

## Southern Minnesota Tourism - Economic Impact and Traveler Profile

Study Period: June 2007-May 2008

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## Study objectives; Partnering

- Gather and report Minnesota-specific information, at varying geographic levels
- Provide results in a timely manner
- Do it in a way that makes sense for Minnesota
  - Traveler samples oriented toward providing regional results (four-region configuration)
  - A separate lodging category for resorts
  - Travel seasons rather than calendar quarters
  - 2007-2008: New seasonal definitions

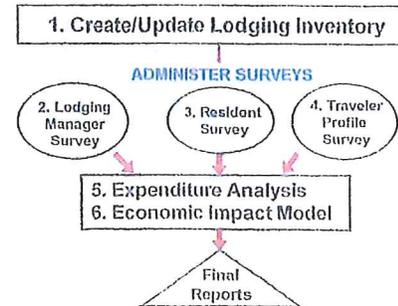


## Study objectives; Partnering

- Economic impacts of traveler spending
  - Estimated traveler spending
  - Estimate jobs (FTE), resident income, state revenue and local revenue generated by the spending
- Profiles of travelers
  - Who? (age, income, state/DMA of residence, . . .)
  - What? (trip purpose, party size & composition, length of stay, lodging, travel activities, . . .)
  - Trip planning information sources



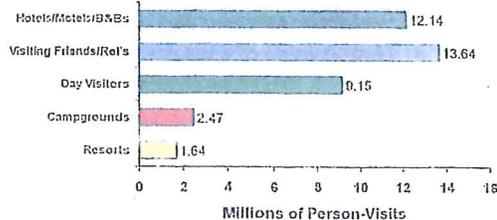
A 12-month, five-stage program generates the economic impact report for Minnesota.



## Result highlights for the STATE and region

Minnesota

Traveler Person-Visits – 39.04 Million  
June 2007-May 2008



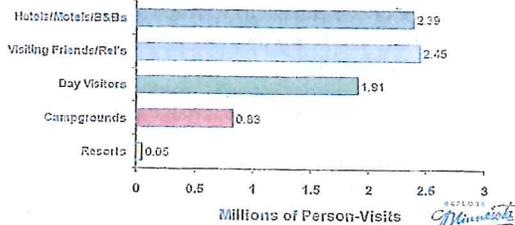
## Minnesota tourism regions & sub-regions



Result highlights for the state and REGION<sub>0a</sub>

Southern Minnesota

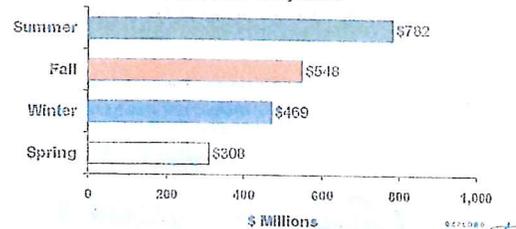
Southern Region Person-Visits – 7.63 Million  
(Minnesota Total Person-Visits – 39.04 Million)  
June 2007-May 2008



Result highlights for the state and REGION<sub>1a</sub>

Southern Minnesota

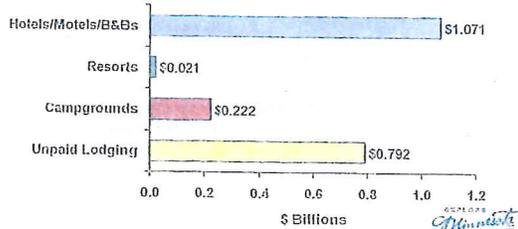
Estimated Traveler Expenditures – \$2.106 billion  
(Minnesota Total – \$12.121 billion)  
June 2007-May 2008



