



CHAPTER 6

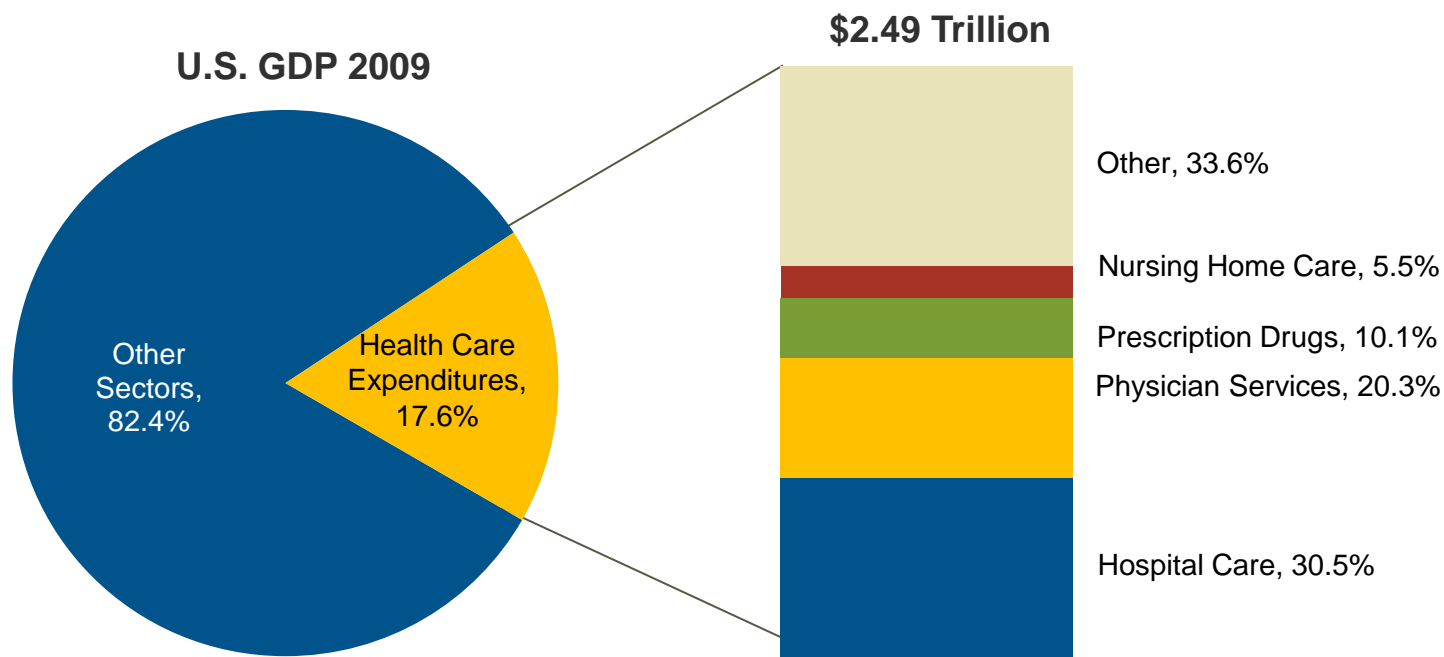
The Economic Contribution
of Hospitals

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CHAPTER 6.0: The Economic Contribution of Hospitals

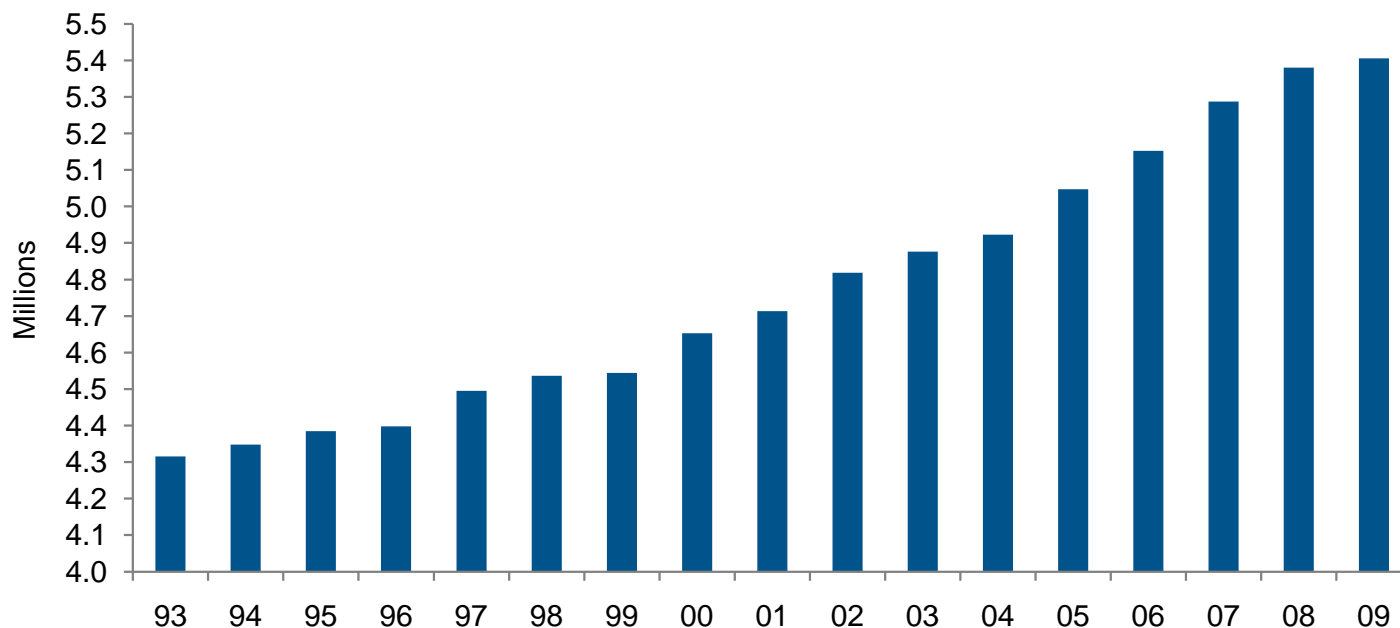
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Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2009



