

June 28, 2023

## Health care adds 52,400 jobs in May, consistent with 12-month average

### HIGHLIGHTS

- ▲ Health care added 52,400 jobs in May 2023, somewhat more than the average of 42,000 jobs added in the first four months of 2023, but consistent with the 12-month average of 52,000 jobs added per month.
- ▲ Nearly half of May's health sector job growth was seen in ambulatory care settings, which added 23,900 jobs, followed closely by hospitals, which added nearly 20,000 jobs.
- ▲ Nursing and residential care facilities added 8,900 jobs, with growth occurring in both nursing homes (2,900 jobs) and other nursing and residential care (6,000 jobs).
- ▲ The economy added 339,000 jobs in May, similar to the average 308,000 added in the first four months of 2023. The unemployment rate rose to 3.7%.
- ▲ Health care wage growth in April 2023 continues to be aligned with economywide wage growth at 4.4% year over year.
- ▲ Wage growth in health care settings is now highest in hospitals, at 5.1% year over year in April 2023. Wage growth in nursing and residential care has fallen to 4.7% from a high of 11.0% last spring, while wage growth in ambulatory care settings was 3.6%.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	May 2022	Apr 2023	May 2023
Total Employment (000)	152,371	152,042	155,766	156,105
Non-Health Employment (000)	135,890	135,854	139,006	139,293
Health Employment (000)	16,481	16,188	16,760	16,812
Health Share of Total Employment	10.82%	10.65%	10.76%	10.77%
Unemployment Rate	3.5%	3.6%	3.4%	3.7%

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

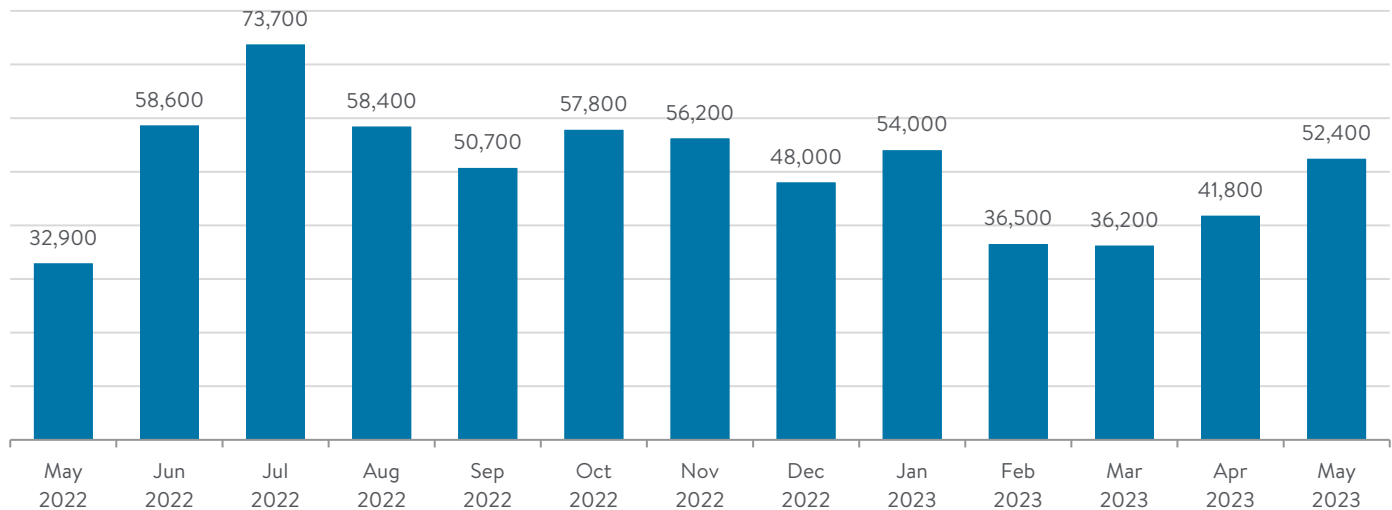
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend 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 Ani Turner at [ani.turner@altarum.org](mailto: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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

Health care employment grew by a strong 52,400 jobs in May 2023, higher than the 42,000 average of the first four months of 2023, but consistent with the 12-month average of 52,000 jobs per month (Exhibit 1). Revisions to March and April were minimal, adding 7,200 jobs to the estimate of total health care employment.

