

July 19, 2023

Health care adds 41,100 jobs in June, similar to year-to-date average

HIGHLIGHTS

- ▲ Health care added 41,100 jobs in June 2023, similar to the average of 42,300 jobs added thus far this year, but somewhat below the 12-month average gain of 49,900 per month.
- ▲ June's health sector job growth was led by growth in hospitals, which added 15,000 jobs, followed closely by ambulatory care settings, which added 13,800 jobs.
- ▲ Nursing and residential care facilities added 12,300 jobs in June, with growth occurring in both nursing homes (6,200 jobs) and other nursing and residential care (6,100 jobs).
- ▲ The economy added 209,000 jobs in June, somewhat below the year-to-date monthly average of 278,000 jobs. The unemployment rate, at 3.6%, changed little in June.
- ▲ Health care wage growth in May 2023 was 4.1% year over year, slightly below the total private sector wage growth of 4.4%.
- ▲ Wage growth in health care settings is now highest in hospitals, at 5.4% year over year in May 2023. Wage growth in nursing and residential care has fallen to 4.4% from a high of 11.0% last spring, while wage growth in ambulatory care settings was 3.0%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	June 2022	May 2023	June 2023
Total Employment (000)	152,371	152,412	155,995	156,204
Non-Health Employment (000)	135,890	136,166	139,191	139,359
Health Employment (000)	16,481	16,247	16,804	16,845
Health Share of Total Employment	10.82%	10.66%	10.77%	10.78%
Unemployment Rate	3.5%	3.6%	3.7%	3.6%

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

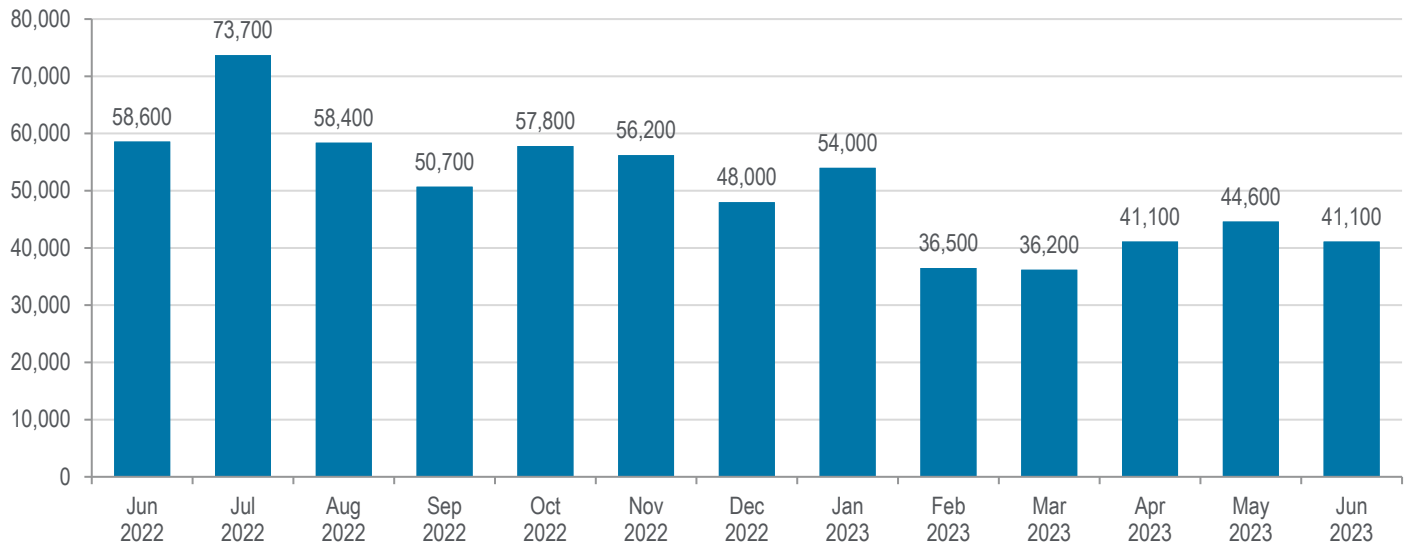
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend 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 Corwin (Corey) Rhyan at Corwin.Rhyan@altarum.org. George Miller, PhD (principal author), Corey 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. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

Health care employment grew by 41,100 jobs in June 2023, consistent with the 42,300 average for the first 6 months of 2023 but below the 12-month average of 49,900 jobs per month from July 2022 through June 2023 (Exhibit 1). Revisions to April and May subtracted 8,500 jobs from the estimate of total health care employment.

