

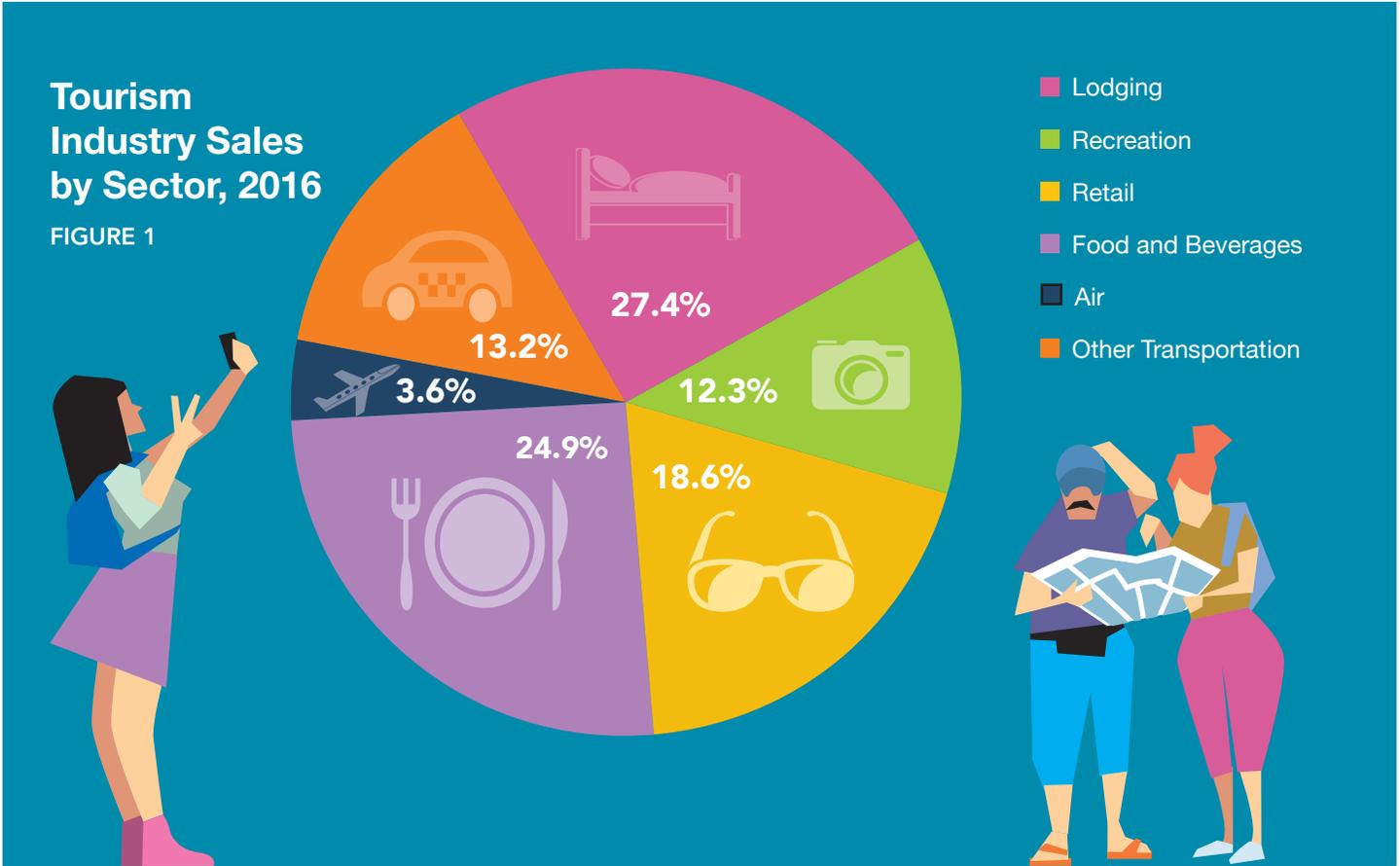


# THE ECONOMIC IMPACT OF TOURISM IN NEW JERSEY

**NJBIA**  
New Jersey Business  
& Industry Association

## Tourism Industry Sales by Sector, 2016

FIGURE 1



As the birthplace of Danny DeVito, Whitney Houston, Frank Sinatra, and Bruce Springsteen, just to name a few, New Jersey already has a claim to fame. Throw in the state’s 130 miles of relaxing beaches, its historic sites, its state and national parks, its mountains and lakes and its casino gaming, and it is obvious that New Jersey rightly deserves to be a prime vacation destination.

According to both the New Jersey Division of Travel and Tourism, and Tourism Economics, New Jersey’s tourism industry plays a significant role in the state’s economy. Tourism represents 6.5% of the state’s economy, accounting for more than \$38 billion in state GDP in 2016, which includes direct, indirect and induced impacts. Tourism activity accounted for \$10.5 billion in tax and assessment revenues in 2016. Without these tourism revenues, each New Jersey household would need to be taxed an additional \$1,525 in order to maintain the same level of state and local government services.

