

# 7 Santa Barbara County

## Health Care Sector

Across Santa Barbara County, hospitals, health care centers, doctors' offices and laboratories provide access to a variety of vital health care services, employing thousands of workers, and generating significant revenues and tax dollars.

The health care sector is composed of several inter-related and supporting industries, including ambulatory health care services, hospitals, and nursing and residential care facilities. The sector as a whole has been growing over the past decade and is likely to be a driver of economic activity going forward as our population grows, as it ages, and as medical advances extend our productive lives.

There were 1,021 private and public establishments and almost 15,210 payroll employees in the health care sector, representing 8.6 percent of all payroll employment in Santa Barbara County. Offices of health care practitioners is the largest industry by number of establishments and employs the most workers, providing 5,043 jobs.

These data do not include the self-employed or freelance workers, which we estimate could add an additional 1,500 workers, many of whom are health care practitioners or work in home health care services.

Payroll employment in this sector has been growing over the past twenty years. In 1990, employment in Santa Barbara County in the health care industry was 10,693, growing to 15,208 in 2010. Growth has accelerated in the past decade, averaging approximately 2.4 percent on an annual basis since 2000, compared to 1.0 percent per year in the prior decade.

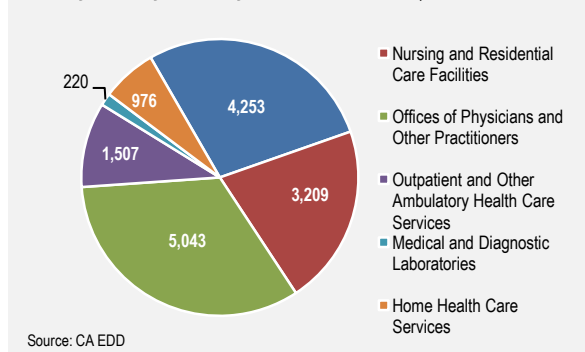
In the county as a whole, total payroll employment has been growing slowly since 1993, but experienced a decline during the recession.

**Exhibit 7-1**  
**Health Care Services in Santa Barbara County (2010)**

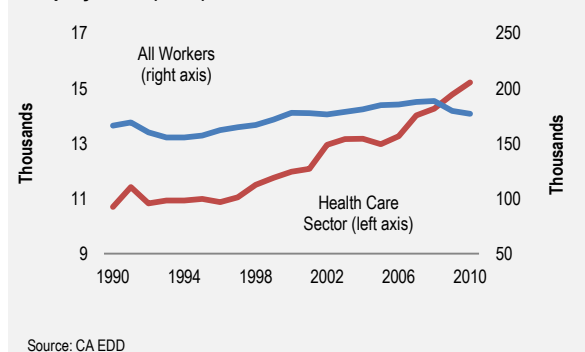
	# of Establishments
<b>Hospitals:</b>	
General Medical and Surgical Hospitals <sup>1</sup>	7
Other Hospitals <sup>2</sup>	1
Nursing and Residential Care Facilities	115
Offices of Health Care Practitioners	792
Outpatient Care Centers	65
Medical and Diagnostic Laboratories	14
Home Health Care Services	28
<b>TOTAL Establishments</b>	<b>1,021</b>
<b>% of all Santa Barbara Establishments</b>	<b>7.2%</b>

Source: CA EDD  
<sup>1</sup> Includes federal, state and county general medical and surgical hospitals such as VA hospitals  
<sup>2</sup> Includes psychiatric and substance abuse hospitals and specialty hospitals

**Exhibit 7-2**  
**Employment by Industry (2010)**



**Exhibit 7-3**  
**Employment (2010)**



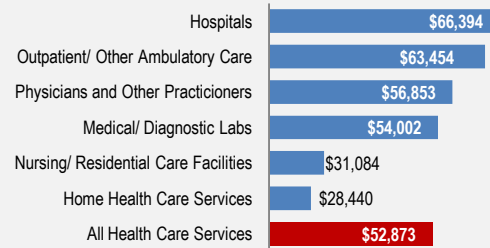
### Wages

Wages of health care workers in Santa Barbara County vary by industry, as shown in Exhibit 7-4. Average wages were highest in hospitals in 2010, reaching \$66,394 annually, and lowest in home health care services where workers earned an average of \$28,440 in 2010.

