The Accommodation and Food Services Industry in New Mexico

The accommodation and food services industry sector comprises establishments providing customers with lodging and/or preparing meals, snacks, and beverages for immediate consumption. The sector includes both accommodation establishments and food services establishments because the two activities are often combined at the same establishment.

The accommodation and food services industry comprises two three-digit NAICS subsectors: accommodation and food services and drinking places. Both of these subsectors were present in New Mexico as of 2016. There are 15 national (detailed) industries classified within those two subsectors, all of which are present in New Mexico.

Note: All data presented are from the Quarterly Census of Employment and Wages (QCEW) program unless otherwise noted.

Current Employment

Accommodation and food services was the third largest industry in New Mexico as of 2016 (out of 20 total). An annual average of 91,068 public- and private-sector jobs represented 11.3 percent of total employment. As shown in Exhibit 1, New Mexico's industry concentration was the third largest among southwestern states. The state's concentration exceeded that of the U.S. as a whole (9.5 percent) by 1.8 percentage points.

The location quotient (LQ) is one measure used to identify industry specialization. An LQ is essentially a ratio of ratios that measures the concentration of an industry's employment against the concentration of that industry's employment in a larger reference area (e.g., the state or nation). If an LQ is equal to 1, the industry has the same share of its area employment as it does in the larger reference area. An LQ greater than 1 indicates an industry with a greater share of the local area employment than is the case in the larger reference area. An LQ less than 1 indicates an industry with a lesser share of the local area employment than is the case in the larger reference area. (Source: U.S. Bureau of Labor Statistics)

Exhibit 2 shows the accommodation and food services industry location quotients for all 50 states and the District of Columbia (D.C.) in 2016. New Mexico had the sixth-highest location quotient (1.19) in the country. Based on this measure, the accommodation and food services industry is an important component of the labor market in New Mexico compared to other states. Nevada, Hawaii, and Wyoming had the largest location quotients (all above 1.25), while Connecticut and New Jersey had the smallest location quotients (both below 0.82).

Exhibit 3 shows the concentration of accommodation and food services jobs and the respective location quotients for New Mexico's

---

**Exhibit 1**
Employment & Share (%) by Southwestern U.S. State Accommodation & Food Services Industry, 2016

**Exhibit 2**
Employment Location Quotient by State
Accommodation and Food Services Industry, 2016
next most significant accommodation employment. Snack and non-alcoholic beverage bars, with 3.8 percent, was the employment. (Note that only private-sector data are shown due to limitations related to data suppression.) The accommodation and food services industry was in the food services and drinking places subsector. Jobs in the accommodation subsector made up the remaining 21.3 percent.

Exhibit 4 shows the distribution of jobs across the two subsectors. Over 78 percent of employment in the accommodation and food services industry was in the food services and drinking places subsector. Jobs in the accommodation subsector made up the remaining 21.3 percent.

Exhibit 5 provides information on the national (detailed) industries within accommodation and food services with the largest shares of employment. (Note that only private-sector data are shown due to limitations related to data suppression.) The accommodation and food services detailed industry with the most employment as of 2016 was full-service restaurants, with 32,045 jobs, representing 37.2 percent of all accommodation and food services industry employment. Restaurant-related jobs accounted for 72.6 percent of the accommodation and food services industry's employment. Jobs in hotels and motels, excluding casino hotels, represented 16.1 percent of all accommodation and food services employment. Snack and non-alcoholic beverage bars, with 3.8 percent, was the next most significant accommodation counties. Guadalupe County has the largest concentration of accommodation and food services employment (27.4 percent) as of 2016 and thus the highest location quotient (2.43). Colfax had the second-largest employment share and location quotient (23.1 percent and 2.05, respectively), followed by Lincoln (21.1 percent and 1.87) and Taos (20.6 percent and 1.83). Of those counties with employment in this industry, Mora and Los Alamos had the lowest shares and location quotients, at 1.6 percent and 2.7 percent and 0.14 and 0.24, respectively. Harding county reported no employment in this industry.

Exhibit 4 shows the distribution of jobs across the two subsectors. Over 78 percent of employment in the accommodation and food services industry was in the food services and drinking places subsector. Jobs in the accommodation subsector made up the remaining 21.3 percent.

