

June 26, 2024

Job openings in health care and social assistance fell by over 200,000 in April

HIGHLIGHTS

- ▲ Compared to March 2024, job openings in health care and social assistance fell by 204,000 (11.7%) in April, despite job separations growing by 66,000 (9.7%) while hires grew by just 24,000 (3.1%).
- ▲ Health care industry employment grew by 68,300 in May 2024, slightly higher than the average of 65,200 in the past 12 months.
- ▲ May's health care job growth was led by growth in ambulatory health care services, which added 42,700 jobs.
- ▲ Hospitals added 15,000 jobs and nursing and residential care facilities added 10,600 jobs in May.
- ▲ The economy overall added 272,000 jobs in May, well above the 12-month average of 229,670 and the unemployment rate increased slightly to 4.0%.
- ▲ Nominal health care wage growth in April 2024 was 3.3% year over year, compared to 4.1% in non-health care industries.
- ▲ Nominal wage growth in health care settings was highest in nursing and residential care facilities, at 4.3% year over year, followed by ambulatory health care services at 3.3% and hospitals at 2.8%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	May 2023	Apr 2024	May 2024
Total Employment (000)	152,309	155,787	158,271	158,543
Non-Health Employment (000)	135,828	138,950	140,721	140,924
Health Employment (000)	16,481	16,837	17,550	17,619
Health Share of Total Employment	10.82%	10.81%	11.09%	11.11%
Unemployment Rate	3.5%	3.7%	3.9%	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 IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Corwin Rhyan at corwin.rhyan@altarum.org. Stephen McCall (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. We thank Ani Turner for her years of leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

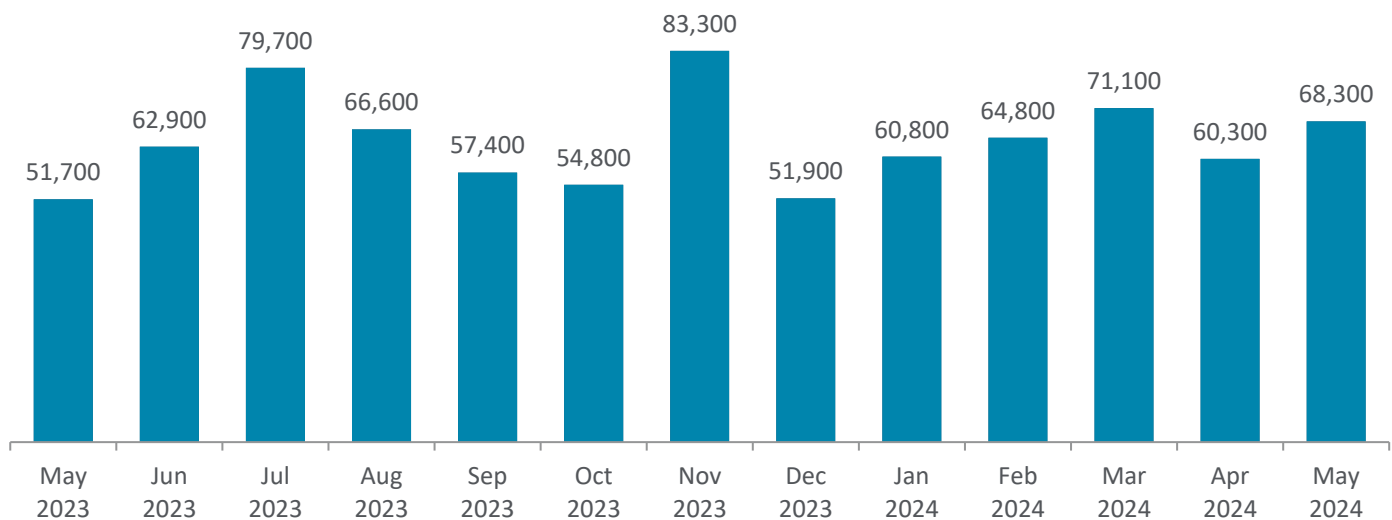
DISCUSSION

In May 2024, the health care industry added 68,300 new jobs (as shown in Exhibit 1), which was 4.8% higher than the 12-month average of 65,200 jobs. All other industries combined added 203,700 jobs, 23.8% higher than the 12-month average of 164,500 jobs per month.

