

August 17, 2023

## Health spending as a percent of GDP has stabilized at 17.5%

### HIGHLIGHTS

- ▲ In June 2023, national health spending grew by 5.0%, year over year, and now represents 17.5% of GDP, equal to the average percent of GDP for the previous 12 months.
- ▲ Nominal GDP in June 2023 was 5.8% higher than in June 2022, and grew 0.8 percentage points faster than health spending.
- ▲ Neglecting government subsidies, spending on personal health care in June increased by 8.1%, year over year, and by 7.3% when subsidies are included, exceeding the GDP growth rate for the fifth consecutive month.
- ▲ Neglecting government subsidies, year-over-year spending on home health care (12.2%) and nursing home care (12.0%) grew fastest in June, while physician and clinical services spending increased the least (6.9%) among major categories.
- ▲ Personal health care growth (neglecting government subsidies), which continues to be dominated by growth in utilization rather than price increases, has slowed somewhat in the past 4 months.

### National Health Spending and GDP\*

	Jun 2021	Jun 2022	May 2023	Jun 2023
<b>GDP</b>	23.24	25.50	26.86	26.99
<b>National Health Spending (HS)</b>	4.19	4.49	4.71	4.72
<b>HS Share of GDP</b>	18.0%	17.6%	17.5%	17.5%
<b>HS Share of PGDP</b>	17.8%	17.3%	17.4%	17.4%
<b>Growth from Prior 12 Months</b>				
<b>HS</b>	-3.2%	7.2%	5.9%	5.0%
<b>GDP</b>	12.2%	9.7%	6.4%	5.8%
<b>HS minus GDP</b>	-15.4%	-2.6%	-0.6%	-0.8%
<b>HS minus PGDP</b>	-9.6%	-2.9%	0.2%	0.6%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from IHS Markit. PGDP, defined as what GDP would be at full employment, is from the quarterly Congressional Budget Office estimates, converted to monthly by Altarum.

\* Spending is in trillions of dollars at a seasonally adjusted annual rate (SAAR).

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>* reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact Corwin Rhyan at [corwin.rhyan@altarum.org](mailto:corwin.rhyan@altarum.org). George Miller, PhD (principal author), Corwin Rhyan, 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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

In June 2023, national health spending grew by 5.0%, year over year, reaching a seasonally adjusted annual rate of \$4.72 trillion. Health spending in June accounted for 17.5% of GDP and has averaged 17.5% for the past year. While the GDP growth rate continues to outpace the growth in health spending, the two rates have been converging in recent months, and now differ by 0.8 percentage points (Exhibit 1). Personal health care spending (spending on health care goods and services, which excludes categories such as the net cost of insurance and public health expenditures), however, has grown at a rate faster than GDP since February 2023 and grew by 7.3%, year over year in June.

**Exhibit 1. Year-over-Year Growth in GDP and Health Spending**

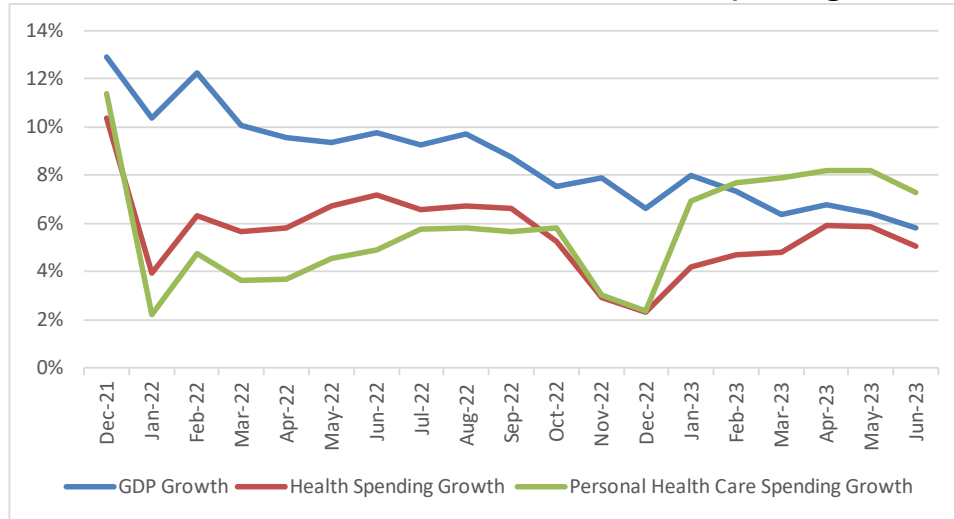


Exhibit 2 shows the trajectory of growth in national health spending and GDP since before the start of the pandemic through June 2023 with and without COVID-related federal government support to providers and public health activities, which has declined significantly in the past year. National health spending in June 2023 was 17.8% higher than its pre-pandemic (January 2020) level (17.2% without government subsidies), while GDP over the same period grew by 23.9%.

**Exhibit 2. Percent Change in National Health Spending and GDP Since January 2020**

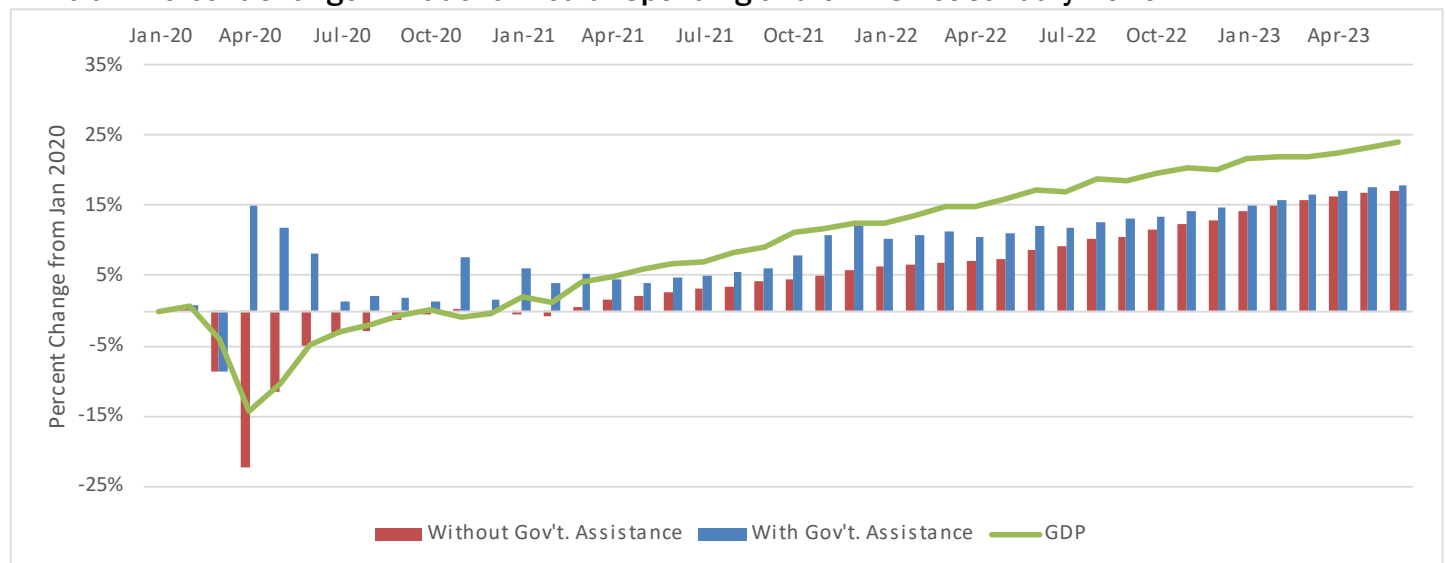


Exhibit 3 displays the growth in spending by major categories within personal health care over the past year without the impact of the decline in federal government support. Overall, personal health care spending growth since June 2022 was 8.1% without government assistance and 7.3% with government support, as government subsidies to providers were smaller in the past year than earlier in the pandemic. Excluding such support, spending on home

health care grew the fastest, at 12.2%, followed closely by nursing home care spending, at 12.0%. Spending on physician and clinical services grew the slowest, at 6.9%.

