

The Economic Impact of Expenditures By Travelers On Minnesota's Metro Region and The Profile of Travelers

June 2005 – May 2006

Prepared for:

Explore Minnesota Tourism
State of Minnesota



UNIVERSITY OF MINNESOTA



and

Metro Tourism Committee

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1.0 Introduction

This is the first report of the Economic Impact of Traveler Expenditures on the Metro Region prepared by *Davidson-Peterson Associates*. This report covers traveler expenditures made in the Metro Region during the 12-month period from June 2005 through May 2006.

The purpose of this study is to measure the economic benefits the Metro Region residents and governments derive from the dollars spent by travelers in the region.

These economic benefits include:

- **Total expenditures** made by travelers;
- Number of **full-time equivalent jobs** supported by these expenditures;
- **Wages, salaries and proprietary income** earned by area residents as a result of these expenditures; and
- **State and local government revenues** generated by traveler expenditures.

The economic impact estimates in this report may be used to document the importance of tourism as a key segment of the Metro Region's economy; to underscore the need to continue to support the expenditure of time, effort and dollars to promote tourism growth; and to track the results of the Metro Region's tourism marketing efforts.

In addition, the traveler on-site interviews used in the economic impact analysis are presented as a traveler profile in the last section of this report.

Please refer to the Appendix for a description of the procedures used in executing this study and for definitions of the terms used.

2.0 Executive Summary

2.1 Introduction

Davidson-Peterson Associates was hired to conduct a year-long study which was a joint project with Explore Minnesota Tourism, the University of Minnesota Tourism Center^{*} and the Minnesota Arrowhead, Minnesota Heartland and Southern Minnesota Tourism associations and the Metro Tourism Committee. Davidson-Peterson Associates was commissioned to conduct a “bottom up” analysis of traveler expenditures in Minnesota and their impact on the economy of the state during the period June 2005 through May 2006. The analysis is based on the following surveys:

- Telephone interviews were conducted with a random sample of accommodations managers in the Metro Region upon conclusion of each season. During the 12-month period a total of 2,375 interviews were completed statewide, 441 of which were completed in this region.
- Self-administered questionnaires were completed by 2,292 Minnesota travelers who were either staying overnight or had traveled at least 50 miles from home on a day trip. These questionnaires were completed during each of the four seasons and in each of the four regions. Please refer to Appendix A: Procedures (Section D.5) for more detailed information on the sampling approach by region.
- A total of 1,001 telephone interviews were conducted with a probability sample of Minnesota households equally divided among the four seasons.

^{*} The University of Minnesota Tourism Center is a collaboration of the College of Food, Agricultural and Natural Resource Sciences and the University of Minnesota Extension Service.

Total estimated traveler expenditures by category of expense were provided to Dr. William Shaffer of Georgia Tech to develop an input-output model based on the Metro Region's economy. The input-output model estimated the number of full-time equivalent jobs, wages/salaries/proprietary income, and state and local government revenues supported by traveler expenditures.

Additionally, Davidson-Peterson Associates used the self-administered questionnaires conducted among Minnesota travelers over the course of the 12-month period in the Metro Region to provide a traveler profile for that region. In total, 634 interviews were conducted in the Metro Region. Using the findings from the state economic impact study, the sample was balanced across *regions* and *seasons*. The Metro Region traveler profile results are based on a weighted sample of 1,027.

2.2 The Findings

In total, travelers in the Metro Region spent \$5.8 billion in the region. Two-thirds of the region's traveler expenditures were spent by travelers staying overnight in hotels/motels/B&Bs. One third of total traveler expenditures were spent in the summer season.

The \$5.8 billion spent in the Metro Region from June 2005 through May 2006 supported 127,600 full-time-equivalent jobs, \$3.4 million in resident income (wages, salaries and proprietary income), \$695.3 million in state government revenues and \$219.6 million in local government revenues.

The Metro Region received 18.3 million person-visits during the period June 2005 through May 2006. Some 4.89 million person-visits were by travelers on day trips and the balance were made by travelers staying overnight in the Metro Region (13.45 million). One third of all visits were by travelers staying in hotels/motels/B&Bs (35%) with a similar proportion staying with friends and relatives (36%). Campgrounds (3%) accommodated the balance.

Some 283 hotels/motels/B&Bs with 31,442 rooms offered 11.34 million roomnights and sold 7.87 million to guests staying fewer than 30 nights during the period of June 2005 through May 2006. As noted, travelers staying in these rooms made the largest contribution to the traveler expenditures in the Metro Region.

A total of 39 campgrounds on both public and private lands have 3,153 sites, making those sites available for 0.65 million sitenights and sold 0.28 million of them to guest staying fewer than 30 nights.

Those numbers led to occupancy rates of 69% for hotels/motels and 43% for campgrounds.

According to managers' estimates, half or more of the guests who stayed in the Metro Region properties were Minnesota residents – 47% in hotels and 66% in campgrounds.

Managers estimated that hotel/motel/B&B guests came on average in parties of two and stayed two nights and campers came in parties of three on average and stayed two nights.

The table on the following page summarizes the industry highlights for the period June 2005 through May 2006.

2.3 The Metro Region Lodging and Campground Industry Highlights

Table 2.3

The Metro Region Lodging and Campground Industry Highlights

June 2005 through May 2006

	<u>Hotels/Motels/ B&Bs**</u>	<u>Campgrounds</u>
Number of properties	283	39
Number of rooms/units/sites	31,442	3,153
Total available roomnights/unit-nights/site-nights (millions)	11.34	0.65
Total occupied roomnights/unit nights/ site-nights (millions)	7.87	0.28
Average occupancy rate	69%	43%
Average daily room rate	\$109.47	--
Average unit rate	--	--
Average site rate	--	\$22.94
MANAGEMENT'S ESTIMATES:		
Average party size	1.75	3.41
Average length of stay	2.34	2.28
Guest Origin		
<u>Out of State</u>	<u>53%</u>	<u>34%</u>
U.S.	48%	32%
Canada	2%	2%
Other foreign	2%	*
Minnesota	47%	66%
Trip Purpose¹		
Pleasure	37%	--
Business	46%	--
Meeting/convention	16%	--

Note: Length of stay as noted throughout this document represents the average number of nights spent in a single property. It does not necessarily reflect the total number of nights spent in Minnesota. Columns of figures may not add to totals shown due to rounding.

**The number of resorts in the Metro Region is too small (6) for us to present data for them as a separate category. Data for resorts have been included in the Hotels/Motels/B&Bs category.

* Less than 0.5%

¹ These statistics not collected for campers

3.0 Estimates of Traveler Expenditures in Minnesota

3.1 Summary

Travelers to the Metro Region during the period of June 2005 through May 2006 spent **\$5.81 billion** in the state.

- Two thirds of those dollars were spent by travelers staying at hotels/motels/B&Bs.
- Food, shopping and recreation account for three-quarters of all the dollars spent by travelers.
- One third of the dollars were spent during the summer.

3.2 Overall Expenditures

The Metro Region travelers spent an estimated total of **\$5.81 billion** in the period June 2005 through May 2006.

3.3 Estimated Traveler Expenditures By Accommodation Type

Two-thirds of the total estimated traveler expenditures, \$3.73 billion (64%), were spent by travelers staying overnight in the Metro Region at hotels/motels//B&Bs.

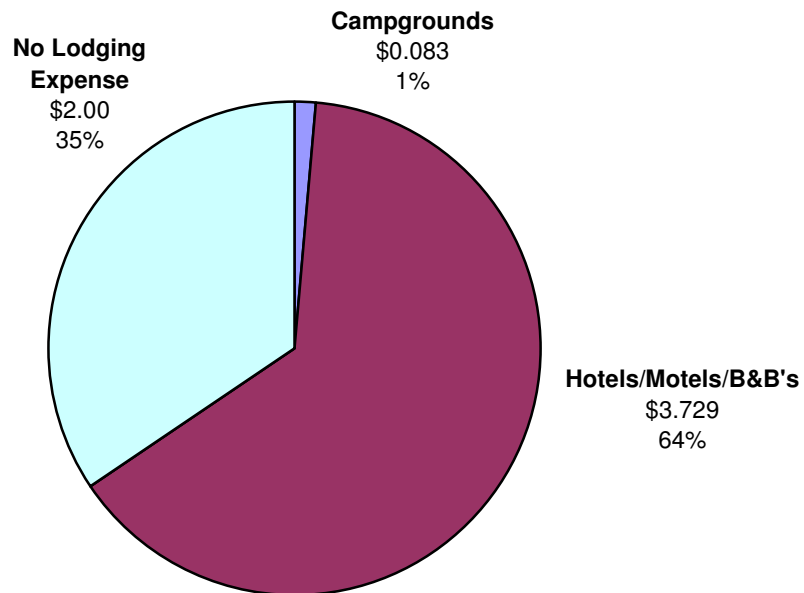
Those camping spent \$82.58 million (1%).

Travelers with no lodging expenses spent \$2 billion, or 35% of the Metro Region's traveler expenditures.

- Travelers who stayed at the homes of family and/or friends spent \$1.85 billion (32%) while visiting the Metro Region.
- Those visiting just for the day or passing through the Metro Region spent \$151.07 million (3%).

