

Economic Contribution Often Overlooked

In 2012, America's hospitals treated 133 million people in their emergency departments, provided care for 542 million other outpatients, performed almost 27 million surgeries, and delivered nearly 4 million babies. Every year, hospitals provide vital health care services like these to millions of people in thousands of communities. However, the importance of hospitals to their communities extends far beyond health care.

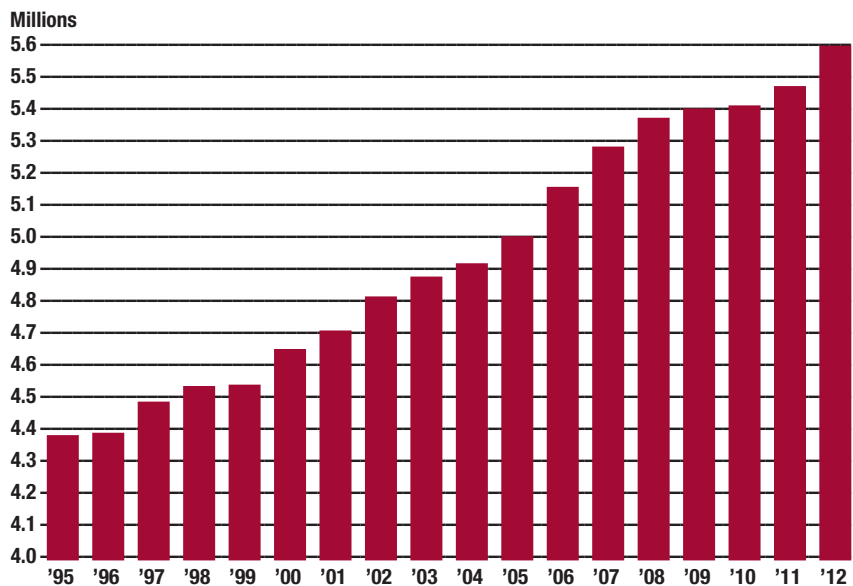
The health care sector has traditionally been an economic mainstay, providing stability and even growth during times of recession. Health care added an average of nearly 20 thousand jobs per month over the last decade.¹ Hospital care is an important component of the health care sector. Hospitals:

- Employ nearly 5.6 million people.
- Are the second largest source of private sector jobs.
- Spend over \$757 billion on goods and services from other businesses.

The goods and services hospitals purchase from other businesses create additional economic value for the community. With these “ripple effects” included, each hospital job supports about two more jobs and every dollar spent by a hospital supports roughly \$2.30 of additional business activity. Overall hospitals:

- Support over 15 million total jobs or one of 9 jobs in the U.S.
- Support nearly \$2.5 trillion in economic activity.

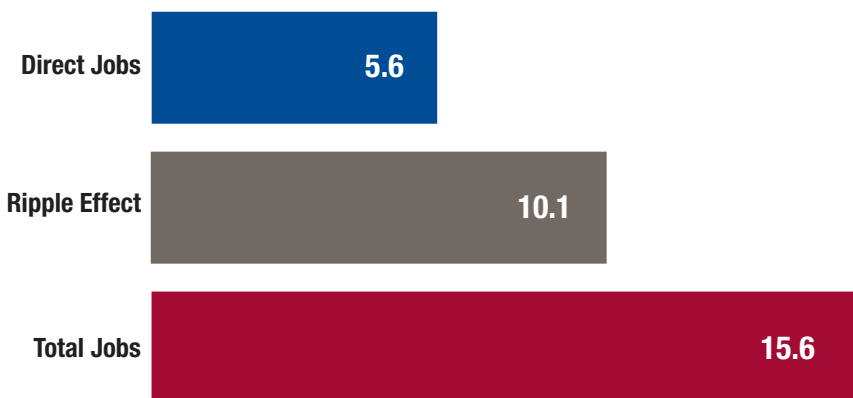
Hospitals directly employ nearly 5.6 million people . . . Number of Full-time and Part-time Hospital Employees 1995–2012



SOURCE: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, for community hospitals.

. . . but with “ripple effects” included support 15.6 million total jobs.

Impact of Community Hospitals on U.S. Jobs (in millions), 2012



SOURCE: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2012 American Hospital Association Annual Survey data.

¹Bureau of Labor Statistics.

