2025

Economic Impact of Visitors to Minnesota

TOURISM ECONOMICS
AN OXFORD ECONOMICS COMPANY

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Introduction

Visitors are integral to Minnesota's economy, generating significant financial benefits for residents and local businesses. Visitor activity also produces substantial tax revenue which supports government services.

Credible measurements of the visitor economy are designed to inform policy decisions that foster the sector's development.

To quantify the significance of Minnesota's visitor economy, Tourism Economics developed a comprehensive analysis of visitor spending and its total economic impact on businesses, employment, personal income, and taxes. At a high level, our approach includes the following stages:

- Compilation of visitor statistics
- Compilation of industry data
- Compilation of government data
- Analysis of visitor spending by category
- Economic impact modeling

KEY FINDINGS

Key Findings

Visitors Generate Significant Economic Impact

In 2025, **82.5 million visitors spent $15.2 billion** across Minnesota's visitor economy and generated a total economic impact of $25.2 billion.

82.5M VISITORS TO MINNESOTA

$15.2B VISITOR SPENDING

$25.2B TOTAL ECONOMIC IMPACT

$8.4B TOTAL PERSONAL INCOME

180,514 TOTAL JOBS SUPPORTED

$2.4B STATE AND LOCAL TAXES

Results In Context

Minnesota's visitor economy is an economic pillar. In 2025, visitor spending supported one-in-22 jobs in Minnesota. In addition:

$15.2B VISITOR SPENDING

Visitors spent $41.6 million per day in Minnesota, on average.

$8.4B PERSONAL INCOME

Total income generated by Minnesota's visitor economy is the equivalent of $3,653 for every household in Minnesota.

180,514 JOBS

The visitor economy sustained 4.6% of all jobs in Minnesota. The number of tourism-supported employees could fill U.S. Bank Stadium 2.5 times.

$2.4B STATE & LOCAL TAXES

State and local taxes generated by the visitor economy could pay the salaries of 32,445 public school teachers.

VISITOR VOLUME & SPENDING

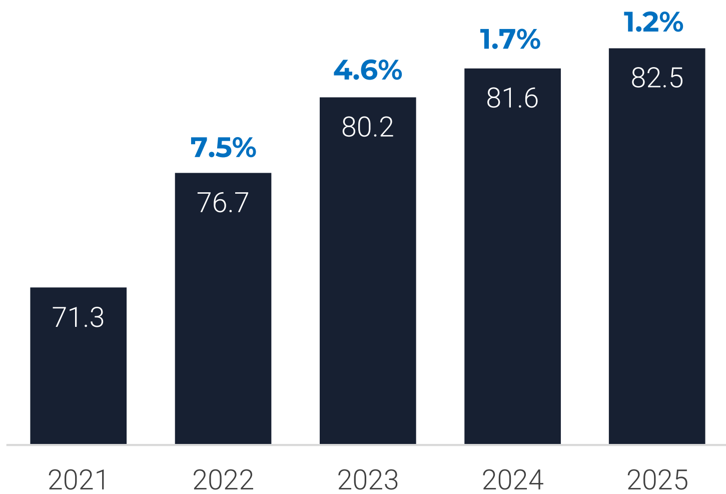
Minnesota welcomed **82.5 million** visitors who spent **$15.2 billion** in 2025.

Visitor Volume

Visitor Volume

Visitors to Minnesota grew 1.2% year-over-year to 82.5 million in 2025. Both the day and overnight segments contributed to overall growth in 2025.

