

Economic Impact Analysis

WELLFLEET MARINA

Analysis conducted using the on-line Boating Economic Impact Model
developed by

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Executive Summary

This report provides estimates of the economic impacts of the WELLFLEET MARINA. The marina produces direct and indirect revenues for many different types of businesses (e.g., retail, restaurants) in the local area. It also contributes to the visual character of the waterfront and contributes to the community's quality of life. Unfortunately, the economic contributions of marinas like this often go unrecognized or are undervalued. This report provides estimates of the direct and indirect economic impacts associated with the spending by the owners of boats that rent seasonal and annual slips, and the direct spending by transient boaters (tourists) staying at the WELLFLEET MARINA.

Economic impacts are estimated using a boater spending and impact model. Boater spending averages on a per day basis for trip spending and per boat basis for annual craft spending are adapted from spending profiles developed from two different national boater surveys conducted by the Recreation Marine Research Center (RMRC) at Michigan State University in 2005. Estimates of annual craft spending for boats kept at marinas are taken from a national survey of more than 12,500 boaters conducted in 2005 and 2006.

Annual craft spending averages were price adjusted to 2007 using consumer price indices for each spending category. Annual craft spending includes storage (during the boat season), insurance, taxes, replacement outboard motors, trailers, fuel, repairs & marine services and accessories. Loan payments for the year are included, but purchases of new boats are not. Since most boats, trailers, motors and other equipment purchased by boaters are not manufactured in the local area, only the retail and wholesale margins on these purchases are included as local impacts.

Trip spending estimates, including what boaters spend on groceries, lodging, entertainment and restaurants, came from a 2006 national survey of more than 6,000 boaters that gathered information about more than 13,000 boating trips. Trip spending includes what boaters spend on boating trips for fuel, groceries, lodging, entertainment, and restaurants. Spending averages were price inflated to 2007. Spending profiles were developed for different size and type boats in different regions of the country. The craft and trip spending averages used here are for boats kept at marinas in North East Coastal Region.

The spending averages are applied to the number of slip renters and transient boaters at WELLFLEET MARINA. Distinct spending averages are used for power and sail boats divided into two size classes. Spending is divided into 12 trip spending categories and eight craft spending categories.

Total spending by these boaters who rent slips seasonally or annually or are transient renters is applied to a set of economic ratios and multipliers that reflect the local economy. The impact region is defined to include roughly a 30 mile radius of the marina. Economic ratios and multipliers were estimated with the IMPLAN input-output modeling system. Because the size of multipliers differ depending on the size and nature (e.g., types of businesses) of the local economy distinct sets of multipliers were developed for rural (population less than 100,000), small metro (populations 100,000-500,000), and larger metro regions (population over 500,000). Multipliers representing "Small Metro Areas" were selected for this analysis. Economic ratios translate the spending into wages and salaries and jobs supported by the boater spending. Multipliers estimate the secondary effects as this spending flows through the local economy. Total effects include the (1) direct sales, jobs and income in firms selling directly to boaters, (2) indirect effects in firms that supply goods and services to boating businesses, and (3) induced effects resulting from household spending of income earned directly or indirectly from boater spending.

A total of 490 boats are being kept at WELLFLEET MARINA during 2007. This includes 337 power boats ranging from 16' to more than 40' and 153 sailboats. It is estimated that the 490 seasonal/annual slip renters will take their boats out on the water a total of 15,605 days in 2007. The average number of boating days per boat is 31 days. The marina rented slips to transient boaters a total of 620 nights in 2007.

The boaters who rent slips for the season or annually contribute to the local and state economies through spending on the upkeep and maintenance of their craft and also spending on their boating trips. Boaters who keep their boats in slips will spend about 3,409 thousand dollars annually on craft upkeep and maintenance not counting fuel. This spending is broken down as follows: 29% on slip/storage fees, 23% to loan payments including principal and interest, 22% for repairs, 9% for insurance, and 14% for accessories. Combining trip and craft spending, a typical boat spends \$1,782 per year on boating trips and \$3,071 per year on craft-related expenses.

