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# Minnesota

Research Bulletin #36

## Economic Impact of the Minnesota Tourist and Travel Industry 1976

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# THE ECONOMIC IMPACT OF THE MINNESOTA TOURIST AND TRAVEL INDUSTRY

In order to study the Minnesota tourist-travel industry on a standardized basis, the Research Division of the Minnesota Department of Economic Development has adopted the concepts used by the U. S. Department of Commerce and the U. S. Department of Transportation. Consequently, "tourist-travel" in this study means a person traveling for business, necessity or pleasure.

The distance traveled requirement is the equivalent of 200 miles on a single trip. A "traveler" is simply anyone on a trip to a place out of his normal home area for noncommuting business or pleasure purposes.

Using these definitions, the material presented here will describe the following impacts of the tourist-travel industry on the Minnesota economy: 1) Expenditures by industrial classifications, 2) Income generated, 3) Tax contribution by source, 4) Employment by classifications, and 5) Number of travelers.

These figures are estimates because of the lack of primary data and the variability of traveler expenditure patterns. Attempts have been made to have this analysis adhere to other national efforts, even though we find some inconsistencies relative to our knowledge at the state level. Presented here are the major findings to date.

### Expenditures

In 1976, travelers in Minnesota spent \$1.3 billion, up from \$1.2 billion in 1975. To ascertain this total expenditure and the specific industry's share, the 1972 *Census of Business* was used as a base for both the state and the nation to provide the ingredients of the tourist-travel definition. A national study, "The Importance of Tourism in the U. S.

Economy — 1975," by the U. S. Travel Data Center, was used to apportion the total industry expenditures by projecting the 1972 experience to 1975. The internal consistency of the data is evident from the correspondence of the U. S.-Minnesota comparison. Both comparisons subdivided the totals much the same, as is evident from Table 1.

The estimate for 1976, based on receipts from Minnesota Sales and Use Tax, shows Minnesota's tourist-travel expenditure divided as shown in Table 2.

To provide a fuller appreciation of the distribution of tourist dollar expenditures geographically in the state, Table 3 shows the effect by region.

### Income and Employment

No extensive primary information exists on either income or employment. Consequently, an interpretation must be made from existing national data. Total national tourist-travel receipts are estimated at \$60 billion in 1972 by the U. S. Travel Data Center.

According to "The Economic Impact of Tourism," a report of the National Tourism Resources Review Commission, approximately one-third of the total national travel receipts convert to income. This would give a national income for the travel industry of \$20.1 billion for 1972. Applying this same assumption to Minnesota's total travel expenditure of \$1.3 billion, a travel income of \$443 million is realized in 1976.

According to the same source, each \$13,171 of receipts in the travel industry produced one job in 1975. In 1976, this figure had increased to \$14,793, when adjusted for inflation.

Table 4 applies the above relationships to Min-

Table 1  
Tourist-Travel Expenditures, 1975

<u>Industry Segment</u>	Minnesota		U.S.	
	Percent of Total	Receipts	Percent of Total	Receipts
	Transportation	25%	\$ 300,100,000	23%
Commerical Accommodations	20	240,000,000	20	12,000,000,000
Food and Beverage	27	324,100,000	29	17,400,000,000
Retail	22	264,100,000	22	13,200,000,000
Amusements and Other Services	6	72,000,000	6	3,600,000,000
Totals	100%	\$1,200,300,000	100%	\$60,000,000,000

Source: *The Importance of Tourism to the U.S. Economy — 1975*, adapted from the 1972 *Census of Business* by major industrial classifications (see Tables 9 and 10), and based on the proportionalities established by the U.S. Travel Data Center.

**Table 2**  
**Tourist-Travel Expenditures**  
**Minnesota, 1976**

<u>Industry Segment</u>	<u>Percent of Total</u>	<u>Receipts</u>
Transportation	26.0%	\$ 345,299,000
Commercial Accommodations	18.1	240,868,000
Food and Beverage	29.4	390,108,000
Other Retail	23.0	305,667,000
Amusements and Other Services	3.5	45,865,000
<b>Totals</b>	<b>100.0%</b>	<b>\$1,327,807,000</b>

Source: Minnesota Department of Revenue, Tax Research Division. See Table 11.

