



The Great Lakes: A recreational boating powerhouse

Boating on the Great Lakes is big business. According to U.S. Coast Guard data, there are 4.3 million boats registered in the eight Great Lakes states. Of these, an estimated 911,000 operate upon the Great Lakes themselves.

These boats and their owners generate nearly \$16 billion in boating-related annual spending, directly supporting 107,000 jobs. With secondary effects taken into consideration, those numbers grow to 244,000 jobs, \$19 billion in sales, \$6.4 billion in personal income and \$9.2 billion in value added (2003 data).

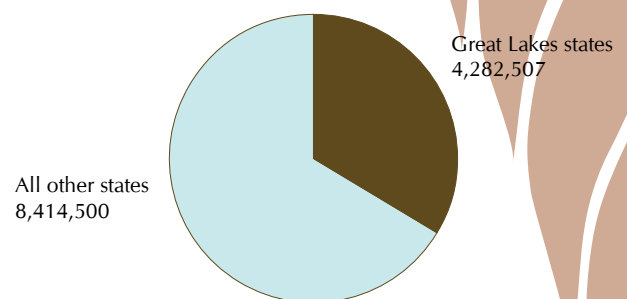
Those are some of the figures from a new report from the Great Lakes Commission, *Great Lakes Recreational Boating's Economic Punch*, based on a wide-ranging study of Great Lakes boaters and their spending habits. Available in print or at www.glc.org/recboat, the report details, for the first time, the significant role that recreational boating plays in local economies and the Great Lakes region itself.

A need for reliable economic data

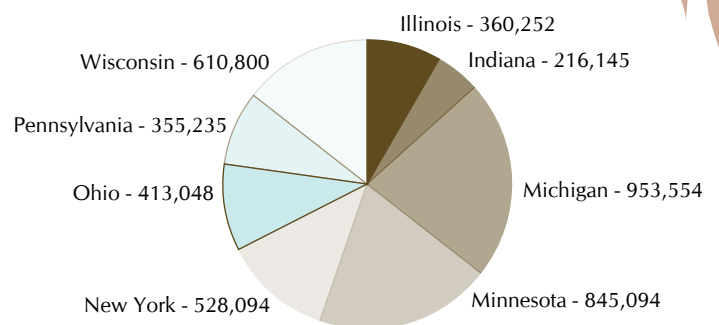
Demand for economic data on recreational boating is growing. It is critical to such functions as planning and investment in boating facilities, maintaining navigational access to recreational harbors on the Great Lakes, and developing federal, state and local policy relating to recreational boating.

What has been lacking, though, is a clear understanding of the economic impacts of recreational boating in the Great Lakes region – the spending it generates, the businesses and jobs it supports and the other direct and indirect effects that ripple throughout the regional economy.

Registered boats in the United States, 2003



Registered boats by Great Lakes state, 2003



Source: U.S. Coast Guard



In response to this need, Congress authorized a study of the economic breadth of recreational boating in the Great Lakes in the Water Resources Development Act (WRDA) of 1999. One of three components of the John Glenn Great Lakes Basin Program, the project sought to identify the economic benefits of federally authorized recreational harbors for comparison to the cost of operating and maintaining them.

Following the congressional directive, the U.S. Army Corps of Engineers partnered with the Great Lakes Commission to scope out a comprehensive analysis of recreational boating's economic benefits to the region. Michigan State University's Recreational Marine Research Center (RMRC) was engaged to conduct original research for the study, tracking the spending habits of nearly 6,000 recreational boaters.

Study results

The Great Lakes states emerge in the study as a recreational boating powerhouse. Using 2003 data, the study revealed that the 4.3 million boats in the eight Great Lakes states comprise more than one-third of all registered boats in the United States. Of these, approximately 1 million belong to people residing in counties along the Great Lakes shoreline.

The Great Lakes region is also home to a robust industry dedicated to boating manufacture and sales. As of 2004, there were 250 active boat and equipment manufacturers in the eight Great Lakes states, producing more than 180,000 watercraft. Of these, three-fifths were sold outside the region, generating a significant export benefit. These 250 manufacturers were conservatively estimated to have provided jobs to 18,500 in 2003.

