

September 17, 2021

Health care employment falls slightly in August, remaining 3.1% below Feb 2020

HIGHLIGHTS

- ▲ Health care employment fell by 4,900 jobs in August, with slight gains in hospitals (+3,200 jobs) offset by slight losses in ambulatory care settings (-1,200 jobs) plus continued losses in nursing and residential care settings (-6,900 jobs). Revisions through July were modest, adjusting total health care jobs down by 7,000.
- ▲ Health care employment is 513,00 jobs (3.1%) below the February 2020 pre-pandemic peak.
- ▲ Hospital employment dipped by 35,000 jobs in January 2021 and has varied little since then, plateauing at about 85,000 jobs (1.6%) below the February 2020 peak.
- ▲ Employment in residential care settings is down by 383,000 jobs (-11.3%) from the level of February 2020, with 222,000 fewer jobs (-14%) in nursing homes and 162,000 fewer (-9%) in other residential care.
- ▲ The economy added 235,000 jobs in August and revisions through July added another 134,000 jobs, for a total of 4.7 million jobs added in 2021. Total employment remains 5.3 million, or 3.5% below pre-pandemic levels. The unemployment rate fell to 5.2%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Aug 2020	July 2021	Aug 2021
Total Employment (000)	152,523	141,149	146,955	147,190
Non-Health Employment (000)	136,031	125,391	130,971	131,211
Health Employment (000)	16,492	15,758	15,984	15,979
Health Share of Total Employment	10.81%	11.16%	10.88%	10.86%
Unemployment Rate	3.5%	8.4%	5.4%	5.2%

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>.

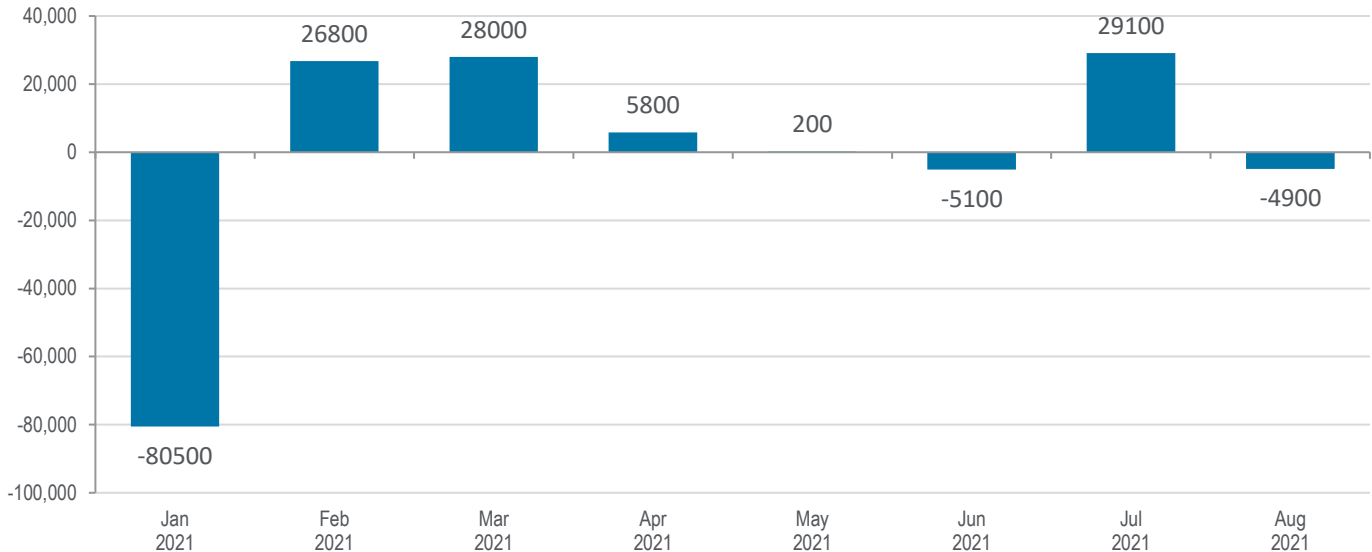


DISCUSSION

Health care employment fell by 4,900 jobs in August 2021. (Exhibit 1). Following a substantial drop in January 2021, health care employment is now exactly back to the level of December 2020.

