

May 19, 2021

Health employment down slightly in April, driven by hospitals and nursing homes

HIGHLIGHTS

- ▲ Health care employment fell slightly in April 2021, down 4,100 jobs over the month. Through the first four months of 2021, health care employment is down 29,000 jobs compared to the end of 2020, with gains in jobs in ambulatory care settings more than offset by losses in hospital and nursing and residential care jobs.
- ▲ Hospital employment fell by 5,800 jobs in April. Revisions to previous months' data added about 6,000 hospital jobs through March, but hospital employment is still down 37,000 jobs compared to the end of 2020.
- ▲ Ambulatory care settings added 21,200 jobs in April and have been growing for the past three months, up 71,000 jobs compared to the end of 2020.
- ▲ Nursing and residential care employment fell by 19,500 jobs in April, with nursing homes down 18,800 jobs and other nursing and residential care down 700 jobs. Overall, nursing and residential care employment is down 63,000 jobs compared to the end of 2020 and has fallen by 339,000 jobs since February 2020.
- ▲ The economy added 266,000 jobs in April, well below consensus expectations of a million or more new jobs. The unemployment rate ticked up slightly to 6.1%. The economy has added 1.8 million jobs through the first four months of 2021 but remains 8.2 million jobs below the February 2020 peak.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Apr 2020	Mar 2021	Apr 2021
Total Employment (000)	152,523	130,161	144,042	144,308
Non-Health Employment (000)	136,031	115,286	128,088	128,358
Health Employment (000)	16,492	14,876	15,954	15,950
Health Share of Total Employment	10.81%	11.43%	11.08%	11.05%
Unemployment Rate	3.5%	14.7%	6.0%	6.1%

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



DISCUSSION

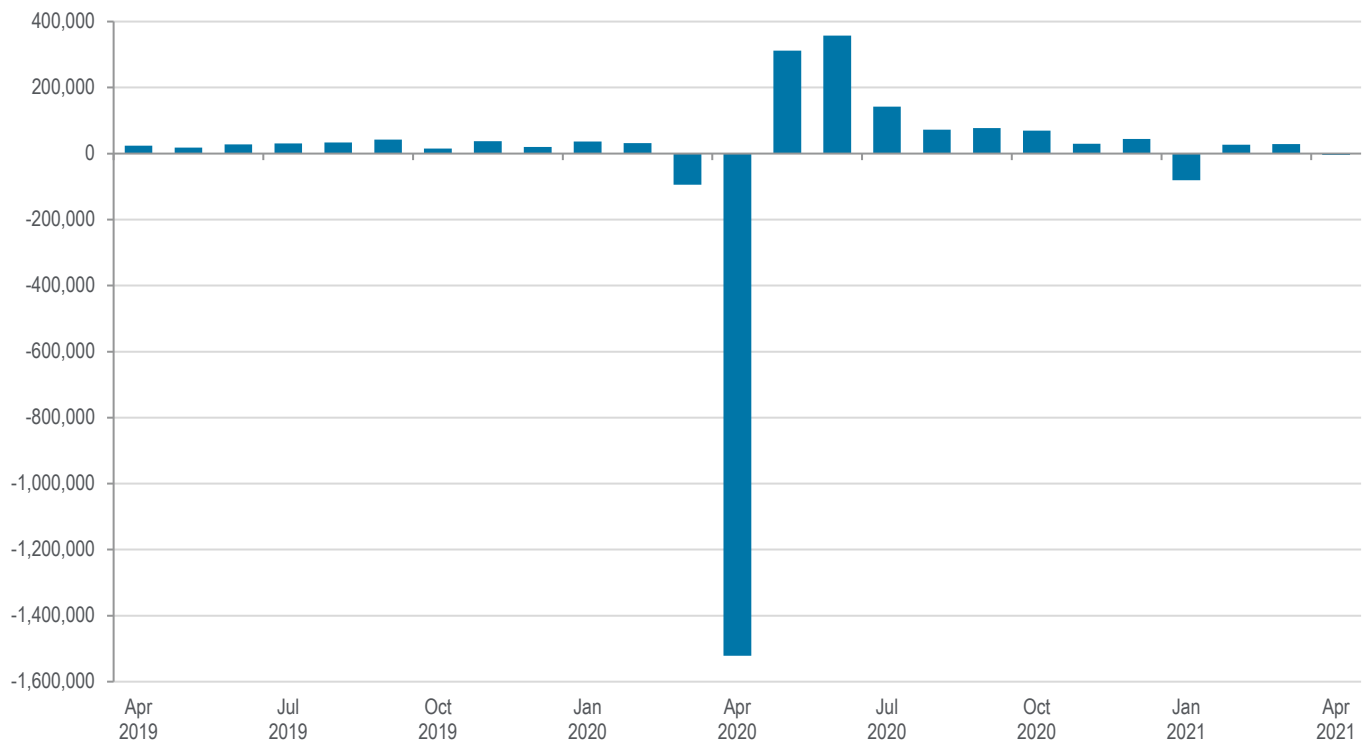
Health care employment fell by 4,100 jobs in April 2021 (Exhibit 1). Gains of 21,200 jobs in ambulatory care settings were offset by losses of 5,800 jobs in hospitals and 19,500 jobs in nursing and residential care facilities. Through the first four months of 2021, health care employment is down 29,000 jobs compared to the end of 2020 and sits 542,000 jobs below the pre-pandemic peak seen in February 2020 (Exhibit 3). As we noted in our recent [blog](#), unlike in previous recessions, health care jobs have not been a consistent engine of job growth during this downturn and recovery.

