

October 23, 2024

This month's health spending data reflect BEA annual revisions

HIGHLIGHTS

- ▲ In August 2024, national health spending was 7.2% higher than in August 2023 and represented 17.5% of GDP.
- ▲ Nominal GDP in August 2024 was 4.7% higher than in August 2023, growing 2.5 percentage points more slowly than health spending.
- ▲ Personal health care spending growth in August was 7.4%, year over year, with utilization growth continuing to outpace price growth.
- ▲ Growth among major spending categories was highest for home health care, at 11.6%, year over year. Spending growth for hospital care grew the slowest, at 6.0%.
- ▲ This month's spending brief incorporates annual revisions from the Bureau of Economic Analysis National Economic Accounts, with revisions beginning in January 2019.

National Health Spending and GDP*

	August 2022	August 2023	July 2024	August 2024
GDP	26.40	28.03	29.30	29.33
National Health Spending (HS)	4.51	4.80	5.13	5.15
HS Share of GDP	17.1%	17.1%	17.5%	17.5%
HS Share of PGDP	17.3%	17.5%	17.9%	17.9%
Growth from Prior 12 Months				
HS	5.3%	6.5%	7.3%	7.2%
GDP	10.4%	6.2%	5.6%	4.7%
HS minus GDP	-5.1%	0.3%	1.6%	2.5%
HS minus PGDP	-4.1%	1.1%	2.5%	2.8%

Source: Altarum monthly health spending estimates (see Methods box below). Monthly GDP is from S&P Global Market Intelligence. PGDP, defined as what GDP would be at full employment, is from the quarterly Congressional Budget Office estimates, converted to monthly by Altarum.

Note: Discrepancies in differences are due to rounding.

* Spending is in trillions of dollars at a seasonally adjusted annual rate (SAAR).

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 reports are a monthly publication of Altarum and provide an analysis of health spending, employment, and prices. For more information, contact George Miller at george.miller@altarum.org. George Miller, PhD (principal author), Stephen McCall, and Matt Daly, PhD, contributed to this brief. We thank Corwin Rhyhan for his previous leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

In August 2024, national health spending reached a seasonally adjusted annual rate of \$5.15 trillion. August’s spending corresponds to a year-over-year growth rate of 7.2%.

Since August 2023, nominal GDP grew by 4.7%, a significant reduction from the year-over-year growth rate in July. Health spending in August accounted for 17.5% of GDP, the same as in July.

The 7.2% year-over-year growth rate in national health spending was 2.5 percentage points above GDP growth (Exhibit 1). The year-over-year growth rate in personal health care spending (spending on health care goods and services) was 7.4% in August, resulting in personal health care spending as a percent of GDP equaling 14.8% (data not shown).

Exhibit 1. Year-over-Year Growth in GDP and Health Spending

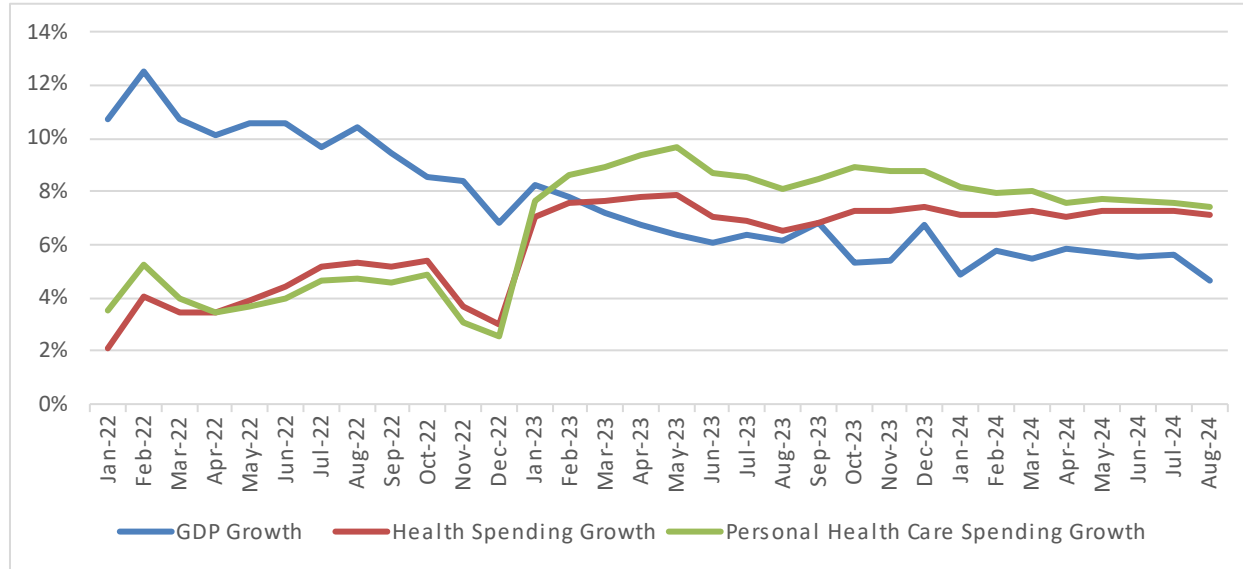
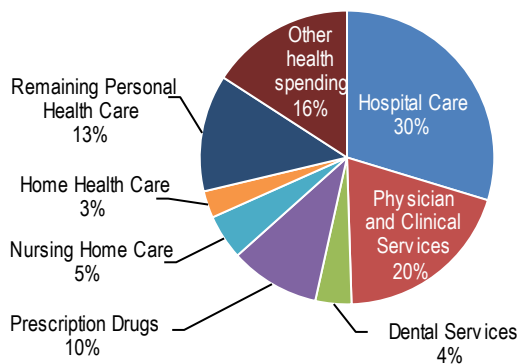


Exhibit 2 illustrates how health spending in August was distributed among spending categories. Personal health care constituted 85% of national health spending. Slightly more than half of total expenditures was attributed to hospital care and physician and clinical services. (Components do not add to 100% due to rounding.)

Exhibit 2. Health Spending by Category, August 2024



This month’s spending brief incorporates results from BEA’s annual update of the National Economic Accounts – a major source for our spending data. The revisions begin with January 2019, but the most significant changes occurred for personal health care spending growth in 2023 (see Exhibit 3). Major increases for all of 2023 occurred for physician and clinical services (from 8.2% to 9.2% year-over-year growth), nursing home care (10.6% to 12.1%, and home health care (11.1% to 13.3%). The growth rate for dental services was revised downward from 7.8% to 6.6%. The National Economic Accounts update also resulted in an increase in the GDP growth estimate for 2023, from 6.3% to 6.6%. The revisions had little impact on 2024 personal health care spending growth.

Exhibit 3. Revised Personal Health Care Spending Growth Rates

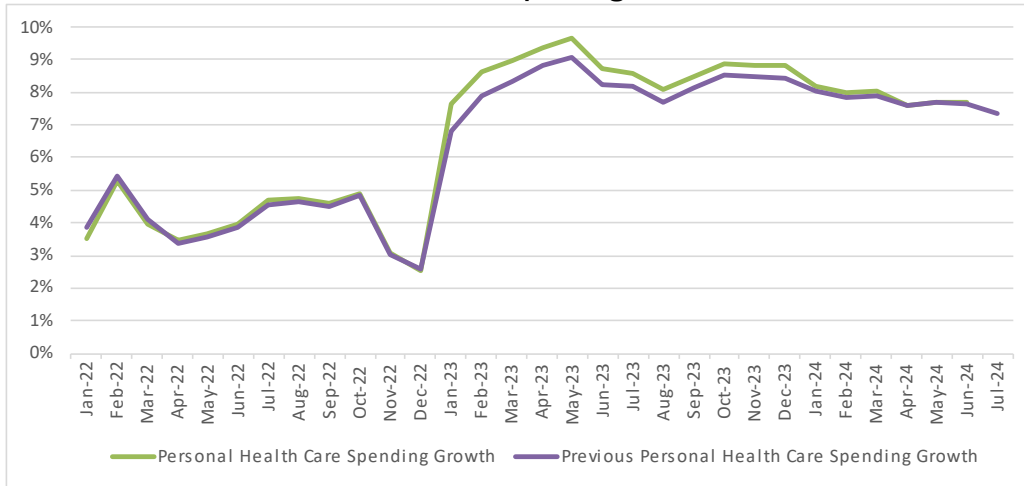


Exhibit 4 displays the growth in spending for personal health care and its major categories for the 12 month periods ending August 2024 and August 2023. We have added the previous year’s growth rates to this exhibit to allow comparison with current rates. With the exception of dental services, all categories showed lower growth in August 2024 than in the same month of the previous year. Spending on home health care showed the fastest growth in August 2024, though somewhat lower than in recent months, at 11.6%. The slowest growth occurred in spending on hospital care, at 6.0%.

