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The Economic Impacts of Idaho's Nonprofit Organizations

RESEARCH REPORT



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The Idaho Nonprofit Center represents the interests of Idaho's 4,800 charitable nonprofit organizations. It serves as a broker of information, a convener of leaders and allies, and a bridge between the nonprofit, public and private sectors to create a stronger Idaho.

More information can be found on its website: www.idahononprofits.org

The Economic Impacts of Idaho's Nonprofit Organizations

Rankings and Measures

- Idaho charitable nonprofit organizations employ an estimated 48,683 actual (i.e. direct) jobs which constitute 8.0% of all (covered) jobs in Idaho, 9.8% of private sector jobs, and pays \$2.1 billion in total aggregate compensation.
- Idaho's charitable nonprofits are ranked 6th place as an industry (QCWE) based on actual (direct) covered employment and ranks 9th place in a broader measure of jobs which include self-employment (REIS).
- If ranked as a county economy in terms of covered employment (QCWE) the charitable nonprofits would rank 4th in Idaho behind Ada County (189,968 jobs), Canyon County (50,193 jobs), and Kootenai County (49,470 jobs).
- The Idaho charitable nonprofits directly employ more people than real estate (42,442), finance and insurance (39,141), farm production employment (37,320), wholesale trade (28,910), and transportation and warehousing (25,134) based on 2010 REIS employment estimates.
- Overall, an approximate 52% of charitable nonprofit revenues are derived from federal or out-of-state sources, totaling \$1.94 billion.
- Contribution to gross state product: 3.5% - 5.8%, depending on the economic impacts measure.

Other Key Findings

- In December 2011, Idaho had 7,712 registered nonprofit organizations producing total revenue of \$4.60 billion with \$10.16 billion in assets. Of these, public charities consisted of 4,772 organizations with \$3.61 billion in revenues and \$5.20 billion in assets.
- The \$3.61 billion revenues of Idaho public charities are their sources of operational spending and expenditures. Approximately 56% was spent on total compensation employing an estimated 48,683 direct workers.
- Of the 48,683 direct jobs in Idaho's charitable nonprofits, 46% (22,076) are employed in non-health related organizations with combined revenues of nearly \$1 billion dollars (excluding Battelle). Hospital and health-related organizations constitute 45% of all jobs (22,076), and Battelle Energy Alliance (BEA) employs 9% (4,192).
- The average total compensation per worker was \$43,350, and ranged from \$81,986 per worker paid by BEA to \$21,123 per worker in human services.
- Economic impacts: The expenditures derived from these federal and out-of-state revenues generate the following economic impacts including the multiplier effects:
 - \$3.62 billion in sales transactions
 - \$1.95 billion in gross state product (3.5% of GSP)
 - \$1.54 billion in total compensation (payroll)
 - 36,051 jobs
- According to Volunteering in America, 393,700 Idaho citizens volunteer annually (on average from 2008 to 2010) totaling 60.20 million hours of service.
- Volunteer hours are not included in GDP calculations but their implicit value can be estimated. The total market value of volunteer labor hours equals \$1.098 billion annually in wage and salary earnings. This is the equivalent of \$1.175 billion to gross state product (2.1% of the total) and \$2.387 billion in sales. Annualized, the total labor hours are the equivalent of 28,942 jobs.
- A broader measure of the economic impacts were estimated that included a wider measure of revenues/leakages and other nonprofit contributions: \$5.85 billion in sales; \$3.24 billion in gross state product (5.8% of Idaho GSP); \$2.53 billion in total compensation; and 66,673 jobs (11.0% of covered employment).
- In total, Idaho's charitable nonprofits create \$117.25 million in taxes from economic activities arising from federal/out-of-state revenues. These include indirect business taxes (i.e. sales taxes, property taxes, and excise taxes), personal income taxes, and corporate income taxes (from the direct, indirect, and induced tax impacts). Using the broader measure of economic impacts, these tax revenues increase to \$175.34 million.

Overview of Study

This is an economic impact assessment of Idaho's charitable nonprofit organizations. It was commissioned by the Idaho Nonprofit Center, initiated in July 2011 and completed April 2012. The primary economic analysis is conducted using data from the 3,183 charitable nonprofit organizations which file 990 and 990EZ tax returns ("reporting nonprofits").

