



## *NJ Tourism: Holding Its Own During Difficult Times*



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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



## T&T Industry and Economy

### *Travel & Tourism Industry*

The direct effect of travel demand

### *Travel & Tourism Economy*

The flow-through effect of travel demand across the economy

#### **Tourism Industry (Direct Effect)**

Accommodation, Recreation, Catering, Entertainment, Transportation

#### **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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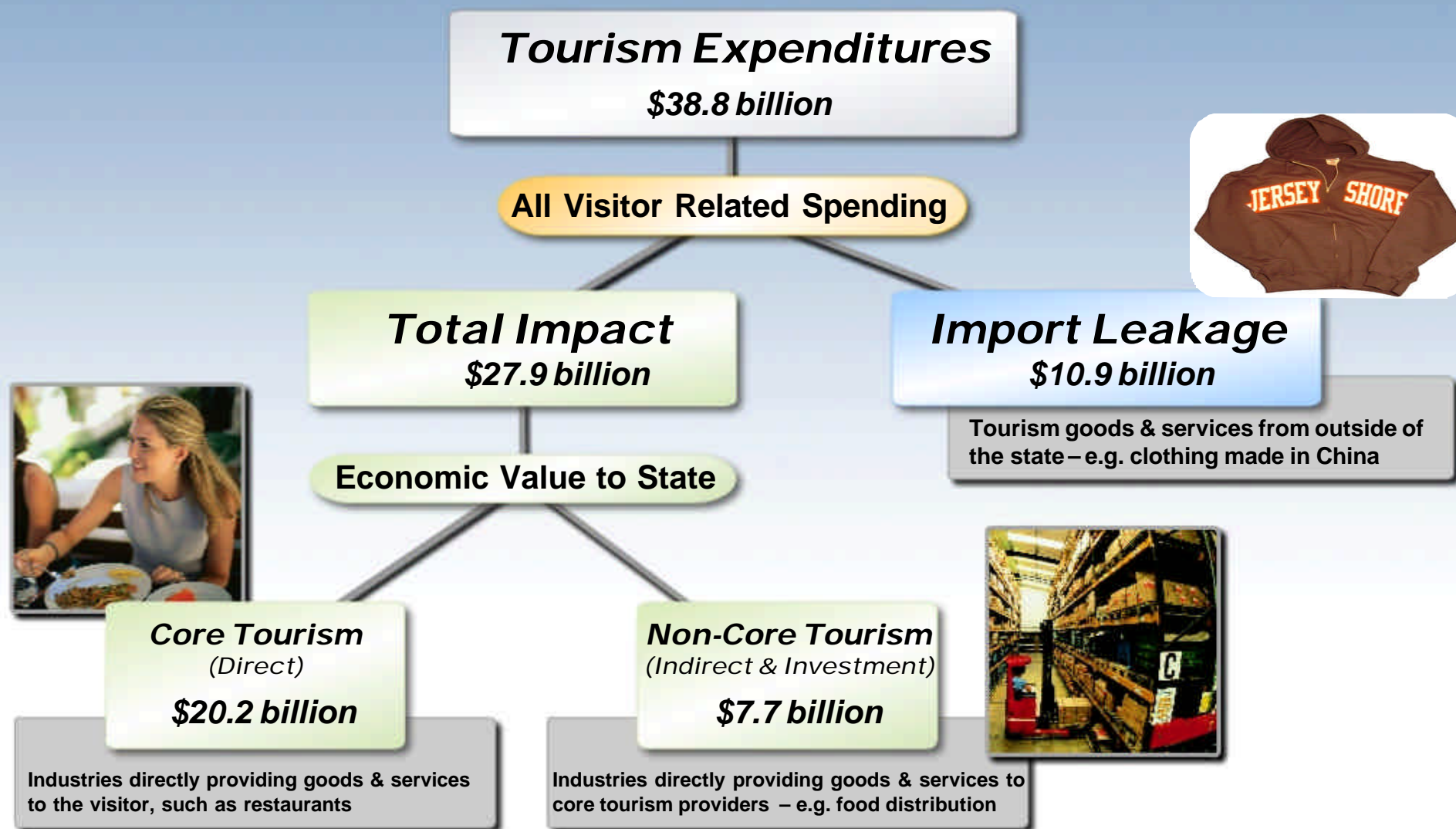


# *2008 New Jersey Tourism:*





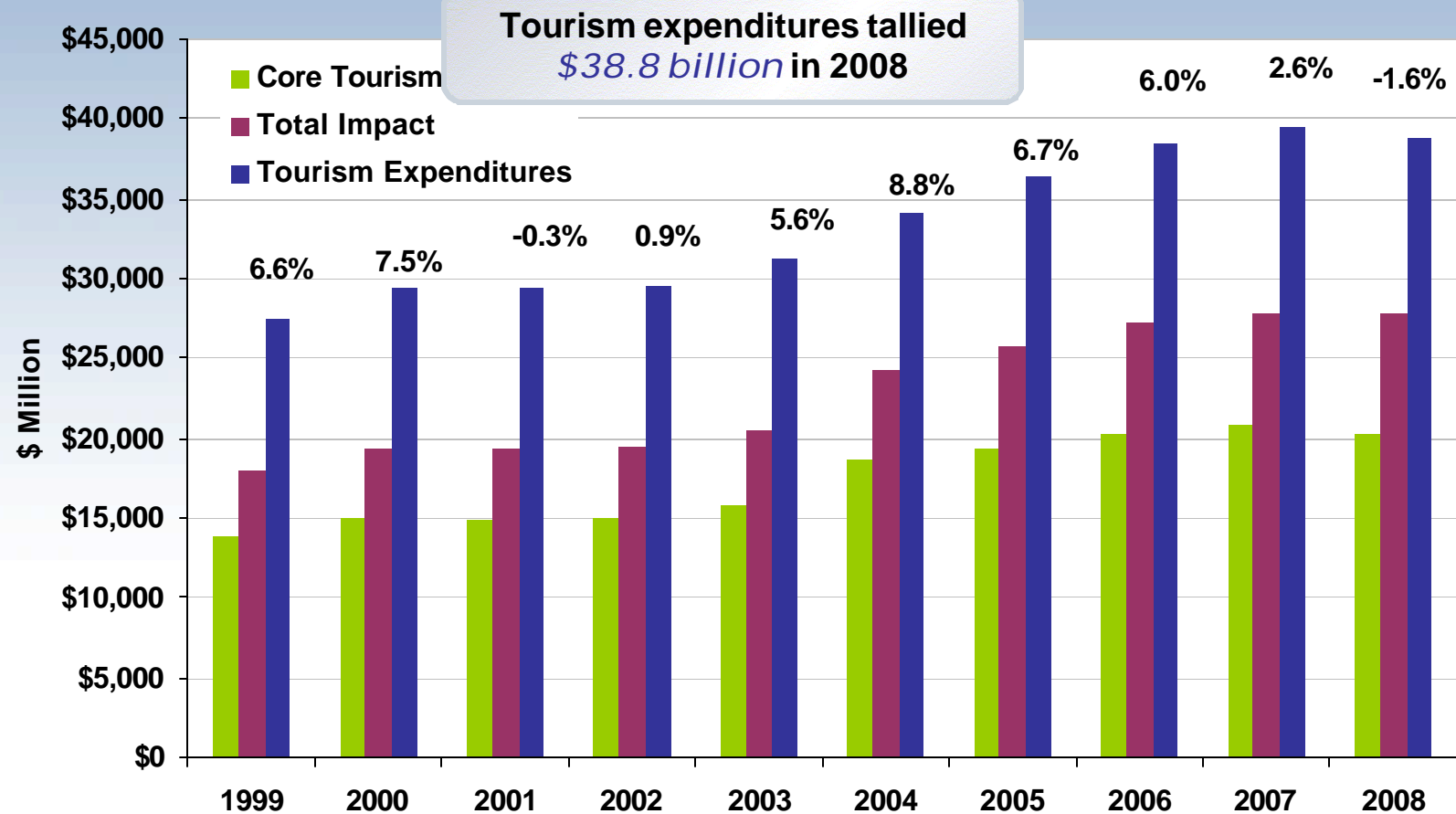
## Industry Structure: Definitions





# Total Tourism Expenditures

- NJ visitation fell 4.3%
- Total Impact grew by 0.2%
- Visitor Expenditures fell by 4.9%
- NJ Inflation rose by %



