

Appendix M.

Tourism Economics/Outdoor Recreation Industry

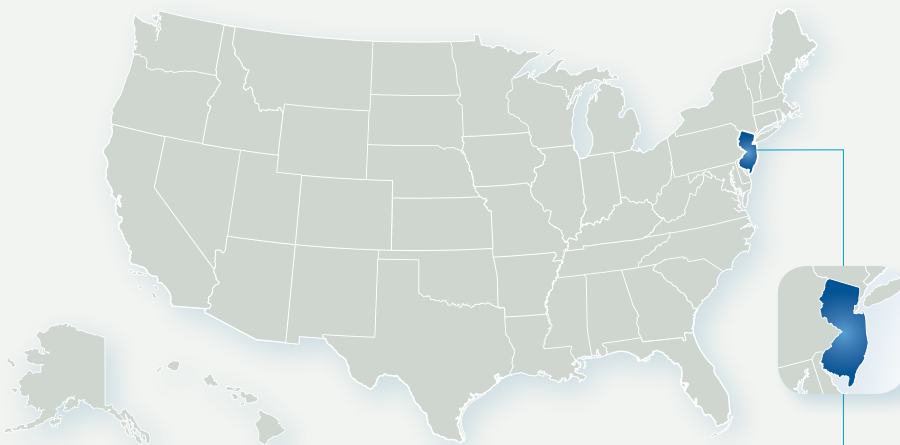


New Jersey

The Outdoor Recreation Economy

TAKE IT OUTSIDE FOR NEW JERSEY JOBS AND A STRONG ECONOMY

Outdoor recreation is essential to the American economy. Every year, Americans spend **\$646 billion** on outdoor recreation — on gear, vehicles, trips, travel-related expenses and more. This creates jobs, supports communities, generates tax revenue and helps drive the economy. Throughout America, people recognize that outdoor recreation and open spaces attract and sustain families and businesses, create healthy communities and foster a high quality of life.



At least **52%** of **New Jersey** residents participate in outdoor recreation each year.¹

New Jersey offers spectacular outdoor recreation opportunities at treasured destinations, including the **Pinelands National Reserve, Island Beach State Park** and many others, bringing in dollars from residents and out-of-state visitors alike.

View all 50 states and learn more at:
outdoorindustry.org/recreationeconomy

In New Jersey

OUTDOOR RECREATION GENERATES...

\$17.8 BILLION in consumer spending	158K direct New Jersey jobs ²
\$6.1 BILLION in wages and salaries	\$1.3 BILLION in state and local tax revenue

Preserving access to outdoor recreation protects the economy, the businesses, the communities and the people who depend on the ability to play outside.

Nationally

OUTDOOR RECREATION GENERATES...

\$646 BILLION in consumer spending	6.1 MILLION direct American jobs ²
\$39.9 BILLION in federal tax revenue	\$39.7 BILLION in state and local tax revenue

¹ Participants in hunting, fishing and wildlife viewing were estimated separately and are not part of this figure.

² Direct employment in the outdoor recreation sector—as opposed to indirect, implied, multiplier or ripple effects that include impacts of spending, jobs and wages as they circulate throughout the economy.

Except as noted here, all results are based on national surveys of outdoor recreation conducted for OIA in 2011 and 2012. Motorcycle Industry Council® and National Marine Manufacturers Association® contributed funding and data to support this study. Hunting-related estimates were provided by the National Shooting Sports Foundation®. Fishing-related estimates were provided by the American Sportfishing Association®. Wildlife viewing estimates were developed from data provided by the U.S. Fish and Wildlife Service.



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Outdoor Recreation Is Big Business

IN THE UNITED STATES



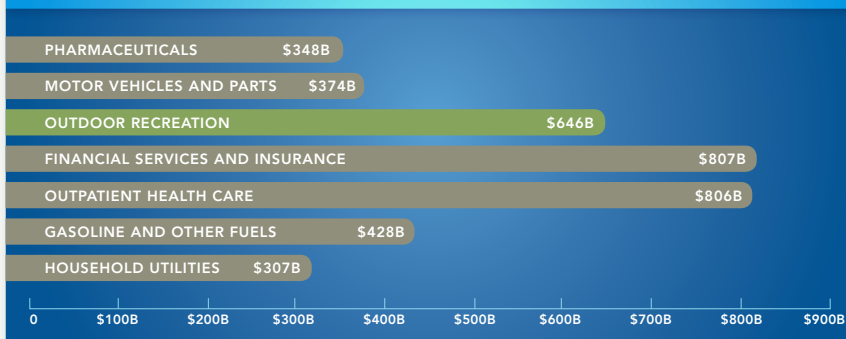
Everything grows outside, including jobs and the economy.

Americans want and deserve access to a variety of quality places to play and enjoy the great outdoors. Outdoor recreation can grow jobs and drive the economy if we manage and invest in parks, waters and trails as an interconnected system designed to sustain economic dividends for America.



An Overlooked Economic Giant

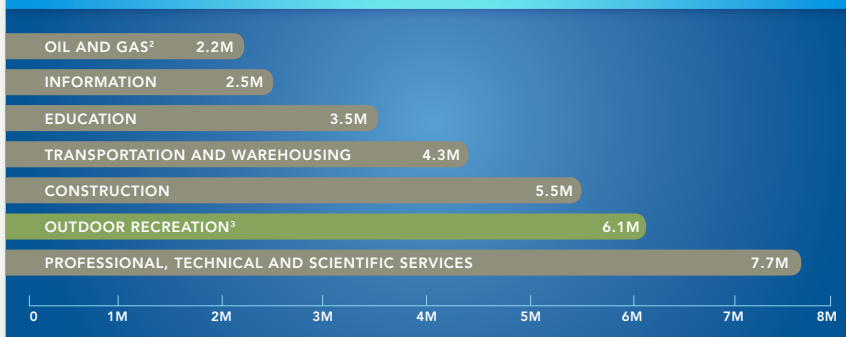
Annual Consumer Spending, in Billions¹



¹ Bureau of Economic Analysis, Personal Consumption Expenditures by Type of Product, based on available 2011 data.

Outdoor Recreation Employs America

Job Comparisons by Industry, in Millions¹



¹ Bureau of Labor Statistics, 2011.

² American Petroleum Institute, direct jobs in 2009 from *The Economic Impacts of the Oil and Natural Gas Industry on the U.S. Economy: Employment, Labor Income and Value Added*, updated June 2011.

³ Direct employment in the outdoor recreation sector — as opposed to indirect, implied, multiplier or ripple effects that include impacts of spending, jobs and wages as they circulate throughout the economy.

Nationally

outdoor recreation is bigger than you might think and a significant economic driver in the United States.

6.1 million

American livelihoods depend on outdoor recreation, making it a critical economic sector in the United States.

View all 50 states and learn more at:
outdoorindustry.org/recreationeconomy



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The Economic Impact of Tourism in New Jersey



Tourism Satellite Account
Calendar Year 2016



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2016 tourism year in review

- With increased visitation and good summer weather, New Jersey tourism flourished in 2016.
 - 2016 marks seven straight years of spending and visitation growth
 - Tourism demand grew 2.9% in 2016 to reach \$44.1 billion
 - Visitation expanded 3.3%
- For the first time in 10 years, casino win increased, supporting tourism sales.
- Visitor spending on food, recreation, and non-casino lodging drove much of the spending growth with continued low gas prices freeing up travel budgets.
- With continued growth in tourism sales, the employment and wages paid to New Jersey tourism workers rose in 2016.

Key results

- In 2016, the tourism industry directly supported 321,231 jobs in New Jersey and sustained 517,559 jobs including indirect and induced impacts.
- Including all impacts, the industry accounts for 9.8% of total employment or nearly 1-in-10 jobs in New Jersey.
- The tourism sector generated \$38.2 billion of state GDP in 2016, representing 6.5% of the entire state economy.
- Including indirect and induced impacts, tourism in New Jersey generated \$4.9 billion in state and local tax revenues.
- Without the tourism industry, New Jersey households would each need pay \$1,525 in order to maintain the current level of state and local government services.

Industry indicators

- Visits to NJ destinations grew 3.3% to 98.0 million in 2016 (source: DKSA, NTTU)
- Hotel room demand rose 2.3% (source: STR)
- The hotel average daily rate increased by 3.9% in 2016, helping overall hotel room revenue grow 4.6% (source: STR)
- State and municipal bed tax receipts grew 3.0% in 2016 (source: State Treasurers Office)
- Casino win increased 1.4% (source: Division of Gaming Enforcement)
- Lodging employment increased for the first time in three years

Economic Impact Analysis

The importance of measurements



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Why quantify the tourism economy?

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

What is this a challenge?

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

The Tourism Satellite Account

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

Benefits of a TSA

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

Important definitions

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

Illustrating the concepts

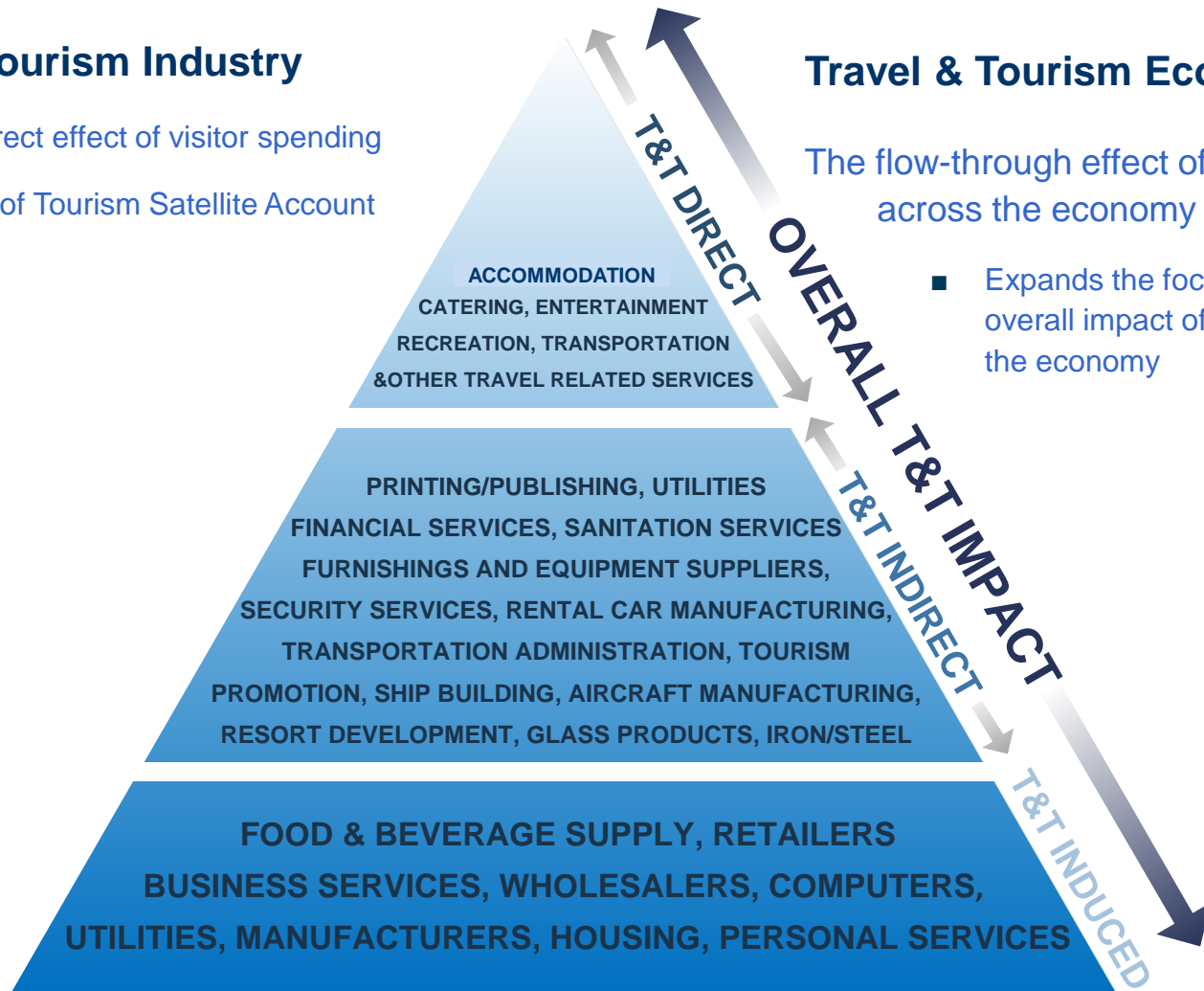
Travel & Tourism Industry

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

Travel & Tourism Economic Impact

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

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



Tourism Sales

The business generated by tourism



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Key traveler spending trends in 2016

