

September 25, 2024

The health care industry only added 30,900 jobs in August 2024, a below-average month for the economy overall

HIGHLIGHTS

- ▲ In August 2024, health care industry employment increased by 30,900 and non-health care industries added 111,100. These figures were both well below monthly averages for the previous 12 months.
- ▲ August's health care job growth was led by ambulatory health care services, which added 23,900 jobs, followed by hospitals, with 9,600 jobs.
- ▲ Nursing and residential care facilities had a net loss of 2,600 jobs in August, comprising 3,600 jobs lost in nursing care facilities and 1,000 jobs gained in other residential care facilities.
- ▲ The unemployment rate decreased slightly to 4.2% in August 2024 from 4.3% in July.
- ▲ In health care and social assistance in July, the job openings rate was 6.0%, the hiring rate was 3.5%, and the total separations rate was 3.3%.
- ▲ Nominal health care wage growth in July 2024 was 3.5% year over year, with growth rates of 4.1% in nursing and residential care facilities, 3.6% in hospitals, and 3.4% in ambulatory health care services.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Aug 2023	Jul 2024	Aug 2024
Total Employment (000)	152,309	156,421	158,637	158,779
Non-Health Employment (000)	135,828	139,375	140,936	141,047
Health Employment (000)	16,481	17,046	17,701	17,732
Health Share of Total Employment	10.82%	10.90%	11.16%	11.17%
Unemployment Rate	3.5%	3.8%	4.3%	4.2%

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 George Miller at george.miller@altarum.org. Stephen McCall (principal author), George Miller, PhD, and Matt Daly, PhD, contributed to this brief. We thank Corwin Rhyon for his previous leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

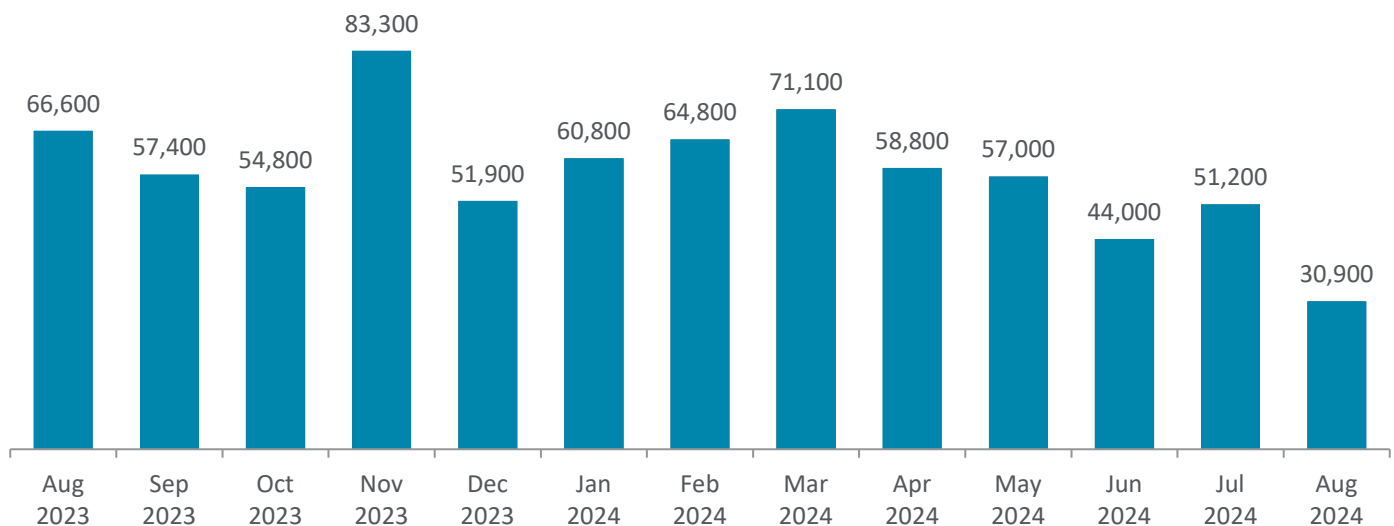
DISCUSSION

In August 2024, the health care industry added 30,900 new jobs (as shown in Exhibit 1), which was 45.9% lower than the monthly average of 60,100 jobs in the previous year. Similarly, non-health care industries added 111,100 jobs, 21.8% lower than the 12-month average of 142,000 jobs gained per month.

