



Events of Interest:

October 22-24

- MRCA Fall Conference & Expo at Grand View Lodge in Nisswa. Fees for members are \$145, fees for non-members are \$175 per person. Day passes are also available. For more information and registration please go to <http://www.hospmn.affiniscape.com/display-common.cfm?an=1&subarticlenbr=513>

November 7-8

- MobCon 2013 at the Hilton in Minneapolis. Goes from 7:30 AM to 6:30 PM on the 7th. Goes from 7 AM to 3:30 PM on the 8th. Registration is \$695. To register please go to <http://mobcon.com/>.

November 10

- ProStart Stars of the Future Fundraiser hosted by the Hospitality Minnesota Education Foundation (HMEF) between 4 and 6:30 PM at The Living Room at the W Hotel. Cost is \$100 per person. For more information please go to <http://www.mnef.affiniscape.com/cde.cfm?event=417226>

November 17

- 3rd Annual Charlie Awards at the Pantages Theatre in Minneapolis benefitting Open Arms of Minnesota. For more information and to buy tickets please go to <http://www.charliesexceptionale.com/>

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EXTENSION REPORT: Murray County Lodging Study: An Analysis of the Accommodations Market in Murray County, MN

In an effort to determine Lodging needs in Murray County, Murray County EDA and the University of Minnesota Extension Center for Community Vitality conducted a survey of past Lake Shetek State Park Visitors and Murray County residents. They also interviewed local businesses about their lodging needs and mapped zip codes of overnight guests at Lake Shetek State Park.

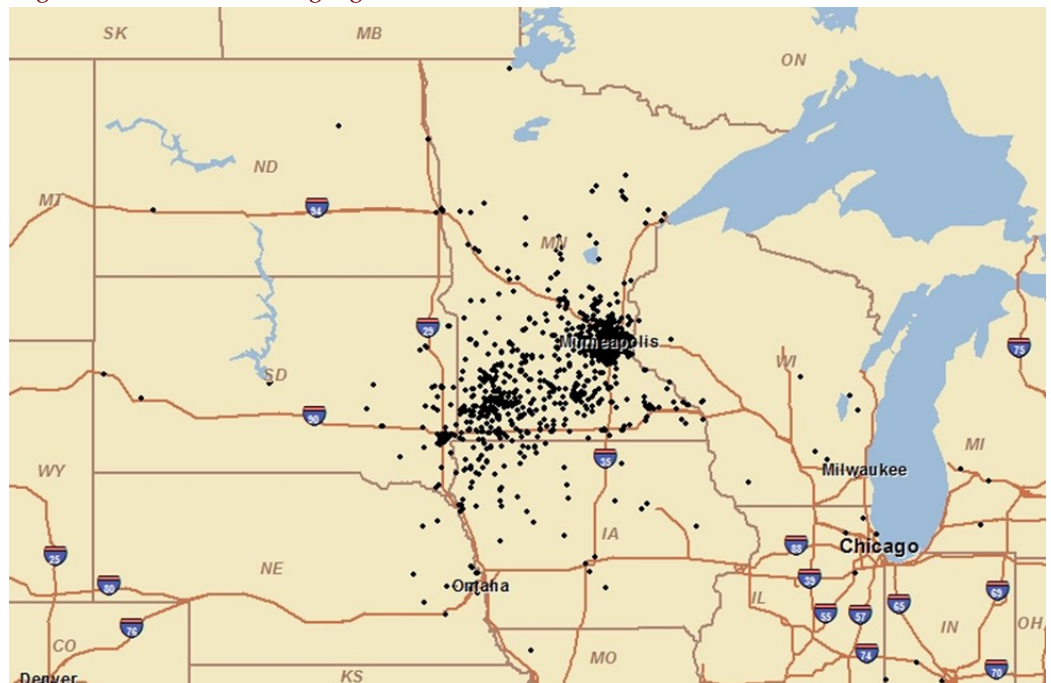
Surveys and interviews assessed the perceived demand for overnight lodging, meeting/banquet space, and various hotel preferences such as price, amenities, and “hotel chain”. The purpose of including amenities, price, and chain preference was to give anyone who would choose to pursue additional lodging development an

idea of what type of things customers are looking for.

