

November 21, 2024

Health care job growth offsets job losses in all other industries combined

HIGHLIGHTS

- ▲ In October 2024, health care industry employment increased by 52,300 jobs while non-health care industries lost 40,300 jobs.
- ▲ October's health care job growth was led by ambulatory health care services, which added 35,600 jobs, followed by nursing and residential care facilities, which added 8,800 jobs. Hospitals added a below-average 7,900 jobs.
- ▲ The hiring rate was 3.4% and the total separates rate was 2.9% in September 2024. The job openings rate in September 2024 was 5.4%, the lowest rate since September 2020, when the openings rate was 5.3%.
- ▲ The unemployment rate was 4.1% in October 2024, approximately equal to the rate in September.
- ▲ Nominal health care wage growth in September 2024 was 3.6% year over year, with growth rates of 3.8% in ambulatory health care services and nursing and residential care facilities, and 3.6% in hospitals.

Cyclical Employment Big Picture

Seasonally Adjusted	Feb 2020	Oct 2023	Sep 2024	Oct 2024
Total Employment (000)	152,309	156,832	158,993	159,005
Non-Health Employment (000)	135,828	139,674	141,196	141,156
Health Employment (000)	16,481	17,158	17,797	17,849
Health Share of Total Employment	10.82%	10.94%	11.19%	11.23%
Unemployment Rate	3.5%	3.8%	4.1%	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 Rhyan for his previous leadership of this work. Media Contact: press@altarum.org. For more information, visit <http://altarum.org/solution/health-sector-spending>.

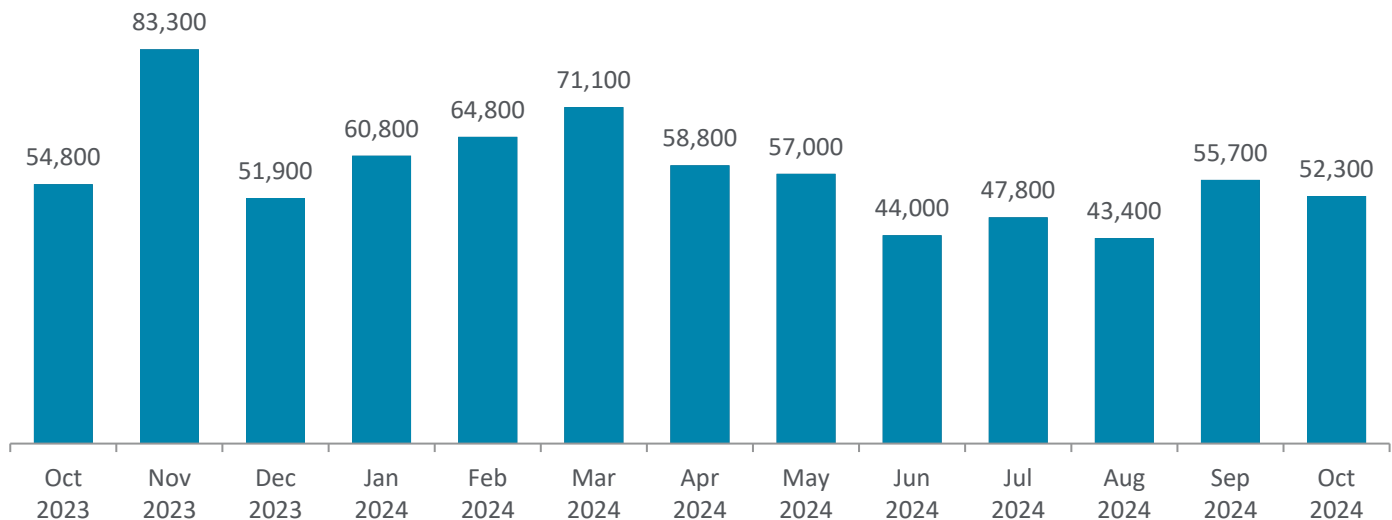
DISCUSSION

In October 2024, the health care industry added 52,300 new jobs, as shown in Exhibit 1. This figure is slightly lower than the monthly average of 57,800 jobs added in the previous year (from October 2023 to September 2024). In contrast, non-health care industries lost 40,300 jobs. [Factors](#) affecting economywide job growth potentially include manufacturing strikes and the acute impacts of Hurricanes Milton and Helene.

