

January 20, 2021

## Health care ends 2020 with a smaller workforce, down 2.6% from a year ago

### HIGHLIGHTS

- ▲ Health care added 39,000 jobs in December to end the year at just over 16 million jobs; however, this figure represents a year-over-year decline of 433,000 jobs, or 2.6%, compared to December 2019.
- ▲ Compared to peak pre-COVID-19 employment (February 2020), the health care workforce is 3%, or half a million jobs, smaller as of the end of 2020.
- ▲ Hospitals reported a boost in employment in December, adding 32,000 jobs to stand at 1.3% below peak pre-COVID-19 employment. Employment in ambulatory care settings remains about 2% below the February peak.
- ▲ Nursing and residential care employment saw another month of decline, closing the year down 262,000 jobs compared to February, a 7.8% decline. Nursing homes alone lost 153,000 jobs over the course of 2020, nearly 10% of the workforce.
- ▲ The economy overall lost 140,000 jobs in December, the first loss since April. The year 2020 closed with 9.8 million fewer jobs than at the peak of employment in February. The unemployment rate remained at 6.7%.

### Cyclical Employment Big Picture

Seasonally Adjusted	December 2019	November 2020	December 2020
Total Employment (000)	151,998	142,764	142,624
Non-Health Employment (000)	135,559	126,798	126,619
Health Employment (000)	16,439	15,966	16,005
Health Share of Total Employment	10.82%	11.18%	11.22%
Unemployment Rate	3.5%	6.7%	6.7%

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 Indicators<sup>SM</sup>* (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](mailto: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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.



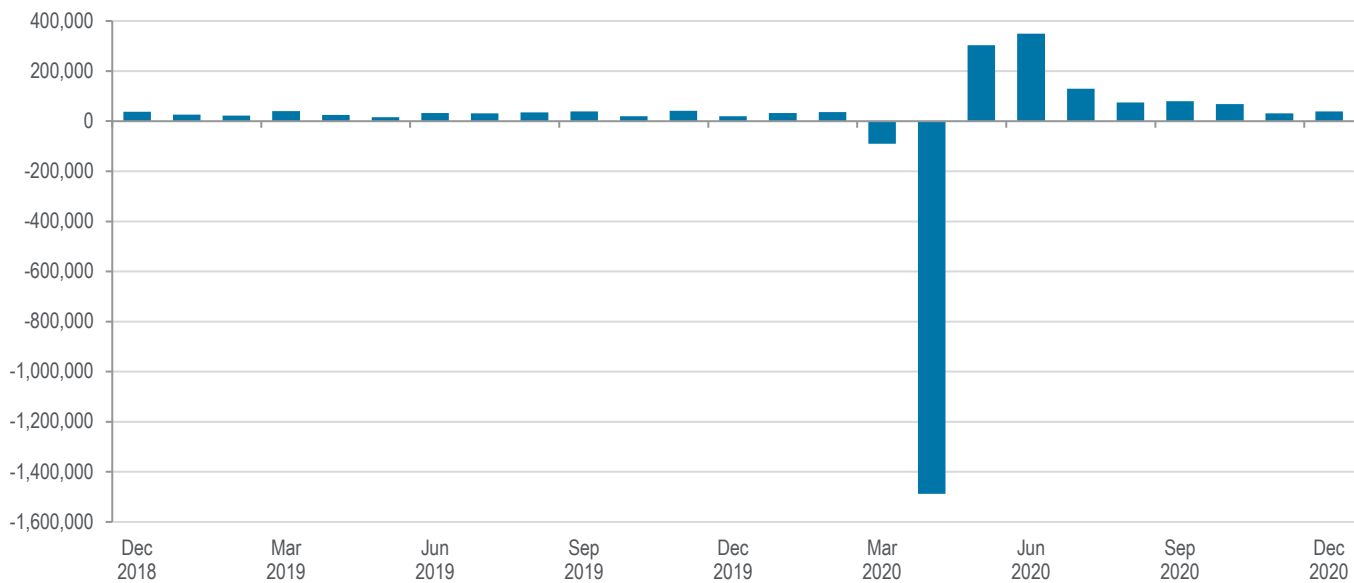
## DISCUSSION

While employment in the overall economy fell for the first time since April, health care employment grew by 39,000 jobs, comparable to the 31,000 jobs added in November. Still, as 2020 ends, health care employment has not yet fully recovered to pre-pandemic levels, and remains about 3%, or half a million jobs, below the February 2020 peak.

