TRAVEL BAROMETER, March 2016

Overall Performance

The indicators used in the "travel barometer" for New Hampshire show that March 2016 was a negative month for the State's travel industry when compared with March 2015. Both number of visitors and their spending at lodgings and restaurants changed little. The main culprit was the unusually warm weather; it was the sixth warmest March since 1869 and there was only 2.3 inches of snowfall, which is 8.8 inches below normal. Without the presidential primary to offset its negative impact, the northern regions of the state, which rely on the winter sports tourism industry, took the brunt of its impact. The share of overnight travelers in total plummeted. So did Business travels.

Indicator	Sales	% from prior year
R&M	$237.5	1.8%
Restaurants	$162.2	4.9%
Rooms	$24.7	-16.6%
Combination	$7.8	8.9%
Other Food Service	$42.8	1.9%
R&M by Travelers	$148.5	0.9%
CPI	238.1	0.9%

Rooms and Meals Sales (in millions)

Rooms and meals sales are the baseline measurement of the tourism sector, which provides the basis of other tourism indicators such as traveler counts and spending. It's the official count of sales as reported by the NHDRA. Nearly all of lodging (Rooms) and meals at hotels and resorts (Combination) are paid by travelers, while only about half of the restaurant meals are estimated to be paid by travelers. Rooms and meals sales paid by travelers are estimated by the INHS.

Employment in Tourism Sector (in thousands)

The number of employed residents in the state is indicative of the health of the state's overall economy. The numbers of jobs in tourism industries collectively indicate the health of the tourism sector. The "Arts, Entertainment, Recreation" sector and the "Accommodation" industry are nearly 100% supported by traveler spending, whereas the "Leisure and Hospitality" sector isn't. A significant share of restaurant meals is consumed by residents.

Indicator	Level	% from prior year
Employed Residents	722.9	1.9%
Jobs in Arts, Entertainment, Recreation	10.0	1.0%
Jobs in Accommodations	7.9	-3.7%
Jobs in A, E, R and A (sum of the two above)	17.9	-1.1%
Jobs in Leisure and Hospitality	64.0	1.4%

Indicator	Value	% from prior year
Airline Passengers	80,948	-1.6%
Vehicle Rentals	$5.8	-20.5%

Business Travelers

The volume of business travelers may be reflected in such variables as vehicle rentals, airline passengers, and hotel occupancy rate.

Entertainment and Amenities

The tourism sector also includes arts, entertainment, and recreation industries.

Indicator	Value	% from prior year
Ski Area Attendance	147,830	-43.9%
Out of State Snowmobile Registrations	296	-73.6%

Indicator	Vehicle Counts	% from prior year
US 3 Groveton	2,564	5.2%
US 2 Jefferson	3,563	7.4%
US 302 Bartlett	2,905	-5.9%
I-93 Lincoln	9,415	-1.7%
NH 12 Claremont	8,696	14.1%
I-89 Sutton	17,046	11.9%
NH 16 Ossipee	10,260	7.0%
NH 11 Alton	5,135	13.4%
NH 101 Temple	7,333	14.7%
NH 9 Chesterfield	10,644	13.7%
I-93 S Concord	67,502	7.7%
NH 101 Exeter	37,093	11.5%
Total Traffic Counts	182,156	9.0%

Traffic Counts

The vehicle traffic counts should be reflective of changes in the volume of traveler counts. The vehicle counts are collected on Saturdays, in order to reduce the volume of commuter traffic in the data.   Furthermore, 12 recorders are selected nearby major travel destinations to reflect traveler traffic in each of the seven travel regions in the State.

Great North Woods: Groveton, Jefferson
White Mountain: Lincoln, Bartlett
Lakes: Ossipee, Alton
Dartmouth Lakes Sunapee: Sutton, Claremont
Monadnock: Temple, Chesterfield
Merrimack Valley: Concord
Seacoast: Exeter

Weather

Tourism is one sector whose fortune is left at the mercy of the mother nature. Snow brings business during winter, while rain does the opposite during summer.

Indicator	Days	% from prior year
Days with Snow cover	7	-41.7%

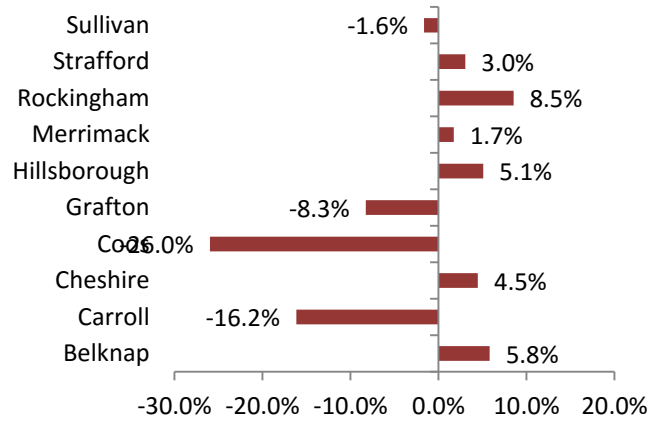| Indicator	Value	% from prior year
Gas Price	1.954	-21.0%
DTTD Guidebook Requests	NA	NA
Visitnh.gov Total Sessions	68,930	32.6%
Canadian Dollar	0.76	-4.6%
British Pound	1.42	-4.7%
Interest Rate Spread	572	4.2%

