



NEWS RELEASE

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Lobbying Spending Fell 12.2 percent in 2021; Still Was Third Highest Total Ever

Spending by New Jersey lobbyists during 2021 totaled \$93.7 million, a drop of more than \$13 million from 2020, according to annual reports filed with the New Jersey Election Law Enforcement Commission (ELEC).

While the reduction based on current figures is 12.2 percent, the 2021 total is preliminary and is likely to be higher. Even at the current level, the figure is significant, according to Jeff Brindle, ELEC's Executive Director.

"At just under \$94 million, it is the third highest spending ever," Brindle said. "Lobbying expenditures typically fluctuate year-to-year depending on the issues. Even in the down years, the business of lobbying remains a major enterprise in the Garden State."

Table 1
Total New Jersey Lobbying
Expenditures By Year
2017-2021

Year	Total	Change- \$	Change- %
2021	\$ 93,735,362	\$(13,072,282)	-12.2
2020	\$106,807,644	\$ 5,164,902	5.1
2019	\$101,642,742	\$ 9,922,613	10.8
2018	\$ 91,720,129	\$ 1,320	0.001
2017	\$ 91,718,809	\$ 1,356,680	1.5

Brindle said spending in 2020 was unusually high for many reasons. For one thing, the arrival of the worldwide COVID-19 pandemic caused a flood of legislation and regulations. One group that faced a major impact was the New Jersey Education Association (NJEA), the state teacher's union. Its sharp increase in spending made it the largest spender in 2020.

Horizon Blue Cross Blue Shield of NJ, the state's largest health insurer, also was broadly affected by pandemic-related state policies. In addition, it had to hike its spending to wage what was a successful grassroots lobbying campaign to enact legislation to restructure itself. It did so through a separate entity called Move Health Care Forward NJ Inc.

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Also during 2020, a social welfare non-profit group operated by supporters of Governor Phil Murphy called New Direction NJ Corp. ran heavy media advertisements promoting his policies in the year preceding his successful reelection bid. It reported no such spending in 2021.

Consequently, in 2021, the combined spending of the four groups fell 85 percent from \$18.7 million to \$2.7 million. When spending by the four groups is removed from the totals, combined spending for all other lobbying entities rose from \$88 million to \$91 million- a 3.2 percent increase.

Table 2
Major Reductions in Lobbying
Spending 2020 Versus 2021

Group	2020	2021	Change-\$	Change-%
New Jersey Education Association (NJEA)	\$ 6,255,530	\$ 409,415	\$ (5,846,114)	
New Direction NJ Corporation	\$ 4,963,431	\$ 0	\$ (4,963,431)	
Horizon Blue Cross Blue Shield Of NJ	\$ 4,283,242	\$ 1,925,837	\$ (2,357,405)	
Move Health Care Forward NJ Inc (Financed by Horizon)	\$ 3,155,075	\$ 396,500	\$ (2,758,575)	
Total Spending- Top Four (in 2020)	\$ 18,657,278	\$ 2,731,752	\$(15,925,526)	-85.4%
Total Lobbying spending	\$106,807,644	\$93,735,362	\$(13,072,282)	-12.2%
Total Spending Without Top Four	\$ 88,150,366	\$91,003,610	\$ 2,853,244	3.2%

In 2021, Public Service Enterprise Group (PSE&G) was the top spender at \$2.7 million. Even with a big reduction in spending, Horizon ranked second at \$1.9 million.

The top ten alone spent a combined **\$10.5** million- 11 percent of all lobbying spending in 2021.

