

June 23, 2022

Health employment continues moderate growth, still below pre-pandemic peak

HIGHLIGHTS

- ▲ Health care employment grew by 28,300 jobs in May 2022. In a departure from the typical pattern of employment shifting from inpatient and residential care to ambulatory settings, most of the gains in May were in hospitals (16,300 jobs), nursing and residential care showed positive growth (5,600 jobs), and ambulatory care employment grew only modestly (6,400 jobs).
- ▲ More than two years since the start of the pandemic, the level of health employment is 222,000 jobs (1.3%) below the pre-pandemic peak. Employment in ambulatory settings is now 242,000 jobs (3.1%) above where it was in February 2020, while hospital employment remains 75,000 jobs (1.4%) below February 2020 and nursing and residential care employment is down by 390,000 jobs (11.6% decline).
- ▲ The economy added 390,000 jobs in May. Through the first five months of 2022, the economy added an average of 488,000 jobs per month. Total employment is now less than one million jobs and a half a percent below where it was in February 2020, while the unemployment rate remains at 3.6%.
- ▲ Wage data are consistent with a tight labor market overall and in health care in particular. Average hourly earnings in health care grew 6.9% year over year in April 2022 (the most recent industry-level data). Earnings across all private sector jobs grew 5.5% year over year in April and 5.2% in May 2022.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020 (peak)	May 2021	Apr 2022	May 2022
Total Employment (000)	152,504	145,141	151,292	151,682
Non-Health Employment (000)	136,014	129,123	135,052	135,414
Health Employment (000)	16,491	16,018	16,240	16,268
Health Share of Total Employment	10.81%	11.04%	10.73%	10.73%
Unemployment Rate	3.5%	5.8%	3.6%	3.6%

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.

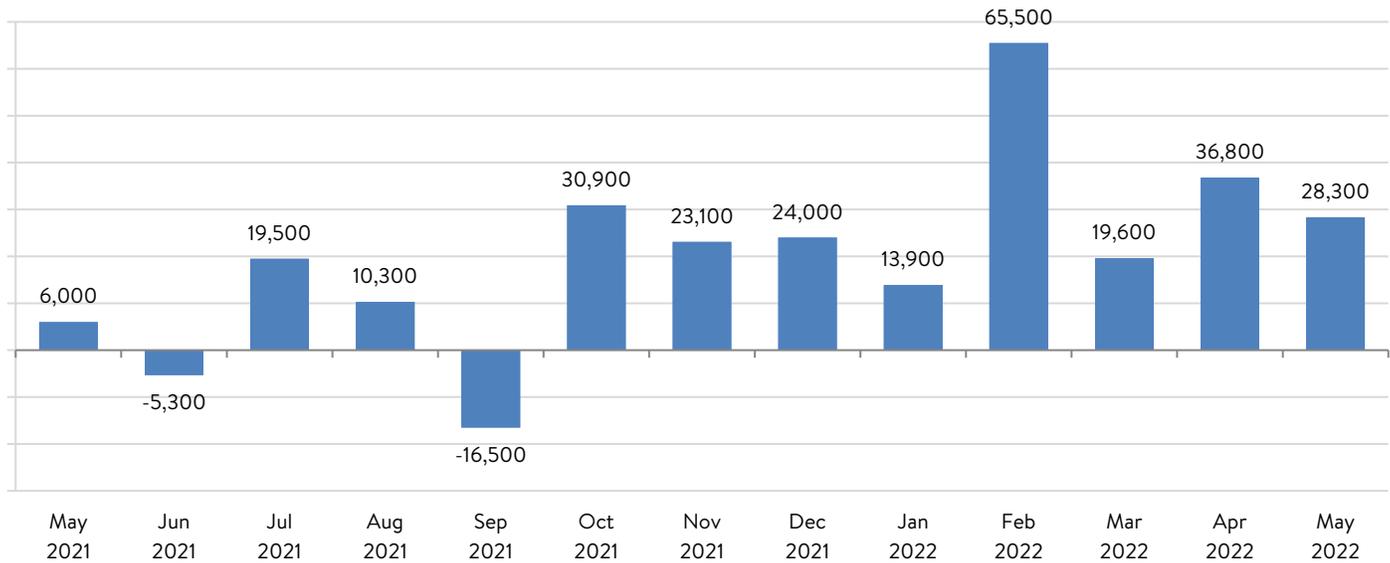
The Health Sector Economic IndicatorsSM (HSEI) reports are a monthly publication of Altarum providing analyses of health spending, employment, and prices. For more information, contact Ani Turner at ani.turner@altarum.org. Ani Turner (principal author), Corwin Rhyan, George Miller, PhD, and Matt Daly, PhD, contributed to this brief. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.



