

3 THE ECONOMY

Economic development is an important concern for Mariposa County since the character and performance of the local economy provides the livelihood of county residents, businesses, and public institutions. Economic activity is tightly woven into the fabric of Mariposa County daily life. This section describes and summarizes the central features of the local economy by examining local economic activity, employment conditions and trends, labor force conditions and trends and income conditions and trends.

3.1 ECONOMIC PRODUCTIVITY

Local firms produce goods and services that are consumed by local residents, businesses, and visitors. The estimate of county economic productivity broadly describes the size and character of productive local economic activity. The total amount of goods and services produced by Mariposa County is estimated at \$501,739,420 for 2000 (see Table 3-1). Some private sector sales information is not reported and was estimated based upon industry standards.

Table 3-1: Estimated 2000 Productive Economic Activity – Mariposa County

Source of Economic Production	Amount	Percent
Major Private Sector Sales	\$271,830,880	54.2
Agriculture	\$19,795,000	
Construction*	\$21,950,000	
Manufacturing*	\$17,100,000	
Trans/Comm/Utilities*	\$5,400,000	
Fin/Ins/Real Estate	\$5,687,200	
Accommodations	\$61,412,680	
Yosemite NP Retail Sales	\$88,119,000	
Non-YNP Eating and Drinking	\$7,983,000	
Core Retail Sales	\$31,217,000	
Health Care and Other Services	\$13,167,000	
Government Expenditures*	\$85,272,540	17.0
Import Income	\$144,636,000	28.8
Retirement Income	\$80,906,000	
Dividend, Interest, Rent	\$63,730,000	
Total All Sources	\$501,739,420	100.0

* Estimates based upon previous year data.

Source: Agajanian & Associates.

The Mariposa County economy generates over half (54.2%) of its total economic production from private sector industries. Among the largest private sector sales sources are Yosemite National Park-related retail sales, accommodations, and resident-serving core retail sales.

Federal, state, and local government expenditures also generate economic activity. Combined government expenditure accounted for 17.0% of estimated total county economic production. Retirement and investment income sources account for 28.8% of all local economic activity. Retirement income is imported into the county for local consumption, while investment income from dividends, interest, and rent is created from local investments and savings.

3.2 EMPLOYMENT CHARACTERISTICS

Employment characteristics can reveal a great deal about the structure, performance, and seasonality of the local economy by describing the productive industries that create goods and services. Employment refers to the number and types of jobs in the county at a specified time. Persons employed in the county can be self-employed individuals, wage or salary workers, household domestic workers or workers on strike. In 2004, of all employed workers, most (63%) were employed at reported wage or salary jobs. The balance (37%) of employed civilians include the self-employed, household domestic workers and workers on strike (who may work at jobs inside or outside the county).

Employment by industry is shown in Table 3-2, based upon information reported by the California State Employment Development Department (EDD) by place of work. This data excludes self-employed individuals, unpaid family workers, household domestic workers and workers on strike.

The EDD employment data indicate that the structure of the Mariposa County economy in 2004 was largely a service producing economy. Of the County's 5,050 wage and salary jobs, approximately 94% are in service producing industries. The remaining local wage and salary jobs were in goods producing industries (6%) and farms (less than 1%). This one-sided nature of the local economy toward the service producing industries is an important feature, consistent with the County's heavy dependence on visitor-oriented economic activity.

The goods producing industries in Mariposa County employed 320 workers in 2004, which represents a 16% increase since 1999. Construction and mining, had an employment increase of 30% since 1999, most likely driven by increased construction. By contrast, the number of manufacturing jobs declined slightly since 1999. Overall, these statistics may well understate the amount of activity in Mariposa County, since construction and mining industries have a high proportion of self-employed workers.

Among the largest service producing industries that dominate the local economy are consumer services, and retail trade services. In 2004, consumer services was the largest single industrial sector, with 43% of all wage and salary jobs. It is clear from these characteristics that the Mariposa County service producing economy is dominated by consumer service industry, which is largely driven by arts, entertainment and recreation industry.

Table 3-2: Wage and Salary Employment – Mariposa County

Industry	Average Annual Employment					
	1999	2000	2001	2002	2003	2004
All Industries*	4,830	4,890	5,250	5,340	5,040	5,050
Total Farm	10	10	10	10	10	10
Total Non-farm	4,820	4,880	5,240	5,320	5,030	5,040
Total Private	3,120	3,150	3,440	3,480	3,160	3,200
Goods Producing	270	300	300	310	340	320
Private Services Providing	2,850	2,850	3,150	0	2,820	2,880
Mining/Construction	140	180	190	200	200	200
Manufacturing	130	120	110	110	140	120
Service Providing	4,550	4,580	4,950	5,010	4,680	4,720
Trade/Trans /Utilities	350	340	370	370	350	370
Wholesale Trade <i>i</i>	10	10	20	20	20	20
Retail Trade	330	320	310	300	270	300
Trans/Warehousing/Utilities	10	10	40	50	60	60
Professional/Business Services	230	250	400	480	250	220
Educational & Health Se <i>v</i> ices	160	150	160	180	200	230
Food Services/ Drinking	310	350	380	370	270	270
Arts/Entertainment/Rec.	1,620	1,580	1,640	1,220	1,570	1,580
Residual-Other Services	180	180	210	160	180	210
Government	1,700	1,730	1,800	1,840	1,870	1,840
Federal	600	620	680	690	680	640
State	160	170	160	160	170	150
County and Local	930	940	960	990	1,020	1,050

*Totals may not sum due to rounding.