May employment growth in the health care sector was driven by ambulatory health care services, which added 42,700 jobs, 32.2% above the 12-month industry average of 32,300 jobs per month. The ambulatory health care settings with the most job growth were home health services, with 19,600 jobs added, and offices of physicians, with 13,400 jobs.

In contrast, hospitals added 15,000 jobs, 25.3% below the 12-month average of 20,100 jobs, and nursing and residential care facilities added 10,600 jobs, 17.0% below the average of 12,800 jobs. Within nursing and residential care, other nursing and residential care facilities added 10,700 jobs, which were offset by 100 jobs lost in nursing care facilities.

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

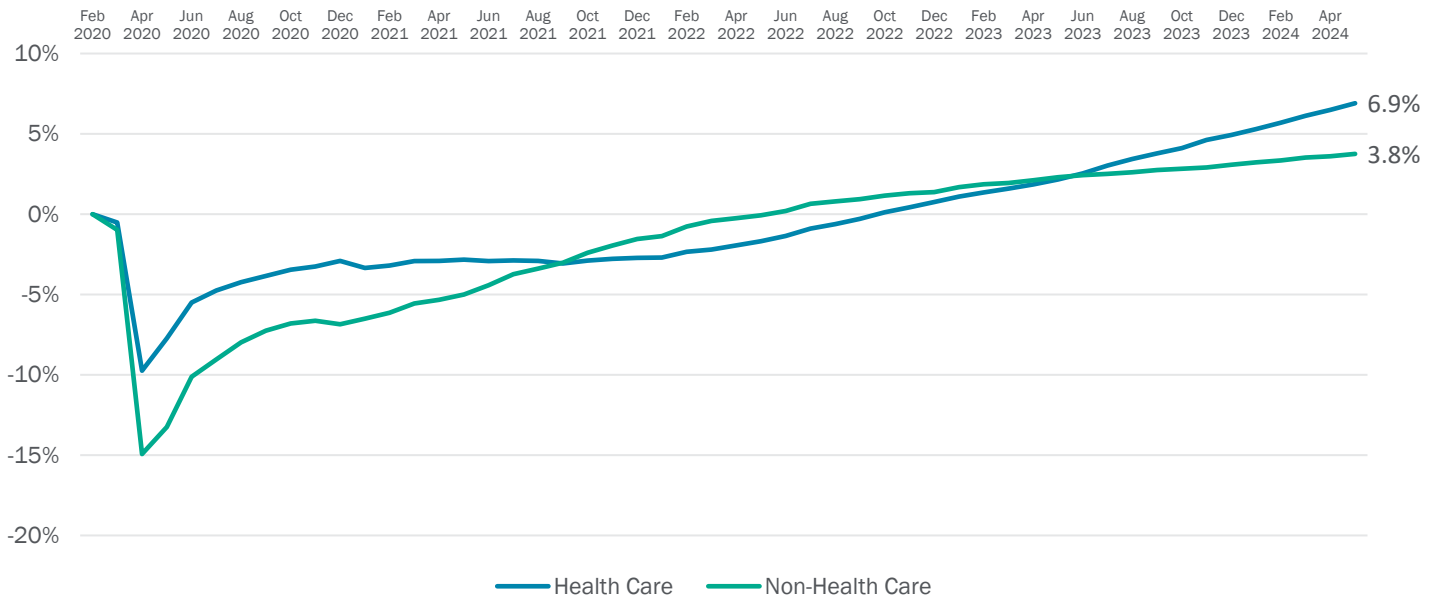


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has grown by 1,138,000 jobs or 6.9%, which is higher than the 3.8% increase in non-health care employment over the same period (see Exhibit 2). The health sector started growing especially quickly in April 2022, whereas employment growth in all other, non-health care, industries began to slow down. May 2024 was the twenty-sixth consecutive month that health care industry growth outpaced all other industries. During that period, the health care sector grew by 9.0%, versus 4.0% in all other industries.

