



The Economic Impact of Tourism in Greater Wildwood, New Jersey

Calendar Year 2015



Headline results

- Visitor spending grew 4.9% in 2015 to reach \$1.5 billion.
- Visitor spending in several key categories grew at better than 7% in 2015.
- Visitor spending growth has averaged 3.8% per annum since 2010.
- Direct tourism employment – those jobs that directly interact with the visitor – grew 2.2% in 2015 to 5,660 jobs.
- Total employment supported by tourism in the Wildwoods grew to 6,810 in 2015.
- Including indirect and induced impacts, tourism in the Wildwoods generated \$129 million in state and local taxes.



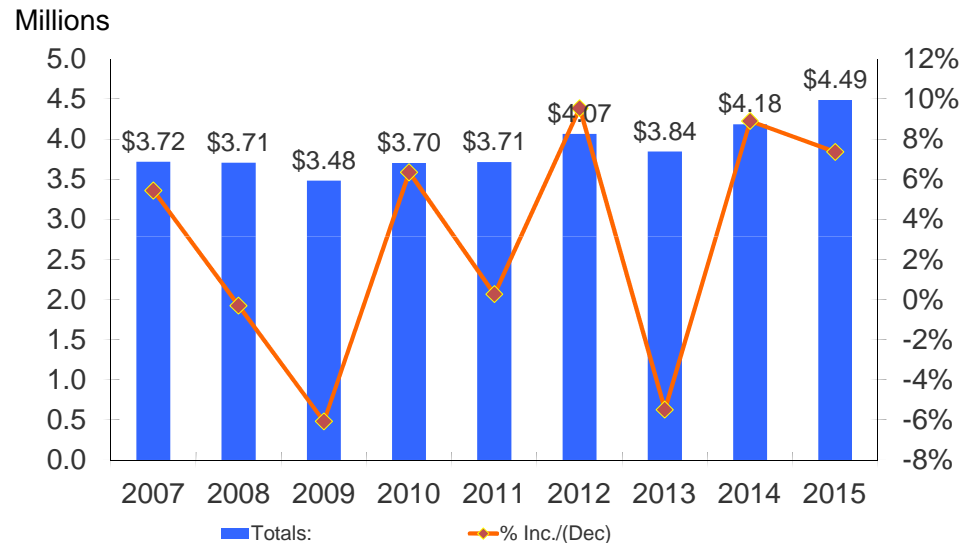
Trends and Analysis



Tourism tax collections

- Examining the performance of local tourism indicators in comparison to the state, county and other industries supports the analysis.
- Sales subject to the local tourism tax continued to grow in 2015 – strongly rebounding from a 2013 fall.
- Tourism taxable sales have increased by 21% since 2011, 17% in the last two years.

