

TRAVEL BAROMETER, January 2016

Overall Performance

The indicators used in the "travel barometer" for New Hampshire show that January 2016 was a positive month for the State's travel industry when compared with January 2015. Both number of visitors and their spending at lodgings and restaurants increased. The presidential primary provided a boost. However, unusually warm weather and lack of snow discouraged skier nights in the northern regions of the state, but encouraged day travels to the southern regions. The share of day travelers in total visitors increased. Business travels were up as well.

| Indicator | Sales | % from prior year |
|-----------------------------|---------|-------------------|
| R&M | \$233.7 | 9.4% |
| Restaurants | \$155.1 | 11.7% |
| Rooms | \$28.3 | -1.1% |
| Combination | \$8.3 | 25.0% |
| Other Food Service | \$42.1 | 6.2% |
| R&M by Travelers | \$145.7 | 14.1% |
| CPI | 236.9 | 1.4% |

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 | 714.4 | 1.1% |
| Jobs in Arts, Entertainment, Recreation | 10.3 | 2.0% |
| Jobs in Accommodations | 7.8 | -4.9% |
| Jobs in A, E, R and A (sum of the two above) | 18.1 | -1.1% |
| Jobs in Leisure and Hospitality | 63.9 | 1.8% |

| Indicator | Value | % from prior year |
|---------------------------|--------|-------------------|
| Airline Passengers | 70,346 | 0.3% |
| Vehicle Rentals | \$5.9 | -6.7% |
| Occupancy Ratio | NA | NA |

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 | Vehicle Counts | % from prior year |
|-----------------------------|-----------------------|--------------------------|
| US 3 Groveton | 1,984 | -12.4% |
| US 2 Jefferson | 2,633 | -12.4% |
| US 302 Bartlett | 2,793 | -8.6% |
| I-93 Lincoln | 8,842 | -0.4% |
| NH 12 Claremont | 7,310 | 0.8% |
| I-89 Sutton | 14,451 | 0.3% |
| NH 16 Ossipee | 9,296 | -2.3% |
| NH 11 Alton | 4,291 | 0.4% |
| NH 101 Temple | 5,448 | 3.1% |
| NH 9 Chesterfield | 8,923 | -0.2% |
| I-93 S Concord | 58,450 | 4.2% |
| NH 101 Exeter | 29,630 | 23.0% |
| Total Traffic Counts | 154,051 | 4.8% |

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 | Value | % from prior year |
|-----------------------------------|--------------|--------------------------|
| Gas Price | 2.038 | -13.7% |
| DTTD Guidebook Requests | 2,038 | -53.4% |
| Visitnh.gov Total Sessions | 71,018 | -11.0% |
| Canadian Dollar | 0.70 | -14.7% |
| British Pound | 1.44 | -5.0% |
| Interest Rate Spread | 570 | 4.4% |

| Indicator | Value | % from prior year |
|--|--------------|--------------------------|
| Ski Area Attendance | NA | NA |
| Out of State Snowmobile Registrations | NA | NA |

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

| Indicator | Days | % from prior year |
|-----------------------------|-------------|--------------------------|
| Days with Snow cover | 7 | -56.3% |

Leading Indicators

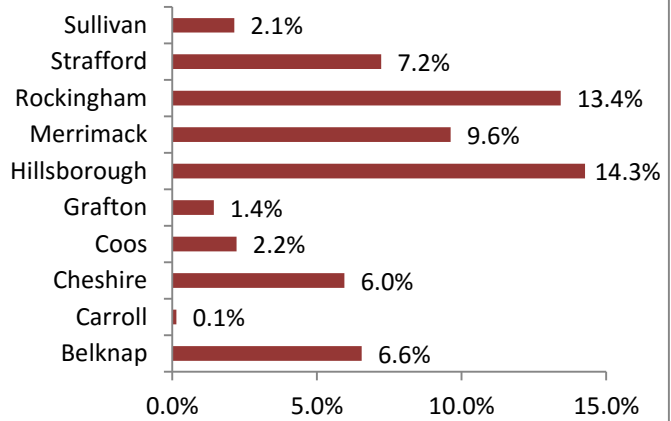
Increases in the leading indicators may be indicative of more businesses for the tourism sector in the near future, while decreases may mean the opposite. An exception is the gas price. A substantial increase in gas prices may discourage traveling.

