

**January 17, 2020** ▲ Health care created 400,000 jobs in 2019, nearly one in five new jobs overall

## HIGHLIGHTS

- ▲ Health care closed the year adding 28,000 jobs, for an average of 33,000 new jobs per month, comparable to 2015 and 2016.
- ▲ Health care employment grew by 400,000 in 2019, representing nearly one in five of the 2.1 million new jobs created overall.
- ▲ About two-thirds of new health jobs were in ambulatory care settings and about one-quarter were in hospitals (including hospital-based ambulatory settings). Nursing home employment declined while other nursing and residential care jobs grew modestly.
- ▲ These figures come from the monthly “establishment” survey, which showed the overall economy growing by 145,000 jobs in December. The companion “household” survey showed the unemployment rate steady at 3.5%.
- ▲ Year over year (December 2019 compared to December 2018), health jobs grew by 2.5%, compared to non-health jobs at 1.4%. The health share of total jobs is at 10.88%, the current all-time high.

## Cyclical Employment Big Picture

Seasonally Adjusted	Dec 2007	Jun 2009	Dec 2018	Dec 2019
Total Employment	138,409	131,026	150,275	152,383
Non-health Employment (000s)	125,306	117,491	134,090	135,800
Health Employment (000s)	13,103	13,535	16,185	16,584
Health Share of Total Employment	9.47%	10.33%	10.77%	10.88%
Unemployment Rate	5.0%	9.5%	3.9%	3.5%

The recession officially began in December 2007 and ended in July 2009. Total employment excludes farm work. Health care employment is private only.

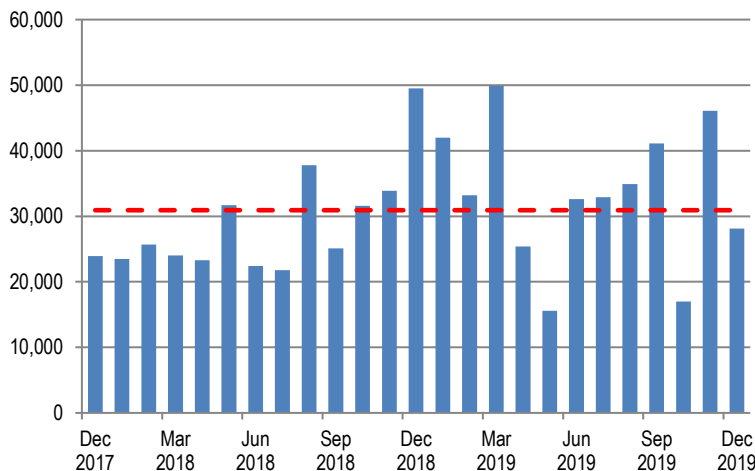
Source: Altarum analysis of Bureau of Labor Statistics (BLS) data.

## HEALTH CARE EMPLOYMENT

In December 2019, private-sector health care employment showed a gain of 28,100 jobs (Exhibit 1), according to the Bureau of Labor Statistics (BLS) Employment Situation report released January 10, 2020. Hospitals gained 8,800 jobs, ambulatory settings added 23,100 jobs, and nursing and residential care lost 3,800 jobs. The health care share of total employment ticked up to 10.88% (Exhibit 8).