According to the Minnesota Department of Natural Resources, 1,435 households stayed overnight in the Lake Shetek area during 2012. These visitors accounted for 3,099 nights with an average of 2.2 nights per visit. Figure 1 shows the distribution of visitors who stayed overnight at Lake Shetek. According to surveys, approximately 53 percent of the visitors to Lake Shetek in 2012 were first time visitors. Those who visited multiple times averaged 5-6 trips to Lake Shetek per year.

U of M Extension mailed out 250 surveys to past Lake Shetek visitors and 250 surveys to Murray County residents. They received responses from 166 (66%

Figure 1: Location of overnight guests at Lake Shetek State Park



response rate) visitors and 153 (61% response rate) from Murray County residents.

To assess hotel demand, visitors were asked how likely they were to stay at a hotel/motel if one were available. Residents were asked how likely they thought their overnight guests would use a hotel/motel if one were available. In addition, residents were asked about their needs for banquet space and lodging for any events they might host.

Examining the need for Murray County residents, the authors estimate that guests of Murray County who said they are “most likely” or “very likely” to use lodging if available could account for a minimum of 1,000

room nights and possibly as many as 6,000 room nights. They also estimate as many as 1,000 events within the next five years that might require lodging and banquet/meeting space. With respect to Lake Shetek visitors, they estimate 86 households would likely stay at local lodging. They were not able to estimate a number of room nights because they did not gather any information about the visitors’ length of stay. Employers who were interviewed indicated they might generate 284 nights per year in lodging needs. However, they did not give any indication if these needs are completely met by existing resources.

With respect to hotel preferences, visitors and residents did not seem to

differ much on what they considered a fair price for a hotel room. Visitors indicated \$80 per night was fair while residents indicated \$75 per night was fair. AmericInn was the most often mentioned chain with over 30 percent of visitors and residents listing them in their surveys. Three factors that were deemed most important to both visitors and residents was cleanliness, price, and pool availability. Price was also the overriding choice of both visitors and residents when they were asked to choose between low price or more amenities.

For the full report please go to http://www.edacenter.org/downloads/Murray_County_Lodging_Report.pdf

Explore Minnesota Report: 2012 Minnesota Tourism Numbers are up from 2011

Tourism in Minnesota attracts a great number of visitors from both in-state and out of state. Many people enjoy the outdoors at Minnesota’s abundant lakes, resorts, and parks. Other events that attract attention are the many amusement parks, zoos, museums, and other destinations that can be found on the Explore Minnesota website. Tourism plays a fairly large role in Minnesota’s economy.

According to the two most recent annual reports posted by Explore Minnesota, the tourism industry in Minnesota has grown over the past year (see Table 1). The number of travelers to Minnesota in 2012 almost doubled from 2011. The amount of sales generated in 2012 increased from 2011 to \$11.9 billion, which generated \$769 million in state tax revenue. The tourism industry accounted for 17% of all sales taxes generated in 2011 and 2012.

In 2012, the tourism industry employed more Minnesotans compared to 2011, with 240,000 people employed during 2012. The number of people employed in the tourism industry accounts for 11 percent of the total private sector employment. The total payroll for tourism industry employees was \$4.1 billion in 2012, which was up from \$4 billion in 2011.

What is hard to capture from the tourism report is how these 71 million

travelers contribute to other areas of the economy. The \$11.9 billion in gross sales does not account for the purchases these travelers make at gas stations, restaurants, and businesses not affiliated with tourism.

For the 2012 Annual Report from Explore Minnesota please go to <http://exploreminnesota.com/news-room/news-details/index.aspx?nid=339>

	2011	2012
Number of Travelers	39 million	71 million
Gross Sales	\$11.3 billion	\$11.9 billion
Tax Revenue Generated	\$732 million	\$769 million
Number of Jobs	235,000	240,000
Total Payroll	\$4 billion	\$4.1 billion
*Data from exploreminnesota.com		

