

6. Business & Industry

The most effective way to learn about the economy of a certain area is to evaluate the existing businesses and industries within that area. The success of businesses and industries is measured by their growth rate, change, and maturity, and can be an indicator of the structure of the local economy. This may be important to those considering starting a business, those seeking funding through grants, or those seeking employment.

Total taxable sales in El Dorado County increased 9 percent in 2004, compared to a 6 percent increase in California. The city of South Lake Tahoe saw an increase of 8 percent in total taxable sales, while the city of Placerville saw a 5.5 percent increase. El Dorado County is home to many small businesses, with most of them consisting of one to four employees. The services sector accounted for the largest percentage of businesses, employment, and total earnings in 2005, while retail trade, finance, insurance, and real estate, construction, and government and public administration were also significant sectors in the county.

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Taxable Sales

Overview

Taxable sales include all transactions subject to being taxed. California sales and use taxes are imposed on the retail sale or the use of tangible personal property in California. Total taxable sales do not necessarily indicate the gross sales of businesses because only transactions subject to sales and use tax are included. Excluded are items for resale, sales of nontaxable items such as food and prescription medicines, and taxable sales disclosed by board audits. Changes in taxable sales are a measure of changes in both local government revenue and the economic health of the area.

All sales transactions through retail stores subject to taxes are considered taxable sales. Taxable sales generate a substantial amount of income for local and state governments; however, rather than reflecting the revenue earned in a county, taxable sales act as a gauge for consumer spending and local economic performance. This is a helpful indicator for retail businesses to measure the potential sales volume of a certain area.

From July through September 2004, California's taxable sales increased for the ninth consecutive quarter. The transactions that incurred sales and use tax totaled \$126.5 billion. This figure was an increase of almost 7 percent in taxable sales from the third quarter of 2003.

Taxable sales by retail stores climbed to \$88.2 billion, or a 6.7 percent increase during the same time period. Taxable transactions by business and personal service establishments reached \$4.6 billion--a nominal increase of .1 percent. Taxable sales by establishments included in the "All Other Outlets" category grew to \$32.7 billion, an increase of 8 percent.

Finally, stores selling durable goods experienced a taxable sales increase of 5.9 percent over the third quarter of 2003. Sales of nondurable goods also saw an increase of 7.6 percent.

NOTE: There is a lag time of one year and one quarter in the availability of the following data.

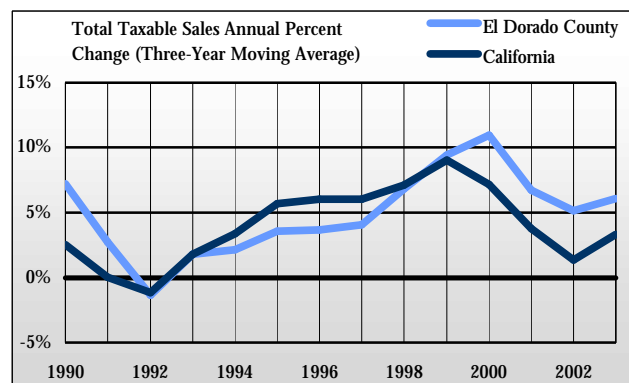
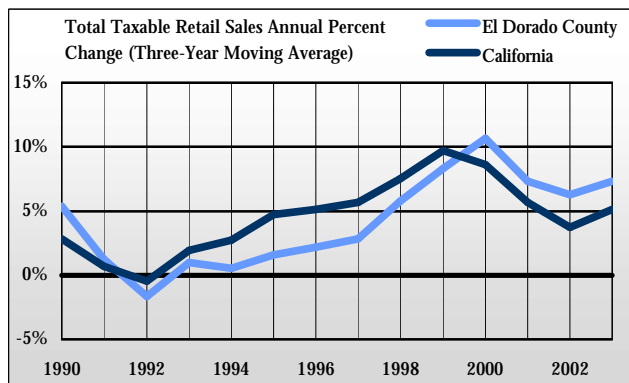
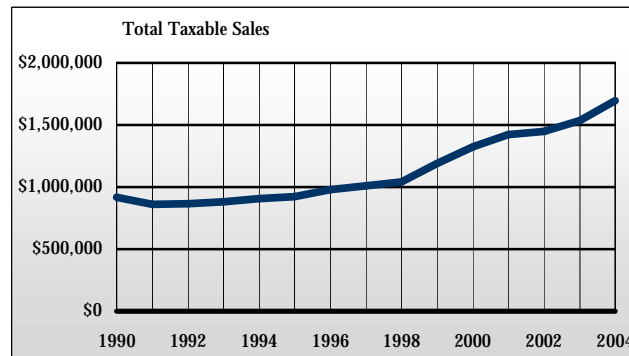
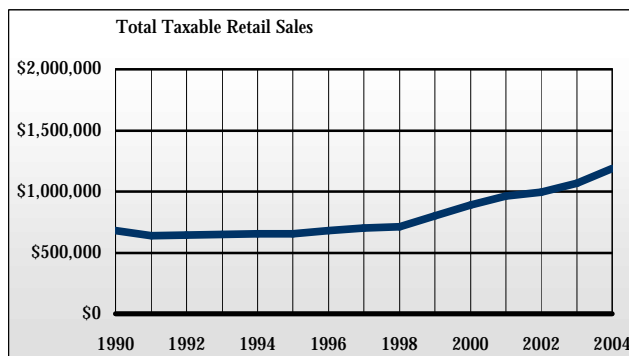
El Dorado County

