

October 22, 2026

Low drug spending growth leads gradual decline in rate of national health spending growth

HIGHLIGHTS

- ▲ In August 2026, national health spending grew by 6.5% year over year, down slightly from the revised July 2026 growth rate of 6.6%.
- ▲ GDP grew by 5.9% in August, year over year. As a result, national health spending in August constituted 18.4% of GDP, equal to the July value. National health spending was most recently below 18% of GDP in July 2024.
- ▲ Year-over-year growth in personal health care spending was 6.2% in August, year over year, slightly down from the revised July value of 6.3% and significantly lower than the 7.5% rate in August 2025. Utilization growth contributed nearly two-thirds of the increase, with price increases contributing one-third.
- ▲ Growth among major spending categories was highest in August for hospital care, at 8.0%, year over year, while spending for prescription drugs grew the slowest, at 1.3%. Drug spending growth has slowed significantly this year due primarily to a decline in drug prices; it stood at 7.8% in August 2025.

National Health Spending and GDP*

	August 2024	August 2025	July 2026	August 2026
GDP	29.57	31.18	32.87	33.02
National Health Spending (HS)	5.33	5.71	6.05	6.08
HS Share of GDP	18.0%	18.3%	18.4%	18.4%
HS Share of PGDP	18.3%	18.7%	18.7%	18.7%
Growth from Prior 12 Months				
HS	7.8%	7.3%	6.6%	6.5%
GDP	5.4%	5.5%	6.0%	5.9%
HS minus GDP	2.4%	1.8%	0.5%	0.6%
HS minus PGDP	2.7%	2.0%	0.5%	0.5%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from [BD Economics](#). 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).

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.

The Health Sector Economic IndicatorsSM reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. The reports were published through March 2025; starting in July 2026, Altarum relaunched publication of the series. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD (principal author) and Matt Daly, PhD, contributed to this brief. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

In August 2026, national health spending reached a seasonally adjusted annual rate of \$6.08 trillion, up from the revised July level of \$6.05 trillion. August's spending corresponds to a year-over-year growth rate of 6.5% and represents the third straight month of gradual decline in health spending growth.

Year-over-year GDP growth was 5.9% in August, and national health spending in August grew 0.6 percentage points more than GDP. National health spending in August represented 18.4% of GDP.

The year-over-year growth rate in personal health care spending was 6.2% in August, also exceeding the GDP growth rate. (See Exhibit 1.)

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

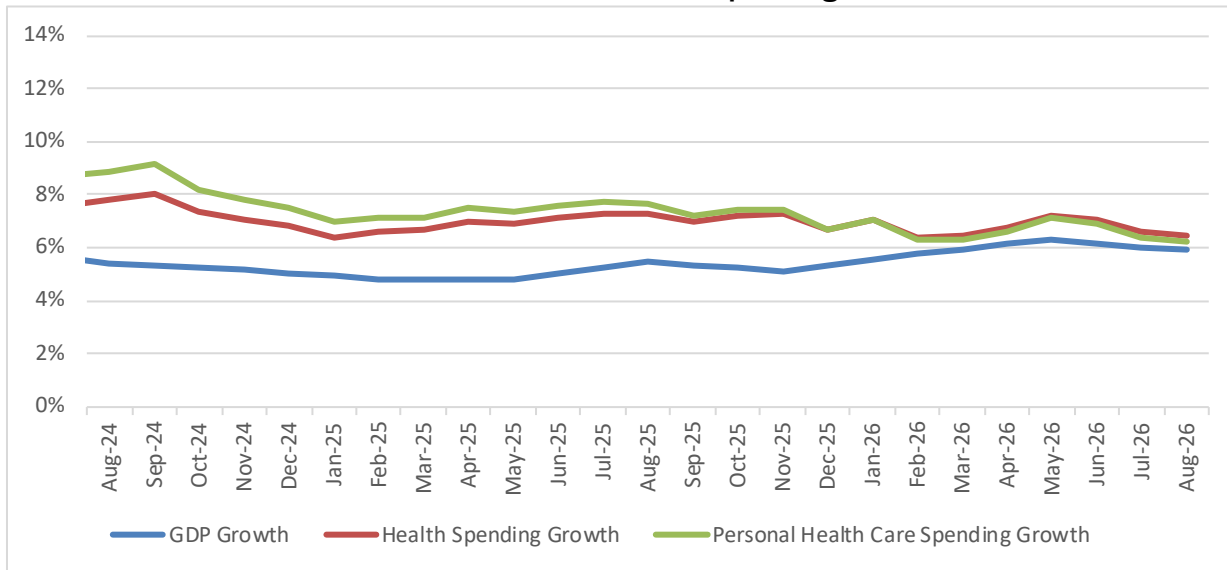


Exhibit 2 illustrates how health spending in August was distributed among spending categories. Personal health care constituted 85.6% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (Percentages do not add to 100% due to rounding.)

Exhibit 2. Health Spending by Category, August 2026

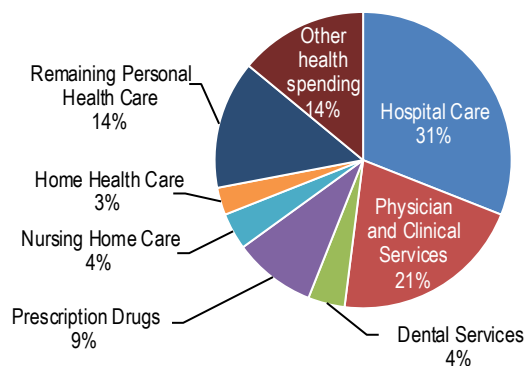


Exhibit 3 displays the growth in spending for personal health care and its major component categories for the 12-month periods ending August 2026 and August 2025. Spending on all categories except hospital care showed slower growth this year compared with last. Annual growth in August 2026 was greatest for hospital care, at 8.0%. Spending on home health care showed the second fastest growth, at 7.8%, but its growth in August 2025 was significantly higher, at 17.8%. The slowest growth occurred in spending on prescription drugs, at 1.3%, largely due to a decrease in prescription drug prices, which declined by 2.9% in August, year over year. (Drug prices continued their decline in September, dropping by 4.5%, as noted in this month's price brief.)

Exhibit 3. Health Care Spending 12-Month Growth

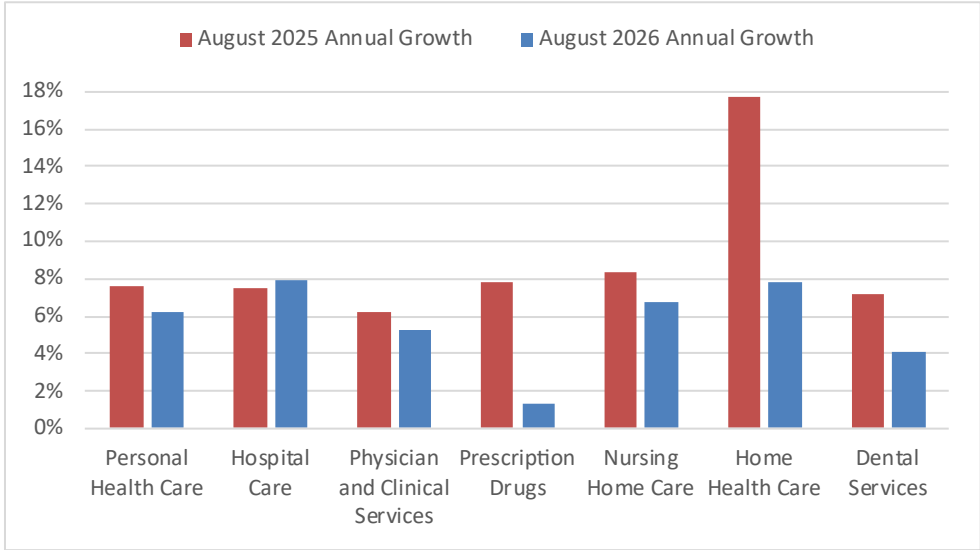
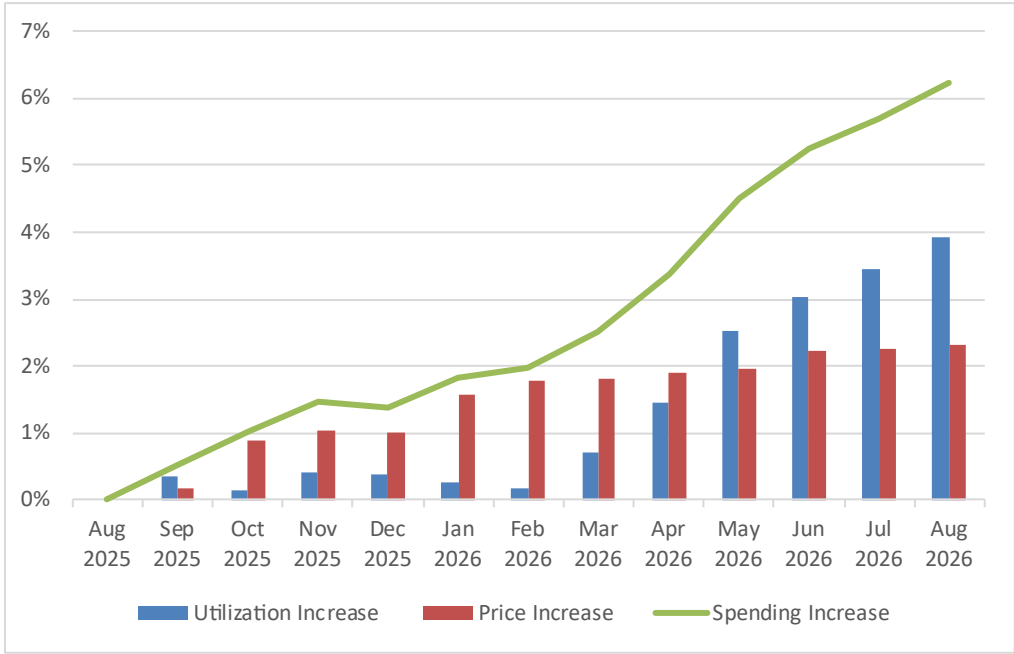


