

August 21, 2026

Health care job growth bolsters sagging labor market

HIGHLIGHTS

- ▲ In July 2026, health care industry employment increased by 22,000 jobs while non-health care industries lost 45,000 jobs.
- ▲ By major subsector, July's health care job growth was led by ambulatory health care services which added 18,100 jobs, followed by nursing and residential facilities which added 4,300. Hospitals lost 400 jobs.
- ▲ For health care and social assistance, the jobs opening rate was 5.3% and the hiring rate was 2.9% in June. The total separations rate was 2.8%.
- ▲ The overall unemployment rate was 4.1% in July, down 0.1% from the previous month.
- ▲ Nominal health care wage growth in June 2026 was 2.2% year over year, with growth rates of 1.8% in hospitals, 2.2% in ambulatory health care services, and 2.9% in nursing and residential care facilities.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Jul 2025	Jun 2026	Jul 2026
Total Employment (000)	152,293	158,542	158,881	158,858
Non-Health Employment (000)	135,818	140,415	140,385	140,340
Health Employment (000)	16,475	18,127	18,497	18,519
Health Share of Total Employment	10.82%	11.43%	11.64%	11.66%
Unemployment Rate	3.5%	4.3%	4.2%	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.

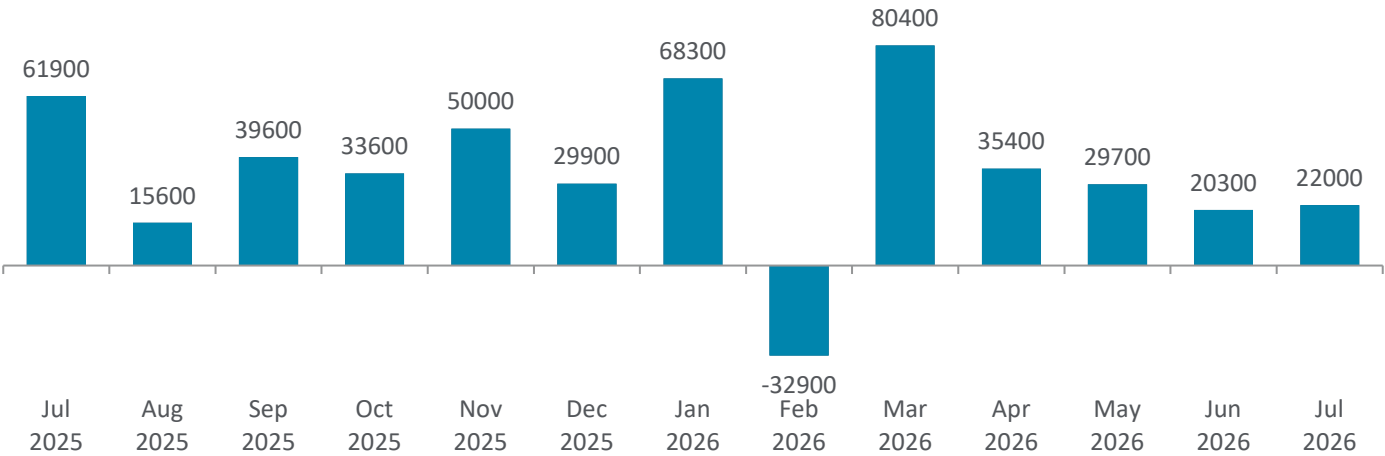
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD, and Matt Daly, PhD (principal author) contributed to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

DISCUSSION

In July 2026, the health care industry added 22,000 new jobs, as shown in Exhibit 1. This figure is lower than the monthly average of 36,000 jobs added in the previous twelve months and has declined from over 80,000 new jobs in March 2026. Conversely, non-health-care industries lost 45,000 jobs. Over the past twelve months, health care job growth has been much more uniformly positive (with one instance of negative month-over-month growth seen in February 2026) compared to non-health-care job growth (with seven negative months).

