

Appcast Healthcare Snapshot

Openings Show Cooling, but Recruiting Costs
are Stubbornly High



Economy-wide breakdown

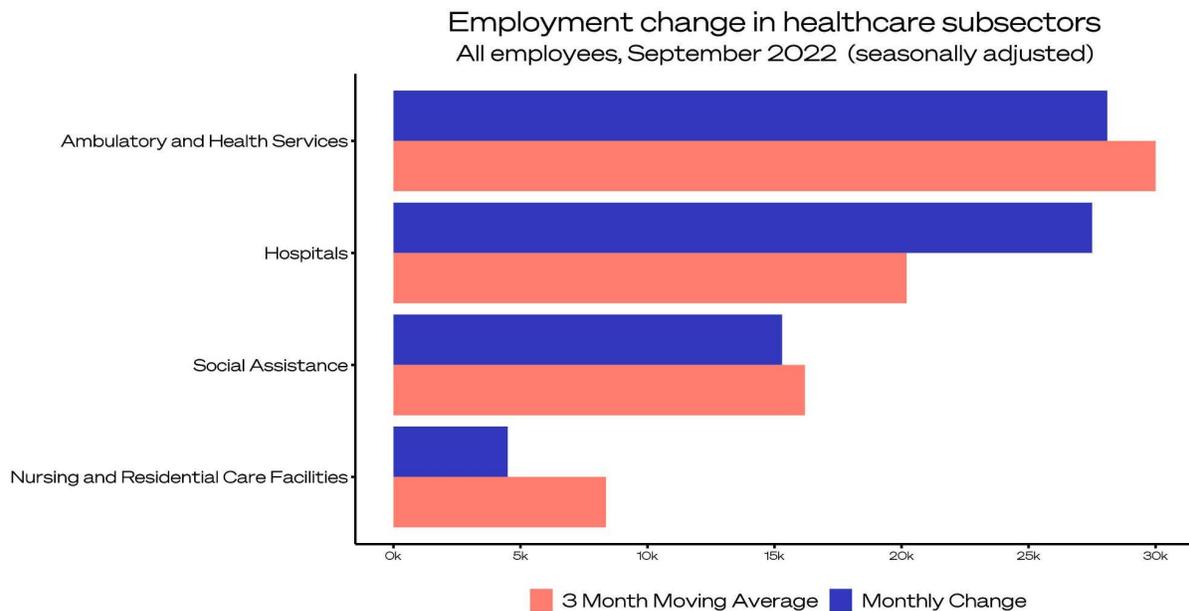
- The U.S. economy added 267,000 net new jobs in September, subdued gains compared to the 420,000 average monthly gains so far this year. Though lower than average for 2022, these gains show the resilience of the labor market against several challenges. The unemployment rate dropped to a historically low 3.5%.
- Consumer spending shifts officially made their mark on the jobs report in September – many goods-producing sectors suffered employment losses, while service-providing sectors added jobs at an impressive clip.
- Wage growth once again steadied – promising news for the Federal Reserve and its commitment to price stability. Job openings also cooled significantly (without layoffs rising), suggesting its hope for a “soft-landing” is within grasp.
- Labor force participation rates continue to disappoint and have yet to return to pre-COVID levels. In September, prime-age labor force participation was at 82.7%, compared to 83% in February 2020.
- [Read our economy-wide breakdown of the September numbers.](#)



Employment Trends in Healthcare

The Healthcare and Social Assistance sector added 75,400 net new jobs in September, bringing it just 10,000 jobs shy of pre-COVID levels. Healthcare specifically added 60,100 jobs, and the subsector finally recovered all the jobs lost at the onset of the pandemic. Employment growth in this sector has been intricately tied to patterns of the virus, so this is an exciting milestone. Not only does it mark employment recovery for healthcare but also the declining effects of COVID-19 on the larger economy.

Hospitals had a particularly strong month in September, gaining 27,500 jobs, far above the average of the past three months. Ambulatory and health services had another strong month, adding 28,100 jobs. These gains are slightly below the latest average of 30,000 but are still robust. Other subsectors, including nursing and social assistance, gained jobs steadily. No major subsector recorded losses last month.