Source: Global Insight

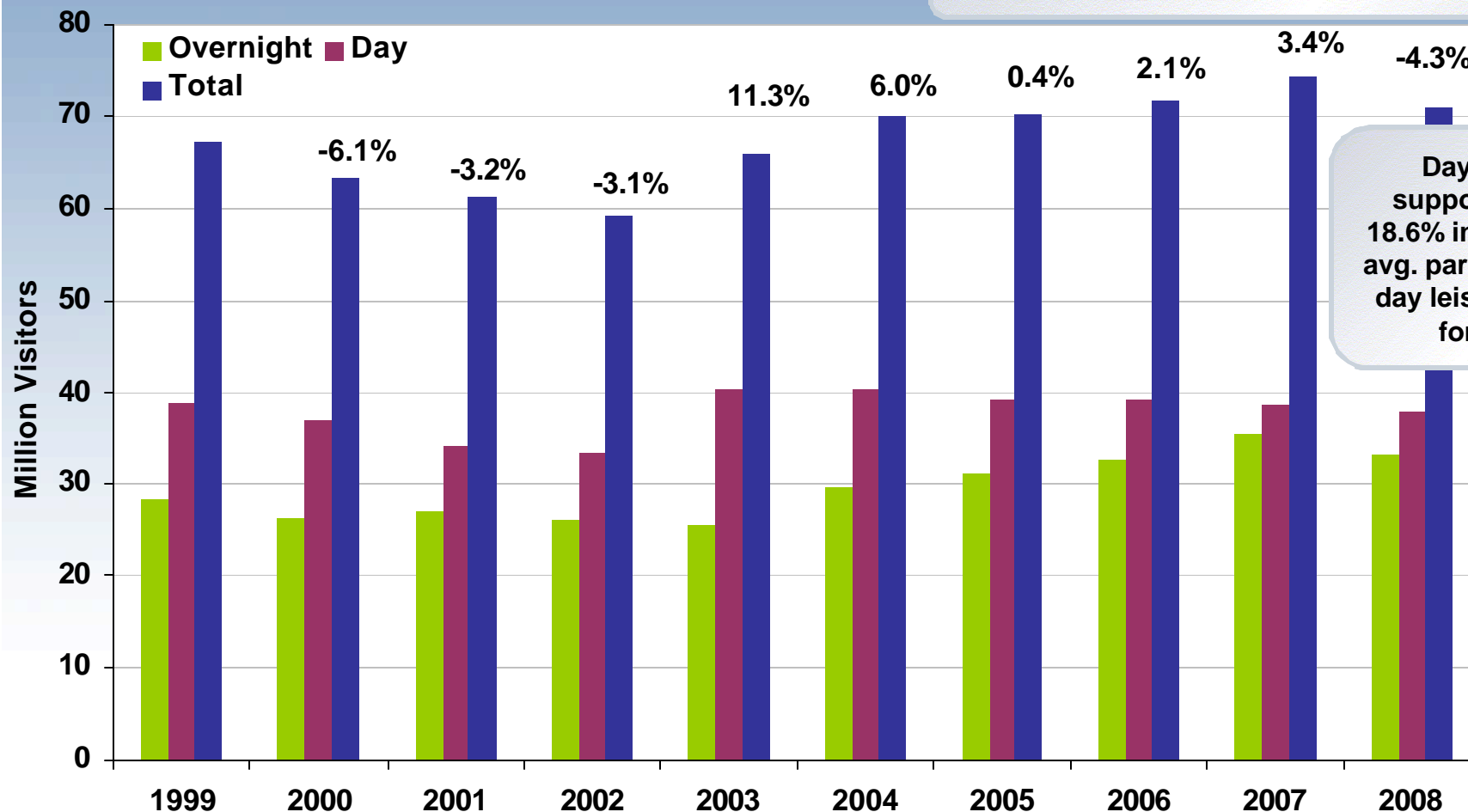


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# Visitors to New Jersey\*

Overnight visitors fell **6.4%** in 2008 vs. a **2.4%** decline in day visitors.



Day trips supported by 18.6% increase in avg. party size for day leisure trips for '08

\* Visitation statistics provided by DK Shifflet & Associates, Ltd



## Visitor Spending in NJ: 2008's Triple Whammy

Travel Metric	2008	Comment
Visitor Volume Overnights Day	- 4.3% - 6.4% - 2.4%	1 –Number of trips were down
Spend-per-Person-per-Day	Down to \$107 from \$116 ('07)	2 –Less spending on the trip
NJ Travel Inflation	Down to 3.2% <sup>p</sup> from 5.8%	3 –Less help from price increases

### Good News?:

- All NJ competitive states were also down in 2008 (time to attack?).
- PA, VA, NC also lost leisure overnight share. NJ w/o AC stayed even.
- NJ w/o AC Satisfaction and Value Ratings were both up in 2008.





# NJ Tourism's Contribution to State GDP Did Grow in '08

Growth in investment and construction lead to strong Non-Core Tourism

Measurement	2006 (billions)	2007 (billions)	2008 (billions)	2006-07 growth	2007-08 growth
Total Expenditures	\$38.5	\$39.5	<b>\$38.8</b>	2.6%	<b>-1.6%</b>
• Total Impact	\$27.3	\$27.8	<b>\$27.9</b>	1.8%	<b>0.2%</b>
• Core Tourism (direct)	\$20.3	\$20.8	<b>\$20.2</b>	2.4%	<b>-2.7%</b>
• Non-Core Tourism	\$7.1	\$7.1	<b>\$7.7</b>	0.1%	<b>8.8%</b>
• Import Leakage	\$11.2	\$11.7	<b>\$10.9</b>	4.4%	<b>-6.1%</b>

Numbers may differ due to rounding

Significant rebound in construction starts impacted '08 non-core tourism

NJ was able to keep more of each tourism spending dollar in 2008

Source: IHS Global Insight



## Why Are the 2007 Figures Different From Last Year?

Key Measurements	2007 Original	2007 Recast
<b>NJ Expenditures (\$B)</b>	\$38.0	\$39.5
<b>Economic Value</b>		
▪ Core Tourism	\$19.8	\$20.8
▪ Total Impact	\$27.0	\$27.8
<b>Wages &amp; Salaries</b>		
▪ Core Tourism	\$11.4	\$12.1
▪ Total Impact	\$16.0	\$16.8
<b>Employment ('000)</b>		
▪ Core Tourism	383.9	381.9
▪ Total Impact	466.4	460.3
<b>Taxes –Total Impact</b>	\$7.3 B	\$8.0 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: IHS Global Insight



# NJ Tourism...Surviving In a Very Difficult Climate

## 2008 Bottom Line:

Measurement	2008	2007	%	Perspective
<b>Economic Value</b> <ul style="list-style-type: none"> <li>▪ Core Tourism</li> <li>▪ Total Impact</li> </ul>	\$20.2 \$27.9	\$20.8 \$27.8	-2.7% 0.2%	<ul style="list-style-type: none"> <li>• NJ Tourism is larger than the entire GDP of 120 countries.</li> <li>• NJ Total GSP growth supported by strong investment in 2008</li> </ul>
<b>Wages &amp; Salaries</b> <ul style="list-style-type: none"> <li>▪ Core Tourism</li> <li>▪ Total Impact</li> </ul>	\$11.8 \$17.0	\$12.1 \$16.8	-2.9% 0.9%	<ul style="list-style-type: none"> <li>• NJ Avg. Annual Tourism Wages are now \$38,352.</li> </ul>
<b>Employment ('000)</b> <ul style="list-style-type: none"> <li>▪ Core Tourism</li> <li>▪ Total Impact</li> </ul>	359.0 443.1	381.9 460.3	-6.0% -3.7%	<ul style="list-style-type: none"> <li>• 1 out of every 9 NJ workers owes his/her job to tourism.</li> </ul>
<b>Taxes –Total Impact</b>	\$7.7 B	\$8.0 B	-3.3%	<ul style="list-style-type: none"> <li>• If tourism did not exist, each NJ household would have to pay \$1,427 more in taxes to maintain current tax receipts.</li> </ul>

Numbers may differ due to rounding

Source: IHS Global Insight





## 2008 NJ Tourism Scorecard

Measurement	2008	2007	%	Perspective
NJ Domestic Visitation ('000)	70,927	74,125	-4.3%	• Day trips fell by only 2.4%
NJ Tourism Impact (Core)	\$20.2 B	\$20.8 B	-2.7%	• GSP for NJ grew by 2.5% for '08
NJ Tourism Jobs ('000)				• Total Employment in NJ fell by 0.3%.
▪ Core Tourism	359.0	381.9	-6.0%	
▪ Total Impact	443.1	460.3	-3.7%	
NJ Tourism Wages				• Avg. Annual Wage increased to over \$38,000/year
▪ Core Tourism	\$11.4	\$10.9	5.1%	
▪ Total Impact	\$16.0	\$15.6	2.3%	
NJ Tourism Industry Rank (\$)	9th	9th		• Tourism remains NJ's 9 <sup>th</sup> largest industry
Tourism Location Quotient	2.1	2.2		• NJ is 2.1 times more concentrated in tourism than the US total
Core Tourism as % of NJ GSP	4.7%	5.0%		• Tourism as a share of NJ GSP did lose some ground in '08
NJ % of US Tourism				• Slight declines in national tourism signal resilient attitude to tourism, which should help in rebound
▪ Jobs	5.1%	5.4%		
▪ Expenditure	2.0%	2.1%		

Source: IHS Global Insight





## Total Impact of Tourism

- In 2008, the total impact of travel & tourism (direct and indirect) was **\$27.9 billion**. This represents 5.8% of Gross State Product
- The ratio of the total impact to total expenditures reveals that **72% of each tourism dollar spent in** New Jersey is retained in the state. The remainder represents import leakages.
- **443,094 jobs** – direct and indirect – were created by travel & tourism economic activity. This accounts for **10.9% of total employment** in the state
- Approximately **\$17.0 billion in wages & salaries** was generated by travel & tourism in 2008.
- Tourism generated **\$7.7 billion in federal, state, and local government taxes** in 2008, a -3.3% change over 2007.





