



Southeastern Region (2A): Serving a population of 1,044,480 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 Southeastern Region (region 2A), each of the six 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.

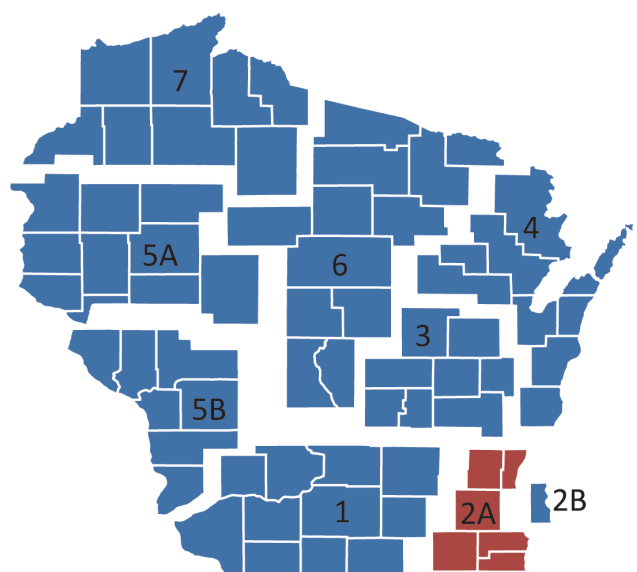
The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- 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 Southeastern Region of Wisconsin?

- Hospitals in the Southeastern region provide jobs for 15,813 hospital workers and supported an additional 7,345 jobs created indirectly through hospital purchases and 5,713 jobs induced through hospital employee economic activity for a total of 28,871 jobs.
- Hospitals in the Southeastern region account for nearly \$3.3 billion in economic activity. The direct effect of hospitals in the region is \$1.9 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$802 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 \$580 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Southeastern region contribute \$1.5 billion to total income in the region.
- Hospitals in the Southeastern region generate state and local tax revenues (Non-K12 Education) amounting to \$144 million.

A detailed analysis of the impacts for the Southeastern 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 Southeastern Region

Hospital	City	County
Elmbrook Memorial Hospital	Brookfield	Waukesha
Memorial Hospital of Burlington	Burlington	Racine
Aurora Lakeland Medical Center	Elkhorn	Walworth
Aurora Medical Center of Washington County Inc	Hartford	Washington
Community Memorial Hospital	Menomonee Falls	Waukesha
Oconomowoc Memorial Hospital	Oconomowoc	Waukesha
Rogers Memorial Hospital - Oconomowoc	Oconomowoc	Waukesha
St Mary's Hospital - Ozaukee	Mequon	Ozaukee
Waukesha County Mental Health Center	Waukesha	Waukesha
Waukesha Memorial Hospital Inc	Waukesha	Waukesha
St Joseph's Community Hospital	West Bend	Washington
Lakeview NeuroRehab Center Midwest	Waterford	Racine
Aurora Medical Center - Kenosha	Kenosha	Kenosha
Children's Hospital of Wisconsin - Kenosha	Kenosha	Kenosha
All Saints Healthcare	Racine	Racine
United Hospital System Inc	Kenosha	Kenosha
Mercy Walworth Hospital and Med Center	Lake Geneva	Walworth

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 2A by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	5,303,866	82	1,363,625	1,785,901
Mining	1,943,937	3	538,264	1,196,504
Utilities	23,548,322	39	4,995,588	18,103,034
Construction	19,525,608	153	8,051,093	8,625,026
Manufacturing	185,320,032	653	39,511,968	61,643,076
Wholesale Trade	75,062,480	413	28,430,356	50,602,504
Transportation & Warehousing	47,933,568	581	25,301,594	30,503,900
Retail Trade	95,477,936	1,721	37,872,936	61,431,232
Information	32,044,904	132	6,819,635	13,526,948
Finance & Insurance	138,851,280	856	48,266,676	67,975,856
Real Estate & Rental	194,016,304	1,664	32,546,626	133,620,616
Professional- Scientific & Tech Services	126,074,728	1,062	59,670,896	68,682,680
Management of Companies	37,679,416	172	18,120,792	23,352,530
Administrative & Waste Services	95,640,360	1,840	51,692,608	61,682,588
Educational Services	11,482,766	263	5,206,410	5,688,867
Health & Social Services	67,250,248	892	37,493,920	44,101,504
HOSPITALS	1,904,822,016	15,813	648,615,488	720,194,624
Arts, Entertainment & Recreation	10,821,991	238	3,878,648	5,751,963
Accommodation & Food Services	72,574,912	1,549	22,496,468	33,302,450
Other Services	38,887,484	687	17,285,562	20,535,550
Government & non NAICs	102,509,440	57	2,991,799	86,155,608
Total	3,286,771,598	28,871	1,101,150,950	1,518,462,960

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	1,904,822,016	802,242,327	579,707,265	3,286,771,598	1.726
Jobs	15,813	7,345	5,713	28,871	1.826
Labor Income	648,615,488	275,498,771	177,036,694	1,101,150,950	1.698
Total Income	720,194,624	445,061,252	353,207,081	1,518,462,960	2.108

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
2A	1,904,821,808	646,583,201	1,740,290,228	164,531,581	30,389,966	194,921,547	15,813

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

Property Taxes	37,929,219
Sales Taxes	31,273,078
Income Taxes	34,996,675
Other	39,736,504
Total	143,935,477



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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