

# LONG TERM CARE ECONOMIC IMPACT STATISTICS

## SOUTH DAKOTA

### NURSING FACILITIES, STAFF & PATIENTS *In South Dakota*

109 Nursing Facilities  
7,568 Employees  
6,476 Patients Cared for Every Day

8% of patients rely on Medicare; 56% rely on Medicaid; 36% pay for care with private or other funds.

### LONG TERM CARE'S ECONOMIC IMPACT *Direct & Indirect Contribution To South Dakota*

\$507.1 million or 1.6% of state economic activity  
(direct effect)  
\$830.8 million or 2.7% of state economic activity  
(total impact)

### TOP 5 INDUSTRIES/SECTORS SUPPORTED BY LONG TERM CARE

|                            | Economic Activity<br>(in millions) | Employment<br>(jobs) |
|----------------------------|------------------------------------|----------------------|
| Health and Social Services | \$547.3                            | 12,790               |
| Real Estate and Rental     | 211.4                              | 1,550                |
| Manufacturing              | 25.5                               | 500                  |
| Finance and Insurance      | 13.4                               | 20                   |
| Retail Trade               | 8.8                                | 40                   |
| All Industries and Sectors | \$ 830.8                           | 15,280               |

"Long Term Care Facilities" include nursing facilities, assisted living and other long term care residential facilities.

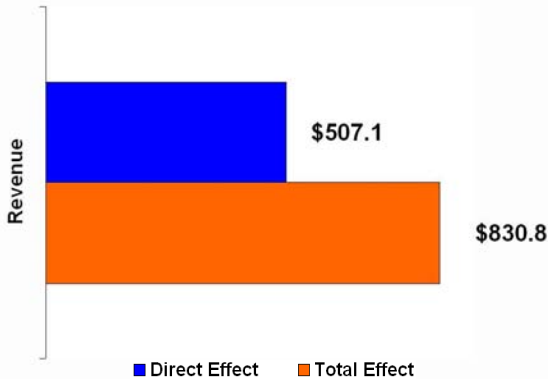
# Economic Impact of Long Term Care Facilities

## South Dakota

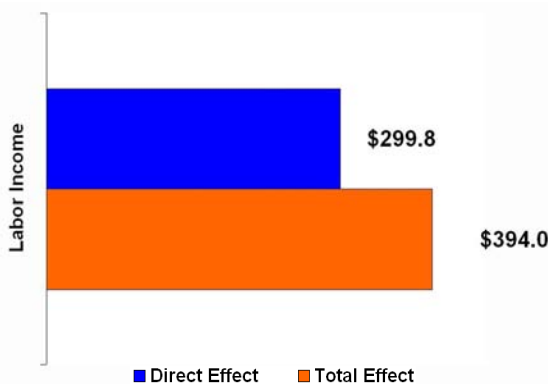
January 2009

**Long Term Care (LTC) facilities\* support an estimated \$830.8 million or 2.7% of the state's economic activity**

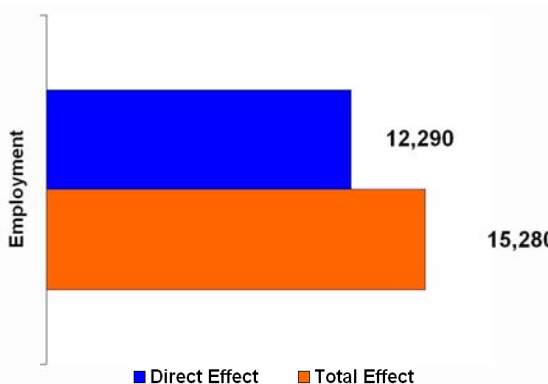
LTC facilities support \$830.8 million in revenue...



LTC facilities support \$394.0 million in labor income...



LTC facilities contribute to approximately 15,280 jobs...



\*Long Term Care (LTC) facilities include nursing homes, assisted living, and other residential care facilities. These facilities do not include government-owned or hospital-based facilities.

LTC facilities' **direct** economic impact on South Dakota represents...

- 1.6% of economic activity
- 1.5% of labor income
- 2.2% of employment

LTC facilities' **total** economic impact on South Dakota supports...

- 2.7% of economic activity
- 2.0% of labor income
- 2.7% of employment

LTC facilities generate \$119.5 million in tax revenue...

