

6. Business & Industry

Measurement of local economic performance can be performed through the analysis of business data by industry or occupation, including sales, jobs, earnings, and wages. This industry-level data provides details not available from aggregate measures of income and employment. The local industry structure and how it changes through time reveals much about the health of both the economy and the individual industries of which it is composed. Relative expansion of an industry sector is indicated by growth rates in excess of the average for the economy. Similar information is provided by industry-level employment data. Individual industry importance may be important to those looking to start or expand a business, those seeking funding through grants, or those seeking employment.

Total taxable sales in El Dorado County increased 3 percent in 2006, compared to a 4 percent increase in California. The city of South Lake Tahoe saw a decrease of 1 percent in total taxable sales, while the city of Placerville saw an 8 percent increase between 2005 and 2006. El Dorado County is home to many small businesses, with most of them consisting of one to four employees, similar to the trends of California. Based on the reported data, the services sector accounted for the largest percentage of businesses in 2007, while the construction sector, the government and public administration sector, the finance, insurance, and real estate sector, and the retail sector were all significant contributors to the county's total earnings in 2005.

In this section:

Taxable Sales	54
Business by Employment Size & Industry	56
Job Growth by Industry Sector	58
Earnings by Industry	61
Largest Employers	63

Taxable Sales

Overview

The taxable sales indicator is the value of all transactions subject to sales and use tax in California. Collected and published by the California Board of Equalization, sales and use taxes are imposed on the sale and use of tangible personal property. Total taxable sales do not necessarily reflect the gross sales of retail businesses because not all transactions are subject to sales and use tax, including nonprepared food items, prescription medicines, and services, whether or not the service is tied to the sale of a taxed product.

Taxable sales generate a substantial amount of income for local and state governments; however, rather than reflecting the revenue earned by a local government, taxable sales act as a gauge for consumer spending and local economic performance. Compared with total population, this is a helpful indicator for retail businesses to measure the potential for additional sales volume in a certain area. Changes in taxable sales are a measure of changes in both local government revenue and the economic health of the area.

In 2005, California's taxable sales increased for the twelfth consecutive year. The transactions that incurred sales and use tax totaled \$536 billion. This figure was an increase of almost 10.2 percent in taxable sales from 2004.

Taxable sales by retail stores in California climbed to \$375 billion, or a 10.1 percent increase during the same time period. Taxable transactions by business and personal service establishments reached \$23 billion—a nominal increase of 3.5 percent. Taxable sales by establishments included in the All Other Outlets category grew to \$138 billion, an increase of 8.2 percent.

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

El Dorado County

In 2006, total taxable sales in El Dorado County were almost \$1.9 billion, and retail sales made up 69 percent of that total. In comparison, retail sales made up 69.5 percent of total taxable sales in California. Between 1996 and 2006, the city of South Lake Tahoe saw a 30 percent increase in total sales, while the city of Placerville saw a 42 percent increase. As the following figures show, El Dorado County's total taxable sales have matched similar statewide trends in the last decade.

