



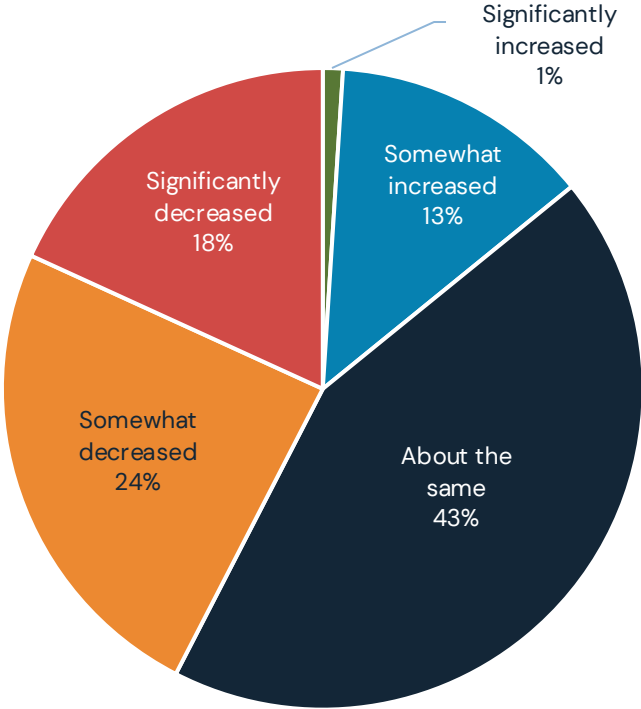
economic impacts of metro surge on minnesota's tourism & hospitality industry

Senate Jobs & Economic Development Committee | Feb. 25, 2026



fresh statewide data

visitor volume & spend
Winter 2025-26 compared to last winter



↑ 14%
businesses reported an increase

→ 43%
businesses reported no change

↓ 42%
businesses reported a decrease

- 246 responses statewide (Feb 9-18)
- Included tourism businesses and Destination Marketing Organizations (DMOs)
- Collated data with STR (lodging data), employment, airport, and Canadian travel data
- Winter defined as Dec. through March



★ winter industry data

hotels

- Dec. 2025 YoY
 - + Occupancy: **+1.8%**
 - + ADR: **+0.1%**
 - + RevPAR: **+1.6%**
- Jan. 2026 YoY
 - + Occupancy: **+11.4%**
 - + ADR: **+5.5%**
 - + RevPAR: **+17.5%**

air travel

- 9% (Dec. YoY)

canadian arrivals

- 14% (Dec. & Jan. YoY)

leisure & hospitality employment

+ 1.3% (Dec. YoY)