Total trip spending by these boats kept at the marina is estimated to be \$2 million, with 14% spent on marina services, 20% on restaurants and bars, 17% groceries, 8% auto fuel and 32% boat fuel.

The direct economic effects on the local economy of this spending are 62 jobs¹, \$1.0 million in labor income and \$1.7 million in value added². The marina's non-labor operating costs such as purchases of supplies and services from other firms are not included as value added by the marina. Direct effects cover the impacts in businesses selling goods and services directly to these boaters. This includes 30 jobs in marina services, 11 jobs in restaurants and bars, and 8 jobs in retail stores.

Including secondary effects, the total impact on the local economy is 82 jobs, \$1.5 million in labor income and \$2.5 million in value added.

¹ Jobs are not full time equivalents, but include full time and part time jobs. Seasonal positions are adjusted to an annual basis, e.g., two jobs for six months equates to one job on an annual basis. Labor income includes wages and salaries, payroll benefits and income of sole proprietors. Value added includes labor income as well as profits and rents and sales taxes and other indirect business taxes.

² Value added is the income accruing to households in the region plus rents and profits of businesses and indirect business taxes. As the name implies, it is the net value added to the region's economy. For example, the value added by a marina includes wages and salaries paid to employees, their payroll benefits, profits of the marina, and sales and other indirect business taxes.

Summary of the Economic Impact Analysis Result

Table 1 - Number of Boats Kept at the Marina and Their Estimated Number of Boating Days

Boat Type and Size	Number of Boats	Average Days Per Boat	Total Boat Days
Power <40'	330	33	10,890
Power 40'+	7	40	280
Sail <40'	151	25	3,775
Sail 40'+	2	20	40
Transient Power	-	-	443
Transient Sail	-	-	177
Total	490	31	15,605

Table 2 - Total Spending on Boat Trips by Boats Kept at the Marina (\$ Thousands)

Category	Total	Percentage
Lodging	19.9	1.0%
Marina services	276.2	14.0%
Restaurant	394.4	19.9%
Groceries	334.3	16.9%
Boat fuel	639.5	32.3%
Auto fuel	163.8	8.3%
Repair & Maintenance	-	-
Marine supplies	-	-
Recreation & Entertainment	58.8	3.0%
Shopping	55.8	2.8%
Other services	-	-
Other goods	35.4	1.8%
Total	1,978.1	100%

Table 3 – Total Annual Craft Spending by Boats Kept at the Marina (\$ Thousands)

Category	Total	Percentage
Slip	1,003.5	29.4%
Loan Payments	783.1	23.0%
Motors	10.6	0.3%
Trailers	6.7	0.2%
Insurance	291.0	8.5%
Repairs	746.3	21.9%
Accessories	491.0	14.4%
Taxes	77.0	2.3%
Total	3,409.2	100%

Table 4 – Economic Impacts of Trips Spending and Annual Craft Spending by Boats Kept at the Marina

	Trip Spending	Annual Craft Spending	Total
Direct Effects			
Sales (\$ Thousands)	1,044.3	2,018.9	3,063.1
Jobs	26.2	36.1	62.3
Labor Income (\$ Thousands)	405.2	638.5	1,043.7
Value Added (\$ Thousands)	551.9	1,135.9	1,687.9
Total Effects			
Sales (\$ Thousands)	1,570.5	2,943.5	4,514.0
Jobs	33.3	48.6	81.9
Labor Income (\$ Thousands)	574.5	940.6	1,515.2
Value Added (\$ Thousands)	842.8	1,641.9	2,484.6

Table 5 - Economic Impact of both Craft and Trips Spending by Boats Kept at the Marina