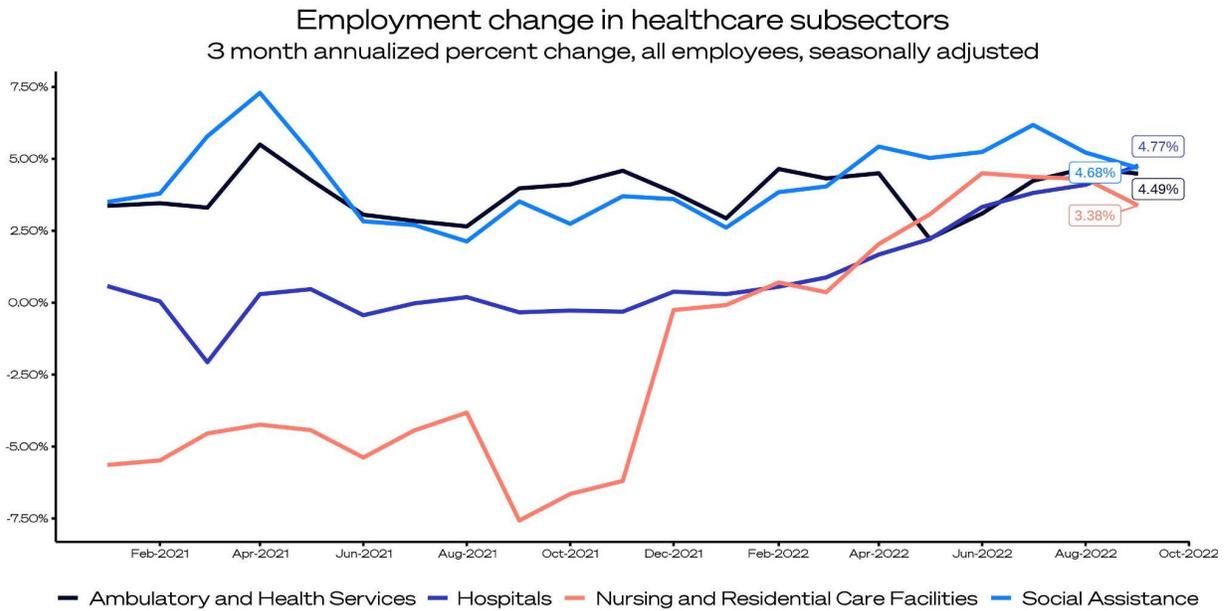


Source: Bureau of Labor Statistics; Created on Oct 10 2022



Employment Trends in Healthcare

Annualized employment growth rates slowed for nursing and residential care facilities and social assistance to 3.38% and 4.68%, respectively. Ambulatory and health services, which includes workers in physicians' and dentists' offices, continued to add jobs at a respectable pace.

