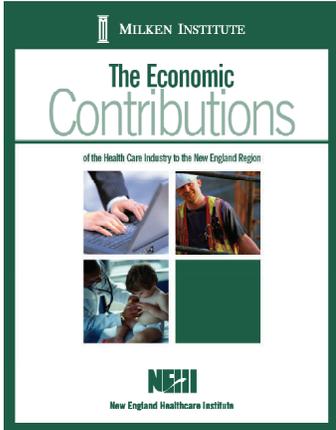


Economic Contributions

The Health Care Economy in New England



Study in Brief:

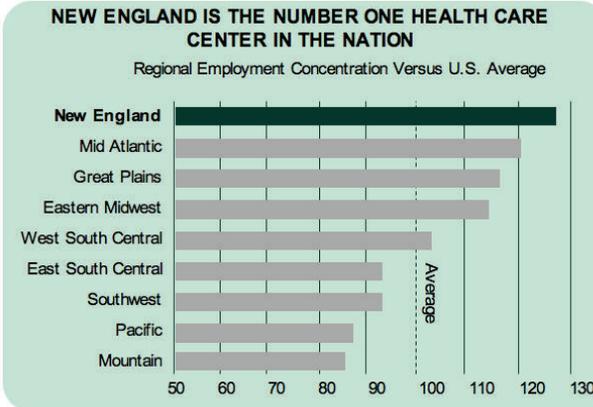
It has long been understood that the health care industry accounts for a substantial number of jobs in the six New England states, but few data exist to substantiate this claim. This first region-wide report measures the impact of the health care industry on the entire New England region, with some surprising results.

To read the full report, visit www.nehi.net.

Health Care is a Major Contributor to the Regional Economy

FIRST...

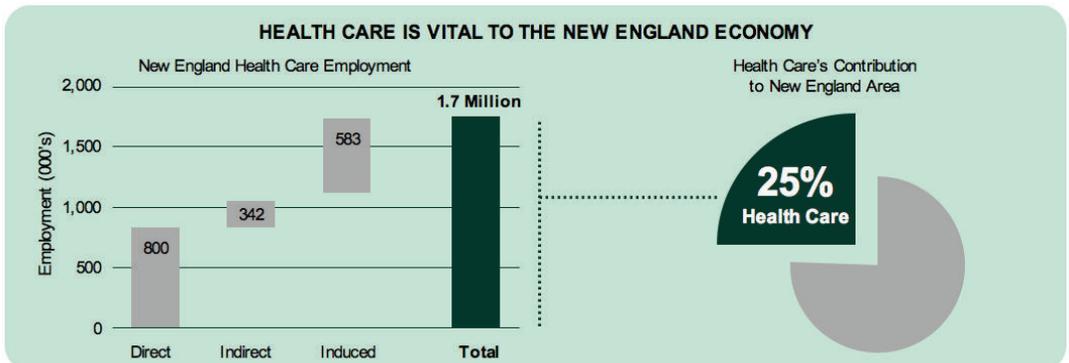
New England ranks number one among the nine U.S. census regions for the percentage of people directly employed in the health care industry. Approximately 11 percent of New England's workforce is directly employed in health care-related professions, representing more than 800,000 jobs. The concentration of these workers is 25 percent higher in New England than the national average. Five New England states—Rhode Island, Massachusetts, Connecticut, Maine, and Vermont—rank among the top 10 states in the U.S. for the percentage of workers employed in health care fields.



FIVE OUT OF THE SIX STATES ARE IN THE US TOP 10

Rank	State	Concentration	Employment
1	Pennsylvania		131
2	Massachusetts	129	
3	Rhode Island	129	
4	New Jersey		129
5	Connecticut	126	
6	North Dakota		126
7	Maine		120
8	West Virginia		119
9	Vermont	116	
10	New York		114
~	~		~
18	New Hampshire		105
US Average			100

But far beyond directly employing a large number of the region's workers, the health care industry has a significant cumulative impact on the New England economy. Supplier and service industries have proliferated to support the region's health care institutions and enterprises. Professional service firms employing lawyers and accountants specializing in health care issues, builders and architects specializing in hospital or laboratory facilities, and electronic component manufacturers supplying medical device companies are indirectly created by New England's health care industry. The number of jobs induced by health care worker spending is also significant. Many of the region's jobs in the retail, banking, real estate, and restaurant sectors are reliant on health care worker spending.



About NEHI

The New England Healthcare Institute (NEHI) is an independent, not-for-profit organization dedicated to transforming health care for the benefit of patients and their families. In partnership with members from all across the health care system, NEHI conducts evidence-based research and stimulates policy change to improve the quality and the value of health care. Together with an unparalleled network of committed health care leaders, NEHI brings an objective, collaborative and fresh voice to health policy. Together, we are transforming health care. Find out more at www.nehi.net.

Working Together to Transform Health Care™

Problem: Threats to the Industry's Well-Being

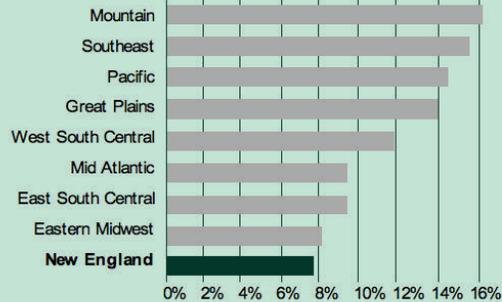
... And LAST

Although New England ranks first among nine U.S. regions in the percentage of people directly employed in the health care industry, it ranks last in employment growth within the industry. In 1980, 7.3 percent of total U.S. health care jobs were in New England. That percentage has been on steady decline since 1984, down to 6.7 percent in 2001. New England has the highest rate of funding for health care innovation, but the lowest growth rate in the nation for health care jobs. Clearly, the region is failing to earn a good return on investment—as measured by jobs generated—on its rich innovation infrastructure.



NEW ENGLAND IS LAST IN THE NATION IN HEALTH CARE GROWTH

Regional Health Care Employment Growth 1996 - 2001



NEW ENGLAND IS LOSING OUT ON HEALTH CARE JOBS

New England's Share of US Health Care Employment



Action: Healthy People in a Healthy Economy

NEHI's *Regional Series* of analytical reports is focused on creating practical strategies for the six New England states to:

- **Maintain national leadership** in health care innovation and health care-related employment
- **Sustain the viability** of the region's health care institutions as vital employers
- **Enhance the attractiveness** of New England as a locus for new and expanded health care ventures
- **Improve the health status and health care** of all New Englanders

“The health care industry is the backbone of New England's economy. As a world leader in research and innovation, the public and private sectors must work together to foster its growth.”

Wendy Everett, ScD, President
New England Healthcare Institute

