



TRENDWATCH CHARTBOOK 2008

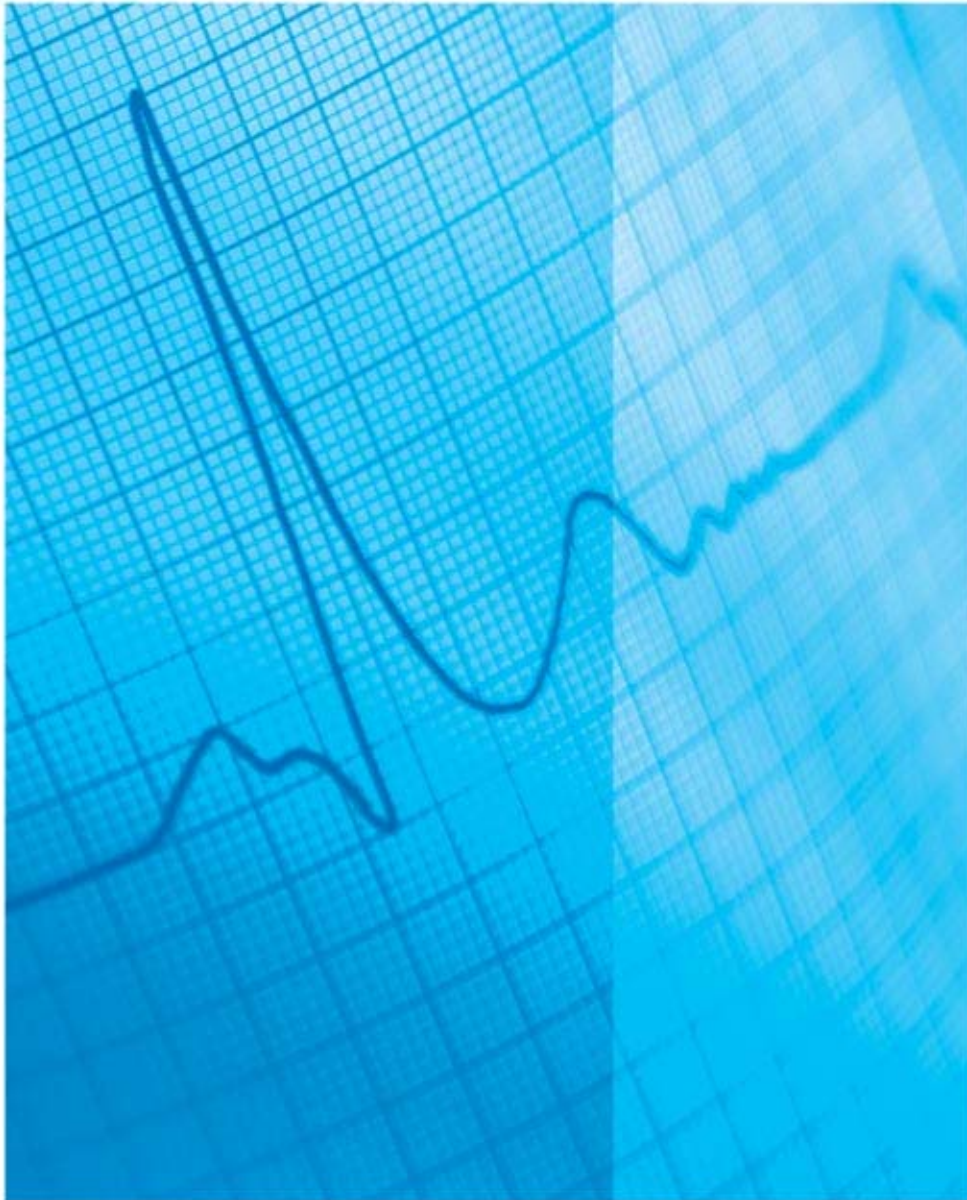


Trends Affecting Hospitals and Health Systems

TABLE OF CONTENTS

CHAPTER 6.0: **The Economic Contribution of Hospitals**

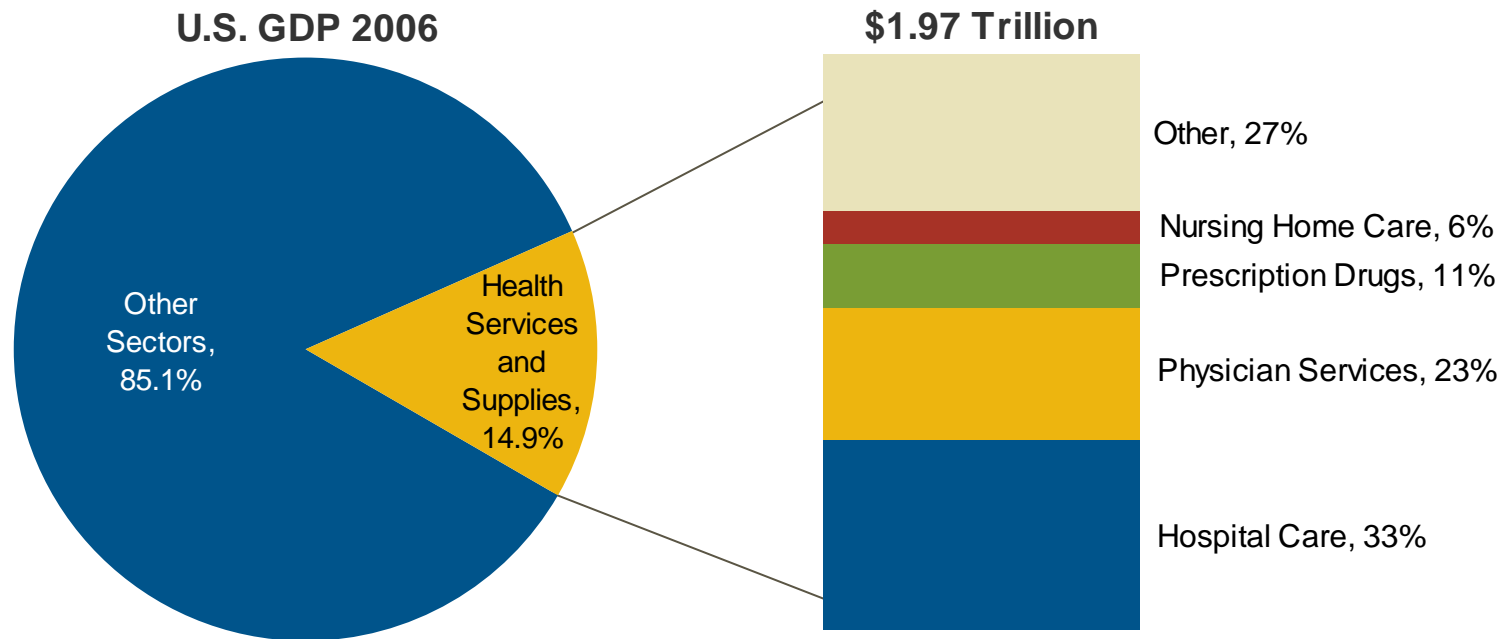
- Chart 6.1: National Expenditures on Health Services and Supplies as a Percentage of Gross Domestic Product and Breakdown of National Expenditures on Health Services and Supplies, 2006
- Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2006
- Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2006
- Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2007
- Chart 6.5: Average Weekly Earnings of Workers, Hospitals vs. All Service-providing Industries, 1990 – 2006
- Chart 6.6: Hospital Employment by Occupation Type, 2006
- Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Nonfarm), 2005 – 2007
- Chart 6.8: Percent of Total Regional Employment by Hospitals, 2006
- Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2006
- Chart 6.10: Percent of Hospital Costs by Type of Expenses, 2Q07
- Chart 6.11: Hospital Impact on Sectors of the U.S. Economy (in \$ billions), 2006
- Chart 6.12: Impact of Community Hospitals on U.S. Economy, All States, DC and Total U.S., 2006



