

An aerial photograph of Minneapolis, Minnesota, showing a large bridge spanning a wide river. The city skyline is visible in the background under a blue sky with scattered clouds. The bridge has a mix of concrete pillars and steel arches.

EXPLORE **m** MINNESOTA™

Minnesota Travel Indicators

Inclusive of data available as of February 9, 2024



Minnesota Annual 2023 Travel Indicators

Explore Minnesota (EM) regularly reviews and analyzes travel indicators to better understand tourism industry trends and health. This report is focused on **state-level travel trends** from 2023 and 2022, depending upon what data is available.

See the [Industry News newsletter](#) (EMT Express) for a monthly lodging performance summary. Additionally, more [data and research](#), including updated Winter and Spring/Summer Minnesota Traveler Profiles, is available on the industry website.

Key Findings

Minnesota's travel industry continues to recover from the pandemic and is experiencing promising year over year growth.

- **Leisure & Hospitality (L&H) Industry** – In 2022 Minnesota's L&H gross sales (\$18.3 billion) and sales taxes (\$1.2 billion) surpassed pre-pandemic figures.
- **Accommodations** – In 2023 Minnesota's hotel performance metrics improved relative to 2022 with an occupancy percentage of 56%, ADR of \$129 and RevPAR of \$72. However, state and metro metrics continue to be below national averages.
- **Explore Minnesota Activity** – In 2023 consumer website sessions increased 22.5% to 9.8 million.
- **International Visitor Trends** – In 2022 an estimated 415,700 international visitors came to Minnesota and spent \$366 million.
- **Minnesota Comparison** – Minnesota's travel spend in 2023 was up 1.6% relative to 2019, while 2023 total U.S. travel spend was up 8.7% over 2019.



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Leisure & Hospitality (L&H) Industry and Outdoor Recreation

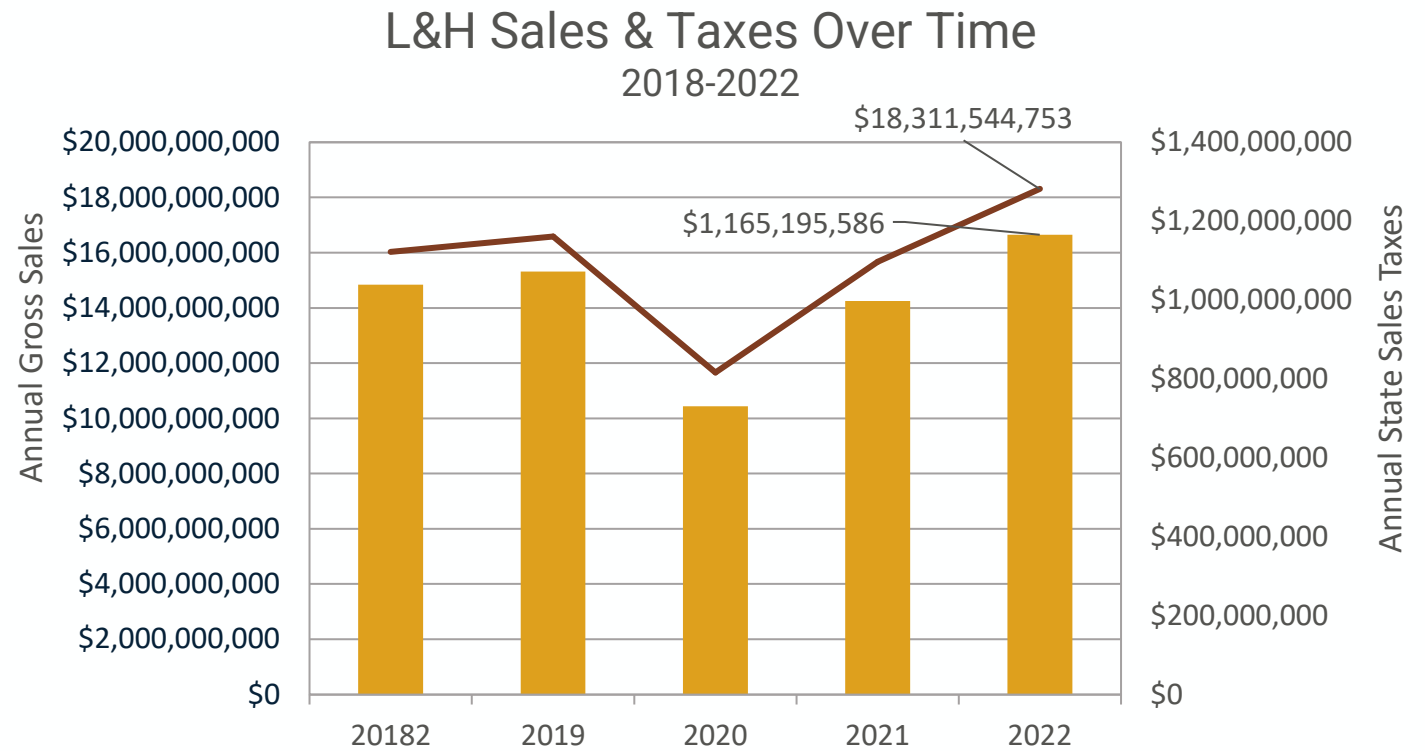
Gross sales, sales taxes and employment

Minnesota's L&H gross sales of \$18.3 billion in 2022 surpassed L&H sales of \$16.6 billion in 2019.

Similarly, 2022 Minnesota L&H state sales taxes of \$1.2 million are above pre-pandemic levels.

For county-level L&H data go to the [2022 Suitcase](#).

Minnesota's 2022 L&H sales and taxes above pre-pandemic levels



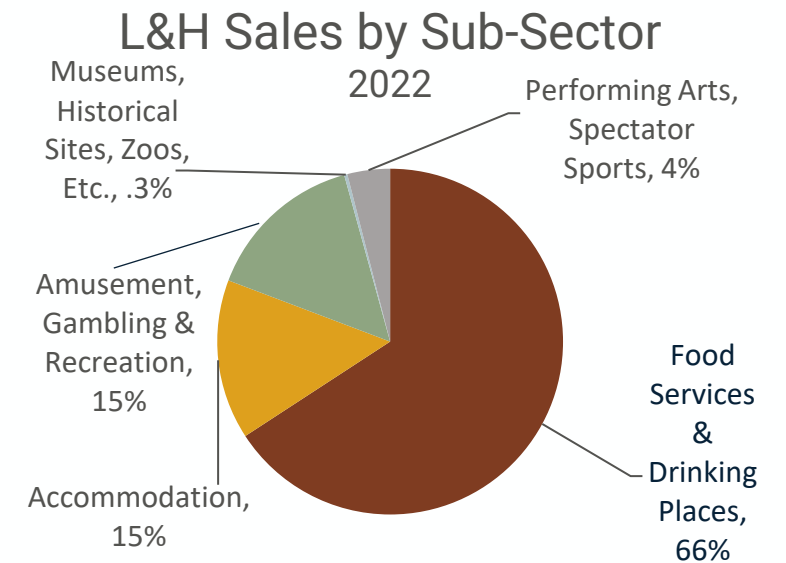
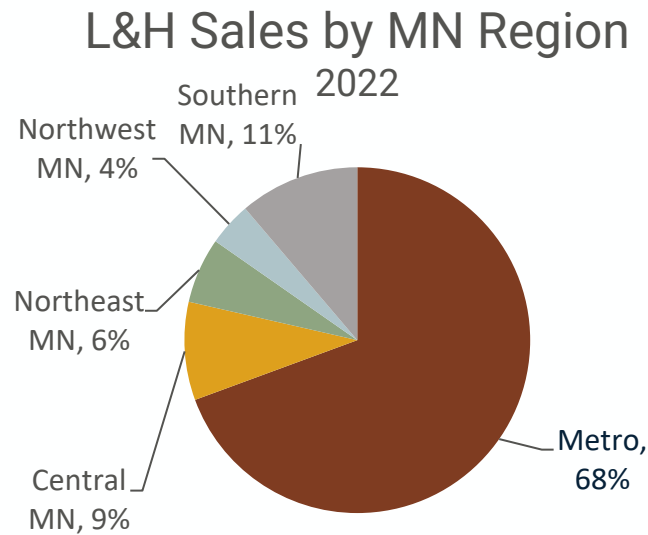
Source: Minnesota Department of Revenue

Following historic trends, in 2022 the geographic Minneapolis-Saint Paul metropolitan region and the Food and Drink industry sub-sector dominated L&H gross sales.

