

Healthcare Employment Resists Effects of Recession

Although historically resistant to economic downturns, the healthcare industry still experienced the impact of the 2007-2009 recession; in 2009, the healthcare spending rate in the US grew at its slowest rate in fifty years.¹ Economists from the Centers for Medicare and Medicaid Services (CMS) primarily attribute this downturn to consumers' inability to pay for private insurance, lower capital investments by healthcare providers, and lower out-of-pocket spending in general.² Offsetting this decrease in private spending, federal funding for healthcare rose 16.6 percent from 2008 to 2009, to promote healthcare reform efforts and support federal insurance funds (primarily Medicaid). This federal spending led to the healthcare industry outpacing other industry spending rates and resulted in a one percent increase in healthcare spending in 2009, comprising 17.6 percent of the national GDP.³

While industry spending rates typically correspond to labor market performance, healthcare employment continues to grow at a greater rate than any other industry.⁴ According to the Bureau of Labor Statistics (BLS), from 2010 to 2011, employment in the healthcare industry increased by 265,000 jobs, or 34.3 percent.⁵ In February 2011, employment in the healthcare industry grew by 34,000 jobs, greater than the average increase of 22,000 jobs per month reported over the past year.⁶ A recent report published by PwC (formerly PricewaterhouseCoopers), indicated that slower consumer spending growth would primarily influence physician providers.⁷ From February 2010 to February 2011, hospitals experienced only 2.1 percent growth in employment and physician offices experienced only 1.5 percent growth, while those healthcare sectors associated with delivering care to the elderly experienced the largest growth; i.e., home health (7.5 percent) and nursing and residential facilities (15.3 percent).⁸

BLS predicts continued growth in healthcare employment and projects the healthcare sector to generate 3.2 million jobs from 2008 to 2018, more than any other industry.⁹ Consistent with present trends, the largest growth in employment is anticipated in areas providing elder care service, with home healthcare jobs expected to increase 46 percent.¹⁰ In comparison, hospital employment is only expected to increase 10 percent over the same period.¹¹

Despite the recession, the healthcare industry continues to grow. Notably, although the national unemployment rate hovered between nine and ten percent over the past year, healthcare and leisure and hospitality industries supported a significant increase in employment – 36,000 and 47,000 jobs, respectively.¹² Since the official end of the recession, healthcare job placements have continued to trend upwards and should likely see further increases in the foreseeable future.

- ¹ "Recession Contributes To Slowest Annual Rate Of Increase In Health Spending In Five Years" By Anne Martin, et al., Health Affairs, Vol. 30, No. 1, January 2011, p. 11.
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- ³ "Recession Contributes To Slowest Annual Rate Of Increase In Health Spending In Five Years" By Anne Martin, et al., Health Affairs, Vol. 30, No. 1, January 2011, p. 11.
- ⁴ "Financing Constrains and Unemployment: Evidence from the Great Recession" By Burcu Duygan-Bump, et al., Federal Reserve Bank of Boston, Working Paper No. QAU10-6, October 8, 2010, p. 1; "Career Guide to Industries: Healthcare" Bureau of Labor Statistics, 2010-11 Edition, February 2, 2011, Accessed at <http://www.bls.gov/oco/cg/cgs035/html> (Accessed 3/3/11).
- ⁵ "The Employment Situation – February 2011" Bureau of Labor Statistics, News Release (March 4, 2011), Accessed at <http://www.bls.gov/news.release/pdf/empisit.pdf> (Accessed 3/4/11), p.2
- ⁶ "The Employment Situation – February 2011" Bureau of Labor Statistics, News Release (March 4, 2011), Accessed at <http://www.bls.gov/news.release/pdf/empisit.pdf> (Accessed 3/4/11), p.2.
- ⁷ "Slow growth of health care utilization to linger through 2011, analysts say" By Emily Berry, American Medical News, January 17, 2011, Accessed at <http://www.ama-assn.org/amednews/2011/01/17/bisa0117.htm> (Accessed 2/11/11).
- ⁸ "The Employment Situation – February 2011: Table B-1. Employees on Nonfarm Payrolls by Industry Sector and Selected Industry Detail" Bureau of Labor Statistics, News Release (March 4, 2011), Accessed at <http://www.bls.gov/news.release/pdf/empisit.pdf> (Accessed 3/4/11).
- ⁹ "Career Guide to Industries: Healthcare" Bureau of Labor Statistics, 2010-11 Edition, February 2, 2011, Accessed at <http://www.bls.gov/oco/cg/cgs035/html> (Accessed 3/3/11).
- ¹⁰ "Career Guide to Industries: Healthcare" Bureau of Labor Statistics, 2010-11 Edition, February 2, 2011, Accessed at <http://www.bls.gov/oco/cg/cgs035/html> (Accessed 3/3/11).
- ¹¹ "Career Guide to Industries: Healthcare" Bureau of Labor Statistics, 2010-11 Edition, February 2, 2011, Accessed at <http://www.bls.gov/oco/cg/cgs035/html> (Accessed 3/3/11).
- ¹² "The Employment Situation – December 2010" Bureau of Labor Statistics, News Release (January 7, 2011), Accessed at <http://www.bls.gov/news.release/pdf/empisit.pdf> (Accessed 1/28/11), p. 2-3



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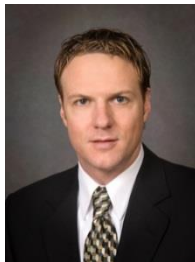
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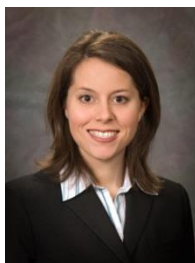
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