CHAPTER 6

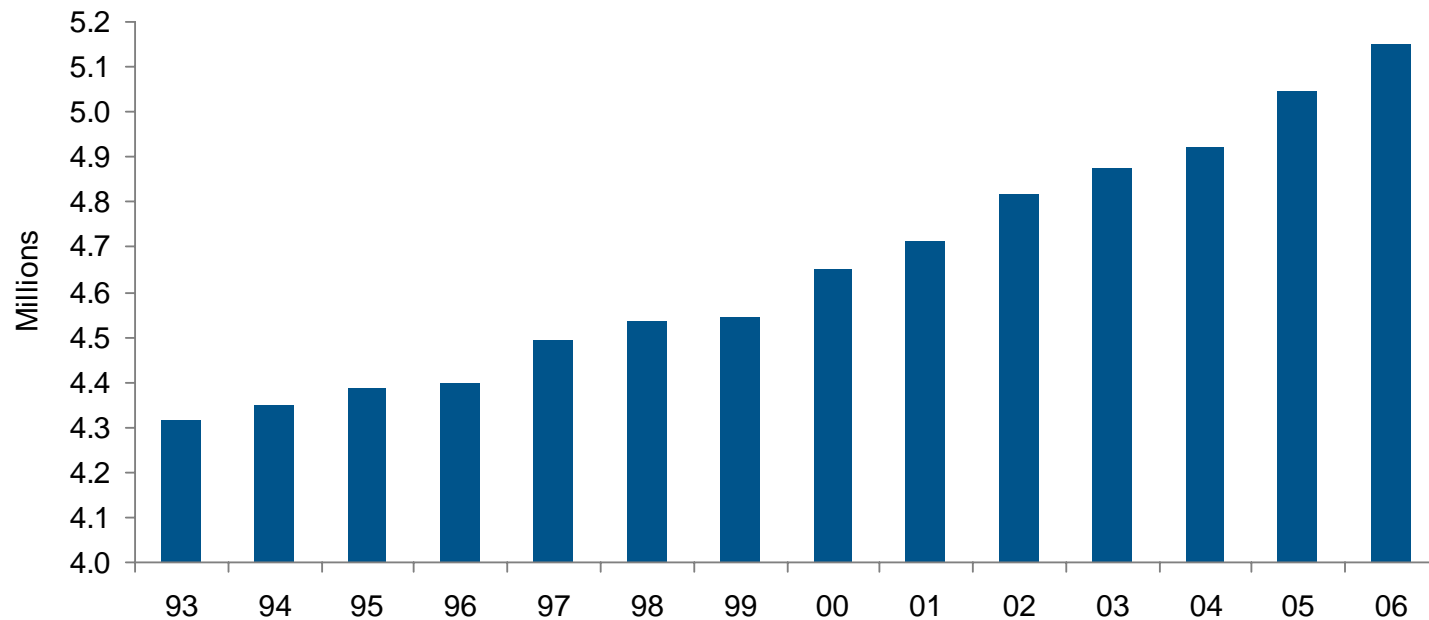
The Economic Contribution
of Hospitals

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, 2006



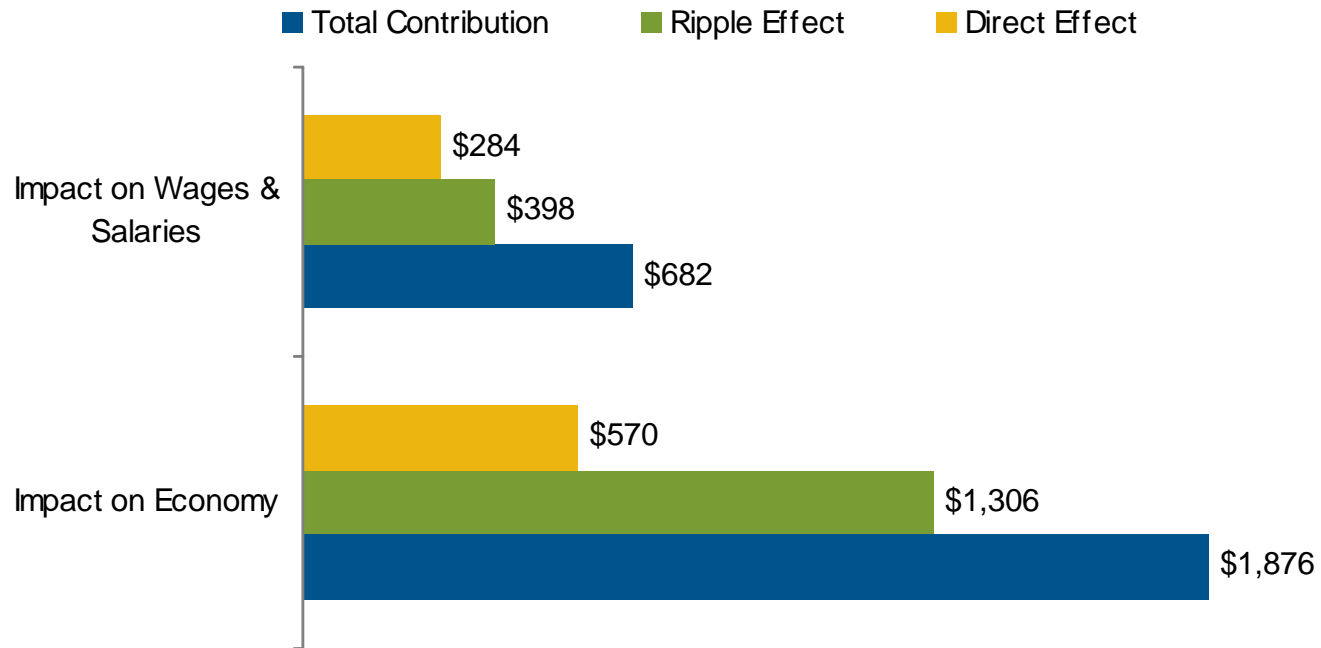
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2008.