Taxable Sales by City

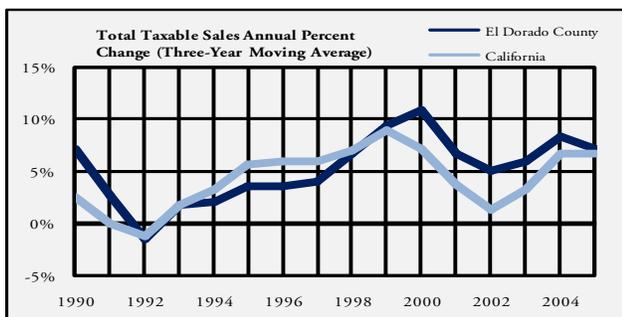
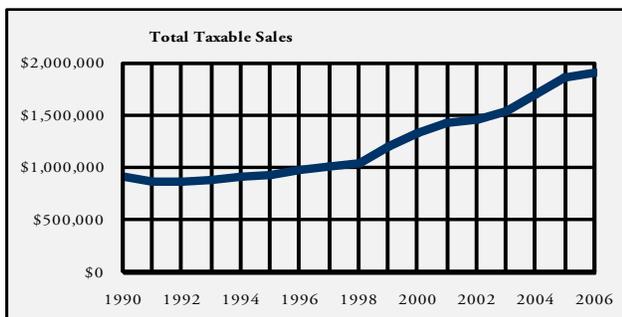
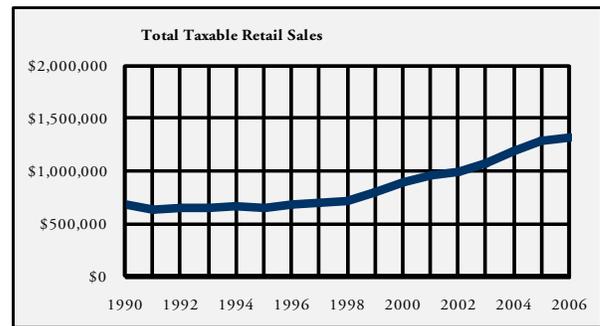
Year	Placerville		South Lake Tahoe	
	Taxable retail sales	Total taxable sales	Taxable retail sales	Total taxable sales
1990	\$ 161,939	\$ 194,814	\$ 217,957	\$ 244,819
1991	\$ 156,182	\$ 182,021	\$ 198,746	\$ 228,012
1992	\$ 152,285	\$ 184,547	\$ 204,782	\$ 238,061
1993	\$ 148,739	\$ 183,868	\$ 212,723	\$ 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
2005	\$ 258,260	\$ 307,159	\$ 291,590	\$ 357,944
2006	\$ 278,763	\$ 334,334	\$ 296,204	\$ 357,095

Source: California Board of Equalization

County Total Taxable Retail Sales and Total Taxable Sales (\$ Thousands)

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
2005	\$ 1,292,107	\$ 1,851,231
2006	\$ 1,310,701	\$ 1,898,805

Source: California Board of Equalization



Business by Employment Size & Industry

Overview

This section shows businesses located in El Dorado County, categorized by employment size and by industry. The data is from the Dun & Bradstreet (D&B) business database. D&B is a credit company and collects information on businesses every time they have a credit check run against them. Using this method, D&B can quickly add new business information to the area database. The downside is that if a business shuts down, it may take a few years for it to be deleted from the database.

The stability of a local economy is dependent upon a diverse mix of businesses, both in terms of size and industry sector. A diverse business mix allows an economy to weather economic downturns more easily than one that is dependent on a few types of businesses. For example, the Bay Area was heavily dependent upon computer technology businesses when the “dot com crisis” hit in 2000. The national economy experienced a small recession during a few months in 2001, but the Bay Area suffered from a much deeper economic downturn that lasted several years.

