Maryland
Hospital Association

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National Study Shines Spotlight on "Ripple Effect" of Hospitals as Economic Drivers; in Maryland, Hospitals Support 209,000 Jobs, have $29 Billion Impact on State's Economy

Elkridge, Md. – According to a new national report, Maryland's hospitals have a $29 billion impact on the state's economy, and support more than 209,000 jobs – more than 8 percent of the job force. Nationally, hospitals directly employ nearly 5.6 million people, but the "ripple effect" of those jobs on their communities translates into an additional 10.1 million jobs, for a total impact on U.S. jobs of 15.7 million. The ripple effect occurs when hospitals purchase goods and services from other businesses in their communities. In Maryland, hospitals directly employ more than 101,000 people, but the ripple effect more than doubles that number.

Nationally, hospitals spend more than $782 billion on goods and services from other businesses; the ripple effect supports nearly $2.6 trillion in economic activity. In Maryland, hospitals directly spend nearly $14 billion on goods and services; that translates to a $29 billion overall impact on the state's economy. At the same time, Maryland's hospitals are playing a major role in the state's economic recovery by holding spending growth over the past year to less than 1.5 percent.

In other words, hospitals don't only provide critical health care, they also are critical to the fiscal health of the state and its communities. Yet, budget cuts being discussed in Annapolis threaten hospitals' ability to buoy the state's economy. "Hospitals are critical to their communities in so many more ways than health care," said Maryland Hospital Association President & CEO Carmela Coyle. "But the strength of their economic contributions is easily sapped by the unintended consequences of budget-cutting decisions that don't recognize the long-term cost to jobs and spending. Hospitals invest in their communities every day to make them healthier. Hospitals should be looked at not as an expense, but as an investment – in health care, and in the economy."

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About the Maryland Hospital Association
The Maryland Hospital Association is the advocate for Maryland hospitals, health systems, and their patients before legislative and regulatory bodies. Its membership is composed of community and teaching hospitals, health systems, specialty hospitals, veterans' hospitals, and long-term care facilities. For more information, visit www.mhaonline.org.

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Economic Contribution Often Overlooked

In 2013, America's hospitals treated 134 million people in their emergency departments, provided care for 544 million other outpatients, performed almost 27 million surgeries, and delivered nearly 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 has traditionally been an economic mainstay, providing stability and even growth during times of recession. Health care added an average of 26,000 jobs per month over the last year.[1] Hospital care is an important component of the health care sector. Hospitals:

- Employ nearly 5.6 million people.
- Are the second largest source of private sector jobs.
- Spend over $782 billion on goods and services from other businesses.

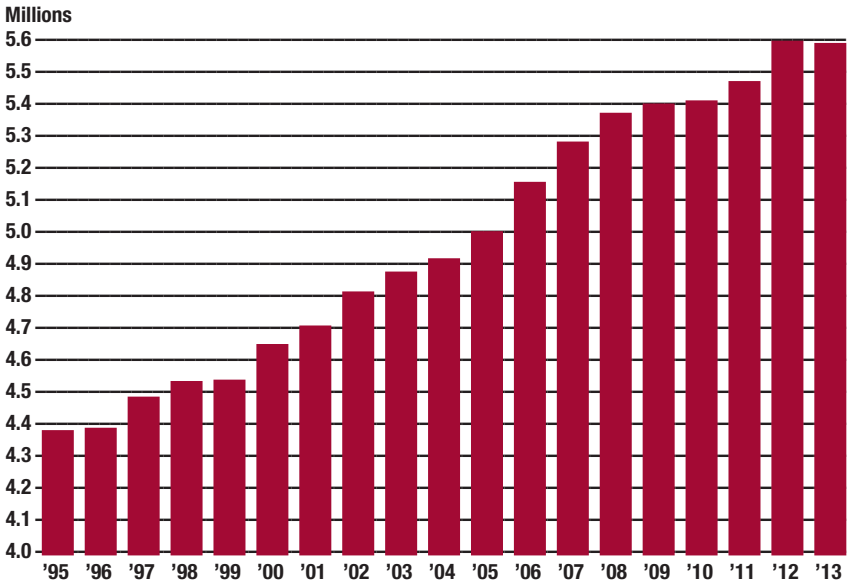
The goods and services hospitals purchase from other businesses create additional economic value for the community. With these "ripple effects" included, each hospital job supports about two more jobs and every dollar spent by a hospital supports roughly $2.30 of additional business activity. Overall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

- Support nearly 16 million total jobs or one of 9 jobs in the U.S.
- Support nearly $2.6 trillion in economic activity.

