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FOOD SERVICES: A MAJOR MINNESOTA ECONOMIC COMPONENT

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I. INTRODUCTION

This report provides basic data about Minnesota's food service industry. It is based upon a comprehensive study of the industry and provides the first overall analysis available. As such it affords major new insights into the scope, complexity and contribution of this industry to Minnesota's society and economy. The industry has received only limited comprehensive study prior to the present time.

Food services comprise one of Minnesota's largest industries. In 1976 it consisted of nearly 10,500 operations with a product valued at above $1.5 billion. By 1980 sales were $2.3 billion and total employment well over 100,000 in full-time job equivalents. Despite its overall scale the industry's dispersed nature makes recognition of its overall impact difficult. Most industries concentrate into large aggregates in factories or, in the case of farm production, occupy large blocks of the landscape. They are thus easily visible. Food services by contrast are usually relatively small, often combined with other operations, and rarely clustered.

A number of different analytic approaches are used in presenting the data: overall scale and description, geographic variety, dynamics of change, work force involved, and community interrelationships. These provide the several types of food service interests with information that can be helpful guides to further food service industry improvement and to more livable Minnesota communities.

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The following are among those expected to find this report of value:

--- Those interested in investing in the hospitality services in general and food services in specific.

--- Current operators of food services who wish to reassess their own position.

--- Those interested in developing local, regional and state tourism.

--- Community citizens and officials who wish to assess the services and appeals of their community.

--- Managers of firms providing services, food products, supplies and equipment to the food services.

--- Institutional food and related managers.

Organization of the Report

This report is organized to provide the user not only data about the food service industry, but also interpretations of special aspects of its character.

The balance of the introduction describes briefly procedures used and data sources for the report, followed by definitions of industry terms and classifications used in the report.

Section 2 provides an overview of the entire industry. The text describes highlights. Details are provided in Tables that accompany this section.

The following three sections interpret selected aspects of the food service industry's character. Section 3 examines food services in the U.S. and Minnesota economy over a 50-year time span thereby revealing a remarkable pattern of dynamic growth. Section 4 analyzes the unique economic, social and life-style contributions of the industry. In Section 5, the food service labor force is highlighted.

The final section, Section 6, gives attention to commercial food services--their characteristics and variations throughout the State. Tables provide data of commercial food services for the several Minnesota Economic Development Regions and Tourism Regions.

Procedures and Data Services

In 1976 a comprehensive survey was made of all Minnesota food service operations. A questionnaire was used in the conduct of this survey which is shown as Appendix B. The firms providing information were selected randomly so that the data obtained could be expanded to accurately represent the industry of the several regions and of Minnesota. This expanded data is reported in the Tables, except as otherwise noted. Lists of licensees by the Minnesota Department of Health provided the initial basis for judgments about the food service industry universe. These lists were carefully edited using information from the firms themselves and from other directory sources.

While this survey provided the bulk of new information which is reported here, much other data has been incorporated to complete the picture of the scope, role and evolution of Minnesota's food service industry. This includes data from the U.S. Census of Business; industry estimates made from sales tax data by the Minnesota Department of Economic Development; data from many other hospitality and tourism studies by the University of Minnesota; and information about institutions and agencies obtained directly from those agencies.

Since this is the first attempt at such an overall view of food service, there are likely to be distortions and omissions. Due care has been exercised to avoid such errors or to recognize their presence where this is likely. However, so much essential data was available for this report that the authors felt themselves to be in the best position of anyone, to this point, of defining Minnesota's food services. The findings are presented with the thought that they will serve a useful purpose until updating and/or corrections are available.

Definitions: Food Service Types

The following definitions will be helpful to the reader in conceptualizing the food industry and its several types. Because of the complexity of the role of food service, the definitions are expanded to show components not included in this study. As a means of further clarification, a classification in addition to those employed in this report is included as part of these definitions.

Food Service, general - an operation serving food to people away from their homes. For purposes of the University research, it was not only necessary for an operation to have a Minnesota Department of Health food license, but also to engage in the preparation and serving of food. Thus, although Minnesota bars, taverns, convenience stores, etc. must have a food license to reheat and sell snack items and sandwiches that are held in a chilled or frozen inventory for consumption either on or off the premises, they are not considered food services for purposes of this report. Boarding Care and Group Homes are a special case and are included because these represent either a temporary domicile or temporary service.

Data for the following food service types are analyzed in this report.

Commercial Food Services - establishments that prepare and serve food to the general public and usually operate on a for-profit basis. Some may serve a limited clientele, such as residents or members. Much of the emphasis of this analysis is upon commercial food services. In a number of places the word "restaurants" is used generally to mean commercial food services.

Hospital Food Services - food services in hospitals may serve patients, employees, and the general public. There may be separate units for each purpose and some may operate on a for-profit basis. While it is possible for a food service unit within a Minnesota hospital to be operated for profit, hospitals themselves may not operate for profit.

Nursing and Boarding Care Home Food Services - these establishments may operate food services for patients, employees and the general public. These food service units may or may not operate on a for-profit basis. Nursing and Boarding Care Homes in Minnesota may be operated on a for-profit or a not-for-profit basis.

Day Care Centers and Group Home Food Services - these establishments may operate a limited food service, as that usually found in a day care center or a comprehensive service such as in a group home. Either of these establishments may be operated for profit or not.

Camp Food Services - these are children's camps and may be either for-profit or not-for-profit. Some are day camps only, and some are residence camps.

Definitions: Personnel

Full-Time Worker/Employee - regular work schedule of at least 40 hours weekly. Hours in excess of 40 hours (in some cases 80 hours in 2 weeks) is generally considered to be overtime.

Part-Time Worker/Employee - regular work schedule of less than 40 hours weekly.

Full-Time Equivalent (FTE) - the ratio of total scheduled (or worked) hours to a standard full-time position.

Seasonal Worker/Employee - not employed or operational on a year-round basis.

Owner/Manager - that person who exercises direct operational control of an enterprise and is also the principal owner of equity.

Family Worker - persons who have spousal, child, parent or sibling relationship to the owner.

There are a number of important segments of the food service industry from which information was not collected. The major ones are:

Educational systems - public schools, colleges and universities. These serve food to a selected clientele group.

Religious organizations/churches - these usually operate under a permit system and are not serving food to the general public.

Governmental units - military, reservations, detention centers, etc. These serve food to a specialized, restricted clientele.

Transportation - public carriers, such as air, rail, etc.

Although information from these groups was not solicited, some was received. This has occurred because a commercial enterprise may be operating a food service in and for establishments in these groups and would have received and completed the survey.

Food services may be categorized in a wide variety of ways. The Tables that accompany Section 2 provide one system of classification.

For some readers, the following three categories may also provide helpful insights when thinking about the food service industry:

For Profit, Commercial - this category includes all those types that operate with the intent of making a profit on the sale of food. They are generally places of business that are open and available to the general public. However, some may be for residents or membership only. There is a great deal of diversity in the organizational structure, ownership and business affiliation within this group. Examples of types of food services in this category are: restaurants, clubs, cafeterias, fast-food operations, resorts, night clubs, coffee shops.

Not For Profit, Institutional - this category includes those types of food services that are deemed to support other operations or provide service to personnel (employees, students, clients, members, patients, etc.) that may not otherwise be available. As in the For Profit category, there are varied arrangements for the conduct of business. Examples of food services in this category can be found in: hospitals, nursing homes, schools, colleges and universities, businesses, religious organizations, fraternities and sororities. These food services are often in institutional settings but are also found in community settings like group homes, day care centers, etc.

Not For Profit, Tax Supported - this category includes those types of food services that are operated within and often by a unit of government. These, however, could be operated under lease, license or agreement by either a non-profit organization or on a not-for-profit basis or a commercial interest on a for-profit basis. Examples of food services in this category can be found in: government centers, schools, reservations, parks and recreational areas, hospitals, congregate meals programs, and military installations.

II. THE OVERALL SCOPE OF THE MINNESOTA FOOD SERVICE INDUSTRY

This study of Minnesota's food services considers those in five major classes: commercial, hospital, nursing home and boarding care home, day care center and group home and, finally, camp food services. Other classes, such as public and private schools, colleges and universities, churches and governmental units are omitted.

The estimated number in each class and the percentage of the class to the total is shown in Table 2.1.

Table 2.1 Numbers of Minnesota Food Services by Class of Operation

Class	Number in Class	Percent of Total
Commercial	9,374	89.5
Hospital	175	1.7
Nursing Home/Boarding Care	353	3.4
Day Care Center/Group Home	392	3.7
Camp	184	1.7
Total	10,478	100.0%

Highlights of the Minnesota food service industry and of differences among the several classes are noted briefly in the discussion below. Much more detail is available from study of Table 2.2 at the end of this section.

Industry Scale and Capacity

The almost 10,500 food service operations provided full, part-time, or seasonal employment for 290,000 persons and had sales of $1.5 billion in 1976. Projecting the 1967-77 Minnesota industry growth rates, by 1980 sales are estimated at $2.3 billion, and the number of different persons employed at over 400,000. Full-time-equivalent employment is estimated at about 125,000.

Minnesota's food services can seat almost one-fourth of its 4 million resident population at one time (932,000 dining seat capacity). It provides this in a total building space of over 570 acres (24,800,000 square feet).

Nearly 86 percent of this square footage is to be found in the commercial class (21,336,484 square feet). This class also accounts for the largest number of dining seats, 820,055 (70.2 percent).

Hospital food service, on an average, is the largest from a square footage measure at 7,830 square feet. Day care centers and group homes are smallest with an average size of 1,214 square feet.

Hospitals and camps have the largest average seating capacity at 157 and 155 respectively. The other classes of food service average approximately one-half as many seats.

Labor Force Highlights

The average food service has about 28 people in its work force. But this masks the fact that a few are very large and most have staffs only one-third this average size. Approximately 25 percent of hospital food services have more than 30 food service employees. Sixty percent of the commercial food services and over 85 percent of camp and day care food services have no more than nine people on staff.

The industry is a major pathway for people entering the work force for the first time. During 1976, 38,500 people acquired their first job via the food service industry. Many of these were teenagers.

Food services maintained over 50,000 teens in its work force in 1976. This was 17.5 percent of the total work force under consideration. The commercial food services employed over 90 percent of all teens working in food services studied.

Location of Operation

As one would expect, most of the food services are located where the people are--in cities, towns and villages. Over 90 percent of hospital, nursing home and day care food services are so located. Seventy-nine percent of commercial food services are found in municipalities while only about 12 percent of the camp food services are so situated.

Between 70 percent and 80 percent of the hospital, nursing home and day care food services are found in residential areas, as compared to one-third of commercial and 5 percent of camp food services.

Season of Operation

All hospital and nursing home food services operate on a year-round basis, as do three-fourths of the commercial, 60 percent of day care, but only 20 percent of camp food services.

Ownership Patterns

The principal ownership pattern of hospital, nursing home, day care and camp food service is a not-for-profit corporation. For commercial food services, it is a one person or family. Approximately one-third of commercial and nursing home food services are owned by a for-profit corporation.

At least 65 percent of food services in all classes are held by owners that do not own any other food service in Minnesota. Ownership of 2-9 Minnesota food services is the pattern for less than 20 percent of owners, except for nursing homes. In this case, slightly in excess of 30 percent of the owners possess between 2 and 9 units. The class in which ownership of 10 or more units is the largest is commercial, with just over 5 percent.

Hospitals, camps and day care centers, in that order, exhibit the greatest stability in ownership tenure since January 1, 1965. Over 90 percent of all the units in each of these classes has had only one owner during this period of time. They are followed by nursing home (78.5 percent) and commercial food services (60.2 percent).

Approximately 10 percent of all food services have had three or more owners during this period and practically all of these are to be found in the commercial class.

There is a very strong pattern across all classes for the owner of the food service operation to also own the land, buildings and equipment.

Age of Building

A diverse pattern exists relative to the age of the building in which food services are located. Nearly one-fourth of hospital food services are found in buildings built before 1930. Only about 6 percent of commercial and day care food services operate in buildings that old.

Nearly 40 percent of hospital food service buildings, more than any other class, were constructed during the decade of the 1950's.

Sixty percent of commercial food services operate in buildings that have been built since 1960, and one-fourth of the structures housing this class were constructed after 1970 (between 1970 and 1976).

Twenty-five percent of hospital food services and 50 percent of nursing home food services were constructed during the period 1960-69.

Day care centers did not exhibit a similar level of construction until the 1970's. During the 1970-76 period, 48.7 percent of food services in this class were constructed.

Camp food services in Minnesota operate in old buildings. Only 7 percent are as new as 1970; nearly 75 percent are of prior 1960 vintage; and over one-half are in buildings constructed prior to 1950.

Food Service Managers

Seventy percent of commercial food services are managed by the owner. This proportion is considerably higher than for other classes.

Forty-five percent of hospital and 30 percent of commercial food service managers have had more than 20 years of managerial experience.

Sixty-five percent of hospital and 42 percent of commercial food service managers have had more than 10 years of food service experience.

A greater percentage (over 80 percent) of managers of camp food services have completed 16 or more years of formal education and hold a bachelors or advanced degree than do managers from any other class of food service. Hospital food service managers are next with well over 50 percent possessing 16 or more years of formal education and possessing at least a B.S. or a B.A. degree.

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class

	FOOD SERVICE CLASS					
	Commercial	Hospital	Nursing Home Boarding Care Home	Day Care Center Group Home	Camp	Total
Estimated number of establishments	9,374	175	353	392	184	10,478
Number of full- and part-time workers	276,813	5,218	5,275	1,958	1,187	290,451
Number of new people to workforce (12 months)	35,727	532	987	119	178	37,543
Number of teens hired last 12 months	60,015	854	1,210	515	534	63,128
Number of teens on present workforce	46,757	1,450	1,819	296	578	50,900
Total number of square feet	21,336,484	1,370,309	1,020,816	475,854	644,184	24,847,647
Average number of square feet per unit	2,276	7,830	2,892	1,214	3,501	2,371
Number of seats	820,055	27,433	29,925	26,196	28,539	932,148
Average number of seats per unit	87	157	85	67	155	89
Average number of square feet per seat	26.0	50.0	34.1	18.2	22.6	26.7

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospital	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
	Percent Reporting Each Item				
Location					
a. Within a city, town, village	79.9	97.0	96.6	93.7	11.6
b. Within two (2) miles of city, town or village limits	9.5	2.5	2.8	3.3	14.3
c. In a downtown business district	32.4	9.2	4.7	10.3	0.0
d. In a shopping center	10.5	1.3	2.8	0.4	0.0
e. In a residential area	34.4	69.6	80.6	76.6	5.1
f. On a lake, river or stream	21.3	11.0	17.0	11.1	96.7
g. On a state or federal highway	43.5	33.3	25.8	10.6	10.8
h. In an industrial or manufacturing area	15.2	2.2	6.2	7.0	0.0
i. In a suburb	18.0	5.3	17.2	21.8	2.1
Type					
a. Cafeteria-Buffet	12.1	N/A	N/A	N/A	N/A
b. Caterer	9.9	N/A	N/A	N/A	N/A
c. Coffee Shop	21.8	N/A	N/A	N/A	N/A
d. Delicatessen	2.5	N/A	N/A	N/A	N/A
e. Drive-in (Car Hop Service)	5.9	N/A	N/A	N/A	N/A
f. Fast Food-Take Out	31.2	N/A	N/A	N/A	N/A
g. Night Club	12.6	N/A	N/A	N/A	N/A
h. Restaurant	46.8	N/A	N/A	N/A	N/A
i. Soda Fountain	13.3	N/A	N/A	N/A	N/A
j. Truck Stop	5.0	N/A	N/A	N/A	N/A
Service Provided					
a. Table or Booth Service	73.6	33.5	81.7	N/A	49.9
b. Counter Service	61.3	25.1	4.5	N/A	8.4
c. Room Service (Guest, Patient, Resident)	4.0	N/A	88.9	N/A	0.0
d. Waiter or Waitress Service	58.3	8.6	38.2	N/A	4.0
e. Banquet Service	27.3	11.0	5.9	N/A	9.6
f. Entertainment	16.2	0.7	5.4	N/A	0.0

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospital	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
Open year round	76.3	100.0	100.0	58.9	18.1
Patterns of Ownership					
a. One person or one family	65.3	-	12.9	18.6	8.1
b. A legal partnership	8.9	-	4.7	1.7	1.2
c. A for-profit corporation	35.7	-	40.5	16.5	11.8
d. A not-for-profit corporation	12.9	73.2	57.9	61.4	83.7
e. A cooperative	1.4		0.0	0.3	0.0
f. A governmental unit	3.8	37.6	17.2	17.8	0.7
Number of Units Owned					
a. 1	80.4	87.6	65.6	77.6	78.1
b. 2-9	14.2	12.4	30.5	19.7	21.9
c. 10 and above	5.4	-	3.9	2.7	
Distribution of Owner Turnover					
a. 1 owner since 1965	60.2	96.6	78.5	90.8	91.7
b. 2	28.0	3.4	16.1	8.6	8.3
c. 3	7.2	-	2.9	0.6	-
d. 4	3.5	-	2.0	-	-
e. 5 or more	1.1	-	0.5	-	-
Owner of Foodservice Owns					
a. Land	67.4	87.0	83.7	58.6	92.2
b. Building	71.5	88.8	94.6	60.4	93.7
c. Equipment	88.9	91.2	94.6	73.9	96.3