Result highlights for the state and REGION<sub>2a</sub>

Southern Minnesota

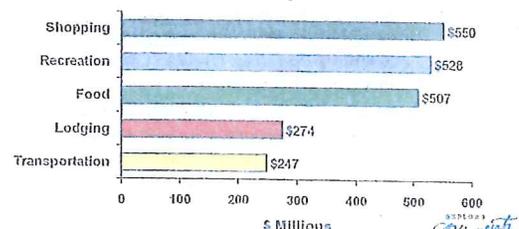
Estimated Traveler Expenditures – \$2.106 billion  
(Minnesota Total – \$12.121 billion)  
June 2007-May 2008



Result highlights for the state and REGION<sub>3a</sub>

Southern Minnesota

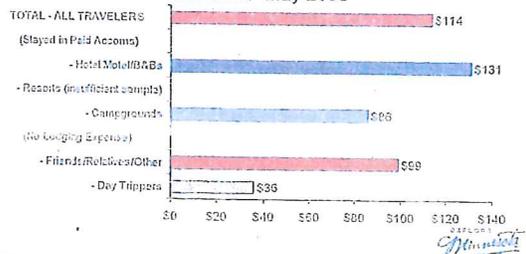
Estimated Traveler Expenditures – \$2.106 billion  
(Minnesota Total – \$12.121 billion)  
June 2007-May 2008



Result highlights for the state and REGION<sub>4a</sub>

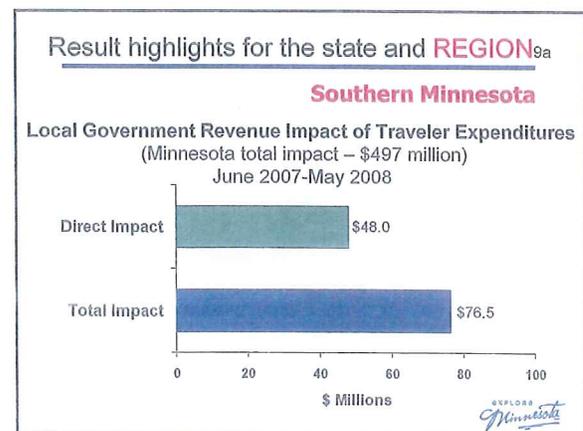
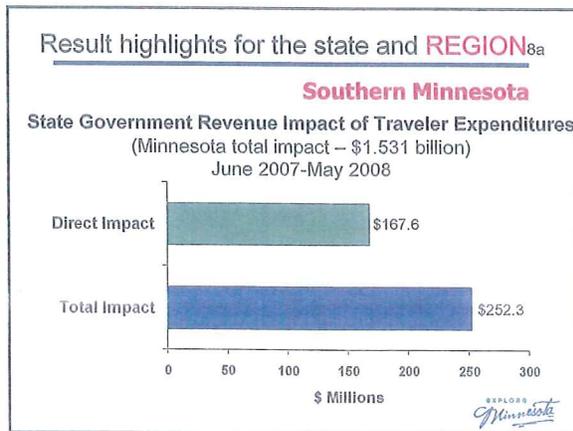
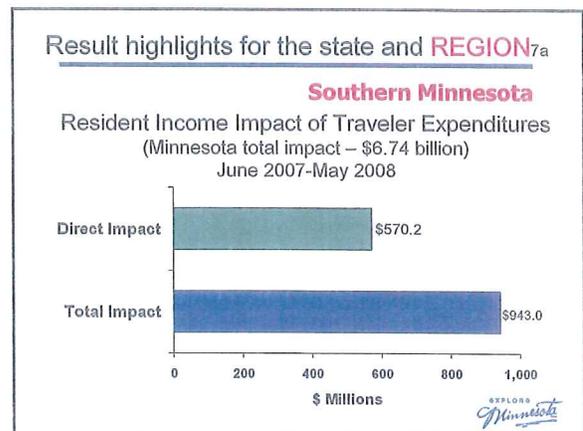
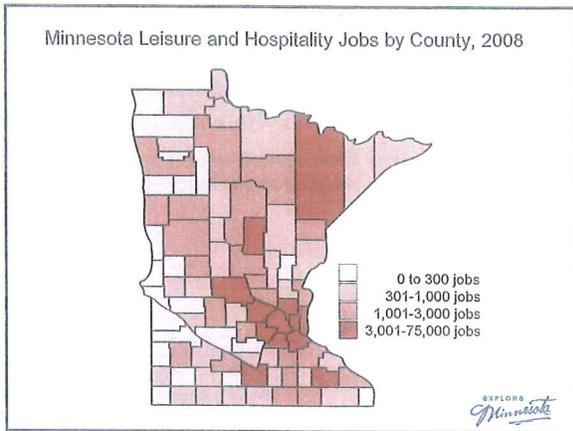
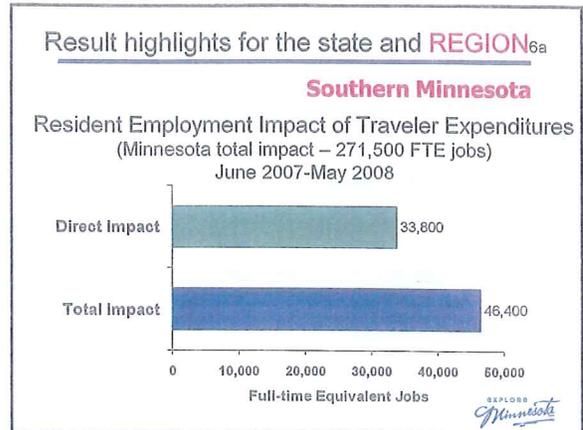
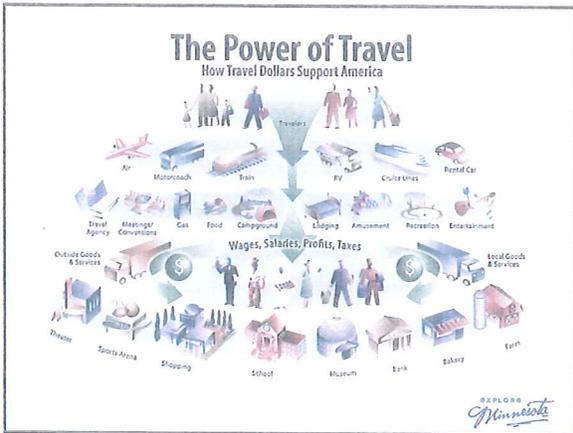
Southern Minnesota

