

The Economic Impact of Expenditures by Travelers On Minnesota's Southern Region and The Profile of Travelers

June 2005 – May 2006

Prepared for:

Explore Minnesota Tourism
State of Minnesota



UNIVERSITY OF MINNESOTA



and

Southern Minnesota Tourism Association

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1.0 Introduction

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

The purpose of this study is to measure the economic benefits the Southern 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 Southern 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 Southern 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 Southern Region upon conclusion of each season. During the 12-month period a total of 2,375 interviews were completed statewide, 476 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 Southern 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 Southern Region to provide a traveler profile for that region. In total, 540 interviews were conducted in the Southern Region. Using the findings from the state economic impact study, the sample was balanced across *regions* and *seasons*. The Southern Region traveler profile results are based on a weighted sample of 428.

2.2 The Findings

In total, travelers in the Southern Region spent \$1.9 billion in the region. Half of the region's traveler expenditures were spent by travelers staying overnight in hotels/motels/B&Bs. More than one-third of total traveler expenditures were spent in the summer season.

The \$1.9 billion spent in the Southern Region from June 2005 through May 2006 supported 45,800 full-time-equivalent jobs, \$865.6 million in resident income (wages, salaries and proprietary income), \$230.8 million in state government revenues and \$73.8 million in local government revenues.

The Southern Region received 7.66 million person-visits during the period June 2005 through May 2006. Some 1.83 million person-visits were by travelers on day trips and the balance were made by travelers staying overnight in the Southern Region (5.83 million). Similar proportions of total visits to the Southern Region were made by travelers staying at hotels/motels/B&Bs (29%) and by

travelers staying with friends and relatives (30%). Campgrounds (17%) and resorts (1%) accommodated the balance.

Some 321 hotels/motels/B&Bs with 13,789 rooms offered 4.97 million roomnights and sold 2.77 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 Southern Region.

A total of 42 resorts with 274 units made 0.07 million unitnights available and sold 0.03 million of them to guests staying fewer than 30 nights during the 12-month period.

A total of 158 campgrounds on both public and private lands have 10,561 sites, making those sites available for 2.17 million sitenights and sold 0.91 million of them to guests staying fewer than 30 nights.

Those numbers led to occupancy rates of 56% for hotels/motels, 50% for resorts and 42% for campgrounds.

According to managers' estimates, more than half of the guests who stayed in the Southern Region properties were Minnesota residents – 57% in hotels; 65% in campgrounds; and 69% in resorts.

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

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

2.3 The Southern Region Lodging and Campground Industry Highlights

Table 2.3

The Southern Region Lodging and Campground Industry Highlights

June 2005 through May 2006

| | <u>Hotels/Motels/ B&Bs</u> | <u>Resorts</u> | <u>Campgrounds</u> |
|---|------------------------------------|----------------|--------------------|
| Number of properties | 321 | 42 | 158 |
| Number of rooms/units/sites | 13,789 | 274 | 10,561 |
| Total available roomnights/unit-nights/site-nights (millions) | 4.97 | 0.07 | 2.17 |
| Total occupied roomnights/unit-nights/ site-nights (millions) | 2.77 | 0.03 | 0.91 |
| Average occupancy rate | 56% | 50% | 42% |
| Average daily room rate | \$78.73 | -- | -- |
| Average unit rate | -- | \$158.00 | -- |
| Average site rate | -- | -- | \$21.74 |
| MANAGEMENT'S ESTIMATES: | | | |
| Average party size | 1.84 | 3.72 | 2.98 |
| Average length of stay | 2.37 | 4.00 | 2.77 |
| Guest Origin | | | |
| <u>Out of State</u> | <u>43%</u> | <u>31%</u> | <u>35%</u> |
| U.S. | 38% | 31% | 34% |
| Canada | 2% | * | 1% |
| Other foreign | 2% | * | * |
| Minnesota | 57% | 69% | 65% |
| Trip Purpose¹ | | | |
| Pleasure | 59% | 97% | -- |
| Business | 34% | 3% | -- |
| Meeting/convention | 6% | -- | -- |

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.

* 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 Southern Region during the period of June 2005 through May 2006 spent **\$1.9 billion** in the state.

- Half of those dollars were spent by travelers staying at hotels/motels/B&Bs and resorts;
- Food, shopping and recreation account for three-quarters of all the dollars spent by travelers; and
- More than one-third of the dollars were spent during the summer.

3.2 Overall Expenditures

The Southern Region travelers spent an estimated total of **\$1.9 billion** in the period June 2005 through May 2006.

3.3 Estimated Traveler Expenditures By Accommodation Type

Half of the total estimated traveler expenditures, \$940.01 million (49%), were spent by travelers staying overnight in the Southern Region at hotels/motels//B&Bs.

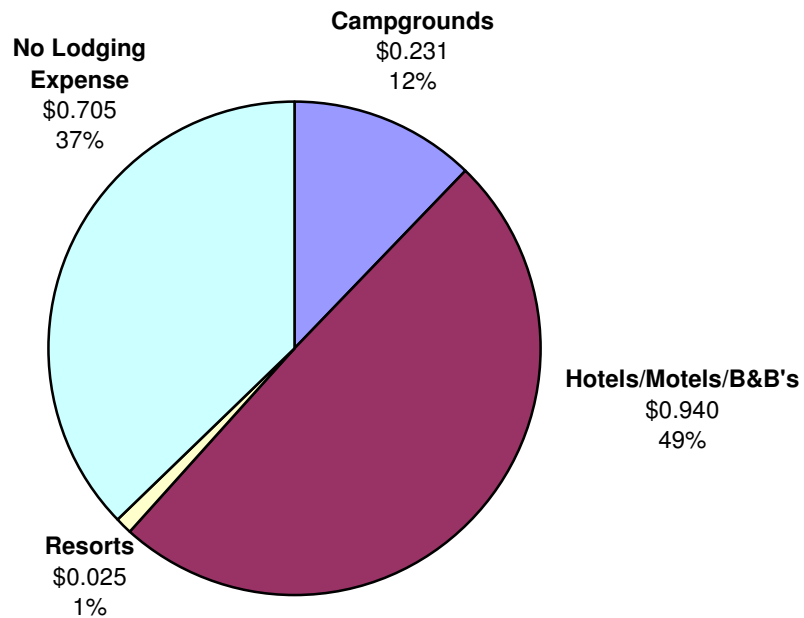
Those staying in resorts in the Southern Region spent \$24.81 million (1%), and those camping spent \$230.86 million (12%).

Travelers with no lodging expenses spent \$704.64 million, or 37% of the Southern Region's traveler expenditures.

- Travelers who stayed at the homes of family and/or friends spent \$655.23 million (34%) while visiting the Southern Region.
- Those visiting just for the day or passing through the Southern Region spent \$49.41 million (3%).

