



Source: Adventist Health White Memorial

THE ECONOMIC IMPACT OF THE ADVENTIST HEALTH WHITE MEMORIAL HOSPITALS *2025 Report*



Los Angeles County Economic
Development Corporation



Los Angeles | Montebello

THE ECONOMIC IMPACT OF THE ADVENTIST HEALTH WHITE MEMORIAL HOSPITALS

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The LAEDC Institute for Applied Economics provides objective economic and policy research for public agencies and private firms. The group focuses on economic impact studies, regional industry analyses, economic forecasts and issue studies, particularly in workforce development, transportation, infrastructure and environmental policy.

Every reasonable effort has been made to ensure that the data contained herein reflect the most accurate and timely information possible and they are believed to be reliable.

The report is provided solely for informational purposes and is not to be construed as providing advice, recommendations, endorsements, representations, or warranties of any kind whatsoever.

Executive Summary

Adventist Health White Memorial (AHWM), established in 1913 in the Boyle Heights neighborhood of Los Angeles, is a 353-bed nonprofit, faith-based teaching hospital. AHWM expanded its regional presence in September 2023 by assuming operations of the former Beverly Hospital in Montebello, now operating as Adventist Health White Memorial Montebello (AHWM Montebello), a 192-bed facility.



Together, the Adventist Health White Memorial Hospitals now stand as a major economic force in the region, in addition to their role as a provider of healthcare services. In 2024, the Hospitals' combined operations generated \$1.2 billion in total economic output across Los Angeles County, encompassing direct hospital expenditures plus indirect supply-chain effects and induced household spending. The significant amounts of money the Hospitals spends on goods and services over the course of their operations ripples across small and large businesses located throughout the region.

The hospitals are also responsible for hundreds of employment opportunities in their communities, across a wide range of occupations and skill levels, that provide individuals opportunities for career advancement and provide households a source of stable household income. Of the 5,500 total jobs the Hospitals supported countywide in 2024, 2,720 jobs are direct hospital positions; the remaining 2,790 are sustained through supply-chain linkages and employee spending across sectors including real estate, professional services, food services, and administrative support. These jobs entailed \$535.5 million in labor income.

Additionally, the Hospitals generated \$173.5 million in tax revenues in 2024. Most of this tax revenue flows to the federal government (\$120.2 million), however \$32.5 million accrued to the state and \$20.7 million accrued to county and city governments.

Between 2022 and 2025, the Hospitals also made approximately \$13.84 million in total capital investments across IT systems, patient care equipment, general equipment, construction, and bulk orders. Excluding real estate transfers, the direct capital investment base generated \$14.1 million in total economic output and supported approximately 60 jobs in Los Angeles County, with broader Southern California impacts reaching \$23.3 million in output and 95 jobs over the four-year period.

Key Economic Findings — Adventist Health White Memorial Hospitals Los Angeles County (2024)

\$1.2B	5,500	\$535.5M	\$744.6M	\$173.5M
Total Economic Output	Total Jobs Supported	Total Labor Income	Gross Product (Value-Added)	Tax Revenues Generated

AHWM and AHWB Montebello serve communities that are among the most under-resourced and environmentally burdened in Los Angeles County. Together they serve more than 2.4 million residents across their combined primary and secondary service areas. Key characteristics of these areas include:

- **Poverty & Income:** Over 20 percent of primary service area residents live below the federal poverty line vs. 13.2 percent countywide; more than 30 percent of primary service area households earn less than \$35,000 annually;
- **Education & Youth:** More than 41 percent of primary service area adults did not complete high school; opportunity youth rates exceed county averages across all service areas;
- **Demographics & Language:** 84.9 percent of primary service area residents identify as Hispanic or Latino; about 24 percent of residents across service areas have a non-English language preference, nearly double the county rate;
- **Health Coverage:** The primary service area uninsurance rate of 14.4 percent is nearly double the county average; Medi-Cal and Medicare account for roughly 86 percent of AHWM's payor mix;
- **Environmental Burden:** All service areas rank in the top 10 to 18 percent of most environmentally stressed communities statewide, with elevated rates of asthma, cardiovascular disease, and low birth weight.

Beyond clinical services, the hospitals provide substantial community benefit. The Adventist Health White Memorial Charitable Foundation raised more than \$14.3 million in 2025 for reinvestment into community programs and services. These include investments in charity care, the Community Resource Center, and the Healthcare Workforce Development program.

Importantly, the Hospitals' community contributions are financially grounded in Medi-Cal and Medicare reimbursements. Both revenue streams now face significant pressure. H.R. 1, enacted in July 2025, introduces Medicaid work requirements projected to disenroll nearly 2 million Medi-Cal enrollees statewide by 2030, while an additional 1.3 million adults with unsatisfactory immigration status are projected to lose comprehensive Medi-Cal coverage. Covered California enrollment may decline by 400,000 to 500,000 as enhanced premium subsidies expire. Additional H.R. 1 provisions will cap Medi-Cal managed care payments to hospitals at Medicare rates beginning January 2028 and reduce provider tax revenues that fund state rate increases. The loss of supplemental government funding alone could represent a reduction of approximately 28 percent of the Hospitals' total revenue, an unsustainable burden for non-profit institutions already operating with slim margins. Without further policy intervention, the sustainability of the full range of clinical services and community programs described throughout this report is at risk.

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1. The Adventist Health White Memorial Hospitals

1.1 INTRODUCTION

Established in 1913 and situated in the City of Los Angeles in the community of Boyle Heights, Adventist Health White Memorial is a unique community-based teaching hospital serving East and South Los Angeles. As part of Adventist Health—a nonprofit, faith-based health system spanning the West Coast and Hawaii and founded on Seventh-day Adventist heritage and values—Adventist Health White Memorial is a 353-bed hospital dedicated to improving the health and well-being of the community. It strives to do so by offering comprehensive and high-quality care, including inpatient, outpatient, emergency and diagnostic services, with a focus on whole-person health and community wellness.

In 2023, Adventist Health White Memorial took a major step in expanding its presence across the region. In September of that year, it began operating in Montebello in the space previously known as Beverly Hospital and in its adjacent medical office building. This acquired hospital, now known as Adventist Health White Memorial Montebello, extends the provision of high-quality patient care services under the Adventist Health system to Montebello and its neighboring areas.



Together, the Adventist Health White Memorial Hospitals now stand as a major economic force in the region, in addition to their role as a provider of healthcare services. They are responsible for hundreds of employment opportunities in their communities across a wide range of occupations and skill levels. These jobs provide individuals opportunities for career advancement and provide households a source of stable household income. Additionally, the Hospitals spend significant amounts of money on goods and services through the course of their operations. Many of these expenditures generate economic activity across small and large businesses located throughout the community.

1.2 ABOUT THIS REPORT

In light of the enhanced prominence of the Adventist Health White Memorial Hospitals, the Adventist Health White Memorial Charitable Foundation commissioned the Institute for Applied Economics (IAE) of the Los Angeles County Economic Development Corporation (LAEDC) to conduct a comprehensive economic impact analysis of the two Adventist Health White Memorial Hospitals. This report quantifies the combined economic impact of the hospitals on Los Angeles County and the greater Los Angeles region. In addition, the study captures the broader social impact of the operation of the Adventist Health White Memorial hospitals, focusing on their role in improving health outcomes, offering educational programs, and building community partnerships.

This report is structured as follows:

Section 2 provides an overview of the health care industry in Los Angeles County, including a look at the industry's composition, establishments and payroll employment, wages and earnings, and occupations. It also describes the outlook for the health care industry in the county and discusses how the healthcare and hospital industries provide a stabilizing influence on the economy.

Section 3 presents the demographics of the service areas covered by the Adventist Health White Memorial Hospitals to better understand the people they serve. It provides a description of the population and household

As a major teaching hospital, Adventist Health White Memorial plays an important role in training physicians, nurses, and other medical professionals for the region.

characteristics in the service area; their racial, ethnic, and linguistic composition; and the community's socioeconomic conditions. Additionally, it examines the local environmental and health burdens placed on these populations.

Section 4 examines the economic impact of the ongoing operations of the Adventist Health White Memorial Hospitals. This includes quantifying the direct economic activity the Hospitals generate and measuring the economic ripples and fiscal impacts across Los Angeles County and the Southern

California region, comprising Los Angeles, Orange, Riverside, San Bernardino and Ventura Counties. It also analyzes the variety of occupations—and their associated industries and wages—that this activity supports.

Of course, the acquisition of Beverly Hospital required substantial renovations and upgrades to the facility, so Section 5 explores the economic impacts of the capital investments made by the Adventist Health White Memorial Hospitals. As with Section 4, it measures the direct economic activity from this construction spending and the resulting economic, fiscal and occupational impacts across Los Angeles County and Southern California.

Section 6 concludes with an examination of how the Adventist Health White Memorial Hospitals invest in improving the health of their communities and the other benefits that result. It also describes how the sustainability of the ongoing community investments, as well as basic operations, is threatened by recent federal and state policy changes impacting public insurance programs.

2. Overview of the Health Care Industry

2.1 INDUSTRY OVERVIEW

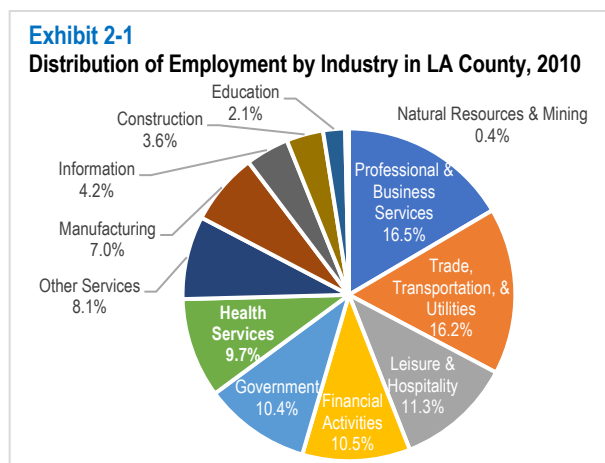
Industry Composition in Los Angeles

The health services industry in Los Angeles County, including Adventist Health White Memorial, has become an increasingly vital component of the regional and the broader Southern California economies. Between 2010 and 2023, the sector not only expanded significantly in terms of absolute employment but also increased its share of total jobs, surpassing many other major industries. This upward trend reflects the region's demographic shifts, including an aging population, and an increase in the demand for healthcare services. The result has been increased opportunities for the region's workers as well as greater economic resilience for Los Angeles.

Since 2010, total employment in Los Angeles County has grown by more than 26 percent, accompanied by noticeable shifts in the distribution of employment across industries. **Exhibit 2-1** and **Exhibit 2-2** illustrate the evolving composition of employment across 12 NAICS Supersectors from 2010 to 2023. Throughout this period, the top six Supersectors, including Trade, Transportation, and Utilities, Professional and Business Services, Health Services, Leisure and Hospitality, Financial Activities, and Government, have consistently accounted for the majority of jobs in the county. However, the relative ranking of these Supersectors has changed. Most notably, Health Services has experienced the most substantial rise, increasing its share of total employment from 9.7 percent in 2010 (ranking 6th) to 13.1 percent in 2023, making it the third-largest employment Supersector in the county.

Within the Health Services sector itself, there have been additional internal shifts. As further explored in the next subsection, while the Health Services sector as a whole has grown rapidly, the Hospitals sub-sector has seen a relative decline in its employment share compared to outpatient care and other health-related services.

A similar growth trajectory is evident across the broader five-county Southern California region. As shown in **Exhibit 2-3** and **Exhibit 2-4**, the health services industry accounted for 12.3 percent of total employment in the region in 2023, up from 9.4 percent in 2010. This mirrors the upward trend seen in Los Angeles County, though the share of employment in the sector is slightly lower region-wide.



Source: IMPLAN (2025).

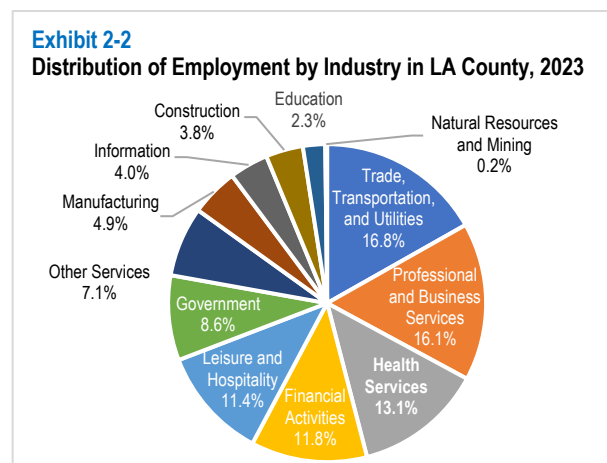
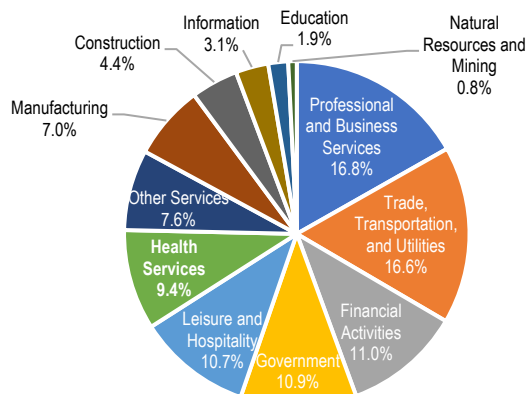
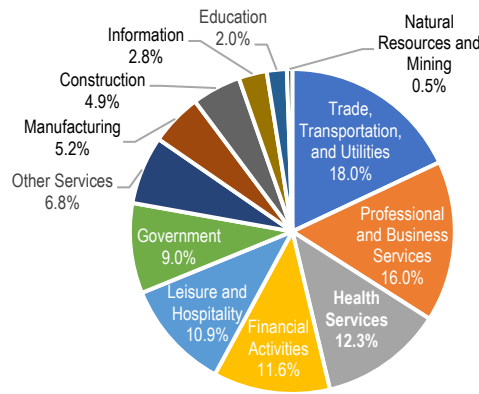


Exhibit 2-3
Share of Employment by Industry in SoCal Region, 2010



Source: IMPLAN (2025).

Exhibit 2-4
Share of Employment by Industry in SoCal Region, 2023



In terms of raw employment growth, both Los Angeles County and the Southern California region experienced a similar surge in health services jobs. Los Angeles County added over 367,000 jobs in this sector between 2010 and 2023, representing a 70.2 percent increase. The Southern California region experienced comparable growth, with health services jobs increasing by 616,650, or 70.6 percent, during the same period.

Establishments and Payroll Employment

The healthcare sector is composed of several inter-related and supporting industries, including hospitals, offices of physicians and healthcare practitioners, ambulatory healthcare services, medical and diagnostic laboratories, and nursing and residential care facilities. The sector as a whole has grown steadily over the past two decades and, despite the disruptions caused by the COVID-19 pandemic in 2020 and 2021, healthcare has since rebounded and maintained its role as a key driver of economic activity. This growth is driven by shifting demographic dynamics, particularly the aging population, as well as ongoing medical advancements that are extending lifespans and improving quality of life. Together, these factors continue to fuel sustained and increasing demand for healthcare services.

As shown in **Exhibit 2-5** and **Exhibit 2-6**, there were 57,544 private and public healthcare establishments and nearly 900,000 payroll employees in the healthcare sector in the 5-county Southern California

Exhibit 2-5

of Establishments of Healthcare Services (2023)

	SoCal Region	Los Angeles County
Hospitals:	642	310
General Medical and Surgical Hospitals	266	132
Other Hospitals	376	178
Nursing and Residential Care Facilities	5,052	2,671
Offices of Physicians and Healthcare Practitioners	42,715	24,360
Outpatient & Other Ambulatory Healthcare Services	3,897	2,219
Medical and Diagnostic Laboratories	1,385	725
Home Healthcare Services	3,853	2,618
Total Establishments	57,544	32,903
% Of all Establishments in Region	6.61%	6.02%

Source: IMPLAN (2025); BLS (2025)

Exhibit 2-6

Employment of Healthcare Services (2023)

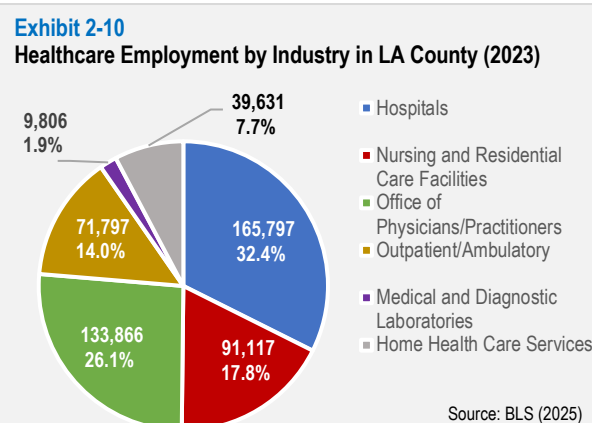
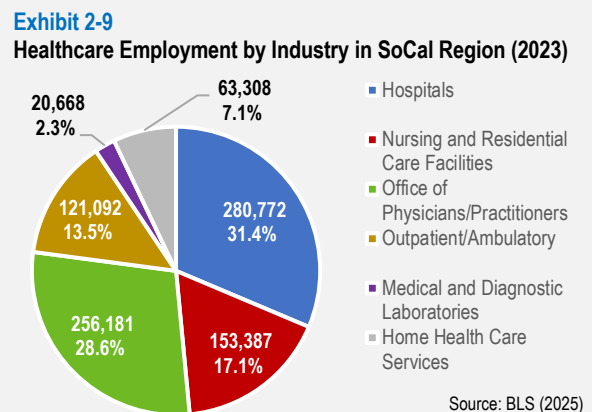
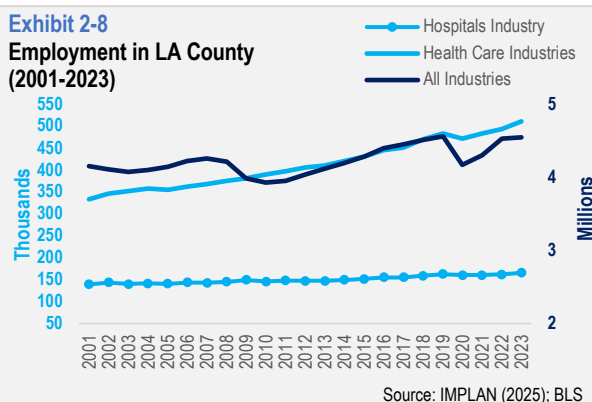
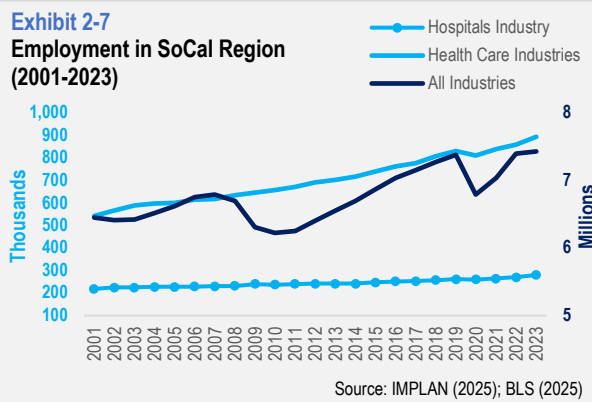
	SoCal Region	Los Angeles County
Hospitals:	280,772	165,797
General Medical and Surgical Hospitals	259,278	152,517
Other Hospitals	21,494	13,280
Nursing and Residential Care Facilities	153,387	91,117
Offices of Physicians and Healthcare Practitioners	256,181	133,866
Outpatient & Other Ambulatory Healthcare Services	121,092	71,797
Medical and Diagnostic Laboratories	20,668	9,806
Home Healthcare Services	63,308	39,631
Total Employment	895,408	512,014
% Of all Employment in Region	12.04%	11.24%

Source: IMPLAN (2025); BLS (2025)

region in 2023 (the most recent annual data available at the time of this study), representing 6.6 percent of all establishments and 12.0 percent of all payroll employment in the region. In Los Angeles County, the total number of establishments is 32,903, which support about 512,000 payroll employees (or 6.0 percent of all establishments and 11.2 percent of all payroll employment in the county). Offices of physicians and healthcare practitioners are the largest industry by number of establishments, but the hospital industry has a higher job to establishment ratio: average workers per establishment for hospitals are 437 in the region and 535 in the county compared to 6 and 5.5 for offices of physicians and other practitioners in the region and county, respectively.

