

January 8, 2025

New CMS data indicate national health spending grew by 7.5% in 2023

HIGHLIGHTS

- ▲ The Centers for Medicare and Medicaid Services (CMS) released the official estimates of national health spending for 2023 on December 18, indicating that health spending grew by 7.5% in 2023. We have incorporated these estimates into this spending brief.
- ▲ In October 2024, national health spending grew by 7.6%, year over year, and represents 18.1% of GDP.
- ▲ Nominal GDP in October 2024 was 5.1% higher than in October 2023, growing 2.5 percentage points more slowly than health spending.
- ▲ Personal health care spending growth in October was 7.8%, year over year, with utilization growth continuing to outpace price growth.
- ▲ Growth among major spending categories continued to be highest for home health care, at 11.1%, year over year. Spending growth for hospital care grew the slowest, at 6.8%.

National Health Spending and GDP*

	October 2022	October 2023	September 2024	October 2024
GDP	26.67	28.09	29.34	29.52
National Health Spending (HS)	4.62	4.97	5.32	5.34
HS Share of GDP	17.3%	17.7%	18.1%	18.1%
HS Share of PGDP	17.5%	18.0%	18.5%	18.5%
Growth from Prior 12 Months				
HS	5.7%	7.6%	8.4%	7.6%
GDP	8.5%	5.3%	4.3%	5.1%
HS minus GDP	-2.8%	2.3%	4.1%	2.5%
HS minus PGDP	-3.4%	2.6%	4.2%	3.1%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from S&P Global Market Intelligence. PGDP, defined as what GDP would be at full employment, is from the quarterly Congressional Budget Office estimates, converted to monthly by Altarum.

Note: Discrepancies in differences are due to rounding.

* Spending is in trillions of dollars at a seasonally adjusted annual rate (SAAR).

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 reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD (principal author) and Matt Daly, PhD, contributed to this brief. We thank Corwin Rhyan and Stephen McCall for their previous leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

This month’s spending brief incorporates adjustments to our 2023 estimates to match new CMS [National Health Expenditure Accounts results for 2023](#) that were released on December 18, 2024. Because our results for 2024 are based on applying spending growth rates to the previous year’s levels, our results for 2024 also differ from our previous estimates. Our previous estimate of a national health spending growth rate in 2023 of 7.3% has now been adjusted to match the CMS value of 7.5%.

After adopting the new CMS data, we estimate that national health spending reached a seasonally adjusted annual rate of \$5.34 trillion. October’s spending corresponds to a year-over-year growth rate of 7.6%.

Year-over-year GDP growth increased from 4.3% in September to 5.1% in October, and national health spending in October grew 2.5 percentage points faster than GDP, down significantly from 4.1 percentage points in September (Exhibit 1). National health spending in October represented 18.1% of GDP, equalling its September share.

The year-over-year growth rate in personal health care spending (spending on health care goods and services) was 7.8% in October, resulting in personal health care spending as a percent of GDP equaling 15.4% (data not shown).

Exhibit 1. Year-over-Year Growth in GDP and Health Spending

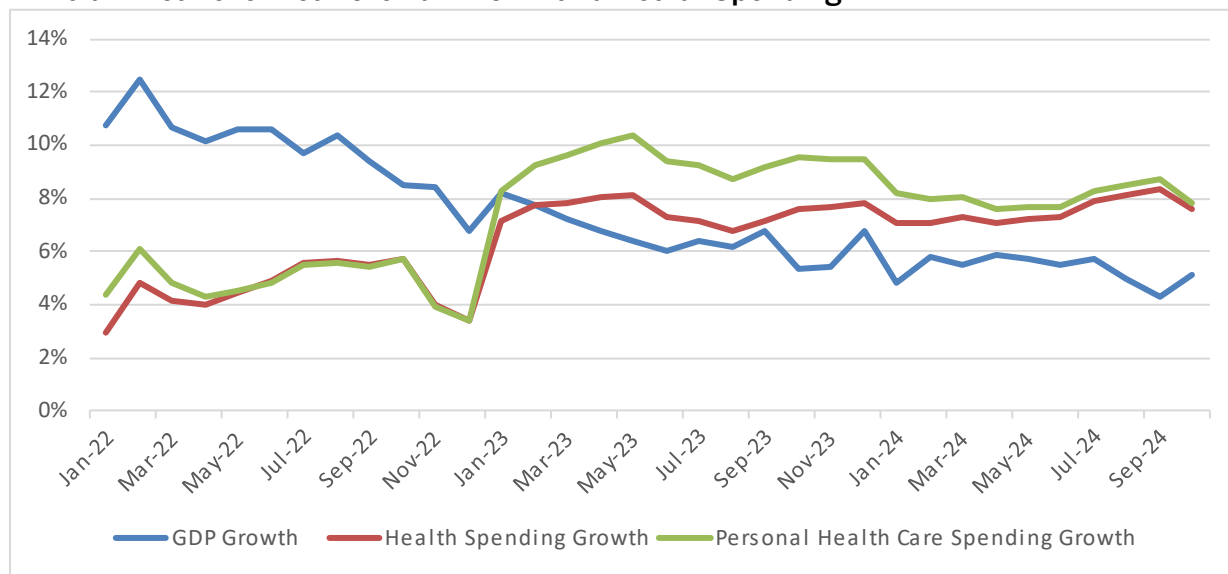


Exhibit 2 illustrates how health spending in October was distributed among spending categories. Personal health care constituted 85% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (Components do not add to 100% due to rounding.)

Exhibit 2. Health Spending by Category, October 2024

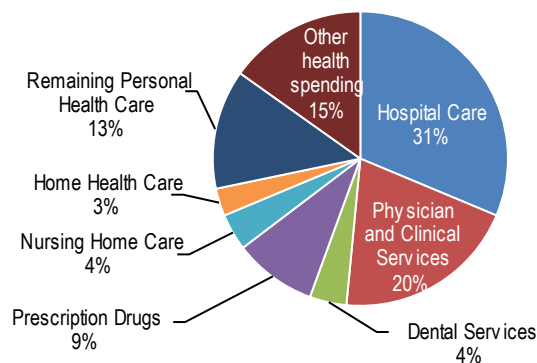


Exhibit 3 displays the growth in spending for personal health care and its major component categories for the 12 month periods ending October 2024 and October 2023. Spending on all categories except physician services and

dental services showed slower growth this year compared with last. Annual growth in October 2024 was again greatest for home health care at 11.1%. The slowest growth occurred in spending on hospital care, at 6.8%.

Exhibit 3. Health Care Spending 12-Month Growth

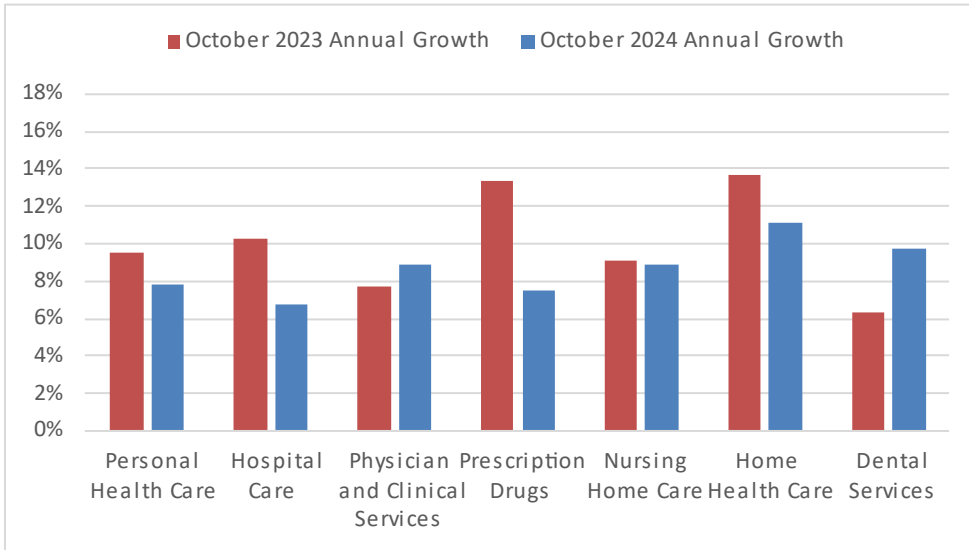
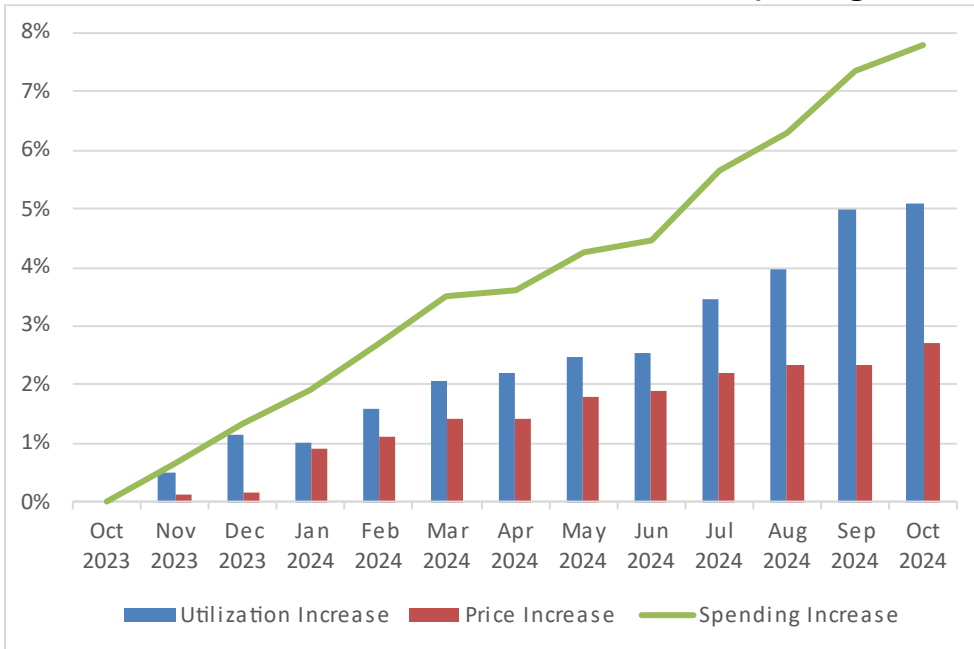


Exhibit 4 shows how spending on personal health care has grown over the past year (since October 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through October 2024 has continued to be driven more by utilization growth than by price increases: Of the 7.8% growth in personal health care spending during this period, 2.7 percentage points can be attributed to price growth, while the remaining 5.1 percentage point growth was associated with increases in utilization.