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



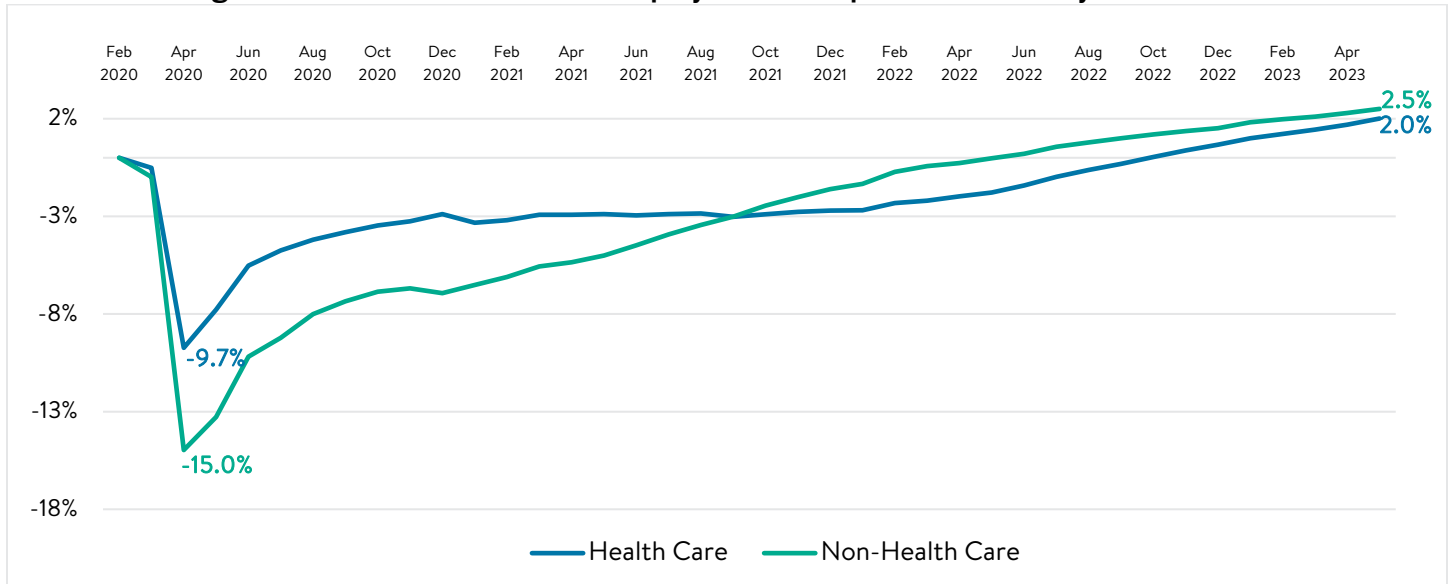
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Nearly half of the health care job growth in May was seen in ambulatory care settings, which added 23,900 jobs, consistent with the 12-month average of 26,000 jobs per month. Hospitals were close behind, adding 19,600 jobs in May, somewhat higher than the 12-month average of 13,900 jobs per month.

Nursing and residential care facilities added 8,900 jobs, somewhat below the 12-month average of 12,100 jobs per month. Both nursing homes (+2,900 jobs in May) and other nursing and residential care facilities (+6,000 jobs in May) have shown positive job growth for more than a year.

