

Appcast Healthcare Snapshot

Steady Job Gains And Easing Recruiting Costs Are
Promising Signs



Economy-wide breakdown

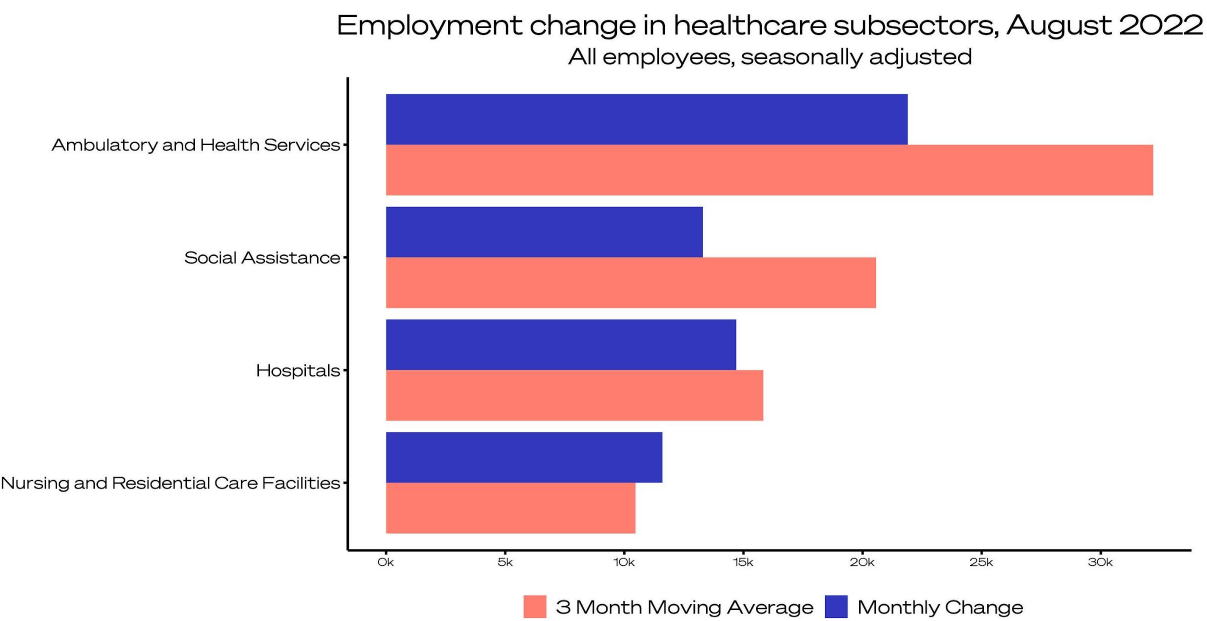
- The U.S. economy added 315,000 net new jobs in August 2022. The unemployment rate rose slightly to 3.7% from a historically low 3.5% – but for *good* reasons. Labor force participation among prime-age workers rose in August to its highest point since February 2020.
- The Fed should be thrilled with the August jobs report. In addition to strong hiring and a rise in the labor force, growth in average hourly earnings slowed, easing fears of a wage-price spiral. Its hope for a “soft-landing” remains alive.
- Every major industry posted job gains in August. Healthcare and Professional and Business Services were especially strong, reflecting the continued shift to services-providing employment from goods-providing. This month’s gains bring the three-month moving average to 400,000 – nowhere near a recession.
- [Read our economy-wide breakdown of the August numbers.](#)



Employment Trends in Healthcare

The broad Healthcare and Social Assistance sector, as the BLS defines it, added 62,000 jobs in August. Healthcare specifically added 48,200, continuing a strong streak of gains for 2022. Since January, the healthcare sector has added an average of nearly 44,000 jobs each month. Overall, employment is just 0.2% below its level in February 2020.

Hospitals gained 15,000 jobs in August, while nursing and residential care facilities gained 12,000. The fastest growing subsector recently is Ambulatory and Health Services, adding more than 30,000 jobs per month.