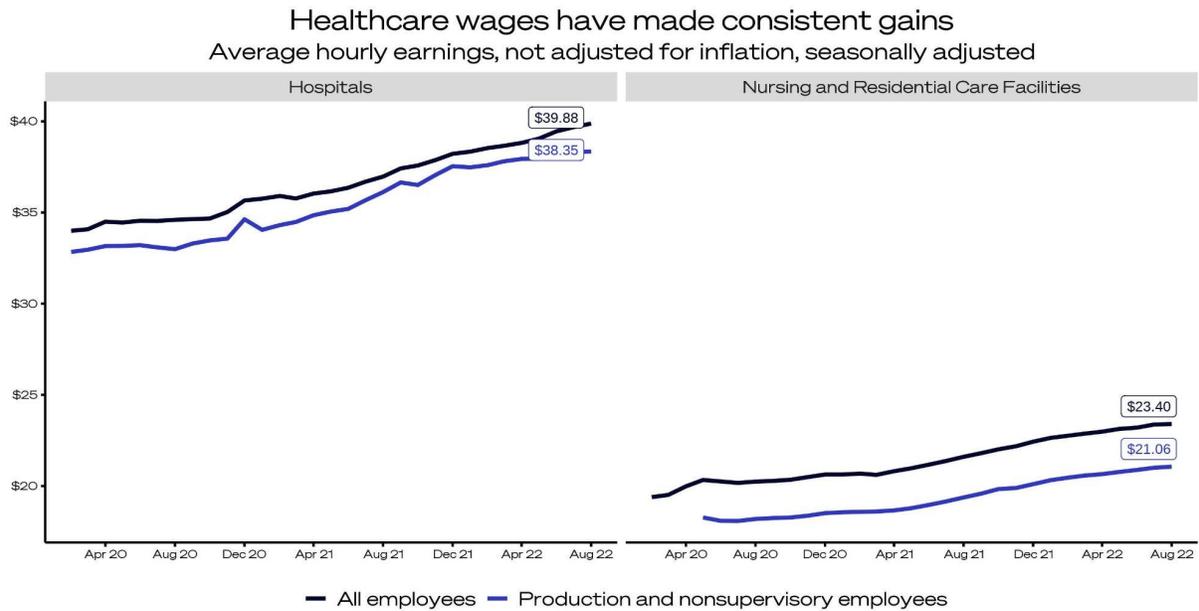


Source: Bureau of Labor Statistics; Created on Oct 10 2022



Wage Trends in Healthcare

Nominal hourly earnings in healthcare continue to grow at a steady clip. In hospitals, managers' earnings rose to \$39.88 in August, while "rank-and-file" workers saw their earnings moderate to \$38.35. The earnings gap between managers and non-managers in hospitals is very mild compared to other industries. Even in nursing and residential care facilities, the gap is more pronounced – managers earned \$23.40 an hour while non-managers took home \$21.06.



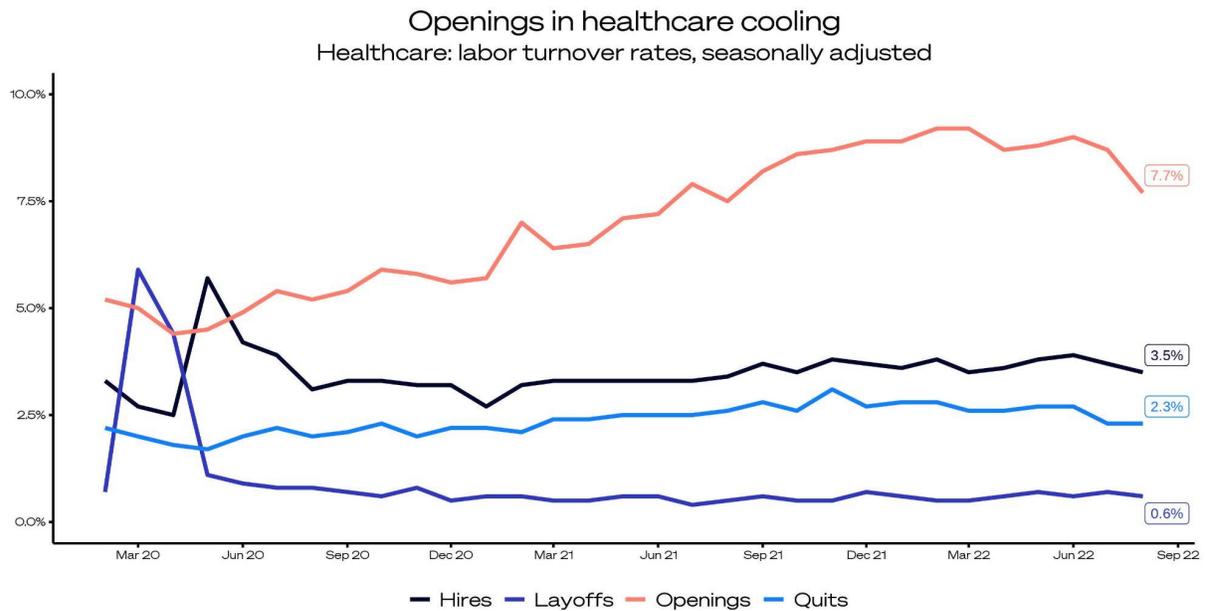
Source: Bureau of Labor Statistics; Created on Oct 11 2022



Openings and Turnover Trends in Healthcare

Healthcare turnover rates cooled in August, much like the labor market on the whole. In particular, healthcare experienced an impressive fall in the openings rate, which measures demand of labor. Healthcare employers filled or removed over 200,000, marking a sharp decline in labor demand in the sector. The openings rate fell to 7.7%, the lowest point since August 2021.

Quits and layoffs remained relatively steady, at 2.3% and a very low 0.6%. Hires dropped slightly to 3.5%, still far eclipsed by the openings rate.



