



**GLOBAL** INSIGHT

# The New Jersey Tourism Satellite Account

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

*June, 2005*

**Contact:**

**Ken McGill, Managing Director**

**Travel & Tourism Consulting**

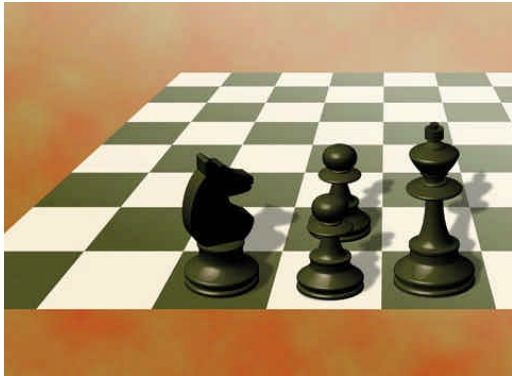
**[ken.mcgill@globalinsight.com](mailto:ken.mcgill@globalinsight.com)**

**1.610.490.2644**

# Table of Contents

<u>Slides</u>	<u>Topic</u>
1-3	About Global Insight
4-9	The Tourism Satellite Account Measurement of Tourism
10-11	Key Findings
12-15	Executive Summary
16-18	Breaking Down Tourism Expenditures
19	Total Tourism Impact
20- 24	Core Tourism Impact
25-26	Non-Core tourism - Indirect Benefits of Tourism
27-28	Government Revenues Generated by Tourism
29-37	Regional Distribution of Tourism
38	Bibliography

# About Global Insight



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

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

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

⇒ **South Carolina**

⇒ **Virginia**

⇒ **Hawaii**

⇒ **Delaware**

⇒ **New Jersey**

⇒ **Rhode Island**

⇒ **Alaska**

⇒ **North Carolina**

⇒ **Plus over 50 countries worldwide**

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

## What is a TSA?

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

# Why is a TSA Necessary?

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

*Enter the TSA concept.*

# T&T Industry and Economy

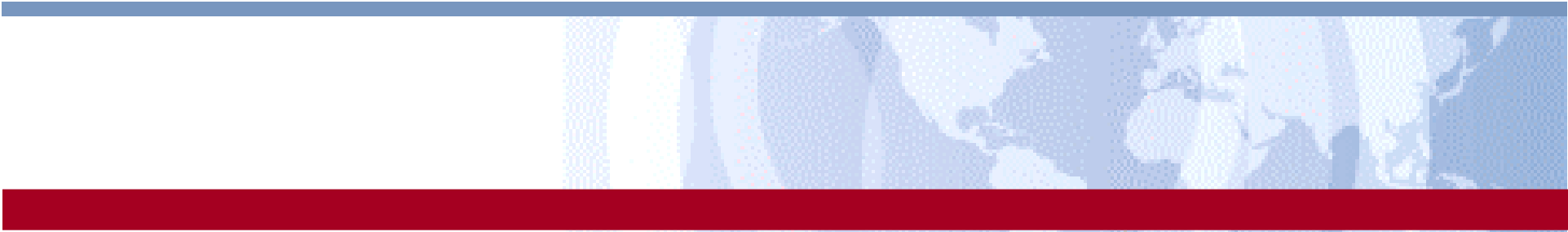
The TSA provides both a narrow and a broad understanding of the tourism "industry"