After falling dramatically in the spring of 2020, jobs in ambulatory care settings have been returning more consistently than the other major health care settings. Nevertheless, employment in these settings overall has not yet returned to pre-pandemic levels, down 104,000 jobs compared February 2020. Hospital jobs remain below pre-pandemic levels by a similar number – about 100,000 jobs – but unlike ambulatory settings, hospital job growth has stalled at times, especially in 2021.

Last month we reported that nursing homes had added jobs for the first time in more than a year, but revisions to the March data took away that job gain, making April the 15th straight month of nursing home job losses. Nursing and residential care employment overall is down 338,000 jobs since February 2020, with 203,000 of the drop seen in nursing homes.

The economy added 266,000 jobs in April, a solid gain but well below expert predictions of a million or more new jobs. [Analysts noted inconsistencies](#) in labor market indicators. Another month of data, including wage growth, and the first revision of the April reading will be important in assessing whether job growth may be stalling.

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)	April 2021	March 2021	April 2020	April 2019	February 2020
Non-Health Care	128,358	128,088	115,286	134,284	136,031
Health Care	15,950	15,954	14,876	16,198	16,492
Ambulatory Health Care Services	7,772	7,750	6,525	7,651	7,875
Offices of Physicians	2,688	2,677	2,424	2,656	2,726
Offices of Dentists	1,001	997	436	970	991
Offices of Other Health Care Practitioners	972	962	759	963	1,002
Outpatient Care Centers	1,003	999	916	960	998
Medical and Diagnostic Labs	294	293	262	280	289
Home Health Care Services	1,500	1,506	1,433	1,511	1,547
Other Ambulatory	315	316	295	312	322
Hospitals	5,138	5,144	5,109	5,175	5,238
Nursing and Residential Care Facilities	3,041	3,060	3,242	3,372	3,379
Nursing Care Facilities	1,383	1,402	1,534	1,598	1,586
Other Nursing and Residential	1,658	1,659	1,708	1,774	1,794
Health Share of Employment	11.05%	11.08%	11.43%	10.76%	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