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2006



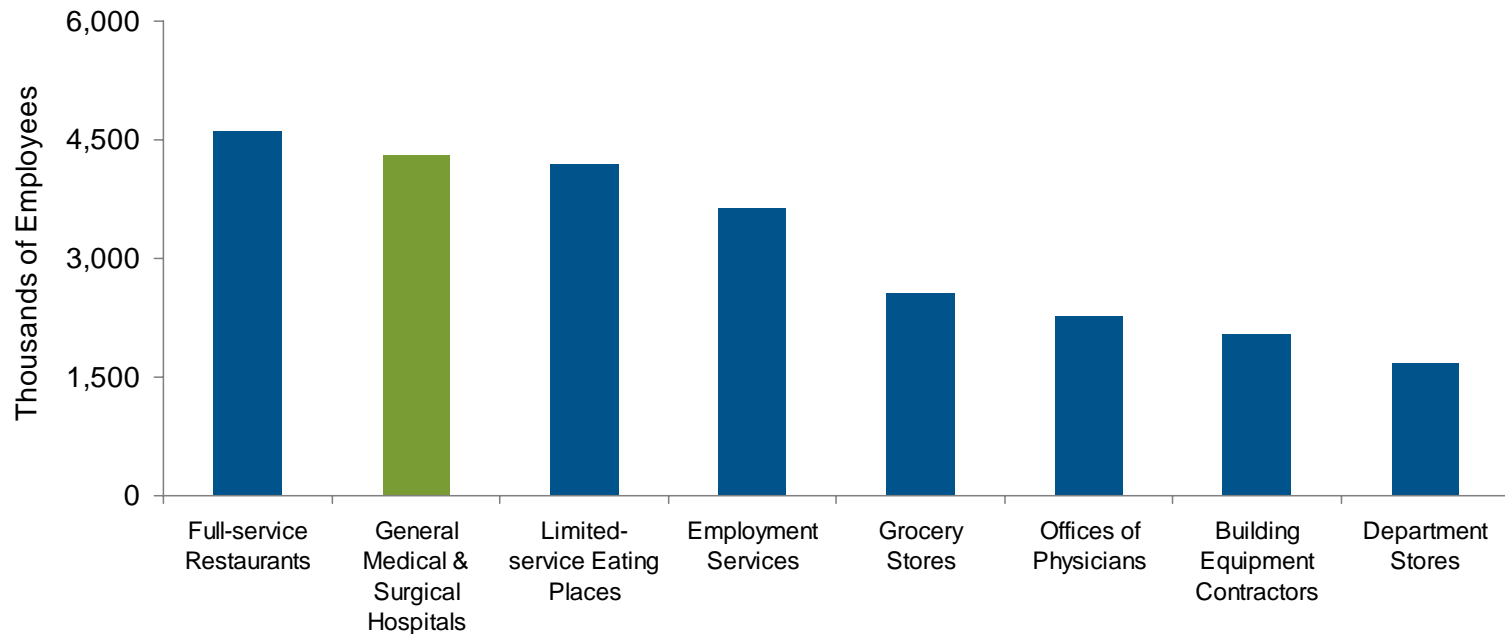
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2006, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy
(in \$ billions), 2006



