



# NJ Tourism: An Economic Juggernaut

2008 New Jersey Governor's Conference on Tourism

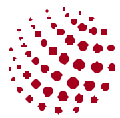
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**GLOBAL** INSIGHT



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  - Tourism Economic Impact
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## TSA and Economic Impact Clients

### Tourism Satellite Account

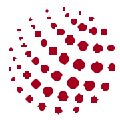
- **NEW JERSEY**
- Rhode Island
- Israel
- Dubai
- Bahamas
- Abu Dhabi
- Kansas
- North Dakota
- Guam
- North Carolina
- Alaska
- South Carolina
- Delaware
- Virginia
- Utah

### Economic Impact

- Idaho
- Pennsylvania
- Indiana
- Maryland

### City Tourism Impact

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



## 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**







## 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

#### Tourism Industry (Direct Effect)

Accommodation, Recreation, Catering, Entertainment, Transportation

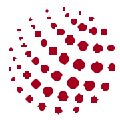
### Travel & Tourism Economy

The flow-through effect of travel demand across the economy

#### Tourism Economy (Indirect Effect)

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

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



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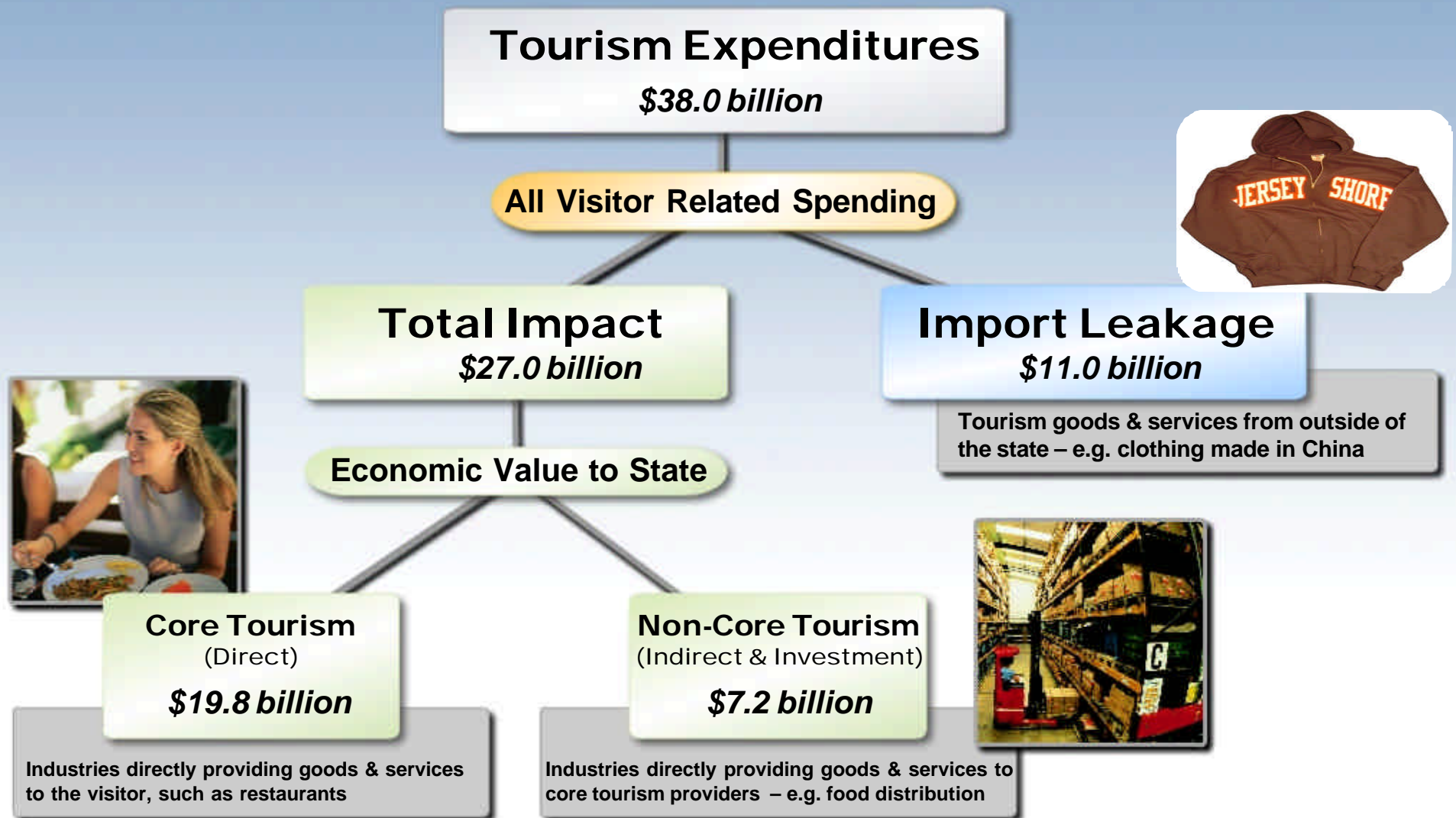