The four other regions of the state accounted for 4 to 11% of L&H sales.

After Food & Drink, Accommodation and Amusement, Gambling & Recreation were the next largest industry sub-sectors, each with 15% of 2022 L&H sales.

Over 2/3 2022 L&H sales in the metro and across MN 2/3 of L&H sales were Food & Drink

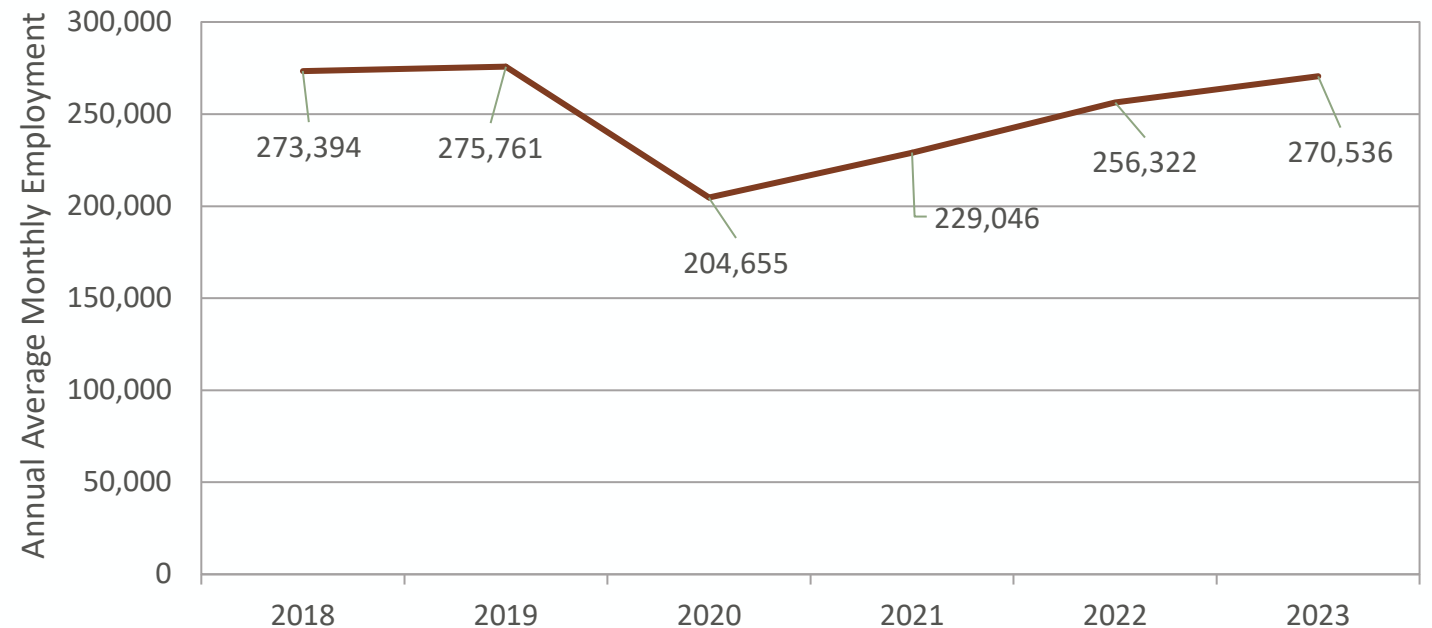


2023 L&H employment up 5.5% over 2022

In 2023 Minnesota's L&H average monthly employment was 271,000. This is a 5.5% increase over 2022, however, it is about 1% below 2019 pre-pandemic industry employment of 276,000.

According to the most recent [Minnesota L&H Industry Business Conditions Survey](#) labor availability continues to be a challenge for firms.

L&H Employment Over Time
2018-2023



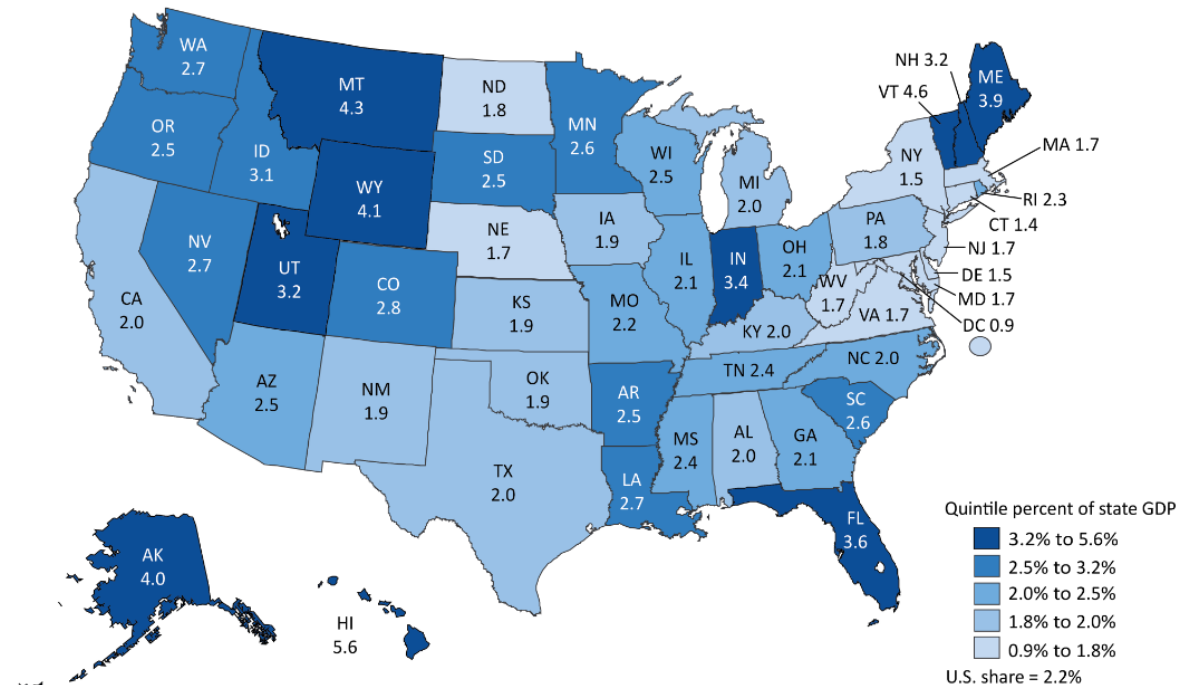
Source: Minnesota Department of Employment & Economic Development (DEED)

In 2022 outdoor recreation value added as a percent of state GDP increased .2% to 2.6% of Minnesota's GDP. This is above the U.S. average outdoor recreation state GDP share of 2.2%.

For the total U.S. conventional outdoor recreation (bicycling, boating, hiking and hunting) accounted for 34% of value added GDP. Other recreation (gardening and outdoor concerts) accounted for 20%. Finally, supporting activities (construction, travel and tourism, local trips and government expenditures) accounted for the remaining 46% of outdoor recreation value added GDP.

Outdoor recreation value added 2.6% of Minnesota GDP in 2022

State Outdoor Recreation Value Added as a Percent of State GDP, 2022



Source: U.S. Bureau of Economic Analysis



Visitor Economy Economic Impact

This report section featured 2022 L&H data recently released by the MN Dept. of Revenue. L&H is a key component of Minnesota’s visitor economy, however, not all L&H activity is from visitors who travel 50 miles or more.

Explore Minnesota has partnered with Tourism Economics to quantify the economic impact of the visitor economy through a comprehensive model.

Review the [“2022 Minnesota Visitor Economy” Report](#) to learn more about the far-reaching impacts arising from visitor spending.



