



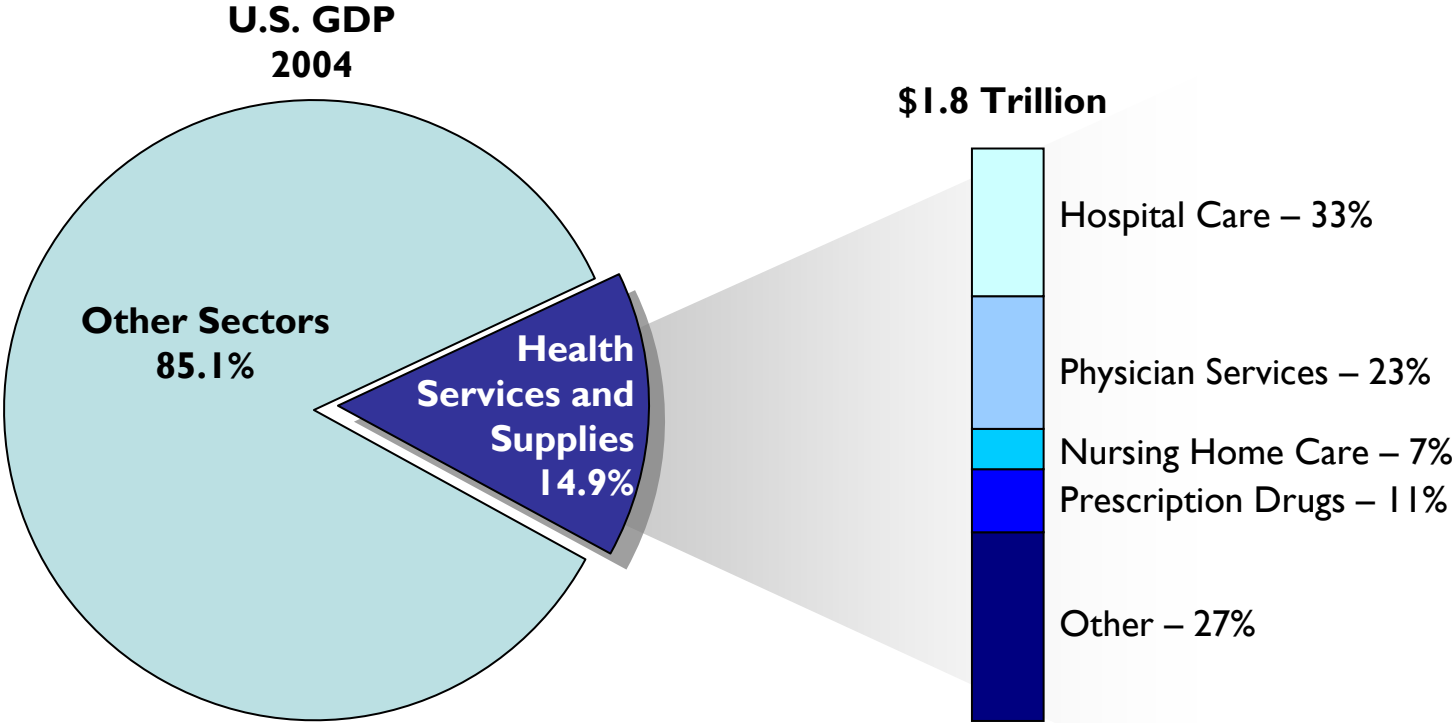
Medical Development as a Catalyst for Economic Development

Keith Dines, Executive Vice President, Strategic Development



Health care is a major contributor to the U.S. economy...

National Expenditures on Health Services and Supplies as a Percentage of Gross Domestic Product 2004

