

CHARTER BOATS FOR-HIRE IN THE UNITED STATES AND GULF OF MEXICO REGION

ABSTRACT

In this issue, Dr. Posadas compiled and summarized the long-term economic contributions of the charter boats for-hire industry. The long-term trends in the number, wages, salaries, and earnings of workers and owners of charter boats for-hire were presented. A comparison of the socioeconomic characteristics of the workers and owners in 2017 and 2020 was shown. This long-term data about the charter boats for-hire provides guidance on the significance of the industry in the regional economy.

ACKNOWLEDGEMENT

This newsletter is a contribution of the Mississippi Agricultural and Forestry Experiment Station and the Mississippi State University Extension Service. This material is based upon work that is supported in part by the National Institute of Food and Agriculture, U.S. Department of Agriculture, Hatch project under accession number 081730 and NOAA (Office of Sea Grant, U.S. Dept. of Commerce, under Grant NA10OAR4170078, Mississippi Alabama Sea Grant Consortium).

ECONOMIC CONTRIBUTIONS OF CHARTER BOATS-FOR-HIRE

An economic contribution is defined as the gross changes in a region’s existing economy that can be attributed to a given industry, event, or policy (Watson et al. 2007). It measures the gross change in economic activity associated with an industry, event, or policy in an existing regional economy.

This newsletter presents four types of contributions – employment or jobs, income, total value-added, and output or sales. The income, the total value-added, and output impacts are expressed in dollars for the year specified by the user. Employment contributions are expressed in terms of a mix of both full-time and part-time jobs. The total economic contribution is the sum of direct, indirect, and induced impacts. Indirect contributions result from changes in the economic activity of other industrial sectors that supply goods or services to the sector being evaluated. Induced contributions are the result of personal consumption expenditures by industry employees.

During the past five years, the annual contributions of the industry averaged \$3.0 billion in sales and more than 22,700 jobs (Fig. 1). The income contribution of the industry average \$1.1 billion per year since 2013 (Fig. 2). The annual value-added contribution during the same period reached \$1.7 billion.

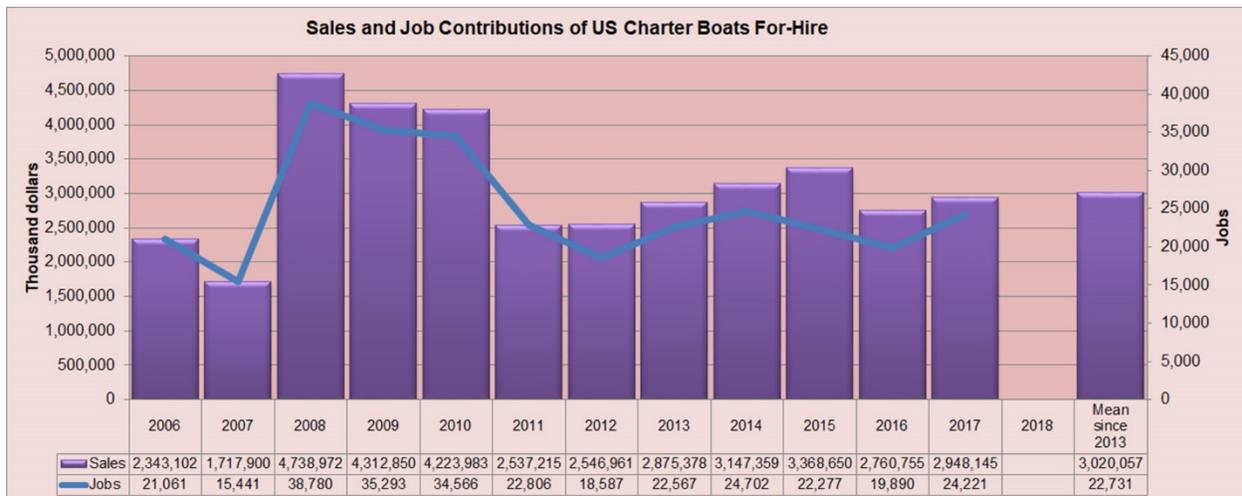


Figure 1. Sales and jobs contributions of the US charter boats for-hire. Source of raw data: NOAA Fisheries. <https://www.fisheries.noaa.gov/>.

Mississippi State University is an equal opportunity institution.

