

B&Bs and Inns: Results of the 2002 New York State Survey

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Introduction

New York's bed and breakfast (B&B) and inn industry plays an important role in the tourism industry of New York State by filling a specialty niche in the accommodations sector. Bed and breakfasts and inns cater to visitors seeking a unique and personalized lodging experience. These lodging businesses are also frequently found in rural areas -- locations that would otherwise not have lodgings available for visitors.

New York's B&B and inn industry has increased over the past 15 years. In 1987, the industry comprised an estimated 1,012 businesses (Dawson and Brown 1987). This number increased by approximately 6% to 1,069 in 1993 (Kuehn 1995). In order to identify the current status of the industry, New York Sea Grant, Cornell University's Community and Rural Development Institute, the Northern New York Travel and Tourism Research Center, and the Cornell Cooperative Extension of Oswego County worked together in 2003 to conduct a survey of the industry for the calendar year 2002. This report summarizes the results of this study for New York State and its eleven tourism regions.

Methods

In fall 2002, a mailing list of the names and addresses of B&Bs and inns in New York State was compiled with the assistance of B&B associations, tourism promotion agencies, and chambers of commerce. A total of 1,440 businesses were identified. Businesses that are not promoted through trade associations or tourism promotion agencies were likely not included on this initial mailing list. In spring 2003, a questionnaire was distributed to all identified businesses, 305 of which were identified as no longer being in business or not being B&Bs. Of the remaining 1,135 businesses, 283 owners returned completed surveys for a response rate of 25%. Because of this somewhat low response rate, the results contained in this fact sheet may not be completely representative of New York's entire B&B and inn industry and should be used carefully.

Data from the completed questionnaires were entered into a computer spreadsheet and analyzed. Estimates of total income were calculated using the 1,135 identified businesses as the basis for the calculations. Results were tabulated both

Table 1. The size of the B&B and inn industry in each of New York State tourism regions.

Tourism Region	N	Percent	Estimated number of B&Bs/inns
Adirondack	37	13%	149
Capital	15	5	60
Catskills	33	12	132
Central Leatherstocking	36	13	145
Chautauqua-Allegheny	14	5	56
Finger Lakes	76	27	305
Hudson Valley	21	7	84
Long Island	16	6	64
New York City	3	1	12
Niagara Frontier	13	4	52
Thousand Islands	19	7%	76

for New York State as a whole and, when an adequate sample was available, for tourism development regions in the state. The tourism regions used are those designated by the Empire State Economic Development Corporation Division of Tourism (Figure 1). Where possible, the “n” (i.e., number of responses) for each question is included.

Results

Size of the industry. New York’s B&B and inn industry comprised an estimated 1,135 businesses. Responding B&Bs and inns were scattered throughout the state (Table 1). The tourism region having the greatest number of responding B&Bs and inns was the Finger Lakes region with 27% of all B&Bs and inns in the state (an estimated 305 businesses). The Adirondacks and Central Leatherstocking regions followed with 13% of respondents each, and

the Catskill region had 12%. Other regions ranged between 1% and 7% of all responding businesses in the state. B&Bs and inns in New York State were estimated to have a total of 6,865 rooms accommodating about 1.287 million guests in 2002.

Business characteristics. Three basic types of B&Bs and inns were identified: 1.) private home B&Bs (i.e., B&Bs with 1 to 5 guest rooms that cater to up to 10 guests and serve breakfast to guests only); 2.) bed and breakfast inns (i.e., lodgings with 6 to 24 guest rooms that serve breakfast to guests only); and 3.) country inns (i.e., lodgings with 6 to 24 guest rooms and a full service dining room that is open to the public). Businesses that offered different combinations of guest rooms and dining facilities from those described by these three categories were considered part of an “other” category (e.g., B&Bs with 1 to 5 guest rooms and a dining room that is open to the public). Of the 283 respondents, 70% indicated that they were private home B&Bs, 14% that they were bed and breakfast inns, 13% country inns, and 3% an “other” type of B&B or inn. (Note: the “other” category is not included in the tables shown in this report because of an inadequate sample size.) Eleven percent of



Figure 1. Tourism regions in New York State as designated by the Empire State Development Corporation Division of Tourism.

