

March 20, 2025

## Personal health care spending fell from December 2024 to January 2025

### HIGHLIGHTS

- ▲ In January 2025, national health spending grew by 6.3%, year over year, but was nearly identical to its December 2024 level. A very small month-over-month decline was driven by a larger decline in spending on personal health care.
- ▲ Personal health care spending growth in January was 6.4%, year over year, but actual spending fell by nearly 0.1% from December 2024 to January 2025, the first such decline since January 2022,
- ▲ Growth among major spending categories was highest for prescription drugs, at 8.3%, year over year, while spending growth for nursing home care grew the slowest, at 5.4%. For the first time in many months, growth in home health care was not the fastest growing category, growing by 6.1%, year over year.

### National Health Spending and GDP\*

	January 2023	January 2024	December 2024	January 2025
<b>GDP</b>	27.09	28.40	29.69	**
<b>National Health Spending (HS)</b>	4.73	5.06	5.38	5.38
<b>HS Share of GDP</b>	17.5%	17.8%	18.1%	**
<b>HS Share of PGDP</b>	17.7%	18.1%	18.5%	**
<b>Growth from Prior 12 Months</b>				
<b>HS</b>	7.2%	7.0%	7.0%	6.3%
<b>GDP</b>	8.2%	4.9%	3.9%	**
<b>HS minus GDP</b>	-1.1%	2.2%	3.0%	**
<b>HS minus PGDP</b>	-0.9%	2.4%	2.2%	**

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: Any discrepancies in differences are due to rounding.

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

\*\* Data not available

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

## DISCUSSION

In January 2025, national health spending reached a seasonally adjusted annual rate of \$5.38 trillion, marginally lower than the December 2024 level. January’s spending corresponds to a year-over-year growth rate of 6.3%.

Year-over-year GDP growth was 3.9% in December, and national health spending in December grew 3.0 percentage points faster than GDP. National health spending in December represented 18.1% of GDP. (January GDP is not available.)

The year-over-year growth rate in personal health care spending was 6.4% in January. (See Exhibit 1.)

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

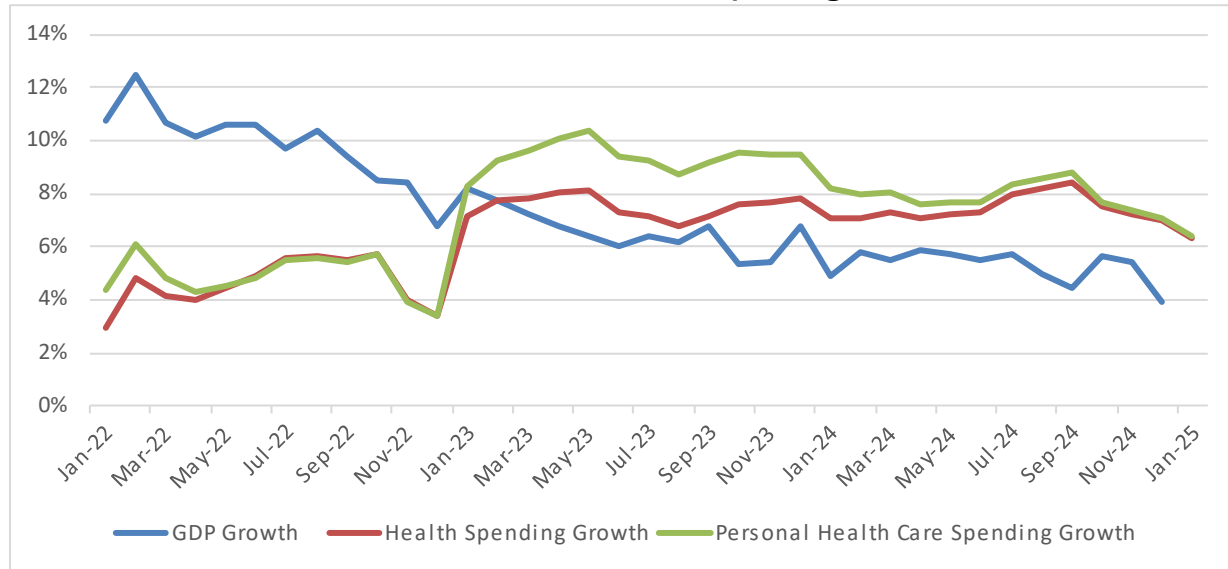


Exhibit 2 illustrates how health spending in January was distributed among spending categories. Personal health care constituted 85% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (Components do not add to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

### Exhibit 2. Health Spending by Category, January 2025

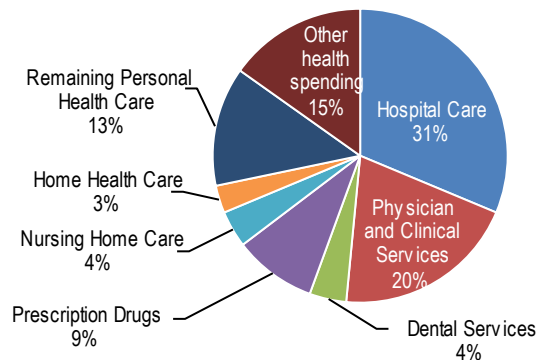


Exhibit 3 displays the growth in spending for personal health care and its major component categories for the 12 month periods ending January 2025 and January 2024 . Spending on all categories except prescription drugs and dental services showed slower growth this year compared with last. Annual growth in January 2025 was greatest for prescription drugs, at 8.3%. The slowest growth occurred in spending on nursing home care, at 5.4%. For the first time in many months, year-over-year growth in home health care was not the fastest growing category, growing by 6.1%, year over year. For the most recent month (between December 2024 and January 2025), spending on personal health care declined by 0.07%, with spending falling in all major categories except hospitals and nursing homes.

### Exhibit 3. Health Care Spending 12-Month Growth

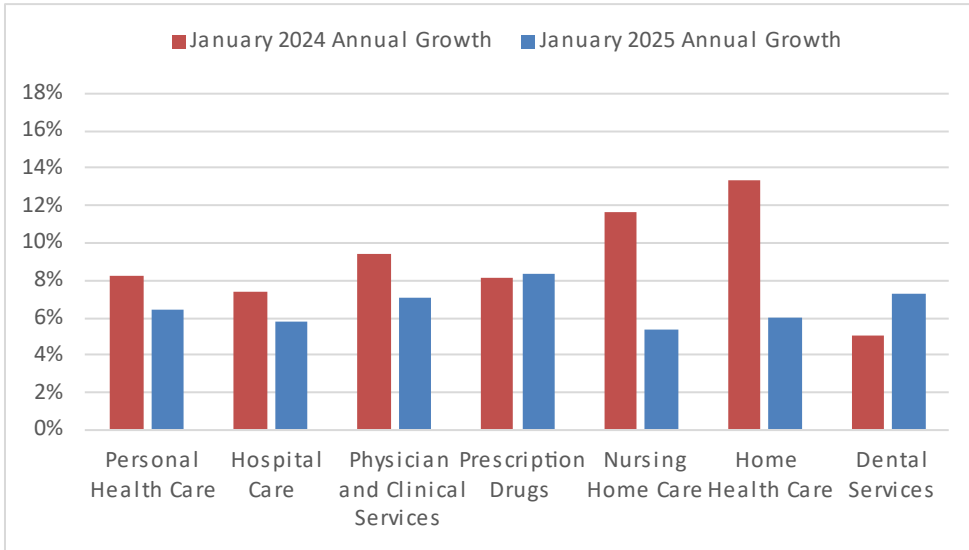
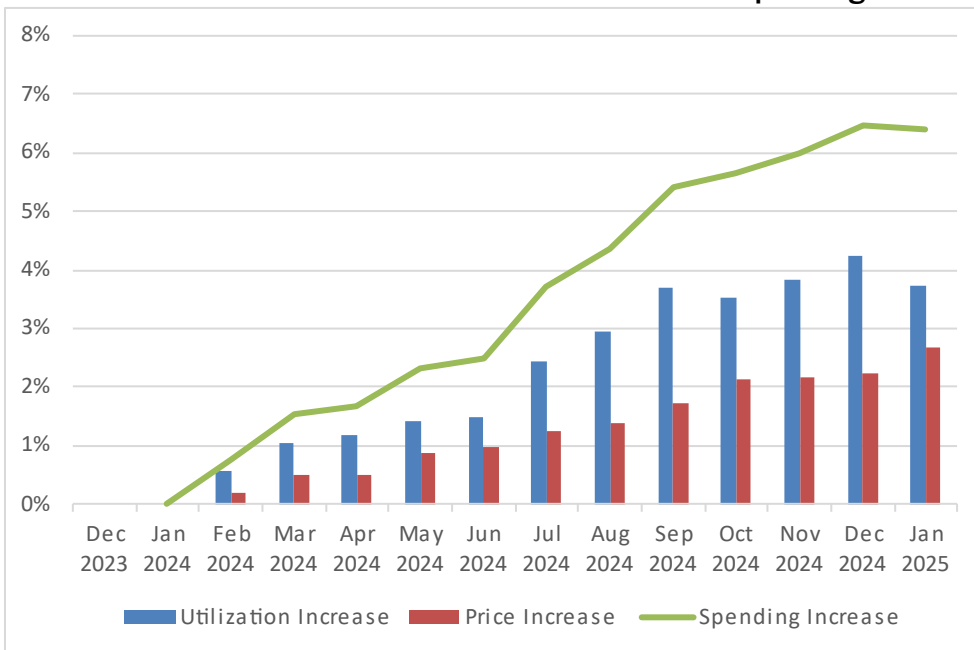


Exhibit 4 shows how spending on personal health care has grown over the past year (beginning in January 2024) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through January 2025 has continued to be driven more by utilization growth than by price increases: of the 6.4% growth in personal health care spending during this period, 2.7 percentage points can be attributed to price growth, while the remaining 3.7 percentage point growth was associated with increases in utilization. However, for the latest month (between December 2024 and January 2025) price growth was 0.4%, while utilization fell by 0.07%.