Exhibit 4. Health Care Spending 12-Month Growth

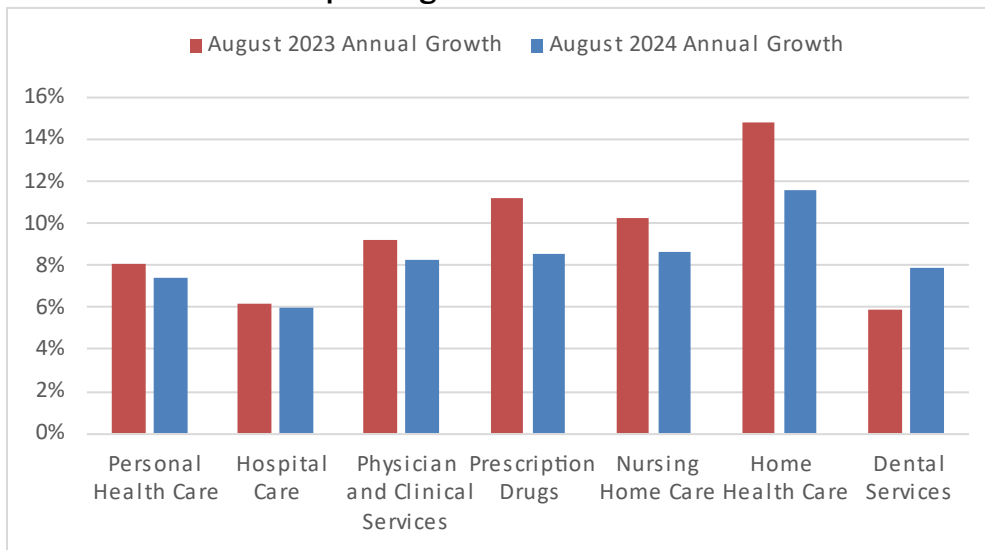
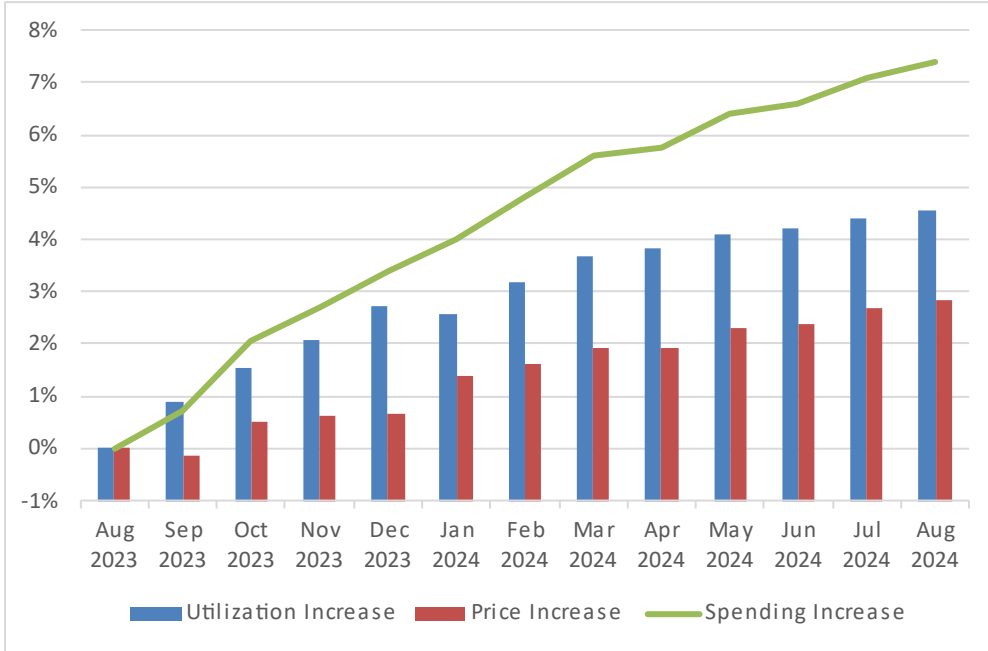


Exhibit 5 shows how spending on personal health care has grown over the past year (since August 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through August 2024 has continued to be driven more by utilization growth than by price increases: Of the 7.4% growth in personal health care spending during this period, 2.8 percentage points can be attributed to price growth, while the remaining 4.5 percentage point growth was associated with increases in utilization. (Percentages do not add to total due to rounding.)

Exhibit 5. Cumulative Growth in Personal Health Care Spending



DETAILED HEALTH SPENDING

Exhibit 6. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	August 2021	August 2022	August 2023	August 2024
GDP	\$23,914.6	\$26,398.9	\$28,025.7	\$29,330.2
National Health Spending	\$4,283.0	\$4,509.6	\$4,802.2	\$5,146.0
Personal health care	\$3,571.3	\$3,740.6	\$4,043.2	\$4,342.0
Hospital care	\$1,329.9	\$1,371.4	\$1,456.5	\$1,544.2
Physician and clinical services	\$866.8	\$887.0	\$968.6	\$1,048.3
Other professional services	\$133.4	\$141.8	\$153.0	\$169.0
Dental services	\$161.6	\$167.3	\$177.2	\$191.2
Other personal health care	\$224.9	\$249.5	\$269.0	\$286.2
Home health care	\$124.3	\$133.6	\$153.4	\$171.2
Nursing home care	\$180.0	\$194.0	\$213.9	\$232.3
Prescription Drugs	\$378.2	\$409.5	\$455.4	\$494.4
Durable medical equipment	\$64.3	\$69.2	\$71.5	\$75.6
Nondurable medical products	\$107.9	\$117.3	\$124.7	\$129.6
Program administration and net cost of private health insurance	\$301.5	\$339.6	\$365.7	\$389.2
Government public health activities	\$200.6	\$210.5	\$157.0	\$167.3
Research	\$62.1	\$65.2	\$68.4	\$71.7
Structures and equipment	\$147.5	\$153.6	\$167.9	\$175.7
HS Share of GDP	17.9%	17.1%	17.1%	17.5%
HS Share of PGDP	18.0%	17.3%	17.5%	17.9%

Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Notes: Spending is expressed in billions of dollars at a SAAR.

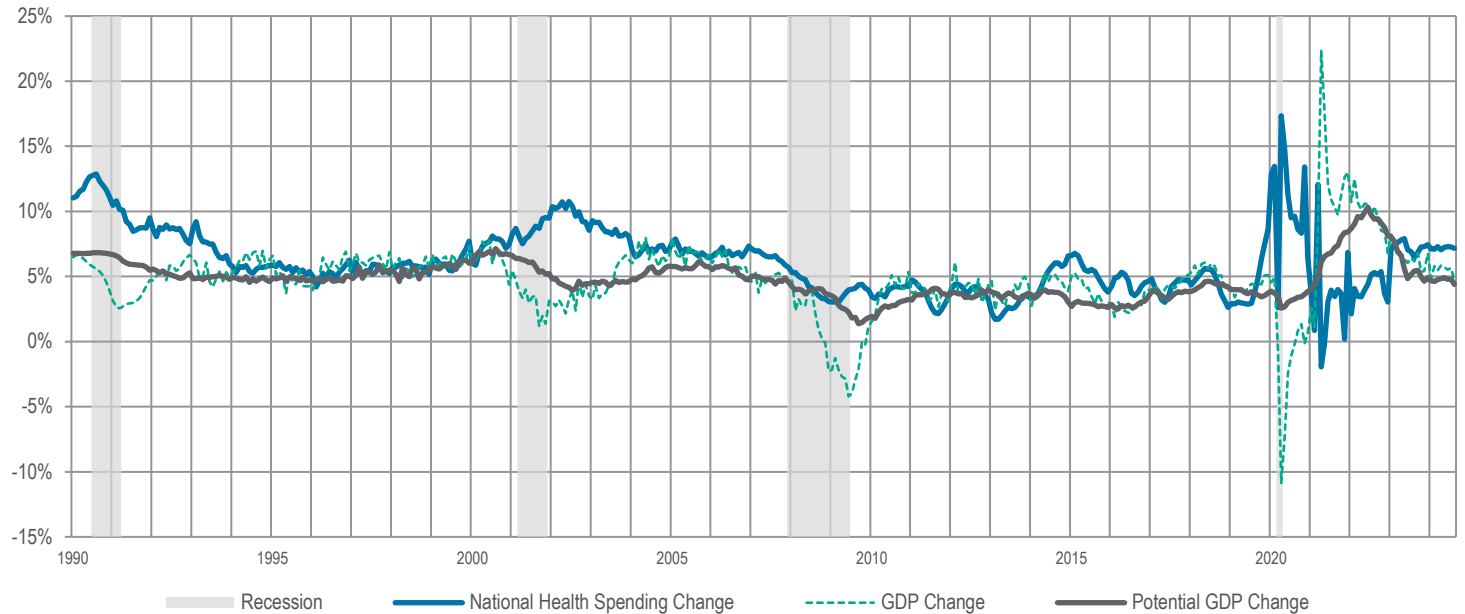
Exhibit 7. National Health Spending 12-Month Growth Rates by Detailed Category

Growth Rates	August 2022	August 2023	August 2024
GDP	10.4%	6.2%	4.7%
National Health Spending	5.3%	6.5%	7.2%
Personal health care	4.7%	8.1%	7.4%
Hospital care	3.1%	6.2%	6.0%
Physician and clinical services	2.3%	9.2%	8.2%
Other professional services	6.4%	7.9%	10.4%
Dental services	3.5%	5.9%	7.9%
Other personal health care	10.9%	7.8%	6.4%
Home health care	7.5%	14.8%	11.6%
Nursing home care	7.8%	10.3%	8.6%
Prescription Drugs	8.3%	11.2%	8.6%
Durable medical equipment	7.6%	3.2%	5.7%
Nondurable medical products	8.7%	6.3%	4.0%
Program administration and net cost of private health insurance	12.6%	7.7%	6.4%
Government public health activities	4.9%	-25.4%	6.5%
Research	5.0%	4.8%	4.9%
Structures and equipment	4.2%	9.3%	4.6%
HS Minus GDP	-5.1%	0.3%	2.5%
HS Minus PGDP	-4.1%	1.1%	2.8%

Source: Computed from Exhibit 5.
Note: This exhibit compares monthly national health spending to that of the same month from the previous year.

