



CHAPTER 6

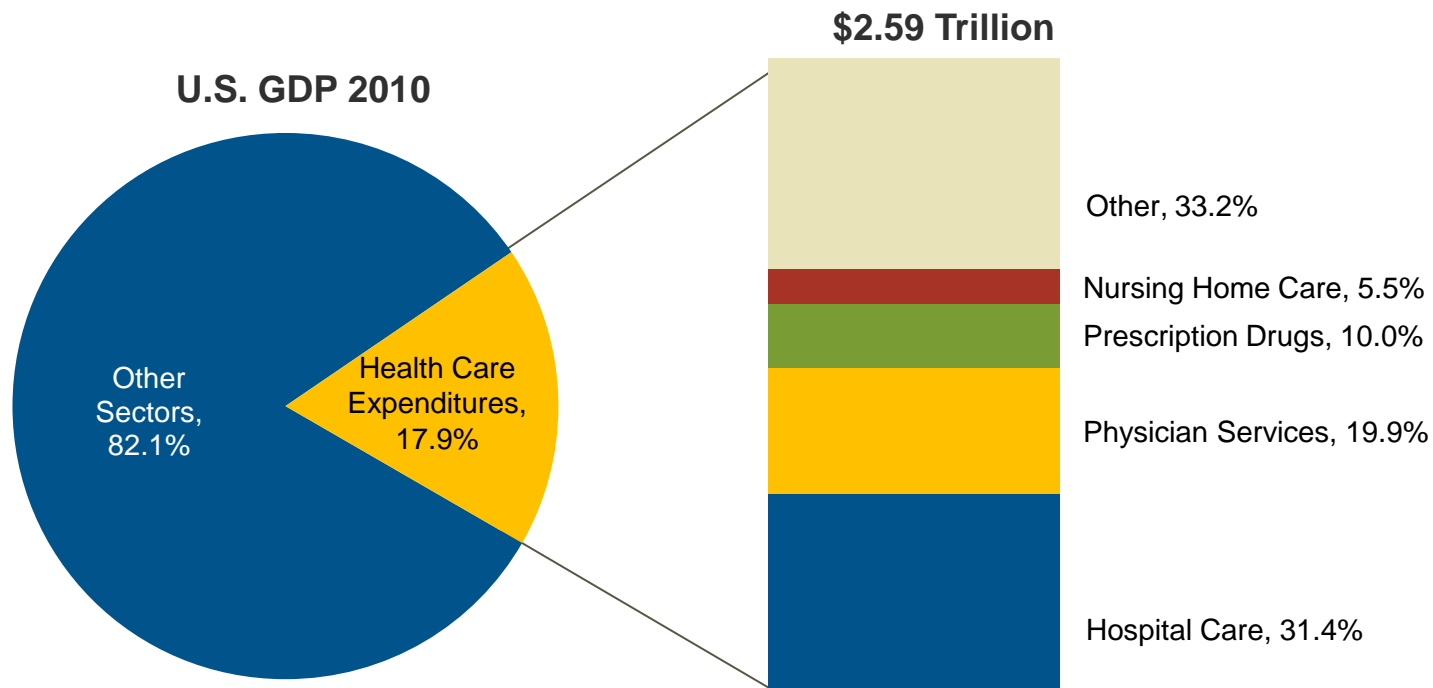
The Economic Contribution
of Hospitals

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CHAPTER 6.0: The Economic Contribution of Hospitals

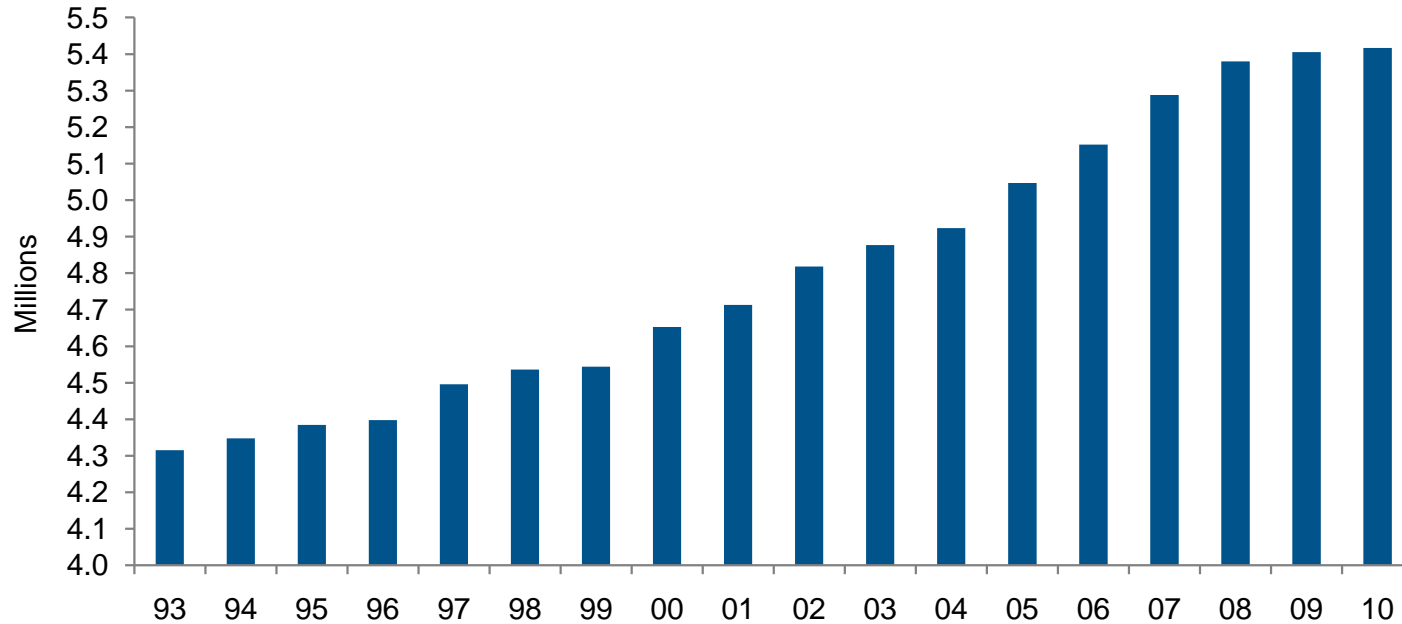
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Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2010