[1]Bureau of Labor Statistics.

Hospitals directly employ nearly 5.6 million people . . .

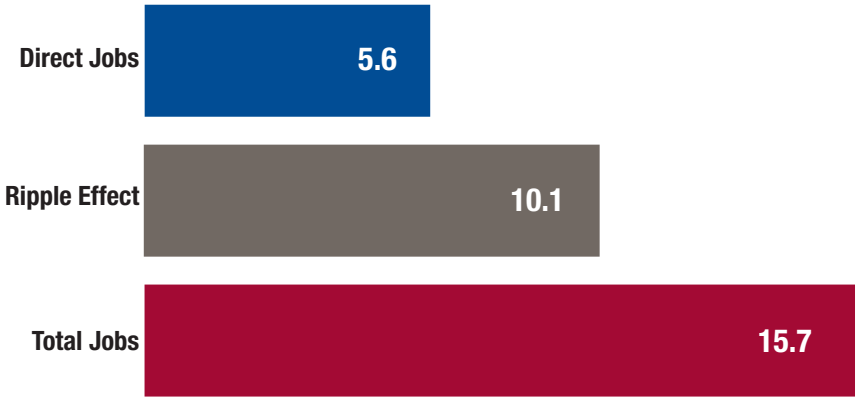
Number of Full-time and Part-time Hospital Employees 1995–2013



SOURCE: Avalere Health analysis of American Hospital Association Annual Survey data, 2013, for community hospitals.

. . . but with "ripple effects" included support 15.7 million total jobs.

Impact of Community Hospitals on U.S. Jobs (in millions), 2013



SOURCE: Avalere Health, using BEA RIMS-II (1997/2006) multipliers, released in 2008, applied to 2013 American Hospital Association Annual Survey data.

Impact of Community Hospitals on U.S. Economy; All States, DC and Total U.S., 2013