### Exhibit 4. Cumulative Growth in Personal Health Care Spending



## DETAILED HEALTH SPENDING

**Exhibit 6. Monthly National Spending Estimates by Detailed Category**

Levels (in billions of dollars)	January 2022	January 2023	January 2024	January 2025
<b>GDP</b>	\$25,028.4	\$27,088.0	\$28,404.0	**
<b>National Health Spending</b>	\$4,411.2	\$4,727.5	\$5,060.8	\$5,380.1
<b>Personal health care</b>	\$3,658.5	\$3,962.3	\$4,288.0	\$4,562.5
Hospital care	\$1,352.6	\$1,478.1	\$1,587.9	\$1,679.9
Physician and clinical services	\$889.9	\$934.8	\$1,022.9	\$1,095.3
Other professional services	\$138.8	\$155.6	\$170.8	\$181.6
Dental services	\$158.0	\$170.4	\$179.0	\$192.0
Other personal health care	\$236.9	\$260.6	\$280.0	\$297.9
Home health care	\$126.5	\$142.6	\$161.7	\$171.4
Nursing home care	\$185.9	\$201.6	\$225.0	\$237.2
Prescription Drugs	\$392.4	\$425.0	\$459.7	\$497.9
Durable medical equipment	\$64.7	\$72.1	\$74.9	\$78.8
Nondurable medical products	\$112.7	\$121.4	\$126.1	\$130.6
Program administration and net cost of private health insurance	\$319.9	\$351.0	\$372.2	\$397.6
Government public health activities	\$208.7	\$181.4	\$155.1	\$162.2
Research	\$65.3	\$70.5	\$74.0	\$77.6
Structures and equipment	\$158.9	\$162.3	\$171.4	\$180.2
<b>HS Share of GDP</b>	17.6%	17.5%	17.8%	**
<b>HS Share of PGDP</b>	17.9%	17.7%	18.1%	**

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.

\*\* Data not available.

**Exhibit 7. National Health Spending 12-Month Growth Rates by Detailed Category**

Growth Rates	January 2023	January 2024	January 2025
<b>GDP</b>	8.2%	4.9%	**
<b>National Health Spending</b>	7.2%	7.0%	6.3%
<b>Personal health care</b>	8.3%	8.2%	6.4%
Hospital care	9.3%	7.4%	5.8%
Physician and clinical services	5.0%	9.4%	7.1%
Other professional services	12.1%	9.7%	6.3%
Dental services	7.8%	5.0%	7.3%
Other personal health care	10.0%	7.4%	6.4%
Home health care	12.8%	13.3%	6.1%
Nursing home care	8.5%	11.6%	5.4%
Prescription Drugs	8.3%	8.2%	8.3%
Durable medical equipment	11.5%	3.9%	5.2%
Nondurable medical products	7.7%	3.9%	3.6%
Program administration and net cost of private health insurance	9.7%	6.0%	6.8%
Government public health activities	-13.1%	-14.5%	4.6%
Research	7.9%	5.0%	4.8%
Structures and equipment	2.1%	5.6%	5.1%
<b>HS Minus GDP</b>	-1.1%	2.2%	**
<b>HS Minus PGDP</b>	-0.9%	2.4%	**

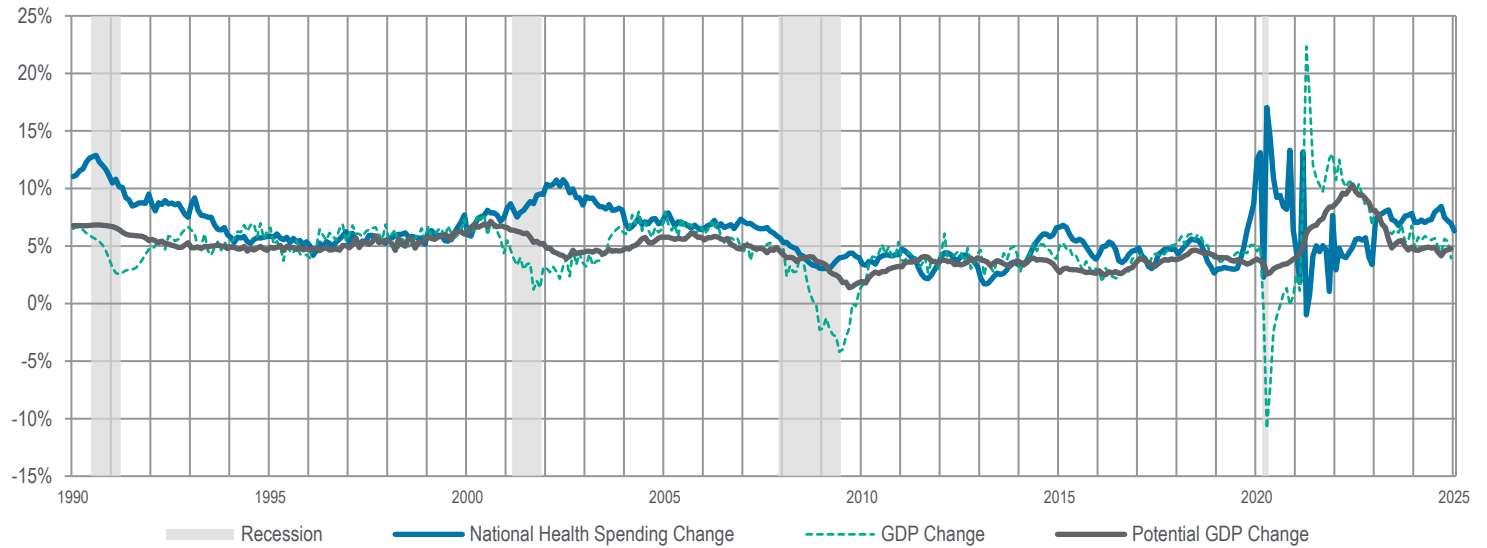
Source: Computed from Exhibit 5.

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

\*\* Data not available.

## TIME SERIES TRACKER

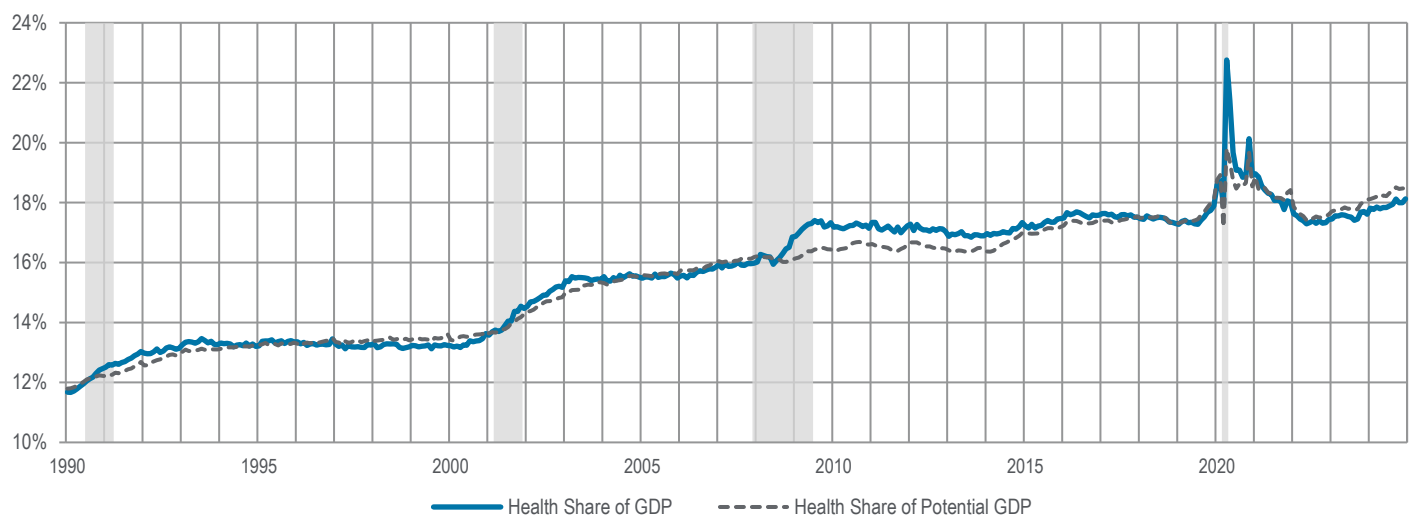
**Exhibit 8. Year-over-Year Percentage Change in Spending and GDP**



**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 9. 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 \(1990–2023\) and projections \(2024\)](#). 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.

