

August 18, 2021

Hospital and ambulatory care jobs grow while residential care jobs continue decline

HIGHLIGHTS

- ▲ Health care added 36,800 jobs in July, with gains in ambulatory care (+31,900 jobs) and hospitals (+18,300 jobs) offsetting losses in nursing and residential care (-13,400 jobs). Revisions through June were minimal.
- ▲ As of July 2021, health care employment is 501,600 jobs, or 3.0%, below the February 2020 pre-pandemic peak. Three-quarters of this decline in employment is in nursing and residential care settings, which are down 378,000 jobs, or 11.2% since February 2020.
- ▲ Employment in dental offices, medical labs, and outpatient care centers has surpassed pre-pandemic levels, while overall ambulatory care settings remain just 37,500 jobs, or 0.5%, below the level of February 2020.
- ▲ Hospitals added 18,300 jobs in July to stand at 86,000 jobs, or 1.6%, below the level of February 2020.
- ▲ Residential care employment is down by 378,000 jobs (-11.2%) from the level of February 2020, with 215,000 fewer jobs (-13.5%) in nursing homes and 163,000 fewer (-9.1%) in other residential care.
- ▲ The economy added a strong 943,000 jobs in July, for a total of 4.3 million jobs added in 2021. Total employment remains 5.7 million, or 3.7% below pre-pandemic levels. The unemployment rate fell to 5.4%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	July 2020	June 2021	July 2021
Total Employment (000)	152,523	139,566	145,878	146,821
Non-Health Employment (000)	136,031	123,880	129,924	130,831
Health Employment (000)	16,492	15,686	15,954	15,991
Health Share of Total Employment	10.81%	11.24%	10.94%	10.89%
Unemployment Rate	3.5%	10.2%	5.9%	5.4%

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: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