Table 2. Percentages of businesses according to their business structures and B&B/inn categories (n = 269).

Business structure	Category of B&B/Inn		
	Private Home B&Bs	B&B Inns	Country Inns
Sole Proprietorships (dba)	83%	42%	18%
Partnerships	10	11	12
Corporations (C)	1	11	34
Sub-S Corporations	3	22	27
Limited Liability Partnerships (LLP)	1	0	0
Limited Liability Corporations (LLC)	2%	14%	9%

B&Bs and inns were either listed on the National Register of Historic Places or in the application process, and 5% had a New York State Historic Barn or Carriage House on their property (n = 268).

Businesses were largely sole proprietorships (68% of respondents), with partnerships and sub-S corporations following at 11% and 9%, respectively. Business structure varied greatly according to the type of B&B/inn (Table 2). For example, 83% of responding private home B&Bs were sole proprietorships, while 61% of country inns were either C or S corporations. Most B&B/inn owners entered the business mainly to run their own business (63% of respondents); other respondents started their business in order to earn a secondary source of income (53%), meet people (42%), restore a historic building (31%), earn a primary source of income (27%), help finance their home (27%), and/or for the tax advantage (26%). Approximately half (47%) of respondents received a New York State School Tax Assistance and Relief reduction (STAR) while 47% did not; 6% were assessed as commercial enterprises and could not receive this assistance (n = 261).

New York's B&B and inn industry is affected by seasonality. While nearly all businesses were open during the summer months (i.e., June, July, and August) on both weekends and weekdays (n = 278), other seasons had some partial and full closures. During the spring (i.e., March, April, and May), 14% of businesses were open mainly on the weekends and 77% were open all week long; 9% were closed (n = 278). During the fall (i.e., September, October, and November), 12% of businesses were open mainly on the weekends and 84% were open all week long; 4% were closed (n = 276). In the winter (i.e., December, January, and February), 10% of businesses were open mainly on the weekends and 72% were open all week long; 18% were closed (n = 272).

Average room charges for responding businesses varied according to type of B&B or inn, with private home B&Bs charging \$96/night double occupancy (n = 160), B&B inns \$119 (n = 30), and country inns \$142 (n = 29). The average annual occupancy rate for respondents was the lowest for private home B&Bs (31%; n = 128), followed by B&B inns (39%; n = 28), and country inns (44%; n = 26). Credit cards accounted for 53% of customer payments, and 70% of businesses accepted this form of payment. Ninety-five percent of responding businesses indicated that they accepted cash, 93% that they accepted checks, and 22% that they accepted vouchers in 2002 (n = 274).

All respondents had insurance to protect their business. Homeowners insurance was the most common (38% of respondents had this type of insurance), followed by B&B insurance (33%), a B&B rider on their homeowners policy (32%), or general business comprehensive insurance (23%); 24% of respondents had supplemental liability insurance (n = 273). When asked if they were aware of the 2002 New York State Building Code Modifications for lodging businesses, 49% indicated that they were not, while 45% indicated that they were already in compliance. Increased expenses resulted from building code modifications for some respondents; 4% of respondents paid more due to the required posting of fire safety notices in all guest rooms, 2% due to the installation of sprinklers for all interior staircases, and 5% due to the installation of escape ladders from second-floor guest rooms; 1% of respondents indicated that they were no longer able to rent their third floor rooms due to changes in the building code. The 21 respondents who indicated that they had extra expenses or loss of income due to building code modifications spent an average of \$2,908 on modifications in 2002.

Table 3. Forms of promotion used by responding B&Bs and inns, their average effectiveness rating (scale of 1 to 3, 1 being ineffective and 3 being highly effective at attracting customers), and the average percentage of bookings resulting from the promotion (n = 216).

