



TRENDWATCH CHARTBOOK 2007

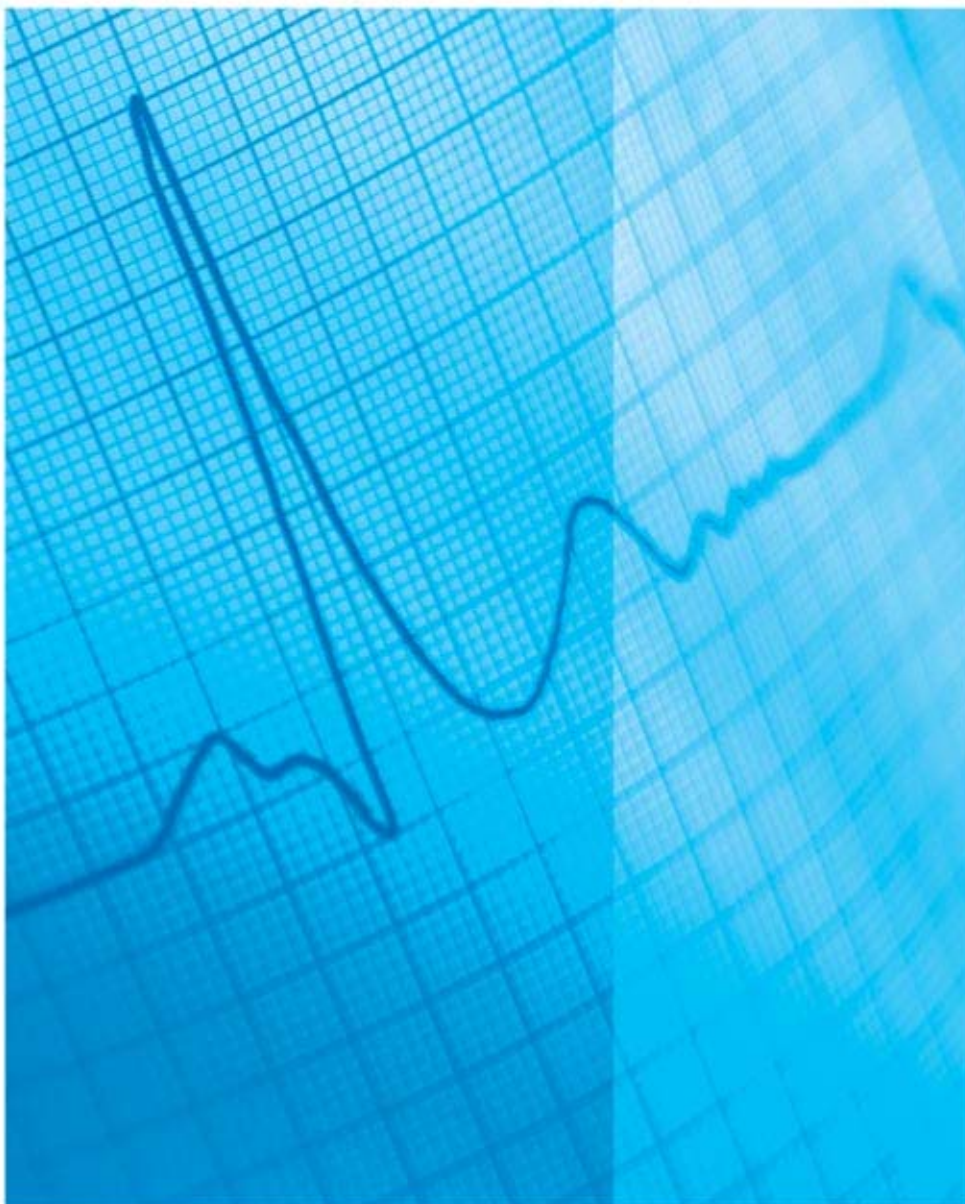
Trends Affecting Hospitals and Health Systems



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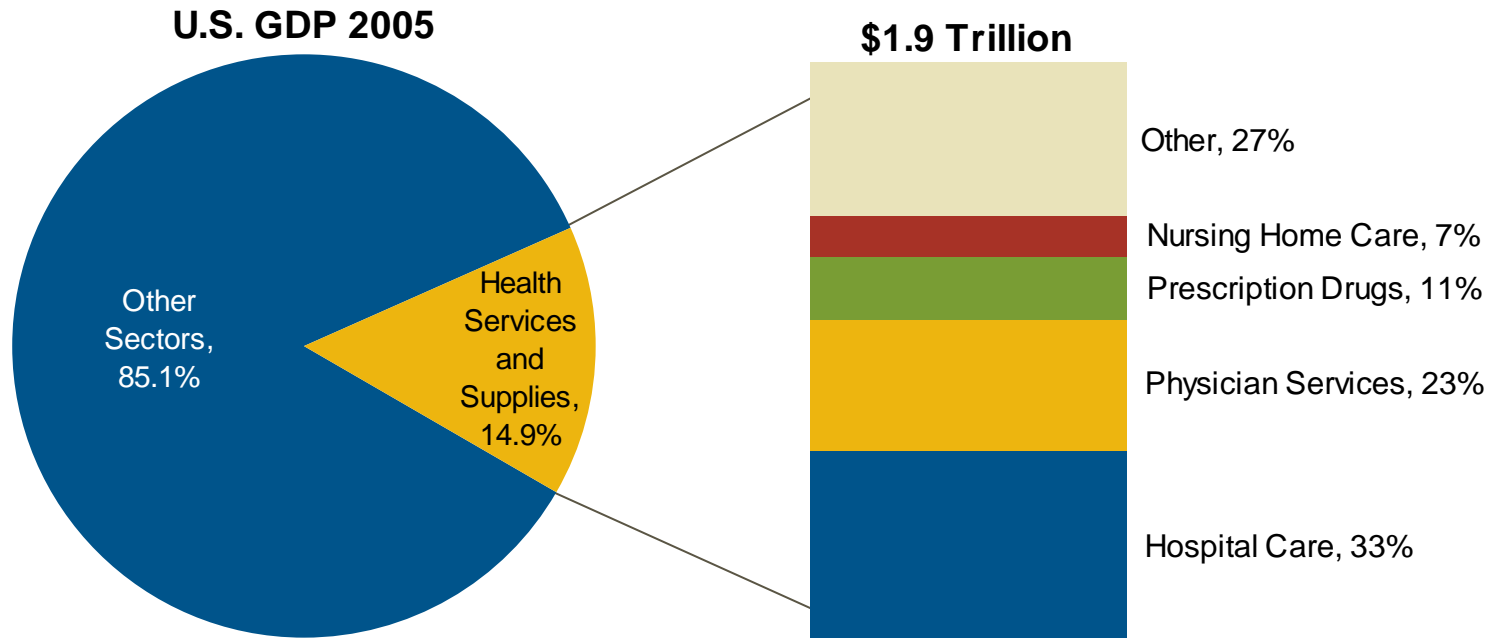
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CHAPTER 6