In 2004, total taxable sales in El Dorado County were almost \$1.7 million, and retail sales made up 70 percent of that total. In comparison, retail sales also made up 70 percent of total taxable sales in California. However, between 1990 and 2004, the city of South Lake Tahoe saw a 26 percent increase in total sales, while the city of Placerville saw a 32 percent increase. As the following figures show, El Dorado County's total taxable sales have matched similar statewide trends in the last decade.

County Total Taxable Retail Sales and Total Taxable Sales

Year	Taxable retail sales	Total taxable sales
1990	\$ 681,805	\$ 917,894
1991	\$ 638,619	\$ 860,638
1992	\$ 643,957	\$ 867,884
1993	\$ 648,325	\$ 880,982
1994	\$ 657,974	\$ 908,096
1995	\$ 654,015	\$ 924,762
1996	\$ 679,603	\$ 979,382
1997	\$ 701,638	\$ 1,011,222
1998	\$ 711,083	\$ 1,041,654
1999	\$ 803,857	\$ 1,193,677
2000	\$ 891,966	\$ 1,324,416
2001	\$ 964,304	\$ 1,422,098
2002	\$ 994,293	\$ 1,451,334
2003	\$ 1,071,096	\$ 1,539,071
2004	\$ 1,191,979	\$ 1,697,888

Source: California Board of Equalization



Taxable Sales by City

Year	Placerville		South Lake Tahoe	
	Taxable retail sales	Total taxable sales	Taxable retail sales	Total taxable sales
1990	\$ 161,939	\$ 194,814	\$ 217,957	\$ 244,819
1991	\$ 156,182	\$ 182,021	\$ 198,746	\$ 228,012
1992	\$ 152,285	\$ 184,547	\$ 204,782	\$ 238,061
1993	\$ 148,739	\$ 183,868	\$ 212,723	\$ 247,889
1994	\$ 143,310	\$ 178,554	\$ 207,319	\$ 242,916
1995	\$ 14,371	\$ 187,661	\$ 205,870	\$ 243,591
1996	\$ 156,717	\$ 194,715	\$ 209,568	\$ 249,201
1997	\$ 146,412	\$ 188,769	\$ 212,961	\$ 254,153
1998	\$ 153,691	\$ 195,982	\$ 216,604	\$ 257,592
1999	\$ 172,304	\$ 221,457	\$ 237,361	\$ 282,051
2000	\$ 190,370	\$ 242,721	\$ 259,199	\$ 307,825
2001	\$ 226,195	\$ 275,229	\$ 259,306	\$ 306,875
2002	\$ 237,145	\$ 285,842	\$ 256,370	\$ 301,633
2003	\$ 229,972	\$ 272,457	\$ 255,993	\$ 305,274
2004	\$ 242,440	\$ 288,125	\$ 274,825	\$ 330,293

Source: California Board of Equalization

Business by Employment Size & Industry

Overview

The ability of businesses to maintain and support the demand for jobs can be measured by looking closely at a county's various industries and the number of people employed by each. This indicator provides information on the types of businesses employing the majority of the labor force, and which are most established in the area.

