



# Virginia Healthcare Workforce Briefs

Indicators from the Bureau of Economic Analysis

Regional Economic Accounts

**Series 3: Income & Compensation**

Series 3, Issue 43

June 2022

## Highlights

### Inside this Brief:

|                                |   |
|--------------------------------|---|
| HC&SA Earnings                 | 2 |
| HC&SA Earnings Growth          | 2 |
| Growth Rate by Earnings Type   | 3 |
| Annual Growth by Earnings Type | 3 |
| Compensation per Employee      | 4 |
| Compensation Growth            | 4 |

*The calendar year is the basis for data in this series. See Page 5 for additional information on this series.*

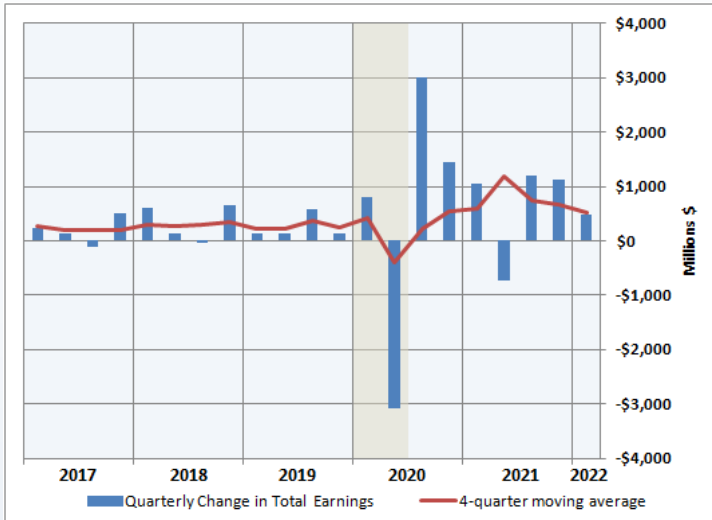
- ◆ In addition to the new income and compensation estimates for Quarter 1 (Q1) 2022 from the Bureau of Economic Analysis (BEA), this report also includes revised estimates from Q1 2021 to Q4 2021.
- ◆ Total earnings in Virginia's Health Care & Social Assistance (HC&SA) sector increased by \$486 million to \$37.6 billion in Q1 2022, which translates into a 5.3% annualized growth rate. With this gain, Virginia's total HC&SA earnings have increased in each of the past three quarters.
- ◆ Total employee compensation in Virginia's HC&SA sector grew by \$636 million to \$34.7 billion in Q1 2022. This gain represents a three-month annualized earnings growth rate of 7.7%.
- ◆ Virginia's total HC&SA compensation per employee increased by \$1,659 in Q1 2022. With this increase, the HWDC estimates that employees in Virginia's HC&SA sector earn an average of \$77,994 per year.

## Data in Brief

|   | Income (Millions of Dollars) |              |              |              | Growth Rate, Annualized |         |           |
|---|------------------------------|--------------|--------------|--------------|-------------------------|---------|-----------|
|   | Q1 2021                      | Q3 2021      | Q4 2021      | Q1 2022      | Annual                  | 6-Month | Quarterly |
| <b>Earnings (Personal income less rents, interest, dividends and government payments)</b>   |                              |              |              |              |                         |         |           |
| <b>Virginia</b>   | \$369,957                    | \$386,344    | \$397,276    | \$405,269    | 9.5%                    | 10.0%   | 8.3%      |
| <b>National</b>   | \$13,784,972                 | \$14,603,314 | \$14,971,337 | \$15,282,847 | 10.9%                   | 9.5%    | 8.6%      |
| <b>Health Care &amp; Social Assistance Earnings</b>   |                              |              |              |              |                         |         |           |
| <b>Virginia</b>   | \$35,558                     | \$36,018     | \$37,137     | \$37,623     | 5.8%                    | 9.1%    | 5.3%      |
| <b>National</b>   | \$1,559,703                  | \$1,644,645  | \$1,675,765  | \$1,697,690  | 8.8%                    | 6.6%    | 5.3%      |
| <b>Health Care &amp; Social Assistance Employee Compensation (Earnings less proprietor's income, includes salaries, wages &amp; benefits)</b> |                              |              |              |              |                         |         |           |
| <b>Virginia</b>   | \$32,579                     | \$32,969     | \$34,053     | \$34,689     | 6.5%                    | 10.7%   | 7.7%      |
| <b>National</b>   | \$1,413,509                  | \$1,495,022  | \$1,524,578  | \$1,553,303  | 9.9%                    | 7.9%    | 7.8%      |
| <b>Health Care &amp; Social Assistance Compensation per Employee (HWDC Estimate)</b>  |                              |              |              |              |                         |         |           |
| <b>Virginia</b>   | \$73,509                     | \$73,927     | \$76,335     | \$77,994     | 6.1%                    | 11.3%   | 9.0%      |
| <b>National</b>   | \$78,338                     | \$81,857     | \$82,673     | \$83,823     | 7.0%                    | 4.9%    | 5.7%      |

