

August 17, 2023

## Health care adds 63,000 jobs in July, the largest increase since July 2022

### HIGHLIGHTS

- ▲ Health care added 63,000 jobs in July 2023, exceeding the average of 43,700 jobs added per month for the first 6 months of the year and the largest monthly increase in the past year.
- ▲ July's health sector job growth was led by growth in ambulatory care settings, which added 35,400 jobs, followed by hospitals, which added 16,100 jobs.
- ▲ Nursing and residential care facilities added 11,500 jobs in July, with growth occurring in both nursing homes (6,300 jobs) and other nursing and residential care settings (5,200 jobs).
- ▲ The economy added 187,000 jobs in July, somewhat below the 12-month average of 280,200 jobs. The unemployment rate, at 3.5%, changed little in July.
- ▲ Health care wage growth in June 2023 was 3.7% year over year, somewhat below the total private sector wage growth of 4.4%.
- ▲ Wage growth in health care settings is now highest in nursing and residential care, at 4.8% year over year in June 2023. Wage growth in hospitals was 4.3%, while wage growth in ambulatory care settings was 3.0% in June.

### Cyclical Employment Big Picture

| Seasonally Adjusted                     | Feb 2020 | July 2022 | June 2023 | July 2023 |
|-----------------------------------------|----------|-----------|-----------|-----------|
| <b>Total Employment (000)</b>           | 152,371  | 152,980   | 156,155   | 156,342   |
| <b>Non-Health Employment (000)</b>      | 135,890  | 136,660   | 139,301   | 139,425   |
| <b>Health Employment (000)</b>          | 16,481   | 16,320    | 16,854    | 16,917    |
| <b>Health Share of Total Employment</b> | 10.82%   | 10.67%    | 10.79%    | 10.82%    |
| <b>Unemployment Rate</b>                | 3.5%     | 3.5%      | 3.6%      | 3.5%      |

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

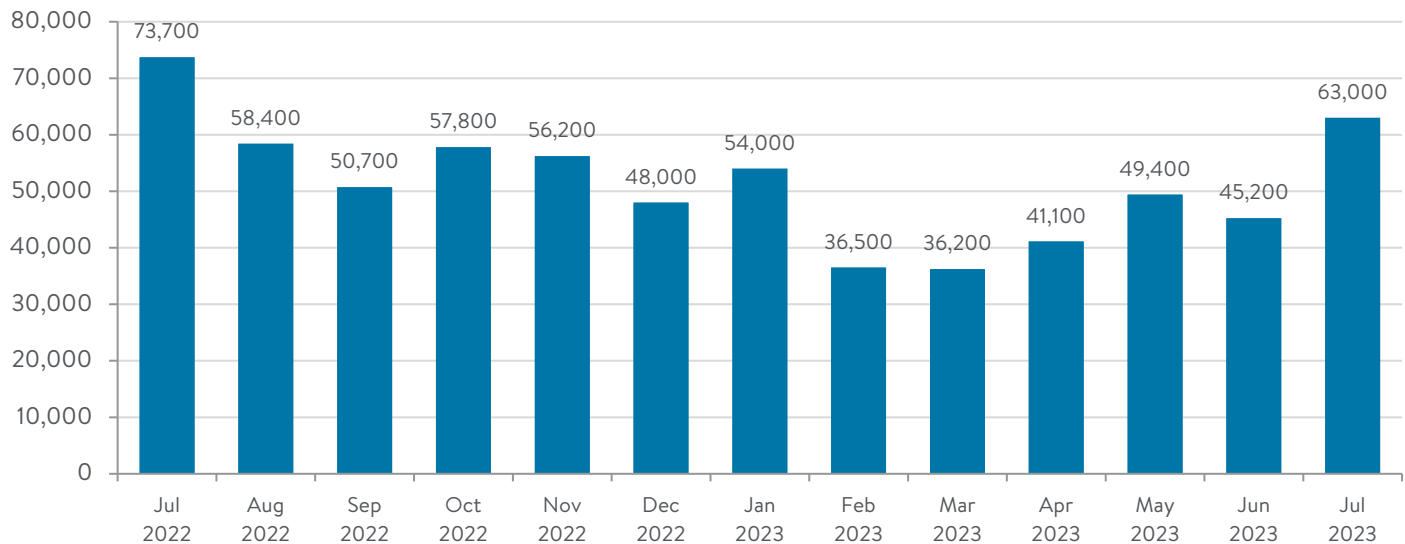
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend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

