

September 23, 2022

Health care job growth continues across all major settings of care

HIGHLIGHTS

- ▲ Health care employment grew by 48,200 jobs in August 2022. Gains were seen in all major settings of care, with ambulatory care settings adding 21,900 jobs, hospitals adding 14,700 jobs, and nursing and residential care facilities adding 11,600 jobs.
- ▲ Health care employment remains just under the pre-pandemic peak, down 36,000 jobs, or 0.2% below the level of February 2020. If job growth in September is consistent with the growth seen the past five months, health care employment should return to the pre-pandemic level next month, with a redistribution of more than 300,000 jobs from nursing and residential care to ambulatory care settings.
- ▲ Employment in ambulatory settings is 341,000 jobs (4.3%) above where it was in February 2020, while hospital employment remains 27,000 jobs (0.5%) below February 2020 and nursing and residential care employment is down by 351,000 jobs (10.4% decline).
- ▲ The economy added 315,000 jobs in August and the unemployment rate ticked up to 3.7%.
- ▲ Wages in health care continue to grow faster than overall private sector wages. In July 2022, average hourly earnings in health care grew 7.4% year over year, while earnings across all private sector jobs grew 5.2%. By setting of care, average earnings in residential care settings grew by 10.2%, compared to 7.8% in hospitals and 5.4% in ambulatory care settings.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	Aug 2021	Jul 2022	Aug 2022
Total Employment (000)	152,504	146,904	152,429	152,744
Non-Health Employment (000)	136,014	130,862	136,023	136,290
Health Employment (000)	16,491	16,042	16,406	16,454
Health Share of Total Employment	10.81%	10.92%	10.76%	10.77%
Unemployment Rate	3.5%	5.2%	3.5%	3.7%

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.

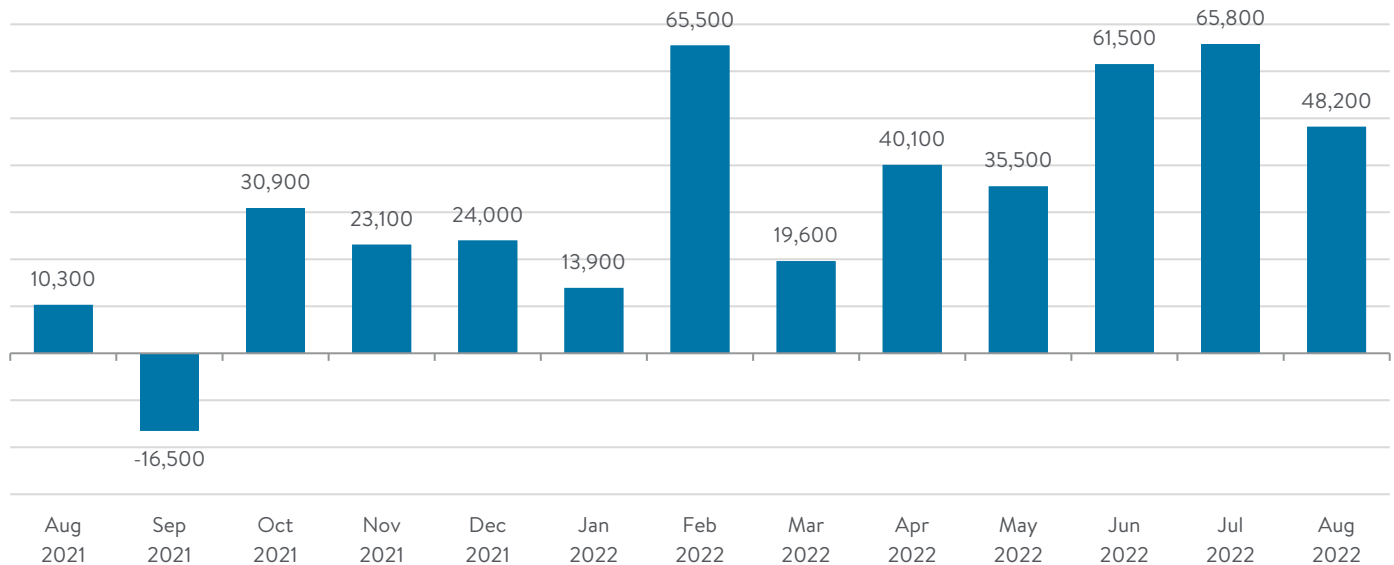
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly,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



DISCUSSION

Health care employment grew by 48,200 jobs in August, consistent with the 2022 average of 43,800 jobs per month. There were minimal revisions to June and July. Health has added 350,000 jobs so far in 2022 (Exhibit 1).