**Exhibit 3. Health Care Spending 12-Month Growth without Government Assistance**

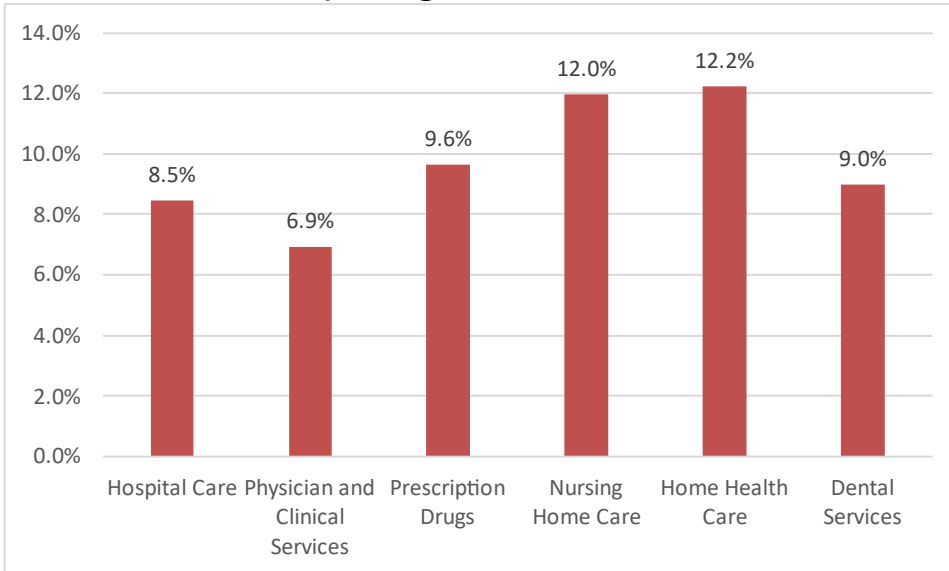
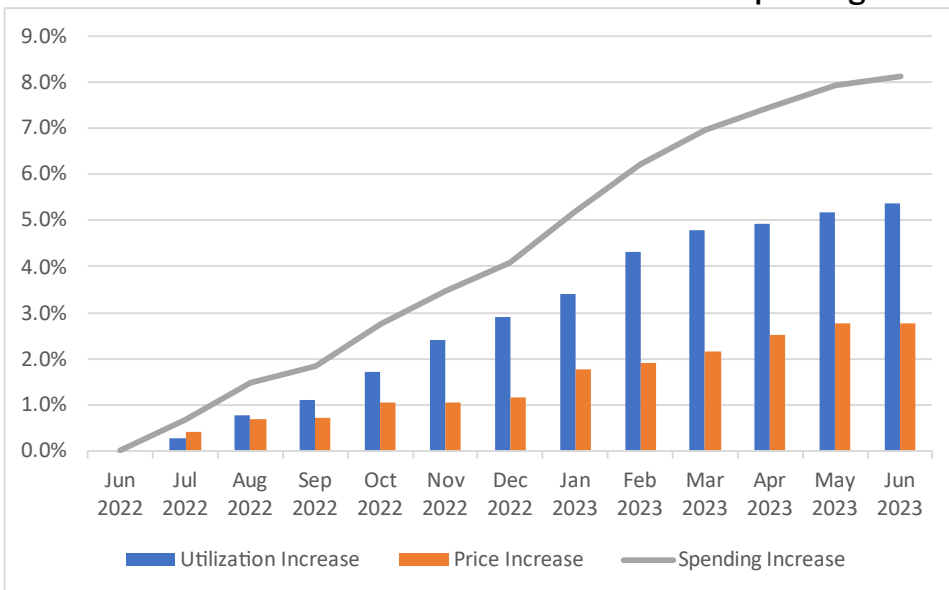


Exhibit 4 shows how spending on personal health care (without government subsidies) has grown over the past year (since June 2022) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth continues to be driven largely by utilization growth through June 2023: Of the 8.1% growth in personal health care spending during this period, 2.8 percentage points can be attributed to price growth, while the remaining 5.4 percentage point growth was associated with increases in utilization (discrepancy due to rounding). (The growth in utilization was 4.5 percentage points if government subsidies are included, for an overall growth in personal health care spending of 7.3%.) Neglecting federal subsidies, this growth rate has declined somewhat in the past 4 months, averaging 0.5% from March through June after a monthly growth rate of 0.8% for the first 8 months of the past year.

**Exhibit 4. Cumulative Growth in Personal Health Care Spending without Government Assistance**



## DETAILED HEALTH SPENDING

**Exhibit 5. Monthly National Spending Estimates by Detailed Category**

Levels (in billions of dollars)	Jun 2020	Jun 2021	Jun 2022	Jun 2023
<b>GDP</b>	\$20,711.6	\$23,237.0	\$25,502.1	\$26,989.6
<b>National Health Spending</b>	\$4,328.3	\$4,188.3	\$4,489.6	\$4,716.1
<b>Personal health care</b>	\$3,337.6	\$3,524.0	\$3,697.5	\$3,966.1
Hospital care	\$1,287.9	\$1,317.5	\$1,359.6	\$1,455.5
Physician and clinical services	\$801.1	\$839.2	\$883.7	\$937.7
Other professional services	\$120.2	\$131.7	\$134.9	\$140.6
Dental services	\$124.2	\$163.6	\$171.8	\$186.0
Other personal health care	\$207.3	\$218.7	\$235.1	\$243.5
Home health care	\$124.4	\$124.2	\$134.8	\$150.2
Nursing home care	\$190.8	\$180.8	\$194.4	\$216.0
Prescription Drugs	\$345.5	\$382.9	\$408.2	\$447.5
Durable medical equipment	\$52.0	\$67.7	\$71.8	\$79.1
Nondurable medical products	\$84.2	\$97.8	\$103.2	\$109.9
Program administration and net cost of private health insurance	\$354.2	\$300.5	\$341.5	\$367.7
Government public health activities	\$443.8	\$157.2	\$231.1	\$149.9
Research	\$60.2	\$61.2	\$65.2	\$68.6
Structures and equipment	\$132.5	\$145.5	\$154.2	\$163.8
<b>HS Share of GDP</b>	20.9%	18.0%	17.6%	17.5%
<b>HS Share of PGDP</b>	19.6%	17.8%	17.3%	17.4%

Source: Altarum monthly national health spending estimates. The monthly GDP is from IHS Markit.  
Notes: Spending is expressed in billions of dollars at a SAAR.

**Exhibit 6. National Health Spending 12-Month Growth Rates by Detailed Category**

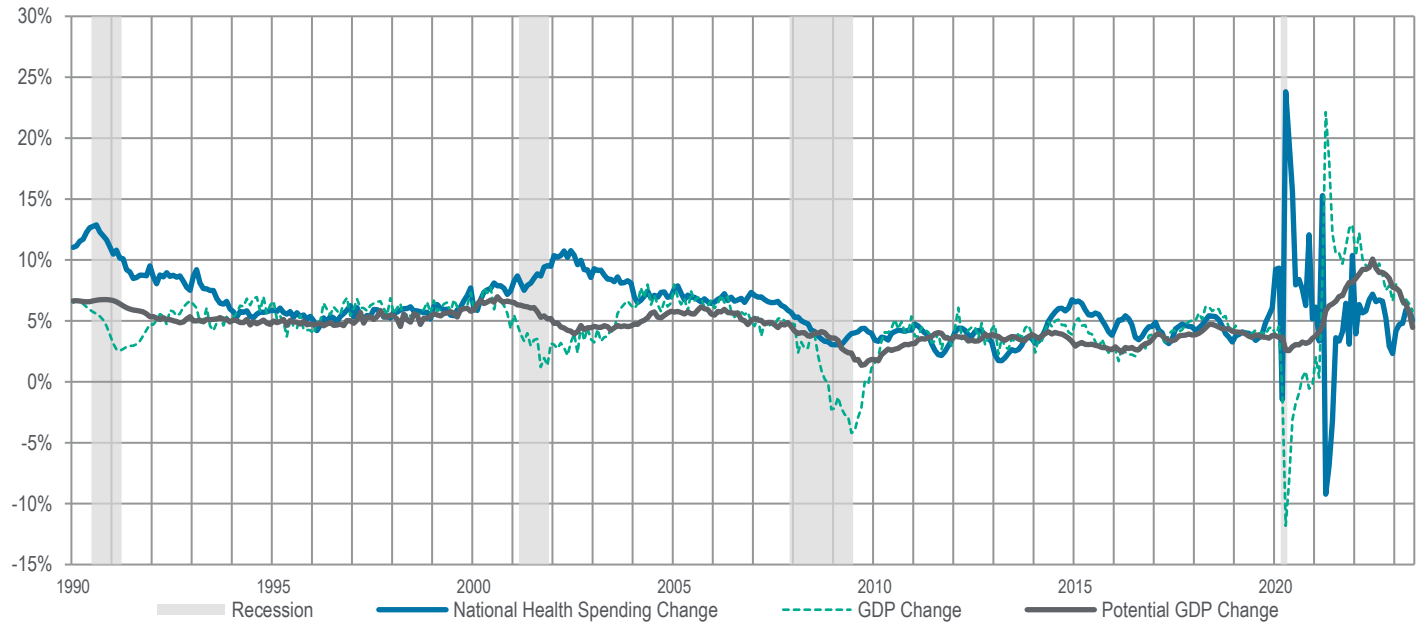
Growth Rates	Jun 2021	Jun 2022	Jun 2023
<b>GDP</b>	12.2%	9.7%	5.8%
<b>National Health Spending</b>	-3.2%	7.2%	5.0%
<b>Personal health care</b>	5.6%	4.9%	7.3%
Hospital care	2.3%	3.2%	7.1%
Physician and clinical services	4.8%	5.3%	6.1%
Other professional services	9.5%	2.5%	4.2%
Dental services	31.7%	5.1%	8.3%
Other personal health care	5.5%	7.5%	3.6%
Home health care	-0.2%	8.6%	11.4%
Nursing home care	-5.2%	7.5%	11.1%
Prescription Drugs	10.8%	6.6%	9.6%
Durable medical equipment	30.2%	6.1%	10.1%
Nondurable medical products	16.2%	5.5%	6.6%
Program administration and net cost of private health insurance	-15.2%	13.7%	7.7%
Government public health activities	-64.6%	47.1%	-35.1%
Research	1.6%	6.7%	5.1%
Structures and equipment	9.8%	6.0%	6.2%
<b>HS Minus GDP</b>	-15.4%	-2.6%	-0.8%
<b>HS Minus PGDP</b>	-9.6%	-2.9%	0.6%

Source: Computed from Exhibit 5.

