

NEW MEXICO BUSINESS

CURRENT ECONOMIC REPORT

August 1999
Vol. 20, No. 7

Retail Trade in New Mexico -- The 1997 Economic Census

(Tables referenced appear at end of article.)

New Mexico had 7,421 retail establishments in 1997, with an annual payroll of nearly \$1.5 billion, according to a new report on the retail trade sector from the 1997 Economic Census recently released by the U.S. Census Bureau. These businesses, which exclude establishments without paid employees, employed 86,300 persons in mid-March 1997 and sold almost \$15 billion of merchandise over the year. This amounted to sales of \$8,692 per person, using July 1, 1997 population estimates for the state.

According to the report, **1997 Economic Census, Geographic Area Series, Retail Trade, New Mexico**, the state's three metropolitan statistical areas (MSAs) combined—Albuquerque, Las Cruces and Santa Fe—accounted for 64% of statewide retail sales (\$9.7 billion out of \$15 billion) and 61% of all retail employees (52,945 out of 86,300). See Table 1. The 2,593 establishments in the Albuquerque MSA (Bernalillo, Sandoval and Valencia counties) sold \$7.1 billion of merchandise, 47% of the statewide total. Sales in the Las Cruces (Dona Ana County) and Santa Fe (Los Alamos and Santa Fe counties) MSAs amounted to \$1.1 billion and \$1.5 billion, respectively. Average annual pay per employee for the metropolitan portion as a whole was \$17,764. The statewide figure was \$16,865. Average annual pay is affected by hourly wage rates as well as the number of hours worked.

The 3,412 retail establishments in the nonmetropolitan portion of the state (New Mexico's remaining 27 counties combined) posted sales of \$5.3 billion. Average annual pay per employee was \$15,437.

The NAICS Method

This report on retail trade, like other reports to be 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.

Although the NAICS retail trade sector includes much of what was classified in retail trade under the old SIC system, several major changes are noteworthy. First, NAICS excludes eating and drinking places and mobile food services from retail trade. They are now in the accommodation and food services sector. In addition, pawnshops are now in the finance and insurance sector and bakeries are now in the manufacturing sector. Also, the NAICS version of retail trade includes establishments previously classified in wholesale trade that sell merchandise through facilities which are open to the general public. Prominent examples of these establishments are automotive supplies dealers, computer and peripheral equipment merchants, office supplies dealers, farm supplies dealers and building material dealers.¹

Before looking at data for individual categories of retail trade it is useful to briefly describe the NAICS system. 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".² Each industrial category is defined more narrowly as one moves from the sector level to the national industry level. Note the example shown in the box on the next page.

Statewide Subsector and Industry Data

In terms of 1997 sales, the largest retail subsector (three-digit NAICS category) in New Mexico was motor vehicle and parts dealers, with \$3.8 billion in sales. This was followed by the food and beverage stores subsector (\$2.2 billion) and general merchandise stores subsector (\$2.1 billion). See Table 2.

Three of the largest, individual retail industries (five-digit NAICS categories) fell within these subsectors. They were new car dealers (\$3.0 billion in sales); supermarkets and other grocery stores, excluding convenience stores (\$1.9 billion in sales); and department stores, excluding leased departments (\$1.7 billion in sales). Supermarkets and department stores were also large employers, with

11,889 and 13,103 employees at 315 and 70 locations, respectively. Another retail NAICS industry of interest, computer and software stores (part of the electronics and appliance stores subsector), had sales of \$90.5 million and employed 416 people at 85 locations statewide.

Electronic-based commerce has been a growing phenomenon across the nation and for the first time in the economic census series there are data for this category. Falling within the NAICS subsector of nonstore retailers, the state's 65 electronic shopping and mail-order establishments sold over \$578 million in merchandise in 1997—about 4% of the statewide total of \$15 billion. In addition, the electronic shopping and mail-order firms employed 1,447 people.

