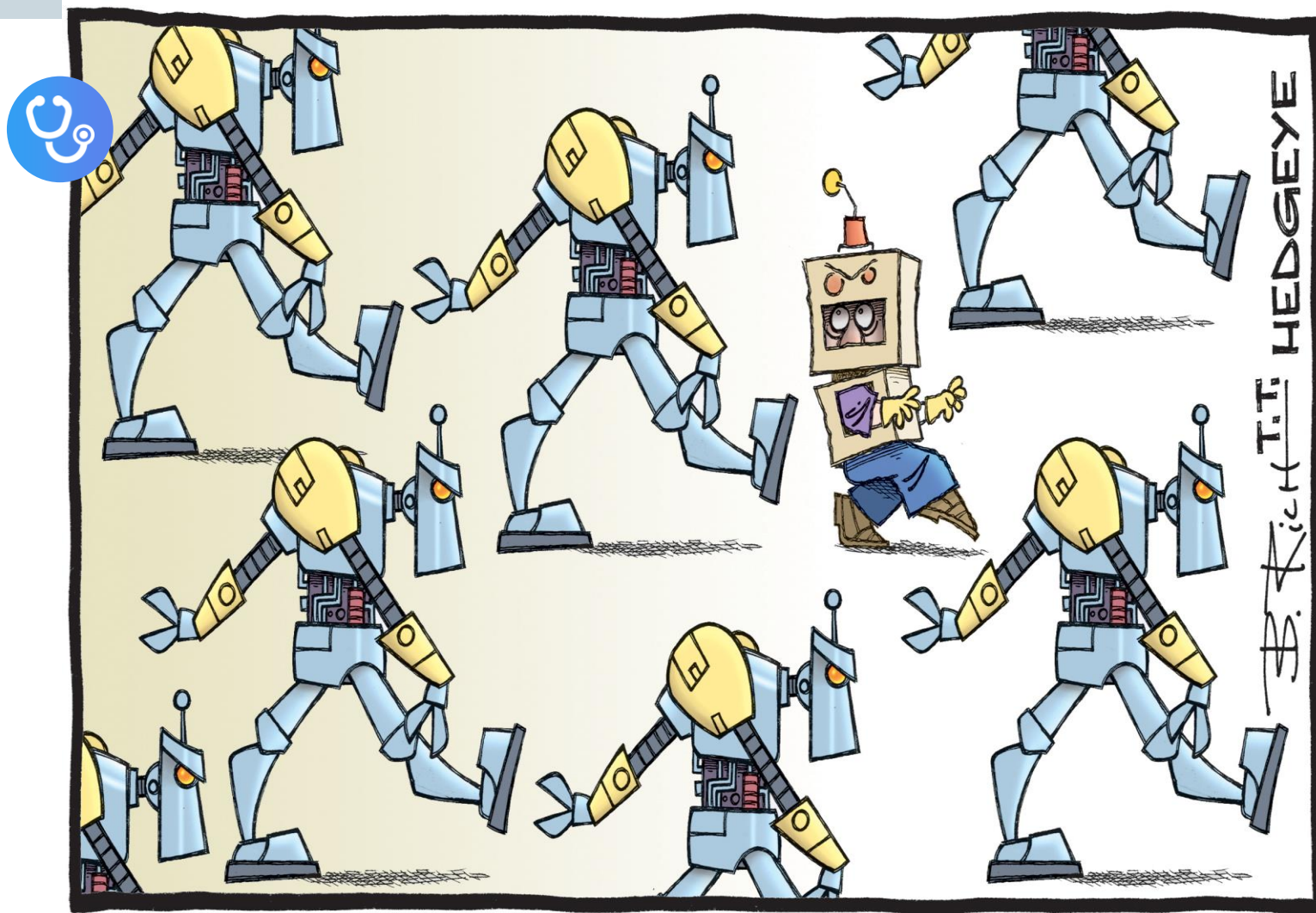


HEDGEYE

AMN | Labor Demand Update

AMN Tracker, Insured Medical Consumer Model, ADP, BLS, and CPS Updates

January 16, 2020



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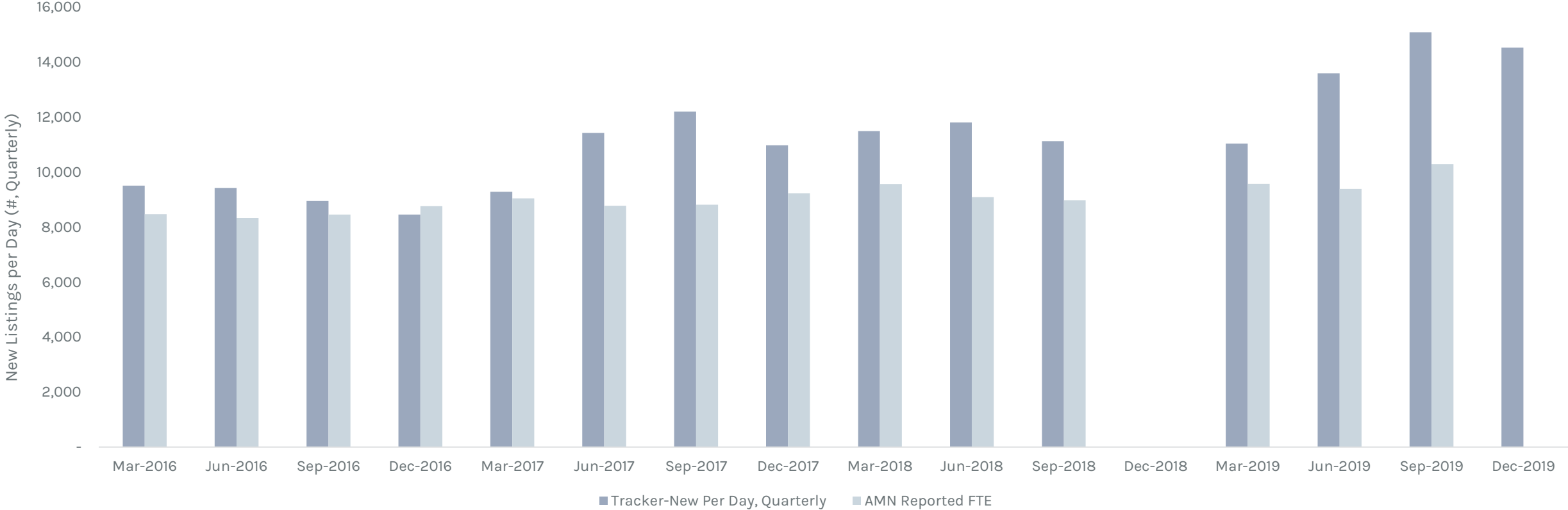
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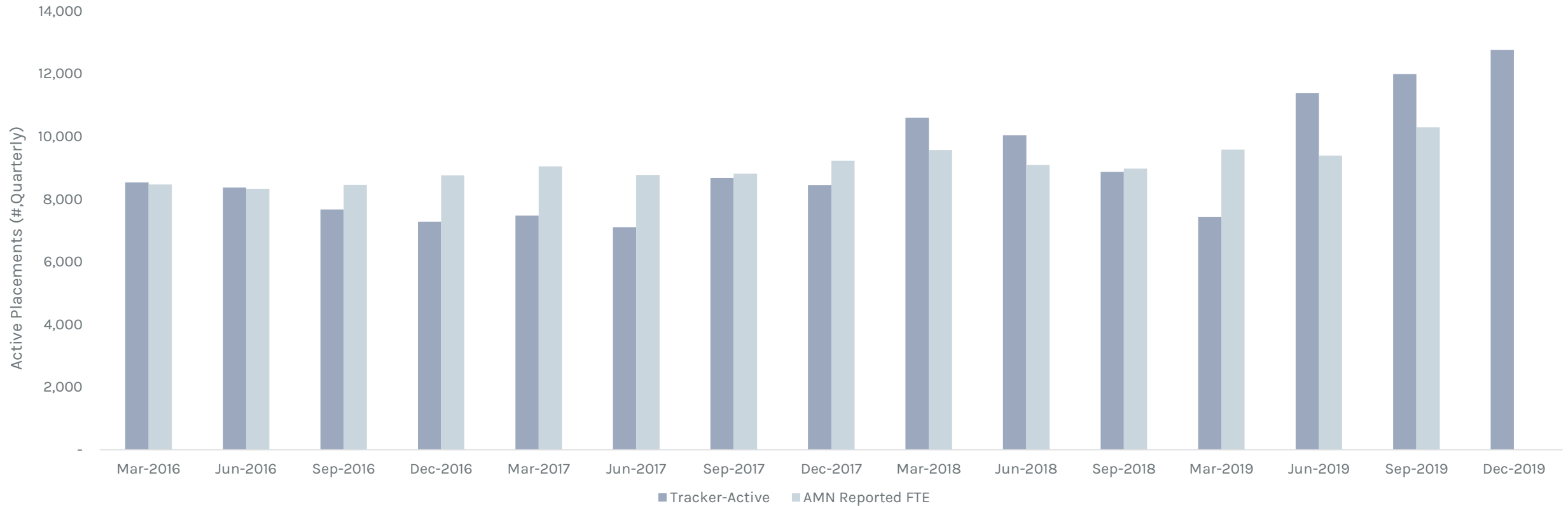
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New Listings Per Day (Quarterly) v AMN Reported FTE



We've had less success regressing to reported FTE counts, but activity appears to remain strong. This data is updated weekly.