DISCUSSION

Health care employment grew by 28,300 jobs in May, and revisions to March and April were minimal. Health care has added 164,000 jobs through the first five months of 2022, averaging 32,800 new jobs per month, somewhat faster than the 26,000 per month pace of the last quarter of 2021 (Exhibit 1).

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

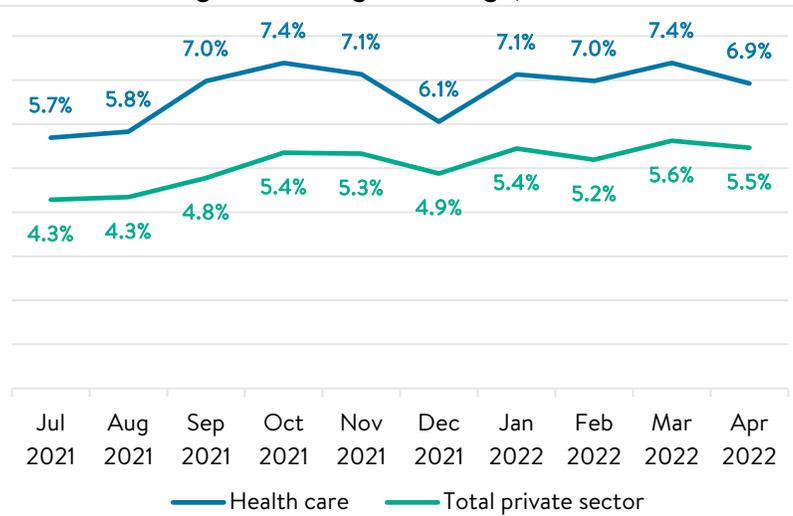


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

The economy added 390,000 jobs in May. Through the first five months of 2022, the economy has added an average of 488,000 jobs per month, a slight tapering from the 524,000 per month added in 2021. Total employment is now less than one million jobs and a half a percent below where it was in February 2020. In fact, about 200,000 of the roughly 800,000 jobs below the peak are in health care; the remaining 600,000 are elsewhere in the economy. At the current pace of job growth, the economy will return to the pre-pandemic level of employment in two to three months. The unemployment rate remained at 3.6% for the third month in a row, very close to the pre-pandemic rate of 3.5%, which was a 50-year low.

Health care wages have been growing even faster than overall wages, especially since mid-2021 (Exhibit 2). Private sector earnings grew an average of 5.4% year over year in the first four months of 2022, while health sector earnings are averaging 7.1% growth over the same period. The April reading of 6.9% earnings growth is a drop from March growth of 7.4%, but it is too soon to say health care wage growth is moderating.

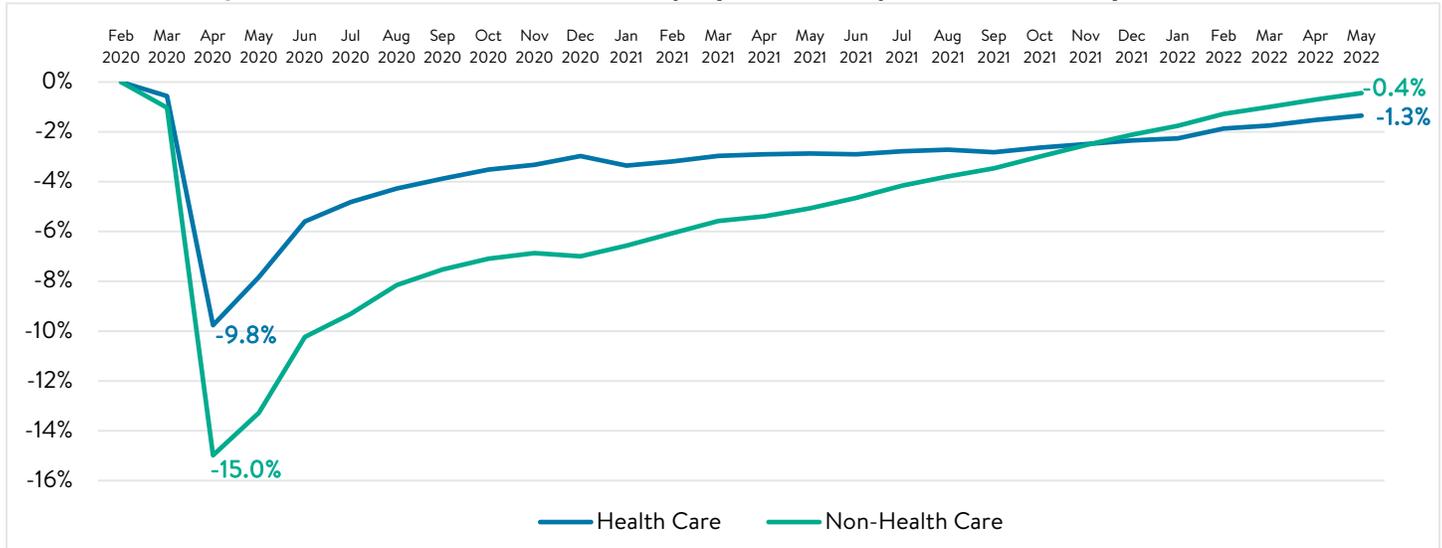
Exhibit 2. Change in Average Earnings, Year over Year