In July, ambulatory health care services added 18,100 jobs, which is 10% lower than the monthly average of 20,100 for the past year. Growth of major categories in this subsector was led by home health care services at 4,600 jobs. Offices of physicians gained 4,200 jobs for the month, while dental offices lost 900. The remaining growth occurred among other categories of this subsector (see Exhibit 9). Nursing and residential care facilities added 4,300 jobs, 32% lower than the monthly average of 6,300 jobs added in the past year. Within this subsector, nursing care facilities gained 3,200 jobs, which was 2% below the prior 12-month average, while other nursing and residential care homes added 1,100 positions, 64% lower than the previous 12-month average. Finally, hospitals recorded a loss of 400 jobs, down 104% from subsector’s 12-month average of a gain of 10,200.

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

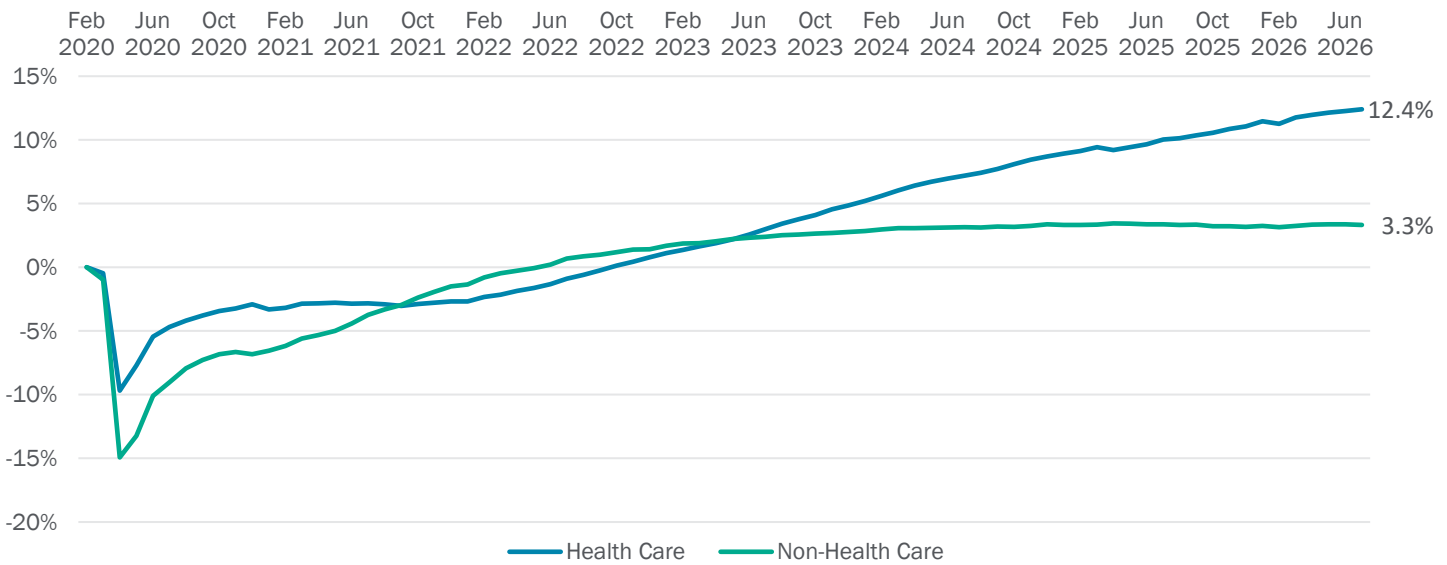


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 2,043,500 jobs, or 12.4%—more than triple the 3.3% 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 July 2026, the health care industry has outpaced non-health care industries for 44 consecutive months.