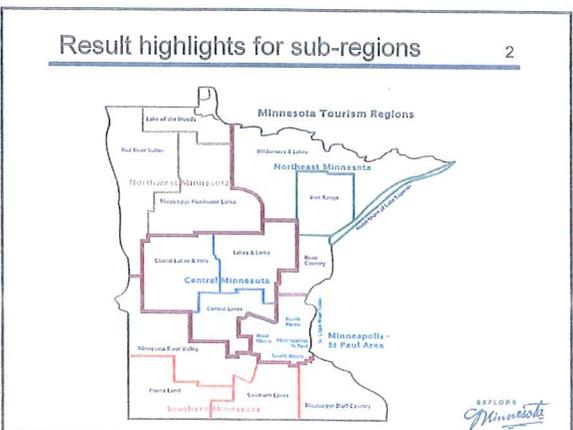
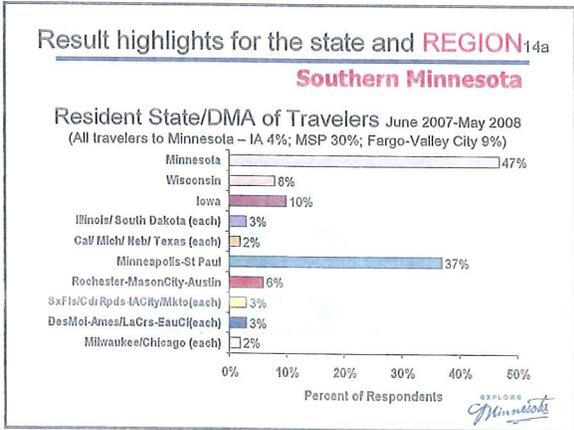
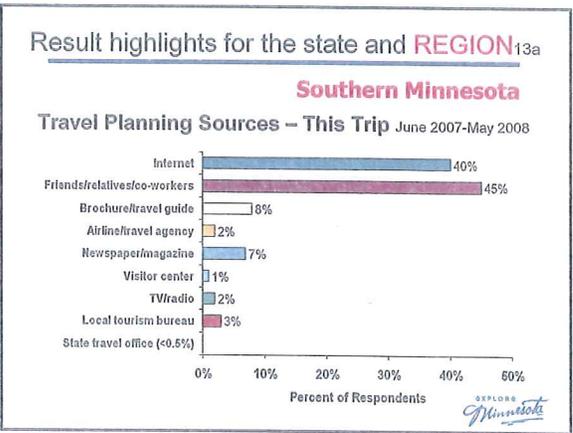
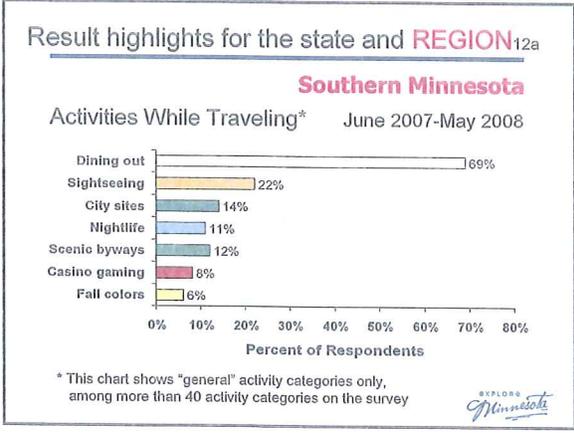
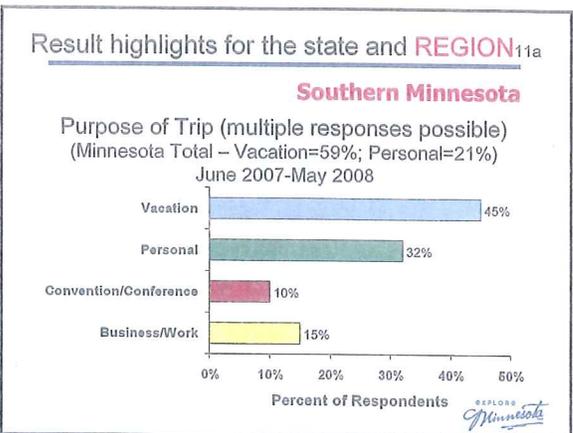
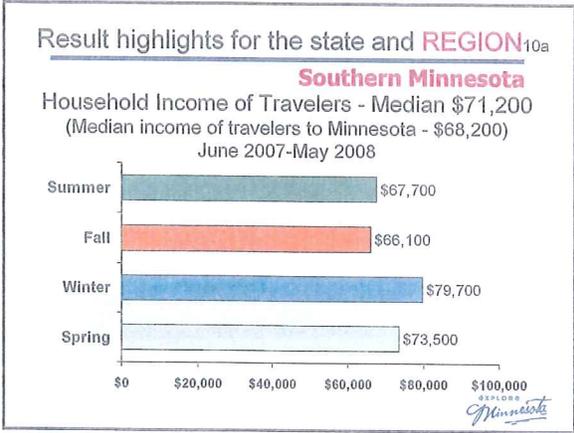
Average Traveler Spending per Person per Day  
(Minnesota total per person per day – \$118)  
June 2007-May 2008



