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# Impact on total Dane County employment goes far beyond hospital walls

In the first article in this series, we learned that businesses create jobs in three ways. First, they hire employees (direct employment). Second, businesses spend money on the goods and services they need to operate. This spending supports additional employment in the firms that provide those goods and services (indirect employment).

Finally, more jobs are created as people employed by the business and those employed by their suppliers spend their wages and salaries (induced employment). This is known as the employment multiplier effect. A recent study of the economic impact of the hospi-

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tal industry in Wisconsin calculated an employment multiplier of 1.773 for hospitals. That means that spending by Wisconsin hospitals, their employees and their suppliers' employees translates into another 1.773 jobs outside the hospitals.

In 2006, hospitals in Dane County employed 12,286 people. Applying the employment multiplier reveals that the hospital industry in the county supported an estimated 21,783 jobs (12,286 x 1.773). The following chart includes the direct, indirect and induced impact for hospitals in Dane County.

The full report is available at: [http://www.uwex.edu/ces/cced/economies/documents/HealthyHospitals\\_web.pdf](http://www.uwex.edu/ces/cced/economies/documents/HealthyHospitals_web.pdf)

## Employment by Dane County hospitals

Direct employment	12,286
Indirect employment	5,148
Induced employment	4,349
<b>Total employment</b>	<b>21,783</b>
Employment multiplier	1.773

SOURCE: Wisconsin Department of Workforce Development, Quarterly Census of Employment and Wages