Trends were mixed across health care subsectors. In October, ambulatory health care services added 35,600 jobs, which is 21.6% higher than the monthly average for the past year. Growth in this subsector was led by home health care services (12,300), followed by dentists' offices (9,900) and physicians' offices (5,100). Nursing and residential care facilities added 8,800 jobs in October, 12.2% lower than the monthly average of 10,000 jobs added in the past year. Within this subsector, nursing care facilities gained just 1,700 jobs, which was 54.7% below the prior 12-month average, while other nursing and residential care homes added 7,100 positions, 13.1% higher than the previous 12-month average. Finally, hospitals recorded an increase of 7,900 jobs, 57.3% lower than the subsector's 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

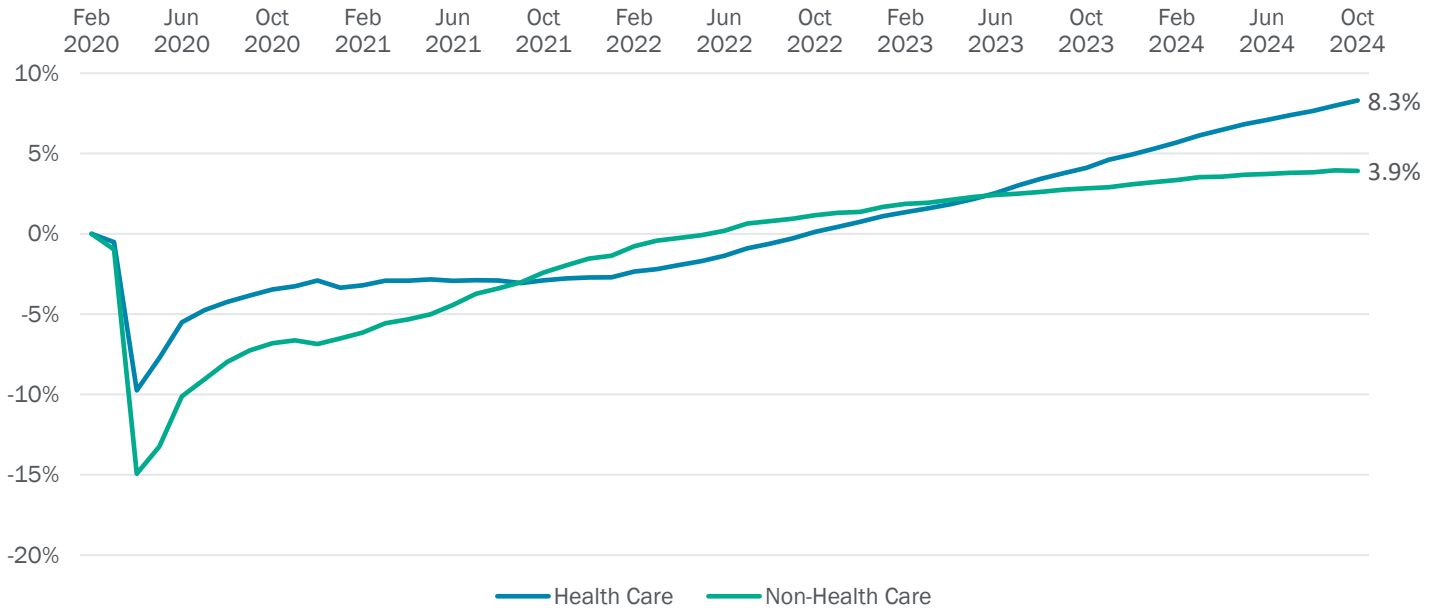


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

Since February 2020, before the COVID-19 recession began, health care employment has grown by 1,368,400 jobs or 8.3%, which is higher than the 3.9% 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. By October 2024, the health care industry had outpaced non-health care industries for 31 consecutive months. During that period, the health care industry grew by 10.4%, versus 4.2% in non-health care industries.