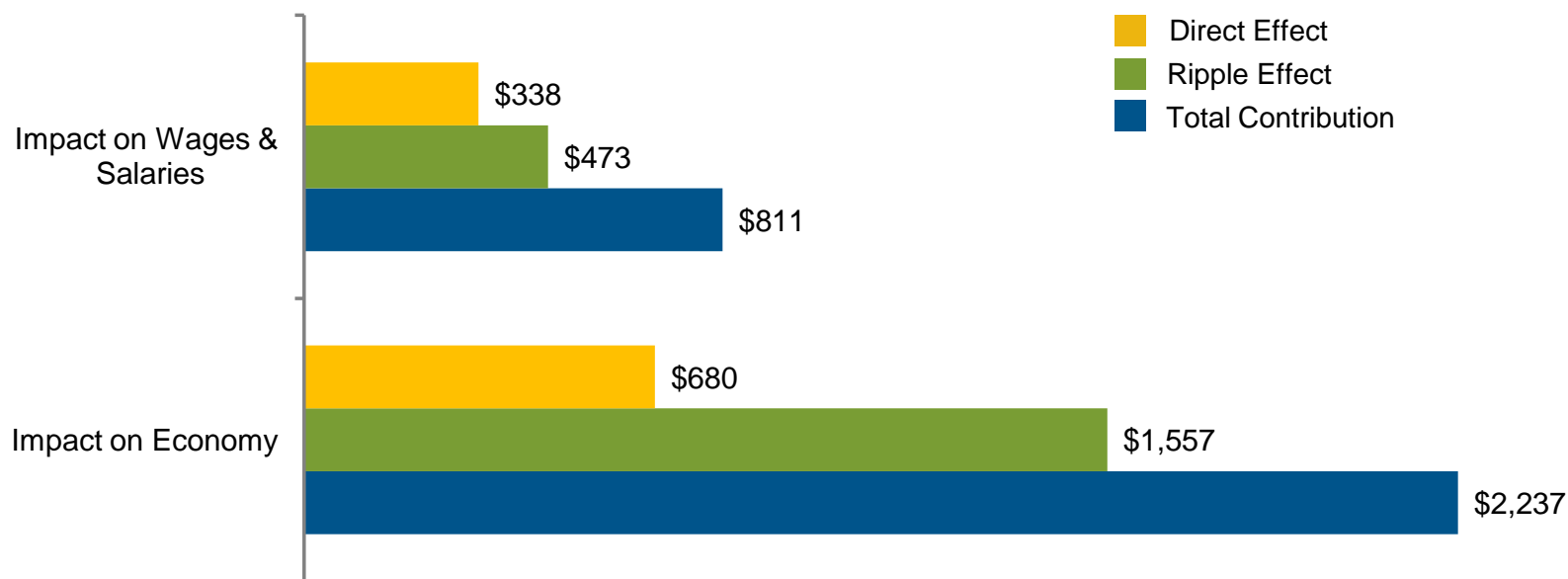
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 6, 2011.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2009