## 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

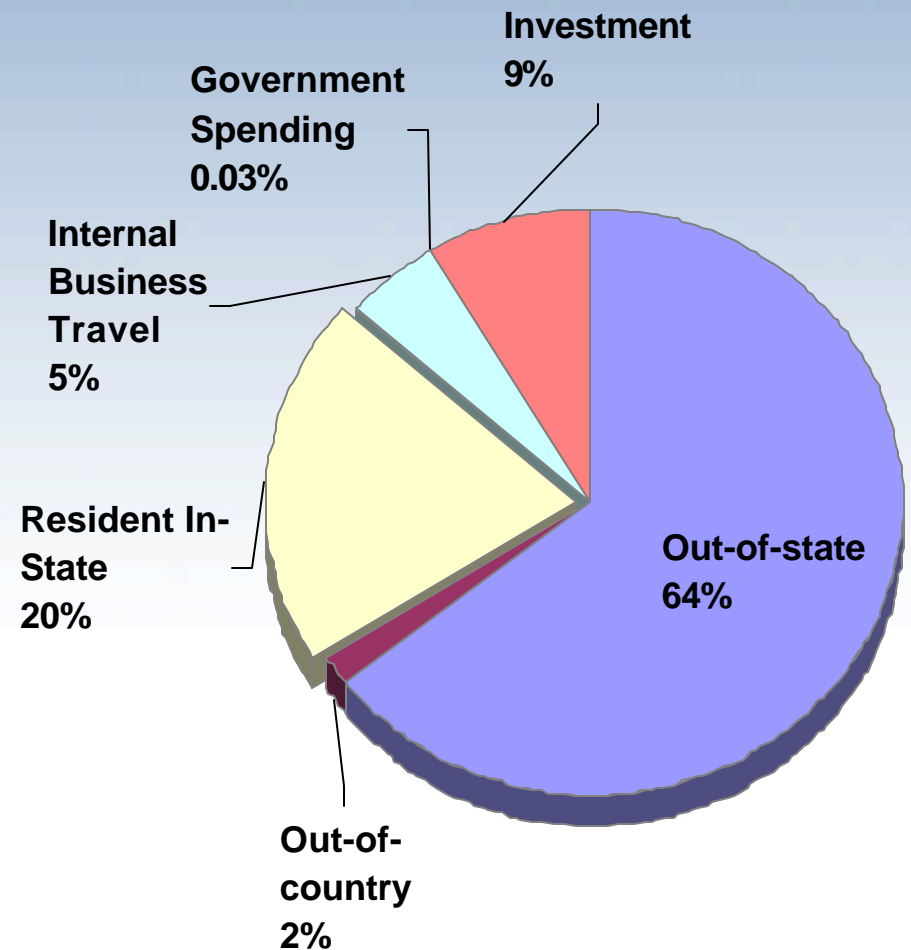


## Breaking Down Tourism Expenditures – \$38.8 Billion

Visitors from other states represent the largest portion of tourism expenditures in New Jersey. In State growth due mainly to increase in investments.

	Million \$	Share Of Total	2007 Growth
In State	13,202	34%	5.2%
Other U.S.	25,052	64%	-5.0%
International	589	2%	1.0%
<b>Total</b>	<b>38,844</b>	<b>100%</b>	<b>-1.6%</b>

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





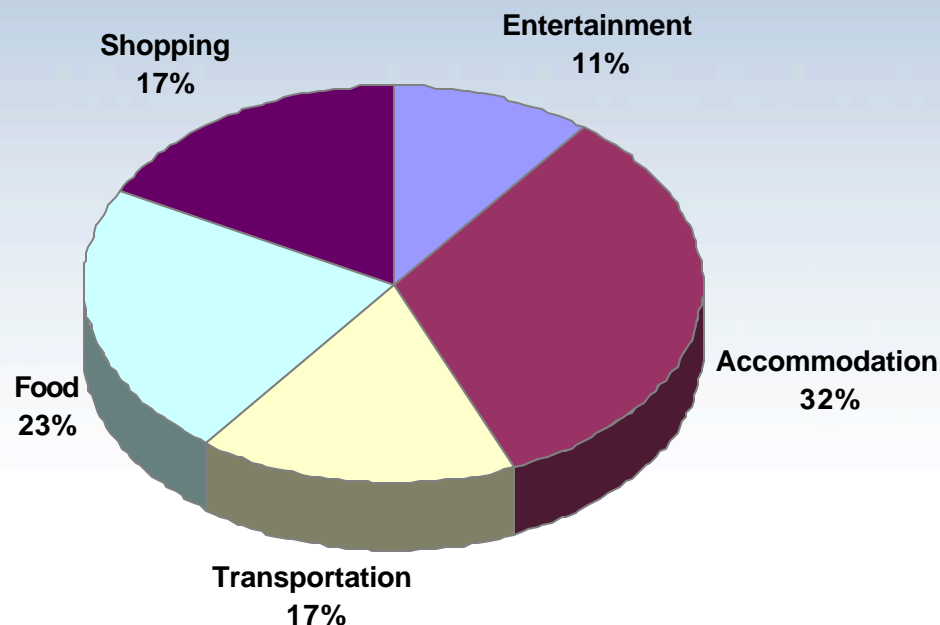
## Category Distribution of Visitor Spending

**Accommodation accounts for the largest share of tourism spend. Combined with food and shopping, these components represent nearly 73% of visitor expenditures.**

	Million \$	2007-2008 Growth
Entertainment	3,774	2.2%
Accommodation	11,674	-2.0%
Transportation	5,931	0.7%
Food	8,065	-1.6%
Shopping	6,074	-20.7%
<b>Total *</b>	<b>35,519</b>	<b>-5.9%</b>

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

Source: IHS 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 \$20.2 billion in economic value in 2008. This ranks core tourism as the 9th largest private industry in NJ in terms of gross state product.**



## 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)	'07-'08 Growth	% of Total
1	Hotels and motels- including casino hotels	6,051	-3.0%	30.0%
2	Food services and drinking places	4,783	-1.6%	23.7%
3	Real estate establishments	2,614	1.0%	12.9%
4	Amusement parks- arcades- and gambling industries	2,210	2.1%	10.9%
5	Automotive equipment rental and leasing	1,596	-1.8%	7.9%
6	Travel arrangement and reservation services	599	-2.7%	3.0%
7	Transport by air	578	7.7%	2.9%
8	Retail Stores - Clothing and clothing accessories	510	-19.0%	2.5%
9	Retail Stores - Food and beverage	486	-21.5%	2.4%
10	Retail Stores - General merchandise	206	-20.2%	1.0%
11	Performing arts companies	155	3.6%	0.8%
12	Retail Stores - Sporting goods- hobby- book	118	-21.0%	0.6%
13	Retail Stores - Miscellaneous	87	-21.3%	0.4%
14	Spectator sports companies	63	0.7%	0.3%
15	Transport by water	48	7.0%	0.2%
	Other Industries	89	-12.7%	0.4%
<b>Total</b>		<b>20,191</b>	<b>-2.7%</b>	<b>100.0%</b>

Source: IHS Global Insight



## Ranking Core Tourism – Gross State Product

Core Tourism contributed \$20.2 billion in economic value in 2008.