Minnesota Visitor Volume
millions



Sources: Longwoods International, Tourism Economics

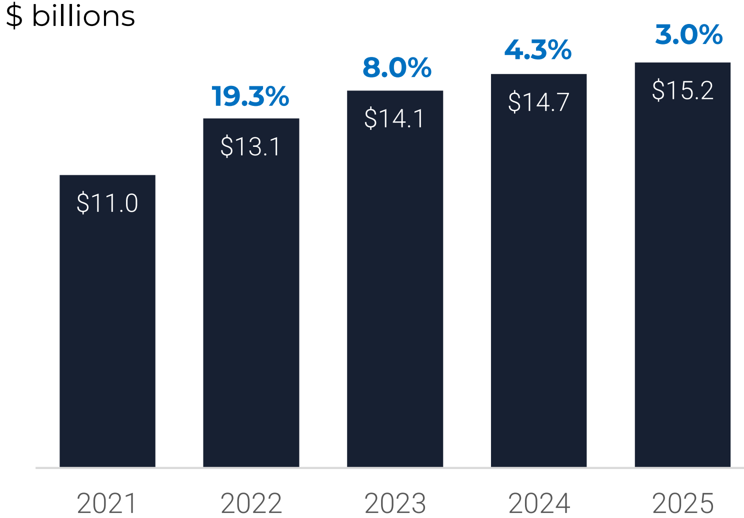
Visitor Spending

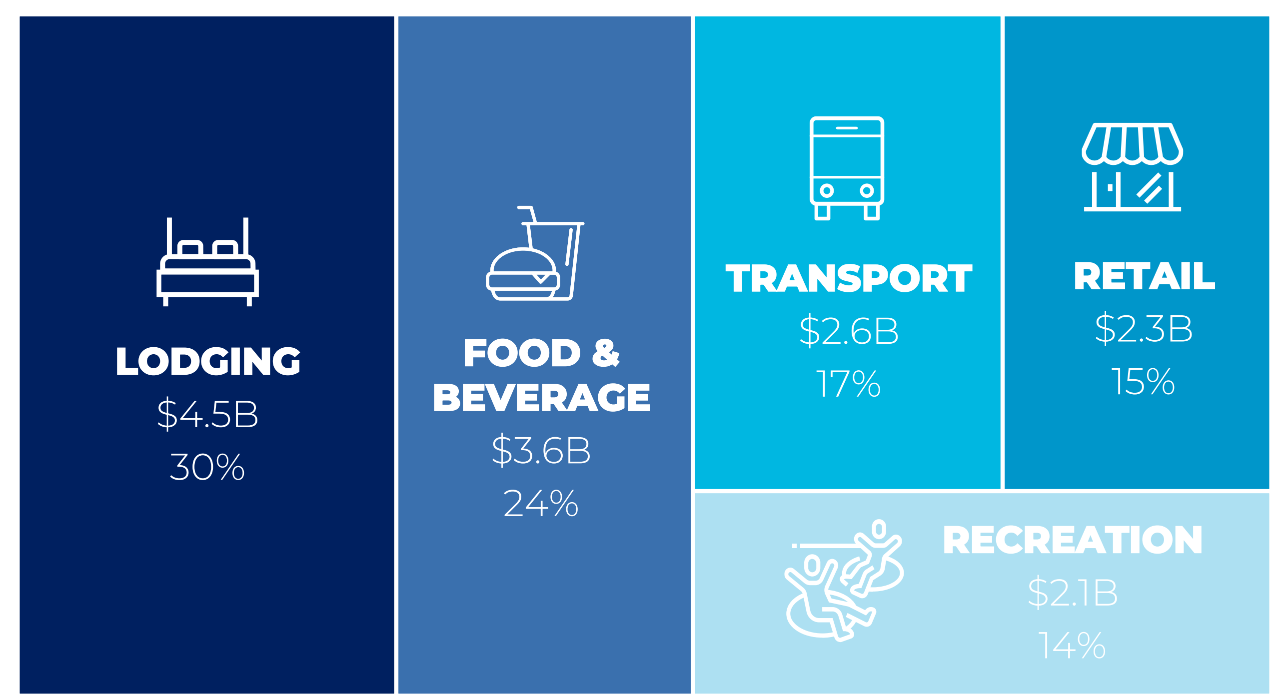
Visitor spending grew 3.0% in 2025 to $15.2 billion.

Of the $15.2 billion spent, lodging spending, including the value of second homes, accounted for the largest share at $4.5 billion—30% of all visitor spending.

