

March 20, 2024

For every health care and social assistance hire in January, more than two jobs were still open

HIGHLIGHTS

- ▲ The job openings rate in health care and social assistance was 7.7% in January 2024, versus a hiring rate of 3.2%.
- ▲ Health care employment increased by 66,700 in February, above the 12-month average of 60,100.
- ▲ February's health care job growth was led by growth in ambulatory health care services, which added 28,000 jobs, and hospitals, which added 27,700 jobs.
- ▲ Nursing and residential care facilities added 11,000 jobs in February. Within this industry, nursing care facilities added 6,400 jobs while other nursing and residential care facilities added 4,600 jobs in February.
- ▲ The economy overall added 275,000 jobs in February, well above the 12-month average of 229,000.
- ▲ The unemployment rate increased slightly to 3.9% in February.
- ▲ Health care wage growth in January 2024 was 3.5% year over year, compared to 4.5% in non-health care industries.
- ▲ Wage growth in health care settings was highest in nursing and residential care facilities, at 4.5% year over year, followed by ambulatory health care services at 3.4% and hospitals at 2.7%.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Feb 2023	Jan 2024	Feb 2024
Total Employment (000)	152,309	155,060	157,533	157,808
Non-Health Employment (000)	135,828	138,357	140,176	140,384
Health Employment (000)	16,481	16,703	17,357	17,424
Health Share of Total Employment	10.82%	10.77%	11.02%	11.04%
Unemployment Rate	3.5%	3.6%	3.7%	3.9%

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 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 Corwin Rhyan at corwin.rhyan@altarum.org. Stephen McCall (principal author), Corwin Rhyan, George Miller, PhD, 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>.

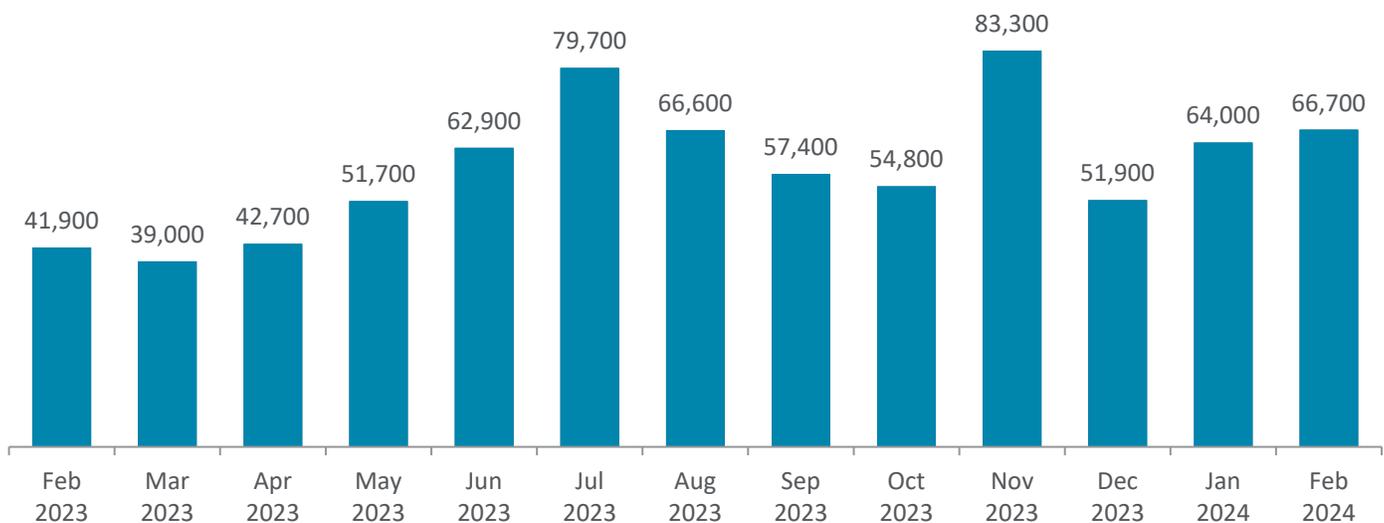
DISCUSSION

In February 2024, the health care industry added 66,700 new jobs (as shown in Exhibit 1), which was higher than the 12-month average of 60,100 jobs. Meanwhile, all other industries combined added 208,300 jobs, much higher than the 12-month average of 168,900 jobs per month.

