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New study shows beaches are a key driver of U.S. economy

Healthy beaches mean a healthy tourist economy for this country, but the lack of investment in both our coastal infrastructure and international marketing of our coastal assets is undermining the U.S.'s position as a vacation destination around the world. This little-known correlation can have serious economic consequences for our national economy, according to an article in the most recent issue of *Shore & Beach* magazine.

"Travel and tourism is America's leading industry, employer and earner of foreign exchange; and beaches are America's leading tourist destination," according to author James R. Houston, Ph.D. But "few Americans realize that beaches are a key driver of America's economy and support U.S. competitiveness in a world economy."

"Perhaps Americans do not appreciate the importance of tourism to the national economy because 98 percent of the 1.4-million tourism-related businesses in the United States are classified as small businesses, and this makes the industry extremely fragmented. Lacking national advertising from either this fragmented industry or a national travel office, the importance of travel and tourism to the national economy has not been communicated to the American people."

Houston concludes: "Without a paradigm shift in attitudes toward the economic significance of travel and tourism and necessary infrastructure investment to maintain and restore beaches, the U.S. will relinquish a dominant worldwide lead in its most important industry."

This article is an update of prior research Houston undertook in 1995 and 2002. In the 2008 findings Houston, director of research and development for the U.S. Army Corps of Engineers, presents the following facts:

- Travel and tourism is the world's and America's largest employer, with one of every 10 Americans employed in the field.
- International tourists, who represent up to 15% of the U.S. tourism industry, produced estimated tax revenues of \$13.6 billion for this country in 2006 alone -- continuing to be one of the few bright spots in the country's long-term international trade imbalance.
- Coastal states receive about 85% of the tourist-related revenues in the U.S. It's estimated that some 180 million Americans annually make 2 billion visits to ocean, gulf and inland beaches -- more than twice as many visitors that go to all the National Park Service properties during the same period.
- It's estimated that U.S. beaches contribute more than \$320 billion annually to the national economy -- more than 25 times what national parks bring in. However, the federal contribution to help maintain and management U.S. beaches amounts to less than 4% of the \$2.65 billion annual budget for the park service.
- Beach erosion is the No. 1 concern beach tourists have about beaches. And in areas where eroded beaches have been restored, tourist visits and revenues increase. At Miami Beach,

following its successful beach restoration in the late 1970s beach visits jumped 162% and the annual contribution of tourism to the local economy rose to \$11 billion -- with almost \$5 billion of that coming from international tourists.

- Beaches offer the federal government an incredible return on investment. For every \$1 invested annually, Washington receives \$320 in tax revenues from beach tourists. Conversely, however, should beaches decline the tourism revenue they generate would also slump, having a serious impact on both state and federal coffers to the tune of billions of dollars each year.
- The infrastructure deficit that's been rising in the national debate needs to encompass beaches as well -- because our overseas tourism competitors are putting their financial resources into their coastlines. Germany has spent almost five times what the U.S. to protect its coasts over the past 40 years -- for a shoreline that's less than 5% the length of the U.S. coast. Japan's budget for shore protection in a single year topped what the U.S. spent in the past 40 years -- and Spain, a major competitor for beach tourism, has spent more than that in a five-year plan to restore and renew its coastline.
- The U.S. currently has no nationally-funded tourism advertising while countries such as Australia, Canada, France, Greece, Singapore and Spain each spend \$100 million or more annually on international marketing. Similarly, if U.S. beaches decline in quality, international tourists have numerous, more convenient choices in countries eagerly marketing their coastlines as vacation options.
- There is a world economy in tourism that gives consumers ample choices and produces stiff worldwide competition. America's share of the global inbound tourism market has dropped 35 percent since 1993; the U.S. has lost 18% of its international market share in just five years. The significant drop in international tourists has cost the American economy \$286 billion in the last 13 years including \$44 billion in 2005.

Houston's article appeared in the Summer 2008 issue of *Shore & Beach* magazine, a peer-reviewed technical journal published quarterly since 1933 by the American Shore & Beach Preservation Association (ASBPA), the country's leading advocate for sound coastal science, technology and policy.

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ABOUT ASBPA: Founded in 1926, the American Shore and Beach Preservation Association (ASBPA) represents the scientific, technical and political interests along the coast in an effort to shape national research and policy concerning shore and beach management and restoration. ASBPA strives to engage in a factual debate on coastal issues and economics that will foster sound, far-sighted and economical development and preservation of our beaches; thereby aiding in placing their beliefs within the reach of the largest possible number of people in accordance with the ideals of a democratic nation. For additional information about ASBPA, visit www.asbpa.org.

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