

October 16, 2020

Health care job rebound leveling off at about 4% below pre-COVID-19 level

HIGHLIGHTS

- ▲ Health care added 52,800 jobs in September, continuing recovery from spring losses, but at a steadily slowing pace. The sector has regained 58% of jobs lost and is now at 4.2% below pre-COVID-19 (Feb) employment.
- ▲ September job gains were dominated by ambulatory care settings, which added 57,600 jobs. These settings lost 1.33 million jobs in March and April, a 17% decline, but have regained 1.02 million, or more than three-quarters of jobs lost. Employment in ambulatory care settings is now at 4.1% below pre-COVID-19 levels.
- ▲ Hospitals lost fewer jobs in the spring (161,000 jobs, or a 3.1% decline), and recovered some through August, but are no longer regaining jobs. Hospital employment is currently at 2.5% below the pre-COVID-19 peak.
- ▲ After six straight months of losses, nursing and residential care employment was essentially flat in September. Traditional nursing homes have lost 130,000 jobs, or 9% of their workforce, since February, while other residential care facilities showed a slight gain in jobs in September but are down 102,000 jobs since February.
- ▲ The economy overall gained 661,000 jobs in September and has regained just over half (52%) of the 22.16 million jobs lost since February. The unemployment rate fell from 8.4% to 7.9%.

Cyclical Employment Big Picture

Seasonally Adjusted	September 2019	August 2020	September 2020
Total Employment (000)	151,368	141,059	141,720
Non-Health Employment (000)	135,011	125,272	125,880
Health Employment (000)	16,357	15,787	15,840
Health Share of Total Employment	10.81%	11.19%	11.18%
Unemployment Rate	3.5%	8.4%	7.9%

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 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 (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: Sarah Litton, 202-772-5062, press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care added 52,800 jobs in September, continuing to regain jobs, but at a progressively slower pace over the past four months (Exhibit 1). Since February 2020, health care has lost 1.58M jobs and regained 910,000 jobs, or 58% of the jobs lost. The level of health care employment currently stands at 668,000 jobs below pre-COVID-19 levels.

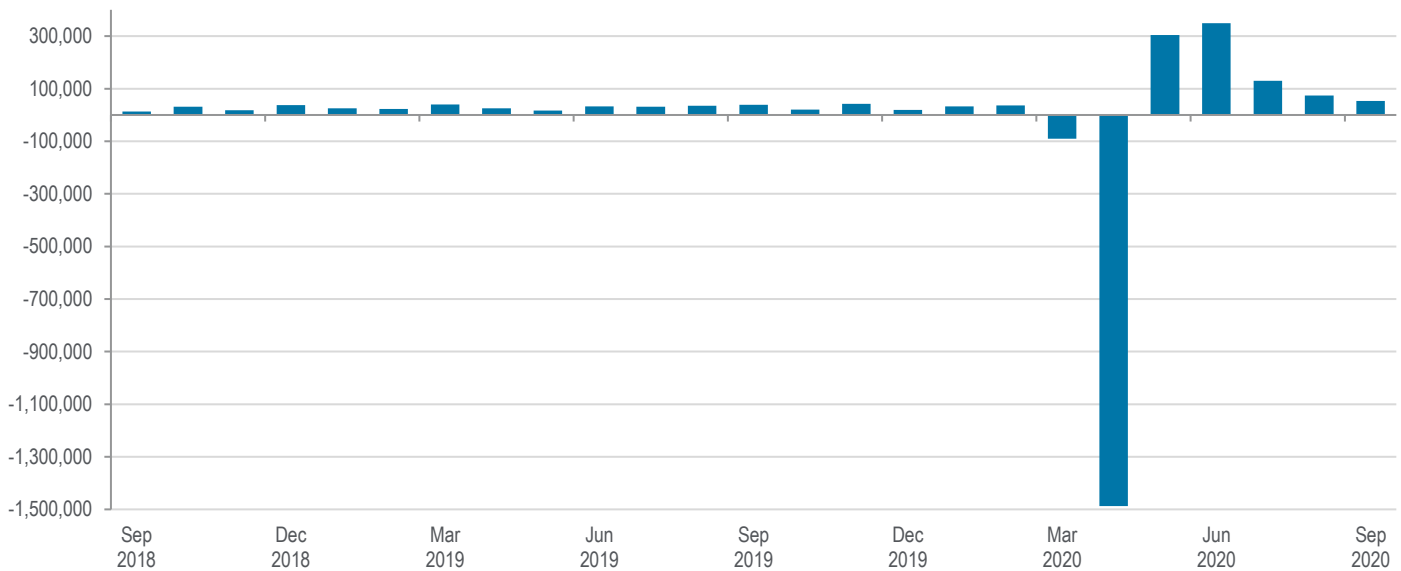
In percentage terms, the health care workforce (measured by number of filled jobs) is 4.2% smaller in September than it was pre-COVID-19. The workforce in ambulatory care settings is 4.1% smaller, the workforce in hospitals is 2.5% smaller, and the workforce in nursing and residential care is 7.3% smaller than it was in February 2020.