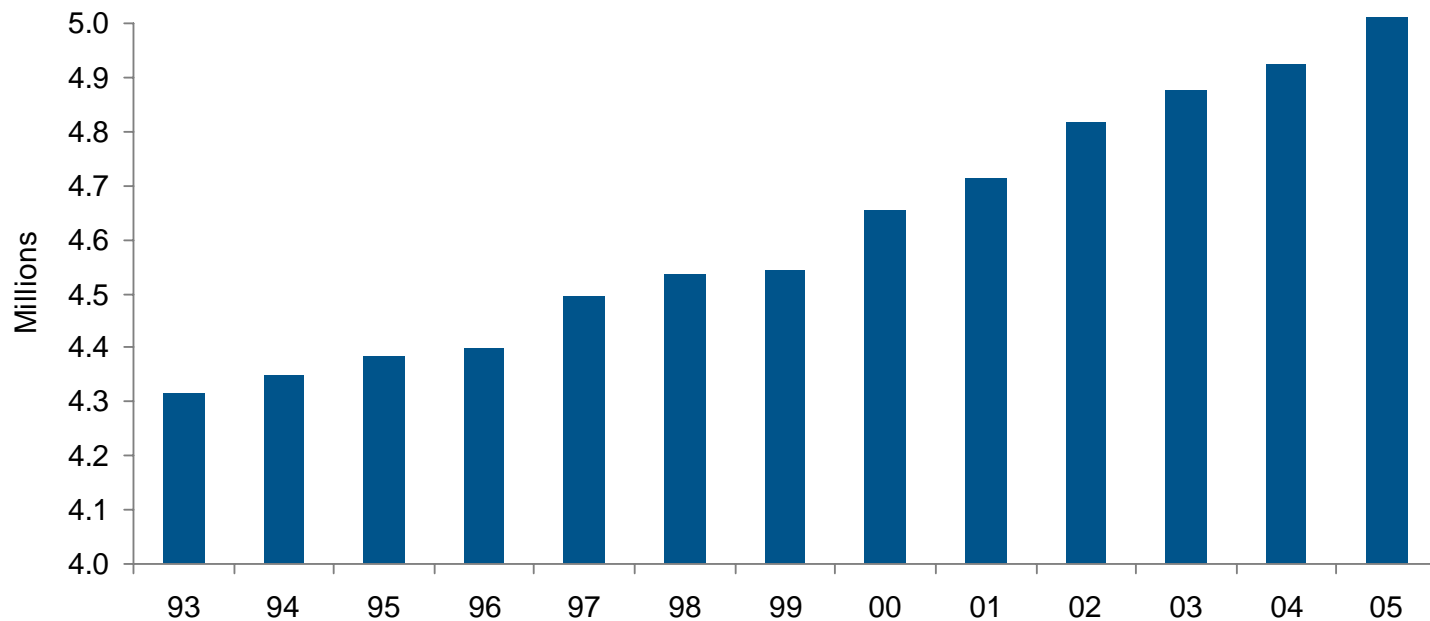
The Economic Contribution
of Hospitals

Chart 6.1: National Expenditures on Health Services and Supplies as a Percentage of Gross Domestic Product and Breakdown of National Expenditures on Health Services and Supplies, 2005