*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Corwin Rhyan at [corwin.rhyan@altarum.org](mailto:corwin.rhyan@altarum.org). George Miller (principal author), Corwin Rhyan, and Matt Daly, PhD, contributed to this brief. We thank Ani Turner for her years of leadership of this work. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

Health care employment grew by 63,000 jobs in July 2023, significantly higher than the 43,700 average for the first 6 months of 2023 and the 12-month average of 49,700 jobs per month from August 2022 through July 2023 (Exhibit 1). Revisions to May and June added 8,900 jobs to the estimate of total health care employment.

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



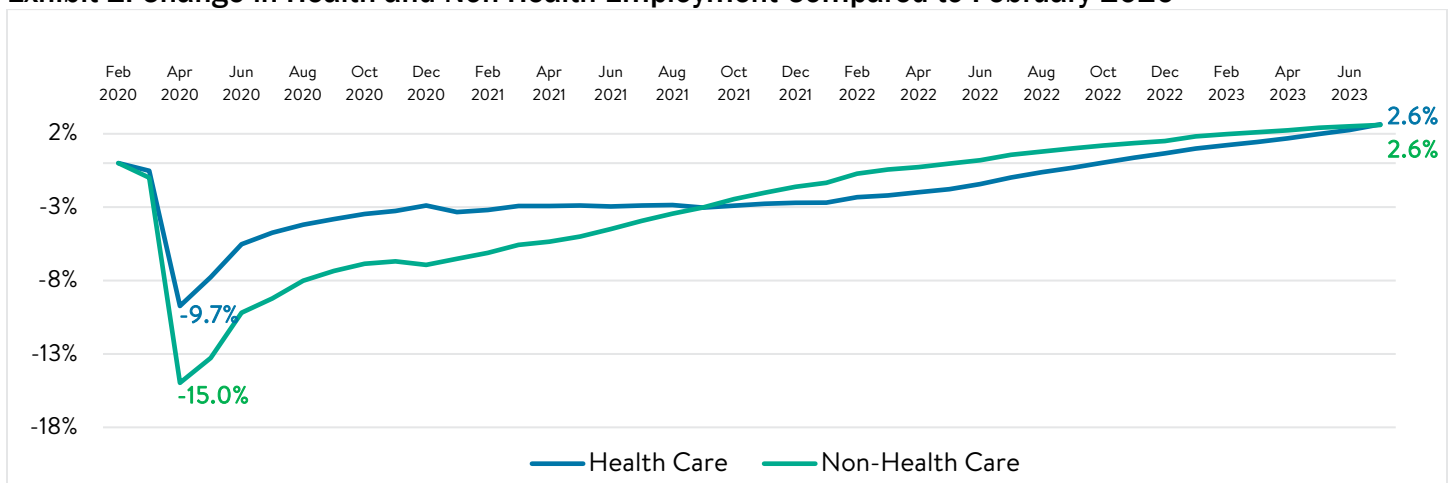
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Ambulatory care settings led health care employment growth in July, adding 35,400 jobs, somewhat above the 12-month average of 24,600 jobs per month. Hospitals added 16,100 jobs in July, above the 12-month average of 13,000 jobs per month.

Nursing and residential care facilities added 11,500 jobs in July, consistent with the 12-month average of 12,100 jobs per month. Nursing homes (+6,300 jobs in July) and residential care facilities (+5,200 jobs in July) contributed to this growth.