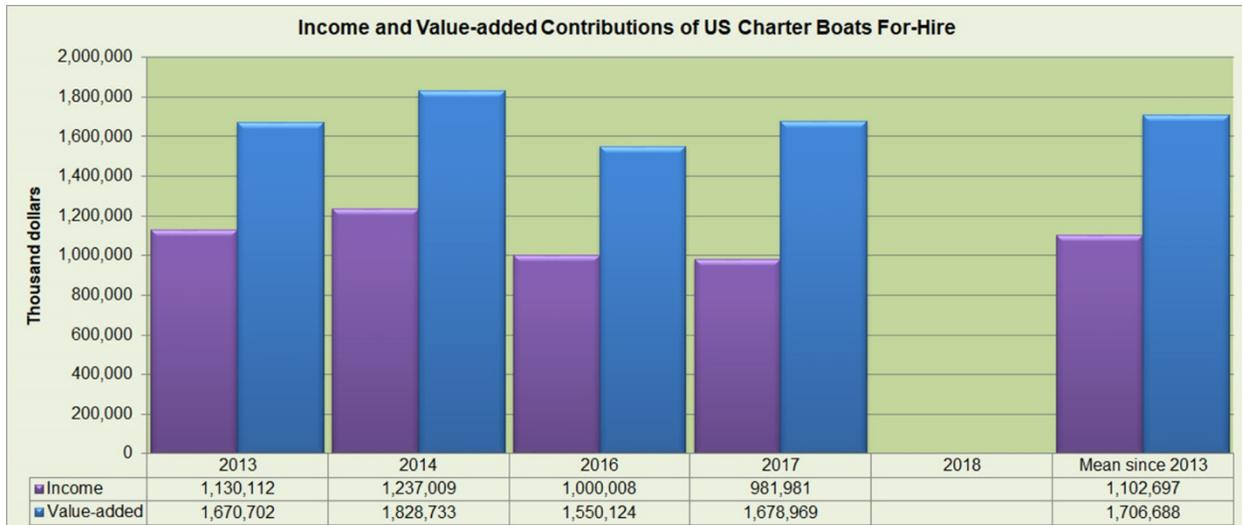


Figure 2. Income and value-added contributions of the US charter boats for-hire. Source of raw data: NOAA Fisheries. <https://www.fisheries.noaa.gov/>.

CHARTER BOATS FOR-HIRE EMPLOYMENT AND WAGES, SALARIES, AND EARNINGS

The ‘scenic and sightseeing water transportation’ industry or NAICS sector 487210 comprises establishments primarily engaged in providing scenic and sightseeing transportation on water (U.S. Bureau of Census. <https://www.census.gov/naics/>). The services provided are usually local and involve same-day return to place of origin. Some illustrative examples include:

- Airboat (i.e., swamp buggy) operation,
- Excursion boat operation,
- Charter fishing boat services,
- Harbor sightseeing tours, and
- Dinner cruises

The industry directly provided about 24,400 jobs per year in the U.S. during the past decade (Fig. 3). The five Gulf of Mexico states (AL, FL, LA, MS, and TX) contributed about 23 percent of the jobs during the same period.

The combined wages, salaries, and proprietor earnings of all the QCEW employees, non-QCEW employees, self-employed, and extended proprietors averaged \$29,600 per person the past decade (Fig. 4). The annual pay of workers and owners of

Mississippi State University is an equal opportunity institution.

these businesses in the five Gulf of Mexico States averaged almost \$29,000 per person or 96.5 percent of the national average.