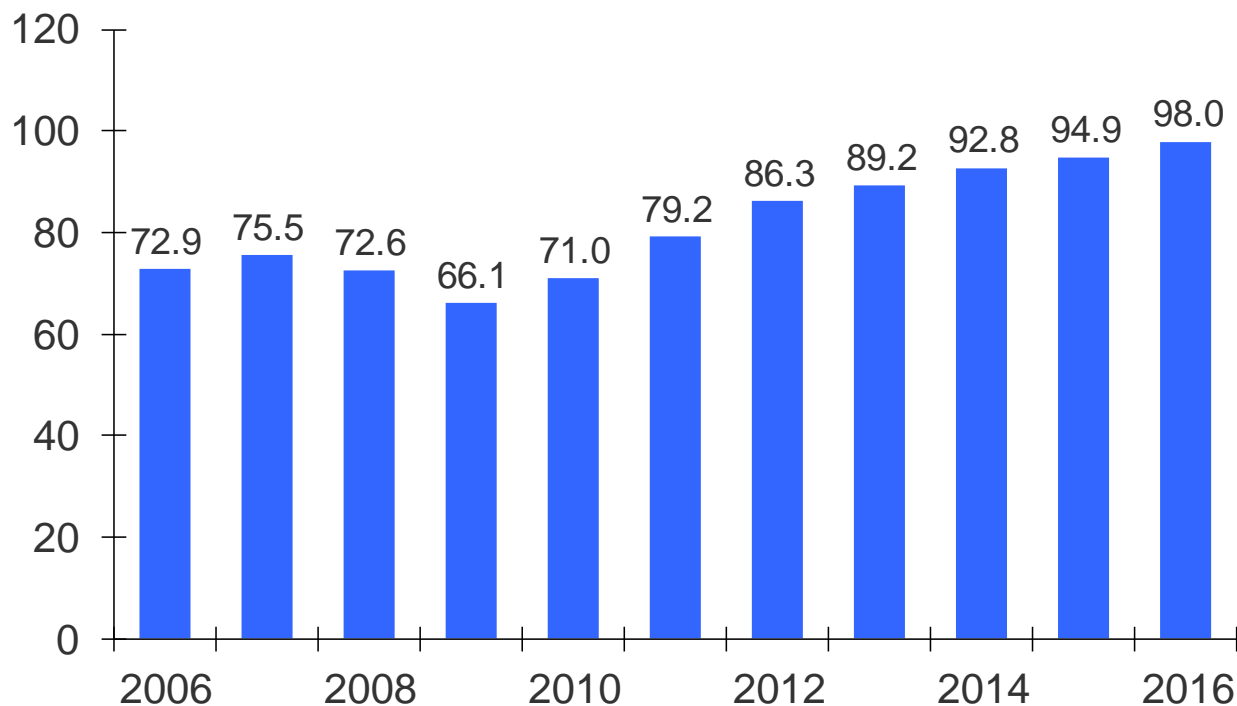
- Most tourism metrics were strong in 2016.
 - Visitor volume numbers grew by 3.3%
 - Room demand increased 2.3%
 - After three years of declines, lodging employment rose
 - The only major weather event happened over Labor Day weekend – which impacted the latter half of the weekend
- Spending growth across categories was mixed.
 - Lodging and food & beverage spending out-performed overall visitor spending
 - Retail spending lagged overall visitor spending growth
- International spending fell as visits from Canada decreased.

Visitation showing continued growth last year

NJ attracted 98.0 million visitors in 2016—a 3.3% gain and an acceleration over 2.3% growth in 2015.

New Jersey Trip Volume

millions

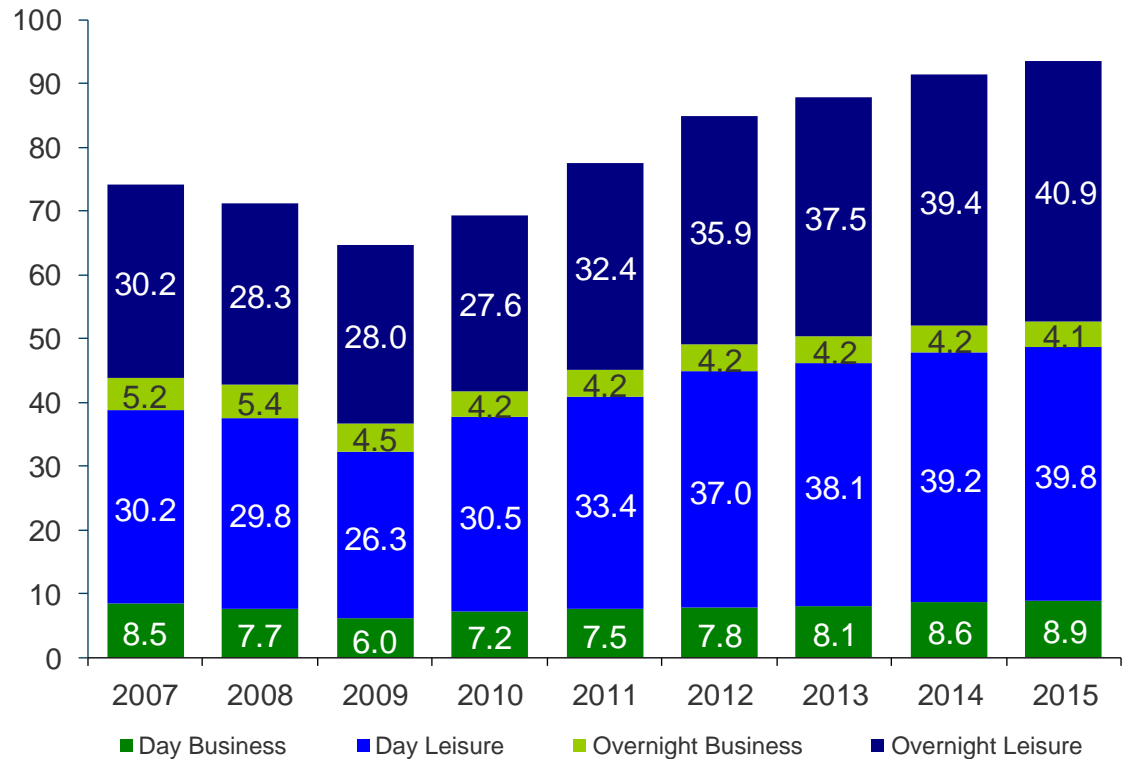


Source: D.K. Shifflet, NTTO

Domestic visitation... by trip purpose

- 2016 saw growth in all purpose segments except overnight business.
- Leisure visitation led overall market growth with overnight leisure trips growing 4.2%.

New Jersey Domestic Trip Volume
by Year, by trip purpose



Source: D.K. Shifflet

Consistent growth in tourism sales

Tourism Industry Sales											
(US\$ Million)											
Sector	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	% Change
Lodging	\$11,907	\$11,674	\$11,544	\$11,542	\$11,343	\$11,230	\$10,912	\$11,050	\$11,160	\$11,471	2.8%
Other Transport	\$4,942	\$4,958	\$4,395	\$4,351	\$4,944	\$5,295	\$5,197	\$5,394	\$5,390	\$5,527	2.5%
Air	\$948	\$973	\$1,059	\$1,098	\$1,261	\$1,271	\$1,307	\$1,370	\$1,425	\$1,492	4.8%
Food & bev.	\$8,193	\$8,065	\$7,654	\$7,712	\$8,412	\$8,891	\$9,279	\$9,613	\$10,070	\$10,448	3.8%
Retail	\$7,656	\$6,074	\$5,884	\$5,921	\$6,561	\$6,811	\$7,127	\$7,446	\$7,663	\$7,775	1.5%
Recreation	\$3,693	\$3,774	\$3,753	\$3,953	\$4,233	\$4,392	\$4,700	\$4,907	\$5,014	\$5,167	3.1%
TOTAL	\$37,339	\$35,519	\$34,288	\$34,577	\$36,753	\$37,890	\$38,523	\$39,780	\$40,721	\$41,881	2.8%
% Change		-4.9%	-3.5%	0.8%	6.3%	3.1%	1.7%	3.3%	2.4%	2.8%	

- Direct tourism industry sales within NJ rose 2.8% in 2016 to \$41.9 billion.
- Spending growth has averaged 2.9% since 2009, increasing by 22% cumulatively.
- Spending at restaurants and grocery stores continued to lead overall spending growth.

Tourism Industry Sales

US\$ Billions



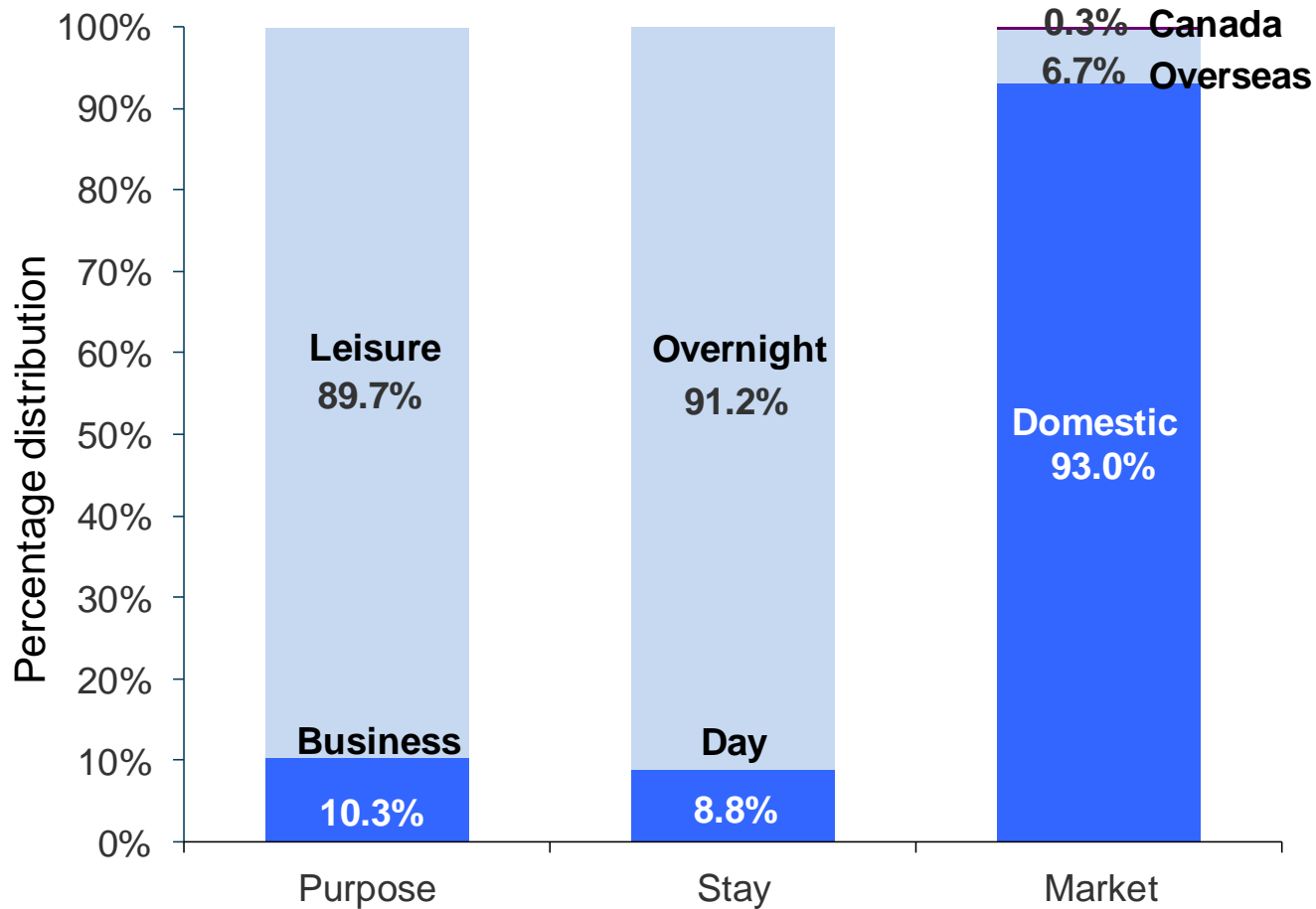
Source: Tourism Economics

Tourism industry sales by visitor type

- Leisure tourism represents 90% of tourism industry sales in NJ.
- Overnight visitors to NJ spent \$38.2 billion; 91% of the total.
- International visitors spending fell to \$2.9 billion in 2016, dropping to 7.0% of all visitor spending.

