



**NOAA
FISHERIES**

Office of Science
and Technology

Economics and
Social Analysis
Division

Cost-Earnings of Independent Marine Bait & Tackle Retail Stores

Team: Clifford Hutt¹, Sabrina Lovell²,
& Scott Steinback³



QUEST Webinar

October 21, 2015

¹ECS Federal in support of NMFS

²NMFS Office of Science
and Technology

³Northeast Fisheries
Science Center

Overview

- Economic survey of marine bait & tackle stores
- Identified as a data need by industry groups
- Response to impacts of red snapper closures
 - ASA study - 1,200 stores losing \$10 million in 6 months
- Similar concerns over other closures, marine protected areas



Reasons for Study Need

- Retailers that sell bait and tackle are lumped into other categories in national census studies
 - Sporting goods, convenience stores, etc.
 - Impossible to separate out the data
- Current angler expenditure surveys tell us how much bait and tackle anglers buy but not where
 - How much goes to big box stores?
 - How much to independent, small businesses?
 - What are their costs? Net revenue?

Who Did We Target?

- Independent stores and small local chains
- Fishing license vendors as proxy sample frame
- Lists acquired from all 23 coastal states + 2 wholesalers
- Concentrating on near coastal counties



Outreach Efforts

- Worked closely with industry to develop and promote study



Data Collection and Analysis

- Goal to collect baseline economic data
 - Gross sales (range), fishing sales & costs (%)
 - Sales by bait & tackle categories (%)
 - Fisheries targeted by customers
 - Collected 2013 data
- Conducted cost-earnings and economic impact analyses (IMPLAN)
- Conducted analysis by business categories
 - Bait & Tackle vs. Other Stores
 - Excluding Alaska and Hawaii



Targeted Inventory Categories

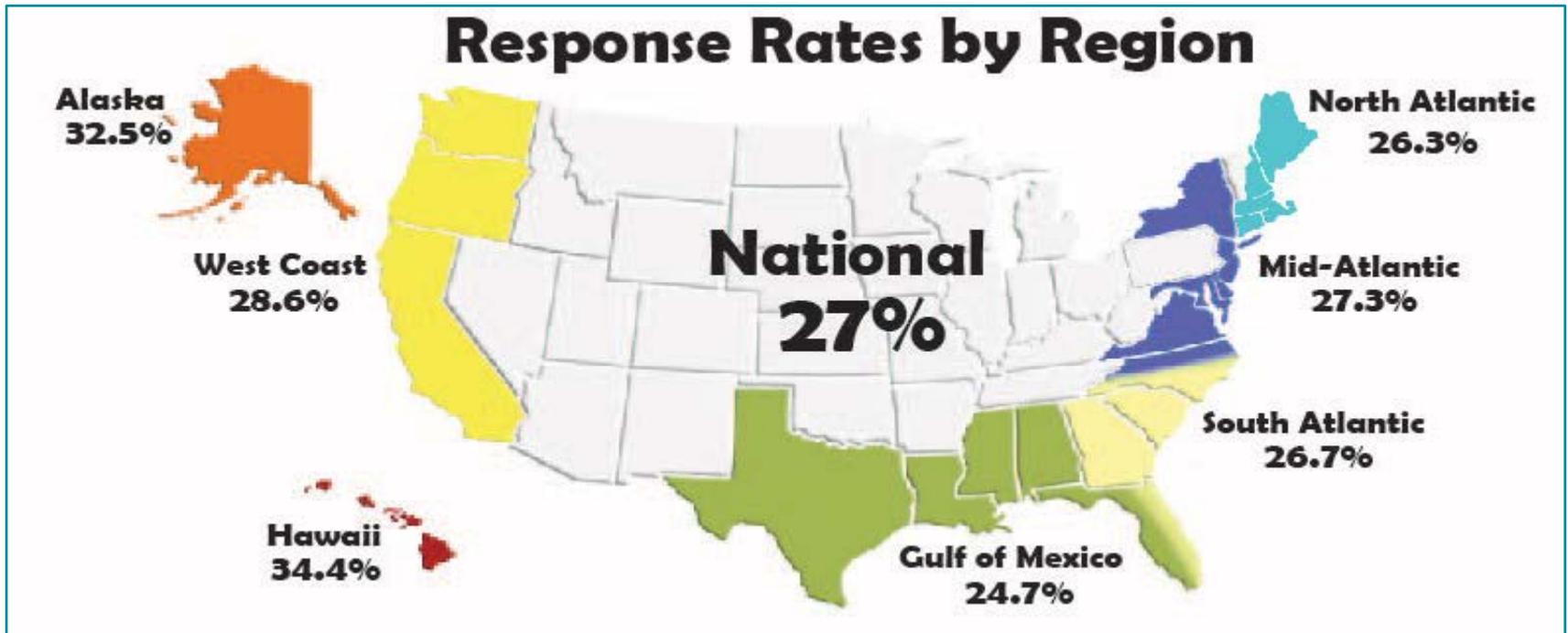
- Bait, live and dead
- Lures & terminal tackle
- Fishing line
- Rods and reels
- Hardware accessories
- Tackle boxes
- Fishing apparel
- Boating accessories & electronics