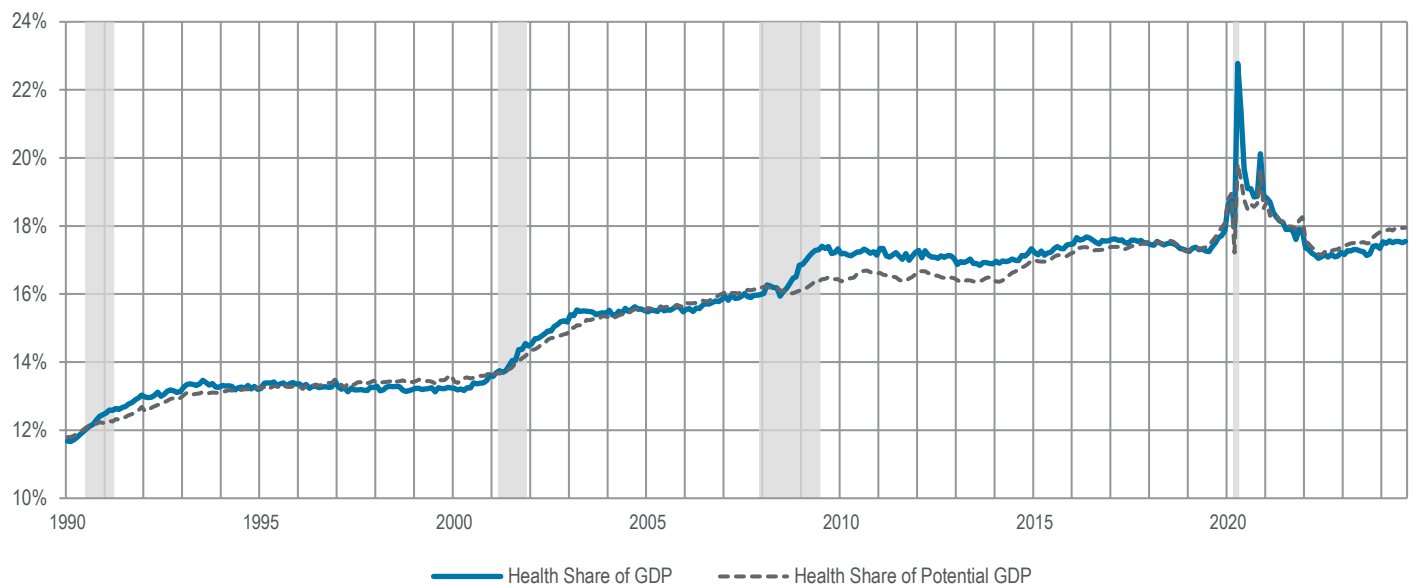
TIME SERIES TRACKER

Exhibit 8. Year-over-Year Percentage Change in Spending and GDP



Source: Altarum monthly national health spending estimates. The monthly GDP is from S&P Global Market Intelligence.
Note: Lightly shaded bars denote recession periods.

Exhibit 9. Monthly Health Spending as a Percentage of Monthly GDP



Source: Altarum monthly national health spending estimates. Monthly GDP is from S&P Global Market Intelligence. PGDP is from the U.S. Congressional Budget Office and has been converted to monthly estimates. **Note:** Lightly shaded bars denote recession periods.

Methods. Altarum’s estimates are based on [BEA monthly health spending](#) and [CMS annual NHE estimates \(1990–2022\) and projections](#) (2023 and 2024). BEA spending categories are matched to NHEA components by using information presented in the [following](#): Hartman, M. B., Kornfeld, R. J., & Catlin, A. C. (2010, September). A reconciliation of health care expenditures in the National Health Expenditures Accounts and in gross domestic product. *Survey of Current Business*, 90(9), 42–52. For all NHEA personal health care categories except “other health, residential, and personal care,” monthly estimates are based on BEA spending adjusted to NHEA by using annual ratios. For the remaining categories, national health spending estimates and projections are allocated across months by using a simple trend. Annual ratio adjustments through 2022 are based on NHEA actuals and ensure that monthly estimates sum exactly to NHEA annual amounts. The 2022 ratios are used to adjust BEA spending for months in 2023 and 2024.

October 23, 2024

Health care prices continue to rise faster than economy-wide inflation

HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.1% year over year in September, up 0.3 percentage points over last month's revised value.
- ▲ Economy-wide inflation fell slightly, with year-over-year growth in the overall Consumer Price Index (CPI) decreasing by 0.1% to 2.4% and growth in the Producer Price Index (PPI) also dropping 0.1%, to 1.8%.
- ▲ Among the major health care categories, prices for nursing home care (4.4%), hospitals (3.9%), and dental care (3.9%) were the fastest growing, while home health price growth was the slowest (1.3%).
- ▲ For major payers, year-over-year Medicaid price growth (5.7%) exceeded services price growth for private insurance (3.8%) and Medicare patients (1.7%).
- ▲ The implicit measure of health care utilization growth was 4.5% year over year in August, down slightly from the revised July value of 4.6%.
- ▲ Home health care utilization increased 10.0% year over year. While this was the fastest-growing category this month (as it has been since August of 2023), this nevertheless indicates a reduction to below its 3-, 6-, and 12-month moving averages. This category was followed by physician and clinical services (6.8%) and prescription drugs (6.6%), while hospital care and trailed the other categories at 2.6%.

	Sep 2022	Sep 2023	Aug 2024	Sep 2024
Health Care Price Index (HCPI)	2.9%	2.6%	2.8%	3.1%
GDP Deflator (GDPD)	7.3%	3.2%	2.1%	**
HCPI - GDPD	-4.4%	-0.6%	0.7%	**
Addendum				
Personal health care spending	4.6%	8.5%	7.4%	**
Health care utilization	1.7%	5.8%	4.5%	**
Medical Consumer Price Index (MCPI)	6.0%	-1.4%	3.0%	3.3%
Consumer Price Index, all items (CPI)	8.2%	3.7%	2.5%	2.4%
Producer Price Index, Final Demand (PPI)	8.5%	1.8%	1.9%	1.8%

Source: Altarum analysis of U.S. Bureau of Labor Statistics (BLS) data. HCPI is a composite price index designed to measure overall price changes for personal health care spending and is patterned after the price index developed by the Centers for Medicare & Medicaid Services (CMS). Details are provided below. Numbers may not subtract properly due to rounding.

**Data not available

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 George Miller at George.Miller@altarum.org. Corey Rhyan (principal author), George Miller, PhD, Stephen McCall, and Matt Daly, PhD, contributed to this brief. We thank Ani Turner for her years of leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

DISCUSSION

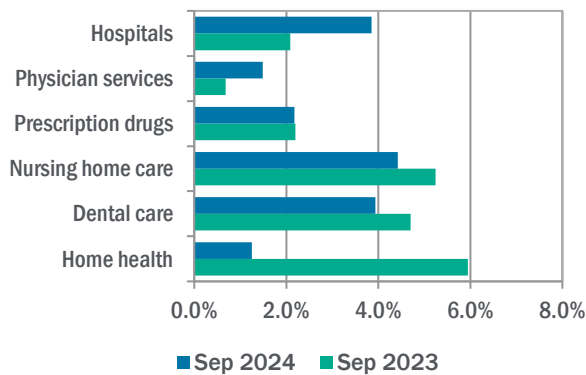
The overall health care price index (HCPI) increased by 3.1% year over year in September, up from 2.8% in August (Exhibit 1). The August value was 0.7 percentage points greater than economy-wide inflation as measured by the GDP deflator (Exhibit 1). This marks the eleventh straight month where health care prices have risen faster than economy-wide inflation. Through 2024 so far, health care price growth has averaged 3.1% year over year, up from the 2.9% overall 2023 annual average.

Regarding other measures of economy-wide inflation, CPI price growth fell slightly to 2.4% year over year in September, while PPI inflation fell slightly to 1.8%. Economy-wide price increases continue to be driven by services inflation (up 4.8% year over year), while commodities inflation continued its recent negative trend, dropping to -1.4% (Exhibit 4).

Health care services continued to be the major driver of health care price growth in September, with nursing home care services up 4.4% and both hospitals and dental care up 3.9%. Still, the year-over-year increases in prescription drug prices observed in recent months continued this month at 2.2% (Exhibits 2 and 3). Price growth for physician and clinical services continues to be one of the slowest-growing categories, up 1.5% year over year and 1.6 percentage points below the aggregate HCPI. In July CMS released their proposal for Medicare physician reimbursement for 2025, including a [2.8% cut for physician fees](#) next year. While the final impact of this proposed cut on overall physician payments may be mitigated by other changes to the physician fee schedule or by Congress [intervening as it has in years past](#), this proposal indicates significant possible downward pressure on physician and clinical care prices in the future.

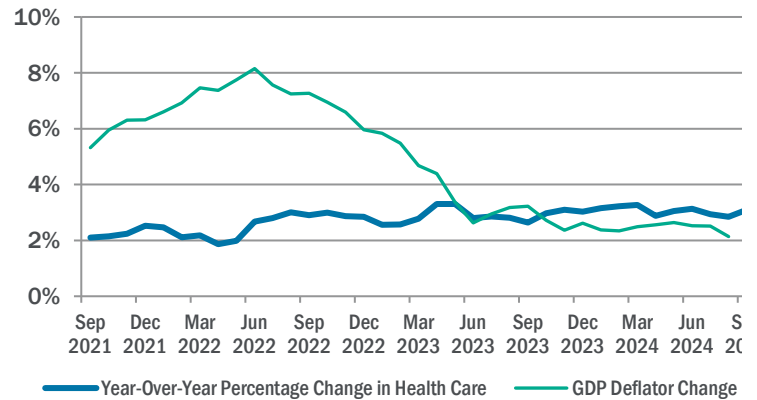
Among major payers for health care services, prices rose fastest for Medicaid patients last month, increasing 5.7% year over year, higher than price growth for private insurance patients (3.8%) and Medicare (1.7%), as shown in Exhibit 6. Among specific health sector components, faster price growth among Medicaid patients was seen in both hospital care (up 5.9% year over year, as shown in Exhibit 8), and physician and clinical care (up 12.4%, as shown in Exhibit 7). Hospital price growth rates for other payers in September were slower than Medicaid—private insurance hospital prices were up 4.7% year over year while Medicare was up 2.5%.

Exhibit 2. Year-over-Year Price Growth for Selected Categories



Source: Altarum analysis of monthly BLS price data.

Exhibit 1. Year-over-Year Growth in HCPI & GDPD



Source: Altarum analysis of monthly BLS price data.

Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) fell slightly in September to 4.5%, just under the three-month moving average of 4.6% (Exhibit 9). The fastest-growing utilization component was again home health care, up 10.0% year over year, followed by physician services (6.8%) and prescription drugs (6.6%), with hospital care (2.6%) running behind.

This month continues the 2024 trend of higher overall growth in the use of health care services compared to health care prices; however, with health care price growth increasing, this trend could change in the future. We will continue to monitor these data and this trend in our future price and [spending briefs in upcoming months](#).

