

March 20, 2024

With January GDP decline, health spending grew faster than GDP

HIGHLIGHTS

- ▲ In January 2024, national health spending grew by 6.0% since January 2023 and represented 17.4% of GDP.
- ▲ Nominal GDP in January 2024 was 5.1% higher than in January 2023, growing more than 0.8 percentage points more slowly than health spending.
- ▲ Personal health care spending growth in January was 7.0%, year over year. As in past months, utilization growth contributed more than growth in prices to this rate, but the relative contribution of prices increased noticeably in January.
- ▲ Among major spending categories, year-over-year spending on physician and clinical services grew fastest in January, at 8.5%. Spending on dental services increased the least, at 4.0%.

National Health Spending and GDP*

	Jan 2022	Jan 2023	Dec 2023	Jan 2024
GDP	24.86	26.74	28.19	28.11
National Health Spending (HS)	4.36	4.62	4.89	4.90
HS Share of GDP	17.5%	17.3%	17.3%	17.4%
HS Share of PGDP	17.6%	17.3%	17.6%	17.5%
Growth from Prior 12 Months				
HS	2.5%	6.0%	6.5%	6.0%
GDP	10.3%	7.5%	6.5%	5.1%
HS minus GDP	-7.9%	-1.5%	0.0%	0.8%
HS minus PGDP	-6.2%	-2.0%	1.5%	1.3%

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

In January 2024, national health spending grew by 6.0%, year over year, reaching a seasonally adjusted annual rate of \$4.90 trillion. Over the same period, nominal GDP grew by 5.1%. Health spending in January accounted for 17.4% of GDP and has remained below 17.5% since February 2022.

Nominal GDP fell slightly between December 2023 and January 2024, resulting in a drop in the year-over-year growth rate from 6.5% in December to 5.1% in January. The year-over-year growth rate in national health spending fell in January to a lesser extent, from 6.5% in December to 6.0% in January, resulting in a 0.1 percentage point increase in health spending as a percent of GDP and a growth rate in health spending that exceeded GDP growth by more than 0.8 percentage points. Similarly, the year-over-year growth rate in personal health care spending (spending on health care goods and services) fell from 7.9% in December to 7.0% in January, also resulting in a 0.1 percentage point increase in personal health care spending as a percent of GDP, which now stands at 14.7% (Exhibit 1).

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

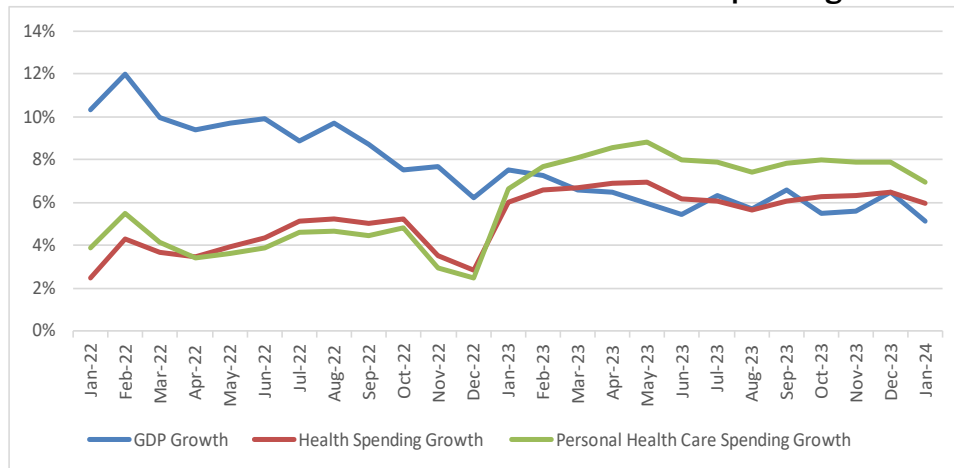


Exhibit 2 illustrates how health spending in January was distributed among spending categories. Personal health care constituted 84% of national health spending, while slightly more than half of total expenditures was attributed to hospital care and physician and clinical services.

Exhibit 2. Health Spending by Category, January 2024

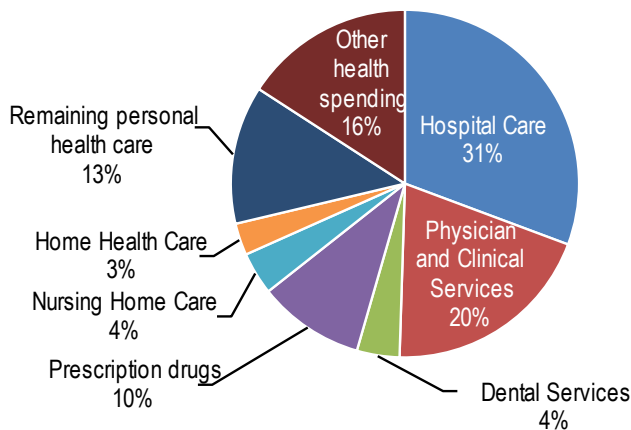


Exhibit 3 displays the growth in spending by major categories within personal health care since January 2023. At 8.5%, spending on physician and clinical services was the fastest-growing contributor to the 7.0% year-over-year growth in personal health care spending, with retail sales of prescription drugs close behind at 8.1%. Spending on dental services grew the slowest, at 4.0%.

Exhibit 3. Health Care Spending 12-Month Growth

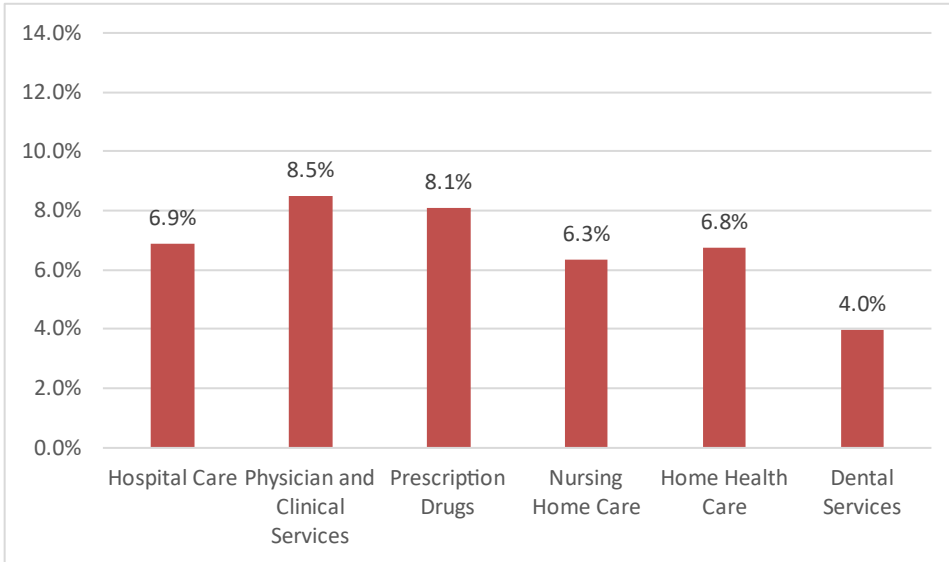
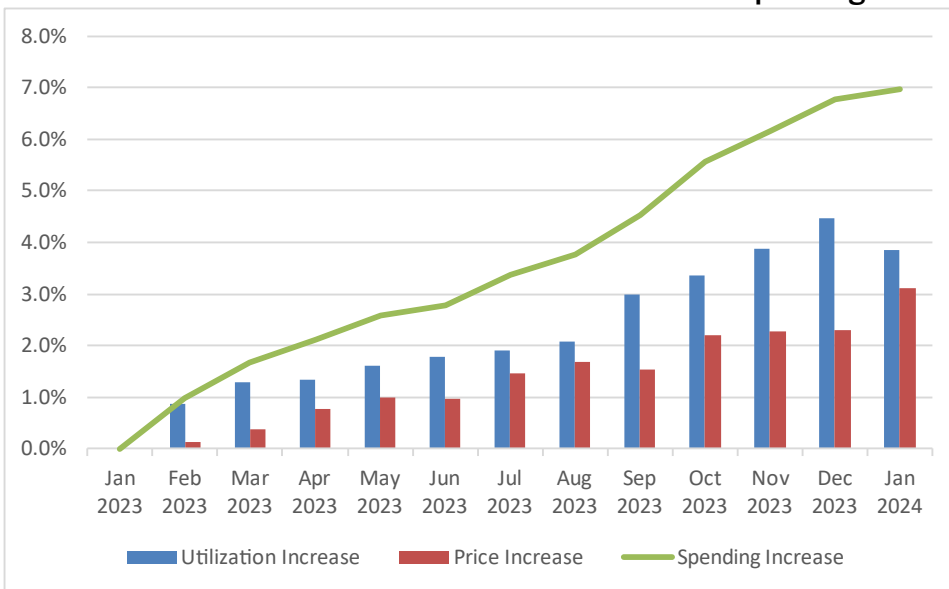


