

The Economic Impact of Expenditures By Travelers On Minnesota

June 2005 – May 2006

Prepared for:

Explore Minnesota Tourism
State of Minnesota



UNIVERSITY OF MINNESOTA



and

**Minnesota Arrowhead Association
Minnesota Heartland Tourism Association
Southern Minnesota Tourism Association
Metro Tourism Committee**

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1.0 Introduction

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

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

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 Minnesota'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 Minnesota's tourism marketing efforts.

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 with a random sample of accommodations managers upon conclusion of each season. During the 12-month period a total of 2,375 interviews were completed.
- Self-administered questionnaires were completed by 2,274 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.
- A total of 1,001 telephone interviews with a probability sample of Minnesota residents equally divided among the four seasons.

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 Minnesota 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.

^{*} 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.

2.2 The Findings

In total, travelers in Minnesota spent \$11.786 billion in the state. More than half of the state's traveler expenditures were spent by travelers staying overnight in hotels/motels/B&Bs. Half of the state's traveler expenditures were spent in the Metro Region and more than a third of total traveler expenditures were spent in the summer season.

The \$11.786 billion spent in Minnesota from June 2005 through May 2006 supported 286,000 full-time-equivalent jobs, \$6.9 billion in resident income (wages, salaries and proprietary income), \$1.5 billion in state government revenues and \$0.5 billion in local government revenues.

Minnesota received 41 million person-visits during the period June 2005 through May 2006. Some 9.3 million person-visits were by travelers on day trips and the balance were made by travelers staying overnight in Minnesota (31.6 million). One third of all visits were by travelers staying in hotels/motels/B&Bs (33%) with nearly as many staying with friends and relatives (31%). Campgrounds (9%) and resorts (3%) accommodated the balance.

Some 1,119 hotels/motels/B&Bs with 64,919 rooms offered 23 million roomnights and sold 14.8 million during the period June 2005 through May 2006. As noted, travelers staying in these rooms made the largest contribution to the traveler expenditures in Minnesota.

A total of 899 resorts with 9,440 units made 2.26 million unitnights available and sold 1.27 million of them during the 12-month period.

A total of 725 campgrounds on both public and private lands have 32,496 sites, making those sites available for 6.48 million sitenights and sold 2.81 million.

Those numbers led to occupancy rates of 64% for hotels/motels, 56% for resorts and 43% for campgrounds.

According to managers' estimates, more than half of the guests who stayed in Minnesota properties were Minnesota residents – 54% in hotels; 68% in campgrounds and 76% 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 Minnesota Lodging and Campground Industry Highlights

Table 2.3

Minnesota 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	1,119	899	725
Number of rooms/units/sites	64,919	9,440	32,496
Total available roomnights/unit-nights/site-nights (millions)	23.04	2.26	6.48
Total occupied roomnights/unit nights/ site-nights (millions)	14.80	1.27	2.81
Average occupancy rate	64%	56%	43%
Average daily room rate	\$97.54	--	--
Average unit rate	--	\$149.91	--
Average site rate	--	--	\$22.48
MANAGEMENT'S ESTIMATES:			
Average party size	1.86	4.07	3.23
Average length of stay	2.26	3.80	2.82
Guest Origin			
<u>Out of State</u>	<u>46%</u>	<u>24%</u>	<u>32%</u>
U.S.	41%	24%	29%
Canada	3%	*	2%
Other foreign	2%	*	*
Minnesota	54%	76%	68%
Trip Purpose¹			
Pleasure	46%	97%	N/A
Business	41%	2%	N/A
Meeting/convention	13%	*	N/A

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 Minnesota during the period of June 2005 through May 2006 spent \$11.786 billion in the state.

- More than half of those dollars were spent by travelers staying at hotels/motels/B&Bs.
- Food, shopping and recreation combined account for three quarters of all the dollars spent by travelers.
- Half the dollars were spent by those who stayed in the Metro Region and more than a third were spent during the summer.

3.2 Overall Expenditures

Minnesota travelers spent an estimated total of **\$11.786 billion** in the period June 2005 through May 2006.

3.3 Estimated Traveler Expenditures By Accommodation Type

More than half of the total estimated traveler expenditures, \$6.132 billion (52%), were spent by travelers staying overnight in Minnesota at hotels/motels/B&Bs.

