

July 20, 2022

## Health care adds a robust 56,700 jobs in June, including 20,500 in hospitals

### HIGHLIGHTS

- ▲ Health care employment grew by 56,700 jobs in June 2022. Gains were seen in all major settings of care, with ambulatory care adding 28,200 jobs, hospitals adding 20,500 jobs, and nursing and residential care facilities adding 8,000 jobs.
- ▲ Health care employment is 176,000 jobs, or 1.1%, below the pre-pandemic peak. Employment in ambulatory settings is now 260,000 jobs (3.3%) above where it was in February 2020, while hospital employment remains 57,000 jobs (1.1%) below February 2020 and nursing and residential care employment is down by 379,000 jobs (11.2% decline).
- ▲ The economy added 372,000 jobs in June, consistent with average 381,000 added in the past four months. Total employment is now about half a million jobs and 0.3% below where it was in February 2020, while the unemployment rate remains at 3.6% for the fourth month in a row.
- ▲ Wage data are consistent with a tight labor market overall and in health care in particular. Average hourly earnings in health care grew 7.3% year over year in May 2022 (the most recent industry-level data). Earnings across all private sector jobs grew 5.3% year over year in May and 5.1% in June 2022.

### Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Jun 2021	May 2022	Jun 2022
Total Employment (000)	152,504	145,698	151,608	151,980
Non-Health Employment (000)	136,014	129,686	135,350	135,665
Health Employment (000)	16,491	16,013	16,258	16,315
Health Share of Total Employment	10.81%	10.99%	10.72%	10.73%
Unemployment Rate	3.5%	5.9%	3.6%	3.6%

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.

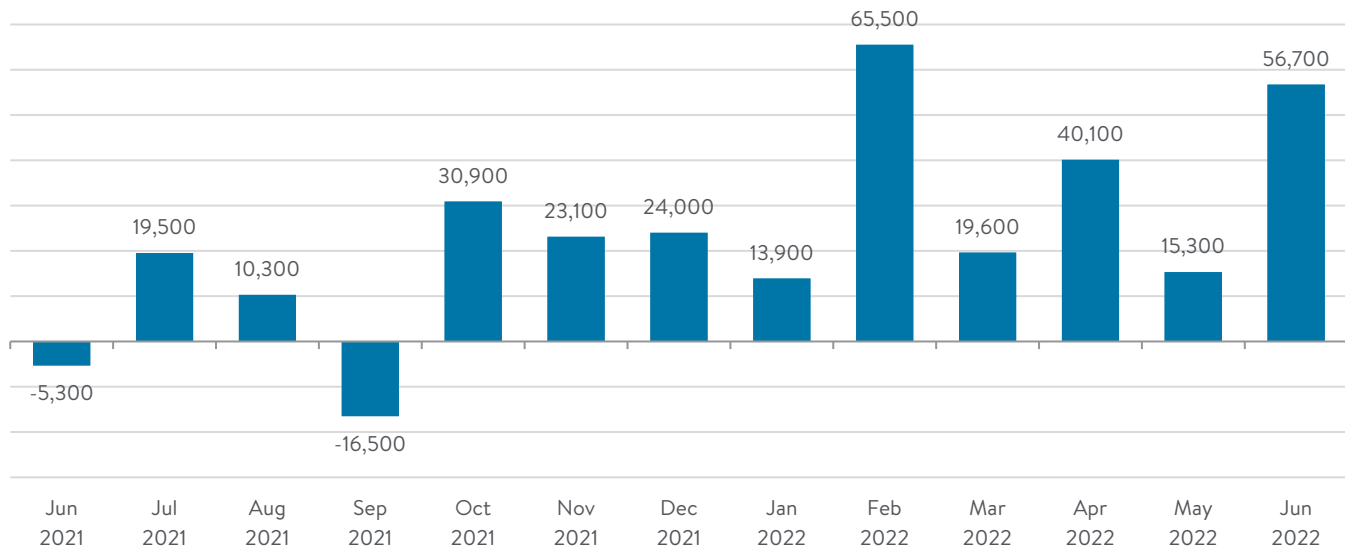
*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at [ani.turner@altarum.org](mailto:ani.turner@altarum.org). Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.



## DISCUSSION

Health care employment grew by 56,700 jobs in June. Health care has added 211,000 jobs through the first half of 2022, averaging 35,000 new jobs per month, compared to 26,000 per month in the last quarter of 2021 (Exhibit 1).

