



NJ Tourism: An Economic Juggernaut

2008 New Jersey Governor's Conference on Tourism

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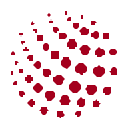


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 - Tourism Economic Impact
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TSA and Economic Impact Clients

Tourism Satellite Account

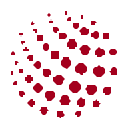
- **NEW JERSEY**
- Rhode Island
- Israel
- Dubai
- Bahamas
- Abu Dhabi
- Kansas
- North Dakota
- Guam
- North Carolina
- Alaska
- South Carolina
- Delaware
- Virginia
- Utah

Economic Impact

- Idaho
- Pennsylvania
- Indiana
- Maryland

City Tourism Impact

- | | |
|------------------|--------------------|
| • Dallas | • Tulsa |
| • Boston | • St. Louis |
| • Arlington, TX | • Kansas City |
| • Sacramento | • Battle Creek, MI |
| • Baltimore | • Durham, NC |
| • Philadelphia | • Savannah |
| • Orlando | • Pittsburgh |
| • Washington, DC | • Austin |
| • NYC | • Indianapolis |
| • Camden & SNJ | • Richmond |
| • Omaha | |

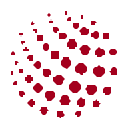


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Tourism Satellite Accounting

- The **Tourism Satellite Account** is the international (UN/WTO, OECD) standard for measuring the contribution of tourism to an economy
- **Measuring tourism is difficult:**
 - Tourism 'industry' is not measured in standard economic accounting systems.
 - Most 'industries' are accounted via the *supply-side*: firms are categorized into NAICS codes and asked about jobs, revenues, costs.
 - But 'tourism' is a *demand-side* activity: the focus is on what the visitor buys before and during a trip.
- **As a result, tourism touches many industries**

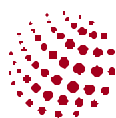


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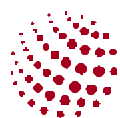
Benefits of a TSA

- ✓ **Which are our best economic development targets?** *Allows policy-makers to compare the size & growth of tourism to other industrial sectors.*
- ✓ **What is the ROI of public tourism investment?** *Enables analysts to assess long-term health of the tourism sector vis-a-vis capital investment and government support.*
- ✓ **How can we benchmark ourselves against our destination competition?** *Provides an accepted international standard for benchmarking.*
- ✓ **How can we communicate the full value of tourism to policy makers, businesses, and citizens?** *Quantifies the value of visitors to New Jersey.*



Tourism Economic Impact: Definitions

- **Visitor:** GT 50 miles, non-commuting
- **Resident Tourism:** Outbound purchases made in advance of a trip only. Resident usage of NJ tourism assets are not included.
- **Jurisdiction:** The Garden State
- **Tourism Spending:** A TSA concept, includes all spending by all constituents on travel made in the jurisdiction (NJ)
- **Visitor Spending:** Spending in the jurisdiction by visitors (see above) (on accommodations, food & beverage, shopping, transportation, entertainment,...)
- **Total Economic Impact:** “GDP” definition...spending less value of supply chain purchases made outside NJ. The amount retained in the NJ economy.
- **Import Leakages:** The value of supply chain purchases made outside of NJ.
- **Direct Spending/Jobs/Wages/Taxes:** Industries that “touch” the visitor (e.g. hotels, restaurants, museums,...)
- **Indirect Spending/Jobs/Wages/Taxes:** Industries that supply those that touch the visitor
- **Induced Spending/Jobs/Wages/Taxes:** Workers of industries that touch or supply spend their wages locally



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T&T Industry and Economy

Travel & Tourism Industry

The direct effect of travel demand

Tourism Industry (Direct Effect)

Accommodation, Recreation, Catering, Entertainment, Transportation

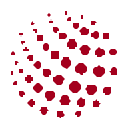
Travel & Tourism Economy

The flow-through effect of travel demand across the economy

Tourism Economy (Indirect Effect)

Aircraft Manufacturing, Chemicals, Computers, Concrete, Financial Services, Foods and Beverages, Furniture and Fixtures, Iron/Steel, Laundry Services, Metal Products, Mining, Oil/Gas Suppliers, Plastics, Printing/Publishing, Rental Car Manufacturing, Resort Development, Sanitation Services, Security, Ship Building, Suppliers, Textiles, Utilities, Wholesalers, Wood

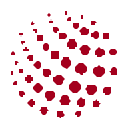
The TSA provides both a narrow & a broad understanding of the *Tourism "Industry"*



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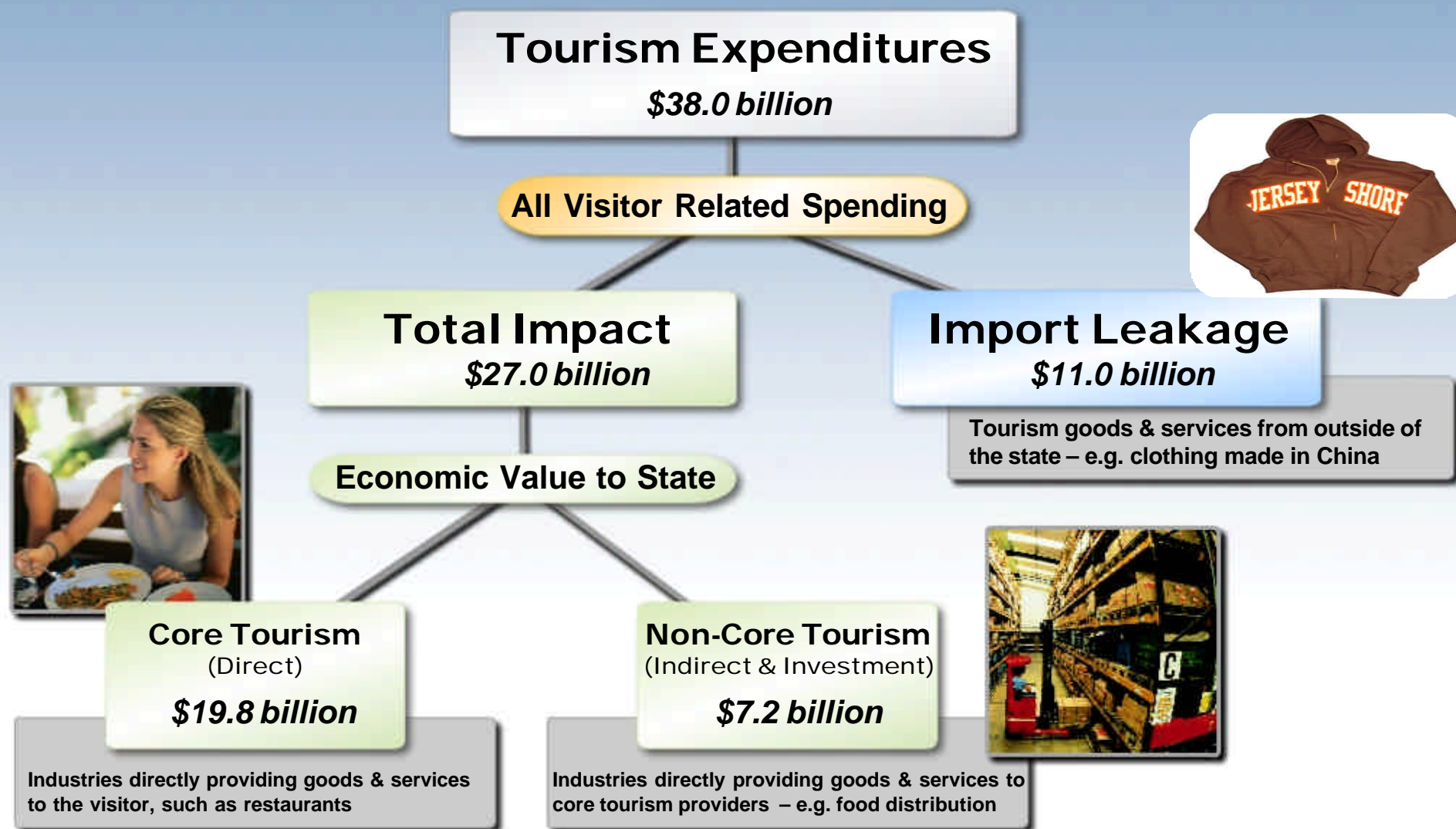
2007 New Jersey Tourism: *Another Strong Year...*

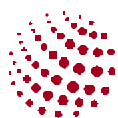


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Industry Structure: Definitions