Accommodations

Hotels and short-term rentals

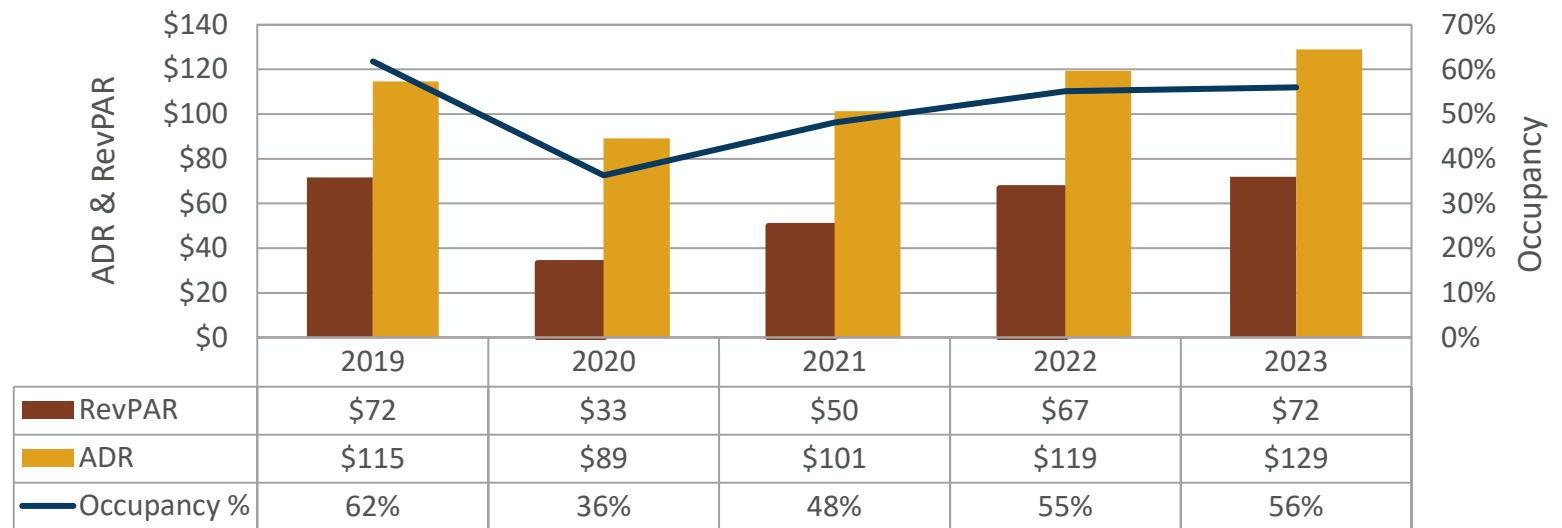
In 2023 Minnesota hotel performance metrics improved relative to 2022. The state had an average occupancy percentage of 56%, ADR of \$129 and RevPAR of \$72.

Compared to pre-pandemic 2019 hotel metrics ADR was up to \$129 from \$115 and occupancy was down to 56% from 62%.

2023 Minnesota key hotel performance metrics up relative to 2022

State Hotel Metrics Comparison Over Time

2019-2023



Source: Smith Travel Research (STR)

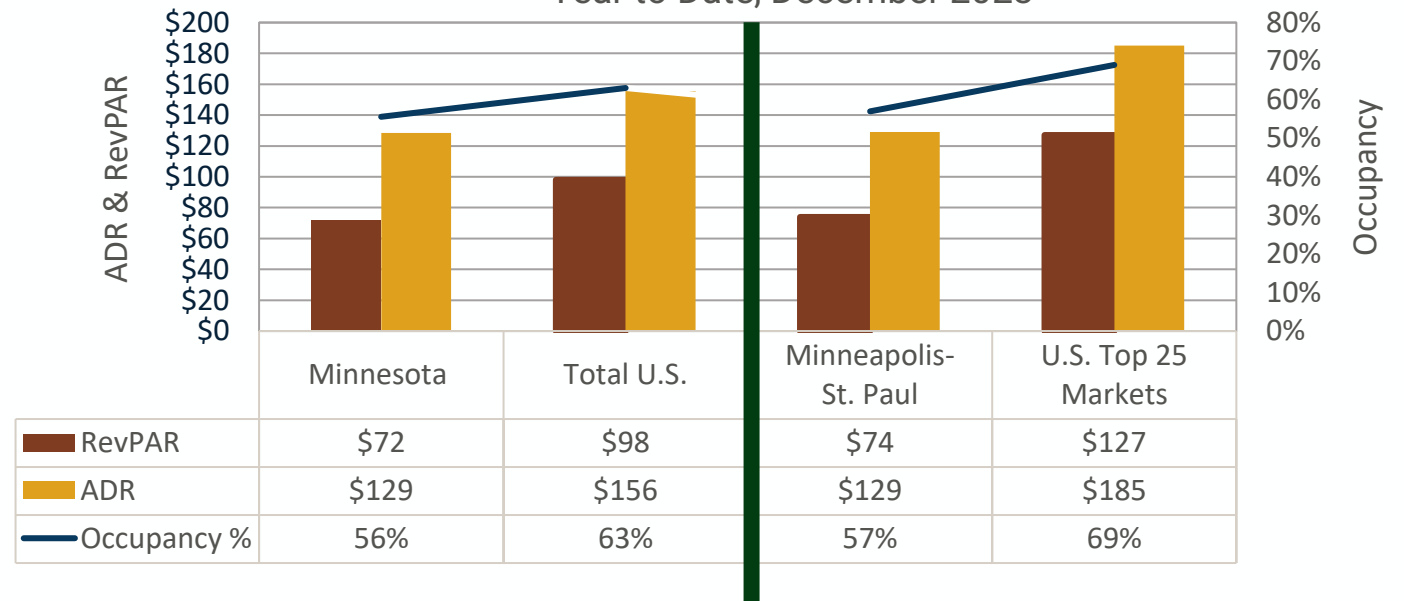
In 2023 hotels in the state of Minnesota had an average occupancy percentage of 56%, ADR of \$129 and RevPAR of \$72. While these figures are better than 2022, Minnesota hotel performance metrics are not as strong as the total U.S.

Similarly, Minneapolis-St. Paul 2023 hotel performance metrics are below U.S. top 25 metropolitan market averages. In 2022 hotel occupancy in the metro was 57%, ADR was \$129 and RevPAR was \$74.