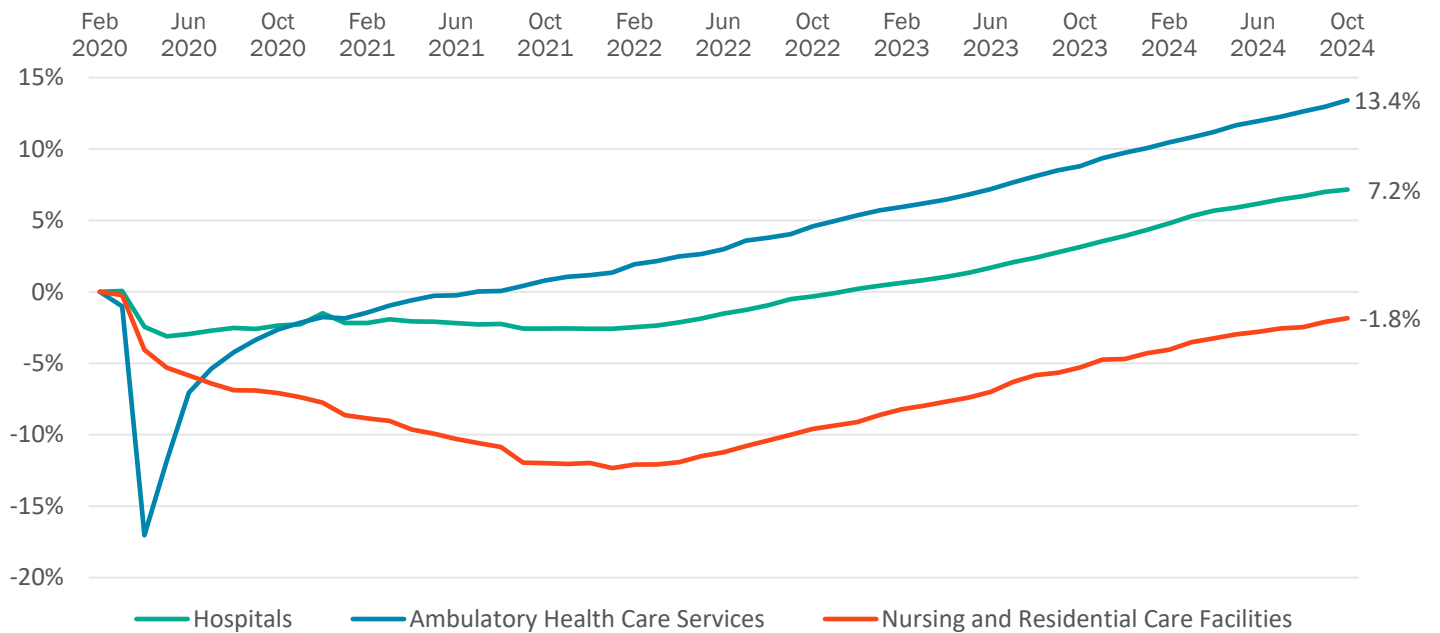
Since February 2020, employment in ambulatory health care services has increased by 1,055,700 jobs or 13.4%, while hospital employment has grown by 374,800 jobs or 7.2% (see Exhibit 3). However, employment in nursing and residential care facilities is still 62,100 jobs (1.8%) below pre-pandemic levels. 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.

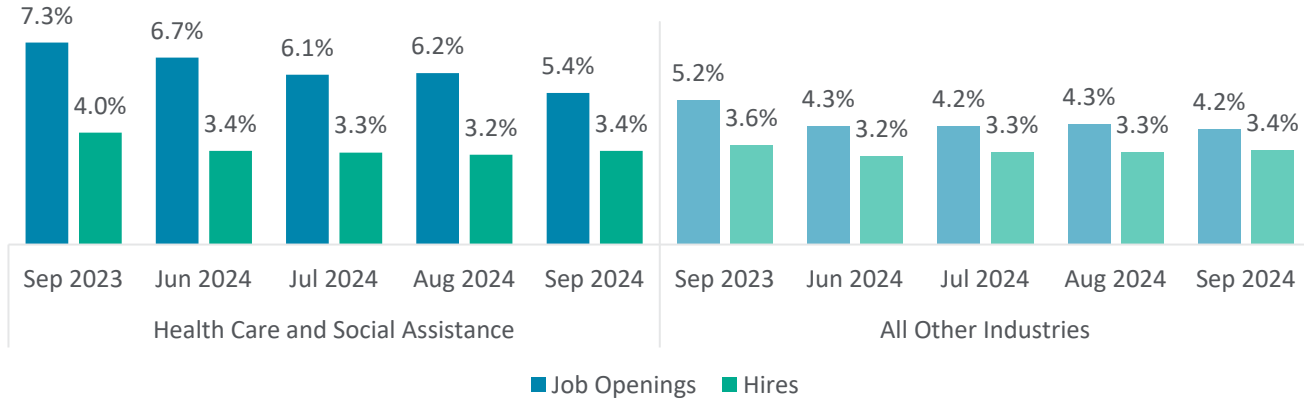
Exhibit 3. Change in Health Employment Compared to February 2020 by Major Setting of Care



