



NJ Tourism: Holding Its Own During Difficult Times



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**GLOBAL
INSIGHT**



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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"*



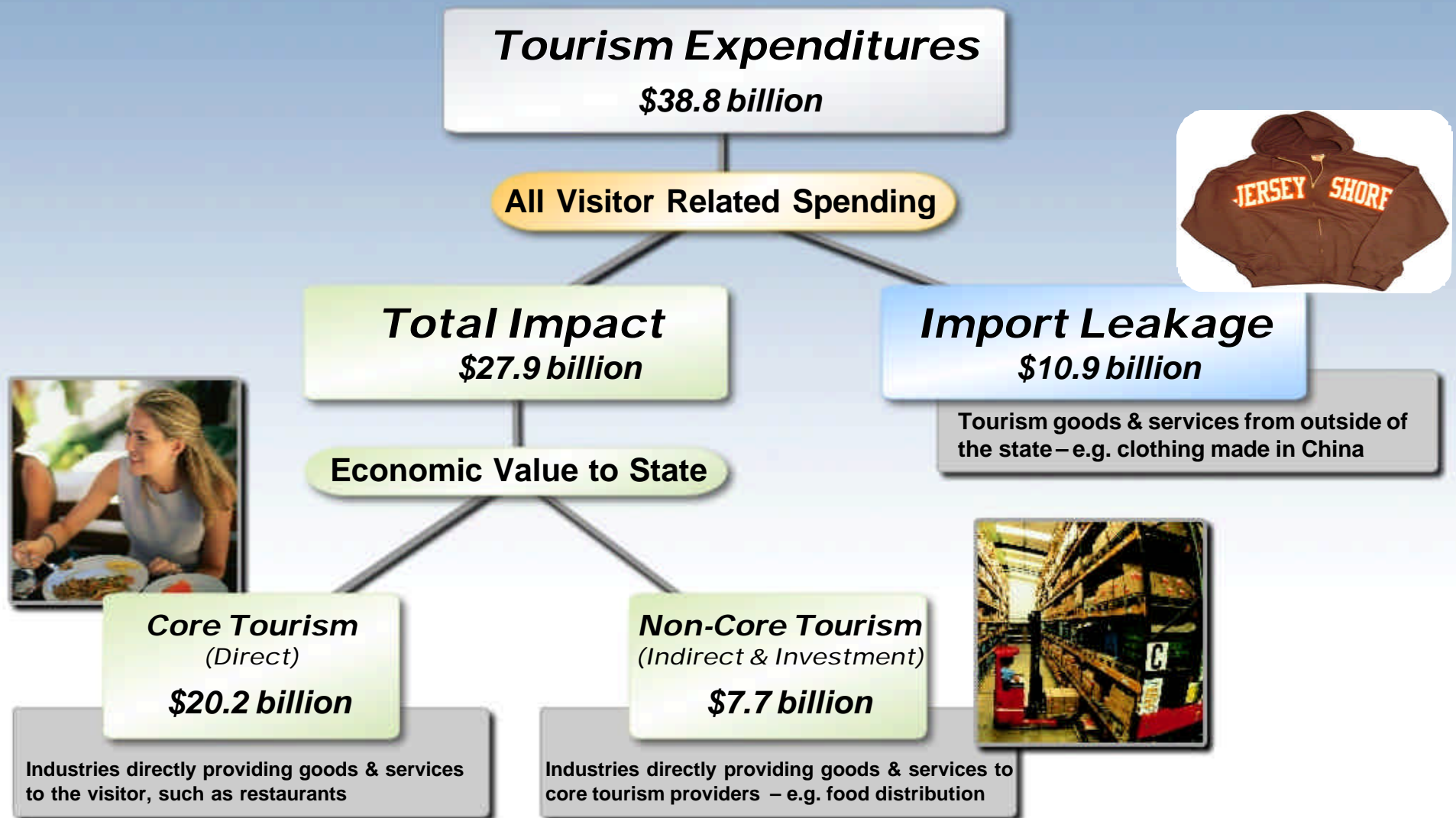
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2008 New Jersey Tourism:



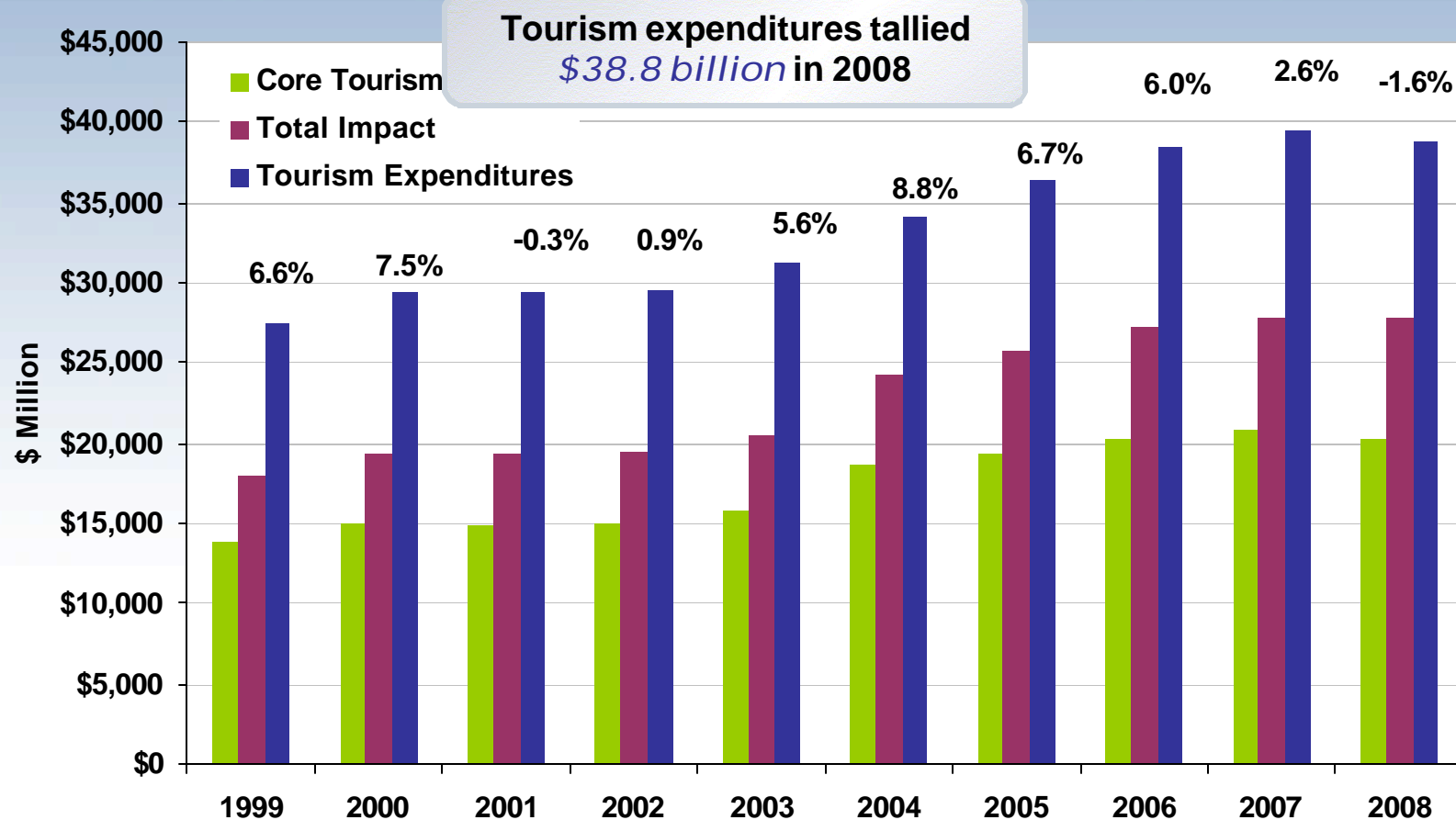
Industry Structure: Definitions





Total Tourism Expenditures

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

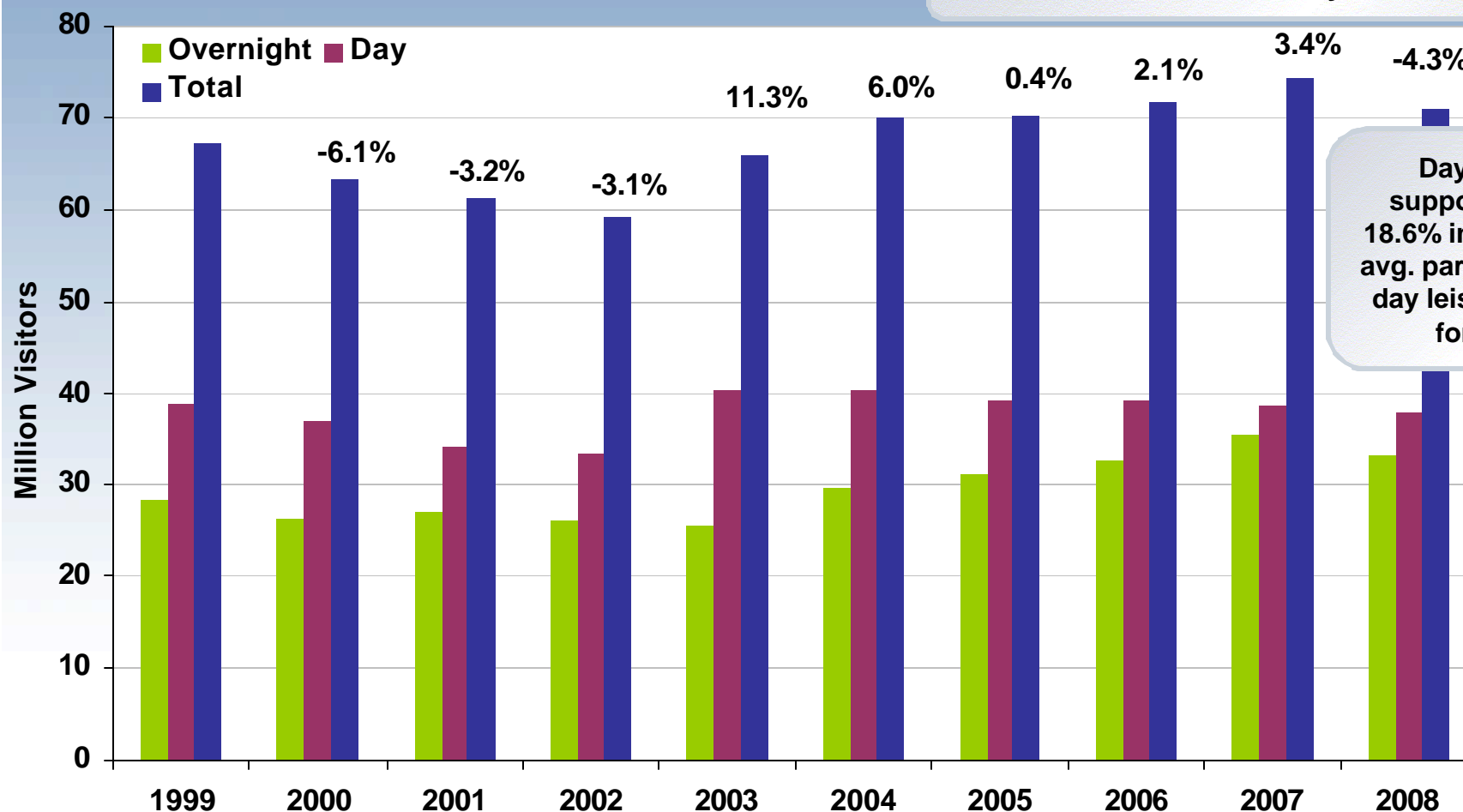


Source: Global Insight



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% ^p 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	\$38.8	2.6%	-1.6%
• Total Impact	\$27.3	\$27.8	\$27.9	1.8%	0.2%
• Core Tourism (direct)	\$20.3	\$20.8	\$20.2	2.4%	-2.7%
• Non-Core Tourism	\$7.1	\$7.1	\$7.7	0.1%	8.8%
• Import Leakage	\$11.2	\$11.7	\$10.9	4.4%	-6.1%

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
NJ Expenditures (\$B)	\$38.0	\$39.5
Economic Value		
▪ Core Tourism	\$19.8	\$20.8
▪ Total Impact	\$27.0	\$27.8
Wages & Salaries		
▪ Core Tourism	\$11.4	\$12.1
▪ Total Impact	\$16.0	\$16.8
Employment ('000)		
▪ Core Tourism	383.9	381.9
▪ Total Impact	466.4	460.3
Taxes –Total Impact	\$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
Economic Value <ul style="list-style-type: none"> Core Tourism Total Impact 	\$20.2 \$27.9	\$20.8 \$27.8	-2.7% 0.2%	<ul style="list-style-type: none"> NJ Tourism is larger than the entire GDP of 120 countries. NJ Total GSP growth supported by strong investment in 2008
Wages & Salaries <ul style="list-style-type: none"> Core Tourism Total Impact 	\$11.8 \$17.0	\$12.1 \$16.8	-2.9% 0.9%	<ul style="list-style-type: none"> NJ Avg. Annual Tourism Wages are now \$38,352.
Employment ('000) <ul style="list-style-type: none"> Core Tourism Total Impact 	359.0 443.1	381.9 460.3	-6.0% -3.7%	<ul style="list-style-type: none"> 1 out of every 9 NJ workers owes his/her job to tourism.
Taxes –Total Impact	\$7.7 B	\$8.0 B	-3.3%	<ul style="list-style-type: none"> If tourism did not exist, each NJ household would have to pay \$1,427 more in taxes to maintain current tax receipts.

