



MCHC

Metropolitan Chicago
Healthcare Council

The background of the entire page is a scenic photograph of the Chicago skyline. In the foreground, there is a lush green park with many trees, some showing early autumn colors. A body of water, likely a lake or river, is visible in the lower half of the image, reflecting the sky and the buildings. A bridge or walkway is visible on the right side of the water. The sky is blue with scattered white clouds.

THE ECONOMIC IMPACT OF HOSPITALS

on the Metropolitan Chicago Region

AUGUST 2014



ACKNOWLEDGEMENTS

Dr. Gerald A. Doeksen, Regents Professor and Extension Economist at Oklahoma State University, compiled the data analysis for this report. Special thanks to Cheryl St. Clair, Associate State Extension Specialist affiliated with Oklahoma State University, for providing support to Dr. Doeksen during the data collection process.

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MESSAGE

from the President

I am pleased to provide you with MCHC's latest report, the *2014 Economic Impact of Hospitals on the Metropolitan Chicago Region*. This report provides an overview of the significant economic impact metropolitan Chicago hospitals have on our region. As the largest employer in the region, the health care sector is a true economic engine for our communities by providing high paying jobs and investing in capital improvements. Moreover, access to health care is a critical factor in regional economic development and a prerequisite for attracting companies looking to expand or relocate.

Metropolitan Chicago hospitals are vital to the quality of life and economy of communities throughout the region. Hospitals are agents of positive change in the lives of people and communities driven by their mission to serve the health needs of their communities. Nonetheless, uncertain regulatory and economic environments could force metropolitan Chicago hospitals to limit their programs, cut services and eliminate jobs. Reductions in reimbursement, onerous and duplicative regulations, and skyrocketing medical malpractice costs are squeezing the region's hospitals – threatening patient care and access to essential hospital services in the region. In addition, the weakened financial condition leaves providers without the funds necessary to build infrastructure and manpower for the future and hinders providers' ability to implement the profound changes that health care reform is bringing to the region.

MCHC's *2014 Economic Impact of Hospitals on the Metropolitan Chicago Region* illustrates why the region's hospitals are important to our communities and the region as a whole, and why it is necessary to invest in and protect our regional health care safety-net.

Thank you for your continued leadership and support. I welcome your feedback and comments. For more information, please contact Elizabeth Lively, Vice President of Government and External Affairs, at 312-906-6087 or elively@mchc.com.

Best regards,

A handwritten signature in black ink that reads "Kevin Scanlan". The signature is fluid and cursive.

Kevin Scanlan
President and CEO



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FOREWORD

A Healthy Collaboration Between Hospitals and Small Business Communities

Anyone who has ever dealt with a medical emergency or had a family member undergo major surgery appreciates the important role that hospitals play in our society. Often times, however, the economic impact hospitals have on our local economies is overlooked. Hospitals create a large number of jobs for nearby residents. Equally important, they support businesses in their communities, including restaurants, grocery stores, retail outlets, banks, drug stores, hotels and more. This stimulates local economies and creates jobs in those areas.

The medical and small business communities have formed an increasingly strong bond as both groups tackle the changing landscape of health care in the metropolitan Chicago region. They are working in tandem to ensure that small business owners and their employees receive quality health care at an affordable price. As innovation hubs, many hospitals are partnering with entrepreneurs to form new and exciting businesses. Those in the medical and small business communities are collaborating on projects and working together to empower one another.

Hospitals and health systems are critical components of any economic development strategy because they offer jobs of all skill levels and serve as a magnet to attract more health care businesses. More importantly, hospitals keep business owners, their families, their employees and local communities healthy. There is nothing more important than that.

Sincerely,



Elliot Richardson
CEO and Past President



The SBAC is a non-partisan, member driven organization that promotes the success of small business through political advocacy, support services and educational programs. Established in 2010 and currently represents over 900 businesses in the Chicagoland area. The SBAC is a 501(c)(6) not-for-profit organization.

EXECUTIVE SUMMARY

Health Care Trends

The health care field is an extremely dynamic and fast growing sector, and based on current demographics, there is every reason to expect this trend to continue. The U.S. Department of Health and Human Services (HHS) and Centers for Medicare & Medicaid Services (CMS) project that national health expenditures in 2022 will account for 19.9 percent of gross domestic product (GDP) and per capita health expenditures are projected to increase to \$14,664. Hospital expenditures are projected to continue at 31.5 percent of health expenditures through 2022.

