

May 22, 2024

## Health care continued posting large job figures during a cool month for the economy in April

### HIGHLIGHTS

- ▲ The health care industry added 56,200 jobs in April 2024, which accounted for 32% of all jobs across the economy.
- ▲ April's health care job growth was led by growth in ambulatory health care services, which added 33,400 jobs.
- ▲ Hospitals added 13,500 jobs and nursing and residential care facilities added 9,300 jobs in April.
- ▲ The economy overall added 175,000 jobs in April, well below the 12-month average of 233,500, and the unemployment rate increased slightly to 3.9%.
- ▲ Nominal health care wage growth in March 2024 was 3.3% year over year, compared to 4.2% in non-health care industries.
- ▲ Nominal wage growth in health care settings was highest in nursing and residential care facilities, at 4.5% year over year, followed by ambulatory health care services at 3.2% and hospitals at 3.1%.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Apr 2023	Mar 2024	Apr 2024
Total Employment (000)	152,309	155,484	158,111	158,286
Non-Health Employment (000)	135,828	138,699	140,618	140,737
Health Employment (000)	16,481	16,785	17,493	17,550
Health Share of Total Employment	10.82%	10.80%	11.06%	11.09%
Unemployment Rate	3.5%	3.4%	3.8%	3.9%

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 Corwin Rhyan at [corwin.rhyan@altarum.org](mailto: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](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.

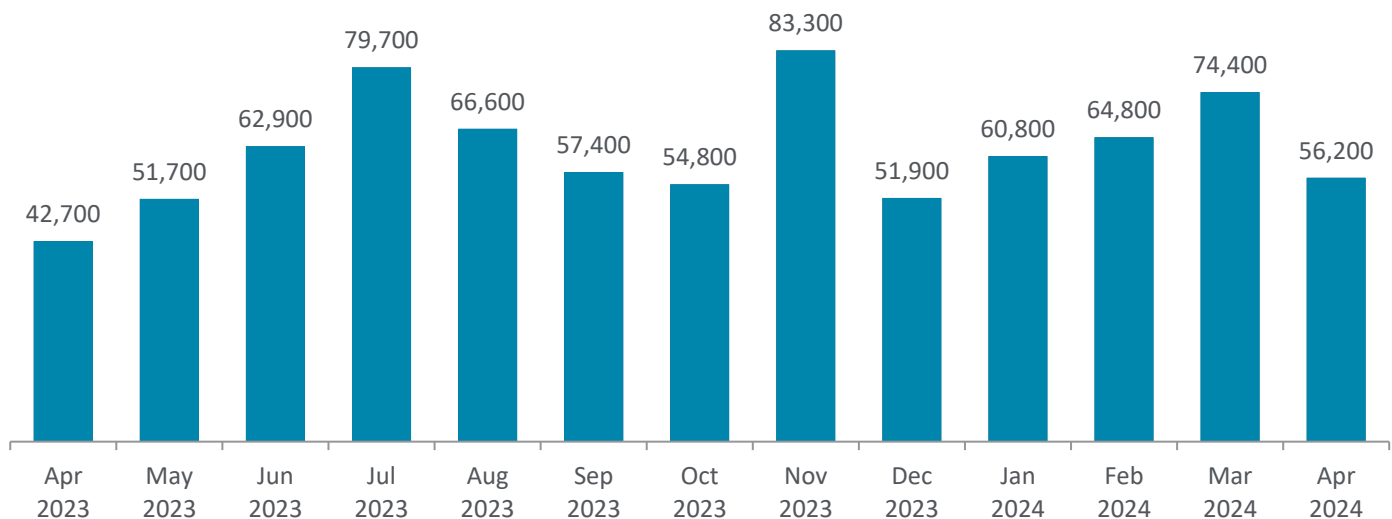
## DISCUSSION

In April 2024, the health care industry added 56,200 new jobs (as shown in Exhibit 1), which was 11.8% lower than the 12-month average of 63,700 jobs. All other industries combined added 118,800 jobs, 30.0% lower than the 12-month average of 169,800 jobs per month. Because of the much more dramatic slowdown in all other industries, health care jobs made up 32.1% of all job growth in April.

April employment growth in the health care sector was driven by ambulatory health care services, which added 33,400 jobs, 6.1% above the 12-month industry average of 31,500 jobs per month. The ambulatory health care settings with the most job growth were home health services, with 13,900 jobs added, and offices of other health care practitioners, with 8,300 jobs. This subsector includes chiropractors, audiologists, optometrists, mental health practitioners, and physical, occupational, and speech therapists.