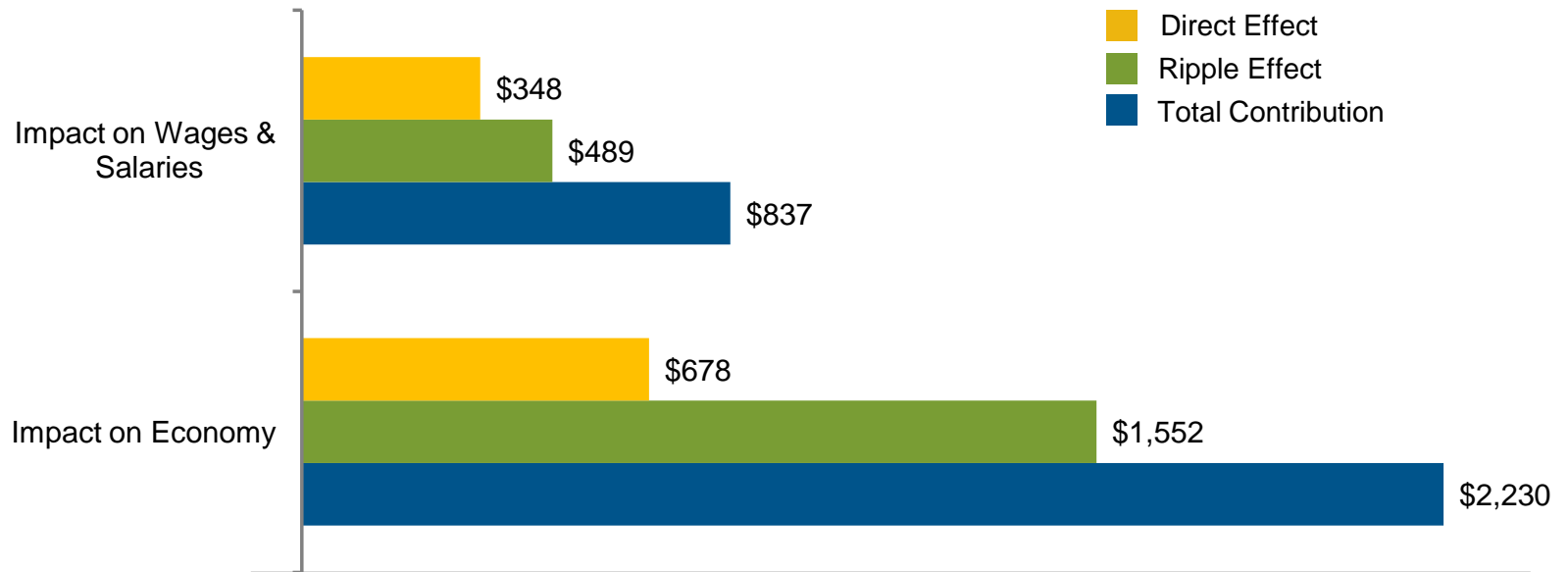
Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 9, 2012.

Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2010



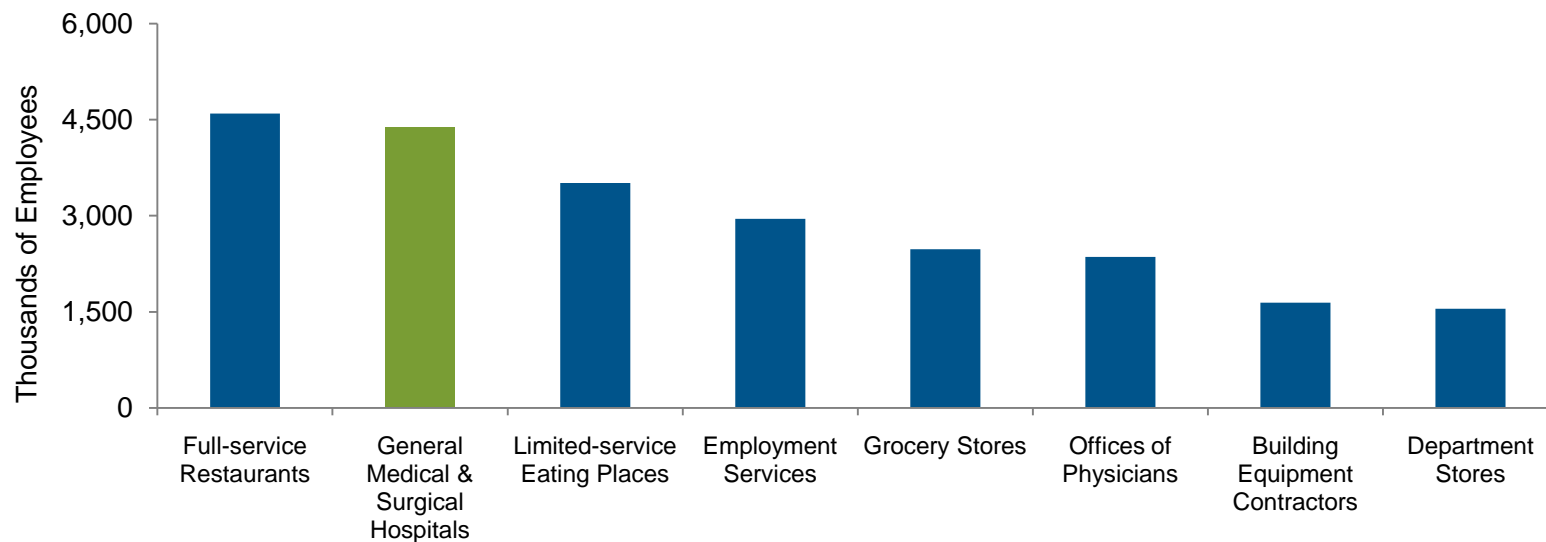
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2010, for community hospitals.

Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2010



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2010 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.

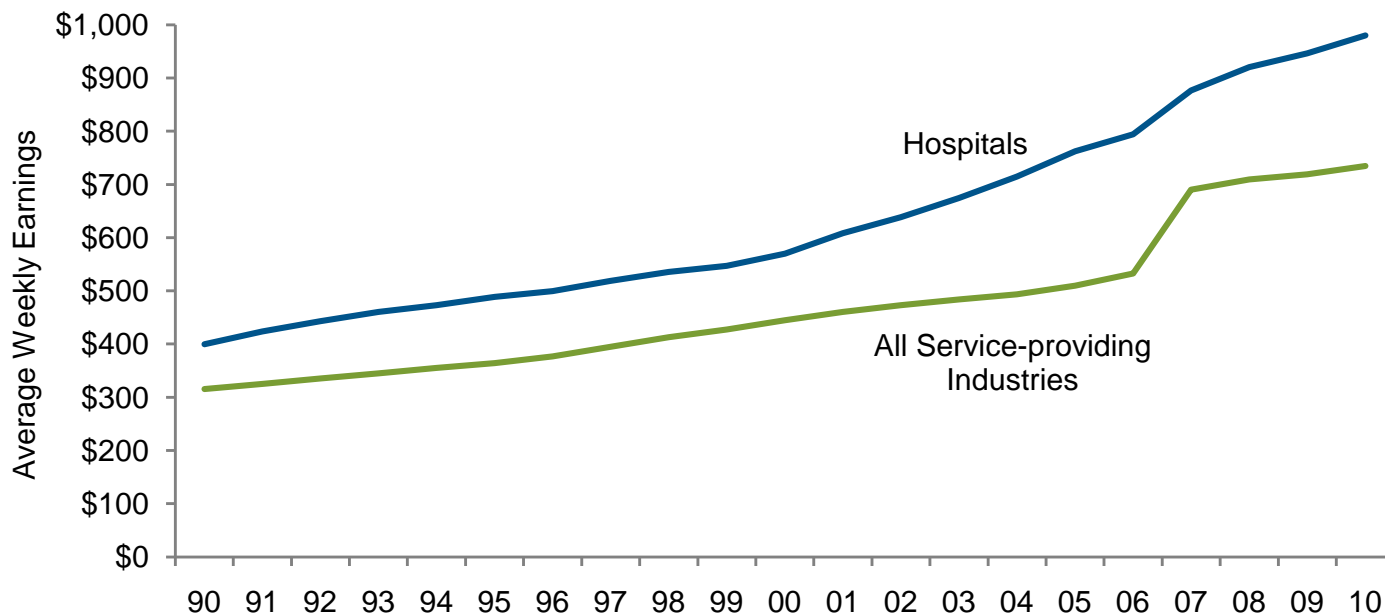
Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2011⁽¹⁾



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2012.
Link: <http://www.bls.gov/ces>.

