

October 21, 2022

Health care jobs return to pre-pandemic level

HIGHLIGHTS

- ▲ After two and a half years, health care has regained the jobs lost in the spring of 2020 and is back to the pre-pandemic level of employment. Hospital employment has also returned to the February 2020 level.
- ▲ Health care gained a robust 60,100 jobs in September 2022, with ambulatory settings gaining 28,100 jobs, hospitals gaining 27,500 jobs, and nursing and residential care gaining 4,500 jobs.
- ▲ While the overall level of health employment is back to that of February 2020, jobs have shifted away from residential care settings and into ambulatory care settings. Jobs in ambulatory settings are 366,000 (4.6%) above the pre-pandemic level, while jobs in nursing and residential care are 346,000 (10.2%) below.
- ▲ The economy added 263,000 jobs in September, showing some moderation from the average gain of 420,000 per month through the first three quarters of 2022. The unemployment rate fell to 3.5%.
- ▲ Wages in health care continue to grow faster than overall private sector wages but the gap narrowed a bit. In August 2022, average hourly earnings in health care grew 6.8% 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 8.3%, compared to 7.9% in hospitals, and 5.5% in ambulatory care settings.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Sep 2021	Aug 2022	Sep 2022
Total Employment (000)	152,504	147,328	152,755	153,018
Non-Health Employment (000)	136,014	131,302	136,300	136,502
Health Employment (000)	16,491	16,026	16,456	16,516
Health Share of Total Employment	10.81%	10.88%	10.77%	10.79%
Unemployment Rate	3.5%	4.7%	3.7%	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.

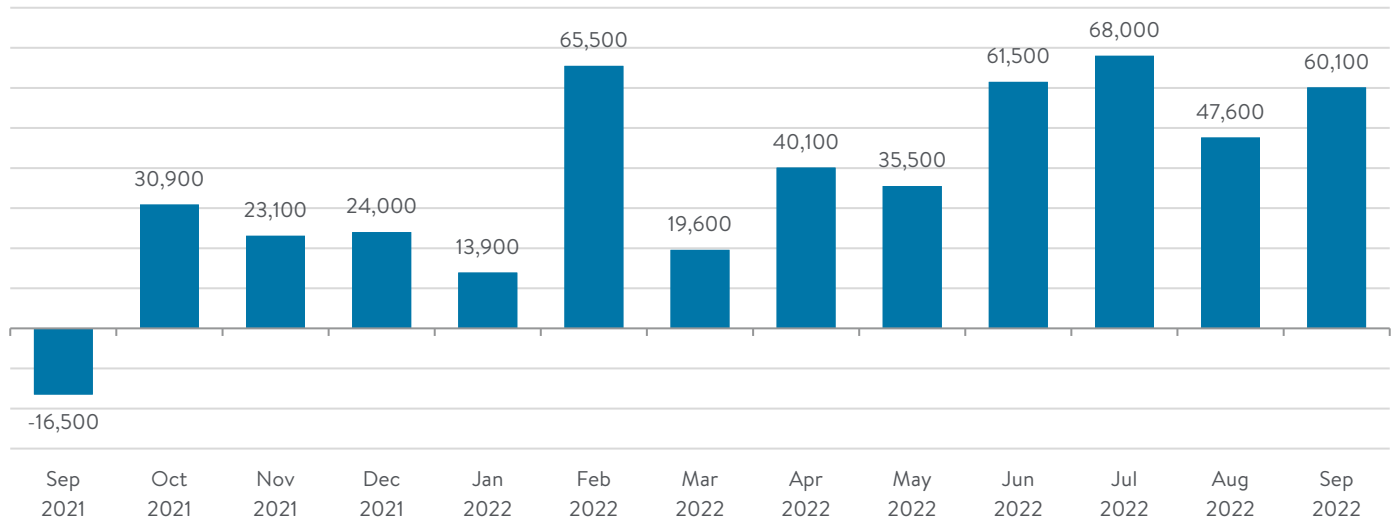
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 60,100 jobs in September, with minimal revisions to July and August. Health care has added 412,000 jobs through the first three quarters of 2022 (Exhibit 1).

