



The Benefits of the STR Economy in Jersey City

Overview

This document provides an overview of the economic impacts and benefits generated by Short-Term Rentals (STRs) in Jersey City, New Jersey. The data and results come from exclusive economic analysis conducted by Internet Association using proprietary data and federal government datasets.

The STR Economy

- STRs in Jersey City have created an additional \$40 million in economic activity through bookings for the city and its residents.
- The average revenue per listing in Jersey City is about \$12,000, which adds an additional 18 percent to the median household income of residents who use an STR platform.
- The STR economy of Jersey City has created 356 additional jobs in the city across numerous industries, including 50 direct jobs, while opening up additional choices to visitors and tourists.
- The STR economy in Jersey City creates 7 indirect jobs in related industries for every 1 direct job created.
- The STR economy adds \$3.3 million in value-added to the city’s GDP.

The Net New Economic Contributions of STRs in Jersey City, 2018

Total Output (millions)	Total Earnings (millions)	Total Employment	Value-Added (millions)^	Direct Earnings (millions)	Direct Employment
\$5.4	\$1.52	356	\$3.3	\$5.7	50

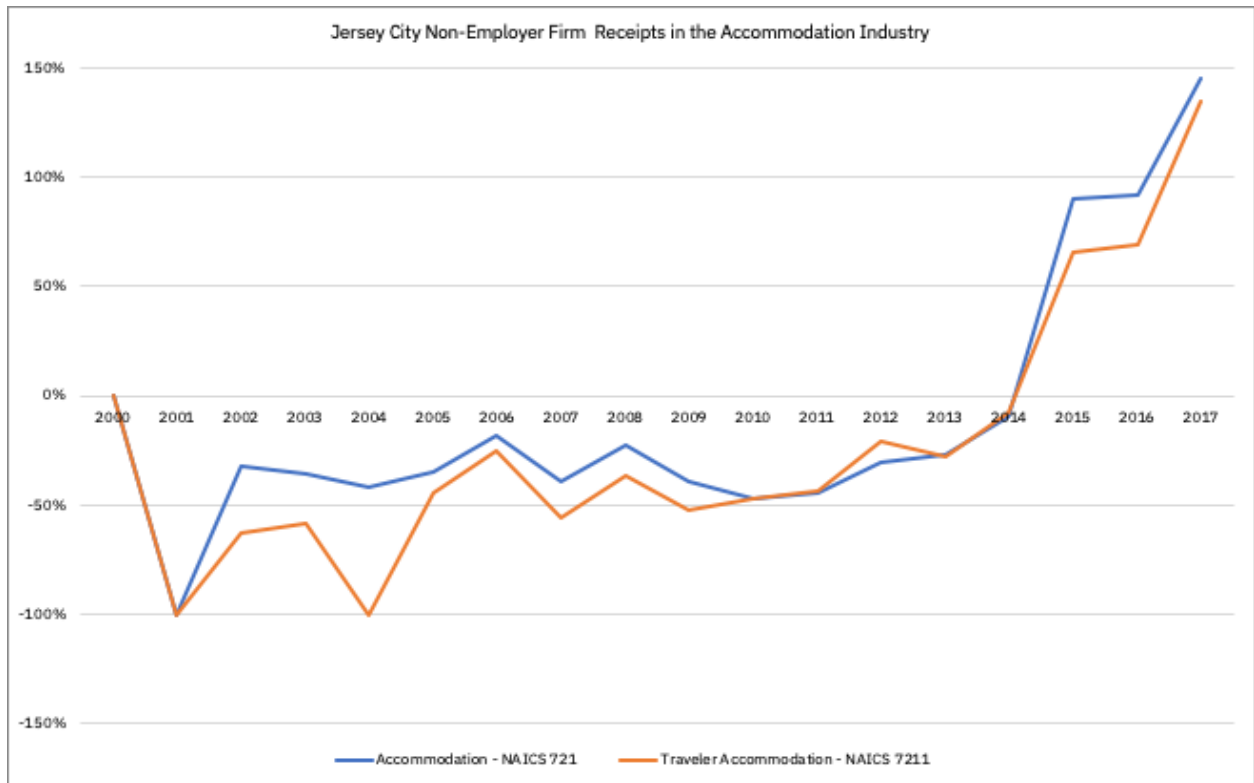
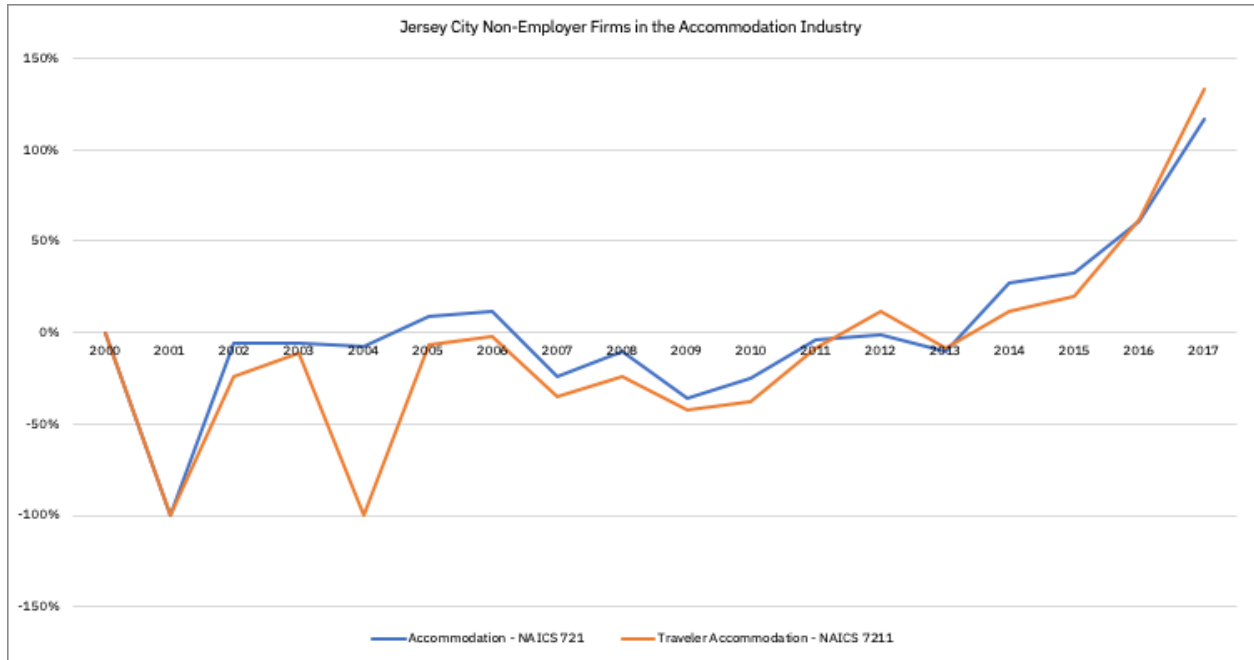
Note: Estimates created using IA member data on STR activity and Regional Input-Output Modeling System (RIMS II) multipliers; ^accounts for existing tourism, retail, and other related activities; shows economic activity induced by STRs and not the number of people engaged in STRs or revenue from STRs

