

January 4, 2024

Health care job growth matched its 12-month peak in November

HIGHLIGHTS

- ▲ In November, the healthcare sector added 76,800 jobs, tying July for most jobs added in a month over the past year.
- ▲ November's health care job growth was led by growth in ambulatory care settings, which added 35,800 jobs, and hospitals, which added 23,700 jobs.
- ▲ Nursing and residential care facilities added 17,300 jobs in November, with modest growth in nursing homes (5,700 jobs) and more substantial growth in other nursing and residential care settings (11,600 jobs).
- ▲ The economy added 199,000 jobs in November, below the 12-month average of 232,600. The unemployment rate decreased marginally to 3.7%.
- ▲ Health care wage growth in October 2023 was 3.7% year over year, somewhat below the total private sector wage growth of 4.0%.
- ▲ Wage growth in health care settings was highest in nursing and residential care, at 4.7% year over year in October 2023, followed by hospitals at 4.0% and ambulatory care settings at 3.2%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Nov 2022	Oct 2023	Nov 2023
Total Employment (000)	152,371	154,296	156,888	157,087
Non-Health Employment (000)	135,890	137,753	139,751	139,873
Health Employment (000)	16,481	16,543	17,137	17,214
Health Share of Total Employment	10.82%	10.72%	10.92%	10.96%
Unemployment Rate	3.5%	3.7%	3.9%	3.7%

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

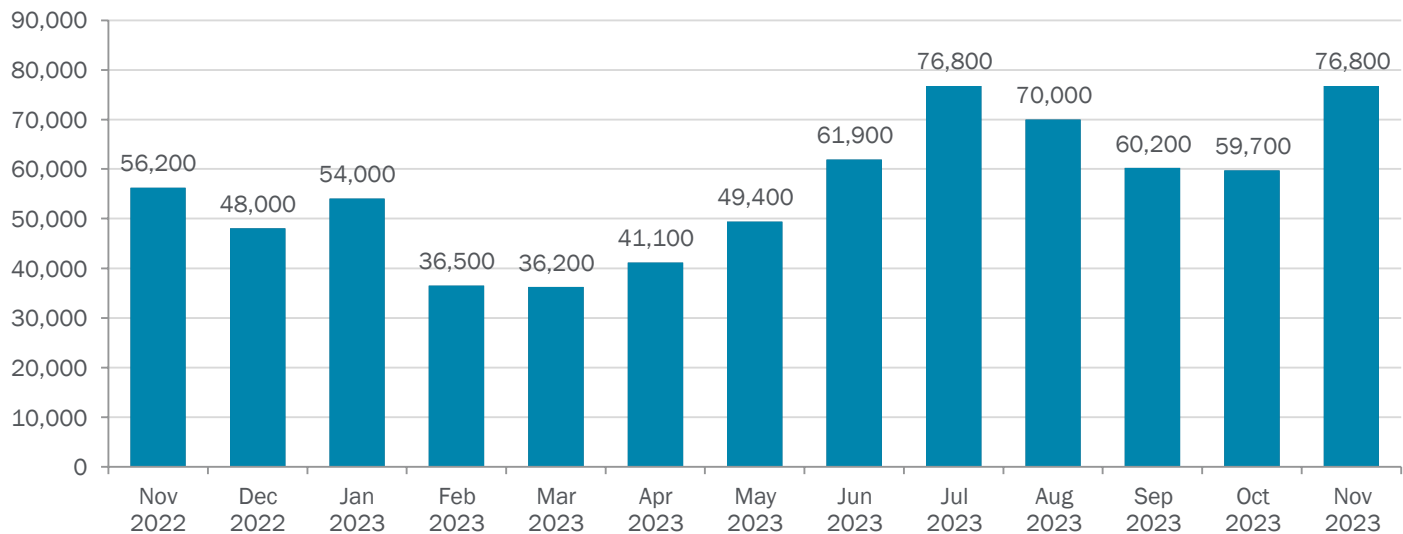
Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend 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 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 November 2023, the health care industry added 76,800 new jobs (as shown in Exhibit 1), which was equal to the previous 12-month high in July 2023 and well above the 12-month average of 55,900 jobs. Meanwhile, all other industries combined only added 122,200 jobs, significantly lower than the 12-month average of 176,700 jobs per month. Health care employment growth outpaced other industries, 5.5% versus 1.1%.