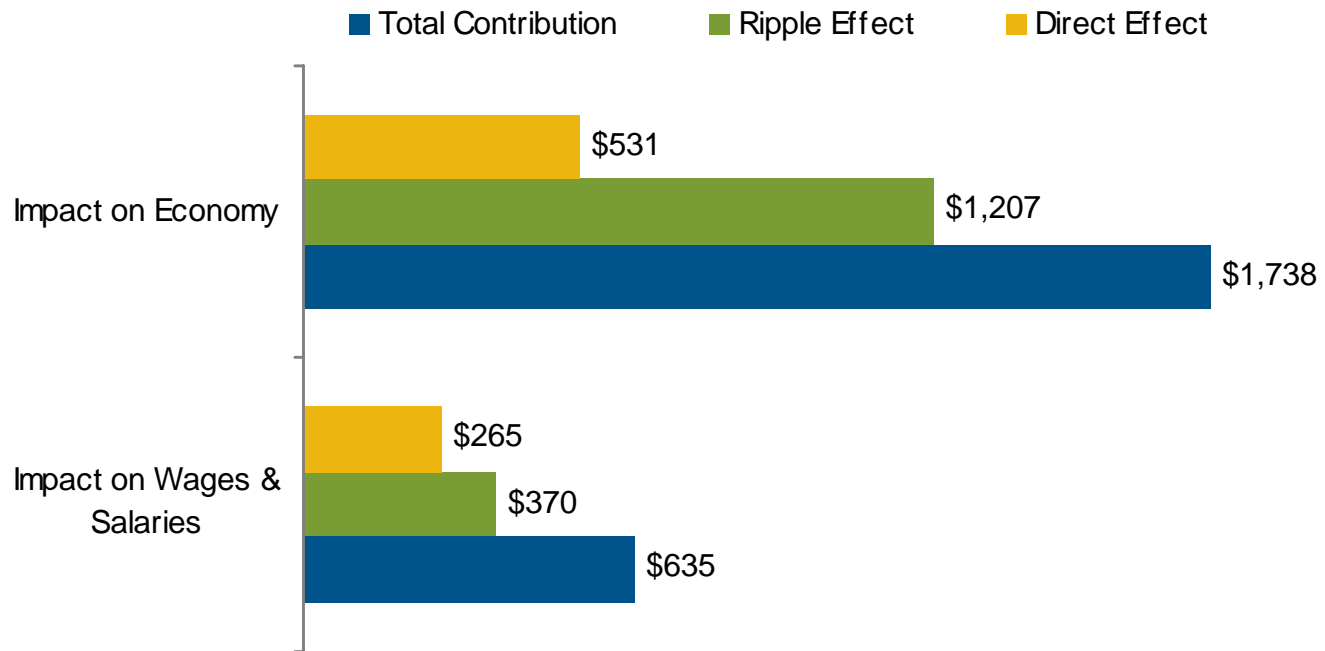
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 8, 2007.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2005



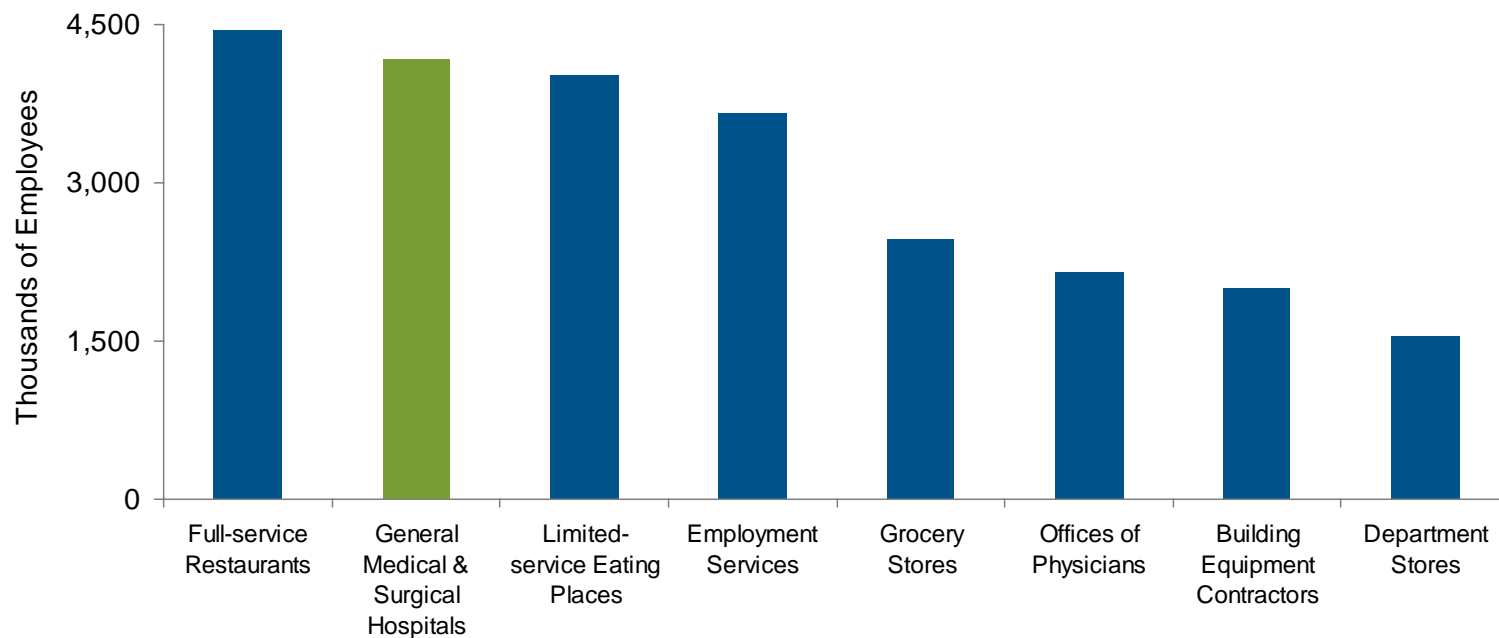
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2005, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2005



Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

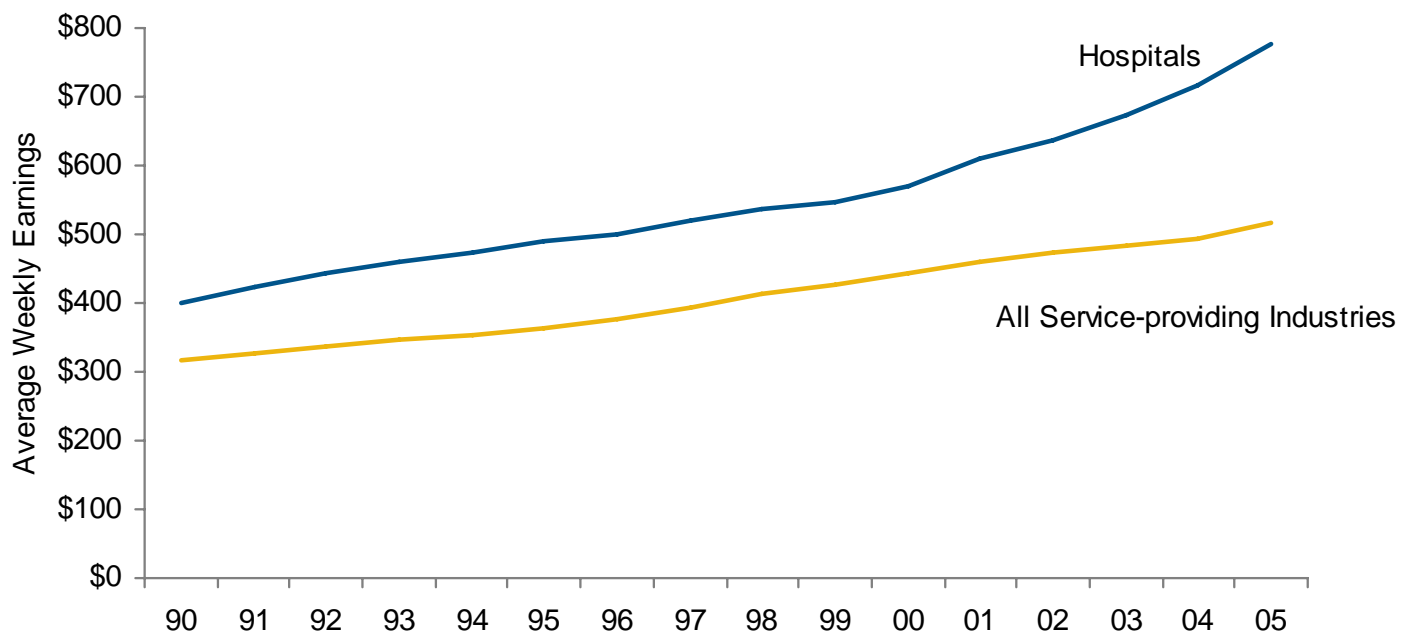
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2006⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2006 annual projections based on data as of November 2006.

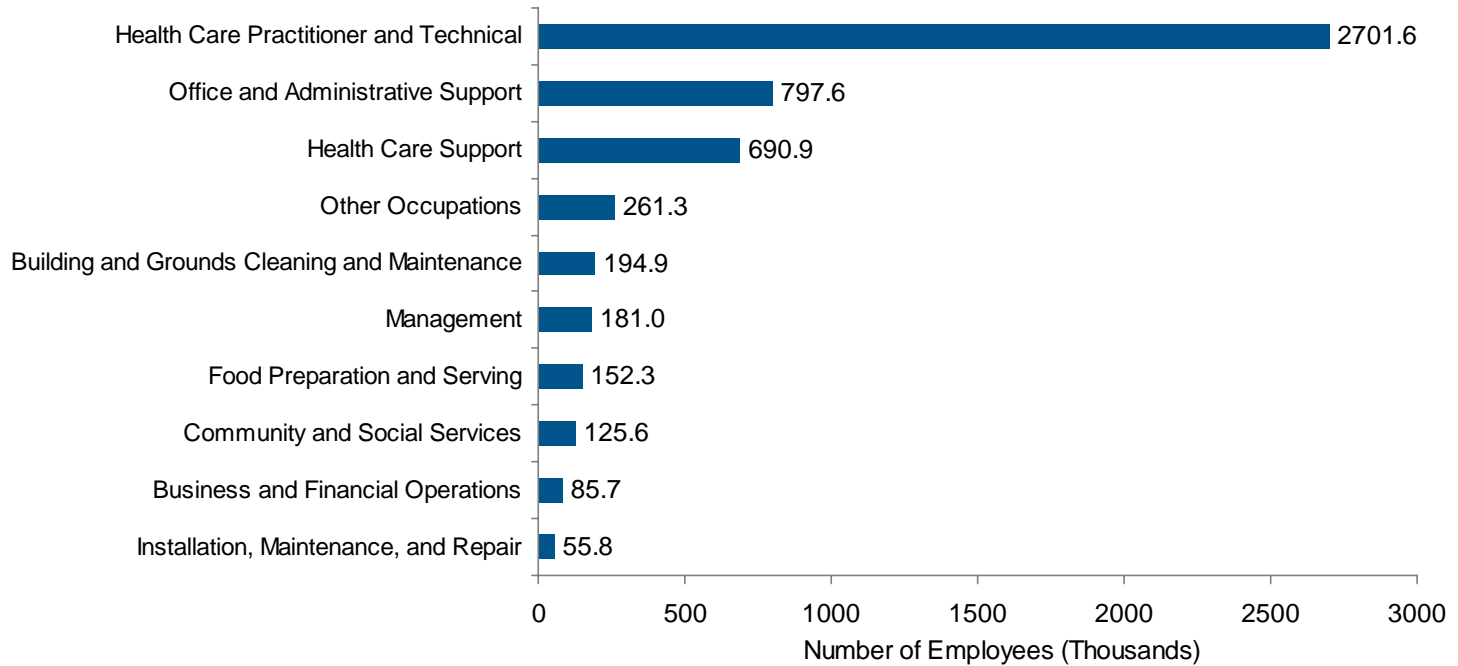
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2005



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2007.
Link: <http://www.bls.gov/ces>.

