

July 22, 2021

Halfway through 2021, health employment stands 25K below December 2020

HIGHLIGHTS

- ▲ Health care employment fell by 12,000 jobs in June. Revisions through May lowered health employment by another 17,500 jobs. As of June 2021, health care employment is down 25,000 jobs compared to the end of 2020 and 537,000 jobs compared to the Feb 2020 pre-pandemic peak (-3.3%).
- ▲ Ambulatory care settings added 2,900 jobs in June. Employment in dental offices, medical labs, and outpatient care centers is back above pre-pandemic levels but ambulatory care employment overall remains 75,400 jobs below the level of Feb 2020 (-1%).
- ▲ Hospitals dropped 5,500 jobs, back to the level of employment seen in November 2020, and remaining 102,000 below Feb 2020 (-1.9%).
- ▲ Nursing and residential care dropped 9,600 jobs (-3,600 in nursing homes and -6,000 in other residential). Residential care employment is down by 360,000 jobs (-10.7%) from the level of Feb 2020, with about two-thirds of the employment drop seen in nursing homes and about one-third in other residential care.
- ▲ The economy added a robust 850,000 jobs. With large gains overall and a decline in health care employment, the health share of employment (10.95%) fell below 11% for the first time since March 2020.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	June 2020	May 2021	June 2021
Total Employment (000)	152,523	137,840	144,909	145,759
Non-Health Employment (000)	136,031	122,296	128,942	129,805
Health Employment (000)	16,492	15,544	15,967	15,955
Health Share of Total Employment	10.81%	11.28%	11.02%	10.95%
Unemployment Rate	3.5%	11.1%	5.8%	5.9%

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 Rhyon, 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>.