Source: California State Employment Development Department (EDD), Labor Market Information Division. Industry Employment and Labor Force – Annual Average. March 2004 benchmark.

Government services, like the arts, entertainment and recreation industry employ almost one third of the wage and salary workers in Mariposa County. Government service employment is concentrated in county and local governments, which have 57.0% of the reported 1,840 government jobs. Federal government level jobs amount to 640, or 35% of all government service jobs.

The seasonality of the local economy can also be described by wage and salary employment estimates and trends. Seasonal Labor Force profile for June 2004 and January, 2005 reflect the seasonal change in wage and salary jobs. The total labor force declined by 1,790 from a high employed of 9,040 in July to 7,250 in February 2005, or a 20% decline in the job base. This annual fluctuation in wage and salary jobs largely reflects the drop in visitors during the winter period.

By comparison, other parts of the economy do not change seasonally. The goods producing industries, county and local government, education and health services, and the wholesale trade industry employment did not change significantly between 1999, 1996 and 1997, or 460 jobs. Similarly, eating and 2004. These industries represent the core economy that serves

local residents, businesses and government, and grows more with local population growth than with visitor demand growth.

In summary, the Mariposa County economy can be described as mainly a service producing economy with a concentration of wage and salary employment in the accommodations industry, government services and, to a lesser degree, the eating and drinking establishments industry. The County's economy sustains positive employment growth with growth in visitor demand, but experiences significant economic setbacks when visitor demand is disrupted. Seasonal fluctuation of jobs is directly related to the slowdown of visitor demand in the winter months. There is a smaller, but significant, core economy that serves local residents, businesses, and government.

3.3 LABOR FORCE CHARACTERISTICS

The civilian labor force residing in Mariposa County numbered an estimated 8,060 persons as of March, 2005. Workers include those with wage and salary jobs, self-employed individuals, unpaid family workers, household domestic workers, and workers on strike. The size of the labor force fluctuates month by month over the course of a year, aligning with the visitor season, as indicated on Table 3-3.

Table 3-3: Seasonal Labor Force Profile for Mariposa County, 2004-2005

	Labor Force	Employed	% Unemployed	# Unemployed
January 2004	8,020	7,290	9.0%	730
February	7,880	7,170	9.0%	710
March	7,960	7,240	9.1%	730
April	8,040	7,470	7.0%	560
May	8,550	8,060	5.7%	490
June	9,260	8,760	5.4%	500
July	9,560	9,040	5.4%	520
August	9,390	8,930	5.0%	470
September	9,180	8,750	4.7%	430
October	8,620	8,120	5.7%	490
November	8,350	7,770	7.0%	580
December	8,160	7,550	7.4%	610
January 2005	8,080	7,320	9.4%	760
February	7,990	7,250	9.3%	750
March	8,060	7,410	8.0%	650

Source: California Employment Development Department, Labor Market Information Division.

The number of residents wanting to work ranged from a low of 8,020 in January 2004 to a high of 9,560 in July 2004, an increase of 1,540 workers (19.2%). The labor force then dropped by 1,570 (16.6%) between July 2004 and February 2005. The employed civilian labor force displays similar seasonality. Employed individuals increased by 21.3% from February to July 2004 and then decreased by 19.6% between July 2004 and February 2005. Conversely, the unemployment rate peaks in the winter (9.4% in January 2005) and dips in the summer and fall (5.0% & 4.7% in August and September 2004).

There are no current data on occupational characteristics for the Mariposa County labor force. The Mother Lode Consortium characterizes the 2003 labor force of 62,610 for Amador, Calaveras, Mariposa, and Tuolumne counties. Food Preparation and Serving related occupations (12%) and sales and related occupations (11.2%) are among the largest occupational groups, and may be relevant for Mariposa County. The other large occupational groups do not seem relevant for Mariposa County.

3.4 RESIDENT INCOME CHARACTERISTICS

Median household income for Mariposa County residents was estimated at \$35,331 for 2002, the most recent available from the Census Bureau. The 1990 County median household income was 74.7% of the median California household income of \$47,323. Household income for Mariposa residents increased at an average annual rate of 1.1% between 1990 and 2002.

Gross personal income for county residents is estimated by the Bureau of Economic Analysis (BEA) at \$404,278 for 2003, the most recent information available. Net income earned by Mariposa County workers and proprietors amounted to an estimated \$197,988,000 in 2003, or 49% of all county personal income, as indicated on Table 3-4. Transfer payments reflect personal income from government and retirement accounts. Income from transfer payments provide 24.5% of all reported county income in 2004 or \$99,347,000. The bulk of the transfer income was for retirement income, both from government or private sources.

