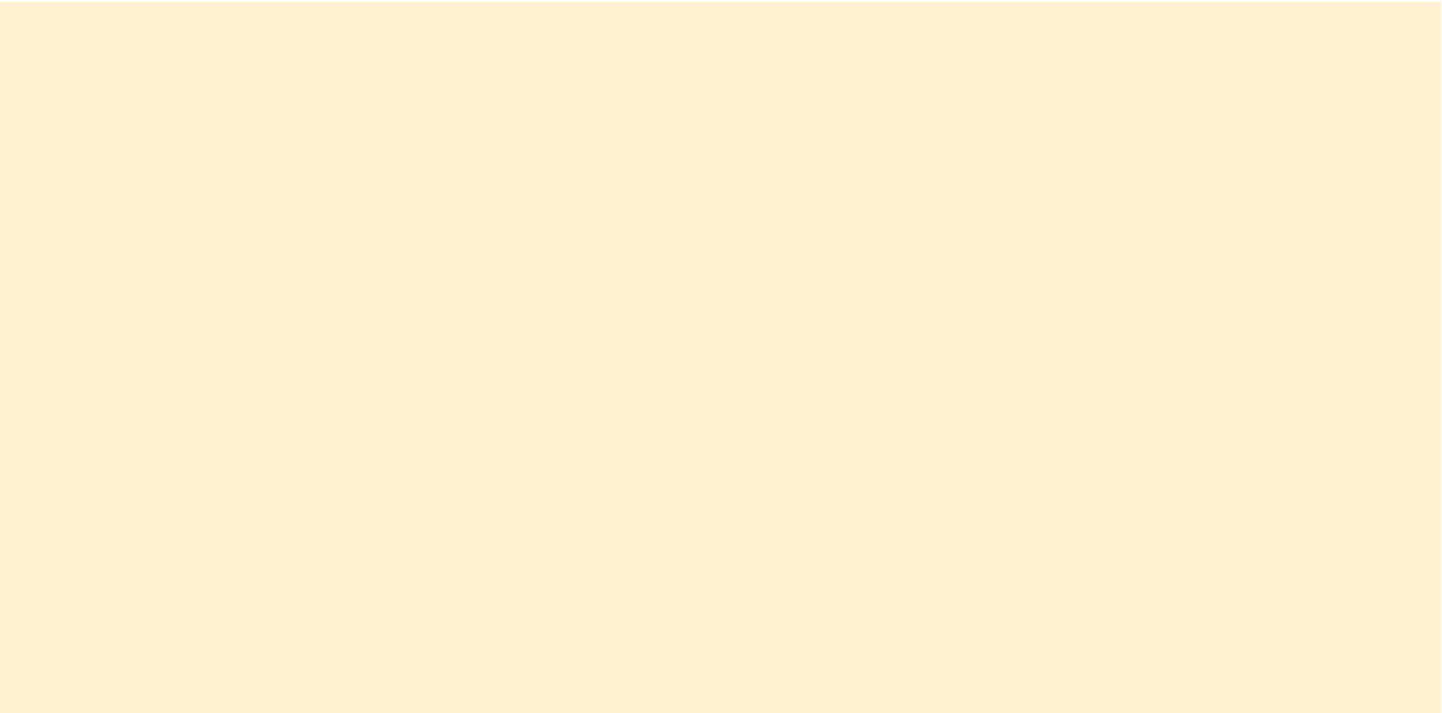


RECOVER FOR ATLANTIC CITY'S ECONOMY REMAINS ELUSIVE

Four years into the official recovery from the nation's Great Recession, and 15 months removed from the launch of its new advertising ~~read~~ ads

In This Issue

continued on page 2



Despite Some Recent Improvements, the Leisure and Hospitality Sector Continues to Weigh on Atlantic City's Economy

While recent evidence suggests that Atlantic City's broader leisure and hospitality sector continues to make modest strides in its attempt to rebrand and refashion itself as a resort and entertainment destination that offers more than gaming, it remains true that the sector has continued to constitute a drag on Atlantic City's economic growth—especially in employment and wage terms.

Since the onset of the national recession that began in December 2007, total employment in Atlantic City has declined by 11.2% (16,800 jobs), whereas total employment excluding leisure and hospitality (L&H) employment has declined by 4.8% (4,600 jobs). Thus, job losses in L&H have accounted for 75% of all jobs lost in Atlantic City since the onset of the national recession which officially ended in June 2009. As noted, the leisure and hospitality "supersector" is comprised of two sub-

ENDNOTES:

¹ National Employment Labor Project, “Scarring Effects: Demographics of the Long-Term Unemployed and the Danger of Ignoring the Jobs Deficit” Briefing Paper, April 2013, New York

² Atlantic City Tourism Performance Indicators (AC-TPI), 1st Quarter 2013 Snapshot, Brian Tyrrell, Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), June 10, 2013

³ The Moody’s Analytics estimates of retail sales cited include sales from restaurants and bars.

⁴ Again, it should be noted that while Sandy adversely affected many Atlantic City businesses, including the gaming industry, it also positively affected some retail establishments (e.g., building materials and hardware stores, and furniture and home furnishing stores) in Atlantic County—especially those located farther inland.

⁵ This is an approximate estimate because some of these third-party businesses’ sales may not (strictly speaking) qualify as retail trade industry sales. According to the DGE’s year-end 2012 industry report, there were 162 of these third-party casino-based businesses in 2012.

⁶ Atlantic City Tourism Performance Indicators (AC-TPI), 1st Quarter 2013 Snapshot, Brian Tyrrell, Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), June 10, 2013

⁷ The figures cited here are from the U.S. Bureau of Labor Statistics’ Establishment Employment Survey also known as the payroll survey. Atlantic City’s gaming hotels also report monthly employment to the Division of Gaming Enforcement. These two employment series for casino hotels employment have longed differed owing to methodological differences in estimation and reporting. However, it should be noted that while both BLS and DGE estimates of casino hotels employment include full- and part-time workers, the DGE monthly estimates also include an “other” category of employment. This other category of employees totaled 5,313 in May and 90% of these employees are indicated as being on leaves of absence. Presumably, many of those on leave are not receiving wages. Excluding this category of other employment reduces the DGE casino hotels employment estimate considerably—by approximately 4,800 in May—and brings the estimate considerably closer to the BLS’ estimate.

⁸ Due to disclosure constraints, annual wage data for the industry were not released in 2006, 2007, or 2008.