

May 25, 2023

Health care adds about 40,000 jobs in April, consistent with Q1 2023 pace

## HIGHLIGHTS

- ▲ Health care added 39,600 jobs in April 2023, very similar to job growth in March (31,200 new jobs) and February (36,500 new jobs) and consistent with the first quarter (Q1) 2023 average of 40,600 jobs per month.
- ▲ More than 60 percent of April health care job growth was seen in ambulatory care settings, which added 24,200 jobs. Hospitals also added 6,600 jobs and nursing and residential care facilities added 8,800 jobs.
- ▲ The economy added 253,000 jobs in April, comparable to the average 295,000 jobs per months added in Q1 2023. The unemployment rate dipped for the second month in a row to 3.4%.
- ▲ Wages in health care were growing well above the economywide average from mid-2021 through mid-2022, but health wage growth began declining in fall 2022 and fell below economywide wage growth in December 2022. Health care and economywide wage growth converged in March 2023 at 4.3% year over year.
- ▲ Wage growth in health care varies by setting of care, with growth in nursing and residential care remaining above other health care settings at 4.8% year over year in March 2023. Wages grew by 4.5% year over year in hospitals. Wage growth in ambulatory care settings remains below the other two major health care settings but has ticked up slightly over the past few months, from 3.6% in January 2023 to 4.1% in March 2023.

## Cyclical Employment Big Picture

| Seasonally Adjusted              | Feb 2020 | Apr 2022 | Mar 2023 | Apr 2023 |
|----------------------------------|----------|----------|----------|----------|
| Total Employment (000)           | 152,371  | 151,678  | 155,420  | 155,673  |
| Non-Health Employment (000)      | 135,890  | 135,523  | 138,707  | 138,920  |
| Health Employment (000)          | 16,481   | 16,155   | 16,713   | 16,753   |
| Health Share of Total Employment | 10.82%   | 10.65%   | 10.75%   | 10.76%   |
| Unemployment Rate                | 3.5%     | 3.6%     | 3.5%     | 3.4%     |

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

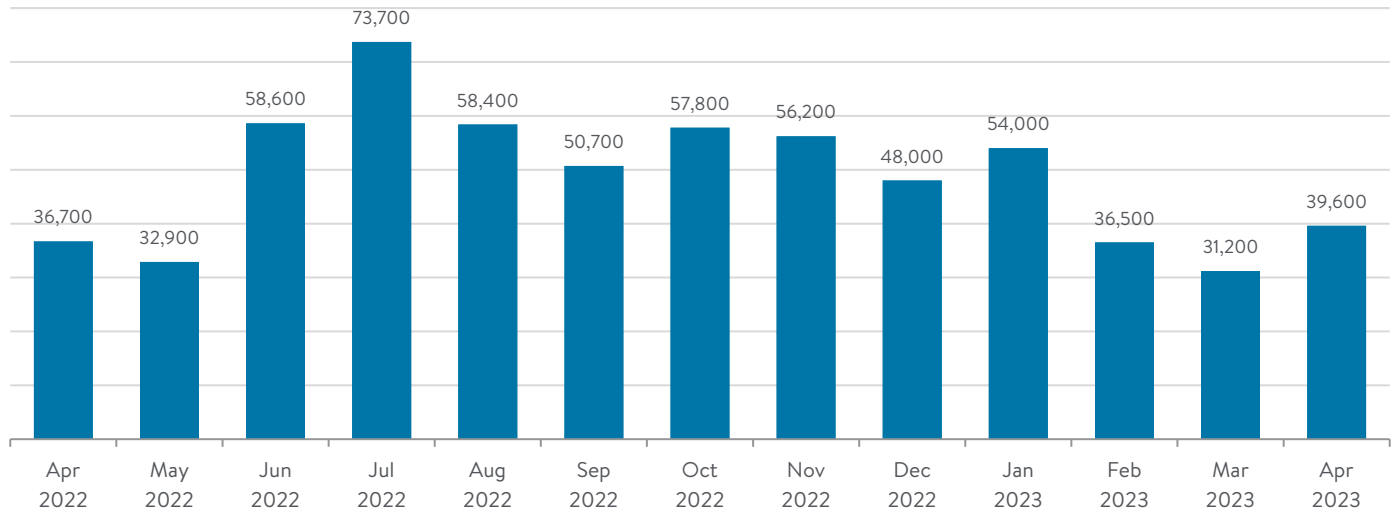
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend 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 39,600 jobs in April 2023, close to the previous two months and to the average 40,600 jobs added in Q1 2023, but lower than the average 58,000 jobs added per month in the second half of 2022 (Exhibit 1).