Within the health care industry, ambulatory health care services added 23,900 jobs in August (21.1% below the subsector's monthly average in the past year), and hospitals added 9,600 jobs (50.2% below the previous 12-month average). Nursing and residential care facilities lost 2,600 jobs in August. In this subsector, nursing care facilities lost 3,600 jobs, marking the largest decrease in employment in this setting since September 2021, when employment was still falling due to pandemic factors. While other nursing and residential care homes added 1,000 new jobs in August, this was a small fraction of the monthly average of 6,200 jobs added in the past year.

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 healthcare, 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

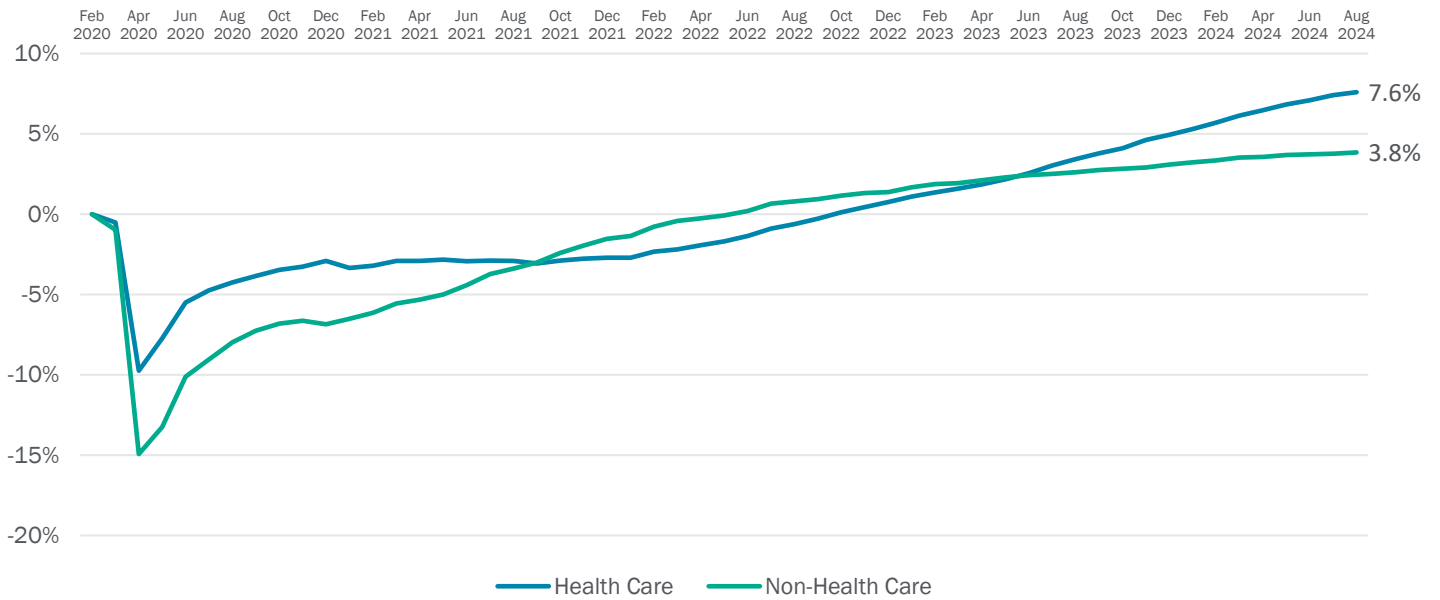


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,251,300 jobs or 7.6%, which is higher than the 3.8% 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. Although August 2024 was a slow month for job growth in health care, it was the twenty-ninth consecutive month that health care industry growth outpaced non-health care industries. During that period, the health care industry grew by 9.7%, versus 4.1% in non-health care industries.