## Health Care & Social Assistance Earnings

**Figure 1: Quarterly Change in Total Earnings from Virginia’s Health Care & Social Assistance Sector. Includes Proprietor’s Income, Salaries and Wages, and Benefits.**



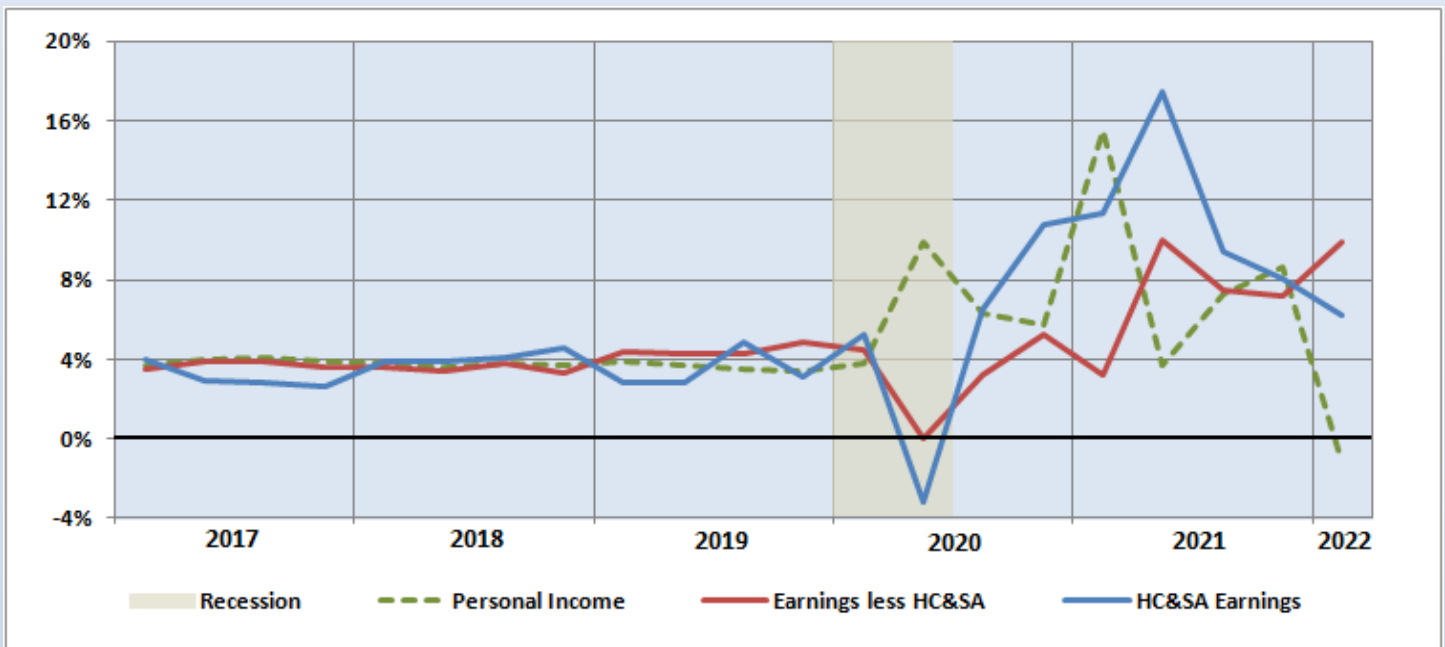
According to the preliminary data released on Wednesday, June 22, 2022 by the U.S. Bureau of Economic Analysis, Virginia’s Health Care & Social Assistance (HC&SA) sector increased total earnings by \$486 million to \$37.6 billion in Q1 2022. This three-month increase in total HC&SA earnings translates into a 5.3% annualized growth rate. This quarter’s statewide HC&SA earnings growth rate is equivalent to the overall national average for total HC&SA earnings, which also increased at a 5.3% annualized rate in Q1 2022.