# 2007 New Jersey Tourism: *Another Strong Year...*





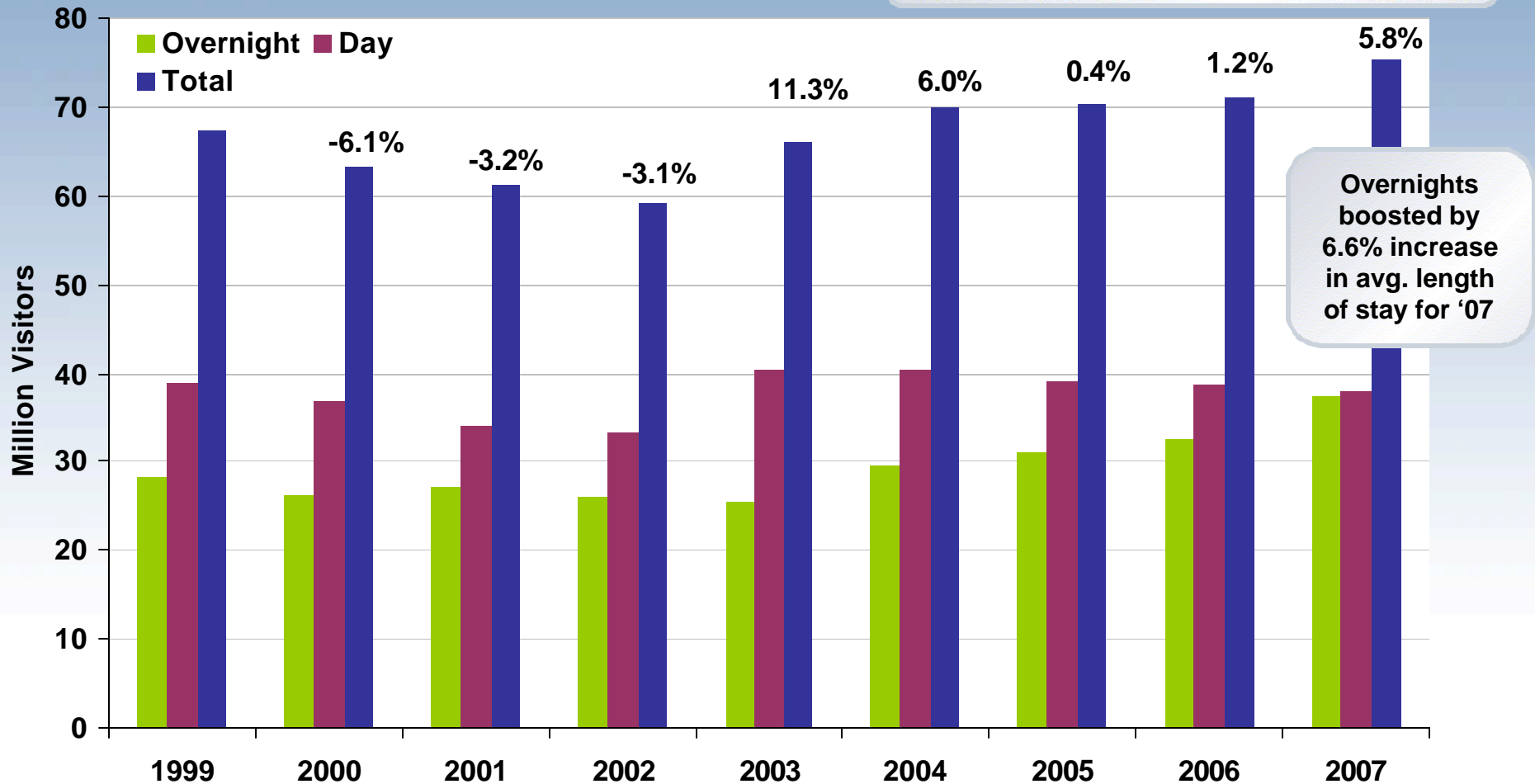
## Industry Structure: Definitions





## Visitors to New Jersey\*

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

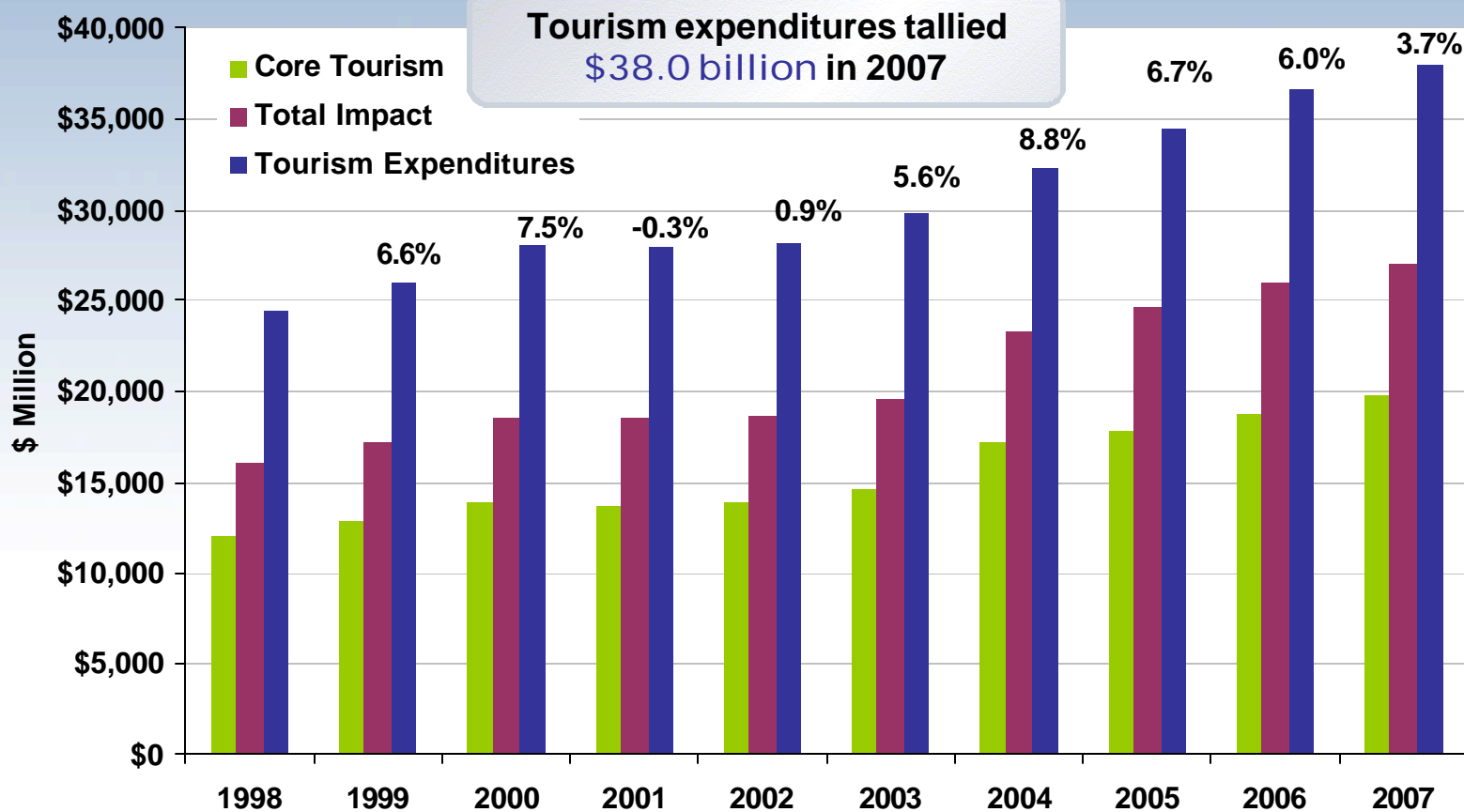


\* Visitation statistics provided by DK Shifflet & Associates, Ltd



## Total Tourism Expenditures

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



Source: Global Insight



## Another Strong Year for NJ Tourism

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

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

Numbers may differ due to rounding

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

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

Source: Global Insight





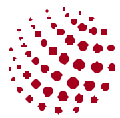
## Why Are the 2006 Figures Different From Last Year?