Overall, the average annual wage in the health care industry in Santa Barbara County in 2010 was \$52,873.

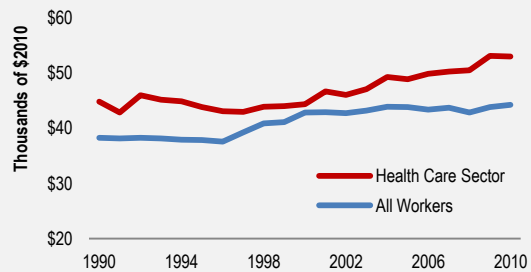
The purchasing power of earnings in the health care sector has been improving recently, but this has not always been the case. In the 1990s, for example, real wages languished. However, real wages have shown improvement since 1998 and have outperformed the average real wages for all workers in Santa Barbara County, which have been flat since 2004. ❖

**Exhibit 7-4**  
**Average Annual Wages by Industry (2010)**



Source: CA EDD

**Exhibit 7-5**  
**Average Annual Wages**



Source: CA EDD

## Ongoing Operations of Hospitals in Santa Barbara County

### Economic Activity

Data compiled by the State of California Office of Statewide Health Planning and Development (OSHPD) provides insight into the capabilities and activity at reporting hospitals. Summary data for hospitals in Santa Barbara County is shown in Exhibit 7-6. This data excludes several hospitals, such as Kaiser Foundation Hospitals, California State hospitals and hospitals focused on long-term care, and therefore underreports the number of beds, patient days, discharges and outpatient visits.

The 5 reporting hospitals in Santa Barbara County reported 972 licensed beds and 879 available beds with an average occupancy rate of 66.3 percent. These hospitals combined provided 212,838 inpatient days, with acute care accounting for 56 percent. The average length of stay for patients who stayed at least one night was 6.2 days.

Total discharges numbered 34,335 (although some of these were inter-institutional transfers). There were more than 489,000 outpatient visits to hospitals in Santa Barbara County, almost 30 percent of which were emergency room visits.

Hospital operations generate substantial revenues, employment and labor income. A summary of the activity of the reporting hospitals is shown in Exhibit 7-7.

These hospitals received \$780 million in net patient revenue and \$102 million in other revenue. Together they spent \$310 million in purchases, including services and supplies, much of which was spent within the Santa Barbara region. In addition to this spending, \$259 million was paid in wages and salaries, with an additional \$125 million in employee benefits. Moreover, \$20 million was paid to physicians and \$25 million was paid for other professional services.

### Exhibit 7-6 Santa Barbara County Hospitals (2010)

Hospitals reporting <sup>1</sup>	5
<b>Beds:</b>	
Licensed	972
Available	879
<b>Occupancy Rates:</b>	
Licensed Beds	60.0%
Available Beds	66.3%
<b>Patients Days:</b>	
Acute Care	120,067
Psychiatric Care	5,243
Chemical Dependency	9,154
Rehabilitation	78,374
Long-term Care	0
Total	212,838
<b>Average Length of Stay</b>	6.2
<b>Discharges</b>	34,335
<b>Outpatient Visits:</b>	
Emergency Room	141,705
All Other Outpatients	347,315
Total	489,020

Source: California Office of Statewide Health Planning and Development

<sup>1</sup> Excludes Kaiser Foundation hospitals, California State hospitals and hospitals of the Department of Veterans Affairs

