



Southwestern Region (5B): Serving a population of 260,107 residents (2006)

Hospitals: Value and economic impact

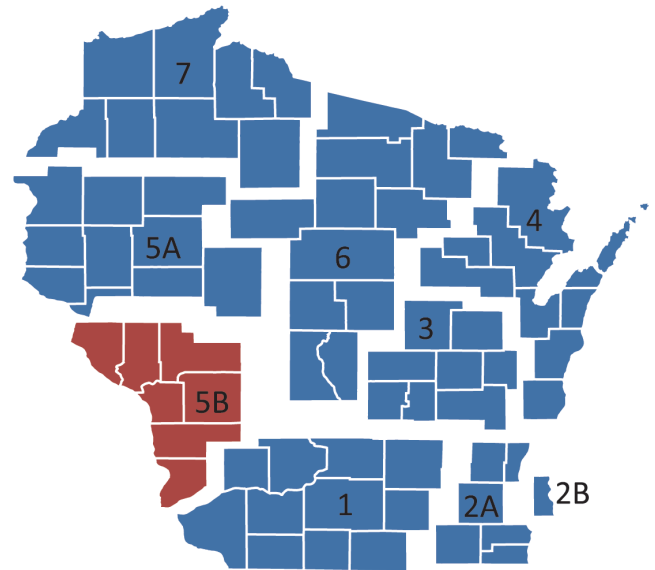
Across the state of Wisconsin, hospitals provide access to vital health care services 24 hours a day, seven days a week, 365 days a year, serving more than 13 million outpatients¹. Hospitals are valued primarily for these healing and wellness services.

Most Wisconsin families take comfort in knowing they are close to quality hospitals. In the Southwestern Region (region 5B), six of the seven 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 Southwestern Region

Hospital	City	County
Franciscan Skemp Healthcare - Arcadia	Arcadia	Trempealeau
Black River Memorial Hospital	Black River Falls	Jackson
St Joseph's Community Health Services Inc	Hillsboro	Vernon
Gundersen Lutheran Medical Center Inc	La Crosse	La Crosse
Franciscan Skemp Healthcare - La Crosse	La Crosse	La Crosse
Osseo Medical Center	Osseo	Trempealeau
Prairie du Chien Memorial Hospital	Prairie du Chien	Crawford
Franciscan Skemp Healthcare - Sparta	Sparta	Monroe
Tomah Memorial Hospital Inc	Tomah	Monroe
Vernon Memorial Hospital	Viroqua	Vernon
Tri-County Memorial Hospital Inc	Whitehall	Trempealeau

Source: 2007 Wisconsin Hospital Annual and Fiscal Surveys.

How important are hospitals to the Southwestern Region of Wisconsin?

- Hospitals in the Southwestern region provide jobs for 5,291 hospital workers and supported an additional 2,218 jobs created indirectly through hospital purchases and 1,863 jobs induced through hospital employee economic activity for a total of 9,373 jobs.
- Hospitals in the Southwestern region account for nearly \$980 million in economic activity. The direct effect of hospitals in the region is \$629 million and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$190 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 \$161 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the Southwestern region contribute \$446 million to total income in the region.
- Hospitals in the Southwestern region generate state and local tax revenues (Non-K12 Education) amounting to \$41 million.

A detailed analysis of the impacts for the Southwestern 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 5B by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	5,393,200	80	856,665	1,425,729
Mining	88,410	0	22,589	56,200
Utilities	10,373,683	27	1,934,531	6,977,635
Construction	5,870,033	50	2,215,182	2,369,206
Manufacturing	30,821,938	150	5,989,631	8,909,342
Wholesale Trade	18,481,090	144	7,000,058	12,458,812
Transportation & Warehousing	18,086,442	226	9,434,419	11,237,876
Retail Trade	27,352,060	516	10,969,541	17,387,072
Information	8,145,392	40	1,820,395	3,202,050
Finance & Insurance	25,350,722	174	7,782,303	12,832,303
Real Estate & Rental	44,984,400	425	7,382,903	30,531,278
Professional- Scientific & Tech Services	23,871,784	257	10,176,377	11,704,344
Management of Companies	10,810,985	68	4,430,728	5,709,953
Administrative & Waste Services	29,807,878	644	14,193,615	17,149,734
Educational Services	3,782,501	77	1,911,705	1,986,037
Health & Social Services	20,333,440	336	10,787,518	12,564,360
HOSPITALS	628,758,976	5,291	209,352,528	247,864,176
Arts, Entertainment & Recreation	2,386,268	52	816,840	1,242,246
Accommodation & Food Services	22,236,286	523	6,401,970	9,523,802
Other Services	11,427,827	229	4,773,536	5,653,037
Government & non NAICs	31,475,332	64	1,834,858	25,373,912
Total	979,838,646	9,373	320,087,890	446,159,103

	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
5B	628,758,651	207,592,140	557,878,002	70,880,649	2,739,356	73,620,005	5,291

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

Property Taxes	10,807,797
Sales Taxes	8,911,152
Income Taxes	9,014,163
Other	12,160,098
Total	40,893,210



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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