Source: Avalere Health, using BEA RIMS-II (1997/2005) multipliers applied to 2006 American Hospital Association Annual Survey data.

Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2007⁽¹⁾

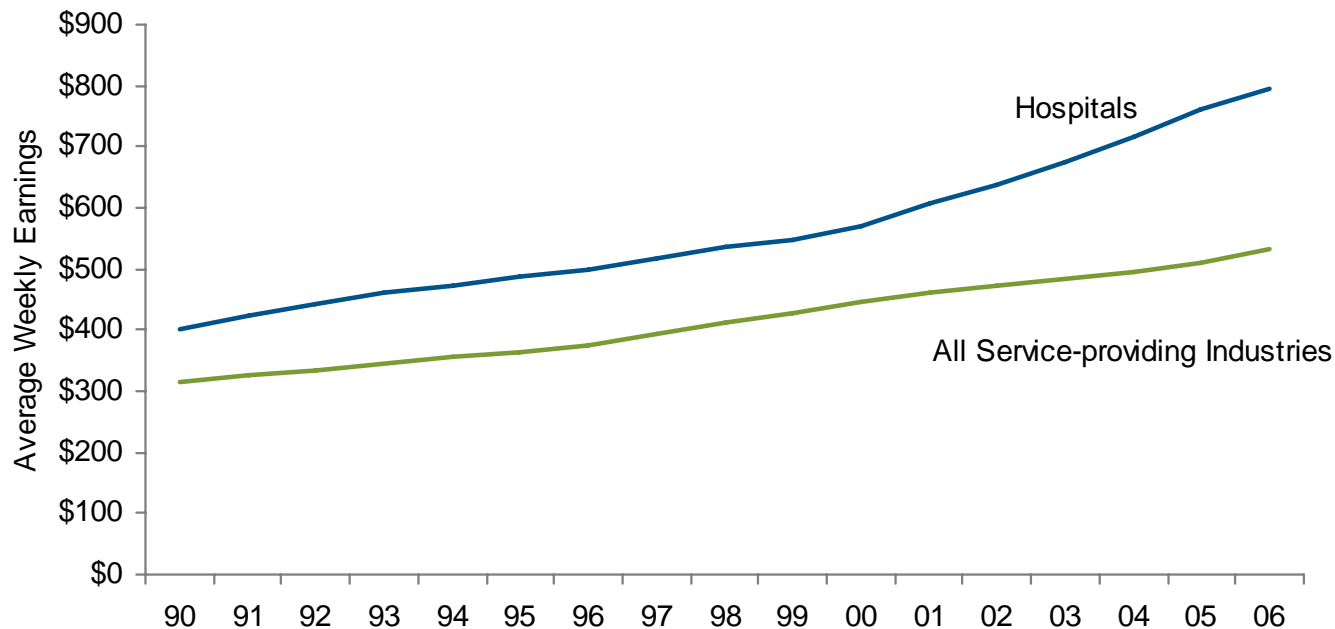


Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2008.

Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2007 annual projections based on data as of November 2007.

Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2006

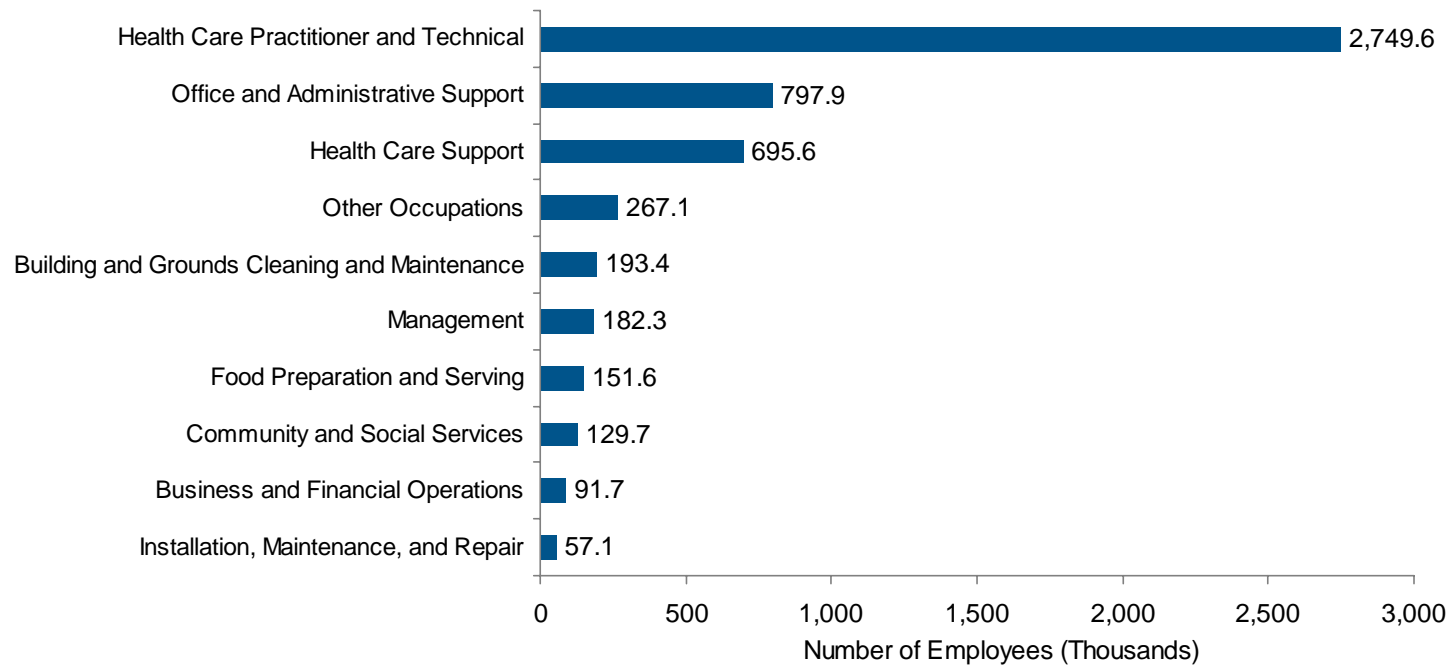


Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2008.

Link: <http://www.bls.gov/ces>.

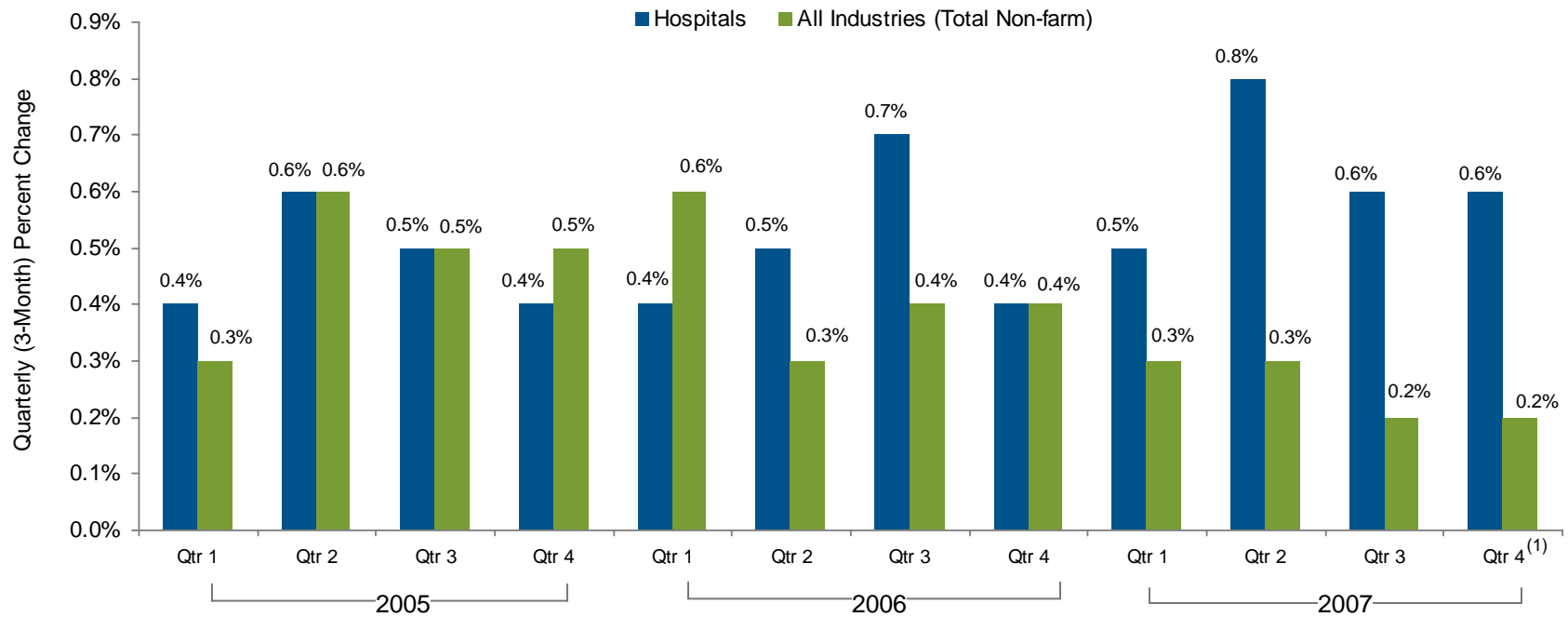
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2006



Source: Department of Labor, Bureau of Labor Statistics, 2006 National Industry-specific Occupational Employment and Wage. Data released May 2007. Link: http://www.bls.gov/oes/current/naics3_622000.htm.