Demographics also show a continued increase in the elderly population. Based on the U.S. Census Bureau population data, the metropolitan Chicago region shows a trend for the population to decrease for the less than 20 and the 20 - 29 age groups, while the 55 - 65 and the over 65 age groups will increase. The State of Illinois shows a similar trend. The over 65 age group is the largest user of health and hospital services; thus, the demand for health care services in the region will continue to increase in the future.

Economic Activity of the Hospital Industry

Hospitals in the metropolitan Chicago region, which includes for this report the counties of Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will, have a positive impact on the region's economy. In 2013, the hospital industry in the metropolitan Chicago region is estimated to have employed 132,335 full-time equivalent employees with an average wage and benefits package of \$89,051 per employee and generated approximately \$11.8 billion in hospital payroll – defined as benefits, salaries and wages.

The total economic contribution of hospitals extends beyond the activity generated within hospitals themselves. Wages paid to hospital staff and payments made for purchases of goods and services circulate throughout the economy generating additional secondary activity. Metropolitan Chicago hospitals employ 132,335 full-time equivalent employees. The hospital employment multiplier is 2.25; this means that for every job in the hospital sector, another 1.25 jobs were created in other businesses in the region. Therefore, secondary jobs created by the region's hospitals were 165,419. This economic activity resulted in total contributions of 297,754 jobs and approximately \$24.7 billion in payroll from the region's hospital operations in 2013.



In addition to ongoing operations, hospitals continue to invest in construction projects at existing and new facilities. As hospitals invest in capital expenditures, they create jobs and payroll in other businesses in the economy. The hospital capital expenditures were estimated to generate 8,415 jobs in 2013. The construction employment multiplier is 2.09.

Accordingly, a total of 9,172 secondary jobs were created by the construction activities of metropolitan Chicago hospitals in other businesses. This economic activity resulted in total contributions of 17,587 jobs and approximately \$1.2 billion in payroll from the region's hospital construction activities in 2013.

Overall, the hospital industry in the metropolitan Chicago region is estimated to have directly and secondarily supported 315,341 jobs, and generated approximately \$25.9 billion in total labor income. This economic activity is estimated to have produced nearly \$5.2 billion in federal, state and local taxes.

Effects of the Current Market Condition on the Region's Hospitals

Metropolitan Chicago hospitals are expected to absorb billions of dollars – \$4.5 billion over 10 years – in reimbursement reductions as part of the Affordable Care Act (ACA). The region is already experiencing the effects of these reductions, which began in October 2010. With the health care sector being the region's largest employer and local hospitals collectively supporting an estimated 315,341 jobs, further reimbursement cuts will likely impact hospital and health care-related jobs, negatively impacting the health care safety-net in the metropolitan Chicago region.

Conclusion

These economic numbers clearly demonstrate that metropolitan Chicago hospitals are and will continue to be a major contributor in future economic development in the region. Hospitals are the largest category of health care and provide above average wages. The demand for health care services will continue to increase; and as a result, a large number of jobs are projected to be generated due to hospital growth in the future. Economic development agencies, business and community groups, and local governments should play a more active role in promoting the hospital sector as a key partner in generating new economic opportunities.

REGIONAL ANALYSIS

Introduction

The health care sector in the metropolitan Chicago region continues to grow. Comprised of several interrelated industries, including hospitals, ambulatory care services, health care centers, laboratories, physicians' offices, and nursing and residential care facilities, the sector as a whole provides access to a variety of vital health care services. As the region's population grows and ages, and as medical advancement extends life expectancy, the health care sector is likely to be a driver of economic activity going forward.

The role metropolitan Chicago hospitals play as major economic engines to the region's economy is often overlooked. Hospitals train and employ thousands of skilled health care workers, which results in a direct contribution to the overall fiscal health of the metropolitan Chicago region. The economic role of hospitals also results in a significant number of jobs for the region's residents outside the hospital sector.

