

# **Bond Case Briefs**

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## **Fitch: Labor Strife to Continue for U.S. NFP Hospitals Despite Reprieve**

Fitch Ratings-Austin-25 October 2022: Despite some relief of late, U.S. not-for-profit hospitals are in for several challenging months with healthcare and social assistance job vacancies still high against a backdrop of low unemployment, according to Fitch Ratings in its labor dashboard for the sector.

Job openings for health care and social assistance have fallen for two straight months to 7.7% as of August 2022. While this news is positive, the number of openings remains above the highest level recorded prior to the pandemic.

Another encouraging sign is the slowly declining number of quits at 2.3 (486,000 quits) in August 2022 compared to a peak of 3.1 (626,000 quits) in November 2021. That said, current quit rates are still high and on pace to exceed last year. "NFP hospital quits will need to normalize to well below pre-pandemic levels in order to reduce staffing shortages and a reliance on contract/temporary labor," said Director Richard Park.

The labor shortage has led to a spike in average weekly earnings for hospital employees to 21.1% since February 2020, well above the 13.6% earnings growth of overall private sector employees. However, ambulatory health care services employees' earnings grew by only 12.6% over the same period. "Wage increases and employee recruitment challenges may amplify the role of ambulatory care in the overall healthcare sector and continue the acceleration of inpatient care to outpatient settings," said Park.

Fitch's 'Hospitals and Healthcare Systems Labor Dashboard: October 2022' is available at '[www.fitchratings.com](http://www.fitchratings.com)'.

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