Exhibit 4. Cumulative Growth in Personal Health Care Spending



DETAILED HEALTH SPENDING

Exhibit 5. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	October 2021	October 2022	October 2023	October 2024
GDP	\$24,574.8	\$26,667.8	\$28,093.4	\$29,523.7
National Health Spending	\$4,366.8	\$4,616.4	\$4,967.4	\$5,344.3
Personal health care	\$3,631.6	\$3,840.5	\$4,207.4	\$4,535.2
Hospital care	\$1,348.2	\$1,411.8	\$1,556.3	\$1,662.1
Physician and clinical services	\$889.8	\$926.0	\$997.6	\$1,086.2
Other professional services	\$135.9	\$145.8	\$162.5	\$181.3
Dental services	\$163.0	\$165.9	\$176.3	\$193.5
Other personal health care	\$229.6	\$254.5	\$275.9	\$293.0
Home health care	\$124.8	\$136.5	\$155.1	\$172.3
Nursing home care	\$182.9	\$197.7	\$215.8	\$234.9
Prescription Drugs	\$382.1	\$413.5	\$468.6	\$503.6
Durable medical equipment	\$65.9	\$70.6	\$73.1	\$77.3
Nondurable medical products	\$109.5	\$118.3	\$126.2	\$131.0
Program administration and net cost of private health insurance	\$310.9	\$345.9	\$366.3	\$391.0
Government public health activities	\$201.2	\$200.3	\$151.3	\$163.5
Research	\$63.7	\$69.5	\$73.2	\$76.7
Structures and equipment	\$159.4	\$160.1	\$169.3	\$177.9
HS Share of GDP	17.8%	17.3%	17.7%	18.1%
HS Share of PGDP	18.1%	17.5%	18.0%	18.5%

Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Notes: Spending is expressed in billions of dollars at a SAAR.

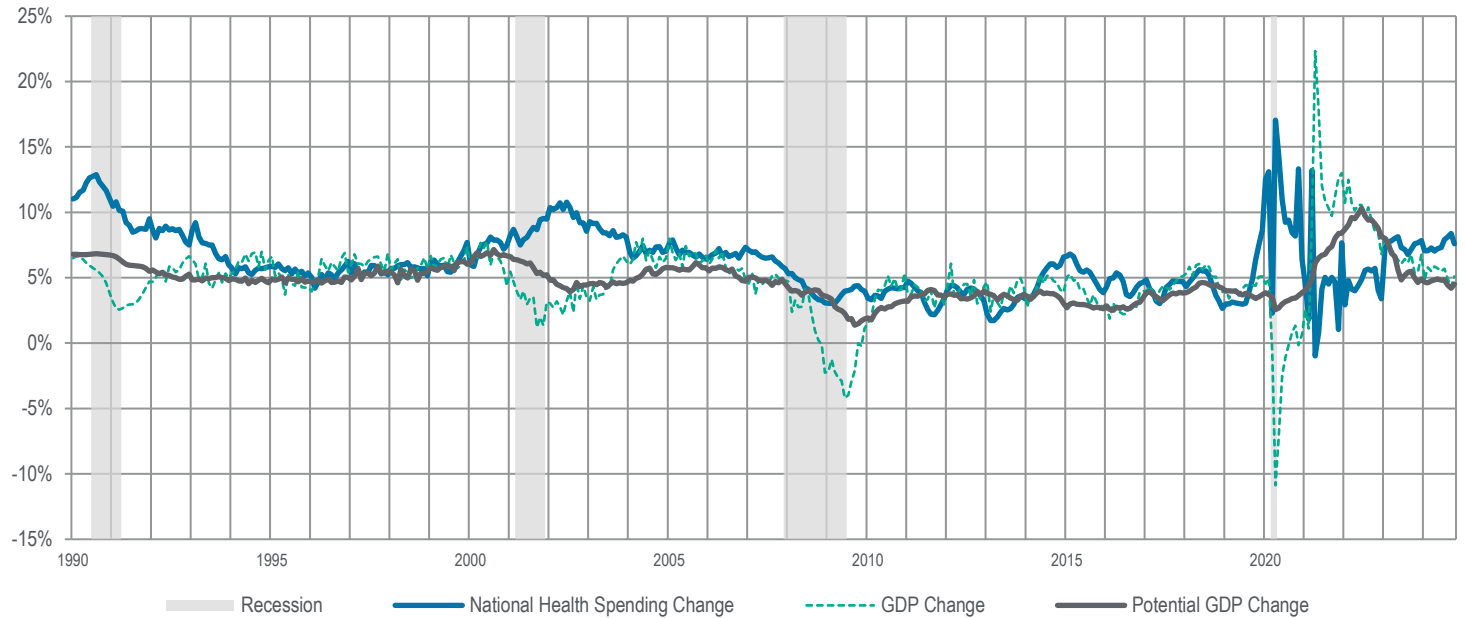
Exhibit 6. National Health Spending 12-Month Growth Rates by Detailed Category

Growth Rates	October 2022	October 2023	October 2024
GDP	8.5%	5.3%	5.1%
National Health Spending	5.7%	7.6%	7.6%
Personal health care	5.8%	9.6%	7.8%
Hospital care	4.7%	10.2%	6.8%
Physician and clinical services	4.1%	7.7%	8.9%
Other professional services	7.3%	11.5%	11.6%
Dental services	1.8%	6.3%	9.7%
Other personal health care	10.9%	8.4%	6.2%
Home health care	9.4%	13.6%	11.1%
Nursing home care	8.1%	9.1%	8.9%
Prescription Drugs	8.2%	13.3%	7.5%
Durable medical equipment	7.1%	3.6%	5.7%
Nondurable medical products	8.0%	6.6%	3.9%
Program administration and net cost of private health insurance	11.3%	5.9%	6.7%
Government public health activities	-0.5%	-24.5%	8.1%
Research	9.2%	5.2%	4.8%
Structures and equipment	0.4%	5.8%	5.1%
HS Minus GDP	-2.8%	2.3%	2.5%
HS Minus PGDP	-3.4%	2.6%	3.1%

Source: Computed from Exhibit 5.
Note: This exhibit compares monthly national health spending to that of the same month from the previous year.

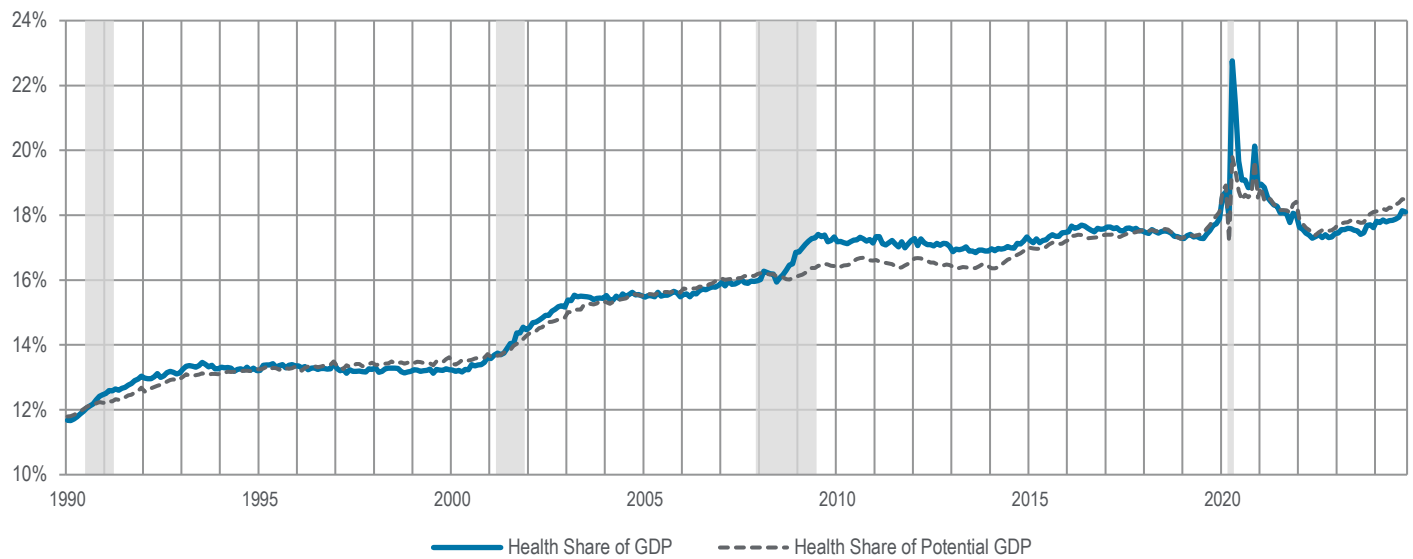
TIME SERIES TRACKER

Exhibit 7. Year-over-Year Percentage Change in Spending and GDP



Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Note: Lightly shaded bars denote recession periods.