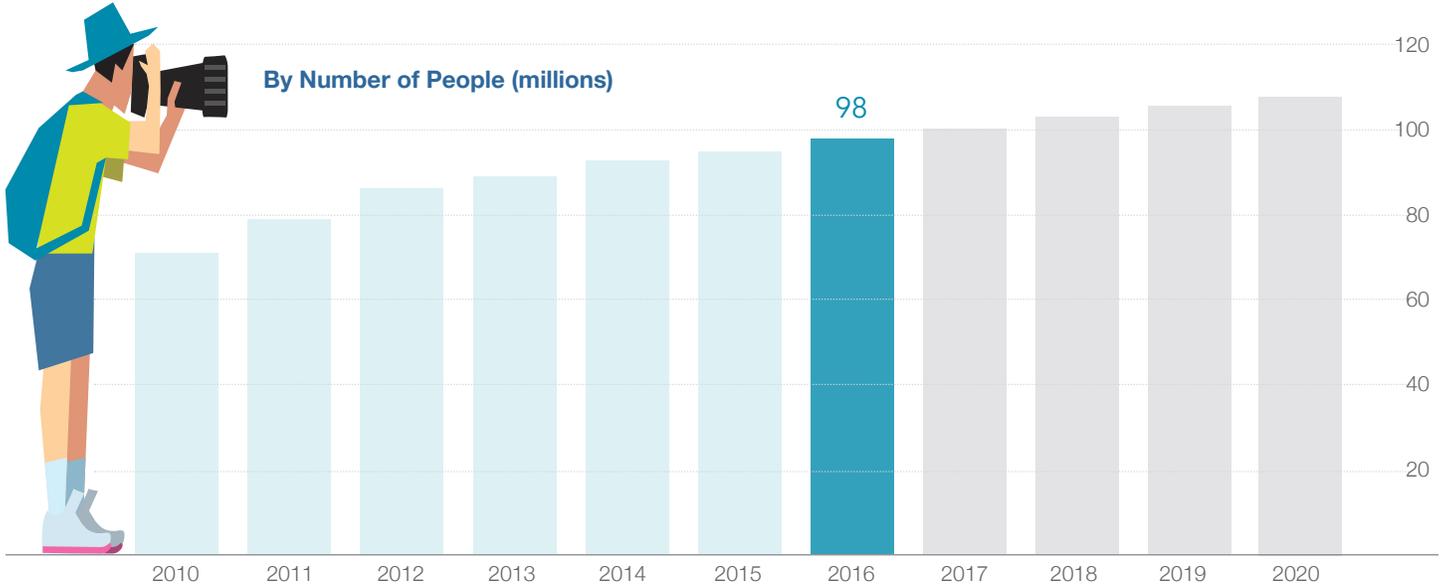
Tourism is the sixth largest private sector employer in New Jersey, providing 321,231 jobs and supporting nearly 517,559 total jobs via direct, indirect, and induced impacts in 2016. Nearly one in 10 jobs in New Jersey (9.8%) is affiliated with the tourism industry in some way.

Tourism industry sales are broken down by six main sectors as shown in Figure 1. In 2016, the highest sales were generated in the lodging sector,

Tourism represents 6.5% of the state’s economy, accounting for more than \$38 billion in state GDP in 2016.

## New Jersey Visitors - Then, Now & Tomorrow

FIGURE 2



accumulating 27.4% of total sales. This category includes casino wins, room revenue and second homes. Food and beverage spending ranked second with 24.9% of total sales.

Tourism's impact is important to quantify and measure because it is beneficial to all sectors of the New Jersey statewide economy to some degree. For example, the Finance, Insurance and Real Estate sectors and Business Services are significantly impacted by direct, indirect, and induced benefits from tourism, totaling \$8.85 billion and \$3.89 billion in GDP value added, respectively.

Last year, 98 million individuals visited New Jersey and spent \$41.9 billion. Most New Jersey visitors are domestic (93%), with about 7% visiting from Canada (0.3%) and other countries (6.7%). Of total visitors, 91.2% stay overnight, with 89.7% of tourists visiting for leisure, rather than business (10.3%).

Tourists' visits to New Jersey are expected to continue growing in the near future. It is estimated that almost 108.3 million people will visit New Jersey in 2020, spending approximately \$49.6 billion (see Figure 2 for forecasted visits through 2020). New Jersey's weather is also a key variable; bad weather during the peak summer tourism season has previously impacted visits before, but the good weather over the past three years has benefited the tourism industry.

Twenty of New Jersey's 21 counties reported growth in tourism direct sales in 2016 (See Figure 3). Passaic County reported the highest growth in tourism industry sales, growing from \$561 million to \$593 million, an increase of 5.7%.