Tourism Industry Sales in 2016					
(US\$ Billion)					
Purpose		Stay		Market	
Business	\$4.3	Day	\$3.7	Domestic	\$39.0
Leisure	\$37.5	Overnight	\$38.2	Overseas	\$2.8
				Canada	\$0.1
Total	\$41.9	Total	\$41.9	Total	\$41.9
Share					
Purpose		Stay		Market	
Business	10.3%	Day	8.8%	Domestic	93.0%
Leisure	89.7%	Overnight	91.2%	Overseas	6.7%
				Canada	0.3%

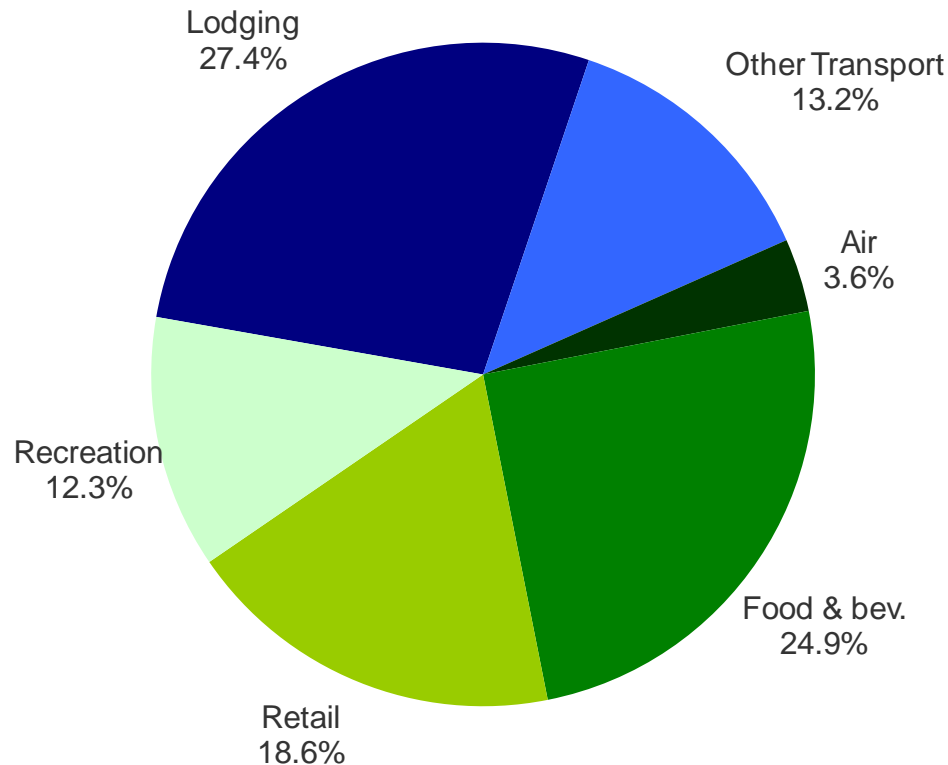
Tourism industry sales by visitor type



Source: Tourism Economics

Tourism industry sales by sector

Tourism Industry Sales By Sector



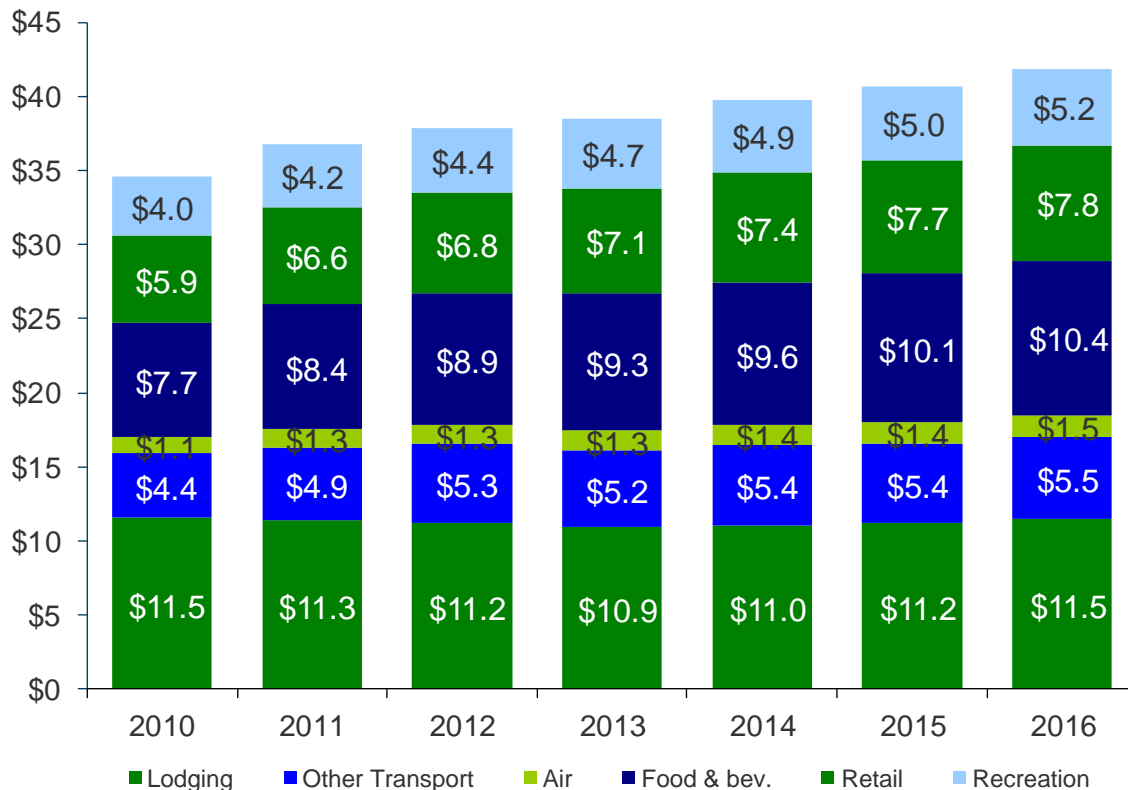
Source: Tourism Economics

- Lodging—including casino win, room revenue and second homes—is the largest traveler spending category in NJ, capturing 27.4% of visitor spending.
- Food & beverage spending ranks second, representing 25% of each visitor dollar.
- Non-air transportation's share of the visitor dollar fell to nearly 13% in 2016 as transportation costs remained low.

Tourism industry sales by sector

New Jersey's Tourism Industry Sales

by Year, \$ Billions

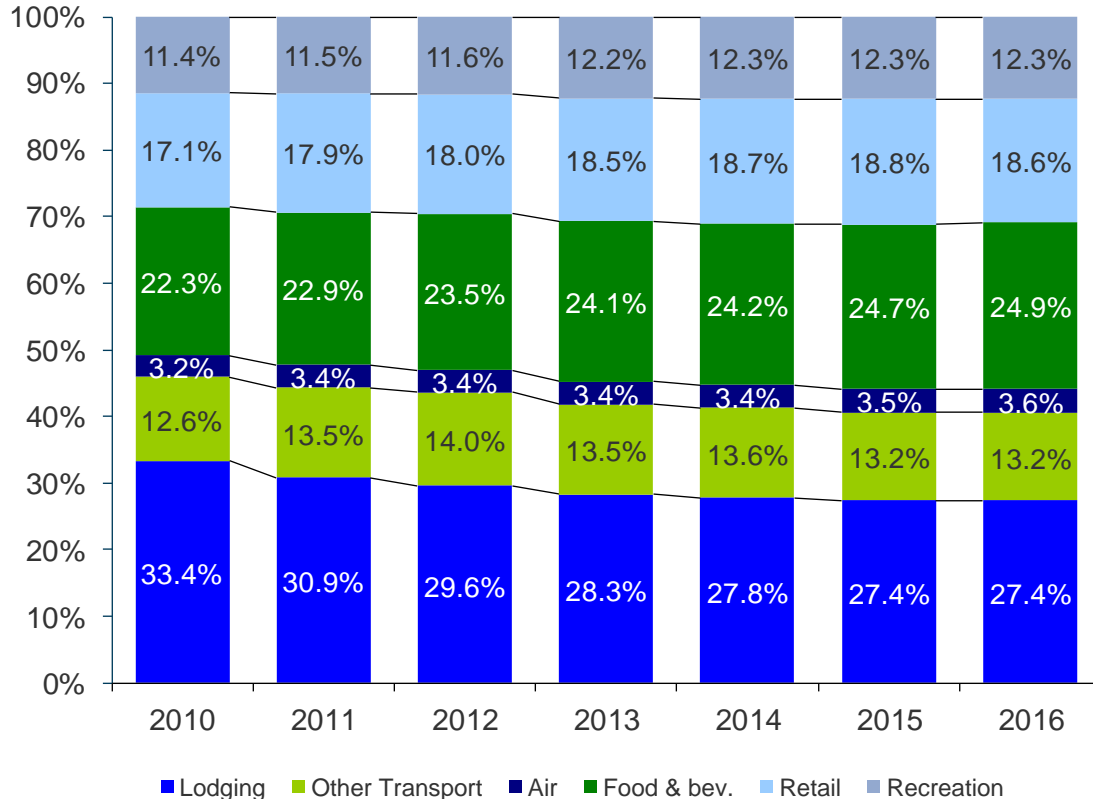


- Spending on food and beverages reached \$10.4 billion in 2016.
- Gaming win is included in the lodging sector based on industry classifications, and with gaming win increasing slightly, overall spending in the lodging industry increased \$300 million.

Tourism industry sales by sector

New Jersey's Tourism Industry Sales

by Year, Share of Total



- With the decline in casino revenue in New Jersey, the share of the visitor dollar spent in the lodging industry has gone from over a third down to 27.4%.
- With recreational spending out-performing overall spending, its share has grown from 11.4% in 2009 to 12.3% in 2016.
- The share of the visitor dollar spent at F&B businesses has increased two percentage points in just five years.

Tourism economy sales

- The Tourism Satellite Account looks at a broader range of tourism-related expenditures, tallying \$44.1 billion.

