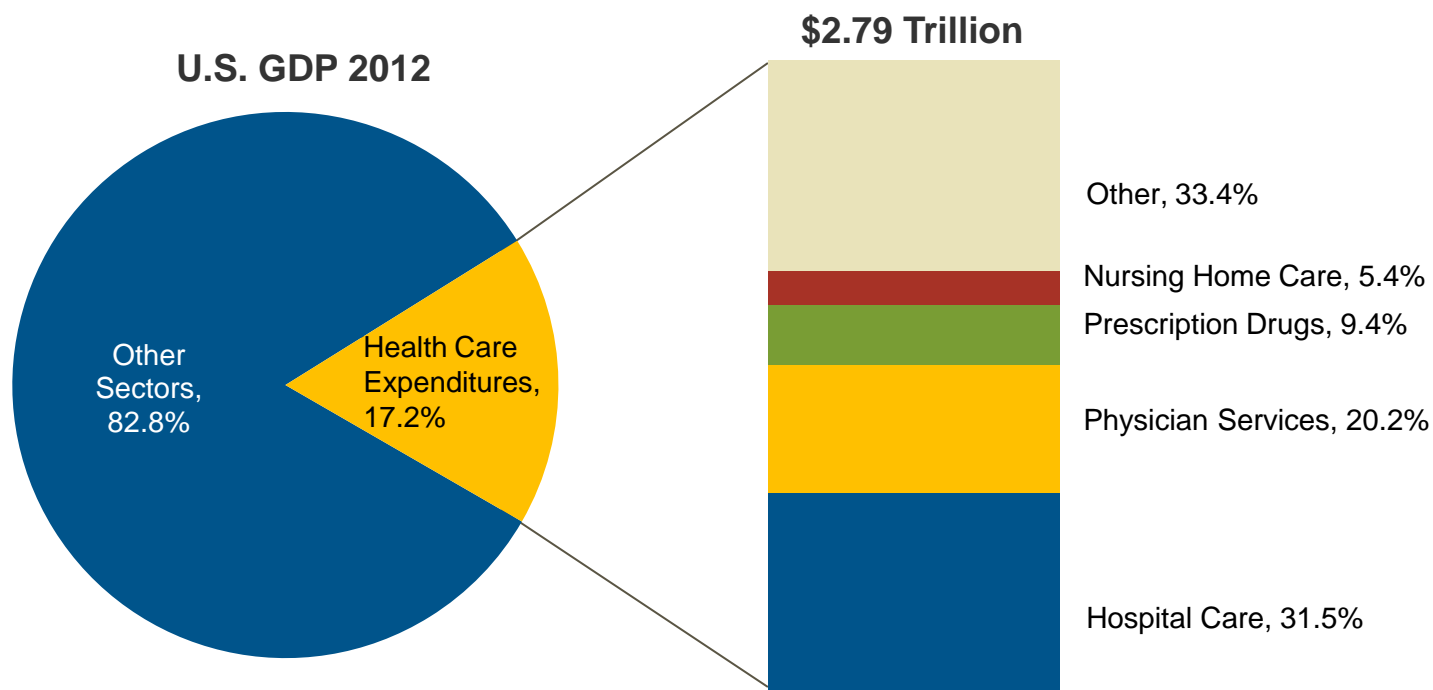




# CHAPTER 6

The Economic Contribution  
of Hospitals

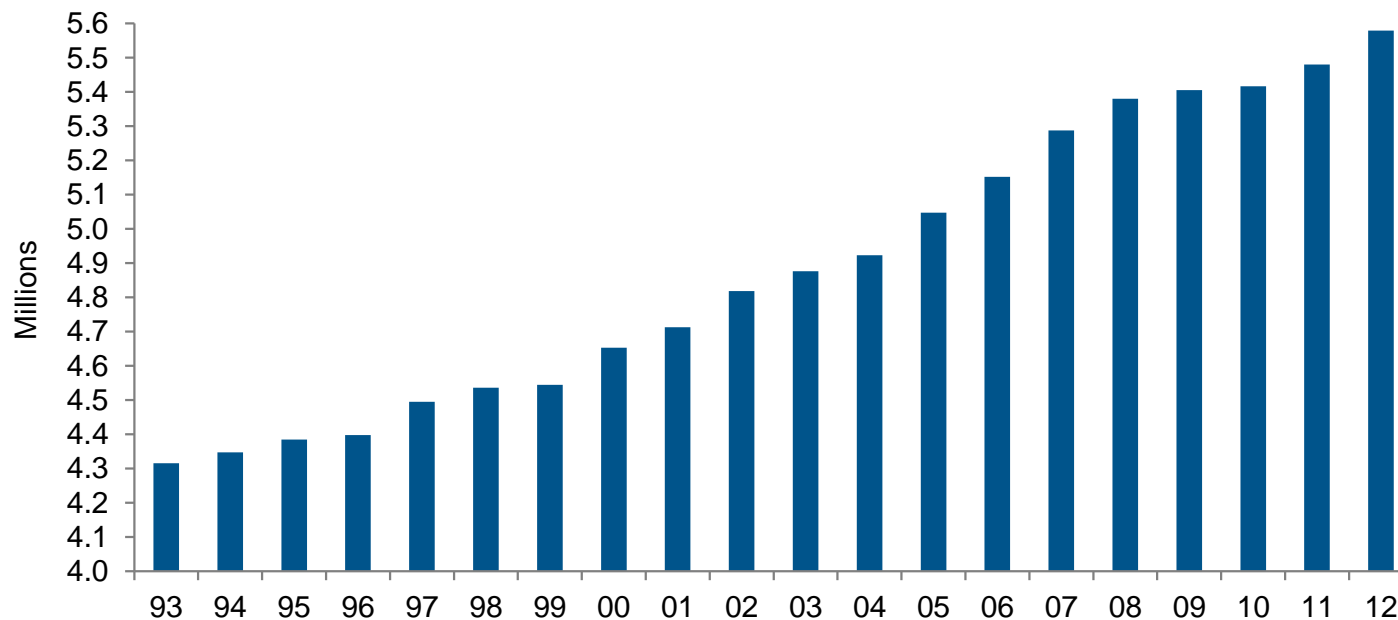
### Chart 6.1: National Health Expenditures as a Percentage of Gross Domestic Product and Breakdown of