# Benefits of a TSA

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

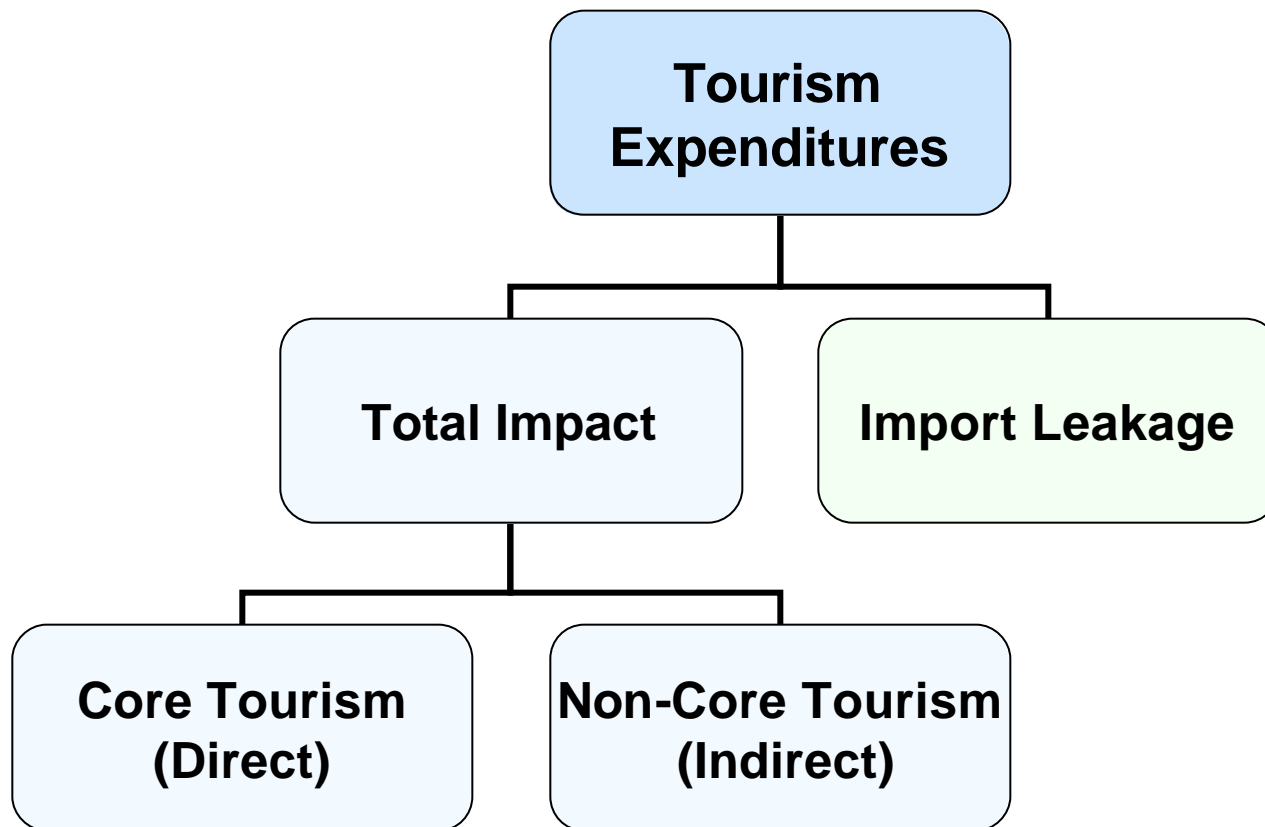




# How Important is New Jersey Tourism... Really?

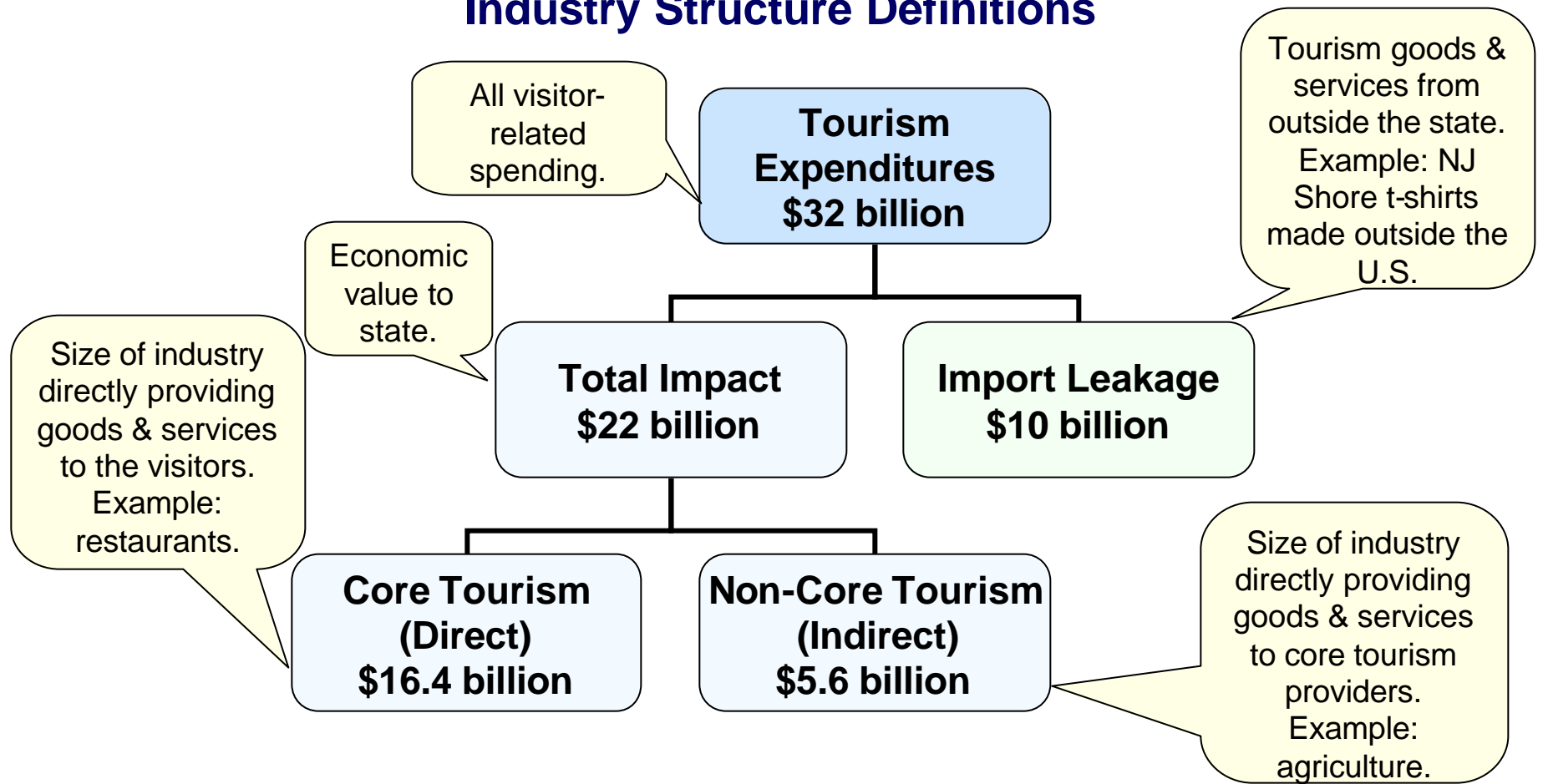
# Executive Summary

## New Jersey Travel & Tourism Industry Structure



# Executive Summary

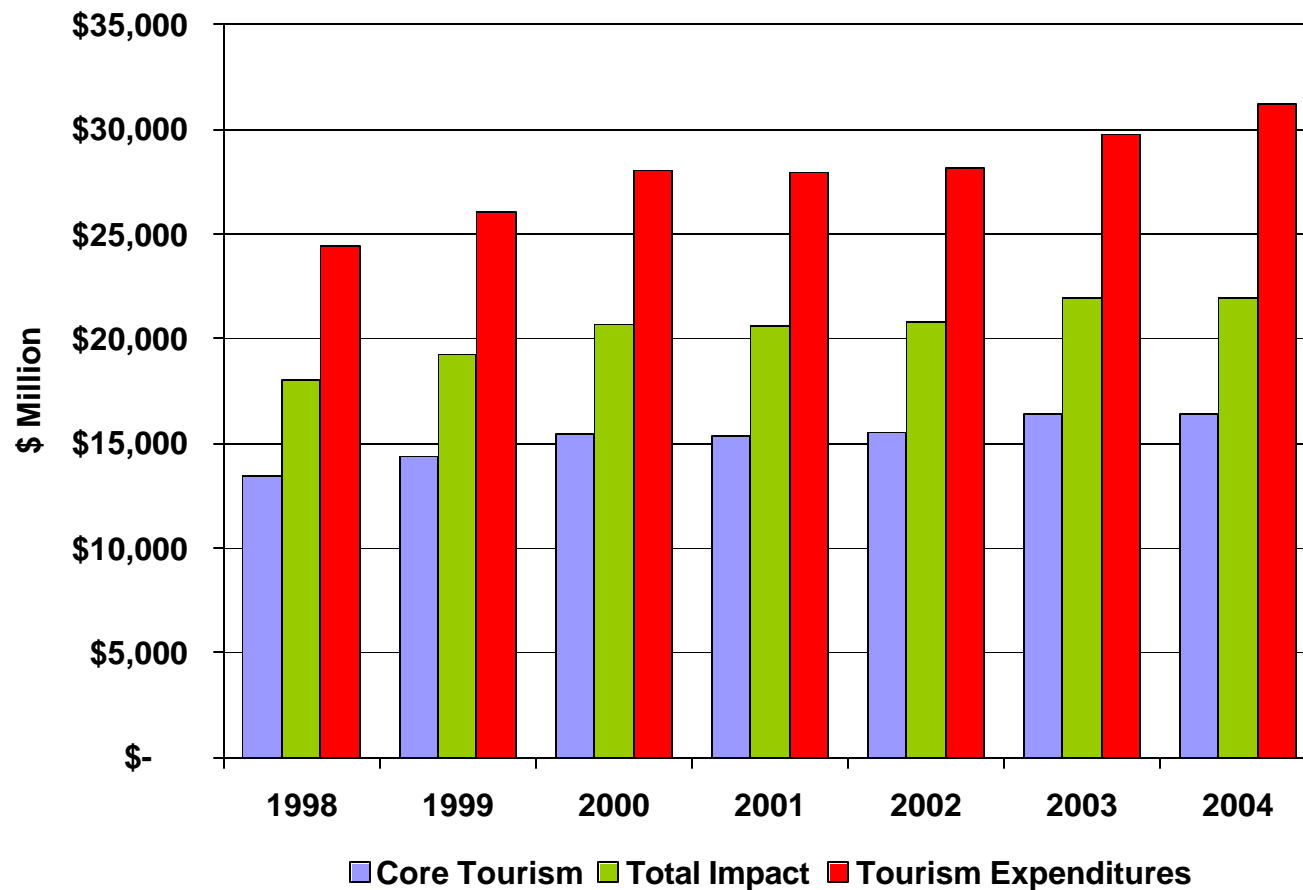
## Industry Structure Definitions



Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# Executive Summary

## Tourism expenditures – tallied \$32.3 billion in 2004



Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

Copyright © 2005 Global Insight, Inc.

# Executive Summary

## Summary of Key Concepts

Category	Total Impact	Core Tourism
Economic Value	\$ 21,971,247,694	\$ 16,403,940,509
Wages & Salaries	\$ 12,840,798,145	\$ 9,388,222,848
Employment	430,198	358,981

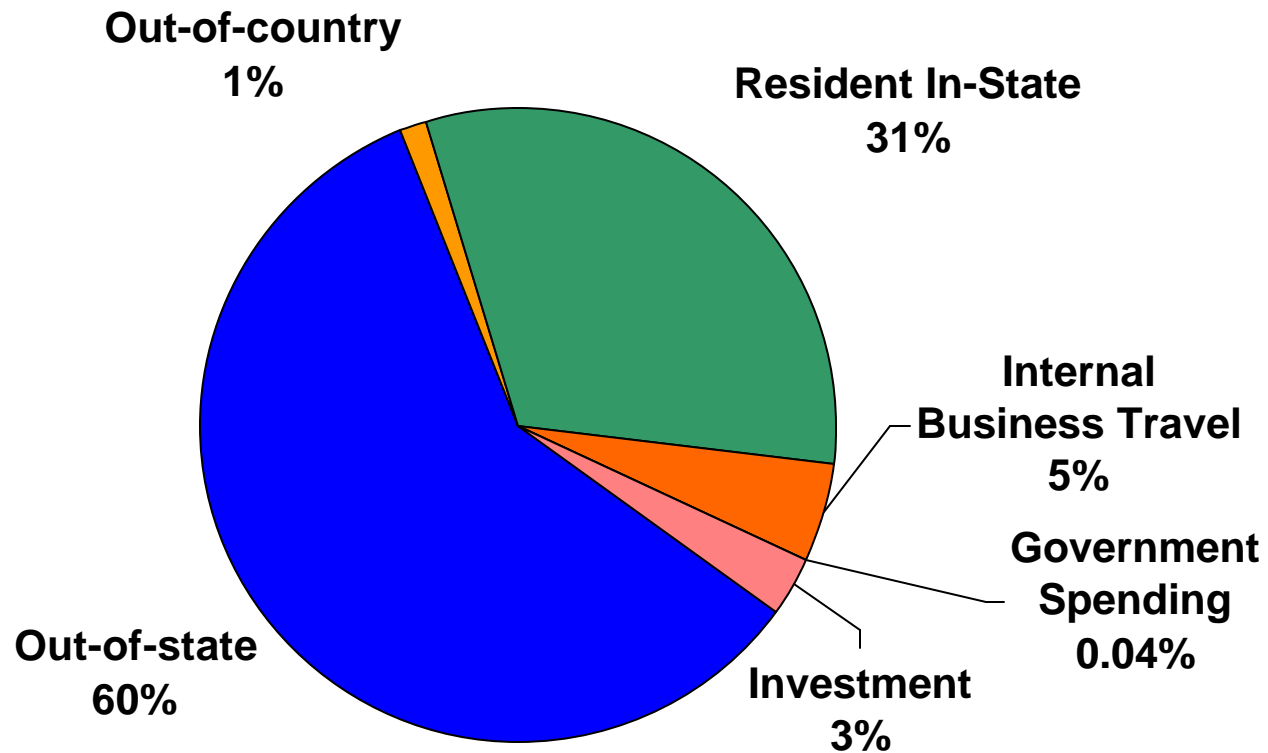
*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Breaking Down Tourism Expenditures

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

# Breaking Down Tourism Expenditures – \$32.3 Billion

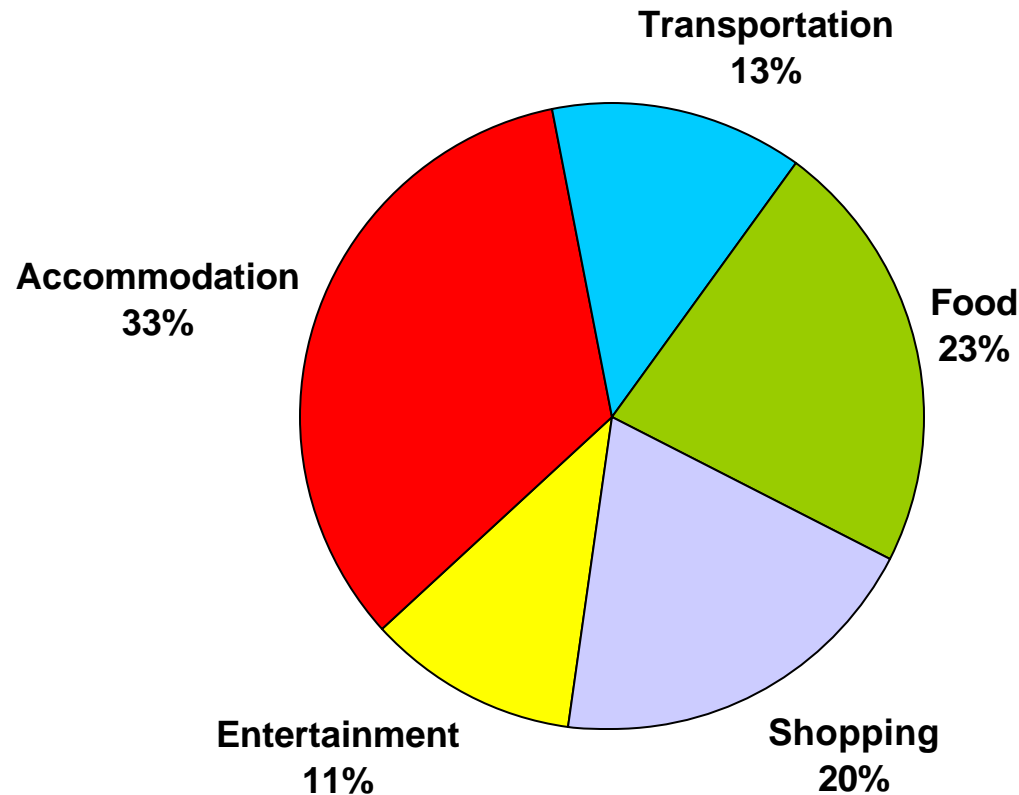
Visitors from other states represent the largest portion of tourism expenditures in New Jersey. Residents' travel in the state is also important with 31% of the total.



*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Industry Distribution of Expenditures

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



*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

Copyright © 2005 Global Insight, Inc.



# Total Impact of Tourism

- In 2004, the total impact of travel & tourism (direct and indirect) was **\$22.0 billion**. This accounts for **5.3% of Gross State Product**.
- The ratio of the total impact to total expenditures reveals that **68% of each tourism dollar spent** in New Jersey is retained in the state. The remainder represents import leakages.
- **430,200 jobs** – direct and indirect – were created by travel & tourism economic activities. This accounts for **10.7% of total employment** in the state.
- Approximately **\$12.8 billion in wages & salaries** was generated by travel & tourism in 2004.

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Core Tourism

- Answers the question “How does tourism compare with other industries?”
- Core Tourism measures the size of the industry directly providing goods & services to the visitor.
- Therefore, all indirect effects are excluded – these are part of other supplier industries such as wholesalers. The impact of capital investment is also excluded.
- Core Tourism generated **\$16.4 billion** in economic value in 2004. This ranks core tourism as the **9th largest private industry** in NJ in terms of Gross State Product.

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Core Tourism - Gross State Product

Core Tourism contributed \$16.4 billion in economic value in 2004. The industry ranked as the 9th largest private industry in the state.

(Millions)

Rank	Industry	\$ Value	% of State
1	Real estate, rental, and leasing	63,589	15.4%
2	Professional and technical services	34,754	8.4%
3	Wholesale trade	30,971	7.5%
4	Finance and insurance	34,061	8.3%
5	Nondurable goods	28,907	7.0%
6	Retail trade	31,279	7.6%
7	Health care and social assistance	26,289	6.4%
8	Information	20,656	5.0%
<b>9</b>	<b>Travel &amp; Tourism</b>	<b>16,404</b>	<b>4.0%</b>
10	Construction	15,598	3.8%
11	Durable goods	12,875	3.1%
12	Administrative and waste services	12,232	3.0%
13	Transportation and warehousing	11,338	2.7%
14	Management of companies and enterprises	10,250	2.5%
15	Accommodation and food services	9,639	2.3%
	<b>Total</b>	<b>412,768</b>	<b>100.0%</b>

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# Core Tourism - Employment

- Core Tourism is the 3rd largest private sector employer in the state with 358,981 direct (full-time equivalent) jobs in 2004.
- Core Tourism generated **9.0% of non-farm state employment** in 2004.
- Core Tourism jobs provided **\$9.4 billion in wages & salaries** in 2004.