Form of promotion	Percent of businesses using this promotion	Effectiveness rating	Percentage of bookings
Internet site of business	81%	2.83	36%
Referrals by word-of-mouth	82	2.70	23
Internet site listing many business	53	2.62	23
Other	16	2.59	22
B&B association listings	49	2.18	11
Chamber of commerce listings	66	2.16	12
Brochures of business	74	2.08	7
AAA	14	2.07	9
Sign out front	58	2.02	7
State/County tourism guidebook	53	1.96	9
Direct mail	14	1.90	5
B&B guidebook	47	1.89	6
Offering package deals	20	1.78	5
Reservation Service listings	12	1.70	5
Travel agents	19	1.53	4
Yellow pages (phone book)	30	1.53	5
Newspaper	22	1.45	4
Radio	10	1.41	2
Magazines	15	1.41	3
Television	5%	1.10	2%

Table 4. Visitor market groups according to tourism region.

Tourism region	Percentage of guests by market group						Other
	Families	Couples	Business travelers	Tour groups	Single travelers	Guests for receptions	
Adirondack	20%	67%	3%	1%	5%	3%	1%
Capital*	16	69	9	0	3	3	0
Catskills	21	68	3	0	2	2	4
Central Leatherstocking	27	59	5	0	3	3	3
Chautauqa-Allegheny*	13	65	10	0	5	3	4
Finger Lakes	15	65	8	1	5	4	2
Hudson Valley	15	69	8	0	3	0	5
Long Island*	12	70	5	1	4	5	3
New York City*	13	47	18	0	22	0	0
Niagara Frontier*	14	63	6	0	5	0	12
Thousand Islands*	18%	61%	4%	0%	2%	1%	14%

*The sample size for this region was low. The results presented may not accurately represent the region.

Table 5. Lengths of stays of guests according to type of B&B/inn (n = 239).

Type of B&B/Inn	Number of nights of guests' stays					
	1	2	3	4-7	8-14	14+
Private Home B&B	27%	53%	11%	7%	1%	1%
B&B Inn	25	58	8	9	0	0
Country Inn	31%	48%	11%	10%	0%	0%

Table 6. Guests' location of residence according to tourism region.

Tourism region	Percentage of guests according to their location of residence			
	New York State	Other state	Canada	Other foreign countries
Adirondack	54%	33%	8%	5%
Capital*	54	39	3	4
Catskills	66	26	2	6
Central Leatherstocking	40	53	4	3
Chautauqua-Allegheny*	30	58	8	4
Finger Lakes	51	39	6	4
Hudson Valley	58	36	2	4
Long Island*	69	25	2	4
New York City*	9	53	15	23
Niagara Frontier*	40	48	6	6
Thousand Islands*	62%	29%	5%	4%

Table 7. Guests' state of residence according to tourism region (for out-of-state guests only).

Tourism region	Percentage of guest's according to their state of residence						
	PA	OH	NJ	CT	MA	VT	Other State
Adirondack	14%	5%	33%	15%	10%	6%	17%
Capital*	12	3	21	17	23	4	20
Catskills	12	6	58	9	5	3	7
Central Leatherstocking	20	6	24	12	12	3	23
Chautauqua-Allegheny*	35	40	5	2	2	1	15
Finger Lakes	31	9	17	8	9	5	21
Hudson Valley	13	0	36	13	20	6	12
Long Island*	9	1	50	17	14	1	8
New York City*	5	5	2	5	15	3	65
Niagara Frontier*	29	20	12	3	9	3	24
Thousand Islands*	24%	2%	31%	13%	10%	6%	14%

*The sample size for this region was low. The results presented may not accurately represent the region.

The number of individuals employed at B&Bs and inns (i.e., individuals outside the B&B owner's family) varied according to B&B/inn category. Responding private home B&Bs on average had no full-time employees besides the owner and his or her family but had one part-time employee (n = 186). Responding B&B inns on average had 1 full-time and 2 part-time employees (n = 40), and country inns averaged 10 full-time and 11 part-time employees (n = 35). The average business (all B&B/inn categories combined) had one part- or full-time subcontracted employee (n = 269).

Promotions. The most widely used forms of advertising by respondents were referrals (used by 82% of responding businesses) and an internet site for the business (81%; Table 3). The internet surpassed all forms of promotion with regard to the percentage of bookings resulting from it (36% of bookings). Referrals and B&B listings on association or other tourism-related internet sites averaged 23% of bookings. Other forms of promotion, their average effectiveness, and average percentage of bookings are listed in Table 3.