Figure 3.3

Estimated Metro Region Traveler Expenditures
By Accommodation Type
June 2005 – May 2006
(\$ Billions)



Total: \$5.810 Billion

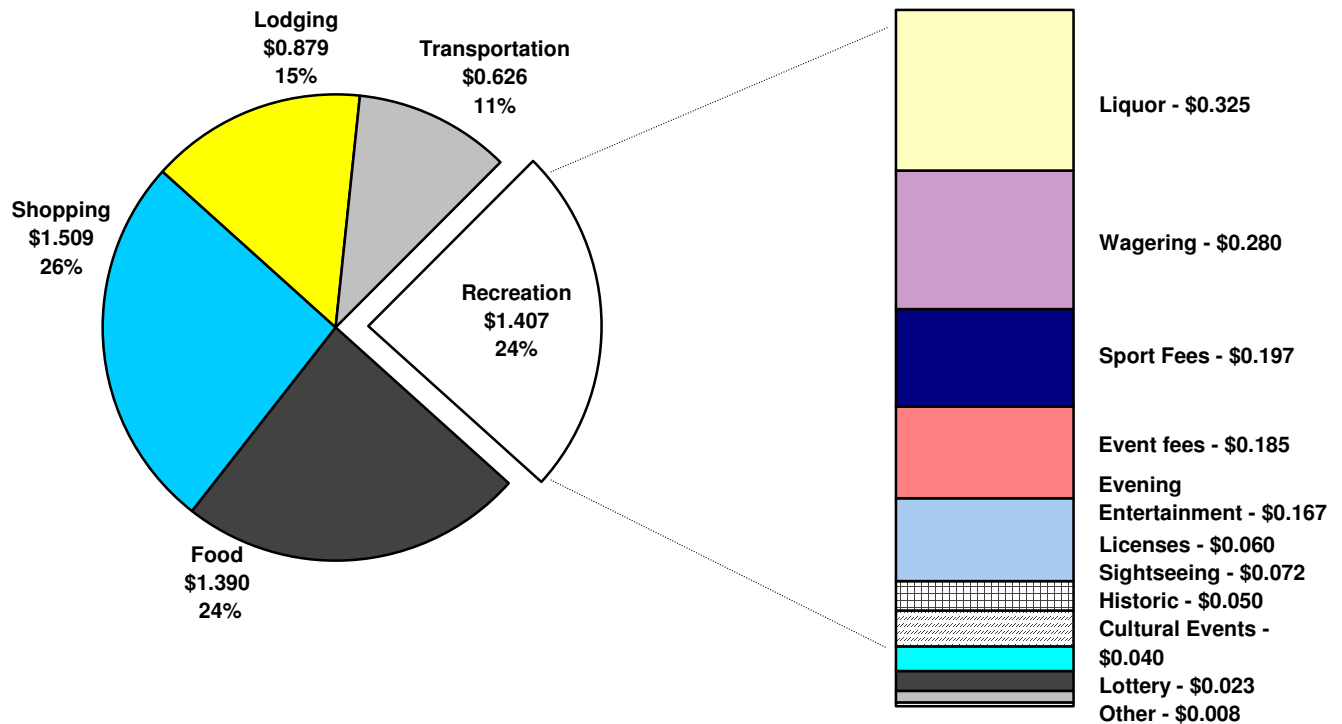
3.4 Estimated Traveler Expenditures By Category of Expenditure

Shopping, food and recreation each accounted for about one quarter (24%-26%) of traveler expenditures.

Lodging expenses represented 15% of the total estimated traveler expenditures (\$878.73 million). Eleven percent of the Metro Region traveler expenditures (\$625.82 million) were spent on transportation.

Figure 3.4

**Estimated Metro Region Traveler Expenditures
By Category of Expenditure
June 2005 – May 2006
(\$ Billions)**



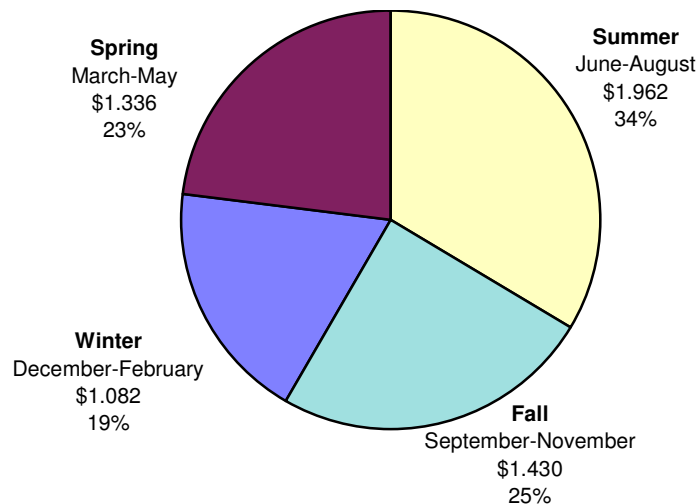
Total: \$5.810 Billion

3.5 Estimated Traveler Expenditures By Season

Travelers spent \$1.962 billion, or 34% of all traveler expenditures in the summer season (June through August). They spent \$1.430 billion, or 25% of all traveler expenditures, in the fall season (September through November) and \$1.336 billion, or 23%, of all traveler expenditures in the spring season (March through May). Finally, travelers spent 1.082 billion, or 19% of total traveler expenditures in the winter season (December through February).

Figure 3.5

Estimated Traveler Expenditures
By Season
June 2005 – May 2006
(\$ Billions)



Total: \$5.810 Billion

4.0 The Impact of Traveler Expenditures on the Metro Region

4.1 Summary

The estimated expenditures by travelers in the Metro Region during the period June 2005 through May 2006 supported 127,600 full-time equivalent jobs and provided residents with wages, salaries and proprietary income of \$3.37 billion. Traveler expenditures also generated \$695.3 million in state government revenues and \$219.6 million in local government revenues.

4.2 Direct and Total Impact: An Explanation

In the text and figures which follow to describe the impact of traveler expenditures on Minnesota, both direct and total impacts are mentioned.

- **Direct** impacts are those economic benefits due directly to the traveler expenditures. For example, when traveler expenditures pay the salary and benefits for a hotel desk clerk, that amount would be considered in the direct impact for both jobs and wages.
- **Total** impacts include all of the direct impacts but also include the estimated indirect impacts. Indirect impacts are the additional jobs and wages supported during additional rounds of spending. For example, the front desk clerk pays income tax and property tax which are an indirect result of tourist expenditures. The front desk clerk also pays her utility bills, buys food for her family, shops for gifts, etc. Those dollars create the indirect impact of the initial traveler expenditures through many additional rounds of spending in the economy.

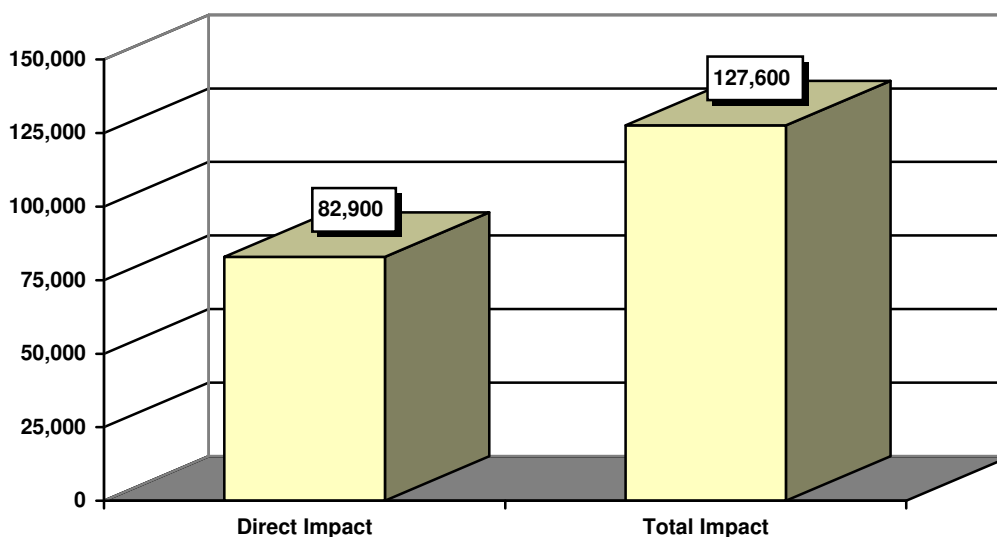
As noted, this report includes direct and total impacts which include both direct and indirect impacts.

4.3 Impact on Jobs for the Metro Region

During the period June 2005 through May 2006, traveler expenditures in the Metro Region supported 127,600 full-time equivalent jobs in **total**. About two-thirds of these jobs (65%) were **directly** supported by total estimated traveler expenditures in the Metro Region (82,900).

Figure 4.3

Resident Employment Impact of Traveler Expenditures June 2005 through May 2006

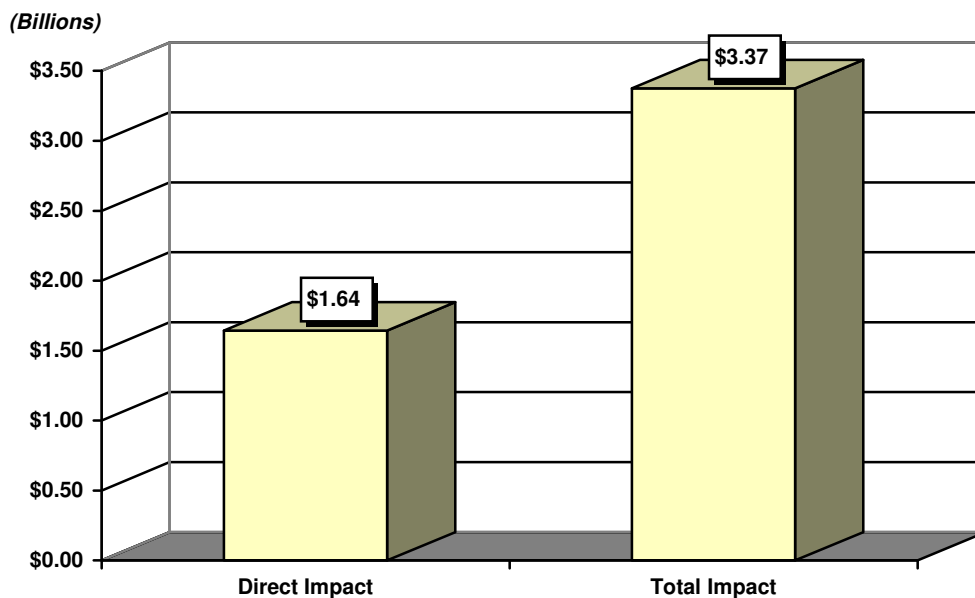


4.4 Impact on Wages, Salaries and Proprietary Income for the Metro Region

Traveler expenditures in the Metro Region during the period June 2005 through May 2006 generated \$3.37 billion in resident wages and proprietary income in **total**. One half of this resident income was **directly** generated by traveler expenditures (\$1.64 billion or 49%).