# Core Tourism - Employment

(Thousands)

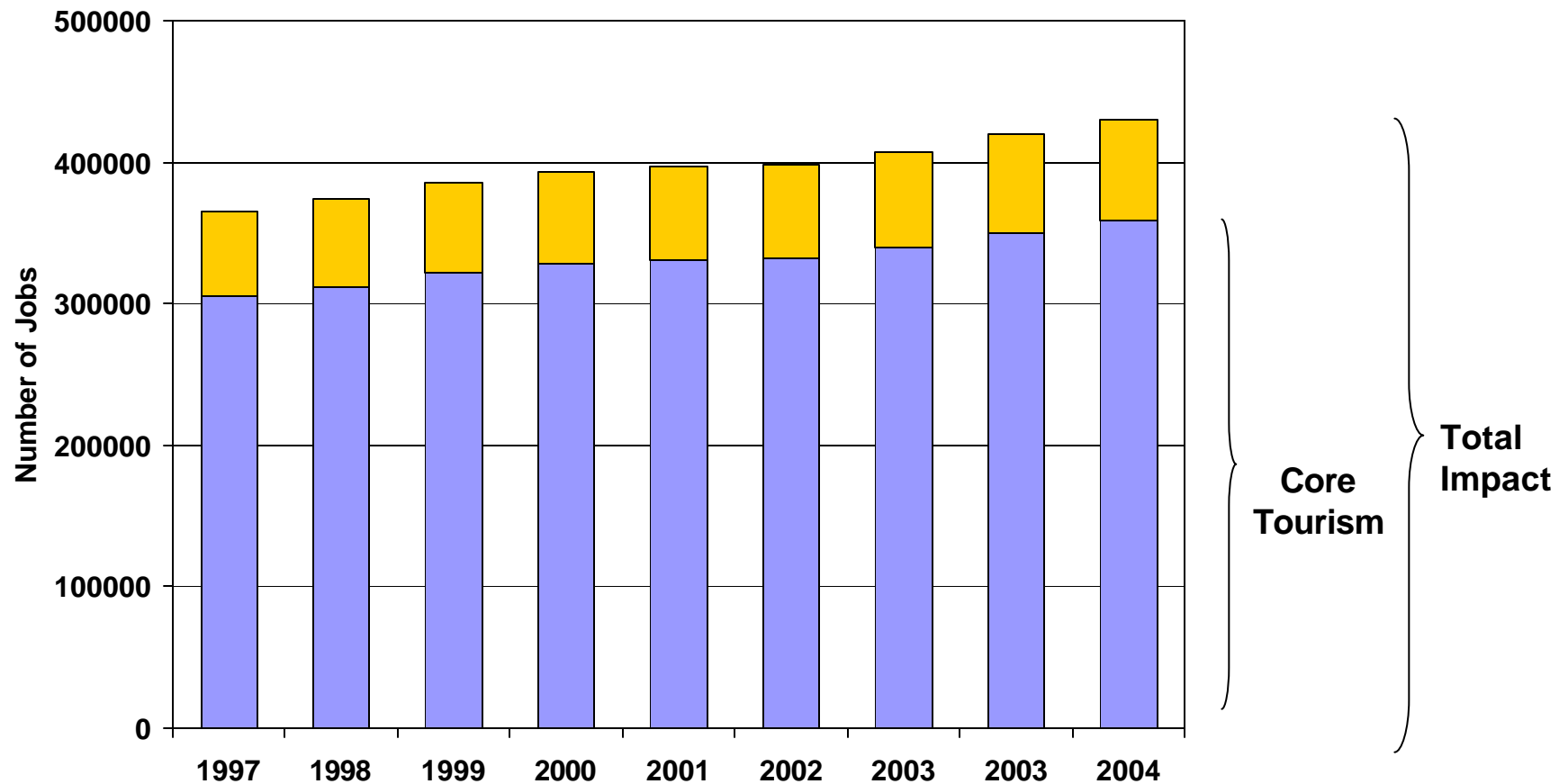
**Core Tourism represented 358,981 jobs in 2004. Travel & tourism ranked as the 3rd largest private sector employer in the state with 9.0% of total non-farm employment.**

Rank	Industry	Employment	% of State
1	Retail Trade	468.0	11.7%
2	Health Care and Social Assistance	461.3	11.5%
3	<b>Travel &amp; Tourism</b>	<b>359.0</b>	<b>9.0%</b>
4	Accommodation and Food Services	277.3	6.9%
5	Professional and Business Services	258.4	6.5%
6	Admin. & Support & Waste Management	258.2	6.5%
7	Wholesale Trade	231.7	5.8%
8	Finance and Insurance	219.2	5.5%
9	Non-Durable Manufacturing Goods	187.9	4.7%
10	Construction	166.0	4.1%
11	Transportation and Warehousing	161.1	4.0%
12	Other Services	154.4	3.9%
13	Durable Manufacturing Goods	151.0	3.8%
14	Information	98.6	2.5%
15	Educational Services	85.3	2.1%
	Local Government	423.2	10.6%
	State Government	148.5	3.7%
	<b>Total Nonfarm</b>	<b>4,002</b>	<b>100.0%</b>

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# Core Tourism Employment

Core Tourism jobs comprise 82% of total tourism-generated employment. The number of jobs has grown steadily over time.



Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# Tourism Employment by County

County	Employment	County Share	County	Employment	County Share
Atlantic	74,671	17.4%	Hudson	14,935	3.5%
Bergen	39,250	9.1%	Mercer	14,809	3.4%
Monmouth	38,431	8.9%	Somerset	13,579	3.2%
Cape May	32,750	7.6%	Passaic	12,706	3.0%
Ocean	32,173	7.5%	Gloucester	8,617	2.0%
Middlesex	28,767	6.7%	Sussex	7,144	1.7%
Essex	26,593	6.2%	Cumberland	4,220	1.0%
Morris	22,395	5.2%	Hunterdon	3,726	0.9%
Burlington	18,512	4.3%	Warren	3,183	0.7%
Camden	15,998	3.7%	Salem	1,901	0.4%
Union	15,843	3.7%	<b>Total</b>	<b>430,198</b>	<b>100.0%</b>

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Core Tourism - Composition

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

Rank	Industry	\$ Value	% of Total
1	Hotels and motels- including casino hotels	6,067,291,648	37.0%
2	Food services and drinking places	3,210,156,800	19.6%
3	Real estate	2,045,127,552	12.5%
4	Other amusement- gambling- and recreation industri	1,739,522,944	10.6%
5	Air transportation	579,569,664	3.5%
6	Automotive equipment rental and leasing	566,134,400	3.5%
7	Travel arrangement and reservation services	515,396,480	3.1%
8	Food and beverage stores	485,541,248	3.0%
9	Clothing and clothing accessories stores	433,324,064	2.6%
10	General merchandise stores	229,402,704	1.4%
11	Sporting goods- hobby- book and music stores	129,980,104	0.8%
12	Performing arts companies	93,687,488	0.6%
13	Miscellaneous store retailers	80,071,832	0.5%
14	Water transportation	74,701,040	0.5%
15	Gasoline stations	51,009,828	0.3%
	Other Industries	103,022,713	0.6%
	<b>Total</b>	<b>16,403,940,509</b>	<b>100.0%</b>

Includes seasonal 2<sup>nd</sup> homes

Professionally arranged transport & tours

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.



# Tourism – Indirect Benefits

The indirect benefits of tourism include sales of goods and services by other industries to the tourism sector.

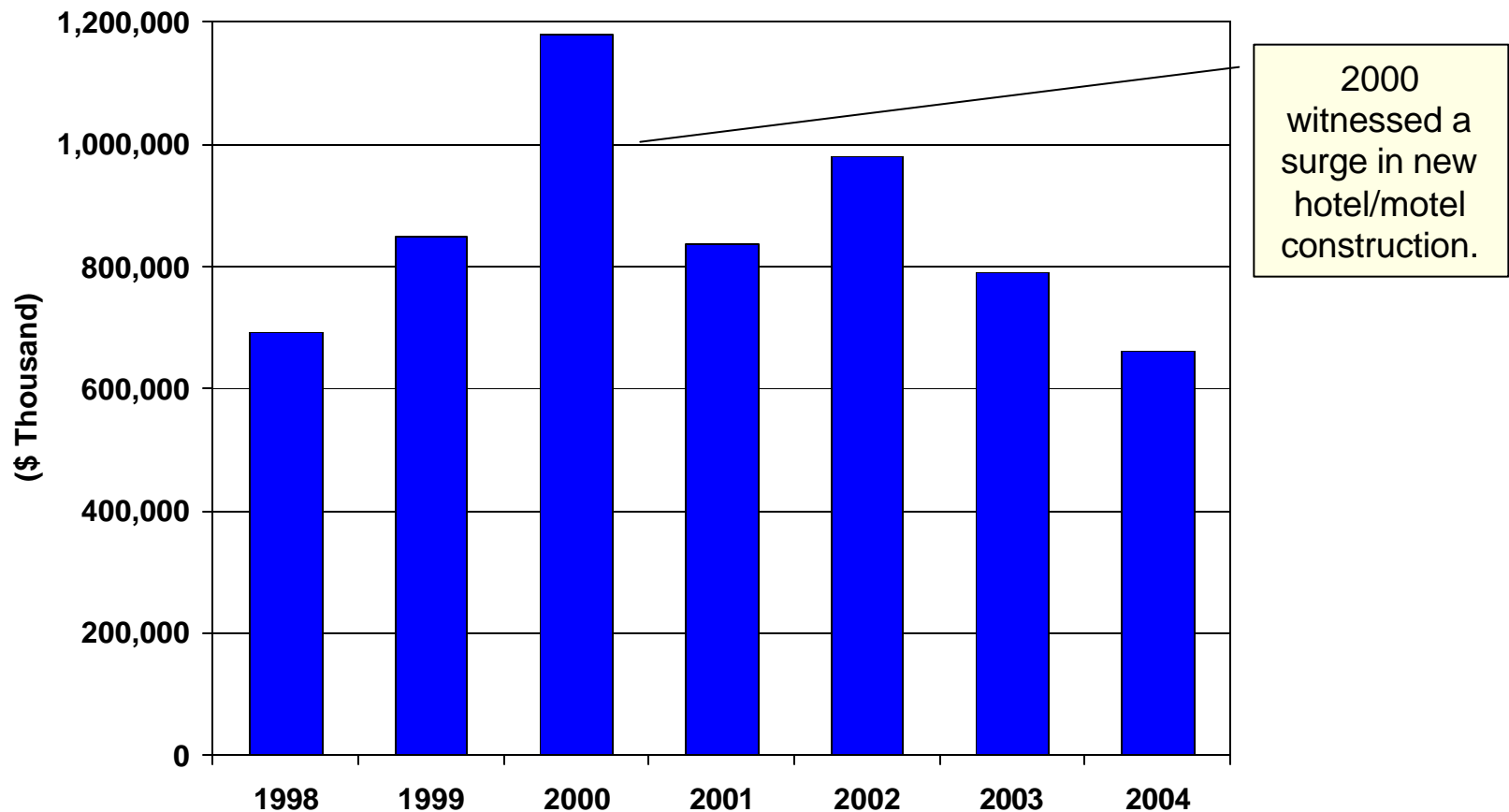
In 2004 the real estate industry received the most indirect benefit from tourism.

