



# The Economic Impact of Tourism in New Jersey

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Tourism Satellite Account  
Calendar Year 2015



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# 2015 tourism year in review

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- Despite storms, casino closures and sluggish economic growth, tourism in New Jersey continues to grow.
  - 2015 marks six straight years of spending and visitation growth.
  - Tourism demand grew 3.3% in 2015 to reach \$43.4 billion.
  - Visitation expanded 2.4%.
- Good summer weather and the fading memory of Sandy helped to drive strong growth in bed tax receipts for the shore counties in the summer months, increasing by more than 8% in 2015.
- Visitor spending on food, recreation and retail drove much of the spending growth with lower gas prices freeing up travel budgets.
- Despite the job losses in AC, the employment and wages paid to New Jersey tourism workers rose in 2015.

# Key results

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- In 2015, the tourism industry directly supported 318,330 jobs in New Jersey and sustained more than 512,000 jobs including indirect and induced impacts.
- Including all impacts, the industry accounts for 9.9% of total employment or nearly 1-in-10 jobs in New Jersey.
- The tourism sector generated \$37.3 billion of state GDP in 2015, representing 6.6% of the entire state economy.
- Including indirect and induced impacts, tourism in New Jersey generated \$10.2 billion in government revenues last year, including \$4.7 billion in state and local tax revenues.
- Without the tourism industry, New Jersey households would pay \$1,490 more each in order to maintain the current level of state and local government services.

# Industry indicators

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- Visitor trips to NJ destinations grew 2.4% to 95.0 million in 2015. (source: DKSA, NTTU)
- Hotel room demand rose 1.1%. Excluding Atlantic County, hotel room demand grew 3.3%. (source: STR)
- The hotel average daily rate increased by 2.1% in 2014, helping overall hotel room revenue grow 3.2%. (source: STR)
- State and municipal bed tax receipts grew 4.6% in 2014. (source: State Treasurers Office)
- Summer Bed Tax revenues in 2015 exceeded those of the previous peak in 2012, before Hurricane Sandy.
- Casino win declined 6.5%. (source: Division of Gaming Enforcement)

# Economic Impact Analysis

*The importance of measurements*



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# Why quantify the tourism economy?

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- By monitoring tourism's economic impact, policy makers can make informed decisions regarding the funding and prioritization of tourism development.
- It can also carefully monitor its successes and future needs.
- In order to do this, tourism must be measured in the same categories as other economic sectors – i.e. tax generation, employment, wages, and gross domestic product.

# What is this a challenge?

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- Most economic sectors such as financial services, insurance, or construction are easily defined within a country's national accounts statistics.
- Tourism is not so easily measured because it is not a single industry. It is a demand-side activity which affects multiple sectors to various degrees.
- Tourism spans nearly a dozen sectors including lodging, recreation, retail, real estate, air passenger transport, food & beverage, car rental, taxi services, travel agents...

# The Tourism Satellite Account

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- The TSA was conceived by the UN World Tourism Organization and has since been ratified by the UN, Eurostat, and OECD.
- The standard has been adopted by over fifty countries around the world and a growing number of US States.
- The TSA deals with the challenge of measuring tourism in two important ways:
  - Defines the tourism economy
  - Provides methodology for calculating tourism GDP in a way that is consistent with economic accounts



# Benefits of a TSA

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- Enables comparisons of the importance of tourism to other sectors of the economy in terms of GDP, employment, and income
- Allows for benchmarking to other destinations
- Tracks the economic contribution of tourism over time
- Monitors strength by tracking capital investment
- Allows for extension analysis for of the full impact of tourism

# Important definitions

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- 1. Tourism Industry:** Measures the value of traveler activity within “tourism characteristic industries”. This concept measures only the direct impact of the travel industry.
- 2. Tourism Economic Impact:** Includes the tourism industry plus government spending and capital investment in support of tourism. This is the basis of the total economic impact analysis, including direct, indirect and induced impacts.

# Illustrating the concepts

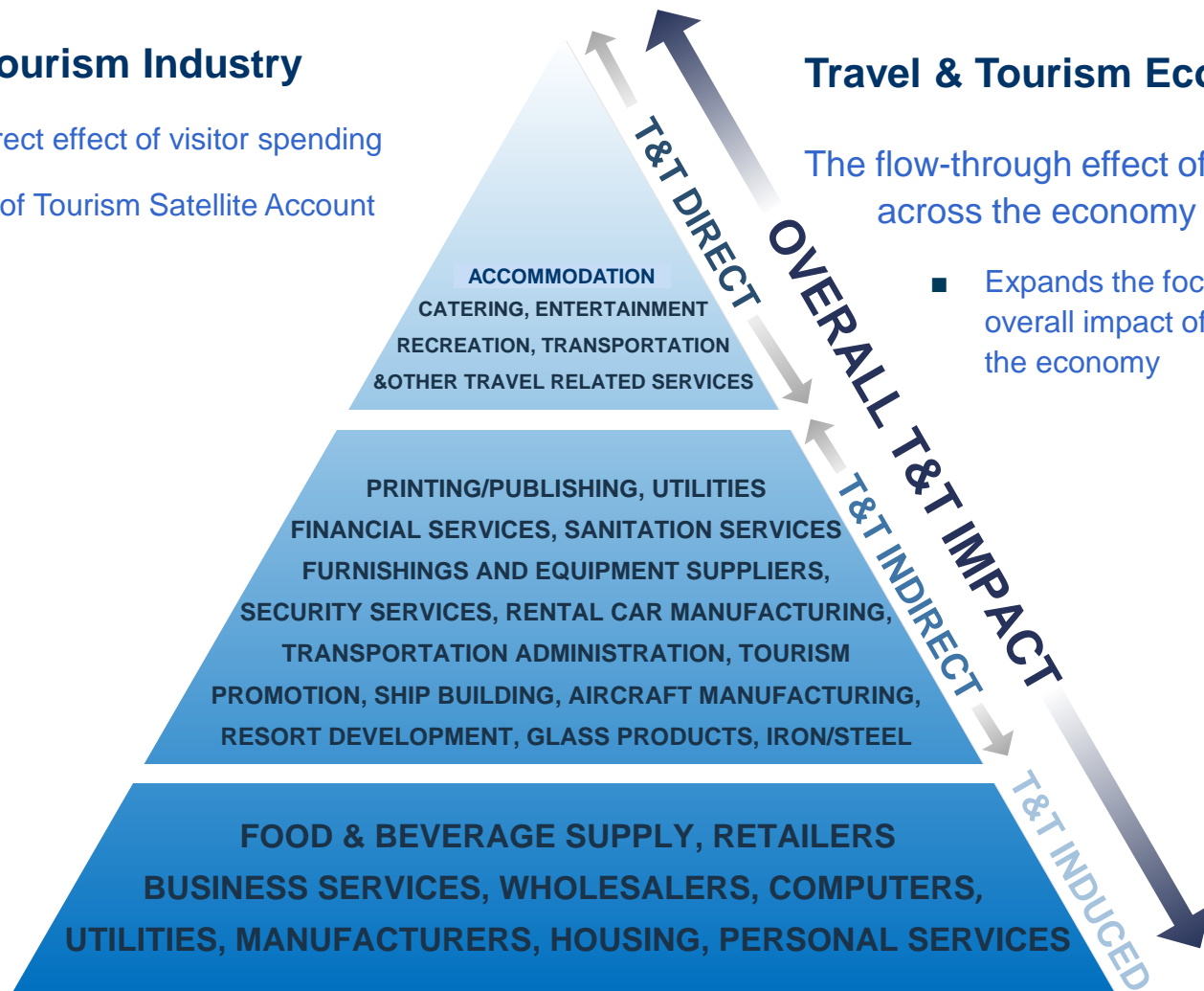
## Travel & Tourism Industry

- The direct effect of visitor spending
- Focus of Tourism Satellite Account

## Travel & Tourism Economic Impact

The flow-through effect of T&T all demand across the economy

- Expands the focus to measure the overall impact of T&T on all sectors of the economy



# Tourism Sales

*The business generated by tourism*



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# Key traveller spending trends in 2015

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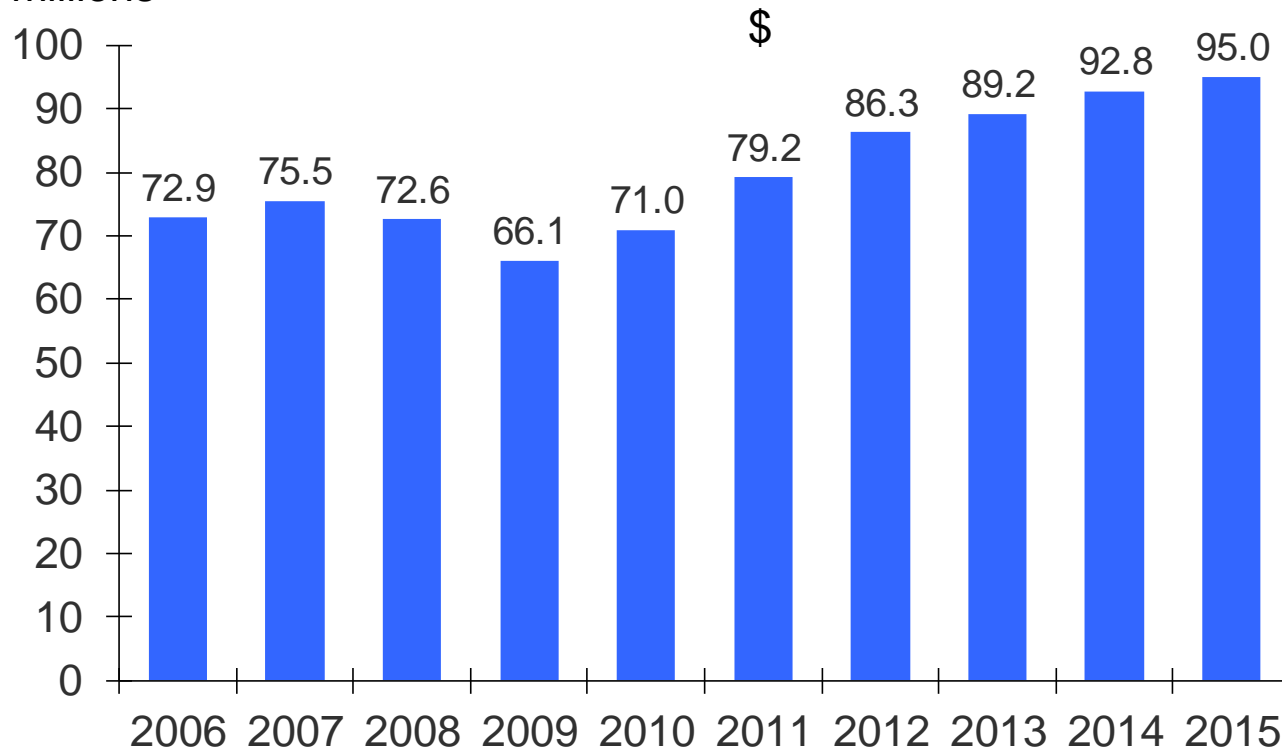
- Most tourism metrics were strong in 2015.
  - Visitor volume numbers grew by 2.4%.
  - Summer hotel bed taxes expanded 8% in shore counties.
  - There were no major weather events shutting down parts of the state for any extended period of time.
- Despite this performance, spending growth was not as robust as might be expected.
  - Spending was constrained due to the continued decline of casino 'win' in NJ.
  - Gasoline prices were down 25% year-over-year, resulting in lower transportation costs for visitors, encouraging spending growth in other sectors.