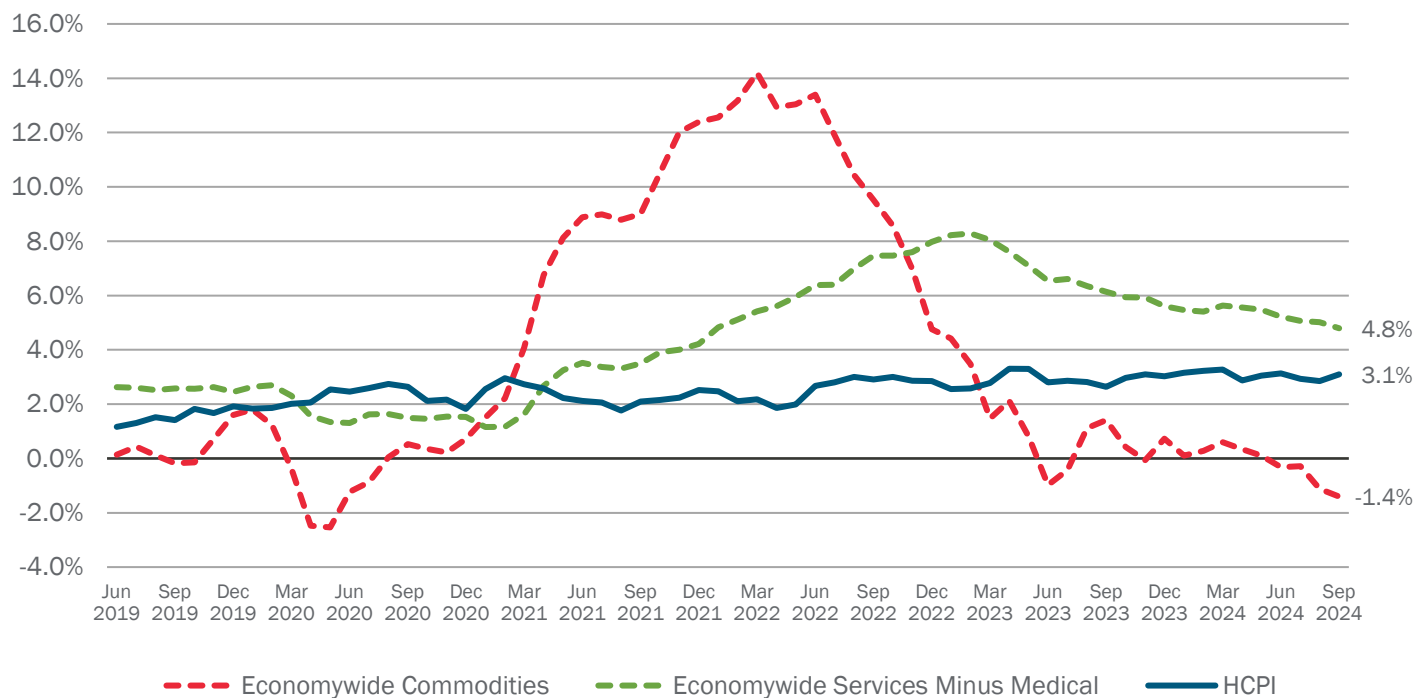
PRICE GROWTH BY DETAILED CATEGORIES

Exhibit 3. Annualized % Change in Prices for Major Components of National Health Expenditures

	Ending September 2022	Ending September 2023	Ending September 2024
Health Care Price index	2.9%	2.6%	3.1%
Hospital Care	3.2%	2.1%	3.9%
Physician and clinical services	0.2%	0.7%	1.5%
Prescription drugs	2.7%	2.2%	2.2%
Nursing home care	4.1%	5.2%	4.4%
Dental services	5.3%	4.7%	3.9%
Home health care	1.8%	5.9%	1.3%
Other professional services	4.1%	0.1%	2.2%
Other personal health care	4.9%	6.0%	6.5%
Other non-durable medical products	5.6%	8.4%	0.7%
Durable medical equipment	5.3%	3.9%	1.3%

Source: Altarum analysis of monthly BLS data.

Exhibit 4. Year-over-Year Percentage Change in Health Prices Compared with Economy-wide Commodities vs. Economy-wide Services

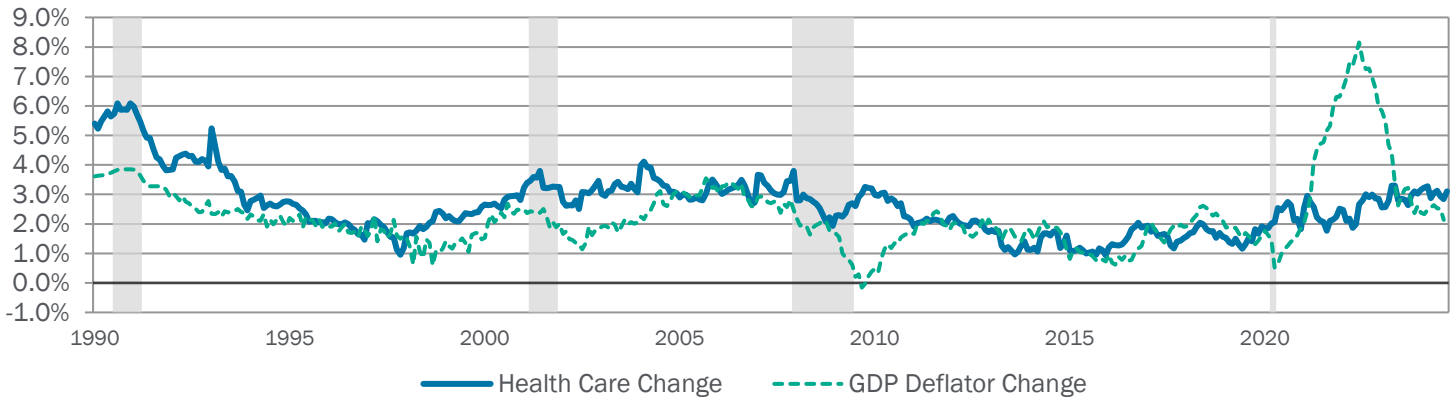


Source: Altarum analyses of BLS price data.

Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHSG). The advantages of this measure over the medical care component of the CPI are well documented. Information on the CMS index is presented in the following source: U.S. Department of Health and Human Services. (2019). *National Health Expenditure Accounts: Methodology Paper, 2018—Definitions, Sources, and Methods*. Washington, DC: Centers for Medicare & Medicaid Services. Retrieved from <http://www.cms.gov/files/document/definitions-sources-and-methods.pdf>. The HCPI is calculated by using BLS data on PPIs for hospital, physician, nursing home, and home health components and CPIs for prescription drugs and other remaining items. Following NHSG, we use the GDPD rather than the CPI as our measure of economy-wide inflation. While this brief focuses on prices, it also incorporates data from our spending brief and shows the power of looking at prices and spending together. In particular, it reveals the striking role of utilization in health spending growth trends.