Total earnings in Virginia’s HC&SA sector have increased in each of the past three quarters. However, this quarter’s gain was considerably smaller than the increases from the latter half of 2021. This contributed to a decrease in the four-quarter moving average of the change in total HC&SA earnings. Over the past year, Virginia’s total HC&SA earnings have increased by an average of \$516 million per quarter.

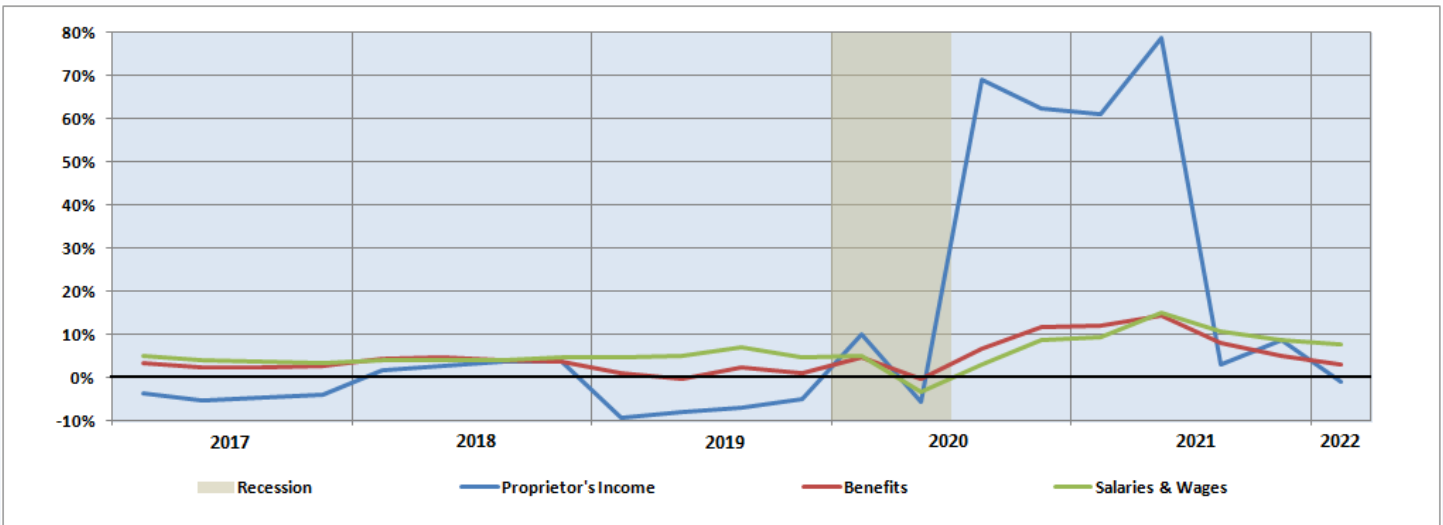
## Virginia HC&SA Earnings Growth Rate

In Q1 2022, the four-quarter growth rate moving average of Virginia’s total HC&SA earnings fell from 8.02% to 6.19%. With this decline, Virginia’s total HC&SA earnings saw its four-quarter growth rate moving average fall to its lowest level during the post-lockdown economic recovery period. Regardless, this moving average still remains at an elevated level when compared to the values observed prior to the outbreak of the coronavirus pandemic. Prior to Q3 2020, this moving average had remained below 6% for 16 consecutive quarters. On the other hand, the four-quarter growth rate moving average of Virginia’s total non-HC&SA earnings increased from 7.22% and 9.95% in Q1 2022. As for Virginia’s personal income, its four-quarter growth rate moving average collapsed from 8.68% to -1.14%. This represents the first time since Q4 2013 in which the four-quarter growth rate moving average of Virginia’s personal income has been negative.

**Figure 2: Earnings Growth Rate, 4-Quarter Moving Average (Annualized)**



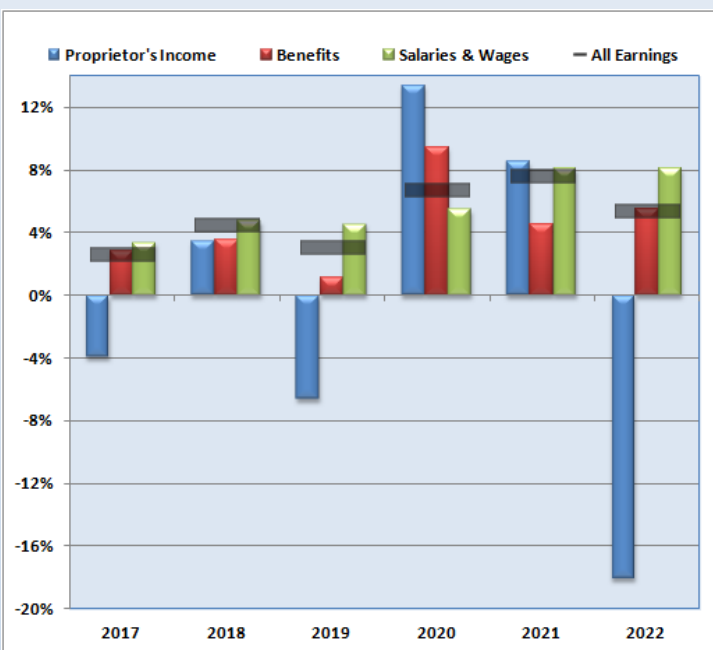