Types of Nonprofit Organizations

The IRS recognizes 29 different classifications of nonprofit organizations. Public charities represent a substantial portion of the national nonprofit sector, and constitute 62% of Idaho's nonprofit organizations. Public charities receive their tax-exemption under subsection (3) of Section 501(c). The IRS defines these organizations as "charitable" because they serve broad public purposes, including educational, religious, scientific, and the literary activities, among others, as well as the relief of poverty and other public benefit actions. Public charities are categorized into two sub-categories: 1) Registered charities; and 2) Unregistered charities (revenues less than \$5,000). Registered charities are further classified into (a) those with revenues greater than \$25,000 annually and (b) smaller charities under \$25,000 in revenues. Private foundations are also charitable organizations exempt under Section 501(c)(3), but are not public charities. Most private foundations are created to distribute money to public charities or individuals. They must meet strict guidelines requiring distribution of a proportion of their assets each year.

Other nonprofit organizations include social welfare organizations (501(c)(4)), business leagues and trade associations (501(c)(6)), and social and recreational clubs (501(c)(7)). All nonprofit organizations, regardless of their classification, are exempt from federal income tax. However, only those classified as a 501(c)(3) permit donors to make tax-deductible contributions to the organization.

Although this report will touch on the economic role of all nonprofit organizations in the economy, its focus is on public charities.

National Role of Nonprofits in the U.S. Economy

Nonprofits play a significant role in the U.S. economy at all levels. Nationally there are 1.58 million nonprofits of which 61% are public charities, other nonprofits (33%), and private foundations (6%). U.S.-based nonprofits employed 13.5 million people in 2009, of which an estimated 10.23 million were employed in public charities (Independent Sector). This constituted 10.5% of the 2009 covered U.S. workforce for all classified nonprofits and 7.9% based on public charities alone (QCWE). To put this in perspective, the total U.S. nonprofit employment was larger than the population of 46 states. Public charities alone employed more people than the population of 43 states and is equivalent to the 9.88 million population of Michigan (U.S. Census). Nonprofits paid an approximate \$668 billion in wages and benefits (2009/2010) which constituted 11.4% of the covered \$5.86 trillion U.S. total wages and benefits (Independent Sector/QCWE).

Idaho's Nonprofit Organizations

In 2011, Idaho had 7,712 registered nonprofit organizations producing total revenue of \$4.60 billion with \$10.16 billion in assets. Of these, public charities consisted of 4,772 organizations (3,183 organizations filing form 990 or 990EZ) producing \$3.61 billion in revenues with \$5.20 billion in assets (Including BEA). In terms of the relative size of the revenues of charitable organizations, the largest sub-sector was health-related (\$2.26 billion) which constitutes 60.4% of the public charity revenues and 59.3% of assets. In second place ranking was education producing \$302.10 million in revenues, which constitutes 8.1% of total revenues and 17.6% of total assets (Figure 1).

The \$3.61 billion revenues produced by Idaho public charities are the source of operational spending and expenditures. Approximately 56% was spent on total compensation for an estimated 48,683 direct workers (totaling \$2.1 billion in total aggregate compensation). The average total compensation per worker was \$43,350, and ranged from \$81,986 per worker paid by BEA to \$21,123 per worker in human services. Approximately 45.3% of total jobs are in the health care sector and 24.2% are in human services (Figure 2).