Rank	Industry	\$ Value	% of Total
1	Real estate	619,301,440	12.3%
2	Wholesale trade	457,268,096	9.1%
3	Power generation and supply	254,998,464	5.0%
4	Management of companies and enterprises	218,329,184	4.3%
5	Lessors of nonfinancial intangible assets	192,366,640	3.8%
6	Other State and local government enterprises	160,351,824	3.2%
7	Maintenance & repair of nonresidential buildings	137,337,024	2.7%
8	Employment services	129,040,840	2.6%
9	Telecommunications	121,309,424	2.4%
10	Advertising and related services	117,186,192	2.3%
11	Legal services	115,602,776	2.3%
12	Nondepository credit intermediation	113,058,176	2.2%
13	Architectural and engineering services	107,775,232	2.1%
14	Travel arrangement and reservation services	102,905,360	2.0%
15	Scenic & sightseeing transportation	95,914,688	1.9%
	Other Industries	2,109,766,432	41.8%
	<b>Total</b>	<b>5,052,511,792</b>	<b>100.0%</b>

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# Non-Core Tourism - Indirect Benefits

The construction sector is also a significant beneficiary of tourism.  
In 2004, the level of new construction was back to trend levels.



Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# State and Local Government Tax Revenue

- Tourism activity generated \$3.7 billion in state and local government revenue in 2004.
- In 2004, \$1.9 billion in state tax revenue was generated by the travel & tourism sector in New Jersey. Indirect business tax (sales tax) and personal income tax are the two largest contributors.
- Tourism contributes disproportionately to state revenue vis-à-vis its economic value. Tourism was responsible for 10% of all state revenue in 2004. Recall that tourism generated **5.3% of Gross State Product**. The reason for this is that several key state revenue sources have a concentrated dependence on the tourism industry.

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# State and Local Government Revenue

Tourism generated state government revenues of \$1.9 billion and an additional \$1.7 billion in local government revenues.

Tax	2003 (\$)
<b>Federal:</b>	
Corporate	858,953,915
Personal	113,906,477
Social Security	1,877,900,356
<b>Federal Total</b>	<b>2,850,760,748</b>
<b>State:</b>	
Sales Tax (excluding Hotel & Entertainment)	732,636,621
Income Tax	316,996,597
Other Taxes	386,958,761
Licenses & Fees	46,983,563
Corporate Profits Tax	85,122,796
Hotel Sales Tax	154,239,289
Entertainment Sales Tax	77,119,644
Occupancy Tax	78,372,026
Casino Room Fee	15,892,596
Casino Comp Tax	29,514,822
Total	<b>1,923,836,715</b>
Tourism Share of Total	<b>10.0%</b>
<b>State Total</b>	
<b>Local:</b>	
Property	1,748,178,885
Local Hotel Taxes	23,181,763
Other Taxes	6,952,681
<b>Local Total</b>	<b>1,778,313,329</b>
<b>Grand Total</b>	<b>6,552,910,792</b>

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Regional Distribution of Tourism

## **New Jersey is divided into six regions:**

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

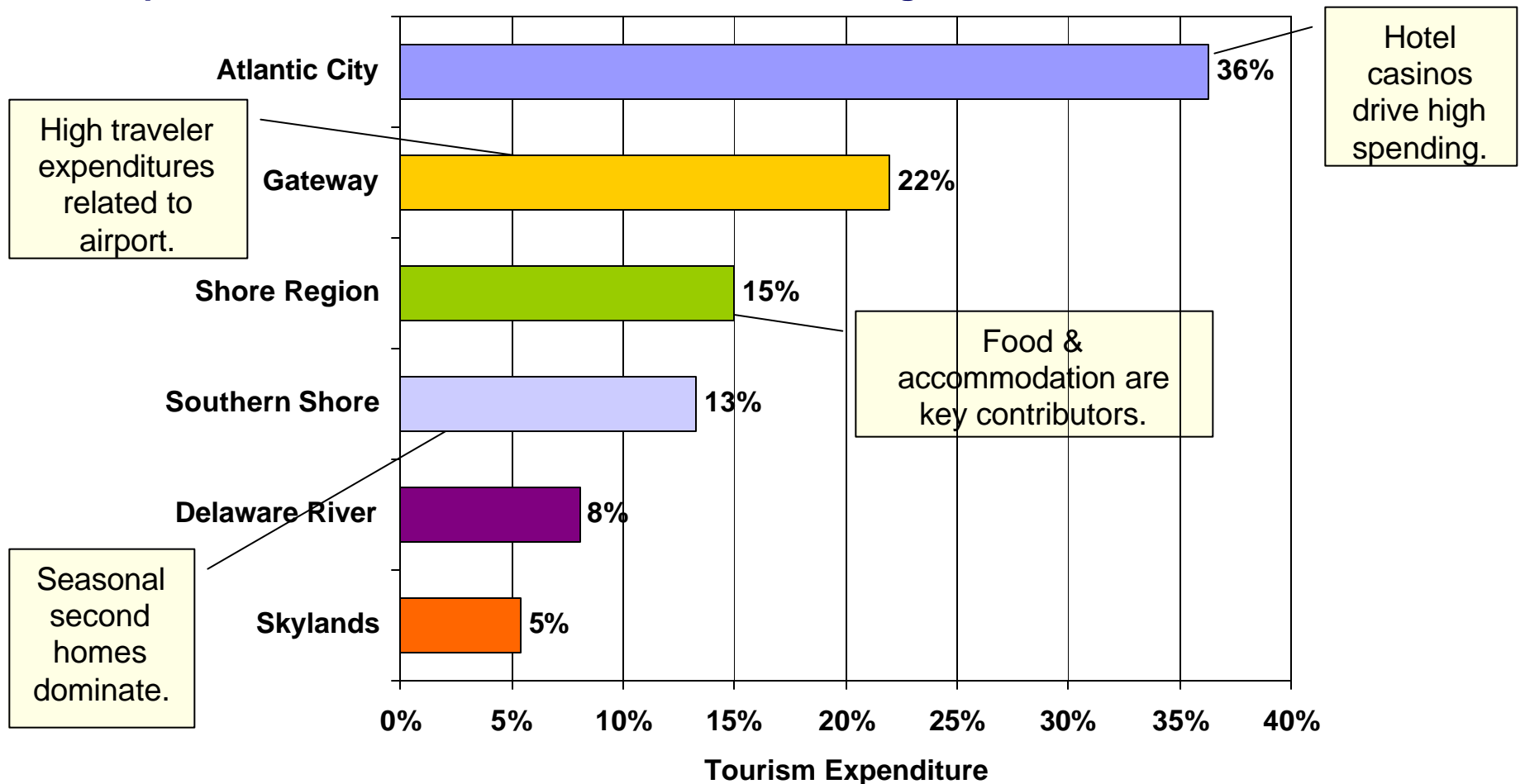
# Regional Distribution of Tourism

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

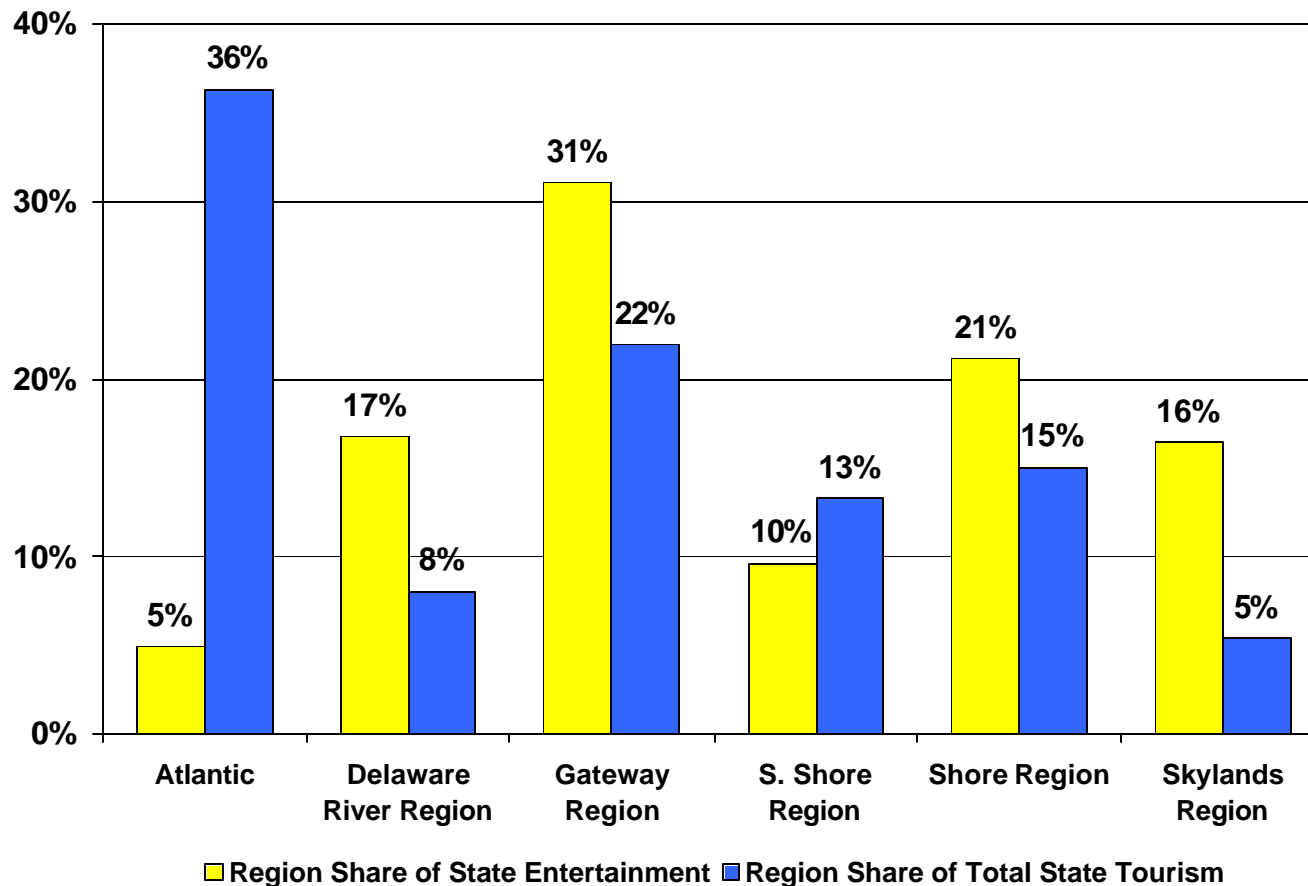
# Regional Distribution of Tourism

After Atlantic City, Gateway has the second largest share of total statewide tourism expenditure. The Shore and Southern Shore regions are almost tied.