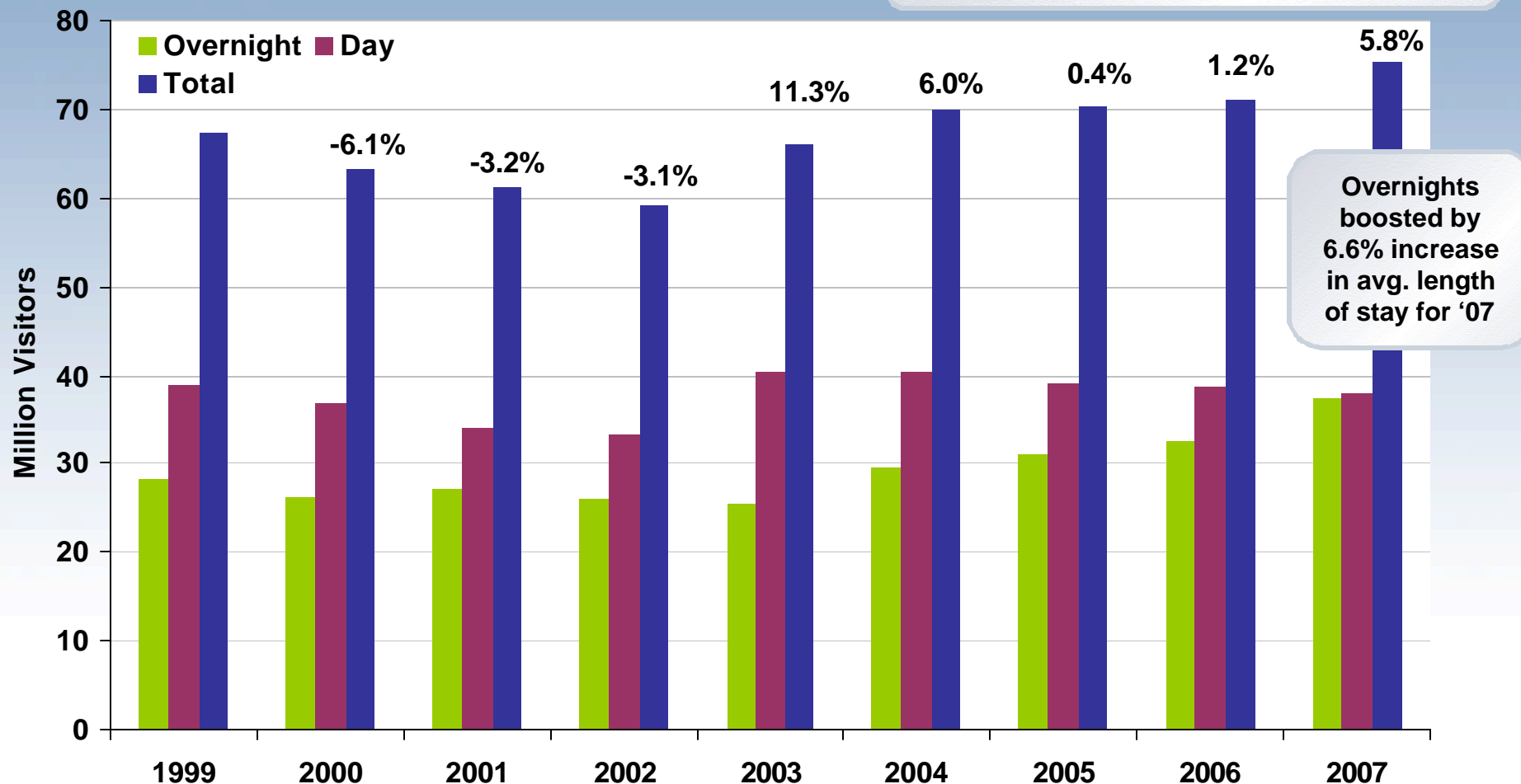


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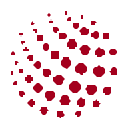


Visitors to New Jersey*

Overnight visitors grew **15.2%** in 2007
vs. a **2.0%** decline in day visitors.



* Visitation statistics provided by DK Shifflet & Associates, Ltd

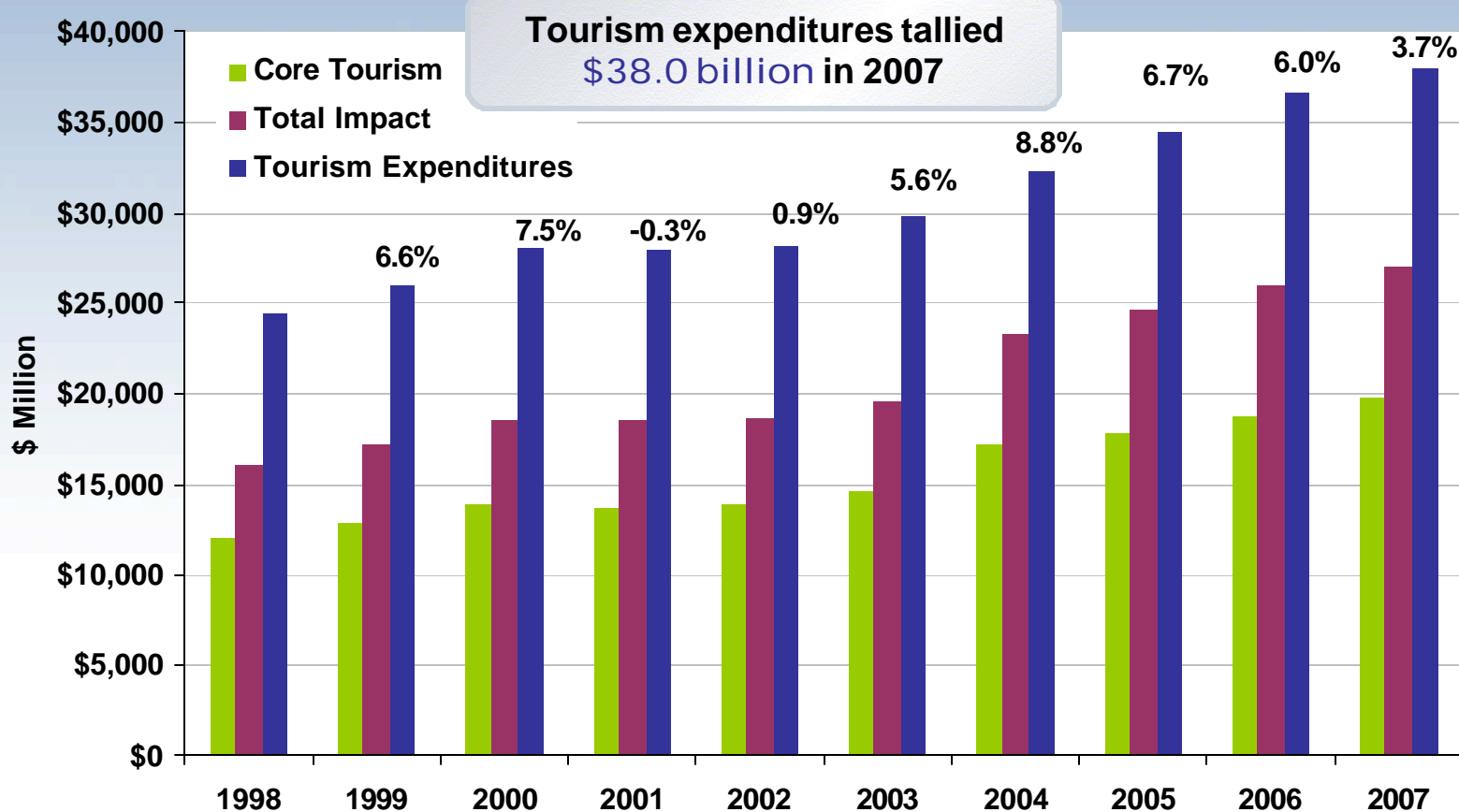


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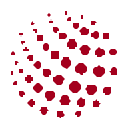


Total Tourism Expenditures

- NJ visitation grew 5.8%
 - Overnight stays: 15.2%
- Core tourism rose by 5.8%
- Leisure travel increased by 7.8%
- NJ Inflation rose by 2.6%



Source: Global Insight



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Another Strong Year for NJ Tourism

Falling investment and construction lead to drop in Non-Core Tourism

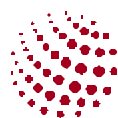
Measurement	2005 (billions)	2006 (billions)	2007 (billions)	2005-06 growth	2006-07 growth
Total Expenditures	\$34.5	\$36.6	\$38.0	6.0%	3.7%
• Total Impact	\$24.6	\$26.1	\$27.0	6.0%	3.4%
• Core Tourism (direct)	\$17.9	\$18.7	\$19.8	4.8%	5.8%
• Non-Core Tourism	\$6.8	\$7.4	\$7.1	9.2%	-2.6%
• Import Leakage	\$9.9	\$10.5	\$11.0	6.1%	4.3%

Numbers may differ due to rounding

Significant drop in investment, mainly construction starts, impacted '07 non-core tourism

NJ was able to keep more of each tourism spending dollar in 2007

Source: Global Insight


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Why Are the 2006 Figures Different From Last Year?

Key Measurements	2006 Original	2006 Recast
NJ Expenditures (\$B)	\$37.6	\$36.6
Economic Value		
▪ Core Tourism	\$19.4	\$18.7
▪ Total Impact	\$27.0	\$26.1
Wages & Salaries		
▪ Core Tourism	\$11.2	\$10.9
▪ Total Impact	\$16.0	\$15.6
Employment ('000)		
▪ Core Tourism	391.6	378.6
▪ Total Impact	480.8	466.2
Taxes –Total Impact	\$7.2 B	\$7.2 B

Each year revisions to most of the historical tourism metrics must be made in order to reflect:

- Finalization of the annual visitor spending data from DKSA. This data is preliminary when the NJ TSA is developed in April each year.
- DKSA does from time to time adjust its survey weights, a critical input to estimating *total*/NJ visitor volume & spending.
- Revisions to the BLS and BEA inputs covering employment, Gross State Product, Sales Output, and Payroll.
- Revisions to the IMPLAN interindustry model provided by MIG (Minnesota IMPLAN Group)

Source: Global Insight



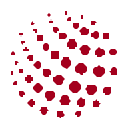
NJ Tourism...Keeps Chugging Along

2007 Bottom Line:

Measurement	2007	2006	%	Perspective
Economic Value <ul style="list-style-type: none"> Core Tourism Total Impact 	\$19.8 \$27.0	\$18.7 \$26.1	5.8% 3.4%	<ul style="list-style-type: none"> NJ Tourism is larger than the entire GDP of 128 countries. Enviably growth considering '07 NJ Total GSP growth = 4.5%
Wages & Salaries <ul style="list-style-type: none"> Core Tourism Total Impact 	\$11.4 \$16.0	\$10.9 \$15.6	5.1% 2.3%	<ul style="list-style-type: none"> NJ Avg. Annual Tourism Wages are now \$34,216.
Employment ('000) <ul style="list-style-type: none"> Core Tourism Total Impact 	383.9 466.4	378.6 466.2	1.4% 0.0%	<ul style="list-style-type: none"> 1 out of every 9 NJ workers owes his/her job to tourism. Tourism was NJ's 3rd fastest growing sector
Taxes –Total Impact	\$7.3 B	\$7.2 B	1.3%	<ul style="list-style-type: none"> If tourism did not exist, each NJ household would have to pay \$1,330 more in taxes to maintain current tax receipts.

