

January 8, 2025

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

HIGHLIGHTS

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

Cyclical Employment Big Picture

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

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

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

DISCUSSION

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

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

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

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



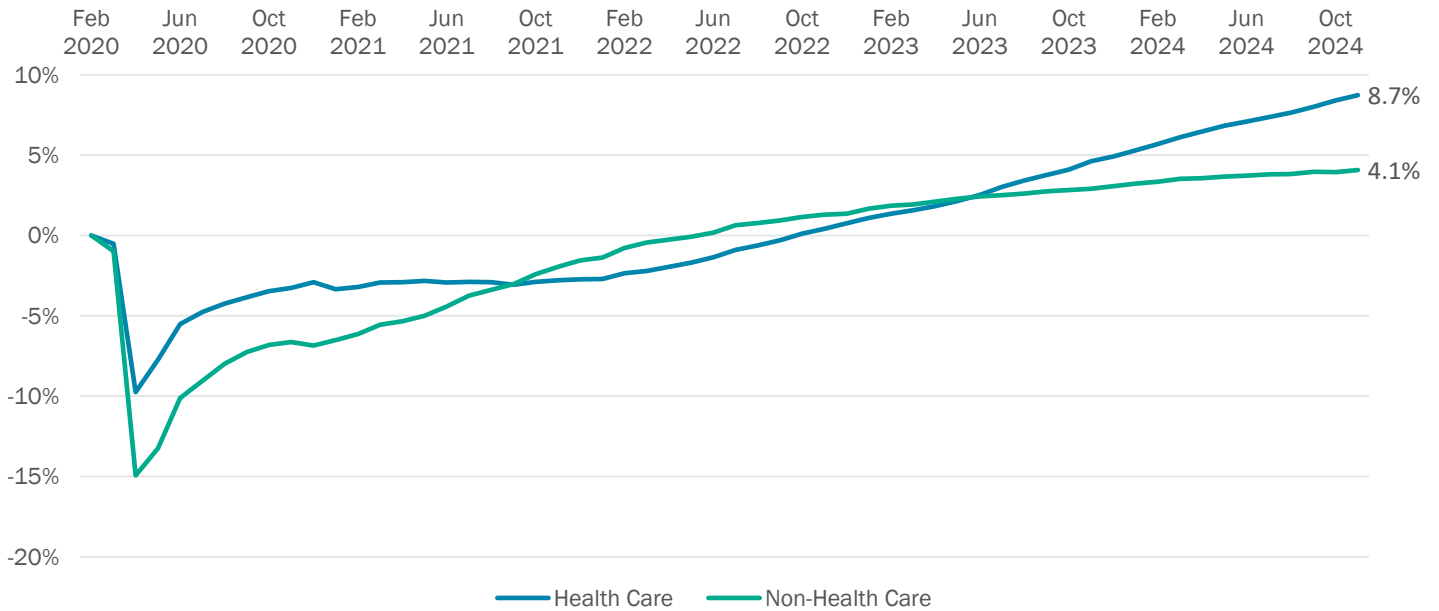
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