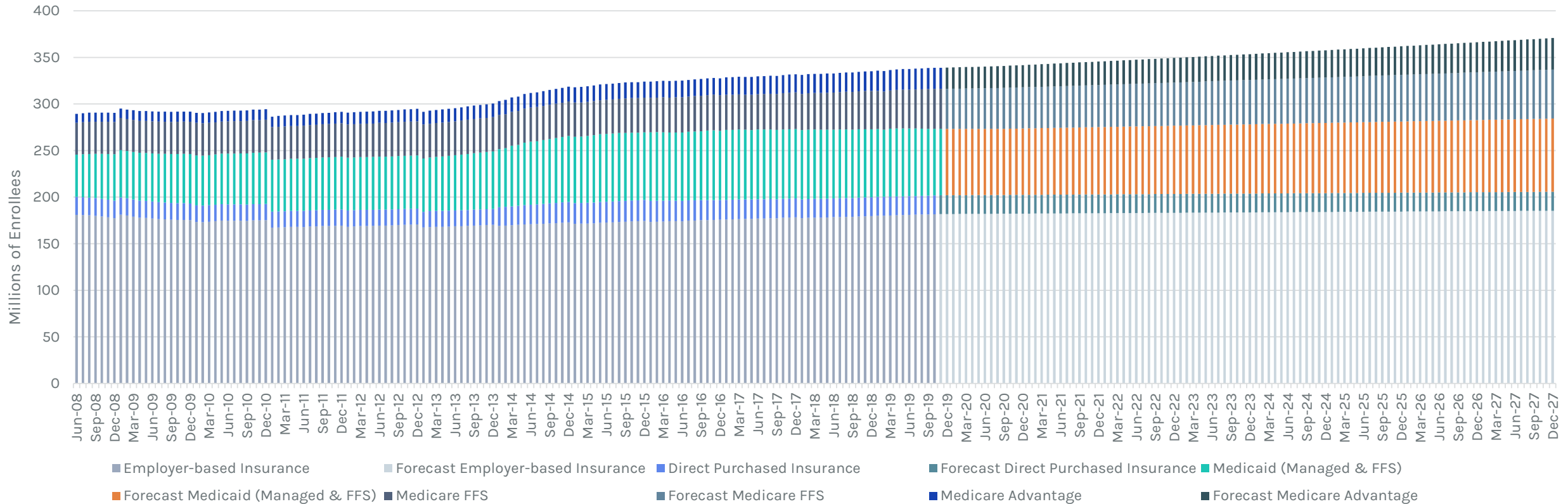
Active Placements (Quarterly) v AMN Reported FTE



Active placements continue to show a sequential acceleration.

Macro Driver

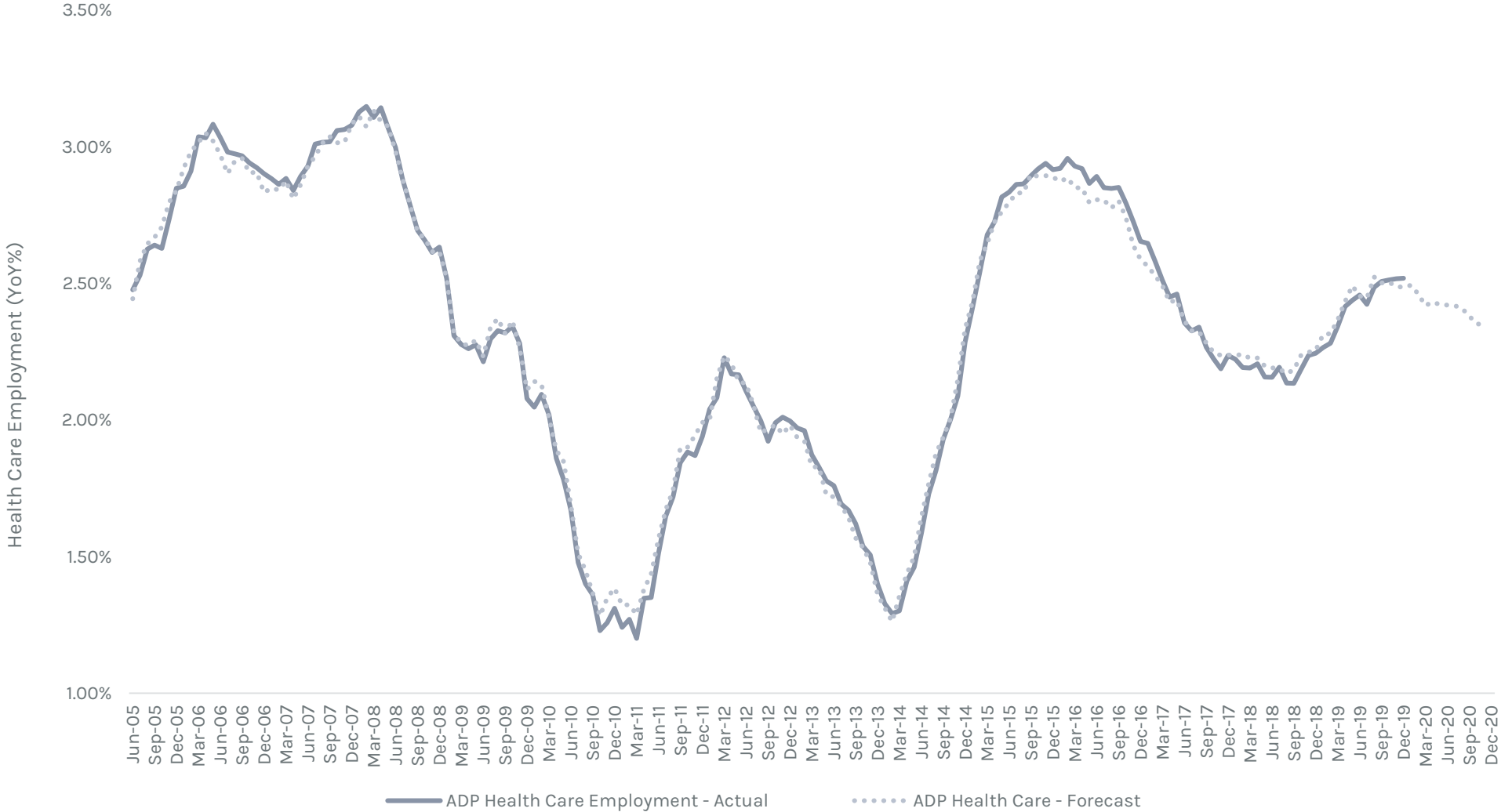
Insured Medical Consumer Model



Nurse demand, which makes up a significant portion of Health Care Labor Demand, is the direct result of trends that impact the insured population. This impact is driven by both policy and economic conditions.

ADP Employment Report | December 2019

Health Care Employment YoY%



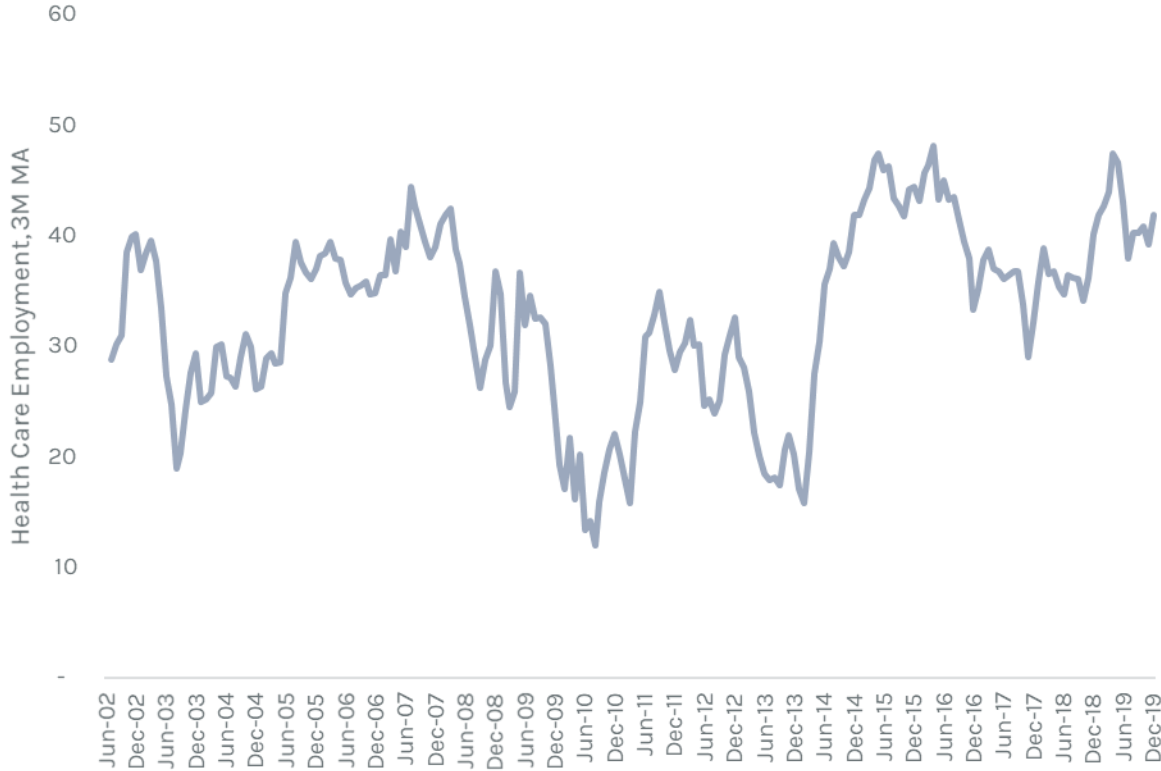
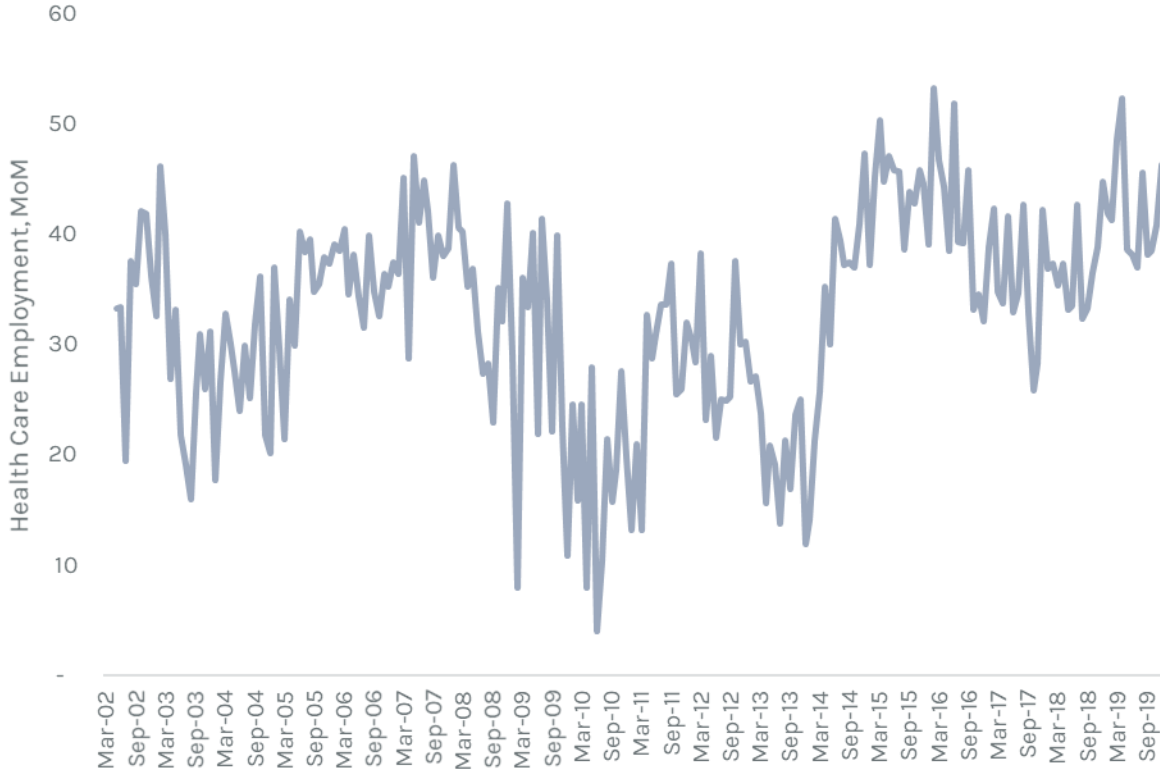
At 2.52%, growth is accelerating, but only modestly. Under the current trend line, we expect 4Q19 results or 1Q20 guidance to be inline or better than consensus estimates.