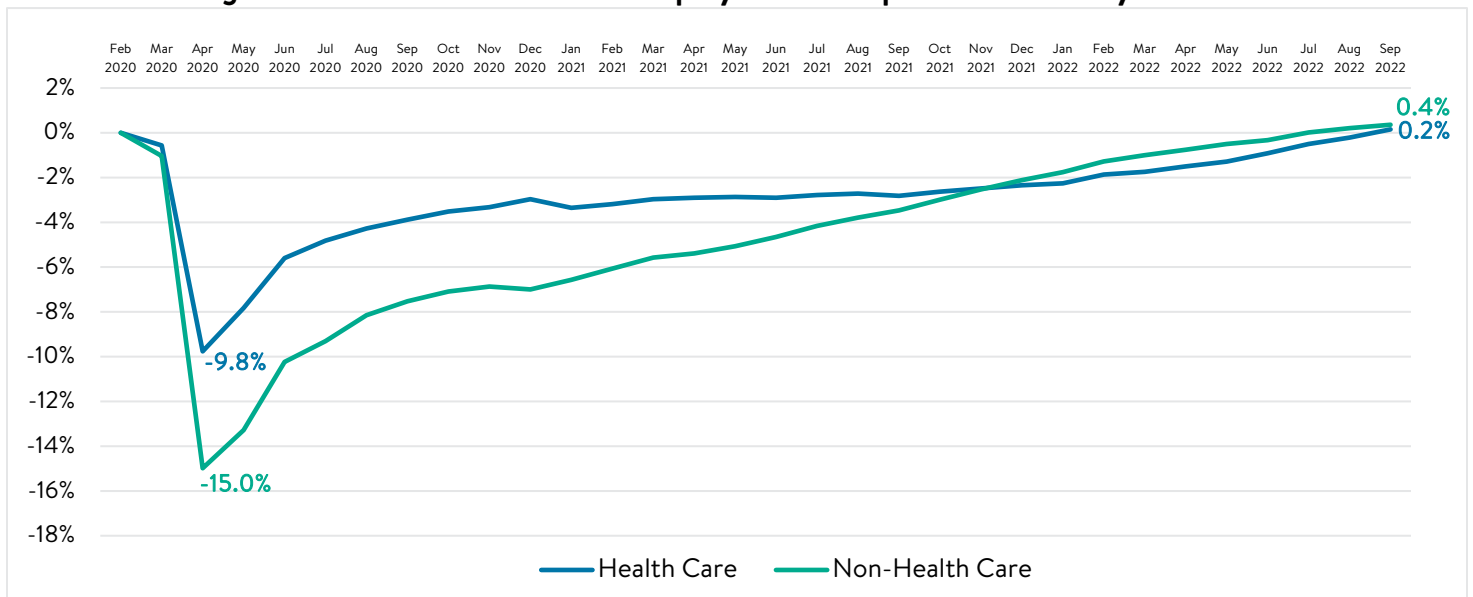
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

The economy added 263,000 jobs in September, a solid gain but showing some moderation in job growth. Through the first three quarters of 2022, the economy added 3.8 million jobs, a monthly average of 420,000 jobs. Both health and non-health employment are now just above their pre-pandemic levels (Exhibit 2).

