

January 21, 2022

Health care employment grew little in 2021 and only in ambulatory care settings

HIGHLIGHTS

- ▲ Health care employment fell slightly (-3,100 jobs) in December 2021, with gains in ambulatory care settings (+8,100 jobs) offsetting drops in hospitals (-5,100 jobs) and nursing and residential care (-6,100 jobs).
- ▲ Based on the initial estimates for December, health care employment increased only slightly in calendar year 2021, ending up 0.4%, or 63,000 jobs compared to December 2020 (Exhibit 1). This modest growth reflects solid job growth in ambulatory care settings (+242,000), offset by a modest decline in hospital jobs (-33,000) and a substantial decline in nursing and residential care jobs (-146,000).
- ▲ Compared to pre-pandemic, employment in ambulatory care settings is now 0.8% above where it was in February 2020 (Exhibit 3). Hospital employment remains 92,000 jobs, or 1.8% below the February 2020 level. Nursing and residential care employment has fallen steadily throughout the pandemic and is now 424,000 jobs (12.4%) 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 199,000 jobs in December and revisions added another 141,000 jobs. With more than 6.4 million jobs added in 2021, total nonfarm employment ends the year 3.1 million jobs below the February 2020 level. The unemployment rate dropped for the sixth straight month to 3.9%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Dec 2020	Nov 2021	Dec 2021
Total Employment (000)	152,523	142,503	148,752	148,951
Non-Health Employment (000)	136,031	126,524	132,706	132,908
Health Employment (000)	16,492	15,979	16,046	16,043
Health Share of Total Employment	10.81%	11.21%	10.79%	10.77%
Unemployment Rate	3.5%	6.7%	4.2%	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.

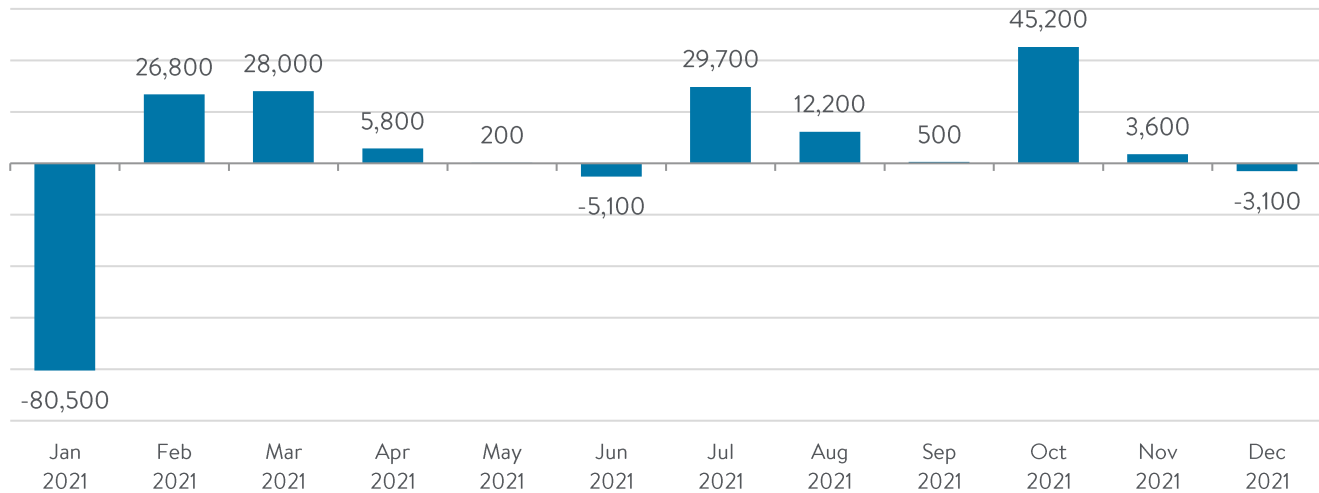
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, 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 fell just slightly in December (-3,100 jobs) and grew by a modest 63,000 jobs, or 0.4%, over calendar year 2021 (Exhibit 1).