Exhibit 2-7 and **Exhibit 2-8** indicate that payroll employment in both the healthcare industry and the hospitals sector has been growing over the past 23 years in both the Southern California region and Los Angeles County. Although the industry experienced some slight decline or slowdown during the Great Recession and the first year of the COVID-19 pandemic, the total payroll employment in the healthcare industry grew from 543,580 to 895,408 in the region and 333,975 to 512,014 in the county between 2001 and 2023. The average annual growth rate is 2.19 percent in the region and 1.88 percent in the county. The growth in the payroll employment in the hospitals sector was slower compared to the growth in the entire healthcare industry. The total payroll employment in the hospitals sector grew from 218,684 in the state and 139,287 in the county in 2001 to 280,772 and 165,797 in the region and county in 2023, representing an average annual growth rate of 1.09 percent and 0.76 percent, respectively.

Exhibits 2-9 and **2-10** present the share of the various healthcare sectors in the Southern California region and Los Angeles County for Year 2023 in terms of payroll employment. Serving as major providers of medical services, hospitals employ the largest share of the workforce in the healthcare industry, making up about 32 percent of the total industry employment. The hospital sector's employment percentage is slightly higher in Los Angeles County compared to the Southern California region as a whole.

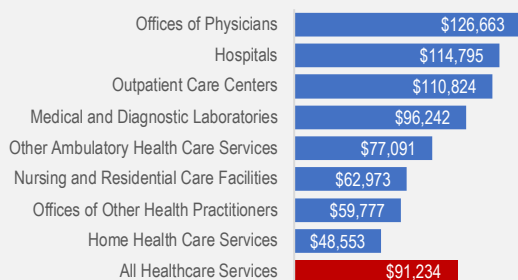


Wages and Earnings

Earnings per job within the healthcare sector vary significantly across different subsectors, as illustrated in **Exhibit 2-11** and **Exhibit 2-12**. Physicians consistently earn the highest average annual wages, reaching \$126,663 in the Southern California region and \$125,924 in Los Angeles County. At the other end of the spectrum, the home healthcare services sector reports the lowest average earnings, with workers earning \$48,553 regionally and \$44,994 in the county as of 2024. Hospital employees rank second in terms of compensation, with average annual earnings of \$114,795 in the region and \$119,211 in Los Angeles County.

Exhibit 2-11

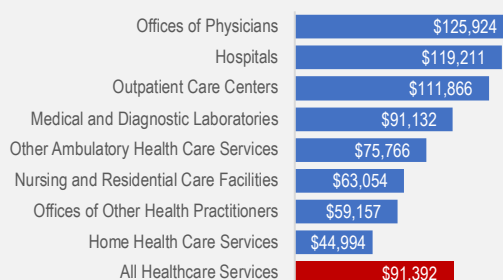
Average Earnings Per Job by Industry in SoCal Region (2024)



Source: Lightcast (2025)

Exhibit 2-12

Average Earnings Per Job by Industry in LA County (2024)



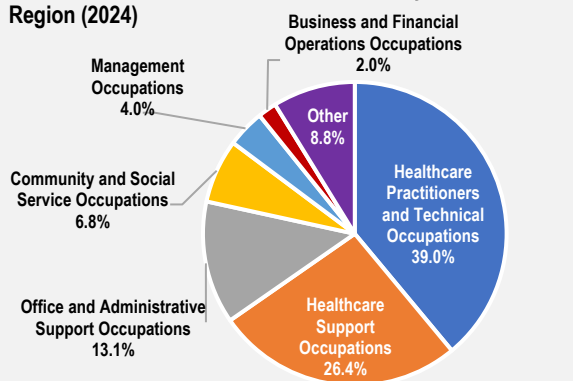
Source: Lightcast (2025)

Occupations

There are many occupations in the hospitals sector. As shown in **Exhibit 2-13** and **Exhibit 2-14**, the occupational composition of the healthcare industry in 2024 shows notable differences between the Southern California region and Los Angeles County. In Los Angeles County, healthcare practitioners and technical occupations (such as doctors, nurses, and technicians) make up a significantly larger share of the workforce at 58.2 percent, compared to 39.0 percent in the broader Southern California region. Conversely, healthcare support occupations represent a much smaller share in Los Angeles County at 12.5 percent, compared to 26.4 percent in Southern California region. Similarly, the share of office and administrative support staff is slightly lower in the County (11.0 percent) than in the region overall (13.1 percent). Other categories, including community and social service occupations, management, and business and financial operations, make up relatively small portions of the workforce in both the county and region, with minor variations.

Exhibit 2-13

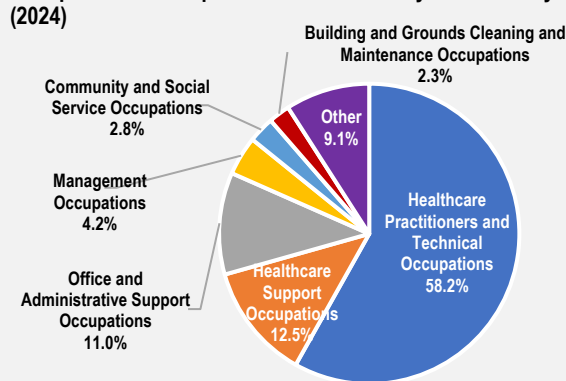
Occupational Makeup of Healthcare Industry in SoCal Region (2024)



Source: Lightcast (2025)

Exhibit 2-14

Occupational Makeup of Healthcare Industry in LA County (2024)



Source: Lightcast (2025)

The Bureau of Labor Statistics identifies a total of 62 distinct occupations within the healthcare practitioner occupational category and 17 occupations in the healthcare support category. **Exhibit 2-15** and **Exhibit 2-16** list the largest individual occupations by employment in both occupational groups in the Los Angeles MSA region in May 2024, along with the average annual wage paid for employees in these occupations in the region.

Exhibit 2-15**Practitioner and Technical Services Occupations (2024)**

Occupation	Employment in LA MSA	Annual average wage in LA MSA
Registered Nurses	107,340	\$138,010
Licensed Practical and Licensed Vocational Nurses	32,320	\$77,250
Pharmacy Technicians	16,040	\$53,430
Pharmacists	12,390	\$152,180
Clinical Laboratory Technologists and Technicians	10,270	\$71,290
Health Technologists and Technicians, All Other	8,930	\$60,670
Physical Therapists	8,150	\$117,670
Dental Hygienists	8,100	\$95,730
Medical Records Specialists	7,820	\$65,570
Physicians, All Other	7,020	170,960
Respiratory Therapists	7,010	\$102,370
Radiologic Technologists and Technicians	6,550	\$102,260
Nurse Practitioners	6,400	\$165,030
Emergency Medical Technicians	5,660	\$48,720
Physician Assistants	4,710	\$157,080
Occupational Therapists	4,500	\$114,430
Speech-Language Pathologists	4,370	\$110,110
Dentists, General	4,300	\$174,180
Veterinary Technologists and Technicians	3,750	\$55,670
Surgical Technologists	3,500	\$79,080
Diagnostic Medical Sonographers	3,470	\$104,140
Dietitians and Nutritionists	3,190	\$90,540
Opticians, Dispensing	3,170	\$58,290
Cardiovascular Technologists and Technicians	3,060	\$77,000
Optometrists	2,720	\$133,320
Psychiatric Technicians	2,590	\$55,780
Veterinarians	2,470	\$159,330
Dietetic Technicians	2,340	\$45,120
All others	32,830	n/a
All Practitioner and Technical Services	324,970	\$120,590

Source: BLS (2025)

Exhibit 2-16**Healthcare Support Occupations (2024)**

Occupation	Employment in LA MSA	Annual Average Wage in LA MSA
Home Health and Personal Care Aides	350,610	\$36,260
Nursing Assistants	39,910	\$47,900
Medical Assistants	34,570	\$48,670
Dental Assistants	19,300	\$47,960
Massage Therapists	6,060	\$62,410
Healthcare Support Workers, All Other	5,080	\$56,760
Pharmacy Aides	4,660	\$47,880
Veterinary Assistants / Laboratory Animal Caretakers	4,610	\$46,220
Phlebotomists	4,380	\$54,830
Physical Therapist Assistants	3,780	\$77,460
Medical Equipment Preparers	2,740	\$59,780
All others	9,530	n/a
All Healthcare Support	485,230	\$40,170

Source: BLS (2025)



2.2 HEALTH CARE INDUSTRY OUTLOOK

California Employment Development Department (EDD) releases comprehensive 10-year long-term employment projections by industry and occupation every two years. The latest projections are for 2022 to 2032. These projections are developed based on factors such as industry growth trends, technological advancements, and various other considerations.

Exhibit 2-17 compares the employment projections from 2022 to 2032 by healthcare sector across Los Angeles County, the Southern California region, and the state of California. Across all three geographies, the total healthcare sector, which includes ambulatory care, hospitals, and nursing and residential care facilities, is expected to see substantial job growth. In Los Angeles County, healthcare employment is projected to increase by 18.2 percent (from 445,950 jobs to 526,910 jobs), while the Southern California region and the state as a whole is expected to grow by 19.4 percent. Among the various healthcare subsectors, ambulatory healthcare services stand out as the fastest growing. Employment in this subsector is projected to grow by 23.5 percent in Los Angeles County, 25.5 percent in Southern California, and 24.6 percent across the state. In contrast, employment growth in hospitals is projected to be modest. In Los Angeles County, hospital employment is expected to rise by just 5.3 percent, with a similarly modest 5.8 percent increase anticipated in the Southern California region. The statewide growth rate is somewhat higher at 8.5 percent, but still lags well behind other healthcare subsectors. This slower pace likely reflects broader trends such as the increasing use of telehealth, outpatient procedures, and challenges on hospital systems related to costs, staffing and capacity constraints. Finally, nursing and residential care facilities are also expected to see strong growth, driven largely by rising demand for long-term care services as the population ages. Employment in this subsector is projected to grow by 20.1 percent in the county, 19.9 percent in the Southern California region, and 17.7 percent statewide.

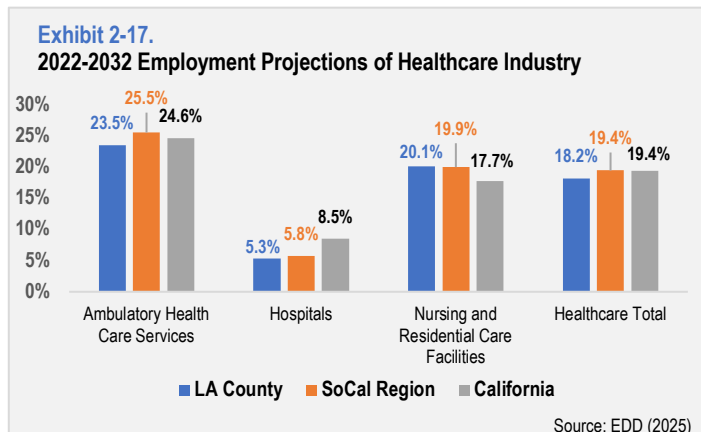


Exhibit 2-18
2022-2032 Occupational Employment Projections – SoCal Region

Occupation Code	Occupational Title	Percent Change 2022-2032
29-0000	Healthcare Practitioners and Technical Occupations	16.33%
29-1000	Health Diagnosing and Treating Practitioners	16.39%
29-2000	Health Technologists and Technicians	16.29%
29-9000	Other Healthcare Practitioners and Technical Occupations	12.90%
31-0000	Healthcare Support Occupations	28.18%
31-1100	Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	30.63%
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	32.97%
31-9000	Other Healthcare Support Occupations	18.38%

Source: EDD (2025)

Exhibit 2-19
2022-2032 Occupational Employment Projections – LA County

Occupation Code	Occupational Title	Percent Change 2022-2032
29-0000	Healthcare Practitioners and Technical Occupations	15.45%
29-1000	Health Diagnosing and Treating Practitioners	15.51%
29-2000	Health Technologists and Technicians	15.38%
29-9000	Other Healthcare Practitioners and Technical Occupations	13.57%
31-0000	Healthcare Support Occupations	29.16%
31-1100	Home Health and Personal Care Aides; and Nursing Assistants, Orderlies, and Psychiatric Aides	31.62%
31-2000	Occupational Therapy and Physical Therapist Assistants and Aides	30.15%
31-9000	Other Healthcare Support Occupations	17.54%

Source: EDD (2025)

Exhibit 2-18 and **Exhibit 2-19** illustrate the projected employment growth for Healthcare Practitioners and Technical Occupations, as well as Healthcare Support Occupations, in the Southern California region and Los Angeles County, respectively. These projections reflect employment across all relevant healthcare industries, not just limited to hospitals. Between 2022 and 2032, employment in Healthcare Practitioners and Technical Occupations is expected to grow by 16.3 percent in the region and 15.5 percent in the county. In contrast,

Healthcare Support Occupations are projected to experience significantly higher growth rates, with a 28.1 percent increase in the region and a 29.2 percent increase in Los Angeles County over the same period.

2.3 STABILIZING IMPACT OF HEALTHCARE AND HOSPITAL INDUSTRIES

The presence and operations of hospitals play a vital stabilizing role in regional economies, particularly during periods of economic volatility. Often described as anchor institutions, hospitals are deeply embedded within

“White Memorial’s Healthcare Workforce Development Program continues to provide important career pathways in the health-related fields that we all rely on for personal and economic health.” --Raul Bustillos, Senior Vice President, Community Relations at Bank of America

their communities and are less likely to relocate compared to industries such as manufacturing or logistics. Their permanence supports local economies not only through direct employment but also through consistent demand for goods and services from other local businesses.

The healthcare sector, within which hospitals are a central component, is labor-intensive and operates under relatively inelastic demand. This means that even during economic downturns, demand for healthcare services tends to remain stable because such services are

considered essential. People continue to seek health care regardless of broader economic conditions, and health spending is typically prioritized over more discretionary expenditures. Insurance coverage, especially through public programs such as Medicare and Medicaid, also plays a significant role in insulating the healthcare sector from recessionary pressures.¹ As such, even during times of economic contractions, hospitals continue to play a stabilizing role by maintaining employment levels, engaging in local purchasing, and serving the residents within their communities.^{2,3}

Recent research underscores the sector’s resilience. Dillender et al. (2021) analyzed the impact of macroeconomic conditions on healthcare employment and the education pipeline for healthcare professions between 2005 and 2017. The health care employment data were drawn from the Quarterly Census of Employment and Wages (QCEW). Recessionary and recovery periods were identified using definitions adopted by the NBER Business Cycle Dating Committee. Variables representing county-level time-varying factors, such as median household income, poverty rate, and the working-age population (19 to 64 years old), are included as control variables. The study results indicate that healthcare employment remained stable (or even



¹ Cawley, J., Moriya, A.S., Simon, K. 2015. “The impact of the macroeconomy on health insurance coverage: Evidence from the great recession,” *Health Economics* 24(2):206-223.

² In exceptional extreme situations, individuals might lose their health insurance provided by their employers, leading them to make the difficult decision to forgo medical care due to financial constraints. As a consequence, despite being an essential sector, healthcare is not entirely immune to economic downturns.

³ Flores, M. 2023. *Is the Healthcare Industry Recession Proof?* <https://www.linkedin.com/pulse/healthcare-industry-recession-proof-get-ahead-by-linkedin-news>.

slightly increased) during periods of economic stress, especially in counties hardest hit by downturns. This trend was most evident during the Great Recession, when employment in most sectors declined sharply, yet healthcare continued to expand as a share of total employment.

A separate study conducted by the BLS researchers reached a similar conclusion, noting that while the healthcare sector in the U.S. is not entirely immune to economic downturns, it does exhibit resistance to them.⁴ This research, also utilizing QCEW employment and wage data, investigates the employment trends across the nation, specifically focusing on the healthcare segment of the labor market and the major industry groups within that segment from 2001 to 2014 and 2007 to 2010. The study reveals that compared to its impact on the overall national economy, the Great Recession had minimal adverse effects on healthcare job growth. This trend held true across various occupational settings and geographic locations. In fact, some occupations, such as registered nurses, exceeded projected employment levels by a significant margin during this period.⁵

Furthermore, research from organizations like Altarum has continued to document the sector's stability.⁶ Their Health Sector Economic Indicators highlight how healthcare spending, employment, and pricing remain relatively steady over time, with healthcare employment growth often outpacing that of other sectors.



⁴ Dolfman, M.L., Insko, M., and Holden, R.J. 2018. *Healthcare Jobs and the Great Recession*. Bureau of Labor Statistics. Retrieved at <https://www.bls.gov/opub/mlr/2018/article/healthcare-jobs-and-the-great-recession.htm>.

⁵ Staiger, D.O., Auerbach, D.I., and Buerhaus, P.I. 2012. "Registered Nurse Labor Supply and The Recession—Are We in a Bubble," *New England Journal of Medicine* 366(16): 1463-1465.

⁶ Altarum. 2025. *Health Sector Economic Indicators Briefs*. <https://altarum.org/news-and-insights/march-2025-health-sector-economic-indicators-briefs>.

3. Demographics of the Service Area

3.1 DEMOGRAPHIC OVERVIEW

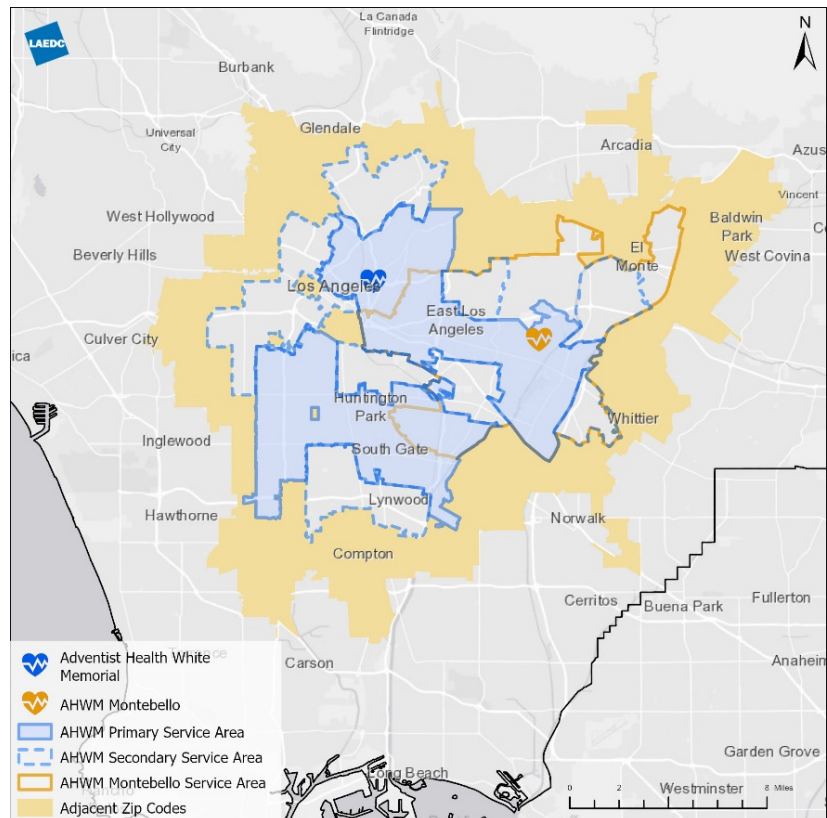
This section presents a demographic and environmental profile of the service areas for Adventist Health White Memorial (AHWM) and Adventist Health White Memorial Montebello (AHWM Montebello) to better understand the populations they serve. The analysis is organized by service area, as defined by ZIP codes, and benchmarked against Los Angeles County, using data from the American Community Survey (ACS) and CalEnviroScreen 4.0. It focuses on describing the characteristics of the existing primary and secondary service areas, including population, socioeconomic conditions, linguistic diversity, health coverage, and environmental burden.