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

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

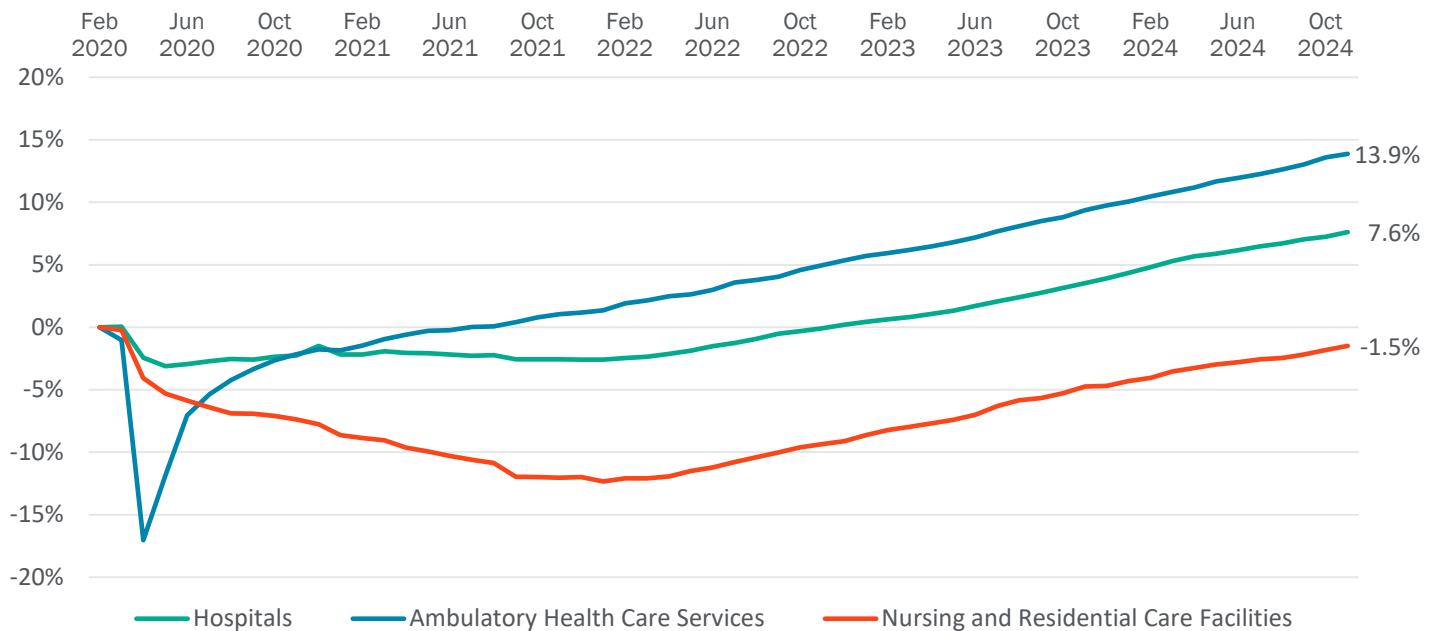
residential care facilities is still 49,900 jobs (1.5%) below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction in employment is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages. All three health care subsectors have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

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



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

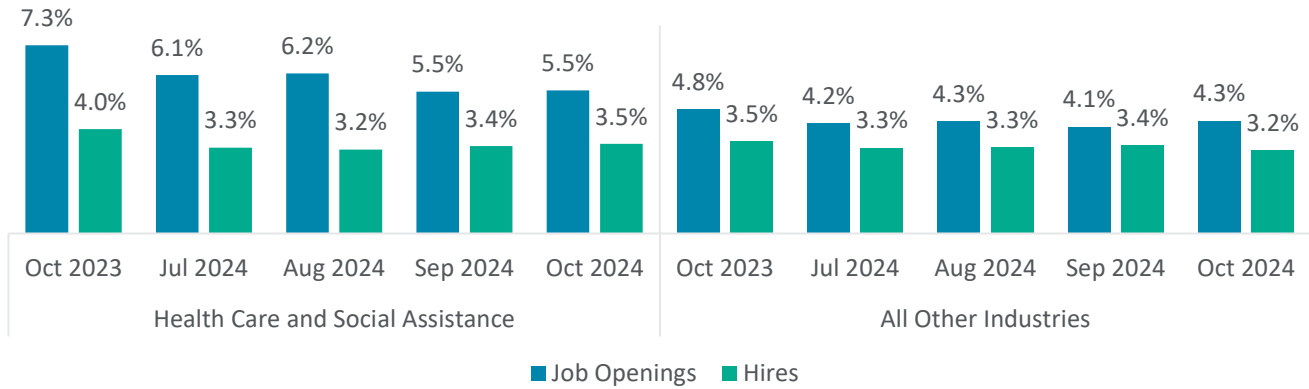
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