Figure 3.3

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



Total: \$1.900 Billion

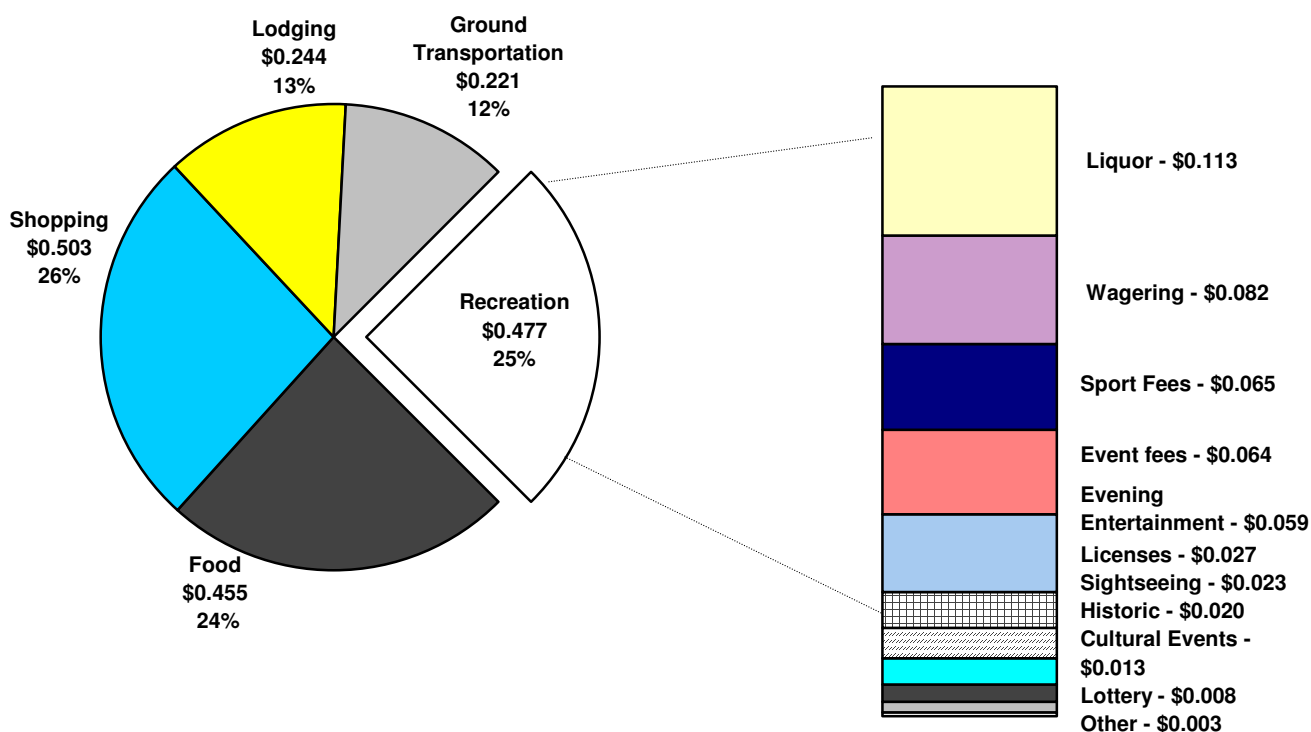
3.4 Estimated Traveler Expenditures By Category of Expenditure

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

Lodging expenses represented 13% of the total estimated traveler expenditures (\$243.60 million). Twelve percent of the Southern Region traveler expenditures (\$221.13 million) were spent on transportation.

Figure 3.4

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



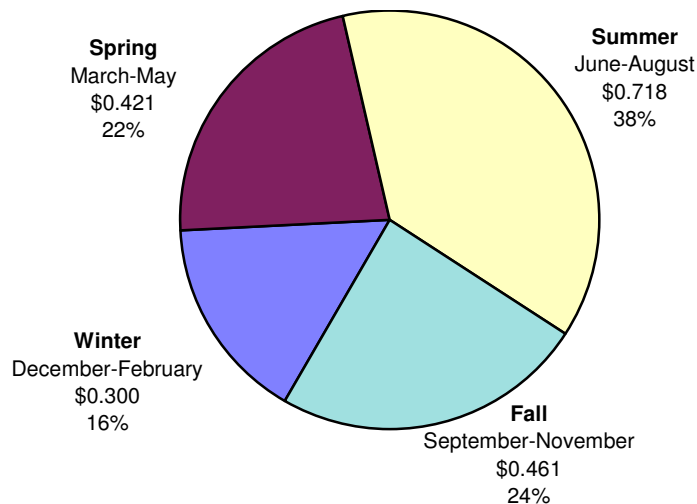
Total: \$1.900 Billion

3.5 Estimated Traveler Expenditures By Season

Travelers spent \$718.32 million, or 38% of all traveler expenditures, in the summer season (June through August). They spent \$461.13 million, or 24% of all traveler expenditures, in the fall season (September through November) and \$421.08 million, or 22% of all traveler expenditures, in the spring season (March through May). Finally, travelers spent \$299.80 million, or 16% 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: \$1.900 Billion

4.0 The Impact of Traveler Expenditures On The Southern Region

4.1 Summary

The estimated expenditures by travelers in the Southern Region during the period June 2005 through May 2006, supported 45,800 full-time-equivalent jobs and provided residents with wages, salaries and proprietary income of \$865.6 million. Traveler expenditures also generated \$230.8 million in state government revenues and \$73.8 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.

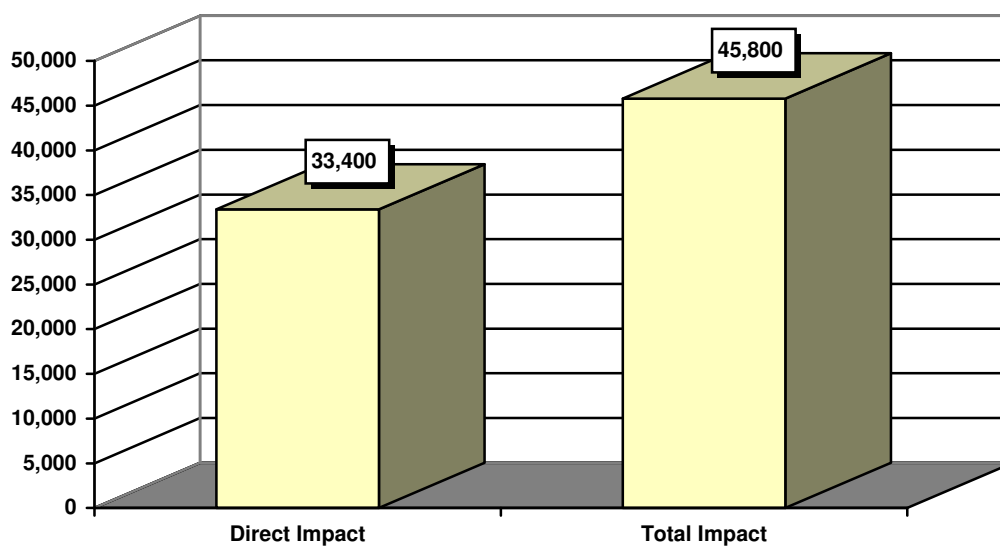
As noted, this report includes direct and total impacts which include both direct and indirect impacts.

4.3 Impact on Jobs for the Southern Region

During the period June 2005 through May 2006, traveler expenditures in the Southern Region supported 45,800 full-time equivalent jobs in **total**. About three quarters of these jobs (73%) were **directly** supported by total estimated traveler expenditures in the Southern Region (33,400).

