

Economic and Demographic Outlook for the U.S. and Dallas-Fort Worth: Some Implications for Health Care

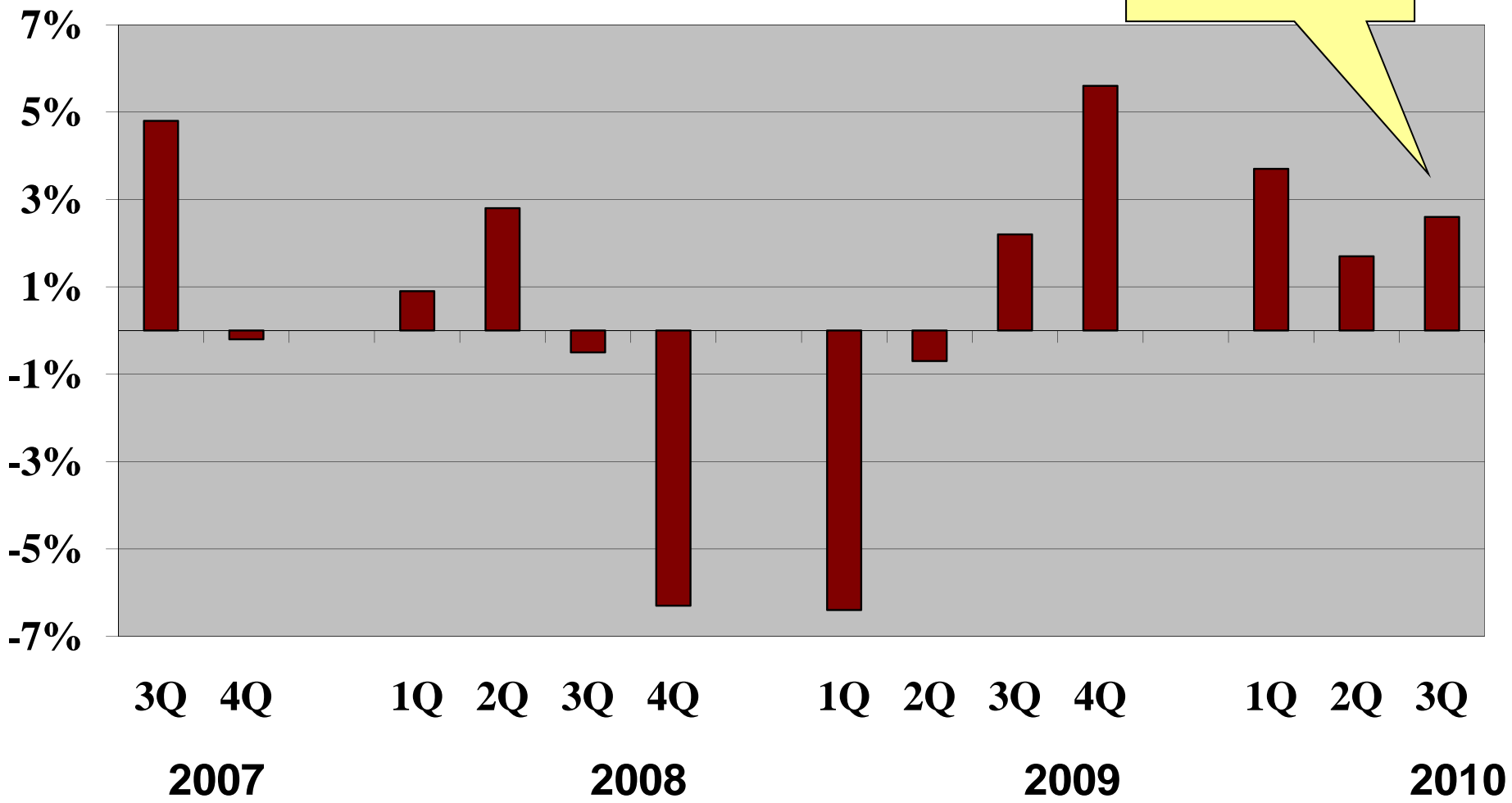
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Cox School of Business
Southern Methodist University
Dallas, Texas

Presentation to Dallas-Fort Worth Hospital Council

January 27, 2011

Real Economic Growth

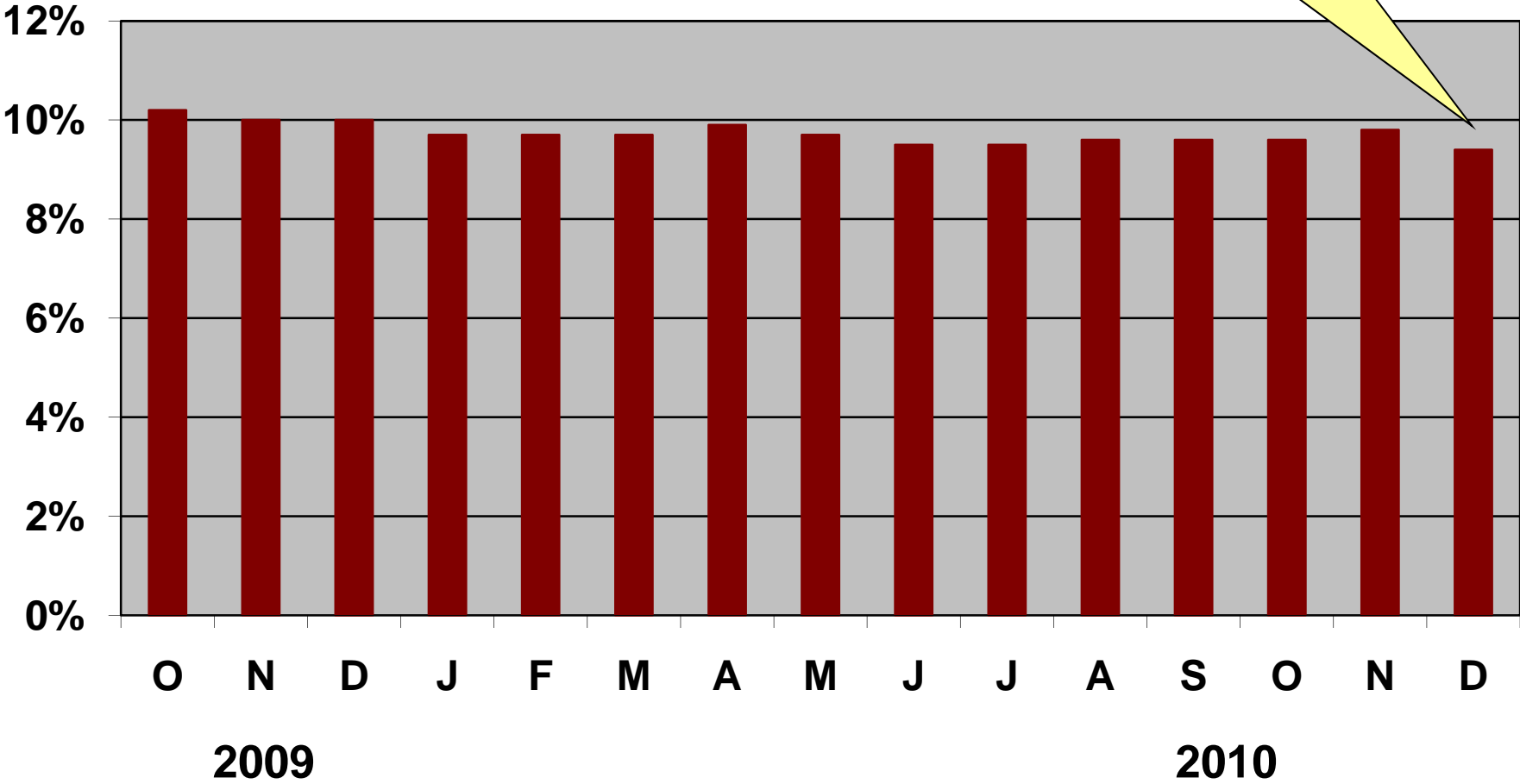
Gross domestic product



Source: Commerce Department

U. S. Jobless Rate

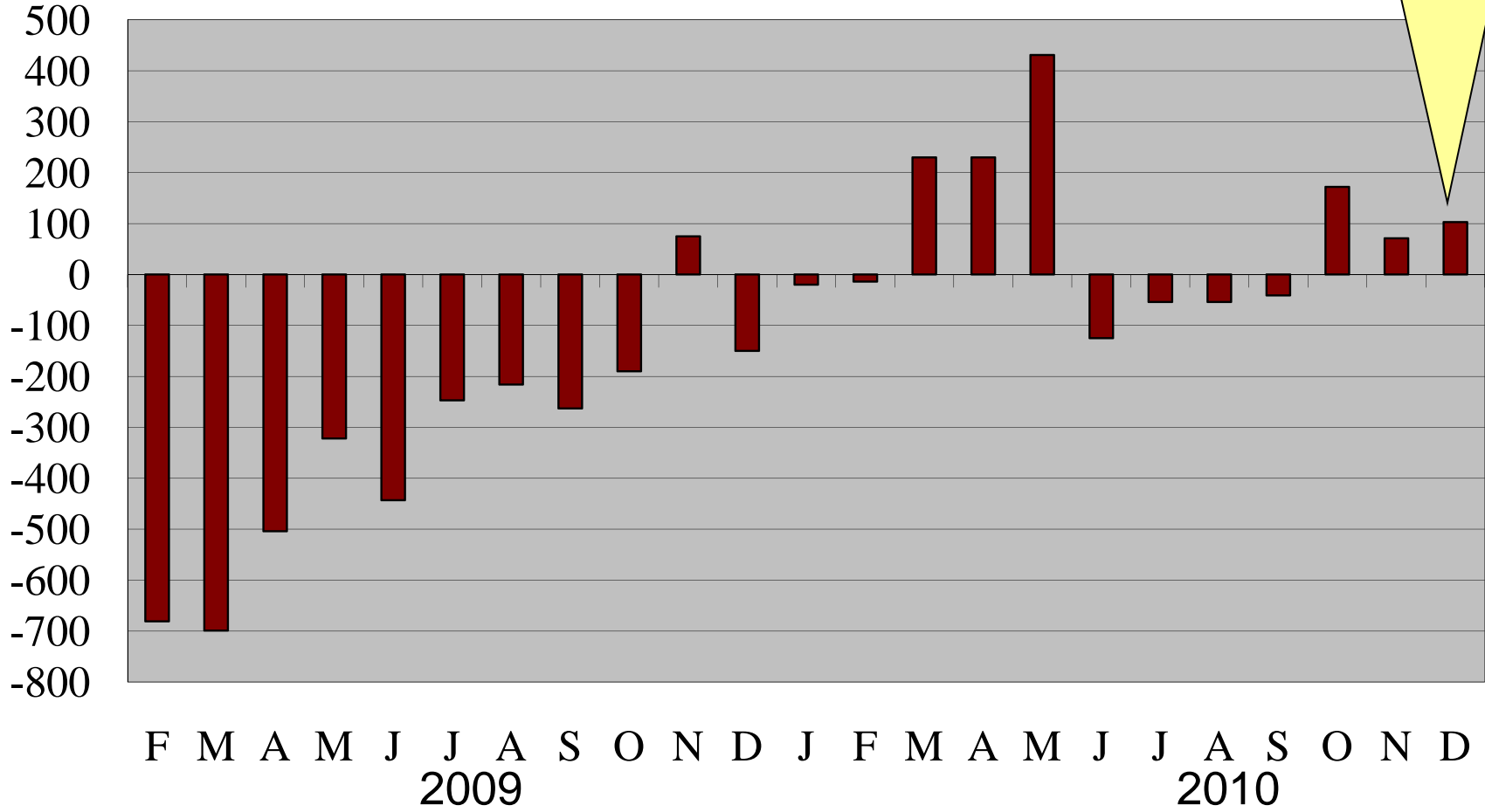
In percent, seasonally adjusted:



Source: U.S. Department of Labor

Nonfarm Payrolls

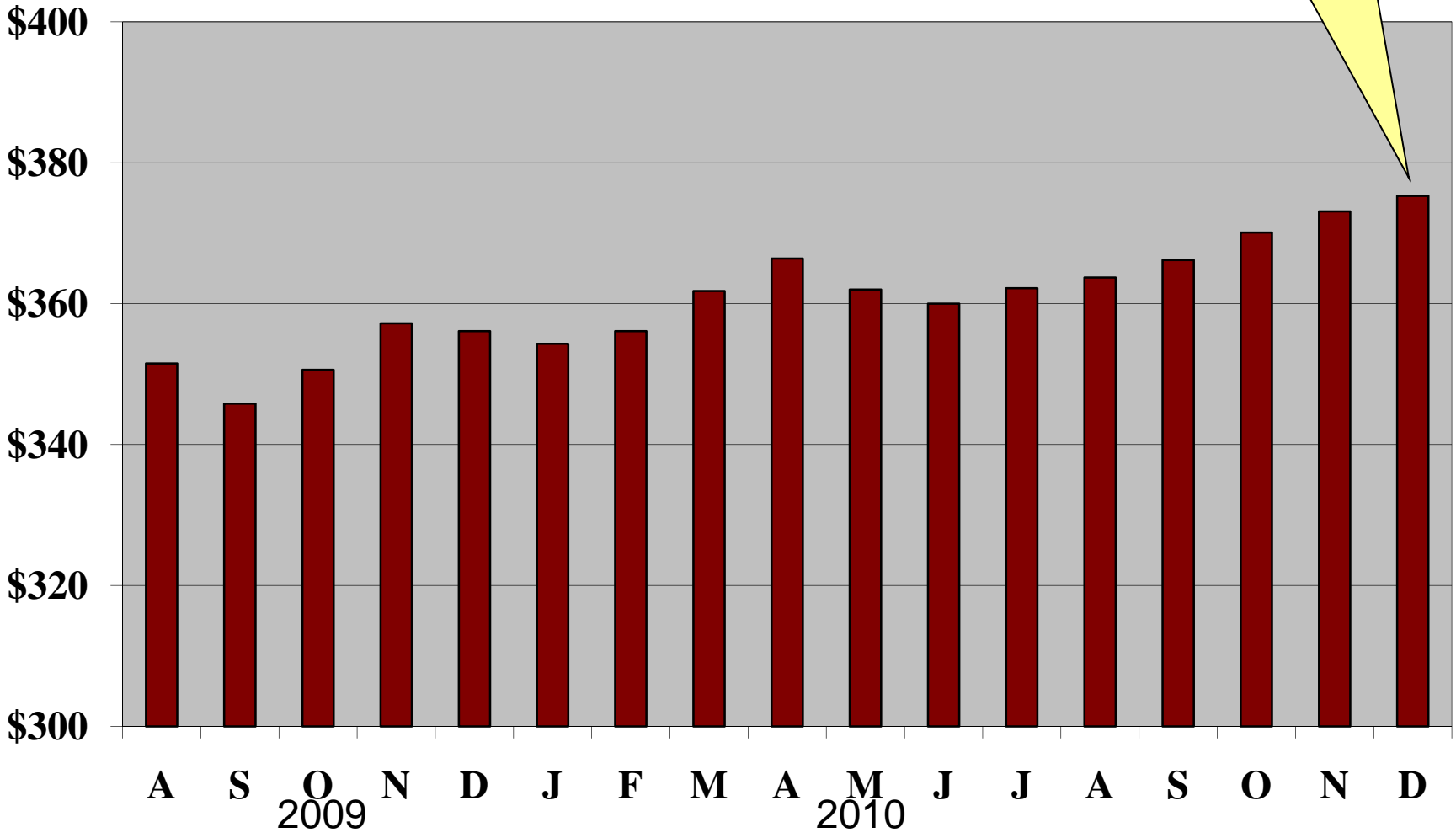
Monthly change, in thousands



Source: Labor Department

Retail Sales

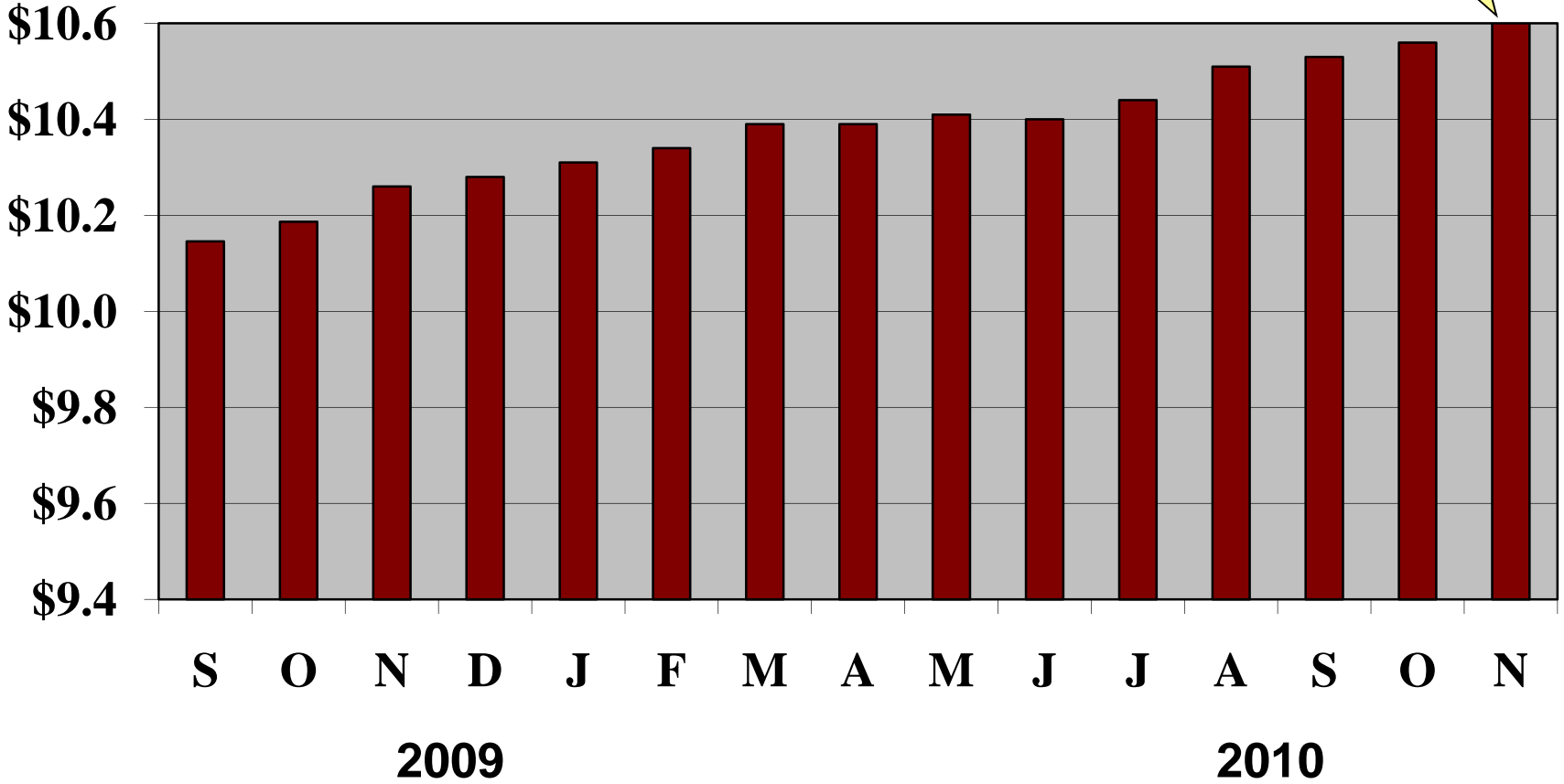
Total retail sales in billions of dollars, seasonally adjusted.