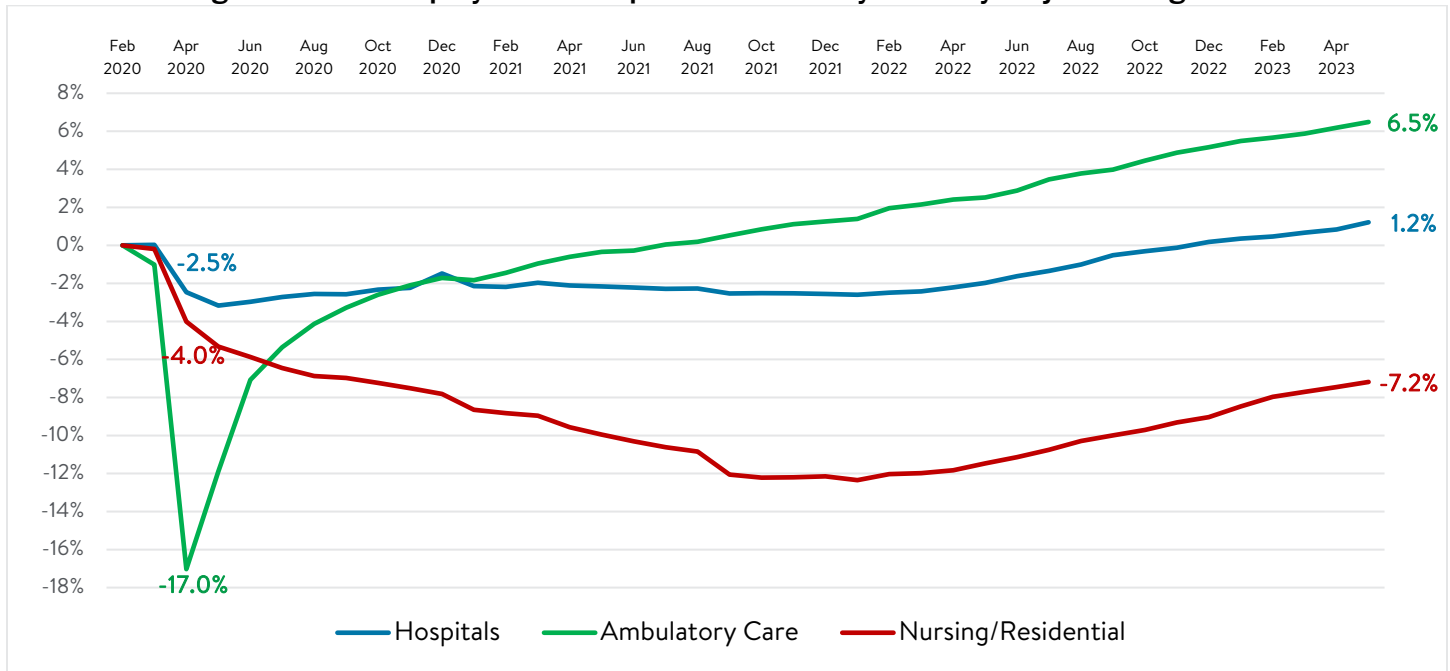
Health care employment is 331,000 jobs, or 2.0%, above where it was before the pandemic began (February 2020) (Exhibit 2). Hospital employment is just above where it was (64,000 or 1.2% above), ambulatory care settings are well above (511,000 or 6.5% above), and nursing and residential care employment, while growing steadily now, remains 243,000 or 7.2% 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.

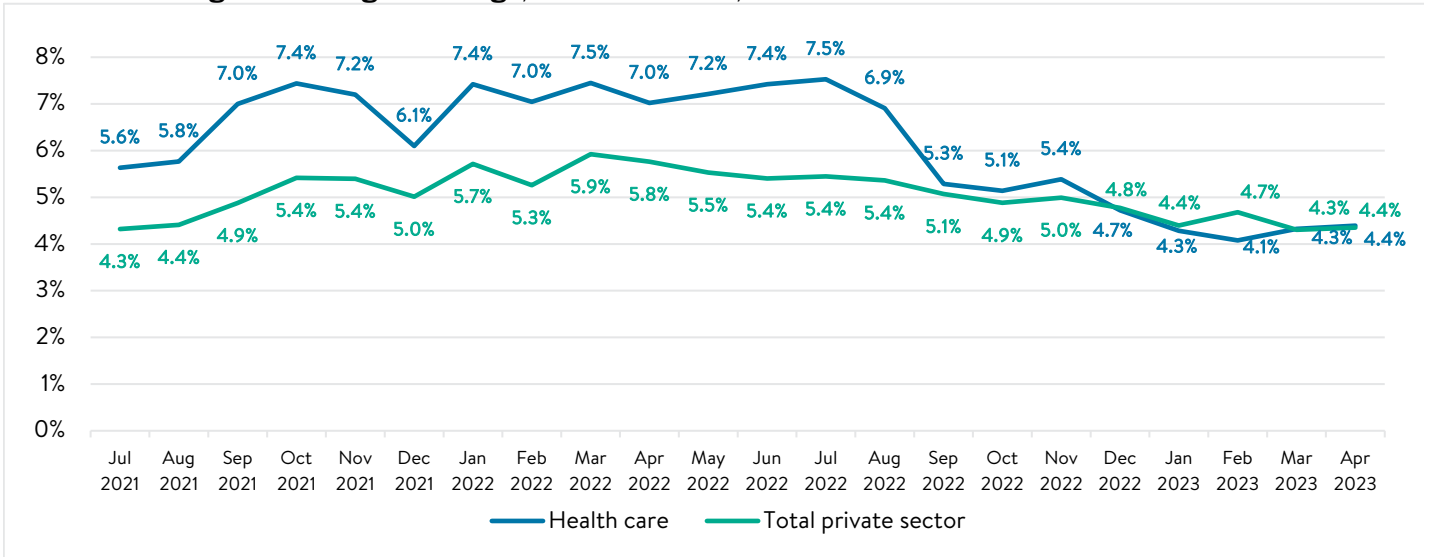
**Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care**



