

The New Jersey Tourism Satellite Account

*A Comprehensive Understanding of the Economic Contribution
of Travel & Tourism in the State of New Jersey*

June 2004

*Adam Sacks, Managing Director
Travel & Tourism Consulting
adam.sacks@globalinsight.com
1.610.490.2784*

Table of Contents

<u>Slides</u>	<u>Topic</u>
1	About Global Insight
4-9	The Tourism Satellite Account Measurement of Tourism
10-11	Key Findings
12-15	Executive Summary
16-18	Breaking Down Tourism Expenditures
19	Total Tourism Impact
20- 26	Core Tourism Impact
27-28	Non-Core tourism - Indirect Benefits of Tourism
29-30	Government Revenues Generated by Tourism
31-38	Regional Distribution of Tourism
39-43	Tourism Expenditure by County
44- 51	County Detail – Tourism Expenditure by Industry
52-54	Visitor Forecasts
55-62	Appendix / Bibliography

About Global Insight



- Premier economic analysis and consulting organization created by the integration of **DRI** and **WEFA**
- Provides the most comprehensive coverage of countries, regions and industries available from any single source
- Brings a common analytical framework and a consistent set of assumptions to diverse capabilities and products
- Provides a broad range of consulting capabilities covering:
 - **Market Analysis**
 - **Investment Strategy**
 - **Infrastructure Analysis**
 - **Economic Development**
 - **Business Planning**
 - **Risk Assessment**
 - **Policy Evaluation**
 - **Economic Impact**
- Over 3,000 clients in industry, finance, and government
- Over 500 employees and 30 international offices
- Strong reputation and experience within the tourism sector

Tourism Satellite Account: The UN-approved standard for measuring tourism

⇒ **U.S. Bureau of Economic Analysis (BEA)**

⇒ **South Carolina**

⇒ **Virginia**

⇒ **Hawaii**

⇒ **Delaware**

⇒ **New Jersey**

⇒ **Rhode Island**

⇒ **Alaska**

The TSA has been adopted at the national level and by a growing number of states.

⇒ **Plus over 50 countries worldwide**

What is a TSA?

- **The Tourism Satellite Account is the international standard for measuring the contribution of tourism to an economy (approved by WTO, OECD United Nations)**
- **The TSA is consistent with the UN System of National Accounts approach for measuring an economic sector.**

Why is a TSA Necessary?

- ◆ The tourism 'industry' is not measured in standard economic accounting systems.
- ◆ 'Industry' is a *supply-side* concept: the focus is on *what* is being produced.
- ◆ But 'Tourism' is a *demand-side* concept: the focus is on *who's* buying products - the visitor.
- ◆ Tourism affects parts of many industries.

Enter the TSA concept.

T&T Industry and Economy

The TSA provides both a narrow and a broad understanding of the tourism “industry”



Benefits of a TSA

- ◆ The TSA compares government support of the tourism sector with government revenue generated by tourism.
- ◆ The TSA allows policy-makers to compare the size and growth of tourism to other industrial sectors.
- ◆ The TSA enables analysts to assess the long term health of the tourism sector via capital investment and government support.
- ◆ The TSA provides an accepted international standard for benchmarking.

Benefits of a TSA, cont.

- ◆ The TSA reveals how much of each tourist dollar is retained in country/state.
- ◆ The TSA helps determine whether projected levels of tourism demand are sufficient to meet capital investment return on investment.
- ◆ The TSA quantifies how other industry sectors benefit from tourism.
- ◆ The TSA creates a framework for more accurate forecasts.



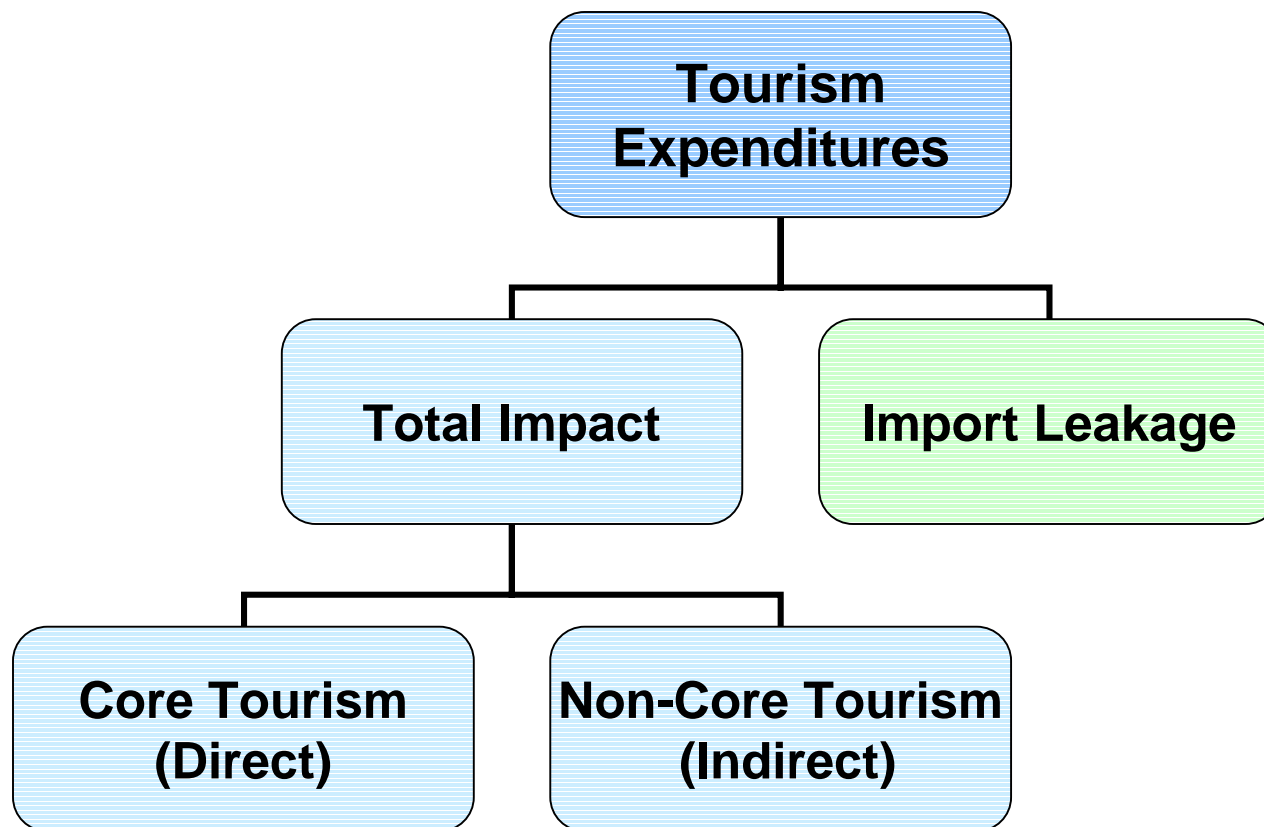
TSA Results for the State of New Jersey

Key Findings

- **Travel & Tourism is one of the most important economic engines in New Jersey. It has a diverse composition and is a strong job generator.**
- **Travel & Tourism is a growth sector in New Jersey.**
- **Travel & Tourism is a major contributor to state revenues.**