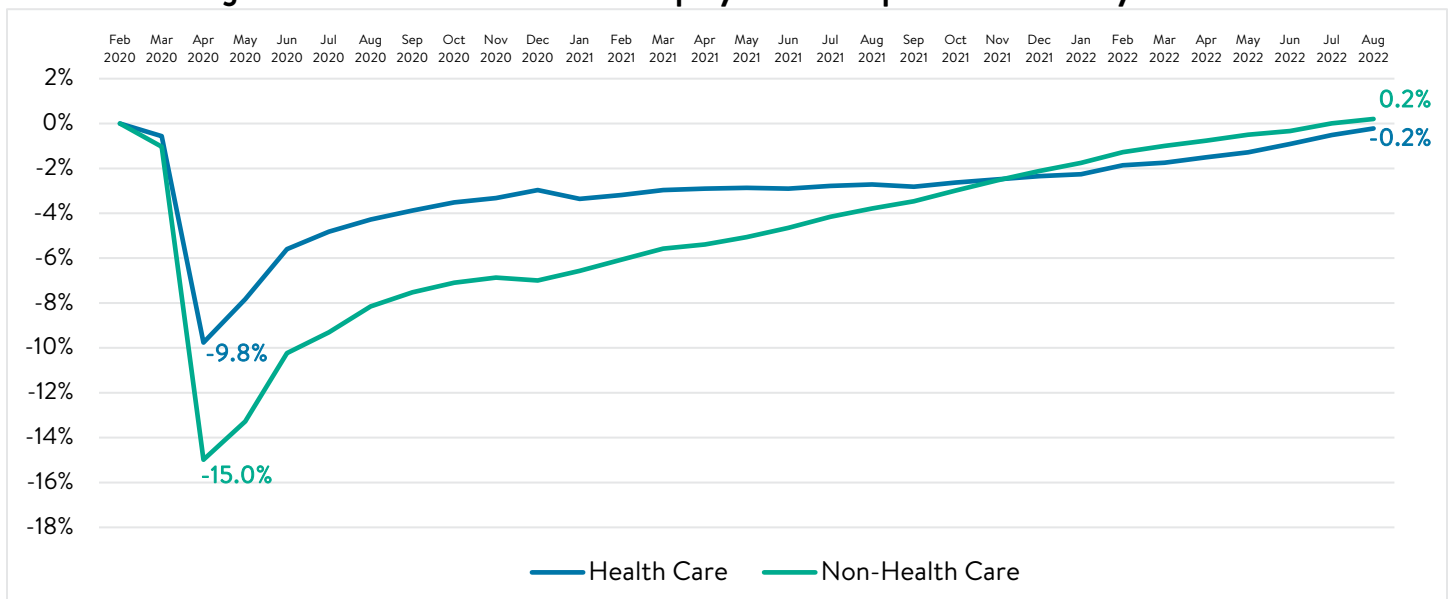
Exhibit 1. Month-over-month Change in Health Care Employment, Seasonally Adjusted



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

The economy reached a milestone in July 2022 by returning to the pre-pandemic level of employment. With the 315,000 jobs added in August, the economy has added 3.5 million jobs so far in 2022, averaging 438,000 new jobs per month. While the number of non-health jobs is slightly higher than the pre-pandemic peak, health care jobs remain very slightly below (0.2%, or 36,000 jobs) the February 2020 level (Exhibit 2). If growth remains consistent with the past five months, health care jobs should reach the pre-pandemic level next month.

