Economic Impacts of the Palacios Shrimp Fishery

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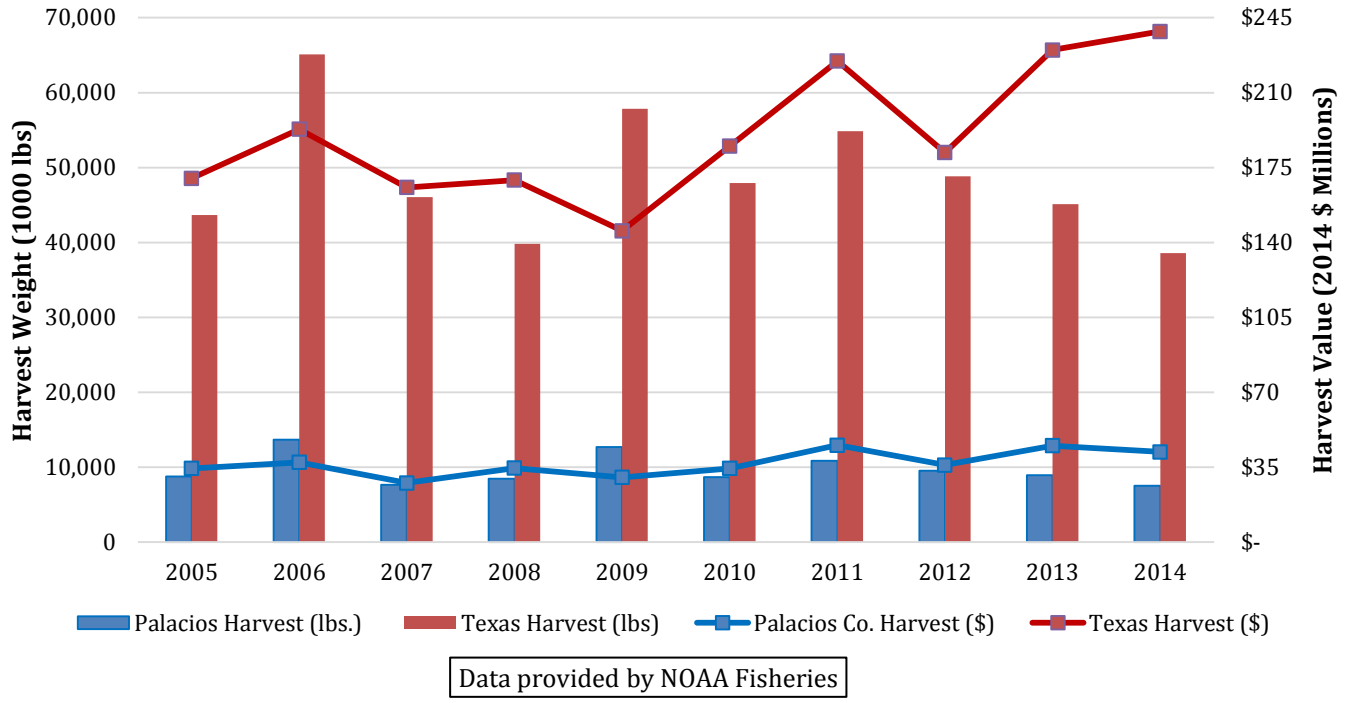
The City of Palacios is home to one of the largest shrimping fleets in the State of Texas. The Palacios shrimp fishery is an important part of both the Matagorda County economy and the Texas shrimp industry. Between 2005 and 2014, the City of Palacios' shrimp harvest accounted for 20% of the total Texas shrimp harvest by weight and 19% of the total Texas shrimp harvest by value (Figure 1).

Figure 1. Annual Shrimp Harvest Statistics (2005-2014)



The Palacios shrimp fishery's economic impacts on Matagorda County are presented in Table 1 (estimates are in 2014 dollars). Based on data from 2005 to 2014, impacts were estimated for three different cases based on dockside revenues: 1) the best year (2013), 2) an average year (average of all years), and 3) the worst year (2007); different scenarios were analyzed to account for the wide variability in annual harvest revenues (see Figure 1). In addition to effects directly attributed to the shrimp fishery (direct effects), estimates of indirect

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and induced impacts are also included. Indirect effects are economic impacts due to purchases of goods and services by the shrimp harvesting sector from other local industries, and induced effects are due to expenditures by those benefiting from the increases in local business activity (individuals employed due to the shrimp industry, such as shrimp vessel deckhands). Four different types of impacts are estimated: employment (number of jobs due to the shrimp harvesting sector), labor income (combined income of those employed as a result of the shrimp harvesting sector), value added (the shrimp harvesting sector's contribution to GDP), and output (the effect of direct spending on overall economic activity). As the estimates show, in an average year the Palacios shrimp fishery contributes approximately $19 million dollars to the Matagorda County economy.

Table 1. Shrimp Harvesting Economic Impacts on Matagorda County

Best Year Impacts				
Impact Type	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct Effect	1,101	$11,390,172	$17,994,188	$45,341,321
Indirect Effect	34	$1,298,937	$2,303,024	$5,695,547
Induced Effect	46	$1,288,489	$3,001,089	$5,165,043
Total Effect	**1,182**	**$13,977,598**	**$23,298,300**	**$56,201,911**
Average Year Impacts				
Impact Type	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct Effect	892	$9,229,682	$14,581,048	$36,740,972
Indirect Effect	28	$1,052,555	$1,866,186	$4,615,215
Induced Effect	38	$1,044,088	$2,431,842	$4,185,337
Total Effect	**957**	**$11,326,325**	**$18,879,075**	**$45,541,524**
Poorest Year Impacts				
Impact Type	**Employment**	**Labor Income**	**Value Added**	**Output**
Direct Effect	671	$6,944,244	$10,970,513	$27,643,234
Indirect Effect	21	$791,923	$1,404,084	$3,472,403
Induced Effect	28	$785,553	$1,829,673	$3,148,971
Total Effect	**720**	**$8,521,719**	**$14,204,270**	**$34,264,608**

*Economic impact values are additive across impact types (direct, indirect, and induced), **but not** across measures (employment, labor income, value added, and output).

Analysis Notes

- Annual shrimp landings data (amount and value) were provided by NOAA Fisheries; landings (weight) are measured in headless pounds.
- Economic impacts were calculated using IMPLAN (IMpact analysis for PLANning), a software program that calculates economic impacts using classic input-output analysis.
- Impacts were calculated using 2013 IMPLAN sector 17 (Commercial Fishing) multipliers.

References

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