

Appcast Healthcare Snapshot

An Emerging Powerhouse as Pandemic Fears
Fall to the Wayside



Economy-wide breakdown:

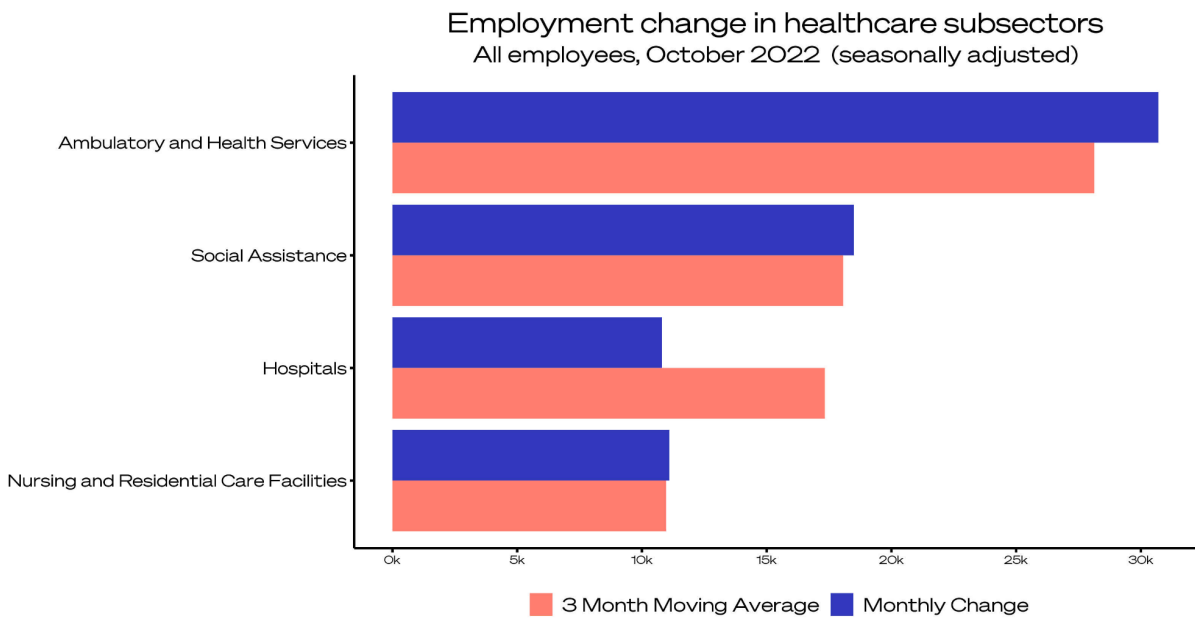
- The U.S. labor market continued to be a bright spot in an otherwise challenging economy last month. In October, the economy added 261,000 net new jobs. The unemployment rate increased slightly to 3.7% from a historically low 3.5%.
- Encouragingly, wage growth moderated once again last month – the Federal Reserve’s fears of a wage-price spiral are steadily abating. Average hourly earnings (3-month annualized rate) grew at just 4.3%.
- It was not all clear skies, however. Labor force participation disappointed yet again, with the prime-age participation rate declining to 82.5%. The labor force participation rate has yet to return to February 2020 levels.
- Shifting employment growth trends reflect shifts in consumer demand and the receding influence of the pandemic. Goods-producing sectors that ruled the recent recession recovery, like warehousing, are slowing. Now, as pandemic fears ease, healthcare is leading monthly gains.
- [Read our economy-wide breakdown of the October numbers.](#)

Employment Trends in Healthcare

The Healthcare and Social Assistance sector added a robust 71,100 net new jobs in October – finally returning to February 2020 employment levels. This sector also recorded the largest gains among all industries, solidly emerging as a powerhouse sector in this confounding economic time.

The healthcare sector is well insulated from current economic woes – inflation and interest rates do not generally impact the demand for health services. These gains and new powerhouse status simultaneously represent the declining influence of the pandemic and the increasing influence of high inflation and climbing interest rates on other parts of the labor market.

All major subsectors recorded solid gains last month, with ambulatory health care services leading the growth and adding 30,100 new jobs. Workers who were recently hesitant to seek employment in doctors’ and dentists’ offices are now returning. The social assistance subsector, which includes jobs in emergency and child day care services, also had an impressive month of gains.

