

August 28, 2024

Health care jobs accounted for nearly half of all jobs added across the economy in July

HIGHLIGHTS

- ▲ Health care industry employment increased by 55,000 in July 2024, compared to 59,000 jobs in non-health care industries, meaning that health care job growth accounted for 48.2% of all growth.
- ▲ July's health care job growth was led by growth in ambulatory health care services, which added 26,300 jobs, followed by hospitals, with 19,500 jobs.
- ▲ Nursing and residential care facilities added 9,200 jobs in July, including 6,800 jobs in nursing care facilities and 2,400 jobs in other residential care facilities.
- ▲ The unemployment rate increased from 4.1% in June 2024 to 4.3% in July.
- ▲ In health care and social assistance in June, the job openings rate was 6.7%, the hiring rate was 3.4%, and the total separations rate was 3.0%.
- ▲ Nominal health care wage growth in June 2024 was 3.6% year over year, with growth rates of 4.6% in nursing and residential care facilities, 3.8% in ambulatory health care services, and 3.0% in hospitals.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Jul 2023	Jun 2024	Jul 2024
Total Employment (000)	152,309	156,211	158,609	158,723
Non-Health Employment (000)	135,828	139,232	140,958	141,017
Health Employment (000)	16,481	16,979	17,651	17,706
Health Share of Total Employment	10.82%	10.87%	11.13%	11.16%
Unemployment Rate	3.5%	3.5%	4.1%	4.3%

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

Altarum is a nonprofit research and consulting organization that creates and implements solutions to advance health among at-risk and disenfranchised populations. Since 2011, Altarum has researched cost growth trends and key drivers of U.S. health spending and formulated policy strategies to help bend the cost growth curve. This work was made possible through generous support from the Robert Wood Johnson Foundation.

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

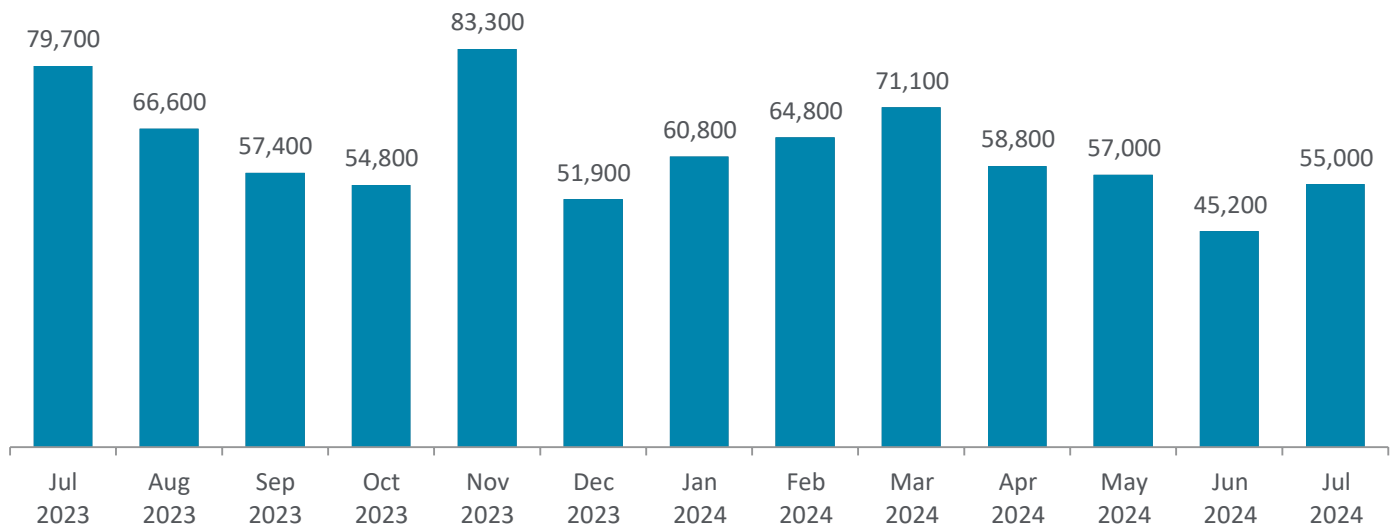
DISCUSSION

In July 2024, the health care industry added 55,000 new jobs (as shown in Exhibit 1), which was 9.2% lower than the 12-month average of 60,600 jobs. In contrast, non-health care industries added 59,000 jobs, 60.3% lower than the 12-month average of 148,800 jobs gained per month.

