is a recent Jefferson College graduate who chose to stay in Roanoke after she graduated last December with a master of science degree.
in physician assistant studies. Before that, she received a bachelor’s degree in health psychology at Jefferson College.

"[As an] undergraduate, I worked in the emergency room at Roanoke Memorial, and I got to see the PAs [physician assistants] in action," Altizer says. "I wanted to work in the mid-level practitioner role. We're trained in kind of a primary-care role. We are taught a little about everything."

Like Williams, Altizer landed a job before her graduation, as a physician assistant at Avenues to Wellness, (formerly Walnut Avenue Associates) a psychiatric practice in Roanoke. She is one of five physician assistants there, who work with two psychiatrists. Altizer did her clinical rotation at the practice last year. "Every rotation was kind of like a job interview," she says.

Now her schedule is packed with appointments each day. Altizer, 25, sees new patients and follow-up appointments and writes drug prescriptions. "I just like that I'm able to work with patients," she says. "I feel like the program that I went through trained us very well for patient education."

Though Altizer represents a growing generation of professionals in the Roanoke Valley, its history in the railroad business isn't entirely forgotten. Several Roanoke museums, such as the O. Winston Link Museum and the Virginia Museum of Transportation, tell the railroad's story. Also, the seal of the city of Roanoke still bears a train image.

As the railroad's corporate presence slowly fades from the Star City, another railway service is making a comeback. Intercity passenger rail service by way of Amtrak will make its way to Roanoke by 2017. The rails will take people directly to Lynchburg and then on to Washington, D.C., Baltimore, Boston and elsewhere. It's been 36 years since N&W ended passenger rail service in the Star City.

"In some ways," says Bev Fitzpatrick, executive director of the Virginia Museum of Transportation, "Roanoke will always be a railroad town."