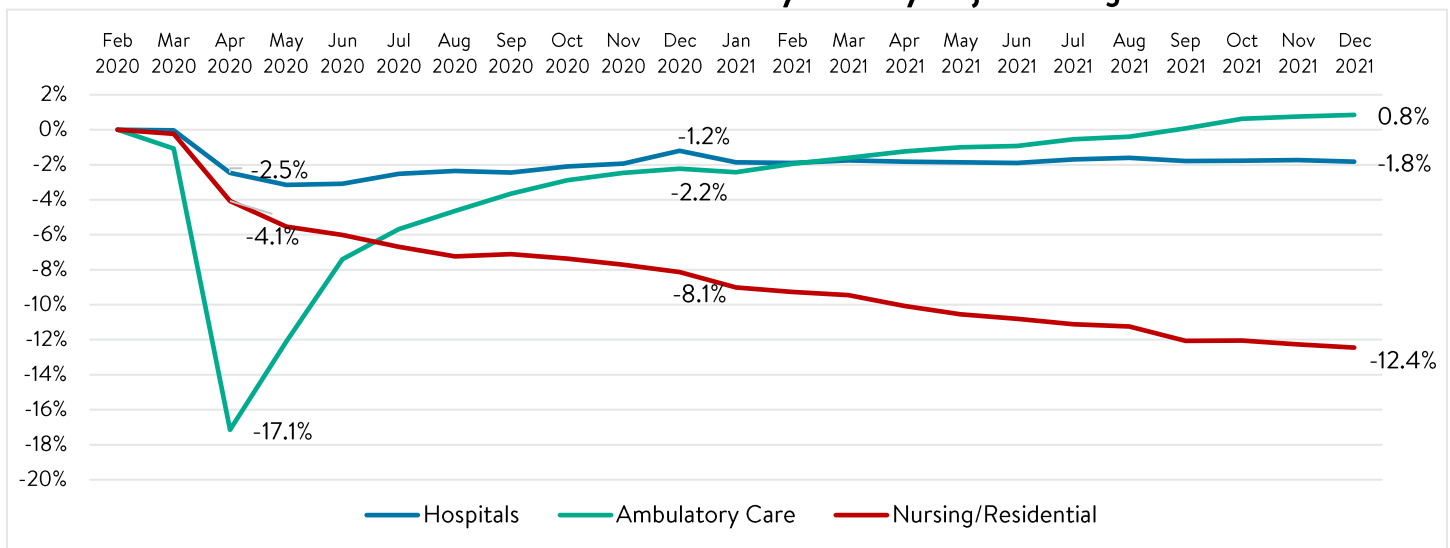
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

Within health care, the story varies by setting of care (Exhibit 2). Since falling steeply in spring 2020, ambulatory care employment has grown steadily in 2020 and 2021 and is now 67,000 jobs (0.8%) above the level of February 2020. Hospital employment fell slightly in 2021 and remains 96,000 jobs (1.8%) 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 421,000 jobs below the level of February 2020, a 12.4% decline. For more discussion of 2021 employment trends by setting and sub-setting, including comparisons of current employment not only to pre-pandemic levels but to estimates of where jobs would have been if historical trends had continued, see our recent blog, [2021 Health Employment—A Tale of Three Settings](#).

Exhibit 2. 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 3. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	December 2021	November 2021	December 2020	December 2019	February 2020
Non-Health Care	132,908	132,706	126,524	135,495	136,031
Health Care	16,043	16,046	15,979	16,424	16,492
Ambulatory Health Care Services	7,942	7,934	7,700	7,827	7,875
Offices of Physicians	2,732	2,728	2,663	2,712	2,726
Offices of Dentists	1,033	1,033	984	986	991
Offices of Other Health Care Practitioners	1,018	1,018	948	994	1,002
Outpatient Care Centers	1,016	1,015	998	991	998
Medical and Diagnostic Labs	302	301	288	288	289
Home Health Care Services	1,524	1,523	1,509	1,539	1,547
Other Ambulatory	318	316	310	318	322
Hospitals	5,142	5,147	5,175	5,222	5,238
Nursing and Residential Care Facilities	2,959	2,965	3,104	3,375	3,379
Nursing Care Facilities	1,346	1,351	1,433	1,583	1,586
Other Nursing and Residential	1,613	1,614	1,671	1,792	1,794
Health Share of Employment	10.77%	10.79%	11.21%	10.81%	10.81%

