

**Health Sector Economic Indicators<sup>SM</sup>**

**Insights from Monthly Employment Data Through April 2015**

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**LABOR BRIEF**

May 13, 2015

**Hospitals continue hiring amid strong overall health sector job growth**

**HIGHLIGHTS**

- ▲ The health sector hit 15 million jobs in April, with the addition of 45,200 new jobs. April gains were well above the 12- and 24-month average gains of about 33,000 and 22,000, respectively.
- ▲ Hospitals added a strong 11,800 jobs in April and are averaging nearly 11,000 new jobs per month so far in 2015.
- ▲ Ambulatory care settings gained more than 25,000 jobs, close to the 12-month average. Nursing and residential care gained 8,100 jobs this month after posting losses in the previous 2 months.
- ▲ The source of these figures, the monthly “establishment” survey, showed total nonfarm jobs growing by 223,000 in April, although revisions lowered estimates through March by 39,000 jobs.
- ▲ The monthly “household” survey showed the unemployment rate dropping slightly to 5.4%.
- ▲ The health share of total employment increased to 10.61%, below the high of 10.66% last seen in December 2012. Health job growth is once again exceeding nonhealth growth at 2.7% year over year versus 2.1% (Exhibit 7).

**Cyclical Employment Big Picture**

Seasonally Adjusted	Dec 2007	Jun 2009	Apr 2014	Apr 2015
Total Employment (000)	138,350	130,944	138,385	141,367
Nonhealth Employment (000)	125,247	117,410	123,774	126,366
Health Care Employment (000)	13,103	13,534	14,611	15,001
Health Share of Total Employment	9.47%	10.34%	10.56%	10.61%
Unemployment Rate	5.0%	9.5%	6.2%	5.4%

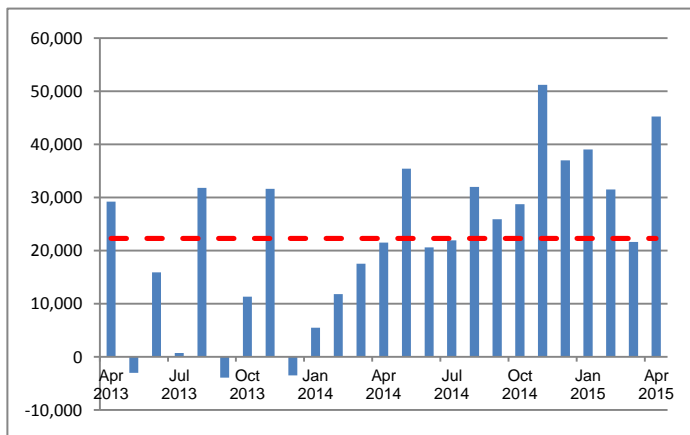
The recession officially began in December 2007 and ended in June 2009. Total employment excludes farm work. Health care employment is private only.

Source: Altarum Institute analysis of Bureau of Labor Statistics (BLS) data.

**HEALTH CARE EMPLOYMENT**

In April 2015, private-sector health care employment showed a gain of 45,200 jobs (Exhibit 1), according to the BLS Employment Situation released on May 8, 2015. This is well above the average of 25,800 jobs per month added in 2014 and the 13,300 per month added in 2013. Offices of physicians gained an above-average 9,300 jobs, and hospitals gained 11,800 jobs. The health share of total employment increased slightly to 10.61% (Exhibit 8).

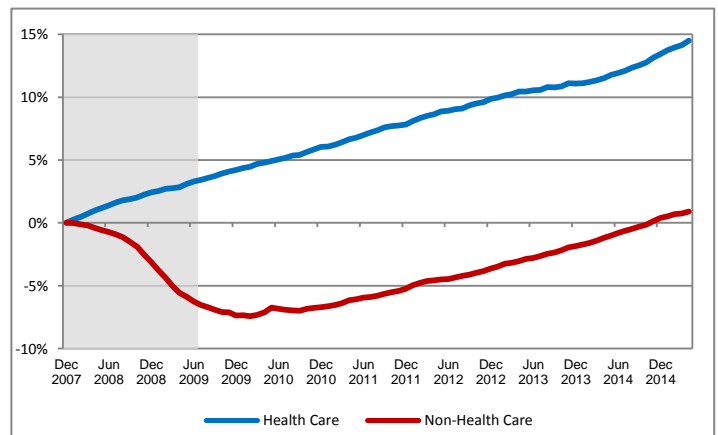
**Exhibit 1. Month-over-Month Change in Total Health Care Employment, Seasonally Adjusted, February 2013–February 2015**



