



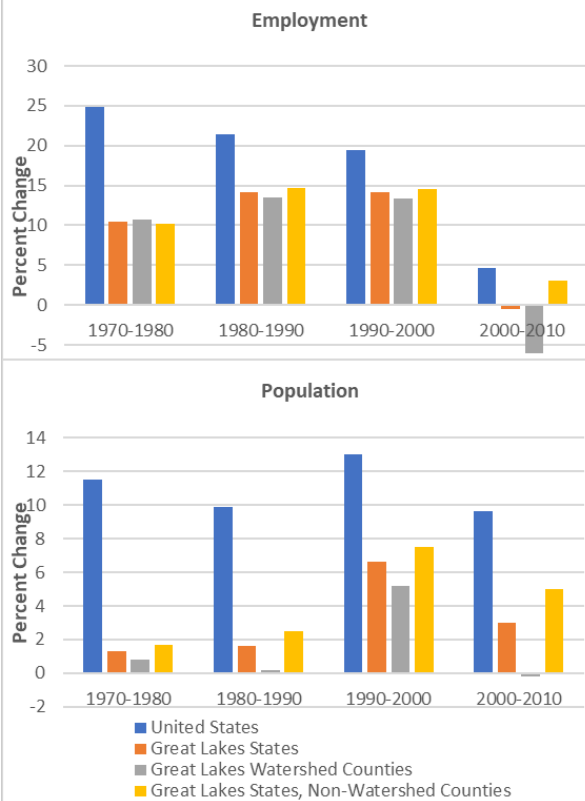
# Assessing the Investment: The Economic Impact of the Great Lakes Restoration Initiative

Matt Doss, Policy Director, Great Lakes Commission



Great Lakes Legislative Caucus ~ Chicago, IL ~ September 14, 2019

**Figure 1: Economic and Demographic Trends in the Great Lakes Region**



*The Great Lakes region lagged the United States as a whole economically and geographically between 1970 and 2010. Source: Socioeconomic Impacts of the Great Lakes Restoration Initiative (University of Michigan Research Seminar in Quantitative Economics, 2018).*

## Background/Context

- Great Lakes supported the development of the regional economy
- Great Lakes ecosystem has been compromised in the process
- Regional employment and population growth have lagged US for decades





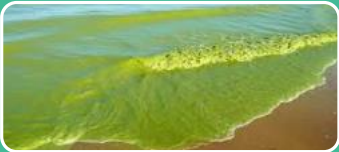
*GLRI was created to protect, enhance and restore the Great Lakes and the nation's natural infrastructure.*



Accelerated AOC cleanups



Controlled invasive species on 115,000 acres



Kept 402,000 pounds of phosphorus out of the lakes



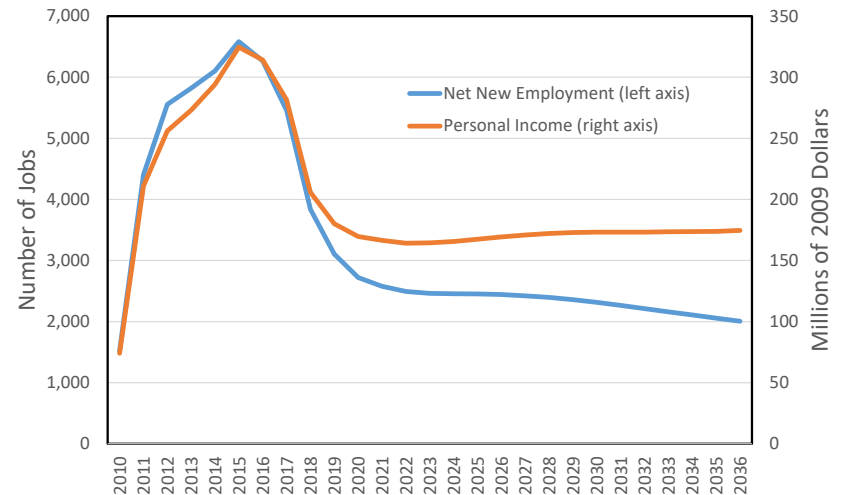
Protected 642 miles of shoreline, 17,500 acres of coastal wetlands, and 180,000 acres of habitat