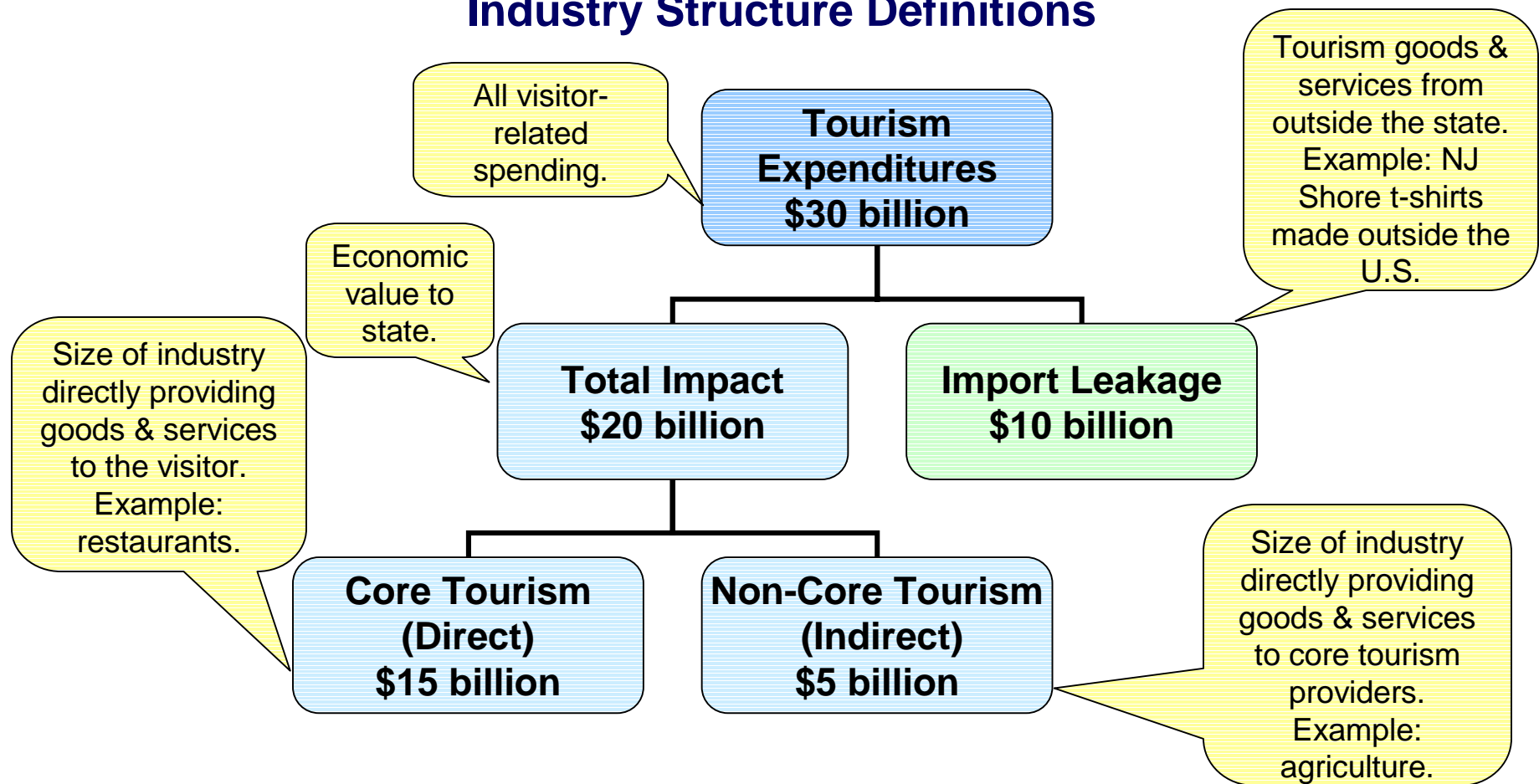
Executive Summary

New Jersey Travel & Tourism Industry Structure



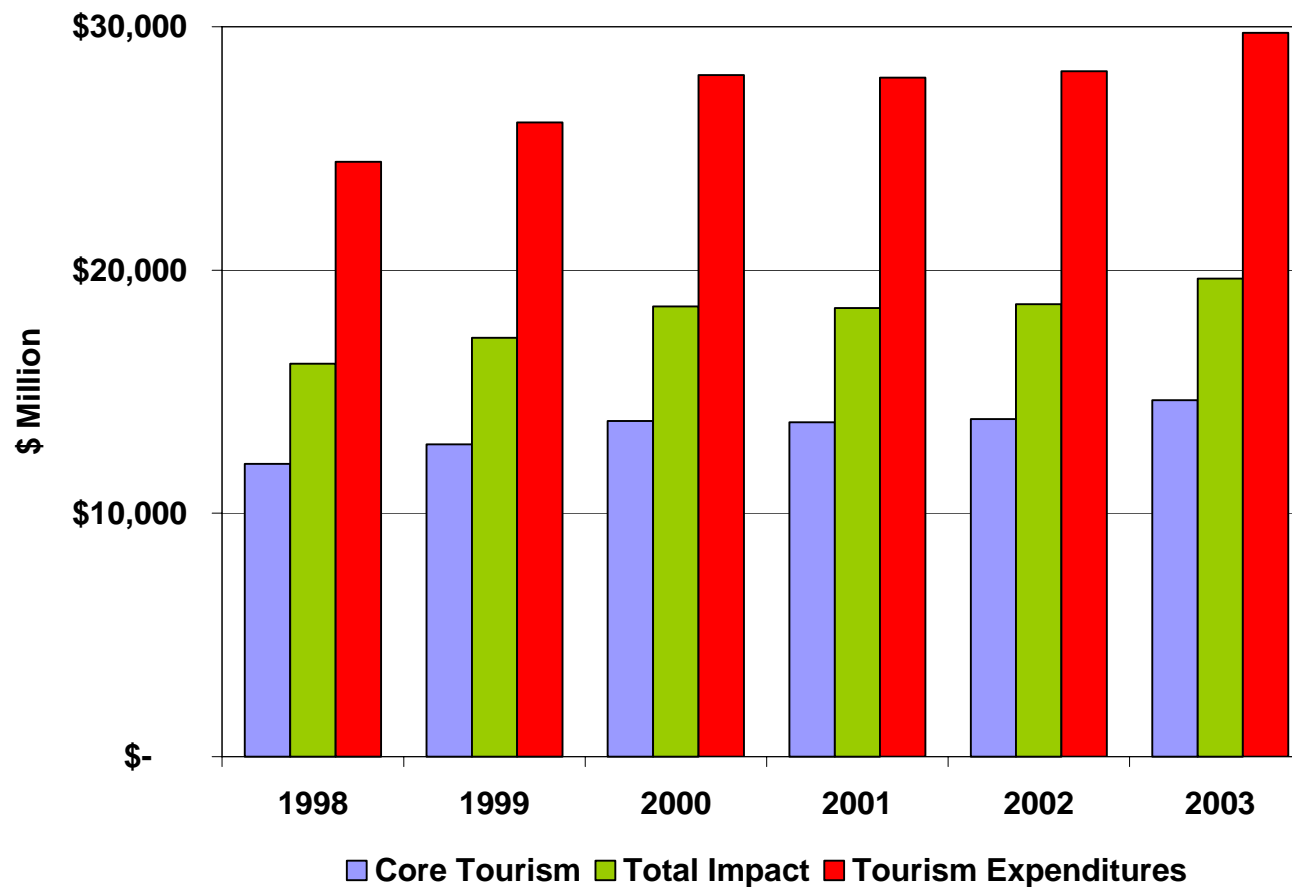
Executive Summary

Industry Structure Definitions



Executive Summary

Tourism expenditures – tallied \$30 billion in 2003



Executive Summary

Summary of Key Concepts

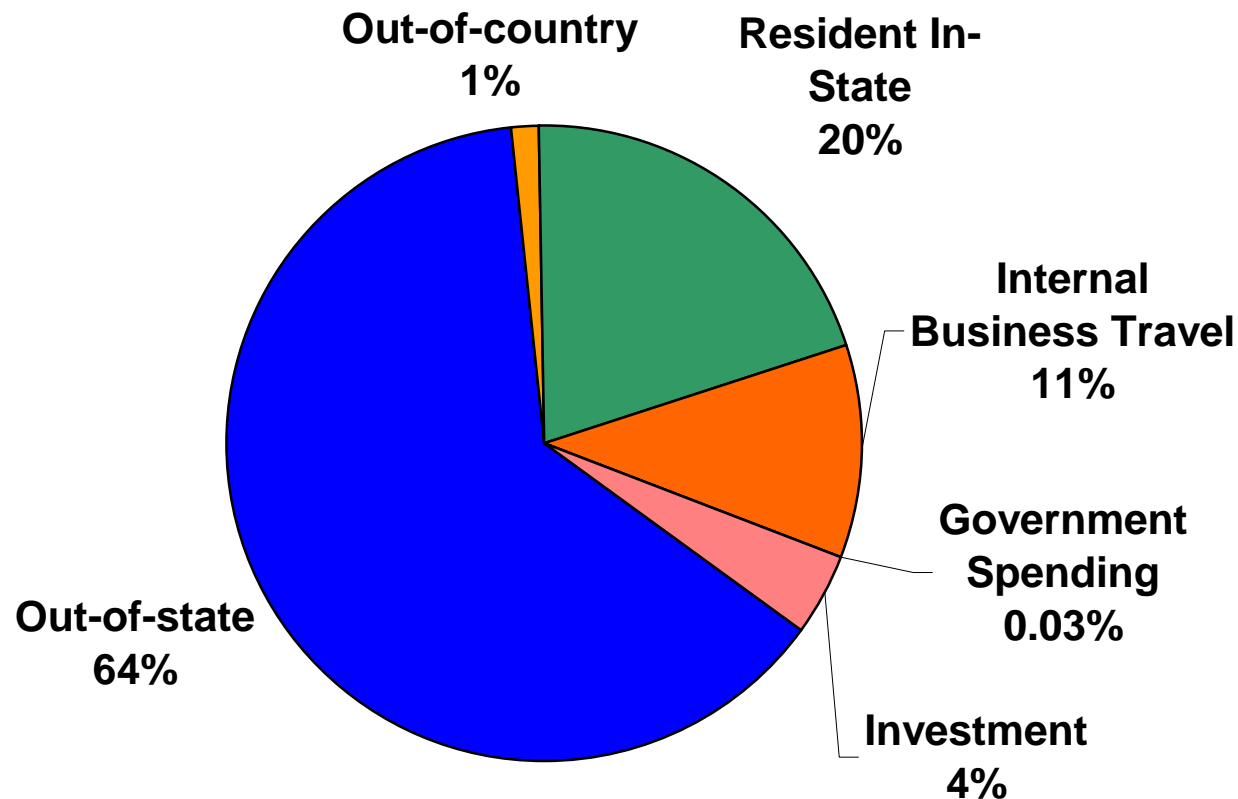
Category	Total Impact	Core Tourism
Economic Value	\$ 19,646,440,885	\$ 14,646,826,033
Wages & Salaries	\$ 12,292,915,051	\$ 8,815,415,049
Employment	415,951	342,092

Breaking Down Tourism Expenditures

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

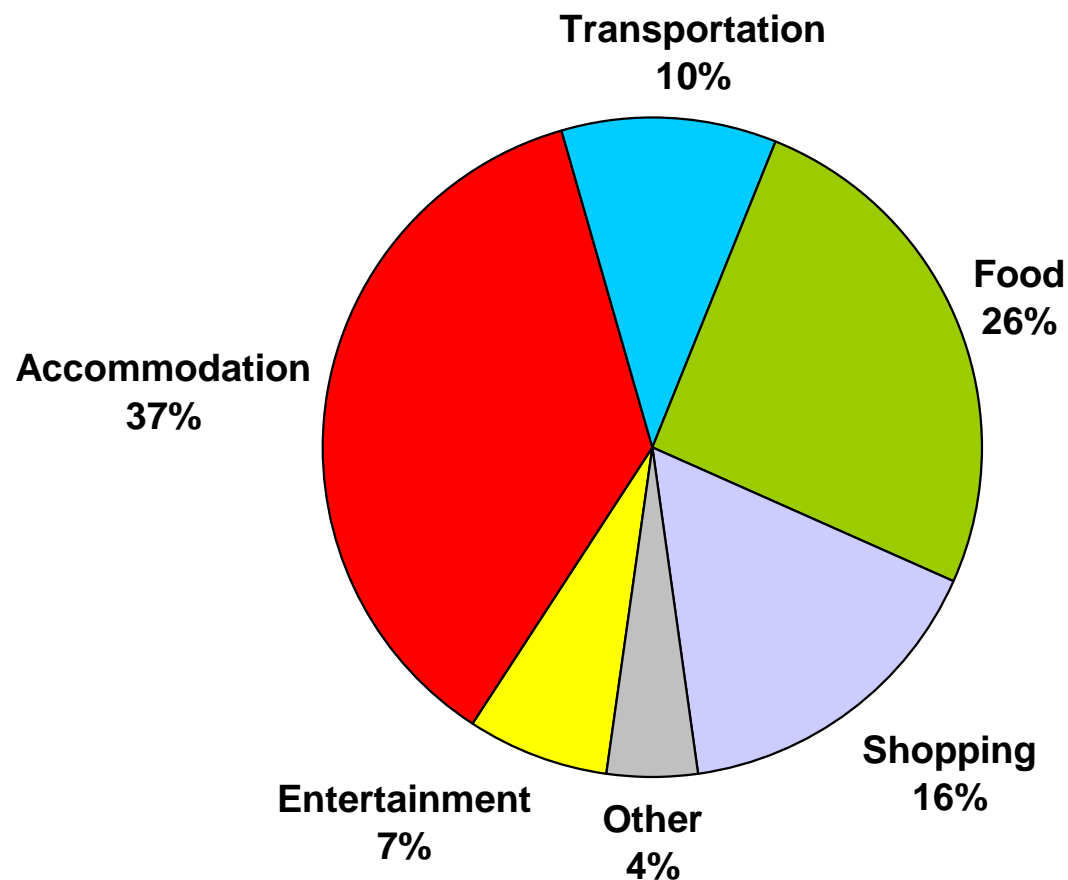
Breaking Down Tourism Expenditures – \$30 Billion

Visitors from other states represent the largest portion of tourism expenditures in New Jersey. Residents' travel in the state is also important with 20% of the total.



Industry Distribution of Expenditures

Accommodation accounts for the largest share of tourism expenditure in the state of New Jersey. Combined with food and shopping, these three components represent nearly 80% of visitor expenditures.



Total Impact of Tourism

- In 2003, the total impact of travel & tourism (direct and indirect) was **\$20 billion** to the state. This accounts for **5.4% of Gross State Product**.
- The ratio of the total impact to total expenditures reveals that **66% of each tourism dollar spent** in New Jersey is retained in the state. The remainder represents import leakages.
- **Over 415,900 jobs** – direct and indirect – were created by travel & tourism economic activity. This accounts for **10% of total employment** in the state.
- Approximately **\$12.3 billion in wages & salaries** was generated by travel & tourism in 2003.

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.
- Therefore, all 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 **\$14.6 billion** in economic value in 2003. This ranks core tourism as the **8th largest industry** in NJ in terms of gross state product.

Economic Value of Core Tourism

Core Tourism contributed \$14.6 billion in economic value in 2003. The industry ranked as the 8th largest in the state.

Rank	Industry	GSP
1	Real estate	\$57,389
2	Wholesale trade	\$33,782
3	Retail trade	\$28,999
4	Business services	\$21,658
5	Health services	\$21,456
6	Chemicals and allied products	\$17,556
7	Construction	\$15,749
8	Travel & Tourism	\$14,600
9	Communications	\$13,389
10	Depository and nondepository institution	\$12,087
11	Durable goods	\$11,906
12	Security and commodity brokers	\$8,668
13	Electric, gas, and sanitary services	\$8,132
14	Insurance carriers	\$8,055
15	Legal services	\$4,478

Core Tourism Employment

- Core Tourism is the 2nd largest private sector employer in the state with 342,092 direct full-time equivalency jobs in 2003.
- Core Tourism generated **8.4% of state employment** in 2003.
- Core Tourism jobs provided **\$8.8 billion in wages & salaries** in 2003.