According to the RMRC, Great Lakes boat owners spend an average of \$3,600 per year on their boats. This includes \$1,400 on craft-related expenses (e.g., equipment, repairs, insurance, slip

Summary of average annual spending by registered boats in the Great Lakes region (\$ millions)

Spending Category	All Registered Boats in Great Lakes region	All Boats Using Great Lakes
Trip Spending		
Lodging	\$1,031	\$223
Marina services	\$310	\$98
Restaurant	\$1,679	\$407
Groceries	\$1,392	\$324
Boat fuel	\$2,177	\$556
Auto fuel	\$1,181	\$240
Repair/maintenance	\$987	\$219
Marine supplies	\$655	\$157
Recreation/entertainment	\$278	\$73
Shopping	\$206	\$59
Trip Total	\$9,895	\$2,357
Craft Spending		
Slip	\$346	\$178
Yacht dues	\$117	\$40
Off season storage	\$167	\$53
Put in and haul out	\$216	\$56
Insurance	\$787	\$190
Repairs	\$1,676	\$398
Equipment	\$2,236	\$481
Taxes	\$187	\$46
Craft Total	\$5,731	\$1,441
Trip and Craft Spending		
Total	\$15,626	\$3,798

Total average annual economic impact (direct and secondary) of registered boats on state economies

Trip and Craft Spending	Sales \$ Millions	Jobs	Personal Income \$ Millions	Value Added \$ Millions
Illinois	\$1,958	22,407	\$678	\$963
Indiana	\$2,203	30,437	\$710	\$1,036
Michigan	\$3,905	51,329	\$1,342	\$1,913
Minnesota	\$3,709	49,060	\$1,247	\$1,775
New York	\$2,749	28,901	\$987	\$1,418
Ohio	\$1,959	26,148	\$656	\$939
Pennsylvania (Erie County only)	\$71	1,195	\$24	\$34
Wisconsin	\$2,493	36,640	\$825	\$1,177
Total Spending (direct and secondary)	\$19,047	246,117	\$6,479	\$9,255

fees) and \$2,200 on trip-related expenses (e.g., fuel, food, refreshments, onshore entertainment, lodging). This spending is spread over an average of 23 boating days per season.

These figures are heavily weighted toward the large numbers of smaller watercraft that dominate the survey. Not surprisingly, larger boats account for more spending – up to \$20,000 a year for vessels greater than 41 feet in length. These vessels are also more likely to operate upon the Great Lakes and be kept at lakeside marinas, which were found to be major focal points of boater spending.

Marinas and dredging

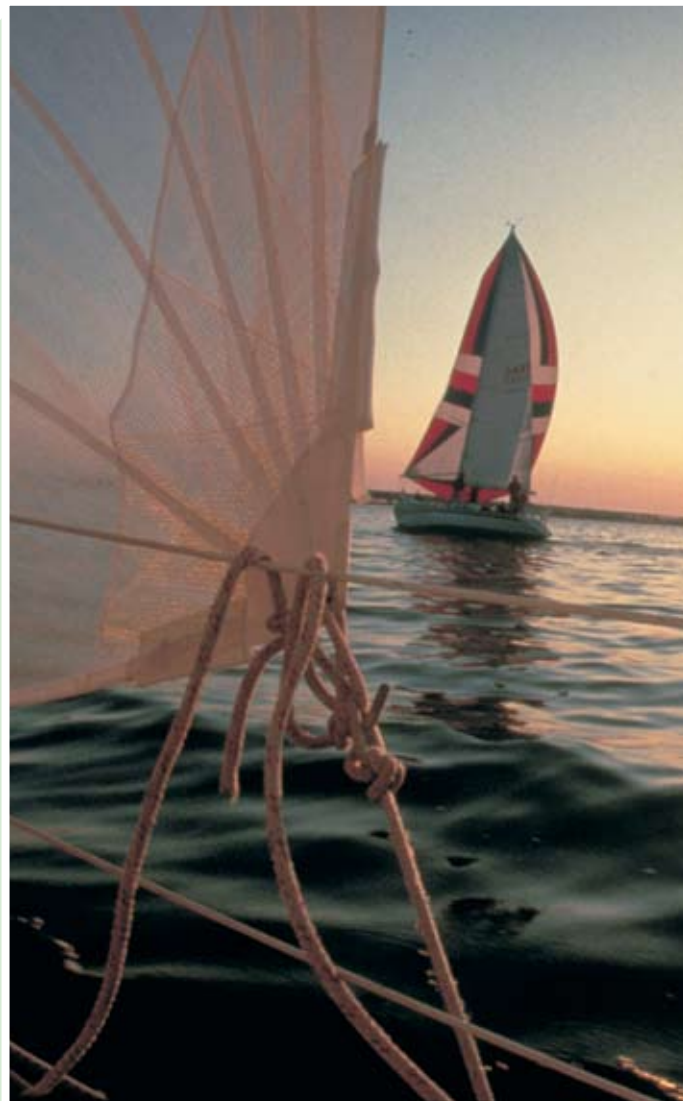
Boats kept at marinas account for about 30 percent of all Great Lakes recreational boater spending, the study found. More than 800 operational marinas were identified in counties along the Great Lakes. During the 2004 season, their slips were filled to 93 percent capacity, or 107,000 boats, the owners of which were calculated to have spent nearly \$1.2 billion on equipment and trips that year.