*Source: EPA, Great Lakes Restoration Initiative Report to Congress and the President, FY2016 (August 2017), available at <https://www.glri.us/>.*

# Preliminary Analysis

From 2010 to 2016, GLRI

- Created 1000s of jobs
- Increased personal income (\$250 million per year)
- Attracted or retained residents (including millennials)



Stakeholder interviews:

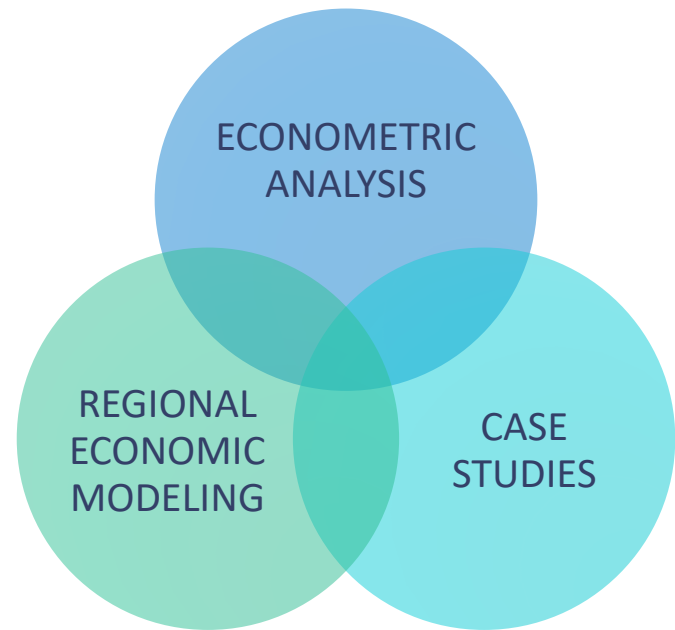
- GLRI is a “catalyst”
- Communities have greater appreciation of water resources
- “Rust belt” communities have deeper perceptions of “community” and more optimism
- GLRI helped tackle problems previously believed insurmountable
- GLRI generated growth in the tourism sector (esp. water-based tourism)

# Methodology

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## INTEGRATED STUDY APPROACH

- Evaluate historic impacts 2010-16
- Project future impacts through 2036
- Illustrate regionwide impacts in specific Great Lakes communities



# Case study locations

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# Economics Research Team

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## Regional Economic Modeling



Gabe Ehrlich



Mike McWilliams



Don Grimes



Research Seminar in Quantitative Economics (RSQE)

# Expert Panel of Economists

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Patrick Barkey,  
University of  
Montana



Nicholas Burger,  
Rand Corporation



Colby Lancelin,  
Atlanta Regional  
Commission



Robert Litan,  
Georgetown  
University



Bryce Ward,  
University of  
Montana



# Case Study Team

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Nina Ignaczak  
Issue Media Group



Patrick Dunn  
Model D Media

# Advisory Panel

John Austin, Director, Michigan Economic Center

Jade Davis, Vice President, External Affairs, Port of Cleveland

John Dickert, President and CEO, Great Lakes and St. Lawrence Cities Initiative

Steve Fisher, Executive Director, American Great Lakes Ports Association

Kim Foreman, Executive Director, Environmental Health Watch

George Heartwell, former Mayor of Grand Rapids, MI

Mic Isham, Executive Administrator Designate, Great Lakes Indian and Fish Wildlife Commission