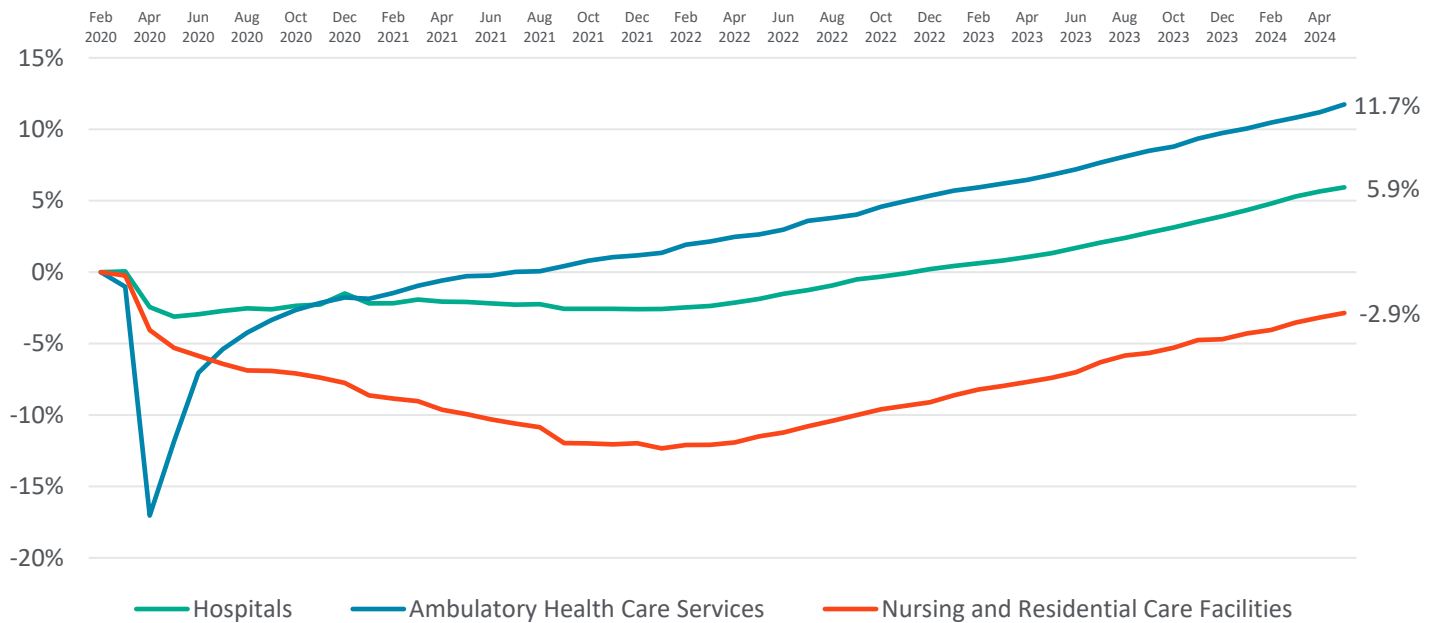
Since February 2020, hospital employment has grown by 310,800 jobs or 5.9%, while employment in ambulatory health care services has increased by 923,800 jobs or 11.7% (see Exhibit 3). However, employment in nursing and residential care facilities is still 96,600 jobs (2.9%) below pre-pandemic levels. 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 industries have steadily increased since May 2022.