Numbers may differ due to rounding

Source: Global Insight



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2007 NJ Tourism Scorecard

Measurement	2007	2006	%	Perspective
NJ Domestic Visitation ('000)	75,220	71,075	5.8%	• <i>Overnights grew by 15.2%!</i>
NJ Tourism Impact (Core)	\$19.8 B	\$18.7 B	5.8%	• <i>Tourism was NJ's 3rd fastest growing industry in '07</i>
NJ Tourism Jobs ('000)				
▪ Core Tourism	383.9	378.6	1.4%	• <i>Core Tourism growth was over twice that of the NJ Total for '07</i>
▪ Total Impact	466.4	466.2	0.0%	
NJ Tourism Wages				
▪ Core Tourism	\$11.4	\$10.9	5.1%	• <i>Avg. Annual Wage increased to over \$34,000/year</i>
▪ Total Impact	\$16.0	\$15.6	2.3%	
NJ Tourism Industry Rank (\$)	9th	9th		• <i>Still 9th but gaining ground rapidly on Information Technology</i>
Tourism Location Quotient	2.2	2.2		• <i>NJ is 2.2 times more concentrated in tourism than the US in total</i>
Core Tourism as % of NJ GSP	4.2%	4.1%		• <i>Tourism GSP grew faster than total NJ GSP (4.3%)</i>
NJ % of US Tourism				
▪ Jobs	5.4%	5.6%		• <i>Continued strength in US Tourism bodes well for NJ</i>
▪ Expenditure	2.1%	2.2%		

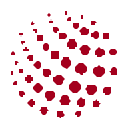
Source: Global Insight



Total Impact of Tourism

- In 2007, the total impact of travel & tourism (direct and indirect) was **\$27.0 billion**. This represents 5.7% of Gross State Product
- The ratio of the total impact to total expenditures reveals that **71% of each tourism dollar spent in New Jersey** is retained in the state. The remainder represents import leakages.
- **466,442 jobs** – direct and indirect – were created by travel & tourism economic activity. This accounts for **11.4% of total employment** in the state
- Approximately **\$16.0 billion in wages & salaries** was generated by travel & tourism in 2007.
- Tourism generated **\$7.3 billion in federal, state, and local government taxes** in 2007, a 1.3% increase over 2006.



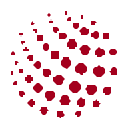


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Sources of Tourism Expenditures

- **Resident In-State** – In-state travel expenditures of New Jersey residents
- **In-state Business Travel** – New Jersey businesses' spending within the state economy on travel
- **Government Spending** – New Jersey Tourism Office Budget, transportation functions related to tourism, publicly funded attractions and funding for security in tourism-intensive areas
- **Investment** – Construction of hotels, attractions, tourism infrastructure, operating and transportation equipment
- **Domestic Out-of-State** – Spending of all visitors to New Jersey coming from other parts of the country (Key Category)
- **International** – Spending of international visitors to New Jersey



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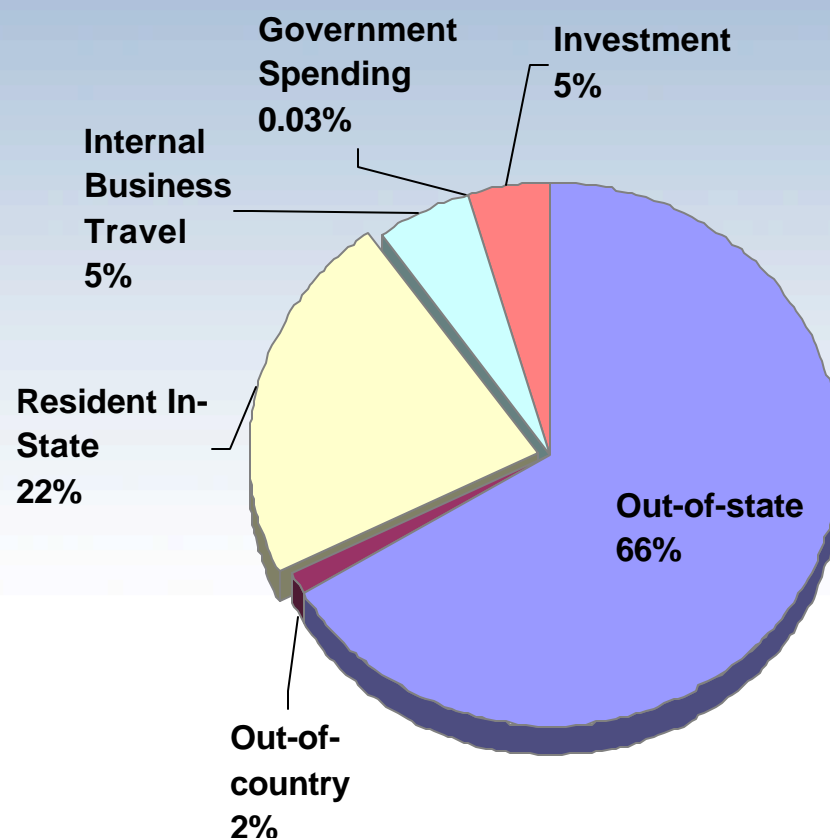


Breaking Down Tourism Expenditures – \$38.0 Billion

Visitors from other states represent the largest portion of tourism expenditures in New Jersey. Residents' travel in the state is also important with 22% of the total.

	Million \$	Share Of Total	2007 Growth
In State	12,209	32%	6.3%
Other U.S.	25,176	66%	2.4%
International	575	2%	5.4%
Total	37,960	100%	3.7%

In State includes Residents, Investments and other data
 Source: Global Insight





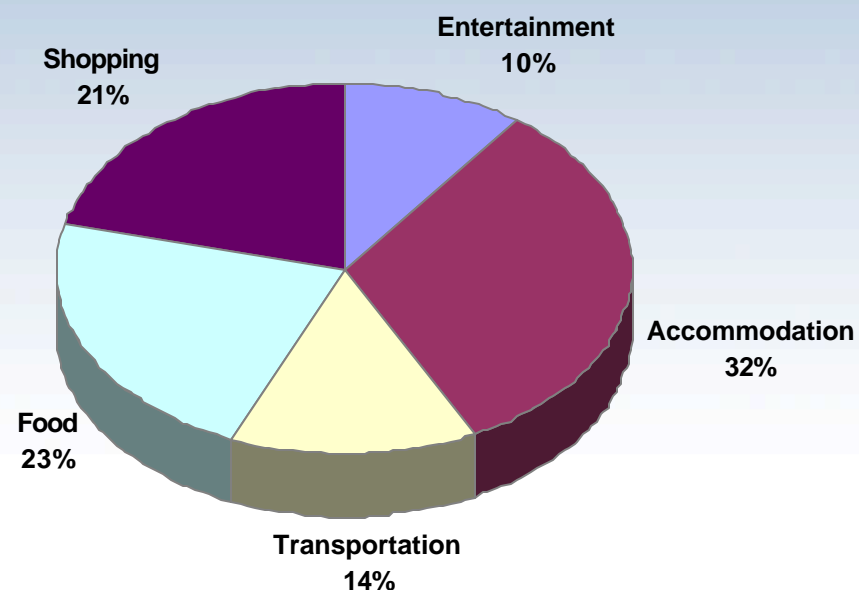
Category Distribution of Expenditures

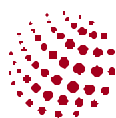
Accommodation accounts for the largest share of tourism expenditure. Combined with food and shopping, these components represent nearly 76% of visitor expenditures.

	Million \$	2006-2007 Growth
Entertainment	3,765	6.1%
Accommodation	11,627	7.4%
Transportation	4,971	5.5%
Food	8,193	-0.1%
Shopping	7,623	9.6%
Total *	36,180	5.7%

* Direct and Indirect Tourism Expenditures (w/o construction & investment)

Source: Global Insight



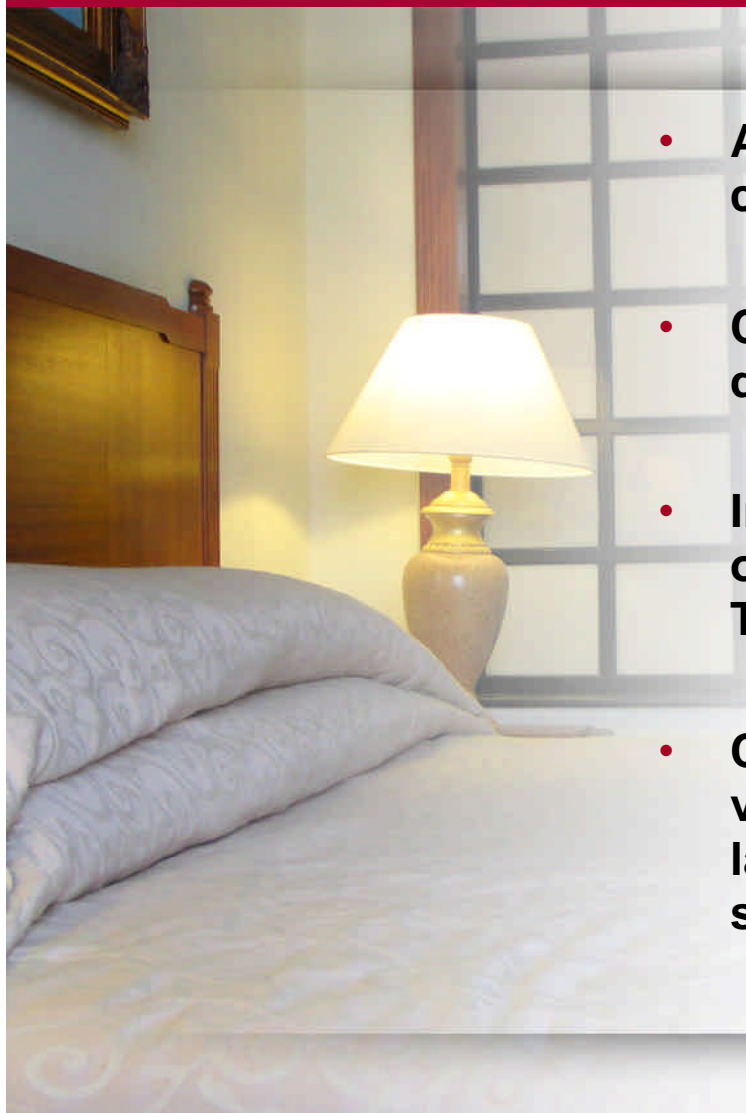


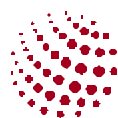
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Core Tourism

- **Answers the question “How does tourism compare with other industries?”**
- **Core Tourism measures the size of the industry directly providing goods & services to the visitor.**
- **Indirect effects are excluded – these are part of other supplier industries such as wholesalers. The impact of capital investment is also excluded.**
- **Core Tourism generated \$19.8 billion in economic value in 2007. This ranks core tourism as the 9th largest private industry in NJ in terms of gross state product.**




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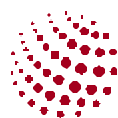

Core Tourism Impact – Composition

The TSA model measures how spending of visitors touches diverse sectors to create the aggregate Core Tourism.