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



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

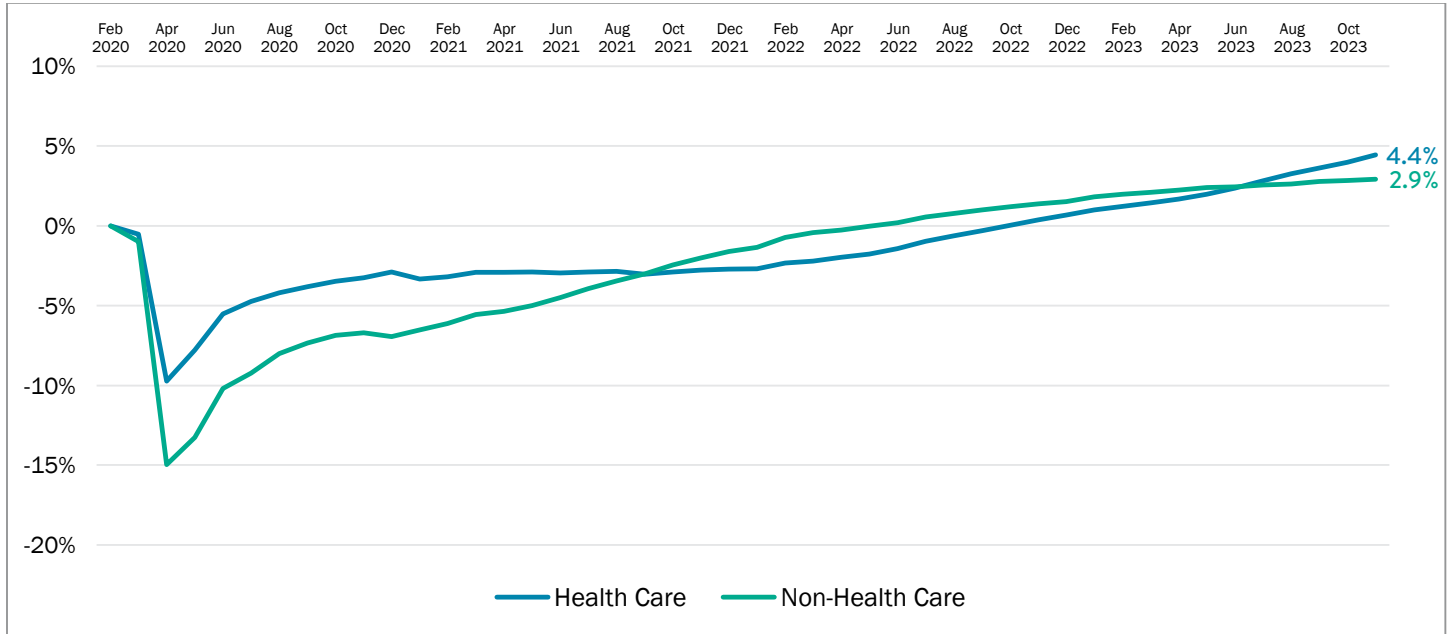
November employment growth in the healthcare sector was primarily driven by ambulatory care settings, which added 35,800 jobs, which is higher than the 12-month industry average of 27,200 jobs per month. Additionally, hospitals added 23,700 jobs in November, above the 12-month average of 15,800.

In November, nursing and residential care facilities added 17,300 jobs, compared to an average of 12,900 jobs per month in the previous year. Within this industry, nursing homes added 5,700 jobs in November, which was equal to the average over the past 12 months. Residential care facilities, on the other hand, added 11,600 jobs, far surpassing the 12-month average of 7,200 jobs added per month.

Compared to February 2020, before the COVID-19 recession began, health care employment has increased by 733,000 jobs or 4.4%, which is higher than the 2.9% increase in non-health care employment over the same period (see Exhibit 2). Hospital employment has grown by 183,400 jobs or 3.5% since February 2020, while ambulatory care settings have increased by 709,500 jobs or 9.0% growth (see Exhibit 3).