Sector/Spending category	Sales (\$ Thousands)	Jobs	Labor Income (\$ Thousands)	Value Added (\$ Thousands)
Direct Effects				
Lodging	19.9	0.5	8.7	14.1
Marina Services	1,279.7	29.6	469.6	787.0
Restaurant	394.4	11.4	155.0	175.1
Recreation & Entertainment	58.8	1.4	21.6	36.2
Repair & Maintenance	746.3	6.3	142.5	327.6
Insurance&Credit	68.4	1.0	32.7	58.7
Gas Service	179.1	3.8	69.3	90.1
Other Retail Trade	316.6	8.5	144.2	199.1
Wholesale Trade	-	-	-	-
Other Local Production of Goods	-	-	-	-
Total Direct Effects	3,063.1	62.3	1,043.7	1,687.9
Secondary Effects	1,450.9	19.5	471.4	796.8
Total Effects	4,514.0	81.9	1,515.2	2,484.6

Detailed Results of the Economic Impact Analysis

Input to the Economic Impact Analysis Model

Table 1 - Number of Boats Kept at the Marina and Their Estimated Number of Boating Days

Boat Type and Size	Number of Boats	Average Days Per Boat	Total Boat Days
Power <40'	330	33	10,890
Power 40'+	7	40	280
Sail <40'	151	25	3,775
Sail 40'+	2	20	40
Transient Power	-	-	443
Transient Sail	-	-	177
Total	490	31	15,605

Spending Profiles by Boats Kept at the Marina

Table 1 - Average Spending on Boat Trips by Boats Kept at the Marina (\$ Per Boat Day)

Category	Boat Type and Size					
	Power <40'	Power 40'+	Sail <40'	Sail 40'+	Transient Power	Transient Sail
Lodging	1.0	0.3	1.6	2.4	4.6	4.5
Marina services	18.5	27.4	11.0	19.5	43.7	30.5
Restaurant	26.4	39.8	17.7	33.3	47.7	36.4
Groceries	22.1	36.2	16.3	27.3	34.9	30.4
Boat fuel	51.9	77.7	4.5	10.1	75.1	10.6
Auto fuel	11.6	10.9	7.3	8.4	11.7	7.5
Repair & Maintenance	-	-	-	-	-	-
Marine supplies	-	-	-	-	-	-
Recreation & Entertainment	4.0	4.8	2.2	7.0	9.2	6.9
Shopping	3.1	6.7	3.1	5.6	13.7	12.4
Other services	-	-	-	-	-	-
Other goods	2.5	1.9	2.0	2.9	-	-
Total	141.1	205.7	65.7	116.5	240.6	139.2

Table 2 - Average Spending on Annual Craft Spending by Boats Kept at the Marina (\$ Per Boat Per Year)

Category	Boat Type and Size			
	Power <40'	Power 40'+	Sail <40'	Sail 40'+
Slip	1,886.5	5,332.4	2,215.5	4,523.4
Loan Payments	1,572.4	10,864.9	1,185.1	4,585.0
Motors	26.1	39.3	11.4	14.0
Trailers	17.0	8.7	6.9	6.1
Insurance	584.2	2,803.2	492.7	2,120.8
Repairs	1,424.0	5,891.6	1,496.4	4,571.8
Accessories	907.6	3,780.2	1,045.3	3,603.4
Taxes	160.7	920.0	112.7	244.0
Total	6,578.5	29,640.3	6,566.0	19,668.5

Estimates of Total Spending by Boats Kept at the Marina

Table 1 - Total Spending on Boat Trip by Boats Kept at the Marina (\$ Thousands)