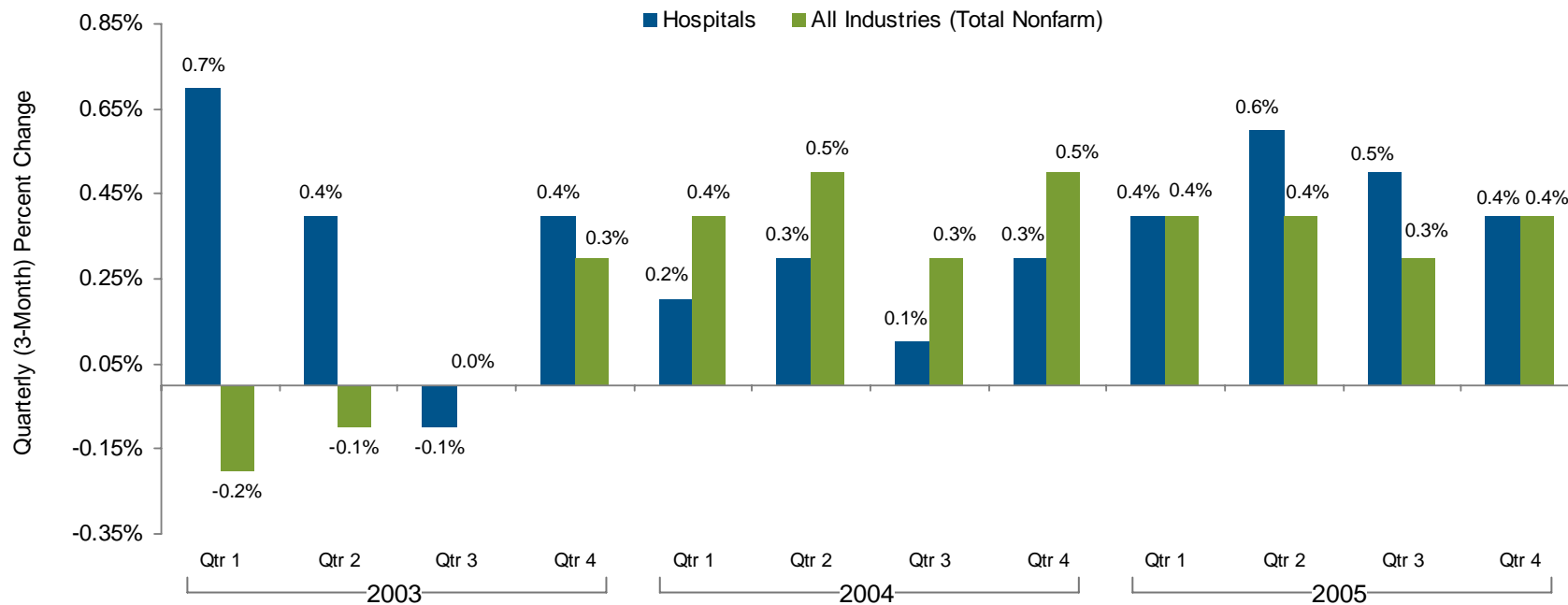
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2005



Source: Department of Labor, Bureau of Labor Statistics, 2005 National Industry-specific Occupational Employment and Wage. Data released May 2006. Link: http://www.bls.gov/oes/current/naics3_622000.htm.

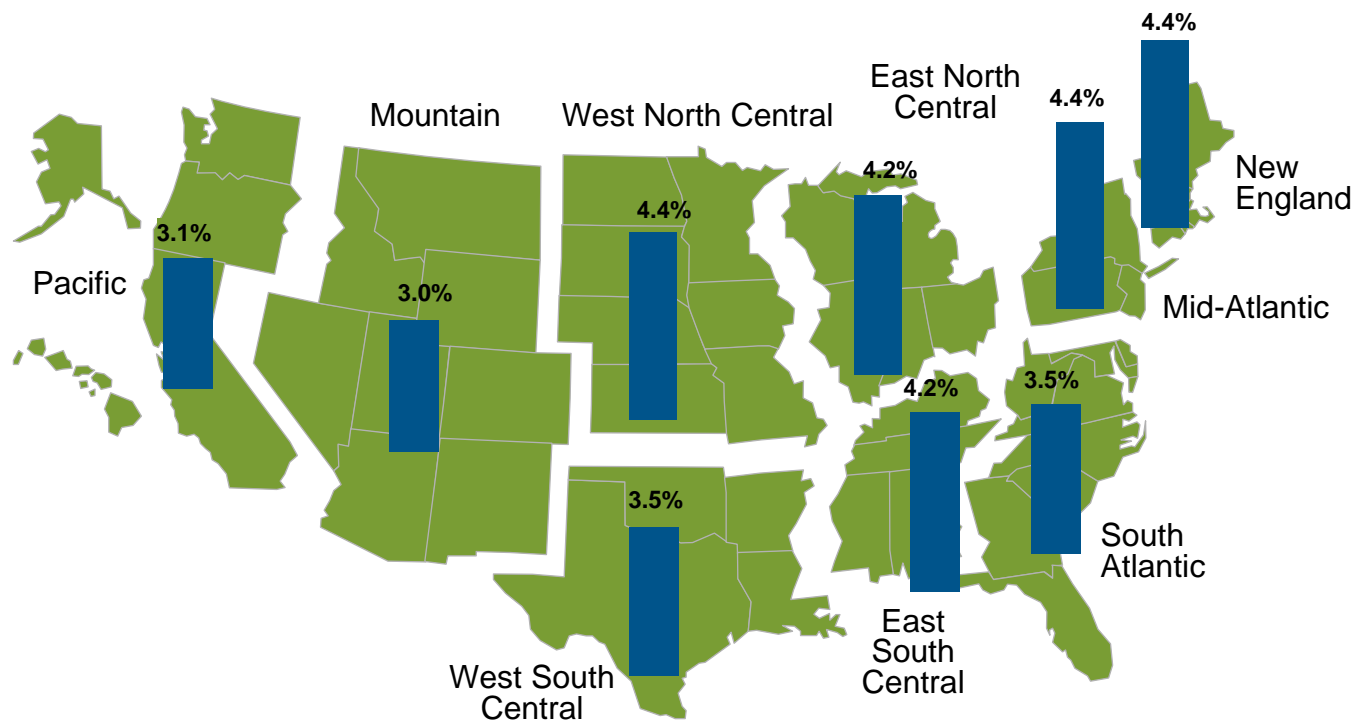
Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Nonfarm), 2003 – 2005