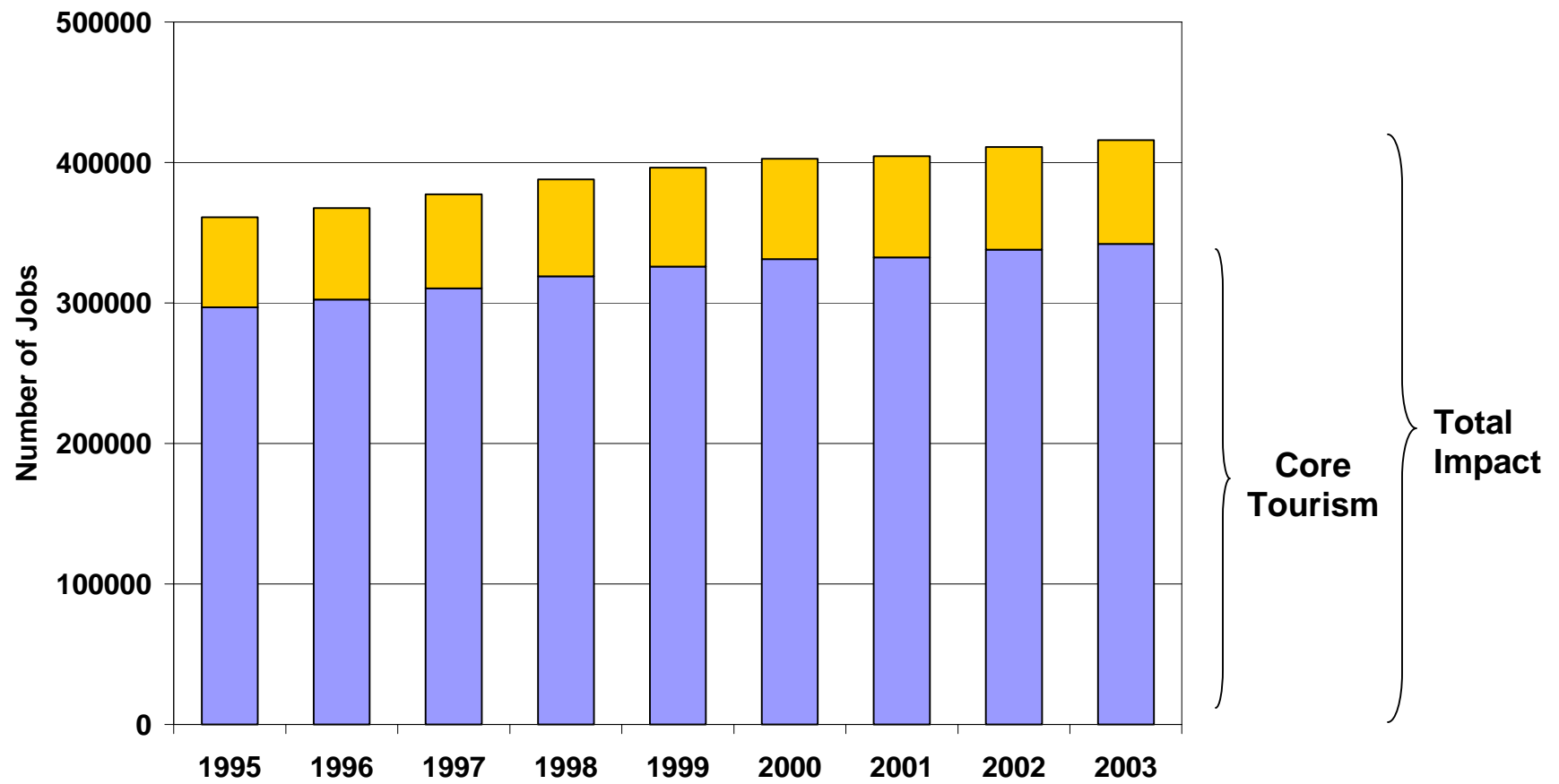
Core Tourism Employment

Core Tourism represented over 342,000 jobs in 2003. Travel & tourism ranked as the 2nd largest private sector employer in the state with 8.4% of total employment.

Rank	Industry	Jobs	% Total
1	Health Services	371,928	9.1%
2	Travel & Tourism	342,092	8.4%
3	Business Services	324,481	7.9%
4	Eating and Drinking Places	202,827	5.0%
5	Engineering & Management Services	142,061	3.5%
6	Wholesale Trade - Durable Goods	141,423	3.5%
7	Wholesale Trade - Nondurable Goods	133,796	3.3%
8	Miscellaneous Retail	123,427	3.0%
9	Special Trade Contractors	112,374	2.7%
10	Food Stores	112,144	2.7%
11	Chemicals and Allied Products	99,841	2.4%
12	Educational Services	83,286	2.0%
13	Hotels and Other Lodging Places	80,174	2.0%
14	Social Services	75,683	1.8%
15	Communications	72,917	1.8%
State & Local Government		552,536	13.5%
All Other		1,466,482	35.8%
Total		4,095,380	100.0%

Core Tourism Employment

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



Tourism Employment by County

County	Employment	County Share	County	Employment	County Share
Atlantic County	73,350	17.6%	Hudson	14,082	3.4%
Ocean	41,839	10.1%	Mercer	13,822	3.3%
Monmouth	34,559	8.3%	Somerset	12,601	3.0%
Bergen	34,107	8.2%	Passaic	11,024	2.7%
Cape May	32,951	7.9%	Gloucester	8,437	2.0%
Middlesex	26,250	6.3%	Sussex	7,128	1.7%
Essex	24,537	5.9%	Cumberland	4,006	1.0%
Morris	20,899	5.0%	Hunterdon	3,450	0.8%
Burlington	17,335	4.2%	Warren	2,995	0.7%
Camden	16,079	3.9%	Salem	1,835	0.4%
Union	14,615	3.5%	Total	415,900	100.0%

Core Tourism - Composition

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

	Rank	Industry	\$ Value	% Total
Includes casinos	1	Hotels and Lodging Places	5,056,188,416	34.5%
	2	Eating & Drinking	2,814,034,944	19.2%
	3	Real Estate	2,261,066,240	15.4%
Includes seasonal 2 nd homes	4	Air Transportation	1,198,532,992	8.2%
	5	Miscellaneous Retail	674,761,408	4.6%
	6	Amusement and Recreation Services	649,565,376	4.4%
	7	Arrangement Of Passenger Transportation	408,515,520	2.8%
Professionally arranged transport & tours	8	Membership Sports and Recreation Clubs	368,516,448	2.5%
	9	Apparel & Accessory Stores	279,615,744	1.9%
	10	Transportation Services	220,574,704	1.5%
	11	Photofinishing- Commercial Photography	118,845,792	0.8%
	12	Food Stores	114,599,744	0.8%
Ticket sales	13	General Merchandise Stores	114,246,264	0.8%
	14	Furniture & Home Furnishings Stores	86,105,248	0.6%
	15	Motion Pictures	74,169,824	0.5%
		All Other	207,487,369	1.4%
		Total	14,646,826,033	100.0%

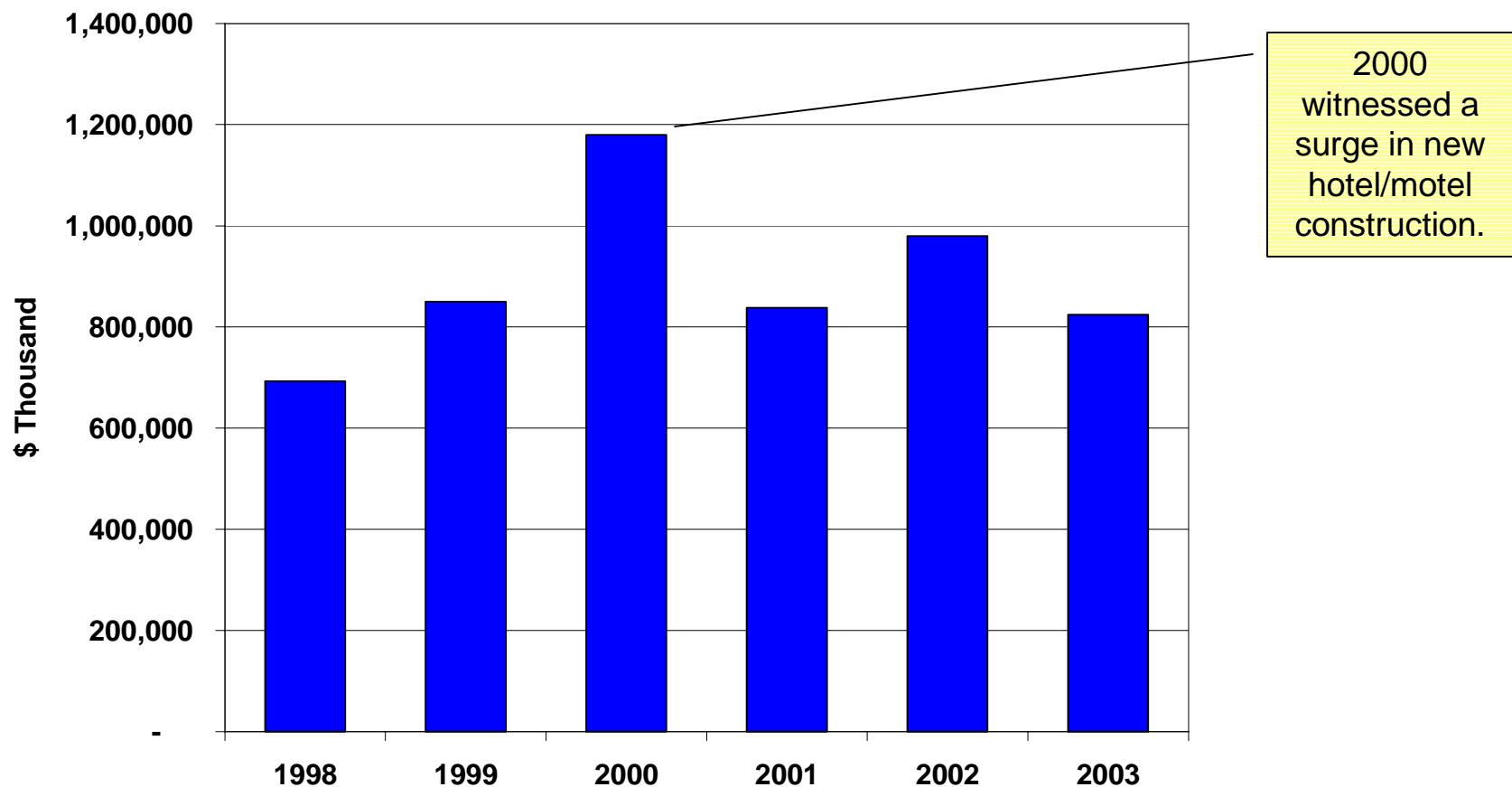
Non-Core Tourism – Indirect Benefits

Many industries not thought of as “tourism” but that supply goods and services to the tourism industry are beneficiaries of tourism.