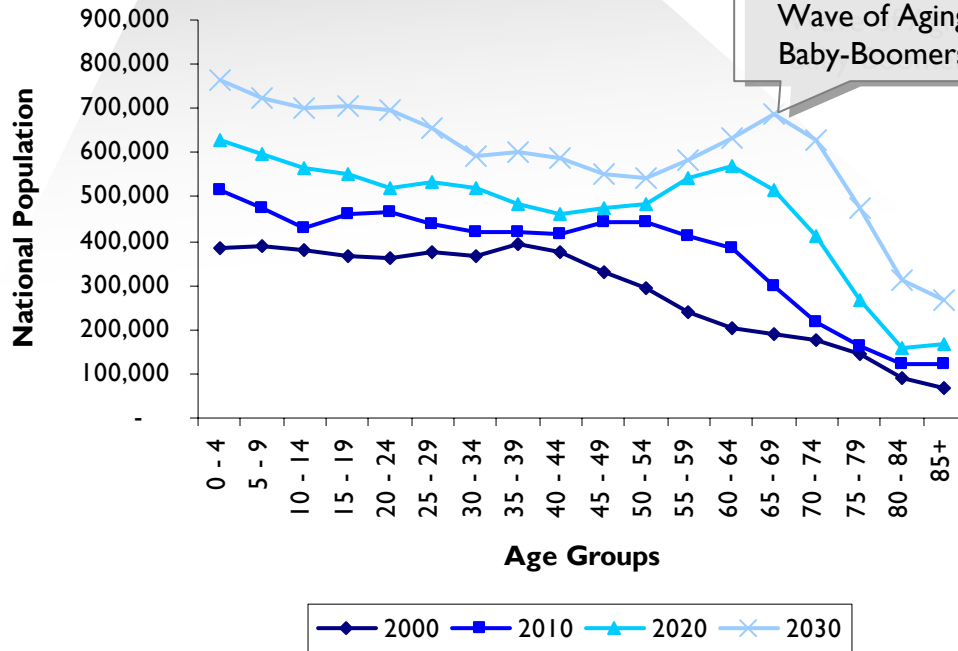


Source: American Hospital Association *TrendWatch*, May 2004, Vol.6, No. 1

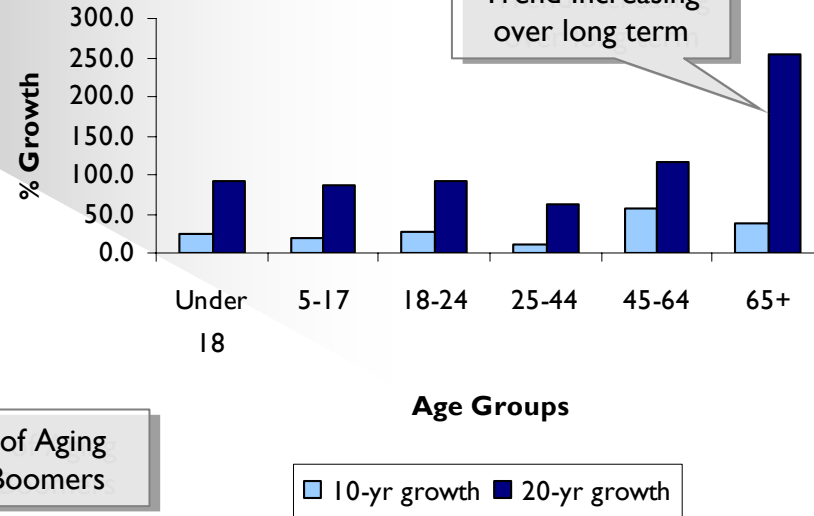
...fueled by a growing, changing population.

Over the next 25 years, the population will grow at an accelerated rate in the age groups with the highest utilization of medical services

National Age Distribution 2000-2030

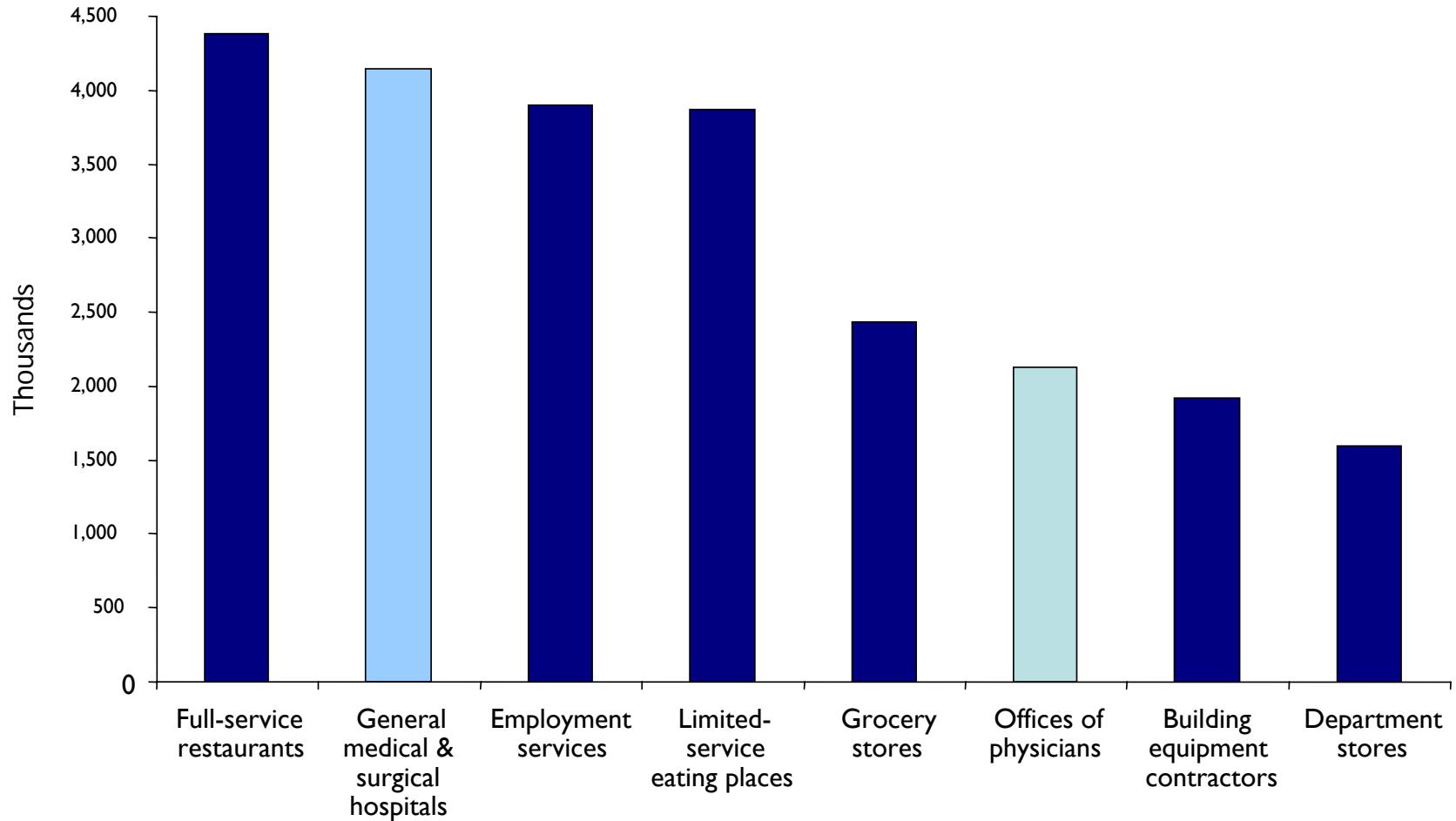


Growth By Age Cohort



Healthcare is the largest private-sector employer ...

