

September 17, 2020

Health care continues to regain jobs but still 4.5% below pre-COVID employment

HIGHLIGHTS

- ▲ Health care added 75,300 jobs in August, down from 134,000 in July and 349,000 in June.
- ▲ After losing 10% of its workforce in March and April, health care has regained more than half (55%) of the jobs lost and now stands at 4.5% below pre-COVID employment.
- ▲ Ambulatory care settings have seen the most fluctuation in employment in 2020. In March and April, these settings lost 1.33 million jobs, representing 85% of all health care jobs lost. Over the past three months, ambulatory settings have regained 72% of these jobs (960,000).
- ▲ After losing 161,000 jobs in April and May, hospitals have regained 43,000 jobs through August, or 27% of jobs lost.
- ▲ Nursing homes and other residential care facilities have lost jobs for six straight months. With 14,000 jobs lost in August, employment in these facilities has fallen by 229,000 since February.
- ▲ The economy overall gained 1.37 million jobs in August and has regained 48% of the 22.16 million jobs lost since February. The unemployment rate fell from 10.2% to 8.4%.

Cyclical Employment Big Picture

| Seasonally Adjusted | August 2019 | July 2020 | August 2020 |
|----------------------------------|-------------|-----------|-------------|
| Total Employment (000) | 151,160 | 139,543 | 140,914 |
| Non-Health Employment (000) | 134,842 | 123,827 | 125,122 |
| Health Employment (000) | 16,318 | 15,717 | 15,792 |
| Health Share of Total Employment | 10.79% | 11.26% | 11.21% |
| Unemployment Rate | 3.7% | 10.2% | 8.4% |

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

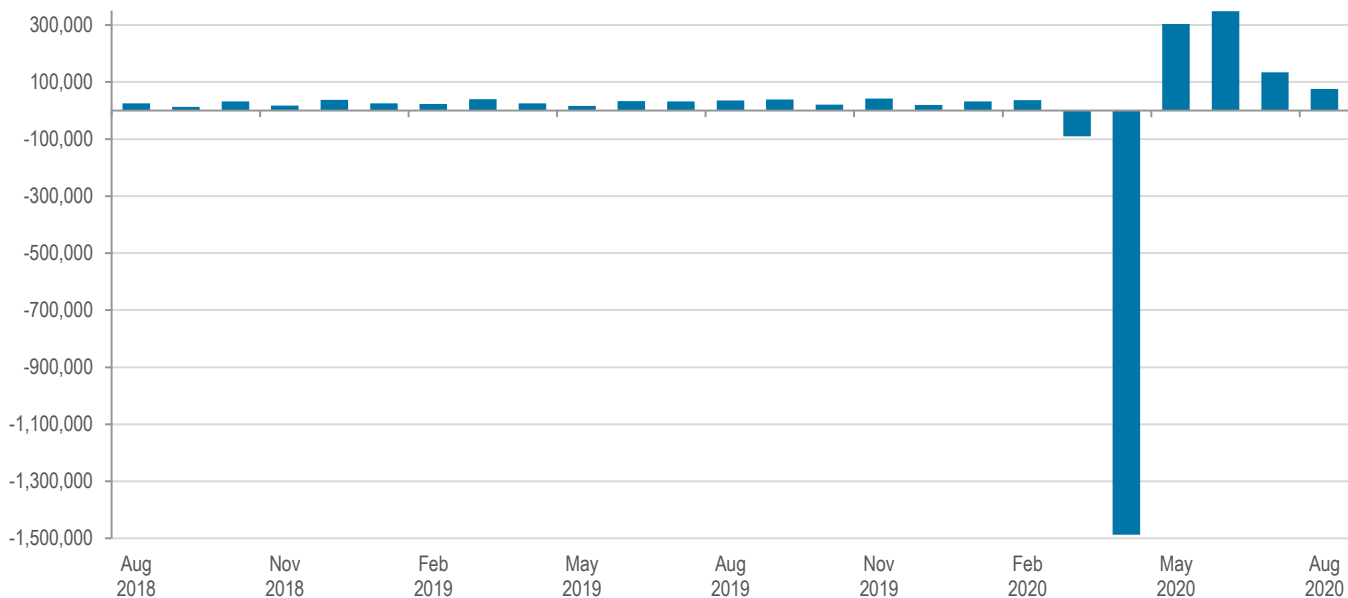
Health care added 75,300 jobs in August, continuing to regain jobs, but at a progressively slower pace since June (Exhibit 1). Since February 2020, health care has lost 1.58M jobs and regained 862,000 jobs, or just over half the jobs lost. Health care employment now stands at 715,000 jobs below pre-COVID levels.