# Regional Shares of Statewide Tourism Entertainment Expenditure

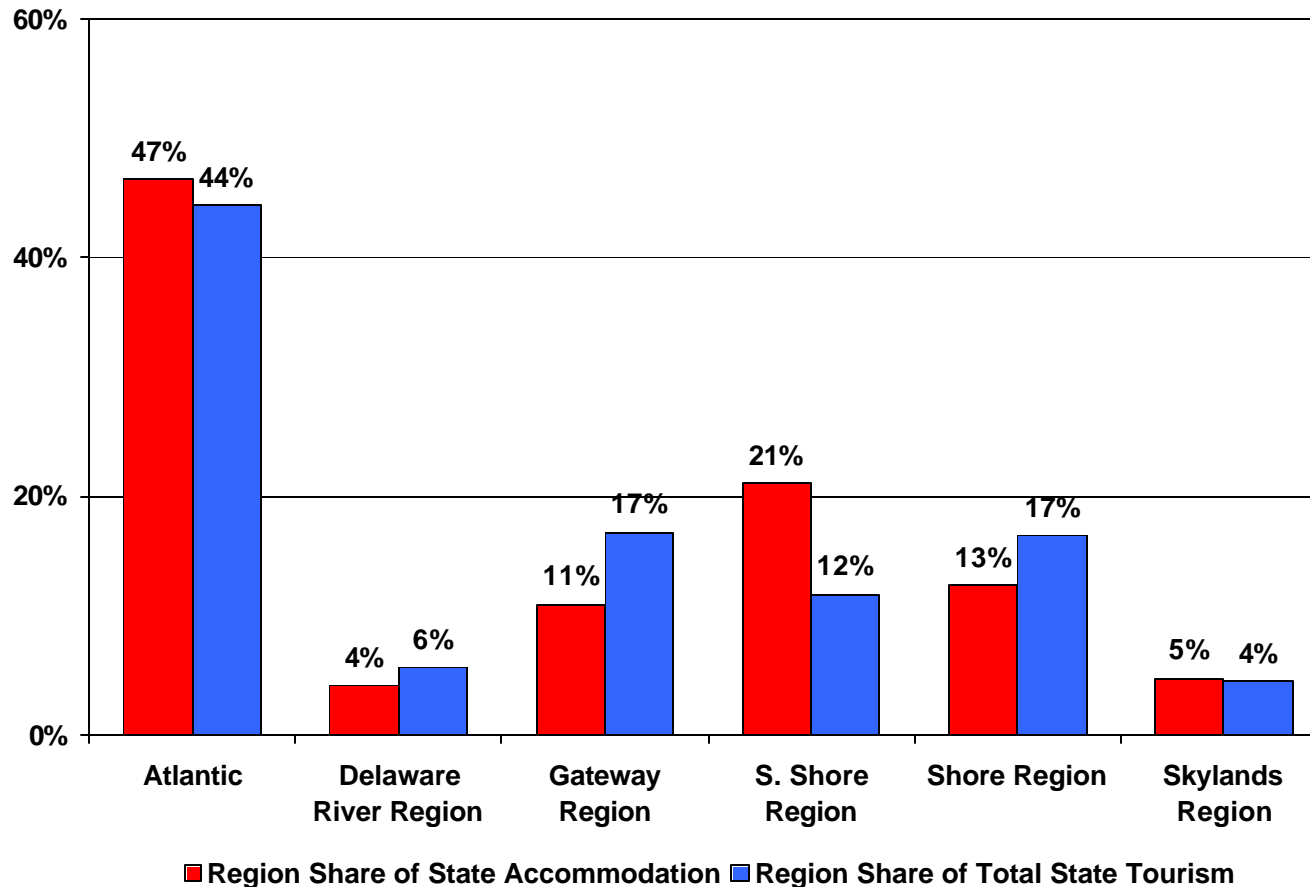
Gateway Region has the largest tourism entertainment expenditure share (31%).  
Atlantic City is the leader in terms of total tourism sales (36%).





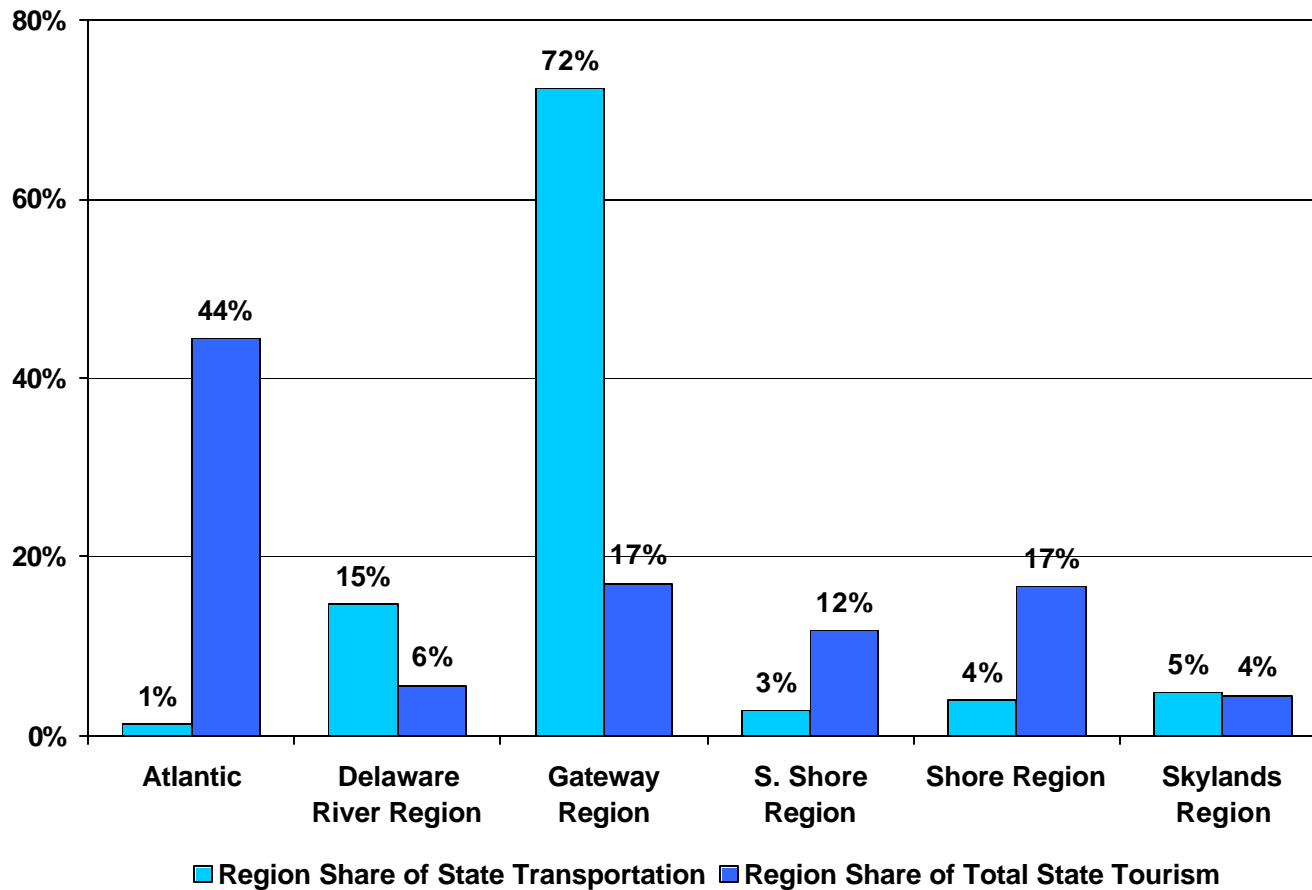
# Regional Shares of Statewide Tourism Accommodation Expenditure

Atlantic City region holds the largest share in both accommodation sales (47% - including hotel casinos) and total tourism expenditure (44%). The Southern Shore ranks 2<sup>nd</sup> in terms of accommodation expenditure.



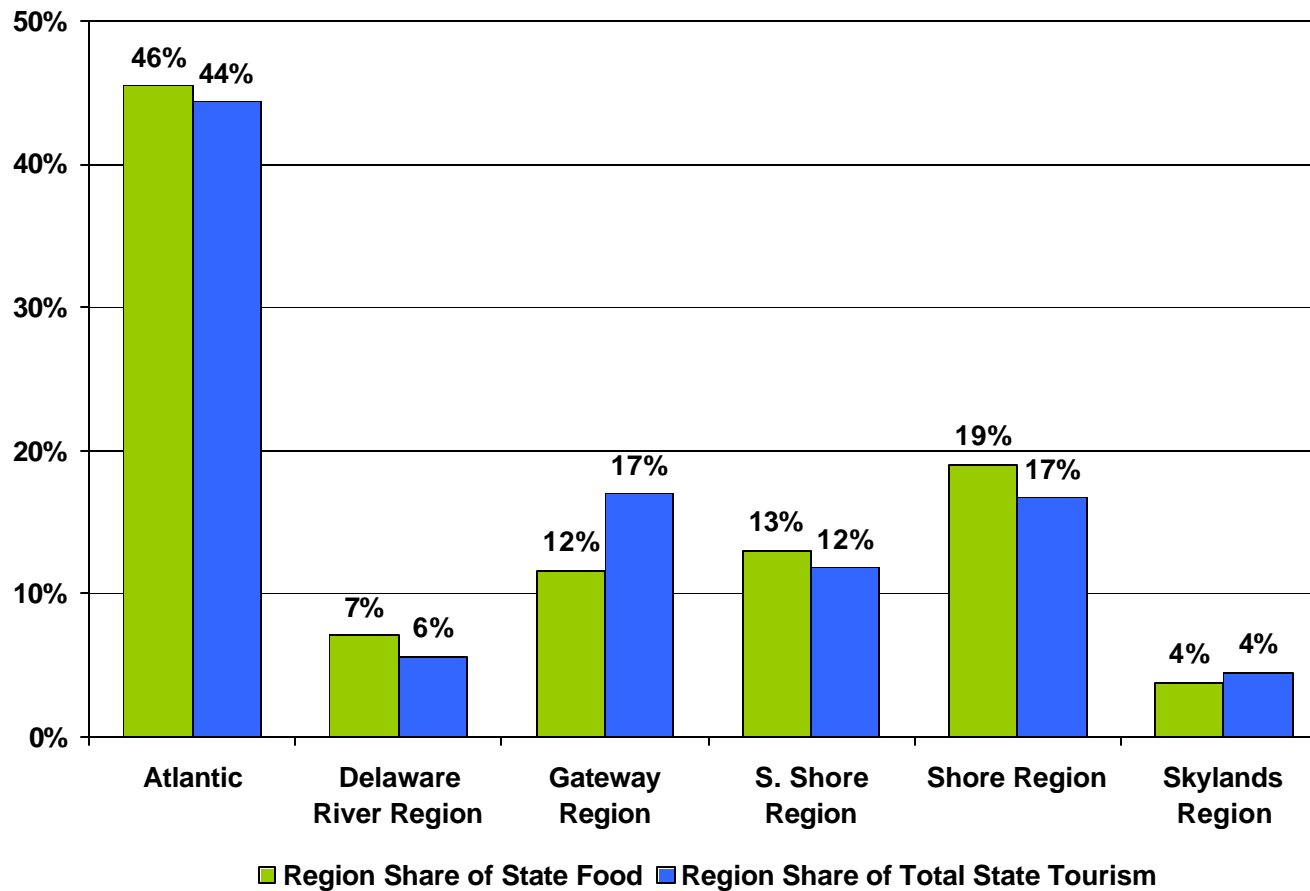
# Regional Shares of Statewide Tourism Transportation Expenditure

With Newark airport in its territory, the Gateway Region dominates tourism-related transportation sales (72%). The cargo transportation is not included.