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



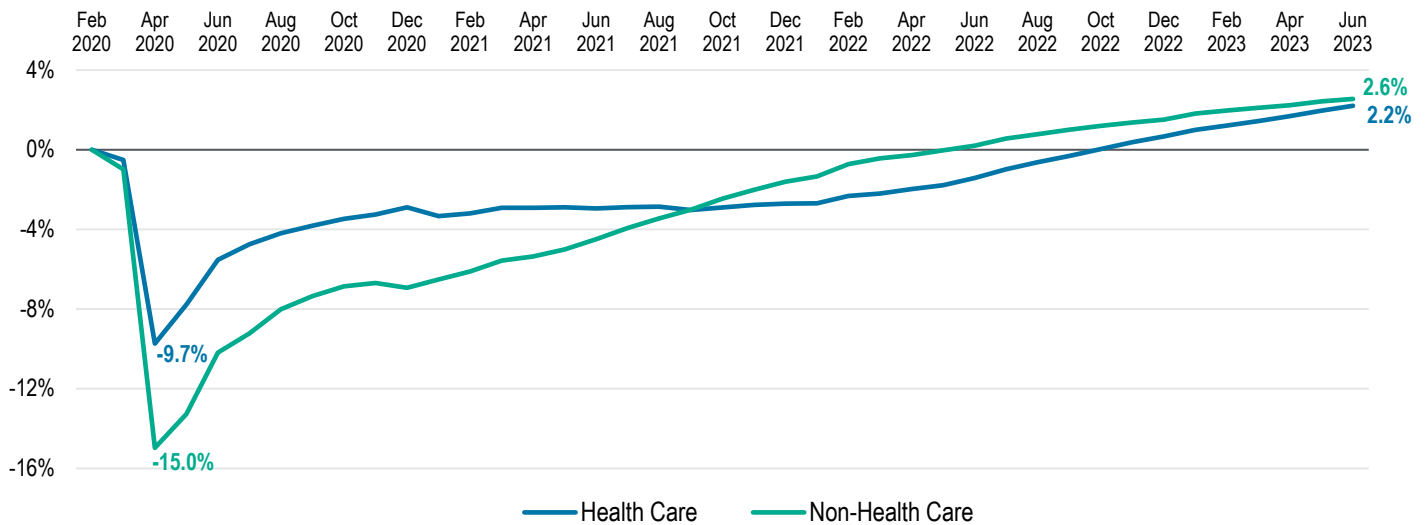
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Hospitals led health care employment growth in June, adding 15,000 jobs, slightly above the 12-month average of 13,100 jobs per month. Ambulatory care settings were close behind, adding 13,100 jobs in June, well below the 12-month average of 24,700 jobs per month.

