UNIVERSITY OF MINNESOTA DULUTH

DULUTH VISITOR INDEX

CENTER FOR ECONOMIC DEVELOPMENT
Bureau of Business and Economic Research

1st Quarter 1996

Vol. 2, No. 1

TO OUR READERS:

The Duluth Visitor's Index is late in coming out this year. The reason is the lack of important pieces of data which are crucial to the over-all index.

The data are now in. We sincerely apologize for any inconvenience the lateness might have caused.

In order to allow for data to become available, we have decided to publish the index on a quarterly basis for the year 1996. As always, comments and suggestions are welcome.

We want to make this index as useful as possible and are always willing to make changes towards that goal.

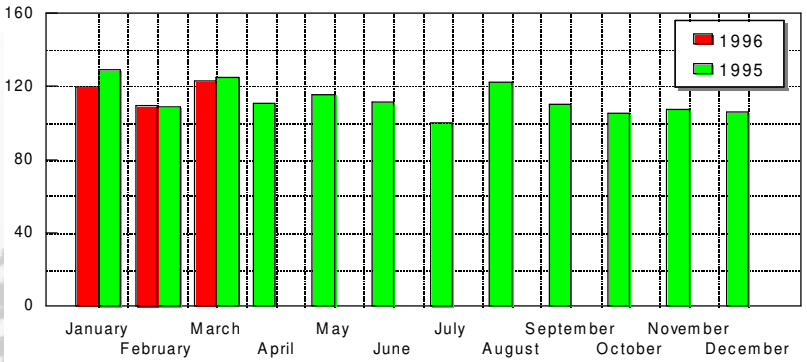
HOW'S BUSINESS, 1ST QUARTER 1996?

The overall indexes for the first three months of 1996 were slightly below those of 1995, although February was the exception where the two indexes were essentially equal to one another.

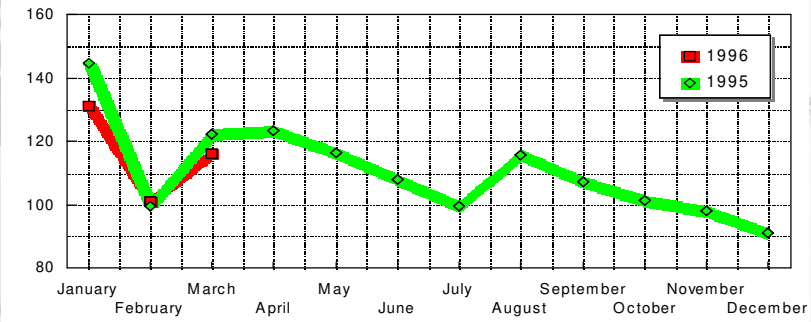
The most recent month of March showed the 1996 index being equal to 123 and the 1995 index being equal to 125, not much of a difference. Both indicate that visitors contributed more to the region than was true for the base year of 1992. An index of 123 means that the overall index was 23% greater than the average levels for 1992, a fairly significant difference.

The monetary sub-index steadily increased over the three-month period, and except for January, was well above the monetary sub-indexes for 1995 and significantly greater than the base year's averages (100).