March 20, 2025

Year-over-year prescription drug prices increase highest since 2017; first year-over-year increase in physician services prices for Medicare patients in three years

## HIGHLIGHTS

- ▲ In February 2025, the overall Health Care Price Index (HCPI) rose to 2.8% from the revised January year-over-year value of 2.7%.
- ▲ Economy-wide inflation fell, with year-over-year growth in the overall Consumer Price Index (CPI) decreasing by 0.2% to 2.8% and growth in the Producer Price Index (PPI) dropping 0.5% to 3.2%.
- ▲ Among the major health care categories, prescription drug prices were the fastest-growing at 4.6%. This continues a sharp increase in 2025 from an average of 1.4% throughout 2024 and is the highest year-over-year increase since March of 2017
- ▲ For major payers, year-over-year private insurance prices growth for services (3.6%) continued to exceed Medicaid (2.6%) after overtaking it last month. Medicare service prices increased 1.6%. Notably, revised data show that Medicare year-over-year prices changes for physician services were positive in January for the first time since January 2022.
- ▲ The implicit measure of health care utilization growth was 3.7% year over year in January, down from the revised December 2024 value of 4.1%.
- ▲ Utilization of physician and clinical services was up 5.4% year over year in January, while dental services rose 5.2%. Home health care utilization increased 3.7%, continuing a steady drop from a recent peak value of 17.8% in June 2024. Nursing care facilities utilization trailed the other major categories, up 2.9%.

	Feb 2023	Feb 2024	Jan 2025	Feb 2025
<b>Health Care Price Index (HCPI)</b>	2.6%	3.2%	2.7%	2.8%
<b>GDP Deflator (GDPD)</b>	5.5%	2.3%	**	**
<b>HCPI - GDPD</b>	-2.8%	0.9%	**	**
<b>Addendum</b>				
<b>Personal health care spending</b>	9.3%	8.0%	6.4%	**
<b>Health care utilization</b>	6.6%	4.8%	3.7%	**
<b>Medical Consumer Price Index (MCPI)</b>	2.3%	1.4%	2.6%	2.9%
<b>Consumer Price Index, all items (CPI)</b>	6.0%	3.2%	3.0%	2.8%
<b>Producer Price Index, Final Demand (PPI)</b>	4.7%	1.6%	3.7%	3.2%

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

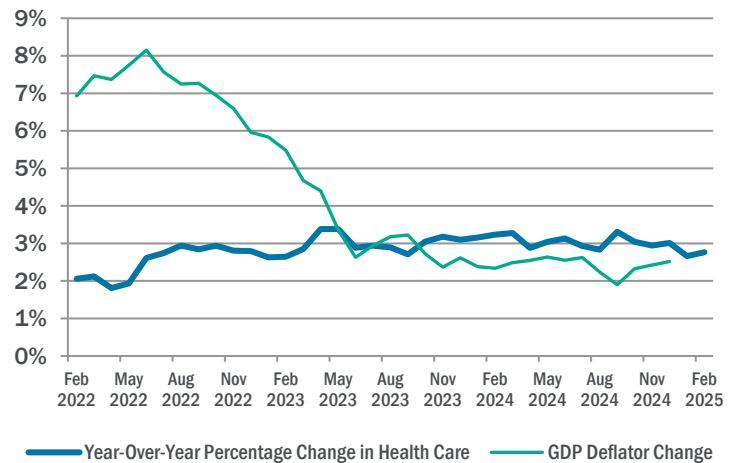
## DISCUSSION

In February 2025, the overall health care price index (HCPI) rose 0.1% to 2.8% year-over-year from its revised January value (Exhibit 1). The December 2024 HCPI was 0.5% greater than economy-wide inflation as measured by the GDP deflator (January 2025 GDP data are not yet available).

Regarding other measures of economy-wide inflation, CPI prices growth fell 0.2% to 2.8% year over year in February, while PPI inflation fell 0.5% to 3.2%. Economy-wide price increases continue to be driven by services inflation (up 4.2% year over year but continuing a downward trend since hitting a recent peak of 8.0% in December of 2022) while commodities inflation dipped slightly to 0.6% (Exhibit 4).

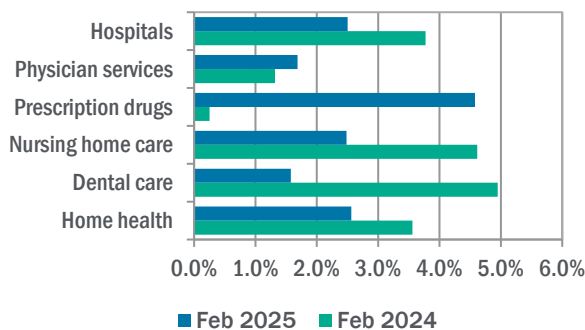
In a sharp reversal from recent trends, prescription drugs was the most significant driver of health care price increases, as it was last month, with a year-over-year value of 4.6% in February, well above the average 2024 value of 1.4%, 1.8 percentage points above the February composite HCPI, and the highest value seen for this category since March of 2017. All other categories increased between 1.7% (for physician services) and 2.6% (for home health) (Exhibits 2 and 3). Again contrary to recent trends, prices rose fastest for private insurance patients last month, increasing 3.6% year over year, having overtaken price growth for Medicaid patients last month (Exhibit 6). This month, Medicaid prices rose 2.6% while Medicare patients saw the slowest price growth at 1.6%. Because of sudden and steep Medicaid price increases in January of 2024, the year-over-year changes in Medicaid prices overall and for specific health care sectors for January and February 2025 have dropped precipitously from last year's values accordingly. For physician services, private insurance prices rose 2.5%, Medicaid prices rose 1.1%, and Medicare prices rose 0.1% after falling since January 2022 (see Exhibit 7). For hospitals, private insurance prices rose 3.8%, Medicare prices rose 2.0%, and Medicaid fell 0.1% (Exhibit 8).

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



Source: Altarum analysis of monthly BLS price data.

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



Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) fell by 0.4% in January to 3.7%, one percentage point below the twelve-month moving average of 4.7% (Exhibit 9). The fastest-growing utilization component was physician services, up 5.4%, closely followed by dental care at 5.2%. Home health care, which was up nearly 18% seven months ago, rose only 3.7% year over year this month. Nursing care facilities had the smallest utilization increase at 2.9%

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](#).

Source: Altarum analysis of monthly BLS price data.



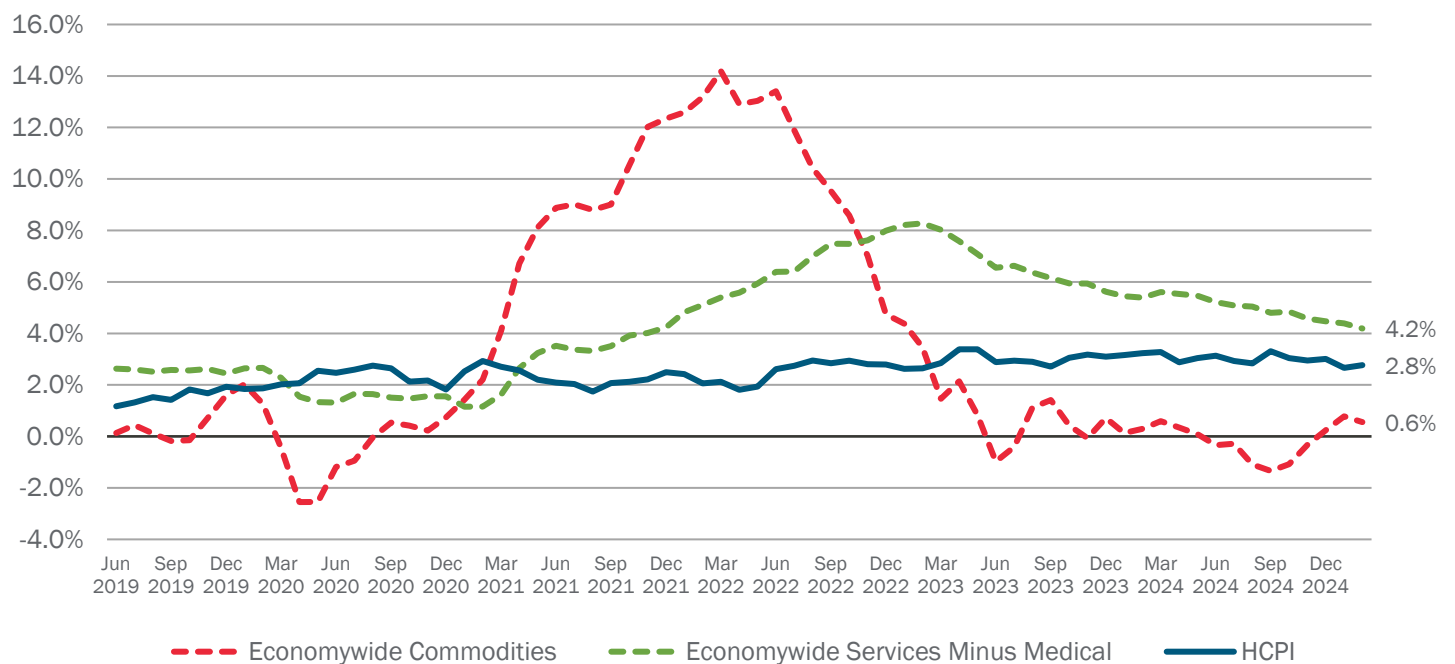
## PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending February 2023	Ending February 2024	Ending February 2025
Health Care Price index	2.6%	3.2%	2.8%
Hospital Care	2.3%	3.8%	2.5%
Physician and clinical services	0.2%	1.3%	1.7%
Prescription drugs	2.4%	0.3%	4.6%
Nursing home care	6.8%	4.6%	2.5%
Dental services	6.6%	4.9%	1.6%
Home health care	3.1%	3.6%	2.6%
Other professional services	-0.9%	1.5%	1.8%
Other personal health care	6.0%	6.4%	7.7%
Other non-durable medical products	4.5%	9.3%	-1.1%
Durable medical equipment	4.3%	3.3%	1.8%