⁽¹⁾ 2011 figures reflect annual projections.

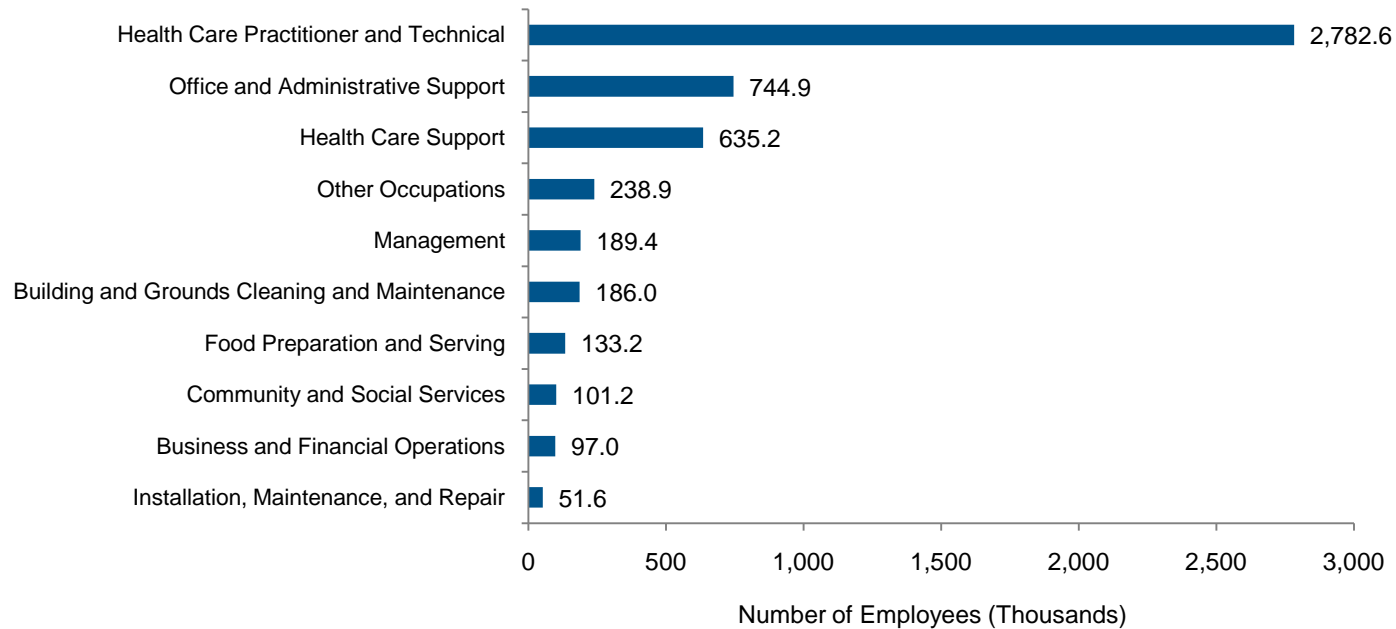
Chart 6.5: Average Weekly Earnings of Workers, Hospitals⁽¹⁾ vs. All Service-providing Industries, 1990 – 2010



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2012.
Link: <http://www.bls.gov/ces>.

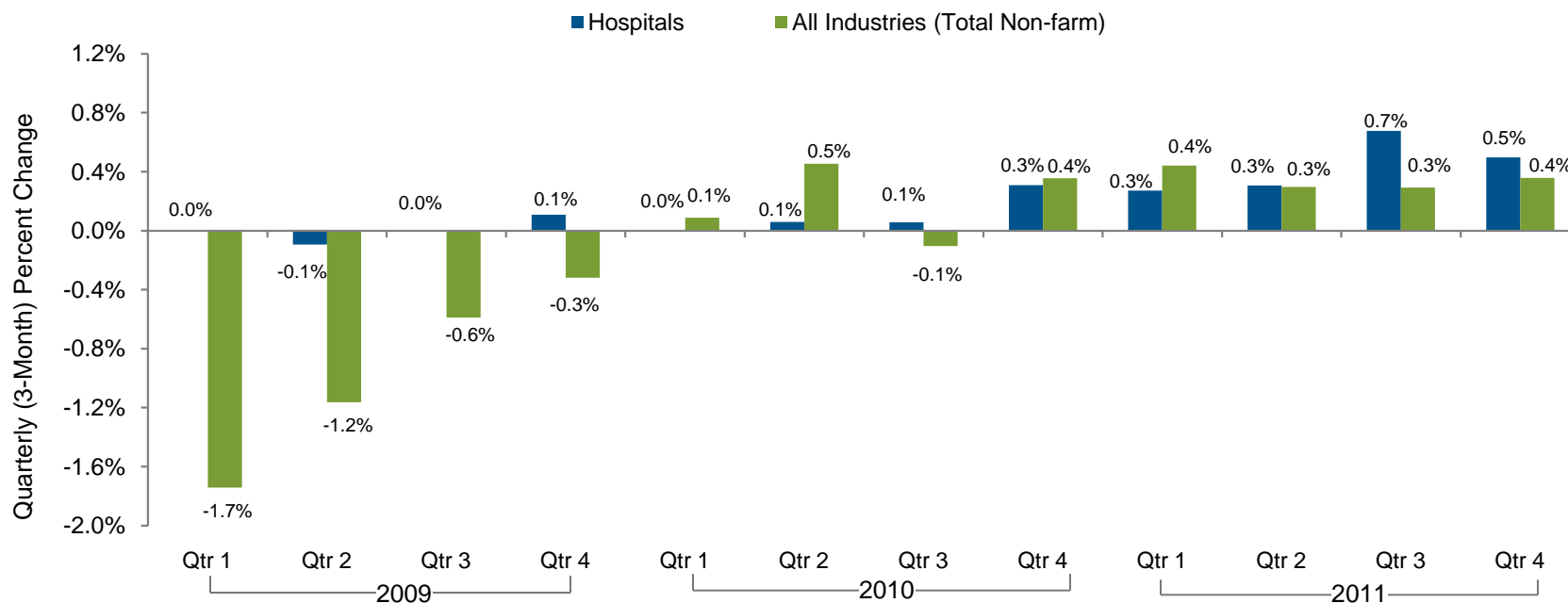
⁽¹⁾ Includes physicians employed by hospitals.