Rank	Industry	Indirect Tourism Contribution \$	% Total
1	Real Estate	455,991,392	10.0%
2	Wholesale Trade	387,612,256	8.5%
3	Computer and Data Processing Services	337,260,832	7.4%
4	Maintenance and Repair Other Facilities	249,039,232	5.5%
5	Personnel Supply Services	225,360,912	5.0%
6	Other Business Services	171,954,112	3.8%
7	Accounting- Auditing and Bookkeeping	169,464,496	3.7%
8	Management and Consulting Services	167,502,608	3.7%
9	Banking	166,588,336	3.7%
10	Communications- Except Radio and TV	164,549,408	3.6%
11	Electric Services	140,731,424	3.1%
12	Motor Freight Transport and Warehousing	123,600,272	2.7%
13	Arrangement Of Passenger Transportation	118,083,864	2.6%
14	Legal Services	98,969,560	2.2%
15	Services To Buildings	90,403,952	2.0%
	All Other	1,477,298,585	32.5%
	Total	4,544,411,241	100.0%

Non-Core Tourism - Indirect Benefits

The Construction sector is also a significant beneficiary of tourism.
In 2003, the level of new construction was back to trend levels.



State and Local Government Revenue

- Tourism activity generated \$2.9 billion in state and local government revenue in 2003.
- In 2003, **\$1.7 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 vis-à-vis its economic value. Tourism was responsible for **6.2% of all state revenue** in 2003. Recall that tourism generated **5.4% of Gross State Product**. The reason for this is that several key state revenue sources have a concentrated dependence on the tourism industry.

State and Local Government Revenue

Tourism generated state government revenues of \$1.6 billion in 2003. The sector tallied an additional \$1.2 billion in local government revenues.

State Tax Revenues 2003

Corporate Profits Tax	\$84,128,580
Indirect Business Tax	\$723,665,182
Personal Taxes and Fees	\$366,813,427
Hotel Sales Tax	\$226,706,130
Entertainment Sales Tax	\$37,763,249
Tolls	\$100,109,620
Occupancy Tax	\$87,000,000
Casino Room Fee	\$14,000,000
Casino Comp Tax	\$26,000,000
<i>Total</i>	\$1,666,186,188
Tourism Share of Total	6.2%

Local Tax Revenues

Property Taxes	\$1,154,962,319
Atlantic City Hotel	\$37,234,915
Atlantic City Beverage	\$5,552,858
Newark Hotel	\$22,359,506
Jersey City Hotel	\$4,148,302
<i>Total</i>	\$1,224,257,901

Total State and Local Tourism Taxes \$2,890,444,089

Regional Distribution of Tourism

New Jersey is divided into six regions in the analysis:

1. *Skylands* – Sussex, Warren, Hunterdon, Somerset, and Morris Counties
2. *Gateway* – Passaic, Bergen, Essex, Hudson, Union, and Middlesex Counties
3. *Shore Region* – Monmouth and Ocean Counties
4. *Delaware River* – Mercer, Burlington, Camden, Gloucester, and Salem Counties
5. *Greater Atlantic City* – Atlantic County
6. *Southern Shore* – Cumberland and Cape May County

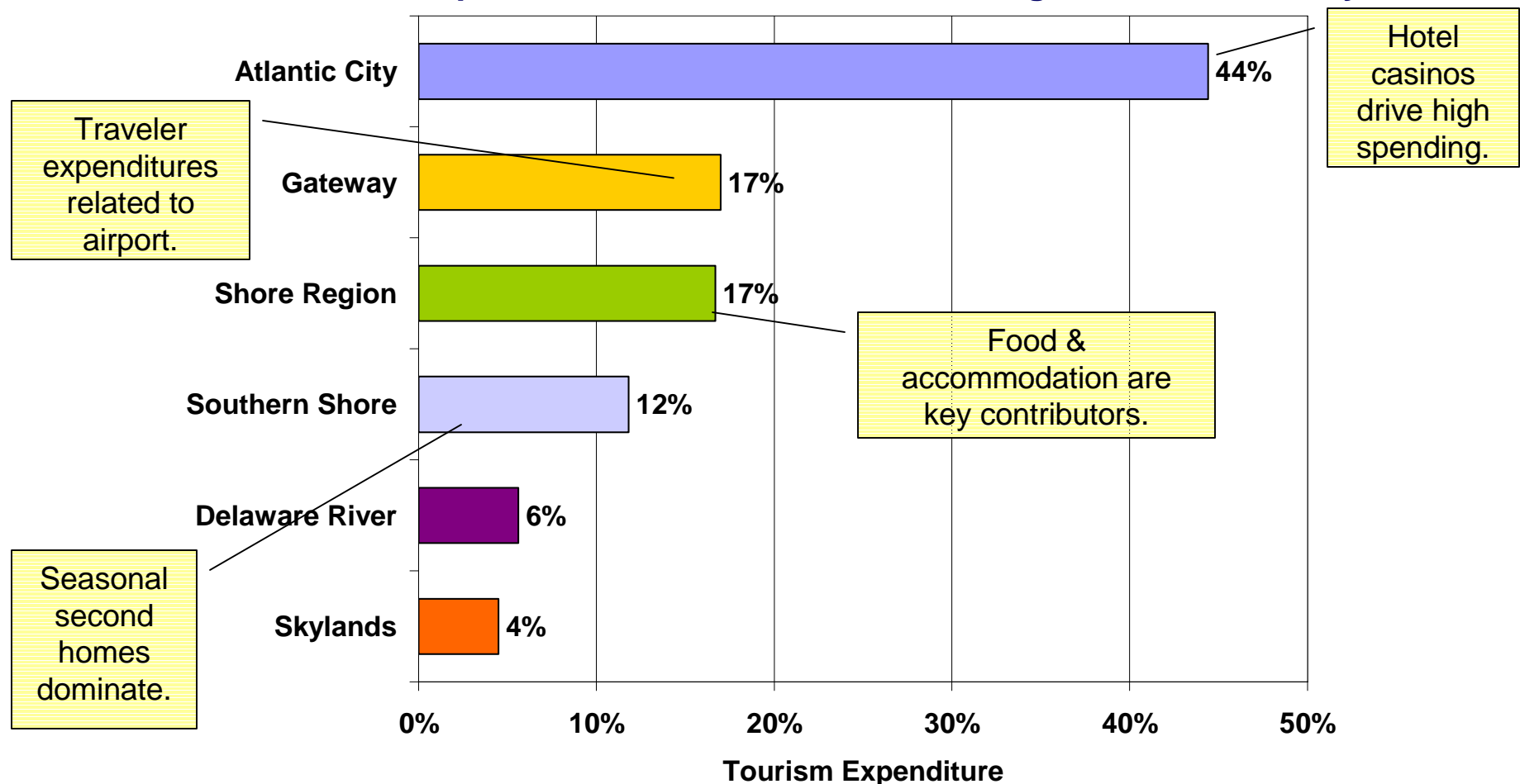
Regional Distribution of Tourism

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
- Main attractions by county
- Transportation figures
- Seasonality of employment – compared across counties/regions

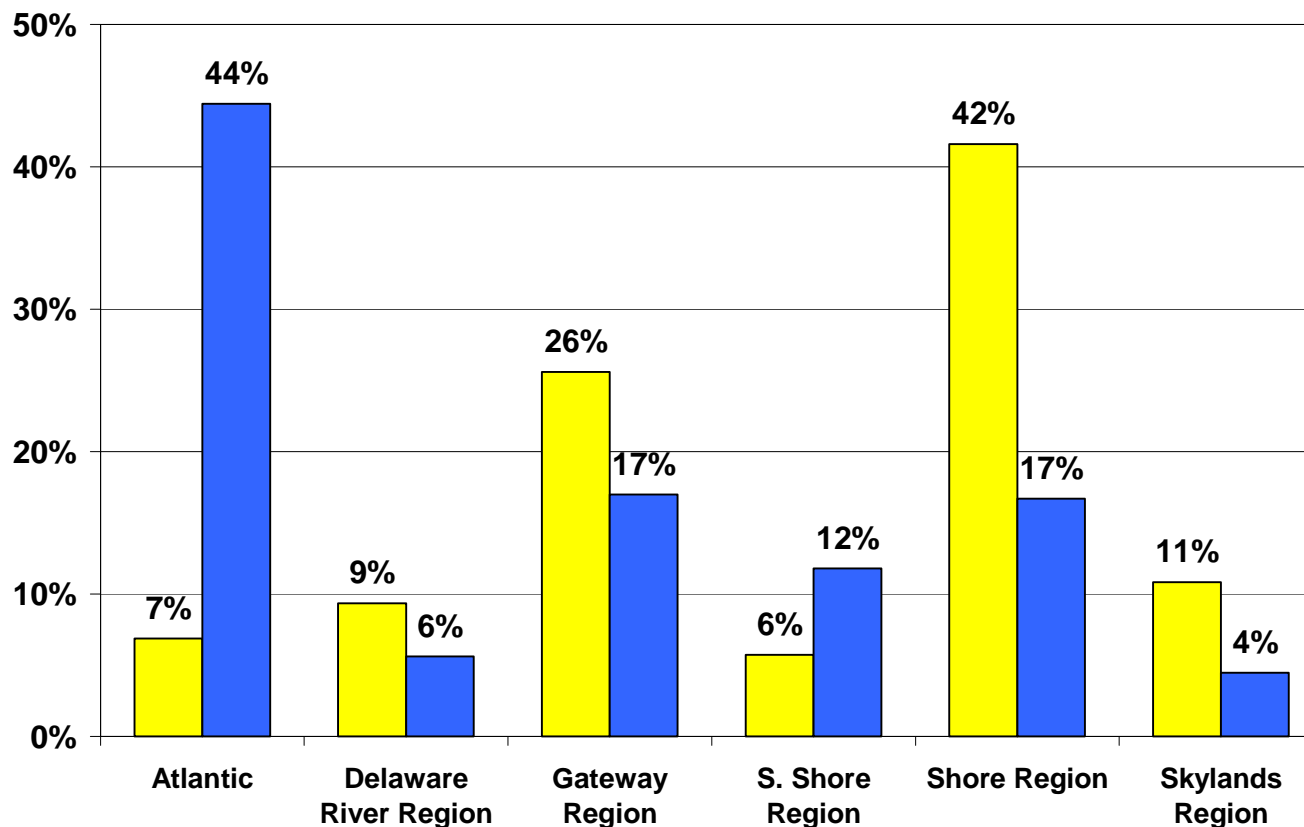
Regional Distribution of Tourism

After Atlantic City, Gateway and Shore are tied for the second largest share of total statewide tourism expenditure. The Southern Shore region follows closely.