February employment growth in the health care sector was primarily driven by ambulatory health care services, which added 28,000 jobs, slightly below the 12-month industry average of 29,500 jobs per month. Additionally, hospitals added 27,700 jobs in February, which was higher than the industry's 12-month average of 18,800 jobs.

The nursing and residential care facilities industry grew as well, with 11,000 jobs added, slightly below the 12-month average of 11,700. Within the industry, nursing care facilities added 6,400 jobs in February, compared to an average of 5,300 jobs per month in the previous year, and the other nursing and residential care facilities sector added 4,600 jobs, compared to 6,400 new jobs in the past year.

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

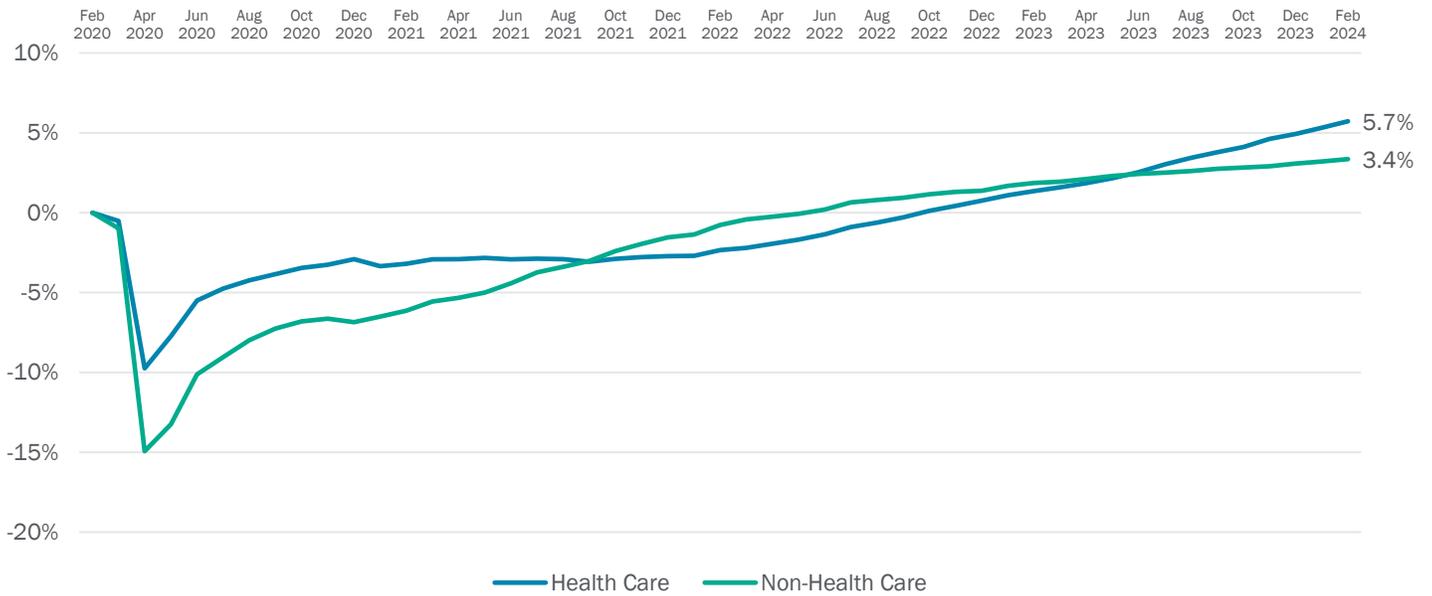


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Compared to February 2020, before the COVID-19 recession began, health care employment has increased by 943,400 jobs or 5.7%, which is higher than the 3.4% increase in non-health care employment over the same period (see Exhibit 2). Hospital employment has grown by 259,000 jobs or 4.9% since February 2020, while employment in ambulatory health care services has increased by 821,300 jobs or 10.4% (see Exhibit 3).