Wildwood Tourism Tax Collections

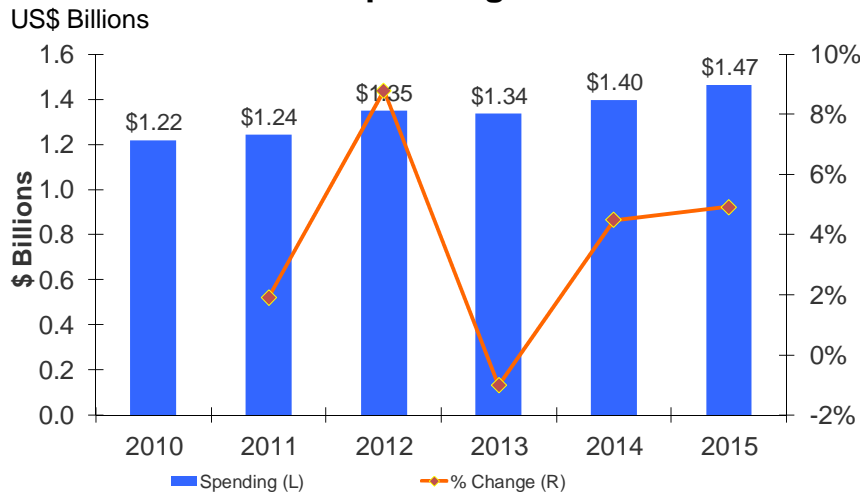


Sources: Longwoods International, NTTU, Tourism Economics

Tourism sales

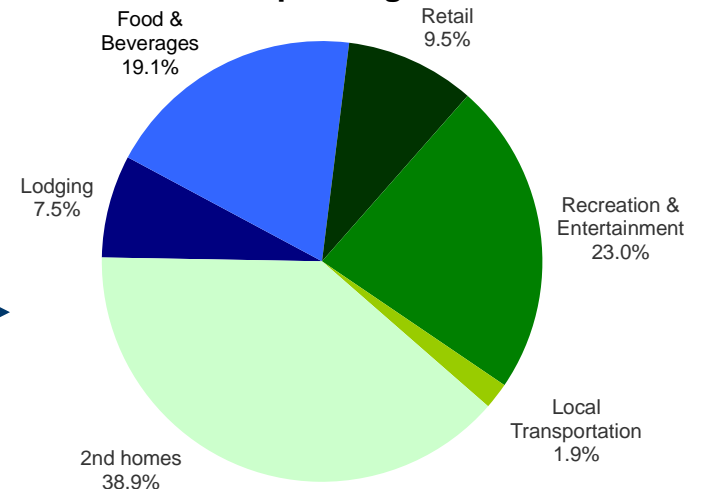
- Visitor spending in the Wildwoods grew 4.9% in 2015, reaching \$1.5 billion.
- This growth represented a \$70 million increase over 2014 performance.
- Visitor spending growth has averaged 3.8% per annum since 2010 despite the relatively moderate growth seen in 2013.

Wildwood Traveler Spending



Sources: Longwoods International, NTTO, Tourism Economics

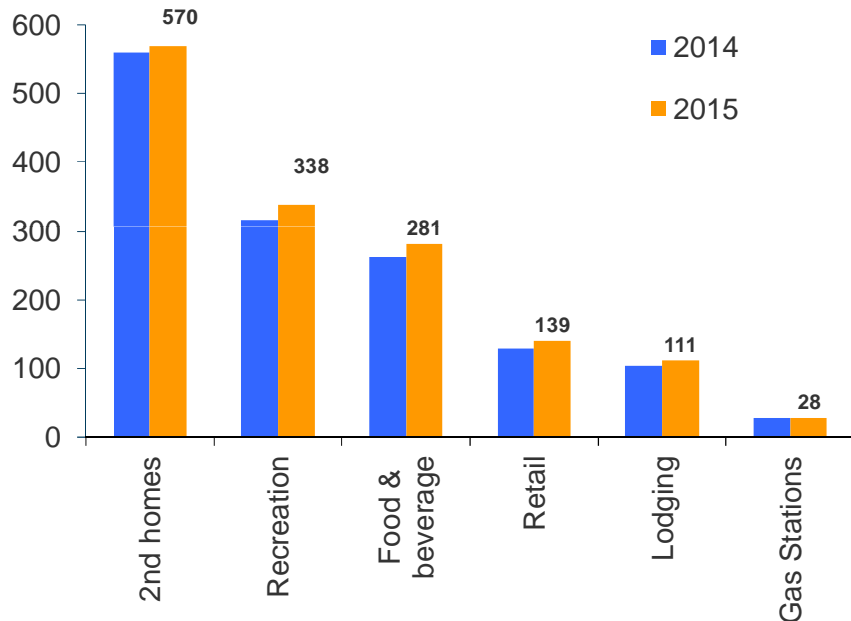
Wildwoods Traveler Spending



Sources: DK Shifflet, NTTO, Tourism Economics

Tourism sales

\$ Million, 2015 values shown



- Visitor spending expanded across all non-transportation sectors in 2015.
- Recreational spending increased by \$22 million to reach \$338 million in 2015.
- Spending at restaurants and grocery stores reached \$281 million.

