

May 17, 2022

Health employment continues moderate growth, mostly in ambulatory settings

HIGHLIGHTS

- ▲ Health care employment grew by 34,300 jobs in April 2022, with gains of 27,900 jobs in ambulatory care settings, 4,500 jobs in hospitals, and 1,900 jobs in nursing and residential care. The low estimate of March job growth was revised up from 8,300 to 23,300 jobs.
- ▲ More than two years since the start of the pandemic, the level of health employment is 250,000 jobs (1.5%) below the pre-pandemic peak, while the distribution of jobs has continued to shift from inpatient and residential settings to ambulatory settings. Employment in ambulatory settings is now 246,000 jobs (3.1%) above where it was in February 2020, while hospital employment remains 93,000 jobs (1.8%) below February 2020 and nursing and residential care employment is down by 402,000 jobs (11.9% decline).
- ▲ The economy added 428,000 jobs in April, matching the gain in March. Through the first four months of 2022, the economy added an average of 519,000 jobs per month. Total employment is now 1.19 million jobs, or less than 1%, below the pre-pandemic peak, while the unemployment rate remains at 3.6%.
- ▲ Wage data are consistent with a tight labor market overall and in health care in particular. Average hourly earnings in health care grew 7.3% year over year in March 2022 (the most recent industry-level data). Earnings across all private sector jobs grew 5.6% year over year in March and 5.5% in April 2022.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Apr 2021	Mar 2022	Apr 2022
Total Employment (000)	152,504	144,694	150,886	151,314
Non-Health Employment (000)	136,014	128,682	134,680	135,073
Health Employment (000)	16,491	16,012	16,207	16,241
Health Share of Total Employment	10.81%	11.07%	10.74%	10.73%
Unemployment Rate	3.5%	6.0%	3.6%	3.6%

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.

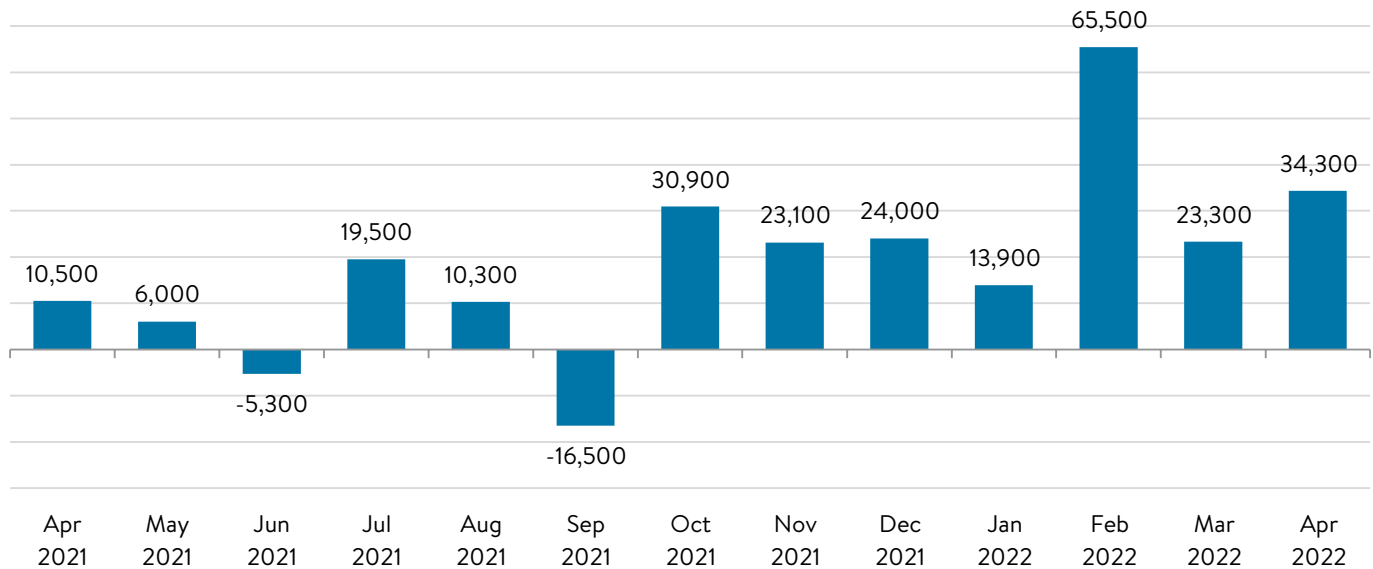
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyon, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care employment grew by 34,300 jobs in April, and March estimates were revised up by 14,100 jobs. Health care has added 137,000 jobs through the first four months of 2022, averaging 34,300 new jobs per month, a somewhat faster pace than the 26,000 per month average growth seen in 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.

