

ABOUT THE PROJECT

This brief is one in a series about opportunities arising from the development of the Indiana Toll Road. Research was conducted by the Center for Business and Economic Research at Ball State University in conjunction with Building Better Communities at Ball State.

ABOUT THE AUTHORS

CENTER FOR BUSINESS & ECONOMIC RESEARCH

The Center for Business and Economic Research is an award-winning economic policy and forecasting research center housed within Ball State University's Miller College of Business. CBER research encompasses health care, public finance, regional economics, transportation and energy sector studies.

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BUILDING BETTER COMMUNITIES

Building Better Communities provides comprehensive services to partners across Indiana by connecting them with Ball State University's expertise and resources. BBC offers practical solutions to local challenges and assists with community, economic, and business development.

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SECTOR HEALTH CARE

ACTIVITY BUSINESS EXPANSION

Health Care Sector

Over the past 20 years, U.S. health care spending has increased at a rate twice that of all other sectors combined. The health care sector has also grown commensurately in other measures such as construction spending and employment. Health care occupations are projected to continue to grow twice as fast as all other occupations through 2016. The sector is growing as a percent of GDP, and wages are growing faster than the rest of the economy.

In 2009, the Bureau of Labor Statistics (BLS) projected that more than 581,000 new Registered Nurses (RNs) would be needed by 2018. According to BLS, hospitals, long-term care facilities, and other ambulatory care settings added 37,000 new jobs in March 2011, the largest monthly increase recorded by any employment sector. In Indiana, it is common for an RN to earn twice the county's average wage. An aging population, continued advances in medical research and practice, and an increased focus on wellness have all contributed to this sector's high growth.

At the same time, the health care industry continues to face a number of serious challenges, some of which can be addressed by regional policy and program development. A common and growing problem is a shortage of health care professionals. To wit, in the July/August 2009 issue of Health Affairs, Dr. Peter Buerhaus and coauthors reported that the nursing shortage would grow to 260,000 in the U.S. by 2025.

A region that can develop and implement programs that help its incumbent health care industry grow and prosper will be positioned to capture a higher share of growth in this higher-paying and rapidly growing sector. This growth could be encouraged by initiatives such as incentives for attraction and expansion of complementary health industry specialties in the region. Other opportunities include funding and coordinating scholarships for students interested in targeted health care professions that help satisfy incumbent and prospective health care facilities' demands. Those regions that are successful in realizing productive collaborations will be better positioned to grow their economies, personal income metrics, and educational levels.