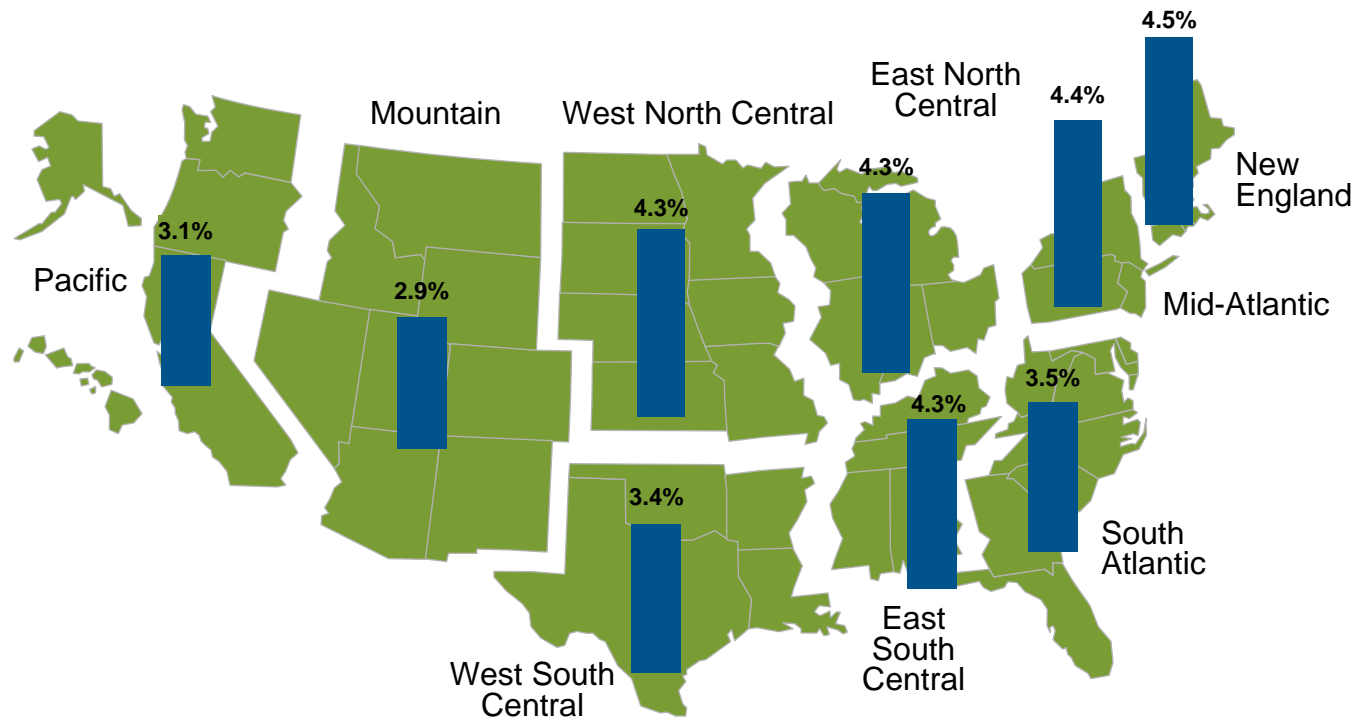
Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2005 – 2007



Source: Department of Labor, Bureau of Labor Statistics. Link: <http://www.bls.gov/bls/employment.htm>.

⁽¹⁾ 2007 Qtr 4 data are preliminary.