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

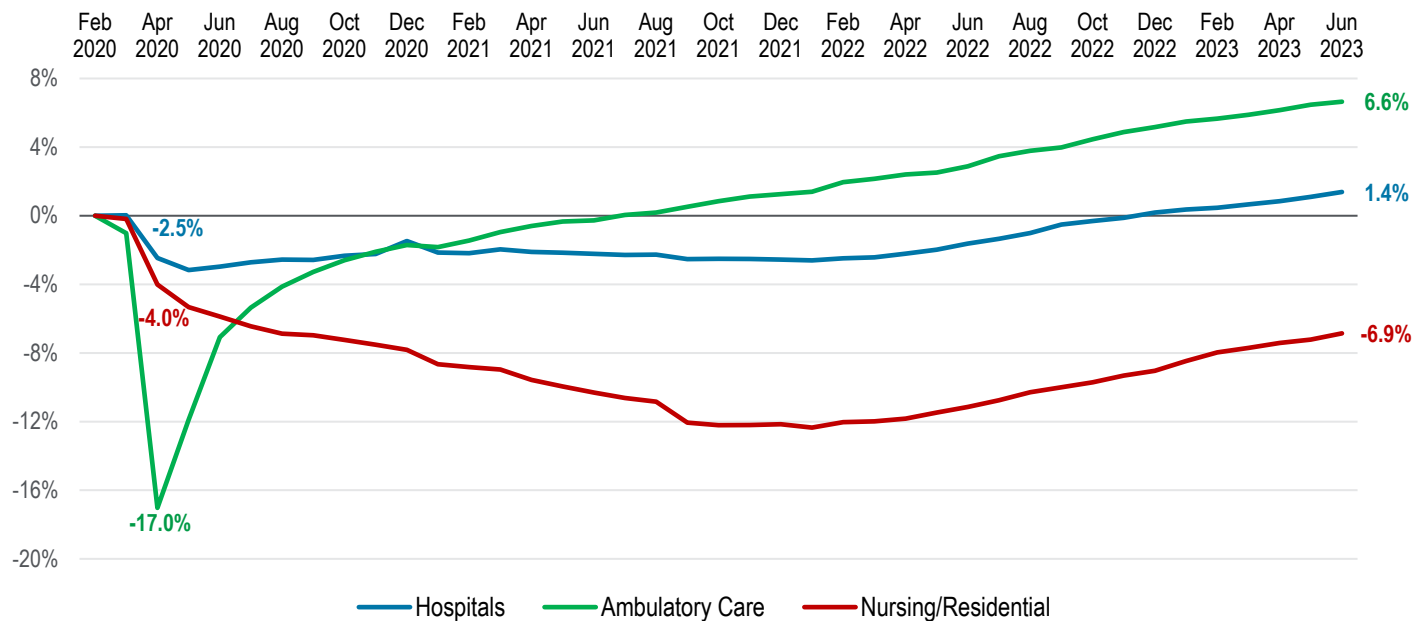
Health care employment is 364,000 jobs, or 2.2%, above where it was before the pandemic began (February 2020) (Exhibit 2). Hospital employment is slightly above its pre-pandemic level (73,000 or 1.4% above), ambulatory care settings are well above (523,000 or 6.6% above), and nursing and residential care employment, while growing steadily in recent months, remains 232,000 or 6.9% 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.

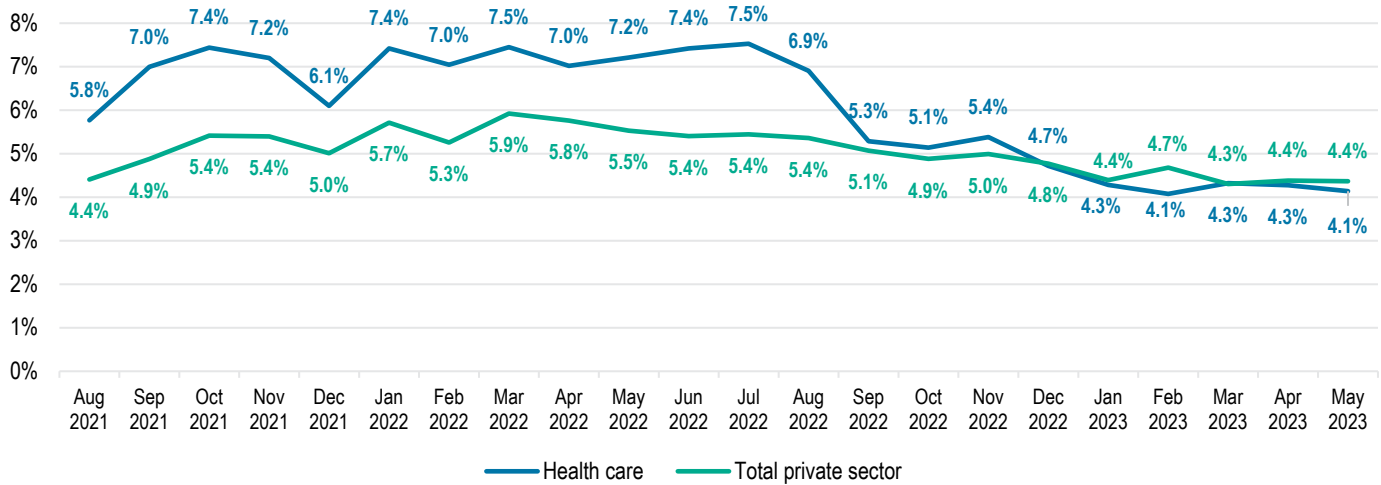
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