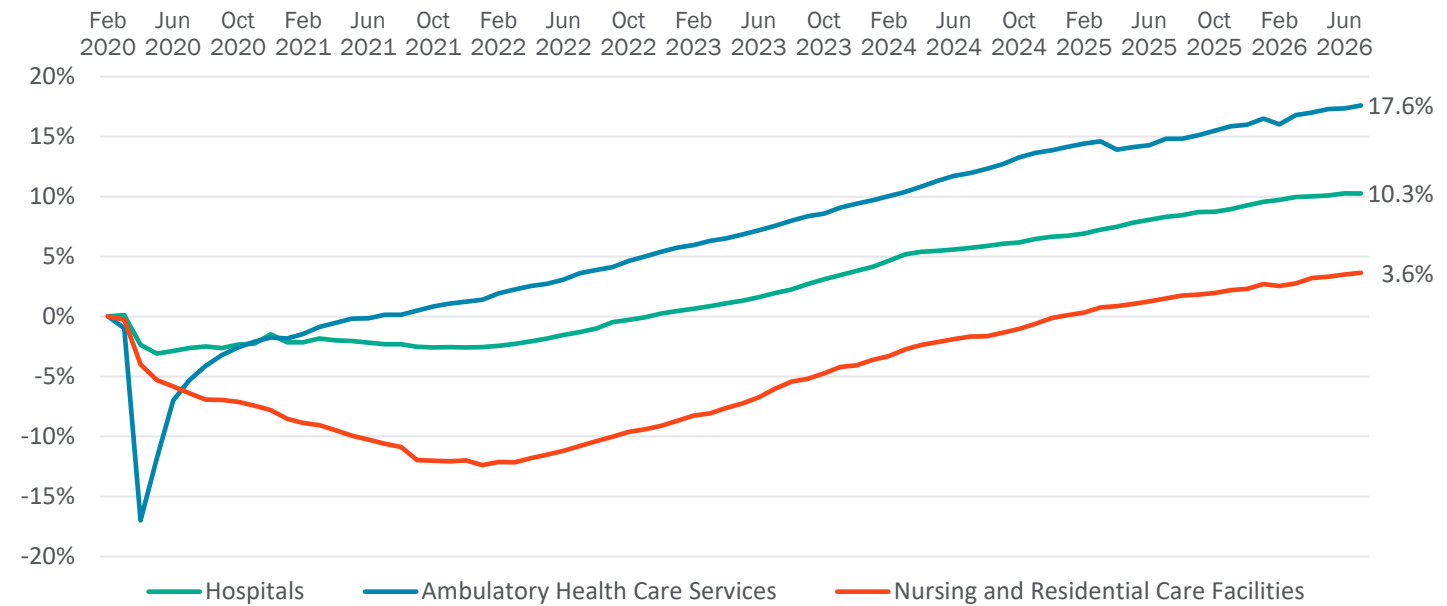
Since February 2020, employment in ambulatory health care services has increased by 1,383,500 jobs, or 17.6%, while hospital employment has grown by 536,900 jobs, or 10.3% (see Exhibit 3). Employment in nursing and residential remained below pre-pandemic levels until January 2025 but is now up 123,100 jobs (3.6%) 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.

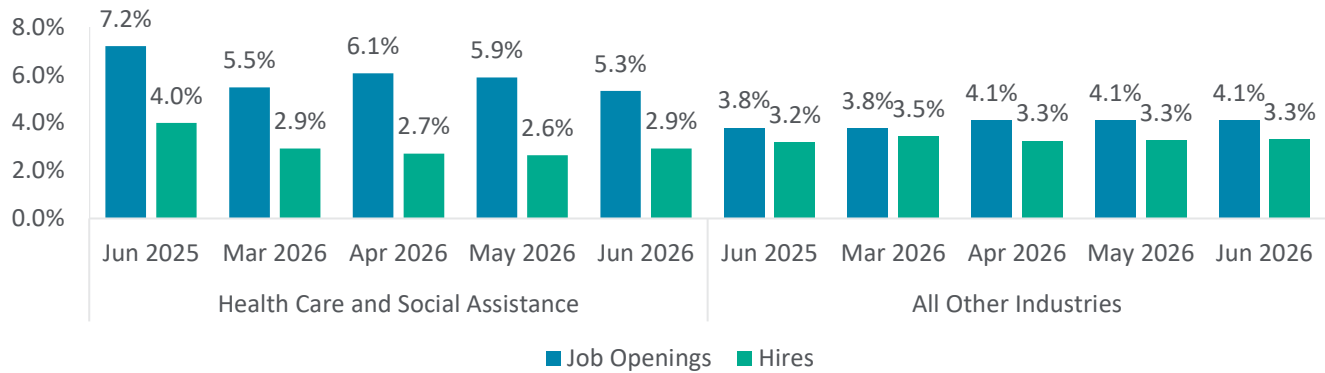
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

