



## **Proposition 3 will Create and Sustain 14,000 New Jobs and Benefit Working Utahns in Key Economic Sectors**

The passage of Proposition 3 will bring back more than \$800 million<sup>1</sup> in annual federal spending to Utah. In addition to providing needed healthcare to more than 150,000 hardworking Utahns, **this annual infusion of federal dollars will ripple through Utah’s economy creating and sustaining nearly 14,000 new jobs.**

That’s the finding of the economic analysis below that is intended to help voters consider the impact of Medicaid expansion. This analysis updates numbers from an earlier report commissioned by the Utah Department of Health. It models the impact of increased federal spending in Utah under Proposition 3.

Under Proposition 3, Medicaid coverage does not go to a Utah recipient and stop; it moves through the initial recipient to medical providers and is multiplied throughout the state economy. The healthcare industry will use these funds to hire workers and purchase goods and services. Suppliers will in turn will purchase supplies and hire employees, generating more than \$1.7 billion in economic activity.

### ***Jobs Impact Over Time***

As you can see below, the initial flow of federal dollars will have a profound effect on Utah’s economy. Over time, the economic impact will grow as the amount of federal dollars needed to provide Medicaid services rises.

Year	Jobs Created <sup>2</sup>	Income <sup>3</sup>	Total Economic Activity
<b>FY2021</b>	13,607	784,196,274	1,693,544,533
<b>FY2022</b>	14,430	837,163,191	1,803,843,401
<b>FY2023</b>	15,252	890,743,818	1,914,966,692
<b>FY2024</b>	16,110	947,141,023	2,031,600,204
<b>FY2025</b>	17,105	1,007,024,787	2,153,614,732

<sup>1</sup> Specifically, we used \$804.7 million. This was determined using the 2017 updated fiscal analysis for SB46 from Russell Frandsen and subsequent email correspondence. For the projections, we used the National Health Expenditure Projections 2017-2026 from Office of the Actuary in the Centers for Medicare & Medicaid Services.

<sup>2</sup> The job figures are expressed as “Full-time Equivalents.” which according to IMPLAN are “the number of full-time equivalent jobs, defined as total hours worked divided by average annual hours worked in full-time jobs.”

<sup>3</sup> Income is “Labor Income.” It’s defined as “All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.” “Proprietor income” consists of payments received by self-employed individuals and unincorporated business owners. <https://implanhelp.zendesk.com/hc/en-us/articles/115009499307-Proprietor-income>

## ***Jobs Summary***

One of the most important impacts from new federal dollars coming back to Utah is the creation of new jobs. It should be noted that these numbers are not cumulative, but the jobs created will continue to be sustained and grow as the federal funding increases. As you can see, the largest gains are in healthcare, but as money circulates through Utah's economy, restaurants, retail stores, and other services will see job gains as well.

<b>Top 20 Industries</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
<b>Offices of physicians</b>	3,134	3,329	3,525	3,729	3,945
<b>Nursing and community care facilities</b>	2,552	2,704	2,854	3,011	3,177
<b>Home health care services</b>	2,084	2,205	2,326	2,452	2,584
<b>Real estate</b>	609	646	683	722	762
<b>Hospitals</b>	565	599	634	669	707
<b>Limited-service restaurants</b>	225	239	253	267	282
<b>Employment services</b>	240	254	269	284	300
<b>Full-service restaurants</b>	193	205	217	229	242
<b>Wholesale trade</b>	166	176	186	196	207
<b>Management consulting services</b>	140	148	157	166	175
<b>Management of companies</b>	131	139	147	155	164
<b>Retail - General merchandise sales</b>	116	123	130	138	146
<b>Other financial investment activities</b>	130	138	146	154	163
<b>Retail - Food and beverage stores</b>	100	106	112	118	125
<b>All other food and drinking places</b>	88	93	99	104	110
<b>Services to buildings</b>	98	104	110	116	123
<b>Insurance agencies, brokerages</b>	98	104	110	116	123
<b>Accounting, tax preparation</b>	95	100	106	112	118
<b>Medical and diagnostic laboratory</b>	80	85	90	95	101
<b>Business support services</b>	79	84	89	94	99

## ***Industries Where Uninsured Currently Work***

Uninsured Utahns work in occupations that most people encounter and rely on every day. These workers are in industries that are critical to the state's economy: They are fast food workers,

telephone operators, cashiers, electricians, and janitors. They work in industries that range from transportation and construction to the production and retail sectors.

Top 10 Industries where Utah's Uninsured Currently Work <sup>4</sup>	
13,842	Office and Administrative Support (customer service, secretaries)
13,058	Food Service Workers (fast food workers, waitresses, cooks)
11,785	Sales (retail sales, cashiers, clerks, travel agents)
9,185	Cleaning and Maintenance (janitors, landscapers, housekeepers)
8,893	Construction (laborers, carpenters, highway maintenance)
7,362	Transportation (freight laborers, bus/truck drivers, parking attendants)
7,289	Production (butchers, laundry workers, tailors)
6,204	Education (school teachers, librarians, teaching assistants)
4,850	Personal Care (child care workers, hairdressers, personal care aides)
3,718	Management (sales, food service, child care)

## **Methodologies:**

### Jobs Data

This analysis was performed using IMPLAN Online. IMPLAN is an input-output model that is used to analyze the economic impact of changes that occur in an economy. We based our analysis on the *State of Utah Medicaid Expansion Assessment Impact Analysis: 2014-2023* conducted by The Public Consulting Group (“PCG”) at the request of the Utah Department of Health in 2013. IMPLAN requires the “input,” in this case the federal dollars, to be broken down by industry (or NAICS code). We used the same industry breakdown as PCG did; only we updated it using data from the *2017 Utah Medicaid and CHIP Annual Report*. PCG used the 2011 version of the same report.

It should be noted that we chose to measure only the impact of the new federal dollars flowing back into the state and did not include the impact of the sales tax increase on the economy. We did this for two reasons. First, because recent studies show that long-term consumer spending does not change much when sales taxes are increased<sup>5</sup> and that the vast majority of sales taxes fall on consumers and not on businesses.<sup>6</sup> Second, we analyzed the impact of the sales tax increase on household consumption and how it might affect the economic impacts of the expansion and found that the impact was far smaller than the impact of including the state spend in the model, which we also chose not to include. To sum it up, we chose to be conservative.

### Industries Data

We looked at Utah adults with incomes under 138% of poverty who are employed but either lack health insurance or have purchased health insurance from the individual market, and who are currently working or who have worked in the last 12 months. These data are based on information from the American Community Survey from 2012-2016, which is conducted by the US Census Bureau. Data are based on an analysis of Utah residents ages 18-64 with family incomes up to 138 percent of poverty (\$33,383 for a family of four in 2018) who either are uninsured or purchase insurance from the individual market. This analysis was conducted by Families USA and Utah Health Policy Project.

<sup>4</sup> These data are based on information from the American Community Survey from 2012-2016, which is conducted by the U.S. Census Bureau.

<sup>5</sup> <https://insight.kellogg.northwestern.edu/article/effects-of-sales-tax-increase-on-consumers>

<sup>6</sup> <https://itep.org/wp-content/uploads/pb49salesex.pdf>