

November 18, 2020

Health care has regained nearly 1M jobs but still 3.6% below pre-COVID-19 level

HIGHLIGHTS

- ▲ Health care added a solid 58,300 jobs in October, even as the pace of job recovery slows (Exhibit 1). Health care has regained nearly 1 million jobs, or 63% of the 1.58 million jobs lost in March and April. The level of health employment now stands at 3.6% below pre-COVID-19 (Feb) employment.
- ▲ October job gains were once again strong in ambulatory care settings, which added 50,700 jobs. These settings lost 1.33 million jobs in March and April but have regained 1.09 million, or 82% of jobs lost. Employment in ambulatory care settings is now at 3.1% below pre-COVID-19 levels. Jobs in dental offices, which fell by more than half, are back to 95% of the pre-COVID-19 level.
- ▲ Hospitals lost fewer jobs in the spring (161,000 jobs) but are having an uneven recovery. After adding 16,000 jobs in October, hospitals have regained 31% of jobs lost and are at 2.1% below the pre-COVID-19 peak.
- ▲ Nursing and residential care lost 8,600 jobs in October and is down 238,000 jobs since February.
- ▲ The economy overall gained 638,000 jobs in October, comparable to last month, and has regained just over half (55%) of the 22.16 million jobs lost this spring. The unemployment rate fell from 7.9% to 6.9%.

Cyclical Employment Big Picture

Seasonally Adjusted	October 2019	September 2020	October 2020
Total Employment (000)	151,553	141,735	142,373
Non-Health Employment (000)	135,176	125,876	126,456
Health Employment (000)	16,377	15,859	15,917
Health Share of Total Employment	10.81%	11.19%	11.18%
Unemployment Rate	3.6%	7.9%	6.9%

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



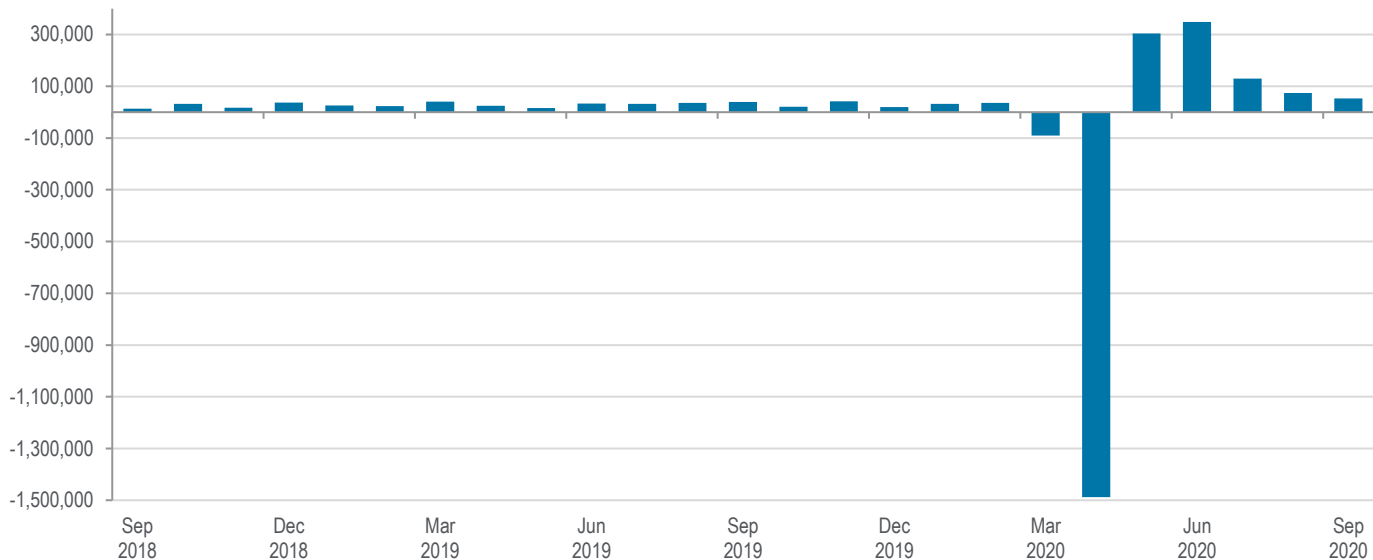
DISCUSSION

Health care gained 58,300 jobs in October, a very strong month by historical standards, but consistent with the pattern of slowing job recovery (Exhibit 1). While health care has regained nearly 1 million jobs, or 63% of the 1.58 million jobs lost in March and April, employment remains 3.6% below where it was in February, with 590,000 fewer jobs.