Health care’s recovery from dramatic spring job losses looks to be settling at roughly 4% below pre-COVID-19 employment, although the story varies by setting. Ambulatory care settings such as physician and dental offices and home health are still adding jobs, but at a decelerating rate since June. Hospital employment rebounded through August but actually dropped a bit in September, and nursing homes continue a long pattern of job losses, even as jobs in other residential care settings began to stabilize this month.

The overall economy regained 661,000 jobs in September. Since February 2020, 22.2M jobs have been lost and 11.4M, or just over half of those lost, have been regained.

Comparing recent health care employment trends to the overall economy, health care jobs fell less steeply (health care employment fell by 10% versus a total employment decline of 15%) and have come back a bit more rapidly (58% of jobs have been regained in health care versus 52% overall), so health care employment is closer to pre-COVID-19 levels (down 4.2% versus down 7.6% overall). The pace of job recovery has been slowing in both health care and the overall economy since June.

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)	September 2020	August 2020	September 2019	September 2018
Non-Health Care	125,880	125,272	135,011	133,348
Health Care	15,840	15,787	16,357	16,000
Ambulatory Health Care Services	7,545	7,487	7,749	7,502
Offices of Physicians	2,636	2,618	2,685	2,620
Outpatient Care Centers	956	952	969	936
Home Health Care Services	1,525	1,508	1,542	1,474
Dental Offices	940	936	972	953
Other Ambulatory	1,488	1,472	1,582	1,520
Hospitals	5,135	5,142	5,219	5,139
Nursing and Residential Care Facilities	3,160	3,158	3,389	3,359
Nursing Care Facilities	1,463	1,467	1,602	1,602
Other Nursing and Residential	1,697	1,691	1,788	1,758
Health Share of Employment	11.18%	11.19%	10.81%	10.71%

Source: Altarum analysis of BLS Current Employment Statistics data

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

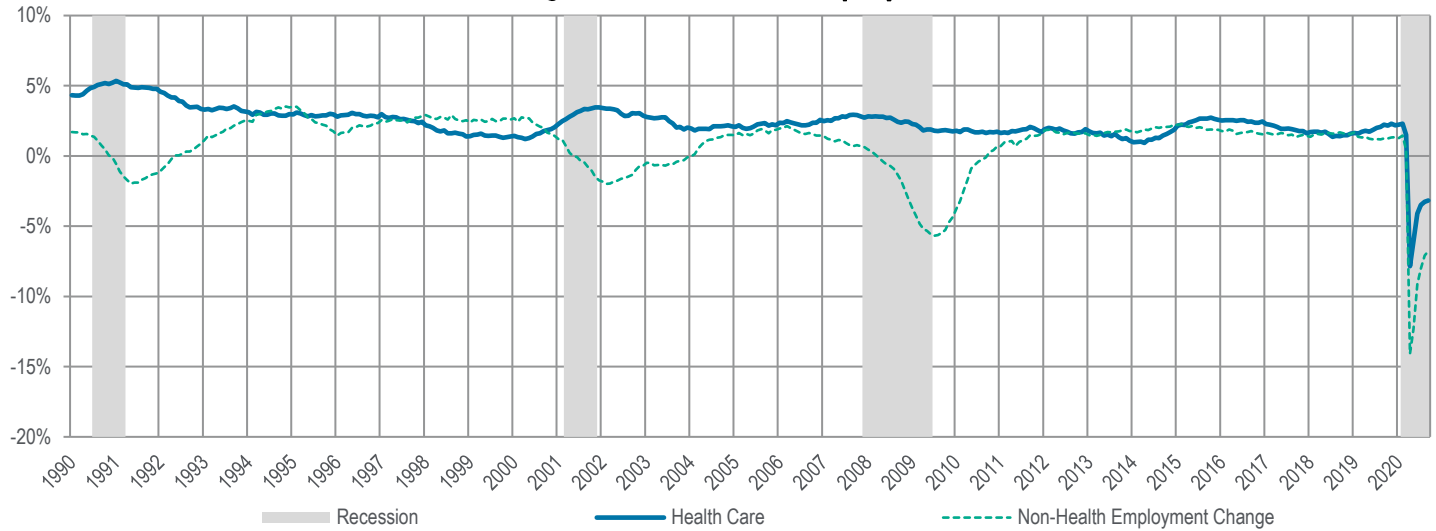
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	608.2	-9,130.8	-7,467.3
Health Care	52.8	-517.2	-160.7
Ambulatory Health Care Services	57.6	-204.2	42.9
Offices of Physicians	18.2	-48.3	16.3
Outpatient Care Centers	3.2	-13.1	20.0
Home Health Care Services	16.2	-17.4	51.1
Dental Offices	3.9	-32.2	-13.2
Other Ambulatory	16.1	-93.2	-31.3
Hospitals	-6.4	-83.6	-4.2
Nursing and Residential Care Facilities	1.6	-229.4	-199.4
Nursing Care Facilities	-4.8	-139.0	-139.1
Other Nursing and Residential	6.4	-90.4	-60.3
Annualized Percent Change	One Month	12 Months	24 Months
Non-Health Care	6.0%	-6.8%	-2.8%
Health Care	4.1%	-3.2%	-0.5%
Ambulatory Health Care Services	9.6%	-2.6%	0.3%
Offices of Physicians	8.7%	-1.8%	0.3%
Outpatient Care Centers	4.1%	-1.4%	1.1%
Home Health Care Services	13.7%	-1.1%	1.7%
Dental Offices	5.1%	-3.3%	-0.7%
Other Ambulatory	13.9%	-5.9%	-1.0%
Hospitals	-1.5%	-1.6%	0.0%
Nursing and Residential Care Facilities	0.6%	-6.8%	-3.0%
Nursing Care Facilities	-3.9%	-8.7%	-4.4%
Other Nursing and Residential	4.6%	-5.1%	-1.7%