Note: This exhibit compares monthly national health spending to that of the same month from the previous year.

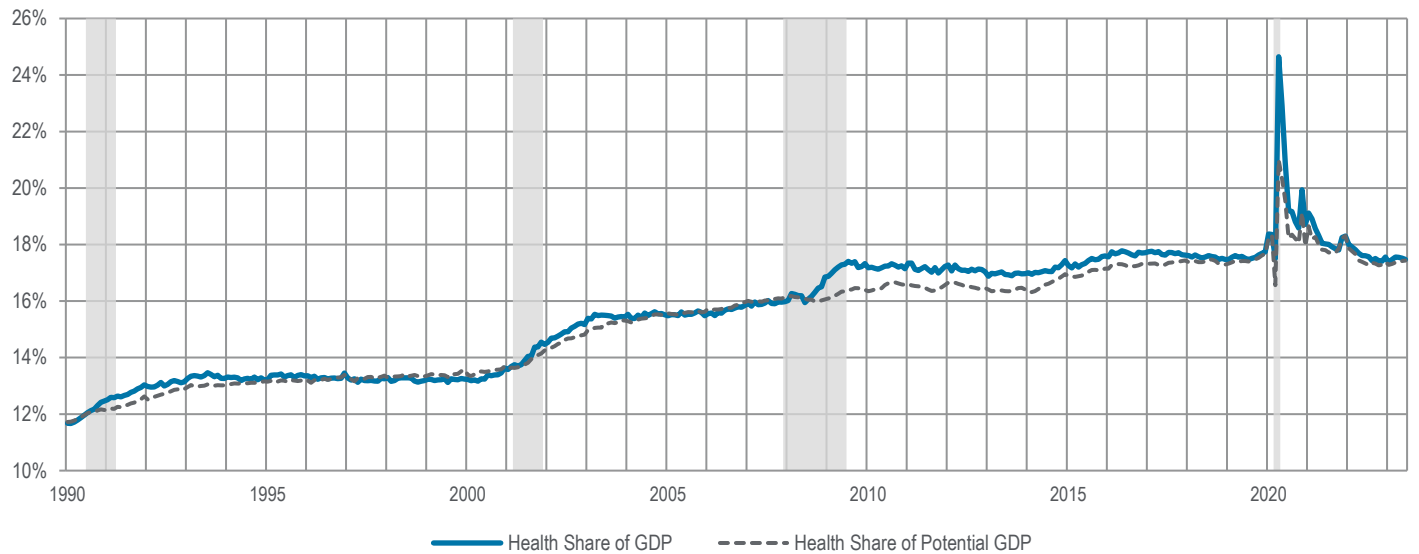
## TIME SERIES TRACKER

**Exhibit 7. Year-over-Year Percentage Change in Spending and GDP**



**Source:** Altarum monthly national health spending estimates. The monthly GDP is from IHS Markit.  
**Note:** Lightly shaded bars denote recession periods.

**Exhibit 8. Monthly Health Spending as a Percentage of Monthly GDP**



**Source:** Altarum monthly national health spending estimates. Monthly GDP is from IHS Markit. PGDP is from the U.S. Congressional Budget Office and has been converted to monthly estimates. **Note:** Lightly shaded bars denote recession periods.

**Methods.** Altarum’s estimates are based on [BEA monthly health spending](#) and [CMS annual NHE estimates \(1990–2021\) and projections](#) (2022 and 2023). BEA spending categories are matched to NHEA components by using information presented in the [following](#): Hartman, M. B., Kornfeld, R. J., & Catlin, A. C. (2010, September). A reconciliation of health care expenditures in the National Health Expenditures Accounts and in gross domestic product. *Survey of Current Business*, 90(9), 42–52. For all NHEA personal health care categories except “other health, residential, and personal care,” monthly estimates are based on BEA spending adjusted to NHEA by using annual ratios. For the remaining categories, national health spending estimates and projections are allocated across months by using a simple trend. Annual ratio adjustments through 2021 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2021 ratios are used to adjust BEA spending for months in 2022 and 2023.

August 17, 2023

## Health care price growth and economywide inflation finally converge

### HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 2.7% year over year in July, slowing 0.1 percentage points from the slightly revised rate in June (2.8%).
- ▲ For the first time in over two years, health care price growth exceeded overall inflation as economywide price growth (measured by the GDP Deflator) fell to 2.6% in June, its lowest growth rate since March 2021.
- ▲ In new data for July, overall year-over-year CPI growth actually increased slightly to 3.2%, the first increase in its growth rate since June 2022, driven primarily by changes in commodities price growth.
- ▲ Among the major health care categories, prices for nursing home care (5.5%) and dental care (5.1%) grew fastest, while physician and clinical services (0.7%) price growth was the slowest in July.
- ▲ Year-over-year growth in hospital prices paid by private payers fell nearly 2.5 percentage points over the past two months (from 6.1% in May to 3.7% in July), beginning to converge with public payer price growth. In July, growth in Medicare and Medicaid hospital prices reached 2.6% and 2.3% respectively.
- ▲ Our implicit measure of health care utilization growth declined in June, up 4.5% year over year, and down somewhat from slightly revised data (4.9% growth) a month prior.

	July 2021	July 2022	June 2023	July 2023
Health Care Price Index (HCPI)	2.0%	2.8%	2.8%	2.7%
GDP Deflator (GDPD)	4.8%	7.4%	2.6%	**
HCPI - GDPD	-2.8%	-4.5%	0.2%	**
<b>Addendum</b>				
Personal health care spending	7.2%	5.7%	7.3%	**
Health care utilization	5.2%	2.9%	4.5%	**
Medical Consumer Price Index (MCPI)	0.3%	4.8%	0.1%	-0.5%
Consumer Price Index, all items (CPI)	5.4%	8.5%	3.0%	3.2%
Producer Price Index, Final Demand (PPI)	8.0%	9.7%	0.2%	0.8%

Source: Altarum analysis of U.S. Bureau of Labor Statistics (BLS) data. HCPI is a composite price index designed to measure overall price changes for personal health care spending and is patterned after the price index developed by the Centers for Medicare & Medicaid Services (CMS). Details are provided below. Numbers may not subtract properly due to rounding. \*\*Data not available

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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 Corwin (Corey) Rhyan at [Corwin.Rhyan@altarum.org](mailto:Corwin.Rhyan@altarum.org). Corey Rhyan (principal author), 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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

The overall health care price index (HCPI) increased by 2.7% year over year in July, slightly slower than the growth rate from a month prior (2.8%) and below the average rate seen through the first six months of 2023 (2.9%) (Exhibit 1). Over the past year, health care price growth has remained in a very tight range, between 2.7% and 3.3% year-over-year growth, while economywide price growth has slowed consistently after peaking in June 2022 at 8.1%. With new GDP Deflator data, we see for the first time since February 2021 that health care price growth exceeded economywide inflation in June. While [we had been expecting](#) health care price growth in 2023 to eventually match and outpace economywide inflation due to cost pressures that began in 2022, we have yet to see any noticeable accelerations in health care prices so far this year. We expected that health care price growth would lag economywide inflation due to delays in government rate setting and insurer price negotiations; yet, up until now it is unclear if these lags are taking longer than we expected or if the health care cost pressures (and impacts on prices) will be less severe than expected in 2023.

In particular, we expected health care price growth to rise for private payers throughout 2023 as new contracts and rates were phased in; however, in the most recent two months of data, we've instead observed significant drops in private payer price growth for both overall services (Exhibit 7) and hospital prices (Exhibit 8). As a result of this slowing growth, and also slight increases in the rate of Medicare price growth, the gap between private payer price growth and Medicare price growth in July is now at its smallest since December 2021. This result is unexpected, and we will continue to follow these trends for the remainder of 2023.

Looking ahead to 2024, [new data released this month](#) on future Marketplace premiums and underlying medical cost growth trends indicate private health care prices are likely to continue to increase (and may continue to exceed public payer price growth). Private insurers are projecting a median expected increase in medical trend growth of 8.0% for 2024. Separately, when Congress returns in September, a variety of health care bills will be under consideration, including [legislation covering](#) pharmacy benefit managers (PBMs) that could impact future prescription drug prices and [legislation on site-neutral payments](#) that could impact hospital and physician prices. The effect and timing of these impacts will not be immediately clear and will depend on each bill's details, although both types of legislation are seeking to control overall health care cost growth, such that they may put negative pressure on future health care prices.