# Visitation showing continued growth last year

NJ attracted 95.0 million visitors in 2015—a 2.4% gain

## New Jersey Trip Volume

millions



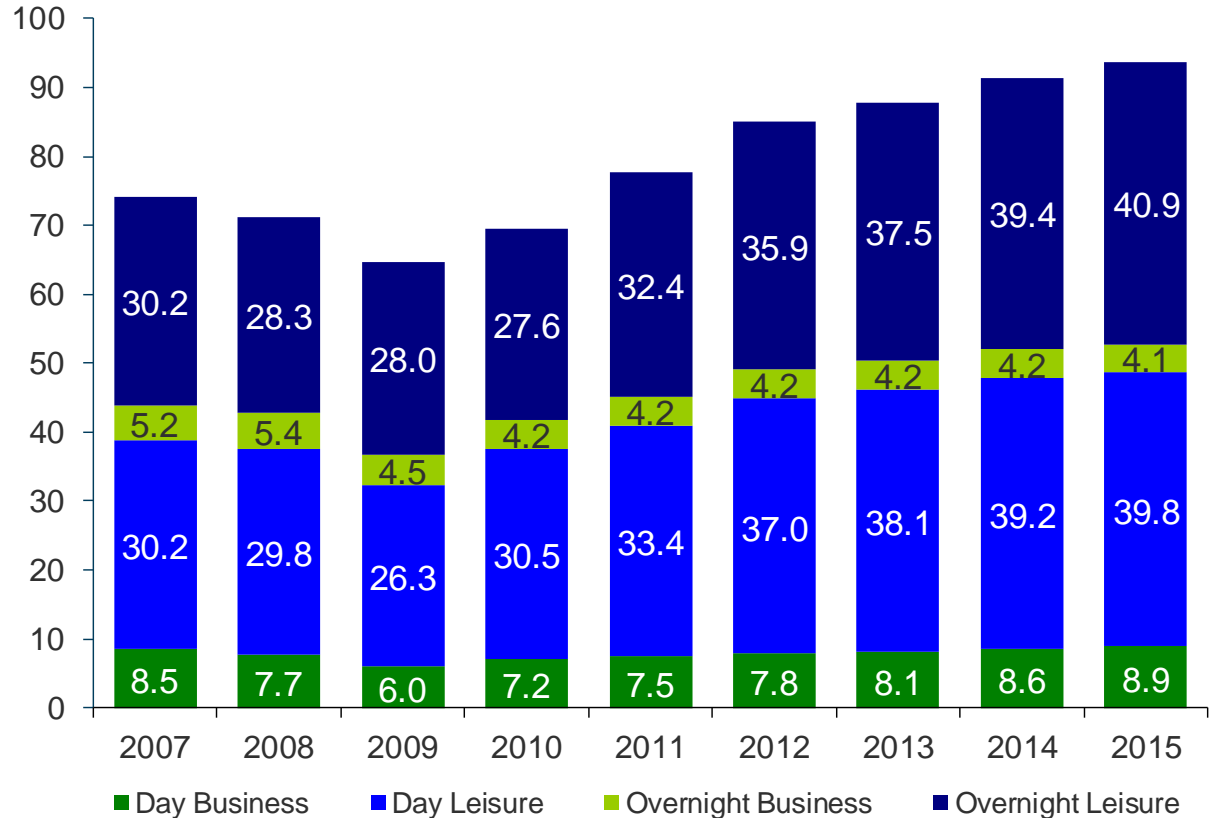
Source: D.K. Shifflet, NTTO

# Domestic visitation... by trip purpose

- 2015 saw growth in all visitor purpose sectors but overnight business.
- Leisure visitation led overall market growth in the state with overnight leisure trips growing 2.6%.

## New Jersey Domestic Trip Volume

by Year, by trip purpose



Source: D.K. Shifflet

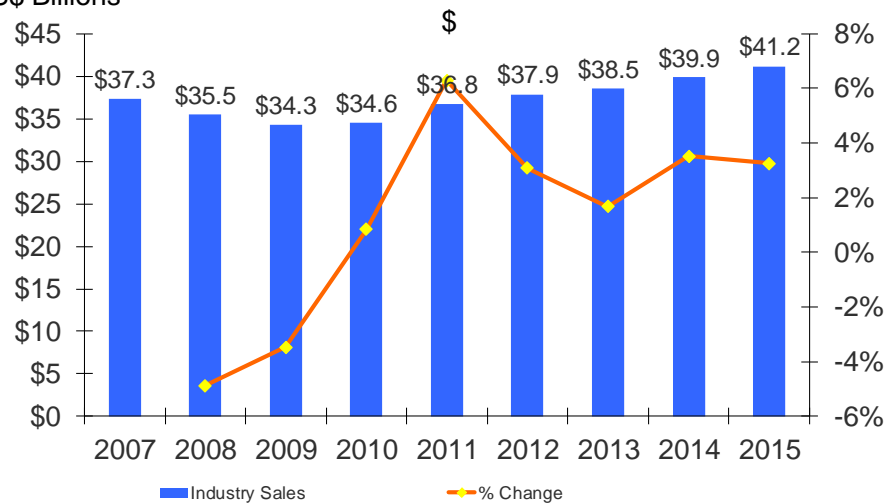
# Tourism sales surpasses prior peak

Tourism Industry Sales										
(US\$ Million)										
Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	% Change
Lodging	\$11,907	\$11,674	\$11,544	\$11,542	\$11,343	\$11,230	\$10,912	\$11,050	\$11,163	1.0%
Other Transport	\$4,942	\$4,958	\$4,395	\$4,351	\$4,944	\$5,295	\$5,197	\$5,394	\$5,390	-0.1%
Air	\$948	\$973	\$1,059	\$1,098	\$1,261	\$1,271	\$1,307	\$1,370	\$1,425	4.0%
Food & bev.	\$8,193	\$8,065	\$7,654	\$7,712	\$8,412	\$8,891	\$9,279	\$9,713	\$10,231	5.3%
Retail	\$7,656	\$6,074	\$5,884	\$5,921	\$6,561	\$6,811	\$7,127	\$7,446	\$7,796	4.7%
Recreation	\$3,693	\$3,774	\$3,753	\$3,953	\$4,233	\$4,392	\$4,700	\$4,907	\$5,176	5.5%
<b>TOTAL</b>	<b>\$37,339</b>	<b>\$35,519</b>	<b>\$34,288</b>	<b>\$34,577</b>	<b>\$36,753</b>	<b>\$37,890</b>	<b>\$38,523</b>	<b>\$39,880</b>	<b>\$41,181</b>	<b>3.3%</b>
% Change		-4.9%	-3.5%	0.8%	6.3%	3.1%	1.7%	3.5%	3.3%	

- Direct tourism industry sales within NJ rose 3.3% in 2015 to \$41.2 billion.
- Spending growth has averaged 3.1%, annually, since 2009, increasing by 20% cumulatively.
- Room spending increased 3.2% but was offset by a 6.5% decline in casino win.

## Tourism Industry Sales

US\$ Billions



Source: Tourism Economics

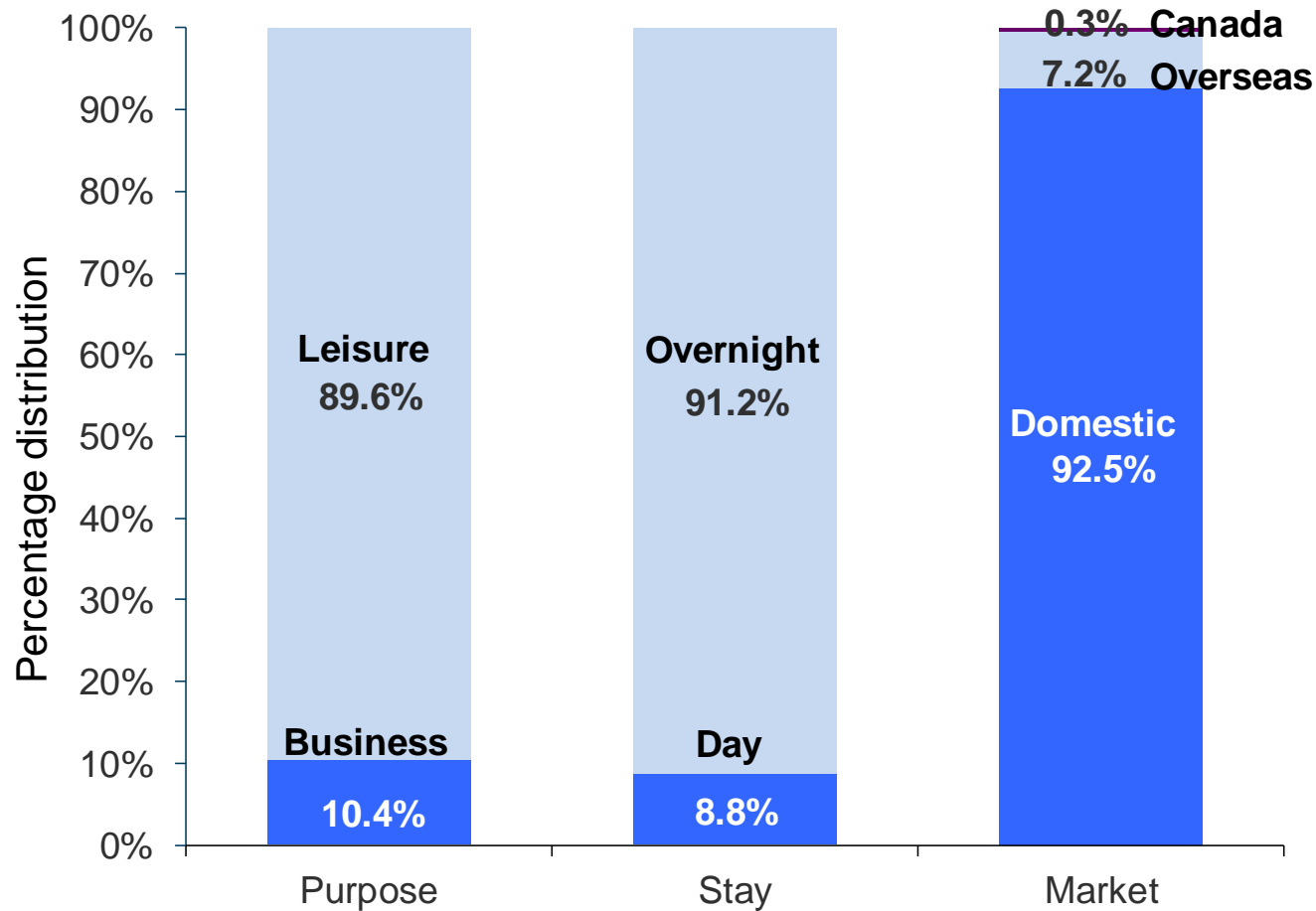


# Tourism industry sales by visitor type

- Leisure tourism represents 90% of tourism industry sales in NJ.
- Overnight visitors to NJ spent \$37.0 billion; 90% of the total.
- International visitors to NJ spent \$3.0 billion in 2015, comprising 7.4% of all visitor spending.

<b>Tourism Industry Sales in 2015</b>					
<b>(US\$ Billion)</b>					
<b>Purpose</b>		<b>Stay</b>		<b>Market</b>	
<b>Business</b>	<b>\$4.3</b>	<b>Day</b>	<b>\$3.6</b>	<b>Domestic</b>	<b>\$38.1</b>
<b>Leisure</b>	<b>\$36.9</b>	<b>Overnight</b>	<b>\$37.6</b>	<b>Overseas</b>	<b>\$2.9</b>
				<b>Canada</b>	<b>\$0.1</b>
<b>Total</b>	<b>\$41.2</b>	<b>Total</b>	<b>\$41.2</b>	<b>Total</b>	<b>\$41.2</b>
<b>Share</b>					
<b>Purpose</b>		<b>Stay</b>		<b>Market</b>	
<b>Business</b>	<b>10.4%</b>	<b>Day</b>	<b>8.8%</b>	<b>Domestic</b>	<b>92.5%</b>
<b>Leisure</b>	<b>89.6%</b>	<b>Overnight</b>	<b>91.2%</b>	<b>Overseas</b>	<b>7.2%</b>
				<b>Canada</b>	<b>0.3%</b>

# Tourism industry sales by visitor type

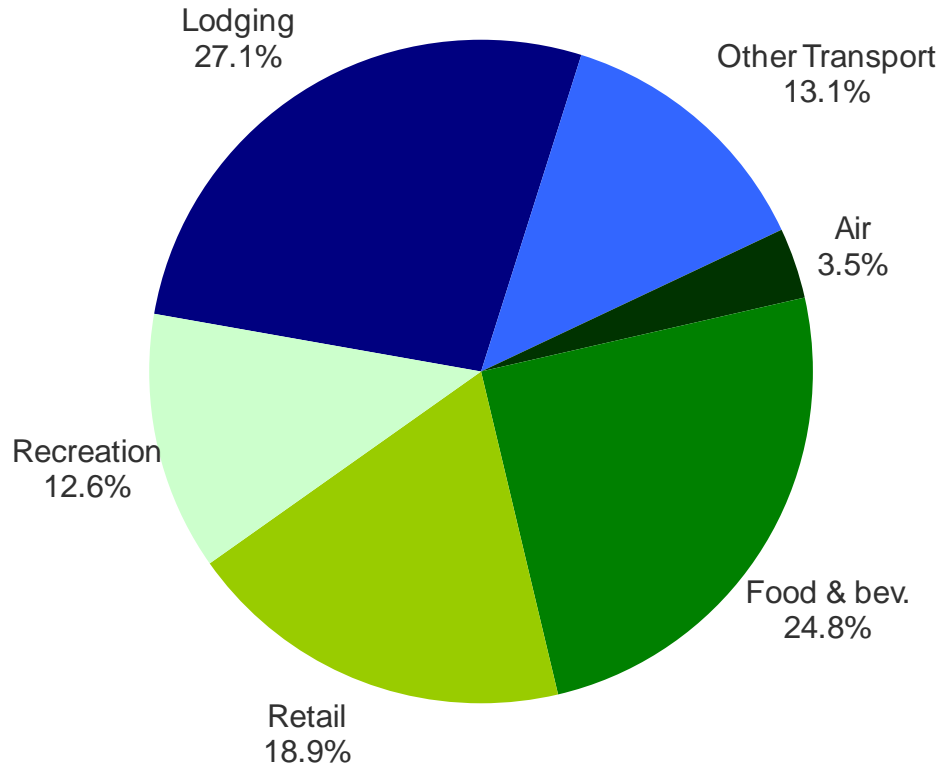


Source: Tourism Economics

# Tourism industry sales by sector

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## Tourism Industry Sales By Sector