Impact of Community Hospitals on U.S. Economy: All States, DC and Total U.S., 2012

State Name	Number of Hospital Jobs (FT and PT)	Multplier for Employment	Effect of Hospital Jobs on Total Jobs in State Economy	Percent of Total Employment Supported by Hospital Employment	Hospital Payroll and Benefits (\$ millions)	Multplier for Earnings	Effect of Hospital Payroll and Benefits on Total Labor Income (\$ millions)	Hospital Expenditures (\$ millions)	Multplier for Output	Effect of Hospital Expenditures on Total State Economic Output (\$ millions)
Alabama	81,104	2.0293	164,584	8.82%	\$4,407	1.6538	\$7,288	\$9,010	1.9782	\$17,823
Alaska	11,190	1.8145	20,304	6.18%	\$925	1.4829	\$1,372	\$1,766	1.7423	\$3,076
Arizona	82,960	2.3261	192,973	8.02%	\$5,750	1.7473	\$10,047	\$12,113	2.0921	\$25,341
Arkansas	50,683	1.8577	94,154	8.12%	\$2,657	1.5592	\$4,143	\$5,759	1.6417	\$10,607
California	520,641	2.3233	1,209,605	8.60%	\$43,638	1.8782	\$81,961	\$83,357	2.3155	\$193,013
Colorado	72,055	2.3607	170,100	7.54%	\$5,209	1.8929	\$9,860	\$10,942	2.3212	\$25,398
Connecticut	67,078	2.1168	141,991	8.75%	\$5,166	1.7191	\$8,881	\$9,795	2.0802	\$20,376
Delaware	21,339	2.0788	44,362	9.25%	\$1,495	1.5948	\$2,384	\$2,662	1.8667	\$5,050
District of Columbia	26,285	1.6374	43,039	5.91%	\$2,059	1.3241	\$2,726	\$3,938	1.3378	\$5,268
Florida	294,524	2.2413	660,117	9.08%	\$19,033	1.7906	\$34,061	\$40,816	2.1546	\$87,943
Georgia	138,334	2.3002	318,196	8.20%	\$8,646	1.8813	\$16,265	\$17,664	2.3035	\$40,689
Hawaii	18,151	2.1635	39,270	6.63%	\$1,508	1.6503	\$2,489	\$2,856	1.9679	\$5,620
Idaho	28,532	1.886	53,811	8.87%	\$1,580	1.5086	\$2,384	\$3,128	1.7539	\$5,486
Illinois	241,429	2.2589	545,364	9.63%	\$15,533	1.9129	\$29,713	\$31,915	2.3704	\$75,651
Indiana	129,882	2.0612	267,713	9.46%	\$8,390	1.7103	\$14,350	\$17,927	2.0808	\$37,302
Iowa	68,257	1.7103	116,740	7.90%	\$3,871	1.4704	\$5,682	\$7,710	1.7231	\$13,284
Kansas	54,967	1.7657	97,055	7.27%	\$3,347	1.5244	\$5,102	\$6,514	1.8186	\$11,846
Kentucky	81,522	2.0314	165,604	9.25%	\$4,831	1.6948	\$8,167	\$10,401	2.0341	\$21,156
Louisiana	88,300	1.9489	172,088	9.03%	\$4,965	1.6285	\$7,915	\$10,147	1.8985	\$21,264
Maine	35,789	2.1174	75,780	12.77%	\$2,400	1.6767	\$4,024	\$4,422	1.9987	\$8,838
Maryland	103,627	2.0626	213,741	8.39%	\$6,630	1.7266	\$11,448	\$13,808	2.0773	\$26,684
Massachusetts	182,811	2.1805	398,619	12.42%	\$11,758	1.8188	\$21,366	\$24,081	2.2142	\$53,319
Michigan	210,019	2.2037	462,819	11.76%	\$13,312	1.7709	\$23,574	\$27,293	2.139	\$55,380
Minnesota	120,905	2.235	270,223	10.10%	\$8,389	1.8076	\$15,128	\$15,089	2.2165	\$33,401
Mississippi	58,450	1.8678	109,173	10.02%	\$3,511	1.5474	\$5,433	\$6,983	1.8228	\$12,728
Missouri	140,819	2.1876	308,056	11.62%	\$8,506	1.8001	\$15,311	\$17,024	2.1788	\$37,092
Montana	23,463	1.8443	43,273	10.12%	\$1,390	1.474	\$2,049	\$2,661	1.7012	\$4,527
