

December 15, 2022

Health care job growth remains strong across all major settings of care

HIGHLIGHTS

- ▲ Health care added 44,700 jobs in November, consistent with the average of 47,000 new health care jobs per month added in 2022. This compares to an average of 9,000 new jobs per month added in 2021.
- ▲ Nearly half of the job growth was in ambulatory care settings, which added 23,300 jobs in November. Other major settings of care also showed solid job growth, with hospitals adding 11,000 jobs and nursing and residential care adding 10,400 jobs.
- ▲ The economy added 263,000 jobs in November, similar to the previous three months. The economy has added an average of 392,000 jobs per month in 2022. The unemployment rate held steady at 3.7%.
- ▲ As we saw last month, health care wage growth appears to be moderating. After peaking at 7.4% growth year over year in June, health care wages grew by 5.4% in October, nearer to economy-wide wage growth of 4.9% (Exhibit 4). Wage growth fell to 7.0% in nursing and residential care compared to a peak of 11.0% in March 2022, while hospital wage growth ticked up slightly to 6.1% and ambulatory care wage growth was up slightly to 4.6%, both still down from recent peaks of 8.5% and 5.8%, respectively. (Exhibit 5).

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020	Nov 2021	Oct 2022	Nov 2022
Total Employment (000)	152,504	148,652	153,285	153,548
Non-Health Employment (000)	136,014	132,572	136,706	136,924
Health Employment (000)	16,491	16,080	16,579	16,624
Health Share of Total Employment	10.81%	10.82%	10.82%	10.83%
Unemployment Rate	3.5%	4.2%	3.7%	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.

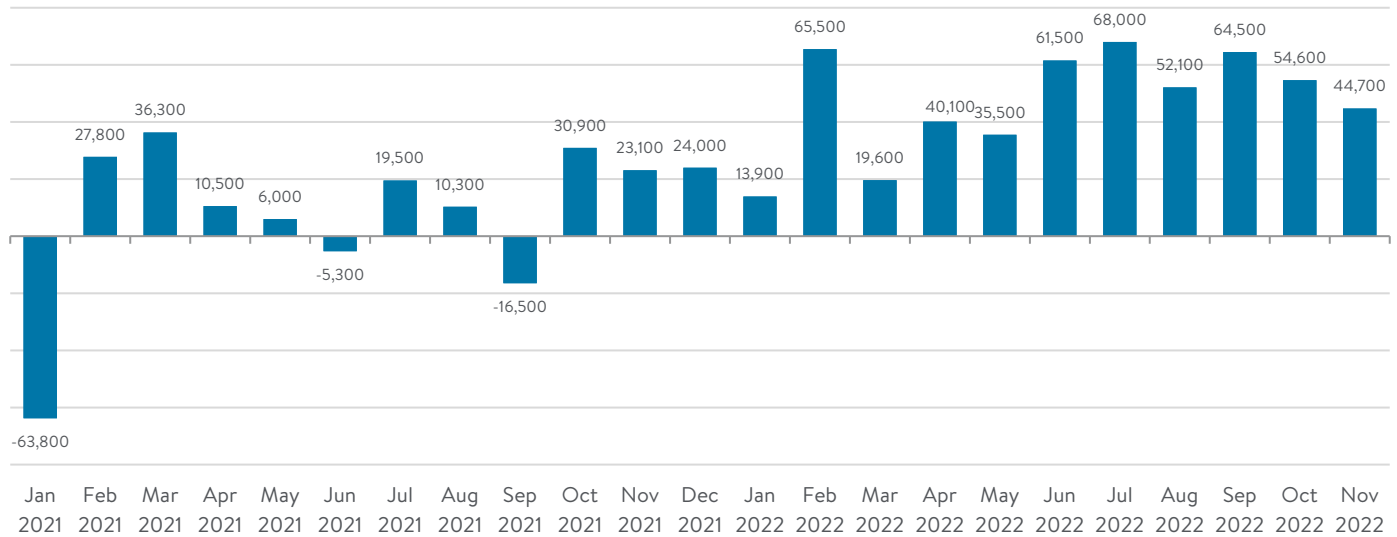
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 44,700 jobs in November 2022, with minimal revisions to September and October. Health care has added 520,000 jobs in 2022 (Exhibit 1), an average of 47,000 new jobs per month. This compares to just over 100,000 jobs, or an average of 9,000 jobs per month added in 2021.

