

October 23, 2024

## September health care job growth accounted for a smaller share of economy-wide employment growth compared to the previous year

### HIGHLIGHTS

- ▲ In September 2024, health care industry employment increased by 45,200 jobs and non-health care industries added 208,800 jobs. Health care jobs accounted for 17.8% of all jobs added in September, compared to 28.3% in the previous 12 months.
- ▲ September's health care job growth was led by ambulatory health care services, which added 24,300 jobs, followed by hospitals, with 11,500 jobs.
- ▲ Nursing and residential care facilities added 9,400 jobs in September, with 3,900 new jobs in nursing care facilities and 5,500 in other residential care facilities.
- ▲ The unemployment rate decreased slightly to 4.1% in September 2024 from 4.2% in August.
- ▲ For health care and social assistance in August, the job openings rate was 6.1%, the hiring rate was 3.1%, and the total separations rate was 2.7%.
- ▲ Nominal health care wage growth in August 2024 was 3.6% year over year, with growth rates of 4.2% in nursing and residential care facilities, 3.6% in ambulatory health care services, and 3.5% in hospitals.

### Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Sep 2023	Aug 2024	Sep 2024
Total Employment (000)	152,309	156,667	158,851	159,105
Non-Health Employment (000)	135,828	139,564	141,117	141,326
Health Employment (000)	16,481	17,103	17,734	17,779
Health Share of Total Employment	10.82%	10.92%	11.16%	11.17%
Unemployment Rate	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). Stephen McCall (principal author), George Miller, PhD, and Matt Daly, PhD, contributed to this brief. We thank Corwin Rhyan for his 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>.

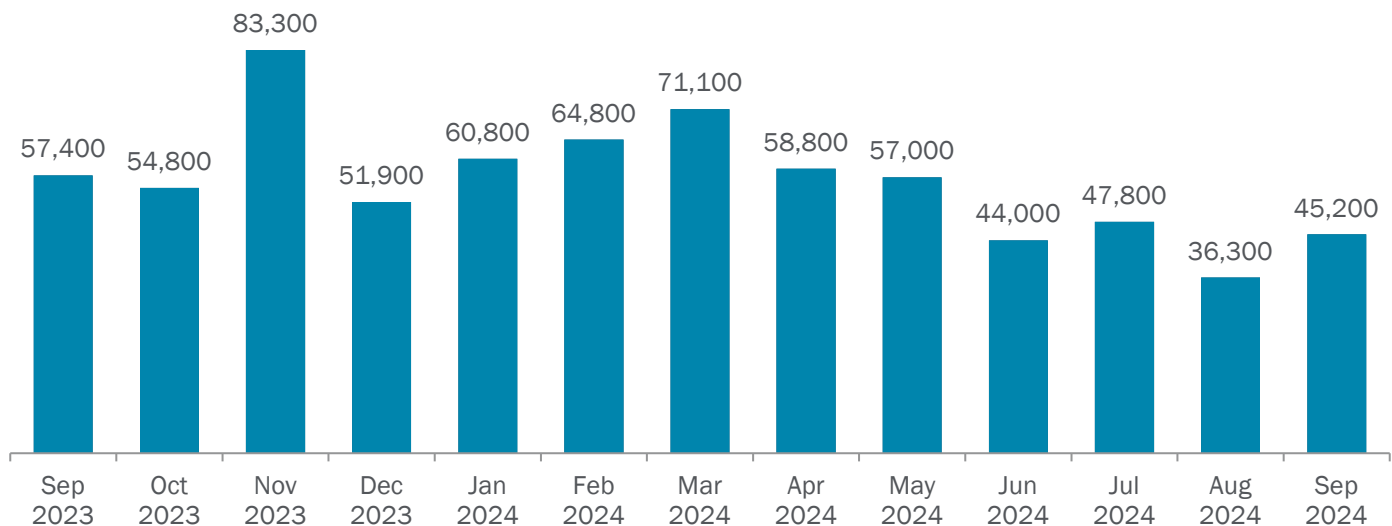
## DISCUSSION

In September 2024, the health care industry added 45,200 new jobs, as shown in Exhibit 1. This figure is 21.2% lower than the monthly average of 57,300 jobs added in the previous year (from September 2023 to August 2024). In contrast, non-health care industries created 208,800 jobs, which was 43.8% higher than the 145,200 jobs gained per month in the past year.