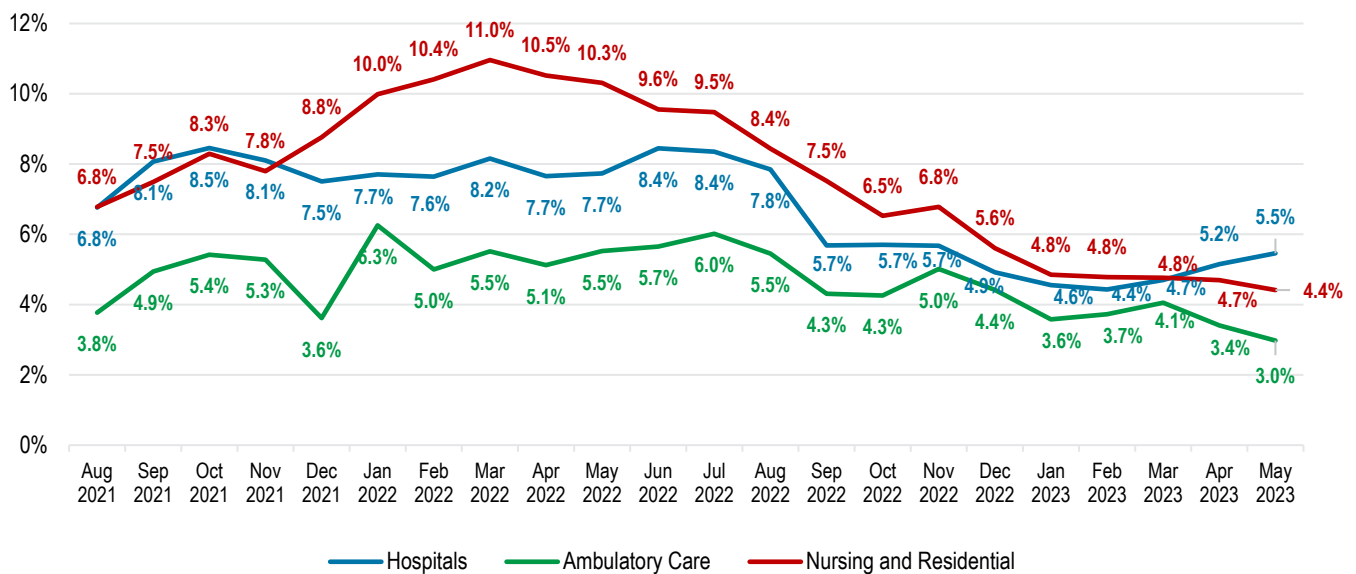
Wage growth in health care had been higher than economywide wage growth for many months but the two rates have converged in recent months. In May 2023, wage growth in health care was 4.1%, while across all private sector jobs was 4.4% (Exhibit 4).

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 the past 3 months, however, hospital wages have grown and stand at 5.5% in May, year over year. Wage growth in nursing and residential care has fallen to 4.4% from a high of 11.0% last spring, while wage growth in ambulatory care settings dipped 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)	June 2023	May 2023	June 2022	June 2021	February 2020
Non-Health Care	139,359	139,191	136,166	129,794	135,890
Health Care	16,845	16,804	16,247	15,995	16,481
Ambulatory Health Care Services	8,390	8,376	8,094	7,845	7,867
Offices of Physicians	2,891	2,885	2,799	2,729	2,726
Offices of Dentists	1,031	1,037	1,006	989	990
Offices of Other Health Care Practitioners	1,137	1,132	1,081	1,005	1,001
Outpatient Care Centers	1,062	1,059	1,031	999	997
Medical and Diagnostic Labs	322	323	322	307	289
Home Health Care Services	1,612	1,603	1,532	1,504	1,546
Other Ambulatory	336	337	322	313	318
Hospitals	5,308	5,293	5,151	5,120	5,236
Nursing and Residential Care Facilities	3,147	3,135	3,002	3,030	3,378
Nursing Care Facilities	1,410	1,404	1,351	1,374	1,587
Other Nursing and Residential	1,737	1,731	1,651	1,656	1,792
Health Share of Employment	10.78%	10.77%	10.66%	10.97%	10.82%

