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HEALTHCARE & SOCIAL ASSISTANCE • 62

Healthcare & Social Assistance in the US

A $4.7 trillion sector on track to add 4.9 million jobs by 2031, limited not by demand but by a workforce shortage the report now calls structural.

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IBIS Report
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EXECUTIVE SUMMARY

Demand Up, Supply Short

- Revenue grew at a 4.4% CAGR to $4.7 trillion in 2026 and is forecast to reach $5.5 trillion by 2031 at a 3.3% CAGR. An aging population is the engine: adults 65 and older spend almost 41.0% more on medical services, drugs and supplies than those under 65.
- That demand converts into reqs. Employment reaches 27.6 million in 2026, up 4.8 million in five years, and the report's data table carries it to 32.5 million by 2031 at a 3.3% CAGR, roughly 986,000 net new roles a year.
- Pay is not where the pressure shows. The average wage is $62,968 in 2026, above the sector average but below the 2021 figure of $63,255 in inflation-adjusted terms, and wages have fallen to 37.2% of revenue from 38.3%.
- The binding constraint is supply. The report calls staffing gaps structural rather than cyclical, driven by demographics, training bottlenecks and maldistribution, with hundreds of thousands of jobs open and nearly 140,000 nurses lost between 2022 and 2024.

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INDUSTRY OVERVIEW

What This Industry Does

The sector provides medical care, social services and assistance through four segments: hospitals, ambulatory healthcare services, nursing homes and residential care facilities, and social assistance. It is highly labor-intensive, employing 27.6 million physicians, specialists, nurses, technicians, aides and nonclinical staff.

$4.7tr	28m	3.4m	$62,968
REVENUE	EMPLOYEES	BUSINESSES	AVG WAGE

Products & Services Mix

Hospitals	43.2%
Ambulatory healthcare services	40.2%
Nursing homes & residential care	8.7%
Social assistance	7.9%

AT A GLANCE

LIFE CYCLE
Growth

CONCENTRATION
Low

COMPETITION
Very High, Increasing

BARRIERS TO ENTRY
High, Steady

REVENUE VOLATILITY
Moderate

REGULATION
Very High, Increasing

TOTAL WAGES
$1.7tr

KEY WORKFORCE TRENDS

1 Shortages are structural, not a pandemic hangover

In 2026 the report treats staffing gaps as structural, not short-term, driven by demographics, training bottlenecks and maldistribution. An undersized workforce still leaves hundreds of thousands of jobs open.

2 Real wages are flat while headcount climbs

The average wage is $62,968 in 2026 against $63,255 in 2021, inflation-adjusted to 2026. Wages have fallen to 37.2% of revenue from 38.3%, so revenue growth is outpacing pay across the sector.

3 Long-term care carries the worst of the gap

Nearly 400,900 people left nursing home and assisted living roles from March 2020 to December 2022, and headcounts stayed below pre-pandemic levels through 2025. Nearly 80% of homes fear closure from understaffing.

4 Automation reshapes roles rather than removing them

AI-enabled EHRs, virtual nursing and automated triage are moving from pilots to scaled use in large systems. The report expects no technology to replace employees entirely; the sector stays labor-intensive.

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INDUSTRY PERFORMANCE

2021-26 Revenue CAGR: +4.4% | Employment CAGR: +3.9%

REVENUE

$4.7tr

▲ '21-'26 +4.4% | '26-'31 +3.3%

EMPLOYEES

28m

▲ '21-'26 +3.9% | '26-'31 +3.3%

BUSINESSES

3.4m

▲ '21-'26 +3.7% | '26-'31 +3.5%

TOTAL WAGES

$1.7tr

▲ '21-'26 +3.8% | '26-'31 +3.3%

AVERAGE WAGE

$62,968

▲ 37.2% of revenue; above sector

PROFIT MARGIN

7.7%

▲ '21-'26 +0.2 pp; below sector

SWOT ANALYSIS

STRENGTHS

- High Profit vs. Sector Average
- Low Customer Class Concentration
- Low Product/Service Concentration
- High Revenue per Employee
- Low Capital Requirements

WEAKNESSES

- None flagged in source SWOT

OPPORTUNITIES

- High Revenue Growth (2020-2025)
- High Revenue Growth (2025-2030)
- High Performance Drivers
- People with private health insurance

THREATS

- Low Revenue Growth (2005-2025)
- Low Outlier Growth
- Total health expenditure

Fragmented — Eight Employees per Business

Concentration is Low and no single company holds more than 5% of the market. The 3.4 million enterprises counted in 2026 average 8.2 employees each and run 1.1 sites apiece, so most hiring happens one or two people at a time. A short list of systems with 10,000-plus employees sits above them, and consolidation is increasing.