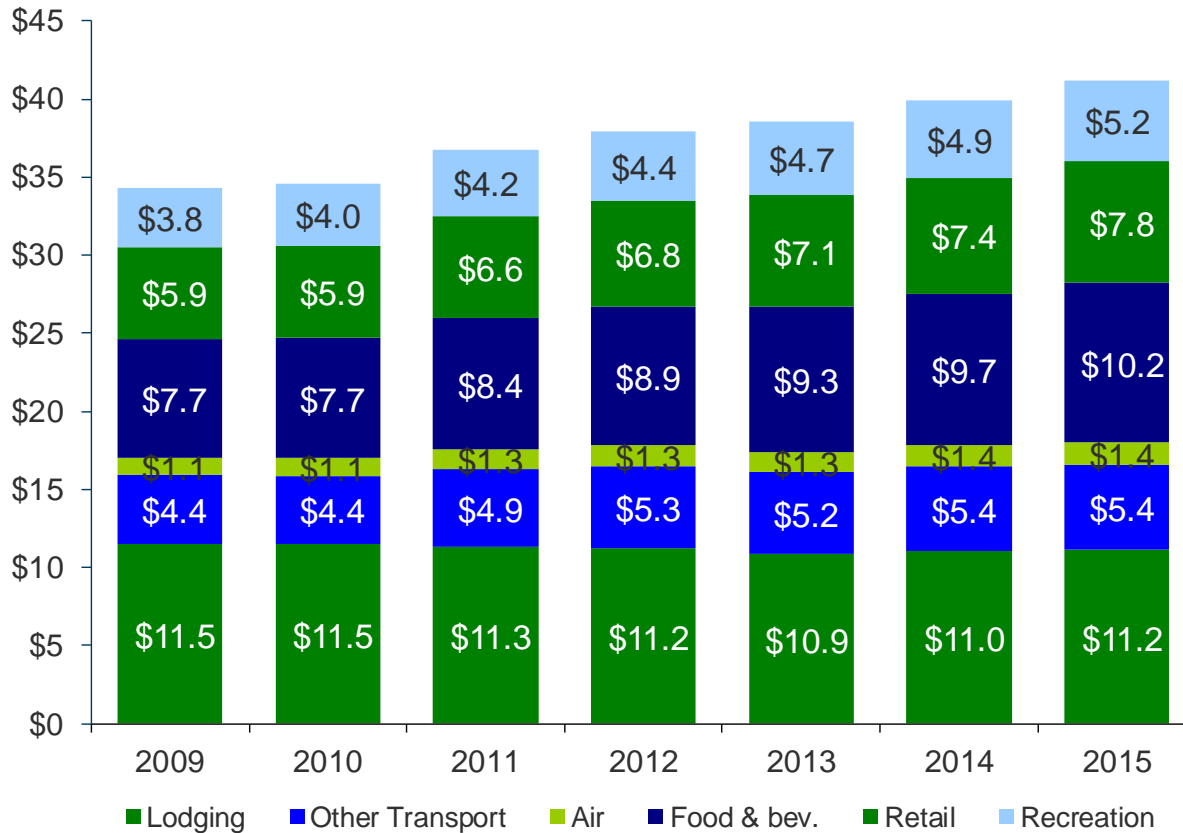
Source: Tourism Economics

- Lodging—including casino win, room revenue and second homes—is the largest traveler spending category in NJ, capturing 27% of visitor spending.
- Food & beverage spending ranks second, representing 25% of each visitor dollar.
- Non-air transportation's share of the visitor dollar fell to nearly 13% in 2015 as transportation costs fell.

# Tourism industry sales by sector

## New Jersey's Tourism Industry Sales

by Year, \$ Billions

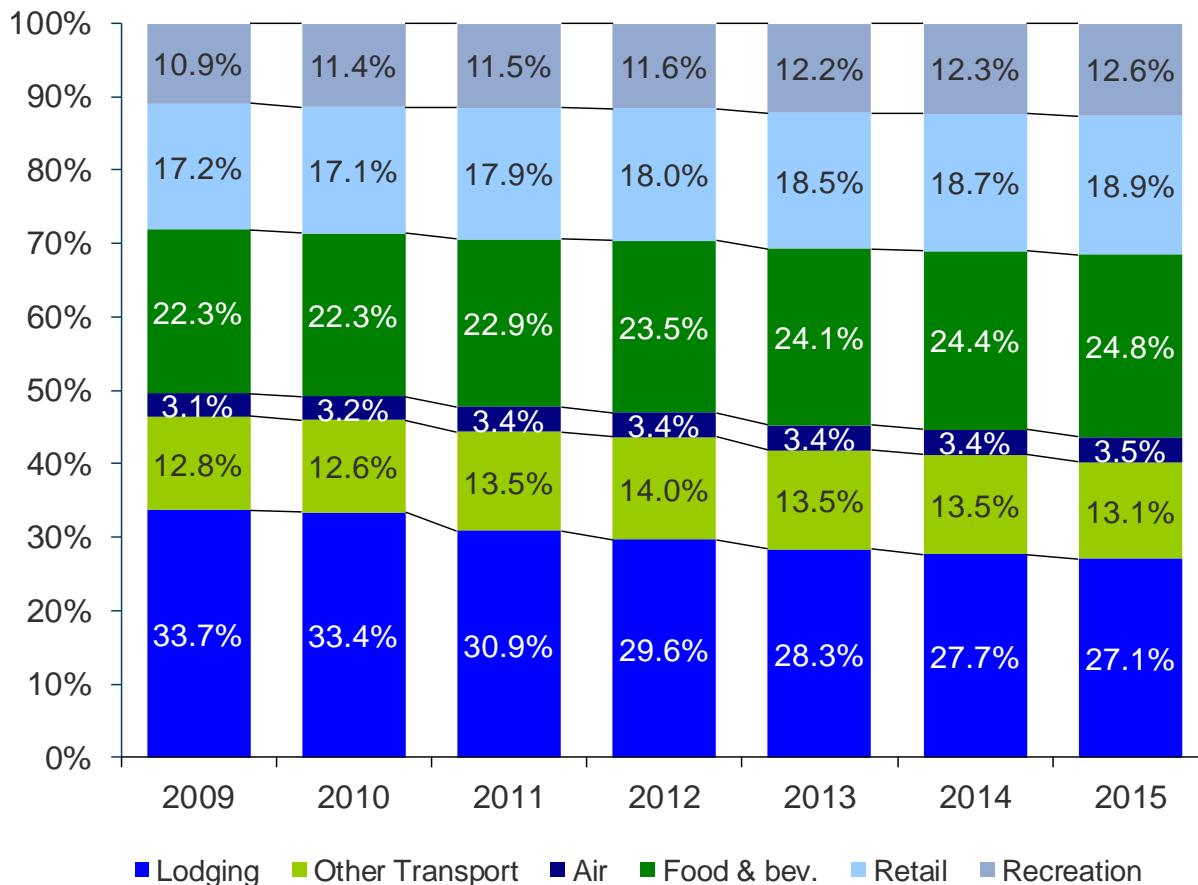


- Spending on food and beverages reached \$10.2 billion in 2015.
- The majority of gaming win is included in the lodging sector based on industry classifications, holding down spending growth in this category.

# Tourism industry sales by sector

## New Jersey's Tourism Industry Sales

by Year, Share of Total



- With the decline in casino revenue in New Jersey, the share of the visitor dollar spent in the lodging industry has gone from over a third down to 27.1%.
- With recreational spending out-performing overall spending, its share has grown from 11% in 2009 to 12.6% in 2015.
- The share of the visitor dollar spent at F&B businesses has increased two percentage points in just five years.

# Tourism economy sales

- The Tourism Satellite Account looks at a broader range of tourism-related expenditures, tallying \$43.4 billion.

<b>Tourism Satellite Account Spending by Category (US\$ Million)</b>						
<b>Year</b>	<b>Domestic Visitor</b>	<b>International Visitor</b>	<b>Non-Visitor PCE</b>	<b>Gov't Support</b>	<b>CAPEX</b>	<b>Total</b>
<b>2015</b>	<b>\$38,080.4</b>	<b>\$3,100.6</b>	<b>\$209.6</b>	<b>\$134.9</b>	<b>\$1,839.3</b>	<b>\$43,364.7</b>
<b>2014</b>	<b>\$36,741.3</b>	<b>\$3,138.8</b>	<b>\$202.9</b>	<b>\$130.2</b>	<b>\$1,775.1</b>	<b>\$41,988.4</b>
<b>2013</b>	<b>\$35,472.0</b>	<b>\$3,050.6</b>	<b>\$196.0</b>	<b>\$125.7</b>	<b>\$1,699.3</b>	<b>\$40,543.7</b>
<b>% Change</b>	<b>3.6%</b>	<b>-1.2%</b>	<b>3.3%</b>	<b>3.6%</b>	<b>3.6%</b>	<b>3.3%</b>

- Non-visitor private consumption expenditures (PCE) represent tourism consumer durables such as an RV, boat, or furniture for a vacation home.
- Government support for tourism includes the budgets for the NJ Division of Travel and Tourism and other budget items in broad support of tourism.
- Capital investment (CAPEX) includes construction of hotels and attractions, as well as tourism equipment and infrastructure.

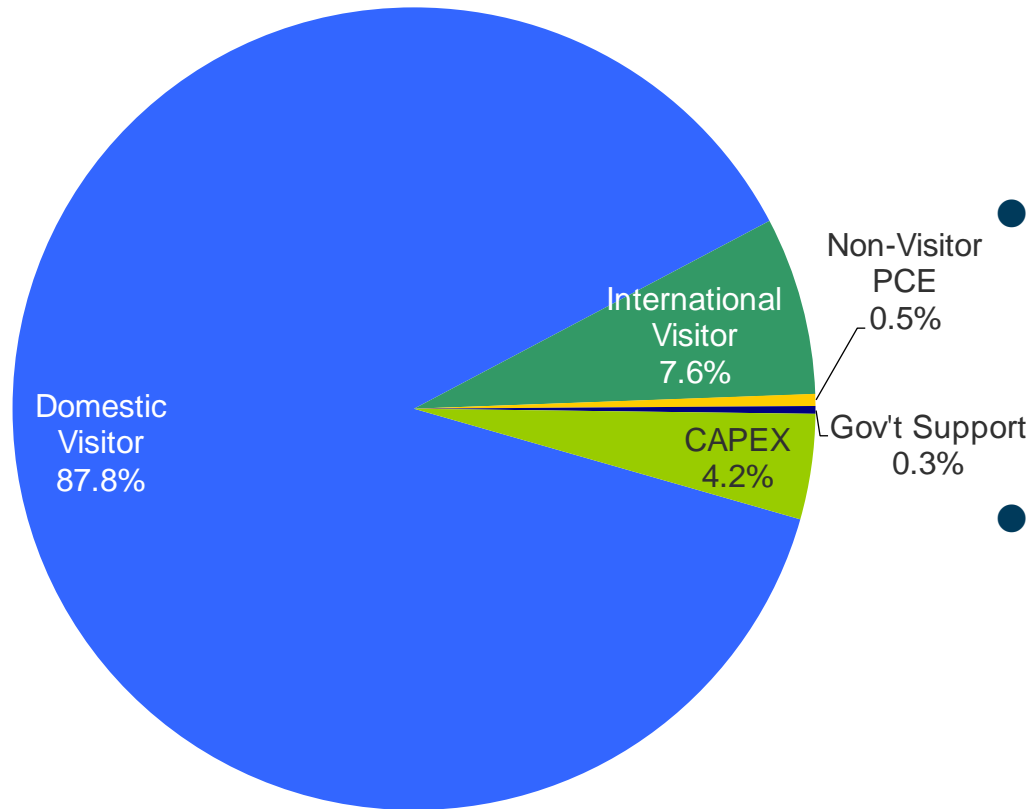
# Tourism industry and economy sales

- The direct impact of tourism is driven by tourism industry sales only. This allows for apples-to-apples comparisons with other industries.
- The total economic impact of tourism includes investment in support of tourism, government spending and non-visitor private consumption expenditures (PCE).

