

October 19, 2021

Health care employment falls in September, driven by hospitals and residential care

HIGHLIGHTS

- ▲ Health care employment fell by 17,500 jobs in September, with losses in hospitals (-8,100 jobs) and nursing and residential care settings (-37,600 jobs) outweighing gains in ambulatory care settings (28,200 jobs). Revisions through July were modest, adjusting total health care jobs up by 7,000.
- ▲ Through the first three quarters of 2021, hospital employment is down 31,000 jobs and nursing and residential care employment is down 150,000 jobs. Ambulatory care has gained 170,000 jobs in 2021.
- ▲ Compared to the February 2020 pre-pandemic peak, employment in ambulatory care settings has almost completely returned, at about 5,000 fewer jobs (-0.1%), while hospitals employ 93,000 fewer jobs (-1.8%). Overall health care employment is 524,00 jobs (3.2%) below the February 2020 pre-pandemic peak.
- ▲ Employment in residential care settings continues to decline and is down by 426,000 jobs (-12.6%) from February 2020; down 240,000 jobs (-15.2%) in nursing homes and 184,000 (-10.3%) in other residential care.
- ▲ The economy added 194,000 jobs in September and revisions through July added another 169,000 jobs, for a total of 5 million jobs added in 2021. Total employment remains about 5 million jobs, or 3.3%, below pre-pandemic levels. The unemployment rate fell to 4.8%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Sept 2020	Aug 2021	Sept 2021
Total Employment (000)	152,523	141,865	147,359	147,553
Non-Health Employment (000)	136,031	126,029	131,373	131,585
Health Employment (000)	16,492	15,836	15,986	15,968
Health Share of Total Employment	10.81%	11.16%	10.85%	10.82%
Unemployment Rate	3.5%	7.9%	5.2%	4.8%

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

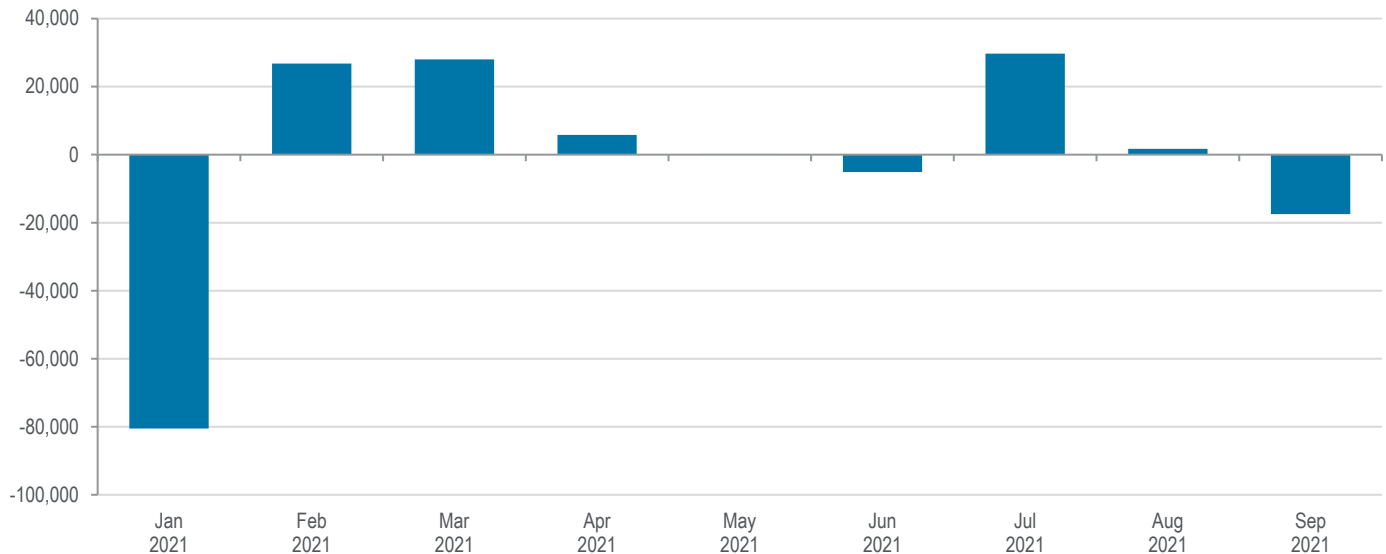


DISCUSSION

Health care employment fell by 17,500 jobs in September 2021. (Exhibit 1).