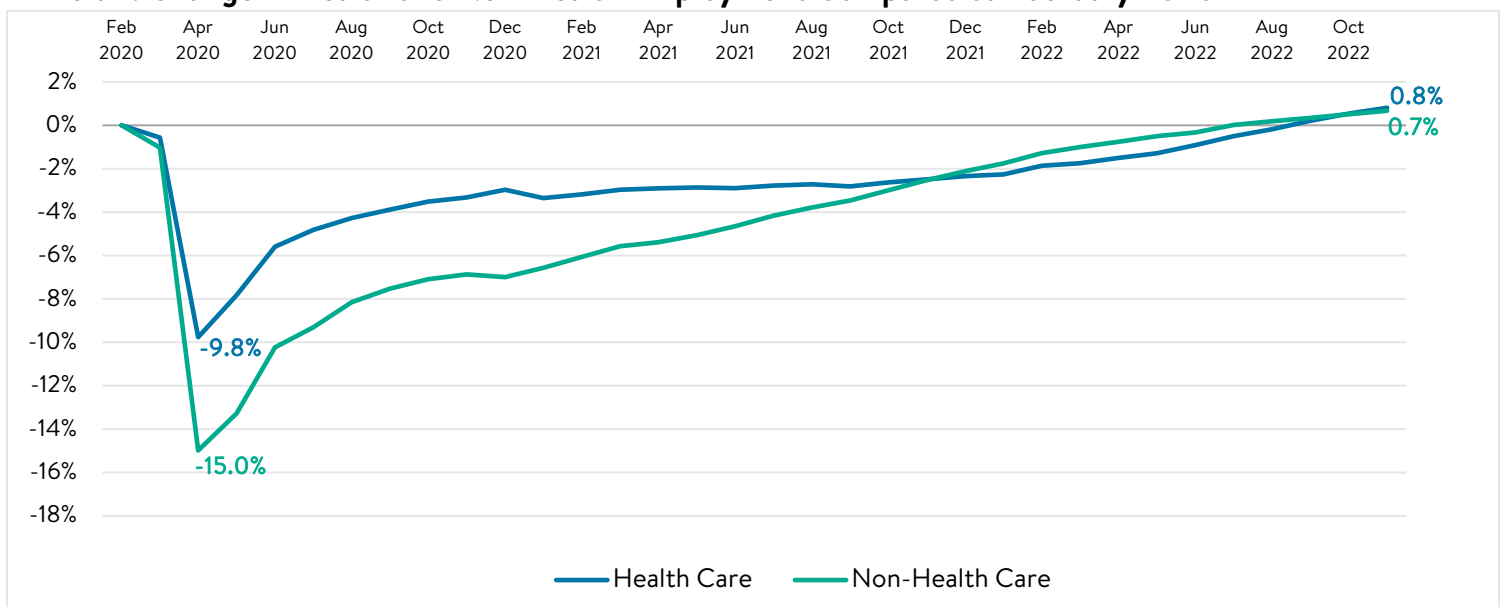
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

The economy added 263,000 jobs in November 2022, similar to gains in August, September, and October. The economy has added more than 4.3 million jobs in 2022, a monthly average of 392,000 jobs. Health care and non-health employment returned to pre-pandemic levels earlier this year and have now surpassed those levels by 0.8% and 0.7%, respectively. (Exhibit 2).