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

The job openings rate in health care and social assistance fell from 6.2% in August 2024 to 5.4% in September, as shown in Exhibit 4. This was the lowest job openings rate since September 2020 and was comparable to pre-pandemic levels. However, the hiring rate only increased from 3.2% to 3.4%, and the total separations rate was constant at 2.9%, as shown in Exhibit 5. Based on our analysis of the number of hires, separations, and job openings (not shown in the figures below), we estimate health care and social assistance employers eliminated 72,000 open positions without filling them from August to September.

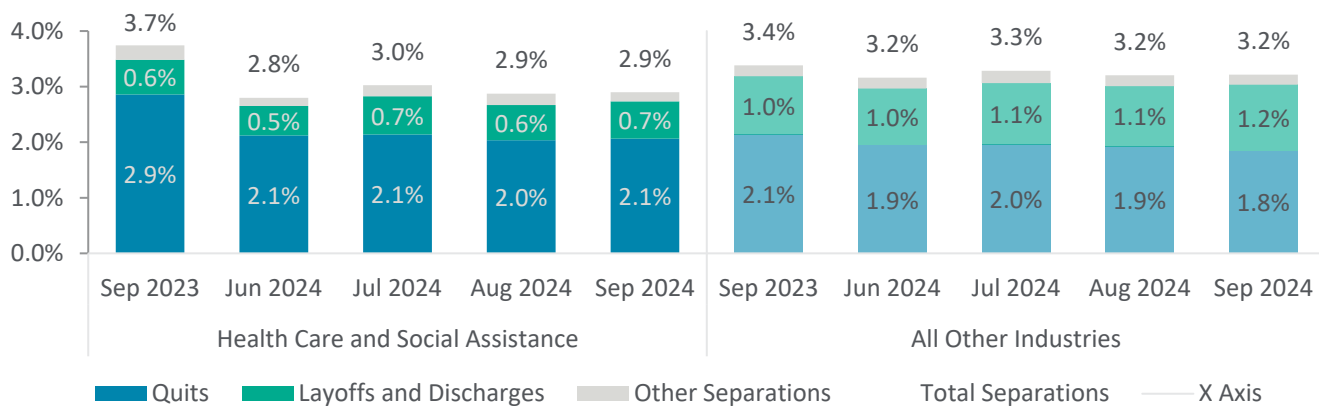
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and All Other Industries



