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Added funding for Senior Services would create jobs and economic output throughout Colorado

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Increasing state funding for Senior Services by \$4 million per year each of the next three years, as outlined in SB-127, would create more than 500 jobs and generate nearly \$40 million in economic activity. The added spending would allow more effective delivery of senior services which provide key support to many seniors across the state who wish to remain largely independent. These services include nutrition programs such as Meals on Wheels, practical help with household chores, legal aid, transportation to appointments and administrative support. In addition, the increased funding would also allow Colorado's Area Agencies on Aging (AAA) to begin addressing the ballooning population over 65.

Detailed results

More than 500 jobs could be produced in the next three fiscal years by enacting Senate Bill 127. The increased appropriations for AAAs mandated by SB-127 over the next three fiscal years (\$24 million dollars more than current law) could directly create 381 jobs and the indirect and induced effects could create another 125 jobs. The resulting total economic output would reach nearly \$40 million. (Figure 1)

Figure 1

Impact Type	Employment	Labor Income	Total Value Added	Output
Direct Effect	381	\$13,409,962	\$14,594,229	\$23,074,905
Indirect Effect	37	\$1,770,467	\$3,354,962	\$5,382,237
Induced Effect	88	\$3,763,096	\$7,249,369	\$11,499,853
Total Effect	506	\$18,943,524	\$25,198,560	\$39,956,994

These newly created jobs would be spread across a variety of industries involved in the delivery of senior services. Our analysis shows 200 jobs will be created in the community food, housing and relief services sector. This includes the preparation of meals for the Meals on Wheels program and communal meals at a local senior center, church or other community center. In addition, jobs would be added in transportation and family service sectors as well as many other

sectors and industries. (Figure 2) The benefit of this spending will reverberate throughout the Colorado economy creating jobs, paying wages for laborers, generating tax revenue and stimulating the economy.

Figure 2

Sector	IMPLAN Description	Jobs	Labor Income	Value Added	Output
401	Community food, housing, and other relief services, including rehabilitation services	201	\$6,678,742	\$6,423,574	\$10,260,351
400	Individual and family services	101	\$2,521,772	\$2,397,993	\$3,717,271
336	Transit and ground passenger transportation	50	\$2,373,492	\$3,376,886	\$4,457,431
396	Medical and diagnostic labs and outpatient and other ambulatory care services	20	\$1,388,966	\$1,718,912	\$3,069,169
413	Food services and drinking places	13	\$283,359	\$435,788	\$801,828
360	Real estate establishments	10	\$185,720	\$1,354,551	\$1,580,614
418	Personal and household goods repair and maintenance	9	\$343,597	\$450,372	\$1,352,054
394	Offices of physicians, dentists, and other health practitioners	6	\$450,389	\$465,069	\$749,874
367	Legal services	5	\$390,808	\$599,457	\$782,576
356	Securities, commodity contracts, investments, and related activities	4	\$97,806	\$103,096	\$426,968

Methodology

In order to determine the effect of the increased appropriations for Senior Services mandated by SB-127, a reasonable assumption needed to be made to determine how the increased funding would be spent. This report assumes that the new funding would be appropriated to each individual service (home delivered meals, transportation, chores etc.) in the same proportions that the Denver Regional Council of Government (DRCOG) used in their 2012-2013 budget. The report also assumes DRCOG’s budget and the allocation of services is reasonably representative of the budget and allocation of services for all other state Area Agencies on Aging. These assumptions represent the inevitable limitations to the analysis; however, the estimates are reasonable. Finally, the additional funding over the next three years was allocated as called for in the SB-127: \$4 million in 2013-2014, \$8 million in 2014-2015, \$12 million in 2015-2016. Next, each derived allocation was assigned to an IMPLAN sector that matched closely with the program where the funding would be spent and let IMPLAN run the analysis. See Figure 3 for the breakdown of spending per year per sector.

Figure 3

Service provided¹	12-13 DRCOG Funding²	Percent of total	Fiscal Years 13-14	Fiscal Years 14-15	Fiscal Years 15-16	All three years combined	IMPLAN Sector³
Home delivered meals	\$2,713,776	31.68%	\$1,267,278	\$2,534,555	\$3,801,833	\$7,603,666	Home meal delivery services - 401
Congregate meals	\$1,075,000	12.55%	\$502,003	\$1,004,006	\$1,506,009	\$3,012,018	Community meals - 401
Transportation	\$1,659,925	19.38%	\$775,151	\$1,550,302	\$2,325,453	\$4,650,905	Senior citizen transportation services - 336
Homemaker/Personal care	\$659,338	7.70%	\$307,897	\$615,795	\$923,692	\$1,847,384	Homemaker services for the elderly - 400
Material aid	\$493,708	5.76%	\$230,552	\$461,103	\$691,655	\$1,383,309	Appliance, household-type repair and maintenance - 418
Chores	\$75,000	0.88%	\$35,023	\$70,047	\$105,070	\$210,141	Companion services for the elderly - 400
Legal assistance	\$207,882	2.43%	\$97,077	\$194,153	\$291,230	\$582,460	Legal aid services - 367
Case management	\$498,943	5.82%	\$232,996	\$465,992	\$698,988	\$1,397,977	Welfare service centers - multi program - 400
Caregiver	\$703,380	8.21%	\$328,464	\$656,928	\$985,392	\$1,970,784	Family planning counseling services - 396
Counseling	\$114,179	1.33%	\$53,319	\$106,638	\$159,958	\$319,915	Counseling services - 400
Education/Health Promotion	\$364,556	4.26%	\$170,240	\$340,480	\$510,721	\$1,021,441	Community health centers and clinics, outpatient services - 396
Total funding	\$8,565,687	100.00%	\$4,000,000	\$8,000,000	\$12,000,000	\$24,000,000	

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¹ Services provided taken from Denver Regional Council of Governments

² Current funding taken from Denver Regional Council of Governments

³ IMPLAN sectors are fairly broad. In other words, one sector number, 401 for example, covers both home meal delivery services as well as community meals. These activities are grouped together by IMPLAN because of similar economic activities and impact in similar industries.