However, activities at many of these marinas are being cramped by silt accumulations in the shallow-draft harbors they are located on and in the entrance channels to those harbors. Most of these harbors were developed by the U.S. Army Corps of Engineers and have historically been dredged and otherwise maintained by the federal government.

Unfortunately, recent administrations have gradually eliminated funds for this purpose from the Corp's Great Lakes budget. Occasional project-specific appropriations by Congress have provided stopgap measures to dredge some of these harbors on a case-by-case basis. Many in this region believe this approach does not fully recognize the public value of recreational harbors to the nation.

An analysis of the dredging status of Great Lakes shallow-draft harbors in 2004 showed significant shortfalls, despite the difficulty of obtaining concrete data. Of 14 Great Lakes recreational harbors on which reliable data could be obtained, dredging needs were found to total in excess of 300,000 cubic yards. Dredging needs among the remaining harbors appear to be substantial as well. The problem could get worse, if as predicted, lake levels continue to decline

The Corps estimates an annual investment of \$5 million in dredging would be adequate to maintain all Great Lakes recreational harbors under current conditions.



Number of watercraft by boat type, 2003

Boat Type	Total
Aluminum power < 16'	869,208
Aluminum fishing 16'-24'	605,859
Aluminum fishing 25'-29'	2,520
Pontoon	381,486
Fiberglass power < 16'	253,452
Fiberglass runabout 16'-24'	871,831
Fiberglass yacht 30' +	52,077
Fiberglass cruiser 25'-29'	79,441
Canoe/kayak/self -Propelled	364,394
Personal water craft	352,251
Sail	111,357
Inflatable	48,787
Jet boat	25,616
Ski	40,663
All other	113,155
Total	4,172,097

Photos courtesy: U.S. Environmental Protection Agency, Wisconsin Department of Tourism and Jeffrey Foltice



due to climate change. The Corps estimates an annual investment of \$5 million in dredging would be adequate to maintain all Great Lakes recreational harbors under current conditions.

Other benefits of shallow-draft harbors

The study shows that these shallow-draft harbors provide other important benefits as well, including contributions to human health and safety. Of the 87 federally authorized shallow-draft harbors on the Great Lakes, five host strategically located U.S. Coast Guard search and rescue stations, while another 16 are classified as harbors of refuge, providing safe haven for mariners in distress. Ten are home to ferry operations that provide important transportation services, while five are considered subsistence harbors that provide essential goods and services to isolated island communities.

Shallow-draft harbors also provide a spur for economic growth as former industrial areas are restored and converted into parks, upscale housing and entertainment districts, along with the attendant businesses they bring. Recreational marinas are a key element of these developments, drawing boat owners, their guests and transient boaters from other harbors, as well as lending their ambience to help create that special atmosphere that is part of the appeal of a lakefront community.

Conclusion

Clearly, recreational boating is an important part of our regional economy, not to mention our Great Lakes way of life. Like anything involving millions of people and billions of dollars, it requires a clear understanding to properly address the infrastructure and civic planning involved and best realize the economic and social benefits it brings. The *Great Lakes Recreational Boating's Economic Punch* report is a tool for that process, and a useful guide for anyone with an interest in Great Lakes boating.

View the report at www.glc.org/recboat. Print copies are also available from the Great Lakes Commission. Contact: Dave Knight, dknight@glc.org, 734-971-9135.

Great Lakes Recreational Boating's Economic Punch provides a summary of some of the most relevant data the Great Lakes Commission provided to the U.S. Army Corps of Engineers for use in the Great Lakes recreational boating study authorized under the Water Resources Development Act of 1999. Official release of the full study is pending.



Great Lakes
Commission
des Grands Lacs

2805 S. Industrial Hwy., Suite 100
Ann Arbor, MI 48104
Phone: 734-971-9135
Fax: 734-971-9150
www.glc.org