

December 23, 2021

Growth in ambulatory care jobs offset by declines in hospitals and residential care

HIGHLIGHTS

- ▲ Health care employment was flat in November (+2,100 jobs), with gains in ambulatory care settings (+17,000 jobs) offsetting drops in hospitals (-3,900 jobs) and nursing and residential care (-11,000 jobs).
- ▲ November data are consistent with the pattern of health employment in 2021. The 62,000 health jobs added from January through November 2021 (Exhibit 1) reflect solid job growth in ambulatory care settings (+240,000), offset by a modest decline in hospital jobs (-29,000) and a substantial decline in nursing and residential care jobs (-149,000).
- ▲ Compared to pre-pandemic, employment in ambulatory care settings has rebounded and is now 0.8% above where it was in February 2020 (Exhibit 3). Hospital employment remains 92,000 jobs, or -1.7%, below the February 2020 level. Nursing and residential care employment has fallen steadily throughout the pandemic and is now 424,000 jobs (12.5%) below the level of February 2020, with declines in both nursing homes (down 238,000 jobs, or 15%) and other residential care facilities (down 186,000 jobs, or 10.4%).
- ▲ The economy added 210,000 jobs in November and revisions added another 82,000 jobs. 6.1 million jobs have been added in 2021 – still 3.9 million below the February 2020 level. Unemployment dropped to 4.2%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Nov 2020	Oct 2021	Nov 2021
Total Employment (000)	152,523	142,809	148,401	148,611
Non-Health Employment (000)	136,031	126,874	132,361	132,569
Health Employment (000)	16,492	15,935	16,040	16,042
Health Share of Total Employment	10.81%	11.16%	10.81%	10.79%
Unemployment Rate	3.5%	6.7%	4.6%	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. This work was made possible through generous support from the Robert Wood Johnson Foundation.

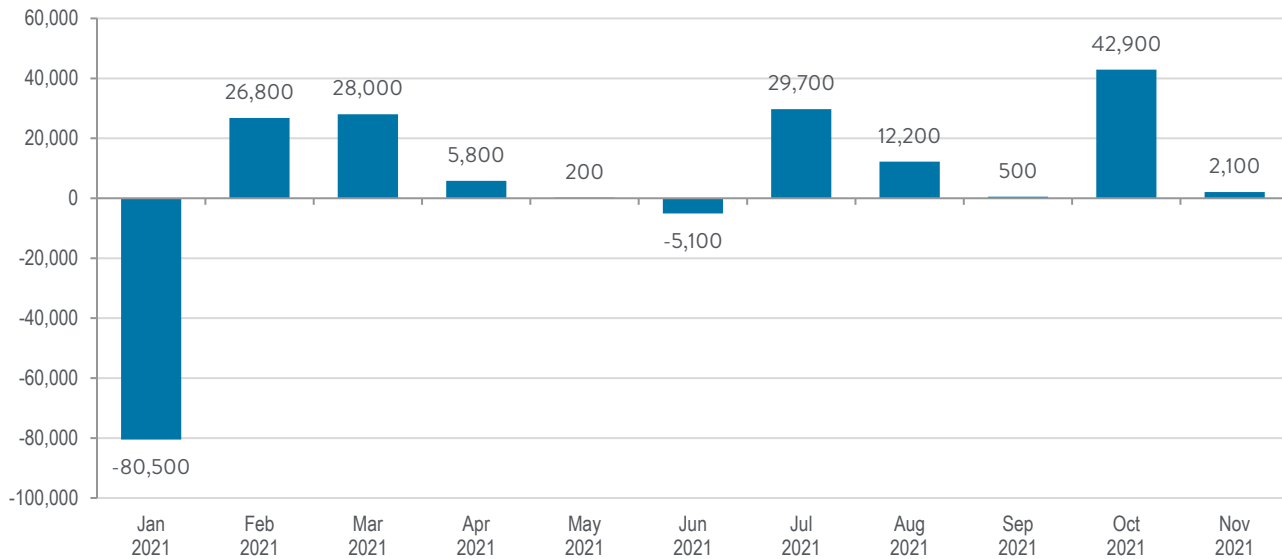
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. We thank Paul Hughes-Cromwick, who originated the concept of these reports and provided inspired leadership of the work from its inception. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