Food and beverage spending reached $3.6 billion equivalent to 24% of total visitor spending.

Minnesota Visitor Spending
$ billions





Source: Tourism Economics
Note: Lodging includes all accommodation types.
Transportation includes both air and ground transport

Visitor Spending Trends

Visitor spending in Minnesota rose 3.0% year-over-year to $15.2 billion in 2025.

Among visitor spending categories, recreation led growth registering 5.1% year-over-year. Food and beverage and retail spending followed, each growing 3.5%.

Day visitors to Minnesota outpaced the overnight visitor segment in terms of both spending and visitor volume growth, while the overnight visitor segment continued to occupy the largest share of visitor spending (67.2%).

Driven by a significant decline in visitors from Canada, international visitor volume fell 15.8% and visitor spending fell 13.8%. Domestic visitation offset the decrease in the international market in 2025 and supported a 1.2% net gain in visitors.

Minnesota Visitor Spending

$ millions

	2021	2022	2023	2024	2025	2025 Growth
Total visitor spending	**$10,961**	**$13,072**	**$14,121**	**$14,732**	**$15,173**	**3.0%**
Lodging	$3,185	$3,938	$4,275	$4,452	$4,535	1.9%
Food & beverage	$2,605	$3,039	$3,300	$3,485	$3,605	3.5%
Transportation	$1,847	$2,294	$2,474	$2,546	$2,602	2.2%
Retail	$1,772	$2,009	$2,137	$2,209	$2,285	3.5%
Recreation	$1,553	$1,792	$1,935	$2,041	$2,145	5.1%

Source: Tourism Economics

Note: Lodging includes all accommodation types.

Transportation includes both air and ground transport

Minnesota Visitor Spending, by Segment

millions, $

	2021	2022	2023	2024	2025	2025 Growth
Total visitors	**71.3**	**76.7**	**80.2**	**81.6**	**82.5**	**1.2%**
Day	43.0	45.0	47.0	48.2	48.9	1.4%
Overnight	28.4	31.7	33.2	33.4	33.6	0.8%
Total visitor spending	**$10,961**	**$13,072**	**$14,121**	**$14,732**	**$15,173**	**3.0%**
Day	$3,922	$4,250	$4,565	$4,801	$4,969	3.5%
Overnight	$7,039	$8,822	$9,556	$9,932	$10,204	2.7%
Per visitor spending	**$154**	**$170**	**$176**	**$181**	**$184**	**1.8%**
Day	$91	$95	$97	$100	$102	2.1%
Overnight	$248	$278	$288	$298	$303	1.9%

Source: Longwoods International, Tourism Economics

Minnesota Visitor Spending Share, by Market

millions, $

	2021	2022	2023	2024	2025	2025 Growth
Total visitors	**71.3**	**76.7**	**80.2**	**81.6**	**82.5**	**1.2%**
Domestic	71.2	76.1	79.5	80.7	81.8	1.3%
International	0.16	0.55	0.76	0.82	0.69	-15.8%
Total visitor spending	**$10,961**	**$13,072**	**$14,121**	**$14,732**	**$15,173**	**3.0%**
Domestic	$10,924	$12,956	$13,958	$14,550	$15,016	3.2%
International	$37	$116	$163	$182	$157	-13.8%
Per visitor spending	**$154**	**$170**	**$176**	**$181**	**$184**	**1.8%**
Domestic	$153	$170	$176	$180	$184	1.9%
International	$236	$212	$214	$221	$226	2.3%

Source: Longwoods International, Tourism Economics

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ECONOMIC IMPACT METHODOLOGY

Economic Impact Methodology

The development of visitor economy impact modeling begins with a comprehensive demand side analysis. Visitor survey data provides estimates on the volume of visitors by type and their spending in specific industries (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type, as well as employment and personal income by industry, are used to supplement and confirm demand-side visitor spending calculations.

