



The Voice of the Tourism Industry

## The New Jersey Travel Industry Association

The New Jersey Travel Industry Association is a non-profit trade organization that represents and speaks for the common interests of the \$38 billion New Jersey travel and tourism industry, representing more than 500,000 employees throughout the state. Based in Trenton, New Jersey NJTIA is the public voice and political liaison for this important and diversified industry.

### Mission:

Established in 1984, the New Jersey Travel Industry Association (NJTIA) is comprised of associations, businesses, industries, resorts, attractions, destination marketing organizations, transportation companies, cultural arts and historic organizations and advocates public policies that encourage the growth and development of New Jersey's travel and tourism industry. Motivated by our commitment to tourism's capacity to foster economic development, generate revenues and create jobs, NJTIA is the leading voice for promoting the knowledge and understanding that travel and tourism is essential to the economy, the image and the quality of life of New Jersey.

### Goals:

Our goal is to grow the tourism industry and its economic benefits to the state through sound return on investment (ROI) strategies and policies.

NJTIA would like to partner with our public officials to:

- Fully fund the programs dedicated through the Hotel Occupancy tax to FY2005 levels.
- Invest an additional \$8 million in funding local, professionally staffed, Destination Marketing Organizations to partner with the State in marketing NJ as a destination.
- Encourage, through incentives, municipalities to dedicate a portion of their Hotel and Occupancy Tax Revenue to local marketing organizations.

We know through research that for ***every dollar invested in tourism marketing, \$36 dollars are generated.***

## **New Jersey's Travel & Tourism Industry By the Numbers...**

- Each visitor to the state creates \$548 in expenditures, \$109 of which goes to businesses not directly related to tourism.
- Each visitor creates \$109 in tax receipts, \$64 of which goes to local and state authorities, government and non-profits.
- Every 204 visitors pay for 1 New Jersey public school student for the year.
- Every 160 visitors creates 1 new job.
- \$2.4 billion in state tax revenues was generated by the travel & tourism industry in 2008.
- \$38.8 billion in revenues was generated in 2008.
- 1 out of every 9 New Jerseyans has a job in tourism, more than 1/2 million people.
- Tourism accounts for 10.9% of total employment or \$17 billion in wages and salaries.
- If tourism did not exist, each NJ household would have to pay \$1,427 more in taxes to maintain current tax receipts.

NJTIA is dedicated to building travel and tourism within the Garden State and to building partnerships that leverage the travel industry's combined assets to generate economic benefits through increased revenues, tax dollars and employment opportunities.

The New Jersey Travel Industry Association provides our members, our businesses and our elected leaders with the resources to make sound public policy and business decisions, including segmented research, state and federal legislative alerts, and competitive analysis reports.

## **Making a Difference... Accomplishments**

The New Jersey Travel Industry Association is the established and respected voice for the tourism industry. Our accomplishments include:

### **Dedicated Source of Funding To Tourism, Arts and History**

In 2004, when the New Jersey legislature created the state's first hotel tax, NJTIA worked with the legislature to create a dedicated source of funding to the Office of Travel and Tourism and to our Arts and History. NJTIA supplied the legislature and other leaders with the contemporary research that shows the return on investment of these marketing and grant dollars. We know that for every \$1 dollar spent, \$36 dollars are generated in revenues to the state of New Jersey. And we know that in 2008, the hotel tax generated \$81 million to the state's general operating budget and \$35 million to tourism, arts, history and the cultural trust.

### **Establishment and Funding of Destination Marketing Organizations (DMOs)**

By partnering with the New Jersey Office of Travel and Tourism to conduct a competitive analysis of the national industry and to look at "best practices", NJTIA recommended the creation of Destination Marketing Organizations (DMOs).

The average DMO around the country has a staff of 13 professionals; generates revenues of \$4.8 million; operates two year-round visitor centers and manages membership organizations that partner in generating new income, employment, and taxes contributing to a more diversified local economy. DMOs also support the development of additional tourism product; the revitalization of our downtowns; and increase the business volume of marketing partners.

### **Public-Private Partnership with The NJ Division of Travel and Tourism**

The success of the travel and tourism industry is dependent on the continuing partnership of the private sector with the public sector through the Division of Travel and Tourism. NJTIA values this collaboration and the opportunities to work collectively on advertising, marketing and branding strategies; to provide our expertise and advice on grant programs and to support the trade show and familiarization programs that are key to generating increased visitors and thus increased revenues and tax dollars to New Jersey.

The most successful collaboration of this public-private partnership has been and continues to be the *NJ Governor's Conference on Tourism*. Each year, (for the past 3 decades) more than 400 professionals come together to advance their working knowledge of branding, marketing, technology, packaging, media and public relations; and to learn about contemporary research and travel trends that build their business and help them and the state to maintain a competitive edge and to increase their success in the diversified tourism market. The conference features world class speakers, hands on educational programs and opportunities to network.