Tourism Sales, 2015		
State of New Jersey		
Category	Industry	Economy
Lodging	\$11,163	\$11,163
Food & Beverage	\$5,390	\$5,390
Retail	\$1,425	\$1,425
Recreation	\$10,231	\$10,231
Air	\$7,796	\$7,796
Other Transport	\$5,176	\$5,176
Non-Visitor PCE	\$0	\$210
Investment	\$0	\$1,839
Government	\$0	\$135
<b>Total</b>	<b>\$41,181</b>	<b>\$43,365</b>

# Tourism economy sales by source

## Tourism Demand by Source



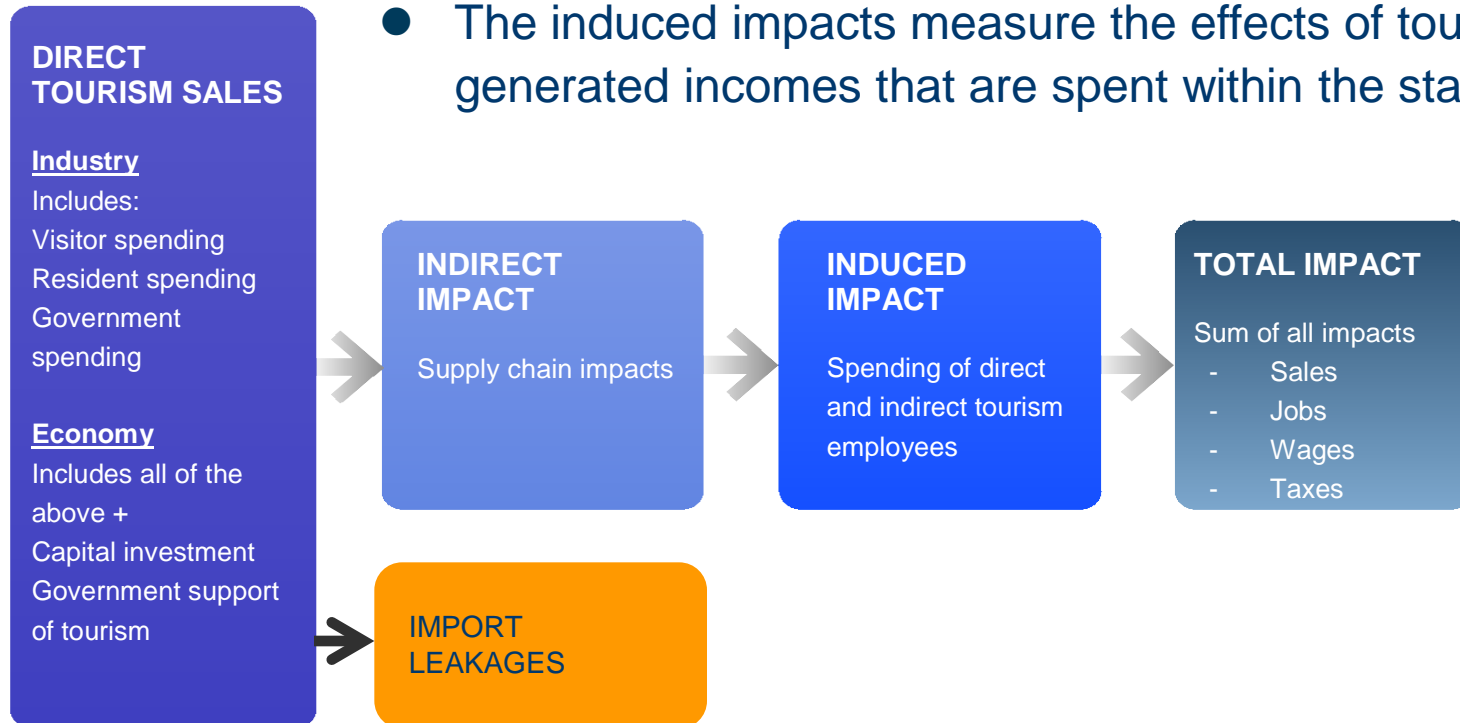
- Domestic visitor markets comprise the majority (87.8%) of tourism sales in New Jersey.
- International visitor markets contributed 7.6% of tourism sales last year.
- Capital investment in tourism-related construction and machinery & equipment represents 4.2% of tourism economy sales.



# Summary of Economic Impacts

# Translating sales into impact

- Direct tourism sales flow through the NJ economy, generating GDP, jobs, wages, and taxes.
- The indirect impacts measure supply chain (b2b) activity generated by tourism sales.
- The induced impacts measure the effects of tourism-generated incomes that are spent within the state.

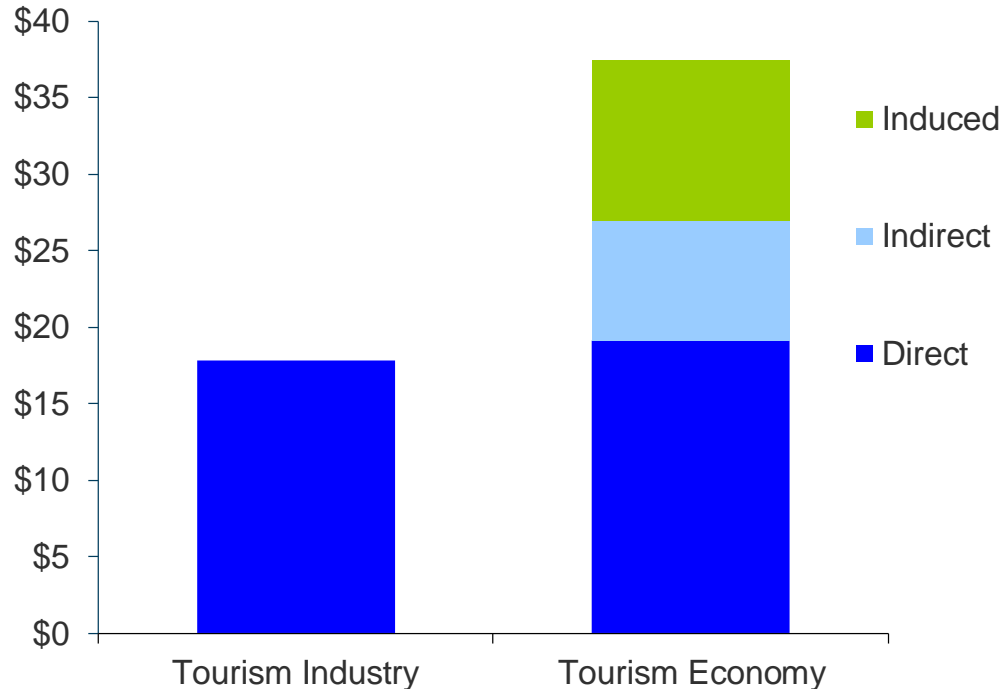


# Tourism impact summary - GDP

- Tourism industry GDP directly generated \$17.8 billion of New Jersey GDP in 2015.
- The tourism economy, including direct, indirect and induced impacts, generated GDP of \$37.3 billion. This is 6.6% of the state economy.

## Tourism GDP Impact

2015, US\$ Billions



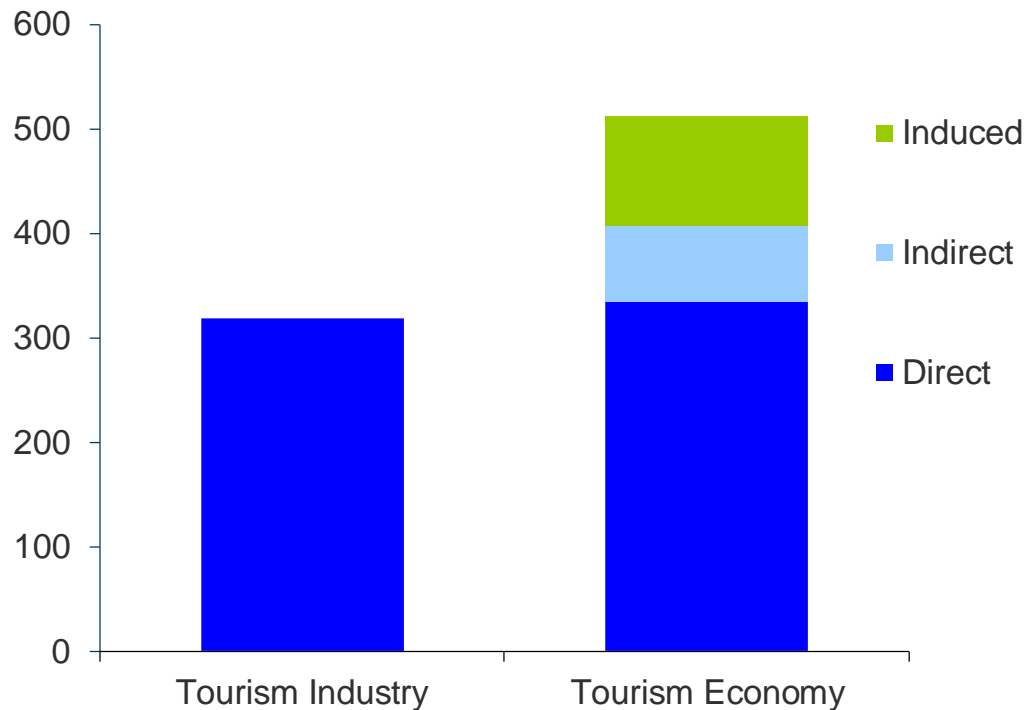
Source: Tourism Economics

# Tourism impact summary - Jobs

- Tourism spending directly supported 318,330 jobs in New Jersey in 2015.
- The tourism economy, including direct, indirect and induced impacts, supported 512,157 jobs. This is 9.9% of all jobs in the state.

## Tourism Employment Impact

2015, Thousands



Source: Tourism Economics

# Direct Tourism Industry

*What is the direct economic value of tourism-related sectors?*



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# Tourism industry impacts

Tourism Impacts		
	GDP	Jobs
Agriculture, Fishing, Mining	-	-
Construction and Utilities	-	-
Manufacturing	-	-
Wholesale Trade	-	-
Air Transport	648.7	4,134
Other Transport	727.4	9,310
Retail Trade	1,715.5	38,919
Gasoline Stations	311.3	5,163
Communications	-	-
Finance, Insurance and Real Estate	2,302.1	14,180
Business Services	420.7	3,491
Education and Health Care	-	-
Recreation and Entertainment	1,848.8	51,975
Lodging	5,060.6	52,644
Food & Beverage	4,418.0	127,133
Personal Services	375.2	11,382
Government	-	-
<b>TOTAL</b>	<b>17,828.4</b>	<b>318,330</b>

- Tourism GDP is the value added of those sectors directly interacting with travelers.
- The narrow definition of the tourism industry counts only tourism consumption, which excludes capital investment and general government support of tourism. This definition is consistent with economic accounts.
- On this basis, tourism industry GDP was \$17.5 billion in 2015, accounting for 3.1% of total New Jersey GDP.

# Why sales and GDP differ

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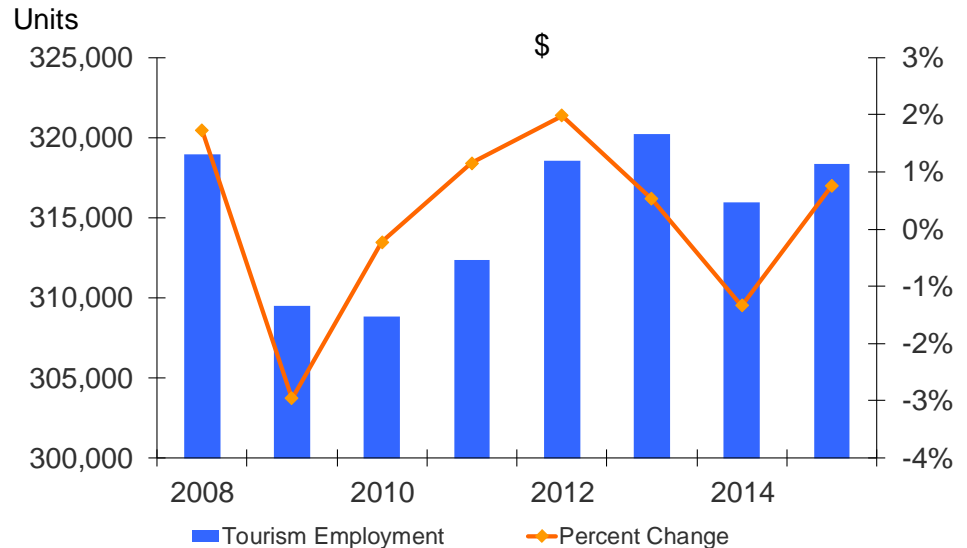
- Tourism industry sales in New Jersey equals \$41.2 billion while GDP measures \$17.8 billion.
- GDP (Gross domestic product) is less than sales because it measures only the locally-produced value of goods and services consumed by visitors.
  - This includes the local labor, capital depreciation, and the profits of tourism-related companies that are based in New Jersey.
  - The costs of imported goods (gasoline, food or retail goods) that come from out-of-state are excluded from the GDP calculation.
  - In addition, business profits from out-of-state companies are also excluded. For example, Wal-Mart profits leave the state.

# New jobs exceed casino closure losses

Tourism Employment								
	2008	2009	2010	2011	2012	2013	2014	2015
Tourism Employment	318,929	309,499	308,801	312,369	318,560	320,238	315,952	318,330
Percent Change	1.7%	-3.0%	-0.2%	1.2%	2.0%	0.5%	-1.3%	0.8%

- Tourism employment grew 0.8% in 2015 creeping closer to peaks seen in 2008 and 2012.
- Gains in non-hotel sectors were able to compensate for the loss of over 3,500 (on an annual basis) jobs at hotels, related to casino closures.

