



West Central Region (5A): Serving a population of 462,498 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 West Central Region (region 5A), each 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.

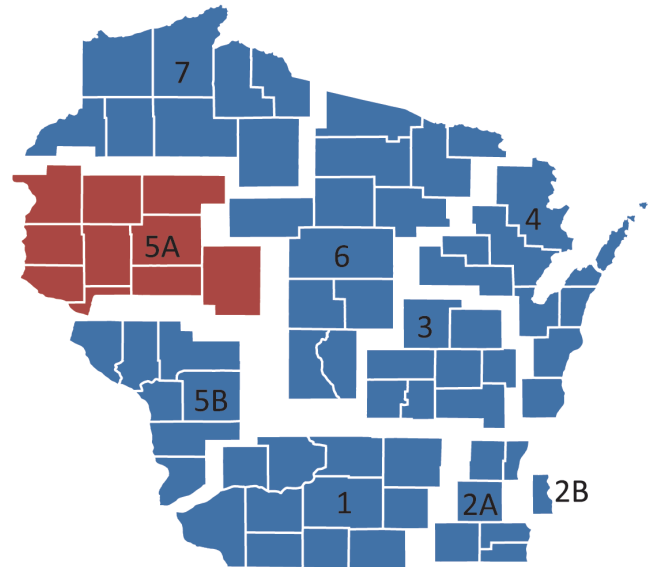
The economic contribution of hospitals extends beyond the people they directly employ, the goods and services they purchase and the taxes they pay. Hospitals also support other businesses through so-called "multiplier effects" that are generated in three ways:

- 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 West Central Region of Wisconsin?

- Hospitals in the West Central region provide jobs for 7,976 hospital workers and supported an additional 3,033 jobs created indirectly through hospital purchases and 2,587 jobs induced through hospital employee economic activity for a total of 13,596 jobs.
- Hospitals in the West Central region account for nearly \$1.4 billion in economic activity. The direct effect of hospitals in the region is \$850 million and includes the revenues from the services provided by hospitals. Purchases of hospital inputs and services create another \$269 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 \$232 million of induced economic activity; because people in hospital-related businesses spend their earnings.
- Hospitals in the West Central region contribute \$616 million to total income in the region.
- Hospitals in the West Central region generate state and local tax revenues (Non-K12 Education) amounting to \$55 million.

A detailed analysis of the impacts for the West Central 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 West Central Region

Hospital	City	County
Amery Regional Medical Center	Amery	Polk
Baldwin Area Medical Center Inc	Baldwin	Saint Croix
Barron Memorial Medical Center Inc	Barron	Barron
Bloomer Medical Center - Mayo Health Systems	Bloomer	Chippewa
St Joseph's Hospital	Chippewa Falls	Chippewa
Cumberland Memorial Hospital & ECU	Cumberland	Barron
Chippewa Valley Hospital	Durand	Pepin
Luther Hospital	Eau Claire	Eau Claire
Sacred Heart Hospital	Eau Claire	Eau Claire
Hudson Hospital	Hudson	Saint Croix
Rusk Co Memorial Hospital & Nursing Home	Ladysmith	Rusk
Red Cedar Medical Center - Mayo Health System	Menomonie	Dunn
Memorial Hospital Inc	Neillsville	Clark
Westfields Hospital	New Richmond	Saint Croix
Osceola Medical Center	Osceola	Polk
Lakeview Medical Center	Rice Lake	Barron
River Falls Area Hospital	River Falls	Saint Croix
St Croix Regional Medical Center	St Croix Falls	Polk
Our Lady of Victory Hospital	Stanley	Clark
Oakleaf Surgical Hospital	Eau Claire	Eau Claire

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 5A by Industry (positions that exist because of hospital resources and employees)

	Industry Revenue	Indirect & Induced Employment	Labor Income	Total Income
Ag, Forestry, Fish & Hunting	7,759,240	110	1,298,462	1,949,777
Mining	151,738	0	38,678	96,453
Utilities	6,393,420	18	1,279,131	4,590,695
Construction	7,947,218	71	2,931,643	3,123,942
Manufacturing	70,948,528	251	12,057,397	19,085,500
Wholesale Trade	20,655,632	160	7,819,788	13,924,754
Transportation & Warehousing	23,973,576	319	12,344,334	14,719,810
Retail Trade	41,302,652	731	16,198,147	26,320,208
Information	13,657,330	70	3,052,439	5,576,860
Finance & Insurance	39,145,876	254	11,685,509	19,705,000
Real Estate & Rental	53,596,940	515	8,649,011	36,449,620
Professional- Scientific & Tech Services	35,070,000	371	16,079,781	18,385,136
Management of Companies	15,605,842	89	6,749,167	8,697,755
Administrative & Waste Services	35,986,092	954	18,757,316	21,831,184
Educational Services	2,104,888	57	789,721	1,008,707
Health & Social Services	30,251,822	455	16,456,140	19,353,526
HOSPITALS	850,221,952	7,976	307,028,544	342,250,528
Arts, Entertainment & Recreation	4,033,655	106	1,310,337	1,914,451
Accommodation & Food Services	29,571,056	710	8,408,679	12,363,905
Other Services	15,581,014	325	6,470,774	7,446,602
Government & non NAICs	46,789,252	51	1,945,641	37,072,256
Total	1,350,747,723	13,596	461,350,639	615,866,668

	Direct	Indirect	Induced	Total	Multiplier
Industry Revenue	850,221,952	268,667,257	231,858,506	1,350,747,723	1.589
Jobs	7,976	3,033	2,587	13,596	1.705
Labor Income	307,028,544	87,227,767	67,094,331	461,350,639	1.503
Total Income	342,250,528	137,750,992	135,865,151	615,866,668	1.799

Analysis Area	Total Operating Revenue	Total Payroll Expense	Total Expenses	Total Operating Income	Total Nonoperating Income	Total Net Income	Full & Part Time Employees Total
5A	850,222,311	304,877,885	769,530,421	80,691,890	18,164,348	98,856,238	7,976

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

Property Taxes	13,624,748
Sales Taxes	11,233,760
Income Taxes	13,893,767
Other	15,793,258
Total	54,545,534



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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