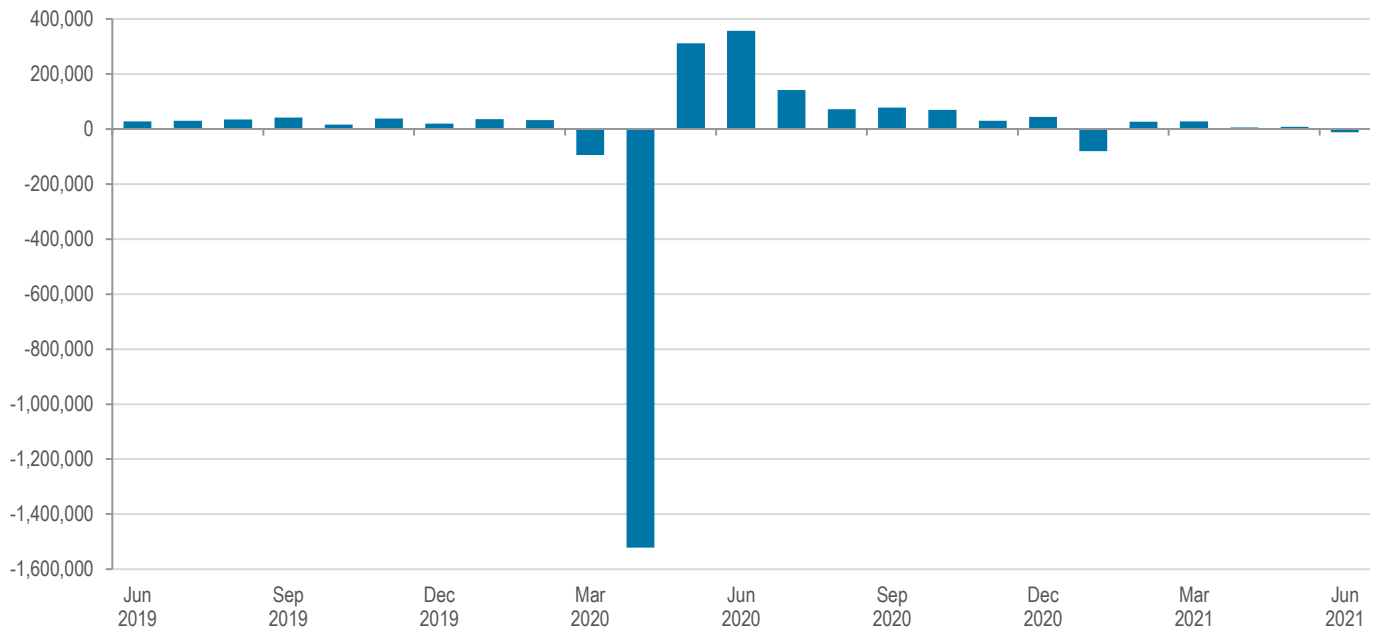


DISCUSSION

Health care employment fell by 12,000 jobs in June 2021 (Exhibit 1), with declines in both hospital and residential care jobs offsetting a slight increase in jobs in ambulatory care settings. Through the first half of 2021, the economy has added 3.3 million jobs with steady growth while health employment has fallen slightly (Exhibit 2).

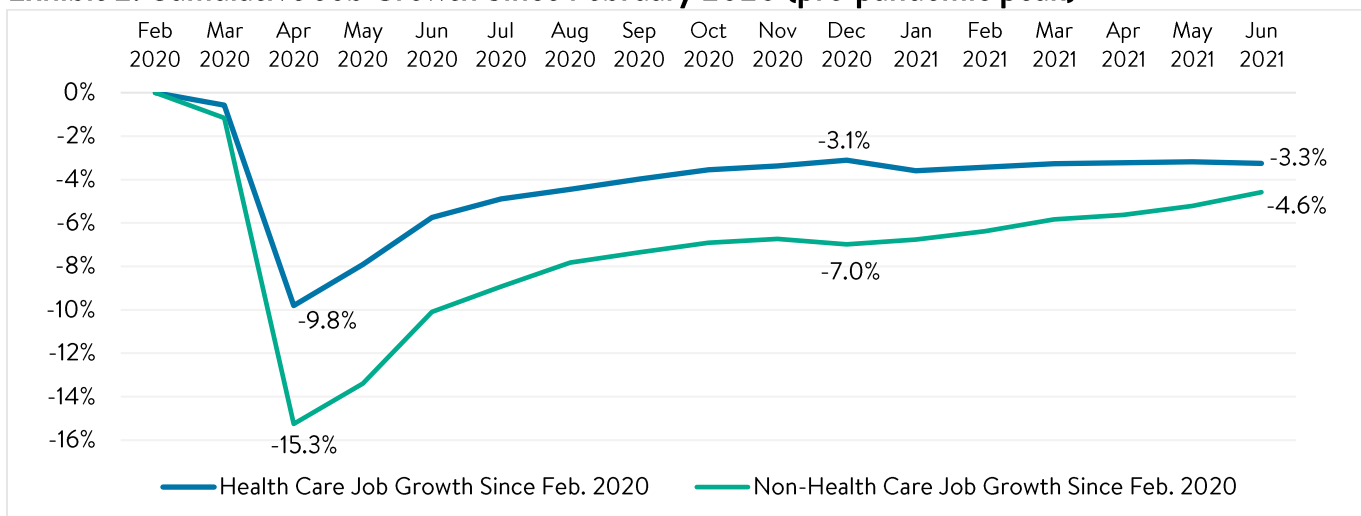
The economy added a robust 850,000 jobs in June. With large gains overall and a decline in health jobs, the health share of employment (10.95%) fell below 11% for the first time since March 2020. Over the past three decades, most of the growth in the health share of employment came during and just after a recession (Exhibit 6), climbing from 7.3% in 1990 to 10.8% in early 2020. In 2020, health care initially jumped from 10.87% to 11.43% of all jobs in April 2020, but this share looks to be falling back as the overall job recovery continues.

