



The Economic Impact of Eastern Shore Rural Health System

Eastern Shore Rural Health System is a non-profit, community-based health center that provides comprehensive primary and preventive health care and social services to medically underserved individuals and families regardless of their ability to pay. The health center strives to meet the unique health needs of its community in linguistically and culturally competent ways.

In addition to providing critically needed health care services, the health center is a powerful “economic engine” whose business operations significantly impact its community’s economy.

Eastern Shore Rural Health System

- is a major employer in its community.
- provides direct employment for people in the community, including critical entry-level jobs, training, and career building opportunities that are community-based.
- purchases goods and services directly from local businesses, thereby stimulating the local economy through an infusion of health center spending.
- further stimulates the local economy through the indirect expenditures of related sectors and the induced expenditures of new household income generated by the direct and indirect effects.
- engages in capital development projects, often acting as a catalyst for significant economic revitalization within its community by attracting investment and other businesses to the community.

Eastern Shore Rural Health System had the following economic impact:

Injected \$10.0 million of operating expenditures directly into the local economy, and stimulated additional indirect and induced economic activity of \$3.8 million.

Had an overall economic impact of \$13.8 million.

Directly generated 196 jobs.

Supported an additional 42 jobs in other industries.

To invest in Eastern Shore Rural Health System is to invest in the economic development of its community and state.

METHODOLOGY

This analysis applies the “multiplier effect”, using an integrated economic modeling and planning tool called IMPLAN (IMPact analysis for PLANning), to capture the direct, indirect, and induced economic effects of an organization’s business operations. IMPLAN was developed by the US Department of Agriculture and the Minnesota IMPLAN Group (MIG) and employs multipliers, specific to each county and each industrial sector, to determine total output, employment, and earnings. IMPLAN’s output, earnings, and employment figures are aggregated based on:

- **Direct effects:** represents the response for a given industry (in this case Total Operating Expenditures of health centers).
- **Indirect effects:** represents the response by all local industries caused by “the iteration of industries purchasing.”
- **Induced effects:** represents the response by all local industries to the expenditures of new household income generated by the direct and indirect effects.

*Prepared by Capital Link with MIG, Inc. IMPLAN Software Pro version 3.0, 2009 structural matrices, 2009 county-specific multiplier, and the health center’s FY09 financial and employment information. Direct employment data was taken from IRS Form990, while additional employment data was generated by IMPLAN, based on the organization’s FY09 operating expenditures.



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