Population and Household Characteristics

Population Size and Density

The communities served by AHWM and AHWM Montebello are significantly more densely populated than Los Angeles County as a whole.

- The Primary Service Area (PSA) of AHWM contains nearly 1,119,000 residents and has a population density of 13,848 people per square mile, more than five times the county average.
- The Secondary Service Area (SSA) includes nearly 714,500 residents and a density of 11,123 people per square mile, also far above county norms.
- The Montebello Primary Service Area has a population of nearly 635,000 with a density of 9,210 people per square mile, reflecting the dense, suburban-urban fabric of Southeast Los Angeles communities.
- For comparison, Los Angeles County overall has 9,848,406 residents and a much lower average density of 2,426 people per square mile.



These elevated densities suggest greater pressure on healthcare infrastructure and increased need for local, accessible health services in all three hospital service areas.

Age Distribution

The age profile of the service areas for AHWI and AHWI Montebello reflects a mix of young families, working-age adults, and aging residents, with distinct differences between the three service areas. These trends are summarized in **Exhibit 3-1**.

- The Primary Service Area of AHWI has the highest proportion of children aged 5 to 17, at 19.2 percent, which is well above the countywide average of 15.6 percent. This indicates strong demand for pediatric and youth health services in the PSA.
- The Secondary Service Area shows a larger share of young adults aged 25 to 34, comprising 18.3 percent of the population, compared to 15.9 percent countywide. This suggests a growing base of early-career adults and young families.
- The Montebello Primary Service Area has the highest share of residents aged 65 and older, at 14.9 percent, slightly above the county average of 14.7 percent. This reflects a more aging population and points to increased needs for chronic care and geriatric services.

Across all areas, the age distribution of residents between 18 and 64 remains relatively consistent, although the PSA leans slightly younger overall and the Montebello area shows a gradual aging trend.

These differences have direct implications for service planning. AHWI could consider prioritizing pediatric, family, and preventative care within its PSA, while AHWI Montebello could consider expanding access to senior-focused and long-term care services.

Gender Composition

Gender distribution is relatively balanced across all service areas and is comparable to countywide averages. Detailed figures are presented in **Exhibit 3-2**.

- In Los Angeles County, females make up 50.5 percent of the population, while males account for 49.5 percent.
- The Montebello PSA mirrors this pattern closely, with 50.2 percent female and 49.8 percent male.
- The SSA of AHWI has an almost even split, with 49.9 percent female and 50.1 percent male.
- The PSA of AHWI has the highest share of males at 50.3 percent, compared to 49.7 percent female.

While the differences are minimal, the slightly higher proportion of males in the Primary Service Area may reflect the younger working-age population concentrated in parts of Boyle Heights and East Los Angeles. These gender patterns do not indicate a major shift in service demand but are useful for understanding patient demographics and ensuring that outreach and care models are inclusive.

Exhibit 3-1

Age Distribution, 2023

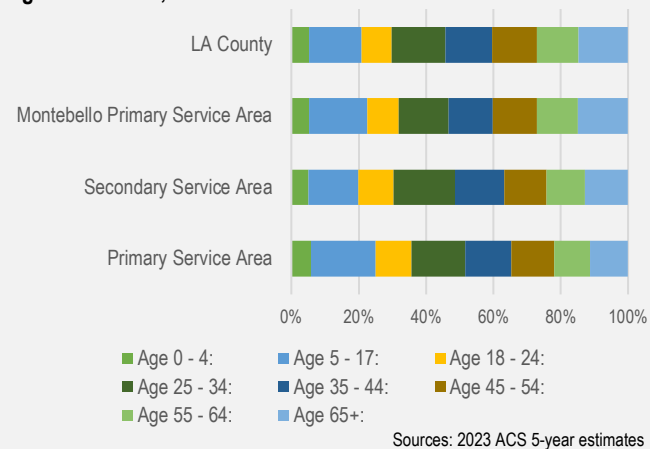
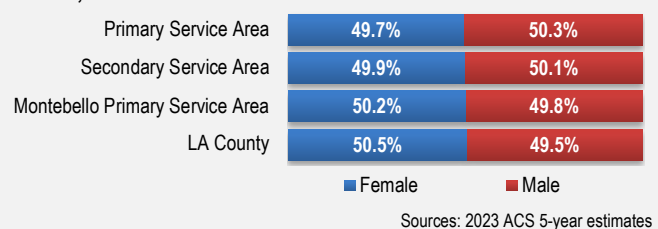


Exhibit 3-2
Gender, 2023



Racial, Ethnic, and Linguistic Composition

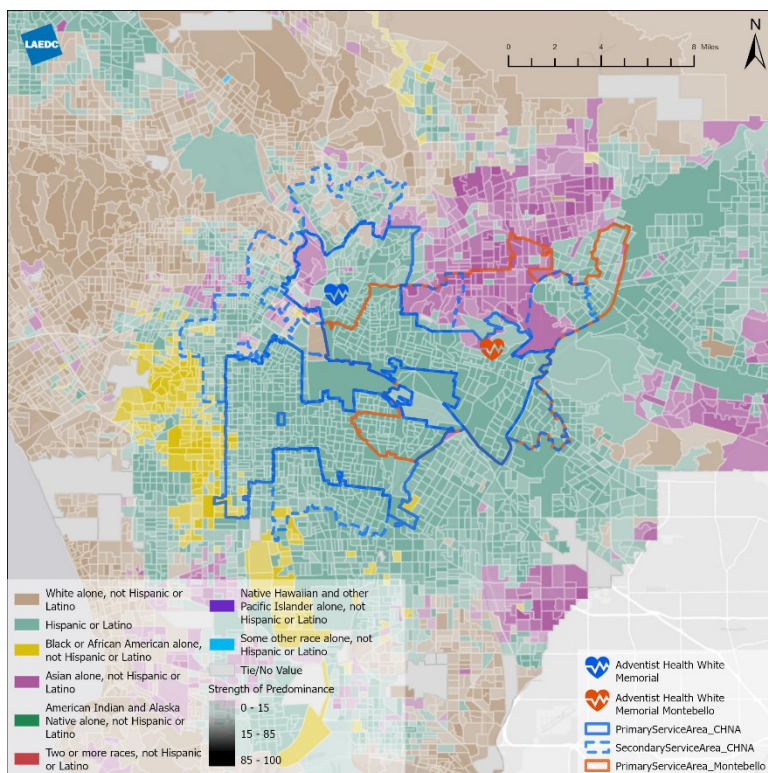
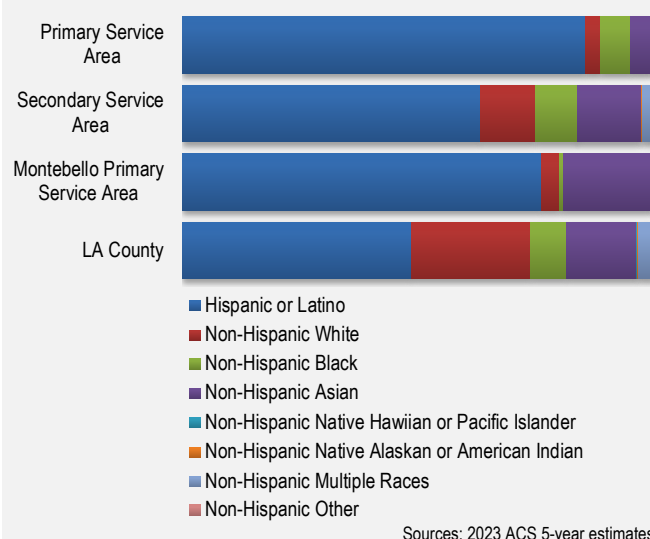
Race and Ethnicity

The service areas of AHW and AHW Montebello are home to racially and ethnically diverse populations, with notable differences compared to Los Angeles County overall. These differences are detailed in **Exhibit 3-3**.

- The Primary Service Area (PSA) of AHW is overwhelmingly Hispanic or Latino, with 84.9 percent of residents identifying as such. This is significantly higher than the county average of 48.3 percent.
- The Montebello Primary Service Area also has a majority Hispanic or Latino population at 75.6 percent, while the Secondary Service Area (SSA) has 62.9 percent.
- The Non-Hispanic Asian population is most prominent in the Montebello area, where it comprises 18.7 percent of residents. This reflects the growing presence of Asian communities in the surrounding neighborhoods, such as Monterey Park.
- The Secondary Service Area has the most racial diversity among the three service areas, with 11.5 percent Non-Hispanic White, 8.9 percent Non-Hispanic Black, and 13.5 percent Non-Hispanic Asian populations. This makes the SSA more closely aligned with county-level diversity.
- Both the PSA and Montebello area have very small shares of Non-Hispanic White, Black, and Multiracial residents, each well below county averages.

These patterns underscore the importance of culturally and linguistically appropriate care in all service areas. The PSA, in particular, has a strong cultural identity rooted in Latino heritage, while the Montebello service area requires multilingual and multicultural services that meet the needs of both Latino and Asian populations.

Exhibit 3-3
Race and Ethnicity 2023



Primary Language Spoken at Home

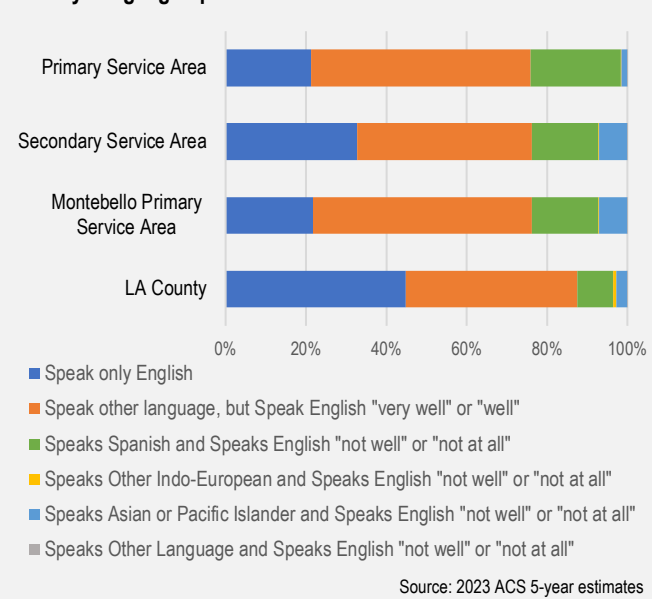
Linguistic diversity is a defining feature of the service areas served by AHW and AHW Montebello. Compared to Los Angeles County overall, the populations in these service areas are far more likely to speak a language other than English at home and to have a non-English language preference. These patterns are detailed in **Exhibit 3-4**.

- In the Primary Service Area of AHW, only 21.3 percent of residents speak only English at home, compared to 44.9 percent countywide. More than half of residents (54.6 percent) speak a language other than English but report speaking English “very well” or “well.”
- A notable 22.5 percent of PSA residents speak Spanish at home and report speaking English “not well” or “not at all,” which is more than double the county average of 9.0 percent.
- The Montebello Primary Service Area shows similar language characteristics. Only 21.7 percent of residents speak only English, while 16.7 percent speak Spanish with non-English language preference, and 7.0 percent speak an Asian or Pacific Islander language with a non-English language preference.
- The Secondary Service Area has a slightly higher share of English-only households (32.8 percent), but still reflects significant language diversity, including 16.7 percent of the population with non-English language preference preferring Spanish and 7.0 percent preferring Asian or Pacific Islander languages.
- The total non-English language preference (NELP) rate is 24.0 percent in the PSA, 23.8 percent in the SSA, and 23.8 percent in the Montebello service area, nearly double the countywide LEP rate of 12.5 percent.

These findings highlight the importance of language access services across all service areas. Bilingual staffing, in-language health education materials, and culturally responsive care models are likely needed to address the large Spanish- and Asian-language speaking populations who may face barriers to navigating the healthcare system.

Exhibit 3-4

Primary Language Spoken 2023



Socioeconomic Conditions

Household Income and Poverty Rates

The service areas of AHWM and AHWM Montebello are home to under-resourced populations with lower income distributions and higher poverty rates than Los Angeles County overall. These trends are illustrated in **Exhibit 3-5** and **Exhibit 3-6**.

Household Income Levels (Exhibit 3-5)

- The Primary Service Area has the highest concentration of low-income households. More than 30 percent of households earn less than \$35,000 annually, and only 5.8 percent earn \$200,000 or more, compared to 16.5 percent countywide.
- The Secondary Service Area has slightly more middle-income households, but still reflects significant income challenges, with 29.9 percent earning less than \$35,000 per year.
- The Montebello Primary Service Area shows a similar income distribution, with 24.5 percent of households earning less than \$35,000 and only 7.7 percent earning more than \$200,000.
- All three service areas have notably fewer high-income households than the county, and a greater share of residents in the \$25,000 to \$74,999 range, suggesting a predominantly working-class population.

Poverty Rates (Exhibit 3-6)

- The PSA has the highest poverty rate at 20.1 percent, followed closely by the SSA at 19.6 percent, both well above the Los Angeles County average of 13.2 percent.
- The Montebello Primary Service Area also exceeds the county rate, with 15.9 percent of residents living below the federal poverty line.
- These elevated poverty levels further emphasize the importance of accessible, affordable healthcare options within all three service areas.

Single-Parent Households (Exhibit 3-7)



Exhibit 3-5
Household Income, 2023

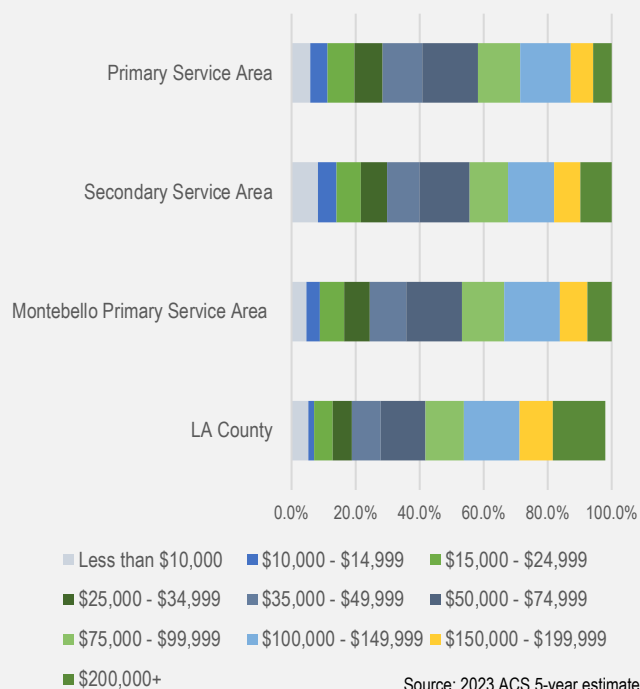
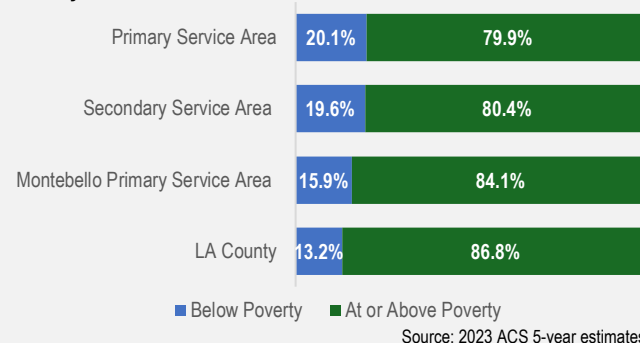
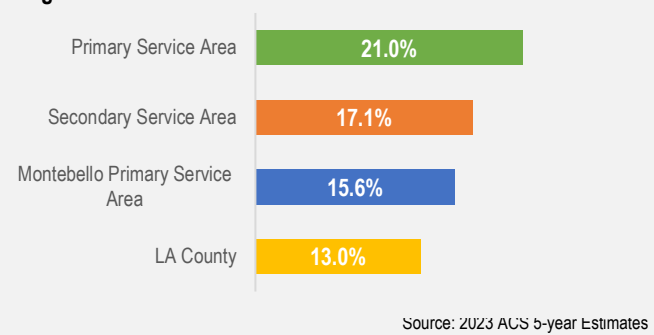


Exhibit 3-6
Poverty Distribution, 2023



In addition to income and poverty, household structure is another important dimension of socioeconomic vulnerability. The share of single-parent households with children under 18 is substantially higher in the hospital service areas than in the county overall. In the Primary Service Area, 21.0 percent of households are headed by a single parent with children, compared to 17.1 percent in the Secondary Service Area and 15.6 percent in the Montebello Primary Service Area. The Los Angeles County average is 13.0 percent. Single-parent households often face greater financial pressures, limited access to employer benefits, and increased reliance on public services, all of which can impact health outcomes and access to care.

Exhibit 3-7
Single Parent Households with Children 2023



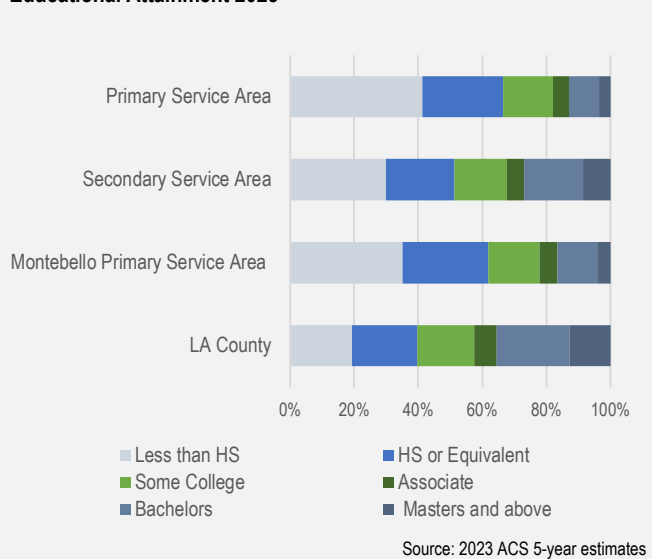
Economic hardship is a consistent theme across the regions served by AHW and AHW Montebello. This fact emphasizes the important work that the Adventist Health White Memorial Hospitals undertake every day in their communities. But it also suggests that additional state and local safety-net services and support programs are also needed to address the broader social determinants of health.

