

January 31, 2025

## Health care job growth continues steady climb while employment in other industries has been fluctuating over previous year

### HIGHLIGHTS

- ▲ In December 2024, health care industry employment increased by 46,100 jobs while non-health care industries increased by 209,900 jobs.
- ▲ By major subsector, December's health care job growth was led by ambulatory health care services, which added 20,600 jobs, followed by nursing and residential facilities, which added 14,000 jobs. Hospitals added 11,500 jobs.
- ▲ The hiring rate was 3.3% and the jobs opening rate was 6.2% in November. The total separations rate was 2.8%.
- ▲ The unemployment rate was 4.1% in December, down 0.1% from the previous month.
- ▲ Nominal health care wage growth in November 2024 was 4.0% year over year, with growth rates of 3.6% in ambulatory health care services, 4.0% in nursing and residential care facilities, and 4.4% in hospitals.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Dec 2023	Nov 2024	Dec 2024
<b>Total Employment (000)</b>	152,309	157,304	159,280	159,536
<b>Non-Health Employment (000)</b>	135,828	140,011	141,352	141,561
<b>Health Employment (000)</b>	16,481	17,293	17,929	17,975
<b>Health Share of Total Employment</b>	10.82%	10.99%	11.26%	11.27%
<b>Unemployment Rate</b>	3.5%	3.8%	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. 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>.

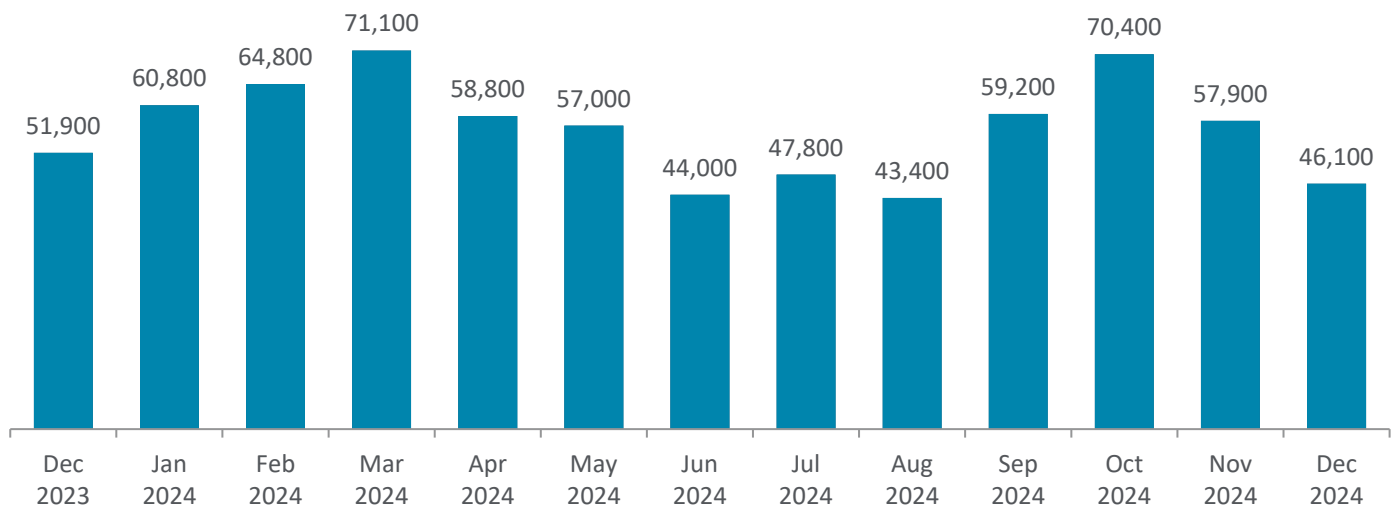
## DISCUSSION

In December 2024, the health care industry added 46,100 new jobs, as shown in Exhibit 1. This figure is lower than the monthly average of 57,300 jobs added in the previous year (from December 2023 to November 2024). Non-health care industries added 209,900 jobs in December, continuing a bounceback in economy-wide job growth likely due to [factors](#) relating to strike resolution and continued recovery from the impacts of Hurricanes Milton and Helene. In 2024, the variability in monthly job growth for the health care industry was nearly four times smaller than for the composite of all other industries, as measured by coefficient of variation.