Figure 4.3

Resident Employment Impact of Traveler Expenditures June 2005 through May 2006

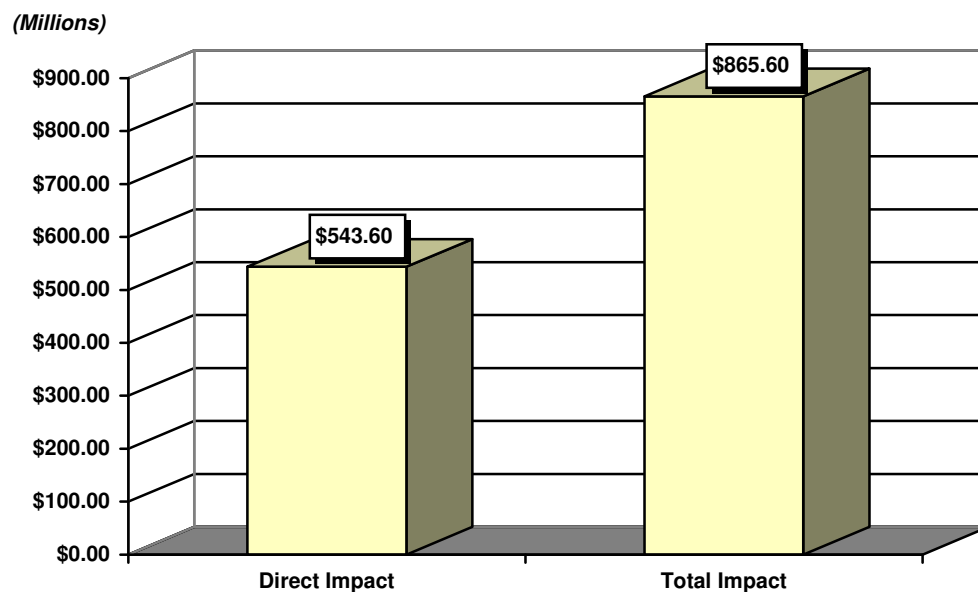


4.4 Impact on Wages, Salaries and Proprietary Income for the Southern Region

Traveler expenditures in the Southern Region during the period June 2005 through May 2006 generated \$865.6 million in resident wages and proprietary income in **total**. Nearly two-thirds of this resident income was **directly** generated by traveler expenditures (\$543.6 million or 63%).

Figure 4.4

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



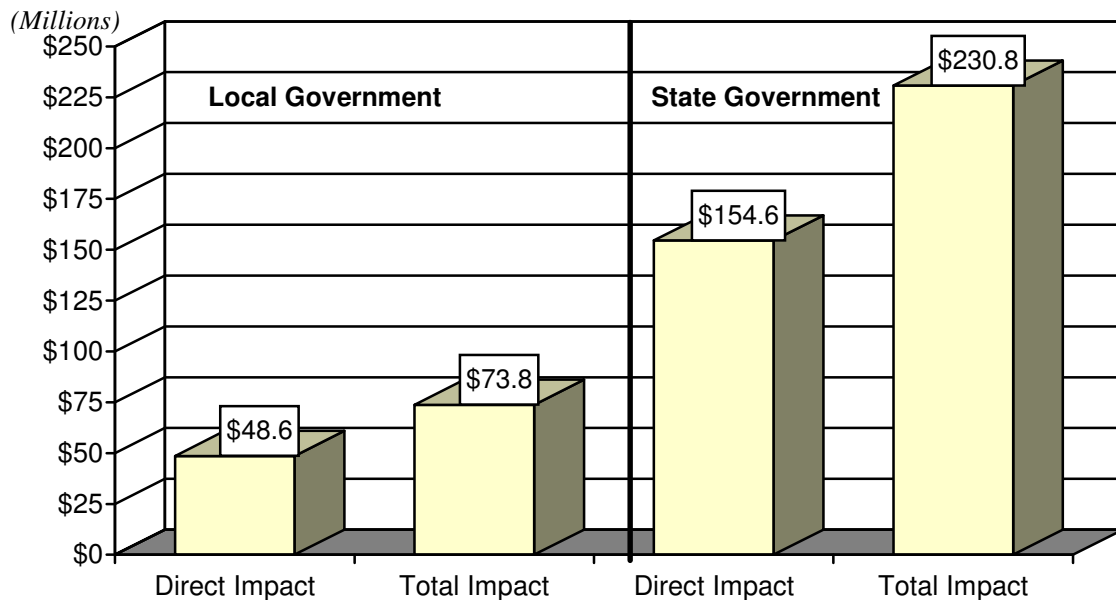
4.5 Impact on State and Local Government Revenues

Traveler expenditures in the Southern Region led to the receipt of \$230.8 million in state government revenues and \$73.8 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 \$154.6 million and local governments collected \$48.6 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 Southern Region Lodging Industry

5.1 Summary

For *hotels/motels/B&Bs*, about two thirds of the available roomnights were sold at a rate of nearly \$80. Travelers typically traveled as parties of two and stayed two nights. More than half of the travelers were on pleasure trips and one third on business trips with three in five of the rooms booked by Minnesota residents and two in five by out-of-state travelers.

While *resort* unit rates were higher (\$158/night), the party size was likely to be four and they stayed four nights. About half the resort units offered were rented. Two thirds of resort guests were Minnesota residents.

Campground sites were rented at \$22 per night with an occupancy rate of 42%. Campers traveled in parties of three and stayed an average of three nights. Two out of three campers were Minnesota residents.

5.2 Hotel/Motel/B&B Inventory

During June 2005 through May 2006, 321 properties with 13,789 rooms made 4.97 million roomnights available to the public and sold 2.77 million of those roomnights to travelers staying for fewer than 30 nights.

5.3 Room Rates and Occupancy

The overall average daily room rate at Southern Region hotels/motels/B&Bs was \$78.73 during June 2005 through May 2006.

Hotels/motels/B&Bs had an average occupancy rate of 56%.

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* | \$78.73 | \$80.49 | \$77.16 | \$79.65 | \$77.07 |
| Average occupancy* | 56% | 66% | 60% | 46% | 52% |
| Total available roomnights (in millions) | 4.97 | 1.24 | 1.25 | 1.22 | 1.26 |
| Total occupied roomnights (in millions) | 2.77 | 0.81 | 0.75 | 0.56 | 0.65 |

*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

**Management's 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* | 1.84 | 1.86 | 1.71 | 1.94 | 1.77 |
| Average length of stay* | 2.37 | 2.27 | 2.50 | 2.45 | 2.24 |

*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 two out of five of their guests were traveling either for business (34%) or to attend meetings and conventions (6%). The remaining guests were traveling for pleasure (59%).

Managers reported that three in five of their guests were Minnesota residents (57%).

Table 5.5

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

| | June 2005- May 2006 <u>TOTAL</u> | June- August 2005 | September- November 2005 | December 2005- February 2006 | March- May 2006 |
|----------------------|---|----------------------------------|---|---|--------------------------------|
| Trip Purpose | | | | | |
| Pleasure | 59% | 62% | 64% | 59% | 52% |
| Business | 34% | 33% | 29% | 36% | 39% |
| Meetings/conventions | 6% | 5% | 7% | 5% | 9% |
| Guest Origin | | | | | |
| <u>Out of state</u> | <u>43%</u> | <u>44%</u> | <u>48%</u> | <u>38%</u> | <u>43%</u> |
| U.S. | 38% | 38% | 43% | 36% | 38% |
| Canada | 2% | 2% | 2% | 1% | 2% |
| Other foreign | 2% | 3% | 3% | 1% | 3% |
| Minnesota | 57% | 56% | 52% | 62% | 57% |

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

* Less than 0.5%.

5.6 Resort Inventory

Some 42 resorts had 274 units available to the public. Resorts made 70 thousand unitnights available over the 12-month period and sold 30 thousand unitnights to guests who stayed fewer than 30 nights.

5.7 Unit Rates and Occupancy

The average unit rate for a resort was \$158.00 during the period June 2005 through May 2006.

Occupancy rates for resorts averaged 50%.