Kim Marotta, Director of Sustainability, MolsonCoors

Cara Matteliano, VP, Community Impact, Community Foundation of Greater Buffalo

Matt McKenna, Northeast-Midwest Institute

Stefan Schaffer, Office of Mayor Rahm Emanuel, City of Chicago

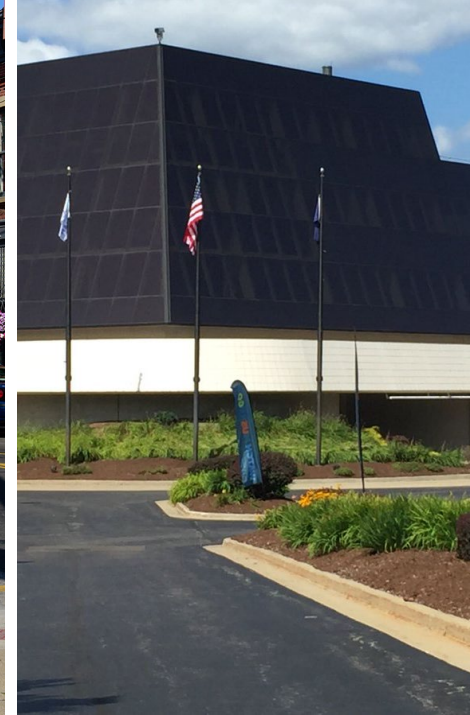
Bill Steers, General Manager, Communications & Corporate Responsibility, ArcelorMittal

# Study Results

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# Economic Impacts

- *Every dollar spent on GLRI projects between 2010 and 2016 will generate a total of \$3.35 of additional economic activity through 2036.*
- Erie, PA: New Harbor Place development (\$150M)
- Muskegon, MI: \$47 million in waterfront development; new corporate HQ for kayak company (\$9 million, 150 jobs)
- Ashtabula, OH: 27 new businesses in Harbor business district





## Economic Impacts

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- *In certain case study communities, the longer-term impact will be even greater: every dollar of federal GLRI spending from 2010-2016 will produce more than \$4 of additional economic activity through 2036.*
  - Buffalo, NY: Canalside (\$\$ multimillion)
  - Detroit, MI: Developers have invested nearly \$400 million in new waterfront developments and improvements to existing ones

# Economic Impacts

- *For every dollar spent on GLRI projects from 2010 to 2016, additional tourism activity generated by the GLRI will increase regional economic output by \$1.62 from 2010–2036. This is nearly half of the total increase in economic output documented by the study.*
- Ashtabula, OH: Pleasure boat registrations up 42% 2008 to 2017
- Sheboygan, WI: Visitor spending up 32% 2010 to 2016
- Muskegon, MI: Pearl Mist cruise ship now stopping, \$50,000 in direct spend in one cruise season