A high concentration of New Jersey's tourism industry and revenue is generated by five shore counties: Atlantic, Cape May, Middlesex, Monmouth and Ocean. These five counties alone accounted for more than \$22 billion in total tourism direct sales—more than half of New Jersey's total tourism direct sales of \$41.9 billion (See Figure 3 for all counties).

Of the shore counties whose economies rely heavily on the tourism industry, Atlantic County generates the largest tourism direct sales with more than \$6.8 billion.

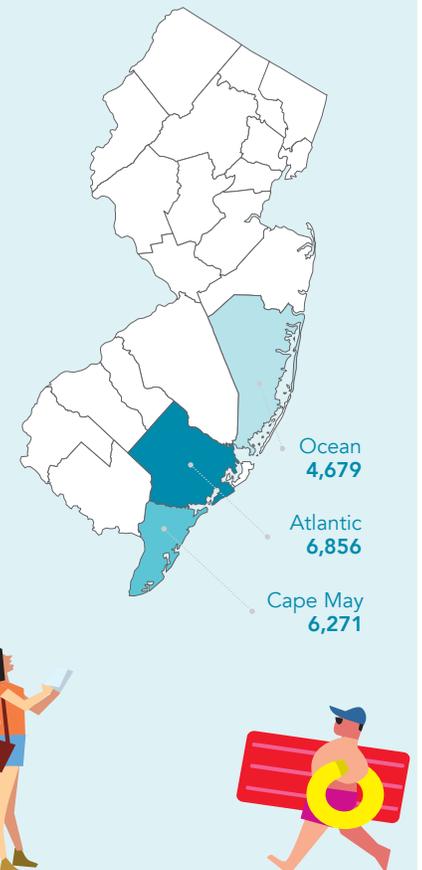
*Last year, 98 million individuals visited New Jersey and spent \$41.9 billion.*

**Tourism Direct Sales by County, 2015-2016**  
(millions of dollars)

FIGURE 3

County	2015	2016	% Change
Atlantic	\$6,689	\$6,856	2.5%
Bergen	\$2,904	\$2,894	-0.3%
Burlington	\$1,457	\$1,484	1.9%
Camden	\$819	\$844	3.1%
Cape May	\$5,975	\$6,271	5.0%
Cumberland	\$343	\$351	2.5%
Essex	\$3,420	\$3,521	3.0%
Gloucester	\$434	\$456	5.0%
Hudson	\$2,002	\$2,032	1.5%
Hunterdon	\$310	\$317	2.3%
Mercer	\$1,242	\$1,311	5.5%
Middlesex	\$2,297	\$2,316	0.8%
Monmouth	\$2,362	\$2,441	3.3%
Morris	\$2,064	\$2,131	3.3%
Ocean	\$4,537	\$4,679	3.1%
Passaic	\$561	\$593	5.7%
Salem	\$198	\$201	1.6%
Somerset	\$1,123	\$1,145	2.0%
Sussex	\$510	\$522	2.4%
Union	\$1,316	\$1,352	2.7%
Warren	\$158	\$163	3.2%

**Top 3 Counties**



Atlantic, Cape May, and Ocean counties have the most employees impacted by tourism, with more than 100,000 of New Jersey's 321,231 direct tourism jobs. Furthermore, tourism also impacts a sizable direct share of total employment in these counties. In Atlantic, Cape May and Ocean counties, direct impact tourism accounts for 29.1%, 43.6%, and 10.5% of total employment, respectively.

New Jersey's successful tourism industry contributes billions of dollars to the state's economy every year, and that revenue is expected to increase steadily over the long term. Tourism plays a major role in the state's continuing economic growth, and it's important to quantify both the direct and indirect impacts this industry has on employment and tax revenues.

Not only is it important to nurture New Jersey's tourism industry because of its significant contribution to the state's economy, but because many New Jerseyans, either directly or indirectly, rely on the industry's success for their own jobs and economic well-being.



*Atlantic, Cape May, and Ocean counties have the most employees impacted by tourism with more than 100,000 of New Jersey's 321,231 direct tourism jobs.*

Source:

• [www.visitnj.com](http://www.visitnj.com), "Beaches in New Jersey" New Jersey Division of Travel and Tourism, "The Economic Impact of Tourism in New Jersey 2016." Accessed on 4.5.2017. <http://www.visitnj.org/sites/default/master/files/2016-nj-economic-impact.pdf>



## FOR A BUSINESS LIKE MINE

10 West Lafayette Street  
Trenton, NJ 08608  
609-393-7707  
[www.njbia.org](http://www.njbia.org)  
[info@njbia.org](mailto:info@njbia.org)

## NEW JERSEY BUSINESS

A Publication of the New Jersey Business & Industry Association

310 Passaic Avenue  
Fairfield, NJ 07004  
T: 973-882-5004  
F: 973-882-4648  
[www.njbmagazine.com](http://www.njbmagazine.com)  
[info@njbmagazine.com](mailto:info@njbmagazine.com)



[www.njbia.org](http://www.njbia.org)