Marketing. The largest market group for all B&Bs and inns combined was couples, which comprised an average of 65% of customers for the average responding business. Families were the second largest market group, comprising an estimated 18%, followed by business travelers who made up 6%. Market groups are listed according to each tourism region in Table 4. Most customers (53%) stayed at the B&B or inn for two nights; 26% stayed for one night and 11% stayed for three nights. Breakdowns of lengths of stays by B&B/inn category are shown in Table 5. The average respondent had guests return to his/her B&B/inn 36% of the time.

Table 8. Percentages of respondents indicating guest activities (n = 270).

Activity	Percentage of businesses indicating guests' participation	Activity	Percentage of businesses indicating guests' participation
Visiting family/friends	86%	Swimming	30%
Visiting antique/specialty shops	66	Cross-country skiing	30
Visiting museums	64	Bird watching/wildlife viewing	29
Hiking	61	Downhill skiing	23
Visiting historic sites	56	Visiting an agritourism business	21
Visiting colleges/college students	56	Hunting	21
Visiting parks	54	Motorboating	21
Biking	48	Other activity	19
Scenic driving	47	Outlet mall shopping	18
Fishing	37	Snowmobiling	11%
Canoeing/Kayaking	33%		

Table 9. Percentages of responding businesses that provide the following guest amenities (n = 278).

Amenity	Percentage of businesses providing amenity	Amenity	Percentage of businesses providing amenity
Porch/patio	92%	Game room/pool table	16%
Sitting room/parlor	90	Gift shop	16
Reading materials	87	Laundry facility	15
Fireplace	65	Bike loans or rentals	13
Cable or Satellite TV (guests' rooms)	46	Beach	12
Cable or satellite TV (main room)	41	Swimming pool	11
Internet access for guests	41	Marina or boat dock	7
On-site fishing	27	Tennis courts	5
Hiking/cross-country skiing trails	26	Boat launch	4
Hot tub/jacuzzi/sauna	25	Riding stables	1%
Other amenity	18%		

Customers came mainly from locations in New York State (52%), while 39% came from states other than New York, 5% from Canada, and 4% from foreign countries other than Canada. Of those visitors who came from states other than New York, most were from adjacent states such as New Jersey (27%), Pennsylvania (21%), Connecticut (11%) and Massachusetts (11%). For those visitors coming from foreign countries other than Canada, most came from the United Kingdom, Germany, Japan, Netherlands, and other European countries. Tables 6 and 7 list detailed marketing information for each tourism region.

Respondents indicated that visitors *primarily* came to their B&Bs/inns because they were visiting a local attraction (31% of responding businesses), touring the region (25%), or attending a local event (15%); 7% of respondents indicated that visitors primarily came for the B&B experience alone. When asked what activities their guests engaged in during their visits, 85% of respondents indicated that their guests visited friends and/or family, 66% that their guests visited antique shops, 64% that their guests visited museums, and 61% that their guests hiked; other recreational activities that visitors participated in are listed in Table 8.

Services and amenities. Many different types of services and amenities were offered by the B&B and inn owners responding to this survey. The most common amenity was a porch or patio, which was available at 92% of all responding businesses; sitting rooms were offered by 89% of respondents, reading materials by 86%, and a fireplace by 65%. Other services and amenities offered are listed in Table 9. In addition, 27% of respondents allowed their guests to bring their pets (n = 265),

Table 10. Percentages of guest rooms with specific bathroom facilities (n = 254).

B&B/Inn category	Private bathroom	Shared bathroom	Family/Guest bathroom
Private home B&B	69%	28%	3%
B&B inn	92	7	1
Country inn	90%	10%	0%

Table 11. Percentages of responding businesses having different types of kitchen facilities according to types of B&B and inns (n = 262).

B&B/Inn category	Percentage of businesses with this type of kitchen*		
	Domestic kitchen	Commercial kitchen	Other
Private home B&B	94%	4%	3%
B&B inn	56	38	9
Country inn	12%	91%	0%

*Some B&Bs and inns have more than one kitchen so percentages do not total 100%.

Table 12. Meals and other food services offered by responding B&Bs and inns (n = 263).

