



October 2014

## **THE ECONOMIC BENEFITS OF IMPLEMENTING THE BLUEPRINT IN NEW YORK**

Nature plays an important role by providing clean air and water, reducing flooding risks, and delivering food and recreational opportunities. These and other natural benefits can be quantified. The Chesapeake Bay Foundation's new report, *The Economic Benefits of Cleaning Up the Chesapeake*, for the first time assesses those benefits to determine what the current dollar value is, and how much it will increase with the implementation of the Chesapeake Clean Water Blueprint.

Everyone will benefit from reducing pollution. The report estimates that in 2009 the value of nature's benefits in the region was \$107.2 billion and implementing the Blueprint will increase that value by \$22 billion. If we fail to continue to reduce pollution, the value of natural services would decline by \$5.6 billion.

Implementing the Blueprint will have a significant, positive benefit for New York's economy. Once the Blueprint is fully implemented, and the benefits fully realized, the value of the natural services provided would increase by \$1.9 billion annually, from \$10.3 to \$12.2 billion. That increase is largely driven by the enhanced value of:

- Aesthetics, the role that healthy natural areas play in attracting people to live, work, and recreate in a region, which showed an increase in value of \$733 million annually; and
- Water supply, the filtering, retention, storage, and delivery of fresh water—both quality and quantity—for drinking, irrigation, industrial processes, and other uses, saw an increase of \$479 million.

Across the region those benefits include:

- Approximately 75 percent of the people living in the Bay watershed rely on surface water supplies for their drinking water (Sprague, Burke, Clagett, & Todd, 2006). An EPA study of drinking water source protection efforts concluded that for every \$1 spent on source water protection, an average of \$27 is saved in water treatment costs (Groundwater Protection Council, 2007).
- Agricultural lands account for approximately 22 percent of the acres in the Chesapeake watershed (US EPA, 2010a) and the value of Chesapeake Bay region agricultural sales in 2007 was about \$9.5 billion—24 percent from crops and 76 percent from livestock (U.S. Department of Agriculture, 2007).
- Scientists estimate that the 1.2 million acres of urban forest in the Chesapeake region collectively remove approximately 42,700 metric tons of pollutants annually (Sprague et al., 2006).
- In 2001, more than 15 million people fished, hunted, or viewed wildlife in the Chesapeake region's forests alone and contributed approximately \$3 billion to the regional economy (Sprague et al., 2006).

CBF's study addressed only benefits, not costs. While there are no recent estimates of the total costs of implementation, a 2004 estimate put costs in the range of roughly \$6 billion per year.

Considering federal, state and local investments in clean water in the 10 years since that time, we estimate the current number is closer to \$5 billion annually. And once capital investments are made, the long-term annual operations and maintenance costs will be much lower.

The result--the Blueprint will return benefits to the region each year at a rate of more than four times the cost of the clean-up plan.