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

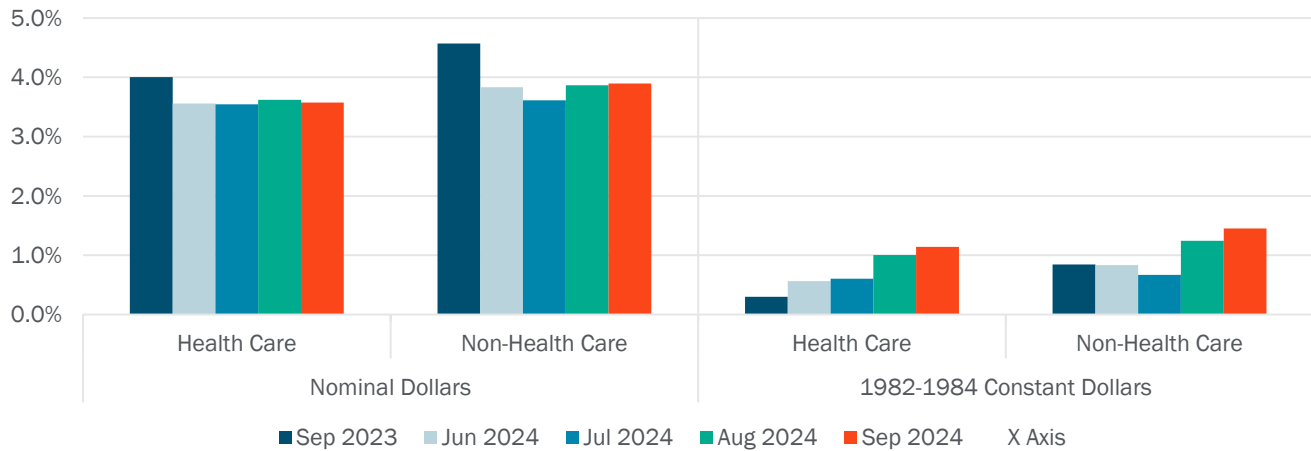


Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

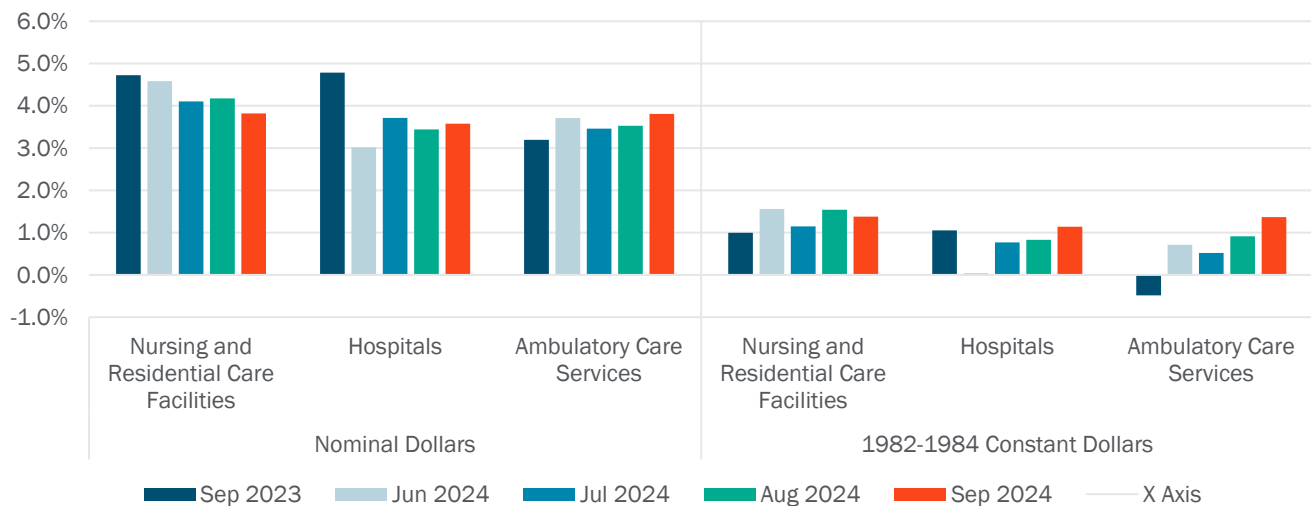
Year-over-year wage growth in the health care sector was 3.6% in September 2024, which was similar to recent months and lower than a year prior, as shown in Exhibit 6. After adjusting for inflation, year-over-year health care wage growth was 1.1%. Nominal wage growth was fastest in ambulatory health care services and nursing and residential care facilities at 3.8%, followed closely by hospitals at 3.6% (see Exhibit 7). Inflation-adjusted wages grew by 1.4% in ambulatory health care services and nursing and residential care facilities, and 1.1% in hospitals. Non-health care wage growth was 3.9% in September, or 1.5% after adjusting for inflation.

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



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

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



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

DETAILED HEALTH CARE EMPLOYMENT

Exhibit 8. Employment by Sector and Subsector, Seasonally Adjusted

Employment (in Thousands)	October 2024	September 2024	October 2023	October 2022	February 2020
Non-Health Care	141,156	141,196	139,674	137,397	135,828
Health Care	17,849	17,797	17,158	16,500	16,481
Ambulatory Health Care Services	8,924	8,889	8,561	8,229	7,869
Offices of Physicians	3,051	3,046	2,959	2,843	2,725
Offices of Dentists	1,056	1,046	1,027	1,022	991
Offices of Other Health Care Practitioners	1,225	1,221	1,171	1,116	1,001
Outpatient Care Centers	1,097	1,098	1,070	1,043	996
Medical and Diagnostic Labs	319	317	321	316	289
Home Health Care Services	1,812	1,800	1,658	1,553	1,547
Other Ambulatory ^a	364	361	355	337	319
Hospitals	5,610	5,602	5,399	5,218	5,235
Nursing and Residential Care Facilities	3,315	3,306	3,199	3,053	3,377
Nursing Care Facilities	1,477	1,476	1,437	1,371	1,587
Other Nursing and Residential ^b	1,838	1,831	1,761	1,682	1,790
Health Share of Employment	11.23%	11.19%	10.94%	10.72%	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 October 2024, Seasonally Adjusted

