

# The Value of Florida Beaches

Jim Houston<sup>1</sup>

Esthetic

Recreational

Environmental

Storm-

Damage Reduction

Economic



Ft Myers Beach

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# Esthetic Value



**Siesta Key Beach**

**Most Beautiful Beach in the U.S.  
(USA Today, 2013)**



**St Petersburg  
Beach**



**Captiva Island Beach**

**America's Most Romantic Beach  
(America's Best, 2013)**



# Esthetic Value



**Destin Beach**

**Best Family Beach in the World  
(Travel Channel, 2013)**

**Best Party Beach in the World  
(Travel Channel, 2013)**



**Miami  
Beach**

**Author Frommer's Favorite Travel  
Destination in the World**



**Sanibel Island**

**9 of the Traveler's Choice Top 25 beaches are in Florida – the most in U.S., beating out Hawaii (Trip Advisor, 2013)**

# Esthetic Value

- In 19 of last 23 years, Florida and Hawaii beaches have been named “America’s Best Beach” by Dr Beach

1992 Bahia Honda



1994 Grayton Beach



1995 St Andrews Beach



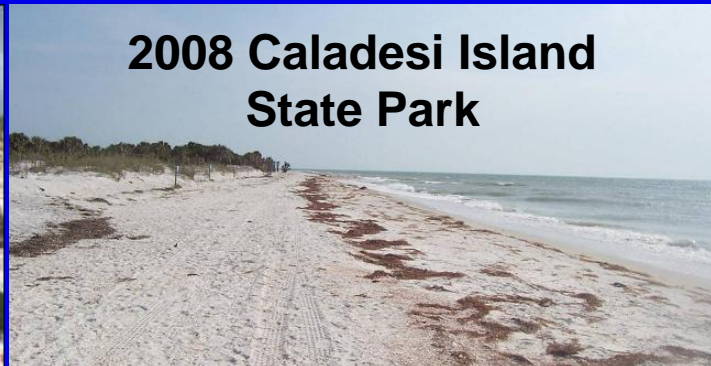
2005 Fort DeSoto Park



2002 St Joseph Peninsula Beach



2008 Caladesi Island State Park



2011 Siesta Key Beach





# Recreational Value

- Florida beaches had about 810 million beach day visits in 2012, **the most of any state or country in the world** (Florida DEP, 2008; 2010; VisitFlorida, 2013; Houston, 2013)
- Four of the ten most visited beaches in the US are in Florida (Travel and Leisure, 2012)