The health care industry experienced below-average employment growth across most subsectors. In September, ambulatory health care services added 24,300 jobs, which is 16.5% lower than the monthly average for the past year. Of these new positions, more than half (12,700) were in home health care services. Hospitals recorded an increase of 11,500 jobs, representing a decline of 38.9% compared to their 12-month average. Nursing and residential care facilities added 9,400 jobs in September, approximately matching their average over the previous year. Within this subsector, nursing care facilities gained 3,900 jobs, which was 12.8% above the prior 12-month average, while other nursing and residential care homes added 5,500 positions, 7.9% lower than the previous 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

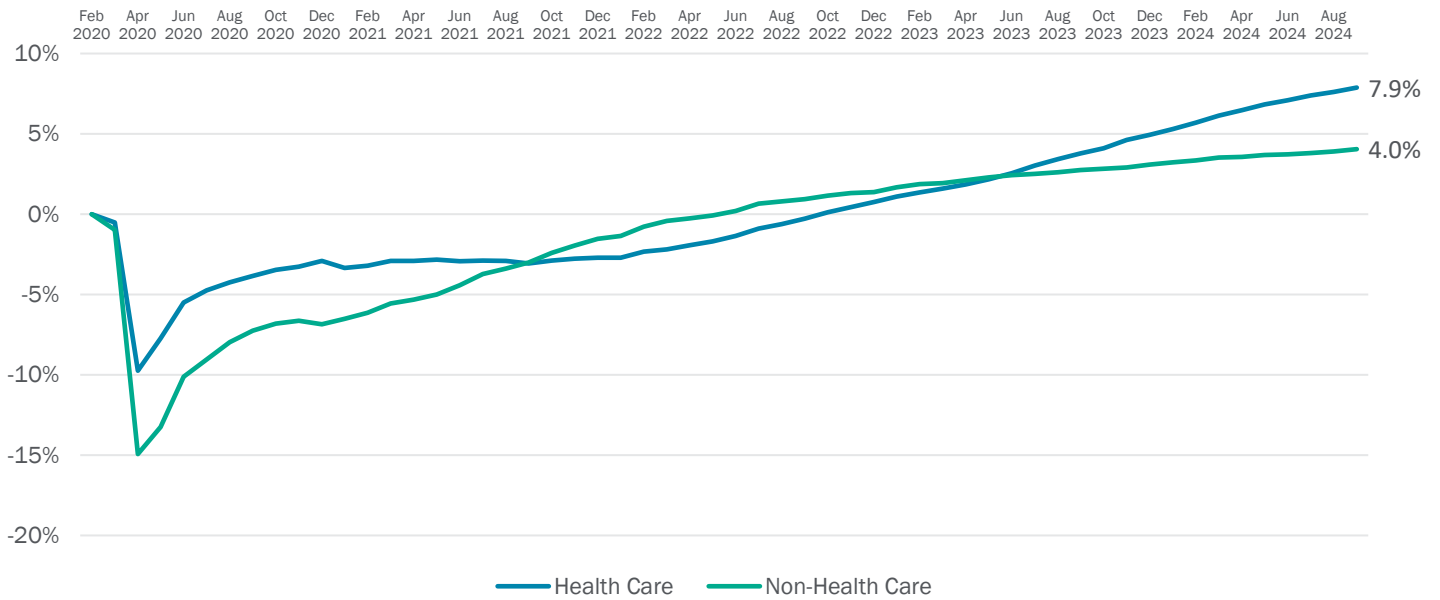


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,298,500 jobs or 7.9%, which is higher than the 4.0% 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. September 2024 was the thirtieth consecutive month that health care industry growth outpaced non-health care industries. During that period, the health care industry grew by 10%, versus 4.3% in non-health care industries.