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

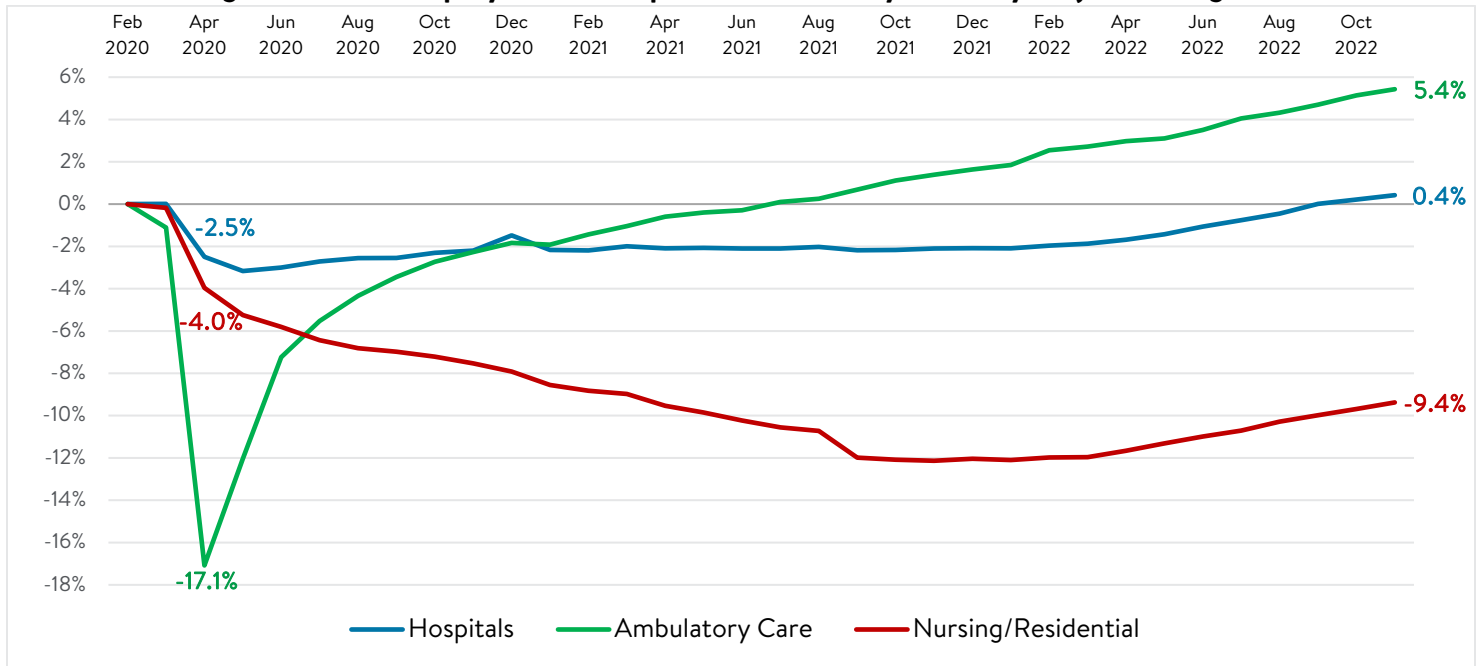


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Employment in ambulatory care settings returned to the pre-pandemic level in August 2021 and has grown steadily in 2022 to now stand at 5.4% above the level of February 2020 (Exhibit 3). Hospital employment took more than a year longer to recover and is now just above (0.4%) the February 2020 level. Employment in nursing and residential care settings appears to have bottomed out in the fall of 2021 and is now growing modestly but remains 317,000 jobs (9.4%) below the pre-pandemic level.

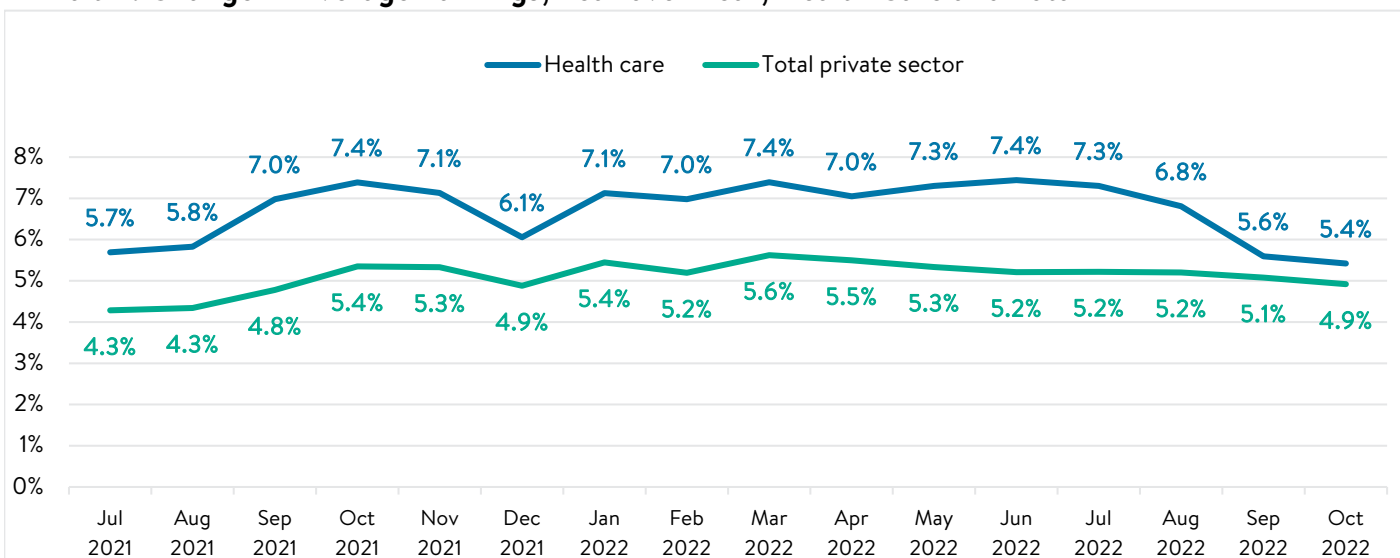
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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 in the past few months as wage growth in health care has moderated. Average earnings in health care rose 5.4% over the year in October, compared to 4.9% for all private sector jobs (Exhibit 4).