MN state and Minneapolis metro key performance metrics below national averages

State & Metro Hotel Metrics Comparison

Year to Date, December 2023



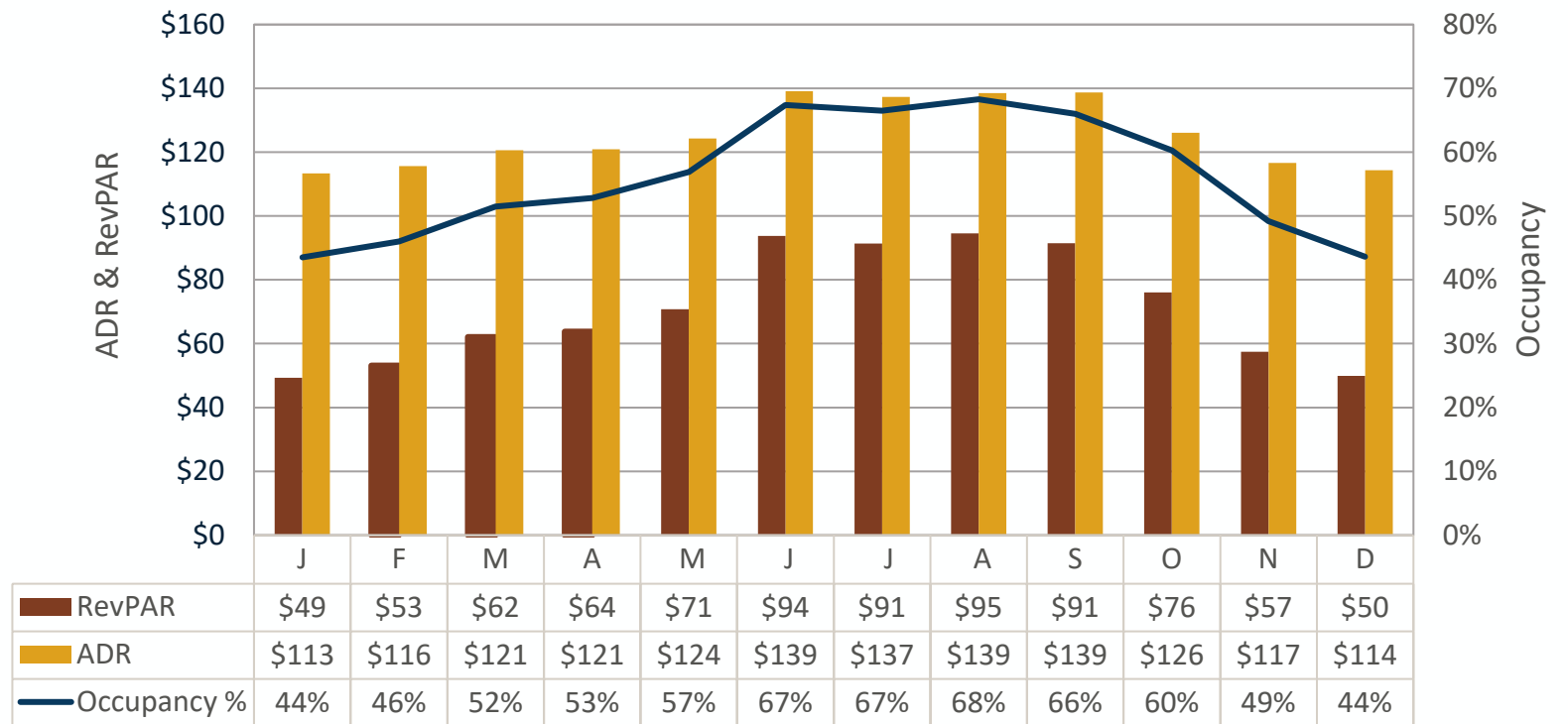
In 2023 Minnesota hotels' key lodging performance metrics of occupancy percentage, ADR and RevPar followed normal seasonal trends.

June through September were the strongest months with 66 to 68% occupancy, \$137 to \$139 ADR and \$91 to \$95 RevPar.

January was the weakest month with 44% occupancy, \$113 ADR and \$49 RevPar.

Minnesota hotels strongest in the summer months

Minnesota Hotel Metrics Over Time
2023



Source: Smith Travel Research (STR)

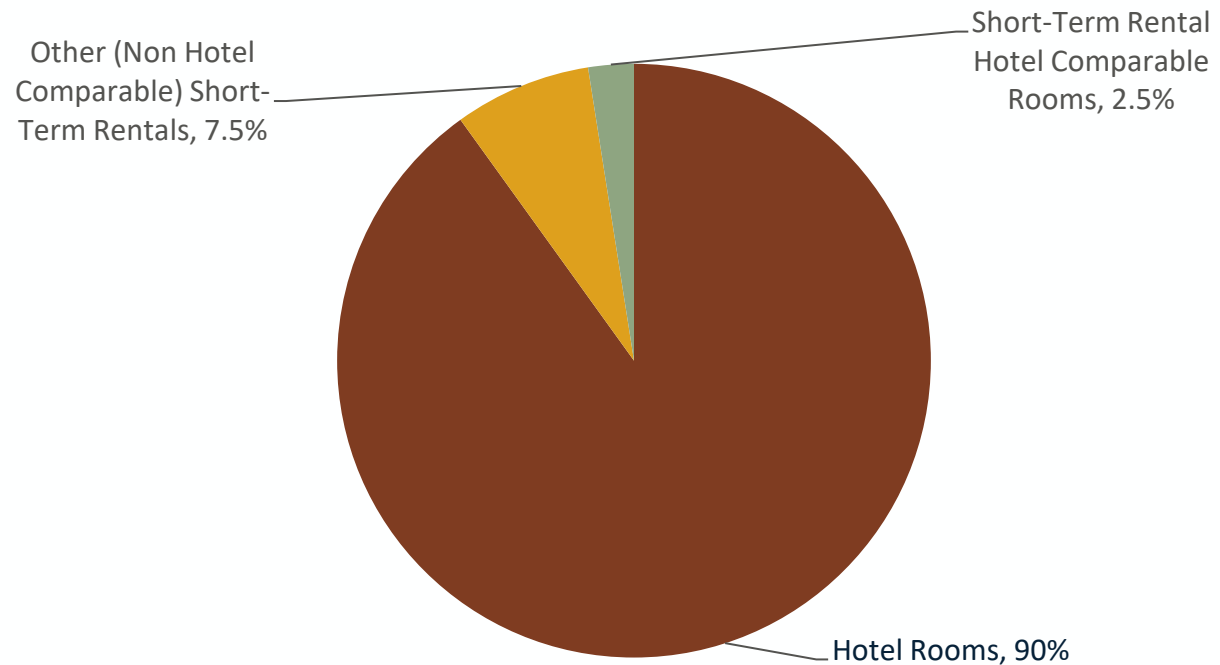
Hotels provide about 90% of available rooms in Minnesota

In December 2023 almost 86 thousand or 90% of rooms available in Minnesota were at traditional accommodations, including hotels, motels and resorts.

The almost 9,500 total short-term rentals available made up about 10% of the spaces available across the state in December 2023.

Short-term rentals were comprised of 2.5% hotel comparable rooms (studios and one bedroom) and 7.5% other entire place rentals.

Available Rooms by Type
December 2023



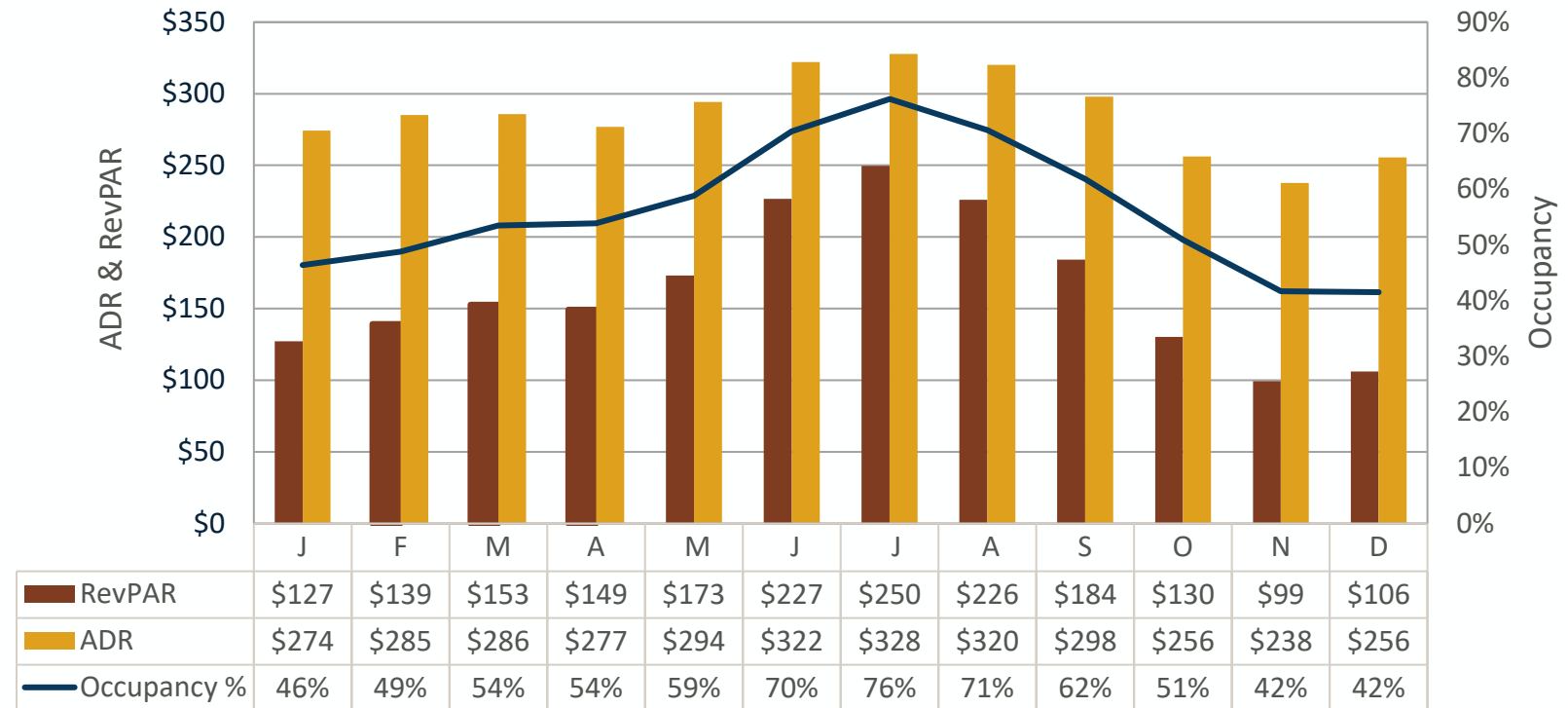
2023 short-term rental performance was strongest in July