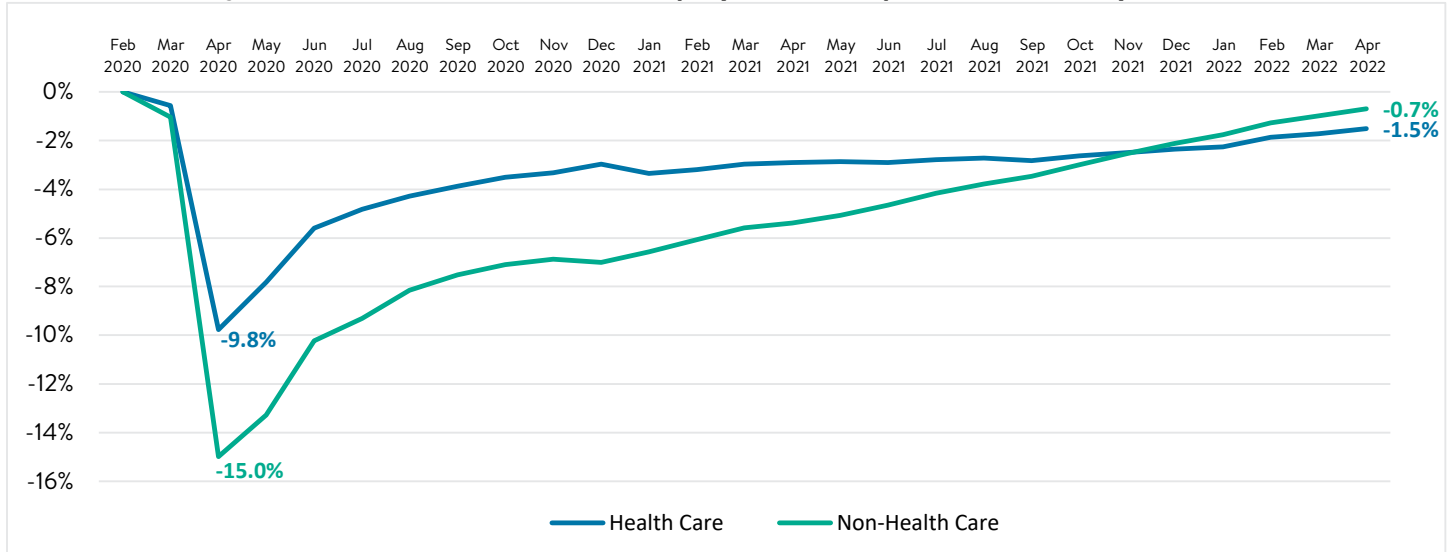
The economy added 428,000 jobs in April, matching the growth in March 2022. Through the first four months of 2022, the economy has added an average of 519,000 jobs per month, similar to the pace of 2021. Total employment is now less than 1% below the pre-pandemic peak (0.8%, or 1.19 million jobs). At the current pace of job growth, the economy will return to the pre-pandemic level of employment by mid-summer. The unemployment rate remained at 3.6%, very close to the pre-pandemic rate of 3.5%, which was a 50-year low.

Current Employment Statistics wage data are consistent with a tight labor market overall, and in health care in particular. In March 2022, average hourly earnings in health care grew 7.3% year over year. Wage growth in health care has been trending upward; in the second half of 2021, earnings in health care averaged 6.5% growth year over year while in Q1 2022 earnings growth averaged 7.1%. For total private sector jobs, growth in hourly earnings averaged 4.8% year over year in the second half of 2021 and 5.4% in Q1 2022. These figures are in comparison to pre-pandemic health care earnings growth in the 2.5% range (averaging 2.7% and 2.3% in 2018 and 2019, respectively) and total private sector earnings growth in the 3% range (averaging 3% and 3.3% in 2018 and 2019).



