

April 16, 2021

End of first quarter 2021 health employment down 44,000 from end of 2020

HIGHLIGHTS

- ▲ Health care added 11,500 jobs in March 2021 and 25,000 jobs in February; however, a drop of more than 80,000 jobs in January (Exhibit 1) puts health employment at the end of first quarter (Q1) 2021 down by 44,000 jobs compared to the end of 2020. Compared to the February 2020 pre-pandemic peak, health employment is down 3.1%, or 557,000 jobs (Exhibit 3).
- ▲ Hospital employment fell only slightly in March (-600 jobs) but has now fallen in each of the past three months and closes Q1 2021 down 37,000 jobs compared to the end of 2020.
- ▲ Ambulatory care settings added 15,300 jobs in March and have added a net 31,000 jobs in Q1 2021.
- ▲ Nursing and residential care employment fell by 3,200 jobs in March. Nursing homes added jobs for the first time in more than a year, adding 1,700 jobs, while other nursing and residential care lost 4,900 jobs. Overall, nursing and residential care employment is down 38,000 jobs in Q1 2021 and has fallen by 8.6%, or 313,000 jobs, since February 2020.
- ▲ The economy overall added a robust 904,500 jobs in February and the unemployment rate dropped to 6.0%. Total employment remains 5.5%, or about 8.4 million jobs, below the February 2020 pre-pandemic peak.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	March 2020	February 2021	March 2021
Total Employment (000)	152,523	150,840	143,204	144,120
Non-Health Employment (000)	136,031	134,443	127,280	128,185
Health Employment (000)	16,492	16,397	15,924	15,935
Health Share of Total Employment	10.81%	10.87%	11.12%	11.06%
Unemployment Rate	3.5%	4.4%	6.2%	6.0%

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. We thank Paul Hughes-Cromwick, who originated the concept of these reports and provided inspired leadership of the work from its inception. Media Contact: Sarah Litton, 202-772-5062, press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care added 11,500 jobs in March and 25,000 jobs in February, but the drop of 80,500 jobs in January (Exhibit 1) puts health care employment at the end of Q1 2021 down 44,000 jobs compared to the end of 2020. This modest drop in health care employment contrasts with robust growth in the overall labor market, which added more than 1.6 million jobs in Q1 2021. Compared to the February 2020 pre-pandemic peak, the economy is still down 8.4 million jobs, and unlike in any recent recession, health care represents seven percent of this total (557,000 fewer jobs).

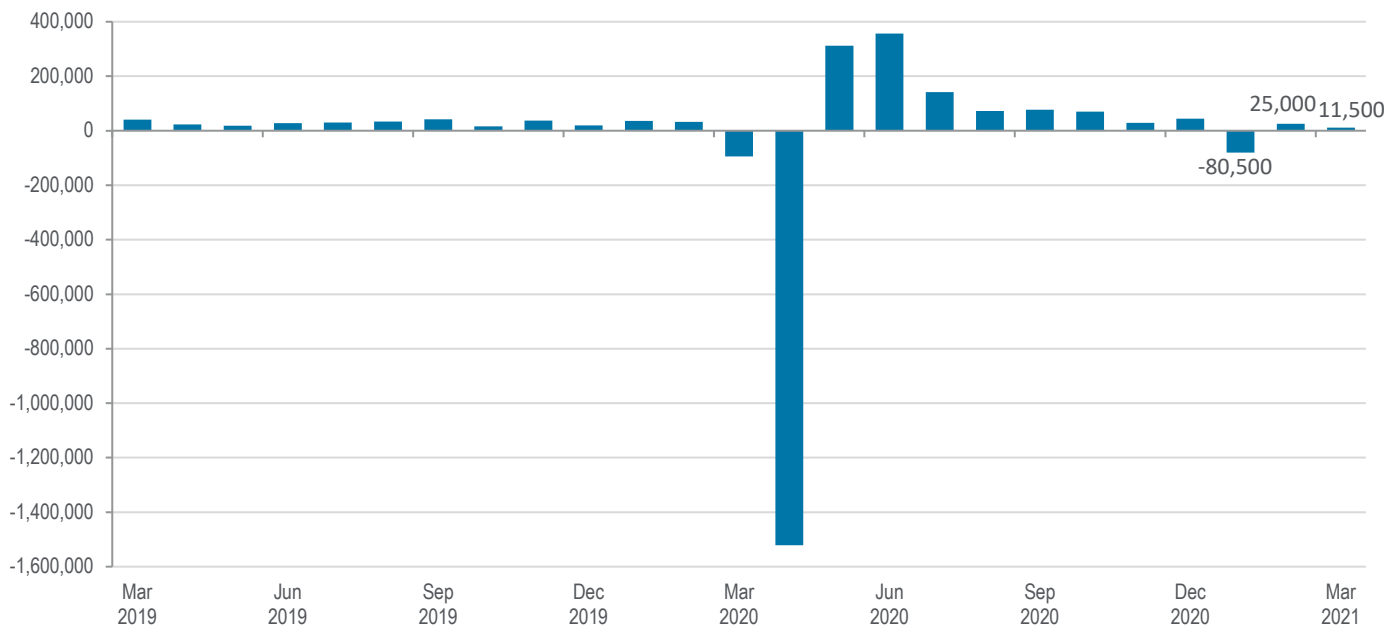
Hospital employment dropped only slightly in March and February (-600 and -1,900 jobs) but has been down each month so far in 2021 and is down 37,000 jobs at the end of Q1 compared to the end of 2020. The hospital workforce is down 1.8%, or about 100,000 jobs, from February 2020 (Exhibit 3).