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)				
▪ Core Tourism	359.0	381.9	-6.0%	• Total Employment in NJ fell by 0.3%.
▪ Total Impact	443.1	460.3	-3.7%	
NJ Tourism Wages				
▪ Core Tourism	\$11.4	\$10.9	5.1%	• Avg. Annual Wage increased to over \$38,000/year
▪ Total Impact	\$16.0	\$15.6	2.3%	
NJ Tourism Industry Rank (\$)	9th	9th		• Tourism remains NJ's 9 th 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				
▪ Jobs	5.1%	5.4%		• Slight declines in national tourism signal resilient attitude to tourism, which should help in rebound
▪ 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

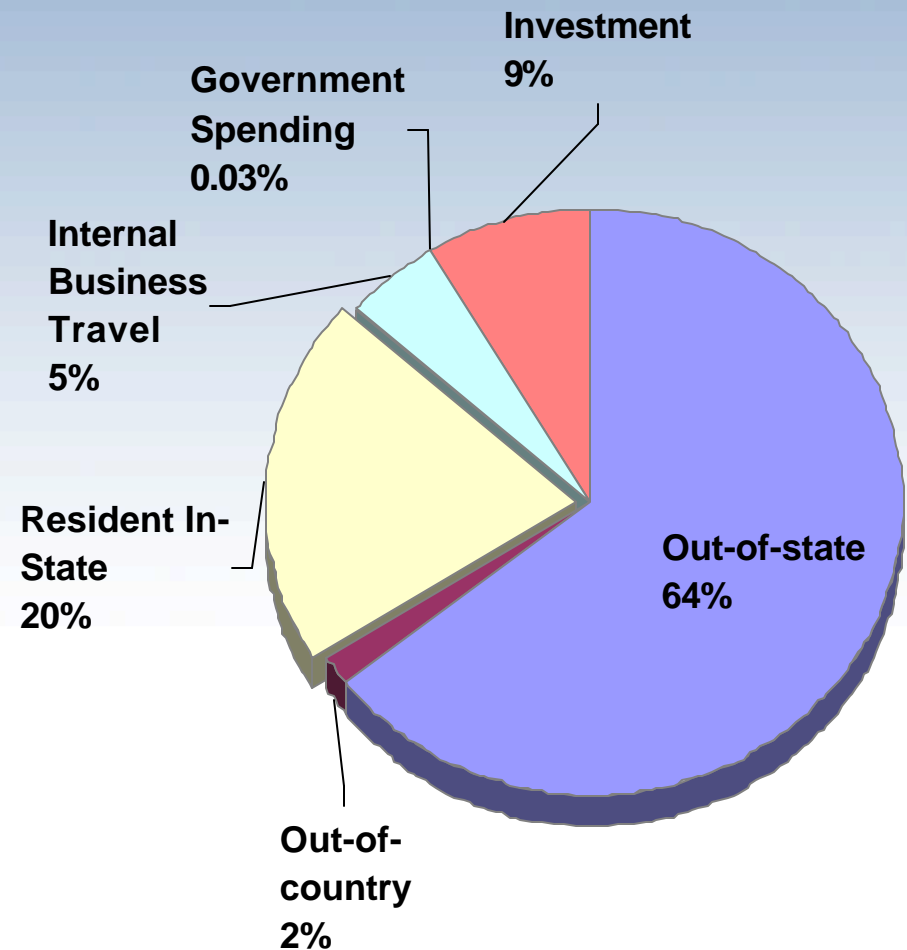


Breaking Down Tourism Expenditures – \$38.8 Billion

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%
Total	38,844	100%	-1.6%

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





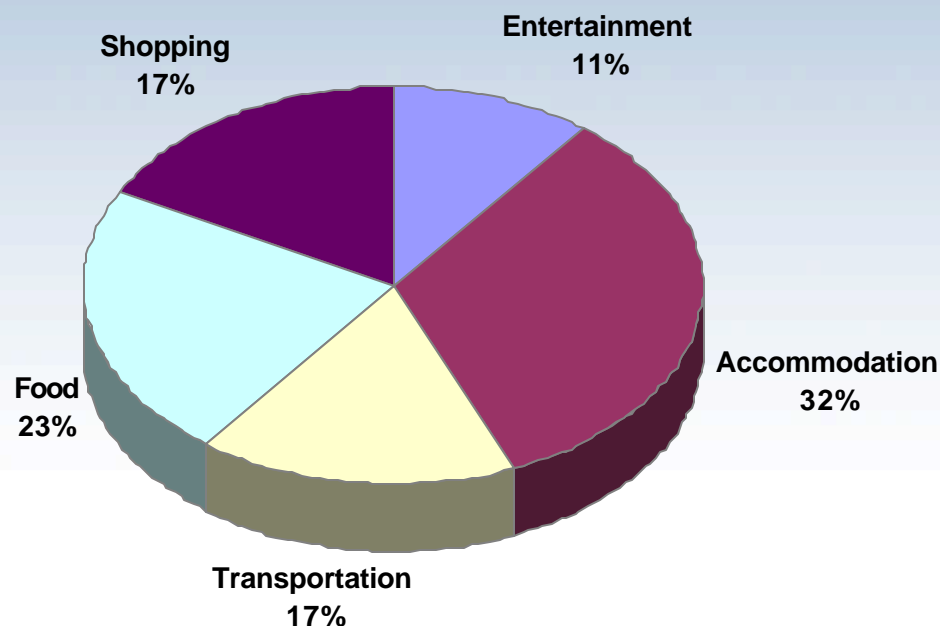
Category Distribution of Visitor Spending

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%
Total *	35,519	-5.9%

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

Source: IHS 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 \$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%
Total		20,191	-2.7%	100.0%

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%
	Total	429,685	409,497	2.5%	100.0%
	Government	47,537	44,656	2.7%	
	Travel & Tourism (T&T)	20,191		-2.7%	4.7%

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.



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
	Total Nonfarm	4,061.2		-0.3%	100%	1.0
	Travel & Tourism (T&T)	359.0		-6.0%	8.8%	2.1

