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Contact: Sophie Moore
(615) 743-3147 (o)
(678) 977-8647 (c)
smoore@healthcarecouncil.com

HEALTH CARE INDUSTRY CONTRIBUTES \$30 BILLION ANNUALLY TO NASHVILLE ECONOMY

Health Care is Largest and Fastest Growing Local Employer

NASHVILLE – Nashville’s health care industry contributes nearly \$30 billion and 210,000 jobs to the local economy, according to an economic impact study released today by the Nashville Health Care Council. The industry also has a far global reach, with 56 health care company headquarters* that generate nearly 400,000 jobs and more than \$62 billion in revenues worldwide.

“The health care industry is Nashville’s largest and fastest growing employer,” said Nashville Mayor Karl Dean. “Beyond health care providers, Nashville is home to a diverse sector of leading health care companies not found anywhere else, including hospital management, health information technology, disease management and more.”

More than 250 health care companies have operations in Nashville, an industry concentration that ranks it above 13 other similar cities including Atlanta, Birmingham, Dallas, Denver, Indianapolis and Louisville based on the number of health care companies, industry revenues and employment.

“Nashville’s health care industry has a major economic impact not just at the local level, but nationwide and across the world as illustrated in this study,” said Joey Jacobs, current chairman of the Nashville Health Care Council and chairman, president and CEO of Psychiatric Solutions, Inc. “With findings of this magnitude, it is easy to understand why Nashville is often referred to as the health care capital of the U.S.”

Nashville’s health care employment growth has outpaced Tennessee and the nation, creating a vibrant industry hub, with one in eight Nashville workers employed by health care providers. In Tennessee, clinical occupations are projected to create over 55,000 jobs by 2016, representing one in every seven new jobs in the state. Nationally, these jobs are projected to increase by almost 3 million to represent one in every six new jobs by 2018.

“The findings of this study underscore what we’ve always known to be true - that Nashville’s health care industry is unique to other markets, especially in the creation of jobs, both locally and globally,” said Murat Arik, PhD, associate director of the Business and Economic Research Center (BERC) at the Jennings Jones College of Business at Middle Tennessee State University (MTSU) and lead researcher for the project.

In addition to analyzing the economic impact of Nashville’s health care industry, the study included a survey of Nashville Health Care Council member CEOs.

** Only companies with more than \$500,000 in revenue and at least 100 employees are included in this analysis.*

"Ninety-five percent of Nashville Health Care Council member CEOs indicated that a Nashville headquarters location is important to their company's positive performance," said Council President Caroline Young. "Nashville's long-standing reputation as a health care hub is reinforced by a culture of entrepreneurialism and creativity, key elements for continued growth and innovation in this industry. In our 15th year, the Health Care Council continues work to foster these qualities here."

Conducted by BEREC at MTSU, the report examined the impact of the health care industry on business revenue, personal income, employment, office space and other factors. This study is a follow up to a report commissioned by the Health Care Council in 2005.

Key Study Findings of the Nashville Health Care Industry:

Economic Impact

- The Nashville health care industry contributes an overall economic benefit of nearly **\$30 billion and more than 210,000 jobs** to the local economy annually.
- Globally, **56 health care companies** headquartered in Nashville generate more than **\$62 billion in revenue and nearly 400,000 jobs**.
- More than **250 health care companies** have operations in Nashville and work on multi-state, national or international basis, with more than **300 professional service firms** (e.g., accounting, architecture, banking, legal) providing expertise in the health care industry, according to Nashville Health Care Council data.
- **Seventeen publicly-traded companies** are located in Nashville with combined employment of more than 145,000 and revenue of nearly \$26 billion globally.
- The health care industry is **Nashville's largest and fastest growing employer**, directly employing 110,000.
- **One in eight** Nashville workers is employed by a health care provider.
- The Nashville health care industry generated **\$13 billion in personal income** for the local economy in 2008.
- The **average annual wage** of the Nashville health care industry is **\$53,000**, significantly higher than the average Nashville wage of \$39,000.
- In 2008, **total estimated taxes** paid by the Nashville health care industry in Tennessee were **\$1.2 billion**, which represents nearly 20 percent of all taxes collected in Nashville and 7 percent of all taxes collected in Tennessee in 2008.

Nashville Health Care Council Members

- Council members directly **employ nearly 70,000** people in Nashville and 375,000 globally.
- Council member companies pay an average **annual wage of approximately \$70,000**, almost

double the average Nashville annual wage of \$39,000.

- A survey of Council member CEOs shows great confidence in the Nashville market; **95 percent indicated that a Nashville headquarters location is important** to their company's positive performance.
- Approximately half of Council member CEOs believe that health information technology is the most promising sector to enter today.

About the Study:

The study examined core clinical providers, which include ambulatory services, hospitals, and nursing and residential care facilities operating locally; and the greater health care industry that encompasses these clinical providers and other related health care companies such as health care services management, managed care, life sciences and professional services firms that operate on a local, national or international basis.

The study also surveyed and profiled approximately 150 member companies of the Nashville Health Care Council and used the most current and comprehensive industry data available to analyze member business operations and CEO confidence.

This most recent analysis is a follow up to a study commissioned from MTSU by the Nashville Health Care Council in 2005. View the current and previous studies at www.healthcarecouncil.com.

About the Nashville Health Care Council:

The Nashville Health Care Council, founded in 1995 as an initiative of the Nashville Area Chamber of Commerce, is an association of health care industry leaders working together to further establish Nashville's position as the nation's health care industry capital. For more information on the Council, please visit www.healthcarecouncil.com.

About the MTSU Business and Economic Research Center (BERC):

The MTSU BERC supports the public service activities of the Jennings A. Jones College of Business. The organization engages in a variety of educational and research activities aiding businesses, government, civic organizations and other interested individuals to help them understand the economic and business climate of Tennessee. For more information, please visit www.mtsu.edu/~berc.

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