

Southeastern Pennsylvania Hospitals as Economic Anchors

In fiscal year 2009, southeastern Pennsylvania hospitals and health systems provided care for millions of patients through more than 690,000 hospital admissions and 1.9 million emergency department visits.

The economic contributions made by southeastern Pennsylvania’s hospitals to local communities and the state continued to increase, rising to \$28.7 billion during 2009, up \$2.5 billion (nearly 10 percent) from \$26.2 billion in total contributions during 2007.

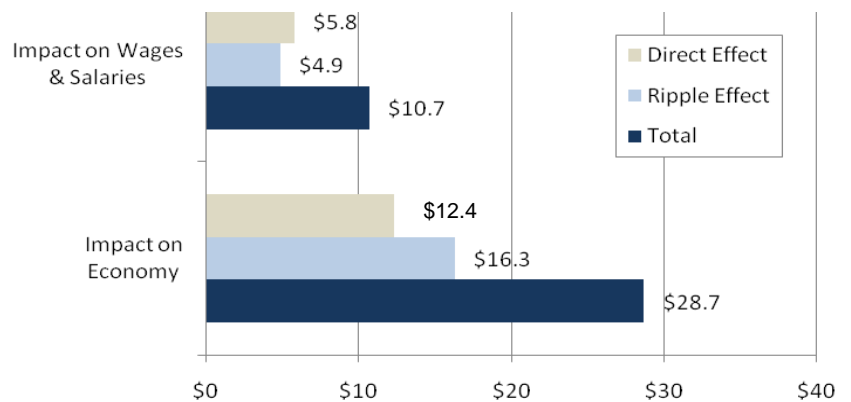
- ★ In all southeastern Pennsylvania counties, hospitals are among the “top five” non-government employers.
- ★ Hospitals are the first, second, or third largest non-government employers in four of five counties.

Despite the long recession and slow, jobless recovery, Delaware Valley hospitals continue to serve as primary economic drivers for the five-county region of southeastern Pennsylvania. While non-farm employment in the Philadelphia metropolitan region decreased by 3.5 percent between June 2008 and June 2009, direct hospital employment decreased just one percent. Hospitals continue to generate more than one out of every 10 jobs in the region’s economy.

State and federal lawmakers must work to assure adequate Medicaid and Medicare payments so that hospitals can maintain and recruit a strong health care workforce; invest in clinical resources, technology, and capital infrastructure; and continue to provide the best quality care. Investments in hospitals are investments in the region’s patients, workforce, and economy.

- Southeastern Pennsylvania hospitals and health systems provide a total of \$12.4 billion in direct spending to the region’s economy.
- Southeastern Pennsylvania hospitals and health systems make a total direct and secondary contribution of \$28.7 billion to the region’s economy.
- More than 203,000 southeastern Pennsylvanians depend on hospitals for their jobs through direct employment and the ripple effect of hospital employment.
- During 2009, direct hospital employment was nearly 98,000.
- The labor income multiplier for hospitals is 1.85, meaning that every additional dollar in employee compensation in the hospital sector results in 85 cents of wages to other southeastern Pennsylvania industries.

Southeastern Pennsylvania hospitals support other businesses and jobs in the region.



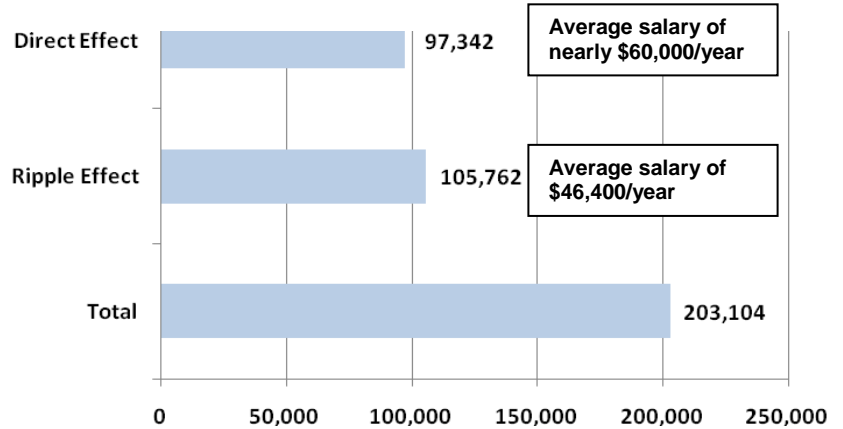
Above economic impacts shown in billions.