Business by Employment Size and Industry, October to December 2007

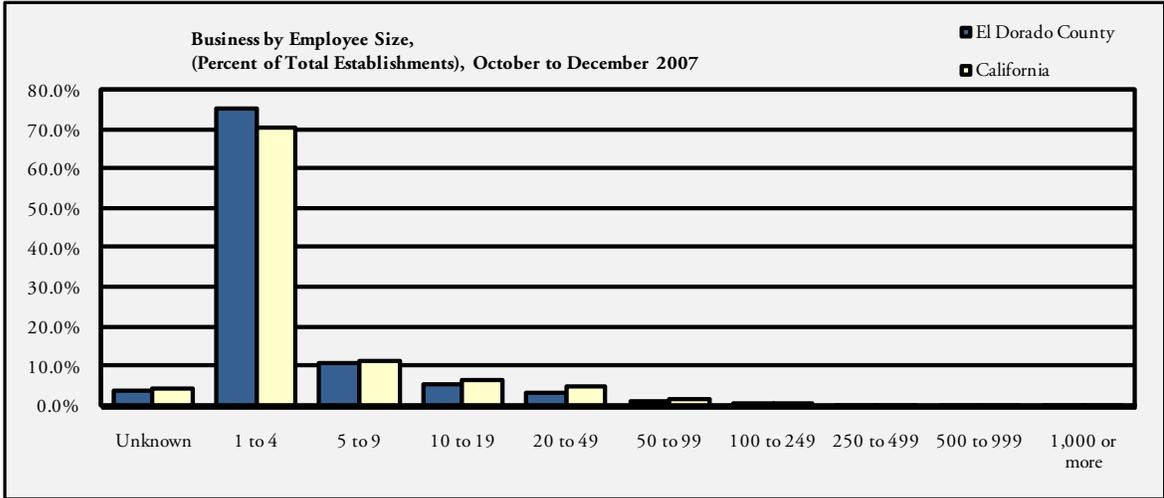
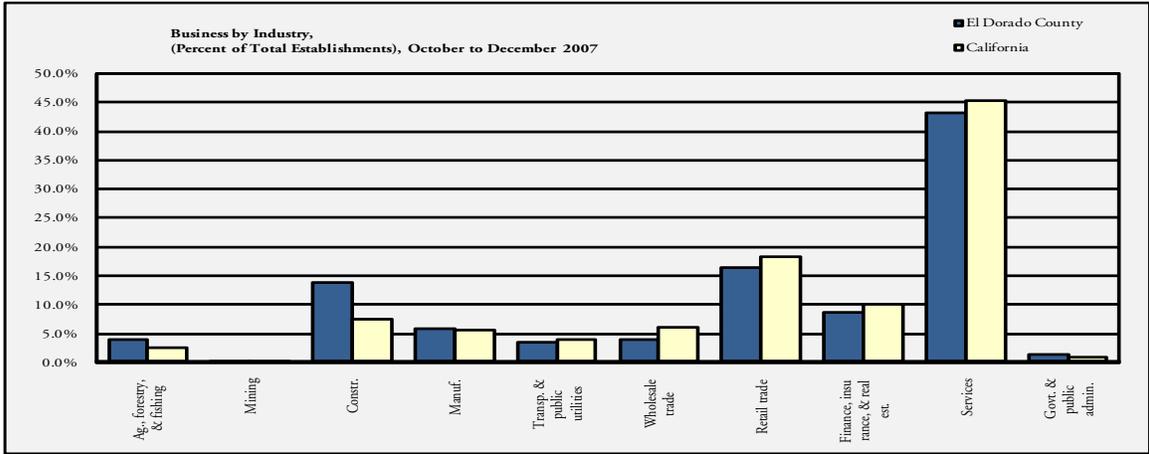
Number of employees	Ag., forestry, & fishing	Mining	Constr.	Manuf.	Transp. & public utilities	Wholesale trade	Retail trade	Finance, insurance, & real est.	Services	Govt. & public admin.	Total businesses by number of employees
Unknown	1	1	7	24	15	11	143	20	94	33	349
1 to 4	306	5	1,058	369	245	278	924	625	3,220	21	7,051
5 to 9	33	1	139	62	24	47	222	105	377	12	1,022
10 to 19	14	1	53	42	18	19	136	36	173	11	503
20 to 49	5	0	21	27	10	10	70	13	119	19	294
50 to 99	0	0	4	6	7	0	17	4	49	17	104
100 to 249	1	0	3	2	3	1	11	3	12	5	41
250 to 499	0	0	0	1	1	0	0	1	3	1	7
500 to 999	0	0	0	0	0	0	0	0	1	0	1
1,000 or more	0	0	0	0	0	0	0	0	1	0	1
Total businesses by industry	360	8	1,285	533	323	366	1,523	807	4,049	119	9,373

Source: Dun & Bradstreet

El Dorado County

From October to December 2007, businesses with one to four employees were the most common in El Dorado County, and made up 75 percent of all establishments. Another 11 percent of the businesses in El Dorado County consisted of five to nine members, suggesting a strong trend of small local businesses in the county. Statewide, businesses of one to four employees were the most common, making up 70 percent of all businesses in the state.

