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- A Survey of the Minnesota resort i



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A
SURVEY
OF
THE MINNESOTA RESORT INDUSTRY

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STATE OF MINNESOTA

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FOREWORD

Since the total travel industry -- including business, pleasure and necessity -- has proved to be such a difficult one to measure, as an effort to measure significant definable segments of it, the Research Division of the Department of Business Development offers this study of the resort industry in the state. Although the findings of our sample have been projected to totals for resort customers, out-of-state customers and expenditures, these figures are not to be interpreted as total tourist figures -- they apply only to the resort business.

Two organizations have been extremely helpful in the production of the study and deserve mention and thanks. They are: The Division of Hotels, Resorts and Restaurants, Health Department, for their help in the mailing and return of the questionnaires; and to the Minnesota Outdoor Recreation and Resources Commission for help in tabulation. However, the responsibility for method, calculations, and accuracy remains with the Research Division of the Department of Business Development.

Because this is a sample survey all qualifications pertaining to sample studies should be considered and reasonable latitude should be allowed for variation in projections in making interpretation of the data present here. For example, in Table V Otter Tail, Cass, and Crow Wing counties would be considered as having approximately equal magnitude in resort occupancy.

PURPOSE

The purpose of this study is to determine the number of registrations, the number of total persons, the state of residence, and the expenditures, for the resorts in the State of Minnesota in the year 1963.

THE METHOD

This is a mail questionnaire survey sent out to the total number of resorts in the state which are licensed through the Health Department. The questionnaire, a copy of which is in the rear of this report, was sent to each establishment with a letter on the reverse side urging them to participate in the study.

The questionnaire was short and simple to answer. However, because rather accurate records were necessary to answer all questions thoroughly, some returns were unusable for each of the questions specified. In each case the subsample of properly answered questions was used. The general return was quite good for a mail questionnaire survey. The 3,201 resorts in the state were contacted and 640 were returned. This was a 20.0% return.

To assure some geographic control of the sample the state was divided into three main divisions. "A" and "B" housing those counties in which resort location is concentrated and an "All Other" which includes the remaining counties in the State.

Area "A" consists of Aitkin, Beltrami, Carlton, Chisago, Cook, Itasca, Kanabec, Koochiching, Lake, Lake of the Woods, Pine and St. Louis counties. Area "B" contains Becker, Cass, Crow Wing, Douglas, Hubbard, Kandiyohi, Mahnommen, Meeker, Mille Lacs, Morrison, Otter Tail, Pope, Stearns, Todd, Wadena and Wright.

The geographic control of the sample is shown by the following tables:

TABLE I

	<u>No. of Resorts</u>	<u>% of Resorts</u>	<u>Questionnaires</u>	<u>% of Questionnaires</u>
Area "A"	1,058	33.1%	211	33.0%
Area "B"	1,936	60.5	385	60.2
All Others	<u>207</u>	<u>6.4</u>	<u>44</u>	<u>6.8</u>
TOTAL	3,201	100.0	640	100.0

TABLE II

Percentage of resorts and questionnaire returns in Minnesota counties that have over 100 resorts.

	<u>% of Resorts</u>	<u>% of Questionnaires</u>	<u>Difference</u>
Cass	13.6	14.8	-1.2
Crow Wing	12.7	9.8	+2.9
Itasca	7.9	9.1	-1.2
Otter Tail	7.1	6.8	+0.3
St. Louis	6.9	4.4	+2.5
Hubbard	6.8	6.3	+0.5
Beltrami	4.9	5.6	-0.7
Douglas	4.7	5.9	-1.2
Aitkin	4.6	4.2	+0.4
Becker	4.1	4.8	-0.7
Counties with less than 100 resorts	<u>26.7</u>	<u>28.3</u>	-2.4
	100.0	100.0	

Both tables above point out that the sample has a very small variability from the total universe, giving it good geographic representation.

All sample findings were projected to the total resorts. Since the numerical findings offered are projections, the figures have been rounded to the nearest hundred.

SUBJECT MATTER

The first objective of the survey was to find out how many registrations were made in Minnesota resorts and how many persons this involved during the year 1963.