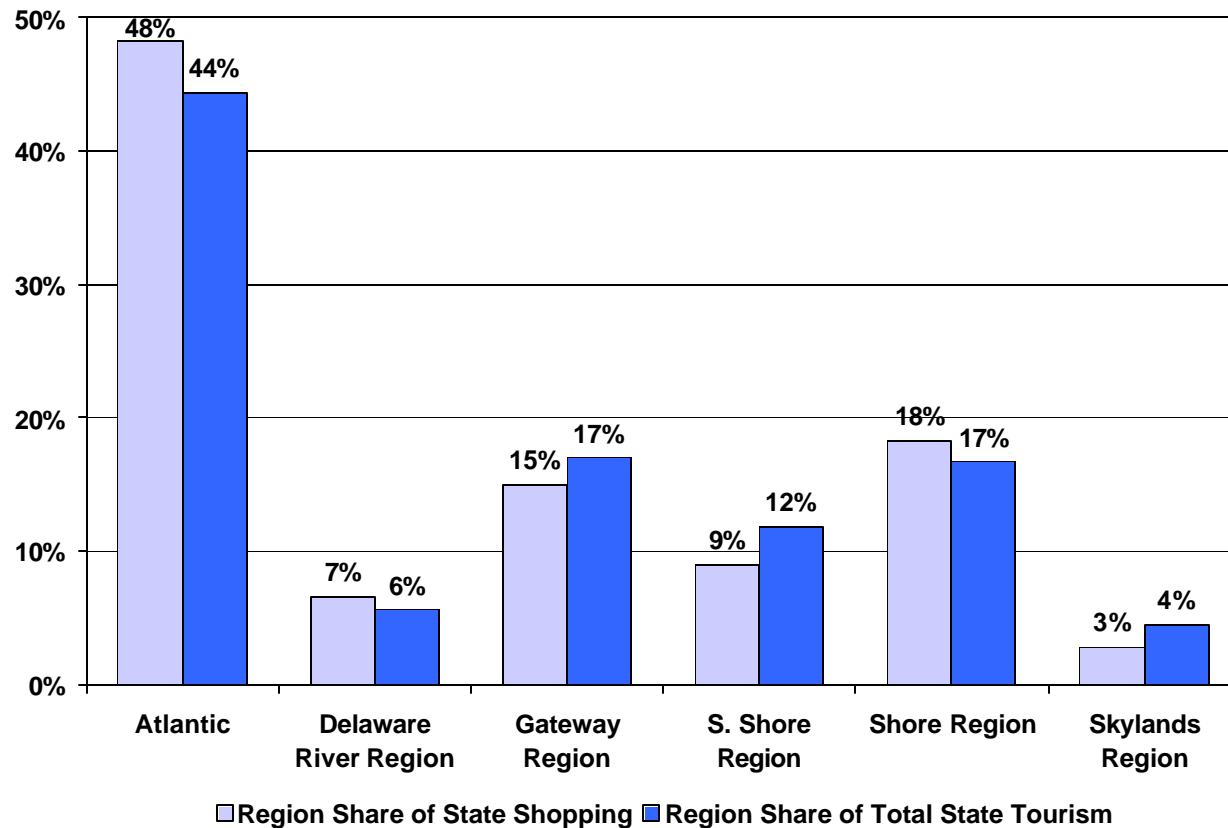
# Regional Shares of Statewide Tourism Food Expenditure

After Atlantic City, the Shore region has the second largest share of tourism-related food expenditure in the state.

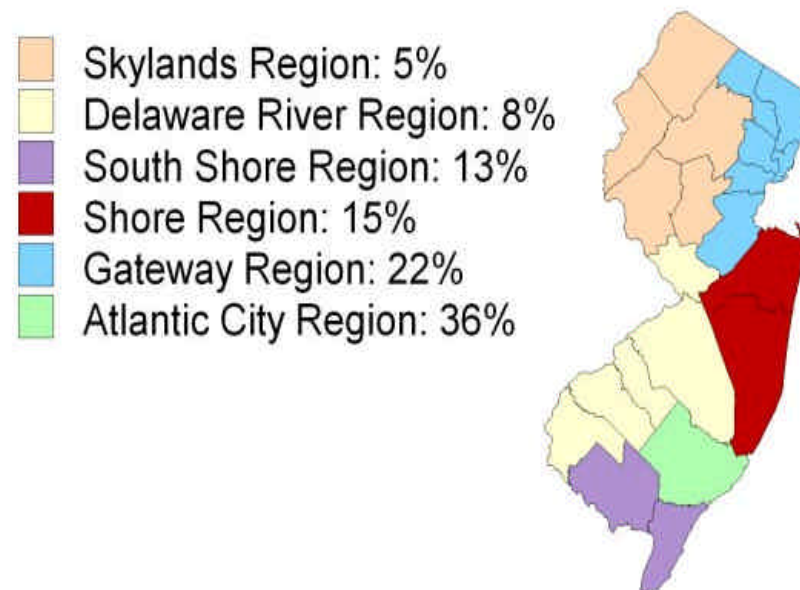


# Regional Shares of Statewide Tourism Shopping Expenditure

After the Atlantic region, the Gateway (15%) and Shore (18%) regions hold the largest share of tourism-related shopping expenditure.



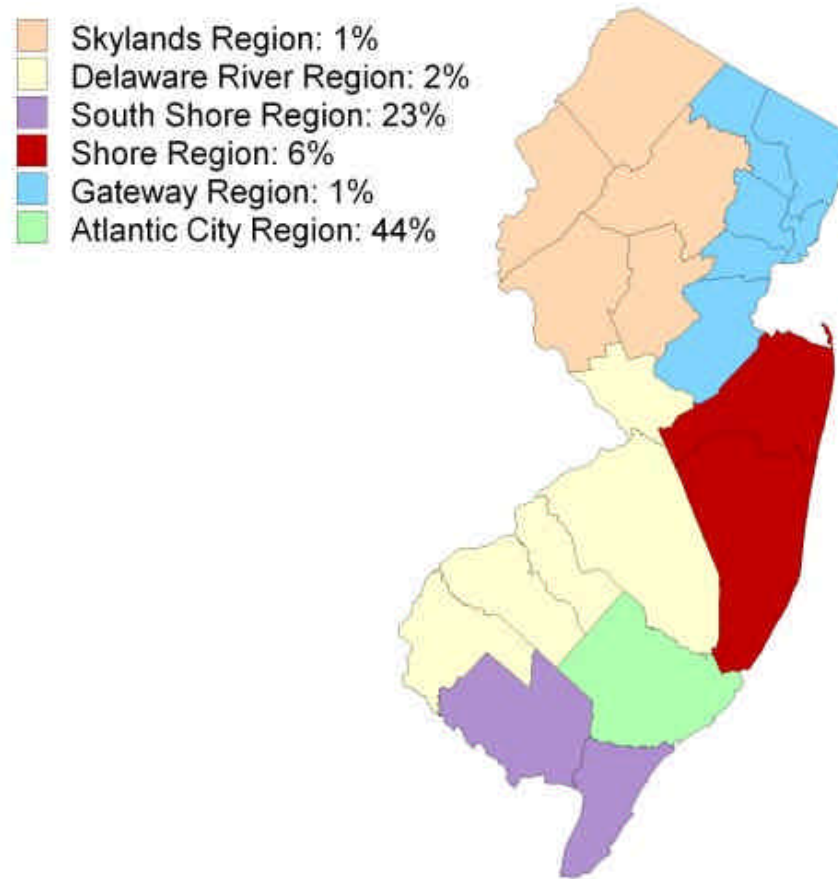
# Region's Share in Tourism Expenditures, 2004



- **Atlantic City generates 36% of New Jersey's tourism expenditures, while Gateway region produces 22%.**

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

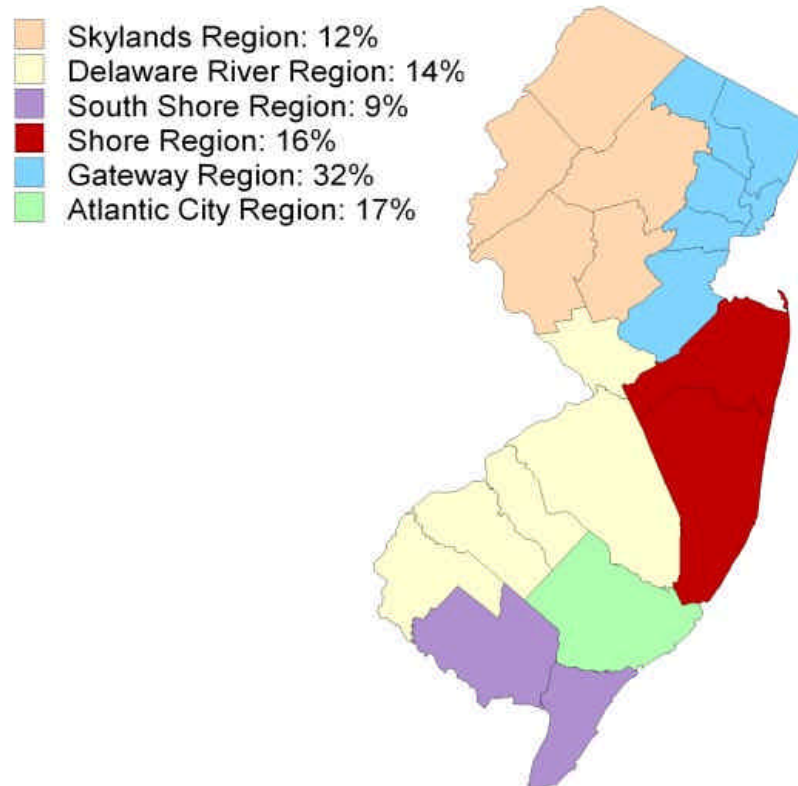
# Importance of Tourism in Regional Economy



- **Tourism contributes 44% to Atlantic City's economy.**

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Region's Share in Tourism Employment, 2004



- Gateway region employs 32% of the state's tourism workers while Atlantic City employs 17%.

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# Tourism Expenditure by County

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

County	Tourism Sales	County Share	County	Tourism Sales	County Share
Atlantic City	\$ 11,347,259,642	36.3%	Camden	\$ 533,312,765	1.7%
Cape May	\$ 4,077,393,354	13.0%	Somerset	\$ 493,647,820	1.6%
Ocean	\$ 3,031,730,678	9.7%	Mercer	\$ 357,769,731	1.1%
Essex	\$ 2,533,539,897	8.1%	Sussex	\$ 334,292,126	1.1%
Monmouth	\$ 1,651,863,246	5.3%	Passaic	\$ 315,864,228	1.0%
Bergen	\$ 1,592,195,619	5.1%	Gloucester	\$ 298,511,365	1.0%
Burlington	\$ 1,271,180,470	4.1%	Hunterdon	\$ 94,605,287	0.3%
Middlesex	\$ 1,200,083,884	3.8%	Warren	\$ 90,303,432	0.3%
Morris	\$ 680,843,012	2.2%	Cumberland	\$ 73,880,609	0.2%
Union	\$ 615,490,755	2.0%	Salem	\$ 48,603,306	0.2%
Hudson	\$ 607,724,314	1.9%	<b>Total</b>	<b>\$ 31,250,095,540</b>	<b>100.0%</b>

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.