In percentage terms, the health care workforce (measured by number of filled jobs) is 4.5% smaller in August than it was pre-COVID. The workforce in ambulatory care settings is 5% smaller and the workforce in hospitals is 2.3% smaller. Nursing and residential care has lost jobs for the past six months, and this workforce is now 7.2% smaller than it was in February 2020. It is not clear yet how much of the decline in each setting is aligned with lower volumes and how much represents increased productivity.

The overall economy regained 1.4M jobs in August. Since February 2020, 22.2M jobs have been lost and 10.6M, or 48% 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 (55% of jobs regained in health care versus 48% overall), so health care employment is closer to pre-COVID levels (down 4.5% versus down 8.2% overall).

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) | August 2020 | July 2020 | August 2019 | August 2018 |
|-----------------------------------------|-------------|-----------|-------------|-------------|
| Non-Health Care | 125,122 | 123,827 | 134,842 | 133,281 |
| Health Care | 15,792 | 15,717 | 16,318 | 15,987 |
| Ambulatory Health Care Services | 7,482 | 7,407 | 7,725 | 7,496 |
| Offices of Physicians | 2,619 | 2,593 | 2,678 | 2,618 |
| Outpatient Care Centers | 946 | 943 | 965 | 935 |
| Home Health Care Services | 1,506 | 1,495 | 1,537 | 1,473 |
| Dental Offices | 939 | 918 | 972 | 952 |
| Other Ambulatory | 1,472 | 1,459 | 1,572 | 1,518 |
| Hospitals | 5,148 | 5,134 | 5,208 | 5,135 |
| Nursing and Residential Care Facilities | 3,162 | 3,176 | 3,385 | 3,356 |
| Nursing Care Facilities | 1,469 | 1,477 | 1,600 | 1,602 |
| Other Nursing and Residential | 1,693 | 1,699 | 1,785 | 1,754 |
| Health Share of Employment | 11.21% | 11.26% | 10.79% | 10.71% |

Source: Altarum analysis of BLS Current Employment Statistics data

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

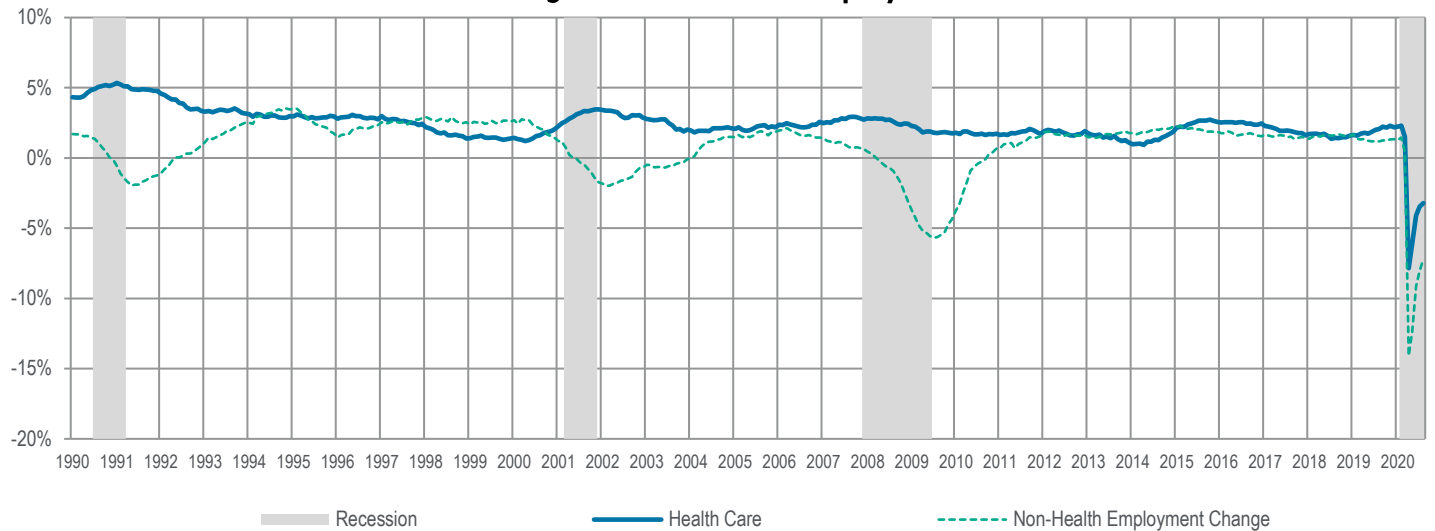
| Employment Change (in thousands) | One Month | 12 Months | 24 Months |
|-----------------------------------------|-----------|-----------|-----------|
| Non-Health Care | 1,295.7 | -9,720.2 | -8,158.8 |
| Health Care | 75.3 | -525.8 | -195.2 |
| Ambulatory Health Care Services | 75.0 | -242.7 | -14.1 |
| Offices of Physicians | 26.5 | -58.6 | 1.1 |
| Outpatient Care Centers | 2.4 | -19.7 | 10.6 |
| Home Health Care Services | 11.6 | -31.2 | 33.5 |
| Dental Offices | 21.6 | -32.6 | -12.9 |
| Other Ambulatory | 12.9 | -100.6 | -46.4 |
| Hospitals | 14.0 | -60.3 | 12.9 |
| Nursing and Residential Care Facilities | -13.7 | -222.8 | -194.0 |
| Nursing Care Facilities | -7.7 | -131.0 | -133.2 |
| Other Nursing and Residential | -6.0 | -91.8 | -60.8 |
| Annualized Percent Change | One Month | 12 Months | 24 Months |
| Non-Health Care | 13.3% | -7.2% | -3.1% |
| Health Care | 5.9% | -3.2% | -0.6% |
| Ambulatory Health Care Services | 12.9% | -3.1% | -0.1% |
| Offices of Physicians | 13.0% | -2.2% | 0.0% |
| Outpatient Care Centers | 3.1% | -2.0% | 0.6% |
| Home Health Care Services | 9.7% | -2.0% | 1.1% |
| Dental Offices | 32.2% | -3.4% | -0.7% |
| Other Ambulatory | 11.1% | -6.4% | -1.5% |
| Hospitals | 3.3% | -1.2% | 0.1% |
| Nursing and Residential Care Facilities | -5.1% | -6.6% | -2.9% |
| Nursing Care Facilities | -6.1% | -8.2% | -4.2% |
| Other Nursing and Residential | -4.2% | -5.1% | -1.7% |