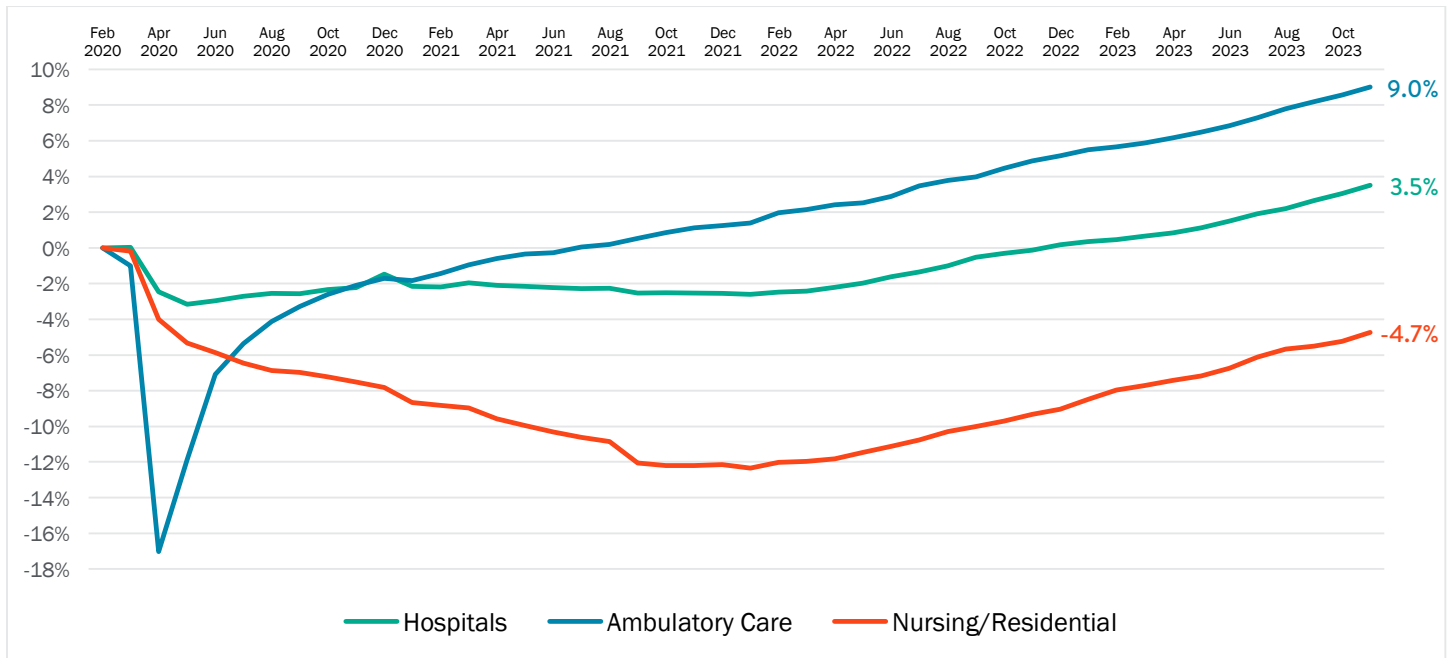
However, nursing and residential care employment, although steadily increasing since January 2022, is still 159,900 jobs or 4.7% below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction in the nursing home workforce since the pandemic is likely due to nursing home closures, lower resident censuses, and staffing shortages.

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



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

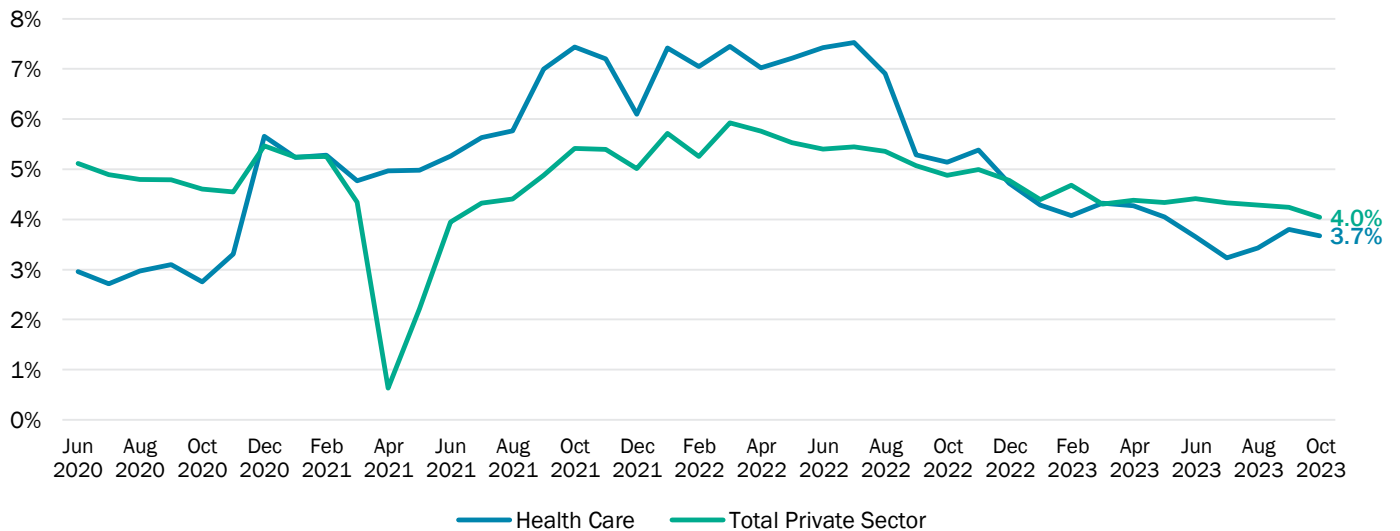
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