Within the health care industry, ambulatory health care services added 26,300 jobs in July (12.9% below the subsector's 12-month average), and hospitals added 19,500 jobs (0.6% above the 12-month average). In July, most ambulatory care settings had below-average employment figures. The exception was home health care services, which added 21,600 jobs, accounting for 82% of all growth in ambulatory health care services.

Nursing and residential care facilities added 9,200 jobs in July, slightly below the average of 10,700 per month in the past year. In this subsector, job growth was robust in nursing care facilities, with 6,800 new jobs (44.9% above the 12-month average of 4,700 jobs added), but weaker in other nursing and residential care facilities, with just 2,400 new jobs (60.3% below the 12-month average of 6,000 jobs added).

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

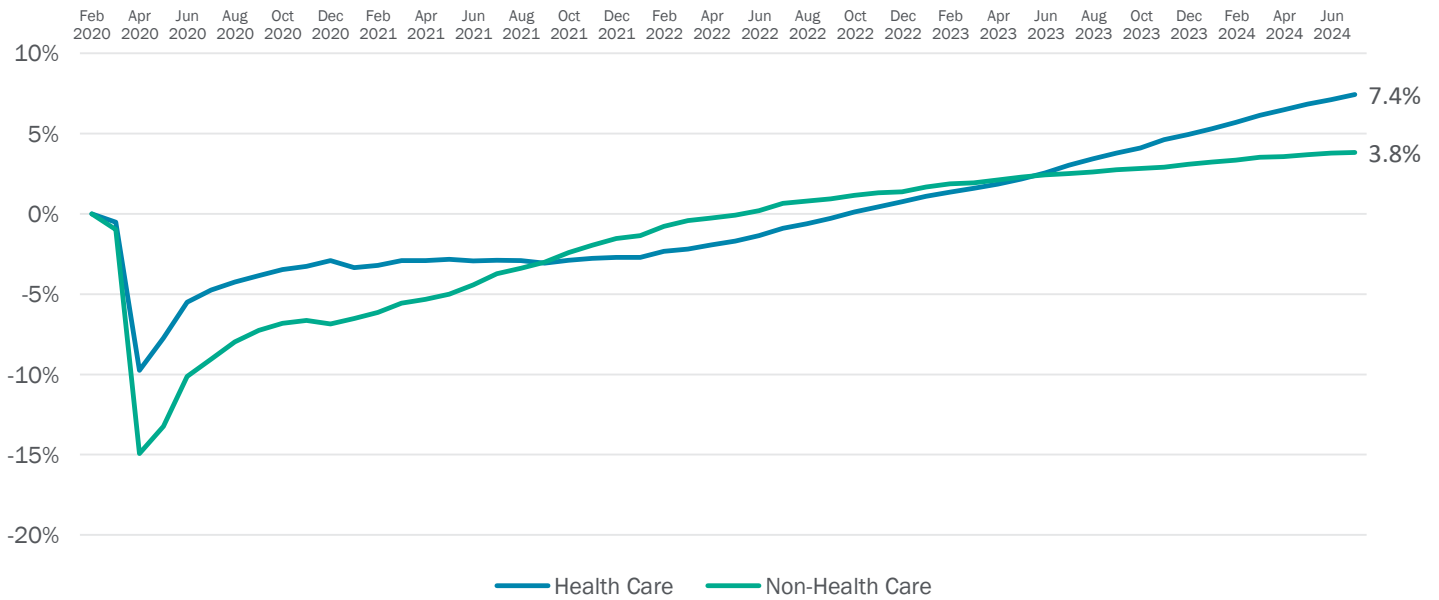


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,225,400 jobs or 7.4%, which is higher than the 3.8% 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. July 2024 was the twenty-eighth consecutive month that health care industry growth outpaced non-health care industries. During that period, the health care industry grew by 9.6%, versus 4.1% in non-health care industries.