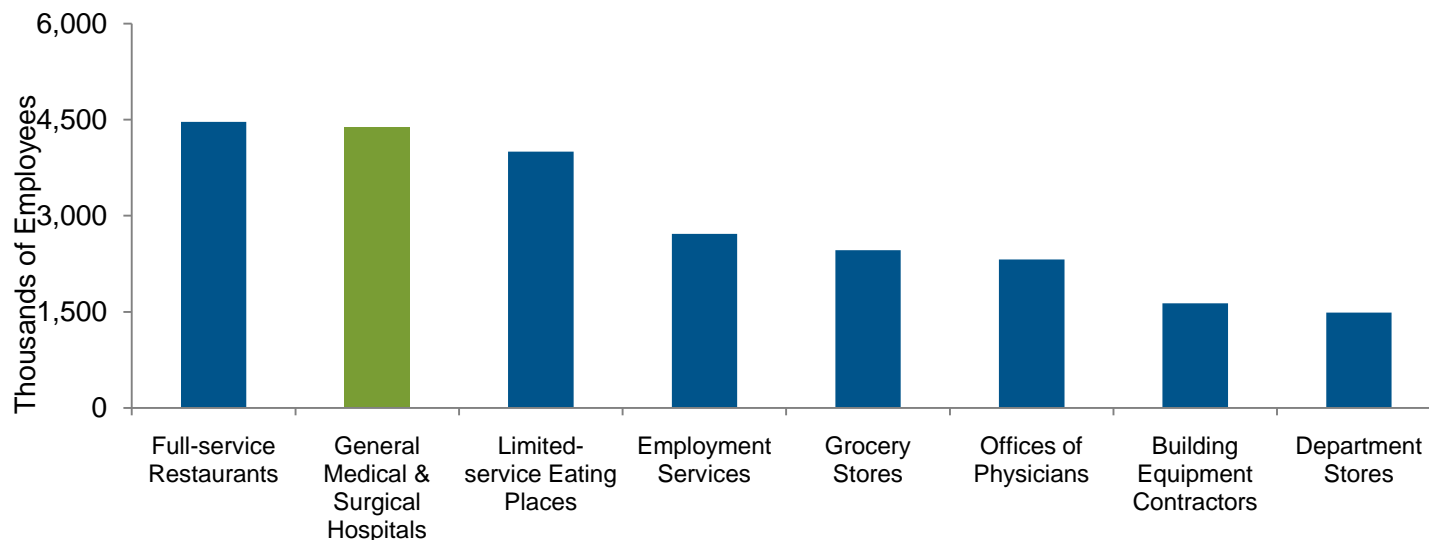
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2009, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2009



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2009 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart.

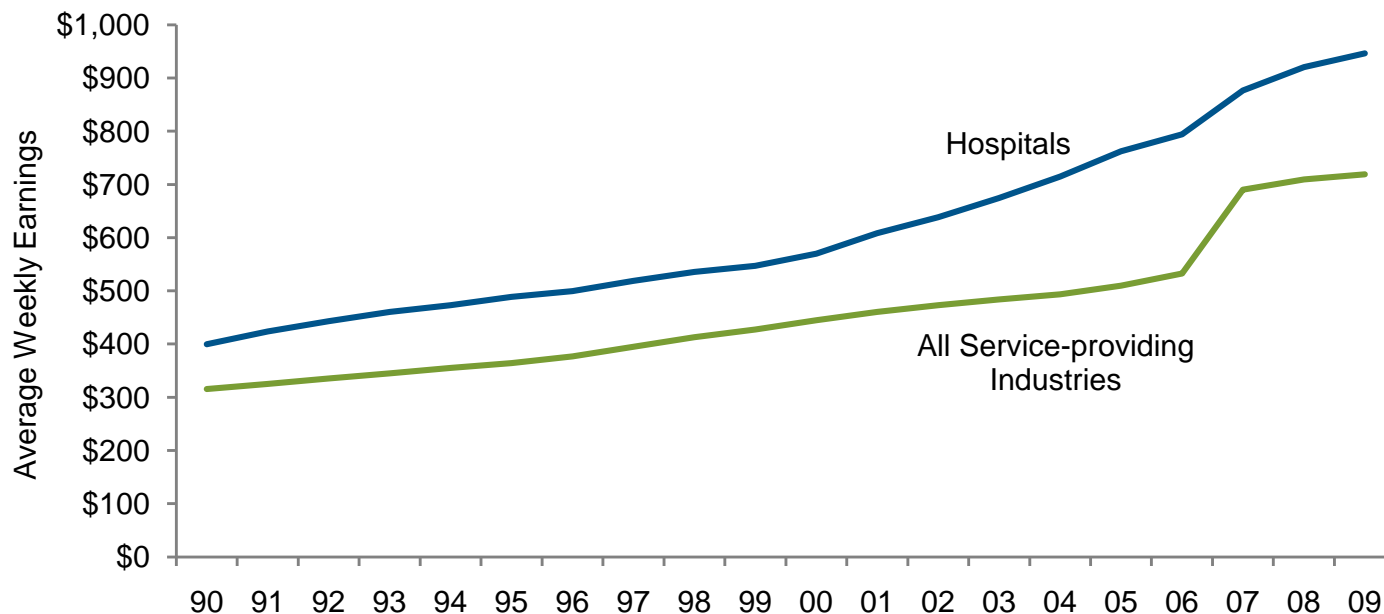
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2010⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2011.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2010 figures reflect annual projections.