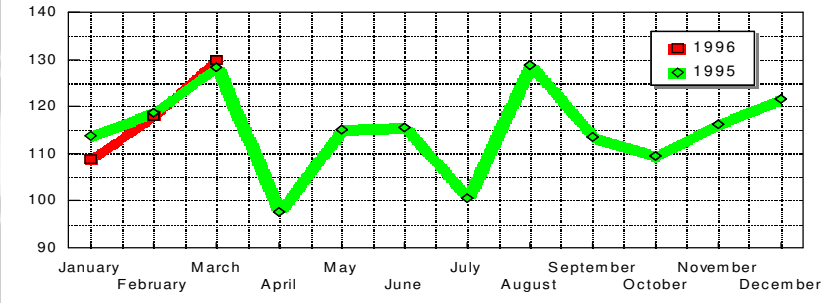
Duluth Visitor Index



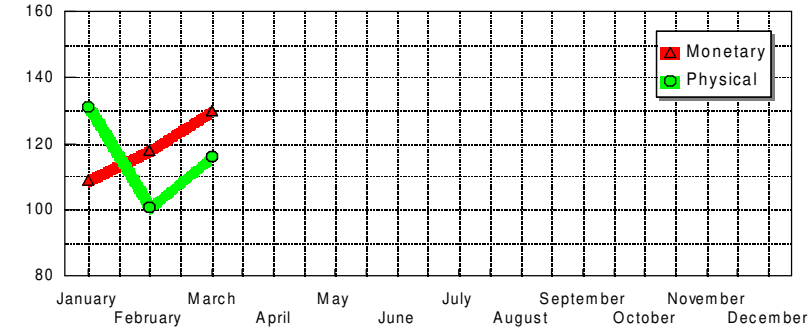
Physical Sub-Index



Monetary Sub-Index



Monetary & Physical Sub-Index



Monetary Sub-Index

Retail Sales:

Retail Sales are adjusted for the percentage attributed to out-of-town visitors. The index tracks fairly closely with the first three months of 1995. Both are well above the base year's retail sales levels with indexes in 1995 and in 1996 that are both well over 130. This means that the two years are more than 30% higher than in the base year of 1992.

Unlike the other monetary categories, retail sales generally followed the same pattern for the comparable 1995 - 1996 months of the first quarter. All of the indexes indicate a higher performance in both years than for the base year ending with over 30% increases over the base year for both March 1995 and March 1996.

Hotel Motel Receipts:

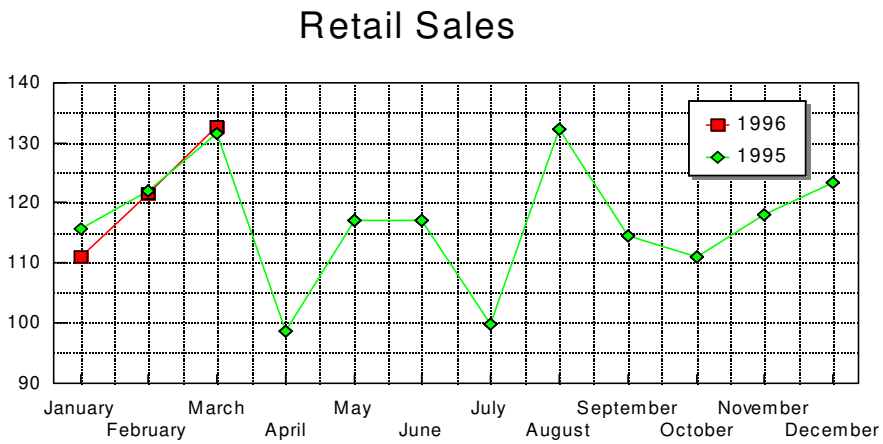
Hotel and Motel receipts lagged behind those of 1995 during January and February. However, March appears to be a good month with the index of 108.6 in March 1996 being well over the same month's 102.5 in 1995. It will be interesting to see if this pattern continues in the second quarter.

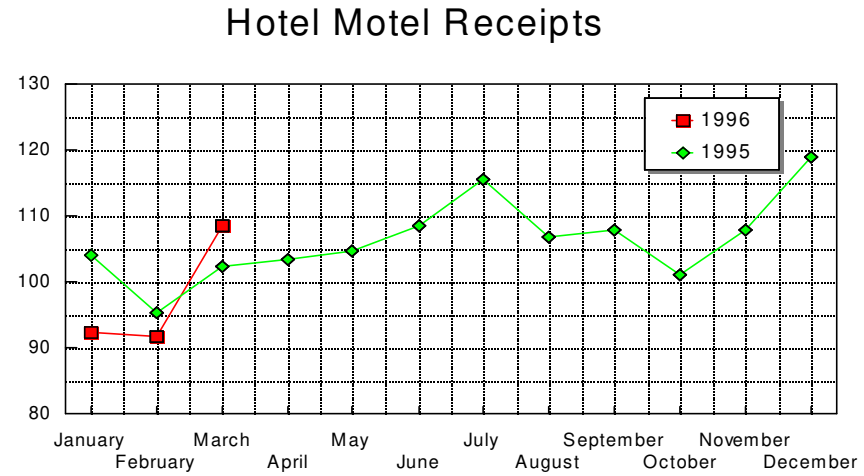
Food and Beverage Receipts:

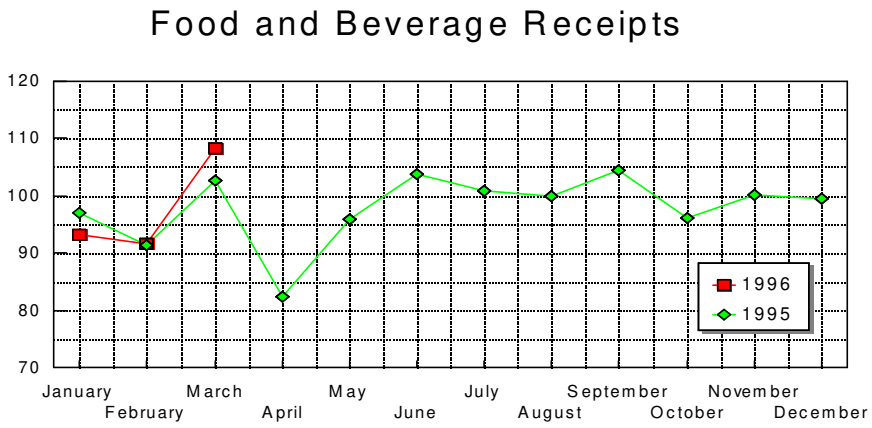
Food and Beverage followed the same general pattern as Hotel and Motel Receipts. Food and Beverage tracked better with 1995's than did Hotel and Motel, but like Hotel and Motel, Food and Beverage exceeded March 1995's index by about the same degree as Hotel and Motel.

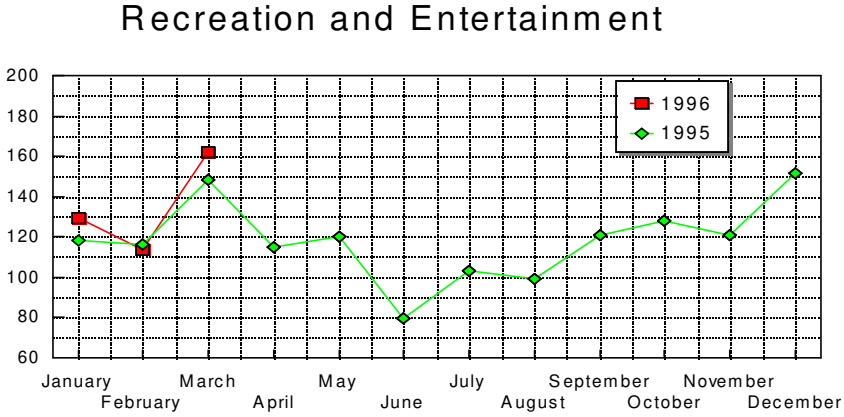
Recreation and Entertainment:

Recreation and Entertainment has been consistently greater than the base year of 1992 for all first quarter months in 1995 and 1996. 1996 was also generally a better quarter for each of the comparable months in the first quarter.



