

Cambia Economic Contributions

A look at the 2020 effects of Cambia Health Solutions on the economies of Oregon, Washington, Idaho, and Utah

Key Findings

Introduction

Cambia Health Solutions, a taxpaying nonprofit health solutions company based in the Pacific Northwest, retained ECONorthwest to evaluate how its business operations and employees contributed to the regional economy. The economic effects of Cambia's business operations, charitable contributions, and capital spending rippled through the economies of Oregon, Washington, Idaho, and Utah, supporting additional activities in other parts of the economy through the purchase of goods and services from local businesses and household spending by employees. The report examines each of these contributions in greater detail.

Economic Output



In 2020, across Oregon, Washington, Idaho, and Utah, Cambia supported:

- **\$1.7 billion** in economic activity
- **9,365** jobs
- **\$676 million** in labor income

Every \$1 million dollars spent by Cambia supported an additional \$700,000 of economic activity across the region.

Spending



Cambia spent **\$943 million** on operations spending, taxes, charitable giving, and payroll in 2020. Approximately 69 percent of total operations expenditures, or \$651 million, were spent at businesses and organizations in the four-state region.

Taxes



As a taxpaying nonprofit, Cambia paid **\$101.3 million** in taxes to local and state governments across the four-state region. Cambia also paid \$154.9 million in federal income and insurer taxes.

Charitable Giving



Cambia, its employees, and its grant-making Foundation gave **\$20.3 million** to nonprofits and charities across the four-state region. Cambia employees also donated 7,836 hours to nonprofits and charities.

About

Cambia Health Solutions

Cambia Health Solutions, headquartered in Portland, Oregon, is a health solutions company with a 100-year-plus legacy of transforming the industry and the way people experience health care.

A taxpaying nonprofit company, Cambia operates six regional health plans and holds strategic investments in more than 20 companies that work together to make the health care system more economically sustainable and efficient for people and their families. Cambia's suite of innovative solutions empowers Americans nationwide, including more than 3.3 million people through its health plans in the Pacific Northwest and Intermountain West. As a native, regionally based company, Cambia believes strongly in providing an open and honest accounting of the socioeconomic impacts of its operations to its members and neighbors.

Although not specifically included in this analysis, there are other noteworthy ways Cambia amplifies its powerfully positive impact on the health care industry. These include: increasing transparency to millions of consumers; providing online tools to find the most effective medication at the lowest cost; using strategic philanthropy to improve palliative care and experiences of individuals with serious illness through the Cambia Health Foundation; and connecting like-minded innovators at Cambia Grove, its health care innovation center in Seattle, Washington.

ECONorthwest

ECONorthwest specializes in the application of economic and financial principles and methods to the evaluation of public policies and investments. Incorporated in 1974, ECONorthwest has completed more than 2,500 projects for public and private clients. ECONorthwest has a staff of approximately 50 people, including offices in Portland, Seattle, Eugene, and Boise.

ECONorthwest employs the full range of analytical tools for measuring economic impacts. We maintain regional macroeconomic models, in addition to standard and econometrically augmented input-output models. To these tools, we apply a rigorous understanding of the economic context in which specific economic effects occur. This combination of robust modeling capacity and explanatory insight allows us to provide unparalleled quantitative analysis.

We have several decades of experience using the IMPLAN modeling software, conducting analysis of the zip code level through national-level models. Our expertise in this area is widely recognized in the industry. We have developed customized input-output models of regional and foreign economies. For more information, please contact Adam Lopez, ECONorthwest Media Relations, at 503-765-9767.

Defining Economic Contributions

ECONorthwest worked with Cambia to obtain the necessary financial data required to perform the economic contributions analysis, including operations spending, payroll and capital expenditures. To evaluate the economic contributions of Cambia, ECONorthwest used IMPLAN, an input-output model which enables the user to follow expenditures from a company as they flow through a region's economy. For this analysis, ECONorthwest modeled the effects of Cambia's operations in Oregon, Washington, Idaho and Utah.

Economic contributions analyses employ specific terminology to identify different types of economic effects that can be modeled using input-output tools.

- **Direct effects** are those associated with payroll and employment at Cambia. They also include the direct output of Cambia's activities, which is estimated using labor and non-labor operating expenses.
- **Indirect effects** use financial data to calculate Cambia's purchase of goods and services from other businesses in the region. These businesses, in turn, purchase a wide array of intermediate goods and services they need to operate. Because these purchases

represent interactions among businesses, indirect effects are often referred to as "supply-chain" effects.

