

November 18, 2022

Health care job growth remains strong while health care wage growth moderates

HIGHLIGHTS

- ▲ Health care job growth remained strong in October, with 52,600 jobs added. Health care has averaged 47,000 new jobs per month in 2022.
- ▲ Most of the growth in health care jobs was in ambulatory care, which added 30,700 jobs in October. Hospitals added 10,800 jobs and nursing and residential care added 11,100 jobs.
- ▲ The economy added 261,000 jobs in October, similar to August and September gains. The unemployment rate rose slightly to 3.7%.
- ▲ Health care wage growth appears to be moderating. After peaking at 7.4% growth year over year in July, health care wages grew by 5.6% in September, nearer to economy-wide wage growth of 5.0% (Exhibit 4). Wage growth fell across all three major health care settings: residential care wages grew at 7.7% compared to a peak of 11% in March 2022, hospital wages grew by 5.8% compared to a peak of 8.5% in June, and ambulatory care wages grew by 4.6% compared to a peak of 5.8% in July (Exhibit 5).

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020	Oct 2021	Sep 2022	Oct 2022
Total Employment (000)	152,504	148,005	153,047	153,308
Non-Health Employment (000)	136,014	131,948	136,522	136,731
Health Employment (000)	16,491	16,057	16,525	16,577
Health Share of Total Employment	10.81%	10.85%	10.80%	10.81%
Unemployment Rate	3.5%	4.6%	3.5%	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.

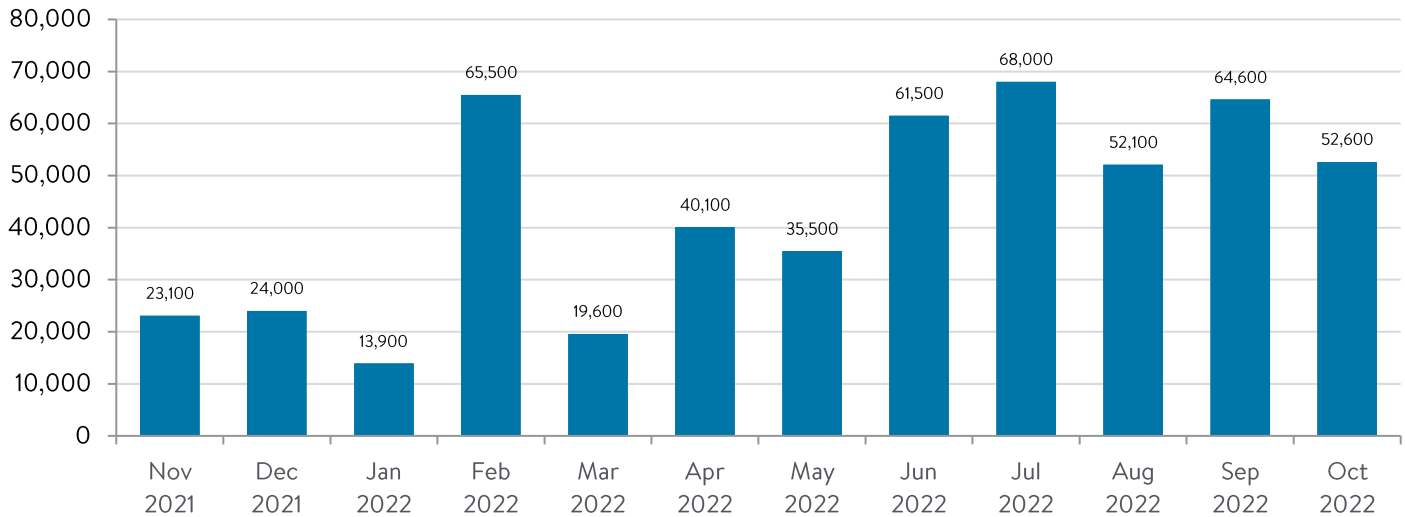
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 52,600 jobs in October, with minimal revisions to July and August. Health care has added 474,000 jobs in 2022 (Exhibit 1).

