

December 15, 2020

## Health care has regained 2/3 of jobs lost; still 500K below pre-COVID-19 level

### HIGHLIGHTS

- ▲ Health care added a solid 46,000 jobs in November, surpassing 1 million jobs recovered since February 2020.
- ▲ Health care employment overall is still down by more than 500,000 jobs, or 3.2%, from the February 2020 employment peak.
- ▲ By setting, only one sub-setting – outpatient care centers – is back to February employment levels. This category includes urgent care centers, outpatient behavioral health clinics, and community health centers.
- ▲ Employment in hospitals and across all ambulatory services remains about 2% below February employment.
- ▲ Nursing and residential care employment continues to fall, with 250,000 fewer jobs in November compared to February, a 7.4% decline.
- ▲ The economy overall gained 245,000 jobs in November, a solid gain but less than half the number of jobs gained in the previous two months. Just over half (56%) of the 22.16 million jobs lost this spring have come back through November. The unemployment rate fell from 6.9% to 6.7%.

### Cyclical Employment Big Picture

Seasonally Adjusted	November 2019	October 2020	November 2020
Total Employment (000)	151,814	142,384	142,629
Non-Health Employment (000)	135,395	126,649	126,649
Health Employment (000)	16,419	15,934	15,980
Health Share of Total Employment	10.82%	11.19%	11.20%
Unemployment Rate	3.5%	6.9%	6.7%

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 vulnerable and publicly insured 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 Indicators<sup>SM</sup>* (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](mailto: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: Sarah Litton, 202-772-5062, [press@altarum.org](mailto:press@altarum.org). For more information, visit <http://altarum.org/solution/health-sector-spending>.



## DISCUSSION

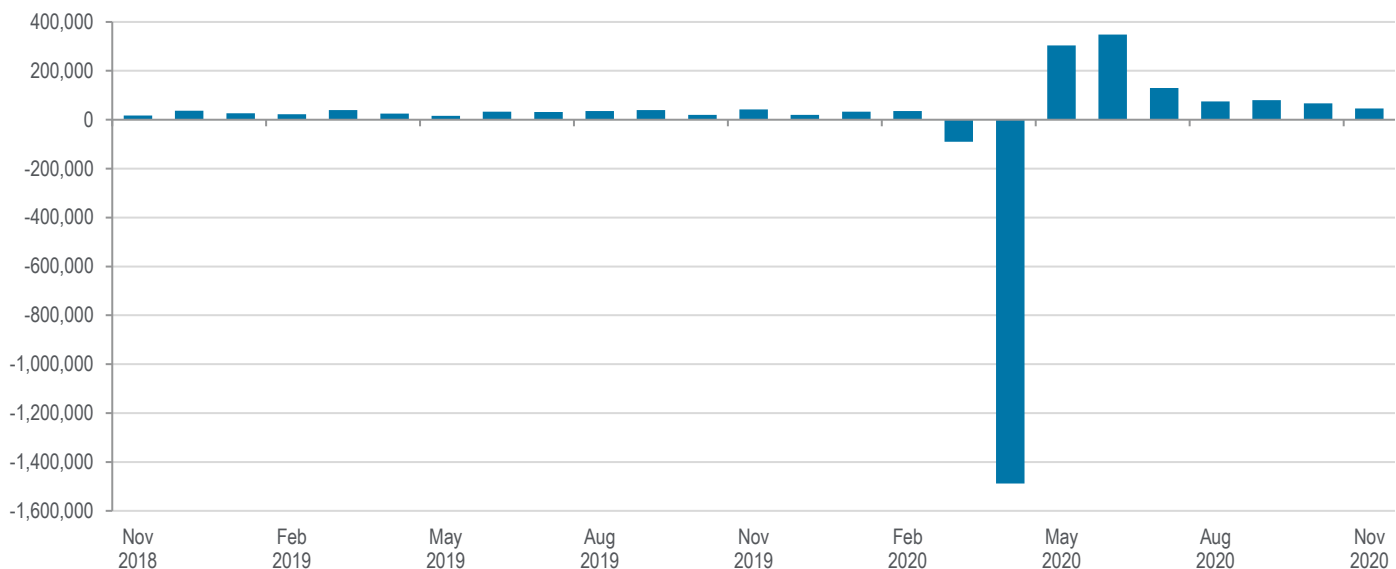
Health care gained 46,000 jobs in October, a strong month by historical standards, but continuing the pattern of slowing job recovery (Exhibit 1). While health care has regained 1 million jobs, or two-thirds of the 1.58 million jobs lost in March and April, employment remains 3.2% below where it was in February, with 527,000 fewer jobs.