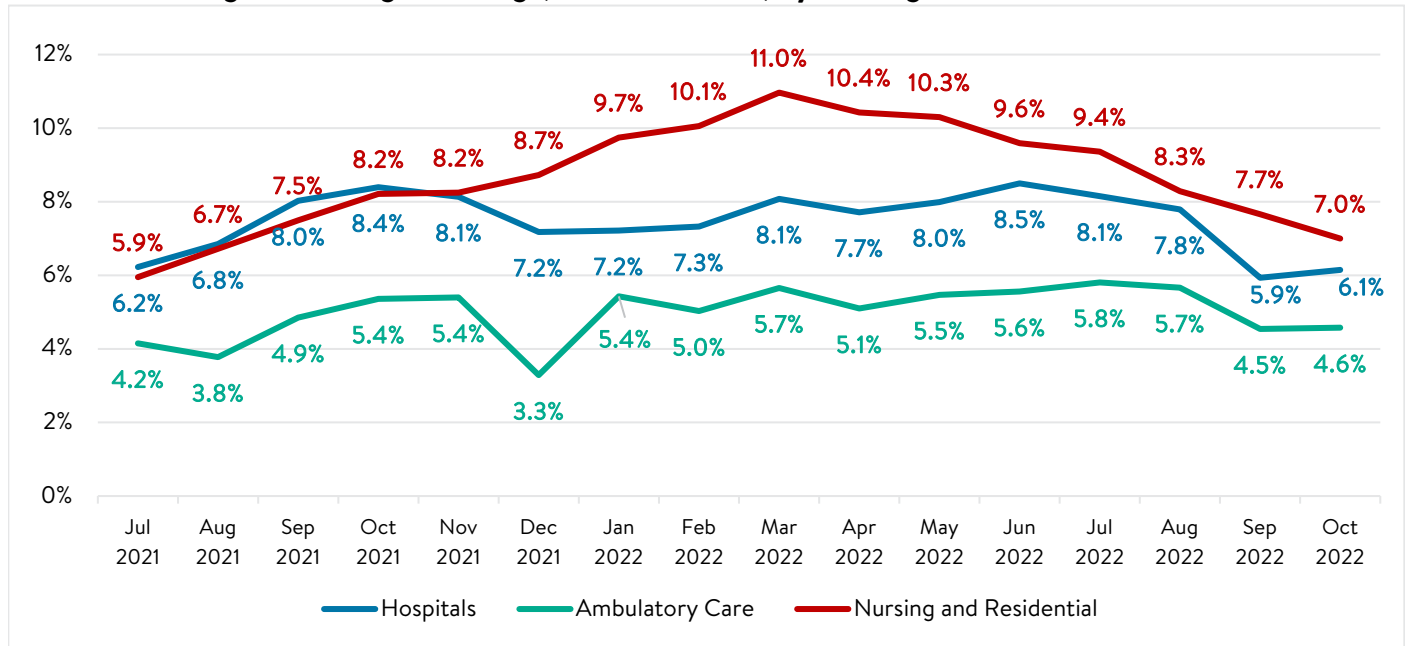
Exhibit 4. Change in Average Earnings, Year over Year, Health Care and Total





The growth in average earnings continues to vary by setting of care, but the gaps are narrowing as wage growth falls (Exhibit 5). Wages are still growing fastest in nursing and residential care, at 7.0% in October, but this figure has fallen each month since peaking at 11.0% in March 2022. Wage growth ticked up slightly in November in hospitals and ambulatory care settings to 6.1% and 4.6%, respectively, but these rates remain below recent peaks of 8.5% and 5.8%.