### Exhibit 7-7 Economic Activity of Hospital Operations (2010)<sup>1</sup>

	\$ millions
Net Patient Revenue	\$ 780.0
Other Operating Revenue	21.2
Non-Operating Revenue	81.2
<b>Purchases:</b>	
Supplies	\$ 129.5
Services	76.6
Leases and rentals	8.5
Other	95.3
Salaries and wages	\$ 259.3
Employee benefits	124.7
Physician professional fees	20.1
Other professional fees	25.0

Source: California Office of Statewide Health Planning and Development

<sup>1</sup> Excludes Kaiser Foundation hospitals, California State hospitals and hospitals of the Department of Veterans Affairs

**Economic and Fiscal Contribution**

The total economic contribution of the hospital industry extends beyond the activity generated within the sector itself. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy generating additional indirect and induced activity.

Using methodology described in the Appendix, we estimate that total industry revenues in 2010 were \$882 million.

The total economic contribution of the hospital industry in Santa Barbara County in 2010, including direct, indirect and induced activity, is shown in Exhibit 7-8.

**Exhibit 7-8**  
**Economic and Fiscal Contribution of Hospitality Industry (Santa Barbara County, 2010)**

<b>Estimated Annual Revenue</b> (\$ millions)	\$ 882.4
<b>Total Economic Contribution:</b>	
Output (\$ millions)	\$ 1,722.8
Employment (jobs)	11,890
Labor income (\$ millions)	\$ 766.1
<b>Total Fiscal Contribution (\$ millions):</b>	
Income taxes (including profits taxes)	\$ 23.5
Sales taxes	22.1
Property taxes	24.5
Fees and fines	8.9
Social insurance	4.2
Other taxes	4.3
<b>Total *</b>	<b>\$ 87.5</b>

\* May not sum due to rounding  
 Source: Estimates by LAEDC

The hospital industry in Santa Barbara County contributed \$1.7 billion in total economic output and supported 11,890 full- and part-time jobs with total labor income (including benefits) of \$766 million.

We estimate that the sector generated \$87.5 million in state and local taxes through its contribution to economic activity in the county.

**Industry Sector Breakdown**

The indirect and induced impacts spill across industries, as shown in Exhibit 7-9.

Most of these impacts of course occur in the health care and social assistance sector, but other sectors affected will include retail trade, administrative and waste management, and real estate and rental services.

**Exhibit 7-9**  
**Economic Contribution by Industry Sector (Santa Barbara County, 2010)**

Sector	Employment	Output (\$ millions)
Agriculture	25	\$ 3
Mining	16	4
Utilities	9	7
Construction	56	8
Manufacturing	132	65
Wholesale trade	157	27
Retail trade	752	56
Transportation and warehousing	130	15
Information	120	43
Finance and insurance	478	87
Real estate and rental	747	209
Professional, scientific and technical services	429	52
Management of companies	93	19
Administrative and waste management	781	45
Educational services	143	9
Health care and social assistance	6,483	974
Arts, entertainment and recreation	184	11
Accommodation and food services	570	35
Other services	476	35
All others	109	19
<b>Total *</b>	<b>11,890</b>	<b>\$ 1,723</b>

\* May not sum due to rounding  
 Source: Estimates by LAEDC

Most industry sectors benefit from the economic activity generated by the hospital industry. A description of the industry sectors is provided in the Appendix.

### Occupational Analysis

Of the jobs supported by the industry, almost one third is in healthcare practitioner and healthcare support occupations, with average annual wages of \$85,419 and \$30,468 respectively.

The occupational distribution of the total jobs is shown in Exhibit 7-10.

