

April 21, 2023

Health care job growth continues modestly across all major settings of care

HIGHLIGHTS

- ▲ Health care added 33,900 jobs in March 2023, somewhat less than the roughly 54,000 jobs per month that were added in the first two months of 2023 and the 12-month average of 51,000 jobs.
- ▲ March health care job growth was seen in all major settings of care, with ambulatory settings adding 15,000, hospitals adding 10,900 and nursing and residential care facilities adding 8,000 jobs.
- ▲ The economy added 236,000 jobs in March, somewhat lower than the growth seen in January and February. In the first quarter of 2023, the economy added an average of 345,000 new jobs per month, equal to the 12-month average of 345,000 jobs. The unemployment rate dipped slightly to 3.5%.
- ▲ Wage growth in health care has been declining since mid-2022 and has been below economywide wage growth since January 2023. In February 2023, health care wages grew by 4.3% year over year while total private sector wages grew by 4.6%. Wage growth varied by setting of care, growing by 3.8% in ambulatory care settings, and 4.7% in both hospitals and nursing and residential care.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Mar 2022	Feb 2023	Mar 2023
Total Employment (000)	152,371	151,424	155,333	155,569
Non-Health Employment (000)	135,890	135,306	138,633	138,835
Health Employment (000)	16,481	16,118	16,700	16,734
Health Share of Total Employment	10.82%	10.64%	10.75%	10.76%
Unemployment Rate	3.5%	3.6%	3.6%	3.5%

Source: Altarum analysis of Bureau of Labor Statistics (BLS) data. Health care employment is private only.

Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend the cost growth curve. This work was made possible through generous support from the Robert Wood Johnson Foundation.

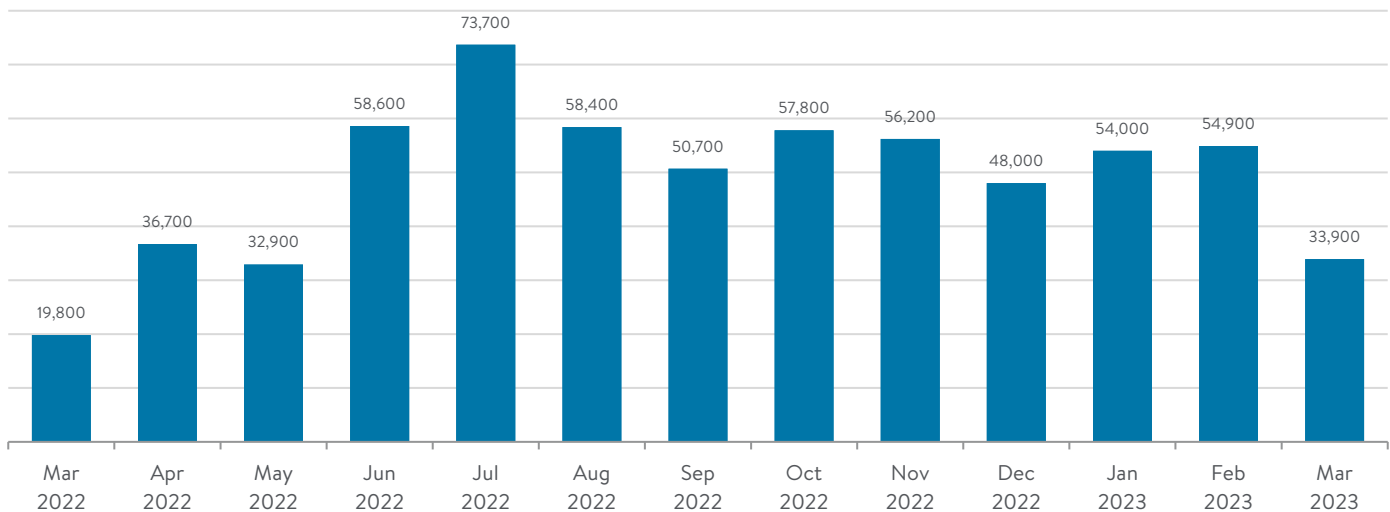
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care employment grew by 33,900 jobs in March 2023, somewhat lower than the roughly 54,000 jobs per month added in January and February and lower than the 12-month average of 51,000 (Exhibit 1). Nearly half of health care job growth was seen in ambulatory care settings, which added 15,000 jobs, led by home health care, which added 15,200 jobs while other ambulatory setting saw small gains or losses. Hospitals added 10,900 jobs in March while nursing and nursing and residential care facilities continued the steady employment growth that began about a year ago, adding 8,000 jobs (Exhibit 7).

Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted

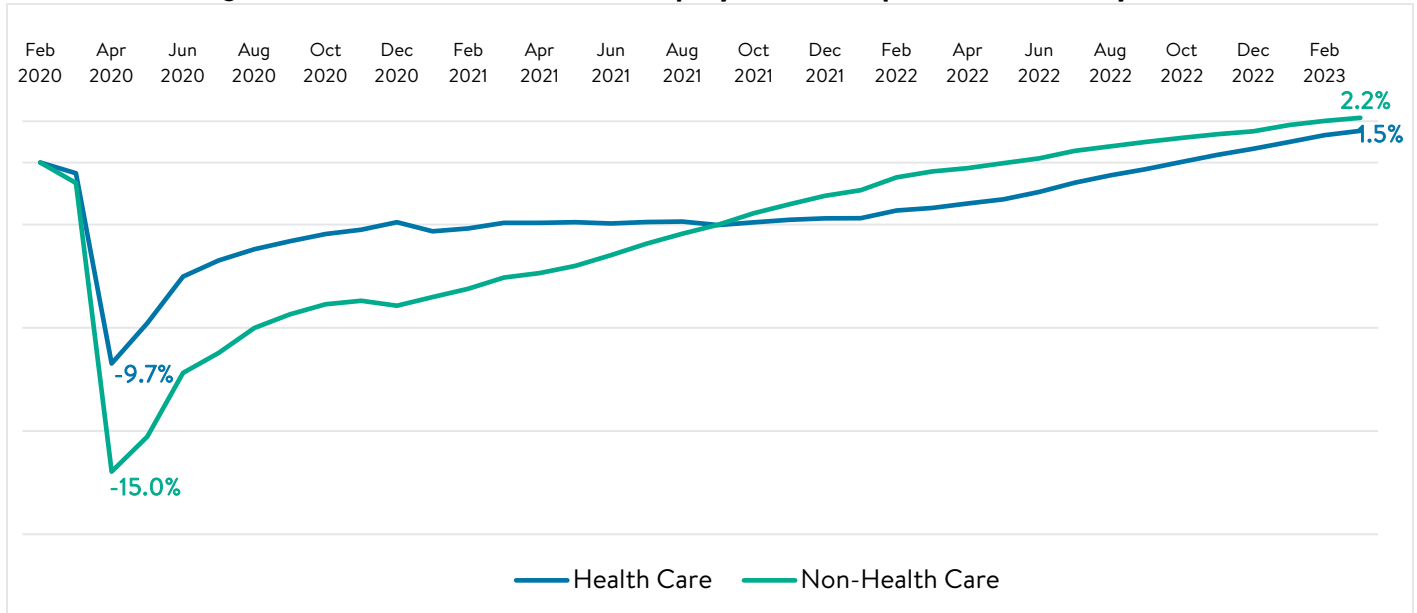


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Health care employment is 253,000 jobs, or 1.5%, above where it was three years ago before the pandemic began (February 2020) (Exhibit 2). Hospital employment is just above where it was (54,000 or 1.0% above), ambulatory care settings are well above (461,000 or 5.9% above), and nursing and residential care employment, while growing steadily now, remains 262,000 or 7.8% below where it was prior to the pandemic (Exhibit 3).