Leading Indicators

Increases in the leading indicators may be indicative of more businesses for the tourism sector in the near future, while decreases may mean the opposite. An exception is the gas price. A substantial increase in gas prices may discourage traveling.
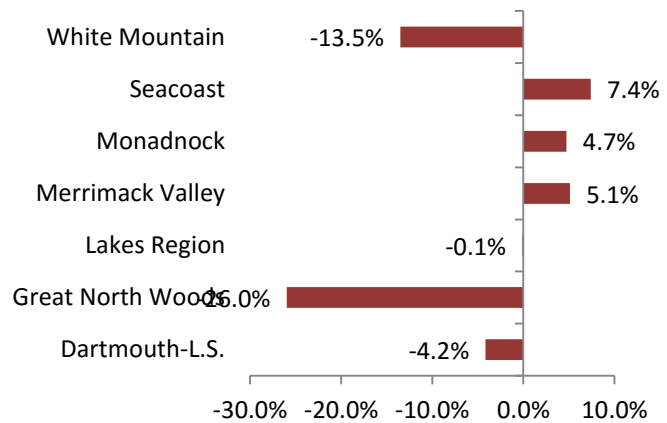
ROOMS AND MEALS SALES, March 2016

	Sales	% of State
State	$238	100%
County		
Belknap	$10.7	4%
Carroll	$12.5	5%
Cheshire	$9.7	4%
Coos	$4.8	2%
Grafton	$23.5	10%
Hillsborough	$70.7	30%
Merrimack	$22.7	10%
Rockingham	$65.6	28%
Strafford	$14.7	6%
Sullivan	$2.5	1%
Region		
Great North Woods	$1.56	1%
White Mountain	$28.6	12%
Lakes Region	$21.4	9%
Dartmouth-L.S.	$10.9	5%
Monadnock	$17.6	7%
Merrimack Valley	$100.8	42%
Seacoast	$56.8	24%

Sales are in millions of dollars.
It does not include vehicle rentals.
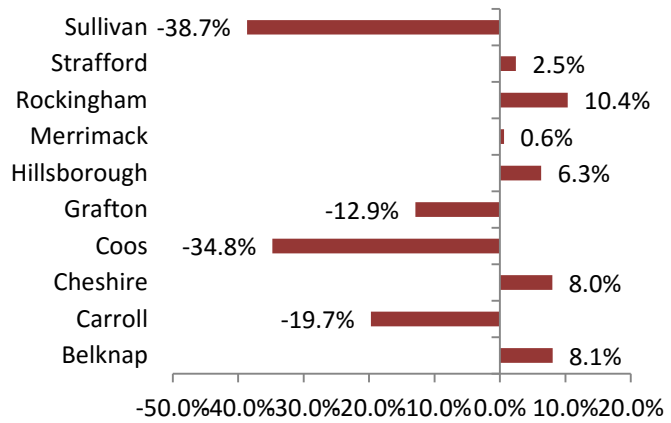
% change from prior year by County

County	% change
Sullivan	-1.6%
Strafford	3.0%
Rockingham	8.5%
Merrimack	1.7%
Hillsborough	5.1%
Grafton	-8.3%
Coos	-26.0%
Cheshire	4.5%
Carroll	-16.2%
Belknap	5.8%

% change from prior year by Region

Region	% change
White Mountain	-13.5%
Seacoast	7.4%
Monadnock	4.7%
Merrimack Valley	5.1%
Lakes Region	-0.1%
Great North Woods	-26.0%
Dartmouth-L.S.	-4.2%

ROOMS AND MEALS SALES PAID BY TRAVELERS, March 2016

	Sales	% of State
State	$148	100%
County		
Belknap	$7.0	5%
Carroll	$9.7	7%
Cheshire	$5.3	4%
Coos	$3.2	2%
Grafton	$15.5	10%
Hillsborough	$42.7	29%
Merrimack	$12.3	8%
Rockingham	$43.9	30%
Strafford	$8.6	6%
Sullivan	$0.2	0%
Region		
Great North Woods	$0.9	1%
White Mountain	$21.3	14%
Lakes Region	$13.1	9%
Dartmouth-L.S.	$5.3	4%
Monadnock	$10.3	7%
Merrimack Valley	$59.5	40%
Seacoast	$38.1	26%

Sales are in millions of dollars.
It does not include vehicle rentals.