National Health Expenditures, 2012



Source: Centers for Medicare & Medicaid Services, Office of the Actuary. Data released January 7, 2014.

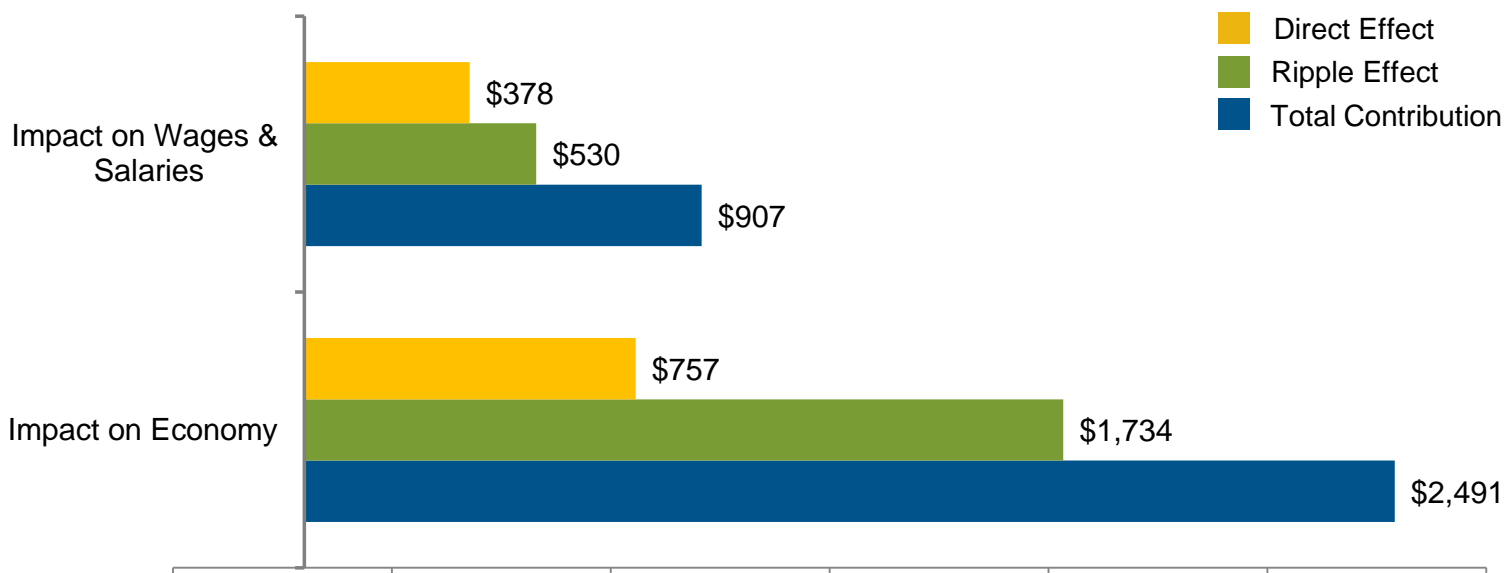
(1) Percentages were rounded, so they do not add to 100 percent.