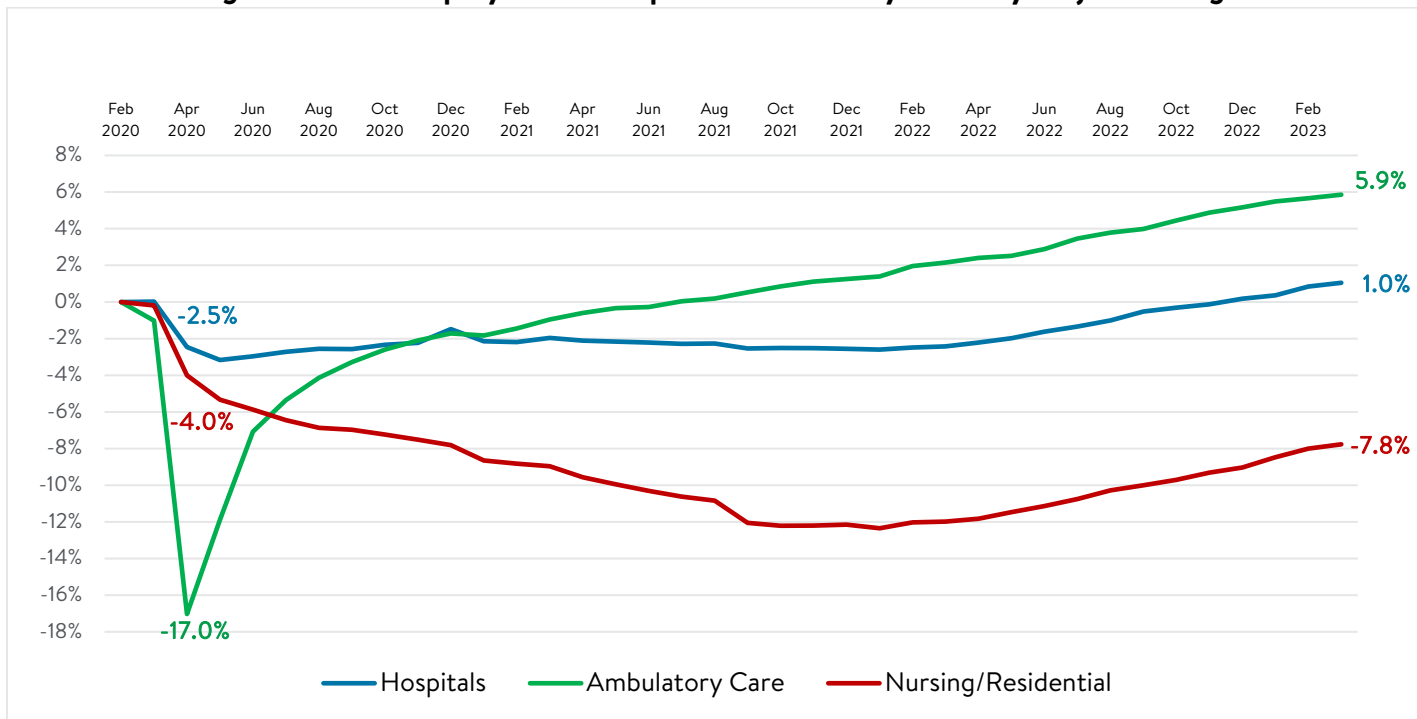


Exhibit 2. Change in Health and Non-Health Employment Compared to February 2020



Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care

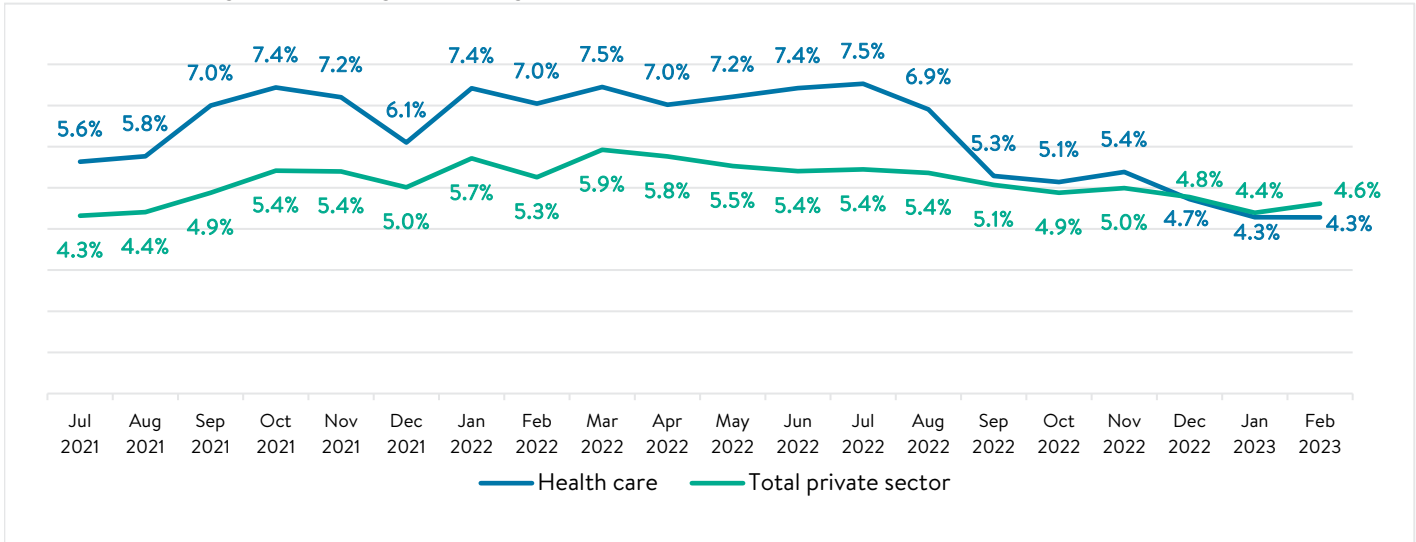


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



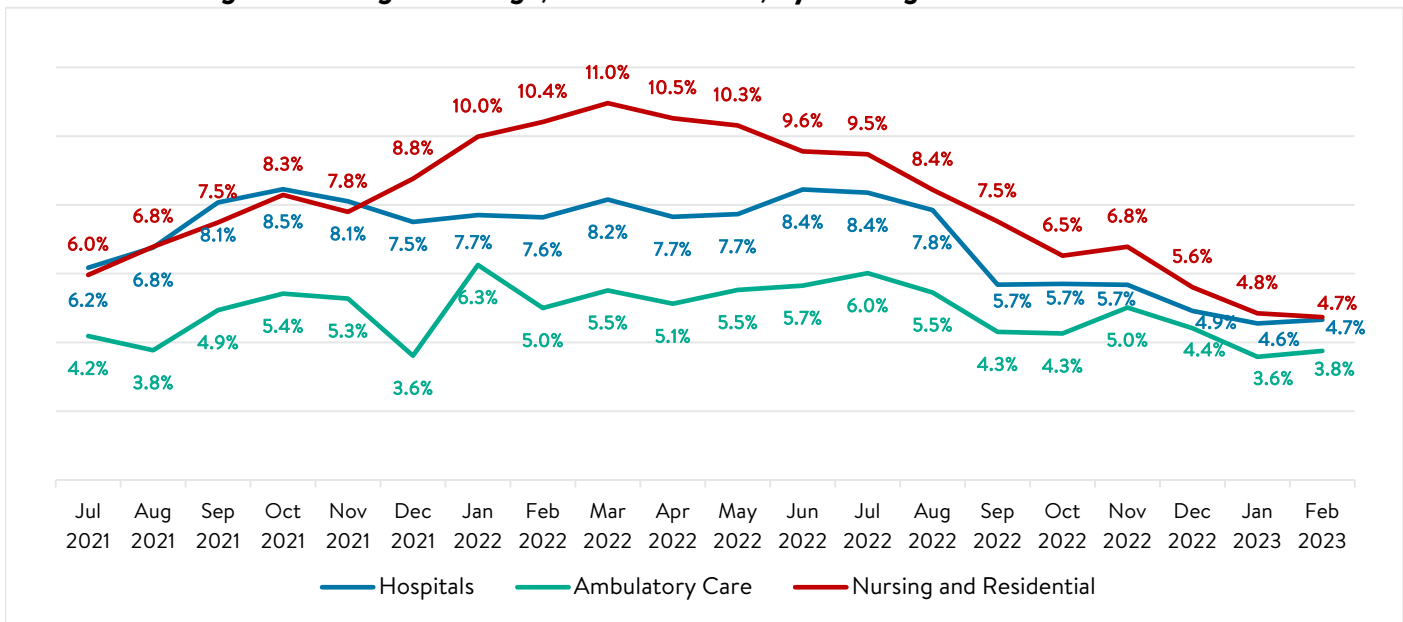
Wage growth in health care had been higher than overall wage growth for many months but fell below the economywide average in 2023. Earnings in health care rose 4.3% over the year in February 2023, compared to 4.6% for all private sector jobs (Exhibit 4).

Exhibit 4. Change in Average Earnings, Year over Year, Health Care and Total



The growth in average earnings varied considerably by setting of care in 2021 and 2022, but the gaps have narrowed as wage growth fell in all settings (Exhibit 5). Wage growth in nursing and residential care, previously the highest of all the major health care settings, is now equal to wage growth in hospitals, at 4.7% year over year in February 2023. Wage growth has been slowest in ambulatory care, now at 3.8% year over year.