- \$33.2 million in state/local taxes
- \$86.3 million in federal taxes

### Demographics of South Dakota

|                                |                |
|--------------------------------|----------------|
| Population (2007)              | 782,000        |
| % Population 65+ years (2007)  | 14.2%          |
| % Population 85+ years (2007)  | 2.4%           |
| State economic activity (2007) | \$30.9 billion |

Prepared by:

# Economic Impact of Long Term Care Facilities

## South Dakota

January 2009

### Summary: Economic Impact of LTC Facilities

| Estimated Impact                      | Direct      | Indirect | Induced | Total   | % of Total State Activity |
|---------------------------------------|-------------|----------|---------|---------|---------------------------|
| Output (in millions of dollars)       | \$507.1     | \$104.3  | \$219.4 | \$830.8 | 2.7%                      |
| Labor Income (in millions of dollars) | \$299.8     | \$27.3   | \$66.9  | \$394.0 | 2.0%                      |
| Employment (jobs)                     | 12,290      | 790      | 2,200   | 15,280  | 2.7%                      |
| Estimated Impact                      | State/Local | Federal  | Total   |         |                           |
| Tax (in millions of dollars)          | \$33.2      | \$86.3   | \$119.5 | -       |                           |

LTC facilities support other industries and sectors statewide...

| Industry/Sector                             | Estimated Impact  |                                 |
|---|-------------------|---------------------------------|
|   | Employment (jobs) | Economic Activity (in millions) |
| Health and Social Services                  | 12,790            | \$547.3                         |
| Real Estate and Rental                      | 1,550             | \$211.4                         |
| Manufacturing                               | 500               | \$25.5                          |
| Finance and Insurance                       | 20                | \$13.4                          |
| Retail Trade                                | 40                | \$8.8                           |
| Accommodation and Food Services             | 120               | \$6.4                           |
| Wholesale Trade                             | 50                | \$5.5                           |
| Utilities                                   | 150               | \$5.2                           |
| Professional - Scientific and Tech Services | 30                | \$5.1                           |
| All other industries                        | 10                | \$2.3                           |
| <b>Total</b>                                | <b>15,280</b>     | <b>\$830.8</b>                  |

NAICS: North American Industry Classification System

**Note:**

Numbers may not add due to rounding.

**Sources:**

Economic impact analysis: The Lewin Group analysis using Impact Analysis for Planning (IMPLAN) software, Minnesota IMPLAN Group, Inc, 2007 data  
 Population data: U.S. Census Bureau, <http://www.census.gov/>

### Economic Impact Definitions

**Direct Effect** represents the impact (e.g., change in employment or revenues) for the expenditures and/or production values specified as direct final demand changes.

**Indirect Effect** represents the impact (e.g., change in employment or revenues) caused by the iteration of industries purchasing from industries resulting from direct final demand changes.

**Induced Effect** represents the impacts on all local industries caused by the expenditures of new household income generated by the direct and indirect effects of direct final demand changes.

**Total Impact** is the sum of the direct, indirect and induced effects.

**Labor Income** is the sum of employee compensation and proprietary income.

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## LONG TERM CARE ECONOMIC IMPACT STATISTICS

Representative Stephanie Herseth Sandlin (D-SD)

### NURSING FACILITIES, STAFF & PATIENTS *In South Dakota*

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(total impact)

### TOP 5 INDUSTRIES/SECTORS SUPPORTED BY LONG TERM CARE

|                            | Economic Activity<br>(in millions) | Employment<br>(jobs) |
|----------------------------|------------------------------------|----------------------|
| Health and Social Services | \$544.2                            | 12,740               |
| Real Estate and Rental     | 59.9                               | 170                  |
| Manufacturing              | 33.8                               | 100                  |
| Finance and Insurance      | 31.2                               | 210                  |
| Retail Trade               | 26.7                               | 500                  |
| All Industries and Sectors | \$830.8                            | 15,280               |