In contrast, hospitals added 13,500 jobs, 31.2% below the 12-month average of 19,800 jobs, and nursing and residential care facilities added 9,300 jobs, 25.5% below the average of 12,500 jobs. Within nursing and residential care, nursing care facilities added 3,700 jobs, versus a 12-month average of 5,400, and other nursing and residential care facilities added 5,600, compared to an average of 7,100 in the past year.

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

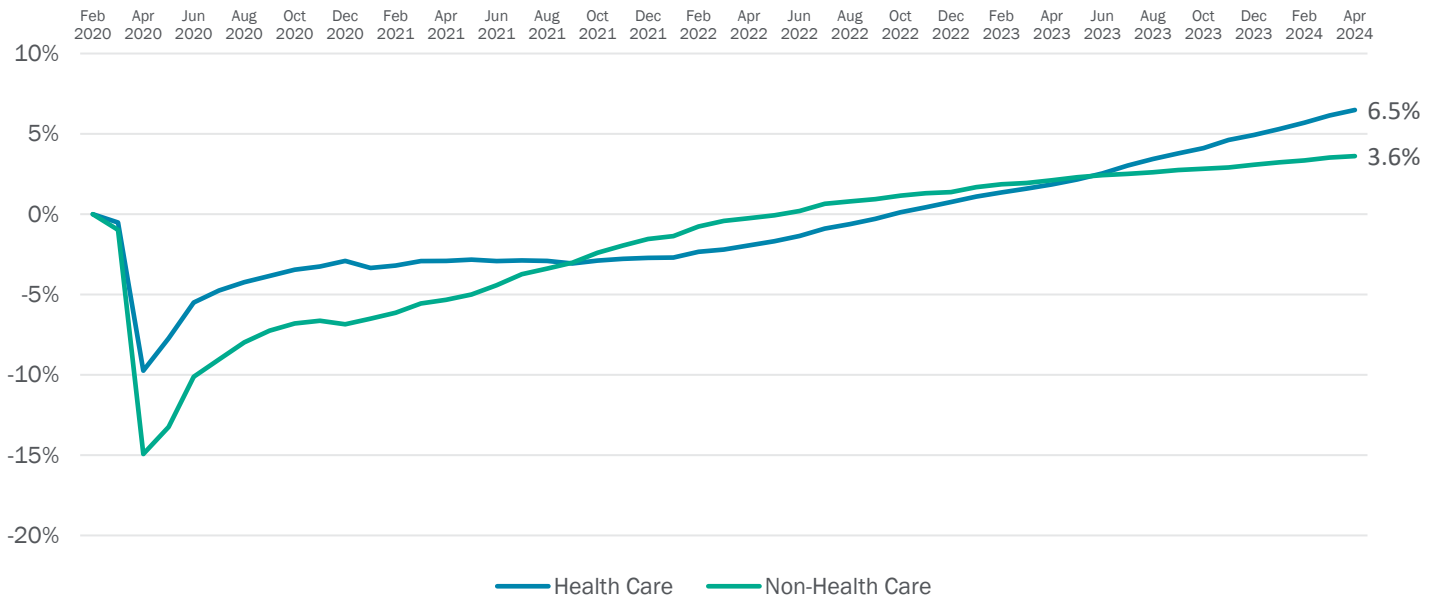


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has grown by 1,068,900 jobs or 6.5%, which is higher than the 3.6% 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. April 2024 was the twenty-fifth consecutive month that health care industry growth outpaced all other industries. During that two-year period, the health care sector grew by 8.6%, versus 3.9% in all other industries.