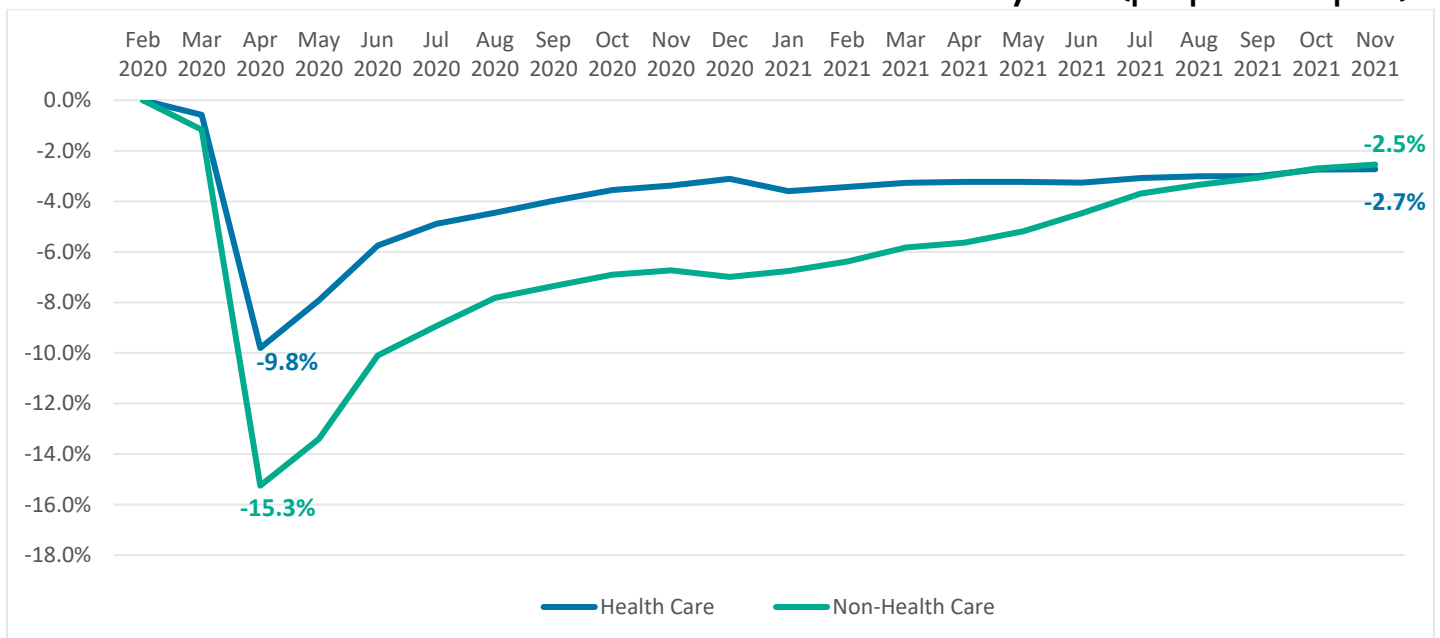
Health care employment across all settings was flat in November and has grown by a modest 62,000 jobs from January through November 2021 (Exhibit 1). Historically, the health sector has been a leading contributor to job growth in the economy, especially coming out of a recession. In contrast, during the COVID-19 pandemic and associated economic downturn, non-health jobs fell more steeply but have been recovering at a faster pace, especially during 2021. Non-health jobs now stand at 2.5% below the pre-pandemic peak seen in February 2020, while health jobs remain 2.7% below the peak (Exhibit 2).