- **Induced effects** use payroll from Cambia and supported industries to calculate the overall economic purchasing power resulting from investment-driven stimulus. These induced effects from payroll spending are often referred to as "consumption-driven" effects.

Taken together, these combined economic effects describe how Cambia's operations support the demand for local resources and commodities that are, in turn, supplied by local and non-local industries and households.



Output represents the total value of goods and services produced. This is the largest, most encompassing measure of economic activity and includes personal income.

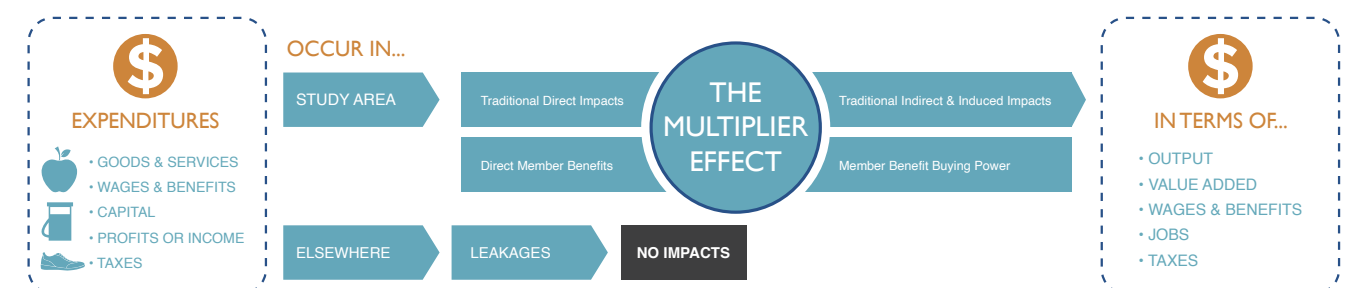


Personal Income consists of total payroll costs (including bonuses and benefits) paid to workers, as well as self-employment income earned by individuals.



Jobs represent the number of people working full- or part-time jobs in terms of full-year-equivalents (FYE).

Total Impacts



Cambia's Workforce

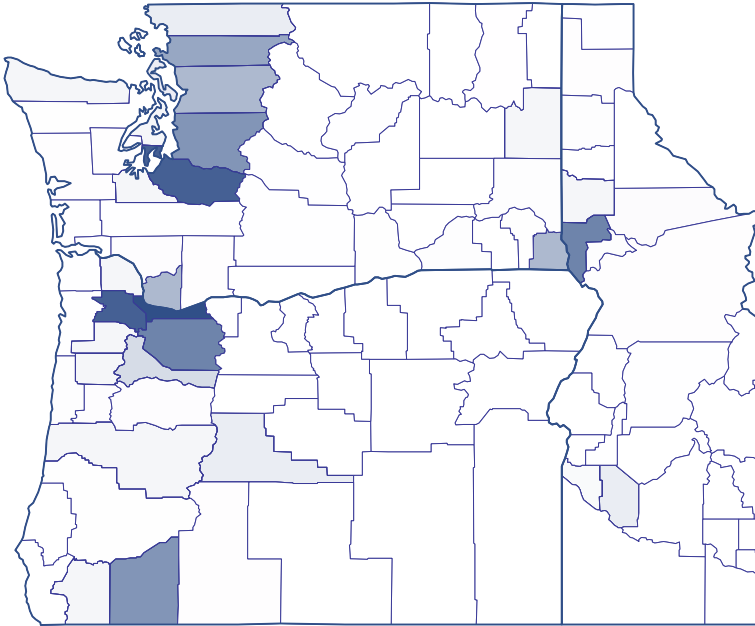
Cambia's operations are headquartered in Portland, Oregon, and the large majority of its employees reside in communities throughout Oregon, Washington, Idaho, and Utah. The dispersion of employees across the four states helps distribute the effects of consumption spending to many communities across the region.

