

# NEW MEXICO BUSINESS

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### ***Accommodation and Foodservices in New Mexico -- The 1997 Economic Census***

*(Tables and figures references appear at end of article.)*

New Mexico had 3,825 establishments in the accommodation and foodservices sector in 1997, with an annual payroll of just over \$599 million, according to a new report from the 1997 Economic Census, recently released by the U.S. Census Bureau. These businesses, which exclude establishments without paid employees, employed 67,134 persons in mid-March 1997 and had sales of over \$2.1 billion for the year. This amounted to sales of \$1,244 per New Mexico resident, using July 1, 1997 population estimates for the state.

Nevada led the mountain states, with a whopping \$15.3 billion in accommodation and foodservices sales even though there were fewer establishments in Nevada than several other states with less sales. This is not surprising given Nevada's sizable tourism industry and large casino hotels. See Table 1. On a per capita basis, Nevada's sales amounted to \$9,128, again highest in the region. New Mexico's per capita sales (\$1,244) ranked 6th in the region behind Nevada, Colorado, Wyoming, Arizona and Montana. In terms of total sales New Mexico ranked 5th.

According to the report for New Mexico—**1997 Economic Census, Accommodation and Foodservices, Geographic Area Series, New Mexico**—the state's three metropolitan statistical areas (MSAs) combined (Albuquerque, Las Cruces and Santa Fe) accounted for 65% of statewide accommodation and foodservices sales (\$1.399 billion out of \$2.145 billion). In addition, the metro areas made up 62% of the sector's employees (41,663 out of 67,134). In the Albuquerque MSA (Bernalillo, Sandoval and Valencia counties) there were 1,374 establishments with just over \$952 million in sales, 44% of total statewide sales. In the Las Cruces (Dona Ana County) and Santa Fe (Los Alamos and Santa Fe counties) MSAs, sales amounted to \$121.7 million and \$325.2 million, respectively. Sales per employee for all metro areas combined were \$33,587, compared to \$31,949 for the state as a whole. Annual average pay per employee for the metropolitan portion was \$9,488, while the comparative statewide figure was \$8,923. Average annual pay is affected by hourly wage rates as well as the number of hours worked.

The 1,795 accommodation and foodservices establishments in the nonmetropolitan portion of the state (New Mexico's remaining 27 counties combined) posted sales of \$745.5 million. Average annual sales per employee

in the nonmetro portion were \$29,269, while annual pay per employee was \$7,999.

#### **The NAICS Method**

This report on accommodation and foodservices, like other reports released as part of the 1997 Economic Census, uses the new industrial classification system for the U.S. economy—the North American Industry Classification System or NAICS. This replaces the Standard Industrial Classification (SIC) System, which had been used to classify American businesses and organizations for 60 years. (See the October 1998 issue of **New Mexico Business** for more detail). There are considerable differences between the two classification schemes and this affects the comparability of 1997 data with information from earlier economic censuses. The Census Bureau has not yet published data for earlier censuses that are comparable to the 1997 data, but limited releases of such information will be produced at a later date.

The accommodation and foodservices sector is new in the 1997 Economic Census. The category includes establishments that provide customers with lodging, along with businesses that prepare meals, snacks and beverages for immediate consumption. Governmental organizations in these industries and recreational or entertainment facilities providing food and beverage services are excluded. Though stand-alone gaming and entertainment establishments are excluded, the accommodation and foodservices sector includes casino hotels. In general, accommodation and foodservices consists of sectors that, in the 1992 Economic Census, were included in the services sector (hotels and other accommodations) and the retail sector (eating and drinking places).

As noted in previous **New Mexico Business** articles, NAICS utilizes a six-digit coding system to identify industries and place them in a hierarchical structure. The first two digits of the NAICS code "designate the sector, the third digit designates the subsector, the fourth digit designates the industry group, the fifth digit designates the NAICS industry and the sixth digit designates the national industry. A zero as the sixth digit generally indicates that the NAICS industry and the U.S. industry are the same".<sup>1</sup> Each industrial category is defined more narrowly as one moves from the sector level to the national industry level. Note the example shown in Figure 1.

## Statewide Subsector and Industry Data

The accommodation and foodservices sector is divided into two major subsectors (three-digit NAICS categories)—accommodation (code number 721) and foodservices/drinking places (code number 722). In New Mexico, the accommodation category accounts for 27% of the sector's total sales (\$578 million out of \$2.145 billion) and 21% (14,165 workers) of the employment. Within the accommodation subsector, traveler accommodation, which includes hotels and motels and bed and breakfast inns, contributes the bulk of sales and employment. The remainder comes from R.V. parks and recreational camps, along with rooming and boarding houses. See Table 2 on page 2. On a per capita basis, sales in the accommodation subsector amounted to \$336.

