



Center for Business Research

Economic Impact Report:



South Carolina
Aquarium

Charleston Region / State of South Carolina

Conducted by:

Center for Business Research
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Charleston Metro
Chamber of Commerce

The Economic Impact of the South Carolina Aquarium on the Charleston Region and State of South Carolina

Executive Summary

The Maryland-based Association of Zoos and Aquariums (aza.org) reported in 2018 that there are more than 200 accredited zoos and aquariums in the United States caring for more than 800,000 animals and 6,000 species.

These organizations spend more than \$220 million each year on conservation projects across the country, support 208,000 jobs nationwide, and contribute more than \$22.5 billion to the U.S. economy.

In Charleston, the South Carolina Aquarium helps foster these conservation efforts through education, research and community engagement, and has as part of its core mission a commitment to the conservation of water, wildlife and the natural environment around us. In doing so, the Aquarium also bolsters the local *economic* environment -- to the tune of **\$33 million in fiscal year 2017 in the Charleston Metro Area and more than \$35 million statewide.**

Summary of the South Carolina Aquarium's Economic Impact	Operations	Capital Investment	Total Impact FY 2017
Charleston Metro Area			
Jobs Impact	253	43	296
Economic Impact	\$27,364,744	\$5,989,932	\$33,354,676
South Carolina			
Jobs Impact	268	45	313
Economic Impact	\$29,579,045	\$6,235,136	\$35,814,181

This is **nearly double** the economic impact measured both locally and statewide in a similar study in 2013 (\$17.1 million locally and \$19.2 million statewide).

Further, when visitors' spending is considered, the economic effect swells to the \$283 million mark. This includes \$190 million in direct spending by more than 239,000 people who do not live in the Charleston Metro Area but who traveled here and patronized the South Carolina Aquarium in FY 2017.

Impact of 2017 Visitor Spending:	Charleston Metro Area
# of SC Aquarium patrons residing outside ZIP prefix 294	239,593
Direct spending by non-resident guests to SC Aquarium	\$190,452,069
Total Jobs Impact of Visitor Spending	3,357
Total Economic Impact of Visitor Spending	\$283,164,853

This visitor spending impact in the Charleston Metro Area related to the South Carolina Aquarium increased by approximately \$40 million from that in the aforementioned 2013 study. While the number of out-of-town patrons was roughly the same in both years, per-day visitor spending was 12% higher in the 2018 study compared to the 2013 analysis.

While data are not available to estimate the portion of these guests who traveled to the Charleston Metro Area *primarily* to visit the Aquarium (the most precise measure of visitor spending impact), the levels of spending and jobs supported by these 239,000 out-of-town visitors demonstrate the significance of the South Carolina Aquarium in the Charleston area economy. It is also important to note that 13,623 of these out-of-town visitors have invested in memberships with the South Carolina Aquarium.

Background

The South Carolina Aquarium opened for business in Charleston in May 2000 and has a mission to inspire conservation of the natural world by exhibiting and caring for animals, by excelling in education and research, and by providing an exceptional visitor experience.

Located on the waterfront of the historic downtown peninsula, the facility houses exhibits from all over South Carolina, from the Atlantic coast to the mountains in the upper part of the state. The facility is home to thousands of plants and animals, from river otters and rattlesnakes, to loggerhead sea turtles and sharks, plus much more. The recent grand opening of a state-of-the-art sea turtle rehabilitation center has added capacity not only to conservation efforts, but also the Aquarium's ability to educate the public and advocate for policy that benefits everyone's natural environment.

In addition to its cultural, environmental and social impact, the economic impact of the South Carolina Aquarium is significant to the Charleston region -- not only in terms of its operations, including local expenditures and payroll dollars to employees, but also in terms of the dollars it captures for the local economy from out-of-town travelers who visit the attraction. According to the latest counts, the Aquarium hosts nearly 475,000 guests annually, who come from all 50 states in the United States, plus other countries such as Australia, Canada, England, France, Germany, Italy, Japan, Korea, Mexico and Taiwan.

This report details the economic impact by industry sector in the Charleston Metro Area and statewide of the Aquarium's operations and capital expenditures in 2017, as well as estimates of the impact of spending by out-of-town visitors who patronize the Aquarium.

These estimates were calculated by the Center for Business Research at the Charleston Metro Chamber of Commerce, using the IMPLAN model customized for South Carolina and the Charleston region (www.implan.com).

Detailed Results

Annual Impact of Operations

The total impact of aquarium operations in 2017 was \$27 million within the Charleston Metro Area and nearly \$30 million statewide. The approximately \$10 million in normal operational spending by the South Carolina Aquarium resulted in millions of dollars in additional commerce as the dollars ripple through the economy, spurring additional business-to-business and consumer spending (see Methodology section later in this report for a more detailed explanation). This economic activity supports 268 jobs across the state in every sector as shown below.

