

August 14, 2020

Health care regains half of jobs lost in spring, although pace of recovery slows

HIGHLIGHTS

- ▲ Health care added 125,500 jobs in July. Combined with more than 655,000 added in May and June, the health sector has regained 50% of the 1.58 million jobs lost in March and April.
- ▲ Ambulatory care settings have seen the most fluctuation in employment in 2020. In March and April, these settings lost 1.33 million jobs, representing 85% of all health care jobs lost. Over the past three months, ambulatory settings have regained two-thirds of these jobs (884,000).
- ▲ After losing 161,000 jobs in April and May, hospitals have regained 30,000 jobs, or 18% of jobs lost.
- ▲ Both nursing homes and other residential care facilities have lost jobs for five straight months. With 28,000 jobs lost in July, employment in these facilities has fallen by 220,000 since February.
- ▲ The economy overall gained 1.76 million jobs in June and has regained 42% of the 22.16 million jobs lost since February. The unemployment rate fell from 11.1% to 10.2%.

Cyclical Employment Big Picture

Seasonally Adjusted	July 2019	June 2020	July 2020
Total Employment (000)	150,953	137,819	139,582
Non-Health Employment (000)	134,671	122,234	123,871
Health Employment (000)	16,282	15,585	15,711
Health Share of Total Employment	10.79%	11.31%	11.26%
Unemployment Rate	3.7%	11.1%	10.2%

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 vulnerable and publicly insured 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 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 202-776-5110 or paul.hughes-cromwick@altarum.org. Ani Turner (principal author), Paul Hughes-Cromwick, George Miller, PhD, Corwin Rhyon, and Matt Daly, PhD, contributed to this brief. Media Contact Sarah Litton, 202-772-5062. press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

The health sector continues to regain jobs, although at a slower pace than in May and June. Adding 126,000 jobs in July, the health sector has regained more than 780,000 jobs, or about half of the 1.58 million jobs lost in March and April of this year.

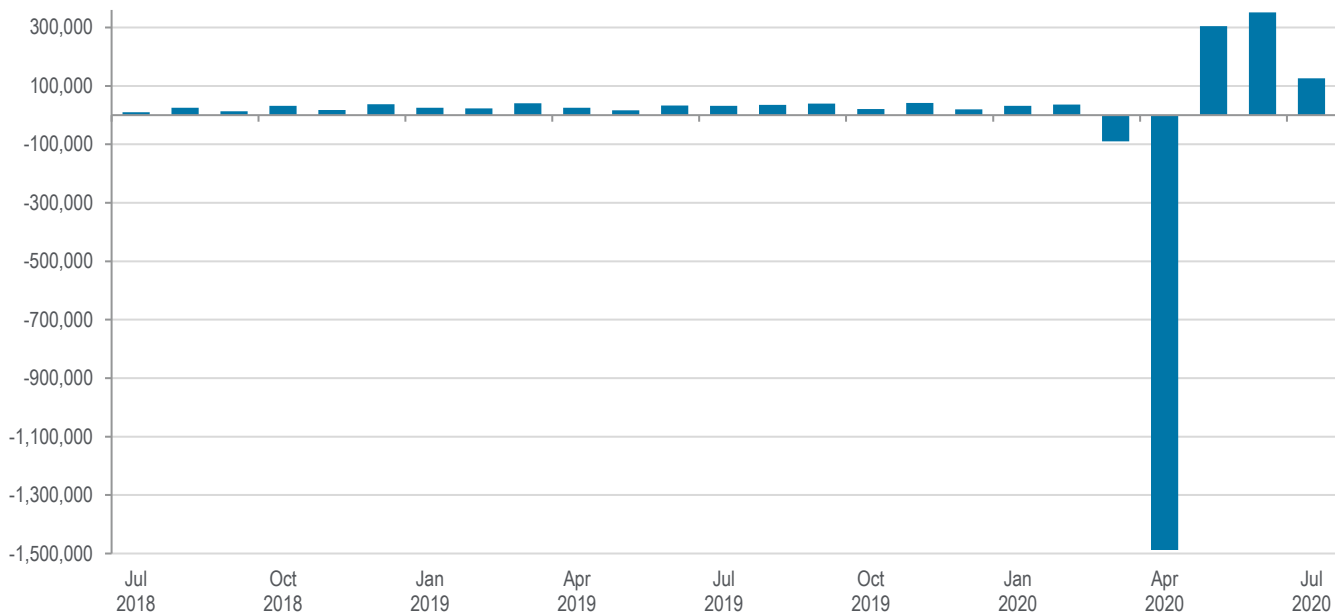
In ambulatory care settings, where most of the job losses occurred, two-thirds of jobs have returned. As we have noted in previous analyses, dental offices have experienced particularly dramatic swings in employment, losing more than half the jobs in this setting (549,000 jobs) in March and April, but rebounding quickly in May and June. Dental offices added another 45,000 in July and have now regained 483,000 jobs since April, or 94% of the jobs lost.