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**



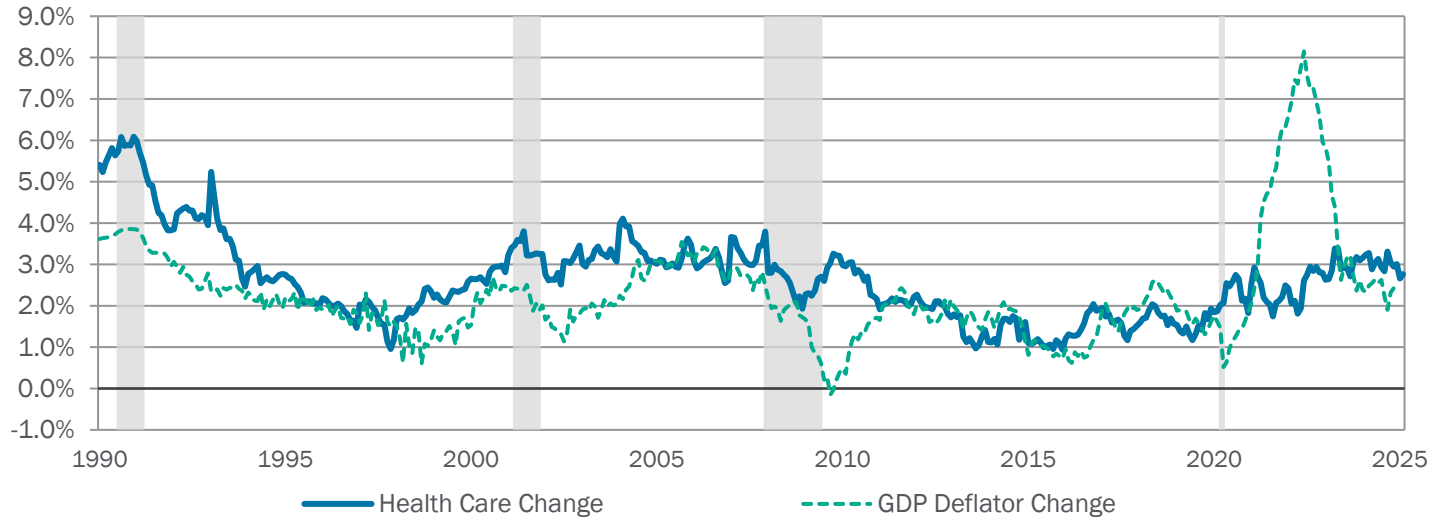
Source: Altarum analyses of BLS price data.

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 (NHS). 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 NHS, 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

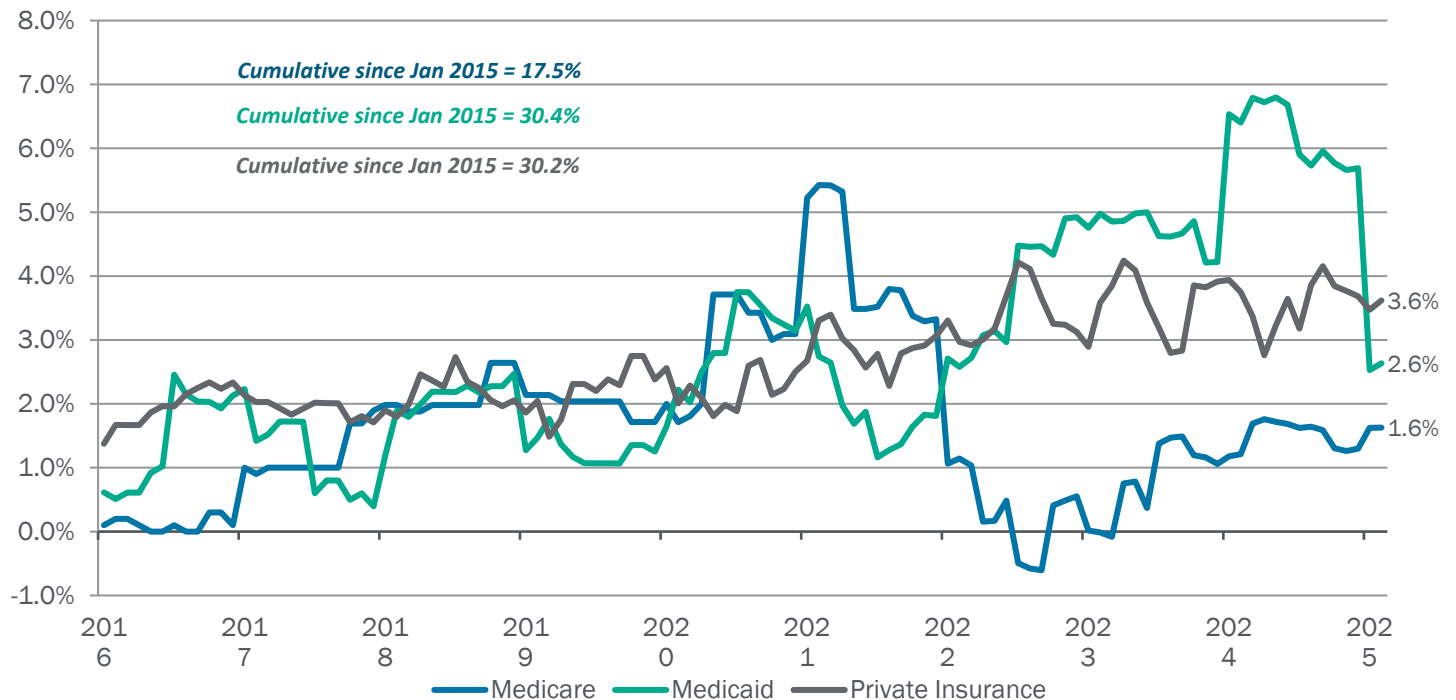
**Exhibit 5. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator**



Source: Altarum analyses of BLS price data.