Exhibit 8. Monthly Health Spending as a Percentage of Monthly GDP



Source: Altarum monthly national health spending estimates. Monthly GDP is from S&P Global Market Intelligence. PGDP is from the U.S. Congressional Budget Office and has been converted to monthly estimates. **Note:** Lightly shaded bars denote recession periods.

Methods. Altarum’s estimates are based on [BEA monthly health spending](#) and [CMS annual NHE estimates \(1990–2022\) and projections \(2023 and 2024\)](#). BEA spending categories are matched to NHEA components by using information presented in the [following](#): Hartman, M. B., Kornfeld, R. J., & Catlin, A. C. (2010, September). A reconciliation of health care expenditures in the National Health Expenditures Accounts and in gross domestic product. *Survey of Current Business*, 90(9), 42–52. For all NHEA personal health care categories except “other health, residential, and personal care,” monthly estimates are based on BEA spending adjusted to NHEA by using annual ratios. For the remaining categories, national health spending estimates and projections are allocated across months by using a simple trend. Annual ratio adjustments through 2023 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2023 ratios are used to adjust BEA spending for months in 2024.

January 8, 2025

Economy-wide inflation overtakes health care price increases

HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 2.6% year over year in November, down 0.1 percentage points from last month's revised value.
- ▲ Economy-wide inflation rose, with year-over-year growth in the overall Consumer Price Index (CPI) increasing by 0.1% to 2.7% and growth in the Producer Price Index (PPI) increasing 0.4% to 3.0%. This is the first time both indices have surpassed the health care price index since February 2023.
- ▲ Among the major health care categories, prices for dental care (3.9%), and hospitals (3.1%) were the fastest growing, while prescription drugs was the slowest (0.7%).
- ▲ For major payers, year-over-year Medicaid price growth (5.2%) exceeded services price growth for private insurance (3.4%) and Medicare patients (1.3%), continuing a trend beginning in June of 2022.
- ▲ The implicit measure of health care utilization growth was 5.1% year over year in October, down from the revised September value of 5.7%.

Home health care utilization increased 9.6% year over year. While this was the fastest-growing category this month (as it has been since August of 2023), it is now sitting below its 3-, 6-, and 12-month moving averages. This category was followed by physician and clinical services (7.1%), nursing care (5.9%), dental services (5.9%), and prescription drugs (also 5.9%), while hospital care and trailed the other categories at 3.6%.

	Nov 2022	Nov 2023	Oct 2024	Nov 2024
Health Care Price Index (HCPI)	2.9%	3.1%	2.7%	2.6%
GDP Deflator (GDPD)	6.6%	2.4%	2.3%	**
HCPI - GDPD	-3.7%	0.7%	0.4%	**
Addendum				
Personal health care spending	3.1%	8.8%	7.8%	**
Health care utilization	0.2%	5.7%	5.1%	**
Medical Consumer Price Index (MCPI)	4.2%	0.2%	3.3%	3.1%
Consumer Price Index, all items (CPI)	7.1%	3.1%	2.6%	2.7%
Producer Price Index, Final Demand (PPI)	7.4%	0.8%	2.6%	3.0%

Source: Altarum analysis of U.S. Bureau of Labor Statistics (BLS) data. HCPI is a composite price index designed to measure overall price changes for personal health care spending and is patterned after the price index developed by the Centers for Medicare & Medicaid Services (CMS). Details are provided below. Numbers may not subtract properly due to rounding.

**Data not available

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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 George Miller at George.Miller@altarum.org. George Miller, PhD, and Matt Daly, PhD (principal author) contributed to this brief. We thank Corwin Rhyon and Stephen McCall for their previous contributions to this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

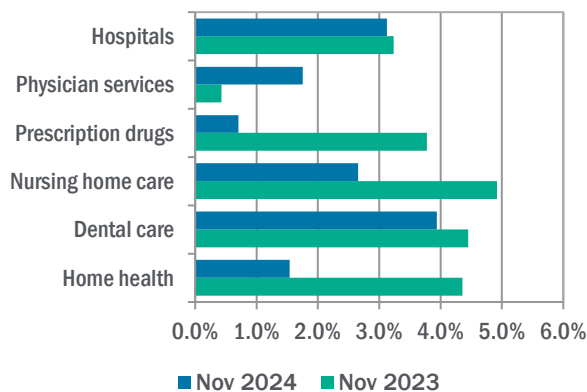
The overall health care price index (HCPI) increased by 2.6% year over year in November, down slightly from 2.7% in October (Exhibit 1). The October value was 0.4 percentage points greater than economy-wide inflation as measured by the GDP deflator (Exhibit 1). This marks the 13th straight month where health care prices have risen faster than economy-wide inflation. Through 2024 so far, health care price growth has averaged 3.0% year over year, up slightly from the 2.9% overall 2023 annual average.

Regarding other measures of economy-wide inflation, CPI price growth rose slightly to 2.7% year over year in November, while PPI inflation rose 0.4 percentage points to 3.0%. Economy-wide price increases continue to be driven by services inflation (up 4.6% year over year) while commodities inflation rose to -0.3% while continuing its recent negative trend (Exhibit 4).

Health care services continued to be the major driver of health care price growth in November, with dental services up 3.9%, and hospitals up 3.1%. The year-over-year increases in prescription drug prices observed in recent months continued but slowed this month to 0.7% (Exhibits 2 and 3). Price growth for physician and clinical services continues to be one of the slowest-growing categories, up 1.8% year over year and 0.8 percentage points below the aggregate HCPI. Home health grew the most slowly among services categories, at 1.5%. In July, CMS released their proposal for Medicare physician reimbursement for 2025, including a [2.8% cut for physician fees](#) next year. While the final impact of this proposed cut on overall physician payments may be mitigated by other changes to the physician fee schedule or by Congress [intervening as it has in years past](#), this proposal indicates significant possible downward pressure on physician and clinical care prices in the future.

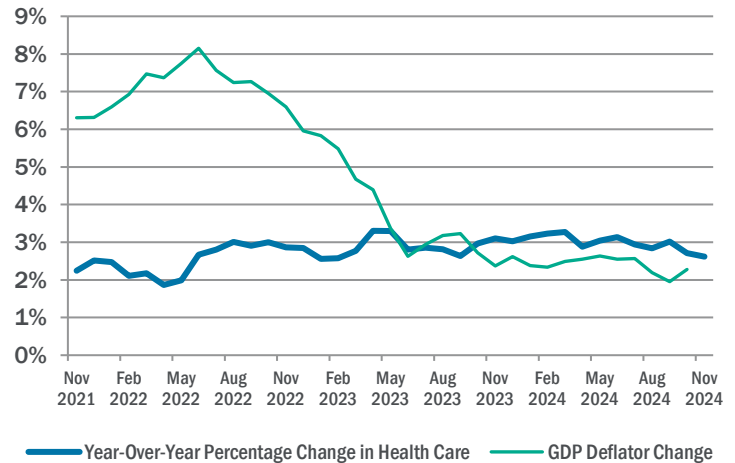
Among major payers for health care services, prices rose fastest for Medicaid patients last month, increasing 5.2% year over year, higher than price growth for private insurance patients (3.4%) and Medicare (1.3%), as shown in Exhibit 6. This is Medicare’s lowest growth rate since February. Among specific health sector components, faster price growth among Medicaid patients was seen in both hospital care (up 5.5% year over year, as shown in Exhibit 8) and physician and clinical care (up 11.9%, as shown in Exhibit 7). Hospital price growth rates for other payers in November were slower than Medicaid—private insurance hospital prices were up 3.9% year over year while Medicare was up 1.9%, both roughly holding steady after being marked by notable drops in October.

Exhibit 2. Year-over-Year Price Growth for Selected Categories



Source: Altarum analysis of monthly BLS price data.

Exhibit 1. Year-over-Year Growth in HCPI & GDPD



Source: Altarum analysis of monthly BLS price data.

Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) fell by 0.6% in October to 5.1%, just under the twelve-month moving average of 5.2% (Exhibit 9). The fastest-growing utilization component was again home health care, up 9.6% year over year, followed by physician services at 7.1%, and prescription drugs, nursing, and dental services all at 5.9%. Hospital care ran behind at 3.6%.

This month continues the 2024 trend of higher overall growth in the use of health care services compared to health care prices; however, with health care price growth increasing, this trend could change in the future. We will continue to monitor these data and this trend in our future price and [spending briefs in upcoming months](#).