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

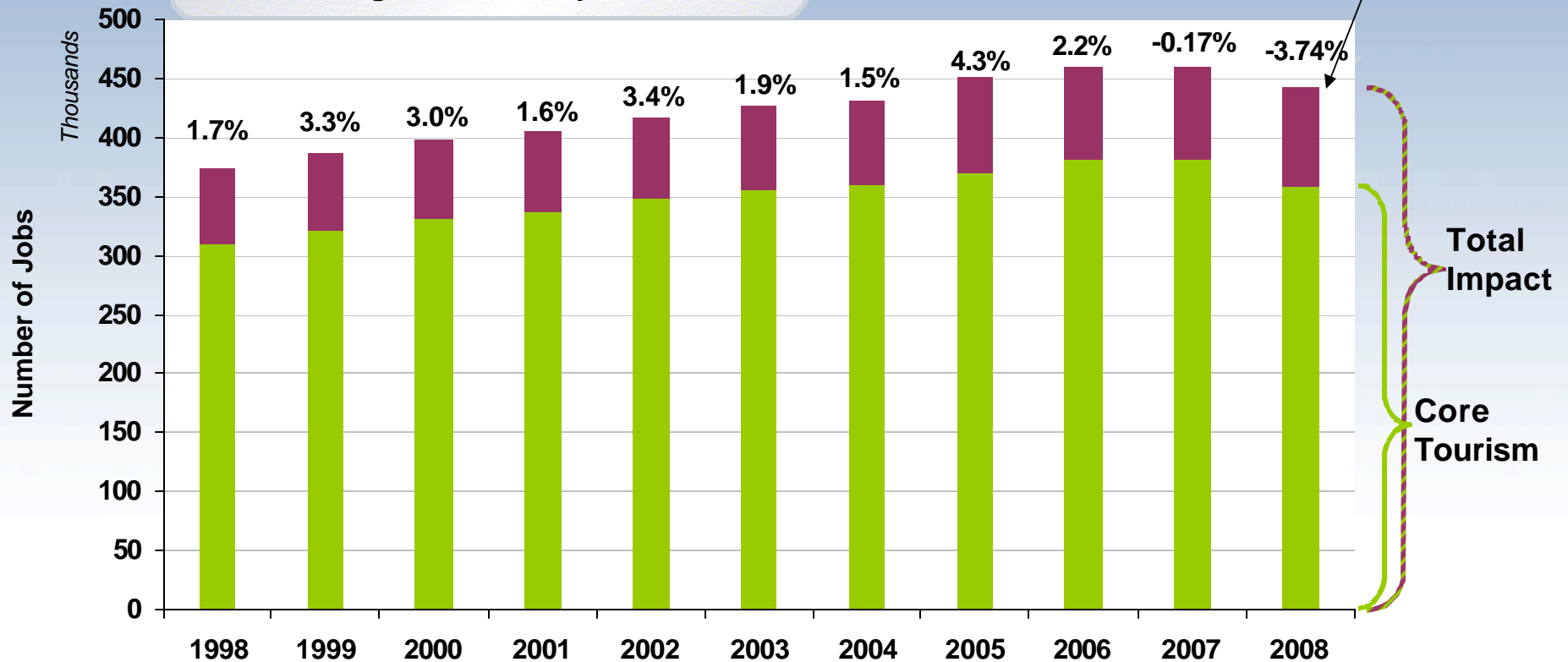
- Core Tourism is the 3rd largest private sector employer in the state with **359,042 jobs supported by tourism expenditures** in 2008.
- Core Tourism generated **8.8% of non-farm state employment** in 2008.
- Core Tourism jobs provided **\$11.4 billion in wages & salaries** in 2008.
- Core Tourism's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



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

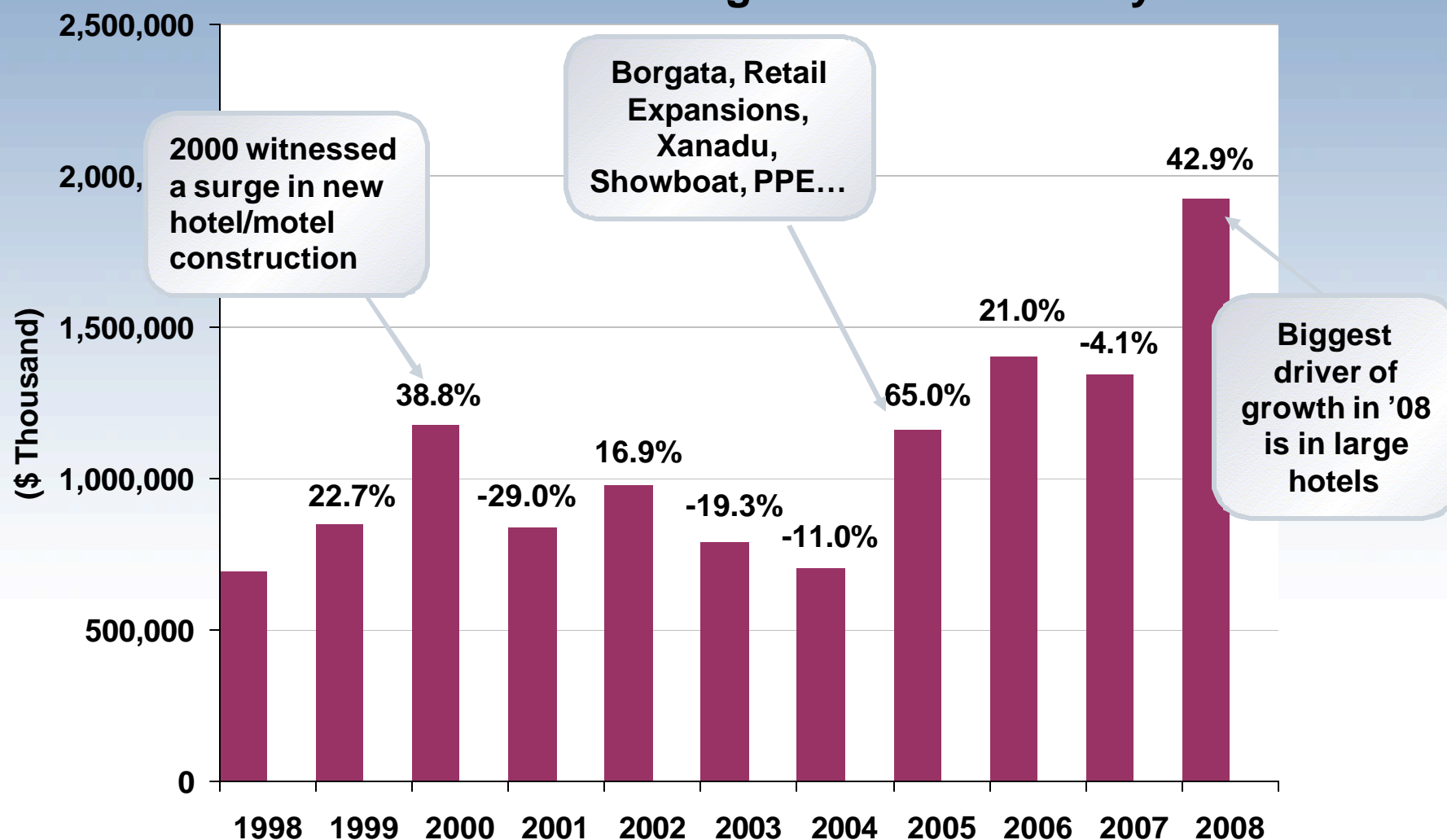
Rank	Industry	\$ Value (Millions)	'07-'08 Growth	% of Total
1	Real estate establishments	726	-0.3%	7.7%
2	Management of companies and enterprises	441	1.4%	4.7%
3	Wholesale trade businesses	367	2.4%	3.9%
4	Electric power generation- transmission	268	-3.5%	2.8%
5	US Postal Service	209	-4.3%	2.2%
6	Legal 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%
Total		9,451	15.0%	100%

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.



