



Southern Region (1): Serving a population of 1,049,675 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 Southern Region (region 1), each of the 11 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.

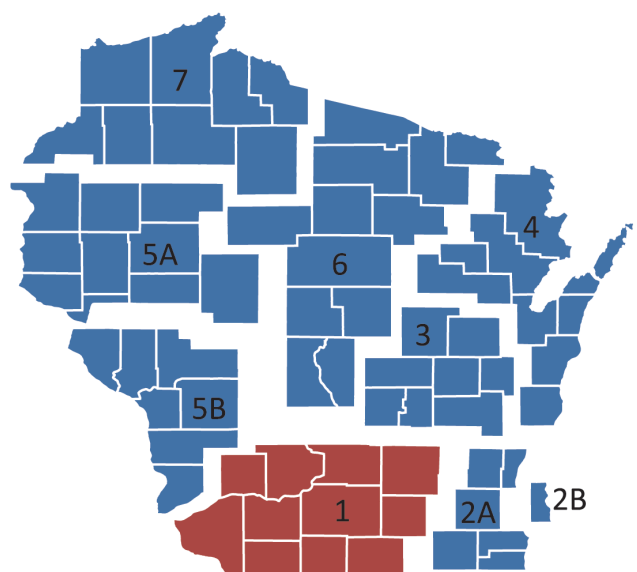
The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- 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 Southern Region of Wisconsin?

- Hospitals in the Southern region provide jobs for 23,161 hospital workers and supported an additional 8,935 jobs created indirectly through hospital purchases and 9,807 jobs induced through hospital employee economic activity for a total of 41,903 jobs.
- Hospitals in the Southern region account for nearly \$4.6 billion in economic activity. The direct effect of hospitals in the region is \$2.6 billion and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$1 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 \$1 billion of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Southern region contribute \$2.3 billion to total income in the region.
- Hospitals in the Southern region generate state and local tax revenues (Non-K12 Education) amounting to \$210 million.

A detailed analysis of the impacts for the Southern 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 Southern Region

Hospital	City	County
St Clare Hospital and Health Services	Baraboo	Sauk
Beaver Dam Community Hospitals Inc	Beaver Dam	Dodge
Beloit Memorial Hospital Inc	Beloit	Rock
Boscobel Area Health Care	Boscobel	Grant
Columbus Community Hospital Inc	Columbus	Columbia
Memorial Hospital of Lafayette County	Darlington	Lafayette
Upland Hills Health Inc	Dodgeville	Iowa
Edgerton Hospital and Health Services	Edgerton	Rock
Fort HealthCare	Fort Atkinson	Jefferson
Mercy Health System Corporation	Janesville	Rock
Grant Regional Health Center Inc	Lancaster	Grant
Mendota Mental Health Institute	Madison	Dane
Meriter Hospital Inc	Madison	Dane
St Marys Hospital Medical Center	Madison	Dane
University of WI Hospital & Clinics Authority	Madison	Dane
The Monroe Clinic	Monroe	Green
Southwest Health Center Inc	Platteville	Grant
Divine Savior Healthcare Inc	Portage	Columbia
Sauk Prairie Memorial Hospital	Prairie du Sac	Sauk
Reedsburg Area Medical Center	Reedsburg	Sauk
The Richland Hospital Inc	Richland Center	Richland
Stoughton Hospital Association	Stoughton	Dane
Watertown Memorial Hospital	Watertown	Dodge
Waupun Memorial Hospital	Waupun	Dodge

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

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	12,520,493	187	3,105,272	3,839,173
Mining	1,620,749	2	412,717	1,029,103
Utilities	34,605,076	79	7,475,494	27,662,690
Construction	24,706,882	202	9,917,966	10,585,578
Manufacturing	309,049,120	815	54,981,128	89,031,568
Wholesale Trade	106,365,456	701	40,216,128	71,705,040
Transportation & Warehousing	71,722,472	891	36,807,324	44,053,080
Retail Trade	157,597,504	2,501	62,680,164	102,028,512
Information	48,734,544	221	10,972,559	20,624,014
Finance & Insurance	168,353,392	1,024	54,979,780	82,374,960
Real Estate & Rental	264,734,912	2,129	43,387,668	180,893,808
Professional- Scientific & Tech Services	152,875,824	1,369	71,061,432	82,379,552
Management of Companies	42,755,416	213	19,801,892	25,518,968
Administrative & Waste Services	111,599,936	2,477	57,930,700	68,333,120
Educational Services	14,972,926	332	6,614,663	7,421,966
Health & Social Services	115,663,856	1,590	64,018,480	74,811,480
HOSPITALS	2,565,663,232	23,161	918,450,909	1,157,425,944
Arts, Entertainment & Recreation	16,718,768	457	5,746,913	8,261,723
Accommodation & Food Services	106,979,848	2,311	33,075,532	49,503,524
Other Services	56,444,684	1,128	25,753,666	29,932,930
Government & non NAICs	166,578,576	114	6,379,794	138,794,096
Total	4,550,263,666	41,903	1,533,770,181	2,276,210,829

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	2,565,663,232	988,988,015	995,612,426	4,550,263,666	1.774
Jobs	23,161	8,935	9,807	41,903	1.809
Labor Income	918,450,909	316,846,368	298,472,905	1,533,770,181	1.670
Total Income	1,157,425,944	525,479,828	593,305,039	2,276,210,829	1.967

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
1	2,565,663,256	918,450,909	2,388,289,557	177,373,699	61,601,337	238,975,035	16,399

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

Property Taxes	52,572,107
Sales Taxes	43,346,303
Income Taxes	53,903,256
Other	59,911,073
Total	209,732,739



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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