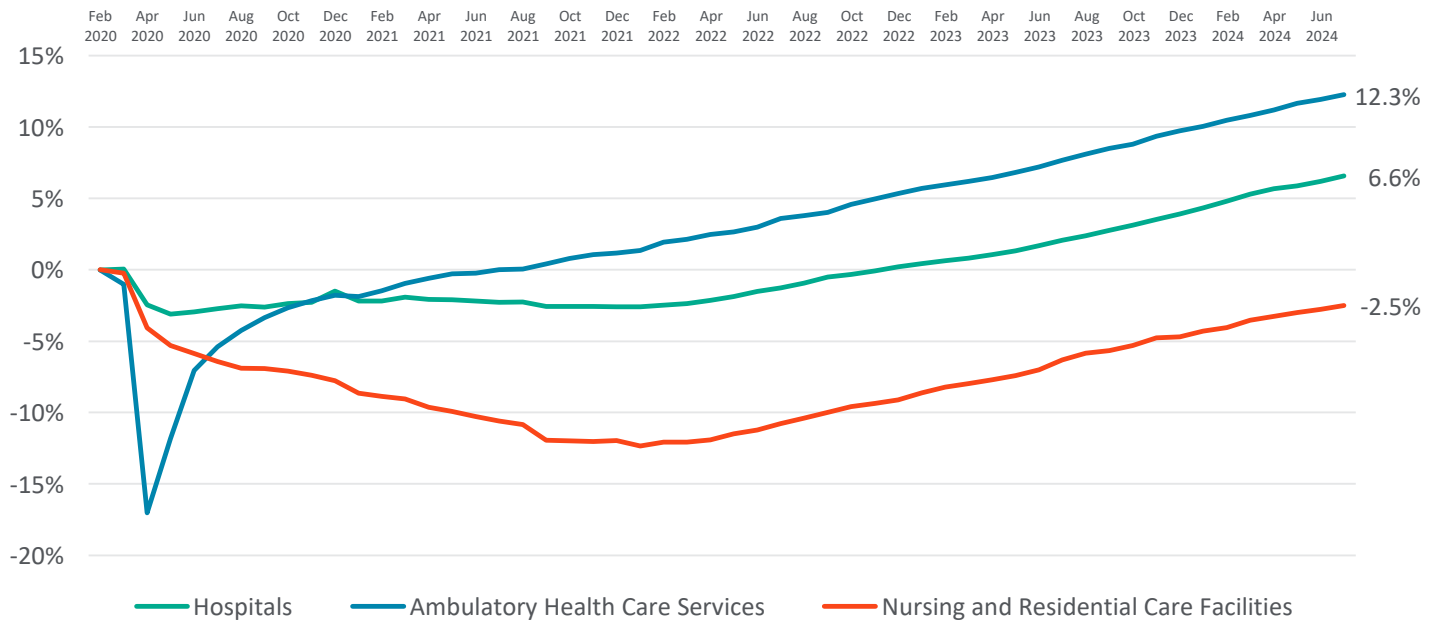
Since February 2020, employment in ambulatory health care services has increased by 965,800 jobs or 12.3%, while hospital employment has grown by 343,800 jobs or 6.6% (see Exhibit 3). However, employment in nursing and residential care facilities is still 84,200 jobs (2.5%) below pre-pandemic levels. 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.

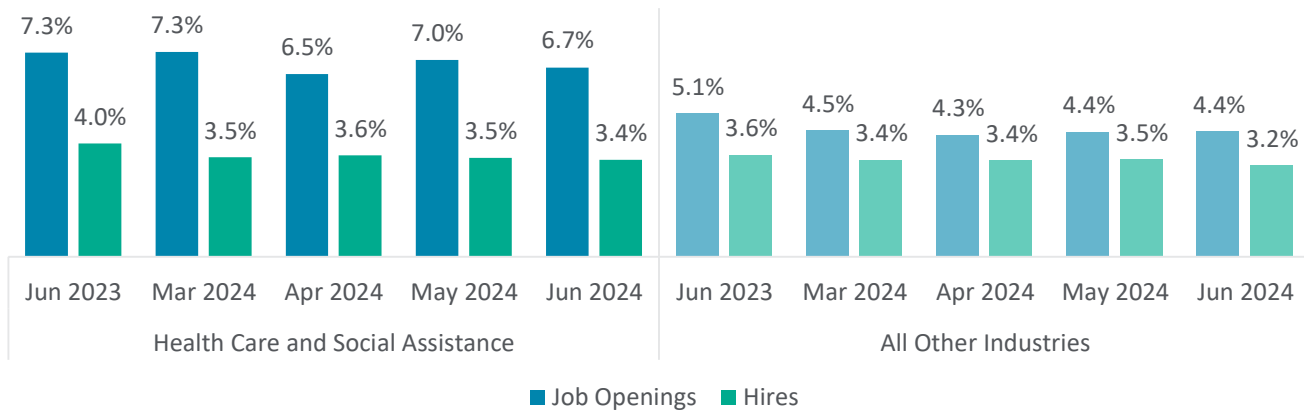
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