Health Care Trends

National Trends

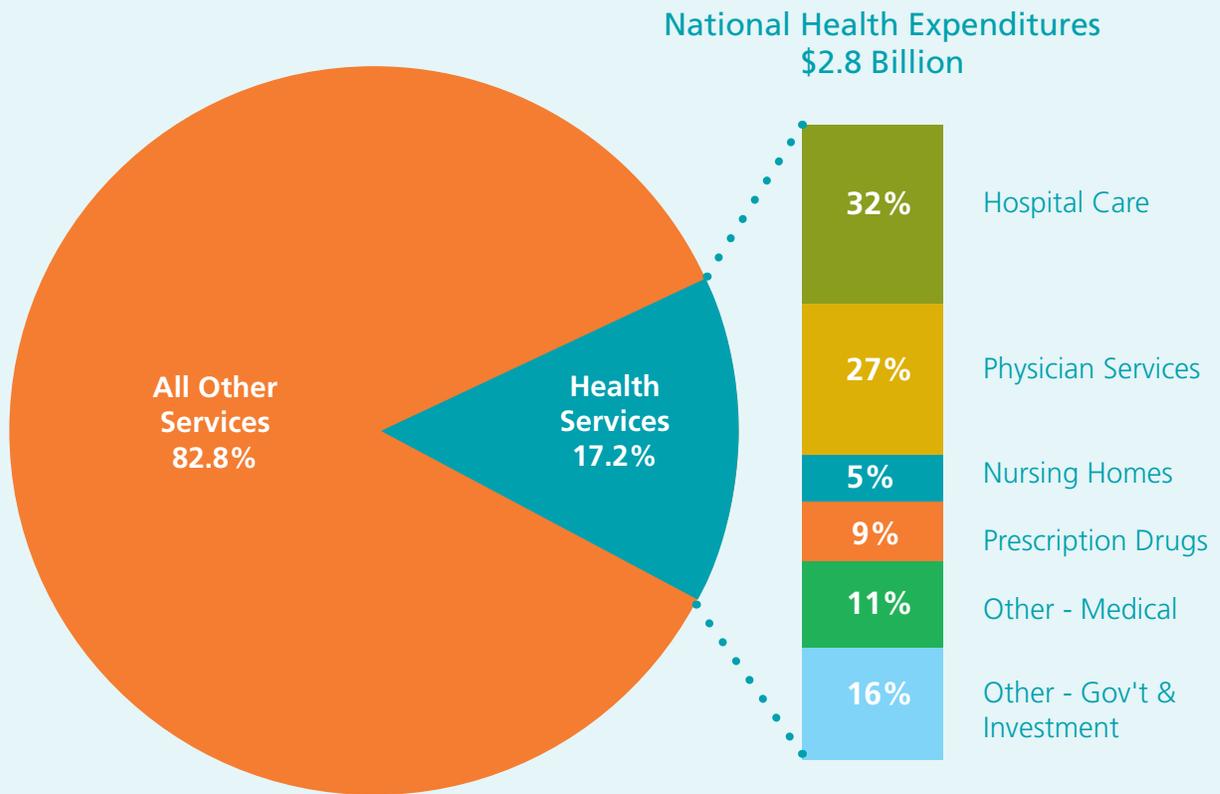
The health care field is an extremely dynamic and fast growing sector, and based on current demographics; there is every reason to expect this trend to continue. HHS and CMS project that national health expenditures will account for 18.5 percent of the GDP by 2018 and increase to 19.9 percent of the GDP in 2022. Per capita health expenditures are projected to increase to \$11,771 in 2018 and to \$14,664 in 2022. Total health expenditures are projected to increase to over \$5 trillion in 2022.

Figure 1 illustrates 2012 national health expenditures as a percentage of the GDP and by the type of health service. Health services represented 17.2 percent of the GDP in 2012. The largest category of health services was hospital care, representing 32 percent of the total.

Since 2009, hospital expenditures as a percent of total health expenditures increased to 31 percent and have stayed at the 31 - 31.5 percent level through 2012. In general, hospital expenditures are projected to continue at 31.5 percent of health expenditures through 2022 (Table 1, Appendix).

Figure 1

National Health Expenditures as a Percent of Gross Domestic Product and by Health Service Type, 2012



SOURCE: U. S. Department of Health and Human Services, Centers for Medicare & Medicaid Services, National Health Expenditures 2012 (<http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/index.html> [May 2014]).



Regional Trends

The metropolitan Chicago region has faced economic challenges over the last few years. The regional unemployment rates reached highs of 10.6 percent in 2010 and gradually decreased to 9 percent in 2012. In May 2014, the unemployment rate further decreased to 7.1 percent. At the same time, however, the regional percent of all people in poverty and the percent of people under 18 in poverty both generally increased (Table 2, Appendix). Another indicator of economic challenge is the percent of total personal income from transfer receipts. Transfer receipts are the state and federal government payments that are paid in the region. Transfer receipts include social security, Medicare, Medicaid, unemployment, etc. The regional transfer receipts as a percent of total personal income have generally increased over time – an indication of greater reliance on state and federal government payments.