Exhibit 4 shows how spending on personal health care has grown over the past year (since January 2023) and illustrates the relative contribution of utilization and prices to this growth. It indicates that spending growth through January 2024 has continued to be driven more by utilization growth than by price increases: Of the 7.0% growth in personal health care spending during this period, 3.1 percentage points can be attributed to price growth, while the remaining 3.9 percentage point growth was associated with increases in utilization. However, a January drop in utilization growth and a jump in price growth have resulted in a narrowing of that gap from recent months.

Exhibit 4. Cumulative Growth in Personal Health Care Spending



All spending values shown in this brief include COVID-related subsidies from the federal government. With the exception of federal government support to public health activities, these subsidies have been very small since the start of 2022.

DETAILED HEALTH SPENDING

Exhibit 5. Monthly National Spending Estimates by Detailed Category

Levels (in billions of dollars)	Jan 2021	Jan 2022	Jan 2023	Jan 2024
GDP	\$22,534.2	\$24,862.8	\$26,735.8	\$28,107.3
National Health Spending	\$4,257.7	\$4,362.5	\$4,624.2	\$4,900.5
Personal health care	\$3,490.3	\$3,626.0	\$3,867.0	\$4,136.4
Hospital care	\$1,297.6	\$1,334.9	\$1,412.9	\$1,510.1
Physician and clinical services	\$845.8	\$874.4	\$916.6	\$994.4
Other professional services	\$135.6	\$139.1	\$147.8	\$161.0
Dental services	\$157.6	\$160.0	\$173.5	\$180.4
Other personal health care	\$220.4	\$237.2	\$253.4	\$262.3
Home health care	\$128.8	\$127.5	\$143.4	\$153.0
Nursing home care	\$180.2	\$182.7	\$203.7	\$216.6
Prescription Drugs	\$361.3	\$393.7	\$425.3	\$459.6
Durable medical equipment	\$60.9	\$64.0	\$70.3	\$73.3
Nondurable medical products	\$102.1	\$112.4	\$120.1	\$125.7
Program administration and net cost of private health insurance	\$329.6	\$313.8	\$350.8	\$372.7
Government public health activities	\$237.3	\$209.3	\$182.1	\$153.6
Research	\$61.2	\$63.3	\$66.7	\$70.2
Structures and equipment	\$139.4	\$150.1	\$157.6	\$167.5
HS Share of GDP	18.9%	17.5%	17.3%	17.4%
HS Share of PGDP	18.7%	17.6%	17.3%	17.5%

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

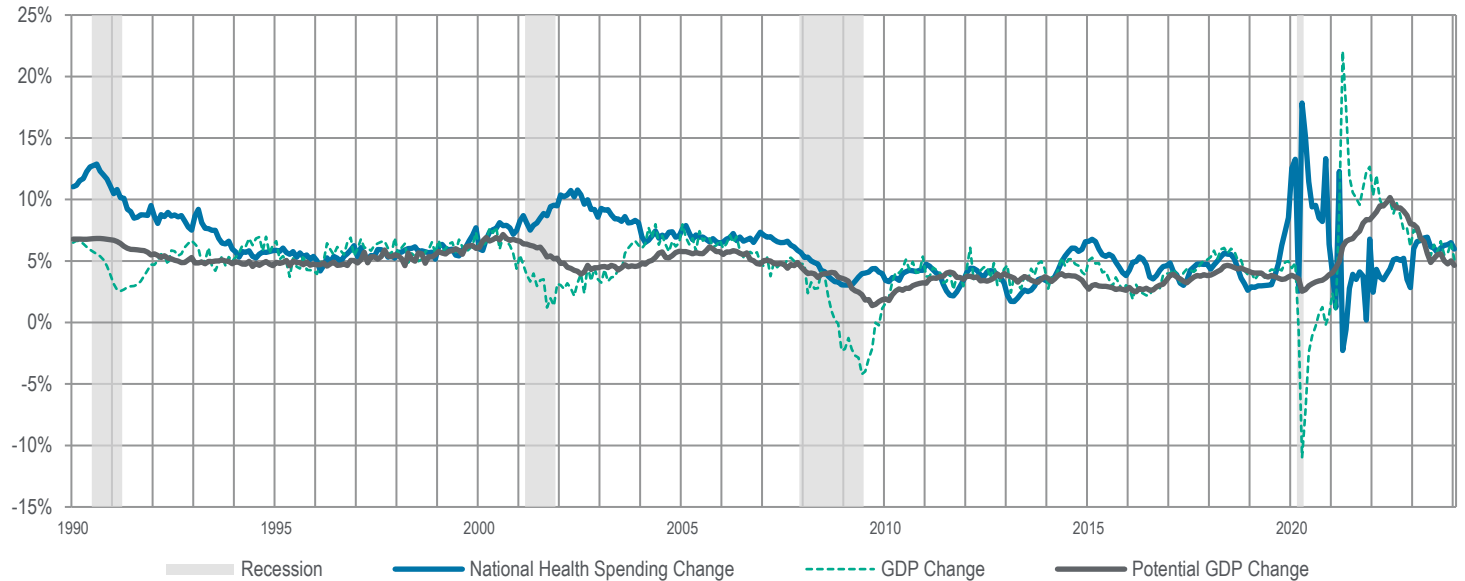
Growth Rates	Jan 2022	Jan 2023	Jan 2024
GDP	10.3%	7.5%	5.1%
National Health Spending	2.5%	6.0%	6.0%
Personal health care	3.9%	6.6%	7.0%
Hospital care	2.9%	5.8%	6.9%
Physician and clinical services	3.4%	4.8%	8.5%
Other professional services	2.6%	6.2%	8.9%
Dental services	1.5%	8.4%	4.0%
Other personal health care	7.6%	6.8%	3.5%
Home health care	-1.0%	12.5%	6.8%
Nursing home care	1.4%	11.5%	6.3%
Prescription Drugs	9.0%	8.0%	8.1%
Durable medical equipment	5.2%	9.8%	4.3%
Nondurable medical products	10.2%	6.8%	4.7%
Program administration and net cost of private health insurance	-4.8%	11.8%	6.3%
Government public health activities	-11.8%	-13.0%	-15.7%
Research	3.5%	5.3%	5.3%
Structures and equipment	7.7%	5.0%	6.3%
HS Minus GDP	-7.9%	-1.5%	0.8%
HS Minus PGDP	-6.2%	-2.0%	1.3%

Source: Computed from Exhibit 5.