Ambulatory care settings added 15,300 jobs in March and have added 31,000 jobs in Q1 2021, with growth primarily seen in offices of physicians, dentists, and other health care practitioners. Jobs in ambulatory care settings are down 1.7%, or 144,000 jobs from February 2020.

Nursing homes added jobs for the first time in more than a year, adding 1,700 jobs, while other nursing and residential care lost 4,900 jobs. Overall, nursing and residential care employment is down 38,000 jobs in Q1 2021 and has fallen by 8.6%, or 313,000 jobs, since February 2020.

The declines in employment in parts of health care in 2021 are noteworthy given how consistently health sector jobs grew prior to 2020. Of course, with 15.9 million jobs in health care, 44,000 jobs lost in Q1 2021 represents a decline of only one-third of one percent. Nevertheless, it is occasionally worth putting some perspective around the numbers we discuss each month in this brief. In the U.S., 44,000 is roughly the total number of real estate brokers or professional actors or security screeners employed in all airports. And it is more than the total number of professional photographers or urban planners – or, certainly, economists.

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



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 2. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	March 2021	February 2021	March 2020	March 2019	February 2020
Non-Health Care	128,185	127,280	134,443	134,088	136,031
Health Care	15,935	15,924	16,397	16,175	16,492
Ambulatory Health Care Services	7,731	7,716	7,790	7,634	7,875
Offices of Physicians	2,672	2,669	2,699	2,651	2,726
Offices of Dentists	992	991	960	968	991
Offices of Other Health Care Practitioners	962	955	987	960	1,002
Outpatient Care Centers	993	993	998	957	998
Medical and Diagnostic Labs	292	292	287	279	289
Home Health Care Services	1,505	1,501	1,543	1,508	1,547
Other Ambulatory	316	316	316	311	322
Hospitals	5,138	5,138	5,236	5,169	5,238
Nursing and Residential Care Facilities	3,066	3,069	3,372	3,372	3,379
Nursing Care Facilities	1,408	1,406	1,582	1,602	1,586
Other Nursing and Residential	1,658	1,663	1,790	1,770	1,794
Health Share of Employment	11.06%	11.12%	10.87%	10.76%	10.81%

