2016 SAN ANTONIO

Healthcare and Bioscience Economic Impact Study

BASED ON 2015 DATA

Conducted by
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Pre-2009 versions of this study did not include the impact of the University of Texas Health Science Center at San Antonio, some elements of the military medical presence in the region, and the multiplier effects of the goods and services local Healthcare and Bioscience businesses sell or deliver to customers and patients outside the region.

This year’s study attempts – as in the 2009, 2011 and 2013 studies - to include credible approximations of the size of these important contributors to the San Antonio economy. This expanded definition of the industry is represented in the “comprehensive” estimates. To facilitate comparisons with the past, “traditional” estimates using the previous industry definition are also reported.
The Healthcare and Bioscience Industry continues to be one of San Antonio’s largest industries.

Its economic impact in 2015 was $28.4 billion measured conservatively, and approximately $37 billion by a more comprehensive estimate.

By the more comprehensive estimate, the industry paid $8.9 billion in wages and salaries to 172,094 employees in 2015.

More than 1 of every 6 San Antonio employees works in the Healthcare and Bioscience Industry.

The Healthcare and Bioscience industry has added nearly 50,000 net new jobs over the past decade, fueling San Antonio’s growth.

As one of San Antonio’s leading industries, Healthcare and Bioscience has shown steady growth & innovation over the past quarter-century.
San Antonio Bioscience Research Database Website

San Antonio has long been a major center of bioscience research, with numerous major institutions hosting significant collaborative research efforts. However, until now there’s been no easy way to find out what research is going on in San Antonio and who’s doing it. That is no longer the case.

In 2016, the San Antonio Medical Foundation launched an easily searchable new website – the first of its kind in the nation – that provides a compendium of local bioscience research projects. The site is designed as a resource for:

- Anyone interested in understanding the breadth and depth of bioscience research in San Antonio
- Scientists and researchers from around the nation and the world who are seeking collaborative research opportunities
- San Antonio-based scientists and researchers looking to connect and collaborate with other local research organizations
- Researchers and technicians looking to join a San Antonio-area bioscience research organization

At press time there were 11 institutions and approximately 600 research projects represented on the website, with more coming on board each month.

Visit sabioscienceresearch.org to explore San Antonio’s best-in-class tool for locating bioscience research. Truly, San Antonio is the home of great science and great scientists.
Overview

San Antonio’s Healthcare and Bioscience industry is both large and diverse. It includes a wide variety of direct healthcare services as well as industries related to the provision of health and medical care.

The San Antonio Healthcare and Bioscience Industry in 2015

Comprehensive Estimates

**Healthcare Services**

- **Hospitals**: 35.4%
- **Physicians**: 12.6%
- **Other Related**: 14.6%
- **Insurance**: 6.2%
- **Equipment**: 10.7%
- **Research**: 9.3%
- **Other services**: 11.2%

**Related Industries**

**Direct healthcare services** include the care provided in hospitals, physicians’ and dentists’ offices, nursing homes, the offices and clinics of a variety of other healthcare providers, and various other outpatient and ambulatory care settings. In San Antonio, health services include both civilian and military medicine, a Veterans Administration medical center, and a variety of governmental, for-profit and non-profit operations and facilities.

**Related industries** complement and support the provision of medical and healthcare services. These
industry sectors include health insurance carriers, pharmaceutical companies, medical equipment producers and manufacturers, civilian and military medical education, biomedical research organizations, residential care and social service providers, and a variety of related endeavors.

Overview

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Measured by the dollar volume of final sales of its products and services, the economic impact of San Antonio’s Healthcare and Bioscience Industry in 2015 totaled $37.0 billion by the comprehensive estimate ($28.4 billion by the traditional method, which is the measure most useful for comparisons over time). The $28.4 billion figure represents a healthy 16.5% increase from the 2013 level. It is double the size of the industry a decade ago, and more than six times its size in 1990.

Growth by the more comprehensive measure has been similarly impressive. The comprehensive estimate for 2015 is a healthy 25% above that for 2011, and 51% above the 2009 level.

Overall Economic Impact

(Billions)
The impact of direct Health Services is higher than that of the Related Industries, representing about 59% of the total economic impact using the comprehensive estimates.

