

The Economic Impacts of Idaho's Nonprofit Organizations (South Central Idaho)

With a focus on the Counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls

This is an economic impact assessment of Idaho's charitable nonprofit organizations with a regional focus on the counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, and Twin Falls. 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").

South central Idaho charitable nonprofit organizations employ an estimated 2,372 actual (i.e. direct) jobs which constitute 3.1% of all (covered) jobs in south central Idaho, and pays \$79.7 million in total aggregate compensation based on \$144.3 million of charitable spending (Figure 1). The average salary (including all benefits) is \$33,585.

Figure 1

Total South Central Direct Public Charity 2010/2011 Spending and Direct Jobs				
Counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls				
Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs
Arts, Culture, and Humanities	\$ 9,438,813	\$ 4,198,706	170	7%
Education	\$ 27,332,753	\$ 21,008,863	597	25%
Environment	\$ 7,127,467	\$ 4,167,146	107	5%
Health Care	\$ 57,629,758	\$ 29,609,411	557	23%
Human Services	\$ 31,246,860	\$ 16,670,517	789	33%
Public and Societal Benefit	\$ 4,246,351	\$ 2,196,514	87	4%
Religious Organization	\$ 6,314,332	\$ 1,282,585	43	2%
Other Public Charities	\$ 1,011,041	\$ 534,202	20	1%
Battelle Energy Alliance				
Total (with Battelle)	\$ 144,347,375	\$ 79,667,944	2,372	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):

- \$83.9 million in sales transactions
- \$48.2 million in gross state product
- \$37.0 million in total compensation -payroll
- 1,053 jobs
- \$1.6 million in property, sales, and excise taxes

Figure 2

Economic Impacts of the Charitable Nonprofits of South Central Idaho (From Federal and Out-of-State Funding)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls						
Public Charity Classification/Category	Direct FED/Out-of-State \$	Sales	Gross State Product Value Added	Total Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 1,887,763	\$ 3,038,900	\$ 1,758,802	\$ 1,177,082	46	\$ 91,023
Education	\$ 6,833,188	\$ 10,714,435	\$ 8,146,060	\$ 6,420,408	189	\$ 168,807
Environment	\$ 1,425,493	\$ 2,307,437	\$ 1,323,522	\$ 1,004,632	29	\$ 49,995
Health Care	\$ 31,619,650	\$ 51,615,245	\$ 28,133,964	\$ 21,598,795	501	\$ 941,741
Human Services	\$ 7,290,009	\$ 11,998,909	\$ 6,890,303	\$ 5,345,078	236	\$ 228,263
Public and Societal Benefit	\$ 998,612	\$ 1,659,262	\$ 910,754	\$ 725,124	28	\$ 30,382
Religious Organization	\$ 1,262,866	\$ 2,231,879	\$ 801,682	\$ 545,231	19	\$ 29,991
Other Public Charities	\$ 202,208	\$ 342,600	\$ 184,762	\$ 148,369	5	\$ 8,769
Battelle Energy Alliance						
Total (with Battelle)	\$ 51,519,790	\$ 83,908,668	\$ 48,149,850	\$ 36,964,718	1,053	\$ 1,548,971

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):

- \$214.7 million in sales transactions
- \$124.0 million in gross state product (1.9% of GSP)
- \$94.4 million in total compensation -payroll (2.4% of regional total)
- 3,001 jobs (3.9% of covered employment)
- \$4.1 million in property, sales, and excise taxes

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Figure 3

Economic Impacts of the Charitable Nonprofits of South Central Idaho (Wider Analysis)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Blaine, Camas, Cassia, Gooding, Jerome, Lincoln, Minidoka, Twin Falls						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 8,474,681	\$ 13,642,451	\$ 7,895,741	\$ 5,284,241	206	\$ 408,628
Education	\$ 23,016,906	\$ 36,090,495	\$ 27,439,184	\$ 21,626,496	635	\$ 568,608
Environment	\$ 6,842,359	\$ 11,063,979	\$ 6,325,577	\$ 4,787,293	141	\$ 241,167
Health Care	\$ 48,718,970	\$ 79,531,780	\$ 43,365,272	\$ 33,302,647	773	\$ 1,450,614
Human Services	\$ 31,309,692	\$ 51,353,618	\$ 29,396,386	\$ 22,425,973	995	\$ 1,069,855
Public and Societal Benefit	\$ 3,546,809	\$ 5,884,161	\$ 3,237,050	\$ 2,560,981	97	\$ 110,576
Religious Organization	\$ 9,122,538	\$ 16,122,372	\$ 5,791,094	\$ 3,938,573	139	\$ 216,648
Other Public Charities	\$ 603,571	\$ 1,022,628	\$ 551,498	\$ 442,866	16	\$ 26,174
Battelle Energy Alliance						
Total (with Battelle)	\$ 131,635,527	\$ 214,711,484	\$ 124,001,801	\$ 94,369,070	3,001	\$ 4,092,270

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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