% change from prior year by County

Sullivan -38.7%
Strafford 2.5%
Rockingham 10.4%
Merrimack 0.6%
Hillsborough 6.3%
Grafton -12.9%
Coos -34.8%
Cheshire 8.0%
Carroll -19.7%
Belknap 8.1%

-50.0% -40.0% -30.0% -20.0% -10.0% 0.0% 10.0% 20.0%

% change from prior year by Region

White Mountain -18.6%
Seacoast 8.9%
Monadnock 7.2%
Merrimack Valley 6.2%
Lakes Region -0.5%
Great North Woods -34.8%
Dartmouth-L.S. -9.0%

-40.0% -30.0% -20.0% -10.0% 0.0% 10.0% 20.0%
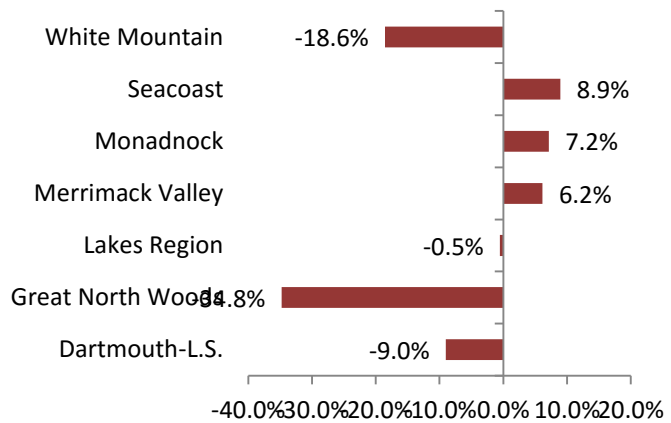
DEFINITION OF THE INDICATORS

Rooms and Meals Tax Revenues

Rooms and meals tax revenues data is considered as one of the most important indicators for the tourism sector, the one that provides the basis for estimating other tourism indicators. There are two major reasons for this. First, it is an official amount, not an estimate, of tax collected on sales of lodging and meals, as reported by the New Hampshire Department of Revenue. Secondly, the lodging and restaurant industry is a major player in the tourism sector in terms of employment and sales.

Employment

The report includes two different sources of the U.S. Bureau of Labor Statistics employment data – the household survey and the establishment survey. The number of employed residents is estimated from the household survey, and is indicative of the state-wide labor market. On the other hand, the number of jobs at tourism industries is estimated from the establishment survey, and is reflective of the health of the tourism sector. It is the only tourism indicator that is publicly available and comparable across different states in the country. Jobs in A, E, R and A represent jobs in Leisure and Hospitality minus jobs in the restaurant industry.

Gasoline Prices

New England Regular Conventional Retail Gasoline Prices (Dollars per Gallon) are obtained from the U.S. Energy Information Administration. A substantial increase in gasoline prices may discourage traveling.

Saturday Traffic Counts

The New Hampshire Department of Transportation collects vehicle traffic counts via 60 plus automatic recorders placed throughout the state. The average Saturday vehicle traffic counts are used, in order to reduce the volume of *commuter traffic* in the data. Furthermore, 12 recorders are selected nearly major travel destinations to reflect *traveler traffic* in each of the seven travel regions in the State.

Hotel Occupancy Rate

The monthly values of the hotel occupancy rate are obtained from the Smith Travel Research once a year. Thus, seasonal values until the next release of the data are estimated by the INHS.

Airline Passengers

It measures the number of passengers enplaning at the Manchester airports. It's one of the indicators for the business travel volume.

Vehicle Rentals

It measures spending on motor vehicle rentals subject to the Rooms and Meals Tax. It's one of the indicators for the business travel volume.

Attractions Attendance

It counts attendance at nine seasonal attractions in the state.

Requests for DTTD Guidebooks

It counts the number of requests for DTTD <u>Guidebooks</u>. It's considered as one of the leading indicators for the tourism sector.

Visitnh.gov Total Sessions

It counts the number of total sessions at <u>www.visitnh.gov</u>. It's considered as one of the leading indicators for the tourism sector.

The Canadian Dollar

The value of the Canadian dollar relative to the United States' dollar is an indicator of present and future travel by the Canadian tourist in New Hampshire. Canada is the most important source of foreign tourists in the state. An increase in the value of Canadian dollar per the U.S. dollar makes traveling to the United States more affordable for Canadians in their currency, which may lead to an increase in the number of Canadian travelers to New Hampshire, other things equal. Thus, it is considered as a leading indicator for the state's tourism sector.

The British Pound

Great Britain is the largest source of foreign travelers in New Hampshire after Canada. An increase in the value of British pound per the U.S. dollar makes traveling to the United States more affordable for the British in their currency, which may lead to an increase in the number of British travelers to New Hampshire, other things equal. Thus, it is considered as a leading indicator for the state's tourism sector.

Interest Rate Spread

The interest rate spread, the 10 year Treasury less the Federal Funds, is considered one of the best leading indicators for the national economy. The indicator is the sum of all the past values plus the spread in the current period. Therefore, it decreases when the current spread is negative (the 10 year T rate is lower than the Fed Funds Rate), which is indicative of an impending recession. January 1960 is the base period; the interest rate spread is zero in January 1960.

Weather

Weather is a critical factor determining the traveler volume. More rainy days during summer lead to fewer travelers to the state, while more snowy days during winter lead to more travelers.