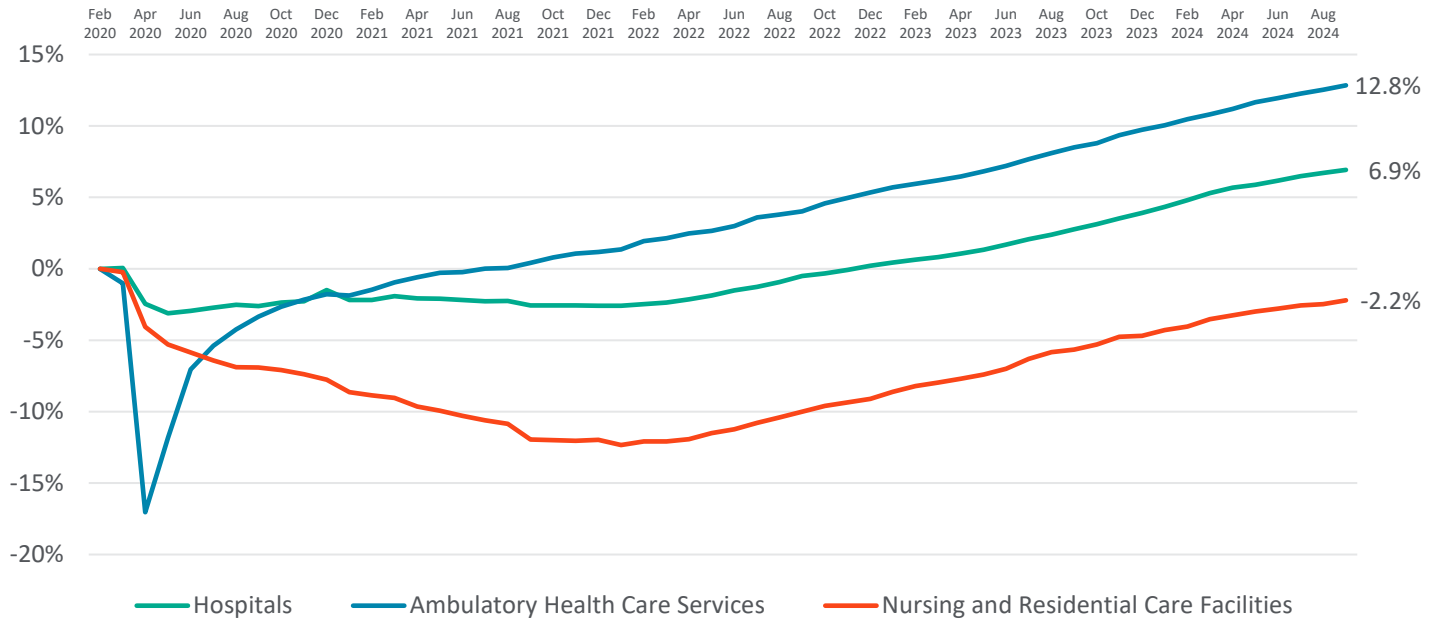
Since February 2020, employment in ambulatory health care services has increased by 1,010,500 jobs or 12.8%, while hospital employment has grown by 362,500 jobs or 6.9% (see Exhibit 3). However, employment in nursing and residential care facilities is still 74,500 jobs (2.2%) below pre-pandemic levels. 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 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.

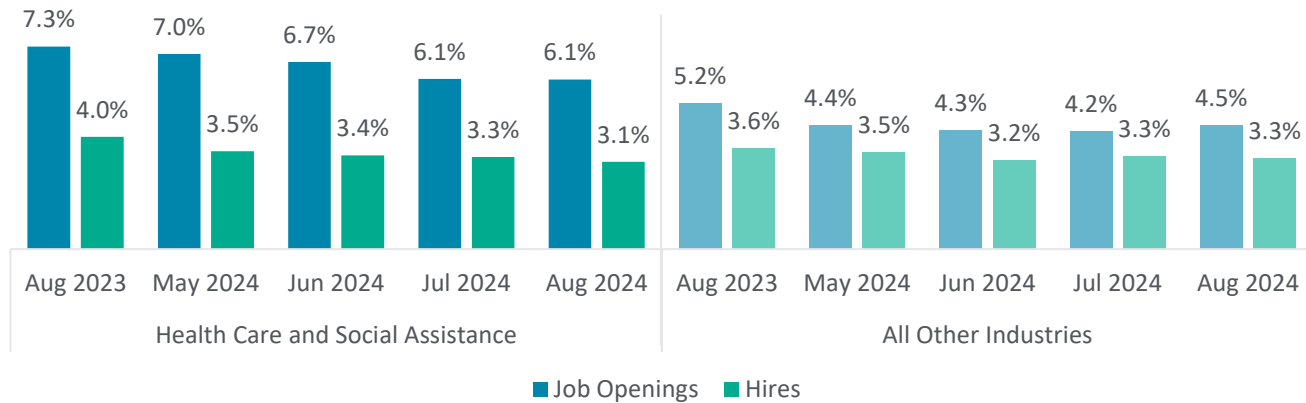
### Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