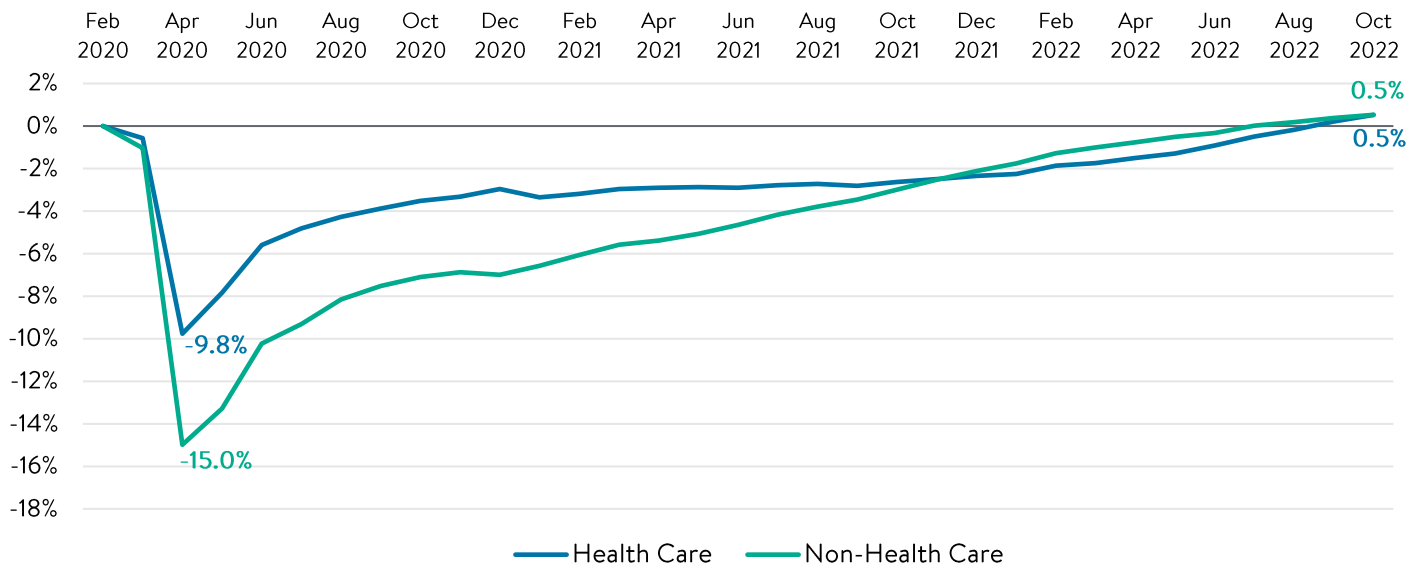
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

The economy added 261,000 jobs in October, similar to gains in August and September. Through the first three quarters of 2022, the economy added 4.1 million jobs, a monthly average of 407,000 jobs. Both health and non-health employment are now 0.5% above pre-pandemic levels (Exhibit 2).