Source: U.S. Commerce Department

Personal Consumption

In trillions

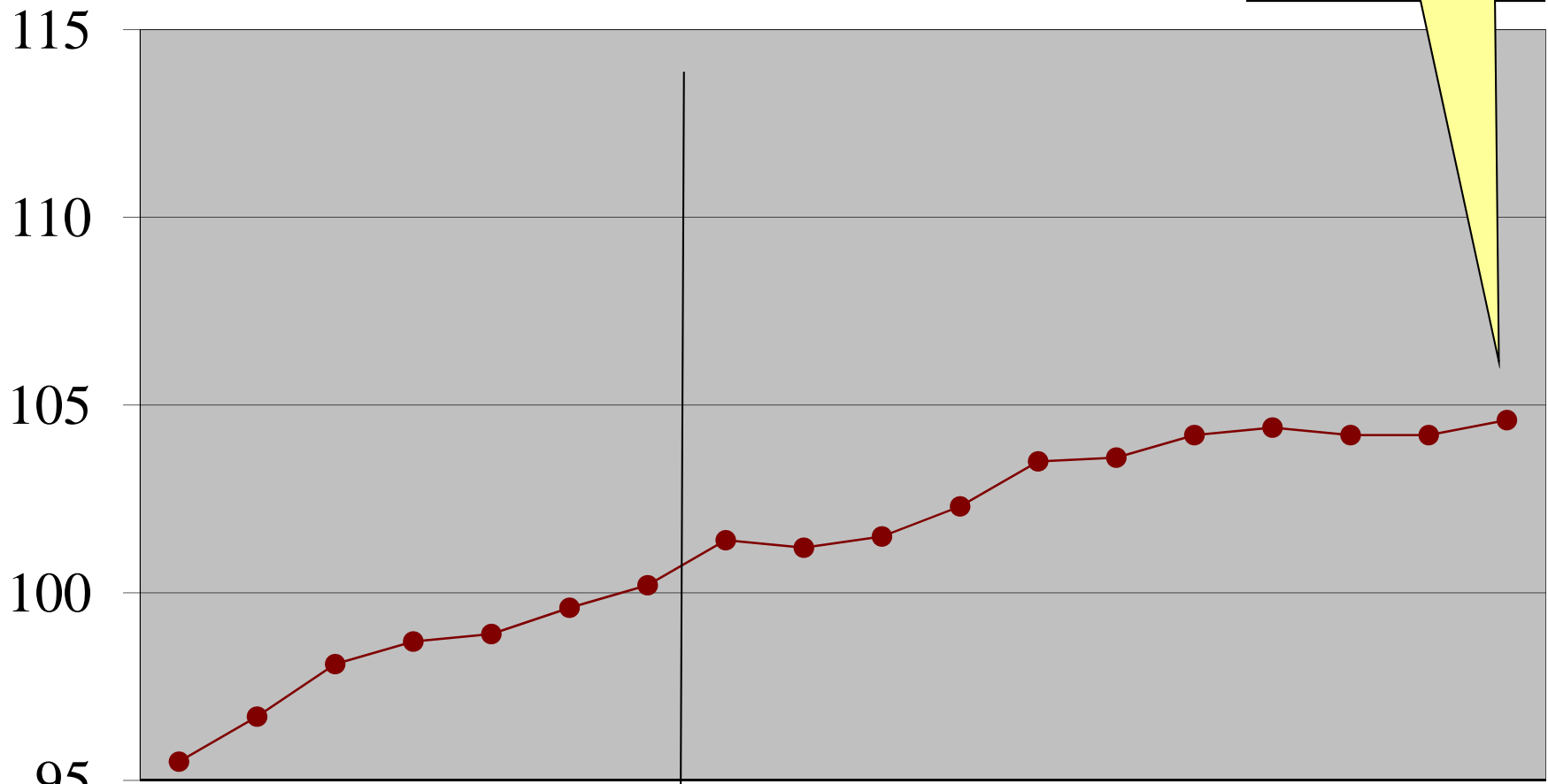


Nov. 2010:
\$10.60 trillion

Source: U.S. Department of Commerce; Bureau of Economic Analysis

Industrial Production

Index, 2007=100, seasonally adjusted



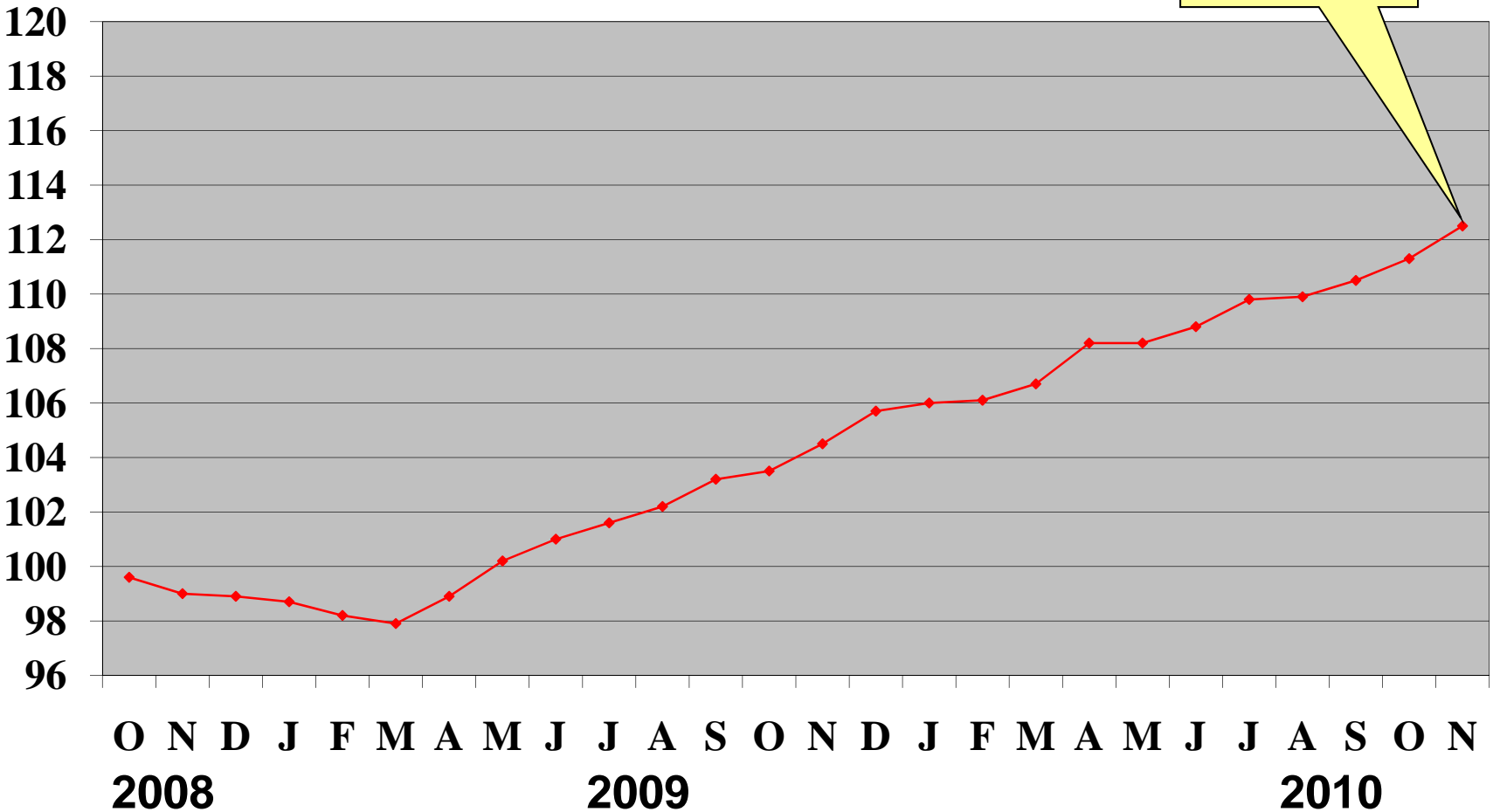
Nov. 2010:
104.6

Source: Federal Reserve Board
2009

2010

Leading Indicators

Index of 10 indicators designed to “lead,” or predict overall economic activity; 2004 = 100.



**Nov. 2010:
112.5**

Source: The Conference Board

The Economist

SEPTEMBER 18TH - 24TH 2010

Economist.com

The strange death of Swedish socialism

Battle of the Milibands

Europe's badly treated Romanians

The scramble for Africa's banks

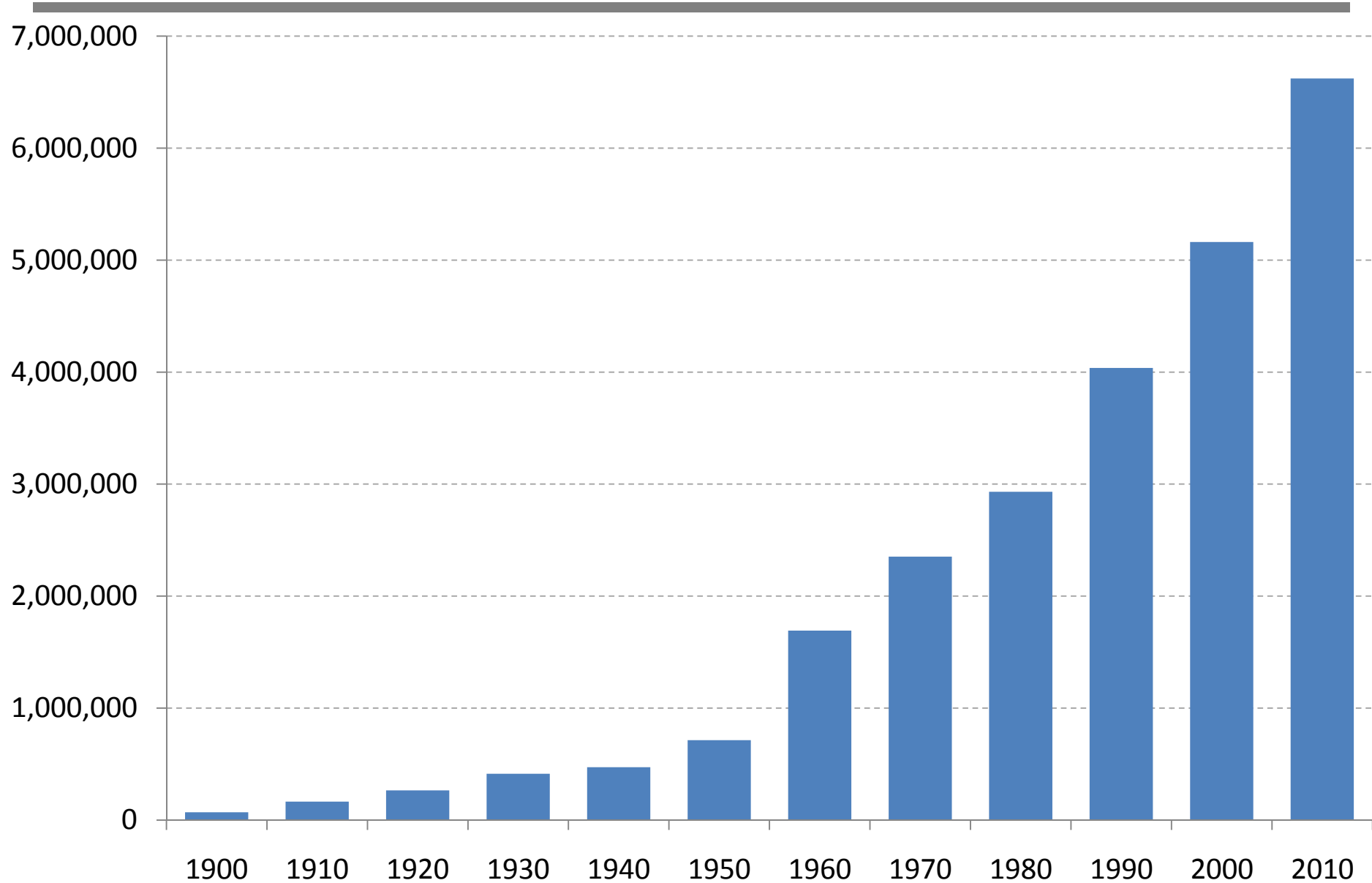
Another paradox of thrift

Are we there yet?

America's long, hard road to recovery



DFW Metropolitan Population



Metro Growth

The most populated metropolitan areas in the country, ranked by their growth rates from 1990 to 2009.

		1990	2009	%
	Metropolitan Area	Population*	Population	Change
1	Atlanta-Sandy Springs-Marietta	3,069,425	5,475,213	78.4%
2	Dallas-Fort Worth-Arlington	3,989,294	6,447,615	61.6%
3	Houston-Baytown-Sugar Land	3,767,218	5,867,489	55.8%
4	Miami-Fort Lauderdale-Miami Beach	4,056,228	5,547,051	36.8%
5	Washington-Arlington-Alexandria	4,122,259	5,476,241	32.8%
6	Chicago-Naperville-Joliet	8,181,939	9,580,567	17.1%
7	Los Angeles-Long Beach-Santa Ana	11,273,720	12,874,797	14.2%
8	New York-No. New Jersey-Long Island	16,863,671	19,069,796	13.1%
9	Boston-Cambridge-Quincy, MA-NH	4,133,895	4,588,680	11.0%
10	Philadelphia-Camden-Wilmington	5,435,550	5,968,252	9.80%

**Areas are defined based on the 2008 MSA definitions*

Source: U.S. Census Bureau

Population Growth in Dallas-Fort Worth-Arlington by Area, 1980-2040

County	1980	1990	2000	2008	2040
Number of Inhabitants by Area					
Dallas	1,556,390	1,852,810	2,218,899	2,412,827	3,143,670
Tarrant	860,880	1,170,103	1,446,219	1,750,091	3,917,570
Others	599,908	966,381	1,496,426	2,137,088	8,250,582
Total	3,017,178	3,989,294	5,161,544	6,300,006	15,311,822
Percent of Population in Area					
Dallas	52	46	43	38	21
Tarrant	29	29	28	28	26
Others	20	24	29	34	54
Total	100	100	100	100	100

Sources: 1980-2000. U.S. Census Bureau Counts; 2008 Census Bureau Estimates;
2040: State Data Center 2000-2007 Migration Scenario Projection

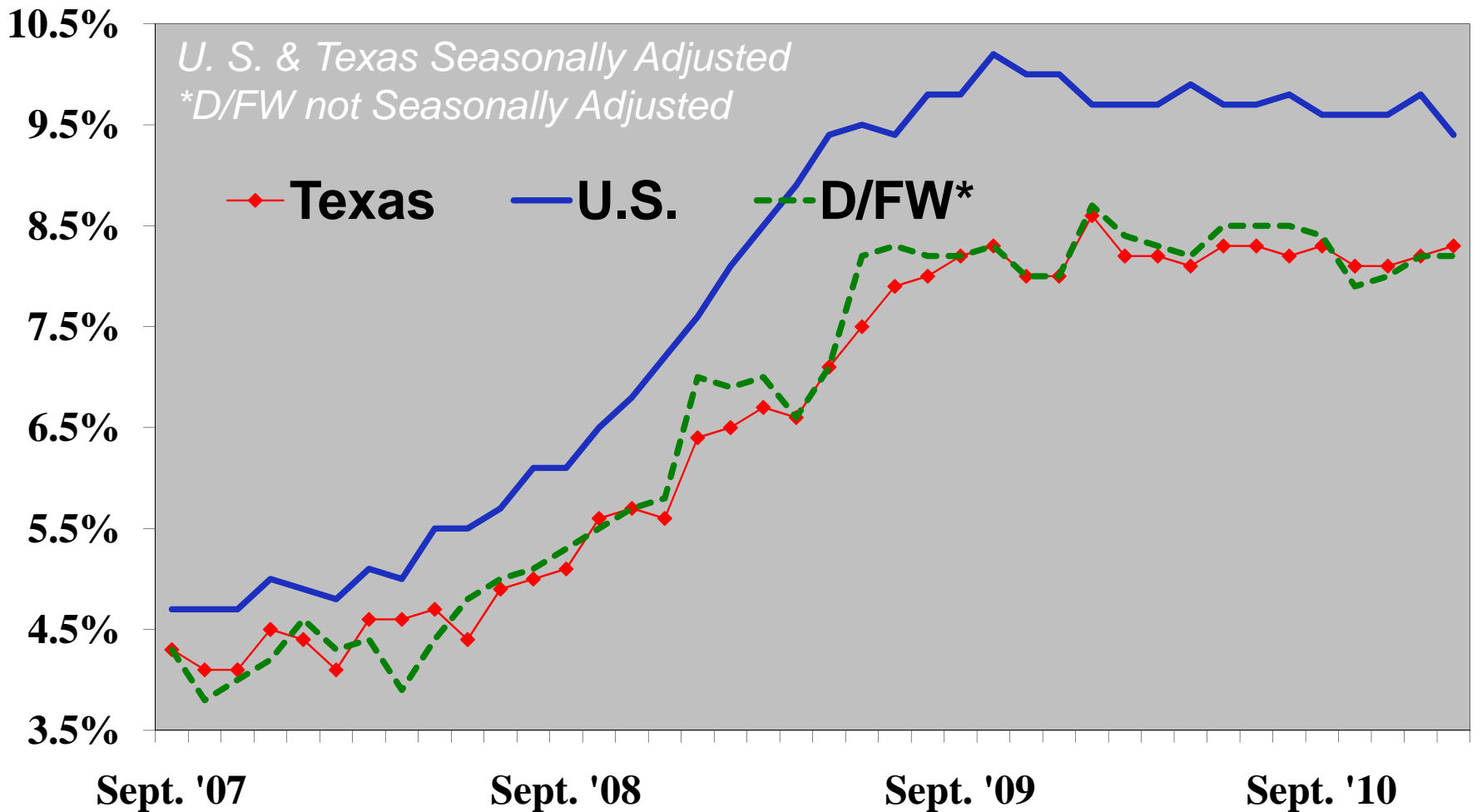
Employment Change 2004-2007

	<u>DFW</u>	<u>Houston</u>	<u>Austin</u>	<u>San Antonio</u>	<u>Total for Texas</u>
2004	2,698,200 (1.2%)	2,289,800 (0.7%)	667,400 (2.2%)	760,000 (1.1%)	9,497,100 (1.3%)
2005	2,766,500 (2.5%)	2,348,600 (2.56%)	692,200 (3.7%)	782,000 (2.9%)	9,740,500 (2.6%)
2006	2,860,800 (3.4%)	2,446,000 (4.2%)	720,000 (4.0%)	811,300 (3.7%)	10,053,300 (3.2%)
2007	2,990,800 (4.5%)	2,568,500 (5.0%)	763,300 (6.0%)	840,100 (3.6%)	10,451,700 (4.0%)
Change 04-07	292,600	278,700	95,900	80,100	954,600