Figure 4.4

Resident Income Impact of Estimated Traveler Expenditures June 2005 through May 2006



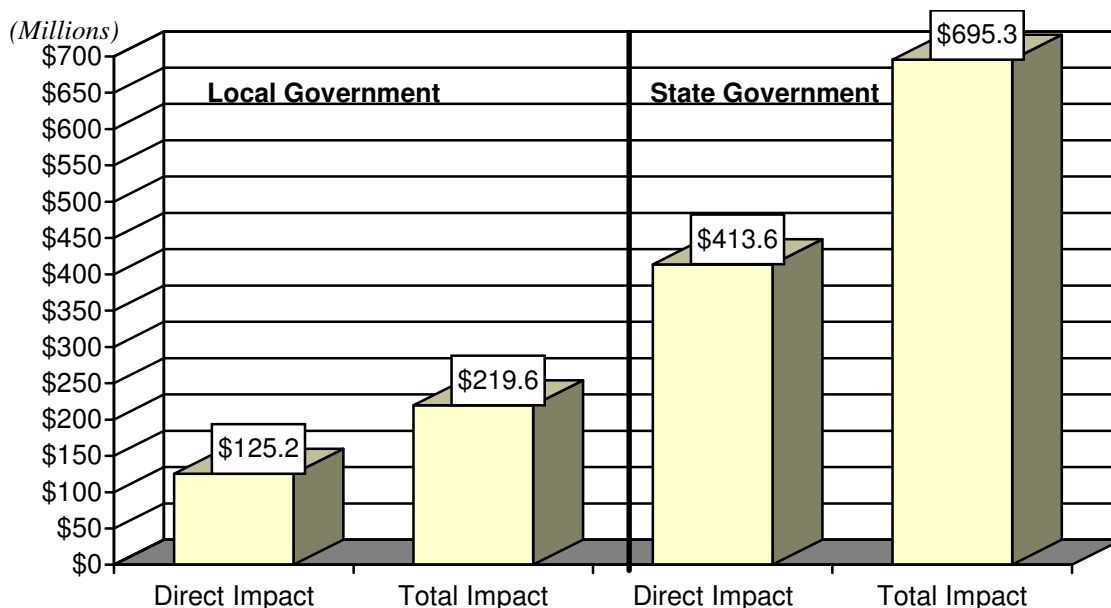
4.5 Impact on State and Local Government Revenues

Traveler expenditures in the Metro Region led to the receipt of \$695.3 million in state government revenues and \$219.6 million in local government revenues in **total** during the period June 2005 through May 2006.

During the period June 2005 through May 2006 the state government collected \$413.6 million and local governments collected \$125.2 million that were **directly** attributable to traveler expenditures.

Figure 4.5

Impact of Traveler Expenditures on State and Local Government Revenues June 2005 through May 2006



5.0 The Metro Region Lodging and Campground Industry

5.1 Summary

For *hotels/motels/B&Bs*, about two-thirds of the available roomnights were sold at a rate of nearly \$110. Travelers typically traveled as parties of two and stayed two nights. More than one third of the travelers were on pleasure trips and almost one-half on business trips. Almost half of the rooms booked were by Minnesota residents.

Campground sites were rented at \$23 per night with an occupancy rate of 43%.

Campers traveled in parties of three and stayed an average of two nights. Two out of three campers were Minnesota residents.

5.2 Hotel/Motel/B&B Inventory

During June 2005 through May 2006, 283 properties with 31,442 rooms made 11.34 million roomnights available to the public and sold 7.87 million of those roomnights to travelers staying for fewer than 30 nights.

5.3 Room Rates and Occupancy

The overall average daily roomrate at Metro Region hotels/motels/B&Bs was \$109.47 during June 2005 through May 2006.

Hotels/motels//B&Bs had an average occupancy rate of 69%.

Table 5.3
Room Rates and Occupancy by Season
(Hotels/Motels/ B&Bs)

	June 2005- May 2006 <u>TOTAL</u>	June- August <u>2005</u>	September- November <u>2005</u>	December 2005- February <u>2006</u>	March- May <u>2006</u>
Average daily room rates*	\$109.47	\$111.84	\$111.66	\$106.95	\$108.67
Average occupancy*	69%	79%	70%	61%	67%
Total available roomnights (in millions)	11.34	2.88	2.84	2.79	2.83
Total occupied roomnights (in millions)	7.87	2.28	2.00	1.70	1.89

*The bases for these statistics are weighted by the number of rooms that are open in each quarter. Yearly averages are weighted by quarter.

Note: Average occupancy is calculated by taking total occupied roomnights as a percentage of total available roomnights, excluding from both figures any rooms rented for 30 nights or more.

5.4 Guest Party Size and Length of Stay

Hotel/motel/B&B property managers reported that their guests typically traveled in parties of two and stayed an average of two nights.

Table 5.4

**Managements' Estimate:
Average Guest Party Size and Length of Stay by Season
(Hotels/Motels/B&Bs)**

	June 2005- May 2006 <u>TOTAL</u>	June- August <u>2005</u>	September- November <u>2005</u>	December 2005- February <u>2006</u>	March- May <u>2006</u>
Average party size*	1.75	1.99	1.73	1.69	1.63
Average length of stay*	2.34	2.25	2.67	2.42	2.07

*The bases for these statistics are weighted by the number of rooms that are open in each quarter. Yearly averages are weighted by quarter.

5.5 Guest Party Trip Purpose and Guest Origin

Hotel/motel/B&B property managers reported that three out of five of their guests were traveling either for business (46%) or to attend meetings and conventions (16%). The remaining guests were traveling for pleasure (37%).

Managers reported that almost one out of two of their guests were Minnesota residents (47%).

Table 5.5

**Managements' Estimate:
Trip Purpose and Guest Origin by Season
(Hotels/Motels/B&Bs)**

	<u>June 2005- May 2006 TOTAL</u>	<u>June- August 2005</u>	<u>September- November 2005</u>	<u>December 2005- February 2006</u>	<u>March- May 2006</u>
Trip Purpose					
Pleasure	37%	47%	31%	36%	35%
Business	46%	38%	59%	46%	45%
Meetings/conventions	16%	15%	10%	18%	20%
Guest Origin					
<u>Out of state</u>	<u>53%</u>	<u>47%</u>	<u>52%</u>	<u>55%</u>	<u>57%</u>
U.S.	48%	43%	48%	53%	49%
Canada	2%	3%	2%	1%	4%
Other foreign	2%	2%	2%	1%	4%
Minnesota	47%	53%	48%	45%	43%

Note: Columns of figures may not add to totals shown due to rounding.

* Less than 0.5%

5.6 Campground Inventory

The Metro Region campground providers offered 3,153 sites in 39 campgrounds to the public for use during the 2005-06 year. That yielded a total of 0.65 million sitenights available, with 0.28 million sitenights sold to guests who stayed fewer than 30 nights. Campgrounds on both public and private lands are included in the inventory.

5.7 Site Rates and Occupancy

The average rate for a campground site was \$22.94.

Occupancy rates for the Metro Region campgrounds were 43%.

Table 5.11

Site Rates and Occupancy by Season (Campgrounds)

	<u>June 2005- May 2006 TOTAL</u>	<u>June- August 2005</u>	<u>September- November 2005</u>	<u>December 2005- February 2006</u>	<u>March- May 2006</u>
Average site rate*	\$22.94	\$23.31	\$23.36	N/A	\$27.50
Average occupancy*	43%	66%	38%	1%	26%
Total available sitenights (in millions)	0.65	0.27	0.17	0.07	0.15
Total occupied sitenights (in millions)	0.28	0.18	0.06	**	0.04

*The bases for these statistics are weighted by the number of sites that are open in each quarter. Yearly averages are weighted by quarter.

**Less than 0.01 million (10,000).

N/A: Campgrounds surveyed had sites available for short-term rental but no guests during the December 2005 through February 2006 time period, and therefore, had no figures to report. Projections were made for the balance of the campgrounds based on the averages from all campgrounds surveyed across the state in the winter season.

Note: Average occupancy is calculated by taking total occupied sitenights as a percentage of total available sitenights, excluding from both figures any sites rented for 30 nights or more.

5.8 Guest Party Size and Length of Stay

The Metro Region campers typically traveled in parties of three and spent an average of two nights while visiting, according to campground managers.

Table 5.12

Managements' Estimate:
Average Guest Party Size and Length of Stay by Season
(Campgrounds)

	June 2005- May 2006 <u>TOTAL</u>	June- August <u>2005</u>	September- November <u>2005</u>	December 2005- February <u>2006</u>	March- May <u>2006</u>
Average travel party size	3.41	4.33	2.48	N/A	3.07
Average length of stay	2.28	2.68	2.14	N/A	2.16

N/A: Campgrounds surveyed had sites available for short-term rental but no guests during the December 2005 through February 2006 time period, and therefore, had no figures to report.

5.9 Guest Origin

The Metro Region campground managers reported that two in three Metro Region campers (66%) were Minnesota residents.

Table 5.13

**Managements' Estimate:
Guest Origin by Season
(Campgrounds)**

Guest Origin:	June 2005- May 2006 <u>TOTAL</u>	June- August 2005	September- November 2005	December 2005- February 2006	March- May 2006
<u>Out of State</u>	<u>34%</u>	<u>25%</u>	<u>60%</u>	<u>N/A</u>	<u>34%</u>
U.S.	32%	21%	60%	N/A	34%
Canada	2%	4%	--	N/A	--
Other Foreign	*	--	*	N/A	--
Minnesota	66%	75%	40%	N/A	66%

Note: Columns of figures may not add to totals shown due to rounding.

* Less than 0.5%

N/A: Campgrounds surveyed had sites available for short-term rental during the December 2005 through February 2006 time period but no guests during this time period, and therefore, had no figures to report.

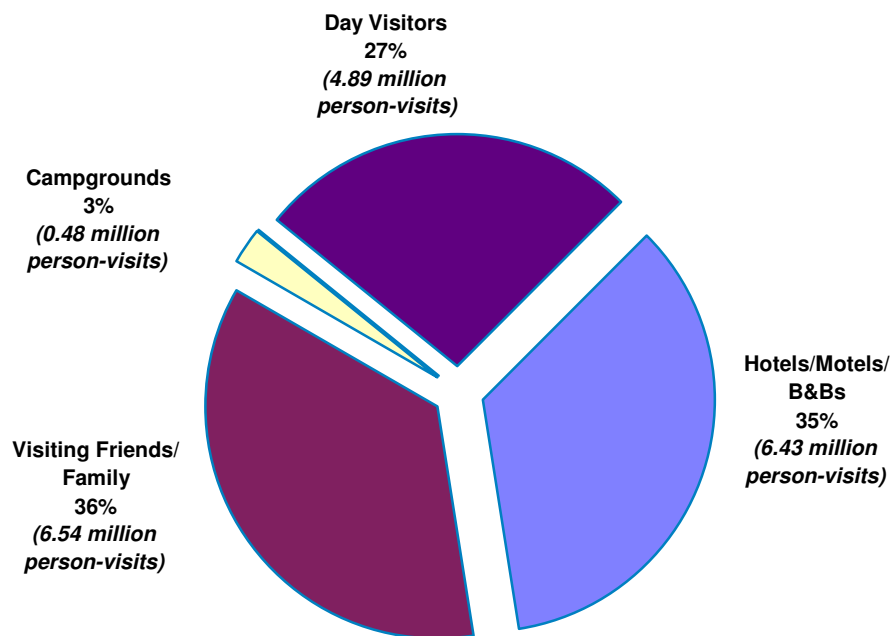
6.0 Travel Volume in the Metro Region

Person-visits in the Metro Region totaled 18.34 million during the period June 2005 through May 2006. A total of 13.45 million were overnight person-visits – one person staying in one accommodation. In addition, day travelers in the Metro Region were estimated at 4.89 million.

