



Long-term Economic Benefits for the Great Lakes Region

- The 2005 Great Lakes Regional Collaboration Strategy (GLRC Strategy) is a \$26 billion federal-state plan, for cleaning and preserving the Great Lakes that will produce economic benefits well in excess of its costs.
- The GLRC Strategy proposes a goal to restore all of the Great Lakes Areas of Concern by 2020. Congressional appropriations to do so would total more than \$775 million over the next 5 years.
- *Developing America's North Coast* presented two approaches in estimating the benefits of the GLRC Strategy: the economic benefits of specific improvements and the aggregated economic benefits.

Direct economic benefits of specific improvements include:

- Restoring the Great Lakes will lead to direct economic benefits of \$6.5 – \$11.8 billion from **tourism, fishing and recreation** alone.
- Restoring the Great Lakes will directly raise **coastal property values** \$12 billion to \$19 billion by remediation of the Areas of Concern
- Restoring the Great Lakes will **reduce costs to municipalities** by \$50 to \$125 million.
- Restoring the Great Lakes will produce additional unquantifiable but significant economic activity by making the region more attractive to business and workers.

*NOTE: These direct economic benefits total approximately **\$50 billion**.*

Aggregate economic benefits were arrived at by estimating the increase in property values that are likely to result from all of the restoring activities, and also taking into account a “multiplier effect”. In other words, every \$1 spent by a fiscal authority results in additional spending of between 1.5 and 2.5 times the original investment.

*NOTE: Aggregate economic benefits that take into account the multiplier effect are estimated to total approximately **\$30 to \$50 billion**.*

(Information included in this FACT sheet is from the report, “*Healthy Waters, Strong Economy: The Benefits of Restoring the Great Lakes Ecosystem*,” by J.C. Austin, S. Anderson, P.N. Courant, R.E. Litan, Sept. 2007, The Brookings Institution – Great Lakes Economic Initiative.)