Category	Boat Type and Size						Total	Percentage
	Power <40'	Power 40'+	Sail <40'	Sail 40'+	Transient Power	Transient Sail		
Lodging	10.9	0.1	6.0	0.1	2.0	0.8	19.9	1%
Marina services	201.5	7.7	41.5	0.8	19.4	5.4	276.2	14%
Restaurant	287.5	11.1	66.8	1.3	21.1	6.4	394.4	20%
Groceries	240.7	10.1	61.5	1.1	15.5	5.4	334.3	17%
Boat fuel	565.2	21.8	17.0	0.4	33.3	1.9	639.5	32%
Auto fuel	126.3	3.1	27.6	0.3	5.2	1.3	163.8	8%
Repair & Maintenance	-	-	-	-	-	-	-	-
Marine supplies	-	-	-	-	-	-	-	-
Recreation & Entertainment	43.6	1.3	8.3	0.3	4.1	1.2	58.8	3%
Shopping	33.8	1.9	11.7	0.2	6.1	2.2	55.8	3%
Other services	-	-	-	-	-	-	-	-
Other goods	27.2	0.5	7.6	0.1	-	-	35.4	2%
Total	1,536.6	57.6	248.0	4.7	106.6	24.6	1,978.1	100%

Table 2 - Total Spending on Average Annual Craft Spending by Boats Kept at the Marina (\$ Thousands)

Category	Boat Type and Size				Total	Percentage
	Power <40'	Power 40'+	Sail <40'	Sail 40'+		
Slip	622.5	37.3	334.5	9.0	1,003.5	29%
Loan Payments	518.9	76.1	179.0	9.2	783.1	23%
Motors	8.6	0.3	1.7	0.0	10.6	0%
Trailers	5.6	0.1	1.0	0.0	6.7	0%
Insurance	192.8	19.6	74.4	4.2	291.0	9%
Repairs	469.9	41.2	226.0	9.1	746.3	22%
Accessories	299.5	26.5	157.8	7.2	491.0	14%
Taxes	53.0	6.4	17.0	0.5	77.0	2%
Total	3,073.2	115.2	496.0	9.3	3,409.2	100%

Table 3 - Numbers of Boats, Boating Days and Craft and Trip Spending by Different Size and Type Boats Kept at the Marina

Category	Boat Type and Size						Total
	Power <40 '	Power 40'+	Sail <40'	Sail 40'+	Transient Power	Transient Sail	
Number of boats	330	7	151	2	-	-	490
Annual craft spending per boat	\$6,579	\$29,640	\$6,566	\$19,669	-	-	\$3,071
Total craft spending (\$ Thousands)	\$2,171	\$207	\$991	\$39	-	-	\$3,409
Average days per boat	33	40	25	20	-	-	31
Total boat days	10,890	280	3,775	40	443	177	15,605
Average trip spending per boat day	\$141	\$206	\$66	\$117	\$241	\$139	\$127
Total trip spending per boat per year	\$4,656	\$8,228	\$1,643	\$2,330	\$241	\$139	\$1,782
Total trip spending (\$ Thousands)	\$1,537	\$58	\$248	\$5	\$107	\$25	\$1,978
Total craft & trip spending per boat per year	\$11,235	\$37,868	\$8,209	\$21,999	\$241	\$139	\$4,853
Total craft & trip spending (\$ Thousands)	\$3,707	\$265	\$1,239	\$44	\$107	\$25	\$5,387
Pct of spending by boats	69%	5%	23%	1%	2%	0%	100%
Pct of boats	30%	1%	14%	0%	40%	16%	100%
Pct of boat days by boats	70%	2%	24%	0%	3%	1%	100%
Pct of spending on trips by boats	41%	22%	20%	11%	100%	100%	37%