El Dorado County

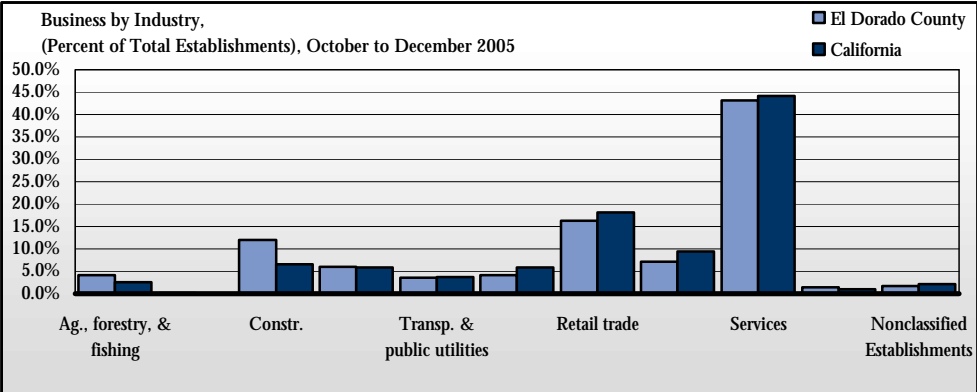
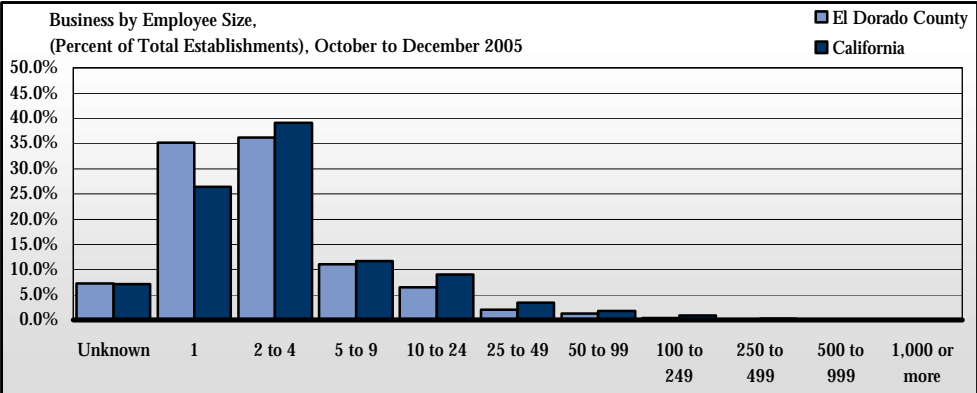
As of December 2005, businesses with two to four employees were the most common in El Dorado County, and made up 36 percent of all establishments. Another 35 percent of the businesses in El Dorado County consisted of only one member, suggesting a strong trend of small local businesses in the county. Statewide, businesses of two to four employees were the most common, making up 39 percent of all businesses in the state.

In 2005, 43 percent of businesses in El Dorado County offered some type of service to their customers, making the service sector the most prominent industry in El Dorado County. Another 16 percent of businesses in the county were made up of retail trade companies and 12 percent were made up of construction companies, compared to almost 7 percent in California. While the overall make-up of industry sectors was quite similar in El Dorado County to California trends, finance, insurance, and real estate businesses made up 2.2 percent less of total industries in El Dorado County than in the state. All other industries, with the exception of construction, had less than a 2 percent difference in share of total industries.