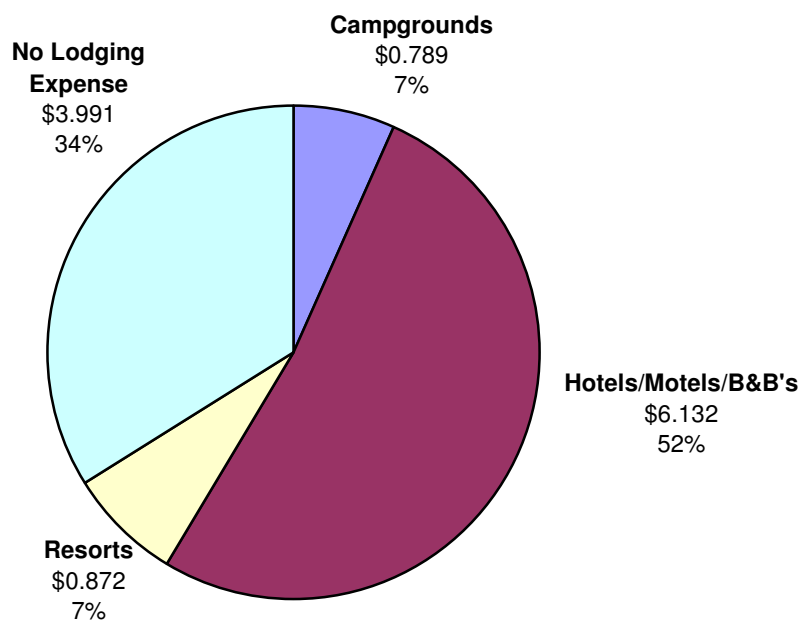
Those staying in resorts in Minnesota spent \$872.59 million (7%), and those camping spent \$789.77 million (7%).

Travelers with no lodging expenses spent \$3.991 billion, or 34% of Minnesota's traveler expenditures.

- Travelers who stayed at the homes of family and/or friends spent \$3.685 billion (31%) while visiting Minnesota.
- Those visiting just for the day or passing through Minnesota spent \$306.44 million (3%).

Figure 3.3

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



Total: \$11.786 Billion

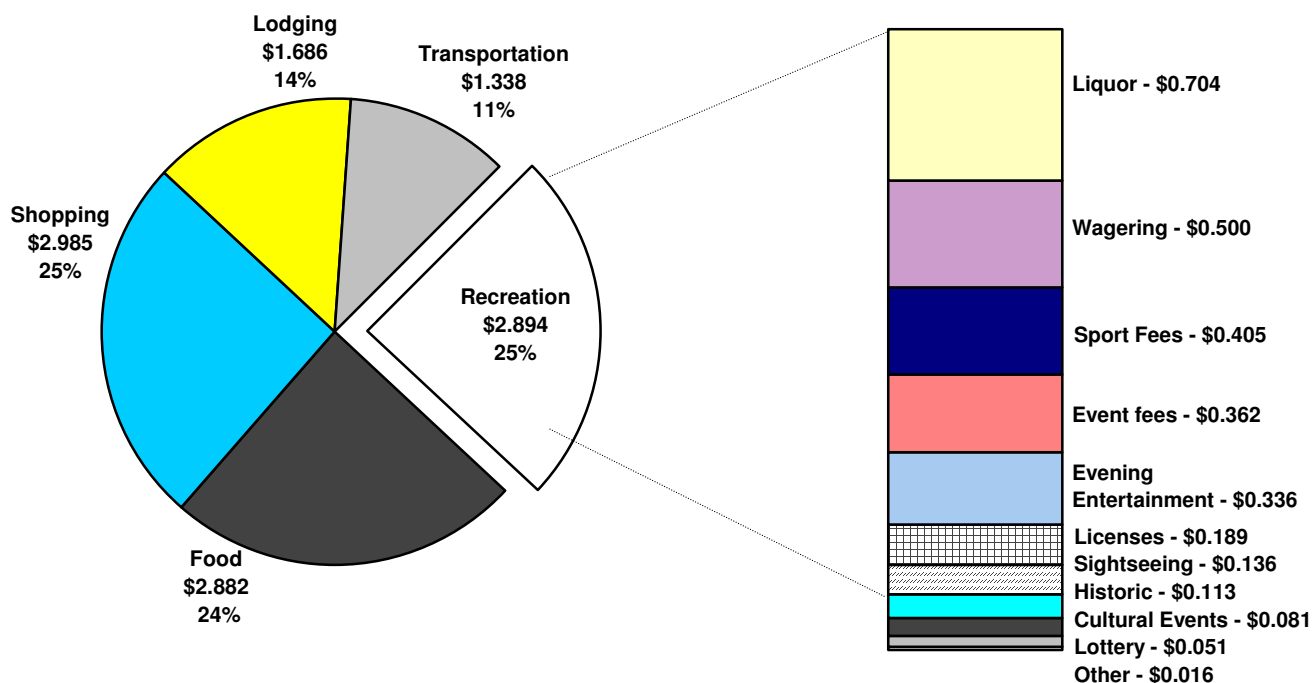
3.4 Estimated Traveler Expenditures By Category of Expenditure

Shopping (25%), recreation (25%) and food (24%) each accounted for about one quarter of traveler expenditures.