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

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

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

Source: Global Insight



## NJ Tourism...Keeps Chugging Along

### 2007 Bottom Line:

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

Numbers may differ due to rounding

Source: Global Insight



## 2007 NJ Tourism Scorecard

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

Source: Global Insight



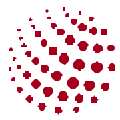


## Total Impact of Tourism

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

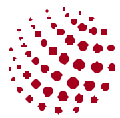






## Sources of Tourism Expenditures

- **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

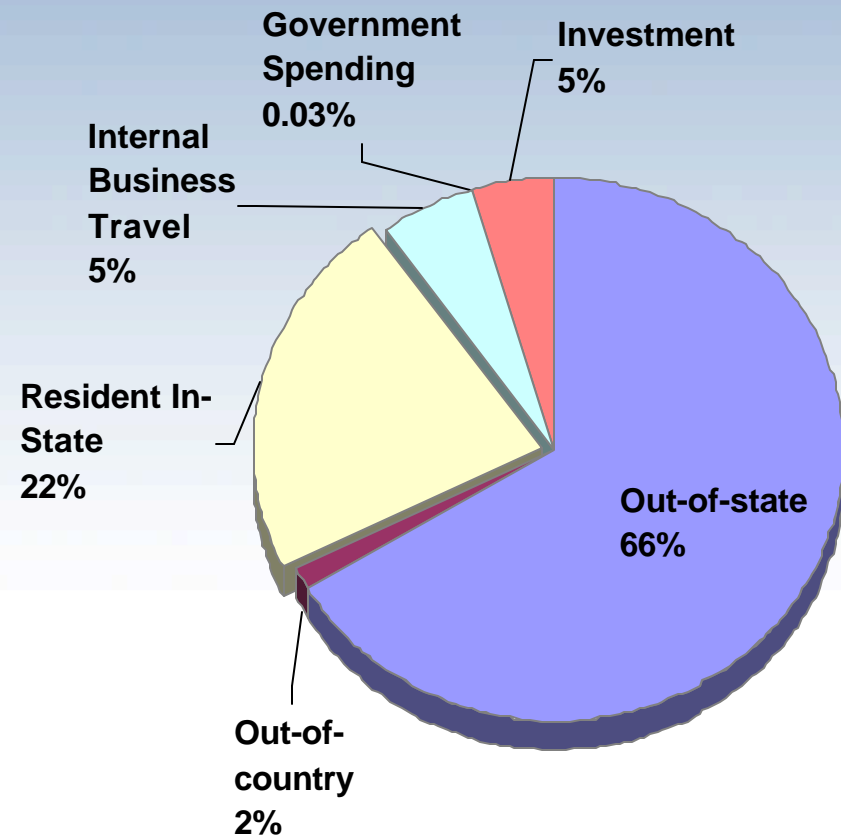


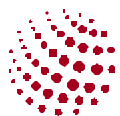
## Breaking Down Tourism Expenditures – \$38.0 Billion

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

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

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





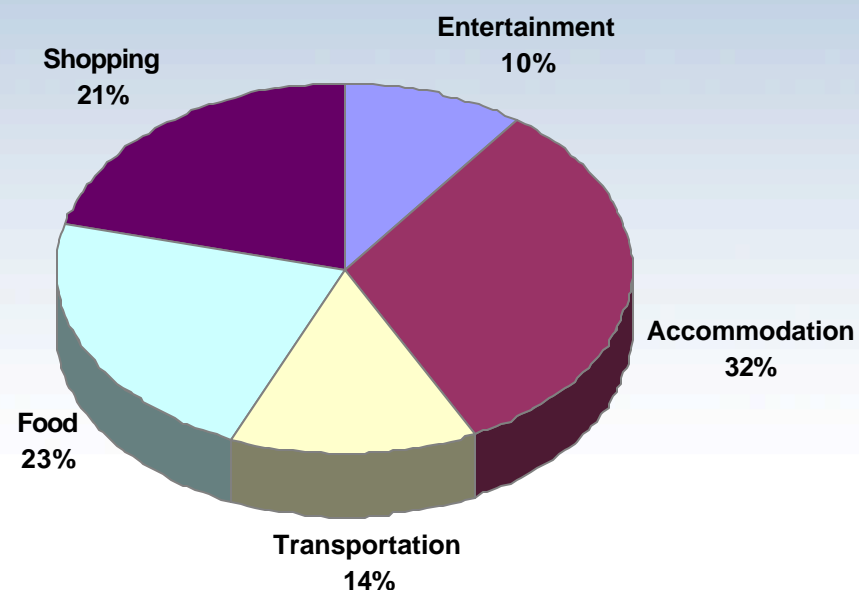
## Category Distribution of Expenditures

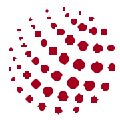
Accommodation accounts for the largest share of tourism expenditure. Combined with food and shopping, these components represent nearly 76% of visitor expenditures.

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

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

Source: Global Insight





## Core Tourism

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





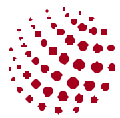
## Core Tourism Impact – Composition

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

### Composition of Core Tourism

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

Source: Global Insight

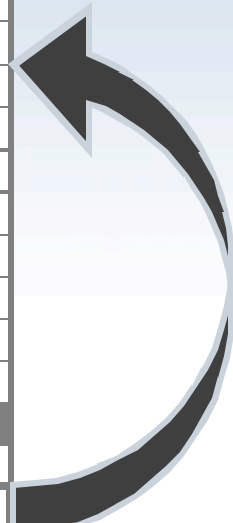


## Ranking Core Tourism – Gross State Product

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

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

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



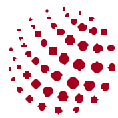
Source: Bureau of Economic Analysis and Global Insight

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



## Core Tourism – Employment

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



## Ranking Core Tourism – Employment

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

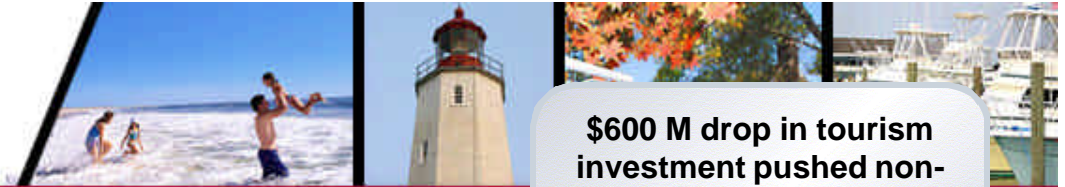
Rank	Industry	Employment (Thousands)	Employment w/o T&T Portion (000)	2006- 2007 Growth	% of State	LQ Index
1	Health Care and Social Assistance	491.6	491.6	2.1%	12.0%	1.1
2	Retail Trade	470.9	434.9	0.6%	11.5%	1.0
3	Accommodation and Food Services	289.2	37.8	0.3%	7.1%	0.8
4	Professional, Scientific, and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

Core Tourism  
represented  
383,881 jobs  
in 2007.