Rank	Industry	GSP (\$ Mil)	GSP w/o T&T Portion (\$ Mil)*	'07-'08 Growth	% of State
1	Real Estate and Rental and Leasing	80,053	75,844	3.3%	18.6%
2	Professional, Scientific, and Tech. Services	43,988	43,988	4.8%	10.2%
3	Finance and Insurance	38,991	38,991	1.2%	9.1%
4	Wholesale Trade	37,128	37,128	1.9%	8.6%
5	Health Care and Social Assistance	34,948	34,948	4.1%	8.1%
6	Retail Trade	29,962	28,515	2.0%	7.0%
7	Non-Durables Manufacturing	27,663	27,663	2.0%	6.4%
8	Information	25,187	25,187	4.5%	5.9%
9	Construction	15,132	15,132	-6.2%	3.5%
10	Administrative and Waste Services	14,968	14,968	2.2%	3.5%
11	Durables Manufacturing	13,851	13,253	1.2%	3.2%
12	Transportation and Warehousing	14,425	13,755	2.6%	3.4%
13	Accommodation and Food Services	11,943	1,109	1.9%	2.8%
14	Management of Companies and Enterprises	10,929	10,929	2.2%	2.5%
15	Other Services	9,766	9,766	2.5%	2.3%
	Other Industries	20,751	75,844	2.9%	4.8%
	<b>Total</b>	<b>429,685</b>	<b>409,497</b>	<b>2.5%</b>	<b>100.0%</b>
	<b>Government</b>	<b>47,537</b>	<b>44,656</b>	<b>2.7%</b>	
	<b>Travel &amp; Tourism (T&amp;T)</b>	<b>20,191</b>		<b>-2.7%</b>	<b>4.7%</b>

Core  
Travel &  
Tourism  
has 4.7%  
of New  
Jersey's  
GSP

Source: Bureau of Economic Analysis and IHS Global Insight

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


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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	500.3	500.3	2.0%	12.3%	1.1
2	Retail Trade	463.4	432.3	-0.8%	11.4%	1.0
3	Accommodation and Food Services	287.2	57.5	-0.1%	7.1%	0.8
4	Professional, Scientific, and Tech. Services	289.4	289.4	1.2%	7.1%	1.3
5	Administrative and Waste Services	256.5	251.1	0.2%	6.3%	1.0
6	Wholesale Trade	230.9	230.9	-0.6%	5.7%	1.3
7	Finance and Insurance	208.9	208.9	-3.0%	5.1%	1.2
8	Manufacturing, Nondurables	169.5	169.5	-2.5%	4.2%	1.1
9	Construction	166.5	166.5	-2.9%	4.1%	0.7
10	Transportation and Warehousing	163.8	157.8	0.3%	4.0%	1.2
11	Other Services	165.1	165.1	1.0%	4.1%	1.0
12	Manufacturing, Durables	133.1	133.1	-4.2%	3.3%	0.5
13	Information	98.2	98.2	0.5%	2.4%	1.1
14	Educational Services	90.1	90.1	0.8%	2.2%	1.0
15	Management of Companies and Enterprises	66.2	66.2	-1.0%	1.6%	1.2
	Other Industries	124.1	500.3	-1.3%	3.1%	0.5
	State & Local Government	647.8	432.3	-0.1%	16.0%	1.1
	<b>Total Nonfarm</b>	<b>4,061.2</b>		<b>-0.3%</b>	<b>100%</b>	<b>1.0</b>
	<b>Travel &amp; Tourism (T&amp;T)</b>	<b>359.0</b>		<b>-6.0%</b>	<b>8.8%</b>	<b>2.1</b>

Core Tourism  
represented  
359,042 jobs  
in 2008.

**Tourism's contribution to NJ employment is 2.1 times that of the US in total**

Table Source: Bureau of Labor Statistics and Global Insight





## Core Tourism – Employment

- Core Tourism is the 3<sup>rd</sup> largest private sector employer in the state with **359,042 jobs supported by tourism expenditures** in 2008.
- Core Tourism generated **8.8% of non-farm state employment** in 2008.
- Core Tourism jobs provided **\$11.4 billion in wages & salaries** in 2008.
- Core Tourism's **average annual wage** has grown to **\$30,000/year**.





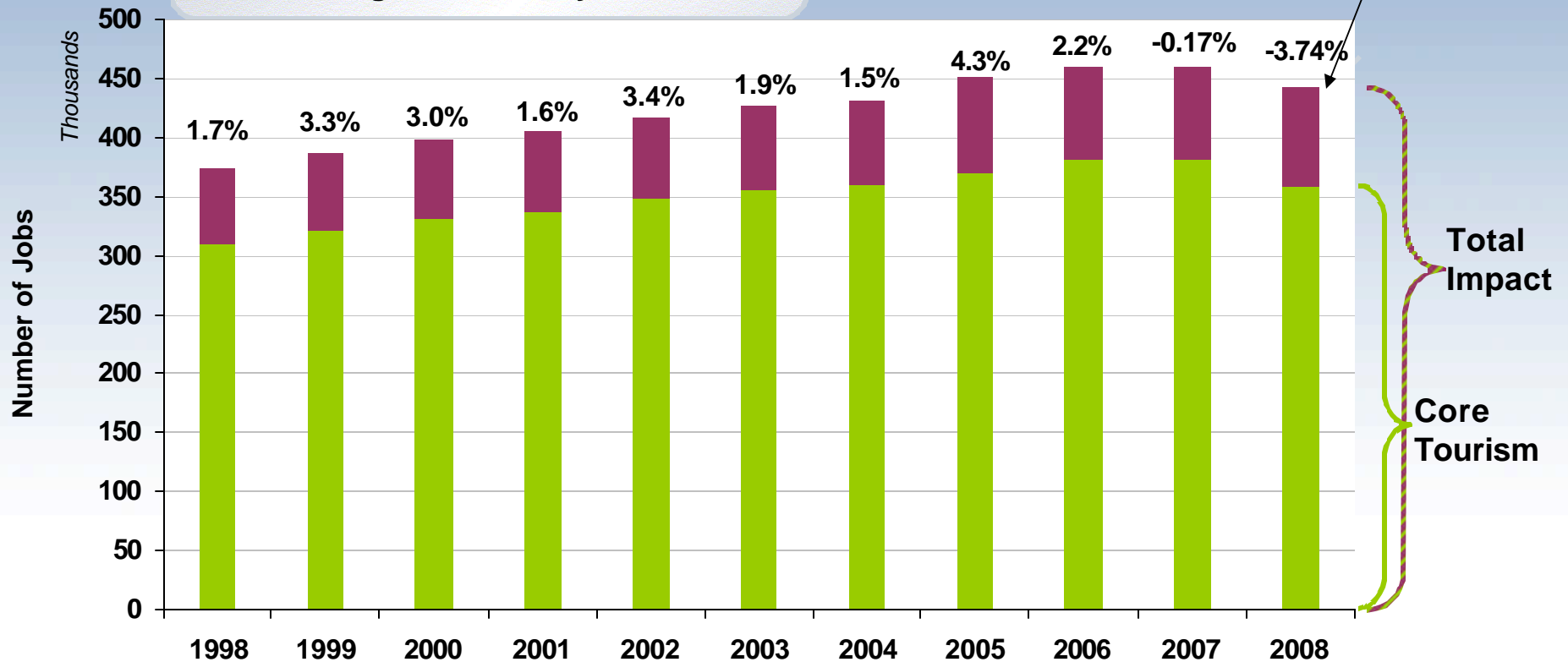
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# Total Tourism Fell by 3.7% in 2008

Core Tourism jobs comprise 81% of total tourism-generated employment and have grown steadily over time.

Non-core tourism employment grew 7.1%, supported by increasing investment and construction