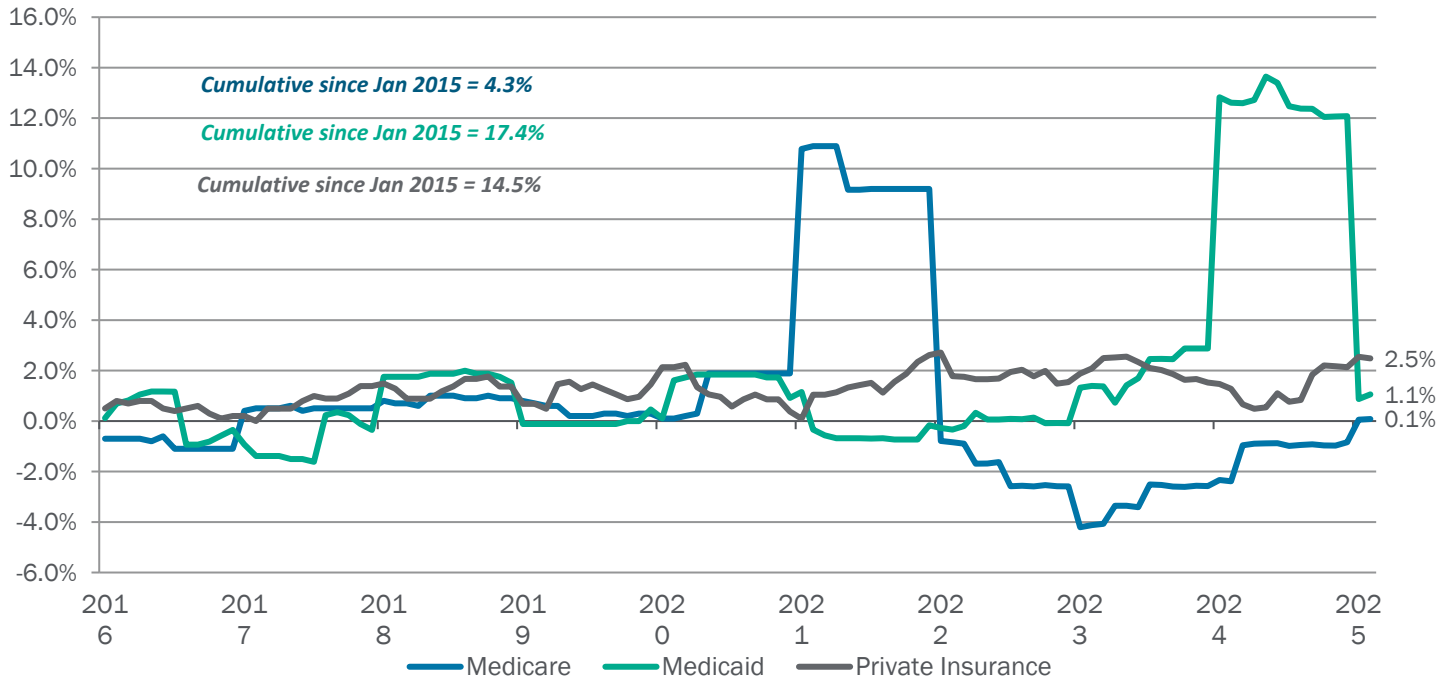
Note: Lightly shaded bars denote recession periods.

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



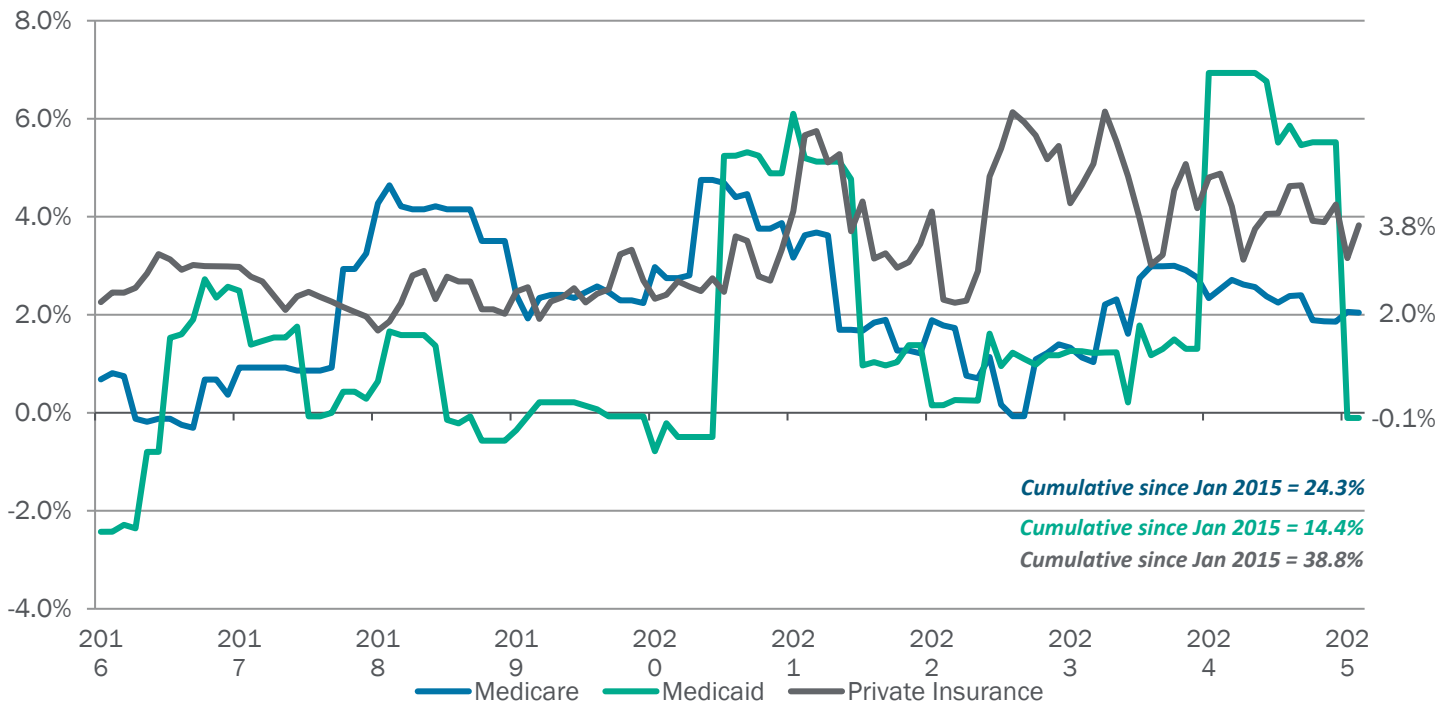
Source: Altarum analyses of BLS price data.

### 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**

	January 2025	3-Month Moving Average	12-Month Moving Average
<b>Total personal health care</b>	3.7%	4.1%	4.7%
<b>Hospital care</b>	3.6%	3.6%	3.9%
<b>Physician and clinical services</b>	5.4%	5.8%	6.8%
<b>Prescription drugs</b>	3.8%	4.1%	5.8%
<b>Nursing home care</b>	2.9%	4.2%	5.4%
<b>Dental Services</b>	5.2%	5.6%	3.5%
<b>Home health care</b>	3.7%	5.7%	10.1%
<b>Other professional services</b>	5.1%	7.2%	8.8%
<b>Other personal health care</b>	-1.4%	-2.4%	-1.5%
<b>Other nondurable medical products</b>	4.8%	4.4%	0.4%
<b>Durable medical equipment</b>	3.1%	3.7%	4.0%

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 ( $S * P$ ); however, as long as the two growth rates are small, this term is insignificant.

Source: Altarum analyses of BLS price data.

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## Health care employment continues steady climb

### HIGHLIGHTS

- ▲ In February 2025, health care industry employment increased by 52,000 jobs while non-health care industries increased by 99,000 jobs.
- ▲ By major subsector, February's health care job growth was led by ambulatory health care services, which added 25,600 jobs, followed by hospitals, which added 14,900. Nursing and residential facilities added 11,500 jobs.
- ▲ The hiring rate was 3.3% and the jobs opening rate 6.0% in January. The total separations rate was 2.9%.
- ▲ The unemployment rate was 4.1% in February, up 0.1% from the previous month.
- ▲ Nominal health care wage growth in January 2025 was 4.3% year over year, with growth rates of 4.6% in hospitals, 4.5% in ambulatory health care services, and 3.7% in nursing and residential care facilities.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Feb 2024	Jan 2025	Feb 2025
Total Employment (000)	152,292	157,271	159,067	159,218
Non-Health Employment (000)	135,817	139,869	141,075	141,174
Health Employment (000)	16,475	17,402	17,992	18,044
Health Share of Total Employment	10.82%	11.06%	11.31%	11.33%
Unemployment Rate	3.5%	3.9%	4.0%	4.1%

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.

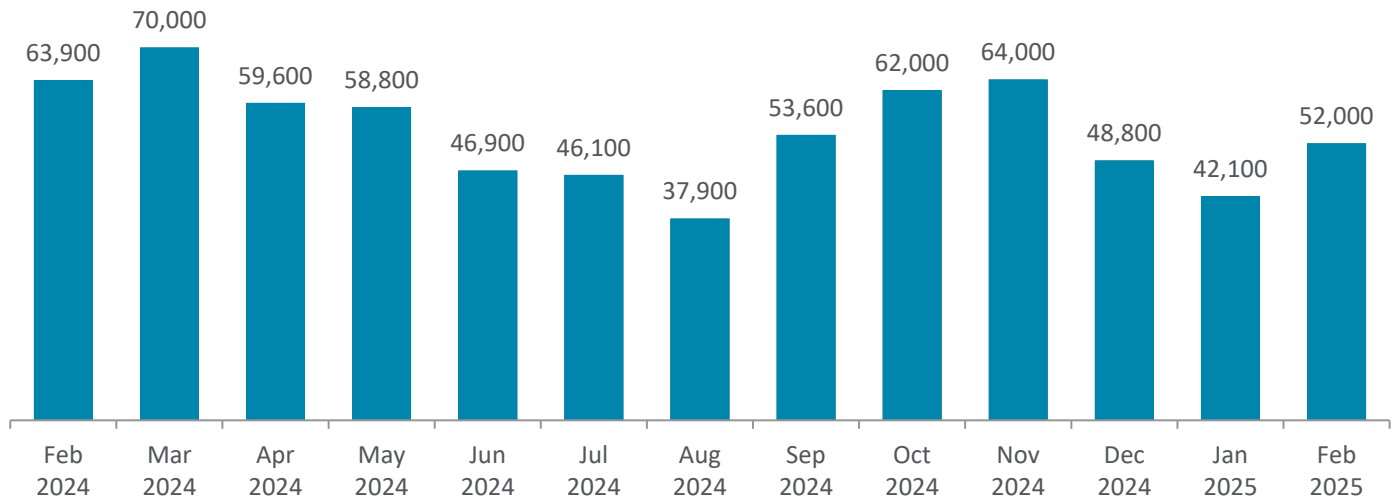
*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact George Miller at [george.miller@altarum.org](mailto:george.miller@altarum.org). George Miller, PhD, and Matt Daly, PhD (principal author) contributed to this brief. We thank Stephen McCall and Corwin Rhyhan for their previous leadership of this work. Media Contact: [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