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

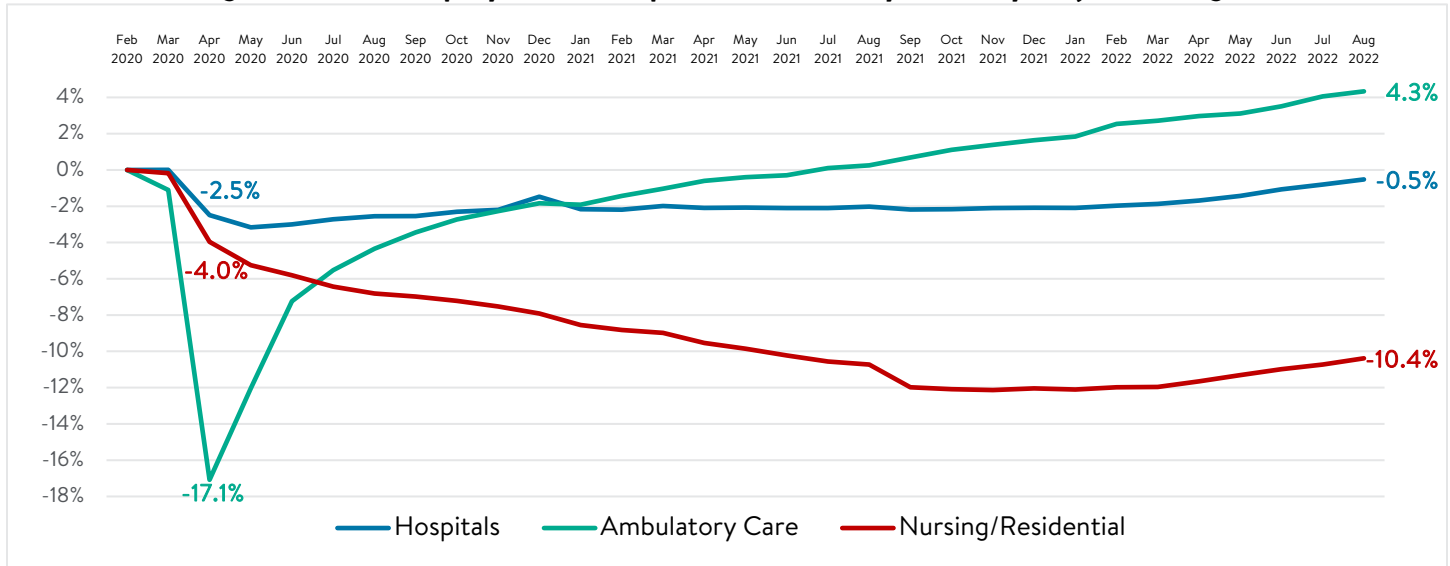


Source: Altarum analysis of monthly BLS Current Employment Statistics data.



While all three major settings of care have been adding jobs for at least the past five months, there are differences in the pattern of job growth and recovery from pandemic drops (Exhibit 3). Employment in ambulatory care settings has grown steadily since falling sharply early in the pandemic and is now 327,000 jobs (4.3%) above the level of February 2020. Hospital employment remains 27,300 jobs (0.5%) below the level of February 2020 and is on track to return to pre-pandemic level of employment before the end of the year. Nursing and residential care employment appears to have bottomed out and has begun to grow modestly, currently standing at 351,000 jobs (10.4%) below the level of February 2020.

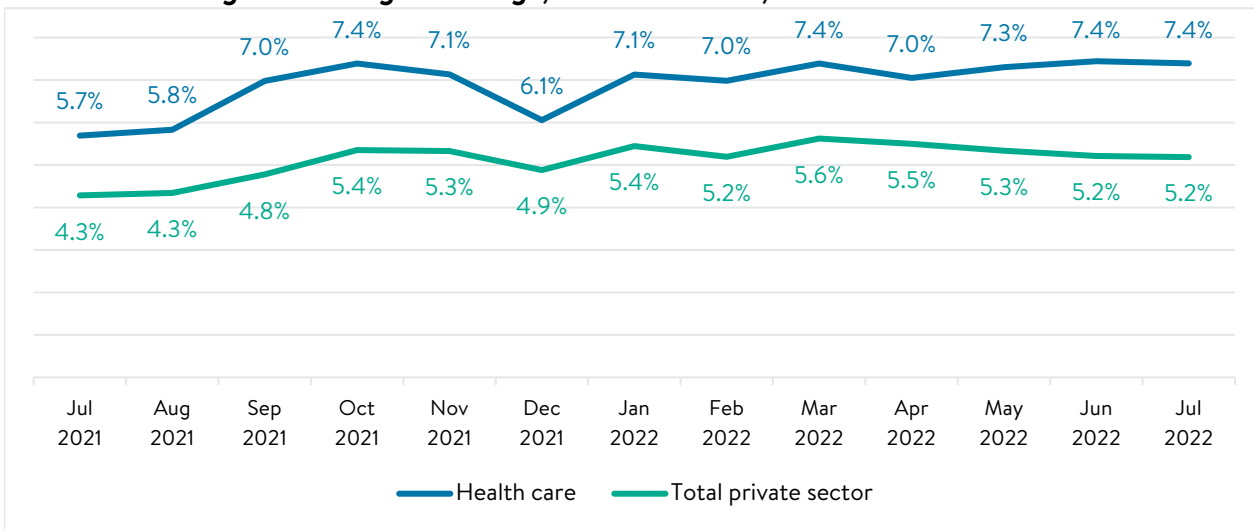
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