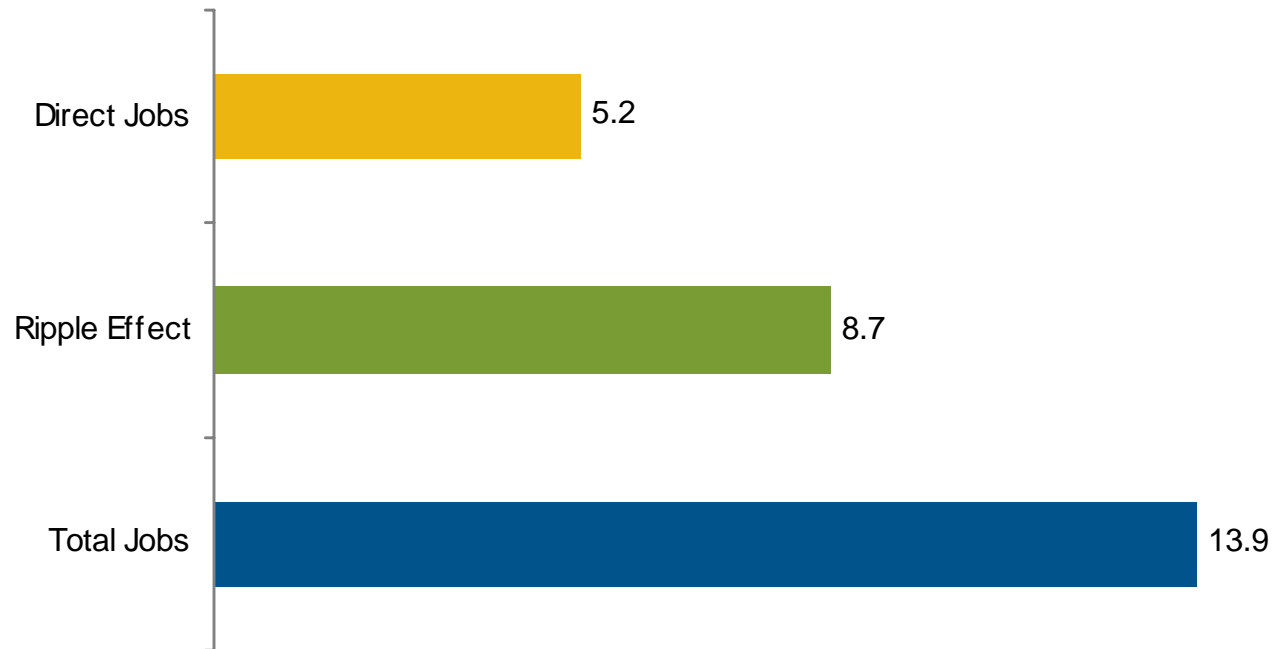
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2006



Source: Avalere Health analysis of American Hospital Association 2006 Annual Survey data and 2006 total non-farm 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), 2006



Source: Avalere Health, using BEA RIMS-II (1997/2005) multipliers applied to 2006 American Hospital Association Annual Survey data.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 2Q07



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), 2006

Industry	Economic Impact
Health care and social assistance	\$659.5
Manufacturing	281.1
Real estate and rental and leasing	177.7
Finance and insurance	119.9
Professional, scientific and technical services	78.0
Retail trade	76.7
Wholesale trade	61.4
Information	61.4
Transportation and warehousing	58.4
Administrative and waste management services	58.1
Accommodation and food services	48.2
Other services	47.1
Management of companies and enterprises	37.7
Utilities	33.4
Agriculture, forestry, fishing and hunting	27.6
Educational services	15.1
Arts, entertainment, and recreation	13.4
Mining	11.9
Construction	9.3
Total	\$1,875.8

Source: Avalere Health, using BEA RIMS-II (1997/2005) multipliers applied to 2006 American Hospital Association Annual Survey data.

Chart 6.12: Impact of Community Hospitals on U.S. Economy; All States, DC and Total U.S., 2006