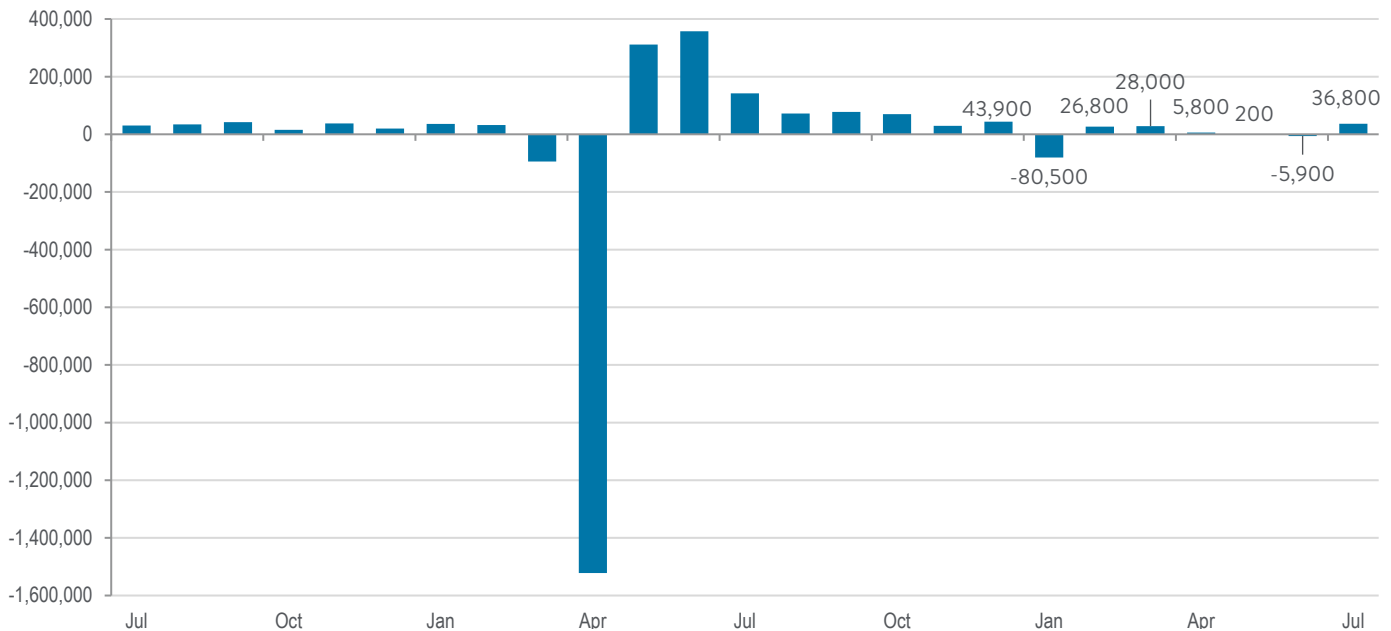


DISCUSSION

Health care employment grew by 36,800 jobs in July 2021, the largest increase since December 2020. (Exhibit 1). After a substantial drop in January 2021, health care employment is now back to where it was in December 2020.

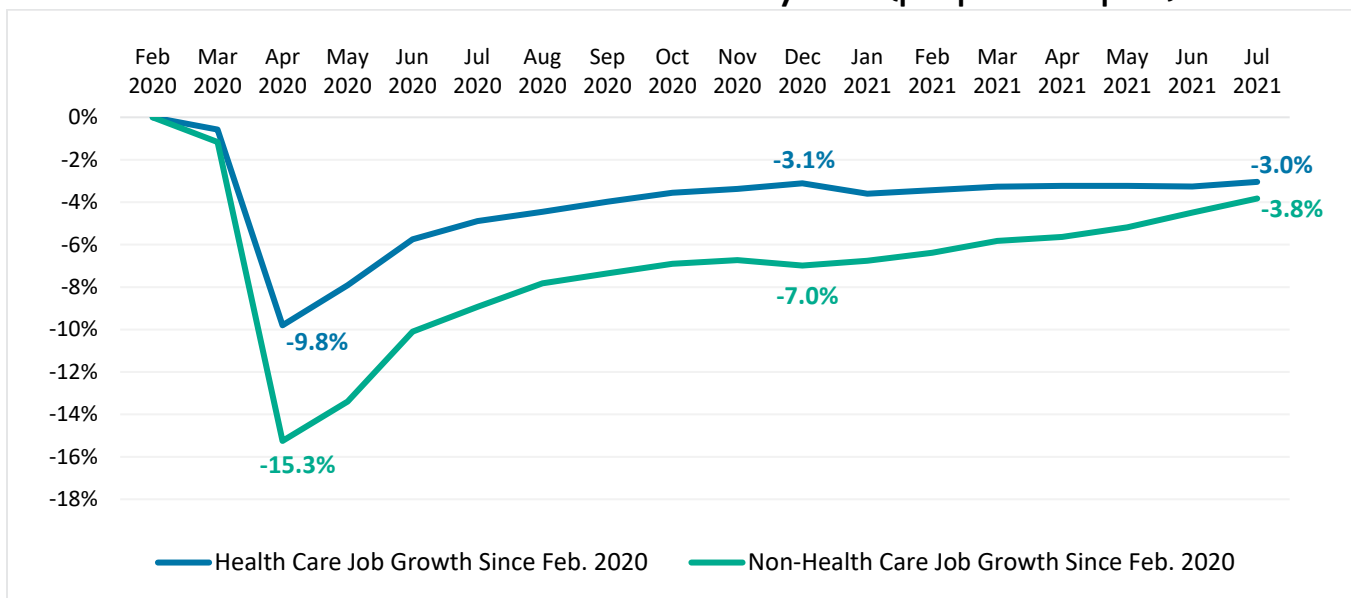
Compared to the pre-pandemic peak seen in February 2020, health care employment is down by about half a million jobs, representing a 3% reduction (Exhibit 2). Non-health jobs dropped more steeply in 2020 but have been recovering faster in 2021, and now stand 3.8% below February 2020 levels.