Based on the U.S. Census Bureau population data and the Illinois Department of Commerce and Economic Opportunity data, both the State of Illinois and the metropolitan Chicago region are projected to increase population over the long-term through 2030 (Table 3, Appendix). Furthermore, the region shows a trend for the population to decrease for the less than 20 and the 20 - 29 age groups, while the 55 - 65 and the over 65 age groups will increase (Table 4, Appendix). The state shows a similar trend. The over 65 age group is the largest user of health and hospital services; hence, the demand for health care services in the metropolitan Chicago region will continue to increase in the future.

Economic Activity of the Hospital Industry

Hospitals in the metropolitan Chicago region, which includes for this report the counties of Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will, have a positive impact on the region's economy. In 2013, the hospital industry in the metropolitan Chicago region is estimated to have directly supported 132,335 jobs with an average wage and benefits package of \$89,051 per employee and generated approximately \$11.8 billion in hospital payroll – defined as wages, salaries and benefits.

The total economic contribution of hospitals extends beyond the activity generated within hospitals themselves. Secondary economic impacts are created when the hospitals and their employees spend money. A measure is needed that yields the effects created by an increase or decrease in economic activity. This measure is called the multiplier effect.¹ For example, an employment multiplier of 2.0 indicates that if one job is created by a new industry, 1.0 additional job is created in other sectors due to business and household spending.

¹ The data for this report was analyzed using a computer program developed specifically for the health care industry, which not only analyzed the direct economic contribution of hospitals and other providers, but also calculated how many jobs and how much income were created as a secondary effect. The jobs and payroll generated in other businesses are measured with employment and income multipliers derived for the metropolitan Chicago region and are nationally accepted.

Regional Impact on Employment

Hospitals in the metropolitan Chicago region create jobs from their operating activities and from their construction activities. Metropolitan Chicago hospitals employ 132,335 full-time equivalent employees. The hospital employment multiplier is 2.25; this means that for every job in the hospital sector, another 1.25 jobs were created in other businesses in the region. Therefore, secondary jobs created by the region's hospitals were 165,419. In total, the hospital sector generated 297,754 jobs due to operating activities in 2013.

Metropolitan Chicago hospitals spent approximately \$1.2 billion on capital projects last year. This expenditure created construction employment and was part of the impact hospitals have on the region's economy. The hospital capital expenditures were estimated to generate 8,415 jobs in 2013. These were the construction workers who were working directly on hospital capital improvement projects. However, these companies and workers also had secondary impacts that are measured by multipliers.

The construction employment multiplier is 2.09. Accordingly, a total of 9,172 secondary jobs were created by the construction activities of metropolitan Chicago hospitals in other businesses. Total jobs created by hospital construction activities were 17,587. Combined, the total number of jobs created by metropolitan Chicago hospitals from operating and construction activities throughout the region was 315,341 in 2013 (Table 5, Appendix).

Regional Impact on Labor Income

Total labor income – defined as payroll, including benefits, salaries and wages – from operating activities of hospitals in the metropolitan Chicago region was estimated at \$11.8 billion. Using the hospital income multiplier of 2.10, metropolitan Chicago hospitals generated income in other businesses of about \$12.9 billion. In total, the labor income impact of the region's hospitals from operating activities was approximately \$24.7 billion in 2013.

Total labor income generated directly by construction workers engaged in hospital construction activities was estimated at \$0.7 billion. Using the construction labor income multiplier of 1.89, hospital construction activities – from capital investment projects – generated income in other businesses of about \$0.6 billion. In total, the labor income impact resulting from the region's hospitals from construction activities was approximately \$1.2 billion. Combined, the total labor income impact by metropolitan Chicago hospitals from operating and construction activities was approximately \$25.9 billion in 2013 (Table 6, Appendix).



Regional Employment Impact by Industries

This section provides an analysis of the industries where the jobs outside the hospitals are generated. The hospital industry in the metropolitan Chicago region created 132,335 hospital operations jobs and 8,415 hospital construction jobs for a total of 140,750 direct jobs. The secondary impact was 174,591 jobs. Applying the multipliers, the total number of jobs created by the region's hospitals from both operations and construction was 315,341. The industries where most of the secondary jobs are created include health care and social services, except hospitals – 109,160; services – 25,356; and wholesale and retail – 9,150 (Table 7, Appendix).

Total Regional Impact

Overall, the hospital industry in the metropolitan Chicago region is estimated to have directly and secondarily supported 315,341 jobs and generated approximately \$25.9 billion in total labor income. This economic activity is estimated to have produced nearly \$5.2 billion in federal, state and local taxes.