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 (Non-farm) 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	83,823	1.9673	164,905	8.32%	\$3,716	1.7256	\$6,412	\$7,895	2.1553	\$17,016
Alaska	10,972	1.8833	20,664	6.56%	\$752	1.5404	\$1,158	\$1,440	1.8578	\$2,674
Arizona	77,772	2.0659	160,669	6.08%	\$4,390	1.7575	\$7,715	\$9,498	2.1687	\$20,598
Arkansas	48,496	1.9083	92,545	7.71%	\$2,183	1.6570	\$3,617	\$4,571	2.0430	\$9,339
California	470,001	2.2396	1,052,614	6.98%	\$29,524	1.9783	\$58,407	\$57,500	2.5385	\$145,964
Colorado	62,374	2.2153	138,177	6.06%	\$3,702	1.9505	\$7,221	\$7,914	2.4787	\$19,617
Connecticut	63,860	1.8816	120,159	7.15%	\$3,927	1.7173	\$6,745	\$7,117	2.1326	\$15,178
Delaware	18,315	1.8634	34,128	7.82%	\$1,049	1.6184	\$1,698	\$1,894	1.9732	\$3,737
District of Columbia	25,590	1.5373	39,340	5.72%	\$1,607	1.3705	\$2,202	\$3,048	1.3911	\$4,239
Florida	266,870	2.0257	540,599	6.75%	\$14,762	1.8039	\$26,629	\$31,322	2.2321	\$69,913
Georgia	136,728	2.1334	291,696	7.14%	\$7,015	1.9374	\$13,590	\$14,325	2.4788	\$35,508
Hawaii	16,973	2.0943	35,547	5.76%	\$1,062	1.7063	\$1,811	\$2,003	2.0856	\$4,177
Idaho	21,626	2.0268	43,832	6.85%	\$1,056	1.6801	\$1,774	\$2,254	2.0409	\$4,600
Illinois	237,782	2.1803	518,436	8.74%	\$12,498	2.0037	\$25,043	\$24,244	2.6046	\$63,147
Indiana	124,713	2.0080	250,424	8.42%	\$6,396	1.7551	\$11,226	\$13,262	2.2268	\$29,533
Iowa	68,791	1.9108	131,446	8.75%	\$3,057	1.6650	\$5,090	\$5,983	2.0554	\$12,297
Kansas	49,275	1.9324	95,219	7.03%	\$2,408	1.6914	\$4,073	\$4,847	2.1363	\$10,356
Kentucky	78,692	1.9542	153,780	8.33%	\$3,834	1.7150	\$6,576	\$8,594	2.1431	\$18,418
Louisiana	82,640	2.0044	165,644	8.92%	\$3,812	1.7314	\$6,600	\$7,692	2.1075	\$16,212
Maine	32,779	2.0346	66,692	10.85%	\$1,627	1.6824	\$2,737	\$3,171	2.0564	\$6,520
Maryland	88,333	2.0238	178,768	6.91%	\$4,841	1.7899	\$8,666	\$10,120	2.2321	\$22,588
Massachusetts	157,105	2.0248	318,106	9.81%	\$9,150	1.8252	\$16,700	\$18,516	2.2851	\$42,311
Michigan	200,723	2.0031	402,068	9.26%	\$10,920	1.7785	\$19,421	\$21,187	2.2095	\$46,813
Minnesota	107,704	2.1564	232,253	8.41%	\$5,982	1.8575	\$11,112	\$11,335	2.3496	\$26,632
Mississippi	54,986	1.8829	103,533	9.06%	\$2,630	1.6302	\$4,287	\$5,238	2.0105	\$10,531
Missouri	127,691	2.0651	263,695	9.51%	\$6,170	1.8165	\$11,208	\$13,886	2.2909	\$31,812
Montana	20,140	1.9512	39,297	9.06%	\$969	1.6224	\$1,573	\$1,892	1.9664	\$3,720
Nebraska	40,989	1.9455	79,744	8.42%	\$1,975	1.7060	\$3,369	\$4,182	2.1064	\$8,809
Nevada	21,822	1.9102	41,684	3.25%	\$1,540	1.6205	\$2,496	\$3,080	1.9644	\$6,050
New Hampshire	27,306	1.9646	53,645	8.39%	\$1,633	1.7711	\$2,893	\$3,072	2.1229	\$6,523
New Jersey	141,201	2.1060	297,369	7.30%	\$8,705	1.8925	\$16,474	\$15,837	2.4329	\$38,530
New Mexico	26,878	2.0523	55,162	6.62%	\$1,407	1.6443	\$2,314	\$2,674	1.9675	\$5,262
New York	394,238	1.8775	740,182	8.59%	\$26,469	1.7057	\$45,148	\$47,152	2.1628	\$101,980
North Carolina	157,787	2.1212	334,698	8.32%	\$8,202	1.8418	\$15,106	\$16,751	2.3413	\$39,220
North Dakota	19,673	1.8537	36,468	10.33%	\$891	1.5887	\$1,415	\$1,636	1.9036	\$3,115
Ohio	252,032	2.1076	531,183	9.76%	\$13,464	1.8467	\$24,864	\$26,789	2.3444	\$62,805
Oklahoma	55,081	2.0895	115,092	7.42%	\$2,647	1.7750	\$4,698	\$5,816	2.2163	\$12,889
Oregon	56,629	2.1556	122,069	7.17%	\$3,332	1.7595	\$5,862	\$6,382	2.1885	\$13,968
Pennsylvania	275,396	2.1247	585,134	10.17%	\$13,862	1.9268	\$26,709	\$29,144	2.4728	\$72,068
Rhode Island	20,851	1.9458	40,572	8.22%	\$1,368	1.6873	\$2,309	\$2,419	2.0523	\$4,964
South Carolina	69,364	2.0776	144,111	7.57%	\$3,499	1.7698	\$6,192	\$7,936	2.2559	\$17,903
South Dakota	20,268	1.8479	37,453	9.39%	\$910	1.5841	\$1,441	\$1,838	1.9154	\$3,520
Tennessee	115,507	2.1489	248,213	8.92%	\$5,625	1.8571	\$10,447	\$11,824	2.3916	\$28,278
Texas	316,156	2.2890	723,681	7.20%	\$17,311	1.9720	\$34,138	\$36,937	2.5737	\$95,065
Utah	38,350	2.2220	85,214	7.08%	\$1,720	1.9095	\$3,285	\$3,880	2.4462	\$9,491
Vermont	12,741	1.9283	24,568	7.99%	\$805	1.5950	\$1,284	\$1,383	1.8848	\$2,606
Virginia	105,134	1.9195	201,805	5.42%	\$5,628	1.7630	\$9,922	\$12,620	2.2526	\$28,428
Washington	92,217	2.1432	197,639	6.91%	\$5,667	1.8034	\$10,219	\$10,819	2.2743	\$24,605
West Virginia	40,791	1.8325	74,750	9.89%	\$1,938	1.5628	\$3,029	\$3,946	1.8436	\$7,274
Wisconsin	108,140	2.0058	216,907	7.58%	\$5,591	1.7551	\$9,813	\$11,969	2.1855	\$26,159
Wyoming	8,838	1.7345	15,330	5.54%	\$445	1.4657	\$652	\$839	1.7279	\$1,450
U.S.	5,152,143	2.7003	13,912,332	10.24%	\$283,674	2.4050	\$682,235	\$569,672	3.2927	\$1,875,760

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