Exhibit 5. Change in Average Earnings, Year over Year, by Setting of Care





DETAILED HEALTH CARE EMPLOYMENT

Exhibit 6. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	March 2023	February 2023	March 2022	March 2021	February 2020
Non-Health Care	138,835	138,633	135,306	128,328	135,890
Health Care	16,734	16,700	16,118	16,000	16,481
Ambulatory Health Care Services	8,327	8,312	8,036	7,792	7,867
Offices of Physicians	2,864	2,862	2,780	2,712	2,726
Offices of Dentists	1,027	1,030	1,004	979	990
Offices of Other Health Care Practitioners	1,124	1,122	1,068	987	1,001
Outpatient Care Centers	1,061	1,061	1,024	990	997
Medical and Diagnostic Labs	322	324	323	303	289
Home Health Care Services	1,595	1,579	1,517	1,509	1,546
Other Ambulatory	335	334	320	311	318
Hospitals	5,291	5,280	5,109	5,133	5,236
Nursing and Residential Care Facilities	3,116	3,108	2,974	3,076	3,378
Nursing Care Facilities	1,393	1,389	1,343	1,406	1,587
Other Nursing and Residential	1,723	1,719	1,631	1,670	1,792
Health Share of Employment	10.76%	10.75%	10.64%	11.09%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. February 2020 displayed as month of pre-pandemic peak employment.

Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

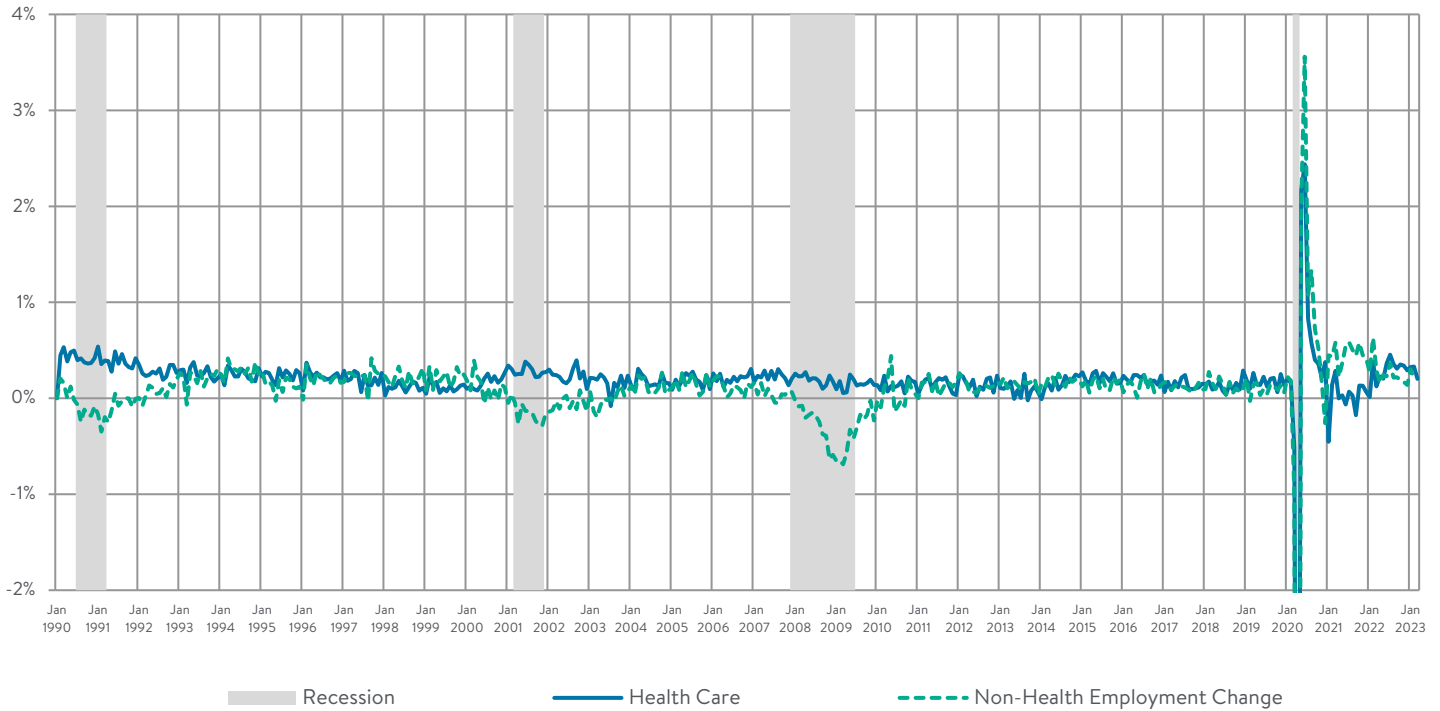
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	202.1	3,529.2	10,507.2	2,944.8
Health Care	33.9	615.8	733.8	253.2
Ambulatory Health Care Services	15.0	291.6	535.8	460.7
Offices of Physicians	2.0	84.4	151.8	138.2
Offices of Dentists	-2.5	23.0	48.2	37.4
Offices of Other Health Care Practitioners	1.9	56.1	136.9	123.1
Outpatient Care Centers	-0.7	36.5	71.1	63.6
Medical and Diagnostic Labs	-1.7	-0.9	18.6	33.0
Home Health Care Services	15.2	77.6	85.3	48.3
Other Ambulatory	1.0	15.0	24.0	17.2
Hospitals	10.9	181.8	157.7	54.9
Nursing and Residential Care Facilities	8.0	142.4	40.3	-262.4
Nursing Care Facilities	3.4	50.1	-13.1	-194.1
Other Nursing and Residential	4.6	92.3	53.4	-68.3
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	2.6%	4.0%	0.7%
Health Care	2.5%	3.8%	2.3%	0.5%
Ambulatory Health Care Services	2.2%	3.6%	3.4%	1.9%
Offices of Physicians	0.8%	3.0%	2.8%	1.6%
Offices of Dentists	-2.9%	2.3%	2.4%	1.2%
Offices of Other Health Care Practitioners	2.1%	5.3%	6.7%	3.8%
Outpatient Care Centers	-0.8%	3.6%	3.5%	2.0%
Medical and Diagnostic Labs	-6.1%	-0.3%	3.0%	3.6%
Home Health Care Services	12.2%	5.1%	2.8%	1.0%
Other Ambulatory	3.7%	4.7%	3.8%	1.7%
Hospitals	2.5%	3.6%	1.5%	0.3%
Nursing and Residential Care Facilities	3.1%	4.8%	0.7%	-2.6%
Nursing Care Facilities	3.0%	3.7%	-0.5%	-4.1%
Other Nursing and Residential	3.3%	5.7%	1.6%	-1.3%

Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents comparison to pre-pandemic peak employment.



TIME SERIES TRACKER

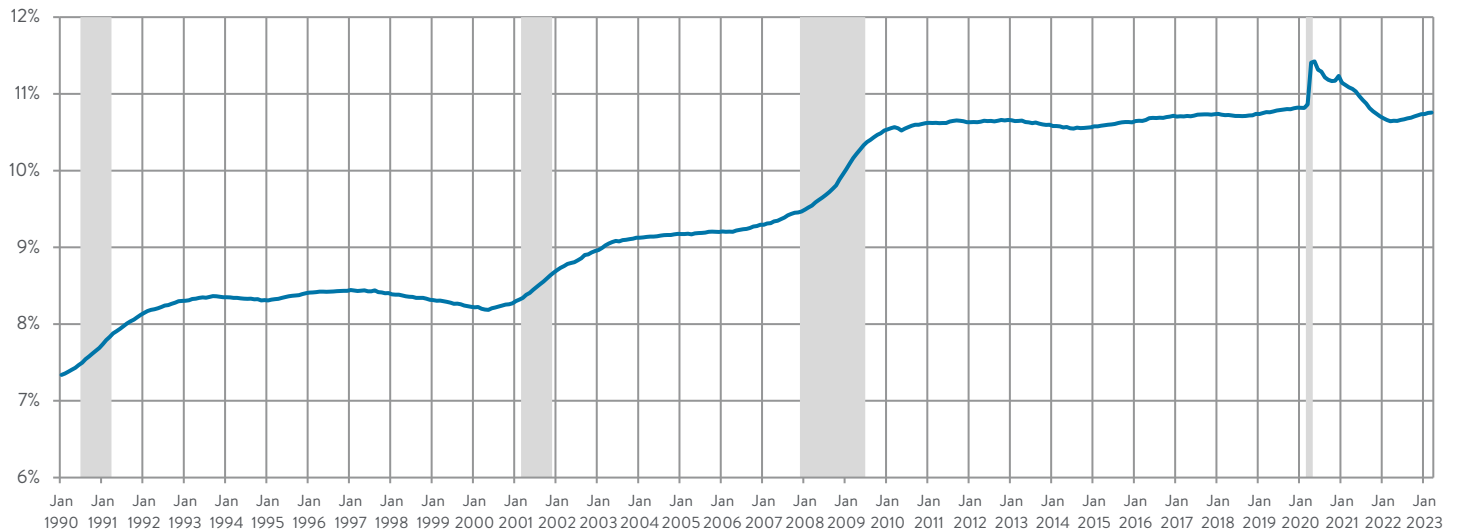
Exhibit 8. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. Full drop in employment in April 2020 (non-health -14.0% and health -8.2%) not shown on graph.

Exhibit 9. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.