TRAVEL BAROMETER, Winter 2016

Overall Performance

The indicators used in the "travel barometer" for New Hampshire show that Winter 2016 was a positive period for the State's travel sector when compared with Winter 2015. More travelers visited the state, and they spent more compared to Winter 2015. However, the season brought diverging paths of fortune to different regions within the state. While the presidential primary largely benefited southern regions of the state, the northernmost region suffered from a warmer weather and reduced skier nights. Business travels changed little. The share of day travelers was up significantly.

Estimated Visitor Counts and Spending (in millions)
Visitor counts and spending are estimated by the INHS, and are indicative of the health of all tourism industries in the state collectively, which include not only lodging and restaurants, but also arts, entertainment, and recreation.

Indicator	Value	% from prior year
Visitor Trips	7.77	9.2%
Visitor Days	11.56	9.7%
Visitor Spending	$1,147	12.8%
Visitor Spending per Day	$99	2.8%
Retail Spending	$296	3.6%

Indicator	Sales	% from prior year
R&M	$734.2	10.7%
Restaurants	$484.3	12.7%
Rooms	$94.6	2.2%
Combination	$28.3	35.0%
Other Food Service	$126.9	5.8%
R&M_T	$468.0	16.3%
CPI	237	1.0%

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.

Employment in Tourism Sector (in thousands)
The number of employed residents in the state is from the Household survey, and is indicative of the health of the state's overall economy. The numbers of jobs in tourism industries are from the Establishment Survey, and collectively indicate the health of the tourism sector. It is the only tourism indicator that is publicly available and comparable across different states in the country.

Indicator	Level	% from prior year
Employed Residents	717	1.2%
Jobs in Arts, Entertainment, Recreation	10.2	2.7%
Jobs in Accommodations	7.9	-4.8%
Jobs in A, E, R and A (sum of the two above)	18.1	-0.7%
Jobs in Leisure and Hospitality	64.3	1.8%

Indicator	Value	% from prior year
Vehicle Rentals	$18.7	-3.7%
Airline Passengers	223,375	3.8%
Hotel Occupancy	47.4%	-0.5%

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. Fishing and hunting licenses sales and snowmobile registrations include only those sold to out-of-state residents.

Indicator	Value	% from prior year
Ski Areas Attendance	741,752	-16.7%
Snowmobile Registrations	6,605	-49.3%

Indicator	Vehicle Counts	% from prior year
US 3 Groveton	2,295	-0.5%
US 2 Jefferson	3,359	4.1%
US 302 Bartlett	2,836	-2.7%
I-93 Lincoln	9,282	2.8%
NH 12 Claremont	8,051	8.2%
I-89 Sutton	16,124	5.7%
NH 16 Ossipee	10,089	0.8%
NH 11 Alton	4,569	3.2%
NH 101 Temple	6,427	8.1%
NH 9 Chesterfield	10,102	5.8%
I-93 S Concord	64,263	6.2%
NH 101 Exeter	32,115	9.6%
Total Traffic Counts	169,510	6.0%

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.

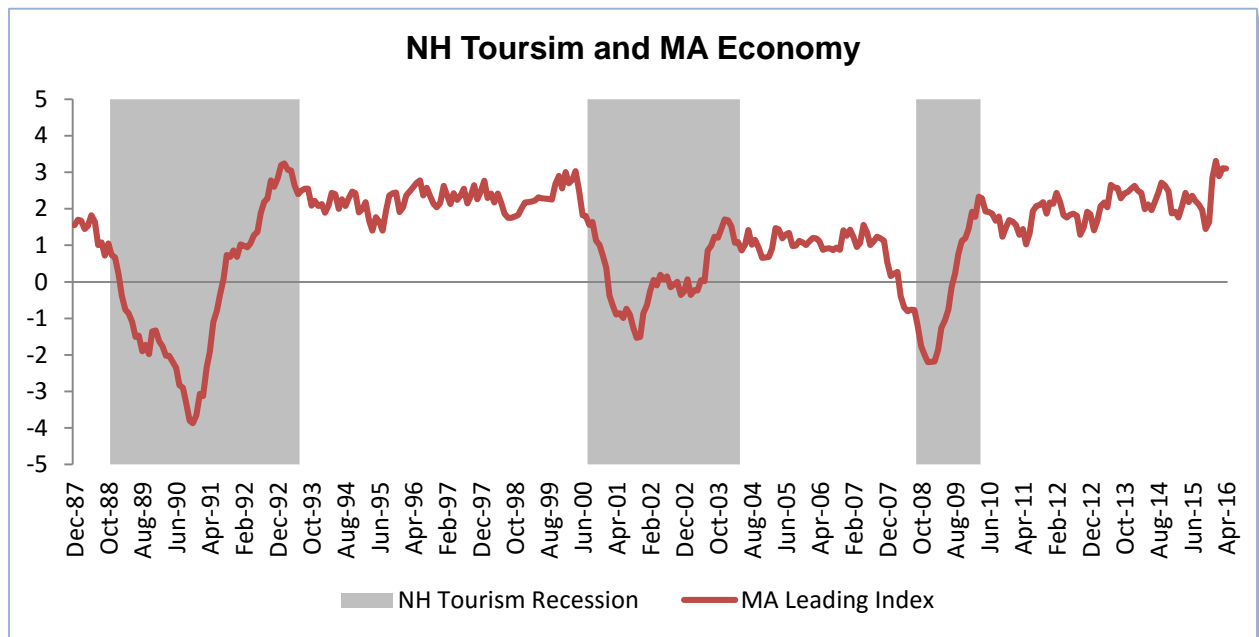| Indicator	Days	% from prior year
Days with Precipitation	23	-43.9%

Comparison with New England and U.S.