Continuing a trend in 2023, wage growth in health care fell slightly to 3.7%, year over year, and overall private sector year-over-year growth fell to 4.0% (see Exhibit 4).

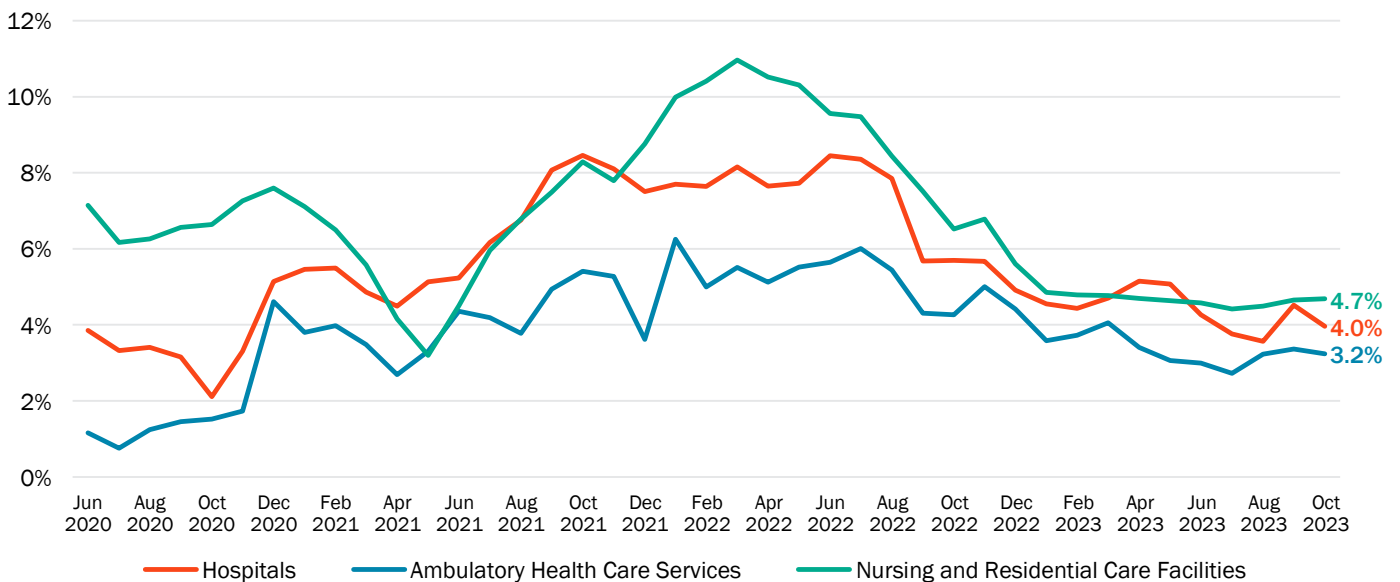
Exhibit 4. Change in Average Hourly Earnings, Year over Year, Health Care and Total Private Sector



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 October 2023, wage growth was 4.7% year over year in nursing and residential care and 3.2% in ambulatory care settings. After an increase in year-over-year wage growth in September, hospital wage growth declined to 4.0% in October.