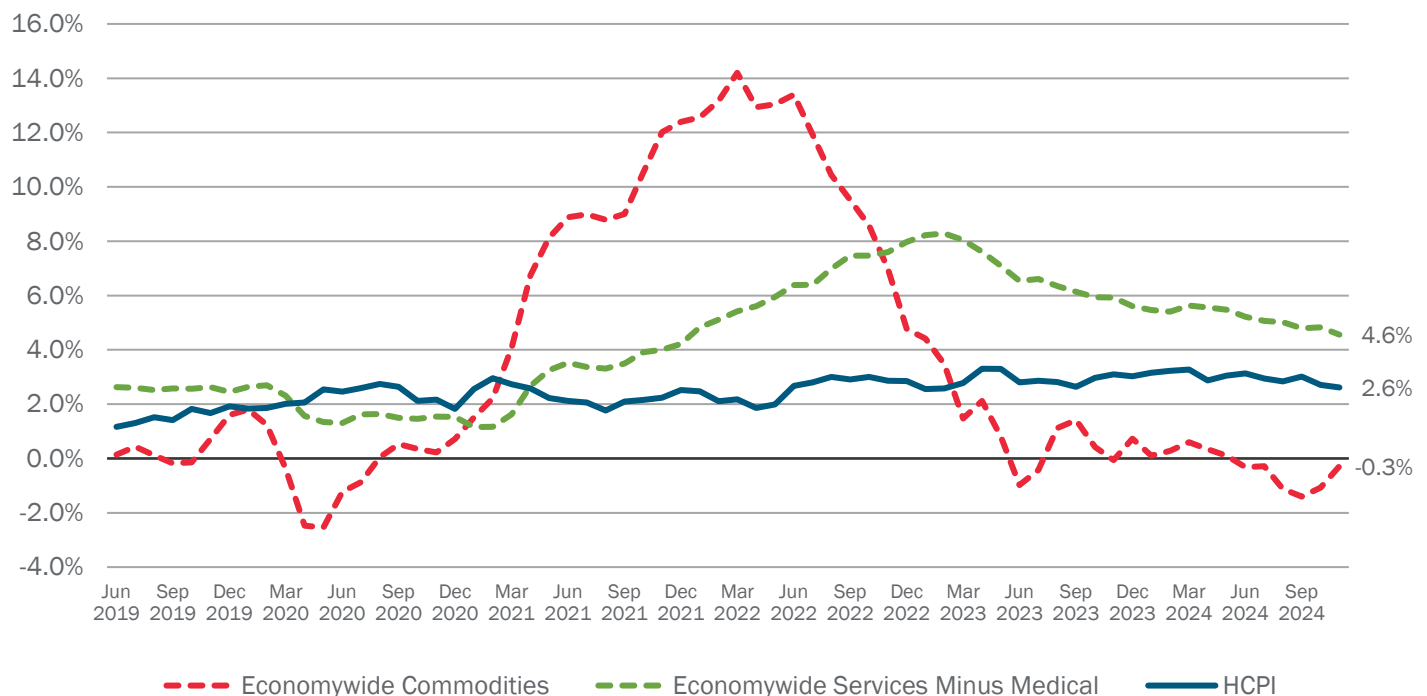
PRICE GROWTH BY DETAILED CATEGORIES

Exhibit 3. Annualized % Change in Prices for Major Components of National Health Expenditures

	Ending November 2022	Ending November 2023	Ending November 2024
Health Care Price index	2.9%	3.1%	2.6%
Hospital Care	3.1%	3.2%	3.1%
Physician and clinical services	0.2%	0.4%	1.8%
Prescription drugs	1.9%	3.8%	0.7%
Nursing home care	4.9%	4.9%	2.7%
Dental services	6.4%	4.4%	3.9%
Home health care	3.0%	4.4%	1.5%
Other professional services	3.7%	0.5%	1.5%
Other personal health care	4.3%	6.0%	6.9%
Other non-durable medical products	5.4%	7.8%	-0.4%
Durable medical equipment	4.4%	4.1%	2.6%

Source: Altarum analysis of monthly BLS data.

Exhibit 4. Year-over-Year Percentage Change in Health Prices Compared with Economy-wide Commodities vs. Economy-wide Services

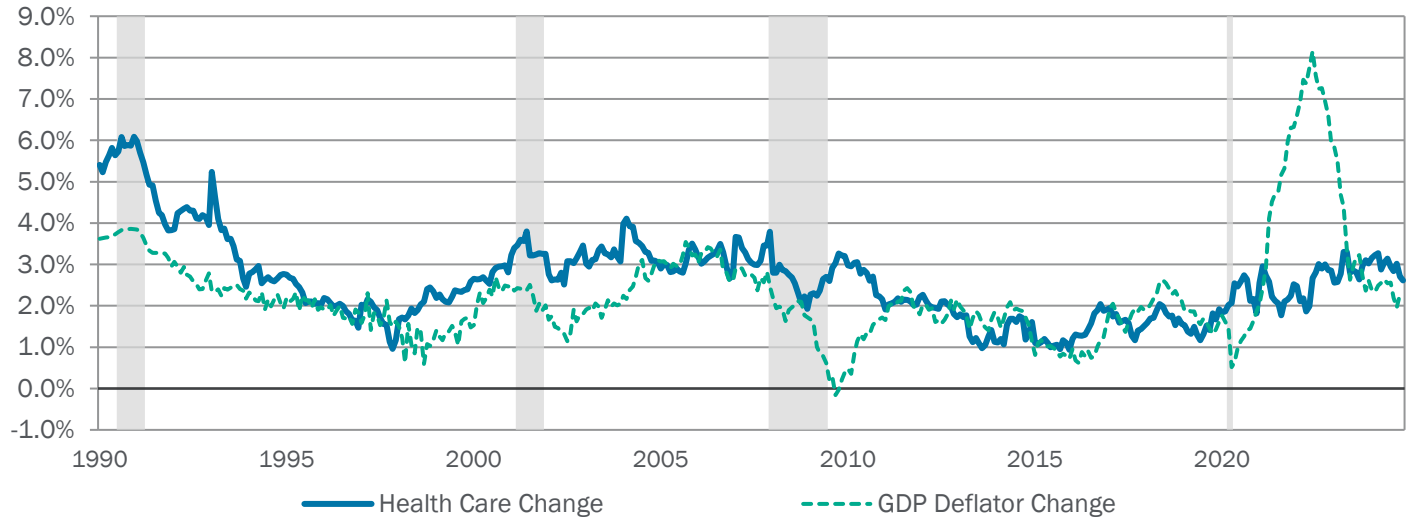


Source: Altarum analyses of BLS price data.

Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHSG). The advantages of this measure over the medical care component of the CPI are well documented. Information on the CMS index is presented in the following source: U.S. Department of Health and Human Services. (2019). *National Health Expenditure Accounts: Methodology Paper, 2018—Definitions, Sources, and Methods*. Washington, DC: Centers for Medicare & Medicaid Services. Retrieved from <http://www.cms.gov/files/document/definitions-sources-and-methods.pdf>. The HCPI is calculated by using BLS data on PPIs for hospital, physician, nursing home, and home health components and CPIs for prescription drugs and other remaining items. Following NHSG, we use the GDPD rather than the CPI as our measure of economy-wide inflation. While this brief focuses on prices, it also incorporates data from our spending brief and shows the power of looking at prices and spending together. In particular, it reveals the striking role of utilization in health spending growth trends.

TIME SERIES TRACKER

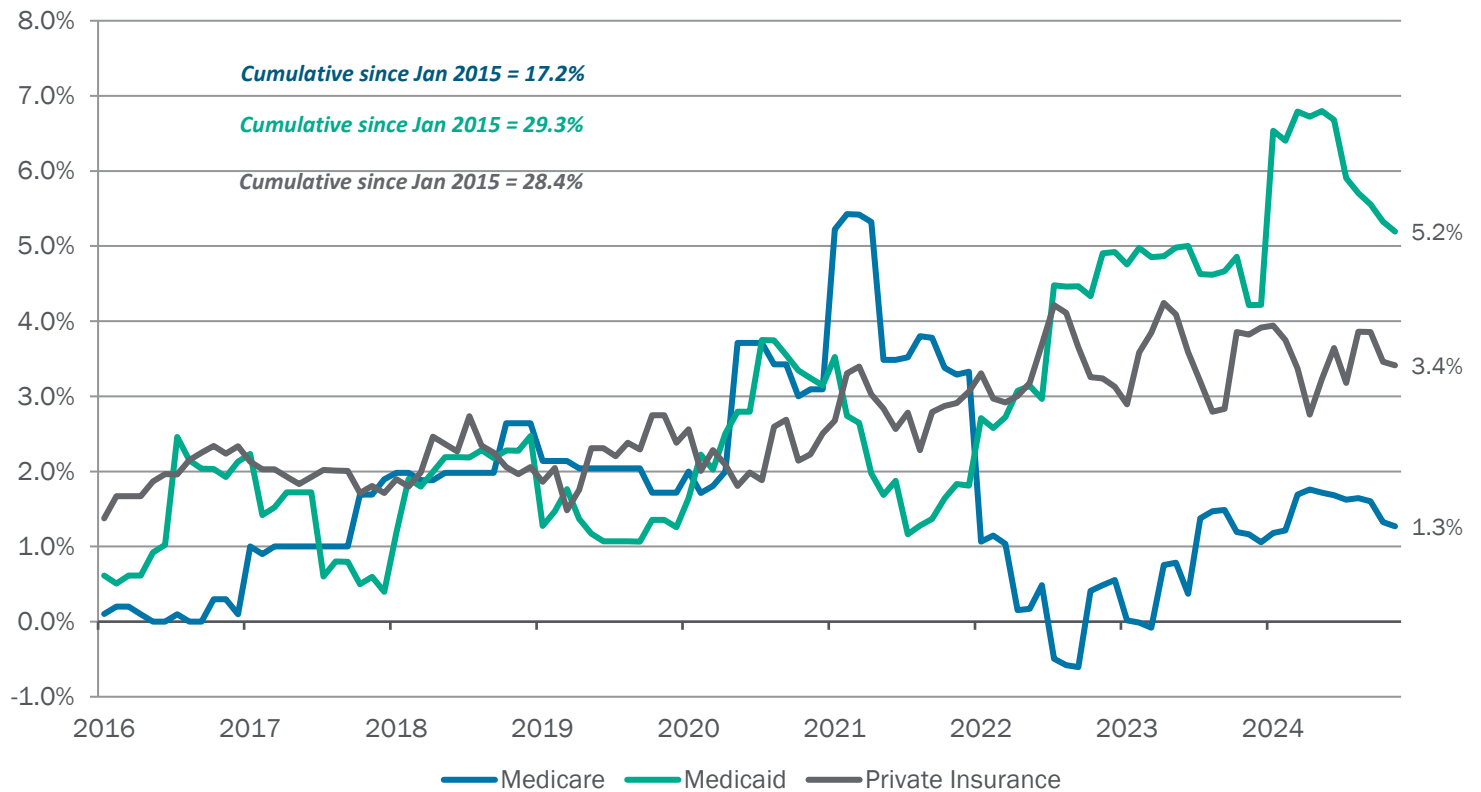
Exhibit 5. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator



Source: Altarum analyses of BLS price data.