Source: Department of Labor, Bureau of Labor Statistics; Recession period defined by National Bureau of Economic Research. Link: <http://www.bls.gov/bls/employment.htm>.

*Note: 2005 Qtr 4 data are preliminary.

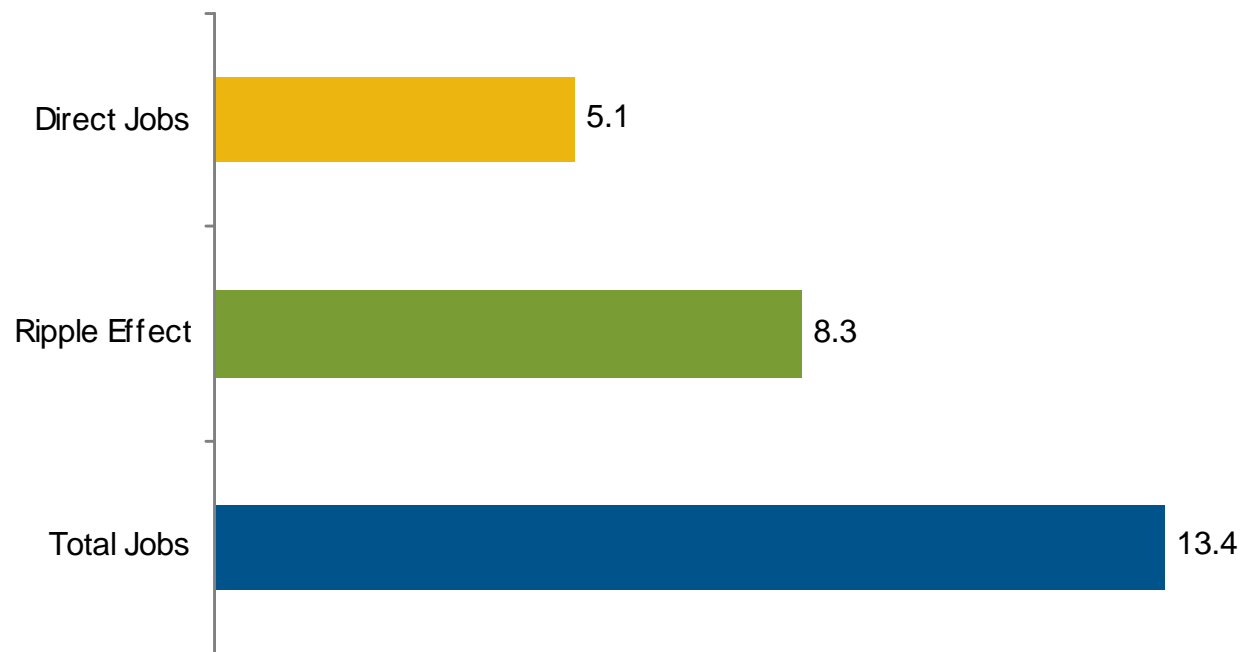
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2005



Source: Avalere Health analysis of American Hospital Association 2005 Annual Survey data and 2005 total nonfarm employment data from the Bureau of Labor Statistics.