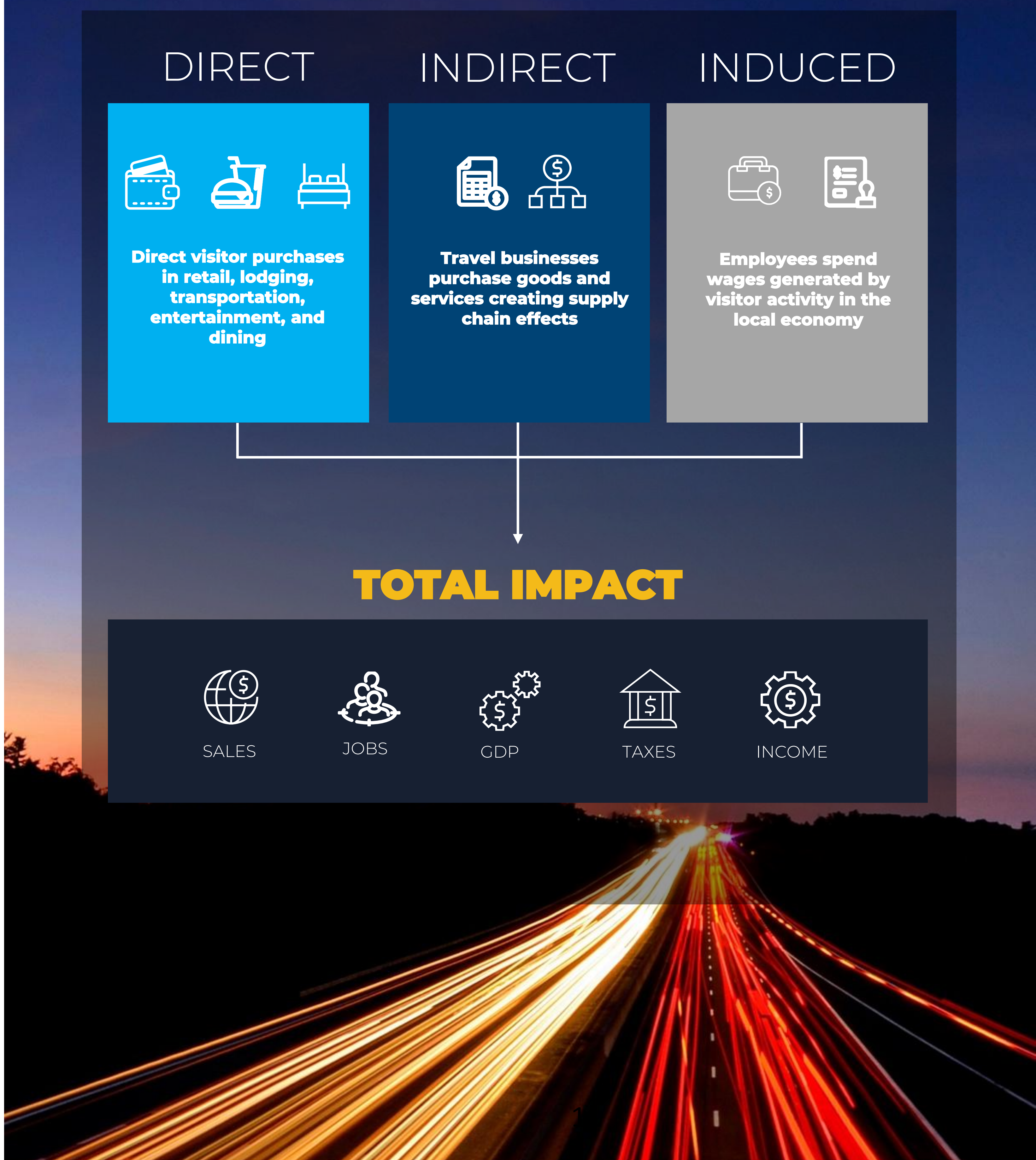
This provides a detailed profile of visitor spending by industry, which is then connected to a local input-output (I-O) economic impact model constructed within the IMPLAN platform. This uses government (Bureau of Economic Analysis and Census) data to trace the flow of visitors through the local economy and its effects on businesses, households, and government. The model quantifies three levels of impact:

1. **Direct impacts:** Visitor spending creates direct economic value within a defined set of sectors. This supports a proportion of spending, jobs, wages, and taxes within each sector.
2. **Indirect impacts:** Businesses providing direct services to visitors purchase goods and services, generating additional impacts called indirect impacts or supply-chain effects.
3. **Induced impacts:** Additional business activity is generated as employees spend incomes locally that are earned due to visitor activity. This is called the induced impact or income effect.