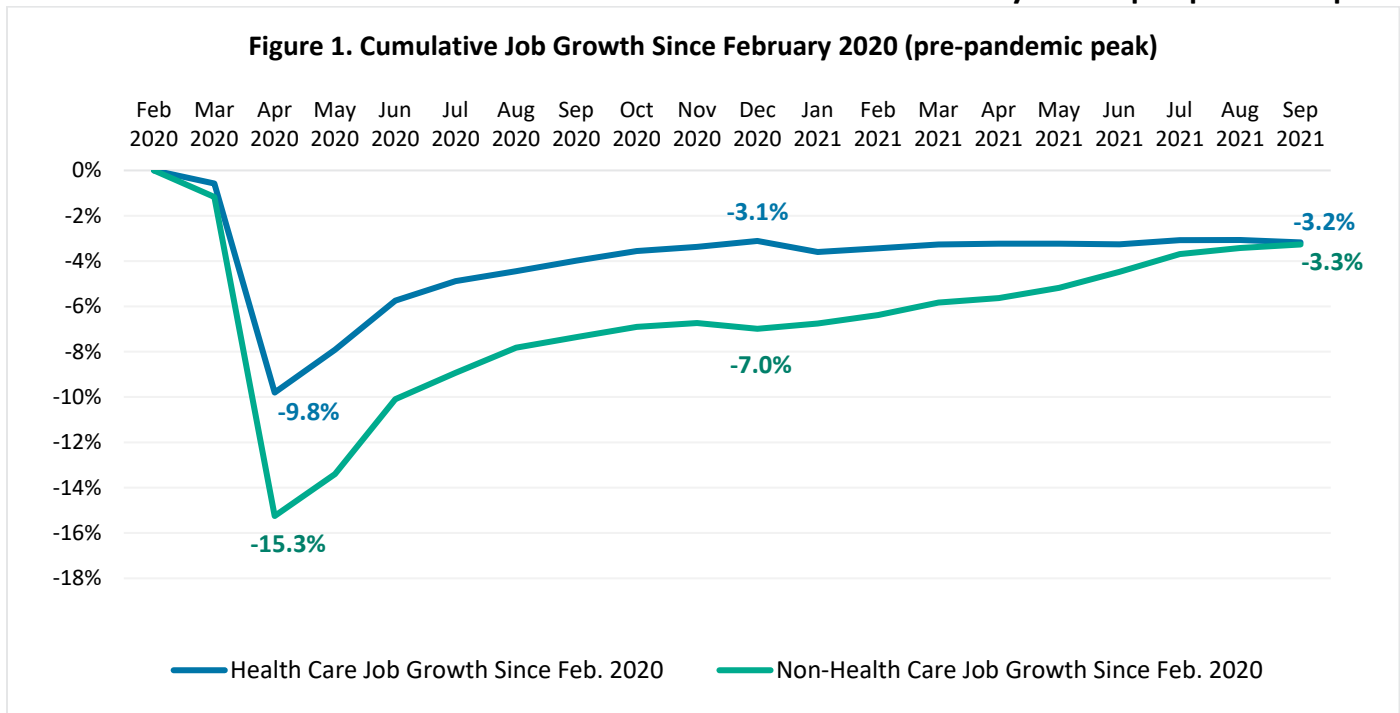
Compared to the pre-pandemic peak seen in February 2020, health care employment is down by more than half a million jobs, representing a 3.2% reduction (Exhibit 2). Jobs outside health care dropped more steeply in 2020, but continue to recover faster in 2021, now standing at 3.3% below February 2020 levels.

Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

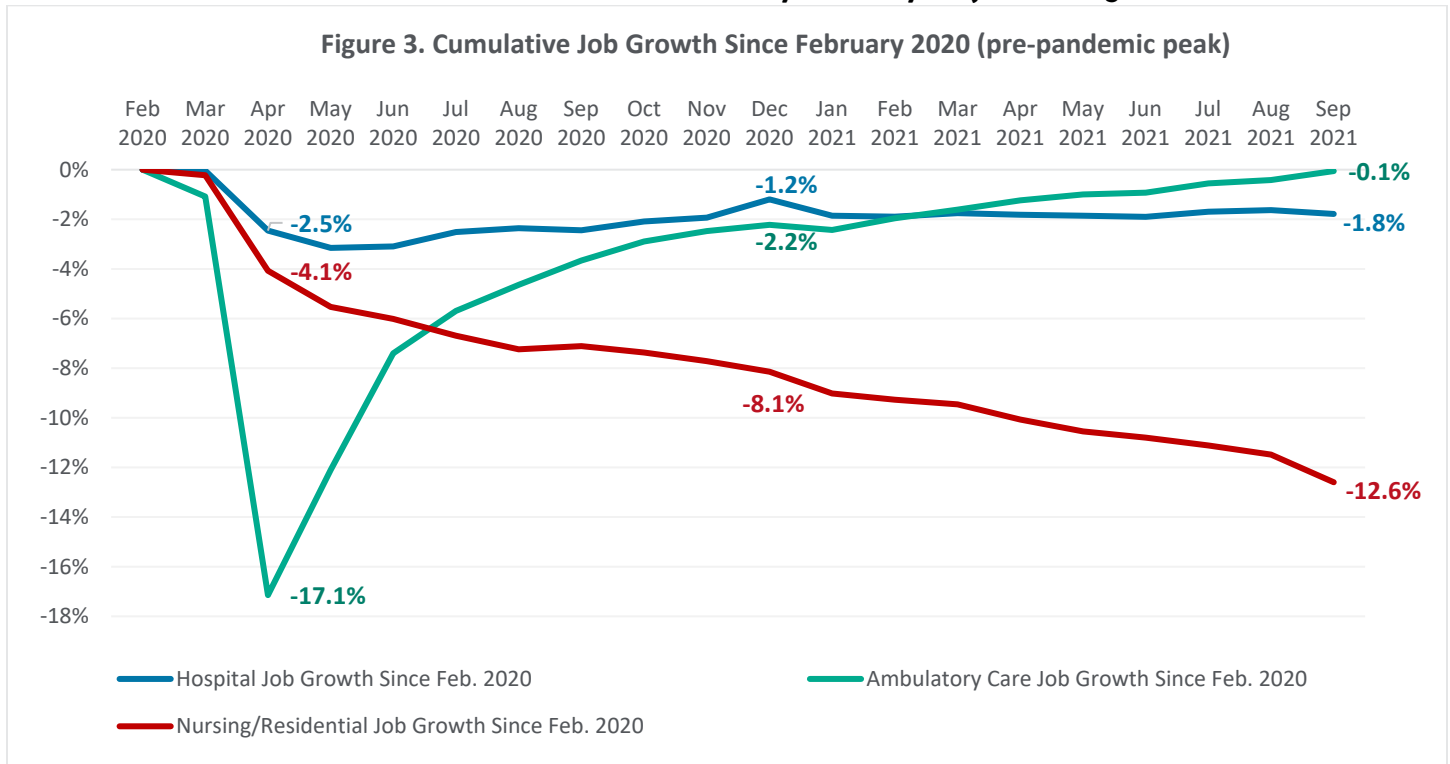
Exhibit 2. Cumulative Health and Non-Health Job Growth Since February 2020 (pre-pandemic peak)



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

Within health care, the story varies by setting of care (Exhibit 3). Employment in ambulatory care settings is very nearly back to pre-pandemic levels (0.1% below the peak). Hospital employment has fallen in 2021 and stands 31,000 jobs below the level of December 2020 and 93,000 jobs (1.8%) below the level of February 2020. Finally, the steady decline in nursing and residential care employment continues, falling by 425,000, or a 12.6% since February 2020.