**Table 3**  
**Effect of Travel Dollars in Minnesota**  
**by Region, 1976**

<u>Tourist Region</u>	<u>Expenditures (dollars)</u>	<u>Percent of State</u>
Arrowhead	\$ 167,304,000	12.6%
Heartland	159,337,000	12.0
Hiawathaland	193,860,000	14.6
Metroland	616,102,000	46.4
Pioneerland	82,324,000	6.2
Vikingland	108,880,000	8.2
<b>Regional Totals</b>	<b>\$1,327,807,000</b>	<b>100.0%</b>

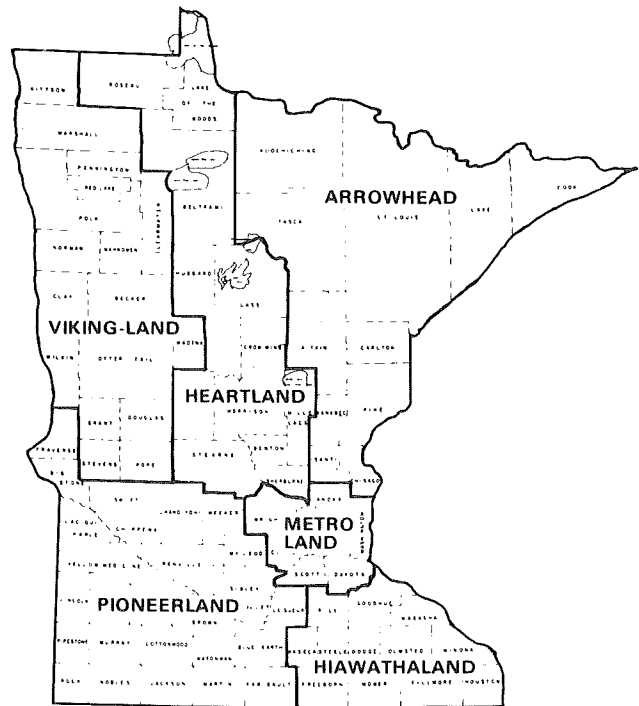
Source: Minnesota Department of Economic Development, Research Division.

**Table 4**  
**Benefits Derived from Travel in Minnesota**

	<u>1975</u>	<u>1976</u>
Total Receipts	\$1.2 billion	\$1.3 billion
Income	\$400 million	\$443 million
Employment	83,000	90,000
Average Income per Worker	\$4,822	\$4,944

Source: Minnesota Department of Economic Development, Research Division.

## Minnesota Tourism Regions



**Table 5**  
**Minnesota Employment in the**  
**Tourist-Travel Industry**  
**Annual Average Full-Time Equivalent**  
**1972-1976**

<u>Industry Segment</u>	<u>1972</u>	<u>1975</u>	<u>1976</u>
Transportation	13,819	15,132	17,987
Commercial Accommodations	15,911	17,868	27,912
Food and Beverage	21,100	26,534	27,894
Retail	6,725	7,357	8,802
Amusements and Other Services	4,066	4,538	6,965
Employment for Establishments Listed Without Payroll*	10,894	11,548	—
<b>Total Employment</b>	<b>72,515</b>	<b>82,977</b>	<b>89,560</b>

\*The establishments without payrolls reported in the 1972 *Census of Business* were credited with two employees each to cover added employment during the tourist season. In 1976 refinements in the data available allowed for interpretation by industry segment of the Employment in the Establishments Listed Without Payroll category.

Sources: U.S. Department of Commerce, *Census of Business, 1972: Retail Sales and Selected Services; County Business Patterns, 1974*; and, *Minnesota Labor Force Data*, Minnesota Department of Employment Services.

nesota's receipts, based on the \$1.2 billion in 1975 and \$1.3 billion in 1976.