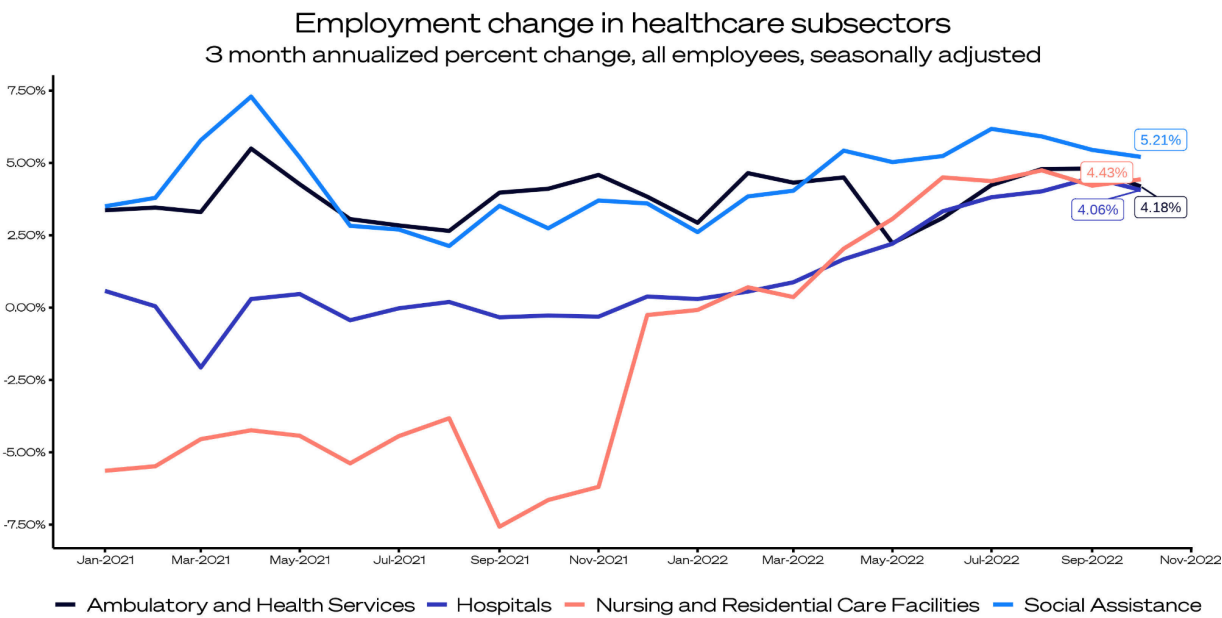


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Employment Trends in Healthcare

Annualized employment growth slowed for many subsectors but to a still-impressive pace. Social assistance slowed to a respectable 5.21%, while nursing and residential care facilities grew at a steady pace of 4.43%.