Lodging expenses represented 14% of the total estimated traveler expenditures (\$1.69 billion). Eleven percent of Minnesota traveler expenditures (\$1.338 billion) were spent on transportation.

Figure 3.4

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



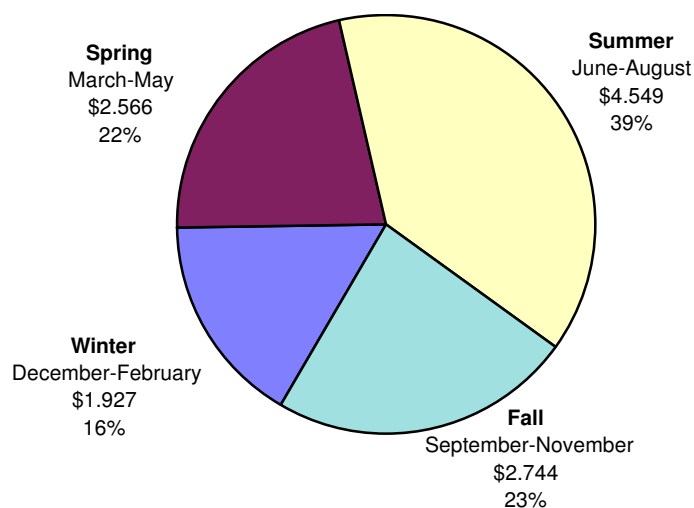
Total: \$11.786 Billion

3.5 Estimated Traveler Expenditures By Season

Travelers spent \$4.549 billion, or 39% of all traveler expenditures in the summer season (June through August). They spent \$2.744 billion, or 23% of all traveler expenditures, in the fall season (September through November) and \$2.566 billion, or 22% of all traveler expenditures in the spring season (March through May). Finally, travelers spent \$1.927 billion, 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)



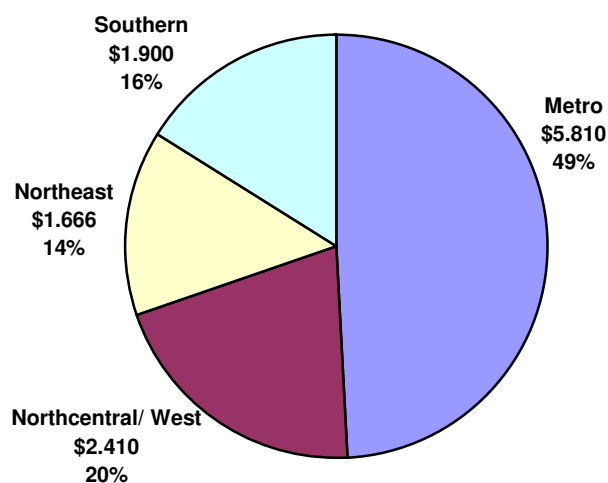
Total: \$11.786 Billion

3.6 Estimated Traveler Expenditures By Region

Half of all traveler expenditures in Minnesota during the period June 2005 through May 2006 were made by those staying in the Metro Region (\$5.810 billion or 49%). The Northcentral/West collected less than half as many traveler expenditures (\$2.410 billion or 20%). The South obtained \$1.900 billion (16%) while the Northeast got \$1.666 billion (14%).

Figure 3.6

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



Total: \$11.786 Billion

4.0 The Impact of Traveler Expenditures On Minnesota

4.1 Summary

The estimated expenditures by travelers in Minnesota during the period June 2005 through May 2006 supported 286,000 full-time-equivalent jobs and provided residents with wages, salaries and proprietary income of \$6.91 billion. Traveler expenditures also generated \$1.5 billion in state government revenues and \$0.5 billion 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.

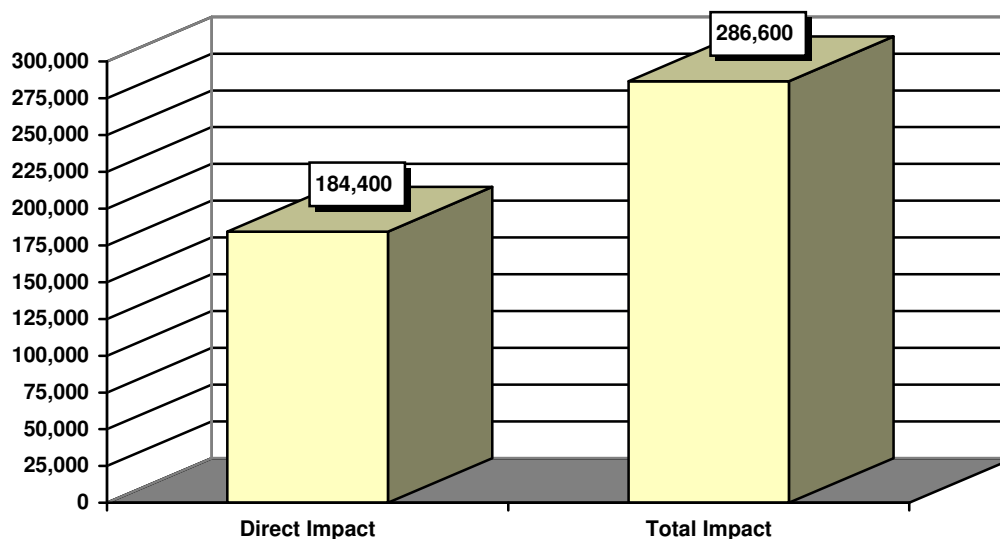
As noted, this report includes direct and total impacts which include both direct and indirect impacts.