Source: Texas Workforce Commission

Unemployment Rate, U. S., Texas, & D/FW

U. S.	Dec. 2010 = 9.4%
Texas	Dec. 2010 = 8.3%
D/FW	Dec. 2010 = 8.2%

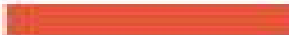

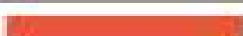




Source: Texas Workforce Commission

Job growth over next five years

Texas and Idaho tie for No. 1 in projected job growth through 2016. Iowa ranks last.

HIGHEST

Texas		2.2%
Idaho		2.2%
Colorado		2%
Florida		2%
Arizona		1.9%

LOWEST

Iowa		0.8%
Connecticut		0.9%
Alaska		0.9%
South Dakota		1%
Ohio		1%

SOURCE: IHS Global Insight

BETSY BOCK/Staff Artist

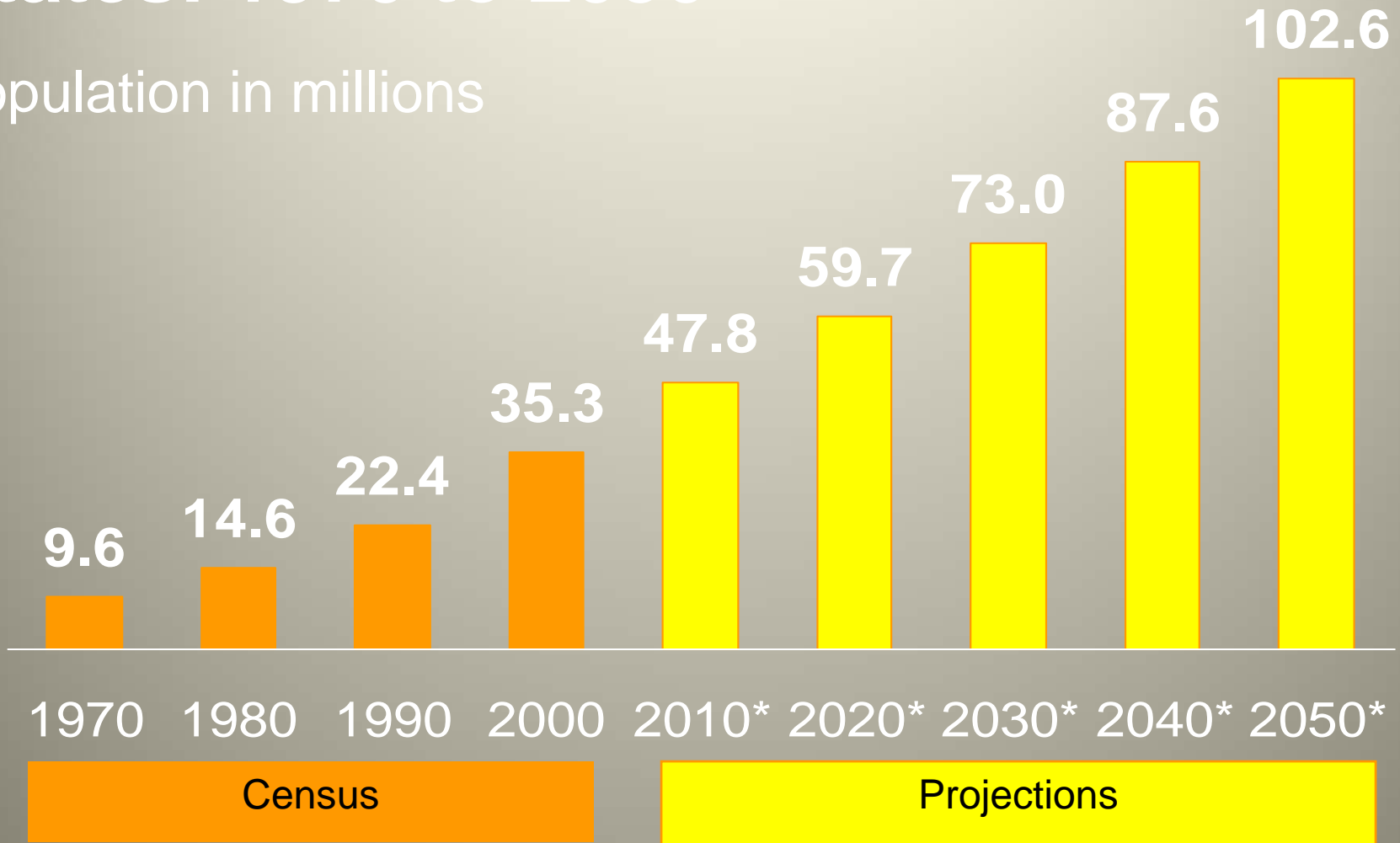
Projected Ethnicity Change in the U.S.

Percent Ethnicity	2000	2010	2020	2030	2040	2050
PERCENT OF TOTAL POPULATION						
TOTAL	100.0	100.0	100.0	100.0	100.0	100.0
White	81.0	79.3	77.6	75.8	73.9	72.1
Black	12.7	13.1	13.5	13.9	14.3	14.6
Asian	3.8	4.6	5.4	6.2	7.1	8.0
Other	2.5	3.0	3.5	4.1	4.7	5.3
Hispanic	12.6	15.5	17.8	20.1	22.3	24.4
White not Hisp	69.4	65.1	61.3	57.5	53.7	50.1

Source: U.S. Census Bureau, 2004

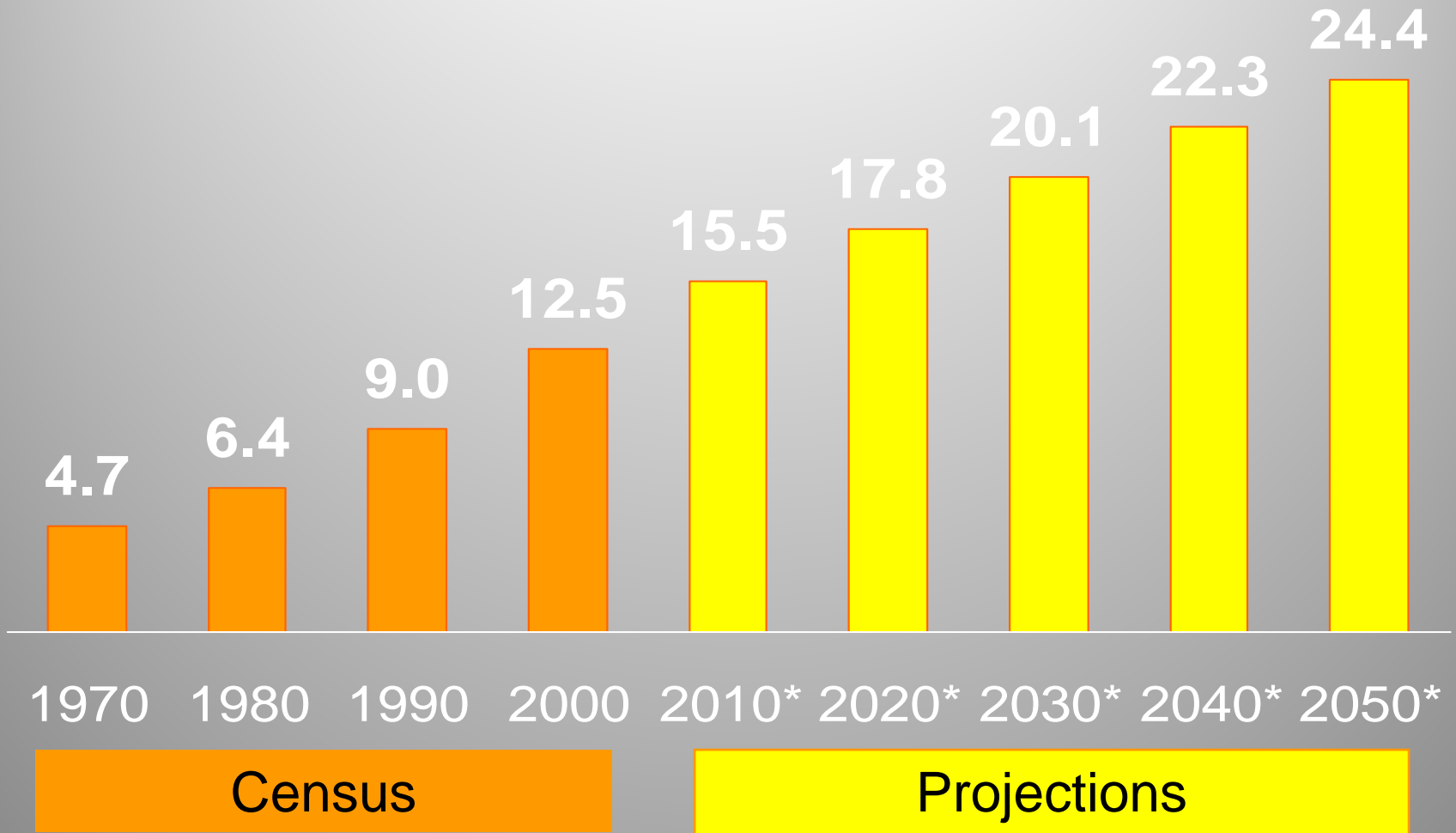
Hispanic Population in the United States: 1970 to 2050