Wage growth in health care remains above the national average. Average earnings in health care rose 7.4% over the year, compared to 5.2% for all private sector jobs.

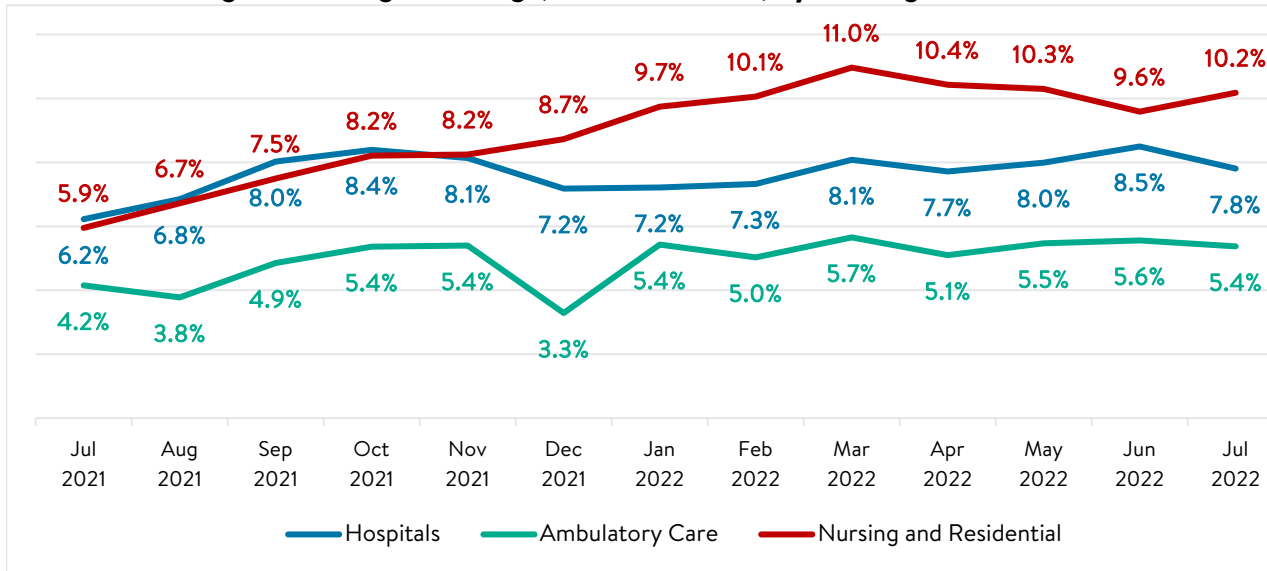
Exhibit 4. Change in Average Earnings, Year over Year, Health Care and Total





Health care wage growth by setting of care is consistent with the story of the pattern of recovery from 2020 (Exhibit 5). Average earnings in hospitals and especially in nursing and residential care have been growing faster than in ambulatory care settings, suggesting that difficulty filling jobs is at least partly contributing to the slower recovery in employment in these settings. In July 2022, average earnings in residential care settings grew 10.2% year over year, compared to 7.8% in hospitals and 5.4% in ambulatory care settings.