Chart 6.6: Hospital Employment by Occupation Type, 2010



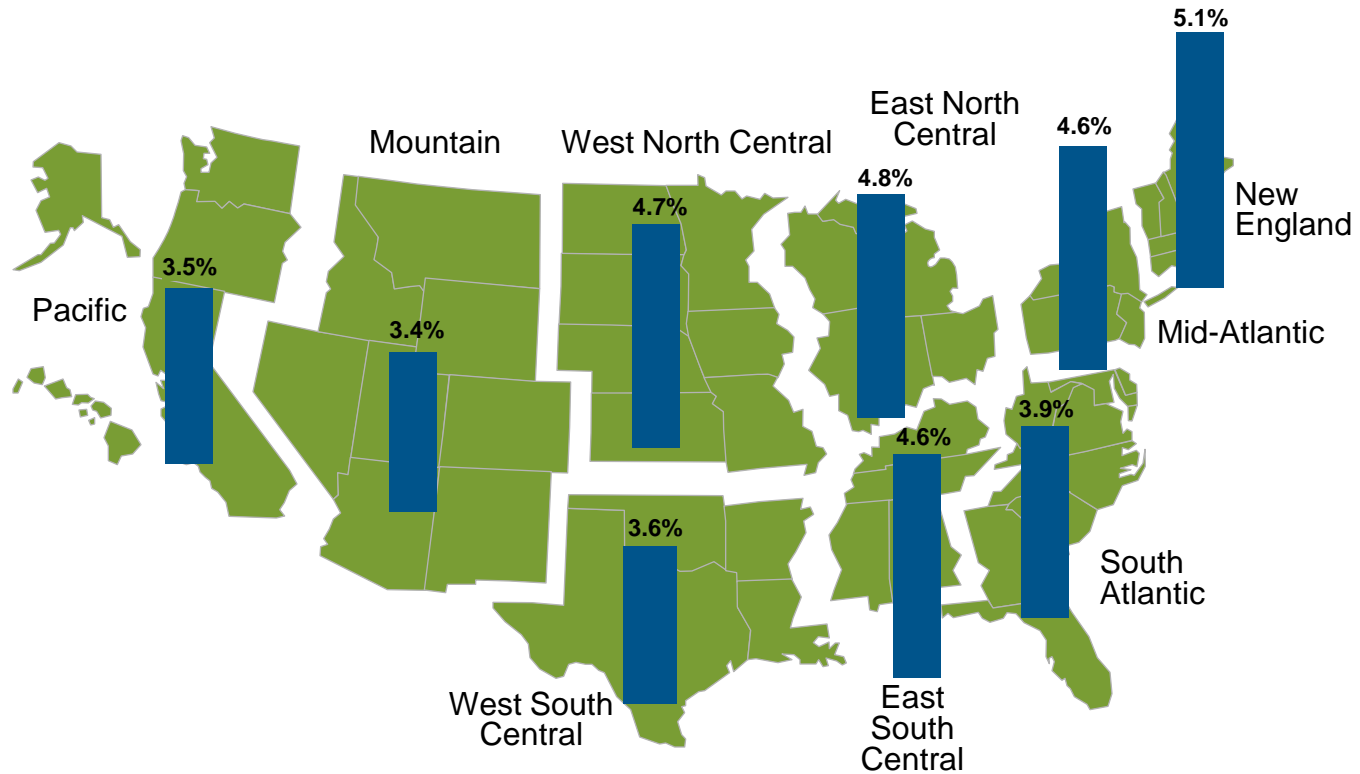
Source: Department of Labor, Bureau of Labor Statistics, 2010 National Industry-specific Occupational Employment and Wage. Data released February 2012. Link: http://www.bls.gov/oes/current/naics4_622100.htm

Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2009 – 2011



Source: Department of Labor, Bureau of Labor Statistics. Data released February 2012. Link: <http://www.bls.gov/bls/employment.htm>.