Exhibit 4 shows how spending on personal health care has grown over the past year (beginning in August 2025) and illustrates the relative contribution of utilization and prices to this growth. It indicates that utilization growth has contributed more than price increases through August 2026, with year-to-date utilization growth dominating price increases starting in May. Of the 6.2% growth in personal health care spending during this period, 2.3 percentage points can be attributed to price growth, while the remaining 3.9 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)	August 2023	August 2024	August 2025	August 2026
GDP	\$28,064.0	\$29,568.3	\$31,180.5	\$33,016.3
National Health Spending	\$4,943.0	\$5,328.0	\$5,714.3	\$6,083.8
Personal health care	\$4,185.3	\$4,557.3	\$4,904.3	\$5,210.5
Hospital care	\$1,505.3	\$1,647.2	\$1,770.4	\$1,911.4
Physician and clinical services	\$1,030.3	\$1,124.3	\$1,194.6	\$1,257.5
Other professional services	\$167.0	\$186.8	\$202.1	\$217.5
Dental services	\$178.6	\$191.2	\$205.0	\$213.2
Other personal health care	\$296.9	\$323.9	\$352.2	\$377.9
Home health care	\$159.0	\$170.2	\$200.4	\$216.1
Nursing home care	\$204.7	\$220.7	\$239.2	\$255.4
Prescription Drugs	\$436.9	\$476.7	\$513.9	\$520.7
Durable medical equipment	\$82.3	\$87.1	\$89.6	\$96.5
Nondurable medical products	\$124.4	\$129.3	\$136.9	\$144.1
Program administration and net cost of private health insurance	\$373.1	\$371.8	\$404.4	\$456.4
Government public health activities	\$149.8	\$159.7	\$157.1	\$158.7
Research	\$72.3	\$70.1	\$70.4	\$71.7
Structures and equipment	\$162.6	\$169.1	\$178.1	\$186.6
HS Share of GDP	17.6%	18.0%	18.3%	18.4%
HS Share of PGDP	17.8%	18.3%	18.7%	18.7%

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

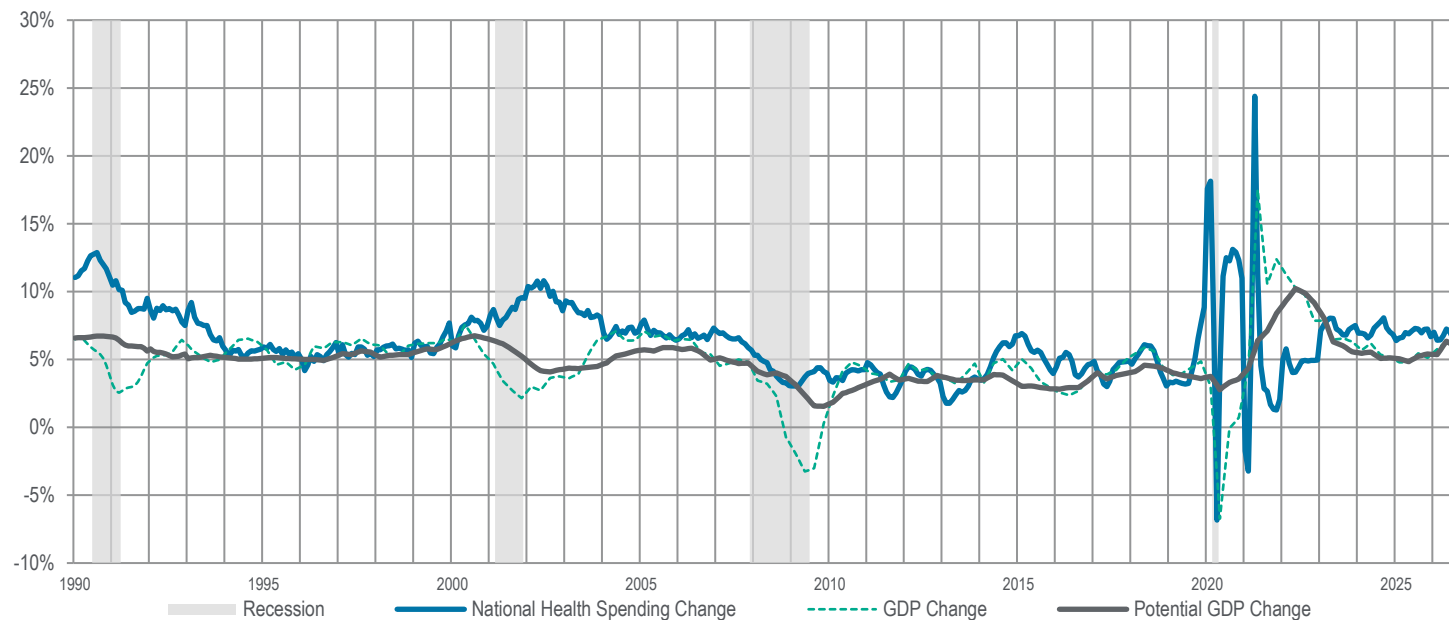
Growth Rates	August 2024	August 2025	August 2026
GDP	5.4%	5.5%	5.9%
National Health Spending	7.8%	7.3%	6.5%
Personal health care	8.9%	7.6%	6.2%
Hospital care	9.4%	7.5%	8.0%
Physician and clinical services	9.1%	6.3%	5.3%
Other professional services	11.9%	8.2%	7.6%
Dental services	7.1%	7.2%	4.0%
Other personal health care	9.1%	8.8%	7.3%
Home health care	7.1%	17.7%	7.8%
Nursing home care	7.9%	8.4%	6.8%
Prescription Drugs	9.1%	7.8%	1.3%
Durable medical equipment	5.8%	3.0%	7.6%
Nondurable medical products	4.0%	5.9%	5.3%
Program administration and net cost of private health insurance	-0.3%	8.8%	12.9%
Government public health activities	6.6%	-1.6%	1.0%
Research	-3.1%	0.5%	1.8%
Structures and equipment	4.0%	5.3%	4.8%
HS Minus GDP	2.4%	1.8%	0.6%
HS Minus PGDP	2.7%	2.0%	0.5%

Source: Computed from Exhibit 5.