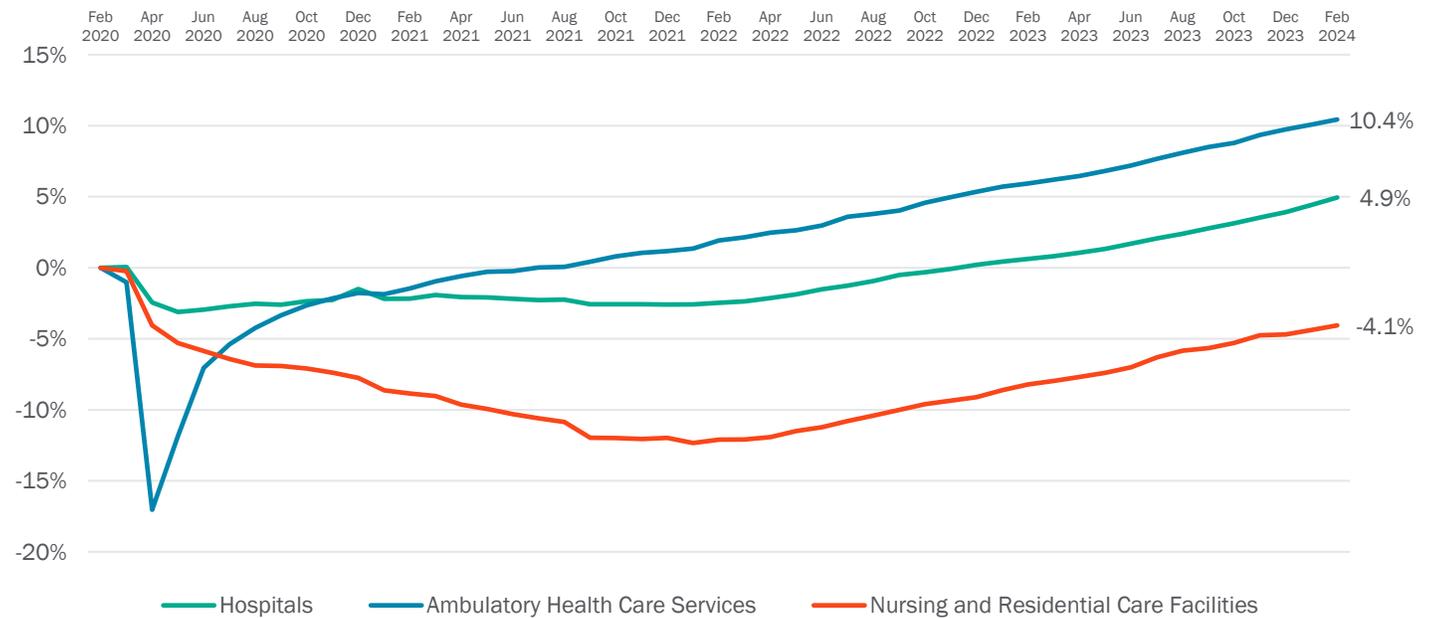
However, employment in nursing and residential care facilities, although steadily increasing since February 2022, is still 136,900 jobs or 4.1% below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction since the pandemic is likely due to skilled nursing facility closures, lower resident censuses, and staffing shortages.

