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REPORT: HEALTH CARE BIG BUSINESS IN RURAL OHIO

ODH-OU Report: Health Care Industry Generates \$11.6 Billion in Payroll in 79 Rural Ohio Counties

COLUMBUS – The health care industry plays a big role in the economies of Ohio’s 79 rural counties, and is directly responsible for nearly 10 percent of employment in rural Ohio, according to a report by the Ohio Department of Health (ODH) and the Ohio University Voinovich School of Leadership and Public Affairs.

“Health care protects the health of rural Ohioans and improves the health of the rural economy,” said ODH Director Alvin D. Jackson, M.D. “And its impact becomes more important each year.”

More than 285,000 health care professions working in hospitals, doctors’ offices, nursing and residential care facilities, home health agencies, dental laboratories, pharmacies and other health-related businesses directly generated \$11.6 billion in payroll in 2006, according to “The Economic Impact of the Health Care Sector in Rural Ohio,” a 250-page report issued today by ODH and the Voinovich School.

The spinoff effect is even greater. Health care employment supports an additional 118,000 jobs with total wages of \$14.9 billion. The report sums up this phenomenon:

“For example, a health care worker in the 79 Rural Ohio Counties purchases clothes for his or her family at the local clothing store, generating income for the store’s owner,” it reads. “The owner saves some of this money and spends the rest, thereby providing income for another local resident. The third person saves part of this money and spends the rest, which becomes income for a fourth person, and so forth. ... Hence employment in health settings results in additional employment in the remainder of the local economy.”

Including the spinoff effect, health care was responsible for 13.8 percent of jobs and 14.4 percent of income in the 79 counties in 2006, compared with 13.5 percent and 11.5 percent, respectively, in 2002.

In Appalachian counties, health care is responsible for 16.3 percent of employment and 18.4 percent of income. In non-Appalachian, rural counties, health care is responsible for 13.2 percent of employment and 13.7 percent of income, the report states.

“Health care jobs typically pay higher wages than other jobs in rural areas,” said Mark Weinberg, director of the Voinovich School. “We must work together to ensure rural health care remains strong in Ohio.”

The full report contains individual profiles for the 79 counties, for the 28 Appalachian counties and the 51 non-Appalachian counties in rural Ohio and is available electronically by contacting ODH.