

Mountain Area Health Education Center

2019 Economic Impact: Compensation and Operational Expenses

EXECUTIVE SUMMARY

Introduction

The report was commissioned by the Mountain Area Health Education Center (MAHEC) to examine the economic impact of compensation and organizational expenses in 2019. MAHEC of Western North Carolina (WNC) is a not-for-profit organization serving a 16-county region with 2020 population of approximately 812,500. One of nine area health education centers in the state, MAHEC provides contemporary health education for professionals and delivers quality healthcare across provider specialties. It is an anchor and an economic catalyst, a major employer in the region with over 700 employees.

MAHEC's capacity to connect provider care with health education creates quantifiable economic impact in WNC. Not only does the organization make purchases of goods and services within the region, it also supports households through employment and compensation. Both of these activities generate additional impact as rounds of spending occur and are captured throughout the geography.

This study was conducted to estimate the economic impact of UNC Health Sciences at MAHEC, a branch campus of the University of North Carolina in WNC. All of MAHEC's activities are considered part of the branch campus; learners need practice sites, community programs are integrated into public health and population health education and research reflects the scholarly mission of academic health sciences. Therefore, the activities and people listed herein are not limited to recent state contributions.

Economic Impact Analysis

The project was led by Riverbird Research¹, established by the Asheville Area Chamber of Commerce, named the #1 Chamber in the country in 2019 by the Association of Chamber of Commerce Executives. Riverbird Research has twice been awarded by the International Economic Development Council and has over 25 years of combined experience in data and systems analysis. The analysis is performed using the established assessment system, IMPLAN² (Impact Analysis for Planning), headquartered in Huntersville, North Carolina. IMPLAN is the leading economic modeling application utilizing input-output methodology to show how linkages of industries, households, and government in the economy are connected.

MAHEC's model is built on each county's unique economic data and 2019 operational levels. MAHEC's presence in the region has both social and economic benefits. While social benefits are not captured in the analysis, compensation and applicable organizational expenditures are direct inputs whose effects are multiplied through indirect and induced activity. By modeling changes to these relationships, it is possible to quantify the ripple effect throughout the economy of a given region in a given year. The results are considered conservative as impacts of non-resident students and visitors were not part of the study and construction was not stipulated in 2019.

The analysis and report have been reviewed by IMPLAN. Estimations and assumptions were made outside of IMPLAN to evaluate the initial or direct effects and the results of the study are dependent on the information provided by MAHEC. The Analysts have made every effort to ensure accuracy and sound practice, and industries capturing inputs have been selected as best representing the organization's activities based on the level of detail provided. Margins of error may apply and all data reflects a point in time. The dataset in the analysis is 2018 and outputs are viewed in 2020 dollars.

¹ Riverbird Research, Asheville, NC. RiverbirdResearch.com

² IMPLAN Group, LLC. IMPLAN [2018]. Huntersville, NC. IMPLAN.com

Highlights

MAHEC employed 718 jobs and paid \$47,658,130 in compensation in 2019. Operational spending was \$8,183,332 across the 16-county region, directly supporting the WNC economy. MAHEC'S inputs into the regional economy are multiplied, creating effects that support additional economic activity.

Economic Impact Detail

Approximately **1,000** jobs were supported due to MAHEC in the 16-county WNC region. In combination with 718 direct jobs, MAHEC created or supported an additional 279 jobs in 2019.

\$59,633,691 Labor Income or wages were earned by North Carolinians due to MAHEC.

The total Value Added or contribution to Gross Regional Product (GRP) generated by MAHEC in one year was **\$67,760,968**.

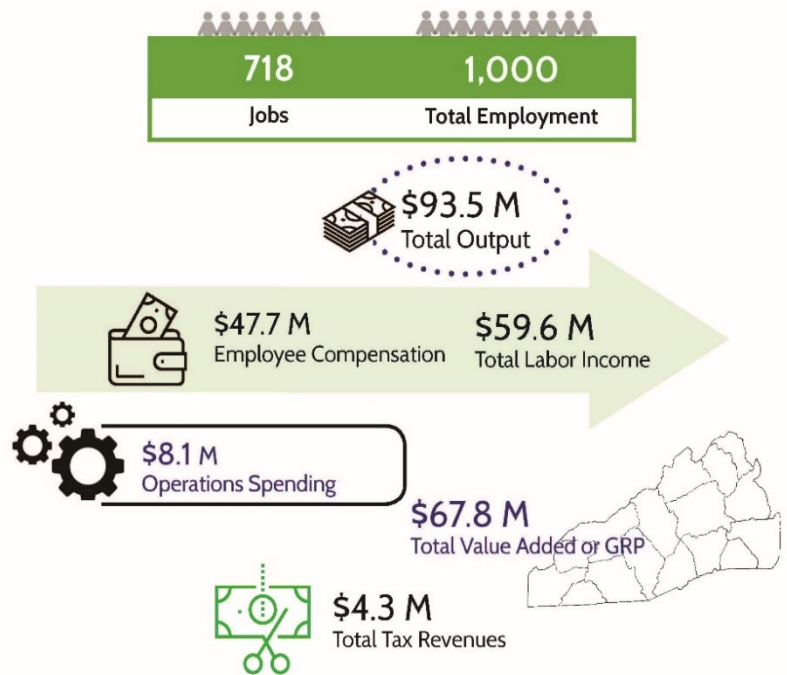
Total Output³ generated as a result of MAHEC was **\$93,546,923**.

Taxes generated for Federal, State and Local governments totaled **\$4,269,886** in 2019.

Impacts by County

COUNTY NAME	TOTAL OUTPUT
BUNCOMBE	\$74,820,843
CHEROKEE	\$12,999
CLAY	\$818
GRAHAM	\$2,518
HAYWOOD	\$1,926,805
HENDERSON	\$9,947,487
JACKSON	\$419,018
MACON	\$267,176
MADISON	\$1,399,583
MCDOWELL	\$672,519
MITCHELL	\$368,136
POLK	\$2,136,777
RUTHERFORD	\$765,441
SWAIN	\$41,119
TRANSYLVANIA	\$432,224
YANCEY	\$333,454
TOTAL ALL	\$93,546,917⁴

MAHEC INPUTS & ECONOMIC IMPACTS in WNC



In summary, the economic impact estimated 1,000 workers that were paid \$60M labor income as part of MAHEC'S \$68M impact on the Gross Regional Product of WNC. Total output, demonstrating overall economic impact, was \$94M in 2019. \$4M in tax revenues were estimated.



³ Output may include instances of duplicative counting of goods and services at different points of production stages whereas Value Added does not.

⁴ Total may not be exact due to rounding.