

Appcast Healthcare Snapshot

Impressive Gains for this Powerhouse Sector

November 2022



Economy-wide breakdown

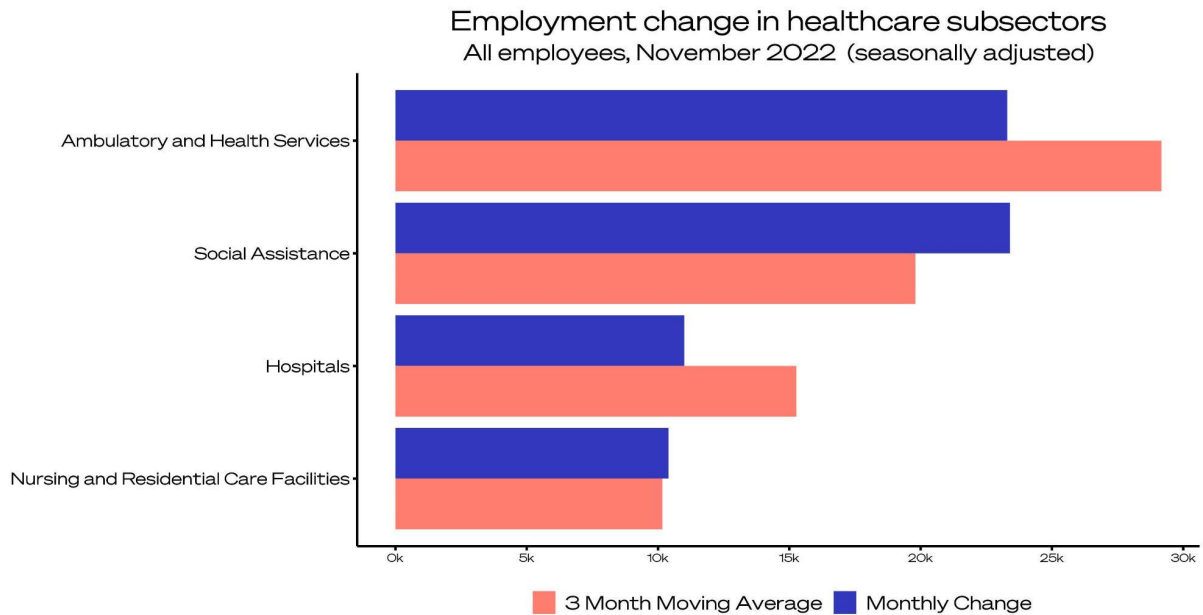
- The U.S. economy added 263,000 jobs in November, which was above market expectations. The unemployment rate was unchanged at 3.7%, near a historic low. Once again, the labor market's strength defied challenges in the overall economy.
- Beyond the welcome headline numbers, however, the latest jobs report featured two key causes for concern. First, the labor force participation rate declined for a third straight month; the rate for the prime-age working population now sits at 82.4%. The U.S. has yet to return to worker supply levels seen before February 2020.
- Second, wage growth reversed trend substantially after months of moderation – an interesting and potentially alarming development. Potentially is the key word – the reasons for the reversal are still unclear. One possibility is that job losses in lower-paying industries (like Retail) artificially increased average hourly wages.
- The labor market, though still strong, is suffering from a hangover of a tight labor market. Too-strong wage gains and stubbornly low participation rates make for a concerning report for recruiters and the Fed alike.
- [Read our economy-wide breakdown of the November numbers.](#)



Employment Trends in Healthcare

The Healthcare and Social Assistance sector had a very impressive month of job gains. The sector added a healthy 68,100 jobs in November, continuing a hot streak in 2022. Last month, we called Healthcare a powerhouse sector – that did not change. Pandemic concern has faded, creating a renewed interest for Healthcare positions.

The Ambulatory Healthcare Services and Social Assistance subsectors had particularly strong months, adding 23,300 and 23,400 jobs, respectively. Within Social Assistance, Child Day Care Services gained 5,400 jobs. This subsector is vital to the health of the overall economy; without childcare workers, parents are forced to sit out of the labor market. Hospitals and Nursing Homes also recorded net gains, at 11,000 and 10,400, respectively.

