

## **The New Economic Reality of Recycling**

*By Tim O'Donnell and Michele Nestor*

The Recycling Industries Congress 2011 that takes place Tuesday, Feb. 15, in the Capitol East Wing Rotunda in Harrisburg is a first—the first time that the Pennsylvania Waste Industries Association (PWIA) and the Pennsylvania Recycling Markets Center (RMC) have joined forces to put a spotlight on the economic importance of recycling to Pennsylvania.

But it probably won't be the last time.

Recycling is a segment of our economy that's growing and that promises to keep growing. Recycling isn't just the processing of "waste" such as cardboard, paper, steel, organics, and empty glass, plastic, and aluminum containers into reusable materials. It also encompasses a whole range of industries that take those recycled materials and turn them into new, and valuable, products.

PWIA represents the private-sector companies that run the large recycling plants that are pioneering single-stream and other new processing techniques, the trash collection operations, and the landfills where we still put items that can't be easily recycled (yet). RMC supports recycling plants through research and development of new and innovative technologies to minimize market barriers for recycled material. RMC works with manufacturers to incorporate new types of recycled material feedstock into their operations to reduce costs and to increase revenues by designing new recycled content product lines. Most important, by connecting the supply and demand sides, RMC and PWIA stimulate growth in the recycling industries. By collecting, processing, and delivering to market waste material that was once thought to have no value, jobs are created.

The Northeast Recycling Council did a study in 2009 that indicated that 3,803 establishments involved in recycling, those reliant on recycling, and those involved in reuse and remanufacturing generated 52,316 jobs with an annual payroll totaling of \$2.2 billion in Pennsylvania—while also bringing in gross receipts of \$20.6 billion.

PWIA did an economic study of its own in 2007. It measured the economic contribution of the private-sector waste industry in Pennsylvania, which overlaps with recycling. The study found that the industry generated nearly 31,500 jobs and contributed more than \$3 billion a year to the Pennsylvania economy in expenditures, purchasing, and spending from industry wages. That impact has almost certainly grown since the study was finished four years ago.

The two studies measure different things; technically, they're apples and oranges. But both point to the same new economic reality of recycling, namely that the related waste and recycling industries together are a big deal—and a good deal—for Pennsylvania's economy.

If you consider that each Pennsylvanian generates about four and a half pounds of waste per day and that with previous approaches our recycling rate has remained at 35 percent, it's easy to see that, with the recent advent of new recovery technologies, the growth of recycling has nowhere to go but up. And both PWIA and RMC share a vision of the future of recycling in Pennsylvania, one that rests largely in the hands of private enterprise.

State government has played an important role in the development of recycling in Pennsylvania. It established a framework through laws such as Act 101, which implemented mandatory recycling for more than 400 communities in 1988. It has also seeded the growth of locally based recycling programs through grants and other support with public money.

But now recycling and its related industries have matured and are ready and able to stand on their own—to be put on a business basis and become financially self-sustaining. And that’s just what’s happening, through the efforts of PWIA and the RMC.

In the past few years, private-sector companies have invested more than \$66 million in Pennsylvania in new recycling facilities, high-tech sorting and processing equipment, and a variety of re-use and re-manufacturing ventures, all of which produce new jobs.

They’ve done this because they see recycling and its related industries as profit-making enterprises, as good businesses, not just as environmentally conscious programs requiring a line item in a government budget.

The first-of-its-kind Recycling Industries Congress at the Capitol is both a signpost that announces this new reality and a celebration of the success that has already been achieved. The companies taking part in the Recycling Industries Congress are only beginning to scratch the surface on the potential of this segment of our economy, but they firmly provide all the evidence necessary that the innovation and vitality of private enterprise are alive and well in Pennsylvania.

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