In December, ambulatory health care services added 20,600 jobs, which is 31% lower than the monthly average of 29,900 for the past year (see Exhibit 9). Growth in this subsector was led by home health care services (15,200), followed by physicians' offices (10,400), while dentists' offices lost jobs (-3,700). Nursing and residential care facilities added 14,000 jobs in December, 51% higher than the monthly average of 9,300 jobs added in the past year. Within this subsector, nursing care facilities gained 6,600 jobs, which was 88% above the prior 12-month average, while other nursing and residential care homes added 7,400 positions, 28% higher than the previous 12-month average. Finally, hospitals recorded an increase of 11,500 jobs, 36% lower 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



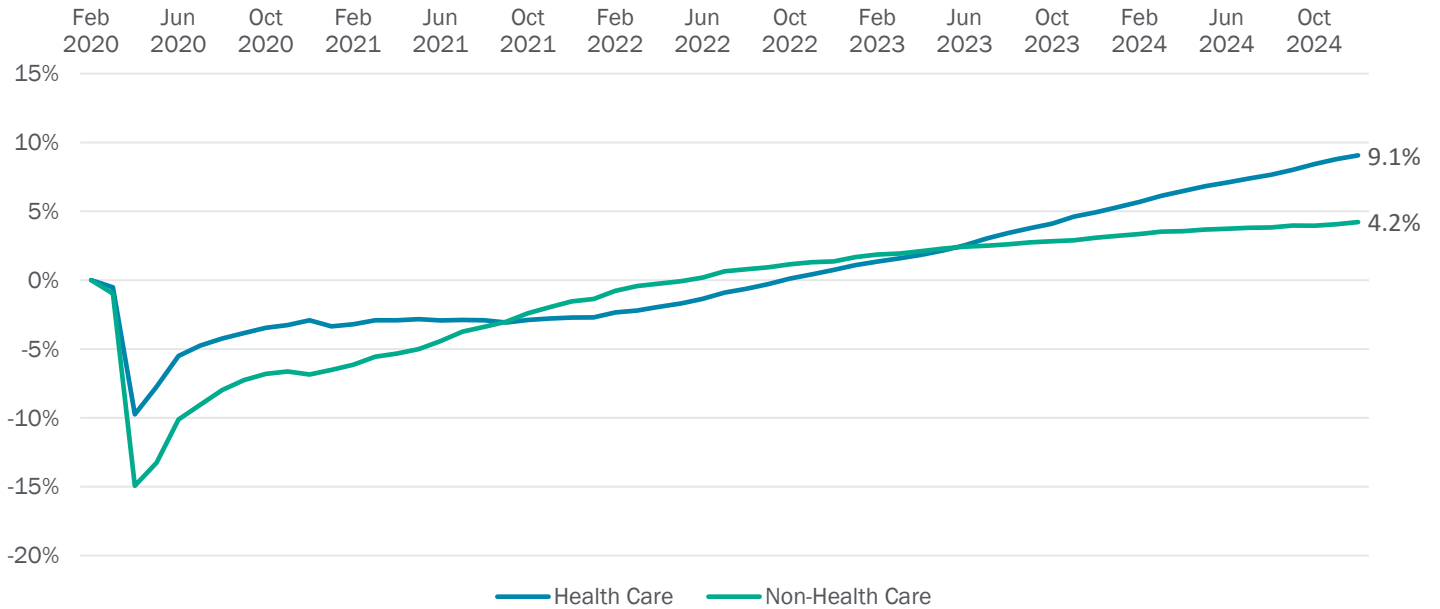
Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,494,000 jobs or 9.1%, more than double the 4.2% 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 December 2024, the health care industry had outpaced non-health care industries for 33 consecutive months. During that period, the health care industry grew by 11.2%, versus 4.5% in non-health care industries.

