Building a Sustainable Rural Economy

Mariposa, California

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Economic Roundtable
Los Angeles, California

Road Map

TOPICS	IDEAS
1. Profile of Mariposa residents	1. Strong middle class, aging population
2. Tourism	2. Anchor industry, costs & opportunities
3. Agriculture	3. Open space, strong linkages, modest income
4. Commuting into and out of Mariposa	4. More workers than jobs, many residents commute to jobs in neighboring counties
5. Comparison to Amador, Calaveras & Tuolumne counties	5. More hotel jobs, higher (but still low) wages
6. Mariposa's economy	6. Job growth from self-employment, income growth from pensions & public benefits
7. What Mariposa makes and buys	7. Mariposa's economy is too small to capture many of the "multipliers" from local expenditures
8. Potential strategies for a stronger economy	8. - Strengthen links between key sectors, e.g., food production and food consumption - Buy local – wholesale and retail - Support industries that pay higher wages and reach external markets

Profile of Mariposa Residents

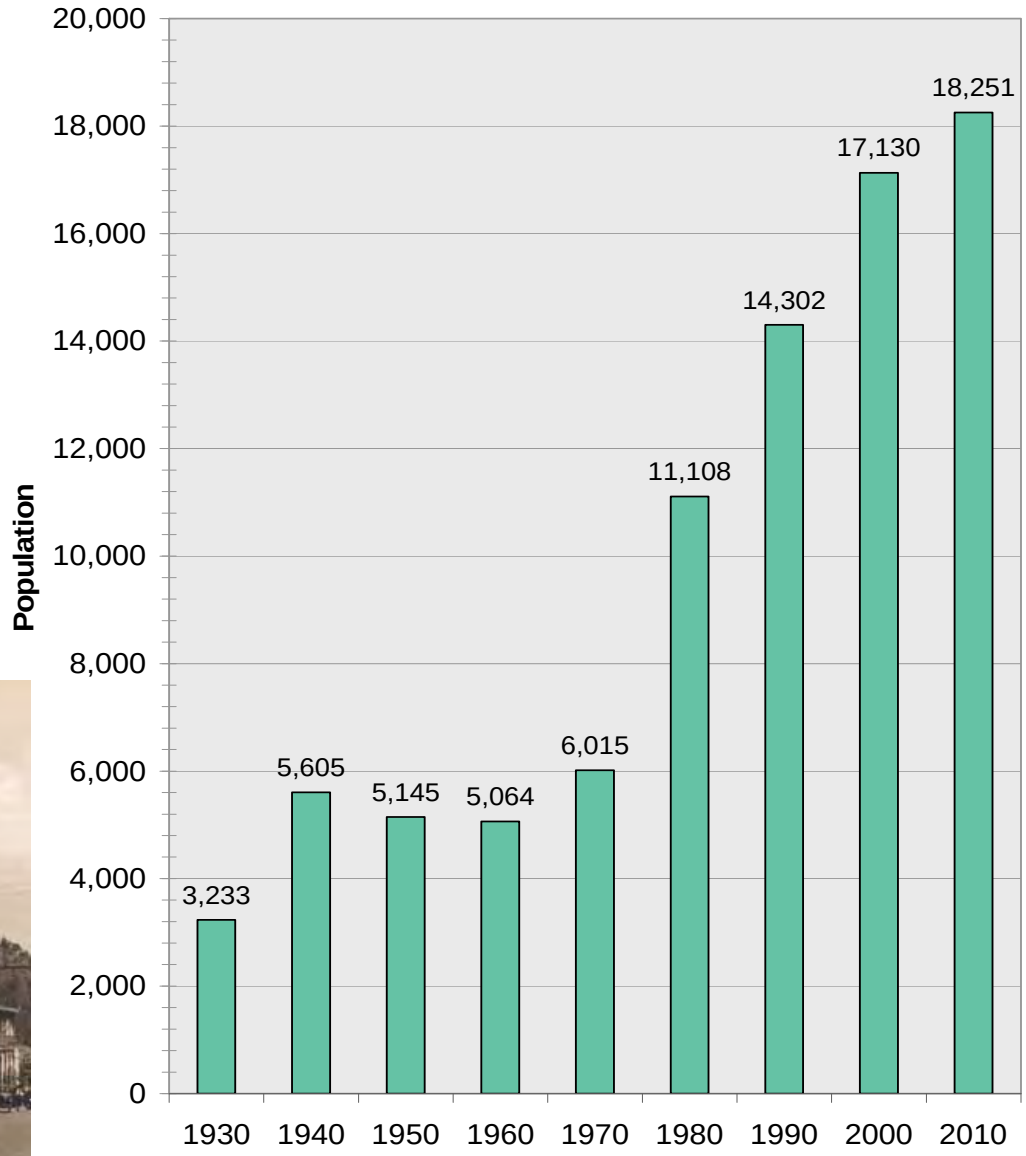
Key points and opportunities:

- *Population growth has slowed down*
- *The population of residents over 45 is growing*
- *Mariposa has a stronger middle class than the state*
- *Mariposa offers a stable, educated workforce for employers*

Small population through 1970

- Mariposa's population grew by less that 3,000 from 1930 through 1970
- About 18,000 people now make their home in the county.