4.3 Impact on Jobs for Minnesotans

During the period June 2005 through May 2006, traveler expenditures in Minnesota supported 286,600 full-time equivalent jobs in **total**. About two-thirds of these jobs (64%) were **directly** supported by total estimated traveler expenditures in Minnesota (184,400).

Figure 4.3

Resident Employment Impact of Traveler Expenditures June 2005 through May 2006

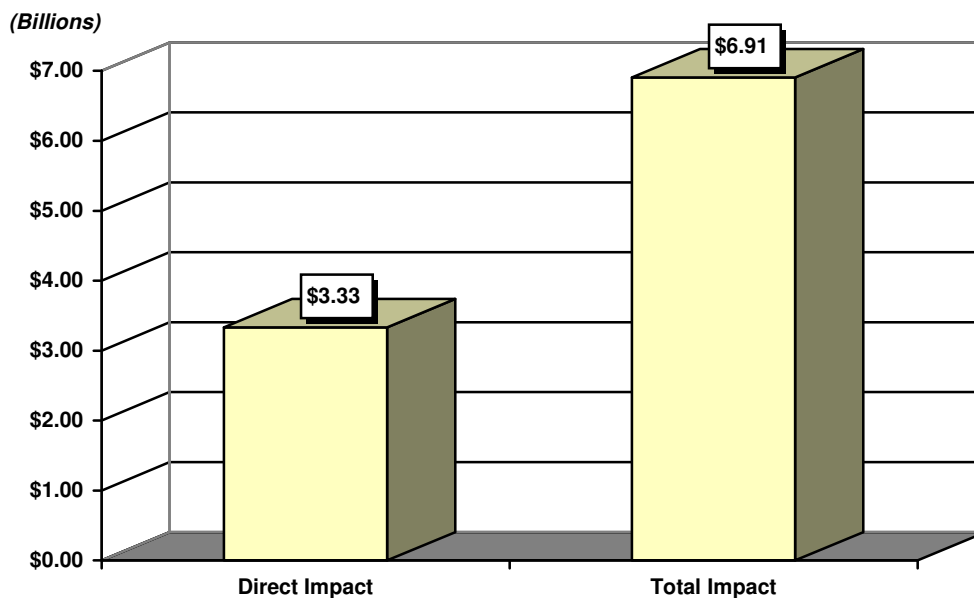


4.4 Impact on Wages, Salaries and Proprietary Income for Minnesotans

Traveler expenditures in Minnesota during the period June 2005 through May 2006 generated \$6.91 billion in resident wages and proprietary income in **total**. Nearly half of this resident income was **directly** generated by traveler expenditures (\$3.33 billion or 48%).

Figure 4.4

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



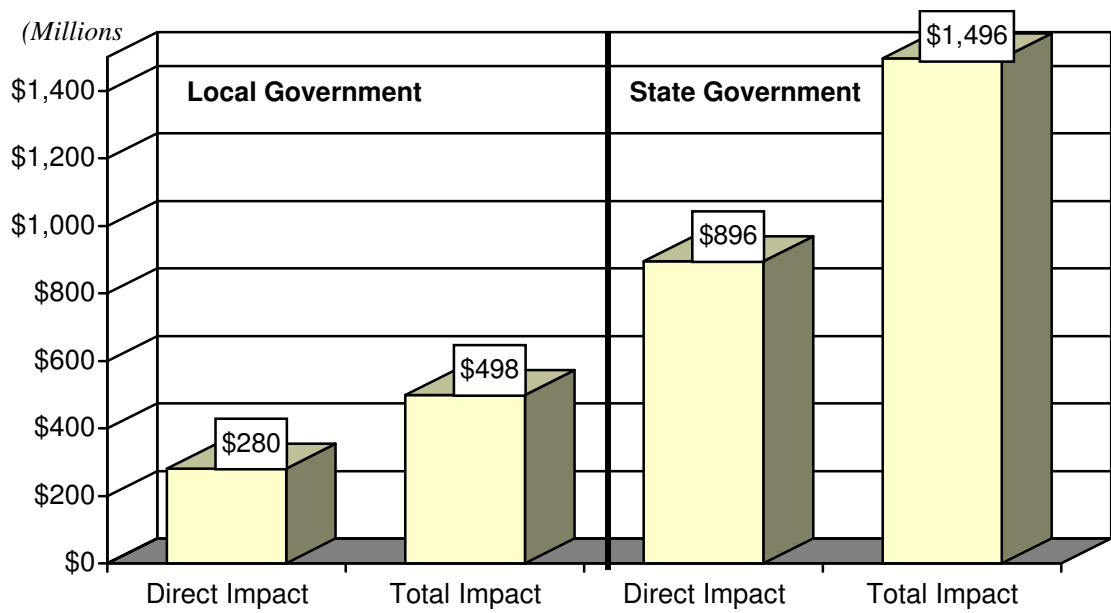
4.5 Impact on State and Local Government Revenues