Economic Impact Result/Tables

Table 1 - Economic Impact of Trips Spending by Boats Kept at the Marina

Sector/Spending category	Sales (\$ Thousands)	Jobs	Labor Income (\$ Thousands)	Value Added (\$ Thousands)
Direct Effects				
Lodging	19.9	0.5	8.7	14.1
Marina Services	276.2	6.4	101.4	169.9
Restaurant	394.4	11.4	155.0	175.1
Recreation & Entertainment	58.8	1.4	21.6	36.2
Repair & Maintenance	-	-	-	-
Grocery Stores (Margin&Sales)	84.6	2.0	34.4	45.9
Gas Service Stations (Margin&Sales)	179.1	3.8	69.3	90.1
Sporting Goods/Equipment Retail Margins	-	-	-	-
Other Retail Trade (Margins&Sales)	31.3	0.9	14.8	20.7
Wholesale Trade (Margins&Sales)	-	-	-	-
Local Production of Goods	-	-	-	-
Total Direct Effects	1,044.3	26.2	405.2	551.9
Secondary Effects	526.2	7.1	169.4	290.8
Total Effects	1,570.5	33.3	574.5	842.8

Table 2 - Economic Impact of Annual Craft Spending by Boats Kept at the Marina

Sector/Spending category	Sales (\$ Thousands)	Jobs	Labor Income (\$ Thousands)	Value Added (\$ Thousands)
Direct Effects				
Boat Manufacture	-	-	-	-
Slip	1,003.5	23.2	368.3	617.1
Repairs	746.3	6.3	142.5	327.6
Insurance	58.2	1.0	28.5	50.6
Credit Intermediaries	10.2	0.1	4.2	8.1
Retail Margins	200.7	5.6	95.0	132.5
Wholesale Trade	-	-	-	-
Manufacture: Motors, Trailers, Accessories	-	-	-	-
Total Direct Effects	2,018.9	36.1	638.5	1,135.9
Secondary Effects	924.7	12.4	302.1	506.0
Total Effects	2,943.5	48.6	940.6	1,641.9

Table 3 - Economic Impact of both Trip and Annual Craft Spending by Boats Kept at the Marina

Sector/Spending category	Sales (\$ Thousands)	Jobs	Labor Income (\$ Thousands)	Value Added (\$ Thousands)
Direct Effects				
Lodging	19.9	0.5	8.7	14.1
Marina Services	1,279.7	29.6	469.6	787.0
Restaurant	394.4	11.4	155.0	175.1
Recreation & Entertainment	58.8	1.4	21.6	36.2
Repair & Maintenance	746.3	6.3	142.5	327.6
Insurance&Credit	68.4	1.0	32.7	58.7
Gas Service	179.1	3.8	69.3	90.1
Other Retail Trade	316.6	8.5	144.2	199.1
Wholesale Trade	-	-	-	-
Other Local Production of Goods	-	-	-	-
Total Direct Effects	3,063.1	62.3	1,043.7	1,687.9
Secondary Effects	1,450.9	19.5	471.4	796.8
Total Effects	4,514.0	81.9	1,515.2	2,484.6

Shown below are multipliers selected in this economic impact analysis.