Educational Attainment

Educational attainment across the service areas for AHW and AHW Montebello is considerably lower than the Los Angeles County average. These trends are presented in **Exhibit 3-8**.

- The Primary Service Area has the lowest levels of educational attainment among the three areas. More than 41.4 percent of residents have less than a high school education, compared to 19.3 percent countywide. Only 9.3 percent of residents in the PSA hold a bachelor's degree and just 3.6 percent have a graduate or professional degree.
- The Montebello Primary Service Area also shows lower levels of higher education. 35.1 percent of residents have not completed high school, and just 4.1 percent have a master's degree or higher.
- The Secondary Service Area reflects a slightly stronger educational profile. Although 30.0 percent of residents have less than a high school diploma, the SSA has a higher share of individuals with bachelor's degrees (18.4 percent) and graduate degrees (8.6 percent) than the other two areas.
- Across all three service areas, the share of adults with an associate degree is lower than the county average of 7.0 percent, further reflecting a limited pipeline of residents who have completed postsecondary training or credentials.

Exhibit 3-8
Educational Attainment 2023

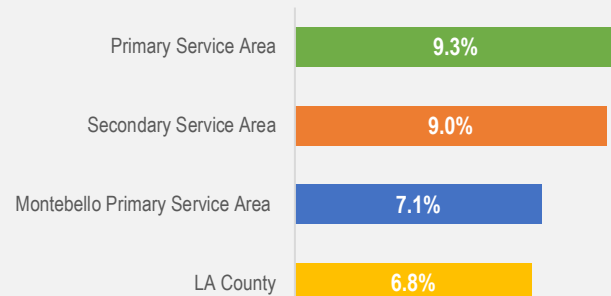


Opportunity Youth (Exhibit 3-9)

In addition to low educational attainment among adults, the service areas have elevated rates of opportunity youth, defined as individuals aged 16 to 19 who are not enrolled in school and not employed. The opportunity youth rate is 9.3 percent in the PSA, 9.0 percent in the SSA, and 7.1 percent in the Montebello Primary Service Area, all above the Los Angeles County average of 6.8 percent. These figures highlight the importance of early intervention and community-based supports that address the social and behavioral health needs of opportunity youth. Hospitals can play a role by partnering with schools, workforce programs, and local agencies to connect at-risk youth with healthcare, mental health services, and supportive resources that promote long-term well-being.

Exhibit 3-9

Opportunity Youth (Age 16-19 Not Enrolled in School and Not Employed)



Source: 2023 ACS 5-year Estimates

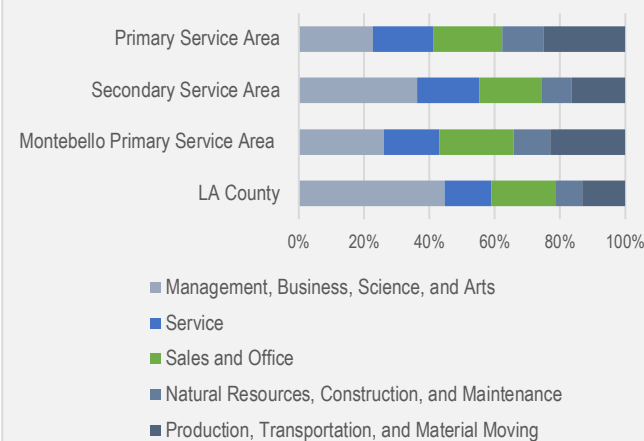
Occupational Class

The occupational structure of the service areas for AHW and AHW Montebello reflects a workforce that is more concentrated in manual, service, and office-based occupations compared to Los Angeles County overall. These trends are illustrated in **Exhibit 3-10**.

- The Primary Service Area has the highest concentration of workers in Production, Transportation, and Material Moving occupations at 24.9 percent, nearly double the county average of 13.2 percent. This group includes warehouse workers, drivers, and manufacturing employees.
- The Montebello Primary Service Area also has a large share in this sector, with 23.0 percent of residents employed in production and transportation roles.
- Workers in Management, Business, Science, and Arts occupations, which typically offer higher wages and employer-sponsored benefits, make up only 22.8 percent of the PSA and 26.1 percent in the Montebello area, compared to 44.7 percent countywide.
- The Secondary Service Area has a slightly more balanced occupational distribution, with 36.2 percent of workers in management and professional roles and 16.6 percent in production and transportation jobs.
- Service occupations account for approximately 17.0 to 19.1 percent across all three service areas, which is slightly higher than the county average of 14.3 percent.

Exhibit 3-10

Distribution of Occupations, 2023



Source: 2023 ACS 5-year estimates

These occupational patterns indicate that many residents in the PSA and Montebello areas work in physically demanding, lower-wage jobs that may not provide stable healthcare coverage. This again underscores the

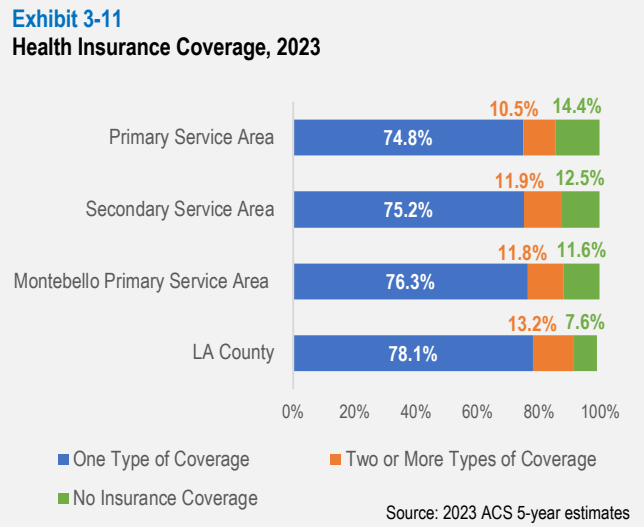
importance of the services that the Adventist Health White Memorial Hospitals provide to their communities' working-class populations.

Health Insurance Coverage

The availability and type of health insurance coverage in the service areas of AHW and AHW Montebello reflect significant disparities when compared to Los Angeles County overall. These patterns are detailed in **Exhibit 3-11**.

- The Primary Service Area has the highest rate of uninsured residents at 14.4 percent, nearly double the county average of 7.6 percent. This reflects persistent barriers to coverage in communities with high immigrant populations, lower educational attainment, and higher poverty levels.
- The Secondary Service Area also reports elevated uninsurance at 12.5 percent, while the Montebello Primary Service Area follows closely at 11.6 percent.
- Across all three service areas, fewer residents report having two or more types of insurance coverage, such as a combination of private and public insurance. Only 10.5 percent of residents in the PSA report multiple types of coverage, compared to 13.2 percent countywide.
- The share of residents with one type of insurance (typically Medi-Cal or employer-based) is slightly lower in each service area than the county average. The PSA has the lowest rate, at 74.8 percent, followed by 75.2 percent in the SSA and 76.3 percent in the Montebello area.

These gaps in insurance coverage place added pressure on local healthcare providers. The Adventist Health White Memorial Hospitals continue to play a safety-net role in providing care for uninsured and underinsured populations.

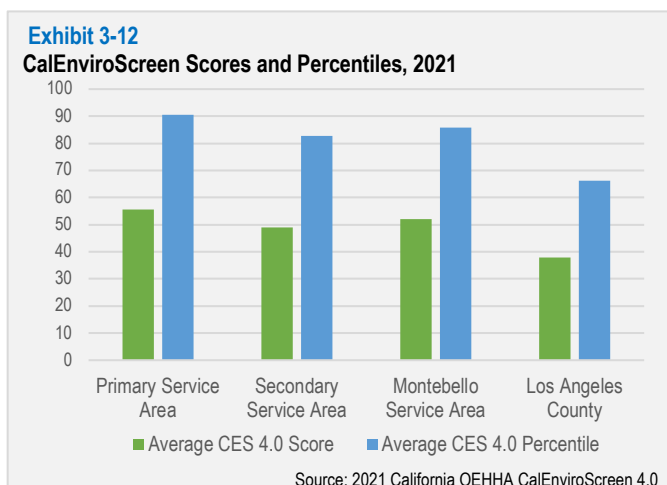


Environmental and Health Burdens (CalEnviroScreen 4.0)

The CalEnviroScreen 4.0 tool provides a comprehensive measure of environmental and population vulnerability by census tract. Service areas for AHW and AHW Montebello rank among the most environmentally burdened and health-stressed in Los Angeles County. These trends are documented in **Exhibit 3-12** (Average CES 4.0 Score and Percentile), **Exhibit 3-13** (Pollution Burden), and **Exhibit 3-14** (Health Burden).

Overall Environmental Vulnerability (Exhibit 3-12)

- The Primary Service Area has an average CES 4.0 score of 55.7 and an average percentile of 90.6, placing it in the top 10 percent of most environmentally burdened communities statewide.
- The Montebello Service Area also ranks high, with an average score of 52.0 and a percentile of 85.9.
- The Secondary Service Area follows closely, with an average score of 49.1 and a percentile of 82.7.
- These are all significantly higher than the Los Angeles County average score of 38.0 and percentile of 66.2.

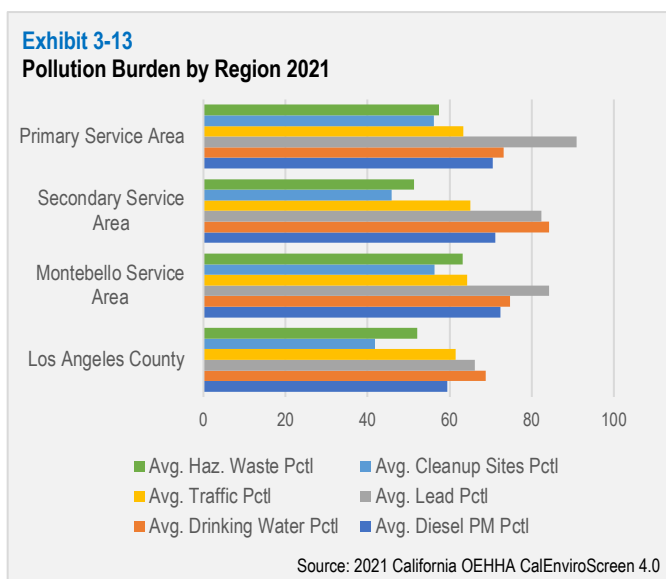


These scores reflect cumulative exposure to environmental pollutants, coupled with population vulnerabilities such as poverty, linguistic isolation, and pre-existing health conditions.

Pollution Burden Indicators (Exhibit 3-13)

All three service areas experience high exposure to environmental hazards relative to county averages:

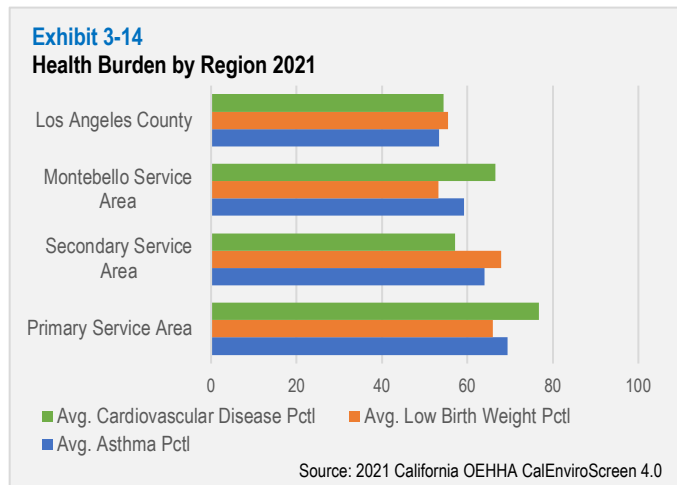
- Lead exposure is especially acute in the PSA (90.9 percentile), likely due to older housing stock and legacy industrial contamination.
- Diesel Particulate Matter (PM) levels are elevated across all service areas, with the highest in Montebello (72.4 percentile), driven by proximity to freeways and goods movement corridors.
- Traffic and hazardous waste exposure scores are consistently higher in all three areas compared to Los Angeles County, reinforcing cumulative risk.
- The Montebello Service Area also shows high drinking water burden (74.7 percentile) and the highest hazardous waste burden (63.1 percentile).



Health Burden Indicators (Exhibit 3-14)

Residents in the service areas experience significant health impacts associated with environmental and socioeconomic conditions:

- The PSA again stands out, with the highest cardiovascular disease burden (76.7 percentile) and asthma burden (69.4 percentile) among the three service areas.
- The SSA has the highest low birth weight burden (67.9 percentile), exceeding even the PSA.
- The Montebello Service Area also reports health burden scores above county averages, including a cardiovascular disease percentile of 66.5.



These findings confirm that the Adventist Health White Memorial Hospitals serve communities that experience elevated environmental exposures and health-related challenges compared to the Los Angeles County average. Their efforts effectively extend beyond clinical treatment to support broader health equity efforts across their communities.

Summary and Planning Considerations

Adventist Health White Memorial and Adventist Health White Memorial Montebello serve some of the most under-resourced and environmentally burdened communities in Los Angeles County. The communities served by both hospitals are characterized by:

- Elevated poverty rates, with over 20 percent of residents in the Primary Service Area (PSA) living below the federal poverty line
- Low levels of educational attainment, including more than 40 percent of adults in the PSA without a high school diploma
- High rates of opportunity youth, particularly in the PSA and SSA, signaling long-term barriers to employment, health access, and social stability
- A high share of single-parent households with children under 18, which increases household stress and demand for supportive services
- Predominantly Latino populations, with Spanish spoken at home in the vast majority of households and non-English language preference affecting nearly one in four residents
- High environmental exposure, including diesel particulate matter, lead, and hazardous waste levels that far exceed county averages
- Significant health burdens, such as elevated rates of asthma, low birth weight, and cardiovascular disease
- Gaps in health coverage, with uninsurance rates as high as 14.4 percent in the PSA and high reliance on Medi-Cal or single-source coverage
- Workforce patterns concentrated in lower-wage, manual, and service occupations, further compounding access barriers to employer-sponsored insurance and preventive care

These overlapping vulnerabilities confirm the essential role that AHW and AHW Montebello play in the region's healthcare landscape. Any consideration of modifying existing service area boundaries should prioritize

continuity of care for high-need populations and include adjacent ZIP codes and census tracts with similar demographic and environmental profiles.

This is particularly relevant for unincorporated East Los Angeles, southeastern Montebello, and adjacent areas in Pico Rivera and Commerce, which share key indicators with the existing SDAs. These neighborhoods warrant inclusion in any planning scenarios focused on expanding or refining the reach of care.

The appendix includes a table listing all ZIP codes within the current service areas, along with adjacent ZIP codes, and provides corresponding demographic, socioeconomic, and environmental metrics for each.



4. Economic Impact of Ongoing Operations

4.1 DIRECT ECONOMIC ACTIVITY OF THE WHITE MEMORIAL HOSPITALS

Exhibit 4-1 provides insight into the capacities and activity at the two Adventist Health White Memorial hospitals. The data are obtained from the latest 2024 Hospital Utilization Report published by California Department of Health Care Access and Information.⁷

Adventist Health White Memorial (AHWM) hospital operated 353 licensed beds and recorded 129,198 licensed bed days in 2024. It also reported 15,877 hospital discharges and 70,564 patient days, resulting in an average length of stay of 4.44 days. The hospital also handled 60,285 emergency department visits.

Exhibit 4-1.

Facility Utilization (in 2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello
Total Licensed Beds	353	192
Total Licensed Bed Days	129,198	70,272
Total Hospital Discharges	15,877	4,603
Total Patient (Census) Days	70,564	12,089
Estimated Average Length of Stay	4.44	2.63
Total Emergency Department Visits	60,285	20,533

Source: CalHHS

Adventist Health White Memorial Montebello (AHWM Montebello) hospital operated with 192 licensed beds and recorded 70,272 licensed bed days in 2024. Total hospital discharges were 4,603 and total patient days were 12,089, resulting in a shorter average length of stay at 2.63 days. Its emergency department recorded 20,533 visits over the year.

A summary of the financial performance of the two hospitals in 2024 is presented in **Exhibit 4-2** and **Exhibit 4-3**.

In 2024, both hospitals operated under substantial financial pressure, with total earnings before interest, taxes, depreciation, and amortization (EBIDA) expenses exceeding total operating revenues and resulting in negative EBIDA margins. According to the revenue data summarized in **Exhibit 4-2**, AHWM reported a total operating revenue of approximately \$573.7 million, most of which (over 88 percent) came from net patient revenue of \$506.2 million, supplemented by \$67.5 million in other operating revenue. Despite this, the hospital's EBIDA expenses (see **Exhibit 4-3**) totaled \$583.5 million, exceeding total operating revenues and leaving the institution with a -\$9.8 million EBIDA (or -1.7 percent EBIDA margin). Personnel costs represented the single largest expense category, accounting for more than

Exhibit 4-2.

Summary Table of Revenues (in 2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello
Gross Patient Revenue	3,731,861,195	918,956,407
Total Deductions	3,225,711,086	832,510,218
Net Patient Revenue	506,150,109	86,446,189
Other Operating Revenue	67,547,468	1,091,781
Total Operating Revenue	573,697,577	87,537,970
Non-Operating Gain (Loss)	29,265,765	-738,451
Total Revenue	602,963,342	86,799,519

Source: Adventist Health

⁷ CalHHS Department of Health Care Access and Information (HCAI). Hospital Annual Utilization Report & Pivot Tables. <https://data.chhs.ca.gov/dataset/hospital-annual-utilization-report>.

\$251.9 million, or roughly 43.2 percent of total expenses. Additional significant expenditures included supplies at \$85.4 million (or 14.6 percent), capitated purchased and shared services at \$80.8 million (or 13.8 percent), and other expenses totaling \$62.5 million (or 10.7 percent). After incorporating interest expenses, depreciation and amortization, the institution recorded an operating loss of \$26.3 million, representing an operating margin of -4.6 percent. When non-operating income and gains were taken into consideration, the hospital reported a net income of \$3.0 million in 2024, corresponding to a profit margin of 0.5 percent.

Exhibit 4-3.**Summary Table of Expenses (in 2024)**

	Adventist Health White Memorial	Adventist Health White Memorial Montebello
Personnel Expenses	251,942,568	45,505,383
Professional Fees	36,526,790	7,257,147
Supplies	85,381,681	13,403,406
Purchased Services	37,845,460	6,774,822
Capitated Purchased and Shared Services	80,807,865	11,433,729
Leases/Rentals, Utilities, & Insurance	28,458,685	4,752,370
Other Expenses	62,533,016	1,251,643
Total EBIDA Expense	583,496,067	90,378,499
Interest Expense	5,287,954	
Depreciation and Amortization	11,171,646	1,465,590
Total Expenses	599,955,668	91,844,089

Source: Adventist Health

AHWM Montebello, while much smaller in scale, faced a similar situation. The hospital generated \$87.5 million in total operating revenue, almost all of which, \$86.4 million (or over 98 percent), came from net patient revenue, with only \$1.1 million in other operating revenue. Total EBIDA expenses reached \$90.4 million, exceeding total operating revenues by \$2.8 million, resulting in a -3.2 percent EBIDA margin. Like AHWM, personnel expenses made up the largest share of total spending, amounting to nearly \$45.5 million, or about half of the hospital's total expenses. Additional significant expenditures included supplies at \$13.4 million (or 14.8 percent), capitated purchased and shared services at \$11.4 million (or 12.7 percent), and professional fees at \$7.3 million (or 8.0 percent). After the inclusion of interest expenses and depreciation and amortization, the institution recorded an operating loss of \$4.3 million, representing an operating margin of -4.9 percent. After factoring in non-operating income and gains (or losses), the hospital reported a total net income of -\$5.0 million in 2024, resulting in an overall profit margin of -5.8 percent.