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

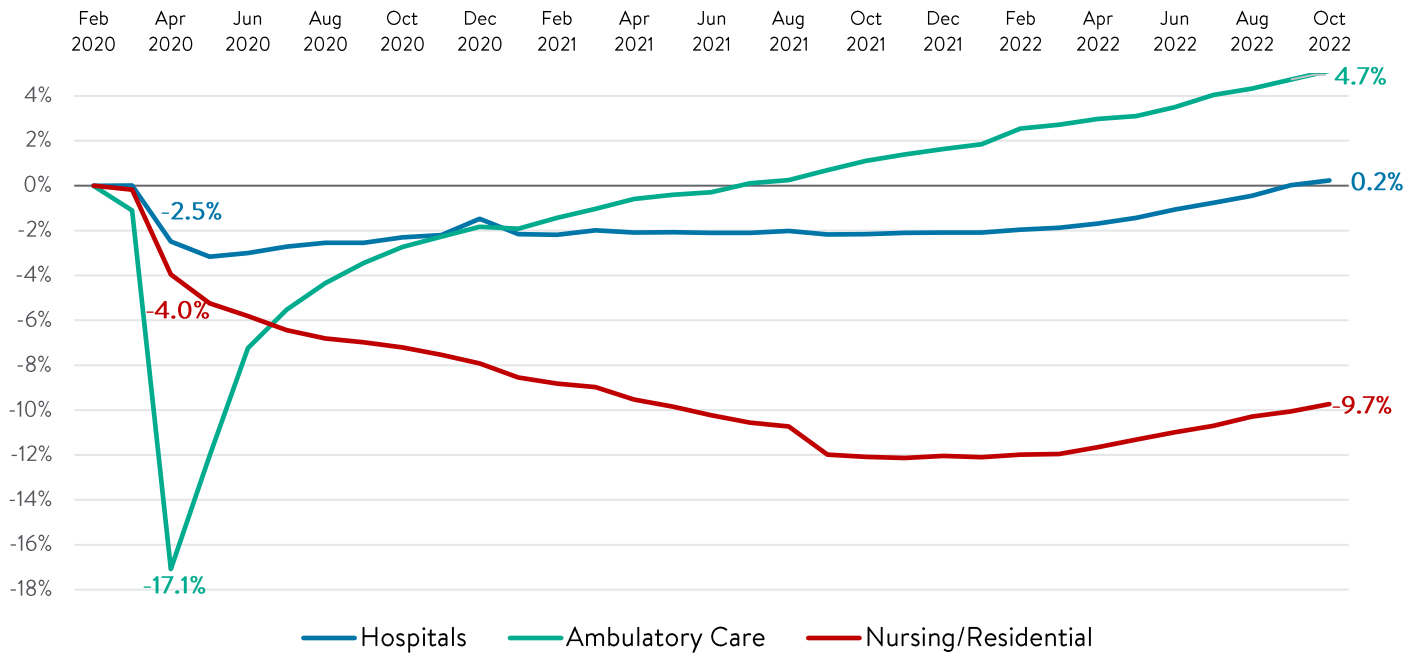


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Employment in ambulatory care settings returned to the pre-pandemic level in August 2021 and is now 4.7% above the level of February 2020 (Exhibit 3). Hospital employment is 0.2% above February 2020 level. Employment in nursing and residential care settings appears to have bottomed out a year ago and is now growing modestly, currently standing at 329,000 jobs (9.7%) below the pre-pandemic level.