Tourism Satellite Account Spending by Category (US\$ Million)						
Year	Domestic Visitor	International Visitor	Non-Visitor PCE	Gov't Support	CAPEX	Total
2016	\$39,033.4	\$2,847.2	\$213.1	\$138.1	\$1,901.9	\$44,133.7
2015	\$37,620.4	\$3,100.6	\$207.2	\$134.9	\$1,821.2	\$42,884.2
2014	\$36,641.4	\$3,138.8	\$202.4	\$130.2	\$1,771.9	\$41,884.7
2013	\$35,472.0	\$3,050.6	\$196.0	\$125.7	\$1,699.3	\$40,543.7
%Change	3.8%	-8.2%	2.8%	2.4%	4.4%	2.9%

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

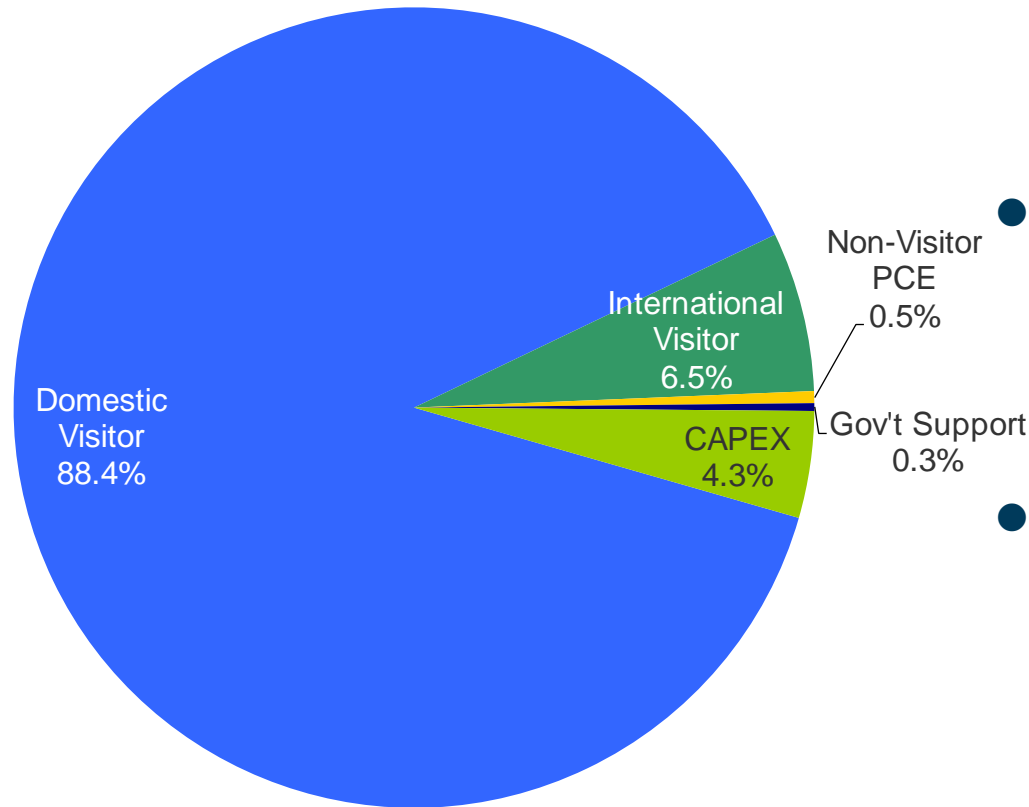
Tourism industry and economy sales

- The direct impact of tourism is driven by tourism industry sales only. This allows for apples-to-apples comparisons with other industries and tallied \$41.9 billion in 2016.
- The total economic impact of tourism includes investment in support of tourism, government spending and non-visitor private consumption expenditures (PCE) and tallied \$44.1 billion in 2016.

Tourism Sales, 2016		
State of New Jersey		
Category	Industry	Economy
Lodging	\$11,471	\$11,471
Other Transport	\$5,527	\$5,527
Air	\$1,492	\$1,492
Food & bev.	\$10,448	\$10,448
Retail	\$7,775	\$7,775
Recreation	\$5,167	\$5,167
Non-Visitor PCE	\$0	\$213
Investment	\$0	\$1,902
Government	\$0	\$138
Total	\$41,881	\$44,134

Tourism economy sales by source

Tourism Demand by Source

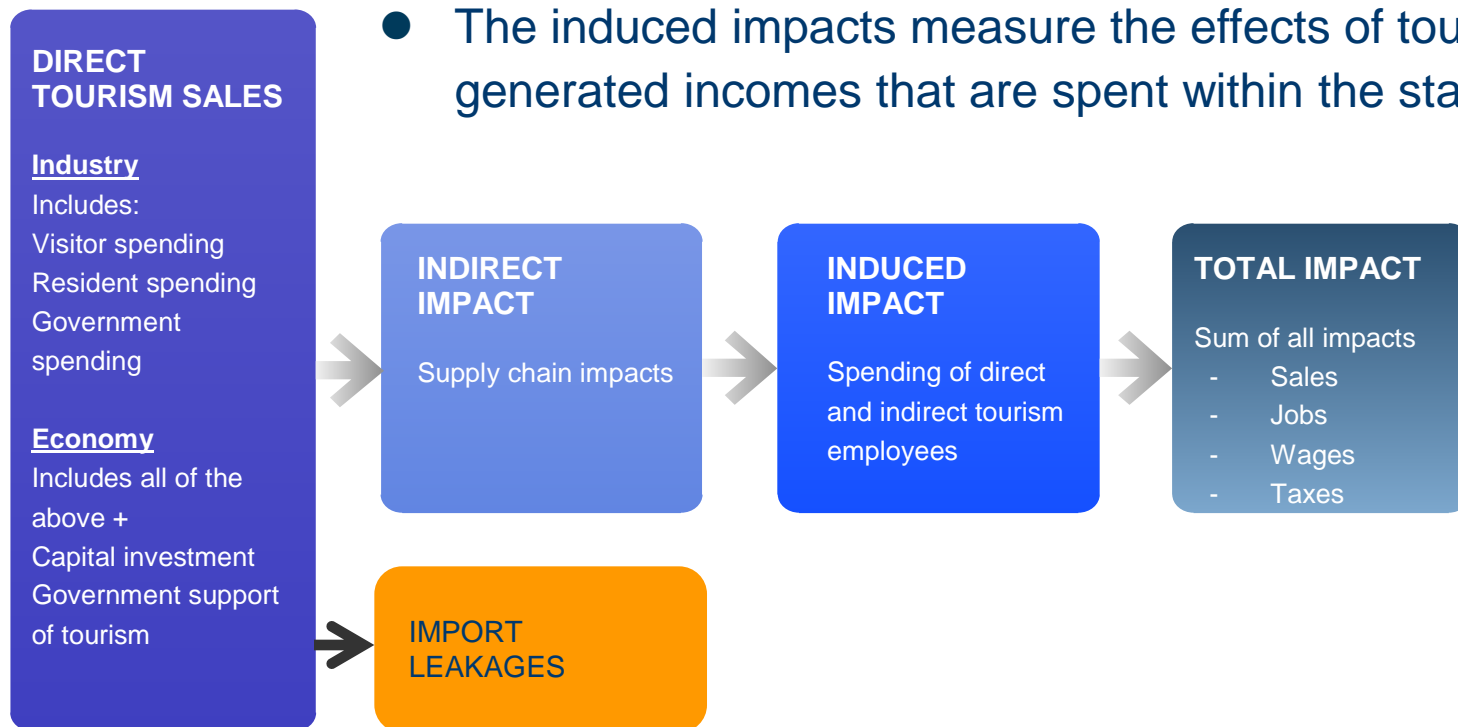


- Domestic visitor markets comprise the majority (88.4%) of tourism sales in New Jersey.
- International visitor markets contributed 6.5% of tourism sales last year.
- Capital investment in tourism-related construction and machinery & equipment represents 4.3% of tourism economy sales.

Summary of Economic Impacts

Translating sales into impact

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

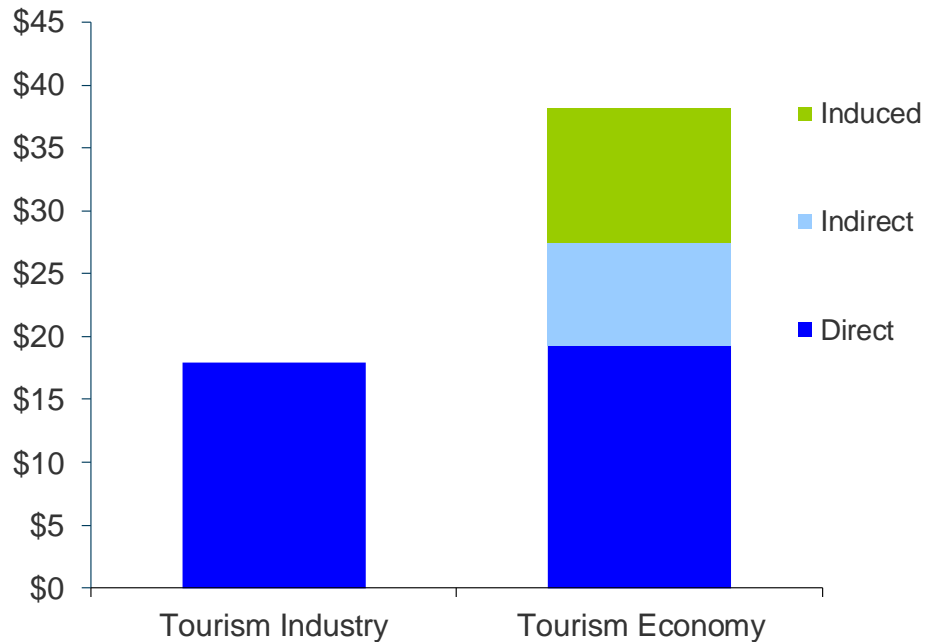


Tourism impact summary - GDP

- Tourism industry GDP directly generated \$18.0 billion of New Jersey GDP in 2016.
- The tourism economy, including direct, indirect and induced impacts, generated GDP of \$38.2 billion. This is 6.5% of the state economy.

Tourism GDP Impact

2016, US\$ Billions



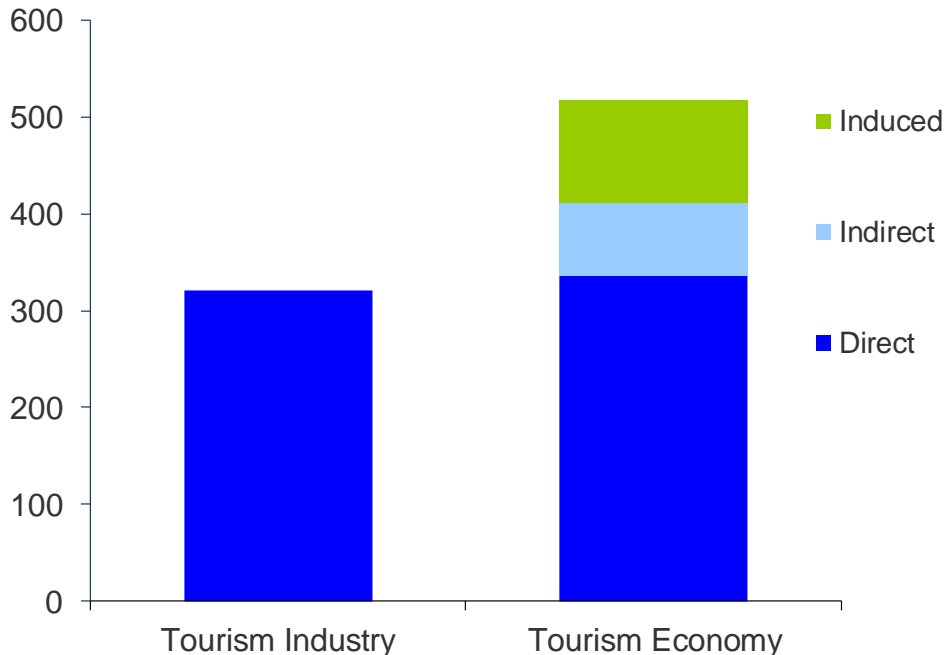
Source: Tourism Economics

Tourism impact summary - Jobs

- Tourism spending directly supported 321,231 jobs in New Jersey in 2016.
- The tourism economy, including direct, indirect and induced impacts, supported 517,559 jobs. This is 9.8% of all jobs in the state.