Cambia's Regional Employment in 2020, by State

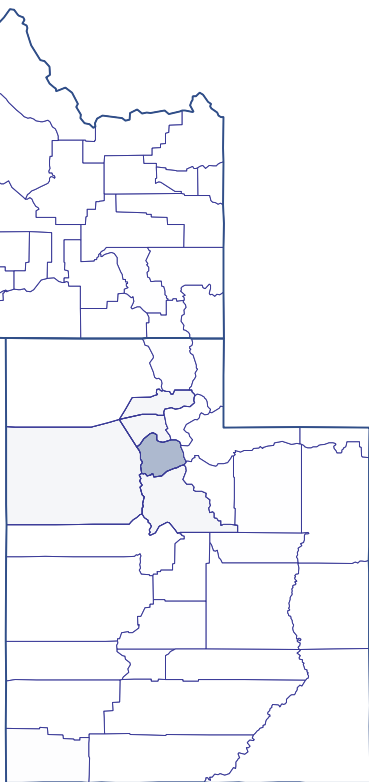
Number of Employees by County



Washington
2,075 jobs



Idaho
558 jobs



Oregon
2,299 jobs

Utah
347 jobs

Cambia's Total Contributions

The combined economic effects of Cambia's business operations, charitable contributions and capital spending support economic activity across Oregon, Washington, Idaho and Utah. These regional expenditures support other parts of the economy by purchasing goods and service from local businesses. Additionally, employees of Cambia help support the regional economy through consumption spending on consumer goods and services.

Spending. Cambia's operations spending, including charitable contributions and payroll amounted to \$943.5 million in 2020. Approximately 69 percent of total operations expenditures, or about \$651.5 million, were spent in the four states.

Economic Output. Output represents the total value of all sales and other operating income occurring in the study area, including supply chain purchases and compensation of employees. Across the four-state region, Cambia supported \$1.7 billion in gross economic activity.

Jobs and Income. Cambia provided 5,279 family wage jobs across Oregon, Washington, Idaho, and Utah. Each job provided by Cambia supported (through consumption spending) 1.8 jobs in other industries across the region.

Total Contributions in the Four-State Region, 2020



\$944 million



\$1.7 billion

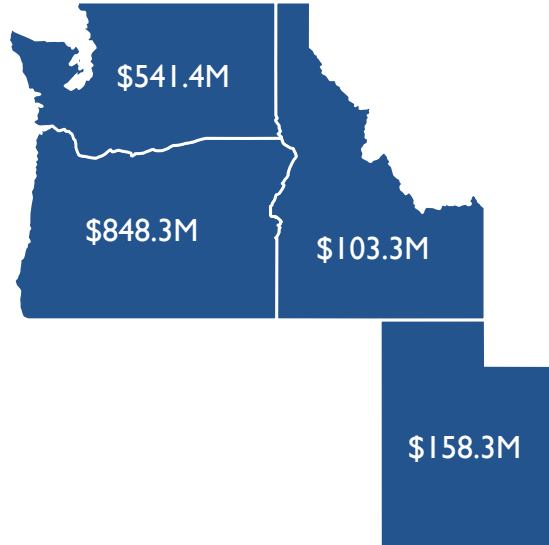


\$676 million



9,365 jobs

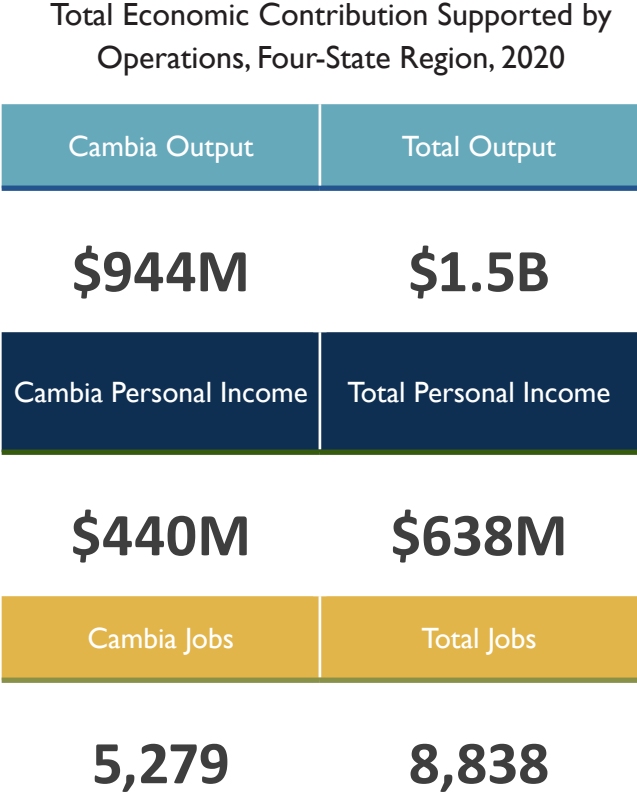
Total Output Across the Four-State Region, 2020



