

November 17, 2023

In October, two out of five new jobs were in the health sector

HIGHLIGHTS

- ▲ In October, the health care sector contributed 39% of all the jobs created in the economy, adding 58,400 jobs. This is higher than the past 12 months when health care accounted for 22% of all jobs created economywide, adding an average of 53,000 new jobs per month.
- ▲ October's health care job growth was led by growth in ambulatory care settings, which added 32,400 jobs, and hospitals, which added 18,100 jobs.
- ▲ Nursing and residential care facilities added 7,900 jobs in October, with modest growth in nursing homes (4,400 jobs) and other nursing and residential care settings (3,500 jobs).
- ▲ The economy added 150,000 jobs in October, below the 12-month average of 243,100. There was little change in the unemployment rate, which increased marginally to 3.9%.
- ▲ Health care wage growth in September 2023 was 3.9% year over year, somewhat below the total private sector wage growth of 4.3%.
- ▲ Wage growth in health care settings was highest in nursing and residential care, at 4.8% year over year in September 2023, followed by hospitals at 4.5% and ambulatory care settings at 3.4%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Oct 2022	Sep 2023	Oct 2023
Total Employment (000)	152,371	154,006	156,773	156,923
Non-Health Employment (000)	135,890	137,519	139,708	139,799
Health Employment (000)	16,481	16,487	17,065	17,124
Health Share of Total Employment	10.82%	10.71%	10.89%	10.91%
Unemployment Rate	3.5%	3.7%	3.8%	3.9%

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

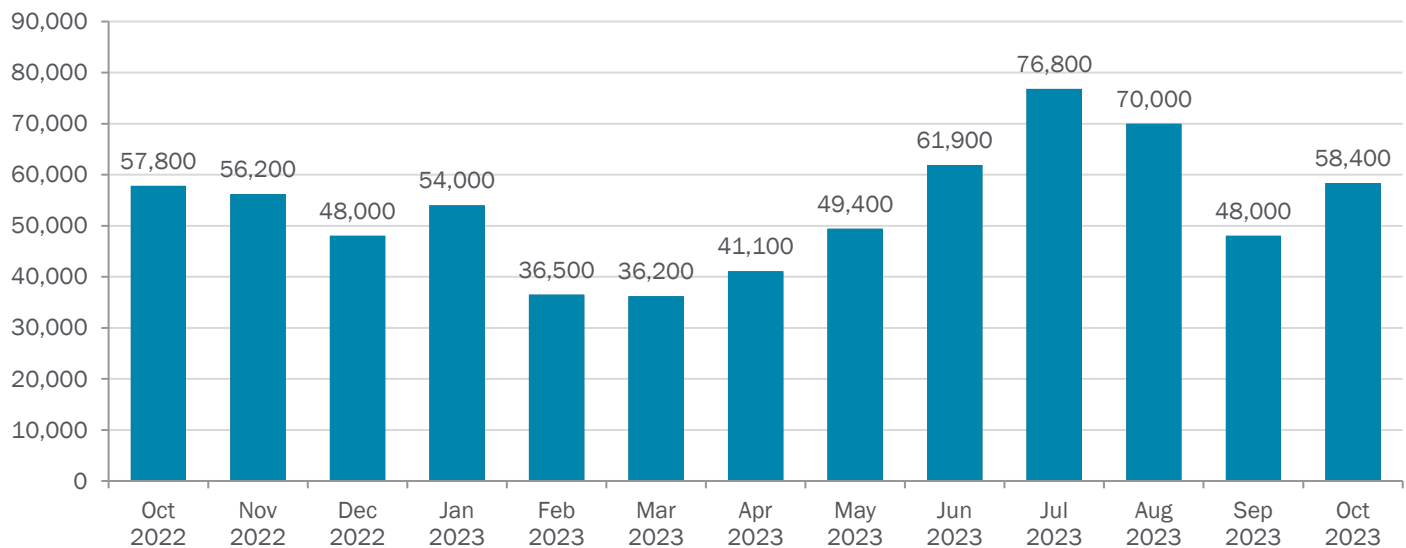
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend 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 Rhyan at corwin.rhyan@altarum.org. Stephen McCall (principal author), Corwin Rhyan, George Miller, PhD, 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

In October 2023, the health care industry added 58,400 new jobs (as shown in Exhibit 1), higher than the average of 53,000 jobs per month from October 2022 to October 2023. Meanwhile, all other industries combined only added 91,600 jobs, significantly lower than the average of 190,000 jobs per month. Due to growth in health care employment and a slowdown in other sectors, the health care industry accounted for 39% of total job growth in the economy in October, which is higher than the previous 12 months when it accounted for 22%. October is the third consecutive month that health care employment growth has outpaced other industries, 4.0% versus 0.8%.