The most remarkable corroborating evidence supporting this technique is that in using it the projected accommodation receipts would be \$265,561,000, while the Minnesota Sales and Use Tax Report for 1976 shows transient accommodation receipts of \$270,638,000.

Using this same relationship, the Minnesota travel industry employment (using a ratio of \$14,793 in receipts per employee in 1976) is 89,772. Another independent technique, using census classifications, yields an estimate of 89,560 (see Table 5).

Estimating tourist-travel employment is somewhat complex. In 1976 (the latest available refined data by selected industrial classifications) annual average covered employment was 68,773. Another 14,913 persons were employed in the noncovered classification. These represent year-round jobs. Also, there were an estimated 17,623 seasonal jobs, or the equivalent of 5,874 year-round jobs. (Since approximately 32 percent of the state total automobile traffic comes in the months of June, July and August, we assume that the same share of the tourist-travel activities occur during that period.) Combining covered employment, noncovered employment and the year-round equivalent of seasonal employment gives us an estimated total employment of 89,560 persons (see Table 16).

#### Taxation

State taxes generated by the travel industry amounted to an estimated \$95,996,000 in 1976. Because the income produced in the industry is from both full-time and a disproportionately high level of part-time, relatively low-salaried service employment, the per capita personal income realization (\$4,944) is significantly below the state average for all industries. According to Minnesota Department of Revenue Individual Income Tax Bulletin 46, this group would pay approximately \$90 per employee in taxes each year for a total state income tax of \$8,060,000.

It must be remembered that the average figure of \$4,944 includes income for all employees ranging from part-time students, working only three months or less, to full-time, year-round managers and, thus, will not be taxed in the same manner as a specific income group that would then be totally subject to low income credit.

In addition to the personal income tax, three other major tax categories make up the industry's tax contribution (see Table 6). These state revenues do not include the local community special accommodation and admission taxes applicable in the Minneapolis-St. Paul, Duluth and Rochester areas, which provided a total of \$3.6 million in revenue to those cities in 1976.

#### Number of Travelers

The State of Minnesota was not studied in detail in the *National Travel Survey* of the U. S. Department of Commerce's *1972 Census of Transportation*. Wisconsin, however, was. Since we believe Minnesota travelers are similar in origin, character and travel habits to Wisconsin travelers, we have fitted

the Wisconsin findings to the Minnesota experience.

Based on data from the *1972 National Travel Survey* and the U.S. Travel Data Center, we find that the average expenditure per traveler for Wisconsin was \$144. By dividing this individual expenditure into Minnesota's total travel expenditure, we arrive at a Minnesota traveler estimate of 6,770,000 persons (see Table 7). Real growth in Minnesota's travel industry was determined by applying the price deflators for the years 1972-1976 to the estimated annual dollar growth. Real growth is calculated at 3.5 percent annually for the period. The extrapolation of the number of travelers at this rate is given in Table 8.

**Table 6**  
Estimated Minnesota State Taxes Generated  
by the Tourist-Travel Industry

<u>Tax Category Type</u>	<u>1975</u>	<u>1976</u>
Sales Tax	\$25,434,000	\$29,199,000
Gasoline Tax	40,004,000	46,149,000
Alcoholic Beverage Tax	12,370,000	12,588,000
Individual Income Tax	7,558,000	8,060,000
Total Tax Receipts	\$85,366,000	\$95,996,000

Source: See Tables 12, 13, 14, and 15 on tax development estimation of sales, gasoline and alcoholic beverage tax.

**Table 7**  
Number of Travelers for Wisconsin and  
Minnesota, 1972

<u>State</u>	<u>Receipts<sup>(1)</sup></u>	<u>No. of Travelers</u>
Wisconsin	\$907.0 million	6,297,000 <sup>(2)</sup>
Minnesota	\$975.5 million	6,770,000 <sup>(3)</sup>

Sources: (1) U.S. Travel Data Center;  
(2) *National Travel Survey, 1972, U.S. Census of Transportation*; and  
(3) Estimate, Minnesota Department of Economic Development, Research Division.