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)	November 2023	October 2023	November 2022	November 2021	February 2020
Non-Health Care	139,873	139,751	137,753	133,149	135,890
Health Care	17,214	17,137	16,543	16,025	16,481
Ambulatory Health Care Services	8,576	8,540	8,250	7,955	7,867
Offices of Physicians	2,959	2,946	2,847	2,759	2,726
Offices of Dentists	1,040	1,037	1,029	1,002	990
Offices of Other Health Care Practitioners	1,159	1,154	1,109	1,047	1,001
Outpatient Care Centers	1,080	1,074	1,051	1,012	997
Medical and Diagnostic Labs	328	325	320	316	289
Home Health Care Services	1,666	1,660	1,559	1,504	1,546
Other Ambulatory ^a	345	344	334	316	318
Hospitals	5,419	5,396	5,229	5,104	5,236
Nursing and Residential Care Facilities	3,219	3,201	3,064	2,966	3,378
Nursing Care Facilities	1,438	1,432	1,370	1,345	1,587
Other Nursing and Residential ^b	1,780	1,769	1,694	1,621	1,792
Health Share of Employment	10.96%	10.92%	10.72%	10.74%	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	122.2	2,120.4	6,724.6	3,983.0
Health Care	76.8	670.6	1,189.4	733.0
Ambulatory Health Care Services	35.8	325.9	621.6	709.5
Offices of Physicians	13.6	112.0	200.8	233.4
Offices of Dentists	3.1	10.6	38.3	50.0
Offices of Other Health Care Practitioners	4.6	50.1	111.9	158.2
Outpatient Care Centers	5.2	28.3	67.9	82.6
Medical and Diagnostic Labs	3.1	7.8	12.4	39.3
Home Health Care Services	5.9	106.7	161.4	119.3
Other Ambulatory	0.4	10.3	28.9	26.7
Hospitals	23.7	189.9	315.5	183.4
Nursing and Residential Care Facilities	17.3	154.8	252.3	-159.9
Nursing Care Facilities	5.7	68.5	92.9	-148.7
Other Nursing and Residential	11.6	86.3	159.4	-11.2
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.1%	1.5%	2.5%	0.8%
Health Care	5.5%	4.1%	3.6%	1.2%
Ambulatory Health Care Services	5.1%	4.0%	3.8%	2.3%
Offices of Physicians	5.7%	3.9%	3.6%	2.2%
Offices of Dentists	3.6%	1.0%	1.9%	1.3%
Offices of Other Health Care Practitioners	4.9%	4.5%	5.2%	4.0%
Outpatient Care Centers	6.0%	2.7%	3.3%	2.1%
Medical and Diagnostic Labs	12.1%	2.4%	1.9%	3.5%
Home Health Care Services	4.4%	6.8%	5.2%	2.0%
Other Ambulatory ^a	1.4%	3.1%	4.5%	2.2%
Hospitals	5.4%	3.6%	3.0%	0.9%
Nursing and Residential Care Facilities	6.7%	5.1%	4.2%	-1.3%
Nursing Care Facilities	4.9%	5.0%	3.4%	-2.6%
Other Nursing and Residential ^b	8.2%	5.1%	4.8%	-0.2%

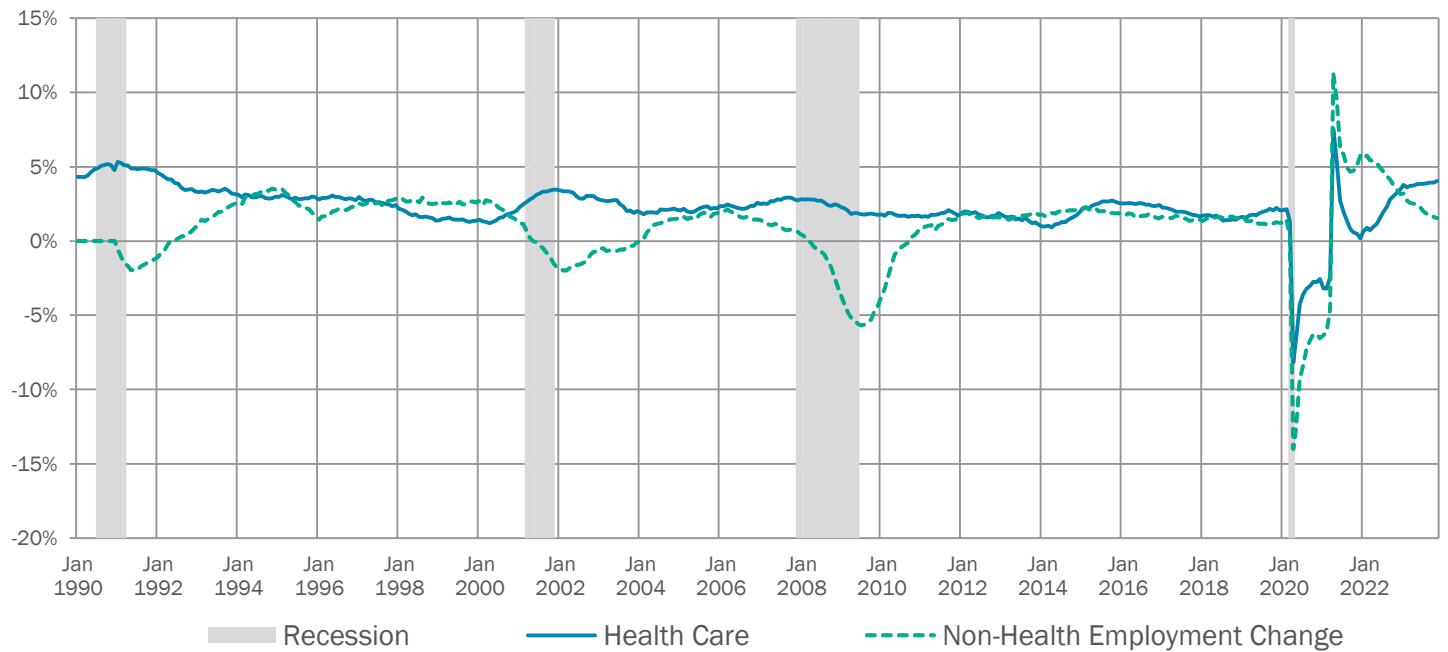
Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

