



THE ECONOMIC IMPACT OF HEALTH CARE IN MICHIGAN

Presented by



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ECONOMIC IMPACT

Despite the economic challenges both in Michigan and across the country, health care continues to serve as an economic engine and remains Michigan's largest private-sector employer. Michigan's community hospitals account for a significant portion of the state's health care employment, in addition to playing a major role in training new physicians, nurses and other health care professionals.

Health care provides more than 555,400 direct jobs in Michigan, pumping more than \$31 billion a year in wages, salaries and benefits into the economy. Hospitals alone provide nearly 222,000 jobs.

Health care jobs provide excellent salaries and benefits that support Michigan families and are generally held by individuals with advanced education, skills and training. Furthermore, these jobs are less likely to be outsourced due to their geographical nature, helping to stabilize local economies. Relatively strong job growth continues for nurses, physicians and other allied health professionals and new health care employment opportunities are being created in biotechnology research and other health care manufacturing firms.

The most substantial economic impact of health care in Michigan is in direct jobs, salaries and wages; however, the effect of the purchasing power of the health care community ripples throughout the economy. When Michigan's direct health care workers purchase automobiles and homes, food and clothing, and other products and services, they help to create thousands of additional indirect/induced jobs; support schools, police and fire departments, culture and arts programs, and amenities such as parks and community centers; improve the quality of life; and assist in attracting and retaining new businesses and jobs in the community. Major employers from other economic sectors will not relocate to or stay in communities that lack strong health care systems and infrastructures.

The following economic impact findings (fiscal year 2010 data) quantify the substantial role of health care in the state. The data demonstrate that health care is the state's largest creator of direct, private-sector jobs and continues to create employment opportunities for residents statewide.

MICHIGAN'S DIRECT HEALTH CARE JOBS

- With more than 555,400 direct jobs, health care exceeds the agricultural, educational and automotive manufacturing sectors as the state's largest private-sector employer.
- Michigan's direct health care workers alone earn more than \$31 billion a year in wages, salaries and benefits.

Industry	Direct Jobs
Health Care	555,400
Education	412,800
Automotive Manufacturing	124,800
Agriculture	83,400

INDIRECT AND INDUCED JOBS

- More than 524,100 Michigan citizens work in jobs that are indirectly related to health care or induced by the health care sector.
- Michigan's indirect and induced health care workers together earn nearly \$21 billion a year in wages, salaries and benefits.

TOTAL DIRECT, INDIRECT AND INDUCED HEALTH CARE JOBS

- Direct, indirect and induced health care jobs total about 1,079,500 in Michigan.
- Wages, salaries and benefits for direct, indirect and induced health care jobs total more than \$52 billion in Michigan.
- Currently, 11 of every 100 Michigan jobs are directly in health care and nearly 21 of every 100 are directly or indirectly related to or induced by health care.

Type of Health Care Jobs	Direct Jobs				
Hospitals	221,900				
Offices of Physicians	152,300				
Nursing and Residential Care	101,500				
Home Health Services	44,300				
Other Ambulatory Services	<u>35,400</u>				
Total Health Care Sector Jobs	555,400	+	524,100	=	Total Jobs 1,079,500

TAXES PAID BY HEALTH CARE EMPLOYERS AND WORKERS

- Michigan health care workers and their employers pay more than \$7.4 billion annually in federal and state taxes, which include Social Security, income, motor vehicle, sales, real property, personal property, corporate and more.

HEALTH CARE EMPLOYMENT BY REGION

Health care is a major employer in every geographical region in Michigan.

Region	Direct Jobs	Indirect/ Induced Jobs	Total Jobs	Direct Wages	Total Wages
E. Central Michigan	43,500	28,600	72,100	\$2.1 billion	\$3.0 billion
Mid-Michigan	52,100	45,200	97,300	\$3.0 billion	\$4.6 billion
N. Central Michigan	24,500	18,600	43,100	\$1.4 billion	\$1.9 billion
Southeast Michigan	289,700	271,700	561,400	\$16.7 billion	\$29.0 billion
Southwest Michigan	43,300	32,200	75,500	\$2.5 billion	\$3.6 billion
Upper Peninsula	18,000	11,400	29,300	\$912 million	\$1.2 billion
W. Central Michigan	84,400	68,400	152,700	\$4.6 billion	\$6.9 billion

Please note: Once income has flowed out of a region, it cannot generate any additional multiplier effects in the original region. Adding the numbers in the table above will result in different statewide totals due to the change in boundaries used in the economic model.

