



Credit: Everglades National Park

EVERGLADES RESTORATION: A 4-TO-1 RETURN ON INVESTMENT

BACKGROUND

The Everglades Foundation has released a comprehensive study detailing the financial return on investment in Everglades ecosystem restoration. Conducted by Mather Economics, the study shows that the country—and the state of Florida in particular—stand to gain significant economic growth and new job creation as a result of America's Everglades restoration.

ECONOMIC BENEFIT OF RESTORING AMERICA'S EVERGLADES

Projections show that investing \$11.5 billion in Everglades restoration will result in \$46.5 billion in gains to Florida's economy and create more than 440,000 jobs over the next 50 years! For every dollar invested in Everglades restoration, \$4 are generated in economic benefits.

ECONOMIC GAINS BY SECTOR



Water Quality: 28%

Enhanced availability of freshwater will protect the region's drinking water supply and cut down on costs of purification methods, such as desalination facilities.



Real Estate: 35%

Property values are expected to increase for all 16 counties within the South Florida Water Management District, due to increased quality of drinking and recreational water.



Fishing: 5%

Recreational and commercial fishing industries will see a significant rebound with the protection of territory and enhanced water quality.



Open Space: 2%

Availability of trees and open space will help to offset impacts of sea level rise and global climate change.



Habitat and Hunting: 27%

Restoring the everglades will provide valuable ecosystem habitat. Native wildlife populations will flourish and lead to increased availability of hunting opportunities.



Park Visitation: 3%

Restoration of the Everglades ecosystem will increase wildlife populations and allow for more recreational opportunities during park visitation for residents and tourists.



evergladesfoundation.org





**Bobby McCormick,
Mather Economics
principal investigator**

"What we wanted to do was provide a business-like approach about public decisions on Everglades restoration."

"If restoration is a business decision, would you do it? What do you get out of spending \$11 billion? Is it worth spending the money? Our answer is unequivocally yes."

**Tamara Pigott, executive
director of Lee County's
Visitor & Convention Bureau**

"What's special about Lee County and Southwest Florida is our beautiful ecosystem. Water quality equals a good environment, and that's what draws people here."

"As to dollar values, there are a lot of ways to skin a cat: One economist will say one thing, and another will say something else. But the obvious economic driver is our ecosystem, and having a healthy Everglades and Lake Okeechobee is critical to us."

It has been known for a long time that Everglades restoration will have important and significant economic impacts on basic services provided by this massive and complex ecosystem. However, this is the first time a study has been conducted to quantify the estimated increase in economic value of a restored Everglades ecosystem. The ability to justify the economic benefits of on-going wetland ecosystem restoration efforts is critical to the effort to secure additional support for restoration projects in America's Everglades.

Among the benefits of Everglades restoration, according to the report:



Protection of Water Supply: Enhanced availability of freshwater, decreased costs of alternative water supplies

Restoring America's Everglades is expected to result in at least the energy cost savings from desalinating less saline groundwater. Groundwater in the coastal counties of the South Florida Water Management District (SFWMD) is becoming increasingly brackish. It will have to be desalinated before most uses.

The restoration of sheet flow according to the CERP can be expected to decrease groundwater salinity, because the additional fresh water filtered into the aquifer from above will displace seawater seeping into the aquifer from below.



Enhanced Value of Real Estate: Increased property values due to the quality of water in waterways and groundwater

A restored Everglades will improve the quality of surface water in the 16-county South Florida Water Management District. Water plays an important role in the determination of residential real estate values. Proximity, type (ocean, bay, lake, river, etc.), view, size and quality are among the water attributes that are valued by real estate buyers. For example, lakeside or seaside properties sell at a premium to properties located away from bodies of water. A home on a clear stream trades at a premium compared to a similar home on a polluted stream.



Credit: Brian F. Call Photography

Barry Johnson, President and CEO, Greater Miami Chamber of Commerce

"The health of the Everglades is central to economic growth in South Florida, the quality of life in South Florida and the future of Florida itself."