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



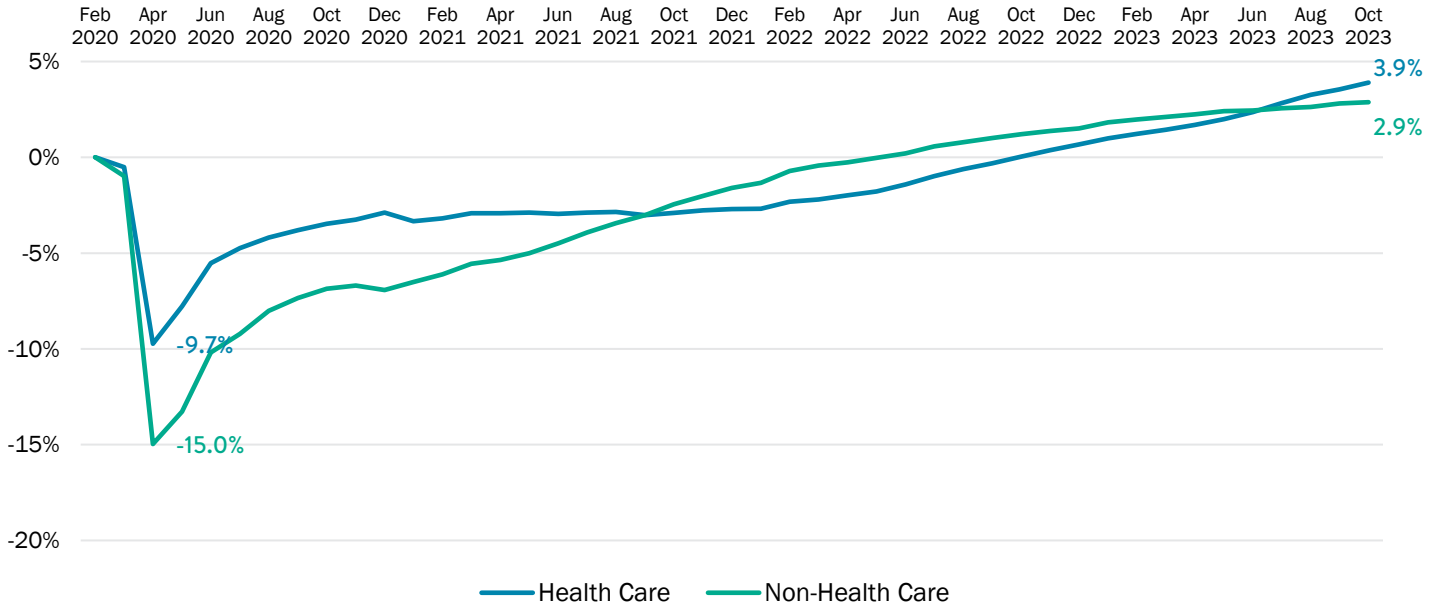
Source: Altaram analysis of monthly BLS Current Employment Statistics data.

October employment growth in the health care sector was primarily driven by ambulatory care settings, which added 32,400 jobs, which is slightly higher than the 12-month industry average of 27,100 jobs per month. Additionally, hospitals added 18,100 jobs in October, above the 12-month average of 13,600.

In October, nursing and residential care facilities added only 7,900 jobs, compared to the average of 12,400 jobs per month in the previous year. Specifically, nursing homes added 4,400 jobs in October, a decrease from the 12-month average of 5,700 jobs per month. Similarly, residential care facilities added 3,500 jobs, compared to 6,700 jobs per month in the previous 12 months.