Miami Beach



Daytona Beach



Hollywood

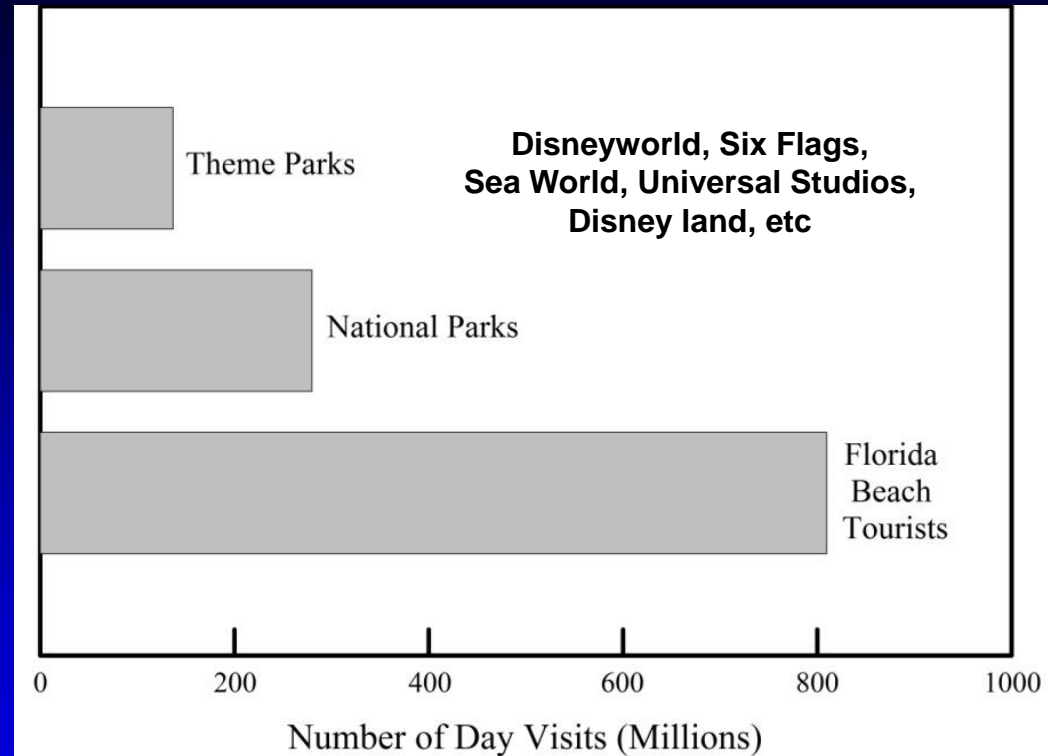


Brevard County

- Florida beaches have 70 times more tourist visits than visits to Yellowstone, Yosemite, and the Grand Canyon combined (Park Service, 2012)

# Recreational Value

- Florida beaches have more tourist visits than all theme parks and National Parks combined
- Florida beaches have an annual recreational value of about **\$50 billion** (Houston, 2013)



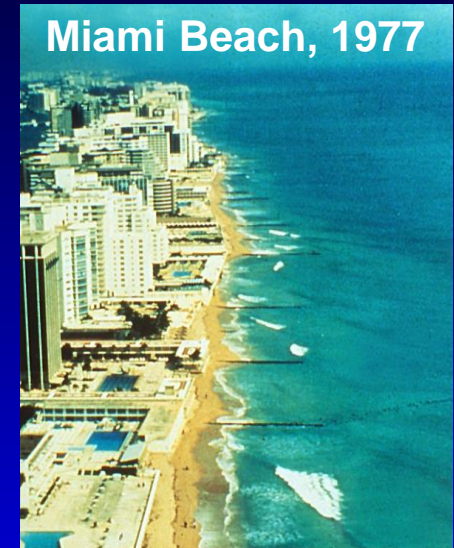
National Park Service, 2012; Themed Entertainment Association, 2012





# Environmental Value

- Past – At times sea turtles could not nest on eroded beaches



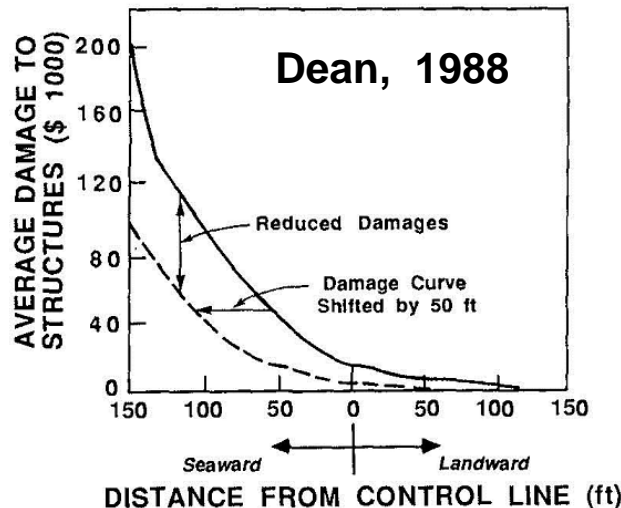
- Now – Restored Beaches

- “JAX Beach sees record sea turtle nests” (ActionNewsJAX.com, 2012)
- “2012 best turtle nesting season in 32 years in South Florida” (Palm Coast Post, 2012)
- “Endangered sea turtles nesting at record level along southeast U.S. coast” (Reuters, 2013)



Leatherback,  
Delray Beach

# Storm-Damage Reduction Value



Based on damage of 540 structures by Hurricane Eloise in the Florida Panhandle, even a 50-ft increase in beach width significantly reduces damage (Dean, 1988)



Holgate, NJ, **“Complete destruction – it’s like a war zone”**

Long Beach Island, NJ



6 miles away at Brant Beach, NJ, **“No overwash or wave damage”**



# Economic Value

- If Florida were a country, it would have the most tourists visits in the world
- If Florida were a country, it would have the second most spending by tourists in the world

Country	Tourists (Millions)
Florida	87.3
France	79.5
United States	62.3
China	57.6
Spain	56.7

Country	Spending (Billions)
United States	90.5
Florida	67.2
Spain	59.9
France	53.8
China	48.5

