



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

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Background

The South Carolina Aquarium opened for business in Charleston SC in May 2000 and has a mission focus of conservation, education and research, plus delivery of an unrivaled “visitor experience” to those who step inside the facility. The 93,000 square foot facility houses more than 100 exhibits from all over South Carolina representing five geographic zones from the coast to the mountains in the upper part of the state.

The Aquarium employs 71 full time and 12 part time employees plus nearly 400 volunteers that contribute more than 42,000 hours towards the organization’s mission, the equivalent of 20 full-time positions.

The economic impact of the South Carolina Aquarium is significant to the Charleston region not only in terms of its own 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.

Since opening, the Aquarium has hosted more than four million visitors, the majority of whom are from outside the Charleston area. Figures for 2007 show that more than 427,000 people visited the attraction, with 64% residing outside the Charleston MSA. Patrons have come from all 50 states in the US, plus Australia, Canada, England, France, Germany, Italy, Japan, Korea, and Taiwan.

Methodology

Using 2007 fiscal year data from the South Carolina Aquarium along with the Regional Economic Models, Inc. (REMI) Policy Insight version 9.5 impact model custom-built for the Charleston MSA, 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.

The REMI Policy Insight model may be the most accurate tool to measure the economic effects of the South Carolina Aquarium on the Charleston area due to its dynamic econometric system which arguably measures economic substitution effects more accurately than other commonly-used models (i.e., whether visitors’ and local residents’ spending there would simply be redirected to other local area attractions if the facility were to close or move outside the MSA, and whether its workforce could be absorbed by competitors or other employers in the region, or if they would leave the region to find comparable work).

To estimate the impact of the Aquarium’s operations locally, 2007 total revenues of \$6.9 million were input counterfactually within the REMI model to simulate the loss of this currently existing output from the Charleston area economy. In addition, \$270,000 in construction spending in 2007 by the Aquarium (atypical to the annual budget) was also simulated as lost output to the region.

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 itself were used.

Results

The economic impact of the SC Aquarium is estimated at \$153 million annually. The economic impact sustained a total of 2,125 jobs in the Charleston region.

Impact of Operations

The total impact of aquarium operations in 2007, including \$3.2 million in payroll and benefits was \$8.6 million, with 125 jobs sustained within the Charleston Metro Area.

Breakdown by sector:

<u>Major Sector Categories</u>	<u>Jobs By Sector</u>	<u>Output By Sector</u>
Natural Resources, Mining, Utilities, Construction	6.0	\$666,810
Manufacturing	0.4	\$150,380
Wholesale & Retail Trade	5.8	\$573,947
Transportation, Information, Financial Activities	5.9	\$1,450,170
Professional and Business Services	13.0	\$911,777
Education & Health Services	5.5	\$302,902
Leisure & Hospitality	84.1	\$4,400,379
Other Services (excl Gov)	2.2	\$140,266
<u>State & Local Gov</u>	<u>1.5</u>	<u>NA</u>
Total	124.3	\$8,596,631

Impact of Visitor Spending

The impact of the Aquarium extends beyond its operations alone and also includes “new money” that flows into the region in the form of trip expenditures made locally by visitors to the Charleston area who come to see 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 CACVB studies (\$235 per person per day), the impact in the Charleston region of spending by more than 273,300 visitors who patronized the Aquarium during their trip was more than \$145 million. This spending supports nearly 2,000 jobs in Berkeley, Charleston and Dorchester Counties.

Breakdown by sector:

<u>Major Sector Categories</u>	<u>Jobs By Sector</u>	<u>Output By Sector</u>
Natural Resources, Mining, Utilities, Construction	90	\$9,754,573
Manufacturing	6	\$2,280,376
Wholesale & Retail Trade	233	\$22,007,916
Transportation, Information, Financial Activities	113	\$25,680,116
Professional and Business Services	173	\$12,000,870
Education & Health Services	43	\$2,925,720
Leisure & Hospitality	1,237	\$66,328,360
Other Services (excl Gov)	54	\$4,371,724
<u>Government</u>	<u>25</u>	<u>NA</u>
Total	1,975	\$145,349,655

The Center for Business Research, founded in 1990 as a department of the Charleston Metro Chamber of Commerce, compiles, analyzes and distributes economic and demographic information on the Charleston, South Carolina, metropolitan area. Conducting both primary and secondary research, the CBR is a resource for unbiased statistics in the business, demographic and economic arena. The work of the CBR has been recognized nationally through numerous awards and presentations.

The Center for Business Research provides and interprets the economic information needed by the region's business, government and non-profit community, as well as users of information outside the region.

For more information, please contact the Center for Business Research at the Charleston Metro Chamber of Commerce at (843) 577-2510.