

March 22, 2023

Steady health care job growth seen throughout 2022 continues into 2023

HIGHLIGHTS

- ▲ Health care added 44,200 jobs in February 2023, consistent with the 12-month average of 49,100.
- ▲ February health care job growth was led by hospitals, which added 19,400 jobs. Nursing and residential care facilities added 13,700 jobs and ambulatory settings added 11,100 jobs.
- ▲ Three years later, health care employment is just above where it was in February 2020 before the pandemic (207,000 jobs or 1.3% above); however, the story varies by setting. Hospital employment is close to the level of three years ago (42,000 jobs or 0.8% above), ambulatory care employment is well above (nearly 440,000 jobs or 5.6% above) and nursing and residential care employment remains more than 270,000 jobs below the level of three years ago.
- ▲ The economy also showed another month of solid job growth, adding 311,000 jobs in February, similar to the 12-month average of 362,000 jobs. The unemployment rate bumped up slightly to 3.6% amid a [gradual rise in labor force participation](#).
- ▲ Wage growth in health care has been declining since mid-2022 and has now fallen slightly below economywide wage growth. In January 2023, health care wages grew by 4.2% year over year while total private sector wages grew by 4.4%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Feb 2022	Jan 2023	Feb 2023
Total Employment (000)	152,371	151,010	155,039	155,350
Non-Health Employment (000)	135,890	134,912	138,395	138,662
Health Employment (000)	16,481	16,099	16,644	16,688
Health Share of Total Employment	10.82%	10.66%	10.74%	10.74%
Unemployment Rate	3.5%	3.8%	3.4%	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.

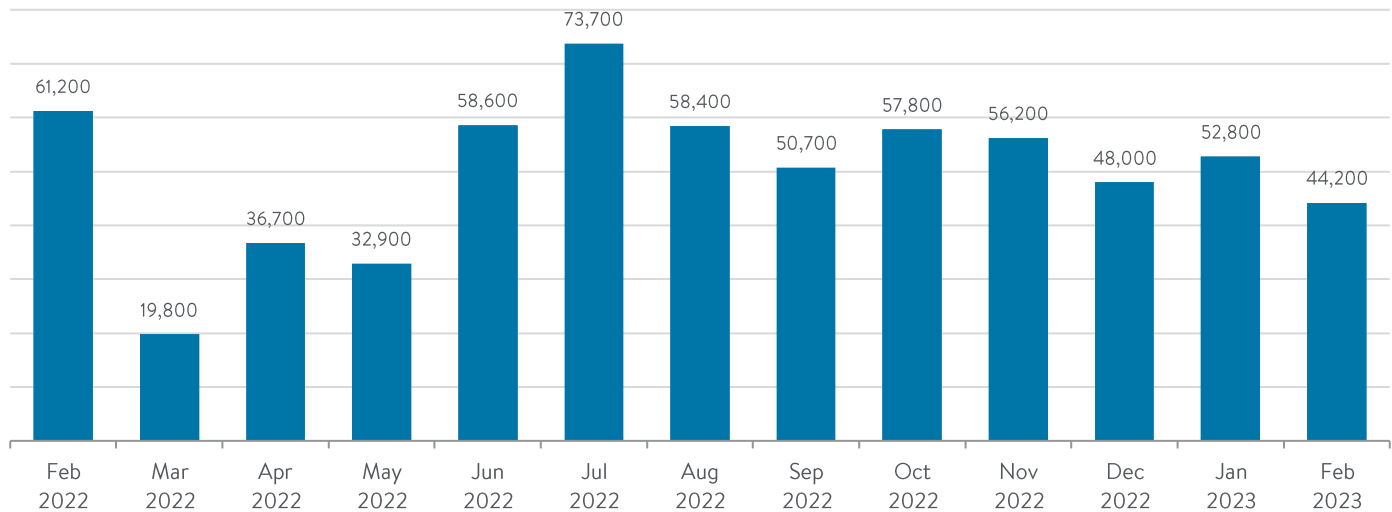
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 44,200 jobs in February 2023, consistent with the average of 46,300 jobs per month added in 2022 (Exhibit 1). February health care job growth was led by hospitals, which added 19,400 jobs, while nursing and residential care facilities added 13,700 jobs and ambulatory care settings, usually the leading setting for growth, added 11,100 jobs (Exhibit 7).