Regional Shares of Statewide Tourism Entertainment Expenditure

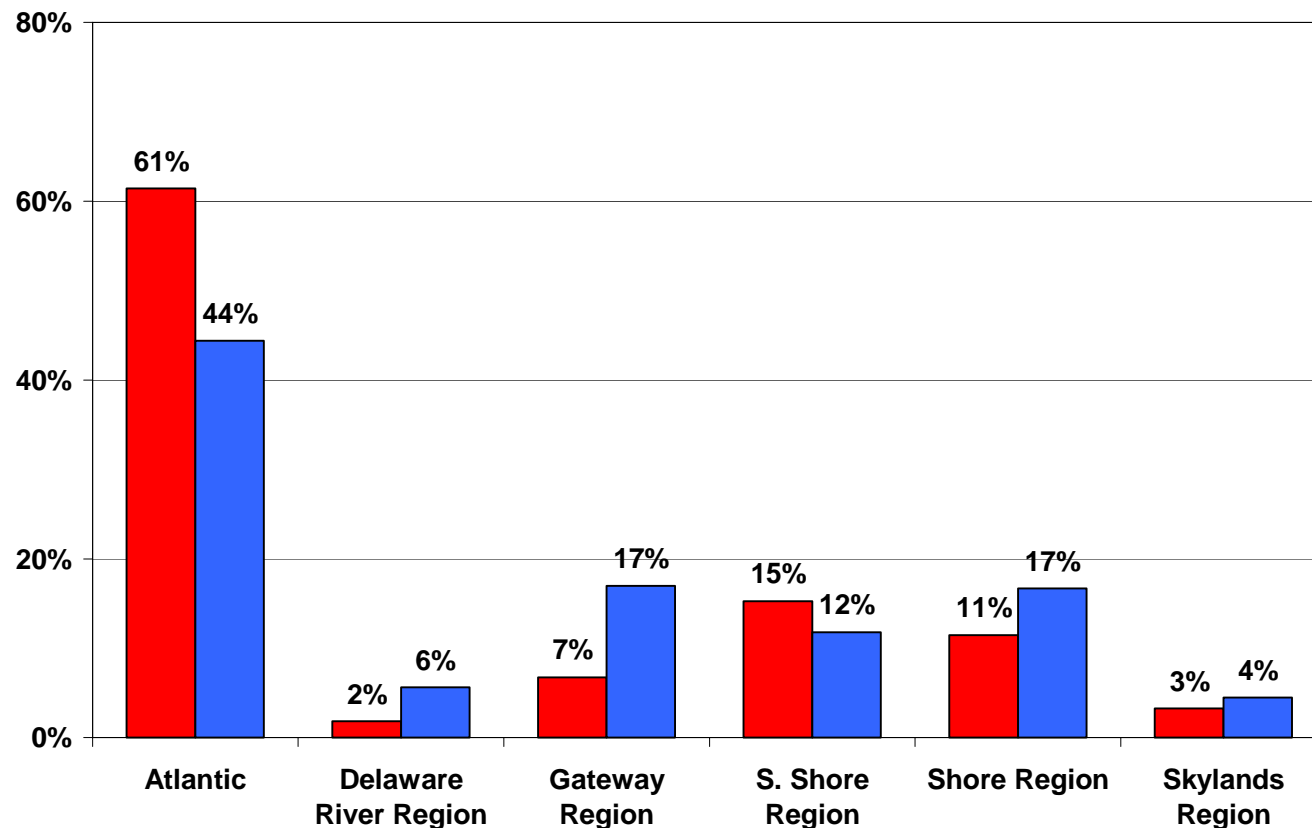
Compared to the other regions, the Shore Region has the largest tourism entertainment expenditure share (42%). But it is tied for second in terms of total tourism sales (17%).



■ Region Share of Entertainment ■ Region Share of Total Tourism

Regional Shares of Statewide Tourism Accommodation Expenditure

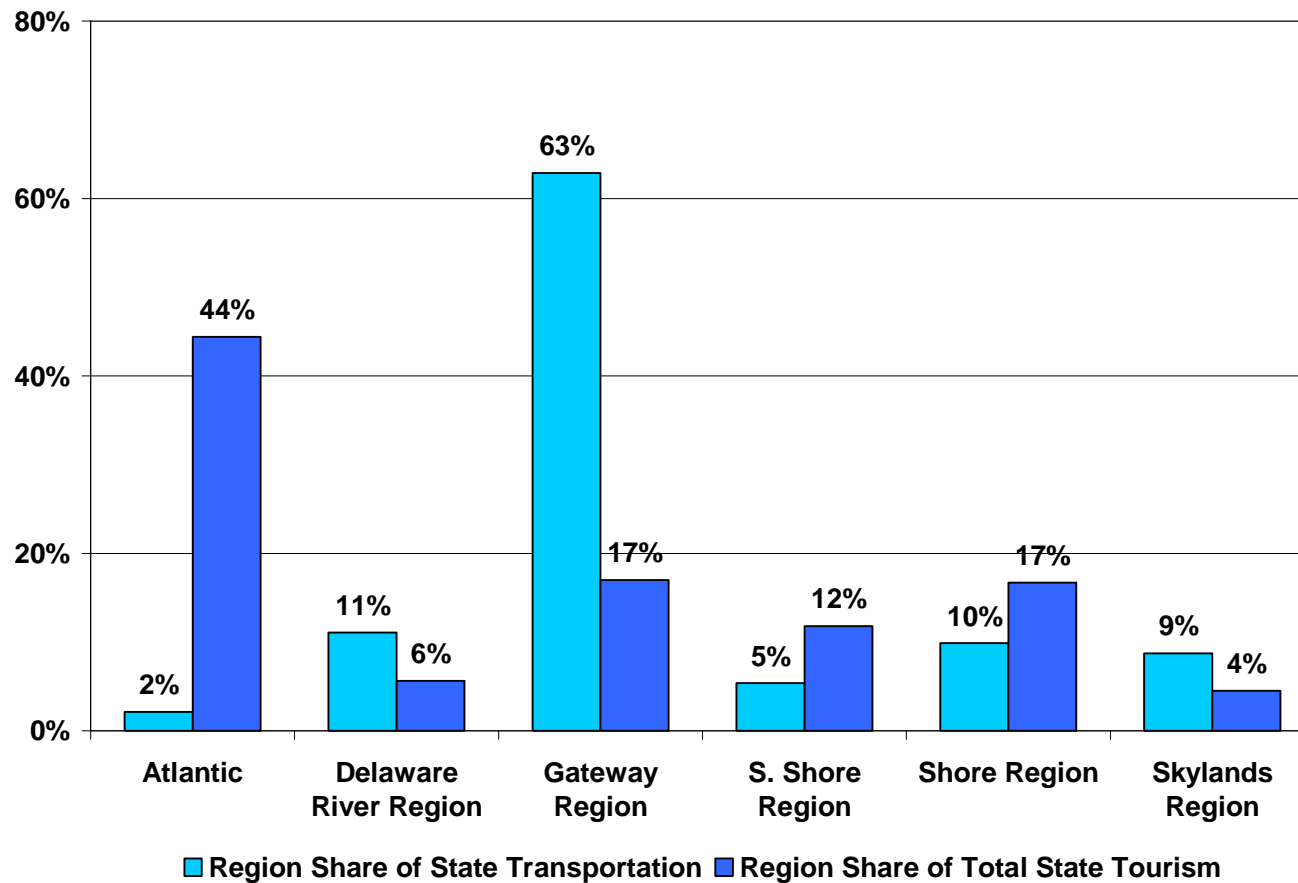
Atlantic City region holds the largest share in both accommodation sales (61% - includes hotel casinos) and total tourism expenditure (44%). The Southern Shore ranks 2nd in terms of accommodation expenditure.



■ Region Share of State Accommodation ■ Region Share of Total State Tourism

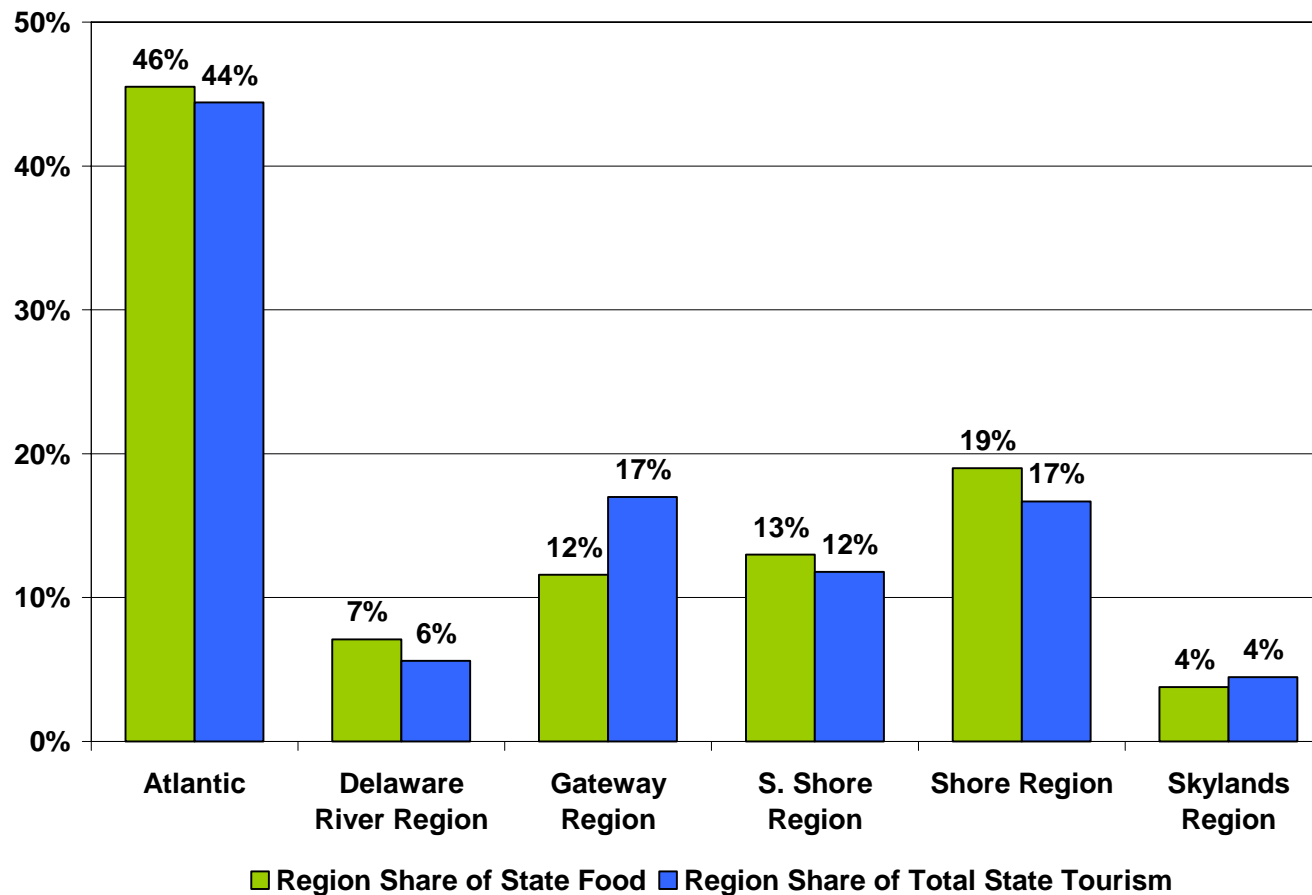
Regional Shares of Statewide Tourism Transportation Expenditure

With Newark airport in its territory, the Gateway Region dominates tourism transportation sales (63%). This does not include cargo transportation.