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

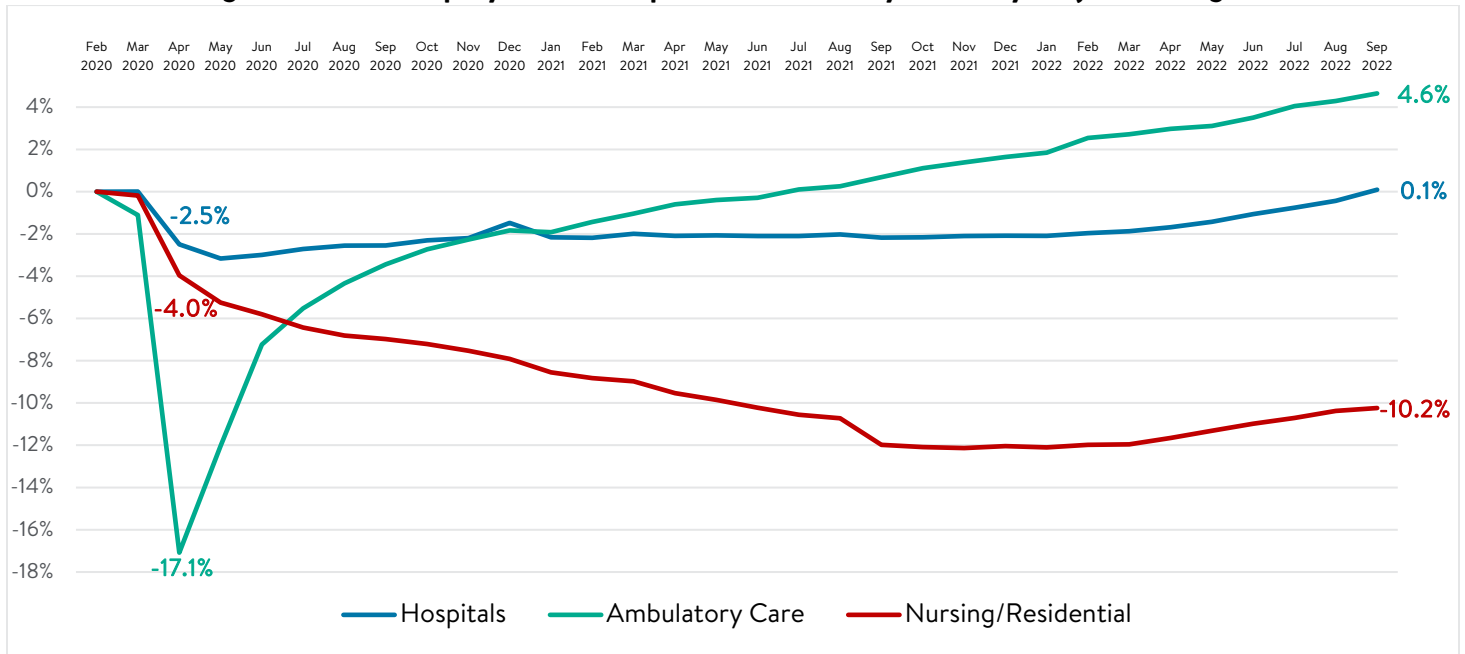


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Employment in ambulatory care settings returned to the pre-pandemic level in August 2021 and is now 4.6% above the level of February 2020 (Exhibit 3). After two and a half years, hospital employment has now returned to the February 2020 level. Employment in nursing and residential care settings appears to have bottomed out a year ago and is now growing modestly, currently standing at 345,000 jobs (10.2%) below the pre-pandemic level.