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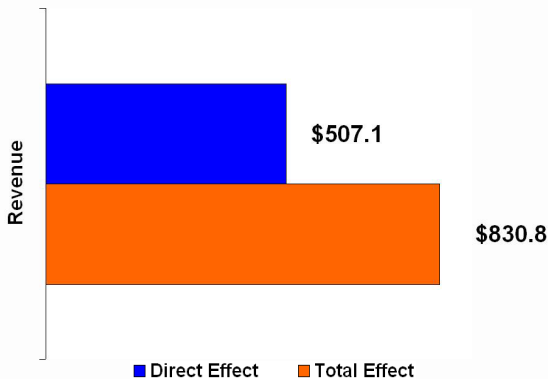
# Economic Impact of Long Term Care Facilities

South Dakota - Congressional District 1

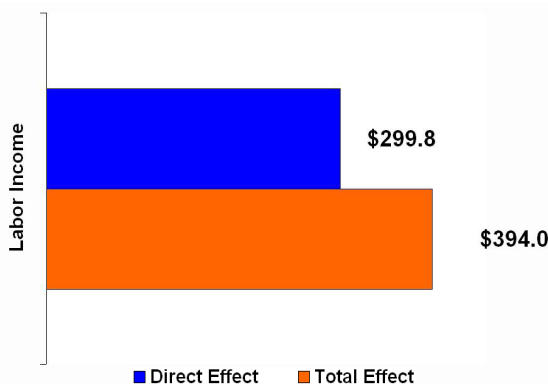
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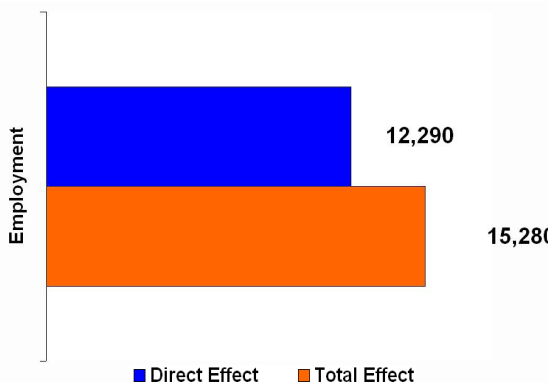
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- 1.5% of labor income
- 2.2% of employment

LTC facilities' **total** economic impact on South Dakota - Congressional District 1 supports...

- 2.7% of economic activity
- 2.0% of labor income
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LTC facilities generate \$119.6 million in tax revenue...

- \$33.2 million in state/local taxes
- \$86.3 million in federal taxes

Demographics of South Dakota - Congressional District 1

|                                   |                |
|-----------------------------------|----------------|
| Population (2007)                 | 782,000        |
| % Population 65+ years (2007)     | 14.2%          |
| % Population 85+ years (2007)     | 2.4%           |
| District economic activity (2007) | \$30.9 billion |

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# Economic Impact of Long Term Care Facilities

South Dakota - Congressional District 1

January 2009

## Summary: Economic Impact of LTC Facilities

| Estimated Impact                      | Direct      | Indirect | Induced | Total   | % of Total District Activity |
|---------------------------------------|-------------|----------|---------|---------|------------------------------|
| Output (in millions of dollars)       | \$507.1     | \$104.3  | \$219.4 | \$830.8 | 2.7%                         |
| Labor Income (in millions of dollars) | \$299.8     | \$27.3   | \$67.0  | \$394.0 | 2.0%                         |
| Employment (jobs)                     | 12,290      | 790      | 2,200   | 15,280  | 2.7%                         |
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| Tax (in millions of dollars)          | \$33.2      | \$86.3   | \$119.6 | -       |                              |

LTC facilities support other industries and sectors districtwide...

| Industry/Sector                             | Estimated Impact  |                                 |
|---|-------------------|---------------------------------|
|   | Employment (jobs) | Economic Activity (in millions) |
| Health and Social Services                  | 12,740            | \$544.2                         |
| Real Estate and Rental                      | 170               | \$59.9                          |
| Manufacturing                               | 100               | \$33.8                          |
| Finance and Insurance                       | 210               | \$31.2                          |
| Retail Trade                                | 500               | \$26.7                          |
| Accommodation and Food Services             | 400               | \$19.1                          |
| Wholesale Trade                             | 130               | \$19.1                          |
| Utilities                                   | 30                | \$13.6                          |
| Professional - Scientific and Tech Services | 140               | \$11.5                          |
| All other industries                        | 870               | \$71.8                          |
| <b>Total</b>                                | <b>15,280</b>     | <b>\$830.8</b>                  |

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