



The Economic Impact of Mayo Clinic on the Arizona Economy

A Total Economic Impact of \$704 Million in 2002

Mayo Clinic is an international leader in patient care, health sciences research and medical education. Since opening in Arizona in 1987, Mayo Clinic has evolved into a multi-campus system that includes Mayo Clinic in Scottsdale, Mayo Clinic Hospital on the Phoenix campus, the Samuel C. Johnson Medical Research Building and four primary care outpatient centers.

The economic significance of Mayo Clinic includes employment opportunities, local and state tax revenue, capital and vendor expenditures, community outreach and a major overall economic impact for Scottsdale, Phoenix and the state as a whole.

The Center for Business Research, L. William Seidman Research Institute at Arizona State University measured Mayo's economic impact on the state of Arizona in 2002.

Total Economic Impact

Mayo's total economic impact on the Arizona economy in 2002 was:

- \$704 million
- 10,950 in-state jobs
- \$39 million in local and state tax revenue

Patient Care

In 2002, Mayo Clinic treated 120,000 patients and admitted 12,440 patients to Mayo Clinic Hospital. Some 16% of these patients came from outside the state of Arizona, including 1% from outside the U.S. Out-of-state visitors associated with Mayo's operations are estimated to have spent \$11 million while in the state. Including multiplier effects, this spending is responsible for:

- A total patient care-related economic impact of \$12 million
- \$7 million in payroll
- 280 in-state jobs

Employment

Mayo's 3,840 full time employees generated a total of \$279.3 million in salaries and benefits. When multiplier effects associated with the consumer spending of its workers are factored in, Mayo's payroll accounted for:

- A total employment-related economic impact of \$479 million
- \$393 million in employee compensation
- 7,660 in-state jobs

Capital Expenditures, Vendor Supplies and Purchased Services

Mayo purchases goods and services that are necessary for its facility operations. These purchases have a direct effect on the state economy. In 2002, Mayo Clinic spent \$121 million on outside services, supplies, equipment and other non-payroll items produced by Arizona

firms (the total including non-Arizona expenditures was \$204 million). When multiplier effects are included, this spending served to generate:

- A total capital expenditures and supplies/services-related economic impact of \$164 million
- \$101 million in payroll
- 3,020 in-state jobs

Research and Education Investment

Research and education are integral components of Mayo's mission and vision. Mayo Clinic educates physicians, scientists and allied health professionals and is a dependable source of health information for patients and the public. Mayo invested a total of \$27.9 million in research and education in 2002, bringing new jobs and contributing to the future of Arizona's economy and quality of life.

Future Growth

Mayo Clinic has expanded operations extensively since opening the first Arizona facility in 1987, including a 13% average annual growth rate in number of employees. Mayo is poised for significant growth over the next several years. To address this issue, a new Master Plan for Mayo Clinic has been developed. The Master Plan is a roadmap to the future of Mayo, outlining incremental growth that is both carefully measured and flexible. Overall, the Master Plan helps realize the goal of becoming a premiere academic medical center serving patients in Arizona, the Southwest and nationally. Future development will include construction and expansion activity on both the Scottsdale and Phoenix campuses that will help support the continued residential and commercial development throughout Maricopa County.

In the years ahead, Mayo Clinic will contribute increasing economic benefits to the state while continuing to provide outstanding care for patients.