A Closer Look

Hospitals’ Economic Contributions to the Community

Key Points:

• More than 36,000 central Ohioans worked in a Franklin County hospital in 2009. One in nine jobs in the county is due to our local hospitals.

• Earnings of hospital employees sustain an additional 35,200 jobs in our community.

• Franklin County hospitals have combined total operating expenditures of $5.5 billion. Hospital purchases generate $11.0 billion in revenue for other local businesses, generating 16 percent of Franklin County’s total economic output.

Franklin County Hospitals Contribute $11.1 Billion in Economic Benefit to Local Community

Franklin County hospitals make significant expenditures each year -- $5.5 billion in operating expenditures in 2009. Those expenditures were made to purchase drugs, information technology, energy and medical supplies – all of the things needed so that hospitals can provide the level of services needed by their patients. Hospitals’ purchases generate revenue – and create jobs -- for hundreds of other businesses throughout the community. The “ripple effect” from hospital expenditures results in $11.1 billion in economic activity for other business entities. The Columbus Chamber estimates that 16 percent of Franklin County’s economic output is generated by Franklin County hospitals.

Columbus Chamber: One in Nine Franklin County Jobs Due to Local Hospitals

In 2009, Franklin County hospitals employed 36,295 central Ohioans. To put this in perspective, our hospitals employ as many of your neighbors as Nationwide Insurance, Limited Brands, Cardinal Health, Huntington Bancshares, and American Electric Power combined. As hospital employees spend their earnings to purchase products and services, an additional 35,200 jobs are created in our community and local businesses enjoy an additional $1.8 billion in revenues. Hospitals tend to be stable employers -- during good times and bad. Regardless of economic conditions, people still need health care services. As a result, hospital employment holds steady during bad economic times.
The Franklin County Hospital Economic Contributions analysis was conducted using RIMS II (Regional Industrial Multiplier System II), an economic input-output model developed by the Bureau of Economic Analysis (BEA), a division of the U.S. Department of Commerce. RIMS II estimate the economic impact generated by specific economic segments using “multiplier effects.” RIMS II is well respected as an industry standard for projecting economic impacts. In the public sector, for example, the Department of Defense uses RIMS II to estimate the regional economic impacts of military base closures. In the private sector, analysts use RIMS II to estimate the regional impacts of a variety of projects, such as the development of shopping malls or entertainment complexes.

The Franklin County Hospitals’ Economic Contributions analysis was conducted for the Central Ohio Hospital Council by:

Howard Fleeter
Owner, Driscoll & Fleeter
60 East Broad Street Suite 350
Columbus, Ohio 43215-3549
(614) 461-4177