Table 5.7

Unit Rates and Occupancy by Season (Resorts)

| | <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 daily unit rates* | \$158.00 | \$163.63 | \$136.78 | N/A | \$159.05 |
| Average occupancy* | 50% | 74% | 32% | 40% | 39% |
| Total available unitnights (in millions) | 0.07 | 0.02 | 0.02 | 0.01 | 0.02 |
| Total occupied unitnights (in millions) | 0.03 | 0.02 | 0.01 | ** | 0.01 |

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

**Less than 0.01 million (10,000)

N/A: Resorts surveyed had units 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 resorts based on the averages from all resorts surveyed across the state in the winter season.

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

5.8 Guest Party Size and Length of Stay

Property managers of the Southern Region resorts reported that guests at their locations usually traveled in groups of four and stayed four nights on average.

Table 5.8

**Management's Estimate:
Average Guest Party Size and Length of Stay By Season
(Resorts)**

| | 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 | 3.72 | 3.79 | 3.34 | N/A | 3.82 |
| Average length of stay | 4.00 | 4.71 | 2.56 | N/A | 3.27 |

N/A: Resorts surveyed had units 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 Purpose of Trip and Guest Origin

According to property managers' estimates, virtually all resort guests (97%) were traveling on a pleasure trip.

Managers reported that two in three guests were Minnesota residents (69%), while the remaining guests lived outside the state.

Table 5.9

**Management's Estimate:
Trip Purpose and Guest Origin by Season
(Resorts)**

| | 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> |
|---------------------------------|--|--------------------------------|---------------------------------------|---|------------------------------|
| Purpose of guests' trip: | | | | | |
| Pleasure | 97% | 100% | 83% | N/A | 100% |
| Business | 3% | -- | 17% | N/A | -- |
| Meetings/conventions | -- | -- | -- | N/A | -- |
| Guest Origin: | | | | | |
| <u>Out of State</u> | <u>31%</u> | <u>30%</u> | <u>37%</u> | <u>N/A</u> | <u>31%</u> |
| U.S. | 31% | 28% | 37% | N/A | 31% |
| Canada | * | * | * | N/A | -- |
| Other Foreign | * | * | * | N/A | -- |
| Minnesota | 69% | 70% | 63% | N/A | 69% |

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

* Less than 0.5%.

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

5.10 Campground Inventory

The Southern Region campground providers offered 10,561 sites in 158 campgrounds to the public for use during the 2005-06 year. That yielded a total of 2.17 million sitenights available, with 0.91 million sitenights sold to guests staying fewer than 30 nights. Campgrounds on both public and private lands are included in the inventory.

5.11 Site Rates and Occupancy

The average rate for a campground site was \$21.74.

Occupancy rates for the Southern Region campgrounds were 42%.

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* | \$21.74 | \$19.99 | \$19.15 | \$32.20 | \$24.96 |
| Average occupancy* | 42% | 57% | 42% | ** | 27% |
| Total available sitenights (in millions) | 2.17 | 0.94 | 0.55 | 0.17 | 0.52 |
| Total occupied sitenights (in millions) | 0.91 | 0.54 | 0.23 | *** | 0.14 |

*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 0.5%.

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

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

5.12 Guest Party Size and Length of Stay

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

Table 5.12

Management's 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 | 2.98 | 3.20 | 2.89 | 2.94 | 2.82 |
| Average length of stay | 2.77 | 2.35 | 2.56 | 0.98 | 3.93 |

* Note: Includes campgrounds which were open but had no sites rented, resulting in an average length of stay less than 1 night.

5.13 Guest Origin

The Southern Region campground managers reported that two in three Southern Region campers (65%) were Minnesota residents.

Table 5.13

**Management's Estimate:
Guest Origin 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> |
|----------------------|---|---|--|--|---------------------------------------|
| Guest Origin: | | | | | |
| <u>Out of State</u> | <u>35%</u> | <u>31%</u> | <u>27%</u> | <u>80%</u> | <u>39%</u> |
| U.S. | 34% | 30% | 27% | 80% | 35% |
| Canada | 1% | 1% | * | * | 3% |
| Other Foreign | * | * | * | * | 1% |
| Minnesota | 65% | 69% | 73% | 20% | 61% |

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

* Less than 0.5%.

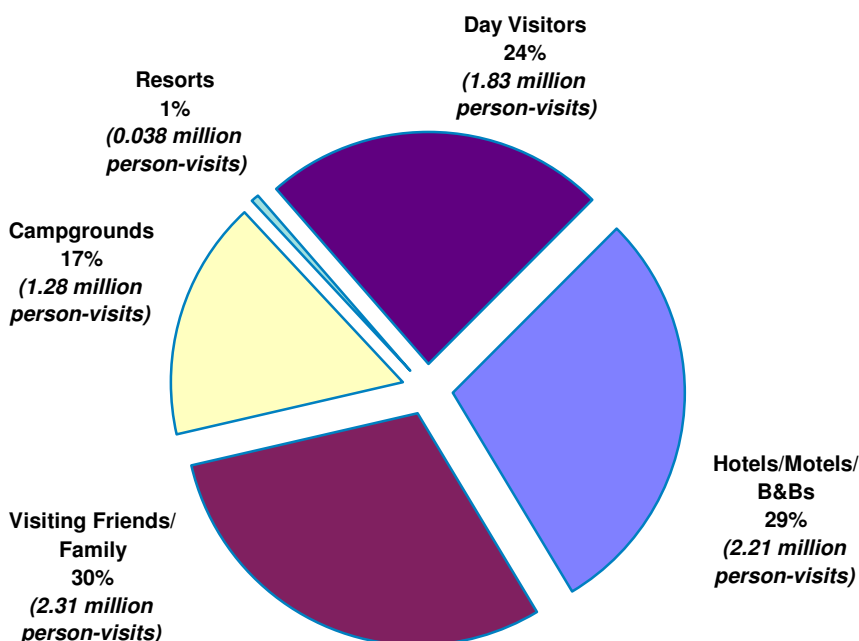
6.0 Travel Volume in the Southern Region

Person-visits in the Southern Region totaled 7.663 million during the period June 2005 through May 2006. A total of 5.83 million were overnight person-visits – one person staying in one accommodation. In addition, day travelers in the Southern Region were estimated at 1.83 million.

Hotel/motel/B&B guests represented 29% of person-visits while travelers staying with family and/or friends represented 30%. Campers accounted for 17% of person-visits while travelers staying in resorts made up 1% of the person-visits in the Southern Region in June 2005 through May 2006.

Figure 6.0

The Southern Region Person-Visits



TOTAL: 7.663 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, 7.663 million person-visits should not necessarily be interpreted as 7.663 million travelers.

7.0 The Profile of the Southern Region Travelers

This section details the findings concerning the profile of Southern 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 travelers in the Southern Region was 47.0 years. On average the profile is similar across all four seasons. However, there was a higher proportion of older adults (24% 60 to 64 years old) in the winter season and more younger adults (12% 18-24 years old) in the fall season.
- The median household income of visitors to the Southern Region was \$73,600. Overall, there were no significant differences in the median household income of visitors between seasons. While it did not significantly affect the median income, there was a higher percentage of travelers with household incomes of \$150,000 or more in the spring (14% vs. 6% overall).
- Nine travelers in ten in this region (92%) identified themselves as white.
- Virtually all of the Southern Region travelers (97%) lived in the United States and two in five (42%) were from Minnesota. For visitors coming from beyond Minnesota, the states most frequently mentioned were Iowa (12%) and Wisconsin (9%).
- The proportion of in-state travelers was highest during the summer (49%) and fall (53%) and lowest in the winter (22%) and spring (33%).