Result highlights for the state and region 5

- Direct impacts of traveler spending
  - Due directly to traveler expenditures
  - Example: Traveler expenditures pay the salary and benefits for a hotel desk clerk
- Total impacts of traveler spending
  - Include direct impacts, plus indirect impacts – additional jobs, wages, taxes, etc. supported during additional rounds of spending
  - Example: Front desk clerk pays income tax and property tax; as well as purchasing food, clothing, etc. using wages derived from the initial traveler expenditure





Result highlights for sub-regions 3

Sub-regions in Southern Minnesota\*

- Little Crow Lakes\*
- Minnesota River Valley
- Mississippi Bluff Country
- Prairie Land
- Southern Lakes



\* As a result of regional re-configuration in 2009, Little Crow Lakes is no longer part of the Southern Minnesota Tourism Region. The three Little Crow Lakes counties are now part of the Central Lakes sub-region of Central Minnesota.



Result highlights for sub-regions 9

Estimated Traveler Expenditures – Southern Region  
June 2007-May 2008

• Little Crow Lakes	\$177,044,569
• Minnesota River Valley	\$264,220,412
• Mississippi Bluff Country	\$966,789,923
• Prairie Land	\$210,983,391
• Southern Lakes	\$487,463,986
<b>Southern MN Total</b>	<b>\$2,106,502,281</b>



Result highlights for sub-regions 10

Resident Employment Total Impact of  
Traveler Expenditures - Southern Region  
June 2007-May 2008

• Little Crow Lakes jobs	3,903
• Minnesota River Valley jobs	5,822
• Mississippi Bluff Country jobs	21,304
• Prairie Land jobs	4,651
• Southern Lakes jobs	10,740
<b>Southern MN Total jobs</b>	<b>46,420</b>



Result highlights for sub-regions 11

Resident Income Total Impact of  
Traveler Expenditures - Southern Region  
June 2007-May 2008

• Little Crow Lakes	\$79,253,100
• Minnesota River Valley	\$118,276,921
• Mississippi Bluff Country	\$432,778,579
• Prairie Land	\$94,445,637
• Southern Lakes	\$218,210,763
<b>Southern MN Total</b>	<b>\$942,965,000</b>



Result highlights for sub-regions 12

State Revenue Total Impact of  
Traveler Expenditures - Southern Region  
June 2007-May 2008

• Little Crow Lakes	\$21,206,495
• Minnesota River Valley	\$31,648,465
• Mississippi Bluff Country	\$115,802,632
• Prairie Land	\$25,271,705
• Southern Lakes	\$58,388,703
<b>Southern MN Total</b>	<b>\$252,318,000</b>



Result highlights for sub-regions 13

Local Revenue Total Impact of  
Traveler Expenditures - Southern Region  
June 2007-May 2008

• Little Crow Lakes	\$6,432,093
• Minnesota River Valley	\$9,599,229
• Mississippi Bluff Country	\$35,123,831
• Prairie Land	\$7,665,104
• Southern Lakes	\$17,709,743
<b>Southern MN Total</b>	<b>\$76,530,000</b>



## Where to Find Results

1

- On the Research page of Explore Minnesota Tourism's industry website, at:

[industry.exploreminnesota.com/side2/research-reports](http://industry.exploreminnesota.com/side2/research-reports)



## Where to Find Results

2

- Results are Reported in Seven Reports:

- "Statewide" Economic Impact Report
- "Statewide" Traveler Profile Report
- County Economic Impact Report – direct and total impact by county and region, by season
- Separate reports of results for each of Minnesota's four tourism regions



## Other travel economic impact information

1

- Sales tax statistics from Minnesota Dept of Revenue, for Leisure and Hospitality Services (L&H) Industry\*
- Employment statistics (jobs, wages, etc.) from Bureau of Labor Statistics, for L&H\*
- U S Travel Association economic impact estimates
- International - VisaVue (based on cardholder transactions)
- Various other studies on elements of the travel industry