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospital	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
Size (in square feet)					
a. 0-499	22.1	-	14.6	43.3	4.2
b. 500-999	18.0	16.2	13.6	23.1	8.6
c. 1000-2499	32.6	44.8	34.4	19.6	46.6
d. 2500-4999	17.6	8.0	22.5	10.2	27.2
3. 5000 and above	9.7	31.0	14.9	3.8	13.4
Seating Capacity					
a. 0-15	19.9	9.2	2.3	16.4	5.0
b. 16-35	17.2	16.2	9.5	41.9	2.0
c. 36-50	13.1	14.9	23.8	16.7	3.5
d. 51-100	22.7				
	18.9	23.2	42.4	15.2	18.1
e. 101-200	8.2	11.6	17.7	7.5	54.3
201 and above		24.9	4.3	2.3	17.1
Age of Building					
a. Built 1929 and before	5.8	21.3	10.7	6.0	14.7
b. 1930-1949	15.7	7.1	5.8	3.3	37.2
c. 1950-1959	18.3	38.7	17.6	13.9	21.3
d. 1960-1964	15.5	17.9	23.7	7.0	4.8
e. 1965-1969	15.9	8.5	27.8	21.1	14.9
f. 1970-1976	28.8	6.5	14.4	48.7	7.1
Improvements					
a. Building expansion (adding new space for dining, food preparation, etc.)	18.8	9.7	10.7	4.6	8.8
b. Remodeling interior or adding new furnishings and improvements to existing building (dining area, new ovens, interior, display counters, etc.)	48.1	34.3	27.7	23.7	49.6

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospital	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
Improvements (continued)					
c. Remodeling of existing building (roof, insulation, etc.)	26.6	7.1	12.2	10.2	18.8
d. Services and utilities (heating, air-conditioning, ventilation, etc.)	28.5	23.8	20.3	12.7	11.5
e. Improvement of grounds (landscaping, parking, curb access, etc.)	24.9	11.3	16.1	8.2	19.4
Manager of Foodservice					
a. Owner	70.5	26.7	38.2	42.3	58.3
b. Hired	29.5	73.3	61.8	57.7	41.7
Foodservice Experience of Manager					
a. 0-5 years	38.5	13.2	27.6	53.5	42.0
b. 6-10	19.8	21.8	32.7	21.6	29.6
c. 11-20	22.7	46.8	28.8	13.4	14.9
d. 21-30	14.0	15.8	9.1	10.7	10.3
e. 31 plus	5.0	2.4	1.8	0.8	3.2
Managerial Experience of Manager					
a. 0-5 years	51.3	37.3	49.3	62.2	48.6
b. 6-10	17.9	18.1	23.9	21.6	28.1
c. 11-20	19.6	38.3	22.5	12.5	11.4
d. 21-30	8.5	6.3	4.0	3.7	9.4
e. 31 plus	2.7	N/A	0.3	N/A	2.5
Manager's Formal Education					
a. 12 years	43.2	28.9	49.9	38.1	20.1
b. 14 years	12.7	15.8	24.9	15.4	4.0
c. 16 years	13.7	23.8	15.0	29.0	35.1
d. 17 years and above	8.0	31.5	10.2	17.5	44.8

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospital	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camp
Degrees Held by Manager					
a. A.A.	6.1	8.1	3.8	8.3	4.3
b. B.A./B.S.	20.3	58.8	25.8	45.7	70.2
c. Advanced	3.1	4.1	1.0	4.6	11.0
Staff Size					
a. 0-2	19.3	0.6	-	46.6	14.2
b. 3-4	17.9	1.9	3.0	21.6	20.8
c. 5-9	24.6	24.3	28.8	18.5	50.2
d. 10-19	19.5	35.2	51.0	10.2	12.4
e. 20-29	6.3	13.2	8.6	1.6	1.6
f. 30 and above	12.4	24.8	8.6	1.5	0.8
Owners Family Employed					
a. 0	29.9	N/A	92.5	76.0	82.4
b. 1	21.8	N/A	6.9	19.3	8.2
c. 2	29.1	N/A	0.6	2.6	3.5
d. 3	8.8	N/A	-	1.5	3.6
e. 4	6.3	N/A	-	-	1.2
f. 5 and above	4.1	N/A	-	0.6	1.1
New Entrants to Labor Force					
a. 0	47.8	44.1	31.4	85.1	60.3
b. 1-2	19.3	30.9	35.4	11.0	32.1
c. 3-4	13.1	7.5	15.1	1.8	2.1
d. 5-9	9.0	9.6	12.4	2.1	5.5
e. 10 and above	10.8	7.9	5.7	-	N/A

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospitals	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
Number of Teenagers Hired in 12 Months					
a. 0	38.5	26.2	-	80.9	24.2
b. 1-2	19.7	30.4	17.3	13.3	34.4
c. 3-4	14.5	16.8	39.0	2.0	22.3
d. 5-9	12.0	13.0	20.2	2.1	11.7
e. 10 and above	15.3	13.6	23.5	1.7	7.4
Number of Teenagers on Staff					
a. 0	37.0	16.7	15.2	79.3	30.5
b. 1-2	18.9	29.6	21.9	13.9	27.3
c. 3-4	13.2	9.9	22.8	2.7	20.4
d. 5-9	14.9	16.0	29.5	2.0	12.3
e. 10 and above	16.0	27.8	10.6	2.1	9.5
Age of Customers					
a. Children (under 12 years)	2.6	-	-	56.0	33.5
b. Youths or teenagers (12-19 years)	7.2	0.7	-	10.0	47.9
c. 20-34 years	20.5	3.8	-	7.6	-
d. 35-64 years	35.0	25.8	-	13.5	1.9
e. 65 years and over	1.8	27.1	-	1.7	-
f. No predominant age group	32.9	42.6	-	11.2	16.7
Description of Customers					
a. Families (with children)	16.7	-	-	9.1	3.6
b. Couples	11.7	-	-	2.0	1.0
c. Youths (alone or with other youths)	8.7	-	-	48.0	91.2
d. Men (alone or with other men)	15.9	-	-	7.7	-
e. Women (alone or with other women)	2.8	-	-	6.7	0.6
f. No predominant grouping	44.2	-	-	26.5	3.6

Table 2.2 Characteristics of Minnesota's Food Service Industry by Class (con't)

	FOOD SERVICE CLASS				
	Commercial	Hospitals	Nursing Homes Boarding Care Homes	Day Care Group Homes	Camps
Occupation of Customers					
a. Students	11.8	N/A	N/A	N/A	N/A
b. Blue collar; industrial worker	24.3	N/A	N/A	N/A	N/A
c. Office workers; clerical workers	11.0	N/A	N/A	N/A	N/A
d. Professional or business managers	7.8	N/A	N/A	N/A	N/A
e. Farmers	13.0	N/A	N/A	N/A	N/A
f. Homemakers	5.0	N/A	N/A	N/A	N/A
g. Other occupation class (describe)	7.1	N/A	N/A	N/A	N/A
h. No particular class	20.0	N/A	N/A	N/A	N/A
Residence of Customers					
a. Local residents	82.1	N/A	N/A	N/A	N/A
b. Tourists	13.9	N/A	N/A	N/A	N/A
c. Both	4.0	N/A	N/A	N/A	N/A

III. DYNAMICS OF THE FOOD SERVICE INDUSTRY

The food service industry reflects not only the course of U.S. economic and technological development in its growth pattern, but even more specifically, evolving life style patterns--the way we live, work and play. Food service patterns in some dimensions even exaggerate these overall trends. Minnesota food service industry, while generally following U.S. trends, has its own unique pattern both state-wide and regionally.

Trends are reviewed in this section using data from the U.S. Census of Business. Census data understate the industry. Numbers of Minnesota operations are understated by about one-third. However, the data are the best available for comparison over time and they are thought to show the nature of trends with acceptable accuracy.

The last half-century's view of food service shows first its dramatic growth in overall scale, shown in Table 3.1. First, employment increased by six times; from just over 600,000 to more than 4 million. In this same period the U.S. population did not quite double, while the civilian work force slightly more than doubled. Total sales, in current dollars, increased by almost 30 times.

Reviewed against the U.S. economic, social and demographic patterns, food services reveal the real dynamics of their role. Throughout the past 50 years the proportion of disposable income spent for food and beverage away from home has been roughly five percent. But this proportion has varied. It grew rapidly in the 1930's and early 1940's. It then declined until about 1970. Since 1970 it appears to have increased at an increasing rate as shown in Table 3.2.

What happened in these three time periods? In a grossly simplified form, it may be presented as follows:

--- Despite the depression of the 1930's, many of the consumer trends established in the post World War I 1920's decade resumed after 1933. This especially included growth in use of automobiles, expansion of the highway system and hence increased travel away from home. The repeal of prohibition added a further impetus after the mid-1930's. Travel greatly accelerated in the early 1940's as the nation prepared for and engaged in World War II, hence relative growth in food consumed away from home.

--- Another set of factors became dominant in the 1945-70 era. Perhaps the most important were continued general prosperity and the great expansion in the birth rate requiring attention to care and nuture of families. Concurrently and closely related was a boom in education at all levels. It was mandatory that the nation catch up in housing, which had seen only limited growth for a decade and a half. Also, medicine received a disproportionate share of expenditures. These big ticket family consumption items partly displaced expenditures for food and beverage away from home. The latter grew, but at a slower rate than disposable incomes.

--- In the 1970's expenditures for food and beverage again exerted a relative growth pattern. This resulted from still another set of factors. The baby boom was growing up. There were a relatively large number of teenagers and young adults in the population--with spending power and a strong propensity to spend for immediate consumption. Reinforcing this is the steady growth of married women in the work force, meaning that a high proportion of households have two wage earners and no one at home to prepare meals.

Supply response, particularly in the latter period, has complemented and even augmented demand growth. In the first part of this 50-year period, food service types consisted mainly of operations in center-city hotels, plus sit-down restaurants also near the city center. In the intervening period technology changes in transportation, food and organization management have drastically altered location and the food offering and human skills required. These are treated in more detail in the subsection immediately following. It thus appears that "Says Law" was operating along with direct growth in demand variables to produce expansion in food consumption away from home.

Says Law postulates: "Supply creates its own demand." It is a basic principle of supply-side economics. It suggests that demand is not the sole factor governing consumption at a given price level. In addition, a readily available product, well adapted to consumer desires, can interact in a synergistic manner with demand factors to stimulate consumption.

Food Service in the Near Term - A Continuing Dynamic Evolution

Tables 3.3 and 3.4 suggest that the 50-year growth and development pattern of the food service industry continues. Compared are Census of Business data from the most recently available 10-year period for both the U.S. and Minnesota food service industries.

Food and beverage sales continued to grow at a faster rate than all retail sales: 18 percent and 14 percent faster over the 10 years for Minnesota and the U.S. respectively.

Relative employment growth is a still bigger story. For Minnesota, paid employees increased at a rate 56 percent above non-agricultural employment; in the case of the U.S., relative employment growth was 40 percent faster.

Tables 3.3 and 3.4 also give insight into the on-going qualitative changes in food types as they adapt to the changing demographic and life style patterns of the consuming public. Sales by "Places of Refreshment," partly reflecting fast food related businesses, increased by about six times in the case of the U.S. and all of Minnesota and seven and one-half times in the Minneapolis/St. Paul Metropolitan Area.

Many other factors support the rapid change in commercial food service. The University study found that almost 30 percent (28.7 percent) of the businesses operating in 1977 were in buildings constructed in only the seven-year (1970-76) period.

More dramatic but difficult to document quantitatively has been the proliferation of a wide array of medium-ticket food operations. Many are specialized in their decor, food emphasis or both, including marine and ethnic specialities, pie shops, and many other types.

Critical mass appears to add market power in some situations. Clustering of operations along Highway 33 in Cloquet and near the Rosedale area of Roseville are examples. Near St. Anthony Falls in Minneapolis, clustering has been combined with creation of an overall festive setting. These developments move beyond design of interior decor to management of a larger environmental package, thus offering a wider life experience to their patrons.

Less obvious to the consumer but among the major generators of the dynamic pattern observed has been technological developments. These include the processing, distribution, storage and preparation of consumption of food items. They also include evolution in organization, marketing, financing, and management of food service systems.

Supply systems complement the visible food service operations, are complexly structured, and closely interrelated in their development with technological advances.*/ In Minnesota this system represents an economic generator in itself. Minnesota based firms that are relatively specialized in supplying restaurants make almost two-thirds (64 percent) of their sales out-of-state. Despite this locally based specialized supply system, Minnesota restaurants purchase almost one-half (47 percent) of their supplies elsewhere--presumably much from out-of-state. As many as 7,000 supplier firms operate within a nine-state area (Illinois, Iowa, Upper Michigan, Minnesota, Nebraska, North Dakota, South Dakota, and Wisconsin). This geographic interplay adds to the potential for fueling dynamic change.

Dynamics of the Future

Based upon an assessment of past and on-going trends, markets for the food service industry will both broaden and deepen over the coming decade. That is, the proportion of the population, depending upon their output, will continue to grow, and the range in demand for food types and service settings will expand. Important factors fueling this change and growth include the following:

--- Increases in per capita income. Most economists expect real purchasing power to increase, although a return to the 1960's rate of increase is unlikely.

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*/ Uel Blank, Minnesota's Food Service Supply System, Staff Paper P82-6. Dept. of Agri. & Applied Economics, University of MN, June, 1982.

--- Demographics. The bulk of the baby boom is now forming families and coming into their most productive years. By 1987 there will be almost one-third (31 percent) more in the 35-49 age group than 10 years earlier. This will reinforce national productivity (and incomes, as noted above), as well as support an "echo baby boom" and travel life styles.

--- Vacations and travel away from home are life style patterns well established that have shown not only resistance to cutback (except for business travel) but strong secular growth tendencies.

--- Growth in the proportion of two wage earners per family--currently over half of the wives with their husbands at home are working. As recently as 1960 this proportion was only 30 percent. This factor increases family incomes and, since there is no adult at home regularly to prepare food, it disproportionately increases the propensity to eat out.

Other factors than the above positive demand patterns, new technologies and management structures will be operating. One of these is the labor market--many operations have depended upon young workers and there will be an absolute decline in teenagers in the population. Adaptations to this change in labor types may include hiring older workers, and equipment change to reduce labor. The role of organization and management in adapting and melding together markets, personnel, financing, technology and other necessary ingredients is demonstrated by the fact that in 1981 the largest 400 food service firms in the U.S. made over 50 percent of the food service sales*/.

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*/ Restaurants & Institutions, Vol 91-N1, July 1, 1982, p. 36.

Food services will amost certainly continue their pattern of dynamic growth and change. Not all operations may grow, but there is promise of abundant opportunity. In order to adequately seize the opportunity food service managers will need to reckon with the forces that make change on several levels. This requires

--- understanding that the forces exist

--- assessing their absolute and relative strengths and directions

--- making relatively accurate judgments as to their impact

--- having the ability to use the tools of marketing, managing, accounting, etc. with enough skill to bring about desired results.

Table 3.1 U.S. Eating and Drinking Places, 1929-1977[1/]

Year	Number of Establishments 1,000's	Sales $1,000,000	Number Engaged 1,000
1929	130.7	2,124	626
1933	195.7	1,429	671
1939	300.8	3,520	833
1948	325.8	10,644	1,709
1954	319.0	13,091	1,719
1958	344.7	15,202	1,958
1963	325.5	18,382	2,088
1967	347.9	23,843	2,379
1972	287.3	35,048	2,833[2/]
1977	368.1	63,276	4,059[2/]

1. Source: 1929 to 1967 from Historical Statistics of the U.S.
   Series T79-196
   1972 and 1977 U.S. Census of Business

   This series by the U.S. Bureau of Census understates the full scale of the U.S. Food Service industry due to definitions and data collecting procedures used (many small, or seasonal operations and those associated with other business are not included). It does, however, provide a view of a 50-year historical sweep and is thought to represent reasonably well the relative magnitude of change.

2. "Number engaged" derived from paid employees in census week (March), plus proprietors of unincorporated places.

Table 3.2 Relationship of Purchased Meals to Disposable Personal Incomes in the United States; A Half-Century Pattern 1929-1977

Year	Purchased Food and Beverage ($ billion)	Disposable Personal Income ($ billion)	Purchased Food As Percent Of Disposable Personal Income %	Income Elasticity of Demand For Purchased Food and Beverage: Period	E
1930	2.78	74.5	3.7		
1935	2.61	58.5	4.5	1930-35	0.27
1940	3.89	75.7	5.1	1935-40	1.54
1945	9.50	105.0	6.3	1940-45	1.09
1950	11.1	207.0	5.4	1945-50	0.49
1955	13.8	274.0	5.0	1950-55	0.79
1960	17.2	352.0	4.9	1955-60	0.88
1965	22.7	473.0	4.8	1960-65	0.92
1970	31.5	669.0	4.7	1965-70	0.88
1975	50.2	1,063.0	4.7	1970-75	1.01
1977	62.8	1,273.0	4.9	1973-77	1.22

Source: Historical Statistics of the United States, Series G416-469.