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



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

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

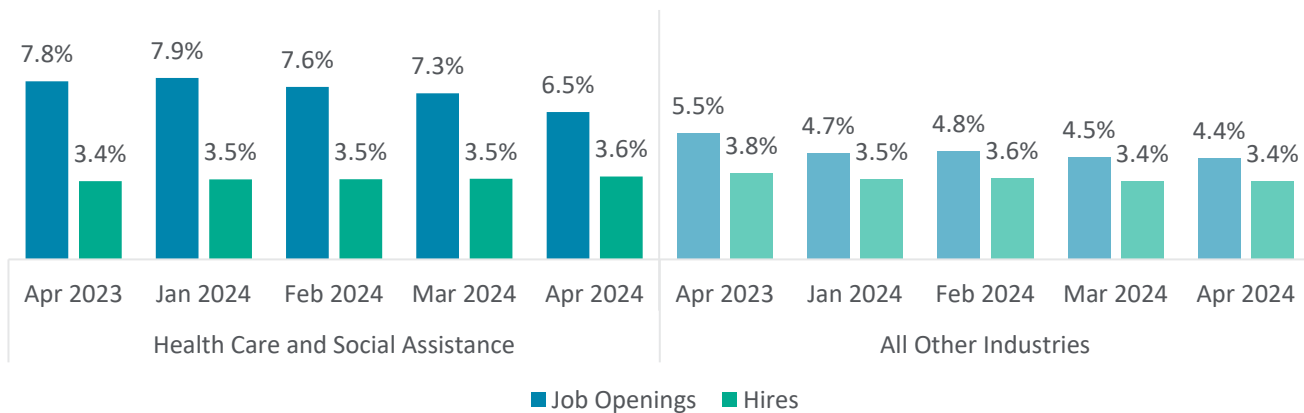


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Job openings fell in the health care and social assistance sector. In April 2024, the job openings rate in health care and social assistance was 6.5%, a large decrease over one month prior (7.3%) and one year prior (7.8%), as shown in Exhibit 4. While the job openings rate fell, it was still well above the rate of 4.4% in all other industries. The hiring rate was slightly higher than in recent months at 3.6%, slightly higher than the rate for all other industries (3.4%). The job separation rate in the health care and social assistance industry was 3.3% in April 2024, approximately equal to the rate in all other industries. This was a slight increase over March, due primarily to a higher quit rate in April.

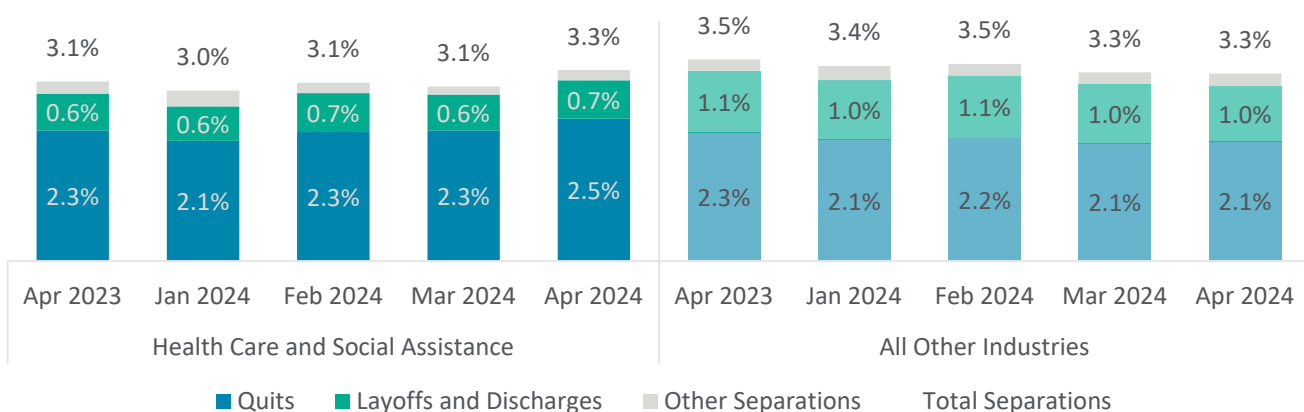
Compared to March, there was an increase of 24,000 (3.1%) in hires in April, but separations increased by 66,000 (9.7%). However, job openings decreased by 204,000 (11.7%). These data imply that the decline in job openings may be because employers are removing open positions they were trying to fill.