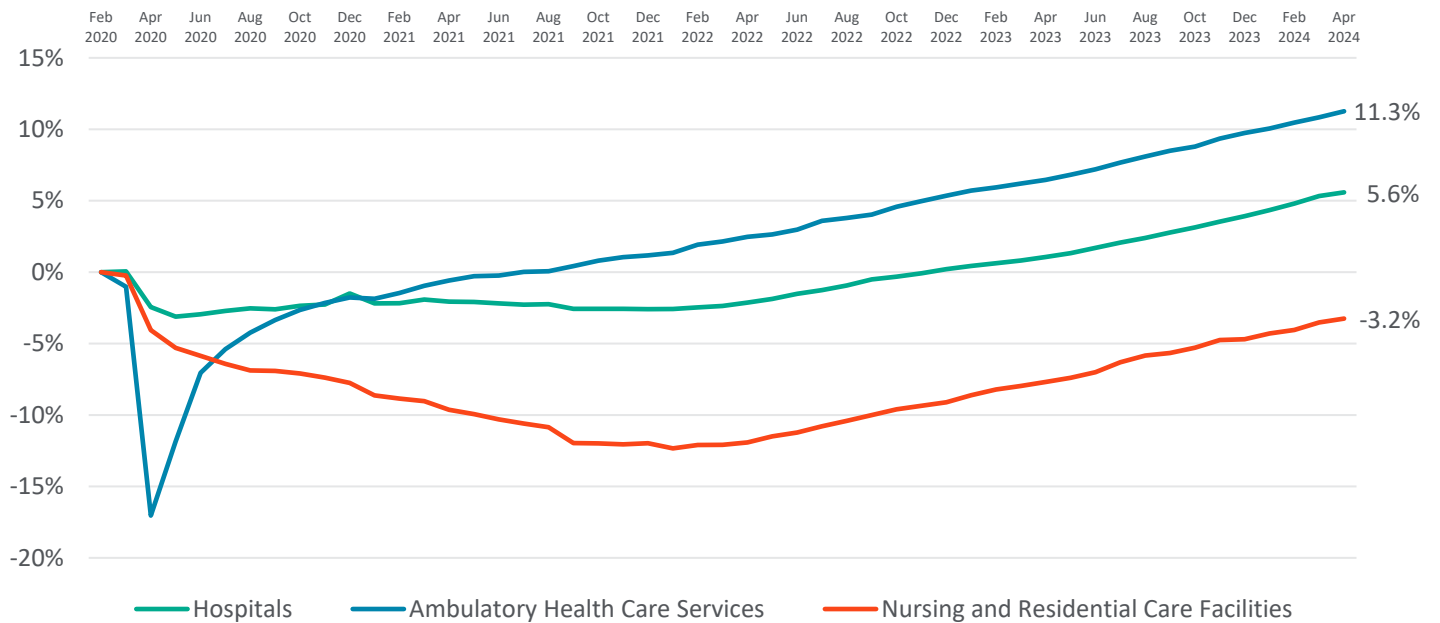
Since February 2020, hospital employment has grown by 292,400 jobs or 5.6%, while employment in ambulatory health care services has increased by 886,200 jobs or 11.3% (see Exhibit 3). However, employment in nursing and residential care facilities is still 109,700 jobs (3.2%) below pre-pandemic levels. 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 April 2022.

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



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

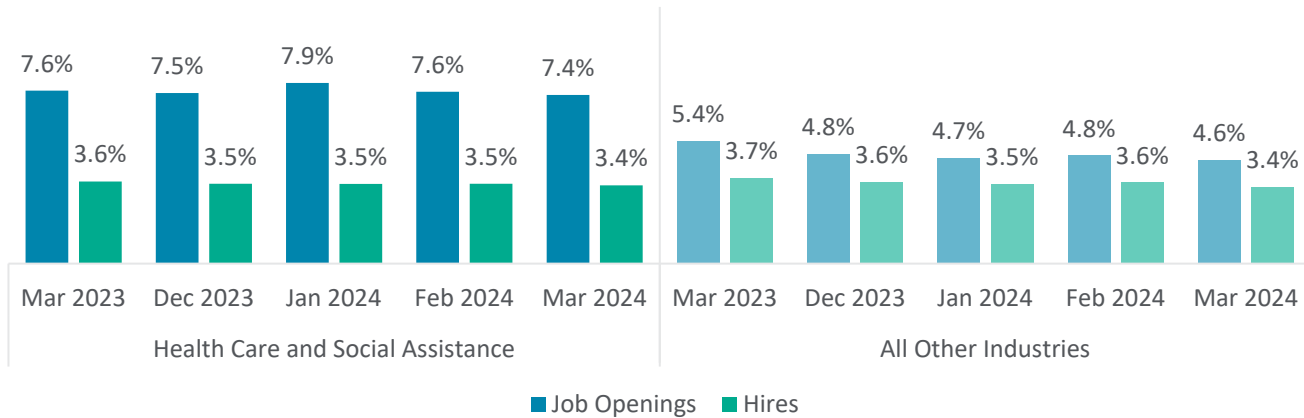
### Exhibit 3. Change in Health Employment Compared to April 2020 by Major Setting of Care