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

TIME SERIES TRACKER

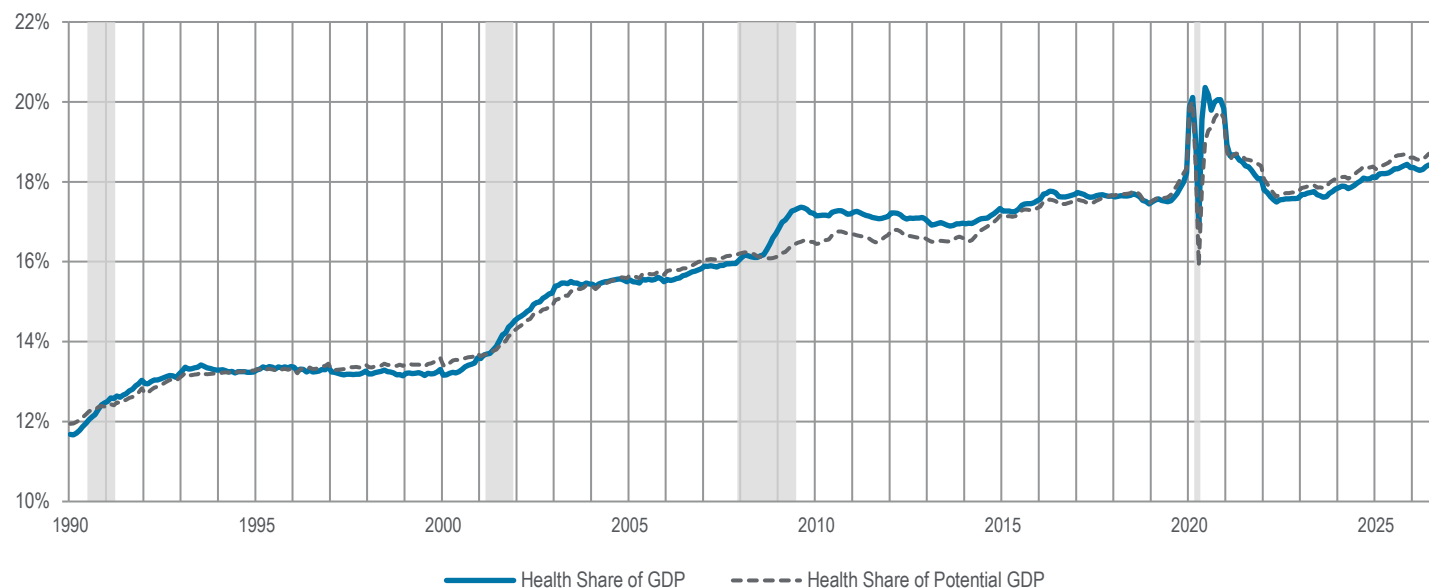
Exhibit 7. Year-over-Year Percentage Change in Spending and GDP



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 \(1990–2024\) and projections \(2025–2026\)](#). 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 2024 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2024 ratios are used to adjust BEA spending for months in 2025 and 2026.



Health Sector Economic IndicatorsSM

Insights from Monthly National Price Indices through September 2026

PRICE BRIEF

October 22, 2026

Prescription drug prices decline at a record rate

HIGHLIGHTS

- ▲ In September 2026, the overall Health Care Price Index (HCPI) stood at 2.1%, down from 2.3% in August and from a recent peak of 3.2% in November 2025.
- ▲ Economy-wide inflation in September, as represented in the year-over-year change in the overall Consumer Price Index (CPI), equaled 3.7%, while the Producer Price Index (PPI) increased by 0.7 percentage points to 6.3%.
- ▲ Among the major health care categories, prices for dental care in September were the fastest growing at 6.0% year over year. This is an increase from a growth of 3.2% in September of 2025. At the other extreme, prescription drug prices fell by a record 4.5%—their ninth straight month of lower year-over-year prices.
- ▲ For major payers in September, year-over-year Medicare prices growth for services (3.5%) exceeded private insurance (2.7%) and Medicaid (1.5%).
- ▲ The implicit measure of health care utilization growth was 3.9% year over year in August, equaling its July value (September data are not yet available).
- ▲ Among major spending categories, home health care utilization increased the fastest, at 5.9%. Utilization of dental services declined by 0.9%.

	September 2024	September 2025	August 2026	September 2026
Health Care Price Index (HCPI)	3.3%	2.9%	2.3%	2.1%
GDP Deflator (GDPD)	2.4%	2.9%	3.7%	**
HCPI - GDPD	0.9%	0.0%	-1.4%	**
Addendum				
Personal health care spending	9.1%	7.2%	6.2%	**
Health care utilization	5.8%	4.3%	3.9%	**
Medical Consumer Price Index (MCPI)	3.3%	3.3%	1.6%	1.5%
Consumer Price Index, all items (CPI)	2.4%	3.0%	3.4%	3.7%
Producer Price Index, Final Demand (PPI)	2.1%	3.0%	5.6%	6.3%

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

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.

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 (principal author), and Matt Daly, PhD contributed to this brief. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

In September 2026, the overall health care price index (HCPI) stood at 2.1% year over year, down from its August value of 2.3%, and has gradually fallen from a recent high of 3.2% in November 2025 (Exhibit 1). The August HCPI was 1.4 percentage points below economy-wide inflation as measured by the GDP deflator, and has been below economy-wide inflation since November 2025. (September GDP data are not yet available.)

Regarding other measures of economy-wide inflation, the CPI increased from 3.4% in August to 3.7% in September, while the PPI grew by 6.3%, up from 5.6% in August. Economy-wide price increases were driven largely by commodities inflation, which increased to 4.6% year over year from an August value of 3.9%, and services inflation, which grew from 3.1% in August to 3.3% in September. (Exhibit 4).

Among major spending categories, dental services exhibited the fastest rise in prices in September, growing by 6.0%, year over year. Prices in most other major categories increased between 1.3% (for physician services) and 3.7% (for nursing home care) (Exhibits 2 and 3).

However, prices for prescription drugs fell by 4.5% in September, continuing a negative trend that began in January of this year. This is the largest decline in drug prices in our time series, which goes back to January 1990. In August, prescription drug prices fell by 2.9%, largely explaining the slow growth in August drug spending documented in this month’s spending brief. Both market changes (such as increased competition from generic drugs and biosimilars) and new policies (such as the Medicare drug pricing negotiation program) have [contributed to the decline](#) in drug prices.

Among major payers for health care services, prices rose fastest for Medicare patients in September, at 3.5% year over year, following a gradual increase from a negative rate of 0.6% in September 2022 (Exhibit 6). Price growth was 1.5% for Medicaid patients, dropping from a peak of 6.8% in May 2024. Price growth for private insurance patients was 2.7%. Among specific health sector components, the price growth among Medicare patients was driven by growth in hospital care prices, up 4.3% year over year. Hospital prices for private insurance grew by 4.0%, while Medicaid was up by 0.9% (Exhibit 8). Growth in prices for physician services was moderate for all three payers, all below 2.0%, with Medicaid prices flat 0.0% (Exhibit 7).

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

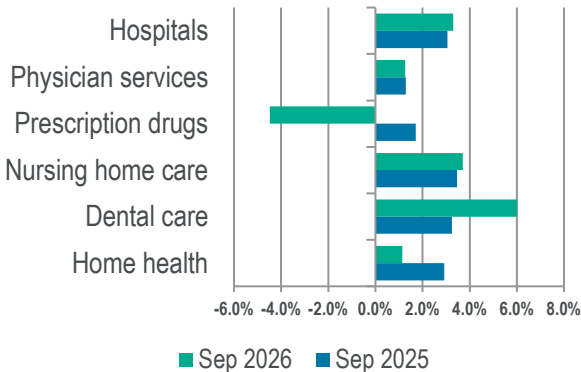
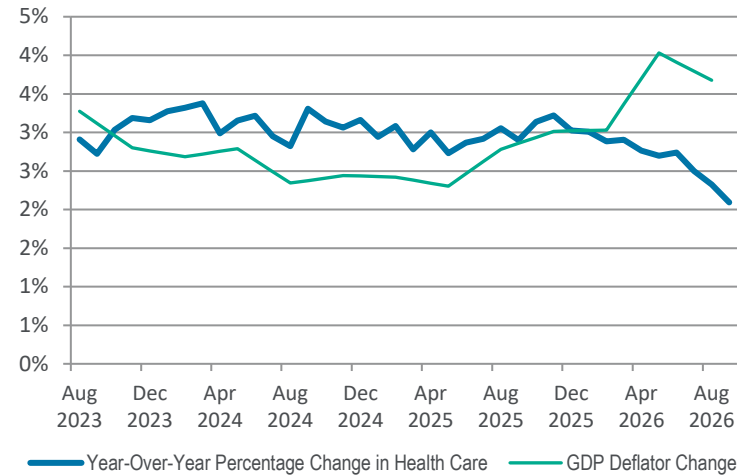


Exhibit 1. Year-over-Year Growth in HCPI & GDPD



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, year over year) was 3.9% in August 2026 (Exhibit 9). (September data are not yet available.) Among major categories, the fastest-growing utilization component was home health care, which increased by 5.9%, followed by hospital care, up 4.9% year over year. At the other extreme, utilization of dental services declined by 0.9%.