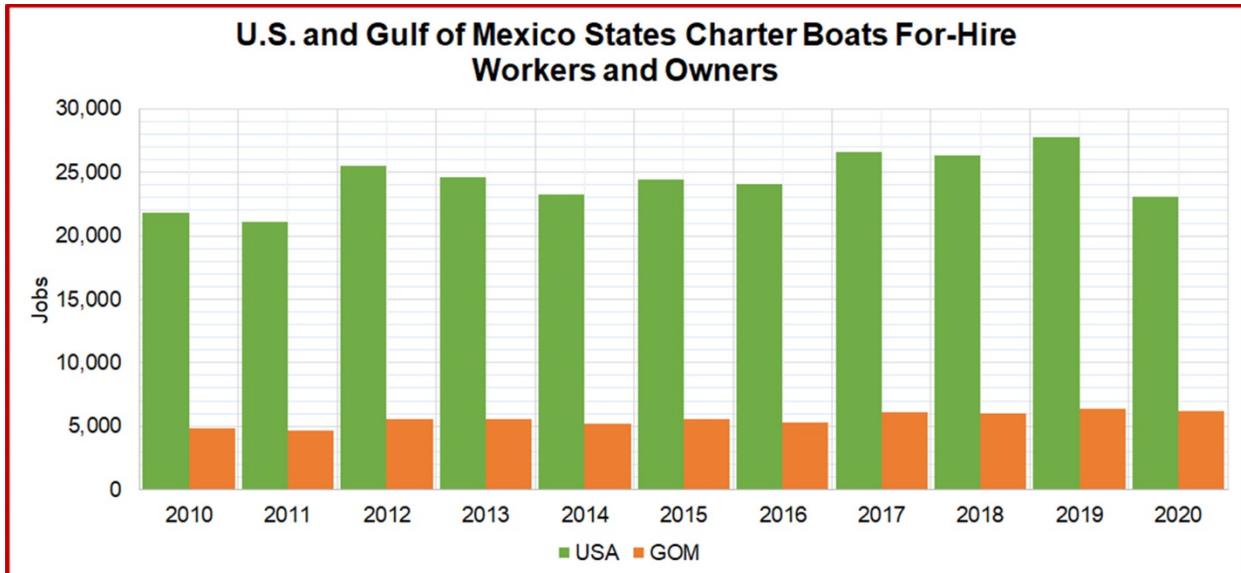


Figure 3. US and Gulf of Mexico States charter boats for-hire employees, self-employed, and extended proprietors. Source of raw data: EMSI. <https://e.economicmodeling.com>.

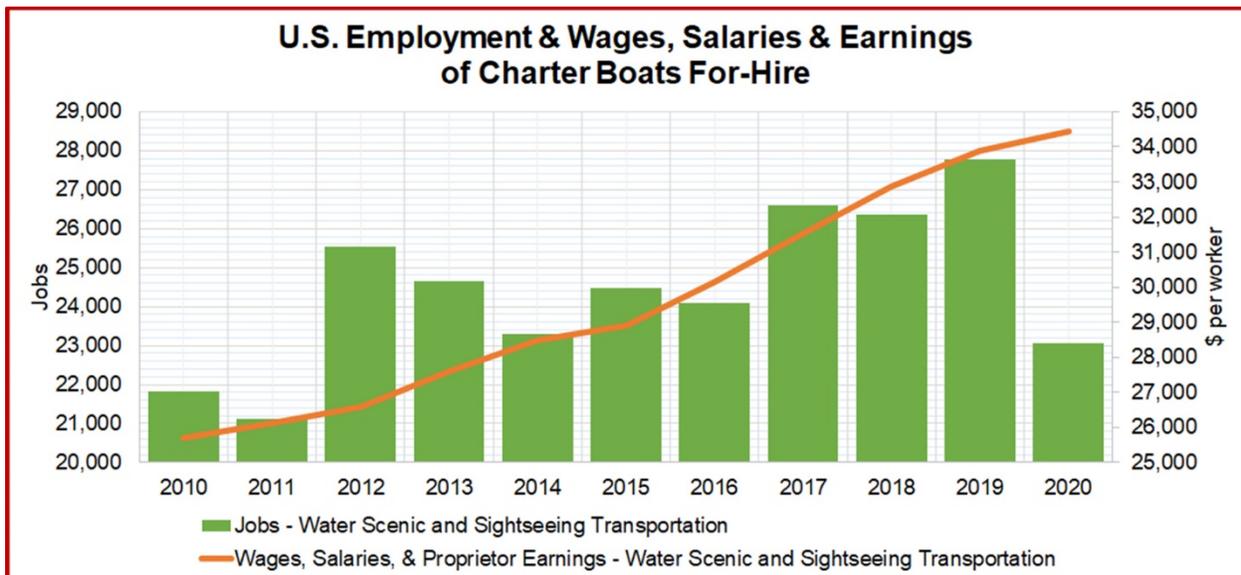


Figure 4. U.S. charter boats for-hire employees, self-employed, and extended proprietors and wages, salaries, and earnings. Source of raw data: EMSI. <https://e.economicmodeling.com>.

Mississippi State University is an equal opportunity institution.