State & Local Government Revenue

Tax Revenues from Tourism		2008 (Million)	'07-'08 Growth
Federal Government			
Corporate Income		914.0	-3.6%
Personal Income		122.5	-2.1%
Social Security & Other Taxes		2,139.4	-2.2%
Federal Total		3,175.9	-2.6%
State Government			
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%
State Total		2,405.8	-3.4%
Local Government			
Local Hotel Taxes		22.5	-3.2%
Property Taxes		2,079.2	-4.2%
Other Taxes		13.4	-2.1%
Local Total		2,115.2	-4.2%
Total		7,696.8	-3.3%

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

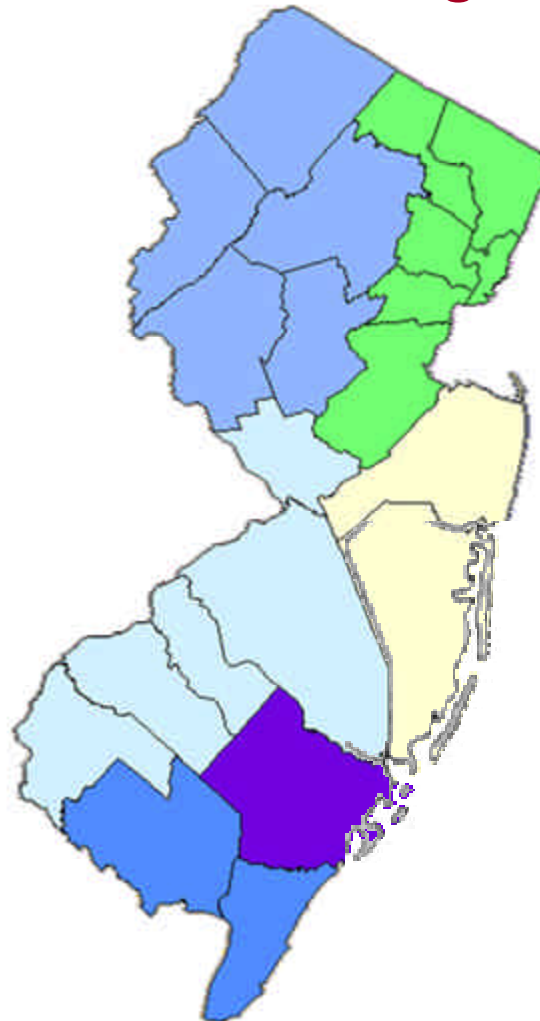
- Sussex • Somerset
- Warren • Morris
- Hunterdon

● 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

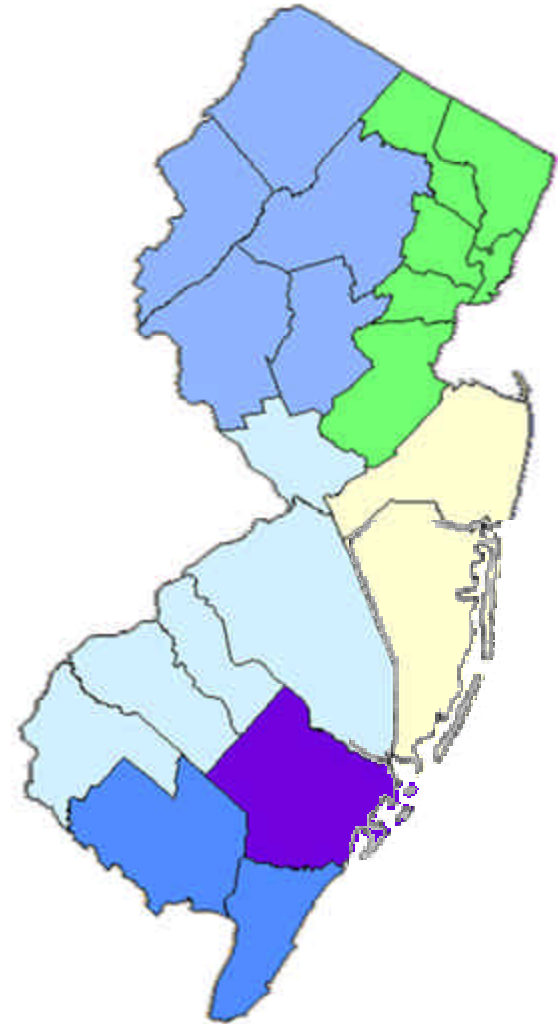


Regional Distribution of Tourism

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

This research included analysis of:

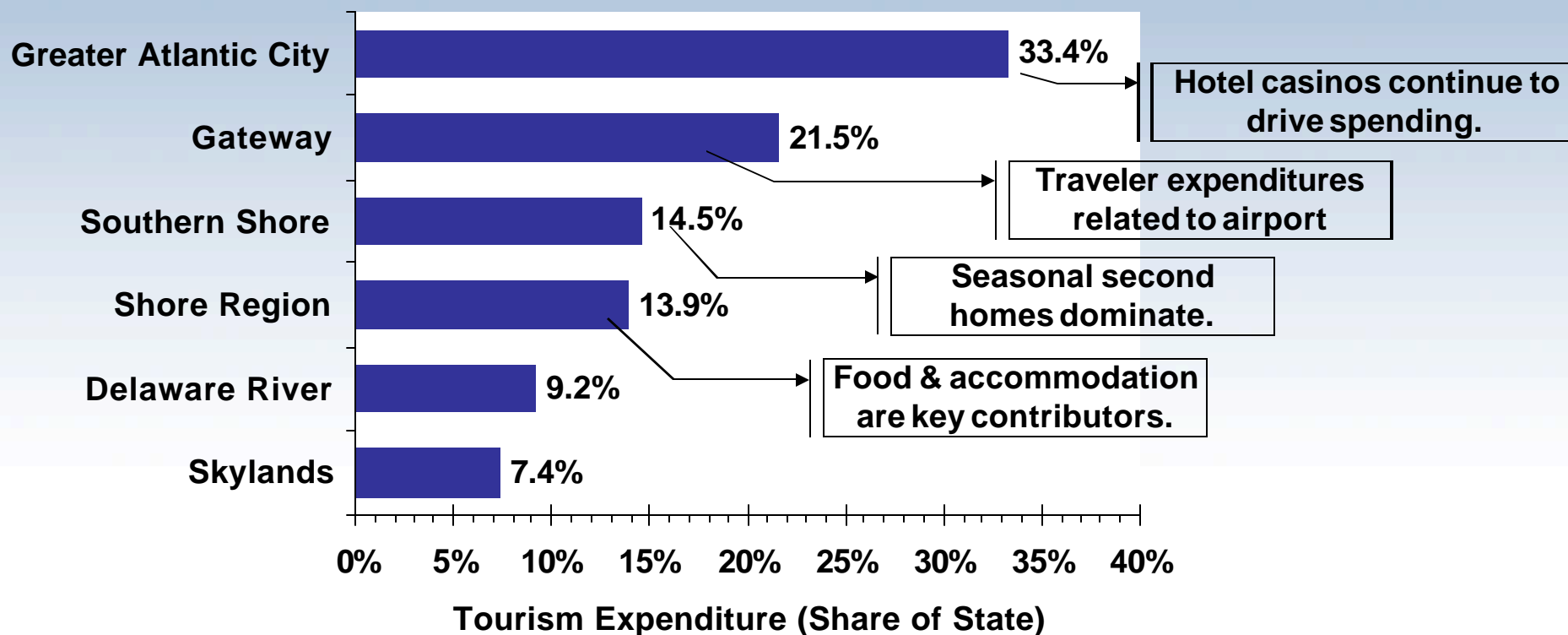
- **Seasonal second homes**
- **Gaming reports**
- **Seasonality of employment—
compared across counties/regions**





