

Rhode Island Recreational Saltwater Fishing Industry Trends and Economic Impact

January 2007

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The Rhode Island Saltwater Anglers Foundation
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Ninigret | Partners

Summary of the Economic Impact of Recreational Saltwater Fishing

- Saltwater recreational fishing generates a total economic **impact of \$160 million**;
- Direct expenditures by recreational saltwater anglers total \$70 million a year, more than **\$26 million higher than** the landed value of **commercial fisheries** in RI;
- More than \$24 million in wages and **1,000 jobs** are tied directly to saltwater recreational fishing;
- Saltwater recreational fishing is the state's 8th largest tourism attraction;
- Saltwater recreational fishing is one of the most important outdoor recreational amenities for Rhode Islanders';
- Saltwater fishing is the most prevalent activity among boaters in RI;
- More than 50% of saltwater anglers in RI waters are from out-of-state;

Summary

FINDING

Recreational saltwater angling is an important contributor to the state's economy

Recreational saltwater angling is an important component of RI's tourism offering

FINDING

- Total impact is an estimated \$160 million
- Recreational saltwater angling directly generates approximately \$70 million a year in direct economic activity
- An estimated \$90 million in indirect impact is also generated
- Saltwater angling is the 8th largest tourist attraction in RI
- More than ½ of anglers are from out-of-state
- A large percentage of seasonal residents, potentially as much as ½, participate in saltwater fishing

Definition of acronyms used in this report

- ❑ RIDEM SCORP: RI Department of Environmental Management State Comprehensive Outdoor Recreation Plan
- ❑ USCG: US Coast Guard
- ❑ RISAA: RI Saltwater Anglers Association
- ❑ USFW: US Fish and Wildlife Service
- ❑ NMFS: National Marine Fisheries Service
- ❑ NSGA: National Sporting Goods Association
- ❑ ASA: American Sportsfishing Association
- ❑ NP: Ninigret Partners

Sources Consulted for this Project

Reports & Publications

- ❑ "Economic Importance of Marine Angler Expenditures in RI" – NOAA, 2004
- ❑ NSGA Sports Participation Survey, 2005
- ❑ "Sportsfishing in America" - ASA, 2002
- ❑ "2001 National Survey of Fishing, Hunting, and Wildlife Associated Recreation" – USFW, 2001
- ❑ "2002 National Recreational Boating Survey State Data Report" – USCG, 2003
- ❑ "Public Access to Shoreline Recreational Fishing in Narragansett Bay" – RIDEM, 2005
- ❑ "Economics of Recreational and Commercial Striped Bass Fishing" – Stripers Forever, 2005
- ❑ "RI Travel and Tourism Report" – URI Office of Travel, Tourism and Recreation, 2005
- ❑ "2005 Recreational Boating Abstract" – National Marine Manufacturers Association, 2005
- ❑ "Outdoor Recreation Demand Citizen Survey" – RIDEM, 2003

Other Sources

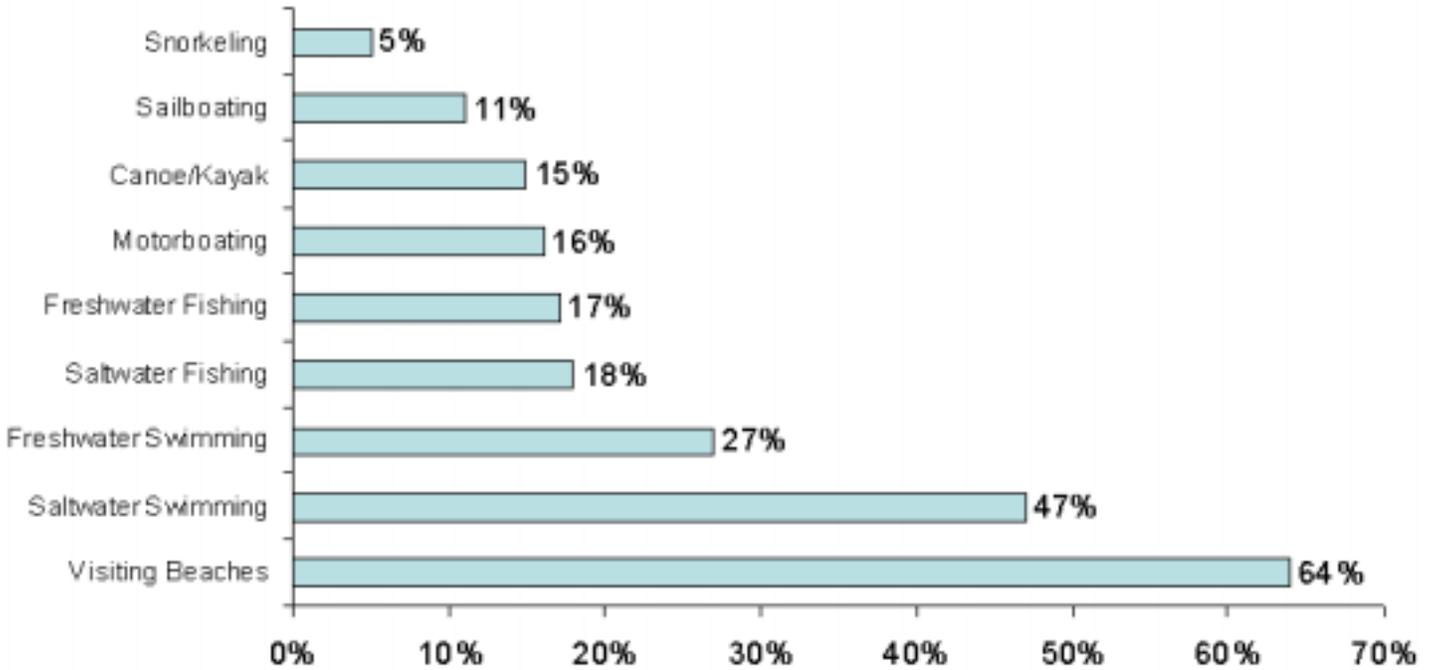
- ❑ Dun and Bradstreet Industry Reports
- ❑ RI Department of Employment & Training, ES202 wage and employment data
- ❑ RI State Budget Office, Sales & Hotel Tax Collections
- ❑ Claritas Retail Sales database
- Primary Research*
- ❑ 2 Fishing distributor interviews
- ❑ 5 Bait and Tackle shop interviews
- ❑ 2 sporting good store managers
- ❑ 2 Fishing Charter captain interviews
- ❑ 2 Marina operator interviews
- ❑ Web and Mail Survey of Charter Boat Captains (14 responses)
- ❑ Intercept Survey of Anglers (268 interviews)

Note: Due to the proprietary nature of some of the information presented, the specific participants are kept confidential at their request

