

August 19, 2022

Health care job growth strong as economywide jobs return to pre-pandemic level

HIGHLIGHTS

- ▲ Health care employment grew by a robust 69,600 jobs in July 2022. Gains were seen in all major settings of care, with ambulatory care adding 47,300 jobs, hospitals adding 12,900 jobs, and nursing and residential care facilities adding 9,400 jobs.
- ▲ Health care employment remains just under the pre-pandemic peak, down 78,000 jobs, or 0.5% compared to February 2020. Employment in ambulatory settings is 327,000 jobs (4.2%) above where it was in February 2020, while hospital employment remains 43,000 jobs (0.8%) below February 2020 and nursing and residential care employment is down by 363,000 jobs (10.7% decline).
- ▲ With the 528,000 jobs added in July, the overall economy returned to the pre-pandemic employment level of 152.5 million jobs, and the unemployment rate returned to the pre-pandemic low of 3.5%.
- ▲ Wages in health care have been growing faster than overall wages in the past year, with year over year growth averaging 6.9% in health care since July 2021, compared to 5.1% for all private sector jobs. Looking at the most recent data point, in June 2022, average hourly earnings in health care grew 7.4% year over year, while earnings across all private sector jobs grew 5.2%. By setting of care, average earnings in residential care settings grew by 9.7%, compared to 8.5% in hospitals and 5.6% in ambulatory care settings.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Jul 2021	Jun 2022	Jul 2022
Total Employment (000)	152,504	146,387	152,008	152,536
Non-Health Employment (000)	136,014	130,355	135,666	136,124
Health Employment (000)	16,491	16,032	16,343	16,412
Health Share of Total Employment	10.81%	10.95%	10.75%	10.76%
Unemployment Rate	3.5%	5.4%	3.6%	3.5%

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.

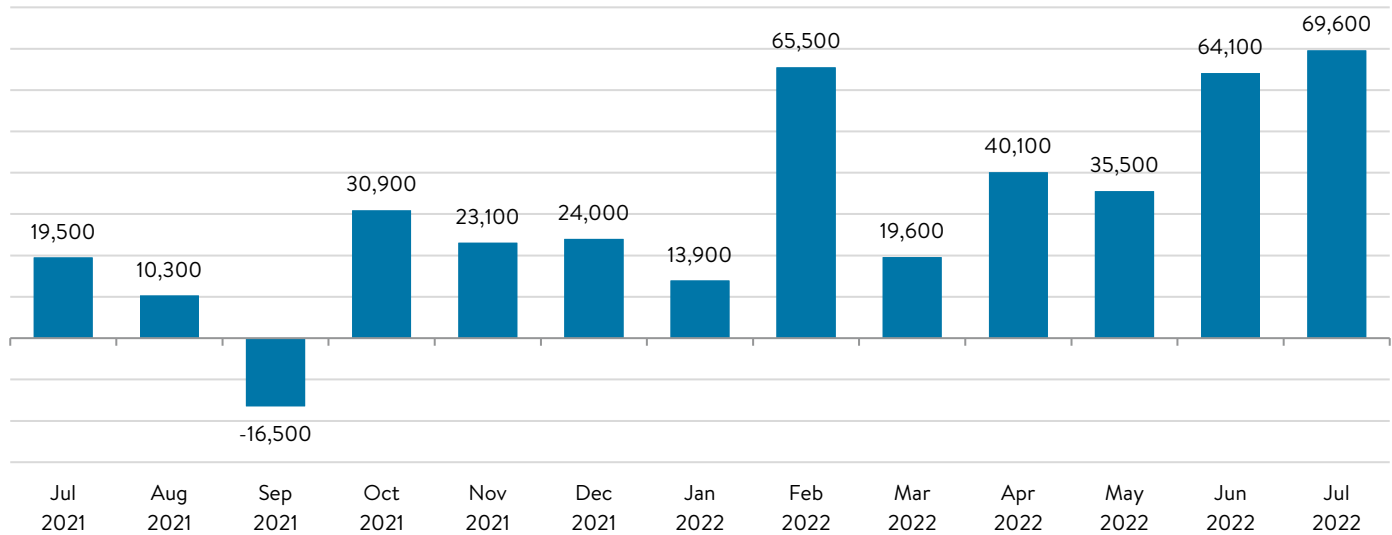
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 a strong 69,600 jobs in July, with revisions to May and June adding another 27,600 jobs. Health care has added nearly 300,000 jobs in the past six months. (Exhibit 1).