Operational Cost Categories

- Employee payroll
- Building rent/mortgage
- Facility & equipment maintenance
- Utility expenses
- Marketing/advertising
- Professional services
- Insurance
- Taxes and fees
- Shipping fees

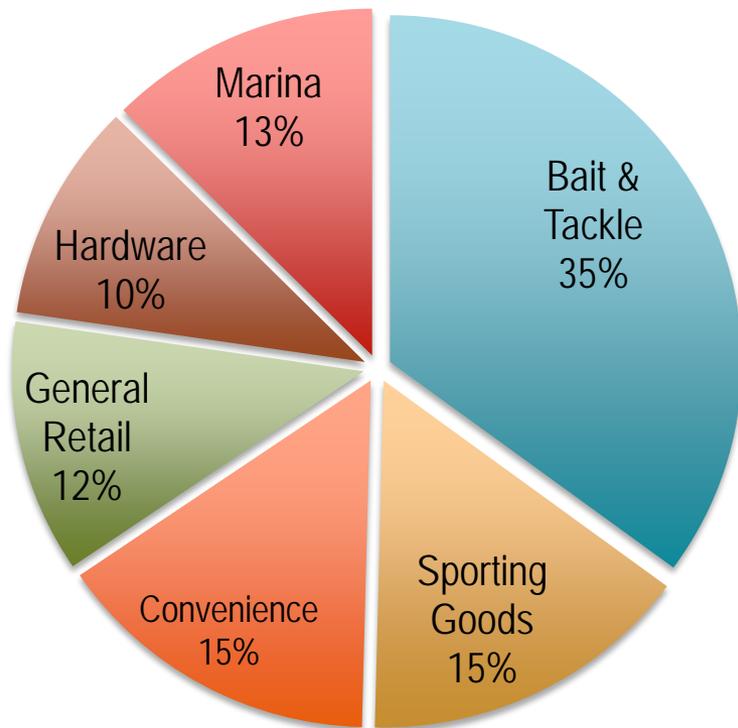