DISTRIBUTION OF CHARTER BOATS FOR-HIRE EMPLOYEES AND OWNERS BY GENDER

The 2020 industrial overview released by EMSI (April 2021) showed that approximately 73.9 percent were males (Table 1). About 26.1 percent of the workers and owners were females. In the Gulf States, 70.7 percent are males, while 29.3 percent are females.

Socio-Demographic Characteristics of Workers and Owners of Water Scenic and Sightseeing Transportation				
Industry Gender Breakdown	United States		Gulf of Mexico States	
	2020 Jobs	2020 Percent	2020 Jobs	2016 Percent
Males	17,049	73.9%	3,769	70.7%
Females	6,015	26.1%	1,560	29.3%
Total	23,064	100.0%	5,329	100.0%

Table 1. Distribution of charter boats for-hire employees, self-employed, and extended proprietors by gender. Source of raw data: EMSI. <https://e.economicmodeling.com>.

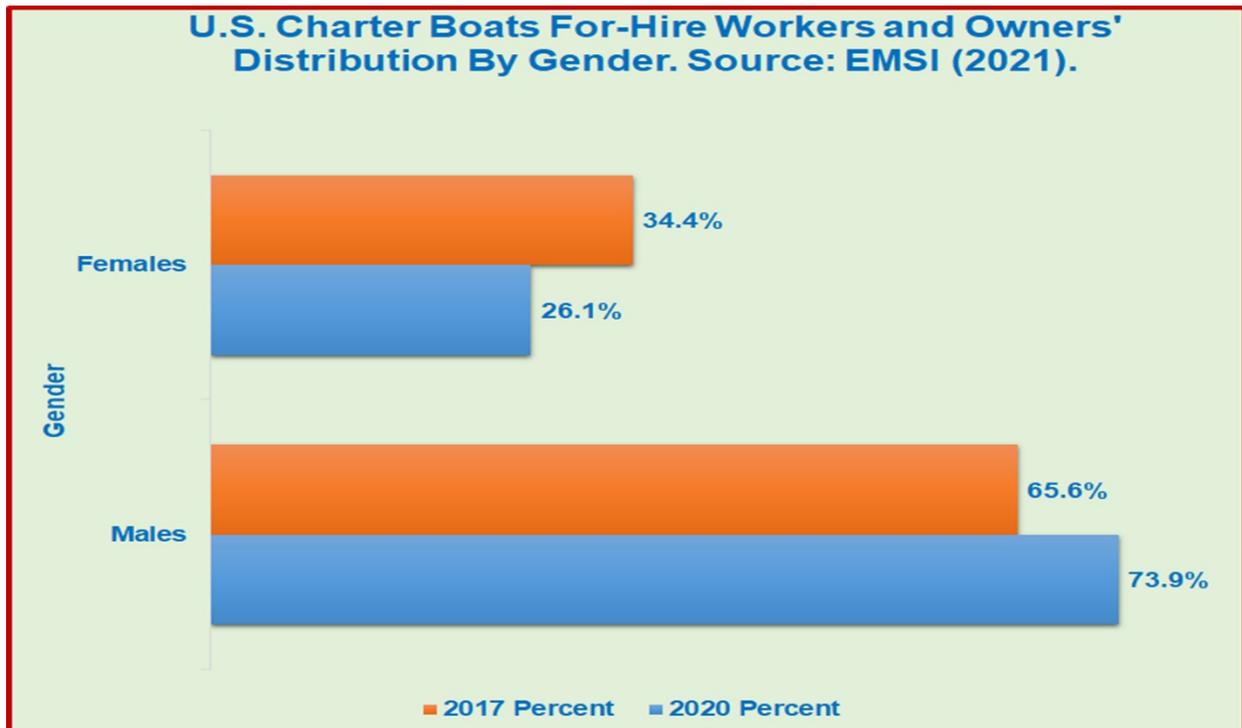


Figure 4. Comparative distribution of charter boats for-hire employees, self-employed, and extended proprietors by gender in 2017 and 2020. Source of raw data: EMSI. <https://e.economicmodeling.com>.

Mississippi State University is an equal opportunity institution.

The proportion of male workers and owners of charter boats for-hire increased from 65.6 to 73.9 percent from 2017 to 2020 in the entire industry (Fig. 4). This upward trend resulted in relatively fewer women workers and owners entering the industry.