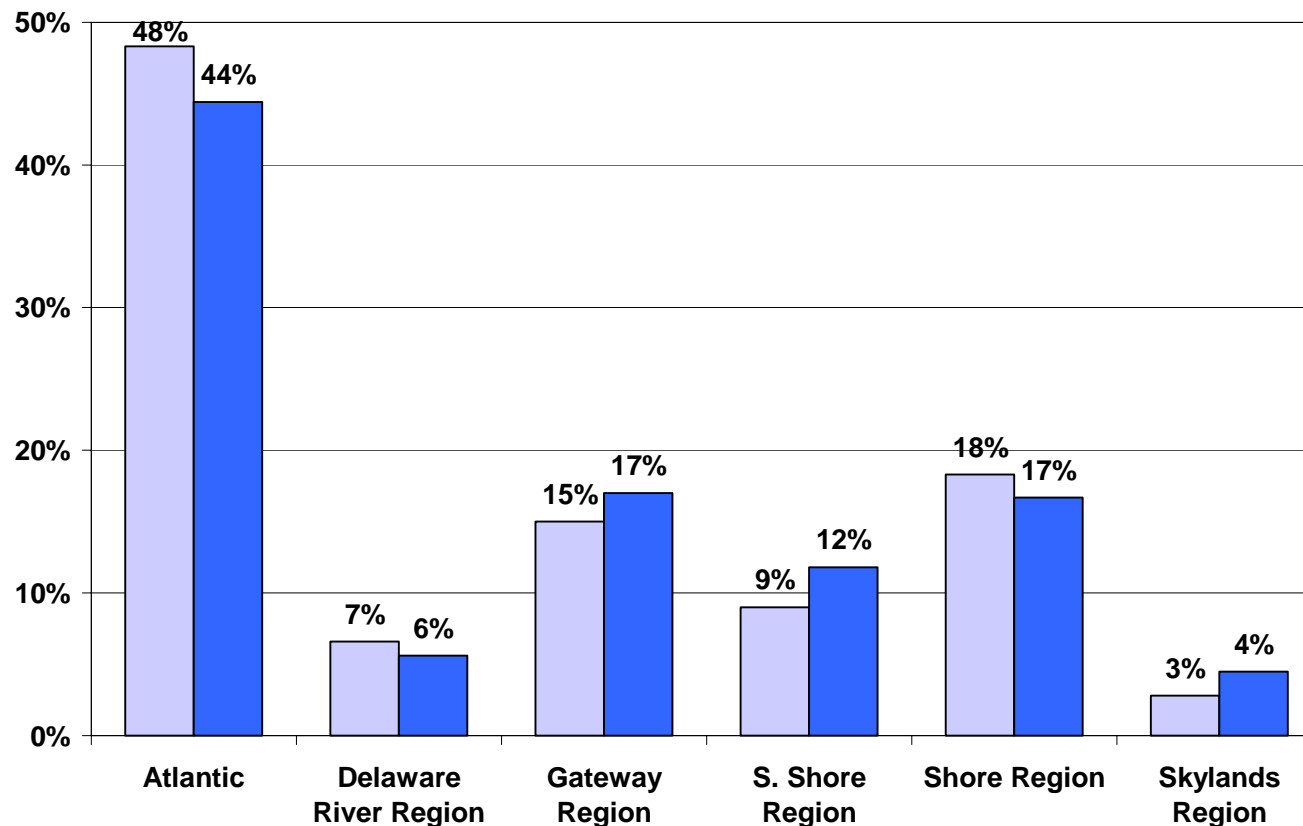
Regional Shares of Statewide Tourism Food Expenditure

After Atlantic City, the Shore region has the second largest share of the state's food tourism expenditure.



Regional Shares of Statewide Tourism Shopping Expenditure

After the Atlantic region, the Shore (18%) and Gateway (15%) regions hold the largest share of shopping tourism expenditure. The shopping expenditure share by region mirrors each regions total tourism share.



■ Region Share of State Shopping ■ Region Share of Total State Tourism

Tourism Expenditure by County

Atlantic City, Cape May, and Ocean county are the leaders in terms of tourism expenditure by county. These 3 counties combined contribute two-thirds of New Jersey's total tourism expenditure.

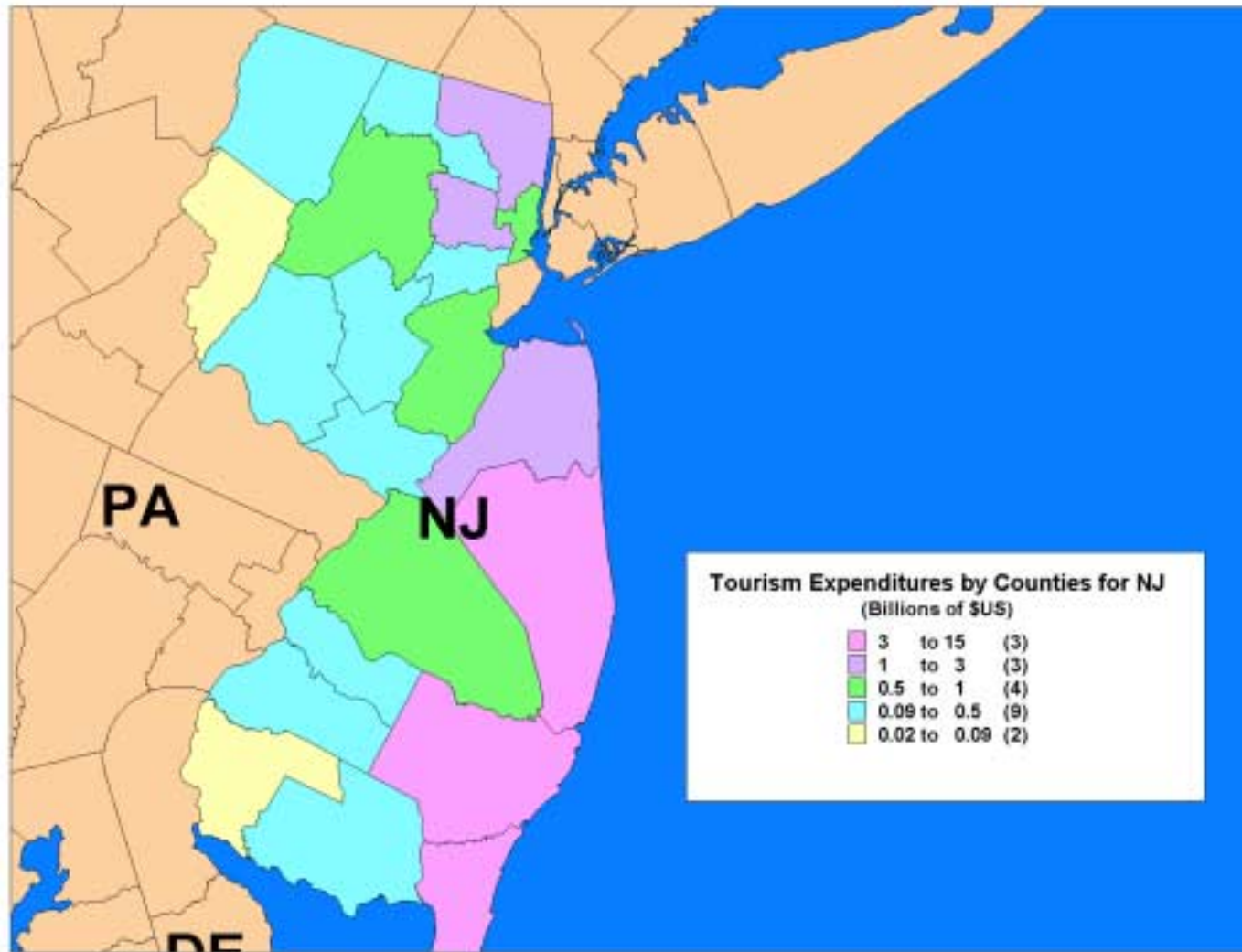
County	Tourism Sales	County Share	County	Tourism Sales	County Share
Atlantic City	\$ 13,213,954,620	44.4%	Union	\$ 399,068,848	1.3%
Cape May	\$ 3,419,589,751	11.5%	Sussex	\$ 359,684,787	1.2%
Ocean	\$ 3,313,176,275	11.1%	Camden	\$ 354,011,173	1.2%
Essex	\$ 1,947,616,102	6.5%	Somerset	\$ 303,121,686	1.0%
Monmouth	\$ 1,652,867,379	5.6%	Gloucester	\$ 231,037,928	0.8%
Bergen	\$ 1,055,078,584	3.5%	Passaic	\$ 194,964,065	0.7%
Middlesex	\$ 799,715,036	2.7%	Hunterdon	\$ 94,877,279	0.3%
Hudson	\$ 657,568,321	2.2%	Cumberland	\$ 92,304,775	0.3%
Burlington	\$ 582,644,315	2.0%	Warren	\$ 62,046,896	0.2%
Morris	\$ 515,488,811	1.7%	Salem	\$ 25,705,376	0.1%
Mercer	\$ 476,386,520	1.6%	Total	\$ 29,750,908,525	100.0%

Tourism Expenditure by County – Share of Total County Expenditure

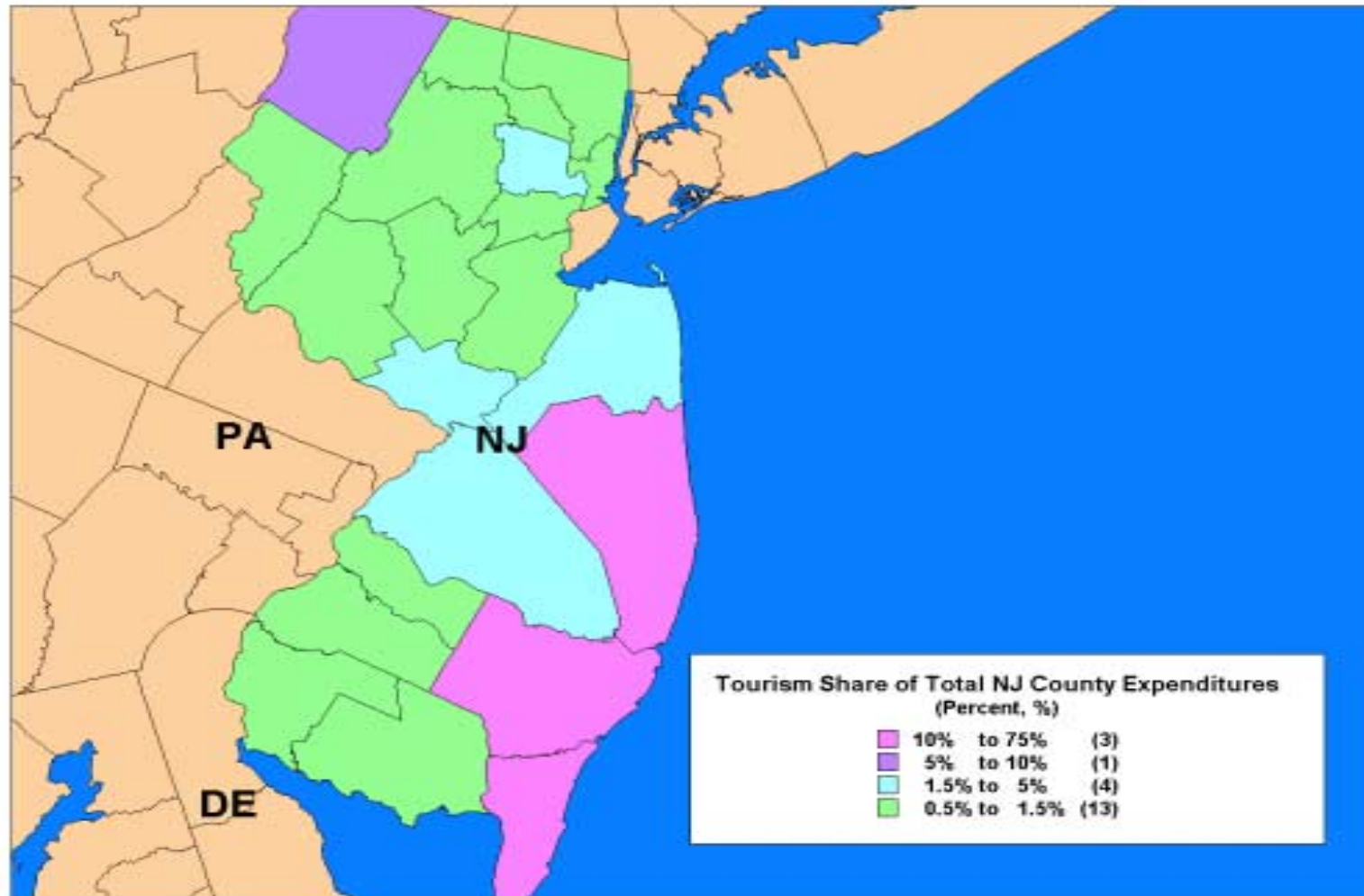
Tourism is of greatest relative importance to Atlantic City, Cape May, and Ocean county. It is also a key contributor to county expenditures in Sussex and Monmouth.