Since February 2020, employment in ambulatory health care services has increased by 1,115,100 jobs or 14.2%, while hospital employment has grown by 413,700 jobs or 7.9% (see Exhibit 3). However, employment in nursing and residential care facilities is still 34,800 jobs (1.0%) below pre-pandemic levels. As described in a recent Altarum

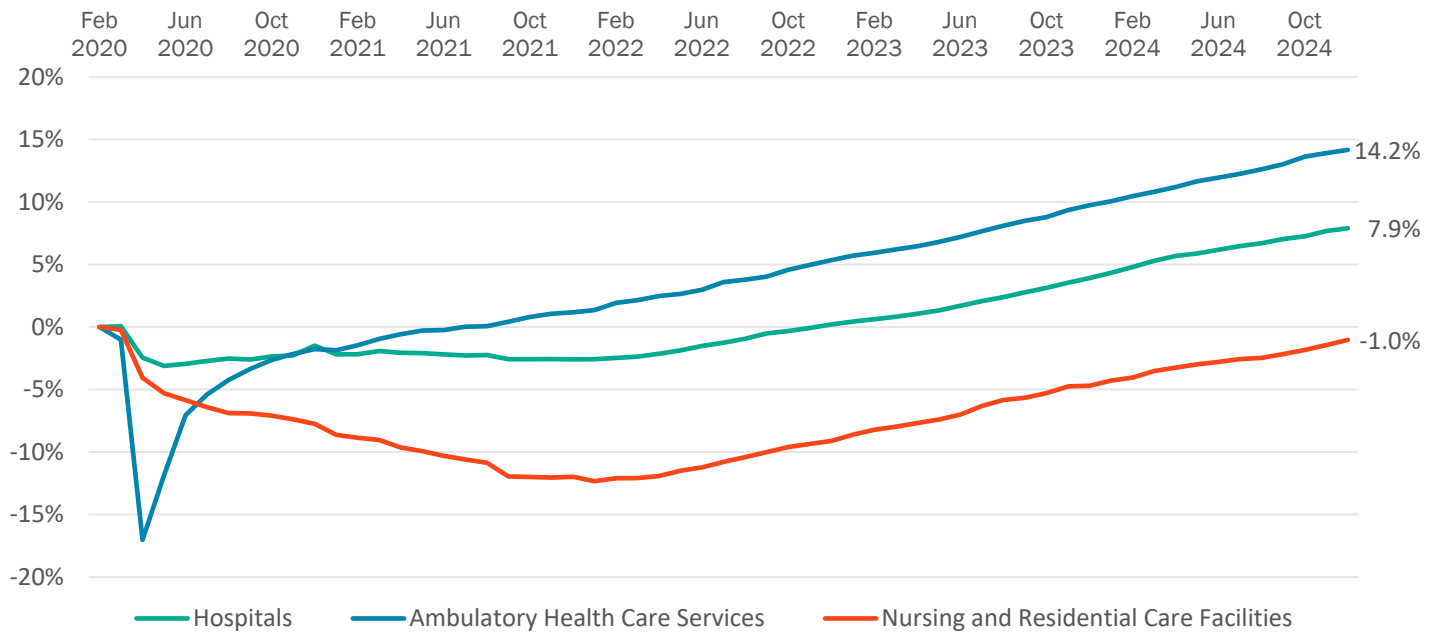
[analysis](#), this contraction in employment is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages. All three health care subsectors have steadily increased since February 2022.

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



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

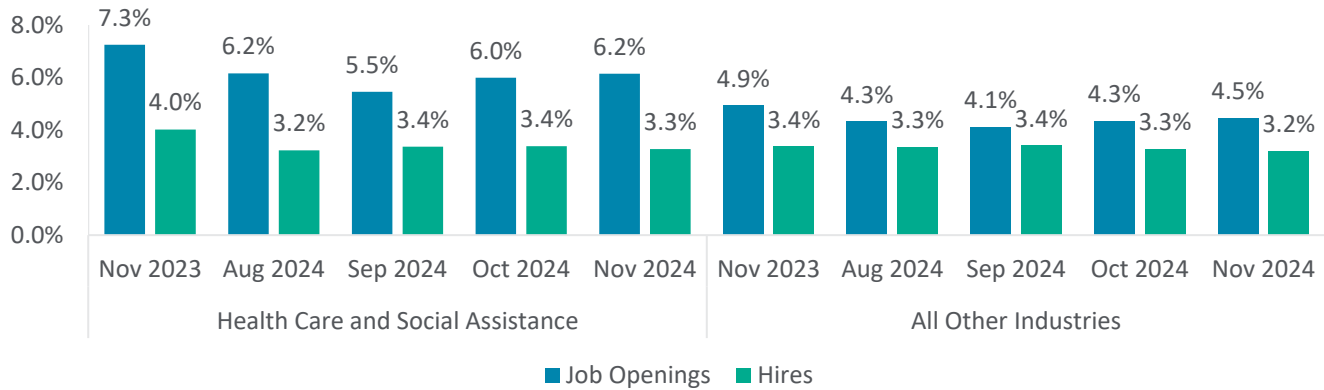
**Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care**