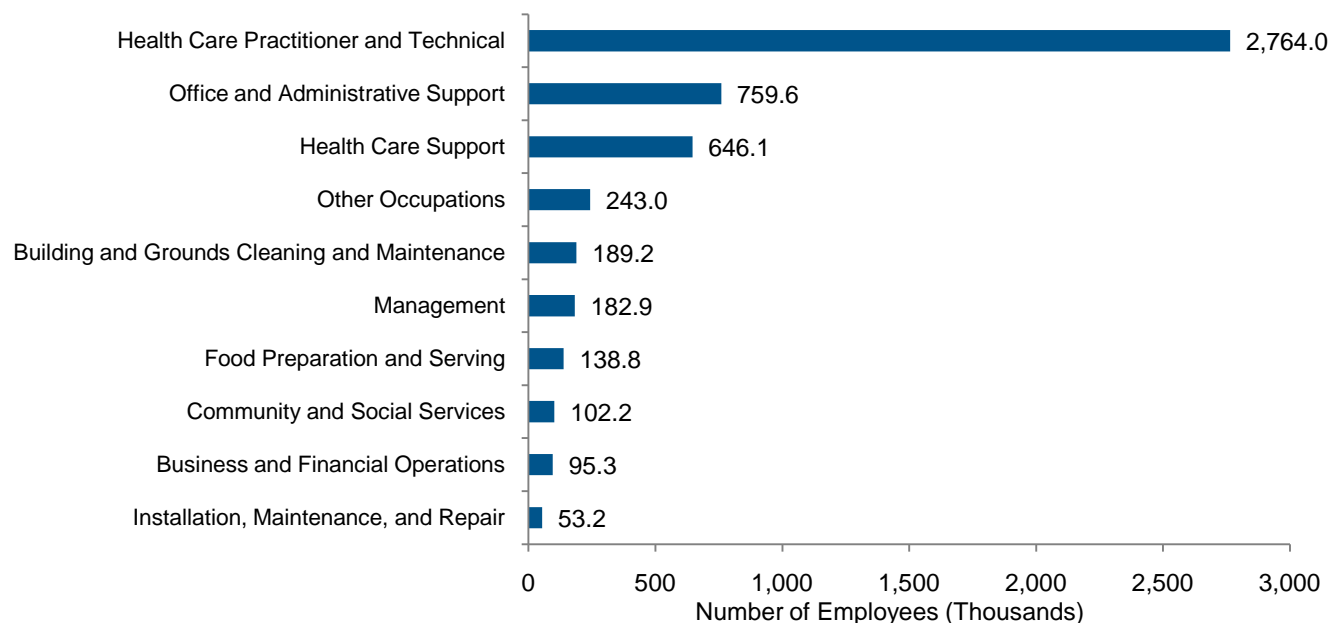
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2009



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2011.
Link: <http://www.bls.gov/ces>.

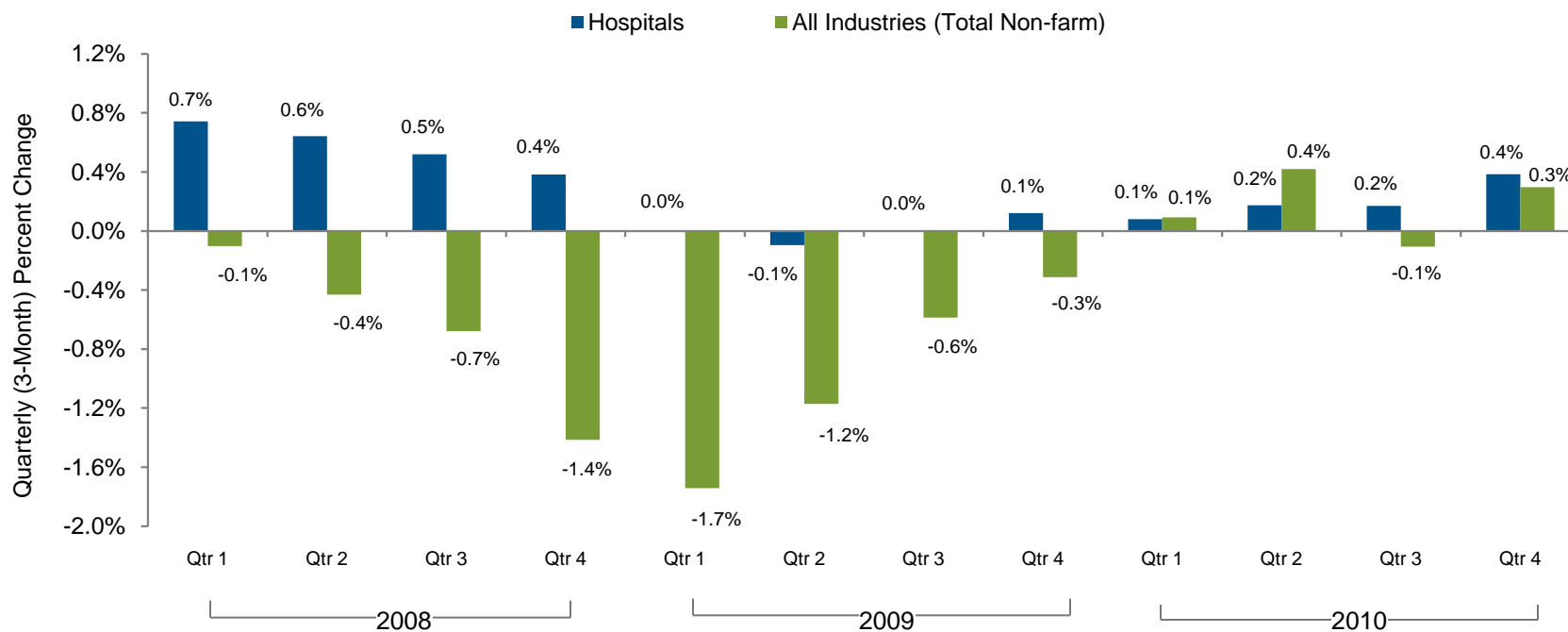
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2009



