

March 4, 2025

## Nursing and residential care facilities employment exceeds pre-pandemic levels for first time

### HIGHLIGHTS

- ▲ In January 2025, health care industry employment increased by 43,700 jobs while non-health care industries increased by 99,300 jobs.
- ▲ By major subsector, January's health care job growth was led by ambulatory health care services, which added 16,600 jobs, followed by hospitals, which added 13,900 jobs. Nursing and residential facilities added 13,200 jobs and finally overtook pre-pandemic employment levels.
- ▲ The hiring rate was 3.4% and the jobs opening rate was 5.7% in December 2024. The total separations rate was 3.1%.
- ▲ The unemployment rate was 4.0% in January, down 0.1% from the previous month.
- ▲ Nominal health care wage growth in December 2024 was 4.6% year over year, with growth rates of 5.1% in hospitals, 4.3% in ambulatory health care services, and 4.0% in nursing and residential care facilities.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Jan 2024	Dec 2024	Jan 2025
Total Employment (000)	152,292	157,049	158,926	159,069
Non-Health Employment (000)	135,817	139,711	140,971	141,070
Health Employment (000)	16,475	17,338	17,956	17,999
Health Share of Total Employment	10.82%	11.04%	11.30%	11.32%
Unemployment Rate	3.5%	3.7%	4.1%	4.0%

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.

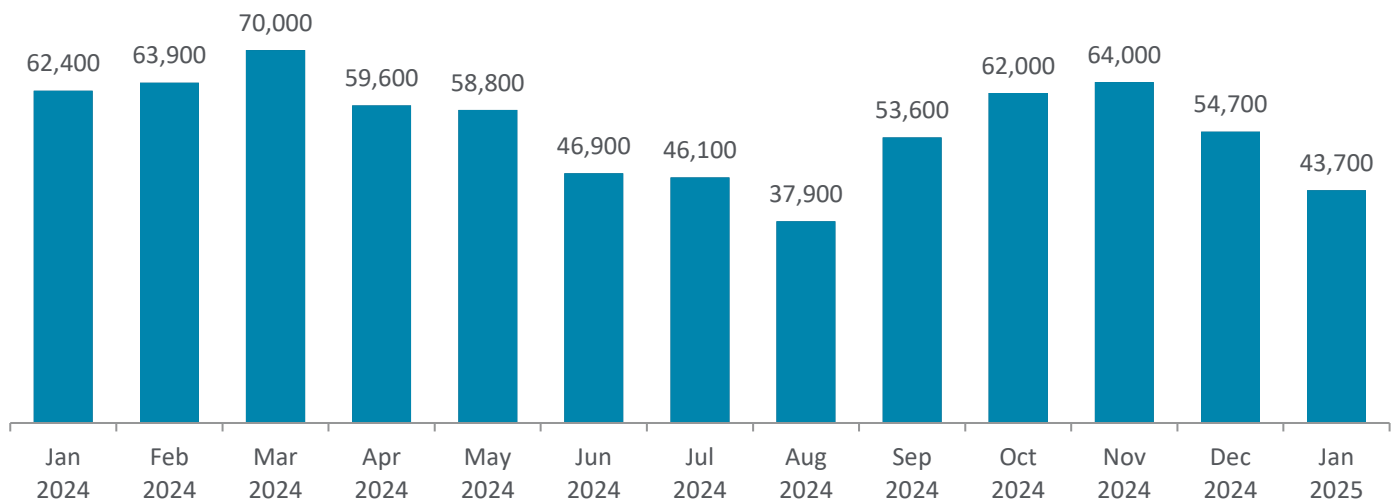
*The Health Sector Economic Indicators<sup>SM</sup>* (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact George Miller at [george.miller@altarum.org](mailto:george.miller@altarum.org). George Miller, PhD, and 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 January 2025, the health care industry added 43,700 new jobs, as shown in Exhibit 1. This figure is lower than the monthly average of 56,700 jobs added in the previous year (from January 2024 to December 2024). Non-health-care industries added 99,300 jobs. 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 January, ambulatory health care services added 16,600 jobs, which is 40% lower than the monthly average of 27,100 for the past year (see Exhibit 9). Growth in this subsector was led by home health care services (10,600), followed by dentist's offices (8,000) and offices of physicians (2,200). Nursing and residential care facilities added 13,200 jobs, 16% higher than the monthly average of 11,400 jobs added in the past year. Within this subsector, nursing care facilities gained 7,100 jobs, which was 49% above the prior 12-month average, while other nursing and residential care homes added 6,100 positions, 8% lower than the previous 12-month average. Finally, hospitals recorded an increase of 13,900 jobs, 21% lower than the subsector's 12-month average of 17,600.