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

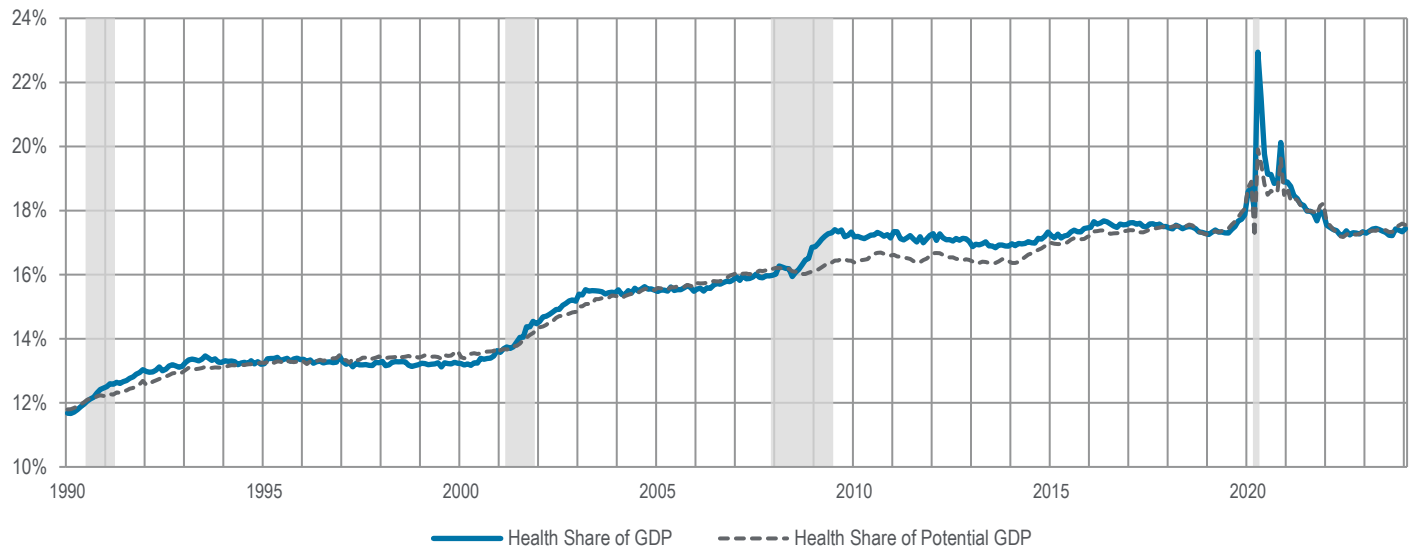
TIME SERIES TRACKER

Exhibit 7. 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 8. 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.

March 20, 2024

Health care price growth continues to lag behind utilization increases

HIGHLIGHTS

- ▲ The overall Health Care Price Index (HCPI) increased by 3.2% year over year in February, increasing slightly from the revised growth rate of 3.1% a month prior (up from 2.9%).
- ▲ Economywide inflation remained moderate in February, with year-over-year growth in the Consumer Price Index (CPI) increasing slightly to 3.2% and growth in the Producer Price Index (PPI) increasing to 1.6%.
- ▲ Among the major health care categories, prices for dental care (4.9%), nursing home care (4.2%), and hospital care (3.6%) were the fastest growing, while prescription drug price growth was the slowest in February (0.3%).
- ▲ Our implicit measure of health care utilization growth fell slightly to 3.9% year over year in January, but continued to drive spending increases as it remained above overall health care price growth.
- ▲ Prescription drugs (7.7%) and physician and clinical services (6.6%) were the fastest growing utilization categories, while use of dental care (-0.8%) declined and increases in nursing home care utilization were also small (1.4%).

	Feb 2022	Feb 2023	Jan 2024	Feb 2024
Health Care Price Index (HCPI)	2.1%	2.6%	3.1%	3.2%
GDP Deflator (GDPD)	6.9%	5.5%	2.4%	**
HCPI - GDPD	-4.8%	-2.9%	0.7%	**
Addendum				
Personal health care spending	5.5%	7.7%	7.0%	**
Health care utilization	3.4%	5.1%	3.9%	**
Medical Consumer Price Index (MCPI)	2.4%	2.3%	1.1%	1.4%
Consumer Price Index, all items (CPI)	7.9%	6.0%	3.1%	3.2%
Producer Price Index, Final Demand (PPI)	10.4%	4.7%	1.0%	1.6%

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 Corwin (Corey) Rhyan at Corwin.Rhyan@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 3.2% year over year in February, increasing 0.1 percentage points from the rate seen a month prior in January (3.1%) (Exhibit 1). January's data were revised slightly in the updated series released this month, up to 3.1% from the 2.9% growth rate in last month's data. With the first two months of data, 2024 is beginning with average year-over-year health care price growth (3.1%) above the average seen in 2023 (2.9%), and the fastest average growth of the first two month's of the year in our data since 2007.

Health care price growth exceeded economywide price growth as measured by the GDP deflator for the fourth straight month in February (Exhibit 1). The gap between health care price growth and overall economywide inflation increased last month, with health care prices increasing 0.7 percentage points faster than the GDPD in January, compared to 0.3 percentage points in December 2023. This now four-month trend of comparatively faster HCPI growth ends the nearly 3-year period when economywide inflation often significantly outpaced health care price increases (Exhibit 1). Economywide services price growth continues to exceed commodities inflation, where services prices increased 5.4% year-over-year in February, but economywide commodities prices increased by only 0.3% (Exhibit 4).

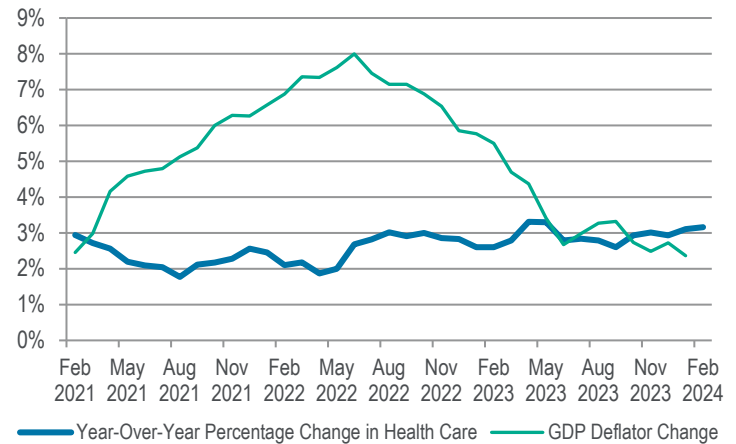
An alternative measure of health care price inflation, the CPI medical care price index, also has continued to show signs of faster health care price increases in 2024, and reached 3.5% year-over-year growth in February (after excluding the volatile and lagged health insurance component) (Exhibit 5).

Among major health care categories in February, prices for dental care (4.9%), nursing home care (4.2%) and hospital care (3.6%) increased fastest among major categories (Exhibit 2). We also observed faster physician and clinical services price growth in February (1.8%) compared to growth from a year ago (0.2%) (Exhibit 3), and for the second straight month this was above the 1.0% growth threshold for this component.

Increases in physician prices and hospital prices appear to primarily be attributable to faster growth in Medicaid prices for this care, which jumped up 13.2% and 6.9% respectively in February (data not shown). This is the second month with a significantly larger increase in Medicaid prices than expected. Medicaid prices in BLS data often move in stepped increases in July and January months, and we will investigate the 2024 data in more detail in coming months. Conversely, price growth for prescription drugs slowed in February, down to 0.3% year over year, and is now 2.1 percentage points slower than the price growth for this component from a year prior.