Source: Altarum analysis of BLS data.

Over the last 12 months, total private-sector health care employment grew by 390,000 jobs or 2.7%. During this period, total nonhealth payroll employment increased by 2,592,000 jobs or 2.1% (Exhibit 6). Since the start of the recession in December 2007, the health sector has added 1.90 million jobs, for a cumulative gain of 14.5%; while nonhealth employment has grown by 1.12 million jobs, for a cumulative gain of 0.9% (Exhibit 2). Nonhealth jobs continue to climb after finally reclaiming their pre-recession level in November 2014.

**Exhibit 2. Health and Nonhealth Employment: Cumulative Percentage Change Since December 2007**



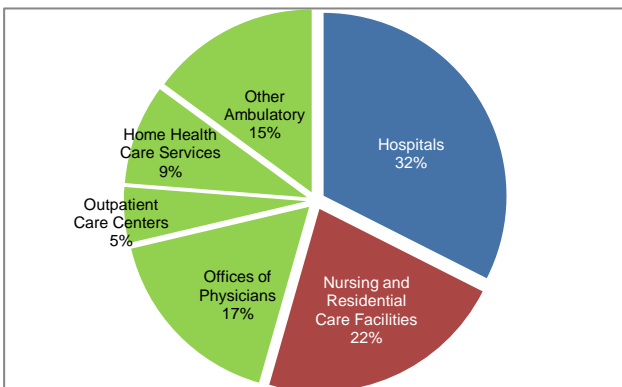
Source: Altarum analysis of BLS data.  
Note: Shading indicates the recession period.

**HEALTH CARE JOBS BY CATEGORY**

In April 2015, the following occurred:

- ▲ Hospitals gained 11,800 jobs, higher than the 24-month average gain of 2,400 and the 12-month average of 7,200.
- ▲ Ambulatory health care services added 25,300 jobs, above the 24-month average gain of 16,700 and consistent with the 12-month average of 22,100. These services include the following:
  - Offices of physicians added 9,300 jobs (24-month average: 4,700).
  - Outpatient care centers gained 3,400 jobs (24-month average: 2,700).
  - Home health care gained 2,700 jobs (24-month average: 3,300).
  - Other ambulatory services, which include offices of dentists, chiropractors, other health care practitioners, and labs, added 9,900 jobs (24-month average: 6,200).
- ▲ Nursing and residential care facilities gained 8,100 jobs (24-month average: 2,900).
- ▲ Ambulatory services accounted for 46% of health care employment (Exhibit 3), hospitals another 32%, and nursing and residential care facilities the remaining 22%.

**Exhibit 3. Health Care Employment by Setting, April 2015**

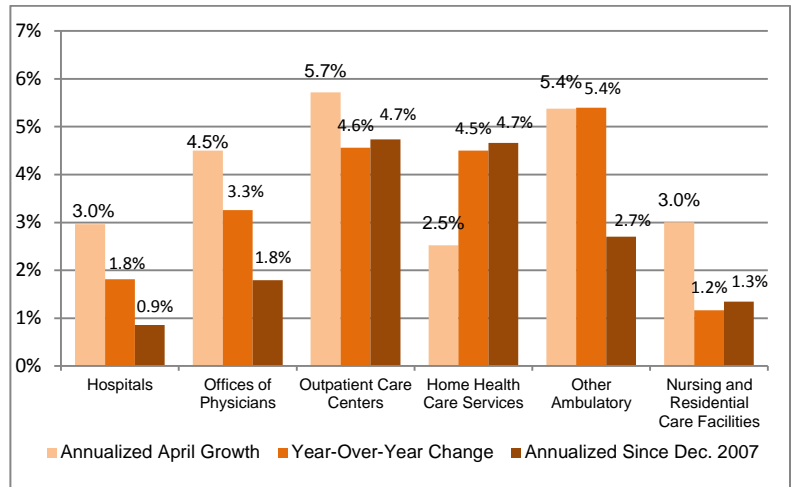


Source: Altarum analysis of BLS data.

