

Determining the Economic Impact of Protecting and Restoring the Great Lakes

Project Summary

July 24, 2017

In 2007, a report published by the Brookings Institution provided the first estimate of the potential economic impact of implementing a comprehensive Great Lakes protection and restoration strategy – direct economic benefits totaling at least \$50 billion and a 2-to-1 return on investment for the region.

Ten years later, over \$2.5 billion has been invested in the lakes through the Great Lakes Restoration Initiative (GLRI) and more than 3,000 projects have been completed or are in progress. However, there is no data currently available to answer the basic question of how these investments have impacted the Great Lakes regional economy.

This project aims to 1) develop a comprehensive estimate of the economic impact of GLRI that can be used to demonstrate the value of ecosystem restoration and protection to the regional economy; and 2) launch a broader initiative designed to comprehensively connect the value of the Great Lakes to the region's economy. Understanding the economic impact of GLRI investments will allow us to better communicate why restoring and protecting the lakes is so critical to both the environmental health *and* the economic wellbeing of our region.

In addition to quantifying the GLRI's economic impact using an econometric analysis, a sampling of GLRI projects will be selected for case studies. Case study locations chosen so far include Duluth, Minnesota; Muskegon, Michigan; Sheboygan, Wisconsin; and Buffalo, New York. Finally, to provide further information regarding the economic impact of cleanup and restoration investments, the project team also will analyze how delisting "Areas of Concern" affects property values in AOC communities.

A Core Project Team led by the Great Lakes Commission (GLC) and the Council of Great Lakes Industries (CGLI) will coordinate and oversee the project. In addition to the GLC and CGLI, the team includes a diverse coalition of regional organizations, including the Alliance for the Great Lakes, the National Wildlife Federation's Great Lakes Regional Center, the Great Lakes Metro Chambers Coalition, and the University of Michigan's Water Center.

An Expert Panel has been established to provide additional technical expertise to the project team. The panel will be comprised of economists and other experts from outside the Great Lakes region that will identify relevant resources and data; develop, review, and refine analytical methodologies; and review and critique project findings. In addition, an independent Advisory Group will be established to define the policy implications of the research and assist in communication and outreach. The Advisory Group will consist of CEOs, community leaders, and regional policymakers.

Ultimately, this project seeks to increase awareness of the vital connection between the Great Lakes and our regional economy, and help us make the case for why continued investment in the lakes is essential to the environmental and economic future of our region.