

## The U.S. Scrap Recycling Industry Creates Jobs in Kentucky

From the earliest known uses of scrap thousands of years ago, to the optical scanners, x-rays, air jets, high-tech shredders and other technologically advanced equipment used today, scrap recycling has evolved into a major industry **dedicated to transforming end-of-life products to create new commodity grade materials that boost national, state and local economies.**

With a continuing societal focus on protecting our natural resources, energy savings and reducing greenhouse gas emissions, the scrap recycling industry is recognized as one of the world’s first green industries, while playing a prominent role as an economic leader, job creator, major exporter and environmental steward. **In fact, the people and firms that purchase, process and broker old scrap to be manufactured into new products provide 7,436 people with good jobs in Kentucky.**<sup>1</sup>

### The Economic Impact of the Scrap Recycling Industry in Kentucky

(\$ Million)	Direct	Supplier	Induced	Total
Jobs	2,543	2,242	2,651	7,436
Wages	\$153.33	\$131.84	\$104.95	\$390.13
Economic Impact	\$611.01	\$403.15	\$333.66	\$1,347.82

### The Scrap Recycling Industry is a Major Employer in Kentucky

- In 2013, 2,543 jobs are being supported by the manufacturing and brokerage operations of the scrap recycling industry in Kentucky.<sup>2</sup> These are good jobs paying an average wage of \$60,294. In addition to this, 4,893 jobs are indirectly supported by the scrap recycling industry through suppliers and the indirect impact of the industry’s expenditures.<sup>3</sup>
- All of this activity generates nearly \$1.3 billion in economic benefits in Kentucky.
- When all scrap materials are taken into account, the U.S. scrap recycling industry accounts for .55% percent of the nation’s total economic activity,<sup>4</sup> making it similar in size to the cosmetics industry, the milk industry and the aircraft engine industry.<sup>5</sup>
- The value of the scrap sold in Kentucky is created through the capital and job intensive processing operations of the American scrap recycling industry that transforms old and obsolete materials into commodities that meet the exacting needs of manufacturers worldwide. This not only benefits workers, but also the government. **All told, the scrap recycling industry generates \$54.6 million in tax revenues for Kentucky and its local governments.**



<sup>1</sup> Based on the Economic Impact of the Scrap Recycling Industry in the United States (2013), produced for the Institute of Scrap Recycling Industries, Inc. by John Dunham and Associates, 2013.

<sup>2</sup> This includes firms involved in the purchasing, processing, recycling and brokering of scrap materials including ferrous and nonferrous metals, paper, electronics, rubber, plastics, glass and textiles.

<sup>3</sup> Direct impacts are those associated with scrap processors and brokers. Supplier impacts are associated with firms providing goods and services to scrap recyclers and brokers, including peddlers, and induced impacts are those resulting from the re-spending of wages by workers in the direct and supplier sectors.

<sup>4</sup> Bureau of Economic Analysis. GDP based on first quarter of 2013, third estimate value of \$15.984 trillion, see: *Gross Domestic Product, First Quarter 2013 (third estimate); Corporate Profits, First Quarter 2013 (revised estimate)*, Bureau of Economic Analysis, June 26, 2013.

<sup>5</sup> Bureau of Economic Analysis. Based on comparison of direct output to GDP by Industry figures for 2011, Bureau of Economic Analysis, Industry Economic Accounts Directorate.