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

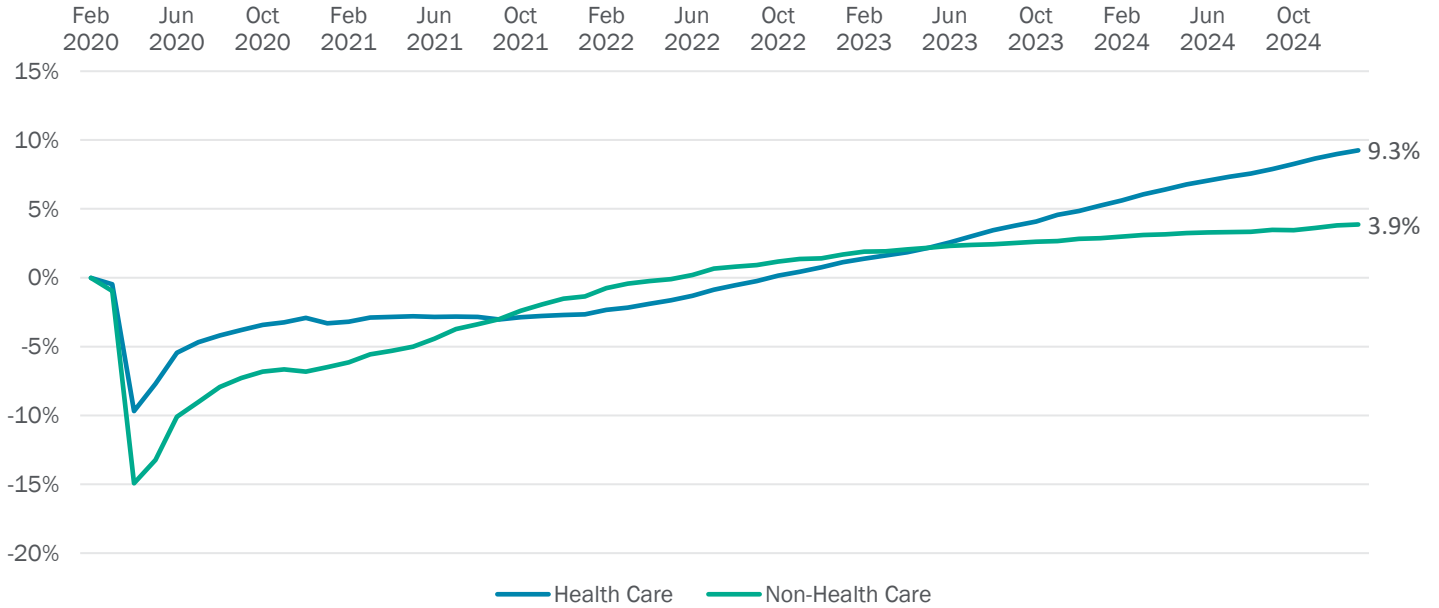


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,524,200 jobs or 9.3%, 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 January 2025, the health care industry has outpaced non-health care industries for 30 consecutive months, growing by 9.9%—more than three times the 3.0% increase for non-health care industries.

