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Shore economic outlook: The forecast calls for pain

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The price of gasoline probably will not exceed last summer and shore rentals seem to be on par with last year. Still, a panel of experts on tourism at the Jersey Shore on Thursday painted a somber picture of the local economy.

"I'm in sales and I'm supposed to be positive. But I just can't do it this time," said panelist Mary Herman, a Realtor in Northfield. "Every day we talk to people who can't pay their mortgage. It's very depressing. Bank of America told us to expect thousands of foreclosures in the area next month."

First quarter home sales are down 27 percent, and prices dropped 13 percent from the same period last year, she said.

The numbers would be far worse without the \$8,000 tax credit that is available to first-time buyers, said the Realtor.

Herman and representatives of the gaming industry, the Morey entertainment empire in Wildwood, a large beer distributor and an economist formed a panel at Stockton College to discuss the Jersey shorecast for three critical months that began Memorial Day weekend.

Norris Clark, a marketing consultant for Morey's Piers and Waterparks in Wildwood and Congress Hotel in Cape May, refused to be negative.

"As a marketing guy, I look for the silver lining," said Clark noting that discounted advance sales for Morey's were up 7 percent in December over last year and 10 percent in the spring.

Memorial Day traffic was down 10 percent and company retreats for about 25,000 casino workers at Morey's have been scrapped, said Norris.

A mixed blessing is the cost of billboard space on the Atlantic City Expressway, which has dropped by half.

"Now, we can buy more," he said.

Mark Kramer, a wholesale beer distributor in Hammonton, which has served Jersey Shore liquor stores and restaurants for decades, said he'll settle for revenues that match last year.

"Flat is the new up. We expect a challenging summer. Contrary to popular opinion, beer is not recession proof. People who bought imported are switching to domestic. Instead of a case, they buy a 12-pack. Some wine buyers are drinking beer -- point is people are spending less in their stores or going out less often to bars and restaurants."

Oliver Cooke, a Stockton professor of economics and editor of The South Jersey Economic Review, said Atlantic City gambling -- the region's major economic engine -- is on the run from competition. In addition, the area is "dragged" by 11 percent unemployment and a stagnant building industry.

"If you view the recovery as a U-shaped graph, we may be approaching the bottom of the U," he said.

Gaming consultant Greg Weinert said Atlantic City needs a new product or niche to compete with the opening of casinos in Pennsylvania and the Catskill Mountains and table games and sports betting in Delaware.

Atlantic City has lost \$1.4 billion in revenue since 2006, down from \$5.2 billion, and "it's not coming back," said Weinert.

"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," said Weinert who repeatedly referenced Sen. James Whelan's solution of increased use of eminent domain to assemble large tracts of land.

"The region must offer full-scale destination resorts and not piecemeal expansion. The market is great. It's the product that needs improvement," he said.

Sharon Schulman, executive director of the William J. Hughes Center for Public Policy which sponsored the event, cited polls Thursday indicating that more middle class families from the region are planning Jersey Shore vacations.

Whether day-trippers, campers and the influx of new faces at the shore will help the region survive the downturn remains to be seen.

"This substitute effect may work to offset what otherwise would be a very tough summer," said Cooke.

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