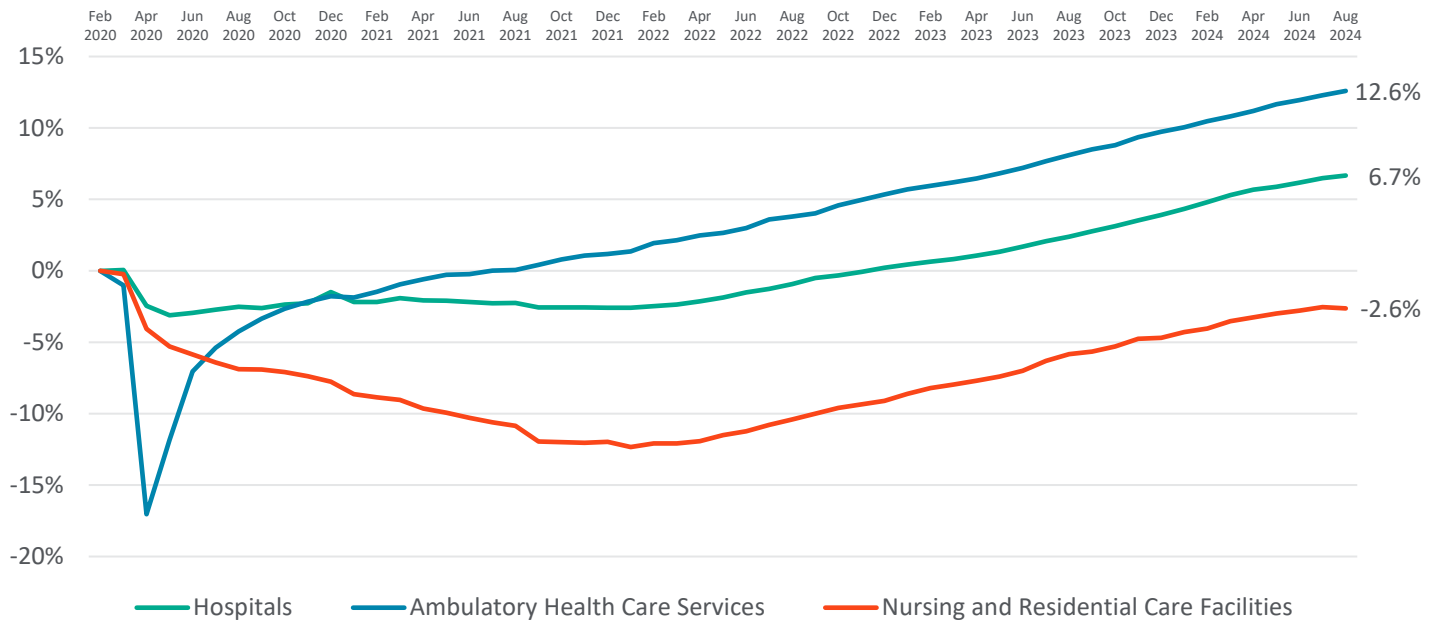
Since February 2020, employment in ambulatory health care services has increased by 990,800 jobs or 12.6%, while hospital employment has grown by 349,100 jobs or 6.7% (see Exhibit 3). However, employment in nursing and residential care facilities is still 88,600 jobs (2.6%) below pre-pandemic levels. 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.

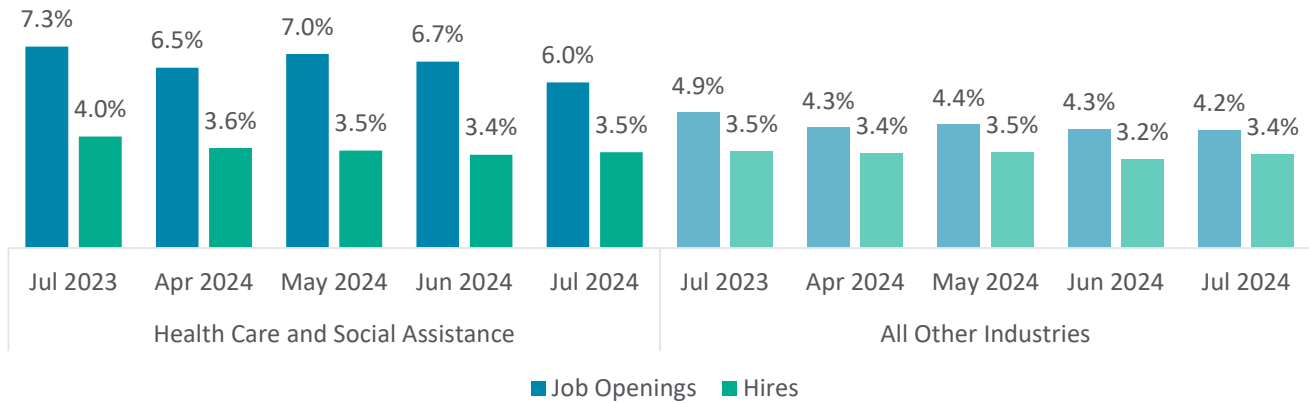
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