### Virginia HC&SA Earnings Growth Rate by Earnings Type



**Figure 3: Earnings Growth Rate by Type of Earnings, 4-Quarter Moving Average (Annualized)**

Virginia’s HC&SA proprietor’s income saw its four-quarter growth rate moving average fall from 8.80% to -0.91% in Q1 2022. With this decline, the four-quarter growth rate moving average of Virginia’s HC&SA proprietor’s income has turned negative for the first time since Q2 2020. Over the past year, Virginia’s HC&SA proprietor’s income has experienced a dramatic reversal to its four-quarter growth rate moving average, which never fell below 60% between Q3 2020 and Q2 2021. Meanwhile, both forms of HC&SA employee compensation also saw their respective moving averages decline during the quarter. Virginia’s HC&SA employee salaries & wages saw its four-quarter growth rate moving average fall from 8.63% to 7.76%. At the same time, the comparable moving average for Virginia’s HC&SA employee benefits fell from 5.18% to 3.09%.

### Annual Growth by Earnings Type



**Figure 4: Virginia HC&SA Earnings Growth Rate by Type of Earnings (Annualized)**

In both 2020 and 2021, Virginia’s HC&SA proprietor’s income grew at a faster annual rate than both HC&SA employee salaries & wages and HC&SA employee benefits. In those two years, proprietor’s income in Virginia’s HC&SA sector grew by 13.4% and 8.5%, respectively. However, growth in HC&SA proprietor’s income plummeted in Q1 2022, falling well below the comparable quarterly annualized growth rates for both forms of HC&SA employee compensation. In fact, HC&SA proprietor’s income in the state fell at an 18.1% annualized rate in Q1 2022.