DEED Report: 2012-2013 Local Area Unemployment Statistics and Current Employment

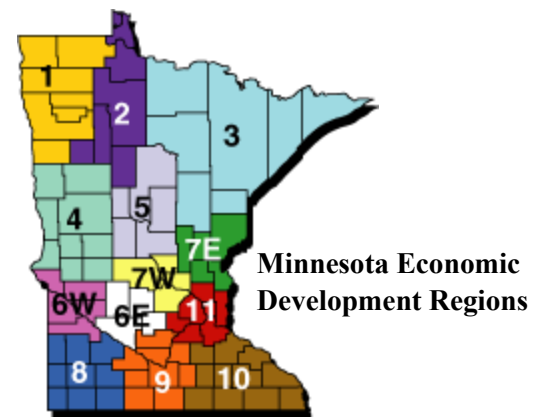
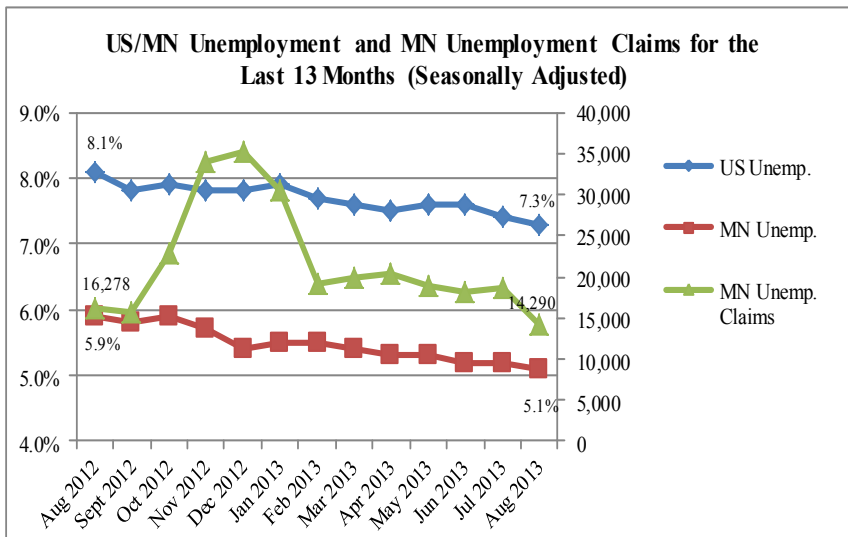
After seasonal adjustments, unemployment in August dropped to 7.3 percent in the U.S. and dropped to 5.1 percent in Minnesota. Unemployment claims in August dropped 4,245 to 14,290 when compared to July. Over the year unemployment claims dropped 12.2 percent when compared to August 2012.

Minnesota employers added 12,200 jobs in August with the Government sector adding 1,900 jobs. Trade/Transportation/Utilities (6,000), Edu-

cation/Health Services (5,500), Other Services (2,300), Construction (1,100), Leisure/Hospitality (700), and Financial Activities (100), sectors also posted job gains. Three sectors posted job losses in August. These sectors include: Manufacturing (-3,400), Professional/Business Services (-1,100), and Information (-900).

Minnesota gained 63,130 additional jobs over the past year. Minnesota's 2.3 percent growth is still well above

the U.S. growth rate of 1.7 percent. All EDRs' unemployment rates dropped in August. The Southwest region's unemployment dropped almost one percent in August. Unemployment numbers for the EDRs are NOT seasonally adjusted. Go to the DEED website; www.positivelyminnesota.com to view more employment and wage statistics.



2012-2013 Minnesota Unemployment by Economic Development Region (Not Seasonally Adjusted)