DISTRIBUTION OF CHARTER BOATS FOR-HIRE EMPLOYEES AND OWNERS BY RACE OR ETHNICITY

The 2020 industrial overview disseminated by EMSI (April 2021) also categorized the workers and owners by race or ethnicity (Table 2). Most of the workers are White (82%), followed by Hispanic (7.4%), African American (4.8%) and Asian (2.4%). The rest are with two or more races (2.4%), Native Hawaiian (0.5%), and American Indian (0.5%).

In the Gulf States, relatively more White and Hispanic workers and owners are involved in the industry. Fewer African American and Asian workers and owners are engaged in the industry in the Gulf. States.

Socio-Demographic Characteristics of Workers and Owners of Water Scenic and Sightseeing Transportation				
Industry Race Breakdown	United States		Gulf of Mexico States	
Race/Ethnicity	2020 Jobs	2020 Percent	2020 Jobs	2016 Percent
White	18,905	82.0%	5,328	85.6%
Hispanic or Latino	1,718	7.4%	516	8.3%
Black or African American	1,096	4.8%	269	4.3%
Asian	555	2.4%	53	0.9%
Two or More Races	549	2.4%	42	0.7%
Native Hawaiian or Other Pacific Islander	124	0.5%	2	0.0%
American Indian or Alaska Native	116	0.5%	15	0.2%
Total	23,064	100.0%	6,226	100.0%

Table 2. Distribution of charter boats for-hire employees, self-employed, and extended proprietors by race or ethnicity. Source of raw data: EMSI. <https://e.economicmodeling.com>.

Relatively higher percentages of workers and owners were observed among White workers and owners in 2020 (Fig. 5). Lower proportions were detected among Hispanic, African American, Asian, and Native Hawaiian workers and owners in 2020.

Mississippi State University is an equal opportunity institution.