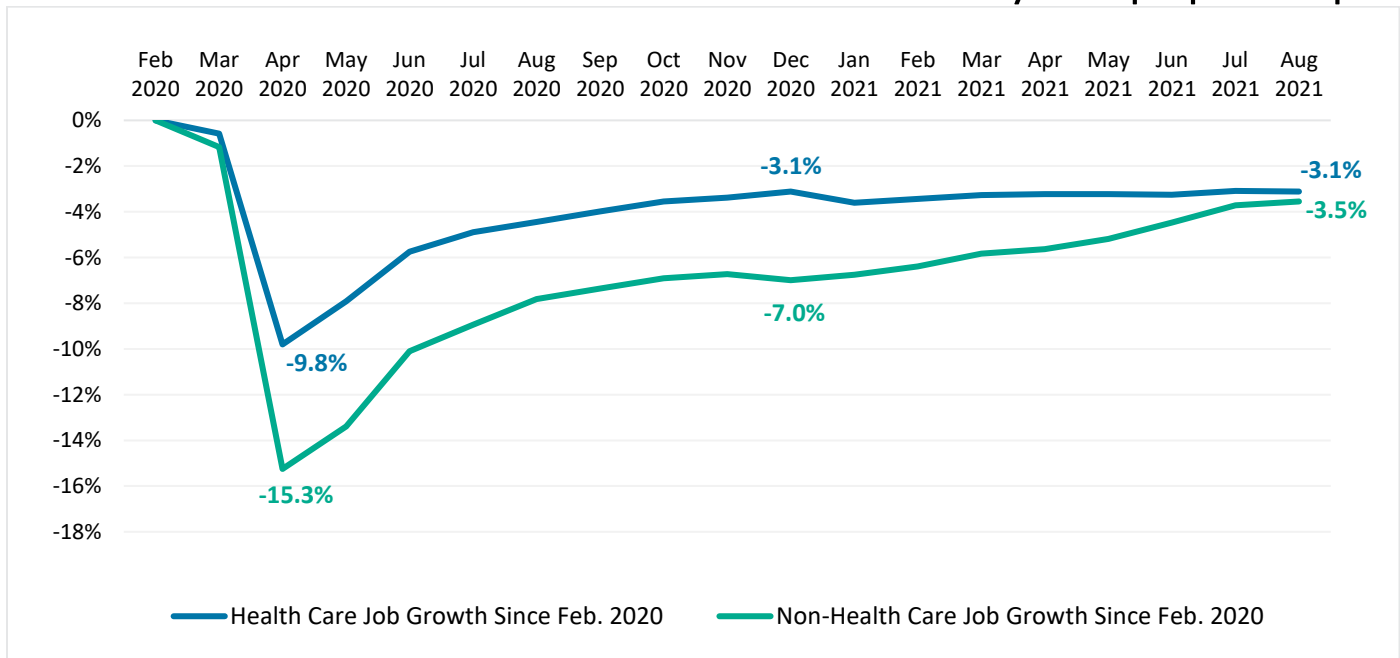
Compared to the pre-pandemic peak seen in February 2020, health care employment is down by just over half a million jobs, representing a 3.1% reduction (Exhibit 2). Jobs outside health care dropped more steeply in 2020, but continue to recover faster in 2021, now standing at 3.5% below February 2020 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)

