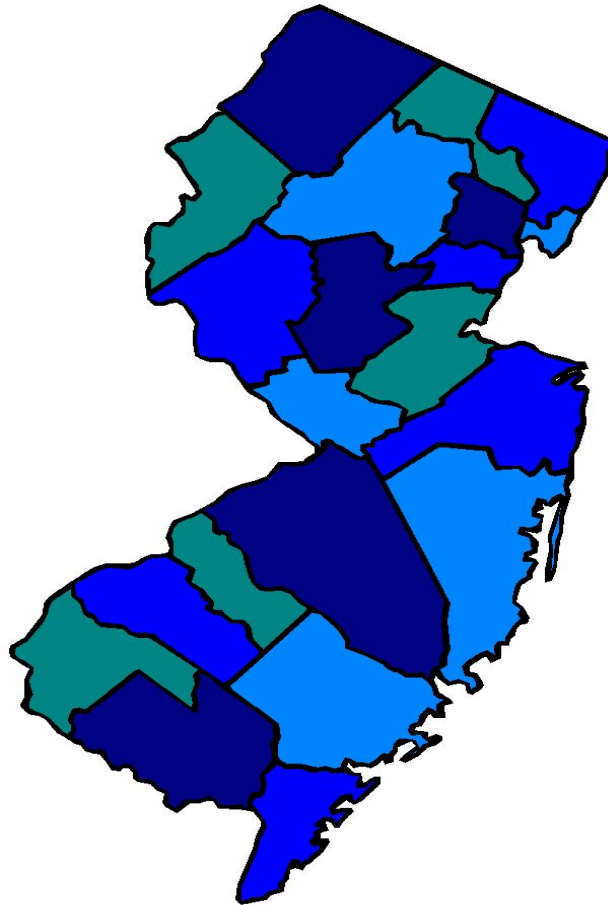


New Jersey Health Centers are Economic Engines in their Communities



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New Jersey Health Centers are **powerful “economic engines”** whose business operations significantly impact their local economies.

New Jersey Health Centers:

- ◆ are often among the **largest employers** in their communities.
- ◆ provide **direct employment** for people in the community, including critical entry-level jobs, training, and career building opportunities that are community-based.
- ◆ **purchase goods and services** directly from local businesses, thereby stimulating the local economy through an infusion of health center spending.
- ◆ further **stimulate the local economy** through the indirect expenditures of related sectors and the induced expenditures of new household income generated by the direct and indirect effects.
- ◆ engage in capital development projects, often **acting as catalysts for significant economic revitalization** within their local communities by attracting investment and other businesses to the community.

Summary of FY 2007 Total Economic Activity Stimulated by 18 of New Jersey Health Centers’ Current Operations			
	Output	Value-Added (incl. personal income)	Employment
Direct	\$ 217,633,659	\$163,225,244	2,180
Indirect	\$ 67,102,233	\$ 39,637,935	407
Induced	\$102,398,276	\$ 60,526,548	734
Total	\$387,134,168	\$263,389,727	3,320

Based on 2007 financial and employment information, the 18 New Jersey health centers that were analyzed supported the state economy in the following ways:

- ◆ **The health centers had an overall economic impact of \$387 million and supported 3,320 jobs in 2007.**
- ◆ The health centers injected \$217 million of operating expenditures directly into their local economies.
- ◆ These expenditures produced additional indirect and induced economic activity of \$170 million.
- ◆ The overall total output of \$387 million includes \$263 million in household purchasing power, e.g., the aggregate gain in household income within the communities the health centers serve.
- ◆ New Jersey’s health centers directly generated 2,180 jobs and indirectly supported an additional 1,141 jobs as a result of their total operating expenditures.

The above economic impact analysis clearly demonstrates that as a result of the combined effects of their multiple roles as service providers, employers and local businesses, health centers play a significant community and economic development role in their communities. An investment in New Jersey's health centers is an investment in the economic development of the communities they serve and the state as a whole.

Economic Impact of Capital Projects

In addition to the economic effects generated by health centers through their regular business operations, many health centers also generate additional economic effects through capital projects and the resulting expansion of services. When a health center undertakes a capital expansion and/or renovation project, a significant economic revitalization occurs within the local community. This economic impact has been demonstrated by health centers in various cities where additional "units of health care," new jobs and stimulated local businesses served as the immediate outcomes. The projects themselves often serve as economic anchors in the communities. This "anchor concept" is similar to the effect of a large department store in a shopping mall – the health center attracts investment and other businesses to the community. These long-term economic stimulus effects will accrue in addition to the obvious benefit of increased health services to poor and low-income families and the ethnically diverse populations of both urban and sparsely populated areas of the state.

To the extent that health centers are able to undertake their planned capital projects, these projects will contribute directly to increased economic activity, household earnings and jobs in the following ways:

1. Local businesses will provide predevelopment technical assistance in areas such as feasibility studies, financial planning, capital campaign development, government approvals, architectural design and engineering assessments;
2. Local construction companies will be contracted to build the new sites;
3. Local companies will be used, when possible, to purchase equipment and supplies for clinical services, programs and administrative support that will be needed in the new expansions;
4. An increased number of employment opportunities will be available in health care and other industries; and
5. Increased revenues and reserves will result from providing additional "units of health care" i.e. visits.