Tourism sales

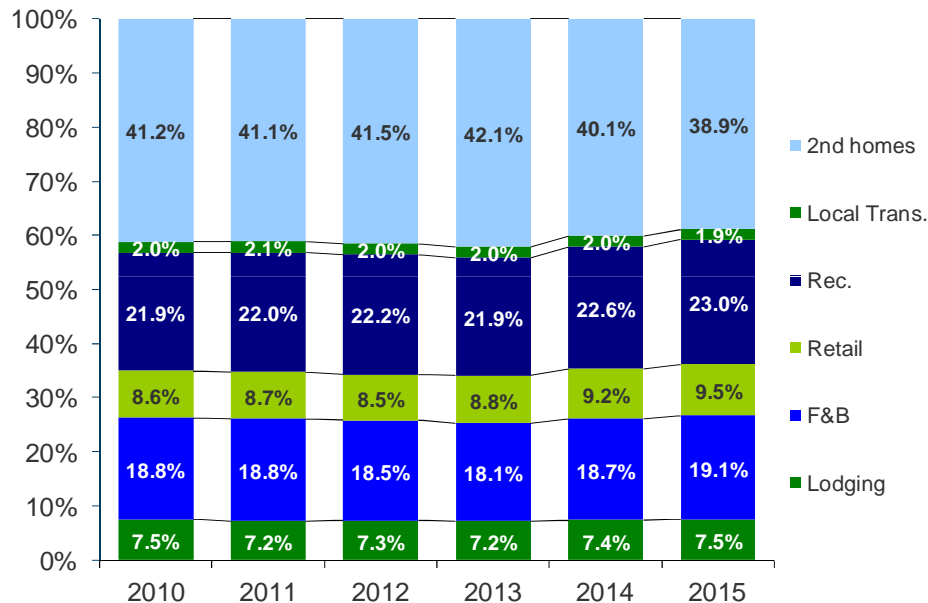
Traveler Spending							
(US\$ Million)							
Sector	2010	2011	2012	2013	2014	2015	% Change
Lodging	\$91.4	\$89.9	\$98.8	\$96.1	\$103.0	\$110.7	7.5%
Food & Beverages	\$229.2	\$233.9	\$249.6	\$242.3	\$262.1	\$280.7	7.1%
Retail	\$105.3	\$108.3	\$115.1	\$117.1	\$129.2	\$139.4	7.9%
Recreation & Entertainment	\$266.4	\$273.4	\$300.4	\$292.5	\$315.5	\$337.6	7.0%
Local Transportation	\$24.6	\$25.8	\$27.2	\$26.2	\$27.8	\$28.1	0.8%
2nd homes	\$502.1	\$510.9	\$560.5	\$563.5	\$560.2	\$570.0	1.8%
TOTAL	\$1,218.9	\$1,242.3	\$1,351.5	\$1,337.7	\$1,397.7	\$1,466.5	4.9%
% Change		1.9%	8.8%	-1.0%	4.5%	4.9%	

- Visitor spending has increased by nearly \$250 million since 2010.
- Along with recreational spending, visitor spending on lodging, food & beverages, and retail all grew at better than 7% in 2015.
- Spending at hotels surpassed \$110 million, growing 7.5% in 2015.

Tourism sales

Wildwood Traveler Spending

by Year, Share of Total



Sources: Longwoods International, NTTO, Tourism Economics

- The vacation rental market provides nearly 40% of the business sales in the Wildwoods.
- Recreational spending represents around 23% of visitors spending and has grown more than a percentage point over the past two years.

Tourism Impacts

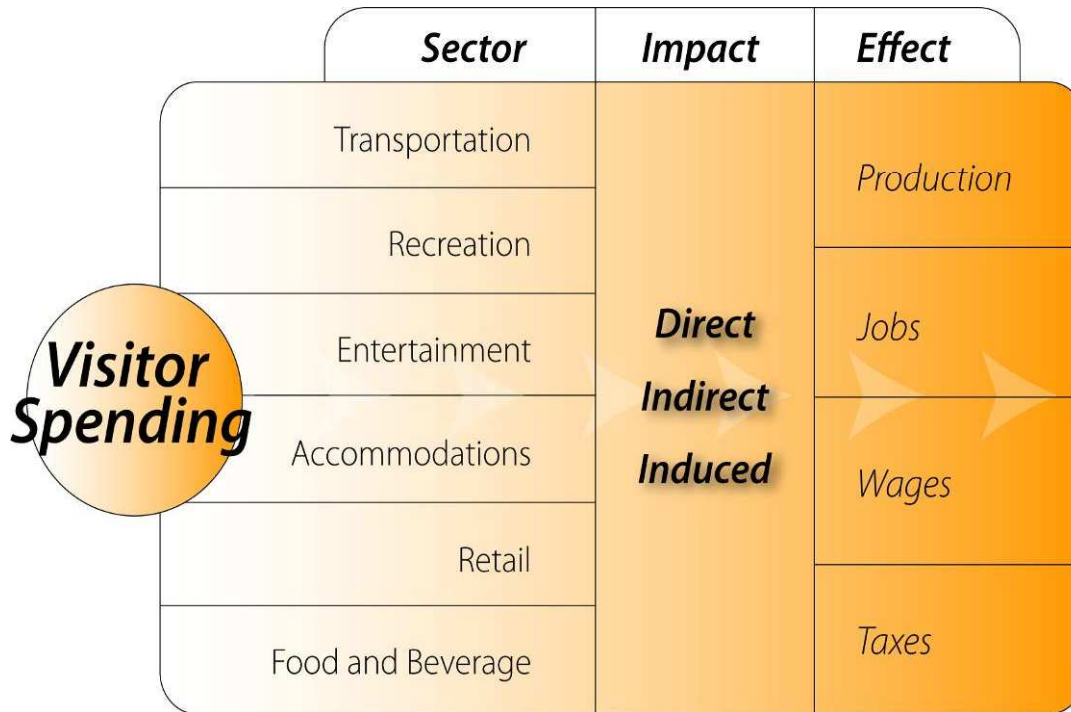


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How visitor spending generates impact