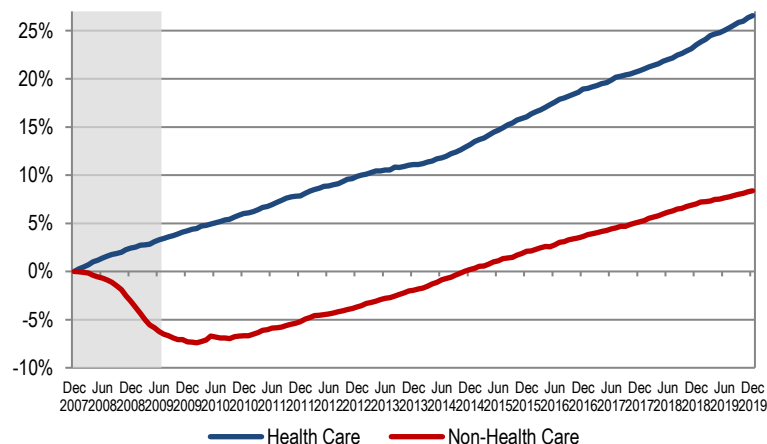
Over the last 12 months, total private-sector health care employment grew by 398,800 jobs, or 2.5%. During this period, total non-health payroll employment increased by 1.71 million jobs, or 1.4% (Exhibit 6). Since the start of the recession in December 2007, the health sector has added 3.5 million jobs for a cumulative gain of 26.6%, while non-health employment has added 10.5 million jobs for a cumulative gain of 8.4% (Exhibit 2).

Exhibit 1. Month-over-Month Change in Total Health Care Employment, Seasonally Adjusted, Dec. 2017 – Dec. 2019



Source: Altarum analysis of monthly BLS data.

Exhibit 2. Health and Non-Health Employment: Cumulative Percentage Change Since December 2007



Source: Altarum analysis of monthly BLS data.

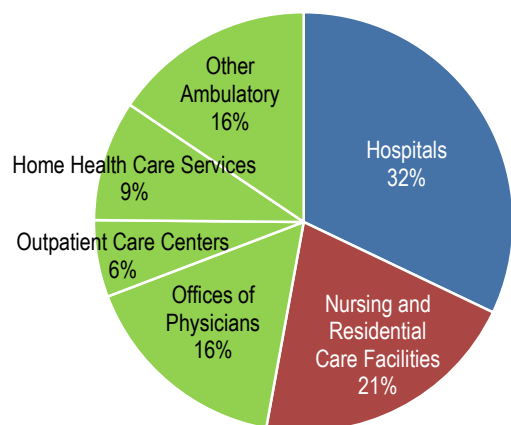
Note: Shading indicates the recession period.

## HEALTH CARE JOBS BY SETTING

In December 2019, the following occurred (Exhibit 5 shows the totals):

- ▲ Hospitals gained 8,800 jobs, near the 12-month average of 8,500.
- ▲ Ambulatory health care services added 23,100 jobs, near the 12-month average of 22,500. These services include the following:
  - Offices of physicians gained 5,400 jobs (average: 6,300).
  - Outpatient care centers gained 7,300 jobs (average: 3,000).
  - Home health care added 7,300 new jobs (average: 6,500).
  - Other ambulatory care, which includes offices of dentists, chiropractors, labs, and other health care practitioners, gained 6,500 jobs (average: 6,600).
- ▲ Nursing and residential care facilities lost 3,800 jobs (average +2,300) with nursing homes losing 6,700 jobs (average: -1,000) and other nursing and residential care adding 2,900 (average: 3,300).
- ▲ Ambulatory services accounted for 47% of health care employment, hospitals another 32%, and nursing and residential care facilities the remaining 21% (Exhibit 3).

Exhibit 3. Health Care Employment by Setting, Dec. 2019

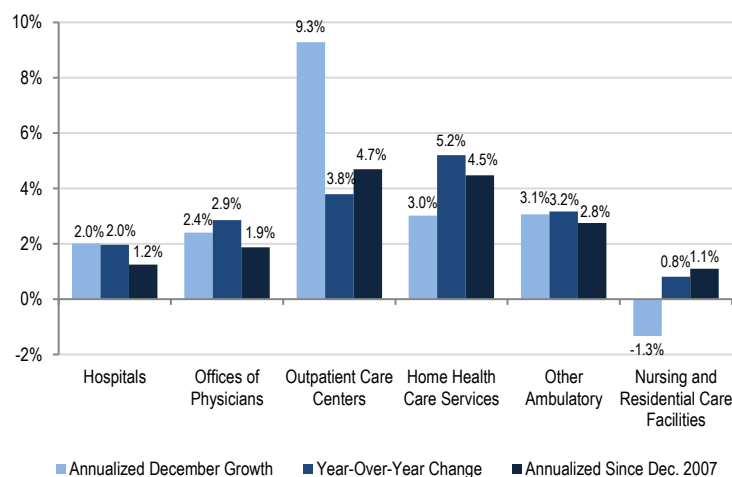


Source: Altarum analysis of BLS data.

