



Support a Statewide Online Hospitality Training Program—HF3550/SF3771

POSITION: Hospitality Minnesota supports the creation of a statewide free online hospitality program modeled after the highly successful [South Dakota Online Hospitality Training Program](#). HF3550/SF3771 would fund \$250,000 to create an educational program in consultation with Explore Minnesota Tourism.

BACKGROUND: The hospitality industry remains down 20,000 jobs from pre-pandemic levels and has been the hardest hit industry in the state when it comes to workforce shortage. In normal times, this industry employs one-in-ten Minnesotans. However, we project that as many as 50,000 workers permanently left the industry during the pandemic and we are now in the process of rebuilding the workforce pipeline. Many of the new hires over the past 6 months are employees who are brand-new to the industry or first-time workers.

Need for Free Training Resources. There is a significant need for additional training resources and for certification programs that help workers “ladder up” in their career in an industry that has one the fastest paths to management and entrepreneurship. According to federal data, workers who get their start in the hospitality industry earn more over the course of their career than other industries. 9 out of 10 restaurant managers and 8 out of 10 owners began at the entry level. The historic workforce shortage provides incredible opportunities for those just starting their career to advance rapidly.

Background on the South Dakota Online Training Program. South Dakota’s program is managed by Visit South Dakota (their version of Explore Minnesota Tourism) but originated in the college system. Based on our conversations with South Dakota officials over the last year, we understand that the program is viewed as highly successful by their state, workers, and employers. Based on their participation rates, we believe a similar program in our state could:

- Train up to 4,000 new or existing hospitality and tourism workers per year, generating a projected \$160 million in wages per year;
- Help generate an additional \$240 million in economic activity per year; and
- Generate \$16 million in additional sales tax revenue and other tax revenue.
-

For all of these reasons, Hospitality Minnesota supports the creation of a free online hospitality training program modeled after South Dakota. Industry stands ready to partner with the government and higher education officials to make this a soaring success as it is just across our border. We believe that a partnership with the statewide University of Minnesota Tourism Center and Explore Minnesota Tourism provides the best way forward for all partners to work together to address the biggest issue facing our tourism, travel and hospitality industry today and to put into place a sustainable program for the future.