FIGURE

1

Public Charities in Idaho, December 2011

NTEE Code	Type of Public Charity	Number	% Total Revenues	Total Revenues Spending	%	Total Assets	%
A	Arts, Culture, and Humanities	409	12.8%	\$ 40,893,047	1.1%	\$ 91,224,715	1.8%
B	Education	539	16.9%	\$ 302,098,193	8.1%	\$ 916,434,629	17.6%
C	Environmental Protection, Beaut.	129	4.1%	\$ 24,878,082	0.7%	\$ 63,877,238	1.2%
D	Animal-Related	120	3.8%	\$ 21,458,587	0.6%	\$ 66,816,769	1.3%
E	Health	169	5.3%	\$ 2,257,565,521	60.4%	\$ 3,084,185,548	59.3%
F	Mental Health, Crisis Intervention	71	2.2%	\$ 19,427,821	0.5%	\$ 19,248,200	0.4%
G/H	Medical Research/Diseases, Disciplines	76	2.4%	\$ 8,693,483	0.2%	\$ 11,870,377	0.2%
I	Crime, Legal Related	48	1.5%	\$ 15,069,630	0.4%	\$ 11,884,838	0.2%
J	Employment, Job Related	23	0.7%	\$ 52,386,371	1.4%	\$ 36,256,842	0.7%
K	Food, Agriculture, and Nutrition	43	1.4%	\$ 24,597,620	0.7%	\$ 11,717,539	0.2%
L	Housing, Shelter	85	2.7%	\$ 46,251,562	1.2%	\$ 232,971,267	4.5%
M	Public Safety	57	1.8%	\$ 1,995,261	0.1%	\$ 3,655,328	0.1%
N	Recreation, Sports, Leisure, Athletics	358	11.2%	\$ 38,925,863	1.0%	\$ 65,226,764	1.3%
O	Youth Development	121	3.8%	\$ 29,213,595	0.8%	\$ 74,489,300	1.4%
P	Human Services - Multipurpose	342	10.7%	\$ 258,890,825	6.9%	\$ 265,077,598	5.1%
R	Civil Rights, Social Action, Advocacy	25	0.8%	\$ 4,943,321	0.1%	\$ 1,888,752	0.0%
S	Community Improvement	130	4.1%	\$ 57,991,113	1.6%	\$ 62,370,540	1.2%
T	Philanthropy, Voluntarism, and Grants	108	3.4%	\$ 31,886,761	0.9%	\$ 127,498,835	2.5%
U/V	Science, Social Science and Technology	22	0.7%	\$ 1,981,541	0.1%	\$ 1,579,594	0.0%
W	Public, Society Benefit	72	2.3%	\$ 5,362,557	0.1%	\$ 5,312,386	0.1%
X	Religion Related, Spiritual Development	167	5.2%	\$ 15,909,785	0.4%	\$ 30,269,421	0.6%
Q/ Z/Y	Other including International	68	2.1%	\$ 17,979,324	0.5%	\$ 14,111,513	0.3%
	Battelle Energy Alliance	1	0.0%	\$ 457,428,966	12.2%	*	-
Total		3,183	100.0%	\$ 3,735,828,829	100.0%	\$ 5,197,967,993	100.0%

FIGURE

2

Total Direct Public Charity 2010/2011 Spending & Direct Jobs

Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs	Compensation Per Worker
Arts, Culture, and Humanities	\$ 40,893,047	\$ 18,190,623	738	1.5%	\$ 24,633
Education	\$ 302,098,193	\$ 232,202,717	6,603	13.6%	\$ 35,164
Environment	\$ 46,336,669	\$ 27,091,206	699	1.4%	\$ 38,777
Hospitals	\$ 2,257,565,521	\$ 1,158,180,450	21,656	44.5%	\$ 53,481
Health	\$ 28,121,304	\$ 16,175,339	420	0.9%	\$ 38,487
Human Services	\$ 467,330,727	\$ 249,325,679	11,804	24.2%	\$ 21,123
Public and Societal Benefit	\$ 102,165,293	\$ 52,847,145	2,103	4.3%	\$ 25,129
Religious Organization	\$ 15,909,785	\$ 3,231,640	109	0.2%	\$ 29,569
Other Public Charities	\$ 17,979,324	\$ 9,499,711	358	0.7%	\$ 26,503
Battelle Energy Alliance	\$ 457,428,966	\$ 343,685,361	4,192	8.6%	\$ 81,986
Total (with Battelle)	\$ 3,735,828,829	\$ 2,110,429,872	48,683	100.0%	\$ 43,350

Actual (Direct) Employment from Idaho's Charitable Organizations

In terms of industry employment comparisons, the charitable nonprofits would rank 6th place in Idaho using the most commonly cited measure of employment (Quarterly Census of Employment and Earnings-QCWE). It would rank 9th place using a wider measure of employment called the Regional Economic Information System (REIS), Bureau of Economic Analysis. REIS includes an estimation of self-employed workers and includes other employment categories including production agriculture not included in covered employment measures (Figure 3).

Using this wider measure of employment (REIS), the Idaho charitable nonprofits directly employ more people than real estate (42,442), finance and insurance (39,141), farm production employment (37,320), wholesale trade (28,910), and transportation and warehousing (25,134).

Idaho's charitable nonprofit jobs constitute 8.0% of all (covered) jobs in Idaho and 9.8% of all private sector jobs. If ranked as a county economy (as measured by covered employment), the 48,683 jobs of the charitable nonprofits would be larger than 41 counties and would be ranked 4th in Idaho behind Ada County (189,968 jobs), Canyon County (50,193 jobs), and Kootenai County (49,470 jobs).