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

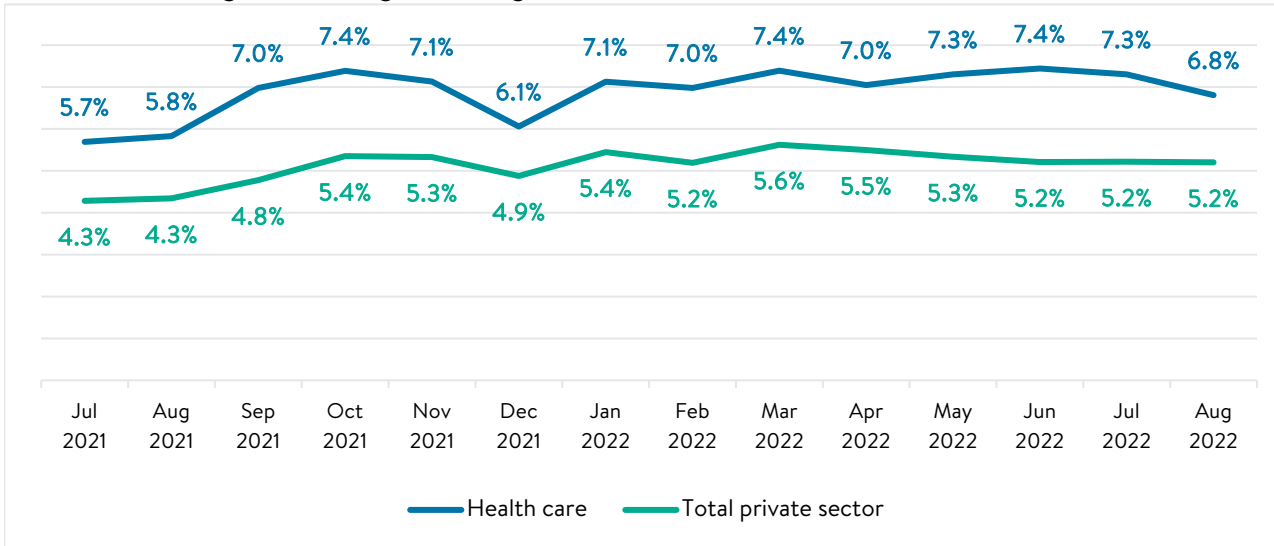


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



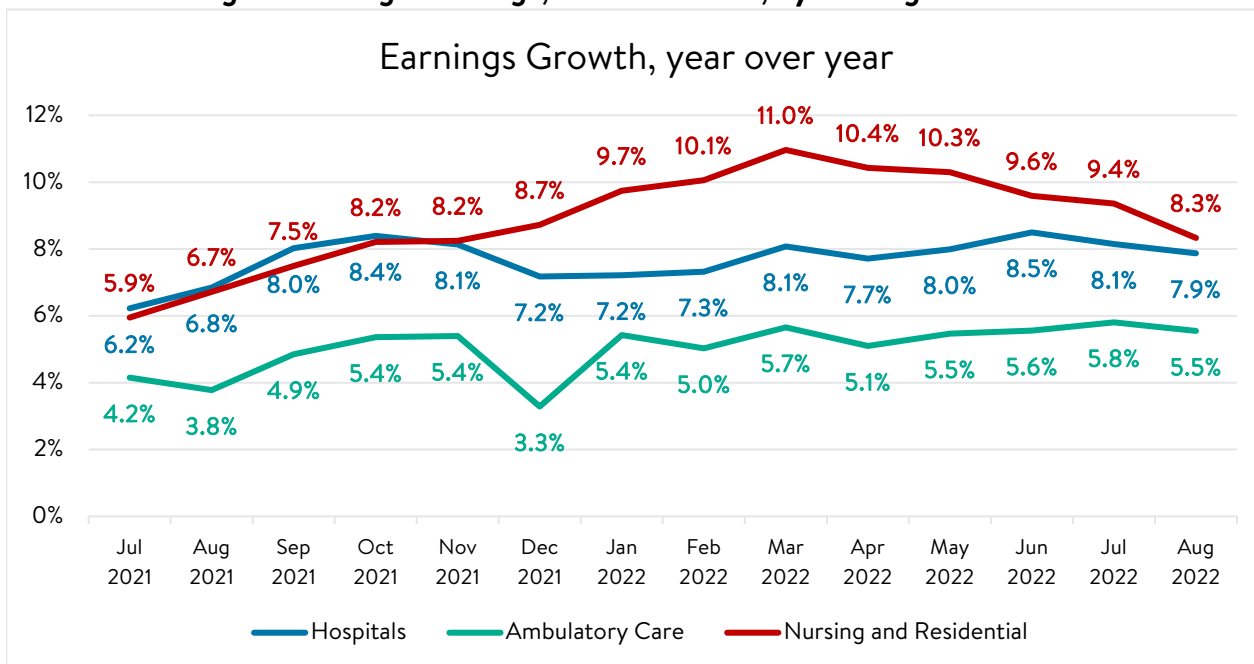
Wage growth in health care remains above the economywide average but fell below 7% in August for the first time in 2022. Average earnings in health care rose 6.8% over the year in August, compared to 5.2% for all private sector jobs (Exhibit 4).

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



Average earnings in hospitals and nursing and residential care have been growing faster than in ambulatory care settings; however, the gaps are closing (Exhibit 5). Wage growth declined in all three major settings of care in August 2022, but the decline is most notable in nursing and residential care, where wage growth has fallen from a high of 11.0% in March 2022 to 8.3% in August.