The number of jobs estimates in the leisure and hospitality sector from the U.S. Bureau of Labor Statistics is the only tourism indicator that is comparable across states in the country. Therefore, it provides a glance of the performance of the state's tourism sector relative to other states in New England and the rest of the country.

Indicator	Jobs in Leisure and Hospitality	% from prior year
New Hampshire	64.3	1.8%
Connecticut	147.2	2.9%
Massachusetts	322.9	0.2%
Maine	54.9	1.8%
Rhode Island	52.3	2.5%
Vermont	39.3	3.3%
New England	680.8	1.4%
United States	14,818	3.0%

Leading Indicators

The historical data show that the Massachusetts (MA) Leading Index, published by the Philadelphia Federal Reserve Bank, has been a good predictor of the New Hampshire's tourism industry. The chart below illustrates that the MA Leading Index started declining before the beginning of every recession since the late 1980s, and began to rise prior to the end of each recession.

The state of Massachusetts economy is critical for the New Hampshire's tourism industry, since the largest share of visitors to New Hampshire come from Massachusetts. Therefore, the Massachusetts Leading Index may also shed light on the future performance of the New Hampshire's tourism industry. A New Hampshire tourism recession was defined as a period of declines in the year-over-year growth of real spending at lodgings. The detailed definition of the MA Leading Index is provided at the end of this report.

NH Toursim and MA Economy

Legend: NH Tourism Recession — MA Leading Index

Indicator	Value	% from prior year
Gas Price	$2.02	-18.6%
DTTD Guidebook Requests	5,028	-48.5%
Visitnh.gov Total Sessions	192,691	-10.4%
Canadian Dollar	$0.719	-13.4%
British Pound	$1.455	-5.3%
Interest Rate Spread	1708	4.4%

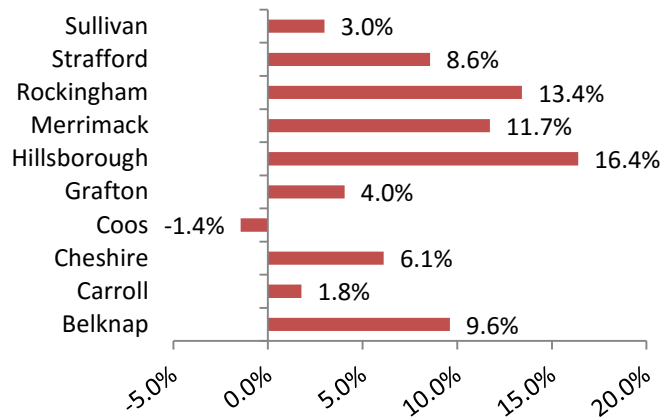**Other indicators that may be useful in predicting directional changes in the state's tourism industry**

Increases in the potential leading indicators on the left 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.
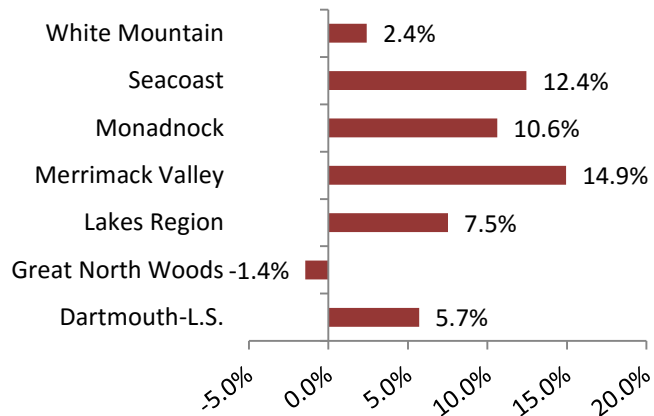
ROOMS AND MEALS SALES, Winter 2016

	Sales	% of State
State	$734	100%
County		
Belknap	$33	5%
Carroll	$51	7%
Cheshire	$28	4%
Coos	$21	3%
Grafton	$81	11%
Hillsborough	$212	29%
Merrimack	$69	9%
Rockingham	$188	26%
Strafford	$42	6%
Sullivan	$8	1%
Region		
Great North Woods	$7	1%
White Mountain	$108	15%
Lakes Region	$69	9%
Dartmouth-L.S.	$35	5%
Monadnock	$52	7%
Merrimack Valley	$301	41%
Seacoast	$163	22%