4.2 ECONOMIC AND FISCAL IMPACTS OF THE WHITE MEMORIAL HOSPITALS

Economic Impact Analysis Approach

Economic impact analysis is used to estimate the overall economic activity, including spill-over and multiplier impacts that results from the operation of a particular business, industry, or generated by events or investment projects.

Using this analytical framework, this analysis captures not only the hospital's direct activity, such as patient care and employment, but also the indirect and induced impacts that occur through its supply chain and workforce spending. The indirect effects arise from the hospital's procurement of goods and services from local and regional vendors, with these expenditures supporting additional business activity in supplier industries. Induced effects occur when hospital employees, along with employees of supplier firms, spend their wages and benefits on goods and services such as housing, groceries, transportation, education, healthcare, and entertainment. These household expenditures circulate through the economy, further amplifying the hospital's initial spending.

The extent to which the initial expenditures multiply is estimated using economic models, such as the IMPLAN input-output modeling system, that depict the relationships between industries (such as the hospitals and their suppliers) and among different economic agents (such as industries and their employees, as well as households and government institutions).

These models are built upon actual data of expenditure patterns that are reported to the U.S. Bureau of Labor Statistics, the U.S. Census Bureau, and the Bureau of Economic Analysis of the U.S. Department of Commerce. Data is regionalized so that it reflects and incorporates local conditions such as prevailing wages rates, expenditure patterns, and resource availability and costs.

Regional multipliers vary depending on the extent to which local industries are able to meet the hospital's demand for goods and services. For instance, a hospital located in a region with a well-developed healthcare supply chain will exhibit higher multiplier effects than one in a region where goods and services must be imported from outside the area. Multipliers also evolve over time in response to changes in labor costs, technological adoption, and industry practices. For example, advances in medical technology that increase efficiency may reduce labor requirements per unit of output, thereby lowering the associated employment multiplier.

Impacts in Los Angeles County

The total economic impact of the Adventist Health White Memorial Hospitals extends beyond the activity generated within the institutions themselves. Wages paid to the staff and payments made for purchases of goods and services circulate throughout the economy, generating additional supply-chain purchase effects and household spending effects.

The total economic impacts of the Adventist Health White Memorial Hospitals are estimated based on the 2024 total operating revenues of the hospitals. The non-operating income or gains are not included in the economic modeling as part of the direct impact. In general, non-operating items should not be included in an economic impact analysis of a hospital or an organization. Non-operating items include things such as gains or losses on acquisitions/divestitures, investment income/loss, unrealized capital gains/losses, etc. They are not related to the core production or delivery of services and often do not involve local economic transactions and therefore do not generate jobs or supplier purchases in the local economy.

The total economic impact of the Adventist Health White Memorial Hospitals in Los Angeles County in 2024, including direct, indirect (supply-chain effects), and induced (householding spending) activity, is shown in **Exhibit 4-4**. The

Exhibit 4-4.

Economic and Fiscal Impact of Adventist Health White Memorial Hospitals in Los Angeles County (in 2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello	Total
Total Economic Impact:			
Output (\$ millions)	\$1,041.6	\$158.9	\$1,200.5
Direct	\$573.7	\$87.5	\$661.2
Indirect*	\$218.4	\$33.3	\$251.7
Induced*	\$249.5	\$38.1	\$287.6
Employment (jobs)	4,770	730	5,500
Direct	2,360	360	2,720
Indirect	1,160	180	1,340
Induced	1,260	190	1,450
Labor income (\$ millions)	\$464.6	\$70.9	\$535.5
Direct	\$294.1	\$44.9	\$339.0
Indirect	\$85.1	\$13.0	\$98.1
Induced	\$85.4	\$13.0	\$98.4
Value-added (gross product) (\$ millions)	\$646.0	\$98.6	\$744.6
Direct	\$354.7	\$54.1	\$408.8
Indirect	\$128.4	\$19.6	\$148.0
Induced	\$162.9	\$24.9	\$187.8
Total Fiscal Contribution (\$ millions):	\$150.5	\$23.0	\$173.5
Federal tax revenues	\$104.3	\$15.9	\$120.2
State and local tax revenues	\$46.2	\$7.0	\$53.3

Sources: IMPLAN; estimates by LAEDC

* "Indirect" impact occurs when hospitals buy goods and services from their suppliers.

"Induced" impact refers to economic activity created when healthcare workers and supplier employees spend their earnings in the local economy.

table presents the impact results for each hospital individually, with the combined impacts shown in the final column.

Employment

In 2024, the operation of the Adventist Health White Memorial Hospitals supported about 5,500 full- and part-time jobs across the county (4,770 jobs by AHWM and 730 jobs by AHWM Montebello). Among these total jobs supported, 2,720 are direct jobs. In addition, about 1,340 jobs are indirectly supported by the hospitals' purchases of goods and services, while 1,450 jobs are supported by the spending of the employees in the hospitals, as well as the employees in the supply chain to the hospitals in Los Angeles County. This can be thought of as money recirculating throughout the economy.

Output

The Adventist Health White Memorial Hospitals are estimated to have generated \$1.2 billion in total economic output in Los Angeles County (\$1.04 billion by AHWM and \$0.16 billion by AHWM Montebello). Direct output is estimated to be about 55 percent of total output impacts. This direct output is created by activities such as expenditures on personnel, hospital supplies, equipment, materials, utilities, insurance, professional fees, legal and other services. The remaining 45 percent of the total output impacts are created by inter-industry purchases and household spending activities.

Labor Income

For the purposes of economic impact analysis, labor income includes wages as well as any benefits earned, such as overtime pay and health insurance. The total labor income impact for Los Angeles County associated with the operation of the Adventist Health White Memorial Hospitals is estimated to be approximately \$535.5 million (\$464.6 million by AHWM and \$70.9 million by AHWM Montebello). Among this total, \$339 million are through direct impact, while the remaining \$196.5 million is created through economic activities associated with supply-chain purchases and employees spending ripple effects.

Gross Product (Value-Added)

Value-added (an economic impact metric equivalent to gross domestic product (GDP) at regional level) is derived by subtracting values of intermediate inputs of an industry from total gross output created. Total contribution to Los Angeles County's gross product generated by the Adventist Health White Memorial Hospitals, including the contribution of the operation of the hospitals, its supply chain purchases, and the spending of the hospitals' employees and those in the supply chain, are estimated to be about \$744.6 million. Gross product contribution stemming directly from the hospitals' operation is estimated to equal \$408.8 million. Supply-chain and household spending impacts are the residual, approximately \$335.8 million.

Exhibit 4-5

Detailed Fiscal Impact of Adventist Health White Memorial Hospitals in Los Angeles County (2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello	Total
By Type of Tax (\$ millions):			
Personal income taxes	\$54.9	\$8.4	\$63.3
Social insurance	54.9	8.4	63.2
Sales and excise taxes	14.2	2.2	16.3
Property taxes	12.1	1.8	13.9
Corporate profits taxes	10.4	1.6	12.0
Other fees and taxes	4.0	0.6	4.6
Total	\$150.5	\$23.0	\$173.5
By Type of Government (\$ millions):			
Federal	\$104.3	\$15.9	\$120.2
State	28.2	4.3	32.5
County	6.2	0.9	7.1
Cities	11.8	1.8	13.6
Total	\$150.5	\$23.0	\$173.5

Sources: IMPLAN; estimates by LAEDC

Fiscal Impact

The economic activity associated with the operation of the hospitals in Los Angeles County is estimated to generate \$173.5 million in federal, state, and local taxes (\$150.5 million and \$23 million through the operation of AHWM and AHWM Montebello, respectively). The fiscal impact broken down by level of government and type of tax is highlighted in **Exhibit 4-5**.

For the total tax revenues generated by the hospitals, the federal government collects about \$120.2 million, or nearly 70 percent of all estimated tax revenues. The remaining 30 percent of tax revenues are estimated to go to the state and local governments. This amount is estimated to total \$53.3 million. Approximately \$32.5 million of these fiscal gains are collected by the state government. The county and sub-county governments see another \$20.7 million in tax revenues.

Disaggregated Impact

The total annual economic impact of the hospitals spills across a wide range of industry sectors via indirect and induced effects. Again, these effects capture the economic activity created in other industries through purchases of goods and services by the hospitals and through spending made by employees. A complete list of the estimated employment and output impacts by industry sector in Los Angeles County are shown in **Exhibit 4-6** and **Exhibit 4-7**, respectively.

Most of these impacts naturally occur within the healthcare and social assistance sector. Notable additional employment impacts are observed in administrative and waste management services, accommodation and food services, real estate and rental services, other services, and professional, scientific, and technical services, with each sector accounting for more than 250 jobs. In terms of output impact, other than the healthcare and social assistance sector, the largest impacts are concentrated in real estate and rental services, professional, scientific, and technical services, finance and insurance, and administrative and waste management services, each

Exhibit 4-6

Distribution of Employment Contributions of Adventist Health White Memorial Hospitals by Industry in LA County (2024)

	AHWM	AHWM Montebello	Total
Ag, Forestry, Fish & Hunting	0	0	0
Mining	0	0	0
Utilities	0	0	0
Construction	20	0	20
Manufacturing	10	0	10
Wholesale trade	60	10	70
Retail trade	160	20	180
Transportation and warehousing	150	20	170
Information	50	10	60
Finance and insurance	160	20	180
Real estate and rental	250	40	290
Professional, scientific technical	230	40	270
Management of companies	40	10	50
Administrative and waste services	340	50	390
Educational services	50	10	60
Health and social services	2,670	410	3,080
Arts, entertainment and recreation	50	10	60
Accommodation and food services	260	40	300
Other services	240	40	280
Government	30	0	30
Total	4,770	730	5,500

Source: Estimates by LAEDC

Exhibit 4-7

Distribution of Output Contributions of White Memorial Hospitals by Industry in LA County (millions of 2024\$)

	AHWM	AHWM Montebello	Total
Ag, Forestry, Fish & Hunting	\$0.0	\$0.0	\$0.0
Mining	\$0.2	\$0.0	\$0.2
Utilities	\$2.8	\$0.4	\$3.2
Construction	\$3.0	\$0.5	\$3.5
Manufacturing	\$10.9	\$1.7	\$12.6
Wholesale trade	\$24.7	\$3.8	\$28.5
Retail trade	\$22.9	\$3.5	\$26.3
Transportation and warehousing	\$16.8	\$2.6	\$19.4
Information	\$29.1	\$4.4	\$33.5
Finance and insurance	\$46.9	\$7.2	\$54.1
Real estate and rental	\$88.4	\$13.5	\$101.9
Professional, scientific technical	\$55.1	\$8.4	\$63.5
Management of companies	\$11.5	\$1.8	\$13.3
Administrative and waste services	\$39.8	\$6.1	\$45.9
Educational services	\$5.2	\$0.8	\$5.9
Health and social services	\$617.7	\$94.3	\$712.0
Arts, entertainment and recreation	\$7.1	\$1.1	\$8.2
Accommodation and food services	\$29.1	\$4.4	\$33.5
Other services	\$20.2	\$3.1	\$23.3
Government	\$10.2	\$1.6	\$11.7
Total	\$1,041.6	\$158.9	\$1,200.5

Source: Estimates by LAEDC

having an output impact of more than \$45 million. A description of the industry sectors is provided in the Appendix.

Impacts in Southern California

Given the nature of the region and the interdependence of the industries and interconnectedness of labor markets, the hospitals' economic impact extends beyond county boundaries into adjacent regions. Expenditures by the hospitals on goods and services generate cross-region supply chain effects, as some of the intermediate inputs are sourced from vendors located outside the county. In addition, wages and benefits paid to hospital employees contribute to regional household spending that often occurs across county lines, particularly given commuting patterns in Southern California. These dynamics result in spillover impacts that propagate through neighboring county economies, amplifying the hospitals' influence beyond Los Angeles County. Consequently, the hospitals' total economic impact on the broader Southern California region (comprised of Los Angeles, Orange, Riverside, San Bernardino and Ventura counties) is also quantified and reported.

The total economic impact of the Adventist Health White Memorial Hospitals in the five-county Southern California region in 2024, including direct, indirect, and induced activity, is summarized in **Exhibit 4-8**.

Exhibit 4-8.

Economic and Fiscal Impact of Adventist Health White Memorial Hospitals in Southern California Region (in 2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello	Total
Total Economic Impact:			
Output (\$ millions)	\$1,144.1	\$174.6	\$1,318.7
<i>Direct</i>	\$573.7	\$87.5	\$661.2
<i>Indirect*</i>	\$242.7	\$37.0	\$279.7
<i>Induced*</i>	\$327.8	\$50.0	\$377.8
Employment (jobs)	5,350	820	6,170
<i>Direct</i>	2,410	370	2,780
<i>Indirect</i>	1,280	200	1,480
<i>Induced</i>	1,660	250	1,910
Labor income (\$ millions)	\$493.9	\$75.4	\$569.3
<i>Direct</i>	\$289.9	\$44.2	\$334.1
<i>Indirect</i>	\$94.0	\$14.3	\$108.3
<i>Induced</i>	\$110.0	\$16.8	\$126.8
Value-added (gross product) (\$ millions)	\$700.2	\$106.8	\$807.0
<i>Direct</i>	\$349.9	\$53.4	\$403.2
<i>Indirect</i>	\$141.4	\$21.6	\$163.0
<i>Induced</i>	\$208.9	\$31.9	\$240.8
Total Fiscal Contribution (\$ millions):	\$172.0	\$26.2	\$198.2
Federal tax revenues	\$117.6	\$17.9	\$135.5
State and local tax revenues	\$54.4	\$8.3	\$62.7

Sources: IMPLAN; estimates by LAEDC

* "Indirect" impact occurs when hospitals buy goods and services from their suppliers.

"Induced" impact refers to economic activity created when healthcare workers and supplier employees spend their earnings in the local economy.

Employment

In 2024, the Adventist Health White Memorial Hospitals supported approximately 6,170 full- and part-time jobs within the Southern California region (including 5,350 jobs by AHWL and 820 jobs by AHWL Montebello). Of this total, 2,780 jobs represent direct employment by the hospitals themselves. An additional 1,480 jobs were sustained through indirect effects and a further 1,910 jobs were supported through induced effects.

Output

The operations of the Adventist Health White Memorial Hospitals are estimated to have generated a total of \$1.3 billion in economic output across the Southern California region, with \$1.14 billion attributable to AHWL and \$0.17 billion to AHWL Montebello. Approximately 50 percent of this impact (or about \$0.66 billion) is direct output,

stemming from the hospitals' own expenditures on personnel, medical supplies, equipment, materials, utilities, services, and other operating needs. The remaining half of total output reflects indirect and induced effects, which arise from supply-chain purchases and the household spending of employees whose income is supported by hospital-related activity.

Labor Income

In this analysis, labor income is defined to include not only wages and salaries but also additional forms of employee compensation, such as overtime pay, employer-paid health insurance, and other benefits. The operation of the Adventist Health White Memorial Hospitals is estimated to support approximately \$569.3 million in total labor income across the Southern California region (\$493.9 million attributable to AHWM and \$75.4 million attributable to AHWM Montebello). Of this total, \$334.1 million represents direct labor income generated by the hospitals themselves. The remaining \$108.3 million reflects additional labor income generated through indirect effects, stemming from the hospitals' purchases of goods and services, and \$126.8 million through induced effects, resulting from household spending by employees both within the hospitals and throughout their supply chain.

Gross Product (Value-Added)

The operation of the Adventist Health White Memorial Hospitals in the Southern California region is estimated to contribute approximately \$807 million in gross product. This figure represents the aggregate contribution of hospital operations, supply chain transactions, and household spending by employees of both the hospitals and their suppliers to the region's Gross Domestic Product (GDP). Of this total, an estimated \$403.2 million is generated directly by the hospitals themselves, while the remaining \$403.7 million is attributable to supply-chain and employee spending effects, reflecting the extended economic activity supported through supplier linkages and household consumption.

Fiscal Impact

The economic activity generated by the operation of the hospitals in the Southern California region is estimated to contribute approximately \$198.2 million in total tax revenues across federal, state, and local levels of government (\$172 million attributable to AHWM and \$26.2 million to AHWM Montebello). A detailed breakdown of the fiscal impact by level of government and tax category is presented in **Exhibit 4-9**.

Of the total tax revenues, the federal government is estimated to collect about \$135.5 million, accounting for about 68.3 percent of the overall fiscal impact. The remaining 31.7 percent, or approximately \$62.7 million, is distributed to state and local governments. Within this share, state government revenues are estimated at \$39.5 million, while county and sub-county governments collectively receive about \$23.2 million in tax revenues.

Exhibit 4-9

Detailed Fiscal Impact of Adventist Health White Memorial Hospitals in Southern California Region (2024)

	Adventist Health White Memorial	Adventist Health White Memorial Montebello	Total
By Type of Tax (\$ millions):			
Personal income taxes	\$65.0	\$9.9	\$74.9
Social insurance	59.1	9.0	68.1
Sales and excise taxes	17.0	2.6	19.6
Property taxes	14.4	2.2	16.6
Corporate profits taxes	11.7	1.8	13.5
Other fees and taxes	4.7	0.7	5.5
Total	\$172.0	\$26.2	\$198.2
By Type of Government (\$ millions):			
Federal	\$117.6	\$17.9	\$135.5
State	34.3	5.2	39.5
County	6.2	0.9	7.1
Cities	14.0	2.1	16.1
Total	\$172.0	\$26.2	\$198.2

Sources: IMPLAN; estimates by LAEDC

Disaggregated Impact

The total annual economic impact of the hospitals extends across a wide array of industry sectors through both indirect and induced effects. These impacts reflect the additional economic activity generated as hospitals purchase goods and services from their supply chains and as employees, along with workers in those supply chains, spend their earnings on household needs within the regional economy. **Exhibit 4-10** and **Exhibit 4-11** present the detailed estimates of employment and output impacts by industry sector in the Southern California region, respectively.

Not surprisingly the largest share of impacts is concentrated in the healthcare and social assistance sector. Significant additional employment impacts are observed in administrative and waste management services, accommodation and food services, professional, scientific, and technical services, other services, and real estate and rental services, each having an employment impact of over 300 jobs. On the output side, other than the healthcare and social assistance sector, the most substantial impacts are concentrated in real estate and rental services, professional, scientific, and technical services, finance and insurance, and administrative and waste management services, with each sector having more than \$50 million in output impact.