World Tourism Organization  
2012 and VisitFlorida 2013

# Economic Value

- Florida tourists spent **\$71.8 billion** in 2012 with tourism the **# 1 job provider**, directly supporting 1 million of Florida's 8.7 million jobs

(VisitFlorida, 2013; Bureau of Labor Statistics, 2013; Florida TaxWatch, 2013, Houston, 2013)

- Florida governor, Rick Scott, said that gains in Florida tourism show that it is, “... **the leading driver of Florida's rebounding economy.**”

(Herald-Tribune 2012)





# Economic Value

- Although 22<sup>nd</sup> in land area, because of its beaches, Florida has the highest U.S. insured land value of **\$2.5 trillion** (InsuringFlorida, 2013)
- Florida's public school districts are the primary beneficiaries of local property taxes (Murley et al, 2003)
- **International tourists** spent **\$25.2 billion** in 2012 in Florida, earning about 50% more foreign exchange than the **entire U.S. export crop of corn and wheat** (Census Bureau, 2012, Department of Commerce, 2012)



U.S. corn and wheat crop grown in an area three times the area of Florida

# Economic Value

- Florida's beach nourishment program can be justified solely on the \$25.2 billion spent by international tourists
- However, international tourists have vacation options



Canadians can go  
to the Bahamas



UK and German tourists  
can go to Spain



Brazilians can go to Barbados

- If Florida beaches are not maintained, international tourists will go elsewhere, and the U.S. will lose revenues far in excess of beach nourishment costs



A Ft Lauderdale beach  
following Hurricane Sandy

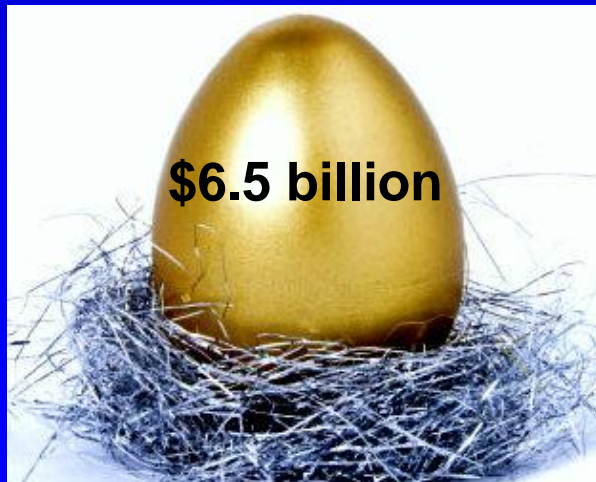
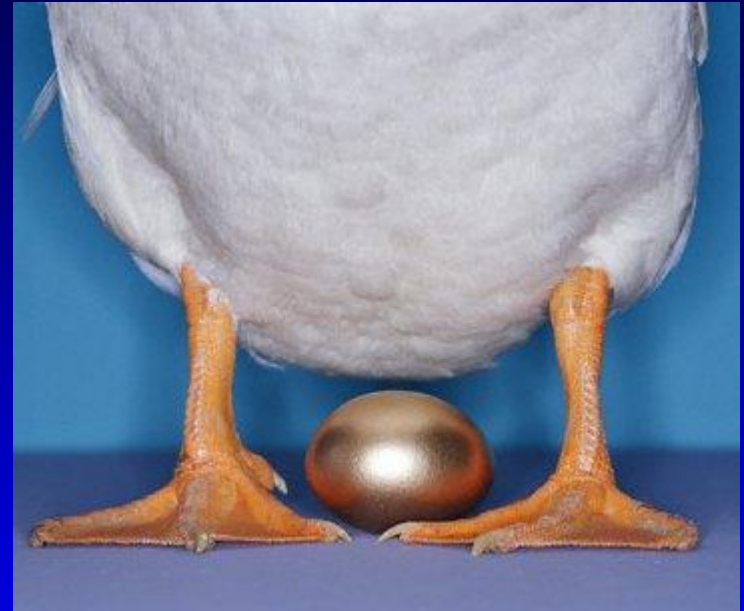


# Supporting the Goose that Lays the Golden Egg

## Golden Egg

- **Florida beach tourists** generate local, Florida State, and Federal taxes of **\$1.0, 2.3, and \$3.2 billion** respectively

(VisitFlorida, 2013; US Travel Association, 2009; Bureau of Labor Statistics, 2013, Florida DEP, 2010)