Table 3-4: Sources of Personal Income for Mariposa County

	2000	2001	2002	2003
Total Personal Income	\$379,230,000	\$394,057,000	\$396,227,000	\$404,278,000
Net Earnings	\$206,680,000	\$209,594,000	\$215,142,000	\$219,421,000
Transfer Payments	\$78,808,000	\$87,430,000	\$93,741,000	\$99,347,000
Dividends, Interest and Rent	\$93,735,000	\$97,033,000	\$87,344,000	\$85,510,000

Source: U.S. Dept. of Commerce, Bureau of Economic Analysis.

Income from dividends, interest, and rent was the smallest source of income for Mariposa residence, representing 21.2% of all personal income in 2003, yet it was a larger proportion of income than the statewide figure of 16.4%. Government income maintenance and unemployment benefit payments amount to only 2.5% of all county personal income.

3.5 VISITOR SERVING ECONOMY

Visitor spending increased by \$45,300,000 between 1999 and 2003. The largest components of visitor spending in 2003 were accommodations and eating and drinking establishments. These two components account for nearly 61% of all visitor spending in Mariposa County.

Visitor related employment for Mariposa County in 2003 was estimated at 4,190 jobs. Visitor related jobs were mostly in accommodations, also eating and drinking establishments, for 71.% of all jobs. Recreation firms hire 17. % of all 2003 visitor-related jobs.

Table 3-5: Travel Related Spending and Employment in Mariposa County

Travel Related Services and Products	Travel Spending (\$Million)					
	1999	2000	2001	2002	2003	
Accommodations	70.8	75.5	81.1	84.2	87.2	31.5%
Food & Beverage Service	67.7	69.3	75.4	79.3	82.0	30.0%
Food Stores	7.4	7.7	8.3	8.5	8.8	3.2%
Ground Tran. & Motor Fuel	2.2	2.7	2.5	2.3	2.9	1%
Art, Entertain. & Recreation	43.0	44.3	48.2	49.7	50.9	18.0%
Retail Sales	40.1	41.5	44.8	44.9	44.6	16.1%
Total	231.2	241.1	260.2	269.0	276.5	100%

Source: California Travel Impacts by County, The Division of Tourism, California Trade and Commerce Agency.

Table 3-6: Travel Related Employment in Mariposa County

Travel Related Services and Products	Employment (Number of Jobs)					
	1999	2000	2001	2002	2003	
Accommodations & Food Services	2,650	2,670	2,720	2,800	2,980	71. %
GroundTran. & Motor Fuel	10	10	10	10	10	<1%
Art, Entertain. & Recreation	780	750	780	760	720	17. %
Retail Sales	440	420	470	460	490	12.0%
Total	3,870	3,850	3,970	4,020	4,190	100%

Source: California Travel Impacts by County, The Division of Tourism, California Trade and Commerce Agency.

Two visitor-related components are small in comparison to the others. Food stores receive 3.2% of visitor related spending, while ground transport accounts for 1% of all spending and less than 1% of all visitor related jobs.

The majority of visitor-related spending for Mariposa County in 2003 came from overnight visitors who stayed at hotel, motel and bed & breakfast accommodations. These visitors accounted for \$225,600,000 of the total \$276,500,000 of visitor related spending, or 82%. Day travelers visiting Mariposa County account for 10.8% of all visitor spending, while overnight public campground visitors account for 2% of all spending.

Tax revenues from travel-related economic activity have increased by \$2500,000 between 1999 and 2003. County tax revenues from visitors in 2003 is estimated at \$9,100,000, while State tax revenues from visitors in Mariposa amounted to an estimated \$9,800,000. The 2003 total tax revenues from visitors to Mariposa County amounted to an estimated \$18,900,000.

3.6 SUMMARY OF THE MARIPOSA COUNTY ECONOMY

In summary, the Mariposa County economy is characterized as follows:

- The Mariposa County economy can be described as mainly a service producing economy with a concentration of employment in the accommodations industry, government services, retail trade and eating and drinking establishments.
- The county's economy sustains positive employment growth with visitor growth, but experiences significant economic setbacks when visitor demand is disrupted.
- The Mariposa civilian labor force fluctuates seasonally as the number of individuals wishing to work changes in response to seasonal job opportunities. Labor force fluctuations varied by as much as 19.2% between seasonal highs and lows, while civilian employment fluctuations varied by as much as 16.6% in 2004 to early 2005.
- Seasonal fluctuation of jobs is directly related to the slowdown of visitor demand in the winter months.
- There is a small, but significant, core economy that serves local residents, businesses and government.
- The most recent information available is from 2003, 2004 and early 2005.
- Net income earned by Mariposa County workers and proprietors amounted to an estimated \$219,421,000 in 2003, or 54.2% of all county personal income, while income from dividends, interest and rent provide 21.2% of all reported county personal income in 2003, or about \$85,510,000.
- Transfer payments accounted for 25% of all personal income, or \$99,347,000 in 2003.
- Visitors to the county are the engine of the local economy, generating up to an estimated \$276,500,000 of visitor related spending in 2003.