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

Table Source: Bureau of Labor Statistics and Global Insight

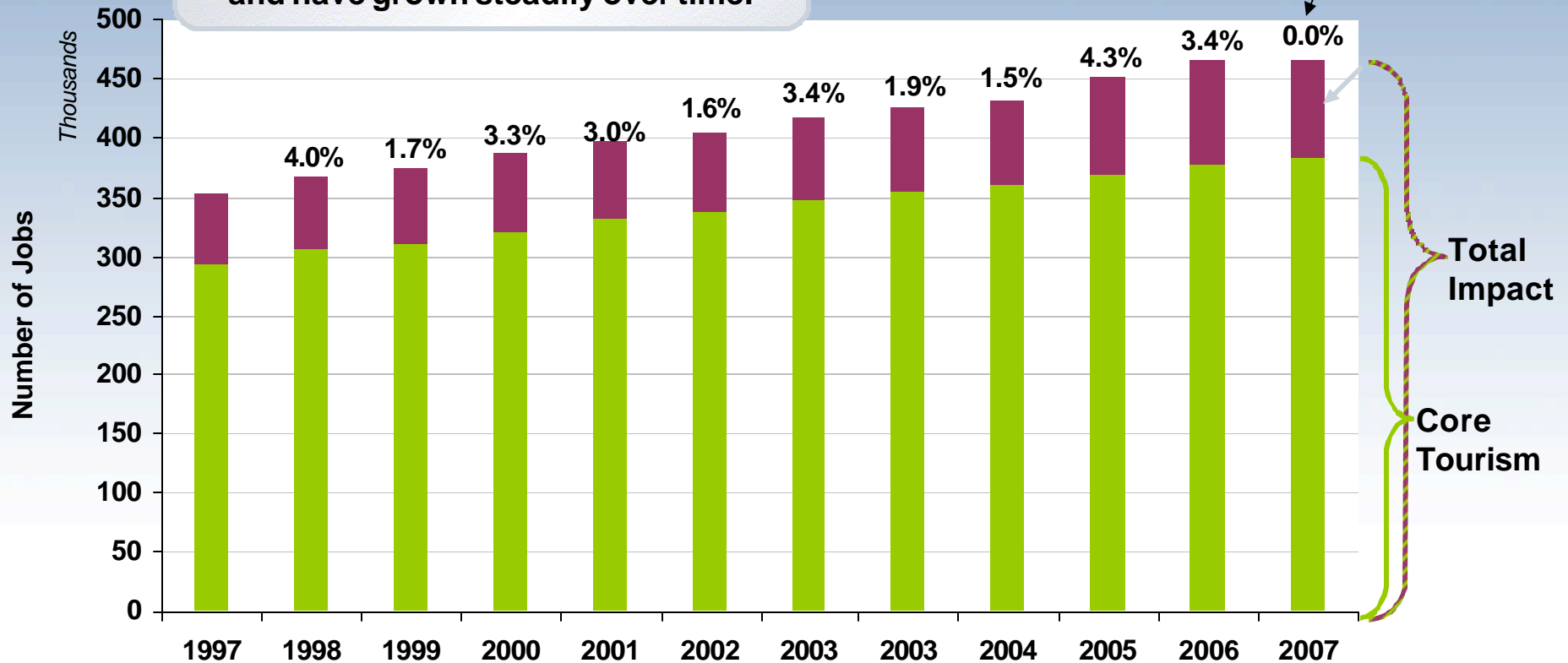




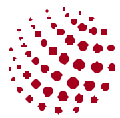
## Total Tourism grew 0.04% in 2007

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

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



Source: Global Insight



## Non-Core Tourism – NJ Visitors Benefit Many Sectors

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

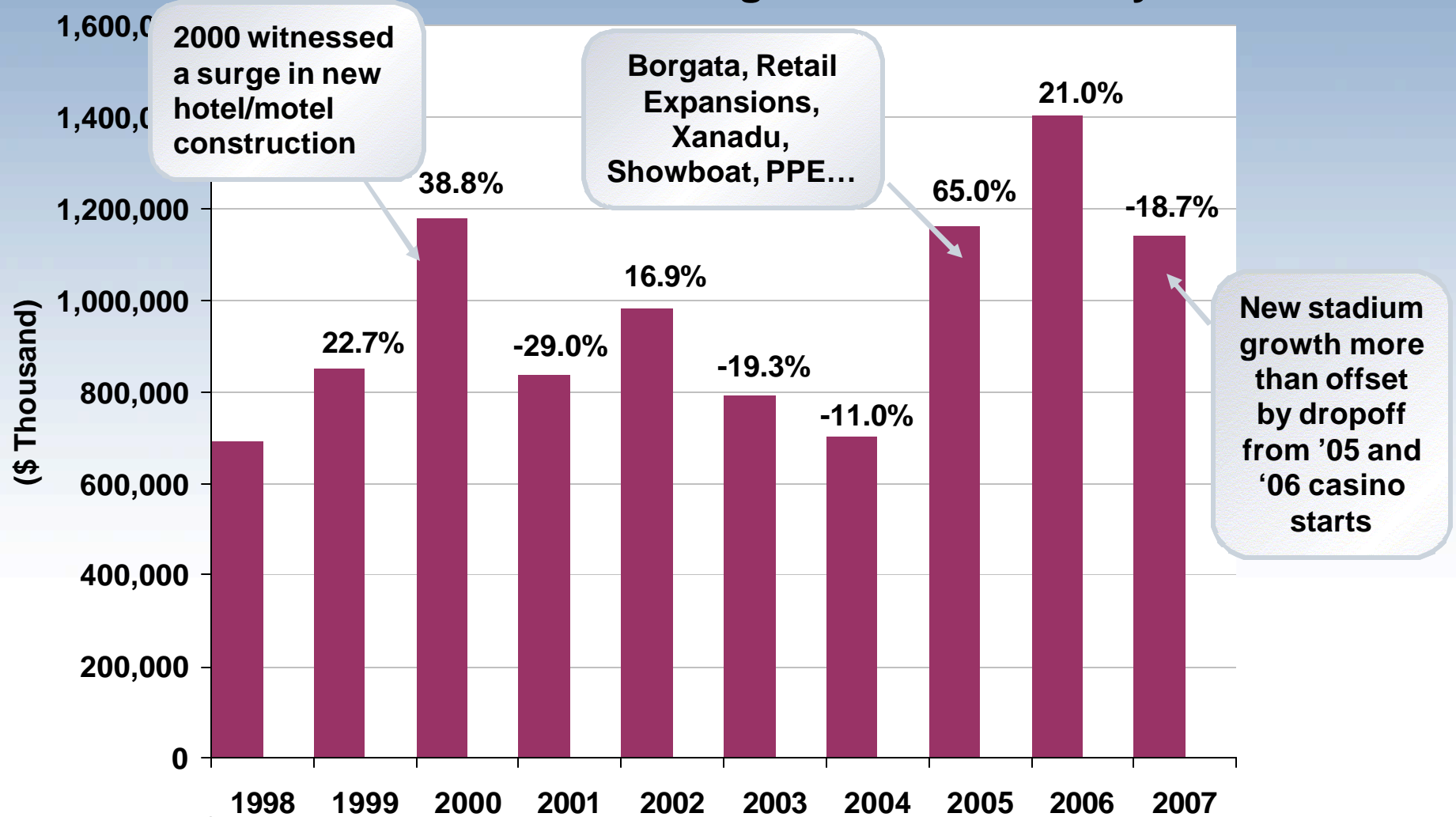
Indirect Benefits of Tourism				
Rank	Industry	\$ Value (Millions)	'06-'07 Growth	% of Total
1	Real estate	728	3.7%	9.5%
2	Wholesale trade	530	1.6%	6.9%
3	Power generation and supply	297	4.0%	3.9%
4	Management of companies and enterprises	275	7.9%	3.6%
5	Lessors of nonfinancial intangible assets	226	3.3%	3.0%
6	Other State and local government enterprises	204	5.3%	2.7%
7	Maintenance and repair of nonresidential buildings	157	3.8%	2.0%
8	Employment services	154	5.4%	2.0%
9	Advertising and related services	143	4.7%	1.9%
10	Nondepository credit intermediation	138	3.4%	1.8%
11	Telecommunications	137	4.0%	1.8%
12	Legal services	129	5.5%	1.7%
13	Travel arrangement and reservation services	114	6.9%	1.5%
14	Management consulting services	108	4.1%	1.4%
15	Architectural and engineering services	92	4.9%	1.2%
	Other Industries	2,459	3.8%	32.1%
	Investment	1,780	-24.9%	23.2%
<b>Total</b>		<b>7,672</b>	<b>-4.5%</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 \$7.3 bn in Total Tax Revenue in 2007

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



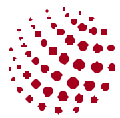


## State & Local Government Revenue

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

Growth in ADRs, RevPar, and overnights increasing hotel tax

Slot revenue impacted by Penn. slot casinos



## Regional Distribution of Tourism

New Jersey is divided into six regions in the analysis:

### ○ Skylands

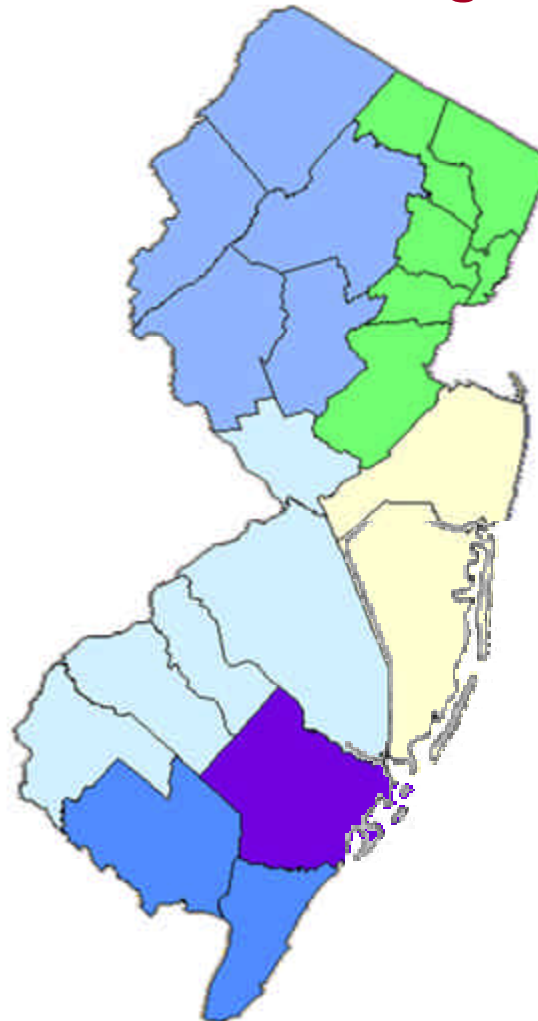
- Sussex • Somerset
- Warren • Morris
- Hunterdon

### ● Gateway

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

### ○ Delaware River

- Mercer • Gloucester
- Camden • Salem
- Burlington



### ○ Shore

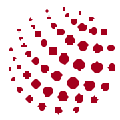
- Monmouth
- Ocean

### ● Greater Atlantic City

- Atlantic County

### ● Southern Shore

- Cumberland
- Cape May

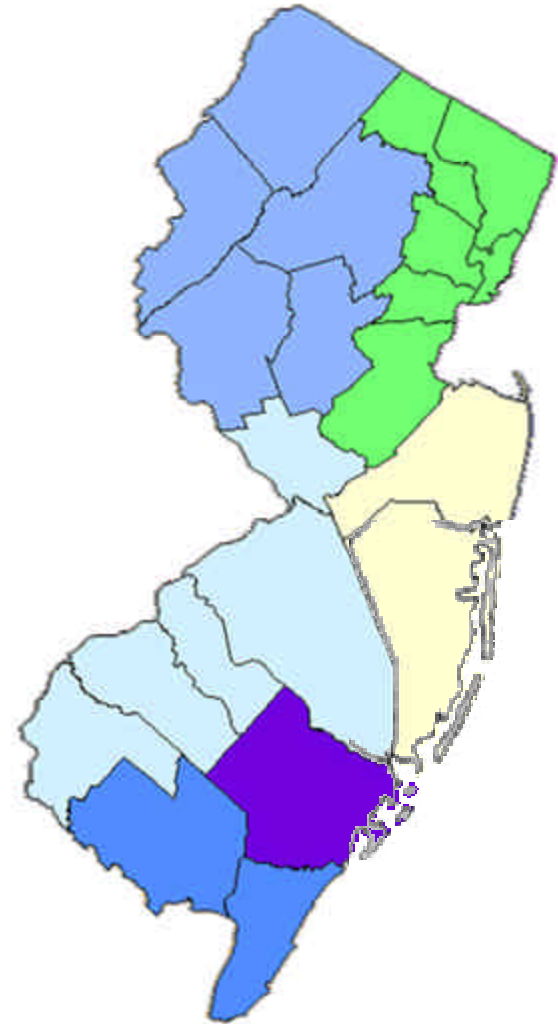


## Regional Distribution of Tourism

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

This research included analysis of:

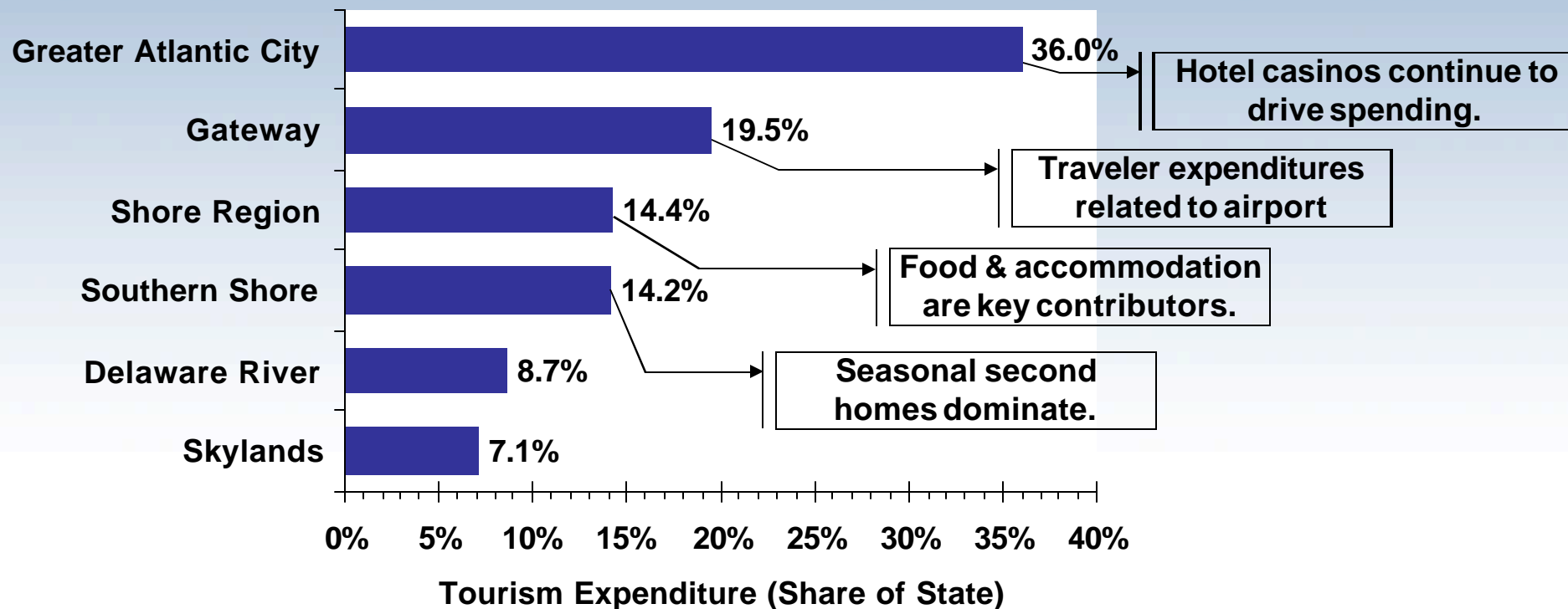
- Seasonal second homes
- Gaming reports
- Seasonality of employment—  
compared across counties/regions