The job openings rate in health care and social assistance was 6.7% in June 2024, a decrease over one month prior (7.0%) and one year prior (7.3%), as shown in Exhibit 4. The job openings rate in June was still well above the rate of 4.4% in all other industries. The hiring rate in health care and social assistance fell slightly to 3.4%, which was slightly higher than the rate for all other industries (3.2%). The job separation rate in the health care and social assistance industry was 3.0% in June 2024, slightly lower than in recent months for the industry and all other industries, as shown in Exhibit 5.

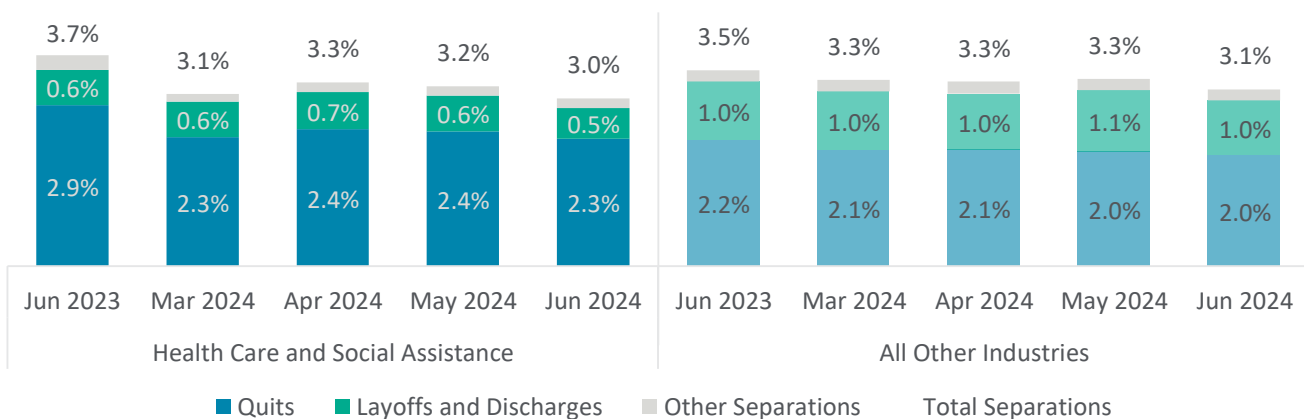
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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