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

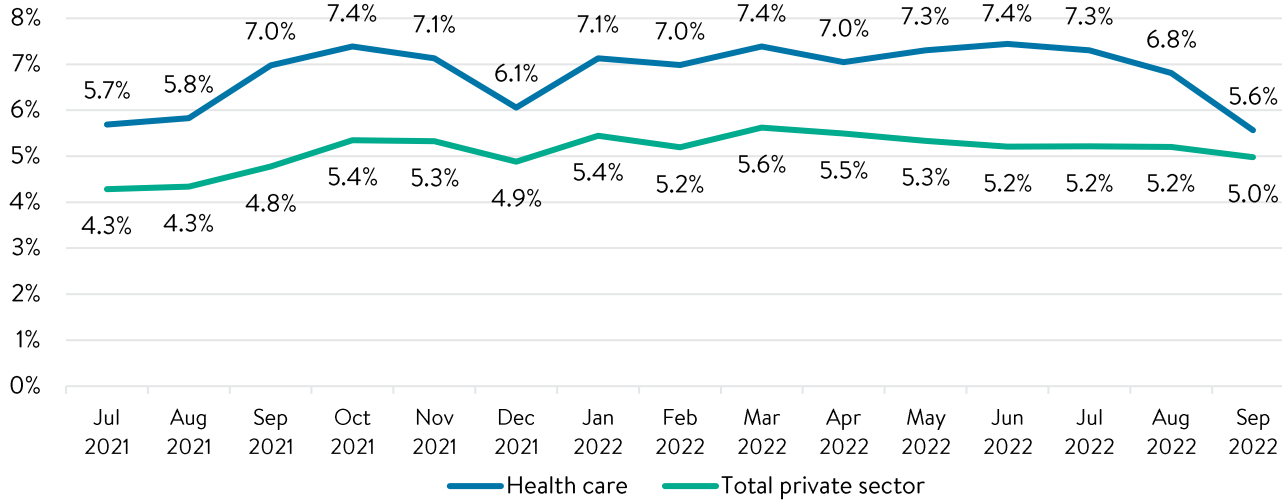


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



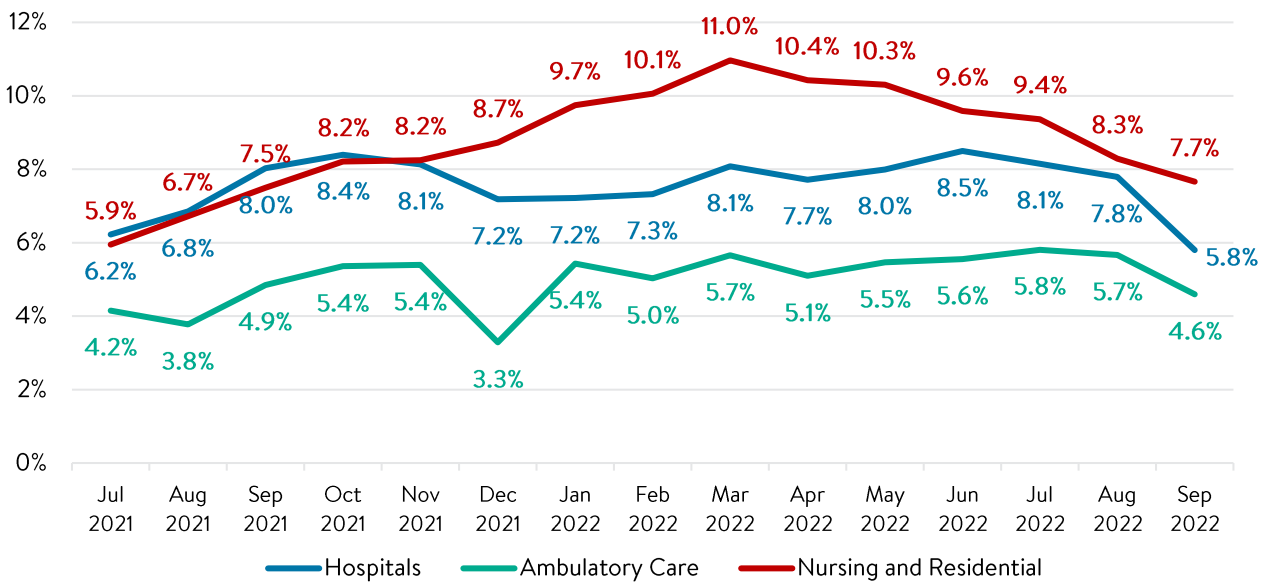
Wage growth in health care remains above the economywide average but the gap has closed considerably. Average earnings in health care rose 5.6% over the year in September, compared to 5.0% for all private sector jobs (Exhibit 4).

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



Average earnings in hospitals and nursing and residential care have been growing faster than in ambulatory care settings; however, wage growth has been declining over the past few months in all three major settings of care (Exhibit 5).

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)	October 2022	September 2022	October 2021	October 2020	February 2020
Non-Health Care	136,731	136,522	131,948	126,368	136,014
Health Care	16,577	16,525	16,057	15,911	16,491
Ambulatory Health Care Services	8,281	8,250	7,965	7,663	7,878
Offices of Physicians	2,865	2,855	2,766	2,675	2,728
Offices of Dentists	1,051	1,046	1,007	960	994
Offices of Other Health Care Practitioners	1,106	1,100	1,036	950	1,004
Outpatient Care Centers	1,033	1,032	1,005	986	997
Medical and Diagnostic Labs	310	314	310	290	287
Home Health Care Services	1,587	1,581	1,529	1,498	1,549
Other Ambulatory	328	322	312	303	319
Hospitals	5,248	5,237	5,122	5,115	5,236
Nursing and Residential Care Facilities	3,049	3,037	2,969	3,134	3,377
Nursing Care Facilities	1,367	1,363	1,349	1,448	1,585
Other Nursing and Residential	1,682	1,675	1,620	1,686	1,792
Health Share of Employment	10.81%	10.80%	10.85%	11.18%	10.81%

