

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

With a focus on the Counties of Benewah, Bonner, Boundary, Kootenai, and Shoshone

This is an economic impact assessment of Idaho's charitable nonprofit organizations with a regional focus on the Counties of Benewah, Bonner, Boundary, Kootenai, and Shoshone. 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").

North Idaho charitable nonprofit organizations employ an estimated 2,609 actual (i.e. direct) jobs which constitute 3.5% of all (covered) jobs in north Idaho, and pays \$81.8 million in total aggregate compensation based on \$148.9 million of charitable spending (Figure 1). The average salary (including all benefits) is \$31,346.

Figure 1

North Idaho Total Direct Public Charity 2010/2011 Spending and Direct Jobs					
Counties of Benewah, Bonner, Boundary, Kootenai, Shoshone					
Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs	
Arts, Culture, and Humanities	\$ 3,559,810	\$ 1,583,525	64	2%	
Education	\$ 17,368,260	\$ 13,349,822	380	15%	
Environment	\$ 3,546,771	\$ 2,073,656	53	2%	
Health Care	\$ 62,550,119	\$ 32,137,427	604	23%	
Human Services	\$ 53,210,801	\$ 28,388,502	1,344	52%	
Public and Societal Benefit	\$ 3,477,333	\$ 1,798,724	72	3%	
Religious Organization	\$ 804,741	\$ 163,461	6	0%	
Other Public Charities	\$ 4,356,561	\$ 2,301,870	87	3%	
Battelle Energy Alliance	\$ -	\$ -	0	0%	
Total (with Battelle)	\$ 148,874,396	\$ 81,796,987	2,609	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):

- \$88.7 million in sales transactions
- \$50.4 million in gross state product
- \$38.9 million in total compensation -payroll
- 1,145 jobs
- \$1.6 million in property, sales, and excise taxes
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Figure 2

Economic Impacts of the Charitable Nonprofits of North Idaho (From Federal and Out-of-State Funding)						
Includes the Direct, Indirect, and Induced Impacts (Multiplier Effects)						
Counties of Benewah, Bonner, Boundary, Kootenai, Shoshone						
Public Charity Classification/Category	Direct FED/Out-of-State \$	Sales	Gross State Product Value Added	Total Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 711,962	\$ 1,146,109	\$ 663,325	\$ 443,932	17	\$ 34,329
Education	\$ 4,342,065	\$ 6,808,355	\$ 5,176,313	\$ 4,079,769	120	\$ 107,266
Environment	\$ 709,354	\$ 1,148,227	\$ 658,611	\$ 499,925	15	\$ 24,878
Health Care	\$ 34,319,298	\$ 56,022,094	\$ 30,536,009	\$ 23,442,875	544	\$ 1,022,146
Human Services	\$ 12,414,279	\$ 20,433,144	\$ 11,733,612	\$ 9,102,222	401	\$ 388,712
Public and Societal Benefit	\$ 817,762	\$ 1,358,768	\$ 745,815	\$ 593,803	23	\$ 24,880
Religious Organization	\$ 160,948	\$ 284,446	\$ 102,172	\$ 69,488	2	\$ 3,822
Other Public Charities	\$ 871,312	\$ 1,476,260	\$ 796,139	\$ 639,318	23	\$ 37,784
Battelle Energy Alliance						
Total (with Battelle)	\$ 54,346,981	\$ 88,677,403	\$ 50,411,996	\$ 38,871,332	1,145	\$ 1,643,819

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):

- \$218.6 million in sales transactions
- \$126.4 million in gross state product (2.0% of GSP)
- \$97.0 million in total compensation -payroll (2.5% of regional total)
- 3,250 jobs (4.3% of covered employment)
- \$4.3 million in property, sales, and excise taxes

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Figure 3

Economic Impacts of the Charitable Nonprofits of North Idaho (Wider Analysis)						
Includes the Direct, Indirect, and Induced Impacts (Multiplier Effects)						
Counties of Benewah, Bonner, Boundary, Kootenai, Shoshone						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 3,196,191	\$ 5,145,195	\$ 2,977,847	\$ 1,992,930	78	\$ 154,112
Education	\$ 14,625,808	\$ 22,933,259	\$ 17,435,890	\$ 13,742,289	404	\$ 361,315
Environment	\$ 3,404,896	\$ 5,505,658	\$ 3,147,734	\$ 2,382,253	70	\$ 120,010
Health Care	\$ 52,878,539	\$ 86,322,109	\$ 47,067,748	\$ 36,145,988	839	\$ 1,574,466
Human Services	\$ 53,317,798	\$ 87,450,936	\$ 50,059,597	\$ 38,189,566	1,694	\$ 1,821,873
Public and Societal Benefit	\$ 2,904,479	\$ 4,818,534	\$ 2,650,818	\$ 2,097,185	79	\$ 90,551
Religious Organization	\$ 1,162,638	\$ 2,054,744	\$ 738,056	\$ 501,958	18	\$ 27,611
Other Public Charities	\$ 2,600,780	\$ 4,406,489	\$ 2,376,395	\$ 1,908,302	70	\$ 112,783
Battelle Energy Alliance						
Total (with Battelle)	\$ 134,091,129	\$ 218,636,925	\$ 126,454,085	\$ 96,960,472	3,250	\$ 4,262,721

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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