More than two years since the start of the pandemic, total nonfarm employment is half a percent below where it was in February 2020. Health care jobs are a bit further behind than non-health jobs, with health jobs 1.3% below the pre-pandemic peak while non-health jobs are 0.4% below the peak (Exhibit 3).

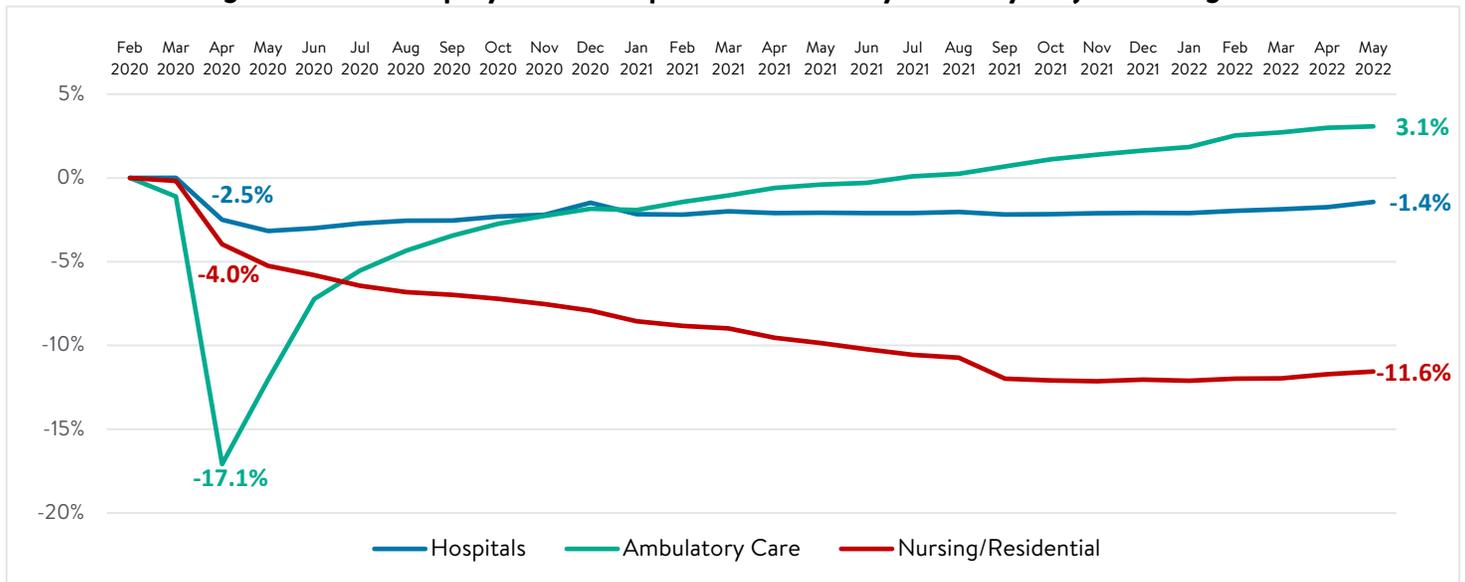
Exhibit 3. Change in Health and Non-Health Employment Compared to February 2020



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

While health care employment remains below the level of two years ago, there are important differences in trends by setting of care. Employment in ambulatory care settings has grown steadily since falling sharply early in the pandemic and is now 242,400 jobs (3.1%) above the level of February 2020 (Exhibit 4). Hospital employment remains 74,900 jobs (1.4%) below the level of February 2020, while nursing and residential care employment is 390,100 jobs (11.6%) below the level of February 2020.