Both sectors have experienced healthy growth in the past quarter-century, doubling since 2005 and increasing six-fold since 1990. Such growth can only be described as robust.
More than one-sixth of the San Antonio workforce

In 2015, a total of 156,620 San Antonians were employed in the portion of the Healthcare and Bioscience industry represented in the “traditional” data. This represents nearly one-sixth of the total San Antonio civilian workforce. The comprehensive total of 172,094 includes uniformed military personnel not counted in the Texas Workforce.
Commission (TWC) employment data, as well as some additional civilians working at establishments not included in our database. As a result, the share of the total regional workforce employed in Healthcare and Bioscience is probably in excess of 17%.

Using the comprehensive estimates, nearly 70% of these employees were involved in the direct provision of health and medical services; the remaining 30% were employed in related industries.

Looking at the traditional estimates for a comparison over time, the 156,620 employees in the narrower definition of the industry represent a 13% increase over the 2011 level. The industry generated **18,165 net new jobs** since 2011.

Over the decade, the industry added **49,355 net new jobs**, an increase of 46%. Employment in Health Services grew 41%, while Related Industries employment grew 59% – **robust growth all around**.

### Number of Employees

<table>
<thead>
<tr>
<th>Year</th>
<th>Traditional</th>
<th>Comprehensive</th>
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</thead>
<tbody>
<tr>
<td>1990</td>
<td>65,491</td>
<td>65,491</td>
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<tr>
<td>1995</td>
<td>86,370</td>
<td>86,370</td>
</tr>
<tr>
<td>2005</td>
<td>107,265</td>
<td>107,265</td>
</tr>
<tr>
<td>2009</td>
<td>126,724</td>
<td>126,724</td>
</tr>
<tr>
<td>2011</td>
<td>138,455</td>
<td>138,455</td>
</tr>
<tr>
<td>2013</td>
<td>148,266</td>
<td>148,266</td>
</tr>
<tr>
<td>2015</td>
<td>156,620</td>
<td>156,620</td>
</tr>
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</table>

*2015 Total: 172,094*
The total annual payroll in Healthcare and Bioscience (by the comprehensive estimate) was $8.9 billion in 2015, a 14% increase over 2013. Looking at the traditional definition of the industry, payroll grew by 87% over the decade.

Using the comprehensive estimates, individuals employed in the Healthcare and Bioscience Industry earned, on average, $51,731 in 2015. This is about 11.5% above the 2015 average of $46,411 for all workers in San Antonio.

Annual incomes of workers in the Health Services sector averaged $53,364. The average salary for the Related Industries sector was $47,993.
These figures include only direct wage payments. Total compensation, which includes benefits, would be considerably higher.

In interpreting these averages, it is important to note that employees in the Healthcare and Bioscience sector include not only well-paid healthcare providers and scientists but also support staff of various types. Also, since the employment figures include both full-time and part-time employees, the average salary reported here is no doubt lower than that received by a typical full-time employee.

2015 Average Salaries

*Comprehensive Estimates*

<table>
<thead>
<tr>
<th>Service Type</th>
<th>Average Salary</th>
</tr>
</thead>
<tbody>
<tr>
<td>Health Services</td>
<td>$53,364</td>
</tr>
<tr>
<td>Related Services</td>
<td>$47,993</td>
</tr>
<tr>
<td>All Healthcare/ Bioscience</td>
<td>$51,731</td>
</tr>
<tr>
<td>San Antonio Average</td>
<td>$46,411</td>
</tr>
</tbody>
</table>
A closer look at the two sectors

The Health Services sector has always been larger than the Related Industries sector, and that difference remains when the comprehensive definition of the industry is used.

Economic Impact of the Sectors

(Billions)
The Health Services Sector

The Health Services sector includes a wide range of healthcare professionals and businesses providing direct care to patients. Within this sector, there are five major groups: hospitals; physicians; ambulatory and other services, including laboratories; nursing and home health services providers; and other providers of health services (dentists, therapists, optometrists, chiropractors and others). In San Antonio, this sector includes both civilian and military medicine, a Veterans Administration medical center and a variety of governmental, for-profit and not-for-profit operations and facilities.

Impact of Health Services in 2015

*Comprehensive Estimates (Billions)*

- **Hospitals**: $13.1 billion
- **Physicians**: $4.7 billion
- **Nursing Homes**: $1.6 billion
- **Other Providers**: $1.4 billion
- **Labs**: $0.7 billion
- **Other Services**: $0.5 billion
Physicians and Hospitals, the two largest provider groups, have consistently made a substantial contribution to the San Antonio economy. This remains the case when the comprehensive definition of the industry is used.