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



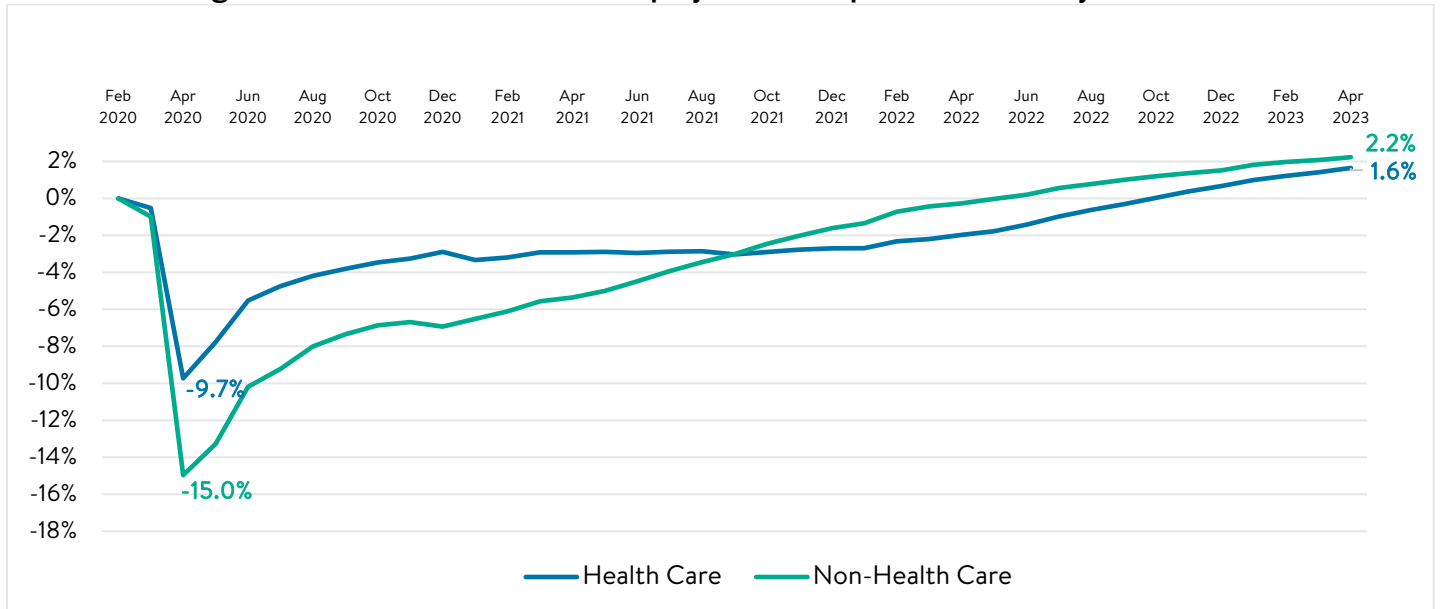
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

More than 60 percent of health care job growth in April was seen in ambulatory care settings, which added 24,200 jobs, somewhat above the Q1 2023 average of 17,600 jobs per month. Ambulatory care job growth in April was led by physician offices, which added 12,200 jobs (Exhibit 7).

Hospitals added 6,600 jobs in April, just below the Q1 2023 average of 8,500 jobs per month. Nursing and residential care facilities added 8,800 jobs, somewhat below the Q1 2023 average 14,500 jobs per month. Both nursing homes (+2,600 jobs in April) and other nursing and residential care facilities (+6,200 jobs in April) have shown positive job growth since April 2022.