In 2007, 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 14 percent were made up of construction companies, compared to 7.5 percent in California. While the overall makeup of industry sectors was quite similar in El Dorado County to California trends, wholesale trade businesses made up 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 3 percent difference in share of total industries.



Job Growth by Industry Sector

Overview

Published by the U.S. Department of Commerce, Bureau of Economic Analysis (BEA), this measure of jobs is by place of work; that is, where the job is being performed regardless of where its worker lives.

The BEA uses business tax returns to calculate jobs by industry. Therefore, each person who worked for a company for pay or profit over the course of a year is counted. That means if a person changed jobs only once over the course of a year, they are counted twice—once for each company at which they worked. The same holds true for part-time and seasonal employees who hold more than one job over the course of a year.

Self-employed proprietors and members of business partnerships are counted as well. A person with a full-time job who owns or co-owns a business on the side is counted twice. Unpaid family workers and volunteers, however, are not included.

Some industries may be so small that publishing data could disclose confidential information about an individual business. The BEA will withhold data if there are fewer than four businesses or if one business is responsible for more than 80 percent of the industry's sales. If a withholding occurs, the BEA must withhold data in another category to preserve confidentiality.

NOTE: (D) Figure not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

Before 2000, jobs by industry was published according to the Standard Industrial Classification. In 2001, that changed to the new North American Industrial Classification (NAICS). The NAICS system of industrial classification was an improvement over the old system because it allowed the separation of important industry groups, such as tourism. Therefore, tourism is its own category starting in 2001. Before 2001, jobs in tourism were classified mostly under retail trade and services.

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	2,037	8,360	2,140	1,191	1,538	9,588	10,796	26,947	9,415	9,742
2003	1,883	8,635	2,149	1,083	1,542	9,681	11,985	27,892	9,313	10,076
2004	1,893	9,486	2,112	1,118	1,584	9,678	12,531	30,114	9,231	10,655
2005	1,806	10,058	2,153	1,250	1,640	9,845	13,203	31,235	9,332	10,708

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

Some data which may disclose confidential information is not included

Job growth is classified by the following ten major industry categories:

▣ **Agriculture and Mining** includes establishments primarily engaged in agricultural production, forestry, commercial fishing, hunting and trapping, companies engaged in the extraction of natural minerals, and related services. Mining is typically withheld as confidential, and when it is, agriculture is usually withheld to preserve its confidentiality. Publishing these industries together allows the CED to calculate the sum of agriculture and mining when each individually are withheld as confidential, providing a more complete dataset.

▣ **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.

▣ **Government and public administration** includes the executive, legislative, judicial, administrative, and regulatory activities of federal, state, and local 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.