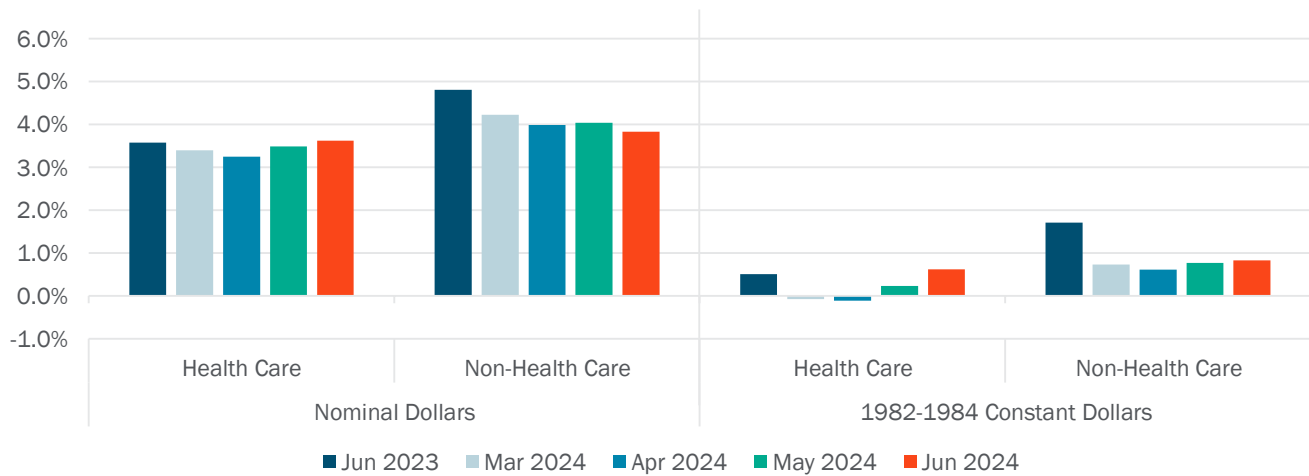


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

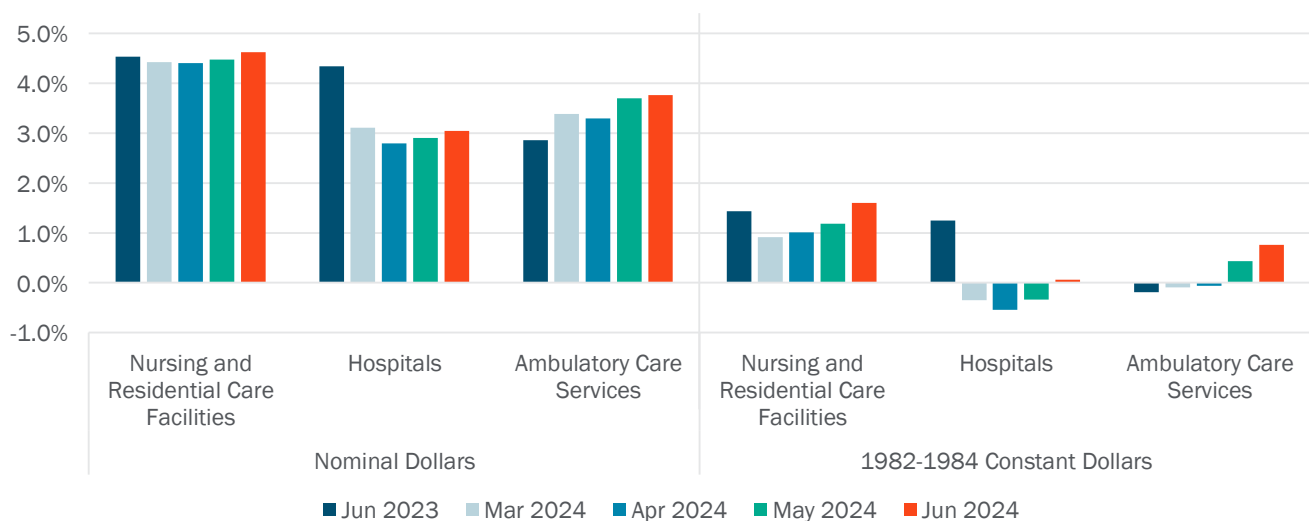
Year-over-year wage growth in the health care sector was 3.6% in June 2024, which was slightly higher than in recent months, and similar to a year ago, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 0.6%. Nominal wage growth was fastest in the nursing and residential care facilities at 4.6%, followed by ambulatory health care services at 3.8% and hospitals at 3.0% (see Exhibit 7). Inflation-adjusted wages grew by 1.6% in the nursing and residential care facilities, 0.8% in ambulatory care services, and 0.1% in hospitals. Non-health care wage growth was 3.8% in June, 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)	July 2024	June 2024	July 2023	July 2022	February 2020
Non-Health Care	141,017	140,958	139,232	136,706	135,828
Health Care	17,706	17,651	16,979	16,332	16,481
Ambulatory Health Care Services	8,834	8,808	8,472	8,151	7,869
Offices of Physicians	3,037	3,036	2,921	2,816	2,725
Offices of Dentists	1,041	1,041	1,033	1,019	991
Offices of Other Health Care Practitioners	1,209	1,208	1,157	1,096	1,001
Outpatient Care Centers	1,093	1,090	1,058	1,036	996
Medical and Diagnostic Labs	319	319	321	320	289
Home Health Care Services	1,779	1,757	1,633	1,536	1,547
Other Ambulatory ^a	357	356	349	326	319
Hospitals	5,579	5,559	5,343	5,169	5,235
Nursing and Residential Care Facilities	3,293	3,284	3,164	3,013	3,377
Nursing Care Facilities	1,476	1,469	1,419	1,354	1,587
Other Nursing and Residential ^b	1,817	1,815	1,745	1,658	1,790
Health Share of Employment	11.16%	11.13%	10.87%	10.67%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. July 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 Data by Sector and Subsector, Seasonally Adjusted