## DISCUSSION

In February 2025, the health care industry added 52,000 new jobs, as shown in Exhibit 1. This figure is slightly lower than the monthly average of 54,500 jobs added in the previous twelve months. Non-health-care industries added 99,000 jobs. Health care employment has been much less variable than other employment over the past year. Throughout 2024, the variability in monthly job growth for the health care industry was over four times smaller than for the composite of all other industries, as measured by the coefficient of variation.

In February, ambulatory health care services added 25,600 jobs, which is 6% lower than the monthly average of 27,100 for the past year (see Exhibit 9). Growth in this subsector was led by offices of physicians (10,800). Home health care services followed with 4,100, outpatient care centers added 3,900 jobs, and offices of dentists added 400. Nursing and residential care facilities added 11,500 jobs, 7% higher than the monthly average of 10,700 jobs added in the past year. Within this subsector, nursing care facilities gained 7,400 jobs, which was 72% above the prior 12-month average, while other nursing and residential care homes added 4,100 positions, 36% lower than the previous 12-month average. Finally, hospitals recorded an increase of 14,900 jobs, 11% lower than the subsector's 12-month average of 16,700.

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

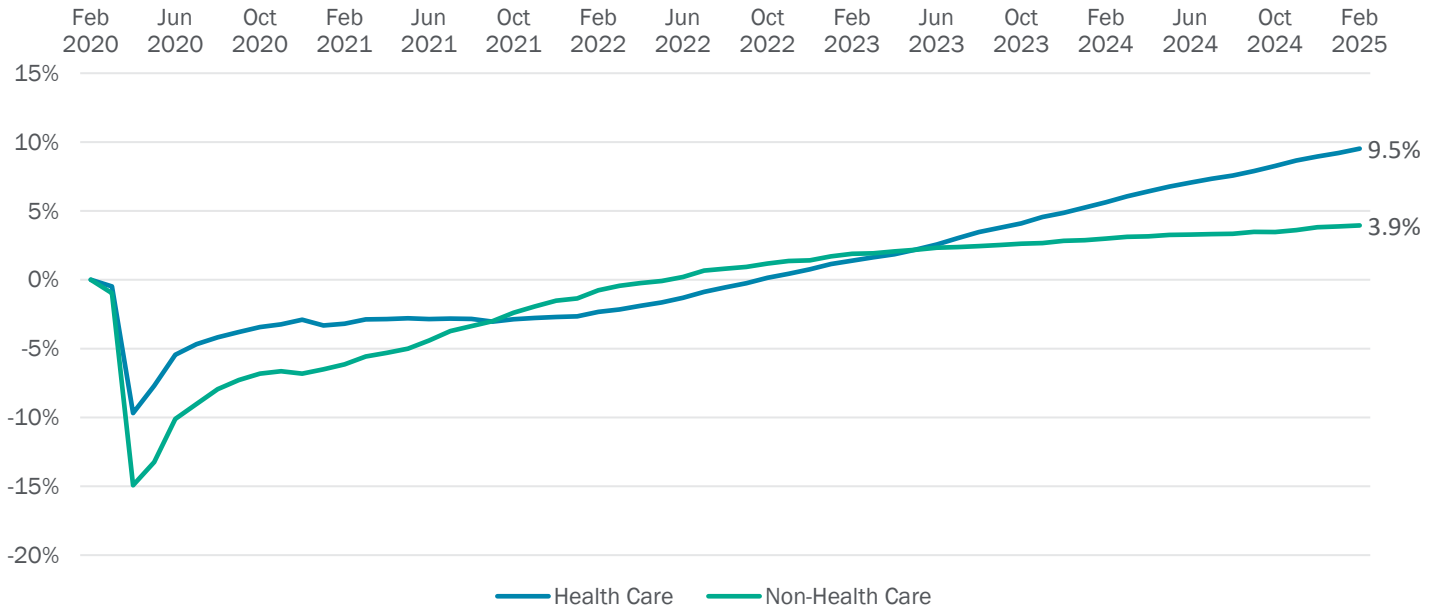


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,569,000 jobs, or 9.5%—more than double the 3.9% 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. As of February 2025, the health care industry has outpaced non-health care industries for 31 consecutive months, growing by 10.1% in that time period—more than three times the 3.1% increase for non-health care industries.

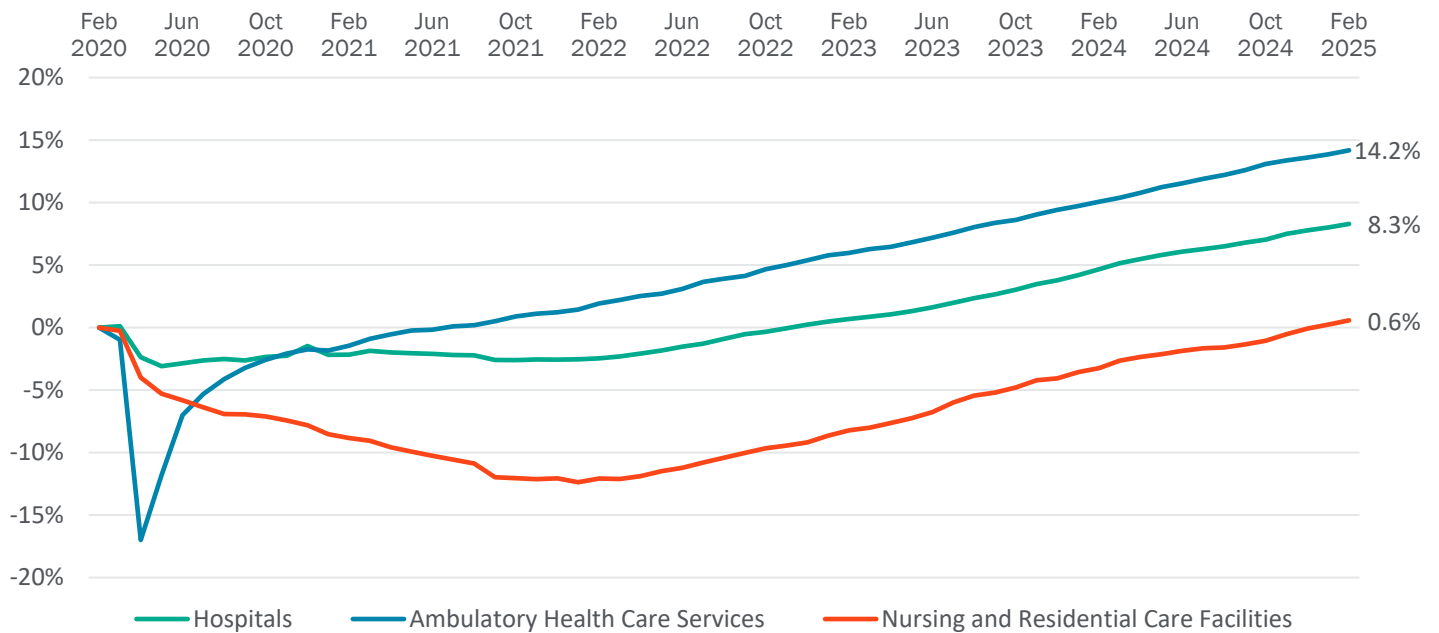
Since February 2020, employment in ambulatory health care services has increased by 1,115,000 jobs, or 14.2%, while hospital employment has grown by 434,000 jobs, or 8.3% (see Exhibit 3). Employment in nursing and residential care finally overtook pre-pandemic levels last month, and is now up 19,500 jobs (0.6%) this month over the February 2020 baseline. (As described in a recent Altarum [analysis](#), this contraction in employment was 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.