On the other hand, HC&SA employee compensation enjoyed robust earnings growth in Q1 2022. This growth was led by HC&SA employee salaries & wages, which increased at an 8.1% annualized rate in Q1 2022. At the same time, HC&SA employee benefits grew at a 5.5% annualized rate during the quarter.

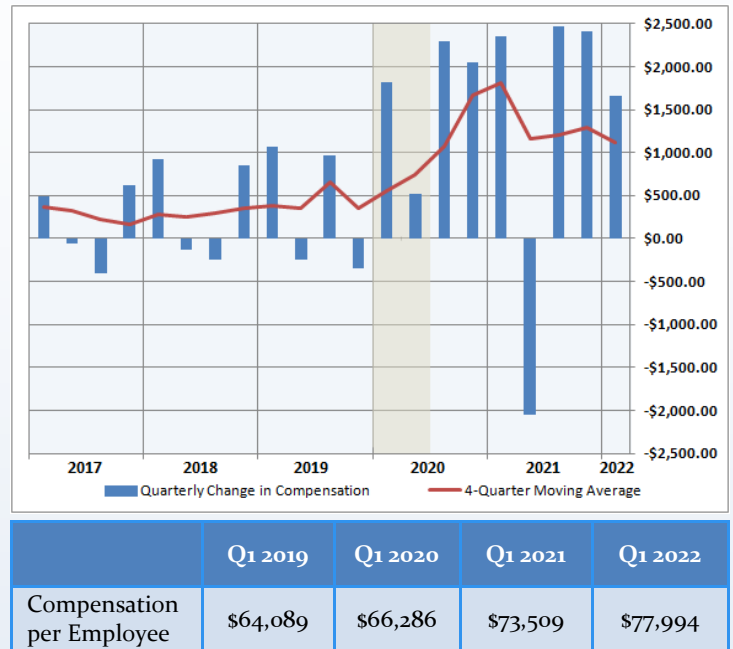
| Earnings Type       | Level (Millions) | Share       |
|---------------------|------------------|-------------|
| Proprietor's Income | \$2,934          | 7.8%        |
| Benefits            | \$5,670          | 15.1%       |
| Salaries & Wages    | \$29,019         | 77.1%       |
| <b>Total</b>        | <b>\$37,623</b>  | <b>100%</b> |

### HC&SA Compensation per Employee

According to the Healthcare Workforce Data Center’s estimates (see methodology, next page), employees in Virginia’s HC&SA sector earned an average of \$77,994 (annualized) in Q1 2022. Note that this figure includes salaries & wages plus the cost of benefits for employed persons only. Practitioners in private practice, which includes a large number of the sector’s highly paid professionals, are not included in this figure.

Total compensation per employee in Virginia’s HC&SA sector increased by \$1,659 in Q1 2022. This increase represents a three-month annualized earnings growth rate of 9.0%. This result exceeds by a considerable margin the overall average for the national HC&SA sector as a whole during the quarter. In Q1 2022, total national HC&SA compensation per employee increased by \$1,150 to \$83,823, which translates into a 5.7% annualized growth rate. Over the past six months, total compensation per employee in Virginia’s HC&SA sector has grown at an even faster 11.3%.