Business by Employment Size and Industry, October to December 2005

Number of employees	Ag., forestry, & fishing	Mining	Constr.	Manuf.	Transp. & public utilities	Wholesale trade	Retail trade	Finance, insurance, & real est.	Services	Govt. & public admin.	Nonclassified establishments	Total businesses by number of employees
Unknown	0	0	4	27	25	13	107	20	119	40	349	704
1	187	3	584	191	79	108	356	147	1,748	12	13	3,428
2 to 4	147	6	387	197	139	176	556	400	1,479	22	10	3,519
5 to 9	30	0	131	70	26	53	228	110	407	14	3	1,072
10 to 24	19	2	59	51	15	23	176	41	226	16	0	628
25 to 49	3	1	13	9	8	4	49	9	92	14	2	204
50 to 99	1	0	9	6	7	0	22	8	56	17	0	126
100 to 249	1	0	3	2	4	2	9	2	16	3	0	42
250 to 499	0	0	1	1	0	0	0	1	3	1	0	7
500 to 999	0	0	0	0	0	0	0	0	2	0	0	2
1,000 or more	0	0	0	0	0	0	0	0	0	0	0	0
Total businesses by industry	388	12	1,191	554	303	379	1,503	738	4,148	139	377	9,732

Source: Dun & Bradstreet



Job Growth by Industry Sector

Overview

Job growth by industry sector measures the economic diversity and stability of the local economy. A healthy economy will have a balance between industries. If too many jobs are concentrated in one sector, a downturn in that sector could easily and rapidly damage the strength of the economy.

Job growth is an important indicator for business and government planning, allowing for a better understanding of which sectors are the major generators of jobs in the area and which sectors are continuing to grow.

The U.S. Department of Commerce counts part-time and full-time jobs equally. Job growth by industry is assessed by place of work regardless of where employees live. Wages, salaries, and proprietor's employment are included. Proprietor's employment consists of the number of sole proprietorships and the number of partners in partnerships. Unpaid family workers and volunteers are not included in the analysis.

Jobs by industry is the independent variable on which all projections are based. Estimates were also based on information from Woods and Poole Economics and the

California Department of Commerce. All projections are rounded to the nearest hundredth, (zero indicates less than fifty). Therefore, totals may not equal some components due to independent rounding.

The nine major industries are as follows:

- Agriculture includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping, and related services. Mining includes companies engaged in the extraction of natural minerals, as well as the operations customarily done at the mine site, such as crushing, screening, washing, and flotation. Mining is too small to be measured independently, so it is counted as a component of agriculture.
- Construction includes businesses engaged in building, modifying, or repairing structures.
- Finance, insurance, and real estate industry includes institutions such as banks, credit unions, brokers, and dealers in securities and commodity contracts, insurance agents and brokers, real estate owners, lessees, agents, and developers.

Employment by Industry

Year	Ag. & mining	Constr.	Manuf.	Transp. & public utilities	Wholesale trade	Retail trade	Finance, insurance, & real est.	Services	Govt. & public admin.	Tourism
1990	1,977	5,828	2,637	1,338	1,348	10,401	4,920	15,607	7,123	n/a
1991	1,991	5,106	2,387	1,347	1,562	10,650	4,593	16,029	7,467	n/a
1992	1,866	4,776	2,547	1,355	1,845	10,868	4,750	16,778	7,755	n/a
1993	1,994	4,680	2,510	1,512	1,676	10,803	4,768	17,128	7,850	n/a
1994	2,169	4,756	2,669	1,600	1,735	11,559	5,623	18,001	7,816	n/a
1995	2,131	5,082	3,163	1,511	1,792	11,931	4,998	18,836	8,142	n/a
1996	2,207	5,489	3,224	1,607	1,364	12,235	4,850	19,747	8,277	n/a
1997	2,274	5,795	3,200	1,647	1,328	12,130	5,577	20,192	8,465	n/a
1998	2,354	6,285	3,021	1,686	1,552	12,934	7,317	25,239	8,486	n/a
1999	2,291	6,898	3,271	1,838	1,567	13,415	7,879	26,508	8,595	n/a
2000	2,282	7,298	3,519	1,821	1,575	14,116	8,532	28,222	8,982	n/a
2001*	1,893	8,579	2,385	1,119	1,387	9,645	9,559	26,012	9,201	9,509
2002	2,020	8,260	2,140	1,169	1,551	9,725	10,730	26,857	9,429	9,778
2003	1,950	8,396	2,250	1,043	1,552	9,706	11,453	27,752	9,278	10,116