Composition of Core Tourism

Rank	Industry	\$ Value (Millions)	'06-'07 Growth	% of Total
1	Hotels and motels- including casino hotels	7,211	8.7%	36.4%
2	Food services and drinking places	3,909	-0.1%	19.8%
3	Real estate	2,228	4.0%	11.3%
4	Other amusement- gambling- and recreation industries	1,939	6.3%	9.8%
5	Automotive equipment rental and leasing	1,363	6.4%	6.9%
6	Food and beverage stores	643	9.3%	3.3%
7	Clothing and clothing accessories stores	589	11.0%	3.0%
8	Travel arrangement and reservation services	489	5.5%	2.5%
9	Air transportation	463	5.6%	2.3%
10	General merchandise stores	268	9.0%	1.4%
11	Sporting goods- hobby- book and music stores	174	9.5%	0.9%
12	Performing arts companies	115	3.1%	0.6%
13	Miscellaneous store retailers	110	10.3%	0.6%
14	Spectator sports	92	6.3%	0.5%
15	Gasoline stations	68	7.0%	0.3%
	Other Industries	130	-1.3%	0.7%
Total		19,794	5.8%	100.0%

Source: Global Insight



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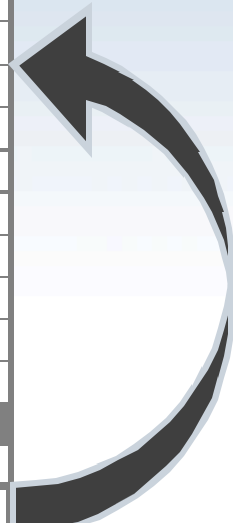


Ranking Core Tourism – Gross State Product

Core Tourism contributed \$19.8 billion in economic value in 2007.

Rank	Industry	GSP (\$ Mil)	GSP w/o T&T Portion (\$ Mil)*	'06-'07 Growth	% of State
1	Real Estate and Rental and Leasing	83,483	79,892	6.8%	19.5%
2	Professional, Scientific, and Tech. Services	40,623	40,623	5.4%	9.5%
3	Finance and Insurance	39,777	39,777	6.6%	9.3%
4	Wholesale Trade	37,523	37,523	2.9%	8.8%
5	Health Care and Social Assistance	33,480	33,480	4.4%	7.8%
6	Retail Trade	29,190	27,338	2.7%	6.8%
7	Non-Durables Manufacturing	28,701	28,701	3.8%	6.7%
8	Information	22,525	22,525	4.6%	5.3%
9	Construction	19,578	19,578	2.7%	4.6%
10	Durables Manufacturing	14,331	14,331	2.8%	3.3%
11	Administrative and Waste Services	14,318	13,829	2.9%	3.3%
12	Transportation and Warehousing	13,436	12,850	2.4%	3.1%
13	Accommodation and Food Services	11,551	430	3.4%	2.7%
14	Management of Companies and Enterprises	9,974	9,974	2.1%	2.3%
15	Other Services	9,557	9,557	3.8%	2.2%
	Other Industries	20,056	17,909	4.2%	4.7%
	Total	428,104		4.5%	100.0%
	Government	44,663	44,656	2.5%	
	Travel & Tourism (T&T)	19,794		5.8%	4.6%

Core Travel & Tourism has 4.6% of New Jersey's GSP



Source: Bureau of Economic Analysis and Global Insight

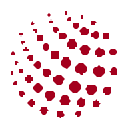
* Extracted column reflects state GSP totals by industry when tourism's contribution to that industry has been removed.



Core Tourism – Employment

- Core Tourism is the 3rd largest private sector employer in the state with **383,881 direct full-time equivalency jobs** in 2007.
- Core Tourism generated **9.4% of non-farm state employment** in 2007.
- Core Tourism jobs provided **\$11.4 billion in wages & salaries** in 2006.
- Core Tourism's **average annual wage** has grown to **\$34,200/year**.





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Ranking Core Tourism – Employment

Travel & tourism is NJ's *3rd largest private sector employer.*

Rank	Industry	Employment (Thousands)	Employment w/o T&T Portion (000)	2006- 2007 Growth	% of State	LQ Index
1	Health Care and Social Assistance	491.6	491.6	2.1%	12.0%	1.1
2	Retail Trade	470.9	434.9	0.6%	11.5%	1.0
3	Accommodation and Food Services	289.2	37.8	0.3%	7.1%	0.8
4	Professional, Scientific, and Tech. Services	284.7	284.7	2.7%	6.9%	1.2
5	Administrative and Waste Services	260.0	253.5	1.0%	6.3%	1.0
6	Wholesale Trade	230.6	230.6	-0.6%	5.6%	1.3
7	Finance and Insurance	221.0	221.0	0.3%	5.4%	1.2
8	Manufacturing, Nondurables	177.8	177.8	-1.3%	4.3%	1.2
9	Construction	172.5	172.5	-1.0%	4.2%	0.8
10	Other Services	162.3	162.3	0.3%	4.0%	1.0
11	Transportation and Warehousing	160.0	153.9	-0.2%	3.9%	1.2
12	Manufacturing, Durables	140.4	140.4	-3.0%	3.4%	0.5
13	Information	98.7	98.7	-0.2%	2.4%	1.1
14	Educational Services	88.2	88.2	0.8%	2.2%	1.0
15	Management of Companies and Enterprises	68.3	68.3	0.9%	1.7%	1.2
	Other Industries	127.8	44.0	1.6%	3.1%	0.5
	State & Local Government	654.3	654.3	0.8%	16.0%	1.1
	Total Nonfarm	4,098.5		0.6%	100%	1.0
	Travel & Tourism (T&T)	383.9		1.4%	9.4%	2.2

Core Tourism
represented
383,881 jobs
in 2007.

Tourism's contribution to NJ employment is 2.2 times that of the US in total

Table Source: Bureau of Labor Statistics and Global Insight



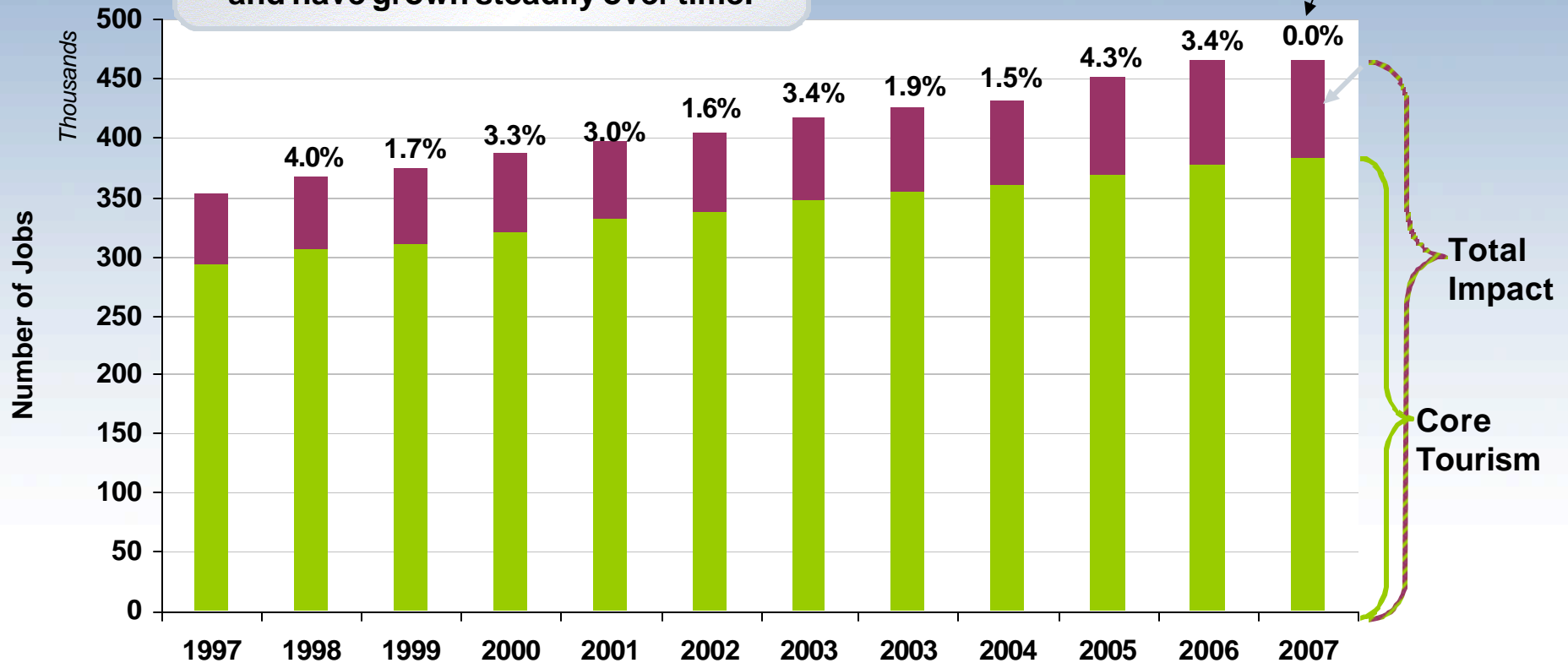
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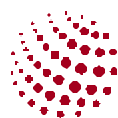
Total Tourism grew 0.04% in 2007

\$600 M drop in tourism investment pushed non-core jobs down 5.8%, largely due to the loss of 6,000 construction jobs

Core Tourism jobs comprise 82% of total tourism-generated employment and have grown steadily over time.