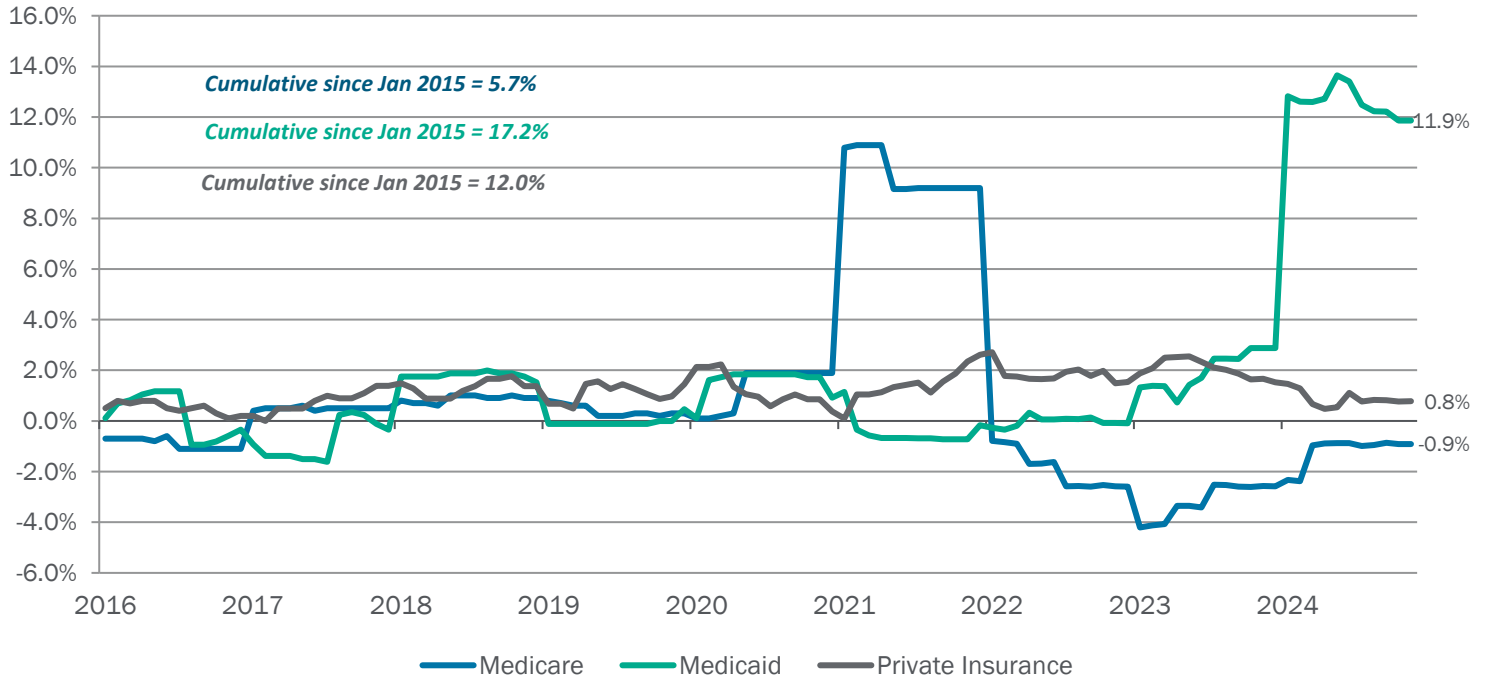
Note: Lightly shaded bars denote recession periods.

Exhibit 6. Year-over-Year Change in Health Care Services Price Growth by Payer



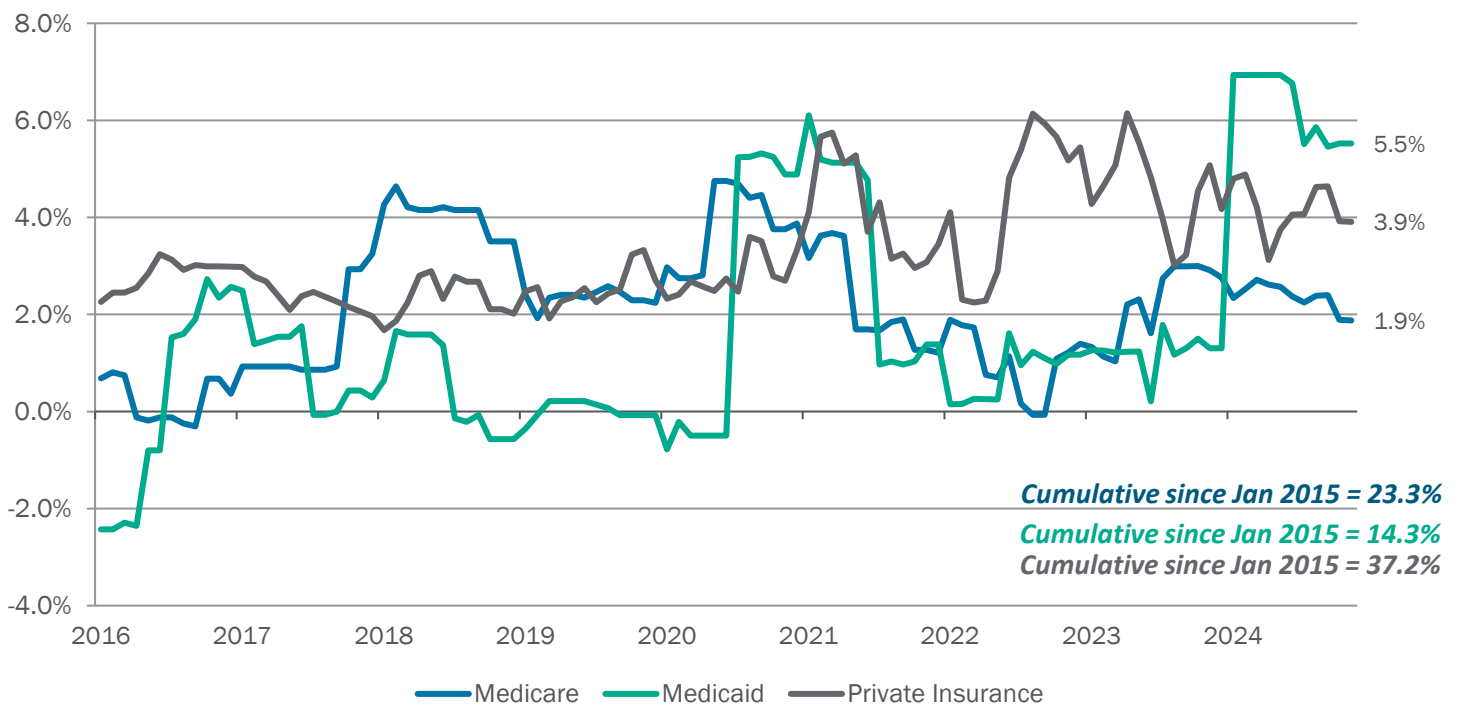
Source: Altarum analyses of BLS price data.

Exhibit 7. Year-over-Year Change in Physician Care Services Price Growth by Payer



Source: Altarum analyses of BLS price data.

Exhibit 8. Year-over-Year Change in Hospital Services Price Growth by Payer



Source: Altarum analyses of BLS price data.

Exhibit 9. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year

	October 2024	3-Month Moving Average	12-Month Moving Average
Total personal health care	5.1%	5.5%	5.2%
Hospital care	3.6%	4.1%	3.8%
Physician and clinical services	7.1%	7.9%	7.6%
Prescription drugs	5.9%	6.5%	7.1%
Nursing home care	5.9%	5.8%	5.8%
Dental Services	5.9%	5.0%	2.5%
Home health care	9.6%	10.5%	12.1%
Other professional services	10.0%	10.0%	9.0%
Other personal health care	-0.3%	-0.1%	-0.3%
Other nondurable medical products	4.4%	3.0%	-1.3%
Durable medical equipment	2.9%	3.7%	3.6%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data.

Note: Beginning in March 2021, we slightly updated the computation of estimated implicit utilization shown in Exhibit 8 to be more consistent with our spending data. Previous iterations calculated implicit utilization growth (U) as spending growth (S) net of price growth (P) and population growth (Pop): $U = S - P - \text{Pop}$. New data (from March 2021 onward) now include population growth in utilization, with the new measure calculated as: $U = S - P$. This approach is an approximation, ignoring the interaction term between spending and prices growth ($S \cdot P$); however, as long as the two growth rates are small, this term is insignificant.

Source: Altarum analyses of BLS price data.

January 8, 2025

Health care jobs continue steady climb while employment in other industries has been fluctuating over previous year

HIGHLIGHTS

- ▲ In November 2024, health care industry employment increased by 53,600 jobs while non-health care industries increased by 173,400 jobs.
- ▲ By major subsector, November's health care job growth was led by ambulatory health care services, which added 22,400 jobs, followed by hospitals, which added 19,300 jobs. Nursing and residential facilities added 11,900 jobs.
- ▲ The hiring rate was 3.5% and the total separations rate was 3.2% in October 2024. The job openings rate was 5.5%.
- ▲ The unemployment rate was 4.2% in November 2024, up 0.1% from the previous month.
- ▲ Nominal health care wage growth in October 2024 was 3.5% year over year, with growth rates of 3.6% in ambulatory health care services, 3.5% in nursing and residential care facilities, and 3.7% in hospitals.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Nov 2023	Oct 2024	Nov 2024
Total Employment (000)	152,309	157,014	159,061	159,288
Non-Health Employment (000)	135,828	139,773	141,194	141,367
Health Employment (000)	16,481	17,241	17,867	17,921
Health Share of Total Employment	10.82%	10.98%	11.23%	11.25%
Unemployment Rate	3.5%	3.7%	4.1%	4.2%

Source: Altarum analysis of Bureau of Labor Statistics (BLS) data. Health care employment is private only.