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

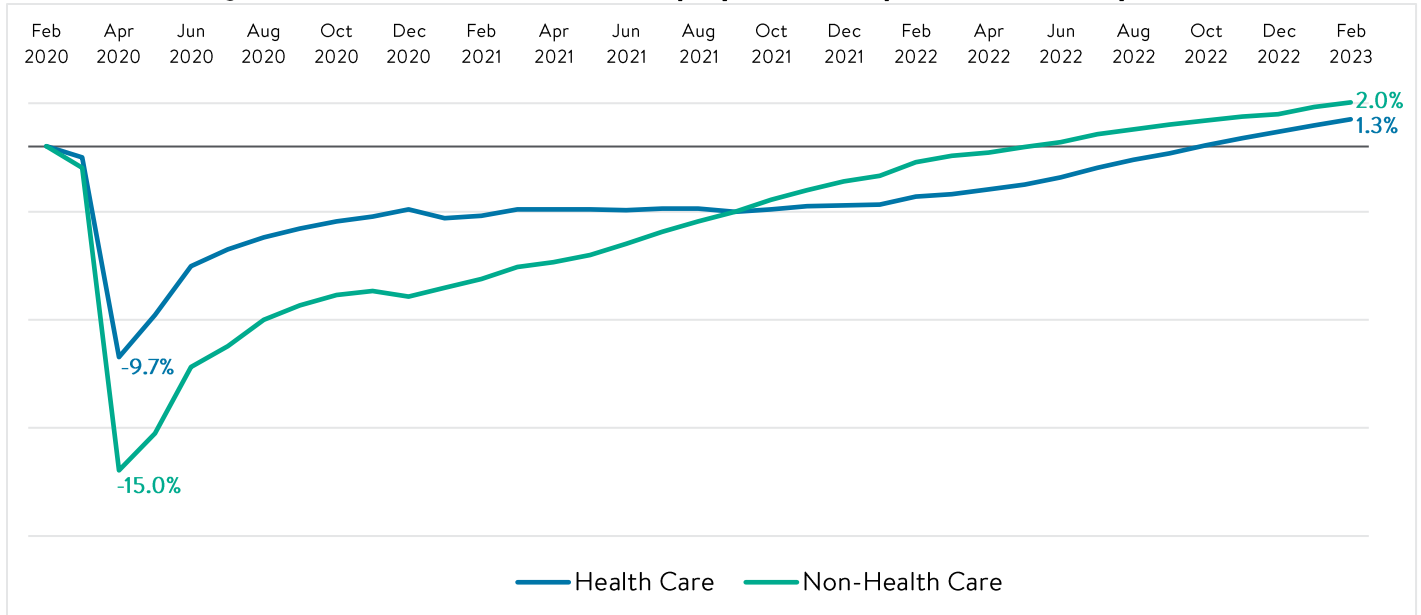


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Health care employment is 207,000 jobs, or 1.3% above where it was three years ago before the pandemic began (February 2020) (Exhibit 2). Hospital employment is about where it was three years ago (42,000 or 0.8% above), ambulatory care settings are well above (439,000 or 5.6% above), and nursing and residential care employment, while growing again as of a year ago, remains 273,000 or 8.1% below where it was prior to the pandemic (Exhibit 3). Accordingly, the distribution of health care jobs by setting has shifted over the past three years, with ambulatory care settings now representing nearly half of all health jobs (49.8%) compared to 47.7% in 2020 and nursing and residential care jobs representing 18.6% of health jobs compared to 20.5% in 2020. The hospital share of health jobs has remained about one-third (31.6% in 2023 versus 31.8% in 2020).