# Tourism Expenditure by County – Share of Total County Expenditure

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

County	Tourism Expenditure	Tourism Share of Total County Expenditure	County	Tourism Expenditure	Tourism Share of Total County Expenditure
Cape May	\$ 4,077,393,354	58.7%	Middlesex	\$ 1,200,083,884	1.1%
Atlantic City	\$ 11,347,259,642	43.7%	Hudson	\$ 607,724,314	1.0%
Ocean	\$ 3,031,730,678	10.7%	Salem	\$ 48,603,306	1.0%
Sussex	\$ 334,292,126	5.1%	Gloucester	\$ 298,511,365	1.0%
Essex	\$ 2,533,539,897	3.0%	Hunterdon	\$ 94,605,287	1.0%
Monmouth	\$ 1,651,863,246	2.9%	Mercer	\$ 357,769,731	0.9%
Burlington	\$ 1,271,180,470	2.8%	Union	\$ 615,490,755	0.9%
Bergen	\$ 1,592,195,619	1.3%	Morris	\$ 680,843,012	0.9%
Somerset	\$ 493,647,820	1.3%	Passaic	\$ 315,864,228	0.8%
Warren	\$ 90,303,432	1.2%	Cumberland	\$ 73,880,609	0.6%
Camden	\$ 533,312,765	1.2%	<b>Total</b>	<b>\$ 31,250,095,540</b>	<b>3.4%</b>

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

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

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

<b>County</b>	<b># of Seasonal 2nd Homes</b>
Cape May	43,124
Ocean	33,200
Atlantic	11,700
Monmouth	7,726
Sussex	3,575
<b>Total</b>	<b>99,325</b>

# County Detail - Tourism Expenditures by Industry

## Atlantic and Gateway Regions (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
<b>Total</b>	\$ 3,416	\$ 10,595	\$ 4,017	\$ 7,040	\$ 6,182	\$ 31,250
<b>Atlantic</b>	\$ 168	\$ 4,936	\$ 54	\$ 3,203	\$ 2,986	\$ 11,347
<b>Gateway Region</b>	\$ 1,062	\$ 1,154	\$ 2,906	\$ 817	\$ 927	\$ 6,865
Essex	\$ 226	\$ 258	\$ 1,669	\$ 178	\$ 203	\$ 2,534
Bergen	\$ 235	\$ 268	\$ 694	\$ 185	\$ 210	\$ 1,592
Middlesex	\$ 231	\$ 354	\$ 154	\$ 216	\$ 245	\$ 1,200
Union	\$ 149	\$ 92	\$ 186	\$ 88	\$ 100	\$ 615
Hudson	\$ 130	\$ 129	\$ 146	\$ 95	\$ 108	\$ 608
Passaic	\$ 91	\$ 54	\$ 57	\$ 53	\$ 61	\$ 316

Hotel casino "win" earnings are key.

Ferry service to Statue of Liberty & Ellis Island.

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

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# County Detail - Tourism Expenditures by Industry

## Shore and Southern Shore Regions (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
<b>Total</b>	\$ 3,416	\$ 10,595	\$ 4,017	\$ 7,040	\$ 6,182	\$ 31,250
<b>Shore Region</b>	\$ 722	\$ 1,331	\$ 161	\$ 1,338	\$ 1,131	\$ 4,684
Ocean	\$ 369	\$ 977	\$ 69	\$ 876	\$ 741	\$ 3,032
Monmouth	\$ 353	\$ 355	\$ 93	\$ 461	\$ 390	\$ 1,652
<b>S. Shore Region</b>	\$ 329	\$ 2,240	\$ 111	\$ 915	\$ 556	\$ 4,151
Cape May	\$ 317	\$ 2,211	\$ 100	\$ 901	\$ 548	\$ 4,077
Cumberland	\$ 12	\$ 28	\$ 11	\$ 14	\$ 9	\$ 74

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

Seasonal 2<sup>nd</sup> homes impact.

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.

# County Detail - Tourism Expenditures by Industry

## Delaware Region (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
<b>Total</b>	\$ 3,416	\$ 10,595	\$ 4,017	\$ 7,040	\$ 6,182	\$ 31,250
<b>Delaware River Region</b>	\$ 573	\$ 435	\$ 593	\$ 500	\$ 408	\$ 2,509
Burlington	\$ 231	\$ 264	\$ 330	\$ 246	\$ 200	\$ 1,271
Camden	\$ 133	\$ 51	\$ 182	\$ 92	\$ 75	\$ 533
Mercer	\$ 91	\$ 79	\$ 35	\$ 84	\$ 69	\$ 358
Gloucester	\$ 103	\$ 31	\$ 43	\$ 67	\$ 54	\$ 299
Salem	\$ 15	\$ 9	\$ 3	\$ 12	\$ 10	\$ 49

Historic sites and museums are important contributors.

*Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.*

# County Detail - Tourism Expenditures by Industry

## Skylands Region (million \$)

	Entertainment	Accommodation	Transportation	Food	Shopping	Total
<b>Total</b>	\$ 3,416	\$ 10,595	\$ 4,017	\$ 7,040	\$ 6,182	\$ 31,250
<b>Skylands Region</b>	\$ 562	\$ 499	\$ 192	\$ 268	\$ 173	\$ 1,694
Morris	\$ 180	\$ 208	\$ 132	\$ 98	\$ 63	\$ 681
Somerset	\$ 139	\$ 185	\$ 35	\$ 82	\$ 53	\$ 494
Sussex	\$ 160	\$ 70	\$ 10	\$ 58	\$ 37	\$ 334
Hunterdon	\$ 47	\$ 15	\$ 7	\$ 16	\$ 10	\$ 95
Warren	\$ 36	\$ 22	\$ 8	\$ 15	\$ 9	\$ 90

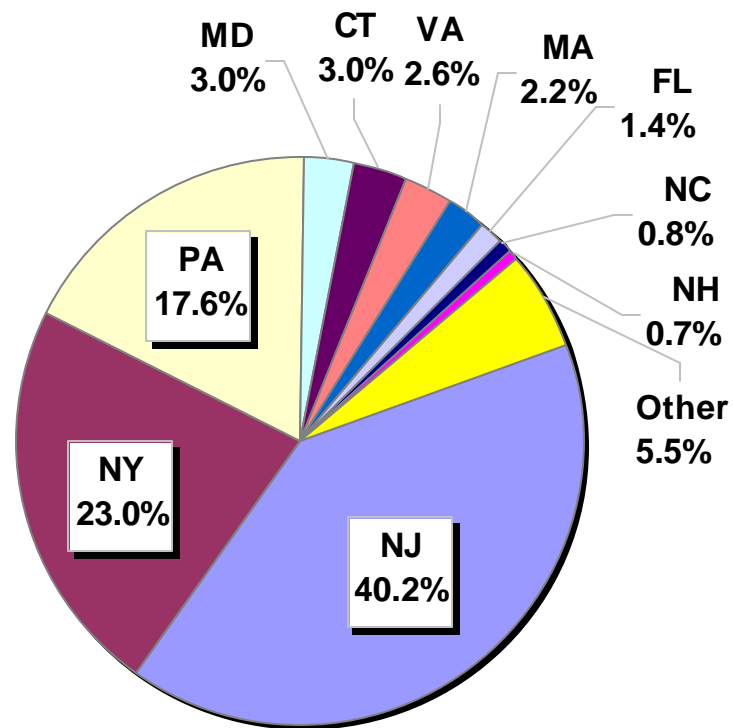
Outdoor recreation and state parks are important attractions.

Note: Due to the shift from SIC to NAICS industry classifications, data is not comparable to prior reports.



