



Lake Winnebago Region (3): Serving a population of 586,684 residents (2006)

Hospitals: Value and economic impact

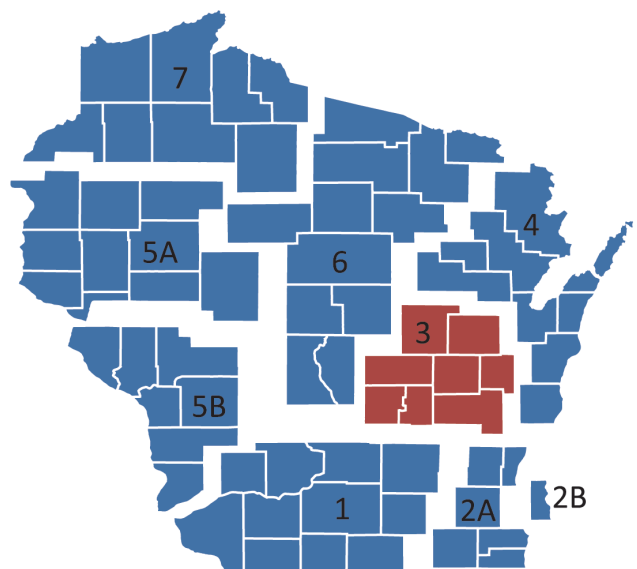
Across the state of Wisconsin, hospitals provide access to vital health care services 24 hours a day, seven days a week, 365 days a year, serving more than 13 million outpatients¹. Hospitals are valued primarily for these healing and wellness services.

Most Wisconsin families take comfort in knowing they are close to quality hospitals. In the Lake Winnebago Region (region 3), seven of the eight 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)



Hospitals in the Lake Winnebago Region

Hospital	City	County
Appleton Medical Center	Appleton	Outagamie
St Elizabeth Hospital	Appleton	Outagamie
Berlin Memorial Hospital	Berlin	Green Lake
Calumet Medical Center	Chilton	Calumet
Fond du Lac County Health Care Center	Fond du Lac	Fond du Lac
St Agnes Hospital	Fond du Lac	Fond du Lac
Theda Clark Medical Center	Neenah	Winnebago
New London Family Medical Center	New London	Outagamie
Mercy Medical Center of Oshkosh	Oshkosh	Winnebago
Ripon Medical Center	Ripon	Fond du Lac
Riverside Medical Center	Waupaca	Waupaca
Wild Rose Community Memorial Hospital Inc	Wild Rose	Waushara
Winnebago Mental Health Institute	Winnebago	Winnebago
Children's Hospital of Wisconsin - Fox Valley	Neenah	Winnebago
Aurora Medical Center of Oshkosh	Oshkosh	Winnebago

Source: 2007 Wisconsin Hospital Annual and Fiscal Surveys.

How important are hospitals to the Lake Winnebago Region of Wisconsin?

- Hospitals in the Lake Winnebago region provide jobs for 8,951 hospital workers and supported an additional 2,940 jobs created indirectly through hospital purchases and 3,372 jobs induced through hospital employee economic activity for a total of 15,263 jobs.
- Hospitals in the Lake Winnebago region account for more than \$1.6 billion in economic activity. The direct effect of hospitals in the region is \$1 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$271 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 \$319 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Lake Winnebago region contribute \$775 million to total income in the region.
- Hospitals in the Lake Winnebago region generate state and local tax revenues (Non-K12 Education) amounting to \$67 million.

A detailed analysis of the impacts for the Lake Winnebago 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>.

¹ Guide to Wisconsin Hospitals, Fiscal year 2006, February 2008, WHA Information Center, 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 3 by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	4,452,323	68	1,120,350	1,353,519
Mining	45,064	0	12,073	27,530
Utilities	7,903,079	18	1,682,356	6,171,117
Construction	8,630,633	71	3,464,224	3,698,956
Manufacturing	65,259,540	234	12,848,709	20,218,744
Wholesale Trade	30,066,248	207	11,373,761	20,268,812
Transportation & Warehousing	25,894,144	324	13,629,628	16,219,788
Retail Trade	55,631,404	963	21,849,682	35,698,236
Information	16,120,851	74	3,866,611	6,966,770
Finance & Insurance	59,713,164	389	20,481,814	29,016,498
Real Estate & Rental	47,232,028	374	7,778,593	31,730,892
Professional- Scientific & Tech Services	38,193,328	352	17,660,082	20,150,786
Management of Companies	17,039,446	82	8,011,447	10,324,490
Administrative & Waste Services	44,207,120	1,006	23,532,224	28,033,862
Educational Services	7,554,782	154	3,737,677	3,945,771
Health & Social Services	39,403,040	534	22,172,114	25,787,312
HOSPITALS	1,021,149,705	8,951	377,292,832	437,629,637
Arts, Entertainment & Recreation	5,124,840	128	1,734,893	2,603,922
Accommodation & Food Services	36,675,908	862	10,501,598	15,411,518
Other Services	20,802,254	430	8,278,468	9,949,934
Government & non NAICs	60,012,760	44	2,147,029	49,780,036
Total	1,611,111,661	15,263	573,176,165	774,988,130

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	1,021,149,705	271,160,288	318,801,676	1,611,111,661	1.578
Jobs	8,951	2,940	3,372	15,263	1.705
Labor Income	377,292,832	99,271,109	96,612,229	573,176,165	1.519
Total Income	437,629,637	146,985,858	190,372,637	774,988,130	1.771

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
3	848,112,049	322,055,192	832,347,943	15,764,106	24,133,937	39,898,043	7,532

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

Property Taxes	15,970,072
Sales Taxes	13,167,507
Income Taxes	19,369,341
Other	18,421,785
Total	66,928,705



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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