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

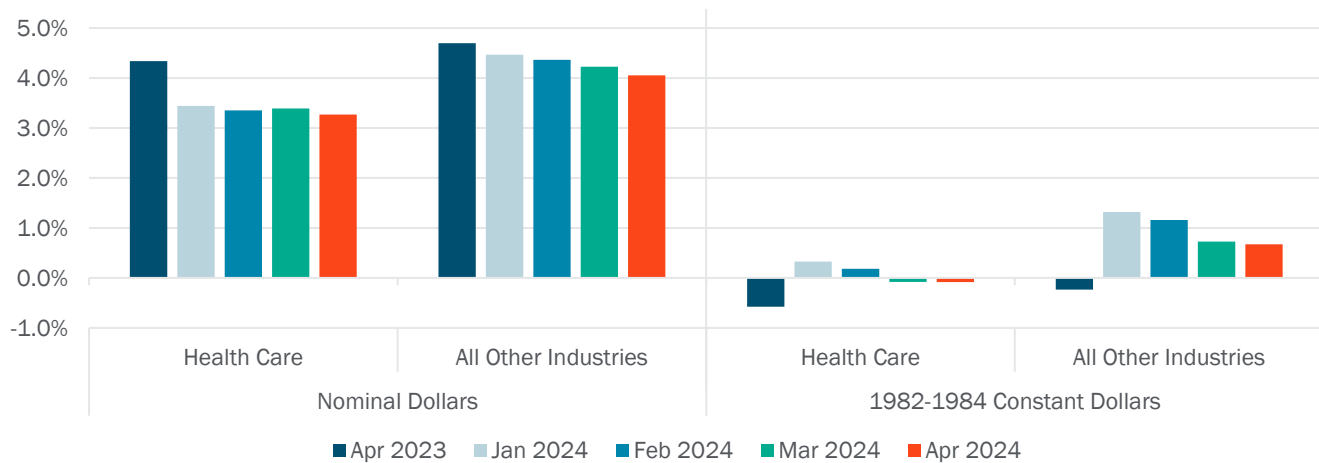


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.
Notes: Separation rates are the number of separations during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social 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 3.3% in April 2024, which was slightly slower compared to recent months and much lower than a year earlier (as shown in Exhibit 6). After adjusting for inflation, year-over-year health care wage growth fell to -0.1%. Non-health care wage growth was 4.1% in April, or 0.7% after adjusting for inflation. These rates were also slower compared to recent months and a year ago.

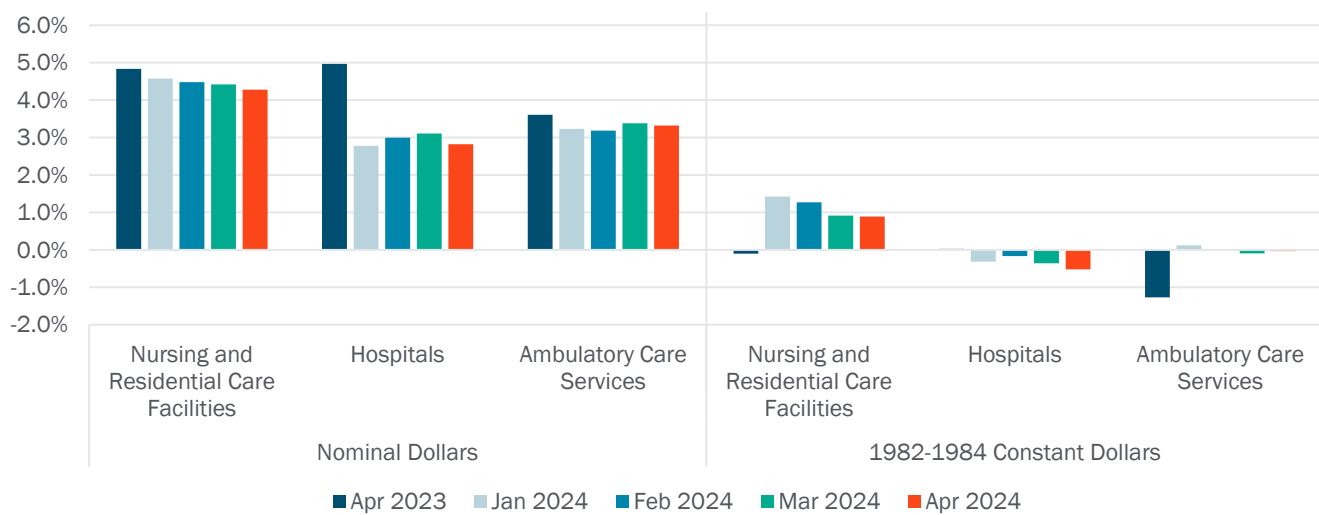
Wage growth was fastest in the nursing and residential care facilities at 4.3%, followed by ambulatory health care services at 3.3% and hospitals at 2.8% (see Exhibit 7). Inflation-adjusted wages grew by 0.9% in the nursing and residential care facilities but fell by less than 0.1% in the ambulatory health care services industry and 0.5% in hospitals.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, Health Care and All Other 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)	May 2024	April 2024	May 2023	May 2022	February 2020
Non-Health Care	140,924	140,721	138,950	135,725	135,828
Health Care	17,619	17,550	16,837	16,203	16,481
Ambulatory Health Care Services	8,792	8,750	8,405	8,077	7,869
Offices of Physicians	3,026	3,012	2,897	2,797	2,725
Offices of Dentists	1,035	1,031	1,028	1,001	991
Offices of Other Health Care Practitioners	1,206	1,201	1,147	1,078	1,001
Outpatient Care Centers	1,087	1,084	1,054	1,027	996
Medical and Diagnostic Labs	322	323	319	321	289
Home Health Care Services	1,762	1,742	1,613	1,527	1,547
Other Ambulatory ^a	356	357	347	324	319
Hospitals	5,546	5,531	5,305	5,137	5,235
Nursing and Residential Care Facilities	3,281	3,270	3,127	2,989	3,377
Nursing Care Facilities	1,466	1,467	1,406	1,347	1,587
Other Nursing and Residential ^b	1,814	1,803	1,722	1,642	1,790
Health Share of Employment	11.11%	11.09%	10.81%	10.66%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. May 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)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	203.7	1,974.1	5,199.0	5,096.0
Health Care	68.3	781.9	1,416.0	1,138.0
Ambulatory Health Care Services	42.7	387.7	715.7	923.8
Offices of Physicians	13.4	128.4	228.6	300.2
Offices of Dentists	3.6	7.1	33.5	43.9
Offices of Other Health Care Practitioners	5.2	59.2	127.7	205.2
Outpatient Care Centers	2.7	33.0	59.3	90.3
Medical and Diagnostic Labs	-0.5	2.7	0.7	32.9
Home Health Care Services	19.6	148.1	234.1	215.0
Other Ambulatory ^a	-1.4	9.1	31.7	36.3
Hospitals	15.0	241.0	408.6	310.8
Nursing and Residential Care Facilities	10.6	153.2	291.7	-96.6
Nursing Care Facilities	-0.1	60.9	119.9	-120.6
Other Nursing and Residential ^b	10.7	92.3	171.8	24.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	1.4%	1.9%	0.9%
Health Care	4.8%	4.6%	4.3%	1.6%
Ambulatory Health Care Services	6.0%	4.6%	4.3%	2.6%
Offices of Physicians	5.5%	4.4%	4.0%	2.5%
Offices of Dentists	4.3%	0.7%	1.7%	1.0%
Offices of Other Health Care Practitioners	5.3%	5.2%	5.8%	4.5%
Outpatient Care Centers	3.0%	3.1%	2.8%	2.1%
Medical and Diagnostic Labs	-1.8%	0.8%	0.1%	2.6%
Home Health Care Services	14.4%	9.2%	7.4%	3.1%
Other Ambulatory ^a	-4.6%	2.6%	4.8%	2.6%
Hospitals	3.3%	4.5%	3.9%	1.4%
Nursing and Residential Care Facilities	4.0%	4.9%	4.8%	-0.7%
Nursing Care Facilities	-0.1%	4.3%	4.4%	-1.8%
Other Nursing and Residential ^b	7.4%	5.4%	5.1%	0.3%