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



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

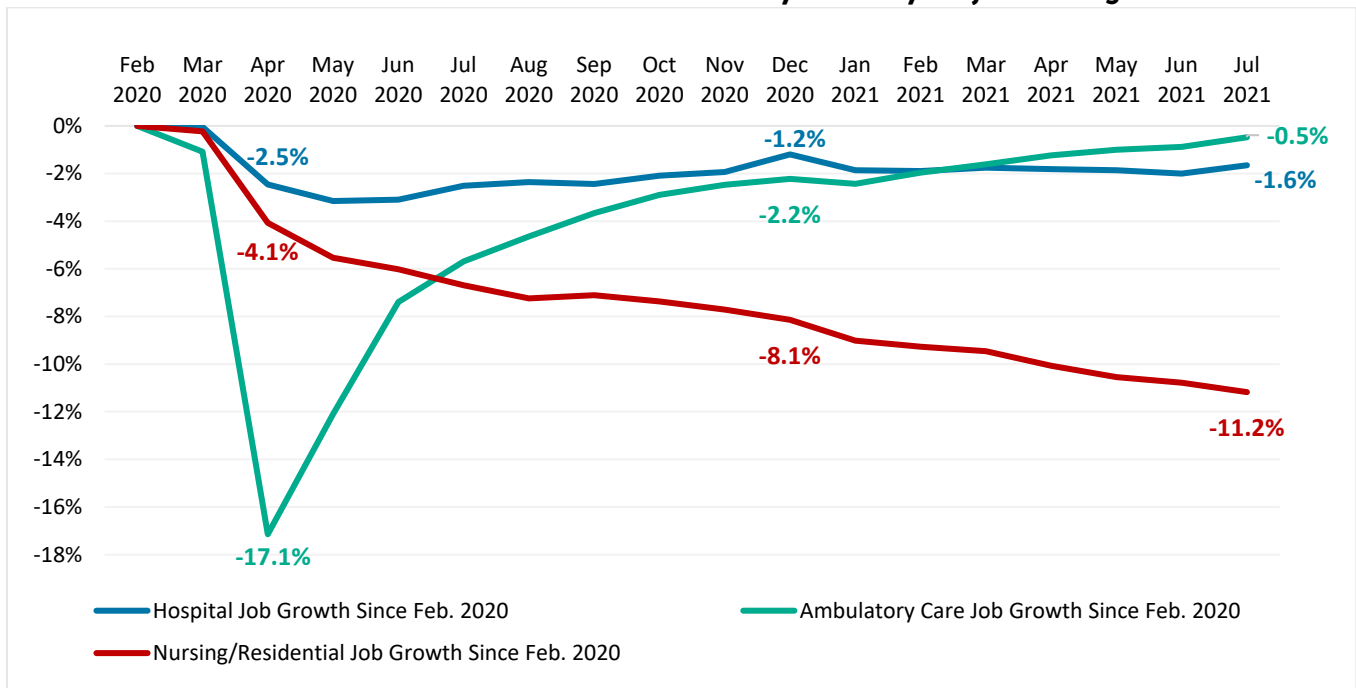
Exhibit 2. Cumulative Health Job Growth Since February 2020 (pre-pandemic peak)



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

Within health care, the story differs by setting of care (Exhibit 3). Employment in ambulatory care settings dropped the most steeply under the pandemic, but these settings have continued to add jobs steadily since then and are nearly back to pre-pandemic levels. In fact, as we have reported the past few months, jobs in a few ambulatory care sub-settings (dental offices, medical labs, and outpatient care centers) have surpassed February 2020 levels (Exhibits 4 and 5). Hospital employment did not fall as far but has not been growing in 2021 and remains at 1.6% below February 2020 levels. Job Openings and Labor Turnover Survey (JOLTS) data for the industry category *health care and social assistance* show job openings double what they were in April 2020, suggesting worker supply constraints may be impacting levels of health care employment. Unlike hospitals and ambulatory settings, the ongoing decline in nursing and residential care employment shows no sign of abating.