National response rate based on 3,514 eligible stores and 944 returned surveys

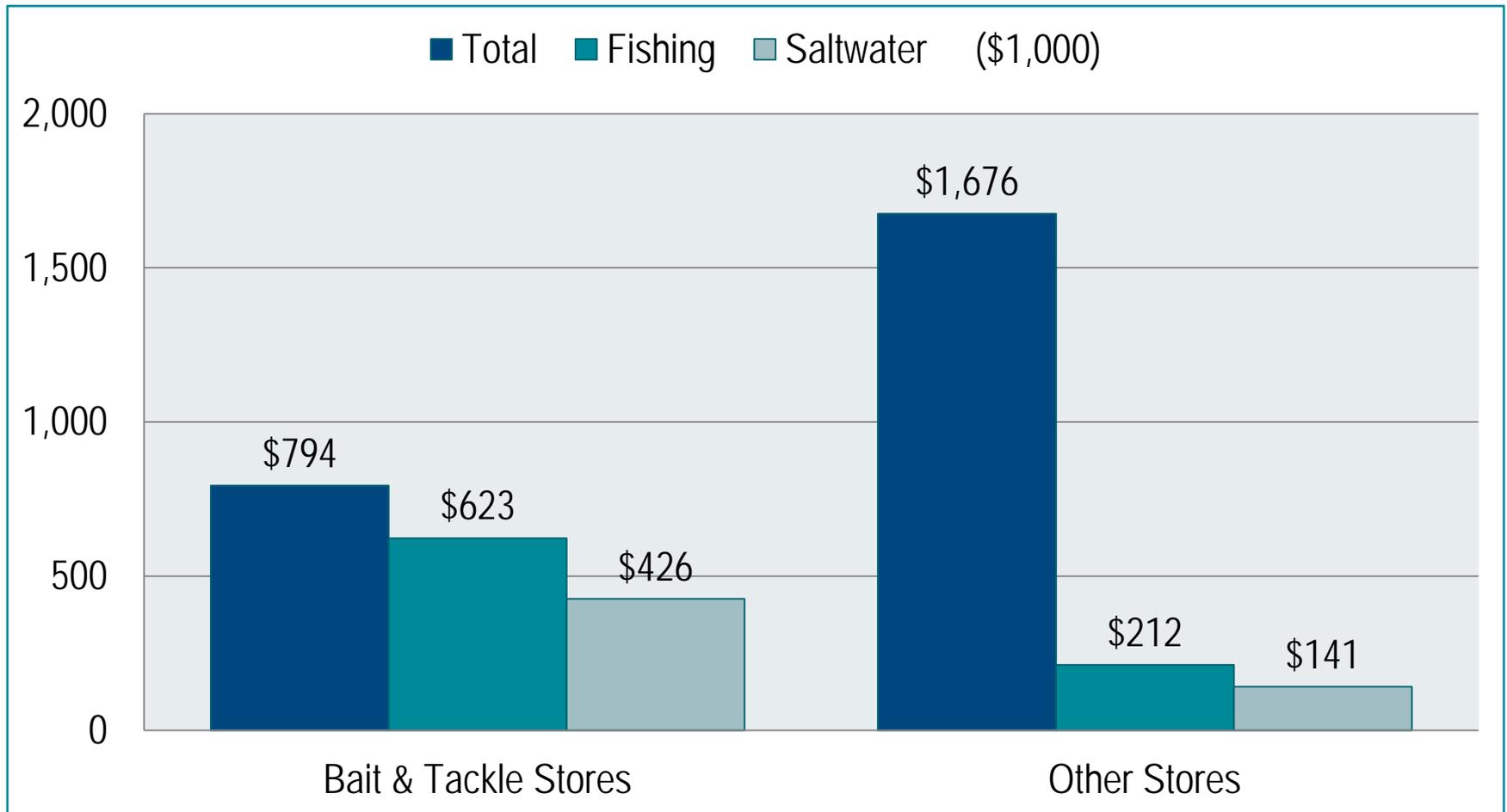
Store Characteristics

Percent Stores by Category

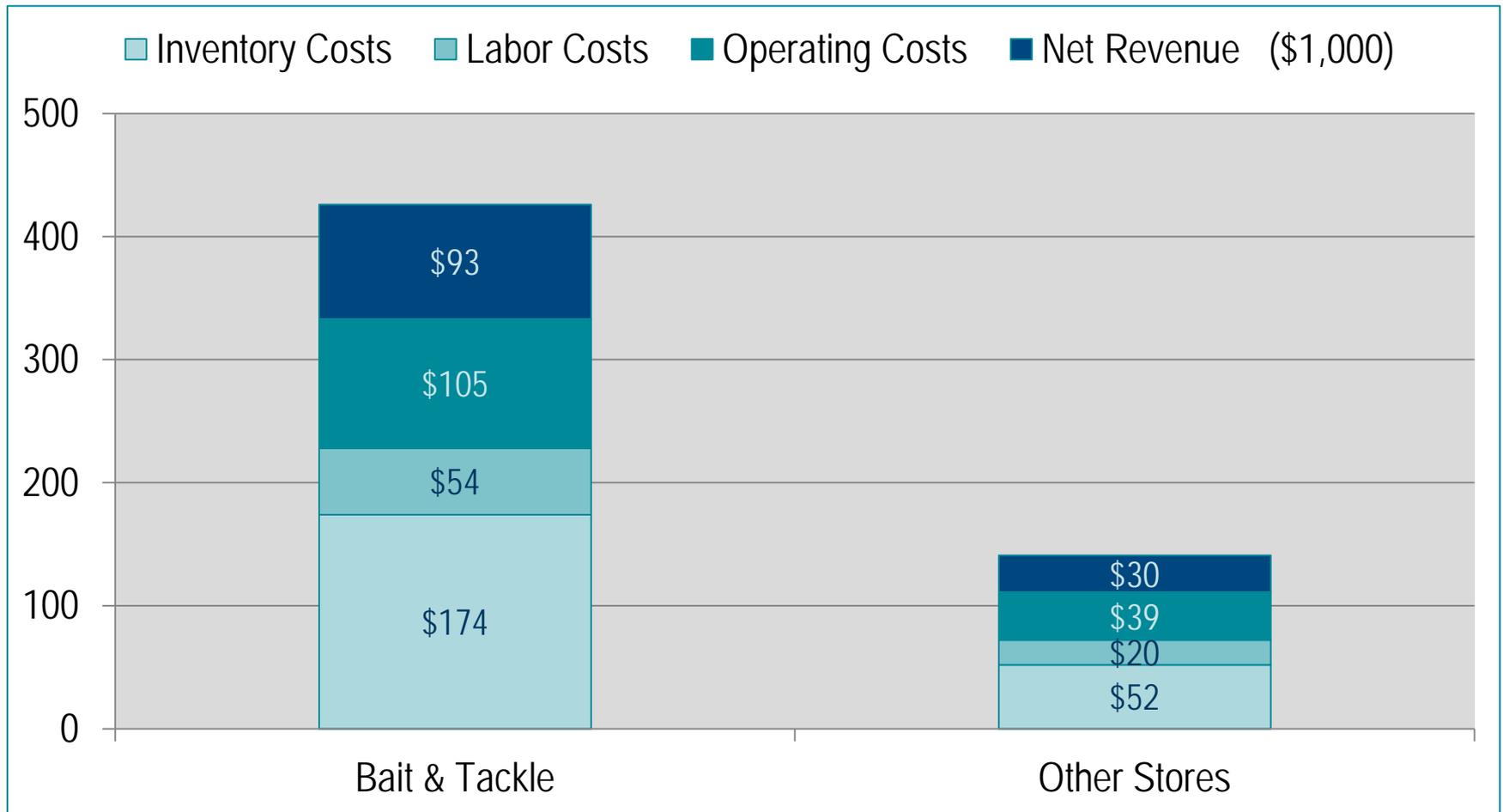


	Bait & Tackle (1,259)	Other Stores (2,255)
Years selling marine B&T	25	25
Full time employees	3	7
Part time employees	4	6