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)	September 2022	August 2022	September 2021	September 2020	February 2020
Non-Health Care	136,502	136,300	131,302	125,782	136,014
Health Care	16,516	16,456	16,026	15,851	16,491
Ambulatory Health Care Services	8,244	8,216	7,932	7,607	7,878
Offices of Physicians	2,856	2,845	2,756	2,658	2,728
Offices of Dentists	1,042	1,041	1,005	951	994
Offices of Other Health Care Practitioners	1,098	1,094	1,029	940	1,004
Outpatient Care Centers	1,032	1,031	1,004	977	997
Medical and Diagnostic Labs	315	315	310	286	287
Home Health Care Services	1,582	1,572	1,516	1,494	1,549
Other Ambulatory	319	319	313	302	319
Hospitals	5,240	5,213	5,122	5,102	5,236
Nursing and Residential Care Facilities	3,031	3,027	2,973	3,142	3,377
Nursing Care Facilities	1,361	1,360	1,347	1,455	1,585
Other Nursing and Residential	1,670	1,667	1,626	1,687	1,792
Health Share of Employment	10.79%	10.77%	10.88%	11.19%	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

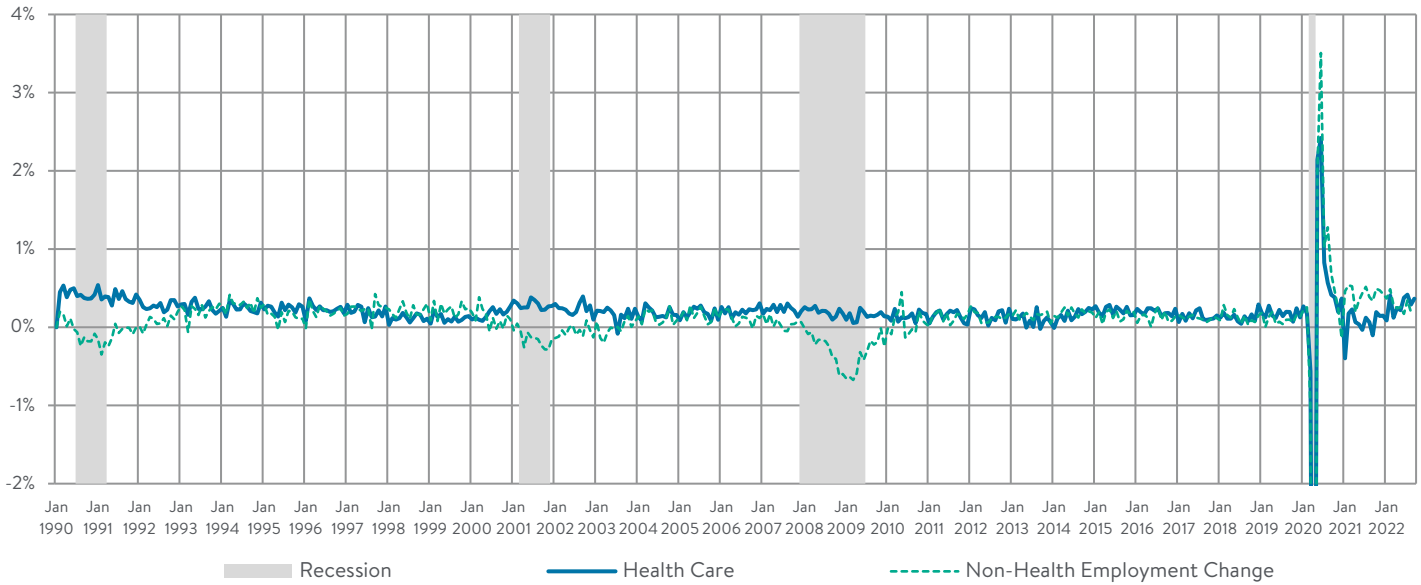
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	202.9	5,200.2	10,720.9	488.9
Health Care	60.1	489.8	665.1	25.1
Ambulatory Health Care Services	28.1	312.1	637.4	366.2
Offices of Physicians	10.2	99.5	198.0	127.9
Offices of Dentists	1.2	37.4	91.4	47.8
Offices of Other Health Care Practitioners	4.6	69.5	158.3	93.9
Outpatient Care Centers	1.4	27.9	55.4	35.0
Medical and Diagnostic Labs	-0.3	5.1	28.9	27.7
Home Health Care Services	10.6	66.7	88.1	33.8
Other Ambulatory	0.2	6.0	17.3	0.2
Hospitals	27.5	118.9	138.0	4.8
Nursing and Residential Care Facilities	4.5	58.8	-110.3	-345.9
Nursing Care Facilities	1.4	14.3	-93.5	-223.8
Other Nursing and Residential	3.1	44.5	-16.8	-122.1
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	4.0%	4.2%	0.1%
Health Care	4.5%	3.1%	2.1%	0.1%
Ambulatory Health Care Services	4.2%	3.9%	4.1%	1.8%
Offices of Physicians	4.4%	3.6%	3.7%	1.8%
Offices of Dentists	1.4%	3.7%	4.7%	1.8%
Offices of Other Health Care Practitioners	5.2%	6.8%	8.1%	3.5%
Outpatient Care Centers	1.6%	2.8%	2.8%	1.3%
Medical and Diagnostic Labs	-1.1%	1.6%	4.9%	3.6%
Home Health Care Services	8.4%	4.4%	2.9%	0.8%
Other Ambulatory	0.8%	1.9%	2.8%	0.0%
Hospitals	6.5%	2.3%	1.3%	0.0%
Nursing and Residential Care Facilities	1.8%	2.0%	-1.8%	-4.1%
Nursing Care Facilities	1.2%	1.1%	-3.3%	-5.7%
Other Nursing and Residential	2.3%	2.7%	-0.5%	-2.7%