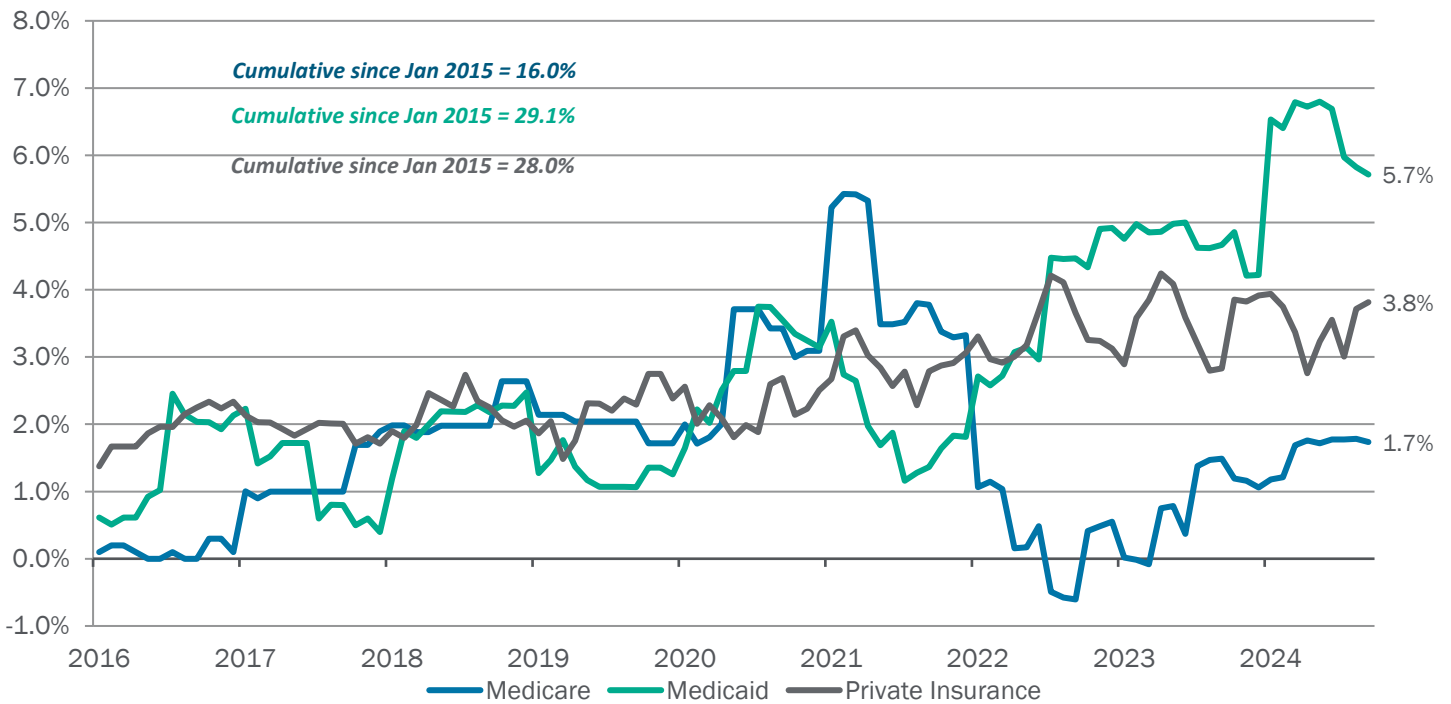
TIME SERIES TRACKER

Exhibit 5. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator



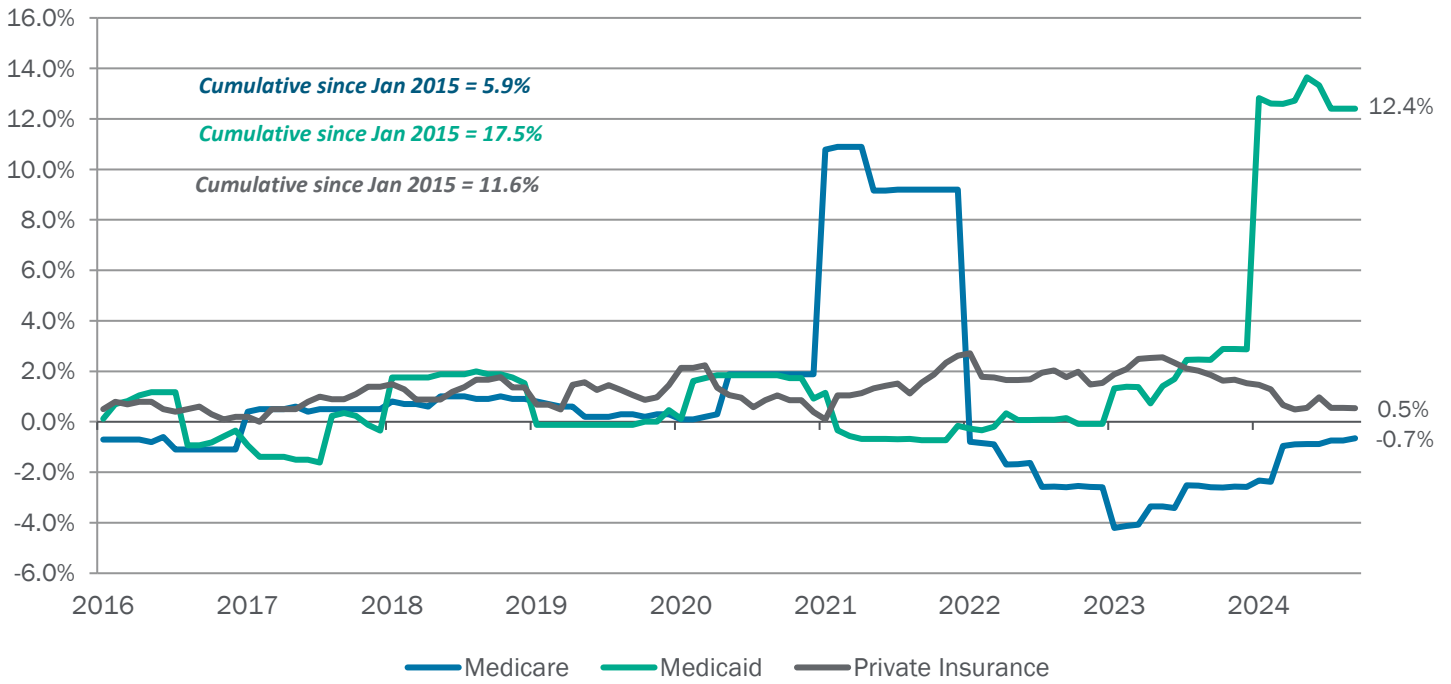
Source: Altarum analyses of BLS price data.
 Note: Lightly shaded bars denote recession periods.

Exhibit 6. Year-over-Year Change in Health Care Services Price Growth by Payer



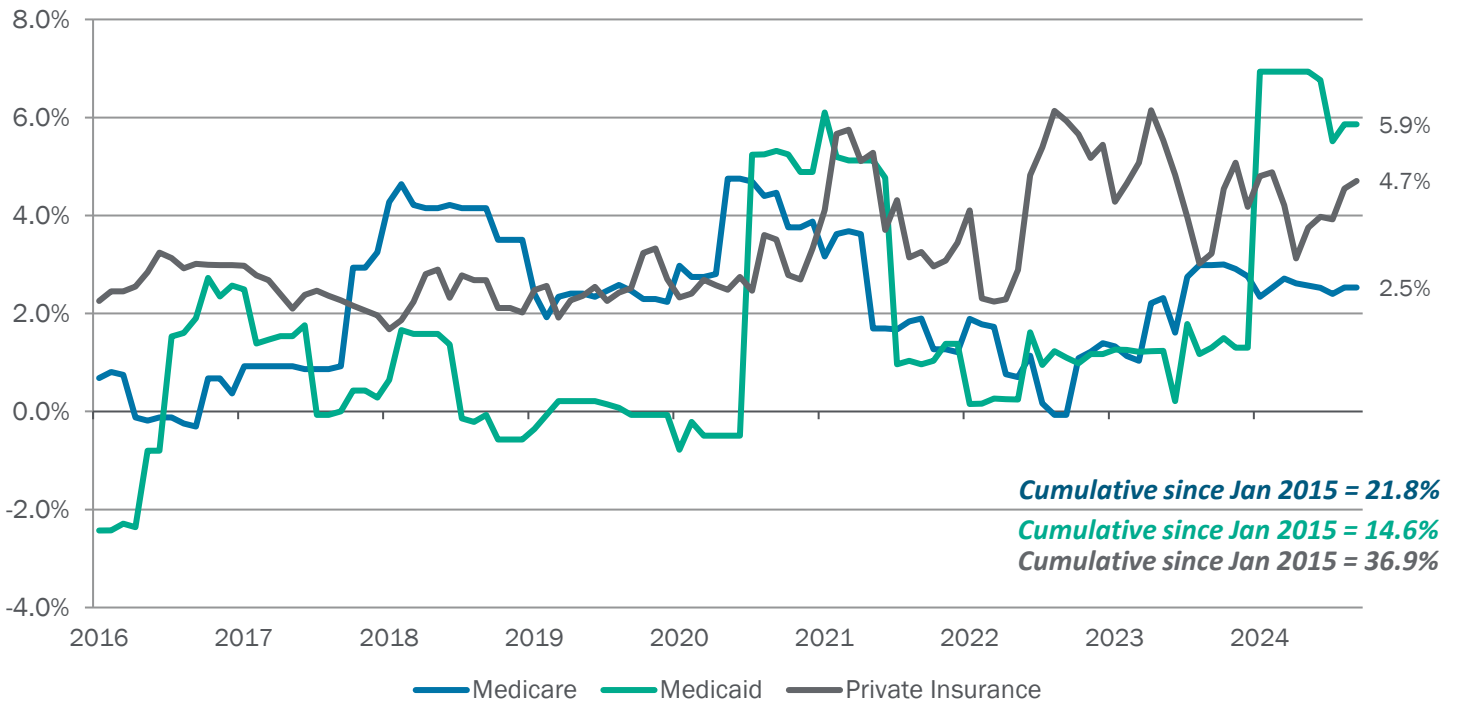
Source: Altarum analyses of BLS price data.

Exhibit 7. Year-over-Year Change in Physician Care Services Price Growth by Payer



Source: Altarum analyses of BLS price data.

Exhibit 8. Year-over-Year Change in Hospital Services Price Growth by Payer



Source: Altarum analyses of BLS price data.

Exhibit 9. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year

	August 2024	3-Month Moving Average	12-Month Moving Average
Total personal health care	4.5%	4.6%	5.1%
Hospital care	2.6%	2.8%	3.7%
Physician and clinical services	6.8%	6.9%	7.6%
Prescription drugs	6.6%	6.4%	7.7%
Nursing home care	4.2%	4.5%	5.6%
Dental Services	4.4%	3.2%	1.8%
Home health care	10.0%	13.7%	12.1%
Other professional services	9.7%	9.1%	8.8%
Other personal health care	0.4%	-0.3%	0.1%
Other nondurable medical products	1.5%	-0.1%	-2.2%
Durable medical equipment	4.0%	3.7%	3.0%

Source: Altarum analysis of monthly BLS data combined with Altarum HSEI spending data.

Note: Beginning in March 2021, we slightly updated the computation of estimated implicit utilization shown in Exhibit 8 to be more consistent with our spending data. Previous iterations calculated implicit utilization growth (U) as spending growth (S) net of price growth (P) and population growth (Pop): $U = S - P - \text{Pop}$. New data (from March 2021 onward) now include population growth in utilization, with the new measure calculated as: $U = S - P$. This approach is an approximation, ignoring the interaction term between spending and prices growth ($S * P$); however, as long as the two growth rates are small, this term is insignificant.

Source: Altarum analyses of BLS price data.