Source: Global Insight



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Non-Core Tourism – NJ Visitors Benefit Many Sectors

Many industries not typically considered as “tourism” supply goods & services to the sector. These industries are indirect beneficiaries of tourism.

Indirect Benefits of Tourism				
Rank	Industry	\$ Value (Millions)	'06-'07 Growth	% of Total
1	Real estate	728	3.7%	9.5%
2	Wholesale trade	530	1.6%	6.9%
3	Power generation and supply	297	4.0%	3.9%
4	Management of companies and enterprises	275	7.9%	3.6%
5	Lessors of nonfinancial intangible assets	226	3.3%	3.0%
6	Other State and local government enterprises	204	5.3%	2.7%
7	Maintenance and repair of nonresidential buildings	157	3.8%	2.0%
8	Employment services	154	5.4%	2.0%
9	Advertising and related services	143	4.7%	1.9%
10	Nondepository credit intermediation	138	3.4%	1.8%
11	Telecommunications	137	4.0%	1.8%
12	Legal services	129	5.5%	1.7%
13	Travel arrangement and reservation services	114	6.9%	1.5%
14	Management consulting services	108	4.1%	1.4%
15	Architectural and engineering services	92	4.9%	1.2%
	Other Industries	2,459	3.8%	32.1%
	Investment	1,780	-24.9%	23.2%
Total		7,672	-4.5%	100%

Source: Global Insight

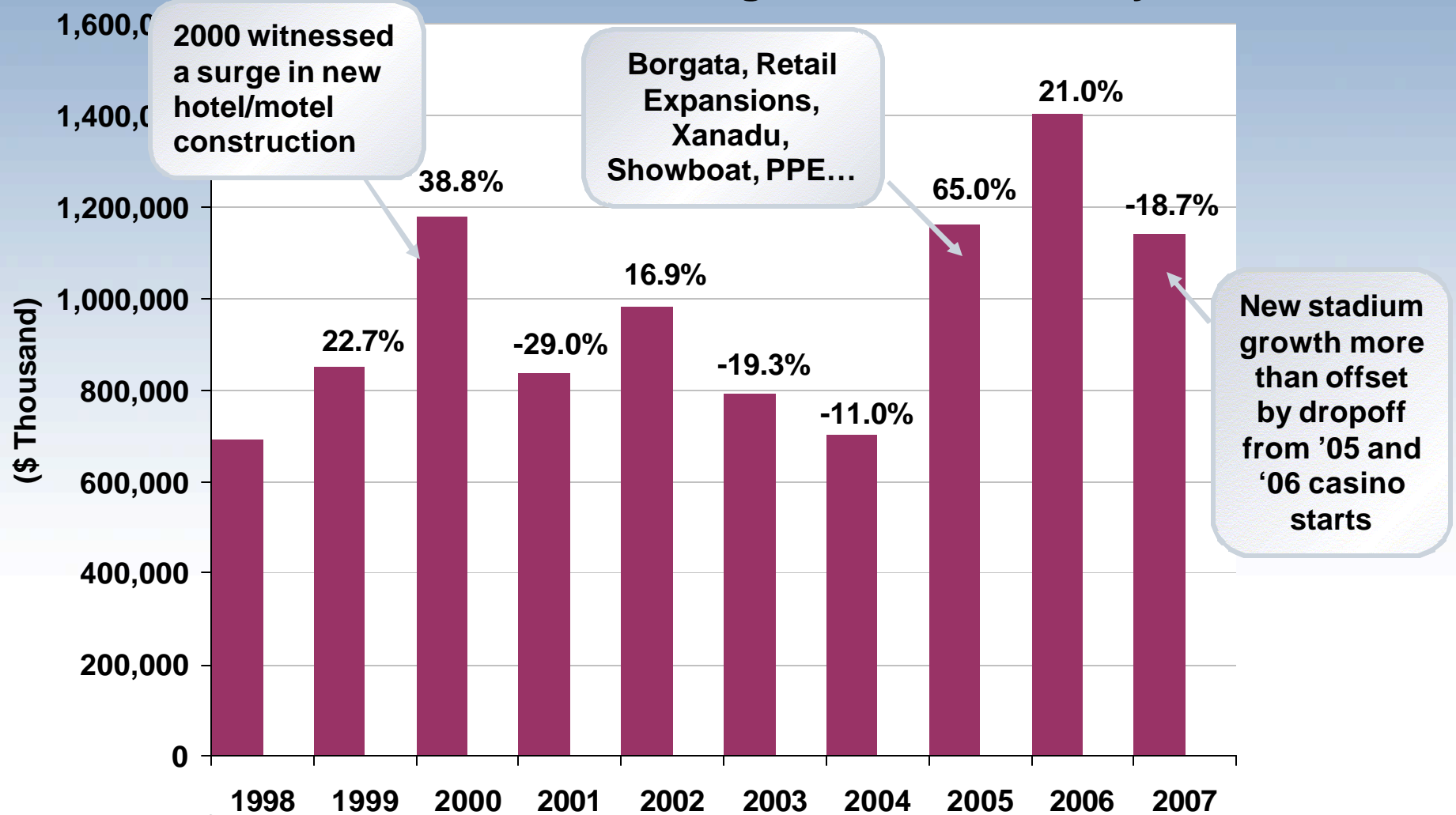


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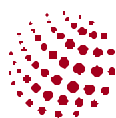


Non-Core Tourism – Construction Benefits

The Construction sector is also a significant beneficiary of tourism.



Source: FW Dodge

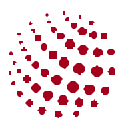


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Tourism Generated \$7.3 bn in Total Tax Revenue in 2007

- Tourism activity generated **\$4.2 bn in state and local government revenue** in 2006, a **2.0% increase over 2006**.
- In 2007, **\$2.2 billion in state tax revenue** was generated by the travel & tourism sector in New Jersey. Indirect business tax (sales tax) and personal income tax are the two largest contributors.
- Tourism contributes disproportionately to state revenue. While tourism is responsible for 5.7% of NJ GSP, it contributed **7.5% of state government revenue in 2007**.
- If tourism didn't exist, each NJ household would have to pay **\$1,330 more in taxes** to maintain current levels of state and local tax receipts.


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State & Local Government Revenue

Tax Revenues from Tourism	2007 (Million)	'06-'07 Growth
Federal Government		
Corporate Income	916.0	1.8%
Personal Income	125.0	-0.3%
Social Security & Other Taxes	2,047.5	-0.3%
Federal Total	3,088.5	0.3%
State Government		
Corporate Profits Tax	91.3	1.7%
Personal Income	347.8	-0.3%
Sales (excluding Hotel & Entertainment)	1,023.2	1.9%
Licenses & Fees	36.2	0.9%
Other Taxes	420.9	1.7%
Hotel Sales Tax	191.4	8.4%
Entertainment Sales Tax	88.9	6.1%
Casino Room Fee	14.7	-1.7%
Casino Comp Tax	17.3	-22.5%
Occupancy Tax	90.5	8.4%
State Total	2,322.2	2.1%
Local Government		
Local Hotel Taxes	25.1	1.8%
Property Taxes	1,855.9	1.8%
Other Taxes	11.9	-0.3%
Local Total	1,892.9	1.8%
Total	7,303.6	1.3%

Growth in
ADRs,
RevPar, and
overnights
increasing
hotel tax

Slot revenue
impacted by
Penn. slot
casinos



Regional Distribution of Tourism

New Jersey is divided into six regions in the analysis:

○ Skylands

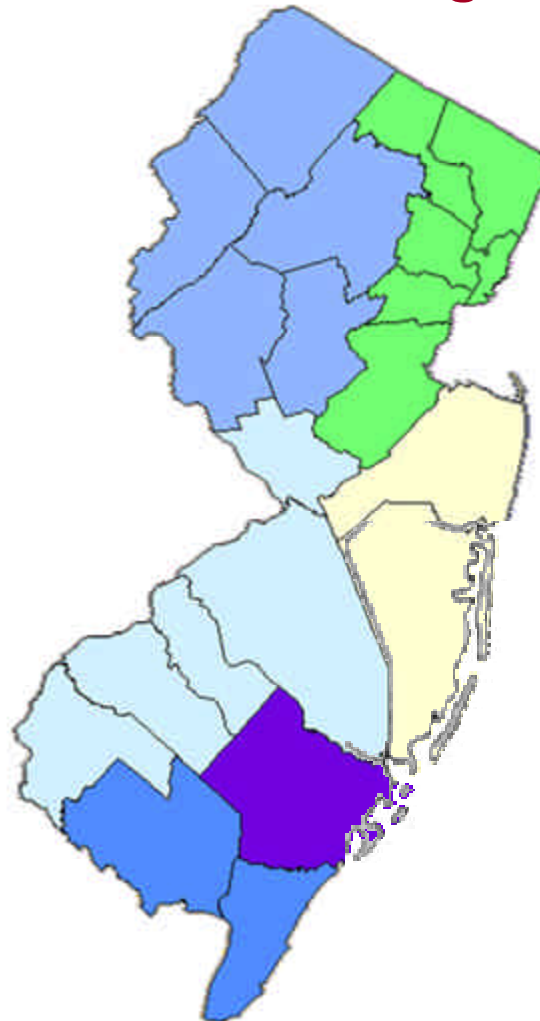
- Sussex • Somerset
- Warren • Morris
- Hunterdon