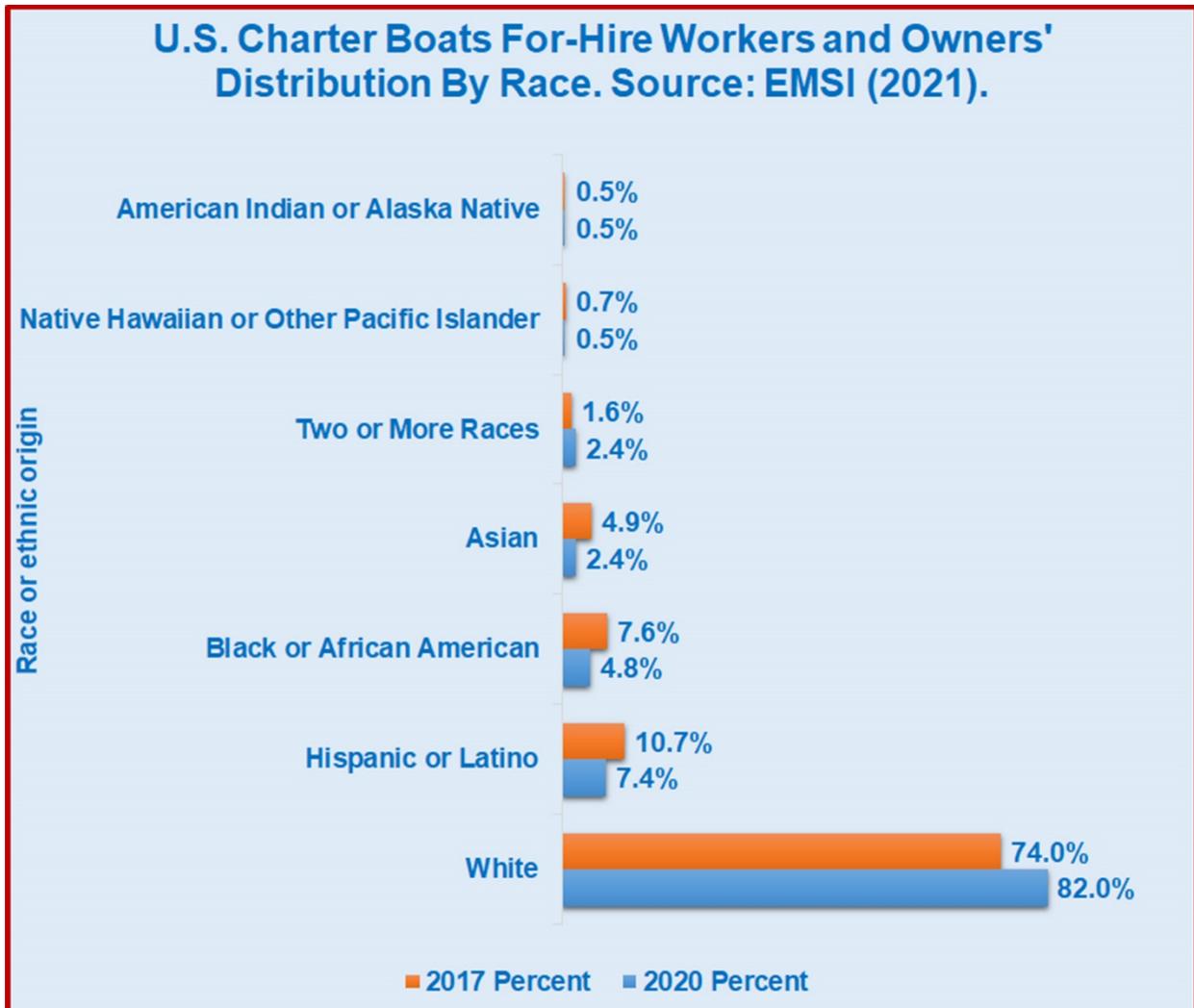


Figure 5. Comparative distribution of charter boats for-hire employees, self-employed, and extended proprietors by racial origin in 2017 and 2020. Source of raw data: EMSI. <https://e.economicmodeling.com>.

DISTRIBUTION OF CHARTER BOATS FOR-HIRE EMPLOYEES AND OWNERS BY AGE

The 2020 industrial overview published by EMSI (April 2021) also classified the workers and owners by age (Table 3). About 8.4 percent of the workers and owners are 65 years old and above. One out of five workers and owners were 55-64 years old. The 45-54 years old group added 26.6 percent of the total. The 35-44 years old consisted of

Mississippi State University is an equal opportunity institution.

14.3 percent of all workers and owners. The younger employees and owners comprised the rest of the workforce.

Workers and owners in the Gulf States are relatively older than the national average. Gulf workers and owners averaged 46.94 years old compared to 45.88 years old among all U.S. workers and owners.

Socio-Demographic Characteristics of Workers and Owners of Water Scenic and Sightseeing Transportation				
Industry Age Breakdown	United States		Gulf of Mexico States	
Age	2020 Jobs	2020 Percent	2020 Jobs	2016 Percent
14-18	524	2.3%	166	2.7%
19-24	2,147	9.3%	446	7.2%
25-34	3,268	14.2%	709	11.4%
35-44	3,297	14.3%	1,051	16.9%
45-54	6,126	26.6%	1,549	24.9%
55-64	5,764	25.0%	1,836	29.5%
65+	1,938	8.4%	468	7.5%
Total	23,064	100.0%	6,226	100.0%
Average Age (yr)	45.88		46.94	

Table 3. Distribution of charter boats for-hire employees, self-employed, and extended proprietors by age group. Source of raw data: EMSI. <https://e.economicmodeling.com>.

Similar percentage of 65 years old and above in both years. Relatively more 45-54 and 55-64 years-old workers and owners were reported in 2020 compared to 2017. However, there was a decline among 35-44, 25-34, and 19-24 years-old workers and owners. Higher proportions were observed among below 19 years old group in 2020 compared to 2017.

On average, U.S. workers and owners are relatively older in 2020 (45.9 years old) compared in 2017 (43.0 years old).