4.3 OCCUPATIONAL IMPACT ANALYSIS

The occupational distribution of the total employment impacts from the Adventist Health White Memorial Hospitals in Los Angeles County and the broader Southern California region (shown in **Exhibit 4-12** and **Exhibit 4-13**, respectively) reflects the concentration of healthcare-related jobs as well as the ripple effects across supporting industries. In Los Angeles County, healthcare practitioners and technical occupations account for the largest share of employment impacts, with 2,050 jobs and an average annual wage of \$126,859. Office and administrative support roles (630 jobs), healthcare support occupations (570 jobs), and food preparation and serving-related jobs (380) follow,

Exhibit 4-10

Distribution of Employment Contributions of Adventist Health White Memorial Hospitals by Industry in Southern California Region (2024)

	AHWM	AHWM Montebello	Total
Ag, Forestry, Fish & Hunting	10	0	10
Mining	0	0	0
Utilities	0	0	0
Construction	20	0	20
Manufacturing	40	10	50
Wholesale trade	100	10	110
Retail trade	210	30	240
Transportation and warehousing	190	30	220
Information	60	10	70
Finance and insurance	210	30	240
Real estate and rental	260	40	300
Professional, scientific technical	280	40	320
Management of companies	50	10	60
Administrative and waste services	390	60	450
Educational services	70	10	80
Health and social services	2,780	420	3,200
Arts, entertainment and recreation	60	10	70
Accommodation and food services	300	50	350
Other services	270	40	310
Government	40	10	50
Total	5,350	820	6,170

Source: Estimates by LAEDC

Exhibit 4-11

Distribution of Output Contributions of White Memorial Hospitals by Industry in Southern California Region (millions of 2024\$)

	AHWM	AHWM Montebello	Total
Ag, Forestry, Fish & Hunting	\$0.6	\$0.1	\$0.7
Mining	\$0.5	\$0.1	\$0.6
Utilities	\$3.7	\$0.6	\$4.3
Construction	\$4.4	\$0.7	\$5.1
Manufacturing	\$23.3	\$3.6	\$26.9
Wholesale trade	\$37.6	\$5.7	\$43.3
Retail trade	\$29.4	\$4.5	\$33.8
Transportation and warehousing	\$22.1	\$3.4	\$25.5
Information	\$33.5	\$5.1	\$38.6
Finance and insurance	\$57.4	\$8.8	\$66.2
Real estate and rental	\$100.2	\$15.3	\$115.5
Professional, scientific technical	\$62.2	\$9.5	\$71.7
Management of companies	\$14.1	\$2.2	\$16.3
Administrative and waste services	\$46.5	\$7.1	\$53.6
Educational services	\$6.0	\$0.9	\$6.9
Health and social services	\$625.2	\$95.4	\$720.7
Arts, entertainment and recreation	\$9.0	\$1.4	\$10.4
Accommodation and food services	\$33.7	\$5.1	\$38.9
Other services	\$23.1	\$3.5	\$26.7
Government	\$11.5	\$1.8	\$13.3
Total	\$1,144.1	\$174.6	\$1,318.7

Source: Estimates by LAEDC

collectively highlighting the diverse workforce needed to sustain hospital operations. Management and business and financial operations positions also contribute (290 jobs and 240 jobs, respectively), offering some of the highest wages, with management roles averaging nearly \$194,000 annually. Across other occupational groups, wages and employment levels vary. The total employment impact in the county reaches 5,500 jobs, with an average annual wage of \$95,797.

In the Southern California region, the employment pattern is similar but slightly larger in scale. Healthcare practitioners and technical occupations lead employment impacts at 2,130 jobs and an average wage of \$122,359. Other major occupational groups, including office and administrative support (710 jobs), healthcare support (610 jobs), and food preparation and serving-related roles (450 jobs), show comparable patterns to the county level, but employment numbers are slightly higher due to the broader geographic scope. Some high-wage positions such as in management, business and financial operations also contribute to the regional employment impact.

Overall, the total employment impact reaches 6,170 jobs in the Southern California region, with an average annual wage of \$90,707.

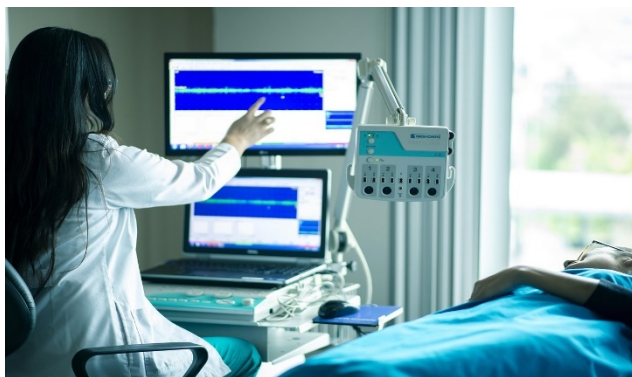


Exhibit 4-12

Occupational Distribution of Total Employment Impact (Los Angeles County, 2024)

Occupational Description	Employment	Average Annual Wages
Healthcare practitioners and technical	2,050	\$126,859
Office and administrative support	630	\$60,879
Healthcare support	570	\$47,914
Food preparation and serving related	380	\$36,159
Management	290	\$193,959
Business and financial operations	240	\$121,589
Transportation and material moving	210	\$56,556
Sales and related	190	\$67,601
Building/grounds cleaning/maintenance	180	\$44,980
Computer and mathematical science	110	\$143,137
Community and social services	110	\$79,267
Installation, maintenance and repair	110	\$79,199
Production	80	\$54,264
Protective service	70	\$53,124
Education, training and library	60	\$75,929
Personal care and service	60	\$38,220
Life, physical and social science	50	\$119,718
All Others	110	\$--
Total	5,500	\$95,797

Source: Estimates by LAEDC

Exhibit 4-13

Occupational Distribution of Total Employment Impact (Southern California Region, 2024)

Occupational Description	Employment	Average Annual Wages
Healthcare practitioners and technical	2,130	\$122,359
Office and administrative support	710	\$58,635
Healthcare support occupations	610	\$45,901
Food preparation and serving related	450	\$34,321
Management occupations	330	\$185,712
Business and financial operations	280	\$115,486
Transportation and material moving	280	\$54,831
Sales and related occupations	250	\$65,318
Building/grounds cleaning/maintenance	210	\$42,741
Computer and mathematical science	130	\$137,610
Installation, maintenance and repair	130	\$76,900
Community and social services	120	\$75,184
Production occupations	110	\$53,683
Protective service occupations	80	\$51,189
Education, training and library	70	\$70,065
Personal care and service	70	\$35,485
Life, physical and social science	50	\$114,136
Arts, design, entertainment, sports	50	\$113,049
All Others	110	\$--
Total	6,170	\$90,707

Source: Estimates by LAEDC

5. Economic Impact of Construction Spending

5.1 CAPITAL INVESTMENTS IN THE WHITE MEMORIAL HOSPITALS

Exhibit 5-1 provides a detailed overview of capital investments in the Adventist Health White Memorial Hospitals from 2022 through 2025 across various spending categories. Over this four-year period, the total capital investment amounted to \$13.84 million (in nominal dollars). The largest capital spending was concentrated in IT Systems/Equipment, Patient Care Equipment, General Equipment, Real Estate Purchases, and Bulk Orders, together accounted for nearly 75 percent of the total capital expenditures.

Exhibit 5-1.

Capital Investments (2022-2025) (in nominal dollars)

	2022	2023	2024	2025	Total
Construction	223,502	0	520,157	0	743,658
IT Systems/Equipment	0	3,635,009	67,518	0	3,702,527
Patient Care Equip/Pt Beds	547,429	789,969	1,449,250	670,521	3,457,168
Plant Services	0	0	26,994	0	26,994
Transportation Equipment	0	0	0	64,586	64,586
General Equipment	1,520,114	181,109	371,399	606,871	2,679,493
Unit Upgrade	114,084	0	0	0	114,084
Bulk Order	0	0	184,589	1,020,081	1,204,670
Replacement	0	0	10,219	0	10,219
Real Estate Purchase	0	0	1,831,901	0	1,831,901
Total	2,405,128	4,606,087	4,462,027	2,362,059	13,835,301

Source: Adventist Health

Investments in IT systems and equipment were heavily toward 2023, with \$3.64 million allocated. Spending on patient care equipment and patient beds represent more continuous investment across all years, with spending rising from \$0.55 million in 2022 to a peak of \$1.45 million in 2024 and then decreasing to \$0.67 million in 2025. General equipment also sees relatively consistent investment each year, with a high of \$1.52 million in 2022, dipping in 2023 to \$0.18 million, and then increasing in 2024 and 2025 to \$0.37 million and \$0.61 million, respectively. A significant capital investment in real estate purchases at \$1.83 million took place in 2024, while for bulk orders, a single large outlay of \$1.02 million was allocated in 2025 and a much smaller amount of \$0.18 million was spent in 2024. Investment in construction took place in 2022 (\$0.22 million) and 2024 (\$0.52 million). Other small capital investment categories include unit upgrade, transportation equipment, plant services, and replacement spending, with a total of \$215,883 over the four-year period.

5.2 ECONOMIC AND FISCAL IMPACTS OF THE WHITE MEMORIAL HOSPITALS' CAPITAL INVESTMENT

The Adventist Health White Memorial Hospitals' capital investments not only expand and enhance its capacity to deliver high-quality patient care, but also create economic ripple effects, stimulating industries through supply chain linkages and supporting households through worker spending, thereby multiplying the economic value of every dollar invested.

Economic Impact Analysis Approach

Economic impact analysis approach introduced in Section 4 can also be applied to measure the broader economic activity generated by the hospitals' capital investments, including spillover and multiplier effects. Rather than focusing on operating expenditures, such as personnel expenses, professional fees, supplies, utilities, and purchased services, as analyzed in Section 4, the analysis in this section evaluates how large-scale capital investments in facilities, equipment, and IT systems stimulate economic activity both directly and

indirectly. Using this analytical framework, the analysis captures not only the hospitals' direct investment activity, such as construction of facilities, purchase of medical equipment, and acquisition of new technologies, but also the indirect and induced impacts that flow through supply chain of these capital investment and workforce spending.

Direct impacts arise from the hospitals' capital spending that stimulates output in local construction firms, equipment manufacturers, or IT system providers. These increased production activities in turn support additional business activity in supplier industries and thus lead to indirect impacts. For example, construction activity supports suppliers of building materials such as steel, concrete, and electrical systems, while medical equipment purchases stimulate production activities of manufacturers and distributors, increasing the demand for inputs from their own suppliers. Induced effects occur when the workers employed directly on hospital capital projects, as well as employees of supplier firms, spend their wages and benefits on goods and services such as housing, groceries, transportation, healthcare, and education. These household expenditures circulate through the economy, further multiplying the impact of the hospitals' initial capital outlays.

The degree of this multiplier effect is quantified using economic impact analysis models such as IMPLAN, which capture the interconnections between industries and the flow of spending throughout the economy. These models are built from detailed national data collected by agencies such as the U.S. Bureau of Labor Statistics, U.S. Census Bureau, and Bureau of Economic Analysis, and are adapted to reflect local conditions such as wage levels, cost structures, and supply chain capacity.



Regional multipliers vary depending on how much of the hospitals' demand for capital goods and services can be supplied locally. For example, a hospital located in a region with strong medical technology and manufacturing, as well as construction sector will exhibit higher multiplier effects than one that must import most of its supplies and specialized equipment/device from outside the region. Multipliers also shift over time in response to trends such as technological advances, which may change the composition of capital, labor, and technology as inputs in production activity, and thus affect employment generated per dollar of investment.

Impacts in Los Angeles County

The total economic impact of the Adventist Health White Memorial Hospitals' capital investments extends beyond the immediate activity generated by these investments. Expenditures on construction, equipment, and technology stimulate local supply chains, while wages paid to workers, both directly employed and through suppliers, recirculate into the economy. These supply-chain and household spending effects multiply the overall impact of the hospitals' investments.

The economic impacts analyzed here are based on the hospitals' capital investment expenditure from 2022 to 2025. Excluded from this analysis is the \$1.83 million spent on real estate purchases in 2024, which involved the acquisition of two existing houses. As no renovations have been made and such purchases represent transfers of ownership rather than new economic activity, they are not counted toward economic impacts. After this adjustment, the direct capital investment amount analyzed equals approximately \$12.0 million.

The total economic impact of the capital investment in the Adventist Health White Memorial Hospitals in Los Angeles County, including direct, indirect (supply-chain), and induced (employee spending) impacts, is shown in **Exhibit 5-2**. The table presents the impact results for individual years from 2022 to 2025, with the combined impacts shown in the final column. All dollar values in Exhibit 5-2 are converted to 2025 dollars so that the total impacts over the four-year period can be calculated.

Output

The Adventist Health White Memorial Hospitals' capital investments generated an estimated \$14.1 million in total economic output in Los Angeles County. Of this total, \$7.8 million represents direct output, while \$3.2 million comes from indirect supply-chain activity, and \$3.1 million from induced household spending. The smaller direct output in dollar amount relative to the \$12.0 million in capital spending reflects leakage of expenditures to outside the region. Specifically, it is reasonable to assume that portions of the patient care equipment, IT systems, transportation, and other general equipment purchases were sourced from outside Los Angeles County, meaning that not all investment dollars were retained locally. To estimate the local share of these expenditures, the regional purchase coefficient (RPC) from the IMPLAN model for Professional and Commercial Equipment and Supplies was applied. This more conservative estimation ensures that only the proportion of purchases sourced from local suppliers contributes to the county economic output.

Exhibit 5-2

Economic and Fiscal Impact of Capital Investment in Adventist Health White Memorial Hospitals in Los Angeles County (2022-2025)

	2022	2023	2024	2025	Total
Total Economic Contribution:					
Output (\$ millions)	\$3.0	\$5.3	\$3.2	\$2.6	\$14.1
Direct	\$1.7	\$2.9	\$1.8	\$1.4	\$7.8
Indirect*	\$0.6	\$1.3	\$0.7	\$0.6	\$3.2
Induced*	\$0.7	\$1.1	\$0.7	\$0.6	\$3.1
Employment (jobs)	15	20	15	10	60
Direct	5	10	10	5	30
Indirect	5	5	5	5	20
Induced	5	5	5	5	20
Labor income (\$ millions)	\$1.2	\$2.1	\$1.3	\$1.0	\$5.6
Direct	\$0.7	\$1.2	\$0.8	\$0.6	\$3.3
Indirect	\$0.3	\$0.5	\$0.3	\$0.3	\$1.3
Induced	\$0.2	\$0.4	\$0.2	\$0.2	\$1.1
Value added (gross product) (\$ millions)	\$1.8	\$3.2	\$2.0	\$1.6	\$8.7
Direct	\$1.0	\$1.7	\$1.1	\$0.9	\$4.7
Indirect	\$0.4	\$0.8	\$0.4	\$0.4	\$2.0
Induced	\$0.4	\$0.7	\$0.5	\$0.4	\$2.0
Total Fiscal Contribution (\$ millions):	\$0.5	\$0.9	\$0.5	\$0.4	\$2.4
Federal tax revenues	\$0.3	\$0.5	\$0.3	\$0.2	\$1.3
State and local tax revenues	\$0.2	\$0.4	\$0.2	\$0.2	\$1.1

Sources: IMPLAN; estimates by LAEDC

* "Indirect" impact occurs when hospitals buy goods and services from their suppliers. "Induced" impact refers to economic activity created when healthcare workers and supplier employees spend their earnings in the local economy.

Employment

The capital investments of the Adventist Health White Memorial Hospitals supported about 60 full- and part-time jobs across Los Angeles County over the four-year period. Of these, 30 jobs were direct, tied to construction projects and equipment-related expenditures. An additional 20 jobs were supported indirectly through supply-chain effects, while 20 more jobs were induced effects supported by the household spending of workers associated with the capital investment projects and their supply chains.

Labor Income

Capital investments supported approximately \$5.6 million in labor income, which includes both wages and any benefits earned, such as overtime pay and health insurance. Direct labor income accounted for \$3.3 million, while supply-chain and household spending impacts contributed \$1.3 million and \$1.1 million, respectively, over the four-year period. These earnings were generated by construction and equipment installation workers, supplier industries, and household spending activity stimulated by the investment projects.

Gross Product (Value-Added)

The total contribution of the Adventist Health White Memorial Hospitals' capital investments to Los Angeles County's gross county product (GCP) over the 2022–2025 period is estimated at \$8.7 million. Direct activity accounted for \$4.7 million of this total, with indirect supply-chain effects and induced household spending effects contributing \$2.0 million each. This economic indicator reflects the value of new production and services supported by these investments, after subtracting the value of intermediate inputs from total gross output.

Fiscal Impact

The economic activity associated with the capital investments of the Adventist Health White Memorial Hospitals in Los Angeles County is estimated to generate approximately \$2.4 million in federal, state, and local tax revenues over the four-year period from 2022 to 2025. These revenues arise from taxes on labor income, household spending, business activity, and property tied to the direct, indirect, and induced impacts of the hospitals' capital expenditures. The fiscal impact, broken down by level of government and type of tax, is shown in **Exhibit 5-3**.

Of the total tax revenues generated by these investments, the federal government collects about \$1.3 million, or slightly more than half of all estimated revenues. State and local governments together account for the remaining \$1.1 million. Within this, the state government is estimated to receive approximately \$0.5 million, while county government revenues amount to \$0.2 million and city governments receive about \$0.3 million.

Looking at revenues by type of tax, personal income taxes represent the largest single category, totaling \$0.7 million across the four years. Social insurance contributions closely follow at \$0.6 million. Sales and excise taxes contribute \$0.4 million, while property taxes add another \$0.4 million. Corporate profits taxes and miscellaneous fees or taxes make up smaller shares of the total, at \$0.2 million and \$0.1 million, respectively.

Exhibit 5-3

Detailed Fiscal Impact of Capital Investment in Adventist Health White Memorial Hospitals (2022-2025) -- Los Angeles County

	2022	2023	2024	2025	Total
By Type of Tax (\$ millions):					
Personal income taxes	\$0.1	\$0.3	\$0.2	\$0.1	\$0.7
Social insurance	0.1	0.2	0.1	\$0.1	\$0.6
Sales and excise taxes	0.1	0.2	0.1	\$0.1	\$0.4
Property taxes	0.1	0.1	0.1	\$0.1	\$0.4
Corporate profits taxes	0.0	0.1	0.0	\$0.0	\$0.2
Other fees and taxes	0.0	0.0	0.0	\$0.0	\$0.1
Total	\$0.5	\$0.9	\$0.5	\$0.4	\$2.4
By Type of Government (\$ millions):					
Federal	\$0.3	\$0.5	\$0.3	\$0.2	\$1.3
State	0.1	0.2	0.1	\$0.1	\$0.5
County	0.0	0.1	0.0	\$0.0	\$0.2
Cities	0.1	0.1	0.1	\$0.1	\$0.3
Total	\$0.5	\$0.9	\$0.5	\$0.4	\$2.4

Sources: IMPLAN; estimates by LAEDC

Exhibit 5-4

Distribution of Output Contributions of Capital Investments in Adventist Health White Memorial Hospitals by Industry (millions of 2025\$) -- Los Angeles County

	2022	2023	2024	2025	Total
Ag, Forestry, Fish & Hunting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Mining	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
Utilities	\$0.01	\$0.01	\$0.01	\$0.01	\$0.03
Construction	\$0.36	\$0.01	\$0.56	\$0.01	\$0.94
Manufacturing	\$0.03	\$0.05	\$0.04	\$0.02	\$0.14
Wholesale trade	\$1.40	\$3.02	\$1.39	\$1.52	\$7.34
Retail trade	\$0.06	\$0.10	\$0.07	\$0.05	\$0.29
Transportation & warehousing	\$0.09	\$0.17	\$0.10	\$0.09	\$0.45
Information	\$0.10	\$0.20	\$0.11	\$0.10	\$0.52
Finance and insurance	\$0.14	\$0.27	\$0.15	\$0.13	\$0.69
Real estate and rental	\$0.20	\$0.36	\$0.21	\$0.18	\$0.95
Professional, scientific technical	\$0.14	\$0.28	\$0.15	\$0.14	\$0.72
Management of companies	\$0.08	\$0.16	\$0.08	\$0.08	\$0.39
Administrative & waste services	\$0.08	\$0.17	\$0.09	\$0.08	\$0.42
Educational services	\$0.01	\$0.03	\$0.02	\$0.01	\$0.07
Health and social services	\$0.09	\$0.16	\$0.10	\$0.08	\$0.43
Arts, entertainment and recreation	\$0.02	\$0.04	\$0.02	\$0.02	\$0.10
Accommodation & food services	\$0.06	\$0.11	\$0.07	\$0.06	\$0.30
Other services	\$0.04	\$0.07	\$0.05	\$0.04	\$0.20
Government	\$0.03	\$0.06	\$0.03	\$0.03	\$0.14
Total	\$2.96	\$5.27	\$3.23	\$2.65	\$14.11

Source: Estimates by LAEDC

Disaggregated Impact

The total economic impact of the Adventist Health White Memorial Hospitals' capital investment extends well beyond the direct expenditures made on construction, equipment purchases, and other capital improvements. These investments circulate through the Los Angeles County economy, generating additional rounds of spending across industries. A complete breakdown of the estimated output and employment impacts by industry sector is provided in **Exhibit 5-4** and **Exhibit 5-5**.