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

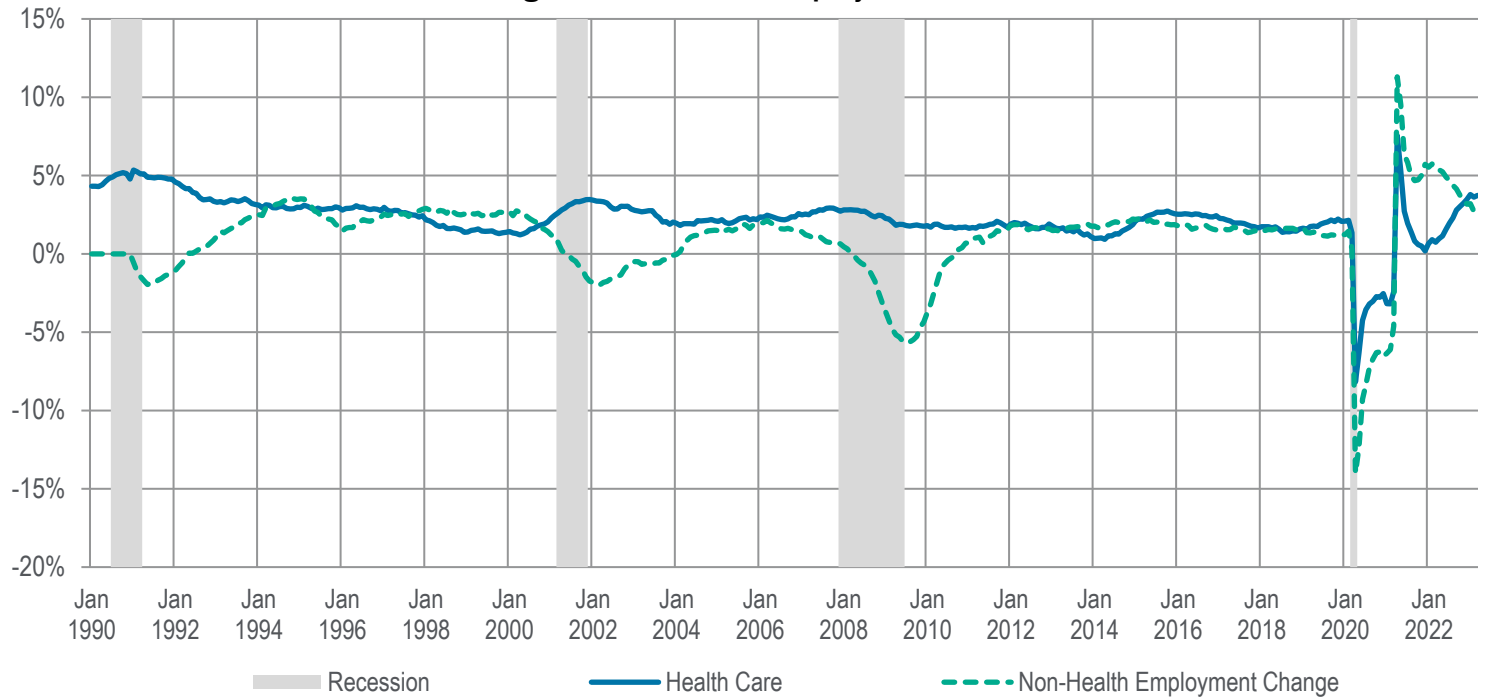
Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	167.9	3,193.7	9,565.0	3,469.1
Health Care	41.1	598.3	850.0	363.9
Ambulatory Health Care Services	13.8	296.1	544.6	522.9
Offices of Physicians	6.1	91.5	162.2	164.8
Offices of Dentists	-6.8	24.2	41.5	40.7
Offices of Other Health Care Practitioners	5.0	56.4	132.1	136.5
Outpatient Care Centers	2.7	31.5	63.5	65.0
Medical and Diagnostic Labs	-0.8	-0.6	14.7	32.8
Home Health Care Services	8.8	79.3	108.1	65.4
Other Ambulatory	-1.1	13.9	22.6	17.8
Hospitals	15.0	157.3	188.6	72.5
Nursing and Residential Care Facilities	12.3	144.9	116.8	-231.5
Nursing Care Facilities	6.2	58.7	35.9	-176.7
Other Nursing and Residential	6.1	86.2	80.9	-54.8
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.5%	2.3%	3.6%	0.8%
Health Care	3.0%	3.7%	2.6%	0.7%
Ambulatory Health Care Services	2.0%	3.7%	3.4%	1.9%
Offices of Physicians	2.6%	3.3%	2.9%	1.8%
Offices of Dentists	-7.6%	2.4%	2.1%	1.2%
Offices of Other Health Care Practitioners	5.4%	5.2%	6.4%	3.9%
Outpatient Care Centers	3.1%	3.1%	3.1%	1.9%
Medical and Diagnostic Labs	-2.9%	-0.2%	2.4%	3.3%
Home Health Care Services	6.8%	5.2%	3.5%	1.3%
Other Ambulatory	-3.8%	4.3%	3.5%	1.6%
Hospitals	3.5%	3.1%	1.8%	0.4%
Nursing and Residential Care Facilities	4.8%	4.8%	1.9%	-2.1%
Nursing Care Facilities	5.4%	4.3%	1.3%	-3.5%
Other Nursing and Residential	4.3%	5.2%	2.4%	-0.9%

