

## Summary of the Economic Impacts of Baptist Memorial Hospital-Union County

Baptist Memorial Hospital-Union County, Mississippi (BMHUCM), located in New Albany, Mississippi, was founded in 1966 and became part of the Baptist system in 1987. The hospital has 153 licensed beds and approximately 518 full-time equivalent employees. In fiscal year 2012 (FY2012), the hospital reported 22,837 emergency room visits, 1,099 births, 4,076 surgeries, and 3,964 discharges. The average daily census for 2012 was 36. BMHUCM provides a variety of services, including a 24-hour emergency room, general surgery facilities, internal medicine, oncology, pediatrics, radiology, and urology. The facility is known for its obstetrical services and its outpatient and laser surgery units. The renovated Women's Center contains advanced birthing facilities, including 10 labor/delivery/recovery rooms, 28 private postpartum rooms, and two surgical suites for Caesarean sections. Baptist Memorial Hospital-Union County was named a Top Performer on Key Quality Measures by the Joint Commission and was voted Hospital of the Year in 2008 by the Mississippi Nurses Association.

The economic impacts described in this report were derived from BMHUCM's total net revenues from direct operations during FY2012 using the IMPLAN<sup>®</sup> statistical model.<sup>1</sup> In the course of normal operations, BMHUCM spends these revenues on a wide variety of goods and services, including medical supplies, wages and benefits, contract labor, repairs and maintenance, food services, and non-medical supplies and services. Subsequently, both BMHUCM employees and employees and owners of BMHUCM suppliers spend incomes derived via business or employment with BMHUCM across all spectrums of the local economy.

### Summary

In FY2012, BMHUCM had total operating revenues of \$48.3 million as a result of providing acute hospital care services to the area's citizens. As shown in Table 1, this resulted in a total production of goods and services (output) value of nearly \$58.3 million; total salaries, wages, and benefits of \$22.8 million; 544 full- and part-time jobs; and state and local taxes of \$1.4 million.

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<sup>1</sup>For more information on IMPLAN<sup>®</sup>, see <http://implan.com/V4/Index.php>.

**Table 1. Total Impacts of Baptist Memorial Hospital-Union County, FY2012**

Output (Value of Goods and Services)	\$58,270,651
Labor Income (Salaries, Wages, and Benefits)	\$22,776,352
Employment (Jobs, Full- and Part-Time)	544
State and Local Taxes	\$ 1,401,422

Table 2 presents a list of the top ten industries impacted by Baptist Memorial Hospital-Union County, ranked by employment. Obviously, the hospital industry is the industry that benefited the most, but other industries also benefited from BMHUCM's normal operations in FY2012. This occurred as BMHUCM, contractors, and employees bought supplies and spent their earnings throughout the local area as a result of the hospital's normal operations.

**Table 2. Top Ten Industries Affected by Baptist Memorial Hospital-Union County, Ranked by Employment, FY2012**

Description	Employment	Labor Income	Output
Private hospitals	453	\$20,053,838	\$49,107,428
Food services and drinking places	12	207,299	615,854
Offices of physicians, dentists, and other health practitioners	6	329,376	584,283
Services to buildings and dwellings	5	73,791	227,794
Retail stores - General merchandise	4	106,885	243,269
Nursing and residential care facilities	4	104,548	214,173
Dry-cleaning and laundry services	4	102,285	127,165
Real estate establishments	4	30,220	402,721
Retail stores - Motor vehicle and parts	3	91,732	209,006
Maintenance and repair construction of nonresidential structures	3	87,338	213,462

### Further Explanation

#### 1. Output Impact (Value of Goods and Services Produced)

Result: A total impact on the local area of \$58.3 million in goods and services produced as a result of the provision of \$48.3 million in services as part of the hospital's normal operations in FY2012.

**Table 3. Output Impact of Baptist Memorial Hospital-Union County, FY2012**

Direct Impact	\$48,333,009
Indirect Impact	3,951,461
Induced Impact	5,986,181
<b>Total Impact</b>	<b>\$58,270,651</b>

Note: Numbers may not add due to rounding differences.