Hospitals were slower to lose jobs than ambulatory care settings, lost a smaller percentage of jobs, and have been slower to regain them. Hospitals lost 161,000 jobs in April and May and have gained back 30,000 jobs, or 18% of jobs lost, through July. At the current level of employment, the hospital workforce has shrunk by about 3%. Note that hospital employment includes inpatient care, including care of Covid-19 hospitalizations, and hospital-based outpatient clinics and ancillary services, as well as administrative and other non-health care service jobs.

Nursing and residential care continues to struggle. Job losses in these settings have not been as dramatic as in ambulatory care but both nursing homes and other residential care, such as assisted living, have shed jobs for five straight months for a total of 220,000 jobs lost. Employment in nursing homes is 93% of what it was in April and in other residential care it is 94%.

The overall economy regained jobs in July, also at a slower pace than in May and June, adding 1.76 million jobs. Including health care, the economy has regained 42% of jobs lost. Comparing July 2020 to July 2019, health care jobs are down by 3.5% year over year, while non-health jobs are down by 8.0%, for a total year-over-year decline of 7.5% in U.S. employment.

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)	July 2020	June 2020	July 2019	July 2018
Non-Health Care	123,871	122,234	134,671	133,063
Health Care	15,711	15,585	16,282	15,961
Ambulatory Health Care Services	7,406	7,279	7,704	7,480
Offices of Physicians	2,590	2,564	2,673	2,614
Outpatient Care Centers	941	934	964	932
Home Health Care Services	1,498	1,482	1,530	1,469
Dental Offices	910	866	970	950.7
Other Ambulatory	1,466	1,434	1,567	1,515.1
Hospitals	5,134	5,107	5,195	5,131
Nursing and Residential Care Facilities	3,171	3,199	3,383	3,351
Nursing Care Facilities	1,477	1,494	1,600	1,602
Other Nursing and Residential	1,695	1,705	1,783	1,749
Health Share of Employment	11.26%	11.31%	10.79%	10.71%

Source: Altarum analysis of BLS Current Employment Statistics data

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

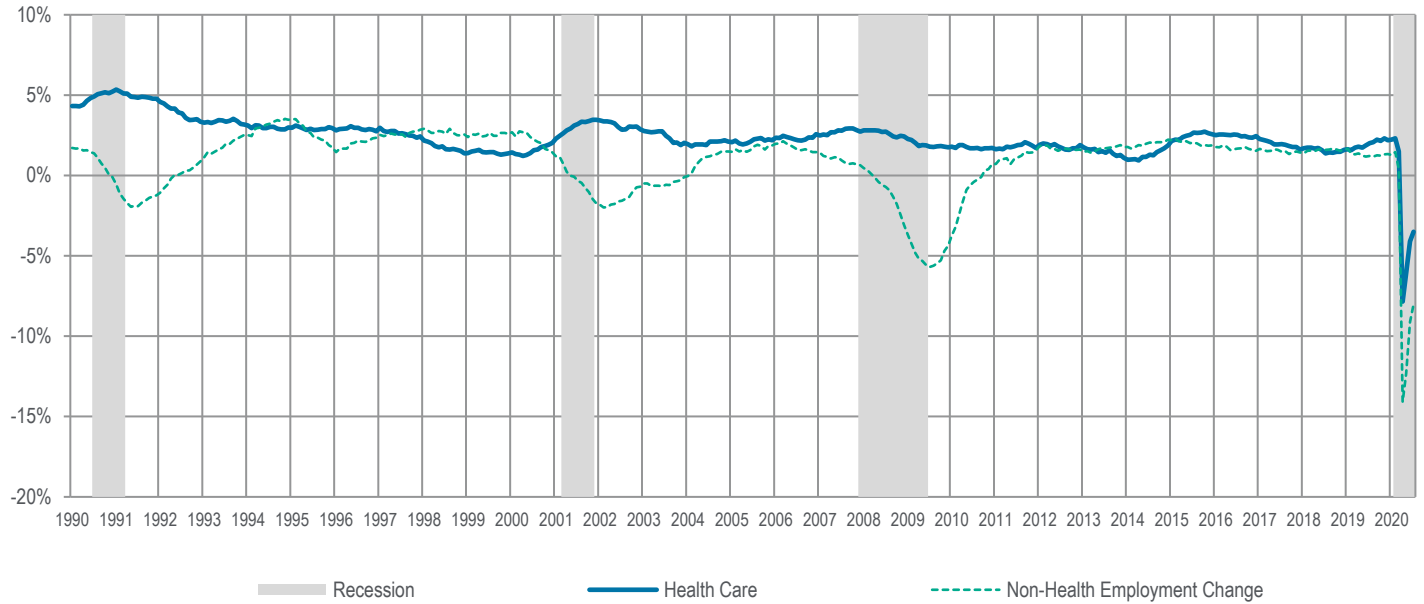
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	1,637.5	-10,799.6	-9,191.3
Health Care	125.5	-571.4	-250.7
Ambulatory Health Care Services	126.2	-298.9	-74.1
Offices of Physicians	25.9	-83.1	-23.3
Outpatient Care Centers	7.7	-22.3	9.7
Home Health Care Services	15.6	-32.6	28.9
Dental Offices	44.8	-59.6	-40.3
Other Ambulatory	32.2	-101.3	-49.1
Hospitals	27.4	-60.6	3.2
Nursing and Residential Care Facilities	-28.1	-211.9	-179.8
Nursing Care Facilities	-17.5	-123.8	-125.0
Other Nursing and Residential	-10.6	-88.1	-54.8
Annualized Percent Change	One Month	12 Months	24 Months
Non-Health Care	17.3%	-8.0%	-3.5%
Health Care	10.1%	-3.5%	-0.8%
Ambulatory Health Care Services	22.9%	-3.9%	-0.5%
Offices of Physicians	12.8%	-3.1%	-0.4%
Outpatient Care Centers	10.4%	-2.3%	0.5%
Home Health Care Services	13.4%	-2.1%	1.0%
Dental Offices	83.2%	-6.1%	-2.1%
Other Ambulatory	30.5%	-6.5%	-1.6%
Hospitals	6.6%	-1.2%	0.0%
Nursing and Residential Care Facilities	-10.0%	-6.3%	-2.7%
Nursing Care Facilities	-13.2%	-7.7%	-4.0%
Other Nursing and Residential	-7.2%	-4.9%	-1.6%