More than two years since the start of the pandemic, total nonfarm employment is 0.8% below where it was in February 2020. Health care jobs are further behind than non-health jobs, with health jobs 1.5% below the pre-pandemic peak while non-health jobs are now less than one percent (0.7%) below the peak (Exhibit 2).

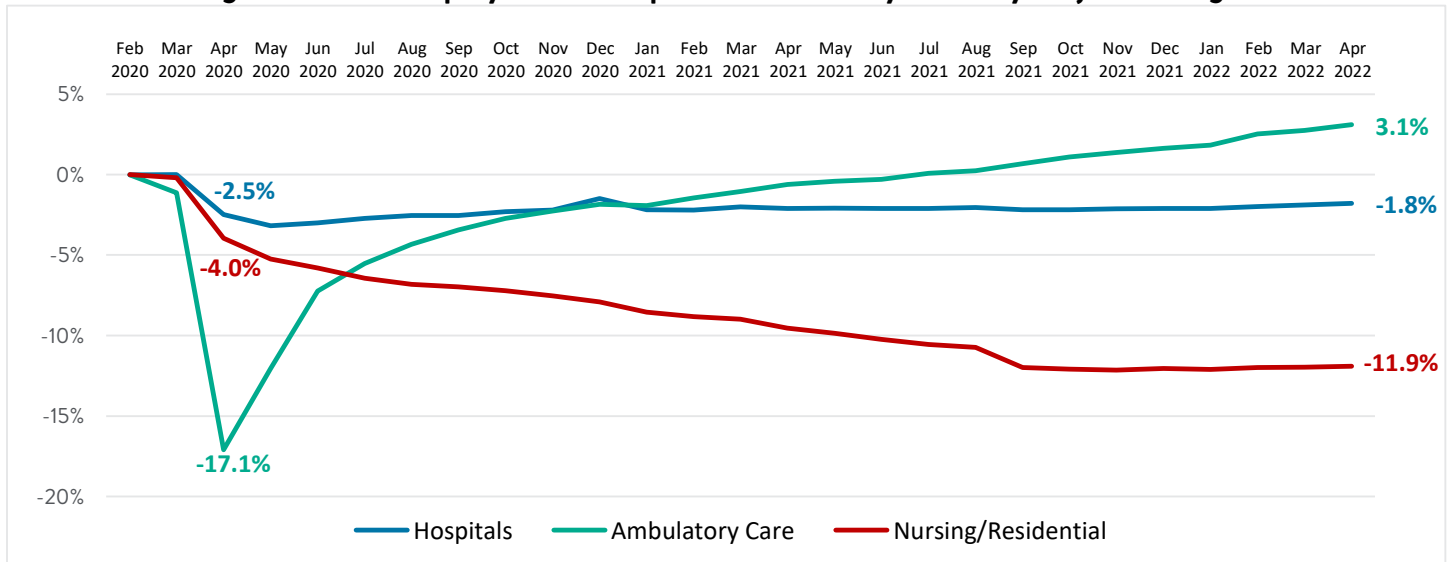
Exhibit 2. Change in Health and Non-Health Employment Compared to February 2020



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

While health care employment remains below the level of two years ago, there are important differences in trends by setting of care. Employment in ambulatory care settings has grown steadily since falling sharply early in the pandemic and is now 245,600 jobs (3.1%) above the level of February 2020 (Exhibit 3). Hospital employment remains 93,100 jobs (1.8%) below the level of February 2020, while nursing and residential care employment is 402,200 jobs (11.9%) below the level of February 2020.