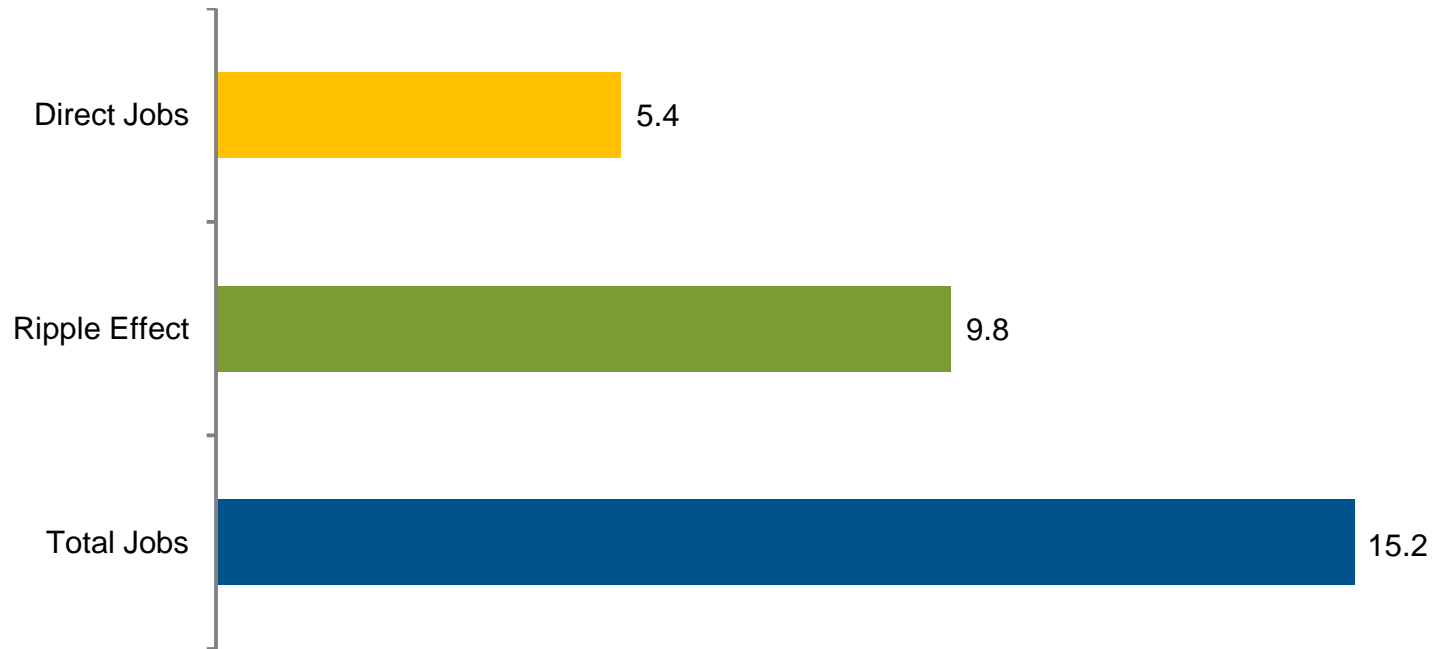
Chart 6.8: Percent of Total Regional Employment⁽¹⁾ by Hospitals, 2010



Source: Avalere Health analysis of American Hospital Association 2010 Annual Survey data and 2010 total non-farm employment data from the Bureau of Labor Statistics.