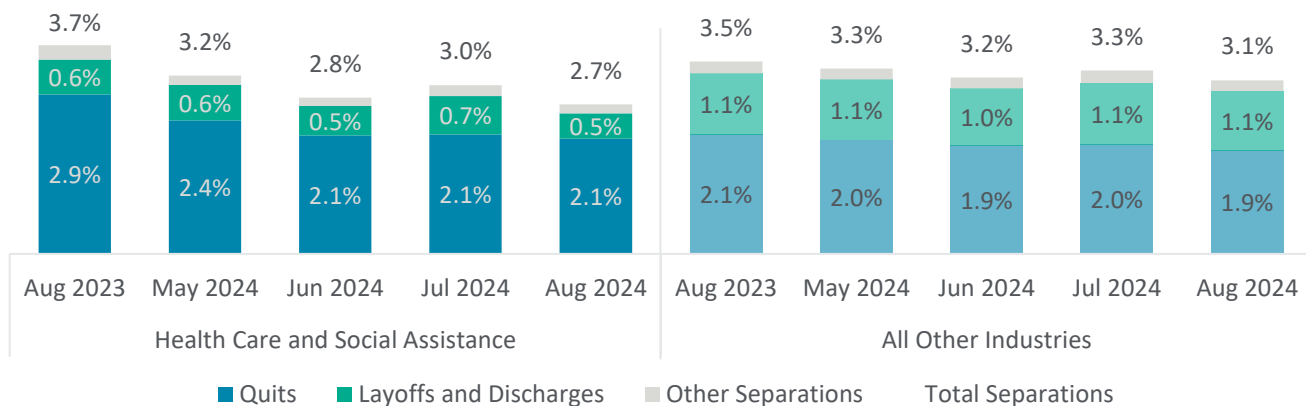
Job openings and hires in health care and social assistance remained lower than previous months and a year ago, suggesting labor demand is slowing down. The job openings rate in health care and social assistance was 6.1% in August 2024, which is lower than a year earlier, as shown in Exhibit 4. This rate was still well above the openings rate of 4.5% in all other industries. The hiring rate in health care and social assistance fell marginally to 3.1%, which was slightly lower than the rate for all other industries (3.3%). The job separation rate in the health care and social assistance industry was 2.7% in August 2024, a decrease from 3.0% in the previous month, 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.

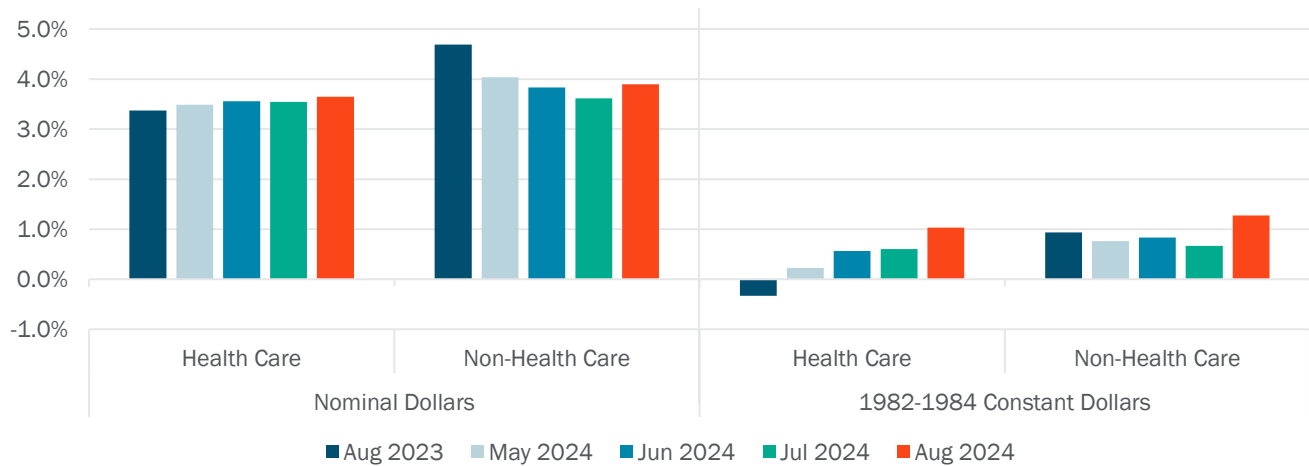
**Exhibit 5. Monthly Separation Rates by Type in the Health Care and Social Assistance and All Other Industries**



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.