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



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

Exhibit 2. Cumulative Health and Non-Health Job Growth Since February 2020 (pre-pandemic peak)

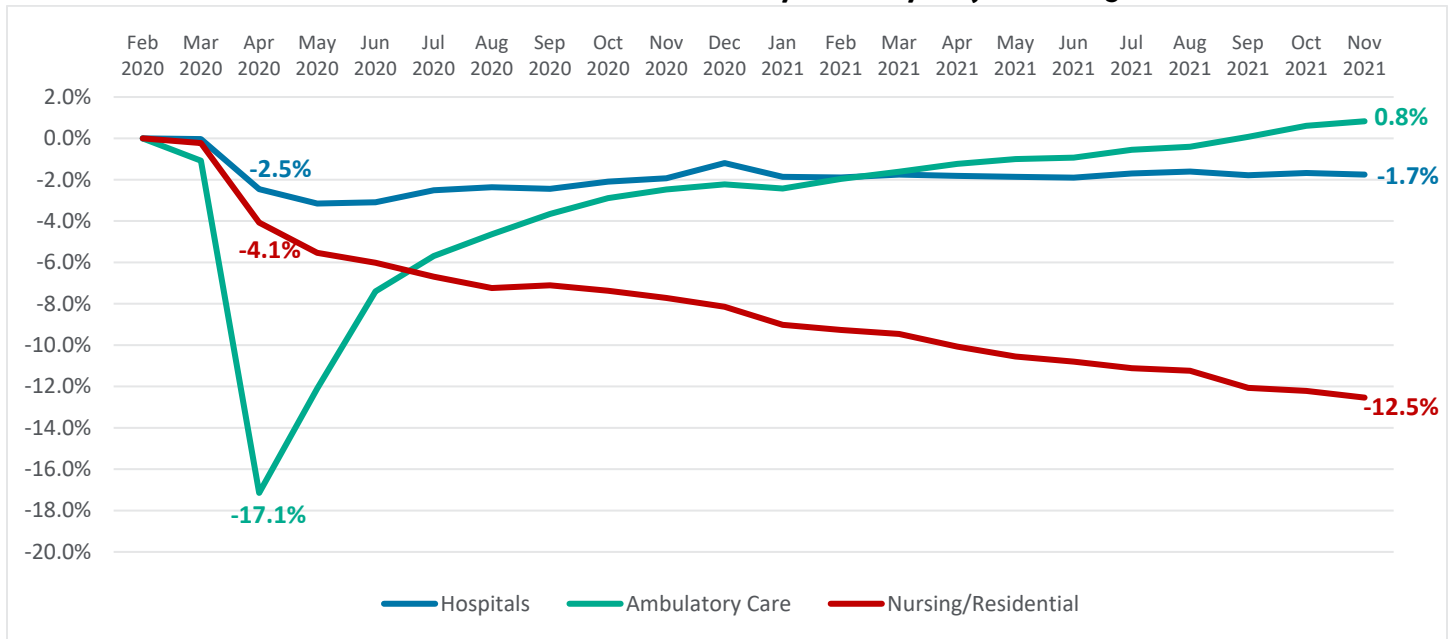


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Within health care, the story varies by setting of care (Exhibit 3). Ambulatory care employment has climbed back from the steep 2020 decline and is now 0.8% above where it was in February 2020. Hospital employment has fallen slightly in 2021 and remains 1.7% below the level of February 2020. More than 90 percent of the total 450,000 job decline in health employment is coming from nursing and residential care, which continues to shed jobs and stands at 424,000 jobs below the level February 2020, a 12.5% decline.

Exhibit 3. Cumulative Health Job Growth Since February 2020 by Major Setting of Care



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 4. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	November 2021	October 2021	November 2020	November 2019	February 2020
Non-Health Care	132,569	132,361	126,874	135,354	136,031
Health Care	16,042	16,040	15,935	16,404	16,492
Ambulatory Health Care Services	7,940	7,923	7,680	7,807	7,875
Offices of Physicians	2,731	2,729	2,660	2,705	2,726
Offices of Dentists	1,032	1,028	981	986	991
Offices of Other Health Care Practitioners	1,020	1,013	941	989	1,002
Outpatient Care Centers	1,015	1,013	998	985	998
Medical and Diagnostic Labs	299	299	286	289	289
Home Health Care Services	1,526	1,526	1,509	1,537	1,547
Other Ambulatory	317	316	304	316	322
Hospitals	5,146	5,150	5,136	5,217	5,238
Nursing and Residential Care Facilities	2,956	2,967	3,119	3,381	3,379
Nursing Care Facilities	1,348	1,357	1,439	1,590	1,586
Other Nursing and Residential	1,608	1,610	1,680	1,790	1,794
Health Share of Employment	10.79%	10.81%	11.16%	10.81%	10.81%

Source: Altarum analysis of BLS Current Employment Statistics data. February 2020 displayed as month of pre-pandemic peak employment.