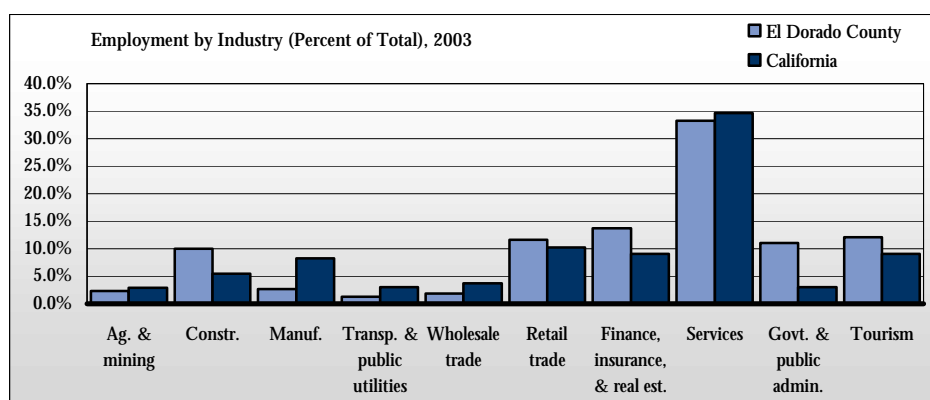
Source: U.S. Department of Commerce, Bureau of Economic Analysis

- Government and public administration includes the executive, legislative, judicial, administrative, and regulatory activities of federal, state, and local international governments. Businesses owned and operated by a government body are classified in the other eight sectors according to the activity in which they are engaged.
- Manufacturing includes businesses engaged in the mechanical or chemical transformation of materials into new products. Establishments that assemble parts of manufactured products are also included, as long as the final product is neither a structure nor a fixed improvement.
- Retail trade includes businesses engaged in selling merchandise for personal or household consumption, as well as those businesses that provide services directly related to the sale of those goods.
- Services includes a wide variety of businesses performing services to individuals, businesses, government, and other organizations, including lodging, repair, amusement, health, legal engineering, education, and membership.

- Transportation and public utilities includes establishments providing freight or passenger transportation, communications services, electricity, gas, water or sanitary services, and all establishments of the United States Postal Service.
- Wholesale trade includes businesses engaged in selling merchandise to industrial, commercial, institutional, farm, construction contractors, or professional business users, as well as to retailers and other wholesalers.

Some data, which may disclose confidential information, is not included.

*Beginning in 2001, data reflects the newly implemented North American Industry Classification System (NAICS). Therefore, data may reflect these altered classifications. This system is to replace the previous U.S. Standard Industrial Classification (SIC) database for all future annual economic census information.



El Dorado County

Between 2002 and 2003, the finance, insurance, and real estate sector in El Dorado County saw the most growth in employment with a 7 percent increase, compared to 3 percent in California. The manufacturing sector increased 5 percent, while statewide it decreased 5 percent. The services sector and the tourism sector saw the third highest increases in the county with over 3 percent each. All other sectors in the county saw between -1.6 and 1.6 percent growth in 2003. Transportation decreased the most in the county that year with a 11 percent decline in employment, compared to a 2 percent decline in California.

Services accounted for the largest portion of employment in El Dorado County, at 30.5 percent, in 2003. Retail trade made up over 20 percent, while finance, insurance, and real estate accounted for 14 percent of employment. Tourism made up 12 percent in the same year, and the retail trade and government and public administration sectors made up around 11 percent each. Transportation and public utilities and wholesale trade each made up about 1 percent of employment, the least amount in 2003. In comparison, the services sector was the largest employer in California, followed by retail trade, while transportation and public utilities made up the least amount of jobs.

