

Explore Minnesota Annual Legislative Update

SENATE JOBS & ECONOMIC DEVELOPMENT COMMITTEE

March 4, 2024

Lauren Bennett McGinty, Executive Director

EXPLORE  MINNESOTASM



Who is Explore Minnesota?

Explore Minnesota is the state marketing office which promotes tourism, livability and economic opportunity in Minnesota. The agency is under the leadership of Executive Director Lauren Bennett McGinty, who was appointed by Governor Walz in 2021.

Explore Minnesota showcases the state's diverse attractions and livability, including its natural beauty, outdoor recreation opportunities, cultural events, historical sites, and vibrant communities.

As a government agency, we work in partnership with other state agencies and collaborate with tourism businesses, local communities, economic development organizations and industry partners to promote Minnesota as a top place to visit, live and do business.



Our Strategic Goals, Vision, Mission, Position & Values



Grow Minnesota's economy



Create a welcoming experience for all



Maximize partner and stakeholder leadership and collaboration



Foster state stewardship



Ensure organizational excellence

Vision: To be a top 10 destination for extraordinary travel in all four seasons.

Values: Teamwork, creativity, agility and inclusivity.

Mission: We support Minnesota's economy and promote sustainable travel by welcoming all to experience our diverse cultures and destinations through innovative marketing, industry partnerships and unique storytelling.

Position: We lead Minnesota's travel industry by collaborating with partners and stakeholders to market our state for the economic benefit of all Minnesotans.



Our Budget

Annual Budget for FY24: **\$18.24 million**

Allocation of budget*

60% Marketing & Communications

- All seasonal campaigns, public relations & social media marketing

17% Technology & Operations

- Website, staff salaries, finance/ops

8% Industry Outreach/Support

- Education, regional outreach & support

7% Marketing Grants & Co-ops

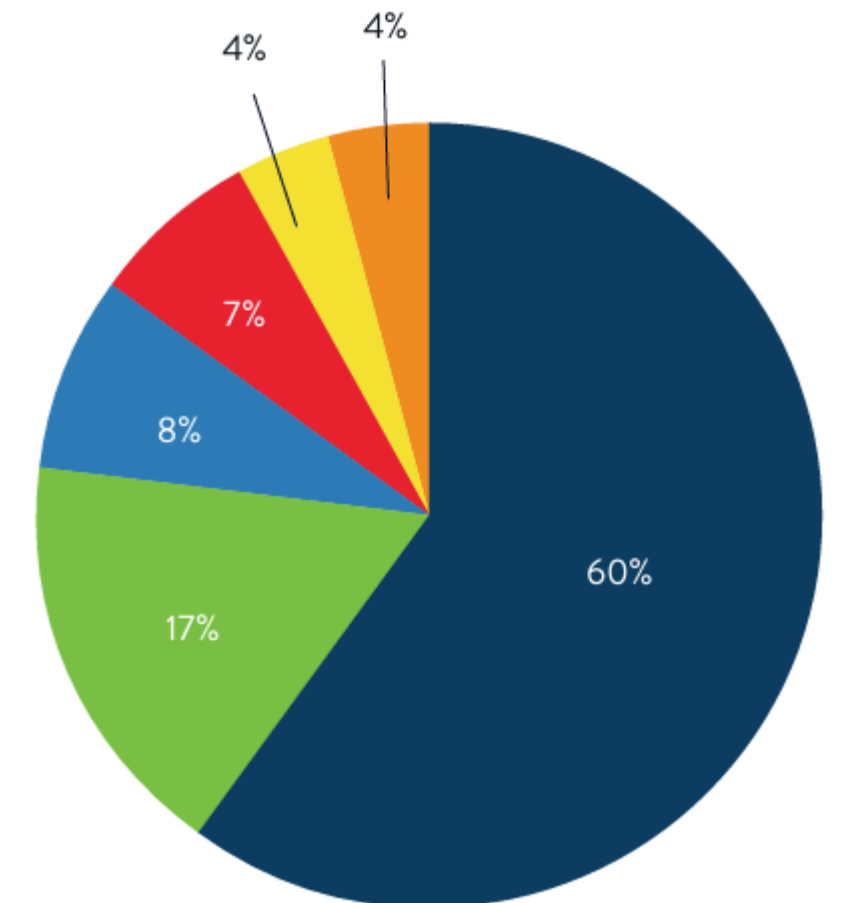
- Industry & business marketing support

4% Market Development

- International marketing

4% Welcome Centers

- Staffing/operating the 6 state welcome centers



**based on FY23 allocation*

Why Tourism Matters

- Tourism in Minnesota has over a **\$22 billion** yearly economic impact and generates of **272,000 jobs** statewide.
- Our most recent data shows that we welcomed **76.6 million** visitors in 2022 and we're anticipating we'll see growth when we receive the 2023 numbers in April.
- For every **\$1** Explore Minnesota spent on its \$4 million 2023 spring/summer campaign, it **returned \$25** in state and local taxes and **\$252 in traveler spending**.
- \$2.2 billion in state and local taxes are generated via tourism
- Tourism generates a tax savings of **\$985 per household in MN.**

(based on 2022 data)





Situational Analysis

In FY24 Explore Minnesota received its first base budget increase in a decade.