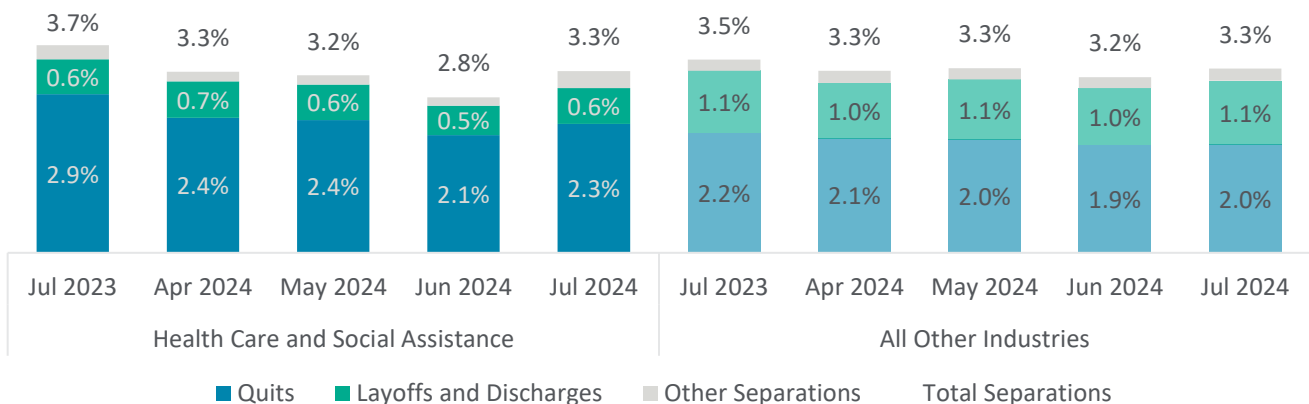
The job openings rate in health care and social assistance was 6.0% in July 2024, a decrease over recent months and the past year, as shown in Exhibit 4. The job openings rate in July was still well above the rate of 4.2% in all other industries. The hiring rate in health care and social assistance increased marginally to 3.5%, which was 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 July 2024, an increase from 2.8% in the previous month, as shown in Exhibit 5. This increase occurred for separations of all types, including quits, layoffs and discharges, and other separations.

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.

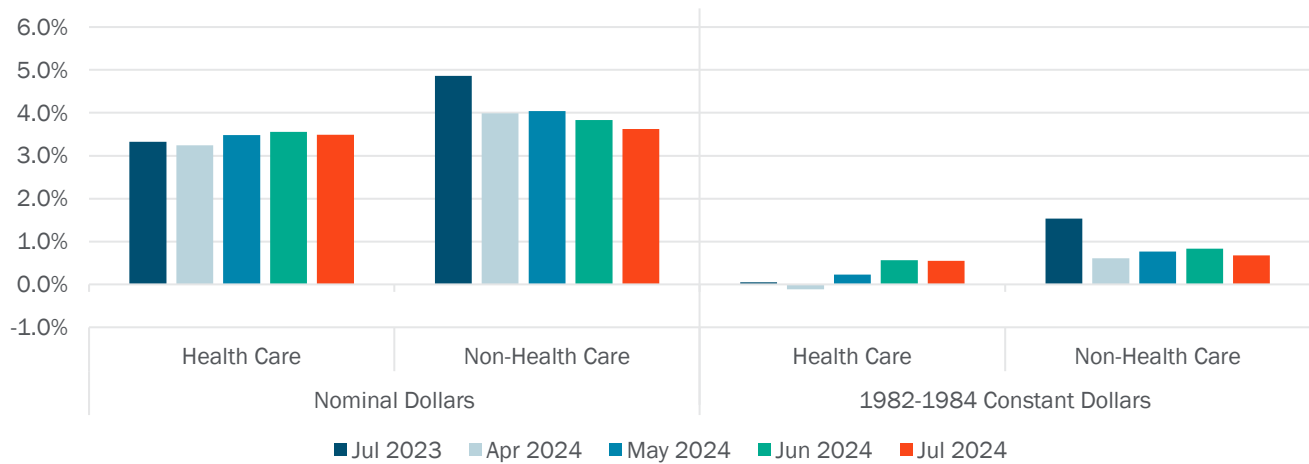
Exhibit 5. Monthly Separation Rates by Type in the Health Care and Social Assistance and All Other Industries



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.

