

CHI Mercy Health Valley City



*Healthcare, especially a hospital,
plays a vital role in local economies.*

Economic Impact

CHI Mercy Health Valley City is a Critical Access Hospital (CAH) located in Barnes County, North Dakota.

CHI Mercy Health Valley City **directly** employs **78 FTE employees** with an annual payroll of over **\$4.75 million** (including benefits).

- After application of the employment multiplier of 1.48, these employees created an additional **37 jobs**.
- The same methodology is applied to derive the income impact. The income multiplier of 1.22 is applied to create over **\$1 million** in income as they interact with other sectors of the local economy.
- **Total impacts = 115 jobs and more than \$5.8 million in income.**

Healthcare and Your Local Economy

The health sector in a rural community, anchored by a CAH, is responsible for a number of full- and part-time jobs and the resulting wages, salaries, and benefits. Research findings from the National Center for Rural Health Works indicate that rural hospitals typically are one of the top employers in the rural community. The employment and the resulting wages, salaries, and benefits from a CAH are critical to the rural community economy. Figure 1 depicts the interaction between an industry like a healthcare institution and the community, containing other industries and households.

Key contributions of the health system include

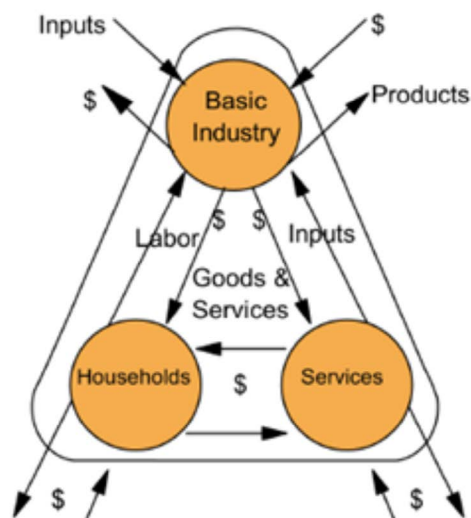
- Attracts retirees and families
- Appeals to businesses looking to establish and/or relocate
- High quality healthcare services and infrastructure foster community development
- Positive impact on retail sales of local economy
- Provides higher-skilled and higher-wage employment
- Increases the local tax base used by local government

Data analysis was completed by the Center for Rural Health at the Oklahoma State University Center for Health Sciences utilizing IMPLAN data.

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Figure 1. An overview of the community economic system.



Source: Doeksen, G.A., T. Johnson, and C. Willoughby. 1997. Measuring the Economic Importance of the Health Sector on a Local Economy: A Brief Literature Review and Procedures to Measure Local Impacts



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