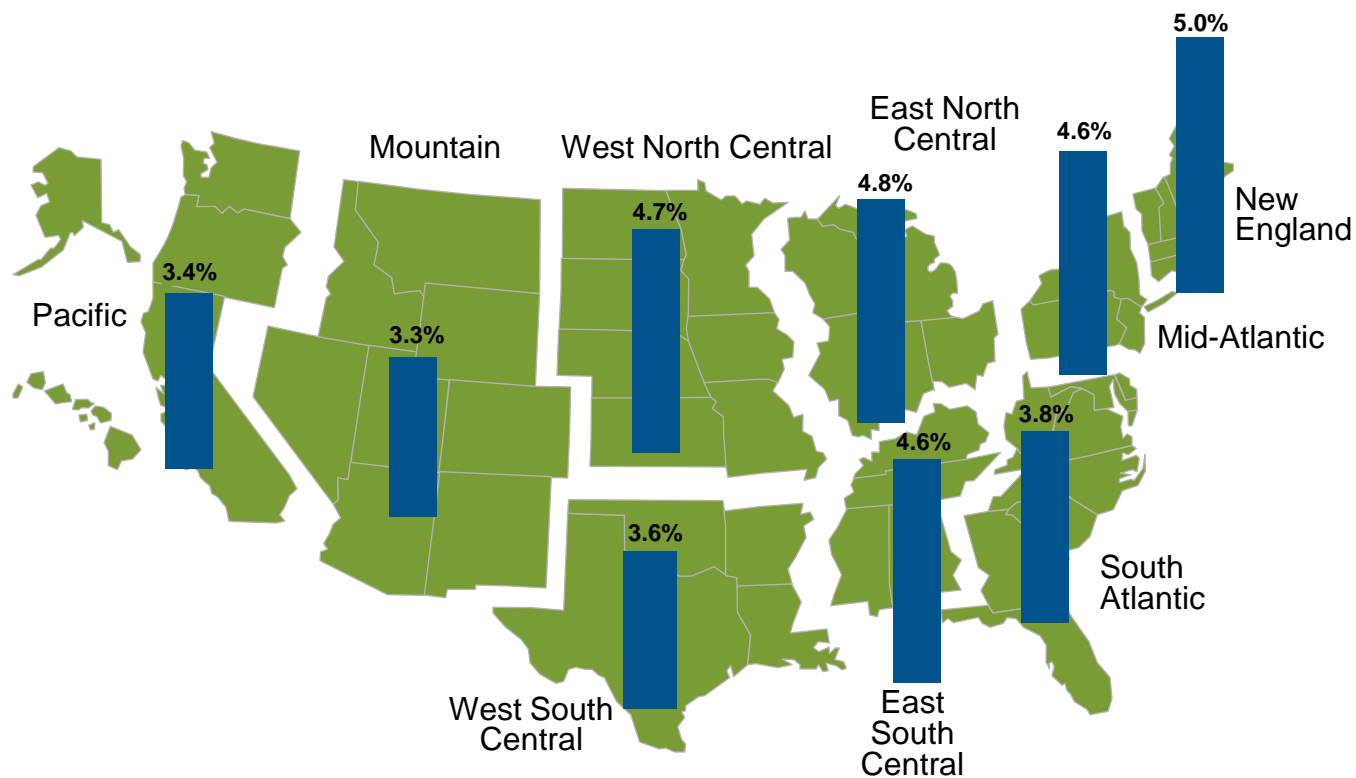
Source: Department of Labor, Bureau of Labor Statistics, 2009 National Industry-specific Occupational Employment and Wage. Data released February 2011. Link: http://www.bls.gov/oes/2009/may/naics4_622100.htm.

Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2008 – 2010



Source: Department of Labor, Bureau of Labor Statistics. Data released February 2011. Link: <http://www.bls.gov/bls/employment.htm>.