### Exhibit 2. Year-over-Year Price Growth for Selected Categories

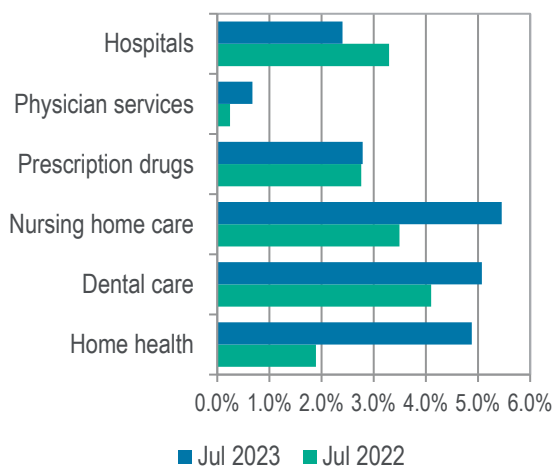
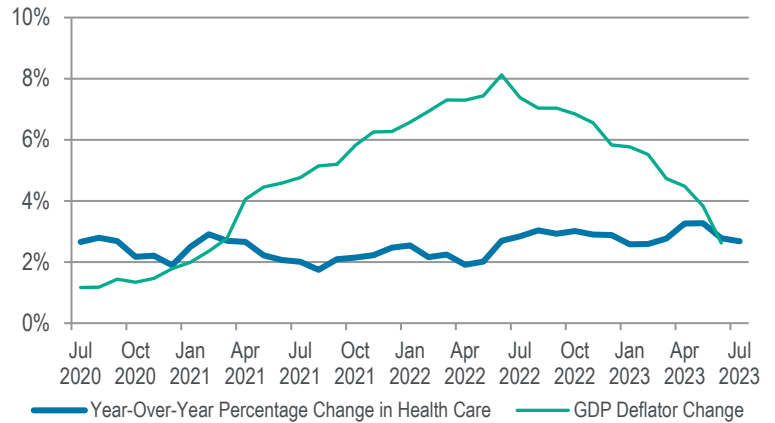


Exhibit 1. Year-over-Year Growth in HCPI & GDPD



Source: Altarum analysis of monthly BLS price data and monthly GDPD data published by Macroeconomic Advisers.

Among major health care categories in July, the fastest growth occurred for nursing home (5.5%) and dental care (5.1%) (Exhibit 2), although both rates fell again this month. Hospital price growth remained flat compared to last month (2.4%) and physician and clinical services prices remain the slowest growing major category—increasing only 0.7% year over year—marking the eighteenth straight month of below 1.0% price growth (Exhibit 3).

Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) slowed in June, now up 4.5% year-over-year (Exhibit 9), down from the 5.1% growth rate seen in February and March. As discussed in more detail [in this month's spending brief](#), the majority of health care spending growth over the past year has been due to utilization increases, rather than rising health care prices.

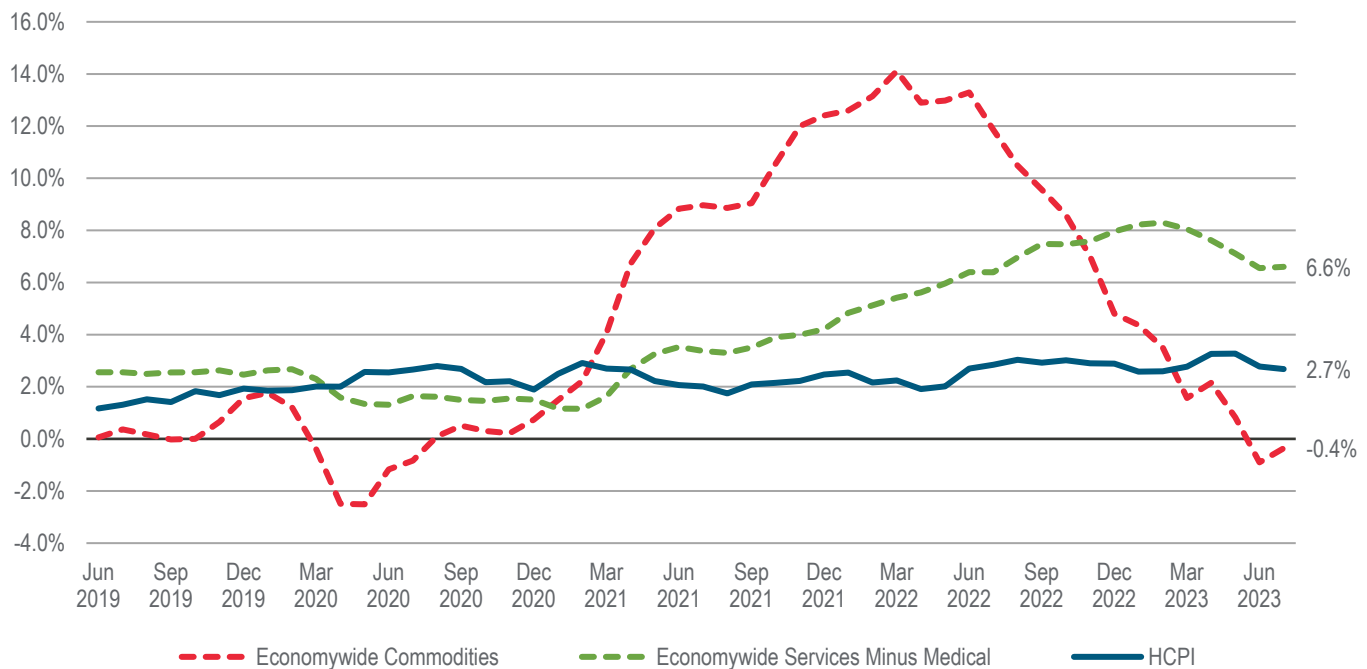
## PRICE GROWTH BY DETAILED CATEGORIES

**Exhibit 3. Annualized % Change in Prices for Major Components of National Health Expenditures**

	Ending July 2021	Ending July 2022	Ending July 2023
<b>Health Care Price Index (HCPI)</b>	2.0%	2.8%	2.7%
<b>Hospital care</b>	2.8%	3.3%	2.4%
<b>Physician and clinical services</b>	3.3%	0.2%	0.7%
<b>Prescription drugs</b>	-2.5%	2.8%	2.8%
<b>Nursing home care</b>	1.1%	3.5%	5.5%
<b>Dental Services</b>	1.2%	4.1%	5.1%
<b>Home health care</b>	1.5%	1.9%	4.9%
<b>Other professional services</b>	2.2%	4.4%	0.9%
<b>Other personal health care</b>	5.5%	4.9%	3.9%
<b>Other nondurable medical products</b>	0.1%	5.4%	6.2%
<b>Durable medical equipment</b>	-3.2%	4.3%	5.3%

Source: Altarum analysis of monthly BLS data.

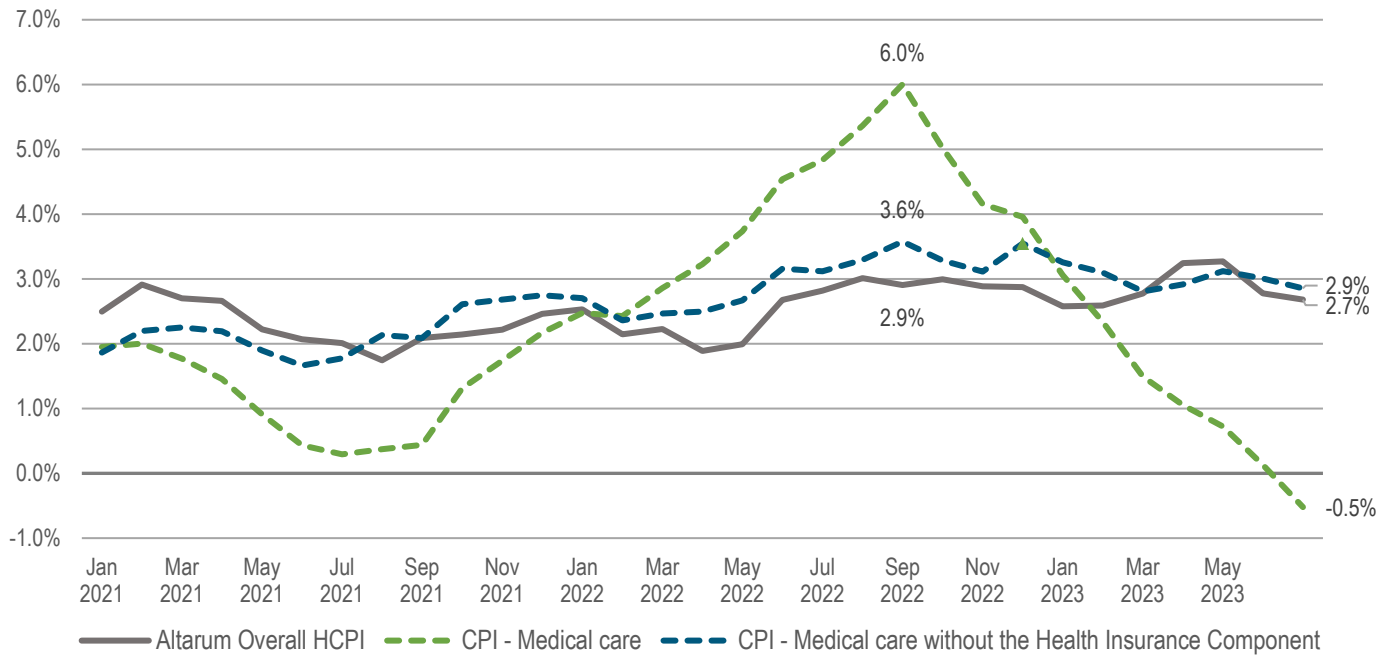
**Exhibit 4. Year-over-Year Percentage Change in Health Prices Compared with Economywide Commodities vs. Economywide Services**



Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHSG). The advantages of this measure over the medical care component of the CPI are well documented. Information on the CMS index is presented in the following source: U.S. Department of Health and Human Services. (2019). *National Health Expenditure Accounts: Methodology Paper, 2018—Definitions, Sources, and Methods*. Washington, DC: Centers for Medicare & Medicaid Services. Retrieved from <http://www.cms.gov/files/document/definitions-sources-and-methods.pdf>. The HCPI is calculated by using BLS data on PPIs for hospital, physician, nursing home, and home health components and CPIs for prescription drugs and other remaining items. Following NHSG, we use the GDPD rather than the CPI as our measure of economy-wide inflation. While this brief focuses on prices, it also incorporates data from our spending brief and shows the power of looking at prices and spending together. In particular, it reveals the striking role of utilization in health spending growth trends.