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

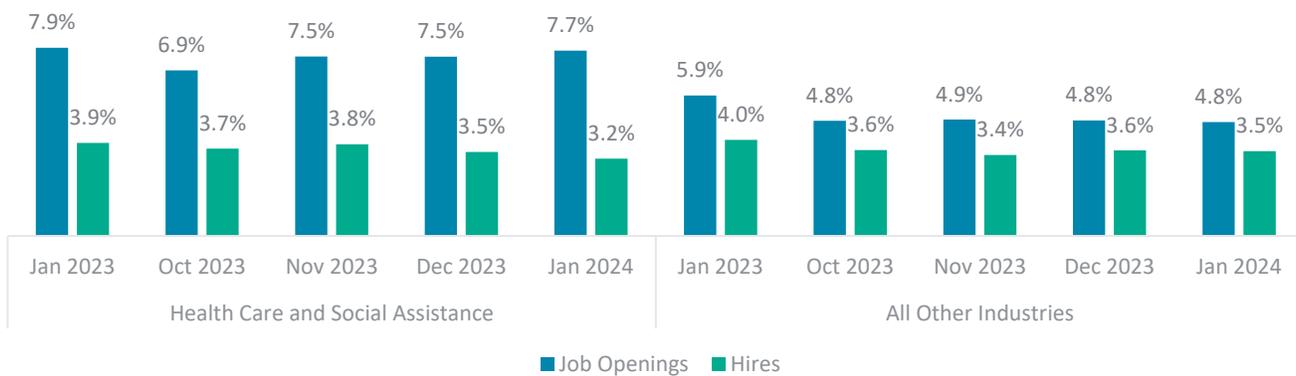


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Job openings are trending upward in the health care and social assistance sector. In January 2024, the job openings rate in health care and social assistance was 7.7%, after steadily increasing over the past four months, as shown in Exhibit 4. The hiring rate was 3.2%, following slight decreases over the past four months. The total remaining job openings at the end of January was nearly 1.9 million, versus 714,000 hires throughout the month, meaning 2.6 job openings remained for every hire in the health care and social assistance sector. By comparison, the job openings rate for all other industries held steady at 4.8%, and the hire rate was 3.5%.

While the job openings rate worsened, the job separations rate in health care and social assistance has steadily decreased over the past four months, from 3.3% in October 2023 to 2.6% in January 2024, as shown in Exhibit 5. Falling quit rates primarily caused the decrease in separations.

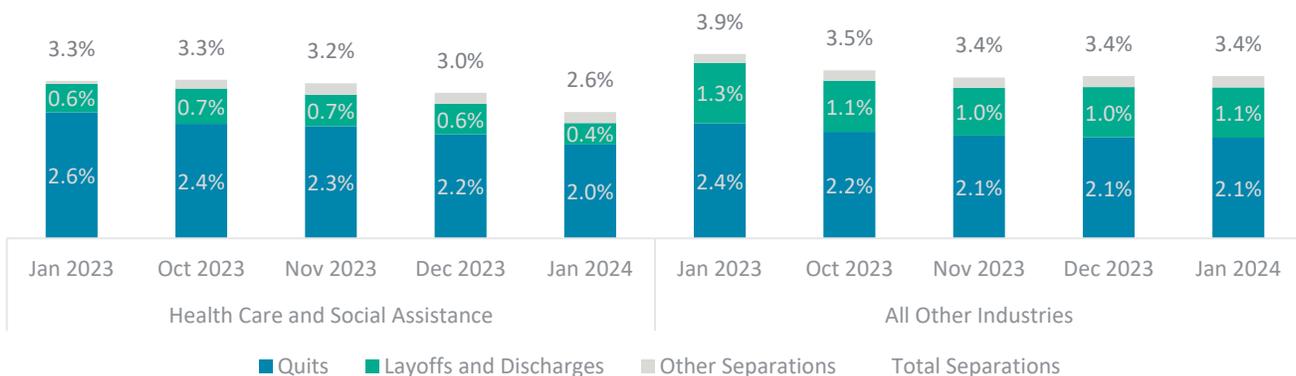
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and Non-Health Care Sectors



Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

Notes: The job openings 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 hires 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 Rates of Separations by Type of Separation in the Health Care and Social Assistance and Non-Health Care Sectors



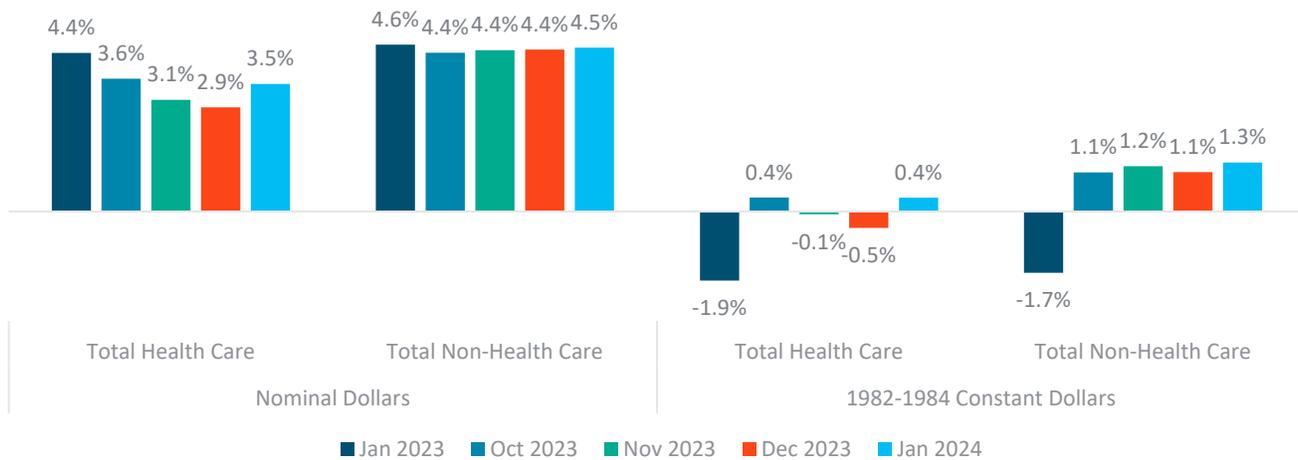
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