Table 7.1

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: | 428 | 175 | 97 | 68 | 88 |
| Age: | | | | | |
| 18 to 24 | 7% | 5% | 12% | 5% | 6% |
| 25 to 29 | 6 | 7 | 7 | 1 | 9 |
| 30 to 39 | 14 | 16 | 13 | 12 | 14 |
| 40 to 49 | 24 | 19 | 27 | 28 | 28 |
| 50 to 59 | 20 | 21 | 18 | 20 | 18 |
| 60 to 64 | 13 | 13 | 12 | 24 | 7 |
| 65 and older | 9 | 9 | 7 | 7 | 13 |
| No Answer | 7 | 12 | 2 | 4 | 4 |
| Average Age | 47.0 | 47.6 | 44.6 | 49.8 | 46.4 |
| Income: | | | | | |
| Less than \$25,000 | 4% | 4% | 6% | 4% | 4% |
| \$25,000 to \$34,999 | 6 | 7 | 12 | * | 5 |
| \$35,000 to \$49,999 | 14 | 15 | 17 | 11 | 12 |
| \$50,000 to \$74,999 | 17 | 18 | 12 | 20 | 19 |
| \$75,000 to \$99,999 | 19 | 15 | 23 | 25 | 16 |
| \$100,000 to \$124,999 | 11 | 12 | 12 | 4 | 13 |
| \$125,000 to \$149,999 | 4 | 4 | * | 14 | 4 |
| \$150,000 or more | 6 | 4 | 4 | 6 | 14 |
| No Answer | 18 | 23 | 15 | 15 | 15 |
| Estimated Median Income | \$73,600 | \$69,100 | \$67,700 | \$82,400 | \$79,500 |
| Gender: | | | | | |
| Male | 49% | 47% | 36% | 61% | 61% |
| Female | 48 | 51 | 60 | 39 | 37 |
| No Answer | 2 | 2 | 3 | * | 3 |
| Racial/Ethnic Background: | | | | | |
| American Indian | 1% | 1% | * | 4% | 1% |
| Asian | * | * | * | * | * |
| Black | 2 | 3 | 2 | * | 1 |
| Hispanic | 2 | 1 | 2 | 4 | 2 |
| White | 92 | 92 | 93 | 92 | 93 |
| Other | 1 | 1 | * | * | 3 |
| No Answer | 3 | 5 | 2 | 4 | 2 |

* 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: | 428 | 175 | 97 | 68 | 88 |
| Residence: | | | | | |
| <u>United States</u> | <u>97%</u> | <u>97%</u> | <u>98%</u> | <u>97%</u> | <u>94%</u> |
| Minnesota | 42 | 49 | 53 | 22 | 33 |
| Iowa | 12 | 13 | 8 | 12 | 13 |
| Wisconsin | 9 | 11 | 9 | 8 | 5 |
| Illinois | 4 | 4 | 4 | 1 | 5 |
| California | 3 | 2 | 3 | 10 | 1 |
| South Dakota | 2 | 2 | 3 | 3 | 2 |
| Texas | 2 | 1 | 1 | 3 | 4 |
| North Dakota | 1 | 1 | * | * | 2 |
| Other state | 14 | 13 | 7 | 17 | 21 |
| State not specified | 11 | 5 | 12 | 23 | 15 |
| Canada | 1 | 1 | * | * | 2 |
| Another Country | 2 | * | 1 | 3 | 5 |
| No Answer | 1 | 2 | 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

- Overall, two travelers in five in the Southern Region were on a vacation or short pleasure trip (42%). One traveler in three was traveling for personal reasons such as to attend a wedding or funeral (32%), etc, and one in five for business or work (19%).
- Travelers in the summer (59%) and fall (48%) were the most likely to be traveling for pleasure, followed by the winter (30%). Travelers in the spring were more likely to be traveling for personal reasons (41%) and business or work (43%).
- The average travel party size in the Southern Region was 2.6 people. Compared to the spring (2.3), the average party size was higher in the summer (2.6), fall (2.8) and winter (2.8). In the winter 30% of the travel parties consisted of one person as compared to about half as many for the other three seasons.
- The percentage of daytrippers was highest in the summer (27% vs 18% overall).
- Excluding daytrippers, the average number of nights that travelers intended to stay was 3.3 nights. The length of stay in the Southern Region was highest in the winter (4.7 nights) and spring (3.7 nights).
- Three-fourths of the visitors to the Southern Region did not have any children under 18 years old in their travel party (73%). Travelers with children under 18 were more prevalent in the summer (30%) and lowest in the spring (20%). Among those traveling with children, nine in ten (87%) did not have any children with them in the 12-17 year old age range. The proportion without

children 12-17 years old was highest in the spring (93%) and lowest in the winter (78%).

- Eight Southern Region travelers in ten had taken one or more trips in Minnesota in the last five years (80%). The estimated median number of trips in the past five years was 4.9 trips. The estimated median number of trips was highest in the fall (6.2) and lowest in the spring (4.2). In the fall 28% indicated that they had made between 5-10 trips to Minnesota compared to only 17% who did so in the summer. In the spring 29% reported that had not made any trips to Minnesota in the past five years compared to 15% in the summer and 10% in the fall.

Trip Profile

- Almost three travelers in four in the Southern Region stayed overnight in paid accommodations (71%). The percentage of travelers staying overnight in paid accommodations was highest in the winter (82%) and spring (96%) and lowest in the summer (62%) and fall (55%). For those staying in paid accommodations, two in three (64%) stayed in hotels, motels or historic inns. The percentage staying in this type of accommodation was highest in the winter (82%) and spring (94%).
- Overall, only one traveler in ten stayed in unpaid accommodations (12%) and one in five was a daytripper (18%). The proportion of visitors staying in unpaid accommodations was highest in the fall (28%) with most (26%) staying in the homes of family or friends. Day trip visits were highest in the summer (27%).
- Southern Region travelers participated in a variety of activities during their trip. Dining out (67%), shopping (41%), sightseeing or driving for pleasure (22%) and taking in city sites (17%) were among the most frequently mentioned activities.

General Activities

Dining out was mentioned most often in all seasons, but was most prevalent in the winter (78%) and spring (74%) and mentioned least often in the summer (59%). Sightseeing or driving for pleasure was mentioned most often in the summer (32%). Taking in city sites was noted least often in the winter (8%) and more frequently in the fall (21%) and spring (19%). Driving on designated scenic byways was mentioned most often in the summer (16%), fall (13%) and spring (11%) as compared to only 1% in the winter. Casino gambling was noted most in the summer (16%). Nightlife or evening entertainment (18%) and viewing fall colors (17%) were mentioned most often in the fall.

Visiting People or Places

Two travelers in five were visiting people or places during their trip (41%). The most frequently mentioned were visiting friends and relatives (24%), historic sites (12%) and state or national parks (9%). Travelers in the summer were the most likely to be visiting historic sites (19%), state or national parks (18%), other museums (13%) and Indian areas (8%). Mentions of visiting friends and relatives was highest in the fall (35%).

Shopping

Two Southern Region travelers in five did some type of shopping during their trip (41%). The shopping activities mentioned most often overall were general or mall shopping (21%) and shopping for gifts or souvenirs (20%). Generally, shopping behavior among travelers was fairly consistent across the seasons. Mentions of general or mall shopping were highest in the winter (31%), especially as compared to the spring (13%).

Active Recreation

One-quarter of Southern Region travelers participated in “active” recreation (29%). This included pool swimming (9%), hiking (7%), biking (7%) and wildlife viewing or bird watching (6%). Travelers in the summer mentioned hiking (13%)

wildlife viewing or bird watching (10%) and lake/river swimming (7%) more often than travelers during the other seasons. Biking was mentioned most often among fall travelers (21%).