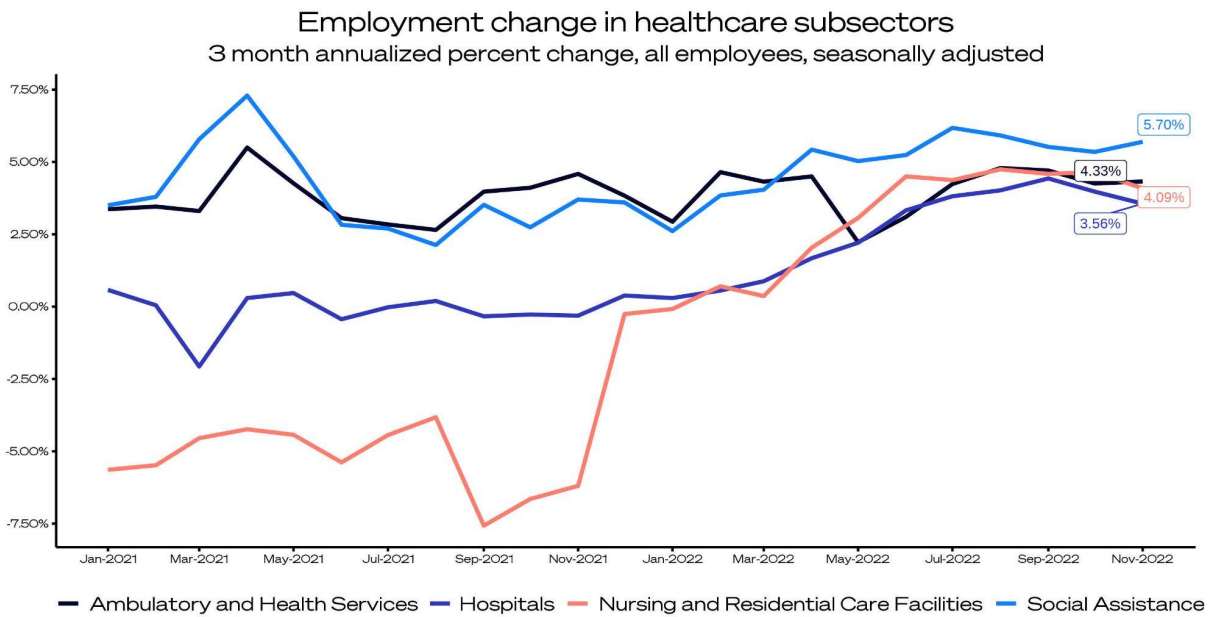


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Employment Trends in Healthcare

Employment growth in all major Healthcare subsectors was positive last month, with Social Assistance gaining at an especially strong rate of 5.70% annualized. Ambulatory and Health Services faltered a bit, growing at a 3.56% annualized rate.