Rhode Island Industry Trends

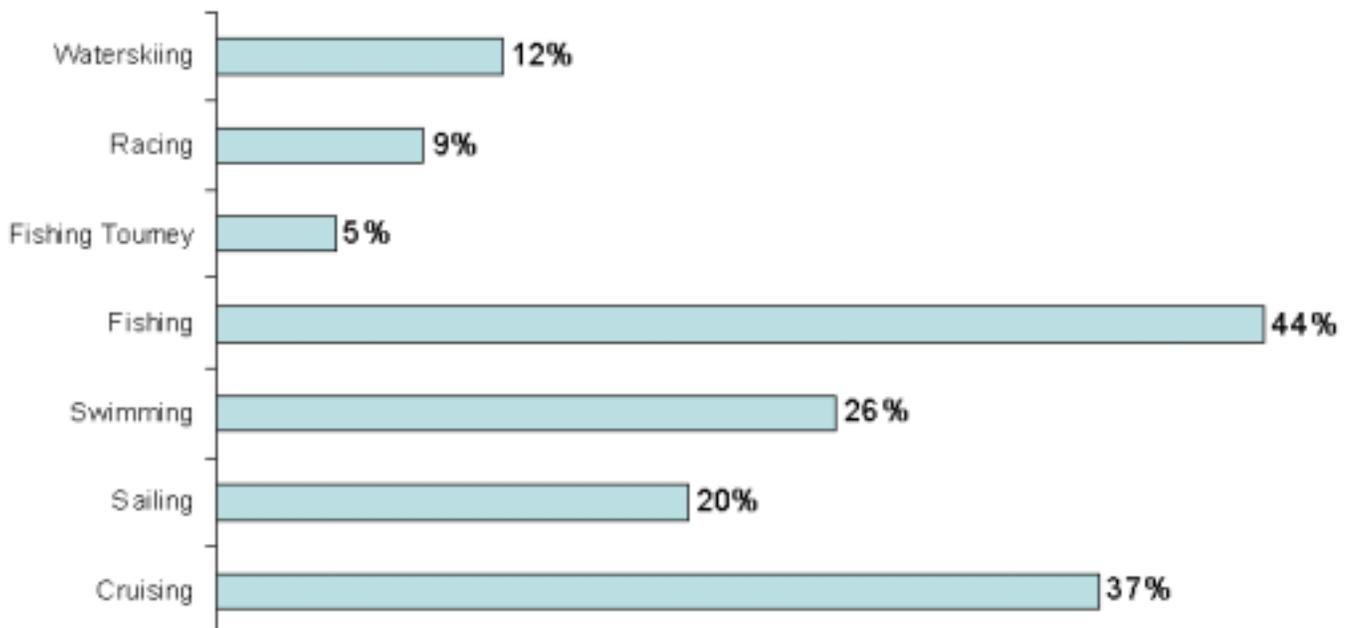
Saltwater fishing is a significant source of recreation for a large percentage of RI'ers...

RI Water-Based Recreation Participation



... And may even be larger since it is the dominant activity for boaters in RI waters

Activities Occurring While Boating in RI

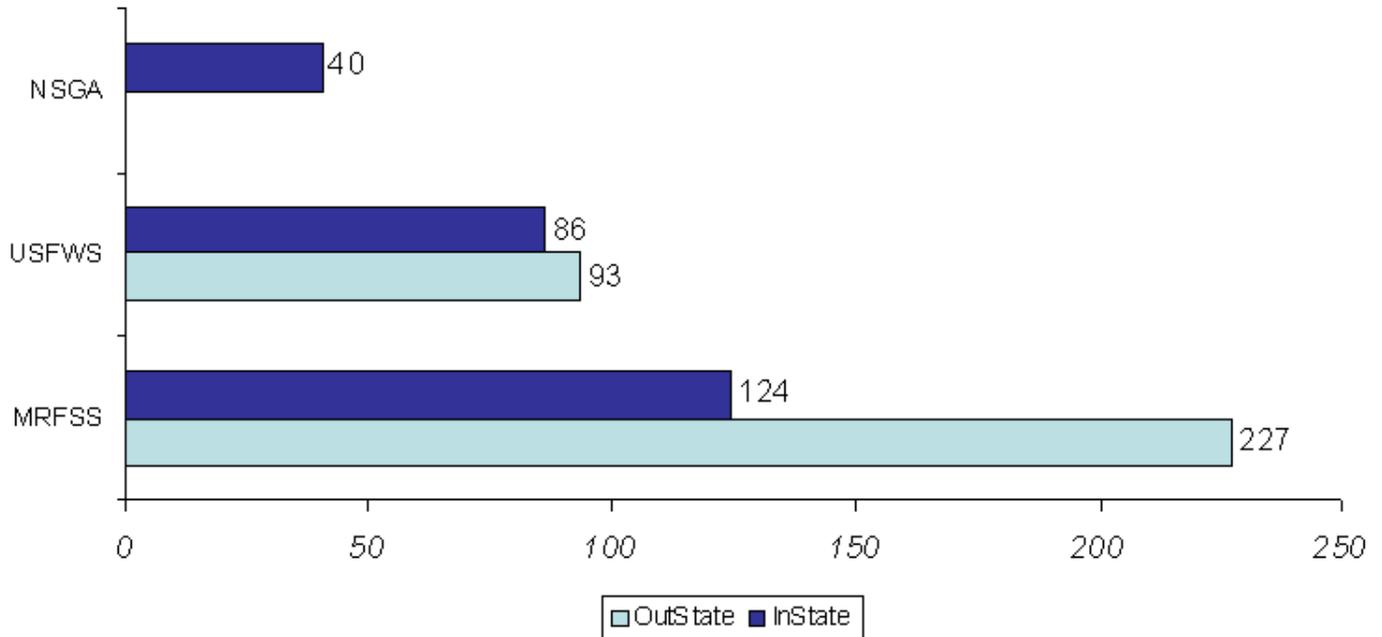


Saltwater Anglers

There is some disagreement regarding the number of saltwater anglers in Rhode Island

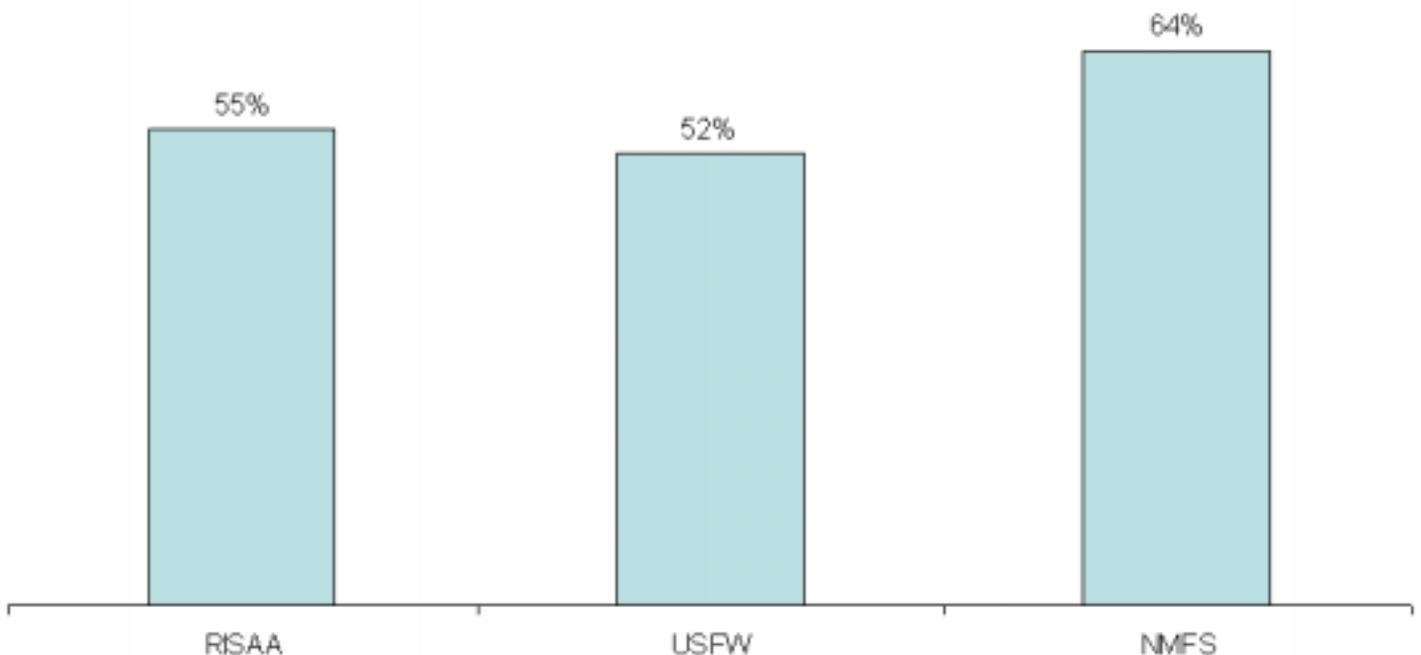
For purposes of this study the average of these studies will be used 182,000 saltwater anglers