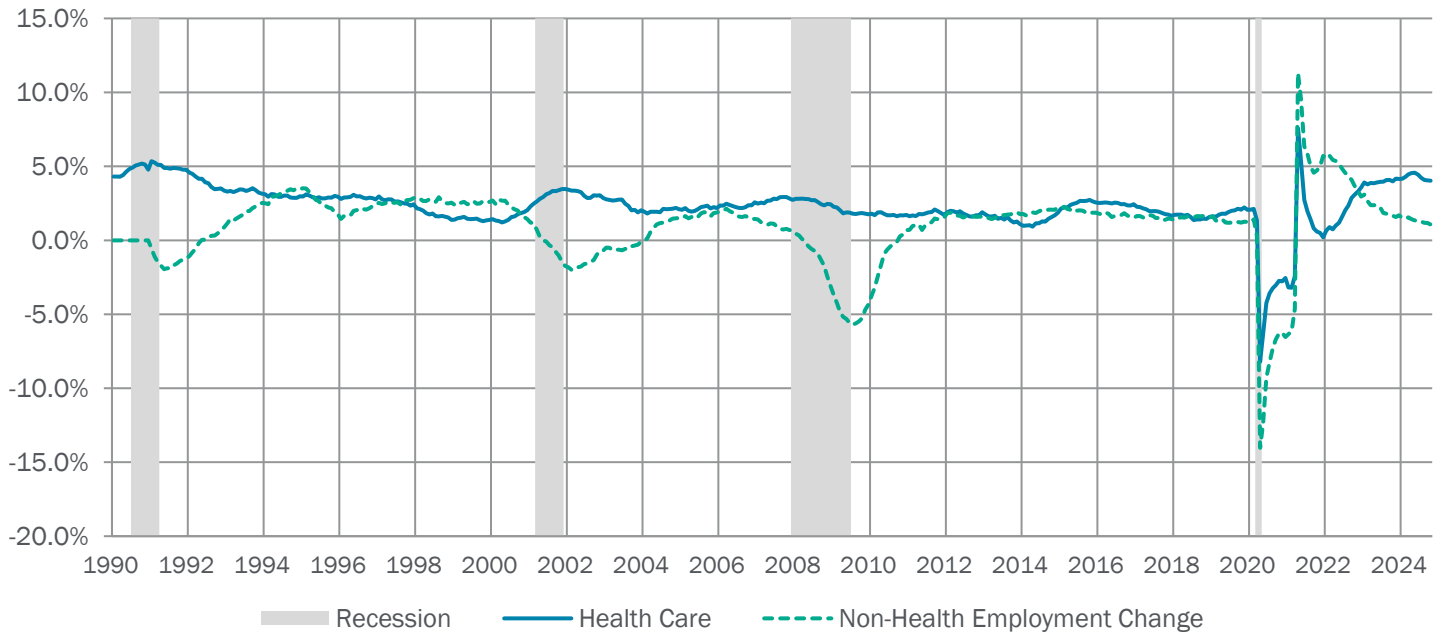
Employment Change (in Thousands)	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	-40.3	1,482.1	3,759.3	5,327.6
Health Care	52.3	690.9	1,348.7	1,368.4
Ambulatory Health Care Services	35.6	363.7	695.3	1,055.7
Offices of Physicians	5.1	92.2	207.7	325.5
Offices of Dentists	9.9	28.7	34.2	64.8
Offices of Other Health Care Practitioners	4.2	53.9	109.7	224.3
Outpatient Care Centers	-1.3	27.2	54.2	100.8
Medical and Diagnostic Labs	2.3	-2.5	3.0	29.7
Home Health Care Services	12.3	154.7	259.7	265.8
Other Ambulatory ^a	3.0	9.5	26.9	44.8
Hospitals	7.9	210.7	391.4	374.8
Nursing and Residential Care Facilities	8.8	116.5	262.0	-62.1
Nursing Care Facilities	1.7	39.9	106.6	-109.8
Other Nursing and Residential ^b	7.1	76.6	155.4	47.7
Annualized Percent Change	One Month	12 Months	24 Months	Since Feb 2020
Non-Health Care	-0.3%	1.1%	1.4%	0.8%
Health Care	3.6%	4.0%	4.0%	1.7%
Ambulatory Health Care Services	4.9%	4.2%	4.1%	2.7%
Offices of Physicians	2.0%	3.1%	3.6%	2.4%
Offices of Dentists	12.0%	2.8%	1.7%	1.4%
Offices of Other Health Care Practitioners	4.2%	4.6%	4.8%	4.4%
Outpatient Care Centers	-1.4%	2.5%	2.6%	2.1%
Medical and Diagnostic Labs	9.1%	-0.8%	0.5%	2.1%
Home Health Care Services	8.5%	9.3%	8.0%	3.5%
Other Ambulatory ^a	10.4%	2.7%	3.9%	2.9%
Hospitals	1.7%	3.9%	3.7%	1.5%
Nursing and Residential Care Facilities	3.2%	3.6%	4.2%	-0.4%
Nursing Care Facilities	1.4%	2.8%	3.8%	-1.5%
Other Nursing and Residential ^b	4.8%	4.3%	4.5%	0.6%