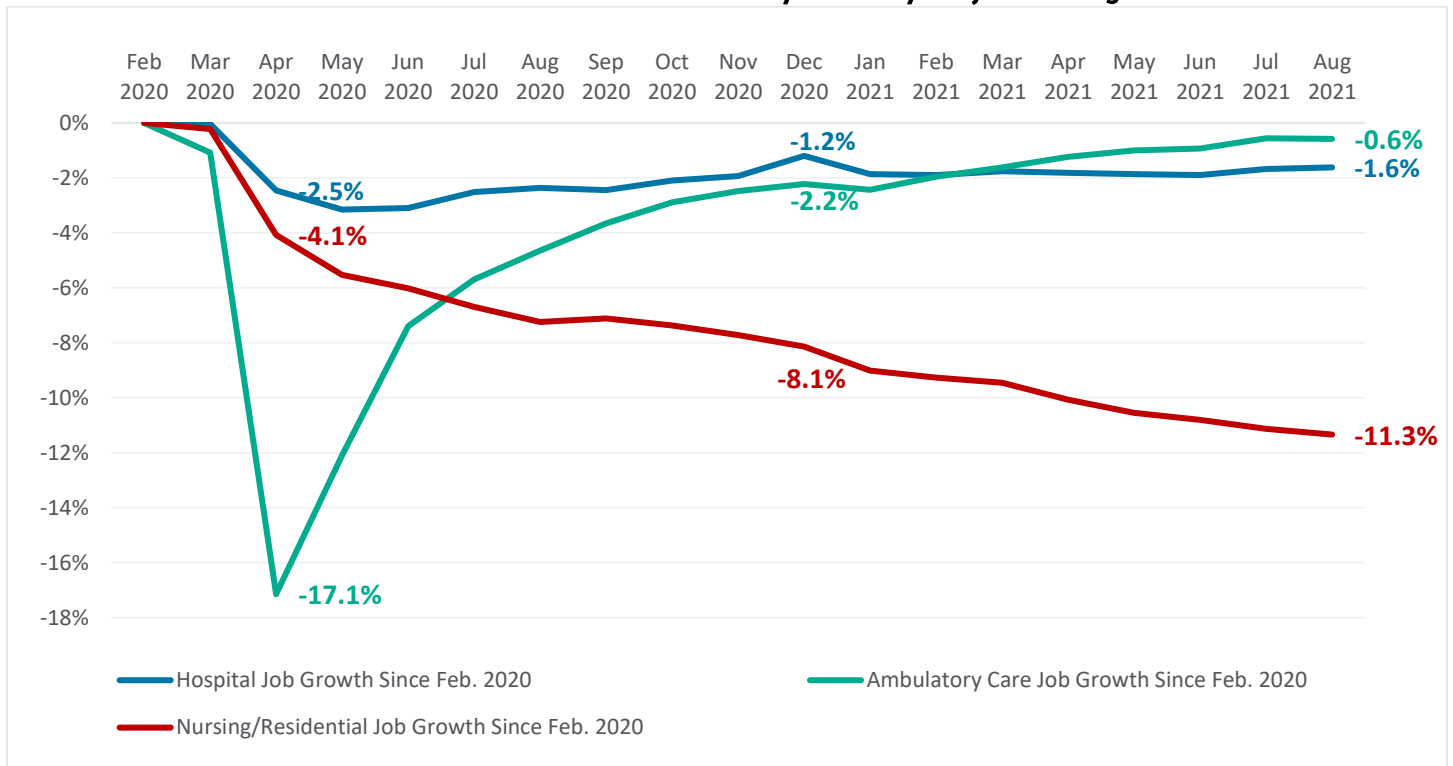


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Within health care, the story varies by setting of care (Exhibit 3). Despite falling slightly in August 2021, employment in ambulatory care settings has recovered more steadily than other settings and is nearly back to pre-pandemic levels (0.6% below the peak). Hospital employment has not grown in 2021 and stands 22,000 jobs below the level of December 2020 and 85,000 jobs (1.6%) below the level of February 2020. Finally, the steady decline in nursing and residential care employment continues, with jobs falling in all but one of the past 18 months for an 11.3% decline 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)	August 2021	July 2021	August 2020	August 2019	February 2020
Non-Health Care	131,211	130,971	125,391	134,799	136,031
Health Care	15,979	15,984	15,758	16,309	16,492
Ambulatory Health Care Services	7,830	7,831	7,510	7,735	7,875
Offices of Physicians	2,709	2,706	2,618	2,681	2,726
Offices of Dentists	1,018	1,016	954	979	991
Offices of Other Health Care Practitioners	990	987	909	979	1,002
Outpatient Care Centers	1,009	1,006	970	973	998
Medical and Diagnostic Labs	297	295	277	284	289
Home Health Care Services	1,491	1,503	1,479	1,526	1,547
Other Ambulatory	317	317	302	313	322
Hospitals	5,153	5,150	5,114	5,196	5,238
Nursing and Residential Care Facilities	2,996	3,003	3,135	3,379	3,379
Nursing Care Facilities	1,364	1,371	1,459	1,597	1,586
Other Nursing and Residential	1,632	1,632	1,676	1,782	1,794
Health Share of Employment	10.86%	10.88%	11.16%	10.79%	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