Source: Based on analysis of Bureau of Economic Analysis, U.S. Department of Commerce

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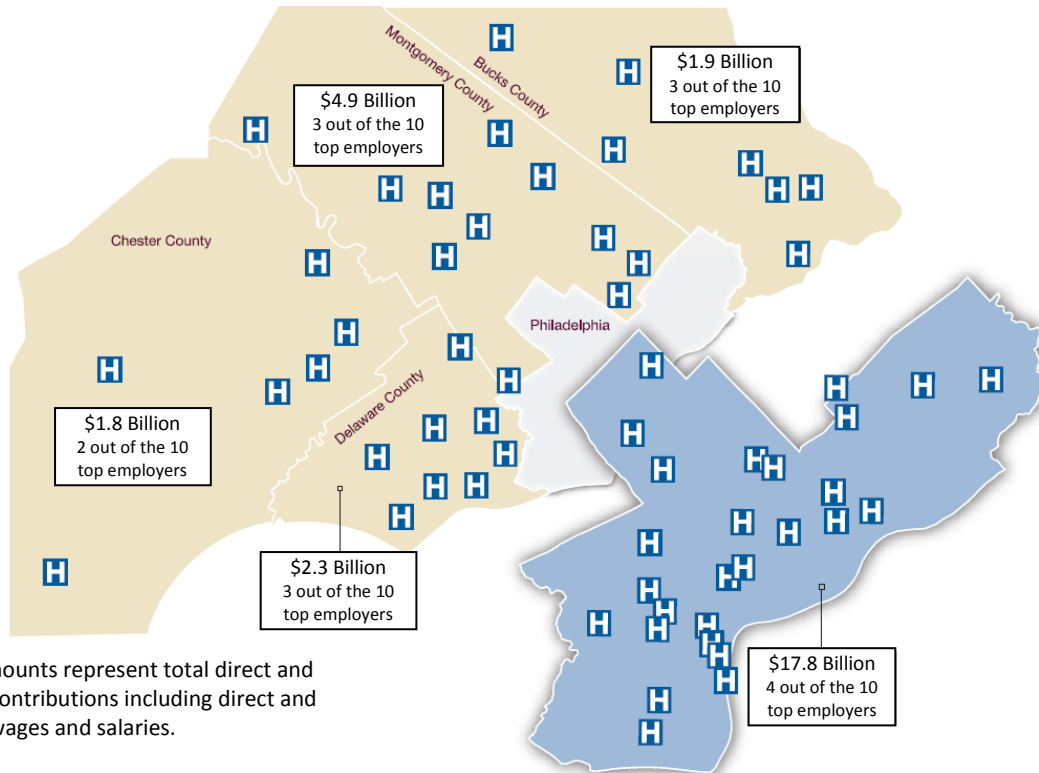
- The Federal Bureau of Economic Analysis's 2.09 employment multiplier for hospitals in southeastern Pennsylvania suggests that every hospital job supports more than one additional job in the region.
- When 98,000 hospital employees spend money on products and services, it translates to more than 105,000 additional hospital service-related jobs, more than \$4.9 billion in employee compensation.
- More than \$10.7 billion in total labor income is generated directly and indirectly by southeastern Pennsylvania hospitals.

Southeastern Pennsylvania hospitals support more than 200,000 jobs in the region.



Source: Based on analysis of Bureau of Economic Analysis, U.S. Department of Commerce and 4th Quarter 2008 Census of Employment and Wages

Regional Economic Impact of Southeastern Pennsylvania Hospitals & Health Systems



Dollar amounts represent total direct and indirect contributions including direct and indirect wages and salaries.