### Chart 6.2: Number of Full-time and Part-time Hospital Employees, 1993 – 2012



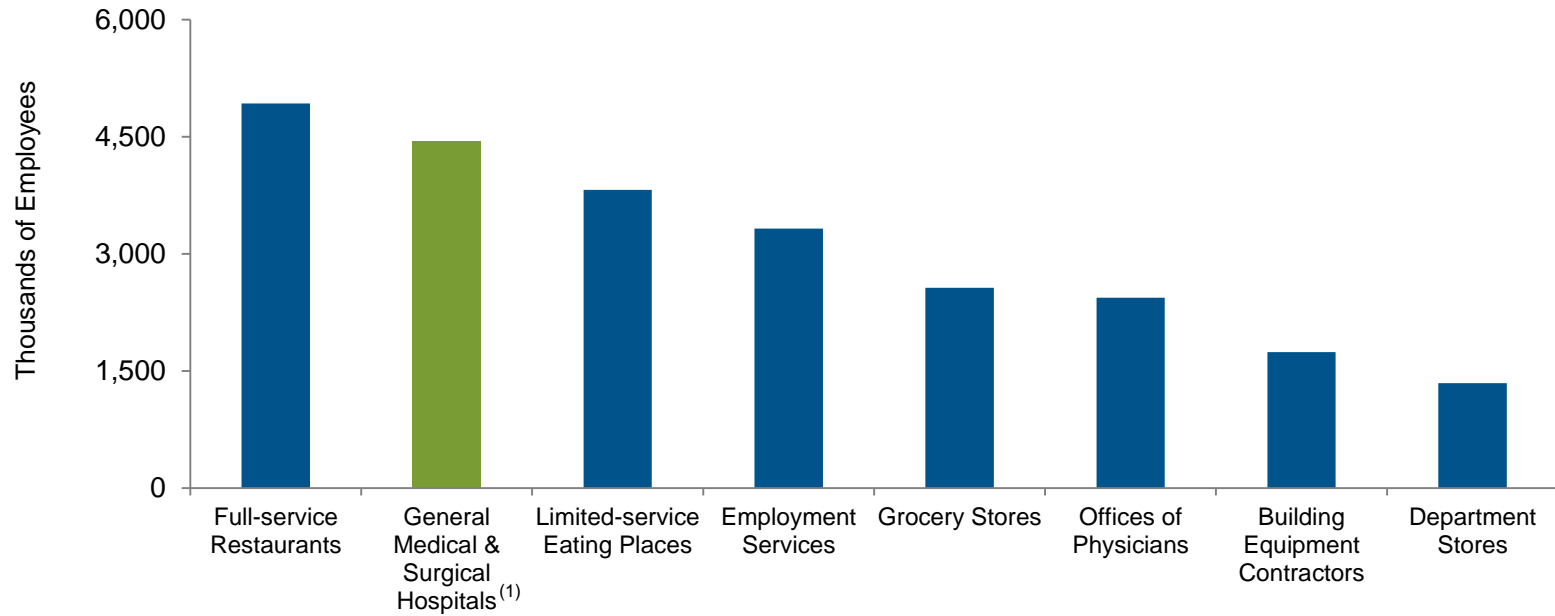
Source: Avalere Health analysis of American Hospital Association Annual Survey data, 2012, for community hospitals.

### Chart 6.3: Impact of Community Hospitals on U.S. Economy (in \$ billions), 2012



Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2012 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. The sum of the direct and ripple effect may be less than or greater than the total contribution due to rounding.