Attending Events

One traveler in four to the Southern Region mentioned that they had attended one or more events during their visit (26%). The incidence of attending an event was highest in the fall (36%) and lowest in the summer (23%) and spring (21%). The specific types of events named most often were amateur sporting events (8%), other events (7%) and fairs or festivals (6%). Attending amateur sporting events was highest in the fall (12%), winter (15%) and spring (10%) and lowest in the summer (1%). Attendance at other events was noted most often in the summer (11%), fairs or festivals in the fall (17%), popular music concerts or shows in the fall (6%), professional sporting events in the summer (6%) and theater performances in the fall (7%).

Table 7.2

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 2006 <u>88</u> |
|---|--|---------------------------------|--|---|----------------------------------|
| Base: | 428 | 175 | 97 | 68 | 88 |
| Trip Purpose (multi-response): | | | | | |
| Vacation or short pleasure trip | 42% | 59% | 48% | 30% | 11% |
| Personal (wedding, funeral, medical, etc.) | 32 | 27 | 28 | 40 | 41 |
| Business or work | 19 | 7 | 19 | 16 | 43 |
| Convention or conference | 9 | 8 | 7 | 14 | 12 |
| No Answer | 1 | 1 | 2 | * | * |
| Travel Party Size: | | | | | |
| 1 person | 18% | 14% | 16% | 15% | 30% |
| 2 people | 40 | 43 | 38 | 34 | 39 |
| 3 to 4 people | 31 | 34 | 30 | 37 | 22 |
| 5 or more people | 11 | 9 | 17 | 12 | 9 |
| Average Travel Party Size | 2.6 | 2.6 | 2.8 | 2.8 | 2.3 |
| Total Trip Length of Stay: | | | | | |
| Daytripper | 18% | 27% | 17% | 16% | * |
| 1 night | 28 | 26 | 31 | 9 | 42 |
| 2 nights | 24 | 22 | 21 | 38 | 21 |
| 3 to 6 nights | 21 | 21 | 24 | 21 | 17 |
| 7 or more nights | 10 | 5 | 7 | 16 | 19 |
| Average Nights (Excluding Daytrippers) | 3.3 | 2.7 | 2.9 | 4.7 | 3.7 |
| Children in Travel Party | | | | | |
| One or more children under 18 years old | 27% | 30% | 24% | 33% | 20% |
| No children | 73 | 70 | 76 | 67 | 80 |
| Ages of Children in Travel Party | | | | | |
| <i>Younger than 6 years old</i> | | | | | |
| None | 91% | 92% | 90% | 89% | 92% |
| One or more | 9 | 8 | 10 | 11 | 8 |
| <i>6 to 11 years old</i> | | | | | |
| None | 86% | 82% | 88% | 90% | 88% |
| One or more | 14 | 18 | 12 | 10 | 12 |
| <i>12 to 17 years old</i> | | | | | |
| None | 87% | 86% | 89% | 78% | 93% |
| One or more | 12 | 14 | 10 | 19 | 7 |

* 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: | 428 | 175 | 97 | 68 | 88 |
| Minnesota Trips in Last 5 Years | | | | | |
| None | 17% | 15% | 10% | 20% | 29% |
| 1 trip | 9 | 12 | 5 | 10 | 7 |
| 2 to 4 trips | 23 | 25 | 28 | 19 | 18 |
| 5 to 10 trips | 21 | 17 | 28 | 24 | 19 |
| More than 10 trips | 27 | 28 | 29 | 27 | 25 |
| No Answer | 2 | 4 | * | 1 | 1 |
| Estimated Median Trips | 4.9 | 4.6 | 6.2 | 5.0 | 4.2 |
| Lodging: | | | | | |
| <u>Paid Accommodations</u> | <u>71%</u> | <u>62%</u> | <u>55%</u> | <u>82%</u> | <u>96%</u> |
| Hotel/Motel/Historic Inn | 64 | 53 | 44 | 82 | 94 |
| Resort | 1 | * | 3 | * | 1 |
| Bed & Breakfast | 1 | 1 | 4 | * | * |
| Vacation home/condo/cabin/houseboat you rented | * | * | * | * | * |
| In a tent at a campground | 2 | 6 | 1 | * | * |
| In an RV at a campground | 2 | 3 | 2 | * | 1 |
| <u>Unpaid Accommodations</u> | <u>12%</u> | <u>11%</u> | <u>28%</u> | <u>2%</u> | <u>4%</u> |
| Home of family or friends | 11 | 11 | 26 | 2 | 4 |
| Vacation home/condo/cabin/houseboat of family or friend | * | 1 | 1 | * | * |
| At your vacation home/condo/cabin/ houseboat | * | * | 1 | * | * |
| At a campground with no fee | * | * | 1 | * | * |
| <u>Day tripper</u> | <u>18%</u> | <u>27%</u> | <u>17%</u> | <u>16%</u> | * |
| Activities: | | | | | |
| <u>General (checked one or more below)</u> | <u>80%</u> | <u>77%</u> | <u>82%</u> | <u>84%</u> | <u>81%</u> |
| Dining out | 67 | 59 | 66 | 78 | 74 |
| Sightseeing or driving for pleasure | 22 | 32 | 12 | 16 | 17 |
| Taking in city sites | 17 | 17 | 21 | 8 | 19 |
| Driving on designated scenic byways | 12 | 16 | 13 | 1 | 11 |
| Casino gaming | 11 | 16 | 4 | 10 | 8 |
| Nightlife or evening entertainment | 8 | 4 | 18 | 5 | 6 |
| Viewing fall colors | 5 | 2 | 17 | * | * |

* 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: | 428 | 175 | 97 | 68 | 88 |
| <u>Shopping (checked one or more below)</u> | <u>41%</u> | <u>36%</u> | <u>45%</u> | <u>60%</u> | <u>33%</u> |
| General or mall shopping | 21 | 21 | 20 | 31 | 13 |
| For gifts or souvenirs | 20 | 19 | 23 | 21 | 17 |
| Arts, crafts, or antiques | 11 | 10 | 17 | 7 | 8 |
| Outlet shopping | 9 | 8 | 7 | 11 | 10 |
| At the Mall of America | 5 | 2 | 5 | 10 | 9 |
| <u>Visiting (checked one or more below)</u> | <u>41%</u> | <u>45%</u> | <u>47%</u> | <u>36%</u> | <u>28%</u> |
| Friends or relatives | 24 | 23 | 35 | 26 | 16 |
| Historic sites | 12 | 19 | 9 | * | 8 |
| State or national parks | 9 | 18 | 4 | * | 5 |
| Other museums | 7 | 13 | 3 | 1 | 3 |
| Art museums | 5 | 5 | 3 | 7 | 4 |
| Indian areas | 4 | 8 | 1 | * | 4 |
| Amusement parks or carnivals | 3 | 4 | 5 | * | * |
| Indoor water parks | 2 | 3 | 2 | 4 | 2 |
| Outdoor water parks | 2 | 4 | 1 | * | * |
| Other attraction | 1 | 1 | * | * | 2 |
| <u>Participating In (checked one or more below)</u> | <u>29%</u> | <u>26%</u> | <u>45%</u> | <u>31%</u> | <u>19%</u> |
| Pool swimming | 9 | 6 | 10 | 15 | 9 |
| Hiking | 7 | 13 | 7 | * | 4 |
| Biking | 7 | 4 | 21 | * | 3 |
| Wildlife viewing or bird watching | 6 | 10 | 3 | 4 | 2 |
| Fishing | 5 | 7 | 6 | * | 5 |
| Lake/river swimming | 3 | 7 | 2 | * | * |
| Golfing | 3 | 3 | 4 | * | 3 |
| Canoeing | 2 | 4 | 3 | * | * |
| Motor boating/water skiing | 2 | 4 | 1 | * | 1 |
| Downhill skiing or snowboarding | 2 | * | 1 | 10 | * |
| Off-road ATV driving | 1 | 1 | * | * | 1 |
| Hunting | 1 | * | 2 | 3 | * |
| Snowmobiling | * | * | * | * | * |
| Jet skiing | * | 1 | 1 | * | * |
| Cross-country skiing | * | * | * | * | * |
| Ice fishing | * | * | * | * | 2 |
| Other activity | 2 | 2 | 2 | 3 | * |