Employment Change (in Thousands)	July 2024	12 Months	24 Months	Since Feb 2020
Non-Health Care	59.0	1,785.3	4,311.4	5,188.6
Health Care	55.0	726.7	1,373.6	1,225.4
Ambulatory Health Care Services	26.3	362.5	683.4	965.8
Offices of Physicians	0.8	116.3	220.7	311.6
Offices of Dentists	-0.1	8.6	22.3	50.3
Offices of Other Health Care Practitioners	0.5	51.3	112.3	207.6
Outpatient Care Centers	2.5	34.8	56.5	96.7
Medical and Diagnostic Labs	0.7	-1.4	-0.9	30.2
Home Health Care Services	21.6	145.6	242.5	232.2
Other Ambulatory ^a	0.4	7.3	30.1	37.2
Hospitals	19.5	235.4	409.9	343.8
Nursing and Residential Care Facilities	9.2	128.8	280.3	-84.2
Nursing Care Facilities	6.8	56.3	121.3	-111.5
Other Nursing and Residential ^b	2.4	72.5	159.0	27.3
Annualized Percent Change	July 2024	12 Months	24 Months	Since Feb 2020
Non-Health Care	0.5%	1.3%	1.6%	0.9%
Health Care	3.8%	4.3%	4.1%	1.6%
Ambulatory Health Care Services	3.6%	4.3%	4.1%	2.7%
Offices of Physicians	0.3%	4.0%	3.8%	2.5%
Offices of Dentists	-0.1%	0.8%	1.1%	1.1%
Offices of Other Health Care Practitioners	0.5%	4.4%	5.0%	4.4%
Outpatient Care Centers	2.8%	3.3%	2.7%	2.1%
Medical and Diagnostic Labs	2.7%	-0.4%	-0.1%	2.3%
Home Health Care Services	15.8%	8.9%	7.6%	3.2%
Other Ambulatory ^a	1.4%	2.1%	4.5%	2.5%
Hospitals	4.3%	4.4%	3.9%	1.5%
Nursing and Residential Care Facilities	3.4%	4.1%	4.5%	-0.6%
Nursing Care Facilities	5.7%	4.0%	4.4%	-1.6%
Other Nursing and Residential ^b	1.6%	4.2%	4.7%	0.3%

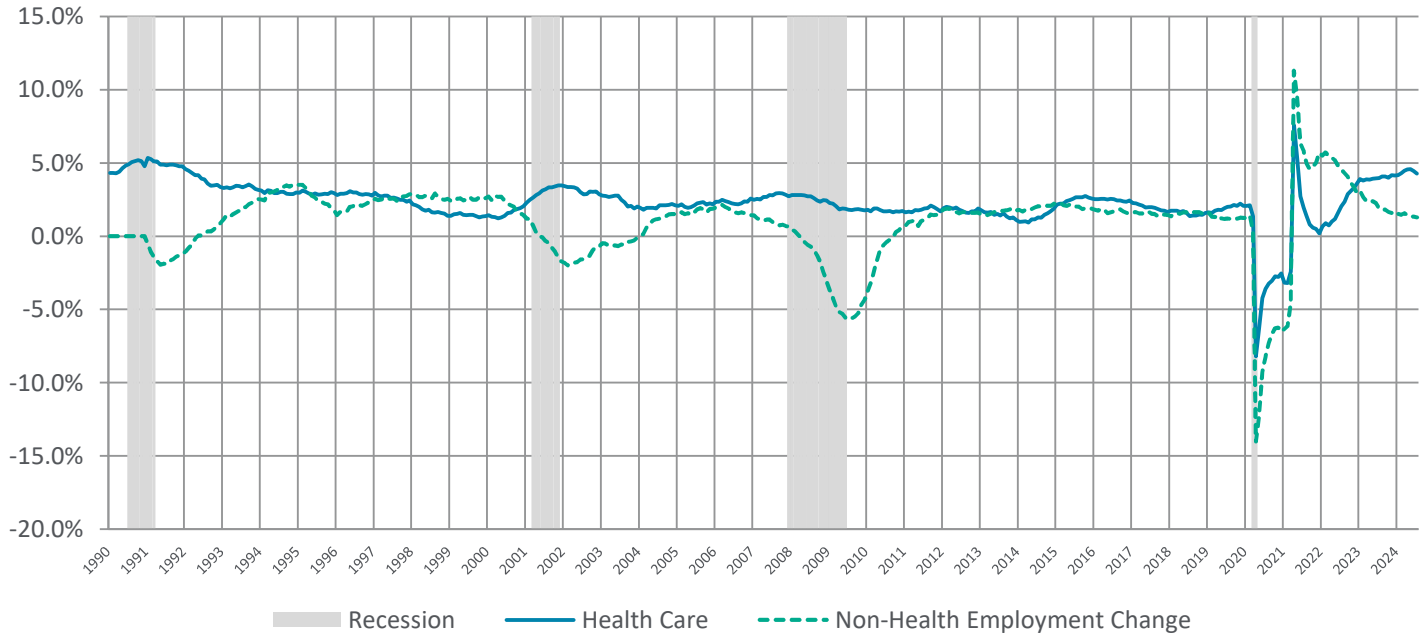
Source: Altarum analysis of BLS Current Employment Statistics data. Change since July 2020 represents a comparison to pre-pandemic peak employment.