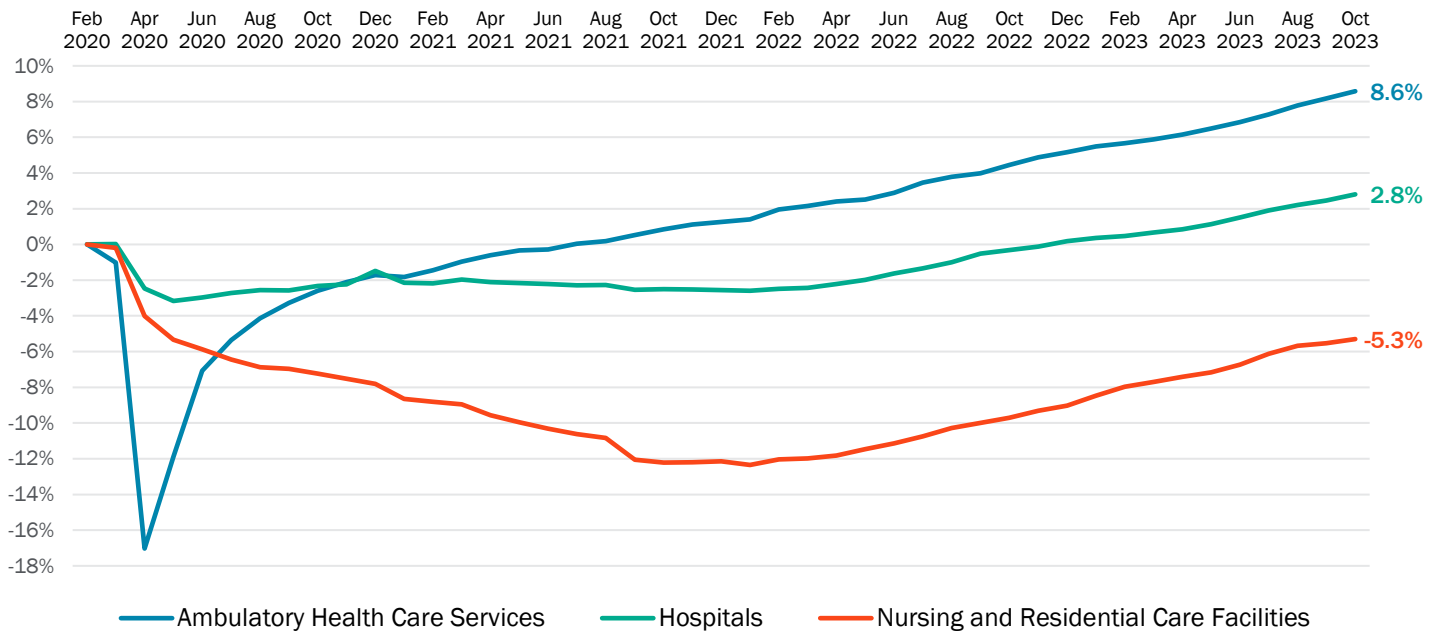
Compared to February 2020, before the COVID-19 recession began, health care employment has increased by 642,700 jobs or 3.9%, which is higher than the 2.9% increase in non-health care employment over the same period (see Exhibits 2 and 7). Hospitals have grown by 146,900 jobs or 2.8% since February 2020, while ambulatory care settings have increased by 675,000 jobs or 8.6% growth. However, nursing and residential care employment, although steadily increasing since January 2022, is still 179,200 jobs or 5.3% below pre-pandemic levels.

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



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

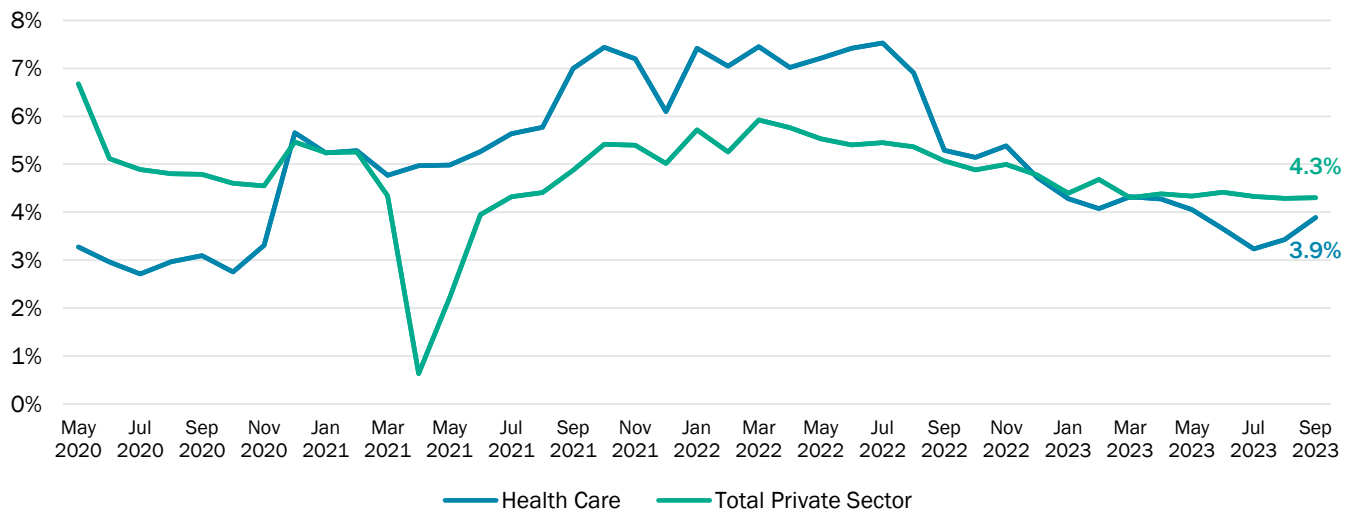
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