County	Tourism Expenditure	Tourism Share of Total County Expenditure	County	Tourism Expenditure	Tourism Share of Total County Expenditure
Atlantic City	\$ 13,213,954,620	72.9%	Union	\$ 399,068,848	0.8%
Cape May	\$ 3,419,589,751	62.6%	Sussex	\$ 359,684,787	6.6%
Ocean	\$ 3,313,176,275	16.2%	Camden	\$ 354,011,173	1.0%
Essex	\$ 1,947,616,102	2.8%	Somerset	\$ 303,121,686	0.8%
Monmouth	\$ 1,652,867,379	4.0%	Gloucester	\$ 231,037,928	1.2%
Bergen	\$ 1,055,078,584	1.2%	Passaic	\$ 194,964,065	0.6%
Middlesex	\$ 799,715,036	1.0%	Hunterdon	\$ 94,877,279	1.0%
Hudson	\$ 657,568,321	1.4%	Cumberland	\$ 92,304,775	0.9%
Burlington	\$ 582,644,315	1.7%	Warren	\$ 62,046,896	1.0%
Morris	\$ 515,488,811	0.9%	Salem	\$ 25,705,376	0.5%
Mercer	\$ 476,386,520	1.5%	Total	\$ 29,750,908,525	4.2%

Tourism Expenditure by County



Tourism Share of Total NJ County Expenditures

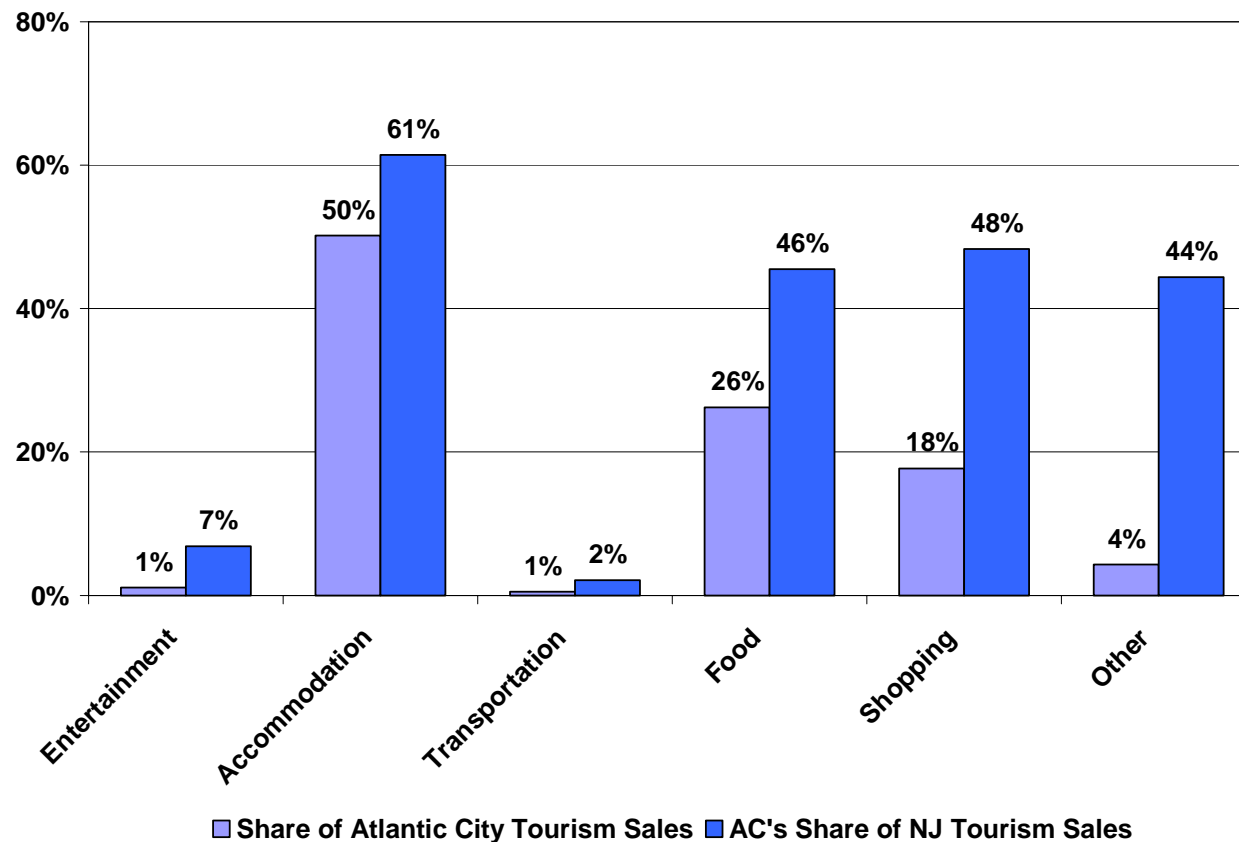


Tourism's Share of County Employment

County		County	
Atlantic County	44.9%	Hudson	5.4%
Ocean	33.9%	Mercer	5.5%
Monmouth	13.4%	Somerset	6.5%
Bergen	7.2%	Passaic	5.6%
Cape May	91.5%	Gloucester	8.5%
Middlesex	6.2%	Sussex	23.6%
Essex	5.8%	Cumberland	5.8%
Morris	7.0%	Hunterdon	6.2%
Burlington	8.6%	Warren	9.0%
Camden	7.1%	Salem	7.7%
Union	5.7%		

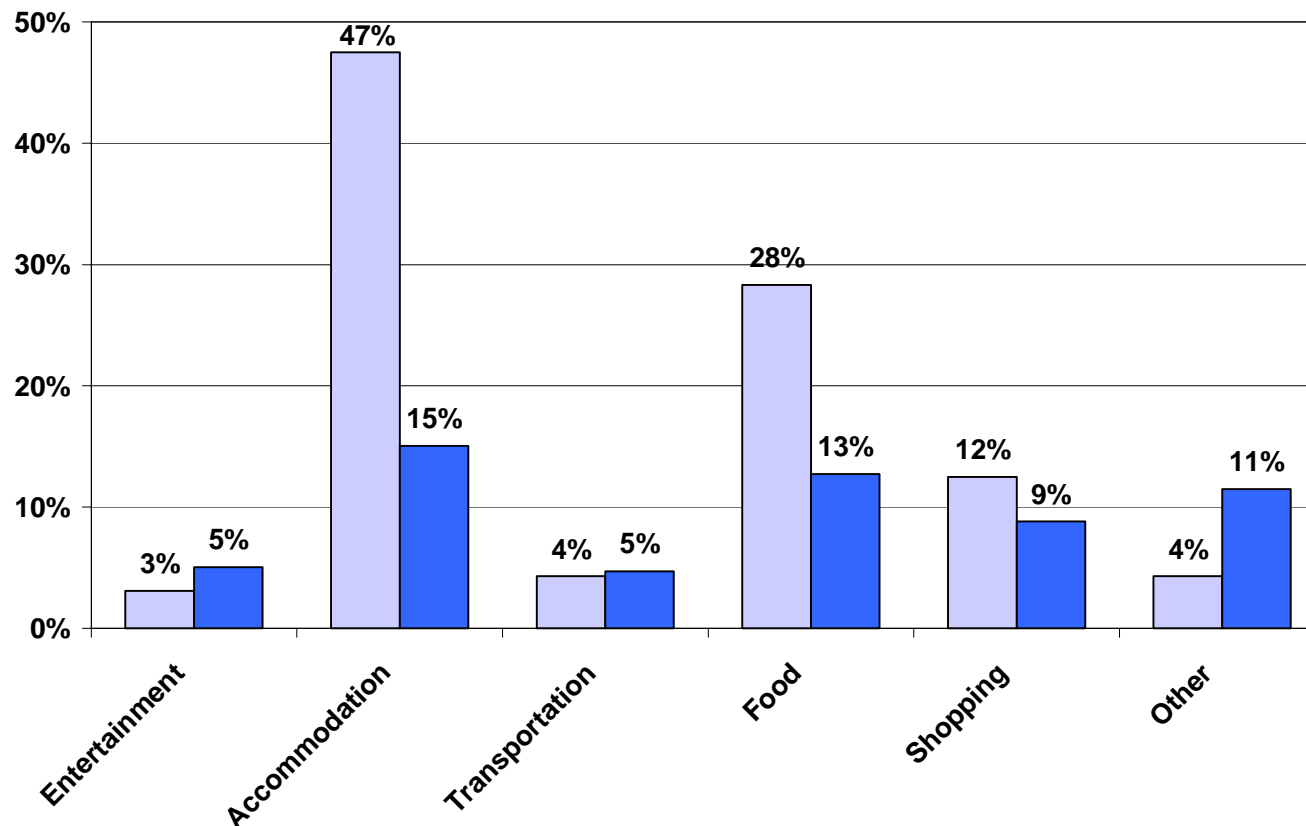
Key Tourism Sectors in Atlantic City

Accommodation, food, & shopping are important contributors to Atlantic City's tourism. Atlantic City also holds a significant share of the New Jersey expenditure for the these categories.



Key Tourism Sectors in Cape May County

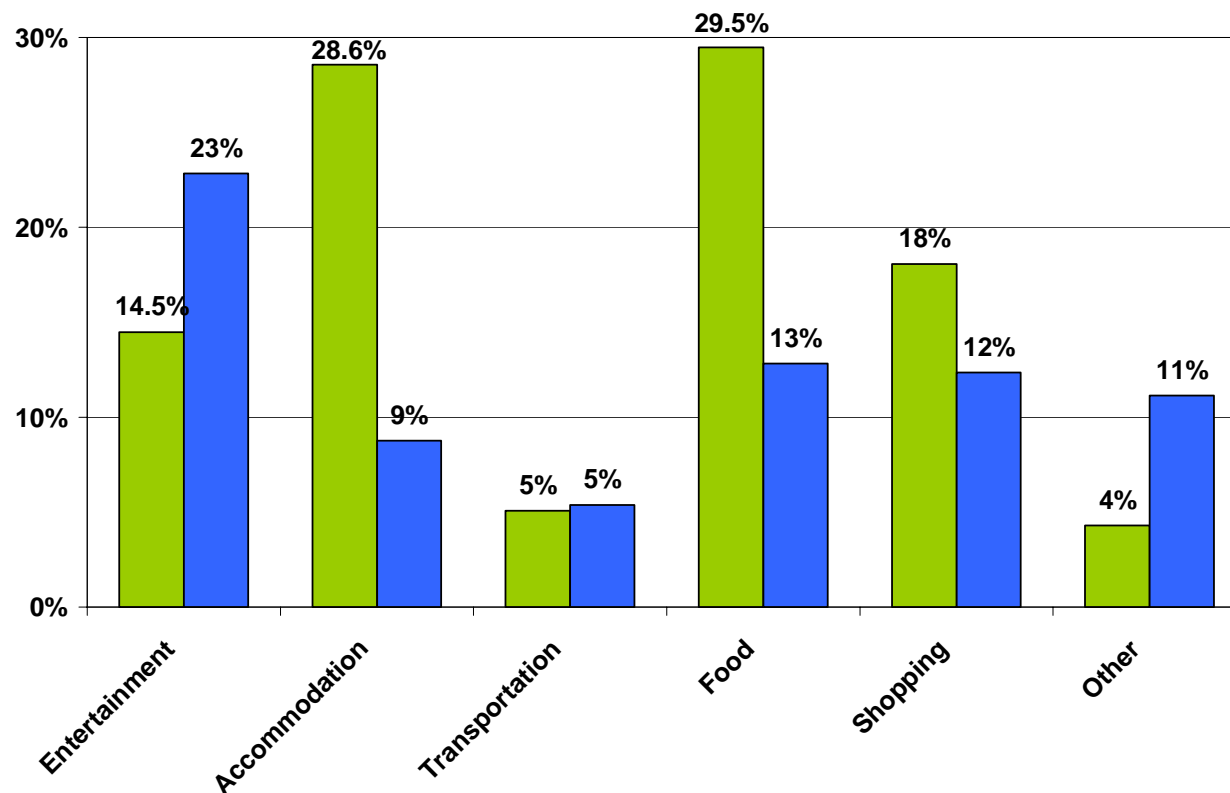
Accommodation is the key contributor to Cape May's tourism expenditure. This is not surprising as Cape May has over 43,000 seasonal second homes.