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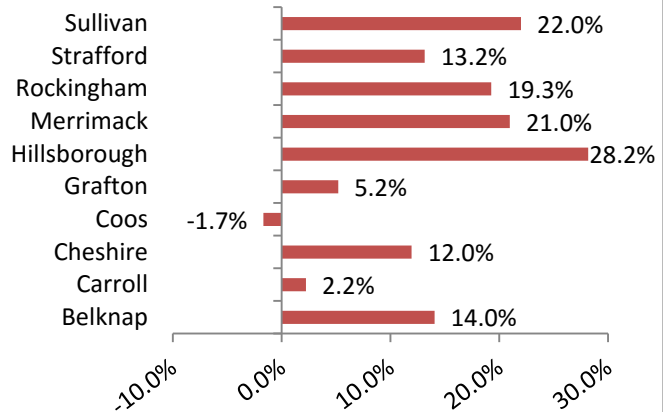
% change from prior year by county

County	% change
Sullivan	3.0%
Strafford	8.6%
Rockingham	13.4%
Merrimack	11.7%
Hillsborough	16.4%
Grafton	4.0%
Coos	-1.4%
Cheshire	6.1%
Carroll	1.8%
Belknap	9.6%

% change from prior year by Region

Region	% change
White Mountain	2.4%
Seacoast	12.4%
Monadnock	10.6%
Merrimack Valley	14.9%
Lakes Region	7.5%
Great North Woods	-1.4%
Dartmouth-L.S.	5.7%

ROOMS AND MEALS SALES PAID BY TRAVELERS, Winter 2016

	Sales	% of State
State	$468	100%
County		
Belknap	$22	5%
Carroll	$43	9%
Cheshire	$15	3%
Coos	$16	3%
Grafton	$57	12%
Hillsborough	$129	27%
Merrimack	$38	8%
Rockingham	$124	26%
Strafford	$24	5%
Sullivan	$1	0%
Region		
Great North Woods	$4	1%
White Mountain	$88	19%
Lakes Region	$43	9%
Dartmouth-L.S.	$18	4%
Monadnock	$30	6%
Merrimack Valley	$177	38%
Seacoast	$107	23%

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

% change from prior year by County

County	% change
Sullivan	22.0%
Strafford	13.2%
Rockingham	19.3%
Merrimack	21.0%
Hillsborough	28.2%
Grafton	5.2%
Coos	-1.7%
Cheshire	12.0%
Carroll	2.2%
Belknap	14.0%

% change from prior year by Region

Region	% change
White Mountain	3.0%
Seacoast	18.2%
Monadnock	19.7%
Merrimack Valley	25.1%
Lakes Region	10.8%
Great North Woods	-1.7%
Dartmouth-L.S.	11.1%
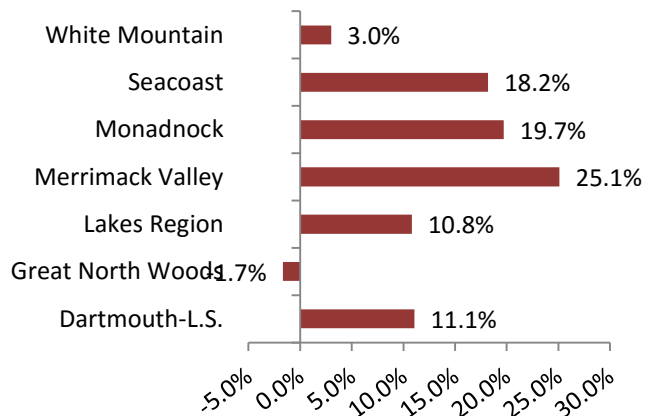
DEFINITION OF THE INDICATORS

Visitor trips and days

A traveler visiting a travel destination in New Hampshire is counted as one visitor trip, whether the traveler is New Hampshire resident or not. If the travel lasts three days, then the trip is counted as three visitor days. Visitor counts are estimated by the INHS based on a multitude of tourism indicators as well as visitor surveys conducted by a third party research firm, and benchmarked to sales and employment data of the tourism industries obtained from the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.

Visitor and retail spending

Total visitor spending represents direct purchases made by travelers to New Hampshire, which includes sales of lodging, restaurant meals, entertainment, amenities, and transportation. Visitor spending is estimated by the INHS based on a multitude of tourism indicators as well as visitor surveys conducted by a third party research firm, and benchmarked to sales and employment data of the tourism industries obtained from the U.S. Census Bureau and the U.S. Bureau of Economic Analysis.

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 in tourism industries is estimated from the establishment survey, and is reflective of the health of the tourism sector.

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 airport. 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 during summer 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.

Massachusetts Leading Index

The leading index predicts the six-month growth rate of the Massachusetts' coincident index. The coincident index tracks the current status of the state's economy. In addition to the coincident index, the models include other variables that lead the economy: state-level housing permits (1 to 4 units), state initial unemployment insurance claims, delivery times from the Institute for Supply Management (ISM) manufacturing survey, and the interest rate spread between the 10-year Treasury bond and the 3-month Treasury bill.