While the impact of COVID-19 and the recession varies by setting, employment remains below pre-COVID-19 levels in all settings of care. Ambulatory care settings saw the sharpest drop due to the pandemic, losing 1.33 million jobs in March and April. Most (82%) of these jobs have come back, but ambulatory settings are still down by 246,000 jobs, or 3.1%. Within ambulatory care, outpatient care centers – including Community Health Centers, outpatient behavioral health clinics, and freestanding ambulatory surgery centers – have had the fullest recovery, and are now only 1%, or 10,000 jobs, below their pre-COVID-19 employment. Offices of physicians have regained three-quarters of jobs lost to stand at 2.6%, or 72,000 jobs below their pre-COVID peak. Dental offices, which dropped more than half their workforce (549,000 jobs), have regained 95% of these jobs and now stand at 2.7%, or 26,000 jobs, below pre-COVID-19 levels. Home health care has regained almost 60% of jobs lost to be 2.9%, or 45,000 jobs, below February employment.

Hospital employment fell by only 3.1%, or 161,000 jobs, in April and May but remains about 2.1%, or 111,000 jobs, below the pre-COVID-19 peak. Employment in nursing and residential care, while slightly up last month, continues the long pattern of decline with October’s losses, and is down 238,000 jobs since February.

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)	October 2020	September 2020	October 2019	October 2018
Non-Health Care	126,456	125,876	135,176	133,517
Health Care	15,917	15,859	16,377	16,032
Ambulatory Health Care Services	7,610	7,559	7,761	7,518
Offices of Physicians	2,651	2,637	2,688	2,625
Offices of Dentists	951	940	970	956
Offices of Other Health Care Practitioners	924	915	981	943
Outpatient Care Centers	971	961	971	939
Medical and Diagnostic Labs	284	278	287	276
Home Health Care Services	1,527	1,523	1,547	1,476
Other Ambulatory	302	304	317	304
Hospitals	5,155	5,139	5,226	5,150
Nursing and Residential Care Facilities	3,153	3,162	3,391	3,364
Nursing Care Facilities	1,459	1,464	1,597	1,604
Other Nursing and Residential	1,694	1,698	1,794	1,760
Health Share of Employment	11.18%	11.19%	10.81%	10.72%

Source: Altarum analysis of BLS Current Employment Statistics data

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

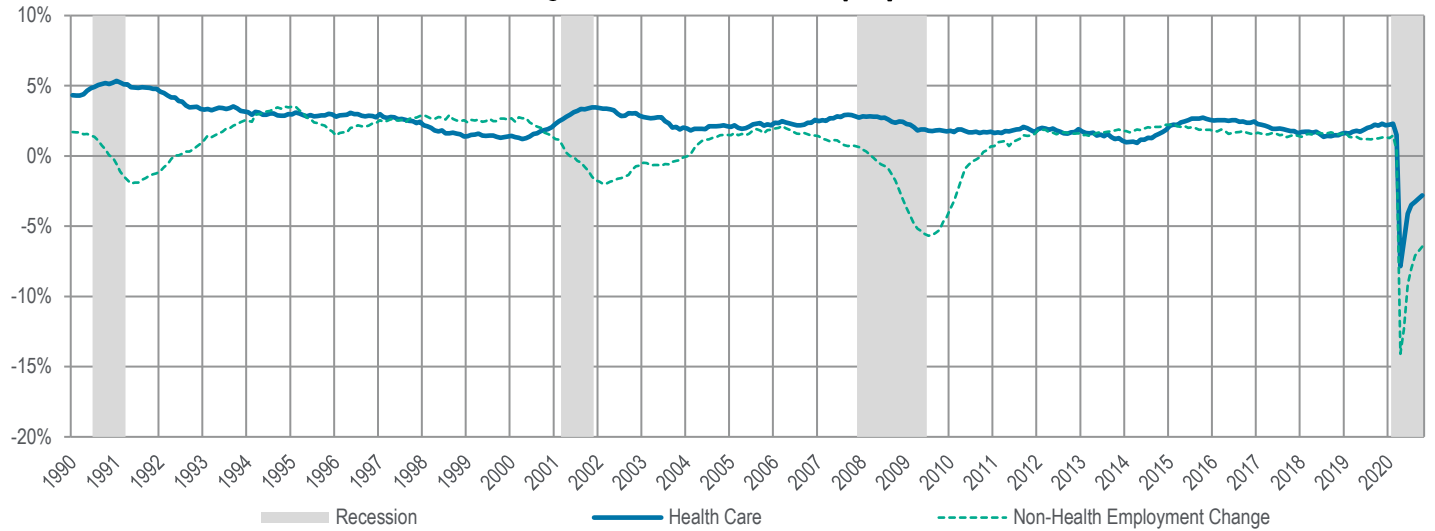
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	579.7	-8,720.2	-7,061.5
Health Care	58.3	-459.8	-114.5
Ambulatory Health Care Services	50.7	-151.2	92.0
Offices of Physicians	14.3	-36.7	26.2
Offices of Dentists	10.8	-18.8	-4.5
Offices of Other Health Care Practitioners	8.3	-56.9	-19.1
Outpatient Care Centers	9.7	-0.8	31.7
Medical and Diagnostic Labs	5.8	-3.7	7.6
Home Health Care Services	3.7	-19.7	51.3
Other Ambulatory	-1.9	-14.7	-1.2
Hospitals	16.2	-70.9	4.4
Nursing and Residential Care Facilities	-8.6	-237.7	-210.9
Nursing Care Facilities	-4.9	-137.5	-144.9
Other Nursing and Residential	-3.7	-100.2	-66.0
Annualized Percent Change	One Month	12 Months	24 Months
Non-Health Care	5.7%	-6.5%	-2.7%
Health Care	4.5%	-2.8%	-0.4%
Ambulatory Health Care Services	8.4%	-1.9%	0.6%
Offices of Physicians	6.7%	-1.4%	0.5%
Offices of Dentists	14.7%	-1.9%	-0.2%
Offices of Other Health Care Practitioners	11.4%	-5.8%	-1.0%
Outpatient Care Centers	12.8%	-0.1%	1.7%
Medical and Diagnostic Labs	28.2%	-1.3%	1.4%
Home Health Care Services	3.0%	-1.3%	1.7%
Dental Offices	-7.2%	-4.6%	-0.2%
Other Ambulatory	3.8%	-1.4%	0.0%
Hospitals	-3.2%	-7.0%	-3.2%
Nursing and Residential Care Facilities	-3.9%	-8.6%	-4.6%
Nursing Care Facilities	-2.6%	-5.6%	-1.9%
Other Nursing and Residential	5.7%	-6.5%	-2.7%