TABLE III

Total Registrations	314,800
Total Persons	1,051,900

The registrations and persons divided themselves among the areas as follows:

TABLE IV

	<u>Registrations</u>	<u>Persons</u>
Area "A"	112,800	340,800
Area "B"	173,200	620,800
All Other Counties	<u>28,800</u>	<u>90,300</u>
TOTAL	314,800	1,051,900
3.3 Persons per registration		

Since total traffic of persons is an important consideration, it is interesting to see the number of persons for the counties with over one hundred resorts.

TABLE V

Total persons in occupancy by counties with over 100 resorts.

<u>County</u>	<u>Persons</u>	<u>Percent of Total</u>
Otter Tail	117,700	11.2%
Cass	115,700	11.0
Crow Wing	115,200	11.0
St. Louis	91,500	8.7
Beltrami	64,000	6.1
Douglas	56,500	5.4
Hubbard	55,300	5.3
Becker	48,500	4.6
Itasca	48,300	4.6
Aitkin	37,000	3.5
All Other	<u>302,200</u>	<u>28.6</u>
TOTAL	1,051,900	100.0

From this table it is evident that about 71% of the total resort occupancy is concentrated in 10 counties. The percent of traffic in some counties is greater or less than the number of resorts because some counties have a greater number of persons per resort through the season.

The next important consideration is to determine the state of residence of those persons who occupied resorts in 1963.

Table VI gives the following breakdown:

TABLE VI

State of Origin for Persons in Minnesota Resorts

	<u>%</u>	<u>Number</u>
Total Persons	100.0	1,051,900
From Minnesota	50.9	535,400
From Other States	49.1	516,500

Percent and Number of Persons From Other States
by State of Origin

Iowa	27.9%	144,100
Illinois	23.4	120,100
Indiana	7.7	39,800
Nebraska	6.8	35,100
Missouri	6.7	34,100
North Dakota	6.7	34,100
Canada	4.6	23,800
Kansas	4.1	21,200
Wisconsin	3.2	16,500
South Dakota	2.7	14,000
Michigan	1.6	8,300
Ohio	1.4	7,200
California	1.0	5,200
Other States	<u>2.2</u>	<u>13,000</u>
TOTAL	100.0	516,500

The general impression that Illinois was the leading state for out-of-state resort occupants is not confirmed by this study, at least for the year 1963.

In 1948 the Department of Business Development released a study covering the same question. A comparison of the two shows some significant differences, although the 1948 study measured vacationists while the 1963 study measured resort occupants the comparison is meaningful.

TABLE VII
Percent of Out-Of-State Visitors

	1963 <u>Resort Occupants</u> (Rounded)	1948 <u>Vacationists</u>
Iowa	28%	21%
Illinois	23	27
Indiana	8	4
Nebraska	7	7
Missouri	7	12
North Dakota	7	4
Kansas	3	6
Wisconsin	3	3
South Dakota	3	3
Michigan	2	2
Ohio	1	1
California	1	2

Another comparison which is indicative of the finds of this study is that of the state of residence of summer home owners found in Northern Minnesota in 1958.*

TABLE VIII
STATE OF RESIDENCE
(In which both studies showed more than 1%)

	1963 <u>Resort Occupants</u>	1958 <u>Summer Home Owners</u>
Minnesota	50.9%	50.2%
Iowa	13.7	13.0
Illinois	11.4	8.2
Indiana	3.7	1.6
Nebraska	3.3	4.0
Missouri	3.2	3.6
North Dakota	3.2	9.0
Kansas	2.0	1.1
South Dakota	1.3	1.5

*The Economics of Outdoor Recreation in the Upper Midwest. University of Minnesota, Duluth, 1963.

The close approximation of the percentages would suggest that the State of residence of Minnesota vacationers has done some significant shifting since 1948 in preference to some states over others.

The state of residence for resort occupants between Areas "A" and "B" is also of significance.