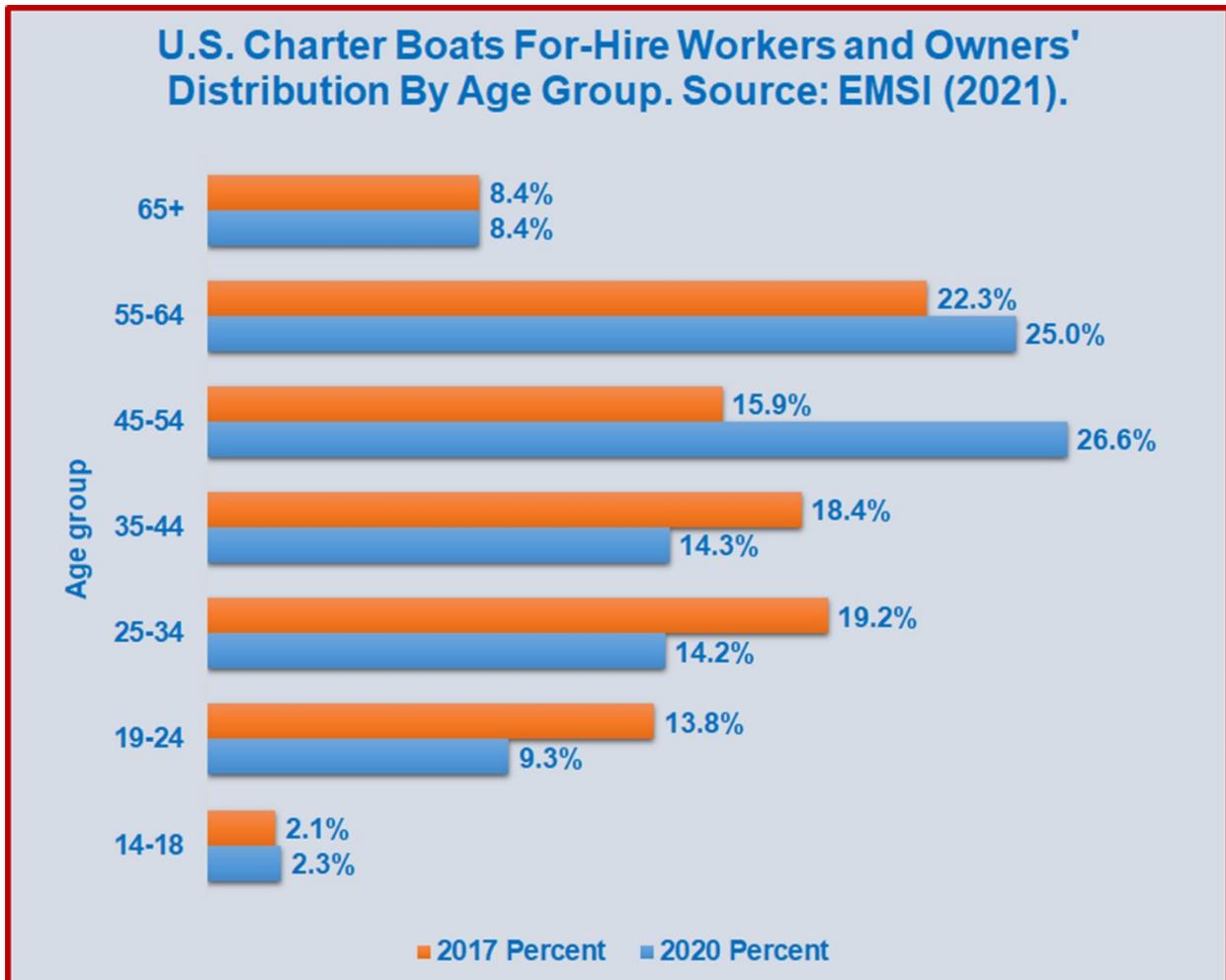


Figure 6. Comparative distribution of charter boats for-hire employees, self-employed, and extended proprietors by age group in 2017 and 2020. Source of raw data: EMSI. <https://e.economicmodeling.com>.

U.S. GROSS REGIONAL PRODUCT – CHARTER BOATS FOR-HIRE

The gross regional product (GRP) also called regional gross domestic product (GDP) is the market value of all goods and services produced within a given area over a specific period and is a good measure of the size, income, and productivity of a regional economy (EMSI, 2021).

The economic contributions and gross regional product of an industry are two different sets of economic indicators. The GRP of the charter boats for-hire industry

Mississippi State University is an equal opportunity institution.

reached over \$1.06 billion per year during recent years (Fig 7). The value-added contribution of the charter boat for-hire industry averaged \$1.7 billion in 2013-2017. The difference is accounted for by the value-added multiplier.