Minnesota short-term rentals' occupancy percentage, ADR and RevPar followed normal seasonal trends in 2023.

July was the strongest month with 76% occupancy, \$328 ADR and \$250 RevPar.

November was the weakest month with 42% occupancy, \$238 ADR and \$99 RevPar.

Minnesota Short-Term Rental Metrics Over Time
2023

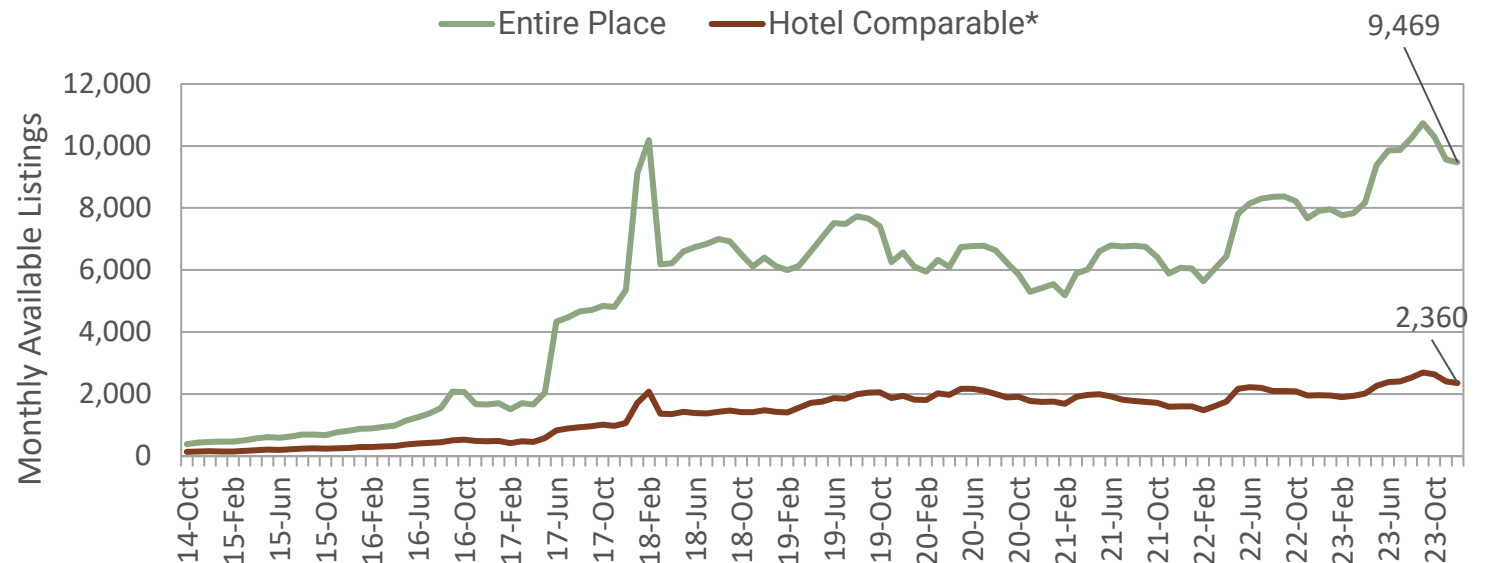


Number of short-term rentals available in MN continued to increase in 2023

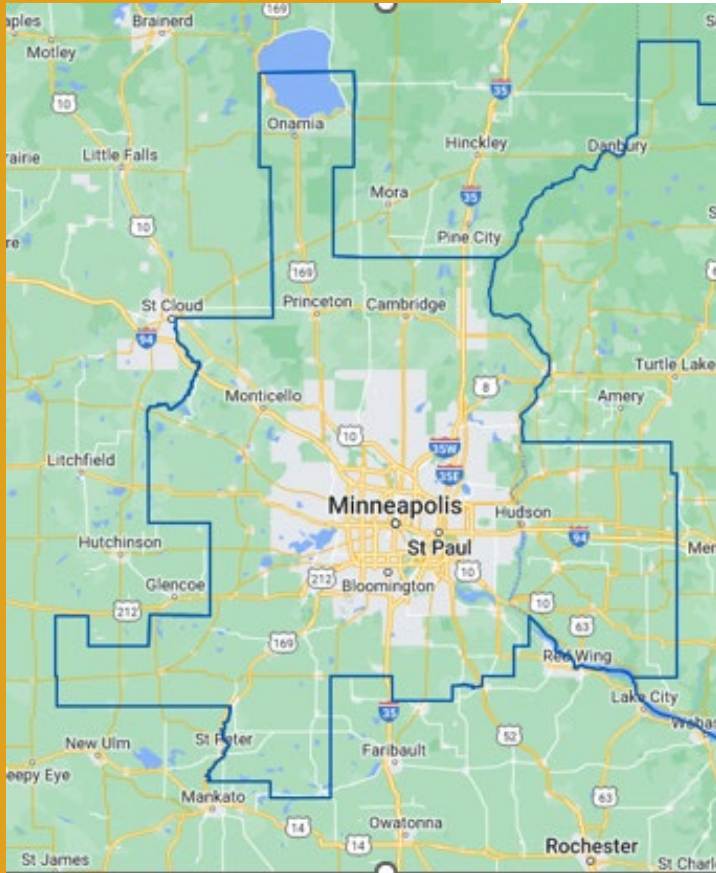
Since October 2014 the number of short-term rental listings available in Minnesota has greatly increased.

In December 2023 there were 9,469 available short-term listings. This is a 20% increase in Minnesota listings available relative to December 2022.

Number of Minnesota Short-Term Rental Listings Available Over Time
October 2014-December 2023



* Hotel Comparable listings are a sub-set of Entire Place short-term rental listings



Lodging Performance Definitions

Occupancy Percentage – Rooms sold divided by rooms available multiplied by 100. Occupancy is always expressed as a percentage of rooms occupied.

Annual Daily Rate (ADR) – Room revenue divided by rooms sold, displayed as the average rate for a single room.

Revenue Per Available Room (RevPAR) – Total room revenue generated from the sale or rental of rooms.

Geography – In the Smith Travel Research (STR) Top 25 Markets report, Minneapolis is defined as the greater Minneapolis/St. Paul metro area as shown in the map to the left.