## **The New Jersey Travel Industry Association POSITION PAPER ON TOURISM**

The New Jersey Travel and Tourism Association (NJTIA) is a 501 c 6 non-profit trade organization. Its members include every aspect of the \$38 billion State tourism industry and are a representative body of organizations that promote and serve the individual aspects of that industry. Our members include the NJ Restaurant Association, the NJ Hotel and Lodging Association, The NJ Amusement Association, many regional and local Chambers of Commerce, State funded and non-funded Destination Marketing Organizations (DMOs) and many Convention and Visitor Authorities.

NJTIA advocates for enhanced government support for Tourism in the State by educating our elected and appointed officials on the industry, its economic benefit to the State and the role that those employed by and for the industry add to the quality of life for every citizen of NJ. We have had a long term public private relationship with the Office of Travel and Tourism and the Department of State to manage the jointly sponsored Governor's Conference on Tourism. We are pleased to hold this partnership up as an example of a public private partnership that truly works both financially as well as providing a beneficial service to the citizens of the State. On a daily basis the organization dedicates itself to the cause of building tourism within NJ. This effort increases the attraction of NJ as a travel destination and as a result increases the amount of revenue the State collects through many revenue sources not the least of which is the Hotel Occupancy Tax, sales tax, employment and income taxes.

NJTIA has many goals:

- Advocacy for enhanced marketing and promotion activities and funding in an effort to position the State as a desirable destination
- Increased marketing money for DMO efforts
- Transportation funding to improve our system of roadways and travel options
- Revitalization of urban areas through promoting historical preservation, arts activities and cultural support
- Creating livable communities to increase NJ's desirability as a location for business and industry
- Promoting environmentally sensible measures that support the growing trend of eco tourism

All of this in partnership with State Government which helps NJ maintain its high ranking and global presence in the \$600 billion national tourism industry. According to Global Insights, the NJ Office of Travel and Tourism's data research firm, the tourism industry is the third largest business sector in the State accounting for:

- \$38 billion in annual revenues
- \$2.2 billion in State tax revenue annually
- Employing 1 out of every 9 workers in the State
- \$16 billion dollars in wages and salaries
- \$130 million in hotel occupancy tax for both state and municipal revenue
- Each visitor creates \$505 in expenditures - \$96 of which goes to industries and businesses not directly related to the tourism industry
- \$97 in tax receipts of which \$56 is directed to fund local and state authorities
- Every 229 visitors pay for 1 NJ public school student's annual cost
- Every 161 visitors creates 1 new NJ job

All of the above happens despite a very competitive market in a very competitive location that has much to offer the destination traveler. NJ needs an aggressive, sustainable and coordinated marketing approach so NJ can compete locally, nationally and globally. One of our closest competitors, the City of Ocean City, Maryland has a marketing budget more than triple that of our entire State.

For years the industry lobbied the Governor and Legislature for its annual appropriation for tourism funding. In 2003 the industry, in concert with the Arts, History and Cultural communities worked cooperatively with the State to create a stable, recurring, NEW revenue source for these efforts by enacting the Hotel Occupancy Tax. The tax was enacted to:

- Generate funding for the Office of Travel and Tourism's promotional, advertising and cooperative marketing activities
- Set forth an initiative to grow revenue to contribute to the economic stimulus of the State
- Fund cultural and historical grants and programs
- Allow municipalities to add a new source of revenue generation other than the property tax
- Give the State a share of the funds for general use
- Finally stabilize the funding mechanism for an industry that is NJ 3rd largest by guaranteeing a minimum funding level and, if breached, trigger the repeal of the tax



## The Voice of the Tourism Industry

This vision was well on its way to being fully realized. The most recent appropriation, while maintaining the letter of the law, violated the spirit of the law through creative accounting. NJTIA is not unsympathetic to the economic downturn or the realities facing our new administration in balancing the budget. However, we maintain that increased funding or full funding at the guaranteed minimum is in the best interest of the State financially and is in itself an economic stimulus. Therefore, we urge you to consider making the following items part of your economic solution:

1. Fully fund the programs dedicated through the Hotel Occupancy tax to FY2005 levels
2. Invest an additional \$8 million in funding local, professionally staffed, Destination Marketing Organizations to partner with the State in marketing NJ as a destination.
3. Encourage, through incentives, municipalities to dedicate a portion of their Hotel and Occupancy Tax Revenue to local marketing organizations

The formula above represents a commitment to a reinvestment strategy that we believe will allow the industry to compete with local, regional and national competitors and will yield tangible, measurable financial benefits. Unlike many other budget items, this strategy is good business with a solid return on investment.

Submitted by:  
New Jersey Travel Industry Association (NJTIA)  
414 River View Plaza  
Trenton, NJ 08611  
(609) 396-2020  
E-mail - info@njtia.org