Nebraska	42,828	1.7205	73,666	7.81%	\$2,394	1.4993	\$3,569	\$4,972	1.7508	\$8,705
Nevada	26,196	2.2397	58,671	5.21%	\$2,217	1.6295	\$3,289	\$4,200	1.9298	\$8,105
New Hampshire	31,965	2.0467	65,423	10.44%	\$2,207	1.7353	\$3,882	\$4,025	2.007	\$8,078
New Jersey	143,927	2.2526	324,210	8.41%	\$10,380	1.8654	\$19,382	\$19,791	2.3092	\$45,701
New Mexico	28,198	2.0145	56,805	7.06%	\$1,958	1.5475	\$3,030	\$4,003	1.7898	\$7,165
New York	439,222	1.9938	875,721	10.08%	\$35,532	1.6732	\$59,445	\$62,123	2.0617	\$126,079
North Carolina	175,654	2.2429	393,974	10.04%	\$11,044	1.8107	\$19,998	\$22,660	2.212	\$50,123
North Dakota	25,478	1.6142	41,127	10.43%	\$1,290	1.4083	\$1,816	\$2,666	1.6154	\$4,307
Ohio	282,039	2.2008	620,711	12.21%	\$18,228	1.8469	\$33,665	\$35,772	2.2541	\$80,634
Oklahoma	60,049	1.9603	117,714	7.59%	\$3,393	1.6445	\$5,579	\$7,463	1.9496	\$14,549
Oregon	58,244	2.3049	134,247	8.30%	\$4,667	1.7395	\$8,118	\$9,103	2.082	\$18,952
Pennsylvania	285,487	2.2071	630,098	11.08%	\$17,494	1.8641	\$32,611	\$37,279	2.2768	\$84,878
Rhode Island	20,718	2.1003	43,514	9.46%	\$1,682	1.7022	\$2,863	\$3,068	2.0206	\$6,199
South Carolina	73,990	2.2139	163,806	8.94%	\$4,434	1.7258	\$7,652	\$9,730	2.1104	\$20,533
South Dakota	23,350	1.5601	36,428	8.97%	\$1,395	1.3914	\$1,941	\$2,495	1.6058	\$4,006
Tennessee	117,026	2.164	253,244	9.53%	\$6,769	1.8163	\$12,295	\$14,708	2.2215	\$32,674
Texas	343,203	2.2946	787,514	7.46%	\$23,728	1.8783	\$44,568	\$51,154	2.3343	\$119,409
Utah	41,007	2.3204	95,153	7.89%	\$2,346	1.847	\$4,332	\$5,117	2.2759	\$11,647
Vermont	14,557	1.9799	28,821	9.62%	\$1,113	1.551	\$1,726	\$1,931	1.7831	\$3,444
Virginia	113,880	2.0564	234,183	6.36%	\$7,756	1.7199	\$13,340	\$16,505	2.1081	\$34,795
Washington	113,054	2.2617	255,664	9.07%	\$8,580	1.7321	\$14,879	\$16,740	2.1029	\$35,202
West Virginia	44,397	1.8046	80,119	10.63%	\$2,465	1.5245	\$3,758	\$5,151	1.7444	\$8,986
Wisconsin	112,110	2.0695	232,012	8.47%	\$7,278	1.7308	\$12,598	\$15,602	2.0677	\$32,260
Wyoming	9,712	1.6148	15,663	5.49%	\$649	1.3738	\$891	\$1,182	1.5703	\$1,856
United States*	5,579,407	2.8048	15,649,121	11.70%	\$377,633	2.4031	\$997,489	\$757,200	3.2896	\$2,490,884

Source: Avalere Health, using BEA RIMS-II (2002/2010) multipliers for hospital NAICS Code 622, released 2012, applied to American Hospital Association Annual Survey data for 2012. Hospital jobs are total part time and full time jobs. Hospital labor income is defined as payroll plus benefits. The percent of total employment supported by direct and indirect hospital employment is based on 2012 BLS data. Expenditures are defined as total expenditures minus bad debt. In previous years, expenditures were defined as net patient revenue plus other operating revenue. *Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for the U.S. summary row. BEA RIMS-II (1997/2006) multipliers released in 2008 and applied to 2012 AHA annual survey data were used instead.