**Table 8**  
Number of Travelers in Minnesota

<u>Year</u>	<u>No. of Travelers</u>
1972	6,770,000
1973	6,901,000
1974	7,143,000
1975	7,393,000
1976	7,652,000

Source: Minnesota Department of Economic Development, Research Division.

### Summary

The interpretation given here has been derived from many different sources. Thus, the specific figures must be understood to be approximations. Judging from the internal consistency of Minnesota data as compared to the national primary data, however, these estimates are sufficiently sound for decision making.

It is also important to understand that the figures given here are the result of primary impacts of the industry. They include only those expenditures made by the travelers themselves and not the purchases of the business operations or corporation or property taxes, which are considered secondary impacts.

The same distinction can be applied to the employment, income and tax revenues. They apply to the person employed directly in the service of the traveler and to the income derived from that service.

Secondary impacts are important, but at this time there is such a sparsity of definition and data that it does not allow for confident calculations.

### Present Condition of and Future Outlook for the Minnesota Tourist and Travel Industry

The Department of Commerce's *Industrial Outlook — 1976* has a good discussion of the national state of the tourist-travel industry and its outlook to 1985. Much of this pertains to Minnesota and, thus, is quoted, in part, below:

#### Hotels and Motels

"The U. S. commercial lodging industry is beginning to surmount the problems posed by a long term decline in occupancy rates, steadily increasing energy costs associated with operating properties, and a recently depressed economy. Despite these nagging problems, the outlook for the industry in 1977 is bright because of the continuing economic upturn, the ready availability of gasoline and the consumer's acceptance of higher gasoline prices, a 20 percent increase in room rates since 1975, and a moderate continuing stimulation of travel attributable to the Bicentennial celebration in 1976.

"Of major importance for operators in coming years will be obtaining capital to replace and refurbish existing rooms. Predicted receipts of \$11.5 billion in 1976 reflect an eight percent rise from the previous year. With improved management methods, the projection for the commercial lodging industry for the next decade is for moderate but steady improvement in profitability. Receipts in 1985 are projected to be more than double the estimated \$13 billion in 1977.

#### Chains Pace Lodging Market Growth

"There were approximately 45,150 commercial lodging establishments in the U. S. in 1976. The hotel and motel chains represent the major growth segment of the commercial lodging market. Having increased their share of total hotel/motel rooms by 59 percent since 1971, chains now account for about 41 percent of all U. S. hotel/motel rooms. Continuing growth of chains is expected in 1977.

"Total employment in the lodging industry has risen modestly in the past 10 years but a decrease in

the ratio of employee-per-room reflects the reduced level of services rendered due to lowered occupancy rates and rising labor costs (which now account for more than one-third of operating costs). It is estimated that employment will rise to 807,800 in 1977, representing a two percent increase from 792,000 in 1976.

"The average rate of occupancy in 1977 for all rooms, the major economic indicator of the industry's health, is estimated to be approximately 67 percent — up in the past year from the average national rate of 65 percent. This is a seven percent improvement from depressed occupancy levels in 1975 that were due largely to a decline in business travel during the recessionary period. The general decline in occupancy in the past decade has been reflected in the reduced pace of hotel/motel construction. A recent industry report on construction and modernization shows approximately a 40 percent drop in the number of new projects from 1975.

"Increases in room rates and secondary service prices for a long time were inadequate to offset both the decline in demand and the impact of inflation on the cost of doing business. Consumer acceptance of higher traveling costs, coupled with improvements in the economy in 1976 and 1977, point to a return to a healthy and profitable future for the commercial lodging industry.