The model calculates these three levels of impact—direct, indirect, and induced—for the following metrics:

- Spending
- Wages
- Employment
- GDP (Value Added)
- Federal Taxes
- State Taxes
- Local Taxes

Economic Impact Model



ECONOMIC IMPACT

Business Sales Impacts

Visitors contributed a direct impact of $15.2 billion in 2025. This direct impact generated $10.0 billion in indirect and induced impacts, resulting in a total economic impact of $25.2 billion across the Minnesota economy.

$15.2B	+	$4.5B	+	$5.5B	=	$25.2B
Visitor Spending *(Direct Sales)*		Indirect Sales		Induced Sales		Total Economic Impact

Business Sales by Industry (2025)
$ millions

	Direct Business Sales	Indirect Business Sales	Induced Business Sales	Total Business Sales
Total, all industries	**$15,173**	**$4,462**	**$5,545**	**$25,179**
Food & Beverage	$3,605	$233	$356	$4,194
Lodging	$3,608	$1	$338	$3,946
Finance, Insurance, Real Estate	$1,216	$1,083	$1,200	$3,499
Retail Trade	$2,285	$59	$377	$2,721
Recreation and Entertainment	$2,041	$199	$82	$2,322
Business Services		$877	$814	$1,692
Air Transport	$999	$25	$43	$1,066
Education and Health Care		$23	$945	$967
Gasoline Stations	$914	$4	$31	$949
Other Transport	$401	$198	$111	$709
Communications		$397	$259	$656
Construction and Utilities		$447	$177	$624
Manufacturing		$387	$221	$608
Wholesale Trade		$256	$285	$540
Personal Services	$104	$118	$205	$427
Government		$117	$72	$189
Agriculture, Fishing, Mining		$38	$31	$70

Source: Tourism Economics

GDP (Value Added Impacts)

The Minnesota visitor economy's GDP impact increased to $13.1 billion in 2025 and equated to 2.5% of Minnesota's economy. GDP removes the value of all imported (from other states and internationally) goods and services.

$7.1B Direct GDP + **$2.6B** Indirect GDP + **$3.3B** Induced GDP = **$13.1B** Total GDP

GDP by Industry (2025)

$ millions

	Direct GDP	Indirect GDP	Induced GDP	Total GDP
Total, all industries	**$7,172**	**$2,631**	**$3,272**	**$13,075**
Lodging	$2,671	$1	$289	$2,961
Food & Beverage	$1,606	$164	$202	$1,972
Finance, Insurance, Real Estate	$279	$632	$625	$1,536
Recreation and Entertainment	$1,202	$125	$46	$1,373
Business Services		$561	$515	$1,076
Retail Trade	$540	$56	$283	$879
Education and Health Care		$14	$602	$616
Air Transport	$475	$15	$23	$512
Other Transport	$242	$131	$57	$430
Communications		$220	$133	$353
Wholesale Trade		$176	$168	$344
Construction and Utilities		$232	$80	$312
Personal Services	$39	$85	$125	$249
Manufacturing		$132	$62	$194
Gasoline Stations	$119	$3	$20	$142
Government		$67	$28	$95
Agriculture, Fishing, Mining		$16	$13	$29