REGIONS BY COUNTY

Economic impact data for all 83 Michigan counties listed below are available at www.economicimpact.org.

Upper Peninsula:

- Alger
- Baraga
- Chippewa
- Delta
- Dickinson
- Gogebic
- Houghton
- Iron
- Keweenaw
- Luce
- Mackinac
- Marquette
- Menominee
- Ontonagon
- Schoolcraft

North Central:

- Alcona
- Alpena
- Antrim
- Benzie
- Charlevoix
- Cheboygan
- Crawford
- Emmet
- Grand Traverse
- Kalkaska
- Leelanau
- Manistee
- Missaukee
- Montmorency
- Oscoda
- Otsego
- Presque Isle
- Wexford

East Central:

- Arenac
- Bay
- Clare
- Gladwin
- Gratiot
- Huron
- Iosco
- Isabella
- Midland
- Ogemaw
- Roscommon
- Saginaw
- Sanilac
- Tuscola

West Central:

- Allegan
- Barry
- Berrien
- Ionia
- Kent
- Lake
- Mason
- Mecosta
- Montcalm
- Muskegon
- Newaygo
- Oceana
- Osceola
- Ottawa
- Van Buren

Mid-Michigan:

- Clinton
- Eaton
- Genesee
- Ingham
- Lapeer
- Shiawassee

Southwest:

- Branch
- Calhoun
- Cass
- Hillsdale
- Jackson
- Kalamazoo
- Lenawee
- St. Joseph

Southeast:

- Livingston
- Macomb
- Monroe
- Oakland
- St. Clair
- Washtenaw
- Wayne

WAGES AND SALARIES FOR HEALTH CARE JOBS IN MICHIGAN

The economic impact of health care is primarily in jobs, salaries, wages and benefits, and the purchasing power that can be felt throughout the economy. Listed below is a breakdown of the number of direct and indirect/induced health care jobs, wages, salaries and benefits in Michigan.

Type of Health Care Jobs	Direct Jobs	Direct Wages*	Indirect/ Induced Jobs	Indirect/ Induced Wages*	Total Jobs	Total Wages
Hospitals	221,900	\$13.6 billion	246,200	\$9.8 billion	468,200	\$23.4 billion
Offices of Physicians, Dentists and Other Health Care Providers	152,300	\$11.0 billion	166,800	\$6.7 billion	319,100	\$16.7 billion
Nursing and Residential Care	101,500	\$3.1 billion	46,900	\$1.8 billion	148,400	\$4.9 billion
Home Health Services	44,300	\$1.6 billion	22,400	\$876 million	66,700	\$2.5 billion
Other Ambulatory Services	35,400	\$2.0 billion	41,800	\$1.7 billion	77,200	\$3.7 billion

* Includes wages, salaries and benefits.

Please note that adding the numbers in the four right columns above will result in different statewide totals than those mentioned elsewhere in the report, due to the division of the sectors used in the health care economic model. The numbers above are viable for the independent purposes they serve in this chart, but should not be added.

For more information on the economic impact of health care in Michigan, visit www.economicimpact.org.

ABOUT THE ECONOMIC IMPACT DATA (IMPLAN® AND OTHER DATA SOURCES)

The information presented here was compiled using IMPLAN® V.3 software and 2010 data, along with 2010 data from the American Hospital Association Annual Survey. IMPLAN® was developed by MIG, Inc., which was founded in 1993 by two former University of Minnesota researchers as an outgrowth of their work at the university that began in 1984. IMPLAN® is a modeling system that allows users to build economic models to estimate the impact of economic activities and changes in states, counties and local communities. IMPLAN® data files are compiled from many sources, but mostly from federal government sources including the U.S. Bureau of Economic Analysis, U.S. Bureau of Labor and the U.S. Census Bureau.



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