North Central Region (6): Serving a population of 460,912 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[1]. 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 North Central Region (region 6), 11 of the 12 counties have at least one general medical-surgical (GMS) hospital.

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.

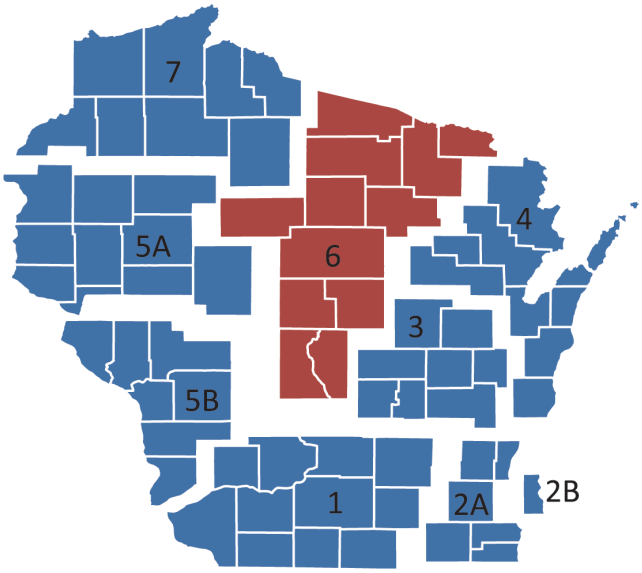
The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- 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)

How important are hospitals to the North Central Region of Wisconsin?

- Hospitals in the North Central region provide jobs for 10,754 hospital workers and supported an additional 3,615 jobs created indirectly through hospital purchases and 3,445 jobs induced through hospital employee economic activity for a total of 17,814 jobs.
- Hospitals in the North Central region account for nearly $1.8 billion in economic activity. The direct effect of hospitals in the region is $1.2 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another $322 million 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 $309 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the North Central region contribute $827 million to total income in the region.
- Hospitals in the North Central region generate state and local tax revenues (Non-K12 Education) amounting to $72 million.

A detailed analysis of the impacts for the North Central 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.



Hospitals in the North Central Region

Hospital	City	County
Langlade Memorial Hospital	Antigo	Langlade
Eagle River Memorial Hospital Inc	Eagle River	Vilas
Moundview Memorial Hospital	Friendship	Adams
Norwood Health Center	Marshfield	Wood
Saint Joseph's Hospital	Marshfield	Wood
Mile Bluff Medical Center	Mauston	Juneau
Memorial Health Center Inc	Medford	Taylor
Good Samaritan Health Center	Merrill	Lincoln
Saint Mary's Hospital Inc	Rhinelander	Oneida
Saint Michael's Hospital	Stevens Point	Portage
Sacred Heart Hospital Inc	Tomahawk	Lincoln
North Central Health Care Facilities	Wausau	Marathon
Aspirus Wausau Hospital	Wausau	Marathon
Riverview Hospital Association	Wisconsin Rapids	Wood
Howard Young Medical Center Inc	Woodruff	Oneida
Bond Health Center	Oconto	Oconto
Saint Clare's Hospital of Weston Inc	Weston	Marathon

Source: 2007 Wisconsin Hospital Annual and Fiscal Surveys.

[1] Guide to Wisconsin Hospitals, Fiscal year 2006, February 2008, WHA Information Center, http://www.whainfocenter.com/data_resources/2006_guide/Guide2006_narrative.pdf

Hospital Impacts Region 6 by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	7,842,211	133	1,646,947	2,106,358
Mining	1,092,783	1	276,326	694,554
Utilities	6,616,888	21	1,510,029	5,015,992
Construction	10,929,234	97	4,034,218	4,306,278
Manufacturing	60,143,976	229	11,782,334	18,043,270
Wholesale Trade	35,284,332	265	13,365,902	23,786,360
Transportation & Warehousing	33,445,852	448	17,078,372	20,399,182
Retail Trade	57,064,236	978	22,249,202	36,330,648
Information	18,466,122	90	4,097,311	7,347,761
Finance & Insurance	55,522,108	369	16,092,426	25,769,968
Real Estate & Rental	66,664,964	615	10,919,342	44,578,832
Professional- Scientific & Tech Services	49,035,268	509	22,528,644	25,218,246
Management of Companies	15,798,124	102	6,348,315	8,181,135
Administrative & Waste Services	34,512,692	813	15,031,632	18,576,294
Educational Services	2,903,225	85	1,096,767	1,320,878
Health & Social Services	42,378,108	601	23,376,308	27,566,904
HOSPITALS	1,196,307,968	10,754	427,387,648	476,056,704
Arts, Entertainment & Recreation	4,858,292	128	1,489,147	2,316,989
Accommodation & Food Services	44,625,396	1,035	13,046,402	19,564,312
Other Services	23,758,520	487	9,238,526	11,406,917
Government & non NAICs	60,278,344	54	2,267,381	48,905,180
Total	**1,827,528,641**	**17,814**	**624,863,178**	**827,492,762**

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	1,196,307,968	322,424,590	308,796,076	1,827,528,641	1.528
Jobs	10,754	3,615	3,445	17,814	1.657
Labor Income	427,387,648	105,555,943	91,919,586	624,863,178	1.462
Total Income	**476,056,704**	**166,898,131**	**184,537,925**	**827,492,762**	**1.738**

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
6	1,196,308,489	424,778,643	1,159,950,154	36,358,334	6,593,030	42,951,365	10,754

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

Property Taxes	18,208,910
Sales Taxes	15,013,456
Income Taxes	18,222,981
Other	20,446,202
Total	**71,891,549**

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.

An EEO/Affirmative Action Employer, University of Wisconsin-Extension provides equal opportunities in employment and programming, including Title IX and ADA requirements.