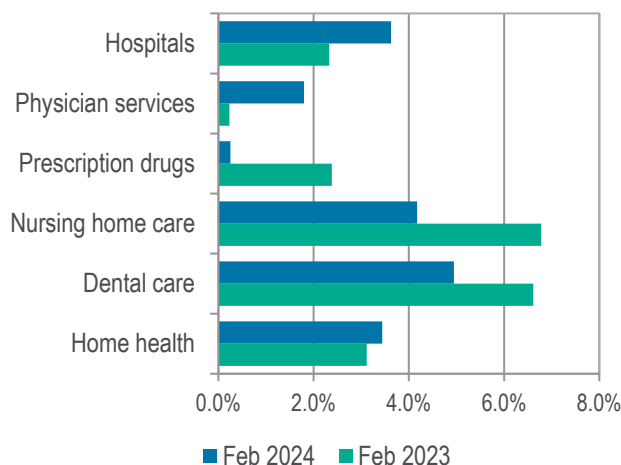
Our implicit measure of overall health care utilization growth (total spending growth net of health care price inflation) declined slightly in January to 3.9% growth year-over-year (Exhibit 8) but remains above overall health care price growth over the same period (3.1%). The fastest growing utilization component in January remained prescription drugs, which increased by 7.7% (Exhibit 7). Physician and clinical services (6.6%) were the next fastest growing category. Utilization growth for dental care (-0.8%), nursing home care (1.4%) and home health care (2.9%) were the three slowest growing categories in January, and all had utilization growth below their price increases last month.

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



Source: Altarum analysis of monthly BLS price data and monthly GDPD data published by Macroeconomic Advisers.

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



Source: Altarum analysis of monthly BLS price data.

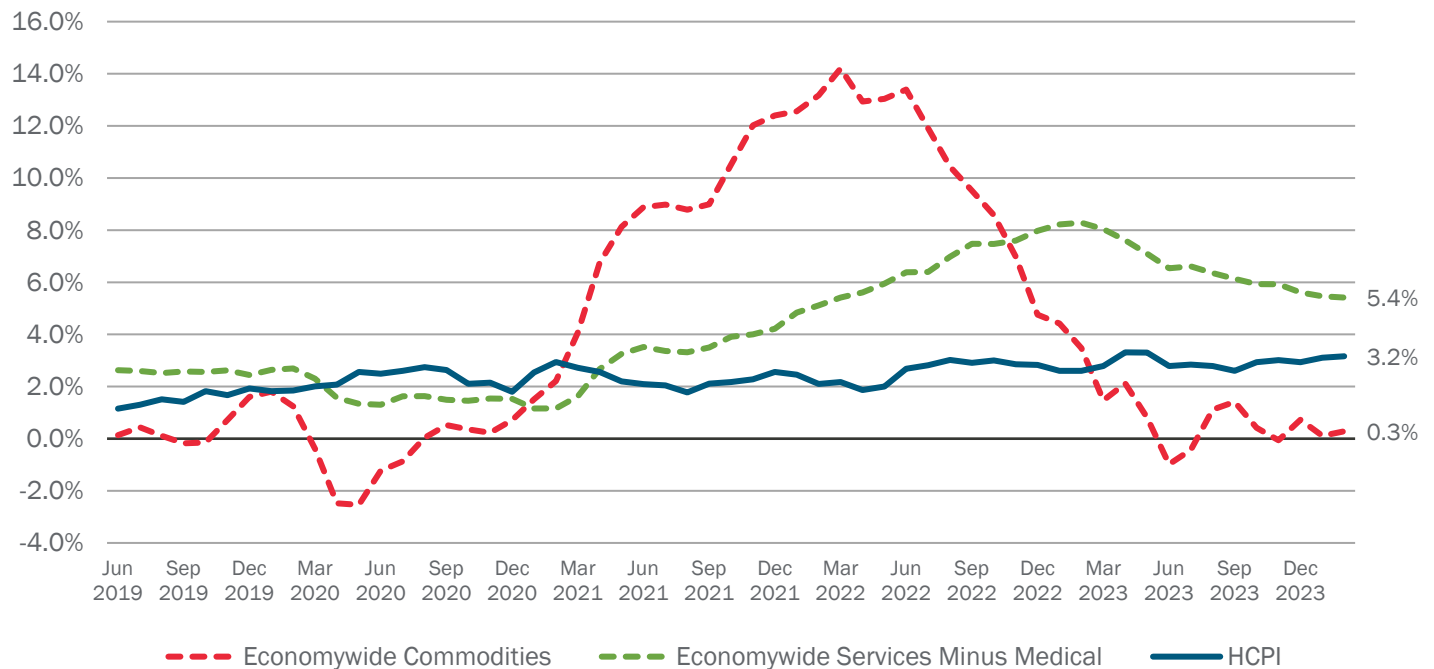
PRICE GROWTH BY DETAILED CATEGORIES

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

	Ending February 2022	Ending February 2023	Ending February 2024
Health Care Price Index (HCPI)	2.1%	2.6%	3.2%
Hospital care	2.2%	2.3%	3.6%
Physician and clinical services	0.8%	0.2%	1.8%
Prescription drugs	2.4%	2.4%	0.3%
Nursing home care	1.0%	6.8%	4.2%
Dental Services	2.1%	6.6%	4.9%
Home health care	2.7%	3.1%	3.4%
Other professional services	4.8%	-0.9%	1.5%
Other personal health care	4.0%	6.0%	6.5%
Other nondurable medical products	3.0%	4.5%	9.3%
Durable medical equipment	2.3%	4.3%	3.3%

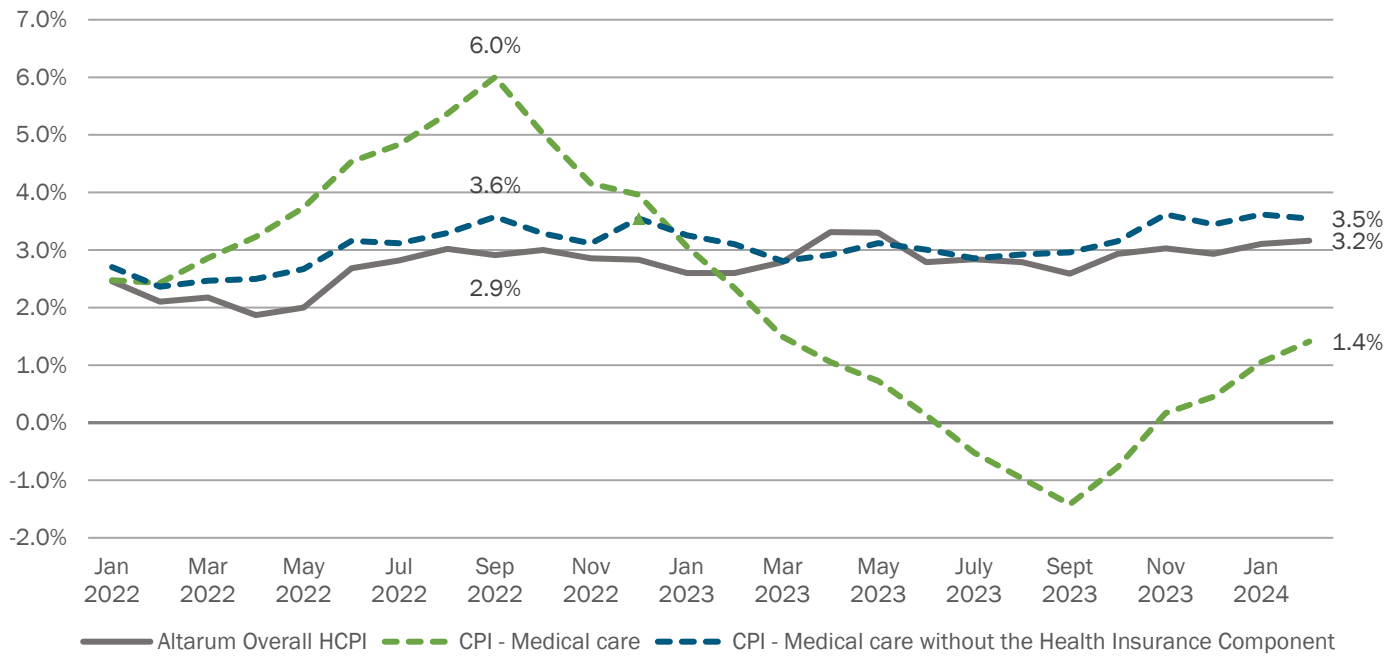
Source: Altarum analysis of monthly BLS data.

