

The Economic Impacts of Idaho's Nonprofit Organizations (Eastern Idaho)

With a focus on the Counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, and Teton

This is an economic impact assessment of Idaho's charitable nonprofit organizations with a regional focus on the counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, and Teton. It was commissioned by the Idaho Nonprofit Center, initiated in July 2011 and completed May 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").

Eastern Idaho charitable nonprofit organizations employ an estimated 4,256 actual (i.e. direct) jobs which constitute 5.4% of all (covered) jobs in eastern Idaho, and pays \$270.5 million in total aggregate compensation based on \$378.1 million of charitable spending (Figure 1). The average salary (including all benefits) is \$63,563.

Figure 1

Total Eastern Direct Public Charity 2010/2011 Spending and Direct Jobs					
Counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton					
Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs	
Arts, Culture, and Humanities	\$ 3,784,357	\$ 1,683,411	68	2%	
Education	\$ 9,911,495	\$ 7,618,305	217	5%	
Environment	\$ 6,328,951	\$ 3,700,286	95	2%	
Health Care	\$ 11,490,805	\$ 5,903,824	111	3%	
Human Services	\$ 33,919,402	\$ 18,096,345	857	20%	
Public and Societal Benefit	\$ 3,137,647	\$ 1,623,014	65	2%	
Religious Organization	\$ 825,810	\$ 167,741	6	0%	
Other Public Charities	\$ 829,702	\$ 438,389	17	0%	
Battelle Energy Alliance	\$ 307,858,101	\$ 231,306,564	2,821	66%	
Total (with Battelle)	\$ 378,086,270	\$ 270,537,878	4,256	100%	

Economic impacts: Two economic impact analyses are conducted. The first is a narrow measure of impacts based solely on federal and out-of-state revenues generated by Idaho's charitable nonprofits. These are "high powered monies" and generate the following economic impacts including the multiplier effects (Figure 2):

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Narrow Measure of Economic Impacts (Including the Multiplier Effects):

- \$836.6 million in sales transactions
- \$422.2 million in gross state product
- \$350.7 million in total compensation -payroll
- 6,800 jobs
- \$21.4 million in property, sales, and excise taxes

Figure 2

Economic Impacts of the Charitable Nonprofits of Eastern Idaho (From Federal and Out-of-State Funding)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 756,871	\$ 1,218,404	\$ 705,166	\$ 471,934	18	\$ 36,494
Education	\$ 2,477,874	\$ 3,885,305	\$ 2,953,952	\$ 2,328,190	68	\$ 61,213
Environment	\$ 1,265,790	\$ 2,048,926	\$ 1,175,243	\$ 892,079	26	\$ 44,393
Health Care	\$ 6,304,646	\$ 10,291,570	\$ 5,609,635	\$ 4,306,587	100	\$ 187,774
Human Services	\$ 7,913,523	\$ 13,025,175	\$ 7,479,630	\$ 5,802,242	256	\$ 247,786
Public and Societal Benefit	\$ 737,879	\$ 1,226,036	\$ 672,960	\$ 535,797	21	\$ 22,449
Religious Organization	\$ 165,162	\$ 291,893	\$ 104,847	\$ 71,307	3	\$ 3,922
Other Public Charities	\$ 165,940	\$ 281,152	\$ 151,624	\$ 121,757	4	\$ 7,196
Battelle Energy Alliance	\$ 307,858,101	\$ 804,360,677	\$ 403,372,982	\$ 336,144,151	6,304	\$ 20,794,415

Secondly, a wider measure of the economic impacts is estimated that is more inclusive and includes a broader measure of revenues/leakages and other nonprofit contributions: (Figure 3).

Wider Measure of Economic Impacts (Including the Multiplier Effects):

- \$911.6 million in sales transactions
- \$466.3 million in gross state product (6.9% of GSP)
- \$384.1 million in total compensation -payroll (8.4% of regional total)
- 8,078 jobs (10.3% of covered employment)
- \$23.0 million in property, sales, and excise taxes

Figure 3

Economic Impacts of the Charitable Nonprofits of Eastern Idaho (Wider Analysis)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Bonneville, Butte, Clark, Custer, Fremont, Jefferson, Lemhi, Madison, Teton						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 3,397,802	\$ 5,469,746	\$ 3,165,685	\$ 2,118,641	83	\$ 163,834
Education	\$ 8,346,468	\$ 13,087,257	\$ 9,950,089	\$ 7,842,273	230	\$ 206,191
Environment	\$ 6,075,785	\$ 9,824,441	\$ 5,616,899	\$ 4,250,955	125	\$ 214,148
Health Care	\$ 9,714,082	\$ 15,857,852	\$ 8,646,607	\$ 6,640,219	154	\$ 289,238
Human Services	\$ 33,987,608	\$ 55,745,890	\$ 31,910,657	\$ 24,344,066	1,080	\$ 1,161,359
Public and Societal Benefit	\$ 2,620,752	\$ 4,347,832	\$ 2,391,870	\$ 1,892,320	71	\$ 81,705
Religious Organization	\$ 1,193,077	\$ 2,108,539	\$ 757,379	\$ 515,100	18	\$ 28,334
Other Public Charities	\$ 495,316	\$ 839,211	\$ 452,582	\$ 363,434	13	\$ 21,479
Battelle Energy Alliance	\$ 307,858,101	\$ 804,360,677	\$ 403,372,982	\$ 336,144,151	6,304	\$ 20,794,415
Total (with Battelle)	\$ 373,688,990	\$ 911,641,444	\$ 466,264,750	\$ 384,111,159	8,078	\$ 22,960,704

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 (gross regional product): 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.

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