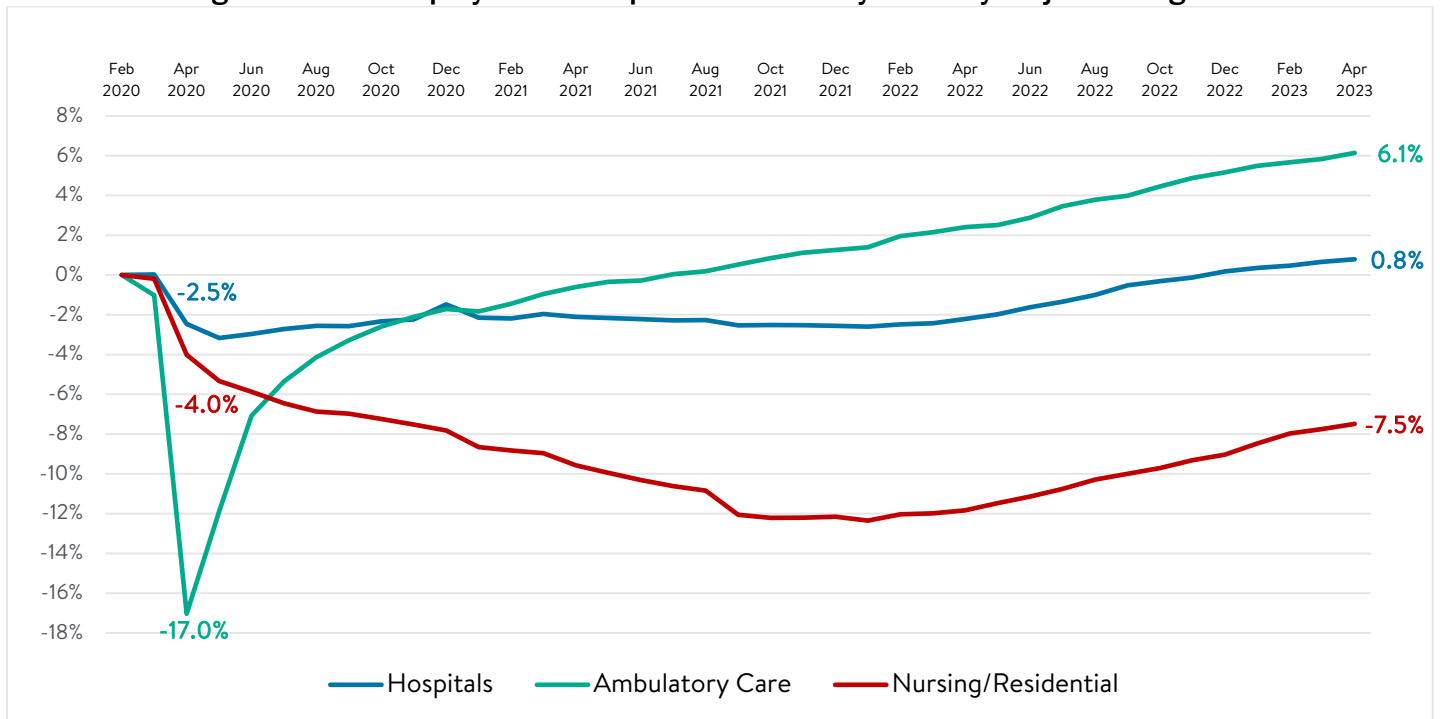
Health care employment is 271,000 jobs, or 1.6%, above where it was about three years ago before the pandemic began (February 2020) (Exhibit 2). Hospital employment is just above where it was (41,500 or 0.8% above), ambulatory care settings are well above (483,000 or 6.1% above), and nursing and residential care employment, while growing steadily now, remains 253,000 or 7.5% 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.