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



TIME SERIES TRACKER

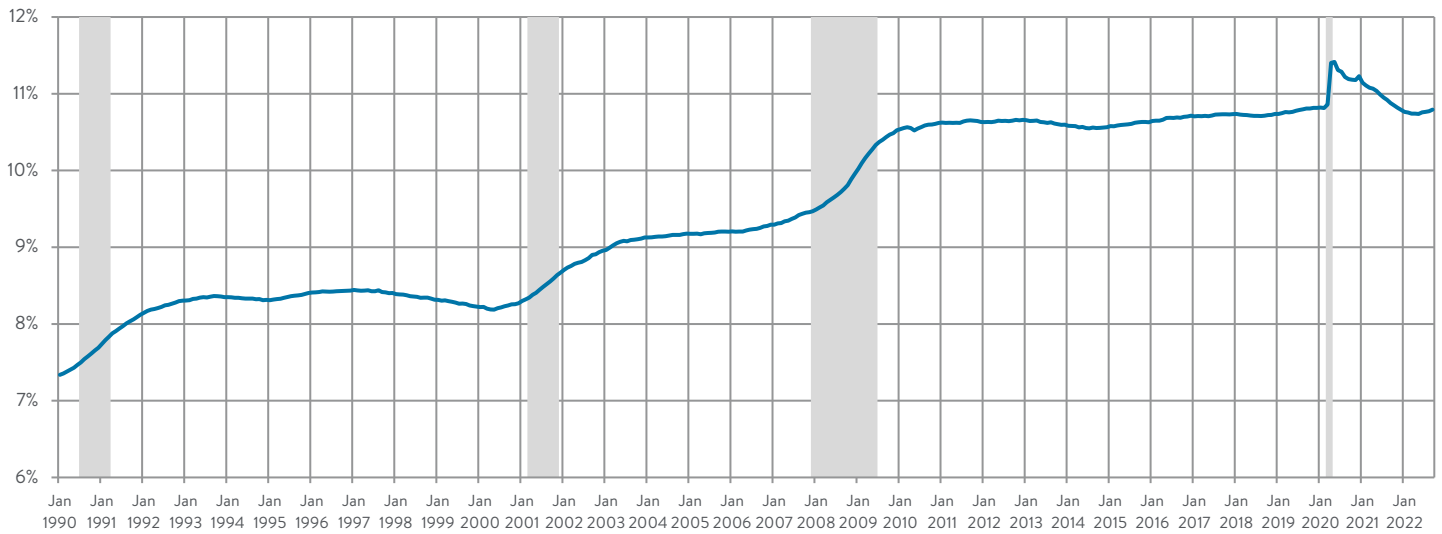
Exhibit 8. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. 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.