**Medical Employment vs. Employment in Other Industries
2005⁽¹⁾**

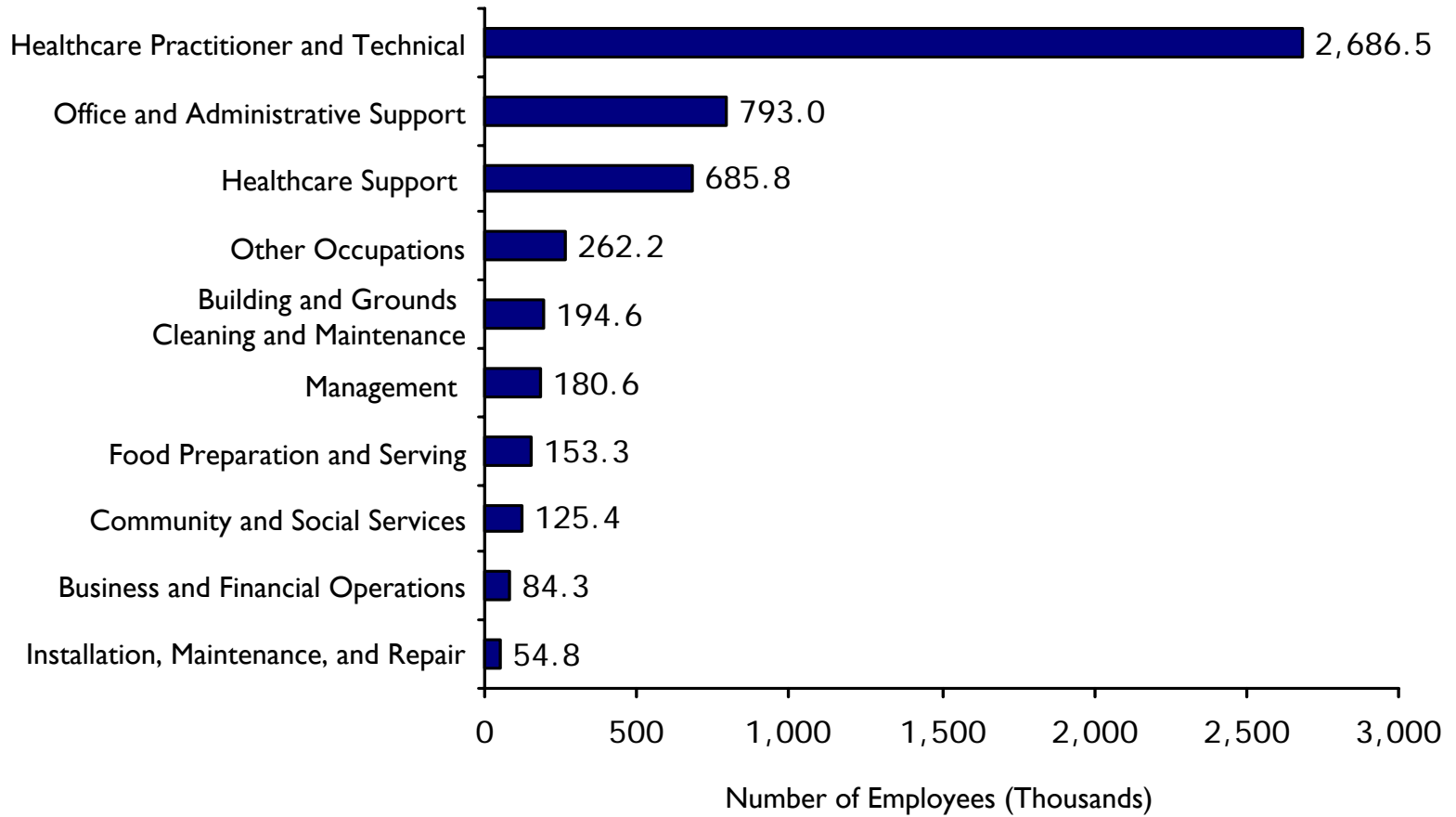


Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Survey, custom data request

⁽¹⁾ Data are as of September 2005

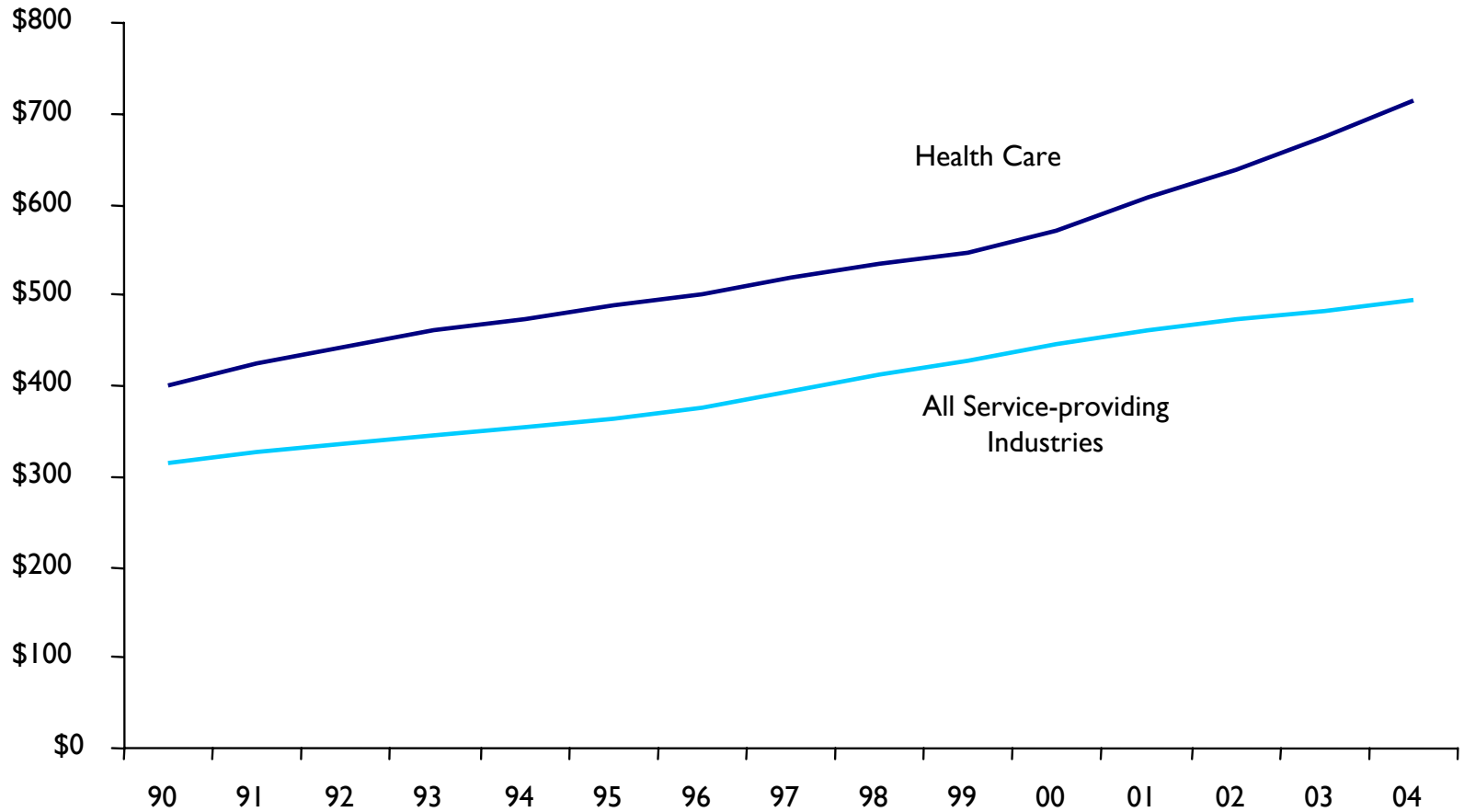
...supporting a range of workers with varying skill levels...