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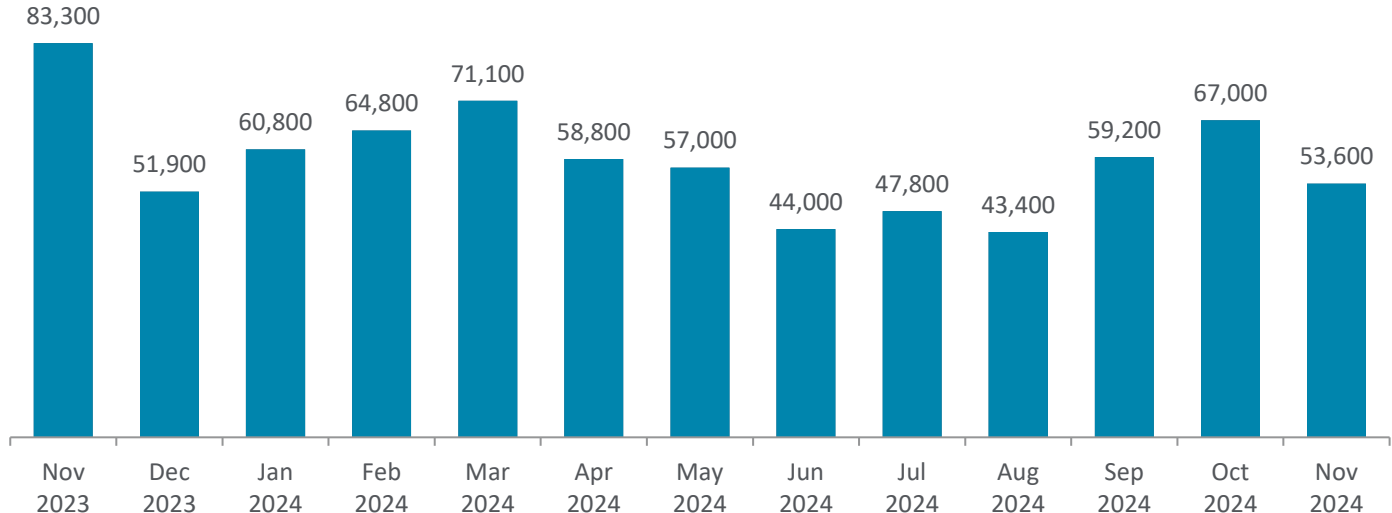
DISCUSSION

In November 2024, the health care industry added 53,600 new jobs, as shown in Exhibit 1. This figure is lower than the monthly average of 59,100 jobs added in the previous year (from November 2023 to October 2024). Non-health care industries added 173,400 jobs in November after a loss in the previous month. This bounceback in economy-wide job growth may be due to [factors](#) relating to strike resolution and continued recovery from the impacts of Hurricanes Milton and Helene. In the past year (from December 2023 to November 2024), the variability in monthly job growth for the health care industry has been about four times smaller than for the composite of all other industries, as measured by the coefficient of variation.

Trends were mixed across health care subsectors. In November, ambulatory health care services added 22,400 jobs, which is 29% lower than the monthly average for the past year. Growth in this subsector was led by home health care services (16,000), distantly followed by physicians' offices (1,900), while dentists' offices lost jobs (-4,700). Nursing and residential care facilities added 11,900 jobs in November, 19% higher than the monthly average of 9,700 jobs added in the past year. Within this subsector, nursing care facilities gained 3,900 jobs, which was 8% above the prior 12-month average, while other nursing and residential care homes added 8,000 positions, 31% higher than the previous 12-month average. Finally, hospitals recorded an increase of 19,300 jobs, 8% higher than the subsector's 12-month average.

The employment figures for 2023 and early 2024 will be [updated](#) soon based on more accurate but less timely unemployment claims. Initial estimates suggest that the economy added 818,000 fewer jobs than originally reported in 2023 and early 2024. However, the private education and health services sector, which includes education, social assistance, and health care, had 87,000 more jobs than previously reported. These changes will impact our annual and biannual average employment analyses once they are included in the employment data in February 2025.

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



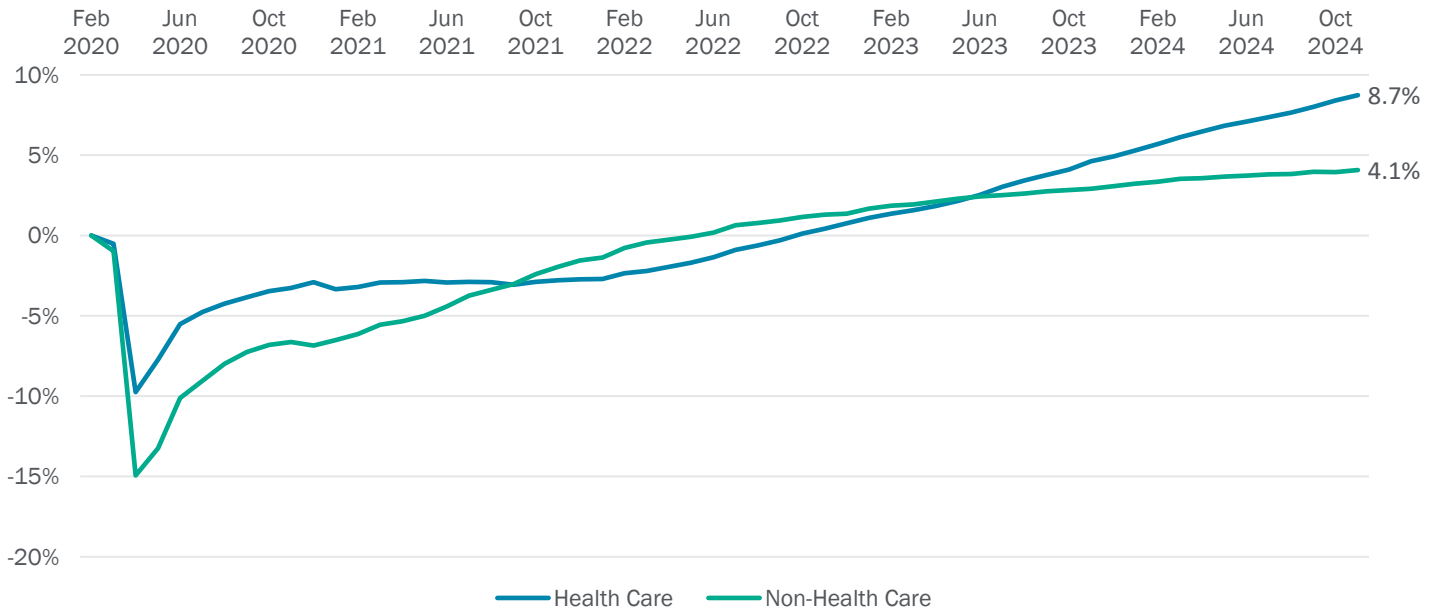
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,440,200 jobs or 8.7%, which is higher than the 4.1% increase in non-health care employment over the same period (see Exhibit 2). The health care industry started growing especially quickly in February 2022, and employment growth in non-health care industries began to slow down in April of the same year. By November 2024, the health care industry had outpaced non-health care industries for 32 consecutive months. During that period, the health care industry grew by 10.9%, versus 4.3% in non-health care industries.

Since February 2020, employment in ambulatory health care services has increased by 1,091,500 jobs or 13.9%, while hospital employment has grown by 398,600 jobs or 7.6% (see Exhibit 3). However, employment in nursing and

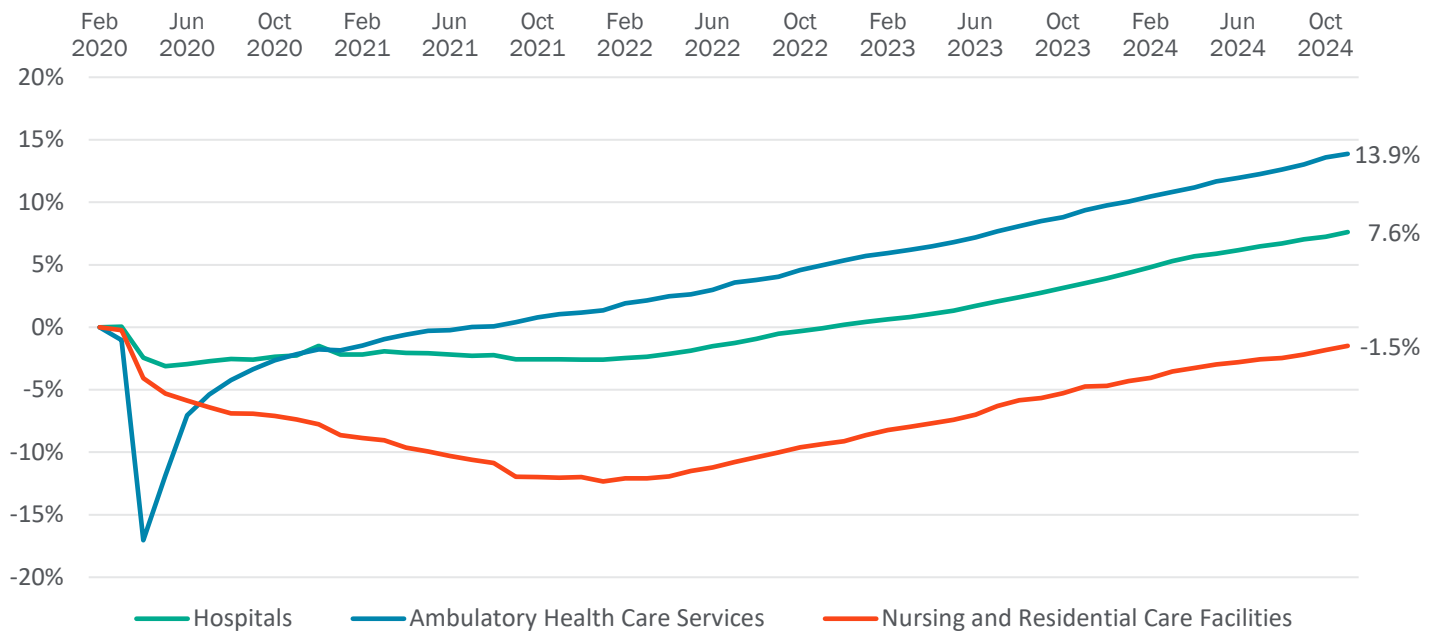
residential care facilities is still 49,900 jobs (1.5%) below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction in employment is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages. All three health care subsectors have steadily increased since February 2022.