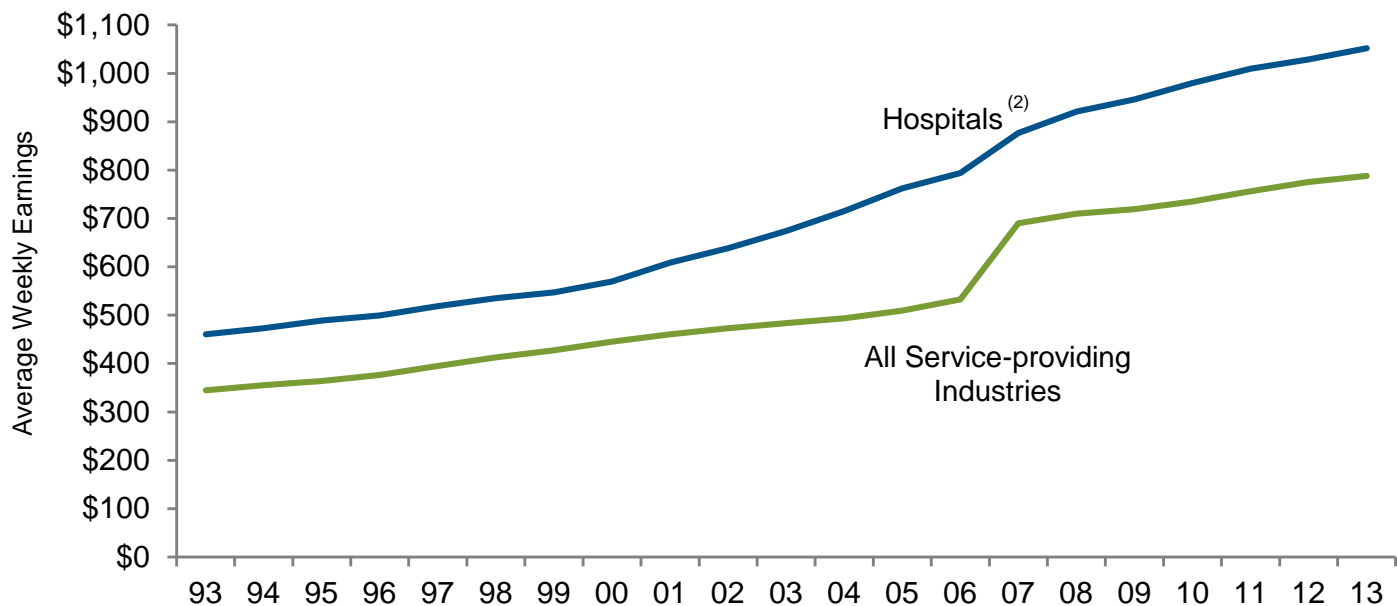
### Chart 6.4: Hospital Employment vs. Employment in Other Industries, 2013



Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2014. Link: <http://www.bls.gov/ces>.

<sup>(1)</sup> Does not include public hospitals.

### Chart 6.5: Average Weekly Earnings of Workers, Hospitals<sup>(1)</sup> vs. All Service-providing Industries, 1993 – 2013



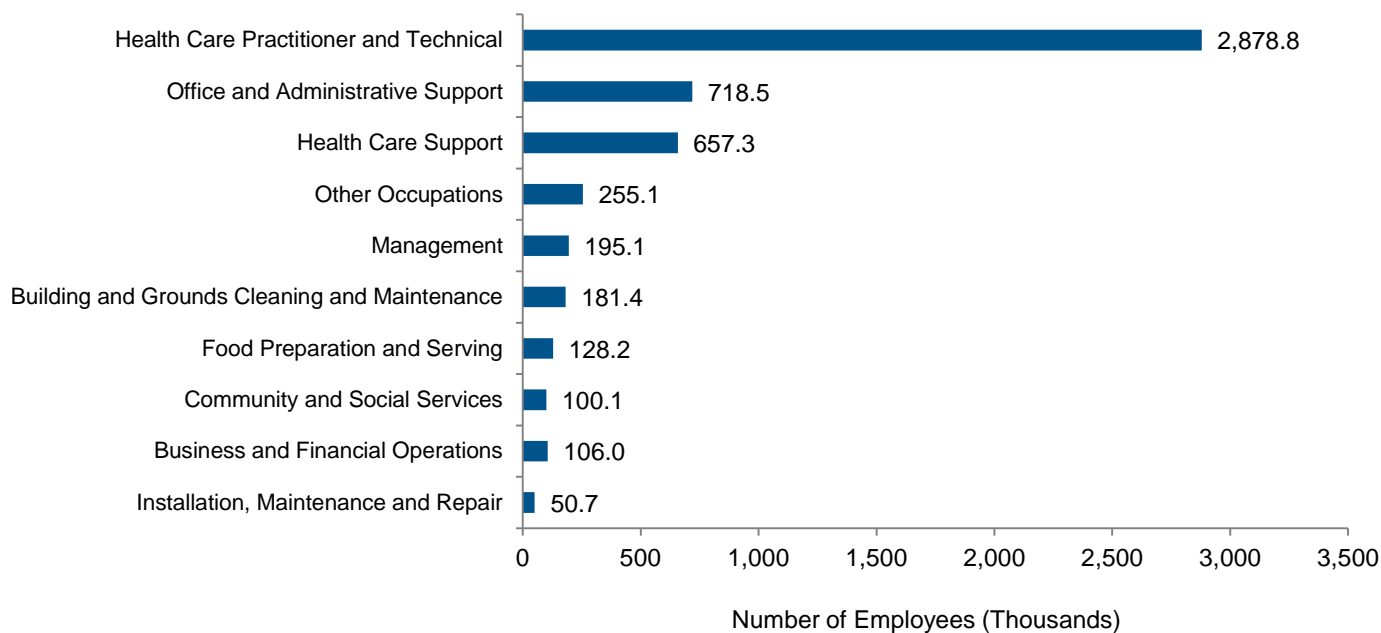
Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics (CES) Survey, customized tables. Data released 2014.