Note: “Other Ambulatory” includes offices of dentists, chiropractors, optometrists, other specialties, and medical and diagnostic labs.

Over the past 12 months, other ambulatory services grew at the fastest rate, 5.4% (Exhibit 4), adding 116,400 jobs. Home health gained 56,100 jobs for a growth rate of 4.5%. Offices of physicians added 80,100 jobs, a growth rate of 3.3%. Hospital jobs grew by 1.8% over the past 12 months, adding 86,400 jobs. Nursing and residential care added 38,000 jobs, for a growth rate of 1.2%. Finally, outpatient care centers added 32,100 jobs for a growth rate of 4.6%.

**Exhibit 4. Growth in Health Care Employment, by Selected Setting**



Source: Altarum analysis of BLS data.

**DISCUSSION**

The health sector now represents more than 15 million U.S. jobs. In the past 6 months, health care has added 226,000 jobs, the largest 6-month increase in our data, which goes back 25 years.

Ambulatory care settings continue to generate the majority of health sector job growth, adding 144,000 new jobs over the past 6 months. However, a big part of the acceleration in health job growth from mid-2014 through early 2015 has been an upturn in hospital hiring. In 2013, hospitals lost 17,500 jobs. From January through July 2014, hospitals added fewer than 4,000 jobs. But over the past 9 months, hospitals have added more than 80,000 jobs—43,000 in the first 4 months of 2015 alone.

Job growth in nursing and residential care settings continues to fluctuate but has averaged a modest 3,000 new jobs per month over the past 2 years. All the growth in this category has been in “other nursing and residential care.” Employment in nursing homes alone has been flat over the past 2 years.

In the overall labor market, the slow growth reported for March was revised even lower to only 85,000 new jobs, but the April growth of 223,000 jobs eased fears of a sustained slowdown in hiring, and the unemployment rate dropped slightly to 5.4%, the lowest rate since May 2008.

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The Center for Sustainable Health Spending (CSHS) was launched in 2011 to lead Altarum Institute’s research on the cost growth trends and key drivers of U.S. health spending and to formulate policy strategies to help bend the cost growth curve.

**The Health Sector Economic Indicators<sup>SM</sup>** reports are a monthly publication of Altarum’s CSHS and provide an analysis of health spending, employment, and prices. For more information, contact **Charles Roehrig, PhD**, at 734-302-4600 or [charles.roehrig@altarum.org](mailto:charles.roehrig@altarum.org). Ani Turner (principal author); Paul Hughes-Cromwick; George Miller, PhD; and Matt Daly, PhD, contributed to this brief. Media Contact: Ken Schwartz, 571-733-5709, [ken.schwartz@altarum.org](mailto:ken.schwartz@altarum.org). For more information, visit [www.altarum.org/cshs](http://www.altarum.org/cshs).

**DETAILED HEALTH CARE EMPLOYMENT DATA**

Exhibit 5. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	April 2015	March 2015	April 2014	April 2013	December 2007
Non-Health Care	126,366	126,188	123,774	121,435	125,247
Health Care	15,001	14,956	14,611	14,474	13,103
Ambulatory Health Care Services	6,852	6,826	6,586	6,451	5,555
Offices of Physicians	2,538	2,529	2,458	2,426	2,228
Outpatient Care Centers	736	733	704	672	524
Home Health Care Services	1,303	1,300	1,247	1,224	933
Other Ambulatory	2,275	2,265	2,158	2,126	1,871
Hospitals	4,859	4,847	4,772	4,801	4,564
Nursing and Residential Care Facilities	3,291	3,283	3,253	3,222	2,984
Nursing Care Facilities	1,652	1,649	1,651	1,656	1,612
Other Nursing and Residential	1,638	1,633	1,602	1,566	1,372
Health Share of Employment	10.61%	10.60%	10.56%	10.65%	9.47%

Source: Altarum analysis of BLS data.