Table 3.3 Growth of the U.S. Food Service, 1967-1977[1]

	Year 1967	Year 1977	Change %
Food & Beverage Sales (million)	$ 23,843	$ 63,276	+165
All Retail Sales (million)	$310,200	$723,100	+133
Food & Beverage Employment (thousands)[2]	2,379	4,059	+ 71
Employed Civilian Work Force (thousands)	74,400	90,500	+ 22
Places of Refreshment Sales (million)	$ 3,418	$ 19,527	+472
Employment (thousands)[2]	296	1,157	+219

1. Source: U.S. Census of Business

2. Employment derived from paid employees in census week, plus proprietors of unincorporated establishments.

Table 3.4 Minnesota Food Services 1967-1977
Selected Types for the State and the Twin Cities Metropolitan Area[1/]

	Year 1967	Year 1977	Change Percent
All MN retail sales ($ million)	$5,980	$13,567	+127
All MN non-agricultural employment (1,000s)	1,201	1,597	+ 33
All eating and drinking places[2/]			
Sales ($ million)	$ 433	$ 1,155	+167
Number establishments	6,621	6,315	- 4.6
Paid employees (1,000s)	41.3	85.7	+108
Eating places			
Sales ($ million)[2/]	$ 312	$ 948	+204
Number establishments	4,619	4,658	+ 0.8
Paid employees	33.6	65.4	+124
Drinking places[2/]			
Sales ($ million)	$ 121	$ 207	+ 71
Number establishments	2,002	1,657	- 17.6
Paid employees (1,000s)	7.7	10.3	+ 34
Places of refreshment[3/]			
Sales ($ million)	$ 48.1	$ 290	+503
Number (w/payroll only)	958	1,448	+ 51
Paid employees	4.7	21.5	+357
Twin Cities metropolitan area			
Total sales E&D places ($ million)	$ 233	$ 657	+182
Total number E&D establishments	2,228	2,681	+ 20
Paid employees (1,000s)	23.6	48.9	+109
Places of refreshment[3/]			
Sales ($ million)	$ 23.7	$ 179	+655
Number	318	718	+126
Paid employees (1,000s)	2.3	13.1	+470

1. Source: U.S. Census of Business, Retail Businesses. This series is useful for comparison among industries and over time. It understates the industry as indicated by a reported 6315 establishments in 1977, compared to the 1976 survey estimate of 9374 commercial establishments.

2. Eating places plus drinking places sum to the total of all eating and drinking places.

3. Places of refreshment are those operations that sell a limited line of refreshments and prepared food. Statistics for places of refreshment are also contained with those of "eating places."

IV. WHAT DO MINNESOTA FOOD SERVICES CONTRIBUTE?

Food services contribute to and interrelate with the community in three major ways:

--- They produce a specialized output.

--- They form a part of the community's economic base contributing jobs, profits, rents and tax base in the same manner as other economic activities.

--- They depend upon, complement and act synergistically with the community's set of human, man-made and natural resources.

Each of these is examined systematically, with special emphasis upon the Minnesota commercial food service component.

Outputs of Food Services

In 1980 Minnesota food services had sales estimated at $2.3 million. But a full understanding of their output requires looking at more than its dollar value. A restaurant provides not only something to eat, but also a set of services that the customer either cannot perform for him/herself or purchases them as contributing to his/her desired life style. The obvious services provided are preparation of food, its serving, and all auxiliary services.

But the output to food service patrons is much more than food. One documentation is in the rapid growth of food service sales during the depression of the 1930's (see Table 3.2). This set of additional outputs we call "life style enhancement." Combined in it are time-saving, convenience, social experience, entertainment, adventure, variety and status. Examples include:

--- The ready availability of food services makes possible an "at will" choice of when one will or must undertake food preparation at home.

--- Experiencing another culture through the ethnic ambience and cuisine of a theme restaurant offers adventure and variety.

--- Food and drink consumed in pleasant surroundings with one's friends may be among the most valued of social experiences.

--- Restaurants provide the setting to see the "notables" or be seen by others.

Thus the food service set of a community operates to meld and mold many of the ingredients and forces that make up that community's self-perception and its image as held by non-residents. This fluid, on-going process acts to shape the community. The quality and variety of food services occupy an increasingly prominent role in this interaction. The bottom line consists of the community's success as a place to live, as well as a place to visit.

From another analytic viewpoint, food service output consists of two major parts, each also further subdivided:

1. Residentary - sales to local residents. These Minnesota commercial restaurant sales amounted to $1.6 billion in 1980, or 70 percent of all sales. Four complexly interrelated types by purpose for purchase are involved in this eating away from home: a) for convenience; b) under conditions of necessity; c) related to business or institutional activities; and d) the quest for life experience enrichment. A recent study of Minneapolis/St. Paul households provides further insights into this latter component of residentary sales. It was found that there were an annual average of 69 person-occasions of "eating out for fun"; this average includes all households (a person-occasion counts each person one time for each activity, e.g., two people from the same household eating out together would count as two person-occasions.[*/]

[*/] Blank, Uel. Life Style-Tourism Interrelationships of Minneapolis-St. Paul Residents, Staff Paper P82-9, Dept of Ag & App Econ.

2. Tourism - sales to non-residents not regularly commuting to work in the given community. Tourists' sales totaled $700 million in 1980 or 30 percent of all Minnesota restaurant sales. When selling to non-residents, restaurants are exporters - generating new income for the local economy. Food service sales to tourists vary greatly by community. They are dependent, first upon the traveler-attracting capability of the community, hence its general tourist trade; second, tourist sales depend upon the food services themselves. Some of these interrelationships between tourists, their travel purposes, and a community's food service industry are illustrated by the following:

--- Tourists who come for recreational purposes--attend a sports event, theatre, celebration, etc.--may or may not also purchase food in the destination community. They may choose to eat at home or along the way. If they are not staying overnight but can be induced to eat in the community having the attraction, the economic impact of their visit may double or treble. Twenty-nine percent of Minneapolis/St. Paul tourists report "dining out" as an activity during their visit there.[*/]

--- Eating out on the occasion of visits by friends and relatives has been found to be a factor.[1/] It partly depends upon both the host's and visitor's image of local food services. Sixty percent of Minneapolis/St. Paul households host out-of-the area visitors and "usually" take them to eat out.[*/]

*/ Blank, Uel. Life Style-Tourism Interrelationships of Minneapolis-St. Paul Residents, Staff Paper P82-9, Dept of Ag & App Econ.

1/ Blank, Uel. "Tourism in the Lake of the Woods - Rainy Lake Area" Minn. Agr. Economist, No. 543, November 1, 1971, University of MN.

--- Those traveling on business might, at first thought, appear stuck with food services in the given community. This, however, is only partly true. Travelers have considerable flexibility to adjust where they will be at mealtimes and for overnight lodging. They can arrange to be in places that attract them and avoid areas with poor services.

--- The case of Hinkley, Minnesota, illustrates dramatically the development of food services as an economic base industry serving food to tourist-travelers. In 1982 one operation at Hinkley had over 100 on its payroll and was probably the largest private employer in Pine County. Combined, Pine County's food services are among its largest for-profit industries, if not the largest. A large part of this food service industry is based on Hinkley's rest stop, freeway location midway between Duluth and the Twin Cities.

3. Industry Support - a subpart of both the residentary and tourism sales component; it consists of food services to those who must be away from home temporarily for business purposes. Travel is required for the functioning of nearly all modern economic activity. This sub-component is estimated at about fifty percent each of the residentary and tourism food sales compoents, totaling $1,150 million in 1980. Interrelated subparts include:

--- Business travelers - modern business, social and governmental institutions require travel for sales, management and technical consultation. Much of this travel will be classed as tourism.

--- Meeting/conferencing - face to face group interaction is required by nearly all aspects of private and public life. Food services often provide the setting, in addition to meals. Sales resulting may be classed as residentary or tourism or parts of both, depending upon home locations of participants.

--- Worker convenience - many employed people find going home for meals impractical. Food services provide convenience and save time and travel.

Food Services as Community Economic Base

Food services generate jobs, profits, rents and taxes, thus forming part of the community's economic base. Food services contribute to the economy because of the purchases that they make in order to produce their output. Two special characteristics make food services especially valuable to Minnesota's economy.

--- Food services are geographically dispersed. They operate in virtually every community in Minnesota, thus contributing throughout the state. Only automobile gas services, another part of the overall travel/ hospitality system, are so thoroughly dispersed.

--- A very high proportion of the $2.3 billion sales returns directly to the Minnesota economy. This study estimates 75-80 percent of the sales dollars to be immediately reallocated to Minnesota, amounting to $1,725 billion to $1,840 billion. This is designated as the "direct suppliers" backward linkage in Figure 4.1. It is the first step in the supply chain in which food services purchase supplies, first round; their suppliers in turn make purchases, second round; and so on through third and subsequent rounds until the effect is dissipated. These direct returns to the Minnesota economy are high because a very large proportion of food service operating inputs consist of labor and food supplies. Labor is usually provided by local residents and Minnesota also has a substantial food supply system.[2/] These are all factors in producing a multiplier effect from sale of food services. The U.S. food service system multiplier is estimated as 2.3.[3/] This means that for every dollar spent for food in restaurants, another $1.30 of economic activity is generated. Figure 4.1. shows diagramatically the way in which purchases of food services became translated into economic activity within Minnesota. In doing this, it shows the details of how the multiplier operates. Community development terminology has been used to describe the supplying sectors (backward linkages).[4/] It will be noted that a purchase of inputs by the food service producing industry causes each supplying sector, in turn, to make purchases to sustain their own operations (supplies, labor, personal consumption goods, etc.). In each succeeding "round" of purchases some are bought within Minnesota and some are purchased elsewhere.

In Figure 4.1 it is assumed that all direct (first round) purchases of food services except supplies (food and other) are made within Minnesota. This is generally true, although exceptions are known. Some employees commute across the state lines; some restaurants are managed and/or financed by out-of-state owners (enterpreneurship); electrical power generated in other states is used in Minnesota (infrastructure).

[2/]Blank, Uel. Minnesota's Food Service Industry Supply System, Staff Paper P82-6, Dept. of Agri. & Applied Econ., University of MN, June, 1982.

[3/]Maki, Wilbur. Minnesota Regional Economic Impact Forecasting and Simulation.

[4/]A direct translation of food service accounting terminology into community development terminology is given in Blank, Uel. The Food Service Industry: Its Anatomy and Prognosis, Staff Paper P81-8, Dept. of Agri. and Applied Econ., University of MN, March, 1981.

Only the purchases and sales out of state of supplies are quantified in the figure. Data for other out-of-state transactions are not available hence they can only be illustrated symbolically.

The several supplying sectors making up the first round of purchases and their further linkage backward to second rounds and, in some cases, third rounds, are discussed as follows:

Employees - include hired labor only, and in 1980 accounted for a payroll of $640 million or 27 percent of all inputs. The total number involved in 1980 is estimated at 400,000 different individuals, including all full-time, part-time, and seasonal employees. These employees use their income for living purposes: to purchase food and clothing, buy automobiles, support their church, pay taxes, etc. Each from whom these employees buy must respend the money; the clothing merchant, for example, pays the clothing manufacturer/wholesaler, his own employees, rent and utilities on the store building and uses the profit for his own personal consumption.

Supplies[1/] - included in this sector are both "food" and "other" (operating supplies, services, equipment) supplies. Over half (54 percent) of all 1980 restaurant purchases were for supplies--totaling $1,240 million. But only slightly more than half ($650 million) was supplied by Minnesota-based specialized supply firms. The balance ($590 million) was either purchased outside Minnesota through integrated suppliers or from non-specialized suppliers. This supply system is well-developed in Minnesota and sells (exports) almost twice as much to out-of-state food services

[1/] Much more detailed treatment is given to the supply sector in Staff Papers P81-8 and P82-6.

and is bought from out of state by Minnesota restaurants. For this reason the second round within Minnesota of this Minnesota-based supply system is large. It totals \$643 million, of which \$400 million is for supplies and \$243 million goes to employees and owners. In addition, these Minnesota-based operations buy \$1,174 million in supplies from out of state. Many of these second round suppliers are agricultural processors and/or wholesalers. Farm producers are a part of this supply system. In some cases they may be as far "back" as the fifth round. By contrast, truck farmers selling directly to local restaurants would be first round suppliers.

Entrepreneurship - This input includes the functions of investment, risk, financing and management (management that is supplied by owners). It includes profits, return to owner-managers, return to unpaid family labor, and all interests and rents whether actually paid or imputed. Its second round backward linkage includes living expenditures by owner-managers, financing costs, and capital development costs such as construction. This input amounted to \$300 million or 13 percent in 1980.

Community Infrastructure - These are facilities and services that are necessary for the community to operate, and that are available to serve all citizens and businesses. In 1980 this input required 6 percent of sales and totaled \$140 million. Not included here or in sales is the Minnesota income tax, which would have increased infrastructure by \$90 million to \$2.30 million. Infrastructure is composed of payments for items such as utilities, insurance, and real estate taxes. Note that some taxes are spent for roads, street lighting, and police protection. Some may also be used to improve community aesthetics, such as for parks and landscaping. The second round backward linkage includes fuel and employee payrolls to operate generating plants, salaries for police and firemen, and road construction materials.

Resource-Restaurant Relationships

The community's resources and its food services enjoy a symbiotic relationship. Resource components include human, man-made (economic activities, institutions, facilities, culture, etc.) and natural (land, water, climate, topography, etc.).

The community must function sufficiently well as a place to live and make a living that it sustains a resident population having demand for food away from home. Its complete set of resources largely determines its potential for economic growth and sustaining its population. Food services not only respond to the demand thus created, but also become a part of the interacting, contributing set of resources. They do this by contributing living quality to residents--thus making the community a more attractive living place; providing industry support--enhancing their economic viability; and by generating new community income through sales to tourists.

Tourist sales by food services and other travel-hospitality serving firms result from two factors: the community's ability to attract travelers, and the availability and appeal of its food services.

Communities attract travelers by a multiplicity of means. Figure 4.2 illustrates the complex of attractions that might operate in a metropolitan area. In smaller communities some of these attractors may be relatively weak (or missing), but this lack of variety may be more than compensated by relatively powerful travel attractors such as outdoor recreation resources.

Figure 4.3 illustrates the way in which the hospitality industry, of which food services are an important part, contributes to a community's income. They enhance the return from the resource in the same way that development of computer manufacturers capitalizes upon the presence in a community of personnel having high technology capability, or the manner in which agricultural processing plants improve income above what the community would realize from production and shipment of raw food products.