Tourism Employment Impact

2016, Thousands



Source: Tourism Economics

Direct Tourism Industry

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



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Tourism industry impacts

Tourism Impacts		
	GDP	Jobs
Agriculture, Fishing, Mining	-	-
Construction and Utilities	-	-
Manufacturing	-	-
Wholesale Trade	-	-
Air Transport	728.5	4,211
Other Transport	770.5	9,467
Retail Trade	1,748.1	38,407
Gasoline Stations	319.7	5,298
Communications	-	-
Finance, Insurance and Real Estate	2,428.1	14,546
Business Services	443.2	3,532
Education and Health Care	-	-
Recreation and Entertainment	1,915.0	52,626
Lodging	4,536.3	53,861
Food & Beverage	4,674.4	127,859
Personal Services	413.6	11,425
Government	-	-
TOTAL	17,977.1	321,231

- Tourism GDP is the value added of those sectors directly interacting with travelers.
- The narrow definition of the tourism industry counts only tourism consumption, which excludes capital investment and general government support of tourism. This definition is consistent with economic accounts.
- On this basis, tourism industry GDP was \$18.0 billion in 2016, accounting for 3.1% of total New Jersey GDP.

Why sales and GDP differ

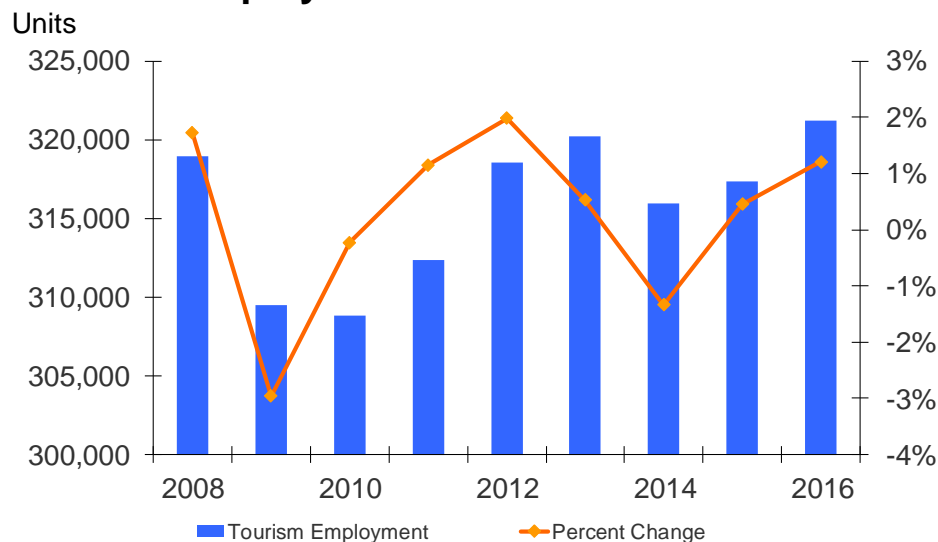
- Tourism industry sales in New Jersey equals \$41.9 billion while GDP measures \$18.0 billion.
- GDP (Gross domestic product) is less than sales because it measures only the locally-produced value of goods and services consumed by visitors.
 - This includes the local labor, capital depreciation, and the profits of tourism-related companies that are based in New Jersey.
 - The costs of imported goods (gasoline, food or retail goods) that come from out-of-state are excluded from the GDP calculation.
 - In addition, business profits from out-of-state companies are also excluded. For example, Wal-Mart profits leave the state.

Tourism employment continues to grow

Tourism Employment									
	2008	2009	2010	2011	2012	2013	2014	2015	2016
Tourism Employment	318,929	309,499	308,801	312,369	318,560	320,238	315,952	317,378	321,231
Percent Change	1.7%	-3.0%	-0.2%	1.2%	2.0%	0.5%	-1.3%	0.5%	1.2%

- Tourism employment grew 1.2% in 2016 surpassing peaks seen in 2008 and 2012.
- After the employment decline in 2014 – caused mainly by the multiple casino closures – tourism employment has grown in each of the last two years.

Tourism Employment



Source: Tourism Economics

Ranking tourism employment

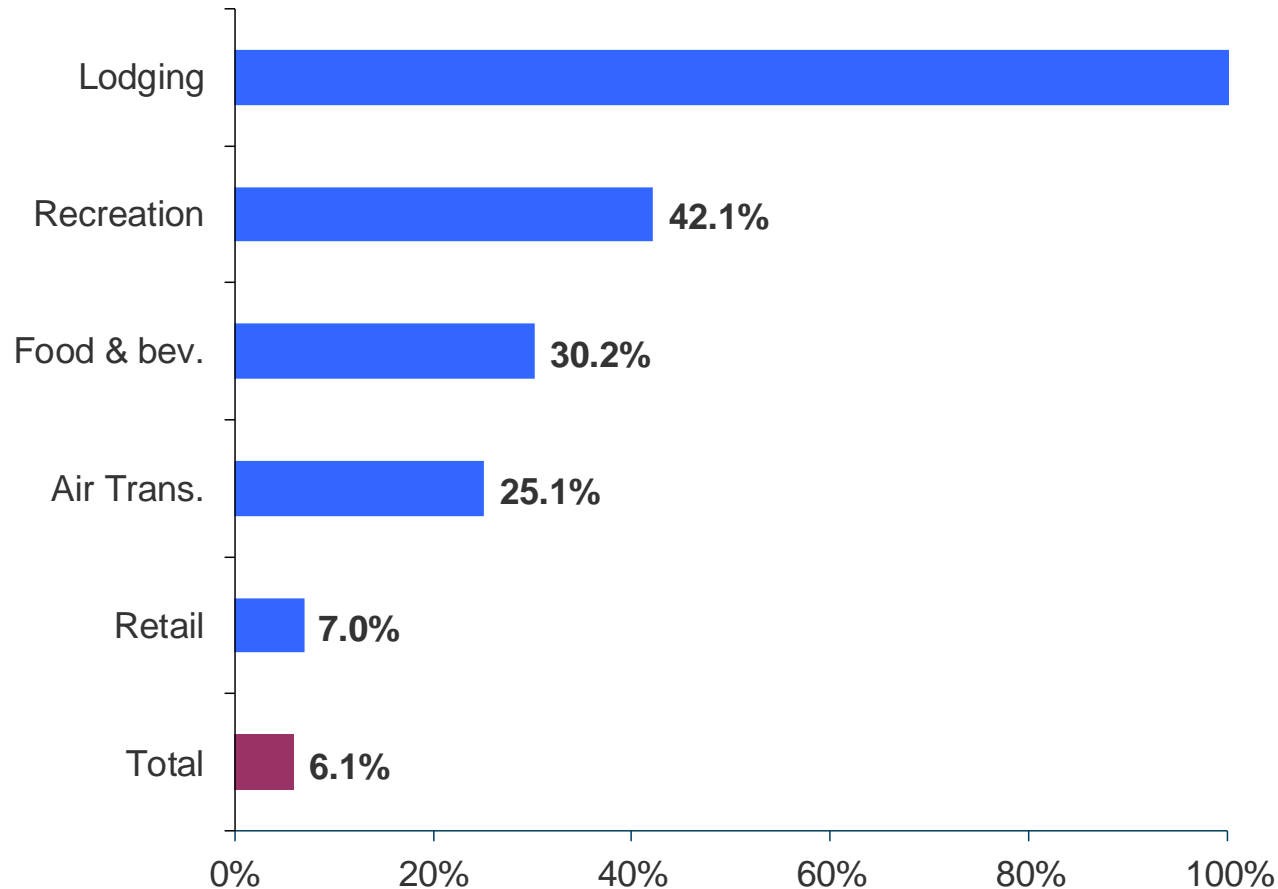
- The direct employment contribution of the tourism industry was 321,231 in 2016. This narrow measurement of tourism includes only those jobs directly supported by visitor activity and allows for inter-industry ranking.
- Examining the Tourism industry against other private sector industries, tourism is the 6th largest employer in the State of New Jersey – moving up one spot.

Employment Ranking - Private Sector		
State of New Jersey		
Rank	Industry	2016
1	Health care and social assistance	629,356
2	Retail trade	539,757
3	Professional, scientific, and technical services	444,514
4	Finance and insurance	333,518
5	Accommodation and food services	328,189
6	Tourism	321,231
7	Administrative and support services	321,072
8	Other services, except public administration	293,311
9	Real estate and rental and leasing	264,540
10	Manufacturing	262,152
11	Construction	249,159
12	Wholesale trade	241,609
13	Transportation and warehousing	213,962
14	Educational services	131,795
15	Arts, entertainment, and recreation	120,764

Tourism intensity

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

Tourism Employment Intensity by Industry



Total Tourism Economy

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

Tourism GDP impact

- Total tourism demand includes capital investment and general government support of tourism. By this broad definition, tourism activity directly contributed \$19.3 billion to GDP in 2016.

- In total, including all direct tourism demand, indirect and induced impacts, the tourism sector generated GDP of \$38.2 billion. This is 6.5% of the state economy.

Tourism GDP impact – total impact

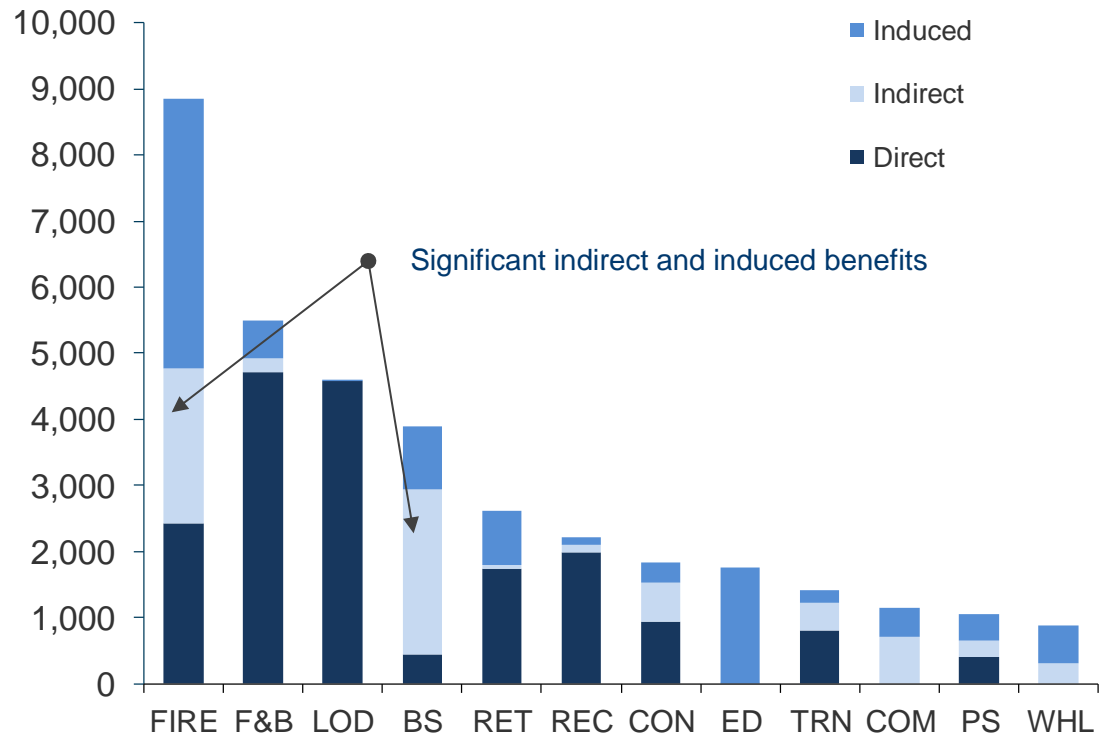
Total Tourism GDP (Value Added) Impact				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	27.5	22.2	49.7
Construction and Utilities	933.0	600.3	302.5	1,835.7
Manufacturing	62.9	341.3	302.4	706.6
Wholesale Trade	-	307.2	578.8	886.0
Air Transport	784.9	23.3	48.1	856.3
Other Transport	800.3	423.2	193.2	1,416.8
Retail Trade	1,739.4	51.4	828.4	2,619.3
Gasoline Stations	317.9	3.0	39.8	360.7
Communications	-	704.8	442.3	1,147.2
Finance, Insurance and Real Estate	2,428.6	2,340.3	4,082.5	8,851.4
Business Services	447.8	2,489.9	955.5	3,893.2
Education and Health Care	-	8.9	1,741.1	1,750.0
Recreation and Entertainment	1,989.5	110.2	120.4	2,220.1
Lodging	4,572.6	9.2	9.7	4,591.5
Food & Beverage	4,711.8	206.1	580.8	5,498.7
Personal Services	404.8	243.3	396.7	1,044.8
Government	111.1	235.0	95.5	441.6
TOTAL	19,304.7	8,124.9	10,740.1	38,169.6
Percent Change	2.4%	3.5%	3.4%	2.9%