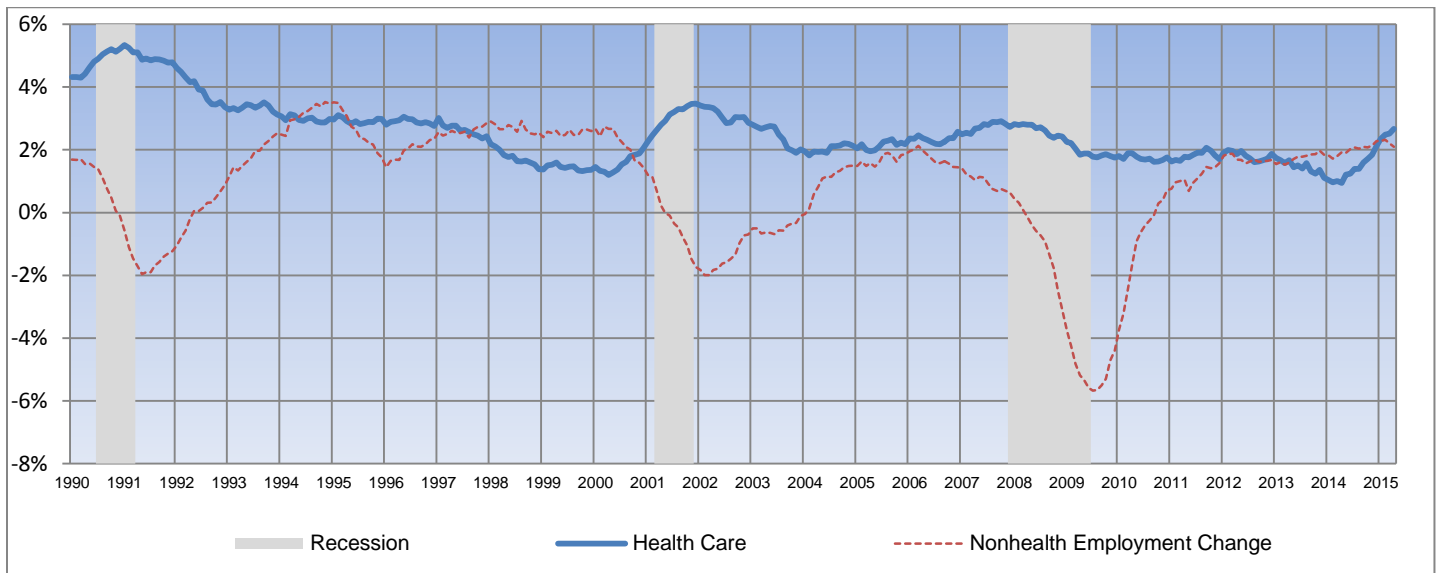
Exhibit 6. Change in Employment Data by Sector, Seasonally Adjusted