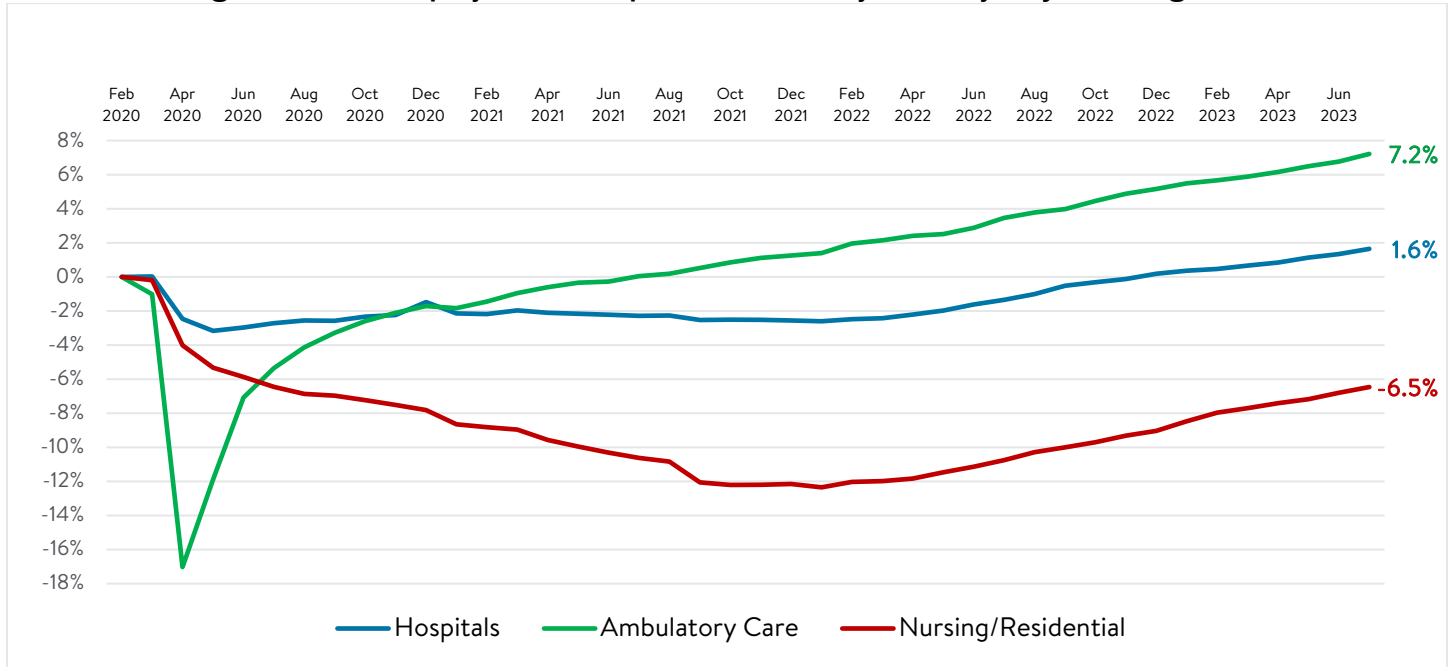
Health care employment is 435,800 jobs, or 2.6%, above where it was before the pandemic began (February 2020) and now equals the 2.6% increase in non-health care employment over the same period (Exhibits 2 and 7). Hospital employment is slightly above its pre-pandemic level (86,200 or 1.6% above), ambulatory care settings are well above (567,800 or 7.2% above), and nursing and residential care employment, while growing steadily since January 2022, remains 218,200 or 6.5% below where it was prior to the pandemic (Exhibits 3 and 7).

