

Health care wage growth has lagged behind other industries, despite pandemic burden

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A new analysis from Indiana University, the nonprofit Rand Corp. and the University of Michigan highlights the changes in the U.S. health care workforce during the COVID-19 pandemic and found that the average

wages for U.S. health care workers rose less than wages in other industries during 2020 and the first six months of 2021. This is in spite of the health care workforce shouldering the heavy burden of fighting the COVID-19 pandemic.

Researchers said their findings, published in the *Journal of the American Medical Association Health Forum*, are critical for planning and responding to ongoing and future public health crises.

"While there has been extensive media coverage of the considerable employment declines in the [health care sector](#), evidence from complete national employment and wages was scarce," said Kosali Simon, Distinguished Professor and Herman B Wells Endowed Professor in the O'Neill School of Public and Environmental Affairs at IU Bloomington and one of study's co-authors. "These findings provide a data-driven picture of employment levels by various health care settings and can help guide decision-making not only around the current health care shortage but also during a future crisis."

The research team used industry- and county-level data from the U.S. Bureau of Labor Statistics covering 95% of all U.S. jobs during 2020 and the first six months of 2021 to examine what happened to wages and the number of jobs at physician offices, hospitals, skilled nursing facilities, home health care facilities, dental offices and other health care settings.

They examined whether the number of health care jobs in a county is reflected in how hard that county was hit by COVID-19 cases, and how much of a health care shortage they faced even before the pandemic.

The study found that health care employment levels declined in mid-2020 to 21.1 million jobs, a 5.2% decrease from 22.2 million in 2019. Employment declines varied across health care organization types

during the first year of the pandemic, with the largest decline taking place among dental offices (10%) and skilled nursing facilities (8.4%).

Additionally, wages in the health care sector increased at a lower rate relative to the national average across all sectors. Compared to 2019, there was a 5% increase in health care sector wages versus 6.7% for the national average in 2020, and 1.5% increase in health care versus 6.9% nationally in 2021.

While employment levels of most health care sectors rebounded to pre-COVID levels in 2021, the researchers found there was a 13.6% decline in employment at skilled nursing facilities compared to 2019.

Thuy Nguyen, research assistant professor at the University of Michigan and senior author, said the study found substantial employment declines among nursing homes, which were more serious in areas with high COVID-19 burden. But she said those findings were expected, as these employees may experience greater frustration and burnout associated with the pandemic.

Jonathan Cantor, policy researcher at the Rand Corp. and lead author of the study, said that whether it is changes in the use and finances of health care clinician offices and institutions, increased health risks, or burnout from increased patient burdens and child care disruptions, there is no doubt the COVID-19 pandemic has greatly disrupted the health care work force.

"While federal programs provided financial assistance to hospitals and institutions, it is important to focus on the effect of the pandemic on health care employment levels and wages, especially if we want to prevent such shortages in the future," added Christopher Whaley, a policy researcher at the Rand Corp. and another co-author of the study.

More information: Jonathan Cantor et al, US Health Care Workforce Changes During the First and Second Years of the COVID-19 Pandemic, *JAMA Health Forum* (2022). [DOI: 10.1001/jamahealthforum.2021.5217](https://doi.org/10.1001/jamahealthforum.2021.5217)

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