Earnings by Industry

Overview

Earnings by industry statistics outline the financial success of businesses and allow comparisons between all industries within the county. The total earnings of an industry are calculated by taking the sum of three components: personal income (wage and salary disbursements), supplements to wages and salaries, and proprietors' income. It is useful to analyze the earnings of various industries in comparison to other industries within the same region because it gives business owners an idea of which types of industries are prospering in the area. Comparing the earnings of similar industries across regional boundaries can also be useful because it provides business owners with possible industry goals.

The earnings-by-industry indicator also provides various information about the competitiveness of industries, each industry's contribution over time, the division of contributions to a region's income, the trends of success and failure of industries, and the area's national and international competitiveness in each industry. This data also reflects the educational attainment of a particular county's residents, which can help predict what types of new industries could be supported by that labor force.

El Dorado County

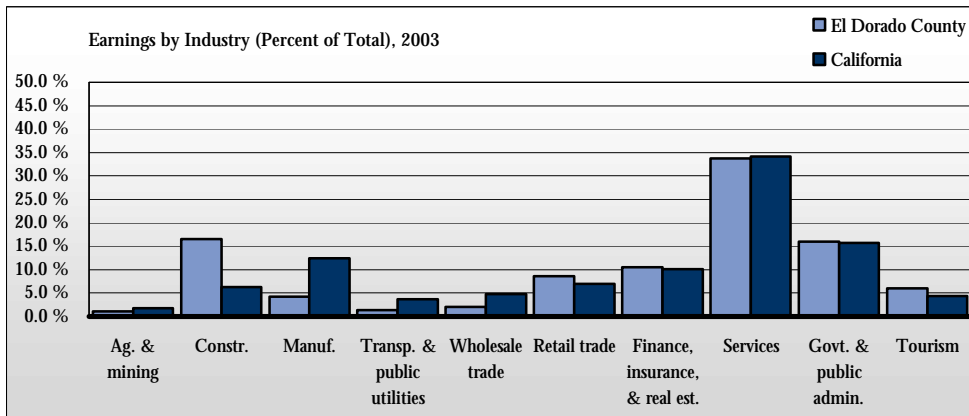
In 2003, the services sector accounted for 34 percent of total earnings in El Dorado County, equalling the percentage for California. Government and public administration made up 16 percent of total earnings, compared to 15.8 percent in the state. A significant difference in earnings by sector between El Dorado County and California occurred in construction, which made up over 10.4 percent more of total earnings in the county than in the state, while manufacturing made up 8 percent less of the total in El Dorado County than in California.

Between 2002 and 2003, the finance, insurance, and real estate sector saw a 14 percent increase in earnings, the highest increase in the county. Construction and manufacturing experienced the next highest increases, with 12 and 10 percent, respectively, in the same year. In El Dorado County the agriculture and mining sector decreased most in earnings in 2003. Overall, El Dorado County saw a 6 percent increase in total earnings, while the state saw an increase of 4 percent in 2003.

Earnings by Industry (Thousands)