Estimates of Saltwater Anglers in RI Waters
(000)



Saltwater recreational fishing generates significant out-of-state activity

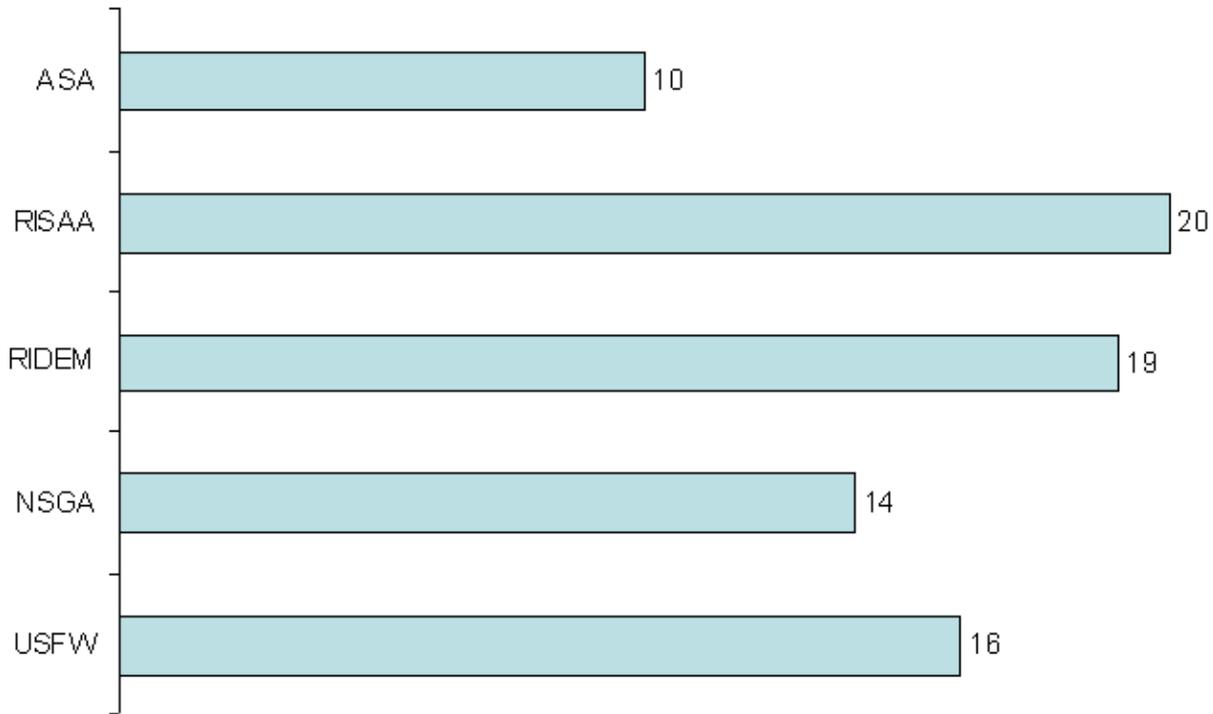
% of Saltwater Anglers from Out-of-State



On average, anglers fish in RI waters a minimum of 10 times per year with a high probability that the number of trips is closer to 16

For purposes of this study the simple average (16) of all these studies are used herein

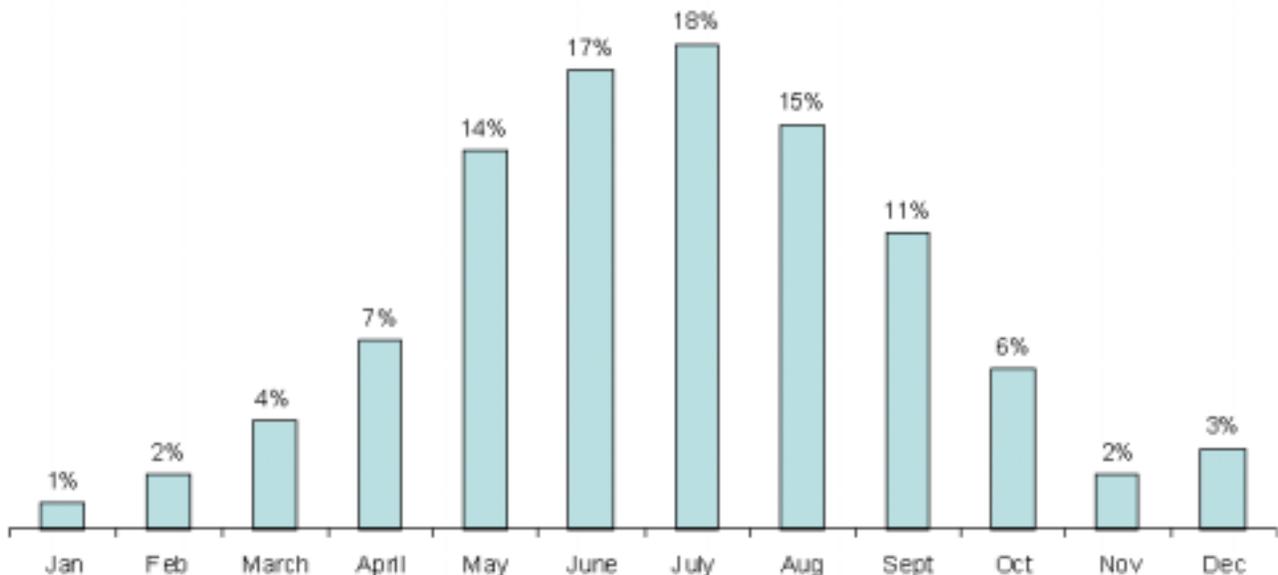
Estimated Mean Numbers of Days Fishing in RI



... with a high likelihood that most of the activity corresponds to the summer season rather than prime fishing season