\* Data presented on subsequent slides



## Other travel economic impact information

2

### Leisure and Hospitality Industry Gross Sales, 2008\* - Southern

• Little Crow Lakes	\$124,729,488
• Minnesota River Valley	\$142,832,264
• Mississippi Bluff Country	\$613,885,486
• Prairie Land	\$146,602,232
• Southern Lakes	\$430,160,469
• Southern MN Total**	\$1,458,209,939

\* Preliminary, subject to change

\*\* Compares with \$2.1 billion annual traveler spending estimate – Davidson-Peterson, 2007-08



## Other travel economic impact information

3

### Leisure and Hospitality Industry Jobs, 2008 – Southern MN

• Little Crow Lakes	3,346
• Minnesota River Valley	4,276
• Mississippi Bluff Country	15,265
• Prairie Land	3,876
• Southern Lakes	10,556
• Southern MN Total**	37,315

\*\* Full- and part-time jobs; Compares with 46,420 full-time equivalent job estimate for all jobs resulting from travel spending – Davidson-Peterson, 2007-08



## Thank you!

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# Tourism and the Economy

## ANNUAL ECONOMIC IMPACT, 2008

Travel/tourism in Minnesota generates:

- \$11.2 billion in leisure & hospitality gross sales \*
- \$694 million in state sales tax \*

## CONTRIBUTING TO THE ECONOMY

- Travelers in Minnesota spend more than \$33 million a day.
- Travel/tourism impacts virtually every industry and area in Minnesota, from accounting and manufacturing to tour operators and zoos.
- The leisure and hospitality industry accounts for 16% of Minnesota's state sales tax.
- Tourism is comparable to agriculture in its contributions to the gross state product.

## GROWTH IN THE TOURISM INDUSTRY

Sales at leisure and hospitality businesses grew 38% from 2000 to 2008



## RETURN ON INVESTMENT

Every \$1 invested in state tourism marketing returns an estimated:

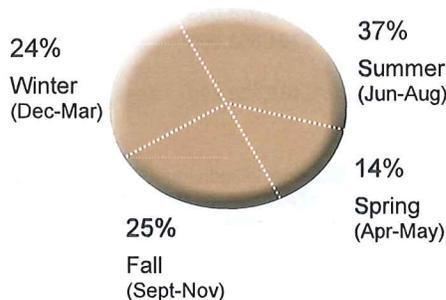
- \$4.60 in state and local taxes
- \$20.40 in wages
- \$53 in gross sales

## TRAVELER SPENDING BY SECTOR

Spending during Minnesota's 39 million annual person-visits is distributed throughout the economy:

- Shopping 25%
- Recreation 25%
- Food 24%
- Lodging 14%
- Transportation 12%

## TRAVELER EXPENDITURES BY SEASON



## TOURISM EMPLOYMENT

Tourism means jobs in communities across Minnesota. The leisure and hospitality industry accounts for:

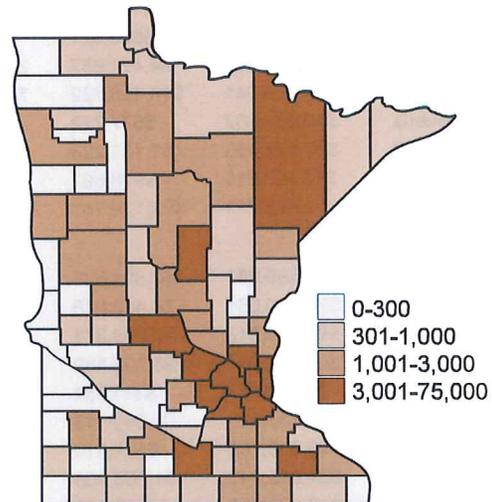
- 245,788 full- and part-time jobs
- \$4.0 billion in wages
- 10.7% of the state's total private sector employment.