Year	Ag. & mining	Constr.	Manuf.	Transp. & public utilities	Wholesale trade	Retail trade	Finance, insurance, & real est.	Services	Govt. & public admin.	Tourism
1990	\$ 13,911	\$ 172,375	\$ 90,002	\$ 41,070	\$ 27,907	\$ 149,263	\$ 45,929	\$ 288,411	\$ 212,285	n/a
1991	\$ 13,064	\$ 166,432	\$ 71,789	\$ 40,319	\$ 30,921	\$ 157,362	\$ 54,209	\$ 299,882	\$ 231,349	n/a
1992	\$ 14,265	\$ 152,619	\$ 90,576	\$ 44,691	\$ 36,972	\$ 169,720	\$ 57,231	\$ 329,239	\$ 251,019	n/a
1993	\$ 16,145	\$ 146,039	\$ 89,976	\$ 54,590	\$ 36,719	\$ 169,909	\$ 71,747	\$ 347,555	\$ 255,713	n/a
1994	\$ 15,313	\$ 153,616	\$ 89,109	\$ 55,816	\$ 41,584	\$ 178,677	\$ 74,069	\$ 394,129	\$ 259,462	n/a
1995	\$ 13,190	\$ 161,876	\$ 95,516	\$ 53,322	\$ 46,104	\$ 185,259	\$ 81,025	\$ 374,365	\$ 273,727	n/a
1996	\$ 16,535	\$ 182,497	\$ 98,006	\$ 58,596	\$ 37,217	\$ 191,508	\$ 84,175	\$ 410,085	\$ 281,044	n/a
1997	\$ 23,514	\$ 203,939	\$ 104,871	\$ 62,613	\$ 41,519	\$ 201,316	\$ 94,379	\$ 445,883	\$ 295,699	n/a
1998	\$ 24,359	\$ 223,215	\$ 99,619	\$ 64,078	\$ 48,692	\$ 222,937	\$ 116,626	\$ 614,402	\$ 308,550	n/a
1999	\$ 26,337	\$ 282,461	\$ 107,479	\$ 65,962	\$ 50,101	\$ 237,711	\$ 139,565	\$ 730,379	\$ 320,582	n/a
2000	\$ 30,925	\$ 315,539	\$ 135,732	\$ 68,740	\$ 55,789	\$ 264,574	\$ 143,749	\$ 822,369	\$ 355,756	n/a
2001*	\$ 31,791	\$ 400,330	\$ 120,151	\$ 35,253	\$ 52,586	\$ 233,876	\$ 204,780	\$ 844,303	\$ 401,678	\$ 140,411
2002	\$ 32,936	\$ 409,813	\$ 104,080	\$ 39,827	\$ 60,261	\$ 237,560	\$ 254,960	\$ 892,442	\$ 431,324	\$ 154,642
2003	\$ 30,817	\$ 459,193	\$ 114,913	\$ 38,165	\$ 57,736	\$ 236,466	\$ 290,169	\$ 938,026	\$ 444,373	\$ 164,343
2015(p)	\$ 41,044	\$ 392,049	\$ 159,547	\$ 95,879	\$ 64,505	\$ 364,139	\$ 264,115	\$ 1,705,730	\$ 527,344	
2030(p)	\$ 56,678	\$ 545,593	\$ 197,856	\$ 126,029	\$ 78,789	\$ 509,439	\$ 385,845	\$ 3,146,925	\$ 740,325	

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



Largest Employers

Overview

The largest employers for the county are included to demonstrate which industries employ the largest number of workers. From this information, it can be assumed which industries are the most competitive (unless there is no competition in the given field), and which jobs are the highest in demand.

El Dorado County

In 2005, there were five establishments with between 1,000 and 4,999 employees, including DST Innovis, Heavenly Ski Resort, Georgetown Mercantile, and two hospitals, in El Dorado County. There were two establishments with between 500 and 999 employees, and nine establishments with between 250 and 499 employees. As detailed in section 6.3, the services sector accounted for the largest percentage of employees in the county, while finance, insurance, and real estate employees were also a significant portion of employment. The following table is ranked by the number of employees, and then alphabetized in that order.

El Dorado County Largest Employers, 2005

Employer	Number of employees
Amdocs Ltd.	1,000-4,999
Barton Memorial Hospital	500 to 999
Camp Richardson Resort	250 to 499
DST Output	1,000 to 4,999
El Dorado County Financial Aid	100 to 249
El Dorado County Sheriff	250 to 499
El Dorado County Social Svc	100 to 249
El Dorado Irrigation District	100 to 249
Embassy Suites Hotel	250 to 499
Endwave Corp.	250 to 499
Fortune 800	250 to 499
Georgetown Mercantile	1,000 to 4,999
Heavenly Ski Resort	1,000 to 4,999
Lake Tahoe Community College	250 to 499
Lake Tahoe Cruises	100 to 249
Lewis Jakki Bail Bonds	5,000 to 9,999
Marriott Grand Residence Club	500 to 999
Marshall Hospital	1,000 to 4,999
Mc Clone Construction Co.	250 to 499
More Recycling Center	250 to 499
Sierra-At-Tahoe	500 to 999
U-Stor-It Warehouses	250 to 499

Source: infoUSA

