



# Hospitality MINNESOTA

## Hospitality Minnesota Overview

Upper Midwest Chapter Club Management Association of America  
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Liz Rammer  
President and CEO

Jill Sims  
Director of Government Relations



**Hospitality**  
MINNESOTA

# Our History

- **Hospitality Minnesota**
  - 501(c)6 - Merger Completed 2020
  - C-Corp Inc. 1958 (Upper Midwest Hospitality - UMH)
- **Hospitality Political Action Committee (HOPAC)**
  - 527 Inc. 1982
- **Minnesota Restaurant Association (MRA)**
  - 501(c)(6) Inc. 1933
- **Minnesota Lodging Association (MLA)**
  - 501(c)(6) Inc. 1940
- **Minnesota Resort & Campground Association(MRCA)**
  - 501(c)(6) Inc. 1946
- **Hospitality Minnesota Education Foundation (HMEF)**
  - 501(c)(3) Inc. 2004

Today



**Hospitality**  
**MINNESOTA**

THE LODGING, RESTAURANT, RESORT AND  
CAMPGROUND ASSOCIATION



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**MINNESOTA**

**EDUCATION FOUNDATION**



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## Hospitality Industry Key Economic Driver

- **Employs 1 in 10 Minnesotans; 300,000 in normal times**
  - \$17 billion per year in gross sales
  - Accounts for 18% of the state's sales tax
  - Average MN household would pay an additional \$625 in taxes without tax revenue generated by hospitality/tourism
- **1 in 3 Americans start their career in hospitality**
  - Workers who start in the hospitality industry earn more over the course of their careers
- **One of the fastest paths to management and entrepreneurship**
  - Ownership provides key opportunity



## Our Vision and Mission

- **Vision** | Uniting Minnesota's hospitality industry to lead and shape the future.
- **Mission** | Driving the growth and success of Minnesota's hospitality businesses through knowledge-sharing, advocacy, and workforce support and development.

## Partnering to Ensure Business Success

Hospitality Minnesota is your ESSENTIAL business partner; your membership dues and participation are an investment to help ensure your business success.

- Connection to **Engage**
- Knowledge to **Grow**
- Resources to **Thrive**
- Advocacy to **Advance**

## HM Education, Events & Communication

- Regional Programming; Information Sharing & Networking (Duluth, Brainerd, Rochester, Twin Cities Metro)
- Sidebar Socials (Pure Networking)
- Allied Network Programs
- *Operating Now* Webinars, Leadership Forums, Day(s) at the Capitol and other education programs/events
- Discounts on products/services including health care
- Weekly Member Updates, Monthly e-Newsletter, Capitol Updates, *Law Review*, Quarterly Economic Conditions Surveys with Explore Minnesota and the Federal Reserve Bank of Minneapolis





- Hospitality Economic Recovery is Fragile
- Ongoing Pressures: Revenue, Workforce, Inflation and Customer Demand Conditions
- What Shifts Become Permanent?



# Summer Revenue Underperformed Spring Projections

## Operators Projecting Summer Revenue Would Meet or Surpass 2019 vs Actual

SECTOR	PROJECTION	ACTUAL
All Hospitality	75%	65%
Resort/Campground	80%	81%
Hotel/Motel	80%	68%
Foodservice	70%	55%

- 45% of restaurants saw lower than normal summer revenue
- 32% of hotels/motels saw lower than normal summer revenue

# Fragile Recovery – Higher Costs Squeezing Operators

- 77% of operators have seen costs for goods and services spike 5-10% or more
- Only 43% are passing on similar rate increases to customers
- Financial squeeze: Even in normal times hospitality businesses operate on razor thin margins (2-5% average for food service)



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*Building the workforce of the future  
by preparing the next generation  
of hospitality leaders.*



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# Building the Future Workforce

- ProStart – 2-Year Culinary Arts & Foodservice Program for high school students
  - From National Restaurant Association Education Foundation (NRAEF)
- Hospitality Tourism Management Program (HTMP) – 2-Year Program for high school students
  - From American Hotel & Lodging Association Education Institute (now under NRAEF)



# 2022 Minnesota State ProStart Invitational Culinary Division Competition



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# 2022 Minnesota State ProStart Invitational Management Division Competition