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



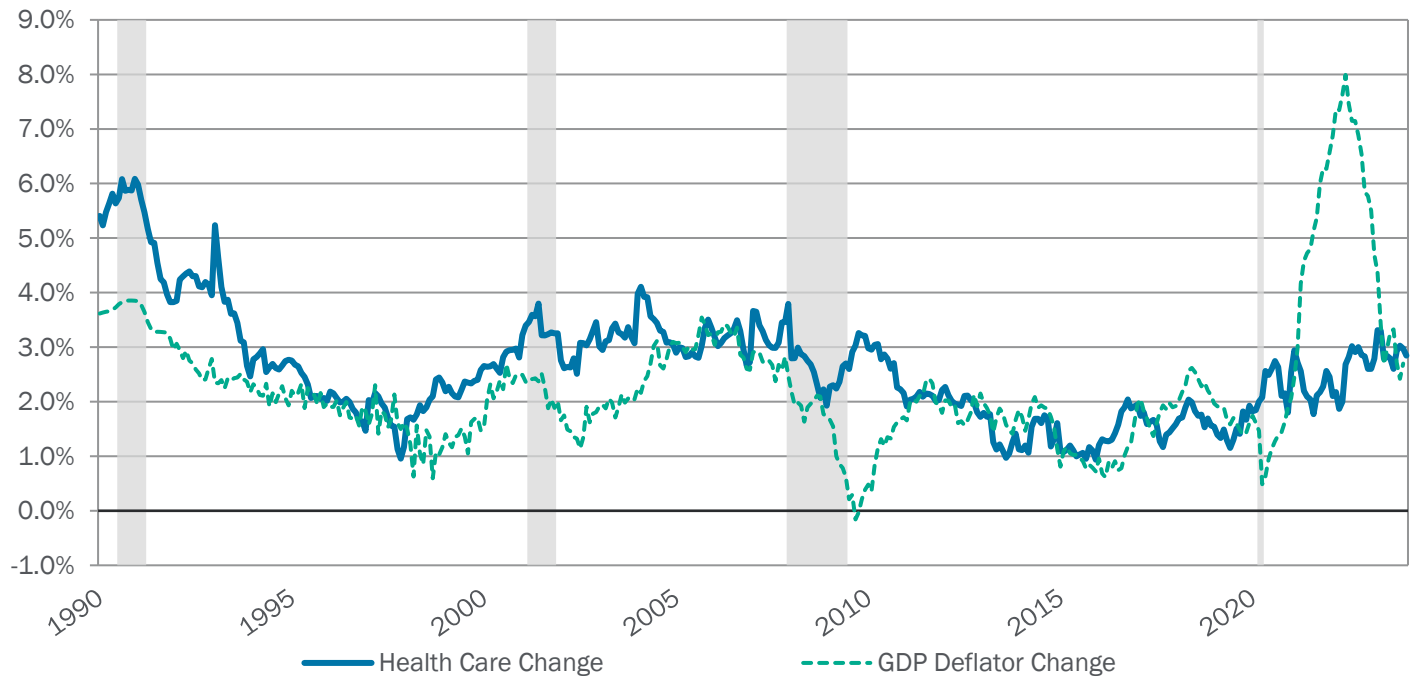
Methods. Altarum’s estimates for the monthly HCPI, a price index for personal health care spending within the National Health Expenditure Accounts, are essentially monthly versions of the annual index developed by the CMS National Health Statistics Group (NHSG). The advantages of this measure over the 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.

Exhibit 5. Year-over-Year Percentage Change in Medical Care CPI vs. Altarum Overall HCPI



TIME SERIES TRACKER

Exhibit 6. Year-over-Year Percentage Change in Health Prices Compared with the GDP Deflator



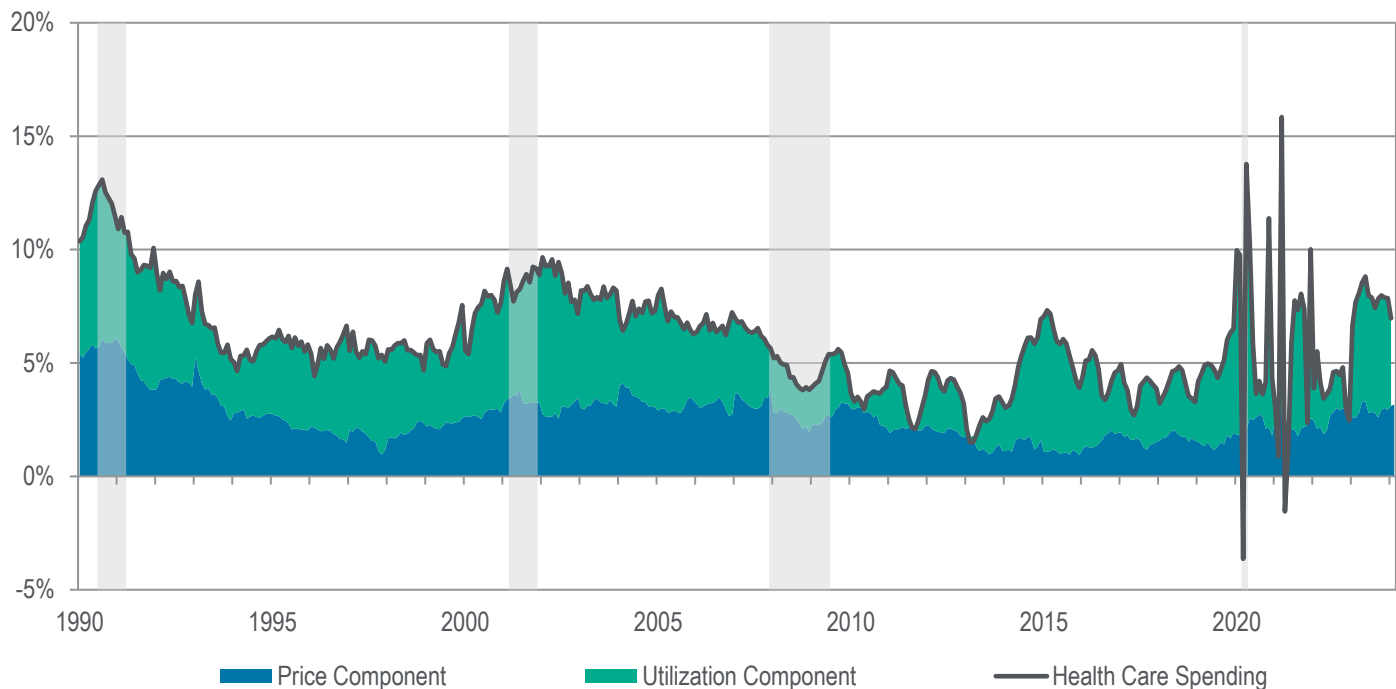
Source: Altarum monthly national health spending and price index estimates.
Note: Lightly shaded bars denote recession periods.