Exhibit 2. Change in Health and Non-Health Employment Compared to February 2020



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

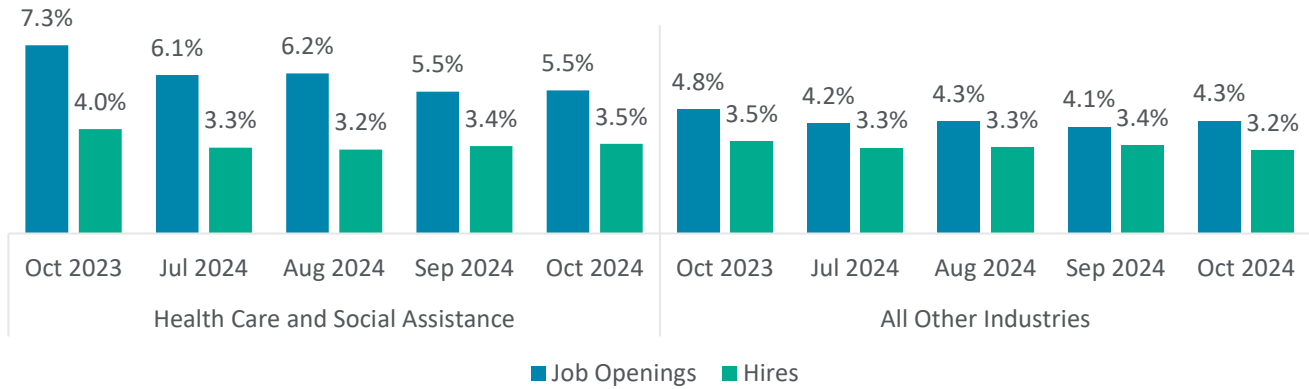
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

The October job openings rate in health care and social assistance held at the 5.5% September value, as shown in Exhibit 4. This was the lowest job openings rate since September 2020 and was comparable to pre-pandemic levels. However, the hiring rate only increased from 3.4% to 3.5%, and the total separations rate increased from 2.9% to 3.2%, as shown in Exhibit 5.

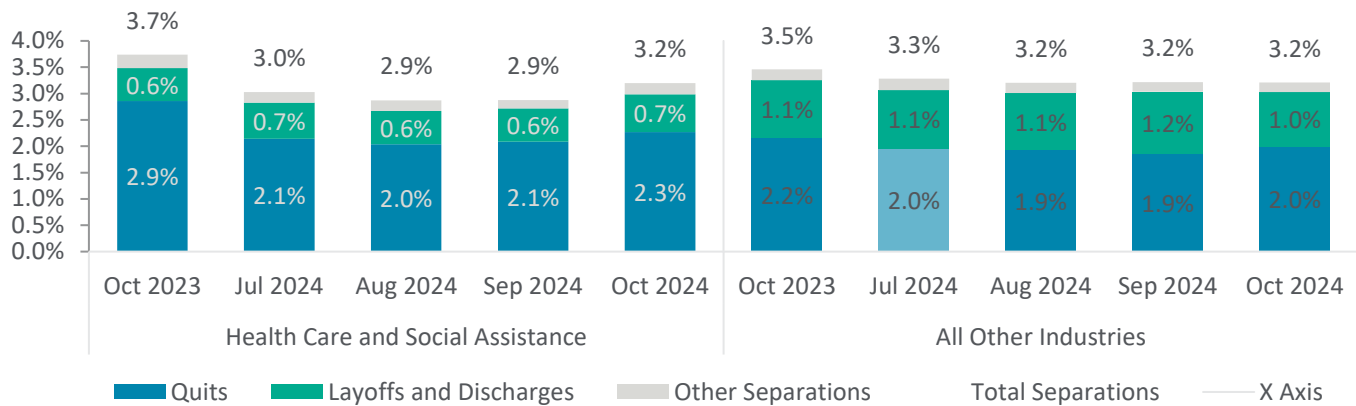
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

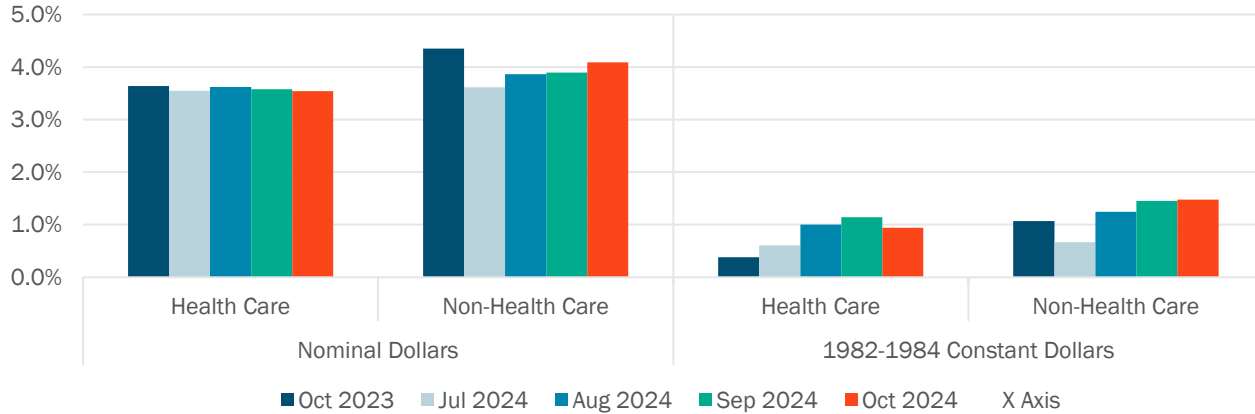
Notes: The job opening rate is the number of job openings on the last business day of the month as a percent of employment plus job openings, while the hire rate is the number of hires during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social assistance jobs are in services for the elderly and persons with disabilities and childcare services.

Exhibit 5. Monthly Separation Rates by Type in Health Care and Social Assistance and in All Other Industries



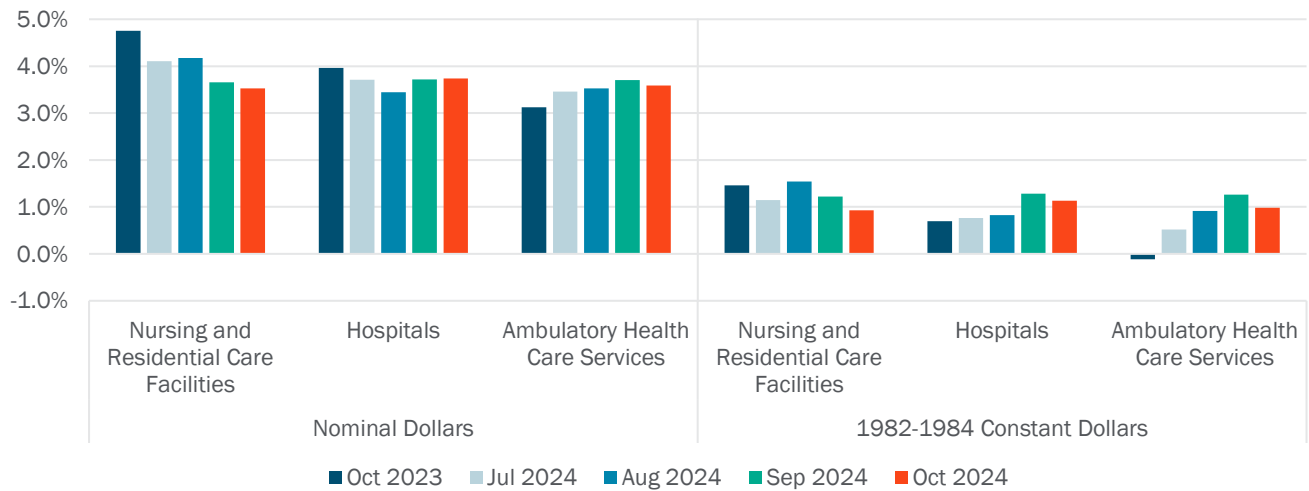
Year-over-year wage growth in the health care sector was 3.5% in October 2024, which was similar to recent months and slightly lower than a year prior, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 0.9%. Nominal wage growth was fastest in hospitals at 3.7%, followed by ambulatory health care services at 3.6% and nursing and residential care facilities at 3.5% (see Exhibit 7). Inflation-adjusted wages grew by 1.1% in hospitals, 1.0% in ambulatory health care services, and 0.9% in nursing and residential care facilities. Non-health-care wage growth was 4.1% in October, or 1.5% after adjusting for inflation.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, in Health Care and Non-Health Care Industries