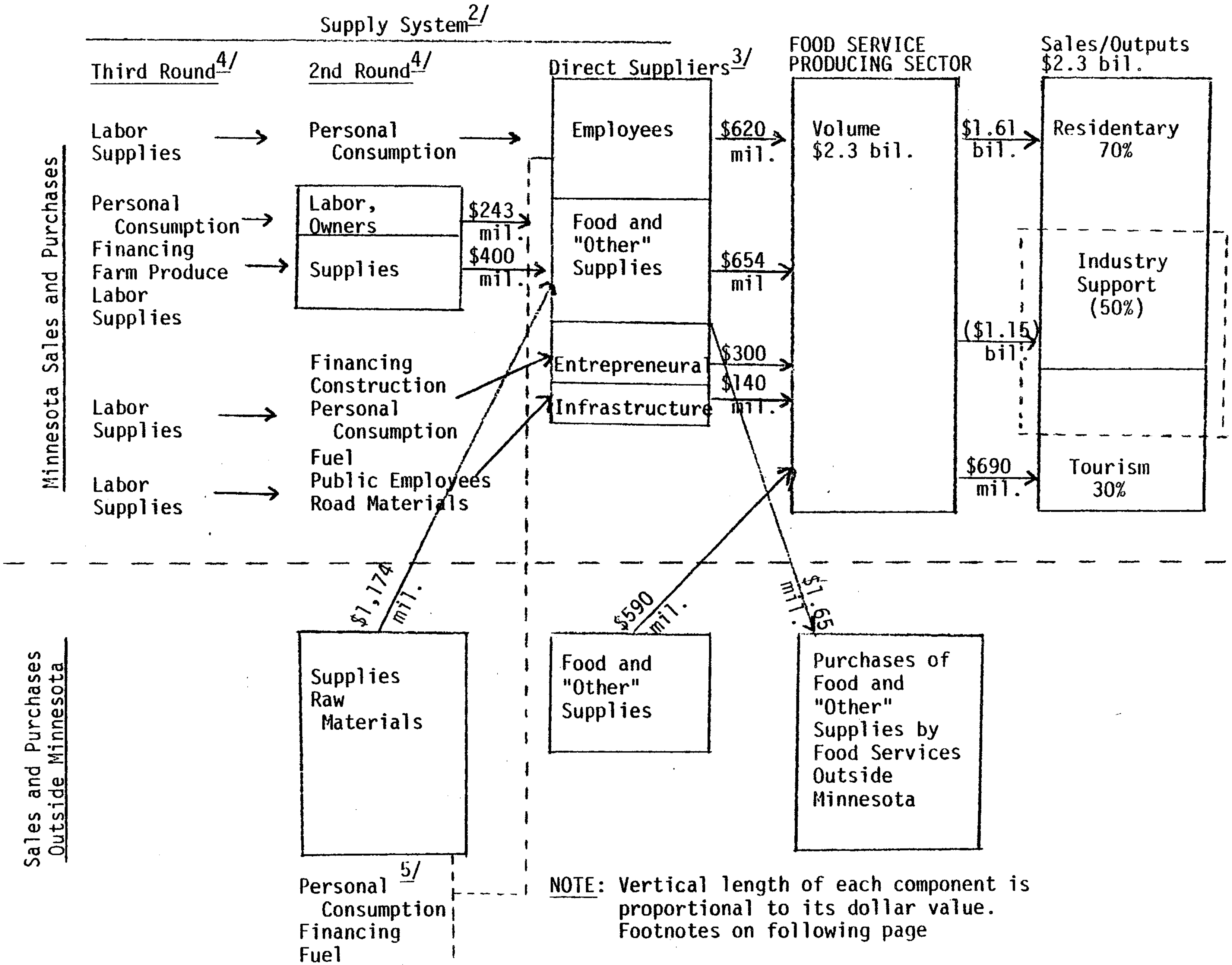
The two curved lines in Figure 4.3 represent relative income from tourism. They may be thought of as lines on a contour map rising above the plane of the paper. Their height above the paper would be proportional to the numbers assigned to them. Note that in the illustration the community with a level "a" of attractions resources attains a tourism income of $5 million with hospitality industry of "u" (underdeveloped). But with the same resources, $10 million in tourism income can be generated with a "d" (developed) level of its hospitality industry. Thus a community's tourism income can increase with expansions in the quality and quantity of its hospitality services, as well as by additions to its attraction resource base.

Two examples may be helpful to explain the principle's operation. Consider the case of a small city situated on or near a good quality river with a substantial volume of recreational boater traffic on it. If an entrepreneur establishes a good restaurant, there is the possibility that he can not only serve passing boaters, but also sightseers who wish to watch the river traffic.

Another example involves a major sports event. Part of the spectators include people from a distance. These people might only go to the sports event. Alternatively, if they have a good image of the food services in the host community, they may consume one or more meals there as part of the trip and experience that includes watching the game.

These examples show how food services can produce added jobs and income for the community, building upon the man-made or natural attractions. While they will compete with other food services, if well appointed, they will also almost certainly increase the total amount of food service sales.

Figure 4.1 Minnesota's Commercial Restaurant Industry; Relationship to MN and Out-State Economy, 1980[1/]



NOTE: Vertical length of each component is proportional to its dollar value. Footnotes on following page

Other Footnotes

1. Arrows show direction of input movement. Labeling on arrows gives dollar value, where available. Quantitative estimates of "Second Round" suppliers are available only for the "Food and Other Supplies" segment.

2. The supply system is often referred to as the "Backward Linkage," meaning that it is the means for food operations to reach or link backward into the economy for labor, supplies, equipment, management and financing in order to operate. In doing this food services generate economic activity.

3. The percentage of total inputs purchased by Minnesota food services are:

Labor (payroll)		27
Food and Other		54
Food	(40%)	
Operating supplies and Services	(14%)	
Enterpreneural		13
Infrastructure		6
Total		100%

4. Names of second and third round inputs are symbolic only. The mix of inputs is much more complex than shown.

5. Out-of-state purchases are made by the "employees," "Enterpreneural," and "Infrastructure" components as part of second round supplies. Quantitative estimates are not available for these purchases and they are only illustrated symbolically. There will also be out-of-state purchases as part of the third round inputs by all elements of the second round components.

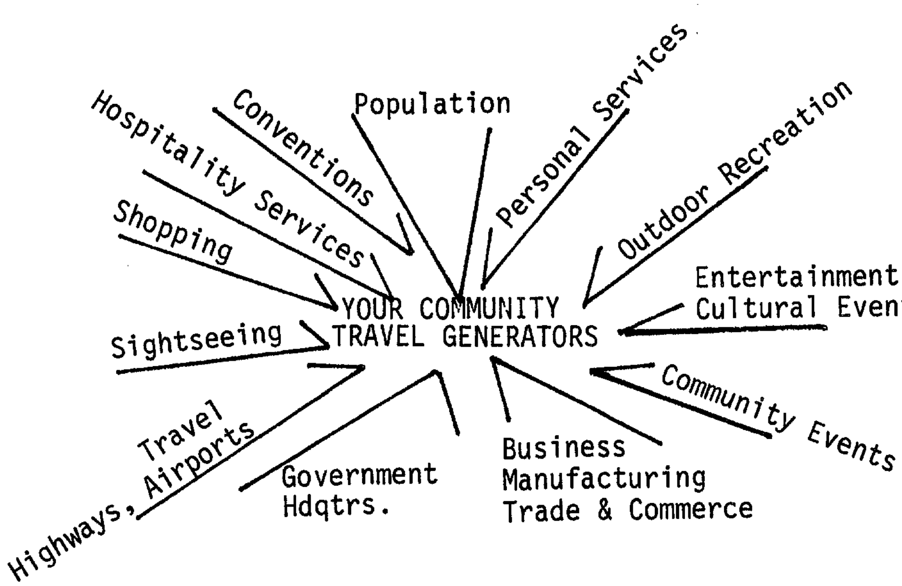
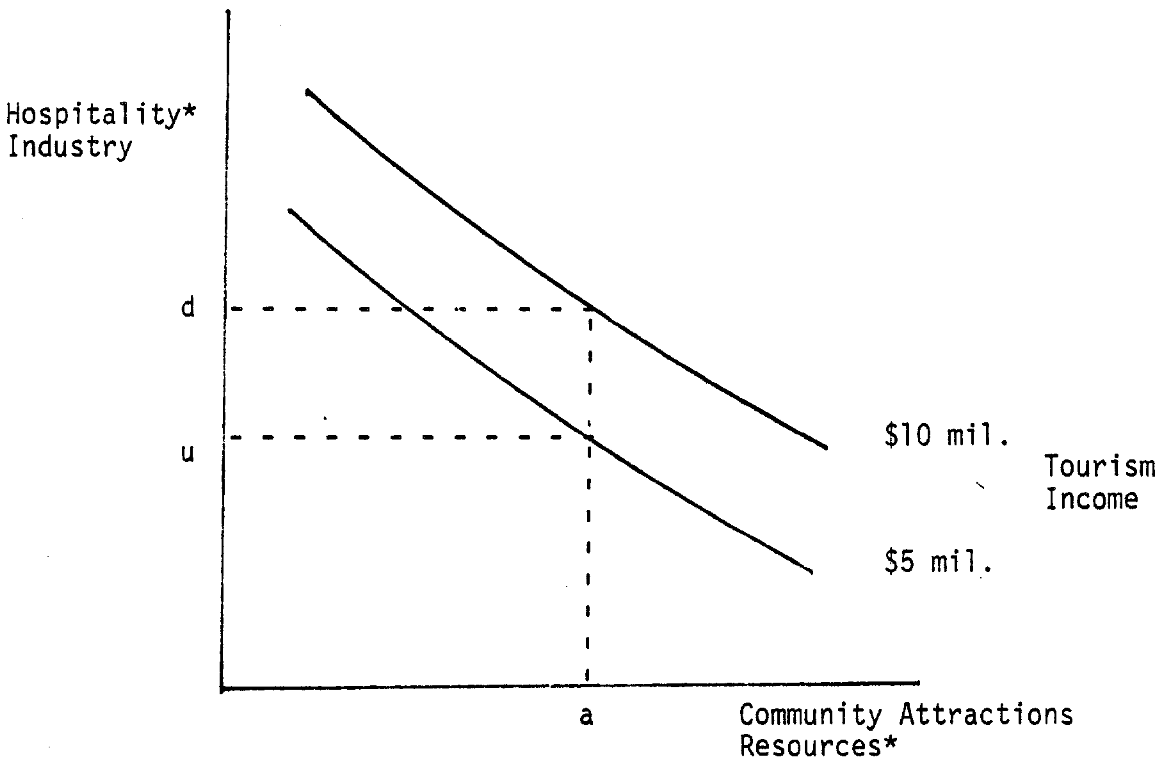


Figure 4.2 Community Travel Attractors

Figure 4.3. Community Tourism Income: Hospitality Industry, Attractions' Resources Interrelationships.



*Scales on both curves are a combined quantity and quality measure of hospitality industry services and of attractions resources.

V. FOOD SERVICES - A MAJOR MINNESOTA EMPLOYER

The Scope of Food Service Employment

In a recent examination of Minnesota's future potential, it was pointed out that four Minnesota-developed, Minnesota-based high technology industries employ a total of 50,000 in the state, out of a total of 148,000 (1979) jobs in all high technology industries.[1/] These are singled out as examples to emulate in economic development. The four firms were 3M, Honeywell, Univac, and Control Data.

Interestingly, employment by the food service industries has many characteristics in common with these high technology firms. These are:

--- Scale - there were an estimated 125,000 full-time job equivalents in food services in 1982, or almost as many as in all high tech industries in 1979!

--- High growth rate - food service jobs grew at the compound rate of 7.6 percent annually over the 1967-77 period, or 108 percent in 10 years. This compares with compound growth rate of 4.1 percent for high technology industry jobs over the 1959-79 period (from 46,000 to 148,000).

--- Their job distribution is superior - food services provide jobs in almost every community. About one-third of the food service jobs are in out-state Minnesota.

Qualitative Job Types in the Food Service Industry

At least 400,000 different Minnesotans work in the food service industry. This statistic highlights a major qualitative difference between jobs provided by the food service industry and those in the high

1/ Drake, Willis. "Back-to-Basics Job Creation Lesson Needed." St. Paul Pioneer Press, July 18, 1982, p. 4G.

technology industries. Many food service industry jobs are part-time and seasonal. Most require only entry level skills.

This characteristic of most food service industry jobs is both good and bad. The obvious bad part is that these jobs are low paying. Much has been favorably said, deservedly, for industries that can absorb large numbers of highly skilled and/or educated workers and pay them top-level wages. But when only high-wage jobs requiring high skill levels are available, what happens to the young, unskilled, and other unqualified persons who need employment?

The labor extensive nature of food services makes possible employment for many who would otherwise be unable to find work. These include teenagers, others with limited job skills, and homemakers and other second wage earners in the household wanting only part-time or seasonal employment. The industry's managers have shown great flexibility in adapting to these parts of the labor supply.

The industry plays a role in the early work experience of from 25-40 percent of Minnesota youth. At any one time, 11 percent of all Minnesota teenage youth are employed in food service.

Because the industry can adapt to part-time employment, it allows employment by second and third wage earners in the household. Many of these do not want or are unable to work a 40-hour week. It thus makes possible family income and productive employment that no other industry supplies as well, comprehensively, nor as accessibly throughout the entire state.

Low wage levels in food service, in common with most of the hospitality industry, are often cited as reasons why this industry is regarded unfavorably as a contributor to economic growth in U.S. communities.

Many young workers also similarly fault the industry, citing not only low pay but poor industry image and job pressures. High rates of turnover are one result.

Despite the above problems, the food service industry provides entry-level experience for a high proportion of the population. The large number of teenagers in the population, resulting from the past World War II baby boom, has encouraged extensive use of inexperienced labor. With inexperience goes low wages, since a commercial employer cannot afford to pay labor more than it produces. Thus it becomes necessary to ask, "Low as compared to what?". Has the society, in fact, built up unrealistic wage expectations, especially for beginners?

Another factor partly compensating for the relatively low wage rates is the accessibility in place and time of food service jobs. Many employees do not wish to work an 8-hour day or a 40-hour week. Ubiquitous accommodations to these needs are made in food service personnel management. Similarly, jobs close to home are needed by many if they are to work at all. Again, the ubiquitous nature of food service establishments accommodates this need. When factors such as experience, part-time employment and convenience of employment are fully discounted, food service wage levels compare very favorably with those of many other employment types.

The highly competitive nature of food services makes attention to wage levels a constant need. The cataclysmic problems befalling U.S. industries that were temporarily insulated from direct, effective, modern competition are now familiar to many. Two examples of this are the U.S. automobile industry, and the U.S. steel industry. In both instances, wage rates escalated in the 1970's to points well above world-wide industry wage levels. International competitors wrought serious damage in both areas.

Only parts of the food service are in direct international competition. These are the international travel destination areas. But international travel is a growing factor. In the meanwhile, major on-going adjustments are required to local food service competitors, technology, supply costs and the changing labor market. These adjustments should help food services maintain an appropriate competitive stance.

While lying outside the scope of this study, a major factor masked by the average low wage is that the food service industry employs a substantial core of well-renumerated people. Important in this group are the nearly one-third of the food service work force who have management, supervisory and/or administrative duties. These are the corps of experienced workers who maintain the industry's momentum.

An interesting insight into pay rates is that women managers in the food service industry have salaries averaging 67 percent of mens'. By comparison, women managers' salaries in industry, generally, average only 50 percent of male managers' salaries.

The Owner-Manager and His/Her Family as Food Service Industry Labor Suppliers

Seventy percent of Minnesota food service operations has at least one member of the owner's family working there. Forty-eight percent has two or more, and about 10 percent has four or more family members employed. These statistics reveal some of the extensive nature of the owner and family members serving as a part of the food service industry labor force.

Owners figure especially prominently as managers. Over 70 percent of food services are managed by the "owner." Presumably most of the 65 percent of all operations that are owned by one individual or one family are managed by an owner-family member. It is also possible for operations in partnership and corporate ownership to be owner-managed.

The effect of family ownership in many of these cases is that the owner has, in effect, "purchased" a job for himself and often for the entire family. Partly reflected here is the relative ease of entry into the business. It also reveals an access route, from employee to entrepreneur-manager, that is readily available in the American economic system.

Training/Education Systems; Opportunities for Upgrading Employees

Low levels of training and experience have been cited as a reason for low food service industry wage rates. This study only investigated educational and experience levels of managers, not employees generally. Even many managers were found to have relatively low levels of education and experience.

About one-fifth (19 percent) of commercial managers had 21 or more years of experience in the food service business and over one-third had some training beyond high school. But on the other side of the scale, almost 40 percent had five years or less experience in food service. This latter low experience figure grows out of turnover of businesses by owners-managers, employee turnover, substitution of training/education for experience, as well as other factors.

Training/education opportunities range from extensive in-house programs maintained by food service corporations, to area vocational technical curricula, to undergraduate and graduate degrees at college level, to one-day seminars and workshops conducted by the Minnesota Restaurant Association/National Restaurant Association and/or the Agricultural Extension Service.

Food Service Labor's Future

For the decades remaining of the 20th century, food services will almost certainly require a component of unskilled labor and some labor that may be part-time. As pointed out above, these types of labor requirements serve a useful function in the society.

The unskilled labor requirement is likely to lessen. One of the most important reasons is that numbers of teenagers will diminish absolutely during the decade of the 1980's. By 1990 it is estimated that the 16-19 year old labor force will have decreased 1.3 million from its 1975 level. This group will constitute in 1990 only 6.7 percent of the total wage force of 114 million, down from 9.5 percent in 1975. With its labor supply diminished, industry managers will be compelled to seek out means of reducing the requirement for extensive unskilled labor. Many such avenues are available, including development of labor saving equipment, and more efficient systems for food handling.

These managerial efforts to reduce low skilled labor requirements will have their impact in a higher skill level requirement in the industry. At the same time, the operation of training systems now in place can be expected to upgrade workers' skills. As the market broadens and deepens (see "dynamics" section) there will be a need for high-level culinary skills on the one hand, and management of mass-produced but high-quality food on the other. These are among the factors that will almost certainly be operating to raise general industry wage levels. Minnesota food service managers will be in an advantegous position because of higher average educational levels. The proportion over 25 years who are high school graduates are: nationally, 66.3 percent; Minnesota, 72.4 percent; Twin Cities, 80.1 percent. (The Twin Cities ranks fourth in this regard of all SMSA's.)

VI. MINNESOTA'S COMMERCIAL FOOD SERVICES

Commercial food services is the largest and by most measures the most important food service class. The public typically thinks of this group as restaurants and consistently identifies them as the food service industry. This section treats commercial food service, discussing its major characteristics, and comparing the industry in the Minneapolis-St. Paul metropolitan area (metro) with that in the rest of Minnesota (out-state). The subsection that follows discusses differences in characteristics that occur among the several Minnesota economic development regions and tourism regions.