Charles Dauray, a South Florida Water Management District governing board member representing Lee, Collier, Hendry and Charlotte counties.

"Everglades restoration is not just an outlay of money: It's also an investment in our economic future. We have to pay for the privilege of changing the course of nature. According to the report, every dollar we invest in Everglades restoration will come back four-fold, but for every dollar we don't invest in restoring and sustaining nature, we lose that much more of nature."



Park Visitation and Tourism: A restored ecosystem and improved wildlife population allows for additional recreational opportunities for residents and visitors

The Everglades is one of South Florida's main tourist and recreational attractions. The estuaries, rivers, lakes and wetlands unique to the Everglades ecosystem invite sightseeing, photography, bird watching, manatee watching, camping, cycling, boat tours, sailing, airboat tours, canoeing, nature hikes, kayaking, hunting, shelling, saltwater fishing and freshwater fishing. Logic dictates that Everglades' restoration would increase the quality of these activities and, consequently, the number of resident and non-resident visitors to the Everglades. This increase in recreational and tourist activity translates to an economic value that can be estimated.



Improved Wildlife Populations and Hunting Opportunities:

Restoring habitat allows for increases in wildlife populations

Hunting and wildlife viewing are popular pastimes in the Everglades and there are two important hunting groups: deer and waterfowl (primarily ducks). Restoration stands to alter opportunities to hunt at least two key species. Deer have moved into and flourished in the drained wetlands of the Everglades, and ducks have left. Restoration will reverse these recent trends by producing a net gain in duck hunting opportunities.

SUMMARY OF ECOSYSTEM SERVICES VALUATION OF EVERGLADES RESTORATION

<u>Service Benefits</u>	<u>Net Present Value of Restoration Benefits</u>
Groundwater Purification	\$13,150,000,000
Real Estate	\$16,108,000,000
Park Visitation	\$ 1,311,588,000
Open Space	\$ 830,700,000
Recreational Fishing	\$ 2,037,000,000
Commercial Fishing	\$ 524,100,000
Wildlife Habitat & Hunting	\$12,539,900,000
Total Value of Services	\$46,501,288,000
Initial Investment in Everglades restoration:	\$11,500,000,000
Benefit-to-Cost Ratio:	4:1



Credit: Everglades National Park

IMPACT ON JOBS

Everglades restoration will also have an incremental impact on employment of about 442,664 additional workers over 50 years. In addition, the U.S. Army Corps of Engineers estimates there will be 22,966 short- to mid-term jobs created as a result of the actual restoration projects. Throughout this analysis, a very conservative approach to estimation was taken. Accordingly, best estimates almost surely understate the return on investment of Everglades restoration.

Summary of Jobs Results

Sector	Incremental Jobs
Commercial Fishing	6,798
Recreational Fishing	36,868
Residential Construction & Real Estate Services	273,601
Tourism (Lodging, Eating & Drinking, Transportation, Retail, Entertainment)	48,552
Agriculture	(3,724)
Wildlife Habitat & Hunting	80,569
TOTAL	442,664

Source: Measuring the Economic Benefits of America's Everglades Restoration, Mather Economics, Roswell, GA. Bobby McCormick, Ph.D., Principal Investigator. Study Prepared for the Everglades Foundation.

THE TEAM

In addition to Mather Economics, the study involved input from many individuals known by Everglades Foundation staff and its board of directors. This study could not have been completed without the assistance of various local, state and federal agencies, including the U.S. Army Corps of Engineers, the Corps' Jacksonville Office, Everglades National Park, the South Florida Water Management District, Florida Forever, Florida Earth Foundation, National Wildlife Foundation, Ducks Unlimited and others.

FOR ADDITIONAL INFORMATION

"Measuring the Economic Benefits of America's Everglades Restoration: An Economic Evaluation of Ecosystem Services Affiliated with the World's Largest Ecosystem," is available in its entirety at www.evergladesfoundation.org.