Federal and Out-of-State Sources of Revenues

A significant portion of total charitable nonprofit revenues originate from either federal or out-of-state sources. The majority of these revenues are generated by health care facilities and hospitals. Nonprofits account for about 80% of the acute care hospitals in the U.S. (Huffington). Hospitals receive from 35% to 55% of revenues from Medicare, depending on their facility and its mission. Idaho hospitals also receive approximately 16.5% of their revenues from Medicaid (Idaho Hospital Association) of which approximately 12% comes from federal sources. Medicare is a federal program that provides health care for seniors and Medicaid is a federal/state partnership that provides health care to the poor.

From a careful evaluation of various indicators, we estimate that approximately 55% of Idaho hospital revenues come from federal Medicare or Medicaid sources. This constitutes about 31% of total Idaho charitable nonprofit revenues alone. The remaining sectors (excluding BEA which is 100% federal/out-of-state funded) average a little over 20% in federal or out-of-state funds. Overall, we estimate that approximately 52% of charitable nonprofit revenues are from federal or out-of-state sources, totaling approximately \$1.94 billion annually. The vast majority of these revenues and expenditures are spent on Idaho programs and activities.

The funding and revenues sources for nonprofits arise from diverse and complex organizational systems and a small percentage is spent on out-of-state programs. Alternatively there are other sources of out-of-state funds for specific Idaho programs not included in reported nonprofit revenue totals. We assume these flows are offsetting.

Economic Impacts Based on Federal/Out-of-State Revenues (Narrow Measure of Impacts)

An IMPLAN input/output economic model was created to estimate the economic impacts of the charitable nonprofits for two scenarios: 1) A narrow or conservative measure of economic impacts derived from federal or out-of-state revenues. 2) A broader measure that includes a wider range of other revenues/leakages and economic contributions.

An economic impact assessment identifies the magnitude of the causal factors that generate economic activity. The narrow analysis represents a conservative estimation of economic impacts that is export-focused. It is founded on economic base theory: Impacts are estimated from the portion of the nonprofit budgets arising from federal sources and out-of-state revenues. The expenditures derived from these revenues generates approximately \$3.62 billion in sales transactions, \$1.95 billion in gross state product (value-added), \$1.54 billion in total compensation, 36,051 jobs, and \$75.2million in indirect business taxes (Figure 4). These include the direct, indirect, and induced effects (i.e. the multiplier effects).

FIGURE

3

REIS 2010 Employment Rankings

Two Digit Industry Rankings	Jobs	Rank
State and local (Govt)	104,000	1
Retail trade	99,581	2
Health care and social assistance	90,114	3
Manufacturing	58,901	4
Construction	55,501	5
Accommodation and food services	54,801	6
Professional, scientific, and technical services	52,591	7
Administrative and waste management services	50,253	8
Nonprofit Charities	48,683	9
Other services, except public administration	45,610	10
Real estate and rental and leasing	42,442	11
Finance and insurance	39,141	12
Farm employment	37,320	13
Wholesale trade	28,910	14
Transportation and warehousing	25,134	15
Arts, entertainment, and recreation	16,986	16
Educational services	14,369	17
Federal, civilian	13,707	18
Information	12,758	19
Forestry, fishing, and related activities	11,556	20
Military	9,899	21
Management of companies and enterprises	6,403	22
Mining	4,177	23
Utilities	2,937	24

Total employment (Wage and Self-Employed) 877,091

Source: Bureau of Economic Analysis

QCWE 2010 4th Quarter Employment Rankings

Two Digit Industry Rankings	Jobs	Rank
Public Administration and Education (Mostly Govt)	110,872	1
Retail Trade	76,438	2
Health Care and Social Assistance	75,733	3
Manufacturing	53,884	4
Accommodation and Food Services	48,952	5
Nonprofit Charities	48,683	6
Administrative and Waste Management	38,404	7
Professional, Scientific and Technical Services	31,554	8
Construction	31,319	9
Wholesale Trade	25,890	10
Agriculture, Forestry, Fishing and Hunting	22,517	11
Finance and Insurance	20,218	12
Transportation and Warehousing	17,218	13
Other Services (except Public Administration)	15,380	14
Information	9,556	15
Arts, Entertainment and Recreation	7,634	16
Real Estate and Rental and Leasing	6,689	17
Educational Services (private ownership)	6,138	18
Management of Companies and Enterprises	5,795	19
Utilities	2,710	20
Mining	2,377	21