Tourism GDP impact – total impact

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

Total Tourism GDP Impact

\$ million



F&B Food & Beverage
 RET Retail Trade
 REC Recreation and Entertainment
 LOD Lodging
 BS Business Services
 TRN Other Transport

ED Education and Health Care
 FIRE Finance, Insurance & Real Estate
 PS Personal Services
 CON Construction and Utilities
 AIR Air Transport
 GAS Gasoline Stations

Tourism economy employment – total impact

Total Tourism Employment Impact				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	304	322	626
Construction and Utilities	10,969	2,716	1,107	14,792
Manufacturing	917	2,320	1,345	4,581
Wholesale Trade	-	1,687	3,277	4,964
Air Transport	4,354	129	267	4,749
Other Transport	9,330	4,852	2,416	16,598
Retail Trade	38,193	861	13,706	52,760
Gasoline Stations	5,490	50	652	6,193
Communications	-	2,586	1,409	3,995
Finance, Insurance and Real Estate	14,934	14,691	16,186	45,811
Business Services	3,479	27,439	10,568	41,486
Education and Health Care	-	213	27,067	27,280
Recreation and Entertainment	55,857	3,706	3,560	63,124
Lodging	52,925	105	110	53,140
Food & Beverage	128,103	5,650	14,331	148,085
Personal Services	11,433	4,080	8,340	23,853
Government	1,348	2,829	1,345	5,522
TOTAL	337,332	74,219	106,008	517,559
Percent Change	1.3%	1.4%	1.3%	1.3%

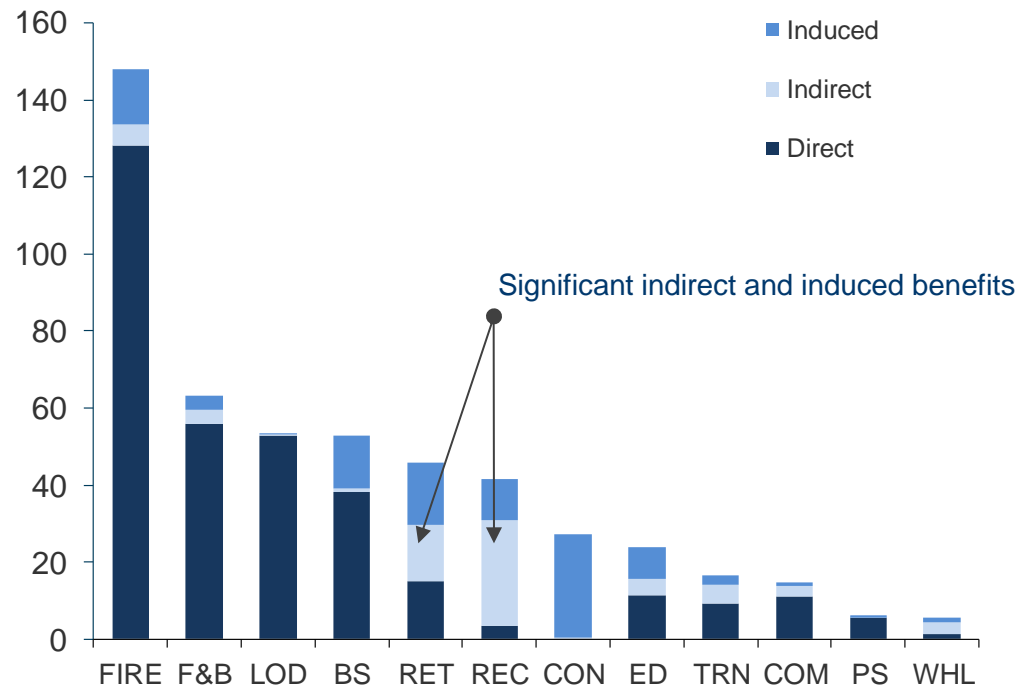
- The tourism sector directly and indirectly supported 517,559 jobs, or 9.8% of all employment in New Jersey last year.

Tourism economy employment – total impact

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

Total Tourism Employment Impact

Thousands



F&B Food & Beverage

RET Retail Trade

REC Recreation and Entertainment

LOD Lodging

BS Business Services

TRN Other Transport

ED Education and Health Care

FIRE Finance, Insurance & Real Estate

PS Personal Services

CON Construction and Utilities

AIR Air Transport

GAS Gasoline Stations

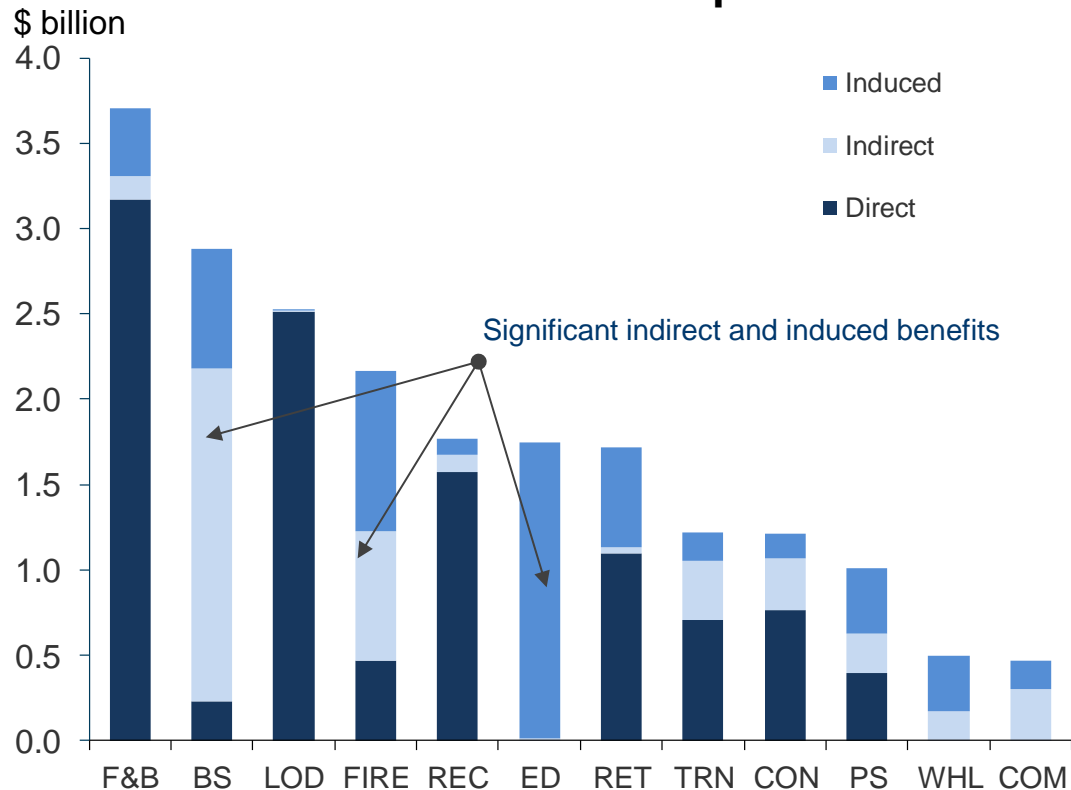
Tourism economy income – total impact

Total Tourism Labor Income Impact				
(US\$ Million)				
	Direct	Indirect	Induced	Total
Agriculture, Fishing, Mining	-	16.4	16.3	32.7
Construction and Utilities	762.5	304.0	145.3	1,211.7
Manufacturing	53.7	180.8	128.7	363.2
Wholesale Trade	-	169.6	325.8	495.3
Air Transport	366.4	13.3	28.4	408.1
Other Transport	704.4	352.2	161.1	1,217.6
Retail Trade	1,096.2	37.3	587.1	1,720.6
Gasoline Stations	180.4	1.8	24.6	206.8
Communications	-	302.3	164.2	466.5
Finance, Insurance and Real Estate	466.6	757.2	942.0	2,165.8
Business Services	229.9	1,948.7	702.1	2,880.7
Education and Health Care	-	9.3	1,734.2	1,743.5
Recreation and Entertainment	1,573.2	99.9	94.3	1,767.4
Lodging	2,511.5	4.9	5.3	2,521.7
Food & Beverage	3,173.0	136.1	396.1	3,705.1
Personal Services	394.7	229.1	383.9	1,007.7
Government	97.2	241.3	114.6	453.2
TOTAL	11,610	4,804	5,954	22,368
Percent Change	2.3%	3.8%	3.5%	2.9%

Tourism economy income – total impact

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

Total Tourism Labor Income Impact



F&B	Food & Beverage	ED	Education and Health Care
RET	Retail Trade	FIRE	Finance, Insurance & Real Estate
REC	Recreation and Entertainment	PS	Personal Services
LOD	Lodging	CON	Construction and Utilities
BS	Business Services	AIR	Air Transport
TRN	Other Transport	GAS	Gasoline Stations

Tourism economy tax generation

Traveler Generated Taxes

(US\$ Million)

Tax Type	2012	2013	2014	2015	2016
Federal Taxes Subtotal	<u>5,158.3</u>	<u>5,264.2</u>	<u>5,355.8</u>	<u>5,444.2</u>	<u>5,603.2</u>
Corporate	772.1	789.5	801.5	816.1	839.7
Indirect Business	464.4	474.9	482.1	490.9	505.1
Personal Income	1,683.0	1,716.5	1,747.5	1,775.5	1,827.5
Social Security	2,238.7	2,283.3	2,324.6	2,361.7	2,430.9
State and Local Taxes Subtotal	<u>4,487.3</u>	<u>4,546.6</u>	<u>4,638.2</u>	<u>4,742.7</u>	<u>4,862.5</u>
Corporate	191.4	195.7	198.7	202.3	208.1
Personal Income	433.0	441.6	449.6	456.8	470.1
Sales	1,342.7	1,365.1	1,409.7	1,443.0	1,484.1
Lodging	<u>128.5</u>	<u>133.2</u>	<u>139.2</u>	<u>145.7</u>	<u>149.9</u>
Local	43.3	45.2	47.3	49.5	51.0
State	85.2	88.0	91.9	96.1	98.9
Property	2,017.4	2,052.3	2,097.4	2,143.6	2,187.9
Excise and Fees	346.5	330.3	314.8	322.1	332.1
State Unemployment	27.8	28.4	28.9	29.4	30.2
TOTAL	9,645.6	9,810.8	9,994.0	10,187.0	10,465.8

- As a result of tourism activity, governments received \$10.5 billion in tax and assessment revenues in 2016.
- State and local taxes alone tallied \$4.9 billion.
- Each household in New Jersey would need to be taxed an additional \$1,525 per year to replace the tourism taxes received by state and local governments.