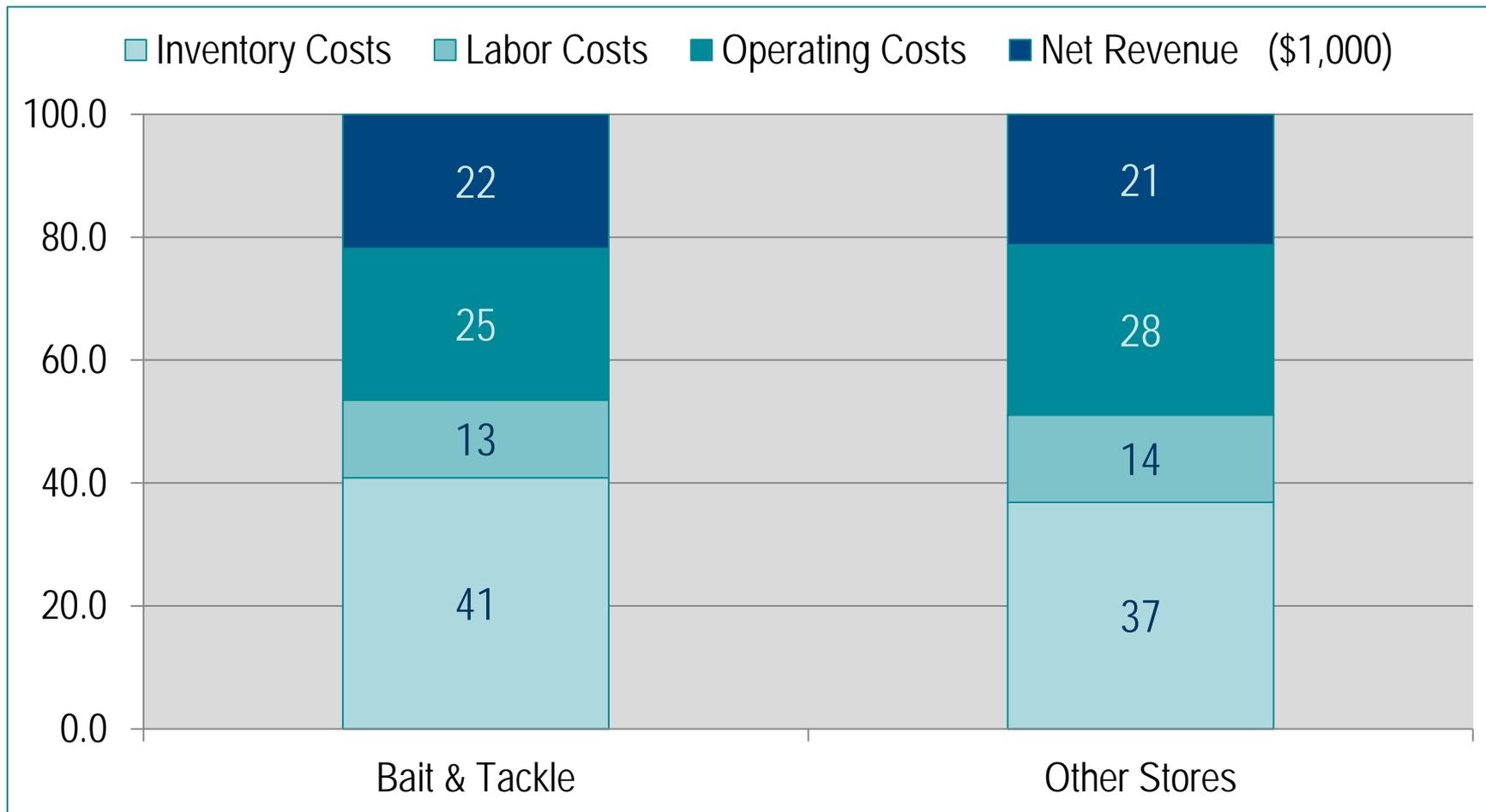
Average U.S. Sales by Store Type