In June 2026, the job openings rate in health care and social assistance fell 0.6 percentage points to 5.3% from the revised 5.9% May value, as shown in Exhibit 4. The hiring rate increased from 2.6% to 2.9%. The total separations rose slightly to 2.8% in June, as shown in Exhibit 5.

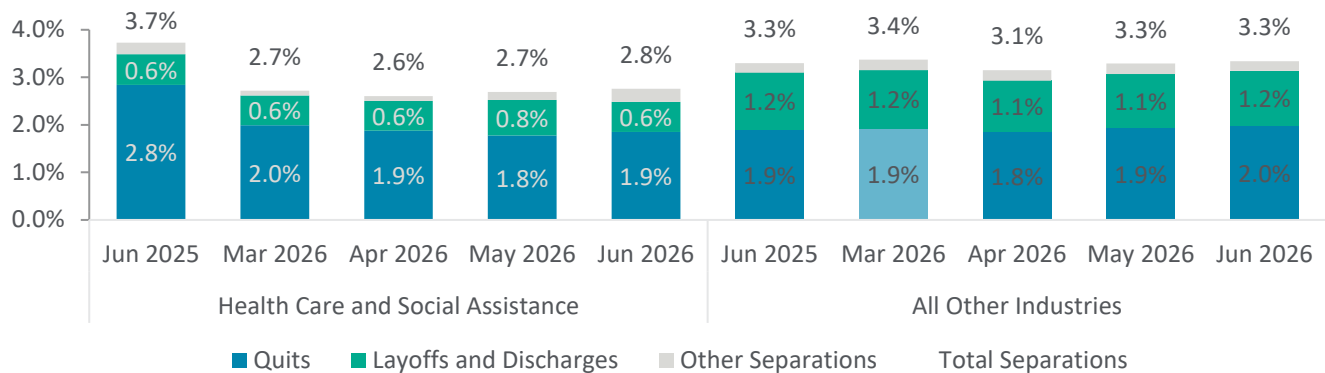
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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

