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For Immediate Release

**Chicago Region Hospitals Generate \$23.7 Billion in Personal Income,
Spend \$1.8 Billion in Capital Improvements, Study Finds**

County Leaders Herald Hospitals as Vital Economic Engines in Communities They Serve

Chicago, Ill. (January 12, 2005) – Metropolitan Chicago hospitals generate \$23.7 billion in personal income for residents, account for more than 400,000 primary and secondary jobs and contribute \$1.8 billion in capital improvements, according to a study released today by the Metropolitan Chicago Healthcare Council (MCHC).

Leaders from Cook, DuPage, Kane, Kankakee, Lake, McHenry and Will counties joined MCHC and hospital executives today in announcing the study's findings, demonstrating support for the region's nearly 100 hospitals and reinforcing that hospitals remain a major economic engine vitally important to both the physical and economic health of the communities they serve.

"Area hospitals are critically important, not only as protectors of the physical health of our residents but also for the economic well-being of residents and businesses across the region," said Dr. Lawrence U. Haspel, Senior Vice President, Metropolitan Chicago Healthcare Council. "These hospitals bring billions of dollars in jobs and economic development to our counties."

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The study, *The Value of Caring: The Economic Impact of Chicago's Hospitals on the Metropolitan Chicago Area*, was conducted by Gerald Doeksen, Ph.D., Regents Professor and Economist at Oklahoma State University. Doeksen is widely recognized as a key authority on economic impact analysis.

Specifically, the study analyzed the direct and secondary economic impact of 99 local hospitals and health systems from across the seven-county metropolitan Chicago region. While the economic impact of region hospitals measured by employment and payroll alone is significant, secondary economic impacts are also created when hospitals and their employees spend money.

Across the metropolitan Chicago region, hospitals:

- Directly and secondarily generate \$23.7 billion in personal income for area residents.
- Directly and secondarily account for 402,290 jobs including hospital employees, vendors, and construction crews that benefit from the presence of a hospital serving their community. For every job in the hospital sector, another 1.54 jobs are created in other businesses in the Metropolitan area.
- Generate better-paying and sustainable employment opportunities – with an average salary and benefits package of \$63,088 (\$20,000 higher than the region's average wage of \$43,021).
- Spend approximately \$1.8 billion on capital items per year, creating significant construction employment.

“Hospitals have an enormous ripple effect on other businesses within their communities,” said Cook County Board President John Stroger, a long-time advocate for public health whose jurisdiction is home to 74 of the 99 hospitals in the metropolitan Chicago area, including the region's public hospitals and Cermak Jail Hospital, all of which he oversees. “And there is a far-reaching effect when a hospital closes its doors. Communities thrive when hospitals thrive. We must support hospitals and their commitment to the economic and physical well-being of the communities they serve.”

The study also analyzed government data that showed the health care and social service sector in the metropolitan Chicago area, which includes hospitals, is the third-largest source of private-sector employment, ranking only slightly behind manufacturing and retail trade. Metropolitan Chicago-area hospitals alone are expected to create 3,164 new jobs annually for the region through the year 2020.

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The economic impact analysis comes on the heels of two recent studies describing the critical role hospitals play in maintaining and improving the physical health of their communities. A study by Health Care Futures, L.P. released by MCHC in 2003 concluded that, based on present plans, the metropolitan Chicago region will not be able to meet anticipated demand for health care services by 2020. Based on the region's growing and aging population, the study predicted a capacity shortage of 4,500 inpatient beds, 22,500 full time employees, and 3,000 physicians by 2020. A 2004 national American Hospital Association study and other studies have further found that every dollar invested in health care yields as much as \$3 for society, evidenced largely through declining death and disability rates.

"As our region's population continues to grow and age, demand for hospital services will also increase," said Dean M. Harrison, chief executive officer and president, Northwestern Memorial Hospital, and chairman of the MCHC Board of Directors. "It is important to the ongoing health and stability of our communities that all of our region's hospitals remain strong and have the resources necessary to meet patient needs," added Harrison.

"Investment in our region's hospitals will help us meet growing patient demand with high quality care, build new capacity, upgrade existing facilities, and boost the economy," stated Peter J. Murphy, regional chief executive officer of Sisters of St. Francis Health Services, Inc., and president of St. James Hospital and Health Centers, located in Chicago Heights and Olympia Fields. "As a two-campus health care delivery system serving the Chicago Southland region, our goal is to ensure our patients have access to the best possible care delivered by a well-trained workforce."

An anchor in the Southland community for more than 90 years, St. James remains a major employer in the south and southwest suburbs. In the past two years, St. James has opened its Comprehensive Cancer Institute, Heart and Vascular Institute and Franciscan Medical Pavilion at its Olympia Fields campus, and is continually upgrading its Chicago Heights campus. In the spring of 2005, St. James will open an expanded emergency center at its Olympia Fields campus to better serve the growing south and southwest suburbs.

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Add Three/News Release

Although hospitals play a critical role in protecting the physical and economic health of their communities, hospitals also rely on their surrounding communities for continued support. Proactive public policy and hospital investment is necessary to preserve the quality of life throughout the metropolitan Chicago region.

“We must work to identify public policies and strategies that promote a strong hospital community to, in turn, benefit the people of our region. The future impact of Chicago area hospitals on the region’s physical and fiscal health depends upon the support of public officials, local residents, and our communities,” said DuPage County Board Chairman Robert Schillerstrom, a long-time public health advocate.

The survey report, “*The Value of Caring*,” is available on the MCHC Web site, www.mchc.org.

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