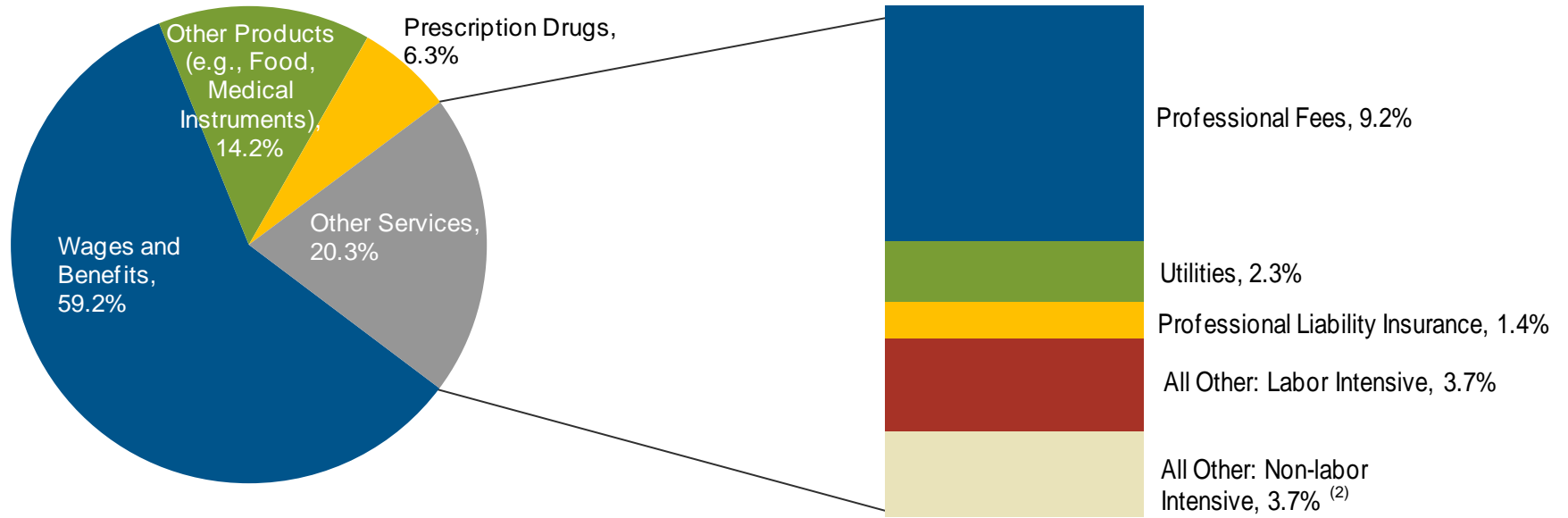
⁽¹⁾ Does not include farm employment.

Chart 6.9: Impact of Community Hospitals on U.S. Jobs (in millions), 2010



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2010 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, 2Q11



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), 2010

Industry	Economic Impact
Health care and social assistance	\$784.5
Manufacturing	334.1
Real estate and rental and leasing	211.2
Finance and insurance	142.5
Professional, scientific and technical services	92.7
Retail trade	91.1
Wholesale trade	73.0
Information	72.9
Transportation and warehousing	69.4
Administrative and waste management services	69.1
Accommodation and food services	57.3
Other services	56.0
Management of companies and enterprises	44.8
Utilities	39.7
Agriculture, forestry, fishing and hunting	32.7
Educational services	18.0
Arts, entertainment, and recreation	16.0
Mining	14.1
Construction	11.1
Total	\$2,230.2

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2010 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., 2010