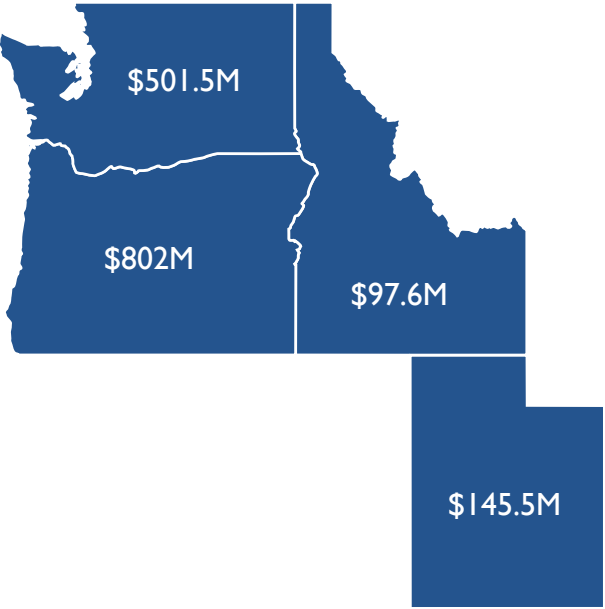
Economic Effects of Operations

The approach we used to measure the economic contributions of Cambia’s operations relies on detailed vendor and payroll expenses. Cambia provided detailed operating costs for 2020, which included industry and geographic information about its spending. With this information, we were able to build a custom production function (or spending pattern) of their operations in each of the four states. In 2020, Cambia spent \$943.5 million on operations, which supported \$1.5 billion in gross economic activity across the region.

The combined economic effects of Cambia’s business operations, charitable contributions, and capital spending support economic activity across Oregon, Washington, Idaho, and Utah. These regional expenditures support other parts of the economy by purchasing goods and service from local businesses. Additionally, employees help support the regional economy through consumption spending on consumer goods and services.