*January jobs report delayed due to
Federal shutdown*



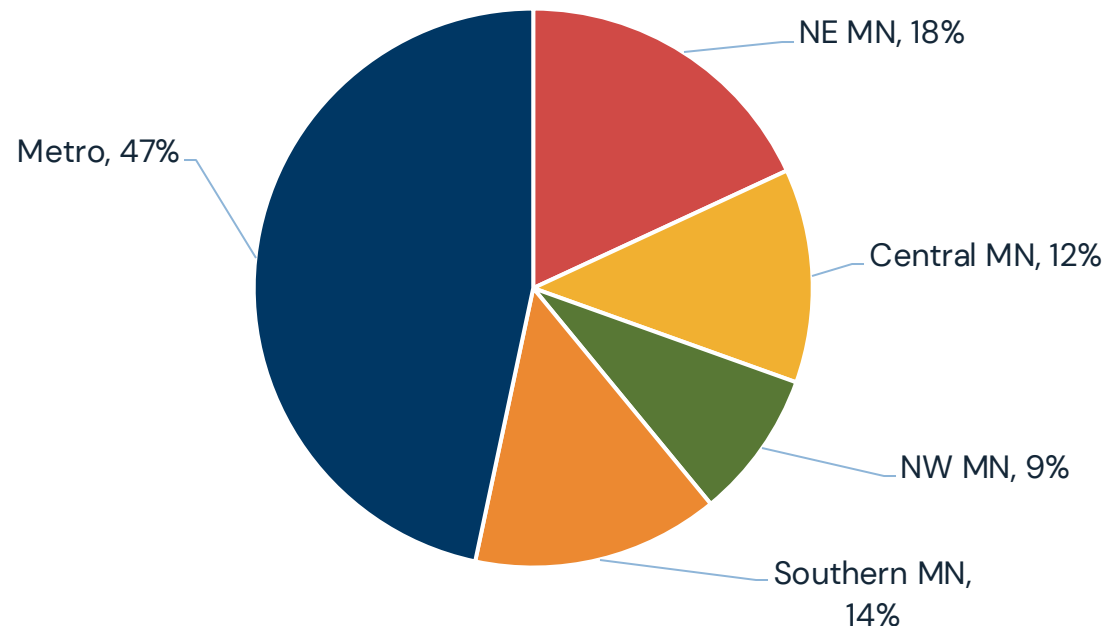
why this matters for minnesota jobs

Tourism supports jobs in every Minnesota region

- 182,435 Minnesotans employed in tourism and related industries (Tourism Economics, 2024)
- Small businesses, resorts, hotels, restaurants, and event venues statewide are impacted and jobs are likely to be reduced
- Overall, 2025 L&H employment was up approx. 0.5% YoY

federal presence has a negative economic impact across minnesota

reported volume of impacts by mn geography



- 20% canceled, postponed or reduced an event, meeting or reservations or experienced any of these issues
- Customer traffic and spend decreased for 20% and 12%, respectively
- ~1% increased business
- Biggest staffing impact: reduced staff morale and productivity (18%)
- Staff absenteeism (8%) and staff detained or deported (2%)



★ stories from across minnesota

- **Rochester, Minneapolis, St. Cloud:** “Minnesota business owners feeling the effects of ICE enforcement actions” (*MPR News*, Jan. 15, 2026)
 - + “At least eight local restaurants in **Rochester** are closed or have been forced to reduce their hours this week as ICE enforcement actions ramped up in the city.”
 - + “Lito’s Burritos on Lake Street in **Minneapolis** is open but the influx of federal agents in the neighborhood is bringing stress and changing the way the restaurant operates. The blinds are drawn. The front door is locked. A volunteer sits just inside to open it for customers.”
 - + “On a typical weekday, New York Gyro on Third Street North in **St. Cloud** is full of hungry customers craving halal sandwiches, rice and kebabs. But at lunchtime on Wednesday, the restaurant was mostly empty. Co-owner Haseeb Azam said the recent federal immigration enforcement action in St. Cloud is scaring people away.”
- **Worthington:** “‘Not the same town anymore:’ ICE surge hit businesses in Worthington, where 1 in 3 are immigrants” *Restaurants and stores lock doors and customers stay home as many fear lasting economic impacts* (*Minnesota Reformer*, Feb. 13, 2026)

Trends:

- Fear for workers
- Fear for visitors of businesses due to increased presence
- Lack of foot traffic



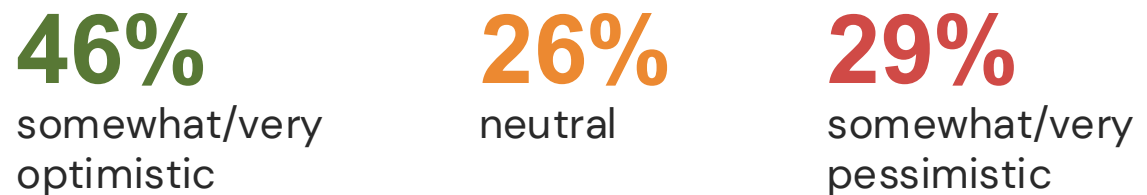
★ 2026 tourism industry outlook

National travel sentiment

Federal visibility influences travel decisions (from a Jan. Future Partners survey of U.S. Travelers).



Minnesota businesses are somewhat optimistic, but concerns for the future linger.





our role: economic stewardship

Protecting stability & supporting businesses caught in the middle

Explore Minnesota will continue to:

- Monitor trends; provide relevant data and research
- Support industry partners by providing resources and increasing marketing when able
- Maintain brand stability more broadly for the state as needed
- Drive visitation to help protect Minnesota jobs
- Prepare for summer through targeted marketing

m EXPLORE
MINNESOTA

star of
the north*

thank you