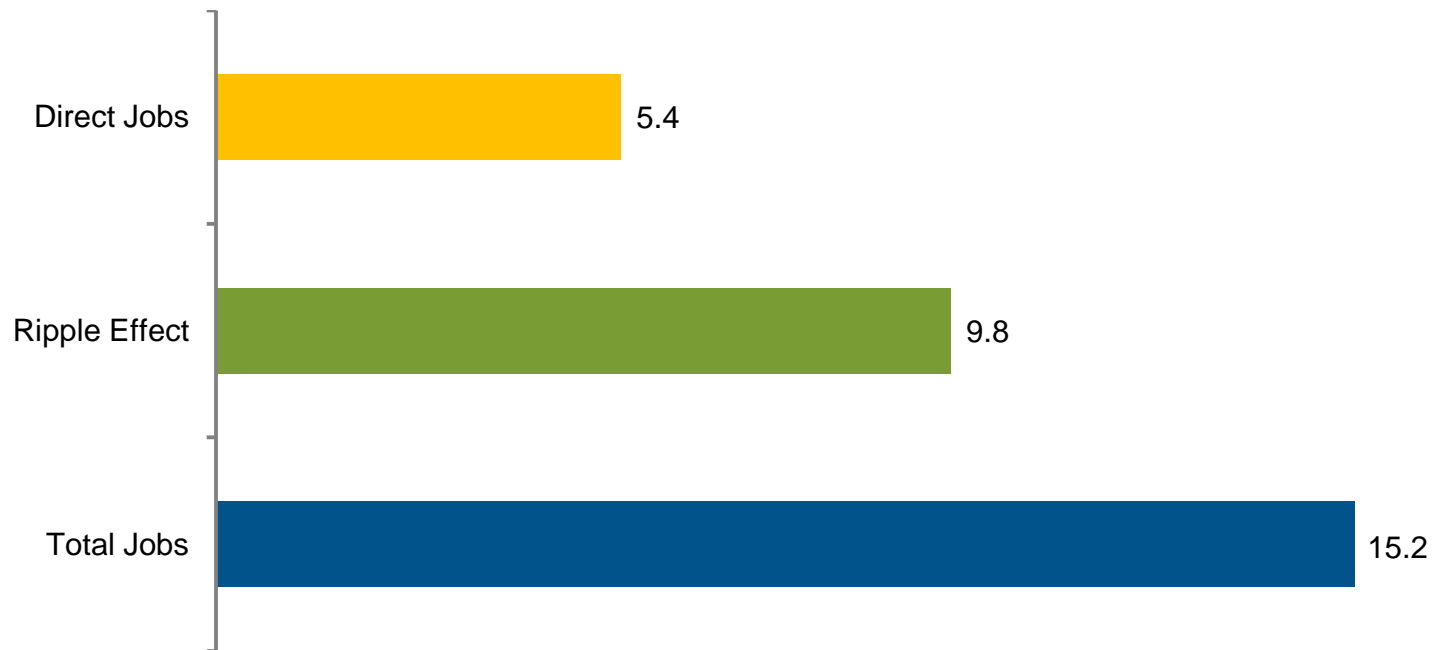
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2009



Source: Avalere Health analysis of American Hospital Association 2009 Annual Survey data and 2009 total non-farm employment data from the Bureau of Labor Statistics.

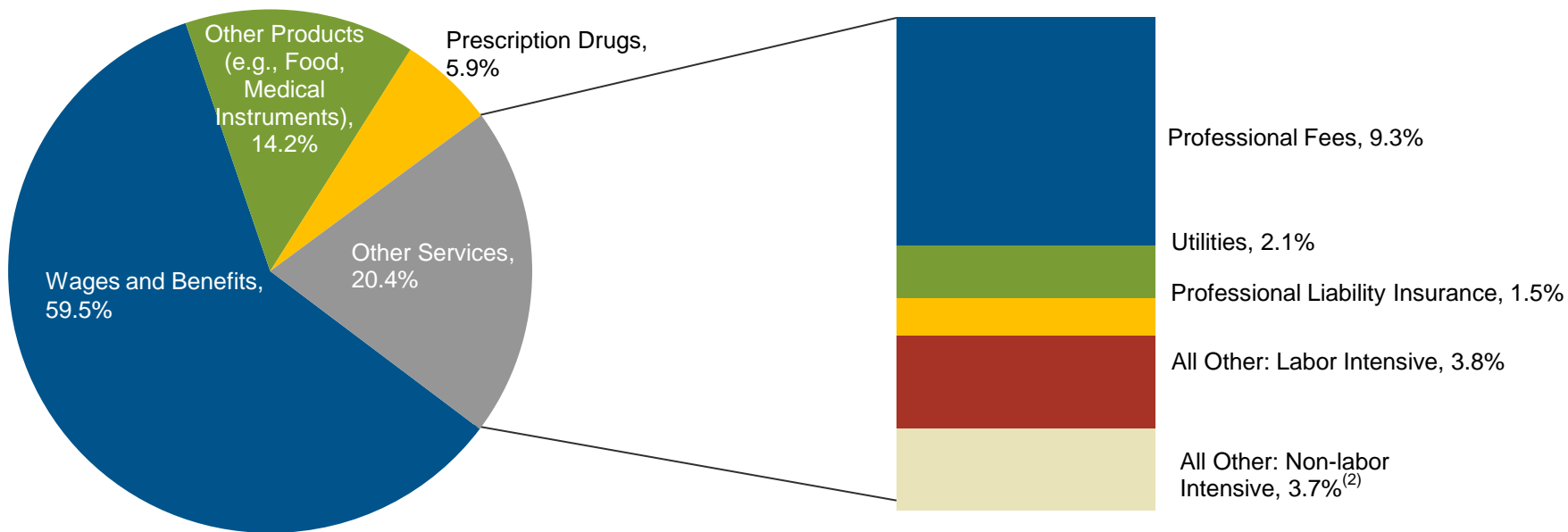
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2009