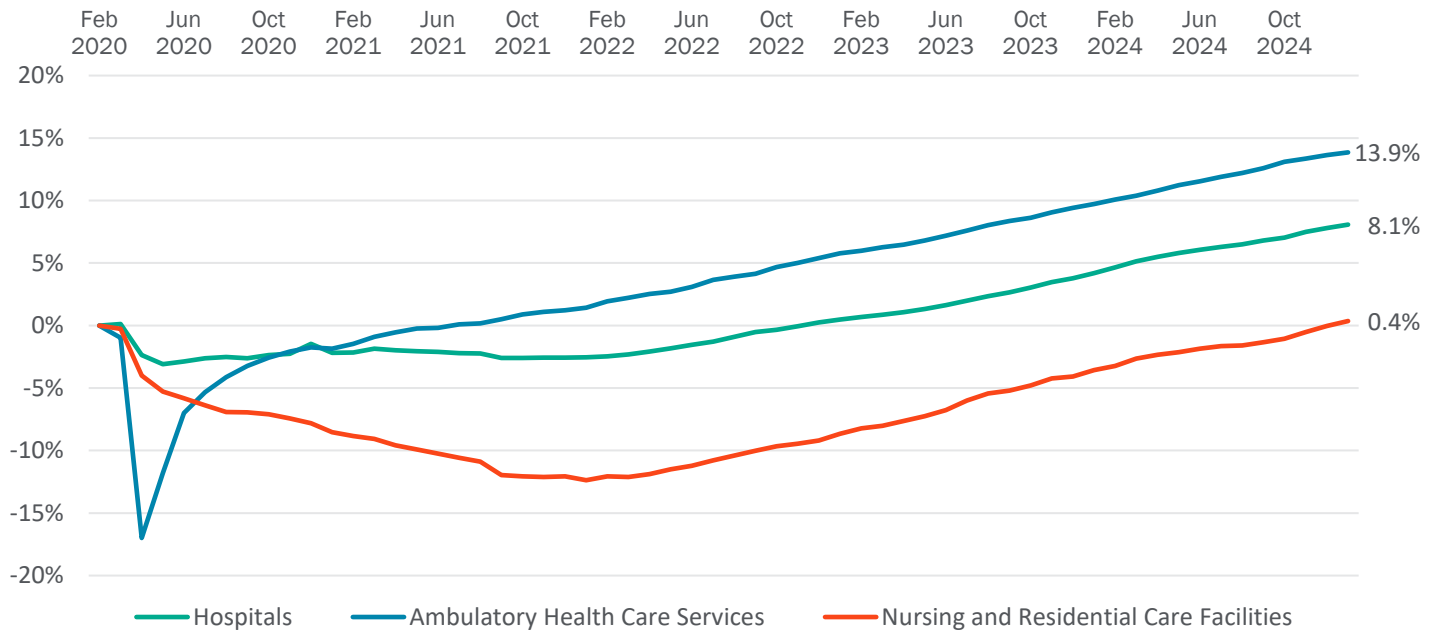
Since February 2020, employment in ambulatory health care services has increased by 1,089,400 jobs or 13.9%, while hospital employment has grown by 422,600 jobs or 8.1% (see Exhibit 3). Employment in nursing and residential care has finally overtaken pre-pandemic levels, up 12,200 jobs (0.4%) this month 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.

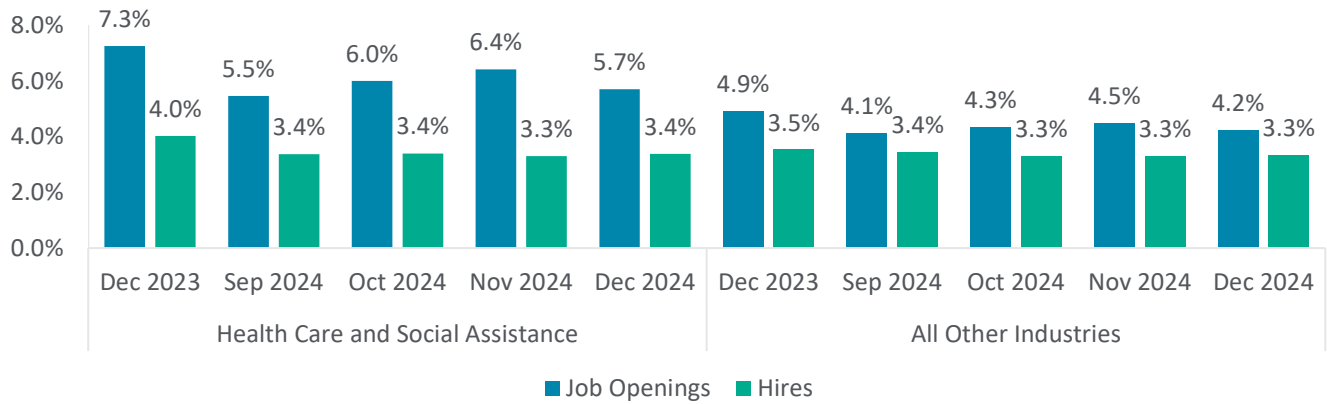
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