City and County Data

In 1997, only two New Mexico cities had more than a billion dollars in retail sales—Albuquerque (\$5.9 billion) and Santa Fe (\$1.4 billion). Las Cruces ranked 3rd with \$956 million, followed by Farmington (\$807 million) and Gallup (\$481 million). See Table 3. In terms of 1997 population, Albuquerque was the state's largest city, followed by Las Cruces and Santa Fe. Farmington and Gallup ranked 6th and 11th in population, respectively. However, these two cities serve as regional trading centers, surpassing several more populous communities in terms of total retail sales. Additionally, Gallup attracts retail customers because of its location on Interstate 40. This results in relatively large per capita sales figures. Indeed, Gallup ranks 1st in per capita retail sales among New Mexico cities of 10,000 persons or more, with \$23,778. Farmington ranks 2nd, with per capita sales of \$21,134. Santa Fe, an important component in the state's tourism industry, is the only other large city to have more

than \$20,000 in per capita sales, recording a figure of \$20,360 in 1997.

Not surprisingly, the counties that contain these five cities³ had the largest volume of retail sales in 1997. Sales surpassed a billion dollars in three of those counties—Bernalillo (\$6.5 billion), Santa Fe (\$1.4 billion) and Dona Ana (\$1.1 billion)—and stood at just under a billion dollars in San Juan County (\$991 million). McKinley County's sales of \$585 million were 5th highest in the state. Together, these five counties accounted for 70% of statewide retail sales. At the opposite end of the spectrum, four counties each had less than \$10 million in retail sales—De Baca (\$8.7 million), Harding (\$8.1 million), Mora (\$7.3 million) and Catron (\$3.1 million). The combined sales in these four counties comprised just 0.2% of total New Mexico retail sales. See table 4 for county data.

For more detailed information on the 1997 Census of Retail Trade access the Census Bureau's Internet site at 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).

Kevin Kargacin, Head of Information Services
Karma Shore, Economist

1. U.S. Bureau of the Census, **Commerce News** press release, CB99-93.
2. Executive Office of the President, Office of Management and Budget, **North American Industry Classification System** (manual), **United States 1997**, p.15.
3. These cities and the counties that contain them are as follows: Albuquerque—Bernalillo Co.; Las Cruces—Dona Ana Co.; Santa Fe—Santa Fe Co.; Farmington—San Juan Co.; Gallup—McKinley Co.

NAICS Code	Description	Position in the Hierarchy
44-45	Retail Trade	Sector
441	Motor Vehicle & Parts Dealers	Subsector
4412	Other Motor Vehicle Dealers	Industry Group
44122	Motorcycle, Boat & Other Motor Vehicle Dealers	NAICS Industry
441221	Motorcycle Dealers	U.S. Industry

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

Table 1
Total Retail Establishments, Sales, Employees and Payroll
New Mexico Metropolitan and Nonmetropolitan Portions
1997

County	Total No. Estab.	Sales (\$000s)	Total No. Employees¹	Annual Payroll (\$000s)	Annual Payroll per Employee
Metropolitan Portion ²	4,009	\$9,663,933	52,945	\$940,541	\$17,764
Albuquerque MSA ³	2,593	7,107,797	38,256	684,994	17,906
Las Cruces MSA ⁴	511	1,059,144	6,266	98,131	15,661
Santa Fe MSA ⁵	905	1,496,992	8,423	157,416	18,689
Nonmetropolitan Portion ²	3,412	\$5,320,521	33,355	\$514,917	\$15,437
New Mexico	7,421	\$14,984,454	86,300	\$1,455,458	\$16,865

- 1 Paid employees for the pay period including March 12.
2 Metropolitan and nonmetropolitan portions are based on current metropolitan statistical area (MSA) definitions.
3 Bernalillo, Sandoval and Valencia counties.
4 Dona Ana County.
5 Los Alamos and Santa Fe counties.

Note: Data include only establishments with a payroll.

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

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

NAICS Code	Retail Industry	Total No. Estab.	Sales (\$000s)	Total No. Employees¹	Annual Payroll (\$000s)
44-45	Total retail trade	7,421	\$14,984,454	86,300	\$1,455,458
441	Motor vehicle & parts dealers	841	\$3,782,058	11,470	\$305,508
4411	Automobile Dealers	336	3,195,635	7,520	222,043
44111	New car dealers	167	2,960,386	6,854	209,261
442	Furniture & home furnishings stores	448	451,584	3,942	73,066
443	Electronics & appliance stores	275	306,323	1,772	35,024
44312	Computer and software stores	85	90,456	416	9,900
444	Building material & garden equipment & supplies dealers	585	1,335,020	7,153	157,206
445	Food & beverage stores	697	2,183,701	14,352	233,594
4451	Grocery stores	460	2,030,390	12,719	215,173
44511	Supermarkets & other grocery (exc. convenience) stores	315	1,934,821	11,889	205,278
446	Health & personal care stores	449	606,349	5,029	77,989
447	Gasoline stations	958	1,514,495	7,226	91,538
448	Clothing & clothing accessories stores	1,034	661,255	6,777	86,644
451	Sporting goods, hobby, book & music stores	463	352,244	3,703	42,950
452	General merchandise stores	241	2,127,456	15,779	192,332
45211	Dept. stores (excl. leased depts.)	70	1,683,595	13,103	158,965
453	Misc. store retailers	1,128	868,261	6,177	99,800
454	Nonstore retailers	302	795,708	2,920	59,807
45411	Electronic shopping & mail-order houses	65	578,328	1,447	32,318

