

June 17, 2021

## Health employment up modestly in May, returning to the December 2020 level

### HIGHLIGHTS

- ▲ Health care added a modest 22,500 jobs in May, mostly in ambulatory care settings. Revisions to March and April took health care jobs up slightly but did not significantly change the story.
- ▲ Health care employment has slowly regained the 80,000 jobs dropped in January 2021 and is now at the level it was at the end of 2020 (15.98 million jobs). The sector remains about 500,000 jobs, or 3.1%, below where it was in February 2020, with a big part of the drop in residential care settings. Additionally, neither hospitals nor ambulatory settings (as a whole) are fully back to pre-pandemic employment.
- ▲ After dropping 35,000 jobs in January 2021, hospital employment has been little changed, with job losses and gains of a few thousand jobs per month in February through May 2021. Hospital employment is 28,000 jobs below where it stood at the end of 2020 and 90,000 jobs, or 1.7%, below the pre-pandemic peak.
- ▲ Nursing and residential care employment continued to fall in May, losing 2,400 jobs. Residential care settings are down 340,000 jobs, or 12.7%, since February 2020, losing jobs in all but one month over that period.
- ▲ The economy added 559,000 jobs and the unemployment rate fell to 5.8%. We have added 2.4 million jobs so far in 2021 but remain 7.6 million jobs (5%) below the level of employment in February 2020.

### Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	May 2020	Apr 2021	May 2021
Total Employment (000)	152,523	132,994	144,335	144,894
Non-Health Employment (000)	136,031	117,807	128,373	128,910
Health Employment (000)	16,492	15,187	15,962	15,984
Health Share of Total Employment	10.81%	11.42%	11.06%	11.03%
Unemployment Rate	3.5%	13.3%	6.1%	5.8%

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 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 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: Sarah Litton, 202-772-5062, [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.



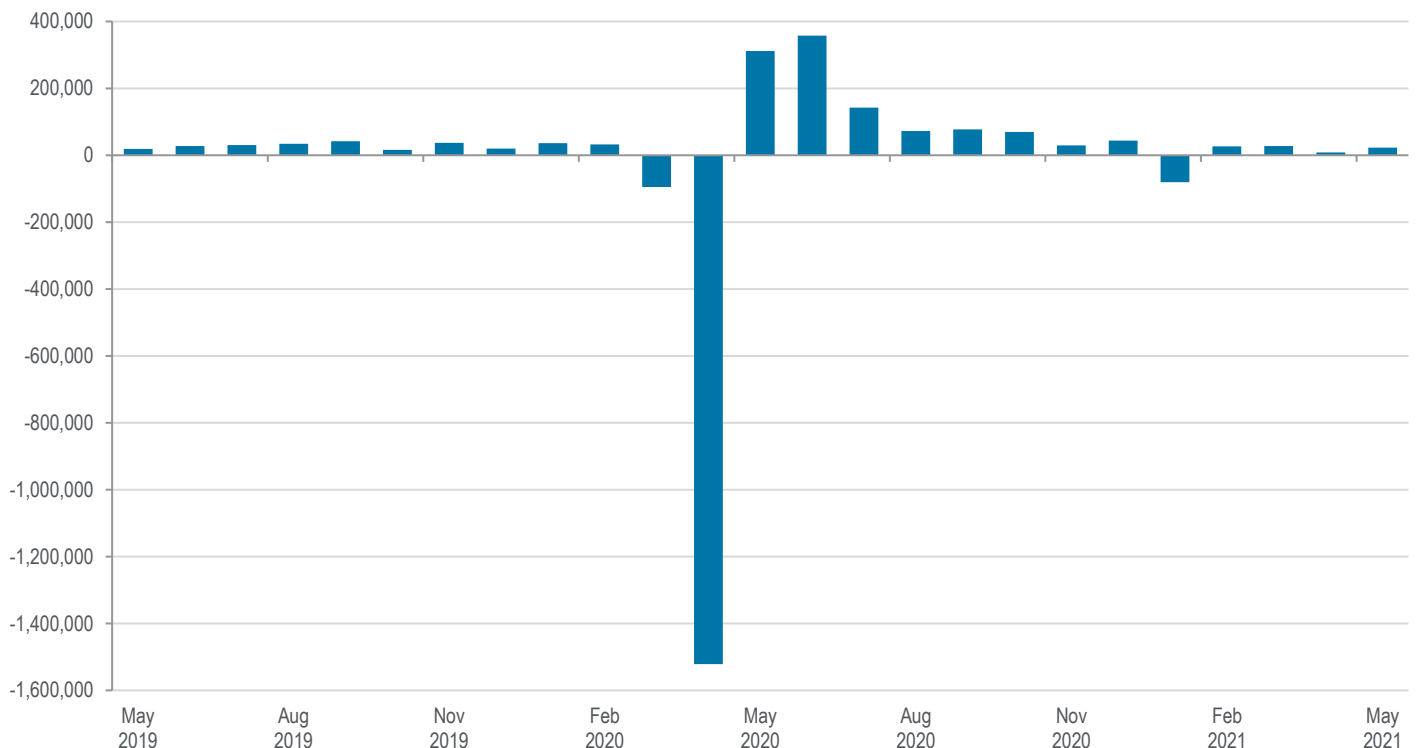
## DISCUSSION

Health care employment rose by a modest 22,500 jobs in May 2021 (Exhibit 1), with nearly all gains (22,000) occurring in ambulatory care settings. Revisions to March and April adjusted health care jobs up slightly, turning a 4,000-job loss in April to an 8,000-job gain. After a large drop in January 2021 (-80,500 jobs), health care employment has now returned to the 15.98 million jobs seen at the end of 2020.