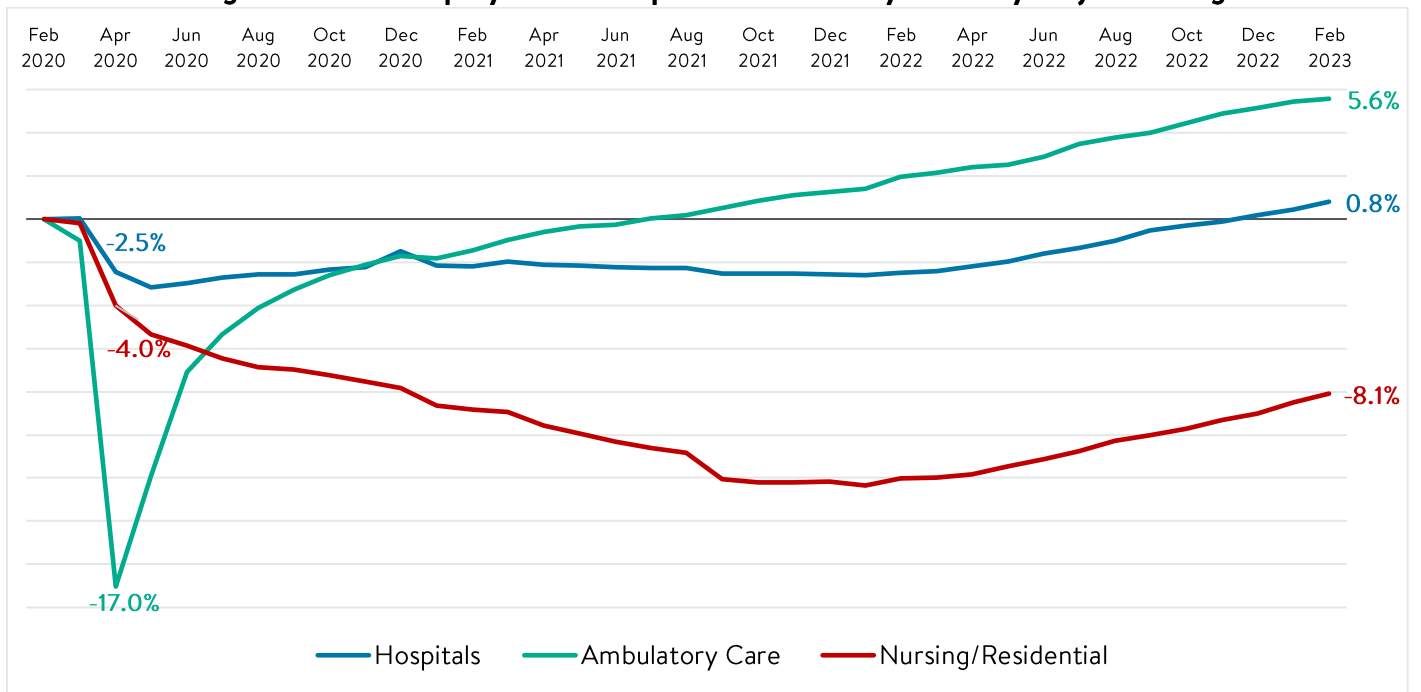


Exhibit 2. Change in Health and Non-Health Employment Compared to February 2020



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

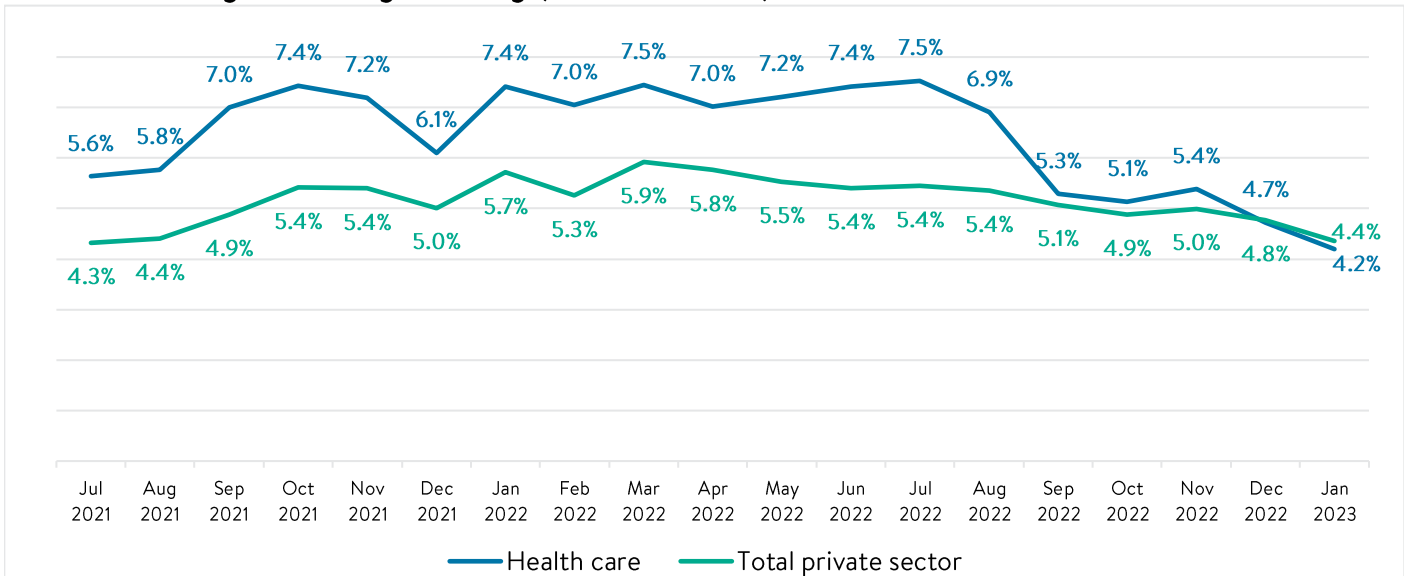
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care