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 Job Growth Since February 2020 (pre-pandemic peak)



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 3. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	June 2021	May 2021	June 2020	June 2019	February 2020
Non-Health Care	129,805	128,942	122,296	134,476	136,031
Health Care	15,955	15,967	15,544	16,244	16,492
Ambulatory Health Care Services	7,800	7,797	7,293	7,686	7,875
Offices of Physicians	2,699	2,695	2,561	2,671	2,726
Offices of Dentists	1,010	1,008	886	971	991
Offices of Other Health Care Practitioners	977	977	877	969	1,002
Outpatient Care Centers	1,004	1,003	948	966	998
Medical and Diagnostic Labs	294	295	267	282	289
Home Health Care Services	1,500	1,503	1,454	1,515	1,547
Other Ambulatory	316	316	300	312	322
Hospitals	5,135	5,141	5,076	5,184	5,238
Nursing and Residential Care Facilities	3,019	3,029	3,176	3,375	3,379
Nursing Care Facilities	1,375	1,379	1,487	1,598	1,586
Other Nursing and Residential	1,644	1,650	1,689	1,777	1,794
Health Share of Employment	10.95%	11.02%	11.28%	10.78%	10.81%

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

Exhibit 4. Change in Employment Data by Sector, Seasonally Adjusted

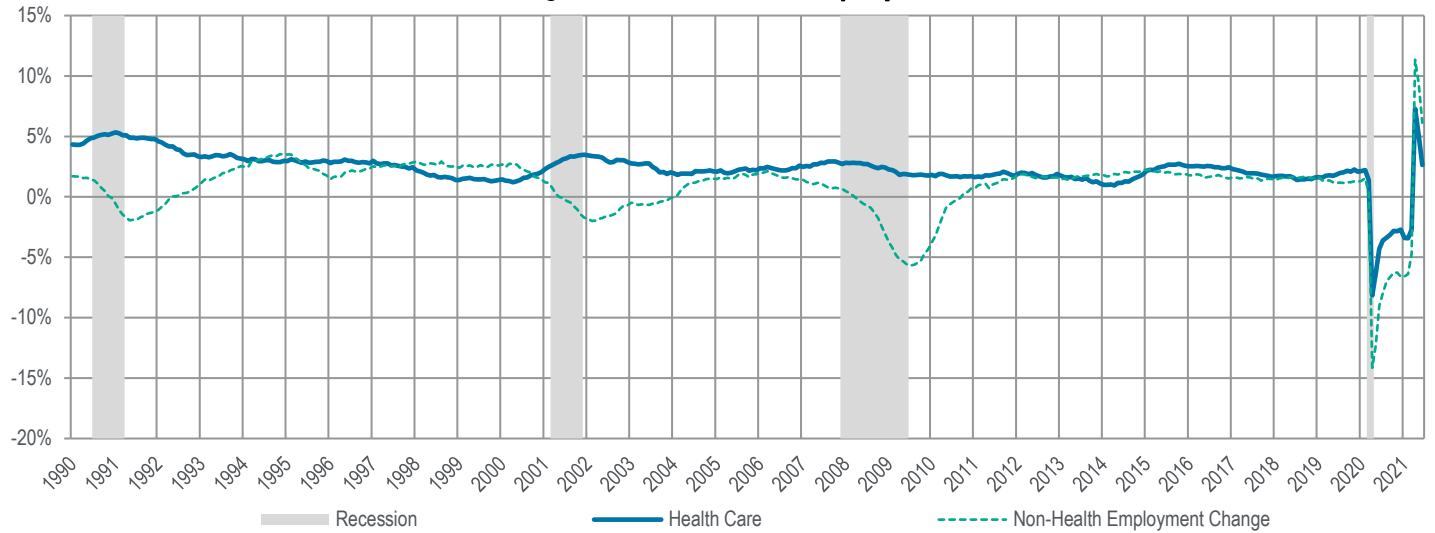
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	862.2	7,508.7	-4,671.1	-6,226.4
Health Care	-12.2	410.3	-289.9	-537.6
Ambulatory Health Care Services	2.9	507.2	113.6	-75.4
Offices of Physicians	4.1	137.7	27.7	-27.2
Offices of Dentists	1.9	123.6	39.1	19.0
Offices of Other Health Care Practitioners	0.0	100.1	7.8	-25.1
Outpatient Care Centers	1.8	56.7	38.4	6.6
Medical and Diagnostic Labs	-1.8	26.3	11.8	4.2
Home Health Care Services	-3.3	46.6	-15.3	-47.2
Other Ambulatory	0.2	16.2	4.1	-5.7
Hospitals	-5.5	59.9	-48.2	-102.1
Nursing and Residential Care Facilities	-9.6	-156.8	-355.3	-360.1
Nursing Care Facilities	-3.6	-112.1	-222.5	-210.5
Other Nursing and Residential	-6.0	-44.7	-132.8	-149.6
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	8.3%	6.1%	-1.8%	-3.5%
Health Care	-0.9%	2.6%	-0.9%	-2.5%
Ambulatory Health Care Services	0.4%	7.0%	0.7%	-0.7%
Offices of Physicians	1.8%	5.4%	0.5%	-0.7%
Offices of Dentists	2.3%	13.9%	2.0%	1.4%
Offices of Other Health Care Practitioners	0.0%	11.4%	0.4%	-1.9%
Outpatient Care Centers	2.2%	6.0%	2.0%	0.5%
Medical and Diagnostic Labs	-7.1%	9.8%	2.1%	1.1%
Home Health Care Services	-2.6%	3.2%	-0.5%	-2.3%
Other Ambulatory	0.8%	5.4%	0.7%	-1.3%
Hospitals	-1.3%	1.2%	-0.5%	-1.5%
Nursing and Residential Care Facilities	-3.7%	-4.9%	-5.4%	-8.1%
Nursing Care Facilities	-3.1%	-7.5%	-7.2%	-10.1%
Other Nursing and Residential	-4.3%	-2.6%	-3.8%	-6.3%