Visitation Forecast



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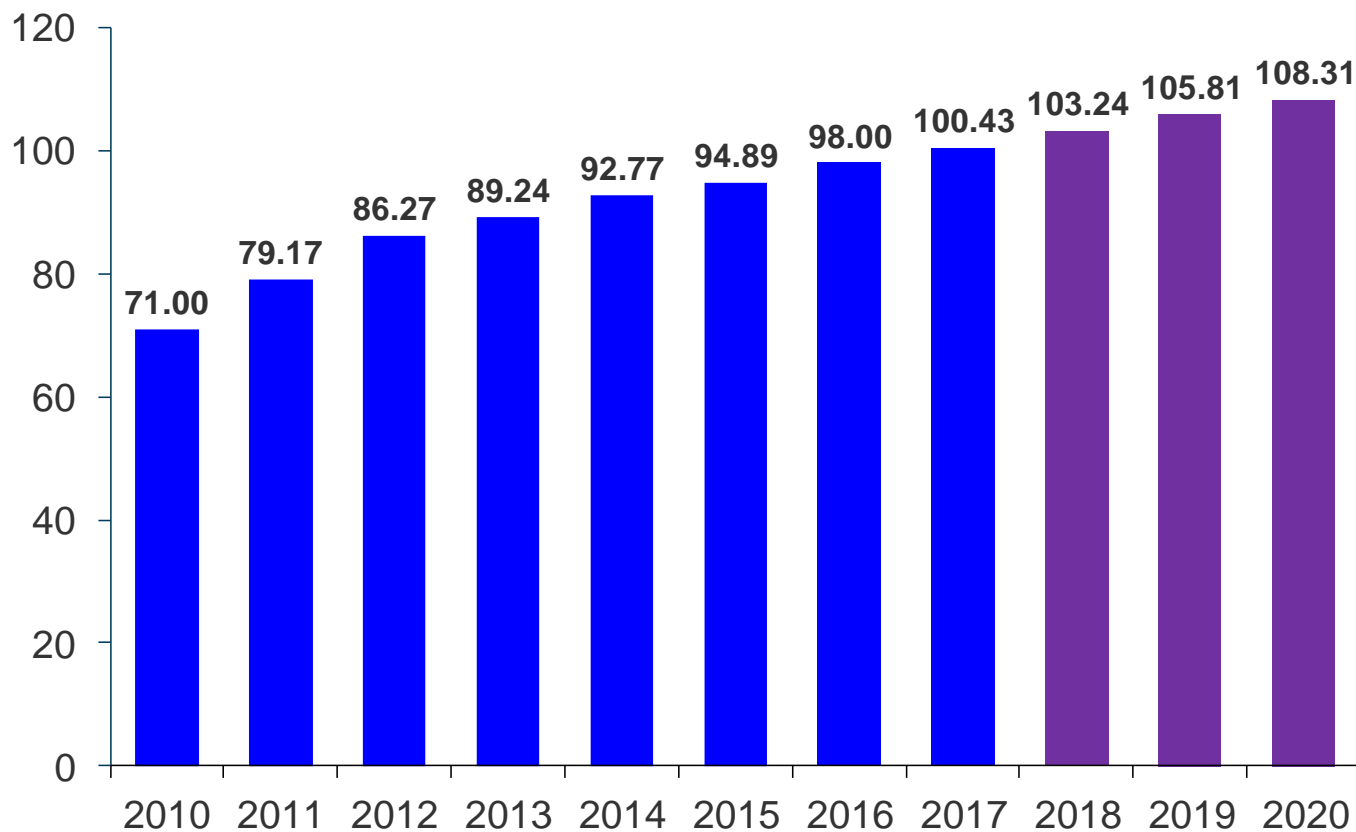
Key points

- Visitor volume reached 98.0 million in 2016, a 3.3% increase over 2015.
- We expect visitation growth to continue to be positive in 2017, for a combination of reasons:
 - Continued wage gains in the US in 2017
 - Consumer confidence remains solid
 - Uptick in vacation intentions in early 2017
 - Potential for turn-around in business travel in 2017 with pro-businesses governmental policies out of Washington
 - These strengths will be countered by weak international visitation growth
- A key wildcard: the weather. As we have seen in the past couple of years, an ill-timed hurricane or winter storm that either impacts travel or forces evacuations of certain communities can have a significant impact on visitation.

Visitation

New Jersey Visits

Domestic & International (millions)



Source: Tourism Economics

Visitation and spending

Growth in Visits and Spending



New Jersey visits and spending forecast

NJ Tourism Forecast						
Year	Visits (Million)	Pch Chng	Spending (US\$ Million)	Pch Chng	S&L Tax Revenue (US\$ Million)	Pch Chng
2007	75.50		\$37,339.2	0.0%		
2008	72.61	-3.8%	\$35,518.7	-4.9%		
2009	66.12	-8.9%	\$34,288.3	-3.5%		
2010	71.00	7.4%	\$34,577.2	0.8%		
2011	79.17	11.5%	\$36,752.9	6.3%	\$4,415.8	
2012	86.27	9.0%	\$37,889.7	3.1%	\$4,487.3	1.6%
2013	89.24	3.4%	\$38,522.6	1.7%	\$4,546.6	1.3%
2014	92.77	4.0%	\$39,780.2	3.3%	\$4,638.2	2.0%
2015	94.89	2.3%	\$40,720.9	2.4%	\$4,742.7	2.3%
2016	98.00	3.3%	\$41,880.5	2.8%	\$4,862.5	2.5%
2017	100.43	2.5%	\$43,425.8	3.7%	\$4,973.1	2.3%
2018	103.24	2.8%	\$45,395.0	4.5%	\$5,151.8	3.6%
2019	105.81	2.5%	\$47,443.6	4.5%	\$5,342.0	3.7%
2020	108.31	2.4%	\$49,636.5	4.6%	\$5,544.7	3.8%

County Results



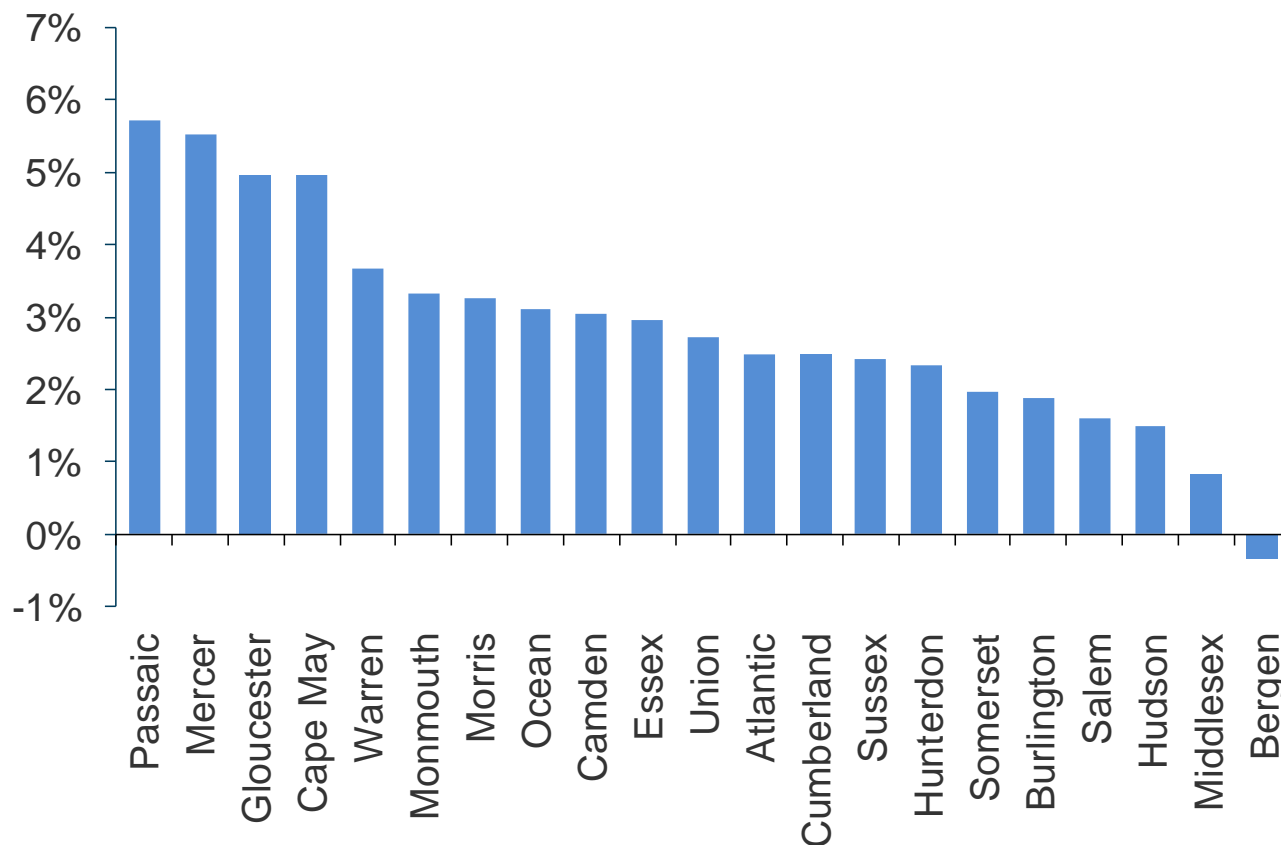
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County growth in tourism sales

Growth in Tourism Industry Sales

2016, % change



Source: Tourism Economics

County Analysis

- With casino revenue stabilizing, visitor spending in Atlantic County grew in 2016.
- With good summer weather and strong hotel bookings, the traditional vacation destinations at the shore and in the northwest mountains out-performed the state.
- Areas around NYC lagged – possibly a result of the large increases in room supply in NYC and the decline in ADR seen in NYC.

Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	2011	2012	2013	2014	2015	2016	Percent Change
New Jersey	\$36,753	\$37,890	\$38,523	\$39,780	\$40,721	\$41,881	2.8%
Atlantic County	\$7,806	\$7,567	\$7,319	\$7,072	\$6,689	\$6,856	2.5%
Bergen County	\$2,516	\$2,594	\$2,680	\$2,797	\$2,904	\$2,894	-0.3%
Burlington County	\$1,209	\$1,292	\$1,325	\$1,418	\$1,457	\$1,484	1.9%
Camden County	\$681	\$704	\$721	\$777	\$819	\$844	3.1%
Cape May County	\$5,182	\$5,395	\$5,519	\$5,781	\$5,975	\$6,271	5.0%
Cumberland County	\$296	\$317	\$318	\$319	\$343	\$351	2.5%
Essex County	\$2,887	\$2,958	\$3,106	\$3,290	\$3,420	\$3,521	3.0%
Gloucester County	\$343	\$346	\$362	\$416	\$434	\$456	5.0%
Hudson County	\$1,613	\$1,684	\$1,762	\$1,864	\$2,002	\$2,032	1.5%
Hunterdon County	\$274	\$282	\$288	\$305	\$310	\$317	2.3%
Mercer County	\$1,071	\$1,114	\$1,154	\$1,200	\$1,242	\$1,311	5.5%
Middlesex County	\$1,843	\$1,984	\$2,070	\$2,177	\$2,297	\$2,316	0.8%
Monmouth County	\$1,977	\$2,105	\$2,208	\$2,266	\$2,362	\$2,441	3.3%
Morris County	\$1,750	\$1,814	\$1,931	\$1,997	\$2,064	\$2,131	3.3%
Ocean County	\$4,017	\$4,291	\$4,191	\$4,353	\$4,537	\$4,679	3.1%
Passaic County	\$469	\$481	\$493	\$516	\$561	\$593	5.7%
Salem County	\$163	\$179	\$176	\$194	\$198	\$201	1.6%
Somerset County	\$1,005	\$1,046	\$1,093	\$1,110	\$1,123	\$1,145	2.0%
Sussex County	\$442	\$461	\$487	\$493	\$510	\$522	2.4%
Union County	\$1,065	\$1,120	\$1,167	\$1,280	\$1,316	\$1,352	2.7%
Warren County	\$145	\$153	\$153	\$154	\$158	\$163	3.7%

Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	Lodging	Food & beverage	Retail	Recreation	Transport	2nd homes	Total
2016							
New Jersey	11,471.2	10,448.2	7,775.3	5,167.0	7,019.1	4,273.1	41,880.8
Atlantic County	3,741.4	1,270.3	982.9	371.7	489.7	418.8	6,855.9
Bergen County	466.6	869.4	559.8	408.7	589.5	27.3	2,894.0
Burlington County	207.3	411.3	332.6	188.2	345.0	15.1	1,484.4
Camden County	96.1	230.9	172.2	140.7	204.1	10.5	844.0
Cape May County	2,489.1	1,415.3	1,234.7	711.2	420.7	2,065.6	6,271.0
Cumberland County	43.5	92.2	80.8	38.1	96.9	14.4	351.4
Essex County	343.3	614.4	380.8	281.8	1,900.6	18.2	3,520.9
Gloucester County	46.1	149.1	81.0	61.0	118.6	8.7	455.7
Hudson County	432.1	625.2	421.7	283.4	269.7	14.0	2,032.2
Hunterdon County	36.8	81.4	66.6	51.5	81.3	7.6	317.5
Mercer County	218.4	390.9	277.4	185.2	238.6	13.2	1,310.5
Middlesex County	347.7	704.1	499.8	299.3	465.0	13.7	2,315.9
Monmouth County	495.3	640.9	451.3	545.6	307.7	279.9	2,440.9
Morris County	447.9	591.6	394.0	357.9	340.0	29.5	2,131.4
Ocean County	1,383.4	1,147.5	997.5	642.7	507.7	1,228.1	4,678.8
Passaic County	80.2	211.0	118.7	86.0	97.0	28.7	593.0
Salem County	21.6	43.0	48.3	17.9	70.0	2.9	200.8
Somerset County	217.1	355.6	246.8	193.7	131.9	10.3	1,145.1
Sussex County	127.7	150.9	110.4	86.6	46.5	51.1	522.1
Union County	207.6	413.2	284.9	193.9	252.2	7.2	1,351.8
Warren County	21.9	40.1	32.9	22.0	46.4	8.4	163.4

Tourism spending by county

Tourism Direct Sales							
(Millions of dollars)							
County	Lodging	Food & beverage	Retail	Recreation	Transport	2nd homes	Total
2015							
New Jersey	11,159.7	10,069.7	7,663.0	5,013.6	6,814.9	4,175.5	40,720.9
Atlantic County	3,668.9	1,232.8	964.8	355.5	467.0	410.6	6,689.2
Bergen County	470.2	860.9	560.9	409.3	602.8	29.2	2,904.1
Burlington County	200.6	399.6	328.2	183.2	345.3	13.6	1,457.0
Camden County	92.5	222.2	168.1	137.6	198.6	10.9	819.0
Cape May County	2,359.5	1,343.9	1,195.1	681.8	394.3	1,981.7	5,974.5
Cumberland County	42.4	89.5	80.3	37.2	93.6	14.3	342.9
Essex County	339.5	597.2	383.2	273.5	1,826.6	22.9	3,420.0
Gloucester County	44.0	141.2	78.2	58.3	112.5	8.3	434.2
Hudson County	431.5	607.4	420.0	277.8	265.8	17.4	2,002.5
Hunterdon County	35.8	78.5	66.4	50.7	78.9	7.5	310.2
Mercer County	203.0	366.0	269.0	176.6	227.3	12.0	1,241.9
Middlesex County	346.1	687.9	509.7	294.7	458.8	11.8	2,297.2
Monmouth County	478.0	610.1	446.0	527.8	300.3	284.0	2,362.1
Morris County	431.9	569.7	387.3	345.0	330.1	26.7	2,064.0
Ocean County	1,359.1	1,094.8	972.4	621.0	490.1	1,216.5	4,537.4
Passaic County	71.3	198.5	115.4	81.7	93.9	24.7	560.9
Salem County	21.9	41.9	47.7	17.5	68.6	3.1	197.6
Somerset County	210.8	344.4	246.8	189.5	131.4	11.3	1,122.9
Sussex County	127.6	145.2	108.6	83.7	44.7	53.6	509.7
Union County	204.2	399.8	282.6	189.9	239.5	7.4	1,316.0
Warren County	21.0	38.3	32.3	21.3	44.7	7.9	157.6

Tourism employment by county

Direct Tourism Employment							
County	2011	2012	2013	2014	2015	2016	Percent Change
New Jersey	312,369	318,560	320,238	315,952	317,378	321,231	1.2%
Atlantic County	59,610	60,668	58,350	52,300	47,996	48,131	0.3%
Bergen County	24,504	23,938	24,118	23,951	24,637	24,462	-0.7%
Burlington County	14,236	14,692	14,865	15,026	15,088	15,263	1.2%
Camden County	8,100	8,053	8,100	8,329	8,845	9,015	1.9%
Cape May County	24,714	25,102	25,140	25,490	25,825	26,151	1.3%
Cumberland County	3,141	3,210	3,146	3,107	3,261	3,304	1.3%
Essex County	20,943	20,996	21,092	21,286	22,193	22,361	0.8%
Gloucester County	4,412	4,506	4,510	4,757	4,885	4,969	1.7%
Hudson County	16,872	16,965	17,148	17,648	18,314	18,496	1.0%
Hunterdon County	2,718	2,762	2,798	2,840	2,822	2,865	1.5%
Mercer County	11,206	11,292	11,858	12,421	12,437	12,883	3.6%
Middlesex County	20,243	21,499	21,977	22,137	22,650	22,703	0.2%
Monmouth County	19,574	20,431	21,282	21,165	21,667	22,106	2.0%
Morris County	20,076	20,295	21,582	21,351	21,497	21,992	2.3%
Ocean County	24,716	25,979	25,737	25,666	26,119	26,636	2.0%
Passaic County	5,371	5,302	5,358	5,335	5,614	5,787	3.1%
Salem County	1,529	1,572	1,525	1,549	1,560	1,575	1.0%
Somerset County	10,977	11,298	11,485	10,909	10,918	11,040	1.1%
Sussex County	6,111	6,194	6,204	6,017	6,155	6,277	2.0%
Union County	11,718	12,163	12,328	13,045	13,231	13,496	2.0%
Warren County	1,599	1,644	1,636	1,623	1,666	1,720	3.2%

Tourism impacts by county

Tourism Impacts by County				
County	Tourism Employment: Direct Impact	Direct Share of Total Employment	Tourism Employment: Total Impact	Total Share of Total Employment
New Jersey	321,231	6.1%	510,911	9.6%
Atlantic County	48,131	29.1%	65,591	39.7%
Bergen County	24,462	3.7%	43,769	6.7%
Burlington County	15,263	5.5%	23,475	8.4%
Camden County	9,015	3.3%	16,152	5.9%
Cape May County	26,151	43.6%	36,278	60.5%
Cumberland County	3,304	4.3%	5,490	7.2%
Essex County	22,361	4.7%	39,439	8.3%
Gloucester County	4,969	3.5%	8,339	5.9%
Hudson County	18,496	5.2%	30,316	8.5%
Hunterdon County	2,865	3.7%	4,918	6.4%
Mercer County	12,883	4.5%	23,033	8.0%
Middlesex County	22,703	4.2%	39,082	7.2%
Monmouth County	22,106	5.7%	33,209	8.5%
Morris County	21,992	5.5%	35,698	9.0%
Ocean County	26,636	10.5%	37,694	14.9%
Passaic County	5,787	2.4%	11,881	5.0%
Salem County	1,575	5.6%	2,550	9.0%
Somerset County	11,040	4.4%	19,733	7.8%
Sussex County	6,277	9.9%	8,098	12.8%
Union County	13,496	4.4%	23,136	7.5%
Warren County	1,720	3.4%	3,030	6.1%

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

Tourism impacts by county

Tourism Tax Impacts by County							
State and Local Tax Receipts (millions)							
	2012	2013	2014	2015	2016	Percent Change	Share of State
New Jersey	\$4,487.3	\$4,546.6	\$4,638.2	\$4,742.7	\$4,862.5	2.5%	100.0%
Atlantic County	\$830.9	\$808.5	\$780.5	\$758.6	\$771.8	1.7%	15.9%
Bergen County	\$354.8	\$362.5	\$374.3	\$388.0	\$392.7	1.2%	8.1%
Burlington County	\$160.2	\$162.0	\$169.7	\$174.8	\$178.3	2.0%	3.7%
Camden County	\$100.1	\$102.4	\$105.9	\$110.7	\$114.9	3.8%	2.4%
Cape May County	\$490.8	\$508.5	\$517.0	\$531.4	\$547.0	2.9%	11.2%
Cumberland County	\$38.1	\$37.9	\$37.5	\$39.7	\$40.6	2.3%	0.8%
Essex County	\$335.5	\$345.6	\$358.6	\$372.3	\$382.8	2.8%	7.9%
Gloucester County	\$52.0	\$53.3	\$57.8	\$60.2	\$62.7	4.2%	1.3%
Hudson County	\$213.0	\$219.7	\$227.4	\$240.4	\$245.5	2.1%	5.0%
Hunterdon County	\$38.7	\$39.9	\$41.2	\$42.3	\$43.2	2.2%	0.9%
Mercer County	\$144.8	\$149.1	\$153.8	\$159.4	\$166.0	4.1%	3.4%
Middlesex County	\$274.9	\$281.9	\$292.8	\$306.1	\$313.2	2.3%	6.4%
Monmouth County	\$269.2	\$276.7	\$281.9	\$292.1	\$302.0	3.4%	6.2%
Morris County	\$248.5	\$265.8	\$272.7	\$282.3	\$290.2	2.8%	6.0%
Ocean County	\$438.4	\$420.3	\$435.5	\$449.6	\$463.1	3.0%	9.5%
Passaic County	\$80.4	\$81.9	\$83.8	\$88.7	\$92.4	4.2%	1.9%
Salem County	\$19.5	\$19.3	\$20.6	\$21.1	\$21.6	2.3%	0.4%
Somerset County	\$152.1	\$157.4	\$160.0	\$164.1	\$168.0	2.4%	3.5%
Sussex County	\$55.6	\$60.0	\$60.8	\$62.6	\$62.7	0.1%	1.3%
Union County	\$157.3	\$161.4	\$170.4	\$176.0	\$181.0	2.9%	3.7%
Warren County	\$22.0	\$21.9	\$21.7	\$22.3	\$22.9	2.6%	0.5%

Methodology and Background



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Methods and data sources

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

Methods and data sources

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

About Tourism Economics

- Tourism Economics, headquartered in Philadelphia, is an Oxford Economics company dedicated to providing high value, robust, and relevant analyses of the tourism sector that reflects the dynamics of local and global economies. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, project feasibility analysis, tourism forecasting models, tourism policy analysis, and economic impact studies.
- Our staff have worked with nearly 200 destinations to quantify the economic value of tourism, forecast demand, guide strategy, or evaluate tourism policies.
- Oxford Economics is one of the world's leading providers of economic analysis, forecasts and consulting advice. Founded in 1981 as a joint venture with Oxford University's business college, Oxford Economics is founded on a reputation for high quality, quantitative analysis and evidence-based advice. For this, it draws on its own staff of 150 highly-experienced professional economists; a dedicated data analysis team; global modeling tools; close links with Oxford University, and a range of partner institutions in Europe, the US and in the United Nations Project Link.
- For more information: info@tourismeconomics.com.