

FLY GROSS SALES CN 047

1st Quarter 1977

TOTAL SALES

5,424,614

TOURISM SALES

487,730

(9%)

2nd Quarter 1977

TOTAL SALES

7,805,520

2nd Quarter 1976

TOTAL SALES 6,288,409

3rd Quarter 1976

TOTAL SALES

9,232,175

TOURISM SALES

3,489,113

(38%)

4th Quarter 1976

TOTAL SALES

5,703,477

ELY TOURISM
SUMMER (3rd quarter)

STOR	1976 3rd QUARTER GROSS SALES	TOURISM MULTIPLIER	TOURISM IMPACT
00	393,415	—	—
52	566,617	.575	325,805
53	353,261	.70	247,283
54	1,783,758	.45	267,564
55	1,950,497	.43	838,924
56	557,841	.27	150,617
57	52,388	.25	13,097
58	624,496	.60	374,698
59	1,637,427	.35	573,099
70	620,067	1.00	620,067
15	60,431	.3 (same as auto dealers)	18,129
76	39,590	.35 (same as misc retail)	13,857
79	48,393	.95	45,973
36	43,676	—	—
OTHER	<u>499,828</u>	—	—
	9,232,175		3,489,113

LOCAL SALES 5,743,062
TOURISM SALES 3,489,113

ELY TOURISM
WINTER (1ST QUARTER)

STOR	1977 1 ST QUARTER GROSS SALES	TOURISM MULTIPLIER	TOURISM IMPACT
52	240,554	—	—
53	300,606	.08	24,048
54	1,173,955	.05	58,698
55	1,631,272	.12	195,753
56	411,642	.14	57,630
57	51,780	—	—
58	273,697	.16	43,792
59	462,317	.08	36,985
70	60,415	1.00	60,415
75	19,215	—	—
76	27,649	.08 (same as misc retail)	2,212
79	13,661	.60	8,197
86	36,951	—	—
OTHER	720,900	—	—
TOTAL	5,424,614	—	487,730

LOCAL SALES 4,936,884
TOURISM SALES 487,730

TOURISM ANALYSIS STRATEGY

CHARACTERIZE

OBJ:

TO ~~THE~~ ~~ECONOMICS~~ ~~IMPACT~~ OF
TOURISM ~~IN THE~~
DETERMINE THE ECONOMIC IMPACT OF
COPPER-NICKEL MINING ON TOURISM IN
THE REGIONAL COPPER-NICKEL STUDY AREA

TASK 1: - PRESENT RESULTS OF SURVEYS AS
TOURISM ECONOMIC MULTIPLIERS.

TASK 2: - PRESENT CONTROL TOTALS FOR
ECONOMY AS A WHOLE.

TASK 3: - APPLY MULTIPLIERS TO CONTROL TOTALS.

TASK 4: - HYPOTHESIZE CHANGE IN TOURISM
DUE TO CU-NI MINING.

TASK 5: - INTRODUCE CHANGE IN FINAL DEMAND
TO ELY I-O MODEL AND DETERMINE
SECONDARY IMPACTS

August 17, 1977

To Ely Businesses:

The Regional Copper-Nickel Study of the Minnesota Environmental Quality Board is charged with estimating the social and economic impacts which may result from copper-nickel mining in northeastern Minnesota. In order to adequately assess the economic impact of a new industry upon a region, we must first have a good picture of the present economic situation.

The Ely area is known for its attractiveness as a tourist spot, yet very little is known about the degree to which tourism contributes to the economic well-being of Ely. It is hoped that with a better understanding of these relationships, local and county decision-makers can better prepare for changes in the future. Completion of the attached questionnaire will help the Copper-Nickel Study estimate the number of dollars which visitors and seasonal home-owners spend in the stores of Ely.

Your help is greatly appreciated on this project which will be of considerable interest to Ely in the near future. The Copper-Nickel Study thanks you. Please feel free to call me if you have any questions.

Mark Donaldson

**Mark Donaldson
Economic Planner**

TOURISM
SURVEY OF ELY BUSINESSES

Winter

SECTOR	TOTAL \$ VALUE OF SURVEY TRANSACTIONS	RESIDENTS SALES %	SEASONAL HOME OWNERS	VISTORS
Building materials and hardware	\$305.49	305.49 100%	--- ---	--- ---
General merchandise stores	\$836.00	765.04 92%	27.56 3%	43.40 5%
Food stores	\$2,906.28	2773.34 95%	58.06 2%	74.88 3%
Automotive dealers	\$282.50	282.50 100%	--- ---	--- ---
Gasoline service stations	\$587.68 <i>270.18</i>	482.08 82%	3.05 1%	102.55 17%
Apparel and accessory stores	\$2,322.32	2001.40 86%	4.00 0%	316.92 14%
Eating and drinking places	\$381.91	322.20 84%	26.60 7%	33.11 9%
Miscellaneous retail	\$1,142.04	1040.02 91%	67.58 5%	39.44 3%
Outfitting, fishing stores	\$315.14	125.70 40%	53.10 17%	136.34 43%
TOTAL	\$9,079.36	8,097.77 89%	234.95 3%	746.64 8%

TOURISM (Winter)