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



TIME SERIES TRACKER

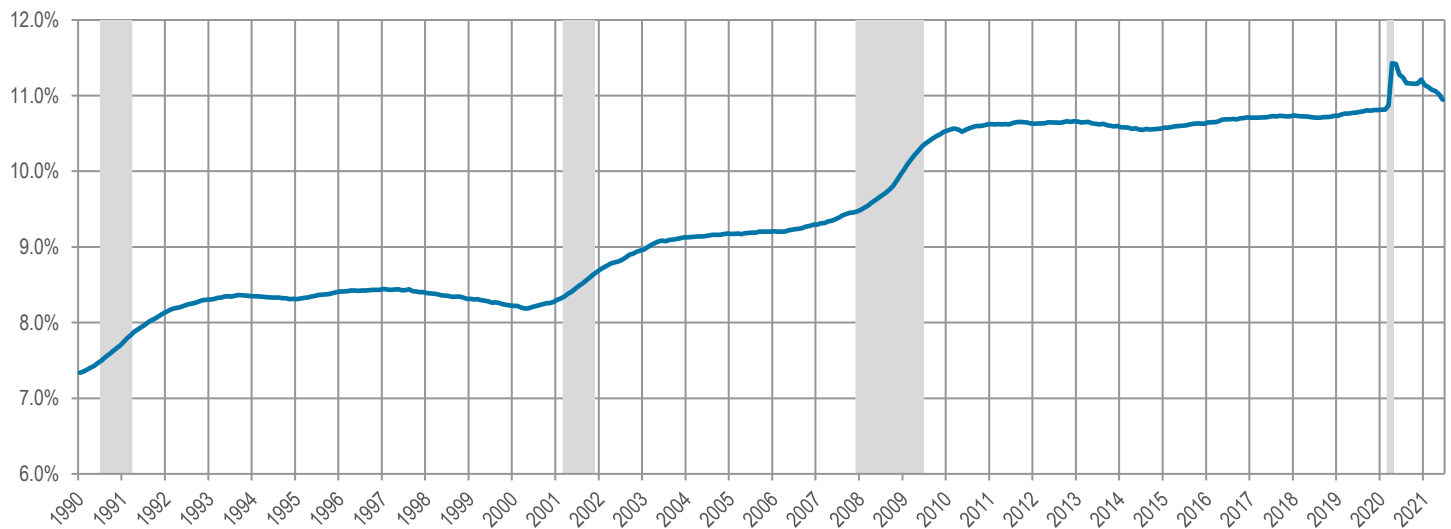
Exhibit 5. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 6. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.