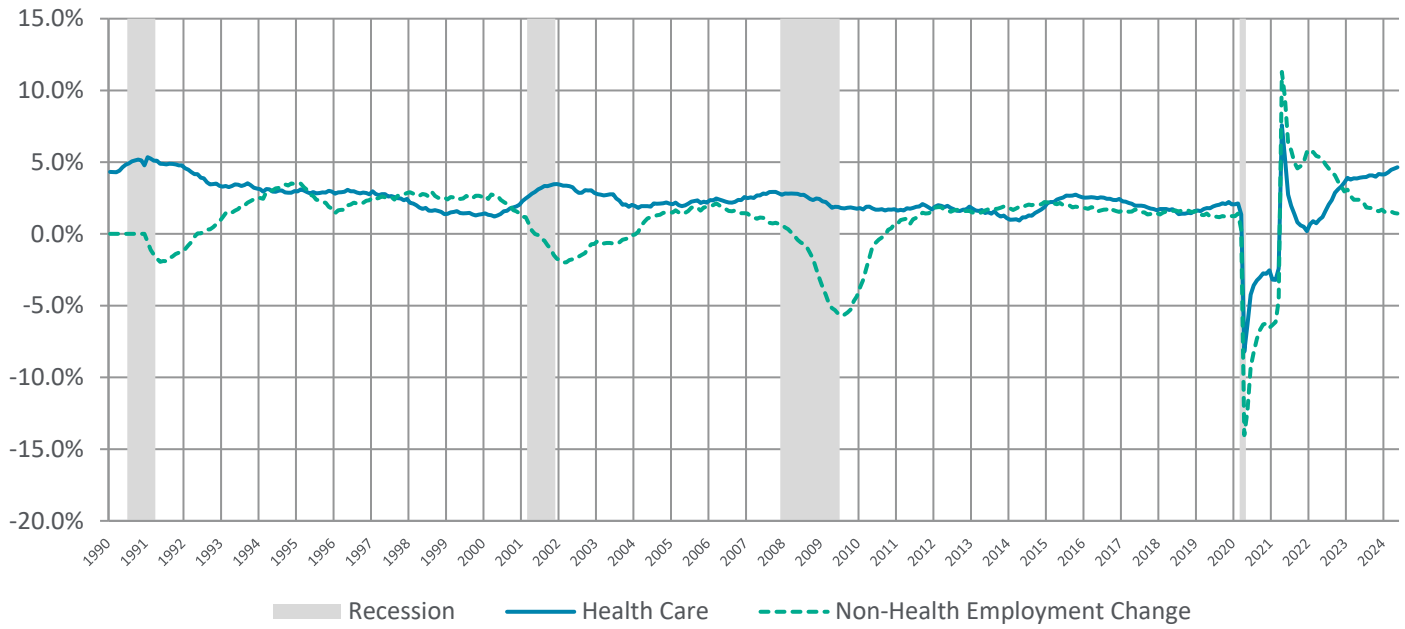
Source: Altarum analysis of BLS Current Employment Statistics data. Change since May 2020 represents a comparison to pre-pandemic peak employment.