SELECTED LARGE EMPLOYERS — NO SINGLE FIRM ABOVE 5% SHARE

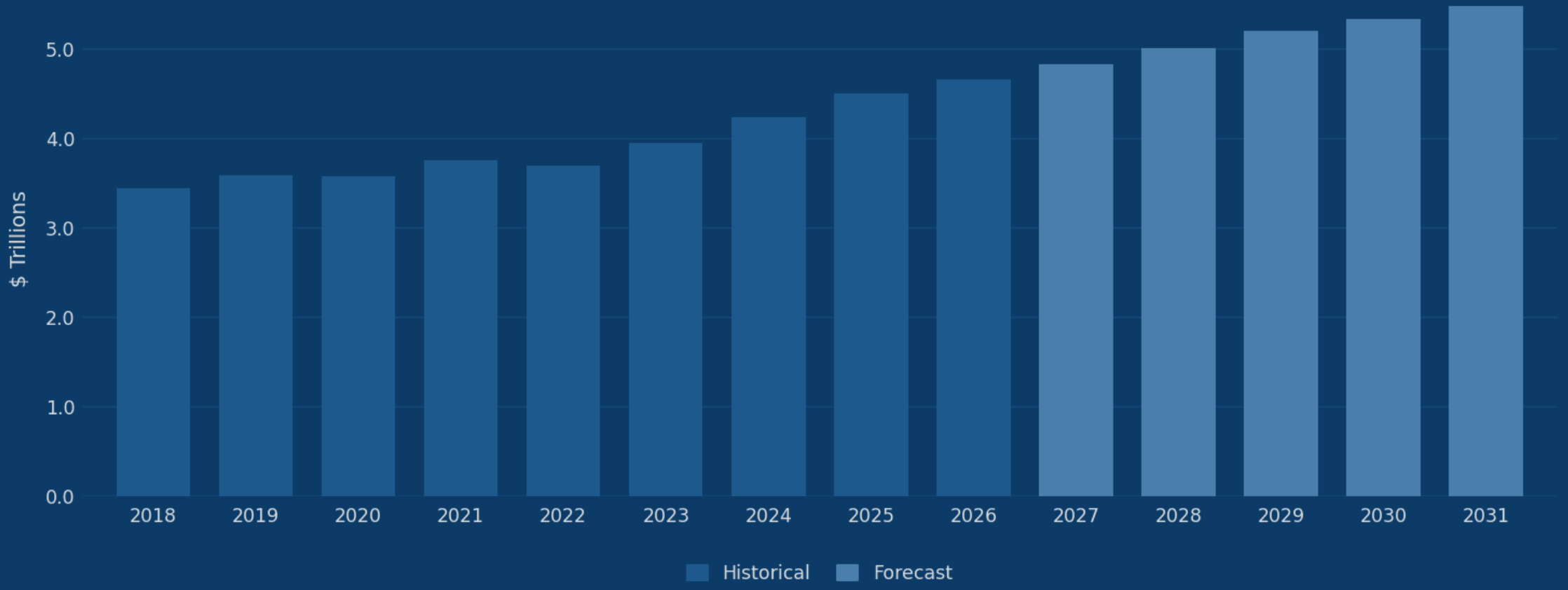
UnitedHealth Group	Minneapolis, Minnesota	10,000+ | 2.5-5% share
HCA Healthcare	Nashville, Tennessee	10,000+ | 0-2.5% share
CommonSpirit Health	Chicago, Illinois	10,000+ | 0-2.5% share
Trinity Health System	Steubenville, Ohio	10,000+ | 0-2.5% share
Northwell Health	New Hyde Park, NY	10,000+ | 0-2.5% share

WHAT THIS MEANS FOR HIRING

- Volume comes from small employers. At 8.2 employees per enterprise across 3.7 million establishments, most openings are single-site and decided locally.
- Employer brand does not scale nationally. No firm exceeds 5% share and competition is rated Very High and Increasing, so candidates compare local options.
- Consolidation is moving decisions upward. KFF counted 428 hospital and health system mergers between 2018 and 2023, and hospital-employed physicians rose to 41.0% in 2022 from 29.0% in 2012.
- Supply is geographically skewed. California holds 119,630 establishments, 3.2% of the national total, ahead of Texas at 73,036 and Florida at 65,544.