- Travelers create direct economic value within a discrete group of sectors (e.g. recreation, transportation). This supports a relative proportion of jobs, wages, taxes, and GDP within each sector.
- Each directly affected sector also purchases goods and services as inputs (e.g. food wholesalers, utilities) into production. These impacts are called indirect impacts.



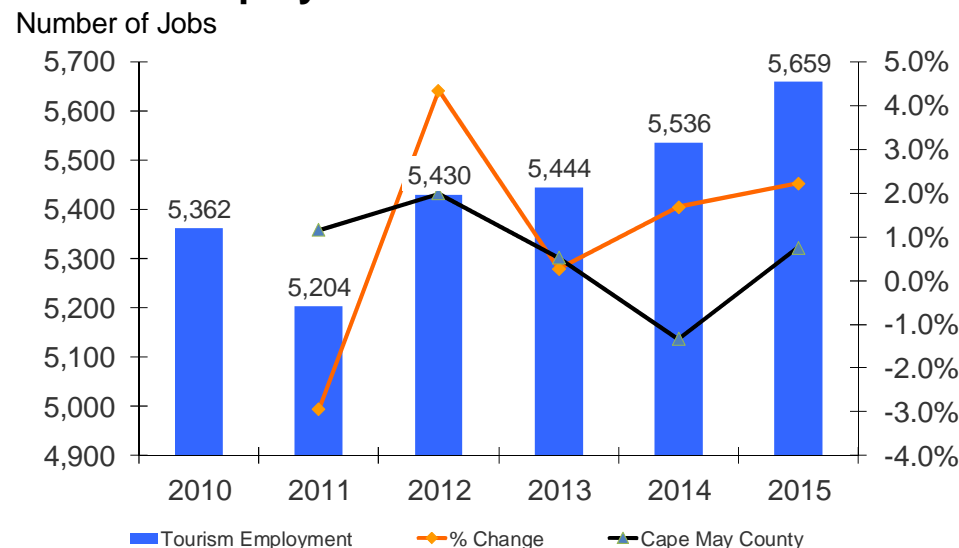
- Lastly, the induced impact is generated when employees whose incomes are generated either directly or indirectly by tourism, spend those incomes in the local economy.

Tourism employment

Tourism Employment						
Direct						
Year	2010	2011	2012	2013	2014	2015
Wildwood	5,362	5,204	5,430	5,444	5,536	5,659
Cape May County	24,660	24,714	25,102	25,140	25,490	25,884
New Jersey	308,801	312,369	318,560	320,238	315,952	318,330
% Change						
Wildwood		-2.9%	4.3%	0.3%	1.7%	2.2%
Cape May County		0.2%	1.6%	0.2%	1.4%	1.5%
New Jersey		1.2%	2.0%	0.5%	-1.3%	0.8%

- Direct tourism employment – those jobs that directly interact with the visitor – grew 2.2% in 2015 to 5,660 jobs.
- Tourism employment growth has outpaced both the county and state in the past two years.