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	81,050	1.9758	160,139	8.57%	\$4,109	1.6621	\$6,829	\$8,334	1.9923	\$16,605
Alaska	12,192	1.7814	21,719	6.70%	\$872	1.4677	\$1,280	\$1,590	1.7088	\$2,717
Arizona	85,613	2.2149	189,624	7.98%	\$5,615	1.7314	\$9,721	\$11,272	2.0687	\$23,318
Arkansas	50,474	1.8300	92,367	7.94%	\$2,513	1.5637	\$3,930	\$5,246	1.8487	\$9,699
California	488,456	2.3042	1,125,500	8.10%	\$38,621	1.8965	\$73,245	\$72,280	2.3420	\$169,279
Colorado	70,340	2.2496	158,237	7.13%	\$4,791	1.8891	\$9,051	\$9,591	2.3169	\$22,221
Connecticut	65,196	2.0244	131,983	8.21%	\$4,885	1.7086	\$8,346	\$8,928	2.0617	\$18,407
Delaware	19,731	2.1103	41,638	10.09%	\$1,321	1.6031	\$2,117	\$2,344	1.9111	\$4,480
District of Columbia	27,913	1.5922	44,443	6.25%	\$1,971	1.3291	\$2,620	\$3,582	1.3437	\$4,814
Florida	279,929	2.1443	600,252	8.37%	\$17,911	1.7878	\$32,022	\$36,318	2.1511	\$78,124
Georgia	141,150	2.2096	311,885	8.15%	\$8,119	1.8840	\$15,296	\$16,080	2.3070	\$37,096
Hawaii	17,838	2.1596	38,523	6.56%	\$1,393	1.6612	\$2,315	\$2,611	1.9817	\$5,174
Idaho	25,185	1.7692	44,557	7.39%	\$1,384	1.4977	\$2,072	\$2,547	1.7388	\$4,428
Illinois	237,967	2.1686	516,055	9.20%	\$14,696	1.9107	\$28,080	\$29,194	2.3663	\$69,081
Indiana	127,285	2.0287	258,223	9.25%	\$7,506	1.7202	\$12,912	\$15,350	2.0906	\$32,091
Iowa	66,981	1.6647	111,503	7.59%	\$3,581	1.4545	\$5,209	\$6,935	1.7000	\$11,789
Kansas	53,064	1.7464	92,671	7.00%	\$3,027	1.5257	\$4,618	\$5,759	1.8124	\$10,438
Kentucky	81,802	2.0280	165,894	9.37%	\$4,615	1.6979	\$7,836	\$9,802	2.0379	\$19,975
Louisiana	86,905	1.9313	167,840	8.91%	\$4,770	1.6381	\$7,814	\$9,593	1.9072	\$18,296
Maine	35,372	2.1742	76,906	12.98%	\$2,125	1.6875	\$3,585	\$4,239	2.0071	\$8,508
Maryland	94,615	2.0864	197,405	7.85%	\$6,018	1.7282	\$10,401	\$12,132	2.0812	\$25,250
Massachusetts	179,918	2.1357	384,251	12.06%	\$11,452	1.8160	\$20,796	\$22,819	2.2082	\$50,389
Michigan	209,486	2.0748	434,642	11.26%	\$12,668	1.7804	\$22,554	\$24,873	2.1424	\$53,288
Minnesota	119,049	2.1561	256,682	9.73%	\$7,309	1.7948	\$13,118	\$13,508	2.1924	\$29,614
Mississippi	58,168	1.8351	106,744	9.80%	\$3,036	1.5370	\$4,667	\$5,636	1.8097	\$10,199
Missouri	136,484	2.1313	290,888	10.99%	\$7,849	1.7859	\$14,017	\$16,522	2.1623	\$35,725
Montana	21,954	1.8161	39,871	9.31%	\$1,260	1.4847	\$1,870	\$2,379	1.7194	\$4,091
Nebraska	43,526	1.6845	73,320	7.80%	\$2,314	1.4916	\$3,451	\$4,711	1.7363	\$8,180
Nevada	24,727	2.1203	52,429	4.70%	\$1,951	1.6122	\$3,145	\$3,940	1.9068	\$7,513
New Hampshire	32,217	2.0348	65,555	10.53%	\$2,167	1.7251	\$3,739	\$3,782	2.0025	\$7,573
New Jersey	141,403	2.2187	313,731	8.14%	\$9,744	1.8620	\$18,144	\$17,954	2.3043	\$41,371
New Mexico	26,052	2.0270	52,807	6.59%	\$1,943	1.5556	\$3,022	\$3,541	1.7998	\$6,373
New York	413,832	1.8859	780,446	9.12%	\$32,206	1.6499	\$53,137	\$56,081	2.0272	\$113,687
North Carolina	166,222	2.1035	349,648	9.05%	\$9,767	1.7307	\$16,904	\$18,848	2.0936	\$39,460
North Dakota	22,149	1.5349	33,997	9.05%	\$1,161	1.3917	\$1,603	\$2,143	1.5739	\$3,373
Ohio	275,724	2.2110	609,626	12.12%	\$16,653	1.8354	\$30,566	\$32,374	2.2319	\$72,256
Oklahoma	56,685	1.9909	112,854	7.39%	\$3,091	1.6495	\$5,099	\$6,485	1.9567	\$12,688
Oregon	54,922	2.2605	124,151	7.76%	\$4,110	1.7341	\$7,128	\$7,876	2.0741	\$16,335
Pennsylvania	279,661	2.1776	608,990	10.84%	\$16,584	1.8813	\$31,199	\$33,930	2.3041	\$78,177
Rhode Island	20,687	2.0352	42,102	9.18%	\$1,671	1.7029	\$2,845	\$2,884	2.0299	\$5,854
South Carolina	72,910	2.1454	156,421	8.67%	\$4,306	1.7331	\$7,463	\$9,350	2.1226	\$19,846
South Dakota	20,799	1.5567	32,378	8.04%	\$1,201	1.3813	\$1,659	\$2,194	1.5912	\$3,492
Tennessee	113,684	2.1469	244,068	9.34%	\$6,194	1.8124	\$11,226	\$12,699	2.2204	\$28,197
Texas	339,860	2.2410	761,626	7.36%	\$21,848	1.8786	\$41,043	\$44,226	2.3321	\$103,139
Utah	39,529	2.3212	91,755	7.77%	\$2,198	1.8421	\$4,049	\$4,471	2.2688	\$10,143
Vermont	13,707	1.9945	27,339	9.19%	\$981	1.5422	\$1,513	\$1,715	1.7754	\$3,045
Virginia	112,401	2.0191	226,949	6.26%	\$7,062	1.7358	\$12,258	\$14,710	2.1314	\$31,352
Washington	107,348	2.2898	245,805	8.85%	\$7,909	1.7538	\$13,872	\$14,642	2.1359	\$31,274
West Virginia	43,492	1.8533	80,604	10.80%	\$2,320	1.5288	\$3,548	\$4,689	1.7493	\$8,203
Wisconsin	111,726	2.0515	229,206	8.38%	\$6,732	1.7331	\$11,667	\$14,231	2.0768	\$29,554
Wyoming	9,343	1.6113	15,054	5.33%	\$600	1.3621	\$817	\$1,031	1.5494	\$1,598
United States*	5,416,723	2.8048	15,192,825	11.71%	\$348,131	2.4031	\$836,594	\$677,968	3.2896	\$2,230,244

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 2010. 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 2010 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 2009 AHA annual survey data were used instead.