In December, ambulatory care settings added a modest 21,000 jobs, hospitals added a strong 32,000 jobs, and nursing and residential care settings lost 13,000 jobs. Employment in ambulatory care settings stands 2.2% below the February 2020 peak, representing 173,000 fewer jobs. Hospital employment is down 1.3%, or 70,000 jobs. Nursing and residential care facilities are not regaining jobs and have lost 264,000 jobs since February, a 7.8% drop in employment. Traditional nursing homes have been particularly hard hit, losing more than 150,000 jobs, or nearly 10% of their workforce.

Health care experienced unprecedented job losses in March and April 2020, but since then has been recovering faster than overall employment, regaining about two-thirds (68%) of the jobs lost, while the economy overall has regained somewhat over half (56%) of jobs lost. In a pattern that is familiar from past recessions, the better performance of health sector means that the health share of total U.S. employment has grown again, from 10.8% at the beginning of 2020 to 11.2% at the end of the year (Exhibit 5). Health care now officially employs more than one in nine working Americans.

**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)	December 2020	November 2020	December 2019	December 2018
Non-Health Care	126,619	126,798	135,559	133,778
Health Care	16,005	15,966	16,439	16,087
Ambulatory Health Care Services	7,682	7,661	7,811	7,566
Offices of Physicians	2,663	2,663	2,709	2,637
Offices of Dentists	965	961	974	960
Offices of Other Health Care Practitioners	934	930	982	952
Outpatient Care Centers	988	983	977	947
Medical and Diagnostic Labs	284	283	288	276
Home Health Care Services	1,540	1,538	1,560	1,488
Other Ambulatory	309	304	320	305
Hospitals	5,196	5,164	5,242	5,158
Nursing and Residential Care Facilities	3,127	3,141	3,385	3,364
Nursing Care Facilities	1,439	1,445	1,588	1,604
Other Nursing and Residential	1,688	1,695	1,797	1,760
Health Share of Employment	11.22%	11.18%	10.82%	10.73%

Source: Altarum analysis of BLS Current Employment Statistics data

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

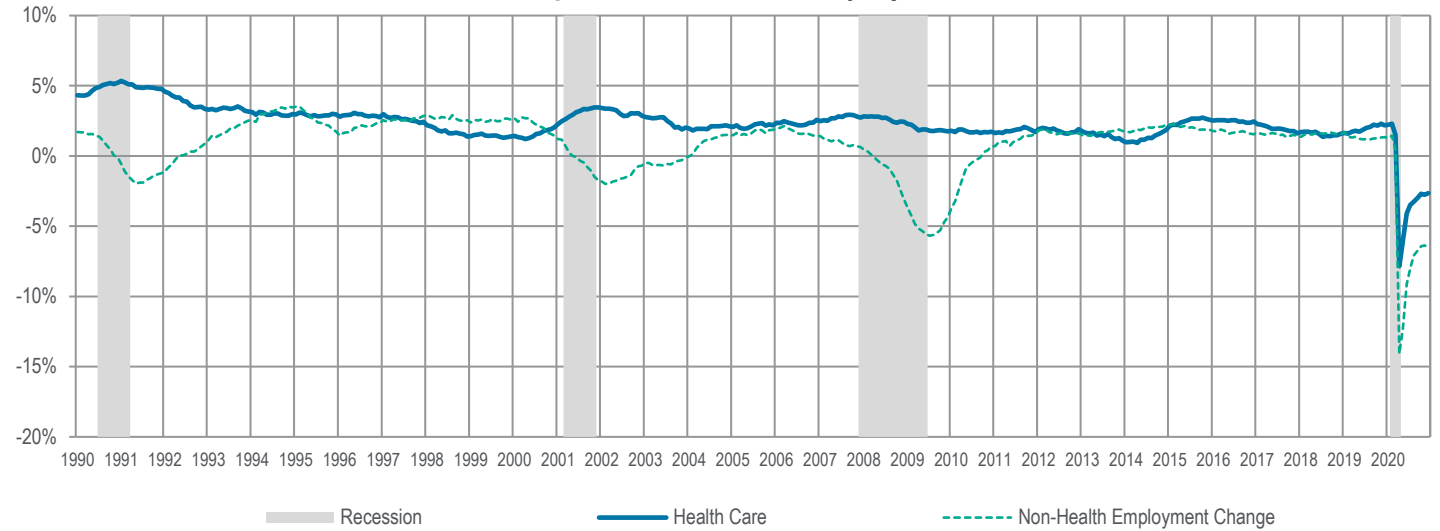
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	-178.8	-8,940.6	-7,159.4
Health Care	38.8	-433.4	-81.6
Ambulatory Health Care Services	20.7	-129.0	116.5
Offices of Physicians	0.2	-46.5	25.3
Offices of Dentists	4.6	-8.6	5.1
Offices of Other Health Care Practitioners	3.9	-48.3	-18.3
Outpatient Care Centers	4.3	10.2	40.9
Medical and Diagnostic Labs	0.6	-4.7	7.5
Home Health Care Services	1.5	-20.2	52.2
Other Ambulatory	5.6	-11.0	3.9
Hospitals	31.5	-46.2	38.3
Nursing and Residential Care Facilities	-13.4	-258.2	-236.4
Nursing Care Facilities	-6.1	-148.9	-164.7
Other Nursing and Residential	-7.3	-109.3	-71.7
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>
Non-Health Care	-1.7%	-6.6%	-2.7%
Health Care	3.0%	-2.6%	-0.3%
Ambulatory Health Care Services	3.3%	-1.7%	0.8%
Offices of Physicians	0.1%	-1.7%	0.5%
Offices of Dentists	5.9%	-0.9%	0.3%
Offices of Other Health Care Practitioners	5.2%	-4.9%	-1.0%
Outpatient Care Centers	5.4%	1.0%	2.1%
Medical and Diagnostic Labs	2.6%	-1.6%	1.3%
Home Health Care Services	1.2%	-1.3%	1.7%
Dental Offices	24.5%	-3.4%	0.6%
Other Ambulatory	7.6%	-0.9%	0.4%
Hospitals	-5.0%	-7.6%	-3.6%
Nursing and Residential Care Facilities	-4.9%	-9.4%	-5.3%
Nursing Care Facilities	-5.0%	-6.1%	-2.1%
Other Nursing and Residential	-1.7%	-6.6%	-2.7%

