

STOCKTON COLLEGE

THE RICHARD STOCKTON COLLEGE OF NEW JERSEY



Stockton's Shorecast: Day-tripping Shoobies to Save the Atlantic City Region?

Event Looks at Prospects for Economic Turnaround at Jersey Shore Resort Areas

For Immediate Release

Monday, June 01, 2009

Contact: Tim Kelly
Office of Public Relations
Galloway Township, NJ 08240
Tim.Kelly@stockton.edu
(609) 652-4950

Galloway Township, NJ- "Shoobies" to the rescue?

Day-tripping visitors to area shore resorts - known to the locals as "shoobies" - could hold the key to the region's weathering the current economic crisis, according to at least one panelist of the annual "Jersey Shorecast" presented by Stockton College's William J. Hughes Center for Public Policy.

"A major poll (conducted by Monmouth University/Gannett) found that many families are 7 percent more likely to be shore visitors this year than last," said Sharon Schulman, Executive Director of the Hughes Center, which hosted the event. "The poll also indicated a 9 percent increase in families with children planning on taking more day trips or short stays than last year."

The Shorecast brought a diverse sampling of business leaders, analysts and Stockton faculty together to discuss current economic conditions at the shore and project an outlook for the crucial summer season ahead and for the future. In addition to Schulman, participants at the May 28 event included Norris Clark of Morey's Piers in Wildwood; Dr. Oliver Cooke, a Stockton economics professor who authors *The South Jersey Economic Review*; Mary Herman of Keller Williams Realty; Mark Kramer of Kramer Beverage; and Joseph Weinert of Spectrum Gaming Group.

The consensus of the group was that Jersey Shore resorts would continue to struggle through the most serious economic downturn in decades, but that there were signs of hope for the future.

-more-

Jersey Shorecast/ page 2

Cooke presented some sobering findings reflective of the nation's overall economic difficulties, such as the loss of 14,000 jobs in the region. "Some of the 'drags' on the economy include a 20 percent downturn in construction, a 5 percent drop in retail trade employment and an overall unemployment rate of 11 percent. Moreover, Cooke said he sees a weakened job market continuing for the next several quarters before an upturn might take place. "The job market is likely to stabilize next year and if you view the recovery as a U-shaped graph we may be approaching the bottom of the U."

Herman said the region's housing market was facing challenging times with no immediate sign of a rebound and that home prices may have yet bottomed out. "Many foreclosures are coming due in June, we are seeing loan modifications, short sales and people unable to put together a down payment." She did, however see real hope in the \$8,000 tax credit available to first-time home buyers.

According to Weinert, Atlantic City's casino industry's decline has been dramatic, with a drop of \$1.4 billion in gross revenues (from \$5.2 billion) since 2006. "The last time the industry was at \$5.2 billion was in 1996," he said. "It took 10 years to get to that number and less than three years for those gains to evaporate. We're not getting back to \$5.2 billion anytime soon."

Weinert said this is a case of increased competition hurting the industry more so than an overall economic situation. "With the opening of casinos in Pennsylvania, table games and sports betting in Delaware, new casinos in the Catskill Mountains and Indian gaming properties nearby, regional competition is the real problem. The days of Atlantic City being convenient to its market are over. Atlantic City needs to decide what it wants to be and to encourage capital investment in the city."

"Casino business downturn had a ripple effect in the beverage industry," Kramer said. "Casino workers and related businesses are working shorter hours and instead of going out to a restaurant or bar at the end of their shift are going home," he said. On the plus side, though, Kramer's business has been aided through efforts to reduce operating expenses. The drop in gasoline and diesel fuel prices from last year has mitigated some of Kramer's losses in business. "When you have 50 trucks on the road on any given day and diesel costs are down 46 percent, the savings add up. However, we are making more deliveries and dropping smaller amounts of inventories, because businesses aren't ordering more product until they sell what they have."

Though many economic signs remain challenging, the lure of the Shore remains strong, the panelists agreed, and no group personifies that more than the "shoobies", whose nickname was derived from day-trippers' practice of bringing meals in shoe boxes for their day trips.

-more-

Jersey Shorecast/ page 3

Clark said day-trippers would continue to be a huge target market for local businesses. The trick is to get them to come in the first place. "Having a beach isn't enough," he said. "We are in the business of designing experiences for people. We must constantly find ways to make the shore experience unique and different."

Weinert echoed that sentiment. "The region must offer full scale destination resorts and not piecemeal expansion." He said efforts underway to encourage capital investment, such as eminent domain would be needed in order for Atlantic City to fully rebound. "The market is great; it's the product that needs improvement," he said.

Stockton President Herman J. Saatkamp, Jr. said the Jersey Shorecast was envisioned as an annual event as part of the William J. Hughes Lecture Series of the Hughes Center.

The William J. Hughes Center is an independent catalyst for research, analysis and innovative policy solutions on economic, social and political issues facing southern New Jersey.

#