

## Southwest Memorial Hospital – Cortez, Colorado

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**Southwest Memorial Hospital** in Cortez, Colorado is a general medical and surgical facility. With the help from a taxpayer-approved sales tax in 2014, Southwest Memorial recently (2018) completed a \$32 million expansion project to replace aging facilities. The upgraded campus includes a modern new patient wing, new birthing center, a new medical office building that consolidates local health clinics, retail pharmacy and a new EMS facility.

At the request of Travis Parker – Director of Human Resources, Information Services, Inc. conducted an analysis of the economic impacts in Montezuma County, CO. related to the employment of 335 people at the hospital in 2018.

**Direct** effects in this report are the number of jobs, and wages and salaries directly related to operation of the hospital.

**Indirect** effects consist of the additional jobs and income created when the hospital purchases goods and services from the many diverse companies that provide support to the facility.

**Induced** effects consist of income and jobs created throughout the economy when employees of direct and indirect businesses spend their personal incomes on consumer goods, other property, services and taxes in the region.

The framework for this analysis is the IMPLAN software and data system developed by the IMPLAN Group LLC.<sup>1</sup> Economic effects are reported in 2018 dollars. Sector 482 – Hospitals – was selected as the industry of analysis for this project.

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<sup>1</sup> This analysis uses IMPLAN version 3.1 software with 2016 county, state, and national-level data. The underlying data drawn upon by the IMPLAN system are collected from multiple Federal and state sources including the Bureau of Economic Analysis, Bureau of Labor Statistics, and the U.S. Census Bureau.

IMPLAN provides estimates for several economic indicators related to employment in the various sectors, including:

- **Jobs** are measured as annualized full and part time jobs that are related to the facility.
- **Labor Income** includes employee wages, salaries and payroll benefits as well as proprietor (owner) income.
- **Value Added (VA)** is equal to the difference between the amount an industry sells a product for and the production cost of the product. VA is a combination of employee compensation (wages paid to workers); proprietor income (wages to owners of sole proprietorships); other property type income (corporate profits, capital and inventory; and indirect business tax (taxes collected by business for governments).
- **Economic Output** is a measure of the total estimated value of the production of goods and services supported by sales made by the facility. Output is the sum of all intermediate sales (business to business) and final demand (sales to consumers and exports).

Impact Type	Employment	Labor Income	Value Added	Output
Direct Effect	335	\$26,129,000	\$29,878,000	\$51,736,000
Indirect Effect	98	\$2,673,000	\$4,114,000	\$9,793,000
Induced Effect	135	\$4,228,000	\$8,199,000	\$15,398,000
Total Effect	568	\$33,030,000	\$42,191,000	\$76,927,000

Rounded to nearest \$000

Aside from the 335 (direct) jobs, other jobs are a mix of those that support the facility, and those that are supported by the household spending of employees.

Sector	Description	Employment
482	Hospitals	335
501	Full-service restaurants	17
440	Real estate	16
502	Limited-service restaurants	9
436	Other financial investment activities	9
448	Accounting, tax preparation, bookkeeping, and payroll services	7
462	Office administrative services	7
395	Wholesale trade	6
468	Services to buildings	6
454	Management consulting services	6