The second subsector, foodservices and drinking places, accounted for over 73% (\$1.566 billion) of all accommodation and foodservices sales and almost 79% (52,969 workers) of the employment. Within the subsector, limited-service eating places contributed nearly \$734 million in sales—about half of all foodservices/drinking places sales. Full-service restaurants saw \$681 million in sales in 1997. Special foodservices—caterers, foodservices contractors and mobile foodservices combined—accounted for just under 5% (\$71 million) of the subsector total. Drinking places (bars, taverns and nightclubs) had sales in 1997 of \$80.5 million, with 2,642 employees. While various drinking establishments may also have limited food service, they are classified in the drinking places industry group when the bulk of their sales consists of alcoholic beverages. Per capita sales in the foodservices/drinking places subsector as a whole were \$909.

## City and County Data

In 1997, four counties had accommodation and foodservices sales in excess of \$100 million—Bernalillo (\$878 million), Dona Ana (\$122 million), San Juan (\$100 million) and Santa Fe (\$305 million). These four counties combined accounted for over 65% of statewide sales. San Juan is the only nonmetro county in the group. Following these four counties, McKinley (\$69 million), Taos (\$64 million), Chaves (\$55 million), Eddy (\$52 million), and Sandoval and Curry (both at \$46 million) round out the top ten. See Table 3 on page 7.

Among New Mexico cities that had populations of 10,000 or more in 1997, Albuquerque was the leader with sales of just over \$813 million for the year. Santa Fe (\$289 million) and Las Cruces (\$103 million) followed. The next tier included Farmington (\$80 million), Gallup (\$66 million) and Roswell (\$52 million). Per capita sales were highest in Santa Fe (\$4,300 per resident), where much of the sales in accommodation and foodservices come from the city's large tourism industry. Per capita sales were also high in Gallup (\$3,250) and Farmington (\$2,089) where tourism and regional services are a factor. See Table 4 on page 8.

For more detailed information on the 1997 Census of Accommodation and Foodservices access the Census Bureau's Internet site at [www.census.gov/epcd/www/econ97.html](http://www.census.gov/epcd/www/econ97.html) or contact the Bureau of Business and Economic Research's Data Bank (telephone (505) 277-6626 or e-mail [dbinfo@unm.edu](mailto:dbinfo@unm.edu)).

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1. Executive Office of the President, Office of Management and Budget, *North American Industry Classification System* (manual), *United States 1997*, p.15.

Figure 1

### The NAICS Numerical Hierarchy: An Example

NAICS Code	Description	Position in the Hierarchy
72	Accommodation & Foodservices	Sector
721	Accommodation	Subsector
7211	Traveler Accommodation	Industry Group
72119	Other Traveler Accommodations	NAICS Industry
721191	Bed-and-Breakfast Inns	U.S. Industry

Source: U.S. Office of Management and Budget, NAICS Manual, U.S. 1997.

Table 1  
Accommodation and Foodservices  
Establishments, Sales, Employees and Payroll  
Mountain States\*: 1997

State	Estab.	Sales (\$000s)	Employees <sup>1</sup>	Annual Payroll (\$000s)
Arizona	9,089	\$6,632,981	184,323	\$1,823,208
Colorado	10,064	6,705,517	195,126	1,937,405
Idaho	2,978	1,232,488	42,067	345,657
Montana	3,278	1,198,882	38,533	325,401
Nevada	3,632	15,322,732	241,672	4,665,324
<b>New Mexico</b>	<b>3,825</b>	<b>2,144,855</b>	<b>67,134</b>	<b>599,064</b>
Utah	3,780	2,309,049	74,390	648,824
Wyoming	1,751	808,887	24,950	218,995

\* States that comprise the Mountain Division as defined by the U.S. Census Bureau.

<sup>1</sup> Paid employees for the pay period including March 12.

Note: Data include only establishments with a payroll.

Source: U.S. Dept. of Commerce, Bureau of the Census, 1997 Economic Census, Geographic Area Series, Accommodation and Foodservices, various states.

**Table 2  
Accommodation and Foodservices  
Establishments, Sales, Employees and Payroll  
by NAICS Subsector and Selected Industries  
New Mexico: 1997**

NAICS Code	Sector	Estab.	Sales (\$000s)	Employees <sup>1</sup>	Annual Payroll (\$000s)
<b>72</b>	<b>Total Accommodation &amp; Foodservices</b>	<b>3,825</b>	<b>\$2,144,855</b>	<b>67,134</b>	<b>\$599,064</b>
<b>721</b>	<b>Accommodation</b>	<b>767</b>	<b>\$578,448</b>	<b>14,165</b>	<b>\$153,684</b>
7211	Traveler accommodation	670	548,904	13,709	145,679
72111	Hotels (exc. casino hotels) & motels	596	535,127	13,389	142,407
7211101	Hotels (exc. casino hotels) with 25 guestrooms or more	170	361,063	8,843	102,415
7211102	Hotels with less than 25 guestrooms	36	5,582	146	1,002
7211103	Motels	359	138,970	3,751	31,901
72119	Other traveler accommodation	74	13,777	320	3,272
721191	Bed & breakfast inns	63	10,712	225	2,421
7212	RV parks & recreational camps	87	28,291	416	7,666
7213	Rooming & boarding houses	10	1,253	40	339
<b>722</b>	<b>Foodservices &amp; drinking places</b>	<b>3,058</b>	<b>\$1,566,407</b>	<b>52,969</b>	<b>\$445,380</b>
7221	Full-service restaurants	1,323	681,132	24,603	219,063
7222	Limited-service eating places	1,386	733,712	23,431	189,653
722211	Limited-service restaurants	1,164	644,752	20,607	164,100
722212	Cafeterias	37	46,717	1,291	13,573
722213	Snack & nonalcoholic beverage bars	185	42,243	1,533	11,980
7223	Special foodservices	132	71,041	2,293	19,792
72231	Foodservice contractors	97	64,992	2,050	18,255
72232	Caterers	27	4,681	228	1,322
72233	Mobile foodservices	8	1,368	15	215
7224	Drinking places (alcoholic beverages)	217	80,522	2,642	16,872