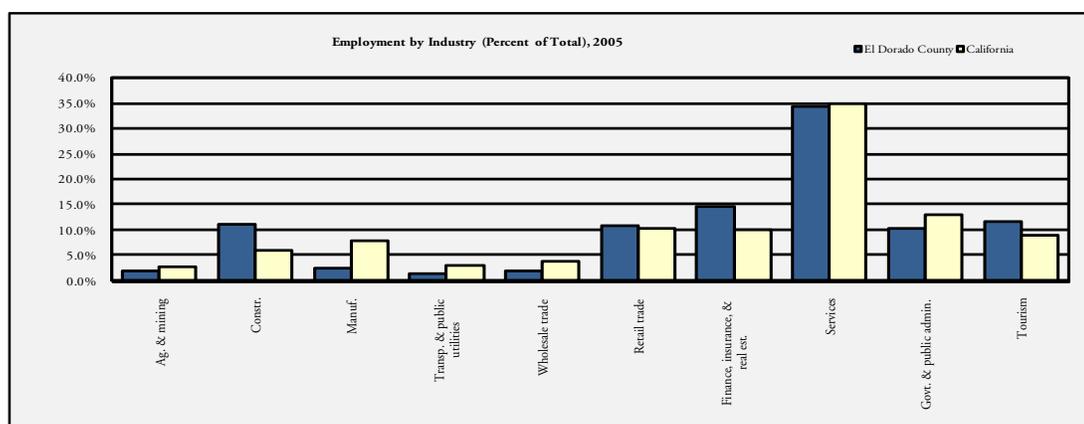
▣ **Manufacturing** includes businesses engaged in the mechanical or chemical transformation of materials into new products. Establishments that assemble parts of manufactured products are also included, as long as the final product is neither a structure nor a fixed improvement.

▣ **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.



□ **Tourism** includes businesses primarily engaged in providing recreation and amusements, lodging, and food and drink for consumption on the premises.

Job growth by industry sector is a measure of the economic diversity and stability of the local economy. A healthy economy will have a balance between industries. As discussed in the previous indicator, if too many jobs are concentrated in one sector, a downturn in that sector could easily and rapidly weaken 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. This can provide insight into which industries have the greatest potential for growth in the near future.

El Dorado County

According to the available data, the construction sector had the largest growth in employment between 2004 and 2005 in El Dorado County with a 6 percent increase. Finance, insurance, and real estate employment had nearly percent growth in the county. In El Dorado County, agriculture and mining employment decreased 5 percent, and manufacturing employment decreased over 1 percent in the same year.

Based on the 2005 figures, educational services had the most employment growth in the services sector with an 11 percent increase. This was followed by professional, scientific, and technical services with 4 percent in the same year.

Service Industry Employment

Year	Information	Professional						Total
		Scientific & Technical Services	Management of Companies & Enterprise	Administrative and Waste services	Educational Services	Health Care & Social assistance	Other Services	
2001	1,058	8,766	230	3,770	855	6,243	5,090	26,012
2002	971	8,943	198	3,925	976	6,515	5,419	26,947
2003	954	9,149	262	3,856	972	7,018	5,681	27,892
2004	1,087	9,343	270	5,172	1077	7,220	5,945	30,114
2005	1,138	9,714	274	5,351	1205	7,481	6,072	31,235

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

Earnings by Industry

Overview

Earnings by industry is the total personal earnings from jobs shown in the previous indicator. It is not equivalent to the total revenue a business generates. The total earnings of an industry are calculated by taking the sum of three components: wage and salary disbursements, supplements to wages and salaries, and proprietor income.

While business sales by industry might be a better indicator of the relative prosperity of industries in the area, there is no reliable published source of this data annually. Earnings by industry can serve as a proxy and allow comparisons between industries or geographic areas.

Growth in earnings by industry can provide some insight into the relative competitiveness of an industry in a local economy, as well as which industries have the potential for expansion. For example, if the proportion of an industry's earnings is higher than in the state, then there is likely a competitive advantage to that industry's location in the county. Locations where an industry has a competitive advantage and/or has been growing rapidly in the past may have greater potential for expansion in the near future.