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2009 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart.

Chart 6.10: Percent of Hospital Costs⁽¹⁾ by Type of Expense, 4Q09



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2006 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), 2009

Industry	Economic Impact
Health care and social assistance	\$786.8
Manufacturing	335.0
Real estate and rental and leasing	211.8
Finance and insurance	142.9
Professional, scientific and technical services	93.0
Retail trade	91.4
Wholesale trade	73.2
Information	73.2
Transportation and warehousing	69.6
Administrative and waste management services	69.3
Accommodation and food services	57.5
Other services	56.0
Management of companies and enterprises	45.0
Utilities	39.8
Agriculture, forestry, fishing and hunting	32.9
Educational services	18.0
Arts, entertainment, and recreation	16.0
Mining	14.1
Construction	11.1
Total	\$2,236.6

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2009 American Hospital Association Annual Survey data. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart.

Chart 6.12: Impact of Community Hospitals on U.S. Economy; All States, DC and Total U.S., 2009

State Name	Number of Hospital Jobs (FT and PT)	Multiplier for Employment	Effect of Total Jobs on 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	81,887	1.9758	161,792	8.58%	\$4,138	1.6621	\$6,879	\$8,436	1.9923	\$16,807
Alaska	11,546	1.7814	20,568	6.40%	\$911	1.4677	\$1,337	\$1,734	1.7088	\$2,963
Arizona	85,156	2.2149	188,612	7.77%	\$5,437	1.7314	\$9,414	\$11,438	2.0687	\$23,662
Arkansas	50,552	1.8300	92,510	7.94%	\$2,519	1.5637	\$3,939	\$5,233	1.8487	\$9,674
California	483,488	2.3042	1,114,053	7.91%	\$36,425	1.8965	\$69,081	\$68,484	2.3420	\$160,390
Colorado	70,093	2.2496	157,681	7.03%	\$4,711	1.8891	\$8,899	\$10,198	2.3169	\$23,628
Connecticut	64,933	2.0244	131,450	8.08%	\$4,720	1.7086	\$8,065	\$8,793	2.0617	\$18,128
Delaware	20,113	2.1103	42,444	10.21%	\$1,274	1.6031	\$2,043	\$2,375	1.9111	\$4,539
District of Columbia	27,037	1.5922	43,048	6.12%	\$1,891	1.3291	\$2,513	\$3,597	1.3437	\$4,834
Florida	279,185	2.1443	598,656	8.25%	\$17,077	1.7878	\$30,530	\$36,678	2.1511	\$78,899
Georgia	143,973	2.2096	318,123	8.21%	\$7,925	1.8840	\$14,931	\$16,474	2.3070	\$38,005
Hawaii	18,019	2.1596	38,914	6.58%	\$1,320	1.6612	\$2,193	\$2,494	1.9817	\$4,941
Idaho	23,002	1.7692	40,695	6.67%	\$1,313	1.4977	\$1,967	\$2,756	1.7388	\$4,793
Illinois	238,243	2.1686	516,654	9.13%	\$14,334	1.9107	\$27,388	\$29,688	2.3663	\$70,250
Indiana	127,205	2.0287	258,061	9.26%	\$7,296	1.7202	\$12,550	\$15,714	2.0906	\$32,851
Iowa	67,704	1.6647	112,707	7.62%	\$3,542	1.4545	\$5,152	\$6,947	1.7000	\$11,810
Kansas	53,418	1.7464	93,289	6.94%	\$2,934	1.5257	\$4,476	\$5,817	1.8124	\$10,543
Kentucky	79,843	2.0280	161,922	9.15%	\$4,453	1.6979	\$7,560	\$9,864	2.0379	\$20,102
Louisiana	89,385	1.9313	172,629	9.09%	\$4,687	1.6381	\$7,677	\$9,366	1.9072	\$17,864
Maine	34,218	2.1742	74,397	12.50%	\$2,012	1.6875	\$3,396	\$3,827	2.0071	\$7,682
Maryland	95,537	2.0864	199,328	7.91%	\$5,857	1.7282	\$10,122	\$12,254	2.0812	\$25,502