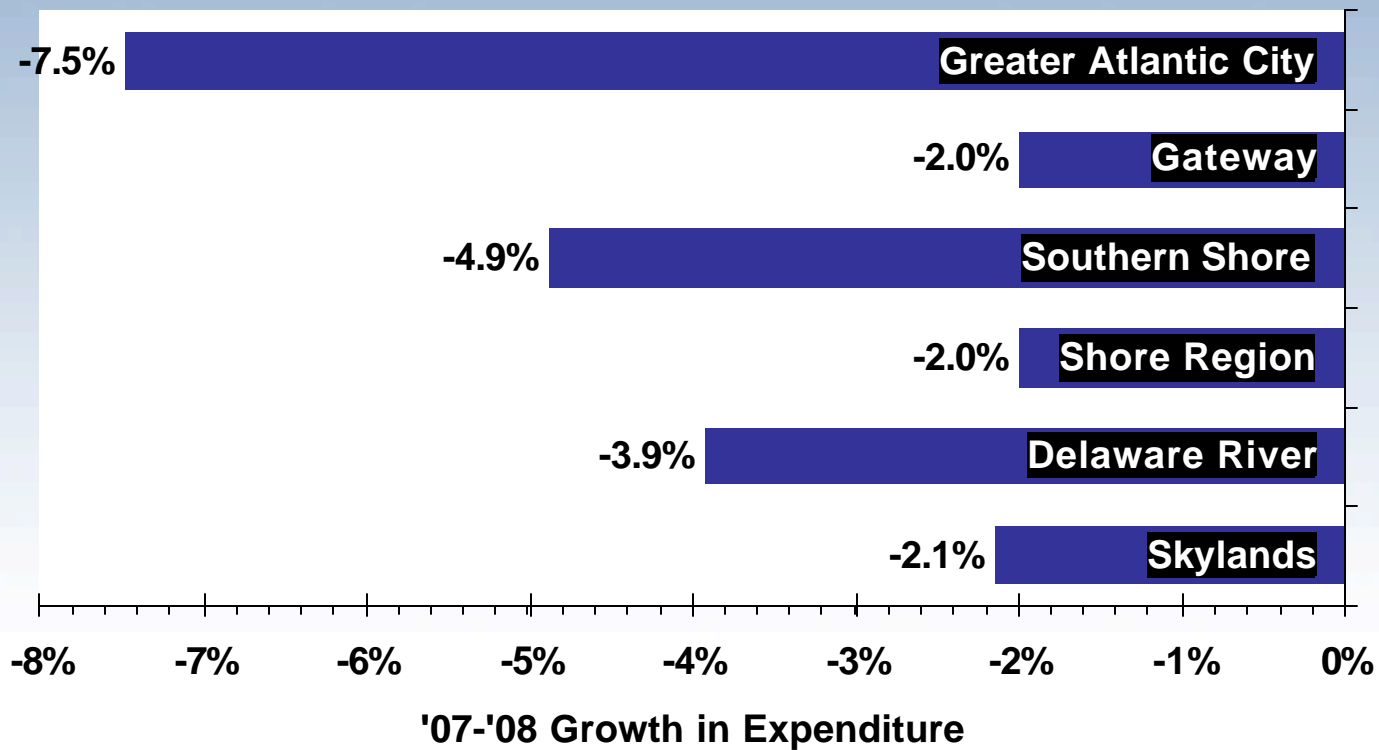
Regional Distribution of Tourism

**Gateway has the 2nd 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%
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	1.3%	43.0%	1.2%	31.0%	23.5%	100%
Delaware River Region	19.9%	13.8%	35.4%	17.7%	13.3%	100%
Gateway Region	16.0%	15.8%	46.7%	12.1%	9.4%	100%
S. Shore Region	8.8%	53.8%	1.7%	20.3%	15.4%	100%
Shore Region	14.6%	27.1%	4.9%	30.9%	22.5%	100%
Skylands Region	21.6%	30.5%	27.4%	11.7%	8.7%	100%
Total	10.6%	32.9%	16.7%	22.7%	17.1%	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

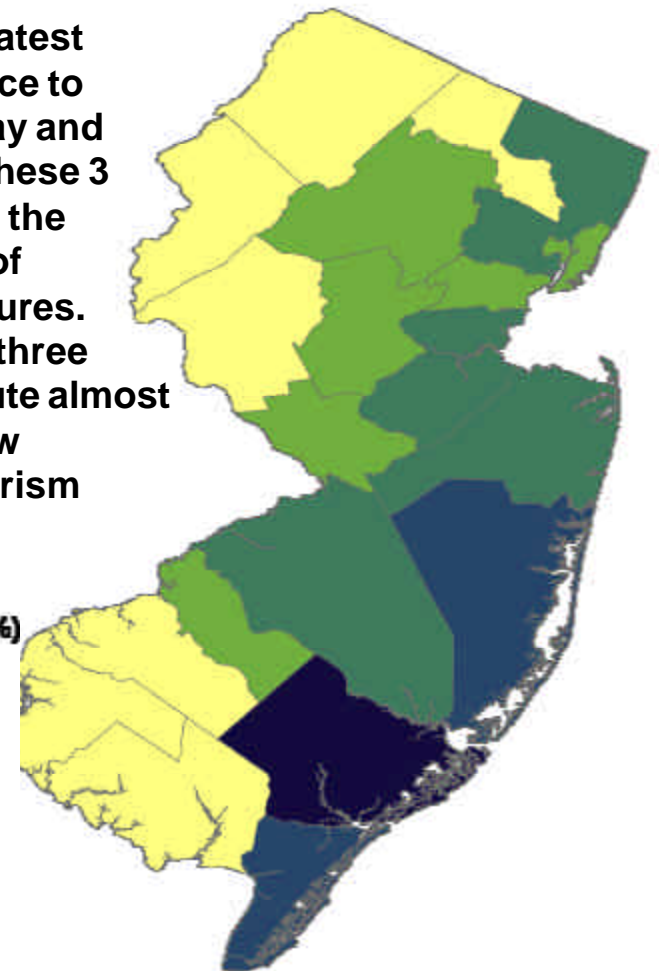
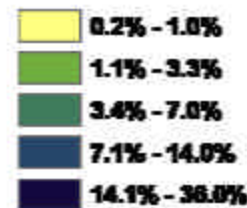
Counties	Tourism Expenditure (\$\$ in MM)	'07-'08 Growth	Share of County Economy	Rank
Cape May	5,061.8	-3.7%	48.1%	1
Atlantic	11,864.8	-7.5%	44.8%	2
Ocean	3,126.1	-5.9%	10.6%	3
Essex	2,971.7	1.1%	3.2%	4
Burlington	1,665.9	-4.4%	3.2%	5
Sussex	235.4	-3.3%	3.1%	6
Monmouth	1,808.5	-6.3%	3.0%	7
Morris	1,323.0	-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
Grand Total	35,518.7	-4.9%	3.6%	