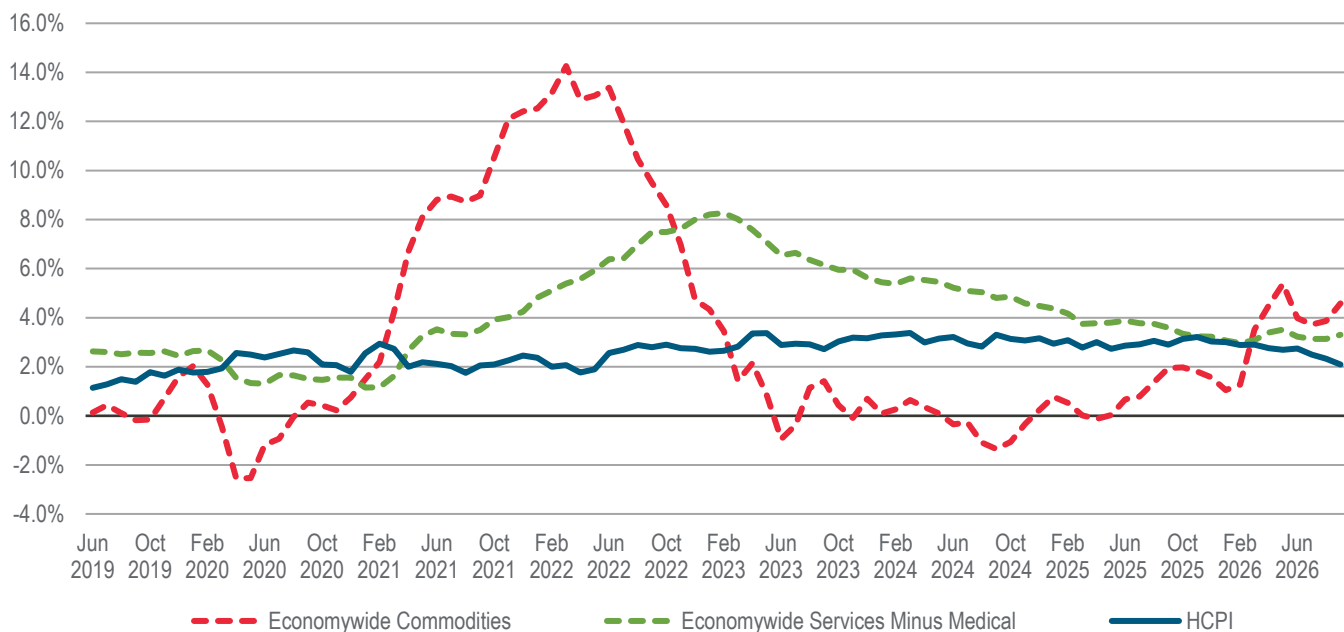
PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending Sept 2024	Ending Sept 2025	Ending Sept 2026
Health Care Price index	3.3%	2.9%	2.1%
Hospital Care	3.7%	3.1%	3.3%
Physician and clinical services	2.1%	1.3%	1.3%
Prescription drugs	2.2%	1.7%	-4.5%
Nursing home care	2.8%	3.5%	3.7%
Dental services	3.9%	3.2%	6.0%
Home health care	2.2%	2.9%	1.1%
Other professional services	2.2%	2.3%	3.8%
Other personal health care	8.6%	7.4%	3.6%
Other non-durable medical products	0.7%	-1.8%	-0.9%
Durable medical equipment	1.3%	2.5%	-0.1%

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

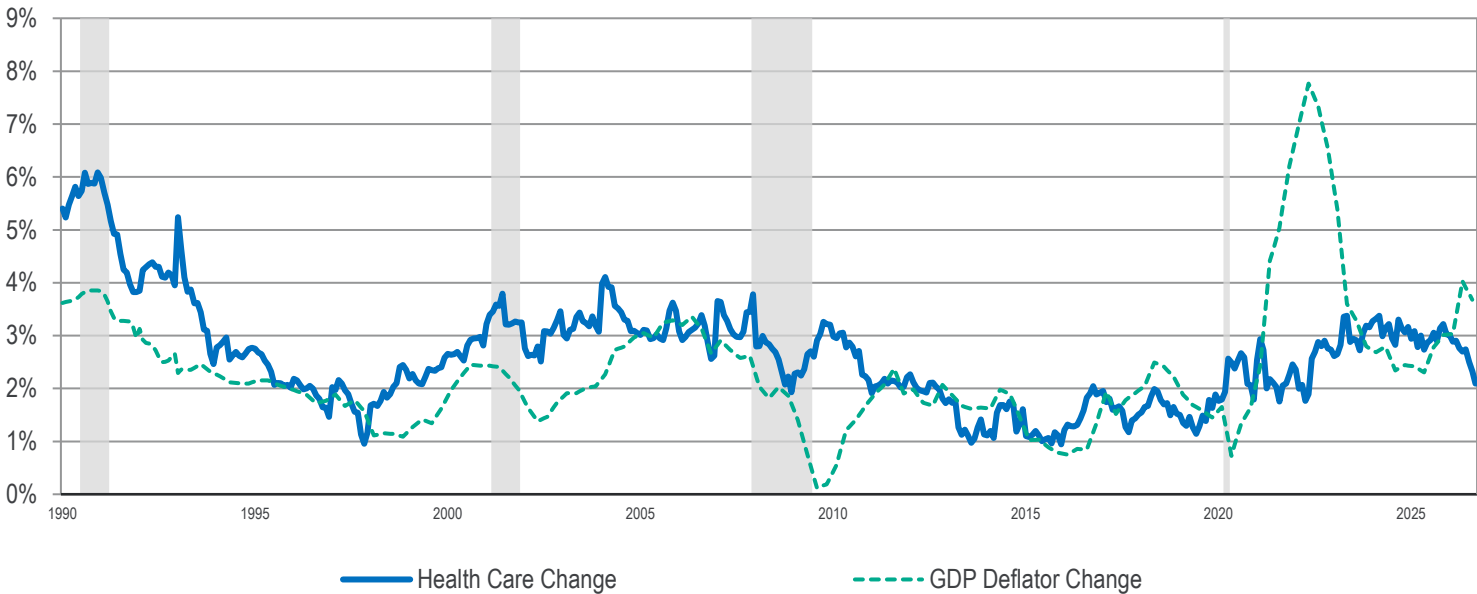


Source: Altarum analyses of BLS price data.

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.