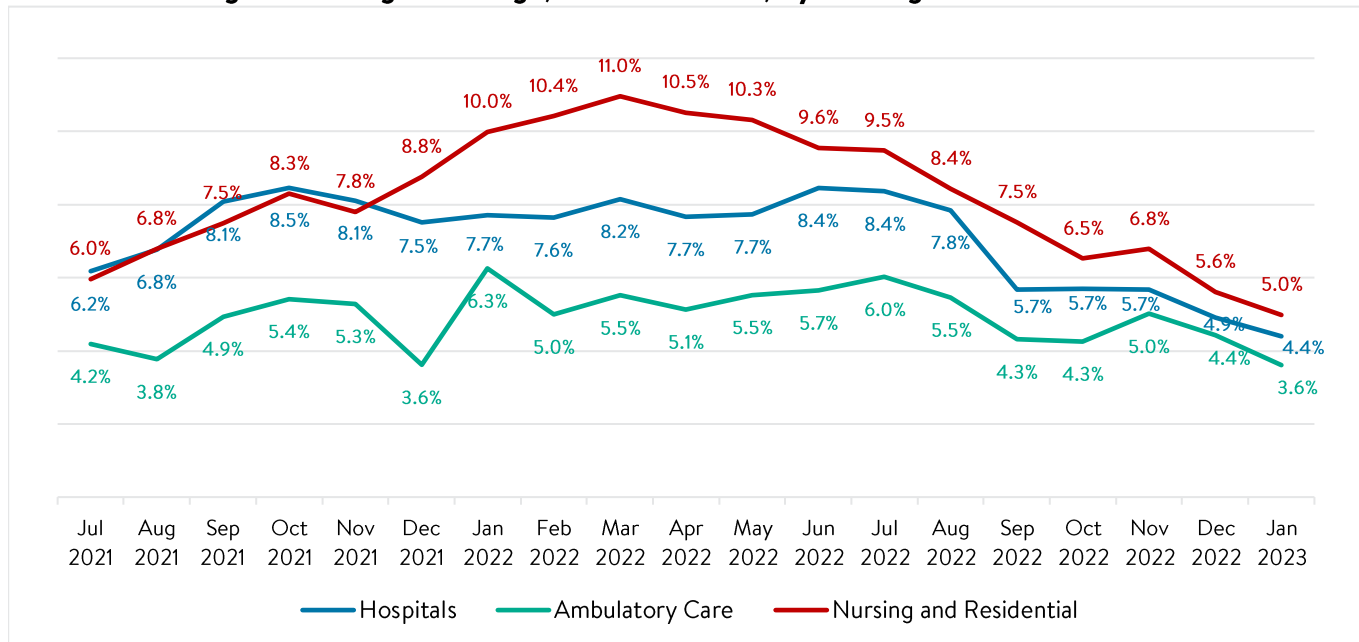
Wage growth in health care had been higher than overall wage growth for many months but has been falling since the summer of 2022 and is now below the economywide average. Earnings in health care rose 4.2% over the year in January 2023, compared to 4.4% for all private sector jobs (Exhibit 4).

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



The growth in average earnings continues to vary by setting of care, but the gaps continue to narrow as wage growth falls in all settings (Exhibit 5). Wages are still growing slightly faster in nursing and residential care, at 5.0% year over year in January 2023. In hospitals, wage growth fell in January to 4.4%. Wage growth has been slowest in ambulatory care, where wage growth fell to 3.6% in January.