The December 2024 job openings rate in health care and social assistance fell 0.7 percentage points to 5.7% from the revised 6.4% November value, as shown in Exhibit 4. Conversely, the hiring rate rose slightly from 3.3% to 3.4%. The total separations rate also rose, from 2.8% to 3.1%, as shown in Exhibit 5.

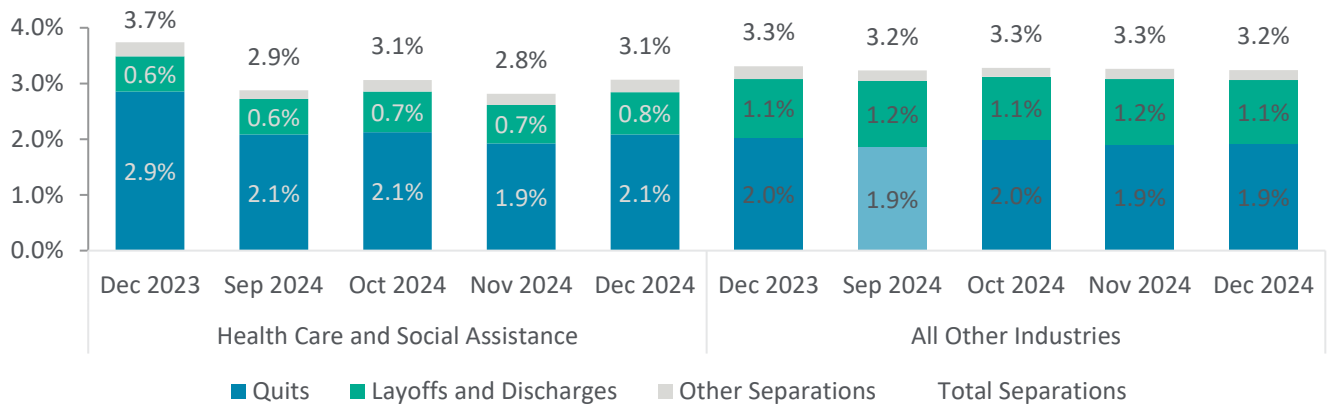
**Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries**