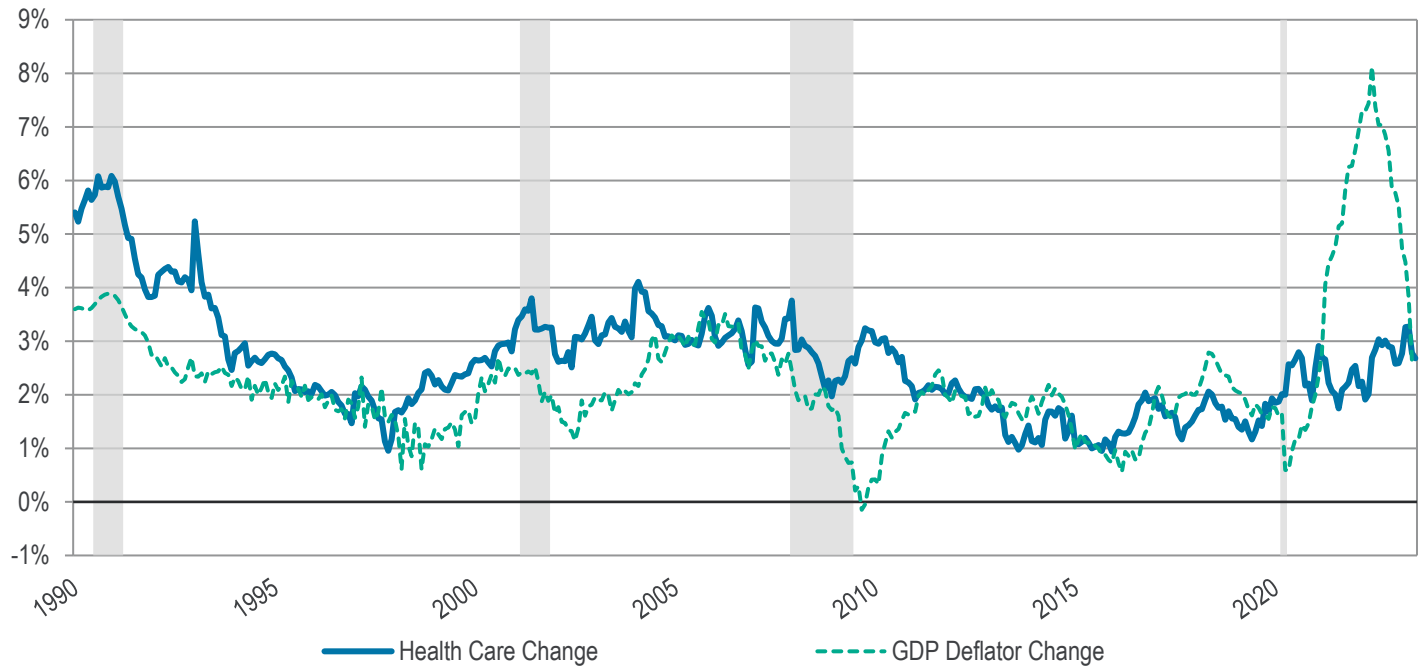


**Exhibit 5. Year-over-Year Percentage Change in Medical Care CPI vs. Altarum Overall HCPI**



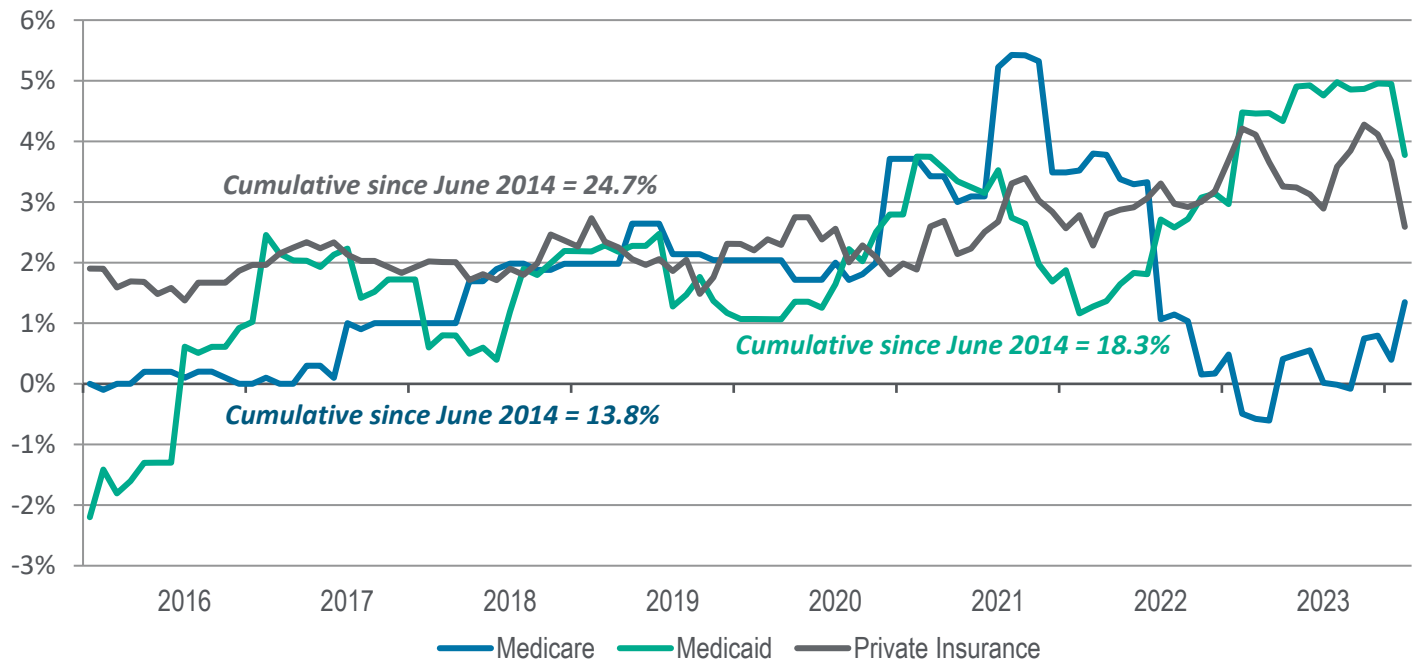
**TIME SERIES TRACKER**

**Exhibit 6. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator**



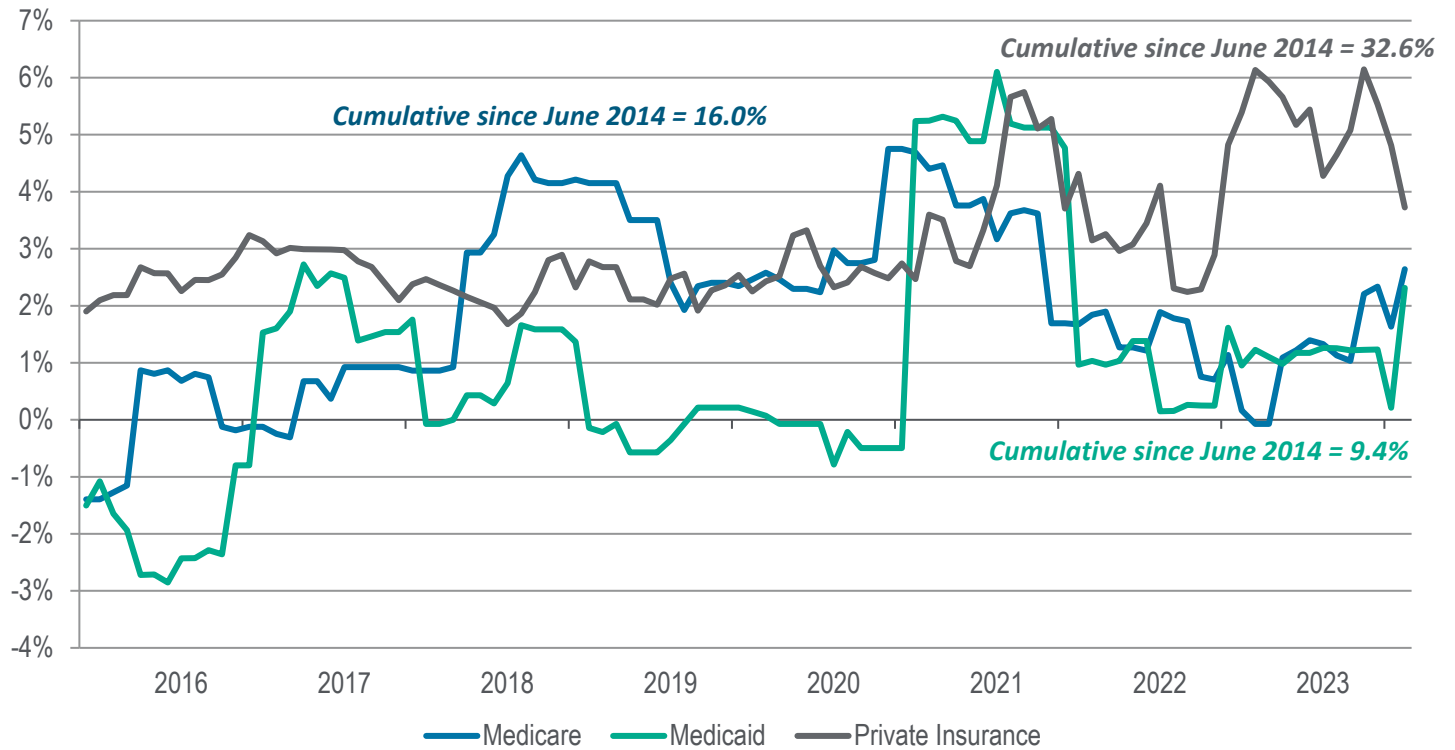
Source: Altarum monthly national health spending and price index estimates.  
Note: Lightly shaded bars denote recession periods.