## Tourism Employment



Source: Tourism Economics



# Ranking tourism employment

- The direct employment contribution of the tourism industry was 318,330 in 2015. This narrow measurement of tourism includes only those jobs directly supported by visitor activity and allows for inter-industry ranking.
- Examining the Tourism industry against other private sector industries, tourism is the 7<sup>th</sup> largest employer in the State of New Jersey.

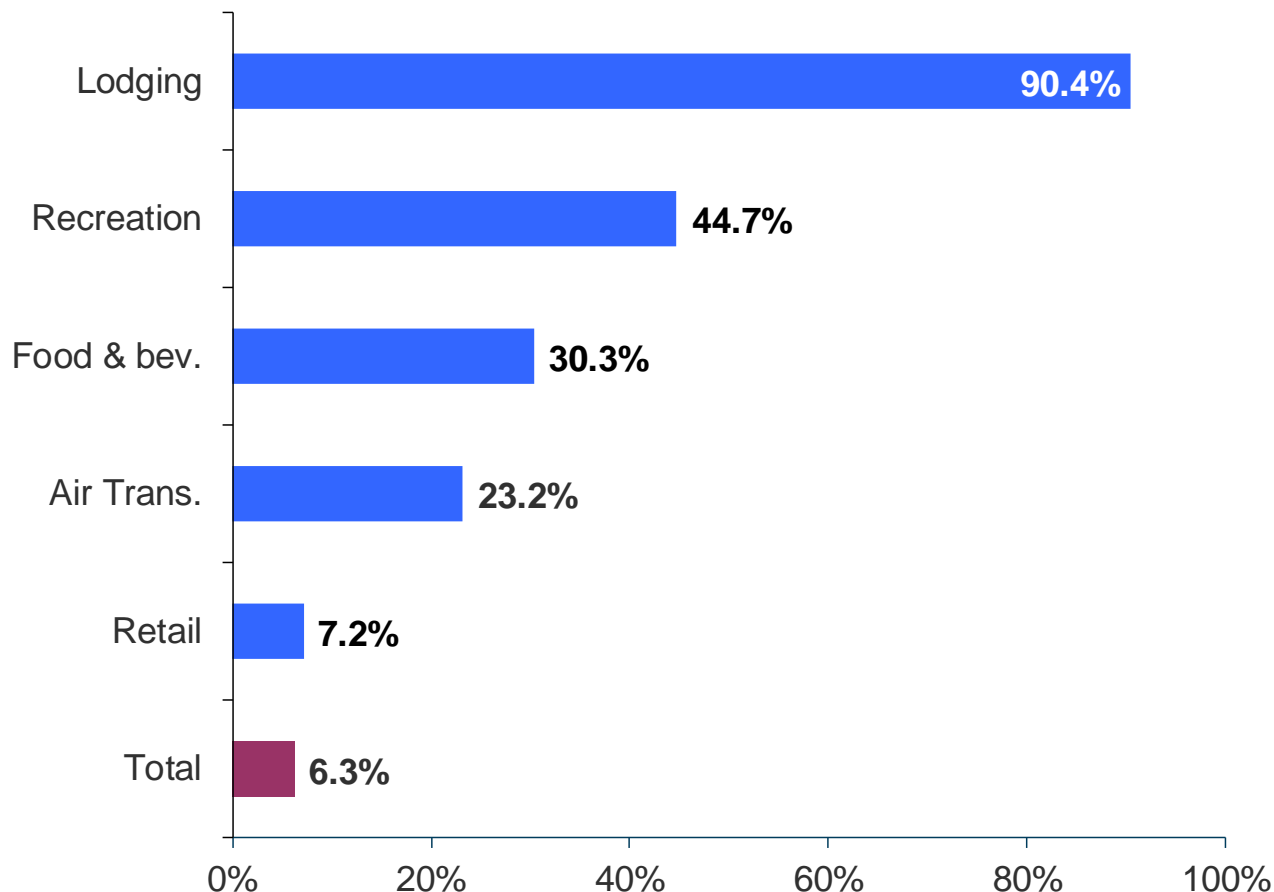
Employment Ranking - Private Sector State of New Jersey		
Rank	Industry	2015
1	Health care and social assistance	629,356
2	Retail trade	539,757
3	Professional, scientific, and technical services	444,514
4	Finance and insurance	333,518
5	Accommodation and food services	328,189
6	Administrative and support services	321,072
<b>7</b>	<b>Tourism</b>	<b>318,330</b>
8	Other services, except public administration	293,311
9	Real estate and rental and leasing	264,540
10	Manufacturing	262,152
11	Construction	249,159
12	Wholesale trade	241,609
13	Transportation and warehousing	213,962
14	Educational services	131,795
15	Arts, entertainment, and recreation	120,764

# Tourism intensity

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- Tourism is a significant part of several industries – nearly 100% of all employment in lodging is supported by tourism spending.

## Tourism Employment Intensity by Industry



# Total Tourism Economy

*What is the total economic impact of tourism in New Jersey?*

# Tourism GDP impact

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- Total tourism demand includes capital investment and general government support of tourism. By this broad definition, tourism activity directly contributed \$19.1 billion to GDP in 2014.
- In total, including all direct tourism demand, indirect and induced impacts, the tourism sector generated GDP of \$37.4 billion. This is 6.6% of the state economy.

# Tourism GDP impact – total impact

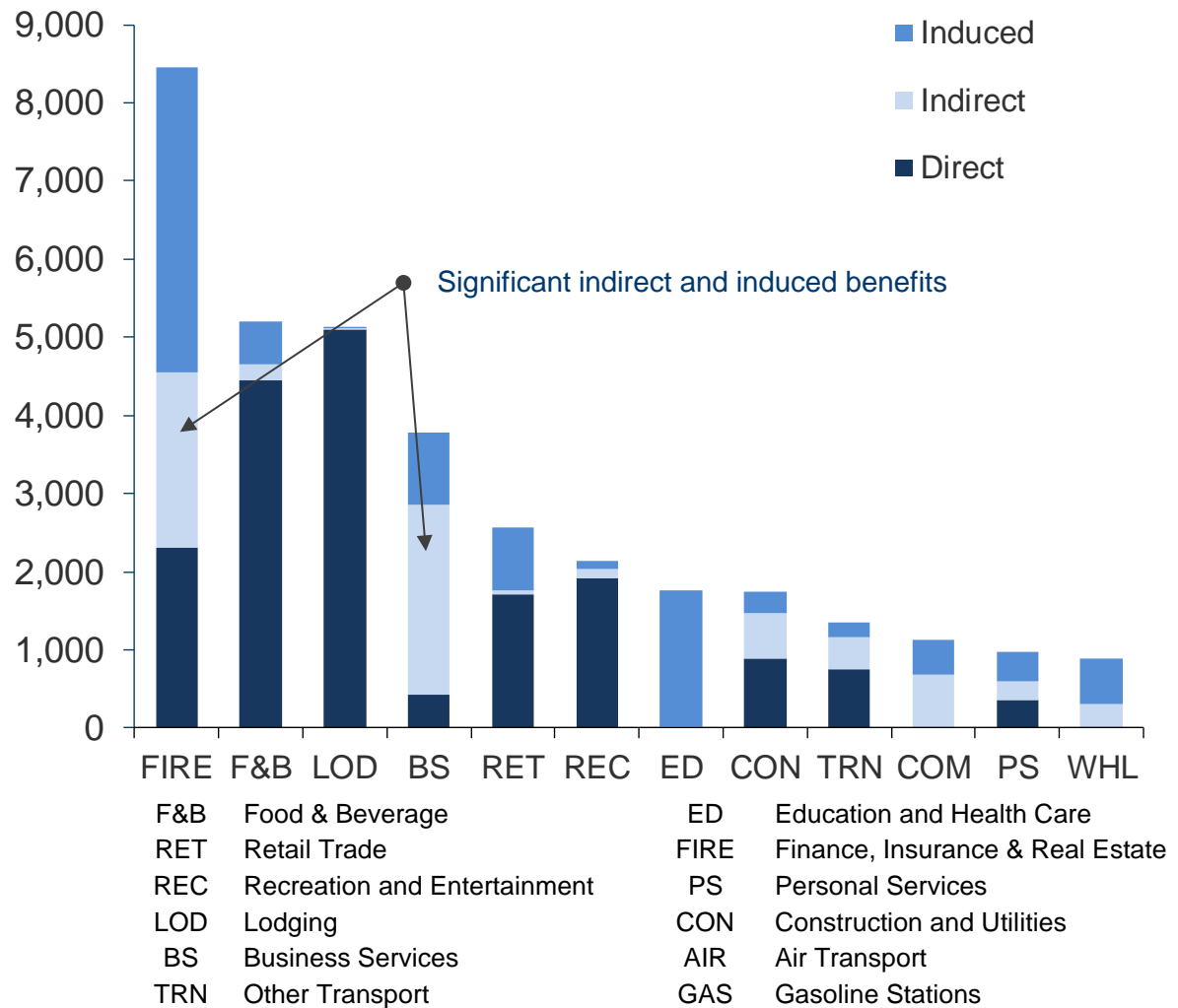
Total Tourism GDP (Value Added) Impact (US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	25.8	20.6	46.5
Construction and Utilities	894.5	568.1	282.5	1,745.2
Manufacturing	60.6	330.9	291.3	682.8
Wholesale Trade	-	302.3	578.5	880.9
Air Transport	699.0	20.8	42.9	762.6
Other Transport	755.5	403.4	184.2	1,343.1
Retail Trade	1,707.0	50.2	813.0	2,570.1
Gasoline Stations	309.6	3.0	39.2	351.7
Communications	-	690.9	431.9	1,122.8
Finance, Insurance and Real Estate	2,302.7	2,241.5	3,910.1	8,454.3
Business Services	425.1	2,430.4	932.7	3,788.2
Education and Health Care	-	9.0	1,754.7	1,763.8
Recreation and Entertainment	1,920.8	108.2	117.3	2,146.4
Lodging	5,101.2	10.3	10.8	5,122.3
Food & Beverage	4,453.4	194.3	549.0	5,196.6
Personal Services	367.3	224.7	374.4	966.4
Government	112.5	237.9	96.7	447.0
<b>TOTAL</b>	<b>19,109.1</b>	<b>7,851.6</b>	<b>10,429.9</b>	<b>37,390.5</b>
<b>Percent Change</b>	<b>2.2%</b>	<b>3.1%</b>	<b>3.1%</b>	<b>2.6%</b>

# Tourism GDP impact – total impact

- All sectors of the New Jersey economy benefit from tourism activity directly and/or indirectly.

## Total Tourism GDP Impact

\$ million



# Tourism economy employment – total impact

Total Tourism Employment Impact				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	324	343	666
Construction and Utilities	10,717	2,637	1,075	14,429
Manufacturing	908	2,300	1,332	4,540
Wholesale Trade	-	1,657	3,220	4,878
Air Transport	4,274	126	262	4,662
Other Transport	9,175	4,851	2,465	16,492
Retail Trade	38,702	849	13,541	53,091
Gasoline Stations	5,350	49	643	6,043
Communications	-	2,586	1,409	3,995
Finance, Insurance and Real Estate	14,559	14,441	15,832	44,832
Business Services	3,438	27,159	10,458	41,055
Education and Health Care	-	206	26,613	26,819
Recreation and Entertainment	55,166	3,597	3,477	62,241
Lodging	51,729	103	109	51,941
Food & Beverage	127,376	5,588	14,191	147,155
Personal Services	11,390	4,037	8,366	23,793
Government	1,349	2,831	1,346	5,527
<b>TOTAL</b>	<b>334,134</b>	<b>73,342</b>	<b>104,681</b>	<b>512,157</b>
Percent Change	0.9%	0.9%	0.7%	0.8%

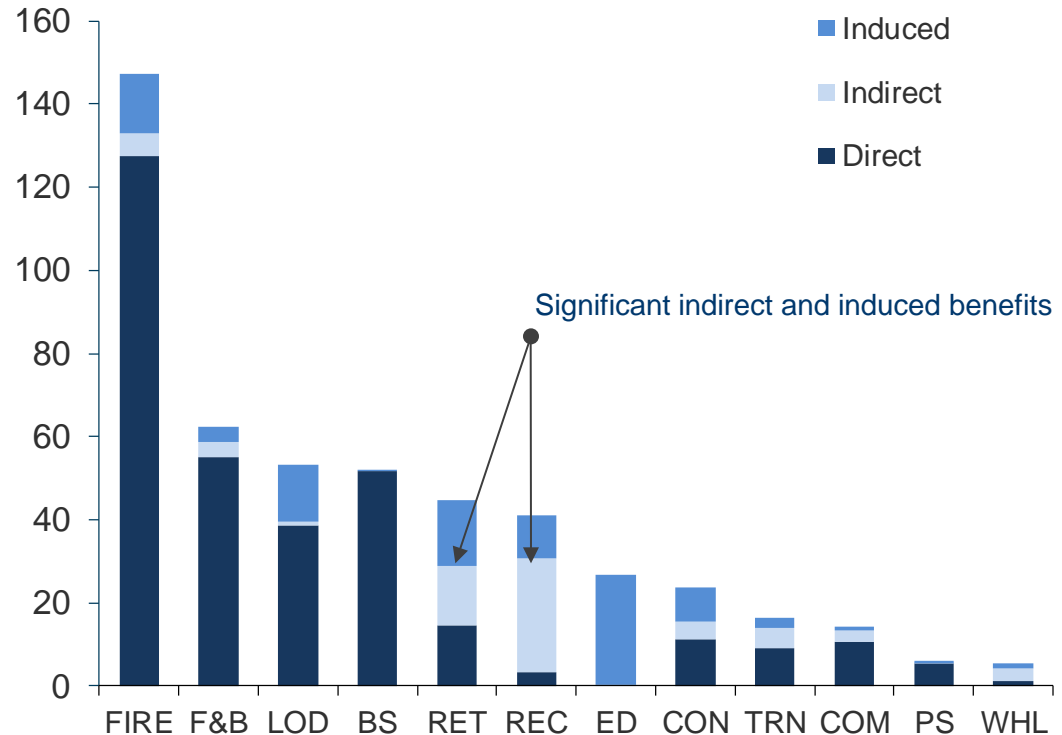
- The tourism sector directly and indirectly supported 512,157 jobs, or 9.9% of all employment in New Jersey last year.

