



NEWS RELEASE

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FOR RELEASE:
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Fueled for the second straight year by heavy mass media advertising, lobbyist spending soared to a record \$73 million in 2011, Jeff Brindle, Executive Director of the New Jersey Election Law Enforcement Commission (ELEC), announced today.

The spending represented an 11.2 percent increase over the 2010 total of nearly \$66 million. It was the fourth straight year that total expenditures by lobbyists were up.

Table 1
Total Spending by Lobbyists in New Jersey 2007-2011

| YEAR | TOTAL SPENDING ON LOBBYING | CHANGE IN % |
|------|----------------------------|-------------|
| 2011 | \$ 73,258,701 | 11.2% |
| 2010 | \$ 65,896,122 | 14.5% |
| 2009 | \$ 57,565,043 | 3.4% |
| 2008 | \$ 55,661,277 | 1.4% |
| 2007 | \$ 54,891,382 | -0.8% |

For the second year in a row, the spending increase in New Jersey was driven by a huge outlay for communications, primarily television and radio advertising. Communications spending totaled \$15.2 million in 2011.

“The 21st Century certainly has arrived for lobbyists in New Jersey,” said Brindle. “Lobbyists are depending more and more on mass media communications in their effort to influence public policy.”

The largest spender was New Jersey Education Association. Most of its \$11.3 million spending went to communications. The union, which represents 195,501 active and retired school employees in New Jersey, spent \$6.6 million in 2010 on communications. NJEA’s total and communications spending both are new records for annual lobbying outlays by one group.

The state and national chapters of the AFL-CIO, a union confederation, spent a combined \$700,352 on communications.

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Located at: 28 W. State Street, 13th Floor, Trenton, New Jersey

Americans for Prosperity, a non-profit educational group, disclosed \$564,218 under grassroots lobbying reporting requirements. Grassroots lobbying is direct communication about issues with the general public. The group ran issue-oriented ads in five legislative districts during last year’s legislative campaigns.

**Table 2
Top Ten Outlays for Communications by Lobbyists in 2011**

| GROUP | 2011 SPENDING |
|---|----------------------|
| New Jersey Education Association | \$ 10,875,011 |
| AFL-CIO* | \$ 700,352 |
| Americans For Prosperity | \$ 564,218 |
| NJ Association of Realtors** | \$ 336,436 |
| AARP NJ | \$ 322,381 |
| NJ Cable Telecommunications Association | \$ 279,442 |
| 60 Plus Association | \$ 175,000 |
| NJ Manufacturers Insurance Group | \$ 158,318 |
| NJ Hospital Association | \$ 150,172 |
| Healthcare Institute of New Jersey | \$ 138,547 |

*Combines totals from state and national affiliates

**Combines totals from annual report and grassroots lobbying report

“While traditional lobbying still is a mainstay of professional lobbyists, more lobbyists are turning to new media and issue advocacy to achieve the outcomes they seek,” Brindle said.

While most lobbying expenses were on the rise, one continued to fall- the amount spent on “benefit passing.” Last year, lobbyists spent just \$5,687 on food and other benefits, and they were reimbursed for \$1,208. Benefit passing in New Jersey peaked in 1992 at \$163,375 and has been on a steady decline ever since.

**Table 3
Total Spending on Benefit Passing Unadjusted for Reimbursements**

| YEAR | TOTAL SPENDING ON BENEFIT PASSING | CHANGE IN % |
|-------------|--|--------------------|
| 2011 | \$ 5,687 | -24% |
| 2010 | \$ 7,476 | -22% |
| 2009 | \$ 9,642 | -57% |
| 2008 | \$ 22,360 | -29% |
| 2007 | \$ 31,630 | -30% |

“Benefit passing really is a thing of the past due to the gift ban imposed in 2003 and the increasing public scrutiny given to lobbyists paying to entertain public officials,” Brindle said.

The gift ban prevents lobbyists from providing gifts totaling more than \$250 annually to a legislator, legislative staff member or official or staff member in the executive branch. “These days public officials would rather pay their own way rather than rely on lobbyists to pay for entertainment costs.”

“Moreover, the decrease in benefit passing is just another indication that the nature of lobbying in New Jersey is moving in the direction of now relying on new media and more sophisticated methods of influence,” Brindle added.

New Jersey's benefit passing statistics are even more stark when compared to states without limits. For instance, lobbyists in Georgia annually spend about \$1.6 million on legislators.