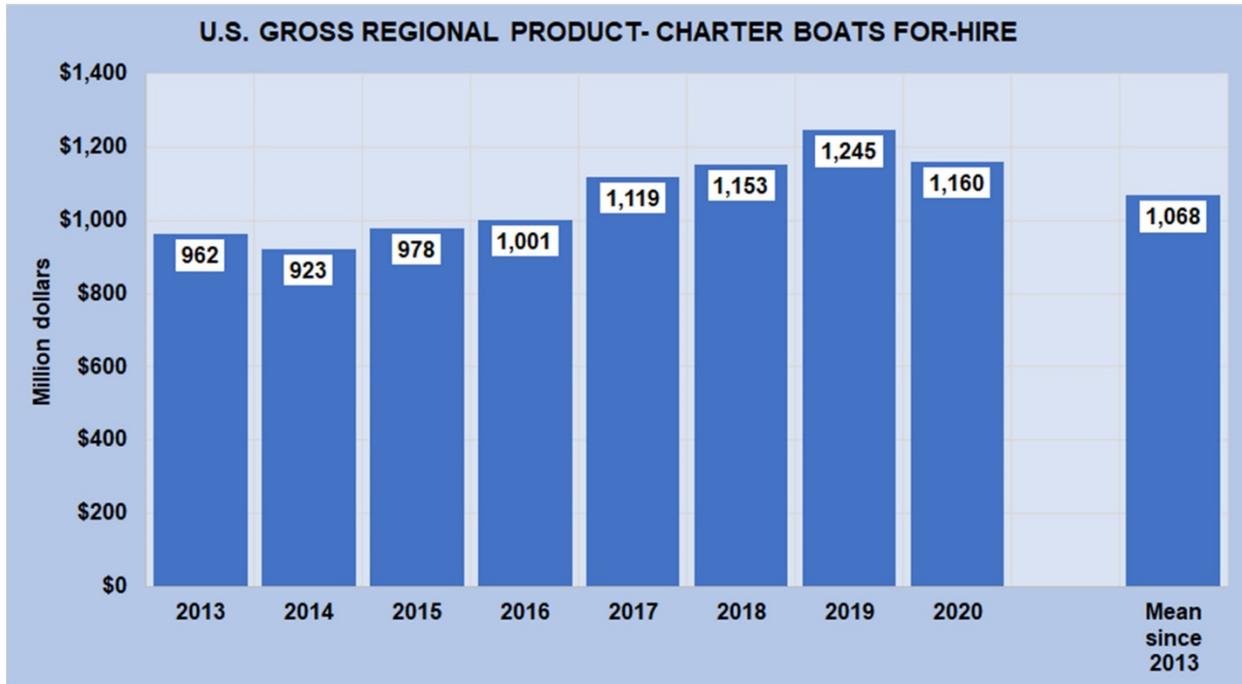


Figure 7. Gross regional product of charter boats for-hire industry. Source of raw data: EMSI. <https://e.economicmodeling.com>.

In summary, the economic indicators shown above indicated that the charter boats for-hire industry was growing during the past decade. However, the Covid-19 global pandemic surely caused a significant decline in sales, jobs and incomes of workers and owners in 2020.

MY GULF CHARTER BOATS FOR-HIRE ECONOMICS OUTREACH

1. Posadas, B.C. Charter Boats for-Hire in the United States and Gulf of Mexico Region. Mississippi MarketMaker Newsletter, Vol. 11, No. 6. June 15, 2021. <http://extension.msstate.edu/newsletters/mississippi-marketmaker>.
2. Posadas, B.C. 2021. Number, Wages, Salaries and Earnings, and Socioeconomic Characteristics of Charter Boats For-Hire Workers and Owners. Horticulture, Marine, and Disaster Economics Outreach. Mississippi State University Coastal Research and Extension Center, Biloxi, Mississippi. <https://youtu.be/fkqHCc3k330>.
3. Posadas, B.C. 2020. Economic Contributions of Mississippi Charter Boats for-Hire, 2006-16. Horticulture and Marine Economics Blog. <https://hortmarine.wordpress.com/2020/05/19/economic-contributions-of-charter-boats-for-hire/>.
4. Posadas, B.C. Economic Contribution of Charter Boats For-Hire in Mississippi. Mississippi MarketMaker Newsletter, Vol. 9, No. 10. October 23, 2019. <http://extension.msstate.edu/newsletters/mississippi-marketmaker/2019/vol-9-no-10-charter-boats-for-hire>.

SUGGESTED CITATION

Posadas, B.C. Charter Boats for-Hire in the United States and Gulf of Mexico Region. Mississippi MarketMaker Newsletter, Vol. 11, No. 6. June 15, 2021. <http://extension.msstate.edu/newsletters/mississippi-marketmaker>.