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.

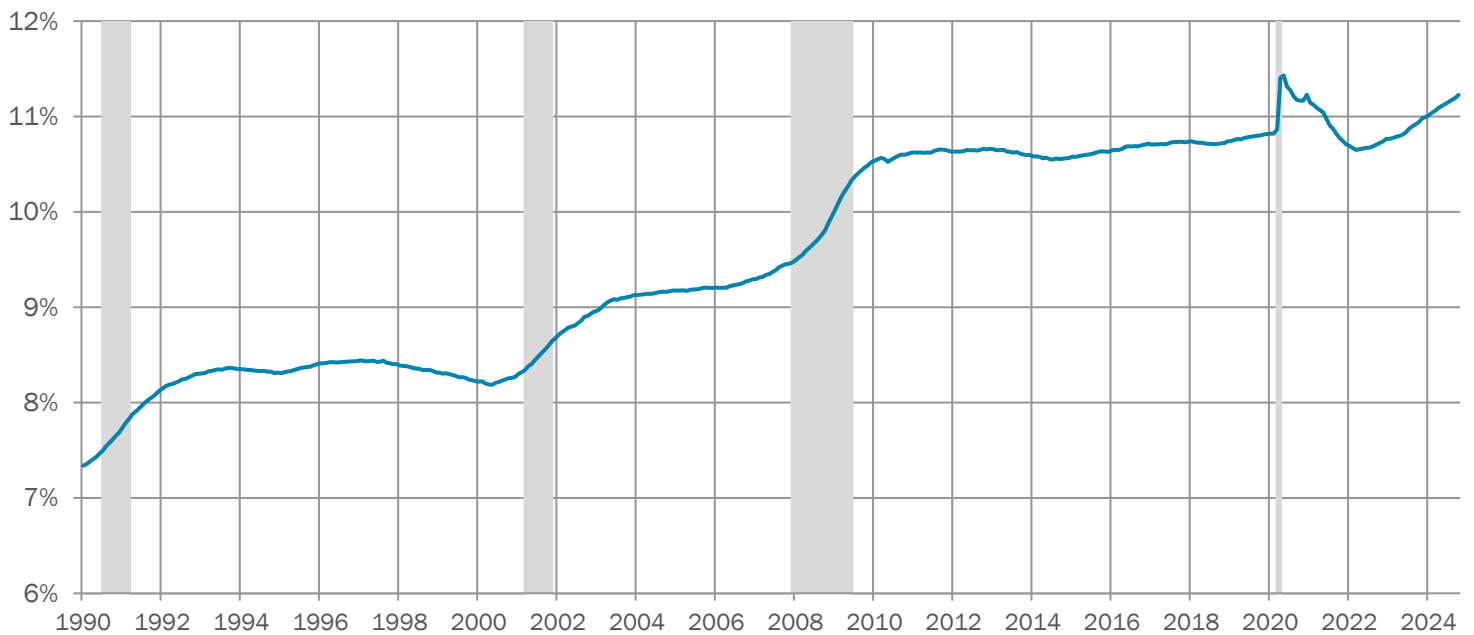
TIME SERIES TRACKER

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.