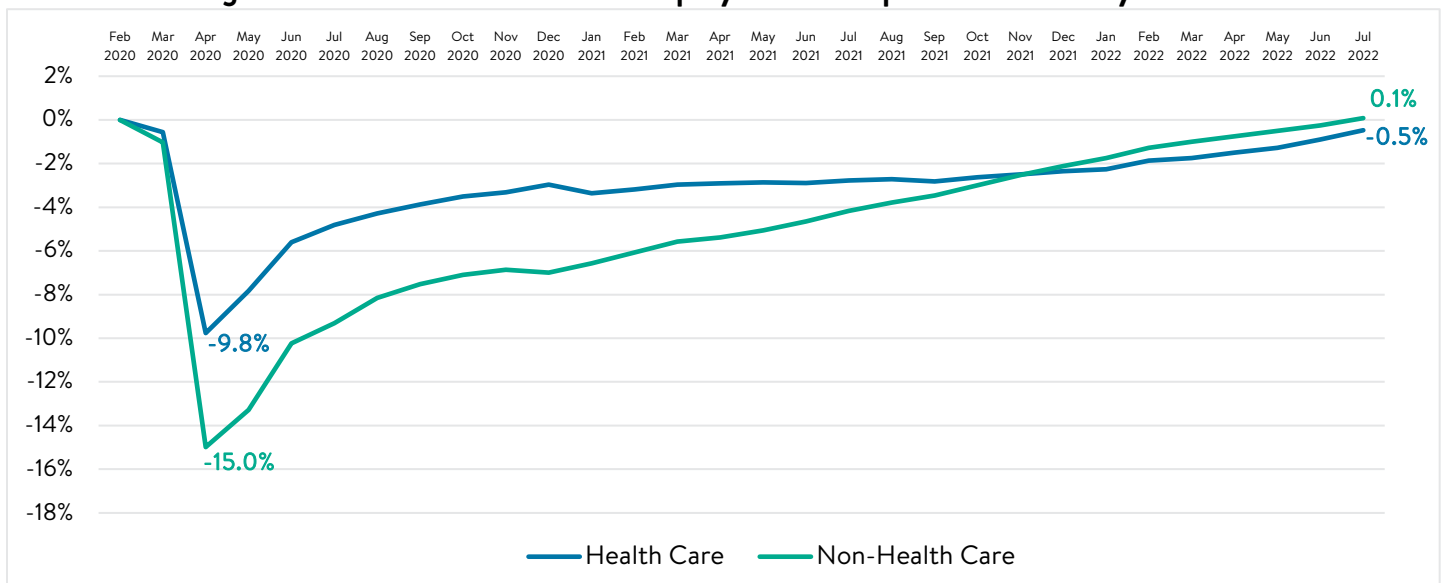
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

The economy reached a milestone in July 2022 by returning to the pre-pandemic level of employment and the pre-pandemic unemployment rate of 3.5%. With the 528,000 jobs added in July, the economy has added nearly 3.3 million jobs so far in 2022. Two and a half years since the start of the pandemic, total nonfarm employment is finally above (0.1%) where it was in February 2020, while health care jobs are now less than one percent (0.5%) below the pre-pandemic peak. (Exhibit 2).

