



## Milwaukee County Region (2B): Serving a population of 952,315 residents (2006)

### Hospitals: Value and economic impact

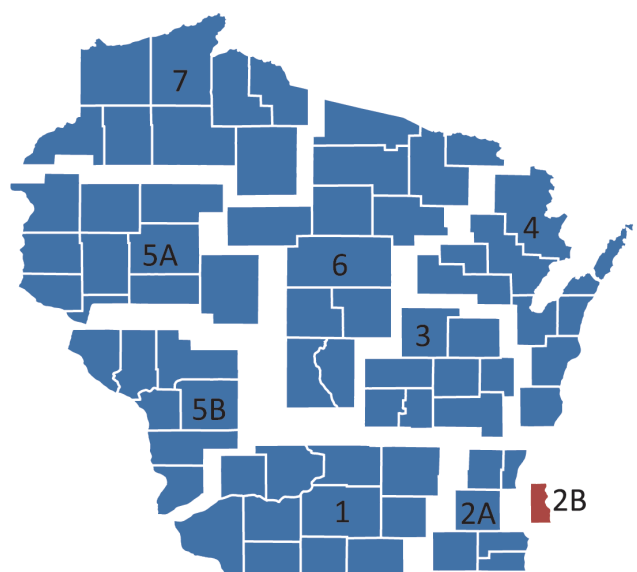
Across the state of Wisconsin, hospitals provide access to vital health care services 24 hours a day, seven days a week, 365 days a year, serving more than 13 million outpatients<sup>1</sup>. Hospitals are valued primarily for these healing and wellness services.

Most Wisconsin families take comfort in knowing they are close to quality hospitals. In the Milwaukee County Region (region 2B), there are 21 hospitals.

Less often recognized are hospitals' contributions to their local economies, including the number of people they employ, the impact of hospital purchases, and the impact of their employees' spending and tax payments.

The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- Hospitals purchase goods and services, such as drugs, information technology, food, bed linens and "bricks and mortar" from other businesses in their communities. Those purchases create industry revenues for local businesses and "indirect" jobs and income for their employees.
- Hospitals provide income for employees. Hospital employees purchase goods and services, such as cars, household appliances and groceries. These purchases generate "induced" income and jobs for other businesses in the community.
- Wages and salaries paid by hospitals are subject to federal, state and local taxes (e.g. payroll taxes, sales taxes, income taxes)



### Hospitals in the Milwaukee County Region

Hospital	City	County
Children's Hospital of Wisconsin	Milwaukee	Milwaukee
Columbia Hospital Inc	Milwaukee	Milwaukee
Froedtert Memorial Lutheran Hospital	Milwaukee	Milwaukee
Sacred Heart Rehabilitation Institute	Milwaukee	Milwaukee
St Francis Hospital	Milwaukee	Milwaukee
St. Joseph Regional Medical Center	Milwaukee	Milwaukee
St Mary's Hospital - Milwaukee	Milwaukee	Milwaukee
St Michael Hospital	Milwaukee	Milwaukee
Milwaukee County Mental Health Complex	Wauwatosa	Milwaukee
Aurora Psychiatric Hospital Inc	Wauwatosa	Milwaukee
West Allis Memorial Hospital	West Allis	Milwaukee
Aurora Sinai Medical Center Inc	Milwaukee	Milwaukee
Kindred Hospital - Milwaukee	Greenfield	Milwaukee
St Luke's Medical Center	Milwaukee	Milwaukee
Select Specialty Hospital	West Allis	Milwaukee
Rogers Memorial Hospital - Milwaukee	West Allis	Milwaukee
Orthopaedic Hospital of Wisconsin - Glendale	Glendale	Milwaukee
Columbia Center Inc	Mequon	Milwaukee
Select Speciality Hospital - Milwaukee - St Lukes	West Allis	Milwaukee
The Wisconsin Heart Hospital	Wauwatosa	Milwaukee
LIFECARE Hospitals of Milwaukee	Milwaukee	Milwaukee

Source: 2007 Wisconsin Hospital Annual and Fiscal Surveys.