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

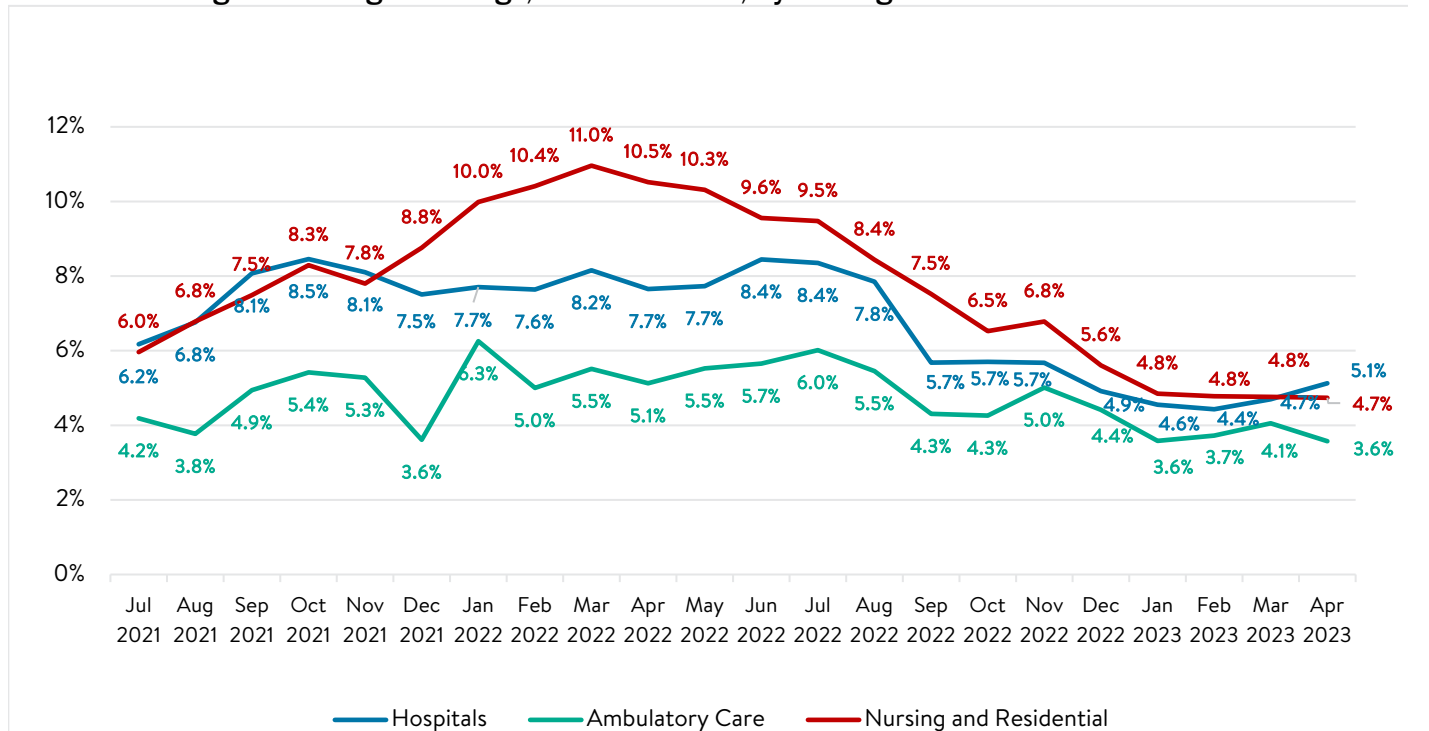
Wage growth in health care had been higher than economywide wage growth for many months but the two rates have converged in recent months. In April 2023, wage growth in both health care and across all private sector jobs was 4.4% (Exhibit 4).

**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 have narrowed as wage growth has fallen in all settings (Exhibit 5). For the first time since fall 2021, wage growth in

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



health care settings is now highest in hospitals, at 5.1% year over year. Wage growth in nursing and residential care has fallen to 4.7% from a high of 11.0% last spring, while wage growth in ambulatory care settings dipped to 3.6%.