Hotel/motel/B&B guests represented 35% of person-visits while travelers staying with family and/or friends represented 36%. Campers accounted for 3% of person-visits in the Metro Region in June 2005 through May 2006.

Figure 6.0

The Metro Region Person-Visits



TOTAL: 18.34 Million Person-Visits

Note: A **person-visit** is classified in this report as one person on a day trip or one person staying overnight in one accommodation for one or more nights. For example, a couple on a three-night weekend is counted as two person-visits. If a guest to Minnesota travels to many locations in Minnesota, staying overnight in many different accommodations, each overnight stay is considered a person-visit. Therefore, 18.34 million person-visits should not necessarily be interpreted as 18.34 million travelers.

7.0 The Profile of Minnesota's Metro Region Travelers

This section details the findings concerning the profile of Metro Region travelers overall and by each season during the period from June 2005-May 2006.

7.1 Demographic and Socioeconomic Profile

- The average age of Metro Region travelers was 43.2 years. Travelers in the fall (44.7) and spring (46.9) seasons tended to be older than those in the winter season (39.4). Travelers in the spring season were also older than travelers in the summer season (46.9 versus 41.9).
- The median household income among travelers was \$71,000.
- Nine travelers in ten identified themselves as white (89%). Winter season travelers (95%) were even more likely to categorize themselves as white than were summer (88%) and fall (86%) season travelers.
- The vast majority of Metro Region travelers lived in the United States (95%), and two in five were residents of Minnesota (40%). Travelers in the Metro Region came from 44 different states. Beyond Minnesota, the next leading state of residence was Wisconsin (8%).

The proportion of in-state travelers was higher in the fall season (47%) than it was during the summer season (34%). Out-of-state travelers were more likely to visit during the summer season (53%) than during the winter season (40%).

Table 7.1

Demographic and Socioeconomic Profile

	June 2005 – May 2006 TOTAL	June – August 2005	September – November 2005	December 2005 – February 2006	March – May 2006
Base:	1027	374	244	181	228
Age:					
18 to 24	10%	13%	10%	15%	1%
25 to 29	9	10	12	10	4
30 to 39	20	19	15	23	24
40 to 49	25	20	24	29	29
50 to 59	20	19	18	14	28
60 to 64	5	6	5	4	3
65 and older	8	6	13	2	8
No Answer	4	6	4	2	4
Average Age	43.2	41.9	44.7	39.4	46.9
Income:					
Less than \$25,000	7%	8%	11%	7%	1%
\$25,000 to \$34,999	6	6	6	5	6
\$35,000 to \$49,999	11	10	17	9	7
\$50,000 to \$74,999	22	21	18	21	26
\$75,000 to \$99,999	15	15	14	15	15
\$100,000 to \$124,999	11	10	5	12	18
\$125,000 to \$149,999	4	4	2	5	6
\$150,000 or more	8	7	7	15	7
No Answer	16	18	20	11	13
Estimated Median Income	\$71,000	\$68,400	\$58,700	\$79,900	\$81,400
Gender:					
Male	47%	43%	47%	55%	45%
Female	52	56	50	43	54
No Answer	2	1	3	1	1
Racial/Ethnic Background:					
American Indian	2%	1%	3%	2%	1%
Asian	2	2	2	*	4
Black	2	2	4	1	*
Hispanic	3	4	3	1	2
White	89	88	86	95	89
Other	1	1	*	*	1
No Answer	3	3	4	1	4

* Less than 0.5%

Table 7.1 (continued)

Demographic and Socioeconomic Profile

	June 2005 – May 2006 <u>TOTAL</u>	June – August <u>2005</u>	September – November <u>2005</u>	December 2005 – February <u>2006</u>	March – May <u>2006</u>
Base:	2292	872	541	374	505
Residence:					
<u>United States</u>	<u>95%</u>	<u>95%</u>	<u>95%</u>	<u>99%</u>	<u>94%</u>
Minnesota	40	34	47	44	39
Wisconsin	8	8	10	10	5
Iowa	3	3	5	4	2
Illinois	3	5	1	4	1
North Dakota	2	2	2	1	3
South Dakota	2	3	2	1	*
California	2	3	1	2	2
Texas	2	3	1	1	3
Other state	26	27	21	17	35
State not specified	12	13	10	16	9
Canada	1	2	2	1	*
Another Country	2	2	2	1	1

* Less than 0.5%

Note: States with responses less than 2% among the total sample have been aggregated into the "Other state" category.

7.2 Travel Party and Trip Profile

Travel Party

- More than half of travelers to the Metro Region were on a vacation or short pleasure trip (58%), while 17% were traveling for business or work and 13% for a convention/conference. Some 16% were traveling for personal reasons (e.g., wedding, funeral, medical, etc.)

Travelers in the winter (75%) and summer seasons (67%) were more likely than those in the fall (52%) and spring (35%) seasons to be taking a vacation or short pleasure trip. In contrast, fall (19%) and spring (36%) season travelers were more likely than summer (9%) and winter (7%) season travelers to be traveling for business or work. Convention or conference trips were least likely to be taken during the winter season (4%).

- The average travel party size was 2.7 people. Travelers in the winter season were more likely to have larger travel parties (3.3 people) than travelers in the summer (2.6), fall (2.7), and spring (2.4) seasons.
- The average number of nights travelers intended to stay overnight was 3.7 nights. The average length of overnight stay was shortest in the winter (2.5 nights).
- Two-thirds of Metro Region travelers had no children under 18 in their travel party (68%). Summer (73%) and fall (72%) season travelers were more likely to be traveling without children than were winter travelers (57%).
- More than three-fourths of Metro Region travelers had taken a trip in Minnesota in the last five years (79%), with an estimated median of 4.7 trips. Prior trip frequency was higher among winter travelers (estimated median trips of 7.2) than it was among summer travelers (estimated median trips of 3.6).

Trip Profile

- More than half (56%) of travelers in the Metro Region stayed in *paid* accommodations on their trip, primarily hotels/motels/historic inns (53%). One traveler in five stayed in *unpaid* accommodations (21%). One-fourth of travelers said they were taking a day trip (23%) and did not stay in any type of overnight accommodations on their trip.

When compared with travelers in other seasons, spring travelers were more likely to stay in a hotel/motel/historic inn (73%) and less likely to stay at the home of family or friends (9%). Winter travelers were more likely than spring travelers to be taking a day trip (31% versus 18%).

- Travelers participated in numerous activities during their trip in the Metro Region. Dining out (62%), shopping (59%), attending fairs or festivals (30%), visiting friends or relatives (25%), and taking in city sites (23%) were among the most frequently mentioned trip activities.

General Activities

Dining out was a key activity for travelers in all seasons but less prevalent among fall travelers (50%). One-fourth of travelers took in city sites while visiting the Metro Region (23%).

Summer (30%) and winter (29%) season travelers were more likely to have taken in city sites than were fall (15%) and spring (13%) season travelers. Nightlife or evening entertainment was enjoyed by one-fifth of travelers (19%), again mostly in the summer (21%) and winter (28%). Sightseeing or driving for pleasure was primarily a summer season activity, with 23% of summer season travelers sightseeing as compared with 11% of fall season travelers, 12% of winter travelers, and 9% of spring travelers. Spring season travelers were the least likely to have participated in any casino gaming while visiting the Metro Region (2%).

Shopping

More than half of Metro Region visitors did some type of shopping on their trip (59%), mostly at the Mall of America (32%). Summer (62%) and spring (65%) season travelers were more likely to have shopped than winter travelers (51%). Summer (42%) season travelers were also more likely to have shopped at the Mall of America than were winter (21%) and spring (24%) travelers. Spring (32%) season travelers were more likely to do general or mall shopping than were fall (19%) and winter (18%) travelers. Spring (10%) season travelers were also more likely to have shopped for arts, crafts, or antiques than summer (4%) and winter (1%) travelers.

Attending Events

Half of Metro Region visitors indicated they had attended an “event” while on their trip (54%). The incidence of attending an event was highest among winter travelers (67%). Fairs and festivals (30%) and amateur sporting events (16%) were among the most frequently mentioned events attended by travelers.

Summer (35%) and fall (45%) season travelers were most likely to have attended fairs or festivals, while winter (43%) and spring (33%) season travelers were most likely to have attended amateur sporting events. Popular music concerts or shows were attended by more travelers in the summer (8%) than in the spring (1%), and theater performances were attended by more travelers in the winter (8%) than in the summer (3%).

Visiting People or Places

Nearly half of Metro Region travelers were visiting people or places during their trip (45%). One traveler in four indicated he/she was visiting friends or relatives (25%), while one in ten said they were visiting amusement parks or carnivals (13%).

Summer (29%) and fall (28%) travelers were more likely than winter (18%) travelers to visit friends and relatives. Amusement parks and carnivals were visited mostly by summer (19%) and fall (17%) travelers. Summer travelers were most likely to visit art museums (13%), and winter travelers were most likely to visit other museums (13%). Summer travelers (8%) were more likely to visit historic sites than were fall and winter travelers (2% each).

Active Recreation

One-fifth of Metro Region travelers participated in “active” recreation while visiting (20%). The array of activities was diverse, with pool swimming (8%) topping the list, more often during the spring season (13%).

Summer and fall season travelers (6% each) were more likely to have hiked than were winter and spring season travelers (1% each). As would be expected, winter travelers (9%) were more likely to have participated in downhill skiing or snowboarding than spring season travelers (1%).

