



**American Hospital
Association**

Economic Contribution of Hospitals Often Overlooked

In 2009, America's hospitals treated 127 million people in their emergency departments, provided care for 515 million other outpatients, performed 27 million surgeries, and delivered 4 million babies. Every year, hospitals provide vital health care services like these to millions of people in thousands of communities. However, the importance of hospitals to their communities extends far beyond health care.

The health care sector is an economic mainstay, providing stability and even growth during times of recession. Health care has added an average of 24,000 jobs per month over the prior 12 months. Hospital care is an important component of the health care sector. Hospitals:

- Employ over 5.4 million people.
- Are the second largest source of private sector jobs.
- Spend about \$342 billion on goods and services from other businesses.

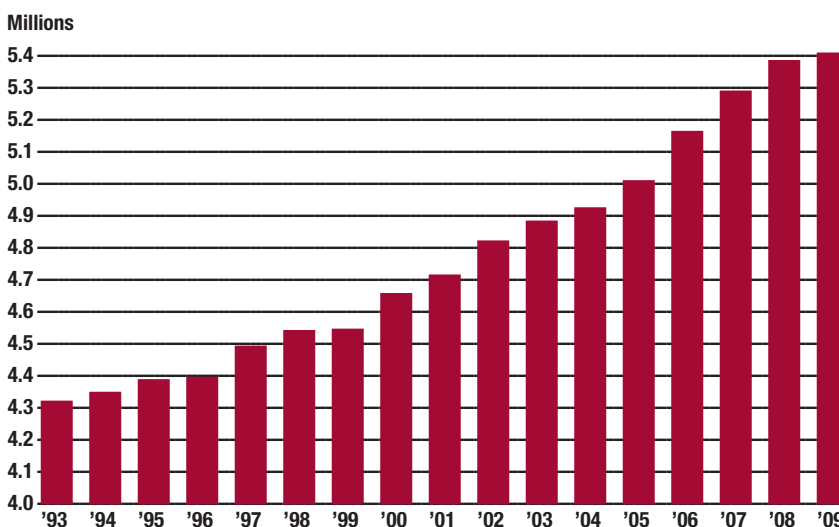
The goods and services hospitals purchase from other businesses create additional economic value for the community. With these "ripple effects" included, each hospital job supports about two more jobs and every dollar spent by a hospital supports roughly \$2.30 of additional business activity. Overall hospitals:

- Support one of 9 jobs in the U.S.
- Support over \$2.2 trillion in economic activity.

Read more in *Beyond Health Care: The Economic Contribution of Hospitals* at www.aha.org under "Research and Trends."

Hospitals employ over 5.4 million people . . .

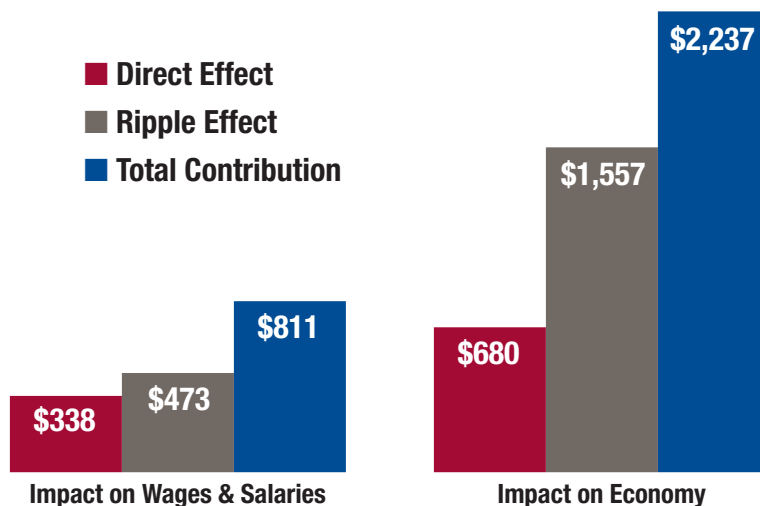
Number of Full-time and Part-time Hospital Employees 1993–2009



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

. . . and create over 2.2 trillion dollars of economic activity.

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.

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 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	81,887	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, State data uses 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.

* The "multiplier" is the factor by which spending in one sector of the economy affects other sectors. For example, nationally each hospital results in a total of 2.8 jobs in the economy as a whole because hospital employees use their wages to purchase goods and services which creates income and jobs for other businesses.

**Multipliers (2002/2008) released in 2011 and used for state data no longer include national level multipliers. National totals use BEA RIMS-II (1997/2006) multipliers.