Traveler expenditures in Minnesota led to the receipt of \$1,496 million in state government revenues and \$498 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 \$896 million and local governments collected \$280 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 Minnesota Lodging Industry

5.1 Summary

For **hotels/motels/B&Bs**, about two thirds of the available roomnights were sold at a rate of nearly \$100. Travelers typically traveled as parties of one or two and stayed two nights. Half the travelers were on pleasure trips and half on business trips with about half the rooms booked by Minnesotans and half by out of state travelers.

While **resort** unit rates were higher (\$150/night), the party size was likely to be four and they stayed four nights. About half the resort units offered were rented. Three quarters of resort guests were Minnesota residents.

Campground sites were rented at \$22 per night with an occupancy rate of 43%.

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, 1,119 properties with 64,919 rooms made 23 million roomnights available to the public and sold 14.8 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 Minnesota hotels/motels/B&Bs was \$97.54 during June 2005 through May 2006.

Hotels/motels//B&Bs had an average occupancy rate of 64%.

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*	\$97.54	\$101.97	\$98.46	\$94.66	\$96.34
Average occupancy*	64%	75%	66%	56%	59%
Total available roomnights (in millions)	23.04	5.85	5.78	5.63	5.77
Total occupied roomnights (in millions)	14.8	4.40	3.81	3.17	3.42

*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 roomsrented 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 one or two and stayed an average of two to three 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*	1.86	2.05	1.81	1.85	1.73
Average length of stay*	2.26	2.23	2.49	2.31	2.05

*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 more than half of their guests were traveling either for business (41%) or to attend meetings and conventions (13%). The remaining guests were traveling for pleasure (46%).

Managers reported that more than half of their guests were Minnesota residents (54%).

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 <u>2005</u>	September- November <u>2005</u>	December 2005- February <u>2006</u>	March- May <u>2006</u>
Trip Purpose					
Pleasure	46%	54%	43%	45%	42%
Business	41%	35%	47%	40%	42%
Meetings/conventions	13%	11%	10%	14%	16%
Guest Origin					
<u>Out of state</u>	<u>46%</u>	<u>44%</u>	<u>46%</u>	<u>44%</u>	<u>48%</u>
U.S.	41%	39%	42%	41%	41%
Canada	3%	4%	3%	2%	4%
Other foreign	2%	2%	2%	1%	3%
Minnesota	54%	56%	54%	56%	52%

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

5.6 Resort Inventory

Some 899 resorts had 9,440 units available to the public. Resorts made 2.26 million unitnights available over the 12 month period and sold 1.27 million unitnights to guests who stayed fewer than 30 nights.

5.7 Unit Rates and Occupancy

The average unit rate for a resort was \$149.91 during the period June 2005 through May 2006.

Occupancy rates for resorts averaged 56%.

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*	\$149.91	\$156.68	\$129.09	\$142.01	\$177.06
Average occupancy*	56%	78%	45%	40%	40%
Total available roomnights (in millions)	2.26	0.87	0.57	0.34	0.48
Total occupied unit-nights (in millions)	1.27	0.68	0.26	0.13	0.19

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

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 Minnesota 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	4.07	4.58	3.15	4.07	4.13
Average length of stay	3.80	5.49	3.48	2.30	2.97

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 three guests in four were Minnesota residents (76%), 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%	99%	98%	94%	97%
Business	2%	1%	2%	4%	3%
Meetings/conventions	*	*	*	1%	-
Guest Origin:					
<u>Out of State</u>	<u>24%</u>	<u>34%</u>	<u>20%</u>	<u>14%</u>	<u>25%</u>
U.S.	24%	34%	20%	12%	24%
Canada	1%	*	*	1%	1%
Other Foreign	*	*	*	*	*
Minnesota	76%	66%	80%	86%	75%

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

* Less than 0.5%

5.10 Campground Inventory

Minnesota campground providers offered 32,496 sites in 725 campgrounds to the public for use during the 2005-06 year. That yielded a total of 6.48 million site nights available, with 2.81 million site nights 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 \$22.48.