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**

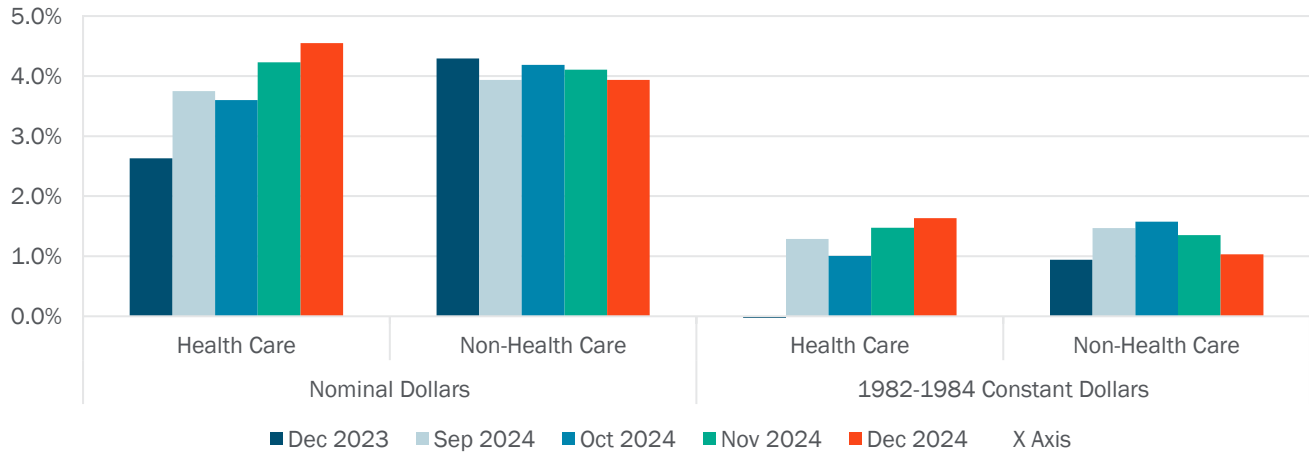


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

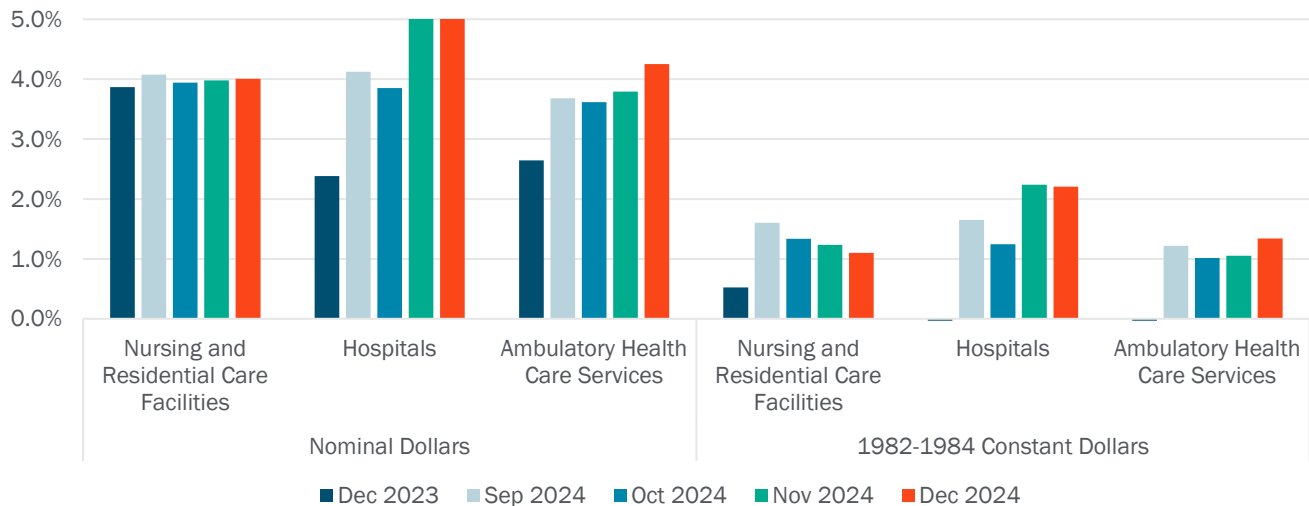
Year-over-year wage growth in the health care sector was 4.6% in December 2024 as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.6%. Nominal wage growth was fastest in hospitals at 5.1%, followed by ambulatory services at 4.3% and nursing and residential care facilities at 4.0% (see Exhibit 7). Inflation-adjusted wages grew by 2.2% in hospitals, 1.3% in ambulatory health care services, and 1.1% in nursing and residential care facilities. Non-health-care wage growth was 3.9% in December, or 1.0% 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)	January 2025	December 2024	January 2024	January 2023	February 2020
<b>Non-Health Care</b>	141,070	140,971	139,711	138,118	135,817
<b>Health Care</b>	17,999	17,956	17,338	16,662	16,475
<b>Ambulatory Health Care Services</b>	8,953	8,937	8,628	8,318	7,864
Offices of Physicians	3,020	3,017	2,942	2,871	2,725
Offices of Dentists	1,057	1,049	1,036	1,023	991
Offices of Other Health Care Practitioners	1,262	1,263	1,202	1,128	1,002
Outpatient Care Centers	1,116	1,118	1,101	1,055	996
Medical and Diagnostic Labs	306	305	313	319	288
Home Health Care Services	1,836	1,826	1,681	1,578	1,545
Other Ambulatory <sup>a</sup>	358	359	353	345	318
<b>Hospitals</b>	5,656	5,642	5,453	5,259	5,234
<b>Nursing and Residential Care Facilities</b>	3,390	3,377	3,257	3,085	3,378
Nursing Care Facilities	1,523	1,516	1,469	1,384	1,587
Other Nursing and Residential <sup>b</sup>	1,867	1,861	1,789	1,701	1,791
<b>Health Share of Employment</b>	11.32%	11.30%	11.04%	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>	99.3	1,358.8	2,952.2	5,252.8
<b>Health Care</b>	43.7	661.2	1,336.8	1,524.2
<b>Ambulatory Health Care Services</b>	16.6	325.1	634.9	1,089.4
Offices of Physicians	2.2	77.2	148.7	294.8
Offices of Dentists	8.0	20.8	34.2	65.8
Offices of Other Health Care Practitioners	-1.2	59.9	133.6	260.3
Outpatient Care Centers	-2.4	14.1	60.2	119.5
Medical and Diagnostic Labs	0.6	-7.1	-12.9	18.2
Home Health Care Services	10.6	155.5	258.2	291.6
Other Ambulatory <sup>a</sup>	-1.2	4.8	12.8	39.3
<b>Hospitals</b>	13.9	203.4	397.5	422.6
<b>Nursing and Residential Care Facilities</b>	13.2	132.7	304.4	12.2
Nursing Care Facilities	7.1	54.7	139.1	-63.3
Other Nursing and Residential <sup>b</sup>	6.1	78.0	165.3	75.5
<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%	1.0%	1.1%	0.8%
<b>Health Care</b>	3.0%	3.8%	3.9%	1.8%
<b>Ambulatory Health Care Services</b>	2.3%	3.8%	3.7%	2.7%
Offices of Physicians	0.9%	2.6%	2.6%	2.1%
Offices of Dentists	9.5%	2.0%	1.7%	1.3%
Offices of Other Health Care Practitioners	-1.1%	5.0%	5.8%	4.8%
Outpatient Care Centers	-2.5%	1.3%	2.8%	2.3%
Medical and Diagnostic Labs	2.4%	-2.3%	-2.0%	1.3%
Home Health Care Services	7.2%	9.3%	7.9%	3.6%
Other Ambulatory <sup>a</sup>	-3.9%	1.4%	1.8%	2.4%
<b>Hospitals</b>	3.0%	3.7%	3.7%	1.6%
<b>Nursing and Residential Care Facilities</b>	4.8%	4.1%	4.8%	0.1%
Nursing Care Facilities	5.8%	3.7%	4.9%	-0.8%
Other Nursing and Residential <sup>b</sup>	4.0%	4.4%	4.7%	0.8%