Sector	Direct effects					Total effects multipliers					
	IMPLAN Sector	Jobs/ MM sales	Personal inc/sales	Property Inc/sales	Value Added /sales	Sales II	JobsII/ MMsales	InclI/ sales	VA II/sales	Sales I	RPC
Hotels and motels* including casino hotels	479	22.810	0.437	0.183	0.708	1.431	28.772	0.580	0.954	1.153	100%
Marina Services	478	23.102	0.367	0.198	0.615	1.459	29.526	0.519	0.874	1.208	100%
Food services and drinking places	481	28.803	0.393	-0.004	0.444	1.524	35.449	0.550	0.719	1.259	100%
Other asement* gambling* and recreation industri	478	23.102	0.367	0.198	0.615	1.459	29.526	0.519	0.874	1.208	100%
Automotive repair and maintenance* except car wash	483	8.472	0.191	0.224	0.439	1.459	14.216	0.337	0.674	1.296	100%
Food and beverage stores	405	23.367	0.407	0.046	0.543	1.527	30.735	0.587	0.847	1.246	100%
Gasoline stations	407	21.183	0.387	0.012	0.503	1.544	28.793	0.573	0.817	1.268	100%
Sporting goods* hobby* book and sic stores	409	26.840	0.346	0.048	0.475	1.538	34.372	0.531	0.786	1.284	100%
General merchandise stores	410	28.245	0.473	0.083	0.661	1.485	35.018	0.637	0.941	1.183	100%
Nondep credit intermediaries	425	6.200	0.410	0.325	0.791	1.355	11.209	0.530	1.002	1.068	20%
Other accommodations	480	7.811	0.121	0.162	0.290	1.569	15.366	0.307	0.609	1.420	100%
Wholesale trade	390	10.593	0.377	0.095	0.659	1.418	16.522	0.521	0.901	1.170	-
Insurance agencies* brokerages* and related	428	16.390	0.490	0.380	0.870	1.350	21.400	0.600	1.080	1.070	20%
Boat building	358	9.552	0.220	0.148	0.341	1.337	13.559	0.327	0.525	1.178	-
Other engine equipment manufacturing	286	3.400	0.150	0.130	0.290	1.337	4.830	0.230	0.470	1.178	-
Travel trailer and camper manufacturing	349	6.411	0.183	0.067	0.249	1.429	10.887	0.307	0.449	1.283	-
Sporting and athletic goods manufacturing	381	6.714	0.185	0.061	0.249	1.505	12.645	0.351	0.518	1.331	-
auto dealers	401	14.390	0.489	0.030	0.611	1.528	21.773	0.668	0.916	1.209	100%
All other food manufacturing	84	4.755	0.125	0.082	0.191	1.523	10.743	0.271	0.449	1.389	-
Cut and sew apparel manufacturing	107	8.780	0.182	0.122	0.290	1.348	13.174	0.296	0.484	1.205	-

Terms used in this Economic Impact Analysis

Term	Definition
Sales	Sales of firms within the region resulting from boater spending.
Jobs	The number of jobs in the region supported by the boater spending. Job estimates are not full time equivalents, but include part time positions. Seasonal jobs are adjusted to annual equivalents, e.g. four jobs for three months each equates to one job.
Income	Labor income, including wages and salaries, payroll benefits and incomes of sole proprietor's
Value added	Income accruing to households in the region plus rents and profits of businesses and indirect business taxes. As the name implies, it is the net value added to the region's economy. For example, the value added by a marina includes wages and salaries paid to employees, their payroll benefits, profits of the marina, and sales and other indirect business taxes. The marina's non-labor operating costs such as purchases of supplies and services from other firms are not included as value added by the marina.
Direct effects	Direct effects are the changes in sales, income and jobs in those business or agencies that directly receive the boater spending.
Secondary effects	These are the changes in the economic activity in the region that result from the re-circulation of the money spent by boaters. Secondary effects include indirect and induced effects.
Indirect effects	Changes in sales, income and jobs in industries that supply goods and services to the businesses that sell directly to boaters. For example, restaurant supply firms benefit from boater spending in restaurants.
Induced effects	Changes in economic activity in the region resulting from household spending of income earned through a direct or indirect effect of the boater spending. For example, marina employees live in the region and spend their incomes on housing, groceries, education, clothing and other goods and services.
Total effects	Sum of direct, indirect and induced effects. <ul style="list-style-type: none"> ▪ Direct effects accrue largely to boating and tourism-related businesses in the area ▪ Indirect effects accrue to a broader set of businesses that serve these firms. ▪ Induced effects are distributed widely across a variety of local businesses that provide goods and services to households in the region.
Multipliers	Multipliers capture the size of the total effects relative to the direct effects. A sales multiplier of 2.0 means that for every dollar of direct sales, there is another dollar of sales in the region due to secondary effects. Direct effect multipliers convert sales to the associated income, jobs and value added by using simple ratios. For example, nationally 34 cents of every dollar of sales in restaurants goes to wages and salaries and 48 cents to value added. There are about 22 jobs for every million dollars in restaurant sales. These ratios are used to convert estimates of sales in each economic sector to the associated income, jobs, and value added. The job to sales ratios vary from region to region.