● Gateway

- Passaic • Hudson
- Bergen • Union
- Essex • Middlesex

○ Delaware River

- Mercer • Gloucester
- Camden • Salem
- Burlington



○ Shore

- Monmouth
- Ocean

● Greater Atlantic City

- Atlantic County

● Southern Shore

- Cumberland
- Cape May



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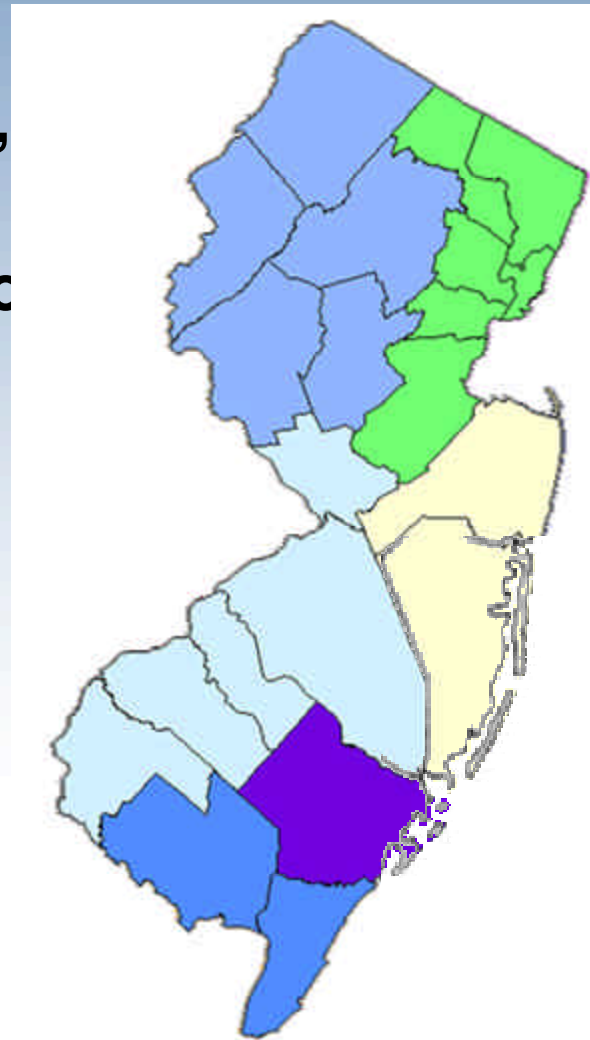


Regional Distribution of Tourism

To understand the county breakdown, Global Insight approached industry members and state agencies to develop local level analysis.

This research included analysis of:

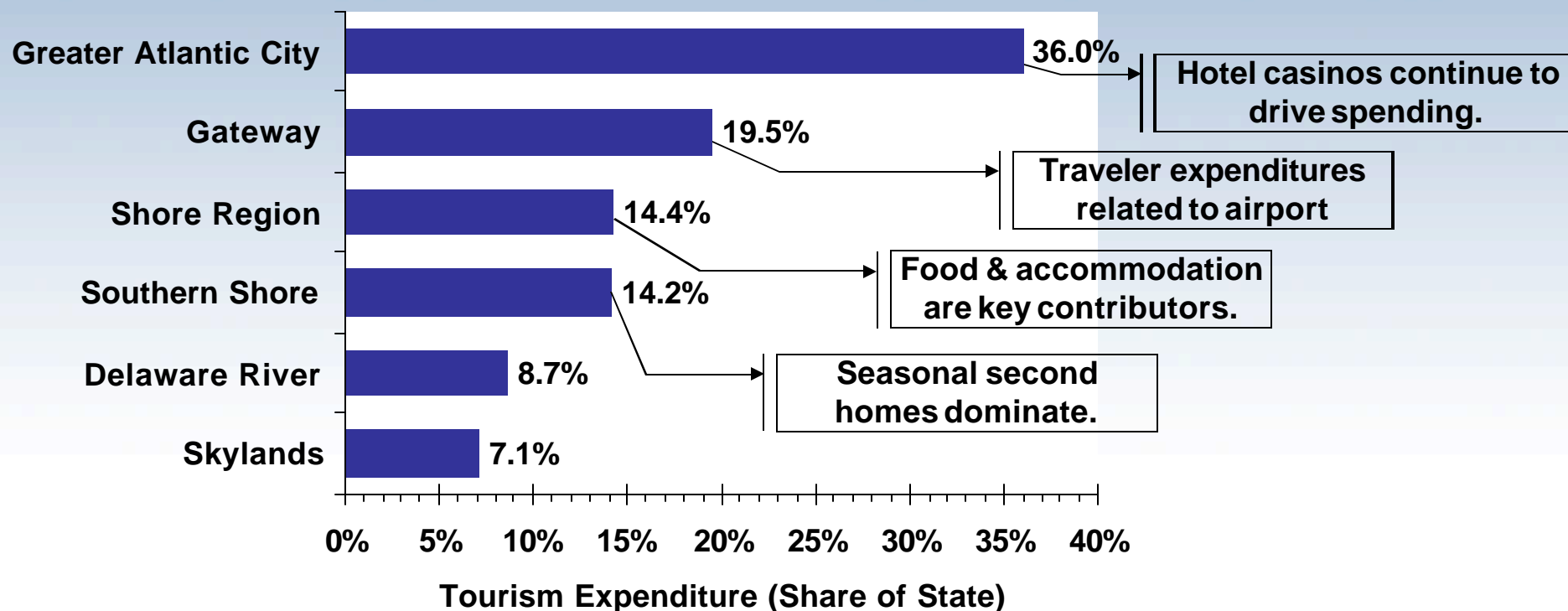
- Seasonal second homes
- Gaming reports
- Seasonality of employment—
compared across counties/regions

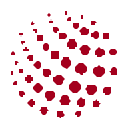




Regional Distribution of Tourism

**Gateway has the 2nd largest share of statewide tourism spending.
The Shore and Southern Shore regions are nearly identical.**

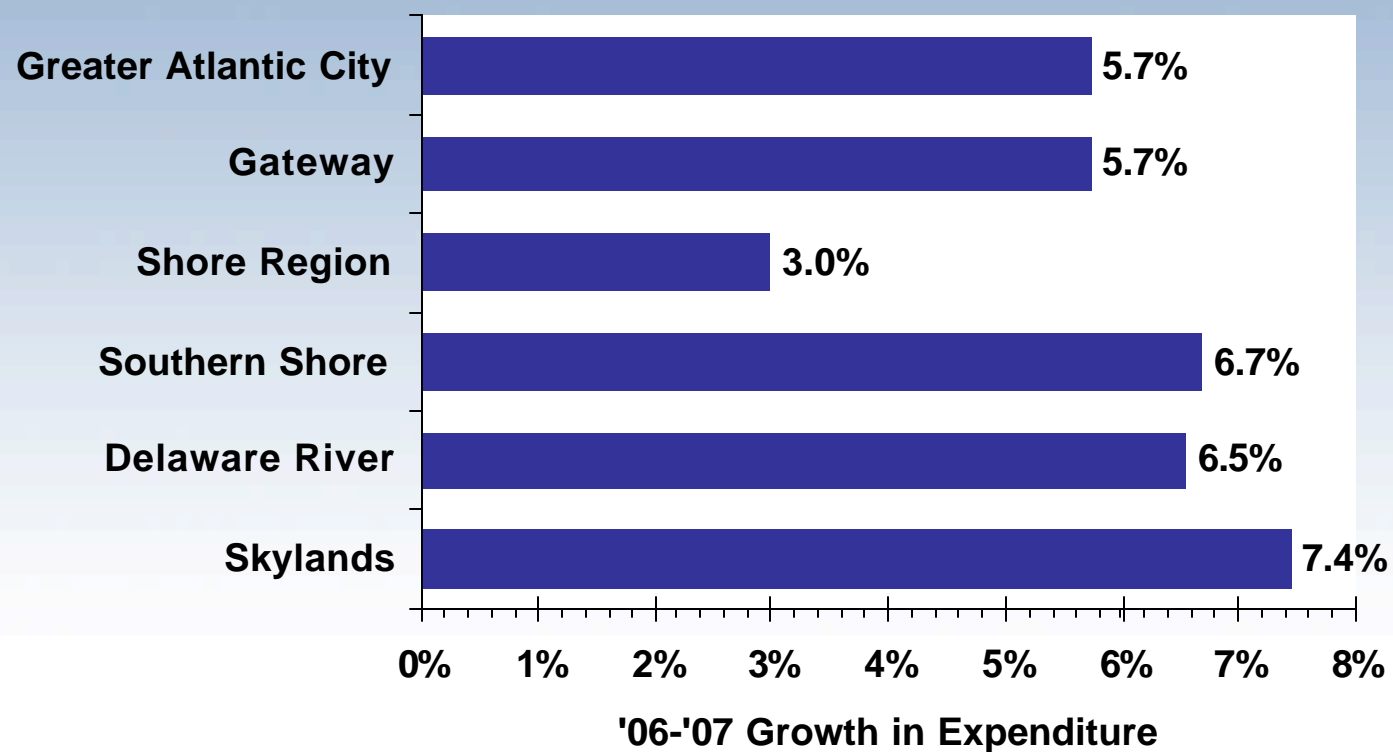


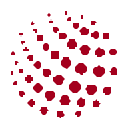


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Regional Growth in Expenditure





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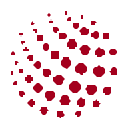


Regional Share of Statewide Tourism

Regional Share of State Expenditures by Category

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
Greater Atlantic City	3.9%	47.7%	2.1%	45.5%	46.0%	36.0%
Delaware River Region	17.7%	3.6%	19.2%	7.1%	7.2%	8.7%
Gateway Region	30.1%	9.8%	59.0%	11.6%	11.7%	19.5%
S. Shore Region	14.7%	21.0%	1.7%	13.0%	13.1%	14.2%
Shore Region	19.5%	11.3%	4.5%	18.9%	18.1%	14.4%
Skylands Region	14.1%	6.6%	13.5%	3.8%	3.8%	7.1%
Total	100%	100%	100%	100%	100%	100%

Greater Atlantic City's Entertainment share is low because most casino activity is classified in the accommodation category.