## DETAILED HEALTH CARE EMPLOYMENT

### Exhibit 6. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	May 2023	April 2023	May 2022	May 2021	February 2020
Non-Health Care	139,293	139,006	135,854	129,091	135,890
Health Care	16,812	16,760	16,188	16,005	16,481
Ambulatory Health Care Services	8,377	8,353	8,065	7,840	7,867
Offices of Physicians	2,887	2,879	2,793	2,727	2,726
Offices of Dentists	1,040	1,036	1,004	988	990
Offices of Other Health Care Practitioners	1,128	1,125	1,077	1,003	1,001
Outpatient Care Centers	1,066	1,063	1,026	996	997
Medical and Diagnostic Labs	323	324	322	307	289
Home Health Care Services	1,599	1,593	1,521	1,507	1,546
Other Ambulatory	334	335	322	312	318
Hospitals	5,299	5,280	5,132	5,123	5,236
Nursing and Residential Care Facilities	3,136	3,127	2,991	3,042	3,378
Nursing Care Facilities	1,402	1,399	1,347	1,381	1,587
Other Nursing and Residential	1,734	1,728	1,644	1,661	1,792
Health Share of Employment	10.77%	10.76%	10.65%	11.03%	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

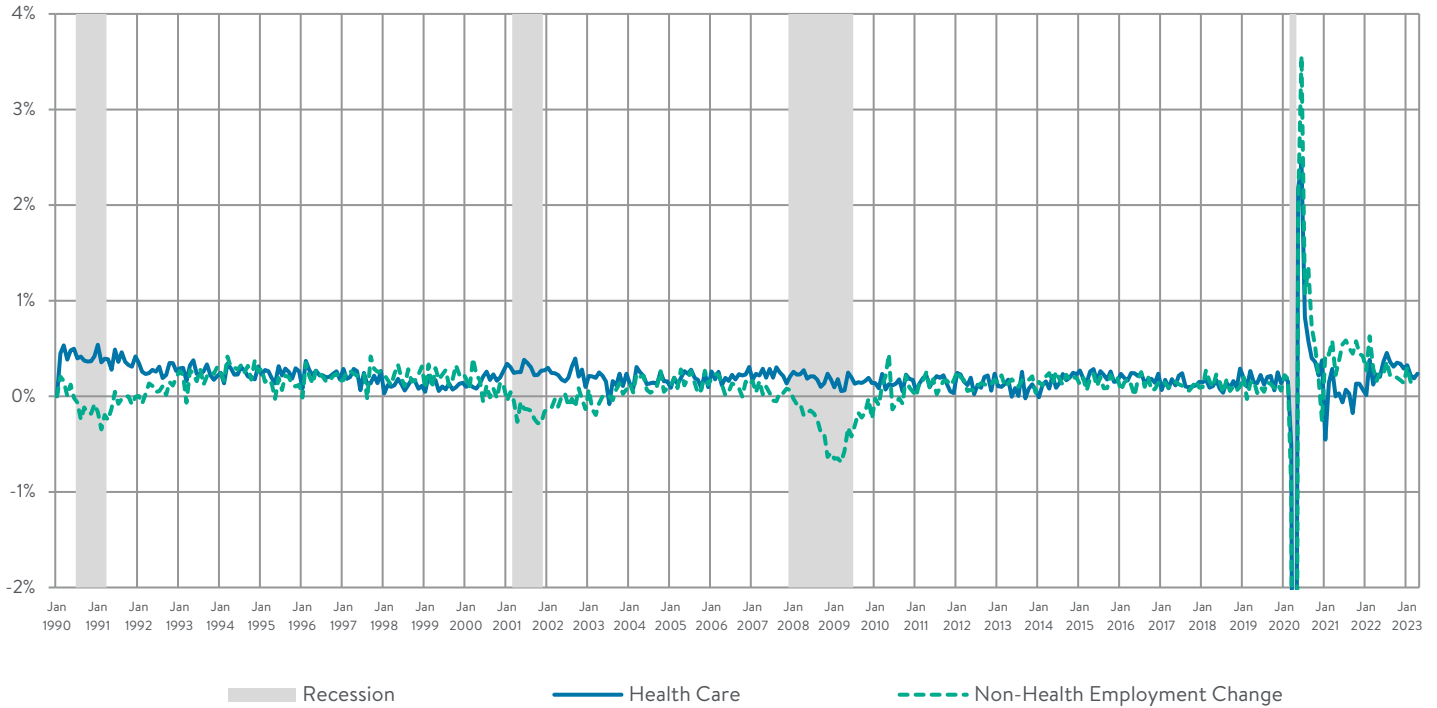
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	286.6	3,438.7	10,201.8	3,402.7
Health Care	52.4	624.3	807.2	331.3
Ambulatory Health Care Services	23.9	312.5	537.2	510.5
Offices of Physicians	8.2	94.7	160.9	161.4
Offices of Dentists	4.2	35.7	51.7	49.9
Offices of Other Health Care Practitioners	3.2	51.3	124.5	127.1
Outpatient Care Centers	3.8	40.0	69.9	69.3
Medical and Diagnostic Labs	-0.4	1.4	15.9	34.3
Home Health Care Services	5.8	77.6	92.2	52.5
Other Ambulatory	-1.1	11.7	21.9	15.9
Hospitals	19.6	167.1	176.6	63.6
Nursing and Residential Care Facilities	8.9	144.7	93.4	-242.8
Nursing Care Facilities	2.9	54.9	20.7	-184.8
Other Nursing and Residential	6.0	89.8	72.7	-58.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.5%	2.5%	3.9%	0.8%
Health Care	3.8%	3.9%	2.5%	0.6%
Ambulatory Health Care Services	3.5%	3.9%	3.4%	2.0%
Offices of Physicians	3.5%	3.4%	2.9%	1.8%
Offices of Dentists	5.0%	3.6%	2.6%	1.5%
Offices of Other Health Care Practitioners	3.5%	4.8%	6.0%	3.7%
Outpatient Care Centers	4.4%	3.9%	3.4%	2.1%
Medical and Diagnostic Labs	-1.5%	0.4%	2.6%	3.5%
Home Health Care Services	4.5%	5.1%	3.0%	1.0%
Other Ambulatory	-3.9%	3.6%	3.5%	1.5%
Hospitals	4.5%	3.3%	1.7%	0.4%
Nursing and Residential Care Facilities	3.5%	4.8%	1.5%	-2.3%
Nursing Care Facilities	2.5%	4.1%	0.7%	-3.7%