Exhibit 7. Implicit Health Care Utilization Growth by Major Components of NHE, Year-over-year

	January 2024	3-Month Moving Average	12-Month Moving Average
Total personal health care	3.9%	4.5%	5.0%
Hospital care	3.4%	3.3%	4.6%
Physician and clinical services	6.6%	8.2%	7.7%
Prescription drugs	7.7%	8.1%	8.0%
Nursing home care	1.4%	2.0%	3.7%
Dental Services	-0.8%	0.7%	1.7%
Home health care	2.9%	6.4%	5.7%
Other professional services	6.8%	7.8%	7.7%
Other personal health care	-2.2%	-2.6%	-1.9%
Other nondurable medical products	-4.6%	-2.3%	0.0%
Durable medical equipment	1.2%	2.4%	1.0%

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.

Exhibit 8. Health Care Spending Growth by Price and Utilization Components



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

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>.

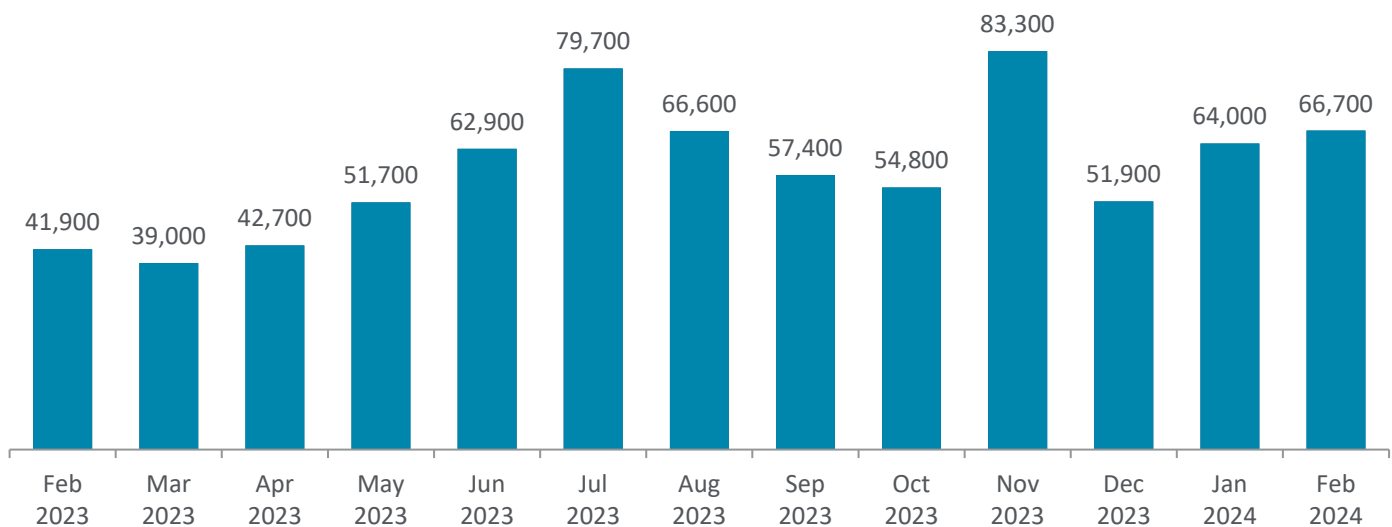
DISCUSSION

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

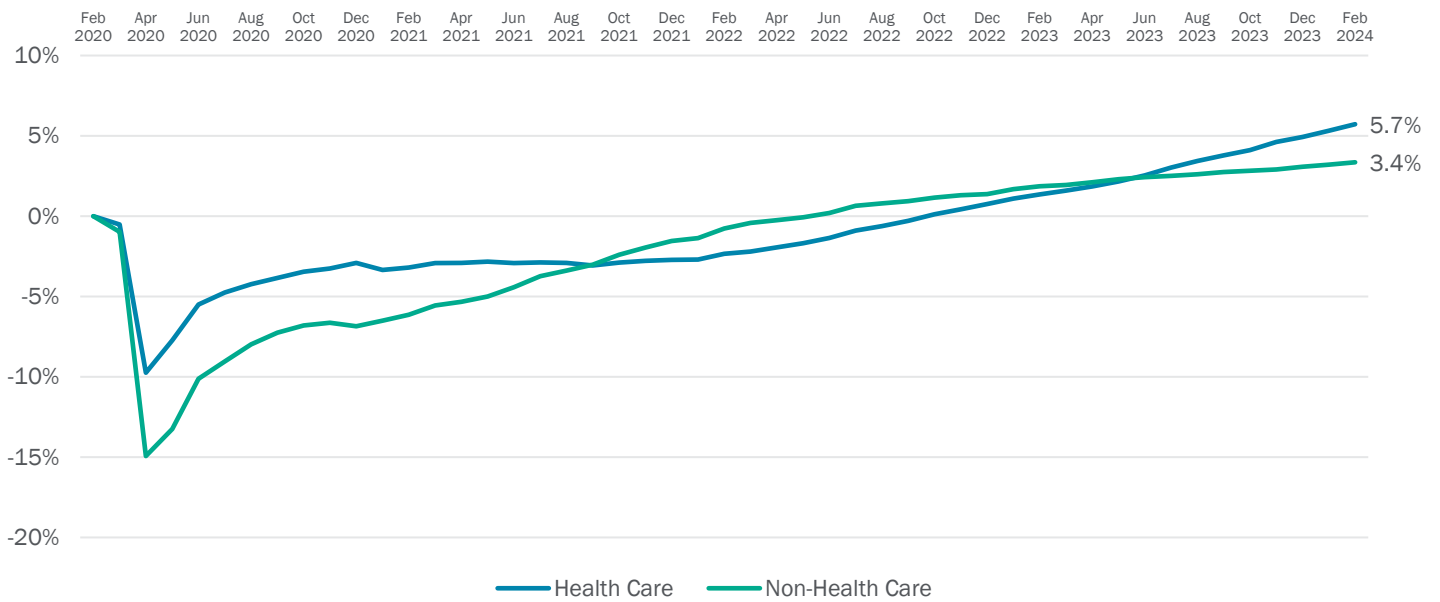


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

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).

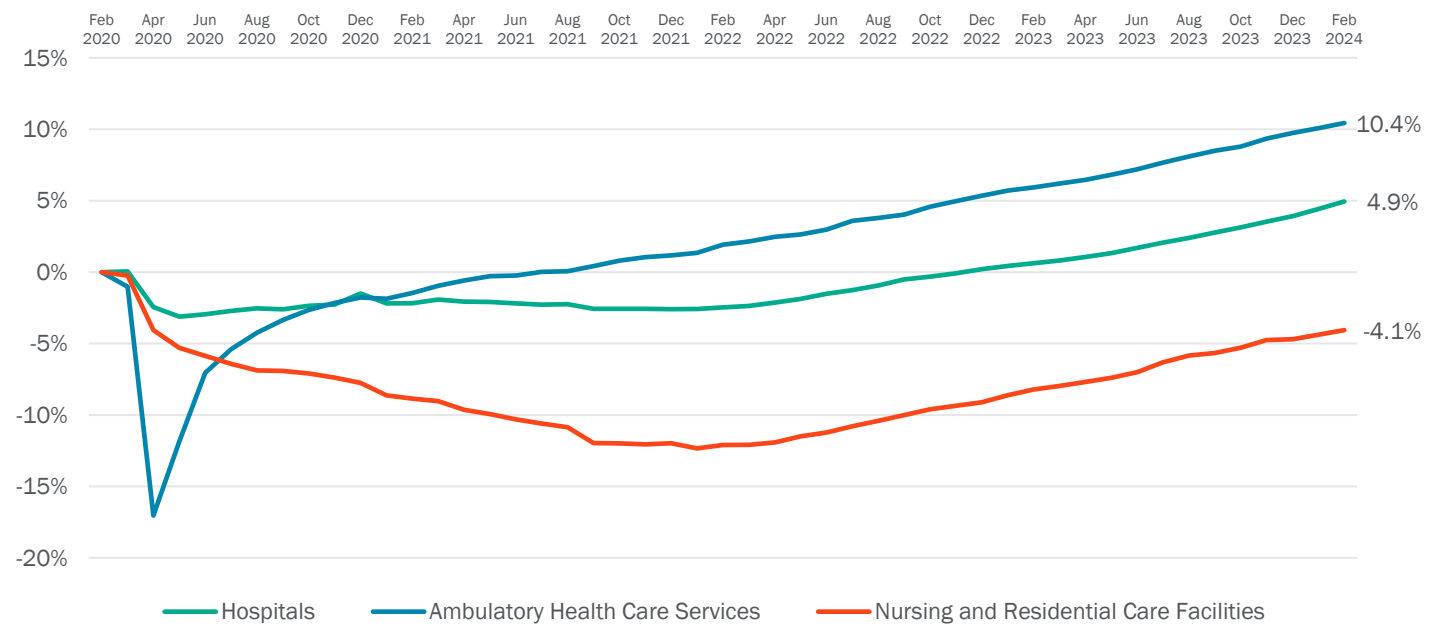
However, employment in nursing and residential care facilities, although steadily increasing since February 2022, is still 136,900 jobs or 4.1% below pre-pandemic levels. As described in a recent Altarum [analysis](#), this contraction since the pandemic is likely due to skilled nursing facility closures,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