The hospitals' capital investment generated \$14.1 million in total economic output in Los Angeles County from 2022 to 2025. Over half of this came from wholesale trade (\$7.3 million), largely tied to purchases of patient care and other professional equipment and supplies. Other notable impacts include real estate and rental services (\$0.95 million), construction (\$0.94 million), professional and technical services (\$0.72 million), finance and insurance (\$0.69 million), and information (\$0.52 million), with smaller gains spread across transportation and warehousing, administrative services, and health and social services.

In terms of the employment impacts, over the 2022–2025 period, the hospitals' capital investment is estimated to have supported approximately 60 jobs across Los Angeles County. Wholesale trade accounts for the largest share, with about 24 jobs supported over the four years. Six jobs in the construction sector were supported.

While the scale of these impacts is modest compared with ongoing hospital operations, these investments nevertheless extend the output and employment benefits across a diverse set of industries. A description of the industry sectors is provided in the **Appendix A1**.

Impacts in Southern California

Given the integrated nature of the Southern California regional economy and the high degree of interdependence among its industries and labor markets, the hospitals' capital investment impacts extend to the neighboring counties. Expenditures on construction, equipment, and IT systems generate supply chain effects across multiple industries located in the region, while wages and benefits paid to workers support household spending that flows across county boundaries as well. The total economic impacts in the Southern California region (comprised of Los Angeles, Orange, Riverside, San Bernardino, and Ventura counties) of the capital investments in the Adventist Health White Memorial Hospitals from 2022 to 2025 are summarized in **Exhibit 5-6**.

Exhibit 5-5

Distribution of Employment Contributions of Capital Investment by Adventist Health White Memorial Hospitals by Industry (2022-2025) -- Los Angeles County

	2022	2023	2024	2025	Total
Ag, Forestry, Fish & Hunting	0	0	0	0	0
Mining	0	0	0	0	0
Utilities	0	0	0	0	0
Construction	2	0	4	0	6
Manufacturing	0	0	0	0	0
Wholesale trade	5	10	5	5	24
Retail trade	0	1	0	0	2
Transportation & warehousing	1	2	1	1	5
Information	0	0	0	0	1
Finance and insurance	0	1	0	0	2
Real estate and rental	0	1	0	0	2
Professional, scientific technical	1	1	1	1	3
Management of companies	0	1	0	0	1
Administrative & waste services	1	1	1	1	4
Educational services	0	0	0	0	1
Health and social services	1	1	1	1	3
Arts, entertainment and recreation	0	0	0	0	1
Accommodation & food services	1	1	1	0	3
Other services	0	1	1	0	2
Government	0	0	0	0	1
Total	15	20	15	10	60

Source: Estimates by LAEDC; *Totals may not sum due to rounding.

Output

The hospitals' capital investments generated an estimated \$23.3 million in total economic output across the Southern California region from 2022 to 2025. Of this total, \$11.8 million was direct output, reflecting expenditures on construction activity and equipment purchases. An additional \$5.3 million was created through indirect supply-chain linkages, while \$6.2 million came from induced household spending by workers supported directly and indirectly through these capital investment projects.

Compared with the \$12.0 million in direct capital expenditures (which excludes the real estate purchase amount), the direct output impact of \$11.8 million shown in Exhibit 5-6 is larger than the corresponding direct output impact estimated for Los Angeles County alone. This difference arises because the broader five-county Southern California region retains a greater share of expenditures, resulting in smaller leakages and larger estimated impacts. In this analysis, the regional purchase coefficient (RPC) for Southern California from the IMPLAN model was applied to capture the regional sourced share of spending.

Employment

The hospitals' capital investments supported an estimated 95 full- and part-time jobs across the Southern California region during the four-year period. This total includes 40 direct jobs tied to construction and equipment-related expenditures, 25 indirect jobs generated through supplier industries, and 25 induced jobs supported by household spending.

Labor Income

In economic impact analysis, labor income is defined broadly to include not only wages and salaries but also supplementary forms of employee compensation, such as overtime pay, employer-paid health insurance, and other benefits. Across the Southern California region, the hospitals' capital investment activity between 2022 and 2025 supported approximately \$9.3 million in total labor income. Of this amount, \$5.0 million stemmed from direct employment generated by construction projects and equipment-related activities. An additional \$2.2 million was supported through indirect

Exhibit 5-6

Economic and Fiscal Impact of Capital Investment in Adventist Health White Memorial Hospitals in Southern California Region (2022-2025)

	2022	2023	2024	2025	Total
Total Economic Contribution:					
Output (\$ millions)	\$4.7	\$9.0	\$5.0	\$4.5	\$23.3
Direct	\$2.4	\$4.5	\$2.6	\$2.3	\$11.8
Indirect*	\$1.0	\$2.1	\$1.1	\$1.1	\$5.3
Induced*	\$1.3	\$2.4	\$1.3	\$1.2	\$6.2
Employment (jobs)	20	35	20	20	95
Direct	10	15	10	5	40
Indirect	5	10	5	5	25
Induced	5	10	5	5	25
Labor income (\$ millions)	\$1.9	\$3.6	\$2.0	\$1.8	\$9.3
Direct	\$1.0	\$1.9	\$1.1	\$0.9	\$5.0
Indirect	\$0.4	\$0.9	\$0.4	\$0.4	\$2.2
Induced	\$0.4	\$0.8	\$0.5	\$0.4	\$2.1
Value added (gross product) (\$ millions)	\$2.9	\$5.6	\$3.1	\$2.8	\$14.4
Direct	\$1.5	\$2.7	\$1.6	\$1.4	\$7.2
Indirect	\$0.6	\$1.3	\$0.7	\$0.6	\$3.2
Induced	\$0.8	\$1.5	\$0.9	\$0.8	\$4.0
Total Fiscal Contribution (\$ millions):	\$0.8	\$1.6	\$0.8	\$0.8	\$4.0
Federal tax revenues	\$0.5	\$0.9	\$0.5	\$0.4	\$2.2
State and local tax revenues	\$0.3	\$0.7	\$0.4	\$0.4	\$1.8

Sources: IMPLAN; estimates by LAEDC

* "Indirect" impact occurs when hospitals buy goods and services from their suppliers. "Induced" impact refers to economic activity created when healthcare workers and supplier employees spend their earnings in the local economy.



effects in the supply chain, while \$2.1 million arose from induced impacts as employees and supplier workers spent their earnings on goods and services throughout the regional economy.

Gross Product (Value-Added)

The hospitals' capital investments are estimated to have contributed \$14.4 million to the Southern California region's gross regional product (GRP) over 2022–2025. This total reflects the combined effects of direct capital expenditures, supply-chain transactions, and household spending. Of the total, \$7.2 million stems from the direct economic activity, \$3.2 million from supply-chain linkages, and \$4.0 million from induced household spending. Again, this economic indicator measures the new economic value created by subtracting the cost of intermediate inputs from the total value of goods and services produced.

Fiscal Impact

The economic activity associated with the capital investments of the Adventist Health White Memorial Hospitals is estimated to generate about \$4.0 million in combined federal, state, and local tax revenues in the Southern California region. **Exhibit 5-7** provides a detailed breakdown of these fiscal impacts.

Of this total, the federal government accounts for \$2.2 million, or just over half of all collections. The remaining \$1.8 million flows to the state and local governments, including approximately \$1.0 million for the state, \$0.2 million for county governments, and \$0.6 million for city governments.

By tax category, personal income taxes represent the largest source at \$1.2 million over the four-year period. Social insurance contributions generate \$1.1 million, followed by sales and excise taxes (\$0.7 million) and property taxes (\$0.6 million). Corporate profits taxes (\$0.3 million) and other fees and taxes (\$0.2 million) make up the remaining portions of the fiscal impact.

Disaggregated Impact

The total economic impact of the Adventist Health White Memorial Hospitals' capital investment reaches far beyond the initial spending on construction, medical equipment, and facility improvements. These

Exhibit 5-7

Detailed Fiscal Impact of Capital Investment in White Memorial Hospitals (2022-2025) – Southern California Region

	2022	2023	2024	2025	Total
By Type of Tax (\$ millions):					
Personal income taxes	\$0.3	\$0.5	\$0.3	\$0.2	\$1.2
Social insurance	0.2	0.4	0.2	\$0.2	\$1.1
Sales and excise taxes	0.1	0.3	0.1	\$0.1	\$0.7
Property taxes	0.1	0.2	0.1	\$0.1	\$0.6
Corporate profits taxes	0.1	0.1	0.1	\$0.0	\$0.3
Other fees and taxes	0.0	0.1	0.0	\$0.0	\$0.2
Total	\$0.8	\$1.6	\$0.8	\$0.8	\$4.0
By Type of Government (\$ millions):					
Federal	\$0.5	\$0.9	\$0.5	\$0.4	\$2.2
State	0.2	0.4	0.2	\$0.2	\$1.0
County	0.0	0.1	0.0	\$0.0	\$0.2
Cities	0.1	0.2	0.1	\$0.1	\$0.6
Total	\$0.8	\$1.6	\$0.8	\$0.8	\$4.0

Sources: IMPLAN; estimates by LAEDC

Exhibit 5-8

Distribution of Output Contributions of Capital Investments in Adventist Health White Memorial Hospitals by Industry (millions of 2025\$) – Southern California Region

	2022	2023	2024	2025	Total
Ag, Forestry, Fish & Hunting	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
Mining	\$0.00	\$0.00	\$0.00	\$0.00	\$0.01
Utilities	\$0.01	\$0.02	\$0.01	\$0.01	\$0.06
Construction	\$0.37	\$0.03	\$0.57	\$0.01	\$0.98
Manufacturing	\$0.10	\$0.16	\$0.12	\$0.08	\$0.46
Wholesale trade	\$2.24	\$4.84	\$2.22	\$2.42	\$11.72
Retail trade	\$0.11	\$0.21	\$0.12	\$0.11	\$0.56
Transportation & warehousing	\$0.17	\$0.34	\$0.18	\$0.17	\$0.86
Information	\$0.17	\$0.34	\$0.18	\$0.17	\$0.86
Finance and insurance	\$0.25	\$0.50	\$0.26	\$0.25	\$1.25
Real estate and rental	\$0.33	\$0.65	\$0.35	\$0.32	\$1.66
Professional, scientific technical	\$0.23	\$0.47	\$0.24	\$0.24	\$1.18
Management of companies	\$0.13	\$0.26	\$0.13	\$0.13	\$0.65
Administrative & waste services	\$0.15	\$0.30	\$0.15	\$0.15	\$0.75
Educational services	\$0.02	\$0.05	\$0.03	\$0.02	\$0.12
Health and social services	\$0.16	\$0.31	\$0.17	\$0.15	\$0.79
Arts, entertainment and recreation	\$0.04	\$0.08	\$0.04	\$0.04	\$0.20
Accommodation & food services	\$0.11	\$0.21	\$0.12	\$0.11	\$0.54
Other services	\$0.07	\$0.14	\$0.08	\$0.07	\$0.36
Government	\$0.05	\$0.10	\$0.05	\$0.05	\$0.24
Total	\$4.73	\$9.02	\$5.01	\$4.50	\$23.25

Source: Estimates by LAEDC

expenditures ripple through the Southern California economy, generating additional activity across a wide range of industries. Detailed estimates of the output and employment impacts by 2-digit NAICS industry sector are shown in **Exhibit 5-8** and **Exhibit 5-9**.

Over the 2022–2025 period, the hospitals' capital investment generated an estimated \$23.3 million in total economic output across the Southern California region. The largest share of this activity occurred in wholesale trade (\$11.7 million), reflecting substantial purchases of healthcare and other professional equipment and supplies.

Other significant contributions include real estate and rental services (\$1.7 million), finance and insurance (\$1.3 million), professional, scientific, and technical services (\$1.2 million), and construction (\$1.0 million). Output impacts were also notable in information services (\$0.9 million), transportation and warehousing (\$0.9 million), and health and social services (\$0.8 million).

In terms of employment, the hospitals' capital investment is estimated to have supported approximately 95 jobs regionwide between 2022 and 2025. The wholesale trade sector accounts for the largest share, with 37 jobs supported. Other notable impacts include transportation and warehousing (10 jobs), construction (6 jobs), administrative and waste management services (6 jobs), and health and social services (6 jobs).

In terms of employment, the hospitals' capital investment is estimated to have supported approximately 95 jobs regionwide between 2022 and 2025. The wholesale trade sector accounts for the largest share, with 37 jobs supported. Other notable impacts include transportation and warehousing (10 jobs), construction (6 jobs), administrative and waste management services (6 jobs), and health and social services (6 jobs).

Exhibit 5-9

Distribution of Employment Contributions of Capital Investment by Adventist Health White Memorial Hospitals by Industry (2022–2025) – Southern California Region

	2022	2023	2024	2025	Total
Ag, Forestry, Fish & Hunting	0	0	0	0	0
Mining	0	0	0	0	0
Utilities	0	0	0	0	0
Construction	2	0	4	0	6
Manufacturing	0	0	0	0	0
Wholesale trade	7	15	7	8	37
Retail trade	1	2	1	1	4
Transportation & warehousing	2	4	2	2	10
Information	0	1	0	0	1
Finance and insurance	1	2	1	1	4
Real estate and rental	1	1	1	1	3
Professional, scientific technical	1	2	1	1	5
Management of companies	0	1	0	0	2
Administrative & waste services	1	3	1	1	6
Educational services	0	0	0	0	1
Health and social services	1	2	1	1	6
Arts, entertainment and recreation	0	1	0	0	1
Accommodation & food services	1	2	1	1	5
Other services	1	2	1	1	4
Government	0	0	0	0	1
Total	20	35	20	20	95

Source: Estimates by LAEDC; *Totals may not sum due to rounding.

Exhibit 5-10

Occupational Distribution of Total Employment Impact of Capital Investment in White Memorial Hospitals (2022 to 2025 total)

Occupational Description	Southern California	Los Angeles County
Office and administrative support	14	9
Sales and related occupations	13	8
Transportation and material moving	11	6
Management occupations	9	6
Business and financial operations	8	5
Computer and mathematical science	7	4
Food preparation and serving related	6	3
Installation, maintenance and repair	6	4
Construction and extraction	4	3
Production occupations	3	2
Healthcare practitioners and technical	3	2
Healthcare support occupations	3	1
Building/grounds cleaning/maintenance	2	1
Architecture and engineering	1	1
Arts, design, entertainment, sports, media	1	1
Personal care and service	1	1
Protective service occupations	1	1
Education, training and library	1	1
Community and social services	1	
Legal occupations	1	
Life, physical and social science	0	
Farming, fishing, and forestry	0	
Total	95	60

Source: Estimates by LAEDC

5.3 OCCUPATIONAL IMPACT ANALYSIS

The occupational distribution of the total employment impacts from the capital investment in the Adventist Health White Memorial Hospitals in Los Angeles County and the broader Southern California region is shown above in **Exhibit 5-10**.

The capital investment is estimated to have supported 95 jobs in the Southern California region between 2022 and 2025, including 60 jobs within Los Angeles County. The largest employment contributions are concentrated in office and administrative support (14 jobs regionwide, 9 in LA County), sales and related occupations (13 and 8), and transportation and material moving (11 and 6). Together, these three groups account for over 40 percent of the total regional jobs supported.

Other significant categories include management occupations (9 jobs regionwide and 6 in LA County), business and financial operations (8 and 5), computer and mathematical science (7 and 4), food preparation and serving occupations (6 and 3), and installation, maintenance, and repair (6 and 4).

6. Investments in Improving Community Health and Other Community Benefits

As documented throughout this report, the communities served by Adventist Health White Memorial (AHWM) and Adventist Health White Memorial Montebello (AHWM Montebello) face a concentrated set of social, economic, and environmental challenges. Elevated poverty rates, non-English language preference, high uninsurance rates, and significant environmental health burdens characterize the landscape in which both hospitals operate. Against this backdrop, the hospitals' contributions extend beyond clinical services to encompass direct investments in community health, workforce development, and social support programs. In 2025, these efforts were supported in part by the Adventist Health White Memorial Charitable Foundation, which raised more than \$14.3 million for reinvestment into community programs and services.⁸

These investments are made possible in large part by the reimbursement revenues that flow through public insurance programs, most notably Medi-Cal and Medicare. Together, these two programs account for approximately 86 percent of AHWM's payor mix, with Medi-Cal alone representing 51.8 percent of total revenue and Medicare accounting for an additional 34.4 percent. This payor composition is a direct reflection of the communities the hospitals serve: predominantly low-income, predominantly Latino, and characterized by high rates of public insurance enrollment, limited private coverage, and elevated uninsurance. The sustainability of the community investments described in this section is therefore closely tied to the trajectory of public insurance programs, a connection made increasingly consequential by currently unfolding federal and state policy changes.

6.1 COMMUNITY BENEFIT SPENDING AND CHARITY CARE

As nonprofit, faith-based institutions, AHWM and AHWM Montebello are committed to reinvesting in the health of the communities they serve. This commitment is reflected most directly in the provision of care for patients regardless of their ability to pay. In fiscal year 2024, AHWM reported total gross deductions from patient revenue of more than \$3.2 billion against gross patient revenue of approximately \$3.7 billion, reflecting the gap between billed charges and reimbursements received from payers including Medi-Cal, Medicare, and uninsured patients. AHWM Montebello reported comparable dynamics, with gross deductions of approximately \$832.5 million against \$919 million in gross patient revenue.⁹

These figures reflect the significant financial burden of serving populations with high rates of public insurance and uninsurance. As documented in Section 3, the Primary Service Area carries an uninsurance rate of 14.4 percent, which is nearly double the Los Angeles County average of 7.6 percent, and all three service areas show high rates of Medi-Cal enrollment and limited access to employer-sponsored coverage. For many residents in these communities, AHWM and AHWM Montebello serve as the primary accessible point of entry into the healthcare system.

The hospitals have also earned external recognition for the quality and accessibility of the care they provide. In 2024, AHWM received a U.S. News & World Report designation as a Best Regional Hospital for Equitable

⁸ Adventist Health White Memorial Charitable Foundation. (2026). *We rise together! Annual impact report 2025*. Adventist Health White Memorial.