Population in millions



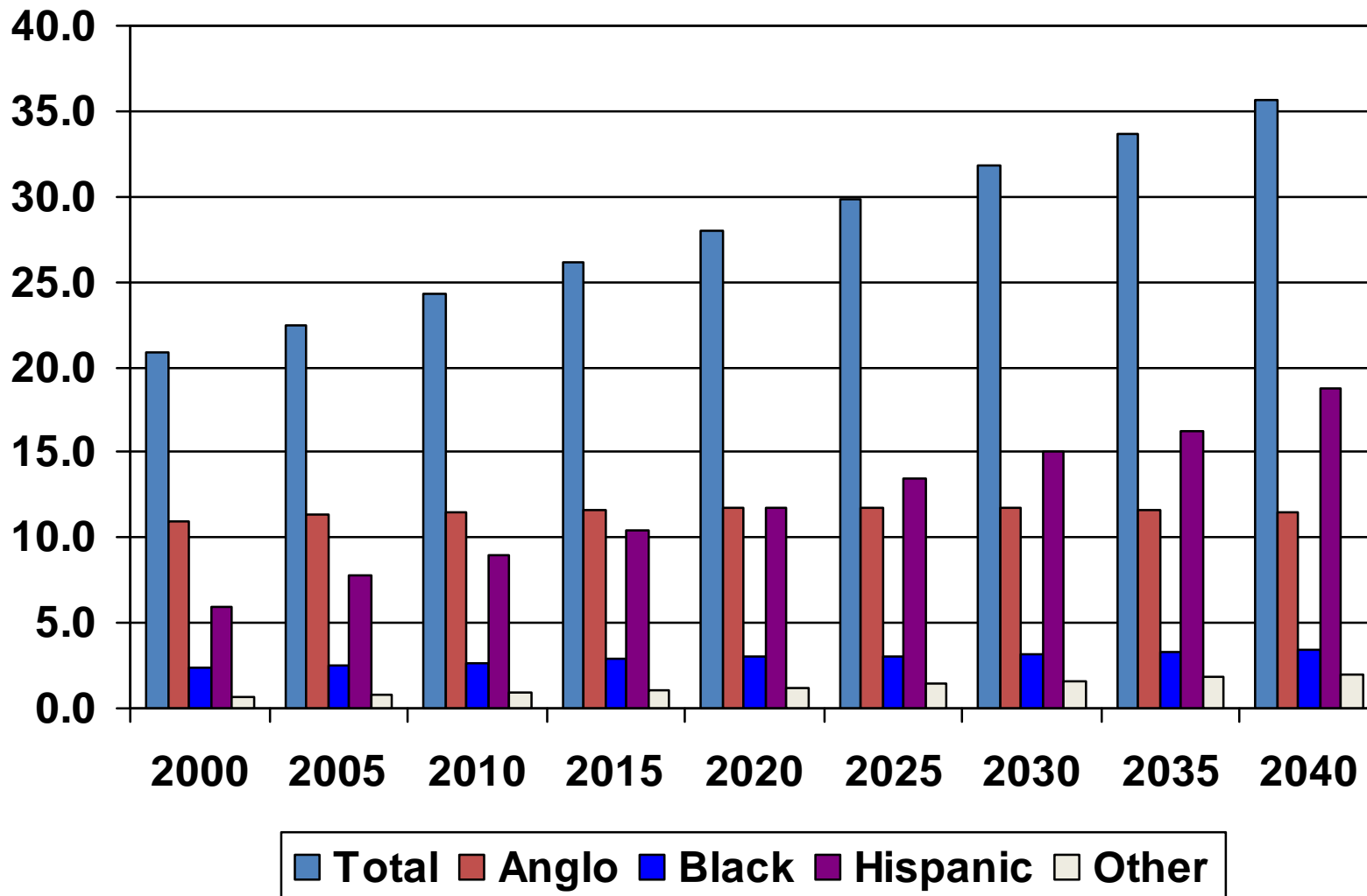
*Projected Population as of July 1

Percent Hispanic of the Total Population in the United States: 1970 to 2050

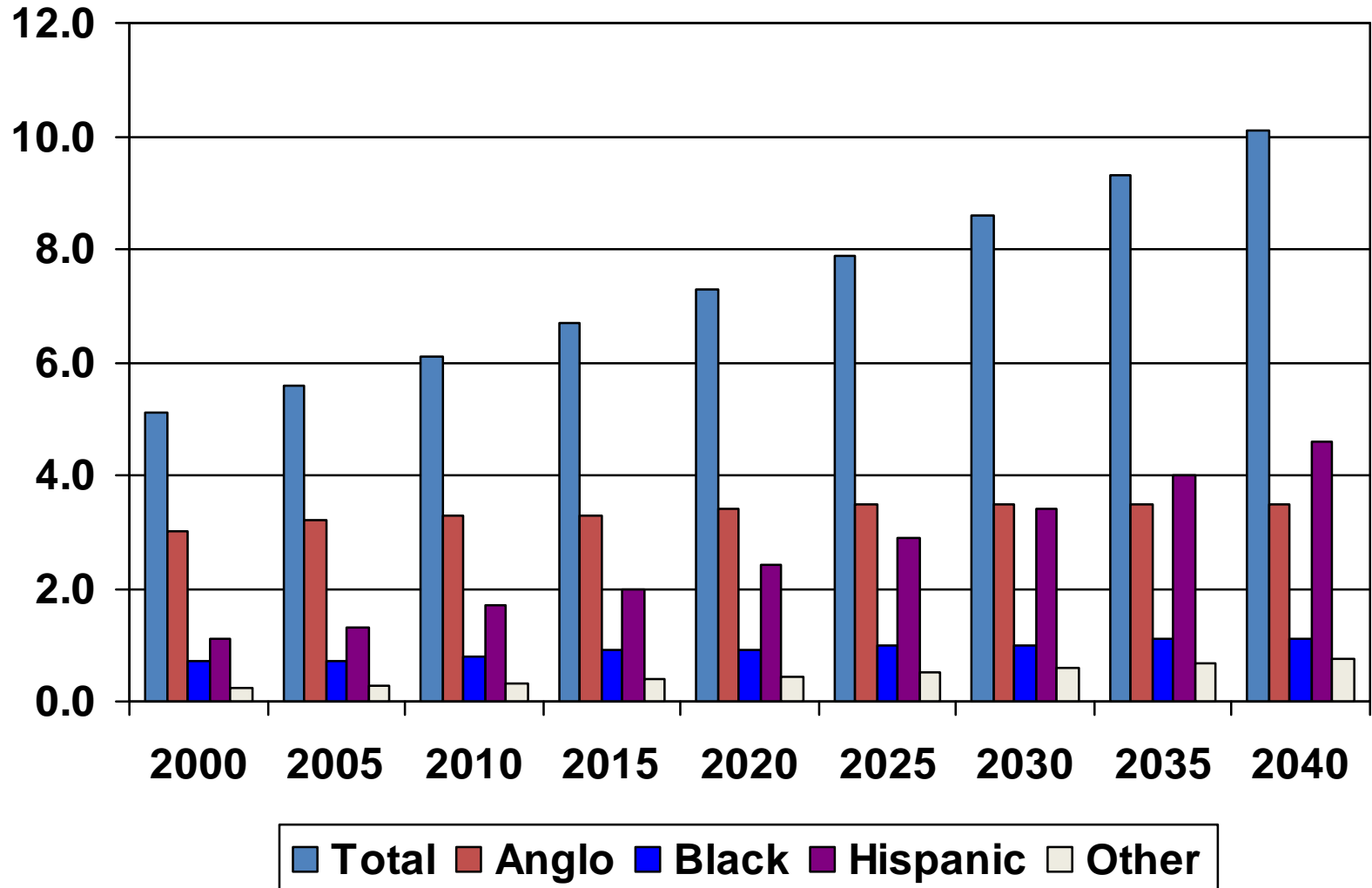


*Projected Population as of July 1

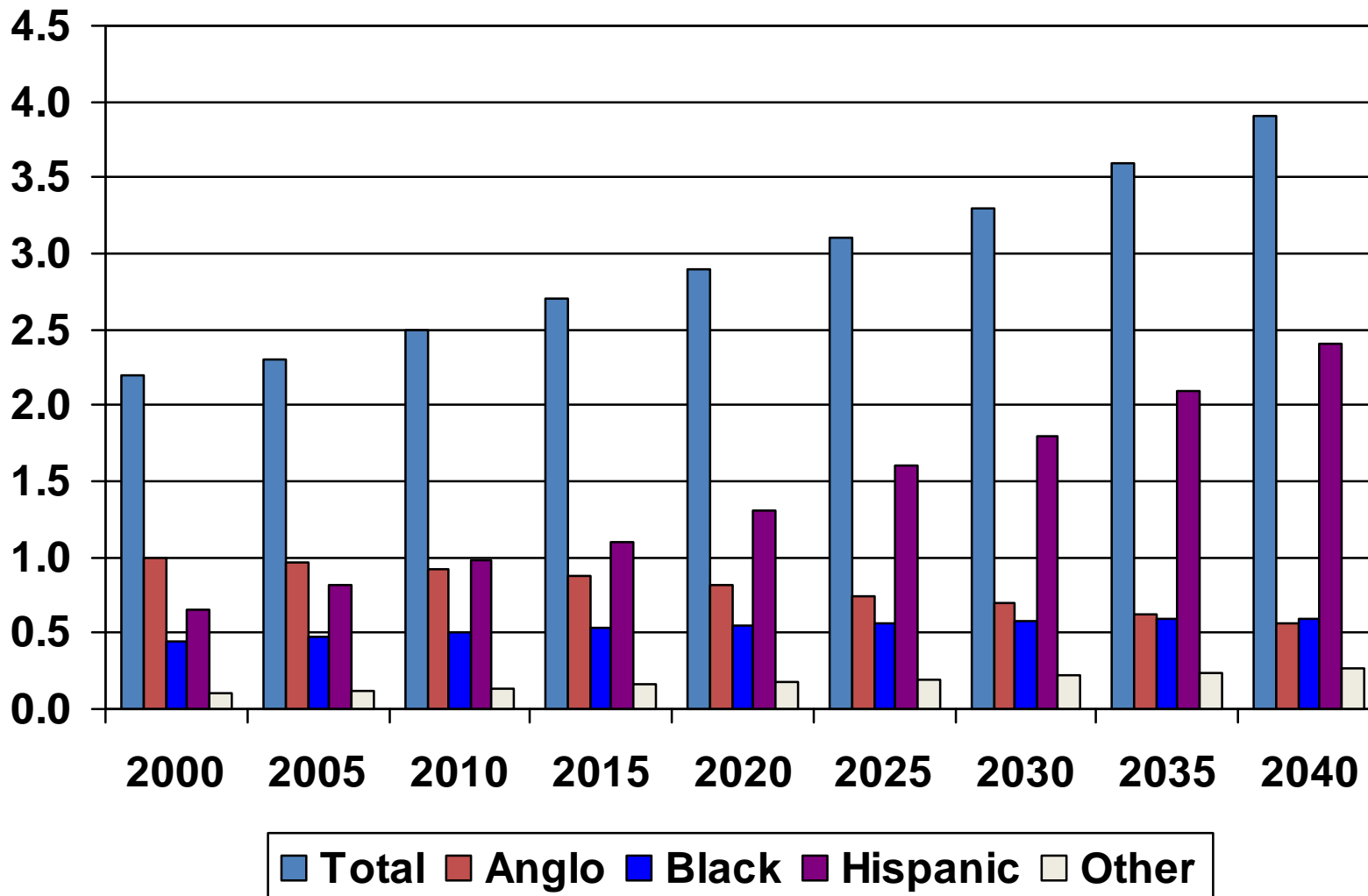
Texas Projected Population 2005-2040 by Race/Ethnicity and Migration Scenario*



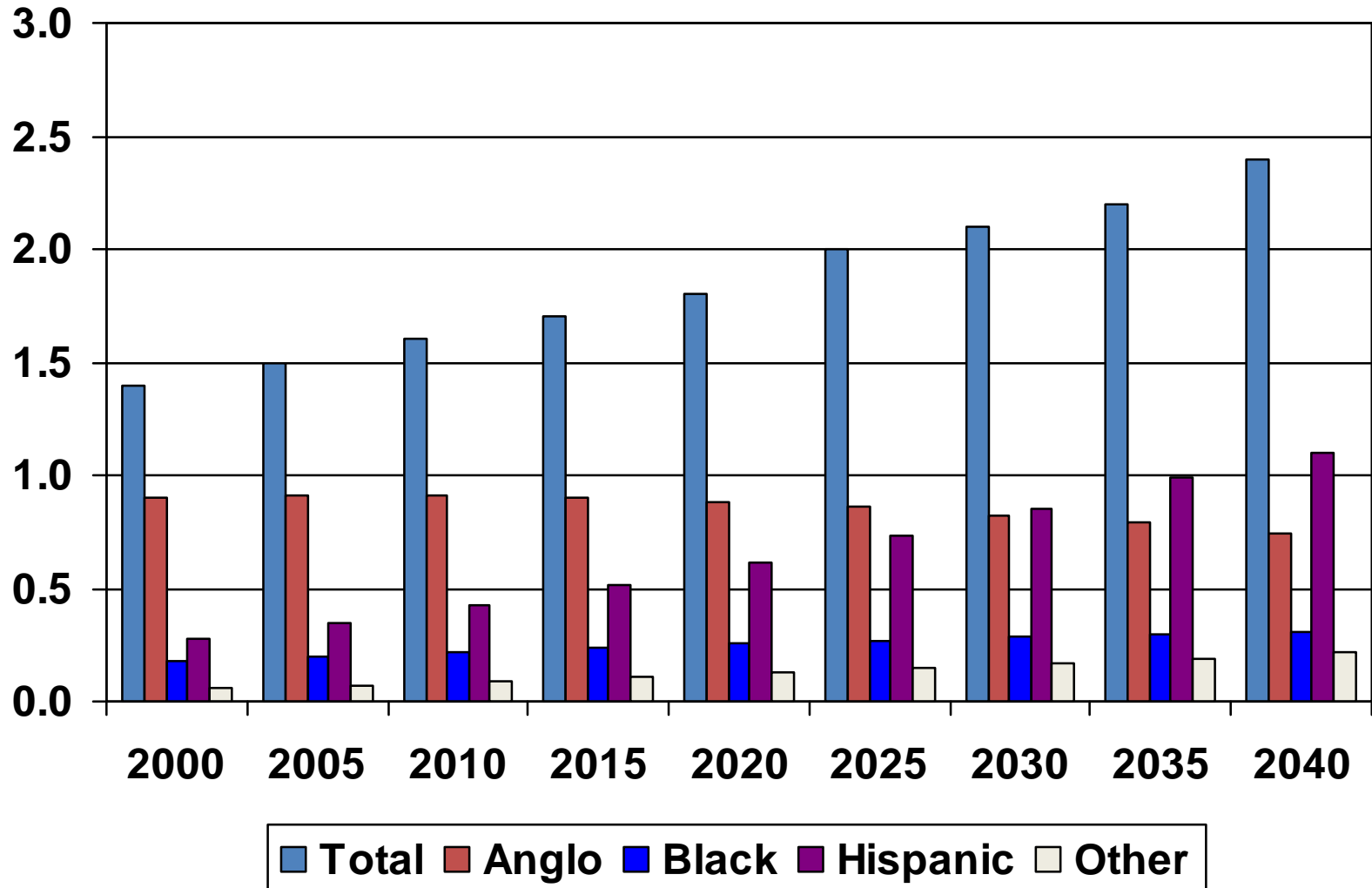
DFW MSA Projected Population 2005-2040 by Race/Ethnicity and Migration Scenario*