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

Exhibit 3. Change in Employment Data by Sector, Seasonally Adjusted

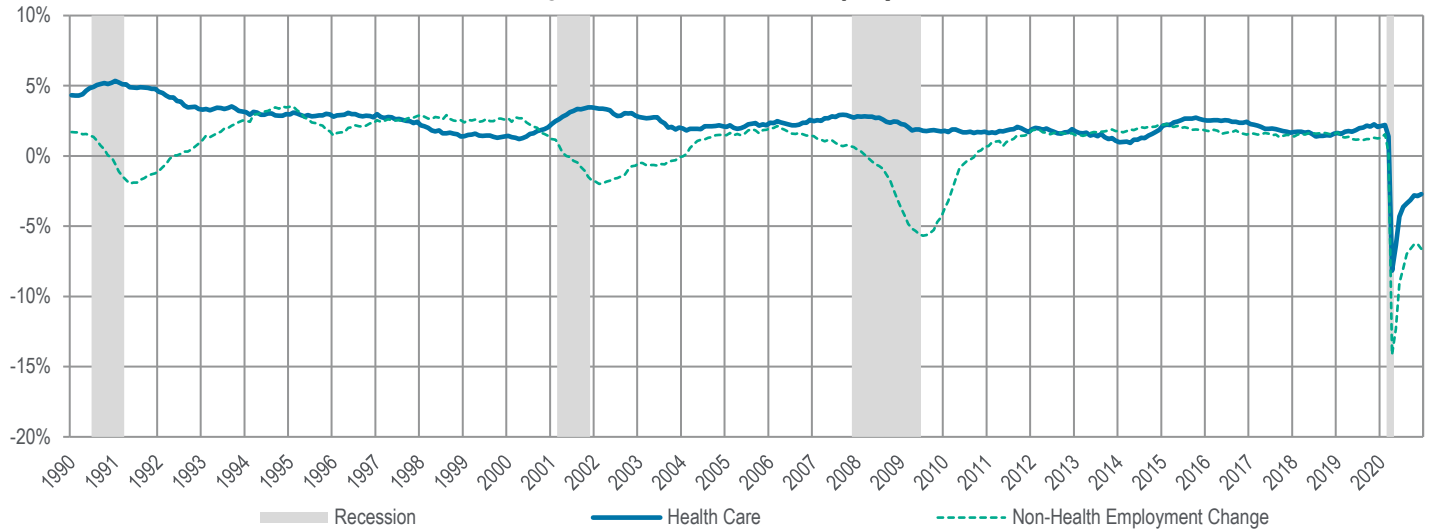
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	904.5	-6,257.9	-5,903.7	-7,846.2
Health Care	11.5	-462.1	-239.3	-556.8
Ambulatory Health Care Services	15.3	-58.7	97.8	-143.8
Offices of Physicians	2.9	-27.5	20.8	-54.2
Offices of Dentists	1.0	32.7	24.3	1.5
Offices of Other Health Care Practitioners	7.5	-24.7	2.6	-40.1
Outpatient Care Centers	0.1	-5.1	35.7	-5.1
Medical and Diagnostic Labs	0.0	4.3	12.3	2.2
Home Health Care Services	4.2	-37.6	-2.2	-42.0
Other Ambulatory	-0.4	-0.7	4.2	-6.1
Hospitals	-0.6	-97.8	-31.5	-99.8
Nursing and Residential Care Facilities	-3.2	-305.6	-305.6	-313.2
Nursing Care Facilities	1.7	-173.6	-194.2	-177.7
Other Nursing and Residential	-4.9	-132.0	-111.4	-135.5
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	8.9%	-4.7%	-2.2%	-5.3%
Health Care	0.9%	-2.8%	-0.7%	-3.1%
Ambulatory Health Care Services	2.4%	-0.8%	0.6%	-1.7%
Offices of Physicians	1.3%	-1.0%	0.4%	-1.8%
Offices of Dentists	1.2%	3.4%	1.2%	0.1%
Offices of Other Health Care Practitioners	9.8%	-2.5%	0.1%	-3.7%
Outpatient Care Centers	0.1%	-0.5%	1.8%	-0.5%
Medical and Diagnostic Labs	0.0%	1.5%	2.2%	0.7%
Home Health Care Services	3.4%	-2.4%	-0.1%	-2.5%
Other Ambulatory	-1.5%	-0.2%	0.7%	-1.8%
Hospitals	-0.1%	-1.9%	-0.3%	-1.8%
Nursing and Residential Care Facilities	-1.2%	-9.1%	-4.6%	-8.6%
Nursing Care Facilities	1.5%	-11.0%	-6.3%	-10.4%
Other Nursing and Residential	-3.5%	-7.4%	-3.2%	-7.0%

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



TIME SERIES TRACKER

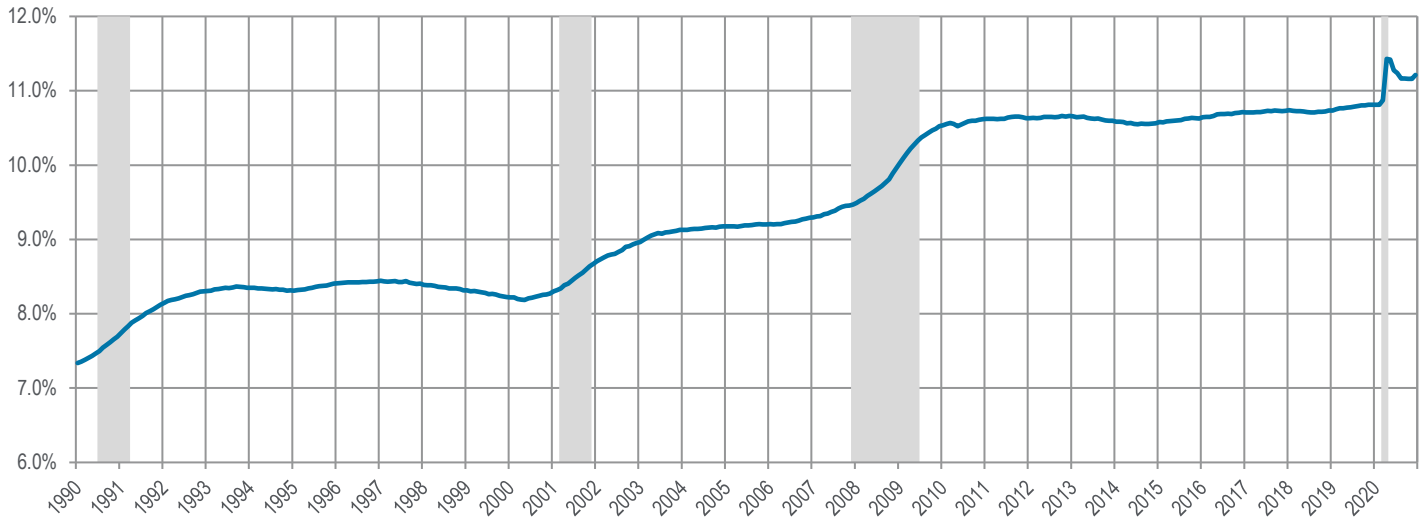
Exhibit 4. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. End date of most recent recession is not yet defined; we use April 2020.

Exhibit 5. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. End date of most recent recession is not yet defined; we use April 2020.