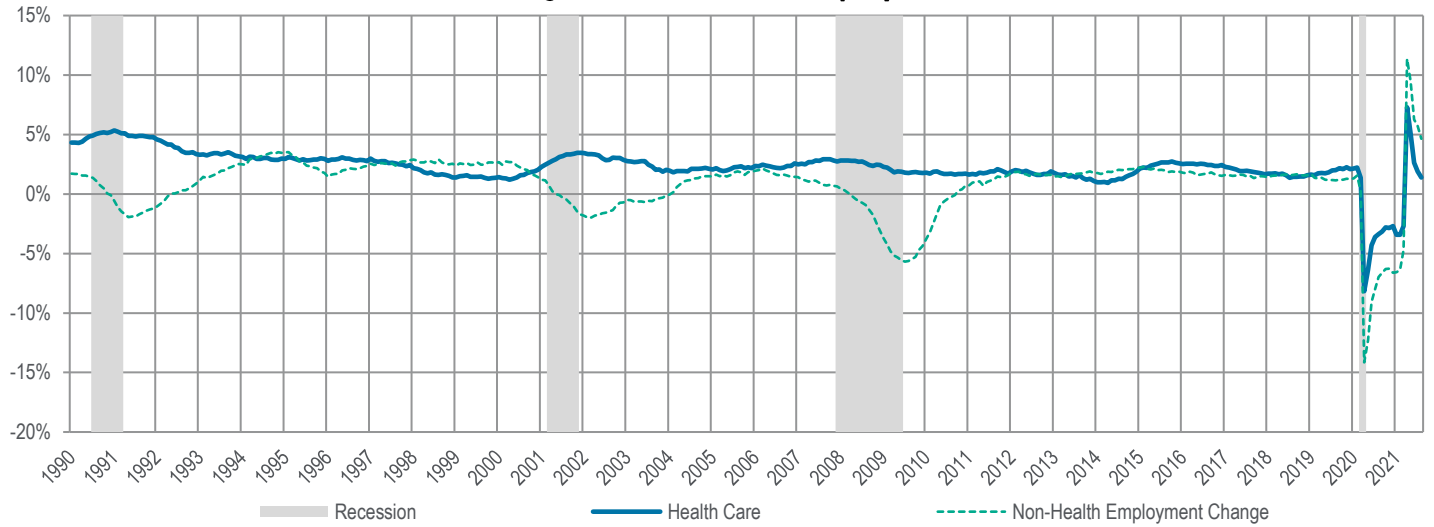
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	239.9	5,820.6	-3,587.7	-4,819.6
Health Care	-4.9	220.4	-330.3	-513.4
Ambulatory Health Care Services	-1.2	320.1	95.1	-45.4
Offices of Physicians	2.4	90.4	28.1	-17.5
Offices of Dentists	2.0	64.0	39.1	27.2
Offices of Other Health Care Practitioners	2.5	80.6	10.7	-12.3
Outpatient Care Centers	2.3	38.6	35.5	11.0
Medical and Diagnostic Labs	1.6	19.6	12.9	7.7
Home Health Care Services	-11.6	12.3	-34.8	-56.4
Other Ambulatory	-0.4	14.7	3.6	-5.1
Hospitals	3.2	38.8	-43.1	-84.8
Nursing and Residential Care Facilities	-6.9	-138.5	-382.3	-383.2
Nursing Care Facilities	-7.1	-95.2	-232.5	-221.7
Other Nursing and Residential	0.2	-43.3	-149.8	-161.5
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.2%	4.6%	-1.3%	-2.4%
Health Care	-0.4%	1.4%	-1.0%	-2.1%
Ambulatory Health Care Services	-0.2%	4.3%	0.6%	-0.4%
Offices of Physicians	1.1%	3.5%	0.5%	-0.4%
Offices of Dentists	2.4%	6.7%	2.0%	1.8%
Offices of Other Health Care Practitioners	3.1%	8.9%	0.5%	-0.8%
Outpatient Care Centers	2.8%	4.0%	1.8%	0.7%
Medical and Diagnostic Labs	6.7%	7.1%	2.2%	1.8%
Home Health Care Services	-8.9%	0.8%	-1.1%	-2.4%
Other Ambulatory	-1.5%	4.9%	0.6%	-1.1%
Hospitals	0.7%	0.8%	-0.4%	-1.1%
Nursing and Residential Care Facilities	-2.7%	-4.4%	-5.8%	-7.7%
Nursing Care Facilities	-6.0%	-6.5%	-7.6%	-9.6%
Other Nursing and Residential	0.1%	-2.6%	-4.3%	-6.1%

