

March 17, 2021

One year after pre-pandemic peak, the health workforce is 3.5% smaller

HIGHLIGHTS

- ▲ In February 2021, health care added a modest 19,900 jobs, but these gains were offset by revisions which took away more than 50,000 jobs from January health care employment estimates.
- ▲ We now have a full year of data since health care employment peaked in February 2020 at 16.49 million jobs. As of February 2021, the health care workforce is smaller by 3.5%, at 15.92 million jobs.
- ▲ Hospital employment was essentially steady in February (-2,000 jobs). Ambulatory care settings added 28,900 jobs, with gains seen in all ambulatory sub-settings, including physician offices, outpatient care centers, home health, dental offices, and labs.
- ▲ Nursing and residential care employment fell by 6,800 jobs in February, driven by a drop of 11,600 jobs in nursing homes, which was partially offset by a gain of 4,800 jobs in other nursing and residential care settings. Overall, employment in nursing and residential care has fallen by 9.2%, or 310,000 jobs, since February 2020.
- ▲ The economy overall added a strong 379,000 jobs in February, but total employment remains 6.2%, or about 9.5 million jobs below February 2020 peak employment. The unemployment rate dropped slightly to 6.2%.

Cyclical Employment Big Picture

Seasonally Adjusted	February 2020	January 2021	February 2021
Total Employment (000)	152,523	142,669	143,048
Non-Health Employment (000)	136,031	126,774	127,134
Health Employment (000)	16,492	15,895	15,915
Health Share of Total Employment	10.81%	11.14%	11.13%
Unemployment Rate	3.5%	6.3%	6.2%

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. 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

In February 2020, prior to the effects of the COVID-19 pandemic, U.S. health care employment peaked at 16.49 million jobs. One year later, estimates show that the health care workforce is smaller by 3.5%, at 15.92 million jobs.

As much as we might hope to leave the turmoil of 2020 behind, health employment has continued to show considerable fluctuation in the first two months of 2021. In February 2021, health care added about 20,000 jobs; however, revisions to the previous two months took away more than 50,000 jobs from January estimates, so that January figures now represent a one-month drop of about 85,000 health care jobs – a very large drop by historical standards. Altogether, health care employment is down by about 65,000 jobs so far in 2021 compared to the end of 2020.

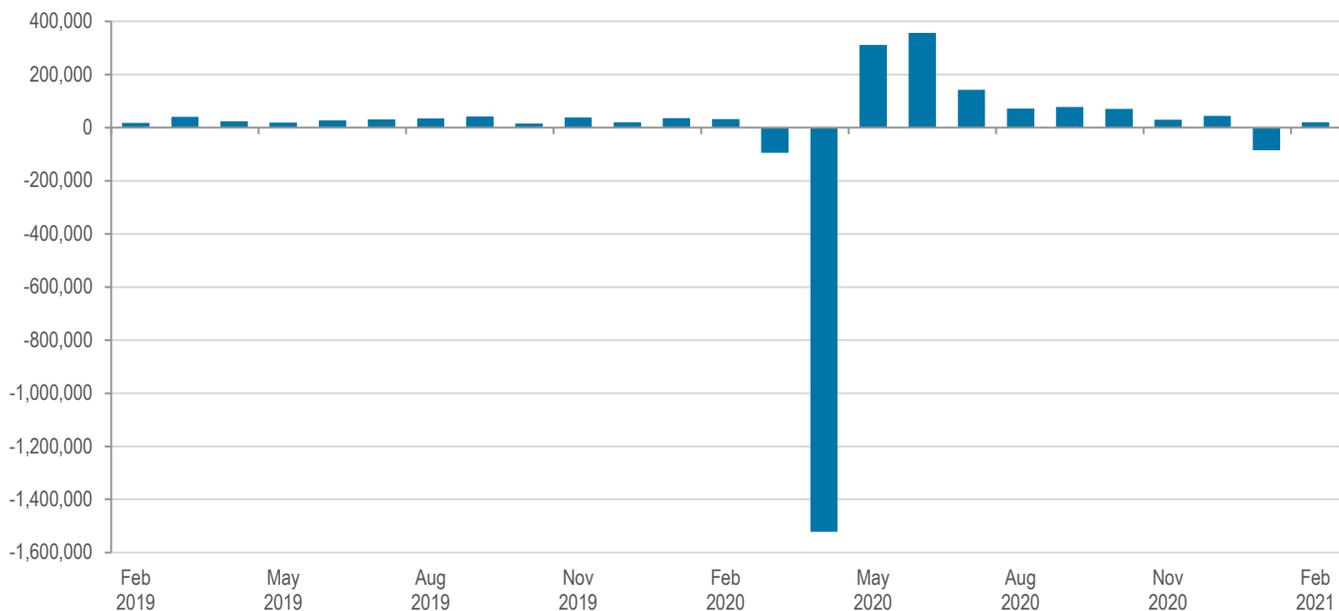
Hospital employment was little changed in February (-2,000 jobs) but is down 40,000 jobs so far in 2021. Compared to a year ago, the hospital workforce is 2.0% smaller, representing about 100,000 fewer jobs.