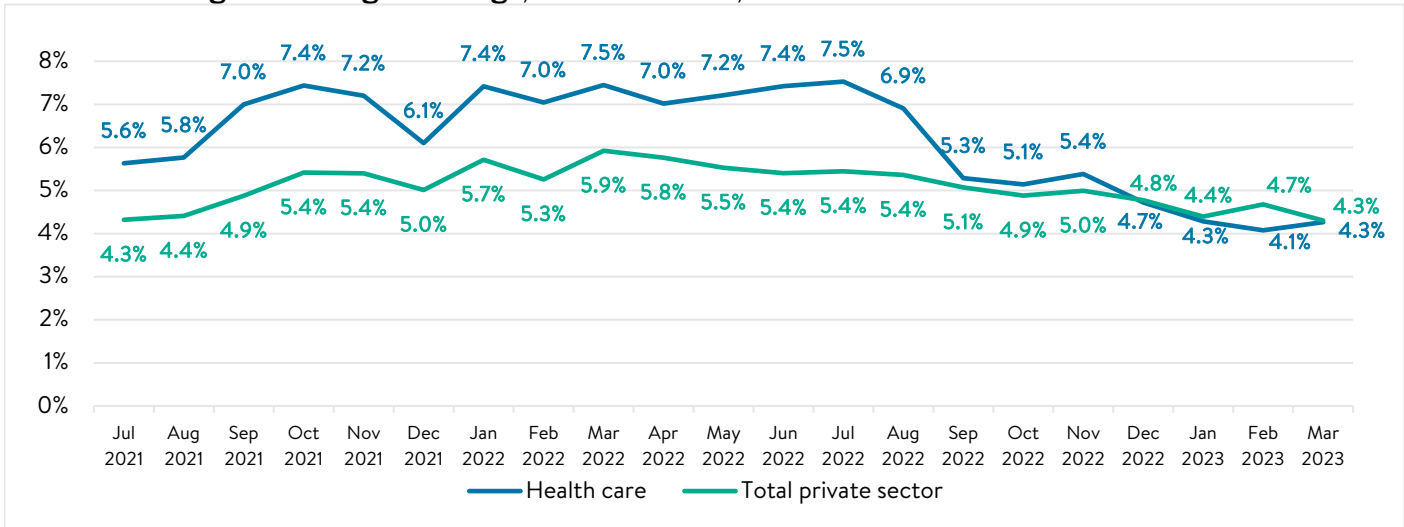
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

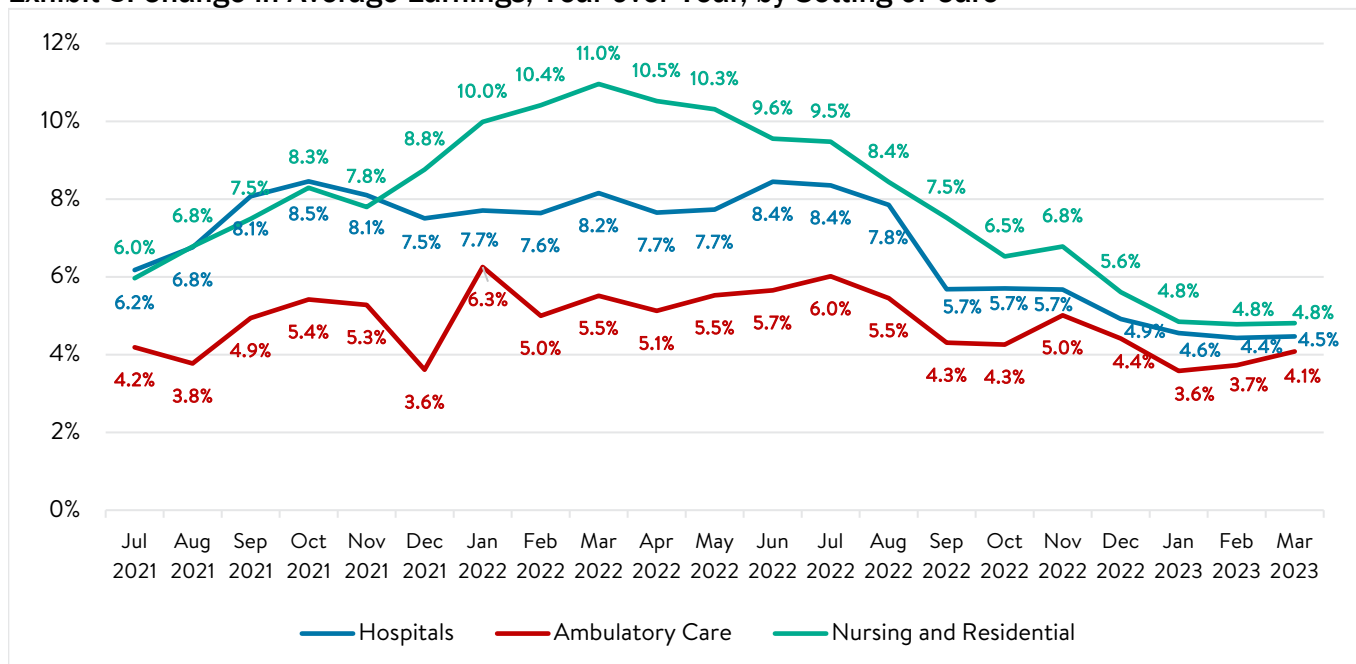
Wage growth in health care had been higher than economywide wage growth for many months but fell below the economywide average in December 2022. In March 2023, wage growth in both health care and across all private sector jobs was 4.3% (Exhibit 4).