- Michigan: \$34M
- Colorado: \$30.7M
- Montana: \$22.3M
- Missouri: \$19.7M
- **Minnesota \$18.24M**
- Iowa: \$17.5M
- South Dakota: \$17.3M
- Wisconsin: \$16.8M
- North Dakota: \$7.7M

Moved from **9th**
to **5th** in FY24

The funding increase was onetime, and failure to renew and maintain this funding will not allow Explore Minnesota to maintain current levels of service delivery.



ST. PAUL SAINTS



Additional Growth Areas

International Marketing

- Restarted after the pandemic
- Promotions in Europe; trade missions in Japan and South Korea

Tribal Nations Tourism

- Continued conversations and collaborative meeting with American Indian, Alaska Native Tourism Association (AIANTA)
- \$2.2 million in onetime funding to develop grants and scholarships
 - \$1,999,800 for FY2024-2025, with each Nation eligible for up to \$181,800

Tourism Industry Investment

- More than \$1.67 million in grants in 2023 (169 marketing grants)
- Expanded educational conference

Filling Critical Roles and Vacancies

- Have hired 10+ staff since July, primarily filling vacancies left open by retirements or layoffs during the pandemic



Talking About Minnesota Everywhere

- Website hit 9.8 million visits in 2023, the highest ever.
- The 2023 top viewed web page was “6 Spectacular National Park Sites in Minnesota” which features Voyageurs National Park, the North Country Scenic Trail, our beautiful national forests and more.
 - Driven by niche marketing campaign.
- Our Instagram page has 239k followers, the 3rd highest among competitor states; 6x more than IA, 3x more than IL.

Market Locations for 2024:

- | | | |
|-------------|----------------|-----------------------|
| • Colorado | • Missouri | • Texas (Dallas only) |
| • Illinois | • Montana | • Utah |
| • Indiana | • Nebraska | • Wisconsin |
| • Iowa | • North Dakota | • Wyoming |
| • Michigan | • Ohio | • Thunder Bay & |
| • Minnesota | • South Dakota | Winnipeg, Canada |



star of the north

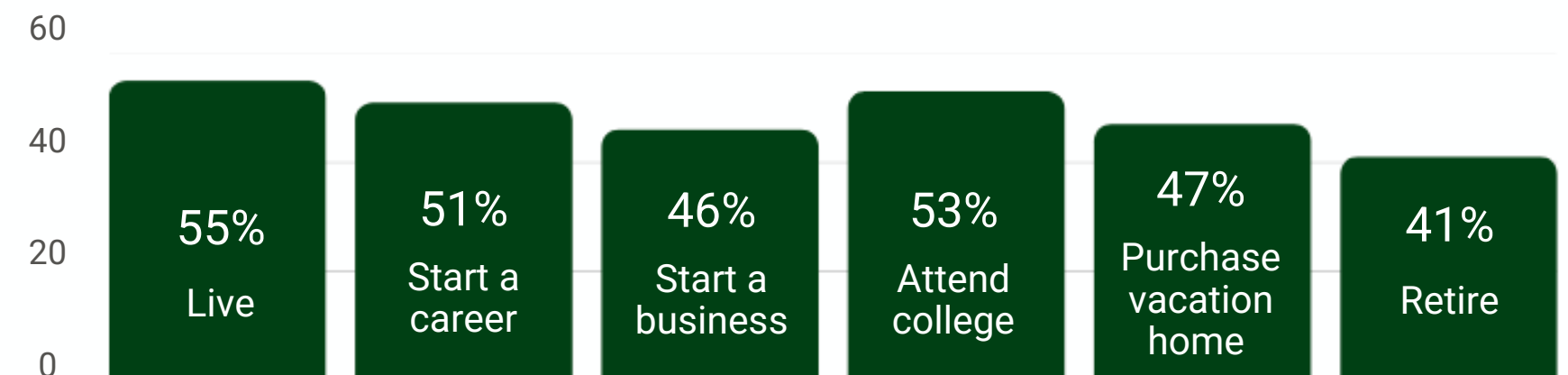
MINNESOTA TRAVEL STORIES



The Halo Effect & Explore Minnesota for Business

“Tourism functions as the front door to economic development.”