Comparisons become more difficult as we exit 1Q20 and move into 2Q20, which is where we would target the timing of any negative fundamental read through.

Company results across the Health Care Sector are more likely to show negative or positive divergences versus expectations depending on the slope of the growth rate.

ADP Employment Report | December 2019

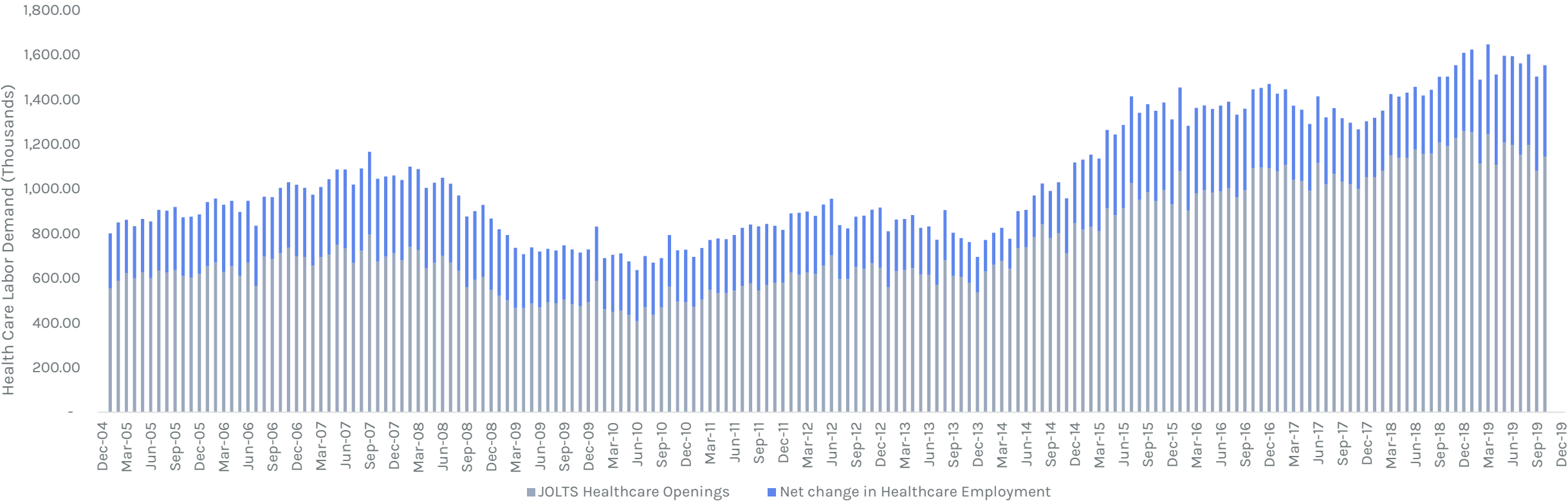
Health Care Employment MoM#



Month- over- Month Health Care employment continues to run at or near the highs of the last 20 years, including the Affordable Care Act, the largest expansion of the insured population of the last 30 years.

Health Care Labor Demand

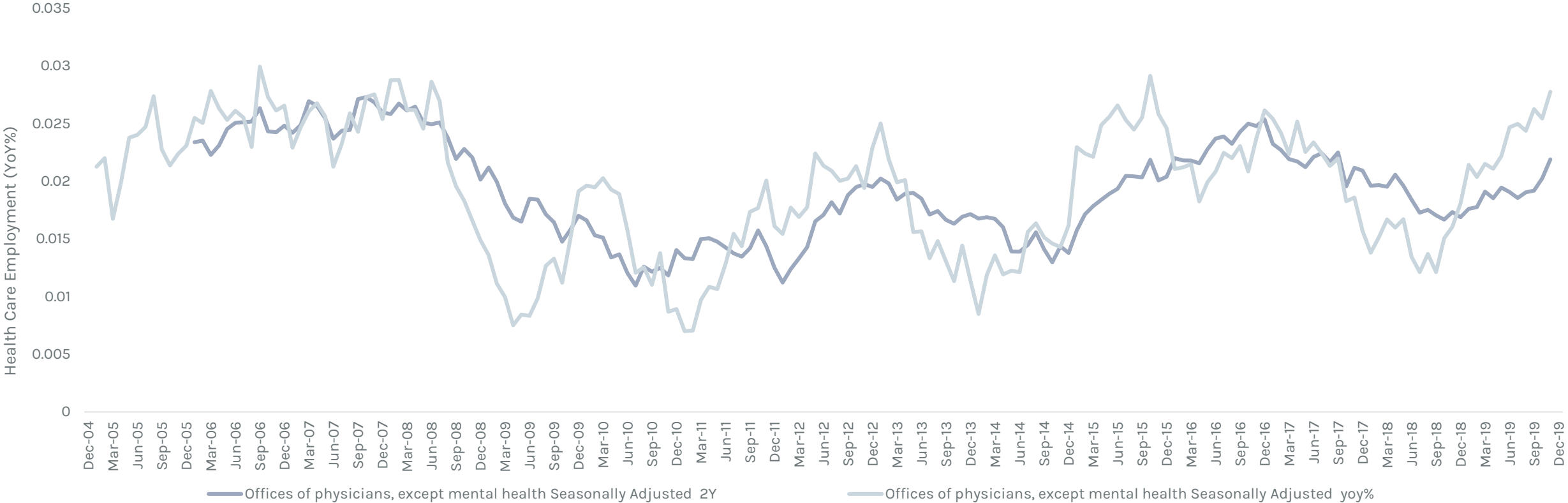
Net Change in Health Care Employment plus Health Care Job Openings



We measure demand for Health Care Labor as the combination of the net change in Health Care employment plus the unfilled job openings.