Beneath the overall health sector trends, the employment story varies by health care setting. Hospital employment appears to be stabilizing at a level a bit below the spring 2020 pre-pandemic peak. After dropping by about 35,000 jobs at the beginning of 2021, hospital employment has fluctuated only slightly and currently stands at 28,000 jobs below December 2020 and 90,000 jobs below February 2020. As we have noted in our [companion spending and price briefs](#), hospital spending has returned to pre-pandemic levels even though utilization remains [slightly down](#) compared February 2020.

Ambulatory care settings saw the steepest decline in jobs in 2020 (-17%) but have seen the steadiest recovery, and now stand at 1% below the level of pre-pandemic employment level. Within ambulatory care, employment in dental offices, outpatient care centers, and medical and diagnostic labs has now surpassed February 2020 levels. Nursing and residential care employment continues to fall and is down 340,000 jobs since February 2020, with 202,000 of the drop seen in nursing homes and 138,000 of the drop seen in other nursing and residential care. The overall economy added 559,000 jobs and the unemployment rate fell to 5.8%, a faster pace of improvement than April and solid growth by historical standards, but still 7.6 million jobs below February 2020, when unemployment was 3.5%.

**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)	May 2021	April 2021	May 2020	May 2019	February 2020
Non-Health Care	128,910	128,373	117,807	134,328	136,031
Health Care	15,984	15,962	15,187	16,217	16,492
Ambulatory Health Care Services	7,798	7,776	6,922	7,668	7,875
Offices of Physicians	2,692	2,690	2,488	2,665	2,726
Offices of Dentists	1,007	1,002	689	971	991
Offices of Other Health Care Practitioners	979	972	827	966	1,002
Outpatient Care Centers	1,005	1,001	926	962	998
Medical and Diagnostic Labs	296	294	262	282	289
Home Health Care Services	1,503	1,501	1,435	1,511	1,547
Other Ambulatory	316	316	295	312	322
Hospitals	5,147	5,144	5,072	5,179	5,238
Nursing and Residential Care Facilities	3,039	3,042	3,192	3,370	3,379
Nursing Care Facilities	1,384	1,383	1,503	1,597	1,586
Other Nursing and Residential	1,655	1,659	1,690	1,773	1,794
Health Share of Employment	11.03%	11.06%	11.42%	10.77%	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