Exhibit 5. Change in Average Earnings, Year over Year, by Setting of Care





DETAILED HEALTH CARE EMPLOYMENT

Exhibit 6. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	August 2022	July 2022	August 2021	August 2020	February 2020
Non-Health Care	136,290	136,023	130,862	124,928	136,014
Health Care	16,454	16,406	16,042	15,785	16,491
Ambulatory Health Care Services	8,219	8,197	7,898	7,536	7,878
Offices of Physicians	2,851	2,835	2,750	2,636	2,728
Offices of Dentists	1,042	1,041	999	946	994
Offices of Other Health Care Practitioners	1,093	1,092	1,020	920	1,004
Outpatient Care Centers	1,033	1,028	1,002	967	997
Medical and Diagnostic Labs	317	315	309	284	287
Home Health Care Services	1,566	1,568	1,507	1,483	1,549
Other Ambulatory	319	317	311	301	319
Hospitals	5,208	5,194	5,130	5,102	5,236
Nursing and Residential Care Facilities	3,027	3,015	3,015	3,147	3,377
Nursing Care Facilities	1,360	1,358	1,368	1,463	1,585
Other Nursing and Residential	1,666	1,657	1,647	1,684	1,792
Health Share of Employment	10.77%	10.76%	10.92%	11.22%	10.81%

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

Exhibit 7. Change in Employment Data by Sector, Seasonally Adjusted

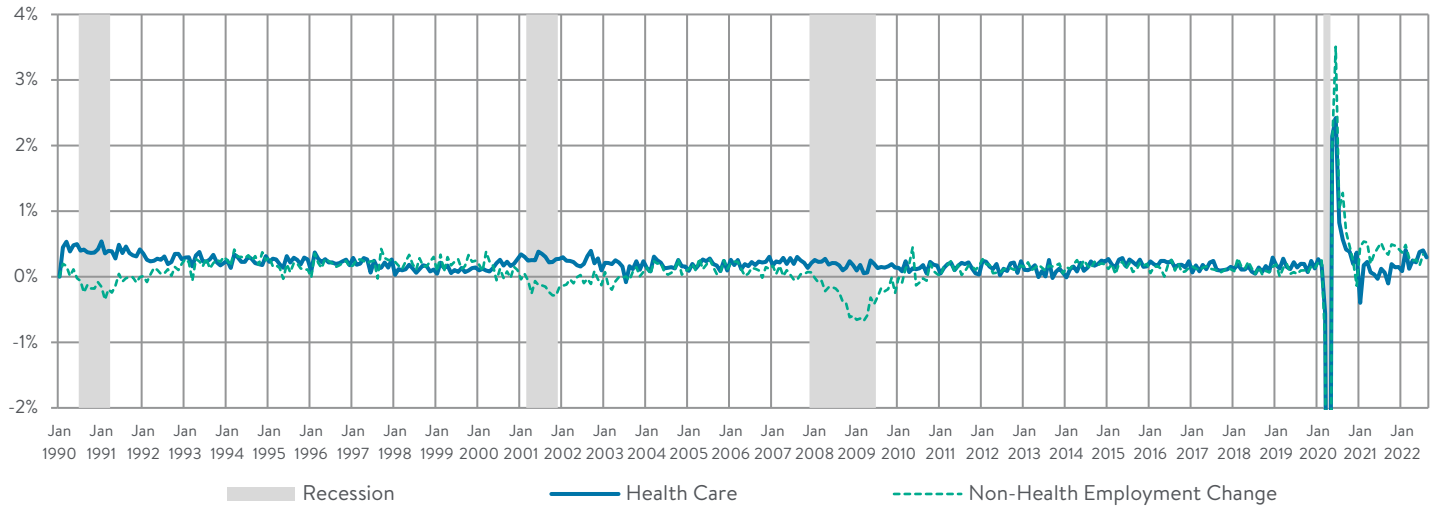
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	266.8	5,428.4	11,362.3	276.6
Health Care	48.2	411.6	668.7	-36.6
Ambulatory Health Care Services	21.9	321.4	683.1	341.4
Offices of Physicians	15.2	100.8	215.0	122.9
Offices of Dentists	0.1	42.6	95.8	47.3
Offices of Other Health Care Practitioners	1.0	72.7	173.2	88.9
Outpatient Care Centers	4.6	30.9	65.7	35.4
Medical and Diagnostic Labs	1.2	7.3	32.7	29.2
Home Health Care Services	-1.8	59.6	83.0	17.8
Other Ambulatory	1.6	7.6	17.6	0.0
Hospitals	14.7	78.7	106.3	-27.3
Nursing and Residential Care Facilities	11.6	11.5	-120.7	-350.7
Nursing Care Facilities	2.3	-7.6	-103.2	-224.7
Other Nursing and Residential	9.3	19.1	-17.5	-126.0
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	2.4%	4.1%	4.4%	0.1%
Health Care	3.6%	2.6%	2.1%	-0.1%
Ambulatory Health Care Services	3.3%	4.1%	4.4%	1.7%
Offices of Physicians	6.6%	3.7%	4.0%	1.8%
Offices of Dentists	0.1%	4.3%	4.9%	1.9%
Offices of Other Health Care Practitioners	1.1%	7.1%	9.0%	3.5%
Outpatient Care Centers	5.5%	3.1%	3.3%	1.4%
Medical and Diagnostic Labs	4.7%	2.4%	5.6%	3.9%
Home Health Care Services	-1.4%	4.0%	2.8%	0.5%
Other Ambulatory	6.2%	2.4%	2.9%	0.0%
Hospitals	3.4%	1.5%	1.0%	-0.2%
Nursing and Residential Care Facilities	4.7%	0.4%	-1.9%	-4.3%
Nursing Care Facilities	2.1%	-0.6%	-3.6%	-5.9%
Other Nursing and Residential	6.9%	1.2%	-0.5%	-2.9%