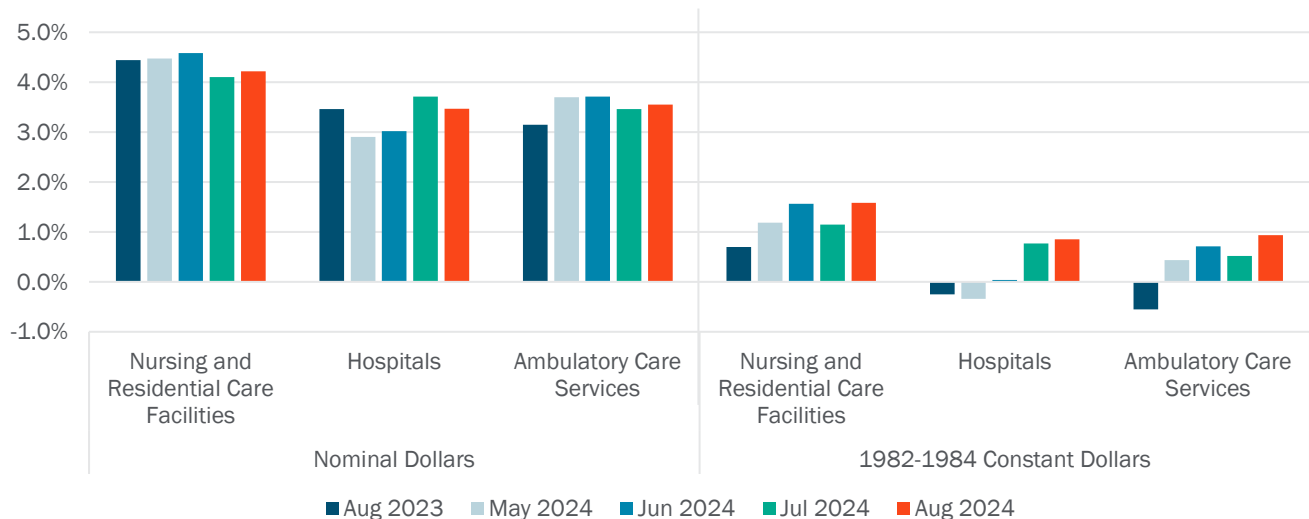
Year-over-year wage growth in the health care sector was 3.6% in August 2024, which was marginally higher than recent months and a year ago, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.0%. Nominal wage growth was fastest in the nursing and residential care facilities at 4.2%, followed by ambulatory health care services at 3.6%, and hospitals at 3.5% and (see Exhibit 7). Inflation-adjusted wages grew by 1.6% in nursing and residential care facilities and 0.9% in hospitals and ambulatory care services. Non-health care wage growth was 3.9% in August, or 1.3% 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)	September 2024	August 2024	September 2023	September 2022	February 2020
<b>Non-Health Care</b>	141,326	141,117	139,564	137,103	135,828
<b>Health Care</b>	17,779	17,734	17,103	16,433	16,481
<b>Ambulatory Health Care Services</b>	8,879	8,855	8,537	8,186	7,869
Offices of Physicians	3,042	3,040	2,948	2,833	2,725
Offices of Dentists	1,044	1,042	1,031	1,012	991
Offices of Other Health Care Practitioners	1,223	1,220	1,167	1,104	1,001
Outpatient Care Centers	1,099	1,094	1,063	1,041	996
Medical and Diagnostic Labs	316	317	324	319	289
Home Health Care Services	1,794	1,782	1,652	1,546	1,547
Other Ambulatory <sup>a</sup>	360	360	352	331	319
<b>Hospitals</b>	5,598	5,586	5,380	5,208	5,235
<b>Nursing and Residential Care Facilities</b>	3,303	3,293	3,186	3,039	3,377
Nursing Care Facilities	1,475	1,471	1,431	1,364	1,587
Other Nursing and Residential <sup>b</sup>	1,828	1,822	1,755	1,675	1,790
<b>Health Share of Employment</b>	11.17%	11.16%	10.92%	10.70%	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 September 2024, Seasonally Adjusted

