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Health Care

Spokane in healthy shape

Puget Sound Business Journal (Seattle) - December 29, 2006 by [Clay Holtzman](#) Staff Writer

In 2006, growth in the health care sector helped Spokane's economy push overall unemployment down to 5.1 percent, its lowest level since 1999.

In 2007, with strong capital spending, new facilities and increased service capabilities, health care and related life sciences work is positioned to play an even greater role in shaping Spokane's healthy, albeit slowing, economy.

Economists expect that Spokane, much like all of Washington, will experience an economic cooling off in 2007. But, overall hiring is still expected to grow at a healthy clip of about 2.5 percent, with the health care sector providing many of the highest quality and best-paying job choices, according to a state labor economist.

"The hospitals are key to the economy here because this is the region that provides services to the rural counties," said Jeff Zahir, the state's regional labor economist who covers a 10-county region in Eastern Washington.

The metropolitan Spokane region's 11 hospitals, which range from 623 to 25 beds, employ about 7,800 people. Their supporting sector, which includes services such as therapy, medical imaging and health clinics, employs another 11,600. Each sector is growing between 3 percent and 3.5 percent per year. That's less than construction's 4 percent to 4.5 percent, but the health care jobs pay more and are permanent.

"That's a sector we look at here in Spokane as a bellwether for the economy," Zahir said.

But hiring is only part of the economic picture for Spokane, which is increasingly considering health care, life sciences and medical research as options not only for strengthening its economy, but also diversifying it.

Some of the largest developments that are expected to occur in 2007 and that could set the stage for future economic growth include:

- Contract pharmaceutical manufacturer Hollister-Stier Laboratories expects to complete a \$32 million plant expansion that should create 25 new jobs, attract new customers and provide work that will boost revenues by between 20 percent and 25 percent;
- Holy Family Hospital plans to open its new four-story, \$24 million medical office and surgery building that could attract sorely needed surgeons and specialists;
- Inland Northwest Health Services, a provider of health care services that was established as a joint venture among the region's competing hospital systems, expects to create more than 30 new positions and anticipates that information technology service revenues will grow by between 20 and 30 percent;

- Washington State University's Spokane campus will continue construction on its \$34 million Intercollegiate College of Nursing that it plans to open in 2008. WSU, which has steadily grown its research funding, wants to increase its number of medical, dental and nursing students while exploring new areas of medical work including sleep research. WSU annual research expenditures per year are now at about \$7 million;
- Spokane's first proposed private medical research center, the Institute for Systems Medicine, will apply for up to \$65 million in state money and tax revenues that would provide startup money for the center.

"In this community, health care is a very high-end driver of the economic base," said Cathy Simchuk, vice president of clinical and facility operations at Holy Family Hospital on Spokane's north end.

But that high-end base could be further augmented next year as new research, specialty services and training capacity come on line.

"We just happen to be well-positioned to be one of those companies that hospitals and physicians are very interested in outsourcing their information technology needs to," said Tom Fritz, CEO with Inland Northwest Health Services, which plans to expand into 10,000 square feet of adjacent space in 2007.

The nascent Institute for Systems Medicine, which organizers plan to launch in 2008 at a cost of \$110 million over the first five years, could eventually generate a major economic impact on Spokane. With its projected annual budget of \$30 million, the institute could employ about 250, provided it secures state funding during the 2007 state legislative session.

"There is a significant economic impact to the communities that fund these kinds of things," said Chief Operating Officer Lewis Rumpler. Those effects include improved clinical capabilities and a boost in startup companies.

While Rumpler's vision of a cutting-edge research institution won't be fulfilled next year, health care is projected to be a strong economic driver in 2007 and for years to come.

Contact: choltzman@bizjournals.com • 206-447-8505x149

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