**Exhibit 7. Year-over-Year Change in Health Care Services Price Growth, by Payer**



Source: Altarum analysis of monthly BLS data.

**Exhibit 8. Year-over-Year Change in Hospital Services Price Growth, by Payer**



Source: Altarum analysis of monthly BLS data.

**Exhibit 9. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year**

	June 2023	3-Month Moving Average	12-Month Moving Average
<b>Total personal health care</b>	4.5%	4.8%	3.3%
<b>Hospital care</b>	4.6%	4.7%	2.7%
<b>Physician and clinical services</b>	5.5%	5.9%	3.9%
<b>Prescription drugs</b>	6.5%	7.1%	6.3%
<b>Nursing home care</b>	4.6%	5.0%	5.5%
<b>Dental Services</b>	3.7%	3.2%	2.0%
<b>Home health care</b>	6.8%	8.3%	6.3%
<b>Other professional services</b>	4.2%	5.2%	2.4%
<b>Other personal health care</b>	-1.2%	-1.0%	0.0%
<b>Other nondurable medical products</b>	1.0%	1.4%	1.4%
<b>Durable medical equipment</b>	4.7%	4.7%	5.0%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data.

Note: Beginning in March 2021, we slightly updated the computation of estimated implicit utilization shown in Exhibit 8 to be more consistent with our spending data. Previous iterations calculated implicit utilization growth (U) as spending growth (S) net of price growth (P) and population growth (Pop):  $U = S - P - Pop$ . New data (from March 2021 onward) now include population growth in utilization, with the new measure calculated as:  $U = S - P$ . This approach is an approximation, ignoring the interaction term between spending and prices growth ( $S*P$ ); however, as long as the two growth rates are small, this term is insignificant.

August 17, 2023

## Health care adds 63,000 jobs in July, the largest increase since July 2022

### HIGHLIGHTS

- ▲ Health care added 63,000 jobs in July 2023, exceeding the average of 43,700 jobs added per month for the first 6 months of the year and the largest monthly increase in the past year.
- ▲ July's health sector job growth was led by growth in ambulatory care settings, which added 35,400 jobs, followed by hospitals, which added 16,100 jobs.
- ▲ Nursing and residential care facilities added 11,500 jobs in July, with growth occurring in both nursing homes (6,300 jobs) and other nursing and residential care settings (5,200 jobs).
- ▲ The economy added 187,000 jobs in July, somewhat below the 12-month average of 280,200 jobs. The unemployment rate, at 3.5%, changed little in July.
- ▲ Health care wage growth in June 2023 was 3.7% year over year, somewhat below the total private sector wage growth of 4.4%.
- ▲ Wage growth in health care settings is now highest in nursing and residential care, at 4.8% year over year in June 2023. Wage growth in hospitals was 4.3%, while wage growth in ambulatory care settings was 3.0% in June.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	July 2022	June 2023	July 2023
<b>Total Employment (000)</b>	152,371	152,980	156,155	156,342
<b>Non-Health Employment (000)</b>	135,890	136,660	139,301	139,425
<b>Health Employment (000)</b>	16,481	16,320	16,854	16,917
<b>Health Share of Total Employment</b>	10.82%	10.67%	10.79%	10.82%
<b>Unemployment Rate</b>	3.5%	3.5%	3.6%	3.5%

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

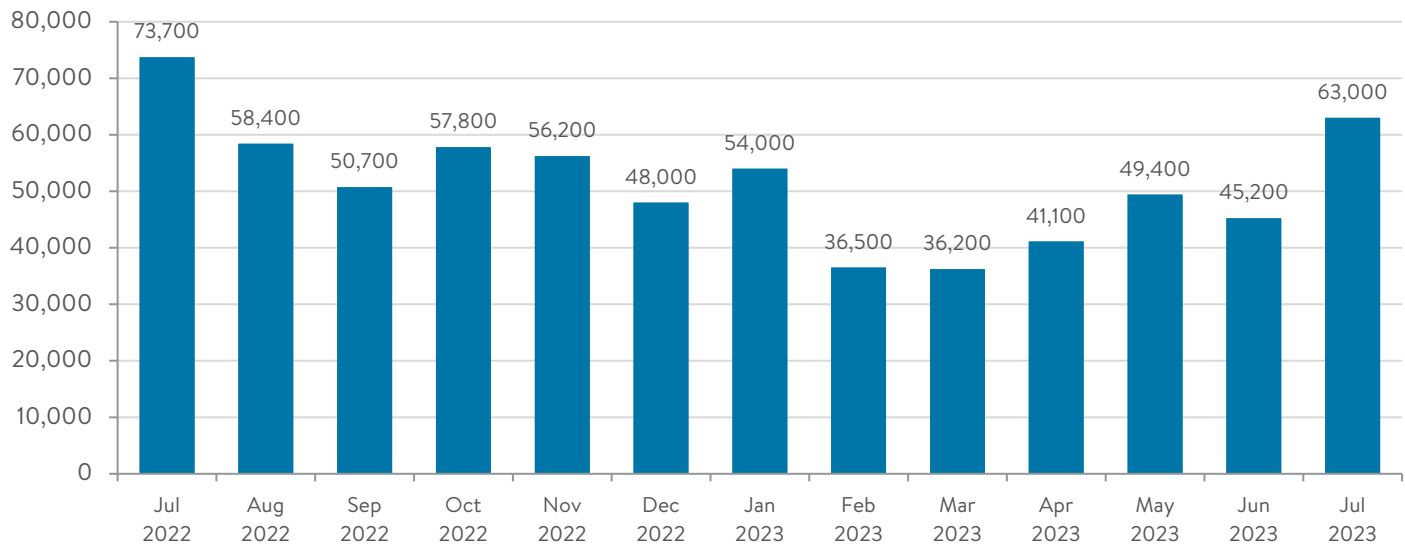
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*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Corwin Rhyan at [corwin.rhyan@altarum.org](mailto:corwin.rhyan@altarum.org). George Miller (principal author), Corwin Rhyan, 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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

Health care employment grew by 63,000 jobs in July 2023, significantly higher than the 43,700 average for the first 6 months of 2023 and the 12-month average of 49,700 jobs per month from August 2022 through July 2023 (Exhibit 1). Revisions to May and June added 8,900 jobs to the estimate of total health care employment.

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



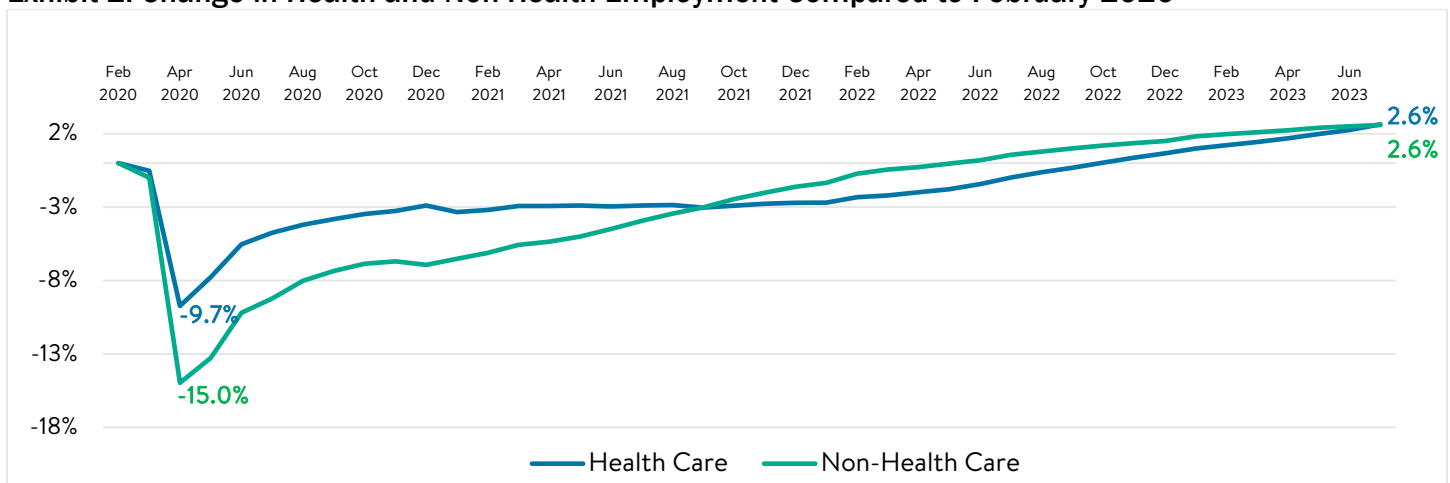
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Ambulatory care settings led health care employment growth in July, adding 35,400 jobs, somewhat above the 12-month average of 24,600 jobs per month. Hospitals added 16,100 jobs in July, above the 12-month average of 13,000 jobs per month.