**Exhibit 7-10**  
**Occupational Distribution of Total Employment Impact**  
**(Santa Barbara County, 2010)**

Occupational Description	Employment	Average Annual Wage
Management	519	\$ 113,543
Business & financial operations	452	71,381
Computer & mathematical science	176	77,805
Architecture & engineering	53	87,683
Life, physical, & social science	72	68,846
Community & social services	231	44,381
Legal	60	96,301
Education, training, & library	142	63,089
Arts, design, entmt, sports, & media	117	60,860
Healthcare practitioners & technical	3,238	85,419
Healthcare support	920	30,468
Protective service	150	58,061
Food preparation & serving related	773	21,962
Building & grounds cleaning & maint.	583	36,541
Personal care & service	262	28,350
Sales & related	821	34,652
Office & administrative support	2,163	37,154
Farming, fishing, & forestry	18	20,780
Construction & extraction	106	50,643
Installation, maintenance, & repair	365	46,322
Production	262	36,543
Transportation & material moving	403	33,024
<b>Total *</b>	<b>11,890</b>	<b>\$47,806</b>

\* May not sum due to rounding  
 Source: Estimates by LAEDC

While the industry has an impact on all industry sectors, the economic activity it supports throughout the region provides employment for a wide variety of occupations. The education and work experience requirements of each occupation are provided in the Appendix. ❖

## Construction Spending of Hospitals in Santa Barbara County

### *Economic and Fiscal Impact*

In addition to ongoing, regular and recurring operations, the hospital industry continues to invest in construction projects at existing and new facilities, and carry out retrofits motivated by regulatory mandates. This investment generates significant economic activity.

Our estimates for construction spending in 2010 were obtained from OSHPD using the change in percentage of completion of active projects during the year.

The total economic impact of construction spending by the hospital industry in Santa Barbara County in 2010, including direct, indirect and induced activity, is shown in Exhibit 7-11.

**Exhibit 7-11**  
**Economic and Fiscal Impact of Hospital Industry Construction Spending (Santa Barbara County, 2010)**

<b>Estimated Construction Spending (\$ billions)</b>	<b>\$ 62.0</b>
<b>Total Economic Impact:</b>	
Output (\$ billions)	\$ 114.9
Employment (jobs)	780
Labor income (\$ billions)	\$ 43.2
<b>Total Fiscal Impact (\$ billions):</b>	
Income taxes (including profits taxes)	\$ 1.4
Sales taxes	1.2
Property taxes	1.3
Fees and fines	0.5
Social insurance	0.2
Other taxes	0.2
<b>Total *</b>	<b>\$ 4.7</b>

\* May not sum due to rounding  
 Source: Estimates by LAEDC

Construction spending by the hospital industry in Santa Barbara County in 2010 generated \$115 million in total economic output and supported 780 full- and part-time jobs, with total labor income (including benefits) of \$43.2 million. We estimate that this spending generated \$4.7 million in state and local taxes through its contribution to economic activity in the region.

### *Industry Sector Breakdown*

The indirect and induced impacts spill across industries, as shown in Exhibit 7-12. Most of these impacts will occur in the construction sector, but other sectors affected include retail trade, professional, scientific and technical services, and health care and social assistance.

**Exhibit 7-12**  
**Impact of Construction Spending by Industry Sector (Santa Barbara County, 2010)**

Sector	Employment	Output (\$ millions)
Agriculture	2	\$ 0
Mining	2	0
Utilities	1	1
Construction	407	62
Manufacturing	25	8
Wholesale trade	15	3
Retail trade	44	3
Transportation and warehousing	10	1
Information	8	3
Finance and insurance	28	5
Real estate and rental	20	8
Professional, scientific and technical services	62	7
Management of companies	3	1
Administrative and waste management	30	2
Educational services	8	1
Health care and social assistance	42	4
Arts, entertainment and recreation	11	1
Accommodation and food services	33	2
Other services	29	2
All others	4	1
<b>Total *</b>	<b>780</b>	<b>\$ 115</b>

\* May not sum due to rounding  
 Source: Estimates by LAEDC

As seen with the economic impact of ongoing operations, almost all industry sectors are impacted by the total economic activity generated by the construction spending of the hospital industry. A description of the industry sectors is provided in the Appendix. ❖