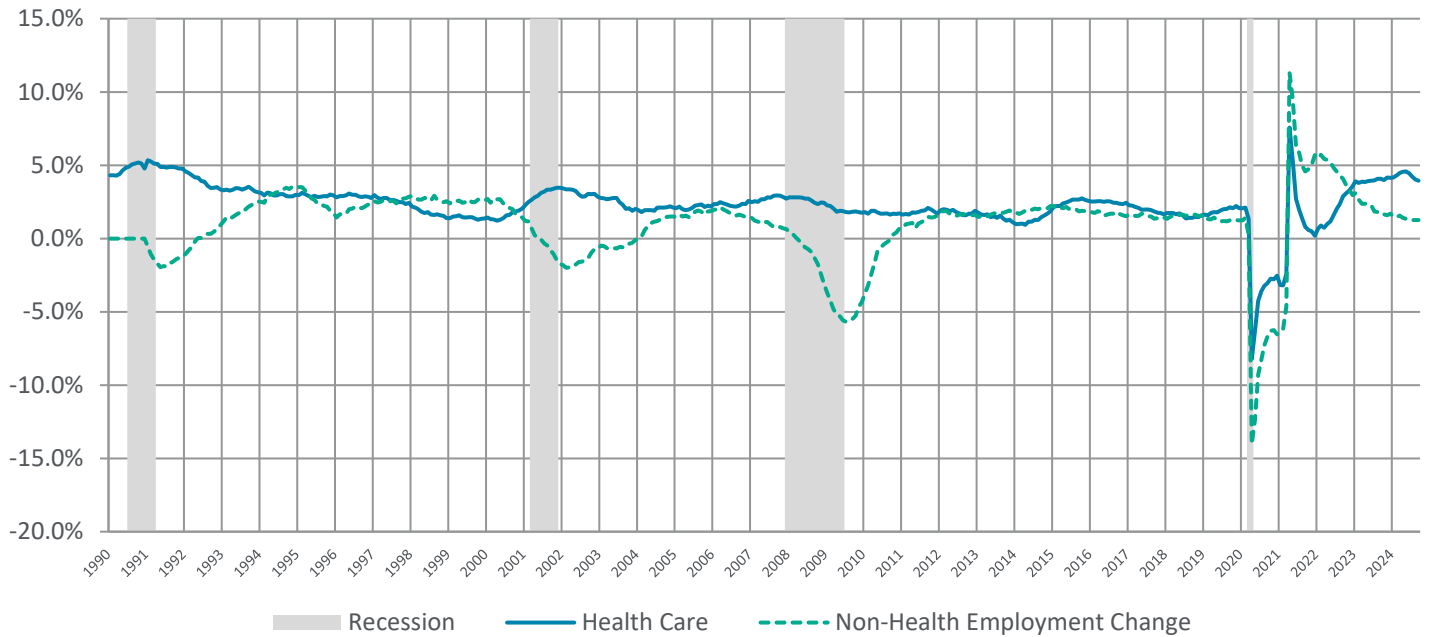
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
<b>Non-Health Care</b>	208.8	1,762.2	4,223.1	5,497.5
<b>Health Care</b>	45.2	675.8	1,345.9	1,298.5
<b>Ambulatory Health Care Services</b>	24.3	341.6	693.3	1,010.5
Offices of Physicians	1.9	94.5	208.8	316.8
Offices of Dentists	1.9	12.6	31.8	52.9
Offices of Other Health Care Practitioners	3.5	56.0	119.4	222.4
Outpatient Care Centers	5.3	35.9	58.5	103.1
Medical and Diagnostic Labs	-1.4	-7.8	-2.9	26.5
Home Health Care Services	12.7	142.5	248.0	247.9
Other Ambulatory <sup>a</sup>	0.5	8.1	29.9	41.1
<b>Hospitals</b>	11.5	217.5	389.2	362.5
<b>Nursing and Residential Care Facilities</b>	9.4	116.7	263.4	-74.5
Nursing Care Facilities	3.9	44.5	111.2	-112.0
Other Nursing and Residential <sup>b</sup>	5.5	72.2	152.2	37.5
<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>	1.8%	1.3%	1.5%	0.9%
<b>Health Care</b>	3.1%	4.0%	4.0%	1.7%
<b>Ambulatory Health Care Services</b>	3.3%	4.0%	4.1%	2.7%
Offices of Physicians	0.8%	3.2%	3.6%	2.4%
Offices of Dentists	2.2%	1.2%	1.6%	1.1%
Offices of Other Health Care Practitioners	3.5%	4.8%	5.3%	4.5%
Outpatient Care Centers	6.0%	3.4%	2.8%	2.2%
Medical and Diagnostic Labs	-5.2%	-2.4%	-0.5%	1.9%
Home Health Care Services	8.9%	8.6%	7.7%	3.3%
Other Ambulatory <sup>a</sup>	1.7%	2.3%	4.4%	2.7%
<b>Hospitals</b>	2.5%	4.0%	3.7%	1.5%
<b>Nursing and Residential Care Facilities</b>	3.5%	3.7%	4.2%	-0.5%
Nursing Care Facilities	3.2%	3.1%	4.0%	-1.6%
Other Nursing and Residential <sup>b</sup>	3.7%	4.1%	4.4%	0.5%