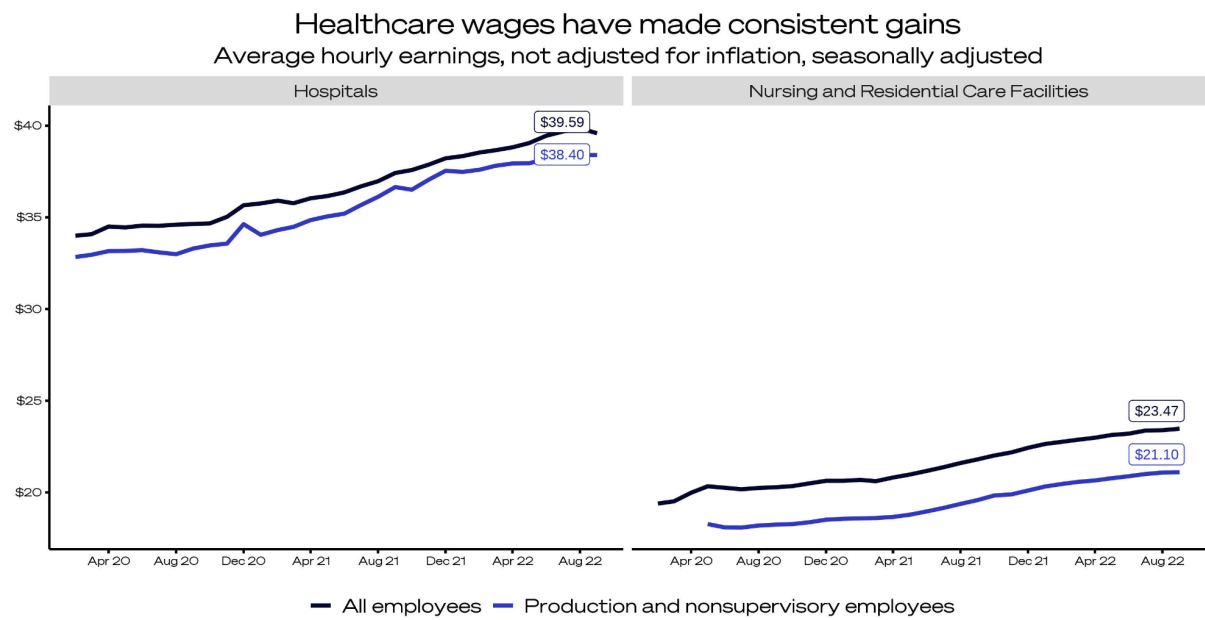


Source: Bureau of Labor Statistics; Created on Nov 07 2022



Wage Trends in Healthcare

For the most part, employees in healthcare continued to make steady wage gains in September. Nominal average hourly earnings increased slightly for non-managers in both hospitals and nursing and residential care facilities, to \$38.40 and \$21.10, respectively. Managers in hospitals saw a rare decrease in average hourly nominal earnings, which fell twenty-nine cents to \$39.59.



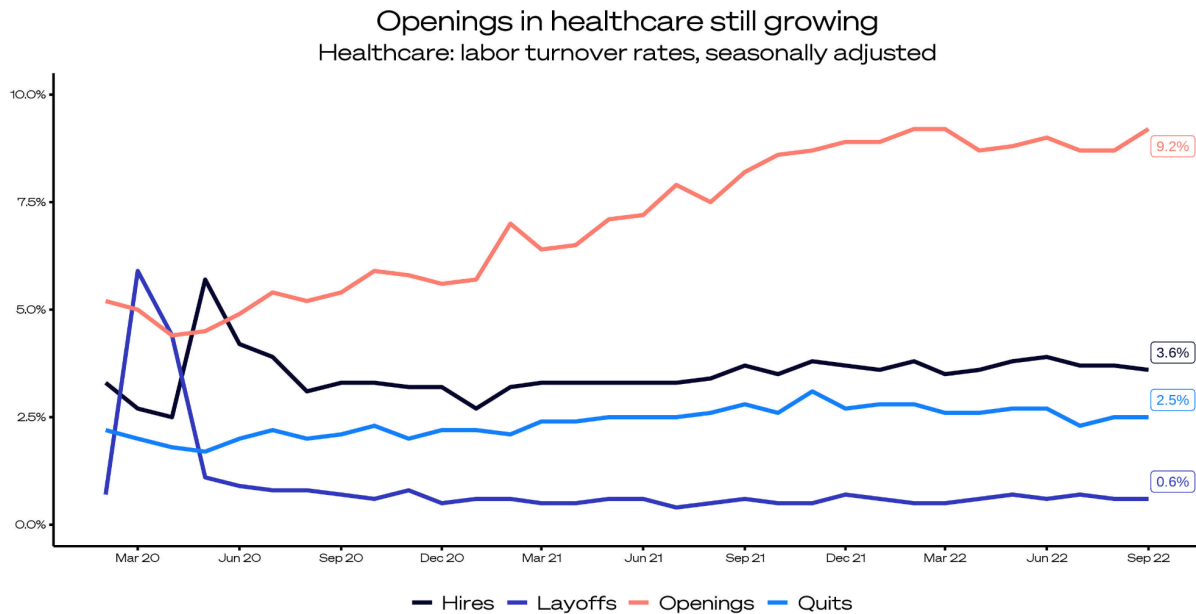
Source: Bureau of Labor Statistics; Created on Nov 07 2022



Openings and Turnover Trends in Healthcare

Demand for workers in healthcare remains astonishingly elevated. After decreasing in August, the openings rate rebounded strongly to 9.2% in September. This returns the measure to a series high previously reached in February and March of 2022. Even as the sector makes incredible gains, demand is still at its highest level since December of 2000.

Quits, layoffs, and hires rates all were steady in September. Layoffs remain incredibly low at just 0.6% – with such high demand, employers are not willing to let go of labor.