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

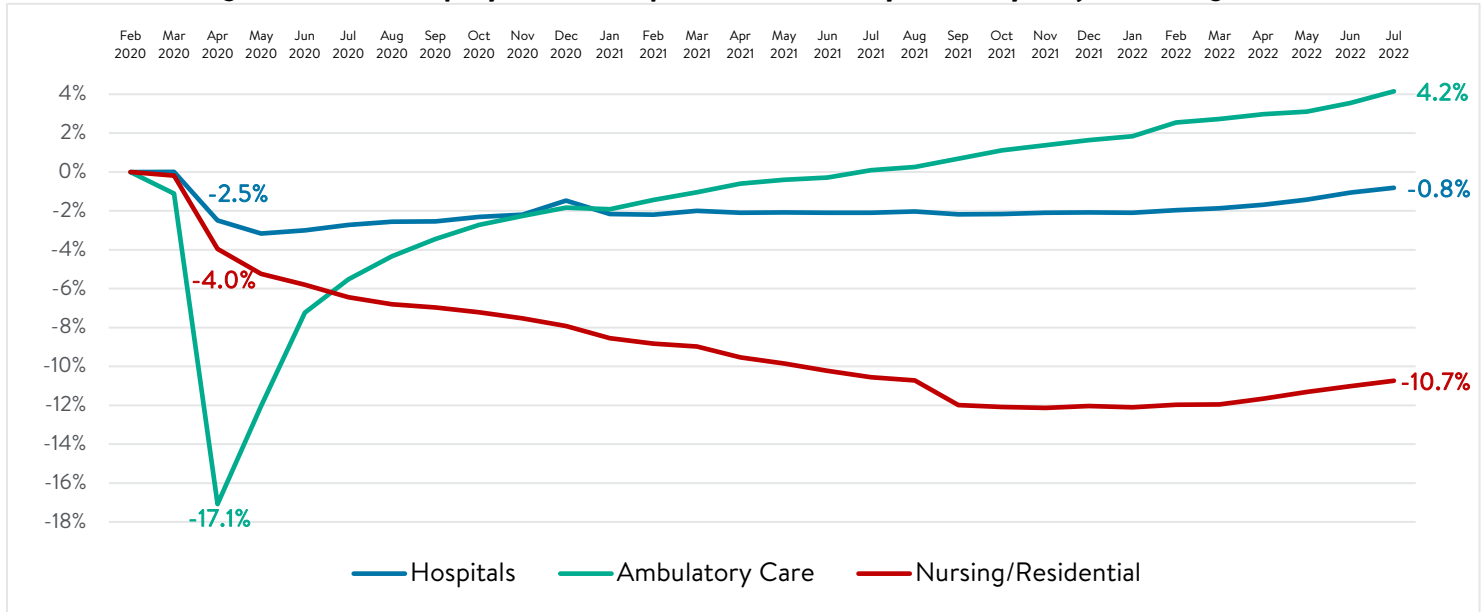


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



While all three major settings of care have been adding jobs for the past six months, there are differences in the trajectory of job growth and recovery from pandemic drops (Exhibit 3). Employment in ambulatory care settings has grown steadily since falling sharply early in the pandemic and is now 327,00 jobs (4.2%) above the level of February 2020. Hospital employment remains 43,000 jobs (0.8%) below the level of February 2020, while nursing and residential care employment is 363,000 jobs (10.7%) below the level of February 2020.

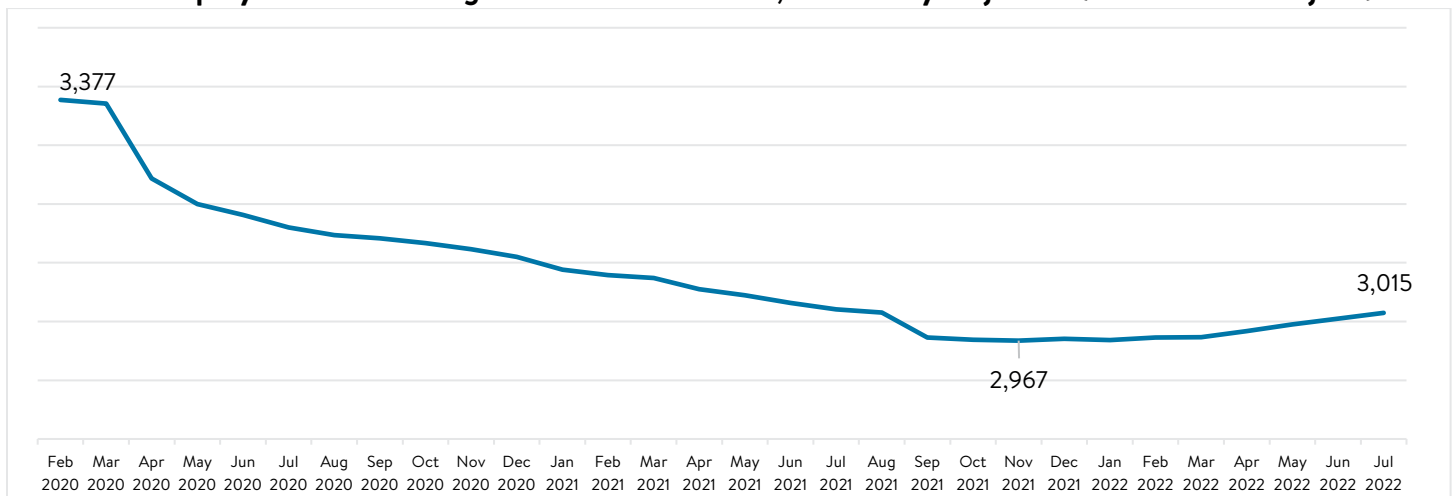
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

