

Memo: Physicians, A Healthy (Work)Force in Economic Development

Physicians play a crucial role in Georgia's economic development, extending far beyond their primary function of providing healthcare. The benefits additional physicians would bring to the state's economy are substantial and multifaceted.

Economic Impact

Georgia's physicians contribute significantly to the state's economy through various channels¹:

- **Job Creation:** In 2018, each physician in Georgia supported an average of 13.5 jobs, resulting in 262,073 jobs statewide. This includes direct employment in healthcare and indirect jobs created in supporting industries.
- **Economic Output:** On average, each Georgia physician generated \$2.3 million in economic output, contributing to a total of \$44.4 billion in direct and indirect economic activity in 2018
- **Wages and Benefits:** Georgia physicians supported \$1,042,048 in wages and benefits per physician, totaling \$20.3 billion statewide in 2018
- **Tax Revenue:** Each physician in Georgia contributed an average of \$81,919 in state and local tax revenues, amounting to \$1.6 billion in 2018

Potential for Growth

Georgia currently faces a significant shortage of physicians. The state needs to add more than **4,138 physicians** to meet the national average of physicians per capita.² Addressing this shortage could have substantial economic benefits:

- Create an additional 55,863 jobs
- Generate \$9.5 billion in economic activity
- Contribute \$4.3 billion in wages and benefits
- Generate \$339 million in state and local tax revenue

Impact on Rural Areas

The economic impact of physicians is particularly pronounced in rural settings:

- Each rural physician contributes 17 jobs to the local economy
- A rural physician has a total economic impact of \$2 million on the local economy

Addressing the Physician Shortage

Addressing Georgia's physician shortage is crucial for healthcare provision and economic development. Strategies to address this include:

- Expanding graduate medical education programs with available innovative funding and improving retention of medical graduates within the state
- Contractual arrangements incentivizing physicians to practice in underserved areas
- Targeted medical school admissions (e.g., rural areas) based on agreements to practice in the state
- Changing Georgia's training culture to improve the quality of graduate medical education

¹ <https://www.ama-assn.org/system/files/eis-one-pager-georgia.pdf>

² AAMC 2021 State Physician Workforce Data Report