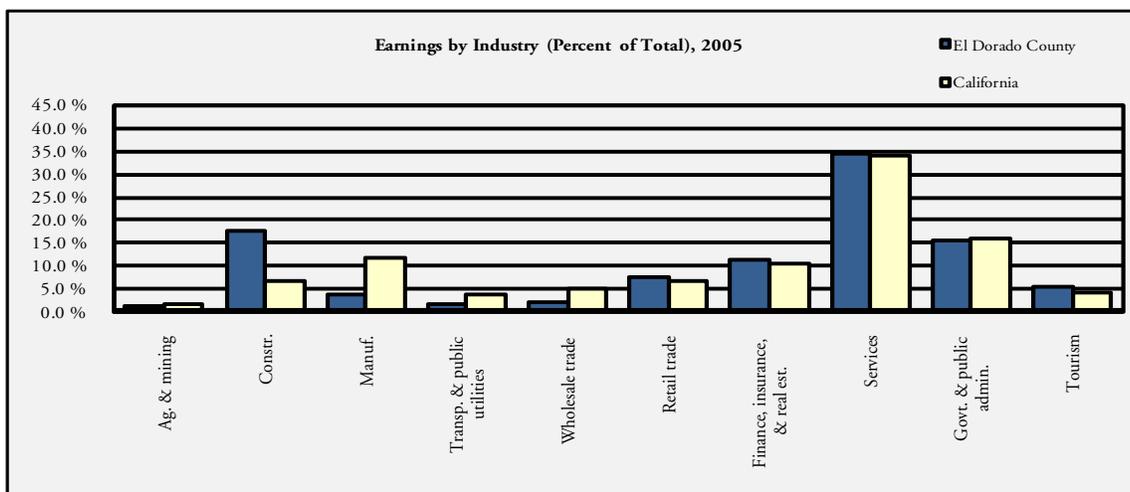
NOTE: (D) Figure not shown to avoid disclosure of confidential information, but the estimates for this item are included in the totals.

El Dorado County

According to the 2005 disclosed data, the services sector earned over \$1.1 billion, the largest reported total in El Dorado County. The construction sector, and the government and public administration sector earned totals of nearly \$578 million and over \$508.2 million, respectively, in the same year.

Within the services sector, professional, scientific, and technical services earned the highest reported total, with over \$463 million in 2005. Health care and social assistance services followed with \$333.4 million in earnings in the same year.

See the following figures on earnings by industry from 1990 to 2030 (projected).



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	\$	29,258	\$	413,847	\$	104,713	\$	42,856	\$	60,919	\$	238,331	\$	269,031	\$	905,494	\$	436,073	\$	147,005
2003	\$	30,208	\$	456,408	\$	111,664	\$	42,979	\$	58,606	\$	235,685	\$	315,244	\$	942,355	\$	460,381	\$	153,914
2004	\$	33,512	\$	505,956	\$	113,893	\$	46,359	\$	64,140	\$	245,088	\$	343,032	\$	1,063,241	\$	479,464	\$	164,976
2005	\$	35,294	\$	577,954	\$	122,153	\$	51,013	\$	68,408	\$	253,340	\$	379,422	\$	1,141,666	\$	508,262	\$	175,163
2015(p)*	\$	37,697	\$	471,669	\$	197,931	\$	123,304	\$	95,345	\$	468,682	\$	426,669	\$	1,508,711	\$	540,318	n/a	
2030(p)*	\$	51,399	\$	643,293	\$	237,781	\$	149,657	\$	130,141	\$	691,943	\$	647,937	\$	2,476,091	\$	824,367	n/a	

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

*NOTE: Nominal figures are in 1996 dollars.

Service Industry Earnings (Thousands)

Year	Professional								Total							
	Information	Scientific & Technical Services	Management of Companies & Enterprise	Administrative and Waste services	Educational Services	Health Care & Social assistance	Other Services									
2001	\$	30,563	\$	402,939	\$	9,797	\$	75,359	\$	8,628	\$	225,799	\$	91,218	\$	844,303
2002	\$	31,806	\$	393,919	\$	9,511	\$	96,411	\$	11,379	\$	256,625	\$	105,843	\$	905,494
2003	\$	33,852	\$	391,806	\$	11,150	\$	99,685	\$	9,135	\$	280,286	\$	116,441	\$	942,355
2004	\$	42,583	\$	424,671	\$	10,900	\$	140,927	\$	12,768	\$	306,603	\$	124,789	\$	1,063,241
2005	\$	42,398	\$	463,012	\$	12,060	\$	145,702	\$	15,065	\$	333,409	\$	130,020	\$	1,141,666