October 23, 2024

September health care job growth accounted for a smaller share of economy-wide employment growth compared to the previous year

HIGHLIGHTS

- ▲ In September 2024, health care industry employment increased by 45,200 jobs and non-health care industries added 208,800 jobs. Health care jobs accounted for 17.8% of all jobs added in September, compared to 28.3% in the previous 12 months.
- ▲ September's health care job growth was led by ambulatory health care services, which added 24,300 jobs, followed by hospitals, with 11,500 jobs.
- ▲ Nursing and residential care facilities added 9,400 jobs in September, with 3,900 new jobs in nursing care facilities and 5,500 in other residential care facilities.
- ▲ The unemployment rate decreased slightly to 4.1% in September 2024 from 4.2% in August.
- ▲ For health care and social assistance in August, the job openings rate was 6.1%, the hiring rate was 3.1%, and the total separations rate was 2.7%.
- ▲ Nominal health care wage growth in August 2024 was 3.6% year over year, with growth rates of 4.2% in nursing and residential care facilities, 3.6% in ambulatory health care services, and 3.5% in hospitals.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Sep 2023	Aug 2024	Sep 2024
Total Employment (000)	152,309	156,667	158,851	159,105
Non-Health Employment (000)	135,828	139,564	141,117	141,326
Health Employment (000)	16,481	17,103	17,734	17,779
Health Share of Total Employment	10.82%	10.92%	11.16%	11.17%
Unemployment Rate	3.5%	3.8%	4.2%	4.1%

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 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 George Miller at george.miller@altarum.org. Stephen McCall (principal author), George Miller, PhD, and Matt Daly, PhD, contributed to this brief. We thank Corwin Rhyon for his previous leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

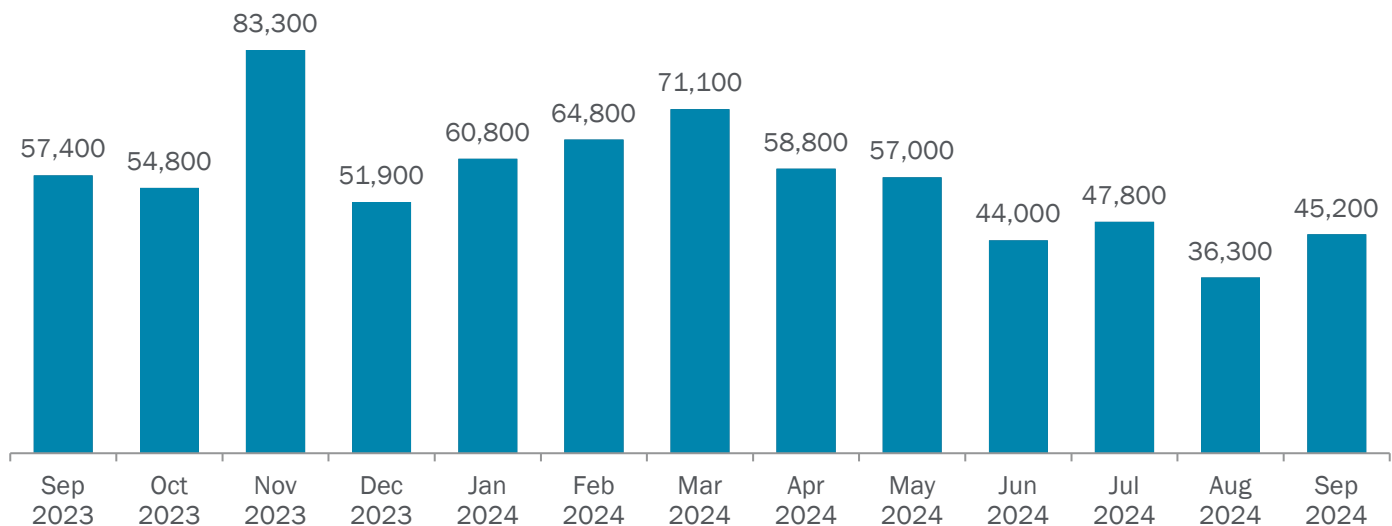
DISCUSSION

In September 2024, the health care industry added 45,200 new jobs, as shown in Exhibit 1. This figure is 21.2% lower than the monthly average of 57,300 jobs added in the previous year (from September 2023 to August 2024). In contrast, non-health care industries created 208,800 jobs, which was 43.8% higher than the 145,200 jobs gained per month in the past year.

The health care industry experienced below-average employment growth across most subsectors. In September, ambulatory health care services added 24,300 jobs, which is 16.5% lower than the monthly average for the past year. Of these new positions, more than half (12,700) were in home health care services. Hospitals recorded an increase of 11,500 jobs, representing a decline of 38.9% compared to their 12-month average. Nursing and residential care facilities added 9,400 jobs in September, approximately matching their average over the previous year. Within this subsector, nursing care facilities gained 3,900 jobs, which was 12.8% above the prior 12-month average, while other nursing and residential care homes added 5,500 positions, 7.9% lower than the previous 12-month average.

The employment figures for 2023 and early 2024 will be [updated](#) soon based on more accurate but less timely unemployment claims. Initial estimates suggest that the economy added 818,000 fewer jobs than originally reported in 2023 and early 2024. However, the private education and health services sector, which includes education, social assistance, and health care, had 87,000 more jobs than previously reported. These changes will impact our annual and biannual average employment analyses once they are included in the employment data in February 2025.

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

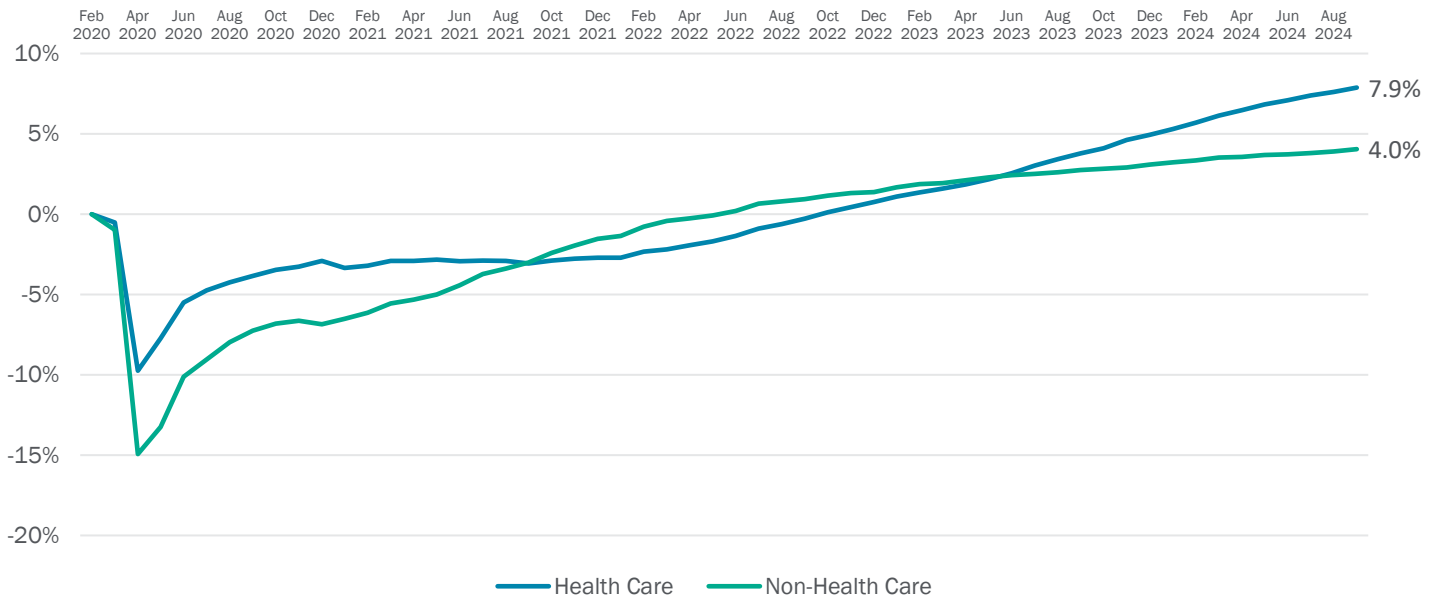


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,298,500 jobs or 7.9%, which is higher than the 4.0% increase in non-health care employment over the same period (see Exhibit 2). The health care industry started growing especially quickly in February 2022, and employment growth in non-health care industries began to slow down in April of the same year. September 2024 was the thirtieth consecutive month that health care industry growth outpaced non-health care industries. During that period, the health care industry grew by 10%, versus 4.3% in non-health care industries.

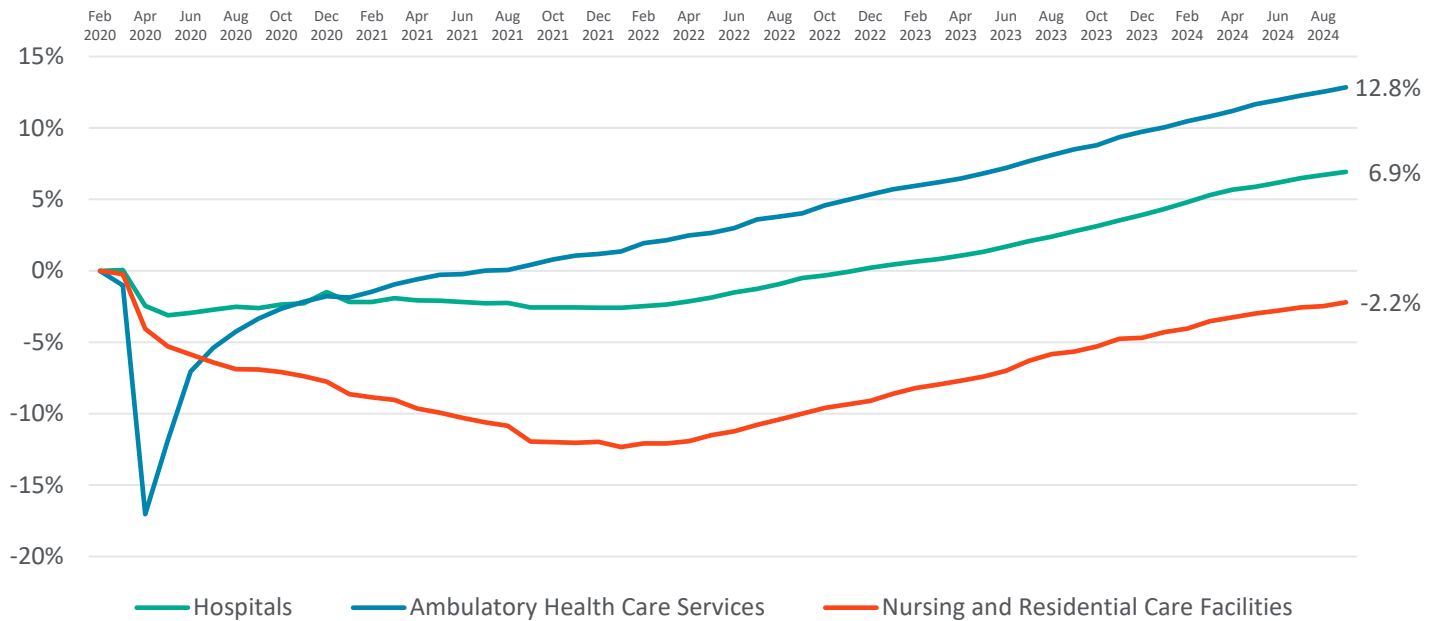
Since February 2020, employment in ambulatory health care services has increased by 1,010,500 jobs or 12.8%, while hospital employment has grown by 362,500 jobs or 6.9% (see Exhibit 3). However, employment in nursing and residential care facilities is still 74,500 jobs (2.2%) below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction in employment is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages. All three health care subsectors have steadily increased since February 2022.

