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Explore Minnesota Tourism

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www.exploreminnesota.com

AT A GLANCE

Explore Minnesota is the state’s official tourism promotion agency. Through advertising, marketing, education, industry and other programs, it supports the thousands of businesses and organizations that make up Minnesota’s tourism economy. The tourism industry in Minnesota generates:

- Sales: \$16.0 billion in gross sales in 2018.
- Jobs: Nearly 273,000 full- and part-time jobs in 2018, or 11 percent of total private sector employment.¹
- Wages: \$6.1 billion in wages.¹
- Revenue: \$1.04 billion in state sales tax revenue in 2018, or 18 percent of state sales tax revenues.
- Return on Investment: Every \$1 in state tourism advertising results in \$18 in state and local taxes and \$180 in spending by travelers.²

¹: Source: Bureau of Labor Statistics, U.S. Department of Labor, 2018

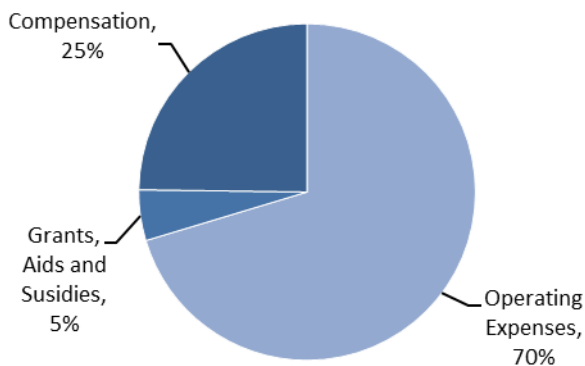
²: Source: January 2020, SMARInsights, [Spring Summer 2019 ROI/Economic Impact Research Study](#)

PURPOSE

The mission of Explore Minnesota Tourism is to inspire consumers and facilitate their travel to and within Minnesota. The agency does this by marketing Minnesota travel products and opportunities to consumers, including communities, lodging, museums, attractions, restaurants, events, and outdoor recreation. Through consumer advertising, public relations, publications, websites, social media, international marketing, and other efforts, Explore Minnesota Tourism reaches millions of potential travelers each year.

BUDGET

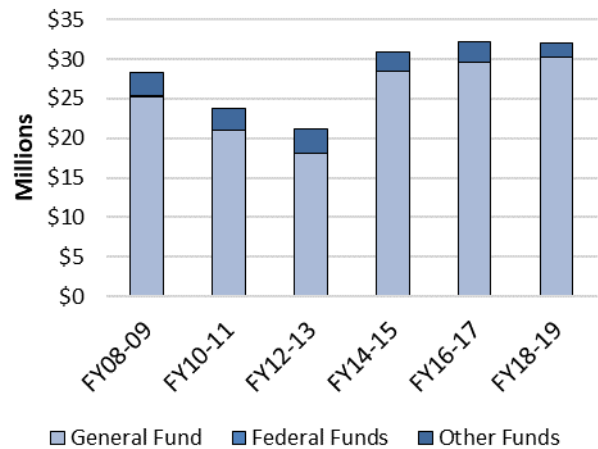
**Spending by Category
FY 2019 Actual**



Explore Minnesota’s Operating Expenses include advertising, marketing, public relations and other tourism promotion efforts.

Source: Budget Planning & Analysis System (BPAS)

Historical Spending



Historical Spending is inclusive of pass-through appropriations.

Source: Consolidated Fund Statement

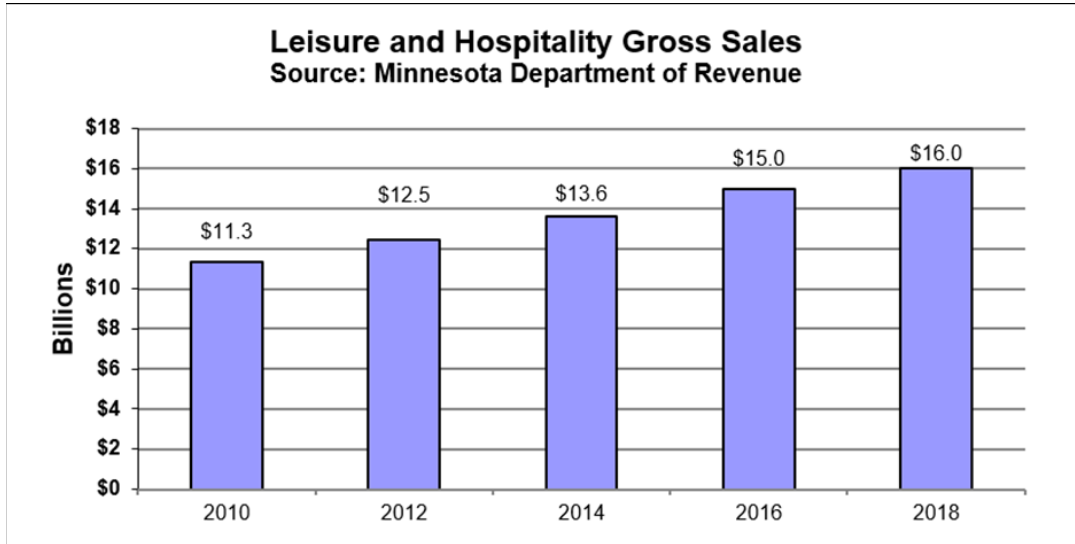
Explore Minnesota Tourism has a total biennial budget in FY20/21 of \$28.4 million in general fund appropriations, and \$1.4 million in revenue through advertising sales and marketing programs. It also partners with public and private organizations to maximize resources and reach more consumers.