Table 3
Top Ten Special Interest Lobbying Spenders
2021 Versus 2020

Group	2020	2021	Difference \$	Difference %
Public Service Enterprise Group (PSE&G)	\$ 872,933	\$ 2,663,960	\$ 1,791,027	205%
Horizon Blue Cross Blue Shield of NJ	\$4,283,242	\$ 1,925,837	\$(2,357,405)	-55%
Fuel Merchants Association of NJ	\$ 132,080	\$ 1,425,088	\$ 1,293,008	979%
Engineers Labor Employer Cooperative	\$1,249,220	\$ 1,213,934	\$ (35,285)	-3%
<i>New Jersey Hospital Association</i>	\$ 528,281	\$ 637,597	\$ 109,316	21%
NJ State League of Municipalities	\$ 558,137	\$ 610,245	\$ 52,108	9%
Chemistry Council of NJ (Includes State Street Associates)	\$ 445,198	\$ 553,840	\$ 108,642	24%
NJ Business & Industry Association	\$ 485,957	\$ 518,222	\$ 32,265	7%
Comcast Corporation	\$ 442,549	\$ 485,653	\$ 43,104	10%
NJ Realtors*	\$ 431,041	\$ 479,179	\$ 48,138	11%
Total Top Ten Spending		\$10,513,555		
Total Lobbying Spending		\$93,735,632		
Top Ten As Percent of Total		11%		

*Includes direct and grassroots lobbying

A surprise addition to the top ten list is the Fuel Merchants Association of NJ, which spent \$1.4 million in 2021- an increase of 979 percent. It ranks third on the list.

Since ELEC began analyzing annual lobbying reports in 2010, the group, which represents heating oil merchants, has never ranked in the top ten. Its previous high spending was \$248,920 in 2018.

The dramatic increase in its outlays was prompted by a proposal in the state’s Energy Master Plan to require New Jersey homeowners to switch from fossil fuel burning heating and hot water systems to all-electric. The group launched an advocacy group called SmartHeatNJ in September 2021 to conduct a public outreach program against the switch.

One reason lobbying expenditures shot up so high in 2020 was due to a record \$18.1 million in spending on communications, including television and digital advertising.

As large spenders cut back on such media buys, communications spending fell 61 percent. At \$5.7 million, the top *ten* communications spenders made up 80 percent of the total¹.

Table 4
Top Ten Expenditures on
Communications Expenditures in 2021

GROUP	AMOUNT
Public Service Enterprise Group (PSE&G)	\$2,108,516
Fuel Merchants Association of NJ	\$1,254,832
Engineers Labor Employer Cooperative	\$1,030,434
Move Health Care Forward NJ Inc (Horizon)	\$ 396,500
Insurance Council of NJ Inc	\$ 267,657
<i>New Jersey Hospital Association</i>	<i>\$ 183,293</i>
AARP NJ	\$ 158,153
NJ Realtors Issues Mobilization Fund	\$ 117,175
American Civil Liberties Union Inc	\$ 84,348
<i>NJ League of Conservation Voters</i>	<i>\$ 83,548</i>
Total Communication Expenditures- Top Ten	\$5,684,457

The amount spent on “benefit passing”- gifts like meals, trips or other things of value- dispensed by lobbyists fell in 2021 to a new record low of \$1,367. That is the smallest sum since the all-time high of \$163,375 in 1992.

While total spending fell 12.8 percent in 2021, the number of lobbyists barely dipped from 920 in 2020 to 916 in 2021. The number peaked at 1,043 in 2008.

With a myriad of new issues reaching the forefront of public policy in Trenton during the last few years, including COVID-19, marijuana legalization, wind energy production and legalized abortion, lobbyists reported a record number of clients for the third straight year. The number was 2,283- up 11 from 2,272 in 2020.

¹ \$7,160,580 as of July 22, 2022.

An analysis of fees paid by represented entities to governmental affairs agents showed that the most money came from the health care industry. Miscellaneous health care firms paid \$7.1 million while hospitals spent \$2.8 million to hire multi-client firms. These two categories combined totaled \$9.9 million.

