



The Economic Impact of a Rural Dentist

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Key Findings

- The average rural dentist has direct impacts of 5 FTE local jobs and \$338,797 in labor income (wages, salaries and benefits and proprietor income) from the clinic
- A rural dentist has a total average employment impact of seven jobs.
- A rural dentist generates an total average \$401,084 in labor income from the clinic.

Health care facilities and health care providers have a tremendous medical and economic impact on the community in which they are located. This is especially true with dental clinics. In addition to providing important oral health treatment and prevention, these facilities employ a number of people and have a large payroll. These economic contributions are called the *direct economic impacts* of a rural dentist. Employee spending, in addition to the dental clinic purchases from other local businesses stimulates additional economic growth or *secondary impacts* in many other parts of the local economy. Dental clinics also draw into the community residents from rural areas that need oral health services. Much of this economic activity generates tax revenues that can be used by the local government to fund important community services.

The economic activity created by a dental clinic is an important part of a local economy. Typically, rural communities pay little attention to their health care system until they need it. As a result, the significant economic importance of the health care

system to the local community is not immediately apparent.

The Methodology

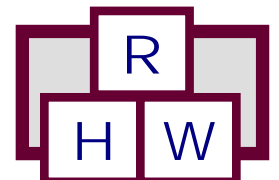
To measure the economic impact of a rural dentist, a case study approach was utilized and the average impact of a rural dentist was estimated. Data were collected from 13 dental clinics including 24 dentists in rural Oklahoma, West Virginia, Pennsylvania and Nevada in rural communities. Employment (full- and part-time jobs) and labor income multipliers for the thirteen counties were calculated using the IMPLAN data and computer model. The average of these multipliers was used to estimate secondary impacts.

Most of the dentists were practicing in communities with populations fewer than 11,000 and some had less than 1,000 residents. Nine of the dental clinics had multiple dentists. This report focuses on the economic impact of a rural dentist in terms of employment and wages, salaries and benefits and proprietor income (labor income.)

Direct Impacts of a Rural Dentist

Data in **Table 1** present the estimated average direct impact of a rural dentist based on the data collected. Employment varies depending on the demands of the patients. Many patients do not have regular dental cleaning resulting in some clinics without full-time hygienists. These clinics often employ a greater number of dental assistants. The employment of full- and part-time employees also varies. Some clinics employ one or two full-time

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dental assistants whereas other clinics hire four to five part-time employees. All employment was converted to full-time equivalent (FTE) employees.

Table 1
Average Direct Impacts of a Rural Dentist

Employees	Full- time equivalent Employees	Labor Income
Dentist	1	\$185,603
Dental Hygienist	1	\$60,482
Dental Assistants	1.5	\$44,192
Office/Receptions	<u>1.5</u>	<u>\$48,520</u>
Total	5	\$338,797

SOURCE: Average of direct impacts from the thirteen case studies of rural dentists

Total Impacts of a Rural Dentist

The data in **Tables 2 and 3** illustrate the secondary and total impacts that a rural dentist creates on an annual basis. The average employment multiplier for a rural dentist is 1.36 (**Table 2**). This indicates that for each job created by the dentist, 0.36 jobs are created throughout the county due to business (indirect) and household (induced) spending. *The total estimated average direct FTE employment of a rural dentist is five, the secondary average employment impact estimate is two (1.82 rounded to 2) jobs and the total average employment impact is estimated to be seven throughout a rural county economy.*

Table 2
Average Employment Impact of a Rural Dentist

Health Service	Direct Impact	Employment Multiplier	Secondary Impact	Total Impact
Dentist	5	1.36	2	7

SOURCE: Average direct employment impact from thirteen case studies of rural Oklahoma, West Virginia, Pennsylvania and Nevada dentists, average employment multiplier from the same thirteen case studies, case study county employment multipliers derived from IMPLAN data; IMPLAN Group LLC. [www.implan.com].

The average labor income multiplier for a rural dentist is 1.18 (**Table 3**). This indicates that for each dollar created in that sector, an additional

\$0.18 is created throughout the county due to business (indirect) and household (induced) spending. *The total average direct labor income of a rural dentist is estimated to be \$338,797, estimated secondary average income is \$62,286 and the average total income impact is estimated to be \$401,084 throughout the county.*

Table 3
Average Labor Income Impact of a Rural Dentist

Health Service	Direct Impact	Income Multiplier	Secondary Impact	Total Impact
Dentist	\$338,797	1.18	\$62,286	\$401,084

SOURCE: Average direct labor income impact from the thirteen case studies of rural Oklahoma, West Virginia, Pennsylvania and Nevada dentists, average labor income multiplier from the same thirteen case studies, case study county labor incomes derived from IMPLAN data; IMPLAN Group LLC. [www.implan.com].

Summary

The operating activities of a dentist have a significant impact on the economy of a rural county. This report measures the average impact that a dentist has on a rural county using data from the thirteen case studies. The operating impact of the dentist occurs each and every year that the dentist is in practice. These are *long term economic benefits to a rural county* in addition to having a healthier population.

The fact that the dentist provides quality dental services enhances the opportunity to attract new business and industry to a rural county. This could, in turn, result in new jobs and new families moving into the area. Research indicates that retirees are attracted to communities with quality health care and dental services. Given this, not only do oral health care services contribute to the health and wellness of the residents in a rural county, but also to the overall economic strength of that county. The data utilized in this study were limited, but individual similarities from the thirteen case studies suggest the results are representative of a rural dentist.