STRATEGIES

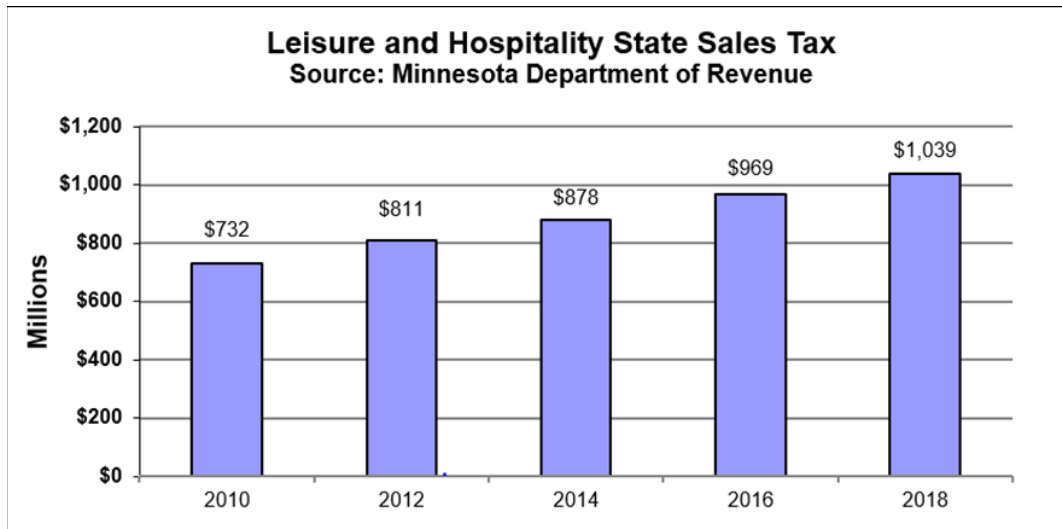
Explore Minnesota Tourism:

- Drives economic vitality by influencing visitation from new and existing domestic and global markets.
- Creates inspirational and differentiating advertising and promotions that market Minnesota as a travel destination, reaching new audiences through highly-targeted marketing tactics.
- Increases consumer reach and engagement through creation of unique content, innovative campaigns and travel information for online, social media and public relations platforms, publications and customer service.
- Engages stakeholders and invests in public/private partnerships to leverage state funding and provide opportunities that support recovery and sustainability for Minnesota's tourism industry and communities.