### How important are hospitals to the Milwaukee County Region of Wisconsin?

- Hospitals in the Milwaukee County region provide jobs for 27,089 hospital workers and supported an additional 14,533 jobs created indirectly through hospital purchases and 8,598 jobs induced through hospital employee economic activity for a total of 50,219 jobs.
- Hospitals in the Milwaukee County region account for nearly \$6.2 billion in economic activity. The direct effect of hospitals in the region is \$3.6 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$1.6 billion in economic activity; for example the purchase of drugs, information technology, food, bed linens, and other "bricks and mortar" from other businesses. This business-to-business activity then generates another \$936 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Milwaukee County region contribute \$2.7 billion to total income in the region.
- Hospitals in the Milwaukee County region generate state and local tax revenues (Non-K12 Education) amounting to \$236 million.

A detailed analysis of the impacts for the Milwaukee County region follows. Individual hospitals interested in calculating their impact on the local economy should use the free software available at <http://www.wha.org/financeAndData/healthyHospitals.aspx>.

<sup>1</sup> Guide to Wisconsin Hospitals, Fiscal year 2006, February 2008, WHA Information Center, [http://www.whainfocenter.com/data\\_resources/2006\\_guide/Guide2006\\_narrative.pdf](http://www.whainfocenter.com/data_resources/2006_guide/Guide2006_narrative.pdf)



# Healthy Hospitals. Healthy Communities. The Economic Impact of Wisconsin's Hospitals.

## Hospital Impacts Region 2B by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	568,719	17	126,742	184,559
Mining	30,549	0	9,094	19,249
Utilities	53,474,988	109	10,920,309	34,525,084
Construction	25,416,182	195	10,744,536	11,489,379
Manufacturing	363,428,736	955	70,163,504	110,806,024
Wholesale Trade	137,886,272	759	52,209,072	92,954,424
Transportation & Warehousing	107,565,216	1,236	58,539,136	69,530,952
Retail Trade	144,343,648	2,335	58,984,052	93,127,840
Information	73,381,904	266	16,490,394	33,228,202
Finance & Insurance	241,845,168	1,312	98,918,624	128,885,056
Real Estate & Rental	386,279,392	2,436	65,161,112	262,089,888
Professional- Scientific & Tech Services	255,147,056	2,147	115,348,152	135,569,104
Management of Companies	73,335,568	348	34,706,040	44,721,612
Administrative & Waste Services	193,551,200	4,664	99,840,104	118,640,008
Educational Services	37,796,668	615	22,091,558	23,159,598
Health & Social Services	117,093,904	1,487	66,154,692	77,445,680
<b>HOSPITALS</b>	<b>3,614,931,968</b>	<b>27,089</b>	<b>1,135,817,600</b>	<b>1,264,486,400</b>
Arts, Entertainment & Recreation	17,659,056	481	7,660,947	9,815,818
Accommodation & Food Services	124,559,280	2,531	40,442,120	59,593,992
Other Services	64,855,496	1,106	30,389,558	34,959,128
Government & non NAICs	160,157,664	129	7,911,885	131,674,992
<b>Total</b>	<b>6,193,308,634</b>	<b>50,219</b>	<b>2,002,629,231</b>	<b>2,736,906,988</b>

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	3,614,931,968	1,642,556,447	935,820,199	6,193,308,634	1.713
Jobs	27,089	14,533	8,598	50,219	1.854
Labor Income	1,135,817,600	567,865,398	298,946,225	2,002,629,231	1.763
<b>Total Income</b>	<b>1,264,486,400</b>	<b>902,650,664</b>	<b>569,769,926</b>	<b>2,736,906,988</b>	<b>2.164</b>

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
2B	3,614,932,129	1,127,726,739	3,527,100,353	87,831,776	33,216,189	121,047,965	27,089

## State & Local (Non-K12 Education) Revenue Impacts for Wisconsin

Property Taxes	66,000,055
Sales Taxes	54,417,807
Income Taxes	48,155,227
Other	67,685,263
<b>Total</b>	<b>236,258,353</b>



Produced in 2008 to increase the awareness of hospitals as a major economic contributor to local economies by the University of Wisconsin-Extension, Cooperative Extension, Center for Community & Economic Development and the Wisconsin Hospital Association.

*This feasibility analysis relies on data from private sources, secondary sources, and from public data sets. University of Wisconsin-Extension and the Wisconsin Hospital Association cannot be held responsible for the accuracy of this data or for decisions made resulting from the use of the data in this report. The conclusions and recommendations in this report are made solely by the authors and do not necessarily reflect the opinions of the University of Wisconsin Extension, the Center for Community and Economic Development, or the Wisconsin Hospital Association.*

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