Exhibits 4 through 6 illustrate these patterns slightly differently, showing the total number of jobs by setting over the past two and a half years. Exhibit 4 shows that employment in nursing and residential care settings fell significantly and steadily for many months but that this decline may have bottomed out in November 2021, after which employment in nursing and residential care has been steady or slowly increasing.

Exhibit 4. Employment in Nursing and Residential Care, Seasonally Adjusted (in thousands of jobs)

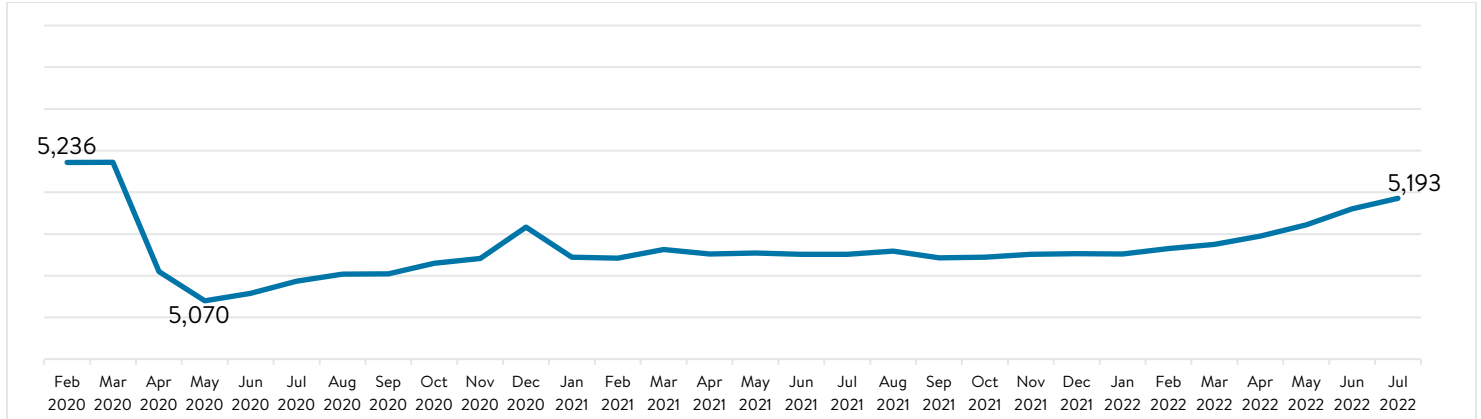


Source: BLS Current Employment Statistics data.