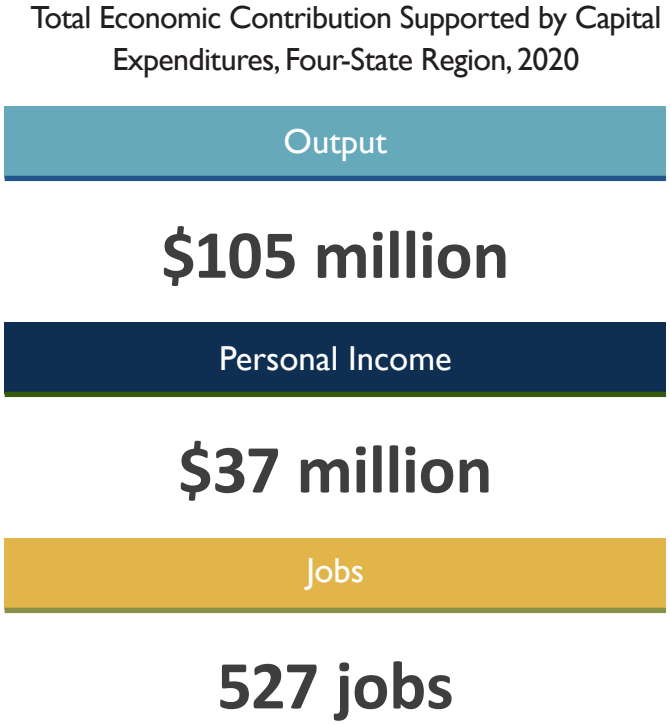


Total Output from Operations Spending Across the Four-State Region, 2020

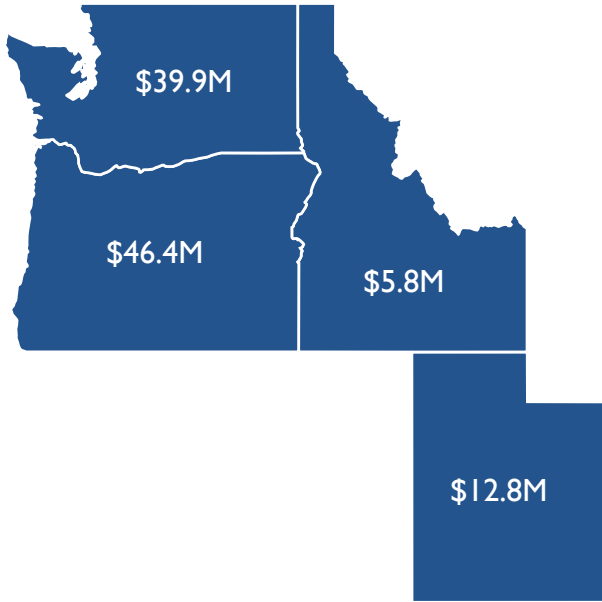


Economic Effects of Capital Expenditures

In instances where a company has ongoing operations and conducts a capital expansion project, the capital project represents an alternative or tangential activity. These are expenditures that are used to expand or upgrade physical assets. In 2020, Cambia spent \$58.6 million on capital investments, which supported an additional \$46.2 million in economic activity for the region. This amounted to \$104.8 million in total output from capital expenditures across the four-state region.



Total Output from Capital Spending Across the Four-State Region, 2020

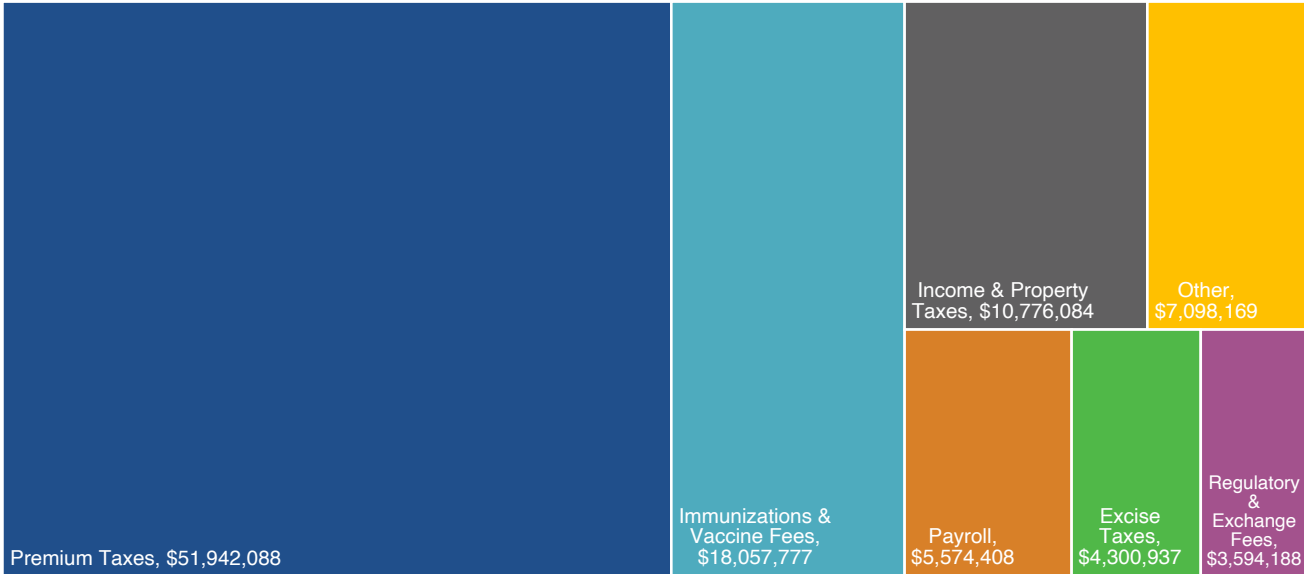


Fiscal Effects

In addition to the economic contributions, ECONorthwest measured the fiscal contributions of the additional economic activity generated from Cambia’s spending in the region. Strictly speaking, fiscal contributions are not economic contributions, but the analyses often go hand-in-hand. *Economic* contributions analysis describes how that spending affects the region in terms of jobs, income and gross regional product.

The *fiscal* contributions analysis refers to specific tax revenues for affected units of government. In 2020, Cambia directly paid \$101.3 million in taxes and fees in the four-state region. Their economic activity that year supported an additional \$37.5 million through local business purchases and payroll taxes.