Exhibit 3. Cumulative Health Job Growth Since February 2020 by Major Setting of Care



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 4. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	July 2021	June 2021	July 2020	July 2019	February 2020
Non-Health Care	130,831	129,924	123,880	134,638	136,031
Health Care	15,991	15,954	15,686	16,275	16,492
Ambulatory Health Care Services	7,838	7,806	7,427	7,712	7,875
Offices of Physicians	2,708	2,698	2,590	2,675	2,726
Offices of Dentists	1,015	1,012	937	976	991
Offices of Other Health Care Practitioners	994	977	896	976	1,002
Outpatient Care Centers	1,005	1,005	959	970	998
Medical and Diagnostic Labs	294	294	277	283	289
Home Health Care Services	1,504	1,503	1,467	1,521	1,547
Other Ambulatory	318	317	301	312	322
Hospitals	5,151	5,133	5,106	5,185	5,238
Nursing and Residential Care Facilities	3,002	3,015	3,153	3,378	3,379
Nursing Care Facilities	1,371	1,372	1,470	1,598	1,586
Other Nursing and Residential	1,631	1,643	1,684	1,781	1,794
Health Share of Employment	10.89%	10.94%	11.24%	10.78%	10.81%

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

Exhibit 5. Change in Employment Data by Sector, Seasonally Adjusted

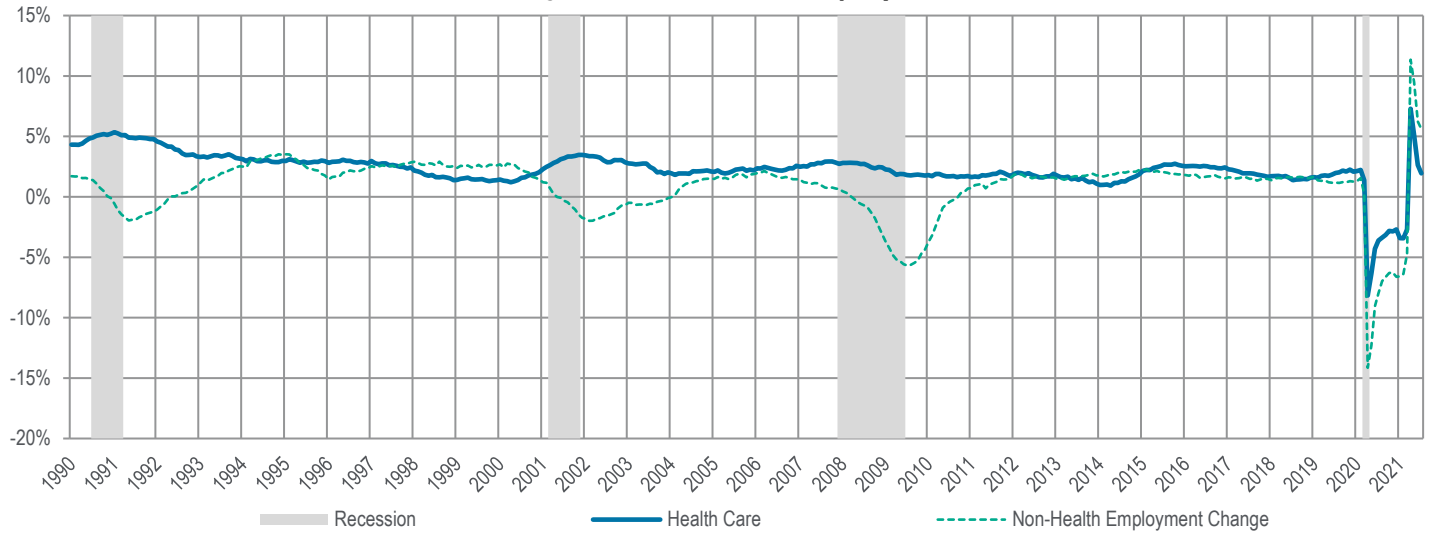
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	906.2	6,950.7	-3,807.6	-5,200.4
Health Care	36.8	304.3	-284.4	-501.6
Ambulatory Health Care Services	31.9	410.7	125.5	-37.5
Offices of Physicians	10.1	117.4	32.3	-18.5
Offices of Dentists	2.7	77.9	39.0	23.8
Offices of Other Health Care Practitioners	17.1	98.2	18.5	-8.0
Outpatient Care Centers	-0.1	45.9	35.3	7.6
Medical and Diagnostic Labs	0.1	17.7	11.6	4.9
Home Health Care Services	1.2	36.5	-16.9	-43.5
Other Ambulatory	0.8	17.1	5.6	-3.8
Hospitals	18.3	45.2	-33.6	-86.4
Nursing and Residential Care Facilities	-13.4	-151.6	-376.3	-377.7
Nursing Care Facilities	-1.5	-98.8	-226.6	-214.8
Other Nursing and Residential	-11.9	-52.8	-149.7	-162.9
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	8.7%	5.6%	-1.4%	-2.7%
Health Care	2.8%	1.9%	-0.9%	-2.2%
Ambulatory Health Care Services	5.0%	5.5%	0.8%	-0.3%
Offices of Physicians	4.6%	4.5%	0.6%	-0.5%
Offices of Dentists	3.2%	8.3%	2.0%	1.7%
Offices of Other Health Care Practitioners	23.1%	11.0%	0.9%	-0.6%
Outpatient Care Centers	-0.1%	4.8%	1.8%	0.5%
Medical and Diagnostic Labs	0.4%	6.4%	2.0%	1.2%
Home Health Care Services	1.0%	2.5%	-0.6%	-2.0%
Other Ambulatory	3.1%	5.7%	0.9%	-0.8%
Hospitals	4.4%	0.9%	-0.3%	-1.2%
Nursing and Residential Care Facilities	-5.2%	-4.8%	-5.7%	-8.0%
Nursing Care Facilities	-1.3%	-6.7%	-7.4%	-9.8%
Other Nursing and Residential	-8.4%	-3.1%	-4.3%	-6.5%

