



NEWS RELEASE

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A steep falloff in mass media spending in 2012 led to the lowest overall lobbying expenditures in New Jersey in five years, according to an analysis of annual lobbying reports released today by the New Jersey Election Law Enforcement Commission (ELEC).

Spending last year totaled \$56.6 million- \$17.5 million, or nearly 24 percent less, than the 2011 total.

Table 1
Total Spending by Lobbyists in New Jersey 2008-2012

YEAR	EXPENDITURES	CHANGE-\$	CHANGE-%
2012*	\$ 56,596,056	\$ (17,553,628)	-23.7%
2011	\$ 74,149,684	\$ 8,253,562	12.5%
2010	\$ 65,896,122	\$ 8,331,079	14.5%
2009	\$ 57,565,043	\$ 1,903,766	3.4%
2008	\$ 55,661,277	\$ 769,895	1.4%

*Preliminary

“The most important factor in driving down lobbying activity last year was the lack of any riveting issue,” said Jeff Brindle, ELEC’s Executive Director. “This factor, more than anything else, explains why lobbying activity goes up one year and down the next.”

“Economic conditions also may impact lobbying activity to some degree. But lobbying dramatically increased in 2011 when the economy was worse. That shows issues matter more,” he said.

Brindle noted that figures for 2012 are considered preliminary because a few firms still have not filed their annual reports. “The size of the drop will remain massive, however, even after all reports are in,” he said.

The main cause of the decrease is a large reduction in communications spending by the New Jersey Education Association.

“NJEA has long been one of the state’s major lobbyists. But its spending – and overall lobbying totals- reached unprecedented levels in 2010 and 2011 due to major ad campaigns by the teachers union,” said Brindle.

In those years, education was a highly contentious issue, with major budget cuts and several proposed changes to education laws. In response, the union ratcheted up its spending.

By contrast, the budget climate improved last year, and the Christie administration and NJEA worked together to develop a compromise bill on teacher tenure. “Not surprisingly, the association returned to a more normal level of spending,” Brindle said.

**Table 2
Lobbying Spending by NJ Education Association 2009-2012**

YEAR	NJEA COMMUNICATION EXPENSES	NJEA TOTAL EXPENDITURES	CHANGE \$	CHANGE %
2012	\$ 94,932	\$ 409,407	\$ (10,850,479)	-96%
2011	\$ 10,875,011	\$ 11,259,886	\$ 4,390,630	64%
2010	\$ 6,611,499	\$ 6,869,256	\$ 6,508,751	1805%
2009	\$ 41,983	\$ 360,505	NA	NA

With NJEA scaling back its communications spending, total communications outlays fell to less than \$2.2 million (see table 4)- the lowest point since 2005. The \$15.2 million total in 2011 was the largest expenditure ever on communications. The largest communications spender in 2012 was AARP NJ, which spent \$328,964.

Communication costs included printed materials, postage, telephone calls, faxes, receptions, direct mail pieces, newspaper advertisements and television and radio broadcasts.

**Table 3
Top Ten Outlays for Communications by Lobbyists in 2012**

GROUP	2012 SPENDING
AARP NJ	\$ 328,964
Barnabas Health	\$ 166,149
NJ Hospital Association	\$ 161,098
Americans For Prosperity	\$ 142,843
Cammarano & Layton Partners LLC	\$ 104,865
NJ Education Association	\$ 94,932
NJ Chamber Of Commerce	\$ 57,452
NJ Forward Corp	\$ 57,096
NJ Association Of Realtors	\$ 54,000
NJ League Of Municipalities	\$ 50,708

While communications spending showed the steepest decline last year, all major expense categories fell.

**Table 4
Lobbying Expenses by Category**

EXPENSE CATEGORY	2011	2012*	CHANGE %
In-house salaries	\$ 37,078,791	\$ 34,502,078	-7%
Compensation to outside agents	\$ 16,582,152	\$ 15,410,184	-7%
Communications	\$ 15,187,336	\$ 2,162,739	-86%
Support personnel	\$ 2,661,624	\$ 2,320,129	-13%
Travel and lodging	\$ 697,221	\$ 586,510	-16%

*Preliminary

A broad range of interest groups comprised the top ten lobbyists in 2012.

**Table 5
Top 10 Special Interest Groups by Total Spending in 2012**

GROUP	2012 SPENDING
Public Service Enterprise Group	\$ 863,073
New Jersey Hospital Association	\$ 817,266
Honeywell International	\$ 756,000
Barnabas Health	\$ 753,473
Verizon NJ	\$ 668,716
AARP NJ	\$ 625,324
Prudential Financial Management	\$ 592,403
CSC Holdings LLC (Cablevision)	\$ 538,127
NJ League of Municipalities	\$ 495,089
NJ Business and Industry Association	\$ 490,480

The amount spent by lobbyists on “benefit passing”- gifts like meals, trips or other things of value- was flat at \$5,652. Lobbyists were reimbursed for \$1,505 of this amount. Benefit passing peaked in 1992 at \$163,375 and has fallen dramatically since that time.

**Table 6
Total Spending on Benefit Passing
Unadjusted for Reimbursements**

YEAR	TOTAL SPENT ON BENEFIT PASSING	CHANGE IN %
2012	\$ 5,652	-1%
2011	\$ 5,687	-24%
2010	\$ 7,476	-22%
2009	\$ 9,642	-57%
2008	\$ 22,360	-29%

The average number of lobbyists declined slightly from 936 to 929- a 1 percent drop and the lowest average since 2005. However, the number of clients reached a new all-time high- 2,077, a jump of 7 percent from 2011.

Lobbyists reported serving on 171 appointed seats on public authorities, boards and commissions. That number is down 2.8 percent from the year earlier. Some lobbyists serve on multiple boards.

While rankings could change once all firms file reports, seven of the top ten multi-client firms were the same in 2012 as in 2011.

Table 7
Top Ten Multi-Client Firms Ranked by 2012 Fees

FIRM	2012 RECEIPTS
Princeton Public Affairs Group Inc	\$ 8,360,883
Public Strategies Impact LLC	\$ 6,091,892
MBI Gluckshaw	\$ 4,132,613
Kaufman Zita Group LLC	\$ 2,115,042
Gibbons PC	\$ 1,782,474
Riker Danzig Scherer Hyland & Perretti LLP	\$ 1,532,074
Optimus Partners LLC	\$ 1,301,600
Impact NJ LLC	\$ 1,227,866
Wolff & Samson Public Affairs LLC	\$ 1,064,500
Capital Impact Group	\$ 1,021,543

Spending by lobbyists also declined at the federal level, though by a much smaller percentage. The Center for Responsive Politics recently reported that federal lobbying fell 1.5 percent to \$3.28 billion in 2012, the lowest level since 2007.

The group attributed the downturn in part to the fact that presidential and congressional elections were held last year, “meaning little else was getting done.” The analysis also quoted a lobbying industry official who said the sluggish economy was another factor.

In at least one other major state, lobbying also was down in 2012. Lobbyists spent \$120 million in Florida last year- about \$7 million less than the previous year, according to Sunshine State News.

Summary data provided above should be considered preliminary and incomplete. It reflects reports received as of 5 pm on March 1, 2013. In New Jersey, lobbyists who raise or spend more than \$2,500 are required to file a report on February 15th that reflects activity from the prior calendar year.

Summary information about lobbyist activities in 2012 can be obtained at the following website: http://www.elec.state.nj.us/publicinformation/gaa_annual.htm. Copies of annual reports also are available on ELEC’s website.

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