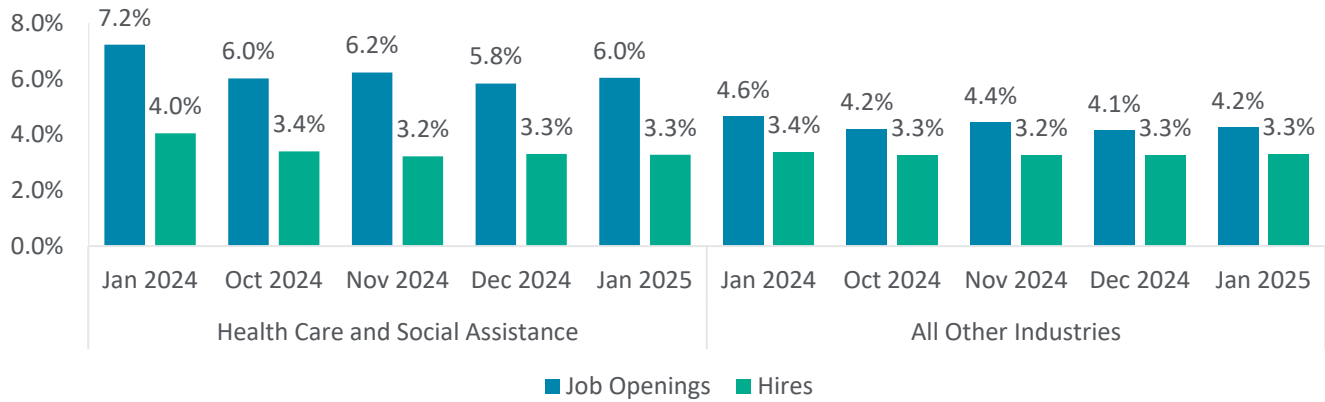
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

The January 2025, the job openings rate in health care and social assistance rose 0.2 percentage points to 6.0% from the revised 5.8% December 2024 value, as shown in Exhibit 4. The hiring rate held steady at 3.3%. The total separations rate also remained unchanged, at 2.9%, as shown in Exhibit 5.

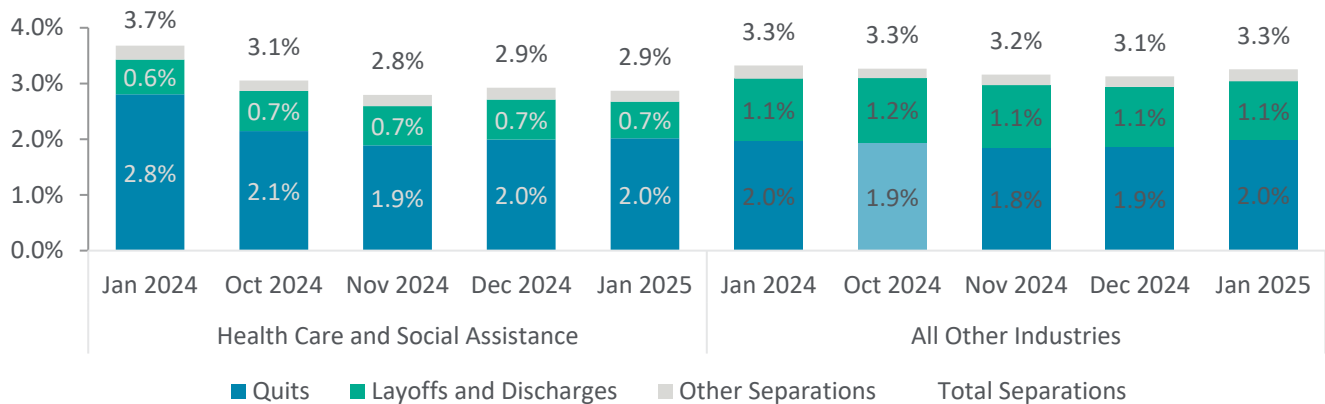
**Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries**



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 the Health Care and Social Assistance and All Other Industries**



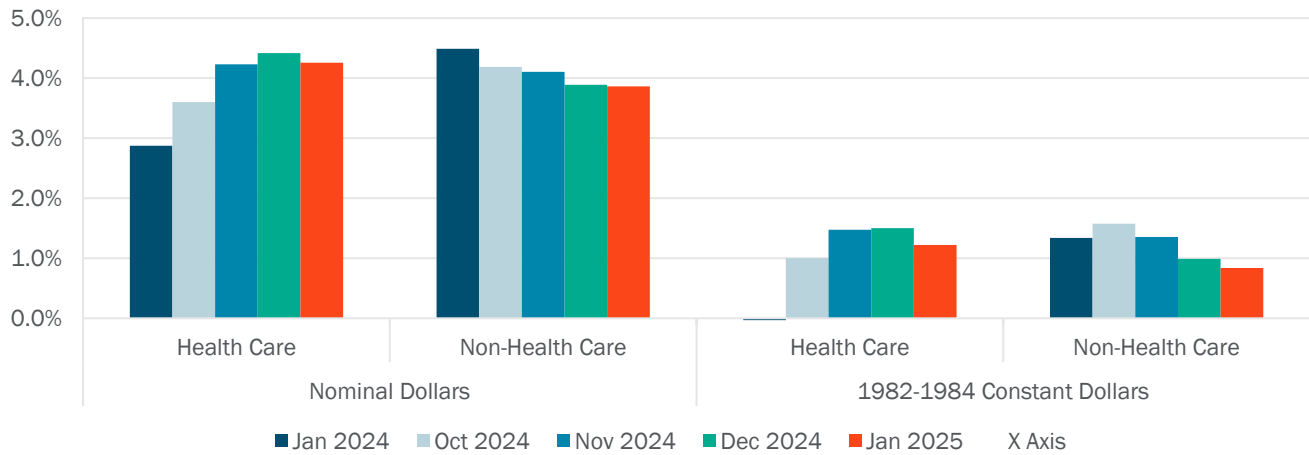
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

Notes: Separation rates are the number of separations 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.



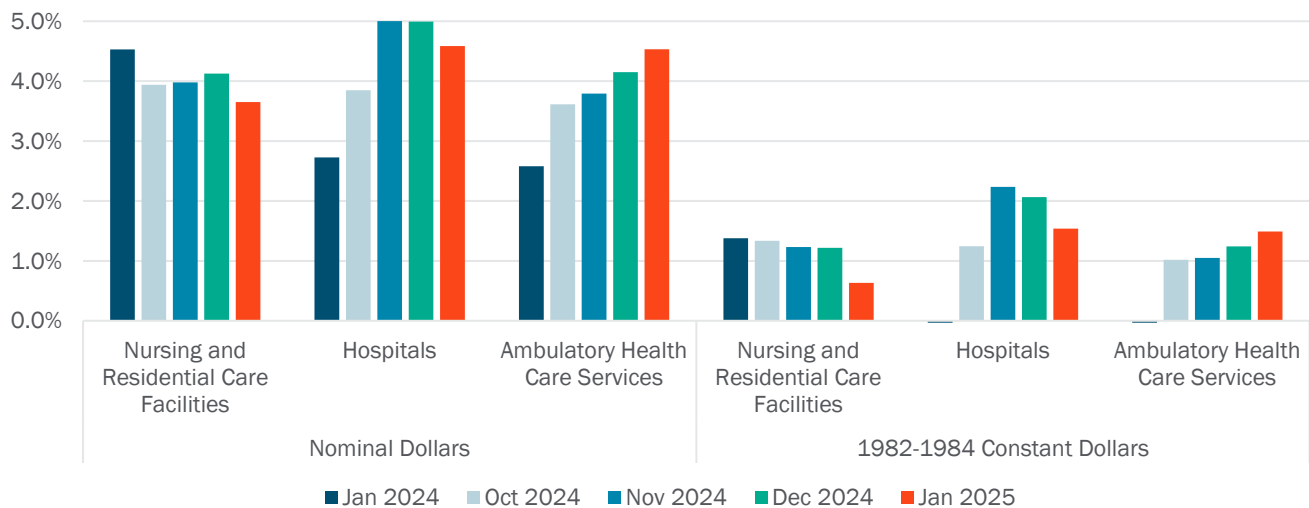
Year-over-year wage growth in the health care sector was 4.3% in January 2025, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.2%. Nominal wage growth was fastest in hospitals at 4.6%, followed by ambulatory services at 4.5% and nursing and residential care facilities at 3.7% (see Exhibit 7). Inflation-adjusted wages grew by 1.5% in hospitals, 1.5% in ambulatory health care services, and 0.6% in nursing and residential care facilities. Non-health-care wage growth was 3.9% in January, or 0.8% 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)	February 2025	January 2025	February 2024	February 2023	February 2020
<b>Non-Health Care</b>	141,174	141,075	139,869	138,383	135,817
<b>Health Care</b>	18,044	17,992	17,402	16,703	16,475
<b>Ambulatory Health Care Services</b>	8,979	8,954	8,656	8,334	7,864
Offices of Physicians	3,031	3,020	2,946	2,873	2,725
Offices of Dentists	1,055	1,055	1,040	1,021	991
Offices of Other Health Care Practitioners	1,268	1,262	1,208	1,135	1,002
Outpatient Care Centers	1,119	1,115	1,101	1,057	996
Medical and Diagnostic Labs	306	306	312	320	288
Home Health Care Services	1,842	1,838	1,694	1,585	1,545
Other Ambulatory <sup>a</sup>	357	357	355	343	318
<b>Hospitals</b>	5,668	5,653	5,478	5,270	5,234
<b>Nursing and Residential Care Facilities</b>	3,397	3,386	3,268	3,100	3,378
Nursing Care Facilities	1,527	1,520	1,473	1,391	1,587
Other Nursing and Residential <sup>b</sup>	1,870	1,866	1,796	1,709	1,791
<b>Health Share of Employment</b>	11.33%	11.31%	11.06%	10.77%	10.82%