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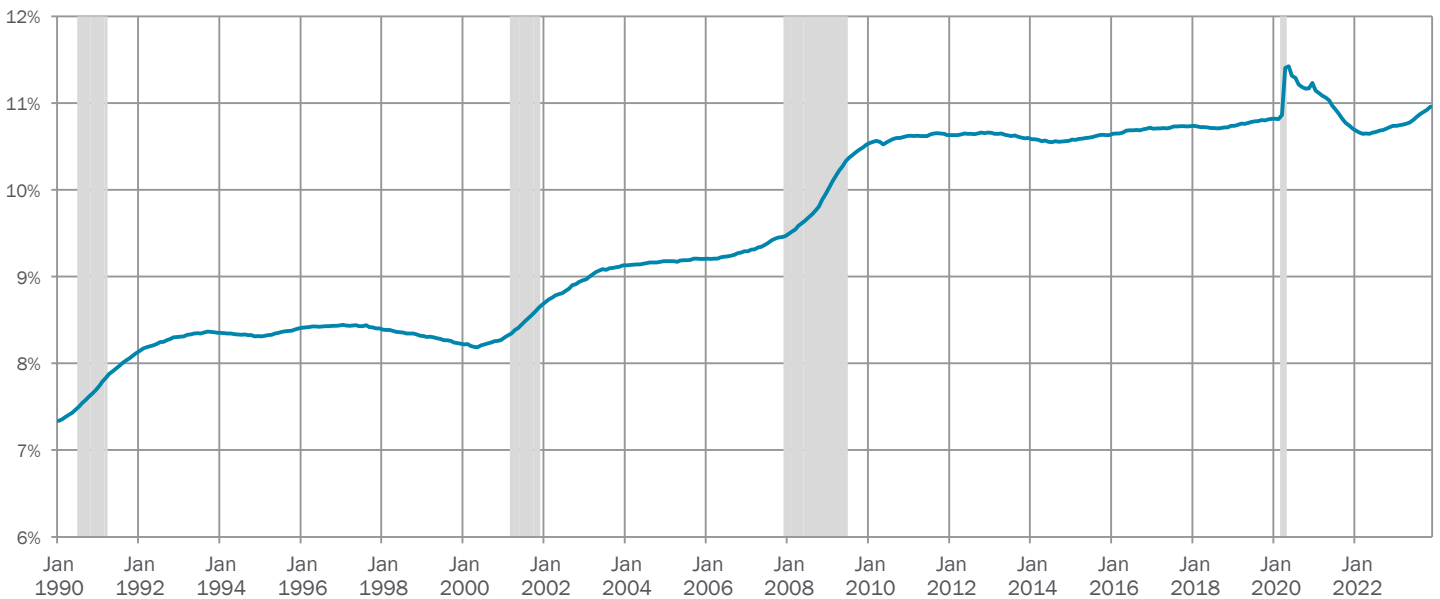
TIME SERIES TRACKER

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.