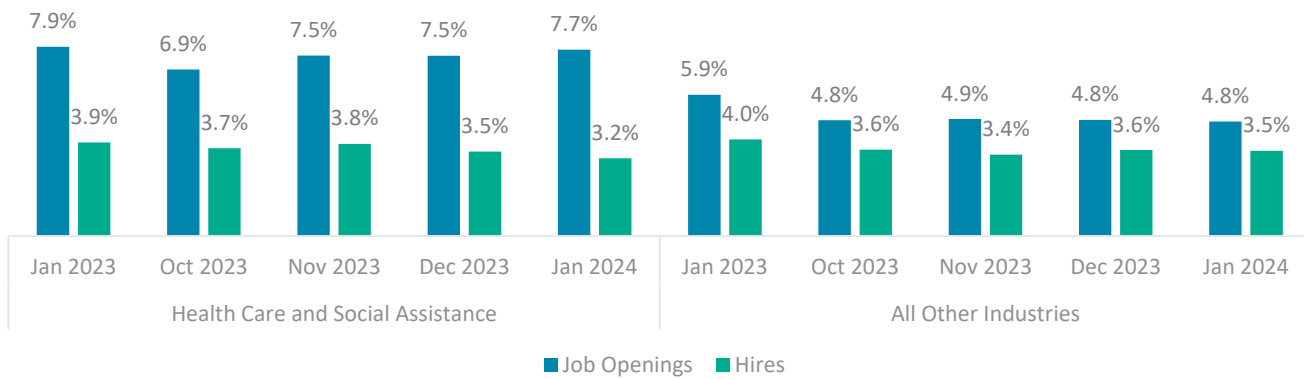


Source: Altarum analysis of monthly BLS Current Employment Statistics data.

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.

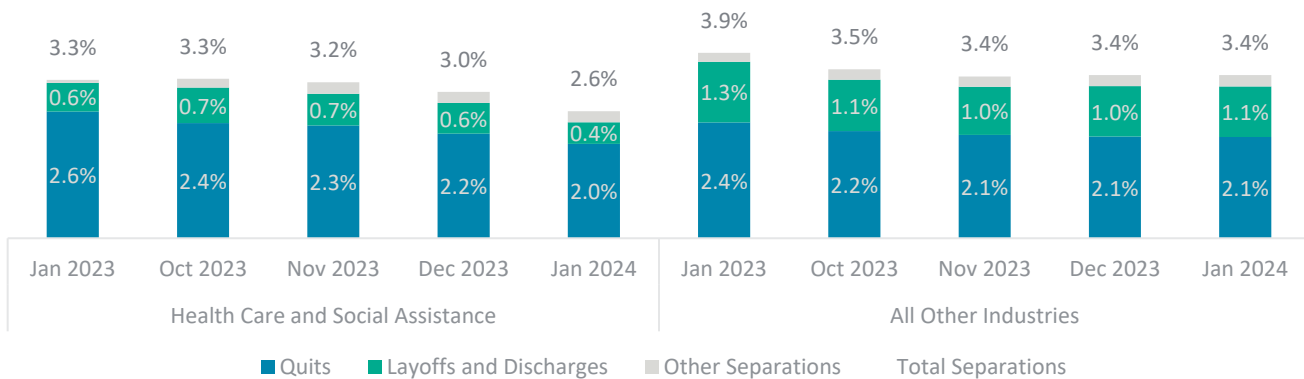
Exhibit 4. Monthly Rates of Hires and Job Openings in the Health Care and Social Assistance and Non-Health Care Sectors



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



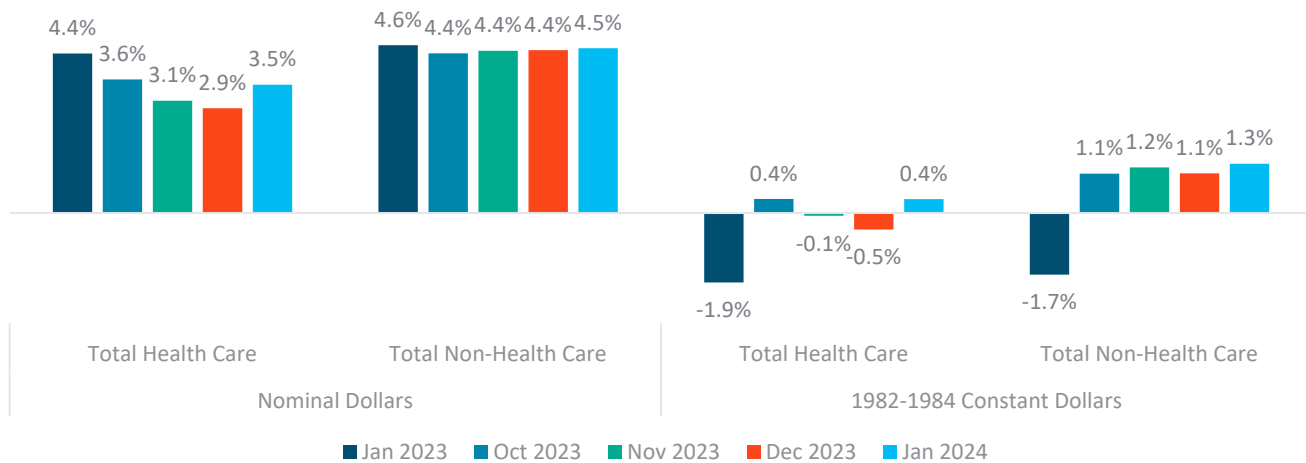
Source: Altarum analysis of monthly BLS Job Openings and Labor Turnover Survey.

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.