Healthcare Employment by Occupation Type 2004



... with jobs that offer higher pay than other industries...

**Average Weekly Earnings of Workers, Health Care⁽¹⁾ vs. All Service-providing Industries
1990 - 2004**



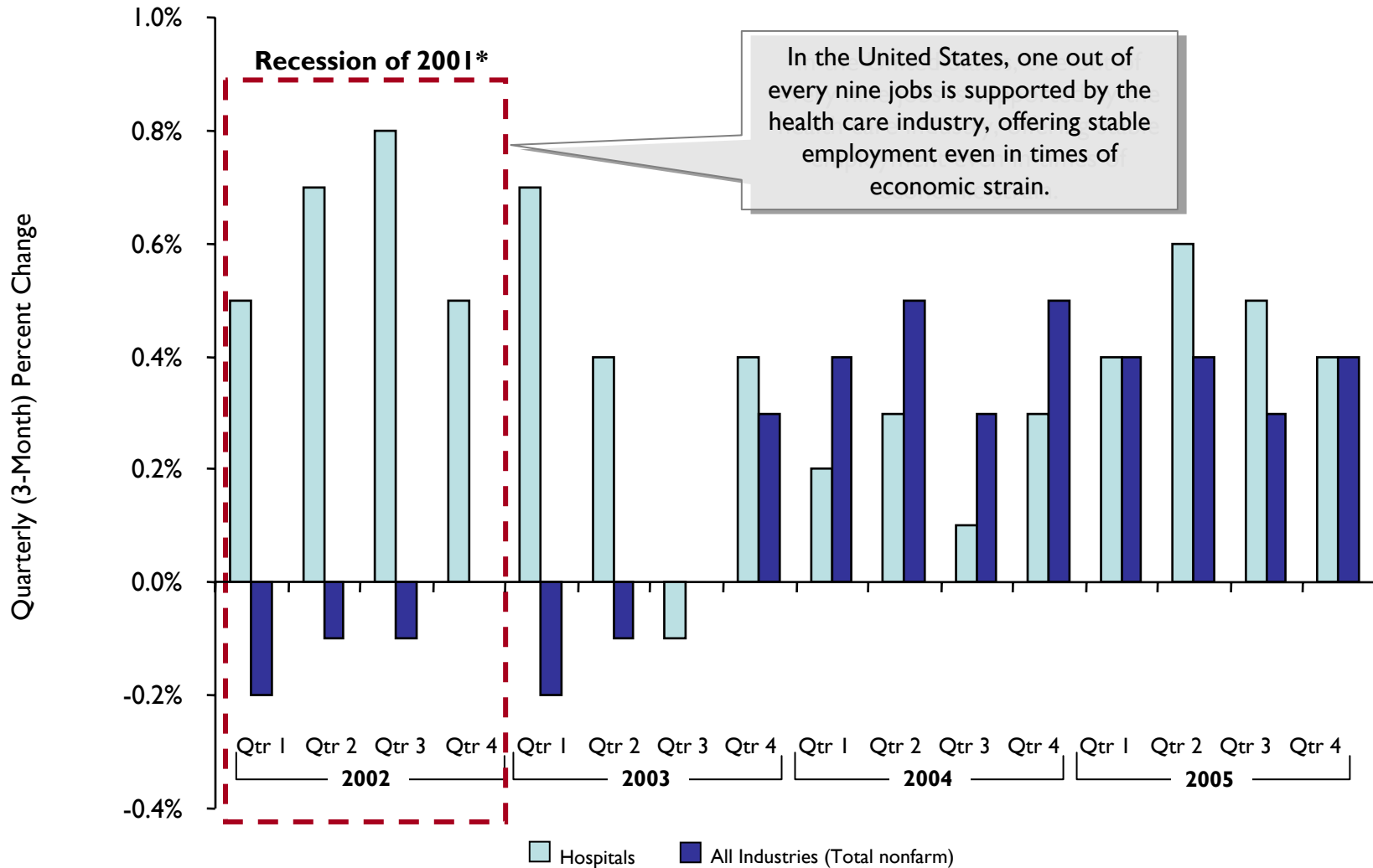
Source: Department of Labor, Bureau of Labor Statistics, Current Employment Statistics Survey