Total Taxes Paid by Cambia, Four-State Region, 2020



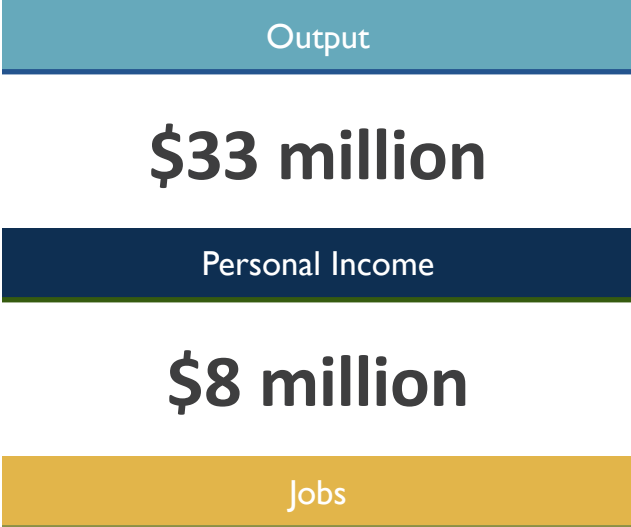
Indirect and Induced Taxes Supported by Cambia, Four-State Region, 2020

Category	Revenues
Social Insurance Tax	\$1,117,624
Tax on Production and Imports	\$28,920,301
Corporate Profits Tax	\$1,067,315
Personal Tax	\$6,373,285
Total State and Local Tax	\$37,478,525

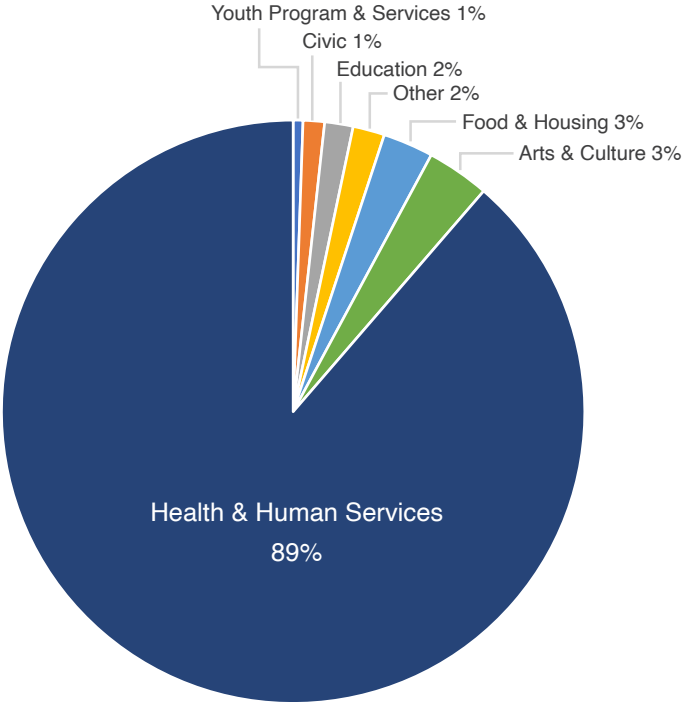
Economic Effects of Charitable Giving

Cambia’s economic contributions in the four-state region include providing \$20 million to non-profits, foundations, and charities. Each recipient of these charitable expenditures uses that money to purchase labor, goods, and services that support the organization’s mission. This giving to charitable organizations helps support indirect and induced economic activity in the non-profit sectors.

Total Economic Contribution Supported by Charitable Giving, Four-State Region, 2020



Total Charitable Contributions by Major Recipient Category, 2020



Top 10 Recipients for Charitable Giving, 2020

1. Seattle Children’s Hospital
2. Oregon Primary Care Association
3. Washington Association for Community Health
4. Association for Utah Community Health
5. Utah Division of Multicultural Affairs
6. National Children’s Alliance
7. University of Utah Huntsman Mental Health Institute
8. Idaho Primary Care Association
9. Crisis Connections
10. Better Health Together

Oregon Contributions



Cambia Health Solutions is headquartered in Portland, Oregon. Cambia's regional health plan is the state's largest non-profit health insurance company, serving more than 965,000 people in Oregon.

\$848 million

Output

Output represents the total value of all sales and other operating income occurring in Oregon, including taxes, supply chain purchases, and compensation of employees. After accounting for supply chain and consumption effects, Cambia supported \$848.3 million in total gross economic activity in 2020.



\$525 million

Spending

Cambia's capital investment and operations spending in Oregon amounted to \$524.9 million in 2020 (including taxes). Approximately 56 percent of total operations and capital expenditures, or about \$292 million, were spent locally in Oregon.



4,312

Jobs

Cambia supported a total of 4,312 family wage jobs across Oregon and \$327.8 million in labor income. Every 10 direct jobs at Cambia are linked to another 9 jobs elsewhere in Oregon.



