

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

With a focus on the Counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, and Power

This is an economic impact assessment of Idaho's charitable nonprofit organizations with a regional focus on the counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, and Power. 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 eastern Idaho charitable nonprofit organizations employ an estimated 3,483 actual (i.e. direct) jobs which constitute 1.1% of all (covered) jobs in south eastern Idaho, and pays \$178.8 million in total aggregate compensation based on \$279.2 million of charitable spending (Figure 1). The average salary (including all benefits) is \$51,350.

Figure 1

Total Southeastern Direct Public Charity 2010/2011 Spending and Direct Jobs				
Counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, Power				
Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs
Arts, Culture, and Humanities	\$ 1,048,151	\$ 466,253	19	1%
Education	\$ 15,854,658	\$ 12,186,417	347	10%
Environment	\$ 1,973,909	\$ 1,154,066	30	1%
Health Care	\$ 85,090,817	\$ 43,718,541	822	24%
Human Services	\$ 29,741,582	\$ 15,867,435	751	22%
Public and Societal Benefit	\$ 15,872,294	\$ 8,210,278	327	9%
Religious Organization	\$ 215,673	\$ 43,808	1	0%
Other Public Charities	\$ 50,116	\$ 26,480	1	0%
Battelle Energy Alliance	\$ 129,307,881	\$ 97,154,376	1,185	34%
Total (with Battelle)	\$ 279,155,081	\$ 178,827,655	3,483	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):

- \$439.0 million in sales transactions
- \$226.3 million in gross state product
- \$185.0 million in total compensation -payroll
- 3,840 jobs
- \$8.7 million in property, sales, and excise taxes

Figure 2

Economic Impacts of the Charitable Nonprofits of South Eastern Idaho (From Federal and Out-of-State Funding)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, Power						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 209,630	\$ 337,460	\$ 195,310	\$ 130,711	5	\$ 10,108
Education	\$ 3,963,665	\$ 6,215,024	\$ 4,725,210	\$ 3,724,227	109	\$ 97,918
Environment	\$ 394,782	\$ 639,031	\$ 366,541	\$ 278,227	8	\$ 13,846
Health Care	\$ 46,686,676	\$ 76,210,339	\$ 41,540,032	\$ 31,890,801	740	\$ 1,390,489
Human Services	\$ 6,938,822	\$ 11,420,877	\$ 6,558,371	\$ 5,087,585	224	\$ 217,266
Public and Societal Benefit	\$ 3,732,678	\$ 6,202,099	\$ 3,404,275	\$ 2,710,417	105	\$ 113,564
Religious Organization	\$ 43,135	\$ 76,232	\$ 27,382	\$ 18,623	1	\$ 1,024
Other Public Charities	\$ 10,023	\$ 16,982	\$ 9,158	\$ 7,354	0	\$ 435
Battelle Energy Alliance	\$ 129,307,881	\$ 337,851,024	\$ 169,426,451	\$ 141,188,709	2,648	\$ 8,734,160
Total (with Battelle)	\$ 191,287,292	\$ 438,969,068	\$ 226,252,731	\$ 185,036,654	3,840	\$ 10,578,810

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):

- \$552.3 million in sales transactions
- \$292.3 million in gross state product (5.9% of GSP)
- \$235.9 million in total compensation -payroll (7.7% of regional total)
- 5,532 jobs (1.7% of covered employment)
- \$12.8 million in property, sales, and excise taxes

Figure 3

Economic Impacts of the Charitable Nonprofits of South Eastern Idaho (Wider Analysis)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Bannock, Bear Lake, Bingham, Caribou, Franklin, Oneida, Power						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 941,087	\$ 1,514,952	\$ 876,798	\$ 586,799	23	\$ 45,377
Education	\$ 13,351,204	\$ 20,934,681	\$ 15,916,394	\$ 12,544,682	368	\$ 329,827
Environment	\$ 1,894,950	\$ 3,064,102	\$ 1,751,830	\$ 1,325,812	39	\$ 66,790
Health Care	\$ 71,933,965	\$ 117,429,334	\$ 64,029,184	\$ 49,171,635	1,141	\$ 2,141,844
Human Services	\$ 29,801,387	\$ 48,879,723	\$ 27,980,252	\$ 21,345,631	947	\$ 1,018,316
Public and Societal Benefit	\$ 13,257,499	\$ 21,994,209	\$ 12,099,662	\$ 9,572,606	361	\$ 413,318
Religious Organization	\$ 311,590	\$ 550,677	\$ 197,801	\$ 134,526	5	\$ 7,400
Other Public Charities	\$ 29,918	\$ 50,690	\$ 27,337	\$ 21,952	1	\$ 1,297
Battelle Energy Alliance	\$ 129,307,881	\$ 337,851,024	\$ 169,426,451	\$ 141,188,709	2,648	\$ 8,734,160
Total (with Battelle)	\$ 260,829,482	\$ 552,269,392	\$ 292,305,710	\$ 235,892,353	5,532	\$ 12,758,329

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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