A number of RI's specialty tackle shops are closed during January and February

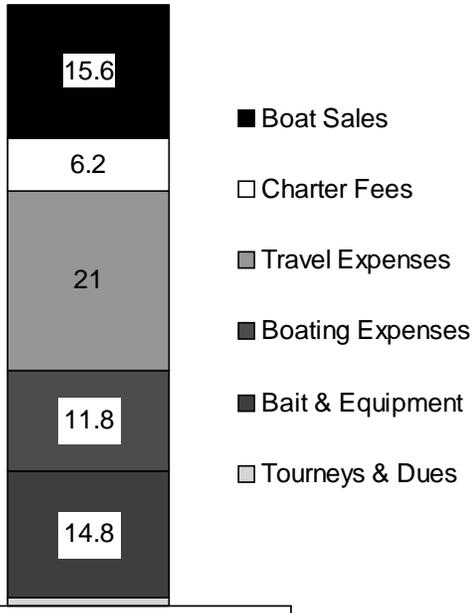
Retail Bait and Tackle Sales



Estimated Economic Impact

Anglers spend approximately \$70 million a year in Rhode Island

SALTWATER ANGLER EXPENDITURES



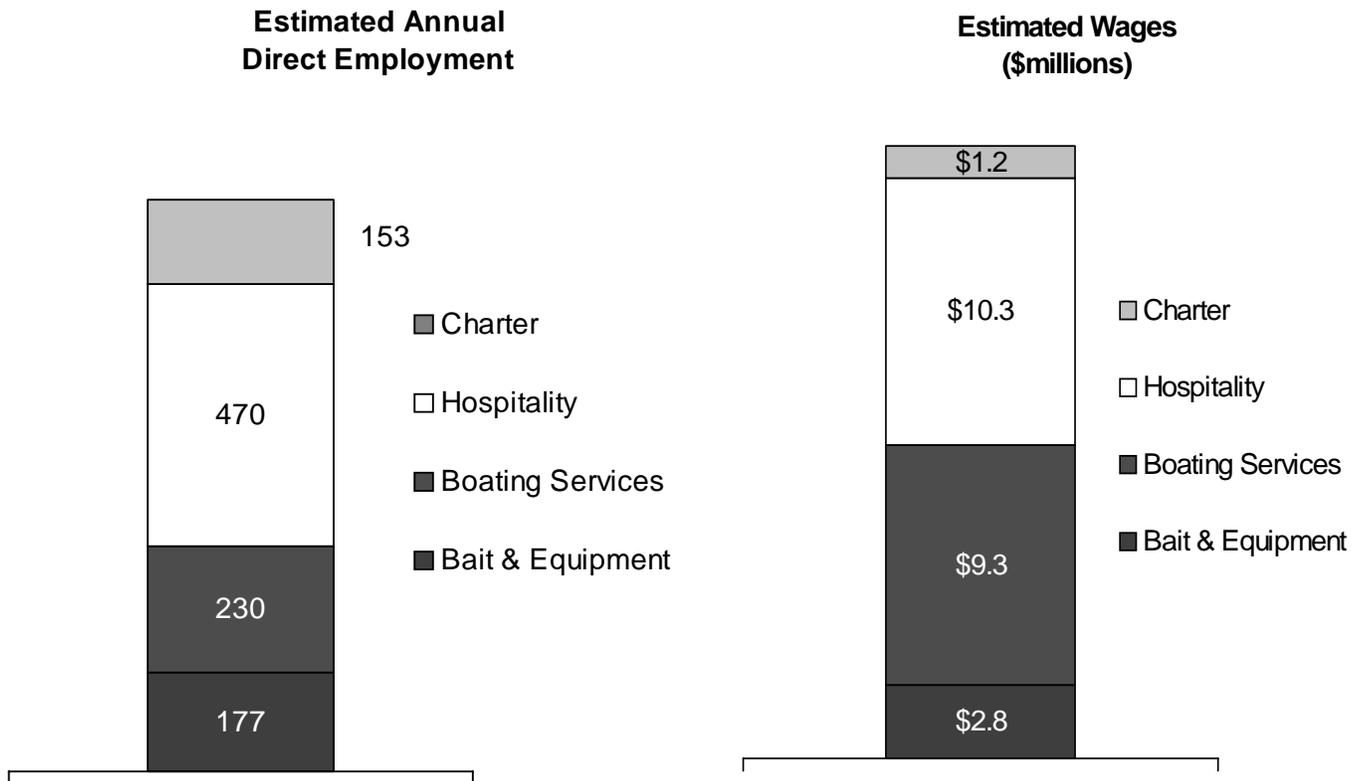
Discussion

- Estimates are sales data at “retail” for RI-based spending only
- Boat sales estimates are based on boats classified as targeted to fishing only and not other boats such as sailboats and cruisers

This estimate falls within the range of other economic studies of saltwater fishing over the last several years

STUDY	NO. OF ANGLERS	R.I. DIRECT EXPENDITURES	INFLATION ADJ. TOTAL
<i>US Fish and Wildlife Service (2001)</i>	In-state: 67K Out-of-state: 82K	Fishing related gear: \$15.9 M Travel related: \$19.1 M Boating costs: \$22.0 M Total: \$57.0 M	\$62.1 M
<i>National Marine Fisheries Service (2004)</i>	In-state: 124K Out-of-state: 227K	Fishing related gear: \$33.8 M Travel related: \$33.3 M Boating costs: \$7.7 M Total: \$74.8 M	\$89.01 M
<i>American Sportfishing Association (2003)</i>	No estimate	Fishing related gear: Travel related: Total: \$85 M	\$89.2 M

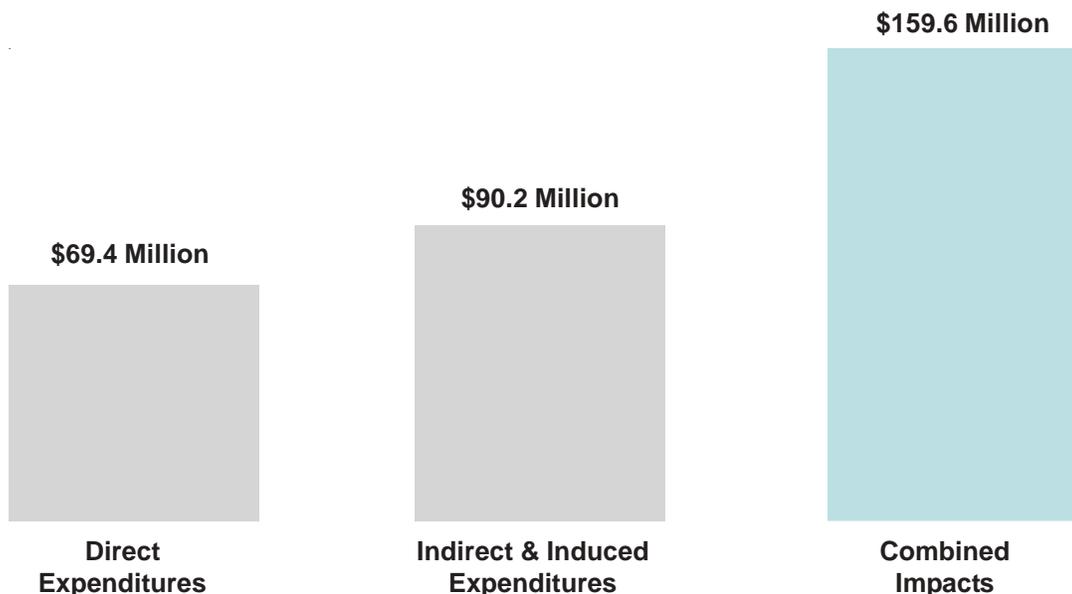
Saltwater fishing generates at least 1,000 direct jobs and approximately \$24 million in annual wages



Note 1: Wage and employment estimates are based on an allocation methodology based on estimated contribution of saltwater fishing to the overall activity

Note 2: Charter wages are difficult to estimate due to their economic structure as privately-held businesses

Total economic impact is nearly \$160 million



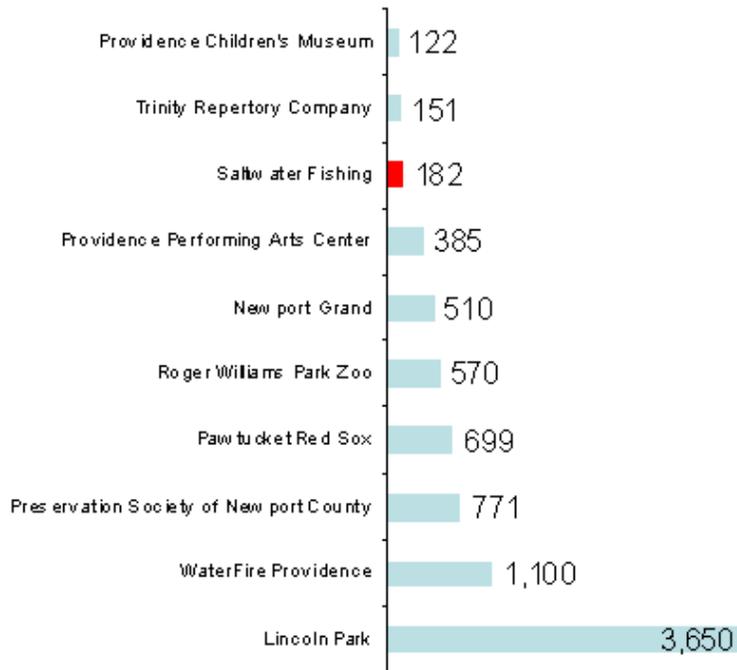
Note: Prior work done on the tourism economy by University of Rhode Island has demonstrated a multiplier of 1.3. This multiplier is used for purposes of this study.

