

Executive Summary

UNIVERSITY HOSPITALS ECONOMIC IMPACT REPORT

DECEMBER 2017

For over 150 years, University Hospitals (UH) has been healing, teaching and discovering with one purpose in mind: improving the health and well-being of those in our community. Research has shown there is a direct correlation between population wealth and population health, and for this reason our commitment to the communities we serve transcends the walls of our health system by spurring economic growth and development.

We engaged Silverlode Consulting Corp. to measure our economic impacts for calendar year 2016. Silverlode also conducted a similar study for calendar year 2013, enabling us to compare our progress.¹

STATE LEVEL IMPACTS

UH contributes significantly to the economy of Ohio. Its facilities supported over **63,000** direct and indirect jobs and over **\$4 billion** of labor income in 2016. This represents nearly **44,000** households, which spent over **\$2.5 billion** purchasing goods and services in the state.

The construction and permanent activity of UH drove over **\$7.7 billion** of total output in the State's economy. Although UH is a tax-exempt entity, nearly **\$351 million** of state and local taxes can be attributed to its construction and permanent operations.

¹ For 2016, all of the UH facilities and joint ventures were measured. However, UH acquired five hospitals in 2014 and 2015 and the impacts from these facilities were not included in the 2013 results.



ABOUT UNIVERSITY HOSPITALS

University Hospitals serves the needs of patients through an integrated network of 18 hospitals, more than 40 outpatient health centers and 200 physician offices in 15 counties throughout northern Ohio. The system's flagship academic medical center, UH Cleveland Medical Center is affiliated with Case Western Reserve University School of Medicine. The main campus also includes UH Rainbow Babies & Children's Hospital, ranked among the top children's hospitals in the nation; UH MacDonald Women's Hospital, Ohio's only hospital for women; and UH Seidman Cancer Center, part of the NCI-designated Case Comprehensive Cancer Center. UH is also home to Harrington Discovery Institute at University Hospitals – part of The Harrington Project for Discovery & Development. UH is one of the largest employers in Northeast Ohio with nearly 27,000 employees. For more information, go to UHhospitals.org.

| State Level Impacts | 2013 | 2016 | % change |
|---|--------------|---------------|----------|
| Direct & Indirect Jobs | 46,240 | 63,410 | 37% |
| Labor Income (\$ in billions) | \$2.2 | \$4.0 | 82% |
| Households Supported | 34,810 | 43,640 | 25% |
| Total State & Local Taxes (\$ in millions) | \$257 | \$351 | 37% |
| Spending on Goods & Services (\$ in millions) | \$283 | \$583 | 106% |
| Total Economic Output (\$ in billions) | \$4.7 | \$7.7 | 64% |
| Household Spending (\$ in billions) | \$1.7 | \$2.5 | 47% |

Economic Impact Report (continued)

STATE LEVEL IMPACTS (Continued)

In 2016, UH also purchased approximately **\$583 million** in goods and services from vendors in OH. Over the three-year construction period, UH invested over **\$305 million** in new buildings, land and building improvements in OH, which supported over **1,800** direct and indirect construction period jobs and almost **\$91 million** of labor income.

REGIONAL LEVEL IMPACTS

Although University Hospitals has received national accolades for its programs and services, the System focuses on being a regional resource. As such, UH measured its economic and fiscal impact at the regional level for Northeast Ohio, taking into account 11 counties: Ashland, Ashtabula, Cuyahoga, Erie, Geauga, Lake, Lorain, Mahoning, Medina, Portage and Summit.

The results at the regional level mirror the state impact except for Households Supported, which was almost **43,000**; state and local taxes, which was **\$347 million**; and purchased goods and services, which was more than **\$514 million**, and construction period labor income was **\$89 million**.

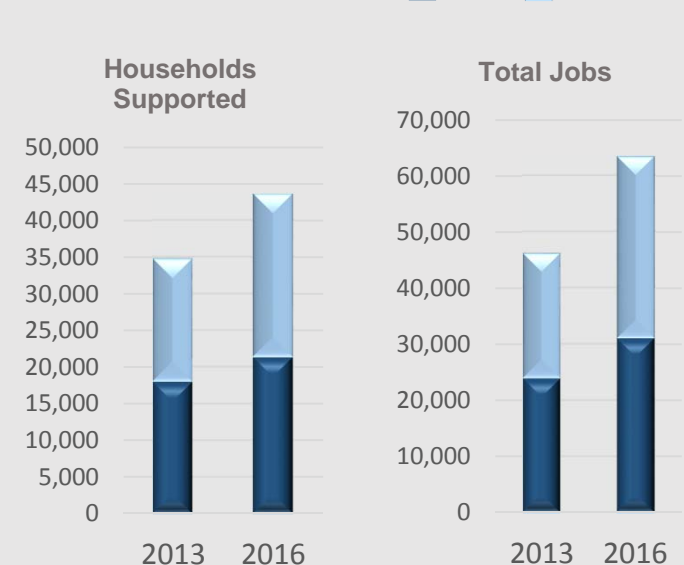
COUNTY LEVEL IMPACTS

Because the System's tertiary medical center, UH Cleveland Medical Center, and corporate offices are located in Cuyahoga County, the impacts are more significant there than in any other county. For this reason, the study also looked at the specific impacts for Cuyahoga County.

In 2016, UH's operations supported almost **44,000** total direct and indirect jobs in Cuyahoga County. Those jobs represented more than **\$3 billion** of employee compensation and supported close to **26,000** households. UH's ongoing activities, coupled with construction spending, generated more than **\$5.2 billion** of total economic output and generated approximately **\$242 million** of state and local government revenues in 2016.

Over the three-year construction period, UH invested more than **\$260 million** in new buildings, land and building improvements in Cuyahoga County, which supported more than **1,200** construction period jobs and an estimated **\$69 million** of labor income.

UH STATE LEVEL IMPACTS



2016 Total Economic Impact: \$7.7 Billion