Source: Global Insight



## 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*

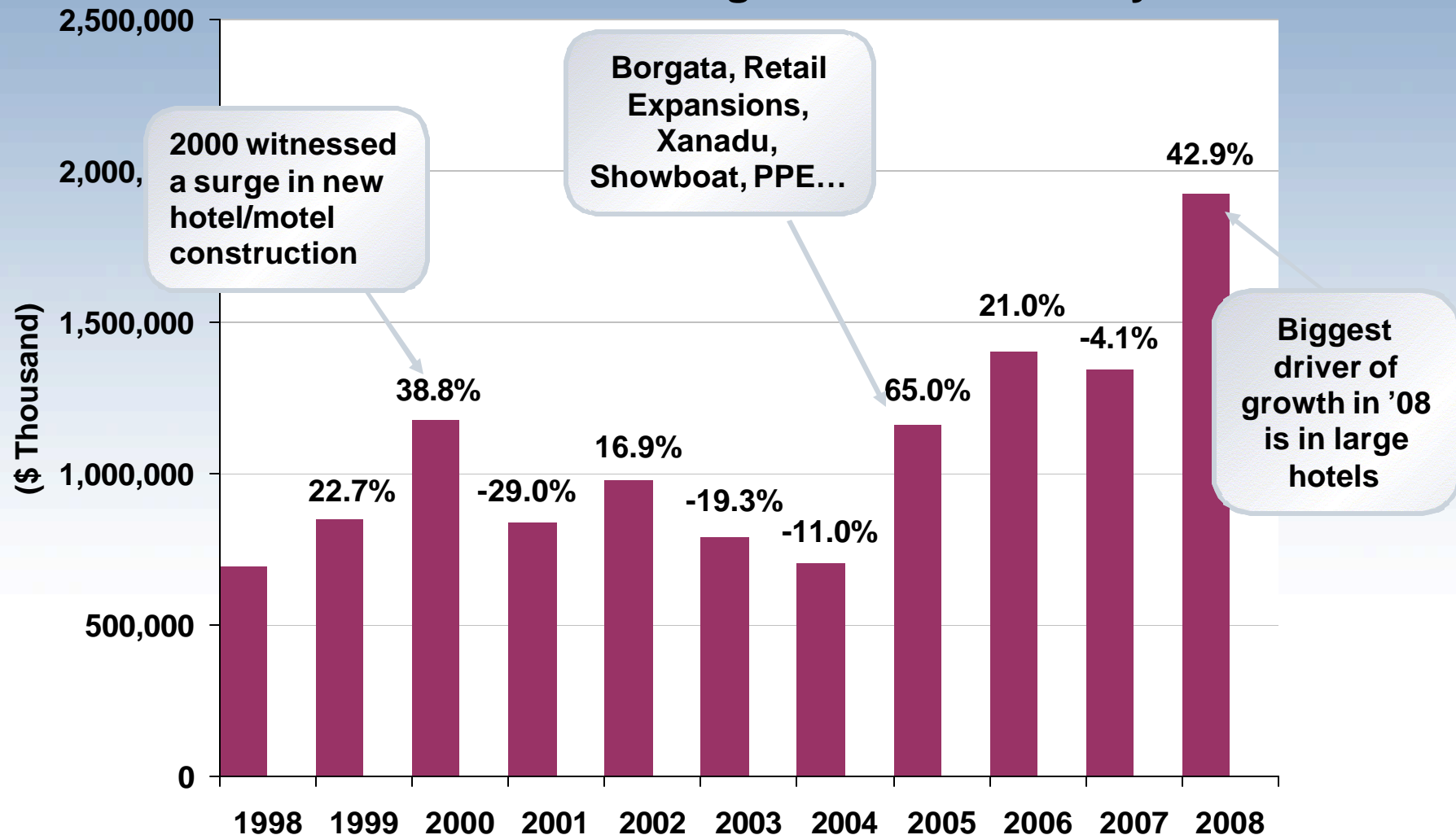
Rank	Industry	\$ Value (Millions)	'07-'08 Growth	% of Total
1	Real estate establishments	726	-0.3%	7.7%
2	Management of companies and enterprises	441	1.4%	4.7%
3	Wholesale trade businesses	367	2.4%	3.9%
4	Electric power generation- transmission	268	-3.5%	2.8%
5	US Postal Service	209	-4.3%	2.2%
6	Legal services	192	4.2%	2.0%
7	Insurance carriers	176	1.1%	1.9%
8	Food services and drinking places	165	0.6%	1.7%
9	Monetary authorities and depository credit	160	0.9%	1.7%
10	Architectural- engineering- and related services	139	22.6%	1.5%
11	Services to buildings and dwellings	137	-0.3%	1.5%
12	Maint & repair construct of nonresident structures	136	-0.4%	1.4%
13	Advertising and related services	136	-0.8%	1.4%
14	Cable and other subscription programming	134	-2.0%	1.4%
15	Telecommunications	132	-0.3%	1.4%
	Other Industries	2,608	1.4%	27.6%
	Investment	3,325	54.3%	35.2%
<b>Total</b>		<b>9,451</b>	<b>15.0%</b>	<b>100%</b>

Source: Global Insight



## Non-Core Tourism – Construction Benefits

The Construction sector is also a significant beneficiary of tourism.



Source: FW Dodge





## Tourism Generated \$7.7 bn in Total Tax Revenue in 2008

- Tourism activity generated **\$4.5 billion in state and local government revenue** in 2008, a **3.8% decrease over 2007**.
- In 2008, **\$2.4 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 5.8% of NJ GSP, it contributed **7.5% of state government revenue in 2008**.
- If tourism didn't exist, each NJ household would have to pay **\$1,427 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		2008 (Million)	'07-'08 Growth
<b>Federal Government</b>			
Corporate Income		914.0	-3.6%
Personal Income		122.5	-2.1%
Social Security & Other Taxes		2,139.4	-2.2%
<b>Federal Total</b>		<b>3,175.9</b>	<b>-2.6%</b>
<b>State Government</b>			
Corporate Profits Tax		91.4	-3.2%
Personal Income		341.0	-2.1%
Sales (excluding Hotel & Entertainment)		1,065.2	-4.3%
Licenses & Fees		88.2	-2.5%
Other Taxes		441.6	-3.7%
Hotel Sales Tax		185.5	-3.0%
Entertainment Sales Tax		86.9	2.2%
Casino Room Fee		13.6	-7.5%
Casino Comp Tax		16.0	-7.5%
Occupancy Tax		76.2	-3.0%
<b>State Total</b>		<b>2,405.8</b>	<b>-3.4%</b>
<b>Local Government</b>			
Local Hotel Taxes		22.5	-3.2%
Property Taxes		2,079.2	-4.2%
Other Taxes		13.4	-2.1%
<b>Local Total</b>		<b>2,115.2</b>	<b>-4.2%</b>
<b>Total</b>		<b>7,696.8</b>	<b>-3.3%</b>

Declines in  
ADRs,  
RevPar,  
outpaced  
1.5%  
decrease in  
overnights

Slot revenue  
impacted by  
Penn. And  
NY slot  
casinos



## Regional Distribution of Tourism

*New Jersey is divided into six regions in the analysis:*

### ○ Skylands

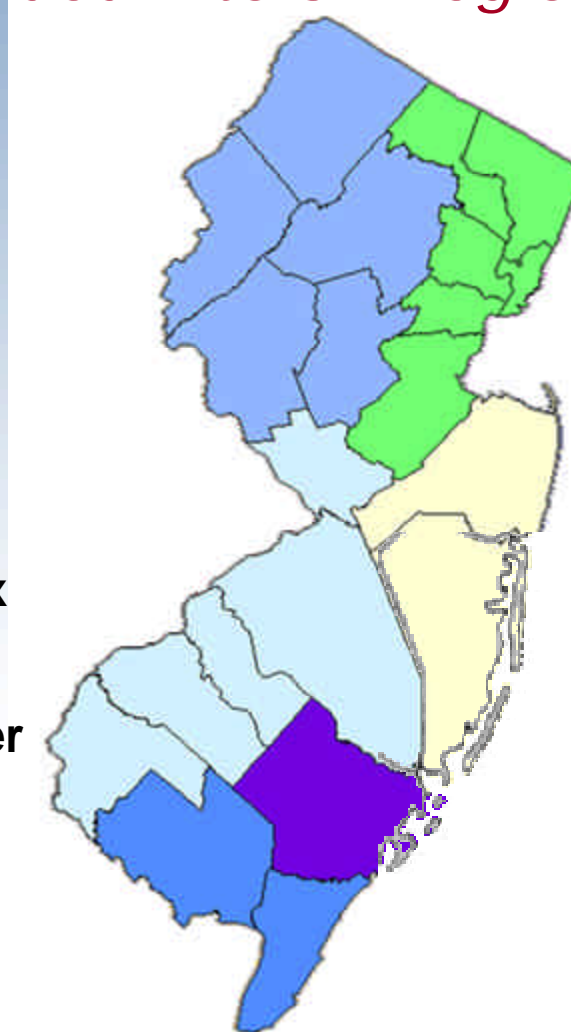
- Sussex • Somerset
- Warren • Morris
- Hunterdon

