

July 17, 2020

Health care regains 43% of jobs lost, but impact of COVID resurgence lies ahead

HIGHLIGHTS

- ▲ Health care added 358,000 jobs in June. Combined with the 315,000 jobs added in May, the health sector has regained 43% of the 1.58 million jobs lost in March and April.
- ▲ Employment in ambulatory care settings, where most of the job losses occurred in March and April, has come back more quickly than anticipated. In just two months, ambulatory care settings have regained 58% of jobs lost, led by dental offices, which have regained 81% of jobs lost.
- ▲ After losing 161,000 jobs in April and May, hospital employment stabilized in June, regaining 7,000 jobs.
- ▲ Nursing homes and other residential care facilities continue to shed jobs. With 20,000 jobs lost in June, employment in these facilities has fallen by 194,000 over the past four months.
- ▲ The economy overall gained 4.8 million jobs in June and has regained 34% of the 22.16 million jobs lost since February. The unemployment rate fell from 13.3% to 11.1%.
- ▲ These data were collected by the Bureau of Labor Statistics as of mid-June 2020, and do not reflect responses to the resurgence in COVID-19 cases that has emerged since then.

Cyclical Employment Big Picture

Seasonally Adjusted	June 2019	May 2020	June 2020
Total Employment (000)	150,759	133,002	137,802
Non-Health Employment (000)	134,509	117,757	122,199
Health Employment (000)	16,250	15,245	15,603
Health Share of Total Employment	10.78%	11.46%	11.32%
Unemployment Rate	3.7%	13.3%	11.1%

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 IndicatorsSM reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact Paul Hughes-Cromwick, at 202-776-5110 or paul.hughes-cromwick@altarum.org. Ani Turner (principal author), Paul Hughes-Cromwick, George Miller, PhD, Corwin Rhyan, and Matt Daly, PhD, contributed to this brief. Media Contact Sarah Litton, 202-772-5062. press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care has regained 43% of the 1.58 million jobs lost in March and April 2020, adding 315,000 jobs in May and 358,000 jobs in June. Workload and employment in ambulatory care settings, where most of the job losses occurred, have come back more quickly than anticipated.

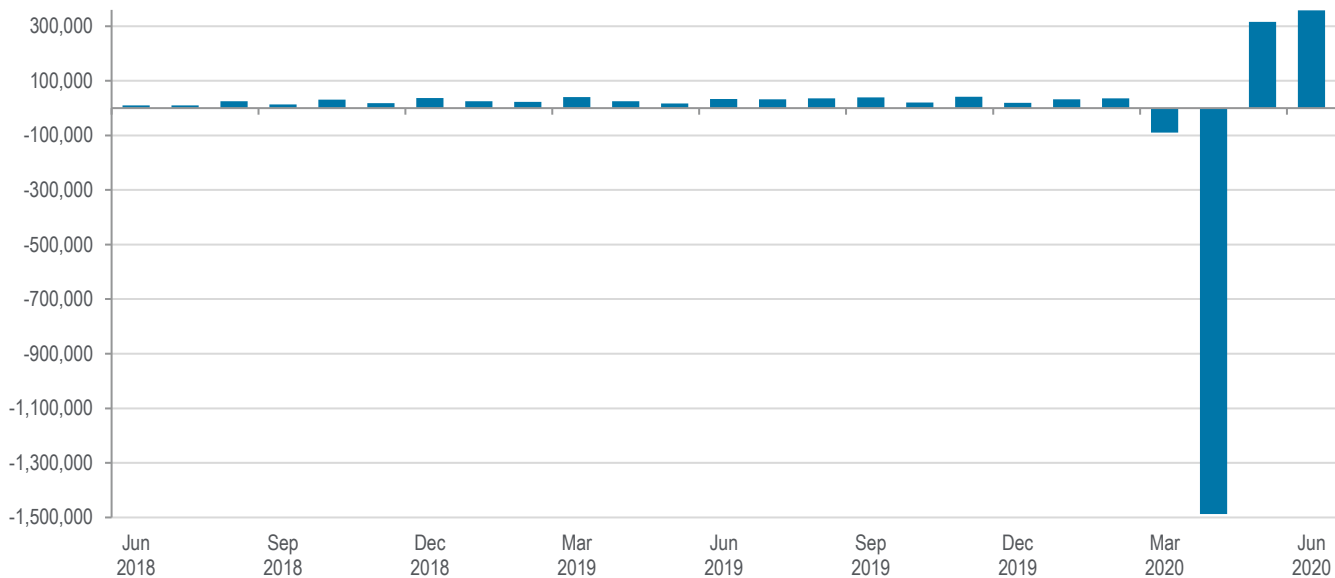
Dental offices continue to play a lead role in health employment trends. Dental offices lost more than half a million (549,000) jobs in March and April, about a third of the total decline in health jobs, but these offices have rebounded quickly. With 190,000 jobs gained in June added to the 256,000 gained in May, dental offices have now regained 81% of jobs lost. Ambulatory care settings overall have regained 58% of jobs lost.

