

# Local government finances

2017

## Net costs of municipalities' social and health care activities in 2017 lower than the year before

According to Statistics Finland's statistics on local government finances, the net costs of municipalities' social and health care activities in 2017 amounted to EUR 17.8 billion and they decreased by 0.7 per cent from the previous year. Social and health care activities formed the largest share of the net costs of the entire operational economy with 58.4 per cent. The largest part of the net costs of social and health care activities was directed at specialised health care, on which municipalities spent in total EUR 6.7 billion. Data for the statistics were collected from all 311 municipalities and all 141 joint municipal authorities in Finland.

### Operational economy of municipalities in 2017, EUR million<sup>1)</sup>

	Municipalities				
	Operating costs	Operating income	Net costs	Change	Change %
Social services and health care, total	20 085	2 296	17 789	-133	-0,7
<i>Of which: Specialised health care</i>	6 973	240	6 733	140	2,1
Educational and cultural activities, total	11 715	1 110	10 605	3	0,0
<i>Of which: Primary education</i>	5 132	277	4 855	19	0,4
Other activities, total	11 200	9 130	2 070	-90	-4,2
<i>Of which: Fire and rescue activities</i>	679	266	414	7	1,8
Operational economy, total	43 000	12 536	30 465	-220	-0,7

1) Operating costs include operating expenses, depreciations and reductions in value as well as costs carried forward. Operating income includes operating income and income carried forward, change in inventory of finished products and production for own use. Net costs are the difference between operating costs and operating income. Changes in net costs are calculated compared to the previous year.

### Operational economy of municipalities

In 2017, municipalities' combined operating costs amounted to EUR 43.0 billion and they decreased by 2.0 per cent, or EUR 0.9 billion, compared to the year before. The operating income amounted to EUR 12.5 billion and it decreased by 5.0 per cent, or EUR 0.7 billion, from the previous year's level. The net costs of the operational economy thus amounted to EUR 30.5 billion and they decreased by 0.7 per cent from the previous statistical reference year.

In 2017, as in the year before, the majority of the net costs of the operational economy was directed at social and health care activities, whose share of the entire operational economy was 58.4 per cent, or EUR 17.8 billion. Compared to the previous year, the net costs of social and health care activities decreased by 0.7 per cent. In total, EUR 6.7 billion was recorded for specialised health care and EUR 3.3 billion for primary health care services. Thus, the largest share of the total net costs of social and health care activities was directed at specialised health care, and the second highest share at primary health care.<sup>1)</sup>

The second largest share of the net costs of municipalities' total operational economy, or EUR 10.6 billion, was directed at education and cultural activities, whose share of the operational economy was 34.8 per cent. The combined net costs of education and cultural activities were at the same level as in the year before. The share of primary education was largest in the net costs of education and cultural activities and that of early childhood education second largest. During the year, municipalities spent EUR 4.9 billion on primary education and EUR 2.7 billion on early childhood education.

A net total of EUR 2.1 billion, corresponding to 6.8 per cent of the total operational economy, was directed at other activities, which includes all other municipal activities apart from social and health care activities and education and cultural activities. Examined in net, there was a 4.2 per cent decrease in the costs directed at other activities compared to the previous year.

## Operational economy of joint municipal authorities

In 2017, joint municipal authorities' combined gross operating costs amounted to EUR 15.9 billion and gross operating income to EUR 16.0 billion. Examined in gross, the operating costs increased by 10.5 per cent, or EUR 1.5 billion, compared to the previous year and the operating income by 9.9 per cent, or EUR 1.4 billion.

The largest part of joint municipal authorities' gross operating costs was directed at social and health care activities, whose share was 73.6 per cent of the gross costs of the total operational economy. The gross costs of social and health care activities increased from the previous statistical reference year by 11.9 per cent, totalling EUR 11.7 billion. The gross operating income increased by 10.0 per cent and amounted to EUR 11.7 billion.

Of the gross costs of the joint municipal authorities' operational economy, 7.2 per cent were directed at education and cultural activities. The gross costs of education and cultural activities totalled EUR 1.2 billion and the gross income EUR 1.1 billion. The costs in question decreased by 7.9 per cent from the previous year and the corresponding income by 10.7 per cent.

## Information on the statistics

Statistics on local government finances contain data on municipalities' and joint municipal authorities' financial statements, operational economy, investments and activities. Data for the statistics are collected from all municipalities and joint municipal authorities in Finland.

The data content and data collection of the statistics on local government finances were revised starting from the statistical reference year 2015, for which reason the data of the statistics on local government finances are not directly comparable with the data of statistics on finances and activities of municipalities and joint municipal authorities published in previous years. In the statistics on local government finances, municipal enterprises are combined with the data on basic municipalities and joint municipal authorities, while this was not done in the statistics on finances and activities of municipalities and joint municipal authorities. The revision also brought changes to the activity classification of municipalities and joint municipal authorities.

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1) Primary health care services include outpatient care in primary health care, ward care in primary health care and oral health care.

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# Appendix tables

**Appendix table 1. Regional net costs in 2017<sup>1)</sup>**

	Municipalities			
	Net costs from social services and health care, EUR million	Net costs from social services and health care, EUR per capita	Net costs from educational and cultural services, EUR million	Net costs from educational and cultural services, EUR per capita
Whole country	17 789	3 227	10 605	1 924
Uusimaa	4 716	2 849	3 381	2 042
Varsinais-Suomi	1 553	3 251	882	1 846
Satakunta	749	3 397	383	1 736
Kanta-Häme	568	3 290	297	1 718
Pirkanmaa	1 621	3 166	985	1 924
Päijät-Häme	654	3 252	348	1 730
Kymenlaakso	645	3 675	329	1 877
South Karelia	452	3 483	217	1 669
Etelä-Savo	578	3 930	249	1 691
Pohjois-Savo	906	3 671	449	1 821
North Karelia	580	3 561	286	1 754
Central Finland	907	3 286	495	1 795
South Ostrobothnia	666	3 487	358	1 874
Ostrobothnia	589	3 254	397	2 191
Central Ostrobothnia	236	3 425	136	1 974
North Ostrobothnia	1 330	3 228	832	2 019
Kainuu	297	4 013	167	2 265
Lapland	690	3 851	344	1 919
Åland <sup>2)</sup>	52	1 747	71	2 418

1) Data on residents 31 December 2017.

2) The health care of Åland is the responsibility of the Government of Åland.

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Source: Local government finances 2017. Statistics Finland