Notes: Separations 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 increased to 3.5% in January 2024, which was an increase over the previous two months but was still lower than a year earlier (see Exhibit 6). After adjusting for inflation, year-over-year health care wage growth was a more modest 0.4%. In line with the past several months, non-health care sector wage growth was 4.5% in January, or 1.3% after adjusting for inflation.

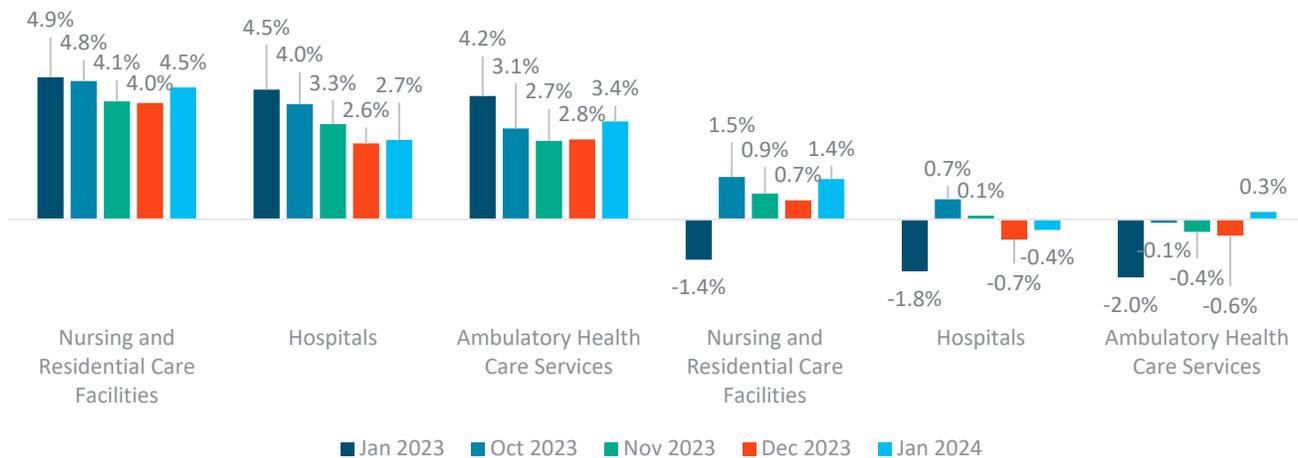
Wage growth was fastest in the nursing and residential care facilities industry at 4.5%, followed by ambulatory health care services at 3.4% and hospitals at 2.7% (see Exhibit 7). Inflation-adjusted wages grew by 1.4% in the nursing and residential care facilities industry and 0.3% in the ambulatory health care services industry year over year, and decreased by 0.4% in hospitals.

Exhibit 6. Change in Average Hourly Earnings, Year over Year, Health Care and Total Private Sector



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

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



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector, Seasonally Adjusted

Employment (in Thousands)	February 2024	January 2024	February 2023	February 2022	February 2020
Non-Health Care	140,384	140,176	138,357	134,781	135,828
Health Care	17,424	17,357	16,703	16,095	16,481
Ambulatory Health Care Services	8,690	8,662	8,336	8,020	7,869
Offices of Physicians	3,004	2,995	2,875	2,778	2,725
Offices of Dentists	1,031	1,029	1,021	1,007	991
Offices of Other Health Care Practitioners	1,192	1,187	1,136	1,062	1,001
Outpatient Care Centers	1,074	1,078	1,055	1,017	996
Medical and Diagnostic Labs	324	324	320	323	289
Home Health Care Services	1,710	1,697	1,586	1,514	1,547
Other Ambulatory ^a	355	352	343	320	319
Hospitals	5,494	5,466	5,268	5,106	5,235
Nursing and Residential Care Facilities	3,240	3,229	3,100	2,969	3,377
Nursing Care Facilities	1,456	1,449	1,392	1,343	1,587
Other Nursing and Residential ^b	1,785	1,780	1,708	1,626	1,790
Health Share of Employment	11.04%	11.02%	10.77%	10.67%	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 Data by Sector, Seasonally Adjusted

Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	208.3	2,027.3	5,602.6	4,555.6
Health Care	66.7	720.7	1,329.4	943.4
Ambulatory Health Care Services	28.0	354.1	669.6	821.3
Offices of Physicians	8.7	129.4	226.2	278.7
Offices of Dentists	1.9	10.1	24.8	40.3
Offices of Other Health Care Practitioners	5.6	56.5	130.2	191.3
Outpatient Care Centers	-3.5	19.4	57.1	77.9
Medical and Diagnostic Labs	0.2	3.8	0.4	34.5
Home Health Care Services	12.9	123.6	196.1	163.4
Other Ambulatory	2.1	11.4	34.7	35.2
Hospitals	27.7	226.1	388.3	259.0
Nursing and Residential Care Facilities	11.0	140.5	271.5	-136.9
Nursing Care Facilities	6.4	64.0	113.1	-131.3
Other Nursing and Residential	4.6	76.5	158.4	-5.6
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	1.8%	1.5%	2.1%	0.8%
Health Care	4.7%	4.3%	4.0%	1.4%
Ambulatory Health Care Services	3.9%	4.2%	4.1%	2.5%
Offices of Physicians	3.5%	4.5%	4.0%	2.5%
Offices of Dentists	2.2%	1.0%	1.2%	1.0%
Offices of Other Health Care Practitioners	5.8%	5.0%	6.0%	4.5%
Outpatient Care Centers	-3.8%	1.8%	2.8%	1.9%
Medical and Diagnostic Labs	0.7%	1.2%	0.1%	2.9%
Home Health Care Services	9.5%	7.8%	6.3%	2.5%
Other Ambulatory ^a	7.4%	3.3%	5.3%	2.6%
Hospitals	6.3%	4.3%	3.7%	1.2%
Nursing and Residential Care Facilities	4.2%	4.5%	4.5%	-1.0%
Nursing Care Facilities	5.4%	4.6%	4.1%	-2.1%
Other Nursing and Residential ^b	3.1%	4.5%	4.8%	-0.1%

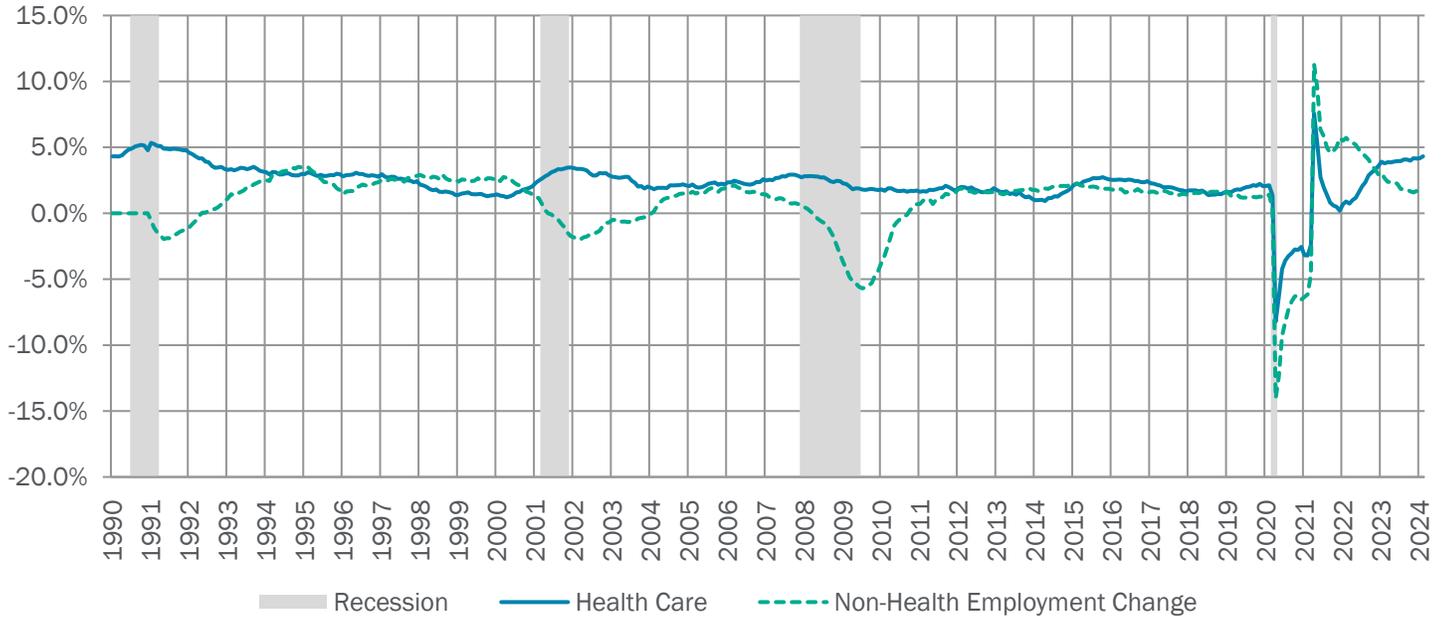
Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