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

Exhibit 4. Change in Employment Data by Sector, Seasonally Adjusted

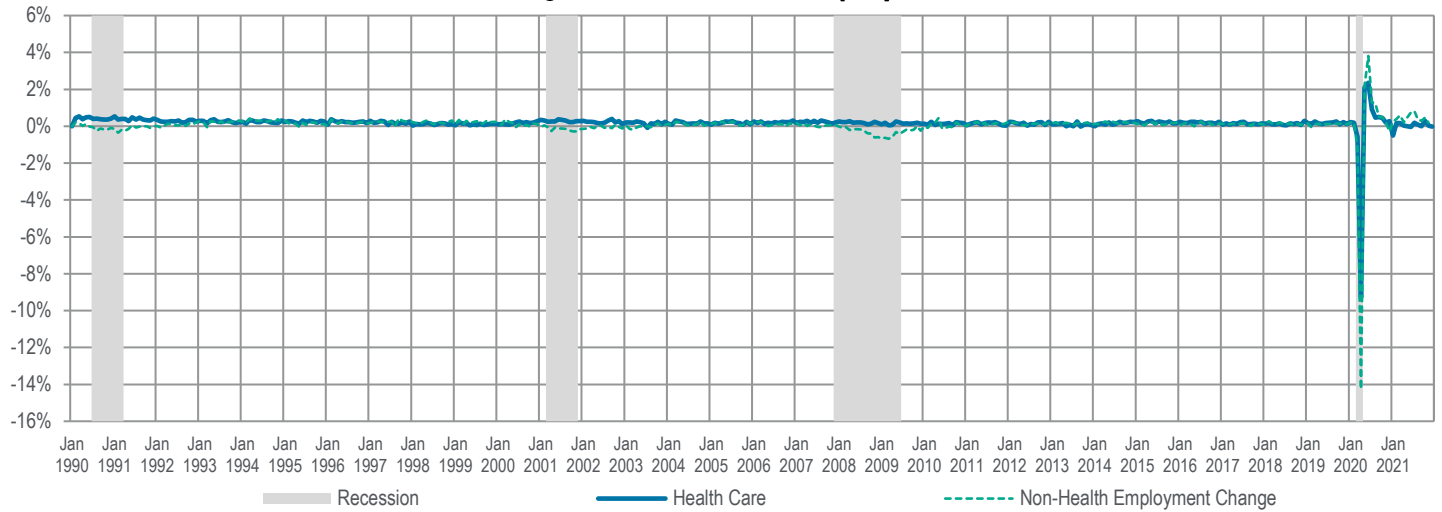
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	202.1	6,384.7	-2,586.6	-3,122.5
Health Care	-3.1	63.3	-381.4	-449.5
Ambulatory Health Care Services	8.1	241.8	114.8	66.8
Offices of Physicians	4.0	69.4	20.3	6.2
Offices of Dentists	0.4	49.7	47.3	42.3
Offices of Other Health Care Practitioners	-0.5	69.3	23.9	15.5
Outpatient Care Centers	0.6	17.5	24.7	18.2
Medical and Diagnostic Labs	0.9	13.5	13.6	12.2
Home Health Care Services	1.2	15.1	-15.0	-23.5
Other Ambulatory	1.5	7.3	0.0	-4.1
Hospitals	-5.1	-32.9	-79.9	-95.6
Nursing and Residential Care Facilities	-6.1	-145.6	-416.3	-420.7
Nursing Care Facilities	-5.2	-87.7	-237.2	-240.0
Other Nursing and Residential	-0.9	-57.9	-179.1	-180.7
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	5.0%	-1.0%	-1.3%
Health Care	-0.2%	0.4%	-1.2%	-1.5%
Ambulatory Health Care Services	1.2%	3.1%	0.7%	0.5%
Offices of Physicians	1.8%	2.6%	0.4%	0.1%
Offices of Dentists	0.5%	5.1%	2.4%	2.3%
Offices of Other Health Care Practitioners	-0.6%	7.3%	1.2%	0.8%
Outpatient Care Centers	0.7%	1.8%	1.2%	1.0%
Medical and Diagnostic Labs	3.7%	4.7%	2.3%	2.3%
Home Health Care Services	0.9%	1.0%	-0.5%	-0.8%
Other Ambulatory	5.8%	2.4%	0.0%	-0.7%
Hospitals	-1.2%	-0.6%	-0.8%	-1.0%
Nursing and Residential Care Facilities	-2.4%	-4.7%	-6.4%	-7.0%
Nursing Care Facilities	-4.5%	-6.1%	-7.8%	-8.6%
Other Nursing and Residential	-0.7%	-3.5%	-5.1%	-5.6%