Table 7.2

Travel Party and Trip Profile

	June 2005– May 2006 TOTAL	June – August 2005	September – November 2005	December 2005 – February 2006	March – May 2006
Base:	1027	374	244	181	228
Trip Purpose (multi-response):					
Vacation or short pleasure trip	58%	67%	52%	75%	35%
Personal (e.g., wedding, funeral)	16	13	17	15	21
Convention or conference	13	14	18	4	15
Business or work	17	9	19	7	36
No Answer	1	2	3	*	*
Travel Party Size:					
1 person	24%	24%	24%	10%	35%
2 people	30	35	32	26	24
3 to 4 people	29	24	29	38	29
5 or more people	17	17	15	26	11
Average Travel Party Size	2.7	2.6	2.7	3.3	2.4
Total Trip Length of Stay:					
Daytripper	23%	23%	24%	31%	18%
1 night	14	11	12	28	10
2 nights	17	15	18	21	16
3 to 6 nights	37	40	38	15	51
7 or more nights	8	12	9	4	5
Average Nights (Excluding Daytrippers)	3.7	4.3	3.7	2.5	3.5
Children in Travel Party					
One or more children under 18 years old	32%	27%	28%	43%	36%
No children	68	73	72	57	64
Ages of Children in Travel Party					
<i>Younger than 6 years old</i>					
None	90%	90%	89%	87%	94%
One or more	10	10	11	13	6
<i>6 to 11 years old</i>					
None	84%	87%	86%	80%	79%
One or more	16	13	14	20	21
<i>12 to 17 years old</i>					
None	82%	85%	84%	77%	79%
One or more	18	15	16	23	21

* Less than 0.5%

Table 7.2 (continued)

Travel Party and Trip Profile

	June 2005 – May 2006 <u>TOTAL</u>	June – August <u>2005</u>	September – November <u>2005</u>	December 2005 – February <u>2006</u>	March – May <u>2006</u>
Base:	1027	374	244	181	228
Minnesota Trips in Last 5 Years					
None	20%	25%	13%	13%	27%
1 trip	9	12	10	6	4
2 to 4 trips	23	24	27	23	16
5 to 10 trips	16	14	21	16	16
More than 10 trips	31	25	27	41	36
No Answer	1	1	2	1	*
Estimated Median Trips	4.7	3.6	5.0	7.2	5.7
Lodging:					
<u>Paid Accommodations</u>	<u>56%</u>	<u>53%</u>	<u>52%</u>	<u>45%</u>	<u>73%</u>
Hotel/Motel/Historic Inn	53	48	50	45	73
Resort	1	1	1	*	*
Bed & Breakfast	1	1	1	*	*
Vacation home/condo/cabin/ houseboat you rented	*	*	1	*	*
In a tent at a campground	1	2	*	*	*
In an RV at a campground	1	2	*	*	*
<u>Unpaid Accommodations</u>	<u>21%</u>	<u>25%</u>	<u>24%</u>	<u>23%</u>	<u>10%</u>
Home of family or friends	20	23	23	23	9
Vacation home/condo/cabin/ houseboat of family or friends	1	1	1	*	1
At your vacation home/condo/cabin/ houseboat	*	*	*	*	*
At a campground with no fee	*	1	*	*	*
<u>Day tripper</u>	<u>23%</u>	<u>23%</u>	<u>24%</u>	<u>31%</u>	<u>18%</u>
Activities:					
<u>General (checked one or more below)</u>	<u>75%</u>	<u>77%</u>	<u>70%</u>	<u>80%</u>	<u>74%</u>
Dining out	62	62	50	65	72
Taking in city sites	23	30	15	29	13
Nightlife or evening entertainment	19	21	14	28	11
Sightseeing or driving for pleasure	15	23	11	12	9
Driving on designated scenic byways	7	9	5	5	7
Casino gaming	7	8	11	8	2
Viewing fall colors	3	1	11	*	*

* Less than 0.5%

Table 7.2 (continued)

Travel Party and Trip Profile

	June 2005– May 2006 <u>TOTAL</u>	June – August <u>2005</u>	September – November <u>2005</u>	December 2005 – February <u>2006</u>	March – May <u>2006</u>
Base:	1027	374	244	181	228
<u>Shopping (checked one or more below)</u>	<u>59%</u>	<u>62%</u>	<u>56%</u>	<u>51%</u>	<u>65%</u>
At the Mall of America	32	42	32	21	24
General or mall shopping	23	23	19	18	32
For gifts or souvenirs	18	19	16	23	15
Outlet shopping	10	9	9	9	14
Arts, crafts, or antiques	5	4	4	1	10
<u>Attending (checked one or more below)</u>	<u>54%</u>	<u>51%</u>	<u>51%</u>	<u>67%</u>	<u>51%</u>
Fairs or festivals	30	35	45	17	16
Amateur sporting events	16	3	1	43	33
Professional sporting events	6	8	4	7	4
Popular music concerts or shows	5	8	4	6	1
Theater performances	4	3	3	8	3
Classical music concerts	1	2	1	2	1
Other events	2	2	3	2	*
<u>Visiting (checked one or more below)</u>	<u>45%</u>	<u>53%</u>	<u>45%</u>	<u>36%</u>	<u>38%</u>
Friends or relatives	25	29	28	18	22
Amusement parks or carnivals	13	19	17	4	7
Art museums	7	13	4	4	5
State or national parks	5	6	4	3	5
Historic sites	5	8	2	2	6
Other museums	5	5	3	13	2
Indoor water parks	3	1	5	2	5
Indian areas	1	2	1	1	1
Outdoor water parks	1	2	2	*	*
Other attraction	1	2	1	1	*

* Less than 0.5%

Table 7.2 (continued)

Travel Party and Trip Profile

	June 2005– May 2006 <u>TOTAL</u>	June– August <u>2005</u>	September– November <u>2005</u>	December 2005 – February <u>2006</u>	March – May <u>2006</u>
Base:	1027	374	244	181	228
<u>Participating In (checked one or more below)</u>	<u>20%</u>	<u>23%</u>	<u>16%</u>	<u>23%</u>	<u>19%</u>
Pool swimming	8	8	4	9	13
Hiking	4	6	6	1	1
Fishing	4	6	4	*	3
Lake/river swimming	2	4	3	*	1
Biking	2	4	4	1	*
Golfing	2	4	1	*	2
Downhill skiing or snowboarding	2	*	*	9	1
Wildlife viewing or bird watching	1	2	1	*	1
Canoeing	1	2	2	*	1
Motor boating/water skiing	1	1	1	*	1
Off-road ATV driving	1	1	*	*	1
Ice Fishing	1	*	*	3	1
Hunting	1	2	1	1	1
Snowmobiling	*	*	*	1	1
Jet skiing	*	*	*	*	*
Cross-country skiing	*	*	1	*	*
Other activity	2	2	3	1	1
No Answer	3	2	5	1	7

* Less than 0.5%

Appendix A: Procedures

Technical Appendix: The Research Procedures

Introduction

The basic procedure employed in this project is the T-MAP-I economic impact model. *Davidson-Peterson Associates* first employed this procedure in 1985 for the State of Georgia. Since then, it has been used to estimate traveler expenditures in states and local areas throughout the United States.

A. What is Economic Impact?

Economic impact begins when a traveler to an area spends any amount of money on any product or service in that area. The **direct** recipients of traveler expenditures use these dollars to earn income, pay wages, and pay taxes, thus, creating a **direct impact** on the local economy. But the benefits to the local economy extend beyond the direct impact of these dollars. Traveler expenditures create a chain effect. When businesses and their employees spend *their* income in the state, they create an **indirect impact** by supporting additional jobs, wages, salaries, proprietary income and tax revenues. The sum of the **direct** and **indirect impact** equals the total economic impact of traveler expenditures.

B. What is a Traveler?

For purposes of this study, a traveler is anyone who stays overnight one to 29 nights or who is on a day trip in an area that is at least 50 miles from their primary residence. Travelers may be motivated to travel by pleasure, personal, or business reasons or some combination of reasons. If they remain in the area for more than 30 days, they cease being a traveler. If they are staying in accommodations contracted for more than a 30-day period (construction workers or truck drivers, for example), they are not classified as travelers and the rooms they occupy are not included in those occupied by travelers.

This report and the T-MAP-I procedure are based on the premise that economic impact begins with the expenditure of dollars by travelers (bottom-up measurement) rather than receipts of selected businesses (top-down measurement) – a more traditional tool of economic analysis.

Davidson-Peterson Associates does **not** use the traditional top-down or industry receipts-based. In this study:

- Sales tax data or industry receipts are not employed;
- Measurements begin with **every dollar** travelers spend;
- North American Industry Classification System (NAICS) codes are **not** used; and
- **Travelers** define where they spend money.

C. Additional Explanations

- Top-down or industry receipts-based measures assume that an industry is composed of a set of businesses that are clearly designated by customary NAICS codes. For most industries this works well. However, when applied to tourism, this method tends to underestimate the economic impact, in part, because businesses are not able to separate traveler expenditures from resident expenditures.
- Tourism is not a typical industry, and cannot be represented in its entirety by a few NAICS-classified businesses. Tourism is the movement of people into an area for a brief period of time. Its economic impact begins with the sum of every dollar travelers spend on lodging, retail purchases, gas, food, entertainment or any other goods or services people buy.
- When travelers spend dollars, they spend them in many of the same “traditional industries” as local residents. While these businesses (such as retail stores, restaurants and gas stations) are identified by NAICS codes, there is simply no way to separate the purchases of travelers from those of local residents. The bottom-up procedure employed by *Davidson-Peterson Associates* is based on all traveler expenditures in all industries.

This procedure for assessing economic impact provides accurate estimates of current numbers as well as measurements of change from year to year. Methods and numbers are constantly being reviewed to generate the most accurate measures of change possible.

D. The Basic Research Steps for the Metro Region Effort

What follows is a brief description of the procedures for estimating economic impact as they were completed in June 2005 through May 2006.

1. Inventory Update

Early in the study design, Davidson-Peterson Associates received a copy of the inventory of lodging properties maintained by Explore Minnesota Tourism.

2. Sampling

For each quarter, open properties in each of three categories (hotels/motels/B&Bs, resorts, and campgrounds) were arrayed by size and cumulative totals calculated. A random number was used to select the first property and a skip pattern developed to identify 400 properties for interviewing chosen with size taken into account. Since the quarters were sampled independently some large properties were selected more than once but all open properties had a chance of being selected each quarter.

3. Seasonal Surveys of Paid Lodging Business Activity

Every property included in the regional survey sample was contacted and asked to complete a survey questionnaire by phone. Those who did not participate by phone were asked to complete the survey via mail or fax. Additional properties in counties participating in special economic impact studies are added to the state sample. A total of 441 quarterly surveys were conducted:

<u>Seasonal</u>	<u># Interviewed</u>
June - August	97
September - November	99
December - February	124
March - May	121

4. Resident (VFR) Survey

To determine the incidence of visiting friends and relatives (VFR) in the state, telephone interviews were conducted with a random sample of Minnesota households. Data from these surveys was projected to the total state household population.

A total of 1,001 VFR surveys were completed in during the June 2005 through May 2006 period. The proportion of visitor days per household was applied to the total households in the Metro Region.

5. Traveler Expenditure Survey/Modeling

To represent the proportion of traveler expenditures spent on specific types of goods and services, travelers were surveyed on-site while in Minnesota. The traveler expenditure ratios obtained from the on-site interviews were applied to derive the total expenditures by category.