Conclusion

These economic numbers clearly demonstrate that metropolitan Chicago hospitals are and will continue to be a major contributor in future economic development in the region. Hospitals are the largest component in health care and provide above average wages. The demand for health care services will continue to increase, and consequently a large number of jobs are projected to be generated due to hospital growth in the future. Economic development agencies, business and community groups, and local governments should play a more active role in promoting the hospital sector as a key partner in generating new economic opportunities.

REGULATORY ENVIRONMENT

Health Care Reform

The ACA is affecting nearly every aspect of health care in the metropolitan Chicago region, and its implementation is involving the participation of federal and state governments and health care providers, including hospitals, insurance providers and employers.

Much of the ACA involves insurance reform. Provisions in the legislation that will affect hospitals involve a change in how health care providers receive reimbursement for Medicare fee-for-service and delivery systems. Reimbursement for hospitals is transitioning away from fee-for-service toward payment for patient outcome and bundled payments where reimbursement is shared by all providers involved in the patient care episode.

Transparency is a key component of the legislation; required program elements, reports and mandates are included to increase transparency in the health care industry. It authorizes mandatory compliance plans for hospitals and other providers. Hospitals must have written policies and procedures for patient medical records and hospital operation records to assist in compliance according to licensure laws, federal health care program requirements and other statutes and regulations.

Additional provisions affecting hospitals include demonstration projects and grant programs to incentivize and test new methods of delivery care models, such as Accountable Care Organizations.

Reimbursement Reductions

Continued reduction in Medicare reimbursement, such as sequestration and other arbitrary payment cuts, combined with Medicaid payment cuts at the same time as the number of Medicaid-eligible individuals increase, expose metropolitan Chicago hospitals to potentially significant financial hardships. In addition, hospitals will be facing mandated payment reforms.

Hospital Readmissions Payment Reductions

Under the Hospital Readmissions Reduction Program (HRRP), CMS has begun levying penalties for readmissions. In 2013, hospitals were penalized as much as one percent of their regular Medicare reimbursements for readmissions. CMS' final rule for the hospital inpatient prospective payment system (IPPS) in fiscal year (FY) 2014 includes a significant change related to the HRRP. Under the IPPS final rule, readmissions penalties to Medicare reimbursement will increase from one percent to two percent in FY 2014.

In the metropolitan Chicago region, the total FY 2014 readmissions penalty for hospitals will be approximately 30 percent. CMS also plans to launch its third phase of the HRRP on October 1, 2014, raising the maximum penalty to three percent and expanding the number of conditions for which readmissions are penalized to include chronic lung disease and elective hip and knee replacements.



Payment Reductions for Hospital-Acquired Conditions

CMS will implement the Hospital-Acquired Condition Reduction Program (HACRP) starting October 1, 2014. Under the program, hospitals that rank in the lowest-performing 25th quartile with regard to hospital-acquired infections (HAIs) will receive a one percent penalty for FY 2015 Medicare payments.

Hospital Value-Based Purchasing Program

Hospitals will see their Medicare payments reduced in 2014 as a result of their performance under the value-based purchasing (VBP) program. In Illinois, approximately 39 percent of hospitals will receive a reimbursement reduction. Through September 30, 2014, CMS will reduce base operating diagnosis-related group (DRG) payments to all hospitals reimbursed under the IPPS model by 1.25 percent. CMS will likely continue to withhold a higher percentage of base operating DRG funding until it reaches two percent in 2017 and remains at that rate thereafter.

Delivery System Reforms: Medicaid

As of January 1, 2014, the ACA raised the threshold of Medicaid eligibility, expanding coverage to individuals with incomes up to 133 percent of the federal poverty guidelines – \$15,282 for an individual and \$31,322 for a family of four as of 2013. The legislation will offer federal financing to newly eligible persons – Federal Medical Assistance Percentage, also known as FMAP – on the following schedule: 100 percent for 2014 to 2016, 95 percent for 2017, 94 percent for 2018, and 90 percent for 2020 and beyond.

Illinoisans, who are newly Medicaid-eligible, will be flooding Illinois' health care system. Even though the ACA will expand coverage to thousands of currently uninsured Illinoisans, metropolitan Chicago hospitals will have to continue to care for those individuals who: (1) choose to pay the tax penalty rather than purchase coverage; and (2) are ineligible for coverage expansions, such as undocumented immigrants. Hospitals' emergency departments will be under severe stress as patient demand rises. Increases in coverage will likely result in a significant rise of hospital outpatient services, specifically primary care. Furthermore, the increase in Medicaid patients will exacerbate the looming physician shortage, with many current practitioners unable to take on any additional patients covered by the Medicaid program due to heavy patient volume.