**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). Wage growth in nursing and residential care remains just above other health care settings at 4.8% year over year in March 2023. Wages grew by 4.5% year over year in hospitals. Wage growth in ambulatory care settings remains below the other two major health care settings but has ticked up slightly over the past few months, from 3.6% in January 2023 to 4.1% in March 2023.

**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)                  | April 2023 | March 2023 | April 2022 | April 2021 | February 2020 |
|--|------------|------------|------------|------------|---------------|
| Non-Health Care                            | 138,920    | 138,707    | 135,523    | 128,614    | 135,890       |
| Health Care                                | 16,753     | 16,713     | 16,155     | 16,000     | 16,481        |
| Ambulatory Health Care Services            | 8,350      | 8,326      | 8,056      | 7,820      | 7,867         |
| Offices of Physicians                      | 2,879      | 2,866      | 2,788      | 2,724      | 2,726         |
| Offices of Dentists                        | 1,031      | 1,027      | 1,004      | 983        | 990           |
| Offices of Other Health Care Practitioners | 1,128      | 1,123      | 1,072      | 996        | 1,001         |
| Outpatient Care Centers                    | 1,060      | 1,061      | 1,024      | 994        | 997           |
| Medical and Diagnostic Labs                | 326        | 323        | 324        | 307        | 289           |
| Home Health Care Services                  | 1,593      | 1,591      | 1,524      | 1,504      | 1,546         |
| Other Ambulatory                           | 334        | 335        | 321        | 312        | 318           |
| Hospitals                                  | 5,277      | 5,271      | 5,120      | 5,126      | 5,236         |
| Nursing and Residential Care Facilities    | 3,126      | 3,117      | 2,979      | 3,055      | 3,378         |
| Nursing Care Facilities                    | 1,397      | 1,395      | 1,342      | 1,387      | 1,587         |
| Other Nursing and Residential              | 1,728      | 1,722      | 1,637      | 1,669      | 1,792         |
| Health Share of Employment                 | 10.76%     | 10.75%     | 10.65%     | 11.06%     | 10.82%        |