### ● 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

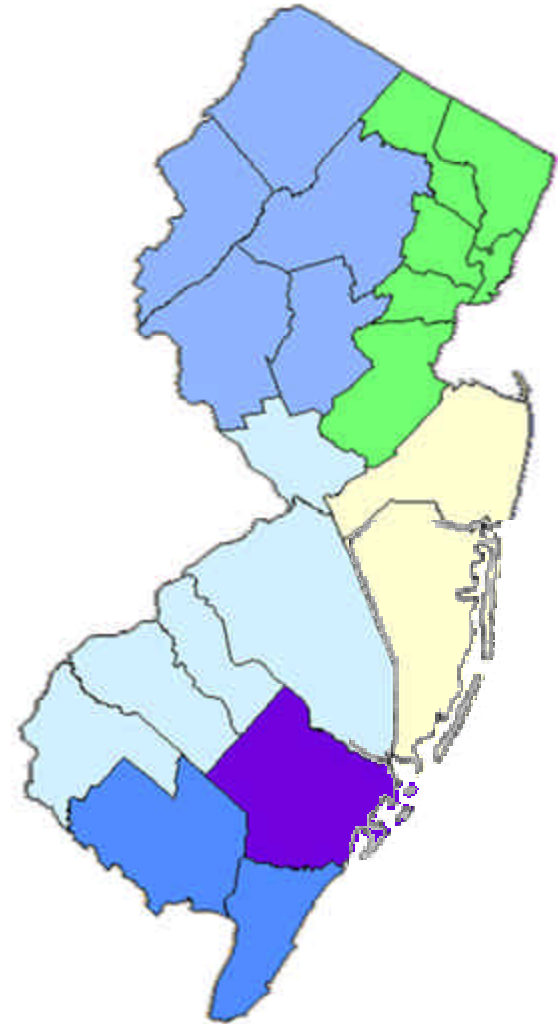


## Regional Distribution of Tourism

**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**

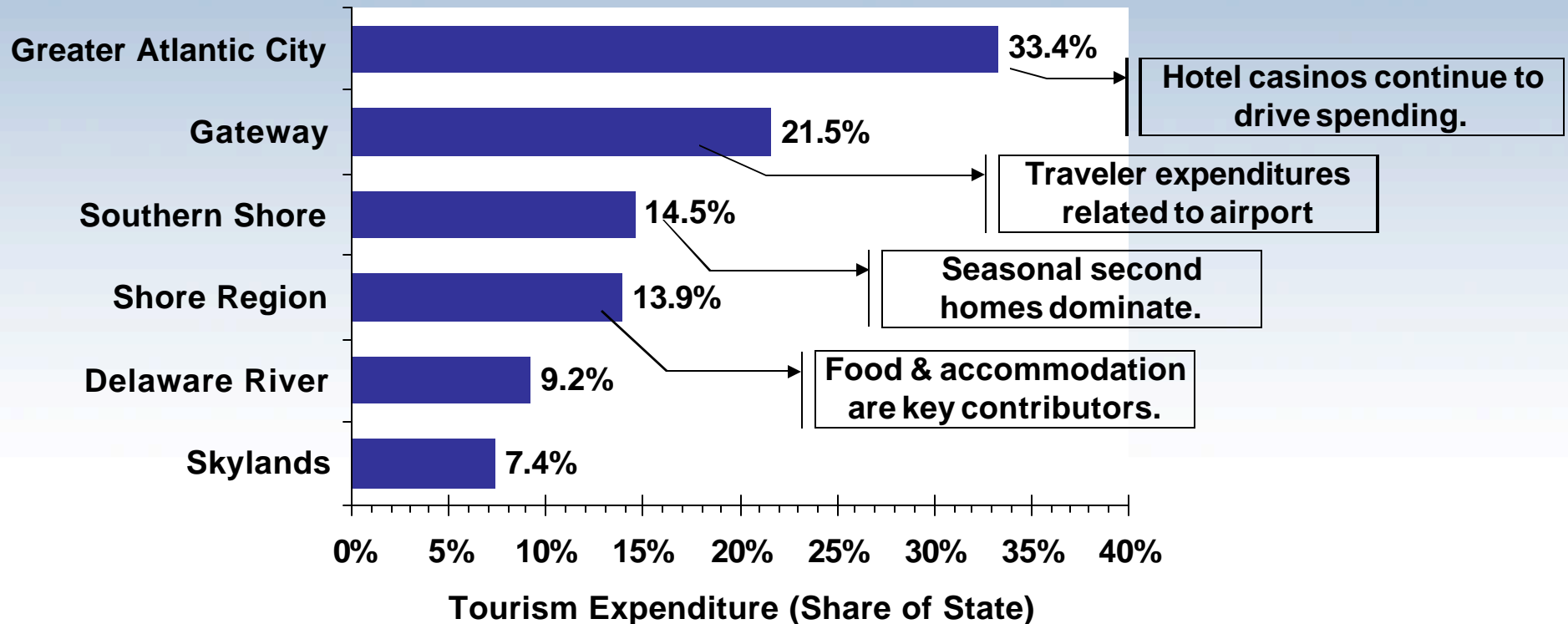






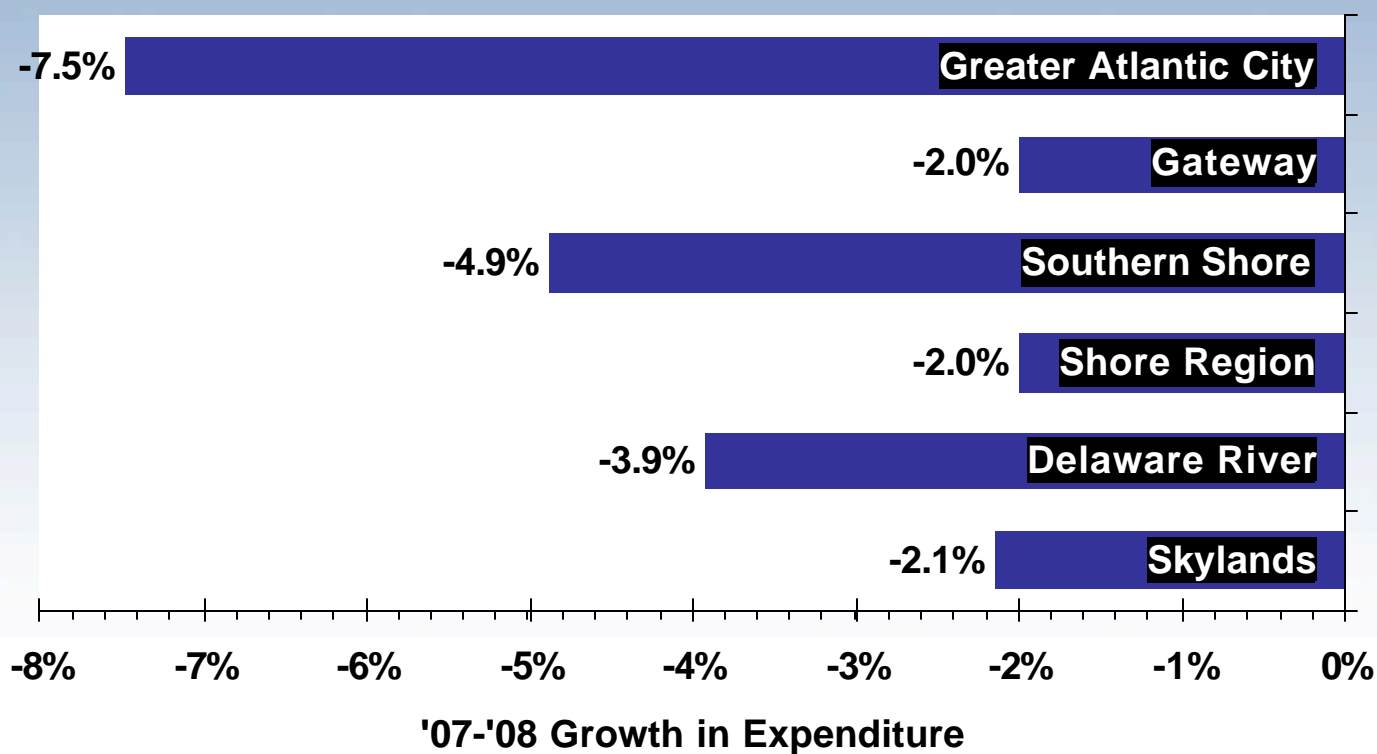
## Regional Distribution of Tourism

**Gateway has the 2<sup>nd</sup> largest share of statewide tourism spending.  
The Southern Shore region is now larger than the Shore region.**





## Regional Growth in Expenditure





## Regional Share of Statewide Tourism

### *Regional Share of State Expenditures by Category*

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
Greater Atlantic City	4.1%	43.7%	2.4%	45.6%	45.9%	33.4%
Delaware River Region	17.2%	3.9%	19.5%	7.2%	7.1%	9.2%
Gateway Region	32.5%	10.3%	60.3%	11.5%	11.8%	21.5%
S. Shore Region	12.0%	23.8%	1.5%	12.9%	13.1%	14.5%
Shore Region	19.0%	11.4%	4.1%	18.9%	18.3%	13.9%
Skylands Region	15.1%	6.9%	12.2%	3.8%	3.8%	7.4%
<b>Total</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>	<b>100%</b>

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



## Regional Share of Statewide Tourism

### *Expenditure Category Share of Regional Tourism Spending*

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
<b>Greater Atlantic City</b>	<b>1.3%</b>	<b>43.0%</b>	<b>1.2%</b>	<b>31.0%</b>	<b>23.5%</b>	<b>100%</b>
<b>Delaware River Region</b>	<b>19.9%</b>	<b>13.8%</b>	<b>35.4%</b>	<b>17.7%</b>	<b>13.3%</b>	<b>100%</b>
<b>Gateway Region</b>	<b>16.0%</b>	<b>15.8%</b>	<b>46.7%</b>	<b>12.1%</b>	<b>9.4%</b>	<b>100%</b>
<b>S. Shore Region</b>	<b>8.8%</b>	<b>53.8%</b>	<b>1.7%</b>	<b>20.3%</b>	<b>15.4%</b>	<b>100%</b>
<b>Shore Region</b>	<b>14.6%</b>	<b>27.1%</b>	<b>4.9%</b>	<b>30.9%</b>	<b>22.5%</b>	<b>100%</b>
<b>Skylands Region</b>	<b>21.6%</b>	<b>30.5%</b>	<b>27.4%</b>	<b>11.7%</b>	<b>8.7%</b>	<b>100%</b>
<b>Total</b>	<b>10.6%</b>	<b>32.9%</b>	<b>16.7%</b>	<b>22.7%</b>	<b>17.1%</b>	<b>100%</b>