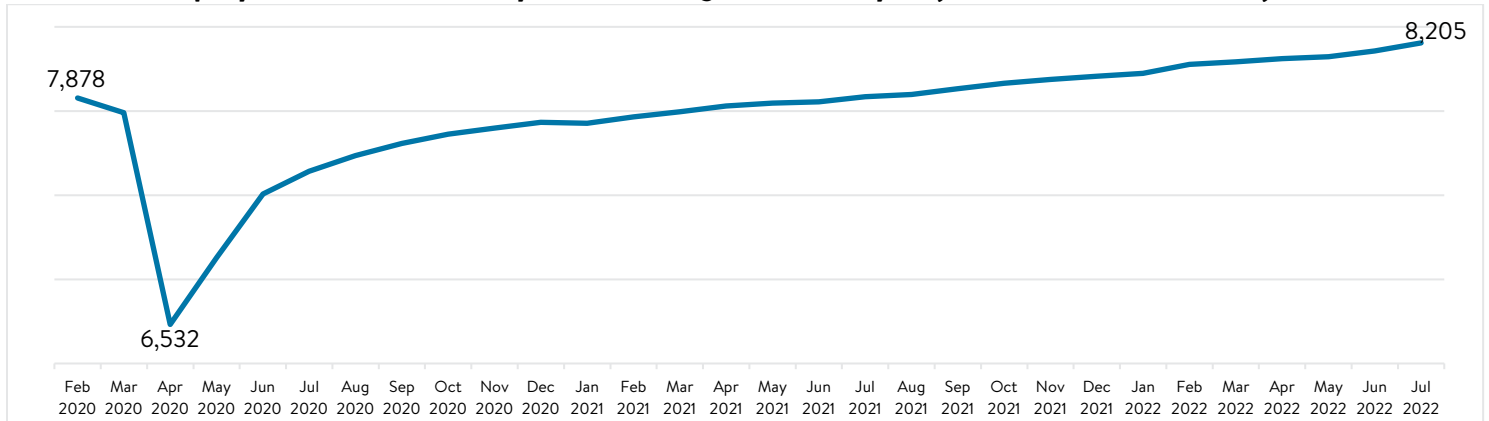
Exhibits 5 and 6 display employment over the same period in hospitals and ambulatory care settings. After an initial drop, hospital job growth has been very slow, only starting to pick up this spring. In contrast, ambulatory care settings have been bringing back workers or adding jobs steadily since the initial large drop in spring 2020, reaching the pre-pandemic level of employment by July 2021 and continuing to add jobs since then.

Exhibit 5. Employment in Hospitals, Seasonally Adjusted (in thousands of jobs)



Source: BLS Current Employment Statistics data.

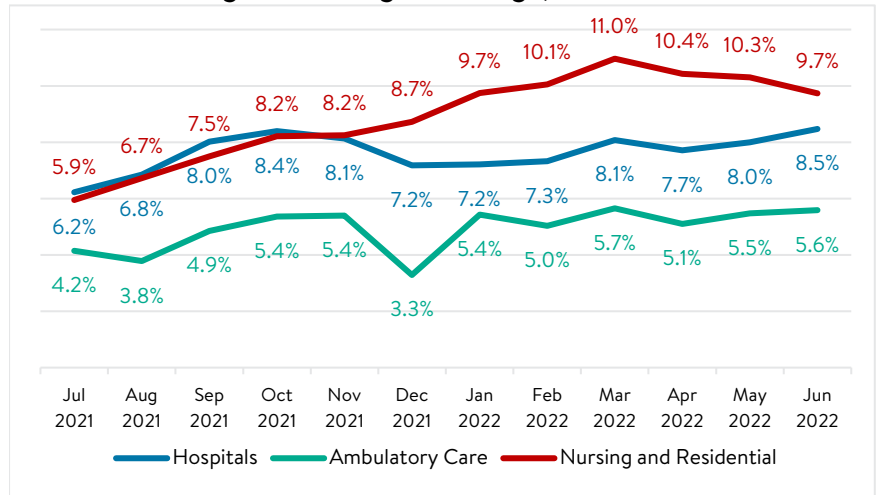
Exhibit 6. Employment in Ambulatory Care Settings, Seasonally Adjusted (in thousands of jobs)



Source: BLS Current Employment Statistics data.

Health care wage growth is reflective of these differences by setting (Exhibit 7). Average earnings in hospitals and residential care have been growing faster than in ambulatory care settings, suggesting that difficulty filling jobs is at least partly contributing to the slower recovery in employment in these settings. In June 2022, average earnings in residential care settings grew by 9.7% year over year, compared to 8.5% in hospitals and 5.6% in ambulatory care settings.