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

<sup>a</sup> "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.  
<sup>b</sup> "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, Seasonally Adjusted

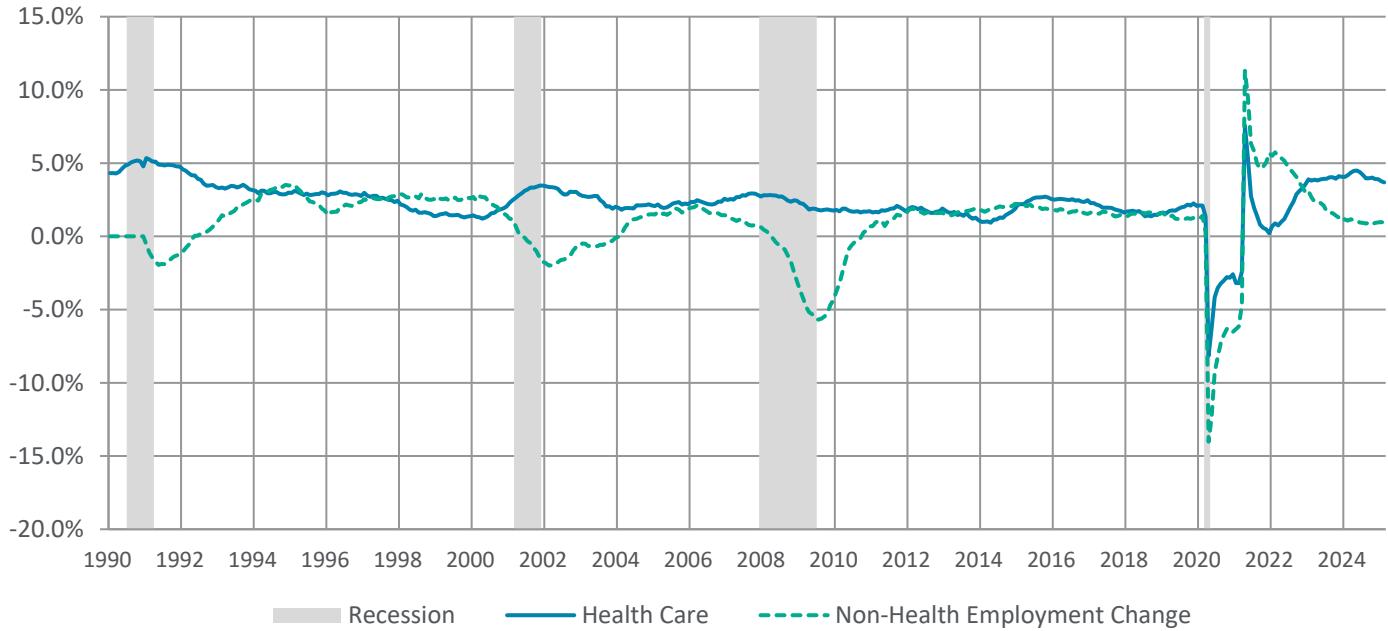
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	99.0	1,305.2	2,791.7	5,357.3
<b>Health Care</b>	52.0	641.8	1,340.3	1,568.7
<b>Ambulatory Health Care Services</b>	25.6	323.1	645.2	1,115.2
Offices of Physicians	10.8	84.7	157.7	306.4
Offices of Dentists	0.4	14.8	33.9	64.1
Offices of Other Health Care Practitioners	5.9	60.1	133.4	266.8
Outpatient Care Centers	3.9	18.7	62.6	123.2
Medical and Diagnostic Labs	0.4	-5.2	-13.5	18.7
Home Health Care Services	4.1	147.9	257.1	297.1
Other Ambulatory <sup>a</sup>	0.1	2.0	13.9	38.9
<b>Hospitals</b>	14.9	189.8	398.0	434.0
<b>Nursing and Residential Care Facilities</b>	11.5	128.9	297.1	19.5
Nursing Care Facilities	7.4	54.7	136.2	-59.1
Other Nursing and Residential <sup>b</sup>	4.1	74.2	160.9	78.6
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>	<b>Since Feb 2020</b>
<b>Non-Health Care</b>	0.8%	0.9%	1.0%	0.8%
<b>Health Care</b>	3.5%	3.7%	3.9%	1.8%
<b>Ambulatory Health Care Services</b>	3.5%	3.7%	3.8%	2.7%
Offices of Physicians	4.4%	2.9%	2.7%	2.2%
Offices of Dentists	0.5%	1.4%	1.6%	1.3%
Offices of Other Health Care Practitioners	5.8%	5.0%	5.7%	4.8%
Outpatient Care Centers	4.3%	1.7%	2.9%	2.4%
Medical and Diagnostic Labs	1.6%	-1.7%	-2.1%	1.3%
Home Health Care Services	2.7%	8.7%	7.8%	3.6%
Other Ambulatory <sup>a</sup>	0.3%	0.6%	2.0%	2.3%
<b>Hospitals</b>	3.2%	3.5%	3.7%	1.6%
<b>Nursing and Residential Care Facilities</b>	4.2%	3.9%	4.7%	0.1%
Nursing Care Facilities	6.0%	3.7%	4.8%	-0.8%
Other Nursing and Residential <sup>b</sup>	2.7%	4.1%	4.6%	0.9%

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

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

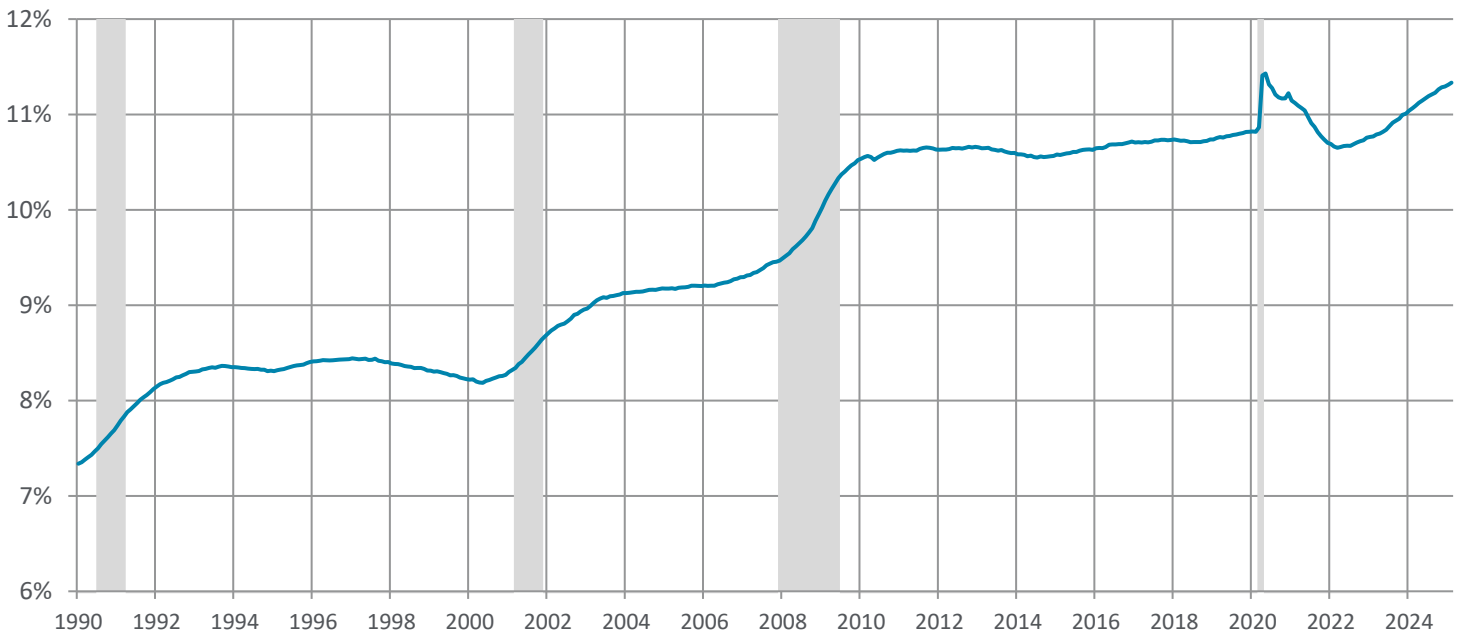
## TIME SERIES TRACKER

### 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.