Total annual taxes generated by  
**Florida beach tourists**

# Condition of the Goose

- Almost half of Florida's 825 miles of shoreline is critically eroding (Florida DEP, 2010)



Offshore Disposal  
of Dredged Sand



Jettied Inlets and  
Navigation Channels



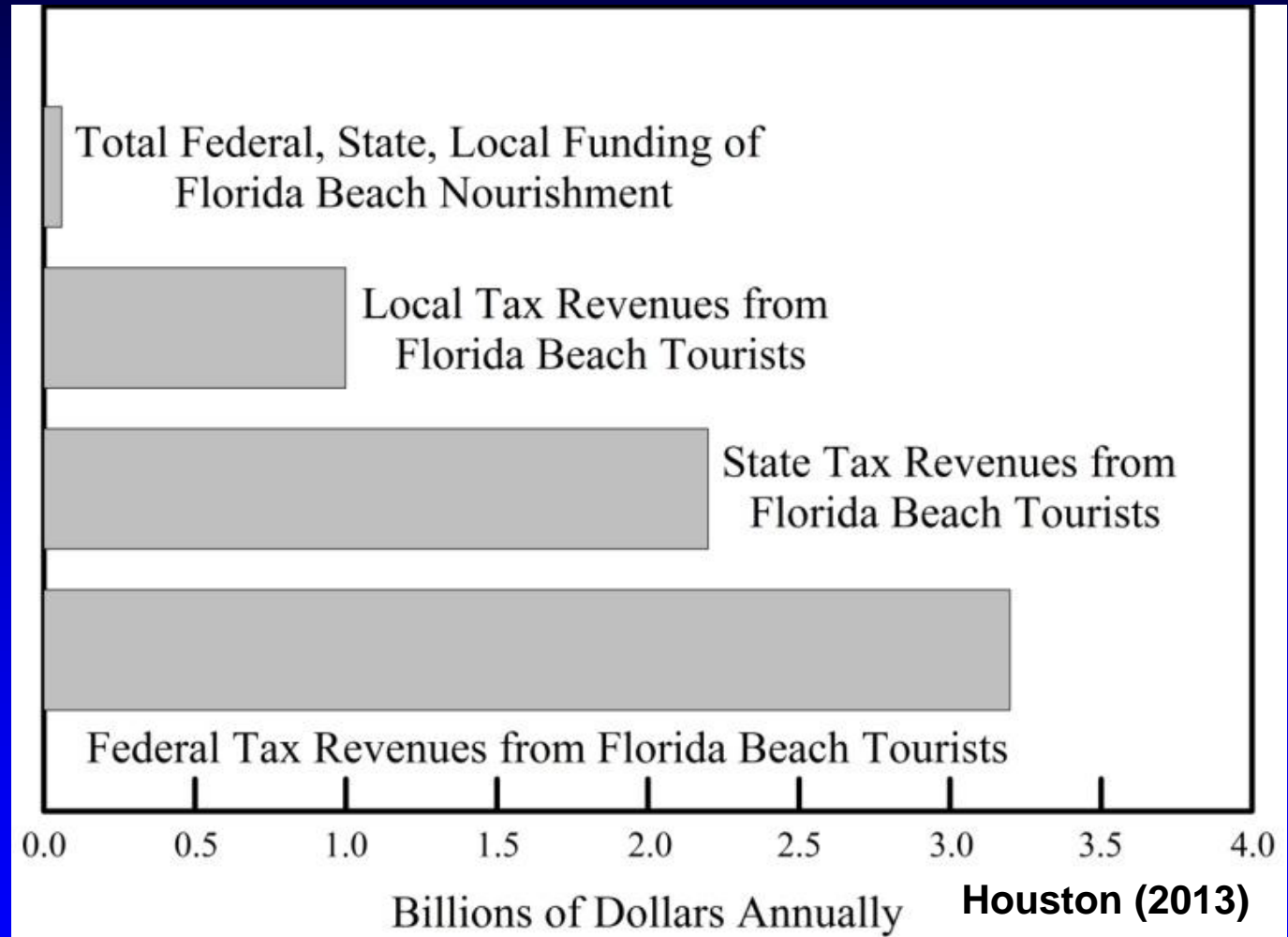
Sunset Beach, St Petersburg,  
following Tropical Storm Debbie