Breakdown by Sector	Jobs Supported, Charleston Metro Area	Jobs Supported Statewide	Output by Sector, Charleston Metro	Output by Sector, Statewide
Forestry, Fishing, Agriculture and Mining	1	1	\$24,197	\$25,755
Utilities	1	1	\$638,971	\$662,191
Construction	2	2	\$341,014	\$350,983
Manufacturing	1	2	\$267,703	\$427,040
Wholesale Trade	2	2	\$409,452	\$436,700
Retail Trade	11	12	\$864,989	\$919,390
Transportation and Warehousing	8	8	\$1,011,516	\$1,035,270
Information	2	3	\$978,377	\$1,028,312
Finance and Insurance	11	19	\$2,141,519	\$3,373,194
Real Estate, Rental Services, Leasing Services	20	20	\$4,615,263	\$4,747,418
Professional, Scientific & Technical Services	12	13	\$1,673,563	\$1,845,148
Management of Companies and Enterprises	1	1	\$94,304	\$101,616
Admin. Support & Waste Mgmt & Remediation Services	14	15	\$906,897	\$958,798
Educational Services	4	4	\$220,351	\$229,085
Health Care and Social Services	8	9	\$961,799	\$1,018,760
Arts, Entertainment and Recreation	131	131	\$9,577,188	\$9,588,249
Accommodations and Food Services	13	14	\$950,683	\$999,303
Other Services (excluding Government)	7	8	\$491,312	\$563,063
Government/Public Administration	4	5	\$1,195,647	\$1,268,769
Total Sectors	253	268	\$27,364,744	\$29,579,045

Impact of 2017 Capital Investment

In addition to normal operations, the South Carolina Aquarium had nearly \$3.9 million in capital expenditures in 2017. Because these capital expenditures are not part of a typical year of operations, they were evaluated separately in this impact analysis as more of a one-time impact for the year. The extra local spending during the year caused an additional economic 'ripple effect' of more than \$2 million, for a total economic impact of nearly \$6 million and 43 additional jobs supported in the Charleston Metro Area. Some of this effect spread outside the Charleston area to South Carolina's economy as well.

Breakdown by Sector	Jobs Supported, Charleston Metro Area	Jobs Supported Statewide	Output by Sector, Charleston Metro Area	Output by Sector, Statewide
Forestry, Fishing, Agriculture and Mining	0	0	\$4,663	\$19,329
Utilities	0	0	\$33,982	\$47,067
Construction	29	29	\$3,898,332	\$3,897,800
Manufacturing	0.4	0.8	\$124,652	\$264,209
Wholesale Trade	1	1	\$189,765	\$215,568
Retail Trade	2	3	\$163,304	\$253,345
Transportation and Warehousing	1	1	\$118,874	\$107,807
Information	0.2	0.2	\$118,678	\$105,672
Finance and Insurance	1	1	\$141,070	\$168,123
Real Estate, Rental Services, Leasing Services	1	1	\$417,327	\$400,928
Professional, Scientific & Technical Services	1	1.4	\$204,504	\$189,057
Management of Companies and Enterprises	0	0	\$17,748	\$20,795
Admin. Support & Waste Mgmt & Remediation Services	1	1	\$79,788	\$95,514
Educational Services	0	0.2	\$17,766	\$17,759
Health Care and Social Services	2	2	\$186,351	\$174,502
Arts, Entertainment and Recreation	0.4	0.4	\$31,182	\$24,474
Accommodations and Food Services	2	2	\$105,573	\$100,213
Other Services (excluding Government)	1	1	\$78,878	\$90,160
Government/Public Administration	0	0	\$57,495	\$42,815
Total Sectors	43	45	\$5,989,932	\$6,235,136

Impact of Visitor Spending

The impact of the Aquarium extends beyond its operations and capital investment spending alone and also includes “new money” that flows into the region in the form of trip expenditures occurring locally by visitors to the Charleston area who patronize the Aquarium. To measure this impact accurately, data on travelers who came to the Charleston area *primarily* to visit the Aquarium would be necessary. In the absence of this information, the following estimation attempts to demonstrate the significance of visitor spending for the Charleston region, specifically relative to the South Carolina Aquarium.

Based on the average expenditures of out-of-town visitors according to local studies commissioned by the Charleston Area Convention and Visitors’ Bureau (\$217 per person per day), the **impact in the Charleston region** of spending by more than 239,000 **visitors** who patronized the Aquarium during their trip was **more than \$283 million**. This spending supports **more than 3,300 jobs** in Berkeley, Charleston and Dorchester Counties, which make up **the Charleston Metro Area**.