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



TIME SERIES TRACKER

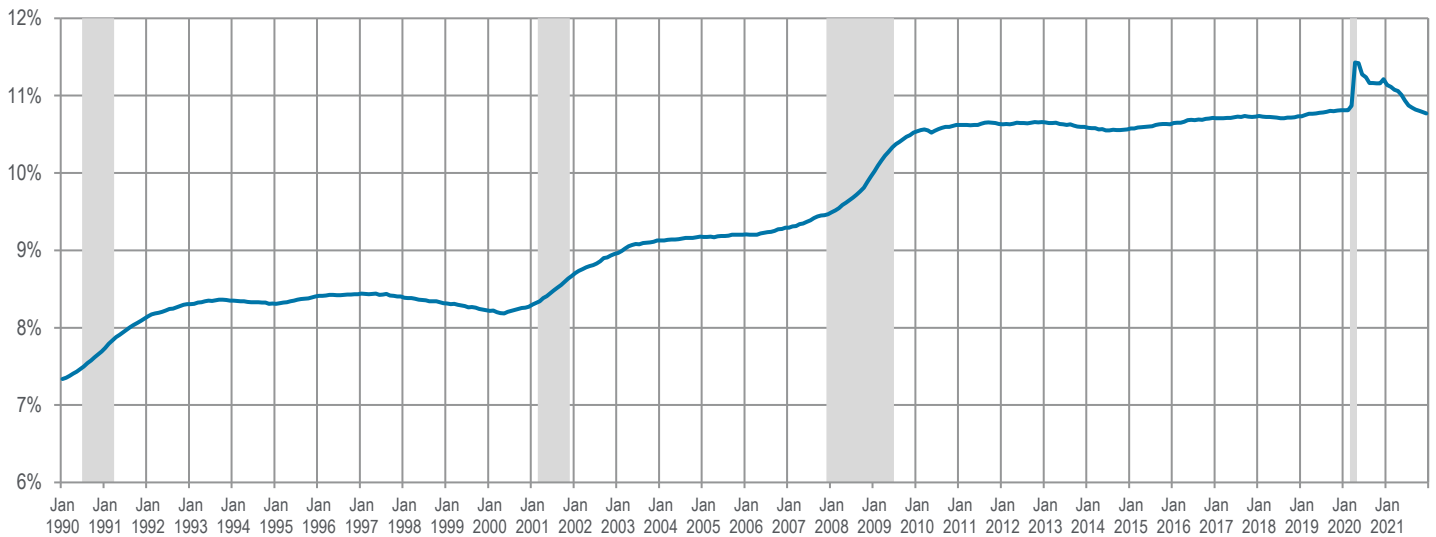
Exhibit 5. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 6. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.