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



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

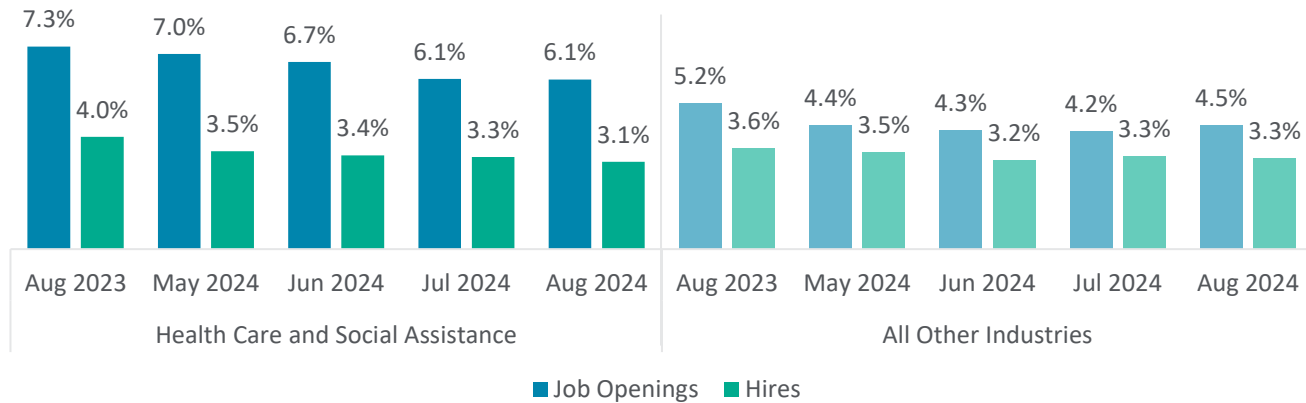
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

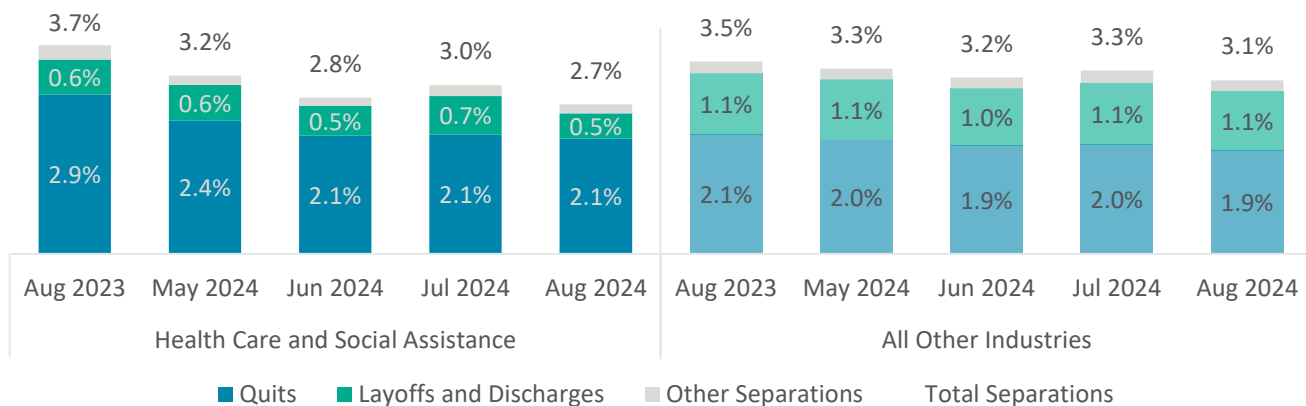
Job openings and hires in health care and social assistance remained lower than previous months and a year ago, suggesting labor demand is slowing down. The job openings rate in health care and social assistance was 6.1% in August 2024, which is lower than a year earlier, as shown in Exhibit 4. This rate was still well above the openings rate of 4.5% in all other industries. The hiring rate in health care and social assistance fell marginally to 3.1%, which was slightly lower than the rate for all other industries (3.3%). The job separation rate in the health care and social assistance industry was 2.7% in August 2024, a decrease from 3.0% in the previous month, as shown in Exhibit 5.

Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.
Notes: The job opening rate is the number of job openings on the last business day of the month as a percent of employment plus job openings, while the hire rate is the number of hires during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social assistance jobs are in services for the elderly and persons with disabilities and childcare services.

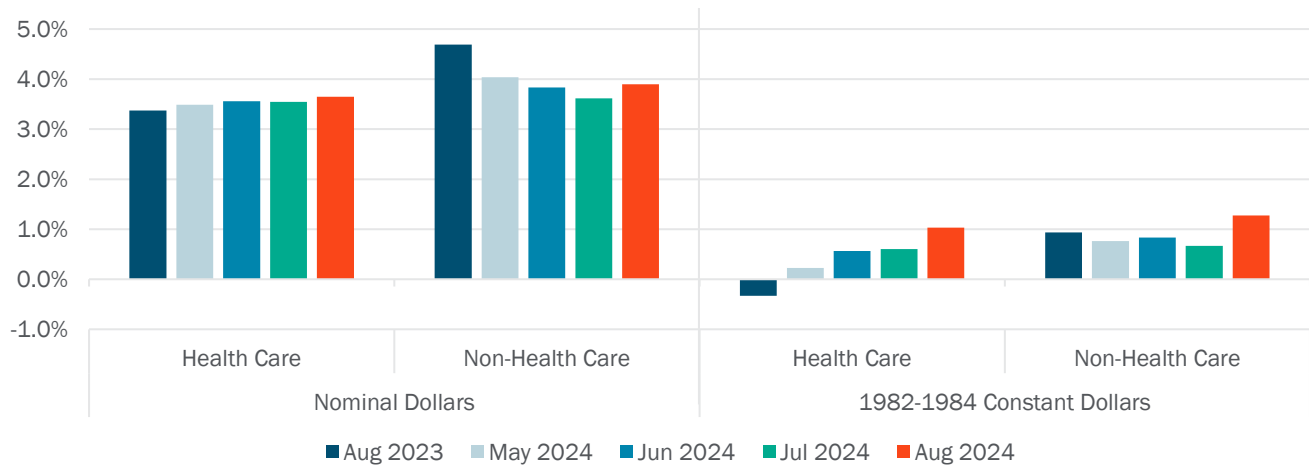
Exhibit 5. Monthly Separation Rates by Type in the Health Care and Social Assistance and All Other Industries



Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.
Notes: Separation rates are the number of separations during the entire month as a percent of employment. Health care jobs typically constitute 80% of all jobs in the health care and social assistance sector. Most social assistance jobs are in services for the elderly and persons with disabilities and childcare services.

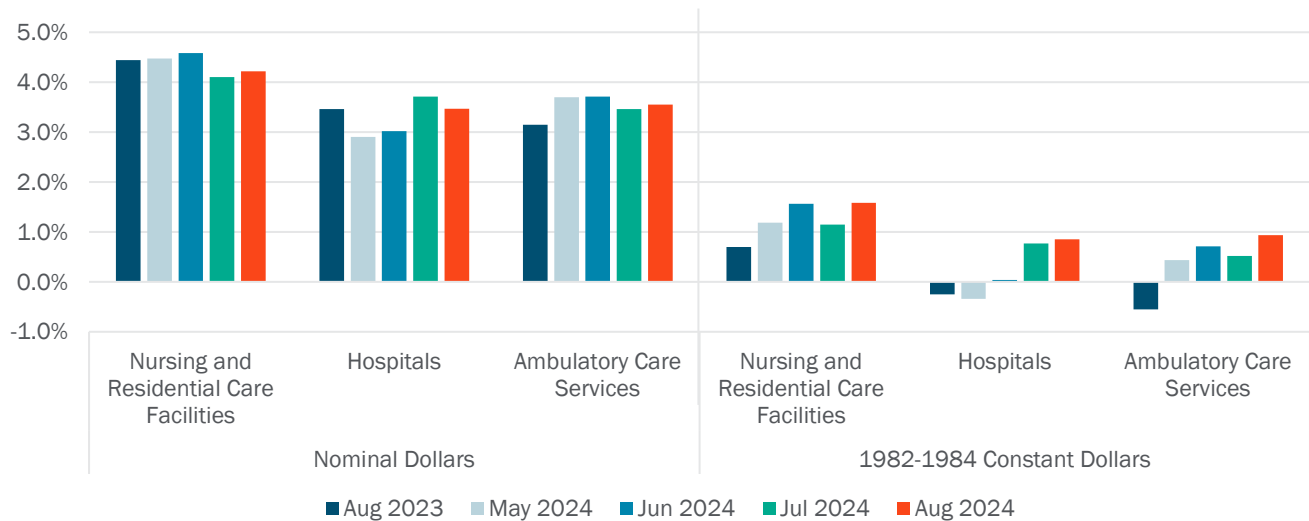
Year-over-year wage growth in the health care sector was 3.6% in August 2024, which was marginally higher than recent months and a year ago, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.0%. Nominal wage growth was fastest in the nursing and residential care facilities at 4.2%, followed by ambulatory health care services at 3.6%, and hospitals at 3.5% and (see Exhibit 7). Inflation-adjusted wages grew by 1.6% in nursing and residential care facilities and 0.9% in hospitals and ambulatory care services. Non-health care wage growth was 3.9% in August, or 1.3% after adjusting for inflation.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, in Health Care and Non-Health Care Industries