- Dean et. al. (1988) showed Federal navigation projects are responsible for ~ 80% to 85% of erosion on the east coast of Florida (lesser % on west coast)



# Taking from Versus Supporting the Goose

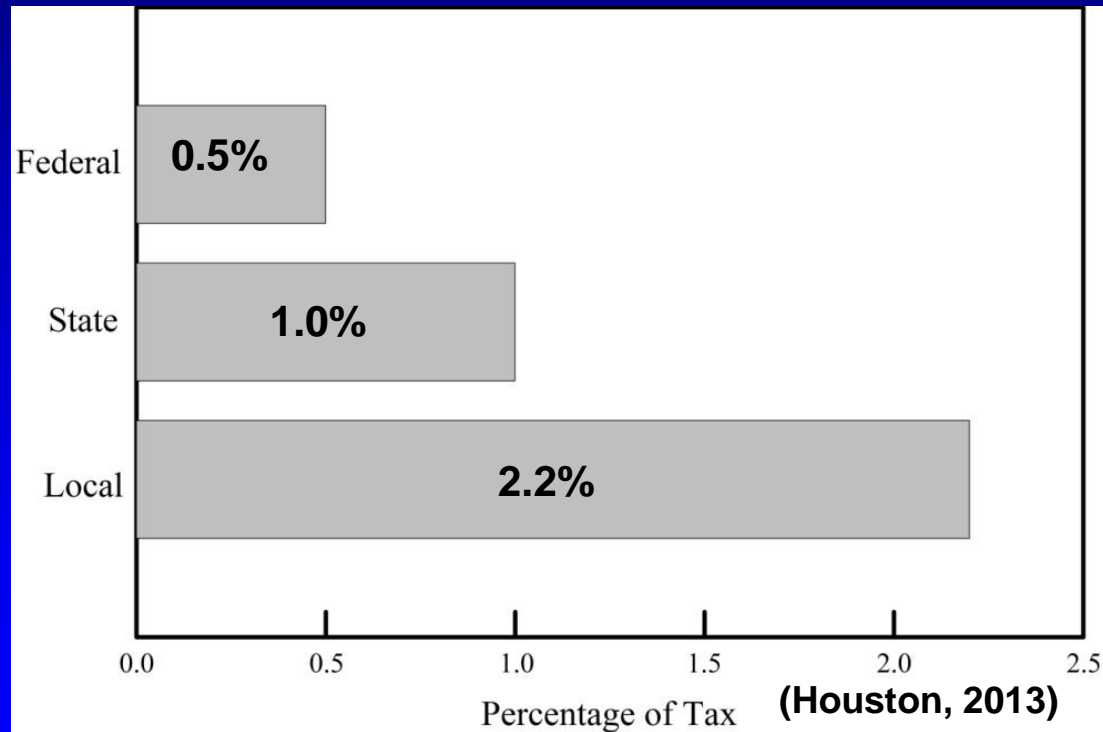
- Tax revenues generated by Florida beach tourists are 100 times expenditures on Florida beach nourishment



Total funding of Florida beach nourishment in 2012  
versus tax revenues generated by Florida beach tourists

# Supporting the Goose

- If Federal and State governments matched local spending on beach restoration as a % of the taxes they collect that are generated by **Florida beach tourists**, the Federal program would be ~ **\$75 million annually** and the State program ~ **\$45 million**