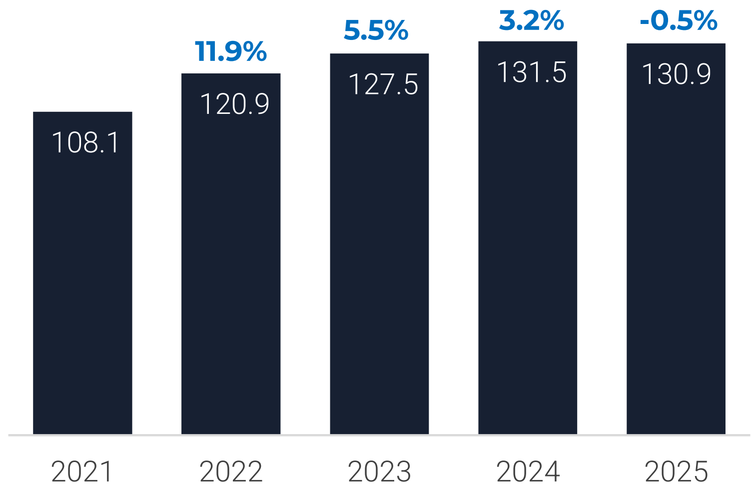
Source: Tourism Economics

Direct Employment

Employment directly supported by visitor activity fell by 646 jobs in 2025 (-0.5%) and totaled 130,892 jobs. Among major employment categories, tourism ranked 11th . Visitor supported employment comprised a significant part of several industries in Minnesota: all lodging employment, 29% of recreation employment, and 22% of food and beverage jobs were supported by visitor spending in 2025.

Visitor-Supported Employment in Minnesota

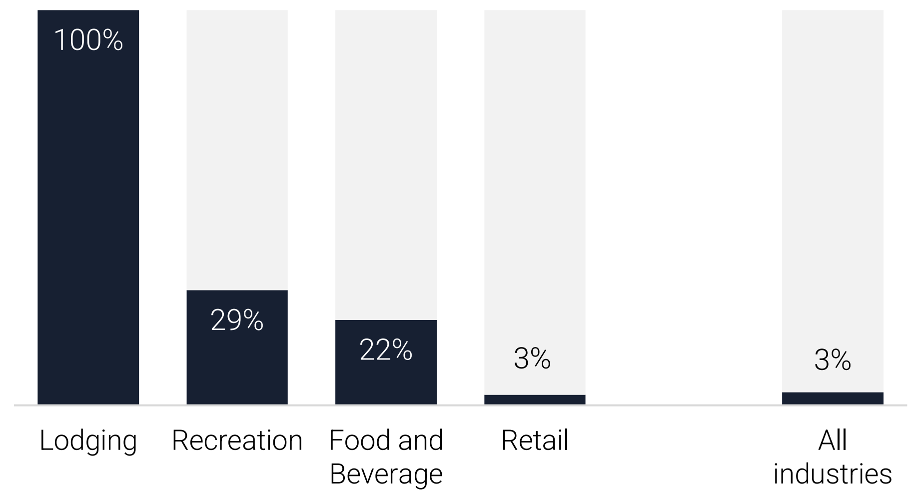
jobs



Source: Tourism Economics

Tourism Employment Intensity

share of total industry employment



Source: Tourism Economics

Employment in Minnesota, by Major Industry

jobs

Source: Tourism Economics

Employment Impacts

Visitor activity sustained 130,892 direct jobs in 2025 and 49,621 additional jobs from the indirect and induced impacts of visitor activity. The total employment impact of 180,514 jobs was equivalent to 4.6% of all jobs in Minnesota.