MSP Airport & International Visitor Trends

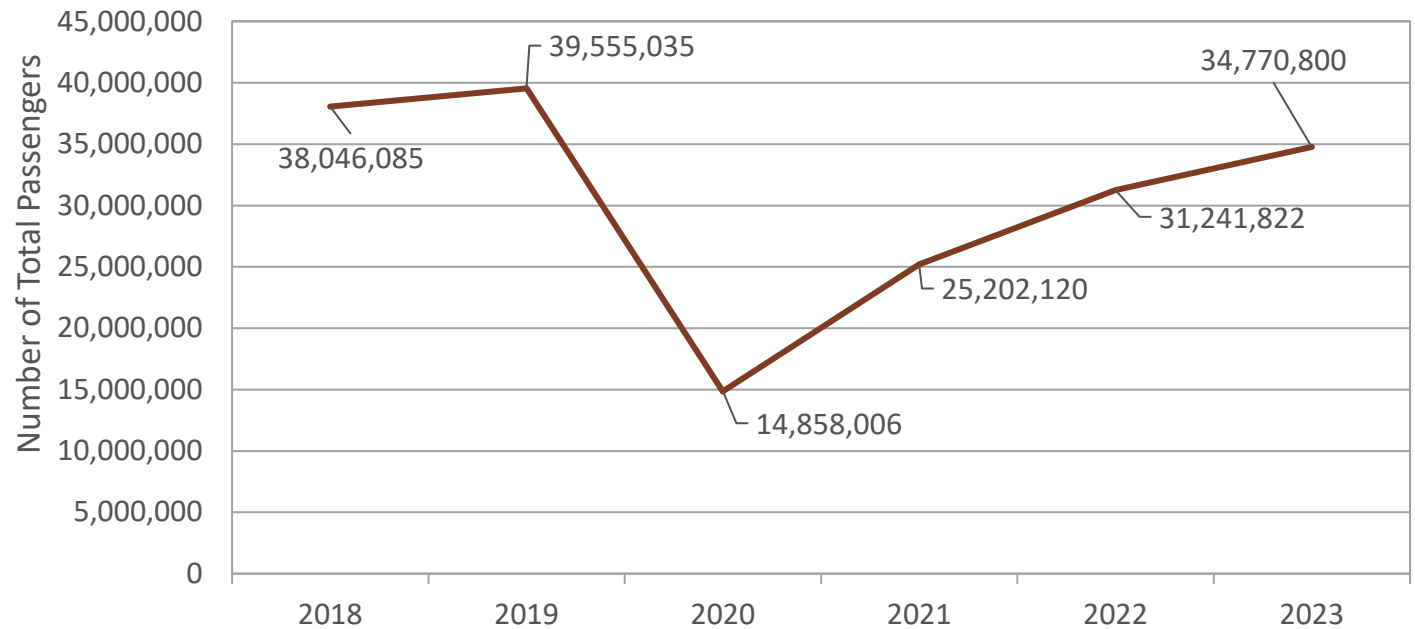
Visitation, spend and origin markets

In 2023 the total number of Minneapolis-Saint Paul Airport passengers increased 11.3% year over year to 34.8 million.

The 2023 passenger volume remains 12% below the pre-pandemic 2019 MSP passenger volume of 39.6 million.

2023 MSP airport passenger volume increased 11.3% relative to 2022

MSP Airport Passengers Over Time
2018-2023

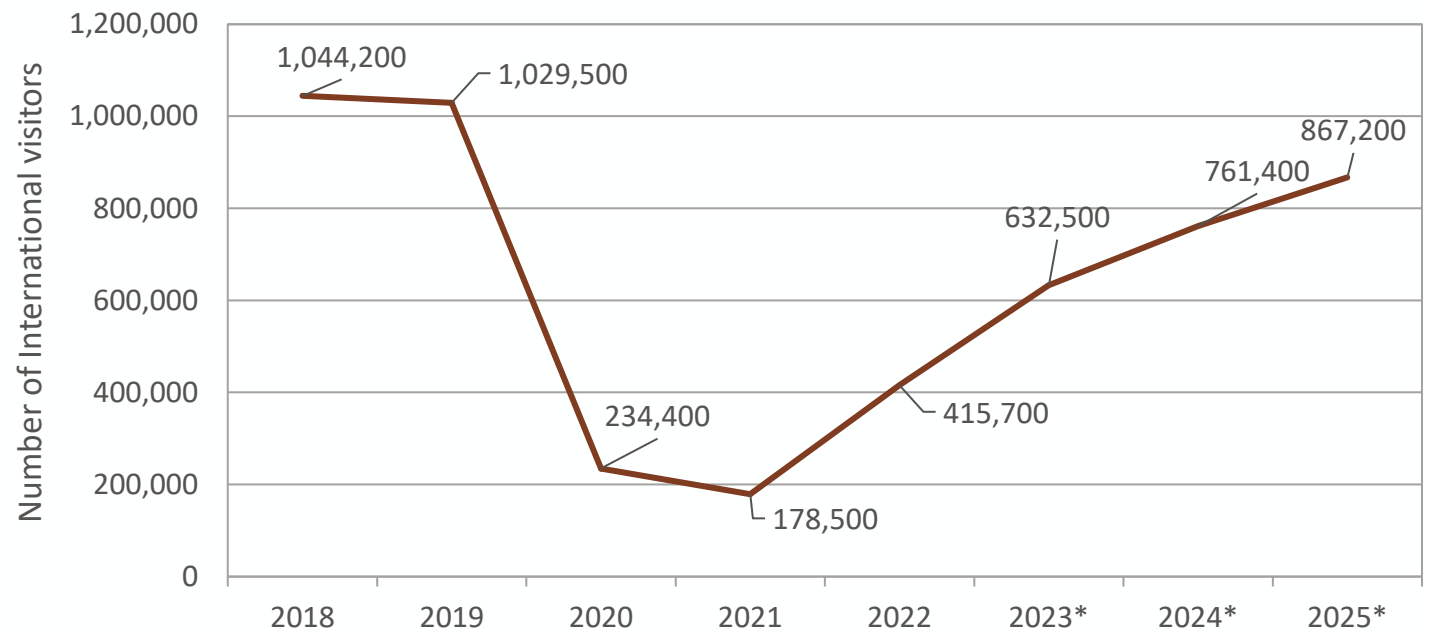


According to Tourism Economics – International States Travel data, in 2022 Minnesota had an estimated 415,700 international arrivals. These visitors spent an estimated \$366 million.

Additionally, the forecast is for Minnesota’s international visitation to trend up to pre-pandemic volumes in the coming years. By 2025 Minnesota will likely receive more than 865 thousand international visitors.

2022 international arrivals to MN increased to 415,700

Minnesota International Visitation over Time
2018-2025*



* Forecasted data

Source: Tourism Economics-International States Travel

In 2022 Canada accounted for 57% of Minnesota's international visitation with 238,000 visitors.

Notably, India was a 2022 top Minnesota visitor origin market with an estimated 23,500 visitors.

The United Kingdom, Germany and Mexico are the other top three countries for MN visitation in 2022.

With the 2023 return of direct flights from Asia to MSP airport, South Korea and Japan should continue to rank in the top 15 origin markets.

Canada and India were MN's top international origin markets





Canadian overnight trips led to expenditures in MN of \$151.7 million CAN

Statistics Canada 2022 Canada/Minnesota Traveler & Trip Profile Information -

Main trip reason:

60% Holidays, leisure or recreation
19% Visiting friends or relatives (VFR)

Accommodation type:

73% Hotel or motel
14% Friend or relative
14% Other

Mode of transportation:

74% Car
18% Commercial airline

Visit duration:

35% 1 night
21% 2 nights
24% 3 nights

Trip timing:

16% second quarter
48% third quarter
30% fourth quarter

Region of trip origin:

51% Prairies
41% Ontario

Trip party composition:

42% One adult
36% Two adults
17% Two adults with children

For some trip profile characteristics percentages do not add up to 100% because category results are not based on a large enough sample for reliable reporting Source: Statistics Canada