Exhibit 7. Change in Average Earnings, Year over Year





DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	July 2022	June 2022	July 2021	July 2020	February 2020
Non-Health Care	136,124	135,666	130,355	123,352	136,014
Health Care	16,412	16,343	16,032	15,696	16,491
Ambulatory Health Care Services	8,205	8,157	7,886	7,443	7,878
Offices of Physicians	2,837	2,824	2,743	2,604	2,728
Offices of Dentists	1,043	1,033	998	929	994
Offices of Other Health Care Practitioners	1,096	1,080	1,012	901	1,004
Outpatient Care Centers	1,027	1,022	999	957	997
Medical and Diagnostic Labs	314	314	308	283	287
Home Health Care Services	1,571	1,568	1,513	1,471	1,549
Other Ambulatory	317	317	313	299	319
Hospitals	5,193	5,180	5,126	5,093	5,236
Nursing and Residential Care Facilities	3,015	3,005	3,021	3,160	3,377
Nursing Care Facilities	1,361	1,357	1,374	1,471	1,585
Other Nursing and Residential	1,653	1,648	1,647	1,689	1,792
Health Share of Employment	10.76%	10.75%	10.95%	11.29%	10.81%

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

Exhibit 9. Change in Employment Data by Sector, Seasonally Adjusted

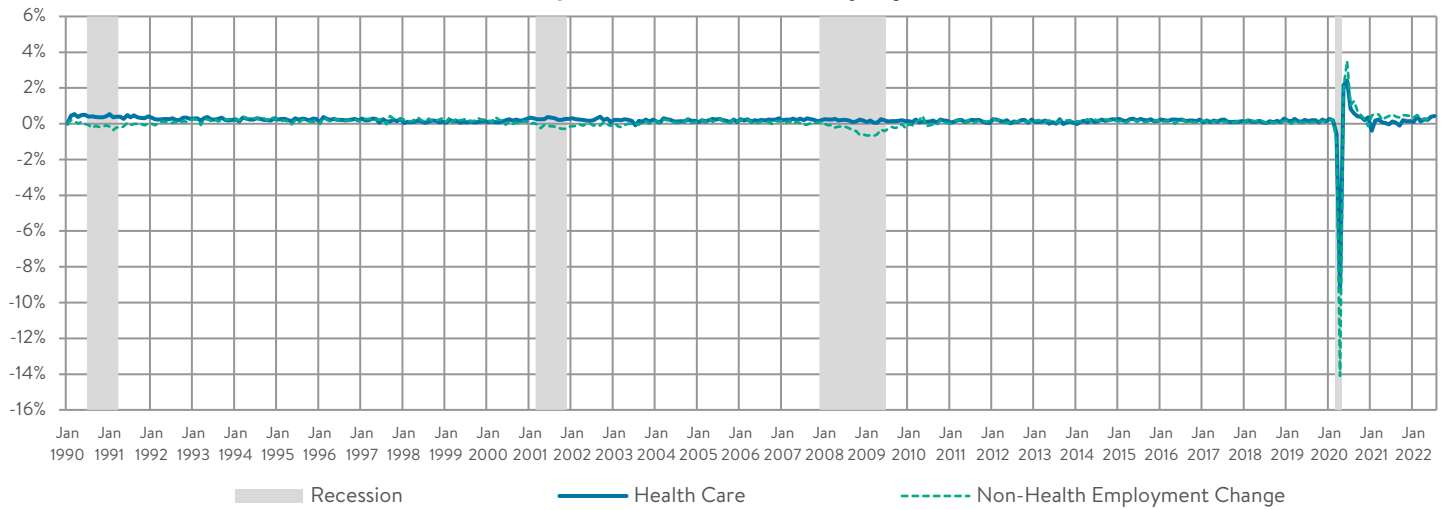
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	458.4	5,768.9	12,771.8	110.4
Health Care	69.6	380.1	716.2	-78.4
Ambulatory Health Care Services	47.3	319.1	762.1	327.0
Offices of Physicians	12.8	93.7	232.8	109.2
Offices of Dentists	9.6	44.5	113.7	48.3
Offices of Other Health Care Practitioners	16.0	84.2	195.4	92.1
Outpatient Care Centers	5.7	28.2	70.1	30.0
Medical and Diagnostic Labs	0.1	5.9	31.4	26.7
Home Health Care Services	3.4	58.7	100.6	22.7
Other Ambulatory	-0.4	4.0	18.1	-1.9
Hospitals	12.9	67.1	99.5	-42.7
Nursing and Residential Care Facilities	9.4	-6.1	-145.4	-362.7
Nursing Care Facilities	3.7	-12.6	-109.5	-223.7
Other Nursing and Residential	5.7	6.5	-35.9	-139.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	4.1%	4.4%	5.0%	0.0%
Health Care	5.2%	2.4%	2.3%	-0.2%
Ambulatory Health Care Services	7.2%	4.0%	5.0%	1.7%
Offices of Physicians	5.6%	3.4%	4.4%	1.6%
Offices of Dentists	11.7%	4.5%	5.9%	2.0%
Offices of Other Health Care Practitioners	19.3%	8.3%	10.3%	3.7%
Outpatient Care Centers	6.9%	2.8%	3.6%	1.2%
Medical and Diagnostic Labs	0.4%	1.9%	5.4%	3.7%
Home Health Care Services	2.6%	3.9%	3.4%	0.6%
Other Ambulatory	-1.5%	1.3%	3.0%	-0.2%
Hospitals	3.0%	1.3%	1.0%	-0.3%
Nursing and Residential Care Facilities	3.8%	-0.2%	-2.3%	-4.6%
Nursing Care Facilities	3.3%	-0.9%	-3.8%	-6.1%
Other Nursing and Residential	4.2%	0.4%	-1.1%	-3.3%

