

2025



Hospitals and the Louisiana Economy

Economic Analysis Prepared for the Louisiana Hospital Association by Dr. James A. Richardson, Professor Emeritus, Louisiana State University



Along with providing vital, life-saving medical services to their communities, Louisiana hospitals, with their 107,659 employees, are significant economic drivers statewide.



107,659
Hospital Employees
in Louisiana

With An Annual
Payroll of More Than
\$7.8 Billion

Overall Economic Impact of Hospitals

Construction activity, major equipment purchases, and recurring expenditures, such as salaries, supplies, business services, and other hospital operating costs, produce economic ripples that reach far beyond the hospital to local communities and throughout the state.

Louisiana hospitals **created and supported more than 320,000 jobs**, both directly and indirectly, through daily operations and one-time capital expenditures, leading to more than **\$38.4 billion in business transactions**, **\$14.2 billion in annual payroll**, and **\$1.7 billion in net state and local tax collections**.

Overall Economic Impact of Louisiana Hospitals from Construction and Operations



Overall Economic Impact of Hospitals By Region (\$ in Millions)

Louisiana Region	Business Transactions	Annual Payroll	Jobs Created and Supported	State and Local Tax Collections
New Orleans	\$10,358	\$3,816	86,122	\$456
Baton Rouge	\$4,716	\$1,738	39,295	\$208
Houma-Thibodaux	\$1,534	\$565	12,777	\$72
Lafayette	\$4,384	\$1,621	36,597	\$196
Lake Charles	\$1,986	\$732	16,548	\$93
Alexandria	\$3,238	\$1,196	27,101	\$142
Shreveport	\$5,642	\$2,084	47,045	\$249
Monroe	\$1,890	\$703	15,767	\$84
Northshore	\$4,638	\$1,716	38,760	\$204
Statewide Total	\$38,366	\$14,172	320,011	\$1,704

Source: Author and RIMS Multipliers (U.S. Bureau of Economic Analysis)

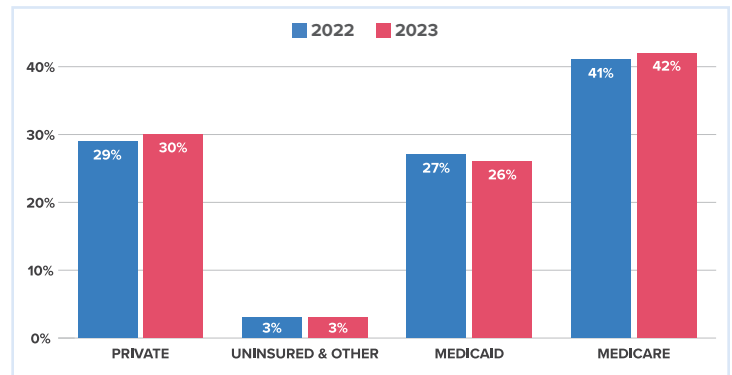
Hospital Revenue Sources and the Medicaid Program

Hospitals receive revenue from private insurance companies; federal insurance programs, such as Medicare; federal and state insurance programs, such as Medicaid; and self-payment by individuals.

In Louisiana, Medicare is by far the largest component of revenue received by hospitals, with 2022 and 2023 Medicare revenue representing 41% and 42% of revenue, respectively.

Private insurance accounted for 29% in 2022 and 30% in 2023. Medicaid accounted for 27% in 2022 and 26% in 2023. Other forms of revenue remained static.

Louisiana Hospital Revenue by Source



Source: Louisiana Health Information Network

Healthcare Employment in the State

Healthcare is the largest employer and provider of salaries to Louisiana residents and is a **major contributor to the business community** in terms of the number of establishments.

Healthcare accounts for 18% of total state employment.

In 2025, **320,000 people were employed in the healthcare sector** with an annual payroll of more than \$18 billion.

Louisiana Industry Employment and Payroll Rankings

Industry	Employment	Annual Payroll (In Billions)
Healthcare (Including Hospitals)	319,541	\$18.3
Wholesale and Retail Trade	287,451	\$13.3
Manufacturing	139,253	\$12.3
Construction	140,114	\$10.3
Leisure and Hospitality	227,771	\$6.2
Oil and Gas/Mining	29,572	\$3.3

Source: Louisiana Workforce Commission 2023

Healthcare's Regional Influence

Louisiana Region	Total Employment	Healthcare Employment	% of Healthcare to Total Employment
New Orleans	391,293	64,768	16.6%
Baton Rouge	357,997	52,773	14.7%
Houma-Thibodaux	154,129	18,537	12.0%
Lafayette	231,063	44,286	19.2%
Lake Charles	116,630	19,362	16.6%
Alexandria	82,008	20,316	24.8%
Shreveport	200,337	42,493	21.2%
Monroe	123,125	27,267	22.1%
Northshore	186,888	35,433	19.0%

Source: Louisiana Workforce Commission 2023

“Louisiana hospitals not only play a critical role in supporting the health of our residents, but also in fostering a vibrant economy.” - Dr. James A. Richardson, Professor Emeritus, Louisiana State University