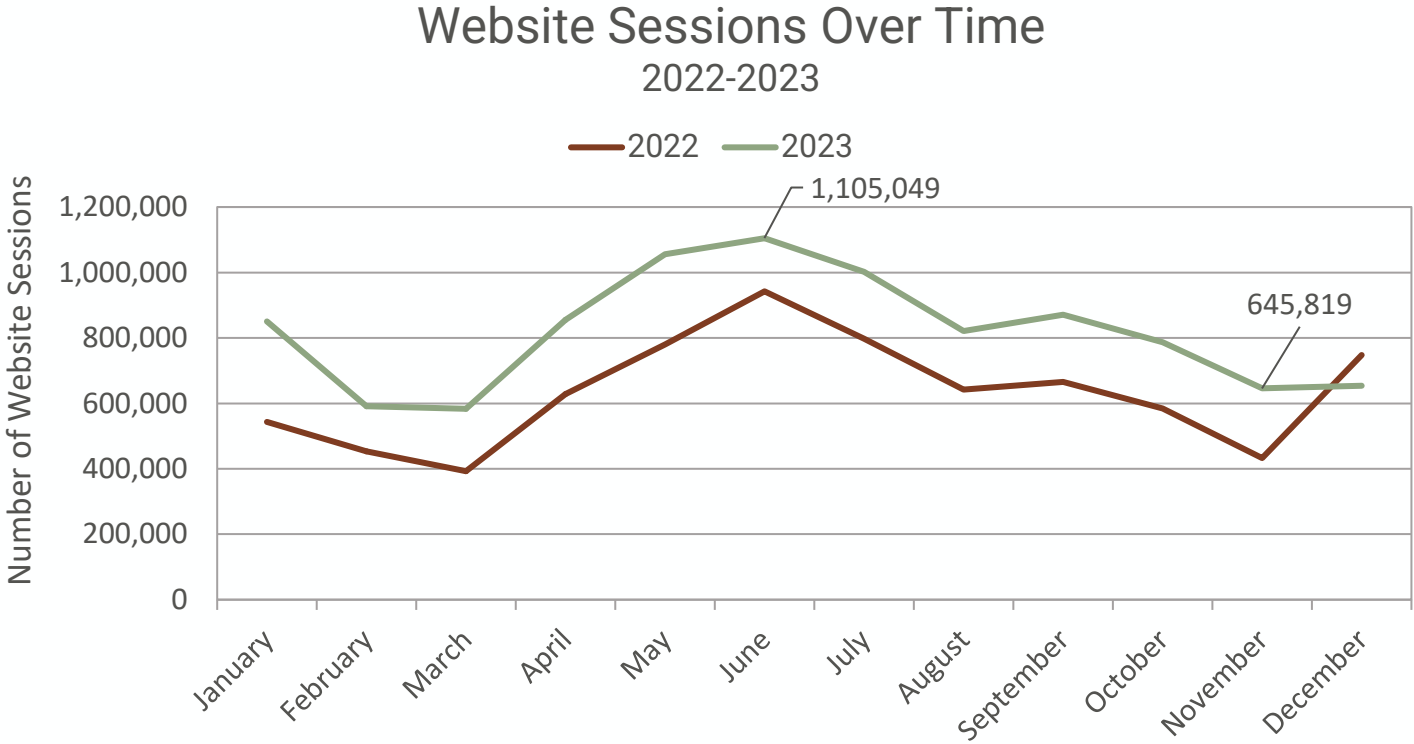
Explore Minnesota Activity

Digital marketing

Explore Minnesota website traffic up 22.5% in 2023 compared to 2022

In 2023 the consumer-facing Explore Minnesota website had 9.8 million sessions. This is a 22.5% increase over the 7.6 million website sessions in 2022.

In 2023 June was the busiest month with 1.1 million website sessions and November was the least busy month with 646 thousand sessions. This seasonality aligns with statewide travel trends.





Minnesota Comparison

U.S. travel industry recovery by state

Minnesota 2023 travel spending 1.6% above 2019 level

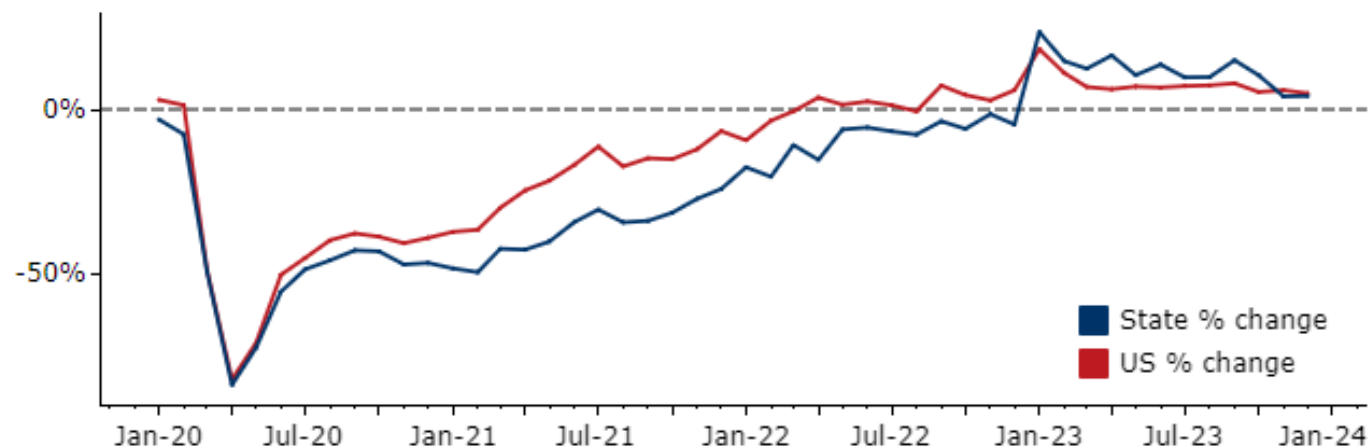
Minnesota travel spending took longer to recover from the pandemic than many other U.S. states.

As of December 2023 year to date visitor travel spending in Minnesota increased to \$16.9 billion which is 1.6% above 2019.

For the total U.S. as of December 2023 year to date visitor spending of \$1.3 trillion was up 8.7% relative to 2019.

Travel Spending

Minnesota vs U.S. total, % change relative to 2019



Minnesota's December 2023 year to date travel spending was up 11.5% year over year compared to 2022.

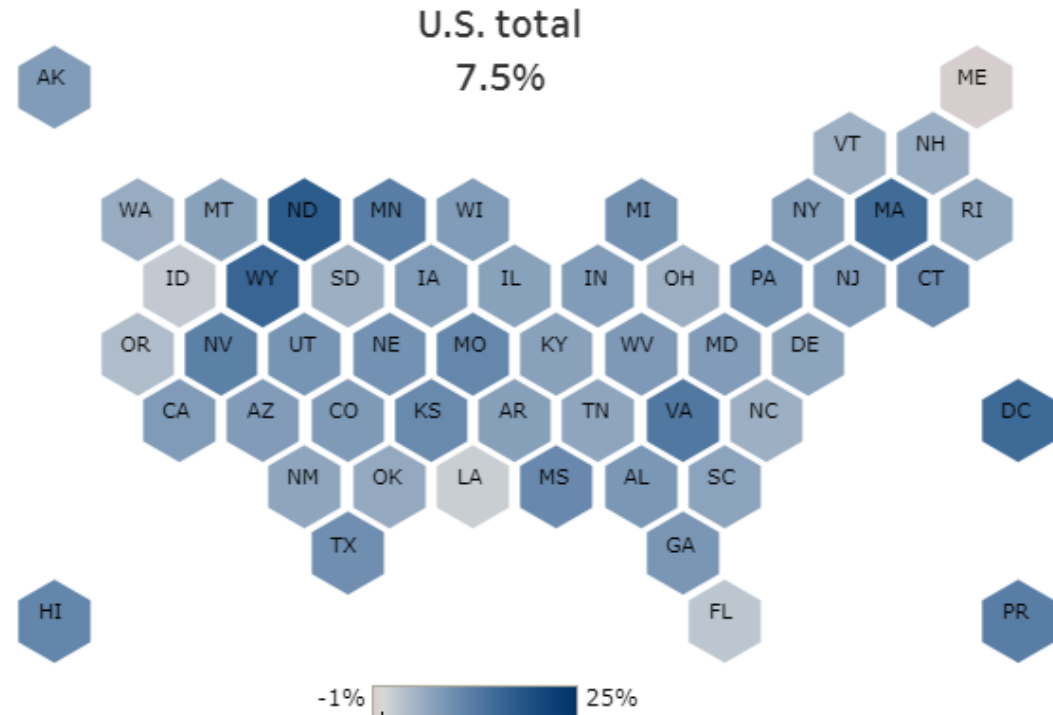
Total U.S. travel spend was up 7.5% in 2023 relative to 2022.

