Exploring Minnesota Tourism Is Serious Business

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Dan Erkkila, NCROC Tourism Specialist and University of Minnesota Extension professor

Dollars rippling through communities and “multiplier” effects are not new to Dan Erkkila, tourism specialist and University of Minnesota Extension professor at the University’s North Central Research and Outreach Center (NCROC). He’s heard these and other ways people try to describe how visitor spending impacts a community’s economy. It’s not hard to understand why there is such interest. According to the U.S. Travel Association and Minnesota’s Department of Employment and Economic Development, travel & tourism is one of the US’s largest industries, generating $2.1 trillion in economic output. It’s also the country’s top export industries, contributing over $57 billion in travel trade surplus. In Minnesota, it generates over $12 billion supporting 245,000 private sector workers. Locally, Itasca County’s travel impacts are estimated at over $69 million, generating 1,500 jobs.

Erkkila has come full circle in returning to his roots working with the tourism industry and the communities they impact. He started in Grand Rapids in 1991 as part of a statewide team connected to a newly-formed Tourism Center on the University’s St. Paul campus. He went on to serve as director of the Tourism Center and, for nine years as the head of NCROC, stepping down last summer to return to tourism.

“I’ve been doing economic impact work since the 1970’s,” Erkkila said. “I started doing economic assessments of forestry while working for the Forest Service on the Chippewa National Forest and in the national office in Washington DC.” After graduate school and getting his doctorate, Erkkila started at NCROC. Since then he has conducted numerous assessments, including several for the Minnesota Zoo and co-authoring an economic impact assessment tool for communities with small airports, hosted on the MN-DOT Aeronautics website.

“Multiplier effects can be very significant and represent how spending impacts go beyond the business where the initial dollar was spent,” said Erkkila. “The vacation money we spend for a dinner, for example, supports that restaurant and, in turn, generates food supply purchases from other local suppliers as well. Combined, all of these impacted businesses provide jobs for people to earn incomes that they spend in their community. The more those dollars stay in the region, the better. “Erkkila added.

Erkkila is now part of a University team that is working to update visitor profiles that were done across the state in the early 2000’s. For years the profiles helped regions understand who was visiting their communities and how much money they typically spent while in the region. “Spending profiles allow us to answer valuable impact-related questions asked by city officials, businesses and legislators when they consider funding building projects or economic development initiatives,” Erkkila said.

Economic impact assessment isn’t the only thing on Erkkila’s radar for research. New immigrant populations that are centered in the Metro and southern parts of the state pose new opportunities for Minnesota’s northern travel businesses. “How familiar are these new state residents with what we have to offer in ‘woods and water’? Perhaps even more important is the question of how well we understand the culture of these new groups and how prepared we are in providing a welcoming atmosphere for them to enjoy what we have when they arrive.

Another study area involves climate adaptation. “Climate change is here,” Erkkila notes. “Extreme weather events will be more the norm, so we need to understand how this change will affect Minnesota travel.” While tourism is but one of many disciplines looking at climate change questions, Erkkila believes the University’s research and outreach centers and the College of Food, Agriculture and Natural Resource Sciences are well suited to seeking answers.