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

The November job openings rate in health care and social assistance increased 0.2 percentage points to 6.2% from the revised 6.0% October value, as shown in Exhibit 4. This continues a climb from September’s value of 5.5%. Conversely, the hiring rate fell from 3.4% to 3.3%. The total separations rate also fell, from 3.1% to 2.8%, as shown in Exhibit 5.

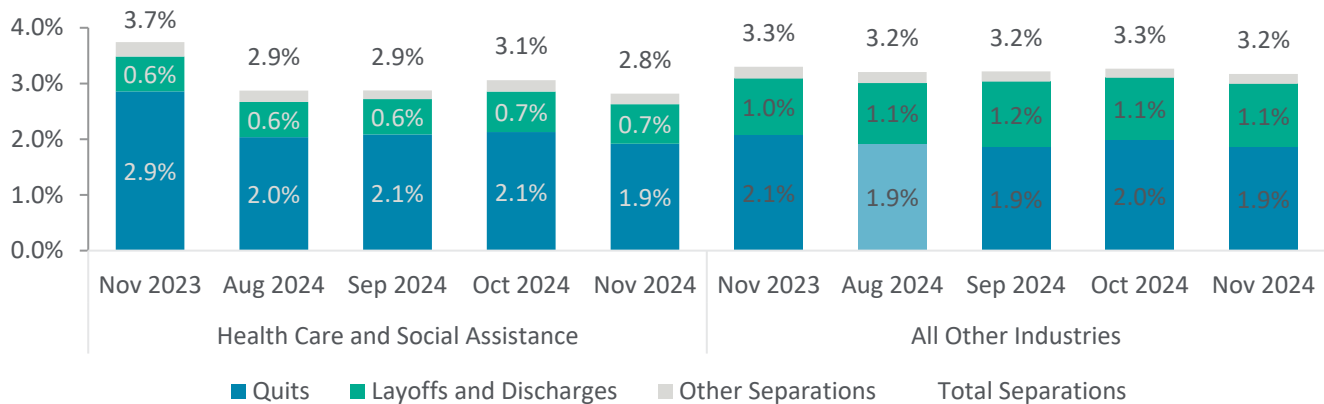
**Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries**



