

Experts: Most Jersey Shore Towns Can Expect Strong Tourism Season, While Atlantic City Moves to Diversify Its Economy

Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism's Jersey Shorecast

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Galloway Township, NJ - Low gas prices and visitors' strong desire to relax at the shore after a tough winter should translate into a 4 percent to 5 percent increase in tourism at most Jersey Shore communities if the weather cooperates - but probably not in Atlantic City, said experts from Stockton University and tourism industry officials at the seventh annual "Jersey Shorecast" today in Atlantic City.

More people are working in the greater Philadelphia and New York areas, said Dr. Oliver Cooke, associate professor of Economics at Stockton. But "the local economy is in dire straits," Cooke said.

The closing of four casinos has created a perception that there is less to do in Atlantic City, there are concerns that the city's financial condition might lead to bankruptcy, and the region's workforce certainly has less income to spend, noted Dr. Michael Busler, professor of Business Studies at Stockton University.

But other shore resorts are seeing indicators of a strong tourist season.

Diane Wieland, director of the Cape May County Department of Tourism, said tourism is "almost a \$5.8 billion industry and we continue to show growth" in the Cape market.

Hotels account for \$2.7 billion, she said, and rentals, "which are extending the season," are up 9 percent over last year, when they accounted for \$1.9 billion in income.

Wieland said the county is marketing to the Toronto market again, in addition to the Quebec market, and new Air Canada flights from Toronto to Atlantic City International Airport are a plus.
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She said marketing to Millennials (ages 25-35) requires a different approach than marketing to Baby Boomers, but both are a significant part of her strategy.

Boomers are interested in other attractions besides the beach - and new wineries, breweries, arts and cultural events, birding and other eco-tourism and agro-tourism appeal to them. These types of activities continue in the spring and fall, extending the tourism season, Wieland said.

Lori Pepenella, director of Destination Marketing, LBI Region – Southern Ocean County Chamber of Commerce, said Long Beach Island has rebounded after Hurricane Sandy, and “people aren’t so shy about investing with us.”

“On Mother’s Day, business was up 50 percent year over year” on LBI, she said, adding that Ocean County beach towns are using arts events and destination weddings as a way to expand the market and extend the season.

Atlantic City may not be so lucky. But since the market has downsized, the remaining casinos are “actually doing better,” said Dr. Brian Tyrrell, associate professor of Hospitality and Tourism Management Studies at Stockton. “Some properties are selling more rooms and more parking spaces,” he said.

The way forward for Atlantic City is to diversify its economy, agreed panelists at the Carnegie Center event, sponsored by the Lloyd D. Levenson Institute of Gaming, Hospitality & Tourism (LIGHT).

The first panel was an academic one with Busler, Tyrrell and Cooke, and moderated by Dr. Israel Posner, executive director of LIGHT. The second, with industry experts Wieland, Pepenella and Joseph Kelly, president of the Greater Atlantic City Chamber of Commerce, was moderated by LIGHT’s research associate, Felicia Grondin.

“This is a transition period and this is a good thing,” said Kelly. “Starting to diversity is the key.” He noted that the 85,000-square-foot Bass Pro shop just opened in Atlantic City and that Harrah’s is investing in a major new convention facility, showing confidence that the area will rebound.

Beyond that, Kelly said existing properties in Atlantic City should be repurposed as higher education facilities with a “renewable” customer base, as new students start their educations each year.

Busler said the city should attract or expand health care facilities, which along with the cultural and educational attractions of a university, would lead more Baby Boomers to retire here.

“Meds and Eds,” said Busler, summing up that redevelopment strategy.

Kelly said casinos, conventions and tourism events will always have a place in Atlantic City’s diversified economy. The Chamber sponsors the Atlantic City Air Show, which provides \$42 million in economic impact in the region, he said. This year, it will be held in September, extending the season.

If Revel reopens this summer that would change the picture, but it is unclear whether that will happen, both Tyrrell and Busler said. “The hope is that Revel reopening would grow the market, but the reality is, it may take away from some of the other casinos,” Busler said.

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Tyrrell also noted that LIGHT issued its quarterly report on Atlantic City Tourism Performance Indicators today, which found that despite the closing of casinos in the last year, much of the gaming-related business remained “captured” in the Atlantic City market.

“Per property performance for the remaining casinos in the Atlantic City market increased,” the 2014 year-end report found. Click to read the [full report](#).

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