Exhibit 5. Change in Employment Data by Sector, Seasonally Adjusted

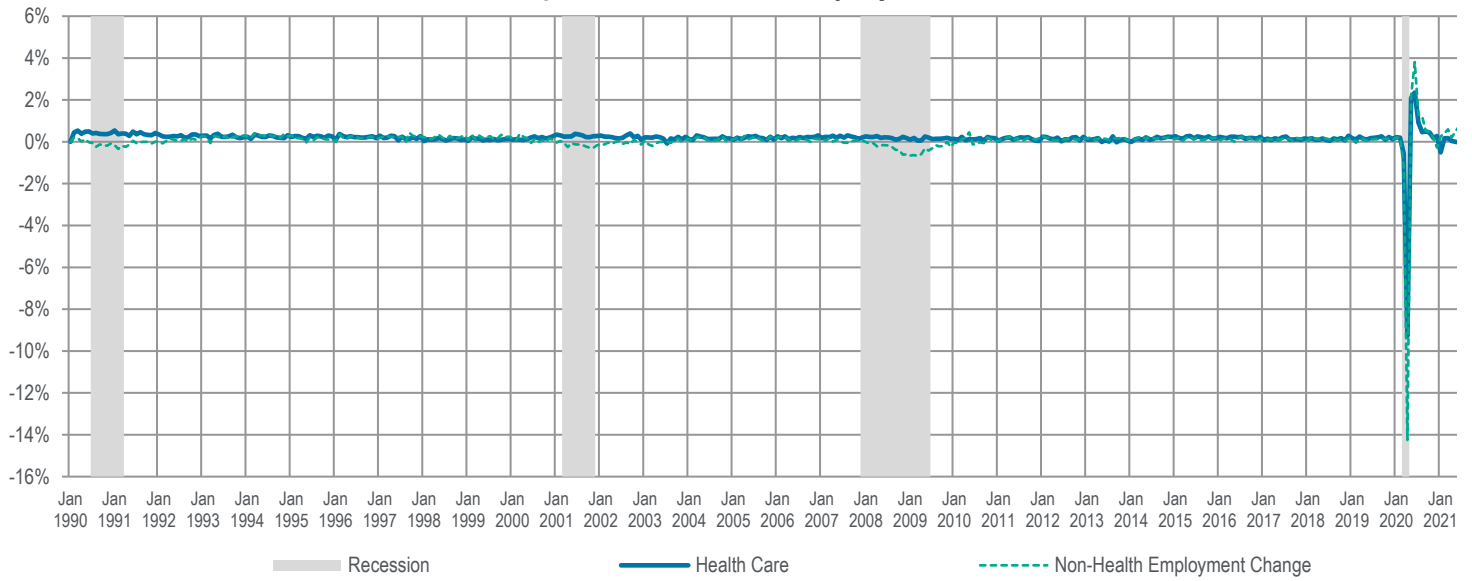
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	207.9	5,695.5	-2,784.7	-3,461.8
Health Care	2.1	106.5	-362.3	-450.2
Ambulatory Health Care Services	17.0	259.9	133.4	65.1
Offices of Physicians	2.4	71.2	25.9	5.2
Offices of Dentists	3.8	50.7	46.2	41.0
Offices of Other Health Care Practitioners	6.8	78.4	31.2	17.5
Outpatient Care Centers	2.5	16.9	30.8	17.6
Medical and Diagnostic Labs	0.5	13.0	10.2	10.0
Home Health Care Services	-0.3	16.9	-11.6	-21.6
Other Ambulatory	1.3	12.8	0.7	-4.6
Hospitals	-3.9	9.6	-70.6	-91.6
Nursing and Residential Care Facilities	-11.0	-163.0	-425.1	-423.7
Nursing Care Facilities	-8.4	-90.9	-242.3	-237.6
Other Nursing and Residential	-2.6	-72.1	-182.8	-186.1
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.9%	4.5%	-1.0%	-1.5%
Health Care	0.2%	0.7%	-1.1%	-1.6%
Ambulatory Health Care Services	2.6%	3.4%	0.9%	0.5%
Offices of Physicians	1.1%	2.7%	0.5%	0.1%
Offices of Dentists	4.5%	5.2%	2.3%	2.3%
Offices of Other Health Care Practitioners	8.4%	8.3%	1.6%	1.0%
Outpatient Care Centers	3.0%	1.7%	1.6%	1.0%
Medical and Diagnostic Labs	2.0%	4.5%	1.7%	2.0%
Home Health Care Services	-0.2%	1.1%	-0.4%	-0.8%
Other Ambulatory	5.1%	4.2%	0.1%	-0.8%
Hospitals	-0.9%	0.2%	-0.7%	-1.0%
Nursing and Residential Care Facilities	-4.4%	-5.2%	-6.5%	-7.4%
Nursing Care Facilities	-7.2%	-6.3%	-7.9%	-8.9%
Other Nursing and Residential	-1.9%	-4.3%	-5.2%	-6.1%