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

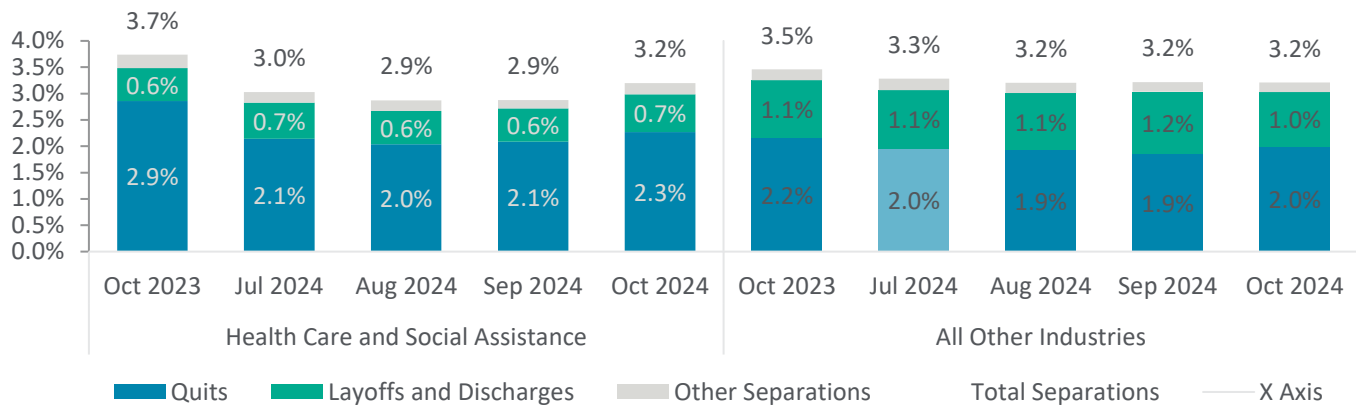
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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

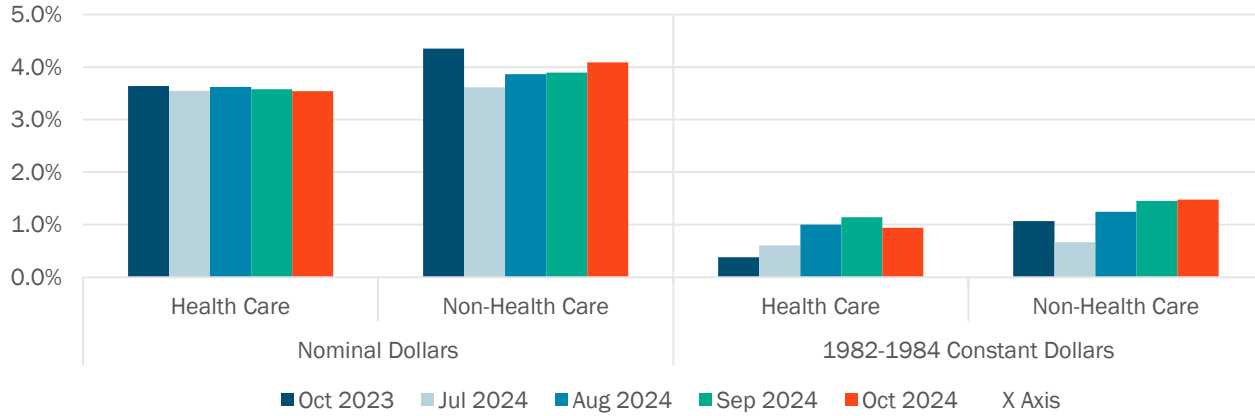
Notes: The job opening rate is the number of job openings on the last business day of the month as a percent of employment plus job openings, while the hire rate is the number of hires during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health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