Occupancy rates for Minnesota campgrounds were 43%.

Table 5.11

Site Rates and Occupancy by Season (Campgrounds)

	<u>June 2005- May 2006 TOTAL</u>	<u>June- August 2005</u>	<u>September- November 2005</u>	<u>December 2005- February 2006</u>	<u>March- May 2006</u>
Average site rate**	\$22.48	\$22.89	\$21.54	\$13.93	\$25.16
Average occupancy**	43%	64%	38%	1%	27%
Total available site-nights (in millions)	6.48	2.83	1.60	0.61	1.43
Total occupied site-nights (in millions)	2.81	1.81	0.60	*	0.38

*Less than 0.01 million (10,000).

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

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

5.12 Guest Party Size and Length of Stay

Minnesota 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	3.23	3.60	3.29	1.71	2.96
Average length of stay	2.82	2.88	3.29	0.75*	2.95

* Note: Includes campgrounds which were open but had 0 sites rented, resulting in an average length of stay less than 1 night.

5.13 Guest Origin

Minnesota campground managers reported that seven in ten Minnesota campers (68%) 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>32%</u>	<u>30%</u>	<u>38%</u>	<u>32%</u>	<u>30%</u>
U.S.	29%	27%	37%	25%	28%
Canada	2%	3%	*	7%	1%
Other Foreign	*	*	*	--	*
Minnesota	68%	70%	62%	68%	70%

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

* Less than 0.5%

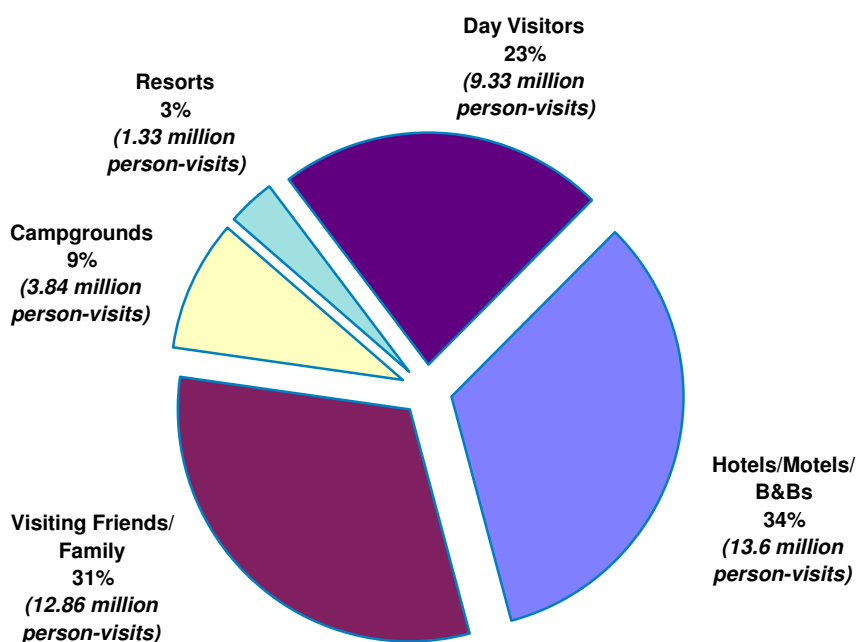
6.0 Travel Volume in Minnesota

Person-visits in Minnesota totaled 40.97 million during the period June 2005 through May 2006. A total of 31.64 million were overnight person visits – one person staying in one accommodation. In addition, day travelers in Minnesota were estimated at 9.33 million.

Hotel/motel/B&B guests represented 34% of person-visits while travelers staying with family and/or friends represented 31%. Campers accounted for 9% of person-visits while travelers staying in resorts made up 3% of the person-visits in Minnesota in June 2005 through May 2006.

Figure 6.0

Minnesota Person-Visits



TOTAL: 40.97 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, 40.97 million person-visits should not necessarily be interpreted as 40.97 million travelers.

Appendix A: Procedures

Technical Appendix: The Research Procedures

Introduction

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

A. What is Economic Impact?

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

B. What is a Traveler?

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

classified as travelers and the rooms they occupy are not included in those occupied by travelers.

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

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

- Sales tax data or industry receipts are not employed;
- Measurements begin with **every dollar** travelers spend;
- North American Industry Classification System (NAICS) codes are **not** used;
- **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 2005-2006 Minnesota Effort

What follows is a brief description of the procedures for estimating economic impact as they were completed in 2005-06.

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 state 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 2,375 quarterly surveys were conducted:

<u>Seasonal</u>	<u># Interviewed</u>
June - August	602
September - November	521
December - February	623
March - May	629

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 2005-06 period.