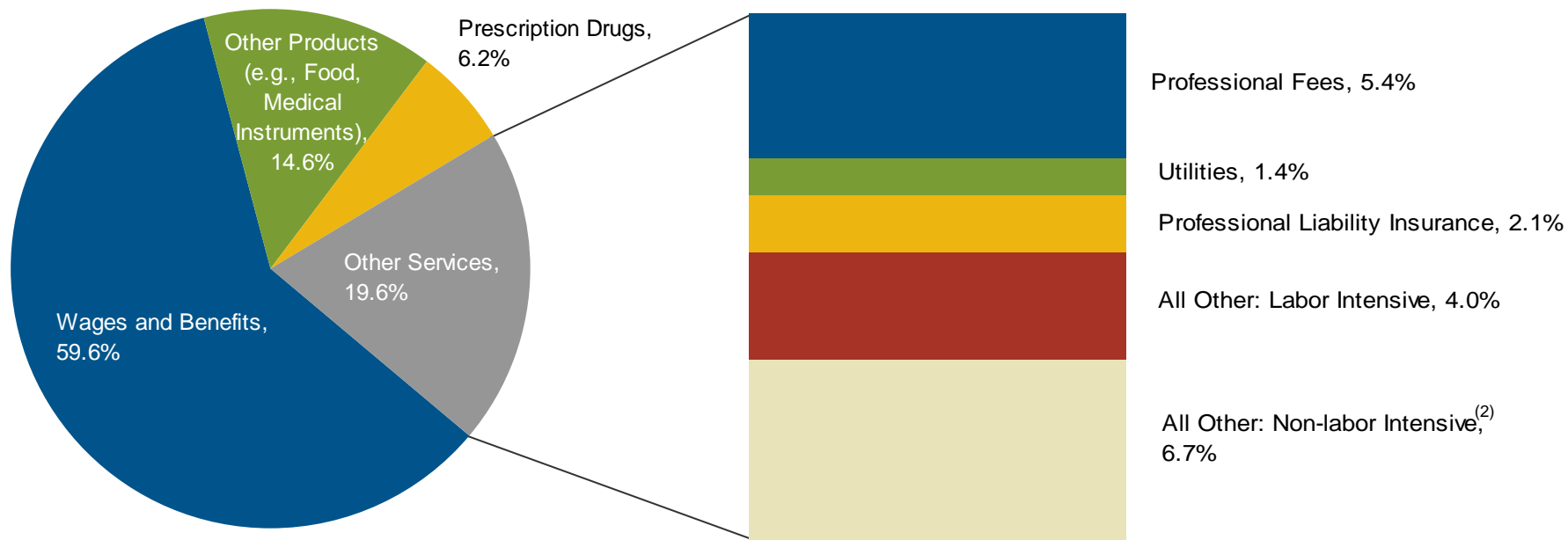
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2005



Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 3Q06



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2002 weights.

⁽¹⁾ Does not include capital.

⁽²⁾ Includes postage and telephone expenses.

Chart 6.11: Hospital Impact on Sectors of the U.S. Economy (in \$ billions), 2005

Industry	Economic Impact
Health care and social assistance	\$613.5
Manufacturing	260.0
Real estate and rental and leasing	164.3
Finance and insurance	110.7
Professional, scientific, and technical services	72.2
Retail trade	70.7
Wholesale trade	56.8
Information	56.7
Transportation and warehousing	54.0
Administrative and waste management services	53.9
Accommodation and food services	44.5
Other services	43.4
Management of companies and enterprises	34.9
Utilities	30.8
Agriculture, forestry, fishing, and hunting	25.5
Educational services	14.0
Arts, entertainment, and recreation	12.4
Mining	11.0
Construction	8.6
Total	\$1,738.0

Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers applied to 2005 American Hospital Association Annual Survey data.

Chart 6.12: Impact of Community Hospitals on U.S. Economy, All States, DC, and Total U.S., 2005