NJ Expenditure

% Share by County

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

County Share of State Tourism Expenditure (%)

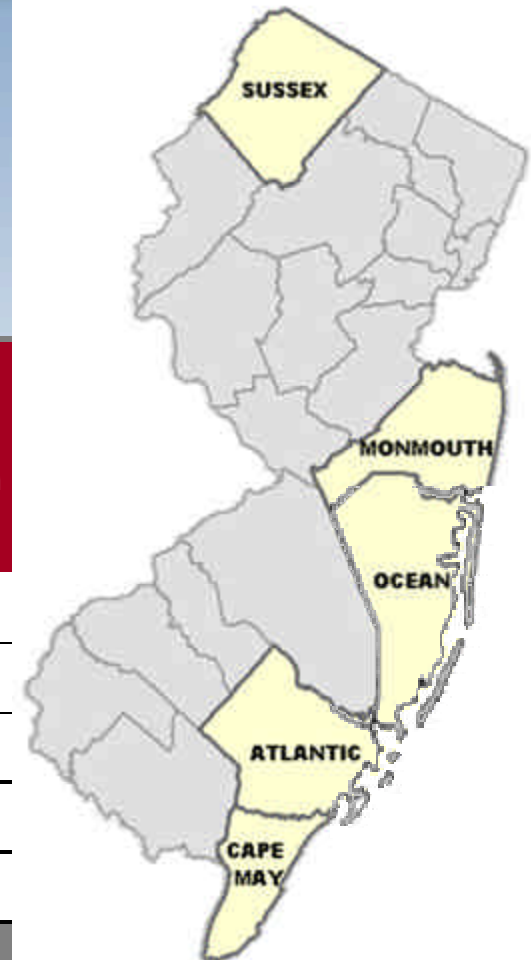




Accommodation – Seasonal 2nd Home

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

County	Rental Income (mn\$)	Share of NJ RI	# of Seasonal 2 nd 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%
Total	\$3,188.8	95.0%	114,270	27.3%



Source: IHS Global Insight and US Bureau of Census



**GLOBAL
INSIGHT**



2009-2011 New Jersey Tourism Forecast

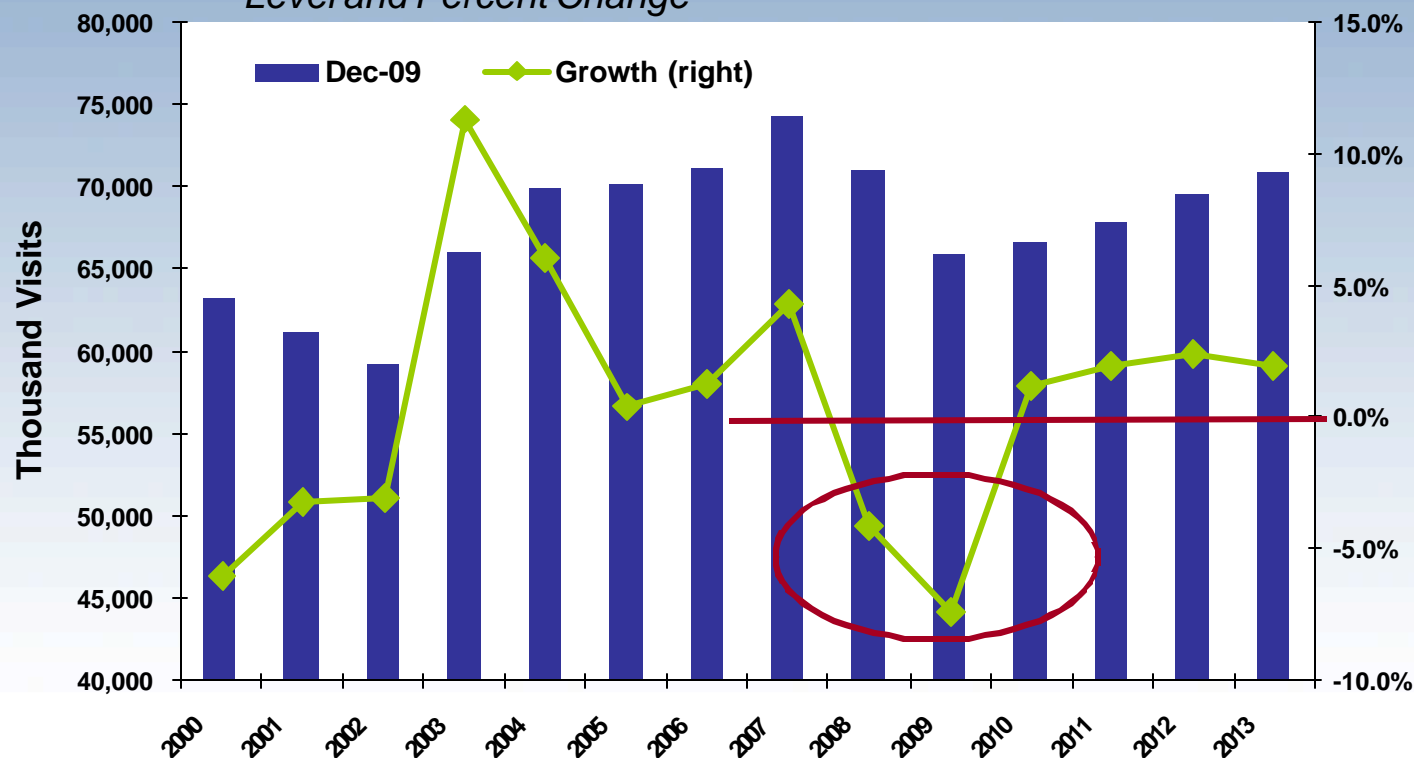
Revised Dec 2009



Forecast for 2009 and Beyond

NJ Total Visitor Volume (Person-Stays)

