

The Economic Impact of the South Carolina Sea Grant Consortium

A State-Level and Regional Perspective



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The Economic Impact of the South Carolina Sea Grant Consortium: A State-Level and Regional Perspective

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Executive Summary

South Carolina's coastal region is a major contributor to the state's economy. Coastal South Carolina maintains a thriving recreation and tourism sector, and it also is characterized by a diversity of historical, cultural, and economically important traditional waterfront uses, including small businesses, trades and crafts, wharves, and subsistence. The South Carolina coastal region supports sizeable fisheries and aquaculture industries, seaports that support over \$45 billion¹ in annual economic activity, and many other smaller industries dependent upon the state's coastal and ocean resources.

Because of their importance to the state's economy, it is critically important to strike a balance between responsible management of South Carolina's coastal and ocean resources and development. The South Carolina Sea Grant Consortium (SCSGC) was created as an independent state agency designed for exactly this purpose – that is – to generate and provide science-based information to enhance the practical use and conservation of coastal and marine resources that foster a sustainable economy and environment for the state of South Carolina.

In the pursuit of this mission, the SCSGC injects millions of dollars into South Carolina's communities each year. The SCSGC regularly acquires external competitive funding to support direct investments in research and development, outreach and education, the formation of self-sustaining research and education facilities, and the management of various environmental-based volunteer activities. Each of these externally funded activities has a considerable impact on the state of South Carolina and the broader Southeast region by increasing the employment and income base as well as the overall economic activity.

This study analyzes the economic impact the SCSGC has on South Carolina and the states of North Carolina and Georgia through three specific sets of activities in which it engages: (1) the acquisition of federal grant funding for various marine and coastal research and outreach projects; (2) the coordination and management of volunteer activities that provide regular cleanup services for beaches, marshes, and waterways; and (3) the creation and development of independently run regional coastal and ocean startup programs devoted to research and education as well as workforce training programs for various coastal industries. Among the major findings of this study are:

¹ South Carolina State Ports Authority: <http://www.port-of-charleston.com>

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- *The total annual economic impact of the SCSGC on the state of South Carolina is \$8.9 million. This is the dollar value that represents the total value of all goods and services associated (either directly or indirectly) with the economic activities of the SCSGC. This impact corresponds to nearly \$2.8 million in labor income for South Carolinians. In the tri-state region comprised of South Carolina, North Carolina, and Georgia, the total economic impact increases to \$11.5 million, which is associated with \$3.8 million in labor income.*
- *The SCSGC's total economic impact of \$8.9 million in South Carolina is associated with a statewide output multiplier of 1.6. In other words, for every one hundred non-state dollars² spent by activities associated with the SCSGC, an additional sixty dollars in economic activity, on average, is generated elsewhere in the state.*
- *The employment multiplier associated with SCSGC activities geared towards research and development is estimated to be 2.1. This means for every 10 jobs created directly by the SCSGC in marine and coastal research, on average, an additional 11 jobs are created elsewhere in South Carolina.*
- *A return-on-investment (ROI) analysis comparing the total (direct plus economic multiplier effects) net increase in spending activity across South Carolina generated or supported by the activities of the SCSGC to the state appropriations provided by the state of South Carolina yields an ROI of 2,679 percent. This implies that every dollar appropriated to the SCSGC by the state of South Carolina generates or supports, on average, an additional twenty-six dollars in economic output for the state.*

Thus, the SCSGC not only benefits the state of South Carolina through preserving and enhancing coastal resources for businesses, visitors, and residents, but it also directly generates new economic activity through the external funding it brings to the state and its contributions to the employment and income base of South Carolina every year.

² Non-state dollars refer to dollars that do not come from state appropriations.