## GROWTH IN LEISURE & HOSPITALITY JOBS



- Over the past 30 years, the number of leisure & hospitality jobs has more than doubled.
- Leisure & hospitality jobs increased 127% from 1975 to 2005.
- The payroll for this sector grew even more during this same period – 157% (inflation-adjusted).

## LEISURE & HOSPITALITY JOBS BY COUNTY, 2008



Information for the tourism industry, including additional research reports and information on state tourism marketing programs, is available at:

[www.industry.exploreminnesota.com](http://www.industry.exploreminnesota.com)

\* Preliminary, subject to change.

Sources: Explore Minnesota Tourism, spring/summer 2000; The Economic Impact of Expenditures by Travelers on Minnesota, June 2007-May 2008, Davidson-Peterson Associates; Minnesota Department of Revenue, 2008; Minnesota Department of Employment and Economic Development, 2008; Bureau of Labor Statistics

## ECONOMIC IMPACT BY COUNTY

### Minnesota's Leisure and Hospitality Industry, 2008

	Gross Sales (preliminary)	State Sales Tax (preliminary)	Jobs		Gross Sales (preliminary)	State Sales Tax (preliminary)	Jobs
<b>Minneapolis - Saint Paul Area</b>					<b>Southern Minnesota</b>		
Anoka	\$419,869,415	\$27,464,518	11,311	Big Stone	\$3,505,070	\$228,409	144
Carver	\$136,574,548	\$8,348,551	3,456	Blue Earth	\$146,009,301	\$8,999,708	3,650
Chisago	\$52,685,091	\$3,293,943	1,521	Brown	\$29,913,870	\$1,901,436	1,259
Dakota	\$680,265,869	\$43,148,369	16,575	Chippewa	\$14,298,142	\$959,851	398
Hennepin	\$3,683,290,842	\$232,553,451	74,193	Cottonwood	\$7,635,490	\$506,080	322
Isanti	\$29,928,469	\$1,981,093	925	Dodge	\$14,999,922	\$787,589	393
Ramsey	\$1,640,090,444	\$103,601,792	27,368	Faribault	\$10,607,053	\$699,606	374
Scott	\$257,363,849	\$15,331,637	6,030	Fillmore	\$21,419,411	\$1,284,000	592
Washington	\$396,889,345	\$24,493,134	10,256	Freeborn	\$39,751,669	\$2,547,621	1,001
Wright	\$143,767,399	\$8,559,516	4,315	Goodhue	\$62,137,412	\$4,042,676	1,929
<b>Region Total</b>	<b>\$7,440,725,271</b>	<b>\$468,776,004</b>	<b>155,950</b>	Houston	\$9,446,818	\$654,024	285
<b>Central Minnesota</b>				Jackson	\$10,249,091	\$586,267	326
Aitkin	\$19,359,426	\$1,279,992	564	Lac Qui Parle	\$3,627,522	\$222,656	105
Benton	\$45,728,037	\$3,042,586	1,136	Le Sueur	\$21,640,812	\$1,334,033	602
Crow Wing	\$185,612,037	\$11,239,024	4,095	Lincoln	\$2,973,044	\$209,024	103
Douglas	\$92,146,203	\$5,767,843	2,230	Lyon	\$65,726,541	\$2,554,719	1,237
Grant	\$3,527,906	\$239,403	66	Martin	\$29,048,283	\$1,833,299	866
Kandiyohi	\$72,424,487	\$4,226,953	1,696	Mower	\$55,256,244	\$3,105,780	1,326
McLeod	\$37,123,884	\$2,493,892	1,195	Murray	\$7,378,407	\$460,677	168
Meeker	\$15,181,117	\$971,910	455	Nicollet	\$29,393,321	\$1,957,040	990