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

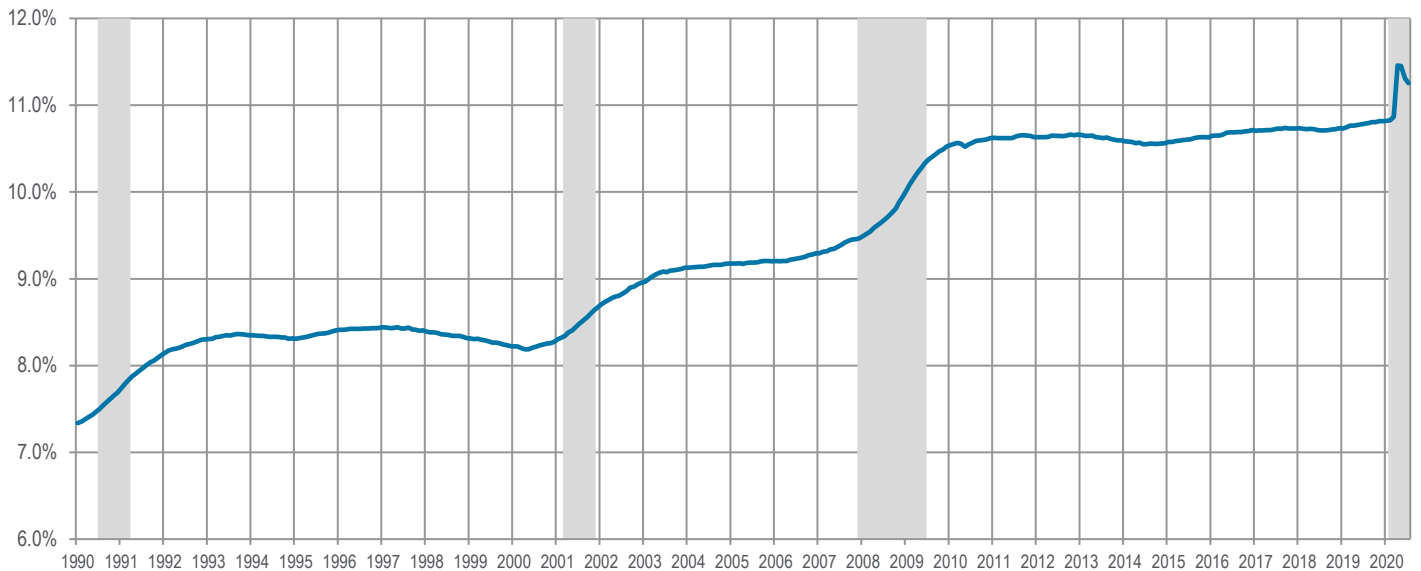
Exhibit 4. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 5. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.