# Tourism economy employment – total impact

- Tourism generated the most employment in the restaurant, lodging, and retail sectors.
- Secondary benefits are realized across the entire economy through the supply chain and incomes as they are spent.

## Total Tourism Employment Impact

Thousands



F&B Food & Beverage

RET Retail Trade

REC Recreation and Entertainment

LOD Lodging

BS Business Services

TRN Other Transport

ED Education and Health Care

FIRE Finance, Insurance & Real Estate

PS Personal Services

CON Construction and Utilities

AIR Air Transport

GAS Gasoline Stations



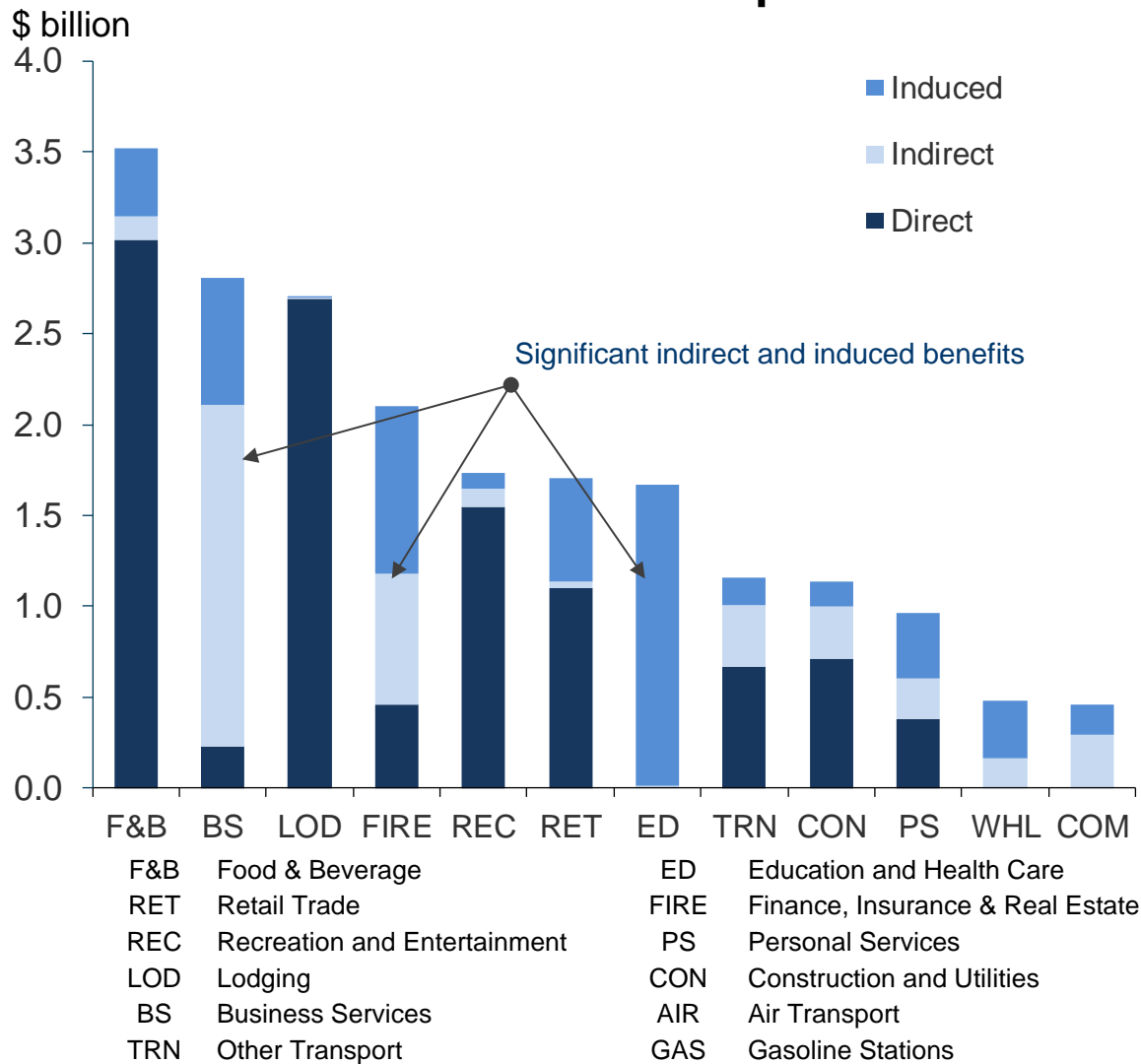
# Tourism economy income – total impact

Total Tourism Labor Income Impact (US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	14.9	14.8	29.8
Construction and Utilities	711.0	289.4	135.5	1,135.9
Manufacturing	50.5	169.3	121.0	340.8
Wholesale Trade	-	164.9	318.3	483.1
Air Transport	361.4	12.1	25.4	398.9
Other Transport	666.6	336.9	152.4	1,155.9
Retail Trade	1,098.2	36.0	572.8	1,707.0
Gasoline Stations	179.3	1.7	24.0	205.0
Communications	-	296.1	160.0	456.1
Finance, Insurance and Real Estate	460.4	721.5	917.0	2,098.9
Business Services	229.1	1,877.5	698.0	2,804.6
Education and Health Care	-	8.9	1,659.8	1,668.7
Recreation and Entertainment	1,545.4	98.3	92.0	1,735.6
Lodging	2,695.0	5.3	5.7	2,706.0
Food & Beverage	3,013.3	129.6	374.9	3,517.9
Personal Services	379.1	222.1	364.3	965.4
Government	96.6	242.4	113.8	452.8
<b>TOTAL</b>	<b>11,486</b>	<b>4,627</b>	<b>5,749</b>	<b>21,862</b>
Percent Change	1.9%	2.6%	2.6%	2.2%

# Tourism economy income – total impact

- The restaurant, lodging, and retail sectors employed the most persons in the tourism sector.
- Secondary benefits are realized across the entire economy through the supply chain and incomes as they are spent.

## Total Tourism Labor Income Impact



# Tourism economy tax generation

Traveler Generated Taxes (US\$ Million)				
Tax Type	2012	2013	2014	2015
<b>Federal Taxes Subtotal</b>	<u>5,158.3</u>	<u>5,264.2</u>	<u>5,355.8</u>	<u>5,479.6</u>
Corporate	772.1	789.5	801.5	822.6
Indirect Business	464.4	474.9	482.1	494.8
Personal Income	1,683.0	1,716.5	1,747.5	1,786.2
Social Security	2,238.7	2,283.3	2,324.6	2,376.0
<b>State and Local Taxes Subtotal</b>	<u>4,487.3</u>	<u>4,546.6</u>	<u>4,641.8</u>	<u>4,765.0</u>
Corporate	191.4	195.7	198.7	203.9
Personal Income	433.0	441.6	449.6	459.5
Sales	1,342.7	1,365.1	1,413.2	1,459.3
Lodging	<u>128.5</u>	<u>133.2</u>	<u>139.2</u>	<u>145.7</u>
Local	43.3	45.2	47.3	49.5
State	85.2	88.0	91.9	96.1
Property	2,017.4	2,052.3	2,097.4	2,143.6
Excise and Fees	346.5	330.3	314.8	323.4
State Unemployment	27.8	28.4	28.9	29.5
<b>TOTAL</b>	<b>9,645.6</b>	<b>9,810.8</b>	<b>9,997.6</b>	<b>10,244.5</b>

- As a result of tourism activity, governments received \$10.2 billion in tax and assessment revenues in 2015.
- State and local taxes alone tallied \$4.8 billion.
- Each household in New Jersey would need to be taxed an additional \$1,490 per year to replace the tourism taxes received by state and local governments.

# Visitation Forecast



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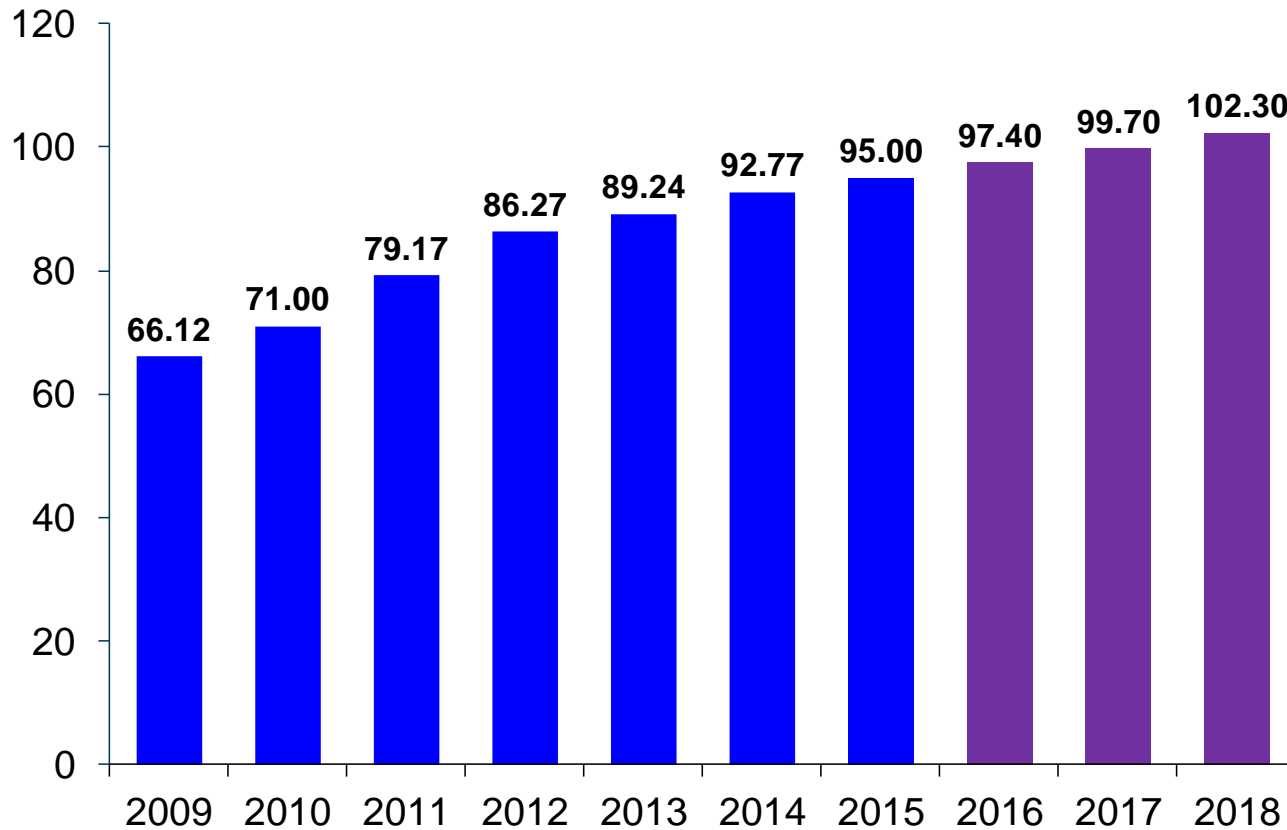
# Key points

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- For the last two years, no major weather event has discouraged visitation to New Jersey.
- Visitor volume reached 95.0 million in 2015, a 2.4% increase over 2014.
- We expect visitation growth to maintain strength in 2015, for a combination of reasons:
  - Strong US employment growth – averaging more than 200,000 over the past three months
  - Strengthening wage growth in the US in 2016
  - Consumer spending is now driving US economic growth
  - Lower travel costs – mainly from declines in gas prices
- A key wildcard: the weather. As we have seen in the past couple of years, an ill-timed hurricane or winter storm that either impacts travel or forces evacuations of certain communities can have a significant impact on visitation.