While the impact of COVID-19 and the recession varies by setting, employment remains below pre-COVID-19 levels in all settings of care except outpatient care centers. This category includes urgent care centers, outpatient behavioral health clinics, and community health centers. Ambulatory care in general is down 2.2%, or 176,000 jobs from the February peak. Offices of physicians and offices of dentists are close to pre-COVID employment, with physician offices needing to gain 43,000 jobs and dental offices needing another 16,000 jobs.

Hospitals added only 4,700 jobs in November, and remain 2.0%, or 105,000 jobs, below the pre-COVID-19 peak. Employment in nursing and residential care continues the long pattern of decline with a November loss of 10,400 jobs and total losses of 251,000 jobs since February 2020.

The pace of job recovery in the overall economy is following a pattern similar to health care, with 245,000 jobs gained in November, compared to 610,000 gained in October and 711,000 gained in September. While more than half of jobs lost in the spring have been regained, there are still 9.8 million fewer jobs economywide, a 6.5% reduction, compared to February 2020.

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



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



## DETAILED HEALTH CARE EMPLOYMENT

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

Employment (in thousands)	November 2020	October 2020	November 2019	November 2018
Non-Health Care	126,649	126,450	135,395	133,633
Health Care	15,980	15,934	16,419	16,050
Ambulatory Health Care Services	7,679	7,628	7,793	7,536
Offices of Physicians	2,680	2,659	2,703	2,632
Offices of Dentists	961	958	975	956
Offices of Other Health Care Practitioners	931	923	979	946
Outpatient Care Centers	982	976	973	943
Medical and Diagnostic Labs	283	283	290	275
Home Health Care Services	1,539	1,526	1,556	1,479
Other Ambulatory	303	302	319	306
Hospitals	5,161	5,156	5,237	5,155
Nursing and Residential Care Facilities	3,140	3,150	3,390	3,359
Nursing Care Facilities	1,445	1,457	1,595	1,602
Other Nursing and Residential	1,695	1,693	1,795	1,756
Health Share of Employment	11.20%	11.19%	10.82%	10.72%

Source: Altarum analysis of BLS Current Employment Statistics data

### Exhibit 3. Change in Employment Data by Sector, Seasonally Adjusted

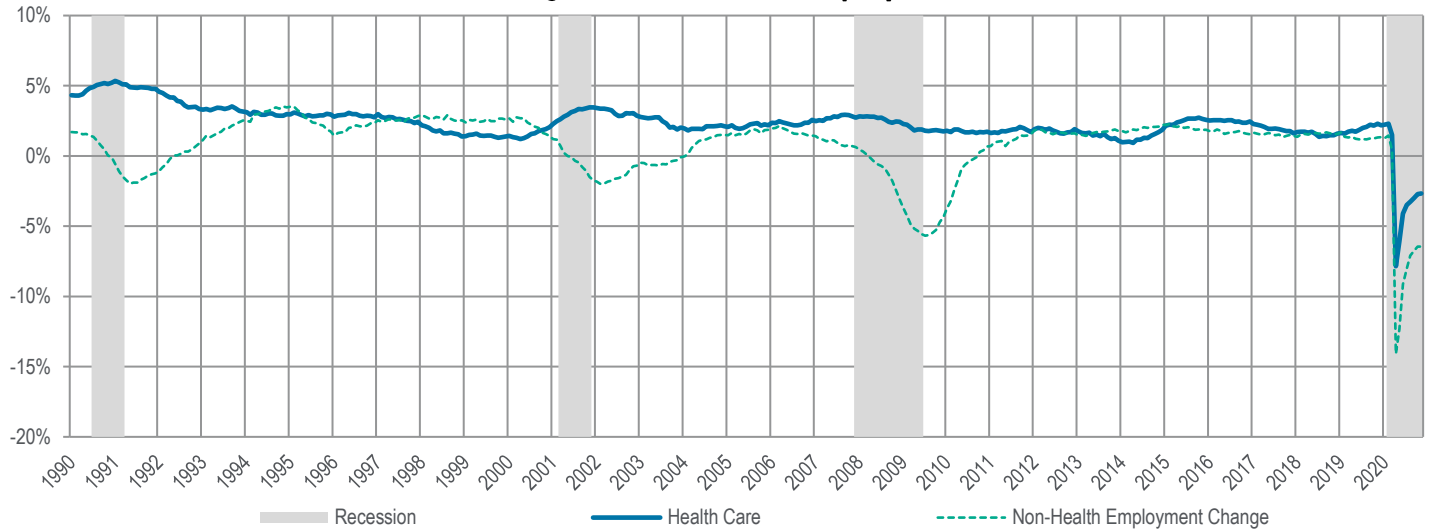
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	199.0	-8,745.6	-6,984.2
Health Care	46.0	-439.4	-69.8
Ambulatory Health Care Services	51.7	-113.4	143.1
Offices of Physicians	20.9	-22.2	48.8
Offices of Dentists	2.9	-14.1	5.0
Offices of Other Health Care Practitioners	7.8	-47.7	-14.9
Outpatient Care Centers	5.5	9.4	38.8
Medical and Diagnostic Labs	0.4	-6.3	8.3
Home Health Care Services	13.0	-16.9	59.5
Other Ambulatory	1.2	-15.6	-2.4
Hospitals	4.7	-76.0	5.9
Nursing and Residential Care Facilities	-10.4	-250.0	-218.8
Nursing Care Facilities	-12.1	-149.6	-157.2
Other Nursing and Residential	1.7	-100.4	-61.6
<b>Annualized Percent Change</b>	<b>One Month</b>	<b>12 Months</b>	<b>24 Months</b>
Non-Health Care	1.9%	-6.5%	-2.6%
Health Care	3.5%	-2.7%	-0.2%
Ambulatory Health Care Services	8.4%	-1.5%	0.9%
Offices of Physicians	9.8%	-0.8%	0.9%
Offices of Dentists	3.7%	-1.4%	0.3%
Offices of Other Health Care Practitioners	10.6%	-4.9%	-0.8%
Outpatient Care Centers	7.0%	1.0%	2.0%
Medical and Diagnostic Labs	1.7%	-2.2%	1.5%
Home Health Care Services	10.7%	-1.1%	2.0%
Dental Offices	4.9%	-4.9%	-0.4%
Other Ambulatory	1.1%	-1.5%	0.1%
Hospitals	-3.9%	-7.4%	-3.3%
Nursing and Residential Care Facilities	-9.5%	-9.4%	-5.0%
Nursing Care Facilities	1.2%	-5.6%	-1.8%
Other Nursing and Residential	1.9%	-6.5%	-2.6%