TABLE IX

		<u>Area "A"</u>		<u>Area "B"</u>
Total Resort Occupants		340,800		620,800
Minnesota	51.8%	176,500	50.4%	312,900
Out-of-State	48.2%	164,300	49.6%	307,900

Percent of Out-of-State Persons by State of Residence

<u>Area "A"</u>		<u>Area "B"</u>	
Illinois	32.4%	Iowa	31.2%
Iowa	22.2	Illinois	18.4
Indiana	10.5	Nebraska	9.6
Canada	6.7	Missouri	8.9
Wisconsin	6.2	North Dakota	8.9
Michigan	3.4	Indiana	5.9
Missouri	3.2	Kansas	4.7
Kansas	2.9	South Dakota	3.6
North Dakota	2.8	Canada	3.5
Ohio	3.1	Wisconsin	1.6
Nebraska	1.8	Ohio	1.4
South Dakota	1.3	California	1.0
California	1.0		

Michigan is the only state that is not in both areas over 1%. The most important observation from the differences in these two areas is the orientation of out-of-state resort occupants to divide quite sharply between their neighbors on the North, East and Southeast as against those on the West, South and Southwest.

The next consideration is the place of residence of those counties carrying the major share of resort occupants.

TABLE X

MAJOR MINNESOTA COUNTIES BY
PERCENT OF TOTAL RESORT OCCUPANTS BY
PLACE OF RESIDENCE

	<u>% Becker</u>	<u>% Beltrami</u>	<u>% Cass</u>	<u>% Crow Wing</u>	<u>% Douglas</u>
Minnesota	34.6	36.4	41.4	66.2	66.0
Illinois	3.7	18.7	16.5	7.4	4.6
Iowa	11.3	9.0	19.5	11.2	13.5
Canada	12.3	11.5	*	*	*
Wisconsin	*	1.2	*	*	*
Michigan	*	*	*	*	*
Missouri	1.1	2.2	3.6	5.4	3.0
Kansas	2.0	2.8	2.2	1.1	1.8
North Dakota	20.2	4.3	1.4	1.5	2.2
South Dakota	2.6	*	*	*	2.9
Ohio	*	*	*	*	*
Nebraska	3.7	1.6	3.6	1.0	4.8
Indiana	3.6	2.6	6.1	1.3	*
California	*	*	*	*	*

	<u>Hubbard</u>	<u>Itasca</u>	<u>Otter Tail</u>	<u>St. Louis</u>	<u>Aitkin</u>
Minnesota	47.5	43.5	40.9	48.5	67.5
Illinois	12.2	20.4	7.5	14.5	7.2
Iowa	15.8	13.8	14.9	10.7	16.5
Canada	*	*	1.2	3.5	*
Wisconsin	*	1.1	*	3.0	*
Michigan	*	*	*	3.7	3.9
Missouri	3.1	1.4	7.7	2.7	2.8
Kansas	3.1	*	4.5	*	1.8
North Dakota	3.5	*	5.8	*	*
South Dakota	1.5	*	3.4	*	*
Ohio	*	1.2	*	1.5	*
Nebraska	6.6	*	9.3	*	*
Indiana	3.1	13.3	1.4	6.7	*
California	*	*	*	1.0	*