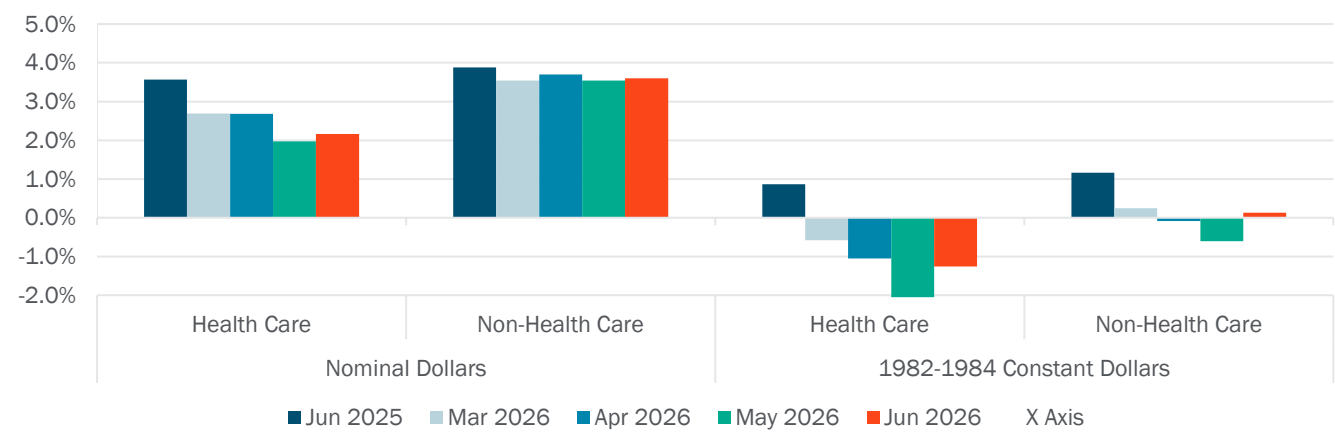


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

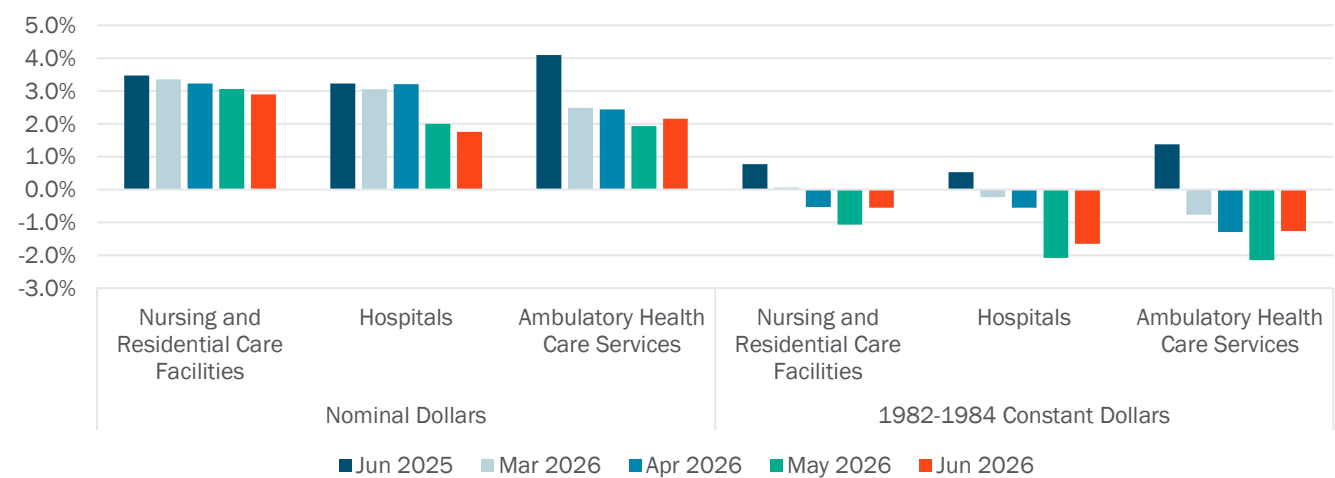
Year-over-year wage growth in the health care sector was 2.2% in June 2026, as shown in Exhibit 6. However, after adjusting for inflation, year-over-year health care wage growth was negative, at -1.3%. Nominal wage growth was fastest in nursing and residential care facilities at 2.9%, followed by ambulatory health care services at 2.3% and hospitals at 1.8% (see Exhibit 7). Inflation-adjusted wages, however, fell by 0.5% in nursing and residential care facilities, 1.6% in hospitals, and 1.3% in ambulatory health care services. Meanwhile, non-health-care wage growth was 3.6% in June 2026, or 0.1% 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 2026	Jun 2026	July 2025	July 2024	February 2020
Non-Health Care	140,340	140,385	140,415	140,089	135,818
Health Care	18,519	18,497	18,127	17,659	16,475
Ambulatory Health Care Services	9,247	9,229	9,030	8,805	7,864
Offices of Physicians	3,059	3,055	3,011	2,964	2,725
Offices of Dentists	1,062	1,063	1,052	1,046	991
Offices of Other Health Care Practitioners	1,352	1,347	1,312	1,244	1,002
Outpatient Care Centers	1,194	1,192	1,180	1,137	996
Medical and Diagnostic Labs	312	312	310	306	288
Home Health Care Services	1,886	1,882	1,799	1,752	1,545
Other Ambulatory ^a	382	380	366	357	318
Hospitals	5,770	5,771	5,668	5,533	5,234
Nursing and Residential Care Facilities	3,501	3,496	3,428	3,321	3,378
Nursing Care Facilities	1,593	1,590	1,553	1,494	1,587
Other Nursing and Residential ^b	1,908	1,907	1,876	1,826	1,791
Health Share of Employment	11.66%	11.64%	11.43%	11.19%	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	-45.0	-75.9	250.6	4,521.5
Health Care	22.0	391.9	859.4	2,043.5
Ambulatory Health Care Services	18.1	217.5	442.1	1,383.5
Offices of Physicians	4.2	48.5	95.4	334.3
Offices of Dentists	-0.9	9.5	16.1	70.9
Offices of Other Health Care Practitioners	5.8	40.3	108.8	350.9
Outpatient Care Centers	2.0	13.9	56.7	197.5
Medical and Diagnostic Labs	0.4	2.0	6.0	24.4
Home Health Care Services	4.6	86.9	133.9	341.4
Other Ambulatory ^a	2.0	16.3	25.3	64.2
Hospitals	-0.4	102.0	237.4	536.9
Nursing and Residential Care Facilities	4.3	72.4	179.9	123.1
Nursing Care Facilities	3.2	40.4	98.5	6.4
Other Nursing and Residential ^b	1.1	32.0	81.4	116.7
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	-0.4%	-0.1%	0.1%	0.5%
Health Care	1.4%	2.2%	2.4%	1.8%
Ambulatory Health Care Services	2.4%	2.4%	2.5%	2.6%
Offices of Physicians	1.7%	1.6%	1.6%	1.8%
Offices of Dentists	-1.0%	0.9%	0.8%	1.1%
Offices of Other Health Care Practitioners	5.3%	3.1%	4.3%	4.8%
Outpatient Care Centers	2.0%	1.2%	2.5%	2.9%
Medical and Diagnostic Labs	1.6%	0.6%	1.0%	1.3%
Home Health Care Services	3.0%	4.8%	3.8%	3.2%
Other Ambulatory ^a	6.5%	4.5%	3.5%	2.9%
Hospitals	-0.1%	1.8%	2.1%	1.5%
Nursing and Residential Care Facilities	1.5%	2.1%	2.7%	0.6%
Nursing Care Facilities	2.4%	2.6%	3.2%	0.1%
Other Nursing and Residential ^b	0.7%	1.7%	2.2%	1.0%