Minnesota 2023 travel spending 11.5% above 2022

Travel Spending by State

December, 2023 (Year-to-Date), % change YOY

Travel Spending ▾



Source: U.S. Travel Association – Tourism Economics

Minnesota 2023 lodging demand 2.8% above 2022

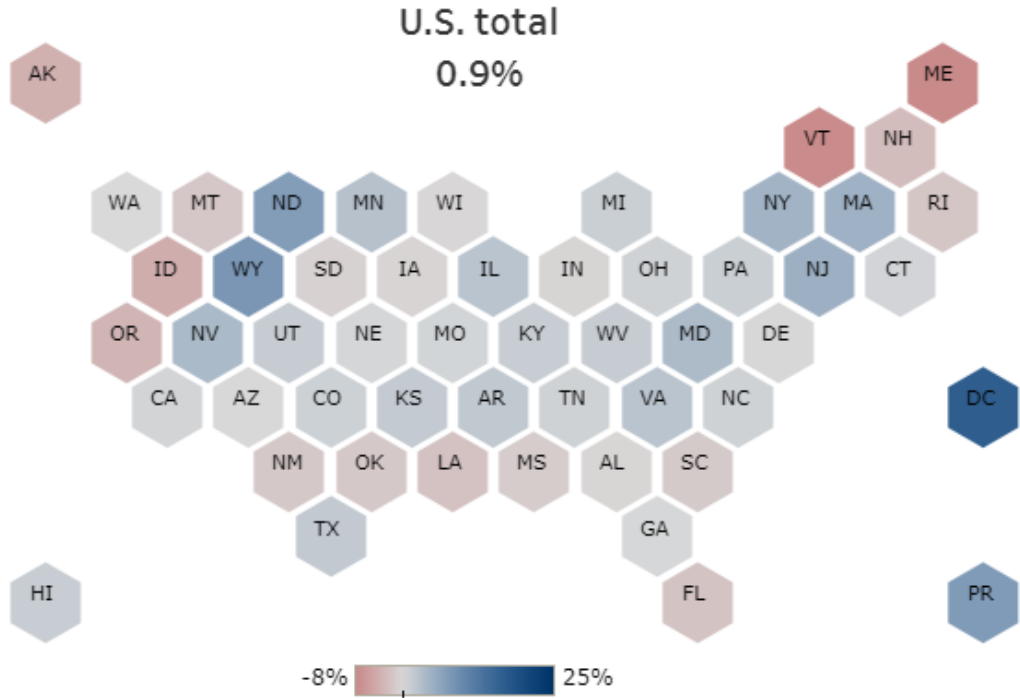
Minnesota's December 2023 year to date lodging demand was up 2.8% year over year compared to 2022.

Total U.S. lodging demand was up .9% in 2023 relative to 2022.

Lodging Demand by State

December, 2023 (Year-to-Date), % change YOY

Lodging Demand



Source: U.S. Travel Association - STR

Minnesota's December 2023 year to date L&H jobs was up 5.5% year over year compared to 2022.

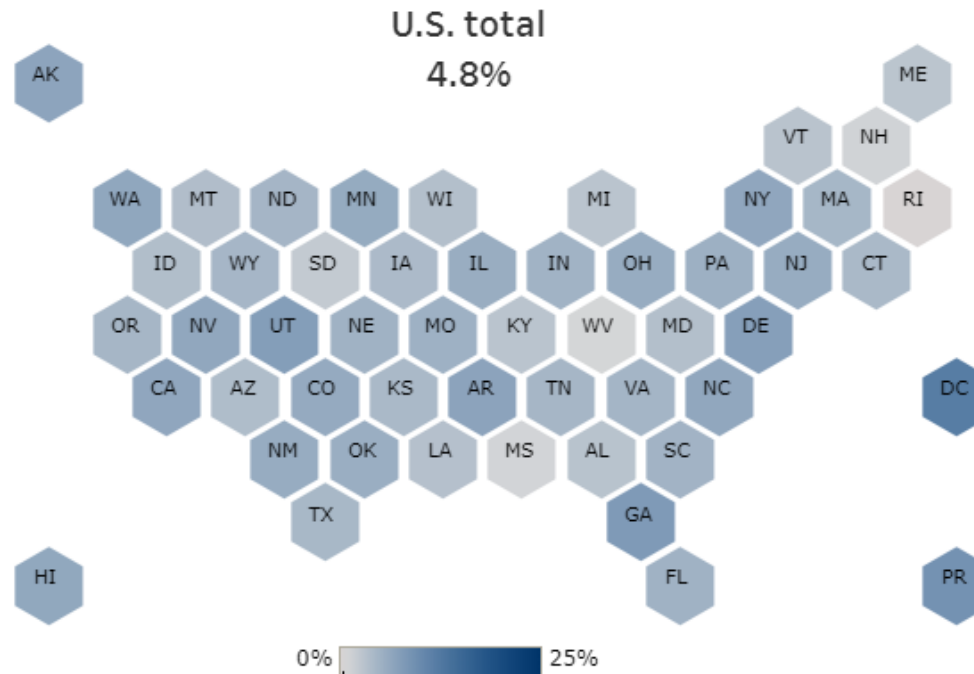
Total U.S. L&H jobs was up 4.8% in 2023 relative to 2022.

Minnesota 2023 L&H jobs 5.5% above 2022

L & H Jobs by State

December, 2023 (Year-to-Date), % change YOY

L & H Jobs



Minnesota's December 2023 year to date air passengers was up 17.5% year over year compared to 2022.

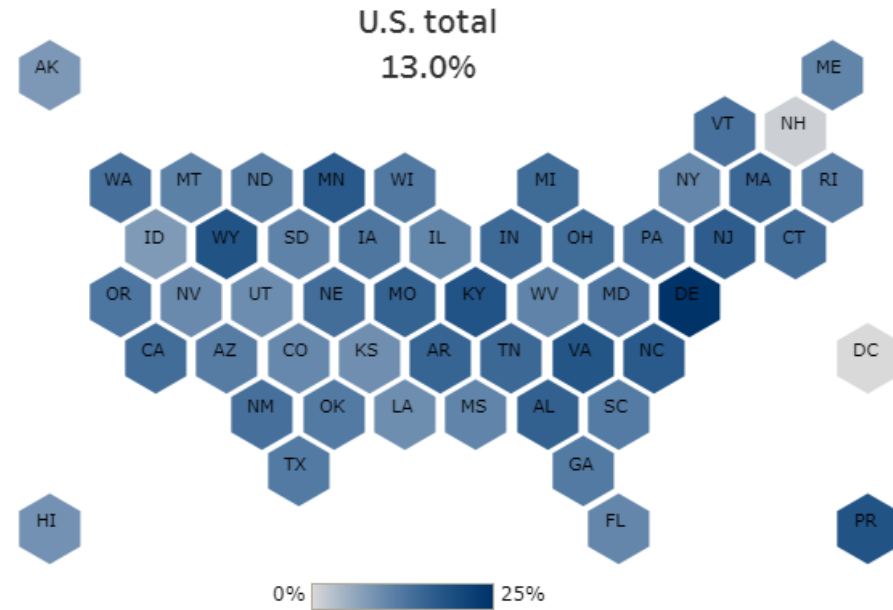
Total U.S. air passengers was up 13% in 2023 relative to 2022.

Minnesota 2023 air passengers 17.5% above 2022

Air Passengers by State

December, 2023 (Year-to-Date), % change YOY

Air Passengers



An aerial photograph of a rugged coastline. On the left, a dense forest of green trees covers a hillside that descends to a rocky shore. A small white building with a red roof is visible near the water's edge. In the center, a prominent rock formation juts out into the water, topped with a lighthouse and several other buildings. The water is a deep blue-green color, and the sky is filled with soft, white clouds.

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Thank you