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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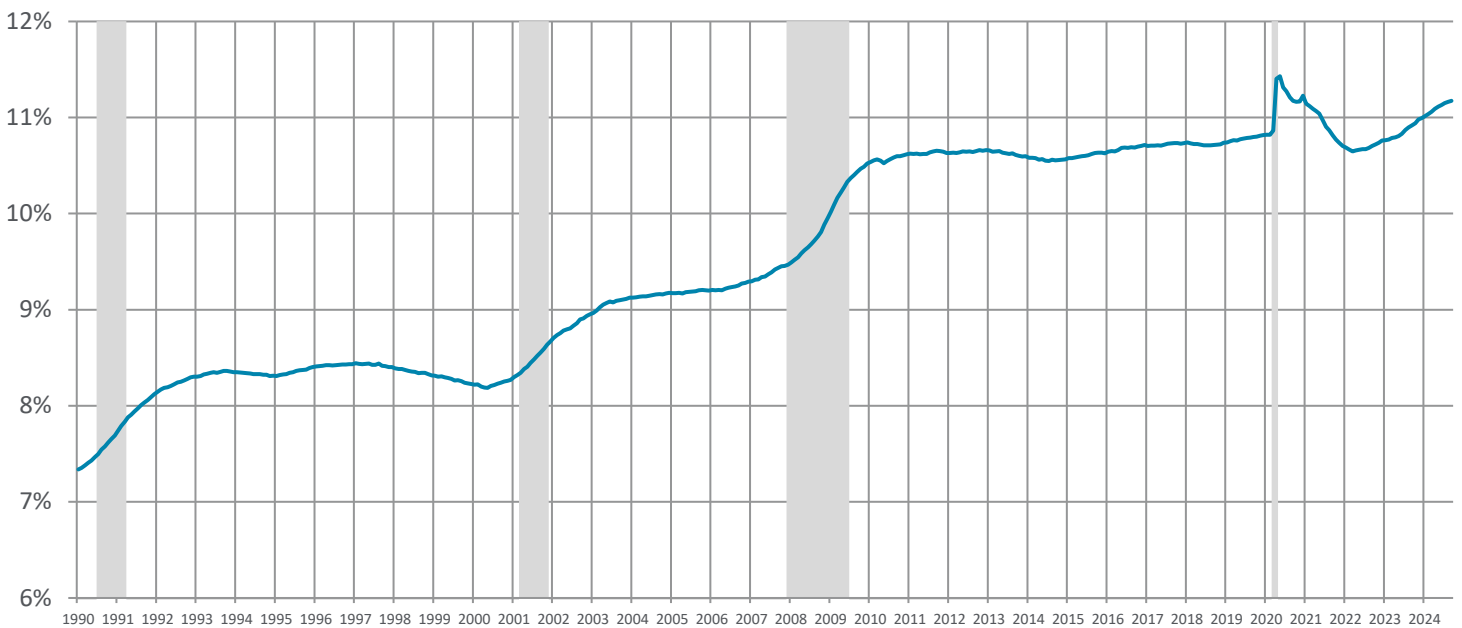
## TIME SERIES TRACKER

### 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.