Nursing and residential care facilities added 11,500 jobs in July, consistent with the 12-month average of 12,100 jobs per month. Nursing homes (+6,300 jobs in July) and residential care facilities (+5,200 jobs in July) contributed to this growth.

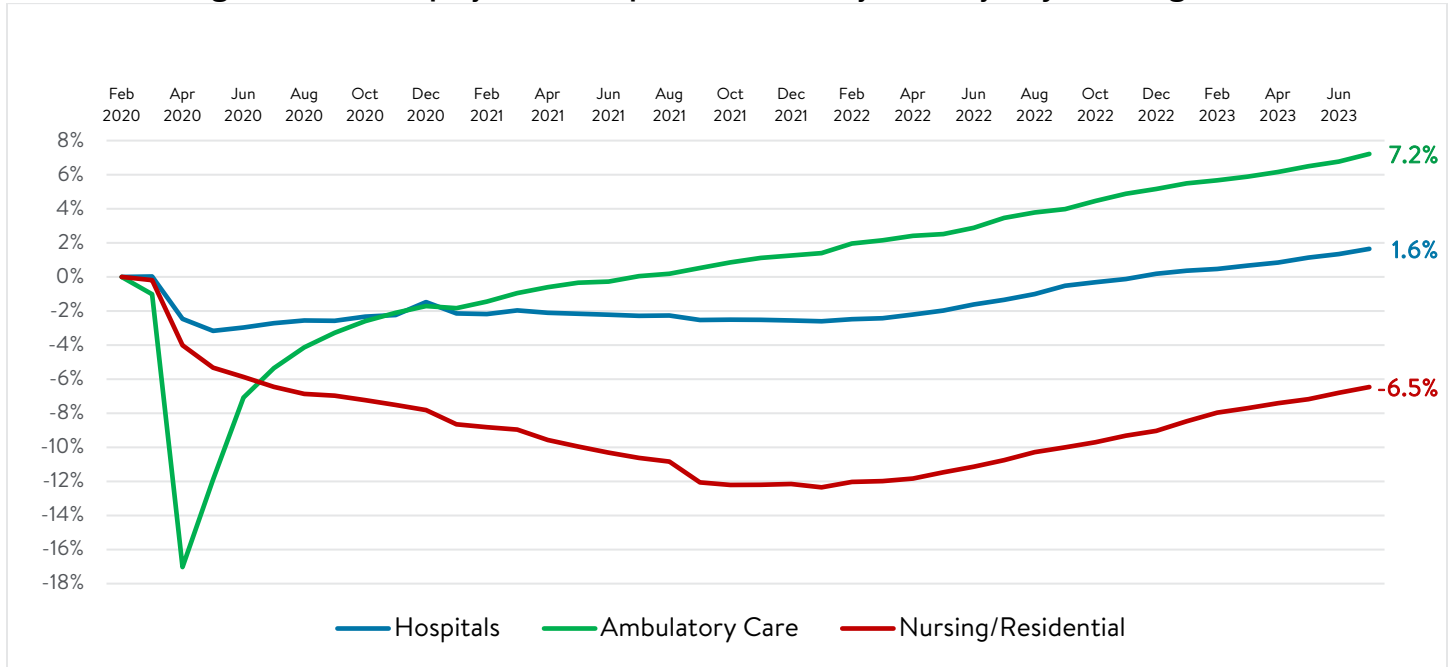
Health care employment is 435,800 jobs, or 2.6%, above where it was before the pandemic began (February 2020) and now equals the 2.6% increase in non-health care employment over the same period (Exhibits 2 and 7). Hospital employment is slightly above its pre-pandemic level (86,200 or 1.6% above), ambulatory care settings are well above (567,800 or 7.2% above), and nursing and residential care employment, while growing steadily since January 2022, remains 218,200 or 6.5% below where it was prior to the pandemic (Exhibits 3 and 7).

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



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

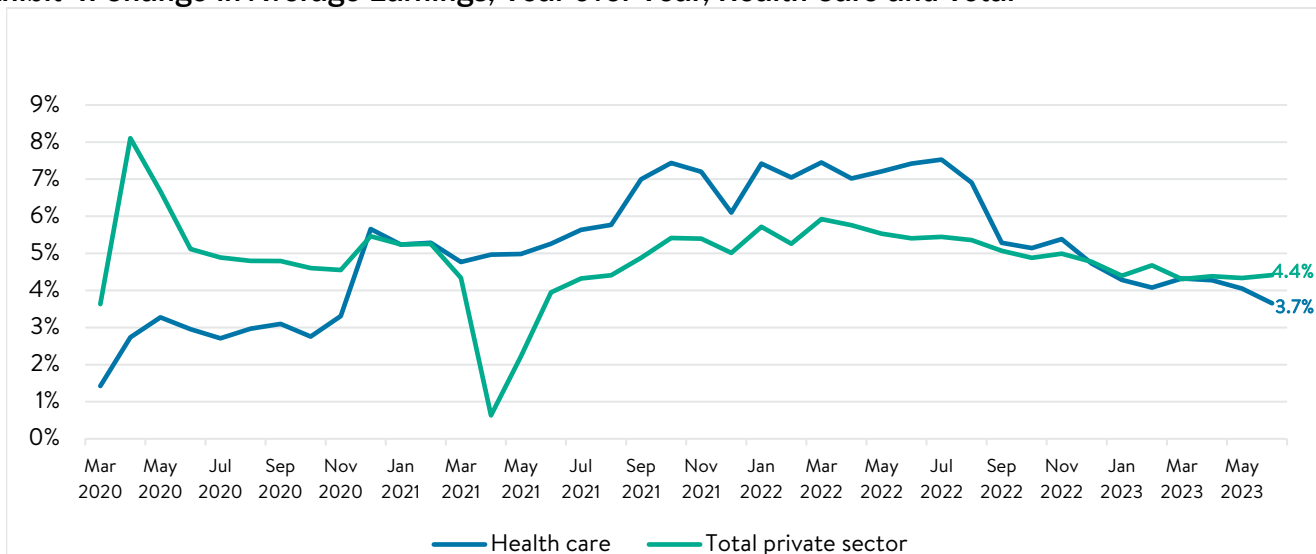
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

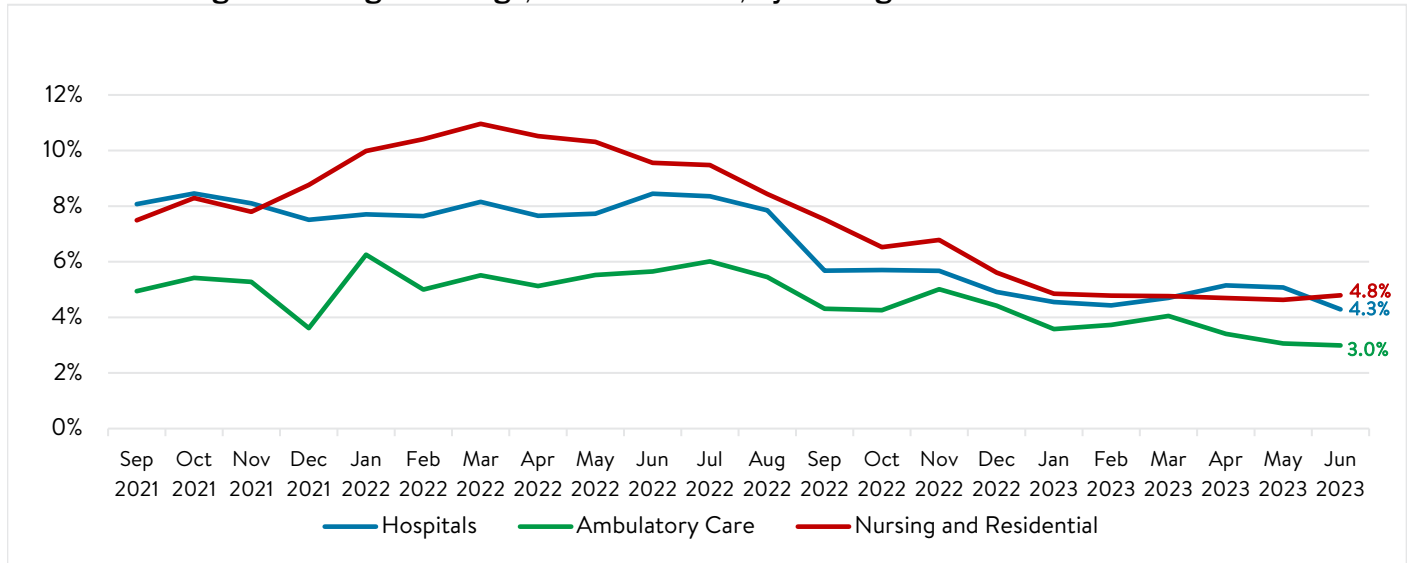
Wage growth in health care had been higher than economywide wage growth for many months but the two rates have converged recently. However, in June 2023, wage growth in health care dropped to 3.7%, while across all private sector jobs was 4.4% (Exhibit 4).