Employment in hospitals did not fall as quickly or as hard as in ambulatory care, but hospital jobs are just starting to recover. After losing 161,000 jobs in April and May, hospital employment stabilized in June, regaining 7,000 jobs. These national figures likely mask larger ups and downs in hospital furloughs and rehiring as the timing and intensity of pandemic effects varied around the country.

Nursing homes and other residential care facilities have shed jobs in each of the last four months. With 20,000 jobs lost in June, the sector has lost 194,000 jobs since February 2020. Nursing homes and residential care facilities are facing greater challenges than other health care settings in regaining occupancy.

The economy overall added 4.8 million jobs in June and has regained 34% of the 22.16 million jobs lost since February as most states reopened for business. Unfortunately, there has been a resurgence of the COVID-19 pandemic in the U.S. since mid-June when these data were collected. Record increases in cases are requiring renewed restrictions in many states, which will likely slow the recovery of jobs this summer and beyond.

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)	June 2020	May 2020	June 2019	June 2018
Non-Health Care	122,199	117,757	134,509	132,936
Health Care	15,603	15,245	16,250	15,952
Ambulatory Health Care Services	7,295	6,923	7,681	7,473
Offices of Physicians	2,570	2,490	2,670	2,613
Outpatient Care Centers	937	913	961	929
Home Health Care Services	1,483	1,465	1,523	1,466
Dental Offices	875	684	967	951
Other Ambulatory	1,430	1,371	1,560	1,514
Hospitals	5,112	5,105	5,192	5,128
Nursing and Residential Care Facilities	3,197	3,217	3,378	3,351
Nursing Care Facilities	1,491	1,509	1,600	1,604
Other Nursing and Residential	1,706	1,708	1,778	1,748
Health Share of Employment	11.32%	11.46%	10.78%	10.71%

Source: Altarum analysis of BLS Current Employment Statistics data

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

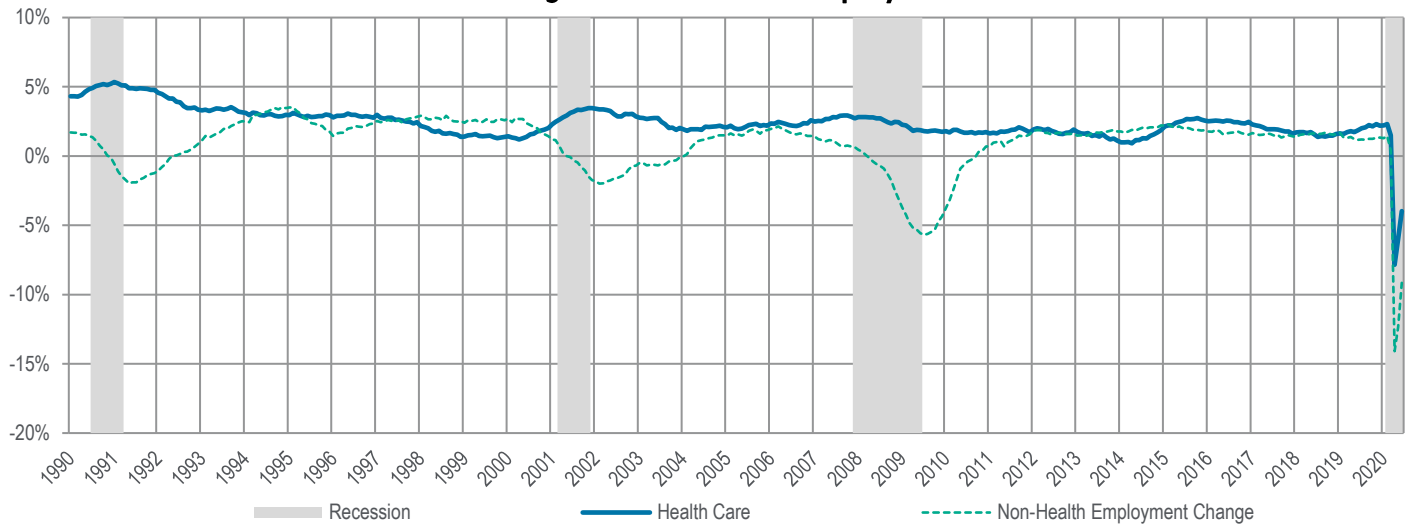
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	4,442.0	-12,309.8	-10,737.3
Health Care	358.0	-647.2	-348.7
Ambulatory Health Care Services	371.4	-385.9	-177.9
Offices of Physicians	80.0	-100.1	-42.8
Outpatient Care Centers	24.1	-23.9	7.9
Home Health Care Services	17.8	-40.3	16.9
Dental Offices	190.4	(92.1)	(76.0)
Other Ambulatory	59.1	(129.5)	(83.9)
Hospitals	6.7	-79.8	-16.1
Nursing and Residential Care Facilities	-20.1	-181.5	-154.7
Nursing Care Facilities	-18.3	-109.1	-113.1
Other Nursing and Residential	-1.8	-72.4	-41.6
Annualized Percent Change	One Month	12 Months	24 Months
Non-Health Care	55.9%	-9.2%	-4.1%
Health Care	32.1%	-4.0%	-1.1%
Ambulatory Health Care Services	87.2%	-5.0%	-1.2%
Offices of Physicians	46.2%	-3.7%	-0.8%
Outpatient Care Centers	36.7%	-2.5%	0.4%
Home Health Care Services	15.6%	-2.6%	0.6%
Dental Offices	1803.3%	-9.5%	-4.1%
Other Ambulatory	65.9%	-4.0%	-1.1%
Hospitals	1.6%	-1.5%	-0.2%
Nursing and Residential Care Facilities	-7.2%	-5.4%	-2.3%
Nursing Care Facilities	-13.6%	-6.8%	-3.6%
Other Nursing and Residential	-1.3%	-4.1%	-1.2%