1 Paid employees for the pay period including March 12.

Note: Data include only establishments with a payroll.

Source: U.S. Dept. Of Commerce, Bureau of the Census, *1997 Economic Census, Geographic Area Series, Accommodation and Foodservices, New Mexico.*

**Table 3  
Accommodation and Foodservices  
Establishments, Sales, Employees and Payroll  
New Mexico Counties: 1997**

County	Estab.	Sales (\$000s)	Employees <sup>1</sup>	Annual Payroll (\$000s)	County	Estab.	Sales (\$000s)	Employees <sup>1</sup>	Annual Payroll (\$000s)
New Mexico	3,825	\$2,144,855	67,134	\$599,064	Luna	51	\$16,014	595	\$4,419
Bernalillo	1,202	878,142	26,744	248,150	McKinley	133	69,291	2,061	17,533
Catron	11	1,651	45	363	Mora	4	228	12	73
Chaves	115	54,822	1,970	14,732	Otero	99	36,956	1,324	9,931
Cibola	46	21,354	642	5,274	Quay	46	16,173	526	3,878
Colfax	79	34,571	1,205	12,686	Rio Arriba	89	33,878	1,059	9,477
Curry	83	45,924	1,631	13,098	Roosevelt	30	12,433	581	3,312
De Baca	8	1,185	44	295	Sandoval	92	45,981	1,501	12,115
Dona Ana	253	121,657	4,278	32,591	San Juan	173	100,040	3,478	27,260
Eddy	102	52,483	1,761	14,312	San Miguel	69	23,990	796	5,781
Grant	72	25,144	823	6,246	Santa Fe	361	304,791	7,498	89,148
Guadalupe	33	10,051	317	2,411	Sierra	47	12,968	437	3,174
Harding	3	132	10	22	Socorro	51	18,709	658	5,193
Hidalgo	24	7,913	301	2,617	Taos	167	63,731	2,232	19,081
Lea	109	42,047	1,510	11,298	Torrance	32	8,925	361	2,475
Lincoln	99	30,063	866	7,606	Union	20	4,837	226	1,203
Los Alamos	42	20,452	696	6,273	Valencia	80	28,319	946	7,037

1 Paid employees for the pay period including March 12. Note: Data include only establishments with a payroll.

Source: U.S. Dept. Of Commerce, Bureau of the Census, *1997 Economic Census, Geographic Area Series, Accommodation and Foodservices, New Mexico.*

**Table 4**  
**Accommodation and Foodservices Establishments, Sales, Employees and Payroll**  
**New Mexico Cities with Populations of 10,000 or More**  
**1997**

<b>City</b>	<b>Estab.</b>	<b>Sales (\$000s)</b>	<b>Employees<sup>1</sup></b>	<b>Annual Payroll (\$000s)</b>	<b>1997 Population Estimate</b>	<b>Per Capita Sales</b>
Alamogordo	73	\$29,281	1,068	\$7,696	28,690	\$1,021
Albuquerque	1,082	813,205	24,747	228,772	418,834	1,942
Artesia	34	D	500-999	D	11,036	-
Carlsbad	62	34,319	1,059	9,285	26,232	1,308
Clovis	79	45,652	1,605	13,024	33,605	1,358
Deming	50	D	500-999	D	14,337	-
Farmington	121	79,754	2,783	21,690	38,182	2,089
Gallup	115	65,696	1,974	16,782	20,217	3,250
Hobbs	78	33,512	1,152	8,947	27,369	1,224
Las Cruces	208	103,209	3,396	27,192	75,479	1,367
Las Vegas	56	21,395	721	5,103	16,545	1,293
Portales	26	11,996	556	3,169	11,064	1,084
Rio Rancho	48	25,796	829	6,899	48,620	531
Roswell	106	51,523	1,859	13,722	47,357	1,088
Santa Fe	329	288,942	7,045	84,493	67,203	4,300
Silver City	48	18,751	655	4,793	12,007	1,562

D Withheld to avoid disclosing data of individual companies; data are included in higher geographic level totals.

1 Paid employees for the pay period including March 12.

Note: Data include only establishments with a payroll.

Source: U.S. Dept. of Commerce, Bureau of the Census, *1997 Economic Census, Geographic Area Series, Accommodation and Foodservices, New Mexico.*