Only highlights are treated in the text. The tables contain a considerable wealth of detail that users may wish to "mine" for special purposes. In many cases the percentage components in the tables may add up to over 100 percent where multiple responses were allowed, or to less than 100 percent where not all respondents answered the questions or where some categories have been omitted from these summary tables.

Location-Distribution

One-third of the commercial food service operations (3,092) are in the seven-county metro area; the other two-thirds (6,282) are in the "other" 80 counties.

Most operations are on accessible locations. Eighty percent are within a city, and forty-four percent are on a state or federal highway. In addition, 21 percent are located on a lake or stream. Note that none of these excludes the other; that is, an operation could have all three location characteristics.

Comparing metro operations' locations with those out-state, a higher proportion out-state are located in a downtown business district (36 percent vs. 26 percent). This might not have been predicted. But metro operations otherwise show metropolitan location characteristics; much higher proportions are located in shopping centers, residential areas, manufacturing areas, and/or in a suburb, as compared with out-state operations.

Size

In 1976 the average commercial food service operation had $160,000 annual sales, just under 90 seats (87), occupied 2,280 square feet, and had about 30 total workers, both full-time and part-time.

Metro operations were much larger on the average than out-state operations. They had over two times the sales and number of workers (probably reflecting more part-time employment). Metro area sales per seat averaged one and one-half times that of out-state operations.

Type of Operation

Operators identify their type of food service in about the same proportions, whether in metro or out-state locations. About one-half (47 percent) consider their operation to be a restaurant; almost one-third (31 percent) as fast food-takeout, and over one-fifth (22 percent) as coffee shops. The only significant differences: there are a substantially higher proportion of cafeterias (18 percent vs. 10 percent) and caterers (13 percent vs. 8 percent) among metro operations.

Service Provided

The mix of services offered was also relatively similar when metro and out-state operations were compared.

About three-fourths offer table or booth service (74 percent). Sixty-one percent have counter service, and almost the same, 58 percent, have waiter/waitresses. Over one-fourth (27 percent) serve banquets, and about one-sixth (16 percent) offer entertainment.

Out-state, less than three-fourths (73 percent) are open year round. But in the metro area, ten of eleven are open all year (91 percent).

Age of Operation

About 30 percent of the businesses operating in 1976 had been established in the 1970-76 period. This reflects rapid growth in the industry during the decade of the 1970's. Sixty percent of the businesses had been established since 1960. On the other end of the scale, almost one-fourth of the operations (23 percent) had been established prior to 1950 and had thus persisted for more than one-fourth of a century. These age patterns are relatively similar when metro and out-state operations are compared.

Improvements

Despite the relatively high proportion of new operations, well over half of them had undertaken substantial improvements within the most recent three-year period. This is an indication of managerial progressiveness in the industry since upgrading is a necessary, on-going process.

There was relatively more improvement involving buildings and physical facilities out-state compared to metro operations. This possibly results from the higher proportion of buildings that are owned out-state by those who also own the food operation.

Ownership Patterns

About two-thirds of all operations are owned by a single family proprietorship (65 percent). Well over one-third (36 percent) are held as a for-profit corporation; these are not exclusive ownership patterns. A substantially lower proportion of metro operations were held by a single family (52 percent vs. 70 percent), and almost two times the proportion were held by a for-profit corporation (54 percent vs. 28 percent).

Ninety percent of out-state food owners out-state own only one operation and only 1.4 percent own 10 or more. This compares with metro owners where 63 percent own only one operation and about 13 percent own 10 or more.

Sixty percent of Minnesota's food services have been under the same ownership since January 1, 1965. Almost 90 percent of all food services in Minnesota have had no more than two different owners since that same date.

Land and building ownership is more usual in the out-state area (75 percent and 79 percent) than in the metro area (54 percent and 55 percent). Ownership of equipment is nearly the same at between 86 percent and 90 percent.

Out-state food services are slightly more likely to be affiliated as a part of another business, whereas metro food services are more likely to be a franchised operation.

Management

About 70 percent of all operations are owner-managed in Minnesota. But, reflecting the higher proportion of corporate ownership, the proportion of hired managers is about twice as high among metro as compared with out-state operations (46 percent vs. 23 percent).

About 40 percent of the managers had five or fewer years experience in food service work in 1976, and only slightly over one-half (51 percent) had that much total experience as a food service manager. Metro food service managers tend toward somewhat more food service experience.

About one-fifth (22 percent) of all managers had 16 or more years of education--meaning that they very likely have a college degree. Forty-three percent had only a high school education.

Commercial Food Services - Regional Differences

The accompanying maps (Figure 6.1 Minnesota Economic Development Regions and Figure 6.2 Minnesota Tourism Regions) show supports of the state according to parts having similar economic characteristics. While tourism regions often include more than one economic development region, boundaries between both systems correspond closely.

Highlights of commercial food services within each tourism region are discussed immediately below. This is followed by a quick overview of variations in characteristics by Economic Development Regions. The serious reader will wish to study Appendix A, Tables A.1 to A.47, in order to gain more comprehensive insight concerning any given region or regions. These regional differences reflect dynamics of Minnesota's development pattern and the unique contribution and role of each geographic sector to that pattern.

Comparison of Tourism Regions

--- Metroland - scale especially distinguishes Twin City food services. Out-state commercial food services report sales averaging $114,654; metro services average sales almost two and one-half times that - $251,344.

--- Hiawathaland - This southeastern region had the lowest proportion of facilities built in the 1970-76 period. This reflects development in an earlier period, 31 percent of its food services had been built before 1950, followed by relatively limited recent population and tourism growth. A 1970 lodging study found limited hospitality industry development outside of Rochester - 60 percent of the area's total lodging capacity was there despite the presence of a number of other good sized cities.

--- Pioneerland - This heavily agricultural southwestern region has the highest proportion of food services with sales over one-half million dollars of any region outside the TCMA. This, in turn, reflects the highest proportion of night clubs of any region. These operations serve a unique role as "watering holes" to add quality and variety to life in the region. They primarily serve local or regional residents as gathering places, with limited out-of-the-region tourism. These functions reflect the cities of the region, which also serve a trade and service center function to the regional residents that is out of proportion to the population numbers within those cities.

--- Vikingland - has the interesting and surprising distinction of having the highest proportion of its facilities established since 1960. Food service development coincided in time with that of region's lodging industry. Thus, it is in the opposite part of the state from Hiawathaland and exactly opposite in development. Overall, its development came late; hence, relatively few food services were developed there prior to 1960.

--- Heartland - Food services in this north central region of Minnesota reflect its considerable endowment of lakes and other resources appropriate to serving the tourist seeking outdoor recreation. It has the largest resort population of any region and relatively small cities. Thus it has: the largest proportion of small operations - 50 percent have fewer than five employees; the highest proportion of seasonal food services; the highest percentage located on a lake; and the largest proportion (21 percent) affiliated with another business or installation - 31 percent affiliate with resorts, 19 percent with retail stores.

--- Arrowhead - This northeastern region of Minnesota is a fascinating mixture of metropolitan areas (Duluth), outstanding outdoor recreational areas (North Shore, Grand Portage National Monument, Boundary Waters Canoe Area, Voyageurs National Park), and the Mesabi Iron Range. Because its large scale tourism began early and because of its early-established paycheck economy (iron mining) it has the highest proportion of food services started prior to 1930 (11 percent). But its resurgent nature shows in that it ranks first, along with the Heartland area (at 34 percent) with the highest proportion of food services established in the most recent (1970-76) period. Its period of slow growth in food service was the decade of the 1960's.

Comparison of Economic Development Regions

Commercial food services are much more densely distributed in some development regions than others. Over two-thirds are located in the four most easterly regions of the state (3, 7, 10 and 11) and over 30 percent are in the populous region 11, which is the 7-county metro area.

Ninety-four percent of the food services in region 11 are within a city, town or village, while at the other extreme only 47 percent were found so situated in region 2 (North).

Region 8 (Southwest) reported the largest proportion of fast food take-out units (41 percent) with region 1 (Northwest) the smallest (18 percent).

Region 5 (North Central) had the smallest percentage of franchised units (2 percent) and region 10 (South East) the largest with 19 percent followed closely by region 11 (17 percent) and region 7 (Central) (16 percent).

Fifty-six percent of the food services in region 2 are associated with a commercial lodging establishment, while in both regions 8 and 10 less than 5 percent are so affiliated. The large number of resorts in region 2 explains the high percentage.

Region 11 accounts for about one-half of the $1.5 billion in sales with about 40 percent of the total number of seats and square footage. This region also displays the largest percentage of food services in excess of 5,000 square feet (18 percent). Forty percent of region 2 food services are less than 500 square feet and 80 percent are smaller than 2,500 square feet in size.

Over 50 percent (186,849) of the 276,813 people holding full-time and part-time positions in the industry work in the metro area or region 11. Only three other regions (3, 5 and 10) employ more than 10,000 people each. One-half of the teenagers in the industry also are employed in region 11, whereas just over 40 percent of new entrants to the labor force join in the metro area. Nearly one-fourth of the metro (region 11) commercial food services employ 30 or more people. In only three other regions is this percentage as high as 10 percent (regions 7, 9 and 10). One-fourth of all food services have between 5-9 people on their staff.

The region which has the greatest percentage of food services owned by one person or family is region 8, at 82 percent; region 11 has the smallest percentage at 52 percent. The state-wide average is 65 percent. Region 11 also has 54 percent owned by a for-profit corporation; region 1 is at the other end of the continuim with 15 percent. The state average is 36 percent.

Ownership of only one food service is the prevalent pattern in the state (80 percent). This percentage is exceeded in all regions but 11, which exhibits 63 percent of owners with only one unit.

The state average for ownership of from 2-9 units is 14 percent. Once again, region 11 shows a large divergence with 25 percent, and region 2 with 4 percent. Only five regions show ownership of between 10-24 units and only three with 25 or more.

Sixty-seven percent of the food service owners also own the land they are situated on; 71 percent own the building, and 89 percent also own the equipment. The high percentage for land and building ownership is in region 2 (about 90 percent), and the low is region 11 (about 55 percent). The percentage owning equipment does not vary much across regions.

Just over three-fourths of the food services in Minnesota are open on a year-round basis. However, only 55 percent of those in the resort regions (2 and 5) operate year round.

Management of the food service by the owner varies between 55 percent (region 11) to 95 percent (region 2).

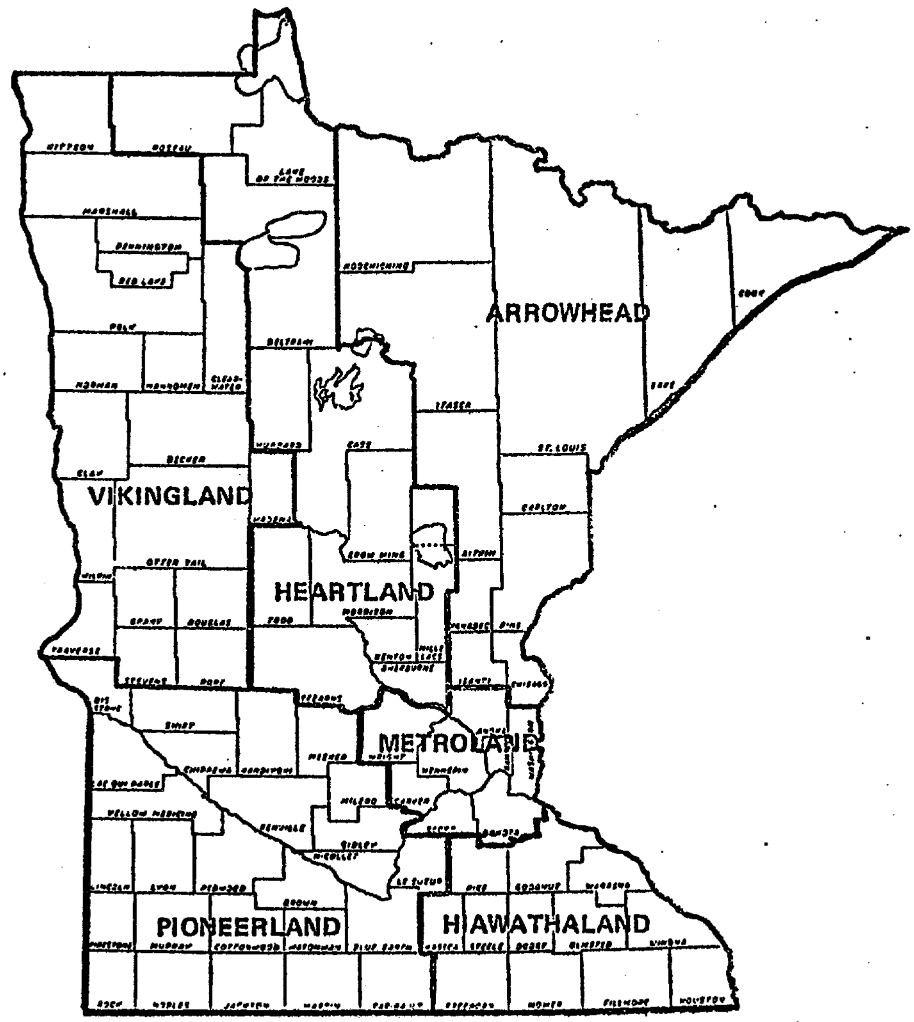


Figure 6.1 MINNESOTA'S TOURISM REGIONS

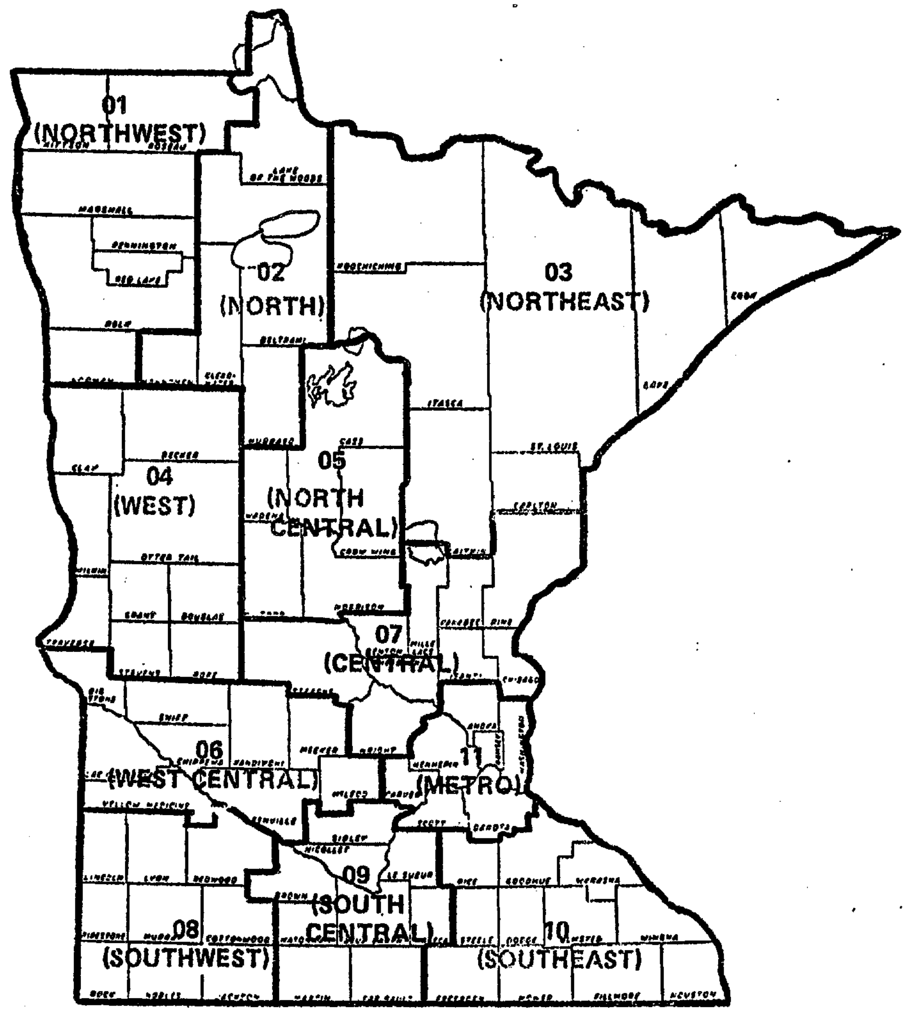


Figure 6.2 MINNESOTA'S DEVELOPMENT REGIONS

Table 6.1 Minnesota Commercial Food Services

	Minnesota	Metro	Out-State
Estimated Number	9,374	3,092	6,282
	Percent Reporting Each Item		
Location	Minnesota	Metro	Out-State
Within a city, town, village	79.9	93.7	73.8
Within two (2) miles of a city, town or village limits	9.5	5.0	11.8
In a downtown business district	32.4	25.5	36.2
In a shopping center	10.5	19.2	6.2
In a residential area	34.4	56.2	24.1
On a lake, river or stream	21.3	11.1	26.4
On a state or federal highway	43.5	35.7	48.7
In an industrial or manufacturing area	15.2	23.0	12.2
In a suburb	18.0	48.0	4.2
Type			
Cafeteria-buffet	12.1	18.1	9.5
Caterer	9.9	12.8	8.2
Coffee shop	21.8	19.2	24.0
Delicatessen	2.5	2.6	2.5
Drive-in (car hop service)	5.9	4.8	6.8
Fast-Food/take-out	31.2	33.2	29.5
Night club	12.6	12.4	13.3
Restaurant	46.8	52.6	45.9
Soda fountain	13.3	14.8	13.2
Truck stop	5.0	2.3	6.5
Service Provided			
Table or booth service	73.6	70.6	77.2
Counter service	61.3	50.9	64.8
Room service (guest, patient, resident)	4.0	2.9	4.7
Waiter or waitress service	58.3	52.2	62.5
Banquet service	27.3	28.4	27.9
Entertainment	16.2	14.4	17.5
Open All Year	76.3	91.3	72.9
Size (in tens of square feet)			
0-499	22.1	18.0	22.5
500-999	18.0	14.6	19.3
1000-2499	32.6	31.9	33.9
2500-4999	17.6	18.8	17.7
5000 and above	9.7	16.7	6.6