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

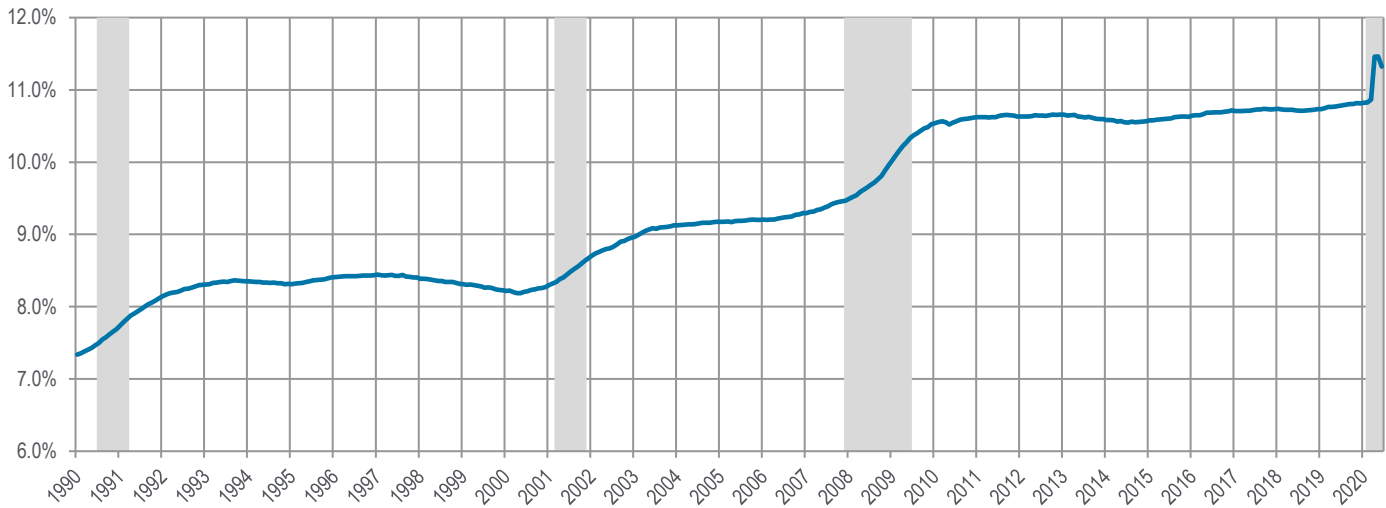
Exhibit 4. Twelve-month Percent Change in Health Care Employment



Source: Altatum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 5. Health Care Share of Total Employment



Source: Altatum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.