

STUDY

Cruises to boost economy

C of C researchers find ships will bring in \$37M

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The Post and Courier

As the State Ports Authority welcomes a record number of cruise ships to its passenger terminal this year and moves closer to completing a master plan for those docks and the surrounding waterfront acreage, the agency posed a question: How much do these fun ships help the local economy?

Two College of Charleston researchers, using surveys and an economic model, said cruise ships will bring in \$37 million this year alone. Hospitality and tourism management professor John Crofts and economics professor Frank Hefner join SPA officials at a community meeting today to announce their findings.

Their study estimates cruises will generate more than 400 jobs, with each averaging nearly \$40,000 in wages, and \$3.5 million in state sales and income tax. The report estimates that each cruise call originating in Charleston results in \$530,000 in direct local business income.

That direct spending, in turn, generates multiplier effects. For example: When a cruise passenger buys a meal at a local restaurant, that's direct spending. When the restaurant pays for the goods and services to prepare and deliver the meal, that's indirect spending.

John Keener, co-owner of the Charleston Crab House, could see about 1,000 diners at his restaurant this spring, thanks to busloads of people coming to town to board cruise ships. He said people in those groups spend a week in Charleston, which means a few days on either end of their cruise to spend locally.

"For us it's a windfall," Keener said.

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ON THE WEB: Read more about the master plan for the passenger terminal at postandcourier.com.

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"They're spending money at a local garden; they're eating at a local restaurant; they're staying at a local hotel; and they're shopping at local stores. The economic impact for the city is tenfold when you bring a group in like that beforehand, and they stay afterward."

The impact study comes as the SPA prepares to unveil its master plan for redeveloping the terminal and meets new scrutiny from neighbors and environmental groups.

Dana Beach, executive director of the Coastal Conser-

vation League, said his organization requested a detailed response to its concerns with cruise business. He also said his group was not invited to today's meeting, even after inquiring about it.

"They very pointedly avoided it and did not mention when it was going to be," Beach said.

SPA officials disputed his claim.

Charleston will welcome 69 cruise ships this year, with the first arriving Feb. 15. That breaks a high of 57 vessels in 2004, also the last time a cruise impact study was completed.

Crofts said one big surprise

this time around was that the estimated impact grew fourfold. The previous study found a \$9.8 million cash infusion, 171 jobs generated and \$1.8 million state sales and income tax.

Another surprise: On average, crew members spent slightly more than passengers, purchasing everything from groceries to clothing to laptop computers, according to Crofts.

"They're buying things for quality of life," he said. "It's a shopping destination, not just for visitors, but for people in the industry."

Crofts suggested looking at

better services and transportation for those crew members who might want to venture beyond downtown for their purchases.

The study found that nearly half of cruise passengers are first-time visitors and that the average income exceeds \$100,000. Nearly 80 percent of those tourists say they plan to visit again and almost all say they will recommend Charleston as a destination.

SPA spokesman Byron Miller said his agency expects nearly 106,000 cruise passengers to pull into port this year.

"Charleston has 4.1 million (annual) tourists based on Convention and Visitors Bureau numbers," he said. "The

cruise business is the point-1, but it does have a broad and direct impact."

For cruises that embark from Charleston, nearly 1 in 5 passengers comes from the tri-county area. When completing the study, the researchers excluded that entire group, since those people likely would spend their money locally anyway.

The SPA paid \$10,000 for the report. The researchers surveyed nearly four passengers and more than 100 crew members from three ships last fall and ran the data through an economic model.

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