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: | 428 | 175 | 97 | 68 | 88 |
| <u>Attending (checked one or more below)</u> | <u>26%</u> | <u>23%</u> | <u>36%</u> | <u>27%</u> | <u>21%</u> |
| Amateur sporting events | 8 | 1 | 12 | 15 | 10 |
| Fairs or festivals | 6 | 3 | 17 | 1 | 4 |
| Popular music concerts or shows | 3 | 1 | 6 | * | 4 |
| Professional sporting events | 3 | 6 | 2 | * | 1 |
| Theater performances | 3 | 3 | 7 | 4 | 1 |
| Classical music concerts | 2 | 3 | 1 | * | 2 |
| Other events | 7 | 11 | 4 | 7 | 3 |
| No Answer | 7 | 9 | 2 | 2 | 13 |

* 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 for 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 Southern 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 476 quarterly surveys were conducted:

| <u>Seasonal</u> | <u># Interviewed</u> |
|----------------------|----------------------|
| June - August | 109 |
| September - November | 107 |
| December - February | 129 |
| March - May | 131 |

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 Southern 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 540 surveys conducted in the Southern 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. Additionally, the sample for the Winter 2005-2006 period in the Southern region was rebalanced to compensate for a higher than expected incidence of skiers and conventioners due to interview locations.

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 540 is considered accurate to plus or minus 4.2 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 | 199 | ± 7.0 |
| Fall 2005 | 121 | ± 8.9 |
| Winter 2005-2006 | 111 | ± 9.3 |
| Spring 2006 | 109 | ± 9.4 |
| Total | 540 | ± 4.2 |

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 *

| | <u>Hotels/ Motels/ B&Bs</u> | <u>Resorts</u> | <u>Camp- grounds</u> | <u>Visiting Friends/ Relatives</u> | <u>Day Tripper</u> | <u>Total</u> |
|--------------------------|---|----------------|--------------------------|--|------------------------|-------------------|
| Food | \$198.72 | \$7.28 | \$41.42 | \$195.20 | \$12.77 | \$455.40 |
| <u>Shopping</u> | <u>\$222.88</u> | <u>\$4.05</u> | <u>\$66.77</u> | <u>\$196.71</u> | <u>\$12.82</u> | <u>\$503.22</u> |
| General | 135.24 | 2.19 | 41.58 | 139.01 | 5.64 | 320.95 |
| Traveler | 90.33 | 1.86 | 25.19 | 57.71 | 7.18 | 182.27 |
| <u>Recreation</u> | <u>208.68</u> | <u>5.40</u> | <u>67.30</u> | <u>176.94</u> | <u>18.66</u> | <u>476.97</u> |
| Liquor | 40.51 | 1.91 | 14.06 | 55.26 | 1.43 | 113.17 |
| Historic | 7.61 | 0.14 | 6.39 | 5.59 | 0.65 | 20.40 |
| Sightseeing | 14.76 | 0.08 | 4.09 | 3.43 | 0.69 | 23.05 |
| Event fees | 31.77 | 0.14 | 12.86 | 16.15 | 2.77 | 63.69 |
| Sport fees | 26.23 | 1.01 | 6.88 | 27.86 | 3.47 | 65.46 |
| Cultural event fees | 4.70 | 0.00 | 0.25 | 7.65 | 0.37 | 12.98 |
| Evening entertainment | 20.21 | 0.29 | 9.28 | 28.63 | 0.63 | 59.05 |
| Licenses | 8.18 | 1.30 | 7.34 | 9.50 | 0.39 | 26.70 |
| Sweepstakes | 3.38 | 0.21 | 0.72 | 2.75 | 0.55 | 7.62 |
| Wagering | 50.76 | 0.30 | 4.80 | 18.14 | 7.68 | 81.69 |
| Other | 0.56 | 0.00 | 0.62 | 1.97 | 0.02 | 3.19 |
| Lodging | \$219.87 | \$5.36 | \$18.38 | -- | -- | \$243.60 |
| Ground Transportation | \$89.86 | \$2.72 | \$37.01 | \$86.38 | \$5.16 | \$221.13 |
| Total | \$940.01 | \$24.81 | \$230.86 | \$655.23 | \$49.41 | \$1,900.33 |

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 | \$173.18 | \$108.88 | \$72.05 | \$101.28 | \$455.40 |
| <u>Shopping</u> | <u>\$193.75</u> | <u>\$121.44</u> | <u>\$77.20</u> | <u>\$110.83</u> | <u>\$503.22</u> |
| General | 124.56 | 76.98 | 48.73 | 70.68 | 320.95 |
| Traveler | 69.19 | 44.46 | 28.47 | 40.15 | 182.27 |
| <u>Recreation</u> | <u>\$184.57</u> | <u>\$114.97</u> | <u>\$72.28</u> | <u>\$105.16</u> | <u>476.97</u> |
| Liquor | 44.74 | 26.69 | 16.76 | 24.98 | 113.17 |
| Historic | 8.59 | 4.94 | 2.50 | 4.37 | 20.40 |
| Sightseeing | 8.49 | 5.80 | 3.68 | 5.08 | 23.05 |
| Event fees | 24.71 | 15.68 | 9.38 | 13.93 | 63.69 |
| Sport fees | 25.25 | 15.63 | 10.14 | 14.44 | 65.46 |
| Cultural event fees | 4.87 | 3.04 | 2.10 | 2.97 | 12.98 |
| Evening entertainment | 23.66 | 14.02 | 8.47 | 12.90 | 59.05 |
| Licenses | 11.48 | 6.21 | 3.21 | 5.81 | 26.70 |
| Sweepstakes | 2.89 | 1.82 | 1.21 | 1.69 | 7.62 |
| Wagering | 28.55 | 20.40 | 14.43 | 18.31 | 81.69 |
| Other | 1.36 | 0.74 | 0.41 | 0.68 | 3.19 |
| Lodging | \$79.37 | \$62.87 | \$46.17 | \$55.20 | \$243.60 |
| Transportation | \$87.45 | \$52.97 | \$32.10 | \$48.61 | \$221.13 |
| Total | \$718.32 | \$461.13 | \$299.80 | \$421.08 | \$1,900.33 |

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 | 38% | 24% | 16% | 22% |
| Share of days in year | 25% | 25% | 25% | 25% |
| Ratio | 1.50 | 0.97 | 0.64 | 0.88 |

Table B-3

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

| | <u>Direct Impact</u> | <u>Total Impact</u> |
|--|----------------------|---------------------|
| Employment (full-time job equivalents) | 33,400 | 45,800 |
| Resident Income (wages, salaries, and proprietary income) | \$543,600,000 | \$865,600,000 |
| Government Revenues: | | |
| State government revenues | \$154,600,000 | \$230,800,000 |
| Local government revenues | \$48,600,000 | \$73,800,000 |

STATISTICAL DIFFERENCES

The Profile of Southern 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 summer (49%) and fall (53%) seasons was significantly higher than the proportion of respondents residing in Minnesota during the winter (22%) and spring (33%).

