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South Carolina Recycling Creates Regional Job Growth During Down Economy

While recycling is widely thought of as a way to reduce trash, it's less often regarded as an economic catalyst. But the reality is that the recycling industry directly supports South Carolina-based manufacturers by providing recycled feedstock for their manufacturing processes. South Carolina is well positioned to take advantage of the job creating nature of a robust local recycling infrastructure. The state boasts strong markets for paper, plastic and metal and its location provides easy access to regional markets in neighboring states. The plastic that went into yesterday's bottle could be the same plastic that makes tomorrow's polyester clothing fiber, all without leaving South Carolina.

"The demand for recycled materials is growing because manufacturers understand that it is a dependable, green, affordable material for making new consumer goods," explains the Southeast Recycling Development Council (SERDC) Board of Directors Chairman Stephanie Baker. "Many people may not recognize it, but their home and office is full of products made from recycled goods. It just makes good business sense."

Boosting Recycling Rates will Boost Economic Return

Will Sagar, Executive Director for SERDC says that Southeastern political and business leaders are interested in learning more about that business sense and how it can help them create local jobs. "In a study released in 2010, SERDC determined that more than 24 South Carolina industrial facilities depend on recycled feedstock to make new consumer good." says Sagar. The report finds that those companies collectively employ more than 5,300 persons and see a sales volume exceeding \$5.3 billion per year. Regionally, more than 206 Southeastern industrial facilities use recycled feedstock to make new consumer goods. Those companies collectively employ more than 47,525 persons and see a sales volume exceeding \$29.4 billion per year. Sagar continues, "That's not a revenue stream, that's a revenue river."

That demand for recycled material is increasing and the resulting jobs are encouraging to local decision makers. What's needed? More recycled cans, bottles, and paper products to help fuel the local need for material. Sagar points out that growing demand may outstrip local supply. "We are eager to support community collection programs to help increase recycling rates."

An Impressive Track Record with Opportunities to Grow

According to the S.C. Department of Commerce's Recycling Market Development Advisory Council, the South Carolina-based recycling industry announced more than \$438 million in capital investment in 2010. That investment created

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1,130 new jobs with 28 new or existing companies for the state. That amounts to a 22 percent increase over the prior year recycling investment of \$354 million. The cumulative impact of the recycling industry is impressive. The state's recycling industry has a \$6.5 billion impact on the state's economy according to a 2006 study conducted by the College of Charleston, providing more than 15,000 jobs, with \$1.5 billion in annual personal income and \$69 million in tax revenue each year.

The economic potential of the sector isn't capped. Richard Chesley, manager of the Education, Technical Assistance, and Reporting Section in the Office of Solid Waste Reduction and Recycling, explains the potential for increased revenue generation from avoided disposal costs and potential earnings from the sale of recyclable materials by local governments. "SC DHEC estimates that nearly 348,000 tons of easily recyclable material – cardboard boxes, office paper, aluminum cans, plastic bottles, and glass bottles and jars – may have been disposed of in landfills in FY11. That's hits home pretty quickly when you realize that we spent \$12.5 million to landfill roughly \$47.4 million worth of marketable materials."

Regional Experiences in a Connected Materials Market

Like South Carolina, the growth trend in recycling continues across the Southeast. A recent study by the North Carolina Division of Environmental Assistance and Outreach finds that more than 15,000 North Carolinians are employed by statewide recycling companies specifically. Those jobs add up to an impressive payroll of more than \$395 million.

State officials say recycling continues to be a driver of economic activity and job growth for the state. Scott Mouw, State Recycling Program Director details, "Successive studies from 1994 – 2010 have shown consistent increases in recycling employment in the Tar Heel state. Our latest study documents that despite the deepest recession in decades, recycling jobs in North Carolina grew by nearly five percent in the last two years."

Economic Answers Found in Bottles, Cans and Paper

With its strong manufacturing sector and robust processing infrastructure, South Carolina is a key player in the regional recycling framework. The state pulls recovered materials from neighboring states and benefits from initiatives to advance recycling collection programs in communities across the Southeast. The existence of such a healthy recycling industry further underscores the need to invest in collection programs within the state. Even small gains make a big difference. Based on the metrics provided in the 2006 College of Charleston Economic Impact of Recycling in South Carolina Study, it's estimated that if South Carolina recycled just 10 percent more each year, residents could expect to see a state-wide job growth of over 1,500 jobs and \$71 million dollars in personal income. The state would receive an estimated additional \$3.3 million dollars in state tax revenue.

Stronger local supply of material will allow regional manufacturers to get the feedstock that they depend on to grow. Some of the nation's largest recycling end users call our region home. Unfortunately, many have to look beyond the Southeast to find materials, while these same commodities are disposed in landfills across South Carolina. By strengthening local programs, and collaborating across state lines, we can build effective recycling collection systems that provide essential feedstock to manufacturers who employ 10s of thousands of people in the Southeast, many of whom live right here in South Carolina.

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The Southeast Recycling Development Council is a 501-c-3 dedicated to uniting industry, government and non-government organizations to promote sustainable recycling in the Southeast. SERDC's study on the demand for recycled feedstock can be found at www.serdc.org/regionalresources.

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