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



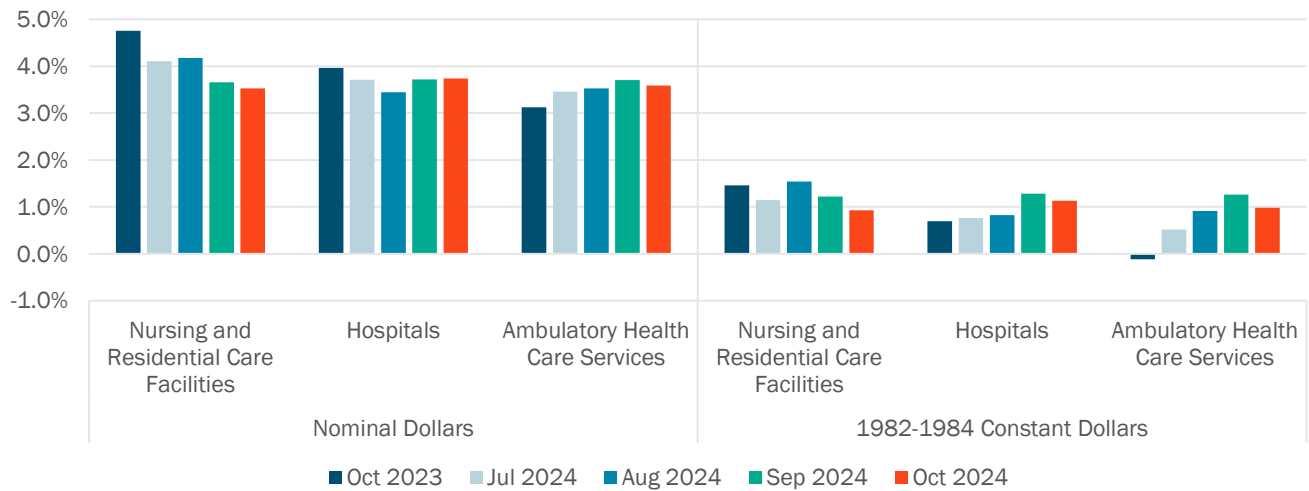
Year-over-year wage growth in the health care sector was 3.5% in October 2024, which was similar to recent months and slightly lower than a year prior, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 0.9%. Nominal wage growth was fastest in hospitals at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

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



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

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



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector and Subsector, Seasonally Adjusted

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

Source: 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 in November 2024, Seasonally Adjusted

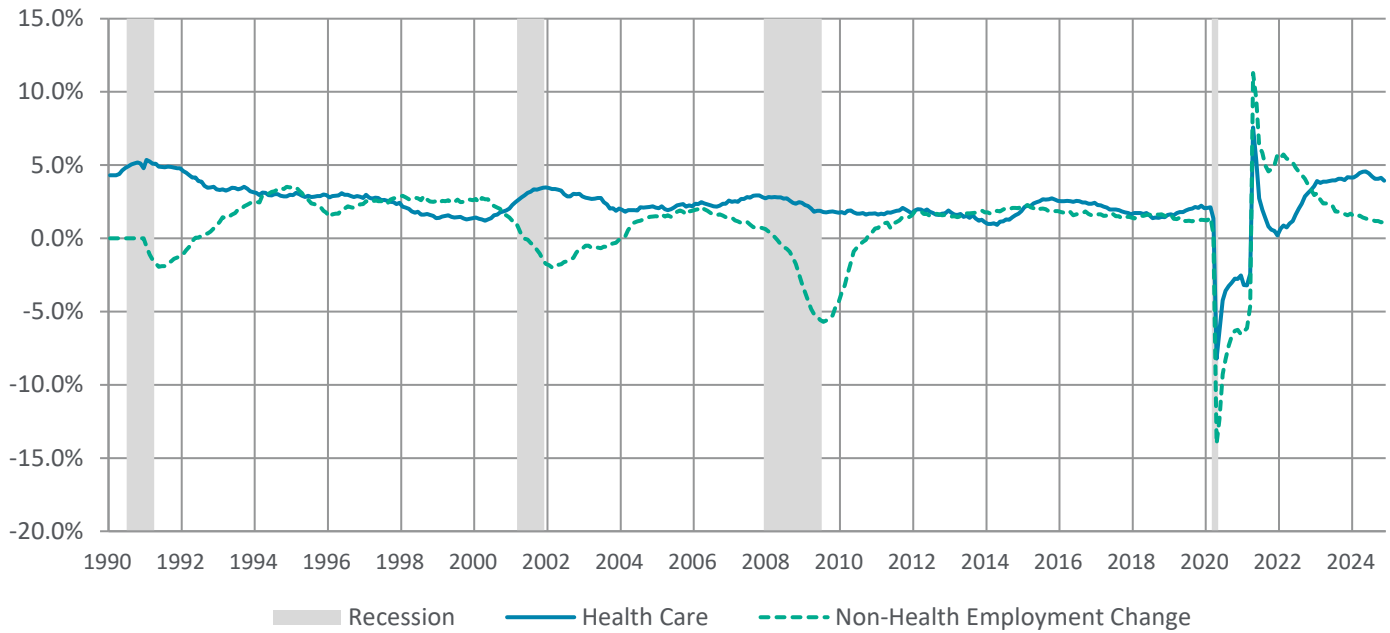
| Employment Change (in Thousands) | One Month | 12 Months | 24 Months | Since Feb 2020 |
|--|-----------|-----------|-----------|----------------|
| Non-Health Care | 173.4 | 1,594.6 | 3,763.4 | 5,538.8 |
| Health Care | 53.6 | 679.4 | 1,369.6 | 1,440.2 |
| Ambulatory Health Care Services | 22.4 | 355.5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