Table 6.1 Minnesota Commercial Food Services (con't)

	% Minnesota	% Metro	% Out-State
Seating Capacity			
0-15	19.9	15.3	19.2
16-50	30.3	19.9	36.2
51-100	22.7	29.4	24.6
101-200	18.9	21.1	14.2
201 and above	8.2	14.3	5.8
Improvements			
Building expansion (adding new space for dining, food prep, etc.)	18.8	12.7	22.1
Remodeling interior or adding new furnishings and equipment to existing building (dining area, new ovens, office interior, display counters, etc.)	48.1	43.8	50.4
Remodeling of existing building (roof, insulation, facade, etc.)	26.6	23.0	29.0
Services and utilities (heating, air-conditioning, ventilation, etc.)	28.5	20.1	33.2
Improvement of grounds (landscaping, parking, curb, access, etc.)	24.9	24.5	26.3
Manager of Foodservice			
Owner	70.5	54.5	76.6
Hired	29.5	45.5	23.4
Foodservice Experience of Manager			
0-5 years	38.5	32.4	42.3
6-10	19.8	19.8	20.5
11-20	22.7	26.0	21.1
21-30	14.0	14.3	12.7
31 plus	5.0	7.5	3.4
Managerial Experience of Manager			
0-5 years	51.2	47.5	54.8
6-10	17.9	16.8	18.9
11-20	19.6	23.6	17.0
21-30	8.5	7.6	8.2
31 plus	2.8	4.5	1.1
Managers Formal Education			
12 years	43.2	40.4	44.3
14 years	12.7	15.7	11.3
16 years	13.7	17.4	12.0
17 plus	8.0	9.0	7.9

Table 6.1 Minnesota Commercial Food Services (con't)

	% Minnesota	% Metro	% Out-State
Degrees Held by Manager			
A.A.	6.1	8.5	5.3
B.A./B.S.	20.3	24.7	19.4
Advanced	3.1	3.1	3.3
Staff Size			
0-4	37.2	25.7	42.1
5-9	24.6	21.2	27.1
10-19	19.5	21.5	18.1
20-29	6.3	8.3	5.2
30 or more	12.4	23.3	7.5
Owners Family Employed			
0	29.9	43.7	24.4
1	21.8	22.9	21.1
2	29.1	16.4	34.7
3	8.8	7.8	9.8
4	6.3	4.6	6.8
5 or more	4.1	4.6	3.2
Number of Full- or Part-Time Employees	276,813	197,086	79,727
New Entrants to Labor Force			
0	47.8	38.2	51.4
1-2	19.3	21.9	18.5
3-4	13.1	14.2	12.7
5-9	9.0	9.6	9.2
10 and above	10.8	16.1	8.2
Number of Teenagers Hired in 12 Months			
0	38.5	28.5	43.6
1-2	19.7	18.1	20.3
3-4	14.5	16.0	13.4
5-9	12.0	15.7	10.9
10 and above	15.3	21.7	11.8
Number of Teenagers on Staff			
0	37.0	29.7	40.1
1-2	18.9	14.0	21.4
3-4	13.2	12.8	13.0
5-9	14.9	15.7	15.0
10 and above	16.0	27.8	10.5

Table 6.1 Minnesota Commercial Food Services (con't)

	% Minnesota	% Metro	% Out-State
Affiliation			
Commercial lodging	13.7	4.9	18.0
Retail store	13.9	12.1	15.4
Factory/industrial plant	1.9	3.8	1.0
Sales/financial, etc.	3.5	7.2	1.9
Resort	10.7	1.0	15.8
Campground	4.8	0.0	7.3
Residence camp	0.9	0.0	0.9
Private club	8.1	6.1	9.4
Rec/entertainment center	17.7	10.8	18.3
Civic, social, fraternal	6.6	4.5	7.6
Age of Customers			
Children (under 12 years)	2.6	6.2	1.1
Youths or teenagers (12-29 years)	7.2	6.4	7.4
20 to 34 years	20.5	28.2	16.6
35 to 64 years	35.0	34.3	36.5
65 years and over	1.8	0.5	2.5
No predominant age group	32.9	24.4	35.9
Description of Customers			
Families (with children)	16.7	18.4	16.9
Couples	11.7	10.4	12.4
Youths (alone or with other youths)	8.7	9.6	8.1
Men (alone or with other men)	15.9	16.4	16.1
Women (alone or with other women)	2.8	4.3	2.3
No predominant grouping	44.2	40.9	44.2
Occupation of Customers			
Students	11.8	10.3	12.4
Blue collar; industrial worker	24.3	28.8	22.9
Office workers; clerical workers	11.0	23.3	5.3
Professional or business managers	7.8	9.4	7.5
Farmers	13.0	-	19.0
Homemakers	5.0	7.1	4.2
Other occupation class (describe)	7.1	5.7	7.8
No particular class	20.0	15.4	20.9
Residence of Customers			
Local residents	82.1	96.6	75.2
Tourists	13.9	1.8	19.9
Both	4.0	1.6	4.9

Table 6.1 Minnesota Commercial Food Services (con't)

	% Minnesota	% Metro	% Out-State
Patterns of Ownership			
One person or one family	65.3	51.7	69.9
A legal partnership	8.9	11.4	7.5
A for-profit corporation	35.7	53.6	28.1
A not-for-profit corporation	12.9	12.5	13.0
A cooperative	1.4	3.2	0.7
A governmental unit	3.6	2.6	4.3
Number of Units Owned			
1	80.4	62.5	89.9
2-9	14.2	24.6	8.7
10 and above	5.4	12.9	1.4
Distribution of Owner Turnover			
1 owner since 1965	60.2	69.7	55.1
2	28.0	19.8	31.7
3	7.2	6.7	8.0
4	3.5	3.8	3.6
5 or more	1.1	-	1.6
Owner of Foodservice Owns			
Land	67.4	53.5	75.0
Building	71.5	55.2	78.9
Equipment	88.9	86.7	89.6
Organization			
Part of another business or institution	57.9	52.3	60.5
Franchised operation	12.2	17.3	10.4
Multiple location operation	19.4	33.5	11.1
Single operation	68.2	56.6	74.0

Table 6.1 Minnesota Commercial Food Services (con't)

AGE OF BUILDING

	Facilities Built					
	% 1929 and Before	% 1930-1949	% 1950-1959	% 1960-1964	% 1965-1969	% 1970-1976
Metro	5.4	10.9	20.2	15.7	20.1	27.7
Out-State	6.3	16.5	18.1	14.8	14.9	29.4
Minnesota	5.8	15.7	18.3	15.5	15.9	28.8

TIME PERIOD PRESENT OWNERS ACQUIRED FOODSERVICE

	% 1929 and Before	% 1930-1949	% 1950-1959	% 1960-1964	% 1965-1969	% 1970-1976
Metro	4.2	6.0	13.2	13.3	13.5	49.8
Out-State	1.7	5.5	7.6	9.6	14.1	61.5
Minnesota	2.4	6.4	8.9	11.3	13.5	57.5

TIME PERIOD PRESENT FOODSERVICE (BUSINESS) WAS ESTABLISHED

	% 1929 and Before	% 1930-1949	% 1950-1959	% 1960-1964	% 1965-1969	% 1970-1976
Metro	6.6	10.3	20.1	16.3	18.3	28.4
Out-State	7.7	17.5	15.9	13.2	15.4	30.3
Minnesota	7.2	15.7	17.0	15.0	15.6	29.5

APPENDIX A

TABLE A.1

Minnesota's Food Service Industry
Expenditures by Food Service Class

	Commercial	Hospitals	Nursing Homes Boarding Care Homes	Day Care and Group Homes	Camps	Total
Food and non-alcoholic beverages	$ 490,702,399	$ 24,381,464	$ 16,668,490	$ 6,494,615	$ 2,928,922	$ 541,175,890
Alcoholic beverages	142,687,739		149,457		47,762	142,884,958
Payroll	419,390,130	31,661,497	17,417,665	4,929,783	1,147,469	474,546,544
All other	255,985,691	5,311,273	2,291,821	1,989,465	401,312	265,979,564
Total	$1,308,765,961	$ 61,354,234	$ 36,527,433	$13,413,863	$ 4,525,465	$1,424,586,956

TABLE A.2

Commercial Food Service
Sales

Estimated	Metro 3092	Out State 6282	Minnesota 9374
Food and non-alcoholic beverages	$ 589,860,714	$ 508,499,015	$1,098,359,729
Alcoholic beverages	167,865,500	178,622,883	346,488,383
Other	19,428,877	33,131,664	52,560,541
Total	$ 777,155,091	$ 720,253,502	$1,497,408,653

TABLE A.3

Commercial Food Service
Expenditures

	Metro	Out State	Minnesota
Food and non-alcoholic beverages	$ 245,560,884	$ 245,141,515	$490,702,399
Alcoholic beverages	72,670,379	70,017,360	142,687,739
Payroll	224,380,322	195,009,808	419,390,130
All other	137,991,787	117,993,904	255,985,691
Total	$ 680,603,372	$ 628,162,587	$1,308,765,959

TABLE A.4

Commercial Food Service
Size

Estimated number	Metro 3,092	Out-State 6,282	Minnesota 9,374
Square feet	9;196,025	12,140,459	21,336,484
Number of seats	350,984	469,071	820,055

TABLE A.5

Commercial Food Service
Employment

Estimated Number	Metro 3,092	Out-State 6,282	Minnesota 9,374
Full- and part-time workers	186,849	89,964	276,813
Owner's family on work force	3,794	10,853	14,647
Teens on payroll at present	23,753	23,004	46,757
Teens hired in last 12 months	35,889	24,126	60,015
First time entrants to labor force	15,398	20,329	35,727

TABLE A.6

Commercial Food Service
Average Performance

Estimated number	Metro 3,092	Out-State 6,282	Minnesota 9,374
Sales per unit	$ 251,344	$ 114,654	$ 159,741
Sales per seat	$ 2,214	$ 1,535	$ 1,826
Sales per square foot	$ 85.0	$ 59.0	$ 70.0
Square feet per unit	2,974	1,933	2,276
Square feet per seat	26.2	25.9	26.0
Seats per unit	114	75	87

TABLE A.7

Commercial Food Service
Location by Economic Development Region
Percent in Each Classification

Economic Development Region	Within a City	Downtown Business District	Residential Area	State or Federal Highway
01	88.8	45.2	28.5	50.7
02	46.5	11.2	19.2	38.6
03	70.8	32.6	33.0	47.5
04	64.5	33.9	19.5	34.1
05	50.6	26.4	14.9	51.1
06	85.4	49.8	21.5	56.9
07	74.9	40.6	26.9	55.0
08	83.5	39.7	19.8	61.6
09	89.0	44.7	26.4	35.5
10	84.5	37.2	22.5	55.6
11	93.7	25.5	56.2	35.7
Minnesota	79.9	32.4	34.4	43.5

TABLE A.8

Commercial Food Service
Type By Tourism Region
Percent in Each Classification

Economic Development Region	Fast Food/ Take-Out	Night Club	Restaurant	Tourist Stop
01	18.3	10.5	54.5	7.8
02	22.9	15.2	52.5	-
03	27.8	12.6	43.3	6.8
04	26.4	17.2	34.8	6.7
05	27.0	15.1	43.4	9.5
06	25.6	25.7	47.1	7.4
07	35.1	9.6	45.6	6.1
08	40.5	14.6	53.3	7.4
09	32.1	14.5	47.9	2.6
10	31.5	6.2	48.3	7.7
11	33.2	12.4	52.6	2.3
Minnesota	31.2	12.6	46.8	5.0

TABLE A.9

Commercial Food Service
Organizational Structure by Economic Development Region
Percent in Each Classification

Economic Development Region	Part of Another Business	Franchised	Multiple Location Operation	Single Operation
01	51.5	2.7	14.0	72.7
02	73.0	-	4.5	78.2
03	68.5	11.5	14.1	68.8
04	57.5	11.2	10.3	70.4
05	81.5	1.7	4.3	61.8
06	57.8	4.4	6.9	80.4
07	47.4	16.3	12.4	75.4
08	50.3	8.7	4.3	82.5
09	54.6	12.9	10.0	85.0
10	56.3	18.5	19.0	73.6
11	52.3	17.3	33.5	56.6
Minnesota	57.9	12.2	19.4	68.2

TABLE A.10

Commercial Food Service
Organizational Affiliation
Percent in Each Classification

Economic Development Region	Lodging Establishment	Retail Store	Resort
01	7.7	12.7	3.3
02	56.2	8.7	54.0
03	27.4	20.9	19.6
04	20.8	11.4	19.9
05	29.1	27.0	29.0
06	11.1	15.4	8.2
07	10.9	15.9	11.0
08	3.4	8.3	5.4
09	6.0	12.7	2.9
10	9.5	11.5	9.4
11	4.9	12.1	1.0
Minnesota	13.7	13.9	10.7

TABLE A.11

Commercial Food Service
Services Offered by Economic Development Region
Percent in Each Classification

Economic Development Region	Table or Booth
01	79.2
02	75.8
03	78.7
04	70.4
05	71.0
06	77.2
07	73.4
08	80.4
09	76.5
10	86.0
11	70.6
Minnesota	73.6

TABLE A.12

Commercial Food Service
Operating Pattern by Economic Development Region
Percent in Each Classification

Economic Development Region	Open All Year
01	81.1
02	54.6
03	74.1
04	61.8
05	55.1
06	86.0
07	73.5
08	83.5
09	81.4
10	79.2
11	91.3
Minnesota	76.3

TABLE A.13

Commercial Food Service
Ownership by Economic Development Region
Percent in Each Classification

Economic Development Region	One Person or Family	Partnership	For Profit Corporation
01	58.5	7.1	15.2
02	80.5	12.1	18.5
03	67.6	7.3	32.4
04	65.1	9.7	28.8
05	71.0	8.3	24.7
06	67.8	5.1	20.1
07	72.3	5.3	31.0
08	82.0	4.6	32.0
09	70.5	10.4	32.2
10	68.2	6.4	29.5
11	51.7	11.4	53.6
Minnesota	65.3	8.9	35.7

TABLE A.14

Commercial Food Service
Number of Different Owners 1965-75 by Economic Development Region
Percent in Each Classification

Economic Development Region	1	2	3	4	5 or more
01	59.1	31.2	1.7	4.1	3.9
02	50.4	36.8	9.5	3.3	-
03	52.0	33.3	8.1	4.7	1.9
04	52.9	33.5	8.3	5.3	-
05	59.6	29.9	7.3	1.6	1.6
06	52.1	25.3	13.6	7.3	1.7
07	54.7	37.4	7.4	0.5	-
08	57.1	30.5	7.6	3.8	1.0
09	65.3	27.2	4.2	1.6	1.7
10	51.9	29.7	10.3	4.2	3.9
11	69.7	19.8	6.7	3.8	-
Minnesota	60.2	28.0	7.2	3.5	1.1

TABLE A.15

Commercial Food Service
Ownership Tenure by Economic Development Region
Percent in Each Classification

Economic Development Region	1929 or Before	1930-49	1950-59	1960-64	1965-79	1970-76
01	-	1.6	10.5	6.2	21.0	60.7
02	1.9	3.8	8.5	7.6	3.7	74.5
03	3.1	3.2	5.2	7.7	12.6	68.2
04	2.7	1.6	3.1	12.1	13.9	66.6
05	-0-	6.5	3.5	9.7	10.7	69.6
06	-0-	6.0	3.8	10.0	17.8	62.4
07	1.4	3.5	9.4	10.6	15.6	59.5
08	-0-	11.1	14.3	7.6	17.6	49.4
09	1.6	11.2	8.6	14.5	13.0	51.1
10	2.9	7.6	10.7	8.6	16.8	53.4
11	4.2	6.0	13.2	13.3	13.5	49.8
Minnesota	2.4	6.4	8.9	11.3	13.5	57.5