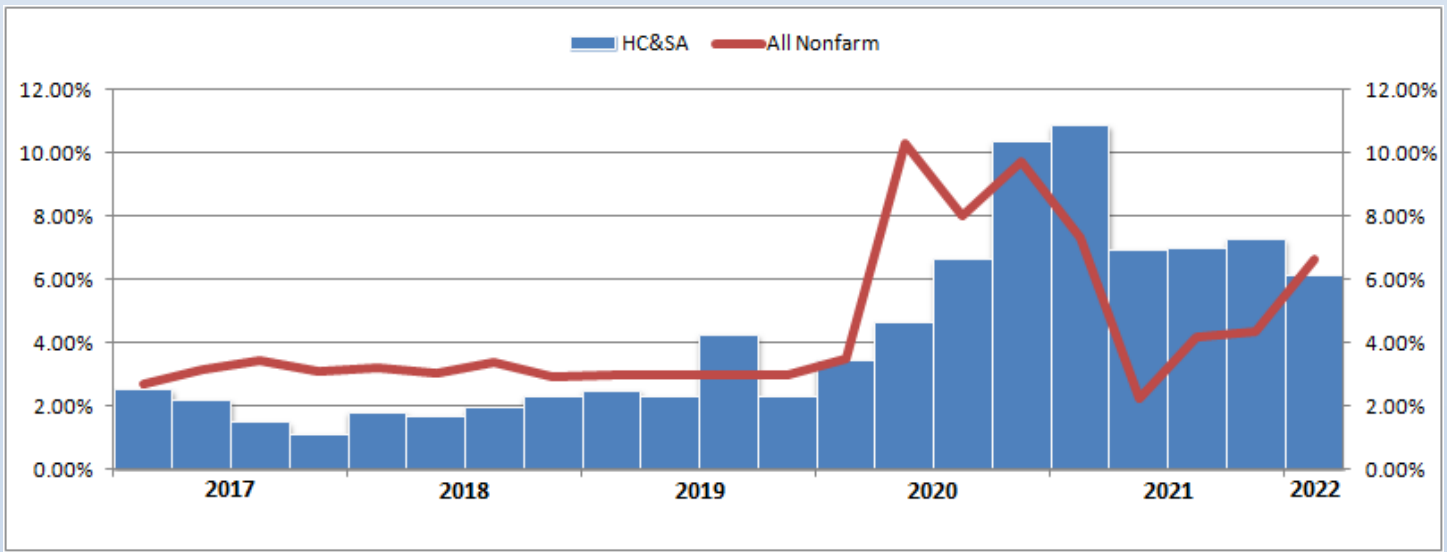
**Figure 5: Quarterly Change in Employee Compensation from Virginia’s Health Care & Social Assistance Sector.**



### Compensation per Employee Growth Rate

In Q1 2022, total compensation per employee in Virginia’s HC&SA sector saw its year-over-year growth rate fall from 7.28% to 6.10%. With this decline, the year-over-year growth rate of total compensation per employee in Virginia’s HC&SA sector has fallen to its lowest level since Q2 2020. Regardless, this year-over-year growth rate has remained above 6% for the entirety of the post-lockdown economic recovery period. Meanwhile, the comparable growth rate for Virginia’s total nonfarm payroll compensation per employee once again exceeds 6% as well after increasing from 4.34% to 6.65% in Q1 2022. With this increase, the year-over-year growth rate of Virginia’s total nonfarm payroll compensation per employee now exceeds the comparable growth rate of the state’s HC&SA compensation per employee for the first time since Q3 2020.

**Figure 6: Year-Over-Year Change in Compensation Per Employee.**



---

## Definitions

Economic data in this briefing is from the U.S. Bureau of Economic Analysis' Regional Economic Accounts. In particular, we use the Quarterly State Personal Income Accounts. The definitions provided here are written for a lay audience. More technical definitions and in-depth information on the Regional Economic Accounts are available on the BEA's website:

<http://www.bea.gov/regional/about.cfm>.

**Personal Income:** Income received from all sources, including salaries & wages, benefits, business profits, rents, government payments or retirement and investment funds. Personal income is based on where recipients live.

**Earnings:** Earned income includes salaries & wages, benefits (aka supplements to wages and salaries) and proprietor's income. Earnings and its components are based on where recipients work.

**Proprietor's Income:** Income from small businesses (sole proprietorships & partnerships), corporate director's fees and tax-exempt cooperatives. It does NOT include dividends or interest received by non-financial businesses or rental income received by non-real estate businesses.

**Compensation:** Salaries & wages and benefits.

**Benefits:** Referred to as "supplements to wages and salaries by the BEA, benefits includes employer contributions to retirement funds, insurance (including health and life) and to government social insurance programs (e.g., unemployment insurance, Social Security, worker's compensation insurance, etc.).