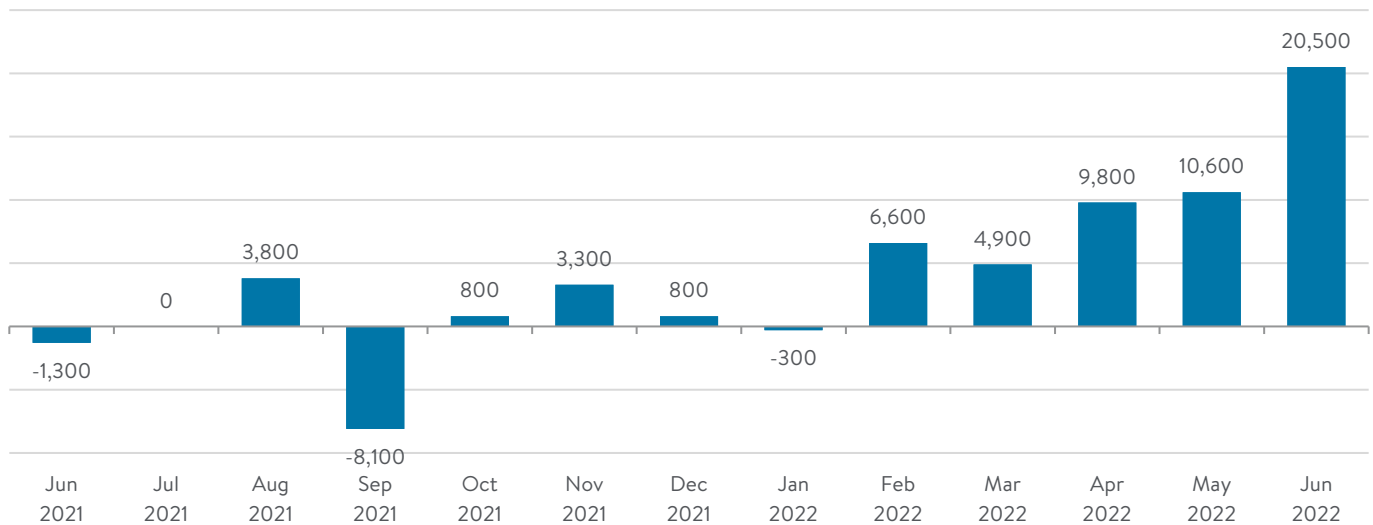
**Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted**



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

Hospital hiring was especially strong in June, with hospitals adding 20,500 jobs. Despite the [financial challenges and workforce shortages](#) being faced by hospitals in the first half of 2022, hospital hiring appears to be picking up compared to 2021 (Exhibit 2).