⁽¹⁾ Includes physicians employed by hospitals.



... and provide job stability, even during uncertain times.

**Percent Change in Employment, Seasonally-Adjusted: Health Care vs. All Industries¹
2002 – 2005**



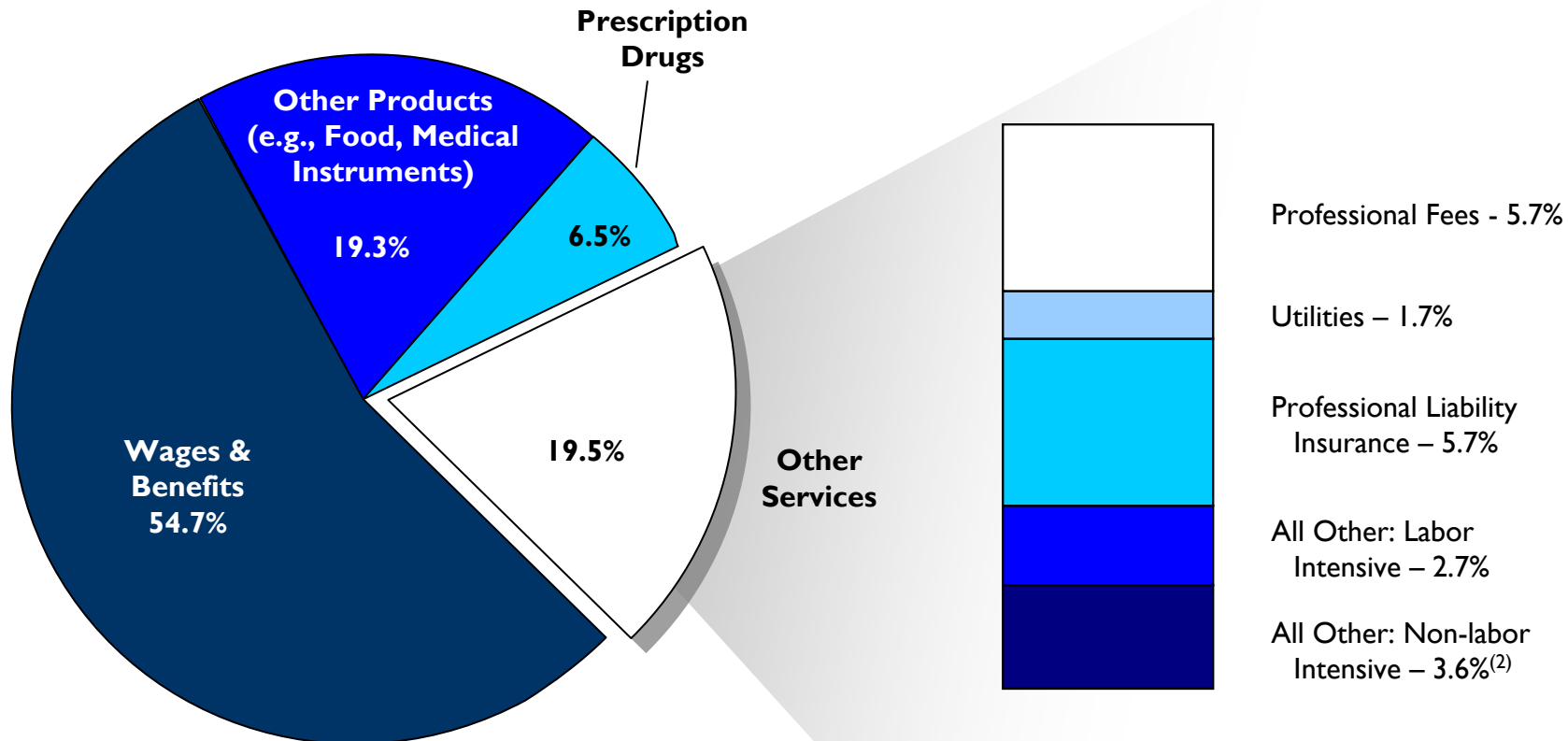
Source: Department of Labor, Bureau of Labor Statistics; Recession period defined by National Bureau of Economic Research

1 – Non-farm



Health Care entities purchase a variety of services...