Supporting Micro Businesses

- Short-Term Rental platforms enable hundreds of individuals to run small businesses as non-employer firms.
- These self-employed individuals can choose how and when to earn extra income to support their families and themselves.
- Non-Employer firms in the Traveler Accommodation Industry in Jersey City have increased over 300 percent since 2009.
- Non-Employer firms in the Traveler Accommodation Industry in Jersey City earned approximately \$5.3 million in receipts in 2017, an increase of nearly 400 percent since 2009.



Optional Charts- note the charts become blurry from transferring into shared docs; final versions will be clear and in IA layout design





The Accommodation/Hotel Industry

- STRs have created a valuable complementary resource for consumers in and visitors to Jersey City.
- Average earnings in the Traveler Accommodation industry have increased steadily and are up about 19 percent since the Great Recession (2009); they are up over 42 percent since 2000.
- Total payrolls in the Traveler Accommodation industry have increased steadily and are up about 9 percent since the Great Recession.

Methodology

IA calculates these estimates using proprietary data on the volume of STR activity for the jurisdiction of Jersey City, NJ and LEHD Origin-Destination Employment Statistics (LODES) Data, American Community Survey Data, Non-Employer Statistics, and County Business Pattern Data from the Census Bureau. IA uses RIMS II Type II multipliers for New Jersey and the “Accommodation” Industry (NAICS 721000), based on the 2012 Benchmark Input-Output Table for the Nation and 2017 regional data. IA follows guidance from BEA on the calculation of net additional impact for the accommodation and tourism industries. IA assumes the majority of STR rentals to be related to tourism in order to allow calculations. Source: Regional Input-Output Modeling System (RIMS II), Regional Product Division, Bureau of Economic Analysis.