

# The Economic Impact of High Plains Community Health Center



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**CAPITAL LINK**



High Plains Community Health Center is a non-profit, locally-run Community Health Center (CHC) that provides comprehensive primary and preventive health care to medically underserved individuals and families regardless of their ability to pay. High Plains strives to meet the unique health needs of its community in linguistically and culturally competent ways.

In addition to providing critically needed health care services, High Plains is a powerful “economic engine” whose business operations positively impact its community’s economy.

## HIGH PLAINS COMMUNITY HEALTH CENTER

- Is a major employer in its community, providing direct employment for people in the community, including critical entry-level jobs, training, and career-building opportunities.
- Adds to its local economies directly by purchasing goods and services from local businesses, and employees spend their paychecks in local businesses.
- Engages in building and remodeling projects, acting as a catalyst for economic revitalization by attracting investment and other businesses in the community.
- Attracts and retains more residents, businesses, and employment by adding to the economic activity in the community.

## ECONOMIC IMPACT OF CURRENT OPERATIONS

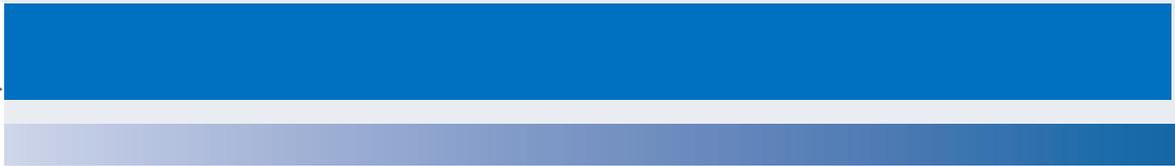
In 2011, High Plains injected \$4.7 million of operating expenditures directly into the local economy. These expenditures produced additional indirect and induced economic activity of \$1.2 million for an overall economic impact of \$6.0 million.

This amount includes about \$4.3 million in value-added spending, including personal income. High Plains directly generated 62<sup>1</sup> full-time jobs and indirectly created an estimated 12 jobs as a result of its total operating expenditures.

Summary of Total Economic Activity* Stimulated by High Plains Community Health Center 2011 Operations			
	Output	Value-added (incl. personal income)	Employment (FTEs) <sup>1</sup>
Direct	\$4,720,736	\$3,590,329	61.8
Indirect	\$471,142	\$260,394	4.4
Induced	\$762,180	\$469,569	7.8
<b>Total</b>	<b>\$5,954,058</b>	<b>\$4,320,292</b>	<b>74.0</b>

\*Prepared by Capital Link with MIG, Inc. IMPLAN Software Pro version 3, structural matrices, county-specific multiplier, and the health center’s FY11 financial and em-

<sup>1</sup>CHCs report in the Uniform Data system the number of people as Full Time Equivalent (FTEs) employed. Full-Time Equivalent (FTE) of 1.0 means that the person is equivalent to a full-time worker. In an organization that has a 40 hour work week, a person who works 20 hours per week (i.e., 50 percent time) is reported as “0.5 FTE. FTE is also based on the number of months the employee works. An employee who works full time for four months out of the year would be reported as “0.33 FTE” (four months/12 months).



Summary of Total Economic Activity Stimulated by 16 of the 18 Colorado Community Health Centers Current Operations			
	Economic Impact (Incl. Value-Added)	Value-added (incl. personal income)	Employment (# of FTEs)
Direct	\$396,359,887	\$239,126,341	3,621
Indirect	\$125,082,918	\$78,169,685	811
Induced	\$213,955,126	\$132,267,828	1,593
<b>Total</b>	<b>\$735,397,931</b>	<b>\$449,563,854</b>	<b>6,025</b>