**Percent of Health Care Costs⁽¹⁾ by Type of Expense
2Q05**



Source: Centers for Medicare and Medicaid Services, September 2005, using base year 2002 weights

⁽¹⁾ Does not include capital

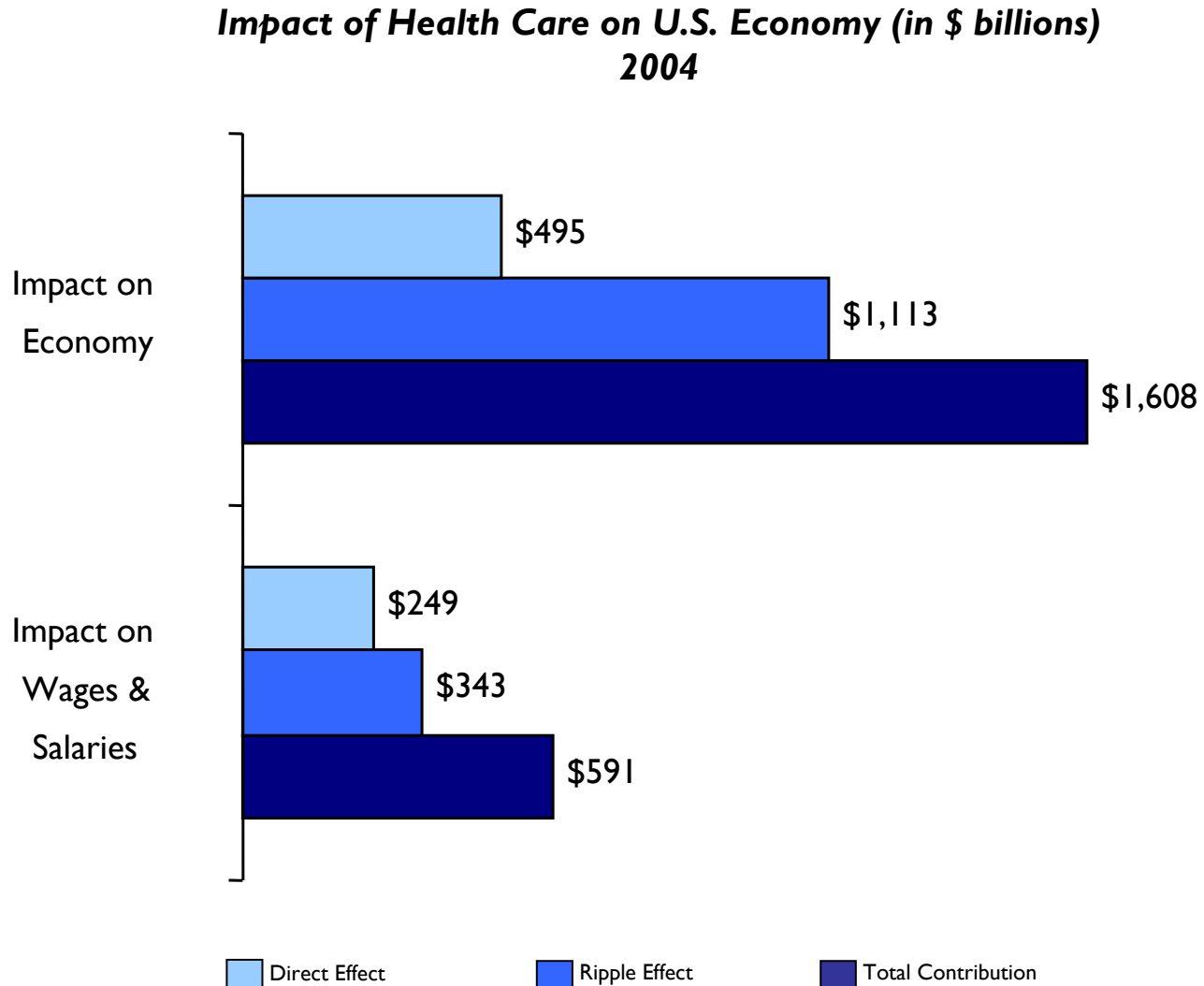
⁽²⁾ Includes postage and telephone expenses

... and fuel sectors of the economy outside healthcare...