^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.

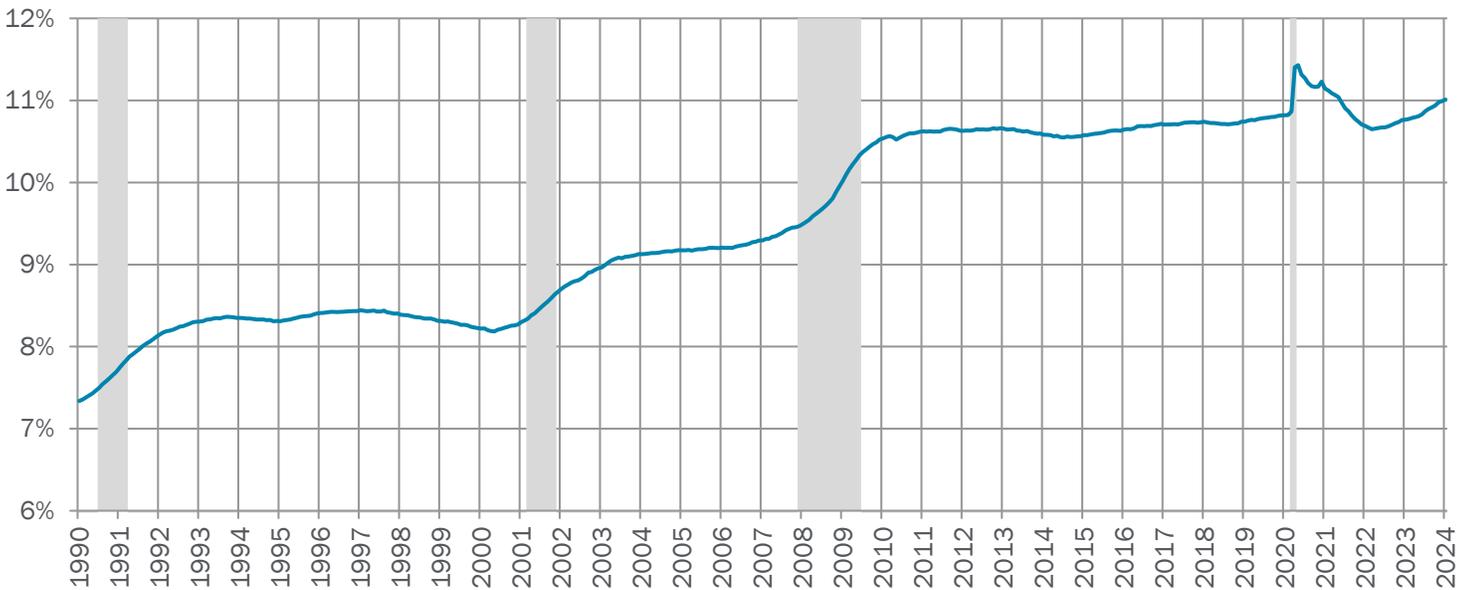
TIME SERIES TRACKER

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.