Note: "Other Ambulatory" includes offices of dentists, chiropractors, optometrists, and other specialists as well as medical and diagnostic labs.

Over the past 12 months, home health care services grew at the fastest rate, 5.2%, adding 78,000 jobs. Outpatient care centers gained 36,200 jobs for a growth rate of 3.8%. Other ambulatory care settings gained 87,300 jobs for a growth rate of 3.5%. Offices of physicians added 79,500 jobs for a growth rate of 3.2%. Hospital jobs grew 2.0% over the past 12 months, adding 102,000 jobs. Finally, nursing and residential care added 27,400 jobs for a growth rate of 0.8%, with a continued shift in jobs from nursing homes (which lost 12,200 jobs) to other residential care (which gained 39,600 jobs).

Exhibit 4. Growth in Health Care Jobs by Setting



Source: Altarum analysis of BLS data.

## DISCUSSION

Health care added 400,000 new jobs in 2019, or nearly one in five of the 2.1 million jobs created overall. Health care job growth in 2019 was comparable to the post-coverage-expansion years of 2015 and 2016, with health employment growing by 2.5% year-over-year in each of those years.

Hospitals added about one-quarter of the new health jobs (102,000) in 2019. About two-thirds of the new health jobs (269,000) were in ambulatory care settings such as outpatient care centers, home health, and physician offices.

There was no expansion in health care coverage driving a need for more health care workers in 2019, but there has been early evidence of increased use of health care services. Quarterly earnings reports through Q3 for the three largest for-profit hospital companies all showed growth in "same-store" admissions. Our forthcoming analysis of public versus private payer spending patterns is showing growth in utilization of Medicare and Medicaid services in 2019. We plan to release a comprehensive health sector trend report integrating labor, spending, and price trends for calendar year 2019 after December spending data are released next month.

The economy added 145,000 jobs in December and unemployment remained at the 50-year low of 3.5%. With unemployment below 4% for much of the past two years, wage growth remains relatively modest at 2.9% over the year, and economists are increasingly looking beyond standard labor market measures to assess the types of jobs being created and the degree to which these jobs pay a living wage.

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Altarum is a 501(c)(3) nonprofit health care research and consulting organization. Altarum integrates independent research and client-centered consulting to deliver comprehensive, system-based solutions that improve health and health care. 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. In large part, this work was made possible through 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 Paul Hughes-Cromwick, at 734-302-4616 or [paul.hughes-cromwick@altarum.org](mailto:paul.hughes-cromwick@altarum.org). Ani Turner (principal author), George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: Sarah Litton, 202-772-5062, [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DETAILED HEALTH CARE EMPLOYMENT DATA

Exhibit 5. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	December 2019	November 2019	December 2018	December 2017	December 2007
Non-Health Care	135,800	135,683	134,090	131,762	125,306
Health Care	16,584	16,555	16,185	15,834	13,103
Ambulatory Health Care	7,884	7,861	7,615	7,388	5,556
Offices of Physicians	2,724	2,718	2,648	2,598	2,180
Outpatient Care Centers	990	983	954	914	571
Home Health Care Services	1,578	1,574	1,500	1,442	933
Other Ambulatory	2,592	2,586	2,513	2,434	1,871
Hospitals	5,297	5,288	5,195	5,095	4,564
Nursing and Residential Care	3,402	3,406	3,375	3,351	2,984
Nursing Care Facilities	1,597	1,604	1,609	1,616	1,612
Other Nursing and Residential	1,805	1,803	1,766	1,735	1,372
Health Share of Employment	10.88%	10.87%	10.77%	10.73%	9.47%

Source: Altarum analysis of BLS data.