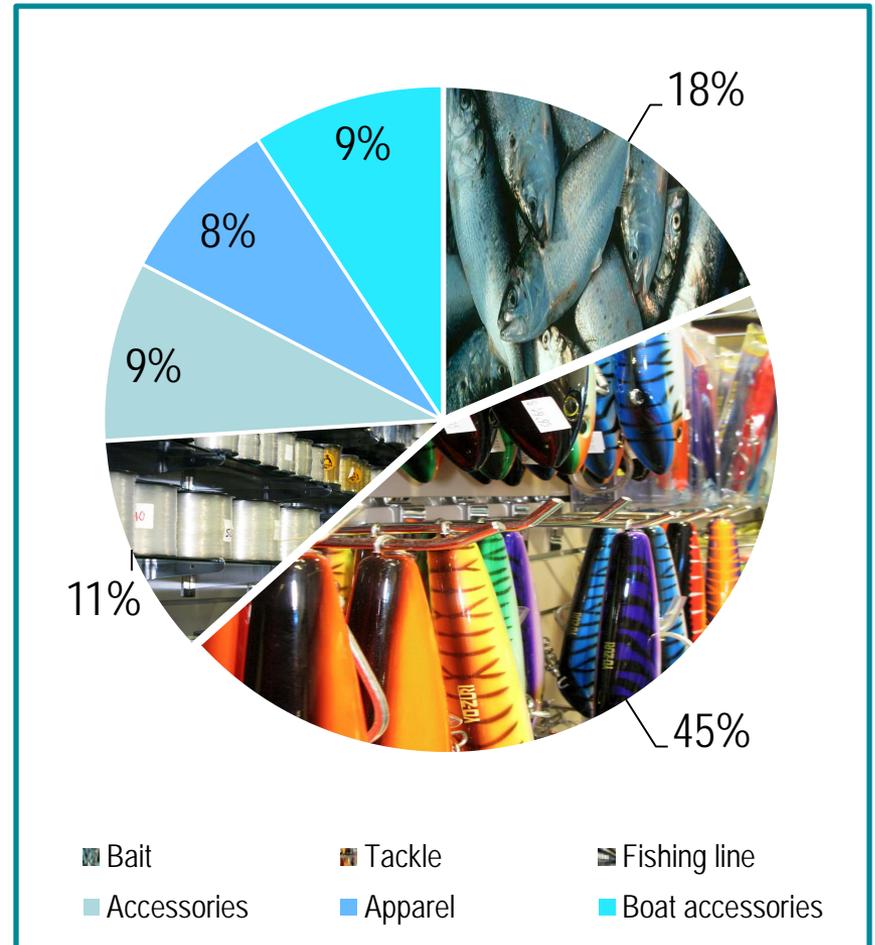
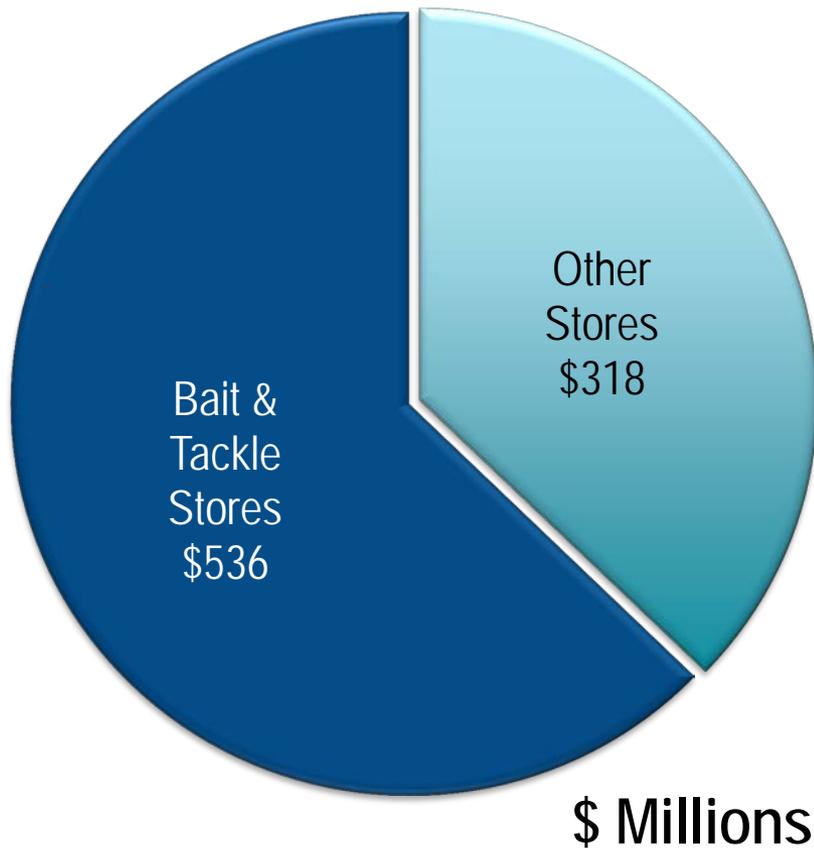
Average Costs and Net Revenues



