

Economic Impact of Long Term Care Facilities Michigan

May 2019

**Long Term Care (LTC) facilities* support an estimated
\$14.49 Billion of the state's economic activity**

Jobs

Direct	Indirect and Induced	Total
114,193	44,021	158,214

Labor Income

Direct	Indirect and Induced	Total
\$3.51 Billion	\$2.06 Billion	\$5.57 Billion

Economic Activity

Direct	Indirect and Induced	Total
\$7.97 Billion	\$6.52 Billion	\$14.49 Billion

Tax Revenue

State/Local	Federal	Total
\$638 Million	\$1.22 Billion	\$1.86 Billion

*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

Economic Impact Definitions

- **Direct Effect** represents the initial change in the industry in question. In our analysis, we are modeling what would happen if all LTC facilities went away. (i.e. This represents those employed at LTC facilities and the incomes they earn.)
- **Indirect and Induced Effects** represent the inter-industry transactions to support the LTC industry demands and the changes in local spending among households (e.g., services to maintain buildings, local restaurants, and real estate for the industry and employees).
- **Economic Activity** represents output or value of industry production, like gross-domestic product (GDP).
- **Total** is the sum of the direct, indirect, and induced effects. Note, the sum of the segment amounts may not equal the total due to rounding.