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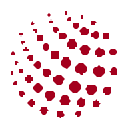


Regional Share of Statewide Tourism

Expenditure Category Share of Regional Tourism Spending

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
Greater Atlantic City	1.1%	42.6%	0.8%	28.6%	26.9%	100%
Delaware River Region	21.0%	13.1%	30.2%	18.4%	17.3%	100%
Gateway Region	16.1%	16.2%	41.6%	13.5%	12.7%	100%
S. Shore Region	10.8%	47.4%	1.7%	20.7%	19.5%	100%
Shore Region	14.1%	25.2%	4.3%	29.9%	26.5%	100%
Skylands Region	20.6%	29.8%	26.1%	12.1%	11.4%	100%
Total	10.4%	32.1%	13.7%	22.6%	21.1%	100%

Greater Atlantic City's Entertainment share is low because most casino activity is classified in the accommodation category.


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Tourism Expenditure by County

County Expenditure

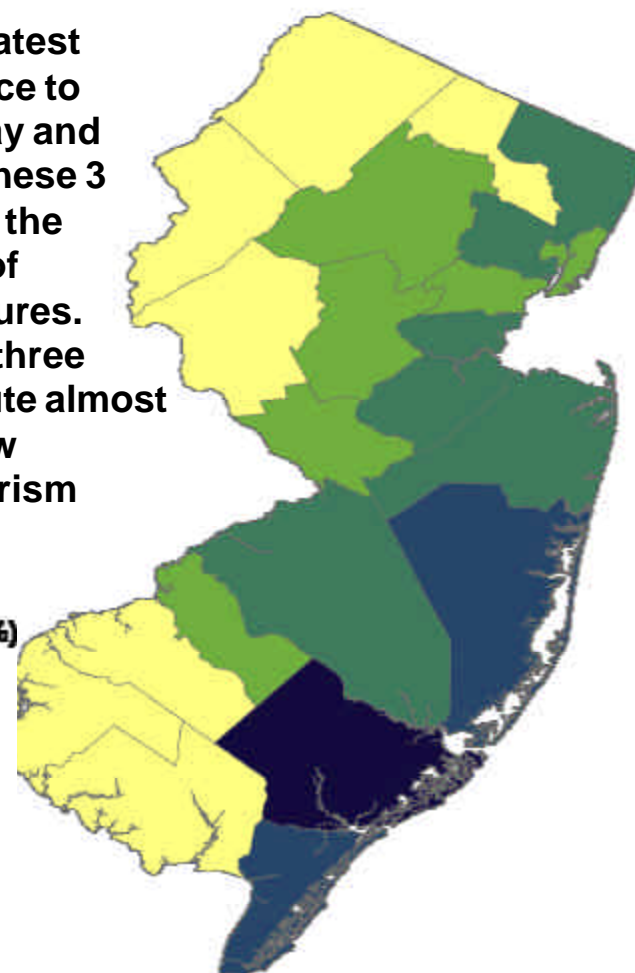
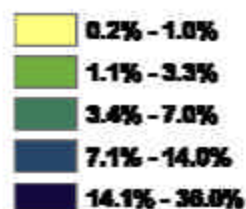
Counties	Tourism Expenditure (\$\$ in MM)	'06-'07 Growth	Share of County Economy	Rank
Atlantic	13,036.5	5.7%	51.3%	1
Cape May	5,055.0	6.7%	48.3%	2
Ocean	3,328.7	3.6%	11.1%	3
Essex	2,540.8	6.1%	2.9%	7
Monmouth	1,866.7	2.0%	3.0%	5
Burlington	1,609.7	5.5%	3.0%	6
Bergen	1,513.6	7.2%	1.2%	13
Middlesex	1,321.9	4.3%	1.2%	15
Morris	1,208.5	6.7%	1.6%	9
Somerset	862.8	10.6%	1.7%	8
Union	743.6	5.4%	1.0%	18
Mercer	573.5	8.5%	1.2%	12
Hudson	554.8	5.6%	0.9%	19
Camden	542.8	8.1%	1.1%	16
Passaic	379.1	3.7%	0.8%	20
Gloucester	352.4	6.9%	1.1%	17
Sussex	244.0	4.1%	3.2%	4
Hunterdon	151.4	3.2%	1.3%	10
Warren	112.1	4.7%	1.3%	11
Cumberland	95.5	6.9%	0.7%	21
Salem	86.4	2.5%	1.2%	14
Grand Total	36,179.8	5.7%	3.6%	

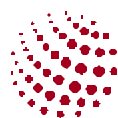
NJ Expenditure

% Share by County

Tourism is of greatest relative importance to Atlantic, Cape May and Ocean county. These 3 counties are also the leaders in terms of tourism expenditures. Combined these three counties contribute almost three-fifths of New Jersey's total tourism expenditure.

County Share of State Tourism Expenditure (%)




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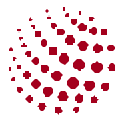

Accommodation – Seasonal 2nd Home

Seasonal 2nd homes are an important part of accommodation expenditure for the counties along the coastline.

County	Rental Income (mn\$)	Share of NJ	# of Seasonal 2 nd Homes	Rental Inc as a % of Accomodation Total
Cape May	\$1,584.8	50.2%	45,280	66.0%
Ocean	\$871.5	27.6%	34,860	88.7%
Atlantic	\$289.7	9.2%	11,586	5.2%
Monmouth	\$199.0	6.3%	7,958	60.5%
Sussex	\$53.6	1.7%	3,575	57.1%
Total	\$2,999.0	95.0%	103,259	25.8%



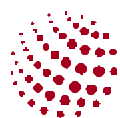
Source: Global Insight and US Bureau of Census



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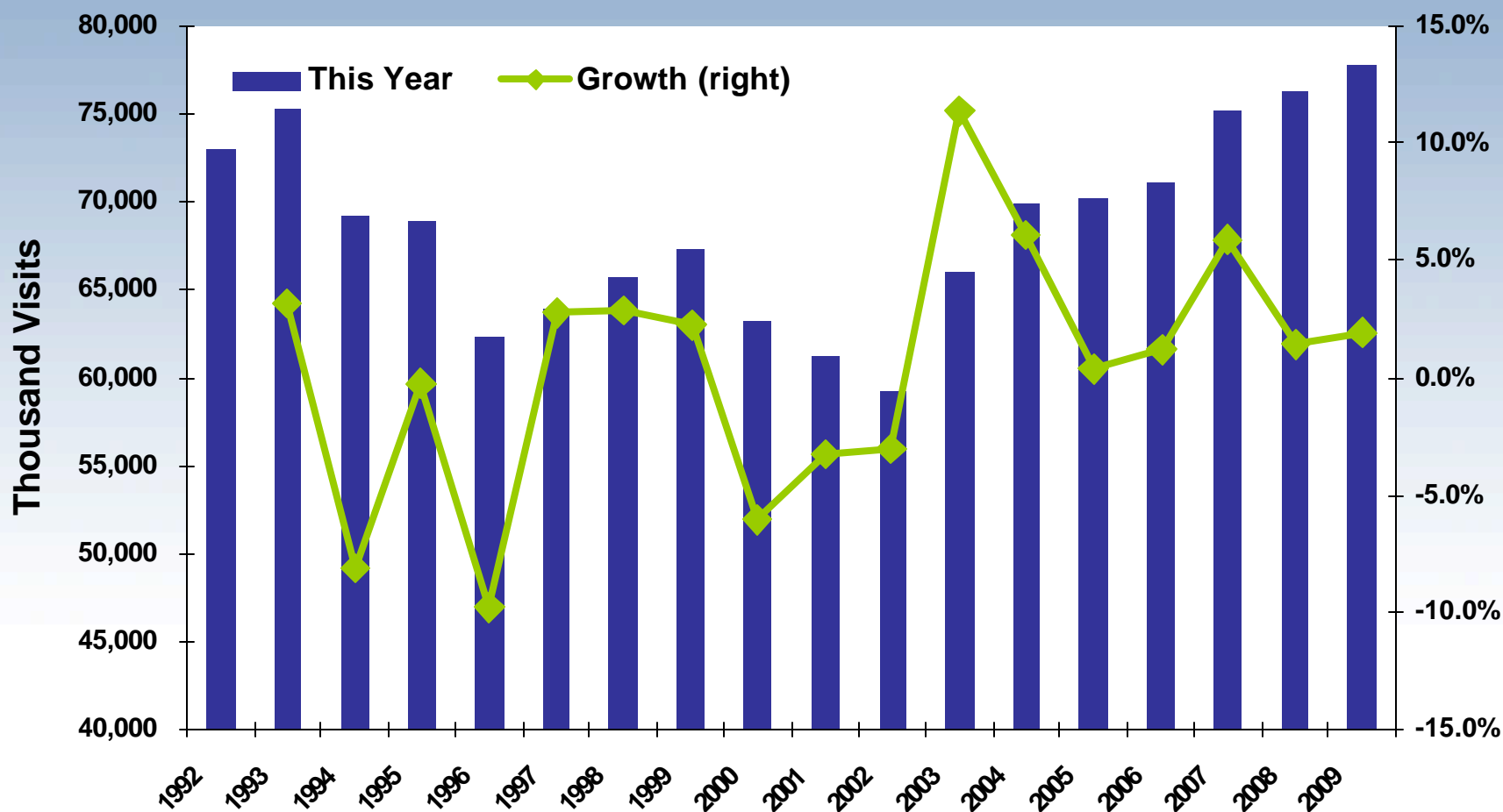
Visitor Forecast



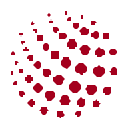
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Destination NJ: Visits Continue to Grow Through 2009