Tourism Employment

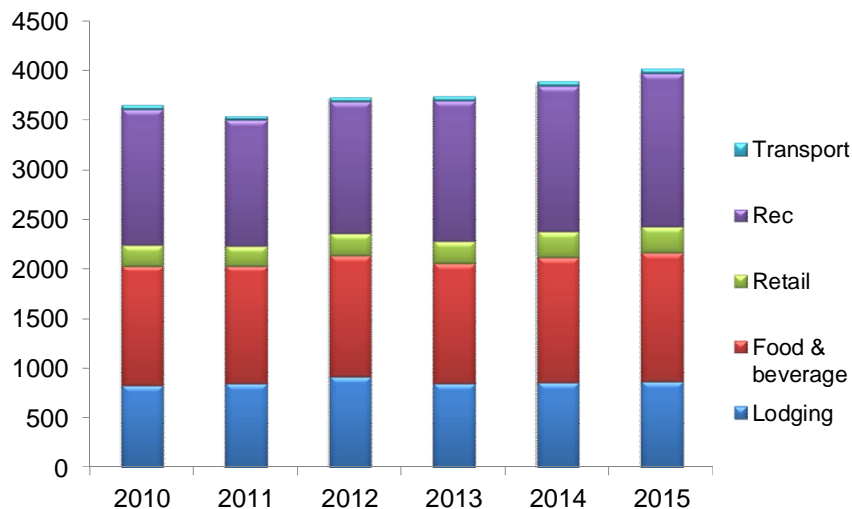


Source: Tourism Economics

Tourism employment

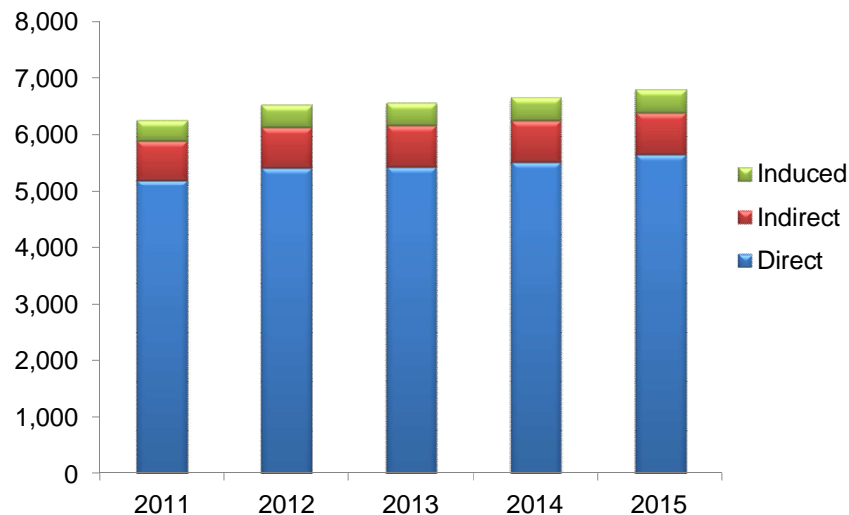
- Businesses supplying food & beverages or recreational services support a majority of tourism-generated employment in the Wildwoods.
- 6,810 Wildwood jobs in total were supported by visitor activity on the island.

Direct Visitor Employment by Industry



Source: Tourism Economics

Total Visitor Employment



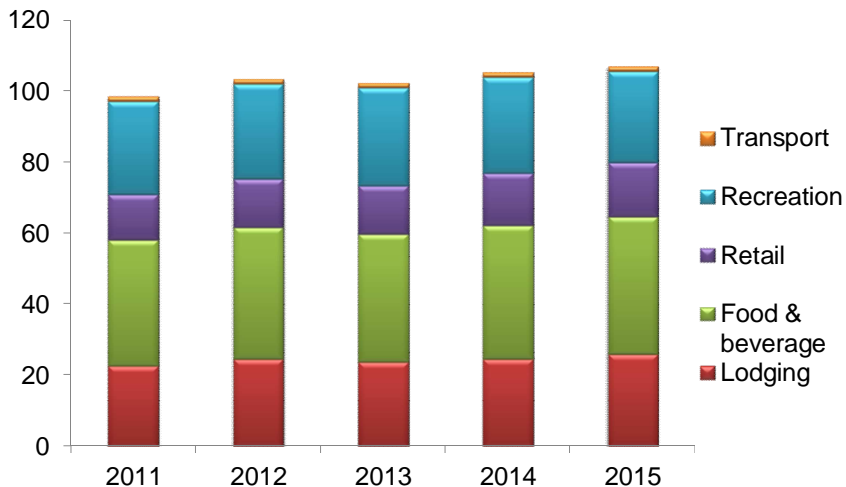
Source: Tourism Economics

Tourism labor income

- \$170 million in wages and benefits were paid to workers whose jobs directly touched visitors.
- The annual income of jobs directly supported by visitor activity exceeded \$30,000 in 2015.