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)	February 2023	January 2023	February 2022	February 2021	February 2020
Non-Health Care	138,662	138,395	134,912	127,589	135,890
Health Care	16,688	16,644	16,099	15,955	16,481
Ambulatory Health Care Services	8,305	8,294	8,021	7,753	7,867
Offices of Physicians	2,864	2,862	2,778	2,702	2,726
Offices of Dentists	1,028	1,029	1,005	970	990
Offices of Other Health Care Practitioners	1,121	1,114	1,063	976	1,001
Outpatient Care Centers	1,059	1,060	1,019	985	997
Medical and Diagnostic Labs	324	322	324	302	289
Home Health Care Services	1,577	1,571	1,513	1,507	1,546
Other Ambulatory	332	335	319	312	318
Hospitals	5,278	5,259	5,106	5,121	5,236
Nursing and Residential Care Facilities	3,105	3,091	2,972	3,080	3,378
Nursing Care Facilities	1,387	1,381	1,343	1,408	1,587
Other Nursing and Residential	1,718	1,710	1,629	1,672	1,792
Health Share of Employment	10.74%	10.74%	10.66%	11.11%	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

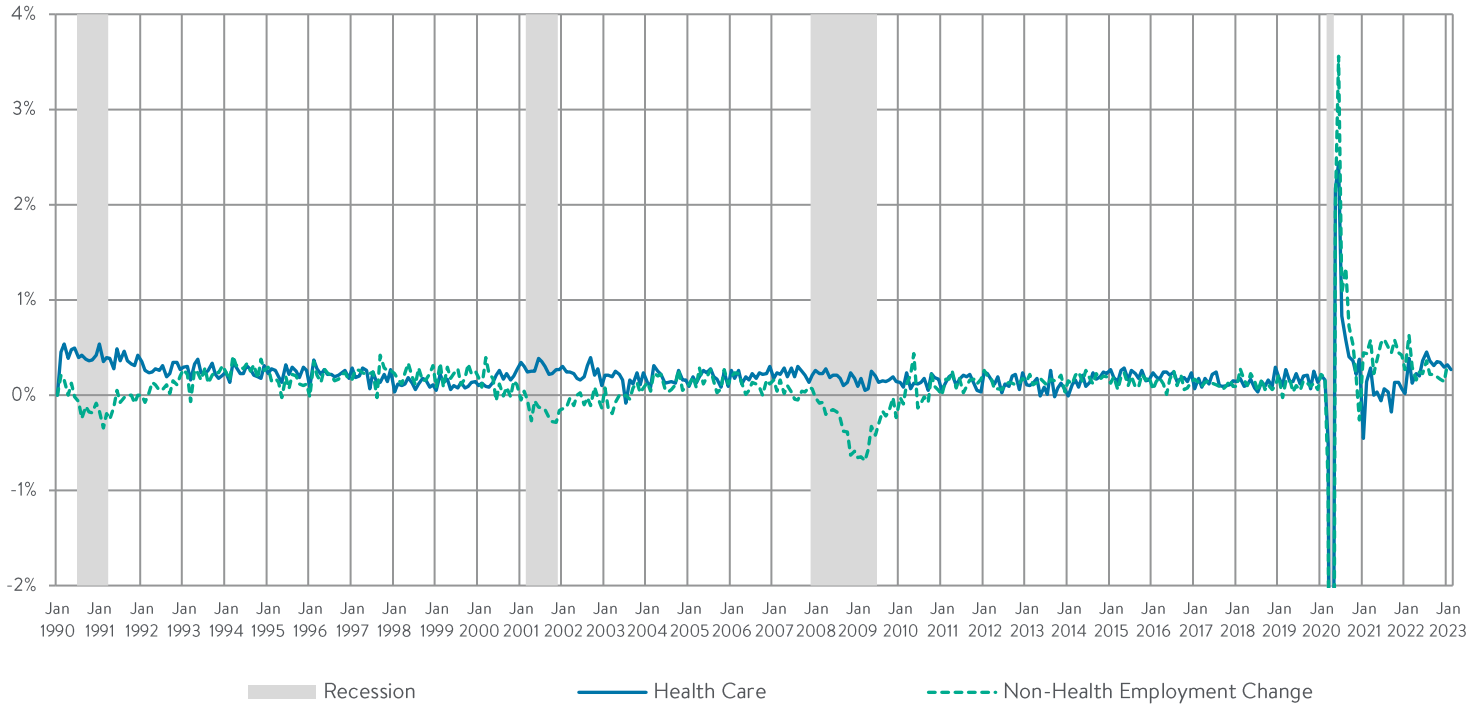
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	266.8	3,750.2	11,072.4	2,771.6
Health Care	44.2	589.8	733.6	207.4
Ambulatory Health Care Services	11.1	284.5	552.4	438.6
Offices of Physicians	1.8	85.8	161.8	138.1
Offices of Dentists	-0.9	23.0	57.7	38.1
Offices of Other Health Care Practitioners	6.6	57.6	145.1	120.0
Outpatient Care Centers	-0.8	40.3	74.9	62.4
Medical and Diagnostic Labs	2.1	0.8	22.6	35.4
Home Health Care Services	5.3	63.2	69.5	30.2
Other Ambulatory	-2.9	13.7	20.8	14.4
Hospitals	19.4	172.2	156.5	42.1
Nursing and Residential Care Facilities	13.7	133.1	24.7	-273.3
Nursing Care Facilities	5.4	43.5	-21.6	-200.0
Other Nursing and Residential	8.3	89.6	46.3	-73.3
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.3%	2.8%	4.2%	0.7%
Health Care	3.2%	3.7%	2.3%	0.4%
Ambulatory Health Care Services	1.6%	3.5%	3.5%	1.8%
Offices of Physicians	0.8%	3.1%	3.0%	1.7%
Offices of Dentists	-1.0%	2.3%	2.9%	1.3%
Offices of Other Health Care Practitioners	7.3%	5.4%	7.2%	3.8%
Outpatient Care Centers	-0.9%	4.0%	3.7%	2.0%
Medical and Diagnostic Labs	8.1%	0.2%	3.7%	3.9%
Home Health Care Services	4.1%	4.2%	2.3%	0.6%
Other Ambulatory	-9.9%	4.3%	3.3%	1.5%
Hospitals	4.5%	3.4%	1.5%	0.3%
Nursing and Residential Care Facilities	5.4%	4.5%	0.4%	-2.8%
Nursing Care Facilities	4.8%	3.2%	-0.8%	-4.4%
Other Nursing and Residential	6.0%	5.5%	1.4%	-1.4%