**Salaries & Wages:** Salaries, wages, commissions, bonuses and tips, before deductions, based on when payments are disbursed. The value of stock options are also included at the time the options are exercised.

---

## Method of Estimating Compensation per Employee

The HWDC derives estimates of compensation per employee from two sources: 1) U.S. Bureau of Economic Analysis' Regional Economic Accounts (REA), and, 2) the Current Establishment Survey (CES) administered jointly by the U.S. Bureau of Labor Statistics and the U.S. Census Bureau. These sources use different methodologies and different definitions. Although more vigorous estimates of employment are available, the HWDC uses these sources to provide the most timely indication of current trends possible at the state-industry level. The HWDC estimates are early indicators only.

To make the two data sources more comparable, the HWDC makes the following transformations:

**CES:** To obtain quarterly estimates of employment, monthly figures are averaged for the quarter. For nonfarm employment, we remove the latest available estimate of logging employment from the Quarterly Census of Employment and Wages, rounded to the nearest hundred, from nonfarm totals in the CES prior to averaging.

**REA:** From nonfarm compensation (or its components), we remove military earnings, agriculture, fishing and forestry earnings and an estimate of earnings from households. For household earnings estimates, we use the REA's Annual State Personal Income and Employment tables to develop current estimates of the proportion of "Other services, except public administration" compensation from employment in private households. We use the most recent data available for the current quarter. We apply this proportion to the current quarterly estimate of "Other services, except public administration".

Despite these transformations, the figures are not wholly comparable. The BEA makes additional adjustments to BLS data when creating its own, annual estimates of employment. Historical indicators are not adjusted by the HWDC, however adjustments made to REA or CES series are incorporated into historical data. For more information on employment data and the REA, see the BEA's *State Personal Income and Employment Methodology*, pages XI-1 to XI-11 & Table K.

---



Healthcare Workforce  
Data Center

Perimeter Center  
9960 Mayland Drive, Suite 300  
Henrico, VA 23233-1463

Phone: (804) 597-4213  
Fax: (804) 527-4434  
E-mail: [hwdc@dhp.virginia.gov](mailto:hwdc@dhp.virginia.gov)  
Website: [www.dhp.virginia.gov/PublicResources/HealthcareWorkforceDataCenter/](http://www.dhp.virginia.gov/PublicResources/HealthcareWorkforceDataCenter/)

*HWDC Staff:*

|  |  |
|--|--|
| Elizabeth Carter, PhD<br><i>Executive Director</i> | Yetty Shobo, PhD<br><i>Deputy Director</i>     |
| Rajana Siva, MBA<br><i>Data Analyst</i>            | Christopher Coyle<br><i>Research Assistant</i> |

Follow us on Tumblr:

<http://vahwdc.tumblr.com/>

The Department of Health Professions Healthcare Workforce Data Center works to improve the data collection and measurement of Virginia's healthcare workforce through regular assessment of workforce supply and demand issues among the 80 professions and 350,000 practitioners licensed in Virginia by DHP.

The HWDC collects data on Virginia's licensed health professionals through surveys completed during the online license renewal and application process. Survey results and data may be accessed on our website: [www.dhp.virginia.gov/PublicResources/HealthcareWorkforceDataCenter/](http://www.dhp.virginia.gov/PublicResources/HealthcareWorkforceDataCenter/).

The HWDC also provides a series of Virginia Healthcare Workforce Briefs based on data collected by the U.S. Department of Labor's Bureau of Labor Statistics and the U.S. Department of Commerce' Bureau of Economic Analysis.

Virginia Healthcare Workforce Briefs:

Series 1: State & National Employment (Monthly)

Series 2: Virginia Regional Employment (Monthly)

Series 3: Income & Compensation (Quarterly)

## About the Data

Data used in creating this report is from the U.S. Department of Commerce' Bureau of Economic Analysis' Regional Economic Accounts. Unless otherwise noted, data is seasonally adjusted and annualized, and quarterly presentations are based on the calendar year. Data from recent quarters is preliminary and subject to revision in future releases from the BEA. Revisions will be reported in future editions of this series.