⁹ Total deductions from gross patient revenue are reductions from gross revenue resulting from the inability to collect full payment of charges.

Access, a Leapfrog Hospital Safety Grade A for excellence in patient safety, and recognition from Healthgrades placing it in the top 10 percent of the nation for gastrointestinal surgery. The hospital also received the Get With The Guidelines 2024 Stroke Gold Plus with Honor Roll Elite designation, recognizing adherence to evidence-based protocols in stroke care, which is notable given the elevated cardiovascular disease burden in the service areas.

6.2 CULTURALLY AND LINGUISTICALLY COMPETENT CARE

The linguistic profile of the hospitals' service areas requires intentional investment in culturally responsive care. As documented in Section 3, more than three-quarters of Primary Service Area households speak a language other than English at home, and the total non-English language preference rate reaches approximately 24 percent across the service areas — nearly double the countywide average of 12.5 percent. In the Montebello service area, significant shares of residents have non-English language preference in Spanish or Asian and Pacific Islander languages.

AHWM has responded to this reality through bilingual and multilingual staffing, in-language health education materials, and care models designed to reflect the cultural values of the predominantly Latino communities it serves. The Charitable Foundation also supports donor-funded medical research, including research focused specifically on Hispanic health outcomes. These investments in culturally competent care are essential for reducing barriers to access and improving patient outcomes in communities where language and cultural distance can otherwise discourage care-seeking.



Additionally, the Community Resource Center (CRC) at AHWM has served as a central mechanism for extending the hospitals' impact beyond inpatient and outpatient clinical services into the broader community. Since its inception in 2014, the CRC has assisted more than 80,000 East Los Angeles and Boyle Heights residents with free, bilingual services including food distribution, health insurance enrollment assistance, senior wellness workshops, healthcare education, and exercise classes.

In 2025, the CRC engaged more than 9,100 community members through health, exercise, and wellness workshops, events, and other activities. Specific programs included:

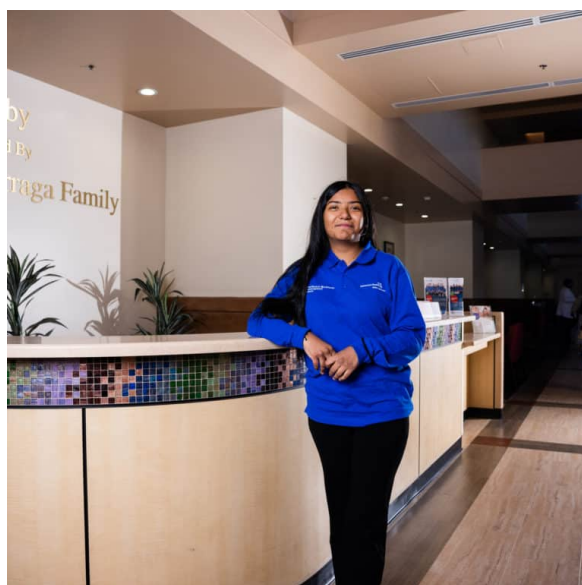
- ¡Vive Bien! Senior Wellness Program, which offered 354 free education sessions in nutrition, health and financial well-being; extracurricular social activities like knitting and movie nights; and more than 50 health and wellness fitness classes like Zumba, stretching, and yoga.
- The Prema Pantry and Fresh Produce Program, which provided 1,947 food pantry bags and 500 \$20 grocery store gift cards to individuals in need.
- Farmers Market Vouchers, through which nearly \$15,000 in fresh market vouchers were distributed to address food insecurity.
- Health Insurance Enrollment and Education, which provided bilingual insurance enrollment navigation and physician referrals to almost 600 people.

- A Community Garden, which grew more than 2 tons of organic produce on hospital grounds.

The CRC model was replicated in 2025 at AHWM Montebello, where a new Community Well-Being Center was established to serve Montebello's 60,000 residents. The new center offered food essentials distribution, health and fitness classes for older adults, diabetes prevention education, and a home for the Healthcare Workforce Development Program.

6.3 HEALTHCARE WORKFORCE DEVELOPMENT

The Healthcare Workforce Development Program, launched in 2006 with an initial \$1 million grant from Bank of America, provides structured career pathway opportunities for young people ages 15½ to 25 in the hospital's service communities. The program addresses a gap that is well documented in the service area demographics: in the Hispanic-Latino communities of East Los Angeles, Boyle Heights, and Montebello, educational attainment is low, youth unemployment is elevated, and the pathway from local schools to stable employment is frequently disrupted. As noted in the 2024 Impact Report, in 2018 approximately 50 percent of teens in East Los Angeles did not graduate from high school, and in 2023, 8 out of 10 teens did not attend college.



The program consists of volunteer and intern tracks. Interns receive hands-on hospital experience and mentorship and earn a \$1,000 stipend upon completing 100 hours of volunteer work. The curriculum has expanded over time to include financial literacy, resume building, college financial aid navigation, public speaking, and college readiness preparation.

In 2024, the program enrolled 121 interns and engaged 40 volunteer ambassadors, together contributing 11,614 volunteer hours with an estimated cost-savings value of \$433,484. The program collaborated with 13 educational institutions in Boyle Heights, East Los Angeles, downtown Los Angeles, and the San Gabriel Valley, and reached nearly 5,000 people through community fairs and school campus events. Consistent with the hospital's broader regional expansion, the program was also extended to AHWM Montebello in 2024.

Since inception, the program has served more than 2,000 students, and approximately 80 percent of participants have gone on to obtain jobs in healthcare careers. The program has been supported by a cumulative investment of more than \$2 million from Bank of America, with additional funding from US Bank, BMO, Mechanics Bank, Commercial Bank of California, California Jobs First, and Great Public Schools Now. This pipeline addresses both individual economic mobility and the region's longer-term need for a more diverse healthcare workforce.

6.4 INNOVATIVE CLINICAL PROGRAMS AND COMMUNITY HEALTH INITIATIVES

Beyond its core hospital and community services, AHWM has invested in clinical innovations that address specific health burdens facing its patient population. One such program is the Watchman procedure, a minimally invasive procedure that implants a device to prevent strokes in patients with nonvalvular atrial

fibrillation (AFib) who cannot tolerate blood thinners. As of 2024, AHWB had successfully completed the Watchman procedure for more than 200 patients.

AHWB also operates a robotic surgery program providing surgeons with precision-based alternatives to traditional open procedures across a range of specialties, as well as a telehealth platform designed to extend access to medical consultations for patients in underserved areas. The hospital



has leveraged data analytics to identify healthcare disparities and allocate resources more effectively and has prioritized culturally competent care model development as a complement to its technological investments.

The hospital's Animal-Assisted Therapy (AAT) Program, which celebrated its 10th anniversary in 2024, provides supplementary support for inpatients and staff through regular visits by trained therapy animals. Programs of this kind reflect a holistic approach to patient well-being that extends beyond the clinical management of acute conditions.

AHWB also operates the Rainbow Children's Center, where pediatric rehabilitation specialists provide speech-language therapy, physical therapy, occupational therapy, and developmental support for children across the service communities. The center serves children from the surrounding ZIP codes, providing access to specialized pediatric services that might otherwise be difficult to access locally.

6.5 THE CHANGING POLICY LANDSCAPE AND IMPLICATIONS FOR AHWB'S COMMUNITY ROLE

The community investments described throughout this section are financially grounded in Medi-Cal and Medicare reimbursements, which together represent approximately 86 percent of AHWB's payor mix. Both of these revenue streams face significant pressure from a convergence of federal and state policy changes that will have significant effects on coverage, hospital finances, and safety-net providers.

On the coverage side, the California Legislative Analyst's Office (LAO) recently projected that California's uninsured rate, which is currently around 5 percent of the state population, could roughly double by 2030. The dominant driver is H.R. 1, the federal budget reconciliation legislation enacted in July 2025, which introduced Medicaid work requirements for childless adults effective January 2027. The LAO estimated that nearly 2 million Medi-Cal enrollees could be disenrolled statewide by the end of 2030 under these requirements, primarily because most individuals who do not currently meet the work or education thresholds are expected to lose coverage rather than increase their employment. An additional 1.3 million adults with unsatisfactory immigration status (mostly undocumented immigrants) are projected to lose comprehensive Medi-Cal coverage by 2030 due to a combination of a new enrollment freeze and a \$30 monthly premium requirement enacted as part of California's 2025-26 budget. Covered California enrollment is also expected to decline by up to 400,000

to 500,000 people as a result of the expiration of enhanced federal premium subsidies and other marketplace changes under H.R. 1.¹⁰

These coverage losses are directly relevant to AHW's patient population, since its service areas carry high rates of Medi-Cal enrollment. The communities served by AHW include large shares of the immigrant populations, low-income childless adults, and limited-English-proficient households that are most directly affected by the policy changes described above.

For hospitals, the financial consequences of rising uninsurance flow primarily through uncompensated care, which is the combination of charity care and unpaid charges that providers absorb when serving patients without coverage. The LAO estimated that statewide hospital uncompensated care, which stood at just over \$2 billion in 2024, could increase by as much as a few billion dollars annually by 2030 as coverage losses materialize. The LAO also projected aggregate hospital margin reductions ranging from approximately 0.5 percentage points to a couple of percentage points due to H.R. 1, with larger reductions anticipated for safety-net hospitals.

Three additional financing changes compound these pressures. Under H.R. 1, California must reduce Medi-Cal managed care payments to hospitals so that reimbursements do not exceed Medicare rates. This is a reduction from the previously applicable commercial health plan rate standard that will be phased in beginning January 2028. Medi-Cal rates to safety-net clinics for services provided to adults with unsatisfactory immigration status will be reduced beginning in July 2026, with the California Department of Finance estimating associated annual costs to clinics of approximately \$1 billion. And reductions to provider tax revenues under H.R. 1 will constrain the state's ability to fund rate increases to hospitals and clinics through its existing financing mechanisms.

For AHW specifically, this environment is particularly challenging given the financial context described earlier. Both AHW and AHW Montebello already operated with negative EBIDA margins in 2024: AHW recorded an operating loss of \$26.3 million and AHW Montebello a net loss of \$5.0 million. The combination of increased uncompensated care obligations, reduced Medi-Cal reimbursement rates, and the potential loss of supplemental government funding only compounds these pressures. The loss of supplemental government funding alone could potentially result in AHW losing 28 percent of its total revenue.

Institutions facing sustained margin reductions may ultimately pursue a range of responses, including absorbing costs, seeking higher rates from private payors, growing nonclinical revenues, reducing spending, consolidating with larger systems, or, in the most severe cases, closing. However for safety-net hospitals serving communities like those in AHW's service areas, several of these options are more limited than they are for hospitals serving higher-income populations with more



¹⁰ Petek, G. (2026, May). *How will the changing landscape affect California's health care system?* California Legislative Analyst's Office.

diverse payor mixes. AHWM's limited leverage to shift costs to private payors means that without further policy changes at the federal and state level, the current trajectory could place AHWM in a financial position that is unsustainable to continue providing the full range of community programs described in this section, not to mention basic services.

6.6 SUMMARY OF COMMUNITY CONTRIBUTIONS

The economic impact analysis presented in Sections 4 and 5 quantifies the substantial contribution of the Adventist Health White Memorial Hospitals to the Los Angeles County and Southern California regional economies. This includes more than \$1.2 billion in total economic output, 5,500 jobs supported, and \$173.5 million in tax revenues generated in Los Angeles County in 2024 alone. The community benefit programs described in this section represent the complement to that economic contribution. These are a set of intentional, mission-driven investments in the social fabric and long-term health of the communities the hospitals serve.

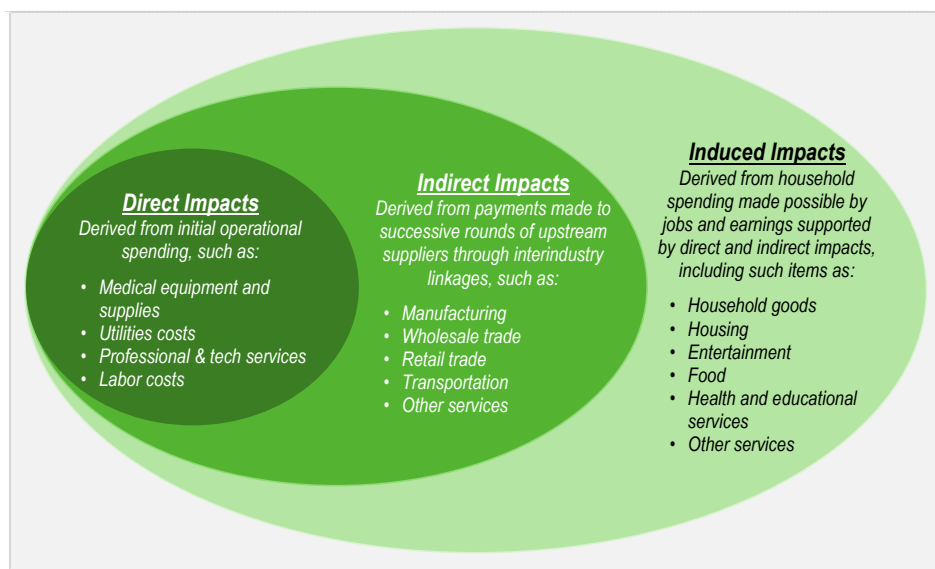
Through charity care for uninsured and underinsured patients, free community programming at the CRC and the new Montebello Community Well-Being Center, workforce development programming, and clinical innovation in areas directly relevant to the health burdens of their service populations, AHWM and AHWM Montebello function as institutions whose value to their communities is not fully captured by any single measure. They are anchor institutions that are deeply embedded in their communities, oriented toward the long-term health of the populations they serve, and difficult to replace. The degree to which they can sustain these contributions going forward will depend in significant part on the evolving policy environment described in the previous subsection.

Appendices

A1 METHODOLOGY

The estimated economic impact includes economic output, value-added, employment, and labor income, which includes wages, salaries, and benefits. The total impact includes *direct, indirect, and induced effects*. *Direct* employment is the personnel hired by the hospital in its ongoing operations, including doctors, nurses, administrative, management, and so on.

Direct output is the value of the services provided by the hospital. *Indirect* effects are those which stem from the employment and output motivated by the purchases made by the hospital. For example, indirect jobs are sustained by the vendors of the medical supplies and insurance purchased by the hospital. *Induced* effects are those generated by the household spending of employees whose wages are sustained by both direct and indirect spending.



The Southern California region is defined as the five counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura.

Estimates of operating revenue of both the Adventist Health White Memorial hospital and the Adventist Health White Memorial Montebello hospital for 2024 were obtained from Adventist Health White Memorial Charitable Foundation.

Our impact analysis is conducted using models developed with data and software from IMPLAN. The IMPLAN system is a robust, widely used set of modeling tools that provide economic resolution from the national level down to the ZIP code level. Using multi-regional analysis, these tools allow the estimation of the contribution of hospital operations in the county where they occur and their consequent spillover impact on neighboring regions.

Our estimates for labor income and output are reported in 2024 dollars to correspond with the currency reported in the financials report of the hospitals. Labor income includes payments made to wage and salary workers and to the self-employed. Employment estimates are measured on a job-count basis for both wage-and-salary workers and proprietors regardless of the number of hours worked, and are generally reported on an annual basis, i.e., the number of full- and part-time jobs supported in one year. ❖

A2 DESCRIPTION OF INDUSTRY SECTORS

The industry sectors used in this report are established by the North American Industry Classification System (NAICS). NAICS divides the economy into twenty sectors, and groups industries within these sectors according to production criteria. Listed below is a short description of each sector as taken from the sourcebook, *North American Industry Classification System*, published by the U.S. Office of Management and Budget (2022).

Agriculture, Forestry, Fishing and Hunting: Activities of this sector are growing crops, raising animals, harvesting timber, and harvesting fish and other animals from farms, ranches, or the animals' natural habitats.

Mining: Activities of this sector are extracting naturally occurring mineral solids, such as coal and ore; liquid minerals, such as crude petroleum; and gases, such as natural gas; and beneficiating (e.g., crushing, screening, washing and flotation) and other preparation at the mine site, or as part of mining activity.

Utilities: Activities of this sector are generating, transmitting, and/or distributing electricity, gas, steam, and water and removing sewage through a permanent infrastructure of lines, mains, and pipes.

Construction: Activities of this sector are erecting buildings and other structures (including additions); heavy construction other than buildings; and alterations, reconstruction, installation, and maintenance and repairs.

Manufacturing: Activities of this sector are the mechanical, physical, or chemical transformation of material, substances, or components into new products.

Wholesale Trade: Activities of this sector are selling or arranging for the purchase or sale of goods for resale; capital or durable non-consumer goods; and raw and intermediate materials and supplies used in production and providing services incidental to the sale of the merchandise.

Retail Trade: Activities of this sector are retailing merchandise generally in small quantities to the general public and providing services incidental to the sale of the merchandise.

Transportation and Warehousing: Activities of this sector are providing transportation of passengers and cargo, warehousing and storing goods, scenic and sightseeing transportation, and supporting these activities.

Information: Activities of this sector are distributing information and cultural products, providing the means to transmit or distribute these products as data or communications, and processing data. This industry contains all aspects of motion picture recording and distribution as well as the sound and telecommunications industry.

Finance and Insurance: Activities of this sector involve the creation, liquidation, or change of ownership of financial assets (financial transactions) and/or facilitating financial transactions.

Real Estate and Rental and Leasing: Activities of this sector are renting, leasing, or otherwise allowing the use of tangible or intangible assets (except copyrighted works) and providing related services.

Professional, Scientific, and Technical Services: Activities of this sector are performing professional, scientific, and technical services for the operations of other organizations.

Management of Companies and Enterprises: Activities of this sector are the holding of securities of companies and enterprises, for the purpose of owning controlling interest or influencing their management decision, or administering, overseeing, and managing other establishments of the same company or enterprise and normally undertaking the strategic or organizational planning and decision-making of the company or enterprise.

Administrative and Support and Waste Management and Remediation Services: Activities of this sector are performing routine support activities for the day-to-day operations of other organizations, such as: office administration, hiring and placing of personnel, document preparation and similar clerical services, solicitation, collection, security and surveillance services, cleaning, and waste disposal services.

Educational Services: Activities of this sector are providing instruction and training in a wide variety of subjects. Educational services are usually delivered by teachers or instructors that explain, tell, demonstrate, supervise, and direct learning. Instruction is imparted in diverse settings, such as educational institutions, the workplace, or the home through correspondence, television, or other means.

Health Care and Social Assistance: Activities of this sector are operating or providing health care and social assistance for individuals.

Arts, Entertainment and Recreation: Activities of this sector are operating facilities or providing services to meet varied cultural, entertainment, and recreational interests of their patrons, such as: (1) producing, promoting, or participating in live performances, events, or exhibits intended for public viewing; (2) preserving and exhibiting objects and sites of historical, cultural, or educational interest; and (3) operating facilities or providing services that enable patrons to participate in recreational activities or pursue amusement, hobby, and leisure-time interests.

Accommodation and Food Services: Activities of this sector are providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption.

Other Services (except Public Administration): Activities of this sector are providing services not specifically provided for elsewhere in the classification system. Establishments in this sector are primarily engaged in activities, such as equipment and machinery repairing, promoting or administering religious activities, grant-making, advocacy, and providing dry-cleaning and laundry services, personal care services, death care services, pet care services, photofinishing services, temporary parking services, and dating services.



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