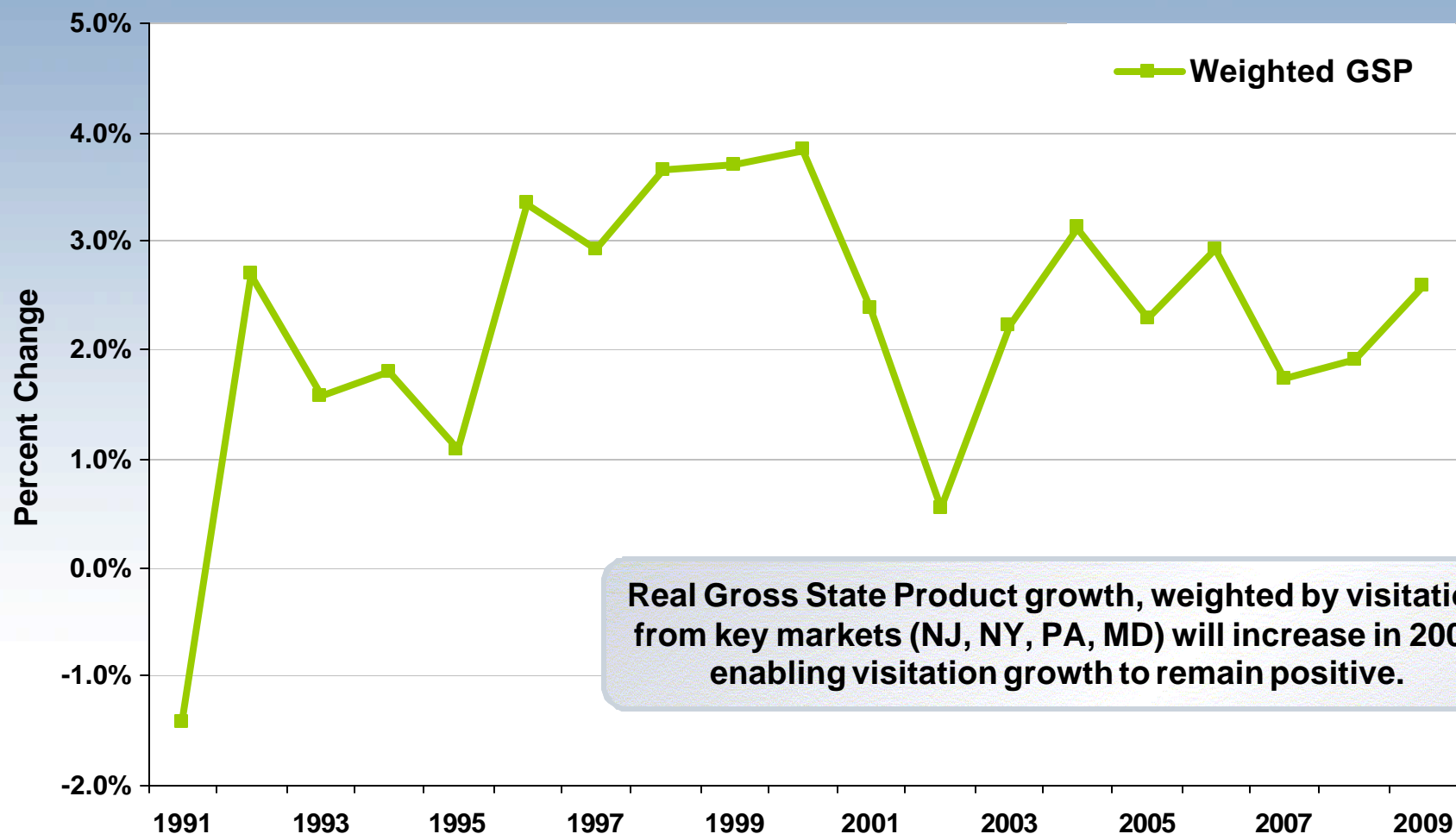
Source: Global Insight



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Driven by Increasing Growth in Key Feeder Markets



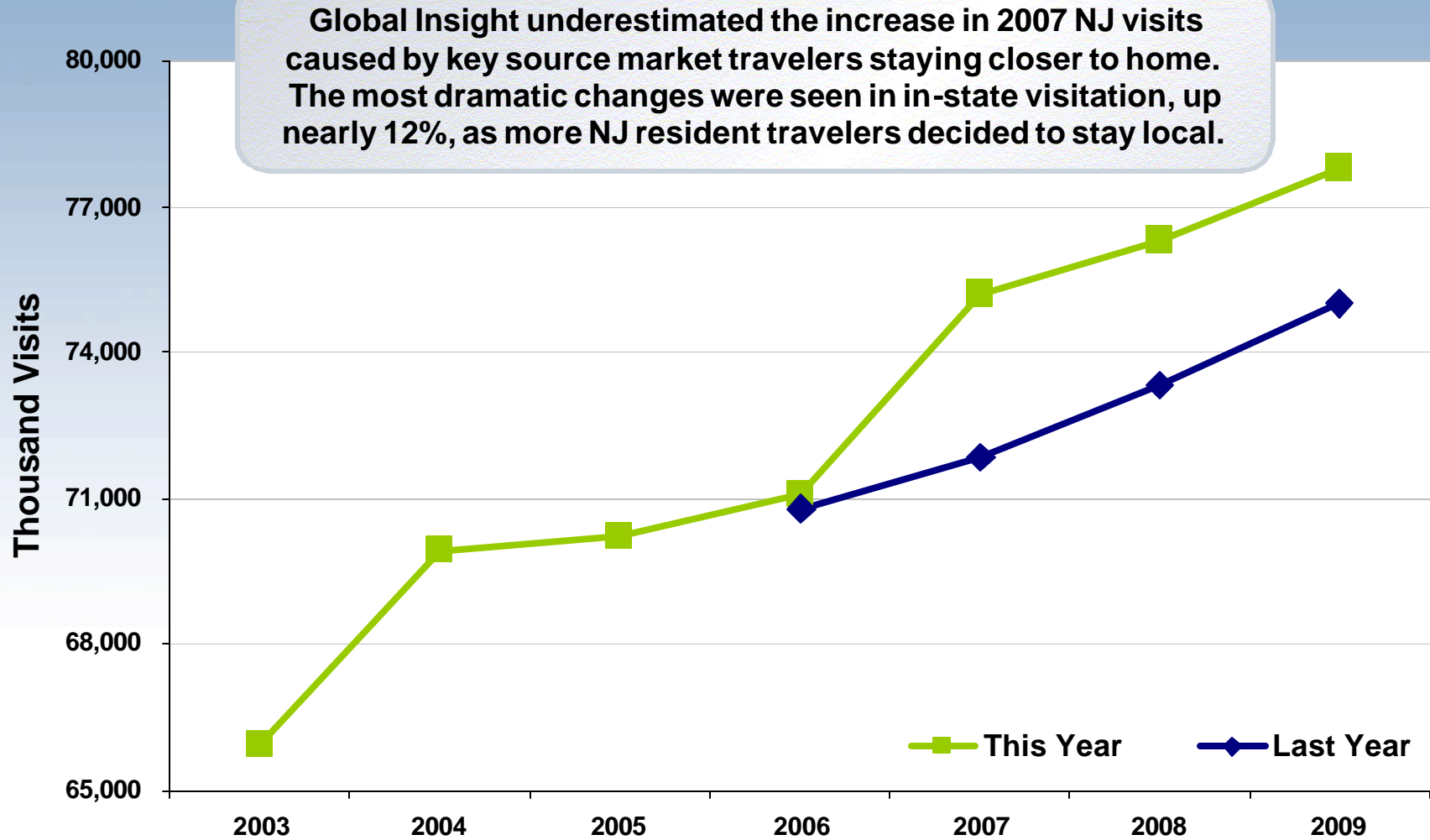
Source: Global Insight

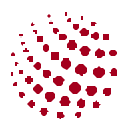


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Forecast Comparison



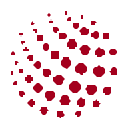


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Origin of Visitors by State, 2007

Origin States	Visitors ('000)	Share of Total (percent)	'06-'07 Growth
New Jersey	28,794	38.3%	11.7%
New York	15,811	21.0%	-9.9%
Pennsylvania	13,637	18.1%	8.6%
Maryland	2,783	3.7%	1.2%
South Carolina	2,023	2.7%	-22.7%
Connecticut	2,016	2.7%	-6.4%
Virginia	1,414	1.9%	15.0%
Florida	1,301	1.7%	25.4%
Delaware	1,264	1.7%	64.5%
Massachusetts	955	1.3%	35.7%
Other	5,220	6.9%	33.1%
Total	75,220	100.0%	5.8%

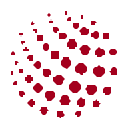


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Origin of Visitors by DMA, 2007

Origin DMA	Visitors (‘000)	Share of Total (percent)	'06-'07 Growth
New York, NY	35,414	47.1%	2.6%
Philadelphia, PA	19,805	26.3%	14.8%
Washington, DC (Hagerstown, MD)	2,730	3.6%	-7.4%
Hartford & New Haven, CT	1,933	2.6%	-6.2%
Florence-Myrtle Beach, SC	1,625	2.2%	-12.1%
Baltimore, MD	1,489	2.0%	-16.5%
Wilkes Barre-Scranton, PA	1,369	1.8%	-20.7%
Harrisburg-Lancaster-Lebanon-York, PA	1,316	1.8%	19.5%
Boston, MA (Manchester, NH)	933	1.2%	60.0%
Chicago, IL	564	0.8%	4.5%
Other	8,041	10.7%	19.9%
Total	75,220	100.0%	5.8%



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NJ TOURISM
ONE INDUSTRY. MANY BENEFITS.

How Important?

**Tourism related
spending of
\$38.0 billion**



TOTAL

Gross State Product: \$27.0 billion

5.7% of GSP

Total Employment: 466,442 jobs

11.4% of Employment

CORE

Core GSP: \$19.8 billion

4.6% of GSP

Core Employment: 383,881 jobs

9.4% of Employment

3rd largest private sector employer



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Talking Points: What Do Visitors Mean to NJ?

- ✓ About \$505 in expenditures, \$96 of which goes to NJ businesses that do not directly “touch” that visitor
- ✓ 71¢ of each dollar spent by visitors is kept within NJ
- ✓ Every 161 visitors creates a new NJ job
- ✓ About \$97 per visitor in tax receipts, \$56 of which goes to state & local authorities
- ✓ Every 229 visitors pays for one New Jersey public school student for the year
- ✓ \$359 per visitor in NJ Gross State Product
- ✓ \$212 per visitor in wages paid to NJ workers



Thank you!

Ken McGill
Executive Managing Director, Travel & Tourism
Ken.mcgill@globalinsight.com