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





# Tourism Expenditure by County

## County Expenditure

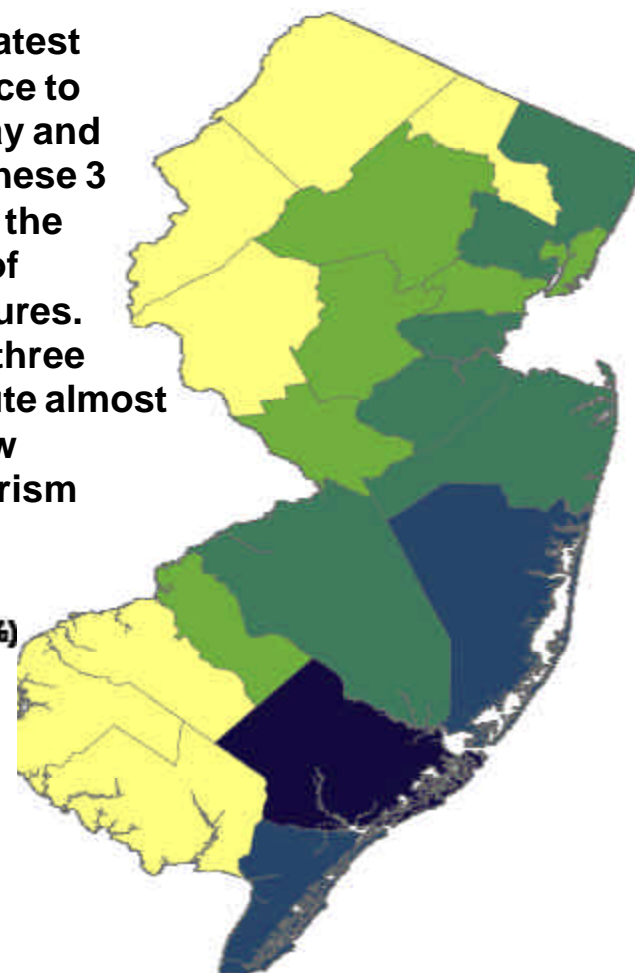
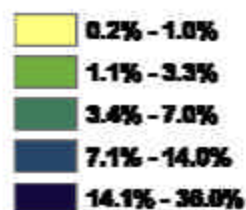
Counties	Tourism Expenditure (\$\$ in MM)	'07-'08 Growth	Share of County Economy	Rank
Cape May	5,061.8	-3.7%	48.1%	1
Atlantic	11,864.8	-7.5%	44.8%	2
Ocean	3,126.1	-5.9%	10.6%	3
Essex	2,971.7	1.1%	3.2%	4
Burlington	1,665.9	-4.4%	3.2%	5
Sussex	235.4	-3.3%	3.1%	6
Monmouth	1,808.5	-6.3%	3.0%	7
Morris	1,323.0	-0.8%	1.7%	8
Somerset	850.5	-3.6%	1.7%	9
Salem	96.4	-2.6%	1.5%	10
Hunterdon	146.5	-1.3%	1.3%	11
Middlesex	1,460.6	-5.0%	1.3%	12
Mercer	569.2	-4.6%	1.2%	13
Gloucester	420.5	-1.4%	1.2%	14
Bergen	1,471.1	-3.7%	1.2%	15
Camden	520.2	-3.9%	1.1%	16
Warren	88.7	-5.4%	1.0%	17
Union	784.9	-3.2%	1.0%	18
Hudson	561.2	-1.9%	0.9%	19
Passaic	399.4	-4.6%	0.9%	20
Cumberland	92.3	-2.9%	0.7%	21
<b>Grand Total</b>	<b>35,518.7</b>	<b>-4.9%</b>	<b>3.6%</b>	

## 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 (%)





## Accommodation – Seasonal 2<sup>nd</sup> Home

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

County	Rental Income (mn\$)	Share of NJ RI	# of Seasonal 2 <sup>nd</sup> Homes	Rental Inc as a % of Accomodation Total
Cape May	\$1,600.7	50.2%	45,733	58.6%
Ocean	\$880.2	27.6%	35,209	88.0%
Atlantic	\$292.6	9.2%	11,702	5.8%
Monmouth	\$200.9	6.3%	8,037	60.0%
Sussex	\$54.2	1.7%	3,611	54.6%
<b>Total</b>	<b>\$3,188.8</b>	<b>95.0%</b>	<b>114,270</b>	<b>27.3%</b>