Health Care Services Impact on Sectors of the U.S. Economy (in \$ billions) 2004

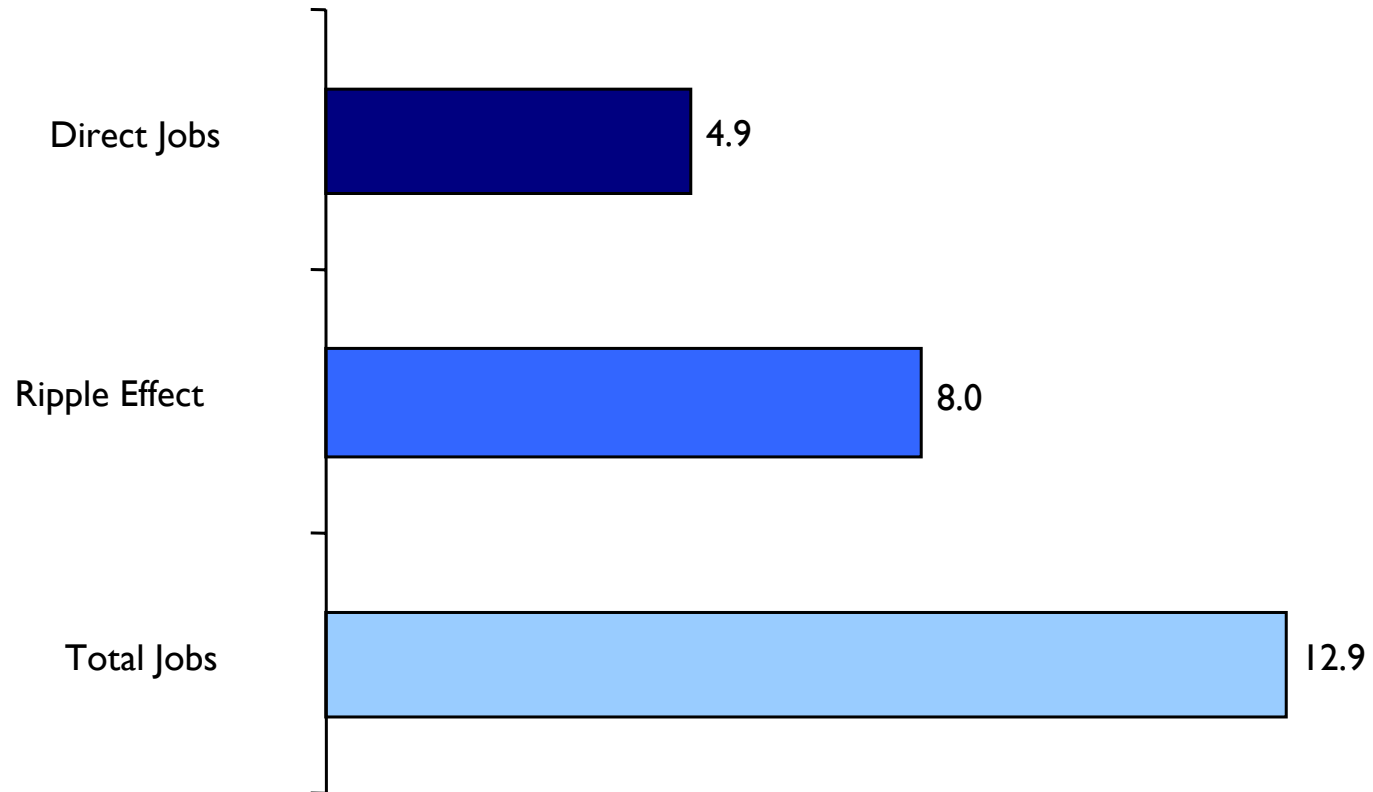
| Industry | Economic Impact |
|--|------------------------|
| Health Care and Social Assistance | \$570.6 |
| Manufacturing | 240.0 |
| Real Estate and Rental & Leasing | 151.5 |
| Finance and Insurance | 102.0 |
| Professional, Scientific, and Technical Services | 66.8 |
| Retail Trade | 65.0 |
| Wholesale Trade | 52.3 |
| Information | 52.2 |
| Administrative and Waste Management Services | 49.9 |
| Transportation and Warehousing | 49.9 |
| Accommodation and Food Services | 40.9 |
| Other Services | 40.0 |
| Management of Companies and Enterprises | 32.3 |
| Utilities | 28.4 |
| Agriculture, Forestry, Fishing, and Hunting | 23.5 |
| Educational Services | 12.8 |
| Arts, Entertainment, and Recreation | 11.4 |
| Mining | 10.1 |
| Construction | 8.0 |
| Total | \$1,607.6 |

... while supporting businesses and jobs across the country...



... generating more jobs throughout the entire economy...

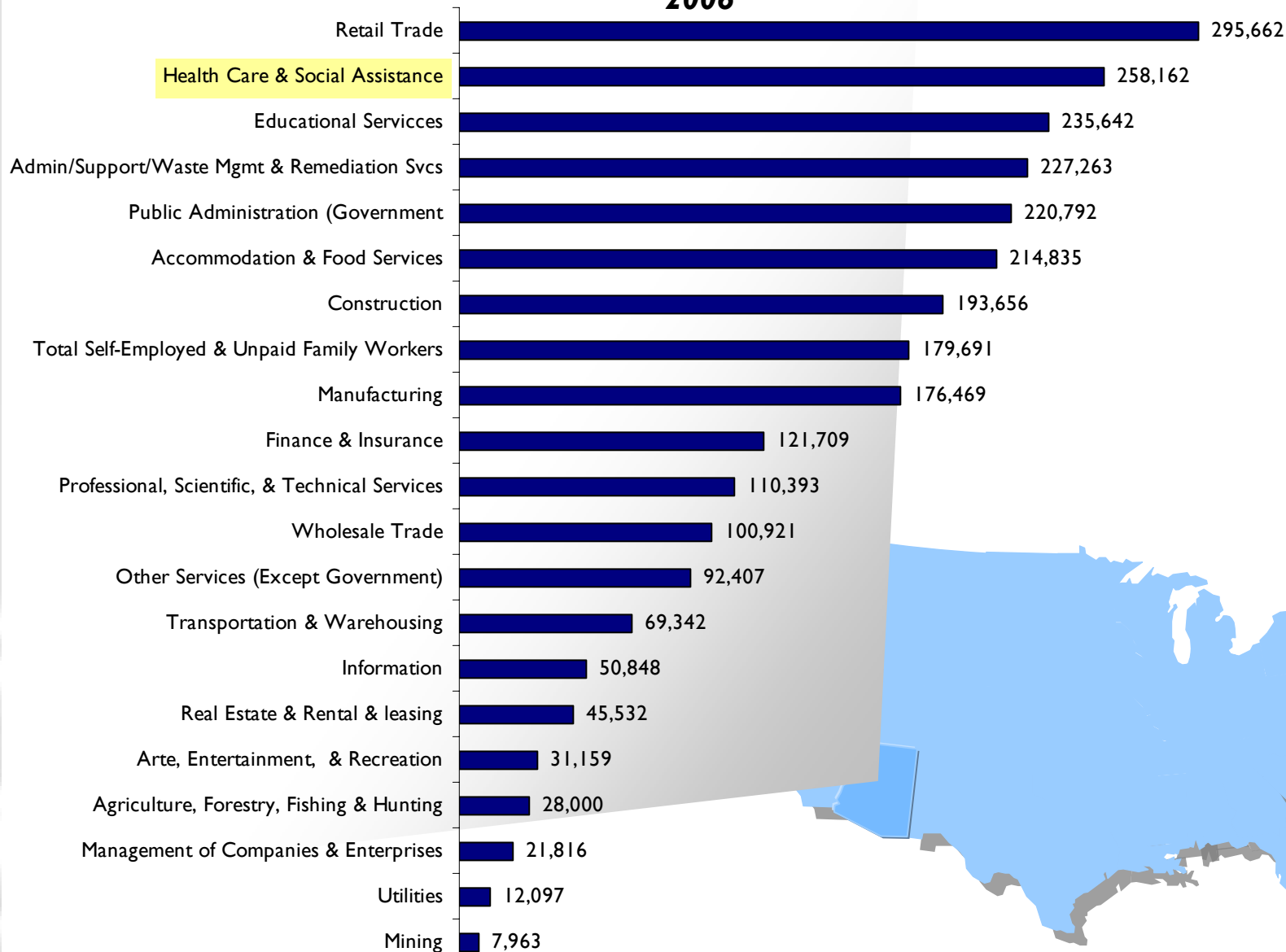
**Impact of Health Care on U.S. Jobs (in millions)
2004**



