UMass study reveals Southcoast Health System’s $1.4 billion combined economic impact in Massachusetts & Rhode Island

NEW BEDFORD, Mass. — The Center for Policy Analysis at the University of Massachusetts Dartmouth today released the results of a study depicting Southcoast Health System’s economic contribution to regional and state economies, revealing a combined economic impact of $1.4 billion per year on the Massachusetts and Rhode Island economies alone.

While the availability and quality of health care services is an essential component of a community’s well-being, hospitals and health care systems are often overlooked in terms of their economic contributions to local, state and regional economies, particularly in terms of how their direct operations (i.e. employing residents and making purchases from local businesses) affect the economy at large.

“Southcoast’s economic contributions to state and regional economies extend far beyond the people they employ,” said David Borges, Associate Director, Center of Policy Analysis, University of Massachusetts Dartmouth. “By purchasing goods from local suppliers, undertaking construction projects, making community contributions, supporting charitable giving by employees, and providing free care and other in-kind services to patients, Southcoast impacts
many health related and non-health related sectors of the economy. They are a significant
generator of economic impacts, not only in the communities where they maintain facilities, but
across the region and state.”

“We are a proud member of the South Coast community, and while our number one
priority is to provide first-class, high quality health care to our patients, it is always a priority for
us to partner with and support the many businesses and organizations throughout the region,” said
Keith A. Hovan, President & CEO of Southcoast Health System and Southcoast Hospitals Group.
“It is gratifying to learn from this study the extent of our impact on the local, regional and state
economies. The numbers truly reflect our continued efforts to positively impact the growth and
development of the communities we serve and the region as a whole.”

**Economic Impact**

Southcoast Health System totaled $696 million in direct operating, construction, and
community benefits expenditures in Massachusetts and Rhode Island in fiscal year 2011. These
expenditures generated a total economic impact of $1.4 billion in output, 12,314 jobs, and $747
million in labor income.

In addition to its own operations, Southcoast Health System’s economic activity
generates “spin-off” which creates a multiplier effect on other companies and their employees.
For example, for every $1 million spent directly by Southcoast, an additional $1 million in
spending is generated by other businesses in the Massachusetts and Rhode Island economies. For
every 100 jobs created by Southcoast an additional 70 jobs are created by other businesses in
Massachusetts and Rhode Island (both in the health care sector and non-health care sector). For
every $1 million in labor income generated by Southcoast, an additional $0.6 million in labor
income is generated in other industries in Massachusetts and Rhode Island.

“No institution is more valuable to southeastern Massachusetts than the
Southcoast Health System,” said Congressman Barney Frank. “It provides first-class
healthcare for residents while serving as a very significant driver of our economy. I am
very proud to have worked with Southcoast Health System – and before its formation, its
constituent components – throughout my career. And the things we did together are
among the proudest of my accomplishments.”

Southcoast’s indirect and induced impacts occur primarily in non-health care related
sectors of the economy. Therefore, Southcoast’s direct expenditures are a major source of output,
employment and labor income for all types of businesses throughout Massachusetts and Rhode Island.

“We have been doing business with Southcoast for many years,” said Jordan Silva, Vice President of Regal Floor Covering of Fall River. “The work we receive from Southcoast is a blessing. We are grateful that an organization of their size continues to support local businesses, allowing a company like ours to employ almost 30 individuals in an economy that would otherwise have caused us to layoff most of our staff. It is a great feeling to walk into a Southcoast facility and see our completed work in a setting that is utilized by so many people in our community. The sense of pride is overwhelming.”

**Employment**

Southcoast Health System is the largest employer in Southeastern Massachusetts, employing almost 7,000 people. This directly accounts for nearly 2 out of every 100 jobs in the region, with the majority of employees (88 percent) residing in Southeastern Massachusetts. Southcoast is the largest employer in Fall River and New Bedford, the two largest cities in Southeastern Massachusetts.

“It is clear that the Southcoast Health System and its affiliate hospitals are having powerful impact on the quality of life throughout the region,” said UMass Dartmouth Chancellor Divina Grossman. “Besides providing high quality health care, Southcoast is a job engine. By creating a diverse array of employment opportunities for our graduates, Southcoast attracts talent to the region and keeps it here.”

The health care sector consists of a variety of occupations that require a wide distribution of skill and educational levels. This broad range of positions matches well with the education and skill levels of Southeastern Massachusetts residents, a region characterized by traditional working class urban areas bordered by more affluent suburbs. The study shows that 19 percent of Southcoast positions require a minimum education level of a high school diploma; 41 percent require an associate degree or technical certification; 33.4 percent require a bachelor’s degree; while a total 6.6 percent require a master’s degree, doctorate degree or a medical degree.

“In addition to offering a wide-range of employment opportunities to individuals in our region, Southcoast makes it a priority to provide additional education and training opportunities for its employees,” said Dr. Jack Sbrega, President of Bristol Community College. “BCC is proud of our longstanding relationship with Southcoast which, in this era of life-long learning, creates advancement opportunities for Southcoast employees and individuals and enhances the quality of life throughout the region.”
The annual average wages paid by a business establishment or industry is a key measure of job quality. Annual average wage paid by Southcoast Health System are well above the annual average wages paid in Rhode Island and southeastern Massachusetts. The annual average wage paid by Southcoast to employees who reside in Southeastern Massachusetts are 18.2 percent higher than the average annual wage for all industries in that region and 6.2 percent higher than wages paid in the health care sector in the same region.

“Southcoast Health Systems is not only a great employer and health care institution, but also a great neighbor,” said Roy M. Nascimento, President & CEO of the New Bedford Area Chamber of Commerce. They invest heavily in our communities, support our local businesses and are involved in numerous community initiatives. They are an important part of the economic health of our region.”

About Southcoast Health System & Southcoast Hospitals Group

Southcoast Health System is a community based health delivery system with multiple access points, offering an integrated continuum of health services throughout Southeastern Massachusetts and Rhode Island. It includes the three hospitals that make up Southcoast Hospitals Group — Charlton Memorial Hospital in Fall River, St. Luke’s Hospital in New Bedford and Tobey Hospital in Wareham.

Southcoast provides advanced clinical services, such as open heart surgery, angioplasty and heart rhythm services, comprehensive cancer care, neurosurgery, weight loss surgery, orthopedic surgery, advanced imaging services and is the only provider of maternity services in the region. Southcoast is a not-for-profit charitable organization that depends on the support of the community to provide services. More information is available online at www.southcoast.org. Connect to Southcoast through social media at www.southcoast.org/connect/.

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