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

Job openings remain high in the health care and social assistance sector. In March 2024, the job openings rate in health care and social assistance was 7.4%, a slight decrease over January and February (as shown in Exhibit 4). The hiring rate was similar to recent months at 3.4%. There were 1.8 million remaining job openings at the end of March versus 765,000 hires throughout the month. This means 2.3 job openings remained for every hire in the health care and social assistance sector. By comparison, the job openings rate for all other industries was 4.6%, the hiring rate was 3.4%, and there were 1.4 job openings for every hire. The job separation rate in the health care and social assistance industry was 3.0% in March 2024, similar to the 3.2% rate in all other industries.

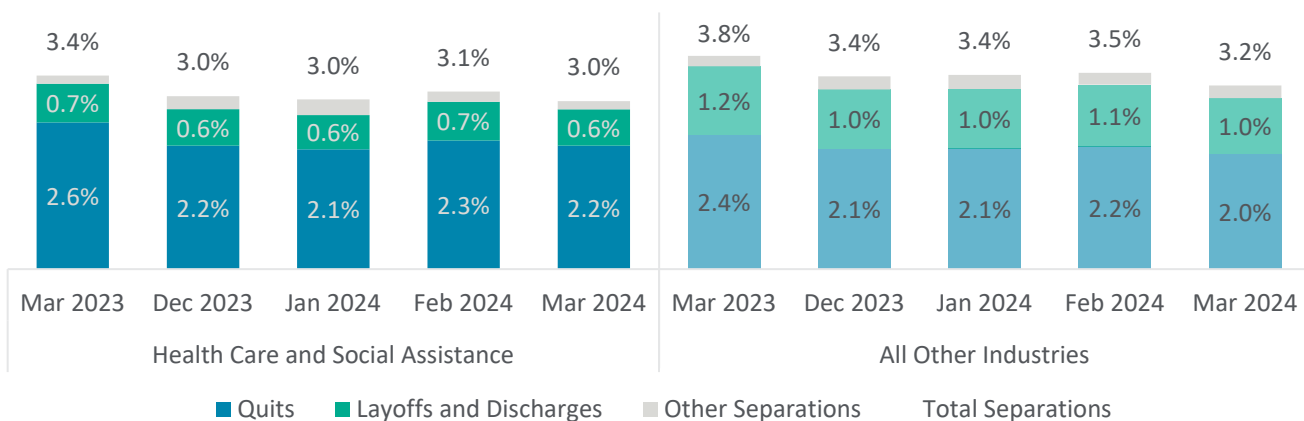
**Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries**



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**



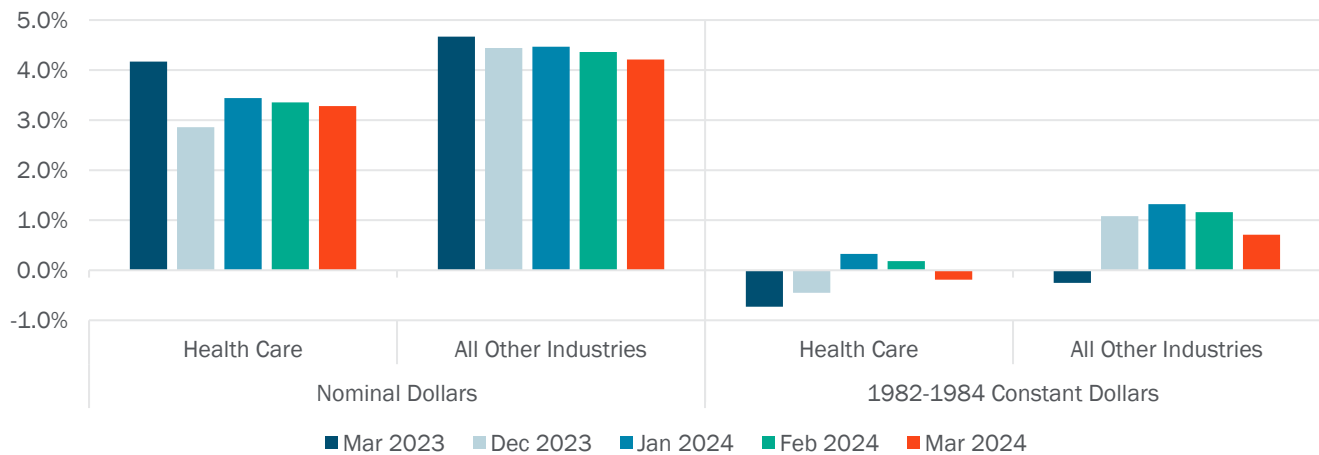
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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 March 2024, which was similar to recent months and lower than a year earlier (as shown in Exhibit 6). After adjusting for inflation, year-over-year health care wage growth fell to -0.2%. In line with the past several months, non-health care wage growth was 4.2% in March, or 0.7% after adjusting for inflation.