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



TIME SERIES TRACKER

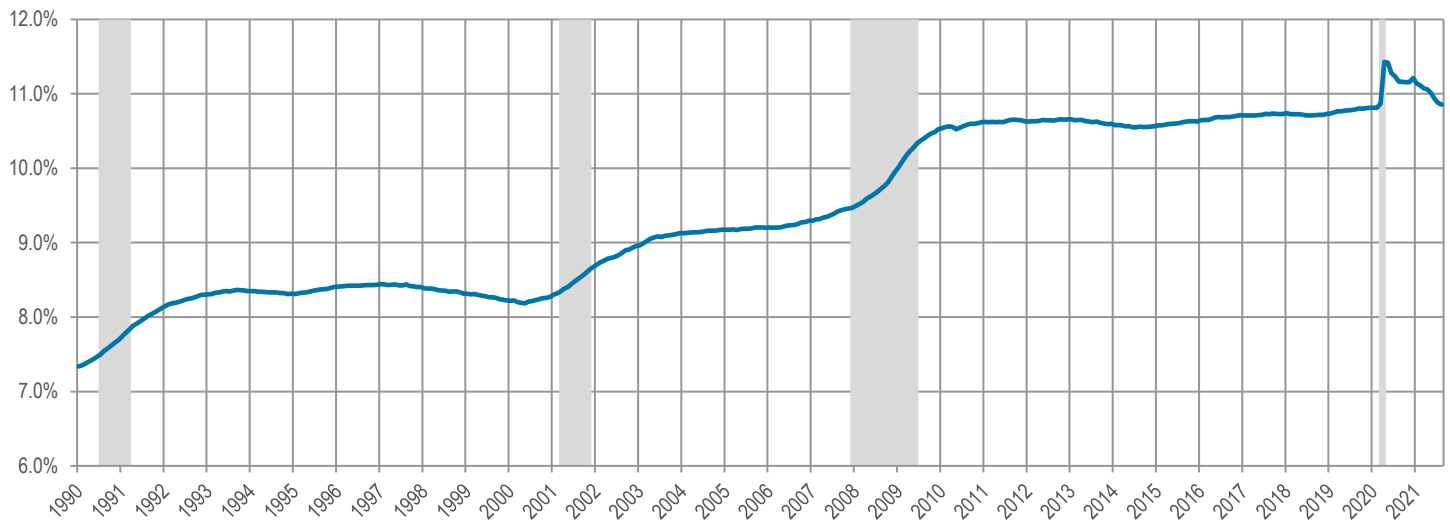
Exhibit 6. Twelve-month Percent Change in Health Care Employment



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.