Effects of the Current Market Condition on the Region's Hospitals

Metropolitan Chicago hospitals are expected to absorb billions of dollars – \$4.5 billion over 10 years – in reimbursement reductions as part of the ACA. The region is already experiencing the effects of these reductions, which began in October 2010. With the health care sector being the region's largest employer and local hospitals collectively supporting roughly 315,000 jobs, further reimbursement cuts will likely impact hospital and health care-related jobs, negatively impacting the health care safety-net in the metropolitan Chicago region. The majority of metropolitan Chicago hospitals are considering reducing staff through attrition to adjust for these cuts over time.

The hospital community understands the fiscal challenges currently facing the nation. However, continued reductions to Medicare and Medicaid reimbursement could threaten patient care and force hospitals to limit programs and cut services, including reducing staff and canceling capital projects – like the approximately three in five local hospitals currently operating in the red.

Conclusion

For the foreseeable future, the greatest challenge for health care providers in the metropolitan Chicago region will continue to be the implementation of the ACA. The region's hospitals will continue to be under tremendous pressure due to a decline in reimbursement and an anticipated rise in patient volume from the Health Insurance Marketplace and Medicaid expansion. In the last few years, hospitals also have faced many budgetary challenges. Therefore, hospitals have been forced to reduce capital investment in both construction and equipment, as well as reduce staff – the largest operating expense – to meet budget obligations. Even so, metropolitan Chicago hospitals have and will continue to remain committed to the health care needs of their communities in this ever-changing reform landscape.

² American Hospital Directory. Web. 4 April 2014. <<http://www.ahd.com/>>.



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APPENDIX

Table 1

**United States Health and Hospital Expenditures
Historical for 1970-2012; Projected for 2014-2022**

Year	Total Health Expenditures	Per Capita Health Expenditures	Total Hospital Expenditures	Per Capita Hospital Expenditures	Hospital Exps. as a Percent of Total Health Exps.
	(\$Billions)	(\$)	(\$Billions)	(\$)	(%)
Historical					
1970	\$74.9	\$356	\$27.2	\$129	36.3%
1980	255.8	1,110	100.5	436	39.3%
1990	724.3	2,855	250.4	987	34.6%
2000	1,377.2	4,878	415.5	1,472	30.2%
.....					
2001	1,493.4	5,238	449.4	1,576	30.1%
2003	1,778.0	6,128	526.2	1,813	29.6%
2005	2,035.4	6,889	609.4	2,062	29.9%
2007	2,302.9	7,649	692.5	2,300	30.1%
2009	2,504.2	8,170	776.8	2,534	31.0%
2010	2,599.0	8,411	812.6	2,630	31.3%
2011	2,692.8	8,658	840.8	2,703	31.2%
2012	2,793.4	8,915	882.3	2,816	31.6%
.....					
Projections					
2014	3,093.0	9,697	973.0	N/A	31.5%
2016	3,458.0	10,651	1,091.6	N/A	31.6%
2018	3,889.0	11,771	1,232.3	N/A	31.7%
2020	4,416.0	13,142	1,397.4	N/A	31.6%
2022	5,009.0	14,664	1,581.3	N/A	31.6%

SOURCES: U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services, National Health Expenditures 1970-2012 and National Health Expenditure Projections 2014-2022 (<http://www.cms.gov/Research-Statistics-Data-and-Systems/Statistics-Trends-and-Reports/NationalHealthExpendData/NationalHealthAccountsProjected.html> [July 2014]).
N/A - Not Available.