**Exhibit 2. Month-over-month Change in Hospital Employment, Seasonally Adjusted**



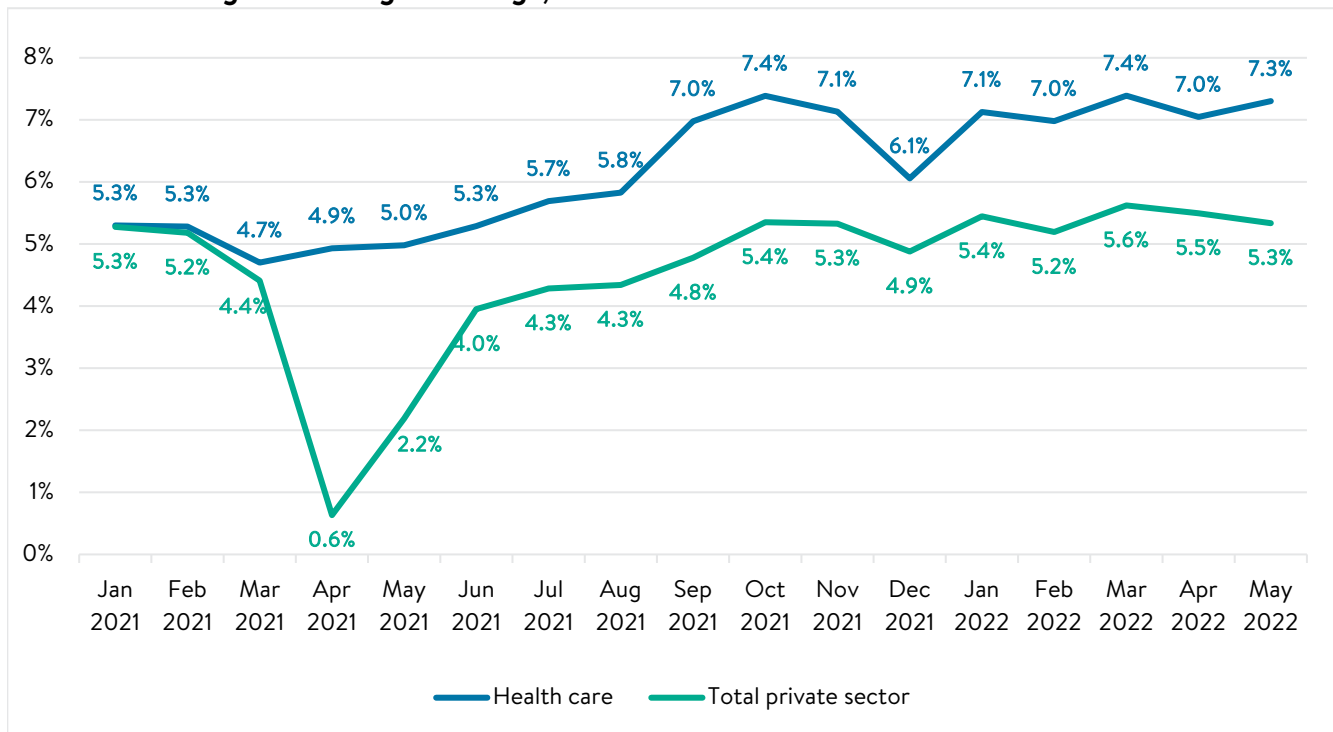
Source: Altarum analysis of monthly BLS Current Employment Statistics data.



The economy continues to add a substantial number of jobs each month, although the pace of growth is slowing. With the 372,000 jobs added in June, the economy is averaging 457,000 new jobs per month in the first half of 2022, compared to 524,000 per month added in 2021. Total employment is about half a million jobs (520,000) and 0.3% below where it was in February 2020. The unemployment rate remained at 3.6% for the fourth month in a row, very close to the pre-pandemic rate of 3.5%, which was a 50-year low.

Health care wages have been growing even faster than overall wages, especially since mid-2021 (Exhibit 3). Private sector earnings grew an average of 5.4% year over year in the first five months of 2022, while health sector earnings are averaging 7.2% growth over the same period.

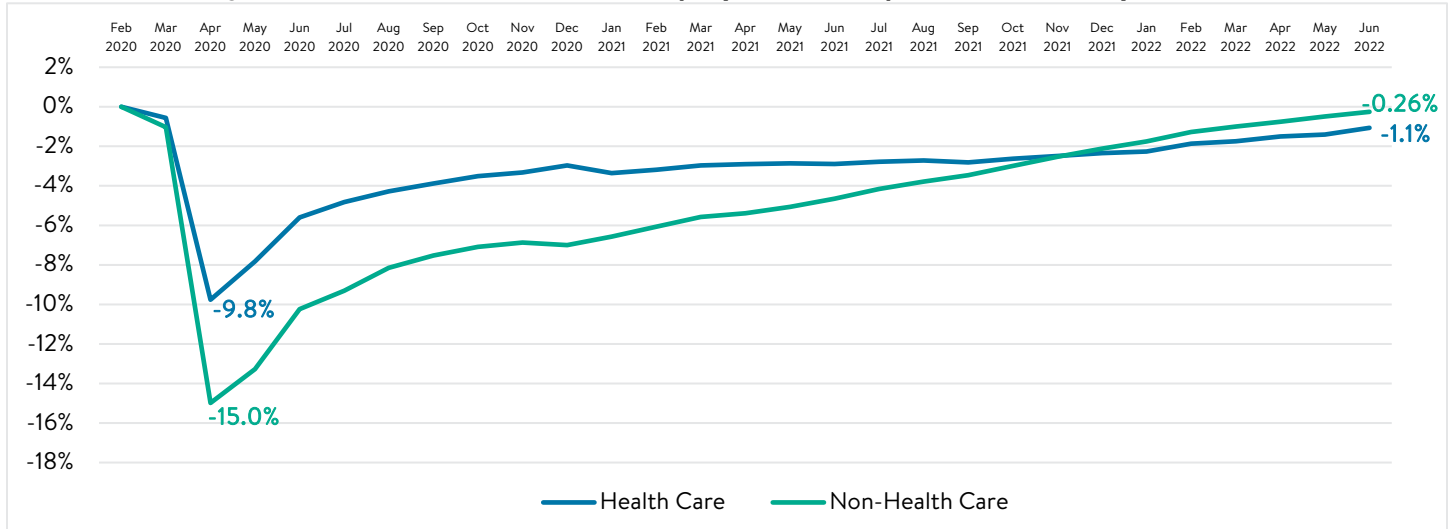
**Exhibit 3. Change in Average Earnings, Year over Year**