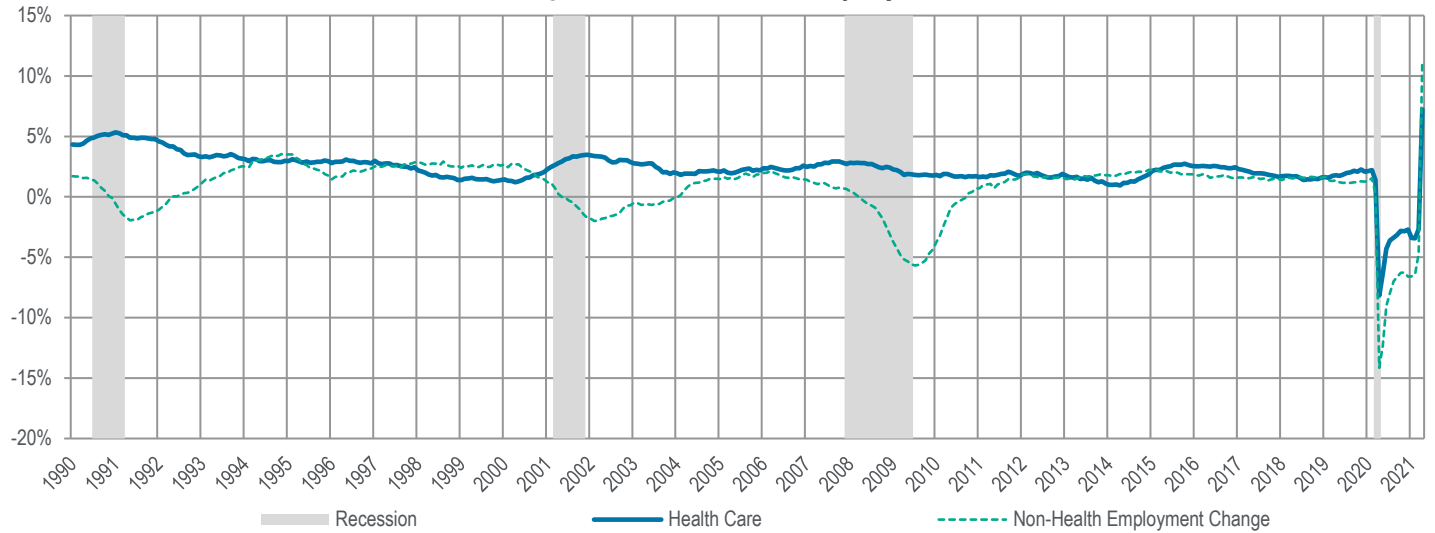
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	270.1	13,072.2	-5,926.2	-7,673.2
Health Care	-4.1	1,074.8	-247.8	-541.8
Ambulatory Health Care Services	21.2	1,246.7	120.7	-103.6
Offices of Physicians	11.3	264.0	32.2	-38.1
Offices of Dentists	3.7	564.6	30.9	10.0
Offices of Other Health Care Practitioners	9.4	213.0	8.7	-30.7
Outpatient Care Centers	3.4	86.8	43.1	5.1
Medical and Diagnostic Labs	1.1	32.0	13.4	4.4
Home Health Care Services	-6.7	66.3	-11.3	-47.7
Other Ambulatory	-1.0	20.0	3.6	-6.6
Hospitals	-5.8	29.0	-37.0	-99.7
Nursing and Residential Care Facilities	-19.5	-200.9	-331.5	-338.5
Nursing Care Facilities	-18.8	-151.6	-215.6	-203.0
Other Nursing and Residential	-0.7	-49.3	-115.9	-135.5
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.6%	11.3%	-2.2%	-4.9%
Health Care	-0.3%	7.2%	-0.8%	-2.8%
Ambulatory Health Care Services	3.3%	19.1%	0.8%	-1.1%
Offices of Physicians	5.2%	10.9%	0.6%	-1.2%
Offices of Dentists	4.5%	129.4%	1.6%	0.9%
Offices of Other Health Care Practitioners	12.4%	28.1%	0.5%	-2.6%
Outpatient Care Centers	4.2%	9.5%	2.2%	0.4%
Medical and Diagnostic Labs	4.6%	12.2%	2.4%	1.3%
Home Health Care Services	-5.2%	4.6%	-0.4%	-2.6%
Other Ambulatory	-3.7%	6.8%	0.6%	-1.8%
Hospitals	-1.3%	0.6%	-0.4%	-1.6%
Nursing and Residential Care Facilities	-7.4%	-6.2%	-5.0%	-8.6%
Nursing Care Facilities	-15.0%	-9.9%	-7.0%	-11.1%
Other Nursing and Residential	-0.5%	-2.9%	-3.3%	-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

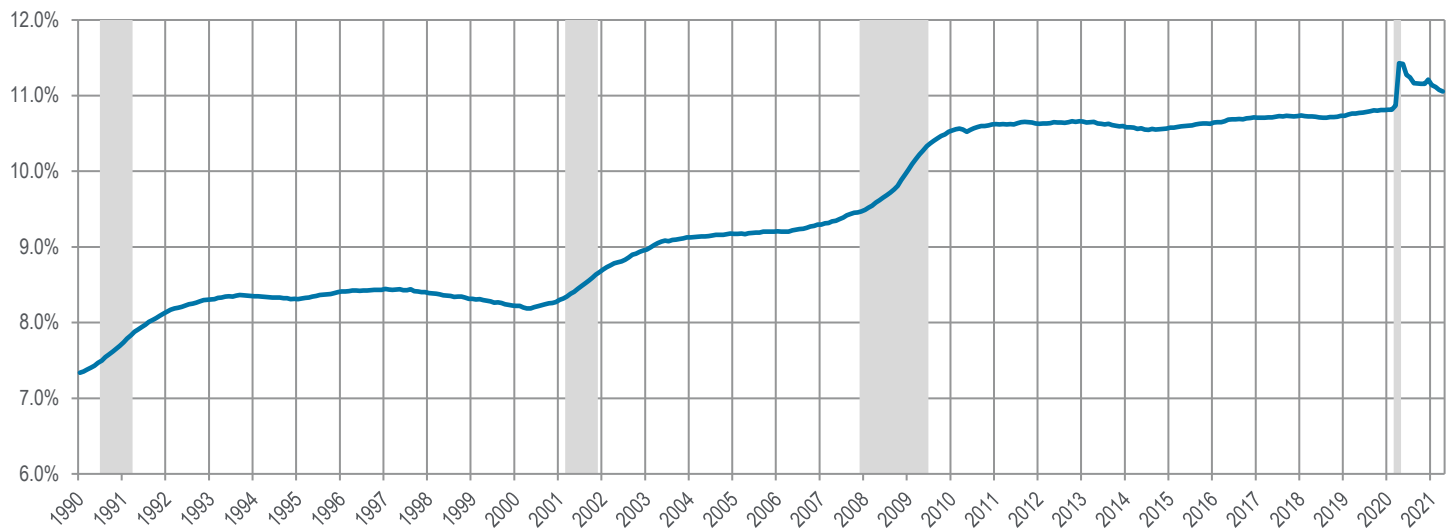
Exhibit 4. Twelve-month Percent Change in Health Care Employment



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.