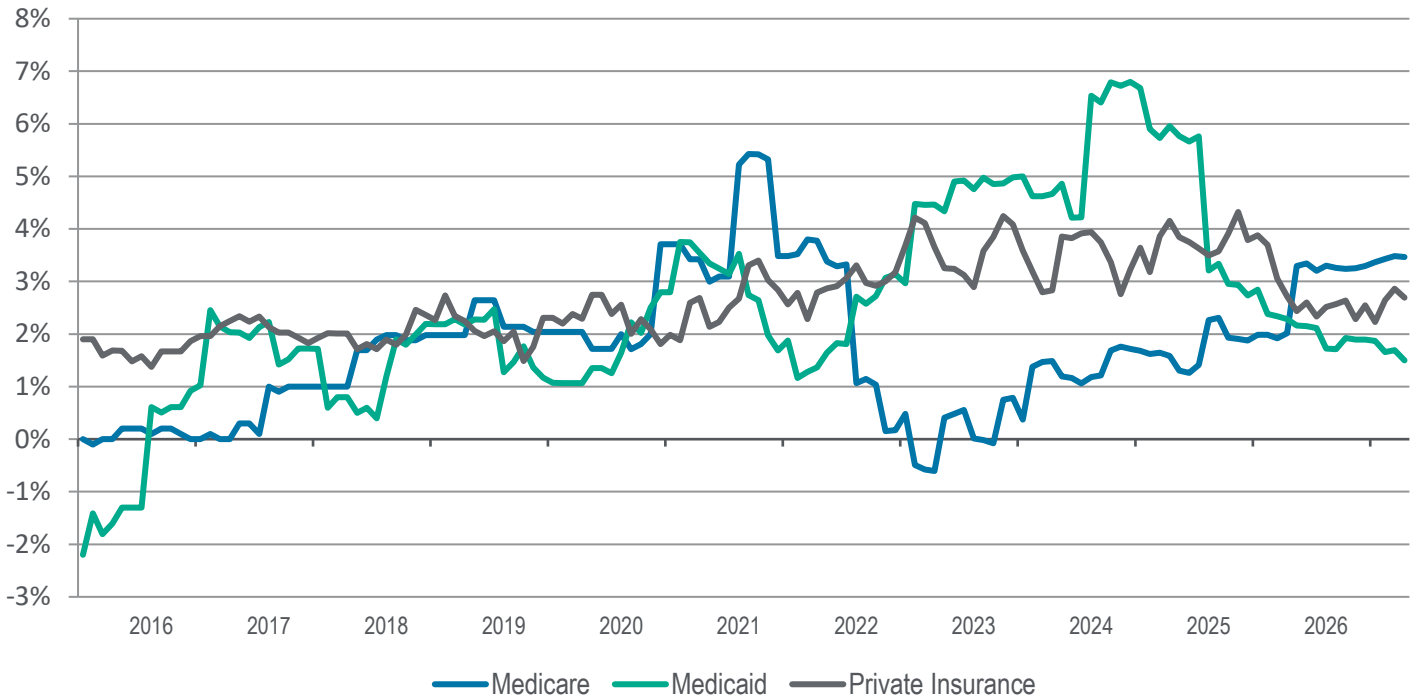
TIME SERIES TRACKER

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



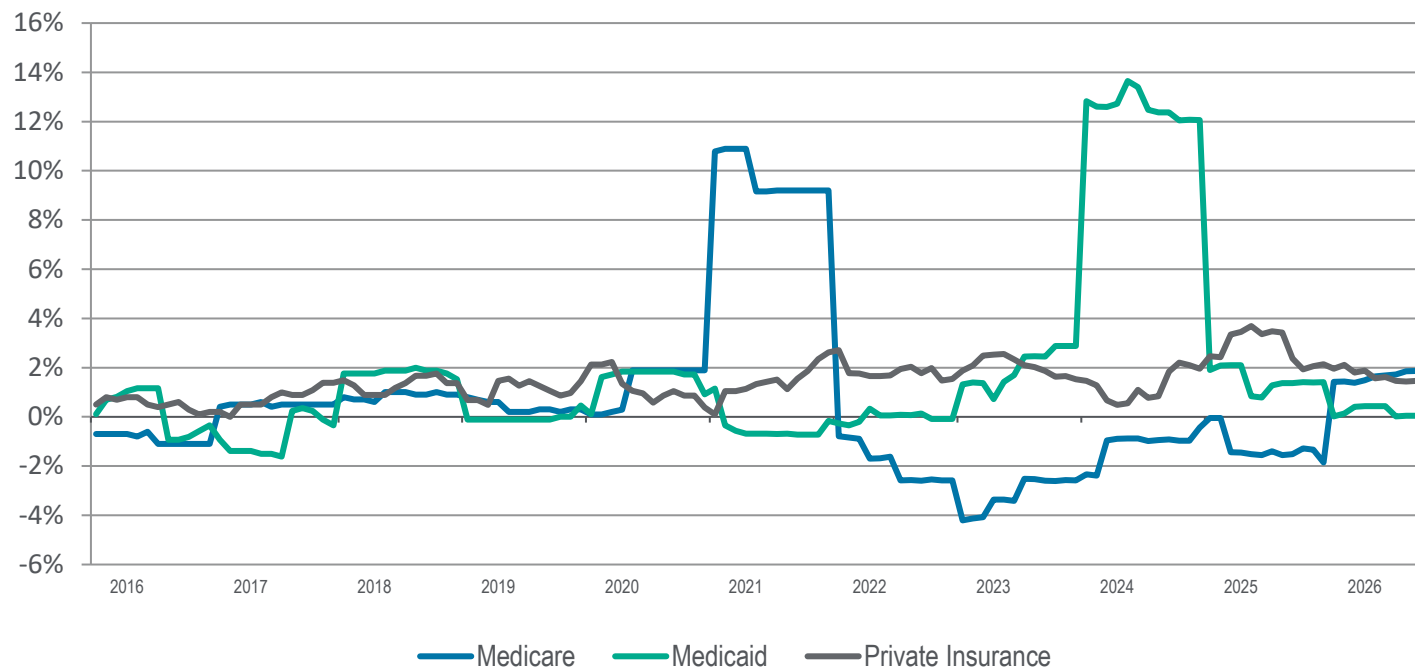
Source: Altarum analyses of BLS price data.
Note: Lightly shaded bars denote recession periods.

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



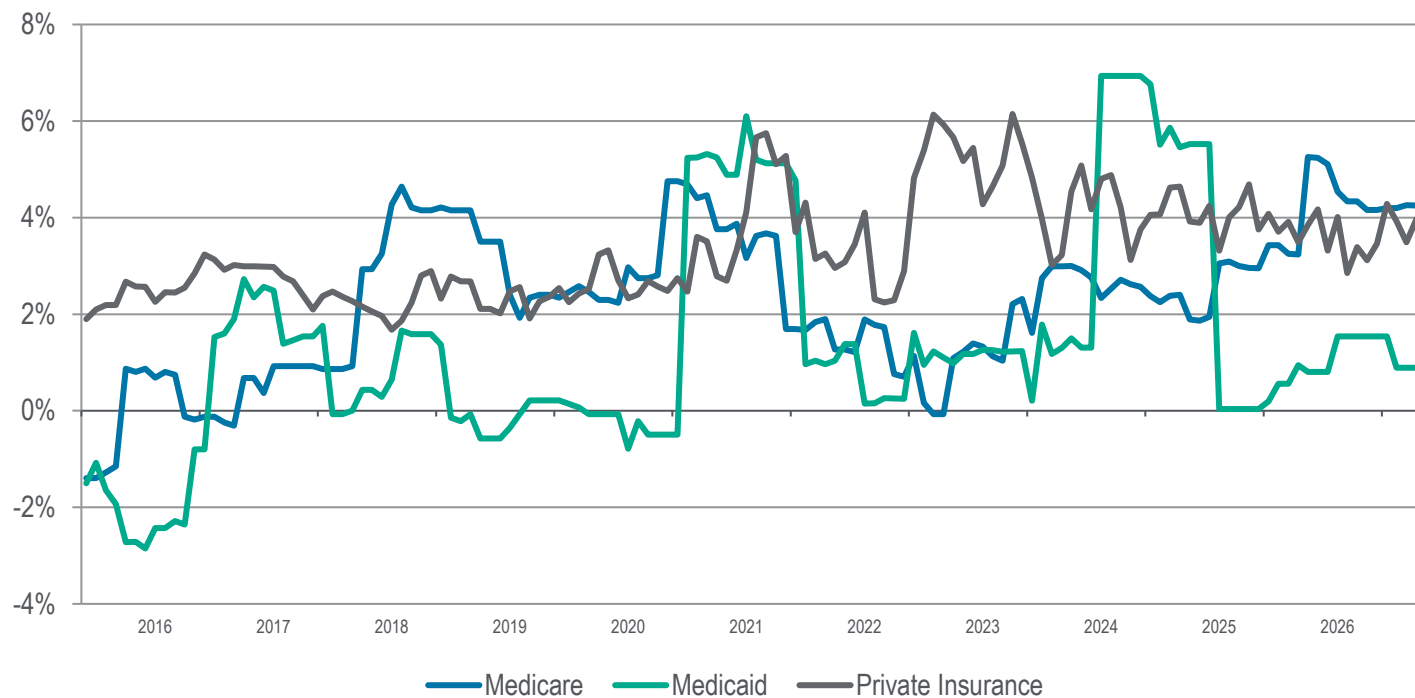
Source: Altarum analyses of BLS price data.

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

	August 2026	3-Month Moving Average	12-Month Moving Average
Total personal health care	3.9%	4.0%	4.0%
Hospital care	4.9%	5.0%	4.2%
Physician and clinical services	4.0%	4.5%	4.6%
Prescription drugs	4.3%	4.3%	4.7%
Nursing home care	3.0%	2.9%	3.3%
Dental Services	-0.9%	-1.8%	2.1%
Home health care	5.9%	7.3%	9.4%
Other professional services	3.4%	3.4%	3.7%
Other personal health care	1.8%	0.9%	1.2%
Other nondurable medical products	7.4%	6.8%	5.8%
Durable medical equipment	8.0%	6.2%	3.0%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data. Utilization growth (U) is computed as spending growth (S) net of price growth (P): $U = S - P$. 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.

October 22, 2026

Nursing facilities post significant job losses in September

HIGHLIGHTS

- ▲ In September 2026, health care industry employment increased by 16,700 jobs while non-health care industries gained 12,300 jobs.
- ▲ By major subsector, September's health care job growth was led by ambulatory health care services which added 13,400 jobs, followed closely by hospitals which added 12,000. Nursing and residential facilities lost 8,700 jobs, the largest monthly loss since January of 2022.
- ▲ For health care and social assistance, the jobs opening rate was 5.4% and the hiring rate was 2.9% in August (September data is not yet available). The total separations rate was 3.0%.
- ▲ The overall unemployment rate was 4.2% in September, up 0.1% from August.
- ▲ Nominal health care wage growth in August was 1.8% year over year, with growth rates of 1.4% in hospitals, 2.0% in ambulatory health care services, and 3.3% in nursing and residential care facilities.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Sep 2025	Aug 2026	Sep 2026
Total Employment (000)	152,293	158,548	159,015	159,044
Non-Health Employment (000)	135,818	140,366	140,478	140,490
Health Employment (000)	16,475	18,182	18,537	18,554
Health Share of Total Employment	10.82%	11.47%	11.66%	11.67%
Unemployment Rate	3.5%	4.4%	4.1%	4.2%

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.