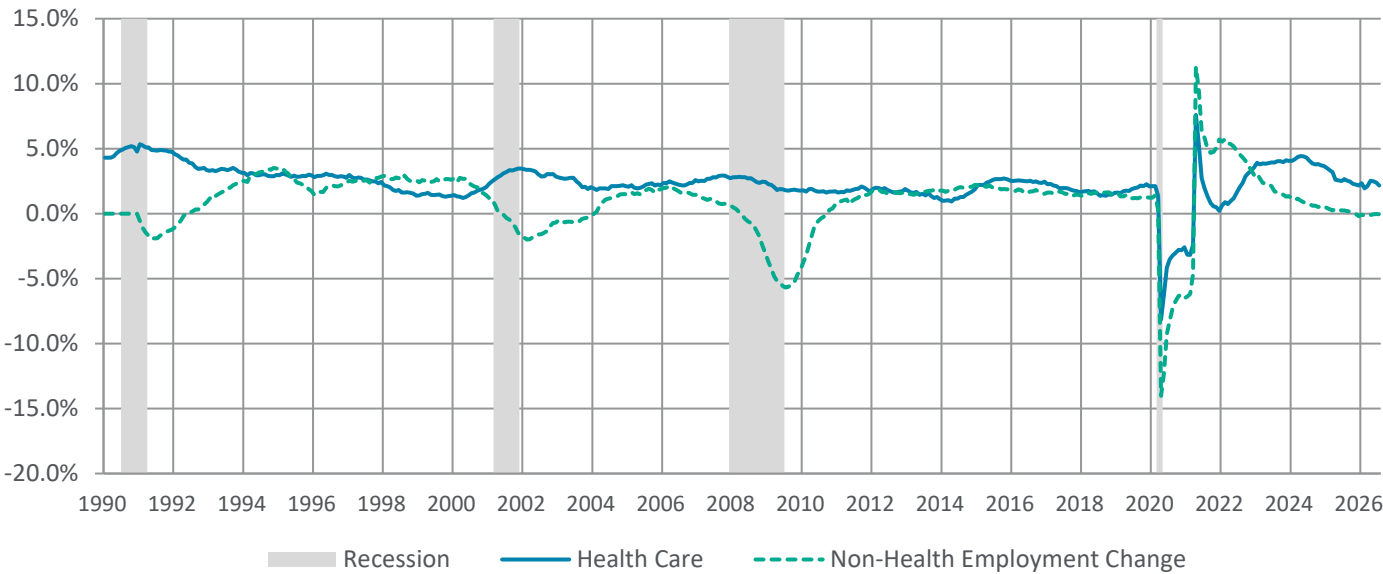
Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