Date	EDR1	EDR2	EDR3	EDR4	EDR5	EDR6E	EDR6W	EDR7E	EDR7W	EDR8	EDR9	EDR10	EDR11
Aug 2012	4.8%	7.1%	6.7%	4.4%	6.3%	5.8%	4.9%	6.6%	5.5%	4.5%	5.3%	5.3%	5.7%
Sept 2012	4.3%	6.5%	6.2%	4.1%	6.0%	5.3%	4.4%	6.2%	5.2%	4.2%	4.9%	4.8%	5.4%
Oct 2012	4.1%	6.7%	6.1%	4.1%	6.2%	5.3%	4.4%	6.2%	5.1%	4.7%	4.9%	4.8%	5.3%
Nov 2012	4.5%	7.1%	6.5%	4.1%	6.9%	5.4%	4.2%	6.5%	5.1%	3.9%	4.6%	4.5%	4.9%
Dec 2012	5.7%	8.1%	6.9%	5.2%	8.1%	6.1%	5.4%	7.9%	6%	4.2%	5.2%	4.9%	5%
Jan 2013	8.1%	10.1%	8.4%	6.7%	10.2%	7.9%	7.4%	10%	7.6%	5.8%	6.7%	6.2%	5.8%
Feb 2013	7.1%	9.2%	7.7%	6.1%	9.3%	7.3%	6.5%	9%	6.9%	5.4%	6.1%	5.8%	5.3%
Mar 2013	7.1%	9.2%	7.5%	6%	9%	7.1%	6.4%	9%	6.6%	5.2%	5.9%	5.5%	5.1%
Apr 2013	6.5%	8.7%	7.1%	5.3%	7.9%	6.1%	5.7%	8.1%	6%	4.7%	5.4%	5%	4.8%
May 2013	4.6%	7.1%	6.7%	4.1%	6.3%	5.1%	4.9%	6.4%	4.9%	4%	4.7%	4.6%	4.7%
Jun 2013	4.9%	7%	6.7%	4.3%	6.2%	5.3%	4.8%	6.3%	5.2%	4.2%	5%	4.9%	5.1%
Jul 2013	4.9%	6.8%	6.5%	4.1%	6%	5.1%	4.8%	6%	5%	4.7%	4.9%	4.8%	5%
Aug 2013	4.4%	6.2%	6%	3.7%	5.6%	4.6%	4.5%	5.5%	4.6%	3.8%	4.4%	4.5%	4.7%

CNPSR Report: Government Shutdown Impact on the National Park Service

Since October 1st, federal employees who are deemed non-exempt have been told to not report to work until further notice. This has affected more than 800,000 of the 2 million plus federal employees. Among the federal employees who are non-exempt are park rangers and other employees at National Park Service sites.

There are 401 National Park Service sites that have been closed since October 1st. These sites typically average 715,000 visitors per day in October. Sites affected include Yellowstone National Park, Crater Lake National Park, Yosemite National Park, Great Smokey Mountains National Park as well as Liberty Island and the Statue of Liberty National Monument.

The Coalition of National Park Service Retirees (CNPSR) compiled data highlighting the impacts of the government shutdown on the National Park System. CNPSR is made up of over 800 former National Park Service (NPS) employees whose mission is to “study, educate, speak, and act for preservation and protection of America's National Park System and the mission-related programs of the National Park Service”. Based upon October 2012 numbers, they estimate federal revenue from entry fees and other activities to be \$450,000 per day.

The impacts of the shutdown are not only felt by the federal employees of the National Park Service but also by businesses adjacent to these parks. Hotels, restaurants, and other merchants are not serving visitors who would be at these sites. No visitors at the park sites means hotels are not

hosting as many people, restaurants are not feeding as many people, and store merchants are not selling as much merchandise. Some of these park sites are particularly busy during the month of October as visitors visit certain parks known to experience beautiful views as the leaves begin to change color in the fall. CNPSR estimates that \$76 million per day in visitor spending in and around National Park Sites has been lost since the beginning of the shutdown.

From a CNPSR October 10th press release, the following is an estimated impact for the first 10 days of the shutdown at 12 leading parks across the U.S.:

- **Acadia National Park** (Maine) – 68,493 lost visitors in first 10 days, \$5,263,013 lost visitor dollars in first 10 days, and 3331 total jobs at stake, including 3147 local/non-NPS jobs
- **Badlands National Park** (South Dakota) – 26,767 lost visitors in first 10 days, \$656,986 lost visitor dollars in first 10 days, and 475 total jobs at stake, including 375 local/non-NPS jobs.
- **Boston National Historic Park** (Massachusetts) – 54,794 lost visitors in first 10 days, \$2,032,876 lost visitor dollars in first 10 days, and 1019 total jobs at stake, including 904 non-NPS jobs.
- **Cuyahoga Valley National Park** (Ohio) – 68,219 lost visitors in first 10 days, \$1,545,205 lost visitor dollars in first 10 days, and 819 total jobs at stake, including 599 local/non-NPS jobs.
- **Everglades National Park** (Florida) – 25,083 lost visitors in first 10 days, \$3,857,534 lost visitor dollars in first 10 days, and 2364 total jobs at stake, including 1951 local/non-NPS jobs.
- **Gettysburg National Military Park** (Pennsylvania) – 27,397 lost visitors in first 10 days, \$1,796,712 lost visitor dollars in first 10 days, and 1141 total jobs at stake, including 1051 local/non-NPS jobs.
- **Glacier National Park** (Montana) – 60,273 lost visitors in first 10 days, \$3,076,712 lost visitor dollars in first 10 days, and 1994 total jobs at stake, including 1632 local/non-NPS jobs.
- **Grand Canyon National Park** (Arizona) – 120,000 lost visitors in first 10 days, \$11,750,684 lost visitor dollars in first 10 days, and 6825 total jobs at stake, including 6167 local/non-NPS jobs.
- **Great Smoky Mountains National Park** (North Carolina and Tennessee) – 257,534 lost visitors in first 10 days, \$23,123,287 lost visitor dollars in first 10 days, and 11,766 total jobs at stake, including 11,367 local/non-NPS jobs.
- **Olympic National Park** (Washington) – 77,808 lost visitors in first 10 days, \$2,912,328 lost visitor dollars in first 10 days, and 1673 total jobs at stake, including 1395 local/non-NPS jobs.
- **Rocky Mountain National Park** (Colorado) – 80,821 lost visitors in first 10 days, \$4,821,917 lost visitor dollars in first 10 days, and 3033 total jobs at stake, including 2641 local/non-NPS jobs.
- **Yellowstone National Park** (Wyoming, Montana, and Idaho) – 98,630 lost visitors in first 10 days, \$9,452,054 lost visitor dollars in first 10 days, and 5572

total jobs at stake, including 4481 local/non-NPS jobs.

- **Yosemite National Park** (California) – 106,849 lost visitors in first 10 days, \$10,021,917 lost visitor dollars in first 10 days, and 5607 total jobs at stake, including 4602 local/non-NPS jobs.
- **Zion National Park** (Utah) – 72,876 lost visitors in first 10 days, \$3,495,890 lost visitor dollars in first 10 days, and 2401 total jobs at stake, including 2136 local/non-NPS jobs.

Minnesota is not immune from the shutdown of the park system. Minnesota has four National Park Service sites: Voyageurs National Park, Mississippi National River and Recreation Area, Pipestone National Monument, and Grand Portage

National Monument. While the press release did not highlight how much has been lost in these areas due to the shutdown, three of the four sites attracted 445,995 visitors and \$28.74 million in visitor spending in 2010 (the last year available to view data for individual parks at <http://headwaterseconomics.org/apps-public/nps/impacts/>). Three of the four sites employed 120 NPS employees and supported 446 local/non-NPS employees in 2010. Headwaters Economics did not list any information for the Mississippi National River and Recreation Area.

As a result of the impact some of these national parks have on local economies, a few states have found a way to fund the National Parks temporarily while the shutdown

continues. Eight National Park sites in Utah are scheduled to open between October 11th and 20th. Rocky Mountain National Park in Colorado will also be open between October 11th and 20th. The Statue of Liberty National Monument in New York will be open between October 12th and 17th. Mt. Rushmore National Memorial in South Dakota will open between October 14th and 23rd. Finally, Grand Canyon National Park in Arizona will be open between October 12th and 18th.

For the complete press release from the Coalition of National Park Service Retirees please go to <http://www.npsretirees.org/issues-in-depth/shutdown/243-day-10.html>

IMF Report: Leisure and Hospitality Industry Beginning to Rebound

In April of 2009, the International Monetary Fund (IMF) released a [report](#) marking the beginning of the recession in the last quarter of 2008. The number of people employed annually dropped from 2007 to 2010. The number of people employed in the U.S. dropped from 135,366,105 in 2007 to a low of 127,842,811 in 2010. This trend was the same in Minnesota with 2,688,406 people employed in 2007 and dropping to a low of 2,563,391 employed in 2010.