Hourly wage growth in health care had been higher than economywide wage growth for many months, but that trend has recently reversed. In September 2023, wage growth in health care increased slightly to 3.9%, year over year, while the private sector year-over-year growth stayed steady at 4.3% (see Exhibit 4).

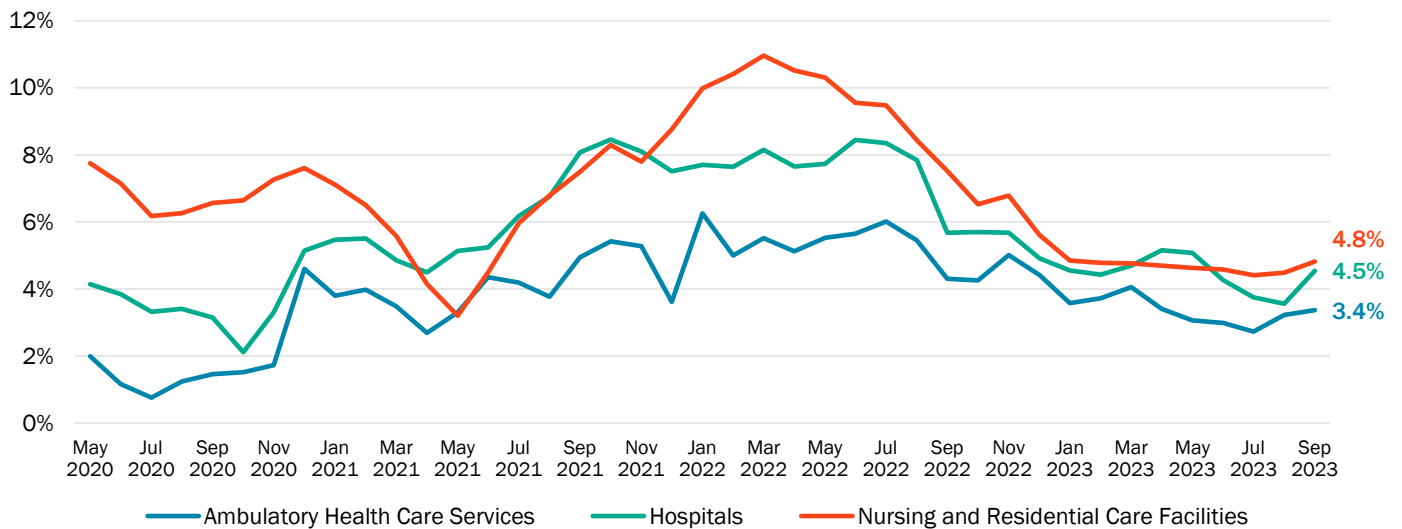
Exhibit 4. Change in Average Hourly Earnings, Year over Year, Health Care and Total Private Sector



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

The growth in average hourly earnings varied considerably by setting of care in 2021 and 2022, but the gaps narrowed as wage growth fell in all settings (see Exhibit 5). In September 2023, wage growth in nursing and residential care was 4.8% year over year, while hospital wage growth increased sharply to 4.5% and wage growth in ambulatory care settings rose slightly to 3.4%.