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

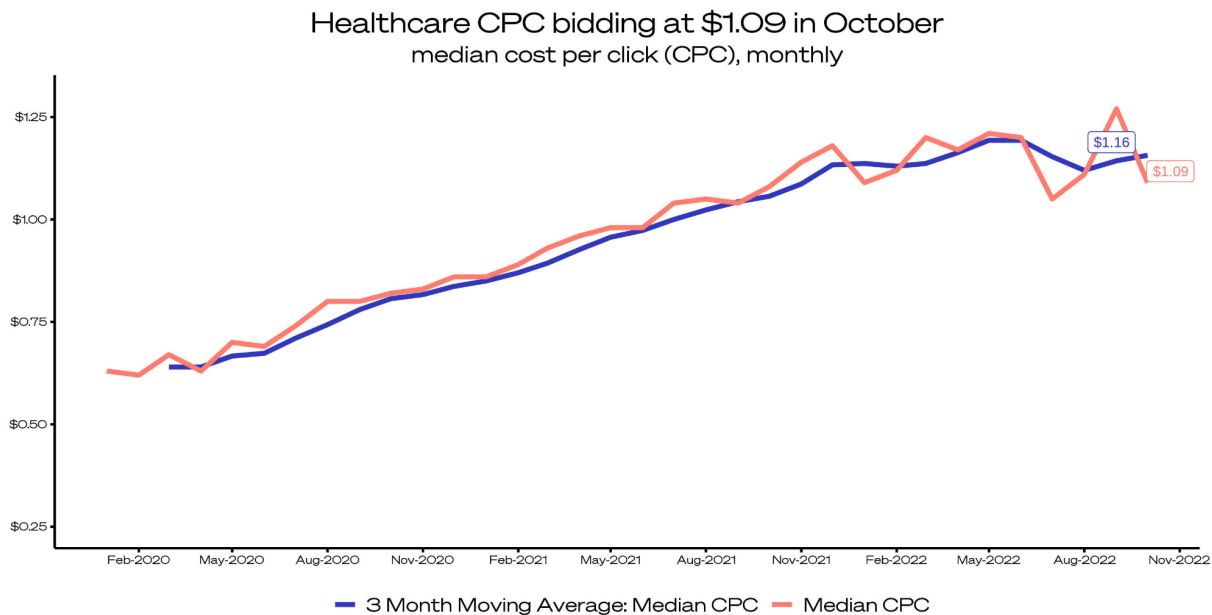
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Recruitment Marketing Trends in Healthcare

Healthcare employers are doling out large payments for last month's impressive job gains. High demand paired with the specialized nature of potential employees have resulted in unbelievably elevated recruiting costs.

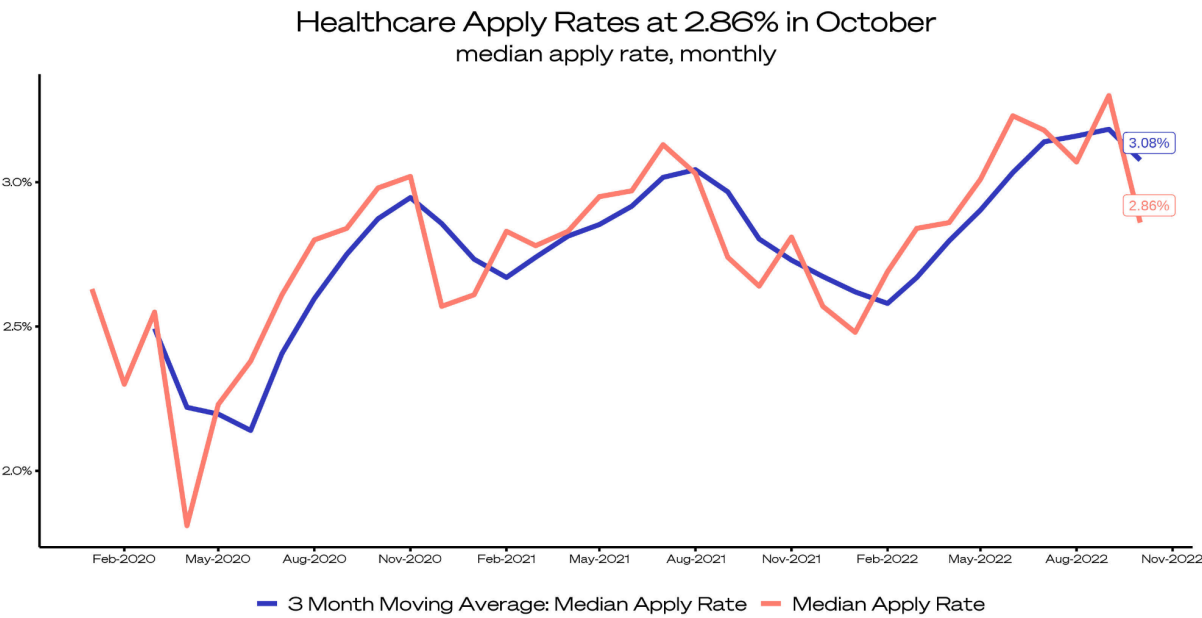
Cost-per-click (CPC) fell to \$1.09 in October, but the three month moving average was elevated at \$1.16, far above the averages of other industries.