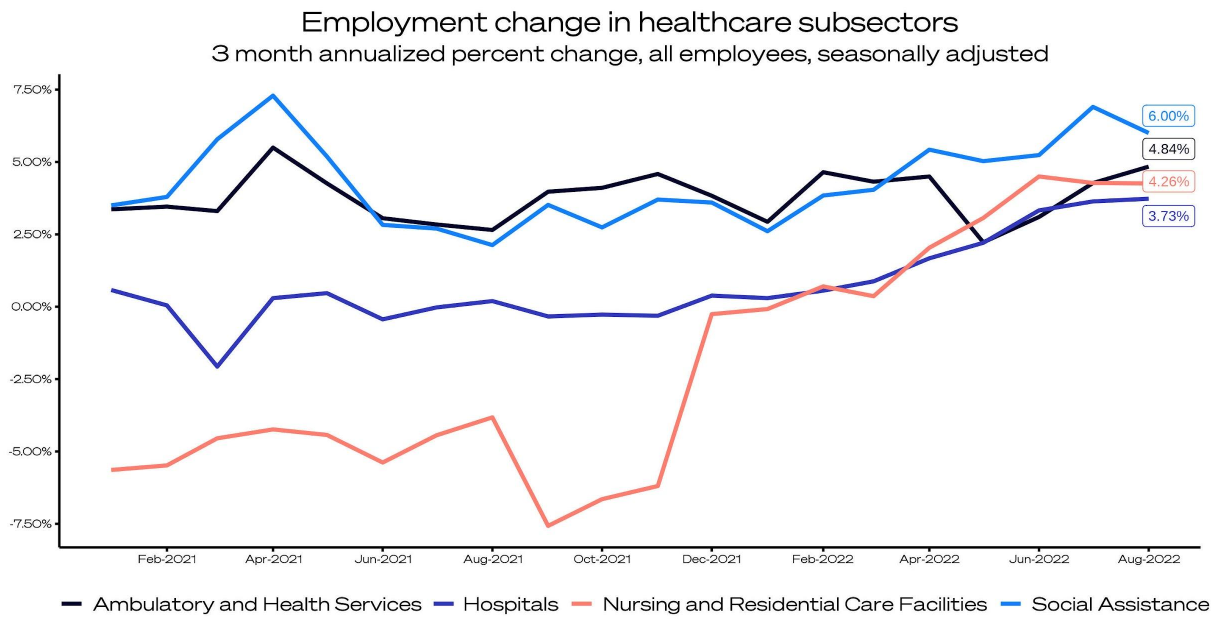


Source: Bureau of Labor Statistics; Created on Sep 07 2022



Employment Trends in Healthcare

Annualized job growth rates for hospitals and care facilities have moderated to 3.7% and 4.3%, respectively, in the three months through August. Another decent month in September should bring healthcare employment levels above where they were before COVID-19.