Recreational saltwater fishing as a tourist attraction ranks in the top ten activities in Rhode Island

Tourist and Cultural Attraction Attendance
2005
(000)

DISCUSSION

Recreational fishing clearly ranks in the top ten of tourism and cultural activities in Rhode Island

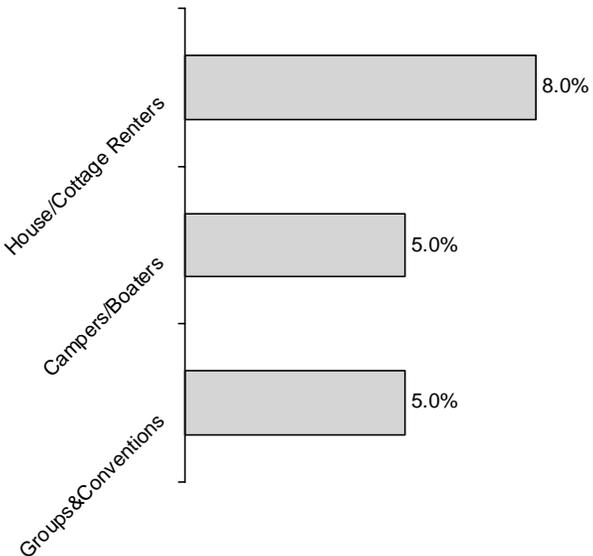


- Conservatively it places 8th
- Based on MFRSS it ranks 8th
- Using trips as an equivalent measure to attendance at an estimated 1.4 million trips, it ranks second only to Lincoln Park

Source: Providence Business News Book of Lists & NP analysis

...And is likely an important spending driver for a key segment of the state's tourism economy

Percentage Contribution to Overall
Tourism Direct Spending



- Campers/Boaters and House and Cottage Renters represent 13% of total estimated visitor spending and approximately \$300 million of the state's tourism economy
- Based on our survey findings, it is estimated that a significant portion (more than 50%) participate in saltwater angling while in Rhode Island



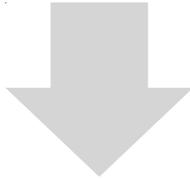
Therefore, as much as \$34 million or 10% of tourism-related spending in this market segment could be attributable to saltwater fishing

Fishing charters, largely located in South County, are accessed by a large percentage of these visitors

- ❑ Specific estimates are difficult to determine since different methods yield significantly different results
- ❑ MFS calculated 47,365 fishing days by charter in RI

FISHERMEN INTERCEPTS

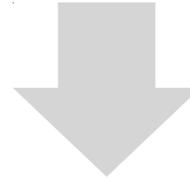
182,000 anglers
9% used charters as mode of fishing



16,380 visitors

CHARTER BOAT SURVEY

92 trips per year with 3 people per charter
 * 169 estimated charter boats (1)



46,664 visitors

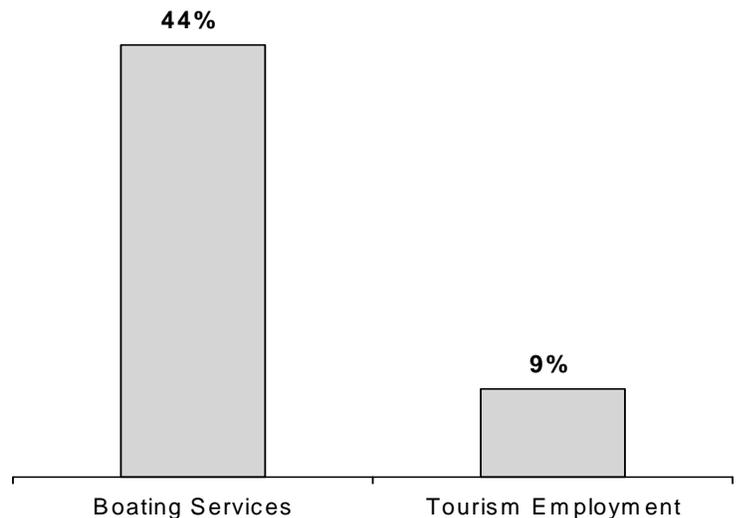
Note: not all charters are active so this number is likely overstated
 (1) Based on weighted average of survey results

Recreational fishing is also a major contributor to the shoreline economy in South County

DISCUSSION

- Recreational saltwater fishing is a mainstay of outdoor activity along RI's South Shore
- Based on intercept surveys NP estimates that at least 1/2 and possibly as much as 2/3 of fishing activity takes place along this shoreline
- DEM study of Bay fishing supports that the most actively fished sites are located in the southern portion of the state
- Top 3 cited towns representing 50% of cited locations were in the lower Bay
- Much as sailing contributes to the atmosphere in Newport, recreational angling provides the "atmosphere" for several south shore areas such as Snug Harbor, East Matunuck, Charlestown, and Block Island

Estimated Percent of Shoreline Economic Activity Generated by Anglers



Source: RI tax collections; NAICS and ES 202 data; Based on NP analysis of spending; fishermen surveys, and fishermen counts

Appendix

ANGLER SURVEY

Angler Survey Background

Intercept Locations

- RI Saltwater Fishing Show
- Charlestown Breachway
- Matunuck thru Green Hill
- Goddard Park / Greenwich Bay marinas
- Barrington / Warren Bridge
- Colt State Park
- Hansen's Landing Public Access
- Second Beach / Ocean Drive

Demographic Profile

- 84 % white
- 16% non white
- 46% incomes less than \$50K
- 54% incomes greater than \$50K

Survey Topics

- Place of residence
- Number of fishing trips
- % of trips in RI
- Nature of trips
- Overnight stays
- Accommodations while staying overnight
- Fishing mode
- Fishing-related expenditures while in RI

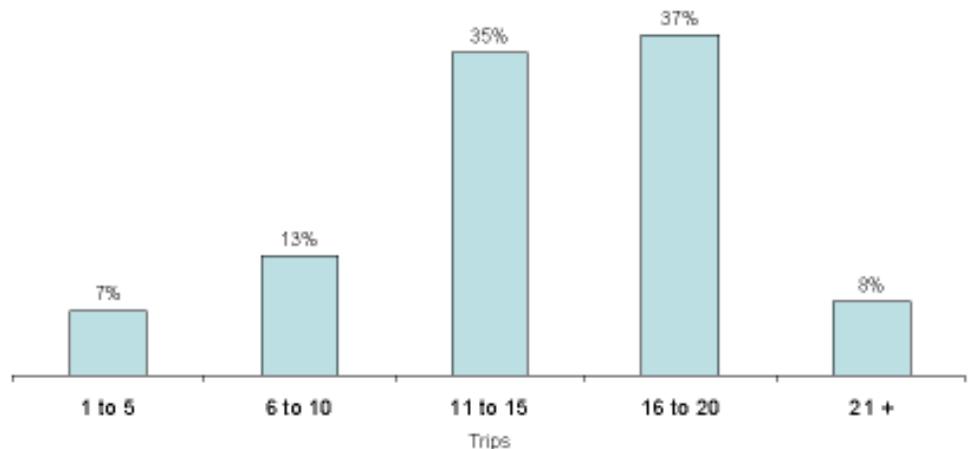
Fifty-five percent of survey respondents were from out-of-state