Source: Altarum analysis of BLS Current Employment Statistics data



## TIME SERIES TRACKER

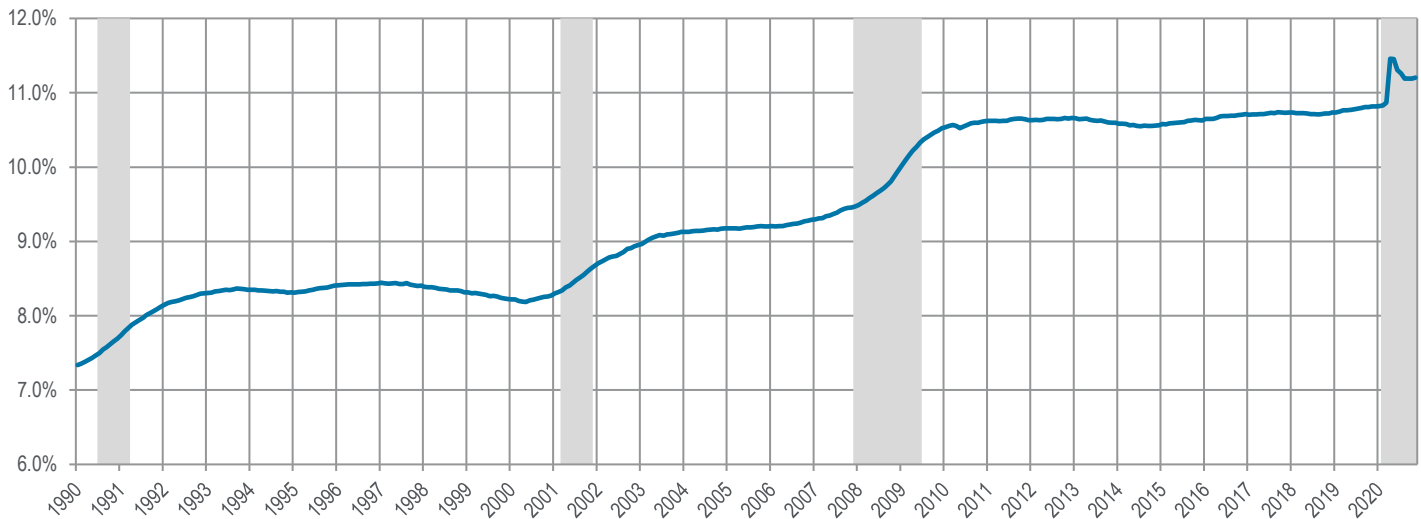
**Exhibit 4. Twelve-month Percent Change in Health Care Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

**Exhibit 5. Health Care Share of Total Employment**



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.