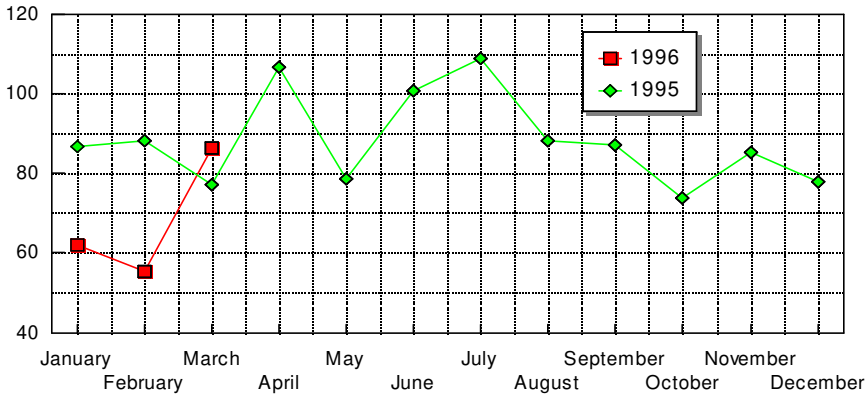




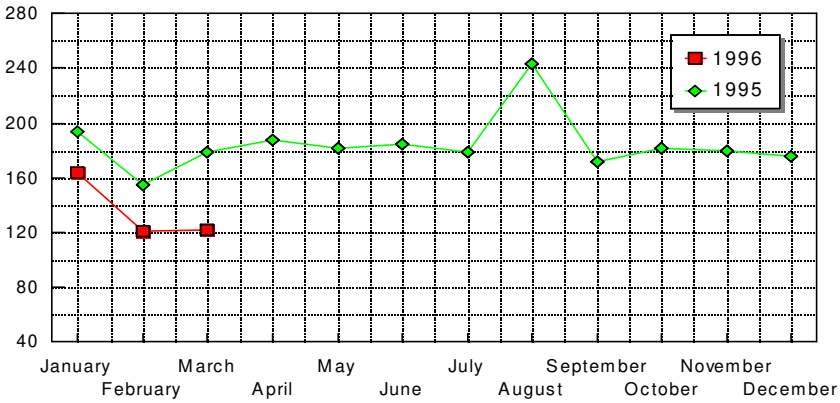


Physical Sub-Index

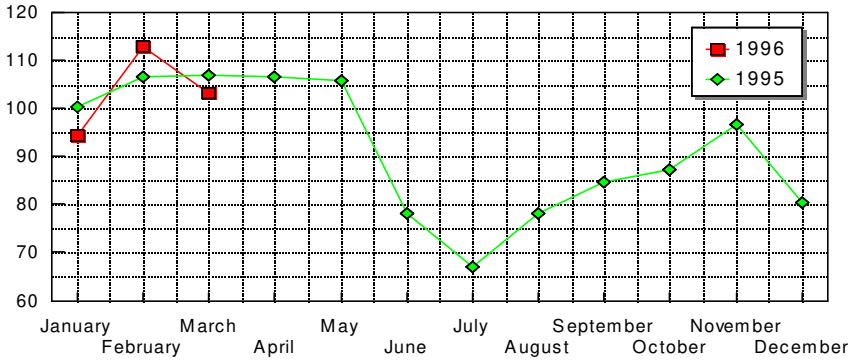
Attraction



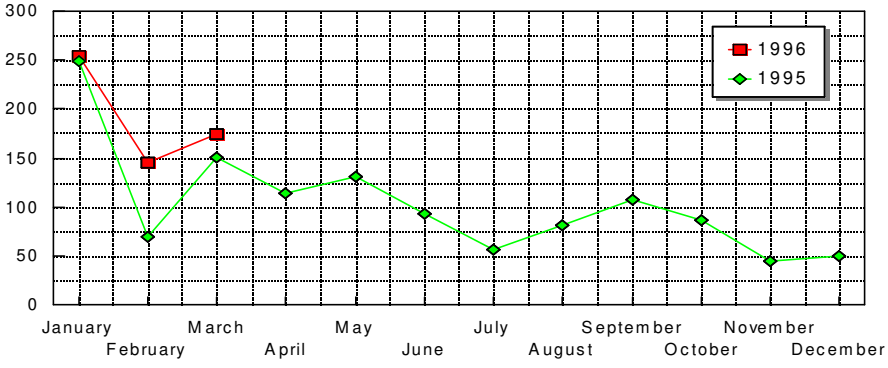
Traffic Count (adjusted)