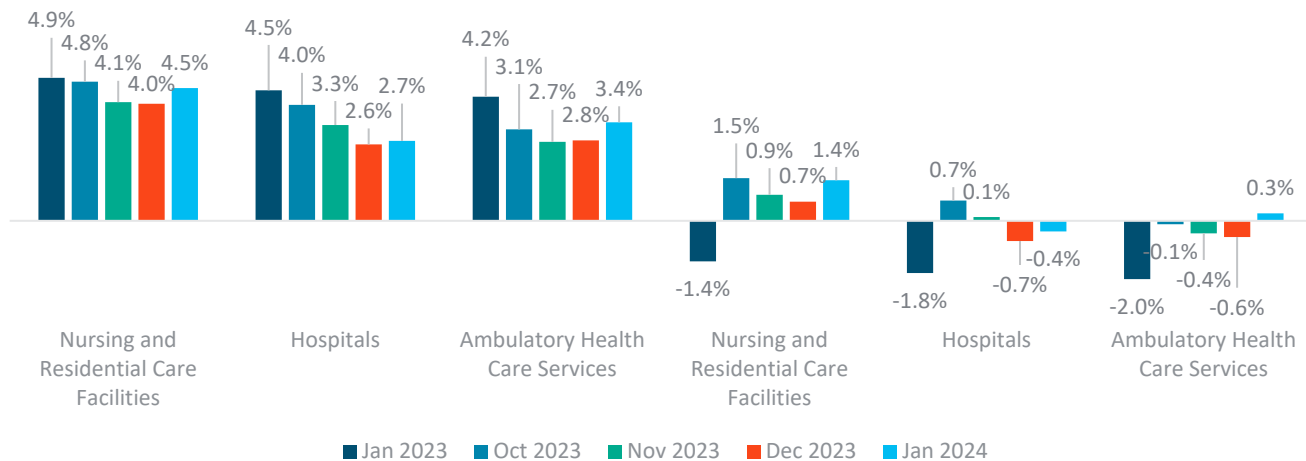
Wage growth was fastest in the nursing and residential care facilities industry at 4.5%, followed by ambulatory health care services at 3.4% and hospitals at 2.7% (see Exhibit 7). Inflation-adjusted wages grew by 1.4% in the nursing and residential care facilities industry and 0.3% in the ambulatory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

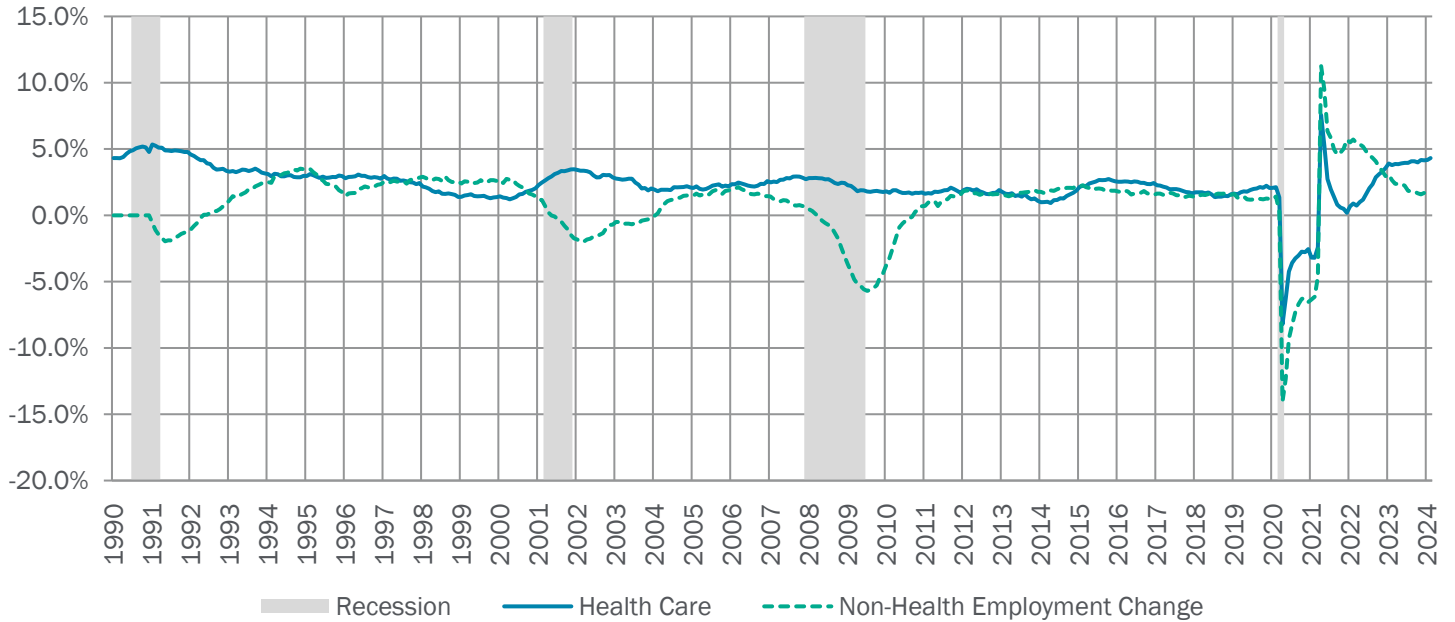
Source: Altarum analysis of BLS Current Employment Statistics data. Change since February 2020 represents a comparison to pre-pandemic peak employment.

^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.

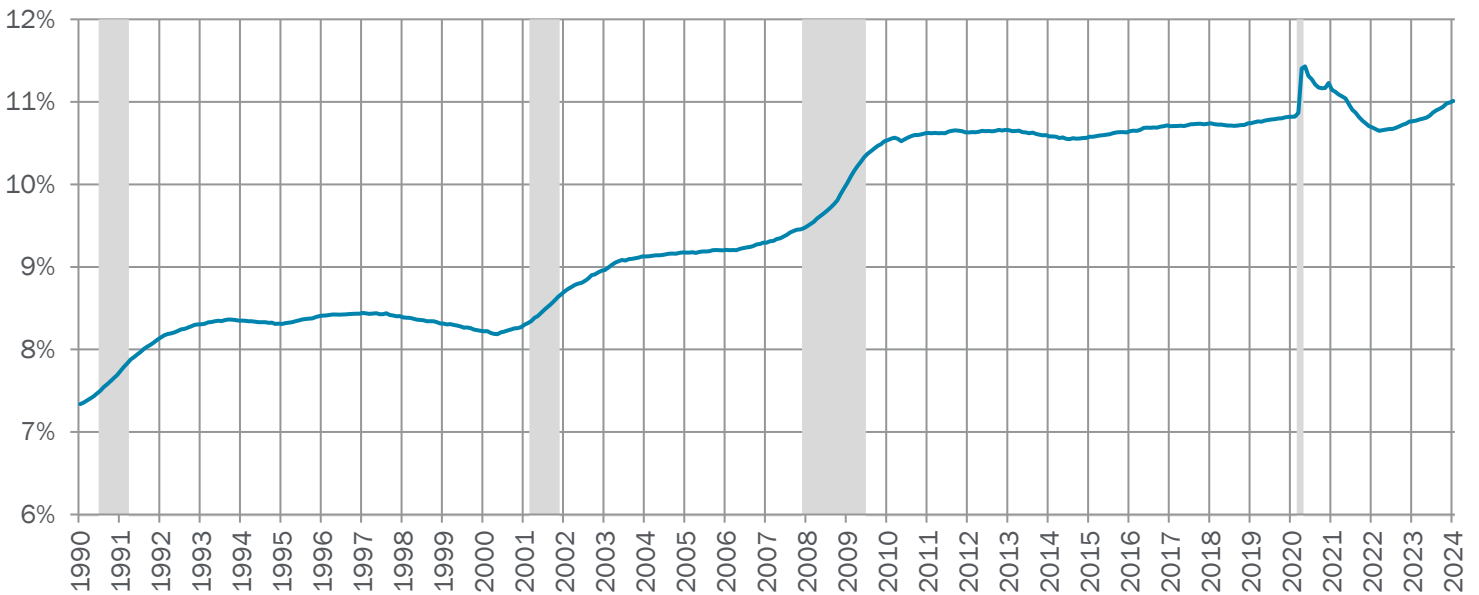
TIME SERIES TRACKER

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.