Table 2

Economic Indicators for Metropolitan Chicago Area,* 2002 – 2014

Indicator	2002	2003	2004	2005	2006	2007	
Total Personal Income (\$1,000s)	310,982,283	315,172,430	328,572,058	345,548,648	370,253,387	390,362,435	
Per Capita income (\$)	36,220	36,740	37,926	39,660	42,199	43,892	
Employment	3,975,033	3,949,302	3,986,585	3,999,249	4,116,880	4,166,178	
Unemployment	289,905	290,110	266,570	251,002	192,897	217,072	
Unemployment Rate	6.2%	6.5%	6.0%	5.6%	4.4%	4.9%	
% of People in Poverty	8.0%	8.1%	8.5%	8.4%	8.6%	8.2%	
% of People under 18 in Poverty	10.4%	10.6%	11.5%	11.2%	11.6%	11.0%	
Transfer Receipts (\$1,000's)	33,441,829	34,636,683	35,700,475	39,288,376	39,534,909	43,891,615	
% of Total Personal Income	10.8%	11.0%	10.9%	11.4%	10.7%	11.2%	
	2008	2009	2010	2011	2012	2013	May 2014
Total Personal Income (\$1,000s)	397,287,394	378,524,419	383,161,417	400,937,142	419,281,644	NA	NA
Per Capita Income (\$)	44,666	42,503	42,721	44,874	46,918	NA	NA
Employment	4,126,873	3,923,987	3,900,535	3,913,809	3,976,917	3,983,501	3,820,501
Unemployment	274,067	436,842	455,247	430,138	392,283	401,481	312,951
Unemployment Rate	6.4%	10.1%	10.6%	9.9%	9.0%	9.1%	7.0%
% of People in Poverty	9.0%	9.8%	10.6%	11.7%	11.4%	NA	NA
% of People Under 18 in Poverty	12.4%	13.7%	14.8%	16.9%	16.1%	NA	NA
Transfer Receipts (\$1,000s)	46,398,141	54,596,654	58,461,405	55,448,105	57,005,347	NA	NA
% of Total Personal Income	11.7%	14.4%	15.3%	13.8%	13.6%	NA	NA

SOURCES: U.S. Department of Labor, Bureau of Labor Statistics (www.bls.gov [July 2014]); U. S. Department of Commerce, Regional Economic Information System, Bureau of Economic Analysis (www.bea.gov [July 2014]); U.S. Census Bureau (www.census.gov [July 2014]).

* Counties in Chicago Metropolitan area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Table 3

**Population and Population Projections
for the Metropolitan Chicago Area* and State of Illinois, 2000-2030**

	Metropolitan Chicago Area	State of Illinois
2000 Census	8,195,553	12,419,293
2010 Census	8,430,099	12,830,632
2013 Estimate	8,501,846	12,882,135
2015 Projected	9,216,564	13,748,695
2020 Projected	9,604,179	14,316,487
2025 Projected	9,953,039	14,784,968
2030 Projected	10,239,823	15,138,849

Percent Change

2000-2010	2.9%	3.3%
2010-2013	0.9%	0.4%
2010-2015	9.3%	7.2%
2010-2020	13.9%	11.6%
2010-2025	18.1%	15.2%
2010-2030	21.5%	18.0%

SOURCE: Census populations and population estimates, U.S. Census Bureau (www.census.gov [July 2014]). State and county projections, Illinois Department of Commerce & Economic Opportunity (DCEO) (<http://www2.illinoisbiz.biz/pop-Proj/Default.aspx> [July 2014]).

* Counties in Chicago Metropolitan Area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Table 4

Population by Age Groups for the Metropolitan Chicago Area* and the State of Illinois, 2000, 2010 and 2013

	AREA TOTALS		STATE OF ILLINOIS	
	No.	% of Total	No.	% of Total
2000 Census				
<20 years	2,429,269	29.6%	3,605,506	29.0%
20-29 years	1,177,434	14.4%	1,756,680	14.1%
30-44 years	1,983,558	24.2%	2,889,707	23.3%
45-54 years	1,063,432	13.0%	1,626,742	13.1%
55-64 years	657,724	8.0%	1,040,633	8.4%
65+ years	884,136	10.8%	1,500,025	12.1%
Totals	8,195,553	100.0%	12,419,293	100.0%
.....				
2010 Census				
<20 years	2,340,825	27.8%	3,496,522	27.3%
20-29 years	1,189,700	14.1%	1,789,237	13.9%
30-44 years	1,780,749	21.1%	2,591,574	20.2%
45-54 years	1,226,387	14.5%	1,870,879	14.6%
55-64 years	933,557	11.1%	1,473,207	11.5%
65+ years	958,881	11.4%	1,609,213	12.5%
Totals	8,430,099	100.0%	12,830,632	100.0%
.....				
2013 Estimate				
<20 years	2,264,927	26.6%	3,377,026	26.2%
20-29 years	1,192,052	14.0%	1,793,777	13.9%
30-44 years	1,779,659	20.9%	2,582,327	20.0%
45-54 years	1,195,303	14.1%	1,795,460	13.9%
55-64 years	1,017,355	12.0%	1,589,904	12.3%
65+ years	1,052,550	12.4%	1,743,641	13.5%
Totals	8,501,846	100.0%	12,882,135	100.0%

Source: U.S. Census Bureau (www.census.gov [July 2014]).