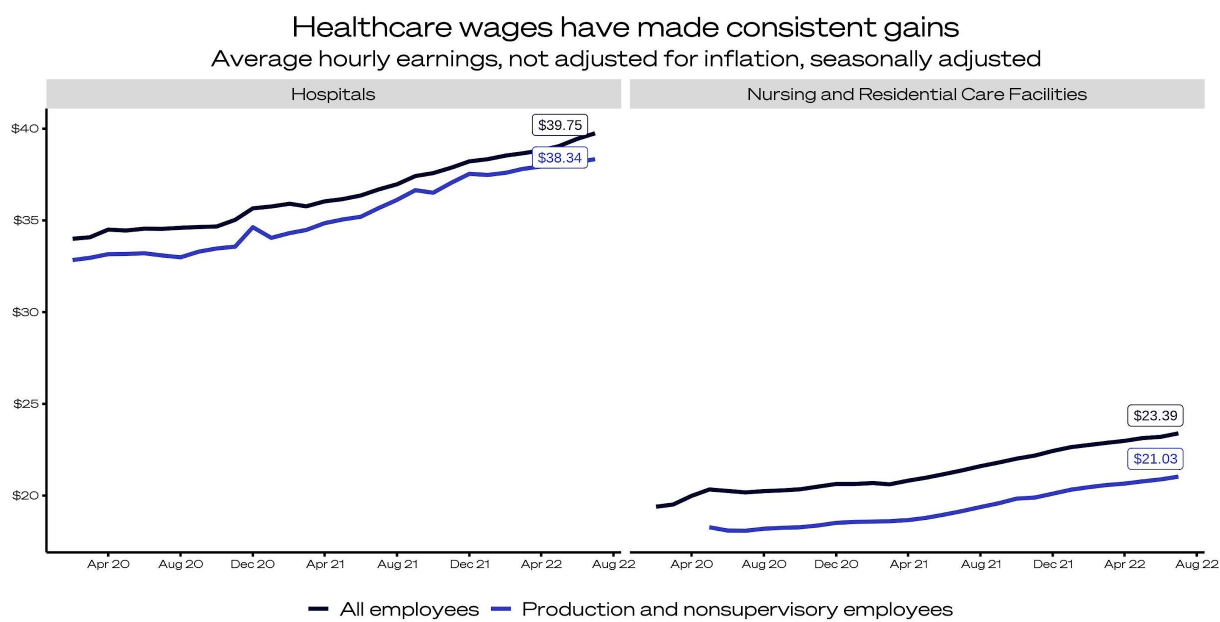


Source: Bureau of Labor Statistics; Created on Sep 09 2022



Wage Trends in Healthcare

In July, average hourly earnings moderated for “rank-and-file” healthcare workers (aka, non-managers). Notably, these workers in hospitals have far higher wages – \$38.34 per hour – than the \$21.03 going wage for frontline employees at nursing homes, although the latter group has seen faster pay increases recently.

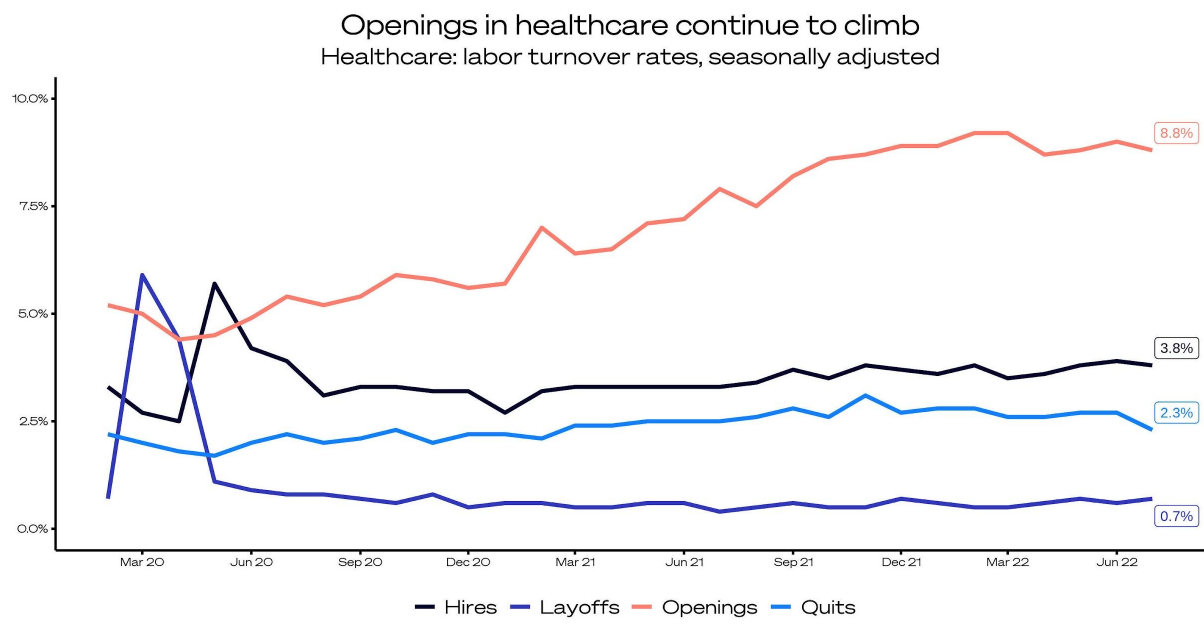


Source: Bureau of Labor Statistics; Created on Sep 07 2022



Openings and Turnover Trends in Healthcare

Healthcare’s job openings rate has been stable, hitting 8.8% in July, a very high level compared to other industries. Hiring, too, has been stable – but far below openings. Quits ticked down sharply in July to 2.3%, the lowest rate since February 2021. Layoffs remain very rare, at 0.7%.