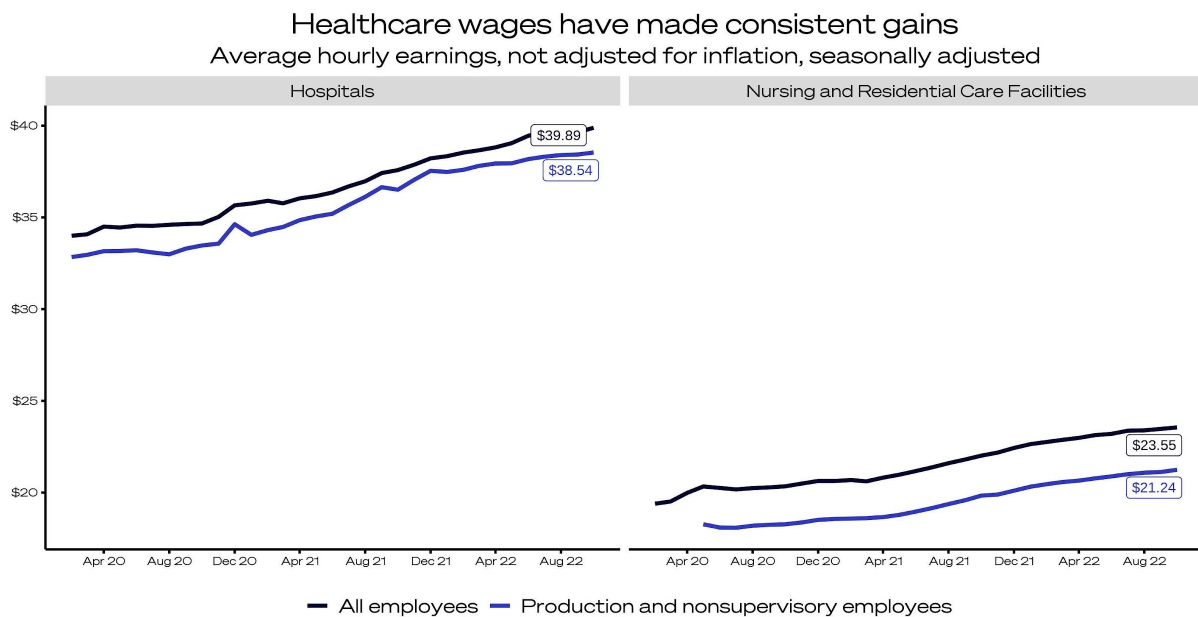


Source: Bureau of Labor Statistics; Created on Dec 05 2022



Wage Trends in Healthcare

Healthcare’s wage gains have been steady for most of 2022. Nominal hourly earnings for non-managers in hospitals increased to 38.54 in October. For the same workers in nursing homes, their earnings increased \$0.14 from the month before, to \$21.24. After a decrease the month before, wages for all employees in hospitals increased by an impressive \$0.30 to \$39.89.



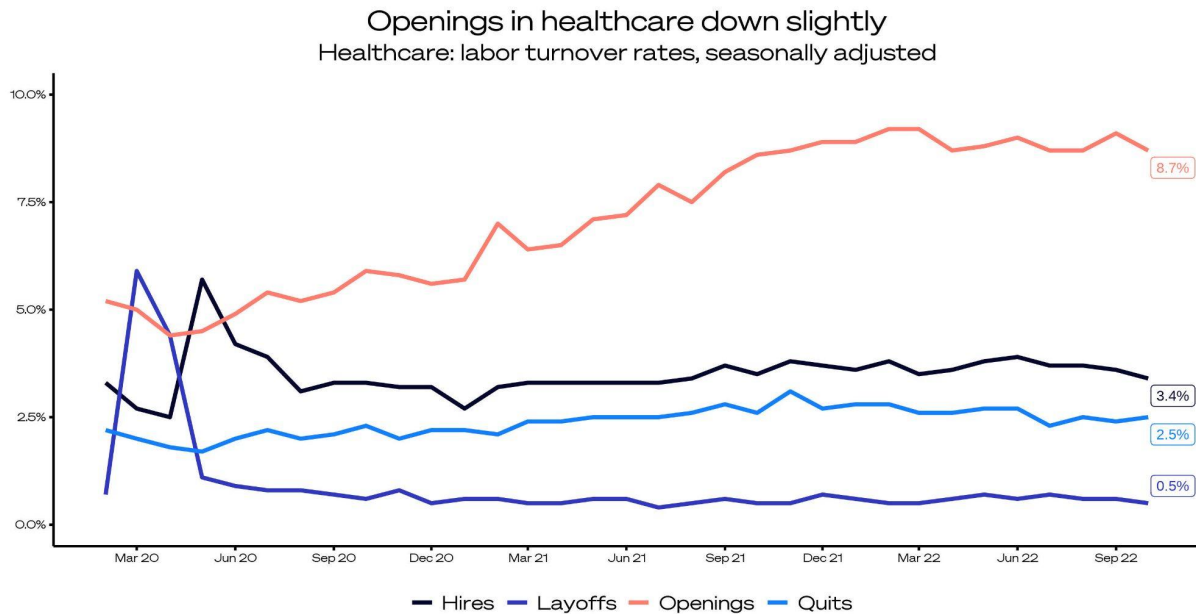
Source: Bureau of Labor Statistics; Created on Dec 05 2022



Openings and Turnover Trends in Healthcare

The turnover trends in Healthcare suggest an incredibly tight market. Openings decreased from a near-record high in September to 8.7% October. This rate suggests overwhelming demand for workers in the sector. Even after months of gains, employers are still searching for new labor.

Quits remained elevated at 2.5%, telling us that workers recognized and acted on their demand in the industry in October. Hires declined slightly to 3.4%, and layoffs fell to an astonishingly low 0.5%.