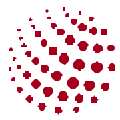


## Regional Distribution of Tourism

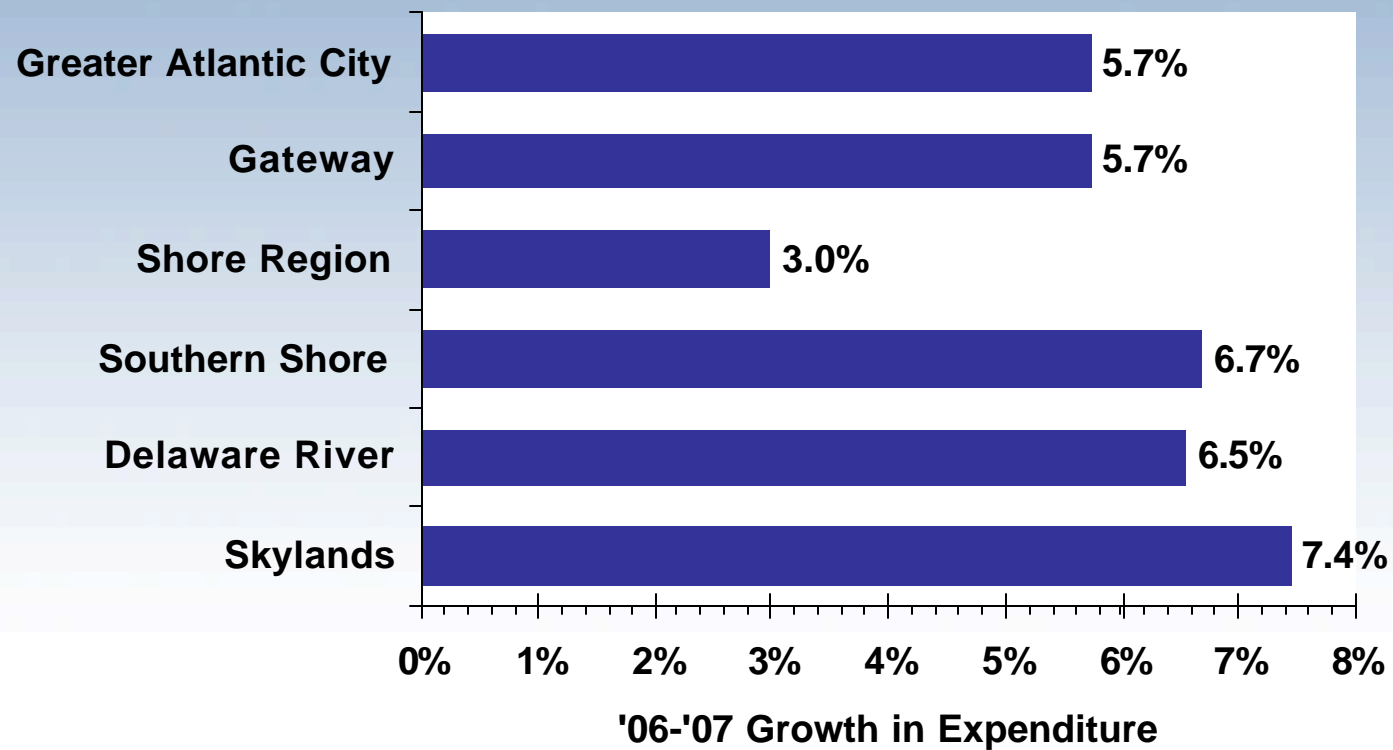
**Gateway has the 2<sup>nd</sup> largest share of statewide tourism spending.  
The Shore and Southern Shore regions are nearly identical.**

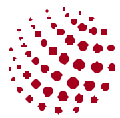







## Regional Growth in Expenditure





## Regional Share of Statewide Tourism

### Regional Share of State Expenditures by Category



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

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



## Regional Share of Statewide Tourism

### Expenditure Category Share of Regional Tourism Spending

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

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



## Tourism Expenditure by County

### County Expenditure

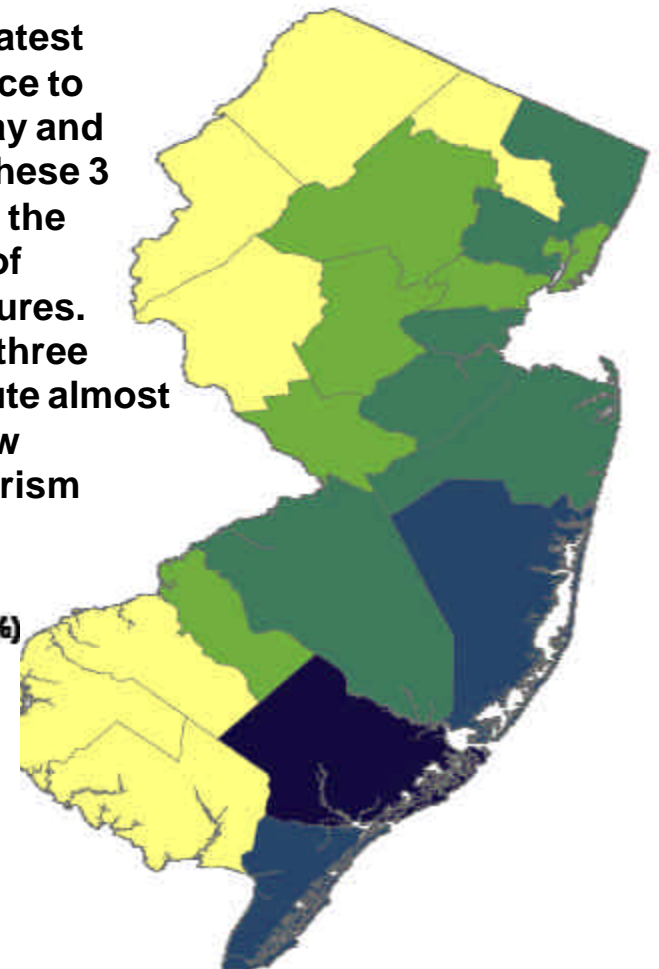
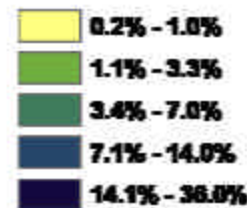
Counties	Tourism Expenditure (\$\$ in MM)	'06-'07 Growth	Share of County Economy	Rank
Atlantic	13,036.5	5.7%	51.3%	1
Cape May	5,055.0	6.7%	48.3%	2
Ocean	3,328.7	3.6%	11.1%	3
Essex	2,540.8	6.1%	2.9%	7
Monmouth	1,866.7	2.0%	3.0%	5
Burlington	1,609.7	5.5%	3.0%	6
Bergen	1,513.6	7.2%	1.2%	13
Middlesex	1,321.9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