More than two years since the start of the pandemic, total nonfarm employment is less than half a percent (0.34%) below where it was in February 2020. Health care jobs are 1.1% below the pre-pandemic peak while non-health jobs are 0.26% below the peak (Exhibit 4).

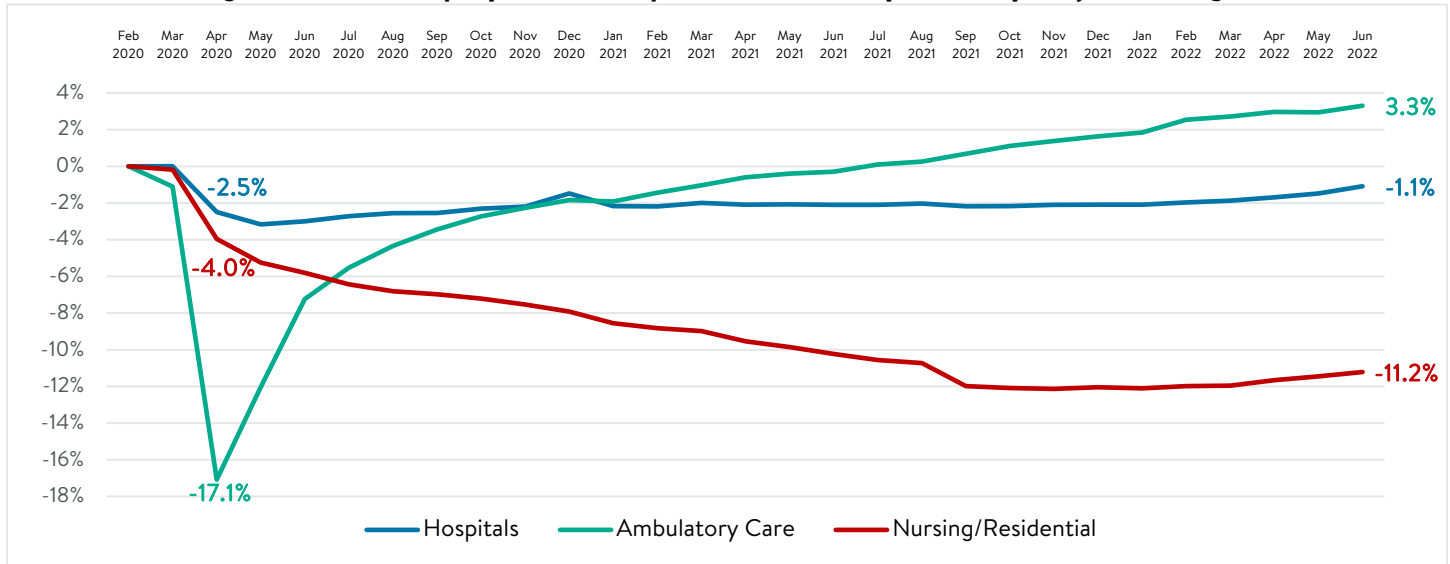
**Exhibit 4. Change in Health and Non-Health Employment Compared to February 2020**



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

There are important differences in trends by setting of care. Employment in ambulatory care settings has grown steadily since falling sharply early in the pandemic and is now 260,400 jobs (3.3%) above the level of February 2020 (Exhibit 5). Hospital employment remains 57,000 jobs (1.1%) below the level of February 2020, while nursing and residential care employment is 379,000 jobs (11.2%) below the level of February 2020. About 60% of the drop in nursing and residential care employment is in nursing homes, which have lost 229,000 jobs, while 40% is in other nursing and residential care, which has dropped 150,000 jobs.