Anglers Surveyed by Place of Residence

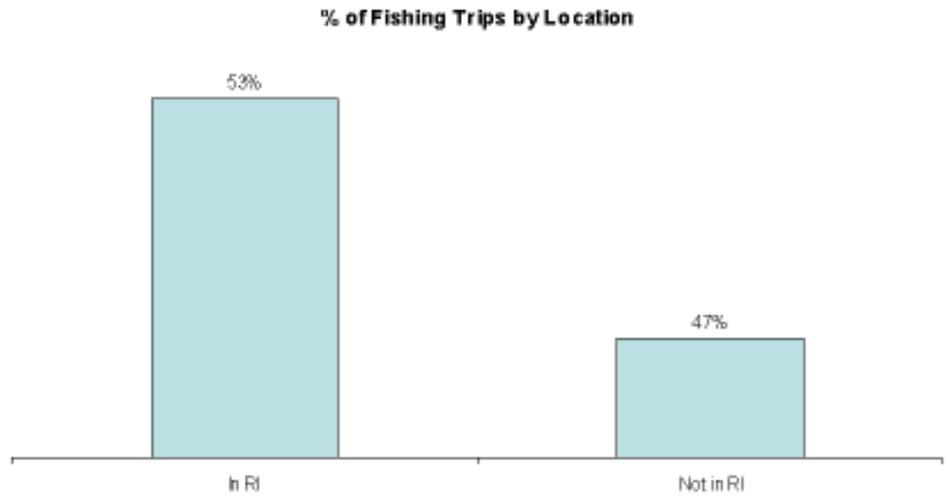


Seventy-two percent of anglers take between 11 and 20 trips a year

Fishing Trips per Year



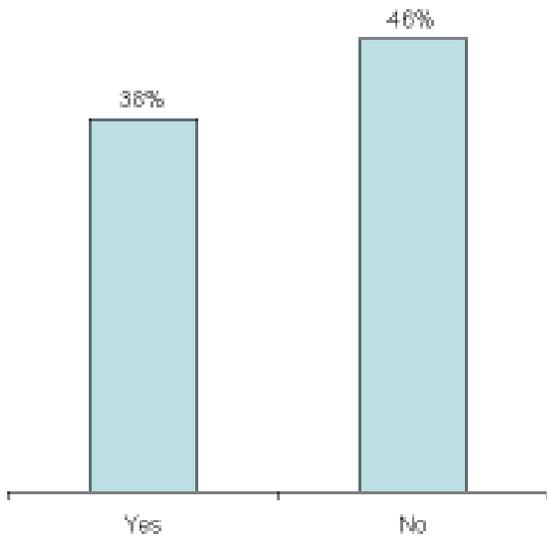
More than 1/2 of all fishing trips take place in RI



Fishing as a recreational amenity has an interesting dimension

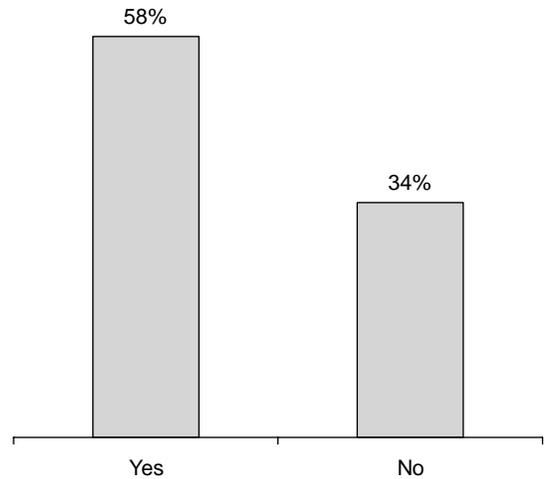
They don't necessarily fish while on vacation