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)	November 2022	October 2022	November 2021	November 2020	February 2020
Non-Health Care	136,924	136,706	132,572	126,670	136,014
Health Care	16,624	16,579	16,080	15,942	16,491
Ambulatory Health Care Services	8,306	8,282	7,987	7,699	7,878
Offices of Physicians	2,867	2,866	2,775	2,684	2,728
Offices of Dentists	1,052	1,051	1,013	965	994
Offices of Other Health Care Practitioners	1,111	1,108	1,049	959	1,004
Outpatient Care Centers	1,041	1,035	1,006	990	997
Medical and Diagnostic Labs	311	310	310	292	287
Home Health Care Services	1,593	1,586	1,522	1,506	1,549
Other Ambulatory	331	327	313	303	319
Hospitals	5,258	5,247	5,126	5,121	5,236
Nursing and Residential Care Facilities	3,061	3,050	2,967	3,123	3,377
Nursing Care Facilities	1,370	1,367	1,346	1,437	1,585
Other Nursing and Residential	1,691	1,683	1,621	1,686	1,792
Health Share of Employment	10.83%	10.82%	10.82%	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

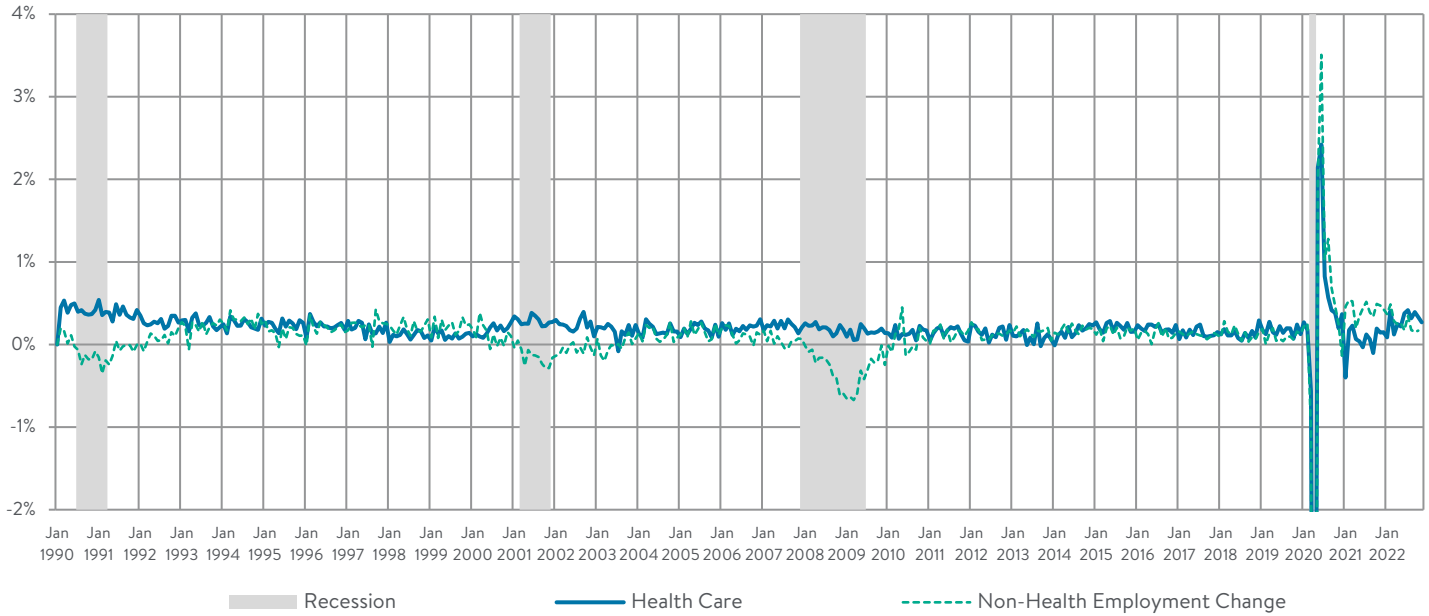
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	218.3	4,352.0	10,254.6	910.7
Health Care	44.7	544.0	681.4	133.3
Ambulatory Health Care Services	23.3	318.8	606.6	427.9
Offices of Physicians	1.5	92.7	183.5	139.6
Offices of Dentists	1.8	39.7	87.6	58.1
Offices of Other Health Care Practitioners	2.7	62.0	152.0	106.8
Outpatient Care Centers	6.6	35.0	50.8	44.0
Medical and Diagnostic Labs	0.3	0.8	18.2	23.2
Home Health Care Services	6.6	70.7	86.8	44.3
Other Ambulatory	3.8	17.9	27.8	12.1
Hospitals	11.0	132.1	137.2	22.1
Nursing and Residential Care Facilities	10.4	93.1	-62.4	-316.7
Nursing Care Facilities	2.8	23.5	-67.7	-215.3
Other Nursing and Residential	7.6	69.6	5.3	-101.4
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.9%	3.3%	4.0%	0.2%
Health Care	3.3%	3.4%	2.1%	0.3%
Ambulatory Health Care Services	3.4%	4.0%	3.9%	1.9%
Offices of Physicians	0.6%	3.3%	3.4%	1.8%
Offices of Dentists	2.1%	3.9%	4.4%	2.1%
Offices of Other Health Care Practitioners	3.0%	5.9%	7.6%	3.7%
Outpatient Care Centers	7.9%	3.5%	2.5%	1.6%
Medical and Diagnostic Labs	1.2%	0.3%	3.1%	2.9%
Home Health Care Services	5.1%	4.6%	2.8%	1.0%
Other Ambulatory	14.9%	5.7%	4.5%	1.4%
Hospitals	2.5%	2.6%	1.3%	0.2%
Nursing and Residential Care Facilities	4.2%	3.1%	-1.0%	-3.5%
Nursing Care Facilities	2.5%	1.7%	-2.4%	-5.2%
Other Nursing and Residential	5.6%	4.3%	0.2%	-2.1%

