What’s the economic impact on communities?

Tourism dollars go immediately into the local economy via hotel stays, eating out, shopping, transportation, fuel, and recreational activities. The funds paid to businesses go to wages, to income for the business owners, and to pay suppliers of goods and services both inside and outside the community. These people in turn go out and spend on further goods and services, an indirect impact.

Dollars also go to local and state sales taxes. Unlike other industries, nearly all tourism-related purchases collect sales tax.

Sales tax goes into the state’s general fund, where a portion is redistributed back to communities in various ways.

Local sales tax stays in the community, usually going to a specific project. Lodging taxes also stay in the community, to be used for tourism promotion, which generates more tourism and more economic impact.

Visit our website at www.ruralmn.org.

© August 2014 Center for Rural Policy and Development
Economic impact, Quality of life impact

In Greater Minnesota, tourism is about quality of life impact, not just economic impact. Tourism brings in money and creates jobs, but it also keeps small towns alive and interesting. Communities developing their tourism sector believe they have something of value to celebrate, for themselves, visitors, and people who may want to live there. Even very small communities have the potential to do big things.

What’s less well known: How tourism impacts Greater Minnesota

There are few studies on tourism in Greater Minnesota, including how tourism impacts sites located in some of the state’s most vulnerable natural settings. Tourists use much of the same infrastructure as residents, including roads, water and wastewater systems, and hospitals. Crow Wing County officials, for example, estimate that the 62,500-resident county welcomes 250,000 visitors each summer, roughly the population of St. Paul.

A few examples:

Lakes Bluegrass Festival
Pine River, pop. 929
This year’s 3,000-4,000 guests stayed at nearby resorts and campgrounds for the four-day event.

Art Leap
Park Rapids, pop. 3,700
Local artists sold an est. $90,000 in artwork in 2013.

Meander Art Crawl
Granite Falls to Ortonville
45 artists in 7 towns along the upper Minnesota River Valley.

Wilder Pageant
Walnut Grove, pop. 850
7,650 visitors over three weekends in 2014.

Blueberry Arts Festival
Ely, pop. 3,460
This July festival draws 40,000 visitors over three days.

Mesabi Trail
Grand Rapids to Ely
One of many scenic trails around the state.

Duluth’s growing brewery trail
Duluth, pop. 86,128
A change in law has allowed small craft breweries to spring up around the state, especially along the North Shore.

McGregor, pop. 391
The chamber reports 5,000 people come through the tourism info center each year.

Sauerkraut Days
Henderson, pop. 886
Celebrating sauerkraut and local heritage for 80 years.

Lanesboro, pop. 754
The city developed and carried out a plan to make itself a destination for arts lovers.

© August 2014 Center for Rural Policy and Development