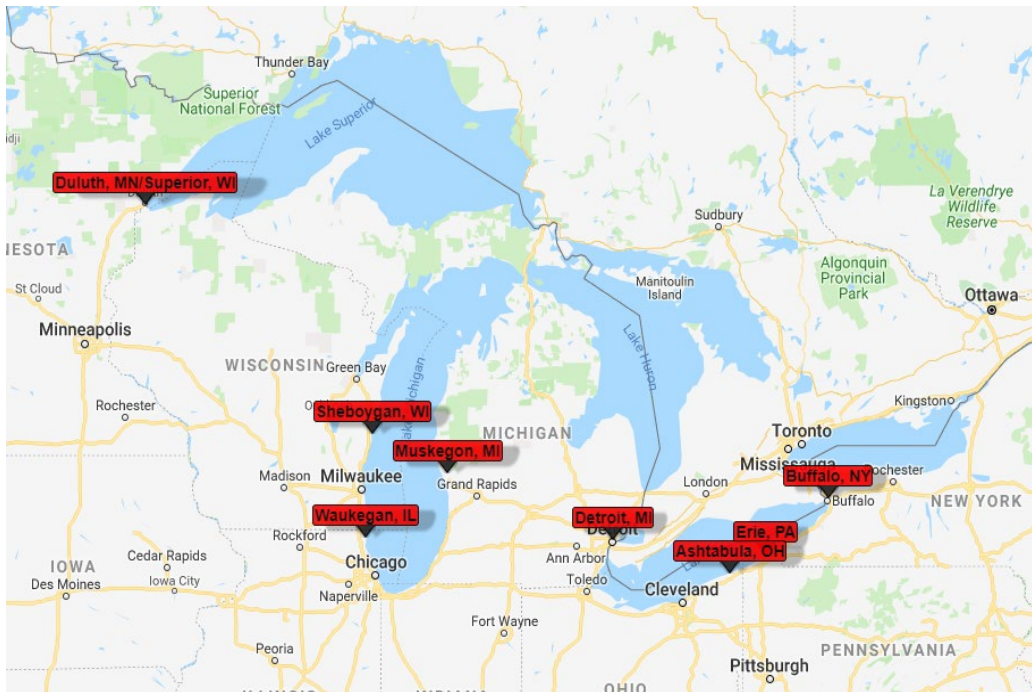
## Economic Impacts

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- ***Every dollar of GLRI spending from 2010–2016 increased local house values by \$1.08, suggesting that GLRI projects provided amenities that were valuable to local residents and improved the region’s quality of life.***
  - Detroit, MI: >\$100M in new residential on the river since 2013
  - Duluth, MN: \$38M new mixed use residential opened in 2017
  - Buffalo, NY: Former shipping facility redeveloped into apartments that opened in 2017 (\$18M)

# Case Studies

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- New real estate and commercial development
- More traditional recreation and a “new tourism”
- More tourist visits and more tourism revenues
- Improved quality of life -- new residential housing, more millennials, lake access used as a recruiting tool



# Advancing the Great Lakes Blue Economy: Thought Leaders Workshop

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The Blue Economy: the ways water, water stewardship, access to water, water education and innovation contribute to jobs, businesses and new economic activity.

Workshop Purpose:

- Assess the state of knowledge of the Great Lakes Blue Economy
- Identify gaps, unmet needs and key areas of activity needed to better understand and advance the Great Lakes Blue Economy
- Recommend building blocks to accelerate water-related economic activities in the Great Lakes Region

# Advancing the Great Lakes Blue Economy: Thought Leaders Workshop

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Framing paper authored by John Austin, Director, Michigan Economic Center and Nonresident Senior Fellow, Brookings Institution and Chicago Council on Global Affairs

Outlines five “domains” that water and water innovation contribute to economic activity and growth:

- Water as a resource and conduit for commerce: shipping, ports and commercial fishing
- Big water users: agriculture, manufacturing, energy and beverage industries
- Smart water businesses: emerging water products and services
- Blue centers of water education, research and innovation
- Blue places: water cleanup, placemaking, lifestyle, tourism and recreation

# Advancing the Great Lakes Blue Economy: Thought Leaders Workshop

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Common themes from the workshop discussions:

- The Blue Economy depends on sustaining Great Lakes water quality and funding water infrastructure renewal and development.
- Current information creation and marketing efforts are fragmented and ineffective.
- The region needs to attract and grow “Blue Economy” talent to support this economy.
- We need to address negative perceptions about the region, particularly perceptions from outside the region; this is critical to talent attraction.

# An Action Plan for Growing the Great Lakes Blue Economy

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## Foundations for the Great Lakes Blue Economy:

- Maintain water quality and environmental health by addressing current and emerging challenges
- Modernize and maintain water infrastructure (“fix the Flints”)
- Promote community-driven actions to protect water quality, revitalize waterfront areas and grow the Blue Economy
- Attract and retain the best talent, strengthen the talent pipeline and grow the population
- Ensure equity, inclusion and access to water resources and amenities, particularly for historically disadvantaged communities

# An Action Plan for Growing the Great Lakes Blue Economy

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Thematic “buckets” for recommended actions:

- Regional vision and collective governance
- Public engagement, education awareness and support
- Regional leadership in water technology, innovation and education
- Market and showcase the Great Lakes region and its freshwater assets
- Science, data and information, and economic research to inform decision-making.

# Project Team

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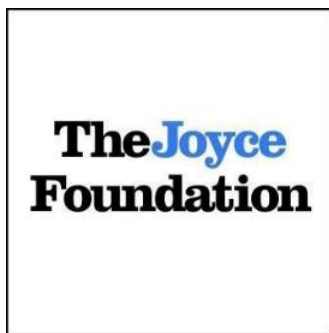


**National Wildlife Federation**



# Funding Organizations

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Fred A. and Barbara M.  
Erb Family Foundation





Thank you!