The Arizona health sector holds a quarter-million jobs...

Arizona Industry Employment Projections

2006



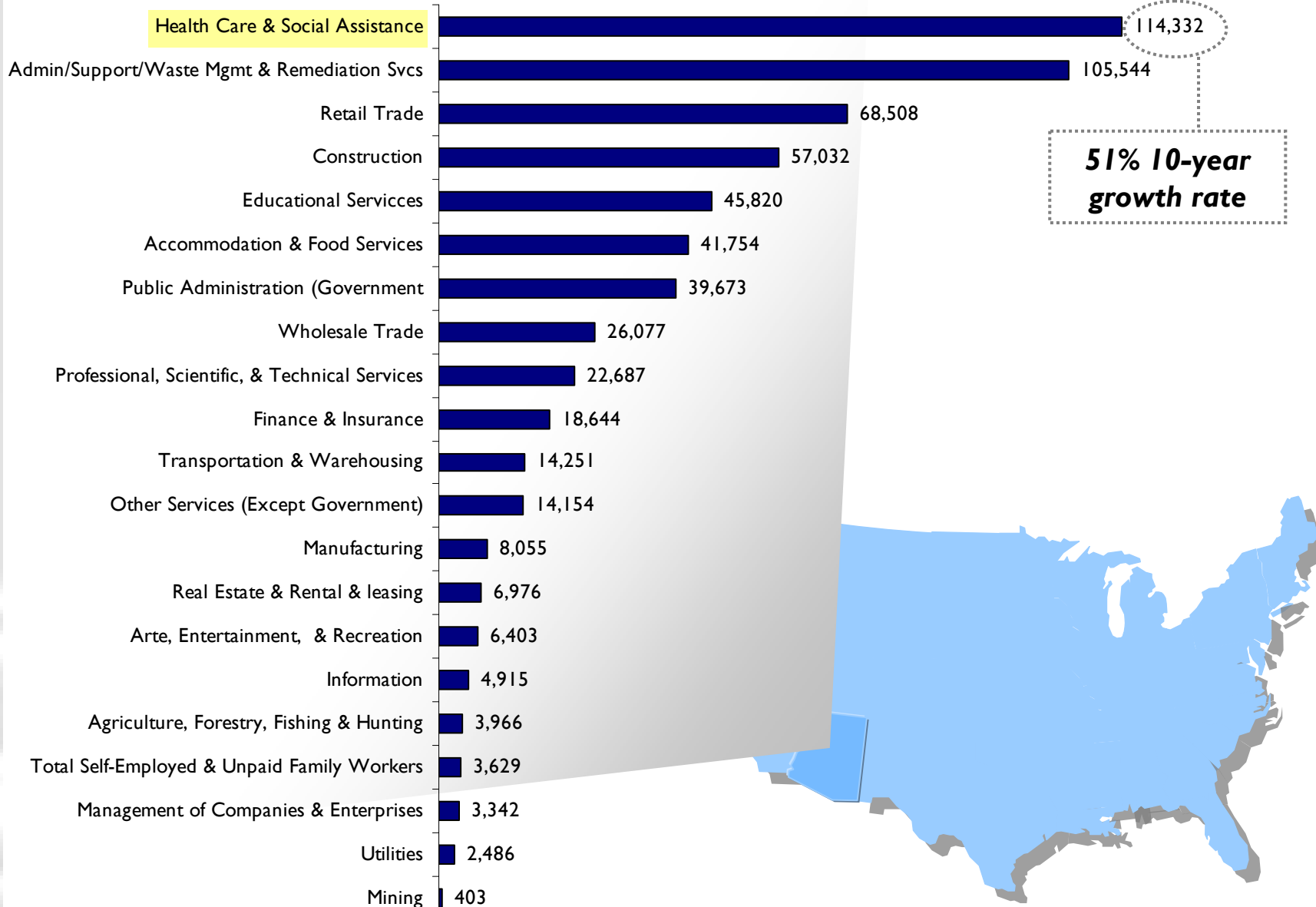
Source: Arizona Dept of Economic Security; US Dept of Labor, Bureau of Labor Statistics

note – Includes non-hospital based healthcare employees



...with robust job growth projected to continue.

Health Sector¹ Leads State-wide in New Job Growth Through 2013



Source: Arizona Dept of Economic Security; US Dept of Labor, Bureau of Labor Statistics

(1) – Includes non-hospital based employees

...boosting overall economic and social well-being.

Across the country healthcare providers make significant contributions to the economy, providing large numbers of high-paying, stable jobs to healthcare workers.

At a local level, healthcare providers can fuel economic development both through the direct impact of their payroll dollars, as well as through the purchasing of other goods and services that support the provision of care.

Further, the presence of healthcare providers boosts the region's attractiveness to new residential and commercial interests through a variety of services that maintain the optimum health status of the community.