	Percentage
Total Covered Employment and Wages	609,279 8.0%
Total Private Covered Employment and Wages	498,407 9.8%

Source: BLS and Idaho Department of Labor

FIGURE

4

Economic Impacts of the Charitable Nonprofits of Idaho (From Federal and Out-of-State Funding)

Includes the Direct, Indirect, and Induced Impacts

Public Charity Category	Direct		Gross State Product		Total	Jobs	Indirect Taxes
	FED/Out-of-State \$	Sales	Value Added	Compensation			
Arts, Culture, and Humanities	\$ 8,178,609	\$ 13,165,838	\$ 7,619,896	\$ 5,099,631	199	\$ 394,352	
Education	\$ 75,524,548	\$ 118,422,447	\$ 90,035,210	\$ 70,962,245	2,084	\$ 1,865,754	
Environment	\$ 9,267,334	\$ 15,000,974	\$ 8,604,402	\$ 6,531,255	190	\$ 325,022	
Hospitals	\$ 1,241,661,037	\$ 2,026,689,325	\$ 1,104,040,600	\$ 847,177,822	19,579	\$ 36,995,978	
Health	\$ 12,423,998	\$ 20,452,462	\$ 11,796,663	\$ 9,464,370	289	\$ 354,965	
Human Services	\$ 109,030,005	\$ 179,456,721	\$ 103,051,960	\$ 79,941,440	3,523	\$ 3,413,916	
Public and Societal Benefit	\$ 24,026,154	\$ 39,921,087	\$ 21,912,320	\$ 17,446,155	675	\$ 730,979	
Religious Organization	\$ 3,181,957	\$ 5,623,511	\$ 2,019,943	\$ 1,373,781	48	\$ 75,567	
Other Public Charities	\$ 3,595,865	\$ 6,092,457	\$ 3,285,628	\$ 2,638,437	97	\$ 155,935	
Battelle Energy Alliance	\$ 457,428,966	\$ 1,195,154,104	\$ 599,349,133	\$ 499,457,611	9,366	\$ 30,897,247	
Total	\$ 1,944,318,473	\$ 3,619,978,926	\$ 1,951,715,754	\$ 1,540,092,746	36,051	\$ 75,209,716	

Regional economic analyses have a specific language and terminology and are defined below:

- Direct effects (spending): This represents the actual observed sales, income, and jobs from nonprofit operations.
- Economic impacts: Economic impacts measure the magnitude or importance of the expenditures of base (export) industries. Our economic model estimates multipliers for each industry. If you have a multiplier of 1.61, for example, every dollar of expenditures creates \$1.61 dollars of new spending in the community. The total multiplier has three components: direct effects, indirect effects, and induced effects.
- Indirect effects: These are the downstream economic effects on sales, payroll, jobs, and indirect taxes that results from direct spending in the regional economy. For example, a nonprofit purchases community goods and services which supports other area businesses. These firms, in turn, purchase even more goods and services as the effects ripple throughout the economy. They are part of the overall multiplier effects.
- Indirect taxes: All taxes generated from economic activity excluding personal and corporate income taxes. These consist of mostly sales taxes and property taxes. These are adjusted (i.e. reduced) for the tax exemption of nonprofit organizations. The economic activity including the downstream effects will generate considerable tax revenues despite the fact these organizations are tax-exempt.
- Induced effects: These are downstream economic effects of employee and consumer spending on the economy. They are part of the multiplier effects.
- Jobs: Total employment resulting from economic activity. The economic model reports these as full-time and part-time jobs.
- Sales: Total dollar transactions from an increase in direct expenditures including the multiplier effects (i.e. direct, indirect, and induced economic activity).
- Total compensation: Wage, salary, and other income payments including fringe benefits to individuals.
- Value-added (value-output): Value added is a measure of total net production and activity. This is a measure of gross domestic product at the local or regional level.