Employment Change (in thousands)	One Month	12 Months	24 Months	Since Dec. 2007
Non-Health Care	177.8	2,592.0	4,930.8	1,119.1
Health Care	45.2	390.0	527.2	1,897.9
Ambulatory Health Care Services	25.3	265.6	400.7	1,296.3
Offices of Physicians	9.3	80.1	112.7	310.5
Outpatient Care Centers	3.4	32.1	64.1	211.7
Home Health Care Services	2.7	56.1	79.4	370.1
Other Ambulatory	9.9	116.4	148.2	404.0
Hospitals	11.8	86.4	57.4	294.7
Nursing and Residential Care Facilities	8.1	38.0	69.1	306.9
Nursing Care Facilities	3.0	1.3	-3.7	40.7
Other Nursing and Residential	5.1	36.7	72.8	266.2
<b>Annualized Percentage Change</b>				
Non-Health Care	1.7%	2.1%	2.0%	0.1%
Health Care	3.7%	2.7%	1.8%	1.9%
Ambulatory Health Care Services	4.5%	4.0%	3.1%	2.9%
Offices of Physicians	4.5%	3.3%	2.3%	1.8%
Outpatient Care Centers	5.7%	4.6%	4.7%	4.7%
Home Health Care Services	2.5%	4.5%	3.2%	4.7%
Other Ambulatory	5.4%	5.4%	3.4%	2.7%
Hospitals	3.0%	1.8%	0.6%	0.9%
Nursing and Residential Care Facilities	3.0%	1.2%	1.1%	1.3%
Nursing Care Facilities	2.2%	0.1%	-0.1%	0.3%
Other Nursing and Residential	3.8%	2.3%	2.3%	2.4%

Source: Altarum analysis of BLS price data.

**TIME SERIES TRACKER**

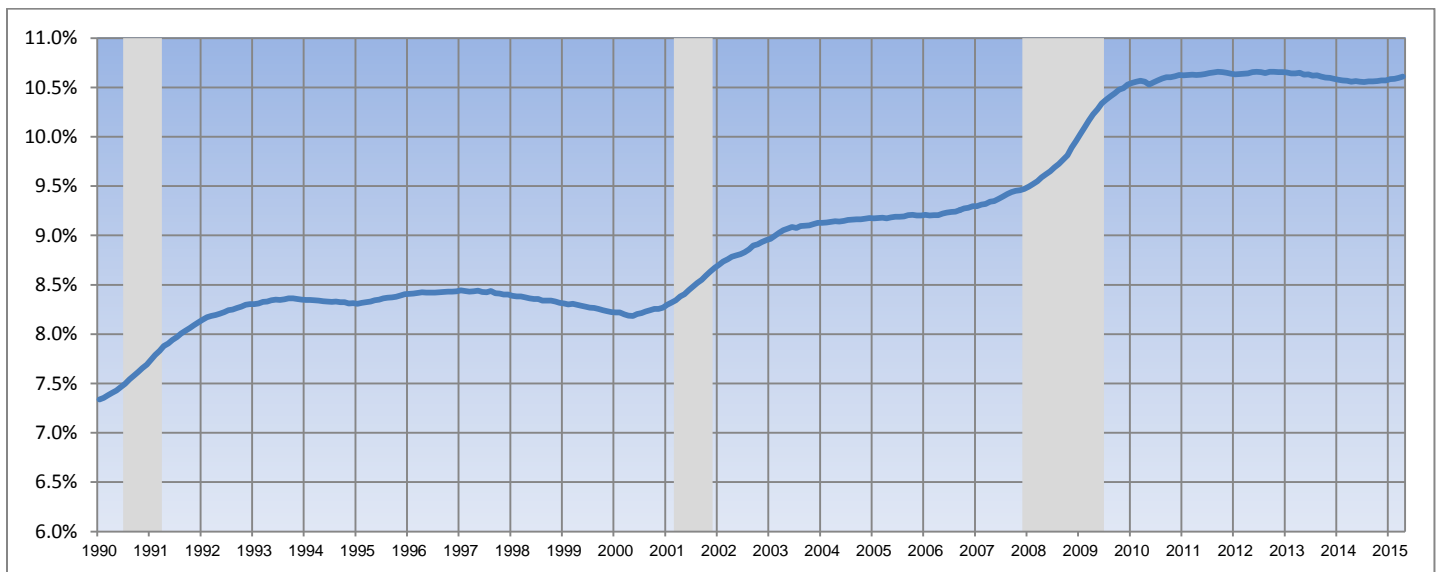
**Exhibit 7. Year-over-Year Percentage Change in Health and Nonhealth Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

**Exhibit 8. Health Care Sector Share of Total Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.