Percentage Costs and Net Revenues



Nationally - \$854 Million in SW Bait & Tackle Sales, 3,514 retail stores



Economic Impact Analysis

- Conducted with IMPLAN model
 - Expenditures assigned to industry sectors
 - Input-output model tracks circulation of monetary expenditures throughout a regional economy
- Types of impact estimates:
 - Sales, labor income, and employment
 - Direct, indirect, and induced

Expenditure/Income Category	IMPLAN Sector(s)	Description
Inventory		
Bait	17	Commercial fisheries
Fishing tackle (rods, lures, etc.)	311	Sporting goods
Fishing lines and nets	129	Artificial and synthetic fibers and filaments
Accessories (clippers, pliers, etc.)	185, 184	Handtools; Cutlery
Fishing apparel	88, 89, 93, 311	All other textile products; Footwear
Boat accessories and electronics (Electronics, lines, anchors)	249, 238, 170, 129	Search, detection, and navigation instruments; Broadcast and wireless communication equipment; Iron and steel manufacturing; Artificial and synthetic fibers and filaments
Spearfishing	311	Sporting goods
Employee pay and benefits	5001	Labor Income Change
Building rent/mortgage	39	Maintenance of non-residential structures
Facility and equipment maintenance	385	Facilities support services
Utility expenses	351, 31, 33	Telecommunications; Electricity and distribution services; Water, sewage treatment, and other utility services
Marketing/advertising	377	Advertising and related services
Professional services (legal, accounting)	367, 368	Legal services, accounting services
Insurance	357	Insurance
Shipping fees	427	US Postal delivery services
Taxes	Federal and State ISPs	Federal and State Institutional Spending Patterns
Other costs	354, 3110, 3115, 3313	Monetary authorities (banks), paper products, fuel, non-paper office supplies
Net Returns	10009	Household Income Change (\$150,000+)