Health Care Employment – Offices of Physicians

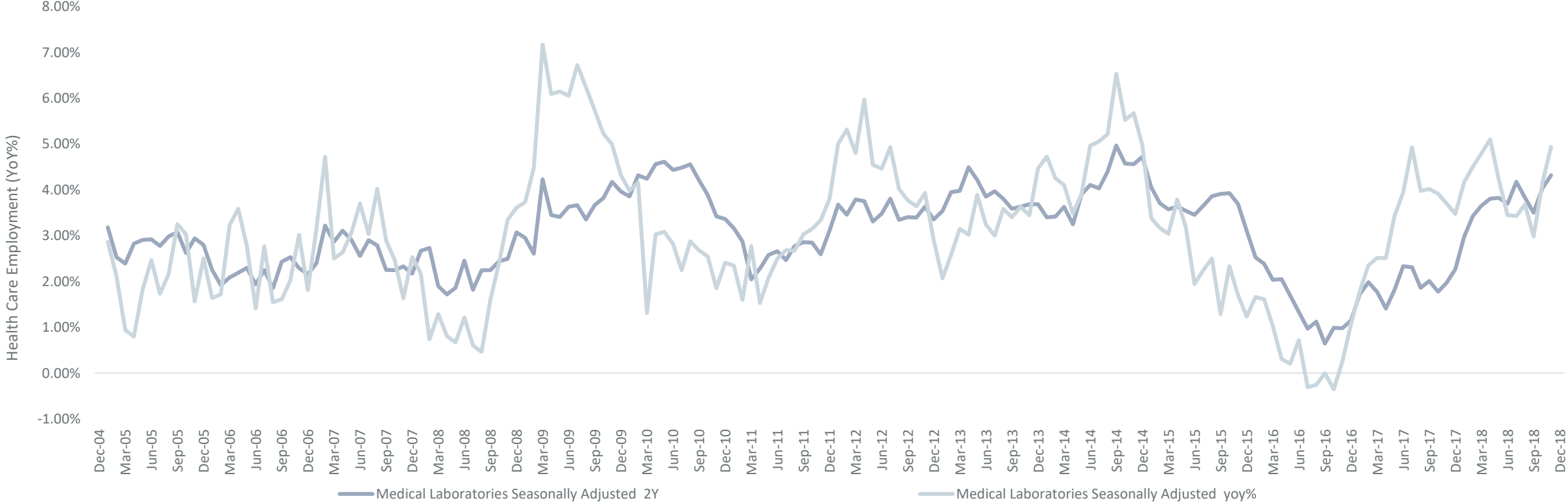
Year over Year and 2Y Growth Rates Accelerating



Corroborating trends in Physician Office employment.

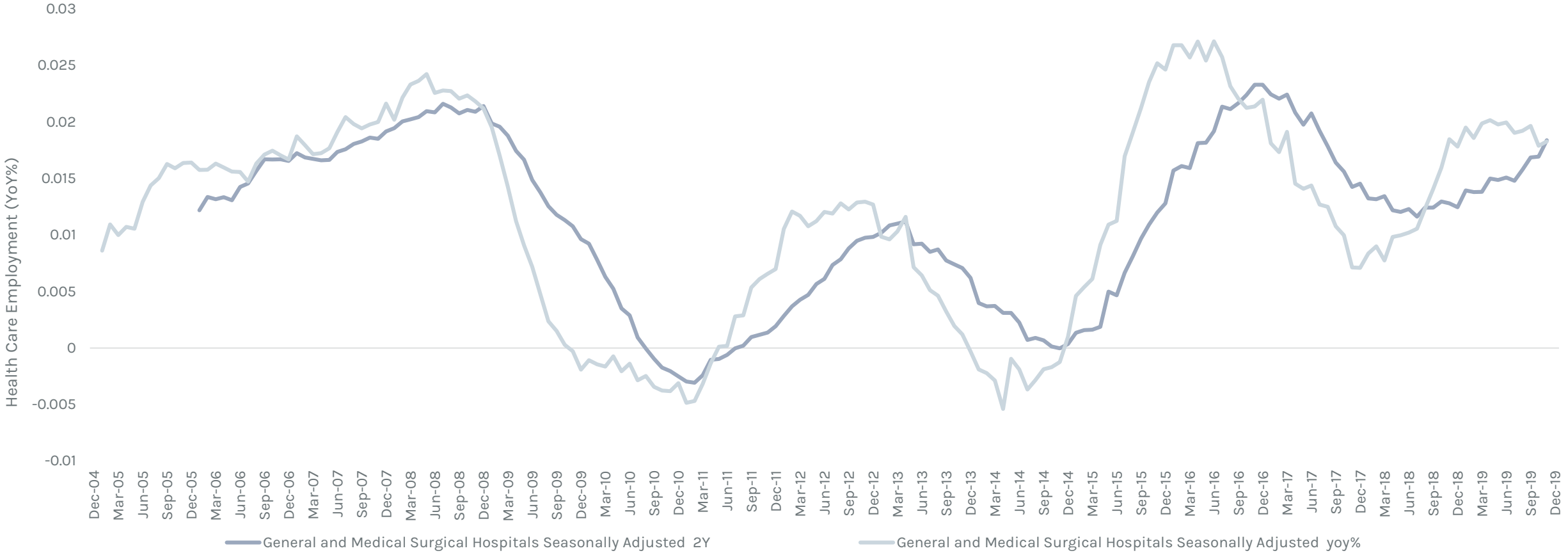
Health Care Employment – Medical Laboratories

Year over Year and 2Y Growth Rates Accelerating



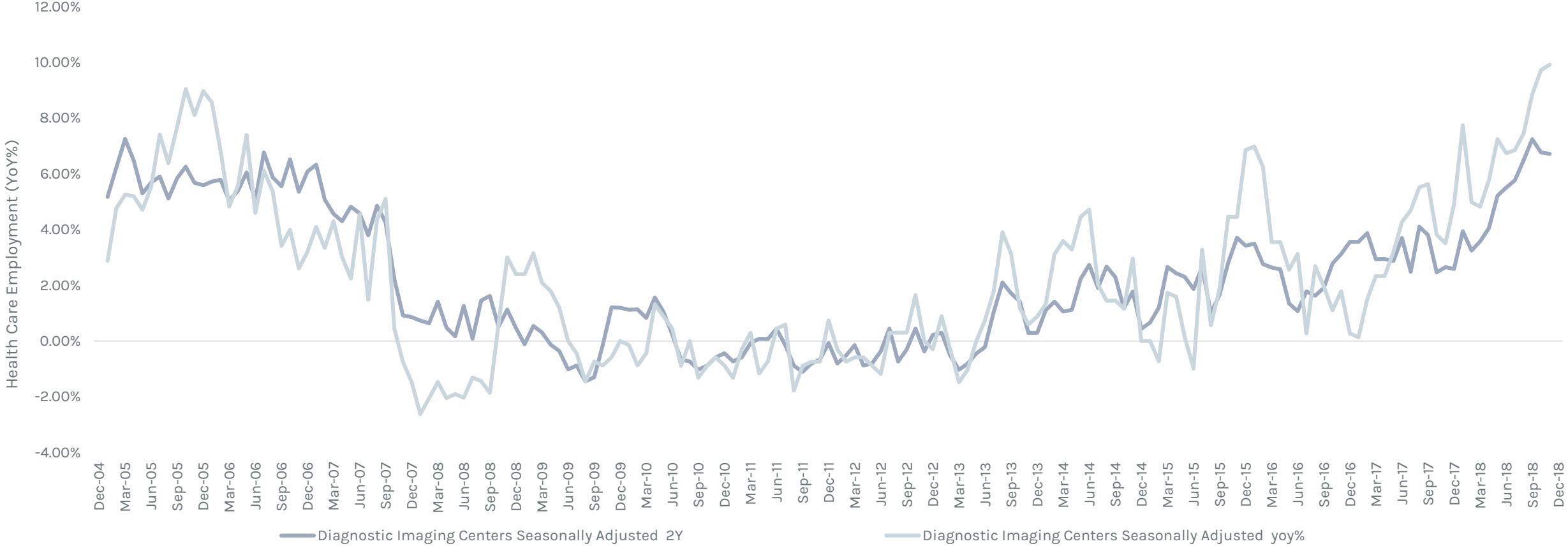
Strength in Medical Laboratory.

Health Care Employment - Hospitals



Hospitals represent the majority of AMN nurse placements.

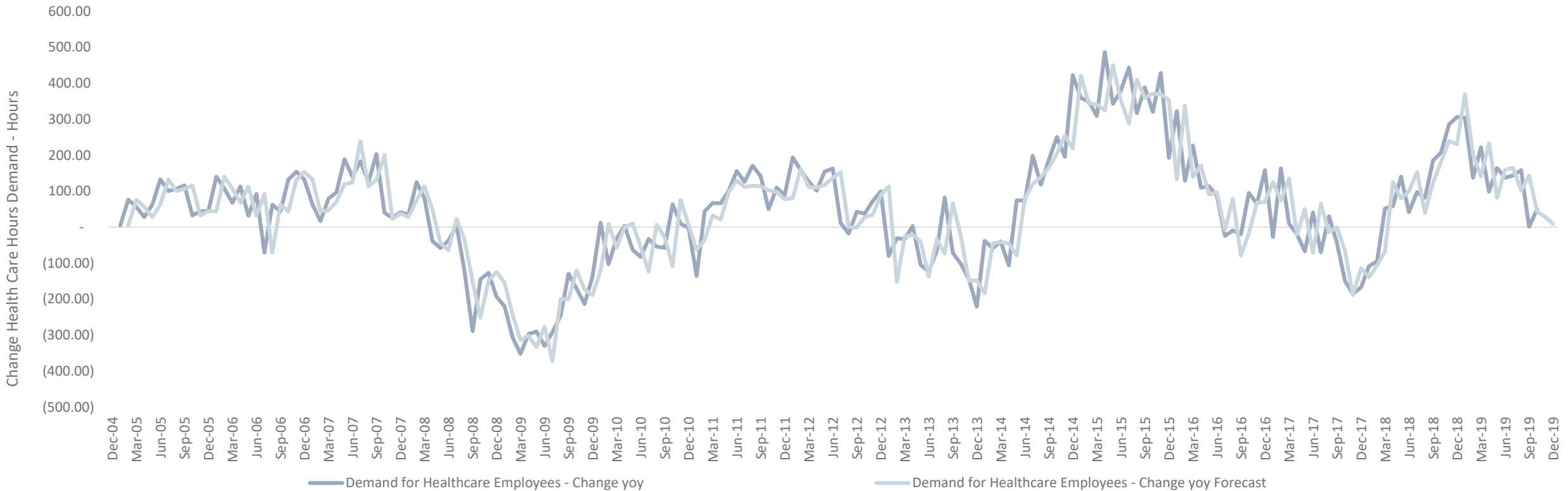
Health Care Employment – Diagnostic Imaging Centers



Diagnostic Imaging is a big driver of hospital outpatient trends.