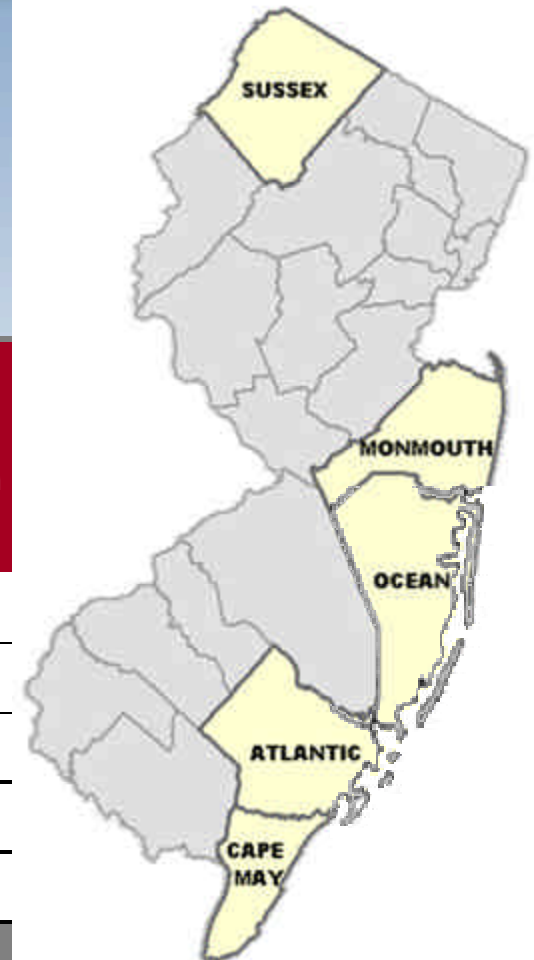




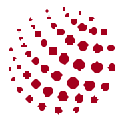
## Accommodation – Seasonal 2<sup>nd</sup> Home

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



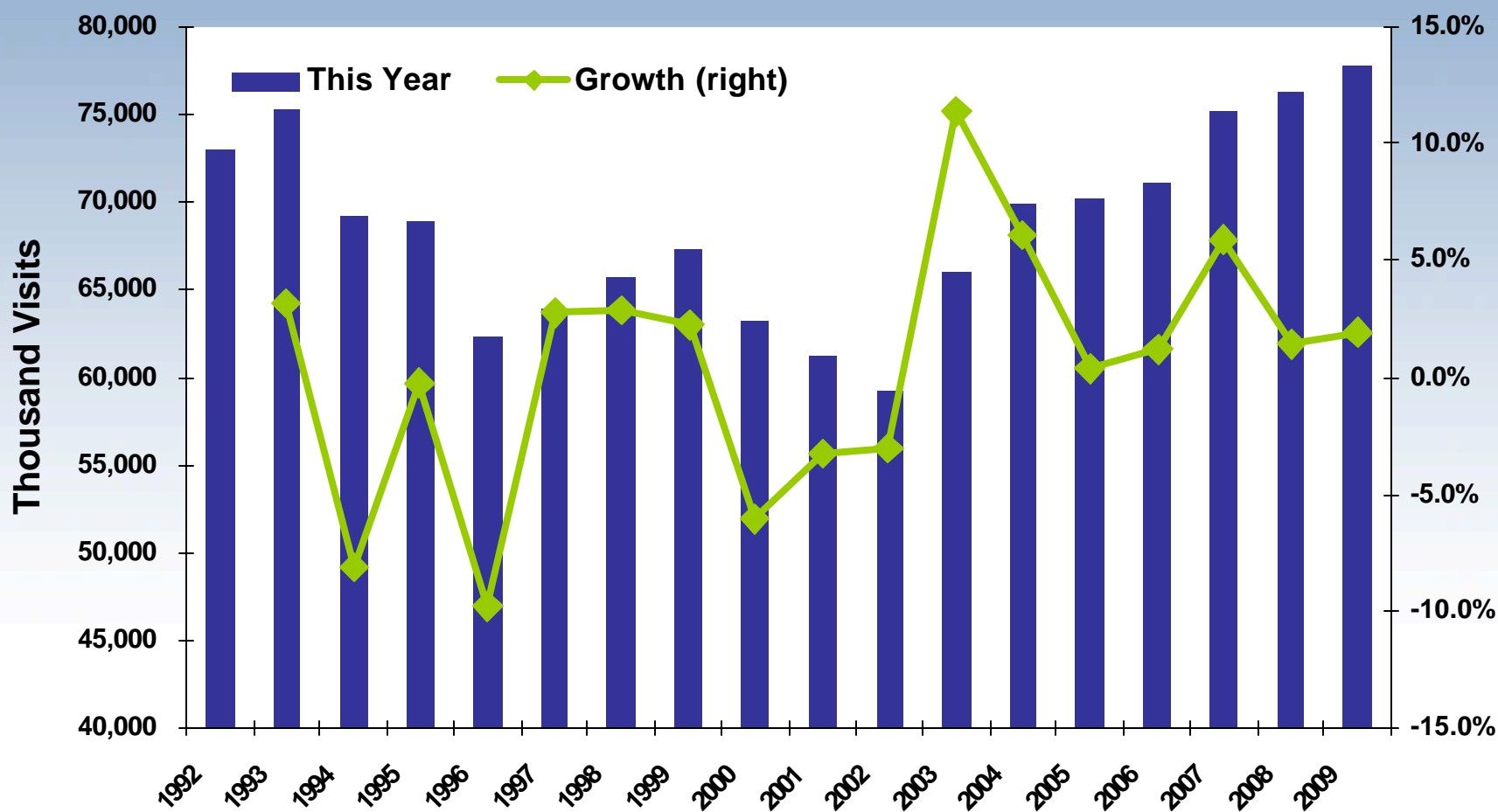
Source: Global Insight and US Bureau of Census