Economic Impacts Generated by \$854 Million in Sales



\$2.3 billion in total sales output

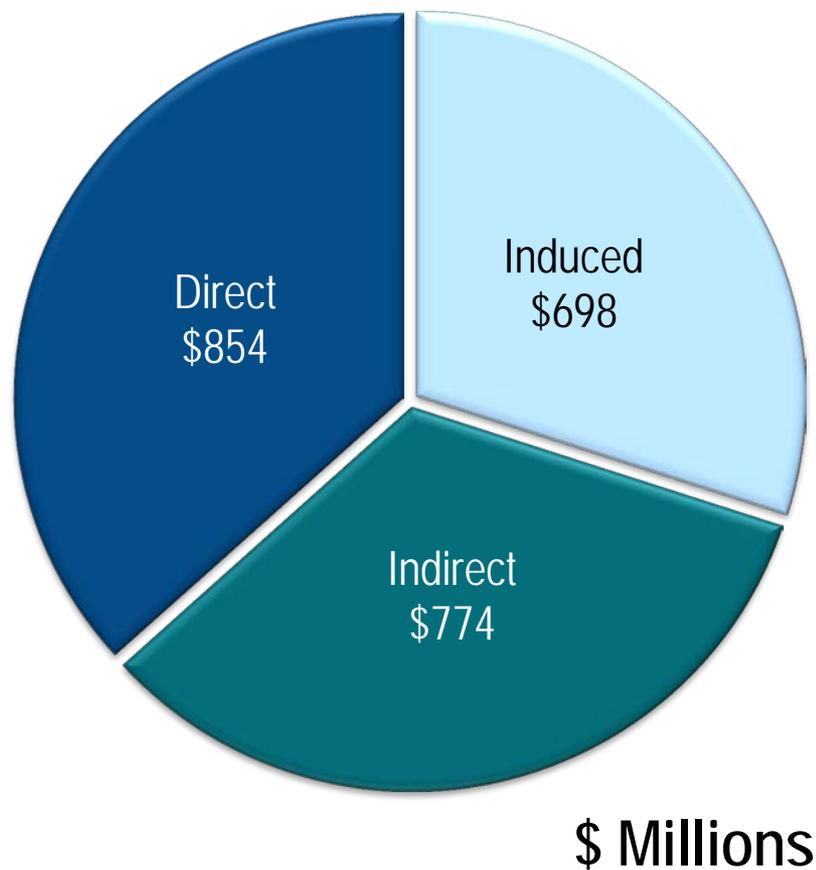


\$796 million in income



16,000 + full & part time jobs

\$2.3 Billion in Total Sales Output



Direct Impacts (37%)

- Original sales of bait & tackle

Indirect Impacts (33%)

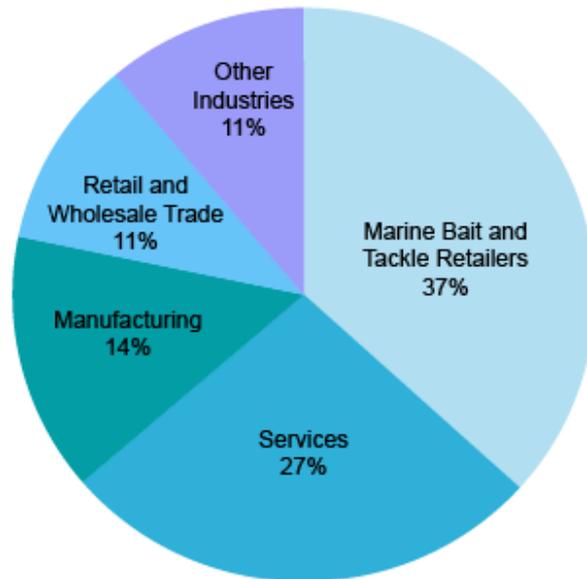
- Sales between bait & tackle retailers and supporting businesses

Induced Impacts (30%)