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

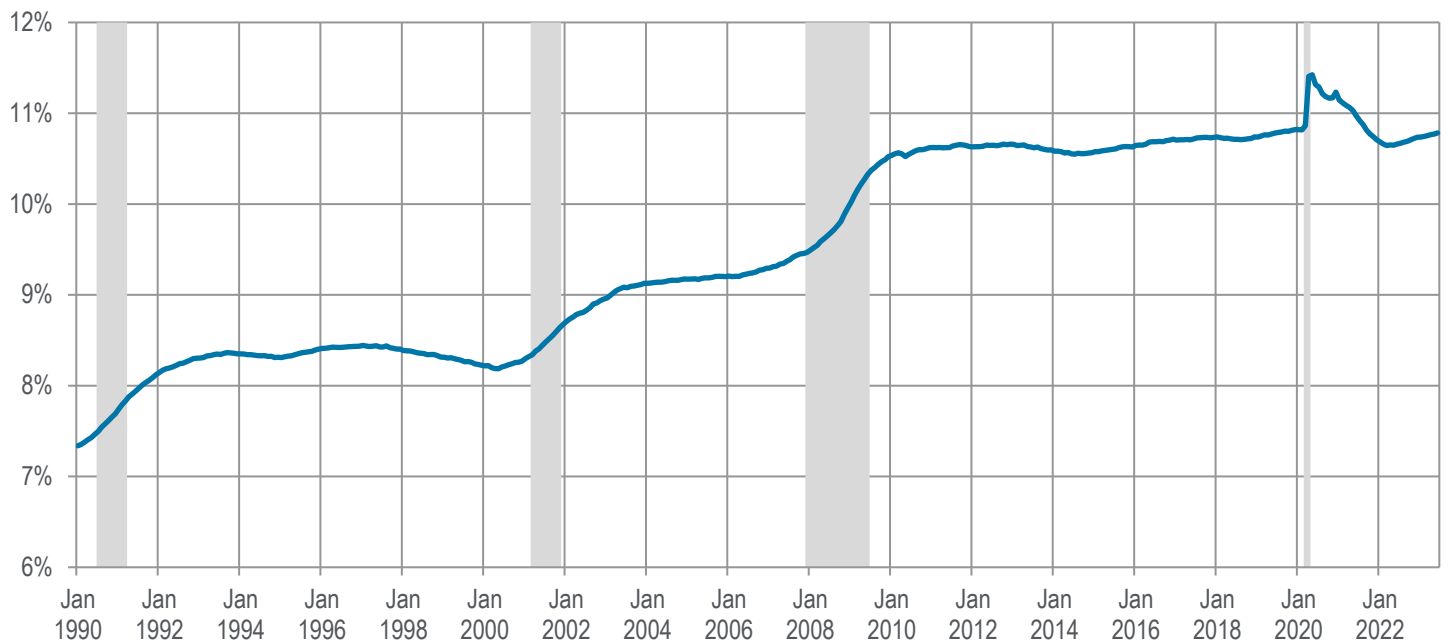
TIME SERIES TRACKER

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



Source: Altarum analysis of BLS data.
 Note: Lightly shaded bars denote recession periods.

Exhibit 9. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.
 Note: Lightly shaded bars denote recession periods.