Dallas County Projected Population 2005-2040 by Race/Ethnicity and Migration Scenario*



Tarrant County Projected Population 2005-2040 by Race/Ethnicity and Migration Scenario*

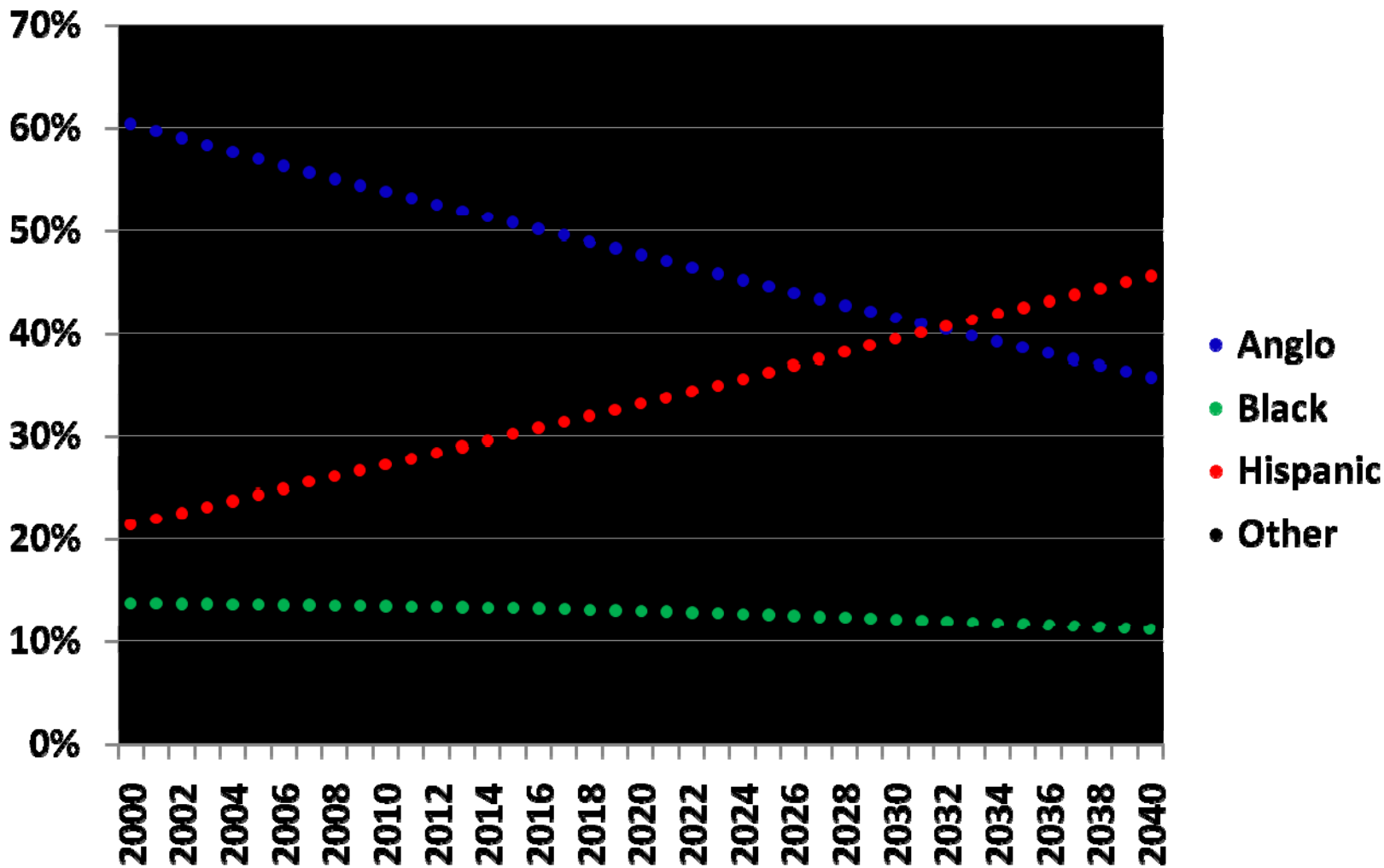


Source: Texas State Data Center

*.5 Scenario

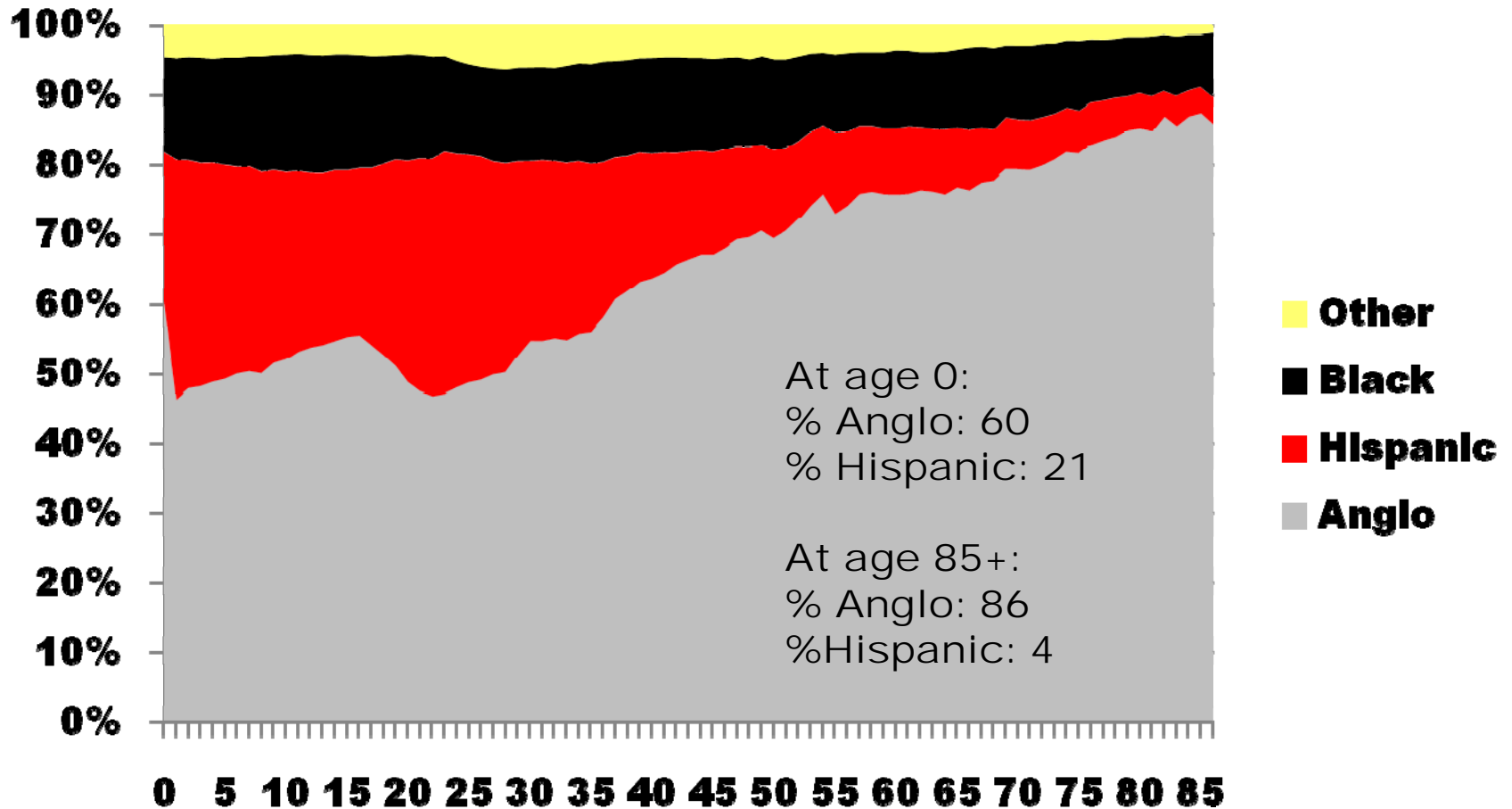


Projected Ethnic Change in North Central Texas, 2000-2040

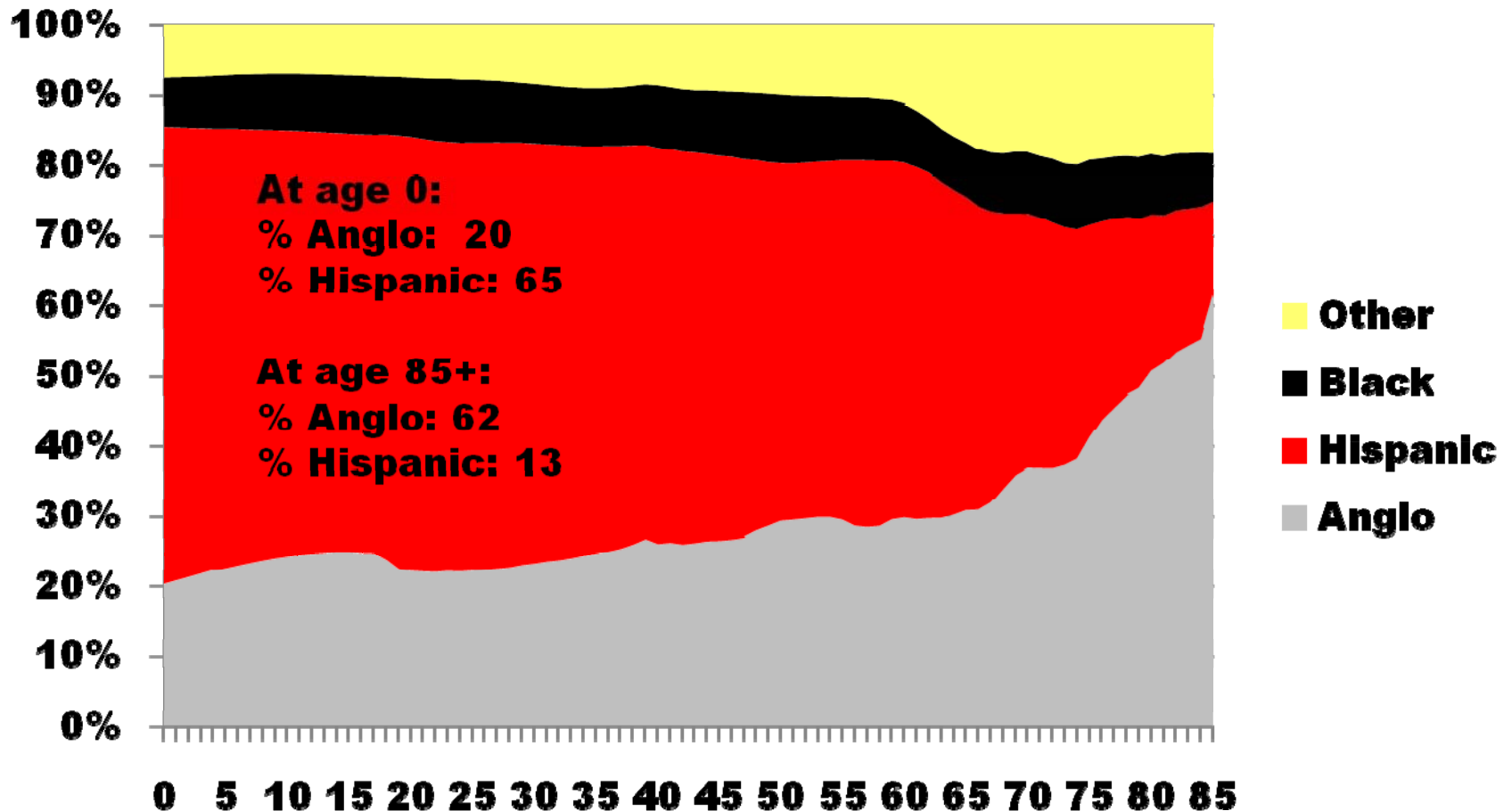


Source: Texas State Data Center 2008 Population Projections, 0.5 Migration Scenario