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

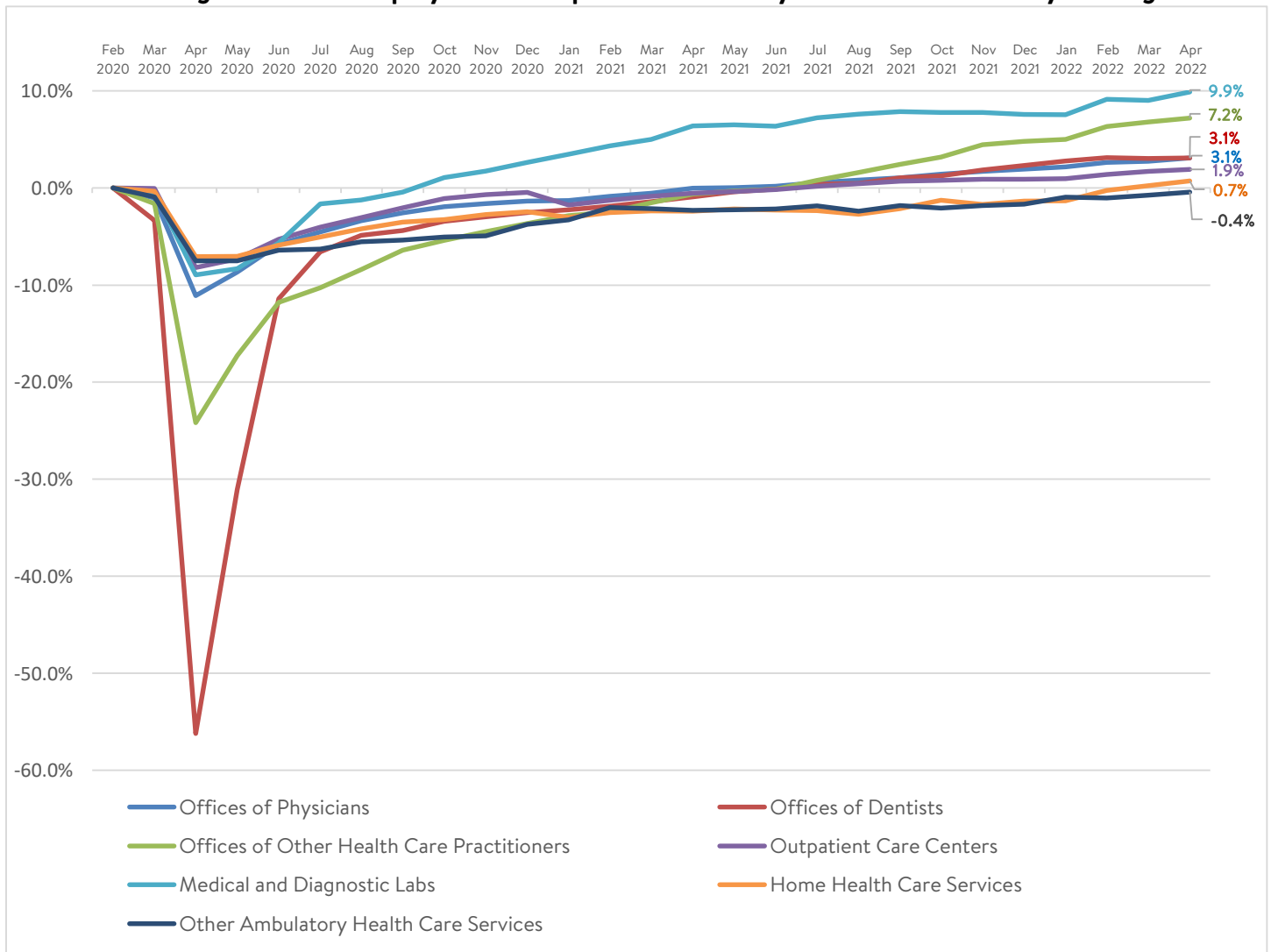


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



Within ambulatory care settings, employment in all sub-settings except the “other ambulatory care” category is now above the pre-pandemic level. Showing the fastest rate of growth, employment in medical and diagnostic labs and offices of other health care practitioners (such as therapists, podiatrists, and chiropractors) are 9.9% and 7.2%, respectively, above the levels of February 2020 (Exhibit 4). Dental office employment fell by more than 50% early in the pandemic but is now 3.1% above the February 2020 level. Employment in offices of physicians is also 3.1% above the pre-pandemic level. Employment in outpatient care centers (including freestanding surgery centers, urgent care centers, and community health centers) is 1.9% above the pre-pandemic level while home health care jobs reached the pre-pandemic level last month and are now 0.7% above the level of February 2020. Employment in “other” ambulatory care settings, including ambulance services and blood banks, remains 0.4%, or just below the pre-pandemic level.