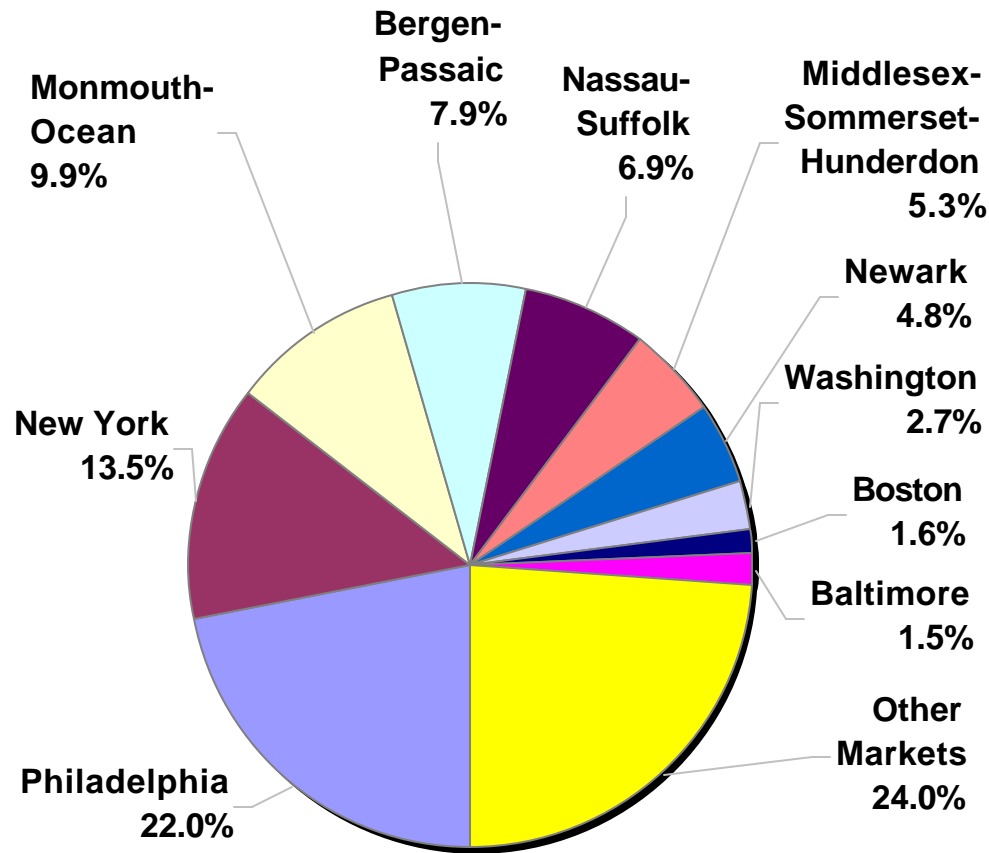
# Visitor Forecast

# Origin of Visitors by State, 2004

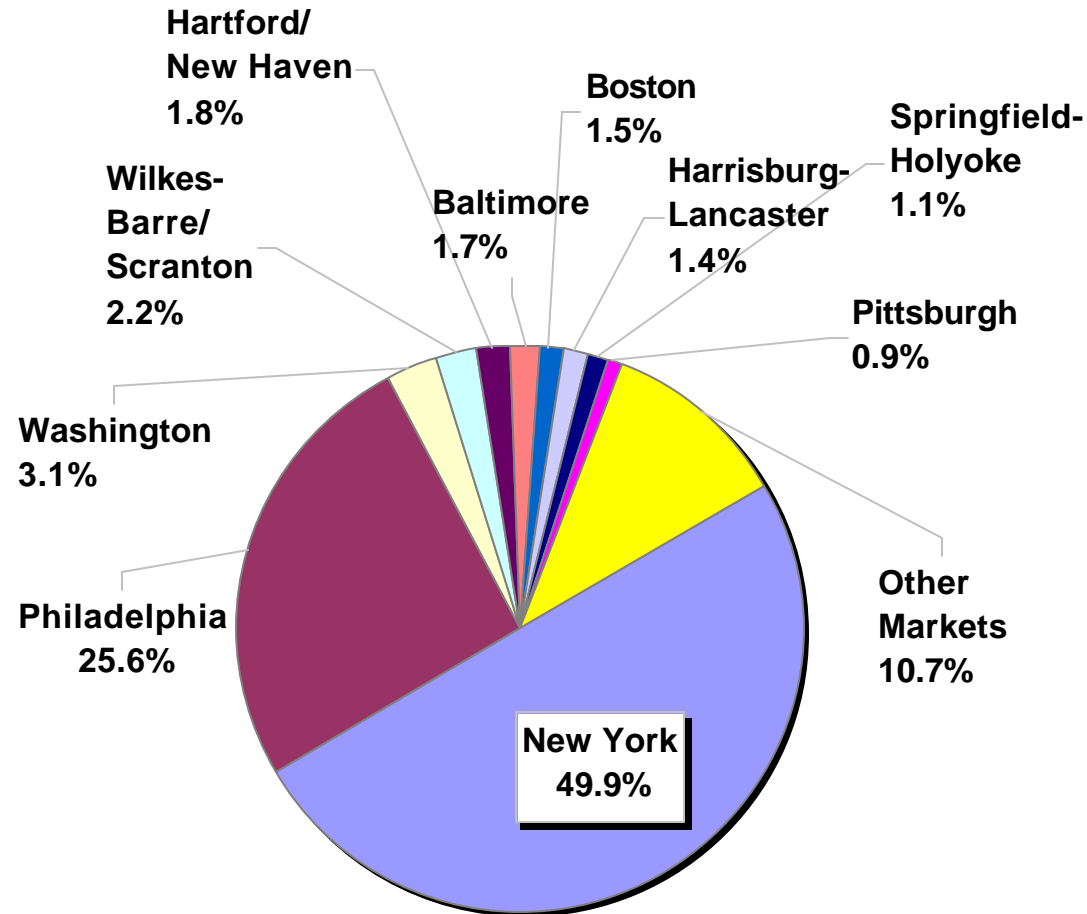




# Origin of Visitors by MSA, 2004

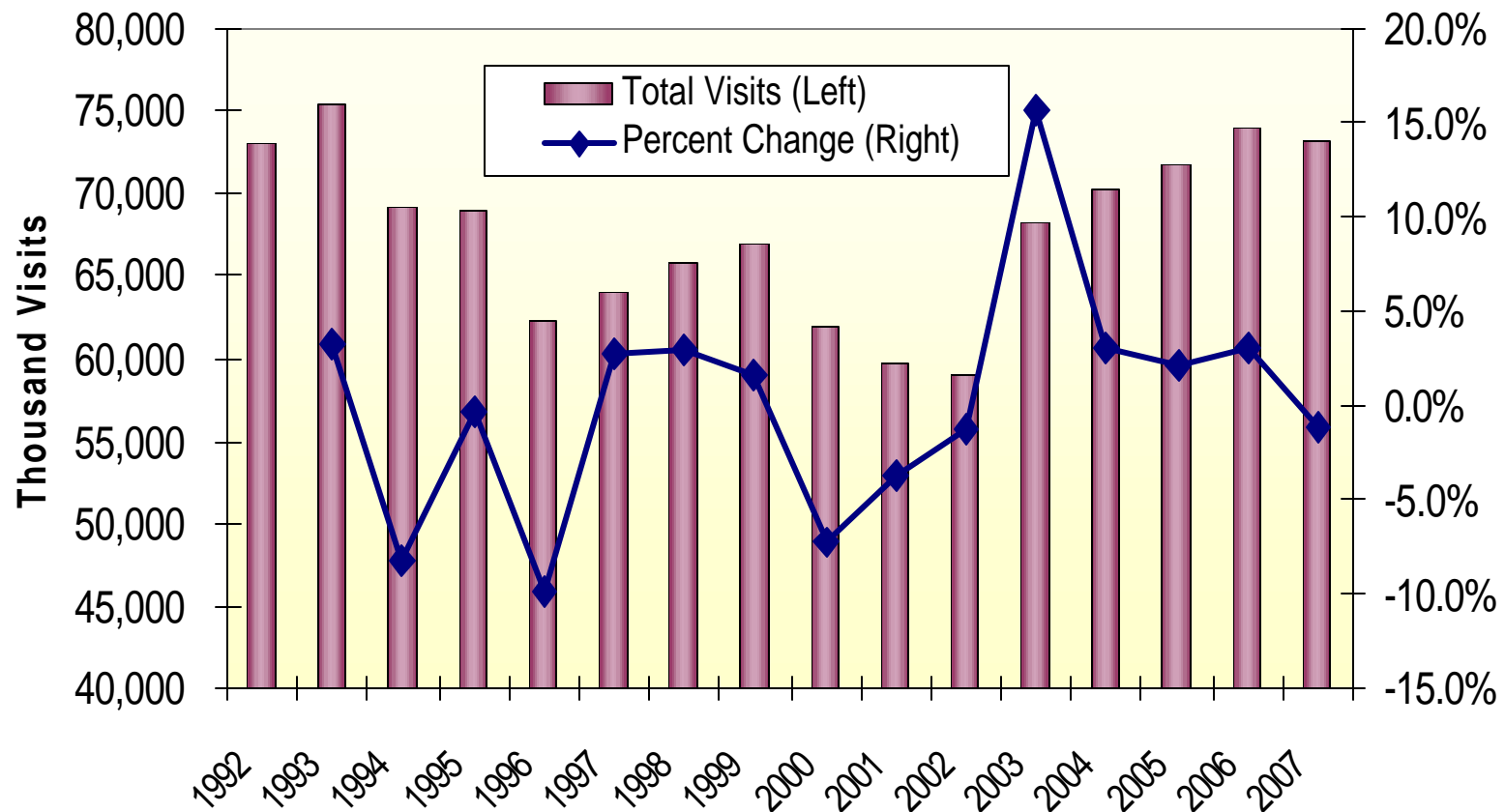


# Origin of Visitors by DMA, 2004



# New Jersey Tourism is Riding High

Market can sustain two more years of growth, based on economic conditions



# Top-10 Origin Market Visitor Forecast

Number of visitors increased by 3.1% last year. Over the forecast period, expect the strongest growth to be from the state's internal markets.

	2002	2003	2004	2005	2006	2007
<b>Philadelphia MSA</b>	<b>11,804</b>	<b>17,020</b>	<b>15,483</b>	<b>16,135</b>	<b>16,635</b>	<b>16,473</b>
percent change	16.1	44.2	-9.0	4.2	3.1	-1.0
<b>New York MSA</b>	<b>8,791</b>	<b>12,349</b>	<b>9,455</b>	<b>9,596</b>	<b>9,903</b>	<b>9,806</b>
percent change	45.7	40.5	-23.4	1.5	3.2	-1.0
<b>Monmouth-Ocean MSA</b>	<b>4,923</b>	<b>4,853</b>	<b>6,983</b>	<b>6,835</b>	<b>7,037</b>	<b>6,949</b>
percent change	-0.9	-1.4	43.9	-2.1	3.0	-1.2
<b>Bergen-Passaic MSA</b>	<b>3,048</b>	<b>3,831</b>	<b>5,522</b>	<b>5,726</b>	<b>5,899</b>	<b>5,834</b>
percent change	-35.5	25.7	44.1	3.7	3.0	-1.1
<b>Nassau-Suffolk MSA</b>	<b>3,862</b>	<b>4,219</b>	<b>4,847</b>	<b>5,070</b>	<b>5,228</b>	<b>5,174</b>
percent change	-18.0	9.3	14.9	4.6	3.1	-1.0
<b>Middlesex-Somerset-Hunc</b>	<b>1,810</b>	<b>2,515</b>	<b>3,688</b>	<b>3,964</b>	<b>4,069</b>	<b>4,015</b>
percent change	-53.8	39.0	46.6	7.5	2.6	-1.3
<b>Newark MSA</b>	<b>4,410</b>	<b>3,769</b>	<b>3,372</b>	<b>3,309</b>	<b>3,411</b>	<b>3,372</b>
percent change	74.1	-14.5	-10.5	-1.9	3.1	-1.1
<b>Washington MSA</b>	<b>2,311</b>	<b>1,779</b>	<b>1,890</b>	<b>1,871</b>	<b>1,925</b>	<b>1,900</b>
percent change	-13.1	-23.0	6.2	-1.0	2.8	-1.3
<b>Boston MSA</b>	<b>584</b>	<b>327</b>	<b>1,124</b>	<b>1,015</b>	<b>1,047</b>	<b>1,036</b>
percent change	60.2	-43.9	243.5	-9.7	3.1	-1.1
<b>Baltimore MSA</b>	<b>1,321</b>	<b>1,513</b>	<b>1,047</b>	<b>1,024</b>	<b>1,054</b>	<b>1,041</b>
percent change	2.4	14.6	-30.8	-2.2	2.9	-1.2
<b>Sum of MSAs</b>	<b>42,863</b>	<b>52,175</b>	<b>53,410</b>	<b>54,545</b>	<b>56,206</b>	<b>55,601</b>
percent change	3.6	21.7	2.4	2.1	3.0	-1.1
<b>TOTAL</b>	<b>58,959</b>	<b>68,160</b>	<b>70,249</b>	<b>71,741</b>	<b>73,927</b>	<b>73,130</b>
	-1.3	15.6	3.1	2.1	3.0	-1.1
<b>All Other Areas</b>	<b>16,096</b>	<b>15,765</b>	<b>16,839</b>	<b>17,196</b>	<b>17,720</b>	<b>17,529</b>

# Annual Forecasts by Type of Visit and Average Spending

We're expecting a significant increase in the number of business visitors as a result of growing economy and corporate profits. Increases in leisure travel will be more muted in 2005 and 2006. Overnight visits will make-up a growing share. After four years of consistent growth, a slight retrenchment is projected for 2007.

	2002	2003	2004	2005	2006	2007
<b>Total Visits</b>	<b>58,959</b>	<b>68,160</b>	<b>70,249</b>	<b>71,741</b>	<b>73,927</b>	<b>73,130</b>
% change	-1.3	15.6	3.1	2.1	3.0	-1.1
<b>Visits - Business</b>	<b>12,528</b>	<b>12,611</b>	<b>12,283</b>	<b>13,007</b>	<b>14,515</b>	<b>15,094</b>
% change	0.9	0.7	-2.6	5.9	11.6	4.0
<b>Visits - Leisure</b>	<b>46,431</b>	<b>55,549</b>	<b>57,966</b>	<b>58,734</b>	<b>59,411</b>	<b>58,036</b>
% change	-1.9	19.6	4.4	1.3	1.2	-2.3
<b>Visits - Single Day</b>	<b>33,842</b>	<b>41,410</b>	<b>40,954</b>	<b>39,490</b>	<b>40,025</b>	<b>41,590</b>
% change	3.5	22.4	-1.1	-3.6	1.4	3.9
<b>Visits - Overnight</b>	<b>25,117</b>	<b>26,750</b>	<b>29,295</b>	<b>32,251</b>	<b>33,901</b>	<b>31,540</b>
% change	-7.1	6.5	9.5	10.1	5.1	-7.0
<b>Average Spending</b>	<b>109</b>	<b>108</b>	<b>115</b>	<b>117</b>	<b>117</b>	<b>118</b>
% change	6.3	-0.5	6.3	1.3	0.8	0.9



# Appendix

# Appendix – Regional Summary

## Atlantic City

- **Combination of the gaming industry, entertainment industry, and the coastline is a strong attraction cluster.**
- **Also camping, golfing, wineries, shopping and marinas.**
- **Key hotel casinos include: AC Hilton, Bally's AC, Caesars, Borgata, Sands, Harrah's, Showboat, Tropicana, Trump Taj Mahal, Trump Marina**
- **Borgata Casino doubles "win" in second year of operation**
- **12,000 seasonal second homes generate almost \$300 million of rental income annually.**
- **Casino "win" up 7% to \$4.8 billion in 2004.**

# Appendix – Regional Summary

## Gateway Region

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



# Appendix – Regional Summary

## Shore Region

- Although the coastline is the main attraction for this region, it does offer a variety of attraction options. The race tracks (Monmouth Park, Freehold Raceway, Englishtown, Wall and New Egypt), golf, shopping, farms/ estate lands, national/state parks, and musical entertainment are along the shore.
- Approximately 41,000 seasonal 2<sup>nd</sup> homes are located in this region, primarily in Ocean. For the Ocean county alone, this accounts for \$830 million in rental income.
- High variance in seasonal employment – tourism impact.

# Appendix – Regional Summary

## Southern Shore Region

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

# Appendix – Regional Summary

## Delaware Region

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

# Appendix – Regional Summary

## Skylands Region

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

# Bibliography

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

**Global Insight US Business Demographics Database**

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

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

**Marketing material from various counties' economic planning and development offices**

**New Jersey State Budget, Summaries of Appropriations, Direct State Services By Department, FY 2004**

**New Jersey State Budget, State Revenues from Major Taxes, FY 2004**

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