\$4.2 million

Charitable Contributions

Cambia gave \$4.2 million to 884 local non-profits and charities in Oregon during 2020. Beyond direct expenditures, 163 of Cambia's employees provided 4,723 hours of volunteer service.



Multipliers

These represent how the short-run demand for other goods and services increases or decreases given a change in production.

Output: 1.6

Income: 1.5

Jobs: 1.9

Washington Contributions



Cambia's regional health plan provides health insurance for 1.46 million people across Washington. Additionally, Cambia has launched Cambia Grove in Seattle, which bring entrepreneurs and innovators together with anchor partners to transform the health care sector.

\$541 million

Output

Output represents the total value of all sales and other operating income occurring in Washington, including taxes, supply chain purchases, and compensation of employees. After accounting for supply chain and consumption effects, Cambia supported \$541.4 million in total gross economic activity in 2020.



\$297 million

Spending

Cambia's operations spending in Washington amounted to \$297.4 million in 2020 (including taxes). Approximately 83 percent of total operations and capital expenditures, or about \$247.0 million, were directly spent in Washington.



3,289

Jobs

Cambia supported a total of 3,289 family wage jobs across Washington and \$236.2 million in labor income. Every 10 direct jobs at Cambia are linked to another 6 jobs elsewhere in Washington.



\$5.9 million

Charitable Contributions

Cambia gave \$5.9 million to 736 local non-profits and charities in Washington during 2020. Beyond direct expenditures, 108 of Cambia's employees provided 1,648 hours of volunteer service.



Multipliers

These represent how the short-run demand for other goods and services increases or decreases given a change in production.

Output: 1.8

Income: 1.6


Jobs: 1.6

Idaho Contributions



Cambia's portfolio of health-care related businesses and investments include insurance services in Idaho. Cambia's regional health plan is a leader in Idaho's health insurance industry. In Idaho, Cambia serves more than 263,000 people, along with people living in Asotin and Garfield counties in Washington.

\$103 million
Output



Output represents the total value of all sales and other operating income occurring in Idaho, including taxes, supply chain purchases, and compensation of employees. After accounting for supply chain and consumption effects, Cambia supported \$103.3 million in total gross economic activity in 2020.

\$57 million
Spending



Cambia's capital investment and operations spending in Idaho amounted to \$56.5 million in 2020 (including taxes). Approximately 87 percent of total operations and capital expenditures, or about \$49.3 million, were spent locally in Idaho.

859
Jobs



Cambia supported a total of 859 family wage jobs across Idaho and \$49.1 million in labor income. Every 10 direct jobs at Cambia are linked to another 5 jobs elsewhere in Idaho.

\$2.2 million
Charitable Contributions



Cambia gave \$2.2 million to 154 local non-profits and charities in Idaho during 2020. Beyond direct expenditures, 56 of Cambia's employees provided 1,108 hours of volunteer service.

Multipliers

These represent how the short-run demand for other goods and services increases or decreases given a change in production.


Output: 1.8 **Income: 1.4** **Jobs: 1.5**

Utah Contributions



Cambia's portfolio of health-care related businesses and investments include insurance services in Utah. Founded in 1944 as the state's first health insurance carrier, Cambia's regional health plan is a leader in the state's insurance industry, serving more than 690,000 people across the state.

\$158 million
Output




Output represents the total value of all sales and other operating income occurring in Utah, including taxes, supply chain purchases, and compensation of employees. After accounting for supply chain and consumption effects, Cambia supported \$158.3 million in total gross economic activity in 2020.

\$65 million
Spending



Cambia's capital investment and operations spending in Utah amounted to \$64.7 million in 2020 (including taxes). Approximately 98 percent of total operations and capital expenditures, or about \$63.1 million, were directly spent locally in Utah.

905
Jobs



Cambia supported a total of 905 family wage jobs across Utah and \$62.4 million in labor income. Every 10 direct jobs at Cambia are linked to another 16 jobs elsewhere in Utah.

\$8.1 million
Charitable Contributions



Cambia gave \$8.1 million to 229 local non-profits and charities in Utah during 2020. Beyond direct expenditures, 32 of Cambia's employees provided 357 hours of volunteer service.

Multipliers

These represent how the short-run demand for other goods and services increases or decreases given a change in production.

Output: 2.4 **Income: 1.9** **Jobs: 2.6**