It is important to note that 13,623 of these out-of-town visitors have invested in memberships with the South Carolina Aquarium.

Breakdown by Sectors	Jobs Supported, Charleston Metro Area	Output by Sector, Charleston Metro Area
Forestry, Fishing, Agriculture and Mining	4	\$172,247
Utilities	3	\$3,556,371
Construction	18	\$2,937,398
Manufacturing	4	\$1,438,589
Wholesale Trade	21	\$4,452,968
Retail Trade	687	\$29,619,837
Transportation and Warehousing	194	\$14,983,467
Information	19	\$8,174,561
Finance and Insurance	44	\$9,450,628
Real Estate, Rental Services, Leasing Services	90	\$27,223,931
Professional, Scientific and Technical Services	70	\$9,224,354
Management of Companies and Enterprises	15	\$2,679,921
Admin. Support & Waste Mgmt & Remediation Services	114	\$7,417,012
Educational Services	16	\$908,165
Health Care and Social Assistance	77	\$8,471,195
Arts, Entertainment and Recreation	371	\$20,108,730
Accommodations and Food Services	1,521	\$122,562,266
Other Services (excluding Government)	63	\$4,576,734
State and Local Government Enterprises	24	\$5,206,480
Total Sectors	3,357	\$283,164,853

Methodology

Using 2017 fiscal year data from the South Carolina Aquarium along with the IMPLAN model customized for South Carolina and the Charleston region, the Charleston Metro Chamber of Commerce's Center for Business Research was able to estimate the facility's impact within the three-county metropolitan area as well as statewide. The same methodology was used by the CBR in the aforementioned 2013 study.

To accurately measure the total economic impact of any entity or event, any "leakage" of dollars or expenditures outside the geographical area for which the impact is being measured must be taken into account. The resulting impact or "output" is the total net value of *direct* economic contribution of an entity or occurrence in a geographic location in terms of the value of goods and services produced in a given time period, plus the *indirect* and *induced* value of goods and services demanded by that region's economy as those *direct* expenditures "turn over" in a region.

For example, Company A pays wages to its employees who in turn, use those wages to pay for housing, food, entertainment, auto repair services, etc. within the region. A portion of those wages spent for rent/mortgages, at grocery stores and restaurants, at entertainment venues and at auto repair shops, in this example, then go toward paying those establishments' employee wages as well as other company expenditures, and the dollars continue to "turn over" this way within the region's economy until leakage occurs—i.e. the dollars are eventually spent outside the region during travel, catalog purchases, etc. Similarly, Company A may incur other local spending besides its own payroll such as at local office supply stores, caterers, accounting firms, etc. Company A's spending translates into more local demand (spending) as those dollars "turn over" in the local economy or are used to pay for wages and operational expenditures at other local firms. The sum of these effects prior to leakage include the *direct* spending plus the *indirect* and *induced* spending, or total output of the economic event being examined.

In this case, the input-output model used takes the local direct spending by the South Carolina Aquarium organization and calculates total demand created minus that which must be supplied from outside the region (i.e. the leakage). Impact estimates were calculated using the IMPLAN model customized for the Charleston region. Further, direct spending by the Aquarium organization within South Carolina but outside the three-county Charleston region was used as inputs for the model to estimate the impact of this spending across the state but outside the MSA. The two results were then aggregated for a statewide impact of the organization's operations.

To estimate the impact of visitor spending by those Charleston area visitors who are guests of the Aquarium during their trip, expenditure data from recent Charleston Area Convention and Visitors Bureau (CACVB) visitor industry studies as well as statistics from the SC Aquarium's own research were used. This impact is not aggregated into the operational impact since it is representational and not a precise measure of the impact of the "new money" area visitors bring to the Charleston MSA specifically relative to the Aquarium's presence in the region.

Huntersville, N.C.-based IMPLAN's impact modeling system is currently used by more than 2,000 private and public entities, and thus is the most widely employed and accepted regional economic analysis software for predicting economic impacts (www.implan.com).

The Center for Business Research

The Center for Business Research, founded in 1990 as a department of the Charleston Metro Chamber of Commerce, compiles, analyzes and distributes economic information on the Charleston region (Berkeley, Charleston and Dorchester counties) of South Carolina. Conducting both primary and secondary research, the CBR is a resource for unbiased statistics in the business and economic arena. The work of the CBR has been recognized nationally through numerous awards and presentations. For more information, please contact the Center for Business Research at the Charleston Metro Chamber of Commerce at (843) 577-2510.

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