



For Immediate Release
June 8, 2009

Contact: Lou Cafiero, NMSF
240-205-0400
Judith Kildow, NOEP
831-402-5153

New Report Shows Ocean Resources and Coastal Communities Are Vital to Overall U.S. Economy yet Climate Change Poses Major Threat

Washington, DC—The results of the first independent report on the ocean and the U.S. economy released today by the National Ocean Economic Program (NOEP) during Capitol Hill Ocean Week, shows that in 2007, four in five Americans lived in coastal states, generating 83% of the nation's economic output and contributing \$11.4 trillion to the national gross domestic product (GDP).

The report highlights the enormous overall value of the ocean and our nation's coasts and the critical role these areas play in America's economic health and well being. The report also shows that these areas, which have been hit hard by the recession, are also under considerable future risk due to the effects of climate change, ocean acidification, and sea-level rise.

"Our nation's economic recovery and stability depends on how we deal with the issue of climate change and what we do to protect valuable natural assets that serve to support the people and communities that live along our ocean and coastal areas as well as the entire nation," said Dr. Judith T. Kildow, Director of the NOEP.

Representative Sam Farr (D) of California said, "This report is a wake-up call for the Federal Government. If we don't adequately address issues that affect ocean and coastal communities now and invest in protecting our natural resources, our economy is headed for more serious problems in the future."

For the past ten years, NOEP has compiled time-series data that track economic activities, demographics, natural resource production, non-market values, and federal expenditures in the U.S. coastal zone both on land and in the water. The report highlights these data. Two economies were measured: the ocean economy, which includes all ocean-dependent activities in coastal states; and the coastal economy, which includes all economic activity in coastal states, with geographies such as zip codes, counties and watersheds. Non-market values for goods and services not traded in the market place are included for purposes of understanding the often underestimated values of our natural resources.

Key findings from the report include:

- In 2007, four in five Americans lived in coastal states and generated 83% of the nation's output. The thirty coastal states had 245.5 million people, employed 107.5 million people, and contributed \$11.4 trillion to the national gross domestic product (GDP).
- Counties that border the oceans and Great Lakes, where the real concentration of U.S. economic activity occurs, had 108.3 million people, 48.6 million jobs, and contributed \$5.7 trillion to the U.S. economy. With only 18% of U.S. land area, these counties accounted for 36% of population and 42% of the national economic output in 2007.

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- More than three-quarters of U.S. growth between 1997 and 2007 was in coastal states, whether measured by population, employment, or GDP.
- Coastal tourism & recreation dominated employment in the ocean economy sectors with 1.7 million jobs or 75% of ocean economy employment; marine transportation had the second largest GDP, with \$27.6 billion, 20% of the ocean economy.=
- Between 1970 and 2006, federal expenditures on oceans and coasts as a percent of the federal budget, decreased 57% from .06% to .03% or from \$7.9 billion to \$6.1 billion.
- In 2008, the federal government spent \$9.5 billion or .03% of the federal budget for civilian programs on oceans, coasts, and Great Lakes programs.
- Ocean and coastal economies are being affected now by the current economic recession, but the future will bring more significant environmental changes to the ocean and coasts, such as sea level rise, oxygen depletion, and ocean acidification, which are all driven by greenhouse gas emissions.
- Almost all ocean economy sectors will be negatively affected in the next few years, but marine construction, tourism & recreation, and perhaps marine minerals will provide some stability, as well as the ship building industry (primarily serving the Navy), either because of their inherent cyclical characteristics or because they will be supported by federal fiscal policy. At the same time, the non-market values of visits to coastal recreational and scenic amenities will likely grow as more people find the low cost of visiting the coasts and shorelines an attractive opportunity.
- The nation's ocean and coastal resources annually provide non-market value of over \$100 billion, which will grow as more people find the low cost of shoreline visits an attractive option.
- The next thirty years may bring the most significant changes to the ocean and coastal economies since the arrival of industrialization and rapid urbanization in the late 19th century.

NOEP provides a full range of the most current economic and socio-economic information available on changes and trends along the U.S. coast and in coastal waters. The program has been supported primarily by the Coastal Services Center of National Oceanic and Atmospheric Administration (NOAA) and by other federal, state, university, and private grants and contracts, including the National Marine Sanctuary Foundation. Visit NOEP at www.oceaneconomics.org.

The National Marine Sanctuary Foundation, co-sponsor of the 2009 NOEP report, is the private, non-profit partner to NOAA's Office of National Marine Sanctuaries. The Foundation supports efforts to educate and motivate people on ways they can help preserve, protect and promote our nationwide network of marine sanctuaries. The 14 sites within the National Marine Sanctuary System encompass more than 150,000 square miles of special protected places in the ocean and Great Lakes, from the Florida Keys to the Hawaiian Islands and from Lake Huron to the Gulf of Mexico. For more information, visit www.nmsfocean.org.

For a full PDF copy and appendices of the NOEP 2009 report and summary, visit www.OceanEconomics.org/nationalreport.

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