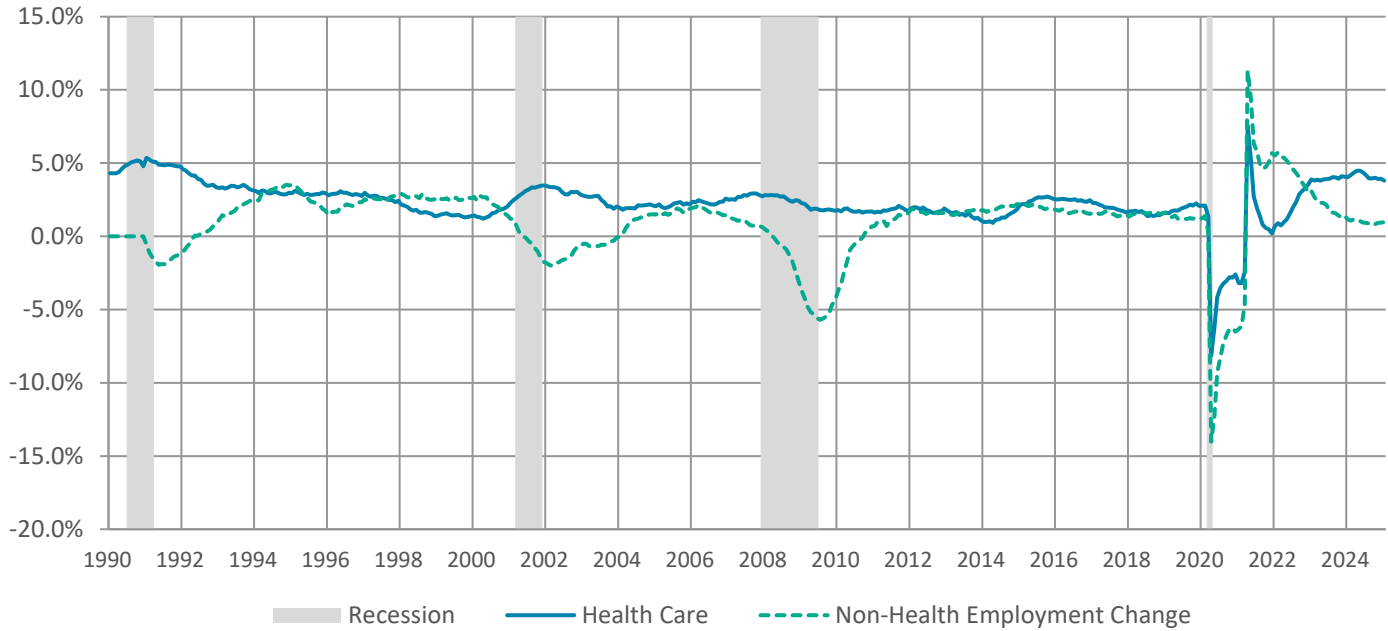
Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