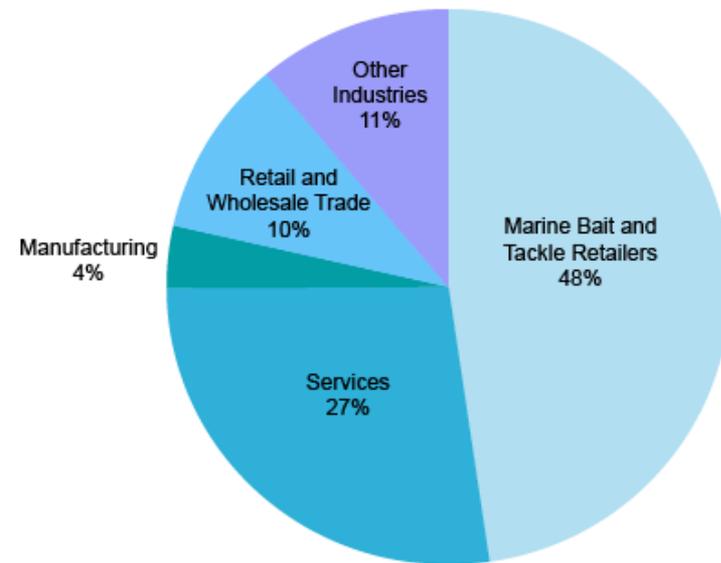
- Household spending of employees

Sales and Job Impacts by Industry Sector

\$2.3 Billion in Sales by Industry



16,000 + Jobs by Industry



North Atlantic - \$94 Million in Sales, 467 Stores – 56% Bait & Tackle

ECONOMIC IMPACTS



\$200 million in output



\$79 million in income



1,260 jobs

Mid-Atlantic - \$181 Million in Sales, 632 Stores – 45% Bait & Tackle

ECONOMIC IMPACTS



\$383 million in output



\$137 million in income



2,580 jobs



South Atlantic - \$186 Million in Sales, 708 Stores – 28% Bait & Tackle

ECONOMIC IMPACTS



\$389 million in output



\$144 million in income



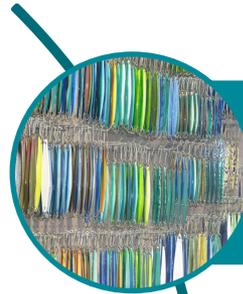
2,900 jobs



Gulf of Mexico - \$266 Million in Sales, 789 Stores – 32% Bait & Tackle



ECONOMIC IMPACTS



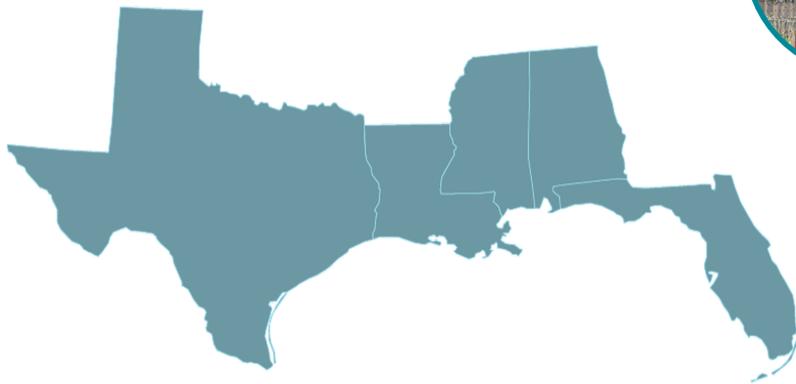
\$601 million in output



\$160 million in income



4,400 jobs



West Coast - \$97 Million in Sales, 724 Stores – 29% Bait & Tackle



ECONOMIC IMPACTS



\$209 million in output



\$70 million in income



1,680 jobs



Alaska - \$27 Million in Sales, 162 Stores – 11% Bait & Tackle

ECONOMIC IMPACTS



\$44 million in output



\$16 million in income



319 jobs



Hawaii - \$23 Million in Sales, 32 Stores – 55% Bait & Tackle

ECONOMIC IMPACTS



\$38 million in output



\$19 million in income



285 jobs

Conclusions

- Bait & Tackle stores are an iconic fixture of coastal communities
- Solid cash flow for Bait & Tackle retailers
- Findings will inform federal and state decision-makers on industry impacts
- Final report can be found at:
- <http://www.st.nmfs.noaa.gov/economics/fisheries/recreational/Bait-and-Tackle/bt-survey-2014>

Acknowledgements

- ASA – Mike Leonard, Mike Nussman, Gordon Robertson
- Rob Southwick – Southwick Associates
- Gary Zurn, Big Rock Sports
- Bob Brown, Hal Brown Tackle
- State contacts that provided license vendor lists

Contact Info

Clifford Hutt, PhD

ECS Federal in support of
NOAA Fisheries

Office of Science & Technology

Economics and Social
Analysis Division

cliff.hutt@noaa.gov

(301) 427-8210