REVENUE GROWTH

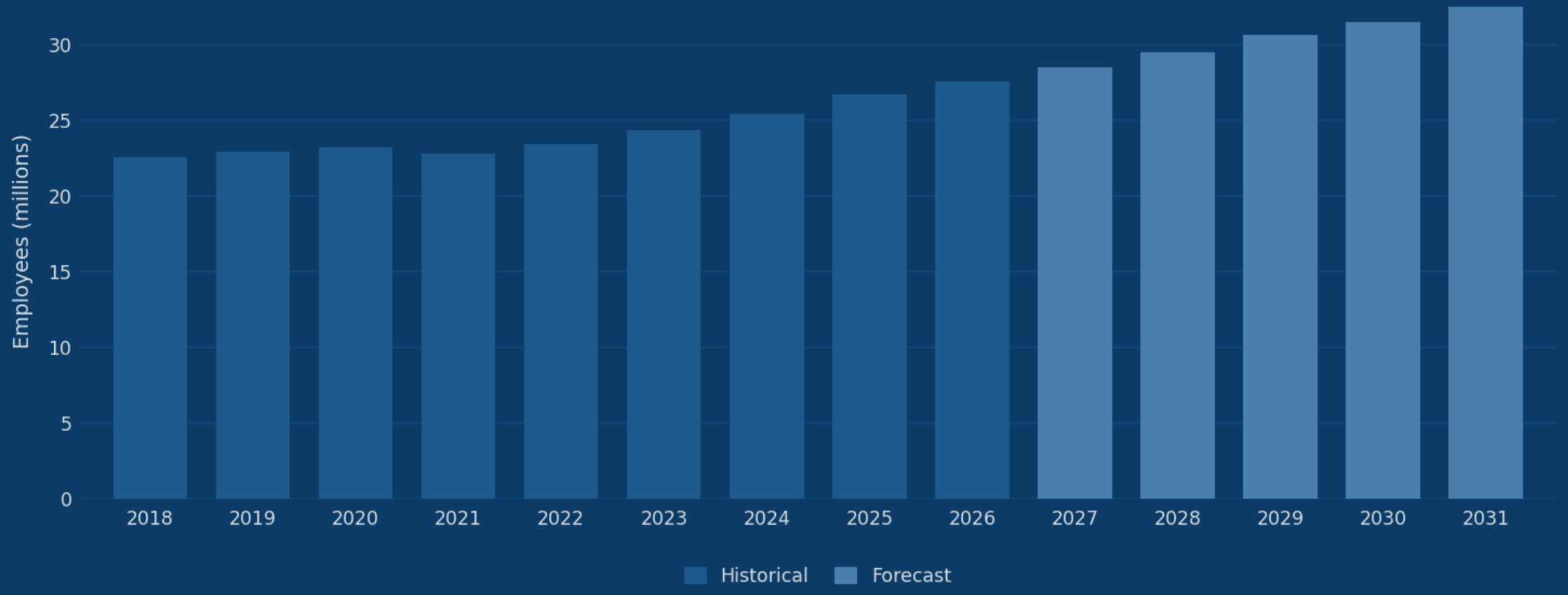
Annual industry revenue ($ trillions), 2018–2031 (forecast from 2027)



Revenue rises from $3.45tr in 2018 to $5.48tr in 2031, a 3.6% CAGR. Demand is not the constraint on hiring; funding and labor supply are.

WORKFORCE GROWTH

Industry employment (millions), 2018–2031 (forecast from 2027)



Headcount climbs from 22.6 million in 2018 to 32.5 million in 2031, a net 9.9 million jobs. From 2026 that is about 986,000 net new roles a year to fill.

Where the 4.9 Million New Jobs Sit

Hospitals at 43.2% of revenue and ambulatory healthcare services at 40.2% hold most of the workforce, and outpatient segments are expected to expand as care shifts to lower-acuity settings. Shortages reach past nursing: doctors, lab technicians, mental health counselors and home health aides are all in short supply.