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

Exhibit 7. Change in Average Hourly Earnings, Year over Year, by Health Care Subsector



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector and Subsector, Seasonally Adjusted

Employment (in Thousands)	September 2024	August 2024	September 2023	September 2022	February 2020
Non-Health Care	141,326	141,117	139,564	137,103	135,828
Health Care	17,779	17,734	17,103	16,433	16,481
Ambulatory Health Care Services	8,879	8,855	8,537	8,186	7,869
Offices of Physicians	3,042	3,040	2,948	2,833	2,725
Offices of Dentists	1,044	1,042	1,031	1,012	991
Offices of Other Health Care Practitioners	1,223	1,220	1,167	1,104	1,001
Outpatient Care Centers	1,099	1,094	1,063	1,041	996
Medical and Diagnostic Labs	316	317	324	319	289
Home Health Care Services	1,794	1,782	1,652	1,546	1,547
Other Ambulatory ^a	360	360	352	331	319
Hospitals	5,598	5,586	5,380	5,208	5,235
Nursing and Residential Care Facilities	3,303	3,293	3,186	3,039	3,377
Nursing Care Facilities	1,475	1,471	1,431	1,364	1,587
Other Nursing and Residential ^b	1,828	1,822	1,755	1,675	1,790
Health Share of Employment	11.17%	11.16%	10.92%	10.70%	10.82%

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

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.
^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

Exhibit 9. Change in Employment by Sector and Subsector in September 2024, Seasonally Adjusted

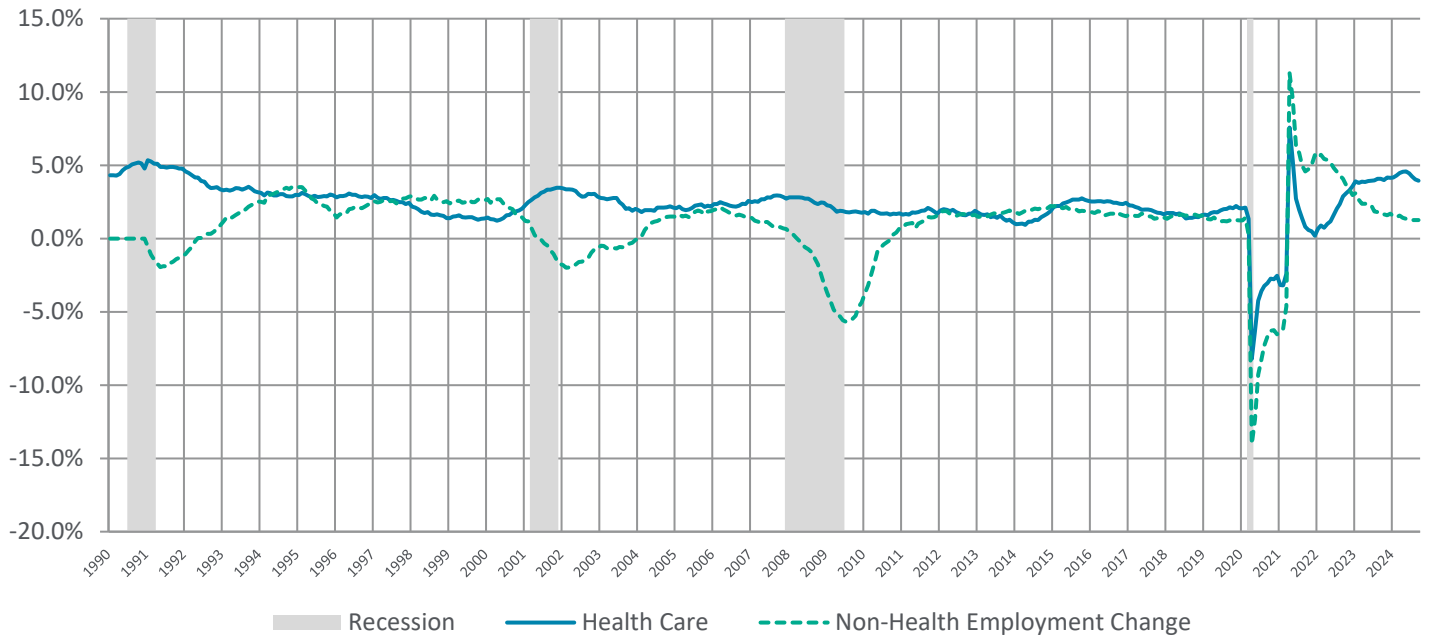
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	208.8	1,762.2	4,223.1	5,497.5
Health Care	45.2	675.8	1,345.9	1,298.5
Ambulatory Health Care Services	24.3	341.6	693.3	1,010.5
Offices of Physicians	1.9	94.5	208.8	316.8
Offices of Dentists	1.9	12.6	31.8	52.9
Offices of Other Health Care Practitioners	3.5	56.0	119.4	222.4
Outpatient Care Centers	5.3	35.9	58.5	103.1
Medical and Diagnostic Labs	-1.4	-7.8	-2.9	26.5
Home Health Care Services	12.7	142.5	248.0	247.9
Other Ambulatory ^a	0.5	8.1	29.9	41.1
Hospitals	11.5	217.5	389.2	362.5
Nursing and Residential Care Facilities	9.4	116.7	263.4	-74.5
Nursing Care Facilities	3.9	44.5	111.2	-112.0
Other Nursing and Residential ^b	5.5	72.2	152.2	37.5
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	1.3%	1.5%	0.9%
Health Care	3.1%	4.0%	4.0%	1.7%
Ambulatory Health Care Services	3.3%	4.0%	4.1%	2.7%
Offices of Physicians	0.8%	3.2%	3.6%	2.4%
Offices of Dentists	2.2%	1.2%	1.6%	1.1%
Offices of Other Health Care Practitioners	3.5%	4.8%	5.3%	4.5%
Outpatient Care Centers	6.0%	3.4%	2.8%	2.2%
Medical and Diagnostic Labs	-5.2%	-2.4%	-0.5%	1.9%
Home Health Care Services	8.9%	8.6%	7.7%	3.3%
Other Ambulatory ^a	1.7%	2.3%	4.4%	2.7%
Hospitals	2.5%	4.0%	3.7%	1.5%
Nursing and Residential Care Facilities	3.5%	3.7%	4.2%	-0.5%
Nursing Care Facilities	3.2%	3.1%	4.0%	-1.6%
Other Nursing and Residential ^b	3.7%	4.1%	4.4%	0.5%

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

^a "Other Ambulatory" care settings include ambulance services, blood and organ banks, and all other non-classifiable ambulatory health care service providers.
^b "Other Nursing and Residential" includes assisted living communities, continuing care retirement communities, residential intellectual and developmental disability facilities, residential mental health and substance abuse facilities, and all other non-classifiable residential care providers.

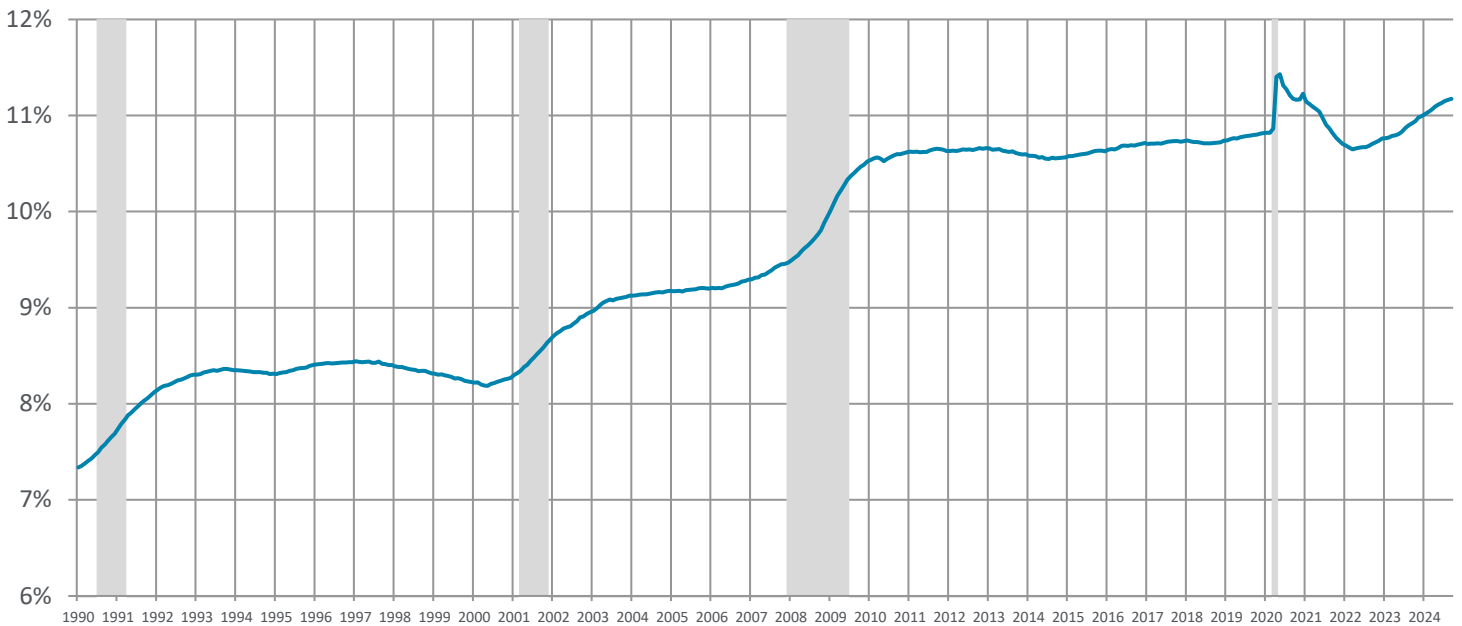
TIME SERIES TRACKER

Exhibit 10. Twelve-Month Percent Change in Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.

Exhibit 11. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.
Note: Lightly shaded bars denote recession periods.