Source: IHS Global Insight and US Bureau of Census



# *2009-2011 New Jersey Tourism Forecast*

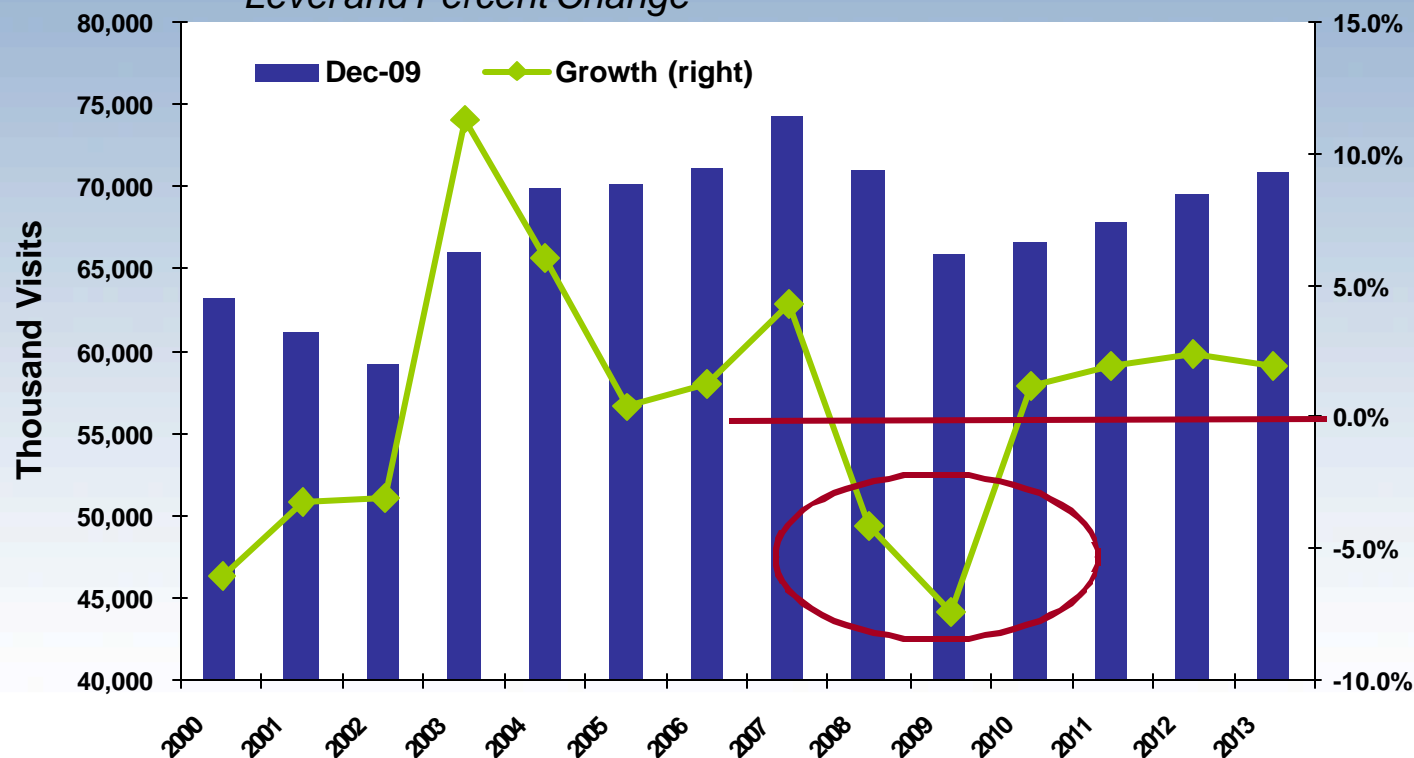
*Revised Dec 2009*



## Forecast for 2009 and Beyond

### NJ Total Visitor Volume (Person-Stays)

*Level and Percent Change*

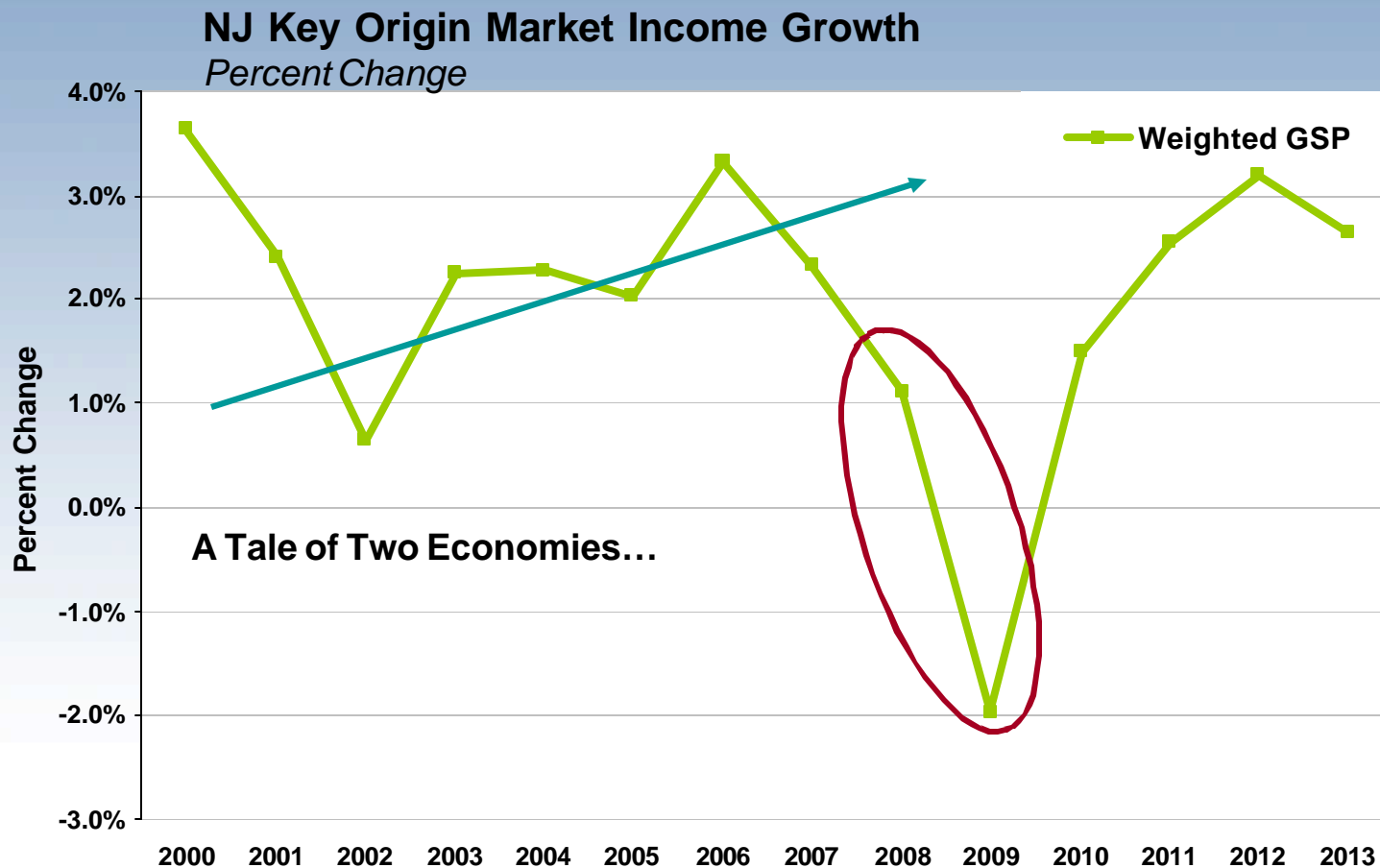


- 2008 visitation was revised up 0.2% in latest projection
- Final results from first half of 2009 show significant declines in visitation, at -7.4%
- Visitation recovery should begin in Q1 2010, with full year growth at 1.1%





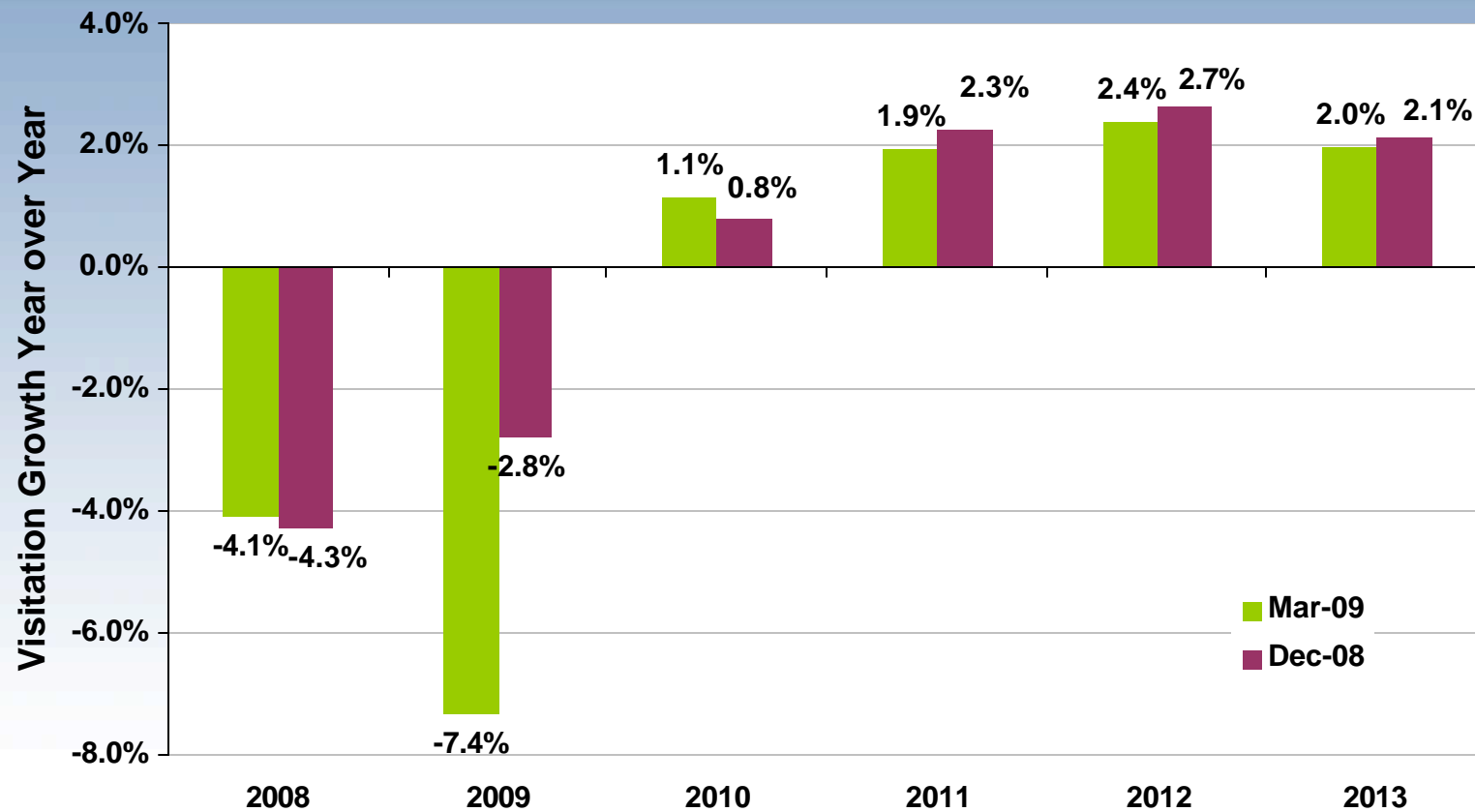
## Forecast for 2009 and Beyond (cont.)



- Origin market economic outlook largely unchanged from previous update
- Main difference is how significant that downturn is translating into slowed visitation



## Forecast for 2009 and Beyond (cont.)



- Final results for 2008 show a slight improvement
- Impact of economic outlook much more significant than previously expected
- 2009 decline slightly outpaces outlook for nation, of 7.1% decline, with forecast outpacing US



**NJ TOURISM**  
ONE INDUSTRY. MANY BENEFITS.

## How Important?

**Tourism related  
spending of  
\$38.8 billion**



### TOTAL

**Gross State Product:** *\$27.9 billion*

**5.8% of GSP**

**Total Employment:** *443,094 jobs*

**10.9% of Employment**

### CORE

**Core GSP:** *\$20.2 billion*

**4.7% of GSP**

**Core Employment:** *359,042 jobs*

**8.8% of Employment**

**3rd largest private sector employer**





## Talking Points: What Do Visitors Mean to NJ?

- ✓ About \$548 in expenditures, \$109 of which goes to NJ businesses that do not directly “touch” that visitor
- ✓ 72¢ of each dollar spent by visitors is kept within NJ
- ✓ Every 160 visitors creates a new NJ job
- ✓ About \$109 per visitor in tax receipts, \$64 of which goes to state & local authorities
- ✓ Every 204 visitors pays for one New Jersey public school student for the year
- ✓ \$393 per visitor in NJ Gross State Product
- ✓ \$240 per visitor in wages paid to NJ workers





*Thank you!*

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