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



TIME SERIES TRACKER

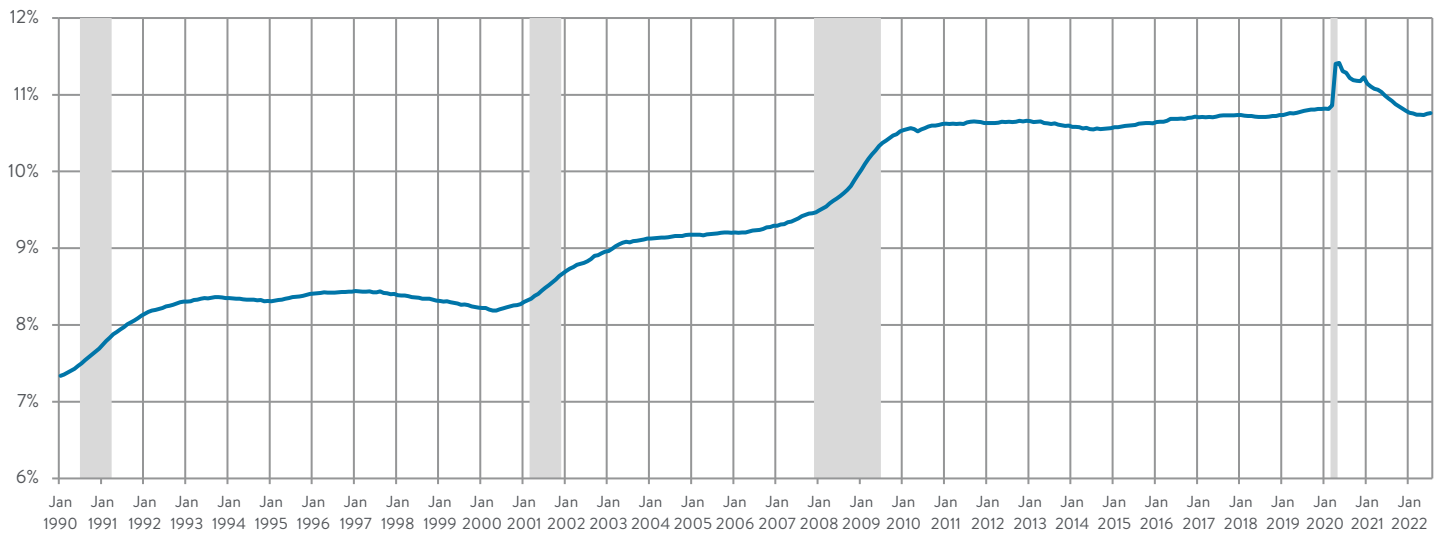
Exhibit 10. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 11. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.