### ECONOMIC IMPACT DEFINITION OF TERMS

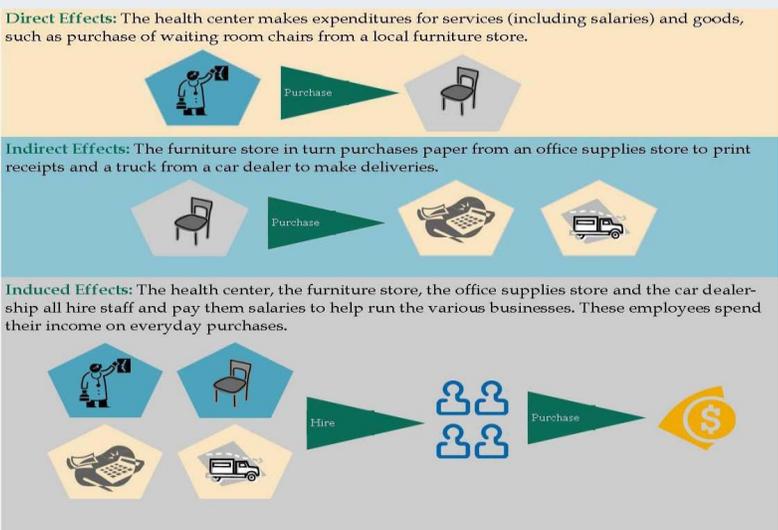
This analysis applies the “multiplier effect”, using an integrated economic modeling and planning tool called IMPLAN<sup>2</sup>.

- **Output Multiplier:** measures the increase in total output generated in a defined regional economy for each dollar spent by a given industry.
- **Value-added (Earnings) Multiplier:** measures the earnings (purchasing power) that an industry generates, through payroll and the multiplier effect, for households employed by all industries within a defined area.
- **Employment Multiplier:** measures the number of jobs generated across all industries by the activity within a given industry. The multiplier produces an estimate of the total number of new jobs that a local economy can support in all industries due to the dollars being injected into the community by the organization.

IMPLAN’s output, earnings, and employment figures are aggregated based on:

- **Direct effects:** the direct effect of CHC operations on the CHC and employees (as well as contractors, etc.). Includes impact on all vendors and service organizations that provide work for the CHC.
- **Indirect effects:** effect of businesses and organizations impacting the economy by purchasing other goods, paying employees, etc. The effect here is of CHC impact on other businesses, which in turn impact further businesses.
- **Induced effects:** Effect of CHC employees (and indirect employees) spending their incomes in the local economy.

The following example explains in simplified terms the meaning of Direct, Indirect and Induced effects.



<sup>2</sup>Multiplier: estimated number by which the amount of investment or expenditure is multiplied to give the total amount by which the national income is increased.

<sup>3</sup>(Impact analysis for PLANning), to capture the direct, indirect, and induced economic effects of an organization’s business operations. IMPLAN was developed by the US Department of Agriculture and the Minnesota IMPLAN Group (MIG) and employs multipliers, specific to each county and each industrial sector, to determine total output, employment, and earnings. This analysis was conducted using IMPLAN Version 3, Trade Flows Model.



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**Mission:**

High Plains Community Health Center will be the provider of choice for quality, accessible primary health care services in Southeast Colorado.

**Vision:**

High Plains Community Health Center envisions optimal health for our community, supported by state-of-the-art health care that ensures access to all.

The Colorado Community Health Network (CCHN) is the unified voice for Colorado's 18 Community Health Centers (CHCs) and their patients. CHCs provide a health care home to more than 600,000 of their community members - one in 10 people in Colorado - from 60 of the state's 64 counties. Without CHCs, hundreds of thousands of Colorado's low-income families and individuals would have no regular source of health care.

CCHN's mission is to increase access to high quality health care for people in need in Colorado. For more information about CCHN, please visit [www.cchn.org](http://www.cchn.org).

**About Capital Link:**

Since 1998, Capital Link has provided planning and capital solutions for hundreds of health center building projects. We assist health centers and primary care associations in accessing capital for building and equipment projects, and we provide extensive technical assistance throughout the entire capital development process. Additionally, Capital Link provides targeted loans to help health centers leverage other sources of capital. Capital Link works nationally out of its main office in Massachusetts and satellite offices in California, the District of Columbia, Maryland, Missouri, Washington and West Virginia.

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