#### Leisure Market Continues Strong

"An interesting trend that surfaced during the recently depressed economic period is the continued strength of tourism despite declining economic activity in virtually all other industries. An example is the record number of laid-off automotive workers who flocked to Florida in 1974 and provided a shot in the arm to the severely depressed Florida lodging industry. Similar travel patterns throughout the country suggest that the vacation is an increasingly important feature of modern life, a feature that few members of the society are willing to forego.

"Although business travel may improve again in 1977, it will lose its former economic importance to the lodging industry because of the emergence of the rapidly growing and more stable pleasure travel market. However, business and convention travel currently account for less than half of all rooms occupied, and its continuing importance to the lodging industry lies in the significantly greater daily expenditure at lodging facilities by these travelers.

"The industry has tightened control over all operations, with a view toward curbing the rapid escalation of overhead costs, which nevertheless continued to outstrip revenue increases in 1976 and offset the year's good departmental profit performance. If 1977 produces an increase in occupancy rates and a higher volume of food and beverage business than 1976, a return to substantial increases in hotel profitability can be assumed. If that course continues, there is a good likelihood that the long decline in profits may be arrested. The industry may achieve an improved profit-to-total investment relationship that will rise to a level sufficient to guarantee funds for replacement and improvement

of properties. This will in turn provide the return on investment necessary to keep the lodging industry flourishing.

"Despite the overall decline in construction, there has been some building of new luxury hotels. Based on their currently good performance record, there apparently is an affluent segment of the pleasure travel market whose tastes and pocketbooks are supporting these luxury hotels. Studies show that as many Americans travel more, there are many who are also more willing to spend extra to go first class — even if this means foregoing other purchases to

enjoy the rest of the year.

#### Tourism: Boon to Domestic Growth

"Realizing that tourism is becoming its lifeblood, the lodging industry is more aggressively promoting "package plans" that put together travel, lodging, meals and entertainment in one low-cost package — to appeal to the cost-conscious and convenience demands of the consumer. The recent elimination of restrictions by the Civil Aeronautics Board of air charter regulations has also greatly stimulated both domestic and foreign tourist interest in package travel plans.

**Table 9**  
**U.S. Industries by SIC Codes in which Tourist-Travel Expenditures are Classified, 1972**  
 (percent indicates that portion of totals allocated to travel)

<u>SIC Code</u>		<u>Total Expenditures by Major Travel Classifications</u> (millions)	<u>Percent Apportioned to Travel</u>	<u>Total Tourist-Travel Expenditures</u> (millions)
<b><u>Transportation</u></b>				
75	Auto Repair	\$12,081		
554	Gasoline Stations	33,655		
		\$45,736	25%	\$11,434
<b><u>Accommodations</u></b>				
701, 3	Hotel/Motel	\$10,638	94%	\$10,000
<b><u>Food and Beverage</u></b>				
54	Food Stores	\$100,000		
58	Eating and Drinking	36,868		
592	Liquor Stores	9,874		
		\$147,461	10%	\$14,746
<b><u>Retail</u></b>				
53	General Merchandise	\$ 65,091		
56	Apparel and Accessory	24,741		
591	Drug Stores	15,599		
5993	Cigarette Stores and Stands	422		
5941	Sporting Goods Stores	2,538		
5946	Camera and Photo	767		
5947	Gift, Novelty and Souvenir	1,217		
		\$110,375	10%	\$11,038
<b><u>Amusements and Other Services</u></b>				
721	Laundry, Dry Cleaning	\$ 5,800	10%	\$ 580
723,4	Barber, Beauty Shops	3,910	10	391
783	Motion Pictures	1,833	10	183
792	Other Amusement	1,436	30	431
793	Bowling	1,204	10	120
794	Commercial Sports	1,520	30	456
7992-9	Sports and Recreation	4,125	30	1,238
		\$19,828	—	\$ 3,399

Note: These U.S. data were used as the basis for definition of the tourist-travel industry from which 1975 and 1976 Minnesota tourist-travel industry totals were apportioned.