## New Jersey Visits

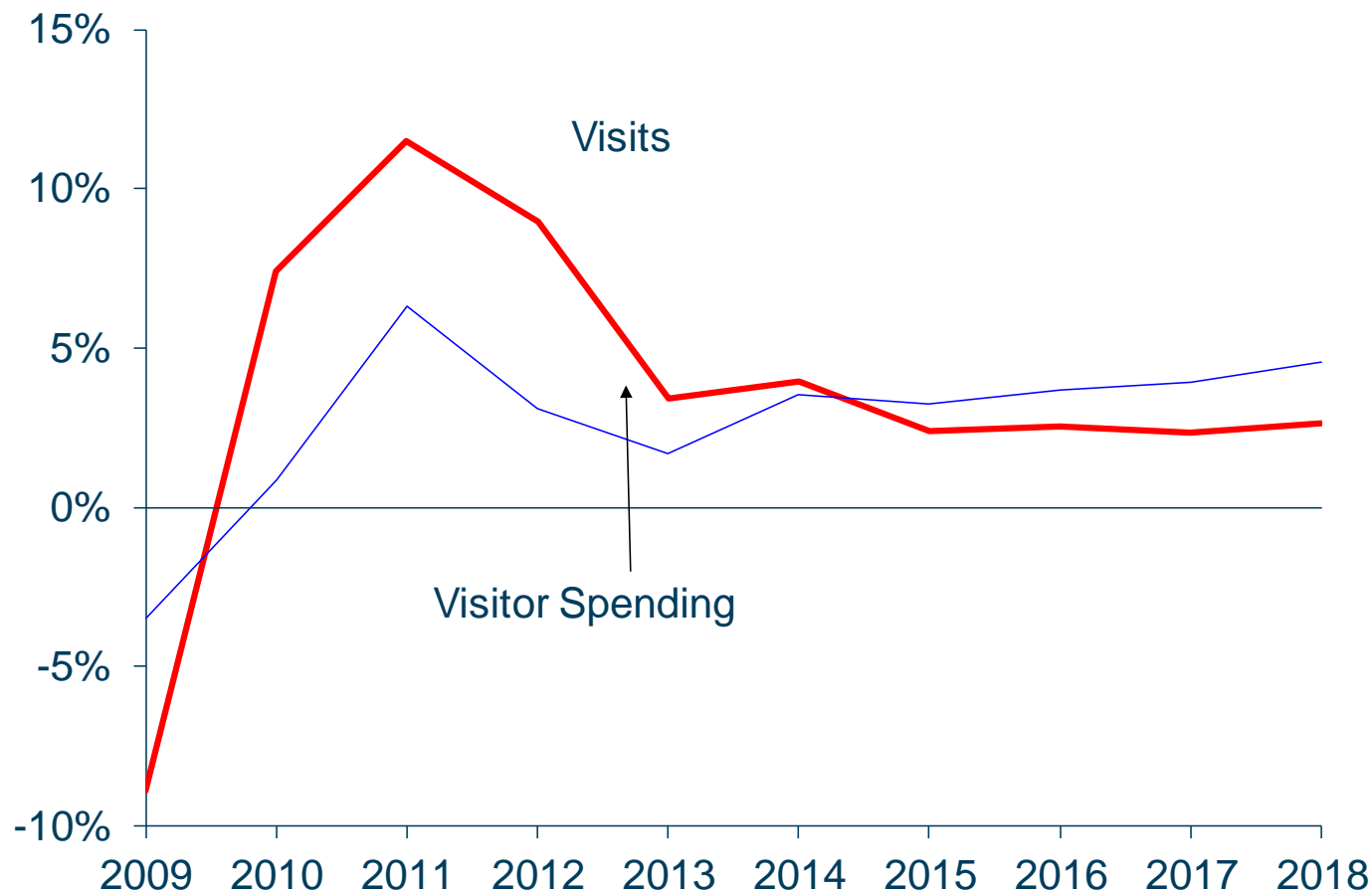
Domestic & International (millions)



Source : Tourism Economics

# Visitation and spending

## Growth in Visits and Spending



# New Jersey visits and spending forecast

<b>NJ Tourism Forecast</b>						
<b>Year</b>	<b>Visits (Million)</b>	<b>Pch Chng</b>	<b>Spending (US\$ Million)</b>	<b>Pch Chng</b>	<b>S&amp;L Tax Revenue (US\$ Million)</b>	<b>Pch Chng</b>
<b>2007</b>	<b>75.50</b>		<b>\$37,339.2</b>	<b>0.0%</b>		
<b>2008</b>	<b>72.61</b>	<b>-3.8%</b>	<b>\$35,518.7</b>	<b>-4.9%</b>		
<b>2009</b>	<b>66.12</b>	<b>-8.9%</b>	<b>\$34,288.3</b>	<b>-3.5%</b>		
<b>2010</b>	<b>71.00</b>	<b>7.4%</b>	<b>\$34,577.2</b>	<b>0.8%</b>		
<b>2011</b>	<b>79.17</b>	<b>11.5%</b>	<b>\$36,752.9</b>	<b>6.3%</b>	<b>\$4,415.8</b>	
<b>2012</b>	<b>86.27</b>	<b>9.0%</b>	<b>\$37,889.7</b>	<b>3.1%</b>	<b>\$4,487.3</b>	<b>1.6%</b>
<b>2013</b>	<b>89.24</b>	<b>3.4%</b>	<b>\$38,522.6</b>	<b>1.7%</b>	<b>\$4,546.6</b>	<b>1.3%</b>
<b>2014</b>	<b>92.77</b>	<b>4.0%</b>	<b>\$39,880.2</b>	<b>3.5%</b>	<b>\$4,641.8</b>	<b>2.1%</b>
<b>2015</b>	<b>95.00</b>	<b>2.4%</b>	<b>\$41,180.9</b>	<b>3.3%</b>	<b>\$4,765.0</b>	<b>2.7%</b>
<b>2016</b>	<b>97.40</b>	<b>2.5%</b>	<b>\$42,702.5</b>	<b>3.7%</b>	<b>\$4,887.9</b>	<b>2.6%</b>
<b>2017</b>	<b>99.70</b>	<b>2.4%</b>	<b>\$44,389.0</b>	<b>3.9%</b>	<b>\$5,032.5</b>	<b>3.0%</b>
<b>2018</b>	<b>102.30</b>	<b>2.6%</b>	<b>\$46,416.1</b>	<b>4.6%</b>	<b>\$5,211.6</b>	<b>3.6%</b>
<b>2019</b>	<b>104.64</b>	<b>2.3%</b>	<b>\$48,502.1</b>	<b>4.5%</b>	<b>\$5,392.9</b>	<b>3.5%</b>
<b>2020</b>	<b>106.90</b>	<b>2.2%</b>	<b>\$50,720.7</b>	<b>4.6%</b>	<b>\$5,584.2</b>	<b>3.5%</b>



# County Results



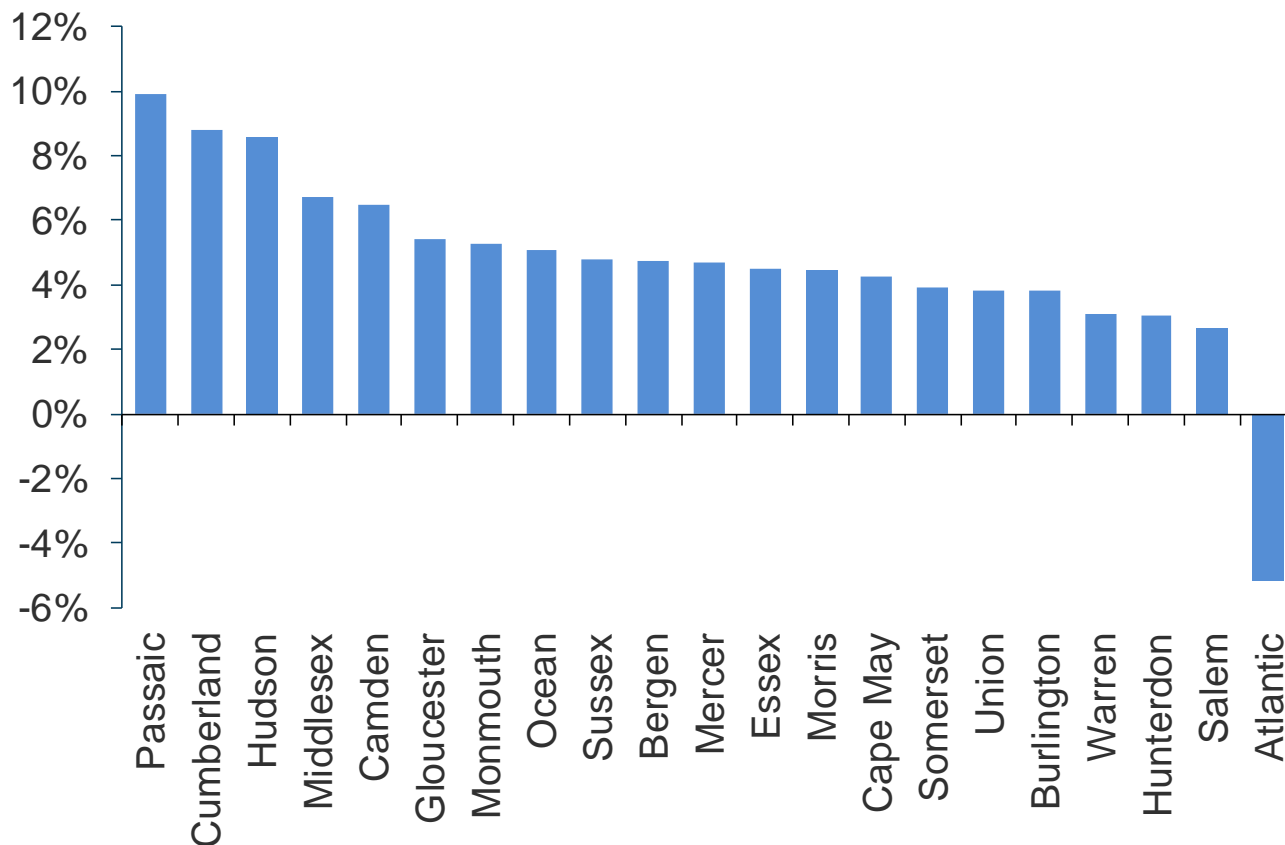
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# County growth in tourism sales

## Growth in Tourism Industry Sales

2015, % change



Source : Tourism Economics

# County Analysis

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- With the exception of Atlantic County, visitor spending grew in all counties in New Jersey.
- With the memory and impact of Superstorm Sandy fading and another year of construction in the books, Monmouth and Ocean County were the fastest growing shore counties.

# Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	2010	2011	2012	2013	2014	2015	Percent Change
<b>New Jersey</b>	<b>\$34,577</b>	<b>\$36,753</b>	<b>\$37,890</b>	<b>\$38,523</b>	<b>\$39,880</b>	<b>\$41,181</b>	<b>3.3%</b>
Atlantic County	\$7,787	\$7,806	\$7,567	\$7,319	\$7,085	\$6,720	-5.2%
Bergen County	\$2,280	\$2,516	\$2,594	\$2,687	\$2,811	\$2,944	4.7%
Burlington County	\$1,100	\$1,209	\$1,292	\$1,329	\$1,426	\$1,480	3.8%
Camden County	\$630	\$681	\$704	\$721	\$780	\$831	6.5%
Cape May County	\$4,971	\$5,182	\$5,395	\$5,519	\$5,795	\$6,041	4.3%
Cumberland County	\$263	\$296	\$317	\$318	\$320	\$348	8.8%
Essex County	\$2,636	\$2,887	\$2,958	\$3,106	\$3,297	\$3,444	4.5%
Gloucester County	\$317	\$343	\$346	\$363	\$419	\$441	5.4%
Hudson County	\$1,521	\$1,613	\$1,684	\$1,763	\$1,870	\$2,030	8.6%
Hunterdon County	\$247	\$274	\$282	\$288	\$305	\$315	3.0%
Mercer County	\$965	\$1,071	\$1,114	\$1,154	\$1,204	\$1,260	4.7%
Middlesex County	\$1,653	\$1,843	\$1,984	\$2,071	\$2,183	\$2,330	6.7%
Monmouth County	\$1,900	\$1,977	\$2,105	\$2,209	\$2,272	\$2,392	5.3%
Morris County	\$1,588	\$1,750	\$1,814	\$1,938	\$2,008	\$2,097	4.5%
Ocean County	\$3,692	\$4,017	\$4,291	\$4,191	\$4,364	\$4,585	5.1%
Passaic County	\$426	\$469	\$481	\$493	\$518	\$569	9.9%
Salem County	\$126	\$163	\$179	\$176	\$194	\$200	2.7%
Somerset County	\$938	\$1,005	\$1,046	\$1,093	\$1,114	\$1,157	3.9%
Sussex County	\$431	\$442	\$461	\$487	\$494	\$518	4.8%
Union County	\$973	\$1,065	\$1,120	\$1,168	\$1,285	\$1,334	3.8%
Warren County	\$134	\$145	\$154	\$154	\$155	\$160	3.1%

# Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	Lodging	Food & beverage	Retail	Recreation	Transport	2nd homes	Total
<b>2015</b>							
<b>New Jersey</b>	<b>11,162.5</b>	<b>10,231.0</b>	<b>7,796.2</b>	<b>5,176.3</b>	<b>6,814.9</b>	<b>4,178.9</b>	<b>41,180.9</b>
Atlantic County	3,668.4	1,248.7	976.1	359.7	467.2	410.6	6,720.1
Bergen County	470.2	874.6	570.8	420.7	607.8	29.2	2,944.1
Burlington County	200.6	406.0	335.2	190.7	347.9	13.6	1,480.3
Camden County	92.5	225.6	170.9	142.8	199.2	10.9	831.0
Cape May County	2,359.5	1,365.5	1,216.8	708.3	390.9	1,981.7	6,041.0
Cumberland County	42.4	90.9	82.0	38.9	93.7	14.3	347.8
Essex County	339.4	606.7	390.1	281.2	1,827.0	22.9	3,444.3
Gloucester County	44.0	143.4	79.5	60.5	113.8	8.3	441.3
Hudson County	431.4	616.8	427.8	287.7	266.4	17.4	2,030.2
Hunterdon County	35.7	79.7	67.7	52.6	78.9	7.5	314.7
Mercer County	202.9	372.1	274.6	183.2	227.5	12.0	1,260.3
Middlesex County	346.0	699.0	519.5	306.1	459.2	11.8	2,329.8
Monmouth County	477.9	618.8	451.4	543.0	300.6	284.0	2,391.8
Morris County	431.9	579.2	395.2	357.1	334.1	26.7	2,097.4
Ocean County	1,359.1	1,112.9	985.8	636.7	490.3	1,216.5	4,584.8
Passaic County	71.3	201.8	117.7	84.2	94.2	24.7	569.3
Salem County	21.9	42.5	48.5	18.1	68.6	3.1	199.6
Somerset County	214.2	354.2	255.2	199.4	134.5	14.7	1,157.5
Sussex County	127.6	147.5	111.0	87.4	44.7	53.6	518.1
Union County	204.1	406.3	287.4	196.1	240.3	7.4	1,334.2
Warren County	21.6	38.9	32.9	21.9	44.7	7.9	160.1

# Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	Lodging	Food & beverage	Retail	Recreation	Transport	2nd homes	Total
<b>2014</b>							
<b>New Jersey</b>	<b>11,049.7</b>	<b>9,713.0</b>	<b>7,445.9</b>	<b>4,907.5</b>	<b>6,764.2</b>	<b>4,024.0</b>	<b>39,880.2</b>
Atlantic County	3,887.7	1,309.6	1,008.6	375.4	503.9	391.9	7,085.2
Bergen County	454.1	815.3	531.3	397.2	613.5	24.9	2,811.4
Burlington County	191.9	382.9	318.6	179.6	352.8	12.2	1,425.7
Camden County	84.5	210.3	157.8	130.3	197.4	8.8	780.3
Cape May County	2,296.3	1,283.6	1,153.6	667.9	393.2	1,947.5	5,794.6
Cumberland County	39.2	82.0	74.6	35.0	88.8	14.7	319.6
Essex County	328.6	571.0	370.2	267.3	1,759.4	19.0	3,296.6
Gloucester County	41.2	133.6	75.0	56.6	112.0	8.4	418.5
Hudson County	389.7	565.1	394.0	265.4	256.1	18.0	1,870.2
Hunterdon County	34.8	75.8	64.8	50.1	80.0	7.4	305.5
Mercer County	199.4	348.9	259.2	173.0	223.1	14.6	1,203.6
Middlesex County	326.1	636.3	489.7	282.4	449.1	9.9	2,183.5
Monmouth County	447.7	583.5	427.8	513.7	299.4	265.2	2,272.2
Morris County	410.3	543.5	373.8	337.4	343.0	28.3	2,008.0
Ocean County	1,281.5	1,051.3	941.3	602.9	486.9	1,146.2	4,363.8
Passaic County	62.7	182.2	106.3	77.3	89.5	21.1	517.9
Salem County	20.7	40.7	46.1	17.5	69.4	2.4	194.4
Somerset County	207.2	336.4	243.0	189.6	137.7	14.9	1,113.9
Sussex County	123.6	139.1	104.4	81.7	45.8	53.8	494.5
Union County	202.4	384.7	274.6	186.1	237.1	6.2	1,285.0
Warren County	20.0	37.1	31.4	21.3	45.5	8.6	155.3

# Tourism employment by county

Direct Tourism Employment						
County	2011	2012	2013	2014	2015	Percent Change
<b>New Jersey</b>	<b>312,369</b>	<b>318,560</b>	<b>320,238</b>	<b>315,952</b>	<b>318,330</b>	<b>0.8%</b>
Atlantic County	59,610	60,667	58,349	52,299	47,620	-8.9%
Bergen County	24,504	23,938	24,118	23,951	24,723	3.2%
Burlington County	14,236	14,692	14,865	15,026	15,173	1.0%
Camden County	8,100	8,053	8,100	8,329	8,895	6.8%
Cape May County	24,714	25,102	25,140	25,490	25,884	1.5%
Cumberland County	3,141	3,210	3,146	3,107	3,290	5.9%
Essex County	20,943	20,996	21,092	21,286	22,217	4.4%
Gloucester County	4,412	4,506	4,510	4,757	4,916	3.3%
Hudson County	16,872	16,965	17,148	17,648	18,421	4.4%
Hunterdon County	2,718	2,762	2,798	2,840	2,845	0.2%
Mercer County	11,206	11,292	11,858	12,421	12,503	0.7%
Middlesex County	20,243	21,499	21,977	22,137	22,792	3.0%
Monmouth County	19,574	20,431	21,282	21,166	21,748	2.8%
Morris County	20,076	20,295	21,582	21,351	21,597	1.1%
Ocean County	24,716	25,979	25,737	25,666	26,188	2.0%
Passaic County	5,371	5,302	5,358	5,335	5,647	5.9%
Salem County	1,529	1,572	1,525	1,549	1,569	1.3%
Somerset County	10,977	11,298	11,485	10,910	11,113	1.9%
Sussex County	6,111	6,194	6,204	6,017	6,226	3.5%
Union County	11,718	12,163	12,328	13,045	13,285	1.8%
Warren County	1,599	1,644	1,636	1,623	1,676	3.3%

# Tourism impacts by county

Tourism Impacts by County				
County	Tourism Employment: Direct Impact	Direct Share of Total Employment	Tourism Employment: Total Impact	Total Share of Total Employment
<b>New Jersey</b>	<b>318,330</b>	<b>6.1%</b>	<b>512,157</b>	<b>9.8%</b>
Atlantic County	47,620	28.8%	65,647	39.7%
Bergen County	24,723	3.9%	44,402	7.0%
Burlington County	15,173	5.6%	23,546	8.7%
Camden County	8,895	3.4%	16,154	6.2%
Cape May County	25,884	40.3%	36,369	56.6%
Cumberland County	3,290	4.5%	5,517	7.5%
Essex County	22,217	4.8%	39,654	8.6%
Gloucester County	4,916	3.7%	8,344	6.2%
Hudson County	18,421	5.5%	30,478	9.1%
Hunterdon County	2,845	3.6%	4,938	6.3%
Mercer County	12,503	4.6%	22,840	8.4%
Middlesex County	22,792	4.4%	39,473	7.6%
Monmouth County	21,748	5.8%	33,082	8.9%
Morris County	21,597	5.4%	35,572	8.8%
Ocean County	26,188	10.7%	37,562	15.4%
Passaic County	5,647	2.5%	11,840	5.2%
Salem County	1,569	5.7%	2,564	9.3%
Somerset County	11,113	4.6%	19,974	8.2%
Sussex County	6,226	9.9%	8,089	12.8%
Union County	13,285	4.5%	23,104	7.8%
Warren County	1,676	3.7%	3,009	6.7%

County employment shares are comparisons against total county private employment (BEA)



# Tourism impacts by county

Tourism Tax Impacts by County						
State and Local Tax Receipts (millions)						
	2012	2013	2014	2015	Percent Change	Share of State
<b>New Jersey</b>	<b>\$4,487.3</b>	<b>\$4,546.6</b>	<b>\$4,641.8</b>	<b>\$4,765.0</b>	<b>2.7%</b>	<b>100.0%</b>
Atlantic County	\$830.9	\$808.4	\$780.5	\$758.8	-2.8%	15.9%
Bergen County	\$354.8	\$362.9	\$375.1	\$390.3	4.0%	8.2%
Burlington County	\$160.2	\$162.3	\$170.1	\$176.1	3.6%	3.7%
Camden County	\$100.1	\$102.4	\$106.0	\$111.4	5.1%	2.3%
Cape May County	\$490.8	\$508.4	\$517.2	\$533.8	3.2%	11.2%
Cumberland County	\$38.1	\$37.9	\$37.5	\$39.9	6.5%	0.8%
Essex County	\$335.5	\$345.6	\$358.7	\$373.2	4.0%	7.8%
Gloucester County	\$52.0	\$53.3	\$58.0	\$60.6	4.6%	1.3%
Hudson County	\$213.0	\$219.7	\$227.7	\$241.9	6.2%	5.1%
Hunterdon County	\$38.7	\$39.9	\$41.2	\$42.6	3.2%	0.9%
Mercer County	\$144.8	\$149.1	\$154.0	\$160.5	4.2%	3.4%
Middlesex County	\$274.9	\$281.9	\$293.1	\$307.9	5.1%	6.5%
Monmouth County	\$269.2	\$276.7	\$282.1	\$293.6	4.1%	6.2%
Morris County	\$248.5	\$266.3	\$273.3	\$284.3	4.0%	6.0%
Ocean County	\$438.4	\$420.3	\$435.8	\$451.4	3.6%	9.5%
Passaic County	\$80.4	\$81.9	\$83.9	\$89.2	6.3%	1.9%
Salem County	\$19.5	\$19.3	\$20.6	\$21.2	2.6%	0.4%
Somerset County	\$152.1	\$157.4	\$160.2	\$166.3	3.8%	3.5%
Sussex County	\$55.6	\$60.0	\$60.8	\$63.1	3.7%	1.3%
Union County	\$157.3	\$161.4	\$170.7	\$177.0	3.7%	3.7%
Warren County	\$22.1	\$21.9	\$21.7	\$22.5	3.5%	0.5%

# Methodology and Background



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# Methods and data sources

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- Domestic visitor expenditure estimates are provided by DK Shifflet's representative survey of US travelers. These are broken out by sectors (lodging, transport at destination, food & beverage, retail, and recreation), by purpose (business and leisure), and by length of stay (day and overnight).
- Tourism Economics then adjusts these levels of spending based on a range of known measures of tourism activity:
  - Overseas visitor spending (source: NTTO, TE)
  - Canada visitor spending (source: Statistics Canada, TE)
  - Bed tax receipts (source: State of NJ, Department of Treasury)
  - Spending on air travel which accrues to all airports and locally-based airlines
  - Gasoline purchases by visitors (source: TE calculation)
  - Smith Travel Research data on hotel revenues
  - Construction Value by McGraw-Hill Construction
  - Industry data on employment, wages, GDP, and sales (source: BEA, BLS, Census)
  - Previous research on the economic impact of NJ tourism

# Methods and data sources

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- An IMPLAN model was compiled for the State of New Jersey. This traces the flow of visitor-related expenditures through the local economy and their effects on employment, wages, and taxes. IMPLAN also quantifies the indirect (supplier) and induced (income) impacts of tourism.
- All results are benchmarked and cross-checked and adjusted based on the following:
  - US Bureau of Labor Statistics and Bureau of Economic Analysis (employment and wages by industry)
  - US Census (business sales by industry)
- The source of the employment and wage data is the Regional Economic Information System (REIS), Bureau of Economic Analysis, U.S. Department of Commerce. All employment rankings are based on Bureau of Labor Statistics (ES202/QCEW) data.

# Selected recent economic impact clients

## Associations / Companies

Center for Exhibition Industry Research (Economic Impact of Visa Restrictions)

DMAI (Event Impact Calculator for 80 CVBs)

US Travel Association (Impact of travel promotion)

InterContinental Hotels

## States

California

Georgia

Maryland

New York

North Carolina

Ohio

Pennsylvania

Wisconsin

## Cities

Baltimore, MD

Columbus, OH

Kansas City, MO

London, United Kingdom

New York City

Omaha, NE

Orlando, FL

Philadelphia, PA

Pittsburgh, PA

Rockford, IL

## Countries / Provinces

Bahamas

Bermuda

Cayman Islands

Dubai

Ontario Canada

St. Lucia

United Kingdom



# About Tourism Economics

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- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with over 100 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 150 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
- For more information: [info@tourismeconomics.com](mailto:info@tourismeconomics.com).