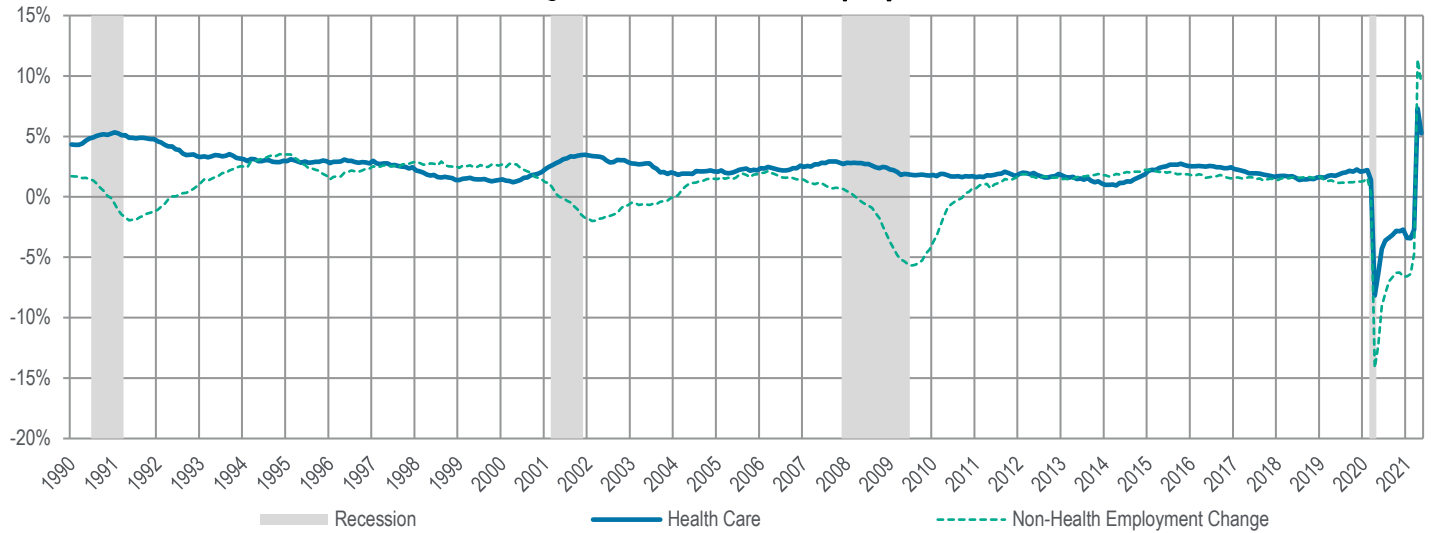
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	536.5	11,102.8	-5,418.5	-7,121.1
Health Care	22.5	797.2	-232.5	-507.9
Ambulatory Health Care Services	22.0	875.7	130.2	-77.3
Offices of Physicians	1.8	204.2	27.2	-34.4
Offices of Dentists	4.7	317.5	35.3	15.8
Offices of Other Health Care Practitioners	7.6	152.5	13.4	-22.8
Outpatient Care Centers	3.9	78.8	43.7	7.5
Medical and Diagnostic Labs	2.0	33.8	14.5	6.7
Home Health Care Services	2.2	68.1	-7.3	-43.9
Other Ambulatory	-0.2	20.8	3.5	-6.2
Hospitals	2.9	74.7	-31.9	-90.4
Nursing and Residential Care Facilities	-2.4	-153.2	-330.8	-340.2
Nursing Care Facilities	1.0	-118.8	-212.8	-201.9
Other Nursing and Residential	-3.4	-34.4	-118.0	-138.3
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>	<b>Since Feb 2020</b>
Non-Health Care	5.1%	9.4%	-2.0%	-4.2%
Health Care	1.7%	5.2%	-0.7%	-2.5%
Ambulatory Health Care Services	3.4%	12.7%	0.8%	-0.8%
Offices of Physicians	0.8%	8.2%	0.5%	-1.0%
Offices of Dentists	5.8%	46.1%	1.8%	1.3%
Offices of Other Health Care Practitioners	9.8%	18.4%	0.7%	-1.8%
Outpatient Care Centers	4.8%	8.5%	2.2%	0.6%
Medical and Diagnostic Labs	8.5%	12.9%	2.5%	1.8%
Home Health Care Services	1.8%	4.7%	-0.2%	-2.3%
Other Ambulatory	-0.8%	7.1%	0.6%	-1.5%
Hospitals	0.7%	1.5%	-0.3%	-1.4%
Nursing and Residential Care Facilities	-0.9%	-4.8%	-5.0%	-8.1%
Nursing Care Facilities	0.9%	-7.9%	-6.9%	-10.3%
Other Nursing and Residential	-2.4%	-2.0%	-3.4%	-6.2%

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



## TIME SERIES TRACKER

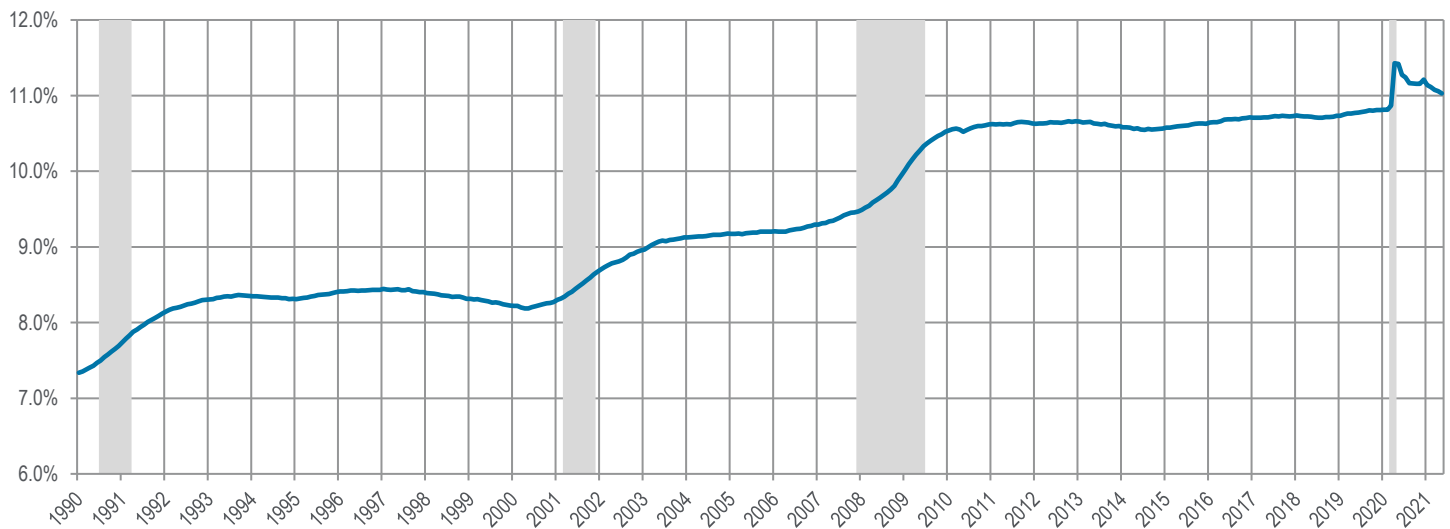
**Exhibit 4. Twelve-month Percent Change in Health Care Employment**



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.