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	84,136	2.0293	170,737	8.97%	$4,506	1.6538	$7,452	$9,699	1.9782	$19,187
Alaska	11,090	1.8145	20,123	5.99%	$952	1.4829	$1,412	$1,824	1.7423	$3,178
Arizona	81,810	2.3261	190,298	7.57%	$5,948	1.7473	$10,392	$12,378	2.0921	$25,896
Arkansas	48,554	1.8577	90,199	7.66%	$2,779	1.5592	$4,332	$5,917	1.8417	$10,898
California	500,775	2.3233	1,163,451	7.68%	$43,647	1.8782	$81,977	$86,711	2.3155	$200,779
Colorado	75,129	2.3607	177,357	7.45%	$5,353	1.8929	$10,133	$11,469	2.3212	$26,621
Connecticut	65,670	2.1168	139,010	8.40%	$5,416	1.7191	$9,310	$10,400	2.0802	$21,633
Delaware	20,837	2.0789	43,318	10.14%	$1,583	1.5948	$2,524	$2,745	1.8967	$5,206
District of Columbia	27,109	1.6374	44,388	5.96%	$2,153	1.3241	$2,850	$3,946	1.3378	$5,279
Florida	287,673	2.2413	644,761	8.51%	$18,882	1.7906	$33,810	$41,035	2.1546	$88,414
Georgia	142,456	2.3002	327,677	8.12%	$9,213	1.8813	$17,333	$19,520	2.3035	$44,964
Hawaii	17,221	2.1635	37,258	11.73%	$1,553	1.6503	$2,562	$2,917	1.9679	$5,741
Idaho	30,983	1.886	58,434	9.15%	$1,760	1.5086	$2,655	$3,549	1.7539	$6,225
Illinois	238,894	2.2589	539,638	9.31%	$15,813	1.9129	$30,249	$32,753	2.3704	$77,637
Indiana	128,318	2.0612	264,489	9.02%	$8,358	1.7103	$14,295	$17,894	2.0808	$37,233
Iowa	68,067	1.7103	116,415	7.61%	$3,942	1.4704	$5,796	$7,833	1.7231	$13,497
Kansas	55,614	1.7657	98,198	7.15%	$3,378	1.5244	$5,149	$6,617	1.8186	$12,033
Kentucky	81,625	2.0314	165,813	9.04%	$4,935	1.6948	$8,363	$10,884	2.0341	$22,139
Louisiana	92,123	1.9489	179,539	9.20%	$4,966	1.6285	$8,087	$10,690	1.8985	$20,295
Maine	35,625	2.1174	75,432	12.54%	$2,509	1.6767	$4,207	$4,501	1.9987	$8,997
Maryland	101,491	2.0626	209,335	8.06%	$6,845	1.7266	$11,819	$13,836	2.0773	$28,742
Massachusetts	183,179	2.1805	399,422	11.90%	$11,956	1.8188	$21,746	$24,671	2.2142	$54,625
Michigan	205,985	2.2037	453,929	11.06%	$13,613	1.7709	$24,107	$27,272	2.139	$58,336
Minnesota	145,815	2.235	325,897	11.73%	$8,680	1.8076	$15,689	$15,886	2.2165	$35,212
Mississippi	58,658	1.8678	109,561	9.85%	$3,495	1.5474	$5,408	$7,101	1.8228	$12,945
Missouri	137,701	2.1876	301,235	11.04%	$8,679	1.8001	$15,623	$18,734	2.1788	$40,819
Montana	24,128	1.8443	44,499	9.92%	$1,509	1.474	$2,224	$2,874	1.7012	$4,890
Nebraska	40,929	1.7205	70,418	7.20%	$2,398	1.4993	$3,596	$4,870	1.7508	$8,527
Nevada	28,050	2.2397	62,824	5.34%	$2,181	1.6295	$3,554	$4,408	1.9298	$8,507
New Hampshire	32,161	2.0467	65,824	10.28%	$2,283	1.7353	$3,962	$4,090	2.007	$8,208
New Jersey	141,385	2.2526	318,484	8.09%	$10,526	1.8654	$19,636	$20,200	2.3092	$46,646
New Mexico	28,638	2.0145	57,691	7.11%	$1,897	1.5475	$2,935	$3,818	1.7898	$6,834
New York	442,689	1.9938	882,633	9.91%	$37,200	1.6732	$62,244	$64,889	2.0617	$133,782
North Carolina	174,496	2.2429	391,377	9.65%	$10,660	1.8107	$19,302	$22,436	2.212	$49,629
North Dakota	25,241	1.6142	40,744	9.17%	$1,501	1.4083	$2,114	$2,967	1.6154	$4,793
Ohio	279,238	2.2008	614,547	11.70%	$18,991	1.8469	$35,074	$37,050	2.2541	$83,515
Oklahoma	57,738	1.9603	113,184	6.93%	$3,456	1.6445	$5,684	$7,684	1.9496	$14,981
Oregon	58,566	2.3049	134,989	8.07%	$4,767	1.7395	$8,292	$9,359	2.082	$19,485
Pennsylvania	279,805	2.2071	617,558	10.75%	$18,105	1.8641	$33,749	$38,184	2.2768	$86,938
Rhode Island	20,855	2.1003	43,802	9.30%	$1,776	1.7022	$3,023	$3,151	2.0206	$6,368
South Carolina	73,644	2.2139	163,040	8.60%	$4,545	1.7258	$7,844	$10,033	2.1104	$21,174
South Dakota	24,059	1.5601	37,534	9.00%	$1,440	1.3914	$2,004	$2,672	1.6058	$4,291
Tennessee	110,869	2.164	239,921	8.73%	$6,943	1.8163	$12,610	$15,003	2.2215	$33,328
Texas	352,571	2.2946	809,009	7.23%	$24,727	1.8783	$46,444	$53,271	2.3343	$124,351
Utah	43,041	2.3204	99,872	7.74%	$2,422	1.847	$4,473	$5,365	2.2759	$12,210
Vermont	15,031	1.9799	29,760	9.73%	$1,155	1.551	$1,791	$2,043	1.7831	$3,642
Virginia	115,026	2.0564	236,539	6.28%	$7,977	1.7199	$13,719	$17,003	2.1081	$35,844
Washington	115,294	2.2617	260,760	8.73%	$9,090	1.7321	$15,744	$17,865	2.1029	$37,568
West Virginia	46,162	1.8046	83,304	10.92%	$2,571	1.5245	$3,919	$5,372	1.7444	$9,371
Wisconsin	113,945	2.0695	235,809	8.37%	$7,458	1.7308	$12,908	$15,412	2.0677	$31,867
Wyoming	10,014	1.6148	16,171	5.57%	$668	1.3738	$918	$1,234	1.5703	$1,937
United States*	**5,580,113**	**2.8048**	**15,651,101**	**11.49%**	**$387,155**	**2.4031**	**$930,373**	**$782,035**	**3.2896**	**$2,572,583**

Source: Avalere Health, using BEA RIMS-II (2002/2010) multipliers for hospital NAICS Code 622, released 2008, applied to American Hospital Association Annual Survey data for 2013. 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 2013 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 2013 AHA annual survey data were used instead.

American Hospital Association

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