TABLE A.16

Commercial Food Service
Period Facility Was Built by Economic Development Region
Percent in Each Classification

Economic Development Region	1929 or Before	1930-49	1950-59	1960-64	1965-69	1970-76
01	7.1	15.4	10.3	5.9	27.3	34.0
02	12.1	8.9	25.7	10.2	2.4	40.7
03	11.0	21.2	17.3	9.6	9.9	31.0
04	6.4	11.6	14.5	16.5	18.0	33.0
05	-	15.5	20.5	11.2	13.5	39.3
06	4.4	16.5	7.3	26.9	14.0	30.9
07	5.5	9.3	17.0	20.5	21.3	26.4
08	5.0	17.2	30.6	11.6	17.9	17.7
09	10.0	19.7	13.4	21.2	8.5	27.2
10	2.9	21.5	21.9	14.8	18.2	20.7
11	5.4	10.9	20.2	15.7	20.1	27.7
Minnesota	5.8	15.7	18.3	15.5	15.9	28.8

TABLE A.17

Commercial Food Service
Size in Square Feet by Economic Development Region
Percent in Each Classification

Economic Development Region	0-499	500-999	1000-2499	2500-4999	5000 +
01	26.5	13.9	32.3	24.9	2.4
02	39.6	13.2	27.6	11.0	8.6
03	15.5	24.7	37.8	13.7	8.3
04	30.1	17.0	32.7	14.7	5.5
05	26.5	30.3	21.5	17.6	4.1
06	16.0	23.7	33.3	13.4	13.6
07	23.2	19.6	34.6	18.0	4.6
08	20.4	11.5	44.2	18.7	5.2
09	22.9	12.4	31.1	19.4	14.2
10	19.0	15.2	38.8	24.7	2.3
11	18.0	14.6	31.9	18.0	17.5
Minnesota	22.1	18.0	32.6	17.6	9.7

TABLE A.18

Commercial Food Service
Total Seating Capacity by Economic Development Region
Percent in Each Classification

Economic Development Region	0-15	16-35	36-50	51-100	101-200	201 +
01	9.8	18.5	31.1	24.8	15.8	-
02	17.5	26.3	12.5	28.2	15.5	-
03	19.6	16.7	11.1	31.5	16.8	4.3
04	21.2	24.8	22.4	17.7	8.7	5.2
05	20.4	20.6	14.5	16.3	19.0	9.2
06	21.9	14.6	17.9	26.9	16.3	2.4
07	19.3	20.2	22.3	17.2	10.6	10.4
08	21.9	8.4	26.2	29.0	10.1	4.4
09	16.0	17.4	18.3	28.3	8.6	11.4
10	19.4	13.5	16.7	26.5	18.5	5.4
11	15.3	10.5	9.4	29.4	21.1	14.3
Minnesota	19.9	17.2	13.1	22.7	18.9	8.2

TABLE A.19

Commercial Food Service
Management Pattern by Economic Development Region
Percent in Each Classification

Economic Development Region	Owner Managed	Hired Manager
01	74.9	25.1
02	94.3	5.7
03	74.9	25.1
04	72.4	27.6
05	76.0	24.0
06	80.2	19.8
07	76.3	23.7
08	77.4	22.6
09	82.5	17.5
10	71.6	28.4
11	54.5	45.5
Minnesota	70.5	29.5

TABLE A.20

Commercial Food Service
Employment by Economic Development Region
Percent in Each Classification

Economic Development Region	Number of Full- and Part-Time Workers	Number of New Workers to Labor Force	Number of Teens Hired In Last 12 Months	Number of Teens on Present Work Force
01	4,236	869	1,144	1,086
02	2,140	1,366	1,040	596
03	12,434	3,189	4,478	4,412
04	7,350	2,866	3,291	2,498
05	12,113	843	1,308	1,111
06	5,118	853	1,312	1,348
07	8,935	3,025	2,528	3,246
08	4,750	2,139	2,664	1,870
09	9,379	2,317	3,189	2,804
10	13,272	2,762	3,172	4,033
11	197,086	15,398	35,889	23,753
Minnesota	276,813	35,727	60,015	46,757

TABLE A.21

Commercial Food Service
Number of Different Workers by Economic Development Region
Percent in Each Classification
(Full- and Part-Time)

Economic Development Region	0-2	3-4	5-9	10-19	20-29	30 +
01	20.2	11.4	31.0	20.2	9.9	7.3
02	38.2	19.9	27.8	12.1	2.0	-
03	24.3	17.8	24.6	21.6	5.7	6.0
04	27.2	19.5	32.8	8.2	7.0	5.3
05	25.3	26.7	22.6	19.6	-	5.8
06	18.6	16.7	32.1	20.8	7.3	4.5
07	18.2	22.1	32.0	13.3	4.2	10.2
08	20.0	26.0	24.4	11.5	11.4	6.7
09	18.2	13.8	27.8	25.3	1.4	13.5
10	16.6	22.3	22.2	21.8	6.6	10.5
11	11.4	14.3	21.1	21.6	8.3	23.3
Minnesota	19.3	17.9	24.6	19.5	6.3	12.4

TABLE A.22

Commercial Food Service
Number of New People to Labor Force During Past Year by Economic Development Plan
Percent in Each Classification

Economic Development Region	0	1-2	3-4	5-9	10 or More
01	49.6	13.6	18.5	11.8	6.5
02	62.1	14.9	3.1	13.8	6.1
03	53.1	12.1	13.3	14.4	7.1
04	59.4	20.8	6.9	3.1	9.8
05	61.5	19.6	7.3	9.6	2.0
06	41.8	32.9	13.9	8.9	2.5
07	50.2	20.6	15.3	2.3	11.6
08	48.6	17.4	6.0	9.7	18.3
09	39.5	19.2	16.1	15.2	10.0
10	48.1	17.4	19.8	6.2	8.5
11	38.2	21.9	14.1	9.6	16.2
Minnesota	47.8	19.3	13.1	9.0	10.8

TABLE A.23

Commercial Food Service
Number of Teenagers Hired in Last 12 Months by Economic Development Region
Percent in Each Classification

Economic Development Region	0	1-2	3-4	5-9	10 or More
01	42.9	12.2	7.7	27.9	9.3
02	39.5	23.2	5.4	23.6	8.3
03	41.6	20.1	13.8	13.1	11.4
04	56.9	16.9	9.9	4.1	12.2
05	50.0	30.9	6.6	8.3	4.2
06	41.5	21.3	17.3	13.0	6.9
07	41.5	17.2	18.5	10.7	12.1
08	36.6	26.9	11.4	4.8	20.3
09	37.2	15.4	18.5	8.0	20.9
10	41.9	19.4	17.7	10.1	10.9
11	28.5	18.1	16.0	15.7	21.7
Minnesota	38.5	19.7	14.5	12.0	15.3

TABLE A.24

Commercial Food Service
Number of Teenagers on Present Workforce by Economic Development Region
Percent in Each Classification

Economic Development Region	0	1-2	3-4	5-9	10 or More
01	38.5	15.0	19.5	19.1	7.9
02	53.3	24.8	4.8	14.7	2.4
03	36.9	21.6	16.2	12.5	12.8
04	52.5	18.7	7.7	12.7	8.4
05	52.5	27.4	9.5	5.3	5.3
06	44.0	16.7	16.7	16.2	6.4
07	36.9	17.6	16.1	17.0	12.4
08	37.9	23.5	11.4	13.3	13.9
09	30.8	18.8	12.9	22.5	15.0
10	29.7	25.2	13.7	18.2	13.2
11	29.7	14.0	12.8	15.6	27.9
Minnesota	37.0	18.9	13.2	14.9	16.0

TABLE A.25

Commercial Food Service
Source of Customers by Economic Development Region
Percent in Each Classification

Economic Development Region	Local	Tourists	Both
01	89.0	7.7	3.3
02	41.9	54.8	3.3
03	71.6	20.4	8.0
04	70.3	23.5	6.2
05	51.2	42.0	6.8
06	87.0	6.7	6.3
07	82.4	15.7	1.9
08	85.3	13.1	1.6
09	94.2	2.3	3.5
10	80.5	16.4	3.1
11	96.6	1.8	1.6
Minnesota	82.1	13.9	4.0

TABLE A.26

Commercial Food Service

Membership in Groups by Economic Development Region
Percent in Each Classification

Economic Development Region	Local Promo Group	Regional or National Association	State Trade Association	National Rating Organization
01	38.9	10.3	10.7	5.8
02	40.1	11.4	10.9	8.6
03	37.8	19.4	17.0	10.2
04	44.1	20.2	15.2	8.4
05	33.0	11.5	13.3	7.1
06	39.8	10.2	12.6	1.3
07	42.2	22.8	22.6	6.5
08	44.4	11.6	16.8	5.9
09	47.6	11.1	20.4	8.7
10	44.6	19.7	16.9	7.4
11	30.9	19.0	22.3	6.8
Minnesota	36.8	16.5	17.9	7.2

TABLE A.27

Commercial Food Service
Location by Tourism Resgion
Percent in Each Classification

Tourism Region	Within a City	Downtown Business District	Residential Area	State/Federal Highway
Vikingland	72.5	35.6	23.5	41.8
Pioneerland	86.1	45.4	22.2	48.1
Hiawathaland	85.2	39.0	22.9	55.6
Heartland	54.8	24.0	20.0	48.2
Arrowhead	73.2	35.0	31.9	51.4
Metroland	93.6	27.4	55.3	36.2
Minnesota	79.9	32.4	34.4	43.5

TABLE A.28

Commercial Food Service
Type by Tourism Region
Percent in Each Classification

Tourism Region	Fast Food/ Take Out	Night Club	Restaurant	Truck Stop
Vikingland	21.8	11.1	42.8	8.3
Pioneerland	31.2	20.5	48.6	5.5
Hiawathaland	32.1	6.7	47.2	7.3
Heartland	32.1	13.1	44.1	4.3
Arrowhead	30.6	11.8	45.2	8.1
Metroland	33.1	12.3	53.3	2.6
Minnesota	31.2	12.6	46.8	5.0

TABLE A.29

Commercial Food Service
Affiliation by Tourism Region
Percent in Each Classification

Tourism Region	Part of Another Bus. or Inst.	Franchise	Multiple Location	Single Operation
Vikingland	53.7	8.1	12.5	74.6
Pioneerland	55.9	8.6	7.5	81.2
Hiawathaland	55.6	18.3	17.9	73.5
Heartland	70.8	6.1	7.4	67.3
Arrowhead	64.2	13.2	15.1	70.0
Metroland	51.7	17.4	32.4	57.9
Minnesota	57.9	12.2	19.4	68.2

TABLE A.30

Commercial Food Service
Service/Affiliation
Percent in Each Classification

Tourism Region	Commercial Lodging	Retail Store	Resort
Vikingland	16.1	10.7	14.3
Pioneerland	6.9	12.7	5.4
Hiawathaland	9.0	10.9	8.9
Heartland	32.7	18.7	31.3
Arrowhead	22.5	20.6	15.5
Metroland	4.7	12.8	1.0
Minnesota	13.7	13.9	10.7

TABLE A.31

Commercial Food Service
Services Offered by Tourism Region
Percent in Each Classification

Tourism Region	Table or Booth
Vikingland	74.1
Pioneerland	78.1
Hiawathaland	86.0
Heartland	69.8
Arrowhead	77.4
Metroland	71.4
Minnesota	73.6

TABLE A.32

Commercial Food Service
Operating Pattern by Tourism Region
Percent in Each Classification

Tourism Region	Open All Year
Vikingland	67.0
Pioneerland	84.7
Hiawathaland	78.0
Heartland	59.2
Arrowhead	74.3
Metroland	91.3
Minnesota	76.3

TABLE A.33

Commercial Food Service
Ownership
Percent in Each Classification

Tourism Region	1 person or family	Partnership	For profit Corporation
Vikingland	62.8	8.6	21.3
Pioneerland	73.3	7.1	31.4
Hiawathaland	69.1	6.1	27.8
Heartland	69.7	9.8	26.5
Arrowhead	68.4	5.8	35.4
Metroland	53.6	10.9	52.1
Minnesota	65.3	8.9	35.7

TABLE A.34

Commercial Food Service
Number of Different Owners 1965-75 by Tourism Region
Percent in Each Classification

Tourism Region	1	2	3	4	5 or More
Vikingland	55.7	31.9	7.0	4.7	0.7
Pioneerland	57.4	29.0	8.1	4.0	1.5
Hiawathaland	52.2	30.1	9.9	4.1	3.7
Heartland	56.4	33.4	7.5	1.6	1.1
Arrowhead	51.8	35.3	6.8	4.9	1.2
Metroland	69.1	20.1	7.1	3.7	-
Minnesota	60.2	28.0	7.2	3.5	1.1

TABLE A.35

Commercial Food Service
Ownership Tenure by Tourism Region
Percent in Each Classification

Tourism Region	1929 & Before	1930-49	1950-59	1960-64	1965-69	1970-76
Vikingland	1.8	1.6	5.6	11.2	16.2	63.6
Pioneerland	0.7	9.3	9.1	10.7	15.4	54.8
Hiawathaland	2.8	7.9	10.2	8.8	16.7	53.6
Heartland	1.3	4.1	6.5	10.8	9.8	67.5
Arrowhead	2.3	5.4	6.2	7.0	13.3	65.8
Metroland	4.1	5.7	13.0	12.8	14.0	50.4
Minnesota	2.4	6.4	8.9	11.3	13.5	57.5

TABLE A.36

Commercial Food Service
Facility Age by Tourism Region
Percent in Each Classification

Tourism Region	1929 & Before	1930-49	1950-59	1960-64	1965-69	1970-76
Vikingland	5.7	15.2	14.3	14.4	20.3	30.1
Pioneerland	6.4	17.5	16.2	19.3	12.1	28.5
Hiawathaland	3.6	21.4	21.9	15.0	18.3	19.8
Heartland	5.5	9.6	20.8	13.8	14.7	35.6
Arrowhead	9.4	20.7	18.7	10.8	11.2	29.2
Metroland	5.7	11.0	19.8	16.0	20.0	27.5
Minnesota	5.8	15.7	18.3	15.5	15.9	28.8

TABLE A.37

Commercial Food Service
Size in Square Feet
Percent in Each Classification

Tourism Region	0-499	500-999	1000-2499	2500-4999	5000 +
Vikingland	28.9	18.9	18.3	19.7	4.2
Pioneerland	19.9	15.4	36.3	17.3	11.1
Hiawathaland	18.2	14.6	41.3	23.7	2.2
Heartland	30.7	23.2	23.9	17.1	5.1
Arrowhead	12.8	23.9	39.5	14.6	9.2
Metroland	17.9	14.6	33.3	17.4	16.8
Minnesota	22.1	18.0	32.6	17.6	9.7

TABLE A.38

Commercial Food Service
Seats
Percent in Each Classification

Tourism Region	0-15	16-35	36-50	51-100	101-200	201+
Vikingland	16.5	24.6	20.8	19.2	12.3	6.6
Pioneerland	18.7	12.9	23.2	27.1	11.6	6.5
Hiawathaland	20.1	14.5	15.8	26.9	17.6	5.1
Heartland	21.8	20.9	15.2	20.8	15.0	6.3
Arrowhead	19.0	18.0	9.6	30.1	18.1	5.2
Metroland	14.8	11.1	10.9	29.1	20.3	13.8
Minnesota	19.9	17.2	13.1	22.7	18.9	8.2

TABLE A.39

Commercial Food Service
Amounts Shown in Dollars

Tourism Region	Sales	Square Feet	No. of Seats	Number of Food Services
Vikingland	180,834,042	1,738,796	76,083	1,091
Pioneerland	156,225,421	4,094,321	111,449	1,397
Hiawathaland	123,737,301	1,665,966	78,681	959
Heartland	120,486,943	2,093,376	105,897	1,349
Arrowhead	127,275,194	2,350,877	89,345	1,384
Metroland	788,849,752	9,393,148	358,600	3,194
Minnesota	1,497,408,653	21,336,484	820,055	9,374

TABLE A.40

Commercial Food Service
Management Pattern by Tourism Region
Percent in Each Classification

Tourism Region	Owner Managed	Hired Manager
Vikingland	70.6	29.4
Pioneerland	80.1	19.9
Hiawathaland	73.1	26.9
Heartland	80.2	19.8
Arrowhead	77.3	22.7
Metroland	55.5	44.5
Minnesota	70.5	29.5

TABLE A.41

Commercial Food Service

Tourism Region	Full-Time & Part-Time Workers	New People to Work Force	Number of Teens Hired	Number of Teens on Work Force
Vikingland	12,518	4,164	4,651	3,534
Pioneerland	19,617	5,218	6,938	5,808
Hiawathaland	14,152	3,037	3,512	4,244
Heartland	17,959	4,103	3,491	4,050
Arrowhead	14,189	3,477	5,142	4,994
Metroland	198,378	15,728	36,281	24,127
Minnesota	276,813	35,727	60,015	46,757