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



TIME SERIES TRACKER

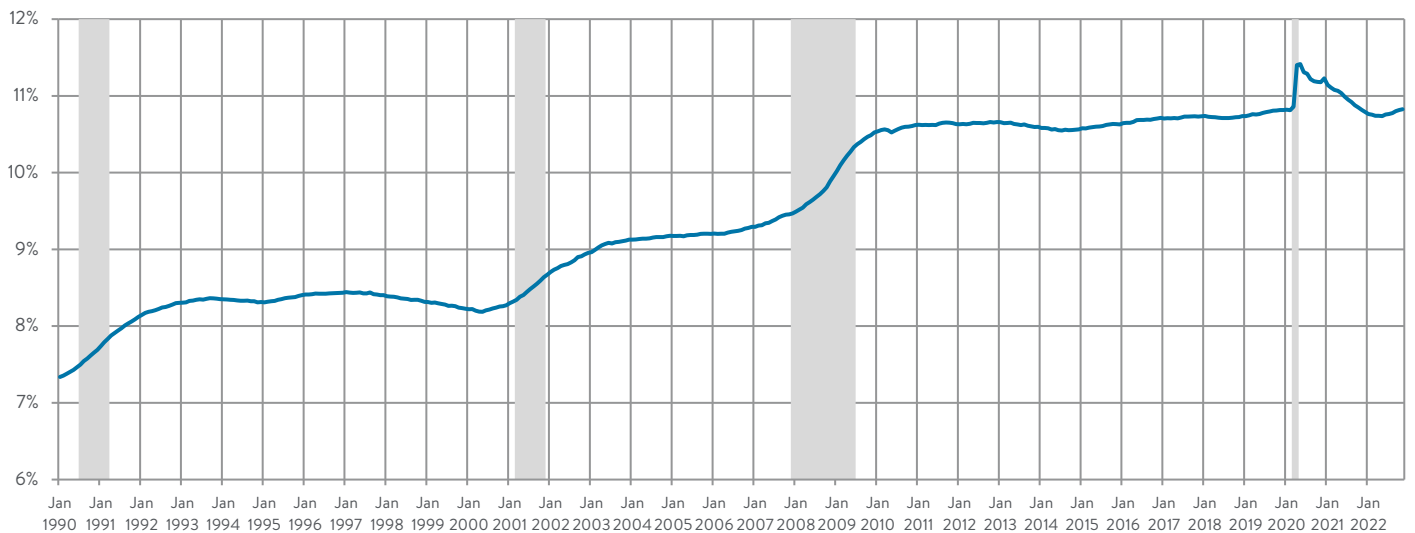
Exhibit 8. Twelve-month Percent Change in Health Care Employment



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.