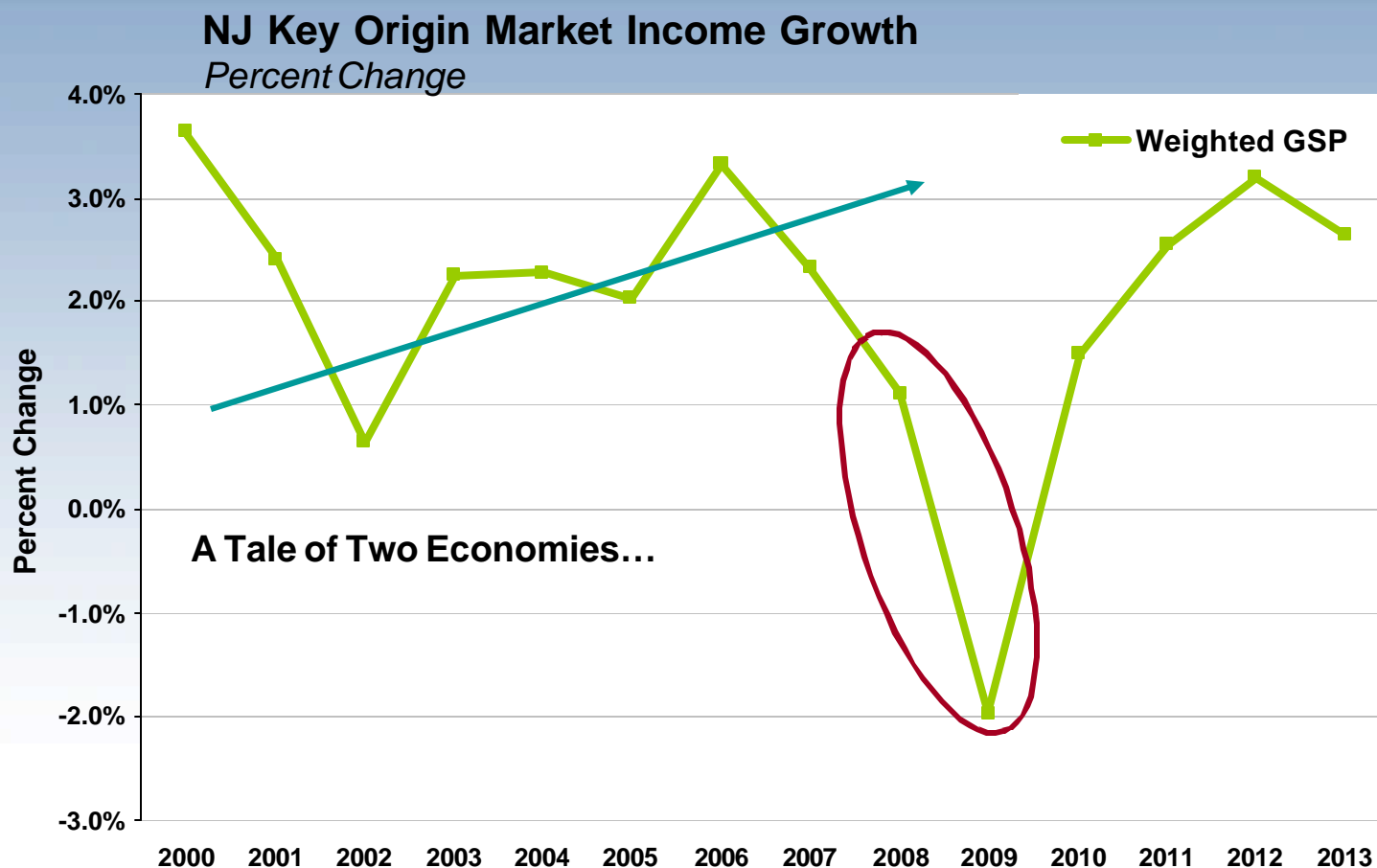
Level and Percent Change



- 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%



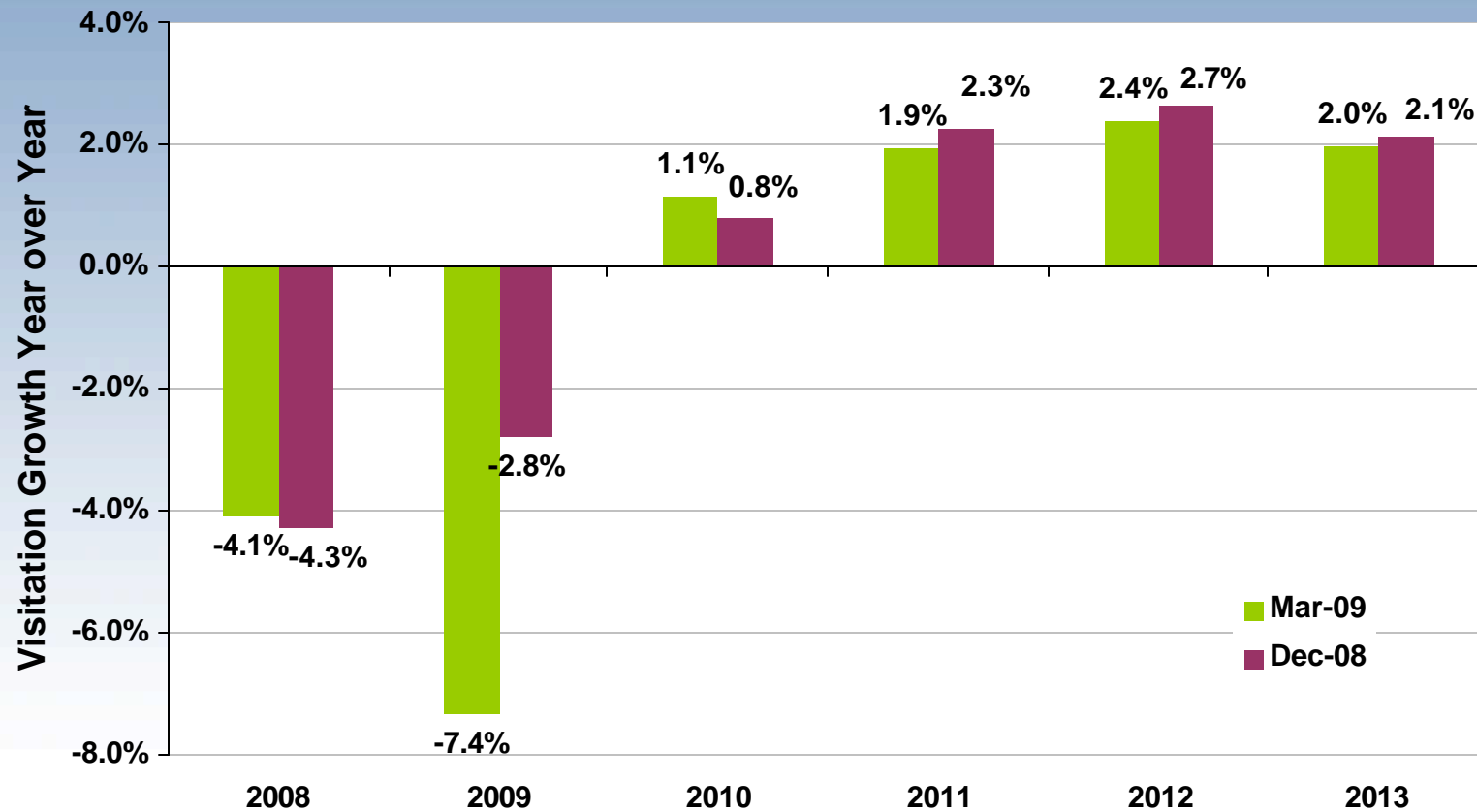
Forecast for 2009 and Beyond (cont.)



- 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



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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