

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

With a focus on Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, and Washington counties

This is an economic impact assessment of Idaho's charitable nonprofit organizations with a regional focus on the counties of Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, and Washington. 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").

Southwestern Idaho charitable nonprofit organizations employ an estimated 32,072 actual (i.e. direct) jobs which constitute 9.7% of all (covered) jobs in southwestern Idaho, and pays \$1.34 billion in total aggregate compensation based on \$2.50 billion of charitable spending (Figure 1). The average salary (including all benefits) is \$41,757.

Figure 1

Total Southwestern Direct Public Charity 2010/2011 Spending and Direct Jobs				
Counties of Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, Washington				
Public Charity Classification/Category	Total Charity Spending	Total Aggregate Compensation	Total Direct Employment	% Jobs
Arts, Culture, and Humanities	\$ 21,668,447	\$ 9,638,865	391	1%
Education	\$ 187,816,625	\$ 144,362,103	4,105	13%
Environment	\$ 23,390,909	\$ 13,675,733	353	1%
Health Care	\$ 1,864,311,508	\$ 957,858,700	18,006	56%
Human Services	\$ 286,383,984	\$ 152,788,758	7,233	23%
Public and Societal Benefit	\$ 73,874,294	\$ 38,213,031	1,521	5%
Religious Organization	\$ 6,212,324	\$ 1,261,865	43	0%
Other Public Charities	\$ 11,715,482	\$ 6,190,093	234	1%
Battelle Energy Alliance	\$ 20,262,984	\$ 15,224,421	186	1%
Total (with Battelle)	\$ 2,495,636,557	\$ 1,339,213,570	32,072	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):

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

- \$1.96 billion in sales transactions
- \$1.08 billion in gross state product
- \$834.8 million in total compensation (payroll)
- 20,847 jobs
- \$36.12 million in property, sales, and excise taxes

Figure 2

Economic Impacts of the Charitable Nonprofits of Southwestern Idaho (From Federal and Out-of-State Funding)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, Washington						
Public Charity Classification/Category	Direct FED/Out-of-State \$	Sales	Gross State Product Value Added	Total Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 4,333,689	\$ 6,976,327	\$ 4,037,638	\$ 2,702,197	105	\$ 208,960
Education	\$ 46,954,156	\$ 73,624,089	\$ 55,975,539	\$ 44,117,739	1,296	\$ 1,159,953
Environment	\$ 4,678,182	\$ 7,572,543	\$ 4,343,532	\$ 3,297,000	96	\$ 164,072
Health Care	\$ 1,022,889,548	\$ 1,669,743,182	\$ 910,128,293	\$ 698,716,849	16,205	\$ 30,465,150
Human Services	\$ 66,814,454	\$ 109,972,505	\$ 63,151,060	\$ 48,988,750	2,159	\$ 2,092,075
Public and Societal Benefit	\$ 17,372,976	\$ 28,866,380	\$ 15,844,492	\$ 12,615,070	488	\$ 528,561
Religious Organization	\$ 1,242,465	\$ 2,195,823	\$ 788,731	\$ 536,423	19	\$ 29,507
Other Public Charities	\$ 2,343,096	\$ 3,969,897	\$ 2,140,943	\$ 1,719,228	63	\$ 101,608
Battelle Energy Alliance	\$ 20,262,984	\$ 52,942,403	\$ 26,549,700	\$ 22,124,750	415	\$ 1,368,672
Total (with Battelle)	\$ 1,186,891,549	\$ 1,955,863,149	\$ 1,082,959,929	\$ 834,818,007	20,847	\$ 36,118,559

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):

- \$3.54 billion million in sales transactions
- \$2.0 billion in gross state product (7.9% of GSP)
- \$1.54 billion in total compensation -payroll (9.3% of regional total)
- 41,827 jobs (12.7% of covered employment)
- \$66.18 million in property, sales, and excise taxes

Figure 3

Economic Impacts of the Charitable Nonprofits of Southwestern Idaho (Wider Analysis)						
Includes the Direct, Indirect, and Induced Impacts						
Counties of Ada, Adams, Boise, Canyon, Elmore, Gem, Owyhee, Payette, Valley, Washington						
Public Charity Classification/Category	Direct		Gross State Product		Total	
	FED/Out-of-State \$	Sales	Value Added	Compensation	Jobs	Indirect Taxes
Arts, Culture, and Humanities	\$ 19,455,113	\$ 31,318,634	\$ 18,126,056	\$ 12,130,901	473	\$ 938,077
Education	\$ 158,160,344	\$ 247,995,325	\$ 188,547,963	\$ 148,606,159	4,364	\$ 3,907,183
Environment	\$ 22,455,243	\$ 36,309,746	\$ 20,759,267	\$ 15,710,930	462	\$ 791,461
Health Care	\$ 1,576,049,256	\$ 2,572,837,663	\$ 1,402,858,138	\$ 1,077,334,178	24,992	\$ 46,927,095
Human Services	\$ 286,959,848	\$ 470,666,614	\$ 269,424,000	\$ 205,538,721	9,115	\$ 9,805,440
Public and Societal Benefit	\$ 61,704,275	\$ 102,367,474	\$ 56,315,365	\$ 44,553,708	1,680	\$ 1,923,704
Religious Organization	\$ 8,975,163	\$ 15,861,916	\$ 5,697,538	\$ 3,874,945	137	\$ 213,148
Other Public Charities	\$ 6,993,909	\$ 11,849,747	\$ 6,390,503	\$ 5,131,725	188	\$ 303,291
Battelle Energy Alliance	\$ 20,262,984	\$ 52,942,403	\$ 26,549,700	\$ 22,124,750	415	\$ 1,368,672
Total (with Battelle)	\$ 2,161,016,136	\$ 3,542,149,521	\$ 1,994,668,530	\$ 1,535,006,017	41,827	\$ 66,178,072

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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