A total of 2,292 Traveler Expenditure surveys were completed during the period June 2005 through May 2006 at a variety of sites across Minnesota. Sites were chosen by selecting a county and zip code for each region based on the array of properties by size. Essentially the counties where a sizable volume of overnight accommodations exist to serve travelers had a greater chance to be selected. Within the selected zip codes, an array of sites were chosen to maximize the ability to find a variety of tourists on site.

Roughly equal proportions of interviews were completed in each of the four Explore Minnesota Tourism regions. Of the 2,292 questionnaires, a small number were excluded from the economic impact sample due to their failure to complete all five questions necessary to include their responses in the model. The combined total of 2,274 was used to calculate the expenditure ratios for the state and for each of the four regions. However, the 634 surveys conducted in the Metro Region were the basis for the traveler profile study in this region.

6. Economic Impact Data Calculations

Room, unit and campsite rates and occupancy were used to estimate the total expenditures at each type of accommodation. The traveler expenditure ratios were applied to this figure to derive the total traveler expenditures by those staying in each type of accommodation, in each region, and in each season.

7. Input/Output (I/O) Modeling

A special inter-industry model constructed for Minnesota utilizes the total tourism expenditures to determine estimates of employment, income, and government revenue impacts of expenditures on the state both direct and total. Models were also developed for each of the four tourism regions. Please note that the regional impacts will not add to the state totals. Revenue leaked from one region to another is excluded from the region totals but included in the state total.

E. Additional Procedures for the Traveler Profile Study

To reflect seasonal and regional visitation patterns more accurately, Davidson-Peterson Associates balanced the sample of travelers from the Traveler Expenditure Survey according to the person-visit estimates from the economic impact portion of the research study. With this modest weighting, the annual traveler profile study results are based on a sample of travelers in Minnesota which is balanced so as to be directly proportional to the estimated number of travelers by region and season.

The table on the following page shows the distribution across season and region for the following:

- The estimated proportion of person-visits in each season by region;
- The number of interviews completed in each season by region;
- The weights applied to the interviews to balance the sample to the desired number of interviews in each season by region; and
- The number of interviews in the balanced sample so that the proportion matches the person-visits proportion in each season by region.

**Sample Balancing by
Estimated Proportion of Person-Visits**

	Proportion of Person- Visits	Actual Completes	Weights Applied	Balanced Completes
<u>Summer 2005</u>	<u>38.0%</u>	<u>869</u>		<u>872</u>
Metro	16.3%	248	1.508	374
Northcentral/West	8.0%	233	0.786	183
Southern	7.6%	199	0.878	175
Northeast	6.1%	189	0.742	140
<u>Fall 2005</u>	<u>23.6%</u>	<u>449</u>		<u>541</u>
Metro	10.6%	113	2.158	244
Northcentral/West	5.0%	102	1.130	115
Southern	4.2%	121	0.798	97
Northeast	3.8%	113	0.759	86
<u>Winter 2005-2006</u>	<u>16.3%</u>	<u>472</u>		<u>374</u>
Metro	7.9%	137	1.324	181
Northcentral/West	3.3%	117	0.643	75
Southern	3.0%	111	0.613	68
Northeast	2.1%	107	0.456	49
<u>Spring 2006</u>	<u>22.0%</u>	<u>502</u>		<u>505</u>
Metro	9.9%	136	1.674	228
Northcentral/West	4.7%	142	0.755	107
Southern	3.8%	109	0.811	88
Northeast	3.6%	115	0.710	82
<u>Total</u>	<u>100.0%</u>	<u>2,292</u>		<u>2,292</u>
Metro	44.8%	634		1027
Northcentral/West	21.0%	594		481
Southern	18.7%	540		428
Northeast	15.5%	524		356

A sample of 634 is considered accurate to plus or minus 3.9 percentage points at the 95% confidence level. The following tables show the confidence levels at 95% for each season:

Confidence Intervals by Season

Season	Actual Sample Size	Confidence Intervals
Summer 2005	248	± 6.2
Fall 2005	113	± 9.2
Winter 2005-2006	137	± 8.4
Spring 2006	136	± 8.4
Total	634	± 3.9

Appendix B: Supporting Tables

Table B-1

**Estimated Traveler Expenditures
By Category of Expenditure and
Accommodation Used
June 2005 through May 2006
(\$ Millions)**

***** Paid Accommodations ***** * No Lodging Expense *

	Hotels/ Motels/ B&Bs	Camp- grounds	Visiting Friends/ Relatives	Day Tripper	Total
Food	\$788.44	\$14.82	\$547.47	\$39.05	\$1,389.77
<u>Shopping</u>	<u>\$883.98</u>	<u>\$23.88</u>	<u>\$561.72</u>	<u>\$39.19</u>	<u>\$1,508.77</u>
General	525.68	14.87	395.82	17.24	953.61
Traveler	358.31	9.01	165.90	21.95	555.17
<u>Recreation</u>	<u>\$827.80</u>	<u>\$24.07</u>	<u>\$498.30</u>	<u>\$57.06</u>	<u>\$1,407.24</u>
Liquor	160.78	5.03	154.41	4.38	324.60
Historic	30.20	2.29	15.48	1.99	49.96
Sightseeing	58.52	1.46	10.00	2.10	72.09
Event fees	125.98	4.60	45.98	8.47	185.04
Sport fees	104.06	2.46	79.54	10.62	196.69
Cultural event fees	18.64	0.09	20.48	1.13	40.34
Evening entertainment	80.15	3.32	81.62	1.93	167.03
Licenses	32.52	2.63	24.16	1.18	60.49
Sweepstakes	13.43	0.26	7.64	1.69	23.02
Wagering	201.28	1.72	53.18	23.49	279.67
Other	2.24	0.22	5.80	0.06	8.32
Lodging	872.15	6.57	--	--	878.73
Ground Transportation	356.51	13.24	240.30	15.77	625.82
Total	\$3,728.89	\$85.58	\$1,847.79	\$151.07	\$5,810.33

Note: Columns of figures may not add to totals shown due to rounding.

Table B-2

**Estimated Traveler Expenditures
By Season
June 2005 through May 2006
(\$ Millions)**

	<u>June-August 2005</u>	<u>September- November 2005</u>	<u>December 2005- February 2006</u>	<u>March-May 2006</u>	<u>Total</u>
Food	\$480.78	\$337.98	\$253.00	\$318.01	\$1,389.77
<u>Shopping</u>	<u>\$520.34</u>	<u>\$368.16</u>	<u>\$275.50</u>	<u>\$344.77</u>	<u>\$1,508.77</u>
General	333.44	231.20	171.73	217.24	953.61
Traveler	186.90	136.96	103.77	127.53	555.17
<u>Recreation</u>	<u>\$483.72</u>	<u>\$343.94</u>	<u>\$257.53</u>	<u>\$322.05</u>	<u>\$1,407.24</u>
Liquor	115.84	77.91	57.16	73.70	324.60
Historic	17.37	12.25	8.98	11.36	49.96
Sightseeing	22.92	18.23	14.17	16.76	72.09
Event fees	61.73	45.94	34.81	42.56	185.04
Sport fees	68.64	47.70	35.51	44.83	196.69
Cultural event fees	14.40	9.63	7.09	9.22	40.34
Evening entertainment	60.09	40.01	29.17	37.75	167.03
Licenses	21.61	14.60	10.52	13.77	60.49
Sweepstakes	7.84	5.64	4.25	5.29	23.02
Wagering	90.06	70.11	54.53	64.97	279.67
Other	3.22	1.93	1.34	1.83	8.32
Lodging	\$259.73	\$227.63	\$183.36	\$208.01	878.73
Transportation	\$217.81	\$152.22	\$112.95	\$142.84	625.82
Total	\$1,962.38	\$1,429.93	\$1,082.34	\$1,335.68	\$5,810.33

Note: Columns of figures may not add to totals shown due to rounding.

Seasonal Analysis

	<u>June- August 2005</u>	<u>September- November 2005</u>	<u>December 2005 – February 2006</u>	<u>March – May 2006</u>
Share of seasonal expenditures	34%	25%	19%	23%
Share of days in year	25%	25%	25%	25%
Ratio	1.34	0.99	0.76	0.91

Table B-3

**Estimated Impact of Traveler Expenditures
on the Economy of the Metro Region
June 2005 through May 2006**

	<u>Direct Impact</u>	<u>Total Impact</u>
Employment (full-time job equivalents)	82,900	127,600
Resident Income (wages, salaries, and proprietary income)	\$1,643,800,000	\$3,374,600,000
Government Revenues:		
State government revenues	\$413,600,000	\$695,300,000
Local government revenues	\$125,200,000	\$219,600,000

STATISTICAL DIFFERENCES

The Profile of Metro Region Travelers

When appropriate, significant differences at the 95% confidence level are noted in the findings. Tests of significance are statistical methods for measuring the likelihood that observed relationships in a sample are the result of real differences between the groups and not sampling error. Thus, when we state that two numbers are statistically different at the 95% confidence level, we are saying that if we were to sample the universe 100 times, at least 95 times out of 100 the samples observed would be different. In contrast, fewer than five times out of 100 there would not be any difference between the observed numbers.

The following is an example of how these tables can be interpreted and used. The proportion of respondents residing in Minnesota during the fall (47%) season was significantly higher than the proportion of respondents residing in Minnesota during the summer (34%).

Table B-4

Demographic and Socioeconomic Profile
Statistical Differences by Season

	June 2005– May 2006 <u>TOTAL</u>	June- August 2005 <u>a</u>	September – November 2005 <u>b</u>	December 2005 – February 2006 <u>c</u>	March – May 2006 <u>d</u>
Base:	1027	374	244	181	228
Age:					
18 to 24	10%	13%d	10%d	15%d	1%
25 to 29	9	10d	12d	10d	4
50 to 59	20	19	18	14	28c
65 and older	8	6c	13c	2	8c
No Answer	4	6c	4	2	4
Average Age	43.2	41.9	44.7c	39.4	46.9ac
Income:					
Less than \$25,000	7%	8%d	11%d	7%d	1%
\$35,000 to \$49,999	11	10	17d	9	7
\$100,000 to \$124,999	11	10	5	12b	18ab
\$150,000 or more	8	7	7	15a	7
No Answer	16	18	20c	11	13
Gender:					
Male	47%	43%	47%	55%a	45%
Female	52	56c	50	43	54
Racial/Ethnic Background:					
Hispanic	3	4c	3	1	2
White	89	88	86	95ab	89
Residence:					
<u>United States</u>	<u>95%</u>	<u>95%</u>	<u>95%</u>	<u>99%a</u>	<u>94%</u>
Minnesota	40	34	47a	44	39
Other state	26	27c	21	17	35bc
Illinois	3	5bd	1	4	1

Note: States with responses less than 2% among the total sample have been aggregated into the "Other state" category.