Mille Lacs	\$42,104,848	\$2,209,166	935	Nobles	\$25,560,132	\$1,662,523	899
Morrison	\$36,374,661	\$2,344,883	1,072	Olmsted	\$365,004,475	\$22,988,287	7,956
Otter Tail	\$66,603,799	\$4,168,631	1,989	Pipestone	\$11,344,605	\$735,880	344
Pope	\$12,402,672	\$805,621	317	Redwood	\$24,067,034	\$1,636,689	439
Sherburne	\$74,126,535	\$4,474,857	2,012	Renville	\$9,348,889	\$611,203	283
Stearns	\$265,789,941	\$16,126,729	7,899	Rice	\$109,670,796	\$4,911,945	2,120
Stevens	\$10,509,862	\$577,772	453	Rock	\$8,474,929	\$560,835	247
Todd	\$17,924,193	\$1,181,223	428	Sibley	\$6,961,490	\$478,573	195
Wadena	\$15,119,215	\$978,697	433	Steele	\$60,061,266	\$3,720,084	1,504
<b>Region Total</b>	<b>\$1,012,058,823</b>	<b>\$62,129,183</b>	<b>26,975</b>	Swift	\$8,166,659	\$551,440	204
<b>Northwest Minnesota</b>				Traverse	\$2,036,449	\$143,928	39
Becker	\$62,598,681	\$3,804,632	1,290	Wabasha	\$20,408,410	\$1,289,636	683
Beltrami	\$70,540,061	\$4,408,046	1,673	Waseca	\$13,371,289	\$857,491	439
Cass	\$94,396,013	\$5,608,371	1,843	Watsonwan	\$7,259,993	\$482,887	230
Clay	\$61,557,027	\$3,808,160	2,229	Winona	\$65,212,794	\$4,248,849	2,101
Clearwater	\$5,157,943	\$311,984	136	Yellow Medicine	\$11,513,818	\$407,922	216
Hubbard	\$30,283,880	\$1,859,113	766	<b>Region Total</b>	<b>\$1,333,480,451</b>	<b>\$80,162,665</b>	<b>33,969</b>
Kittson	\$2,550,799	\$177,810	61	<b>Northeast Minnesota</b>			
Lake of the Woods	\$24,815,943	\$1,363,006	455	Carlton	\$50,815,913	\$3,308,614	1,060
Mahnomen	\$16,536,687	\$953,042	80	Cook	\$48,973,345	\$3,042,220	889
Marshall	\$4,337,378	\$324,836	122	Itasca	\$60,778,152	\$3,769,178	1,556
Norman	\$3,487,124	\$241,646	88	Kanabec	\$10,367,682	\$669,103	257
Pennington	\$19,464,067	\$1,264,429	511	Koochiching	\$27,682,810	\$1,705,271	580
Polk	\$36,978,281	\$2,257,699	1,168	Lake	\$28,636,917	\$1,762,112	863
Red Lake	\$2,623,562	\$183,875	53	Pine	\$59,533,743	\$3,197,021	991
Roseau	\$15,892,794	\$1,032,759	426	St Louis	\$418,074,098	\$26,832,443	10,455
Wilkin	\$5,735,499	\$365,229	179	<b>Region Total</b>	<b>\$704,862,660</b>	<b>\$44,285,961</b>	<b>16,651</b>
<b>Region Total</b>	<b>\$456,955,739</b>	<b>\$27,964,637</b>	<b>11,080</b>	<b>Minnesota Total</b>	<b>\$11,165,736,892</b>	<b>\$694,201,524</b>	<b>245,788</b>

Notes: State total does not equal the sum of counties or regions because some data is withheld to avoid disclosure of individual businesses; and some state level data is for businesses located outside of Minnesota. The Leisure and Hospitality industry consists of Accommodations; Food Services and Drinking Places; and Arts, Entertainment and Recreation. Gross sales and state sales tax statistics are preliminary, and subject to change.

Sources: Minnesota Department of Revenue; Minnesota Department of Employment and Economic Development