Rounding out the top ten business sectors were energy, insurance, finance, transportation, pharmaceutical, telecommunications, real estate and marijuana industry firms. These ten sectors alone paid \$32.5 million to professional lobbying firms- about half the fees paid to governmental affairs agents. The spending totals do not include direct spending by companies or associations.

Table 5
Fees Paid to Governmental Affairs Agents
Ranked by Top Ten Business Sectors in 2021

Business Sector	Fees Paid to Lobbyists
Health Care- Miscellaneous	\$ 7,152,583
Energy	\$ 5,329,258
Insurance	\$ 3,692,105
Finance	\$ 2,770,772
Health Care- Hospitals	\$ 2,770,642
Transportation	\$ 2,727,536
Pharmaceuticals	\$ 2,505,071
Telecommunications	\$ 1,939,246
Real Estate	\$ 1,841,147
Marijuana	\$ 1,827,772
Total	\$32,556,132

Of the nearly \$66.2 million in reported receipts by 82 governmental affairs agents (lobbyists) that reported receipts, \$42.3 million – nearly 64 percent- went to the top ten multi-client firms.

Table 6
Top Ten Multi-Client Lobbying
Firms Ranked by 2021 Receipts

FIRM	RECEIPTS
Princeton Public Affairs Group Inc	\$10,496,670
Public Strategies Impact LLC	\$ 7,439,342
CLB Partners Inc	\$ 4,504,650
MBI Gluckshaw	\$ 3,904,559
Kaufman Zita Group LLC	\$ 3,599,506
Gibbons PC	\$ 3,180,567
Optimus Partners LLC	\$ 2,727,875
Mercury Public Affairs	\$ 2,406,656
Capital Impact Group	\$ 2,011,342
McCarter & English	\$ 2,007,149
Total Top Ten	\$42,278,315
Total Governmental Affairs Agent Receipts	\$66,253,034
Percent Top Ten	63.8%

The big drop in communication outlays was the chief cause of the decline in overall lobbying expenditures between 2020 and 2021.

Table 7
Lobbying Expenses by Category

CATEGORY	2017	2018	2019	2020	2021	Change-%
Salary ¹	\$51,886,231	\$54,931,497	\$ 56,148,622	\$ 55,465,036	\$56,645,455	2%
Support Personnel	\$ 2,395,907	\$ 2,463,181	\$ 2,650,872	\$ 2,152,834	\$2,555,537	19%
Fees ²	\$ 4,603,279	\$ 2,261,072	\$ 2,826,599	\$ 4,976,172	\$ 3,590,197	-28%
Communication Costs ⁴	\$ 8,510,409	\$ 6,929,935	\$ 13,717,962	\$ 18,141,915	\$ 6,915,274	-62%
Travel	\$ 449,989	\$ 541,575	\$ 486,061	\$ 168,658	\$ 138,370	-18%
Benefit Passing ³	\$ 6,042	\$ 2,331	\$ 5,180	\$ 2,783	\$ 1,367	-51%
Total	\$67,851,858	\$67,129,591	\$ 75,835,295	\$ 80,907,398	\$69,846,200	-14%
Compensation to Governmental Affairs Agent Not Included on Annual Reports	\$23,866,952	\$24,590,538	\$ 25,807,447	\$ 25,900,246	\$23,889,162	-8%
Adjusted Total*	\$91,718,809	\$91,720,129	\$101,642,742	\$106,807,644	\$93,735,362	-12%

- 1- Salary includes in-house salaries and payments to outside agents.
- 2- Fees include assessments, membership fees and dues.
- 3- Benefit passing includes meals, entertainment, gifts, travel and lodging.
- 4- Communication costs include: printed materials, postage, telephone calls, faxes, receptions, and, in 2006 and years following, also includes direct mail pieces, newspaper advertisements, and television and radio broadcasts.

In New Jersey, lobbyists who raise or spend more than \$2,500 were required to file a report on February 15th that reflects activity from the prior calendar year.

Summary information about lobbyist activities in 2021 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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