Exhibit 5 provides information on the national (detailed) industries within accommodation and food services with the largest shares of employment. (Note that only private-sector data are shown due to limitations related to data suppression.) The accommodation and food services industry was in the food services and drinking places subsector. Jobs in the accommodation subsector made up the remaining 21.3 percent.
and food services detailed industry. Food service contractors, with 2.4 percent of industry employment, rounded out the list of detailed industries with more than two percent of accommodation and food services industry employment.

Exhibit 6 shows that eight of the 15 detailed industries had a location quotient greater than 1.0 (when comparing New Mexico industry share with the U.S. share), including cafeterias, grill buffets, and buffets (1.81); hotels and motels, except casino hotels (1.55); RV parks and campgrounds (1.49); bed-and-breakfast inns (1.48); and limited-service restaurants (1.26).

The top-paying private-sector detailed industry in accommodation and food services was recreational and vacation camps, with an average weekly wage of $615. Other top-five-highest-paying accommodation and food services industries included rooming and boarding houses, ($499 per week); hotels and motels, except casino hotels ($401 per week); food service contractors ($382 per week); and caterers ($360 per week). Mobile food services ($220 per week) and snack and nonalcoholic beverage bars ($283 per week) had average weekly wages that placed them among the bottom-paying accommodation and food services detailed industries in 2016.

As of the first quarter of 2017, the majority of private-sector accommodation and food services establishments (40.3 percent) employed between 20 and 49 people (Exhibit 7). Just 10.9 percent of all establishments in accommodation and food services employed either more than 249 or fewer than 5 workers. Based on available data, employers with 250 to 499 workers had the highest average weekly wage ($426).

### Historic Employment Trends

**Note:** Employment estimates for the accommodation and food services industry are not seasonally adjusted, making analysis of employment peaks and troughs difficult. This historical analysis, therefore, focuses on general trends.

Exhibit 8 shows the indexed monthly change in employment for January 2012 through March 2017. Employment growth in New Mexico generally trended up across all industries, and in accommodation and food services specifically, over the period. Employment in accommodation and food services grew at a faster pace than employment for all industries combined. Average over-the-year growth between 2012 and 2016 for all industries was 0.7 percent, ranging between a low of 0.1 percent (2016) and a high of 1.0 percent (2015). Average over-the-year growth in accommodation and food services was 2.5 percent, ranging between a low of 2.2 percent (2015) and a high of 2.7 percent (2014). As of March 2017, accommodation and food services employment was nearly 14.3 percent larger than employment in January 2013, while all industry employment was 4.4 percent larger.

Of the two accommodation and food services subsectors, employment increased in both between 2012 and 2016 (see Exhibit 9). The largest employment gains (7,575 jobs, 2.8 percent gain per year) were reported in food services and drinking places, which was also the largest subsector. Accommodation grew by 1,024 jobs, or an average 1.4 percent per year.
Projected Employment Trends

Employment has been projected to grow by approximately 65,830 jobs, or 7.7 percent, between 2014 and 2024. As shown in Exhibit 10, employment in the accommodation and food services industry is projected to grow almost twice as fast as employment across all industries, at a rate of 15.3 percent, representing 13,160 new jobs. Food services and drinking places is projected to contribute the most to overall industry growth, increasing by 10,710 jobs, and is also projected to grow the fastest (15.8 percent) of the two subsectors. Employment in accommodation is projected to grow faster than the statewide average (13.5 percent), representing an additional 2,450 jobs.

Occupational Composition

Exhibit 11 provides information on the most common detailed occupations found within accommodation and food services. As of 2016, there were 165 occupations found within the industry (based on the Standard Occupational Classification system listing of occupations). Just over 77 percent of positions in the accommodation and food services industry were food preparation and serving related occupations, with combined food preparation and serving workers, including fast food (17,367 job, or 20.3 percent) being the most common. The second most common occupation was waiters and waitresses (15,288 jobs, or 17.8 percent of total industry employment), followed by restaurant cooks (5,991 jobs, or 7.0 percent) and first-line supervisors of food preparation and serving workers (5,167 jobs, or 6.0 percent of total employment).

The median annual wage for all occupations across all industries was $32,900 in 2016. The median annual wage for all occupations within the accommodation and food services industry was not available. The only non-managerial occupation within the accommodation and food services industry with more than 500 jobs and annual wages higher than the all-occupation average was chefs and head cooks, with 528 jobs and an annual average wage of $38,820. None of the ten most common occupations listed in Exhibit 11 paid a higher average annual wage than the all-occupation average. Of the most common ten occupations, first-line supervisors of food preparation and serving workers paid the most, with a median wage of $25,610.