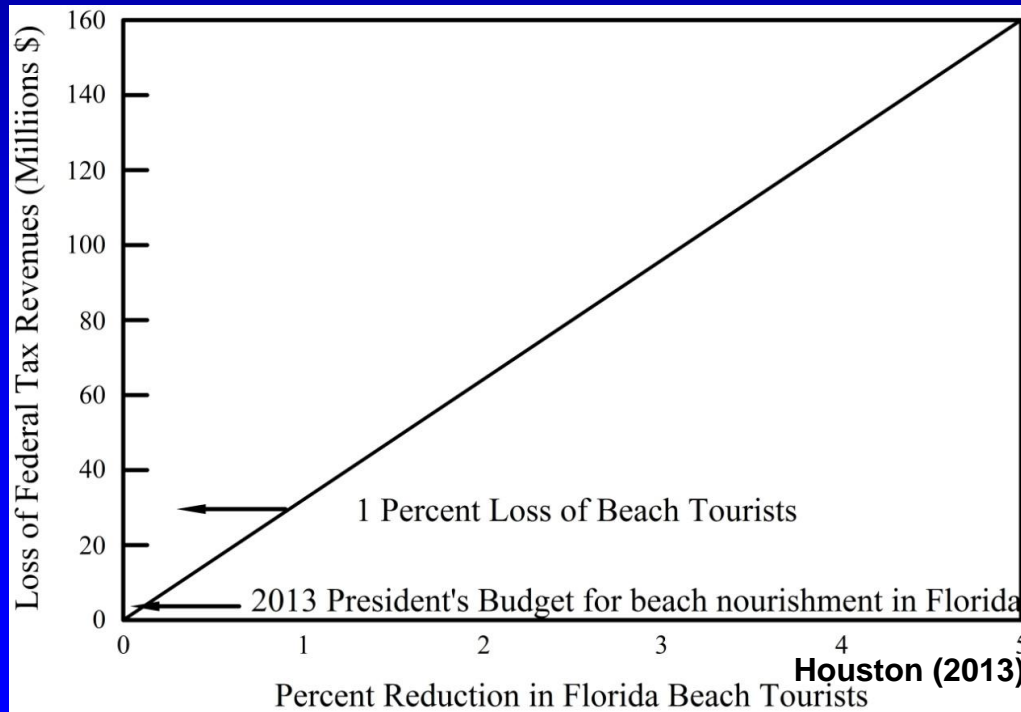


Percentage of tax collected from beach tourists  
spent on Florida beach nourishment in 2012



# Supporting the Goose

- A 1% decline in spending by Florida beach tourists:
  - Reduces Federal tax revenues more than \$30 million (versus \$2 million for Florida beaches in the President's 2013 Budget for the Corps of Engineers)
  - Reduces State tax revenues by more than \$20 million (greater than the State beach nourishment program)



# Casting Stones at the Goose

- U.S. Senator Coburn from Oklahoma published a 2009 Congressional report arguing that nourishing beaches was a waste of Federal taxes

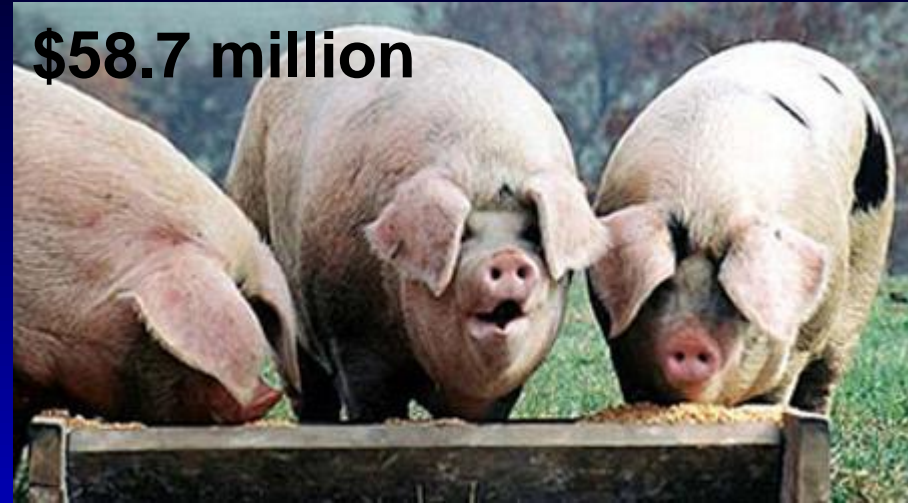


Cover of Report, **“Washed Out to Sea: How Congress Prioritizes Beach Pork over National Needs”**



# Casting Stones at the Goose

- Senator Coburn supported funding of **\$58.7 million** in the 2013 President's Budget for the Corps of Engineers for recreation at 27 Oklahoma lakes (Corps 2012)
- Oklahoma lake funding was more than **national** funding of **\$37 million** for beach nourishment (**\$2.0 million** for Florida beaches)
- Oklahoma lakes have less than 3% of the number of day visits to Florida beaches, but received over **1000 times as much funding per day visit** as Florida beaches



