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NOAA Economists Filling in Picture of Marine Recreational Fishing Value in the Northeast

A new NOAA Fisheries Service study on the for-hire marine recreational fishing business in the Northeast provides the most comprehensive picture to date of its economic value and importance in the region.

In 2010, Northeast for-hire vessels made \$140.3 million in gross revenues, provided \$50.4 million in income to vessel owners, hired captains, crew/mates, and office staff, and directly employed more than 3,200 individuals. When multiplier effects of supporting businesses are included, these operations generated \$334.0 million in sales, \$116.9 million in income, and supported 4,500 jobs in the Northeast regional economy.

“The study gives us a sense of the connection between for-hire businesses and other supporting businesses in the regional economy,” said NOAA Fisheries Service economist Scott Steinback, one of the study’s authors. “This will also help us understand how changes in fishing regulations, angler demand, and economic conditions affect business practices and the financial health of both for-hire businesses and those that they indirectly affect,” he said.

The study, “The Economics of the Recreational For-Hire Fishing Industry in the Northeast U.S.,” can be viewed and downloaded here: <http://www.nefsc.noaa.gov/publications/crd/crd1303/>

In the study, “for-hire” vessels included both charter boats (permitted to carry up to 6 passengers) and head boats (permitted to carry more than 6 passengers.) Information on each category is compared separately as operational and cost differences between the operations were significant. Results are aggregated for the year, and are not broken down by state or species sought.

To complete the analysis, Steinback and his NOAA colleague Ayeisha Brinson used data collected during January through July 2011 from 295 owners on the operation of 332 vessels located from Maine to North Carolina. Owners responded by mail, telephone, and in person, providing information on their vessels, trips and fees, annual costs and revenues, and business structure, as well as demographic information.

The survey results suggest that overall financial condition of the for-hire fishing fleet in the Northeast is relatively strong, but that the financial characteristics vary considerably across operations. The study also reports on characteristics of for-hire vessels, operations, owners, fishing trips, costs, and earnings.

The researchers developed a model that they used to estimate the economic activity that for-hire businesses contribute to the Northeast’s economy as a whole, measured by total employment, labor income, and sales. Service, wholesale and retail trade, and manufacturing businesses are the types most dependent on the Northeast’s for-hire fleet.

Steinback said he hopes to replicate this study to assess changes over time. “Studies such as these will help us provide sound evaluation of the financial conditions of for-hire vessel owners in the Northeast.”

Steinback is one of several social scientists at NOAA Northeast Fisheries Science Center working to provide a clearer idea of the economic benefits and impacts of recreational fishing to society and how those benefits and impacts change when policies or fishing quality changes. The center’s social scientists work with other regions and with NMFS headquarters staff to enhance data collection efforts and provide new analyses that meet recreational fishery management needs.