



**Regional Spotlight:
NORTHEAST Planning Region**

Leisure and Hospitality in the Arrowhead

Leisure and hospitality is an important source of employment in northeastern Minnesota, accounting for one in seven jobs in the region.

The leisure and hospitality sector has shown steady growth in the Northeast Planning Region over the past decade. Based on third quarter data, employment in the sector was down only 1.7 percent between 2007 — prior to the recession — and 2012. Looking back further, however, the sector has seen steady growth, with 2007 being an anomaly in terms of having an unusually high employment level (see Figure 1). In fact, leisure and hospitality employment has grown faster than employment across all sectors combined in the region.

This article looks at leisure and hospitality’s contribution to northeastern Minnesota’s labor market and economy, including changes in

employment, total wages and sales, composition of the workforce, and jobs and wages. The focus is on data from the third quarter, which is the time of year when employment in the sector is generally at its highest.

Contribution to the Region’s Economy

Leisure and hospitality is more heavily concentrated in northeastern Minnesota than elsewhere in the state and country. With 17,668 jobs, the sector represented 14.2 percent of all jobs in the region during third quarter 2012. Statewide, the sector represents 11.2 percent of all jobs while nationally it represents 12.6 percent.¹

The sector includes three major industries. Food service and drinking places is the largest, with 11,100 jobs during third quarter 2012. Accommodations, the bellwether of sectors in the region, had 4,300 jobs. Arts, entertainment and recreation, with only 2,200 jobs, has shown the strongest growth in the sector over the past several years.

Leisure and hospitality had \$711.4 million in sales and contributed \$47.7 million in sales taxes in 2011 in the Northeast Planning Region. Unemployment insurance-covered wages totaled \$76.6 million during third quarter 2012 alone and \$246.3 million over the year from fourth quarter 2011 through third quarter 2012. This represents about 5.6 percent of total wages in the region.

FIGURE 1

Third Quarter Private Employment, Leisure and Hospitality and Total, All Industries, Northeast Planning Region



Source: Quarterly Census of Employment and Wages

TABLE 1

Median Wages of Typical Leisure and Hospitality Occupations, Northeast Planning Region

Occupation	Median Wage	Employment
Total, All Occupations	\$15.91	138,350
Food Service Managers	\$20.44	230
Lodging Managers	\$19.56	80
Musicians and Singers	\$26.38	110
Chefs and Head Cooks	\$16.97	100
First-Line Supervisors of Food Preparation and Serving Workers	\$11.35	1,140
Cooks, Fast Food	\$8.68	460
Cooks, Restaurant	\$9.37	1,410
Cooks, Short Order	\$10.08	100
Food Preparation Workers	\$11.03	720
Bartenders	\$8.82	1,310
Combined Food Prep. and Serving Workers, Incl. Fast Food	\$8.78	3,030
Counter Attendants, Cafeteria, Food Concession and Coffee Shop	\$8.67	420
Waiters and Waitresses	\$8.55	3,060
Dishwashers	\$8.62	790
Hosts and Hostesses, Restaurant, Lounge and Coffee Shop	\$8.57	400
First-Line Supervisors of Housekeeping and Janitors	\$19.34	230
Maids and Housekeeping Cleaners	\$9.41	2,040

Source: Occupational Employment Statistics. Employment data from 2011, wage data updated to third quarter 2012.

The Sector's Workforce

As in the rest of the state, the leisure and hospitality workforce in northeastern Minnesota is young, with about 43 percent of workers under the age of 25 during third quarter 2011. But leisure and hospitality workers in northeastern Minnesota tend to be older than workers in that sector statewide, with 22.2 percent of the region's workers in that sector ages 45 to 64, compared with only 17.7 percent statewide.

Median wages for leisure and hospitality workers vary, depending on their occupations. Some occupations, including singers and musicians, food service and lodging managers, chefs and head cooks, and supervisors of housekeepers and janitors pay median wages above the region-wide median of \$15.91 for all jobs. Most other occupations common in the sector, including food service and cleaning, pay median wages below the region-wide median (see Table 1). These also tend to be the larger occupations and encompass the majority of the leisure and hospitality workforce.

Employment projections for leisure and hospitality in the region are fairly conservative, with employment projected to grow 7 percent compared with 13.1 percent in all industries combined between 2010 and 2020. The sector, however, showed strong hiring over the

last five years, up 10 percent between second quarter 2007 and 2012 based on Minnesota Job Vacancy Survey results.

planned your vacation, consider a "statecation" in northeastern Minnesota. [T](#)

Come Check It Out

Although northeastern Minnesota has a diverse economy and labor market, the leisure and hospitality sector is still an important part of the regional economy, contributing jobs, wages, sales taxes and services. If you still haven't



¹Third quarter 2012 data are not yet available for the nation, so this number is for third quarter 2011.