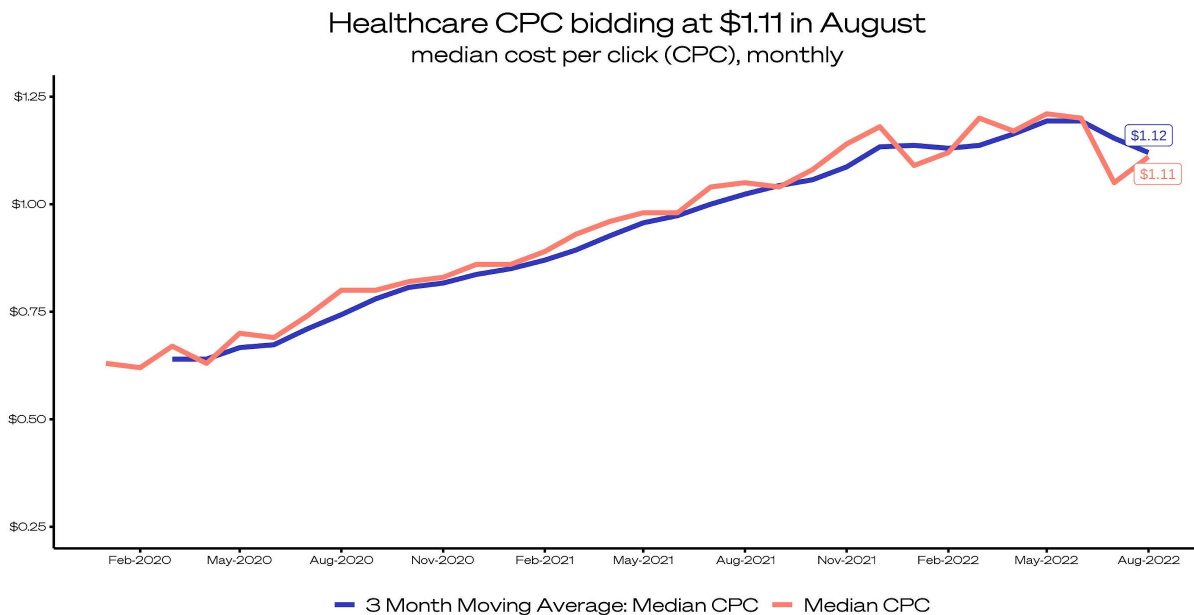
Source: Bureau of Labor Statistics; Created on Sep 07 2022



Recruitment Marketing Trends in Healthcare

Recruitment marketing trends in the healthcare sector have perhaps turned a corner: bidding costs are finally starting to fall. Combine that decline with rising apply rates, and suddenly candidate recruiting is getting cheaper. This likely reflects how the lasting effects of the pandemic are easing.

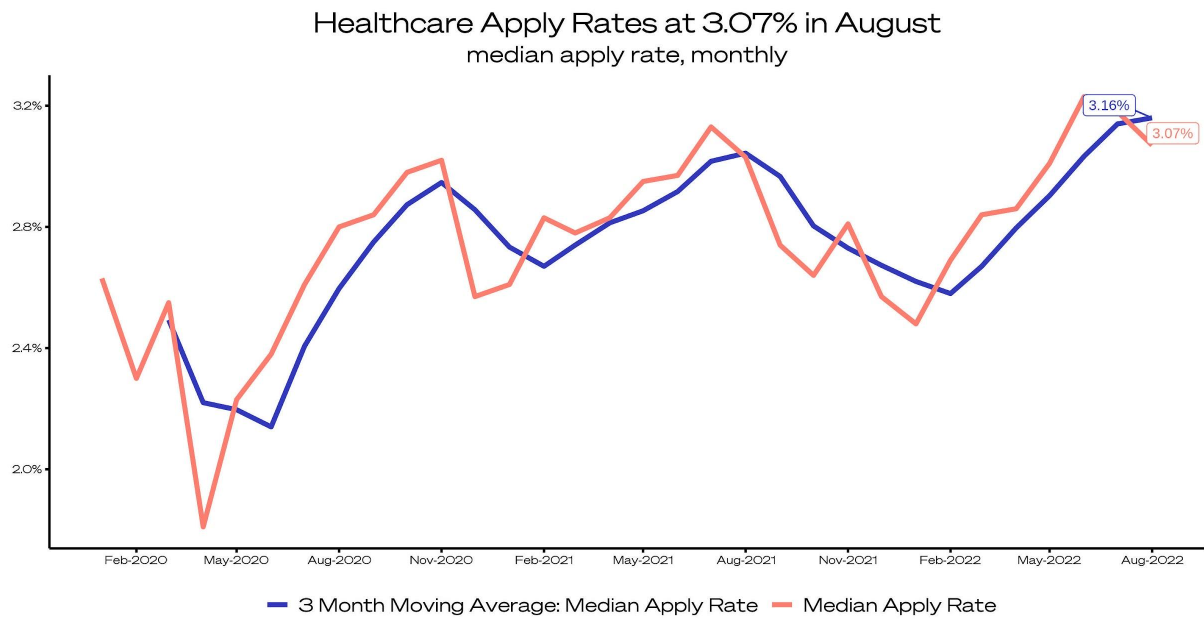
Median CPC in healthcare smoothed over the last three months declined to \$1.12 in August. Apply rates, also smoothed, rose to 3.16% – a substantial improvement from rates below 2.5% late last year. Median CPA for healthcare declined in August, to \$36.98. CPA costs have declined around 20% from their peak earlier this year. Healthcare recruiting costs remain elevated compared to other industries *and* pre-pandemic times, but trends are shifting lower.