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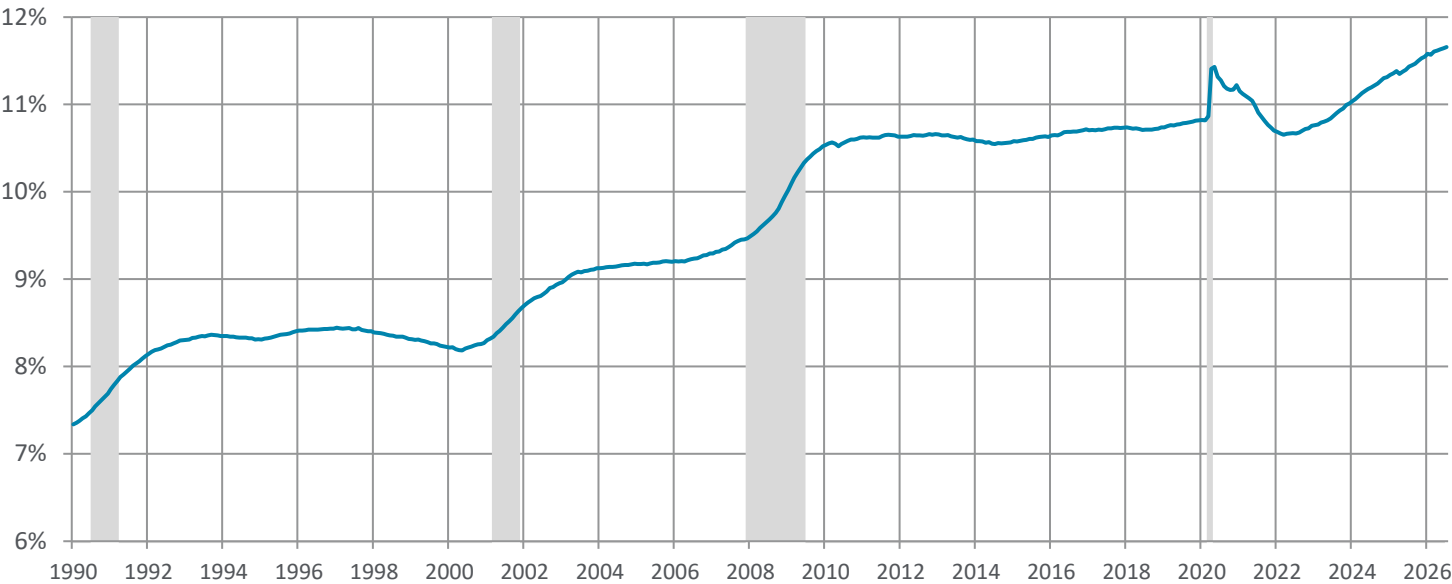
TIME SERIES TRACKER

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.