Source: Bureau of Labor Statistics; Created on Oct 10 2022



Recruitment Marketing Trends in Healthcare

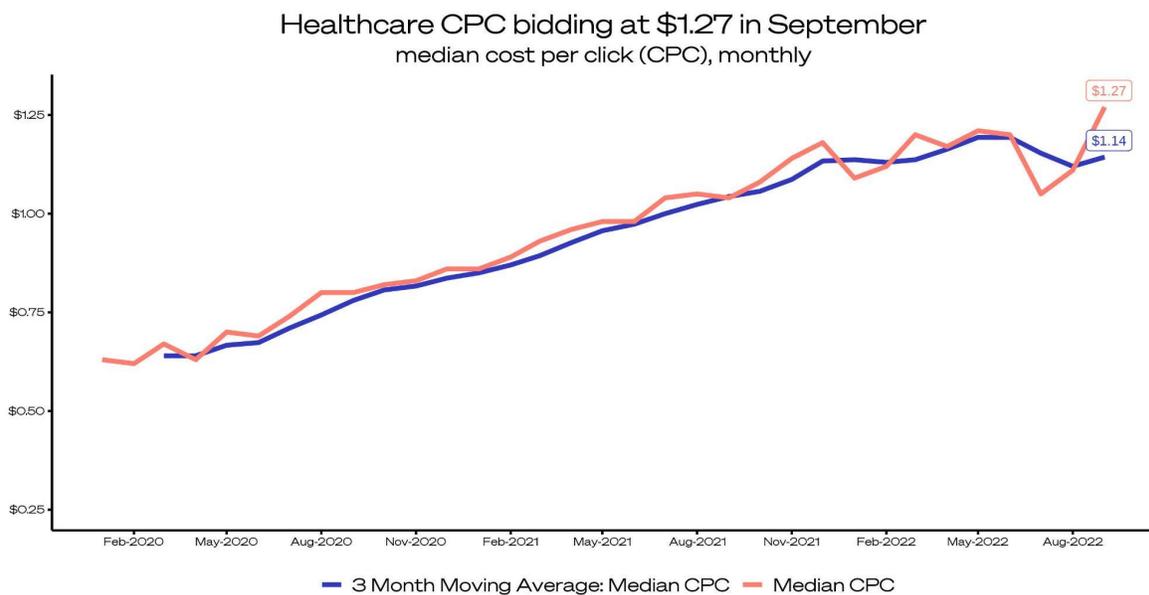
Once again in September, recruitment costs in healthcare were among the highest in the labor market. It has been a challenging sector to recruit for, exemplified by the fact healthcare *just* recovered all the jobs lost during the pandemic.

Cost per click (CPC) jumped to \$1.27 in September – a new high. Recent averages were not quite as elevated, but \$1.14 is much higher than both pre-pandemic rates and other industries’.

CPAs also increased in September, though not as dramatically as CPCs. Healthcare CPAs have come down from highs earlier in the year, and last month’s uptick was modest in comparison to those levels. The average of \$37.49 over the past three months speaks to the continued recruitment challenges healthcare is experiencing.

Apply rates jumped up to 3.30% in September, indicating job seekers are becoming more interested in job postings in healthcare as the labor market becomes less tight.