* Counties in Chicago Metropolitan Area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Table 5

Total Employment Impact
of Metropolitan Chicago Area Hospitals* on the Economy, 2013

Employment from Operating Activities

Hospital Employment	132,335
Hospital Employment Multiplier	2.25
Jobs created in Other Businesses	<u>165,419</u>

Total Employment (Jobs) from Operating Activities **297,754**

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Employment from Construction Activities

Construction Employment	8,415
Construction Multiplier	2.09
Jobs created in Other Businesses	<u>9,172</u>

Total Employment from Construction Activities **17,587**

Total Employment from Operating & Construction Activities **315,341**

Source: Metropolitan Chicago area hospital Survey, 2014; IMPLAN multipliers, IMPLAN Group, LLC, July 2014.

* Counties in the Metropolitan Chicago area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Table 6

Total Income Impact
of Metropolitan Chicago Area Hospitals on the Economy,* 2013

Millions

Income from Operating Activities

Hospital Income (Salaries & Benefits)	\$11,785
Hospital Income Multiplier	<u>2.10</u>
Income Generated in Other Businesses	\$12,963

Total Income from Operating Activities **\$24,748**



Income from Construction Activities

Construction Income (Salaries & Benefits)	\$658
Construction Income Multiplier	1.89
Income Generated in Other Businesses	<u>\$586</u>

Total Income from Hospital Construction Activities **\$1,244**

Total Income from Operating & Capital Activities **\$25,992**

Source: Metropolitan Chicago area hospital Survey, 2014; IMPLAN multipliers, IMPLAN Group, LLC, July 2014.

* Counties in the Metropolitan Chicago area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Table 7

Number of Jobs Created by Industry for the Metropolitan Chicago Area* due to Hospital Operations and Construction Employment Impact, 2013

Sector	Direct Employment Impact	Second Employment Impact	Total Employment Impact
<i>Hospital Construction Jobs</i>	8,415		
Ag, Forestry, Mining and Utilities		262	
Construction		6,883	
Manufacturing		525	
Wholesale and Retail		9,150	
Transportation, Information, Finance, Insurance, and Real Estate Services		15,125	
		25,356	
<i>Hospital Operations Jobs</i>	132,335		
Health Care and Social Services (Except Hospitals)		109,160	
Arts, Accommodations and Food, and Other		7,718	
Government		412	
Total Direct Employment	140,750		
Total Secondary Employment		174,591	
Total Employment Impact			315,341

Source: Metropolitan Chicago area hospital survey, 2014; current IMPLAN data analysis.

* Counties in the Metropolitan Chicago area include Cook, DuPage, Kane, Kankakee, Lake, McHenry, and Will.

Economic Impact of Metropolitan Chicago Hospitals by Chicago and County

	Estimated Total Employment	Estimated Hospital Payroll	Average Salary and Benefits Package	Estimated Capital Expenditures
Chicago	112,775	\$5 billion	\$92,518	\$455.4 million
Cook	231,827	\$8.8 billion	\$89,894	\$811.6 million
DuPage	28,953	\$1.1 billion	\$92,831	\$114.7 million
Kane	12,805	\$395.2 million	\$72,619	\$38.1 million
Kankakee	5,180	\$172.3 million	\$78,372	\$15.8 million
Lake	20,524	\$782.7 million	\$89,675	\$60.2 million
McHenry	6,963	\$194.6 million	\$93,010	\$153.6 million
Will	9,089	\$328.9 million	\$81,820	\$3.0 million

Source: MCHC member hospital survey, 2014; Current IMPLAN data analysis.

Economic Impact of Metropolitan Chicago Hospitals by Congressional District

	Estimated Total Employment	Estimated Hospital Payroll	Average Salary and Benefits Package	Estimated Capital Expenditures
District 1	27,633	\$1.0 billion	\$88,322	\$72.7 million
District 2	21,846	\$776.9 million	\$84,047	\$71.4 million
District 3	19,710	\$692.6 million	\$89,691	\$158.9 million
District 4	10,463	\$353.3 million	\$77,486	\$14.0 million
District 5	33,790	\$1.2 billion	\$81,836	\$129.6 million
District 6	20,762	\$691.3 million	\$77,952	\$55.0 million
District 7	85,691	\$3.6 billion	\$99,830	\$273.7 million
District 8	12,773	\$382.1 million	\$71,432	\$50.2 million
District 9	31,839	\$1.2 billion	\$85,743	\$64.5 million
District 10	20,824	\$779.6 million	\$88,122	\$62.4 million
District 11	20,579	\$836.7 million	\$95,409	\$57.6 million
District 14	9,431	\$268.7 million	\$90,455	\$187.1 million

Source: MCHC member hospital survey, 2014; Current IMPLAN data analysis.



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