WHERE THE HEADCOUNT SITS — SEGMENT SHARE OF SECTOR REVENUE

Hospitals	43.2% of revenue	Largest employer base
Ambulatory healthcare services	40.2% of revenue	Care shifting to outpatient
Nursing homes & residential care	8.7% of revenue	Worst staffing shortfalls
Social assistance	7.9% of revenue	Funding-driven job cuts
Medicaid-funded services	18.5% of revenue	17.0m may lose coverage

TALENT SUPPLY SIGNALS

- Nursing is the pinch point. The NCSBN reports a loss of nearly 140,000 nurses between 2022 and 2024, and healthcare workers carried out at least 38 strikes in 2025 over staffing, pay and conditions.
- Long-term care has not recovered. Nearly 400,900 people left nursing home and assisted living roles from March 2020 to December 2022, and nearly 80% of nursing homes fear shortage-driven closure.
- The pipeline is publicly funded. HRSA funds training for nurses, doctors and behavioral health specialists, and the NHSC offers scholarships and loan repayment for work in high-need areas.
- Contract labor fills the gap at a cost. AHCA data show nearly every nursing care facility struggling to attract and retain staff, forcing higher wages or more expensive contract labor.

KEY EXTERNAL DRIVERS

Number of people with private health insurance	Positive
Federal funding for Medicare and Medicaid	Positive
Total health expenditure	Positive
Number of adults aged 65 and older	Positive

REGULATION & POLICY

- Regulation is Very High and Increasing. State health departments license providers and facilities, and new entrants must clear compliance requirements and approvals before they can operate.
- The OBBBA adds Medicaid work requirements and stricter verification. Nearly 17.0 million people are estimated to lose coverage between 2026 and 2034, squeezing revenue that funds positions.
- The same law restructures federal medical student loan programs and caps amounts, and holds physician payment growth below cost trends, which the report says may worsen workforce shortages.
- Medicare telehealth waivers run through 2027, mental health in-person rules are delayed to 2028 and Acute Hospital Care at Home extends to 2030, supporting remote and hybrid clinical roles.

KEY TAKEAWAYS FOR TALENT LEADERS

- Budget for req volume, not wage inflation. The average wage is $62,968 in 2026, below the 2021 level of $63,255 in inflation-adjusted terms, and wages are 37.2% of revenue against 43.67% for the sector. The volume is 986,000 net new roles a year to 2031.
- Recruit locally, not nationally. Concentration is Low, no employer exceeds 5% share, and the average enterprise employs 8.2 people across 1.1 sites. Sourcing plans should assume 3.4 million small employers plus a handful of 10,000-plus systems.
- Staff long-term care first. Nearly 400,900 people left nursing home and assisted living roles from March 2020 to December 2022, and nearly 80% of nursing homes say staffing shortages could force them to close. These roles are the hardest to fill.
- Tie headcount plans to payer mix. Medicaid funds 18.5% of sector revenue and nearly 17.0 million people are estimated to lose coverage between 2026 and 2034, which raises uncompensated care and tightens the budgets that pay for positions.
- Sell development, not just pay. The report states that pay increases alone cannot close structural gaps and points to upskilling, internal pipelines, expanded residency and clinical training slots and clearer advancement paths as what keeps staff.

Cost Structure — Industry vs. Sector (% of Revenue, 2026)

COST LINE	INDUSTRY	SECTOR
Wages	**37.2%**	43.67%
Purchases	**16%**	7.45%
Profit	**7.7%**	11.56%
Depreciation	**2%**	4.20%
Rent	**1.2%**	3.71%
Utilities	**0.6%**	0.51%
Marketing	**0.2%**	0.58%
Other Costs	**35.1%**	28.33%

BENCHMARK RATIOS

AVERAGE WAGE

$62,968

Higher than sector average

WAGES % OF REVENUE

37.2%

Sector 43.67%

REVENUE PER EMPLOYEE

$169,400

'21-'26 +0.5%; '26-'31 -0.1%

EMPLOYEES PER BUSINESS

8.2

7.4 per establishment

SOURCES & CITATIONS

Source Report

IBISWorld, "Healthcare and Social Assistance in the US" (NAICS-US 62), by Marley Brocker, published April 2026. www.ibisworld.com

Additional Resources Cited in the Report

- KFF
- The Centers for Medicare & Medicaid Services
- The Centers for Disease Control and Prevention
- The National Institutes of Health
- The American Medical Association
- The Federal Emergency Management Agency
- The US Census Bureau

PREPARED FOR

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This document paraphrases and summarizes third-party industry research for internal marketing use. All data attributed to IBISWorld.