- **Direct Output Impact:** The direct output impact of BMHUCM expenditures is simply the total dollar amount of \$48.3 million spent by BMHUCM during FY2012. These expenditures include all operating costs, wages, fees, etc., paid by BMHUCM.
- **Indirect Output Impact:** The indirect output impact of \$4.0 million can be described as subsequent purchases made (or wages paid) by businesses using monies earned by supplying goods or services to BMHUCM. For example, assume that BMHUCM purchases \$5,000 worth of supplies from a local office supply company. Part of that \$5,000 would then be spent by the office supply company on rent, and part of it would be spent to pay employee wages. As a result, the money is recirculated into the local economy.
- **Induced Output Impact:** Monies spent by BMHUCM also result in personal income for a variety of people through both direct and indirect means. That personal income is then spent by the individuals themselves in whatever manner they see fit. The \$6.0 million of output generated from this spending is considered to be an induced output impact.
- **Total Output Impact:** The \$58.3 million total output impact is the sum of the direct, indirect, and induced output impacts.

## 2. Labor Income Impact (Salaries, Wages, and Benefits)

Result: Total local area labor income of nearly \$22.8 million.

**Table 4. Labor Income Impact of Baptist Memorial Hospital-Union County, FY2012**

Direct Impact	\$19,737,591
Indirect Impact	1,316,595
Induced Impact	1,722,166
<b>Total Impact</b>	<b>\$22,776,352</b>

Note: Numbers may not add due to rounding differences.

- **Direct Income Impact:** The statistical model estimates that \$19.8 million of the original \$48.3 million in total direct expenditures was paid directly (as salaries, wages, and benefits) to employees (nurses, case managers, administrators, etc.) of BMHUCM. Note that actual hospital labor expenditures may differ.

- **Indirect Income Impact:** This represents the additional income of \$1.3 million earned by employees of businesses that provide goods and services to BMHUCM (for example, wages paid to local food supply service workers).
- **Induced Income Impact:** Direct and indirect income earners will spend some of this additional income for personal consumption. The \$1.7 million in income generated from this spending is considered to be induced income. For example, a BMHUCM employee pays a mechanic to fix her car, or a food service employee spends some of his wages at a local restaurant. The additional incomes of the mechanic and of the restaurant workers generated by these events are considered to be induced by the original expenditure of BMHUCM.
- **Total Income Impact:** Total income of \$22.8 million is the sum of the direct, indirect, and induced income impacts.

### 3. Employment Impact

Result: A cumulative effect on 544 jobs.

This effect accounts for both full- and part-time workers and is measured in annual average jobs.

### 4. Tax Revenue Impact

Result: Total local and state tax revenues of approximately \$1.4 million.

These are taxes and other government revenues generated by the earnings of businesses supplying BMHUCM, employee income, and employee expenditures of both hospital suppliers and the hospital as well. As shown in Table 5, state and local taxes and revenues generated include everything from corporate and personal income taxes to property taxes to hunting and fishing licenses purchased.

**Table 5. Baptist Memorial Hospital-Union County Tax Impact, FY2012**

	<b>Total</b>
Corporate Profits Tax	\$ 2,337
Dividends	12,445
Indirect Business Tax: Motor Vehicle Licenses	22,061
Indirect Business Tax: Other Taxes	602,283
Indirect Business Tax: Property Tax	334,082
Indirect Business Tax: State and Local Non Taxes	8,603
Indirect Business Tax: Sales Tax	15,216
Indirect Business Tax: Severance Tax	48,147
Personal Tax: Income Tax	42,382
Personal Tax: Motor Vehicle Licenses	36,922
Personal Tax: Non Taxes (Fines, Fees)	186,194
Personal Tax: Other Tax (Fishing, Hunting Licenses)	66,273
Personal Tax: Property Taxes	11,515
Social Insurance Tax: Employee Contribution	5,428
Social Insurance Tax: Employer Contribution	7,556
<b>Total State and Local Taxes</b>	<b>\$1,401,442</b>