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



TIME SERIES TRACKER

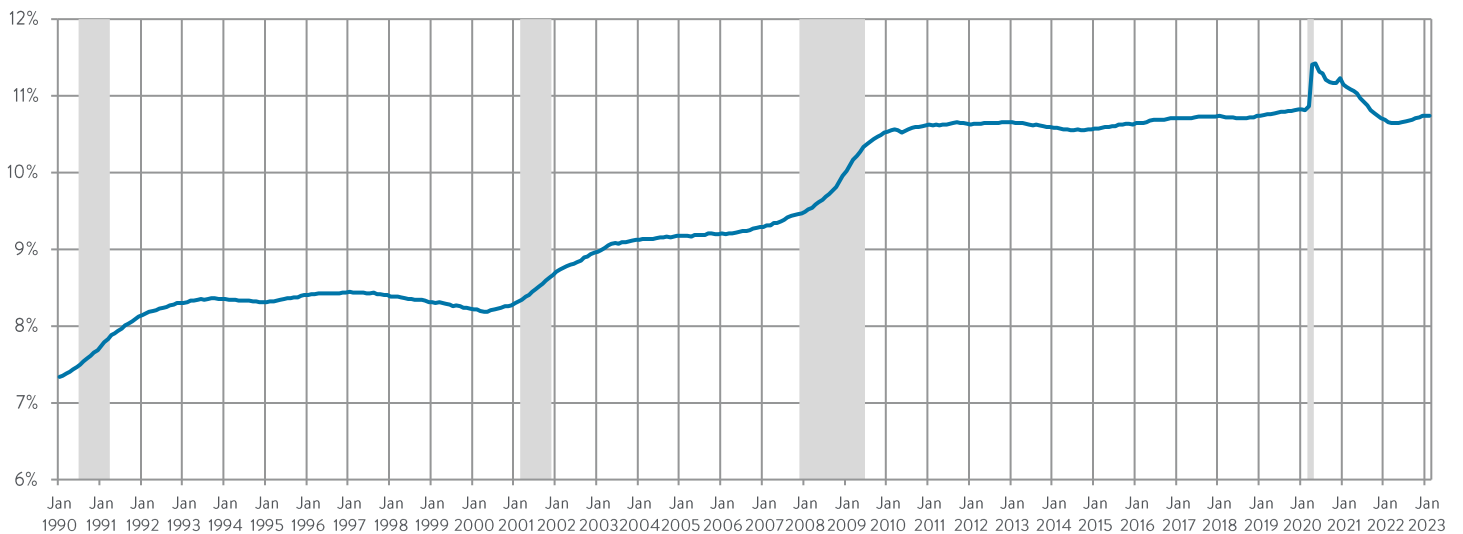
Exhibit 8. Twelve-month Percent Change in Health Care Employment



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.