*Less than 1%

EXPENDITURES

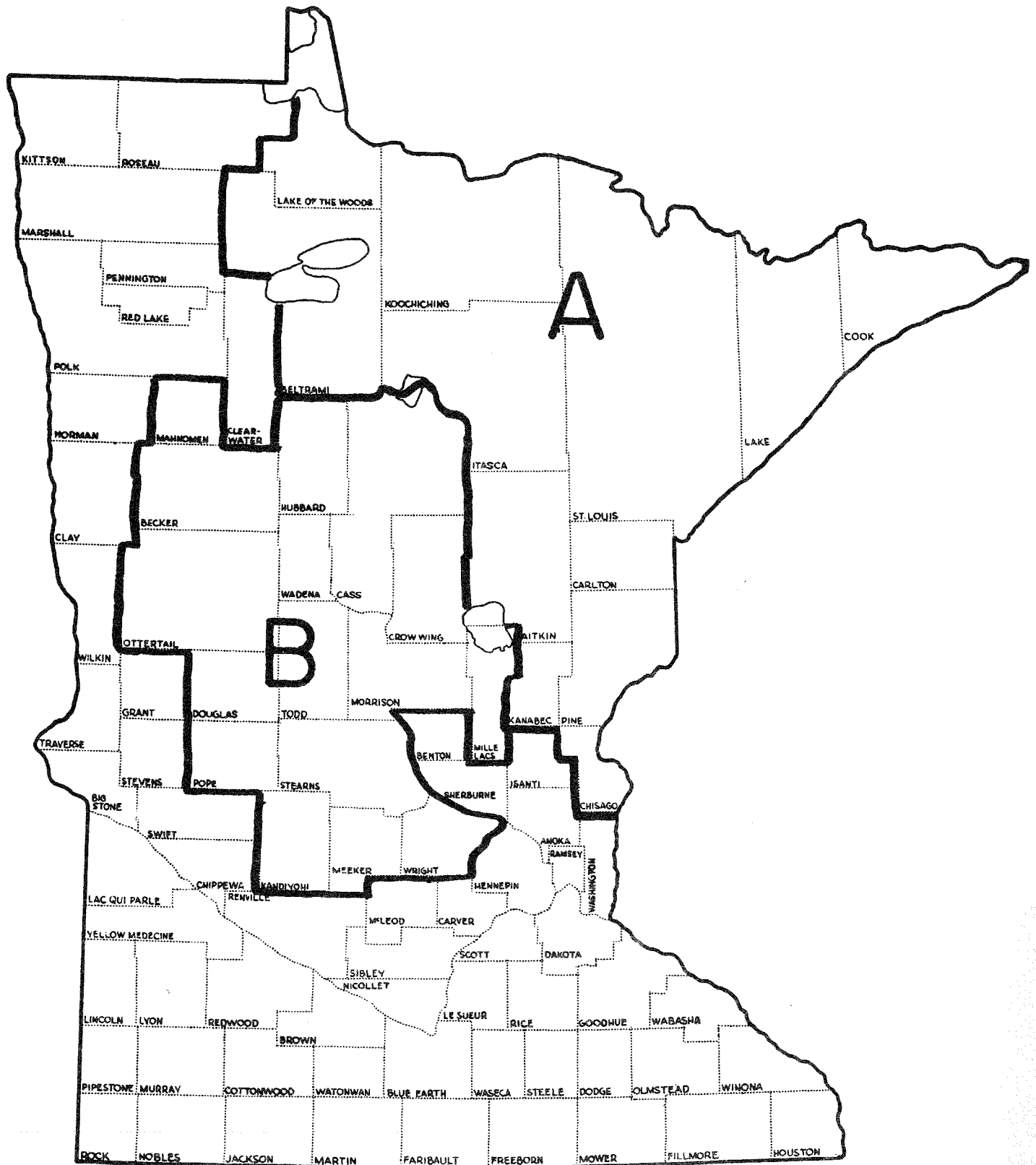
In addition to finding the general traffic to Minnesota resorts, it was also the purpose of this study to ascertain the amount of expenditures in the various resorts. The tabulations and projections for resorts in the state breakdown as follows:

TABLE XI
Total Expenditures

Area "A"	
Aitkin	\$394,200
Beltrami	\$1,218,000
Cook	\$750,000
Itasca	\$990,000
St. Louis	\$1,152,800
Other Area "A" Counties	\$1,473,600
TOTAL	\$5,978,600
Area "B"	
Becker	\$701,000
Cass	\$1,924,000
Crow Wing	\$2,417,000
Douglas	\$523,800
Hubbard	\$930,200
Otter Tail	\$2,389,500
Other Area "B" Counties	\$1,371,100
TOTAL	\$10,255,800
All Other Counties	\$1,162,900
STATE TOTAL	\$17,397,300

These expenditures represent the total amount the resort occupants spent for rooms, cabins, food, gasoline and other general merchandise on the premises of the resort. The figure is not to be construed as the total retail sales figure of the resort tourist which is spent in other outlets around the state.

THIS MAP OUTLINES AREAS "A" & "B"
AS DEFINED IN THE STUDY



CONFIDENTIAL QUESTIONNAIRE

Name of Establishment _____

County Location _____

1. How would you describe your operation? (Check one)

- a. Hotel _____
- b. Motel _____
- c. Tourist Court _____
- d. Resort _____
- e. Trailer Park _____
- f. Boarding House _____

2. How many registrations did you have at your establishment during 1963?

Number _____

3. How many persons did this involve?

Number _____

4. Please list the number of guests by states of origin (include Minnesota).

<u>Number</u>	<u>State</u>	<u>Number</u>	<u>State</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

5. How much did your guests spend at your establishment for the following items during 1963?

- a. Rooms _____
- b. Food and Beverages _____
- c. Gasoline _____
- d. Other _____

Total _____

6. What was your advertising expenditure for 1963? _____

