A Look At Healthcare Spending, Employment, Pay, Benefits, And Prices

While Benjamin Franklin once said, "Nothing is more fatal to health than an over care of it," people are now living longer and have growing expectations for the quality and availability of healthcare. As one of the largest industries in the United States, healthcare is steadily growing to meet the needs of an increasing population with an increasing life expectancy. From 2014 to 2024, the demand for healthcare workers is projected to grow faster than the rate for all occupations.

In this Spotlight, we look at the healthcare industry, including how much people spend on healthcare, current and projected employment in the industry, employer-provided healthcare benefits, healthcare prices, and pay for workers in healthcare occupations.
Average U.S. household spent nearly $4,300 on healthcare in 2014

Healthcare expenditures include spending on health insurance, medical services, drugs, and medical supplies. In 2014, the average U.S. household spent $4,290 on healthcare, or 8 percent of total spending. Among healthcare expenditures, households spent the most on health insurance ($2,868). Medical services represented 18 percent of total healthcare expenditures. Among medical services, households spent the most on dental services ($281).
Households in top 20 percent of income spend more on healthcare than those in lowest 40 percent

In 2014, households ranked in the top 20 percent in annual income spent an average of $7,219 on healthcare. That was almost 4 times the amount spent by households in the lowest 20 percent ($1,868). The top 20 percent also spent more than the combined amount spent by households in the lowest 40 percent.
Households in top 20 percent of income spend lowest share of total expenditures on healthcare

In 2014, households in the top 20 percent in annual income spent a smaller proportion (7 percent) of their annual spending on healthcare than any other income group. Households in the second lowest 20 percent spent 10 percent of their annual spending on healthcare, the largest share among the five (quintile) income groups.
County employment in the hospitals industry

The hospitals industry provides medical, diagnostic, and treatment services that include care from doctors, nurses, and other healthcare practitioners on both an inpatient and outpatient basis. In 2014, in Suffolk County, Massachusetts, there were 1,000 jobs in the hospitals industry for every 10,000 people in the general population. Other counties with over 700 jobs in the hospitals industry per 10,000 population were St. Louis City, Missouri; Monongalia, West Virginia; Baltimore City, Maryland; and Grafton, New Hampshire. Counties with fewer than 20 jobs in the hospitals industry per 10,000 population were Dorchester, South Carolina; Chesapeake City, Virginia; Lee, Florida; Clay, Missouri; and Kootenai, Idaho.
Ambulatory healthcare services has highest share of private employment among healthcare industries

The ambulatory healthcare services industry includes offices of physicians, dentists, and other healthcare practitioners such as chiropractors and optometrists; outpatient care centers; medical and diagnostic laboratories; and home healthcare services. In 2015, the share of total private industry employment in ambulatory healthcare services was 5.7 percent, highest among major healthcare industries. Since 1990, employment in ambulatory healthcare services has more than doubled, from 2.8 million in 1990 to 6.9 million in 2015.
West Virginia has highest share of private industry employment in healthcare among U.S. states

In 2014, among U.S. states, West Virginia had the highest share of private industry employment in healthcare (17.4 percent). Five other states had proportions over 15 percent, three of which are in New England: Maine (16.8 percent), Rhode Island (16.7 percent), Massachusetts (15.7 percent), Pennsylvania (15.7 percent), and South Dakota (15.3 percent). Wyoming had the lowest share of private industry employment in healthcare (7.9 percent).
Looking for a doctor?

Among counties, Galax City, Virginia, had the highest concentration of employment in the offices of physicians industry. Among the 10 counties with the highest concentration of employment in this industry, 3 were in Virginia. Location quotients measure an industry’s employment concentration in a county. A location quotient greater than 1 means that an industry’s share of employment in a county is greater than the share for the entire United States.
72 percent of civilian workers have access to healthcare benefits

Healthcare benefits include medical, dental, and vision care benefits as well as outpatient prescription drug coverage. In March 2015, 72 percent of civilian workers had access to medical care benefits plans through their employers; 53 percent of civilian workers participated in such plans. The take-up rate, or the percentage of workers with access to a plan who participate in the plan, was 74 percent. Access rates for dental (47 percent) and vision care benefits (26 percent) were lower than that for medical care. Participation rates of 37 percent for dental care and 26 percent for vision care benefits led to a take-up rate of 79 percent for both dental and vision care benefits. The percentage of workers with access to outpatient prescription drug coverage was 71 percent, similar to the percentage with access to medical care benefits.
Access to health care benefits by selected characteristics

Access to medical care benefits among civilian workers varies widely by worker characteristic. In March 2015, 88 percent of full-time civilian workers had access to medical care benefits compared with 22 percent of part-time workers. Union workers (95 percent) had greater access than non-union workers (68 percent). The percentage of workers with access to benefits tends to be higher for workers with higher wages; the access rate is 37 percent for the lowest paid 25 percent of workers and 94 percent for the highest paid 25 percent. Large businesses were more likely to provide workers with access to benefits than smaller businesses. Business establishments with 500 or more workers offered medical care benefits to 90 percent of their workers, while those with less than 50 workers offered benefits to 53 percent of their workers.
Consumer prices for inpatient and outpatient hospital services triple since January 1997

