



Tourism in the economy: Rochester

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Overview

Rochester, Minnesota is well-known as a destination for Mayo Clinic patients from around the region, state, nation, and world. As such, medical tourism is a critical component of Rochester's economy. To enhance the tourism experience and tourism-related revenue, Experience Rochester is preparing to create a destination development master plan. University of Minnesota Extension partnered with Experience Rochester to conduct research, primarily through surveys of residents, business owners, and non-visitors, to aid in that planning process. In addition to the surveys, Extension prepared this report detailing the current role of tourism in Rochester's economy.

Defining the Tourism Industry

Before diving into the data, it is important to understand that in the world of economic data, there is no singular definition of tourism. Tourism is ingrained into other industry definitions. Cute boutique shops catering to visitors, for example, are categorized as retail shops, the same as Target and Best Buy. Restaurants serve both residents and tourists. This method of categorization complicates the process of understanding the role of tourism in a particular economy.

This report includes the data Extension could directly relate to tourism. Extension began by identifying which industries serve visitors to Rochester. For a full list of the industries and sectors considered as tourism-related, please see appendix 1. Rochester is defined as including the zip codes 55901 to 55906.

Direct Tourism-Related Employment in Rochester

Once the industries were identified, Extension then accessed the Lightcast database to determine how many jobs are in each tourism industry and sector. Extension adjusted the figures to represent the percentage that serve visitors using the Zartico report provided by Experience Rochester. For example, the Lightcast data showed there were nearly 6,400 jobs at restaurants and bars in Rochester in 2025. The Zartico data, meanwhile, indicated that 49 percent of sales at restaurants came from visitors. Therefore, Extension estimates there are approximately 3,100 jobs at restaurants and bars that are supported by direct visitor spending.

In 2025, restaurants and bars were the largest tourism-related employers in Rochester (Chart 1). Other leading sectors include hotels and other accommodations and amusement and recreation. In total, there were 6,100 direct tourism-related jobs in the community.

Chart 1: Tourism-related jobs by industry, Rochester, 2025

Source: Lightcast



Another way to understand an industry is to look at its concentration. A location quotient shows how concentrated an industry is in a place. Chart 2 compares employment by tourism sector in Rochester to national employment. Hotels and other accommodations, for example, had a location quotient of 1.17. This means that, in 2025, Rochester had 1.17 times the number of hotel and lodging workers, as compared to the United States, indicating the accommodation industry is a strength. Other tourism sectors with a concentration greater than one included sporting goods and hobby retail stores and amusement and recreation businesses. Breweries, wineries, and distilleries and air transportation, on the other hand, had relatively lower location quotients, indicating Rochester had fewer employees in those sectors as compared to the nation.

Chart 2: Tourism-related employment location quotients, Rochester, 2025 Source: Lightcast



Tourism-related businesses create economic activity in Rochester. Input-output models trace the flow of goods and services in an economy. Once that flow is known, they can be used to estimate the impact of a change in one area of the economy (say tourism) on other areas of the economy.

Extension uses the input-output model IMPLAN. Given there were 6,100 people directly employed in tourism-related jobs in 2025, the model estimated those businesses had \$814 million of tourism-related sales. This is the direct effect.

Indirect and induced effects are the economic activity generated at businesses that support the tourism sector. For example, restaurants need to buy food from their suppliers, creating activity on the supply company. Indirect effects stem from spending within the supply chain. Induced effects stem from spending by employees of the tourism-related businesses.

In total, Extension estimated that tourism-related sales created \$1.1 billion of economic activity in Rochester in 2025, including \$323 million of labor income. Tourism-related sales also supported 7,670 jobs (Table 1). For context, Olmsted County businesses generated \$27 billion of sales in 2025.

Table 1: Economic contribution of tourism-related businesses in Rochester, 2025 **Source: IMPLAN**

	Output	Employment	Labor Income
Direct	\$814,206,470	6,100	\$230,069,150
Indirect	\$150,960,550	780	\$47,437,150
Induced	\$137,448,420	790	\$45,442,800
Total	\$1,102,615,440	7,670	\$322,949,100

Tourism-Related Industries in the Greater Minnesota and Minnesota

As one of the largest cities in Greater Minnesota, Rochester plays an important role in the state’s tourism economy. Extension does not have Zartico data for the entire state, but Table 2 shows all employment in the industries and sectors designated as tourism-related for this report.

Like Rochester, the highest number of jobs in Greater Minnesota’s tourism industry were in restaurants and bars and hotels and other accommodations in 2025. Essentially, the dispersion of employment in Rochester’s tourism economy is similar to that of Greater Minnesota.

Table 2: Tourism-related industries and related employment, 2025 Source: Lightcast

	Greater MN	Minnesota
Restaurants and bars	79,165	201,531
Amusement and recreation industries	12,862	36,705
Sporting goods and hobby-related retailers	12,240	30,708
Accommodations	14,303	26,713
Performing arts, spectator sports, and related	3,879	19,451
Clothing and accessory retailers	5,974	18,573
Air transportation	646	14,978
Museums, historical sites, and related	1,067	3,262
Total Tourism-Related Employment	130,136	351,921

Appendix: Tourism Industries

For purposes of this report, the following industries and sectors were considered as “tourism-related.”

Table A1: Tourism-Related Industries

Breweries
 Wineries
 Distilleries
 Clothing and clothing accessories stores
 Sporting goods, hobby, musical instrument and book stores
 Miscellaneous store retailers
 Air transportation
 Scenic and sightseeing transportation and support activities for transportation
 Motion picture and video industries
 Travel arrangement and reservation services
 Performing arts companies
 Spectator Sports
 Racing and Track Operation
 Independent artists, writers, and performers
 Promoters of performing arts and sports and agents for public figures
 Museums, historical sites, zoos, and parks
 Amusement parks and arcades
 Gambling industries
 Other amusement and recreation industries
 Fitness and recreational sports centers
 Bowling centers
 Hotels and motels
 Other accommodations
 Restaurants
 All other food and drinking places