**Exhibit 5. Change in Health Employment Compared to February 2020 by Major Setting of Care**



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



## DETAILED HEALTH CARE EMPLOYMENT

### Exhibit 6. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	June 2022	May 2022	June 2021	June 2020	February 2020
Non-Health Care	135,665	135,350	129,686	122,093	136,014
Health Care	16,315	16,258	16,013	15,568	16,491
Ambulatory Health Care Services	8,138	8,110	7,855	7,308	7,878
Offices of Physicians	2,821	2,815	2,732	2,569	2,728
Offices of Dentists	1,027	1,023	993	881	994
Offices of Other Health Care Practitioners	1,075	1,071	1,003	886	1,004
Outpatient Care Centers	1,020	1,015	996	945	997
Medical and Diagnostic Labs	315	314	306	271	287
Home Health Care Services	1,564	1,555	1,513	1,458	1,549
Other Ambulatory	317	317	312	298	319
Hospitals	5,179	5,158	5,126	5,079	5,236
Nursing and Residential Care Facilities	2,998	2,990	3,032	3,181	3,377
Nursing Care Facilities	1,356	1,351	1,376	1,490	1,585
Other Nursing and Residential	1,642	1,640	1,656	1,691	1,792
Health Share of Employment	10.73%	10.72%	10.99%	11.31%	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

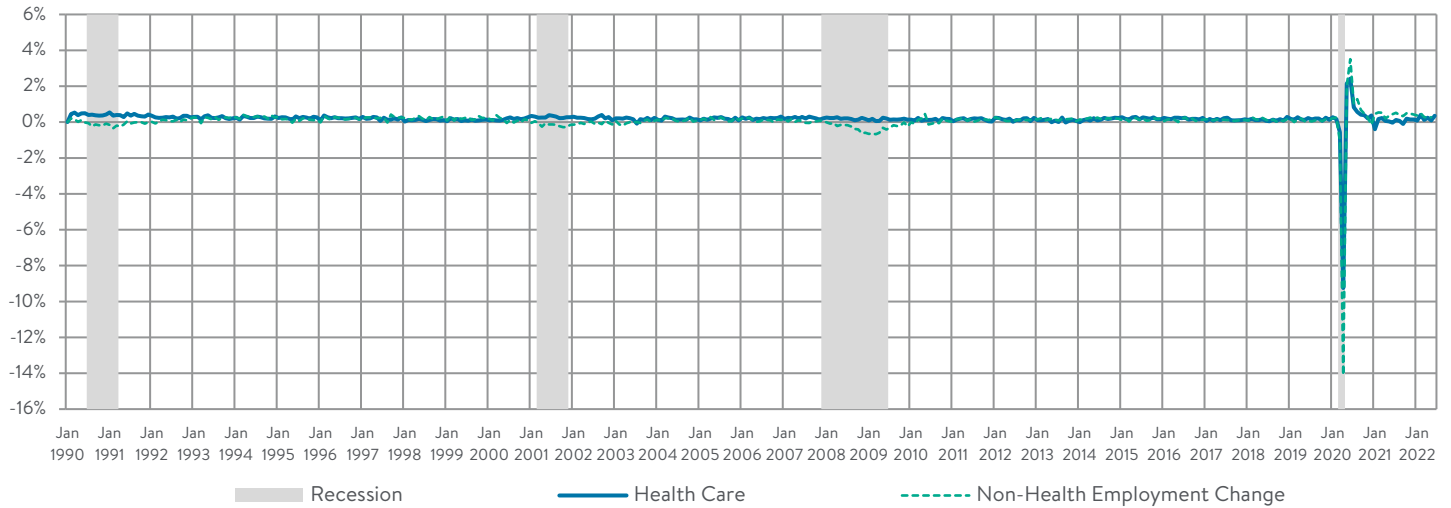
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	315.3	5,979.6	13,572.6	-348.4
Health Care	56.7	302.4	747.4	-175.6
Ambulatory Health Care Services	28.2	283.1	830.4	260.3
Offices of Physicians	5.8	88.6	251.5	93.3
Offices of Dentists	3.4	33.2	145.6	32.3
Offices of Other Health Care Practitioners	3.7	71.5	188.7	70.3
Outpatient Care Centers	5.0	24.6	75.7	23.1
Medical and Diagnostic Labs	1.3	9.7	44.2	28.0
Home Health Care Services	9.0	50.1	105.9	15.0
Other Ambulatory	0.0	5.3	18.8	-1.6
Hospitals	20.5	52.7	99.8	-57.1
Nursing and Residential Care Facilities	8.0	-33.4	-182.8	-378.8
Nursing Care Facilities	5.4	-20.3	-134.0	-228.8
Other Nursing and Residential	2.6	-13.1	-48.8	-150.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.8%	4.6%	5.4%	-0.1%
Health Care	4.3%	1.9%	2.4%	-0.5%
Ambulatory Health Care Services	4.3%	3.6%	5.5%	1.4%
Offices of Physicians	2.5%	3.2%	4.8%	1.5%
Offices of Dentists	4.1%	3.3%	7.9%	1.4%
Offices of Other Health Care Practitioners	4.2%	7.1%	10.1%	2.9%
Outpatient Care Centers	6.1%	2.5%	3.9%	1.0%
Medical and Diagnostic Labs	5.1%	3.2%	7.8%	4.1%
Home Health Care Services	7.2%	3.3%	3.6%	0.4%
Other Ambulatory	0.0%	1.7%	3.1%	-0.2%
Hospitals	4.9%	1.0%	1.0%	-0.5%
Nursing and Residential Care Facilities	3.3%	-1.1%	-2.9%	-5.0%
Nursing Care Facilities	4.9%	-1.5%	-4.6%	-6.5%
Other Nursing and Residential	1.9%	-0.8%	-1.5%	-3.7%