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	208.4	4,782.5	10,363.0	717.3
Health Care	52.6	520.5	666.0	86.7
Ambulatory Health Care Services	30.7	315.6	618.2	403.2
Offices of Physicians	9.6	98.7	189.7	137.3
Offices of Dentists	5.0	44.1	90.8	56.7
Offices of Other Health Care Practitioners	6.3	70.1	156.4	102.2
Outpatient Care Centers	1.4	28.2	47.1	36.2
Medical and Diagnostic Labs	-3.3	0.5	19.8	22.9
Home Health Care Services	6.1	57.9	88.8	38.6
Other Ambulatory	5.5	15.9	25.4	9.3
Hospitals	10.8	125.5	132.9	12.2
Nursing and Residential Care Facilities	11.1	79.4	-85.1	-328.7
Nursing Care Facilities	4.1	17.8	-80.8	-217.8
Other Nursing and Residential	7.0	61.6	-4.3	-110.9
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	3.6%	4.0%	0.2%
Health Care	3.9%	3.2%	2.1%	0.2%
Ambulatory Health Care Services	4.6%	4.0%	4.0%	1.9%
Offices of Physicians	4.1%	3.6%	3.5%	1.9%
Offices of Dentists	5.9%	4.4%	4.6%	2.1%
Offices of Other Health Care Practitioners	7.1%	6.8%	7.9%	3.7%
Outpatient Care Centers	1.6%	2.8%	2.4%	1.3%
Medical and Diagnostic Labs	-11.9%	0.2%	3.4%	2.9%
Home Health Care Services	4.7%	3.8%	2.9%	0.9%
Other Ambulatory	22.5%	5.1%	4.1%	1.1%
Hospitals	2.5%	2.5%	1.3%	0.1%
Nursing and Residential Care Facilities	4.5%	2.7%	-1.4%	-3.8%
Nursing Care Facilities	3.7%	1.3%	-2.8%	-5.4%
Other Nursing and Residential	5.1%	3.8%	-0.1%	-2.4%