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

(1) Includes physicians employed by hospitals.

(2) Does not include public hospitals.

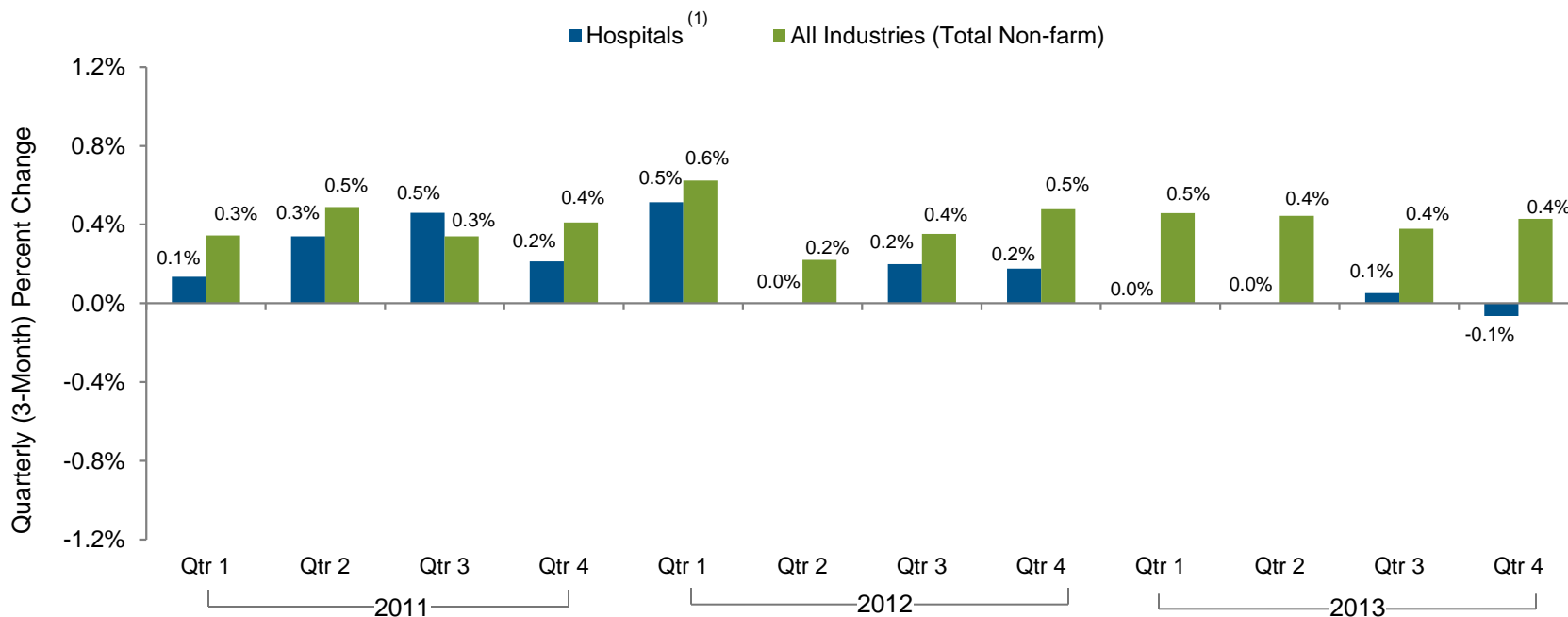
### Chart 6.6: Hospital Employment by Occupation Type, 2013<sup>(1)</sup>



Source: Department of Labor, Bureau of Labor Statistics, May 2013 National Industry-Specific Occupational Employment and Wage Estimates. Data released May 2014. Link: [http://www.bls.gov/oes/2013/may/naics4\\_622100.htm](http://www.bls.gov/oes/2013/may/naics4_622100.htm).