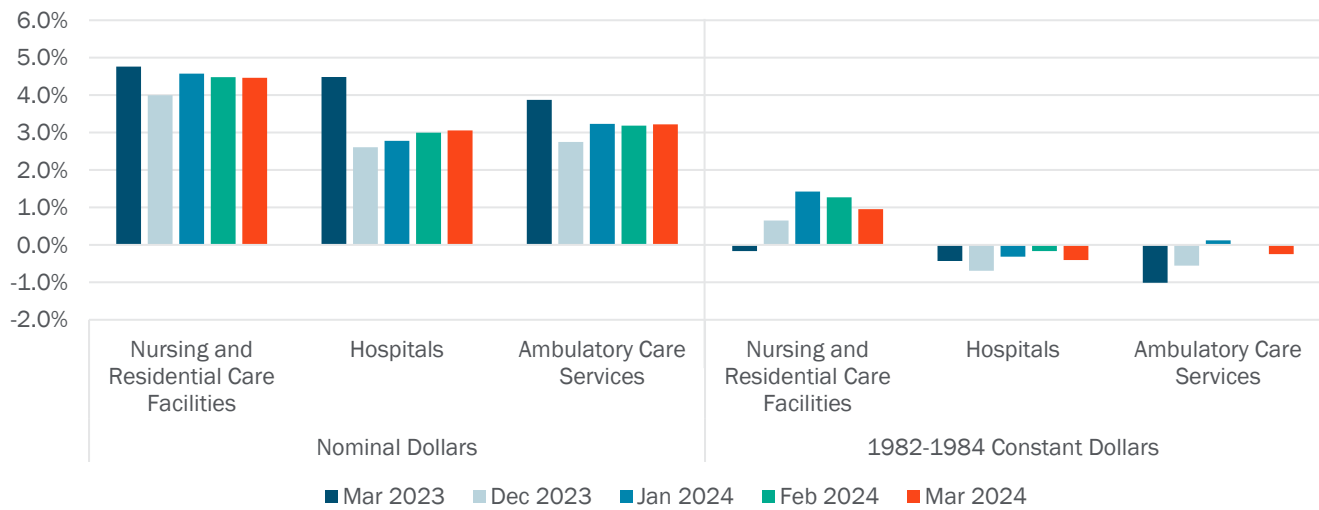
Wage growth was fastest in the nursing and residential care facilities at 4.5%, followed by ambulatory health care services at 3.2% and hospitals at 3.1% (see Exhibit 7). Inflation-adjusted wages grew by 1.0% in the nursing and residential care facilities but fell by 0.2% in the ambulatory health care services industry and 0.4% in hospitals.

**Exhibit 6. Change in Average Hourly Earnings, Year over Year, Health Care and Total Private Sector**



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)	April 2024	March 2024	April 2023	April 2022	February 2020
<b>Non-Health Care</b>	140,737	140,618	138,699	135,481	135,828
<b>Health Care</b>	17,550	17,493	16,785	16,161	16,481
<b>Ambulatory Health Care Services</b>	8,755	8,721	8,377	8,063	7,869
Offices of Physicians	3,013	3,007	2,887	2,791	2,725
Offices of Dentists	1,036	1,035	1,024	1,004	991
Offices of Other Health Care Practitioners	1,204	1,195	1,142	1,074	1,001
Outpatient Care Centers	1,082	1,078	1,054	1,024	996
Medical and Diagnostic Labs	323	323	320	323	289
Home Health Care Services	1,741	1,727	1,604	1,526	1,547
Other Ambulatory <sup>a</sup>	357	356	346	322	319
<b>Hospitals</b>	5,527	5,514	5,290	5,123	5,235
<b>Nursing and Residential Care Facilities</b>	3,267	3,258	3,118	2,974	3,377
Nursing Care Facilities	1,467	1,463	1,401	1,342	1,587
Other Nursing and Residential <sup>b</sup>	1,801	1,795	1,716	1,633	1,790
<b>Health Share of Employment</b>	11.09%	11.06%	10.80%	10.66%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. April 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 Data by Sector and Subsector, Seasonally Adjusted

Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	118.8	2,037.5	5,255.5	4,908.1
<b>Health Care</b>	56.2	764.5	1,388.5	1,068.9
<b>Ambulatory Health Care Services</b>	33.4	377.7	691.4	886.2
Offices of Physicians	5.6	125.2	221.2	287.2
Offices of Dentists	1.7	11.9	32.1	45.3
Offices of Other Health Care Practitioners	8.3	61.6	130.1	202.7
Outpatient Care Centers	3.5	28.3	58.2	85.7
Medical and Diagnostic Labs	-0.6	2.5	-0.3	33.3
Home Health Care Services	13.9	137.1	215.1	194.7
Other Ambulatory <sup>a</sup>	1.1	11.2	35.1	37.4
<b>Hospitals</b>	13.5	237.0	404.1	292.4
<b>Nursing and Residential Care Facilities</b>	9.3	149.8	293.0	-109.7
Nursing Care Facilities	3.7	65.2	124.9	-120.4
Other Nursing and Residential <sup>b</sup>	5.6	84.6	168.1	10.7
<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>	1.0%	1.5%	1.9%	0.9%
<b>Health Care</b>	3.9%	4.6%	4.2%	1.5%
<b>Ambulatory Health Care Services</b>	4.7%	4.5%	4.2%	2.6%
Offices of Physicians	2.3%	4.3%	3.9%	2.4%
Offices of Dentists	2.0%	1.2%	1.6%	1.1%
Offices of Other Health Care Practitioners	8.7%	5.4%	5.9%	4.5%
Outpatient Care Centers	4.0%	2.7%	2.8%	2.0%
Medical and Diagnostic Labs	-2.2%	0.8%	0.0%	2.7%
Home Health Care Services	10.1%	8.5%	6.8%	2.9%
Other Ambulatory <sup>a</sup>	3.8%	3.2%	5.3%	2.7%
<b>Hospitals</b>	3.0%	4.5%	3.9%	1.3%
<b>Nursing and Residential Care Facilities</b>	3.5%	4.8%	4.8%	-0.8%
Nursing Care Facilities	3.1%	4.7%	4.6%	-1.9%
Other Nursing and Residential <sup>b</sup>	3.8%	4.9%	5.0%	0.1%

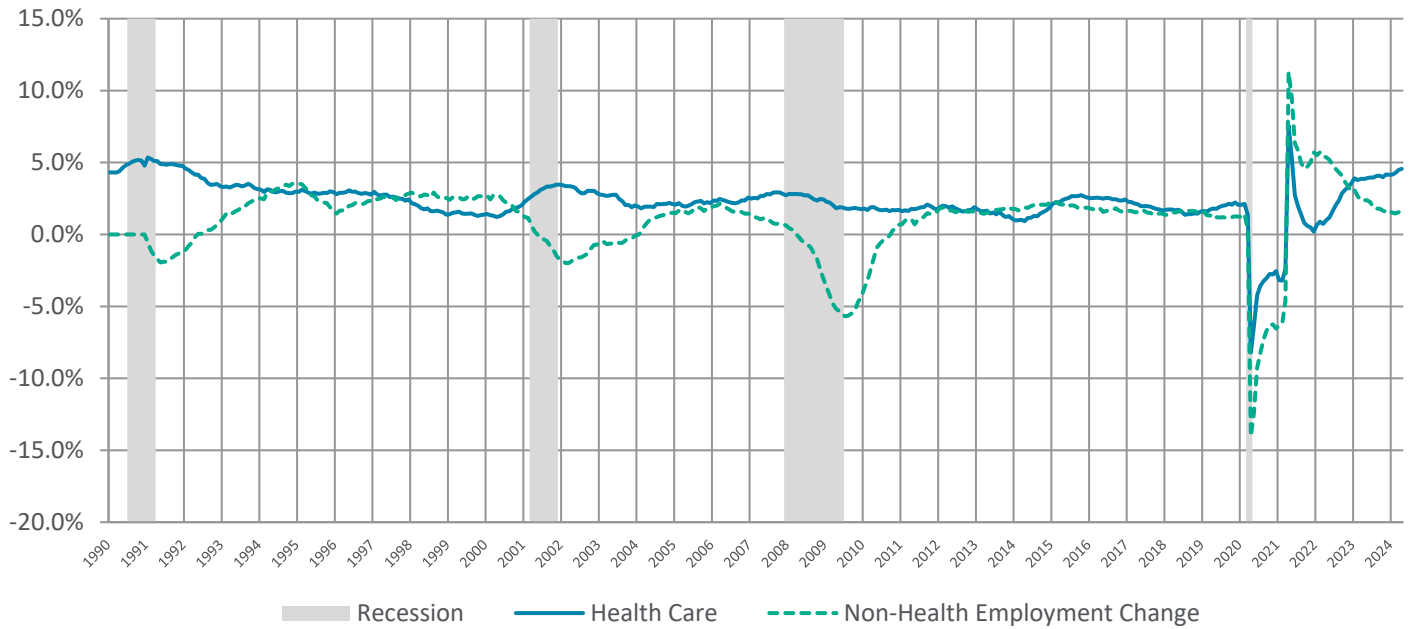
Source: Altarum analysis of BLS Current Employment Statistics data. Change since April 2020 represents a comparison to pre-pandemic peak employment.