130.9K Direct Jobs + **21.0K** Indirect Jobs + **28.6K** Induced Jobs = **180.5K** Total Jobs

Employment by Industry (2025)
jobs

	Direct Jobs	Indirect Jobs	Induced Jobs	Total Jobs
Total, all industries	**130,892**	**21,022**	**28,599**	**180,514**
Food & Beverage	47,122	2,628	3,514	53,264
Lodging	32,414	8	30	32,452
Recreation and Entertainment	27,743	2,310	880	30,933
Retail Trade	9,448	516	2,880	12,844
Business Services		4,217	6,590	10,807
Other Transport	6,521	1,574	564	8,659
Finance, Insurance, Real Estate	952	4,612	2,865	8,429
Education and Health Care		229	7,167	7,396
Air Transport	4,094	53	71	4,218
Personal Services	975	1,034	1,732	3,740
Gasoline Stations	1,624	35	217	1,876
Wholesale Trade		732	600	1,332
Construction and Utilities		875	317	1,193
Communications		709	481	1,189
Manufacturing		700	305	1,005
Government		625	259	884
Agriculture, Fishing, Mining		167	126	293

Source: Tourism Economics

The visitor economy supported **1-in-22 jobs** in Minnesota in 2025.

Personal Income Impacts

Visitor activity generated $4.8 billion in direct personal income in 2025. Including indirect and induced impacts, employees received $8.4 billion in personal income.

$4.8B Direct Personal Income + **$1.6B** Indirect Personal Income + **$2.0B** Induced Personal Income = **$8.4B** Total Personal Income

Personal Income by Industry (2025)

$ millions

	Direct Personal Income	Indirect Personal Income	Induced Personal Income	Total Personal Income
Total, all industries	**$4,828**	**$1,621**	**$1,981**	**$8,430**
Lodging	$1,801	$0	$1	$1,802
Food & Beverage	$1,114	$99	$118	$1,331
Business Services		$456	$515	$972
Recreation and Entertainment	$781	$95	$31	$908
Finance, Insurance, Real Estate	$87	$286	$252	$625
Education and Health Care		$11	$531	$542
Retail Trade	$364	$24	$132	$521
Other Transport	$247	$102	$33	$382
Air Transport	$331	$8	$11	$350
Personal Services	$38	$74	$100	$212
Wholesale Trade		$100	$87	$187
Communications		$114	$64	$178
Construction and Utilities		$111	$38	$149
Manufacturing		$65	$29	$94
Government		$64	$24	$88
Gasoline Stations	$66	$1	$8	$76
Agriculture, Fishing, Mining		$9	$7	$16

Source: Tourism Economics

Visitor spending drives income across industries, including **ten industries with more than $200 million** in total income.

Tax Impacts

Visitor activity generated $4.2 billion in government revenues in 2025.

State and local taxes alone tallied $2.4 billion in 2025.

Each household in Minnesota would need to be taxed an additional $1,038 to replace the visitor-generated taxes received by Minnesota state and local governments in 2025.

Tax Impacts (2025)
$ millions

	Direct	Indirect & Induced	Total
Total Tax Revenues	**$2,629**	**$1,563**	**$4,192**
Federal Taxes	**$985**	**$813**	**$1,798**
Personal Income	$409	$336	$745
Corporate	$73	$73	$147
Indirect Business	$25	$9	$34
Social Insurance	$477	$394	$871
State and Local Taxes	**$1,645**	**$750**	**$2,395**
Sales	$737	$191	$928
Lodging	$82		$82
Personal Income	$269	$207	$476
Corporate	$5	$75	$80
Social Insurance	$1	$1	$2
Excise and Fees	$86	$37	$123
Property	$465	$239	$703

Source: Tourism Economics

State and Local Taxes (2025)
$ millions

	State	Local
State and Local Taxes	**$1,566**	**$829**
Sales	$885	$43
Lodging		$82
Personal Income	$476	
Corporate	$80	
Social Insurance		$2
Excise and Fees	$78	$46
Property	$47	$657

Source: Tourism Economics

TOURISM ECONOMICS

APPENDIX

Appendix: Methodology and Glossary

Methodology Overview

Measuring the visitor economy begins with a comprehensive demand side analysis. A visitor is defined as someone who stayed overnight or traveled more than 50 miles to the destination.

The study area is defined as the State of Minnesota.

Visitor survey data provide estimates on the volume of visitors by type and their spending in specific categories (e.g. lodging, restaurants, retail, recreation and entertainment, transportation). These estimates are strengthened through an analysis of industry-specific data sets on the lodging industry, aviation, and sectoral-level business sales. Government data, including taxes by type as well as employment and personal income by industry are used to supplement and confirm demand-side visitor spending calculations.