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



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

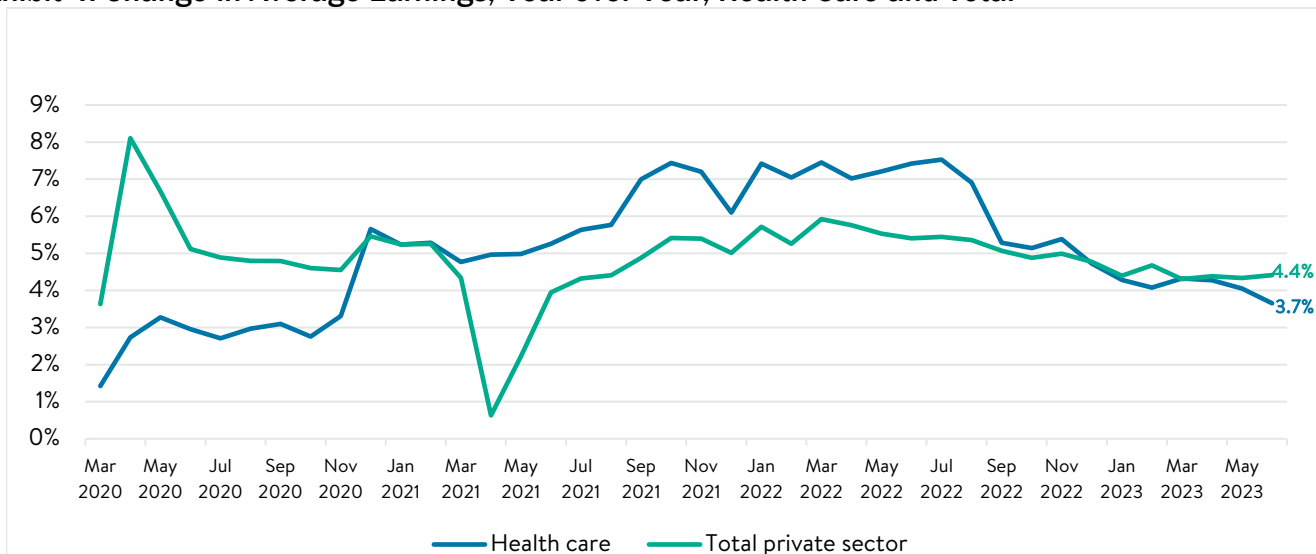
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

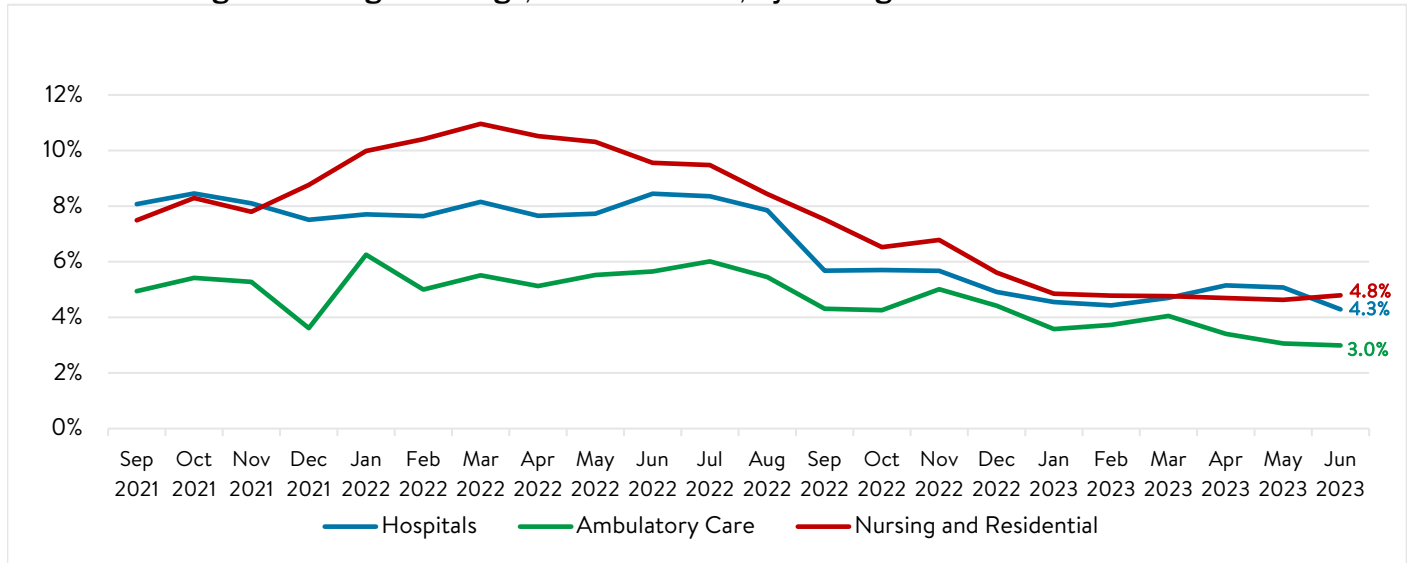
Wage growth in health care had been higher than economywide wage growth for many months but the two rates have converged recently. However, in June 2023, wage growth in health care dropped to 3.7%, while across all private sector jobs was 4.4% (Exhibit 4).