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

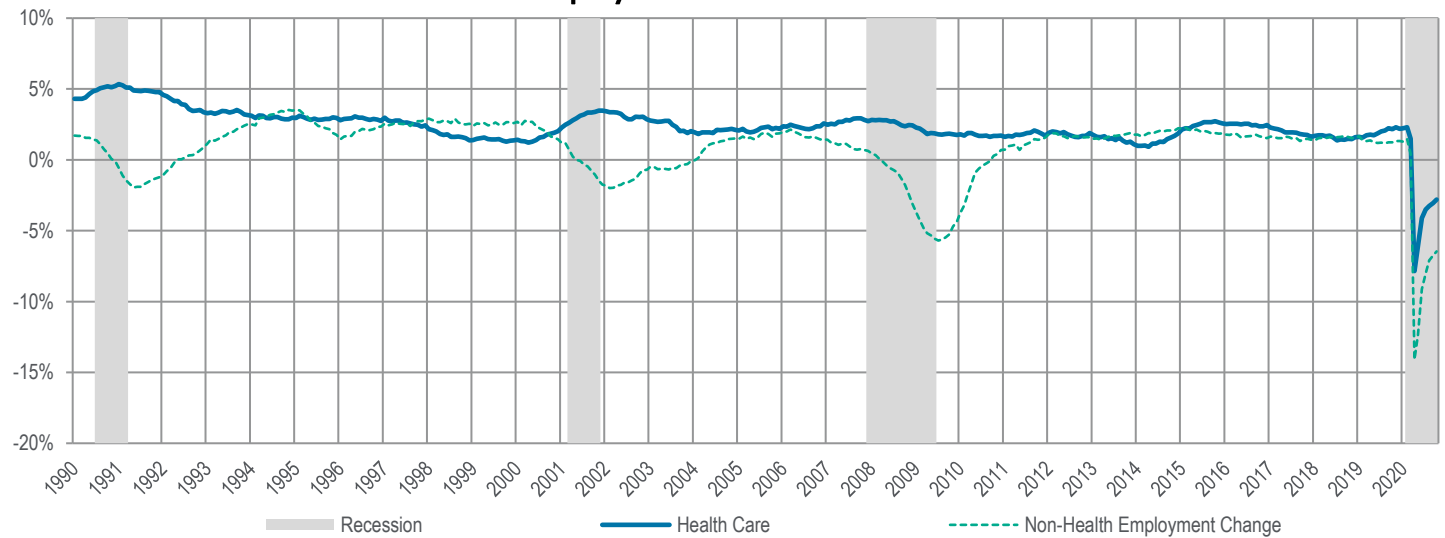
Exhibit 4. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 5. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.