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Waste Management and Job Creation

by

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**WASTE MANAGEMENT AND JOB CREATION**John Halstead <sup>1/</sup>

Concern over environmental degradation has recently reached all time highs. Issues such as the conflict between protection of the Northern Spotted Owl and the northwest timber industry have highlighted the perceived dichotomy between environmental protection and jobs. However, new environmental initiatives also have the potential for creating new jobs, especially in the so-called "envirotech" industry.

One "growth" area of concern in the past decade is that of municipal solid waste management. The United States is generating more than 180 million tons of municipal solid waste per year, or about 3.5 pounds of garbage per person per day. As landfilling, our traditional source of waste disposal, becomes more expensive due to closures and stricter operating requirements, recycling has become widespread as a disposal alternative. Recycling rates nationwide have more than doubled in the past five years, and curbside recycling programs currently serve more than 75 million people in the U.S. <sup>2/</sup>

Several recent studies have attempted to estimate the number of jobs created by recycling activities by conducting "value added" studies. Value added studies examine the difference between the value of goods and services produced and the cost of the materials and supplies used in producing them. For example, if a broker purchases a ton of aluminum cans from a municipality for \$650 and later sells them to a manufacturer for \$900, the broker has added, though his handling, processing, and marketing, \$250 of value.

A Maine study found the recycling sector added nearly 2,000 jobs and \$300 million to the Maine economy in 1992. <sup>3/</sup> Furthermore, recycling-related employment salaries averaged about \$18,750; this compares with a statewide average annual salary of about \$19,800. Thus, recycling jobs are, in general, comparable in quality to other Maine employment.

A similar study in Massachusetts found recycling industries added \$588 million annually to the state's economy. <sup>4/</sup> In addition, the study points out that a number of

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<sup>2/</sup> Steuteville, R. and N. Goldstein. 1993. "The State of Garbage in America." *BioCycle* 34(5):42-50.

<sup>3/</sup> O'Hara, R., M. Sullivan, and M. Papp. 1993. "Recycling and the Main Economy." Prepared by Land and Water Associates and Market Decisions, Inc. for the Maine Waste Management Agency, Augusta, Maine.

<sup>4/</sup> Ingenthron, R. F. 1992. "Value Added by Recycling in Massachusetts." Boston: Massachusetts Department of Environmental Protection, Division of Solid Waste Management.

industries depend upon recycled materials such as plastic and pulpwood to substitute for virgin materials which are not produced in state. Recycling in Massachusetts supports 10,000 jobs, most of them in manufacturing.

It is important to realize what value added studies do not show. They are not a cost-benefit analysis; that is, they do not tell us whether recycling is the right waste management alternative under every scenario. In fact, in certain situations there may be management alternatives which are more cost effective from a social point of view. However, these studies do provide a useful picture of the impact of recycling on a region's economy.

It is important when planning any type of resource management activity to consider the activity's full effects on local and regional economies. Thus, while state, local, and national environmental initiatives may curtail employment in some fields, these studies illustrate that they create opportunities in others.

While overall recycling rates in the U.S. currently are between 15 and 20 percent, 24 states have mandated recycling/reduction goals ranging from 25 to 50% by the year 2000. If these goals are achieved, it is likely that a substantial number of jobs will be created in the environmental field.

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