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

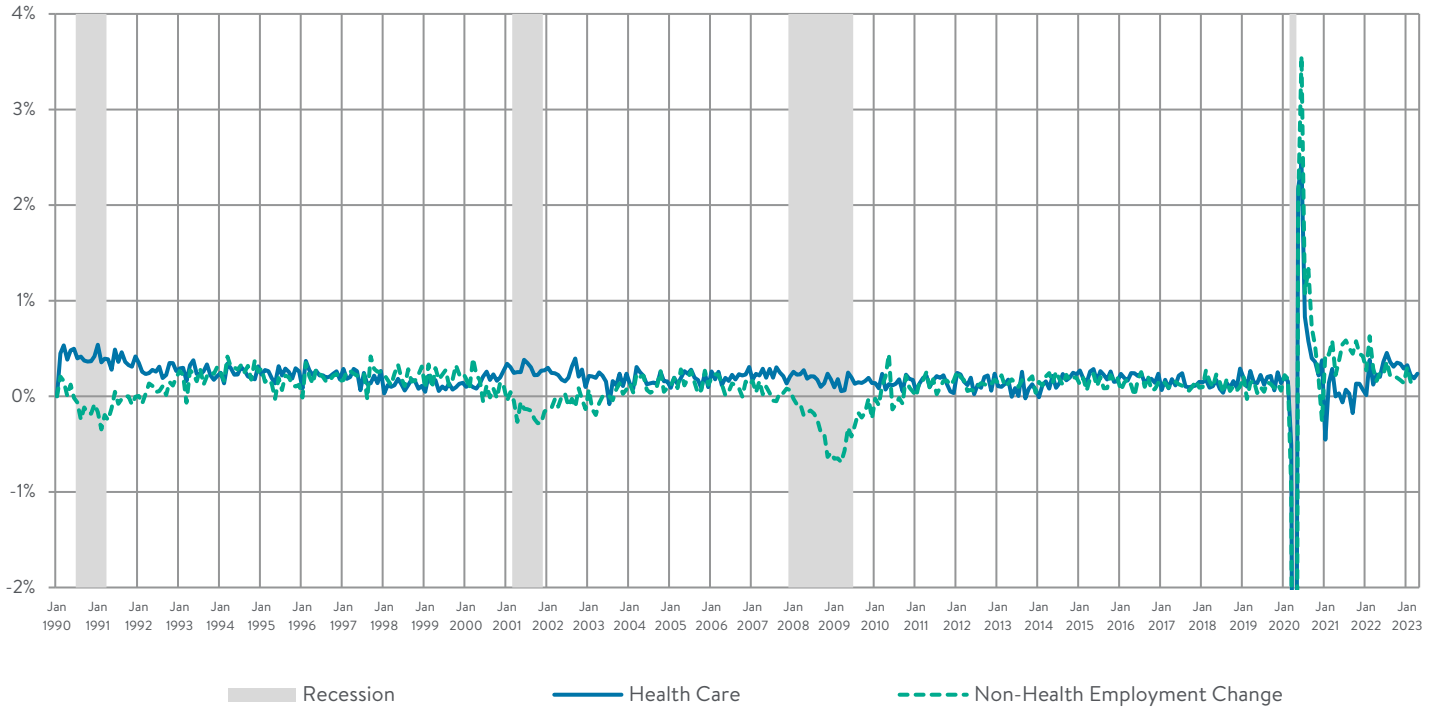
### Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

| Employment Change (in thousands)           | One Month | 12 Months | 24 Months | Since Feb 2020 |
|--|-----------|-----------|-----------|----------------|
| Non-Health Care                            | 213.4     | 3,397.4   | 10,306.5  | 3,030.3        |
| Health Care                                | 39.6      | 597.6     | 752.5     | 271.7          |
| Ambulatory Health Care Services            | 24.2      | 293.6     | 530.3     | 483.1          |
| Offices of Physicians                      | 12.2      | 90.3      | 154.2     | 152.5          |
| Offices of Dentists                        | 4.6       | 26.8      | 48.1      | 41.4           |
| Offices of Other Health Care Practitioners | 4.4       | 55.7      | 131.6     | 126.8          |
| Outpatient Care Centers                    | -1.5      | 35.7      | 65.7      | 62.5           |
| Medical and Diagnostic Labs                | 2.5       | 2.2       | 19.2      | 36.8           |
| Home Health Care Services                  | 2.3       | 69.4      | 88.8      | 46.9           |
| Other Ambulatory                           | -0.3      | 13.6      | 22.7      | 16.3           |
| Hospitals                                  | 6.6       | 157.2     | 151.8     | 41.5           |
| Nursing and Residential Care Facilities    | 8.8       | 146.8     | 70.4      | -252.9         |
| Nursing Care Facilities                    | 2.6       | 55.1      | 10.8      | -189.5         |
| Other Nursing and Residential              | 6.2       | 91.7      | 59.6      | -63.4          |
| Annualized Percent Change                  | One Month | 12 Months | 24 Months | Since Feb 2020 |
| Non-Health Care                            | 1.9%      | 2.5%      | 3.9%      | 0.7%           |
| Health Care                                | 2.9%      | 3.7%      | 2.3%      | 0.5%           |
| Ambulatory Health Care Services            | 3.5%      | 3.6%      | 3.3%      | 1.9%           |
| Offices of Physicians                      | 5.2%      | 3.2%      | 2.8%      | 1.7%           |
| Offices of Dentists                        | 5.5%      | 2.7%      | 2.4%      | 1.3%           |
| Offices of Other Health Care Practitioners | 4.8%      | 5.2%      | 6.4%      | 3.8%           |
| Outpatient Care Centers                    | -1.7%     | 3.5%      | 3.3%      | 1.9%           |
| Medical and Diagnostic Labs                | 9.7%      | 0.7%      | 3.1%      | 3.9%           |
| Home Health Care Services                  | 1.7%      | 4.6%      | 2.9%      | 0.9%           |
| Other Ambulatory                           | -1.1%     | 4.2%      | 3.6%      | 1.6%           |
| Hospitals                                  | 1.5%      | 3.1%      | 1.5%      | 0.2%           |
| Nursing and Residential Care Facilities    | 3.4%      | 4.9%      | 1.1%      | -2.4%          |
| Nursing Care Facilities                    | 2.3%      | 4.1%      | 0.4%      | -3.9%          |
| Other Nursing and Residential              | 4.4%      | 5.6%      | 1.8%      | -1.1%          |