<b>Other Nursing and Residential</b>	4.2%	5.5%	2.2%	-1.0%
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Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents comparison to pre-pandemic peak employment.

## TIME SERIES TRACKER

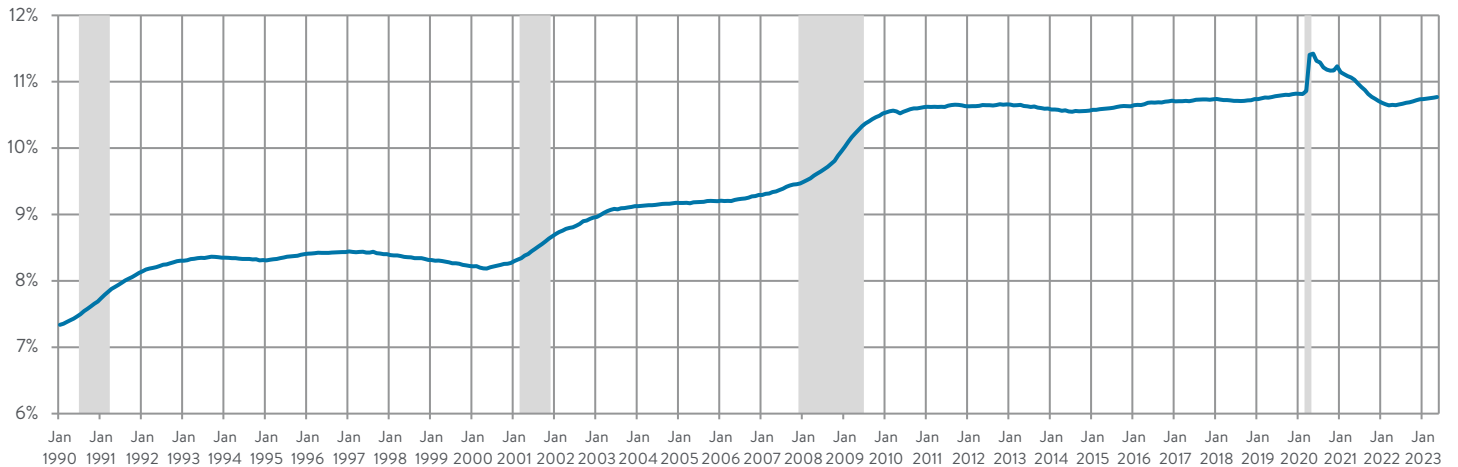
### Exhibit 8. Monthly Percent Change in Health Care Employment



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.