State Name	Number of Hospital Jobs (FT and PT)	Multiplier for Employment	Effect of Hospital Jobs on Total Jobs in State Economy	Percent of Total (Nonfarm) Employment Supported by Hospital Employment	Hospital Payroll and Benefits (\$ millions)	Multiplier for Earnings	Effect of Hospital Payroll and Benefits on Total Labor Income (\$ millions)	Hospital Expenditures* (\$ millions)	Multiplier for Output	Effect of Hospital Expenditures on Total Output in State Economy (\$ millions)
Alabama	81363	1.9853	161,530	8.31%	\$3,612	1.7237	\$6,227	\$7,491	2.1548	\$16,141
Alaska	10330	1.8461	19,070	6.15%	\$677	1.5342	\$1,039	\$1,269	1.8506	\$2,349
Arizona	76819	2.0650	158,631	6.33%	\$3,956	1.7674	\$6,992	\$8,828	2.1798	\$19,243
Arkansas	48210	1.8967	91,440	7.76%	\$2,077	1.6573	\$3,442	\$4,395	2.0409	\$8,969
California	446867	2.2245	994,056	6.72%	\$27,591	1.9842	\$54,747	\$53,292	2.5441	\$135,580
Colorado	60268	2.1893	131,945	5.93%	\$3,414	1.9280	\$6,582	\$7,172	2.4486	\$17,561
Connecticut	61623	1.8710	115,297	6.93%	\$3,724	1.7191	\$6,401	\$6,687	2.1328	\$14,262
Delaware	18828	1.8500	34,832	8.09%	\$995	1.6238	\$1,616	\$1,825	1.9878	\$3,627
District of Columbia	25260	1.5153	38,276	5.61%	\$1,452	1.3624	\$1,978	\$2,819	1.3847	\$3,904
Florida	265913	2.0447	543,712	6.96%	\$13,802	1.8217	\$25,143	\$29,329	2.2562	\$66,173
Georgia	137359	2.0836	286,201	7.15%	\$6,745	1.9270	\$12,997	\$13,740	2.4633	\$33,845
Hawaii	17410	2.0656	35,962	5.97%	\$986	1.7081	\$1,685	\$1,896	2.0881	\$3,959
Idaho	20835	2.0400	42,503	6.94%	\$982	1.6818	\$1,652	\$1,993	2.0307	\$4,047
Illinois	234081	2.1401	500,957	8.54%	\$11,935	1.9931	\$23,787	\$23,776	2.5867	\$61,502
Indiana	120368	1.9709	237,233	8.03%	\$5,873	1.7466	\$10,257	\$12,188	2.2106	\$26,944
Iowa	67775	1.8910	128,163	8.65%	\$2,886	1.6531	\$4,771	\$5,601	2.0401	\$11,426
Kansas	48896	1.8988	92,844	6.96%	\$2,249	1.6735	\$3,764	\$4,471	2.1111	\$9,439
Kentucky	78678	1.9172	150,841	8.26%	\$3,575	1.6973	\$6,068	\$7,784	2.1198	\$16,500
Louisiana	79555	1.9164	152,459	8.15%	\$3,542	1.6863	\$5,972	\$7,236	2.0425	\$14,780
Maine	31883	1.9918	63,505	10.38%	\$1,476	1.6760	\$2,474	\$2,948	2.0402	\$6,015
Maryland	85075	2.0059	170,652	6.68%	\$4,530	1.7776	\$8,052	\$9,303	2.2186	\$20,639
Massachusetts	148412	2.0029	297,254	9.30%	\$8,164	1.8244	\$14,894	\$16,399	2.2812	\$37,408
Michigan	195595	1.9510	381,606	8.70%	\$9,935	1.7710	\$17,596	\$19,389	2.2002	\$42,659
Minnesota	108940	2.0869	227,347	8.39%	\$5,629	1.8476	\$10,400	\$10,557	2.3286	\$24,584
Mississippi	53264	1.8687	99,534	8.81%	\$2,424	1.6221	\$3,932	\$4,687	1.9956	\$9,353
Missouri	127180	2.0446	260,032	9.53%	\$6,123	1.8053	\$11,054	\$12,784	2.2746	\$29,079
Montana	20098	1.9263	38,715	9.20%	\$887	1.6106	\$1,428	\$1,730	1.9414	\$3,359
Nebraska	39507	1.9628	77,544	8.29%	\$1,833	1.7053	\$3,125	\$3,814	2.1058	\$8,032
Nevada	22432	1.8888	42,370	3.46%	\$1,464	1.6270	\$2,383	\$3,055	1.9712	\$6,021
New Hampshire	26849	1.9428	52,162	8.22%	\$1,435	1.7634	\$2,530	\$2,693	2.1162	\$5,699
New Jersey	142709	2.0906	298,347	7.38%	\$8,215	1.8933	\$15,554	\$15,241	2.4418	\$37,215
New Mexico	28228	2.0295	57,289	7.08%	\$1,423	1.6451	\$2,341	\$2,614	1.9703	\$5,150
New York	385939	1.8641	719,429	8.44%	\$24,785	1.7041	\$42,236	\$43,978	2.1601	\$94,996
North Carolina	155674	2.1035	327,460	8.37%	\$7,648	1.8342	\$14,029	\$15,313	2.3281	\$35,651
North Dakota	19580	1.8212	35,659	10.34%	\$832	1.5710	\$1,307	\$1,552	1.8749	\$2,909
Ohio	251316	2.0810	522,989	9.63%	\$12,536	1.8413	\$23,082	\$25,153	2.3360	\$58,757
Oklahoma	52850	2.0698	109,389	7.24%	\$2,536	1.7698	\$4,488	\$5,521	2.2116	\$12,211
Oregon	55842	2.1484	119,971	7.23%	\$3,081	1.7521	\$5,399	\$5,869	2.1742	\$12,760
Pennsylvania	270341	2.1222	573,718	10.06%	\$12,880	1.9187	\$24,712	\$27,089	2.4638	\$66,743
Rhode Island	20972	1.9258	40,388	8.22%	\$1,243	1.6743	\$2,080	\$2,267	2.0321	\$4,606
South Carolina	66812	2.0241	135,234	7.27%	\$3,473	1.7362	\$6,031	\$7,383	2.2036	\$16,270
South Dakota	20009	1.8344	36,705	9.42%	\$869	1.5828	\$1,376	\$1,657	1.9118	\$3,168
Tennessee	105331	2.0989	221,079	8.06%	\$5,177	1.8483	\$9,568	\$10,900	2.3749	\$25,886
Texas	317239	2.2853	724,986	7.45%	\$16,521	1.9568	\$32,328	\$34,810	2.5476	\$88,683
Utah	36163	2.1744	78,633	6.84%	\$1,585	1.8894	\$2,995	\$3,624	2.4066	\$8,723
Vermont	12567	1.8778	23,598	7.73%	\$743	1.5859	\$1,179	\$1,247	1.8754	\$2,339
Virginia	103981	1.8853	196,035	5.34%	\$5,248	1.7597	\$9,234	\$11,802	2.2473	\$26,523
Washington	86303	2.0919	180,537	6.50%	\$5,212	1.7927	\$9,344	\$10,148	2.2544	\$22,878
West Virginia	40607	1.7996	73,076	9.79%	\$1,883	1.5502	\$2,920	\$3,765	1.8278	\$6,881
Wisconsin	106486	1.9889	211,790	7.46%	\$5,140	1.7472	\$8,980	\$11,011	2.1748	\$23,947
Wyoming	8472	1.7593	14,905	5.67%	\$409	1.4752	\$603	\$780	1.7388	\$1,356
U.S.	5,047,094	2.6601	13,425,775	10.06%	\$265,412	2.3935	\$635,263	\$530,877	3.2738	\$1,737,984

Source: Avalere Health, using BEA RIMS-II (1997/2004) multipliers for hospital NAICS Code 622, released 2006, applied to American Hospital Association Annual Survey data for 2005. 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 2005 BLS data.

*Expenditures are defined as net patient revenue + other operating revenue.