- 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, Retail Trade, New Mexico.*

Table 3
Total Retail Establishments, Sales, Employees and Payroll
New Mexico Cities with Population of 10,000 or More
1997

City	Total No. Estab.	Sales (\$000s)	Total No. Employees¹	Annual Payroll (\$000s)	1997 Population Estimate	Per Capita Retail Sales
Alamogordo	164	\$287,616	1,996	\$28,541	28,690	\$10,025
Albuquerque	2,004	5,914,566	30,720	568,707	418,834	14,122
Artesia	67	109,838	628	9,442	11,036	9,953
Carlsbad	151	250,828	1,599	28,399	26,232	9,562
Clovis	221	330,548	2,352	33,289	33,605	9,836
Deming	89	174,461	918	11,940	14,337	12,169
Farmington	359	806,932	4,854	79,017	38,182	21,134
Gallup	223	480,712	2,864	48,385	20,217	23,778
Hobbs	175	336,095	1,914	34,763	27,369	12,280
Las Cruces	407	955,616	5,655	89,148	75,479	12,661
Las Vegas	99	163,017	1,047	14,540	16,545	9,853
Portales	56	85,350	499	8,469	11,064	7,714
Rio Rancho	64	292,401	1,505	28,259	48,620	6,014
Roswell	243	384,278	2,542	37,745	47,357	8,114
Santa Fe	782	1,368,273	7,504	143,057	67,203	20,360
Silver City	98	170,119	1,017	15,895	12,007	14,168

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, Retail Trade, New Mexico.*

Table 4
Total Retail Establishments, Sales, Employees and Payroll
New Mexico Counties: 1997

County	Total No. Estab.	Sales (\$000s)	Total No. Employees¹	Annual Payroll (\$000s)	County	Total No. Estab.	Sales (\$000s)	Total No. Employees¹	Annual Payroll (\$000s)
New Mexico	7,421	\$14,984,454	86,300	\$1,455,458	Luna	95	\$177,534	950	\$12,287
Bernalillo	2,307	6,497,655	34,361	623,628	McKinley	269	585,493	3,670	59,622
Catron	12	3,148	37	339	Mora	12	7,330	57	719
Chaves	269	411,020	2,702	40,478	Otero	215	326,480	2,281	32,302
Cibola	77	149,335	809	11,303	Quay	71	99,587	594	8,548
Colfax	95	104,594	606	9,135	Rio Arriba	104	188,959	1,149	18,161
Curry	235	342,641	2,455	34,562	Roosevelt	71	121,209	626	10,622
De Baca	13	8,692	59	759	Sandoval	155	273,985	1,902	30,984
Dona Ana	511	1,059,144	6,266	98,131	San Juan	494	990,772	5,896	96,735
Eddy	232	372,716	2,312	38,875	San Miguel	114	168,385	1,087	15,143
Grant	125	190,358	1,165	17,940	Santa Fe	846	1,422,905	7,868	149,427
Guadalupe	27	31,983	333	3,473	Sierra	60	62,620	379	5,199
Harding	3	8,147	13	475	Socorro	57	70,596	385	6,297
Hidalgo	36	49,304	238	3,672	Taos	259	206,828	1,554	23,679
Lea	248	405,274	2,375	42,578	Torrance	44	73,159	441	5,551
Lincoln	148	149,077	1,079	15,123	Union	27	15,280	103	1,340
Los Alamos	59	74,087	555	7,989	Valencia	131	336,157	1,993	30,382

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, Retail Trade, New Mexico.*