Health Care Labor Demand

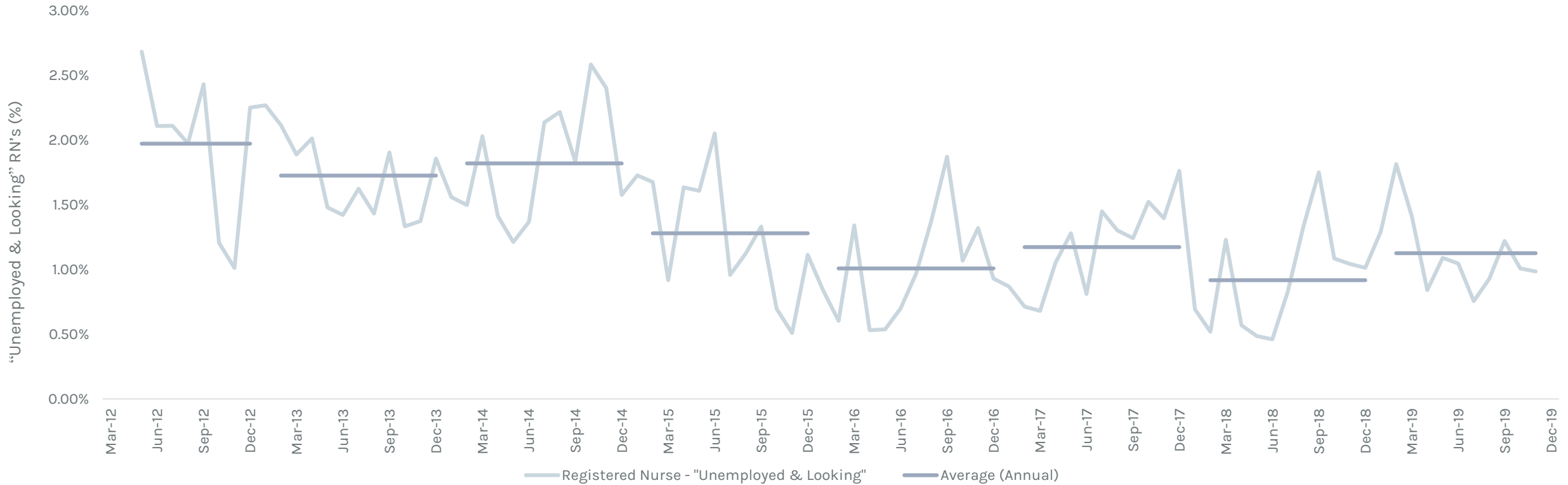
Change & Forecast of Health Care Hours Demand



Converting Health Care Labor Demand into the common denominator of demand for labor hours reflects incremental demand more accurately than either series separately.

Registered Nurse Unemployment Rate

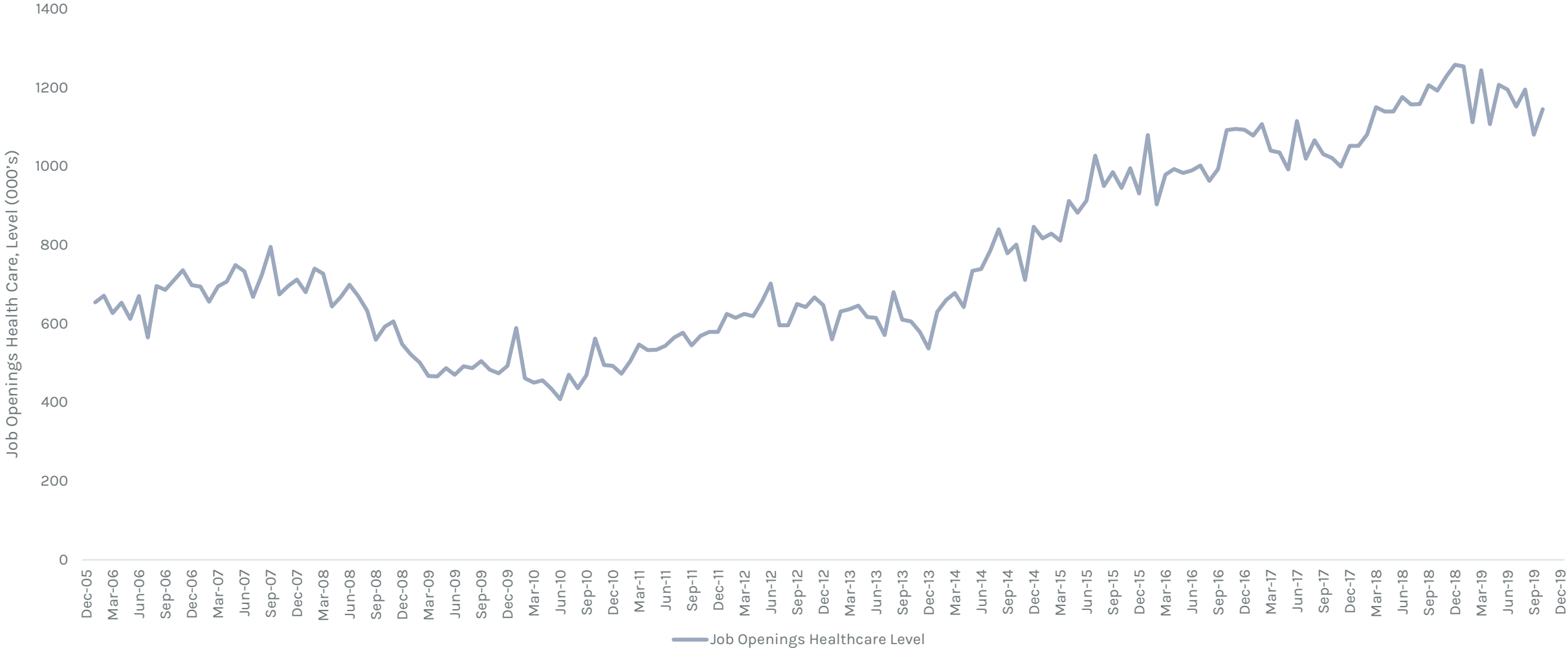
“Unemployed and Looking” as a Percentage of Total Population



The prevailing tightness of the pool of available excess labor capacity in 2019 is more acute than it was in past periods of accelerating labor demand.