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**

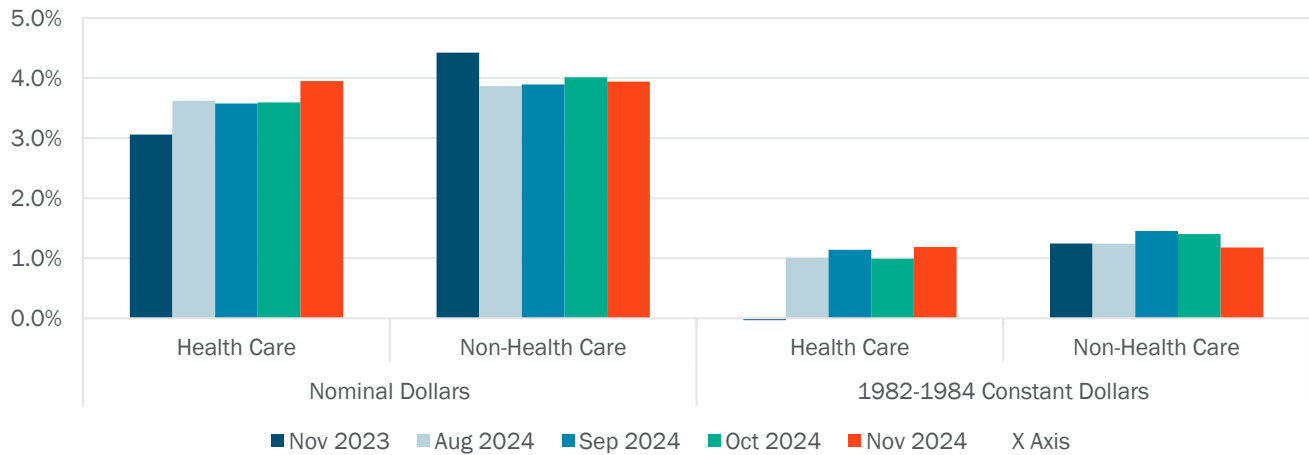


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

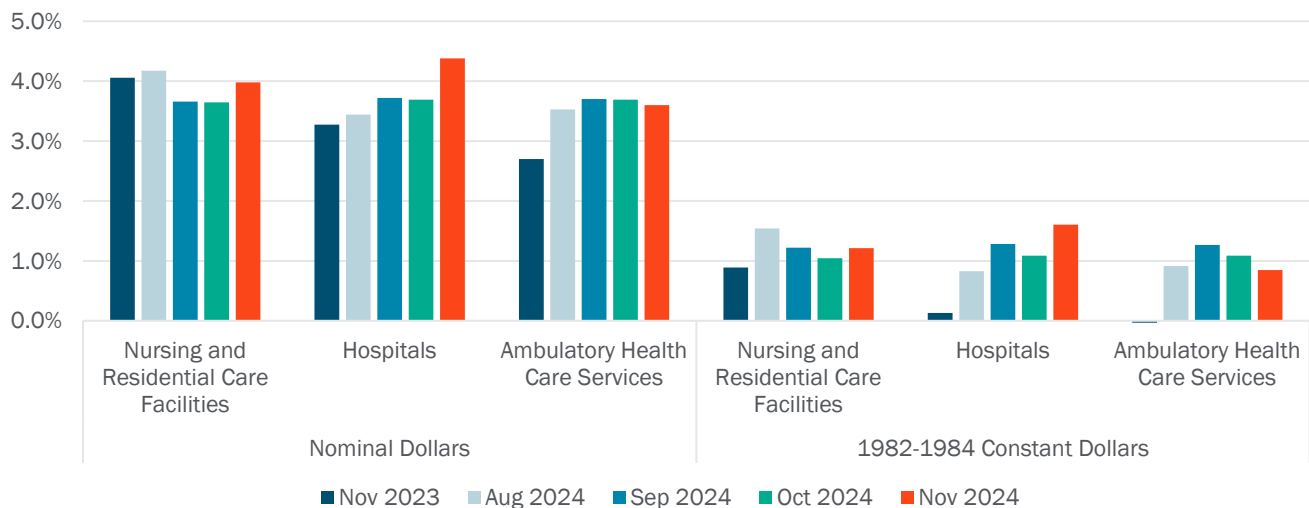
Year-over-year wage growth in the health care sector was 4.0% in November 2024, a step up from recent months and 0.9 percentage points above a year prior, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.2%. Nominal wage growth was fastest in hospitals at 4.4%, followed by nursing and residential care facilities at 4.0% and ambulatory services at 3.6% (see Exhibit 7). Inflation-adjusted wages grew by 1.6% in hospitals, 0.8% in ambulatory health care services, and 1.2% in nursing and residential care facilities. Non-health care wage growth was 3.9% in November, or 1.2% 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)	December 2024	November 2024	December 2023	December 2022	February 2020
<b>Non-Health Care</b>	141,561	141,352	140,011	137,686	135,828
<b>Health Care</b>	17,975	17,929	17,293	16,605	16,481
<b>Ambulatory Health Care Services</b>	8,984	8,963	8,635	8,290	7,869
Offices of Physicians	3,075	3,064	2,985	2,864	2,725
Offices of Dentists	1,048	1,051	1,032	1,024	991
Offices of Other Health Care Practitioners	1,243	1,240	1,184	1,123	1,001
Outpatient Care Centers	1,091	1,094	1,076	1,048	996
Medical and Diagnostic Labs	319	318	325	318	289
Home Health Care Services	1,851	1,836	1,680	1,571	1,547
Other Ambulatory <sup>a</sup>	358	361	353	342	319
<b>Hospitals</b>	5,649	5,637	5,440	5,246	5,235
<b>Nursing and Residential Care Facilities</b>	3,342	3,328	3,218	3,069	3,377
Nursing Care Facilities	1,492	1,486	1,444	1,378	1,587
Other Nursing and Residential <sup>b</sup>	1,850	1,843	1,774	1,691	1,790
<b>Health Share of Employment</b>	11.27%	11.26%	10.99%	10.76%	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 in December 2024, Seasonally Adjusted

