



Recreational Boating in New Jersey Economic Analysis of the Importance of Maintaining Navigable Waterways Impacted by Hurricane Sandy

Economic Impacts of Recreational Boating

Recreational boating is a significant part of New Jersey's economy. In 2008, the Marine Trades Association of New Jersey (MTA/NJ) released the results of An Economic Impact Analysis of Recreational Boating in New Jersey¹. The study, the first of its kind, directly measured expenditures related to recreational boating and their impact on the state's economy.

The economic impact of New Jersey boating supports approximately 18,000 jobs and 2.1 billion in spending. After accounting for leakages to other states' economies in-state recreational boating contributes 1.8 billion to New Jersey's economy².

The boating industry consists of several types of maritime businesses, many of which are small, family owned businesses, including: marinas, boat manufacturers, boat dealers, marine parts and accessories manufacturers/retailers, boating publications, and boat repair facilities. The industry also impacts other types of businesses such as fishing supply stores and waterfront restaurants. Boating destinations and services attract tourism dollars to many businesses located all along New Jersey's waterways.

Recreational boating is a pastime that allows people access to the waterways where they can spend time with their friends and family enjoying nature, fishing, dining, hunting, cruising, swimming or water sports. **Access to open waters and these water-dependent uses are extremely important to the quality of life in New Jersey.**

In addition to measuring expenditures, the study also documented boating activity in New Jersey, geographic locations of registered boaters and boating trips, the socioeconomic profile of New Jersey boaters and concerns of the boating population. Data used in the study was captured from a survey of New Jersey's registered boaters. Boaters were asked to provide information on how much was spent on boat purchases, equipment, boat repair, insurance, services, and annual fees associated with the use of marinas. Information on trip related expenditures such as launching fees, lodging, food, gas, boater profile and geographic information was also collected.

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²Recreational Boating in New Jersey: An Economic Impact Analysis, April 2008

Boating Destinations

The recreational boating industry is heavily concentrated in the southern coastal region of the state in Ocean, Monmouth, Atlantic and Cape May counties. Ocean County is by far the most commonly reported destination county by boaters. Bays are the most common type of destination water body with Barnegat Bay as the most commonly listed destination³.

Impacts of Hurricane Sandy

Hurricane Sandy devastated marinas, boat yards, recreational fishing and boating businesses, destroyed countless boats and greatly impacted New Jersey's most popular boating areas and connected water bodies. In addition to the significant destruction to New Jersey's marine coastal infrastructure, the storm greatly reduced the recreational boating fleet. According to BoatUS, the nation's leading advocate for recreational boaters, it is estimated that 25,000 boats were damaged from the storm. Dollar damage to recreational boats is estimated at \$242 million in New Jersey alone⁴.

One of the most concerning issues the recreational boating industry is facing as a result of the storm is the navigability and safety of the waterways. If the waterways are inaccessible or dangerous, the impacts to the boating industry will be far reaching and will adversely affect every aspect of boating, including but not limited to, boat sales, boat slip rentals, the sales of boating supplies and services, fuel sales, lodging, and all of the other ancillary industries to which New Jersey boating contributes to. Concerns of the boating community are already resulting in the withholding of spending on boats and slip rentals.

To ensure that the waterways are navigable and safe, hazardous shoals, sedimentation, damage and debris from Hurricane Sandy must be mapped, evaluated, marked and removed before the 2013 boating season begins. It is also imperative that the state communicate its efforts and goal of clearing the waterways to the boating community to allay concerns and fears.

Economic and Job Losses

It is fair to say that if New Jersey's waterways, especially Barnegat Bay and the surrounding waterways, are not cleared before the boating season this spring, it is estimated that there will be a 60% drop in spending resulting in losses of approximately 1.2 billion. Additionally, it is estimated that approximately 10,000 jobs would be lost⁵. There are currently 167,926 registered vessels in New Jersey. In 2000, there were 240,281 registered vessels⁶. Therefore, in a little over a decade the industry has lost 72,355 registered vessels. These losses combined with a slow economic recovery have severely strained

³ Recreational Boating in New Jersey: An Economic Impact Analysis, April 2008

⁴ News from BoatUS: Hurricane Sandy Damages Over 65,000 Recreational Boats, November 2012

⁵ These estimates are based on taking into account the most frequented boating destinations and the areas most devastated by Hurricane Sandy.

⁶ Motor Vehicle Commission data provided by NJDOT Office of Maritime Resources

recreational marine businesses located all over the state. The additional challenges and issues that the storm has added now place the recreational boating industry in an extremely vulnerable situation. If the waterways are not cleared in time for the 2013 boating season, the majority of the boating industry in New Jersey along with the thousands of individuals it employs will be devastated and the quality of life for all those who enjoy the state's waterways will be forever changed.

Conclusion

Spending summers on the water and enjoying all that New Jersey has to offer is a way of life for so many residents and visitors alike. The recreational boating industry and the small businesses that support it are water dependant businesses whose livelihood depends on clean, accessible and navigable waterways. The MTA/NJ strongly supports the immediate implementation of debris removal and dredging of New Jersey's waterways impacted by Hurricane Sandy.