Based on the economic impacts of jobs arising from federal dollars and out-of-state revenues alone, the charitable nonprofits would rank 10th place by the QCWE covered industry rankings and 15th by the REIS employment rankings. The Idaho charitable nonprofits contribute 2.4% of Idaho's GDP as measured economic impacts. The economic impacts are also reported by two digit industrial classification including the backward linkages (Figure 5). They illustrate the effect of nonprofit expenditures and backward linkages on all of Idaho's economic sectors. Note the column totals in Figure 4 and Figure 5 would be the same and represent different ways the economic pie is sliced if we exclude BEA (which was estimated separately). Figure 4 presents the economic impacts by charitable activity including the multiplier effects. Figure 5 illustrates the economic impacts by industry including the multiplier effects. The purpose of this comparison is to illustrate how the backward linkages of the charitable nonprofits reach nearly all of the industries in Idaho. The industry with the largest impacts is hospitals and health care with 46.0% of all jobs. Second place is social services (12.2%), followed by nonprofit education (7.0%).

Value of Idaho's Volunteers

According to Volunteering in America, 393,700 Idaho citizens volunteer annually (on average from 2008 to 2010). Approximately 34.1% of adult residents volunteer, which ranks the state 10th place nationwide. Idaho contributed 60.2 million hours of service annually averaging 52.2 hours per adult resident, ranking 3rd place nationwide.

Volunteer hours are not included in GDP calculations but their implicit value to Idaho's economy can be estimated. The average wage in the Idaho nonprofit economic sector is about \$18.2/hour (total compensation). Applying that wage to the total volunteer labor hours equals \$1.10 billion annually in total compensation. This is the equivalent of \$1.18 billion to gross state product (2.1% of the total) and \$2.39 billion in sales. If we annualize the total labor hours they would be the equivalent of 28,942 jobs.

Broader Measures of Economic Impacts

The economic impacts reported earlier are founded on economic base theory, derived solely from federal and private out-of-state revenues which may understate the actual contribution of charitable nonprofits to the Idaho economy for several reasons. First, many foundations and supporting charities are gatekeepers for various funding sources. These funds would leak directly out of the state in the absence of the public charities regardless of the origin of the funding. Secondly, a significant portion of nonprofit activities in Idaho are necessities such as acute care hospitals and related health care services. Patient revenues whether arising from private insurance or Medicare/Medicaid will follow the hospitals—out-of-state if necessary. Third, these numbers do not capture all nonprofit activities. Most notably are the nonprofit organizations/events that attract out-of-state visitors such as concerts, museums, workshops, and other events. Fourth, these estimates do not include the value of volunteer or in-kind contributions to charitable organizations. Finally, the reported revenues and expenditures do not capture all of the flow of funds to nonprofits in general and charitable nonprofits in particular. Based on these factors, a broader measure of the economic impacts was estimated: \$5.85 billion in sales; \$3.24 billion in gross state product (5.8% of Idaho GSP); \$2.53 billion in total compensation; 66,673 jobs (11.0% of covered employment); and \$117.7 million in indirect business taxes (Figure 6).

Tax Revenues Generated by Idaho's Charitable Nonprofits

Idaho's charitable nonprofits generate considerable tax revenues even though most nonprofit activities are exempt from income tax and nonprofits generally do not pay property taxes. The economic activities of these organizations create tax revenues in several important ways: 1) Some activities of charitable nonprofits are not tax exempt, 2) Employees of charitable nonprofits pay income taxes, property taxes, sales taxes, and excise taxes, 3) Contracting and outsourcing firms from charitable nonprofits pay taxes, 4) All of the economic activities from the backward linkages created by the charitable nonprofits in the economy contribute to taxes (Figure 7).

The magnitude of these tax revenues is substantial. The economic activities arising from federal/out-of-state revenues created \$75.21 million in indirect business taxes in 2011. These are comprised of sales taxes (\$29.52 million), property taxes (\$23.65 million), excise taxes (\$15.48 million), and other taxes (6.56 million). They include the direct, indirect, and induced tax impacts. In addition, the charitable nonprofits created \$37.34 million in Idaho personal income payments and \$4.70 million in corporate income taxes. In total, \$117.25 million in tax revenues were created.

The magnitude of these tax revenues increase if we include the broader measure of economic impacts. They result in \$117.73 million of indirect business taxes which include sales taxes (\$47.54 million), property taxes (\$37.41 million), excise taxes (\$20.10 million), and other taxes (12.67 million). They include the direct, indirect, and induced tax impacts. In addition, the charitable nonprofits create \$51.29 million in Idaho personal income payments and \$6.32 million in corporate income taxes. In total, \$175.73 million in tax revenues are created.