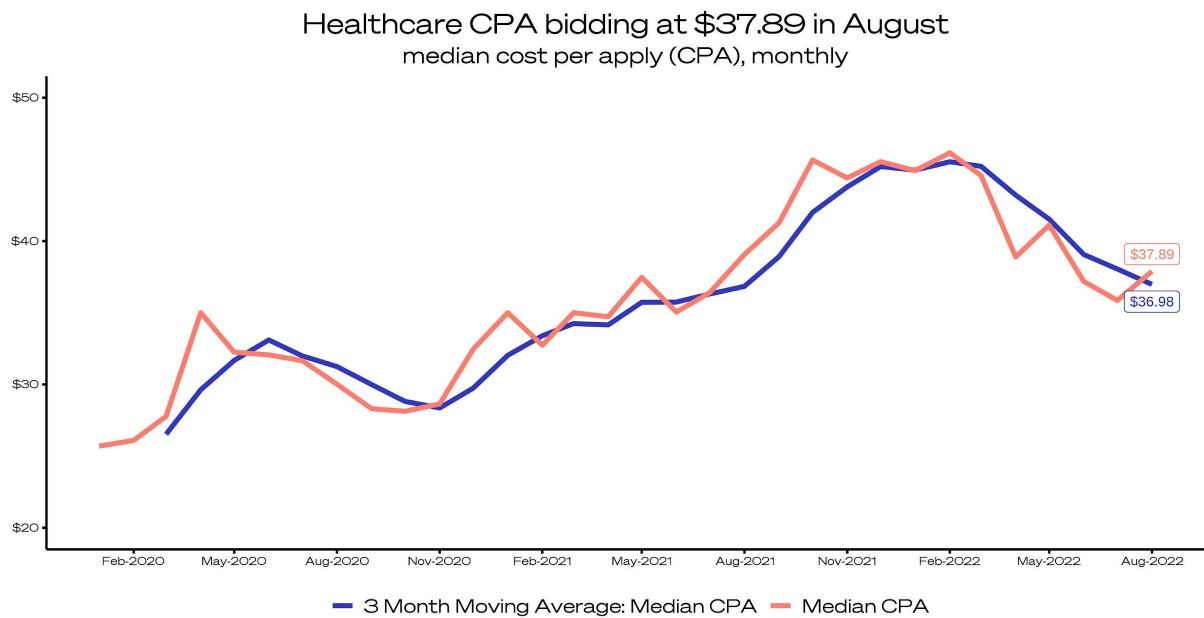
Source: Appcast; Created on Sep 07 2022

Appcast™





Source: Appcast; Created on Sep 07 2022



Source: Appcast; Created on Sep 07 2022



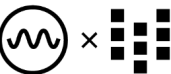
What does this mean for Healthcare?

Healthcare's persistently high recruiting costs and lackluster job growth have made the industry an outlier in the overall labor market's robust recession recovery. That has changed. It's no coincidence that this shift coincided with COVID-19's receding impact. August's numbers confirm the inflection point: job gains are steady, and the healthcare sector should recoup all its pandemic job losses in September. Recruiting costs have also inflected, with CPC bidding moving lower and apply rates higher. Acquisition costs for healthcare candidates are getting cheaper.



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.

© Recruitonomics 2022