### 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 narrowed as wage growth fell in all settings (Exhibit 5). In June 2023, wage growth in nursing and residential care rose slightly to 4.8% year over year, while hospital wage growth fell to 4.3% and wage growth in ambulatory care settings fell slightly to 3.0%.

**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)	July 2023	June 2023	July 2022	July 2021	February 2020
<b>Non-Health Care</b>	139,425	139,301	136,660	130,552	135,890
<b>Health Care</b>	16,917	16,854	16,320	16,006	16,481
<b>Ambulatory Health Care Services</b>	8,435	8,399	8,139	7,870	7,867
Offices of Physicians	2,904	2,895	2,810	2,736	2,726
Offices of Dentists	1,043	1,034	1,023	993	990
Offices of Other Health Care Practitioners	1,135	1,135	1,090	1,015	1,001
Outpatient Care Centers	1,063	1,060	1,037	1,002	997
Medical and Diagnostic Labs	324	323	321	307	289
Home Health Care Services	1,628	1,616	1,536	1,503	1,546
Other Ambulatory	339	337	322	315	318
<b>Hospitals</b>	5,322	5,306	5,166	5,116	5,236
<b>Nursing and Residential Care Facilities</b>	3,160	3,149	3,015	3,020	3,378
Nursing Care Facilities	1,418	1,412	1,355	1,373	1,587
Other Nursing and Residential	1,742	1,737	1,660	1,646	1,792
<b>Health Share of Employment</b>	10.82%	10.79%	10.67%	10.92%	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

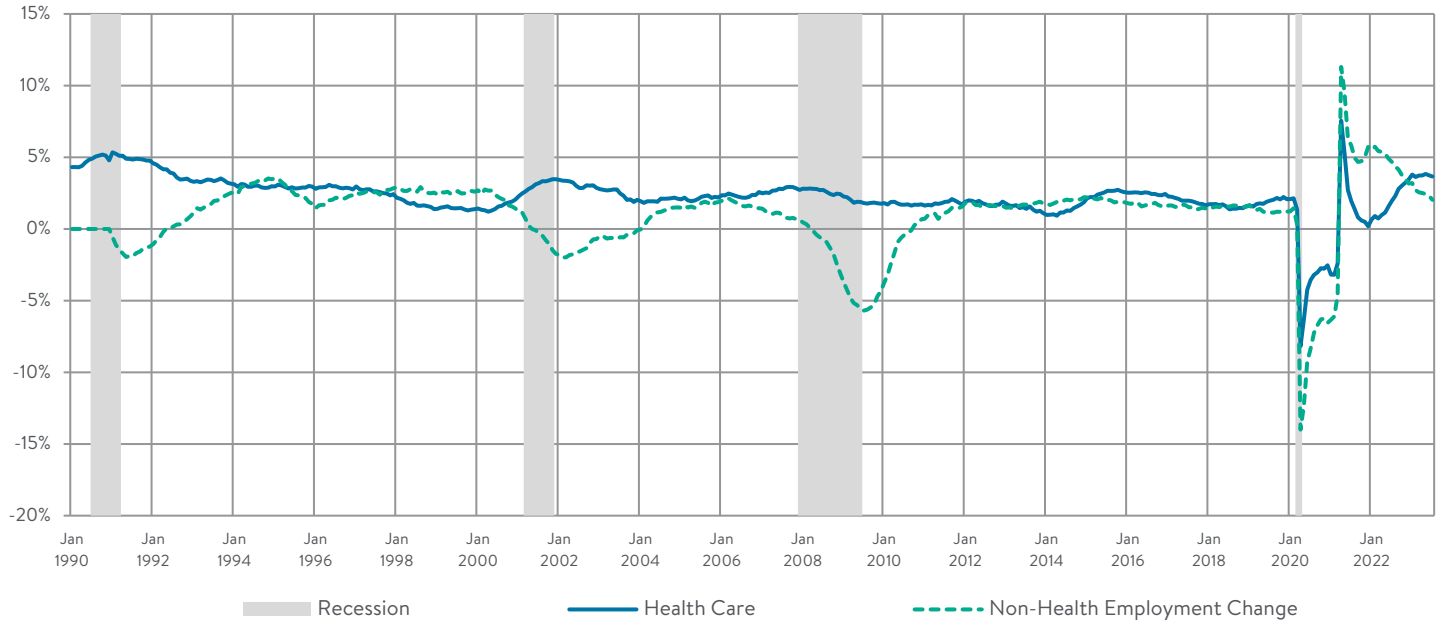
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	124.0	2,765.5	8,873.2	3,535.2
<b>Health Care</b>	63.0	596.5	910.8	435.8
<b>Ambulatory Health Care Services</b>	35.4	295.1	564.4	567.8
Offices of Physicians	8.3	93.1	167.4	177.5
Offices of Dentists	8.3	19.2	49.8	52.7
Offices of Other Health Care Practitioners	0.5	45.6	120.1	134.5
Outpatient Care Centers	3.2	26.0	61.4	65.9
Medical and Diagnostic Labs	0.5	2.4	16.4	34.7
Home Health Care Services	12.0	91.6	124.9	81.2
Other Ambulatory	2.5	17.1	24.2	21.2
<b>Hospitals</b>	16.1	156.4	205.8	86.2
<b>Nursing and Residential Care Facilities</b>	11.5	145.0	140.6	-218.2
Nursing Care Facilities	6.3	62.5	44.6	-168.9
Other Nursing and Residential	5.2	82.5	96.0	-49.3
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>	<b>Since Feb 2020</b>
<b>Non-Health Care</b>	1.1%	2.0%	3.3%	0.8%
<b>Health Care</b>	4.6%	3.7%	2.8%	0.8%
<b>Ambulatory Health Care Services</b>	5.2%	3.6%	3.5%	2.1%
Offices of Physicians	3.5%	3.3%	3.0%	1.9%
Offices of Dentists	10.1%	1.9%	2.5%	1.5%
Offices of Other Health Care Practitioners	0.5%	4.2%	5.8%	3.8%
Outpatient Care Centers	3.7%	2.5%	3.0%	1.9%
Medical and Diagnostic Labs	1.9%	0.7%	2.6%	3.4%
Home Health Care Services	9.3%	6.0%	4.1%	1.5%
Other Ambulatory	9.3%	5.3%	3.8%	1.9%
<b>Hospitals</b>	3.7%	3.0%	2.0%	0.5%
<b>Nursing and Residential Care Facilities</b>	4.5%	4.8%	2.3%	-1.9%
Nursing Care Facilities	5.5%	4.6%	1.6%	-3.2%
Other Nursing and Residential	3.7%	5.0%	2.9%	-0.8%

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



## TIME SERIES TRACKER

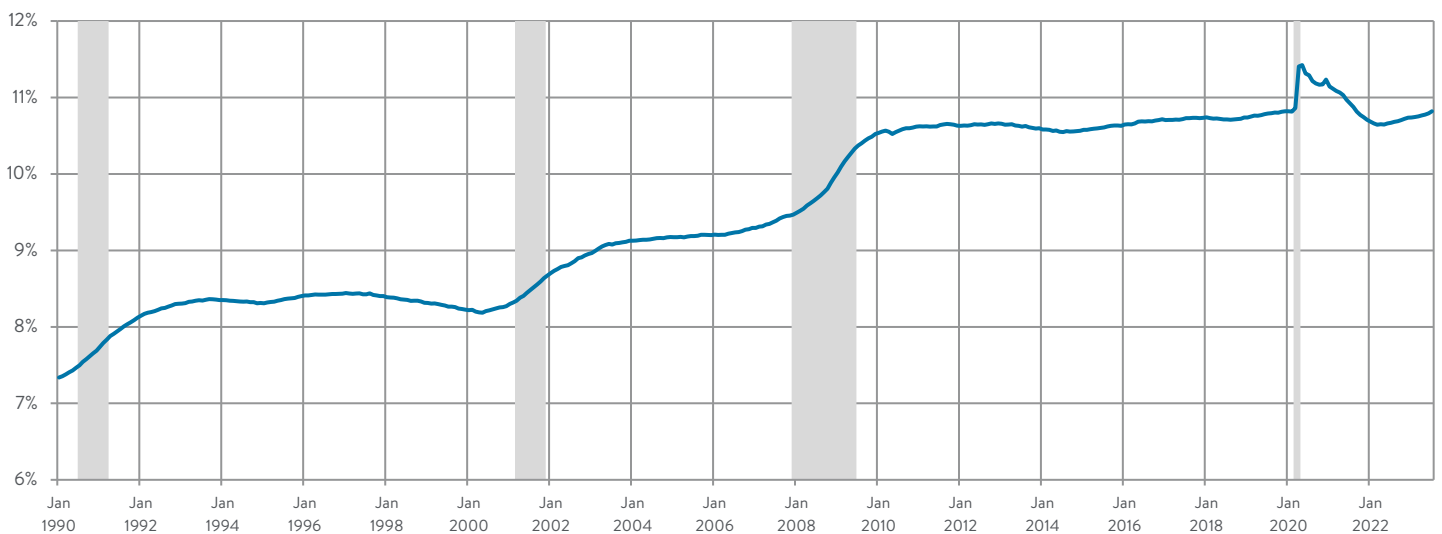
### Exhibit 8. Twelve-Month Percent Change in Health Care Employment



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.