Exhibit 4. Change in Health Employment Compared to February 2020 by Major Setting of Care



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



DETAILED HEALTH CARE EMPLOYMENT

Exhibit 5. Employment Data by Sector, Seasonally Adjusted

Employment (in thousands)	May 2022	April 2022	May 2021	May 2020	February 2020
Non-Health Care	135,414	135,052	129,123	117,956	136,014
Health Care	16,268	16,240	16,018	15,200	16,491
Ambulatory Health Care Services	8,120	8,114	7,846	6,930	7,878
Offices of Physicians	2,818	2,812	2,729	2,492	2,728
Offices of Dentists	1,026	1,025	990	685	994
Offices of Other Health Care Practitioners	1,070	1,074	1,001	831	1,004
Outpatient Care Centers	1,015	1,014	994	925	997
Medical and Diagnostic Labs	317	315	306	263	287
Home Health Care Services	1,559	1,558	1,515	1,440	1,549
Other Ambulatory	316	316	312	295	319
Hospitals	5,161	5,144	5,127	5,070	5,236
Nursing and Residential Care Facilities	2,987	2,982	3,045	3,200	3,377
Nursing Care Facilities	1,348	1,347	1,384	1,508	1,585
Other Nursing and Residential	1,639	1,635	1,661	1,692	1,792
Health Share of Employment	10.73%	10.73%	11.04%	11.41%	10.81%

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

Exhibit 6. Change in Employment Data by Sector, Seasonally Adjusted

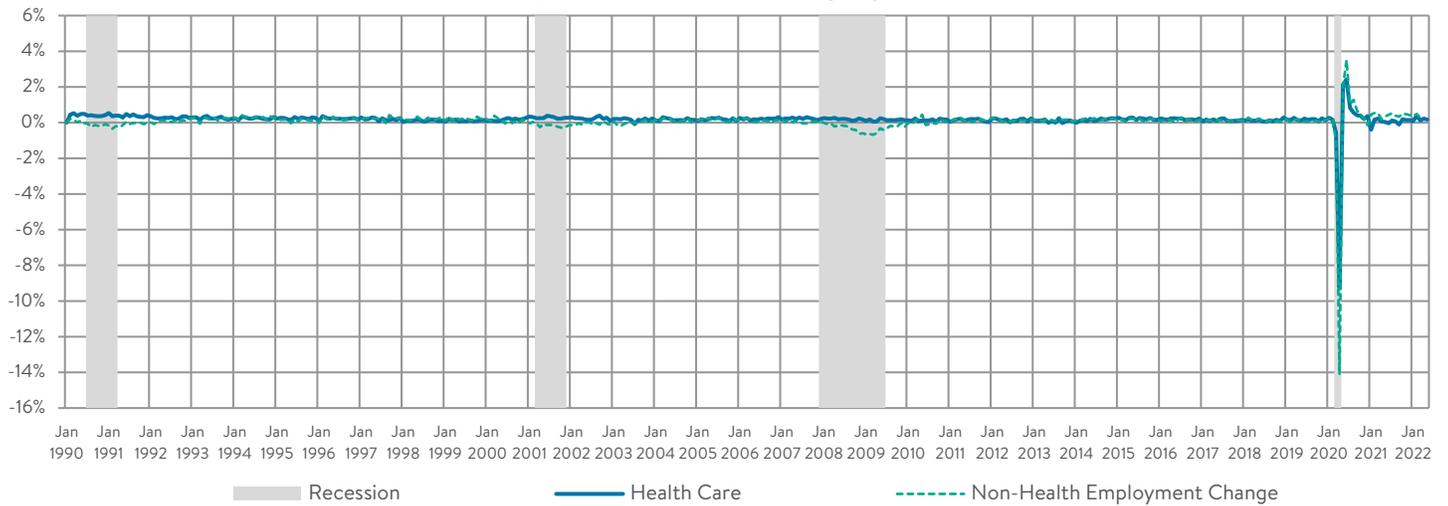
Employment Change (in thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	361.7	6,290.9	17,458.6	-599.4
Health Care	28.3	250.1	1,068.4	-222.6
Ambulatory Health Care Services	6.4	273.9	1,190.5	242.4
Offices of Physicians	5.8	88.9	326.0	89.9
Offices of Dentists	0.9	35.8	340.9	31.9
Offices of Other Health Care Practitioners	-3.9	68.6	238.9	65.4
Outpatient Care Centers	1.1	21.4	90.6	17.9
Medical and Diagnostic Labs	1.4	10.5	53.1	29.2
Home Health Care Services	0.7	44.0	119.4	10.5
Other Ambulatory	0.4	4.9	21.7	-2.2
Hospitals	16.3	33.6	90.8	-74.9
Nursing and Residential Care Facilities	5.6	-57.4	-212.9	-390.1
Nursing Care Facilities	1.3	-35.6	-159.9	-236.7
Other Nursing and Residential	4.3	-21.8	-53.0	-153.4
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	3.3%	4.9%	7.1%	-0.2%
Health Care	2.1%	1.6%	3.5%	-0.6%
Ambulatory Health Care Services	1.0%	3.5%	8.2%	1.4%
Offices of Physicians	2.5%	3.3%	6.3%	1.5%
Offices of Dentists	1.1%	3.6%	22.4%	1.4%
Offices of Other Health Care Practitioners	-4.3%	6.9%	13.5%	2.8%
Outpatient Care Centers	1.3%	2.2%	4.8%	0.8%
Medical and Diagnostic Labs	5.5%	3.4%	9.6%	4.4%
Home Health Care Services	0.5%	2.9%	4.1%	0.3%
Other Ambulatory	1.5%	1.6%	3.6%	-0.3%
Hospitals	3.9%	0.7%	0.9%	-0.6%
Nursing and Residential Care Facilities	2.3%	-1.9%	-3.4%	-5.3%
Nursing Care Facilities	1.2%	-2.6%	-5.5%	-6.9%
Other Nursing and Residential	3.2%	-1.3%	-1.6%	-3.9%

