

LIGHT Comments on Third Quarter Report from the New Jersey DGE

For immediate release

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Comments from Jane Bokunewicz, faculty director of the Lloyd D. Levenson Institute of Gaming, Hospitality and Tourism (LIGHT), Stockton University School of Business, on the third quarter of 2022 numbers released today by the state Division of Gaming Enforcement:

Summer 2022 faced many headwinds from shortages in staffing and supplies to increased gas prices and inflation. Like Summer 2021, Summer 2022 showed recovery in comparison to 2020, but without the pent-up demand that seemed to buoy the previous year's performance.

The third-quarter data from the DGE aligns with anecdotal evidence that Summer 2022 was strong in terms of visitor volumes but weakened in terms of comparative spend. [See a recap of LIGHT's 2022 Jersey Shoreview.](#)

In addition to global impacts on labor and costs of goods, Atlantic City's casinos negotiated new contracts, which increased wages for many employees. Coupled with reduced overall spending, and other expenses, increased wages contributed to a very challenging summer for Atlantic City's casino operators.

The industry seemed to adapt fairly well to these challenges, however Gross Operating Profit (GOP) for the period (\$269.3 million) declined 13.4% in comparison to third quarter 2021 (\$310.8 million). However, the period did improve on pre-pandemic third quarter 2019 GOP (\$239.4 million), increasing 12.3% in comparison. Despite third-quarter declines, GOP for the year to date increased 2.7% over 2021. This is evidence that, despite the challenges of the summer, operators managed to maintain profitability for the year overall.

Events like the NAACP Convention this past July may have been the real stars of the season. According to data from Meet AC (available in LIGHT's Monthly [Snapshots](#)), in the three months ended Sept. 30, Atlantic City hosted 68 events, meetings and conventions. This represented a 39% increase over the same period in 2021 and an 8% increase over 2019. Delegate spending for the period, a measure of the economic impact of these events, increased nearly 77% over summer 2021 and 14% over summer 2019. Events facilitated by Meet AC, brought \$47.7 million into the resort in summer 2022.

As sectors like business travel and meetings and conventions continue to recover and grow in the wake of the pandemic's disruption, we should see them having an increased impact on Atlantic City's overall performance as a resort destination. Alongside regional competition, which has stimulated investment in city-wide improvements and diversification in resort offerings, current market circumstances would seem to favor a period of pronounced, and positive, change for Atlantic City

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