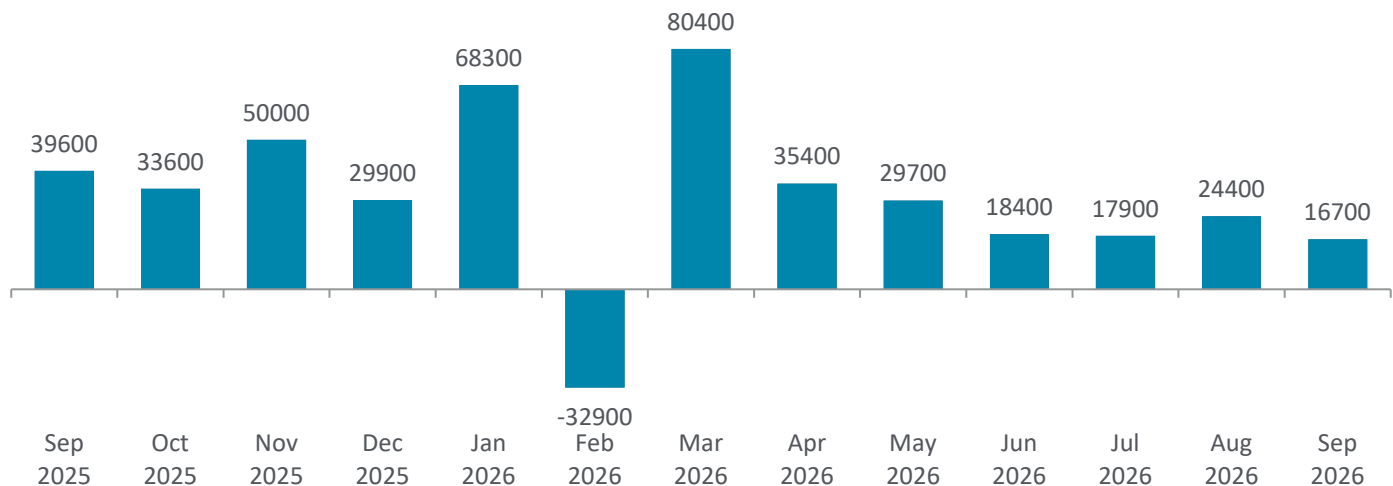
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD, and Matt Daly, PhD (principal author) contributed to this brief. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

In September 2026, the health care industry added 16,700 new jobs, as shown in Exhibit 1. This figure is lower than the monthly average of 32,900 jobs added in the previous twelve months and has declined from over 80,000 new jobs in March 2026. Non-health-care industries added 12,300 jobs.

In September, ambulatory health care services added 13,400 jobs, which is 28% lower than the monthly average of 18,600 for the past year. Growth of major categories in this subsector was led by dental offices at 4,000 jobs. Offices of physicians gained 1,100 jobs for the month, while home health care services lost 2,300 (see Exhibit 9). Nursing and residential care facilities lost 8,700 jobs, compared to an average of 5,100 jobs added per month in the past year. Within this subsector, nursing care facilities lost 1,600 jobs, below the prior 12-month average of +2,600, while other nursing and residential care homes lost 7,100 positions compared to an average gain of 2,500 per month in the last year. Finally, hospitals recorded a gain of 12,000 jobs, up 31% from subsector's 12-month average gain of 9,200.

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

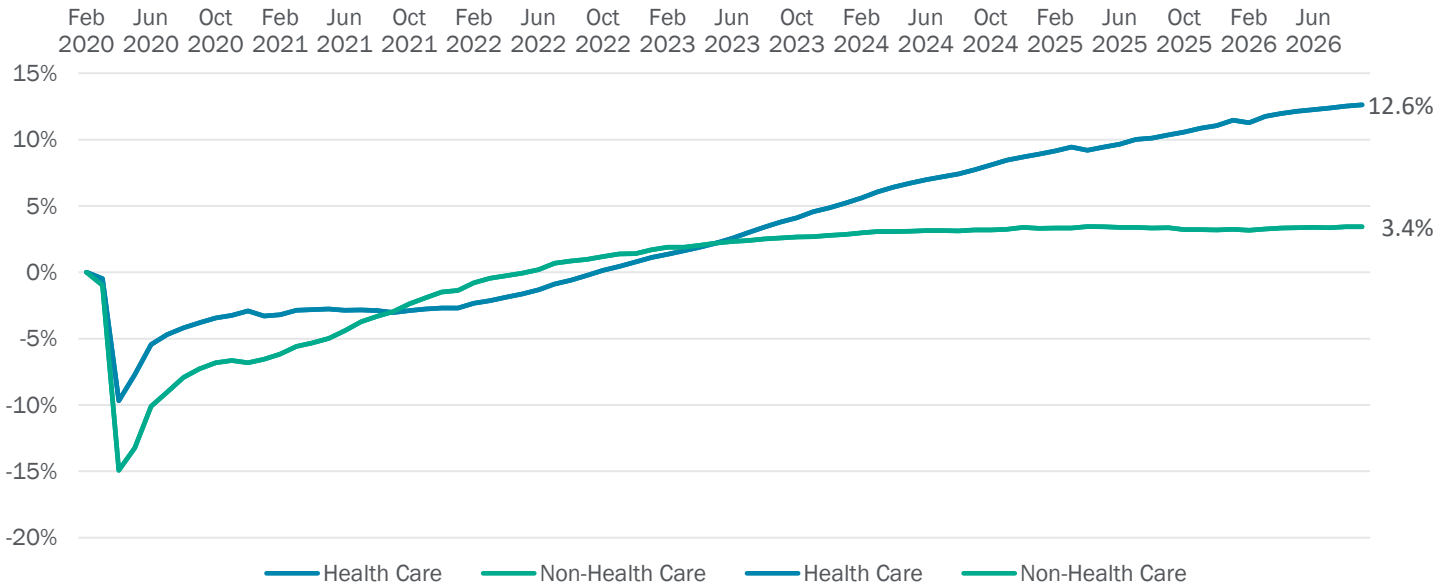


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 2,078,600 jobs, or 12.6%—more than triple the 3.4% 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 has mostly maintained its pace since then, while employment growth in non-health care industries has been largely stagnant for nearly three years. As of September 2026, the health care industry has outpaced non-health care industries for 46 consecutive months.

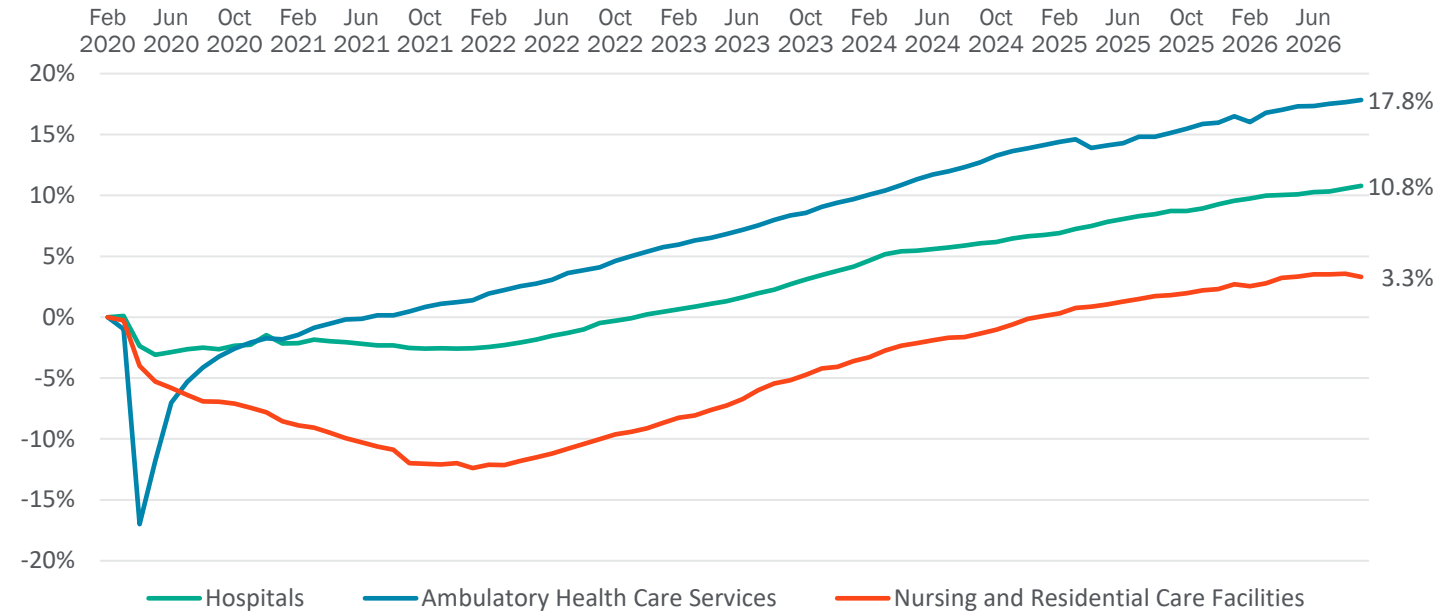
Since February 2020, employment in ambulatory health care services has increased by 1,402,500 jobs, or 17.8%, while hospital employment has grown by 564,300 jobs, or 10.8% (see Exhibit 3). Employment in nursing and residential remained below pre-pandemic levels until January 2025 but is now up 111,800 jobs (3.3%) over the February 2020 baseline. (As described in an 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.