<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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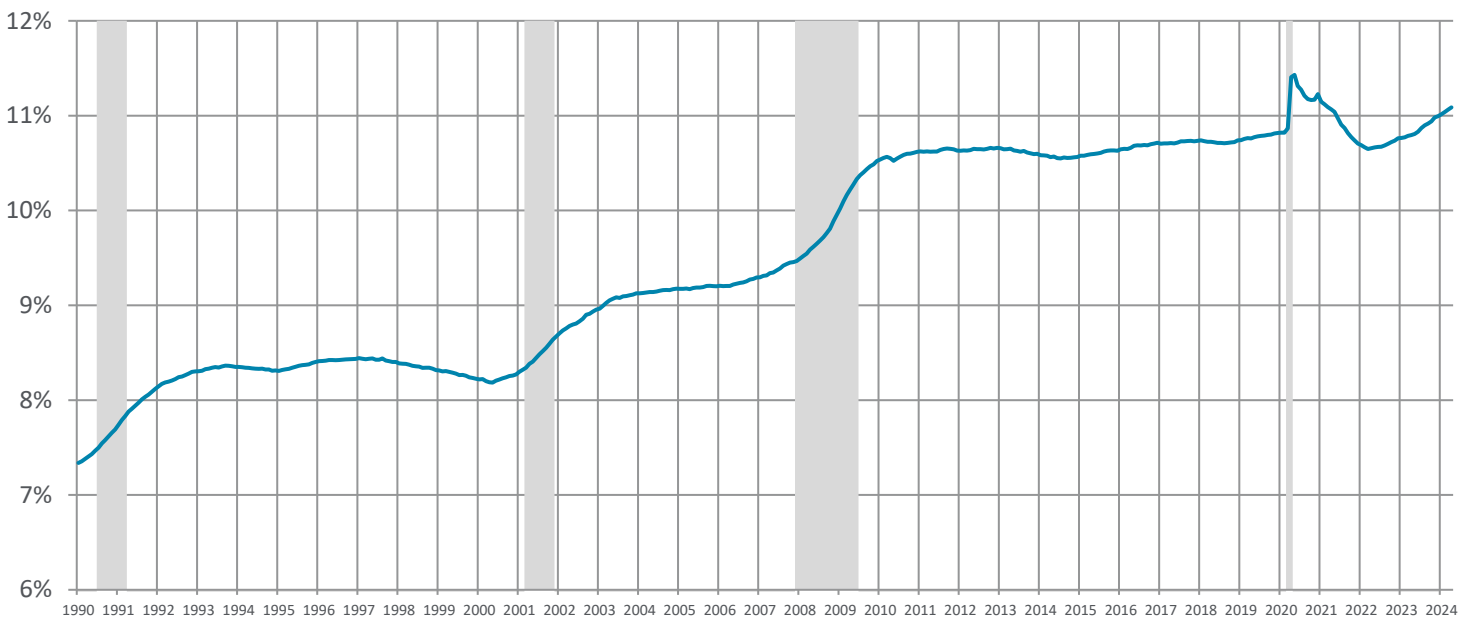
## TIME SERIES TRACKER

**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.