### 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 narrowed as wage growth fell in all settings (Exhibit 5). In June 2023, wage growth in nursing and residential care rose slightly to 4.8% year over year, while hospital wage growth fell to 4.3% and wage growth in ambulatory care settings fell slightly to 3.0%.

**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)                      | July 2023 | June 2023 | July 2022 | July 2021 | February 2020 |
|------------------------------------------------|-----------|-----------|-----------|-----------|---------------|
| <b>Non-Health Care</b>                         | 139,425   | 139,301   | 136,660   | 130,552   | 135,890       |
| <b>Health Care</b>                             | 16,917    | 16,854    | 16,320    | 16,006    | 16,481        |
| <b>Ambulatory Health Care Services</b>         | 8,435     | 8,399     | 8,139     | 7,870     | 7,867         |
| Offices of Physicians                          | 2,904     | 2,895     | 2,810     | 2,736     | 2,726         |
| Offices of Dentists                            | 1,043     | 1,034     | 1,023     | 993       | 990           |
| Offices of Other Health Care Practitioners     | 1,135     | 1,135     | 1,090     | 1,015     | 1,001         |
| Outpatient Care Centers                        | 1,063     | 1,060     | 1,037     | 1,002     | 997           |
| Medical and Diagnostic Labs                    | 324       | 323       | 321       | 307       | 289           |
| Home Health Care Services                      | 1,628     | 1,616     | 1,536     | 1,503     | 1,546         |
| Other Ambulatory                               | 339       | 337       | 322       | 315       | 318           |
| <b>Hospitals</b>                               | 5,322     | 5,306     | 5,166     | 5,116     | 5,236         |
| <b>Nursing and Residential Care Facilities</b> | 3,160     | 3,149     | 3,015     | 3,020     | 3,378         |
| Nursing Care Facilities                        | 1,418     | 1,412     | 1,355     | 1,373     | 1,587         |
| Other Nursing and Residential                  | 1,742     | 1,737     | 1,660     | 1,646     | 1,792         |
| <b>Health Share of Employment</b>              | 10.82%    | 10.79%    | 10.67%    | 10.92%    | 10.82%        |