Exhibit 4. Change in Health Employment Compared to February 2020 for Ambulatory Settings



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 5. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	April 2022	March 2022	April 2021	April 2020	February 2020
Non-Health Care	135,073	134,680	128,682	115,632	136,014
Health Care	16,241	16,207	16,012	14,881	16,491
Ambulatory Health Care Services	8,123	8,095	7,831	6,532	7,878
Offices of Physicians	2,812	2,803	2,727	2,425	2,728
Offices of Dentists	1,025	1,025	985	435	994
Offices of Other Health Care Practitioners	1,077	1,073	998	761	1,004
Outpatient Care Centers	1,016	1,014	992	915	997
Medical and Diagnostic Labs	316	313	306	262	287
Home Health Care Services	1,560	1,552	1,512	1,439	1,549
Other Ambulatory	317	316	311	295	319
Hospitals	5,143	5,138	5,126	5,105	5,236
Nursing and Residential Care Facilities	2,975	2,973	3,055	3,244	3,377
Nursing Care Facilities	1,345	1,344	1,389	1,537	1,585
Other Nursing and Residential	1,630	1,629	1,666	1,706	1,792
Health Share of Employment	10.73%	10.74%	11.07%	11.40%	10.81%

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

Exhibit 6. Change in Employment Data by Sector, Seasonally Adjusted

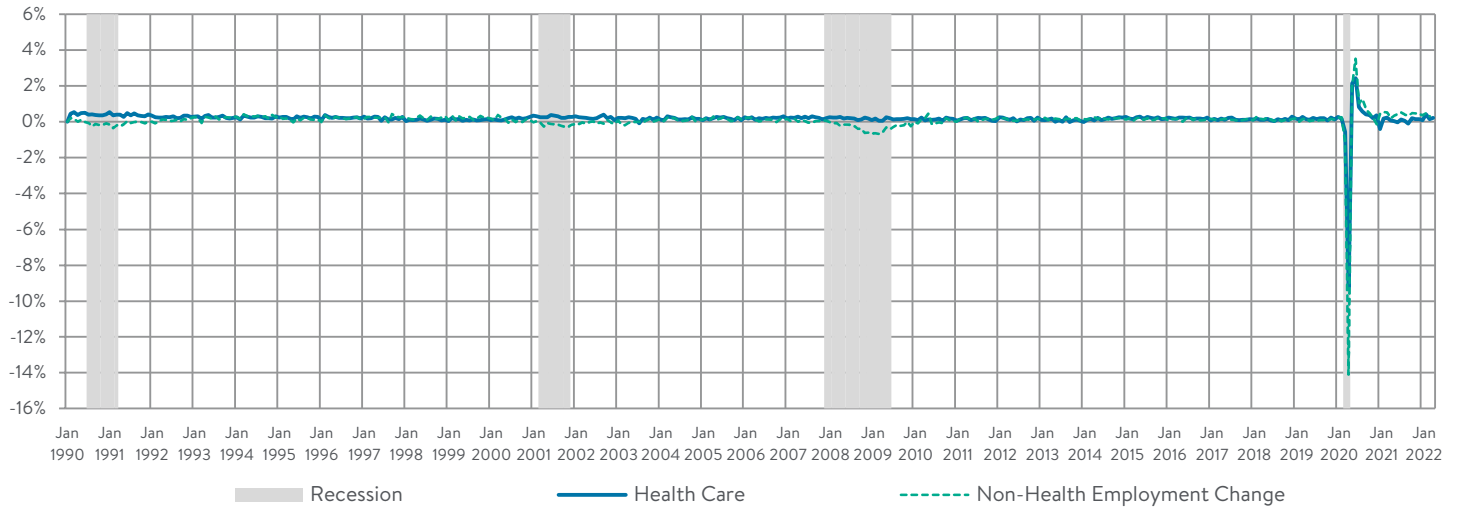
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	393.7	6,391.0	19,440.8	-940.3
Health Care	34.3	229.0	1,360.2	-249.7
Ambulatory Health Care Services	27.9	292.7	1,591.3	245.6
Offices of Physicians	9.8	85.4	387.5	84.8
Offices of Dentists	0.4	39.8	589.9	30.8
Offices of Other Health Care Practitioners	4.1	78.7	315.4	72.4
Outpatient Care Centers	2.1	24.5	101.1	19.2
Medical and Diagnostic Labs	2.5	10.0	54.1	28.4
Home Health Care Services	7.8	48.4	120.9	11.4
Other Ambulatory	1.1	6.0	22.6	-1.3
Hospitals	4.5	16.4	37.4	-93.1
Nursing and Residential Care Facilities	1.9	-80.1	-268.5	-402.2
Nursing Care Facilities	0.9	-44.0	-192.5	-240.1
Other Nursing and Residential	1.0	-36.1	-76.0	-162.1
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	3.6%	5.0%	8.1%	-0.3%
Health Care	2.6%	1.4%	4.5%	-0.7%
Ambulatory Health Care Services	4.2%	3.7%	11.5%	1.4%
Offices of Physicians	4.3%	3.1%	7.7%	1.4%
Offices of Dentists	0.5%	4.0%	53.5%	1.4%
Offices of Other Health Care Practitioners	4.7%	7.9%	18.9%	3.3%
Outpatient Care Centers	2.5%	2.5%	5.4%	0.9%
Medical and Diagnostic Labs	10.0%	3.3%	9.9%	4.4%
Home Health Care Services	6.2%	3.2%	4.1%	0.3%
Other Ambulatory	4.3%	1.9%	3.8%	-0.2%
Hospitals	1.1%	0.3%	0.4%	-0.8%
Nursing and Residential Care Facilities	0.8%	-2.6%	-4.2%	-5.7%
Nursing Care Facilities	0.8%	-3.2%	-6.5%	-7.3%
Other Nursing and Residential	0.7%	-2.2%	-2.3%	-4.3%