After visiting MN and seeing an ad, participants were more likely to think of MN as a good place to...



From the Explore Minnesota 2023 Halo Effect Study by Longwoods International

Explore Minnesota for Business

Onetime funding = \$11 million for FY24-25

The division will promote the state as a top state to live, work and do business:

- **Phase 1:** Talent/new resident attraction to improve the state's stagnant workforce (launches March 4, 2024)
- **Phase 2:** Business attraction; working with DEED and other state agencies as well as NGOs to market MN as a top state to do business (launches between July - September 2024)
- **Phase 3:** College-age and existing resident retention (launches between March – May 2024)

Phase 1 Market Locations:

- | | | |
|---------------|-----------------|-----------------|
| • California | • Massachusetts | • Texas |
| • Connecticut | • Michigan | • Vermont |
| • Illinois | • Montana | • Washington |
| • Indiana | • New York | • Washington DC |
| • Kansas | • Ohio | • Wisconsin |
| • Maryland | • Oregon | • Wyoming |





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LIVING MINNESOTA



"seeing nothing but blue and green, I felt like I was on a different planet"

Katie Cahn
PROFESSIONAL ANGLER
SOUTH CAROLINA

From big water fishing up north to tasting traditional Hmong cuisine, Katie and Kendra discover what makes Minnesota the Star of the North.

See their journey, get itineraries and #OnlyinMN insider tips at ExploreMinnesota.com

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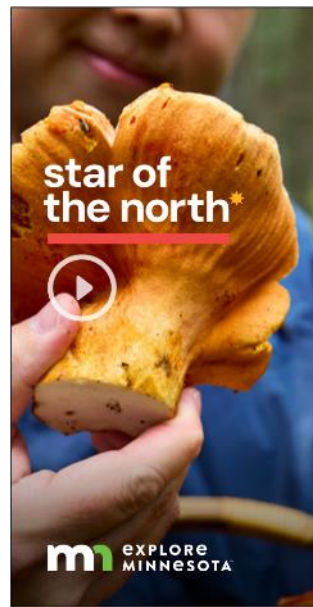


"the food tells you the whole story of this place"

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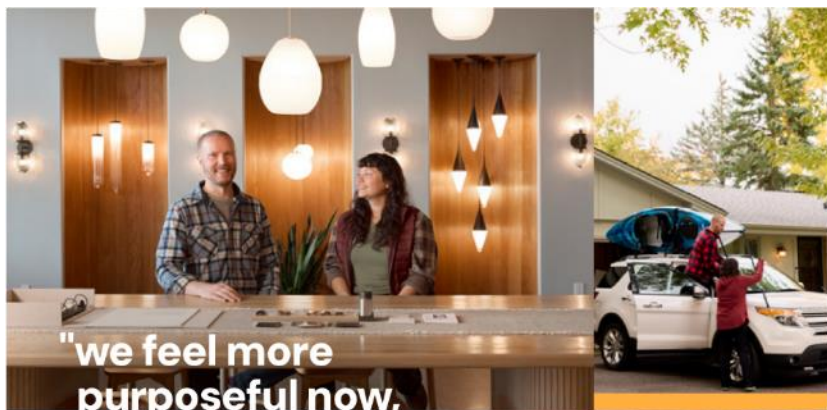


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"we feel more purposeful now, getting back into what we love"

Kat and Josh
GLASS ARTISTS - HENNEPIN MADE
MINNEAPOLIS, MN

When Kat and Josh relocated to the Twin Cities, they found not only career opportunities, but a new way of life. From living in one of the best large cities for biking* to ranking third in home ownership**, Minnesotans don't just talk about work/life balance, they live it.

See their journey and learn more about what makes Minnesota a great place to call home at exploreminnesota.com/live.

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* PEOPLE FOR BIKES
** WALLETHUB



"it's like an ocean"

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in the middle of Minnesota"

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"my kids say I've never been more active"

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CNBC

Minnesota ranks #4 best state to live and work

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Minnesota Brand Positioning

The state will take on a new brand identity:

star of the north[★]

To better communicate the opportunities that exist for non-Minnesotans to experience everything we have to offer from vacationing to setting down roots to grow a future, Explore Minnesota has created a brand identity that all state agencies and external partners can use.

When you hear Star of the North, you will think Minnesota.



thank you!



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