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



TIME SERIES TRACKER

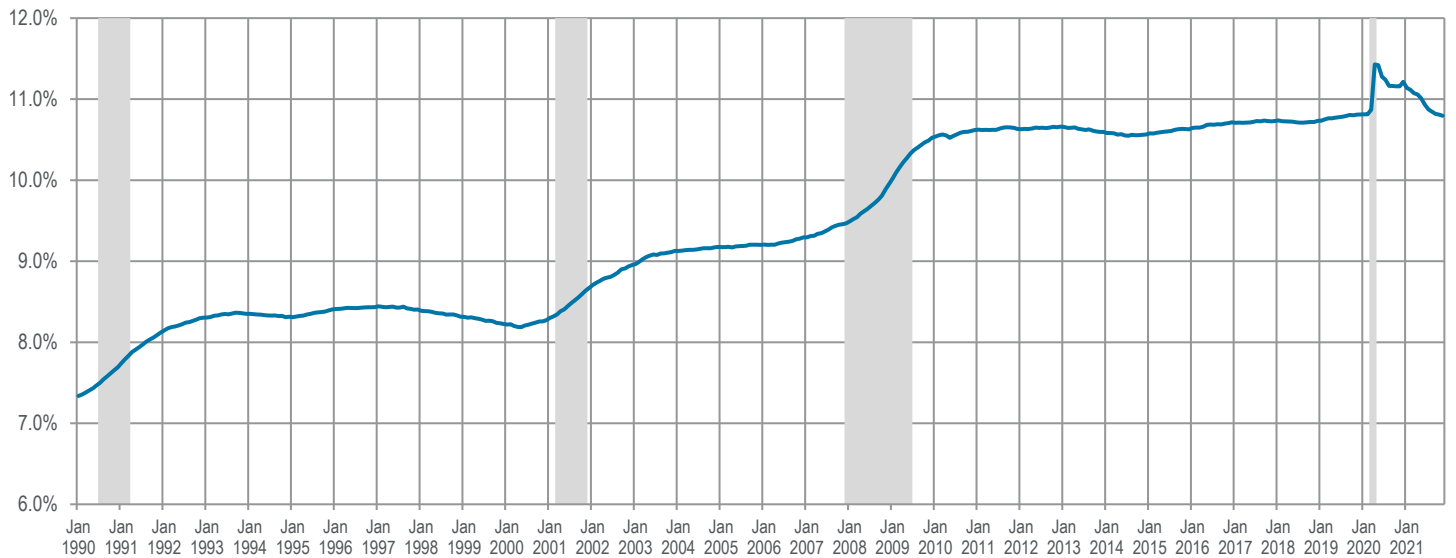
Exhibit 6. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 7. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.