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



TIME SERIES TRACKER

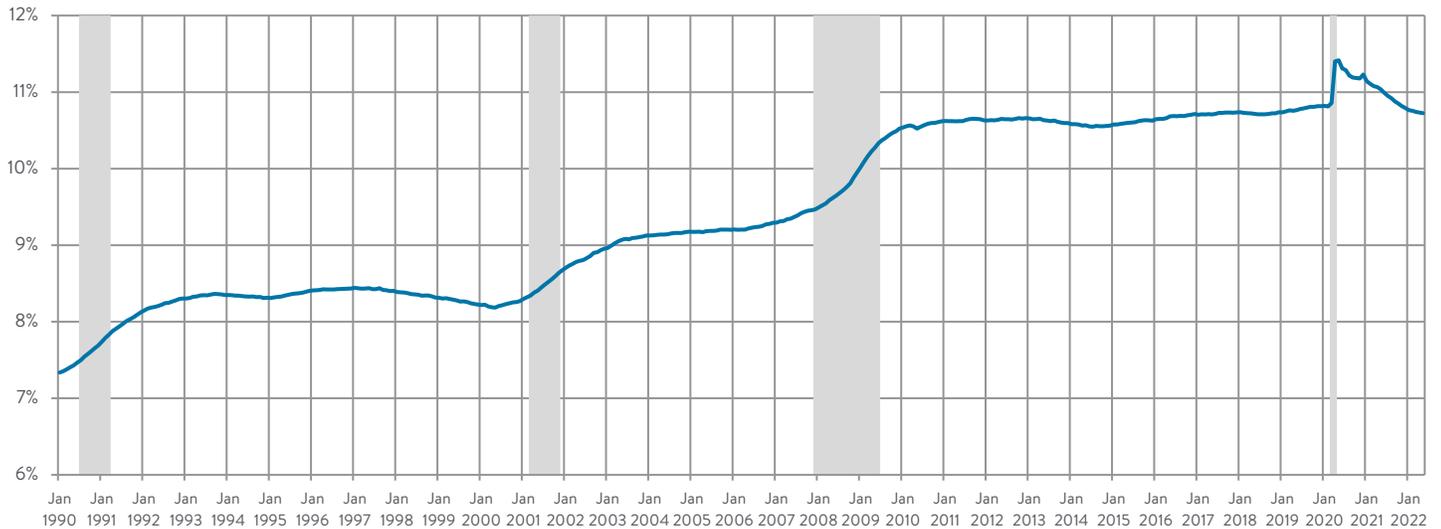
Exhibit 7. Twelve-month Percent Change in Health Care Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.

Exhibit 8. Health Care Share of Total Employment



Source: Altarum analysis of BLS data.

Note: Lightly shaded bars denote recession periods.