Even as overall expenditures and receipts rose, the number of lobbyists and lobbyist clients dropped last year.

The average number of lobbyists declined from 965 to 936- a 3 percent falloff. It was the third straight year that the number of lobbyists was down. Registration peaked at 1,043 in 2008.

The number of lobbyist clients fell to 1,939 from 1,998- 3 percent- after rising the year before. Total clients peaked at 2,001 in 2007.

Lobbyists reported serving on 176 appointed seats on public authorities, boards and commissions. That is down 22 percent from the year earlier.

While lobbyists are required to disclose such appointments, they are not required to divulge if their firms earn fees representing public authorities, boards or commissions. Some do disclose this information voluntarily.

ELEC has recommended that all public entities in New Jersey be required to disclose the amount they spend on lobbying each year. The Commission also has recommended that lobbyists reveal efforts made to influence local governmental officials. Currently, only lobbying of state officials is subject to disclosure.

Spending by towns, counties and other public agencies continued to decline sharply. Public agencies spent only \$556,456 on lobbyists last year- about 1 percent of total lobbying receipts.

Total lobbying spending by public agencies is down 70 percent from \$1.9 million in 2009. Spending is down nearly 40 percent from the estimated \$931,521 spent in 2010.

Among major expense categories, in-house salaries, up 5.4 percent, represented the largest share of lobbyist spending in 2011, just as it did in 2010. Also like the previous year, communications expenses rose the most- nearly 47 percent.

Table 4
Lobbying Expenses by Category in 2011

| EXPENSE CATEGORY | 2010 | 2011 | CHANGE IN % |
|--------------------------------|---------------|---------------|--------------------|
| In-house salaries | \$ 34,737,707 | \$ 36,607,646 | 5.4% |
| Compensation to outside agents | \$ 15,681,640 | \$ 16,184,361 | 3.2% |
| Communications | \$ 10,343,317 | \$ 15,178,494 | 46.7% |
| Support personnel | \$ 2,753,534 | \$ 2,658,125 | -3.5% |
| Travel and lodging | \$ 670,665 | \$ 688,097 | 2.6% |

Unions and corporations dominated the top list of spenders last year.

Table 5
Top 10 Special Interest Groups by Spending in 2011

| GROUP | 2011 SPENDING |
|---------------------------------|----------------------|
| NJ Education Association | \$ 11,259,886 |
| Verizon NJ | \$ 1,214,500 |
| AFL-CIO* | \$ 794,186 |
| Public Service Enterprise Group | \$ 774,039 |
| NJ Hospital Association | \$ 771,272 |
| Honeywell International Inc | \$ 692,156 |
| CSC Holdings Inc (Cablevision) | \$ 627,881 |
| AARP NJ | \$ 601,705 |
| Americans For Prosperity | \$ 571,458 |
| Atlantic City Electric | \$ 556,937 |

*Combines totals from state and national affiliates

Multi-client lobbying firms reported receipts totaling \$52.7 million last year, an 8 percent increase.

Table 6
Top Ten Multi-Client Lobbying Firms Ranked by 2011 Fees

| FIRM | 2011 RECEIPTS |
|---|----------------------|
| Princeton Public Affairs Group Inc | \$ 8,323,526 |
| Public Strategies Impact LLC | \$ 5,863,926 |
| Martin-Bontempo-Matacera-Bartlett-Gluckshaw | \$ 3,706,689 |
| Kaufman Zita Group LLC | \$ 2,003,284 |
| Gibbons PC | \$ 1,856,308 |
| Capital Public Affairs Inc | \$ 1,439,500 |
| Riker Danzig Scherer Hyland & Perretti LLP | \$ 1,438,696 |
| Impact NJ LLC | \$ 1,416,548 |
| Porzio Governmental Affairs LLC | \$ 1,286,743 |
| Inglesino Pearlman Wyciskala & Taylor LLC | \$ 1,207,400 |

The increase in lobbying spending in New Jersey came during a year in which federal lobbying expenditures fell for the first time in a decade. Federal lobbying expenditures fell 6.8 percent last year to \$3.27 billion, according to the Center for Responsive Politics.

However, lobbying in other major states also set new records. Lobbyists spent \$345 million in Texas, \$287 million in California, and \$127 million in Florida- all new highs.

Summary data provided above should be considered preliminary. It reflects reports received as of 5 pm on March 1, 2012. 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 2011 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.