**U.S. Tourist-Travel Expenditure Totals, 1972**  
(in millions)

	<u>Expenditures</u>	<u>Percent of Total</u>
Transportation	\$11,434	22.6%
Accommodations	10,000	19.8
Food and Beverage	14,746	29.1
Retail	11,038	21.8
Amusements and Other Services	<u>3,399</u>	<u>6.7</u>
	\$50,617	100.0%

Note: The apportionment used here was made by: "The Economic Impact of Tourism," Volume 5, Studies, Report of the National Tourism Resources Review Commission, June 1973.

Sources: *U.S. Census of Business, 1972, Retail Sales and Selected Services*, U.S. Department of Commerce, Bureau of the Census.

"In recent years, the industry has become more interested in the growing number of foreign visitors to the U. S. Receipts from foreign visitors totaled almost \$8 billion in 1975 — approximately 17 percent more than in 1974. Approximately 5.5 million foreign visitors arrived in the U. S. in the first five months of 1976 — a record high. All indicators, especially the devalued dollar and an improved standard of living for many foreigners, point to additional millions of foreign visitors to the U. S. in and beyond 1977 — all providing additional stimulus to the U. S. lodging industry.

"Paradoxically, as foreign visitors are providing business for domestic U. S. hotels and motels, the overseas properties of many of these same firms are doing badly or going out of business. Americans represent approximately 45 percent of the world's travelers, but in recent years that number has decreased greatly, thus removing the mainstay of these properties. Americans who travel abroad are now more willing to overcome earlier prejudices and use native accommodations.

"U. S. hotel and motel firms have owned and operated foreign-based properties since the early

1960s. Their share of the \$35 billion international lodging market outside the U. S. is approximately six-eight percent or \$2-\$3 billion. With their share of this market and their profitability generally down, both at home and abroad, the U. S. firms that are operating abroad are trying to sell those properties, preferring to seek management contracts that require no commitments of capital. In the U.S. as well, capital investment in lodging properties is giving way to the marketing of skills via management contracts to operate properties for investors. This trend is being accelerated by increasingly prohibitive construction and financing costs of new properties.

**Receipts Seen Doubling Within Decade**

"With a more concerted pursuit of the rapidly developing pleasure market, a focus on management contract service and more efficient, cost-conscious management methods being employed, the commercial lodging industry should show a steady growth in occupancy levels and profitability, with protected sales of \$26.5 billion in 1985.

**Table 10**  
**Minnesota Industries by SIC Codes in which Tourist-Travel Expenditures Are Classified, 1972**  
(percent indicates that portion of state totals allocated to travel)

<u>SIC Code</u>		<u>Total Expenditures by Major Travel Classifications</u>	<u>Percent Apportioned to Travel</u>	<u>Total Tourist-Travel Expenditures</u>
	<u>Transportation</u>			
75	Auto Repair	\$ 185,916,000		
554	Gasoline Stations	<u>710,548,000</u>		
		\$ 896,464,000	25%	\$224,116,000
	<u>Accommodations</u>			
701,3	Hotel/Motel	\$ 188,879,000	94%	\$177,546,000



Table 10 (Continued)

<u>Food and Beverage</u>				
54	Food Stores	\$1,583,252,000		
58	Eating and Drinking	659,344,000		
592	Liquor Stores	222,608,000		
		<u>\$2,465,204,000</u>	10%	\$246,520,000
<u>Retail</u>				
53	General Merchandise	\$1,240,686,000		
56	Apparel and Accessory	369,731,000		
591	Drug Stores	246,132,000		
5993	Cigarette Stores and Stands	3,493,000		
5941	Sporting Goods Stores	60,879,000		
5946	Camera and Photo	8,769,000		
5947	Gift, Novelty and Souvenir	16,000,000		
		<u>\$1,945,690,000</u>	10%	\$194,569,000
<u>Amusements and Other Services</u>				
721	Laundry, Dry Cleaning	\$ 79,852,000	10%	\$ 7,985,000
723	Barber, Beauty Shops	74,241,000	10	7,424,000
783	Motion Pictures	32,194,000	10	3,219,000
792	Other Amusement	25,495,000	30	7,649,000
793	Bowling	25,528,000	10	2,553,000
794	Commercial Sports	14,027,000	30	4,208,000
799	Sports and Recreation	65,000,00	30	19,500,000
		<u>\$316,377,000</u>		\$ 52,538,000
Total Tourist-Travel Expenditures				\$895,289,000