Exhibit 6. Change in Employment Data by Sector, Seasonally Adjusted

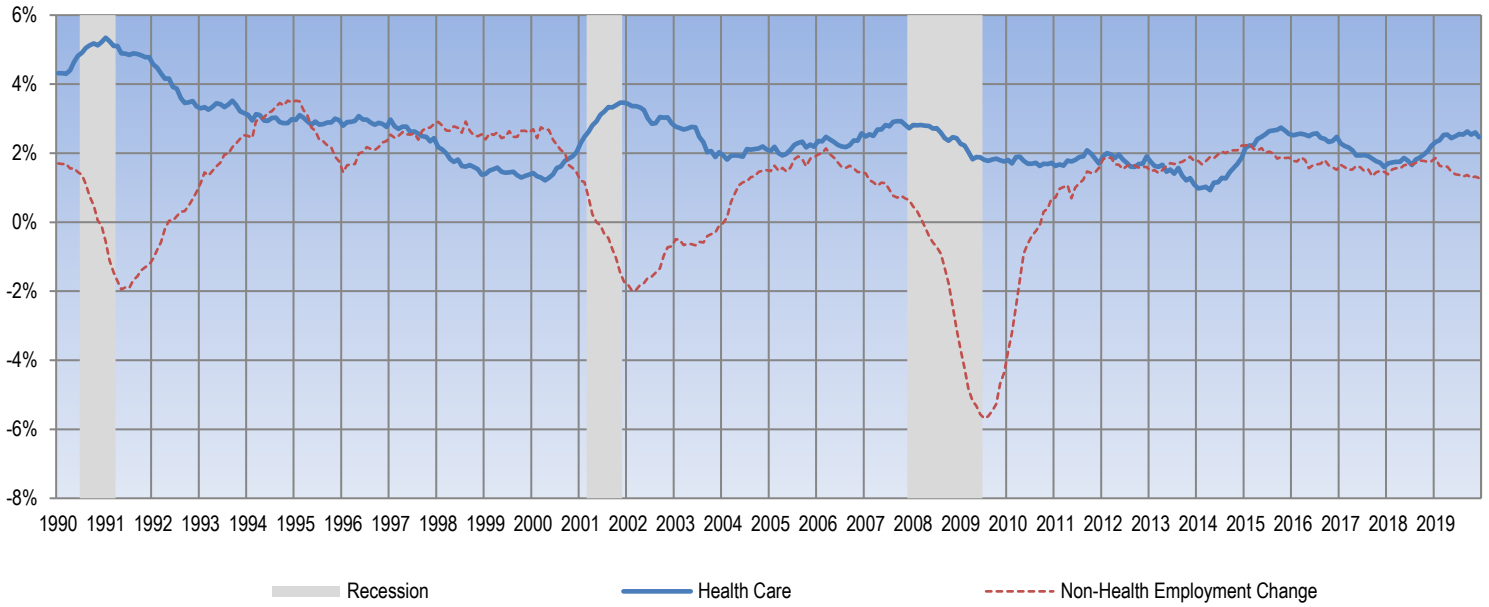
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Dec. 2007
Non-Health Care	116.9	1,709.2	4,037.9	10,493.9
Health Care	28.1	398.8	749.1	3,480.1
Ambulatory Health Care Services	23.1	269.4	495.6	2,328.3
Offices of Physicians	5.4	75.7	125.2	543.2
Outpatient Care Centers	7.3	36.2	76.1	418.8
Home Health Care Services	3.9	78.0	136.5	645.0
Other Ambulatory	6.5	79.5	157.8	721.3
Hospitals	8.8	102.0	201.8	733.2
Nursing and Residential Care Facilities	-3.8	27.4	51.7	418.6
Nursing Care Facilities	-6.7	-12.2	-18.9	-14.6
Other Nursing and Residential	2.9	39.6	70.6	433.2
<b>Annualized Percentage Change</b>				
Non-Health Care	1.0%	1.3%	1.5%	0.7%
Health Care	2.1%	2.5%	2.3%	2.0%
Ambulatory Health Care Services	3.6%	3.5%	3.3%	3.0%
Offices of Physicians	2.4%	2.9%	2.4%	1.9%
Outpatient Care Centers	9.3%	3.8%	4.1%	4.7%
Home Health Care Services	3.0%	5.2%	4.6%	4.5%
Other Ambulatory	3.1%	3.2%	3.2%	2.8%
Hospitals	2.0%	2.0%	2.0%	1.2%
Nursing and Residential Care Facilities	-1.3%	0.8%	0.8%	1.1%
Nursing Care Facilities	-4.9%	-0.8%	-0.6%	-0.1%
Other Nursing and Residential	1.9%	2.2%	2.0%	2.3%