<sup>(1)</sup> Does not include public hospitals.

### Chart 6.7: Percent Change in Employment, Seasonally-adjusted: Hospital vs. All Industries (Total Non-farm), 2011 – 2013

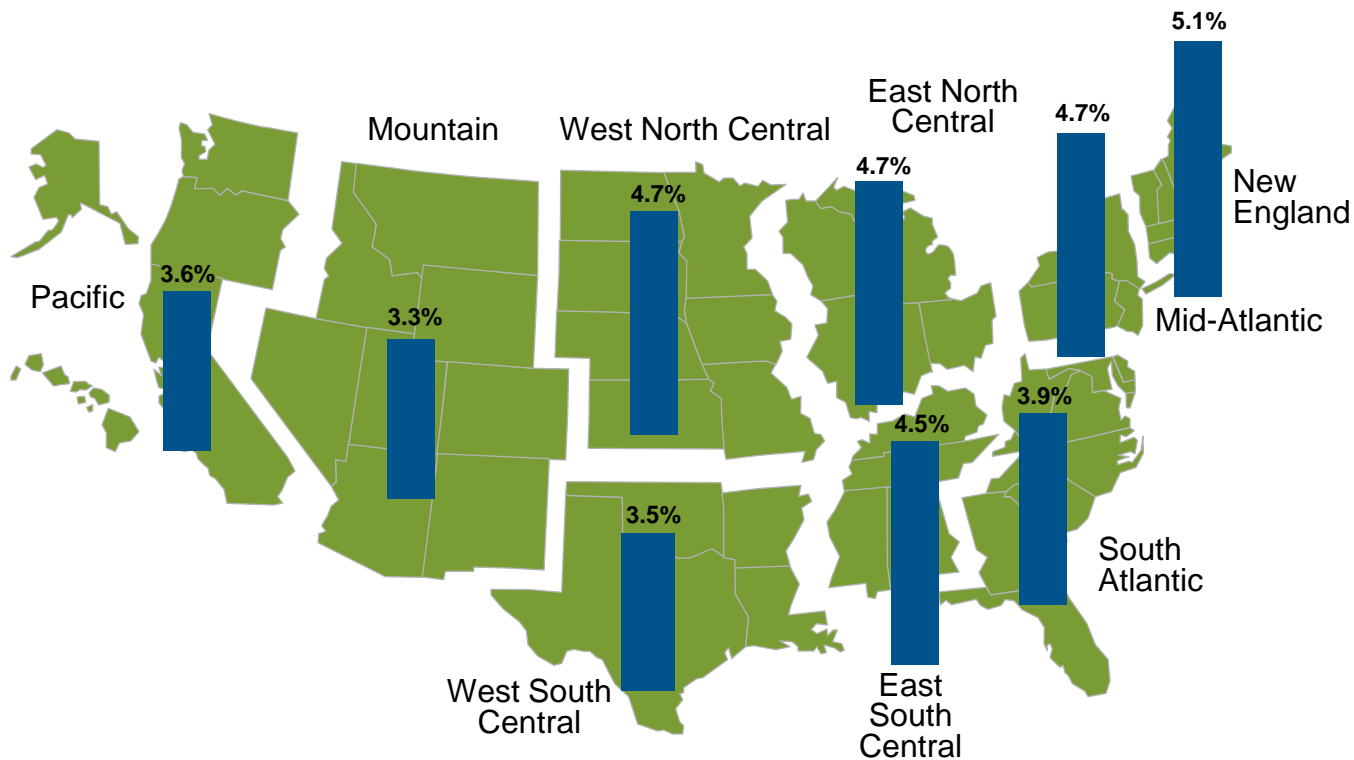


Source: Department of Labor, Bureau of Labor Statistics. Data released February 2014. Link: <http://www.bls.gov/ces>.