Percentage of NCT Population by Ethnicity at Each Age, 2000

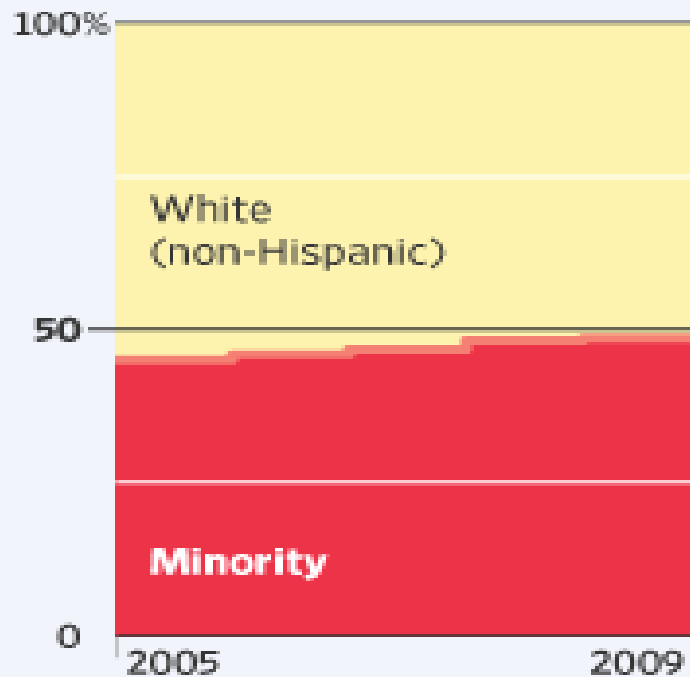


Percentage of NCT Population by Ethnicity at Each Age, 2040

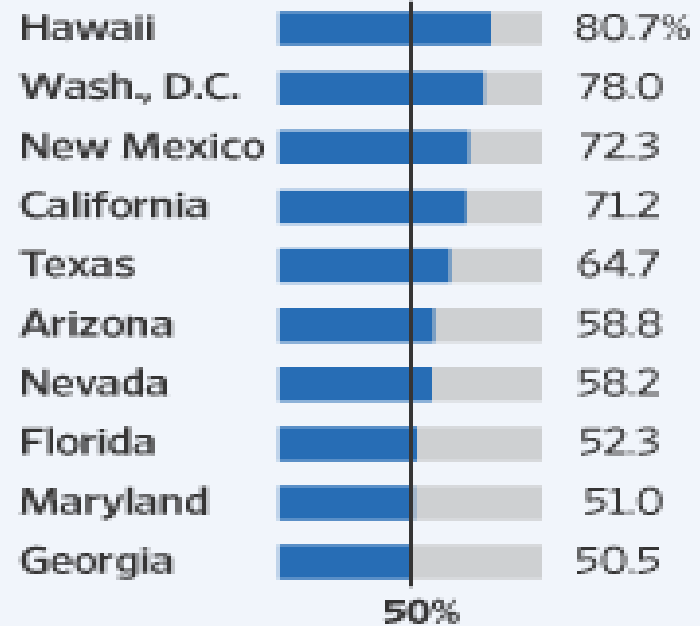


A Diverse Generation

Percentage of births in the U.S.



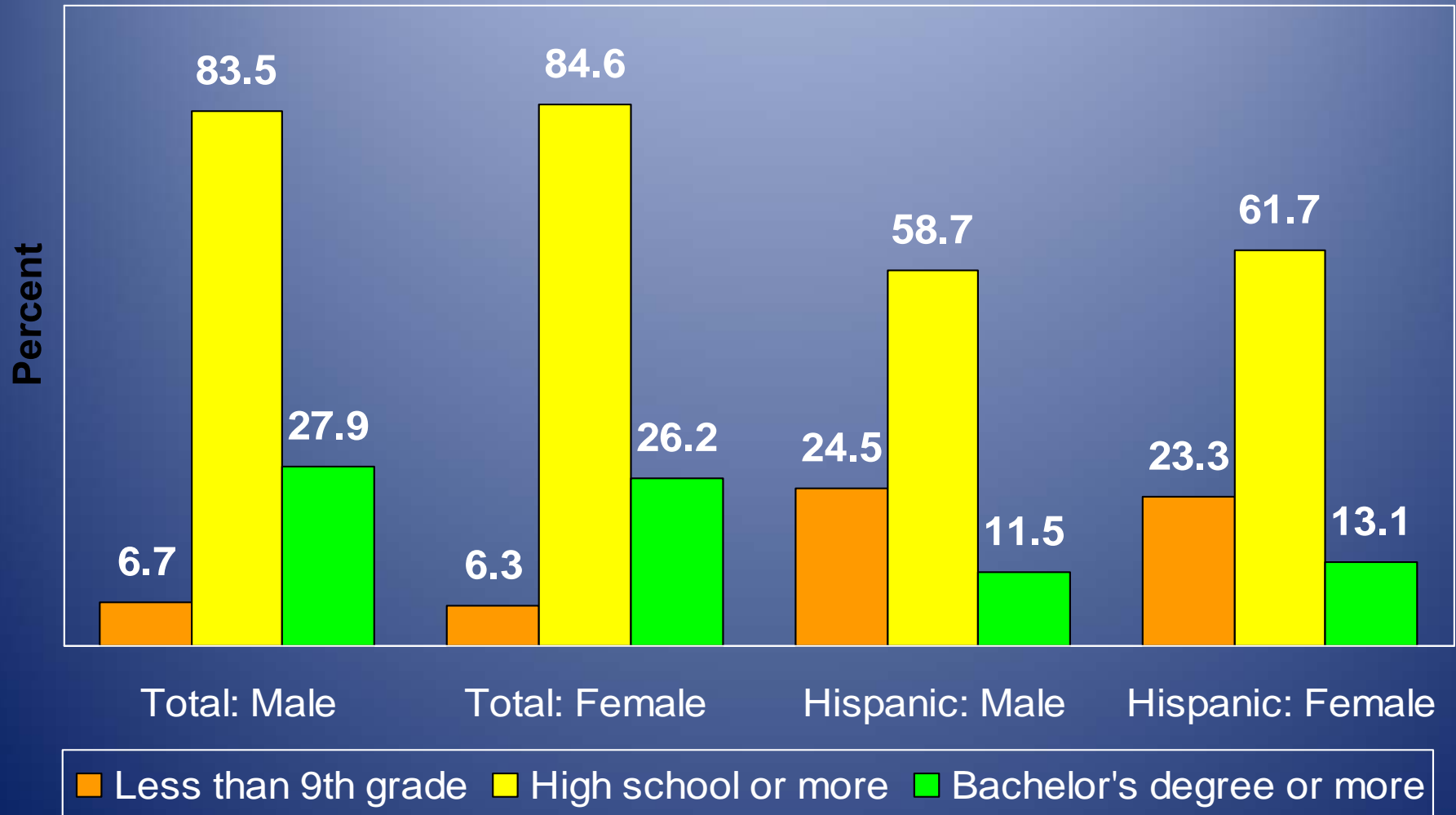
Minorities as a percentage of the under-15 population, 2009



Sources: Census Bureau (births); William H. Frey analysis of Census data (states)

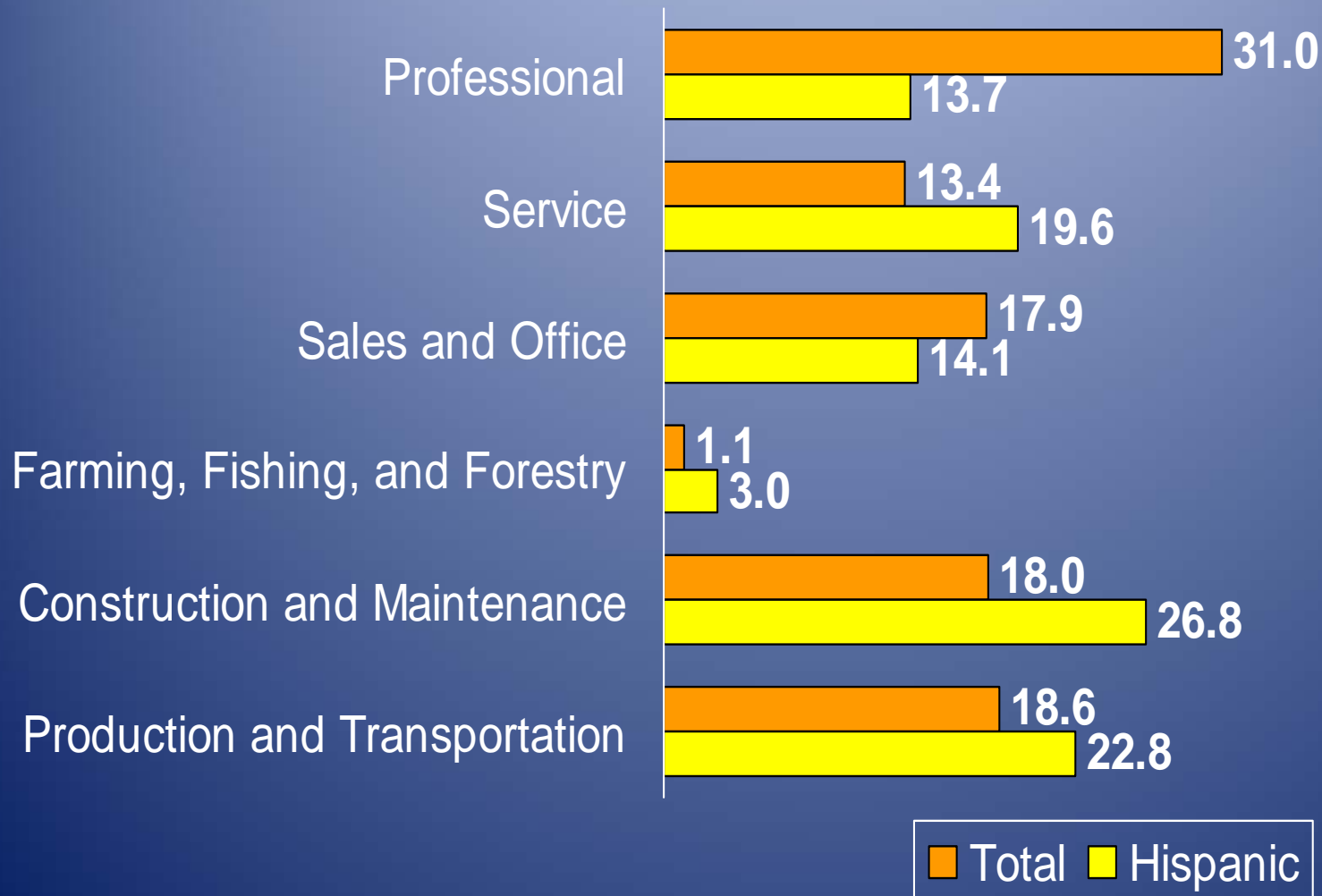
Educational Attainment by Sex: 2006

(Population 25 years and older)