Ambulatory care settings added about 29,000 jobs in February, offsetting a drop of 19,000 in January. Like in hospitals, employment in these settings is about 2.1% smaller than the pre-pandemic peak, with about 165,000 fewer jobs. Within ambulatory care, dental offices and outpatient care centers are the two major sub-settings where employment has nearly returned to February 2020 levels (less than one percent difference), while medical and diagnostic labs is the one sub-setting that has grown slightly since last year (2,000 more jobs).

Nursing homes lost 11,600 jobs in February, contributing to the 11.5% reduction in the nursing home workforce seen since February 2020, a drop of 182,000 jobs. Other residential care facilities added 4,800 jobs in February, but employment in these facilities remains 7.1%, or 128,000 jobs, below February 2020 levels.

The economy overall added a strong 379,000 jobs in February. Total employment remains 6.2%, or about 9.5 million jobs below February 2020 peak employment. The unemployment rate dropped slightly to 6.2%.

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)	February 2021	January 2021	February 2020	February 2019
Non-Health Care	127,134	126,774	136,031	133,961
Health Care	15,915	15,895	16,492	16,134
Ambulatory Health Care Services	7,710	7,681	7,875	7,604
Offices of Physicians	2,670	2,661	2,726	2,644
Offices of Dentists	990	985	991	963
Offices of Other Health Care Practitioners	951	949	1,002	957
Outpatient Care Centers	992	989	998	956
Medical and Diagnostic Labs	291	290	289	279
Home Health Care Services	1,500	1,494	1,547	1,499
Other Ambulatory	317	313	322	307
Hospitals	5,135	5,137	5,238	5,165
Nursing and Residential Care Facilities	3,069	3,076	3,379	3,366
Nursing Care Facilities	1,403	1,415	1,586	1,600
Other Nursing and Residential	1,666	1,661	1,794	1,765
Health Share of Employment	11.13%	11.14%	10.81%	10.75%

Source: Altarum analysis of BLS Current Employment Statistics data

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

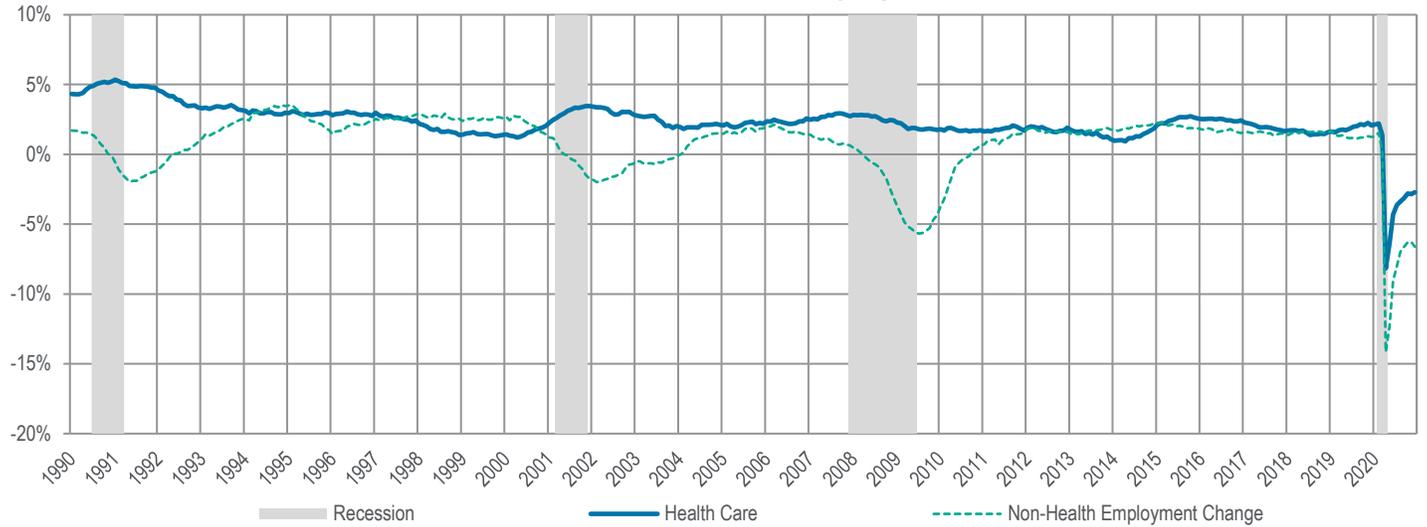
Employment Change (in thousands)	One Month	12 Months	24 Months
Non-Health Care	359.1	-8,897.4	-6,827.2
Health Care	19.9	-577.6	-219.8
Ambulatory Health Care Services	28.9	-165.1	106.0
Offices of Physicians	8.7	-56.6	25.5
Offices of Dentists	5.2	-0.7	27.5
Offices of Other Health Care Practitioners	1.7	-51.1	-6.0
Outpatient Care Centers	2.5	-6.1	35.6
Medical and Diagnostic Labs	1.1	2.0	12.4
Home Health Care Services	5.7	-47.7	1.1
Other Ambulatory	4.0	-4.9	9.9
Hospitals	-2.2	-102.4	-29.5
Nursing and Residential Care Facilities	-6.8	-310.1	-296.3
Nursing Care Facilities	-11.6	-182.4	-197.1
Other Nursing and Residential	4.8	-127.7	-99.2
Annualized Percent Change	One Month	12 Months	24 Months
Non-Health Care	3.5%	-6.5%	-2.6%
Health Care	1.5%	-3.5%	-0.7%
Ambulatory Health Care Services	4.6%	-2.1%	0.7%
Offices of Physicians	4.0%	-2.1%	0.5%
Offices of Dentists	6.5%	-0.1%	1.4%
Offices of Other Health Care Practitioners	2.2%	-5.1%	-0.3%
Outpatient Care Centers	3.1%	-0.6%	1.8%
Medical and Diagnostic Labs	4.6%	0.7%	2.2%
Home Health Care Services	4.7%	-3.1%	0.0%
Dental Offices	16.5%	-1.5%	1.6%
Other Ambulatory	-0.5%	-2.0%	-0.3%
Hospitals	-2.6%	-9.2%	-4.5%
Nursing and Residential Care Facilities	-9.4%	-11.5%	-6.4%
Nursing Care Facilities	3.5%	-7.1%	-2.9%
Other Nursing and Residential	3.5%	-6.5%	-2.6%