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

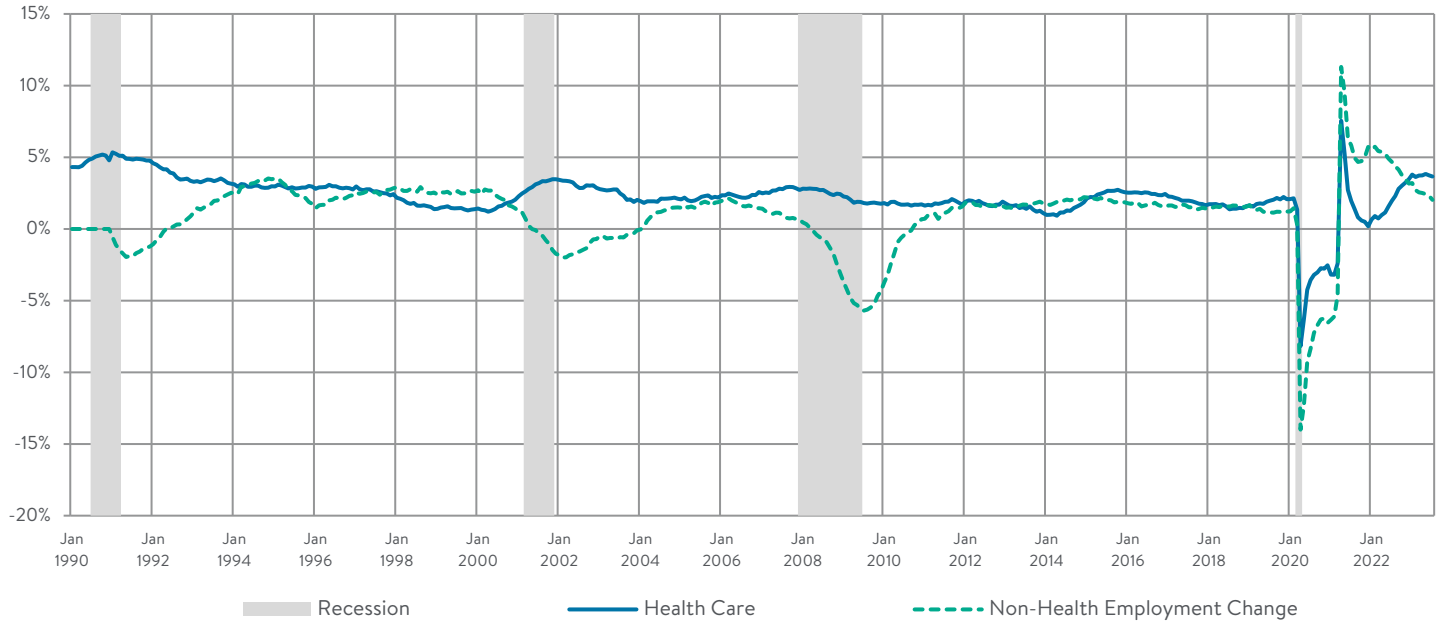
### Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

| Employment Change (in thousands)               | One Month        | 12 Months        | 24 Months        | Since Feb 2020        |
|------------------------------------------------|------------------|------------------|------------------|-----------------------|
| <b>Non-Health Care</b>                         | 124.0            | 2,765.5          | 8,873.2          | 3,535.2               |
| <b>Health Care</b>                             | 63.0             | 596.5            | 910.8            | 435.8                 |
| <b>Ambulatory Health Care Services</b>         | 35.4             | 295.1            | 564.4            | 567.8                 |
| Offices of Physicians                          | 8.3              | 93.1             | 167.4            | 177.5                 |
| Offices of Dentists                            | 8.3              | 19.2             | 49.8             | 52.7                  |
| Offices of Other Health Care Practitioners     | 0.5              | 45.6             | 120.1            | 134.5                 |
| Outpatient Care Centers                        | 3.2              | 26.0             | 61.4             | 65.9                  |
| Medical and Diagnostic Labs                    | 0.5              | 2.4              | 16.4             | 34.7                  |
| Home Health Care Services                      | 12.0             | 91.6             | 124.9            | 81.2                  |
| Other Ambulatory                               | 2.5              | 17.1             | 24.2             | 21.2                  |
| <b>Hospitals</b>                               | 16.1             | 156.4            | 205.8            | 86.2                  |
| <b>Nursing and Residential Care Facilities</b> | 11.5             | 145.0            | 140.6            | -218.2                |
| Nursing Care Facilities                        | 6.3              | 62.5             | 44.6             | -168.9                |
| Other Nursing and Residential                  | 5.2              | 82.5             | 96.0             | -49.3                 |
| <b>Annualized Percent Change</b>               | <b>One Month</b> | <b>12 Months</b> | <b>24 Months</b> | <b>Since Feb 2020</b> |
| <b>Non-Health Care</b>                         | 1.1%             | 2.0%             | 3.3%             | 0.8%                  |
| <b>Health Care</b>                             | 4.6%             | 3.7%             | 2.8%             | 0.8%                  |
| <b>Ambulatory Health Care Services</b>         | 5.2%             | 3.6%             | 3.5%             | 2.1%                  |
| Offices of Physicians                          | 3.5%             | 3.3%             | 3.0%             | 1.9%                  |
| Offices of Dentists                            | 10.1%            | 1.9%             | 2.5%             | 1.5%                  |
| Offices of Other Health Care Practitioners     | 0.5%             | 4.2%             | 5.8%             | 3.8%                  |
| Outpatient Care Centers                        | 3.7%             | 2.5%             | 3.0%             | 1.9%                  |
| Medical and Diagnostic Labs                    | 1.9%             | 0.7%             | 2.6%             | 3.4%                  |
| Home Health Care Services                      | 9.3%             | 6.0%             | 4.1%             | 1.5%                  |
| Other Ambulatory                               | 9.3%             | 5.3%             | 3.8%             | 1.9%                  |
| <b>Hospitals</b>                               | 3.7%             | 3.0%             | 2.0%             | 0.5%                  |
| <b>Nursing and Residential Care Facilities</b> | 4.5%             | 4.8%             | 2.3%             | -1.9%                 |
| Nursing Care Facilities                        | 5.5%             | 4.6%             | 1.6%             | -3.2%                 |
| Other Nursing and Residential                  | 3.7%             | 5.0%             | 2.9%             | -0.8%                 |