Source: Altarum analysis of BLS Current Employment Statistics data



## TIME SERIES TRACKER

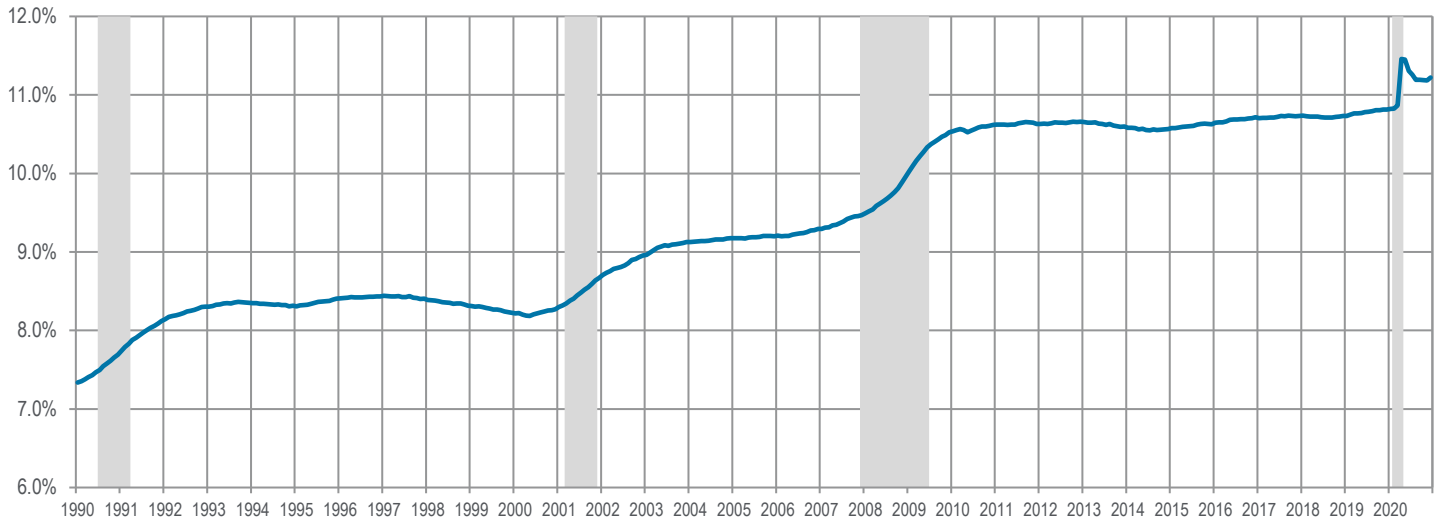
**Exhibit 4. Twelve-month Percent Change in Health Care Employment**



Source: Altaram analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

**Exhibit 5. Health Care Share of Total Employment**



Source: Altaram analysis of BLS data.

Note: Lightly shaded bars denote recession periods.