■ Share of Cape May Tourism Sales ■ Cape May's Share of NJ Tourism Sales

Key Tourism Sectors in Ocean County

Food and accommodation account for the greatest share of total Ocean County tourism expenditure. With over 35,000 seasonal second homes, accommodation is a significant contributor.



■ Share of Ocean Tourism Sales ■ Ocean's Share of NJ Tourism Sales

Accommodation – Seasonal 2nd Home

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

County	# of Seasonal 2nd Homes
Cape May	43,645
Ocean	35,667
Atlantic	12,137
Monmouth	8,228
Sussex	3,875

County Detail - Tourism Expenditures by Industry

Atlantic and Gateway Regions (million \$)

Hotel casino
"win" earnings
are key.

	Entertainment	Accommodation	Transportation	Food	Shopping	Other	Total
Total	\$ 2,102	\$ 10,791	\$ 3,119	\$ 7,611	\$ 4,846	\$ 1,282	\$ 29,751
Atlantic	\$ 145	\$ 6,630	\$ 67	\$ 3,463	\$ 2,341	\$ 569	\$ 13,214
Gateway Region	\$ 538	\$ 728	\$ 1,960	\$ 883	\$ 727	\$ 218	\$ 5,054
Essex	\$ 103	\$ 144	\$ 1,302	\$ 172	\$ 142	\$ 84	\$ 1,948
Bergen	\$ 152	\$ 193	\$ 227	\$ 240	\$ 198	\$ 45	\$ 1,055
Middlesex	\$ 97	\$ 206	\$ 77	\$ 211	\$ 174	\$ 34	\$ 800
Hudson	\$ 121	\$ 90	\$ 151	\$ 147	\$ 121	\$ 28	\$ 658
Union	\$ 38	\$ 63	\$ 152	\$ 42	\$ 34	\$ 17	\$ 347
Passaic	\$ 28	\$ 32	\$ 50	\$ 70	\$ 58	\$ 8	\$ 247

Ferry service
to Statue of
Liberty & Ellis
Island.

Newark airport impact
- also supports hotels,
food & shopping.

County Detail - Tourism Expenditures by Industry

Shore and Southern Shore Regions (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Other	Total
Total	\$ 2,102	\$ 10,791	\$ 3,119	\$ 7,611	\$ 4,846	\$ 1,282	\$ 29,751
Shore Region	\$ 874	\$ 1,238	\$ 307	\$ 1,446	\$ 887	\$ 214	\$ 4,966
Ocean	\$ 480	\$ 947	\$ 168	\$ 977	\$ 599	\$ 143	\$ 3,313
Monmouth	\$ 394	\$ 291	\$ 139	\$ 469	\$ 288	\$ 71	\$ 1,653
S. Shore Region	\$ 120	\$ 1,647	\$ 167	\$ 989	\$ 436	\$ 151	\$ 3,512
Cape May	\$ 106	\$ 1,624	\$ 147	\$ 968	\$ 427	\$ 147	\$ 3,420
Cumberland	\$ 14	\$ 23	\$ 20	\$ 21	\$ 9	\$ 4	\$ 92

Entertainment gains from coast, golf, race track & more.

Seasonal 2nd homes impact.

County Detail - Tourism Expenditures by Industry

Delaware Region (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Other	Total
Total	\$ 2,102	\$ 10,791	\$ 3,119	\$ 7,611	\$ 4,846	\$ 1,282	\$ 29,751
Delaware River Region	\$ 197	\$ 196	\$ 345	\$ 540	\$ 320	\$ 72	\$ 1,670
Burlington	\$ 52	\$ 82	\$ 131	\$ 184	\$ 109	\$ 25	\$ 583
Mercer	\$ 55	\$ 56	\$ 99	\$ 154	\$ 91	\$ 21	\$ 476
Camden	\$ 53	\$ 36	\$ 53	\$ 123	\$ 73	\$ 15	\$ 354
Gloucester	\$ 33	\$ 17	\$ 60	\$ 70	\$ 41	\$ 10	\$ 231
Salem	\$ 2	\$ 5	\$ 2	\$ 10	\$ 6	\$ 1	\$ 26

Historic sites and museums are important contributors.

County Detail - Tourism Expenditures by Industry

Skylands Region (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Other	Total
Total	\$ 2,102	\$ 10,791	\$ 3,119	\$ 7,611	\$ 4,846	\$ 1,282	\$ 29,751
Skylands Region	\$ 228	\$ 352	\$ 273	\$ 289	\$ 136	\$ 58	\$ 1,335
Morris	\$ 68	\$ 157	\$ 104	\$ 112	\$ 53	\$ 22	\$ 515
Sussex	\$ 89	\$ 99	\$ 18	\$ 94	\$ 44	\$ 15	\$ 360
Somerset	\$ 44	\$ 50	\$ 127	\$ 47	\$ 22	\$ 13	\$ 303
Hunterdon	\$ 22	\$ 19	\$ 19	\$ 21	\$ 10	\$ 4	\$ 95
Warren	\$ 4	\$ 27	\$ 5	\$ 16	\$ 7	\$ 3	\$ 62

Outdoor recreation and state parks are important attractions.



Visitor Forecast

Outlook for Total Visits from Top-10 MSAs

Following last year's surge in the total number of visits to New Jersey, a more modest increase is expected for 2004 and 2005. Philadelphia and New York are largest origin markets for New Jersey.

	2002	2003	2004	2005
Philadelphia MSA	11,804	17,020	13,470	13,644
percent change	16.2	44.2	-20.9	1.3
New York MSA	8,791	12,569	11,065	11,264
percent change	45.8	43.0	-12.0	1.8
Monmouth-Ocean MSA	4,923	4,853	7,437	7,582
percent change	-0.9	-1.4	53.2	2.0
Bergen-Passaic MSA	3,048	3,831	3,654	3,691
percent change	-35.4	25.7	-4.6	1.0
Nassau-Suffolk MSA	3,862	4,219	4,599	4,704
percent change	-18.0	9.3	9.0	2.3
Middlesex-Somerset-Hunterdon MSA	1,810	2,515	2,283	2,345
percent change	-53.7	39.0	-9.2	2.7
Washington MSA	2,311	1,779	2,582	2,652
percent change	-12.9	-23.0	45.1	2.7
Newark MSA	4,410	3,769	5,703	5,762
percent change	74.5	-14.5	51.3	1.0
Baltimore MSA	1,321	1,513	1,568	1,614
percent change	2.4	14.6	3.6	2.9
Atlantic-Cape May MSA	584	825	1,275	1,320
percent change	-44.8	41.3	54.5	3.6
Sum of MSAs	42,863	52,892	53,635	54,578
percent change	2.0	23.4	1.4	1.8
TOTAL	58,959	68,160	69,117	70,333
	-1.3	15.6	1.4	1.8

Outlook for Business and Leisure Visits

The number of business visitors is likely to surge this year with an improving economy and corporate profit picture while leisure visits will likely level off.

	2002	2003	2004	2005
Total Visits	58,959	68,160	69,117	70,333
% change	-1.3	15.6	1.4	1.8
Visits - Business	12,528	12,611	13,867	13,196
% change	0.9	0.7	10.0	-4.8
Visits - Leisure	46,431	55,549	55,250	57,137
% change	-1.9	19.6	-0.5	3.4
Visits - Single Day	33,842	41,410	38,845	39,943
% change	3.5	22.4	-6.2	2.8
Visits - Overnight	25,117	26,750	30,272	30,390
% change	-7.1	6.5	13.2	0.4
Average Spending	109	108	108	109
% change	6.3	-0.5	-0.6	1.6



Appendix

Appendix – Regional Summary

Atlantic City

- Combination of the gaming industry, entertainment industry, and the coastline are a strong attraction cluster.
- Also camping, golfing, wineries, shopping and marinas.
- Key hotel casinos include: AC Hilton, Bally's AC, Caesars, Harrah's, Showboat, Tropicana, Trump Taj Mahal
- First year of operation for new Borgata Casino
- Over 12,000 seasonal second homes at \$2,500 per week.
- Estimated 2004 "win" up 13.7% to \$1.95 billion year-to-date through May compared to same period in 2003.

Appendix – Regional Summary

Gateway Region

- Gateway region offers a mixed attraction base including: museums, specific structures, shopping, and state parks/ outdoor recreation.
- Essex is home to Newark Airport which significantly contributes to tourism transportation expenditure for the county. Cargo transport is not included in the estimate. The airport supports a clustering of hotels and shopping outlets in the area.
- Tourism expenditure – both entertainment and transportation - gains by having the Statue of Liberty and Ellis Island located in Hudson.
- The largest outlet mall in New Jersey – Jersey Gardens Outlet Mall - is located in Elizabeth, Union county.
- Bergen county hosts the Giants at the Meadowland sport complex, in addition to outdoor recreation.

Appendix – Regional Summary

Shore Region

- Although the coastline is the main attraction for this region, it does offer a variety of attraction options. The race tracks (Monmouth Park, Freehold Raceway, Englishtown, Wall and New Egypt), golf, shopping, farms/ estate lands, national/state parks, and musical entertainment along the shore.
- Approximately 44,000 seasonal 2nd homes are located in this region, primarily in Ocean. For the Ocean county alone, this accounts for \$890 million in rental income.
- High variance in seasonal employment – tourism impact.

Appendix – Regional Summary

Southern Shore Region

- The coastline is the key attraction base for this region. Other attraction features include:
- In Cape May county alone, there are over 43,000 seasonal 2nd homes contributing \$1.5 billion in rental income to our accommodation estimates. This is over a 14-week seasonal period.
- Cape May also has the highest variance in seasonal employment – tourism impact.

Appendix – Regional Summary

Delaware Region

- The Delaware region offers a mixed attraction base of state historic sites, museums, and shopping.
- Mercer is home to Trenton, the state capitol, and Princeton University. Both offer historic and museum attractions.

Appendix – Regional Summary

Skylands Region

- **State parks and outdoor recreation are an important part of Skylands tourism.**
- **Morris hosts the Morristown National Historical Park/Museum.**
- **Apart from outdoor recreation, shopping is also an important feature to Hunterdon county as the Liberty Village Outlet Center is located in Flemington.**

Bibliography

DK Shifflet and Associates (*Directions* national traveler survey results)

Global Insight US Business Demographics Database

Atlantic City Expressway, Atlantic City International Airport – Tourist Services, 2002 Annual Report.

Census 2000, Housing Profile, U.S. Census Bureau

Garden State Parkway - Cape May Toll Volumes, New Jersey Highway Authority

Michael Pollock's Gaming Industry Observer, various recent issues.

Marketing material from various counties' economic planning and development offices

Monthly Traffic Report, The Port Authority of New York & New Jersey

New Jersey State Budget, Summaries of Appropriations, Direct State Services By Department, FY 2003

New Jersey State Budget, State Revenues from Major Taxes, FY 2003

New Jersey Urban Enterprise Zone Authority, 2003 Annual Report

NJ Transportation Fact Book 2004, New Jersey Department of Transportation.

The 2002 Report of the New Jersey Casino Control Commission