**\$58.7 million**

Oklahoma Hogs at Trough



**\$2 million**

A lean  
Florida pig  
out for a  
dip

# Lake Versus Beach Recreation

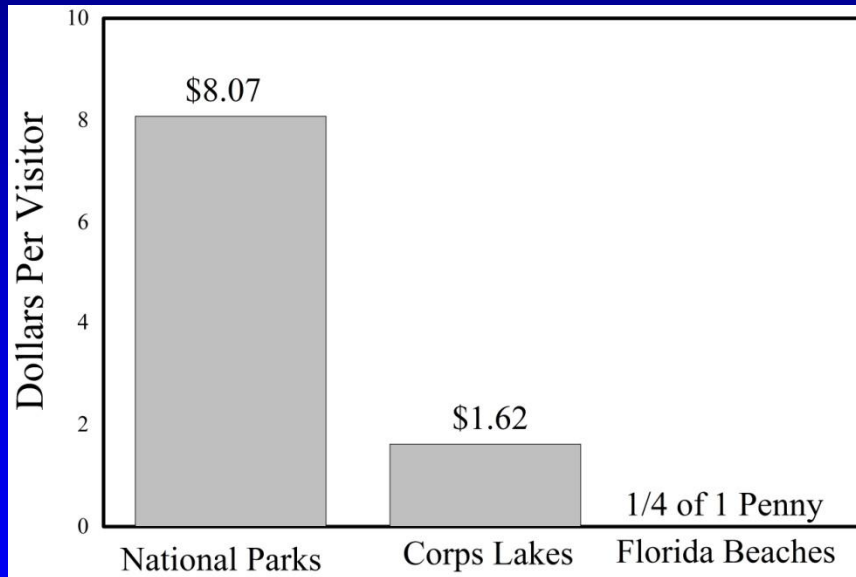
- Originally built for flood control, much of the spending at Corps lakes is to operate recreation facilities including 95,244 camping sites; 31,360 picnic sites; 1,657 playgrounds; 3,484 boat ramps, ..., **485 marinas, and 99,809 marina slips** (Corps 2010)
- Orrin Pilkey asks why Kansas farmers should pay for beach nourishment. The President's Budget had **\$27 million** for Kansas recreational lakes and **\$2 million** for Florida beach nourishment
- Lakes had over **\$600 million** in the President's Budget for Corps' operations and maintenance that did not have to be justified as new construction as did the **\$37 million** for national beach nourishment





# Supporting the Goose

- The Federal government provides little support to beach versus inland recreation despite Florida beaches having more day visits than all Corps and National Park facilities combined



**President's 2013 Budget  
spending per tourist visit**



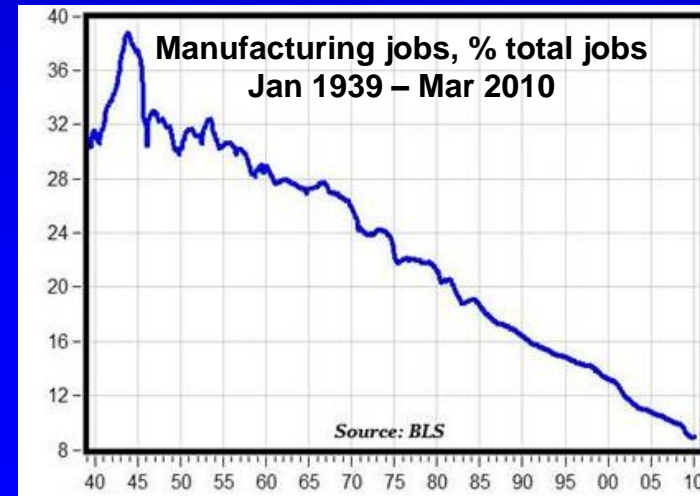
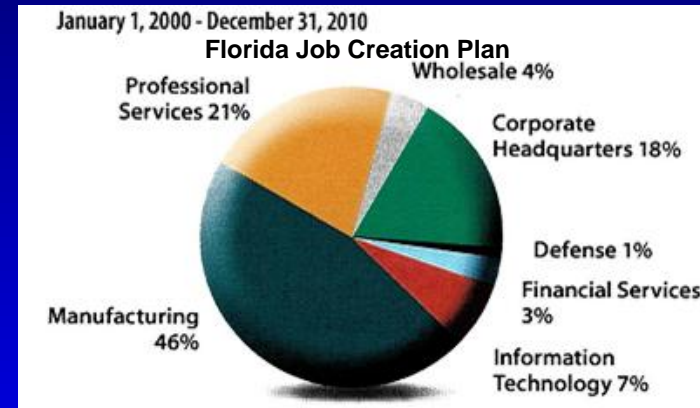
**One of 2500 Corps'  
recreation facilities**

