

Families First Health and Support Center

A Vital Contributor to Rockingham County's Economy

Families First Health and Support Center (**FFHSC**) is a **non-profit, community-based corporation that provides comprehensive primary and preventive health care and social services** to medically underserved individuals and families regardless of their abilities to pay. Led by a community-based board of directors, FFHSC strives to meet the unique health needs of its community in linguistically and culturally competent ways.

In addition to providing needed health care services, FFHSC is a powerful "economic engine" whose business operations significantly impact its community's economy. FFHSC provides direct employment for people in the community, including critical entry-level jobs, training, and career building opportunities that are community-based. FFHSC also purchases goods and services from local businesses and engages in capital development projects. Every dollar spent and every job created by FFHSC has a direct impact on the local economy. FFHSC also serves as an anchor for existing and new businesses and investments in the community. In addition to the direct economic effects, FFHSC also provides indirect economic effects through its purchases of goods and services from other local businesses. Finally, additional expenditures by all local industries are induced from new household income generated by the direct and indirect effects.

Summary of FY 2004 Total Economic Activity¹ Stimulated by FFHSC's Current Operations			
	Total Output	Value-added (inc. personal income)	Employment
Direct	\$2,895,968	\$2,326,094	50.0
Indirect	\$350,003	\$219,593	3.4
Induced	\$1,377,168	\$880,185	14.3
Total	\$4,623,139	\$3,425,872	67.7

In 2004, FFHSC injected \$2.9 million of operating expenditures directly into the local economy. These expenditures produced additional indirect and induced economic activity of \$1.7 million for an overall economic impact of \$4.6 million. This amount includes about \$3.4 million in Value-Added spending, including personal income. FFHSC directly generated 50.0 full-time jobs and indirectly created an estimated 17.7 full-time jobs as a result of its total operating expenditures.

The above economic impact analysis clearly demonstrates that as a result of the combined effect of its multiple roles as service provider, employer, and local business, FFHSC has a significant community and economic development role in its community. To invest in FFHSC is to invest in the economic development of its community, county, and state.

¹ Prepared by Capital Link, Inc with MIG, Inc. IMPLAN Software Pro version 2.0.1016 and 2002 structural matrices with the 2002 Rockingham, NH county multipliers and FFHSC FY04 audited financial statement information.

Statewide Economic Impact Analysis Definition of Terms

This analysis uses the “multiplier effect”—and more specifically a complete integrated economic planning tool called IMPLAN (Impact analysis for PLANning)—to capture the indirect business effects of a health center’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.

Output Multiplier: measures the increase in total output generated in a defined local economy for each dollar spent by a given industry. For example, if the multiplier for health care services is 3.0, then every dollar spent by a health center would create \$3 in local economic activity.

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. Consequently, the Value-Added impact represents the amount of dollars that aggregate households in a given area will gain in household income based on the dollars put out into that community by a community health center through operating expenditures.

Employment Multiplier: measures the number of jobs generated across all industries by the activity within a given industry needed to deliver \$1 million of products or services to a defined geographic area. 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 health center. In other words, the economic activity of the health center stimulates job growth because of the “snowballing” of the dollars expended.

IMPLAN’s data are aggregated based on direct, indirect and induced economic effects:

Direct effects: response by a given industry, i.e. FFHSC’s Total Operating Expenditures.

Indirect effects: response by local industries from “the iteration of industries purchasing.”

Induced effects: response by all local industries to the expenditures of new household income generated by the direct and indirect effects.

Within the field of economics, the multiplier effect is used to determine the impact of each dollar entering, impacting and eventually leaving a defined economy (i.e. “dollar turnover”). This results in increased production and expenditures, employment creation and attraction, and retention of new residents, businesses and investments. Rockingham County’s multipliers are factored in to estimate the spin-off activity from the expenditures of the community health center in providing health care services.

Capital Link is a non-profit organization, based in Boston, Massachusetts, assists health centers nationally in planning and obtaining capital project financing. Capital Link also works with Primary Care Associations and other partners to develop and implement local and statewide strategies for enhancing health center access to low-cost capital. For more information, go to www.caplink.org.

Bi-State is a private 501(c)3 not-for-profit organization with a broad membership of organizations in New Hampshire and Vermont that provide and/or support community-based primary care. For more information, go to www.bistatepca.org.

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