Table B-5
Travel Party and Trip Profile
Statistical Differences by Season

	June 2005– May 2006 TOTAL	June- August 2005	September – November 2005	December 2005 – February 2006	March – May 2006
Base:	1027	374	244	181	228
		a	b	c	d
Trip Purpose (multi-response):					
Vacation or short pleasure trip	58%	67%bd	52%d	75%bd	35%
Convention or conference	13	14c	18c	4	15c
Business or work	17	9	19ac	7	36abc
Travel Party Size:					
1 person	24%	24%c	24%c	10%	35%abc
2 people	30	35d	32	26	24
3 to 4 people	29	24	29	38a	29
5 or more people	17	17	15	26abd	11
Average Travel Party Size	2.7	2.6	2.7	3.3abd	2.4
Total Trip Length of Stay:					
Daytripper	23%	23%	24%	31%d	18%
1 night	14	11	12	28abd	10
3 to 6 nights	37	40c	38c	15	51abc
7 or more nights	8	12cd	9	4	5
Average Nights (Excluding Daytrippers)	3.7	4.3cd	3.7c	2.5	3.5c
Children in Travel Party					
One or more children under 18 years old	32%	27%	28%	43%ab	36%
No children	68	73c	72c	57	64
Ages of Children in Travel Party					
<i>Younger than 6 years old</i>					
None	90%	90%	89%	87%	94%c
One or more	10	10	11	13d	6

Note: Shaded percents/numbers are significantly different at the 95% confidence level than the percents/numbers in columns indicated by shaded letters.

Table B-5 (continued)

Travel Party and Trip Profile
Statistical Differences by Season

	June 2005– May 2006 <u>TOTAL</u>	June- August 2005 <u>2005</u>	September – November 2005 <u>2005</u>	December 2005 – February 2006 <u>2006</u>	March – May 2006 <u>2006</u>
Base:	1027	374 a	244 b	181 c	228 d
Minnesota Trips in Last 5 Years					
None	20%	25%bc	13%	13%	27%bc
1 trip	9	12cd	10	6	4
2 to 4 trips	23	24	27d	23	16
More than 10 trips	31	25	27	41ab	36a
Estimated Median Trips	4.7	3.6	5.0	7.2a	5.7
Lodging:					
<u>Paid Accommodations</u>	56%	53%	52%	45%	73%abc
Hotel/Motel/Historic Inn	53	48	50	45	73abc
<u>Unpaid Accommodations</u>	21%	25%d	24%d	23%d	10%
Home of family or friends	20	23d	23d	23d	9
<u>Day tripper</u>	23%	23%	24%	31%d	18%
Activities:					
<u>General (checked one or more below)</u>					
Dining out	62	62b	50	65b	72ab
Taking in city sites	23	30bd	15	29bd	13
Nightlife or evening entertainment	19	21d	14	28bd	11
Sightseeing or driving for pleasure	15	23bcd	11	12	9
Casino gaming	7	8d	11d	8d	2
Viewing fall colors	3	1	11a	*	*

Note: Shaded percents/numbers are significantly different at the 95% confidence level than the percents/numbers in columns indicated by shaded letters.

Table B-5 (continued)

Travel Party and Trip Profile
Statistical Differences by Season

	June 2005– May 2006 <u>TOTAL</u>	June- August <u>2005</u>	September – November <u>2005</u>	December 2005 – February <u>2006</u>	March – May <u>2006</u>
Base:	1027	374	244	181	228
		a	b	c	d
<u>Shopping (checked one or more below)</u>	<u>59%</u>	<u>62%^c</u>	<u>56%</u>	<u>51%</u>	<u>65%^c</u>
At the Mall of America	32	42 ^{cd}	32	21	24
General or mall shopping	23	23	19	18	32 ^{bc}
Arts, crafts, or antiques	5	4	4	1	10 ^{ac}
No Answer	3	2	5 ^c	1	7 ^{ac}
<u>Attending (checked one or more below)</u>	<u>54%</u>	<u>51%</u>	<u>51%</u>	<u>67%^{abd}</u>	<u>51%</u>
Fairs or festivals	30	35 ^{cd}	45 ^{cd}	17	16
Amateur sporting events	16	3	1	43 ^{ab}	33 ^{ab}
Popular music concerts or shows	5	8 ^d	4	6	1
Theater performances	4	3	3	8 ^a	3
<u>Visiting (checked one or more below)</u>	<u>45%</u>	<u>53%^{cd}</u>	<u>45%</u>	<u>36%</u>	<u>38%</u>
Friends or relatives	25	29 ^c	28 ^c	18	22
Amusement parks or carnivals	13	19 ^{cd}	17 ^{cd}	4	7
Art museums	7	13 ^{bcd}	4	4	5
Historic sites	5	8 ^{bc}	2	2	6
Other museums	5	5	3	13 ^{abd}	2
<u>Participating In (checked one or more below)</u>	<u>20%</u>	<u>23%</u>	<u>16%</u>	<u>23%</u>	<u>19%</u>
Pool swimming	8	8	4	9	13 ^b
Hiking	4	6 ^{cd}	6 ^c	1	1
Golfing	2	4 ^b	1	*	2
Lake/river swimming	2	4 ^d	3	*	1
Biking	2	4 ^c	4	1	*
Downhill skiing or snowboarding	2	*	*	9 ^d	1

Note: Shaded percents/numbers are significantly different at the 95% confidence level than the percents/numbers in columns indicated by shaded letters.

Appendix C: Minnesota Tourism Regions

MINNESOTA TOURISM REGIONS



COUNTIES WITHIN MINNESOTA'S TOURISM REGIONS

<u>Twin Cities Metro</u>	<u>Northeast</u>	<u>Northcentral/West</u>	<u>Southern</u>
Anoka	Aitkin	Becker	Big Stone
Carver	Carlton	Beltrami	Blue Earth
Chisago	Cook	Benton	Brown
Dakota	Isanti	Cass	Chippewa
Hennepin	Itasca	Clay	Cottonwood
Ramsey	Kanabec	Clearwater	Dodge
Scott	Koochiching	Crow Wing	Faribault
Washington	Lake	Douglas	Fillmore
Wright	Pine	Grant	Freeborn
	St. Louis	Hubbard	Goodhue
		Kittson	Houston
		Lake of Woods	Jackson
		Mahnomen	Kandiyohi
		Marshall	Lac qui Parle
		Mille Lacs	Le Sueur
		Morrison	Lincoln
		Norman	Lyon
		Otter Tail	McLeod
		Pennington	Martin
		Polk	Meeker
		Pope	Mower
		Red Lake	Murray
		Roseau	Nicollet
		Sherburne	Nobles
		Stearns	Olmsted
		Stevens	Pipestone
		Todd	Redwood
		Wadena	Renville
		Wilkin	Rice
			Rock
			Sibley
			Steele
			Swift
			Traverse
			Wabasha
			Waseca
			Watonwan
			Winona
			Yellow Medicine

Appendix D: Survey Instruments

Minnesota 2005/2006 Lodging Managers Survey – Quarter 3

Date: _____ Date: _____ Date: _____ Date: _____ Date: _____ Date: _____
 Time: _____ Time: _____ Time: _____ Time: _____ Time: _____ Time: _____
 Status: _____ Status: _____ Status: _____ Status: _____ Status: _____ Status: _____
 Intvr: _____ Intvr: _____ Intvr: _____ Intvr: _____ Intvr: _____ Intvr: _____

Interviewer: Verify basic information with the person who answers the phone.

Phone Number: «phone» Alternate: «altphone» Contact Name: «manager» Title: «title» Property Name: «name» Fax Number: «fax» Physical Address: «add1» «add2» «city», MN «zip» Mailing Address: «madd1» «madd2» «mcity», «mstate» «mzip» Rooms: «size» («ptype»)	All information correct <input type="checkbox"/>
--	--

Interviewer: Ask to speak with «manager». If not available after multiple attempts, interview an alternate executive and record name/title below.

Contact Name: _____ Title: _____

1. Is your property open only to members of special groups (club members, boy/girl scouts, church groups, etc.)? Yes -- Terminate No -- Continue
2. Is your property available only for permanent or semi-permanent rentals (bookings of more than thirty days at a time)? Yes -- Terminate No -- Continue
3. Is your property open all year? Yes -- Go to Q4 No -- Go to Q3A

3A. **If No** – When does your property open for the season? _____ «season_open»

When does your property close for the season? _____ «season_close»

For each month open -- How many nights is your property open for that month?

Jan	«jan»		Feb	«feb»		Mar	«mar»		Apr	«apr»		May	«may»		Jun	«jun»	
Jul	«jul»		Aug	«aug»		Sep	«sep»		Oct	«oct»		Nov	«nov»		Dec	«dec»	

No nights for **June through August** -- Terminate for this quarter.

4. For the purpose of this study, please think of long term rentals as 30 nights or more. Of the rooms you have for rent, were any committed to long-term rentals, or were any otherwise not available for rental for the period **June 1, 2005 to August 31, 2005**?

Yes -- Go to Q4A No -- Go to Q5

- 4A. **If Yes** -- As I read each month, please tell me how many of your total rooms were available to transient guests staying for less than 30 nights.

Jun		Jul		Aug	
------------	--	------------	--	------------	--

5. What was your **average percent occupancy rate** for each of the following months?

Jun	%
Jul	%
Aug	%

(If not able to provide occupancy by month

OR **Seasonal Average** _____ %

Don't know/ unavailable -- Go to Q6

DBNO: «dbno»	Type: «type»	County: «county»	Q1: «qr1»	Q2: «qr2»	Q3: «qr3»	Q4: «qr4»	Status: «status»
---------------------	---------------------	-------------------------	------------------	------------------	------------------	------------------	-------------------------

Minnesota 2005/2006 Lodging Managers Survey – Quarter 3

6. What was your **average daily unit rate** for each of the following months?

Interviewer: If the lodging manager is unable to provide the average daily rates please use the space provided in the column "other details" to record specific unit rate information for each month. (For example, number of rooms at each of several different rates, weekend vs. weekday rates, etc.)

	ADR	Other Details
Jun	\$	
Jul	\$	
Aug	\$	

Only use if the manager is not able to provide ADR by month.

Seasonal ADR	
--------------	--

Office Use Only: Estimated ADR: June _____ July _____ August _____
Estimated Seasonal ADR: _____

For the next few questions, please think only of guests who are staying for less than 30 nights.

7. On average, how many nights did a typical guest stay in your property between **June 1, 2005 and August 31, 2005**?

Average # of nights	
----------------------------	--

8. What was the average number of guests staying in one room during the **June 1, 2005 to August 31, 2005** time period?

Average Party Size	
---------------------------	--

9. During the period **June 1, 2005 to August 31, 2005**, what percentage of your room-nights were rented to guests traveling for...