Fish on Vacation



But will take a special trip to fish

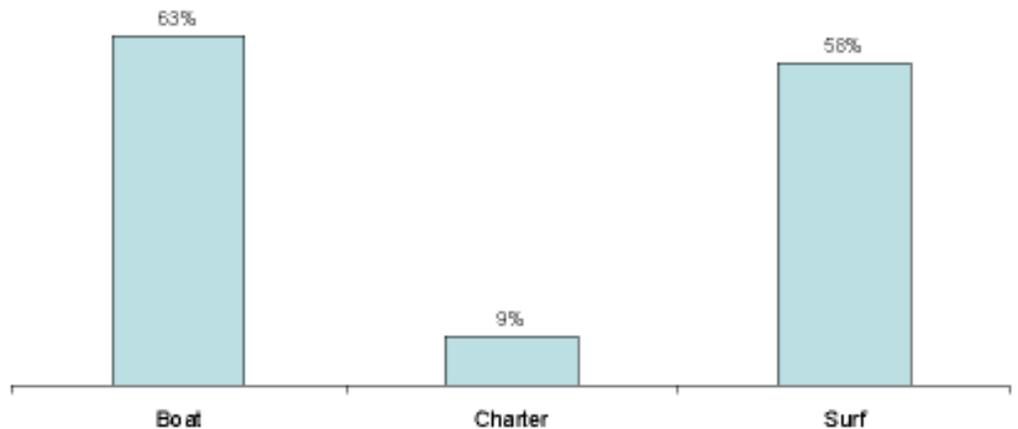
Take a Special Trip to Fish



Note: Does not add to 100 due to no responses

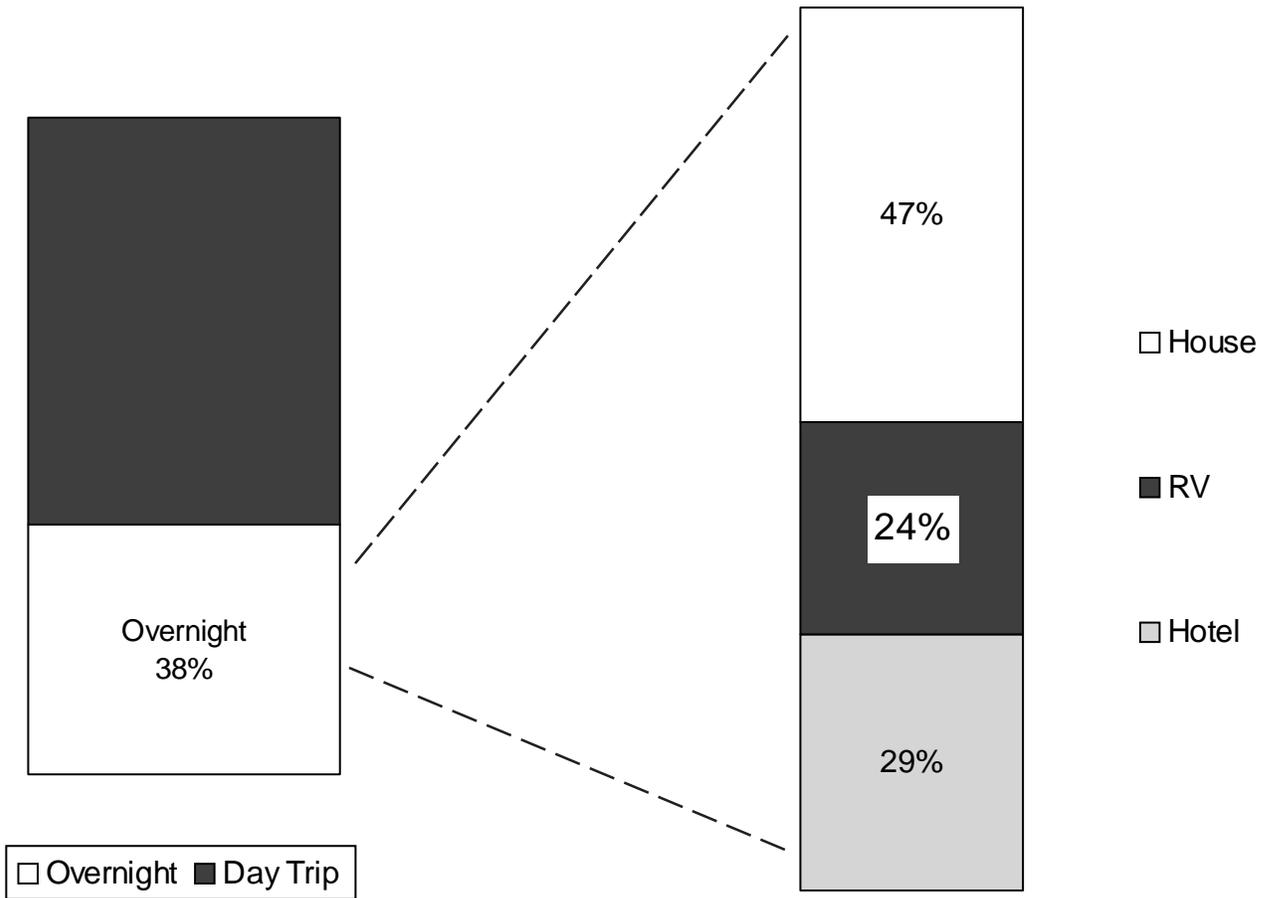
Most anglers in RI fish by boat

Fishing by Mode



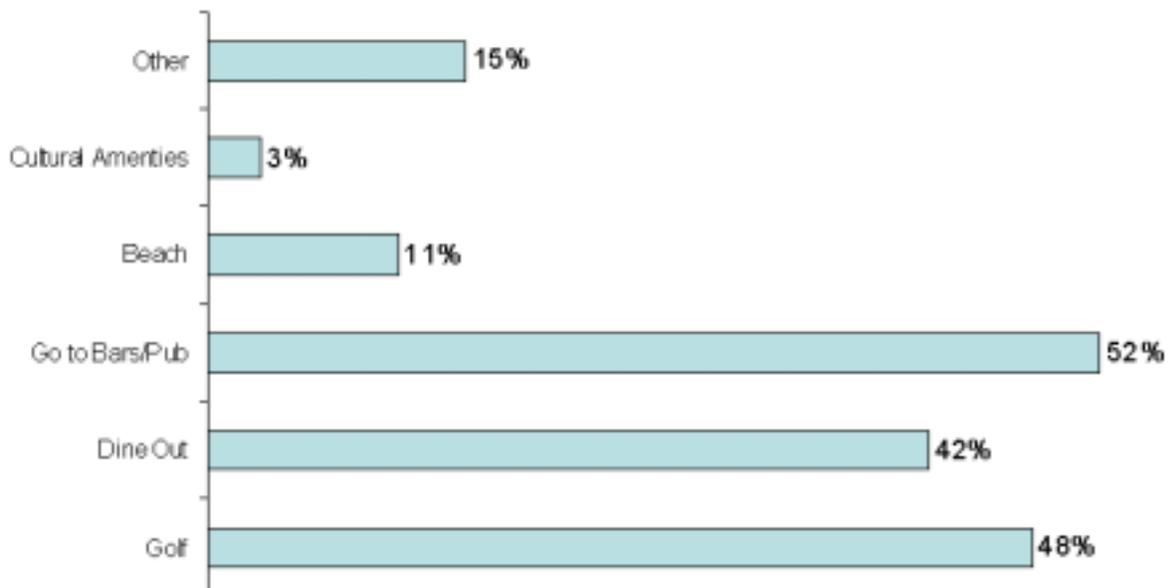
Slightly more than 1/3 stay overnight in Rhode Island when they fish here

Overnight Stays and Choice of Accommodations



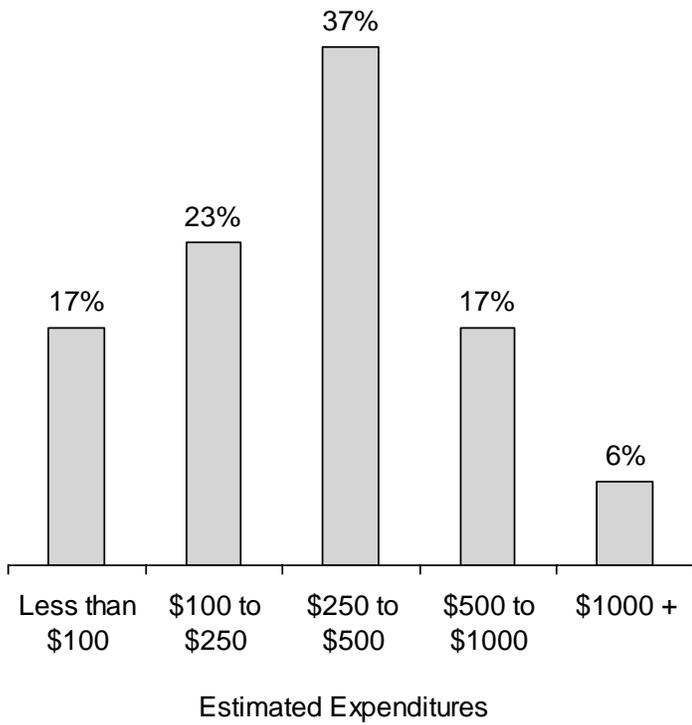
Overnight anglers participate in a series of other activities when staying in RI

Other Activities During Overnight Stays

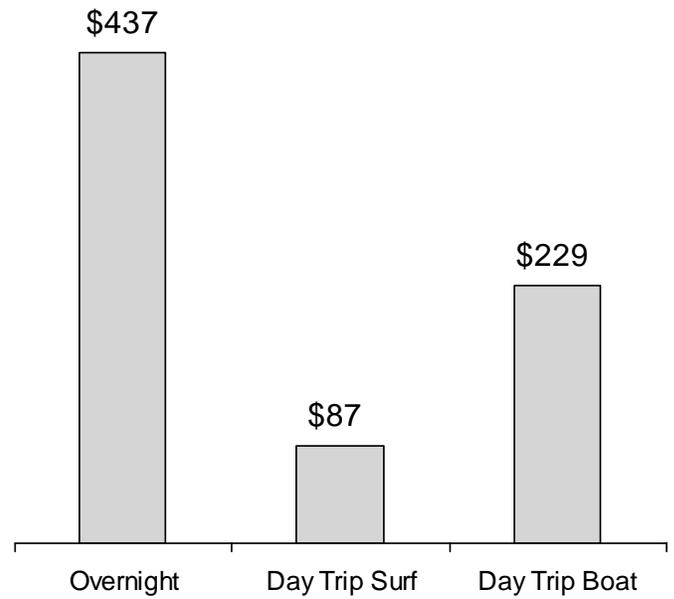


Angler expenditures

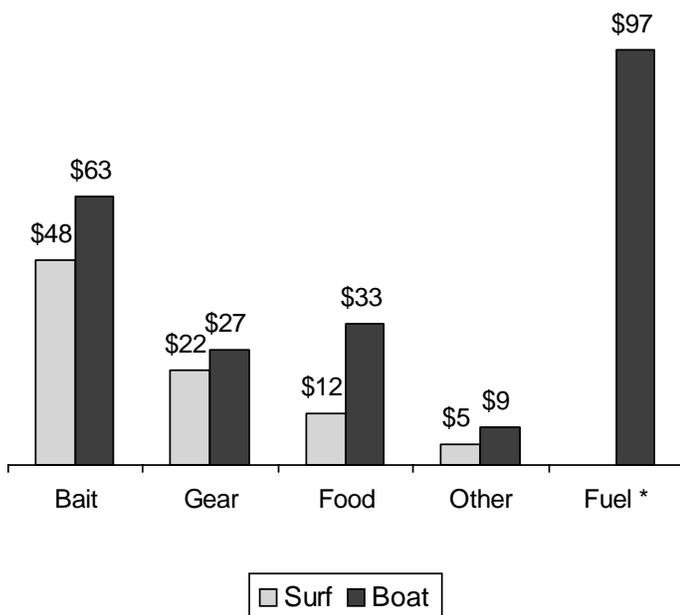
Angler Annual Expenditures on Fishing Related Gear