Massachusetts	177,004	2.1357	378,027	11.91%	\$10,974	1.8160	\$19,928	\$22,744	2.2082	\$50,224
Michigan	207,010	2.0748	429,504	11.08%	\$12,533	1.7804	\$22,315	\$24,818	2.1424	\$53,171
Minnesota	116,363	2.1561	250,890	9.47%	\$7,004	1.7948	\$12,571	\$13,683	2.1924	\$29,998
Mississippi	58,107	1.8351	106,632	9.72%	\$3,140	1.5370	\$4,826	\$6,295	1.8097	\$11,392
Missouri	135,639	2.1313	289,087	10.75%	\$7,728	1.7859	\$13,802	\$16,515	2.1623	\$35,711
Montana	22,091	1.8161	40,119	9.35%	\$1,213	1.4847	\$1,801	\$2,336	1.7194	\$4,016
Nebraska	42,373	1.6845	71,377	7.56%	\$2,285	1.4916	\$3,408	\$4,909	1.7363	\$8,523
Nevada	24,022	2.1203	50,934	4.43%	\$1,975	1.6122	\$3,185	\$3,977	1.9068	\$7,583
New Hampshire	31,340	2.0348	63,771	10.22%	\$2,057	1.7251	\$3,549	\$3,849	2.0025	\$7,707
New Jersey	139,965	2.2187	310,540	7.98%	\$9,678	1.8620	\$18,021	\$17,885	2.3043	\$41,212
New Mexico	28,177	2.0270	57,115	7.03%	\$1,857	1.5556	\$2,888	\$3,744	1.7998	\$6,738
New York	420,310	1.8859	792,663	9.26%	\$31,048	1.6499	\$51,225	\$54,035	2.0272	\$109,540
North Carolina	165,210	2.1035	347,519	8.88%	\$9,523	1.7307	\$16,482	\$19,584	2.0936	\$41,001
North Dakota	21,235	1.5349	32,594	8.90%	\$1,218	1.3810	\$1,682	\$2,174	1.5739	\$3,422
Ohio	274,840	2.2110	607,671	11.98%	\$16,129	1.8354	\$29,603	\$32,612	2.2319	\$72,786
Oklahoma	56,136	1.9909	111,761	7.26%	\$3,048	1.6495	\$5,028	\$6,869	1.9567	\$13,441
Oregon	55,093	2.2605	124,538	7.73%	\$3,882	1.7341	\$6,731	\$7,565	2.0741	\$15,690
Pennsylvania	277,675	2.1776	604,665	10.78%	\$16,064	1.8813	\$30,221	\$34,005	2.3041	\$78,351
Rhode Island	20,635	2.0352	41,996	9.15%	\$1,580	1.7029	\$2,691	\$2,821	2.0299	\$5,726
South Carolina	73,265	2.1454	157,183	8.63%	\$4,260	1.7331	\$7,382	\$9,695	2.1226	\$20,579
South Dakota	22,476	1.5567	34,988	8.67%	\$1,131	1.3813	\$1,562	\$2,286	1.5912	\$3,638
Tennessee	117,504	2.1469	252,269	9.63%	\$6,095	1.8124	\$11,047	\$13,290	2.2204	\$29,509
Texas	341,719	2.2410	765,792	7.43%	\$21,357	1.8786	\$40,122	\$44,920	2.3321	\$104,757
Utah	40,525	2.3212	94,067	7.89%	\$2,158	1.8421	\$3,975	\$5,039	2.2688	\$11,433
Vermont	13,658	1.9945	27,241	9.18%	\$981	1.5422	\$1,514	\$1,700	1.7754	\$3,019
Virginia	110,415	2.0191	222,939	6.13%	\$7,024	1.7358	\$12,193	\$15,562	2.1314	\$33,169
Washington	101,646	2.2898	232,749	8.24%	\$7,431	1.7538	\$13,032	\$14,570	2.1359	\$31,120
West Virginia	42,833	1.8533	79,382	10.67%	\$2,280	1.5288	\$3,485	\$4,716	1.7493	\$8,250
Wisconsin	114,403	2.0515	234,698	8.54%	\$6,624	1.7331	\$11,481	\$14,534	2.0768	\$30,185
Wyoming	9,404	1.6113	15,153	5.29%	\$569	1.3621	\$775	\$990	1.5494	\$1,533
United States*	5,405,610	2.8048	15,161,655	11.61%	\$337,624	2.4031	\$811,343	\$679,890	3.2896	\$2,236,567

Source: Avalere Health, using BEA RIMS-II (2002/2008) multipliers for hospital NAICS Code 622, released 2011, applied to American Hospital Association Annual Survey data for 2009. 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 2009 BLS data. Expenditures are defined as net patient revenue + 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 2009 AHA annual survey data were used instead.