Source: Altarum analysis of BLS data.



## TIME SERIES TRACKER

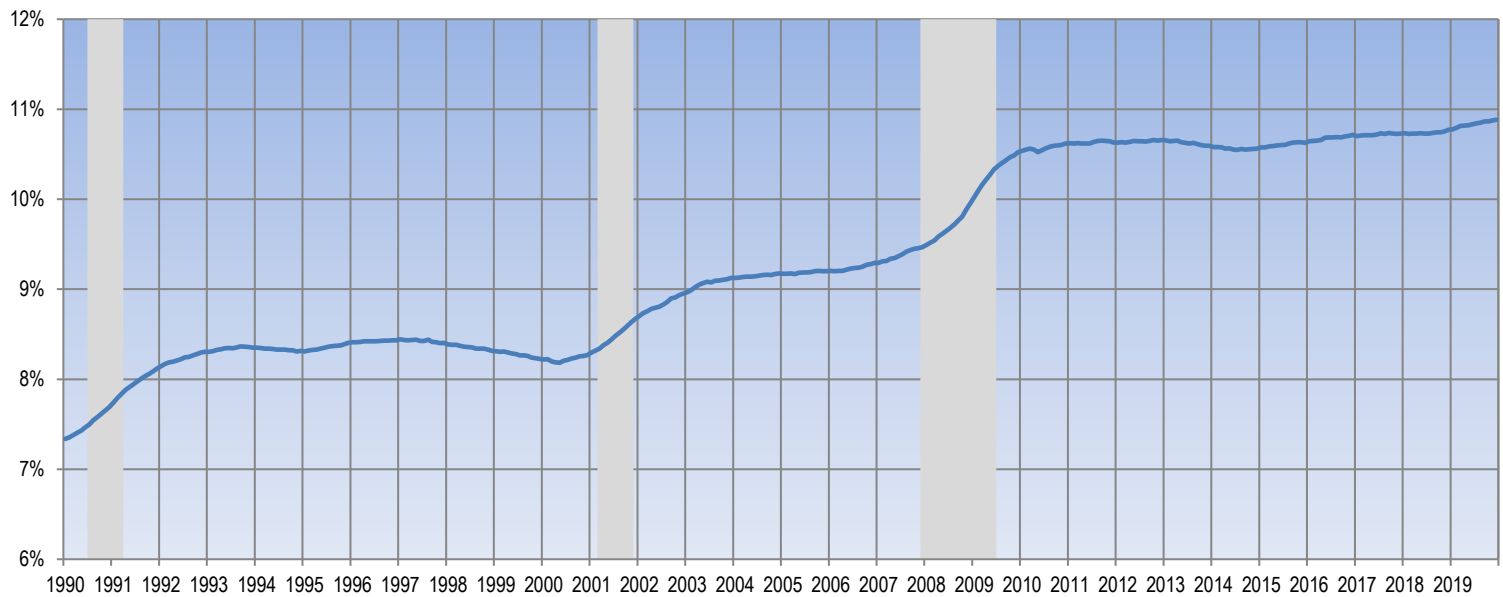
Exhibit 7. Year-over-Year Percentage Change in Health and Non-Health Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 8. Health Care Sector Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.