ROOMS AND MEALS SALES, January 2016

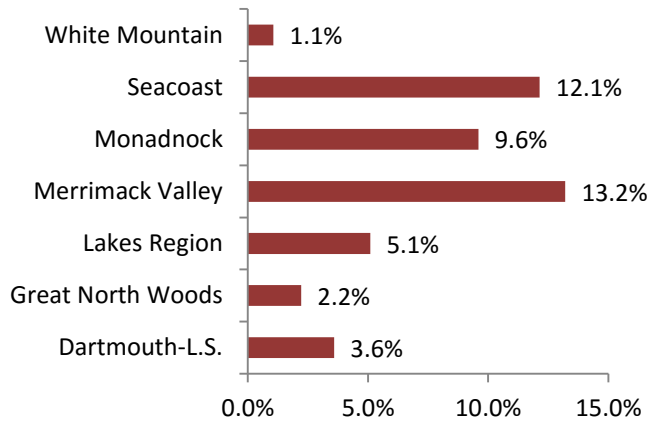
| | Sales | % of State |
|-------------------|--------|------------|
| State | \$234 | 100% |
| County | | |
| Belknap | \$10.4 | 4% |
| Carroll | \$15.6 | 7% |
| Cheshire | \$8.9 | 4% |
| Coos | \$6.9 | 3% |
| Grafton | \$26.7 | 11% |
| Hillsborough | \$66.8 | 29% |
| Merrimack | \$22.5 | 10% |
| Rockingham | \$59.9 | 26% |
| Strafford | \$13.5 | 6% |
| Sullivan | \$2.5 | 1% |
| Region | | |
| Great North Woods | \$2.23 | 1% |
| White Mountain | \$34.5 | 15% |
| Lakes Region | \$21.8 | 9% |
| Dartmouth-L.S. | \$11.5 | 5% |
| Monadnock | \$16.4 | 7% |
| Merrimack Valley | \$95.4 | 41% |
| Seacoast | \$51.9 | 22% |

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

% change from prior year by County



% change from prior year by Region

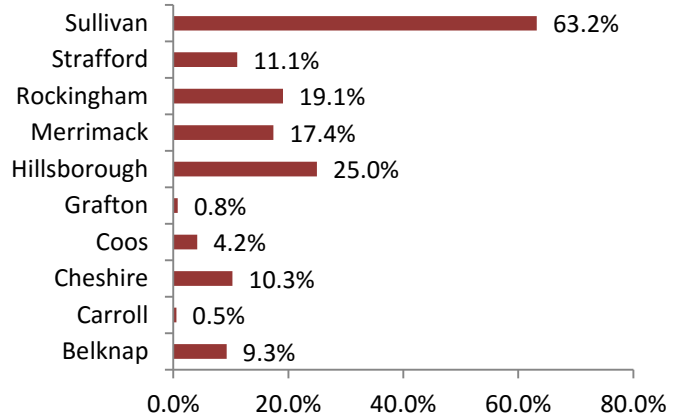


ROOMS AND MEALS SALES PAID BY TRAVELERS, January 2016

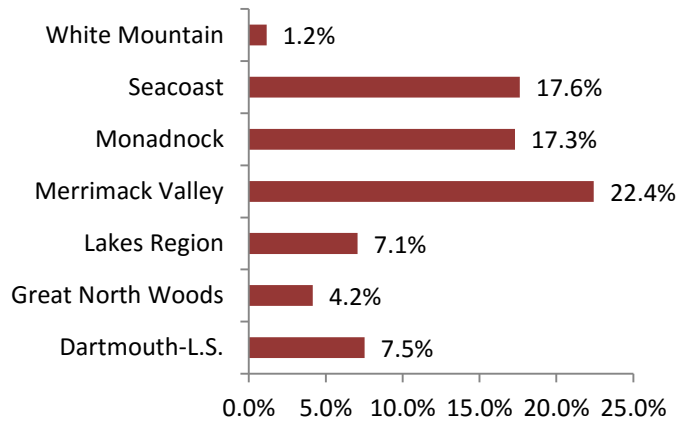
| | Sales | % of State |
|-------------------|--------|------------|
| State | \$146 | 100% |
| County | | |
| Belknap | \$6.8 | 5% |
| Carroll | \$12.8 | 9% |
| Cheshire | \$4.5 | 3% |
| Coos | \$5.3 | 4% |
| Grafton | \$18.9 | 13% |
| Hillsborough | \$39.0 | 27% |
| Merrimack | \$12.2 | 8% |
| Rockingham | \$38.4 | 26% |
| Strafford | \$7.6 | 5% |
| Sullivan | \$0.2 | 0% |
| Region | | |
| Great North Woods | \$1.5 | 1% |
| White Mountain | \$27.7 | 19% |
| Lakes Region | \$13.5 | 9% |
| Dartmouth-L.S. | \$5.9 | 4% |
| Monadnock | \$9.2 | 6% |
| Merrimack Valley | \$54.5 | 37% |
| Seacoast | \$33.4 | 23% |

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

% change from prior year by County



% change from prior year by Region



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 Guidebooks. 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 www.visitnh.gov. 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.