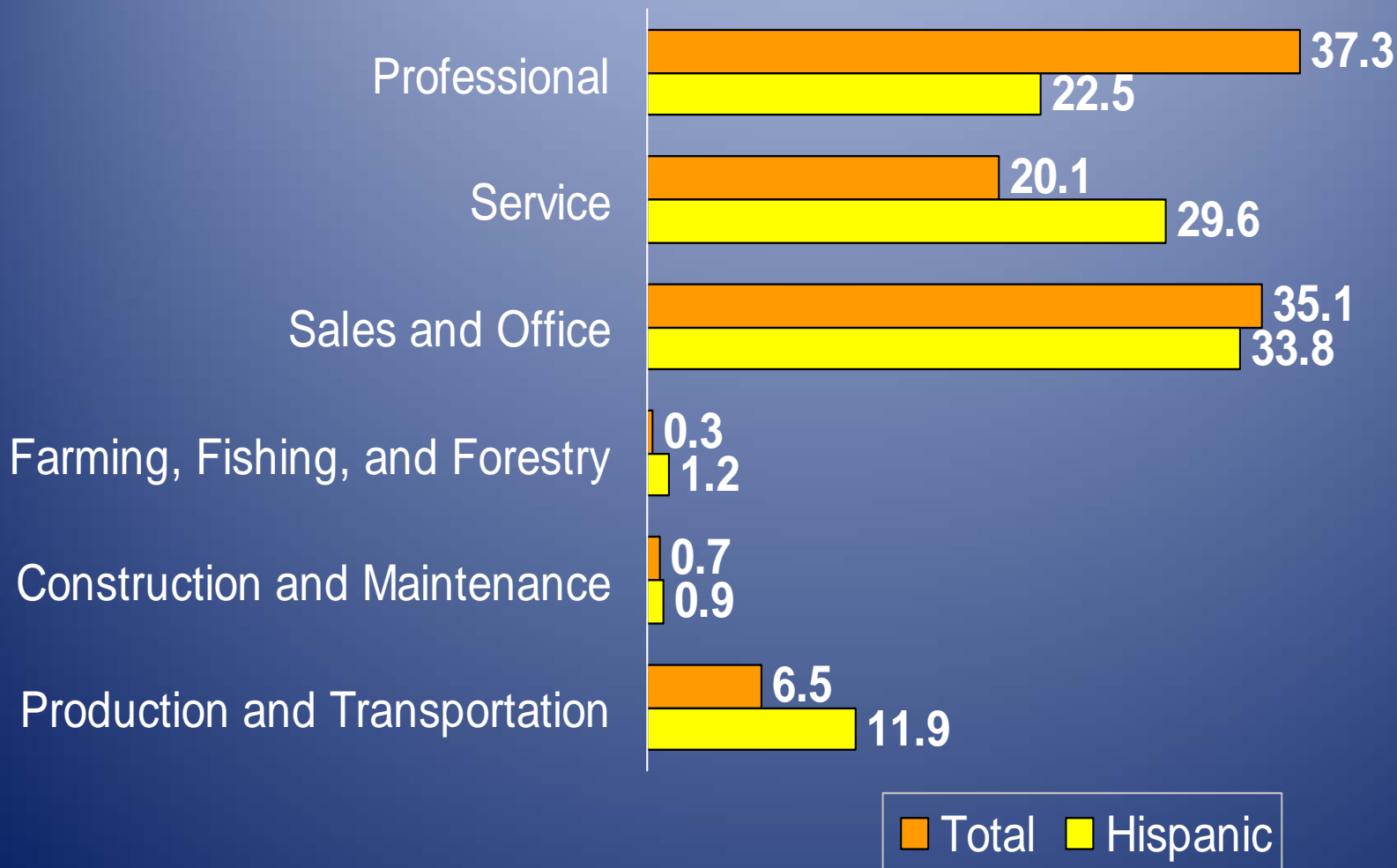
Occupation of the Employed Male Civilian Population 16 Years and Older: 2006

(Percent distribution)



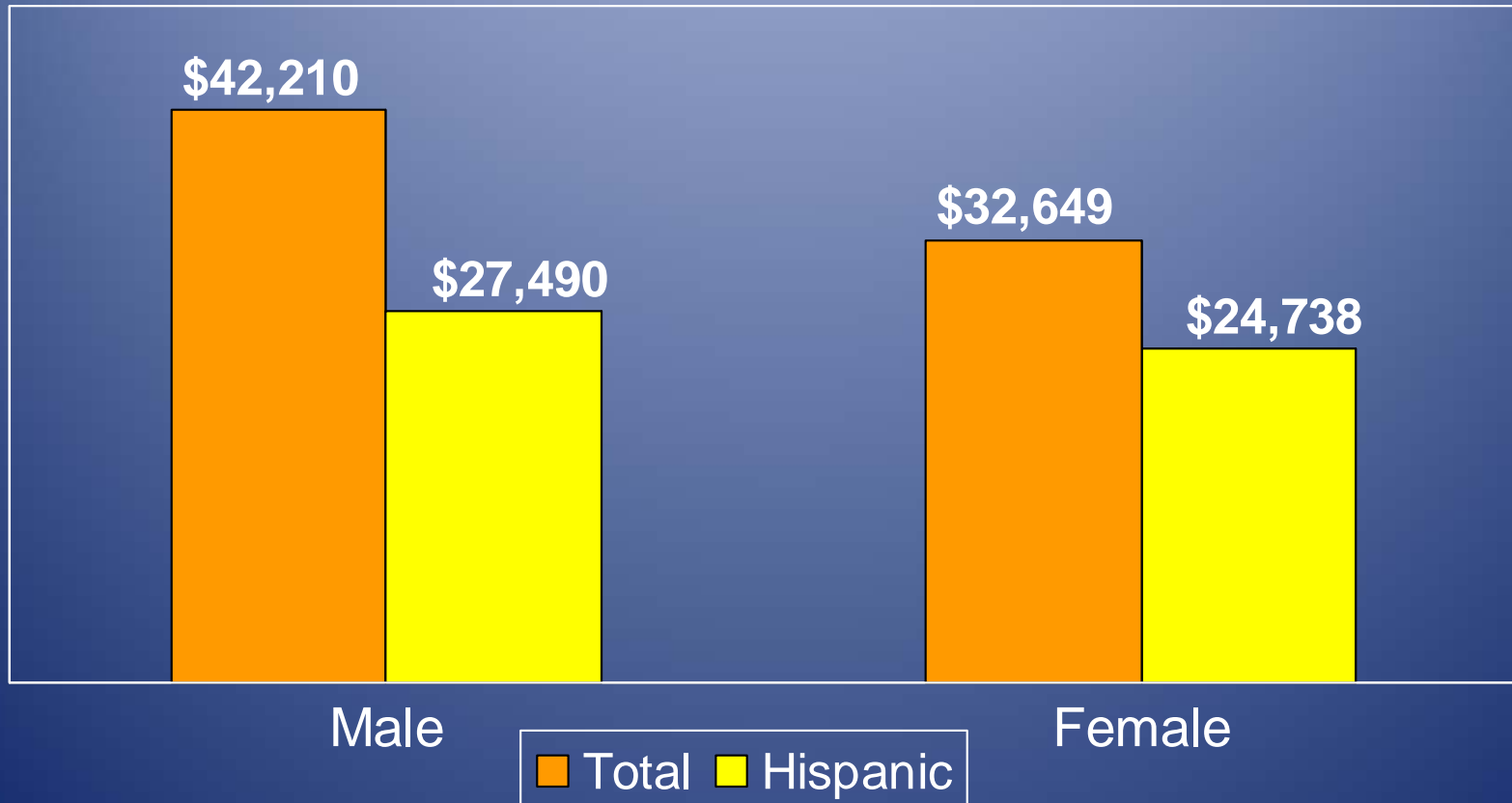
Occupation of the Employed Female Civilian Population 16 Years and Older: 2006

(Percent distribution)



Median Earnings by Sex in the Past 12 Months: 2006

(For employed, full-time, year-round workers 16 and older.
In 2006 inflation-adjusted dollars)



North Texas prosperity

Most North Texas counties fell in prosperity during the past decade, according to Census Bureau data released Tuesday. Collin County, once ranked as Texas' richest county, is now the third in the state behind Loving and Fort Bend counties. Rockwall County is the state's fourth-wealthiest. Here's how North Texas counties rank nationally:

County	Current national rank	2000 census national rank	2005-09 median household income	2000 median household income
Collin	43	17	\$80,545	\$91,185
Rockwall	44	38	\$80,193	\$83,885
Denton	106	86	\$70,002	\$74,941
Parker	220	356	\$61,415	\$58,568
Ellis	277	197	\$58,809	\$64,815
Kaufman	359	394	\$55,857	\$57,649
Wise	369	551	\$55,703	\$53,980
Tarrant	421	316	\$54,647	\$59,446
Johnson	474	399	\$53,444	\$57,440
Hood	499	440	\$52,870	\$56,213
Somervell	774	783	\$48,566	\$50,724
Dallas	889	459	\$47,059	\$55,771




SOURCE: U.S. Census Bureau

Metropolitan Area: Per Capita Income

Metropolitan Areas Covered by Metropolitan Consumer Price Indexes
Inflation Adjusted

Rank	Metropolitan Area	2000 in 2009\$	2009	Change
1	Baltimore	\$ 43,729	\$ 47,962	9.7%
2	Pittsburgh	\$ 39,024	\$ 42,216	8.2%
3	Washington	\$ 53,753	\$ 56,442	5.0%
4	Philadelphia	\$ 43,572	\$ 45,565	4.6%
5	St. Louis	\$ 38,636	\$ 40,342	4.4%
6	Milwaukee	\$ 40,028	\$ 41,696	4.2%
7	Los Angeles	\$ 41,382	\$ 42,818	3.5%
8	Houston	\$ 42,232	\$ 43,568	3.2%
9	Cleveland	\$ 38,396	\$ 39,348	2.5%
10	Chicago	\$ 42,761	\$ 43,727	2.3%
11	Phoenix	\$ 33,594	\$ 34,282	2.0%
12	San Diego	\$ 44,812	\$ 45,630	1.8%
13	Kansas City	\$ 39,020	\$ 39,619	1.5%
14	New York	\$ 51,638	\$ 52,375	1.4%
15	Cincinnati	\$ 37,852	\$ 38,168	0.8%
16	Seattle	\$ 48,651	\$ 48,976	0.7%
17	Boston	\$ 53,396	\$ 53,713	0.6%
18	Minneapolis-St. Paul	\$ 45,690	\$ 45,750	0.1%
19	Denver	\$ 46,205	\$ 45,982	-0.5%
20	Miami-West Palm Beach	\$ 41,937	\$ 41,352	-1.4%
21	Riverside-San Bernardino	\$ 30,600	\$ 29,930	-2.2%
22	Portland	\$ 39,703	\$ 38,728	-2.5%
23	Tampa-St. Petersburg	\$ 38,048	\$ 36,780	-3.3%
24	San Francisco	\$ 61,831	\$ 59,696	-3.5%
25	Dallas-Fort Worth	\$ 41,575	\$ 39,514	-5.0%
26	Detroit	\$ 40,412	\$ 37,541	-7.1%
27	Atlanta	\$ 39,775	\$ 36,482	-8.3%
28	San Jose	\$ 68,185	\$ 55,404	-18.7%
	Unweighted Average	\$ 43,801	\$ 43,700	-0.2%

Hospitals' charitable care in 2009

Hospital system	Net patient revenue	Unreimbursed indigent and charity care	Other community benefits	Community benefit share of net patient revenue
Texas Health Resources	\$1,854,418,568	\$115,523,730	\$295,761,557	 22%
Baylor Health Care System	\$1,343,031,487	\$73,155,704	\$197,149,717	 20%
Methodist Health System	\$342,083,211	\$42,333,084	\$37,392,162	 23%

NOTE: Numbers do not include data from Texas Health Fort Worth, Texas Health Cleburne, Our Children's House at Baylor, Baylor University Medical Center at Dallas and Methodist Dallas Medical Center because they receive additional government funding for treating a poorer mix of patients.

SOURCES: Texas Department of State Health Services; *Dallas Morning News* research

Staff graphic

IMPLICATIONS OF SLUGGISH ECONOMY AND CHANGING DEMOGRAPHICS FOR HEALTHCARE AND HOSPITALS

Drop in number of paying patients

Slowdown in bill payments

Rising burden of uncompensated care

Fewer elective and profitable surgeries: joint replacements; hernia repairs; weight loss

Possible hospital closings/consolidations

Proposed cuts in Texas' CHIPS program

Impacts of Obamacare, Medicare and Medicaid?