Airport Statistics (adjusted)



Convention Count



Attraction:

The Attraction Count category is the first in the Physical Sub-Index and is always interesting to look at. It represents a sample of the attractions in the region. In the first two months of the first quarter, 1996, the attractions were well below both the base year and the comparable months of a year ago. March found a turn-a-round much as was the case for several of the monetary categories. March 1996's index value of 86.3 was above March 1995's value of 77. However, both values are below 100 which indicates that the attractions are not at the level of 1992. It will be interesting to follow the next two quarters to see if this pattern continues.

Traffic Count:

The traffic count tends to confirm the weaker performance in the first quarter of 1996 when compared to the same quarter, 1995. However, the overall traffic count indexes are well above 100, which indicates much more traffic when compared to the base year, 1992.

Airport Statistics:

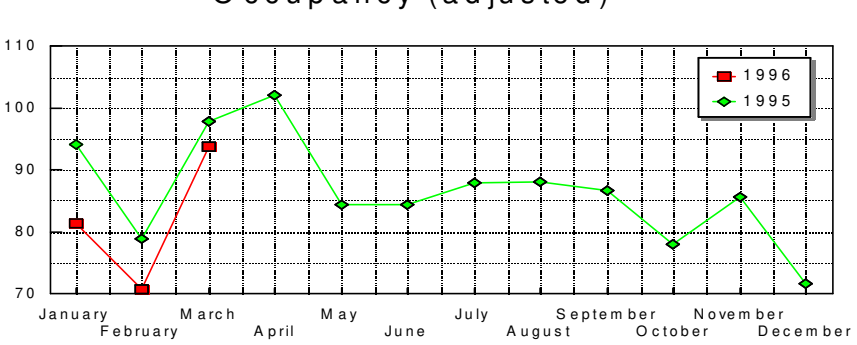
The Airport Statistics component of the Physical Index does not follow the general pattern of March, 1996 being above March, 1995. The comparable March index of 103.3 in 1996 is less than the 107 posted for 1995. Again, all the indexes are above 100, which indicates expansion when compared with the base year, 1992.

Convention Count:

Convention count has been systematically higher than the base year for both 1995 and 1996. The indexes show from 75% growth in this category to over 100% growth in the month of January. The 1996 index is above the 1995 index for all comparable months. Conventions have been strong contributors to the performance of the Visitor's Index since we began keeping statistics.

Occupancy:

Hotel Motel Occupancy has generally been down, both when comparing months in the first quarter of 1996 with those of 1995 and when comparing both with the base year, 1992. We will have to wait and see what happened in the second quarter to see if this trend might reverse itself. However, it should be noted that except for April, 1995's indexes were all below 100 -- all below the performance during the base year.



Average % occupancy for January = 45.26%
February = 53.22%
March = 58.68%

Bureau of Business and Economic Research
Center for Economic Development
150 School of Business and Economics
University of Minnesota, Duluth
Duluth, MN 55812-2496
phone: 218 726-7244
fax: 218-726-6338
Email: jjacobs1@d.umn.edu
http://www.d.umn.edu/~jjacobs1/bber.html

The University of Minnesota is an equal opportunity educator and employer.

The UMD Center for Economic Development Bureau of Business and Economic Research will be most grateful for any positive or critical feedback relative to this index series. Our total index series is evolutionary, updated and refined every five years. Feedback will be taken seriously in developing new data lists and index construction procedures.

Bureau of Business and Economic Research
Center for Economic Development
150 School of Business and Economics
University of Minnesota, Duluth
Duluth, MN 55812-2496

NONPROFIT
ORG.
U.S. POSTAGE
PAID
Duluth, MN