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

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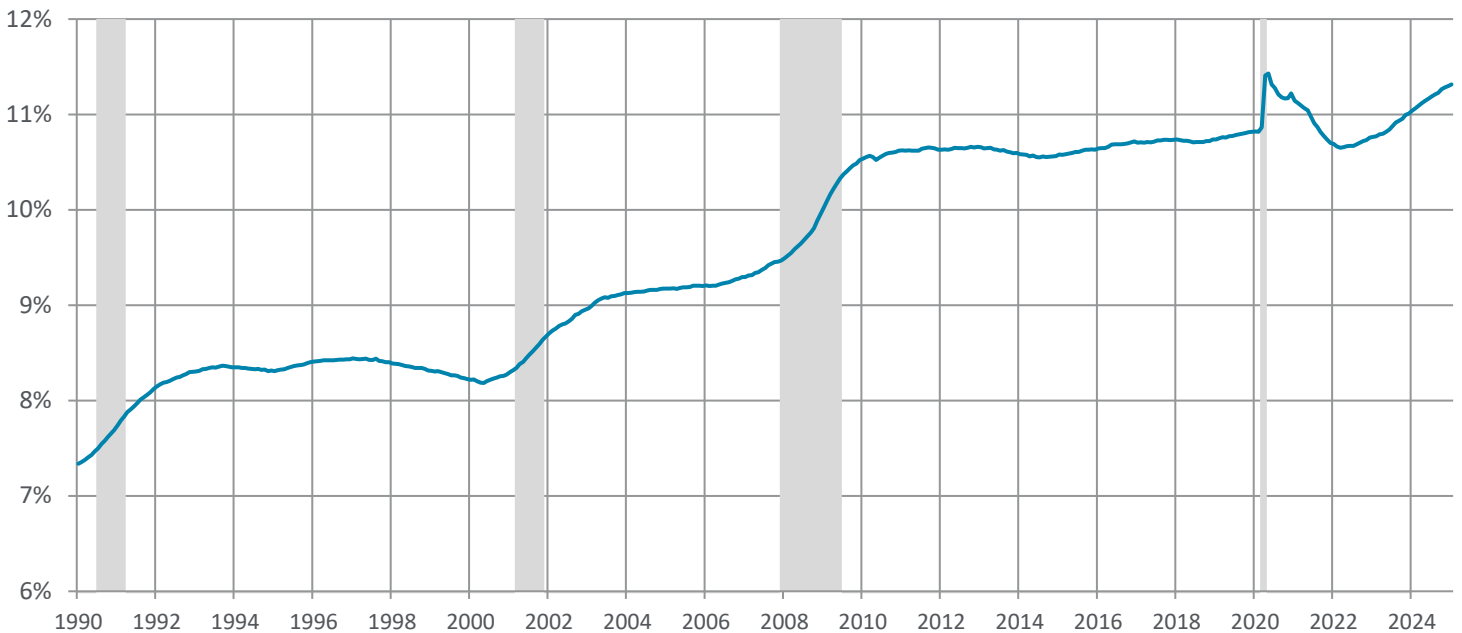
## TIME SERIES TRACKER

### 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.