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

## TIME SERIES TRACKER

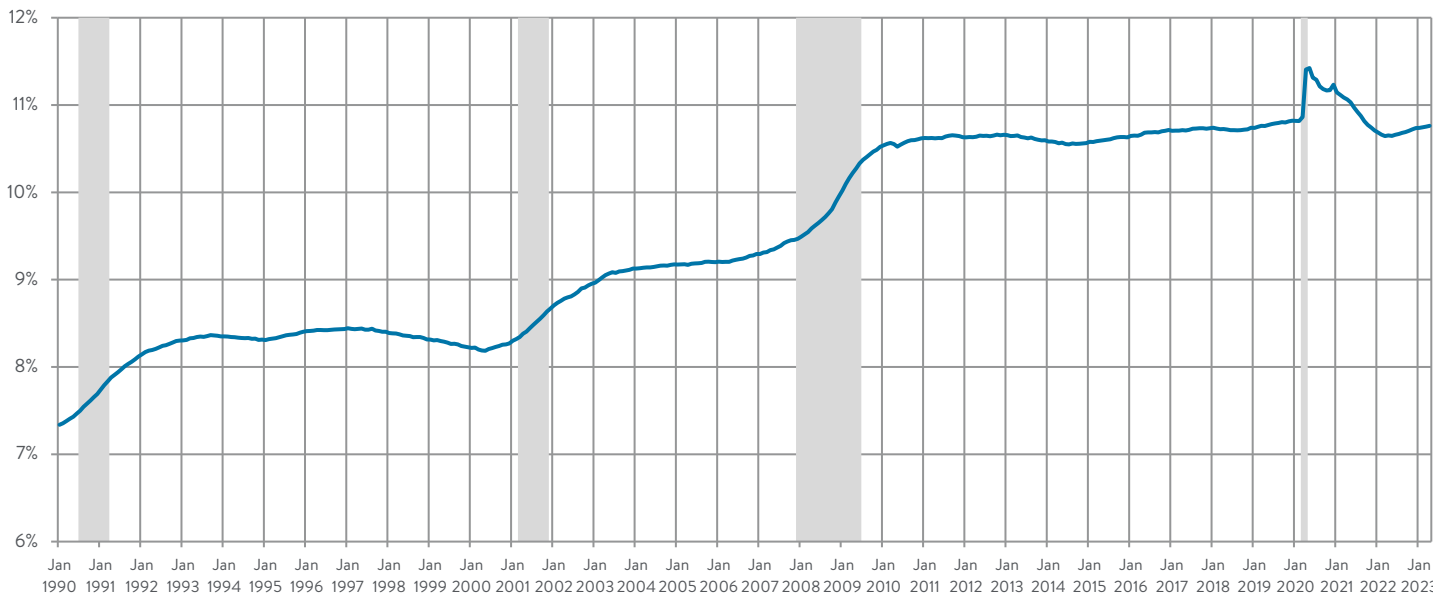
### Exhibit 8. Monthly Percent Change in Health Care Employment



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.