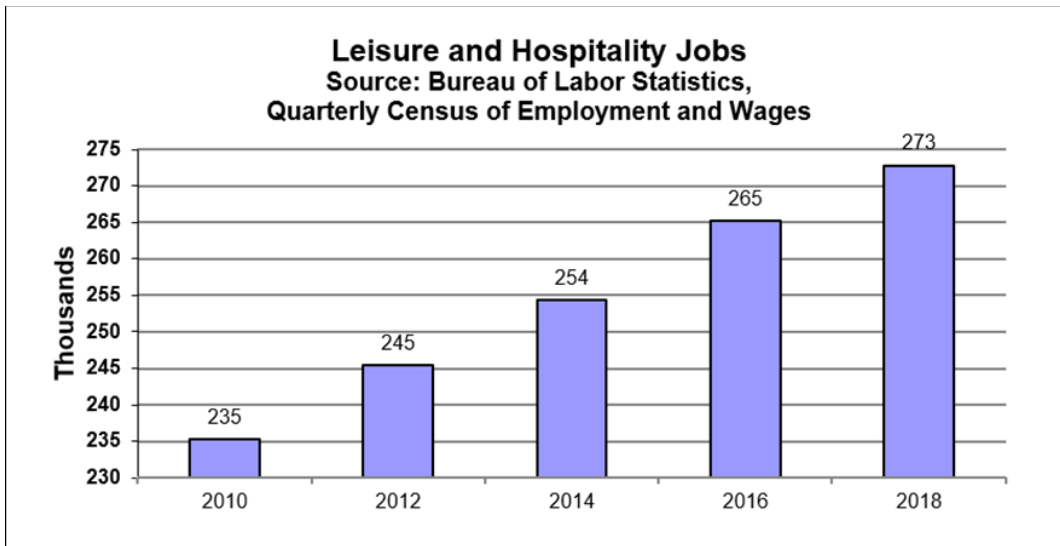
RESULTS



Minnesota's leisure and hospitality industry is a major provider of tourism services. The increase of gross sales in this sector illustrates the effect of successfully advertising to inspire travel to and throughout Minnesota.



Minnesota's leisure and hospitality industry is crucial to the state's economic vitality, accounting for 18% of total state sales tax revenue. This chart represents substantial 42% growth since 2010 compared with 33% growth over the same period for all other industries.



Minnesota’s 273,000 leisure and hospitality jobs accounted for 11% of the state’s total private sector employment in 2018. This represents a 16% increase since the lowest point in 2010.

Explore Minnesota Tourism’s advertising campaigns generate millions of Minnesota trips that would not otherwise take place. The spring/summer 2019 campaign generated 2.36 million incremental person-trips. The impact of this travel included \$708.6 million in travel spending in Minnesota and \$69.4 million in state and local taxes. Every dollar Explore Minnesota invested in the campaign resulted in \$180 in travel spending and \$18 in state and local taxes; the return on investment for Explore Minnesota’s spring/summer 2019 campaign was 180:1 for travel spending and 18:1 for state and local taxes. *Source: Strategic Marketing and Research Insights, January 2020*

MS 116U.30 (<https://www.revisor.mn.gov/statutes/?id=116U>) provides the legal authority for Explore Minnesota Tourism.

(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base	
					FY22	FY23
<u>Expenditures by Fund</u>						
1000 - General	14,833	15,361	10,674	18,399	14,144	14,244
2000 - Restrict Misc Special Revenue	1,155	659	657	507	567	550
Total	15,988	16,021	11,331	18,906	14,711	14,794
Biennial Change				(1,771)		(732)
Biennial % Change				(6)		(2)

<u>Expenditures by Program</u>						
Explore Minnesota Tourism	15,988	16,021	11,331	18,906	14,711	14,794
Total	15,988	16,021	11,331	18,906	14,711	14,794

<u>Expenditures by Category</u>						
Compensation	3,782	3,969	3,957	3,847	4,001	4,153
Operating Expenses	10,592	11,262	6,802	13,820	9,983	9,914
Grants, Aids and Subsidies	1,604	781	572	1,237	725	725
Other Financial Transaction	10	9	0	2	2	2
Total	15,988	16,021	11,331	18,906	14,711	14,794

<u>Full-Time Equivalent</u>	45.85	47.28	44.61	44.61	43.10	41.00
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(Dollars in Thousands)

	Actual FY18	Actual FY19	Actual FY20	Estimate FY21	Forecast Base	
					FY22	FY23
1000 - General						
Balance Forward In		1,053	326	4,055		
Direct Appropriation	15,669	14,332	14,404	14,344	14,144	14,244
Cancellations		0				
Balance Forward Out	835	24	4,055			
Expenditures	14,833	15,361	10,674	18,399	14,144	14,244
Biennial Change in Expenditures				(1,121)		(685)
Biennial % Change in Expenditures				(4)		(2)
Full-Time Equivalents	45.45	47.28	44.61	44.61	43.10	41.00

2000 - Restrict Misc Special Revenue

Balance Forward In	793	701	979	874	537	470
Receipts	1,051	854	551	170	500	550
Balance Forward Out	688	895	873	537	470	470
Expenditures	1,155	659	657	507	567	550
Biennial Change in Expenditures				(650)		(47)
Biennial % Change in Expenditures				(36)		(4)
Full-Time Equivalents	0.40					

(Dollars in Thousands)

	FY21	FY22	FY23	Biennium 2022-23
Direct				
Fund: 1000 - General				
FY2021 Appropriations	14,344	14,344	14,344	28,688
Base Adjustments				
November Forecast Adjustment		(200)	(100)	(300)
Forecast Base	14,344	14,144	14,244	28,388
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Planned Spending	507	567	550	1,117
Forecast Base	507	567	550	1,117
Revenue Change Summary				
Dedicated				
Fund: 2000 - Restrict Misc Special Revenue				
Forecast Revenues	170	500	550	1,050