TABLE A.42

Commercial Food Service
Number of Different Workers
Percent in Each Classification

Tourism Region	0-2	3-4	5-9	10-19	20-29	30+
Vikingland	25.8	17.2	29.0	15.1	7.4	5.5
Pioneerland	17.9	18.4	29.7	19.0	6.1	8.9
Hiawathaland	17.4	21.3	22.6	22.4	6.3	10.0
Heartland	27.2	23.1	26.7	14.2	1.1	7.7
Arrowhead	19.1	17.7	26.5	23.2	6.7	6.8
Metroland	11.0	15.6	21.8	20.8	8.3	22.5
Minnesota	19.3	17.9	24.6	19.5	6.3	12.4

TABLE A.43

Commercial Food Service
New People to Work Force
Percent in Each Classification

Tourism Region	0	1-2	3-4	5-9	10 or more
Vikingland	55.6	18.2	9.8	7.9	8.5
Pioneerland	45.2	22.1	11.9	11.1	9.7
Hiawathaland	46.8	17.6	19.8	6.8	9.0
Heartland	55.7	21.1	9.1	6.0	8.1
Arrowhead	49.3	12.6	15.9	15.2	7.0
Metroland	38.6	22.0	14.1	9.3	16.0
Minnesota	47.8	19.3	13.1	9.0	10.8

TABLE A.44

Commercial Food Service
Teens Hired in Last 12 Months
Percent in Each Classification

Tourism Region	0	1-2	3-4	5-9	10 or more
Vikingland	53.6	14.6	8.8	12.1	10.9
Pioneerland	40.7	20.7	14.7	8.5	15.4
Hiawathaland	41.0	18.5	18.7	9.6	12.2
Heartland	43.0	25.1	10.7	12.9	8.3
Arrowhead	34.1	20.6	17.5	14.7	13.1
Metroland	28.6	19.0	15.9	15.2	21.3
Minnesota	38.5	19.7	14.5	12.0	15.3

TABLE A.45

Commercial Food Service
Number of Teens on Present Work Force
Percent in Each Classification

Tourism Region	0	1-2	3-4	5-9	10 or more
Vikingland	51.9	16.3	10.2	13.9	7.7
Pioneerland	39.0	19.0	12.6	17.8	11.6
Hiawathaland	29.3	25.1	14.7	17.4	13.5
Heartland	44.9	21.9	13.1	12.6	7.5
Arrowhead	30.8	21.8	18.1	14.4	14.9
Metroland	29.6	15.6	12.3	15.4	30.1
Minnesota	37.0	18.9	13.2	14.9	16.0

TABLE A.46

Commercial Food Service
Source of Customers by Tourism Region
Percent in Each Classification

Tourism Region	Local	Tourists	Both
Vikingland	77.9	18.0	4.1
Pioneerland	89.2	7.0	3.8
Hiawathaland	81.4	15.6	3.0
Heartland	54.5	39.8	5.7
Arrowhead	74.2	19.0	6.8
Metroland	96.4	2.0	1.6
Minnesota	82.1	13.9	4.0

TABLE A.47

Commercial Food Service
Membership in Groups by Tourism Region
Percent in Each Classification

Tourism Region	Local Promo Group	Reg./Natl. Association	State Trade Association	Natl. Rating Organization
Vikingland	41.4	16.1	12.9	7.0
Pioneerland	42.1	10.4	16.5	5.6
Hiawathaland	46.1	19.7	17.1	7.0
Heartland	39.4	14.7	15.8	8.9
Arrowhead	39.7	22.8	21.9	10.9
Metroland	31.7	19.7	22.2	6.6
Minnesota	36.8	16.5	17.9	7.2

UNIVERSITY OF MINNESOTA

AGRICULTURAL EXTENSION SERVICE

Institute of Agriculture, Forestry and Home Economics
St. Paul, Minnesota 55108

Appendix B

O.M.B. No. 40S75068
approval expires 3/31/76

MINNESOTA'S FOOD SERVICE INDUSTRY STUDY

NOTE: Please answer the questionnaire for the food service addressed only. If you no longer operate this business, will you please pass this questionnaire on to the new operator, or return it to us, advising us of the present operator's address.

1. Is this food service located: (Circle Y or N for EACH item)

	Yes	No
a. Within a city, town, village?	Y	N
b. Within two (2) miles of city, town or village limits?	Y	N
c. In a downtown business district?	Y	N
d. In a shopping center?	Y	N
e. In a residential area?	Y	N
f. On a lake, river, or stream?	Y	N
g. On a state or federal highway?	Y	N
h. In an industrial or manufacturing area?	Y	N
i. In a suburb?	Y	N

2. Is this food service a: (Circle Y or N for EACH item)

	Yes	No
a. Cafeteria - Buffet?	Y	N
b. Caterer?	Y	N
c. Coffee Shop?	Y	N
d. Delicatessen?	Y	N
e. Drive-in (Car Hop Service)?	Y	N
f. Fast Food - Take Out?	Y	N
g. Night Club?	Y	N
h. Restaurant?	Y	N
i. Soda Fountain?	Y	N
j. Truck Stop?	Y	N

k. Other? (Describe) ____________________

3. Does this food service operate as: (Circle Y or N for EACH item)

	Yes	No
a. A part of another Business or Institution?	Y	N
b. A Franchised Operation	Y	N
c. A multiple Location Operation?	Y	N
d. A Single Operation?	Y	N

4. Is this food service organizationally a part of: (Circle Y or N for EACH item)

	Yes	No
a. Health Care Institution?	Y	N
b. Elementary or Secondary School?	Y	N
c. Vocational-Technical, Trade or other Post Secondary School?	Y	N
d. College or University?	Y	N
e. Detention Center?	Y	N
f. Residential Center?	Y	N
g. Child Care Center?	Y	N
h. Religious Organization?	Y	N

i. Other? (Describe) ____________________

Is this food service organizationally a part of: (Circle Y or N for EACH item)

	Yes	No
a. Commercial Lodging Establishment	Y	N
b. Retail Store?	Y	N
c. Factory or Industrial Plant?	Y	N
d. Sales, Financial, Insurance or General Service Business?	Y	N
e. Resort?	Y	N
f. Campground?	Y	N
g. Residence Camp?	Y	N
h. Private Club?	Y	N
i. Recreation, Entertainment or Amusement Center?	Y	N
j. Civic, Social or Fraternal Organization?	Y	N
k. Other? (Describe) ________________		

6. Does this food Service offer the following: (Circle Y or N for EACH item)

	Yes	No
a. Table or Booth Service?	Y	N
b. Counter Service?	Y	N
c. Room Service (Guest, Patient, Resident)?	Y	N
d. Waiter or Waitress Service?	Y	N
e. Banquet Service?	Y	N
f. Entertainment?	Y	N

7. Is this food service owned by: (Circle Y or N for EACH item)

	Yes	No
a. One Person or One Family?	Y	N
b. A Legal Partnership?	Y	N
c. A For-Profit Corporation?	Y	N
d. A Not-For-Profit Corporation?	Y	N
e. A Co-operative?	Y	N
f. A Governmental Unit?	Y	N
g. Other? (Describe) ________________		

8. How many food service units in Minnesota, including this one, are owned by this owner? ________ Number

9. What year did the present owner acquire this food service? ________ Year

10. What year was this food service <u>business</u> established? ________ Year

11. Approximately when were the main food service <u>facilities</u> first built or first adapted to food service use?

________ Year

12. Since January 1, 1965, how many different parties have owned this food service? ________ Number

13. Does the owner of this food service business also own the following? (Circle Y or N for EACH item)

	Yes	No
a. Land?	Y	N
b. Building?	Y	N
c. Equipment?	Y	N

14. Does this food service operate year round? (Circle Yes or No) Yes No

15. If no: Opening Date ________________ Closing Date ________________

16. For a usual week, indicate by day the number of hours this food service is open and the percentage of weekly sales made on that day.

Day of Operation	Number of Hours Per Day (If closed enter "0")	Approximate Percent of Weekly Sales
Monday	________hours	________%
Tuesday	________hours	________%
Wednesday	________hours	________%
Thursday	________hours	________%
Friday	________hours	________%
Saturday	________hours	________%
Sunday	________hours	________%
		100 %

17. How many square feet of building space does this food service occupy? (Include all areas)

________________ square feet

18. What is the total seating capacity of this food service:

a. Table and Booth? ________seats

b. Counter? ________seats

c. Total ________seats

19. Who manages this food service? (Check only one)

a. ________ The Owner or Owners

b. ________ A Hired Manager (include management firm)

20. This manager (person) has ________ years experience in food service which ________ years have been at a managerial level.

21. How many years of formal education has this manager completed? (Circle below)

1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 or more

22. Does this manager hold the following certificates, diplomas or degrees: (Circle Y or N for EACH item)

	Yes	No
a. Food Related Apprenticeship?	Y	N
b. Vocational or Technical School?	Y	N
c. Associate of Arts (AA)?	Y	N
d. Bachelor of Arts or Science (BS or BA)?	Y	N

e. Other? (Describe) ____

23. What were the sales of this food service last year in each of the following categories?

Food and Non-Alcoholic Beverages	$ ______
Alcoholic Beverages	$ ______
Other	$ ______
Total	$ ______

24. What were the expenditures for the same period of time?

Supply of Food and Non-Alcoholic Beverages	$ ______
Supply of Alcoholic Beverages	$ ______
Payroll	$ ______
All Other	$ ______
Total	$ ______

25. What are food and beverage sales on a usual or average day. (Do not include sale of alcoholic beverages.) Enter both number of people served and percentage of daily sales. Enter X in the appropriate box if closed.

Meal Period	People Served	Percent of Food and Beverage Sales
Breakfast - Opening to 11:00 A.M.		%
Lunch - 11:00 A.M. to 4:00 P.M.		%
Dinner - 4:00 P.M. to 9:00 P.M.		%
After Dinner - 9:00 P.M. to Close		%
Total		100%

26. During a usual or average week, how many people work in this food service?

Job Category	In each box enter the number of workers; some may be recorded in more than one job category; if none enter "0". Full Time 40+hrs/wk	20-40 hrs/wk	Under 20 hrs/wk	For each job category enter the number hired during the past 12 months; if none enter "0". Full Time	Part Time
Managers/Supervisors?					
Office, Clerical, Cashier?					
Host, Hostess, Maitre'd, etc.?					
Waiters, Waitresses, Bus Boys?					
Cooks, Bakers, Food Handlers?					
Dishwashers, Custodial?					
Other? (Describe)					
Total					

27. During a usual or average week, how many different individuals work full-time or part-time in this food service? ______________
Number

28. How many of the work force are owners or members of the owner's family? ______________
Number

29. How many of those hired in the past 12 months were: (Enter appropriate number in each)

a. Entering the labor force for the first time? ______

b. Teenagers? ______

30. How many of your present work force are teenagers? ______________
Number

31. During the past 12 months, what positions were you unable to fill or unable to fill satisfactorily?

32. What age are the largest number of your customers? (Check only one)

a. ________ Children (under 12 years)

b. ________ Youths or Teenagers (12 - 19 years)

c. ________ 20 to 34 years

d. ________ 35 to 64 years

e. ________ 65 years and over

f. ________ No predominant age group

33. Which of the following describes the largest number of your customers? (Check only one)

a. ________ Families (with children)

b. ________ Couples

c. ________ Youths (alone or with other youths)

d. ________ Men (alone or with other men)

e. ________ Women (alone or with other women)

f. ________ No predominant grouping

34. Which of the following describes the largest number of customers? (Check only one)

a. ________ Students

b. ________ Blue Collar; Industrial Worker

c. ________ Office Workers; Clerical Workers

d. ________ Professional or Business Managers

e. ________ Farmers

f. ________ Homemakers

g. ________ Other Occupation Class, (Describe)

35. Which of the following describes the largest number of your customers? (Check only one)

a. ________ Local Residents

b. ________ Tourists

36. Have the following methods been used to advertise and promote this food service in the last three (3) years: (Circle Y or N for EACH item)

	Yes	No
a. Newspaper Ads?	Y	N
b. Magazine Ads?	Y	N
c. Radio Ads?	Y	N
d. TV Ads?	Y	N
e. Brochure for Own Operation?	Y	N
f. Direct Mail, Newsletters, Personal Letters, etc.?	Y	N
g. Speciality Advertising Items? (Matches, Pens, Stationery, Calendars, etc.)	Y	N
h. Local Group Promotional Literature?	Y	N
i. Regional Promotional Literature?	Y	N
j. Posters?	Y	N
k. Highway and Road Directional Signs, Billboards?	Y	N
l. News Material, Features for the Media?	Y	N
m. Membership in Local Promotion Group? (Chamber of Commerce, etc.)	Y	N
n. Membership in Regional or National Trade Association? (NRA, etc.)	Y	N
o. Membership in State Trade Association? (Minnesota Restaurant Association, etc.)	Y	N
p. Membership in National Rating Organization? (AAA, etc.)	Y	N

q. Other? (Describe) ____________________

37. In your opinion, which three (3) of the above are the most effective forms of advertising for this food service? (Enter the appropriate letters from above)

a. ________ b. ________ c. ________

38. Approximately what were or will be the advertising and promotion expenditure of this food service for:

1974 $________, 1975$________, 1976 $________.

39. How much of the advertising and promotional program is done by a professional advertising agency? (Check one of the following)

a. ________ All of it. b. ________ Part of it. c. ________ None of it.

40. Which of the following most nearly describes the bookkeeping-accounting system of this food service? (Check (x) all that apply)

a. Manual ________

b. Machine ________

c. Computerized ________

41. Who performs the following functions for this food service? (Check (x) each function as appropriate)

Function	Owner or Owner Family	Hired Manager	Other Employees	Contract Bookkeeper or Accountant
a. Maintain books and records	________	________	________	________
b. Prepare financial reports and statements	________	________	________	________
c. Prepare tax reports	________	________	________	________

42. Have the following major additions, remodeling or improvements been made to this food service within the last three (3) years: (Circle Y or N for EACH item and enter the approximate cost for those marked "yes")

Item	Yes	No	Approximate Cost
a. Building Expansion (Adding new space for dining, food preparation, etc.)?	Y	N	$______
b. Remodeling interior or adding new furnishings and equipment to existing building (Dining area, new ovens, office interior, display counters, etc.)?	Y	N	$______
c. Remodeling of existing building (Roof, insulation, facade, etc.)?	Y	N	$______
d. Services and Utilities (Heating, air-conditioning, ventilation, etc.)?	Y	N	$______
e. Improvement of Grounds (Landscaping, parking, curb, access, etc.)?	Y	N	$______

43. Have the following services been added to this food service during the past three (3) years? (Circle Y or N for EACH item)

	Yes	No
a. Take-out-food?	Y	N
b. Banquet Service?	Y	N
c. Entertainment?	Y	N
d. Catering Off Premises?	Y	N

e. Other? (Describe) ______

44. What is the number of vending machines at this location that dispense the following items: (Count each machine only once; if none enter "0")

Machine	Number
a. Coffee, Tea, Hot Chocolate, etc.?	______
b. Soft Drinks?	______
c. Milk?	______
d. Canned Hot Food and Soup?	______
e. Sandwiches - Salads?	______
f. Fresh Fruit?	______
g. Pastry?	______
h. Ice Cream and Frozen Products?	______

45. Indicate which of the following sources of supply are used by this food service for food stuffs and which are principal sources.

	(Circle Y or N for each source) Yes	No	Check (x) if a principal source
a. Wholesaler	Y	N	______
b. Retailer	Y	N	______
c. Franchising Organization	Y	N	______
d. Co-operative or Purchasing Group	Y	N	______
e. Processor, Packer, Dairy	Y	N	______
f. Farmer or Own Grown	Y	N	______
g. Government	Y	N	______
h. Other (Describe) ______			______

46. What type of energy does this food service use for the following purposes: (Circle one or more for EACH use)

Use	Electric	Natural Gas	Oil	Propane	Coal	Wood
Heating	E	G	O	P	C	W
Cooking	E	G	O	P	C	W
Cooling	E	G	O	P		

47. Do you think the supply of energy is a major problem for the United States? (Circle Yes or No)

Yes . . . No

48. Do you think the food service industry can make substantial reductions in its energy consumption? (Circle Yes or No)

Yes . . . No

49. What has been done to reduce the use of or conserve energy in this food service in the past two (2) years?

50. What additional steps are planned to reduce the use of or conserve energy in this food service?

51. If it were necessary to reduce energy consumption in this food service, how would you rate acceptability for lower use in each of the following: (Circle one for EACH category)

Category	Very Acceptable	Acceptable	Indifferent	Unacceptable	Very Unacceptable
Lighting	1	2	3	4	5
Heating	1	2	3	4	5
Air Conditioning	1	2	3	4	5
Hours of Operation	1	2	3	4	5

52. How can the University of Minnesota best serve the food service industry of Minnesota?

Return questionnaire to:

Dr. Uel Blank
248 Classroom Office Building
University of Minnesota
St. Paul, MN 55108

Thank you.

Uel Blank

Uel Blank
Extension Resource Economist