The primary source of the employment and wage data is the Regional Economic Information System (REIS), maintained by the Bureau of Economic Analysis (BEA). This is more comprehensive than Bureau of Labor Statistics (BLS QCEW) data because sole-proprietors do not require unemployment insurance and are not counted in the QCEW data.

The complete set of data inputs is provided below.

Data Sources

- **Longwoods International:** survey data, including spending and visitor totals for domestic visitors to Minnesota
- **Minnesota Department of Revenue:** sales and use tax receipts and gross sales
- **STR:** lodging performance data, including room demand, room rates, occupancy, and room revenue, for hotels
- **Bureau of Economic Analysis and Bureau of Labor Statistics:** employment and wage data, by industry
- **Tourism Economics:** international travel data for overseas, Canadian, and Mexican travel to Minnesota based on aviation, survey, and credit card information
- **US Census:** business sales by industry and seasonal second homes inventory

Glossary

SPENDING DEFINITIONS	LODGING	*All accommodation businesses, including hotels, B&Bs, campgrounds, and short-term rentals. This includes food, entertainment, and other services provided by these establishments.*
	FOOD & BEVERAGE	*Includes all visitor spending on food & beverages, including at restaurants, bars, grocery stores and other food providers.*
	RECREATION	*Includes visitor spending within the arts, entertainment and recreation sector.*
	RETAIL	*Includes visitor spending in all retail sub-sectors within the local economy, excluding grocery stores.*
	LOCAL TRANSPORT	*Ride share, taxis, limos, trains, rental cars, buses, and gasoline purchases.*
	AIR TRANSPORT	*Where applicable, the local share of air transportation spending.*
	SECOND HOMES	*Where applicable, spending associated with seasonal second homes for recreational use as defined by the Census Bureau.*
ECONOMIC IMPACT DEFINITIONS	DIRECT IMPACT	*Impacts (business sales, jobs, income, and taxes) related to businesses where visitors spend dollars (e.g. recreation, transportation, lodging).*
	INDIRECT IMPACT	*Impacts created from the purchase of goods and services as inputs (e.g. food wholesalers, utilities, business services) into production by the directly affected sectors (i.e. business-to-business purchases).*
	INDUCED IMPACT	*Impacts created from spending in the local economy by employees whose wages are generated either directly or indirectly by visitor activity.*
	EMPLOYMENT	*Employment is measured by the Bureau of Economic Analysis (BEA) definition, and captures full-time and part-time jobs, which includes salary and wage employees and proprietors.*
	PERSONAL INCOME	*Income (wages, salaries, proprietor income and benefits) supported by visitor spending.*
	VALUE ADDED (GDP)	*Business sales net of intermediate (supply chain) purchases.*
	LOCAL TAXES	*City and County taxes generated by visitor spending. Includes any local sales, income, bed, usage fees, licenses and other revenue streams to local governmental authorities.*
	STATE TAXES	*State tax revenues generated by visitor spending. Includes sales, income, corporate, usage fees and other assessments of state governments.*

About the Research Team

This study was conducted by the Tourism Economics group within Oxford Economics. Tourism Economics combines an understanding of traveler dynamics with rigorous economics to answer the most important questions facing destinations, investors, and strategic planners. By combining quantitative methods with industry knowledge, Tourism Economics designs custom market strategies, destination recovery plans, forecasting models, policy analysis, and economic impact studies.

Oxford Economics was founded in 1981 as a commercial venture with Oxford University's business college to provide economic forecasting and modeling to UK companies and financial institutions expanding abroad. Since then, we have become one of the world's foremost independent global advisory firms, providing reports, forecasts and analytical tools on 200 countries, 100 industrial sectors and over 3,000 cities. Our best-of-class global economic and industry models and analytical tools give us an unparalleled ability to forecast external market trends and assess their economic, social and business impact.

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