Pleasure/Personal:	%
Business:	%
Meetings/conventions:	%

10. Between **June 1, 2005 and August 31, 2005**, what percentage of your guests were from...

Minnesota	%
Other US locations	%
Canada	%
Other international locations	%

Comments:	
------------------	--

DBNO: «dbno»	Type: «type»	County: «county»	Q1: «qt r1»	Q2: «q tr2 »	Q3: «qt r3»	Q4: «q tr 4»	Status: «status»
--------------	--------------	------------------	----------------	--------------------	----------------	--------------------	------------------

INTERVIEWER USE ONLY

TIME BEGAN USING THIS FORM _____

TIME COMPLETED _____

A. Are you a year-round, seasonal, or short-term/weekend resident of either this town or city or the immediate surrounding area?

Yes – Term:

01 02 03 04 05 06 07 08 09 10
11 12 13 14 15 16 17 18 19 20

No – Continue

B. Are you visiting this area for the day or have you/will you spend at least one night here?

Day visitor – Continue

Overnight – Give questionnaire to respondent

C. Have you traveled at least 50 miles from your primary residence to be here?

Yes – Give questionnaire to respondent

No – Term:

1 2 3 4 5 6 7 8 9



Dear Traveler:

Your visit to our area is very important to us. Please take a few moments to answer the following questions and return this questionnaire to the person who gave it to you.

Thank you very much. Your responses are very important.

1. What is your reason or reasons for visiting this area? (Please check all that apply)

(6)

1 [] Vacation/short pleasure trip

3 [] Convention/conference

2 [] Personal (wedding, funeral, medical, etc.)

4 [] Business/work

2. While on this trip, which of the following activities will members of your travel party participate in? (Please check all that apply)

(7-12)

General:

- 1 [] Casino gaming
2 [] Dining out
3 [] Driving on designated scenic byways
4 [] Nightlife/evening entertainment
5 [] Sightseeing/driving for pleasure
6 [] Taking in city sites
7 [] Viewing fall colors

Participating In:

- 1 [] Biking
2 [] Canoeing
3 [] Golfing
4 [] Fishing
5 [] Hiking
6 [] Motor boating/water skiing
7 [] Off-road ATV driving
8 [] Pool swimming
9 [] Lake/river swimming
1 [] Jet skiing
2 [] Wildlife viewing/bird watching
3 [] Hunting
4 [] Cross-country skiing
5 [] Downhill skiing/snowboarding
6 [] Ice fishing
7 [] Snowmobiling
8 [] Other activity

Visiting:

- 1 [] Amusement parks/carnivals
2 [] Art museums
3 [] Other museums
4 [] Friends or relatives
5 [] Historic sites
6 [] Indian areas
7 [] Indoor water parks
8 [] Outdoor water parks
9 [] State/national parks
0 [] Other attraction

Attending:

- 1 [] Classical music concerts
2 [] Fairs or festivals
3 [] Popular music concerts/shows
4 [] Professional sporting events
5 [] Amateur sporting events
6 [] Theater performances
7 [] Other events

Shopping:

- 1 [] For gifts or souvenirs
2 [] Outlet shopping
3 [] Arts, crafts, antiques
4 [] At the Mall of America
5 [] General/mall shopping

3. How many nights in total do you intend to stay in either this town or city or the immediate surrounding area on this trip?

of nights _____

(13-14)

4. How many nights have you already spent in this area on this trip?

of nights _____

(15-16)

5. Are you staying overnight (either last night or tonight)...

(17)

In paid accommodations:

- 1 At a hotel/motel/historic inn
- 2 At a Bed and Breakfast
- 3 At a vacation home/condo/cabin/houseboat you rented
- 4 At a resort (cabin/other indoor unit)
- 5 In an RV at a campground
- 6 In a tent at a campground

In accommodations with no charge:

- 7 At the home of family or friend
- 8 At vacation home/condo/cabin/houseboat of a family or friend
- 9 At your vacation home/condo/cabin/houseboat
- 0 At a campground with no fee

6. **Not** including this trip, how many times in the last 5 years have you taken a pleasure trip in Minnesota? (18)

- 0 1 2 to 4 5 to 10 More than 10

7. Including yourself, how many people are in your immediate travel party? (Please do **not** include your entire group if traveling on an escorted group tour, on business, or attending a convention/conference.) # _____ (19-20)

8. How many of those people are...

- Younger than 6 years old # _____ (21-22) 6 – 11 years old # _____ (23-24)
 12 – 17 years old # _____ (25-26) Adults # _____ (27-28)

9. Please tell us the amount **you and your immediate travel party** spent during **the past 24 hours in this area** in each of the following categories listed below. A few examples for each category are provided. If you have just arrived in this area, please estimate your expenses for the next 24 hours.

Spending Category	Amount Spent	
Lodging and Camping Accommodations (Fee FOR ONE NIGHT) <i>If you have not paid yet, estimate one night's cost.</i>	\$ _____ .00	(29-32)
Food and Beverages (meals, snacks, groceries, beer/wine/liquor "by the drink")	\$ _____ .00	(33-36)
Liquor Purchases (beer/wine/liquor "by the bottle")	\$ _____ .00	(37-40)
Sport Fees (outfitters, guides, gear rentals, greens fees, lift tickets)	\$ _____ .00	(41-44)
Events Admissions (sporting events, popular concerts, festivals)	\$ _____ .00	(45-48)
Cultural Performance Admissions (tickets for theater, opera, classical concerts, dance)	\$ _____ .00	(49-52)
Other Evening Entertainment (movies, clubs, lounges, etc.)	\$ _____ .00	(53-56)
Historic/Cultural Site Admissions (historic homes, sites, museums, exhibitions)	\$ _____ .00	(57-60)
Other Sightseeing/Attractions (tours, admissions)	\$ _____ .00	(61-64)
Shopping - Tourist (gifts, souvenirs, antiques, arts and crafts)	\$ _____ .00	(65-68)
Shopping - General (clothing, personal or household items)	\$ _____ .00	(69-72)

Ground Transportation (gasoline, parking, local bus, taxi, car rentals)	\$ _____ .00	(73-76)
Lottery Tickets (scratch-off tickets, Powerball, etc.)	\$ _____ .00	(77-80)
Gaming (gambling and legal betting activity)	\$ _____ .00	(6-9)
Licenses/Registrations/Permits (fishing, hunting, ATV, snowmobile, trail pass)	\$ _____ .00	(10-13)
All other, please explain: _____	\$ _____ .00	(14-17)

Now, a few questions for classification purposes only:

10. What is your age, please? # _____ (18-19)

11. What is your total annual household income before taxes? (20)

- | | | |
|---------------------------|-----------------------------|-----------------------------|
| 1 [] Less than \$25,000 | 4 [] \$50,000 – \$74,999 | 7 [] \$125,000 – \$149,999 |
| 2 [] \$25,000 – \$34,999 | 5 [] \$75,000 – \$99,999 | 8 [] \$150,000 or more |
| 3 [] \$35,000 – \$49,999 | 6 [] \$100,000 – \$124,999 | |

12. Are you: 1 [] Male 2 [] Female (21)

13. Are you: *(Please check all that apply)* (22)

1 [] American Indian 2 [] Asian 3 [] Black 4 [] Hispanic 5 [] White 6 [] Other _____

14. Are you currently a resident of: (23)

- | | | |
|-----------------------|--------------------------------|---------|
| 1 [] United States | → Current home Zip Code: _____ | (24-28) |
| 2 [] Canada | | |
| 3 [] Another country | → Please specify: _____ | |

For validation purposes only, we will randomly contact participants to verify their answers. Results will not identify you with your answers and all answers will be reported in total. Your personal information will never be sold or used for marketing. Please provide us with the following information for validation only:

Name: _____ Phone Number: () _____ Email Address: _____

THANK YOU FOR YOUR HELP!

201 Lafayette Center
Kennebunk, ME 04043

Date: _____
Time Begun: _____

Quarterly Resident Survey -- Minnesota Tourism Study

Employee ID:

Speak to Head of Household:

Hello, I'm _____ from *Davidson-Peterson Associates*, a marketing research firm specializing in Travel & Tourism. We are talking to people in your area to learn more about vacation trips associated with visiting friends and family for Explore Minnesota and the State of Minnesota.

May I speak with the male or female head of household?

(IF TRANSFERRED TO ANOTHER ADULT, REPEAT INTRODUCTION. IF CONTINUING WITH THE SAME INDIVIDUAL WHO ANSWERED THE TELEPHONE, CONTINUE BELOW.)

May I ask you a few quick questions? This is not a sales call and your individual responses will remain strictly confidential. It should take only 3 or 4 minutes of your time.

First, is this your primary residence, meaning you spend a majority of your time living at this address?

- Yes (CONTINUE SURVEY)
- No (TERMINATE)

Are you eighteen years or older?

- Yes (CONTINUE SURVEY)
- No (TERMINATE)

1. Now, by visiting friends and relatives, we mean those people whose visit is considered non-routine -- please do not include routine visits by the same people, such as college students home for vacation. We're interested in those people who are on a vacation or non-routine trip.

Over the 3 month period of September, 2005 through November, 2005, on how many occasions did you have friends or relatives stay overnight in your home for at least one night on non-routine visits?

Number of occasions: _____

None - 00

Skip to Q.5

For Each Occasion:

- 2. Think about the **last** time you had friends or relatives visit. In what month was that? **(Record Below)**
- 3. How many people stayed with you on that occasion? **(Record Below)**
- 4. And, how many nights did they stay with you? **(Record Below)**

Repeat For Each Occasion (Transition: And, how about the time before that?)

Start With Last/Most Recent Occasion:

Q.2 - Month	Q.3 - # of People	Q.4 - # of Nights
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

If more than 14 occasions, enter the average # of people and nights for the remaining occasions, otherwise, skip to question 5.

Average # of people:_____ Average # of nights:_____

If more than 14 occasions, enter the average # of people and nights for the remaining occasions, otherwise, skip to question 12.

Average # of **Family**: _____ Average # of **Guests**: _____

Average # of Nights: _____ Average # of Nights: _____

13. In total, including yourself, how many people live in your household?
of people: _____

14. What is the ZIP code of your home address? _____

15. In which county is your home located? _____

Respondent Name: _____

Record Gender: Male []-1 Female []-2

Phone number: _____

Thanks for taking the time to complete this survey. Your information is greatly appreciated. For verification purposes, you might be contacted in the future to go over the information you provided today. Once again, thanks.