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

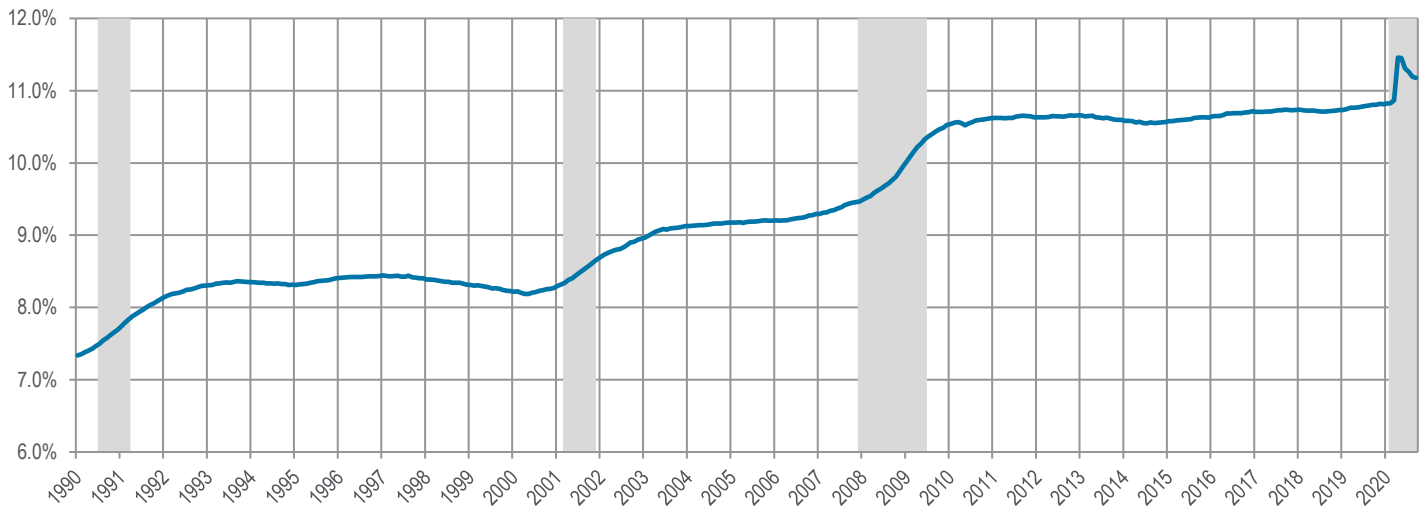
Exhibit 4. Twelve-month Percent Change in Health Care Employment



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.