Table B-4

Demographic and Socioeconomic 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: | 428 | 175 a | 97 b | 68 c | 88 d |
| Age: | | | | | |
| 18 to 24 | 7% | 5% | 12%a | 5% | 6% |
| 25 to 29 | 6 | 7c | 7c | 1 | 9c |
| 60 to 64 | 13 | 13 | 12 | 24d | 7 |
| Refused/NA | 7 | 12bcd | 2 | 4 | 4 |
| Income: | | | | | |
| \$25,000 to \$34,999 | 6% | 7%c | 12%cd | * | 5%c |
| \$150,000 or more | 6 | 4 | 4 | 6 | 14ab |
| Gender: | | | | | |
| Male | 49% | 47% | 36% | 61%b | 61%ab |
| Female | 48 | 51d | 60cd | 39 | 37 |
| Residence: | | | | | |
| Minnesota | 42% | 49%cd | 53%cd | 22% | 33% |
| Other State | 14 | 13 | 7 | 17 | 21b |
| State Not Specified | 11 | 5 | 12a | 23a | 15a |

* Less than 0.5%

** States with responses less than 2% among the total sample have been aggregated into the "Other State" category.

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

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: | 428 | 175 a | 97 b | 68 c | 88 d |
| Trip Purpose (multi-response): | | | | | |
| Vacation or short pleasure trip | 42% | 59% ^{cd} | 48% ^{cd} | 30% ^d | 11% |
| Personal (wedding, funeral, medical, etc.) | 32 | 27 | 28 | 40 | 41 ^{ab} |
| Business or work | 19 | 7 | 19 ^a | 16 | 43 ^{abc} |
| Travel Party Size: | | | | | |
| 1 person | 18% | 14% | 16% | 15% | 30% ^{abc} |
| 3 to 4 people | 31 | 34 ^d | 30 | 37 | 22 |
| Average Travel Party Size | 2.6 | 2.6 ^d | 2.8 ^d | 2.8 ^d | 2.3 |
| Total Trip Length of Stay: | | | | | |
| Daytripper | 18% | 27% ^b | 17% | 16% | * |
| 1 night | 28 | 26 ^c | 31 ^c | 9 | 42 ^{ac} |
| 7 or more nights | 10 | 5 | 7 | 16 | 19 ^{ab} |
| Average Nights (Excluding Daytrippers) | 3.3 | 2.7 | 2.9 | 4.7 ^{ab} | 3.7 ^a |
| Children in Travel Party | | | | | |
| One or more children under 18 years old | 27% | 30% ^d | 24% | 33% | 20% |
| No children | 73 | 70 | 76 | 67 | 80 ^a |
| Ages of Children in Travel Party | | | | | |
| <i>12 to 17 years old</i> | | | | | |
| None | 87% | 86% | 89% | 78% | 93% ^c |
| One or more | 12 | 14 | 10 | 19 | 7 |

* Less than 0.5%

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>a</u> | September- November 2005 <u>b</u> | December 2005- February 2006 <u>c</u> | March-May 2006 <u>d</u> |
|--|--|-------------------------------------|--|---|-------------------------------|
| Base: | 428 | 175 | 97 | 68 | 88 |
| Minnesota Trips in Last 5 Years | | | | | |
| None | 17% | 15% | 10% | 20% | 29%ab |
| 1 trip | 9 | 12b | 5 | 10 | 7 |
| 5 to 10 trips | 21 | 17 | 28a | 24 | 19 |
| Lodging: | | | | | |
| <u>Paid Accommodations</u> | 71% | 62% | 55% | 82%ab | 96%abc |
| Hotel/Motel/Historic Inn | 64 | 53 | 44 | 82ab | 94ab |
| In a tent at a campground | 2 | 6b | 1 | * | * |
| <u>Unpaid Accommodations</u> | 12% | 11%cd | 28%acd | 2% | 4% |
| Home of family or friends | 11 | 11cd | 26acd | 2 | 4 |
| Day tripper | 18% | 27%b | 17% | 16% | * |
| Activities: | | | | | |
| <u>General (checked one or more below)</u> | 80% | 77% | 82% | 84% | 81% |
| Dining out | 67 | 59 | 66 | 78a | 74a |
| Sightseeing or driving for pleasure | 22 | 32bcd | 12 | 16 | 17 |
| Taking in city sites | 17 | 17 | 21c | 8 | 19c |
| Driving on designated scenic byways | 12 | 16c | 13c | 1 | 11c |
| Casino gaming | 11 | 16bd | 4 | 10 | 8 |
| Nightlife or evening entertainment | 8 | 4 | 18acd | 5 | 6 |
| Viewing fall colors | 5 | 2 | 17a | * | * |

* Less than 0.5%

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 TOTAL | June- August 2005 a | September- November 2005 b | December 2005- February 2006 c | March-May 2006 d |
|---|--|-------------------------------------|--|---|-------------------------------|
| Base: | 428 | 175 | 97 | 68 | 88 |
| <u>Visiting (checked one or more below)</u> | <u>41%</u> | <u>45%^d</u> | <u>47%^d</u> | <u>36%</u> | <u>28%</u> |
| Friends or relatives | 24 | 23 | 35 ^{ad} | 26 | 16 |
| Historic sites | 12 | 19 ^{bd} | 9 | * | 8 |
| State or national parks | 9 | 18 ^{bd} | 4 | * | 5 |
| Other museums | 7 | 13 ^{bcd} | 3 | 1 | 3 |
| Indian areas | 4 | 8 ^b | 1 | * | 4 |
| Outdoor water parks | 2 | 4 ^b | 1 | * | * |
| <u>Shopping (checked one or more below)</u> | <u>41%</u> | <u>36%</u> | <u>45%</u> | <u>60%^{ad}</u> | <u>33%</u> |
| General / mall shopping | 21 | 21 | 20 | 31 ^d | 13 |
| At the mall of America | 5 | 2 | 5 | 10 | 9 ^a |
| <u>Participating In (checked one or more below)</u> | <u>29%</u> | <u>26%</u> | <u>45%^{ad}</u> | <u>31%</u> | <u>19%</u> |
| Hiking | 7 | 13 ^d | 7 | * | 4 |
| Biking | 7 | 4 | 21 ^{ad} | * | 3 |
| Wildlife viewing or bird watching | 6 | 10 ^{bd} | 3 | 4 | 2 |
| Lake/river swimming | 3 | 7 ^b | 2 | * | * |
| <u>Attending (checked one or more below)</u> | <u>26%</u> | <u>23%</u> | <u>36%^{ad}</u> | <u>27%</u> | <u>21%</u> |
| Amateur sporting events | 8 | 1 | 12 ^a | 15 ^a | 10 ^a |
| Other events | 7 | 11 ^{bd} | 4 | 7 | 3 |
| Fairs or festivals | 6 | 3 | 17 ^{acd} | 1 | 4 |
| Popular music concerts or shows | 3 | 1 | 6 ^{ac} | * | 4 |
| Professional sporting events | 3 | 6 ^{cd} | 2 | * | 1 |
| Theater performances | 3 | 3 | 7 ^d | 4 | 1 |
| No Answer | 7 | 9 ^{bc} | 2 | 2 | 13 ^{bc} |

* Less than 0.5%

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 |
| | | | Watsonwan |
| | | | Winona |
| | | | Yellow Medicine |

Appendix D: Survey Instrument

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.