Since January 1997, consumer prices for inpatient services increased 195 percent and prices for outpatient healthcare services increased 200 percent. This compares with an increase of 50 percent for all items over that same period. As a whole, consumer prices for medical care have increased 98 percent since January 1997. Over the same period, consumer prices for prescription drugs have doubled, while prices for nursing homes and adult day services have more than doubled.
Employment in most healthcare occupations projected to grow at least 10 percent by 2024

As the need for healthcare services continues to grow, so will employment in most healthcare occupations. Employment for registered nurses, the largest healthcare occupation, is projected to grow 16 percent by 2024 from its level of 2,751,000 in 2014. Healthcare occupations that are projected to grow at least 30 percent by 2024 include occupational therapy assistants; physical therapists, assistants, and aides; home health aides; nurse practitioners; and physicians assistants. Employment for respiratory therapy technicians (−19.2 percent) and medical transcriptionists (−3.1 percent) is projected to decline over that period.
Median wage for health diagnosing and treating practitioners more than twice that of all occupations

In May 2015, the median annual wage for health diagnosing and treating practitioner occupations was $76,760, more than twice the median, or 50th wage percentile, for all occupations ($36,200). For occupations such as oral and maxillofacial surgeons, orthodontists, pharmacists, obstetricians and gynecologists, and general pediatricians, the 10th wage percentile (lowest 10 percent) was nearly as much as the 90th wage percentile (highest 10 percent) for all occupations. Median annual wages for most of the occupations in this group were higher than the median for all occupations.
Percentiles of annual wages for selected health diagnosing and treating practitioner occupations. May 2015

Click legend items to change data display. Hover over chart to view data.

*Note: Wages shown as $187,200 are equal to or greater than that amount. The BLS program cannot estimate percentile wages above $187,200.

Job openings in healthcare and social assistance reach all-time high in 2016

The number of job openings in an industry is a strong indication of the demand for labor. In January 2016, job openings in the healthcare and social assistance industry reached an all-time series high of 1,046,000. During that month, job openings for private industry were 5,137,000. For that period, job openings in healthcare and social assistance represented 20 percent of all job openings in private industry. In January 2016, representative of unmet demand for labor in the healthcare and social assistance industry, the number of job openings were double the number of hires. In comparison, over the last year, the number of job openings and hires in private industry have converged.

![Job openings, hires, and total separations in private industry and healthcare and social assistance, seasonally adjusted, January 2001–March 2016](chart_image)

Click legend items to change data display. Hover over chart to view data.

Note: Shaded area represents recession, as determined by the National Bureau of Economic Research.

Educational attainment and healthcare occupations

Workers in many healthcare occupations had, at least, an associate's degree. As expected, the majority of dentists, physicians and surgeons, veterinarians, and chiropractors had a doctoral or professional degree. At least 90 percent of pharmacists, physical therapists, nurse practitioners, physicians assistants, and speech-language pathologists had a minimum of an associate's degree. By comparison, 50 percent of workers age 25 and older had a college degree.
Compensation costs in healthcare and social assistance at least $30 per hour worked since March 2014

Employer costs for employee compensation include wages and salaries, supplemental pay, retirement and savings, legally required benefits, paid leave, and insurance. In September 2015, employers in the healthcare and social assistance industry spent an average of $31.37 per hour worked for employee compensation. Wages and salaries averaged $22.06 per hour worked and accounted for 70 percent of these costs, while benefits averaged $9.31 and accounted for the remaining 30 percent. In March 2005, wages and salaries averaged $17.49 per hour worked and accounted for 73 percent of compensation costs, while benefits averaged $6.63 and accounted for the remaining 27 percent of costs.
More information

The data in this Spotlight on Statistics are from the following BLS surveys and programs:

- The data in slides 2–4 are from the Consumer Expenditure Survey.
- The data in slides 5 and 7–8 are from the Quarterly Census of Employment and Wages program.
- The data in slide 6 are from the Current Employment Statistics Survey.
- The data in slides 9–10 are from the National Compensation Survey—Benefits program.
- The data in slide 11 are from the Consumer Price Index program.
- The data in slide 12 are from the Employment Projections program.
- The data in slide 13 are from the Occupational Employment Statistics Survey.
- The data in slide 14 are from the Job Openings and Labor Turnover Survey.
- The data in slide 15 are from the Current Population Survey.
- The data in slide 16 are from the National Compensation Survey—Employment Cost Trends.

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Note: Data in this Spotlight on Statistics are the latest available when published. Internet links may lead to more recent data.

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