Cost-per-application (CPA) unfortunately moved the opposite direction, increasing to a costly \$40.81 in October. Apply rates plummeted to just 2.86% in October. Enticing job seekers to apply to healthcare positions is becoming easier as COVID-19 panic eases but it remains a challenge.

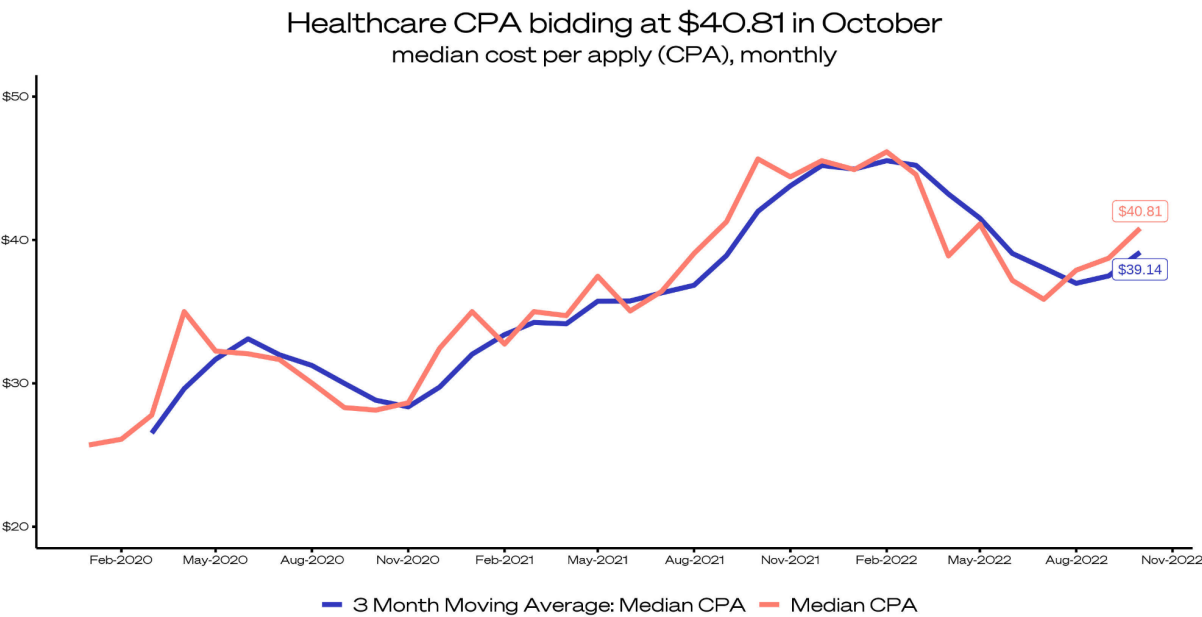


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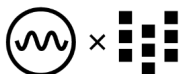


What does this mean for Healthcare?

The Healthcare and Social Assistance sector has made remarkable gains in the past few months. It has emerged as the powerhouse sector as other industries are hit by decades-high inflation and rising interest rates. Even with these recent gains, openings remain at a record level in the sector. Wage trends, too, indicate high demand. This demand is feeding into a tightly competitive recruitment environment. High recruiting costs will not fade until openings come down and demand for workers fades. But the pandemic stigma is just beginning to ease: healthcare's powerhouse status is unlikely to quickly fade away.

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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