Source: Bureau of Labor Statistics; Created on Dec 05 2022

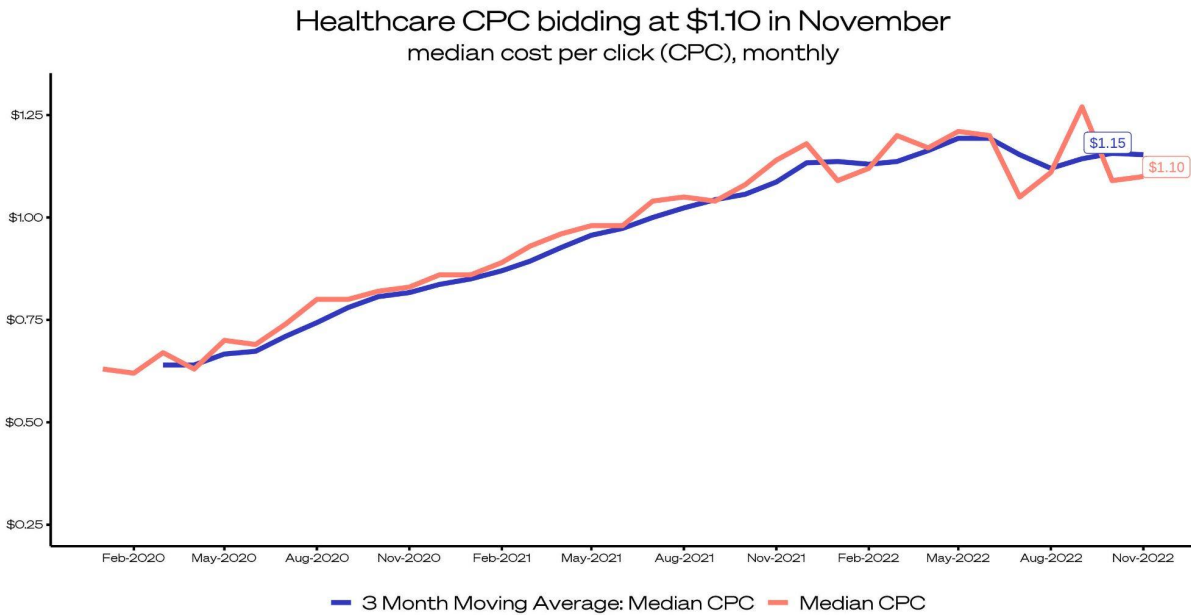


Recruitment Marketing Trends in Healthcare

Finding quality candidates can be quite costly in Healthcare. The highly specialized nature of potential employees raises recruiting costs and pandemic fears certainly did not help. Last month, these factors and continued high demand for workers once again produced some of the highest recruiting costs in the labor market.

Cost-per-click (CPC) remained relatively steady, with the three-month moving average coming in at \$1.15 compared to \$1.16 in October.

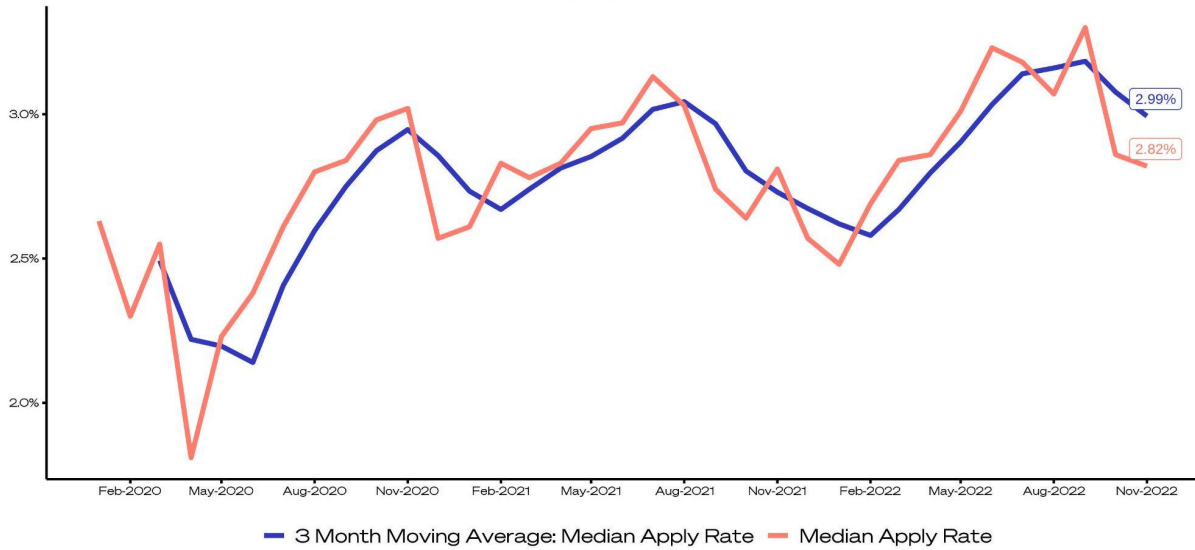
The three-month moving average for cost-per-application (CPA) continued to climb, increasing to \$39.97. The decline in apply rates, now at 2.99%, is contributing to this upward pressure on recruiting costs. More candidates are interested in Healthcare job postings compared to the worst times of the pandemic but it is still a hard industry to recruit for.