Minnesota Tourist-Travel Expenditure Estimates, 1972

	<u>Expenditures</u>	<u>Percent of Total</u>
Transportation	\$224,116,000	25.0%
Accommodations	177,546,000	19.8
Food and Beverage	246,520,000	27.6
Retail	194,569,000	21.7
Amusements and Other Services	<u>52,538,000</u>	<u>5.9</u>
	\$895,289,000	100.0%

Note: 1972 census data for dollar expenditures and the apportionment was made by: "The Economic Impact of Tourism," Volume 5, Studies, Report of the National Tourism Resources Review Commission, June 1973.

Sources: U.S. Census of Business, 1972, Retail Trade and Selected Services — Minnesota, U.S. Department of Commerce, Bureau of the Census.

**Table 11**  
**Minnesota Travel Expenditures by Major SIC Classification, 1976**

<u>SIC Code</u>	<u>Segment</u>	<u>Gross Sales</u> (000)	<u>Percent Apportioned to Travel</u>	<u>Tourist-Travel Portion</u> (000)
54	Food Stores	\$2,418,093	5%	\$ 120,905
58	Eating and Drinking	1,076,814	25	269,203
554	Automotive Service	1,574,149	20	314,830
40, 41, 45, 47	Transportation	35,846	85	30,469
53	General Merchandise	1,794,803	5	89,740
56	Apparel and Accessory	359,367	5	17,968
59	Other Retail	1,979,587	10	197,959
70	Hotels, Lodging	270,638	89	240,868
72	Personal Service	84,398	20	16,880
79	Amusements and Recreation	193,233	15	28,985
	Totals	\$9,786,928	14%	\$1,327,807

Source: Minnesota Department of Revenue, Tax Division, Sales and Use Tax Data by Industry.

**Table 12**  
**Minnesota Sales Tax Revenue from Travel Industry, 1976**  
**by Industry Segment**

<u>SIC Code</u>	<u>Segment</u>	<u>Percent Distribution</u>	<u>Total Tax Receipts</u>	<u>Portion Attributed to Travel Industry</u>
54	Food Stores	5%	\$ 10,773,241	\$ 538,662
58	Eating and Drinking	25	37,766,413	9,441,603
554	Automotive Service	25	9,312,431	2,328,108
40, 1, 5, 7	Transportation	85	754,562	641,378
53	General Merchandise	5	36,194,716	1,809,736
56	Apparel and Accessory	5	1,115,452	55,773
59	Other Retail	10	36,433,700	3,643,370
70	Hotels, Lodgings	100	9,612,350	9,612,350
72	Personal Services	20	1,402,827	280,565
79	Amusements and Recreation	15	5,650,825	847,624
	Totals	19%	\$151,154,169	\$29,199,169

Source: Minnesota Department of Revenue, Tax Research Division.

**Table 13**  
**Minnesota Gasoline Tax with Apportionment to Tourist-Travel Industry**  
**1975-76**

<u>Sales and Collection</u>	<u>1975</u>	<u>1976</u>
Total Number Gallons Delivered for Highway Use	1,981,700,000 gals.	2,049,841,375 gals.
Tax Collection on Gasoline for Highway Use	\$160,015,882.09	\$184,569,023.39
25 Percent Apportioned to Tourist-Travel Industry	\$40,039,700	\$46,149,000
Percent Change		+15.3%

Source: Minnesota Department of Revenue, Petroleum Tax Division.