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

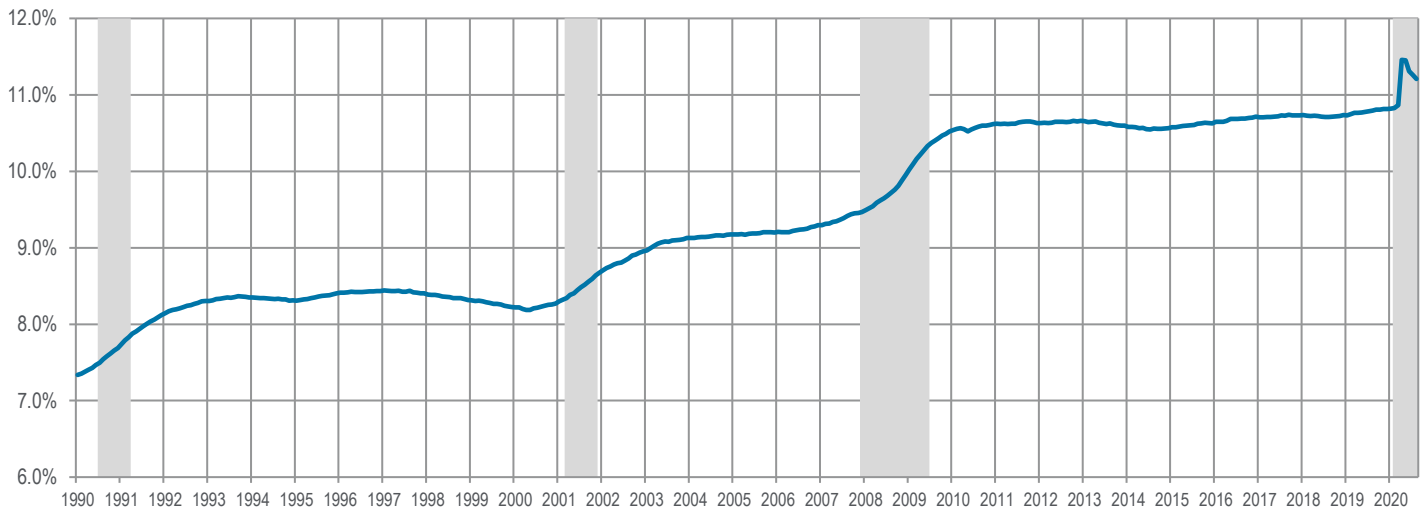
Exhibit 4. Twelve-month Percent Change in Health Care Employment



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.