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



TIME SERIES TRACKER

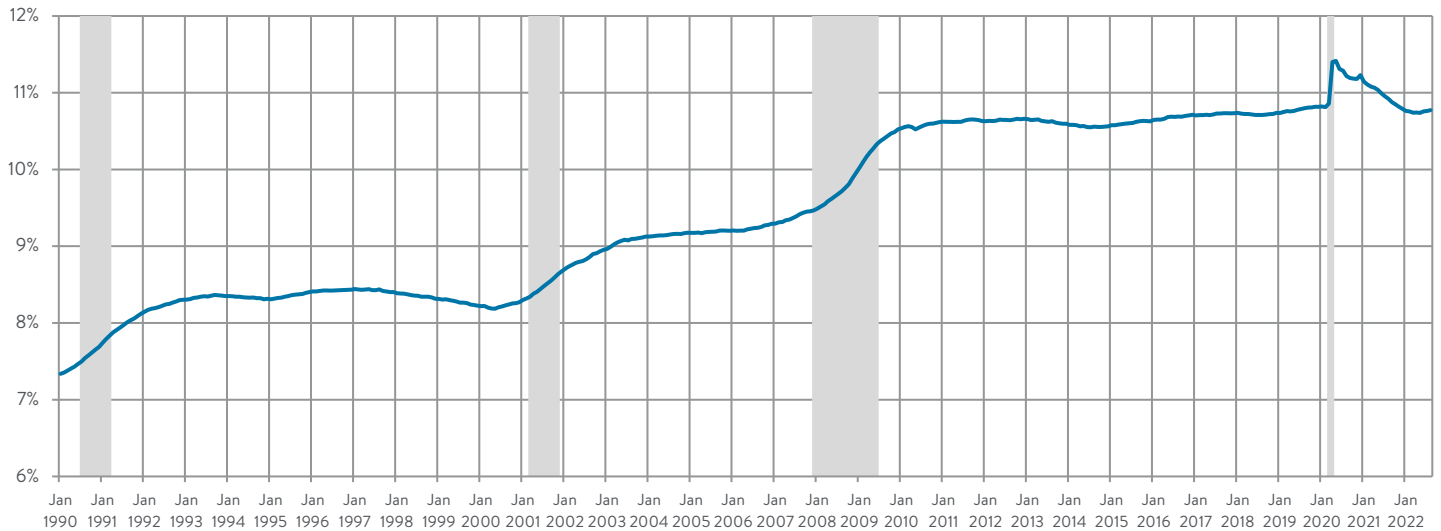
Exhibit 8. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods. Full drop in employment in April 2020 (non-health -14.0% and health -8.2%) not shown on graph.

Exhibit 9. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.