<sup>(1)</sup> Does not include public hospitals



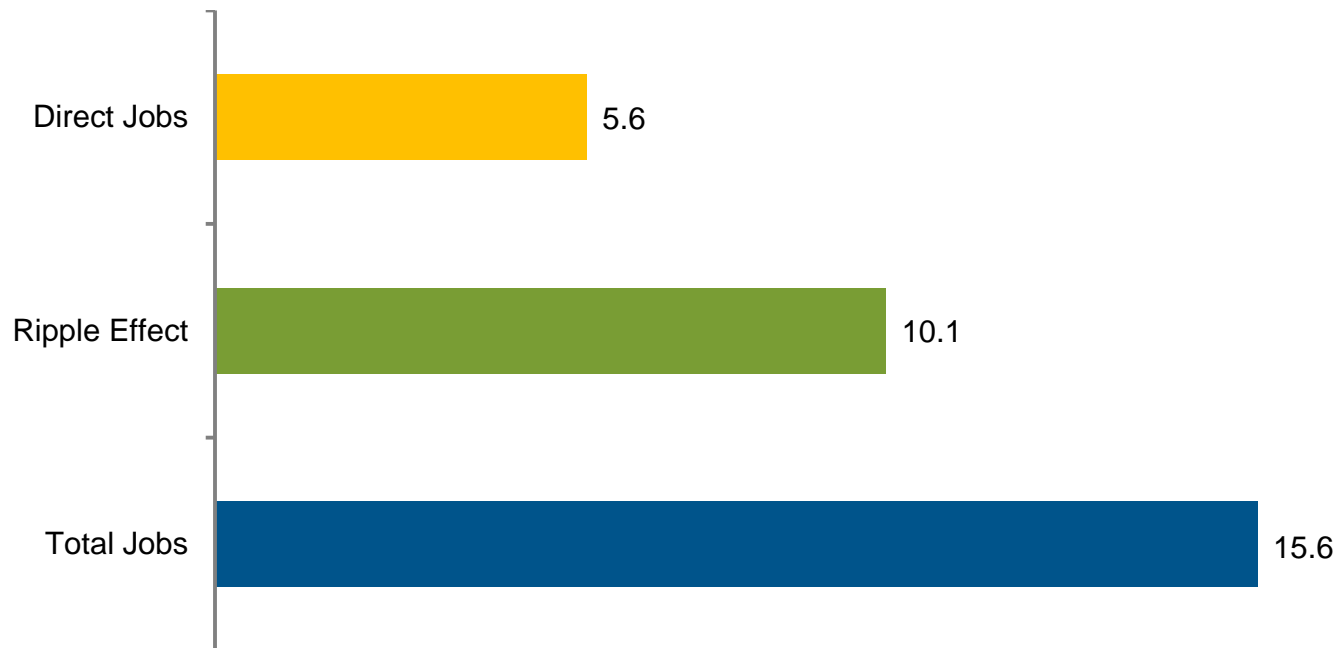
Chart 6.8: Percent of Total Regional Employment<sup>(1)</sup> by Hospitals, 2012



Source: Avalere Health analysis of American Hospital Association 2012 Annual Survey data and 2012 total non-farm employment data from the Bureau of Labor Statistics.

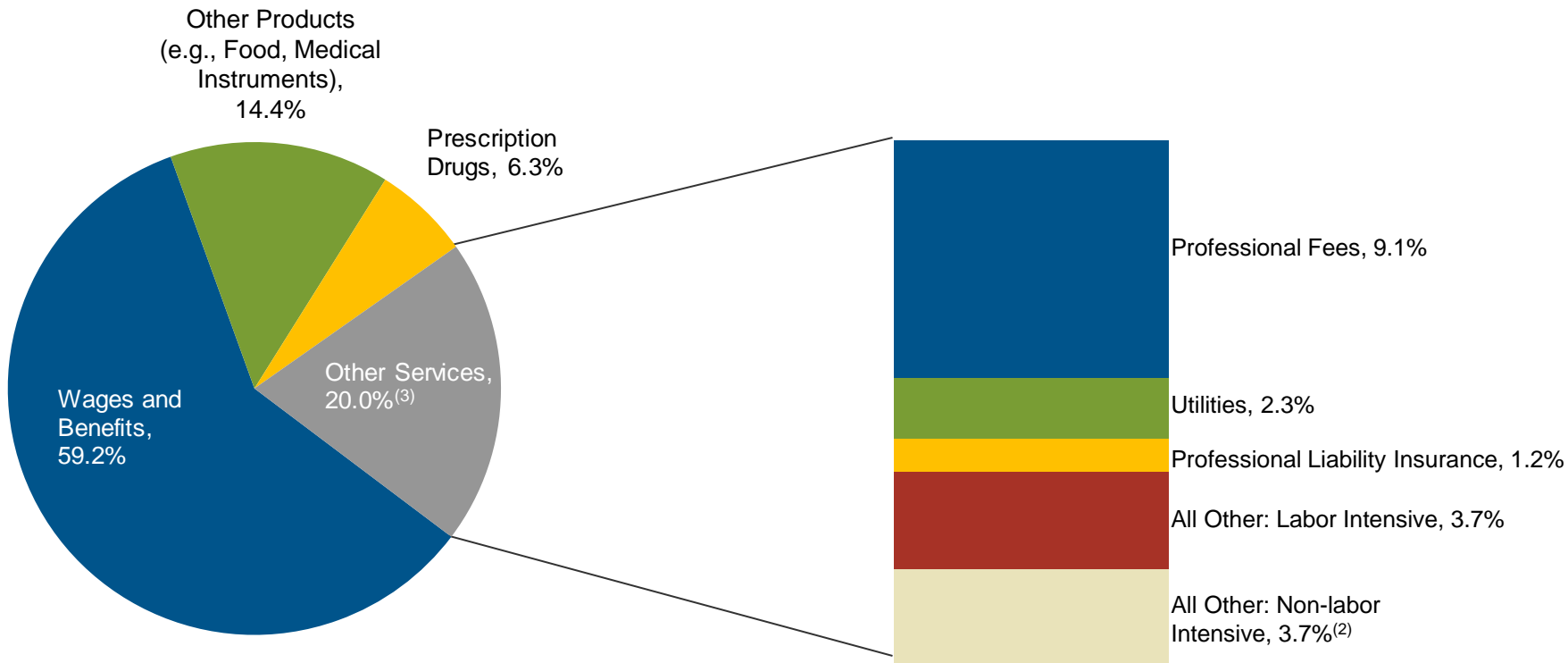
<sup>(1)</sup> Does not include farm employment.