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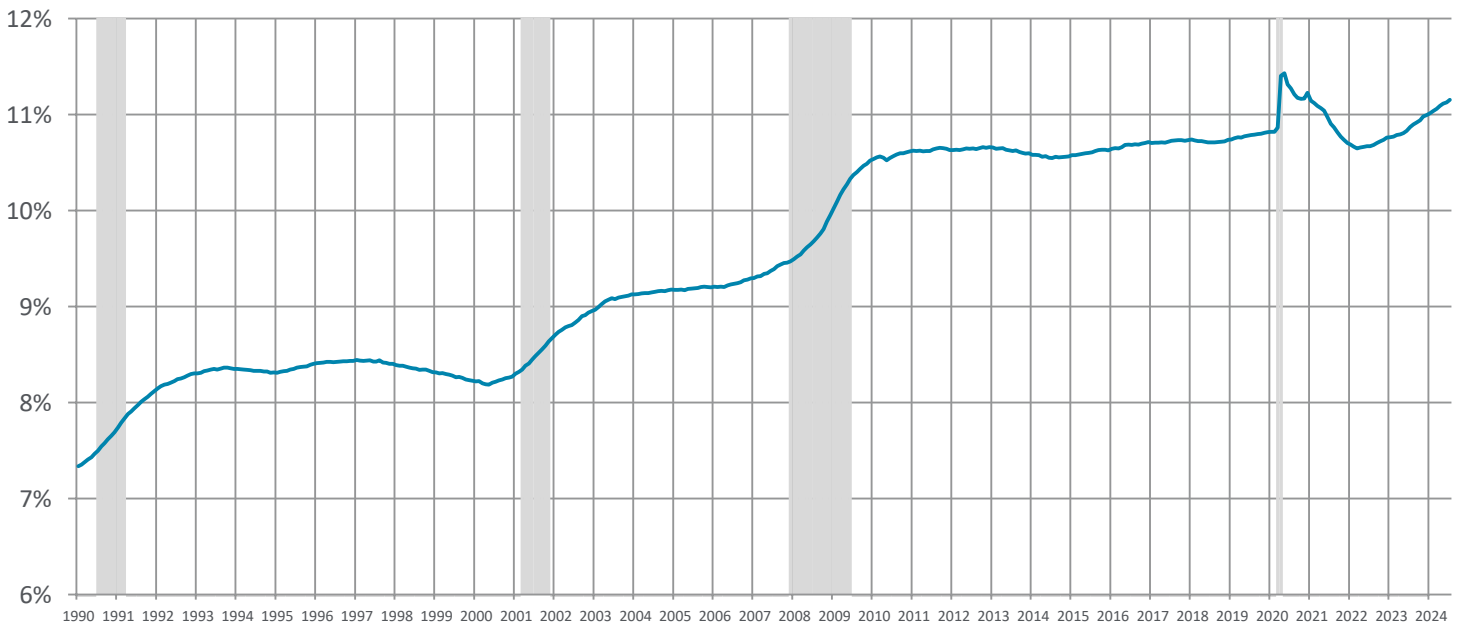
TIME SERIES TRACKER

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.