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

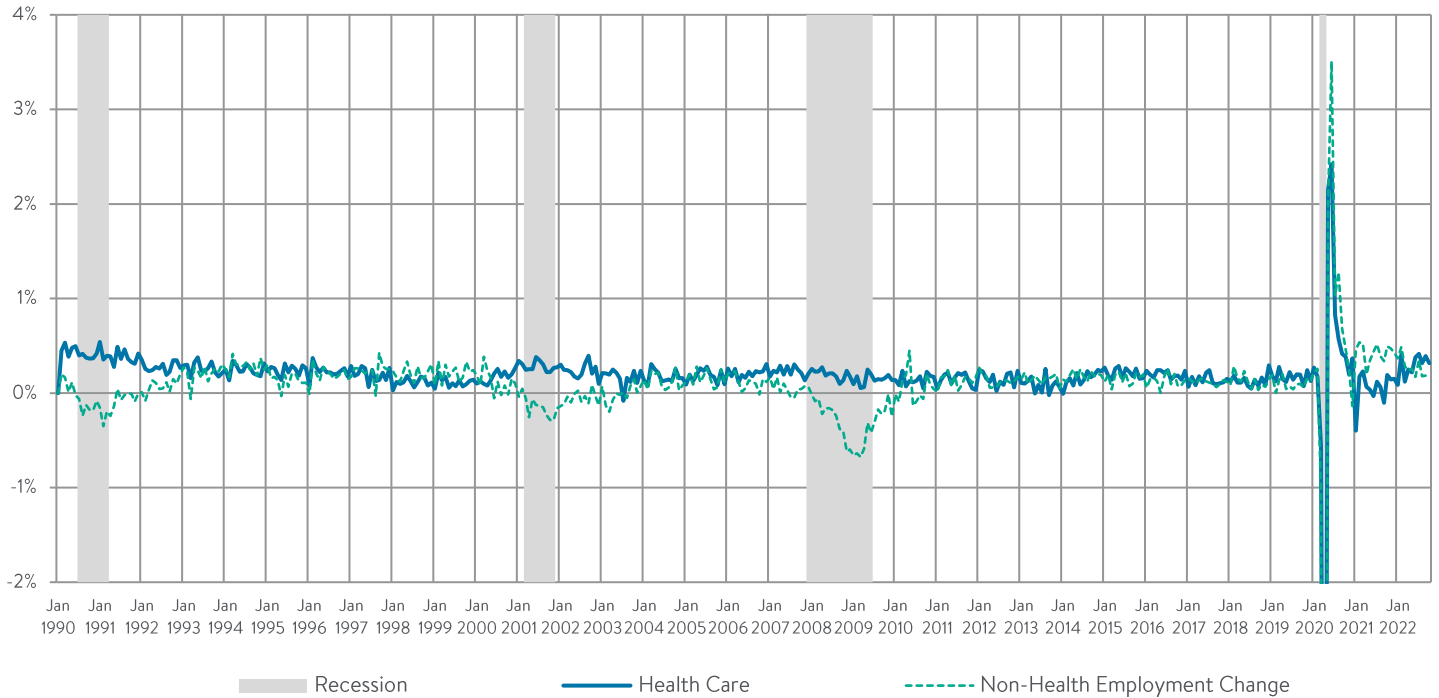
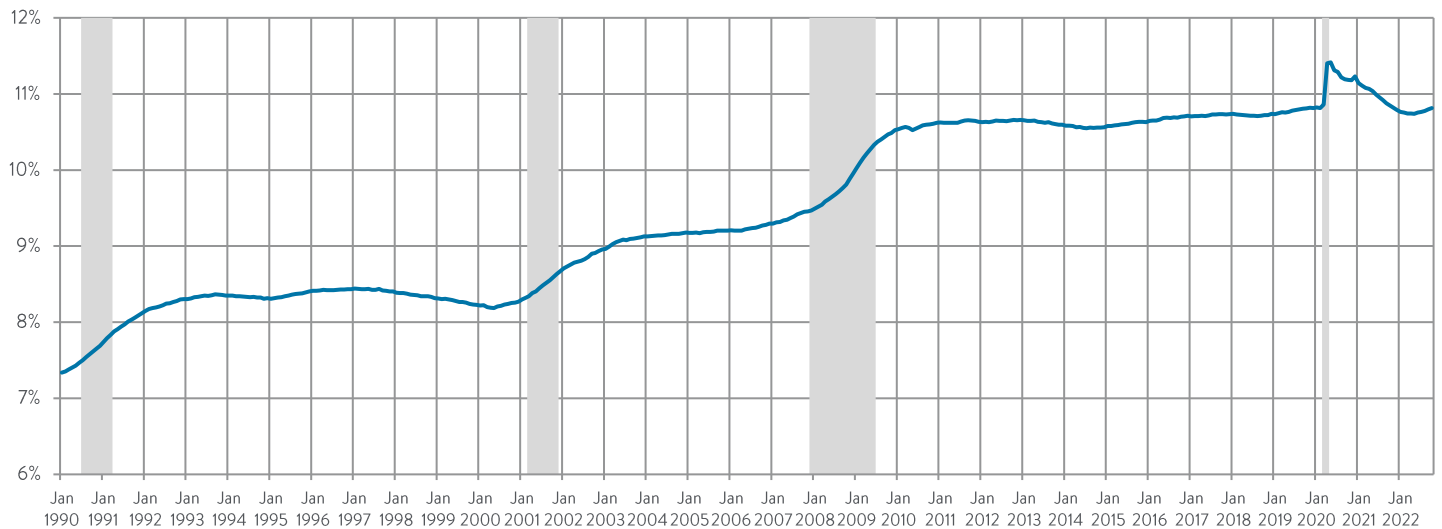


Exhibit 9. Health Care Share of Total Employment



Source: Altatum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.