Source: Appcast; Created on Dec 05 2022



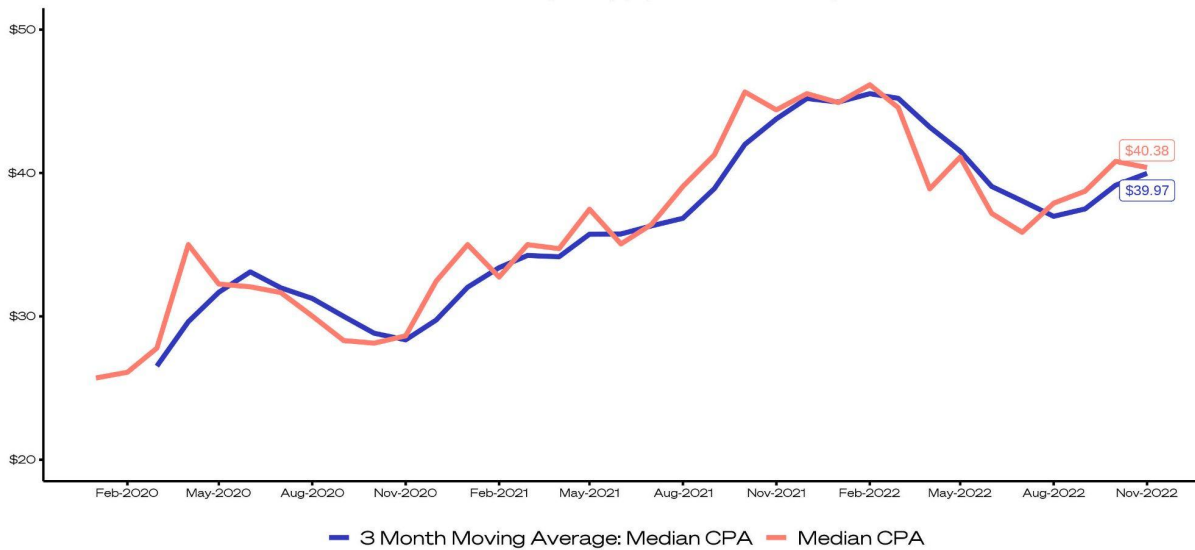
Healthcare Apply Rates at 2.82% in November
median apply rate, monthly



Source: Appcast; Created on Dec 05 2022



Healthcare CPA bidding at \$40.38 in November
median cost per apply (CPA), monthly



Source: Appcast; Created on Dec 05 2022



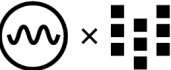
What does this mean for Healthcare?

The Healthcare and Social Assistance sector continued to be a powerhouse sector in November. The Healthcare industry has rebounded strongly in the last couple months after lagging in the post-pandemic recovery. Strong demand in the sector suggests there's more room for employment growth, if employers can fill those positions with weakening labor supply. Now that the U.S. has returned to something like normal in terms of pandemic trends, filling open roles has become much easier – though not much cheaper. Recruiting costs have soared since 2020 and remained elevated in November. High demand forced these costs so high and there they will stay until some of that pressure fades.



Thank you

Why Recruitonomics?



Recruitonomics is a hub for data-driven research, powered by Appcast, that aims to make sense of our evolving world of work. Combining labor economics and recruitment best practices, Recruitonomics seeks to bring clarity to the chaos of a changing economic landscape.

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