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

Largest Employers

Overview

The Largest Employers indicator is among the most sought after pieces of information about an area. Unfortunately, no official data for largest employers is available because government statisticians are required to preserve the confidentiality of individual businesses. The list of largest employers presented here is from the Dun & Bradstreet business database, although this information may not be complete. Community organizations, such as local chambers of commerce, may have additional names to add to the list of top employers.

Typically, industries represented in top employer lists enjoy a competitive advantage with their location in the area. Industries represented also tend to be socially and politically connected within the community.

El Dorado County Largest Employers, 2007

Employer	Number of employees
Marshall Medical Center	1000
Barton Healthcare System	554
El Dorado County	416
Roebelen Contracting Inc	350
Amdocs Inc	336
Marriott Grand Residence	320
ARCHCO Financial Inc	300
El Dorado Irrigation District	300
Sierra Pacific Industries	300
California Physicians Service	260
El Dorado County Office of Education	250
Black Oak Mine Unified School	225
City of South Lake Tahoe	210
Motor Pool & Information Svc	200
R Systems Inc	200
El Dorado County -Dept of Human Svc	200
El Dorado County -Dpt of Trans	180
Rjp Framing Inc	180
Umpqua Bank	157
Mother Lode Rehabilitation	150
Promus Operating Co Inc	150
Chevys Restaurants LLC	150
CA Dept of Forestry & Fire	150
El Dorado Union High School	150
Wal-Mart Stores Inc	150

Source: Dun and Bradstreet

Largest Employers

Overview

As with the previous indicator, this list is from the Dun & Bradstreet business database. Businesses listed in the database as “women-owned” were extracted from the database. This list may include corporate establishments where the top executive is known to be a woman. This also means that some businesses where a woman is a part owner will not be included unless the woman is listed in the database as the top executive.

This is as much a social indicator as it is an economic one. It is a measure of the economic integration of women in the community. Of particular importance is the percentage of top employers that are also listed as women-owned establishments, and whether this percentage is greater than or less than a regional or state average.

The establishment of women-owned businesses has been a major element in the evolution of the U.S. economy in recent decades, including in California. Women-owned businesses are increasingly recognized as part of the business mainstream. The Center for Women’s Business Research estimates that as of 2004, nearly half (48 percent) of all privately-held businesses in the U.S. are owned 50 percent or more by women, for a total of 10.6 million enterprises. This includes 6.7 million majority (51 percent or more) women-owned firms, and another 4.0 million equally (50-50) women- and men-owned firms. Trends in the number, employment, and revenues of women-owned businesses tell a dramatic story of the expanding role of these businesses in the U.S. economy. However, these numbers are only the beginning of the story. The economic impact of these firms is felt throughout the economy, as they provide jobs, income, and employee benefits to millions.

El Dorado County Women Owned Largest Employers, 2007

Employer	Number of employees
Rjp Framing Inc	180
Response 1 Medical Staffing	150
Raley's -El Dorado Hills	130
Raley's -South Lake Tahoe	120
Raley's -South Lake Tahoe	100
Raley's -Placerville	75
Action Home Nursing Services	70
Salutary Sports Clubs Inc	50
Princess House Area	50
California Land Management	50
Alpha Research & Technology	49
Signature Theatres	45
Body Essentials	41
Tortilla Flat	40
Mountain F Enterprises Inc	40
Mountain Management Inc	33
Paragon Products Inc	30
V E Lee Inc	30
Guiding Hands Inc	30
Help At Home Inc	30
Lou Danker	27
Quality In-Homecare	26
Prudential California Realty	25
Sweetie Pies	23
H B H Construction Inc	21

Source: Dun and Bradstreet