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. The Traveler Expenditure surveys form the basis of the Traveler Profile Survey reported elsewhere.

A total of 2,274 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.

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.

Appendix B: Supporting Tables

Table A-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- grounds¹</u>	<u>Visiting Friends/ Relatives</u>	<u>Day Tripper</u>	<u>Total</u>
Food	\$1,296.37	\$256.19	\$141.68	\$1,109.00	\$79.21	\$2,882.47
<u>Shopping</u>	<u>\$1,453.98</u>	<u>\$142.49</u>	<u>\$228.40</u>	<u>\$1,080.51</u>	<u>\$79.49</u>	<u>\$2,984.88</u>
General	864.66	76.96	142.24	767.66	34.96	1,886.48
Traveler	589.32	65.53	86.16	312.86	44.53	1,098.40
<u>Recreation</u>	<u>\$1,361.38</u>	<u>\$189.79</u>	<u>\$230.22</u>	<u>\$997.57</u>	<u>\$115.74</u>	<u>\$2,894.70</u>
Liquor	264.30	67.10	48.10	316.00	8.89	704.39
Historic	49.67	4.97	21.88	32.54	4.05	113.11
Sightseeing	96.28	2.97	13.98	18.06	4.26	135.55
Event fees	207.27	4.89	43.99	89.19	17.19	362.53
Sport fees	171.09	35.69	23.54	153.10	21.54	404.96
Cultural event fees	30.66	0.00	0.87	47.09	2.30	80.92
Evening entertainment	131.85	10.30	31.75	157.79	3.92	335.60
Licenses	53.35	45.72	25.11	63.08	2.39	189.66
Sweepstakes	22.08	7.42	2.45	15.94	3.43	51.31
Wagering	331.15	10.56	16.43	94.56	47.65	500.34
Other	3.68	0.17	2.13	10.23	0.12	16.33
Lodging	\$1,434.35	\$188.48	\$62.87	--	--	\$1,685.70
Ground Transportation	\$586.25	\$95.64	\$126.60	\$497.94	\$31.99	\$1,338.42
Total	\$6,132.33	\$872.59	\$789.77	\$3,685.04	\$306.44	\$11,786.17

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

Table A-2

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

	June-August 2005	September- November 2005	December 2005- February 2006	March-May 2006	Total
Food	\$1,126.55	\$661.95	\$462.33	\$631.64	\$2,882.47
<u>Shopping</u>	<u>\$1,158.87</u>	<u>\$695.36</u>	<u>\$482.36</u>	<u>\$648.28</u>	<u>\$2,984.88</u>
General	736.25	437.58	301.38	411.26	1,886.48
Traveler	422.62	257.77	180.98	237.02	1,098.40
<u>Recreation</u>	<u>\$1,136.11</u>	<u>\$669.70</u>	<u>\$460.02</u>	<u>\$628.87</u>	<u>\$2,894.70</u>
Liquor	284.61	159.20	106.95	153.62	704.39
Historic	47.44	25.94	15.93	23.80	113.11
Sightseeing	49.92	32.81	23.58	29.23	135.55
Event fees	139.61	85.95	58.86	78.12	362.53
Sport fees	159.91	93.01	64.43	87.61	404.96
Cultural event fees	30.58	18.46	12.93	18.95	80.92
Evening entertainment	134.35	77.09	51.37	72.79	335.60
Licenses	84.71	40.62	24.24	40.09	189.66
Sweepstakes	20.44	11.66	8.10	11.11	51.31
Wagering	177.65	121.25	91.32	110.12	500.34
Other	6.92	3.69	2.31	3.42	16.33
Lodging	\$591.58	\$410.69	\$316.81	\$366.61	\$1,685.70
Transportation	\$535.95	\$306.61	\$205.23	\$290.64	\$1,338.42
Total	\$4,549.06	\$2,744.31	\$1,926.75	\$2,566.04	\$11,786.17

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

Seasonal Analysis

	June- August 2005	September- November 2005	December 2005 – February 2006	March – May 2006
Share of seasonal expenditures	39%	23%	16%	22%
Share of days in year	25%	25%	25%	25%
Ratio	1.53	0.93	0.66	0.86