Since 2009 both have grown substantially: The economic impact of hospitals has doubled, and that of physicians has risen by 45%.

The Related Industries sector incorporates a variety of businesses that support and complement the direct provision of healthcare services.

The chart on the following page shows the economic impact of some of the major industry groups in this sector.
The Education and Research sector is buoyed considerably by the inclusion in the comprehensive estimate of UT Health Science Center and military medical training employees absent from the TWC data used for the traditional estimates.
The information for the “traditional” estimates presented here is derived from the Texas Workforce Commission’s Covered Employment and Wages database. The data is aggregated by the TWC into the lines of business defined by the North American Industrial Classification System (NAICS) coding framework. It represents essentially a 100% sample of all the businesses with employees in each NAICS subcode.

The specific subcodes included in this study are listed on pages 16 and 17. They cover both the healthcare and related industry segments in great detail.

The information necessary for the inclusion of the UT Health Science Center and the military presence in San Antonio’s medical industry was derived from data supplied by these two entities from their own financial reports.
Since these data are compiled for a different purpose than that reported to the TWC, using different procedures, the additional contributions attributed to these activities must be understood as approximations. Still, their impact is so great that it would be a significant understatement to exclude them.

Details of the methodology used to create the estimates reported in this study may be found on the San Antonio Chamber’s website, www.sachamber.org, within the Economic Development Council section under the “Get Involved” section.
NAICS codes (and other sources) for the healthcare and bioscience industry

HEALTH SERVICES

Physicians
62111  Offices of physicians

Other Healthcare Providers
62121  Office of dentists
62131  Offices of chiropractors
62132  Offices of optometrists
62133  Offices of mental health practitioners
62134  Offices of specialty therapists
62139  Offices of all other health practitioners

Nursing Homes/Home Health
62161  Home healthcare services
62311  Nursing care facilities

Hospitals
62211  General medical and surgical hospitals
62221  Psychiatric & substance abuse hospitals
62231  Other hospitals
MTF  U. S. Department of Defense inpatient Medical Treatment Facilities – uniformed military (civilian employees included in 62211)

Labs
62151  Medical and diagnostic laboratories

Other Direct Services
62191  Ambulance services
62199  All other ambulatory healthcare services
MTF  U. S. Department of Defense outpatient Medical Treatment Facilities – uniformed military (civilian employees included in 62199)

MILITARY IT  Department of Defense IT related to medical missions

RELATED INDUSTRIES

Research & Education
54171  Physical, engineering & biological research
UTHSCSA  University of Texas Health Science Center at San Antonio
METC  Joint military medical education and training facilities
AMEDDC&S  Army medical education and training facilities
MIL RSCH  Military Medical Research
BAYLOR  Baylor College of Medicine operations at Children's Hospital of SA

**Social Services**
62141  Family Planning Centers
62142  Outpatient mental health and substance abuse centers
62149  Other outpatient care centers
62321  Residential mental retardation facilities
62322  Residential mental health and substance abuse facilities
6233  Community care facilities for the elderly
62399  Other residential care facilities
62412  Services for the elderly and disabled
62431  Vocational rehabilitation services

**Pharmaceuticals**
32541  Pharmaceutical and medicine manufacturing
42421  Druggists’ goods merchant wholesalers

**Equipment Manufacturing and Wholesaling**
33911  Medical equipment and supplies manufacturing
42345  Medical equipment merchant wholesalers
42346  Ophthalmic goods merchant wholesalers

**Insurance**
524114  Direct health and medical insurance carriers

**Miscellaneous**
44611  Pharmacies and drug stores
44613  Optical goods stores
44619  Other health and personal care stores
92313  Administration of public health programs
Sponsors

Benefactor Level

**METHODIST HEALTHCARE**
“Serving Humanity to Honor God”
www.SAHealth.com

Patron Level

University Health System

Baptist Health Foundation of San Antonio

Corporate Level

AmegyBank

UT Health San Antonio

Christus Santa Rosa Health System

WellMed

Frost

Friends of the Study

BioBridge Global
Southwest Research Institute
Texas Biomedical Research Institute

BioMed SA
Bexar County Medical Society

San Antonio Chamber of Commerce
602 E Commerce, San Antonio, Texas 78205
www.sachamber.org