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BANNER HEALTH AND THE UNIVERSITY OF ARIZONA: Economic and Fiscal Impact of a Decade of Partnership

Overview

Ten years ago, Banner Health and University of Arizona forged a partnership to redefine academic medicine and health care delivery with the tripartite mission to expand medical education, advance clinical research and innovation and elevate and expand care delivery across the state. A new study by the Rounds Consulting Group reports that the decade-long Banner – U of A partnership has delivered more than \$59 billion in economic impact to the state of Arizona including sustaining 35,500 annual operating jobs and 12,600 temporary construction jobs and training nearly 2,000 new physicians.

10-Year Cumulative Economic Impact of Banner – U of A Partnership

\$59B

Economic Impact

35,500

Annual Operating
Jobs

12,600

Construction Jobs

1,930

Medical School
Graduates

\$2.4 Billion in Capital Investments and Jobs

Together, Banner and U of A have generated significant economic outputs for Arizona's economy. Since 2015, the institutions have invested more than \$2.4 billion in capital to expand and upgrade aging facilities modernizing the state's health care infrastructure to enhance training and educational facilities and overall patient care delivery (\$2 billion provided by Banner Health and \$400 million provided by the University of Arizona). This investment created 12,600 construction jobs including contractors, engineers and construction workers, and purchased materials and equipment with an economic impact of \$2.5 billion.

Economic Impacts from Capital Investments (2015–2024)			
	Direct	Indirect & Induced	Total
Jobs	7,300	5,300	12,600
Labor Income	\$514,717,700	\$341,442,400	\$856,160,100
Economic Output	\$1,421,542,400	\$1,074,478,900	\$2,496,021,300
Tax Revenues	\$137,644,800	\$31,497,000	\$169,141,800
State	\$64,109,200	\$15,319,700	\$79,428,900
Counties	\$19,428,800	\$5,269,200	\$24,698,000
Cities	\$54,106,800	\$10,908,100	\$65,014,900

Note: The impacts reflect the one-time economic activity generated by approximately \$2.0 billion in capital expenditures by Banner Health and \$400 million in capital expenditures by the University of Arizona between 2015 and 2024. All results are rounded for presentation and cumulative over this period.

Source: Banner Health; Rounds Consulting Group, Inc.; The University of Arizona.

Sustaining 33,000 Direct and Indirect JobsJobs

Banner – University Medicine was formed through Banner Health’s acquisition of the University of Arizona Health Network in 2015. Banner Health is the largest private employer in the state, Banner – University Medicine supports nearly 33,000 direct and indirect jobs with 22.6 million recorded patient engagements over the past decade, demonstrating its role in meeting the health care needs of Arizonans. Patient care, teaching and research operations at Banner – University Medicine drives sustained economic activity. The direct and indirect employment of residents drives demand for goods and services from real estate to retail with overall tax revenue from operations of \$1.9 billion.

Economic Impacts from Ongoing Banner – University Medicine Operations (2015–2024)			
	Direct	Indirect & Induced	Total
Jobs (as of 2024)	14,100	18,800	32,900
Labor Income	\$12,491,466,200	\$9,497,017,400	\$21,988,483,600
Economic Output	\$26,390,565,100	\$27,342,190,700	\$53,732,755,800
Tax Revenues	\$981,114,000	\$898,261,000	\$1,879,375,000
State	\$508,827,200	\$433,155,100	\$941,982,300
Counties	\$143,353,900	\$152,603,700	\$295,957,600
Cities	\$328,932,900	\$312,502,200	\$641,435,100

Note: The impacts reflect economic activity generated by Banner – University Medicine ongoing operations. The impacts are cumulative over the 10-year period (2015–2024), while the job totals represent 2024 employment levels.
Source: Banner Health; Rounds Consulting Group, Inc.

Fueling the Health Care Pipeline

One of the goals of the Banner-U of A partnership is to ensure that the physicians and health care professionals trained through its programs remain in Arizona to practice. This growing cohort of graduates represents an ongoing, compounding economic benefit that will continue to strengthen the state’s health care workforce and economy for decades. Since its inception, more than 1,900 physicians and health care professionals have graduated from the U of A Colleges of Medicine in Tucson and Phoenix, and many of whom live and work in Arizona. In addition, thousands of U of A nursing and pharmacy students receive clinical training at Banner locations each year, directly addressing workforce shortages. Medical school enrollment has increased nearly 40% since 2015, and the number of residency and fellowship positions has increased from 990 to more than 1,200.

As of 2024, it is estimated roughly 1,100 physicians and health care professionals trained through this initiative are practicing in the state. These professionals, along with the businesses and services they support, have generated \$2.8 billion in economic output and \$96 million in state and local tax revenues over the past decade.

Economic Impacts from Medical School Graduates (2015-2024)			
	Direct	Indirect & Induced	Total
Jobs (as of 2024)	1,100	1,500	2,600
Labor Income	\$643,230,900	\$489,035,900	\$1,132,266,800
Economic Output	\$1,358,945,800	\$1,407,948,500	\$2,766,894,300
Tax Revenues	\$50,094,600	\$46,255,200	\$96,349,800
State	\$26,008,200	\$22,305,100	\$48,313,300
Counties	\$7,325,200	\$7,858,300	\$15,183,500
Cities	\$16,761,200	\$16,091,800	\$32,853,000

Source: Rounds Consulting Group, Inc.; University of Arizona

Growth in Medical Education and Training (2015–2024)		
	2015	2024
Medical School Students	722	978
Residency & Fellowship Participants	991	1,300
Total Medical School Graduates over 10 Years		1,930

Note: Figures rounded for presentation.
Source: The University of Arizona