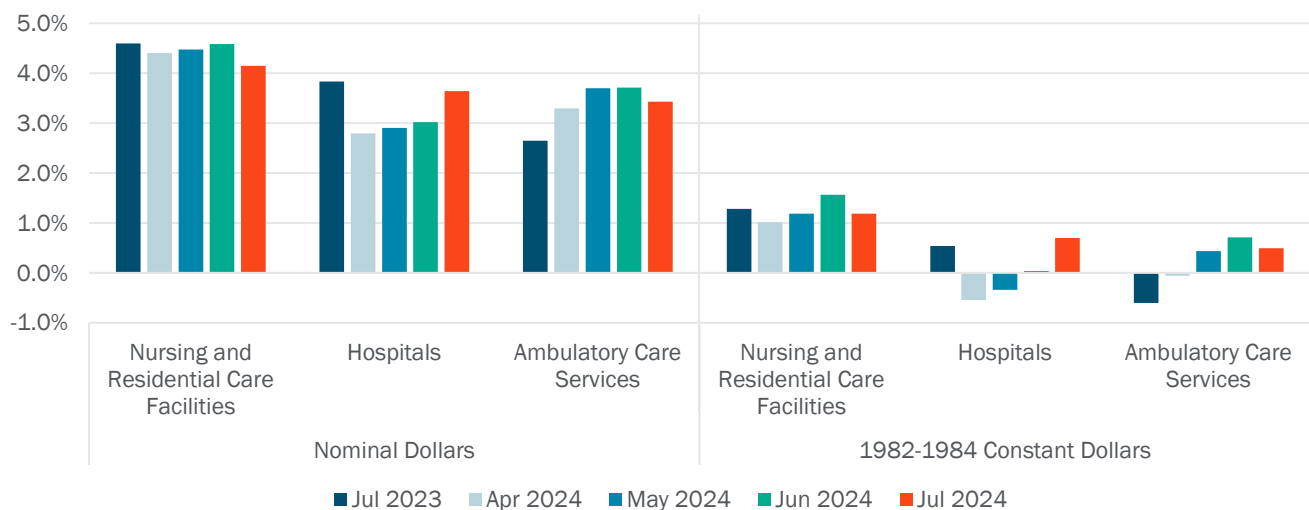
Year-over-year wage growth in the health care sector was 3.5% in July 2024, which was similar to recent months and slightly higher than a year ago, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 0.6%. Nominal wage growth was fastest in the nursing and residential care facilities at 4.1%, followed by hospitals at 3.6% and ambulatory health care services at 3.4% (see Exhibit 7). Inflation-adjusted wages grew by 1.2% in nursing and residential care facilities, 0.7% in hospitals, and 0.5% in ambulatory care services. Non-health care wage growth was 3.6% in July, or 0.7% 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)	August 2024	July 2024	August 2023	August 2022	February 2020
Non-Health Care	141,047	140,936	139,375	136,902	135,828
Health Care	17,732	17,701	17,046	16,379	16,481
Ambulatory Health Care Services	8,859	8,835	8,506	8,167	7,869
Offices of Physicians	3,046	3,038	2,937	2,824	2,725
Offices of Dentists	1,041	1,042	1,030	1,017	991
Offices of Other Health Care Practitioners	1,220	1,212	1,163	1,100	1,001
Outpatient Care Centers	1,093	1,091	1,061	1,040	996
Medical and Diagnostic Labs	319	319	322	320	289
Home Health Care Services	1,781	1,775	1,642	1,539	1,547
Other Ambulatory ^a	360	358	352	327	319
Hospitals	5,584	5,575	5,360	5,186	5,235
Nursing and Residential Care Facilities	3,289	3,291	3,180	3,026	3,377
Nursing Care Facilities	1,468	1,472	1,430	1,357	1,587
Other Nursing and Residential ^b	1,821	1,820	1,750	1,668	1,790
Health Share of Employment	11.17%	11.16%	10.90%	10.69%	10.82%