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

## TIME SERIES TRACKER

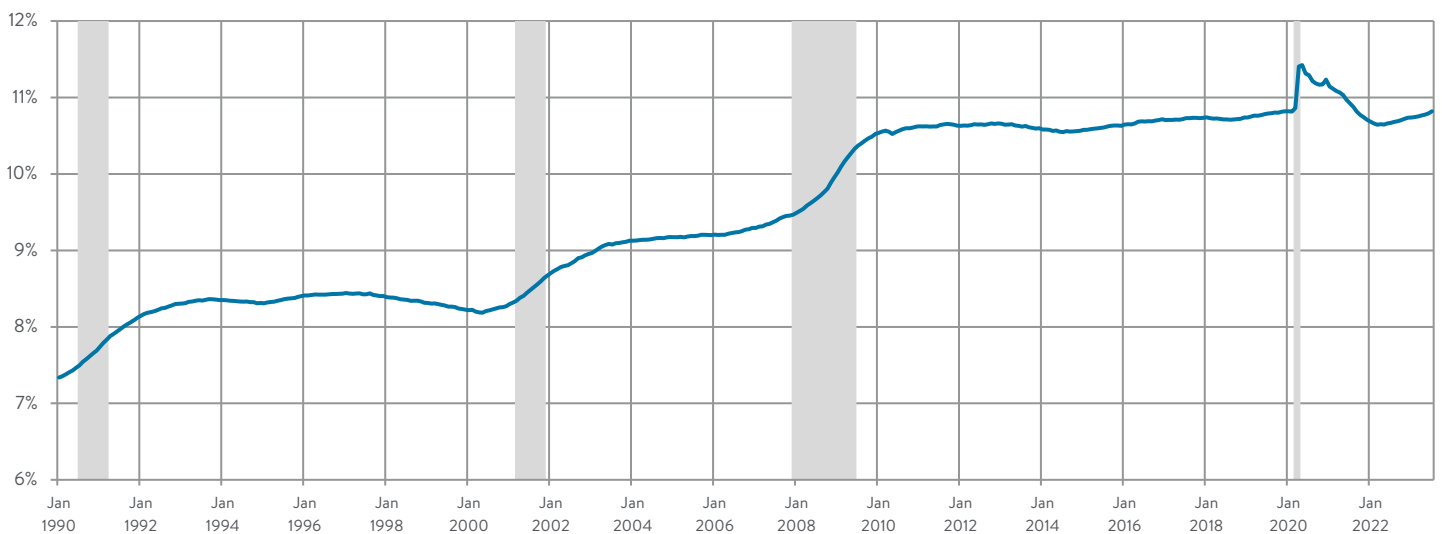
### Exhibit 8. Twelve-Month Percent Change in Health Care Employment



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.