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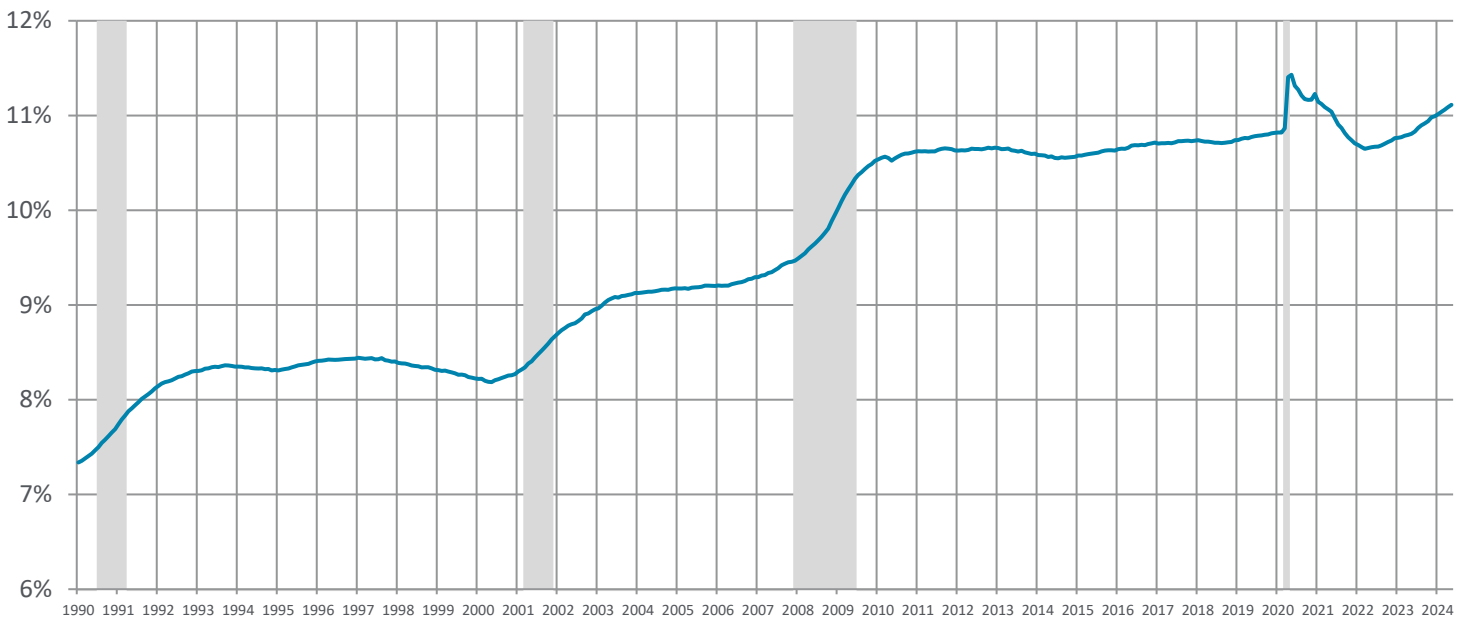
TIME SERIES TRACKER

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.