

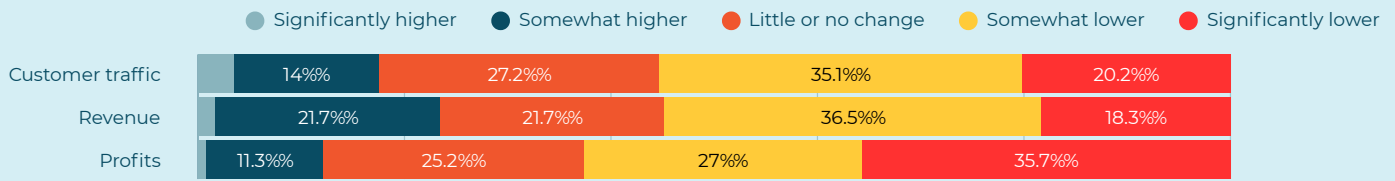


# HOSPITALITY CONDITIONS SURVEY SPRING 2026 KEY TAKEAWAYS\*

## CONSUMER PULLBACK & DECLINING REVENUE

A majority of hospitality businesses in Minnesota reported declines in customer traffic as well as revenue and profits in recent months relative to the same time the previous year (see FIGURE 1).

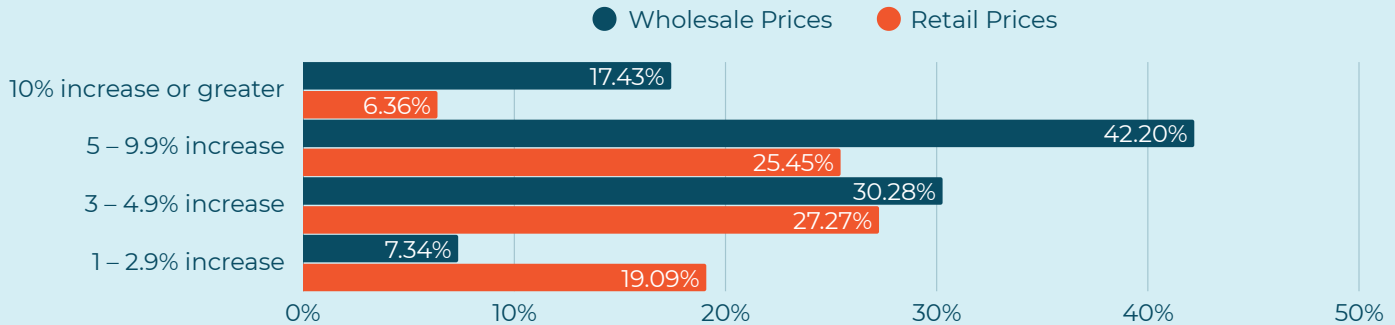
**FIGURE 1:** Please estimate how the following indicators in January - March 2026 changed relative to the same period in 2025:



## WHOLESALE PRICE INCREASES OUTPACING RETAIL PRICES

A majority of businesses reported substantial escalation in wholesale vendor costs as well as a significant lag in corresponding retail price adjustments over the last 12 months (see FIGURE 2).

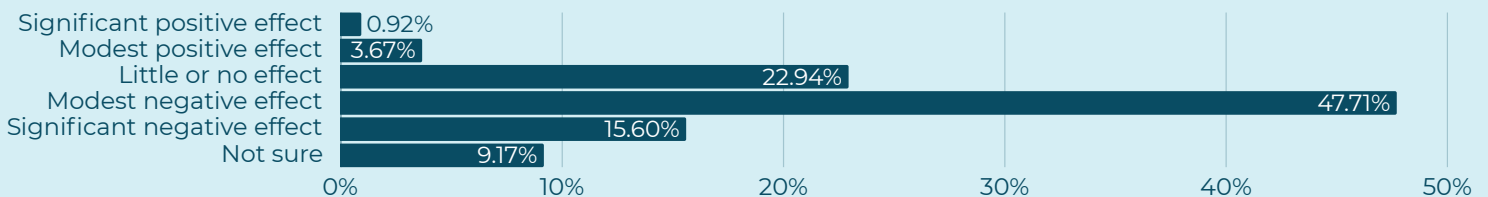
**FIGURE 2:** Please estimate changes to wholesale prices and retails charged to you by vendors for products or services over the last 12 months:



## TARIFFS ARE STILL HURTING BUSINESS

A near two-thirds majority (63.31%) reported a modest or significant negative effect on their business from tariff policies in the last six months, while roughly nearly a fourth (22.94%) of respondents stated tariffs had little or no effect on their business. (see FIGURE 3).

**FIGURE 3:** What effect, if any, have proposed or implemented tariffs on imports had on your business in the last six months?



\*This survey was created by Hospitality Minnesota and the Federal Reserve Bank of Minneapolis. The survey was administered in May 2026 and received a total of 147 partial and/or completed responses. The respondents to the Tourism and Hospitality Survey do not come from a representative sample, so results should be interpreted carefully and not generalized to a broader population. Analysis comes from Hospitality Minnesota's interpretation of the data, not from the Federal Reserve Bank of Minneapolis.