

U.S. PORT & MARITIME INDUSTRY

# ECONOMIC CONTRIBUTION REPORT

# LETTER FROM CEO



Dear Valued Members and Readers,

The American Association of Port Authorities (AAPA), with the help of Ernst and Young, is pleased to present you with the 2024 U.S. Port and Maritime Industry Economic Contribution Report.

Those in the maritime industry understand how indispensable ports are in our daily lives, but this understanding is not as common among the media, government officials, and the public. In addition to ensuring essential goods are readily available, ports play a pivotal role in domestic job creation, global trade, supply chain efficiency, and prosperity for our national economy.

That is exactly why every few years, AAPA works closely with economists to carefully examine federal government data and extrapolate a rigorous set of topline numbers for an economic contribution report. These compelling numbers represent the economic contribution of United States ports, which we present to stakeholders in and outside the industry to help foster recognition of the power, influence and necessity of our ports. A potent example is the contribution of port activities to national GDP is almost twice the size of Mexico's total GDP.

Since ports also support diverse industries such as manufacturing, farming and retail, AAPA's report features additional analysis of the direct, indirect and induced effects of the related economic activities of exporters and importers that use ports for shipping of their cargo. According to our calculations, more than one out of every eight jobs in the U.S. workforce is supported by ports.

Thank you for your time and interest in America's port and maritime industry. We hope you find the results of the report as exciting as we do.

Respectfully,

A handwritten signature in black ink that reads "Gary Davis". The signature is written in a cursive, flowing style.

# Total national economic contribution of the port and maritime industry in 2023

The data provided in the “Economic contribution of the port and maritime industry in 2023” technical report prepared by Ernst and Young (EY) and data derived from the IMPLAN model were used to estimate the broader economic impacts of the U.S. port and maritime industry by AAPA. The effort was rooted in understanding the significant role that the industry plays in job creation and overall economic growth for industries related to and facilitated by the movement of goods through U.S. ports. The methodology and findings are summarized below.

## I. Estimating Port User Indirect and Induced Jobs

Port users are businesses, such as manufacturers, retailers, and farmers, that import or export goods through a US port. EY’s analysis indicated that the movement of goods through ports directly facilitated 6.577 million port user jobs in the US in 2023. To capture the broader indirect and induced impact of the port user’s economic activity, the AAPA used the IMPLAN model, a comprehensive input-output (I-O) analysis tool.

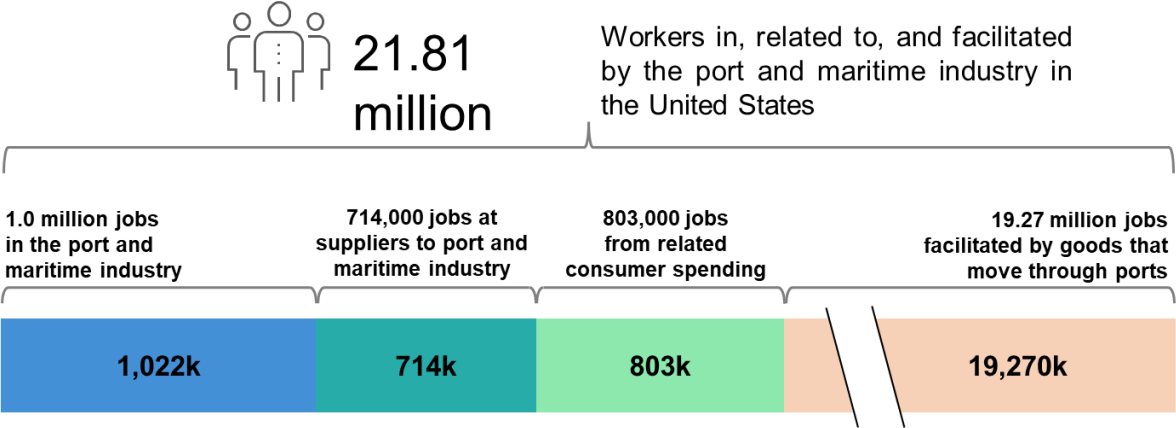
IMPLAN and other I-O models estimate how changes in one sector of the economy affect other sectors through inter-industry linkages. These models track the flow of goods and services between industries, allowing for the calculation of economic multipliers. For port users, the weighted average employment multiplier across port-user industries was estimated to be 2.93. This multiplier represented the weighted average of industry employment multipliers from the 2021 IMPLAN model of the US economy.

- **Composition of Direct Jobs:** The 2.93 multiplier reflects the composition of the direct jobs facilitated by port activities and considers the subsequent indirect and induced employment effects related to importers and exporters of US goods.
- **Adjustment for Double Counting:** The multiplier includes an adjustment to eliminate double counting, ensuring that the additional jobs counted are net new jobs and not duplications.

The total number of port user direct, indirect, and induced jobs is calculated as 6.577 million direct jobs × 2.93 multiplier = 19.27 million port user jobs.

By aggregating the workforce employed by port users with those directly and indirectly associated with the port and maritime industry, as estimated by EY, the total number of American jobs supported by the sector amounts to 21.81 million. The following figure summarizes total jobs supported by the movement of goods through U.S. ports.

**Total jobs in, related to and facilitated by the movement of goods through U.S. ports**



**II. Estimating Total Economic Contribution**

To translate the total employment numbers into economic metrics, average figures for wages & benefits and GDP per job provided in the EY report were used by AAPA. The following averages provide a high-level approximation consistent with other economic indicators.

- Related consumer spending wages & benefits per job: \$69,000
- Suppliers to port and maritime industry wages & benefits per job: \$82,000
- Port and maritime industry wages & benefits per job: \$98,000
- National average wages & benefits per job: \$82,000
  
- Related consumer spending GDP per job: \$122,000
- Suppliers to port and maritime industry GDP per job: \$124,000
- Port and maritime industry GDP per job: \$121,000
- National average GDP per job: \$134,000

Using the total number of jobs by category and the economy-wide average figures, the total economic impact is shown in Table 1. The national average for wages and benefits and GDP per job were used to estimate the total economic activity of port users.

**Table 1. Total economic activity in, related to, and facilitated by the port and maritime industry, 2023**

*Wages and benefits, and GDP in billions of dollars*

	Port and maritime industry (Direct)	Suppliers to the port and maritime industry (Indirect)	Related consumer spending (Induced)	Port Users (Direct, Indirect, Induced)	TOTAL
<b>Wages and benefits</b>	\$100B	\$59B	\$55B	\$1,580B	<b>\$1,794B</b>
<b>GDP</b>	\$124B	\$89B	\$98B	\$2,582B	<b>\$2,893B</b>



These calculations reflect the total compensation, encompassing both salaries and benefits, earned by the U.S. workforce, as well as the overall economic value contributed to the national economy by jobs generated through port activities.

## Findings

The analysis, utilizing the IMPLAN model and a well-calibrated multiplier, provides a robust estimate of the total economic impact activity in, related to, and facilitated by the port and maritime industry. The analysis demonstrates that U.S. ports support over **21.81 million jobs**, accounting for approximately 1 in 8 jobs within the American workforce. The use of standardized economy-wide and port- and maritime-specific averages further quantifies the significant economic contributions of **\$1.794 trillion in wages and benefits** and **\$2.89 trillion in total GDP contribution** as a result of these jobs, highlighting the critical role of ports in the national economy.

### Total economic impact in, related to and facilitated by the movement of good through U.S. ports