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



TIME SERIES TRACKER

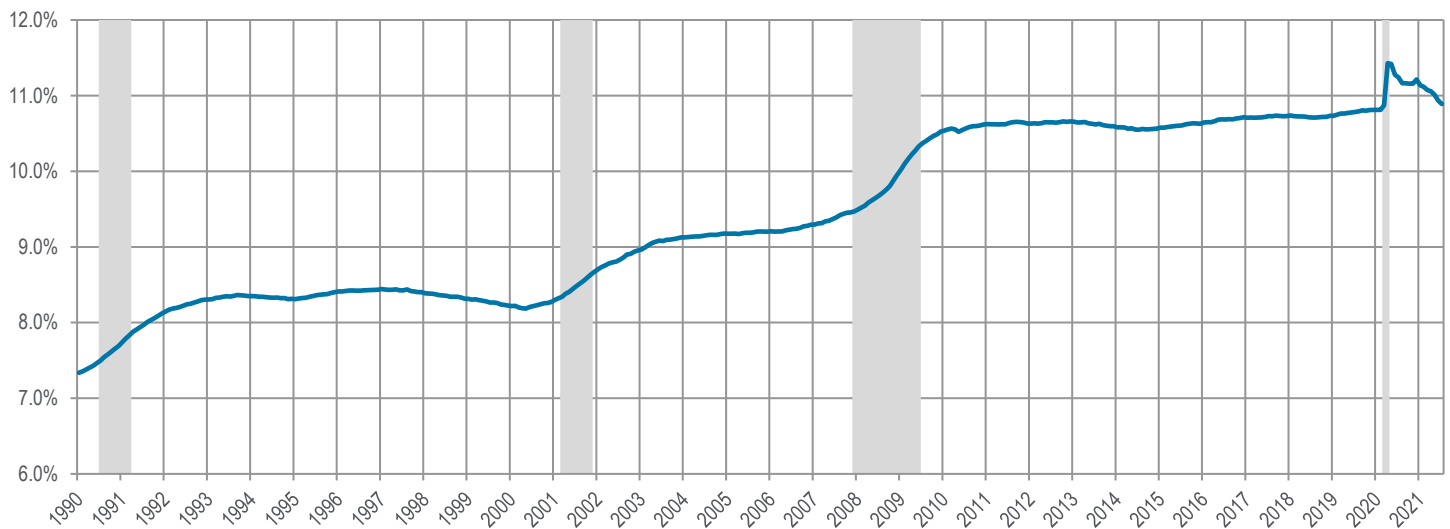
Exhibit 6. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 7. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.