The Regional Copper-Nickel Study also administered the tourism survey during the winter months. The survey was conducted from February 1, 1978, to February 15, 1978, using the same procedure as used during the summer survey. Twenty-two Ely businesses participated in the winter survey. These businesses represented nine economic sectors. The sectors and number of stores on the sample were as follows:

<u>Sector</u>	<u>Number of Stores</u>
Building materials and hardware	1
General merchandise	2
Food stores	3
Automotive dealers	1
Gasoline service stations	2
Apparel and accessory stores	3
Eating and drinking places	2
Miscellaneous retail	6
Outfitters, fishing stores	2
TOTAL	22

TOURISM
SURVEY OF ELY BUSINESSES

SECTOR	TOTAL \$ VALUE OF SURVEY TRANSACTIONS	RESIDENTS SALES % OF TOTAL	SEASONAL HOME OWNERS, SALES % OF TOTAL	VISTORS SALES % OF TOTAL
Building materials and hardware	estimate only	(42½%)	(57½%)	
General merchandise stores	\$ 354.82	\$ 105.15 (60%)30%	\$ 97.31 (20%)27%	\$ 152.36 (20%)43%
Food stores	2154.32	1820.12 85%	82.15 4%	243.28 11%
Automotive dealers	1036.14	725.02 70%	260.08 25%	51.04 5%
Gasoline service stations	836.32	354.65 (75%)42%	35.05 (12½%) 4%	446.62 (12½%)53%
Apparel and Accessory stores	1877.4 2611.67	1918.60 73%	103.27 4%	589.80 23%
Furniture and home furnishing stores	estimate only	(75%)	(25%)	
Eating and drinking places	1067.33	339.04 (40%)40%	92.37 9%	635.92 (60%)51%
Miscellaneous retail	2851.01	1851.20 65%	163.27 6%	836.54 29%
Outfitting, fishing stores	1691.65	81.93 5%	233.62 14%	1376.60 81%
TOTAL	\$12,603.26	\$7,204.21 57%	\$1,067.12 8%	\$4,332.16 34%

() indicates an estimate given by storeowner

indicate the amount of sales during the time period which are attributed to each of the respective population groups. In order to imply that these figures represent the economic impact of tourism on Ely, several assumptions need to be made. One would be that the surveys have captured a "typical" or average time period with respect to tourism. Also, it would have to be assumed that the survey has captured all of the sectors which would be impacted by tourism.

The survey was designed to minimize any bias which may occur due to time of day or day of the week. The time of the year-late August, early September-is intuitively past the peak of tourist activity, but still fairly substantial. Thus, it could be construed as a "typical" level of tourist activity during the tourist season.

With respect to the economic sectors which may be impacted by visitors, it is important to remember that tourists make the same sort of demands while traveling as they do while at home. That is, they make purchases from grocers, druggists, mechanics, etc. The list of sectors includes all the two-digit SIC retail trade sectors plus a sector for outfitters and other fishing-oriented stores. The obvious exception from the list is that of lodging, but, then, it can be assumed that all receipts in the lodging sector are attributable to visitors to the Ely area.

<u>SECTOR</u>	<u>NUMBER OF STORES</u>
Gasoline service stations	3
Apparel and accessory stores	2
Furniture and home furnishings	1
Eating and drinking places	4
Miscellaneous retail	9
Outfitters, fishing stores	<u>3</u>
TOTAL	30

The survey also asked storeowners to note the total receipts which were collected during the day of the survey. However, almost no cooperation occurred on this item. The total daily receipts was to have been used as a control figure to which the percentages developed from the survey would be applied. As a result, control totals will have to be derived from Minnesota Department of Revenue data on gross sales from quarterly sales and use tax reports.

Prior to administering the survey, contact with the Ely Chamber of Commerce was made and their support was promised. As well, articles about the survey appeared in both of Ely's weekly papers. Questionnaires were delivered by a student assistant the day prior to the scheduled survey and were collected the following day.

Percentage breakdowns of sales to residents, seasonal homeowners, and visitors will be applied to control totals which represent total economic activity in Ely during the high visitor months. This application will

METHODOLOGY

Survey of Expenditures Made in Ely Businesses

Regional

The Copper-Nickel Study developed and administered a questionnaire of Ely businesses designed to produce an estimate of expenditures by visitors, seasonal homeowners, and residents in Ely for ~~two~~ weeks during late August and early September, 1977.

The questionnaire (see attached form) asked Ely business employees to note whether a customer was a visitor, seasonal homeowner, or Ely resident at each sales transaction for up to 20 transactions. The survey was administered in each place of business during four different time periods in order to minimize any bias which might occur due to time of day or day of the week. For example, a business may have been surveyed on Monday morning, Thursday afternoon, Tuesday afternoon, and Saturday morning. On any given day during that time, up to five Ely stores were conducting the survey.

Thirty Ely businesses representing ten economic sectors were selected as sites for the survey. Of these, 23 agreed to administer the survey while the other 7 offered estimates of the percentage contribution to sales by residents, seasonal homeowners, and visitors. The sectors and number of stores in the sample were as follows:

<u>SECTOR</u>	<u>NUMBER OF STORES</u>
Building materials and hardware	2
General merchandise	2
Food stores	3
Automotive dealers	1