**Table 14**  
**Minnesota Alcoholic Beverage Taxes with Apportionment to Tourist-Travel Industry**  
**1975-76**

<u>Total Tax Collected</u>	<u>1975</u>	<u>1976</u>
Distilled Spirits	\$40,382,076.14	\$40,499,311.32
Malt Tax Collected	9,098,444.02	9,854,409.45
Total Tax Collected	\$49,480,520.16	\$50,353,720.77
25 Percent Apportioned to Travel Industry	\$12,370,000.00	\$12,588,430.00
Percent Change		+1.8%

Source: Minnesota Liquor Control Commission, Minnesota Department of Public Safety.

**Table 15**  
**Minnesota Employment in the Travel Industry by Segments, 1976**

<u>SIC Code</u>	<u>Segment</u>	<u>Percent Apportioned to Travel</u>	<u>Covered Employment</u>	<u>Non-covered Employment</u>	<u>Seasonal Employment</u>	<u>Total Full-Time Employment</u>
<b><u>Food and Drink</u></b>						
54	Food Stores	5%	1,915	109	—	2,024
58	Eating and Drinking	25	20,450	2,949	7,412	25,870
<b><u>Transportation</u></b>						
554	Automotive Service	20	3,228	807	4,383	5,496
40	Transportation	20	11,800	691	—	12,491
<b><u>Retail</u></b>						
53	General Merchandise	5	2,256	114	—	2,370
56	Apparel and Accessory	5	745	—	—	745
59	Other Retail	10	3,500	2,187	—	5,687
<b><u>Commercial Accommodations</u></b>						
70	Hotels, Lodging	89	19,928	6,830	3,464	27,912
<b><u>Amusements and Other Services</u></b>						
72	Personal Service	20	2,980	551	—	3,531
79	Amusement and Recreation	15	1,971	675	2,364	3,434
Totals			68,773	14,913	17,623	89,560
Adjusted Full-time Equivalent			68,773	14,913	5,874	89,560

Footnote: Seasonal employment times 1/3 equals full-time equivalents.

Source: Minnesota Department of Employment Services, Research and Planning; *County Business Patterns*, U.S. Department of Commerce; Minnesota Department of Revenue, Tax Research Division.

**Table 16**  
**Minnesota Employment in Travel Industry by**  
**Major Industry Segment, 1976**

<u>Major Industry Segment</u>	<u>Employment</u>
Transportation	17,987
Commercial Accommodations	27,912
Food and Drink	27,894
Retail	8,802
Amusement and Other Services	6,965
Total Travel Employment	89,560

Source: Minnesota Department of Employment Services, Research and Planning; *County Business Patterns*, U.S. Department of Commerce; Minnesota Department of Revenue, Tax Research Division.

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### **Other Available Papers:**

**Quality of Life: A Measurement of the State of the States**  
**Summary of the Economic Impact of Tourist-Travel Industry in Minnesota**  
**Minnesota Tax Story**  
**Overview of the Minnesota Economy**  
**Minnesota Economic Review (Quarterly reporting)**  
**Minnesota Gross State Product, 1965-1975**  
**Minnesota Tourist-Travel Indicators (Quarterly reporting)**  
**Minnesota New and Expanding Industry**  
**Retail Sales by Type by Quarter, State, Regions, Counties and Cities**  
**Manufacturing Sales by Type by Quarter, State, Regions, Counties and Cities**  
**Gross Sales in Minnesota for SIC 70, Hotels and Lodging**  
**Microelectronics: Its Potential in Minnesota**  
**Minnesota's Role in the Science and Technology Industries**  
**A Comparative Assessment of Minnesota Manufacturing**  
**Minnesota's Role in the Cheese Industry**  
**Lodging Receipts in Minnesota by Quarter, State, Regions, Counties and Cities**  
**Minnesota's Position in the Shifting National Economic Pattern**  
**A Guide to Business Regulations in Minnesota**  
**The Economic Impact of the Minnesota Tourist and Travel Industry**