In Minnesota, all but three of the 11 sectors saw a drop of at least 3.88 percent in the number of employed between 2007 and 2010. Occupations categorized as Other Services (-3.88%) saw the smallest drop with Construction (-25.24%) and Manufacturing (-14.46%) seeing the largest drop. The three sectors seeing growth in the number of employed

were Education and Health Services (5.25%), Natural Resources and Mining (3.32%), and Public Administration (2.58%).

It is logical that construction and (construction & manufacturing were the hardest hit sectors because a bad economy results in very little new construction and manufacturing. Another sector where we would expect to see a drop in employment would be the leisure and hospitality sector. The leisure and hospitality sector encompasses a wide variety of occupations. It includes people employed at national and state parks, hotels, lodges, restaurants, bars, golf courses, and many other occupations. A bad economy would lead to less discretionary income, which would lead to fewer families travelling, eating out, and participating in fewer activities in general. As a result, we

would expect to see a decrease in employment in this sector as well as fewer establishments whose owners could not keep the business viable with the loss of revenue resulting from the recession.

Figure 1 shows that 11,275 jobs (-4.3%) in leisure and hospitality were lost between 2007 and 2010. Since employment reached that low in 2010, by the end of 2012 the leisure and hospitality sector gained 8,894 of those jobs (3.5%). We see this same trend with the number of establishments within this sector.

Between 2008 and 2010, there were 306 establishments that ceased operation. Interestingly, we have seen a much quicker rebound in the number of establishments since the beginning of the recession. Not only have the number of establishments

reached pre-recession levels, but there were 193 more establishments in 2012 than the high in 2008. This represents a more than 13 percent increase in the number of leisure and hospitality establishments since before the recession. While the number of jobs in the leisure section still has a way to go to reach pre-recession numbers, the increase in employment and establishments in this sector since the end of the recession is a positive sign.

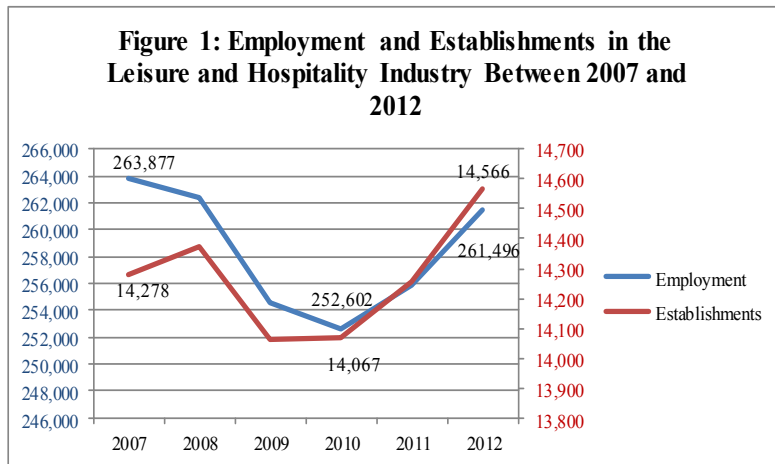


Figure 1 was created using data from <http://www.positivelyminnesota.com/>.

IDEA Competition Officially Begins: Applications Due by November 30th

The IDEA Competition is now accepting applications for the 2014 edition of the five-year old entrepreneurial competition. The deadline for entering the competition is November 30th. Applicants who register prior to November 15th pay an early-bird discounted fee of \$125. Applicants who register after the 15th pay the standard fee of \$150. College

and high school students who want to participate pay a fee of \$75. Applicants receive valuable benefits to participating in the IDEA Competition. Applicants get the opportunity to develop their idea and even get the chance to present their idea to potential investors and business leaders. Applicants also get the opportunity to win \$10,000. Past winners have

produced a wide variety of products. Winning ideas have ranged from a child’s toy to heavy equipment attachments. Applicants may enter products as well as service ideas into the competition.

For more information and to apply, please go to <http://www.ideacompetition.org/>



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The EDA Center at the University of Minnesota Crookston is one of more than 40 university centers nationwide, supported by the Economic Development Administration, U.S. Department of Commerce.

We conduct applied research, provide direct technical assistance and deliver educational programs development agencies that support the economy of economically-distressed rural communities throughout Minnesota.

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