Meals	Percentage of businesses offering meal	Percentage of businesses including meal in room rate
Continental breakfast	34%	90%
Full breakfast	81	93
Afternoon tea	24	82
Self-serve beverages	30	91
Lunch	10	4
Dinner	16%	11%

5% permitted their guests to smoke in their bedrooms (n = 263), 16% permitted smoking indoors in a designated location (n = 262), and 64% required reservations (n = 263).

The average responding B&B inn and country inns had private bathrooms in most of their guest rooms; private home B&Bs had private bathrooms in 69% of their guest rooms (Table 10). The average private home B&B had shared bathrooms in 28% of its guest rooms. Very low percentages of rooms with bathrooms shared by guests and host families were offered by all B&B/inn categories. Most private home B&Bs (94%) had domestic kitchens, while 91% of country inns had commercial kitchens (Table 11). Most respondents (86%) indicated that they were *not* required to remodel their kitchens in order to meet health code regulations. A majority of B&Bs and inns offer their guests a full breakfast (81%), while 34% offer a continental breakfast. Breakfast, afternoon tea, and self-serve beverages were included in the base room charge by the majority of respondents offering these services (Table 12).

Income. In 2002, responding B&Bs and inns in New York had an average income of \$58,803 (n = 176) from customer lodging expenditures. Business income accounted for an average of 37% of total household income (n = 198). The estimated average income for a country inn in 2002 was \$164,900 (n = 23), while that of B&B inns was \$117,870 (n = 25); the average private home B&B had an income of \$27,380 (n = 124). An estimated \$66.74 million dollars in total income from customers was received by the entire B&B and inn industry in New York State in 2002. Inadequate sample sizes in most regions prevented the calculation of regional income estimates, except for the Finger Lakes region which had an estimated income of \$14.962 million in 2002 (n = 49; calculation based on an average income of \$49,056 for businesses in this region).

Table 13. New York State's B&B and inn industry trends, 1987-2002^a.

Year	Estimated number of businesses	Estimated number of guests	Estimated number of guest rooms	Estimated number of room-nights	Estimated total income (\$)
1987	1,012	217,199	4,760	188,000	\$13,932,600 ^b
1993	1,069	667,056	5,452	424,660	35,119,410 ^b
2002	1,135	1,287,125	6,865	591,590	\$66,741,780

^aSources of data: Dawson and Brown 1987; Kuehn 1995.

^bInflated to 2002 prices according to the United States Consumer Price Index (Inflation calculator 2004).

The future of the B&B/inn industry. Most respondents (61%) indicated that they plan on maintaining their business “as is” over the next five years. Other respondents indicated that they plan on expanding the services and amenities offered at their B&B (23%), expand their kitchen and/or dining facilities (9%), and/or expand the number of guest rooms in their business (9%). While these results indicate the continued expansion of New York’s existing B&B industry, about 22% of respondents indicated that they plan on selling or closing their business over the next five years, 14% due to retirement. Should new B&B operators replace those owners leaving the industry, entrepreneur training programs (such as those offered by B&B associations and Cooperative Extension programs in the 1980s and 1990s) may be needed in the future.

Trends. In 1987, New York’s B&B and inn industry comprised an estimated 1,012 businesses (Dawson and Brown 1987). This number increased by about 6% to 1,069 in 1993 (Kuehn 1995), and then by an additional 6% to 1,135 businesses in 2002 (Table 13). Total estimated income to the industry increased by 90% between 1993 and 2002 (1993 data were inflated to 2002 prices). The number of guest rooms statewide increased 44% between 1987 and 2002, while the number of room-nights (i.e., the total number of nights that each guest room across the state is occupied) increased 215%. This large increase in room-nights indicates that the B&B experience has increased in popularity with visitors since 1987.

Conclusion

Survey results indicate that New York’s B&B and inn industry has become a very profitable component of New York’s tourism industry for many lodging owners. Slight increases in the number of B&B/inn businesses may continue into the next five years, but this will depend on how many current owners leave the business in the near future. Overall, results indicate that B&Bs and inns have become an integral part of New York’s tourism industry, contribute greatly to New York’s economy, and are popular with visitors for the unique experience they provide.

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