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DIRECT SPENDING IMPACT
OF AMTRAK RIDERS
ON THE DULUTH ECONOMY

by

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Since 1979 the Duluth AMTRAK train has brought increasing numbers of tourists into the city. By 1981 the train will bring over 100,000 guests into the city. These tourists stay an average of 1.82 days and spend \$51.66 per trip while they are in Duluth. Over the three year period the train has been directly responsible for bringing 233,766 visitors to Duluth. These visitors spent nearly \$15,350,000 while in Duluth on lodging, food and beverage and other retail activities (See Table 1, sum of columns one, two and three).

This spending is broken out into three major categories. Lodging, food and beverage and other in Table 2. In 1981 AMTRAK passengers' estimated spending is \$7,235,000; of this amount \$2,236,000 is on lodging, \$2,482,000 is on food and beverage and \$2,518,000 on other activities. By way of comparison, total tourist spending in Duluth is estimated at \$56,821,000, with \$12,141,000 on lodging, \$25,221,000 on food and beverage and \$19,459,000 on other (See table 3).

Tourist trade is a major employer in Duluth with hotels and motels providing 861 jobs and restaurants supplying an additional 2,999 jobs or a total of 3,860 positions. Of this total, 2,477 jobs are the direct result of tourist trade in Duluth. The spending of the AMTRAK visitors directly accounts for 320 of these jobs. This estimate is based on the percentages of total lodging and food expenditures generated by the AMTRAK tourist.

If AMTRAK were to cease operating, many of the current AMTRAK passengers would not only find alternative modes of travel but also alternative destinations. Relying on the MIC AMTRAK 1978 on Board Ridership Survey, we find that 24.21 percent of the 970 passengers surveyed stated they wouldn't travel to Duluth if AMTRAK quit running. (See question mode without train, page 18). Presuming the remainder of the riders found alternative ways of arriving at Duluth, the loss of AMTRAK would still result in a loss of \$1,752,000 in tourist spending and 77 Duluth Tourist industry jobs.

Table 1

AMTRAK RIDERSHIP SPENDING

	<u>1979</u> ¹	<u>1980</u> ²	<u>1981</u> ³
January	\$ 142,472.88	\$ 190,896.54	204,508.98
February	190,990.00	239,418.33	284,343.93
March	221,352.13	252,204.50	499,606.08
April	192,773.38	255,719.91	1,070,792.70
May	467,916.09	587,759.77	875,817.26
June	472,583.10	476,505.41	711,490.42
July	454,652.97	496,735.06	798,268.43
August	513,887.53	623,878.69	975,315.01
September	339,327.09	399,953.47	644,179.07
October	329,372.74	419,328.80	656,437.26
November	193,639.64	219,218.94	256,908.24
December	<u>209,295.06</u>	<u>225,345.74</u>	<u>256,908.24</u>
	\$3,728,262.61	\$4,386,965.16	7,234,575.62

¹Adjusted to 1979 dollars

²Adjusted to 1980 dollars

³Adjusted to 1981 dollars

Length of stay and size of party data from MIC-Amtrak 1978 On Board Ridership Survey, Final Report October 17, 1978. This data was used to adjust tourist spending data from Duluth Tourist Survey 1978

1.82 average length of stay, in days, for rail passenger

2.446 days average stay for 1978 tourist survey

$1.82/2.446 = .7441$ of survey figure

survey results \$28.38 tourist spending per day
\$69.42 per trip of 2.446 days

CPI adjusted from summer for 1978 average 196.6
to current year dollars for each year 79-81

Table 2

DULUTH AMTRAK
SPENDING
Estimates
In 000

	<u>1979</u>	<u>1980</u>	<u>1981</u>
Lodging	\$1,152	\$1,356	\$2,236
Food and Beverage	1,279	1,504	2,482
Other Including	1,297	1,527	2,518
Retail and Amusement			
Total	<u>\$3,728</u>	<u>\$4,387</u>	<u>\$7,235</u>

Source: National Biocentric, Inc.
Amtrack Study Nov. 17 1978
J. Peterson, Duluth Tourist Survey 1978.

Table 3
1981
Duluth Tourist
Spending
Estimate

Lodging	\$12,141,000
Food and Beverage	25,221,000
Other Including	
Retail and Amusement	<u>19,459,000</u>
Total	\$56,821,000

Source: Duluth Tourist Index
Bureau of Business and Economic Research
Dr. Jerrold M. Peterson, Director
University of Minnesota, Duluth

Table 4

AMTRAK RIDERSHIP HISTORY

	<u>1979</u>	<u>1980</u>	<u>1981</u>
January	2,549	3,116	2,988
February	3,633	3,856	4,111
March	4,029	4,002	7,175
April	3,469	4,015	15,276
May	8,318	9,132	12,394
June	8,304	7,327	9,981
July	7,905	7,632	11,070
August	8,846	9,525	13,429
September	5,781	6,049	8,776
October	5,564	6,288	8,943
November	3,240	3,257	3,500(est)
December	<u>3,466</u>	<u>3,320</u>	<u>3,500(est)</u>
	65,104	67,519	101,143