



Northeastern Region (4): Serving a population of 609,781 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 Northeastern Region (region 4), seven of the nine 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.

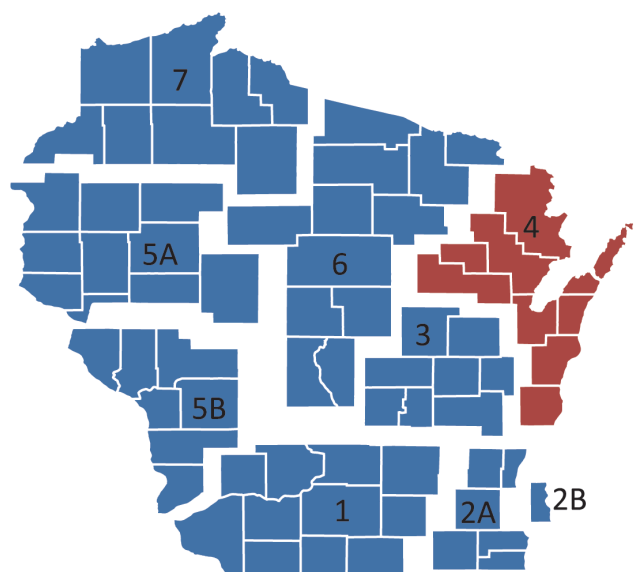
The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- 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 Northeastern Region of Wisconsin?

- Hospitals in the Northeastern region provide jobs for 12,297 hospital workers and supported an additional 4,250 jobs created indirectly through hospital purchases and 4,178 jobs induced through hospital employee economic activity for a total of 20,725 jobs.
- Hospitals in the Northeastern region account for nearly \$2.1 billion in economic activity. The direct effect of hospitals in the region is \$1.3 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$386 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 \$388 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Northeastern region contribute \$1 billion to total income in the region.
- Hospitals in the Northeastern region generate state and local tax revenues (Non-K12 Education) amounting to \$90 million.

A detailed analysis of the impacts for the Northeastern 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 Northeastern Region

Hospital	City	County
Bellin Memorial Hospital	Green Bay	Brown
Brown County Mental Health Center	Green Bay	Brown
St Mary's Hospital Medical Center	Green Bay	Brown
St Vincent Hospital	Green Bay	Brown
Bay Area Medical Center	Marinette	Marinette
Community Memorial Hospital	Oconto Falls	Oconto
Shawano Medical Center	Shawano	Shawano
St Nicholas Hospital	Sheboygan	Sheboygan
Door County Memorial Hospital	Sturgeon Bay	Door
Aurora Medical Center of Manitowoc Co Inc	Two Rivers	Manitowoc
Libertas Center	Green Bay	Brown
Bellin Psychiatric Center	Green Bay	Brown
Holy Family Memorial Medical Center	Manitowoc	Manitowoc
Aurora Sheboygan Memorial Medical Center	Sheboygan	Sheboygan
BayCare Aurora LLC d/b/a Aurora BayCare Medical Center	Green Bay	Brown

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



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

Hospital Impacts Region 4 by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	5,498,302	83	1,246,166	1,556,452
Mining	212,114	1	73,842	115,841
Utilities	19,366,130	40	4,227,373	15,729,928
Construction	11,544,106	98	4,406,901	4,714,555
Manufacturing	76,801,096	308	15,474,870	23,231,070
Wholesale Trade	40,113,232	263	15,185,826	27,041,868
Transportation & Warehousing	34,006,172	436	17,742,944	21,070,816
Retail Trade	65,900,456	1,227	26,595,364	42,117,208
Information	20,465,568	100	4,507,916	8,135,814
Finance & Insurance	66,546,452	436	20,074,250	32,677,926
Real Estate & Rental	92,547,256	861	15,512,972	63,328,056
Professional- Scientific & Tech Services	52,327,352	479	23,572,388	27,372,318
Management of Companies	21,657,122	105	10,156,235	13,088,499
Administrative & Waste Services	53,084,300	1,277	26,689,566	31,872,722
Educational Services	9,319,746	186	4,457,794	4,729,486
Health & Social Services	48,353,316	656	27,086,686	31,585,612
HOSPITALS	1,290,354,176	12,297	504,951,104	569,602,816
Arts, Entertainment & Recreation	8,856,657	174	3,404,051	4,926,177
Accommodation & Food Services	50,195,108	1,134	14,918,231	22,369,038
Other Services	25,022,832	505	10,471,160	12,202,825
Government & non NAICs	72,159,536	60	2,773,620	59,112,200
Total	2,064,331,028	20,725	753,529,258	1,016,581,226

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	1,290,354,176	386,344,064	387,632,770	2,064,331,028	1.600
Jobs	12,297	4,250	4,178	20,725	1.685
Labor Income	504,951,104	130,658,517	117,919,636	753,529,258	1.492
Total Income	569,602,816	211,389,502	235,588,906	1,016,581,226	1.785

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
4	1,290,354,151	497,433,121	1,224,927,234	65,426,918	19,828,491	85,255,409	12,297

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

Property Taxes	23,179,034
Sales Taxes	19,111,379
Income Taxes	22,492,329
Other	25,684,016
Total	90,466,758



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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