Source: Altarum analysis of BLS Current Employment Statistics data



TIME SERIES TRACKER

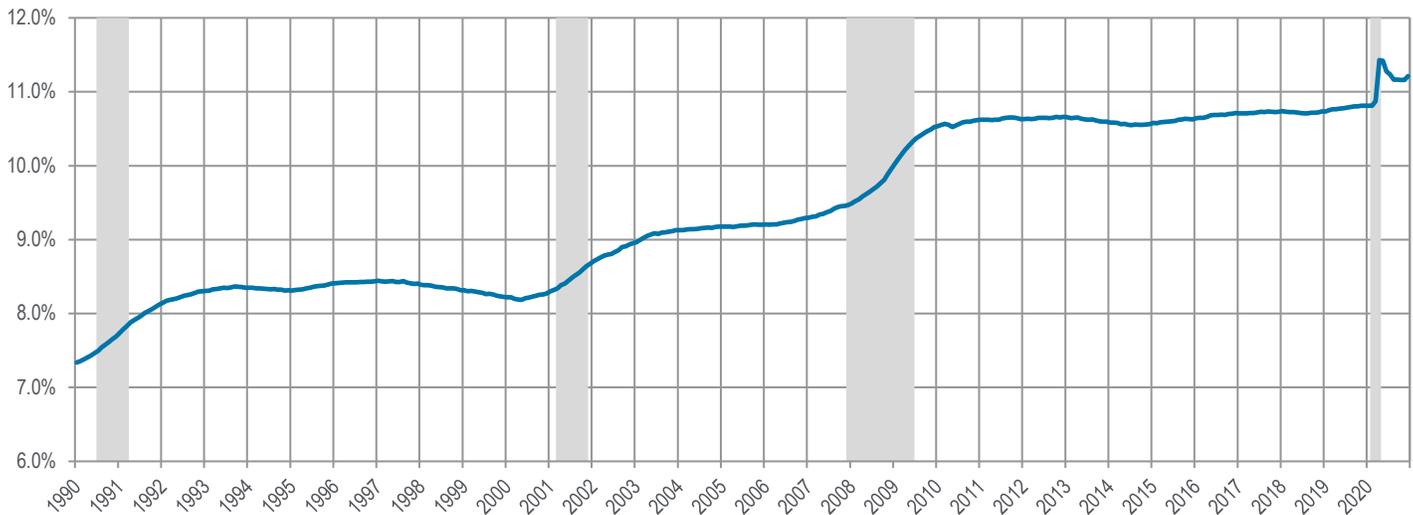
Exhibit 4. Twelve-month Percent Change in Health Care Employment



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.