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

Exhibit 7. Change in Average Hourly Earnings, Year over Year, by Health Care Subsector



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector and Subsector, Seasonally Adjusted

Employment (in Thousands)	November 2024	October 2024	November 2023	November 2022	February 2020
Non-Health Care	141,367	141,194	139,773	137,604	135,828
Health Care	17,921	17,867	17,241	16,551	16,481
Ambulatory Health Care Services	8,960	8,938	8,605	8,259	7,869
Offices of Physicians	3,062	3,060	2,977	2,853	2,725
Offices of Dentists	1,053	1,057	1,031	1,023	991
Offices of Other Health Care Practitioners	1,239	1,230	1,178	1,120	1,001
Outpatient Care Centers	1,094	1,094	1,074	1,047	996
Medical and Diagnostic Labs	318	318	324	318	289
Home Health Care Services	1,831	1,815	1,668	1,560	1,547
Other Ambulatory ^a	363	364	353	340	319
Hospitals	5,634	5,614	5,420	5,231	5,235
Nursing and Residential Care Facilities	3,327	3,315	3,217	3,061	3,377
Nursing Care Facilities	1,485	1,481	1,444	1,372	1,587
Other Nursing and Residential ^b	1,843	1,835	1,773	1,689	1,790
Health Share of Employment	11.3%	11.2%	11.0%	10.7%	10.8%

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

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.

^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

Exhibit 9. Change in Employment by Sector and Subsector in November 2024, Seasonally Adjusted

Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	173.4	1,594.6	3,763.4	5,538.8
Health Care	53.6	679.4	1,369.6	1,440.2
Ambulatory Health Care Services	22.4	355.5	700.6	1,091.5
Offices of Physicians	1.9	84.3	209.0	336.1
Offices of Dentists	-4.7	21.5	29.8	61.6
Offices of Other Health Care Practitioners	9.5	61.0	119.3	238.1
Outpatient Care Centers	0.6	20.4	47.8	98.2
Medical and Diagnostic Labs	-0.2	-5.4	0.3	29.0
Home Health Care Services	16.0	163.9	271.6	284.9
Other Ambulatory ^a	-0.5	9.9	23.0	43.7
Hospitals	19.3	213.4	403.0	398.6
Nursing and Residential Care Facilities	11.9	110.5	266.0	-49.9
Nursing Care Facilities	3.9	41.2	112.3	-102.3
Other Nursing and Residential ^b	8.0	69.3	153.7	52.4
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.5%	1.1%	1.4%	0.8%
Health Care	3.7%	3.9%	4.1%	1.8%
Ambulatory Health Care Services	3.0%	4.1%	4.2%	2.8%
Offices of Physicians	0.7%	2.8%	3.6%	2.5%
Offices of Dentists	-5.2%	2.1%	1.4%	1.3%
Offices of Other Health Care Practitioners	9.7%	5.2%	5.2%	4.6%
Outpatient Care Centers	0.7%	1.9%	2.3%	2.0%
Medical and Diagnostic Labs	-0.8%	-1.7%	0.0%	2.0%
Home Health Care Services	11.1%	9.8%	8.4%	3.6%
Other Ambulatory ^a	-1.6%	2.8%	3.3%	2.7%
Hospitals	4.2%	3.9%	3.8%	1.6%
Nursing and Residential Care Facilities	4.4%	3.4%	4.3%	-0.3%
Nursing Care Facilities	3.2%	2.9%	4.0%	-1.4%
Other Nursing and Residential ^b	5.4%	3.9%	4.5%	0.6%

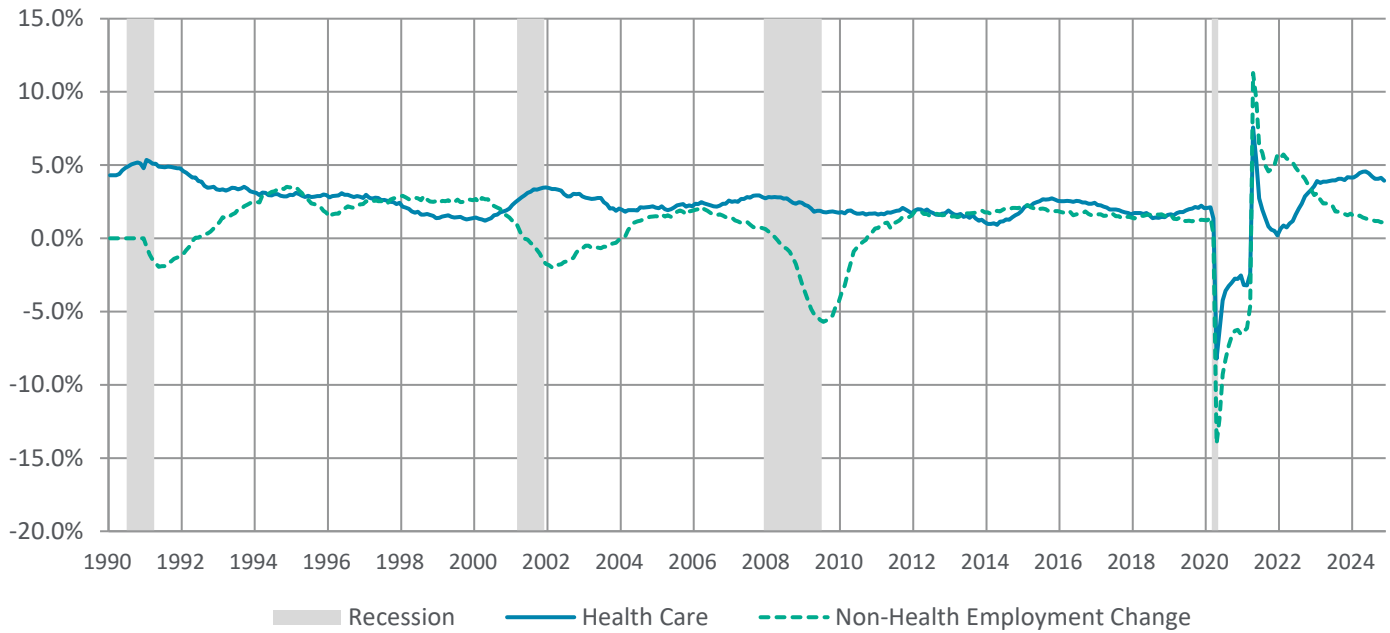
Source: Altaram analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.

^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

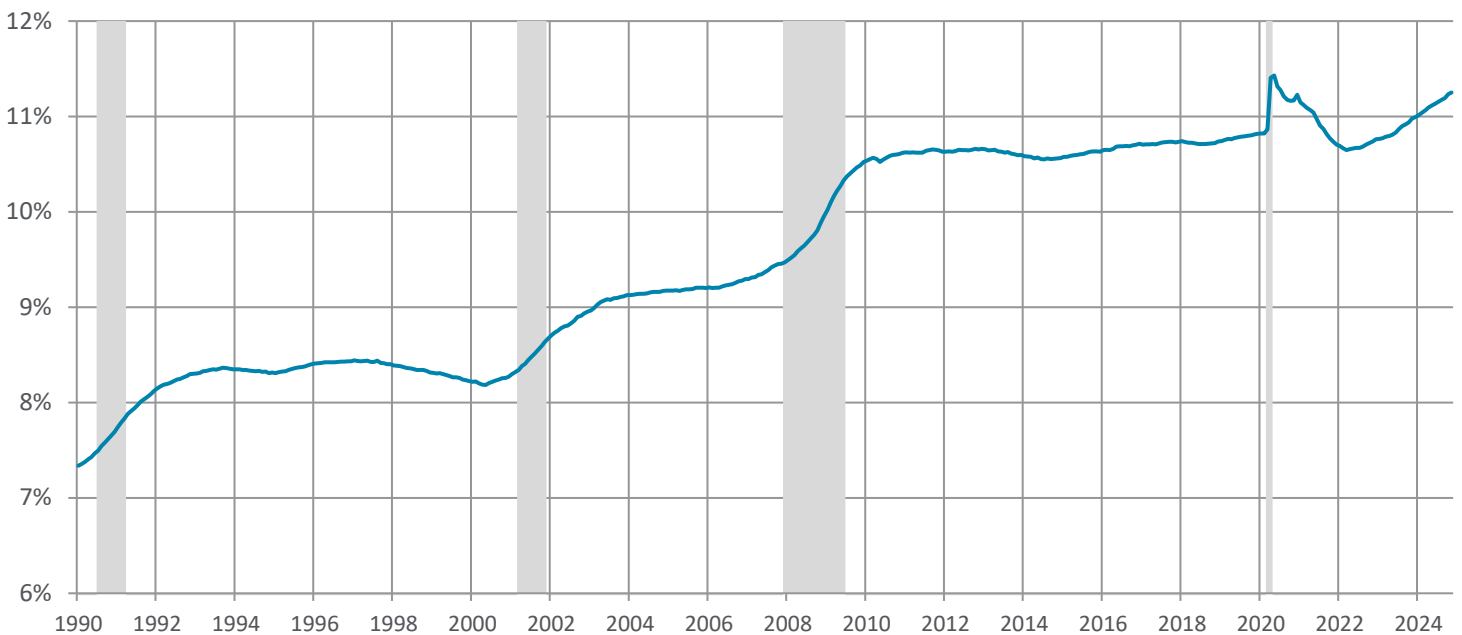
TIME SERIES TRACKER

Exhibit 10. Twelve-Month Percent Change in Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.

Exhibit 11. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.