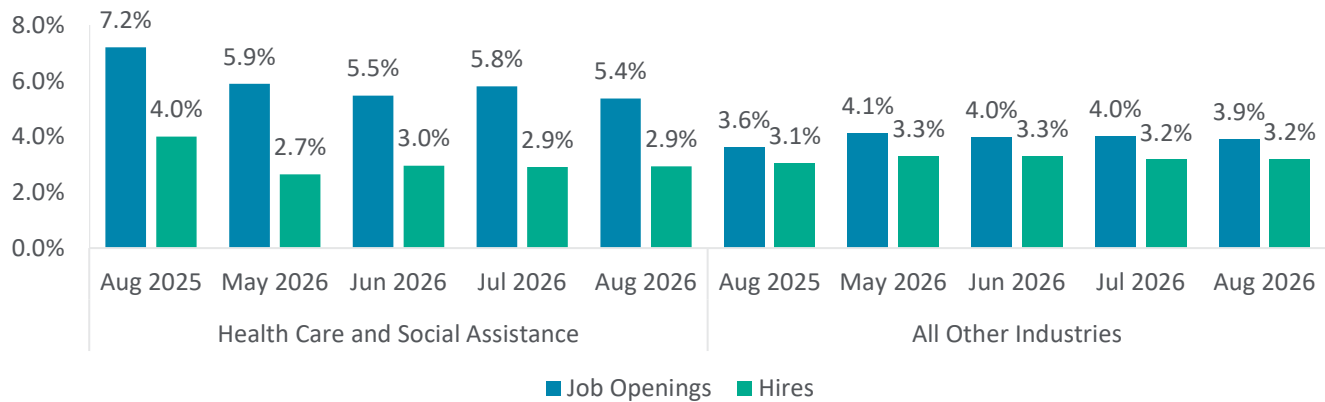
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

In August 2026, the job openings rate in health care and social assistance fell 0.4 percentage points to 5.4% from the revised 5.8% July value, as shown in Exhibit 4. The hiring rate held steady at 2.9%. The total separations rose slightly to 3.0% in August, as shown in Exhibit 5.

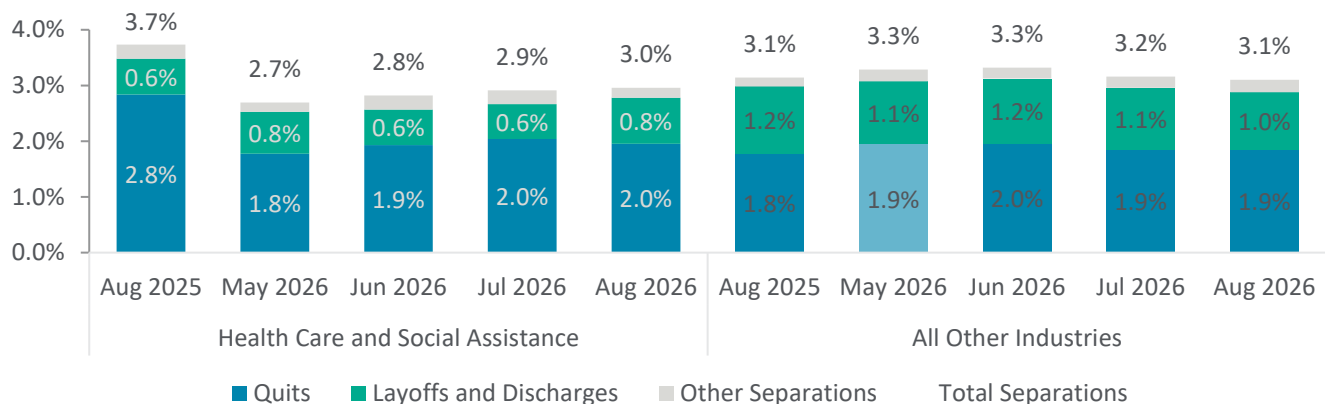
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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

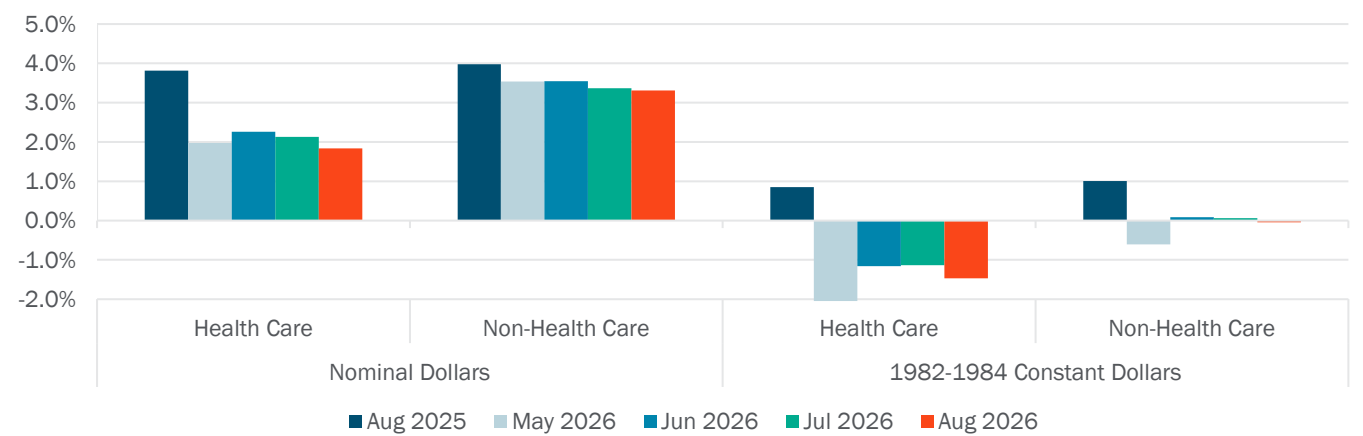


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

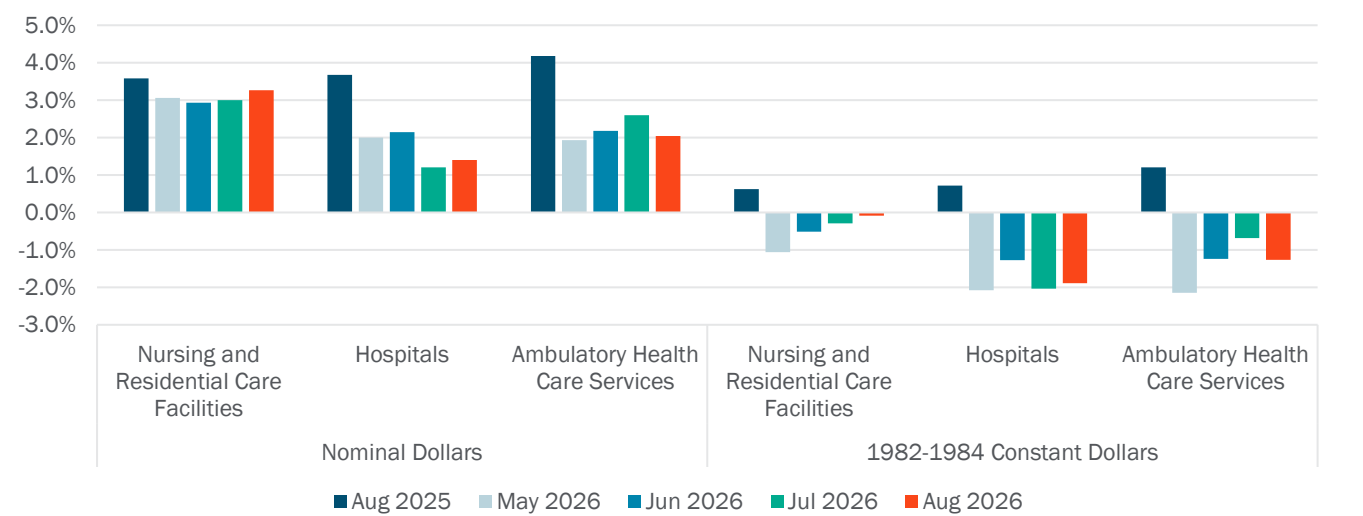
Year-over-year wage growth in the health care sector in nominal dollars was 1.8% in August 2026, as shown in Exhibit 6. However, after adjusting for inflation, that growth was negative, at -1.5%. Nominal wage growth was fastest in nursing and residential care facilities at 3.3%, followed by ambulatory health care services at 2.0% and hospitals at 1.4% (see Exhibit 7). Inflation-adjusted wages, however, did not change for nursing and residential care facilities, and was down 1.9% in hospitals and down 1.3% in ambulatory health care services. Meanwhile, non-health-care wage growth was up 3.3% in August, flat 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)	Sep 2026	Aug 2026	Sep 2025	Sep 2024	Feb 2020
Non-Health Care	140,490	140,478	140,366	140,165	135,818
Health Care	18,554	18,537	18,182	17,747	16,475
Ambulatory Health Care Services	9,266	9,253	9,053	8,864	7,864
Offices of Physicians	3,063	3,062	3,025	2,964	2,725
Offices of Dentists	1,058	1,054	1,049	1,048	991
Offices of Other Health Care Practitioners	1,362	1,356	1,309	1,258	1,002
Outpatient Care Centers	1,200	1,196	1,180	1,153	996
Medical and Diagnostic Labs	310	310	311	305	288
Home Health Care Services	1,894	1,897	1,814	1,774	1,545
Other Ambulatory ^a	380	379	366	361	318
Hospitals	5,798	5,786	5,690	5,551	5,234
Nursing and Residential Care Facilities	3,489	3,498	3,439	3,332	3,378
Nursing Care Facilities	1,587	1,589	1,557	1,500	1,587
Other Nursing and Residential ^b	1,902	1,909	1,882	1,833	1,791
Health Share of Employment	11.67%	11.66%	11.47%	11.24%	10.82%