Source: Altarum analysis of BLS Current Employment Statistics data. February 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 by Sector and Subsector in August 2024, Seasonally Adjusted

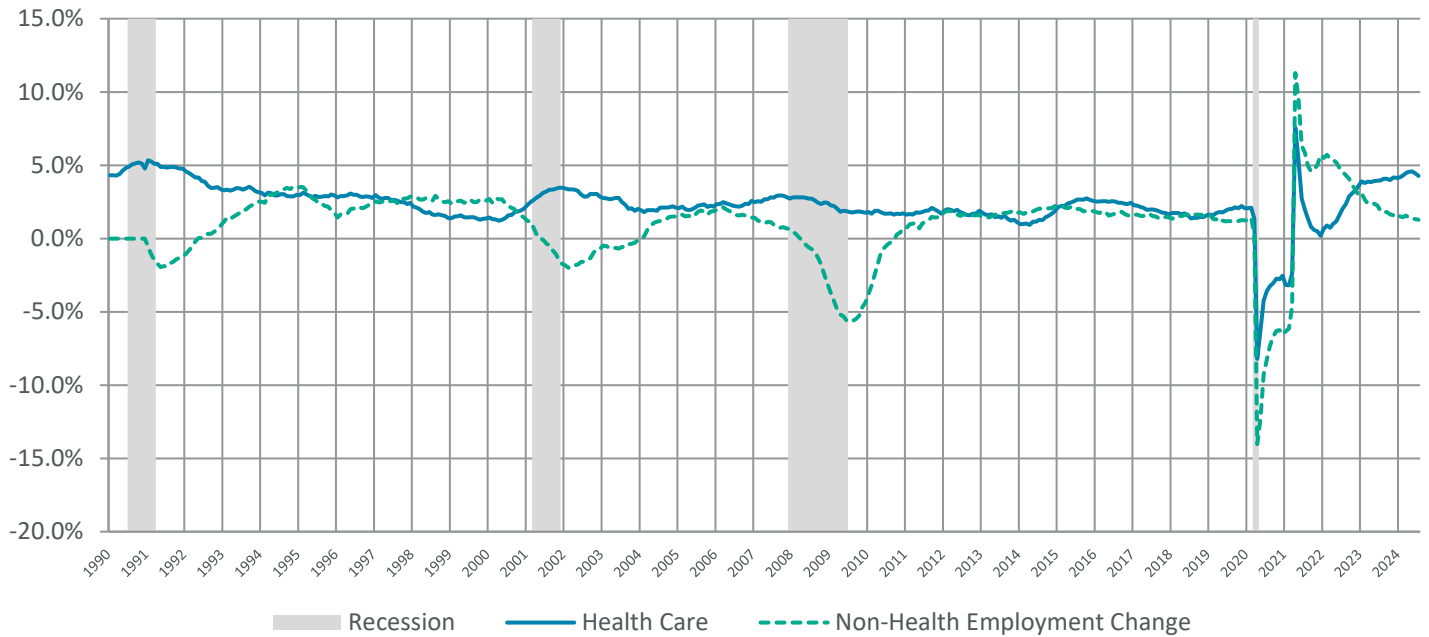
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	111.1	1,672.0	4,144.8	5,218.7
Health Care	30.9	686.0	1,353.2	1,251.3
Ambulatory Health Care Services	23.9	353.7	692.5	990.8
Offices of Physicians	7.1	108.8	221.9	320.1
Offices of Dentists	-1.0	11.3	24.1	49.8
Offices of Other Health Care Practitioners	8.1	57.6	120.5	219.3
Outpatient Care Centers	1.7	31.9	53.0	96.9
Medical and Diagnostic Labs	0.1	-3.3	-1.4	29.5
Home Health Care Services	5.5	139.2	241.5	234.4
Other Ambulatory ^a	2.4	8.2	32.8	40.8
Hospitals	9.6	223.8	397.9	349.1
Nursing and Residential Care Facilities	-2.6	108.5	262.8	-88.6
Nursing Care Facilities	-3.6	38.4	110.7	-119.0
Other Nursing and Residential ^b	1.0	70.1	152.1	30.4
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.0%	1.2%	1.5%	0.8%
Health Care	2.1%	4.0%	4.0%	1.6%
Ambulatory Health Care Services	3.3%	4.2%	4.2%	2.7%
Offices of Physicians	2.8%	3.7%	3.9%	2.5%
Offices of Dentists	-1.1%	1.1%	1.2%	1.1%
Offices of Other Health Care Practitioners	8.3%	5.0%	5.3%	4.5%
Outpatient Care Centers	1.9%	3.0%	2.5%	2.1%
Medical and Diagnostic Labs	0.4%	-1.0%	-0.2%	2.2%
Home Health Care Services	3.8%	8.5%	7.6%	3.2%
Other Ambulatory ^a	8.4%	2.3%	4.9%	2.7%
Hospitals	2.1%	4.2%	3.8%	1.4%
Nursing and Residential Care Facilities	-0.9%	3.4%	4.3%	-0.6%
Nursing Care Facilities	-2.9%	2.7%	4.0%	-1.7%
Other Nursing and Residential ^b	0.7%	4.0%	4.5%	0.4%

Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to 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.
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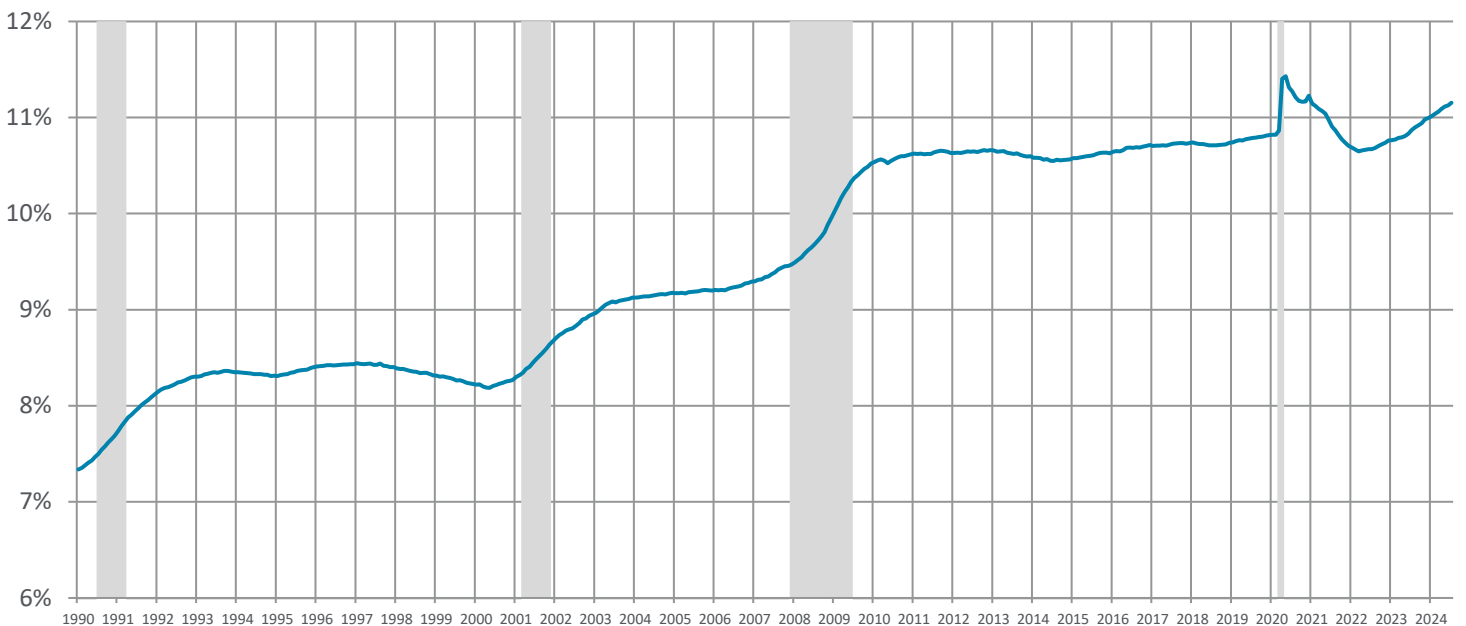
TIME SERIES TRACKER

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.