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Healthcare best segment for US staffing revenue, but not out of the woods

As expected, healthcare led US staffing segment revenue growth in March, according to the special-edition US Staffing Industry Pulse Survey Report released by SIA. Firms that primarily serve the healthcare industry reported median year-over-year revenue growth of 5%; this includes median increases of 25% in travel nursing, 11% in allied healthcare and 9% in locum tenens.

The sample size of participants in the Pulse survey is not sufficient to assume that the whole segment markets are growing at these rates, but rather reflects the set of staffing firms that participated in the survey.

SIA's Pulse Survey is normally conducted bimonthly, but due to global events, it is currently held monthly. This survey was conducted in April 2020 and is based on data submitted by 139 staffing companies.

Overall US temporary staffing revenue decreased a median 5% year over year in March, a sharp decrease from the 8% growth reported in February. Along with healthcare, the life sciences, IT and per diem segments also reported growth.

In addition, the survey asked about bill rates, which showed a positive trend in the past three months; 26% of temporary staffing firms reported a net increasing trend in bill rates in March, although they are expected to decrease going forward. In healthcare segments:

- *Travel nursing*: 86% of firms saw an increasing trend over last three months; 36% expect one over next six months.
- *Per diem*: 78% saw an increasing trend over the last three months; 56% expect one over next six months.
- *Locum tenens*: 11% saw an increasing trend over last three months; 0% expect one over the next six months.
- *Allied*: 20% saw increasing trend over the last three months; 33% expect one over next month.

Average sales difficulty for all firms surged to 3.78 in March from 2.93 in February (on a five-point scale, with five being most difficult), while average recruiting difficulty decreased to 3.18 from 3.41. For healthcare staffing firms, both sales difficulty and average recruiting difficulty registered at 3.21.

This special-edition Pulse survey asked two additional questions: What actions are staffing firms taking in response to Covid-19 and what percent of internal staff and temporary workers are working from home? Regarding the latter, an average of 85% of internal staff were working from home, while 37% of temporary workers were working from home; firms in healthcare's travel nursing segment reported an average of 90% of internal staff were working from home, while 4% of temporary workers were working from home.

Only participants receive the full report. For more information on taking part in the Pulse Survey, [click here](#).

Market assessment

A separate report, SIA's "[US Healthcare Staffing Market Assessment: 2020 Update](#)," found growth in US temporary healthcare staffing revenue was projected to increase 1% year over year to \$17.8 billion in 2020. However, Covid-19 was in its very early stages when this research was conducted.

That said, the report projected the travel nurse and locum tenens (physician staffing) segments to grow 5% in 2020, slightly faster than the 4% growth projected for the per diem nurse segment. The allied health staffing segment was expected to decline 10% this year due mainly to lower physical therapy volumes from the US Centers for Medicare & Medicaid Services' (CMS) recent implementation of the [patient-driven payment model](#) in skilled nursing and the patient-driven groupings model in home healthcare.

Healthcare joins other segments in loss of jobs, BLS reports

On Friday, the US Bureau of Labor Statistics reported [temporary help services jobs](#) fell by 841,900 in April when compared to March, a 29.2% decrease as the Covid-19 crisis raged on, according to seasonally adjusted numbers. The temp penetration rate — temporary employment as a percent of total employment — fell to 1.56% in April from 1.90% in March.

Jobs fell overall with total US nonfarm employment decreasing by 20.5 million jobs month over month in April to a total of approximately 131.1 million, the BLS [reported](#). Employment fell in all major industry sectors with leisure and hospitality hit particularly hard.

Employment even fell in healthcare, which posted a month-over-month decrease of 1.4 million jobs. The decline was led by losses of 503,000 jobs in dentists' offices, 243,000 in physicians'

offices, and 205,000 in offices of other healthcare practitioners. Employment also declined by 651,000 jobs in social assistance, reflecting losses of 336,000 jobs in child day care services and 241,000 in individual and family services.