Direct Visitor supported wages by Industry

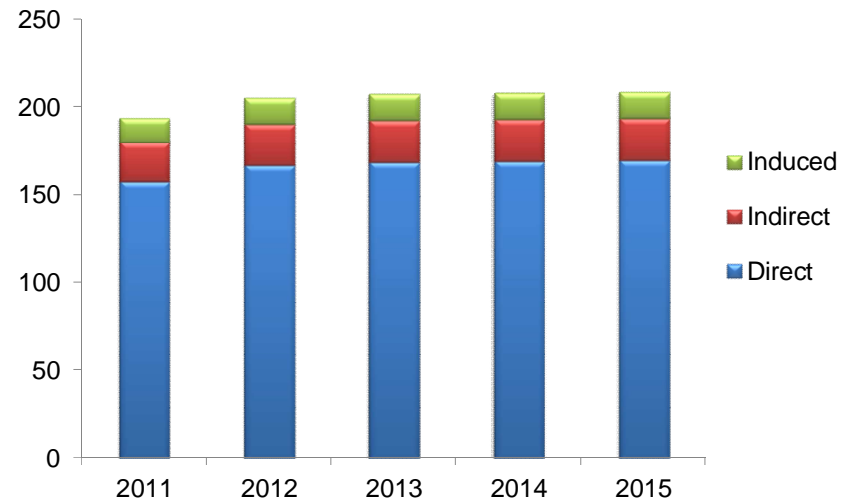
Millions of \$



Source: Tourism Economics

Total Visitor supported wages

Millions of \$



Source: Tourism Economics

Tourism tax generation

- Revenues from the local lodging tax and tourism tax grew \$430,000 in 2015 – which is only \$10,000 less than the City of Wildwood budgeted for lifeguard salaries.
- Lodging tax collections alone are enough to fully fund the City of Wildwood Fire Department.

Tourism Taxes					
Local Tourism Taxes - Millions					
Tax Type	2011	2012	2013	2014	2015
1.85% Lodging Tax	1.54	1.73	1.64	1.77	1.89
2% Tourism Tax	3.71	4.07	3.84	4.18	4.49
Total	5.25	5.80	5.48	5.95	6.39

Tourism tax generation

- The tourism industry generated \$129 million in state and local taxes and fees in 2015.
- Total state and local governmental revenues increased by nearly \$5 million in 2015.

Tourism Taxes					
State and Local Total Collections - Millions					
Tax Type	2011	2012	2013	2014	2015
Income	5.84	6.05	6.14	6.13	6.45
Sales	27.86	30.21	29.20	31.40	33.46
Property	75.52	79.96	81.33	80.85	82.98
Lodging	1.54	1.73	1.64	1.77	1.89
Other	3.71	4.07	3.84	4.18	4.49
Total	114.47	122.02	122.16	124.33	129.28

Methodology and Background



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General information

- This report breaks out the visitor spending and associated impacts for the Wildwoods. The region includes the cities/boroughs of:
 - North Wildwood
 - Wildwood
 - Wildwood Crest
- A trip is any journey for business or pleasure outside your community not part of your normal routine, where you spent one or more nights away from home or involved travel of more than 50 miles from your home.

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.
- With this information, interested parties can also carefully monitor tourism's successes and future needs.
- To achieve these purposes, tourism must be measured in the same categories as other economic sectors – i.e. tax generation, employment, wages, and gross domestic product.

Why 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 and beverage, car rental, taxi services, travel agents, museums, and theme parks.

Methods and data sources

- Estimates of visitor expenditures were based on several sources including:
 - Local sales tax data
 - Local employment and wage data broken out by industry
 - Recreational second home expenditures based on US Census data
- Local impacts were calculated by applying local industry sales and employment data to the state/county visitor spending and impact analysis. Tourism Economics then cross checked these findings with employment and wage data for each sector to ensure the findings are within reasonable ranges.
- Employment and wage data were obtained from the Bureau of Labor Statistics, and the US Census Bureau.

Definitions

- Direct spending/visitor spending: any spending directly from a traveler's pocket into the local economy.
- Direct impacts: all jobs and wages supported only by the direct spending of visitors.
- Total impacts: all jobs and wages supported by visitor economic activity. This includes the direct impacts along with indirect (supply-chain effects), induced (wage effect) and any capital investment and governmental spending in support of tourism in the local economy.

Description of spending categories

Spend Category	Description
Lodging	Includes visitor spending in accommodation sector. This includes food and other services provided by hotels and similar establishments.
Food and beverage	Includes all visitor spending at restaurants, bars and grocery stores.
Retail	Includes visitor spending in all retail sectors within the economy.
Recreation	Includes visitors spending within the arts, entertainment and recreation supersector.
Transport	Includes all forms of transport services such as visitor spending on gasoline, taxis, limos, trains, rental cars, and buses.
Second homes	Spending associated with the upkeep of seasonal second homes for recreational use as defined by the Census Department.



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