### Chart 6.9: 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. Note: Multipliers released in 2010 and subsequent years no longer include the national level multipliers needed for this chart. The sum of the direct and ripple effect may be less than or greater than the total contribution due to rounding.

### Chart 6.10: Percent of Hospital Costs<sup>(1)</sup> by Type of Expense, 2013



Source: AHA analysis of Centers for Medicare and Medicaid Services data, using base year 2010 weights.

- (1) Does not include capital.
- (2) Includes postage and telephone expenses.
- (3) Percentages were rounded, so they do not add to 20 percent.

Chart 6.11: Hospital Impact on Sectors of the U.S. Economy  
(in \$ billions), 2012

Industry	Economic Impact
Health care and social assistance	\$876.2
Manufacturing	373.1
Real estate and rental and leasing	235.9
Finance and insurance	159.2
Professional, scientific and technical services	103.5
Retail trade	101.8
Wholesale trade	81.6
Information	81.5
Transportation and warehousing	77.5
Administrative and waste management services	77.2
Accommodation and food services	64.0
Other services	62.4
Management of companies and enterprises	50.1
Utilities	44.3
Agriculture, forestry, fishing and hunting	36.6
Educational services	20.1
Arts, entertainment, and recreation	17.8
Mining	15.7
Construction	12.3
<b>Total</b>	<b>\$2,490.7</b>

Source: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2012 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., 2012

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 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 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	1.8417	\$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	2.0789	44,362	10.63%	\$1,495	1.5948	\$2,384	\$2,662	1.8967	\$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	\$34,081	\$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	\$5,692	\$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	\$8,187	\$10,401	2.0341	\$21,156
Louisiana	88,300	1.9489	172,088	9.03%	\$4,860	1.6285	\$7,915	\$10,147	1.8985	\$19,264
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	\$28,684
Massachusetts	182,811	2.1805	398,619	12.42%	\$11,758	1.8188	\$21,386	\$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	\$58,380
Minnesota	120,905	2.235	270,223	10.10%	\$8,369	1.8076	\$15,128	\$15,069	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	73,686	7.81%	\$2,394	1.4993	\$3,589	\$4,972	1.7508	\$8,705
Nevada	26,196	2.2397	58,671	5.21%	\$2,018	1.6295	\$3,289	\$4,200	1.9298	\$8,105
New Hampshire	31,965	2.0467	65,423	10.44%	\$2,237	1.7353	\$3,882	\$4,025	2.007	\$8,078
New Jersey	143,927	2.2526	324,210	8.41%	\$10,390	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	\$59,453	\$62,123	2.0617	\$128,079
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	7.88%	\$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	255,694	9.07%	\$8,590	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	15,683	5.49%	\$649	1.3738	\$891	\$1,182	1.5703	\$1,856
<b>United States*</b>	<b>5,579,407</b>	<b>2.8048</b>	<b>15,649,121</b>	<b>11.70%</b>	<b>\$377,633</b>	<b>2.4031</b>	<b>\$907,489</b>	<b>\$757,200</b>	<b>3.2896</b>	<b>\$2,490,884</b>

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.