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



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 6. Employment by Sector, Seasonally Adjusted

Employment (in Thousands)	October 2023	September 2023	October 2022	October 2021	February 2020
Non-Health Care	139,799	139,708	137,519	132,556	135,890
Health Care	17,124	17,065	16,487	16,004	16,481
Ambulatory Health Care Services	8,542	8,509	8,217	7,933	7,867
Offices of Physicians	2,946	2,933	2,836	2,752	2,726
Offices of Dentists	1,039	1,042	1,027	998	990
Offices of Other Health Care Practitioners	1,153	1,148	1,109	1,035	1,001
Outpatient Care Centers	1,075	1,067	1,046	1,009	997
Medical and Diagnostic Labs	325	326	317	314	289
Home Health Care Services	1,659	1,649	1,551	1,510	1,546
Other Ambulatory ^a	346	343	332	315	318
Hospitals	5,383	5,365	5,220	5,104	5,236
Nursing and Residential Care Facilities	3,199	3,191	3,051	2,966	3,378
Nursing Care Facilities	1,433	1,429	1,365	1,347	1,587
Other Nursing and Residential ^b	1,766	1,763	1,686	1,619	1,792
Health Share of Employment	10.91%	10.89%	10.71%	10.77%	10.82%

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

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.
^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

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

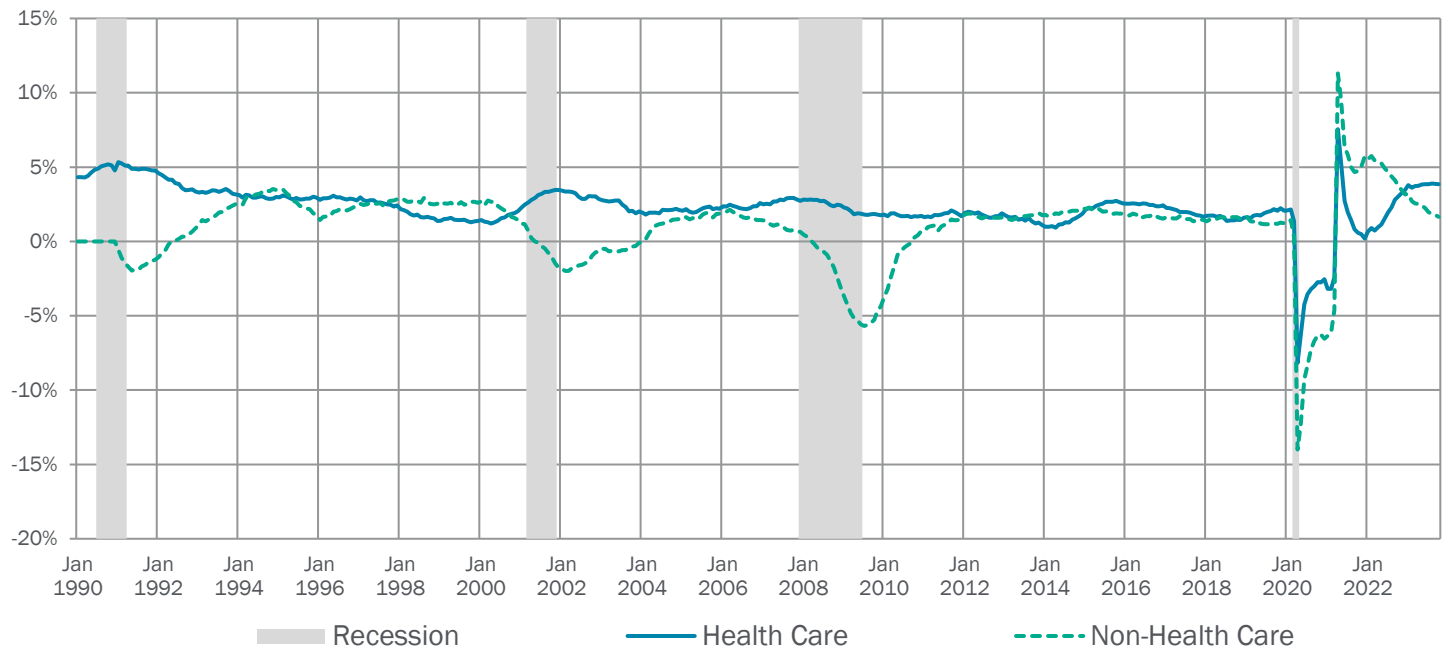
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	91.6	2,280.5	7,243.9	3,909.3
Health Care	58.4	636.5	1,120.1	642.7
Ambulatory Health Care Services	32.4	324.7	608.3	675.0
Offices of Physicians	12.6	109.9	194.1	219.9
Offices of Dentists	-3.6	11.8	40.3	48.7
Offices of Other Health Care Practitioners	4.4	43.6	117.4	151.9
Outpatient Care Centers	8.1	29.1	65.8	77.8
Medical and Diagnostic Labs	-1.1	7.9	11.1	36.4
Home Health Care Services	9.5	108.1	148.7	112.6
Other Ambulatory	2.6	14.2	31.0	27.8
Hospitals	18.1	163.1	278.4	146.9
Nursing and Residential Care Facilities	7.9	148.7	233.4	-179.2
Nursing Care Facilities	4.4	68.3	86.0	-153.8
Other Nursing and Residential	3.5	80.4	147.4	-25.4
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	0.8%	1.7%	2.7%	0.8%
Health Care	4.0%	3.9%	3.4%	1.0%
Ambulatory Health Care Services	4.7%	4.0%	3.8%	2.3%
Offices of Physicians	5.3%	3.9%	3.5%	2.1%
Offices of Dentists	-4.1%	1.1%	2.0%	1.3%
Offices of Other Health Care Practitioners	4.7%	3.9%	5.5%	3.9%
Outpatient Care Centers	9.5%	2.8%	3.2%	2.1%
Medical and Diagnostic Labs	-4.0%	2.5%	1.8%	3.3%
Home Health Care Services	7.1%	7.0%	4.8%	1.9%
Other Ambulatory ^a	9.5%	4.3%	4.8%	2.3%
Hospitals	4.1%	3.1%	2.7%	0.8%
Nursing and Residential Care Facilities	3.0%	4.9%	3.9%	-1.5%
Nursing Care Facilities	3.8%	5.0%	3.1%	-2.7%
Other Nursing and Residential ^b	2.4%	4.8%	4.5%	-0.4%