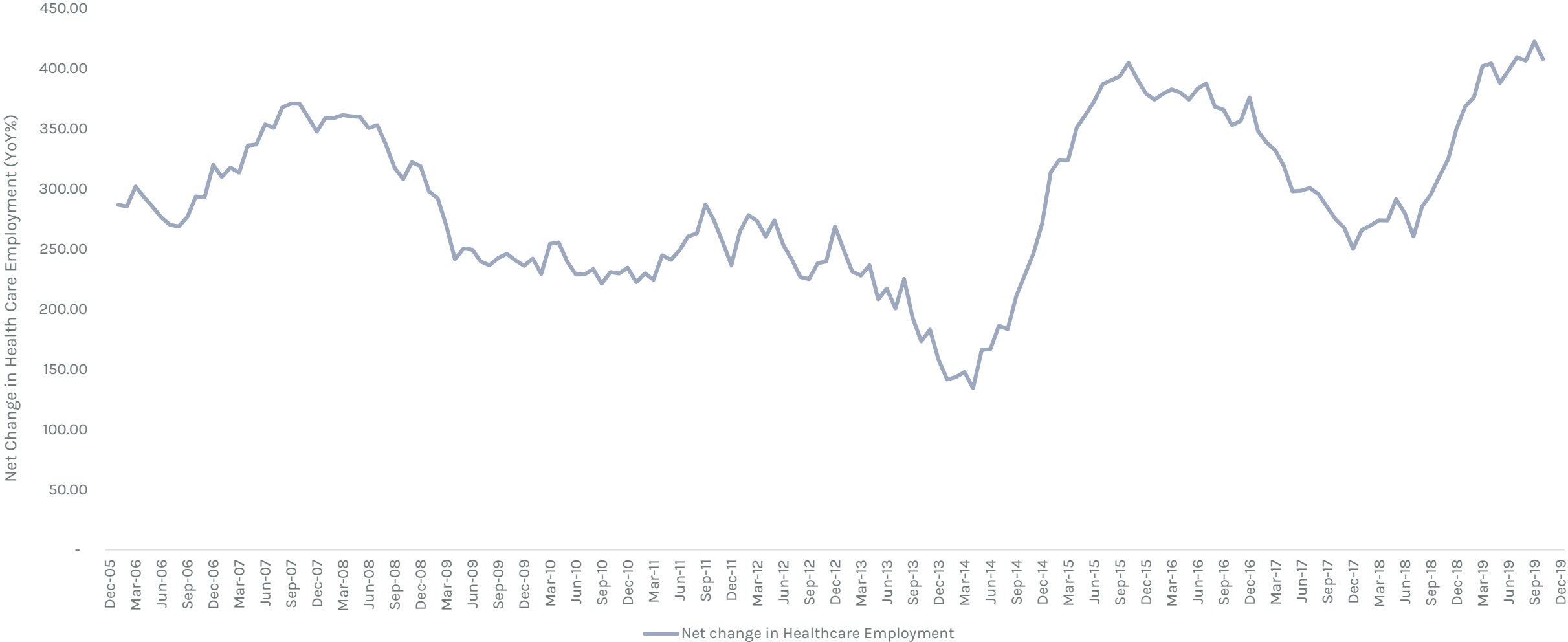
Health Care Labor Demand

Job Openings in Health Care



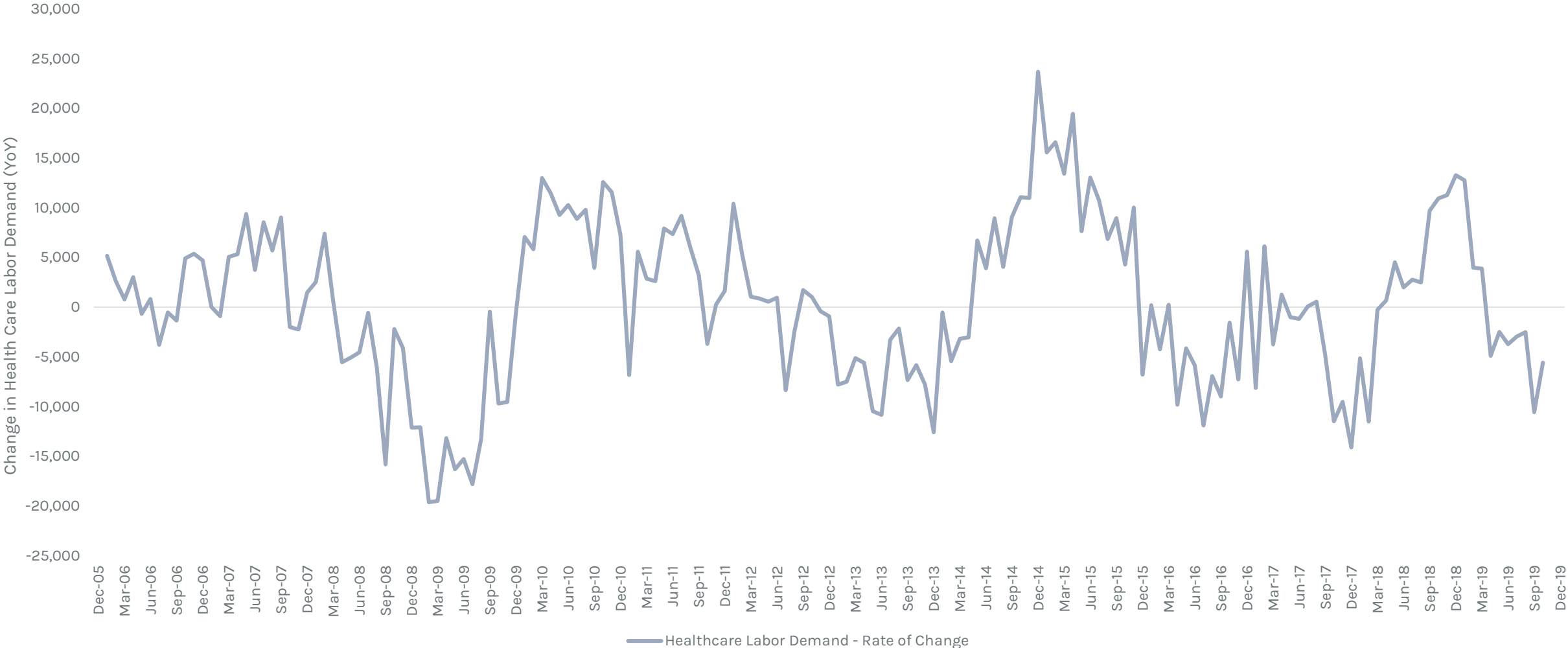
Health Care Labor Demand

Net Change in Health Care employment Year over Year



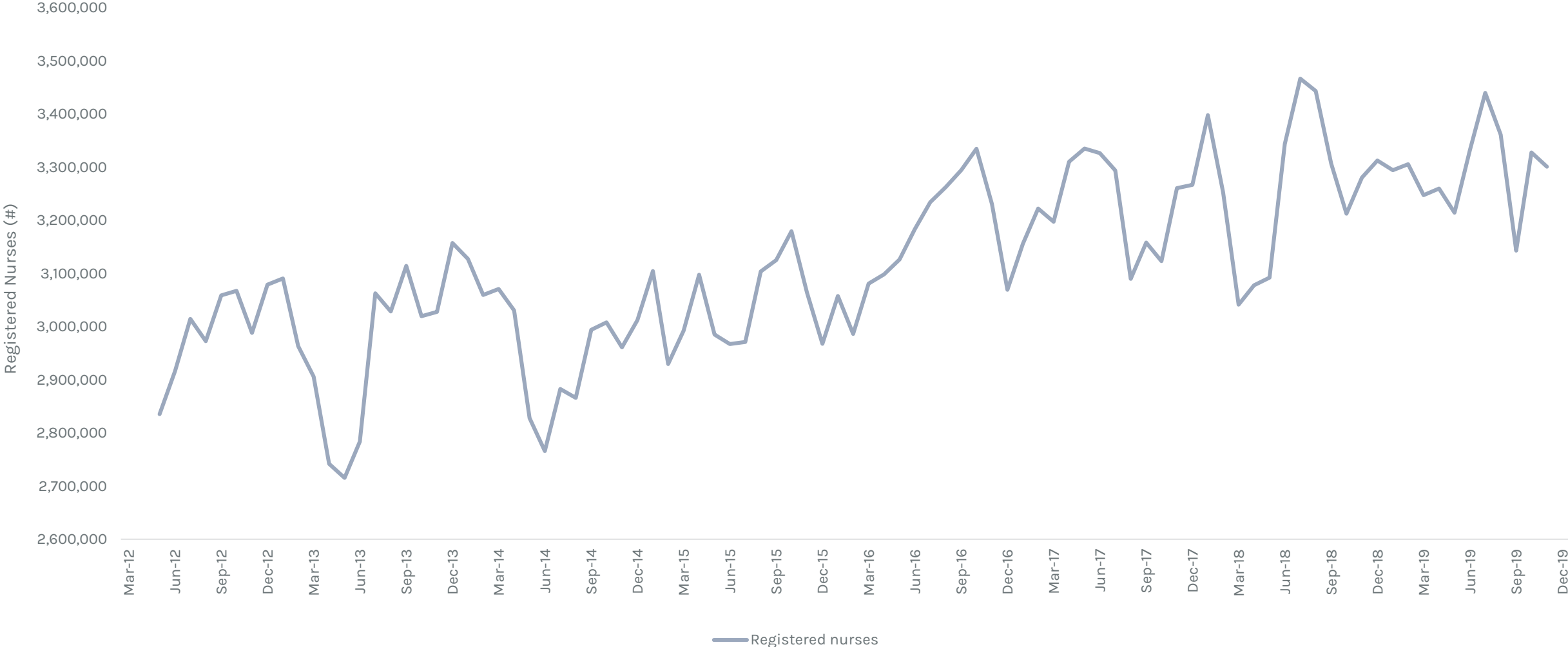
Health Care Labor Demand

Rate of Change



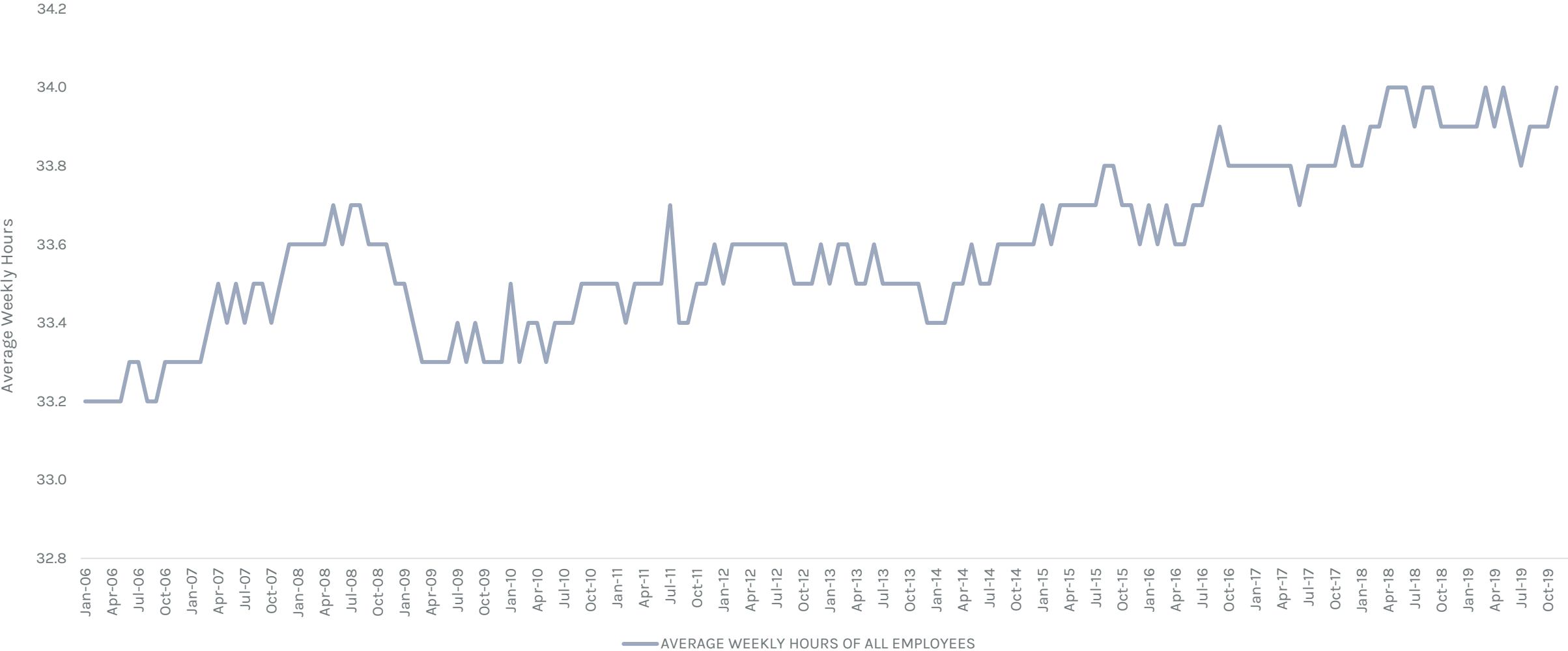
Health Care Labor Demand

Registered Nurse Population According to Current Population Survey



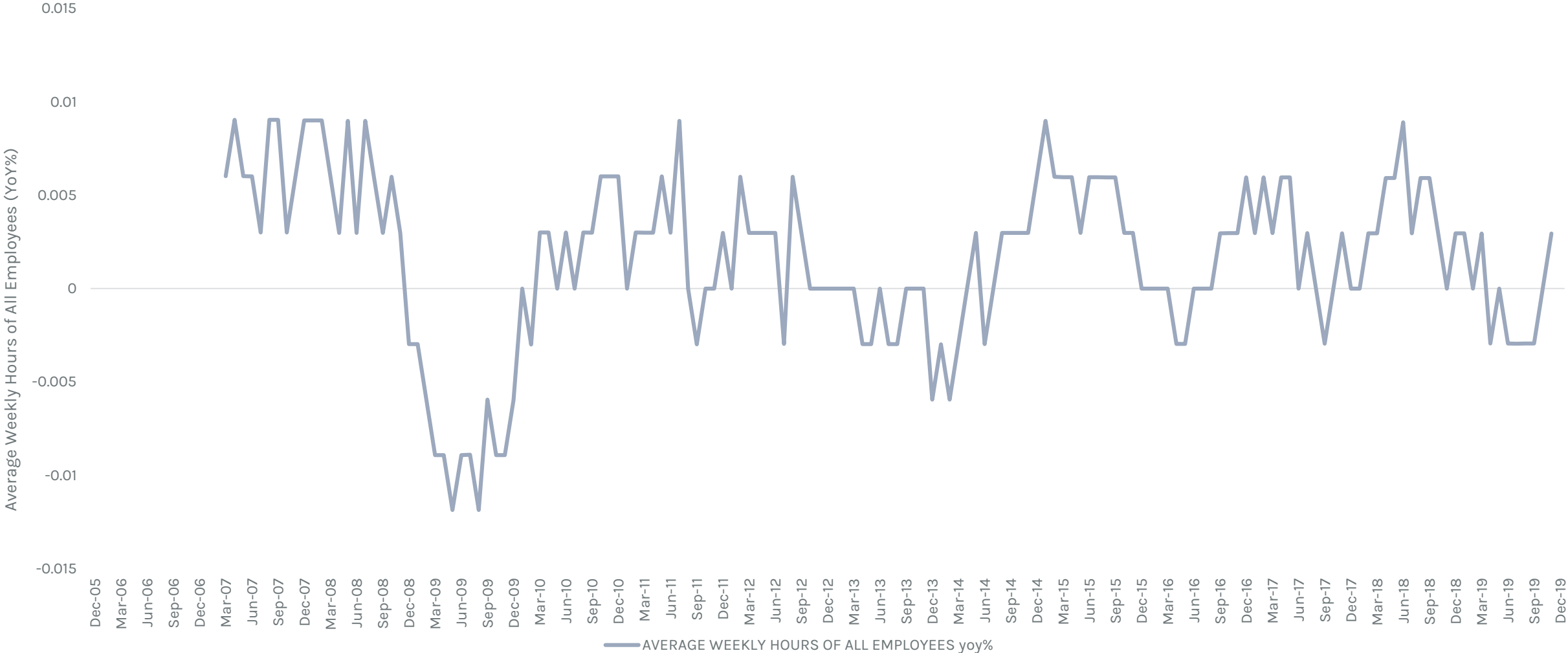