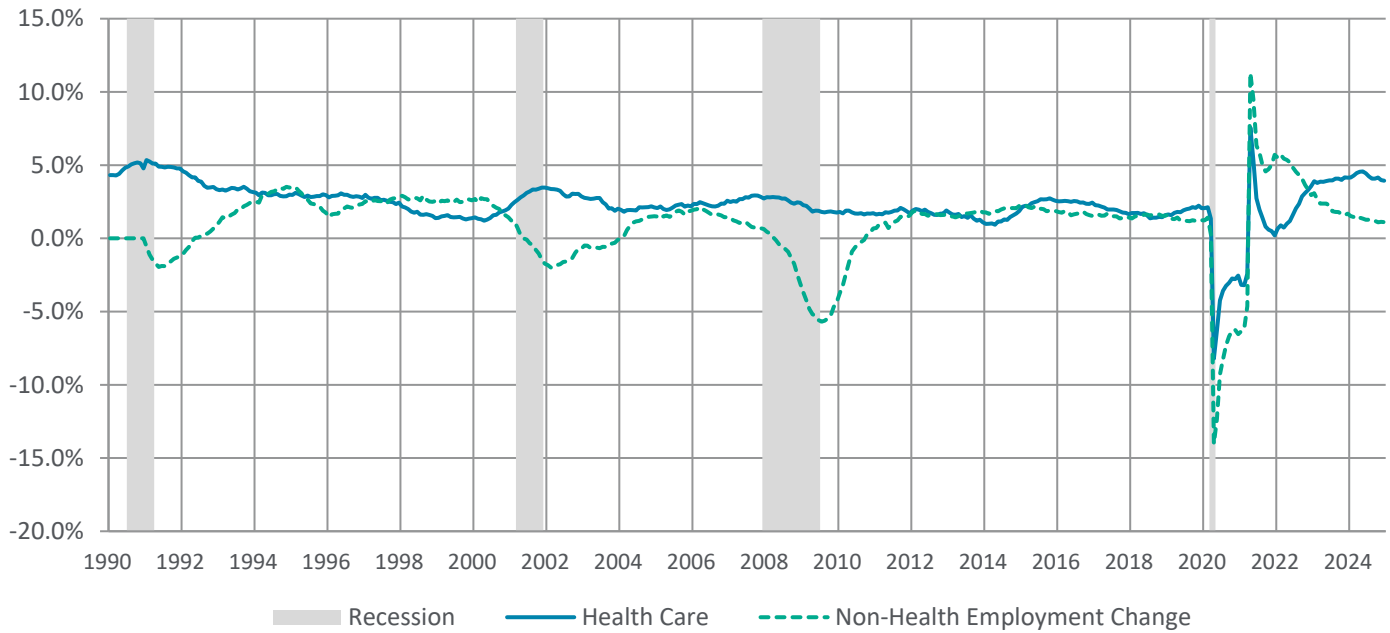
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	209.9	1,550.7	3,875.3	5,733.0
<b>Health Care</b>	46.1	681.3	1,369.7	1,494.0
<b>Ambulatory Health Care Services</b>	20.6	348.6	693.9	1,115.1
Offices of Physicians	10.4	89.6	210.4	349.3
Offices of Dentists	-3.7	16.0	23.8	56.6
Offices of Other Health Care Practitioners	3.2	59.7	119.9	242.4
Outpatient Care Centers	-2.8	14.8	42.9	94.5
Medical and Diagnostic Labs	1.2	-6.5	1.3	29.6
Home Health Care Services	15.2	170.3	279.4	304.2
Other Ambulatory <sup>a</sup>	-2.8	4.8	16.3	38.6
<b>Hospitals</b>	11.5	208.8	402.9	413.7
<b>Nursing and Residential Care Facilities</b>	14.0	123.9	272.9	-34.8
Nursing Care Facilities	6.6	47.9	114.3	-94.7
Other Nursing and Residential <sup>b</sup>	7.4	76.0	158.6	59.9
<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>	1.8%	1.1%	1.4%	0.9%
<b>Health Care</b>	3.1%	3.9%	4.0%	1.8%
<b>Ambulatory Health Care Services</b>	2.8%	4.0%	4.1%	2.8%
Offices of Physicians	4.1%	3.0%	3.6%	2.5%
Offices of Dentists	-4.1%	1.6%	1.2%	1.2%
Offices of Other Health Care Practitioners	3.1%	5.0%	5.2%	4.6%
Outpatient Care Centers	-3.0%	1.4%	2.0%	1.9%
Medical and Diagnostic Labs	4.6%	-2.0%	0.2%	2.0%
Home Health Care Services	10.4%	10.1%	8.5%	3.8%
Other Ambulatory <sup>a</sup>	-8.9%	1.4%	2.4%	2.4%
<b>Hospitals</b>	2.5%	3.8%	3.8%	1.6%
<b>Nursing and Residential Care Facilities</b>	5.2%	3.8%	4.4%	-0.2%
Nursing Care Facilities	5.5%	3.3%	4.1%	-1.3%
Other Nursing and Residential <sup>b</sup>	4.9%	4.3%	4.6%	0.7%