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

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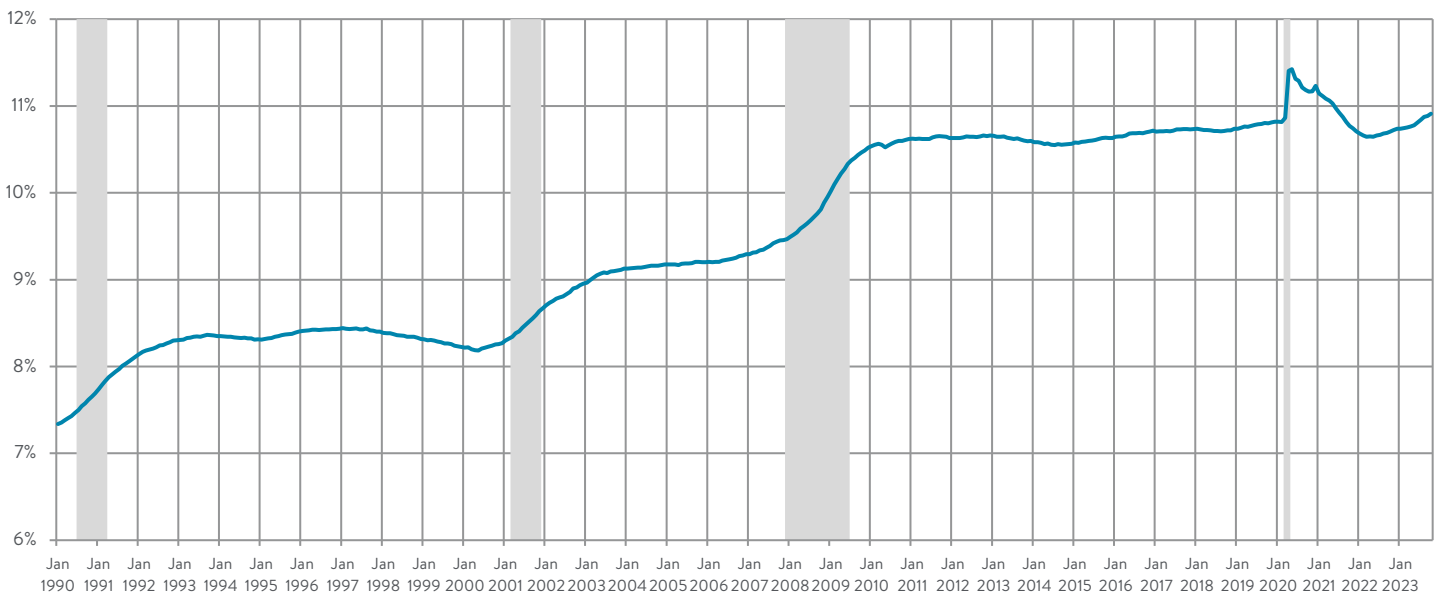
TIME SERIES TRACKER

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.