Future Growth of Idaho's Nonprofits

Idaho's public charities revenues (and expenditures) grew from approximately \$1.30 billion in 2000 to \$3.28 billion in December 2011 (excluding BEA). Over the decade the charitable nonprofits grew at an average annual rate of 8.8% per year (2000 to 2010) as compared to Idaho's gross state product which grew at an annual rate of 4.4% over the decade (Figure 8). Projected forward to another decade at the same growth rate as the past decade, the charitable nonprofit budgets will contribute \$7.6 billion in revenues and expenditures by 2022.

Case Study: Gritman Medical Center

Gritman Medical Center is a community focused, mid-sized hospital located in Moscow. Its Board of Directors is drawn from the community to provide the valuable guidance that focuses the hospital on expressly meeting the needs of the local population. Gritman employs 439 full-time and part-time workers, with a payroll of \$22 million annually. Approximately 54% of Gritman's patients are from Moscow and 46% are drawn from the rural surrounding communities.

Gritman provided \$1.2 million of charity care in 2011, including a wide array of free or subsidized services to the community such as blood pressure clinics, wellness screenings, fitness classes, smoking cessation classes, and support for caregivers. Gritman offers both inpatient and outpatient services and state-of-the-art imaging and diagnostic services. The presence of a premier hospital in Moscow helps to attract new firms and employees to the community, including new faculty and staff at the University of Idaho, as well as retirees who are drawn to the high quality of life in the area.

Gritman's economic contributions are substantial. In 2010, it generated \$75.67 million in downstream sales activities, 874 jobs, \$33.58 million in total payroll, and \$1.49 million in indirect business taxes (including the multiplier effects).

FIGURE

5

Economic Impacts of Idaho Charitable Nonprofit Organizations by Industry

Including Backward Linkages Arizing from Federal and Out-of-Region Revenues (Excluding Battelle Energy Alliance)

Industry	Sales Transactions	Gross State Product	Total Compensation	Jobs	% Jobs	Indirect Taxes
Plant Agriculture	\$6,322,247	\$2,424,638	\$2,381,066	46	0.2%	\$79,737
Animal Agriculture	\$16,161,406	\$3,784,061	\$1,731,692	124	0.5%	\$228,562
Logging and Forest Services	\$867,451	\$564,024	\$583,387	23	0.1%	\$11,918
Mining	\$3,020,464	\$1,220,122	\$414,995	11	0.0%	\$70,374
Utilities	\$14,858,154	\$8,411,301	\$2,551,879	28	0.1%	\$882,868
Construction	\$8,148,391	\$3,919,671	\$3,240,517	92	0.3%	\$34,612
Food Processing	\$40,289,019	\$4,986,768	\$3,679,284	84	0.3%	\$100,127
Wood and Paper Manufacturing	\$1,943,159	\$803,134	\$515,787	10	0.0%	\$11,033
Other Basic Manufacturing	\$34,854,643	\$11,043,526	\$6,570,478	144	0.5%	\$157,589
Wholesale Trade	\$50,089,728	\$32,503,120	\$18,931,176	331	1.2%	\$4,529,182
Retail Trade	\$65,978,027	\$55,646,093	\$34,306,181	1,217	4.6%	\$7,552,229
Transportation	\$28,421,880	\$14,155,064	\$10,336,275	260	1.0%	\$387,206
Publishing and Communication	\$32,018,744	\$13,662,368	\$6,485,792	167	0.6%	\$836,990
FIRE	\$293,792,108	\$192,418,207	\$33,453,632	2,390	9.0%	\$16,438,822
Professional Services	\$116,555,598	\$81,884,856	\$65,042,987	1,721	6.4%	\$995,038
Other Services	\$66,268,225	\$37,838,599	\$29,041,066	1,114	4.2%	\$1,894,510
Private Education	\$104,047,536	\$76,471,674	\$68,507,400	1,881	7.0%	\$121,000
Health Care Services	\$1,334,411,309	\$700,982,333	\$654,664,303	12,267	46.0%	\$6,586,389
Social Services	\$128,434,158	\$69,054,262	\$69,724,416	3,267	12.2%	\$596,985
Arts and Culture	\$11,649,689	\$6,742,078	\$5,219,156	202	0.8%	\$292,320
Recreation	\$13,965,725	\$8,235,236	\$5,788,117	330	1.2%	\$607,968
Lodging, Food, and Drink	\$52,727,161	\$25,615,487	\$17,465,550	976	3.7%	\$1,897,011
Total	\$2,424,824,822	\$1,352,366,621	\$1,040,635,136	26,685	100.0%	\$44,312,468