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



TIME SERIES TRACKER

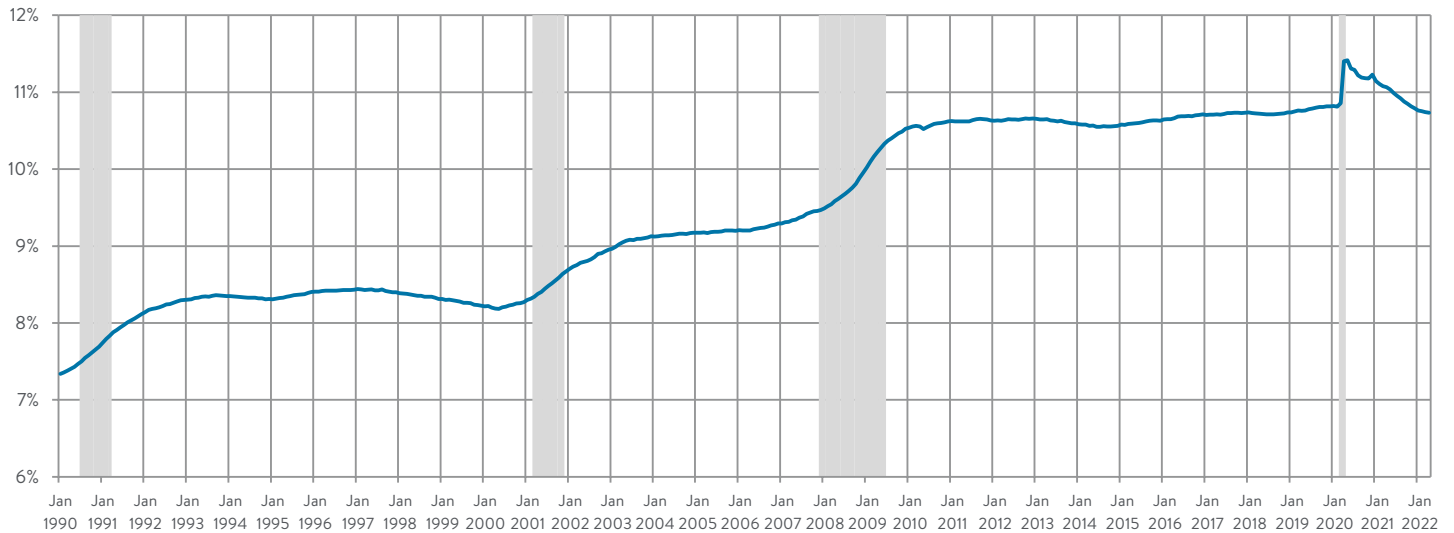
Exhibit 7. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 8. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.