# Supporting the Goose

- Florida is “enlightened”, having dedicated beach restoration funding (~ \$20 million in 2013-2014)
- Florida budget (13-14) has \$247 million for Seaport Grants (recall 80 - 85% erosion due to navigation channels)

## Jobs

- From 2000 - 2010, Florida spent 46% of its tax incentives to attract manufacturing jobs →
  - From 2007 – Apr 2013, Florida lost 24.5% of its manufacturing jobs, but tourism jobs increased 12.1% (Federal Reserve, 2013)
  - “Tourism is our state’s number one competitive advantage”
- Florida TaxWatch, 2013



# Summary

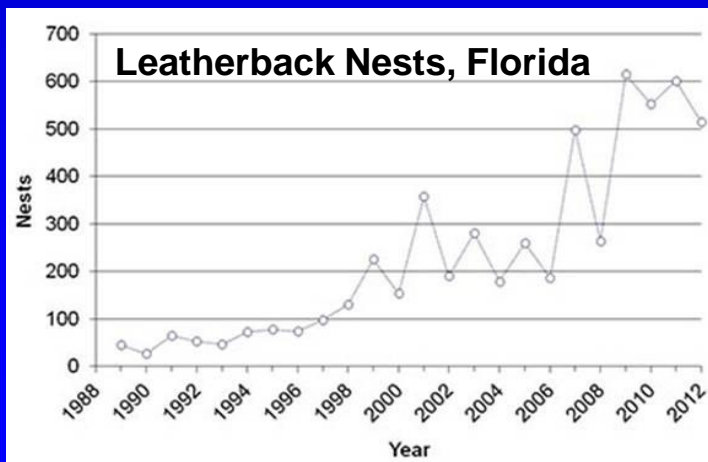
## Esthetic Value

- The world sings the praises of the esthetic value of Florida beaches



## Recreational Value

- Florida beaches are the most visited beaches in the U.S./world and have an annual recreational value of \$50 billion



## Environmental Value

- No beaches, no sea turtles



# Summary

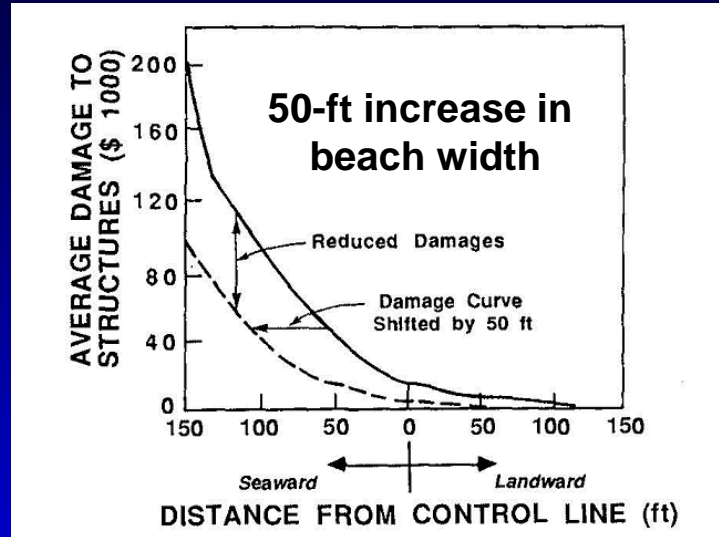
## Storm-Damage Reduction Value

"If you look at the towns that have had engineered beaches, up and down the state, those are the towns whose damage was minimal. Other towns that didn't, the damage was much greater."

- NJ Governor Chris Christie

## Economic Value

- Tourism is vital to Florida's economy with tourists spending ~ \$72 billion and tourism being the #1 provider of jobs in Florida (Florida TaxWatch, 2013)



# Conclusions

- Beaches are Florida's # 1 physical resource
- Their value is not sufficiently recognized in Florida's budget
  - Budget is ~ \$75 billion
  - Beaches budget ~ \$20 million (1% decline in beach tourists reduces Florida tax income by > \$20 million)
- Tourists have ample options and will go else where if Florida's beaches are not maintained
- It is critical to maintain Florida's beaches





**The End**