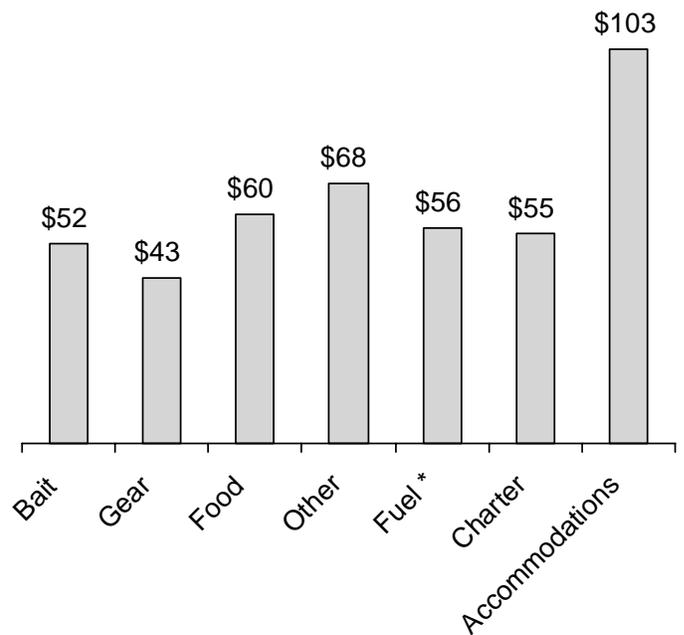
Average Estimated Expenditures For Present Fishing Trip



Day Trip Average Expenditures by Mode



Overnight Stay Expenditures

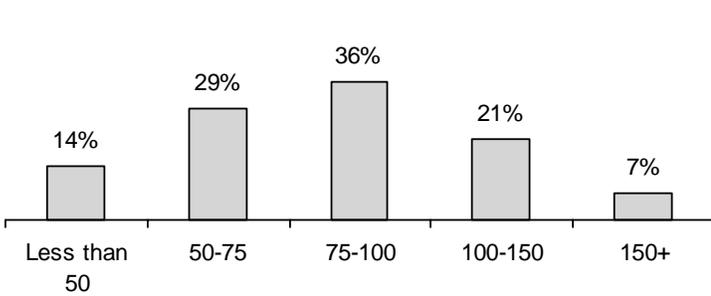


CHARTER BOAT SURVEY

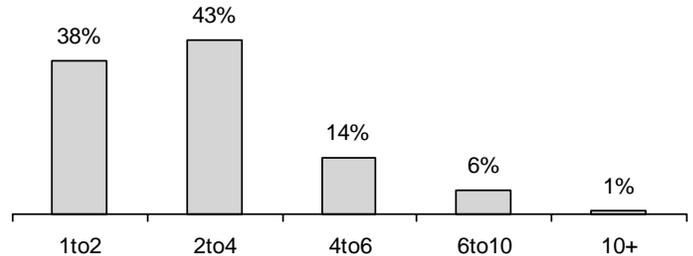
Charter boat activities

- Based on a N=14 or approximately 8% of the registered charter boat industry
- Note: Some charts may not add to 100 due to rounding
- Charter boat expenditures were requested but there was a limited response

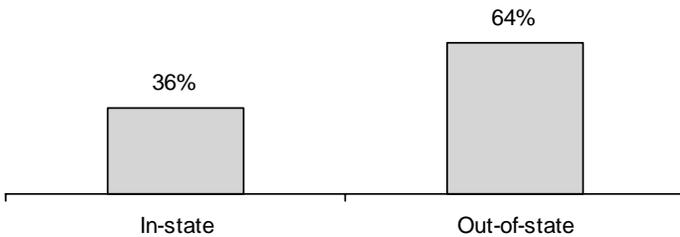
Charter Boats
Annual Fishing Trips



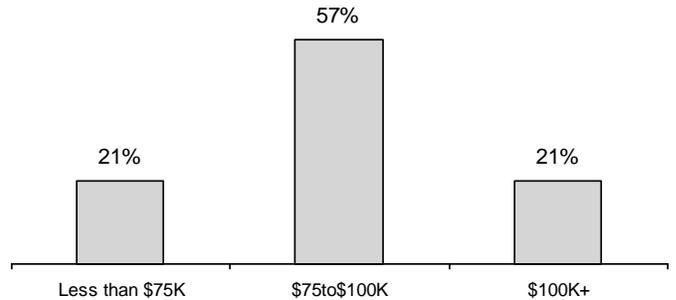
Number of People per Charter



Estimated % of Anglers by Place of Residence

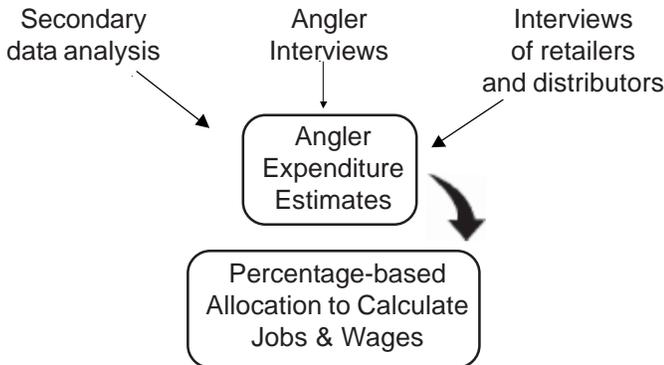


Charter Boat Gross Revenues



Estimated Economic Impact Methodology

Estimating model used by Ninigret Partners



Example of Estimation: Triangulation to test Bait and Tackle sales

It is highly likely that saltwater bait and tackle sales fall between \$13 and \$16 million

$$\begin{aligned}
 & \text{RI is 2\% of All Estimated Saltwater Fishing Trips} \times \$407 \text{ M Saltwater Expenditures} = \$8.14 \text{ M} \\
 & \text{RI Sporting Good Sales } \$77 \text{ M} \times 9\% \text{ of sales are fishing} = \$7 \text{ M}
 \end{aligned}$$

+ ~ \$6 million in bait sales

Allocation methodology calculation

$$\begin{aligned}
 & \frac{\text{Angler Expenditures By Category}}{\text{Total Revenues By Category}} = \text{\% of Category Attributable to Anglers} \\
 & \text{\% of Category Attributable to Anglers} \times \text{Total Jobs or Wages By Category} = \text{Number of Jobs or Wages Attributable to Anglers in a Category}
 \end{aligned}$$

$$59 \text{ RI Bait \& Tackle Retailers} \times \$450\text{K per store average}/60\% = \$15.9 \text{ M (includes bait sales)}$$

Source: NSGA, MFRSS, NP interviews, Claritas sales data



For more information about this report contact
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