Exhibit 3. Cumulative Health Job Growth Since February 2020 by Major Setting of Care



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 4. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	September 2021	August 2021	September 2020	September 2019	February 2020
Non-Health Care	131,585	131,373	126,029	134,978	136,031
Health Care	15,968	15,986	15,836	16,351	16,492
Ambulatory Health Care Services	7,871	7,842	7,587	7,763	7,875
Offices of Physicians	2,712	2,711	2,639	2,688	2,726
Offices of Dentists	1,023	1,019	962	981	991
Offices of Other Health Care Practitioners	1,004	993	929	987	1,002
Outpatient Care Centers	1,012	1,009	981	979	998
Medical and Diagnostic Labs	298	297	280	285	289
Home Health Care Services	1,506	1,498	1,492	1,529	1,547
Other Ambulatory	317	316	304	315	322
Hospitals	5,144	5,152	5,110	5,206	5,238
Nursing and Residential Care Facilities	2,954	2,991	3,139	3,382	3,379
Nursing Care Facilities	1,345	1,361	1,457	1,598	1,586
Other Nursing and Residential	1,609	1,631	1,683	1,784	1,794
Health Share of Employment	10.82%	10.85%	11.16%	10.80%	10.81%

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

Exhibit 5. Change in Employment Data by Sector, Seasonally Adjusted

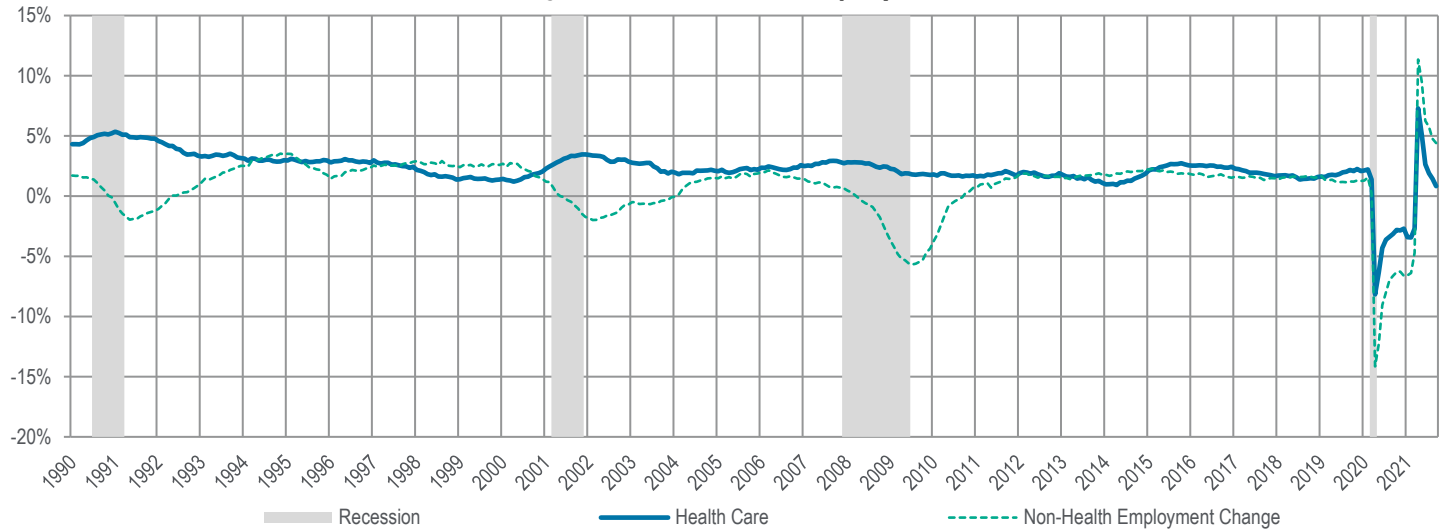
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	211.5	5,555.5	-3,393.5	-4,446.3
Health Care	-17.5	132.5	-382.5	-523.7
Ambulatory Health Care Services	28.2	283.5	107.4	-4.7
Offices of Physicians	0.4	72.7	23.5	-14.5
Offices of Dentists	4.1	60.5	42.1	31.7
Offices of Other Health Care Practitioners	10.5	74.7	16.2	1.3
Outpatient Care Centers	2.5	30.3	33.0	13.8
Medical and Diagnostic Labs	0.9	17.8	13.1	8.6
Home Health Care Services	8.2	14.0	-22.3	-41.0
Other Ambulatory	1.6	13.4	1.8	-4.6
Hospitals	-8.1	34.5	-61.7	-93.3
Nursing and Residential Care Facilities	-37.6	-185.5	-428.2	-425.7
Nursing Care Facilities	-15.8	-111.7	-253.2	-240.8
Other Nursing and Residential	-21.8	-73.8	-175.0	-184.9
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.9%	4.4%	-1.3%	-2.1%
Health Care	-1.3%	0.8%	-1.2%	-2.0%
Ambulatory Health Care Services	4.4%	3.7%	0.7%	0.0%
Offices of Physicians	0.2%	2.8%	0.4%	-0.3%
Offices of Dentists	4.9%	6.3%	2.1%	2.0%
Offices of Other Health Care Practitioners	13.5%	8.0%	0.8%	0.1%
Outpatient Care Centers	3.0%	3.1%	1.7%	0.9%
Medical and Diagnostic Labs	3.7%	6.4%	2.3%	1.9%
Home Health Care Services	6.8%	0.9%	-0.7%	-1.7%
Other Ambulatory	6.3%	4.4%	0.3%	-0.9%
Hospitals	-1.9%	0.7%	-0.6%	-1.1%
Nursing and Residential Care Facilities	-14.1%	-5.9%	-6.5%	-8.2%
Nursing Care Facilities	-13.1%	-7.7%	-8.3%	-9.9%
Other Nursing and Residential	-14.9%	-4.4%	-5.0%	-6.6%

