

Expand the market for recyclables in Minnesota

Help Minnesota manufacturers increase their use of recycled materials.

What's the issue?

Domestic recycling markets have been flooded in the wake of China's decision to stop accepting material from the U.S. It's imperative to support local recycling markets, to ensure that recycling processors and brokers can cover their costs, and that recycling of waste remains viable.

Proposal

An \$800,000 biennial general fund appropriation ongoing will provide grants to new and existing Minnesota manufacturing companies so they can expand their use of recycled materials. The funds would be available for:

- Upgrading value-added technology that sorts, washes, and otherwise prepares recyclables for market
- Covering soft costs — such as engineering studies, equipment installation, and developing project proposals — that banks are reluctant to finance

Why is it important?

Recycling markets are fragile, and though Minnesota boasts many businesses that use recycled materials to manufacture new products, it's still possible for markets to destabilize in the current international climate. Additional funding is needed now to increase capacity in 2019 and 2020. If market instability continues, some of the more than 60,000 recycling and recycling-related manufacturing jobs in Minnesota may be lost.



Economic activity: Value-added recycling manufacturers in Minnesota

2015 employment (most recent data)

Direct jobs Companies using recycled materials to manufacture products	18,029
Estimated indirect jobs Companies supplying materials and services to businesses producing a final product	18,607
Estimated induced jobs Employment resulting from money spent by employees and companies in the market	23,579
TOTAL JOBS	60,215

Source scenarios calculated using Regional Economic Models, Inc.'s Minnesota Forecasting and Simulation Model

Estimated wages and salary The money paid to employees from all sources	\$3.42 billion
Estimated tax revenue on all jobs Business/personal federal, state income taxes, sales tax, excise tax and miscellaneous taxes, and business taxes	\$665 million
Value-added activity The value a company gives its product or service before offering it to customers. Contribution to Gross State Product output excluding all goods purchased to manufacture products as well wages and profit	\$6.68 billion
TOTAL OUTPUT (aka sales or supply) The amount of production, including all goods purchased to manufacture products as well as wages and profit	\$15.7 billion

For more information

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