Health Care Labor Demand

Average Weekly Hours of All Employees



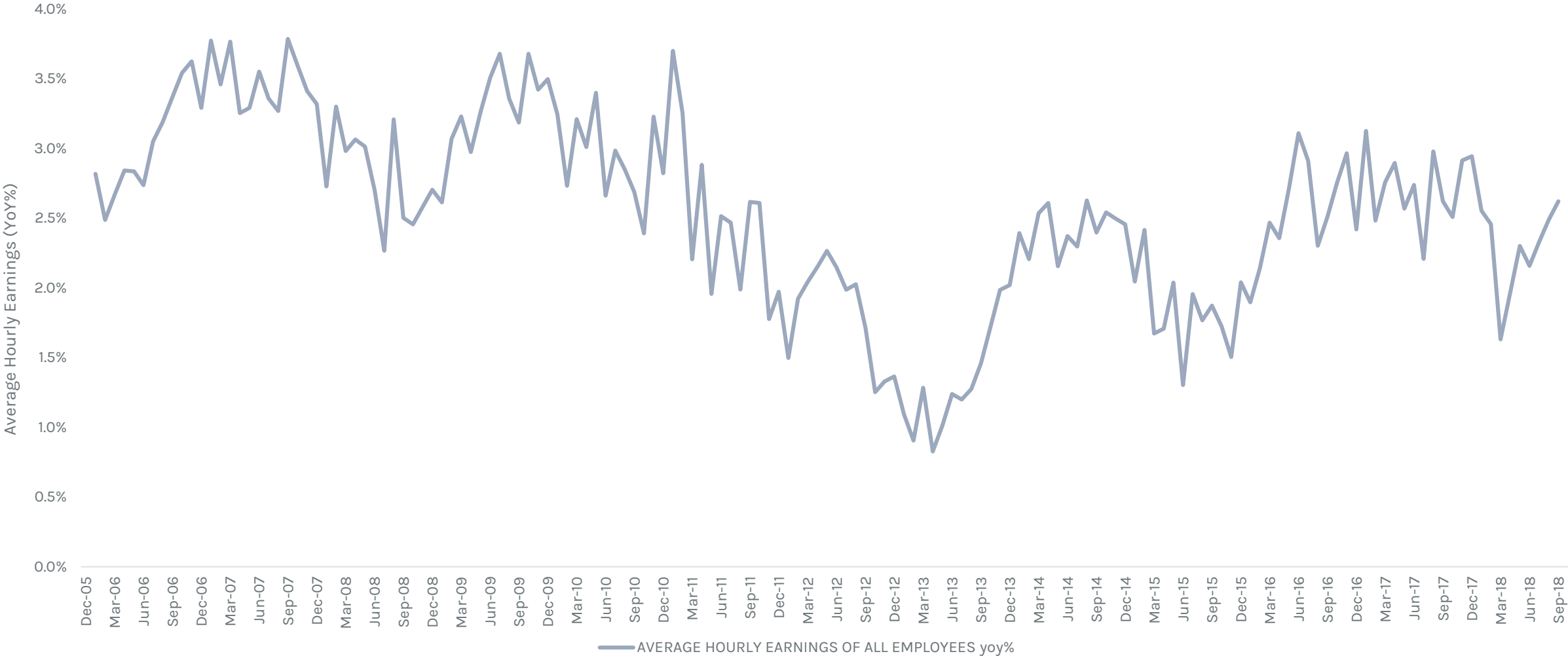
Health Care Labor Demand

Average Weekly Hours of All Employees - Year over Year

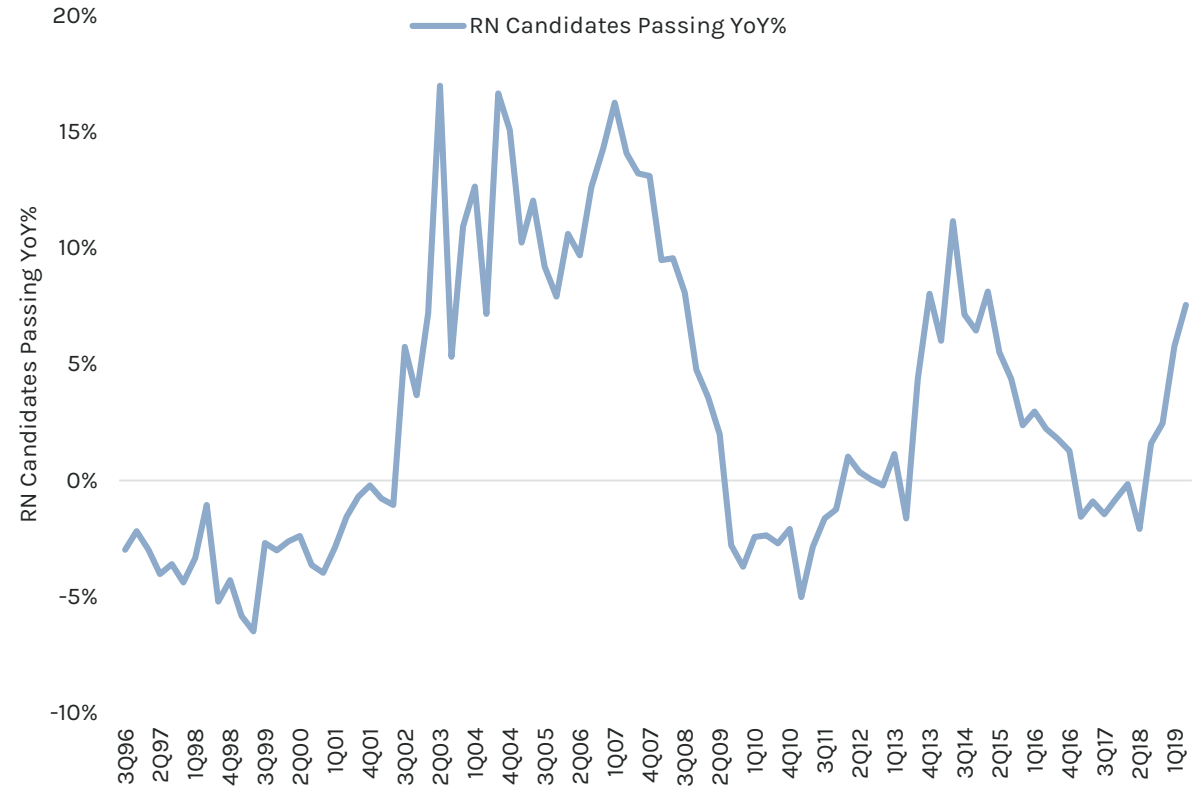
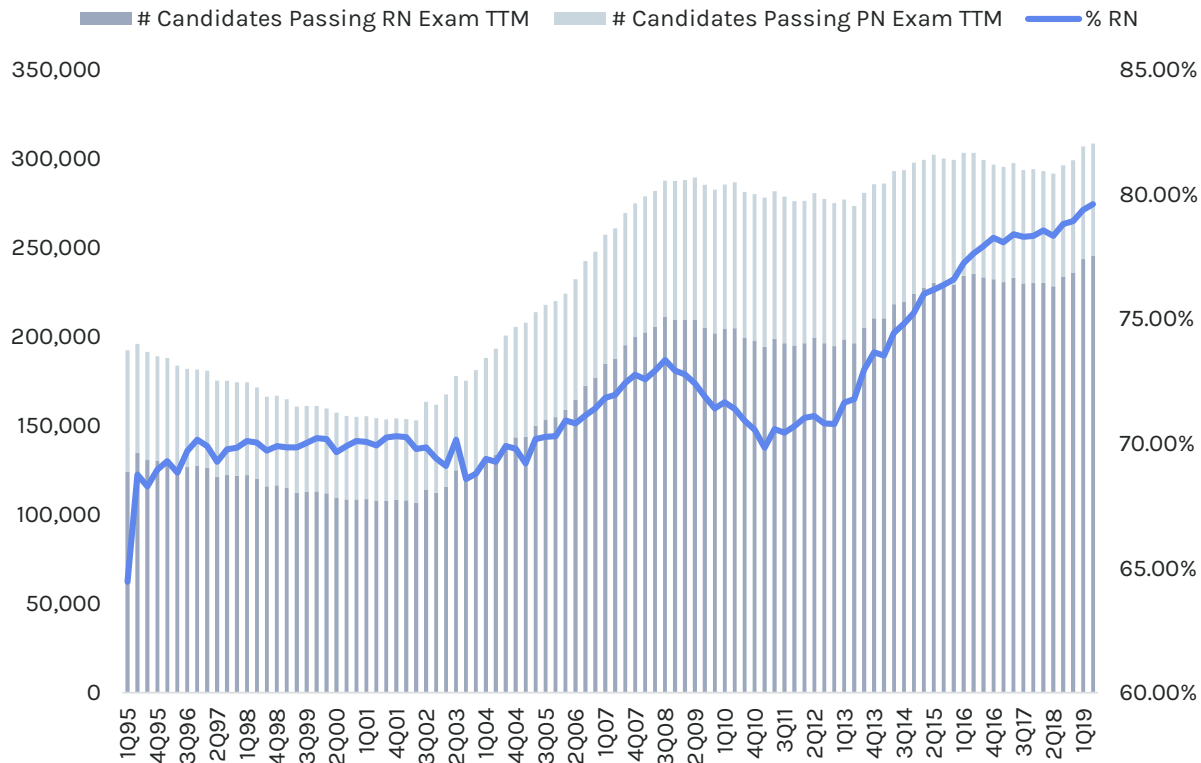


Health Care Labor Demand

Average Hourly Earnings of All Employees – Year Over Year %



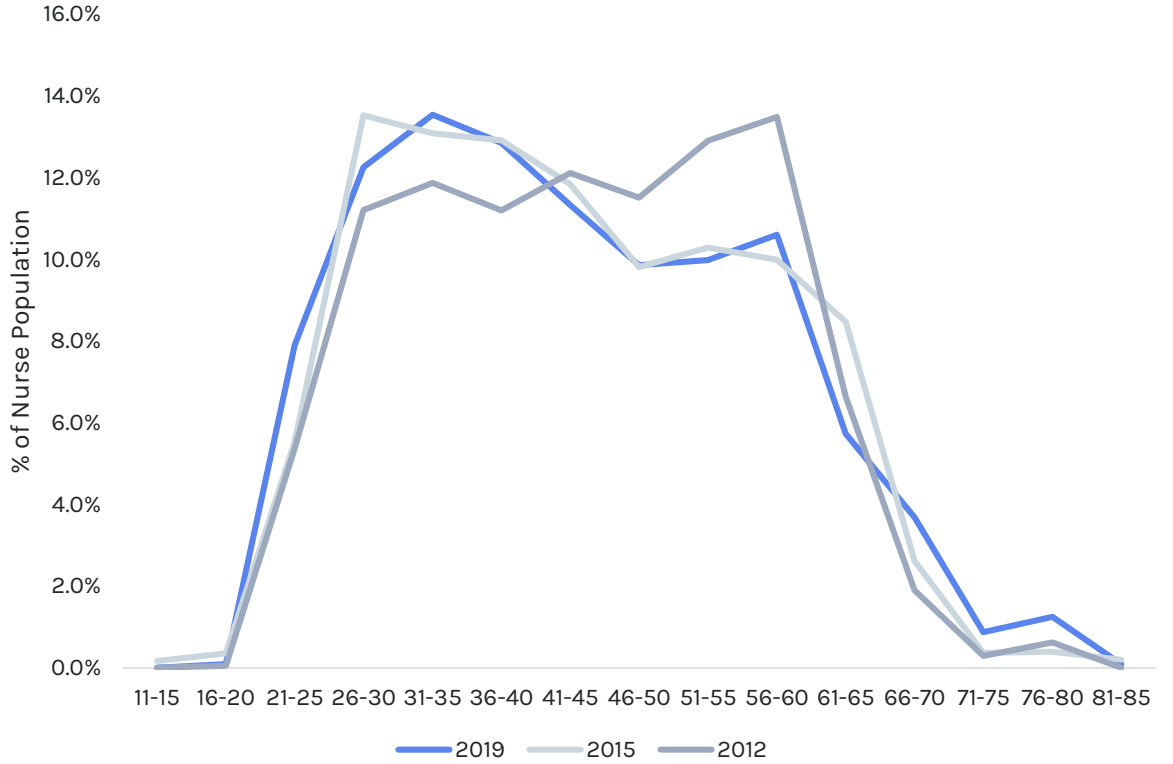
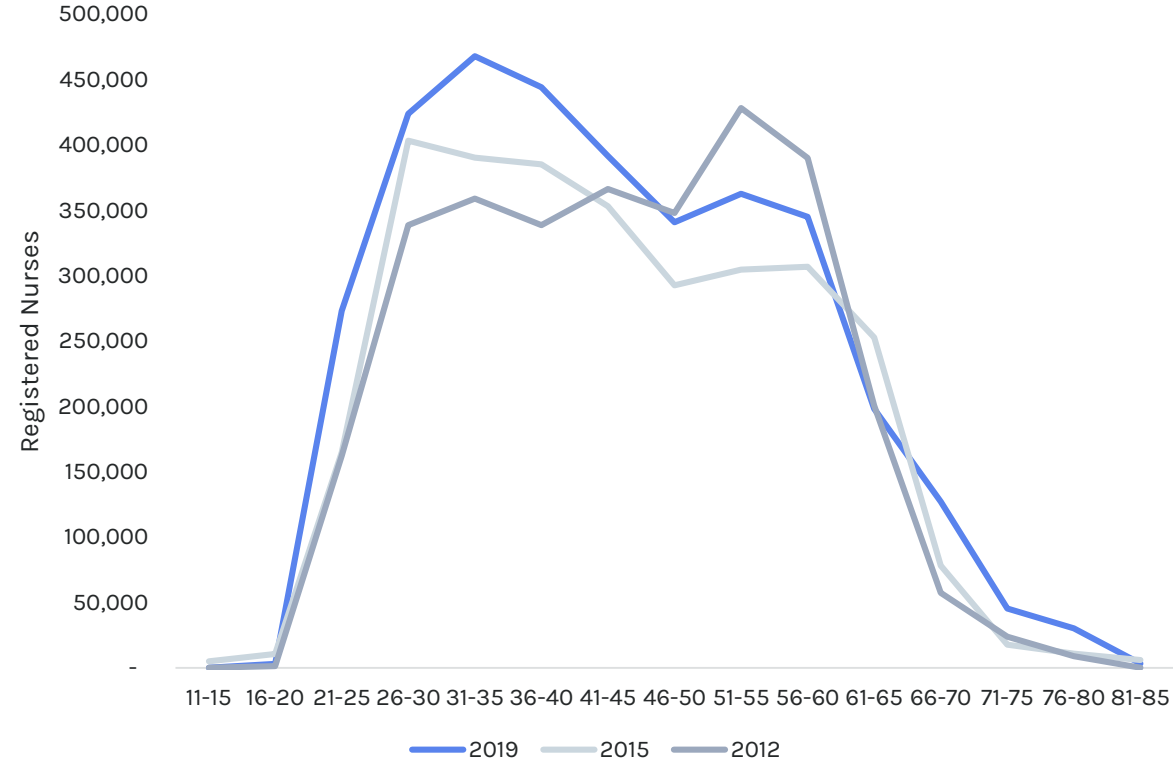
The Supply of Nurses Continues to Climb



Recent graduates typically lack the experience to fill most demand vacancies, although the graduating cohorts from 2013 and 2014 are likely now entering this career stage.

Current Population Survey

Registered Nurses by Age



While the nurse population is aging along with the broader workforce in the United States, in recent years it appears that the RN population is getting younger.

For more information, contact us at:

healthcareteam@hedgeye.com