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



TIME SERIES TRACKER

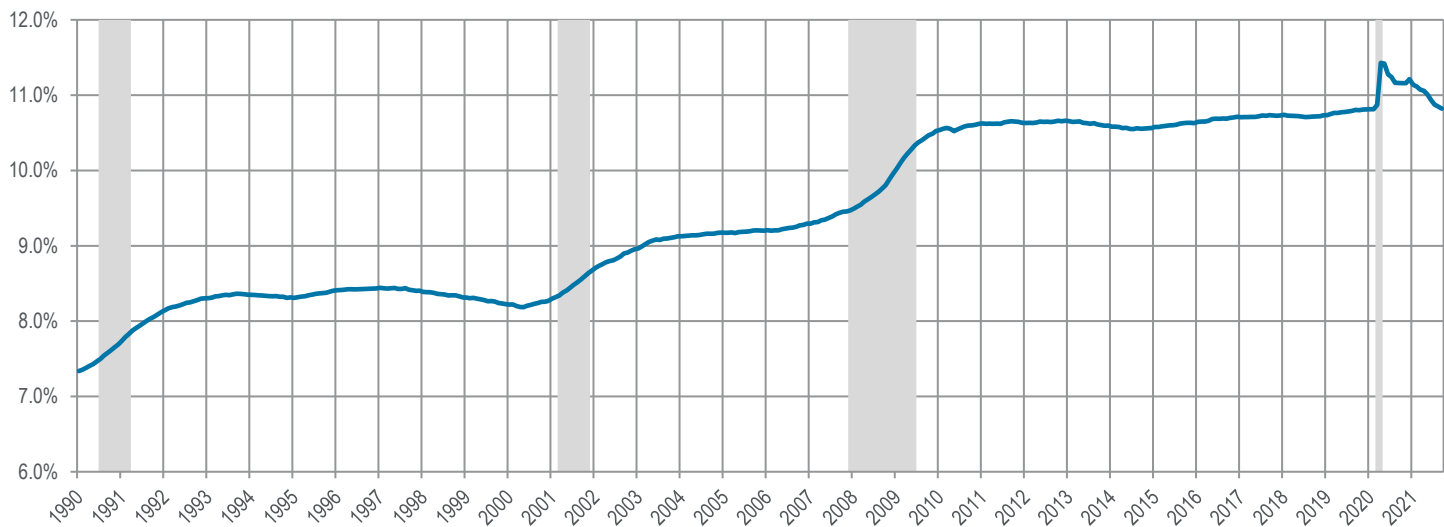
Exhibit 6. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 7. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.