FIGURE

6

Economic Impacts of the Charitable Nonprofits of Idaho (Wider Measure of Economic Impacts)

Includes the Direct, Indirect, and Induced Impacts

Public Charity Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 36,716,007	\$ 59,105,038	\$ 34,207,789	\$ 22,893,635	894	\$ 1,770,354
Education	\$ 254,396,830	\$ 398,894,079	\$ 303,274,531	\$ 239,029,170	7,020	\$ 6,284,603
Environment	\$ 44,483,144	\$ 71,928,487	\$ 41,123,467	\$ 31,122,867	916	\$ 1,567,861
Hospitals	\$ 1,901,728,856	\$ 3,104,078,696	\$ 1,690,949,305	\$ 1,297,538,106	29,987	\$ 56,663,064
Health	\$ 30,542,122	\$ 50,276,745	\$ 28,985,561	\$ 23,297,241	654	\$ 870,584
Human Services	\$ 468,270,441	\$ 768,049,134	\$ 439,654,871	\$ 335,404,789	14,874	\$ 16,000,837
Public and Societal Benefit	\$ 85,334,627	\$ 141,570,259	\$ 77,881,972	\$ 61,616,055	2,323	\$ 2,660,408
Religious Organization	\$ 22,985,427	\$ 40,622,425	\$ 14,591,417	\$ 9,923,749	350	\$ 545,873
Other Public Charities	\$ 10,733,298	\$ 18,185,376	\$ 9,807,272	\$ 7,875,472	289	\$ 465,450
Battelle Memorial Institute (Energy Alliance)	\$ 457,428,966	\$ 1,195,154,104	\$ 599,349,133	\$ 499,457,611	9,366	\$ 30,897,247
Total (With Battelle)	\$ 3,312,619,718	\$ 5,847,864,342	\$ 3,239,825,319	\$ 2,528,158,695	66,673	\$ 117,726,282

FIGURE

7

Total Tax Contributions from Idaho's Charitable Nonprofits

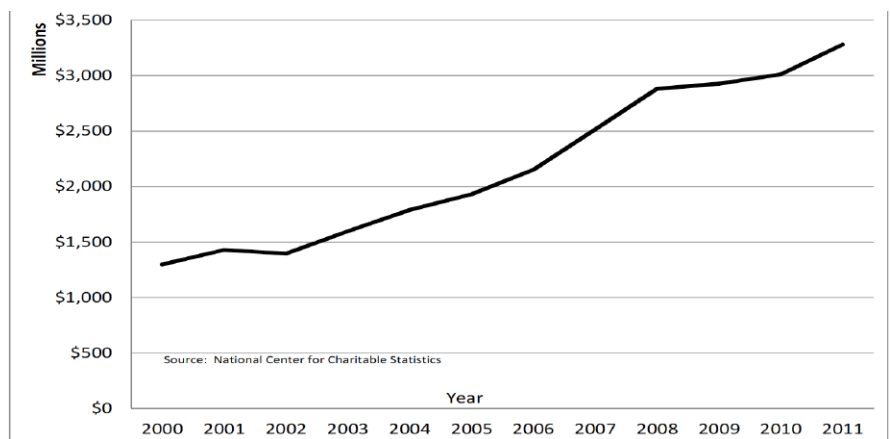
Includes the Direct, Indirect, and Induced Tax Impacts

	Federal/Out-of-State	Broader
Indirect Business Taxes		
Idaho Taxes		
Sales Tax	\$ 29,521,187	\$47,538,641
Property Tax	\$ 23,648,650	\$37,412,578
Excise Taxes	\$ 15,480,873	\$20,103,369
Other Taxes	\$ 6,559,005	\$12,671,693
Sub-Total Indirect Taxes	\$ 75,209,716	\$117,726,282
Other Taxes		
Idaho Personal Income Tax	\$ 37,340,232	\$51,289,522
Idaho Corporate Taxes	\$ 4,696,717	\$6,322,250
Total Taxes	\$ 117,246,665	\$175,338,055

FIGURE

8

Idaho Public Charities Revenues (Expenditures) 2000-2011



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