Source: Altarum 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, Seasonally Adjusted

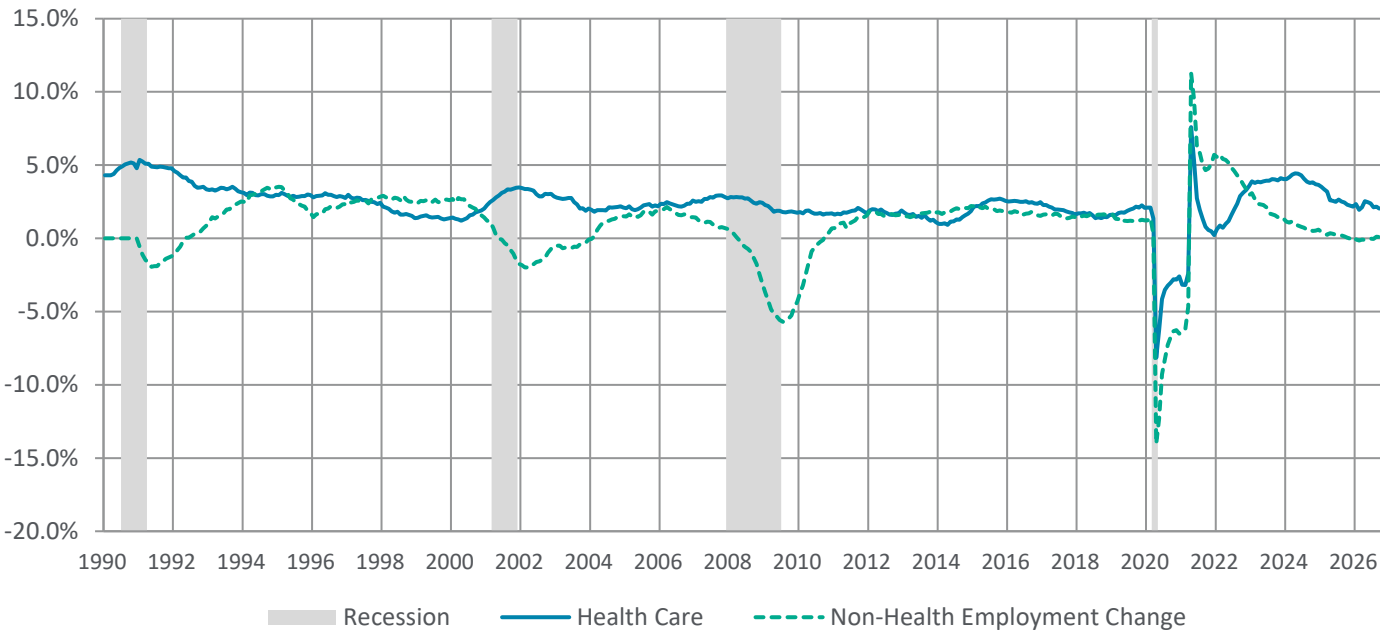
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	12.3	124.2	325.0	4,672.4
Health Care	16.7	371.8	807.0	2,078.6
Ambulatory Health Care Services	13.4	213.3	402.5	1,402.5
Offices of Physicians	1.1	37.9	98.3	338.0
Offices of Dentists	4.0	8.5	9.2	66.6
Offices of Other Health Care Practitioners	6.7	53.1	104.5	360.8
Outpatient Care Centers	3.4	20.0	46.9	203.7
Medical and Diagnostic Labs	-0.7	-1.3	4.6	21.9
Home Health Care Services	-2.3	80.7	120.2	349.5
Other Ambulatory ^a	1.1	14.3	18.9	62.0
Hospitals	12.0	108.1	247.3	564.3
Nursing and Residential Care Facilities	-8.7	50.4	157.2	111.8
Nursing Care Facilities	-1.6	30.1	87.7	0.9
Other Nursing and Residential ^b	-7.1	20.3	69.5	110.9
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	0.1%	0.1%	0.1%	0.5%
Health Care	1.1%	2.0%	2.2%	1.8%
Ambulatory Health Care Services	1.8%	2.4%	2.2%	2.5%
Offices of Physicians	0.4%	1.3%	1.6%	1.8%
Offices of Dentists	4.7%	0.8%	0.4%	1.0%
Offices of Other Health Care Practitioners	6.1%	4.1%	4.1%	4.8%
Outpatient Care Centers	3.5%	1.7%	2.0%	2.9%
Medical and Diagnostic Labs	-2.7%	-0.4%	0.8%	1.1%
Home Health Care Services	-1.4%	4.4%	3.3%	3.1%
Other Ambulatory ^a	3.5%	3.9%	2.6%	2.7%
Hospitals	2.5%	1.9%	2.2%	1.6%
Nursing and Residential Care Facilities	-2.9%	1.5%	2.3%	0.5%
Nursing Care Facilities	-1.2%	1.9%	2.9%	0.0%
Other Nursing and Residential ^b	-4.4%	1.1%	1.9%	0.9%

Source: Altarum 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.

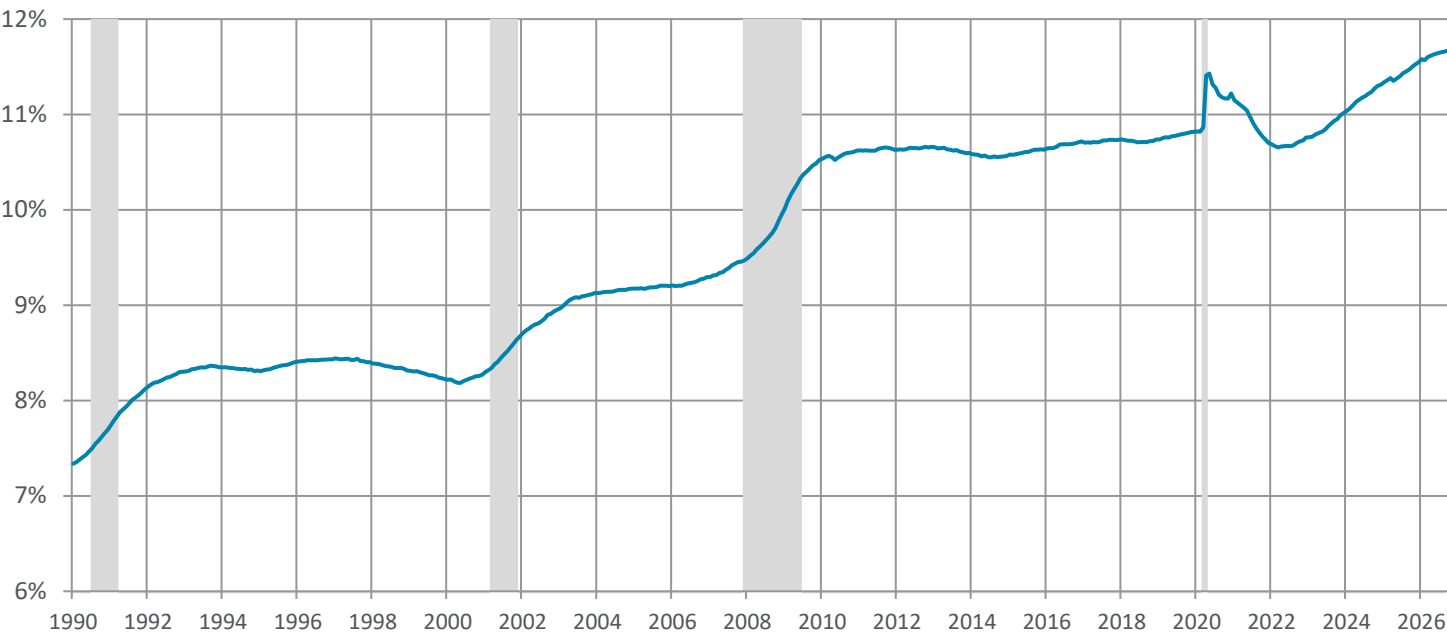
TIME SERIES TRACKER

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.