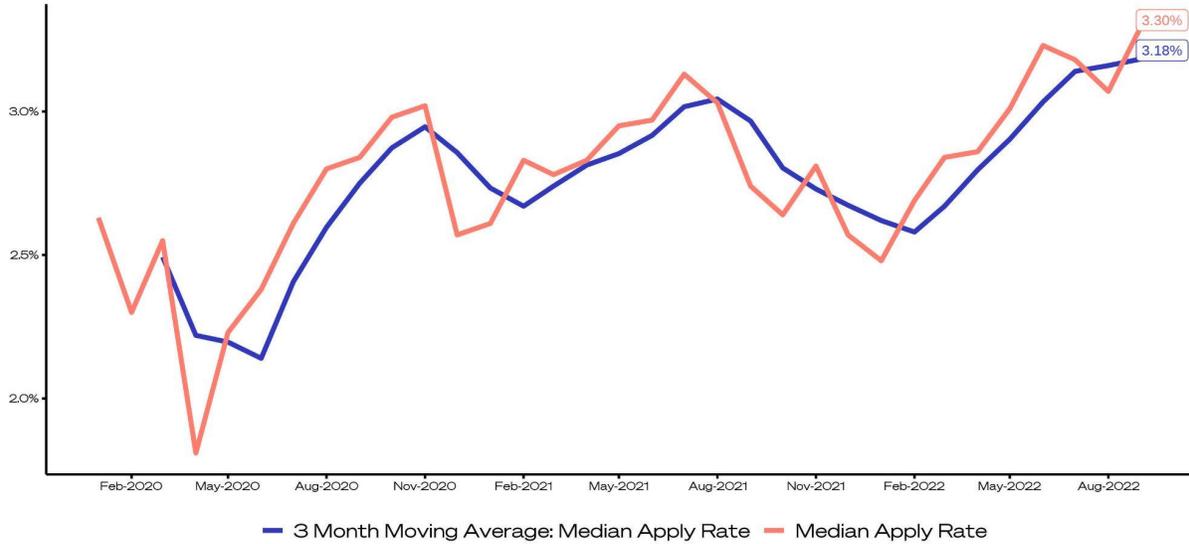
Unfortunately, even as the labor market cools and pandemic effects fall to the wayside, healthcare costs will probably stay elevated for some time. Because of the specialized nature of potential employees, healthcare will never be able to have recruitment costs as low as retail or manufacturing. In addition, prices have risen across the economy and inflationary effects may be even more persistent than COVID-19.



Source: Appcast; Created on Oct 10 2022



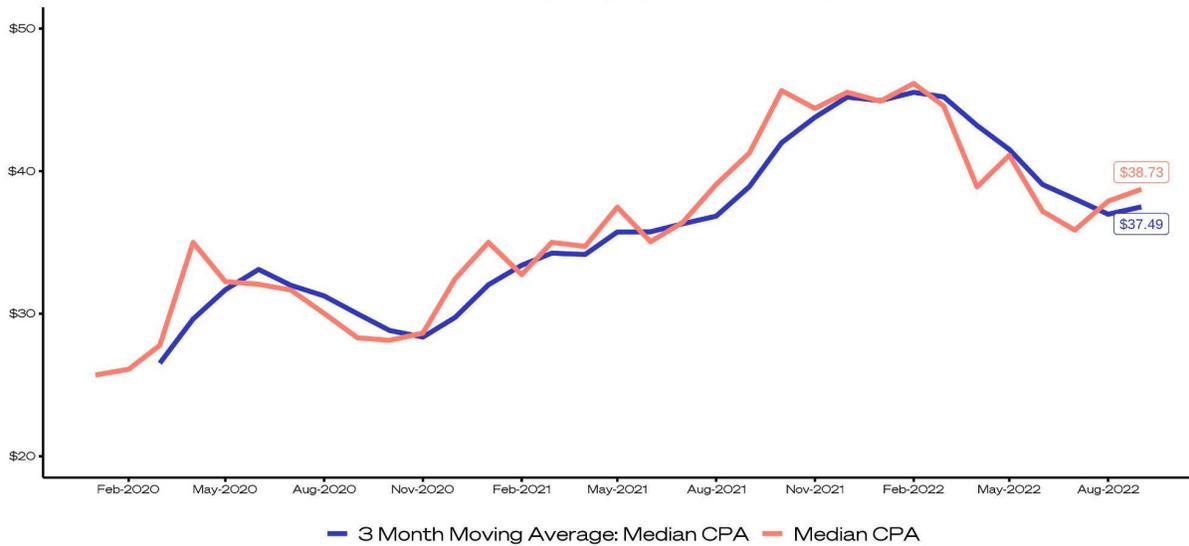
Healthcare Apply Rates at 3.30% in September
median apply rate, monthly



Source: Appcast; Created on Oct 10 2022



Healthcare CPA bidding at \$38.73 in September
median cost per apply (CPA), monthly



Source: Appcast; Created on Oct 10 2022



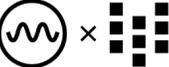
What does this mean for Healthcare?

Healthcare and social assistance had a strong month of job gains. Healthcare especially celebrated a huge milestone – returning to pre-COVID levels is an especially large feat for the sector that has been acutely impacted by the pandemic. September’s gains were robust for nearly all subsectors. A rapidly declining openings rate speaks to cooling conditions in healthcare and the rest of the labor market. Still, recruitment costs remain elevated and may for some time as inflation and the competitive nature of the industry continue to impact the sector.



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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