Table A-3

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

	<u>Metro</u>	<u>Northcentral /West</u>	<u>Northeast</u>	<u>Southern</u>	<u>Total</u>
Food	\$1,389.77	\$625.03	\$412.27	\$455.40	\$2,882.47
<u>Shopping</u>	<u>\$1,508.77</u>	<u>\$573.89</u>	<u>\$398.99</u>	<u>\$503.22</u>	<u>\$2,984.88</u>
General	953.61	362.78	249.14	320.95	1,886.48
Traveler	555.17	211.11	149.85	182.27	1,098.40
<u>Recreation</u>	<u>\$1,407.24</u>	<u>\$601.48</u>	<u>\$409.01</u>	<u>\$476.97</u>	<u>\$2,894.70</u>
Liquor	324.60	163.29	103.33	113.17	704.39
Historic	49.96	25.46	17.29	20.40	113.11
Sightseeing	72.09	22.30	18.12	23.05	135.55
Event fees	185.04	64.90	48.89	63.69	362.53
Sport fees	196.69	86.24	56.58	65.46	404.96
Cultural event	40.34	16.52	11.09	12.98	80.92
fees					
Evening	167.03	65.68	43.84	59.05	335.60
entertainment					
Licenses	60.49	64.83	37.64	26.70	189.66
Sweepstakes	23.02	12.63	8.05	7.62	51.31
Wagering	279.67	76.65	62.33	81.69	500.34
Other	8.32	2.98	1.85	3.19	16.33
Lodging	\$878.73	\$314.06	\$249.31	\$243.60	\$1,685.70
Ground	\$625.82	\$295.45	\$196.03	\$221.13	\$1,338.42
Transportation					
Total	\$5,810.33	\$2,409.91	\$1,665.61	\$1,900.33	\$11,786.17

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

Table A-5

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

	<u>Direct Impact</u>	<u>Total Impact</u>
Employment (full-time job equivalents)	184,400	286,600
Resident Income (wages, salaries, and proprietary income)	\$3,333,800,000	\$6,907,300,000
Government Revenues:		
State government revenues	\$896,500,000	\$1,496,200,000
Local government revenues	\$279,900,000	\$498,500,000

Bases for Chapter 5 Tables

<u>Hotels/Motels/B&Bs</u>	<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 room rates (5.3)	Based on a census of all properties weighted by rooms. Missing data is imputed using average of properties of similar size in the region.				
Average occupancy (5.3)	Occupied roomnights divided by available roomnights as on the table.				
Average travel party size (5.4)					
Base (properties)	900	207	185	271	237
Base (roomnights in millions)	6.943	1.609	1.467	2.027	1.840
Average length of stay (5.4)					
Base (properties)	896	207	184	270	235
Base (roomnights in millions)	7.033	1.641	1.465	2.073	1.853
Trip purpose (5.5)					
Base (properties)	836	197	171	245	223
Base (roomnights in millions)	6.637	1.558	1.363	1.944	1.772
Guest origin (5.5)					
Base (properties)	789	192	160	224	213
Base (roomnights in millions)	5.748	1.427	1.272	1.556	1.492

Bases for Chapter 5 Tables (continued)

	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>
<u>Resorts</u>					
Average daily unit rates (5.7)	Based on a census of all properties weighted by units. Missing data is imputed using average of properties of similar size in the region.				
Average occupancy (5.7)	Occupied unitnights divided by available unitnights as on the table.				
Average travel party size (5.8)					
Base (properties)	342	107	76	66	93
Base (unitnights in thousands)	278.6	100.2	57.2	78.7	42.6
Average length of stay (5.8)					
Base (properties)	346	109	77	66	94
Base (unitnights in thousands)	281.4	102.2	57.8	78.7	42.8
Trip purpose (5.9)					
Base (properties)	330	109	72	59	90
Base (unitnights in thousands)	245.0	102.2	36.3	64.4	42.1
Guest origin (5.9)					
Base (properties)	330	107	73	60	90
Base (unitnights in thousands)	274.2	101.7	55.4	74.9	42.2

Bases for Chapter 5 Tables (continued)

	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>
<u>Campgrounds</u>					
Average daily site rates (5.11)	Based on a census of all properties weighted by sites. Missing data is imputed using average of properties of similar size in the region.				
Average occupancy (5.11)	Occupied sitenights divided by available sitenights as on the table.				
Average travel party size (5.12)					
Base (properties)	254	74	75	8	97
Base (sitenights in thousands)	497.7	228.6	108.8	38.9	121.5
Average length of stay (5.12)					
Base (properties)	259	78	76	8	97
Base (sitenights in thousands)	494.1	232.4	110.6	38.9	112.3
Guest origin (5.13)					
Base (properties)	233	75	67	3	88
Base (sitenights in thousands)	473.8	226.4	105.4	28.6	113.4

Appendix C: Minnesota Tourism Regions

MINNESOTA TOURISM REGIONS



COUNTIES WITHIN MINNESOTA'S TOURISM REGIONS

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

Appendix D: Survey Instruments

Minnesota 2005/2006 Lodging Managers Survey – Quarter 3

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

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

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

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

Contact Name: _____ Title: _____

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

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

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

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

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

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

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

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

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

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

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

Jun	%
Jul	%
Aug	%

(If not able to provide occupancy by month

OR

Seasonal Average	%
-------------------------	---

Don't know/ unavailable -- Go to Q6

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