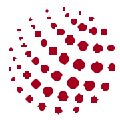
# Visitor Forecast



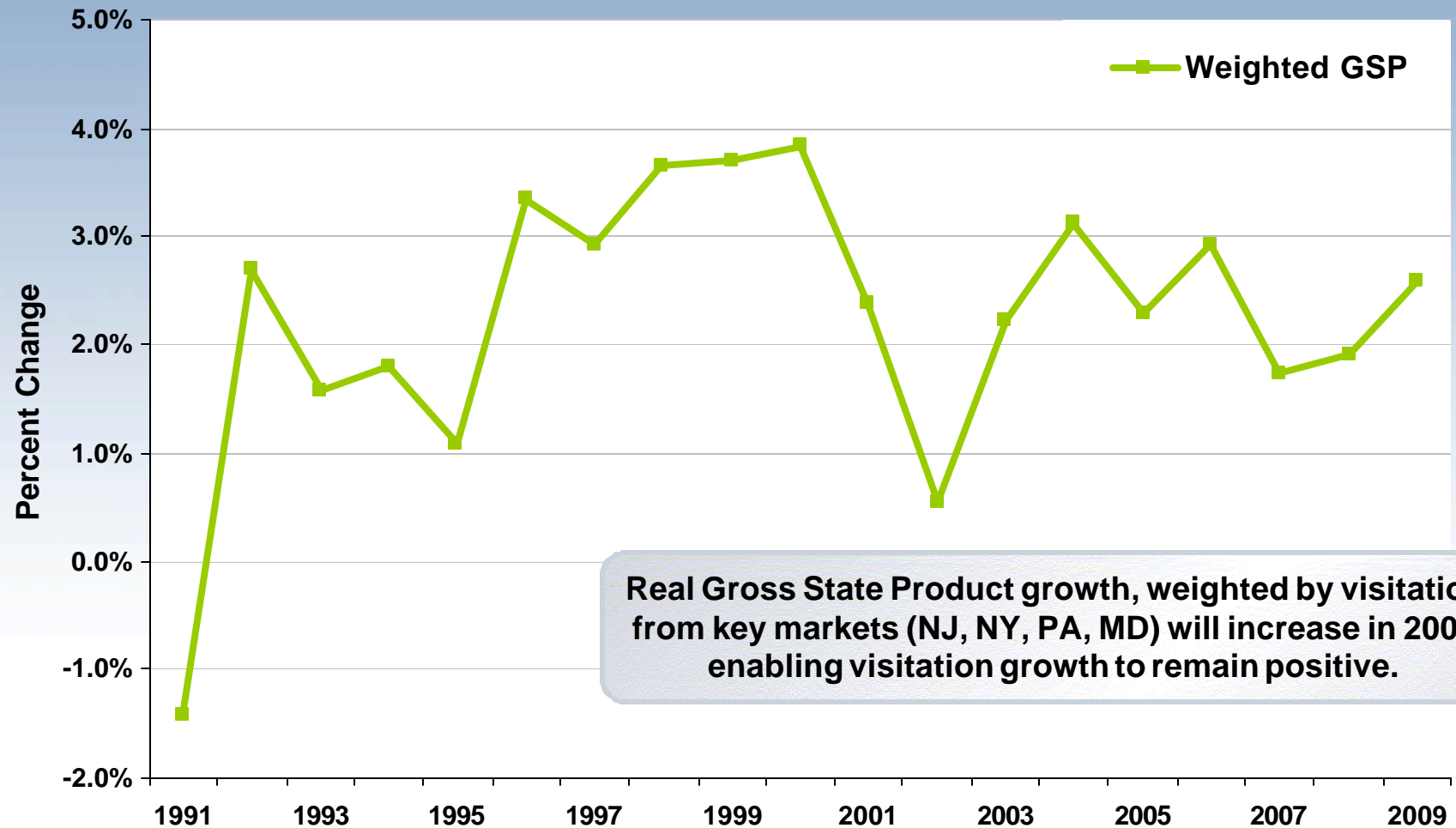
## Destination NJ: Visits Continue to Grow Through 2009



Source: Global Insight



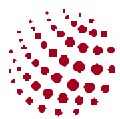
## Driven by Increasing Growth in Key Feeder Markets



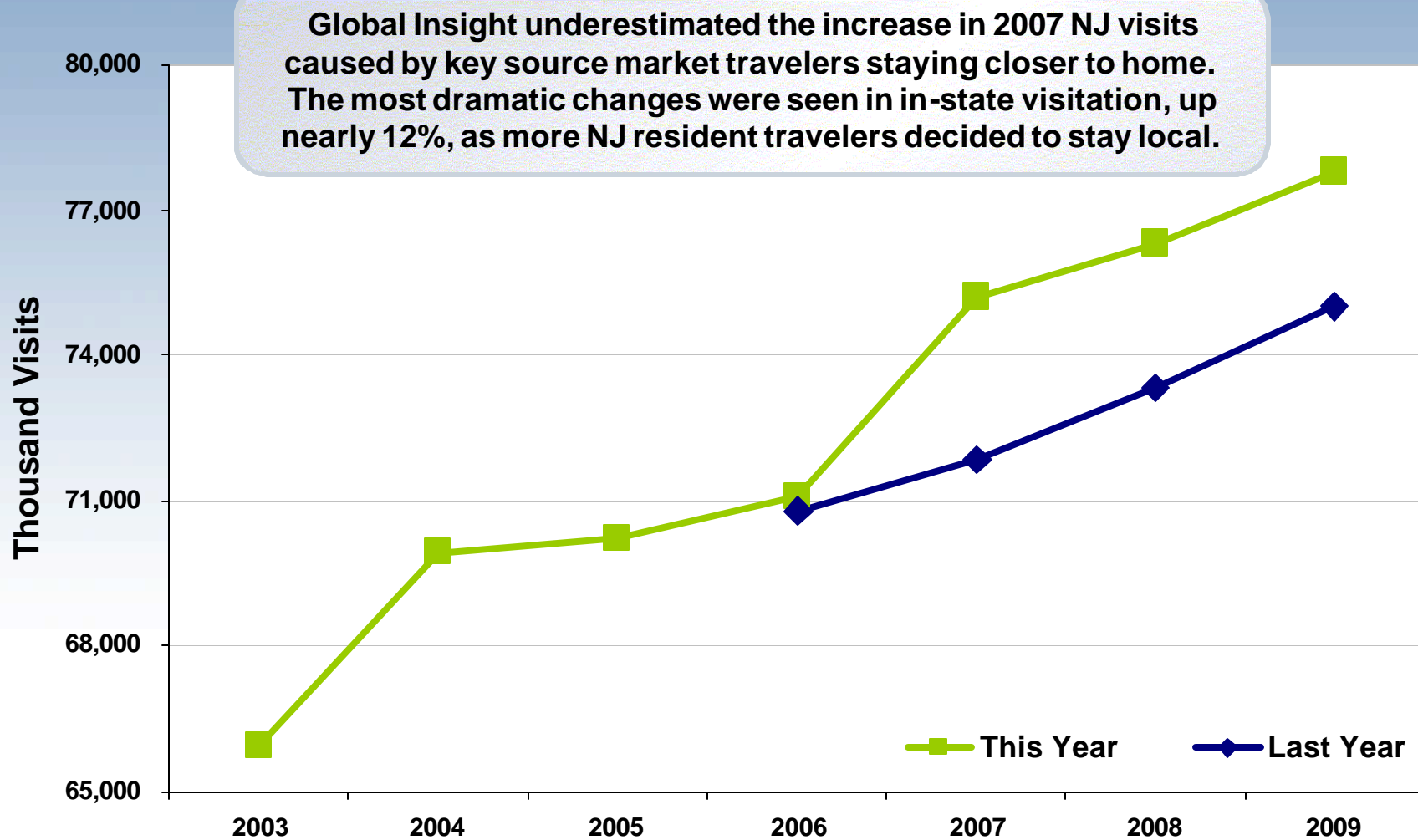
Real Gross State Product growth, weighted by visitation from key markets (NJ, NY, PA, MD) will increase in 2008 enabling visitation growth to remain positive.

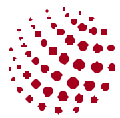
Source: Global Insight





## Forecast Comparison





## Origin of Visitors by State, 2007

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



## Origin of Visitors by DMA, 2007

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





## How Important?

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



### **TOTAL**

**Gross State Product:** \$27.0 billion

**5.7% of GSP**

**Total Employment:** 466,442 jobs

**11.4% of Employment**

### **CORE**

**Core GSP:** \$19.8 billion

**4.6% of GSP**

**Core Employment:** 383,881 jobs

**9.4% of Employment**

**3rd largest private sector employer**





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

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





Thank you!

**Ken McGill**  
**Executive Managing Director, Travel & Tourism**  
**[Ken.mcgill@globalinsight.com](mailto:Ken.mcgill@globalinsight.com)**