Source: 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.
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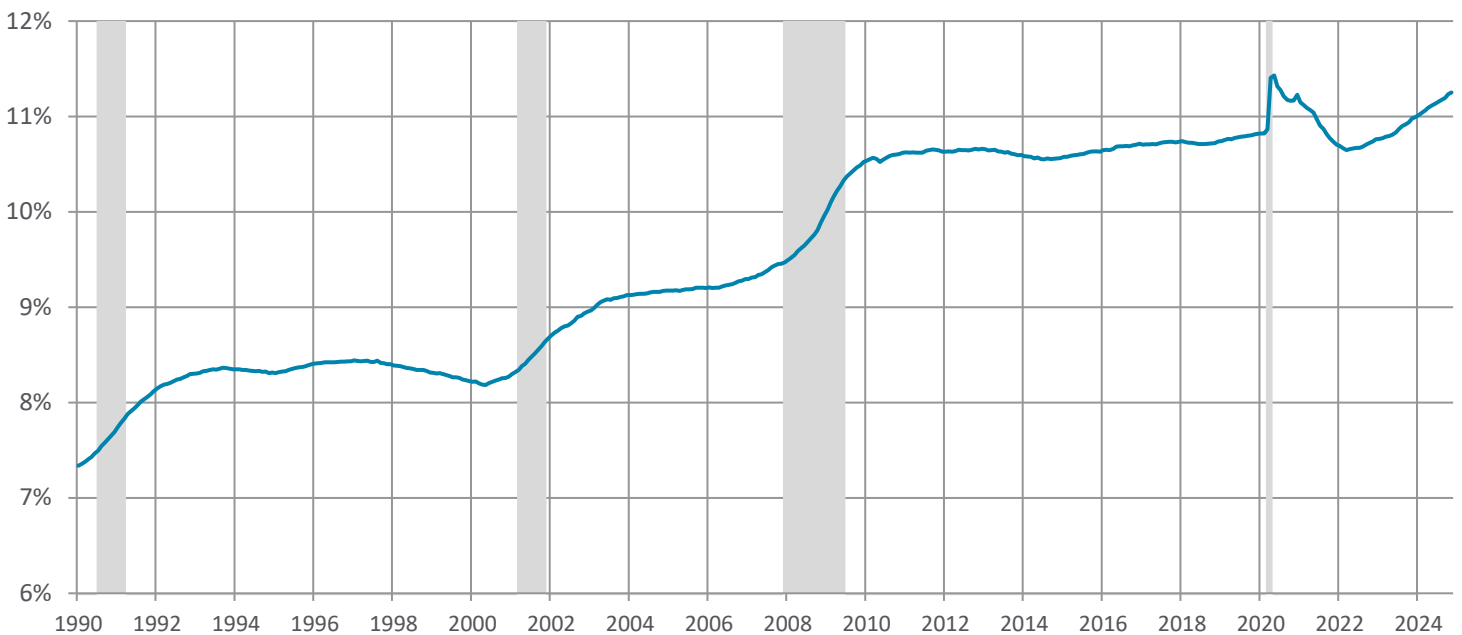
TIME SERIES TRACKER

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.