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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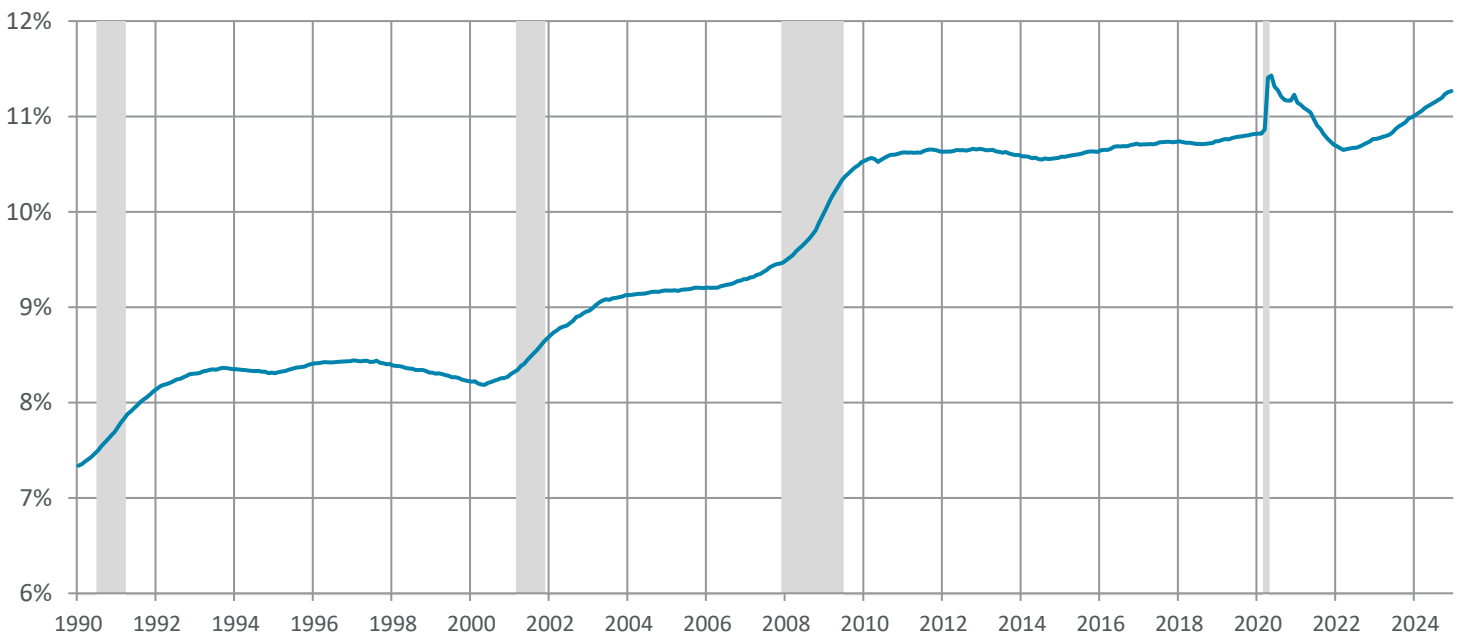
## TIME SERIES TRACKER

**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.