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



## TIME SERIES TRACKER

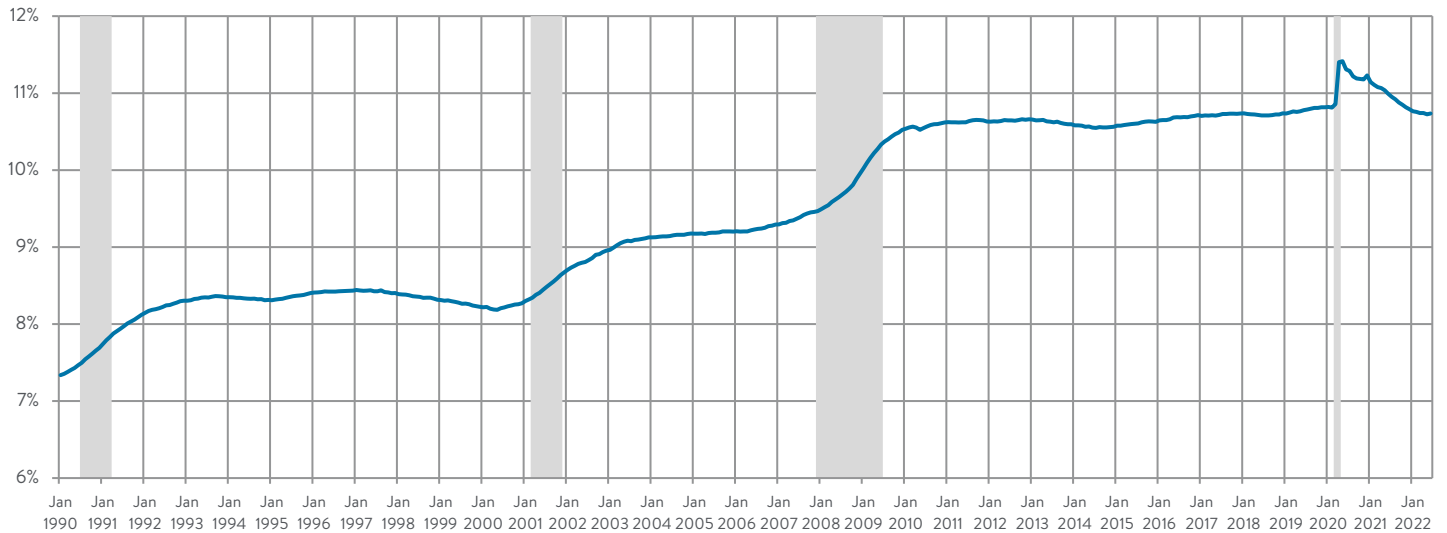
**Exhibit 8. Twelve-month Percent Change in Health Care Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

**Exhibit 9. Health Care Share of Total Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.