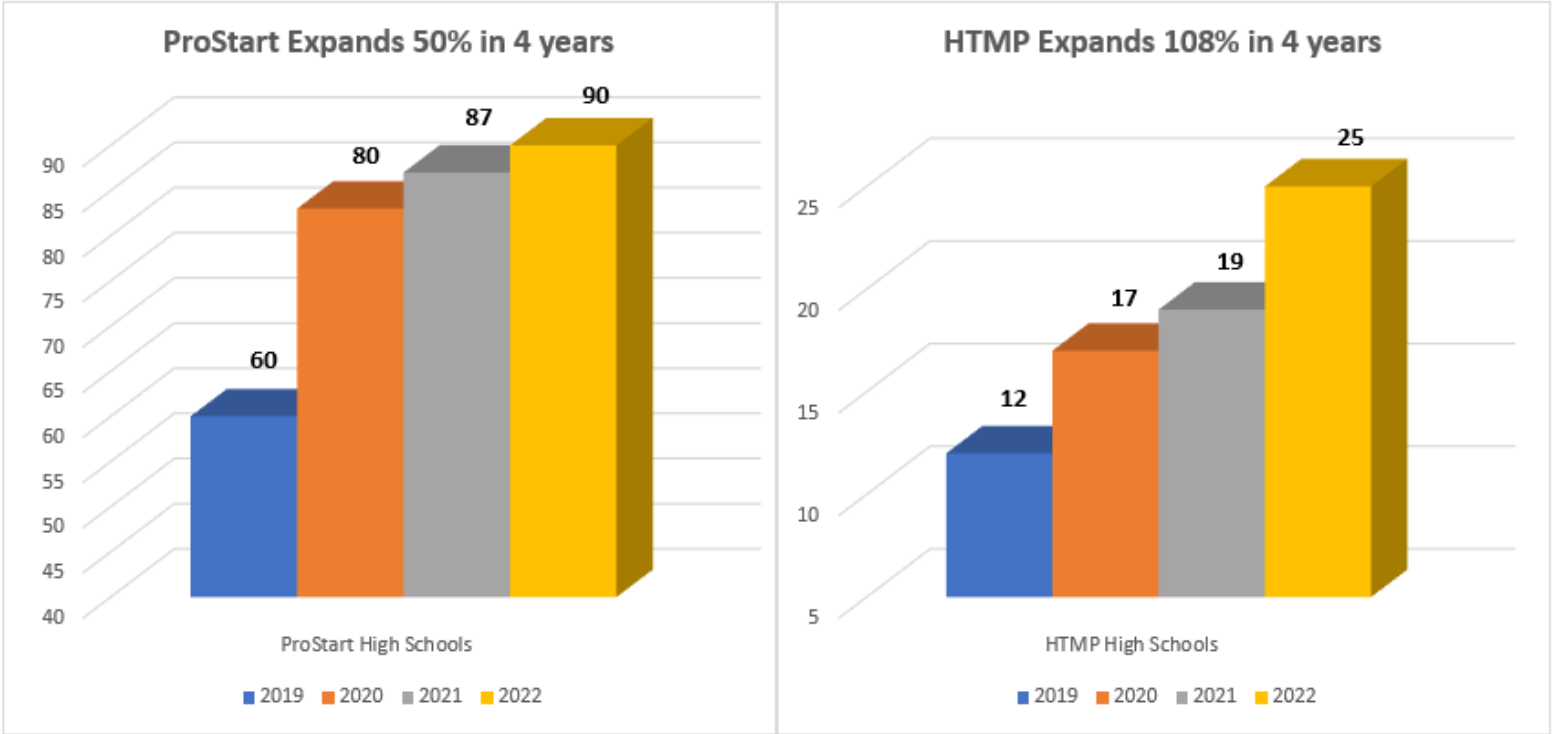
## Growing the Education Foundation

- Secured \$250,000 appropriation grant from state legislature/MN DEED to add 50 more high schools teaching ProStart/HTMP programs
- Success stories include:
  - ProStart Management Team placed 2<sup>nd</sup> in the United States in 2022 National Competition
  - Roosevelt HS ProStart Teacher, Ben Rengstorf, Received National Teacher of the Year Award in 2022
  - Launched New Student Hospitality Careers Expo in 2022
  - Provided grant support totaling \$193K which includes curriculum and support to 41 MN high schools from July 2021 to December 2022

# Growing Our Impact in Minnesota

ProStart & HTMP now taught in 100+ Minnesota high schools;  
over \$840,000 in scholarship support since inception.

ProStart and Hospitality Tourism Management Program (HTMP) Growth



# Advancing Key Issues for Industry Recovery at the Legislature

- Workforce:
  - Free Online Hospitality Training Program modeled after successful South Dakota program (U of M Tourism Center)
  - Expand ProStart and HTMP programs in high schools
- Support repeal of state sales tax on restaurant equipment
- Expand Explore Minnesota Tourism budget
- Employer Mandates - advocate for flexibility for competitive wages vs one-size-fits-all mandates
  - Earned Safe and Sick Time
  - Paid Family Medical Leave
- Support waste management and sustainability programs vs. local and state bans and mandates
- Support driving credentials for all workers

# Thank You for the Invitation to Join You Today!

Liz Rammer

[liz@hospitalitymn.com](mailto:liz@hospitalitymn.com)

651.925.4011

Jill Sims

[jill@hospitalitymn.com](mailto:jill@hospitalitymn.com)

651.925.4022

Hospitality Minnesota

Hospitality Minnesota Education Foundation

2520 University Ave SE, Suite 201

Minneapolis, MN 55414



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