Mariposa Main Street, California State Library, E. F. Mueller Postcard Collection

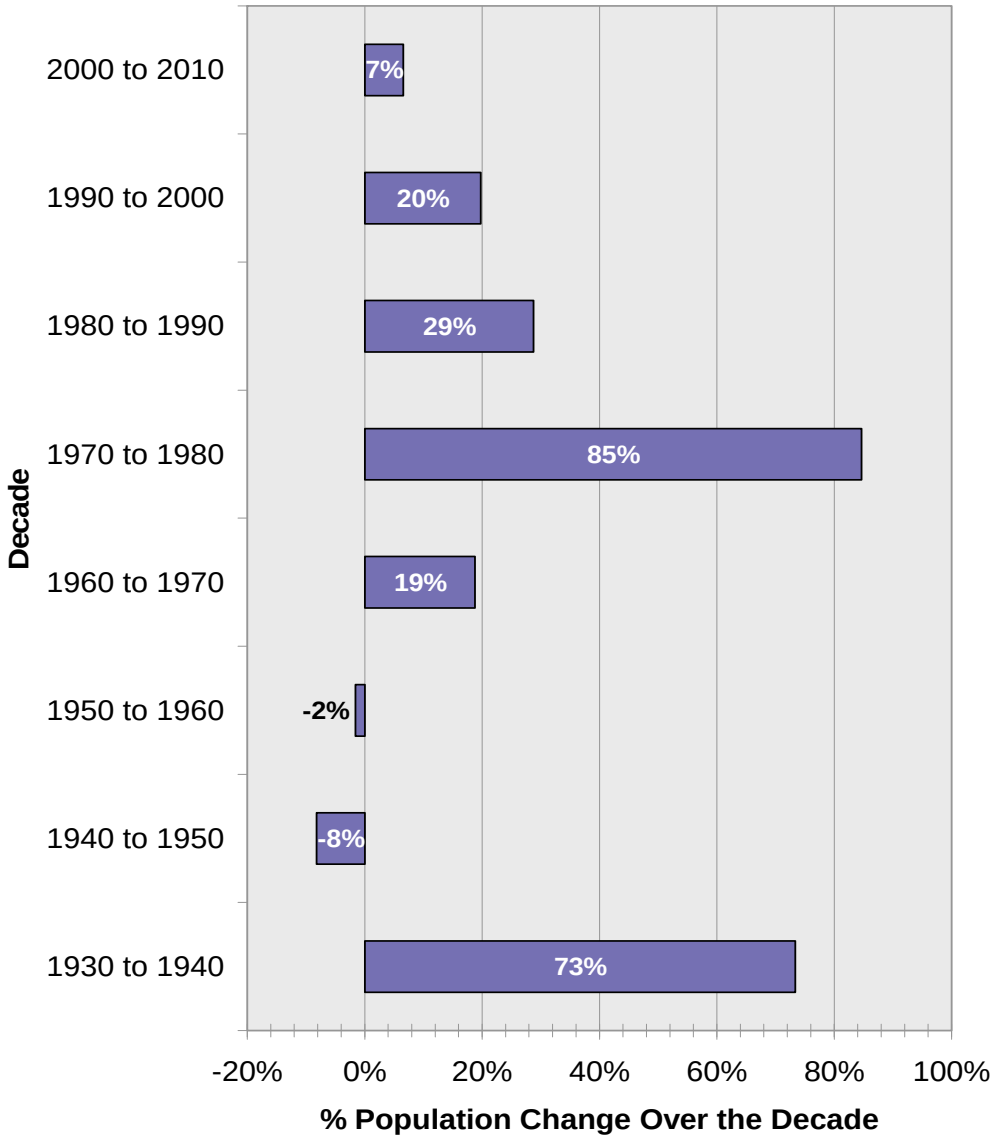


Sources, U.S. Census Bureau decennial censuses: 1970, Table 35: Age by Race and Sex, for Counties; 1980, Table 2: Land Area and Population, 1930-1980; 1990, Table 140: Age, Sex, Ability to Speak English, and Disability; 2000, Table DP-1: Profile of General Demographic Characteristics; 2010, Table D001: Population

Growth most rapid from 1970 to 1980

- Mariposa decade of greatest population growth since 1930 was from 1970 to 1980
- The growth rate has slowed in each subsequent decade
- Mariposa's population declined from 1940 to 1960

Mariposa 1911, California State Library, E. F. Mueller Postcard Collection



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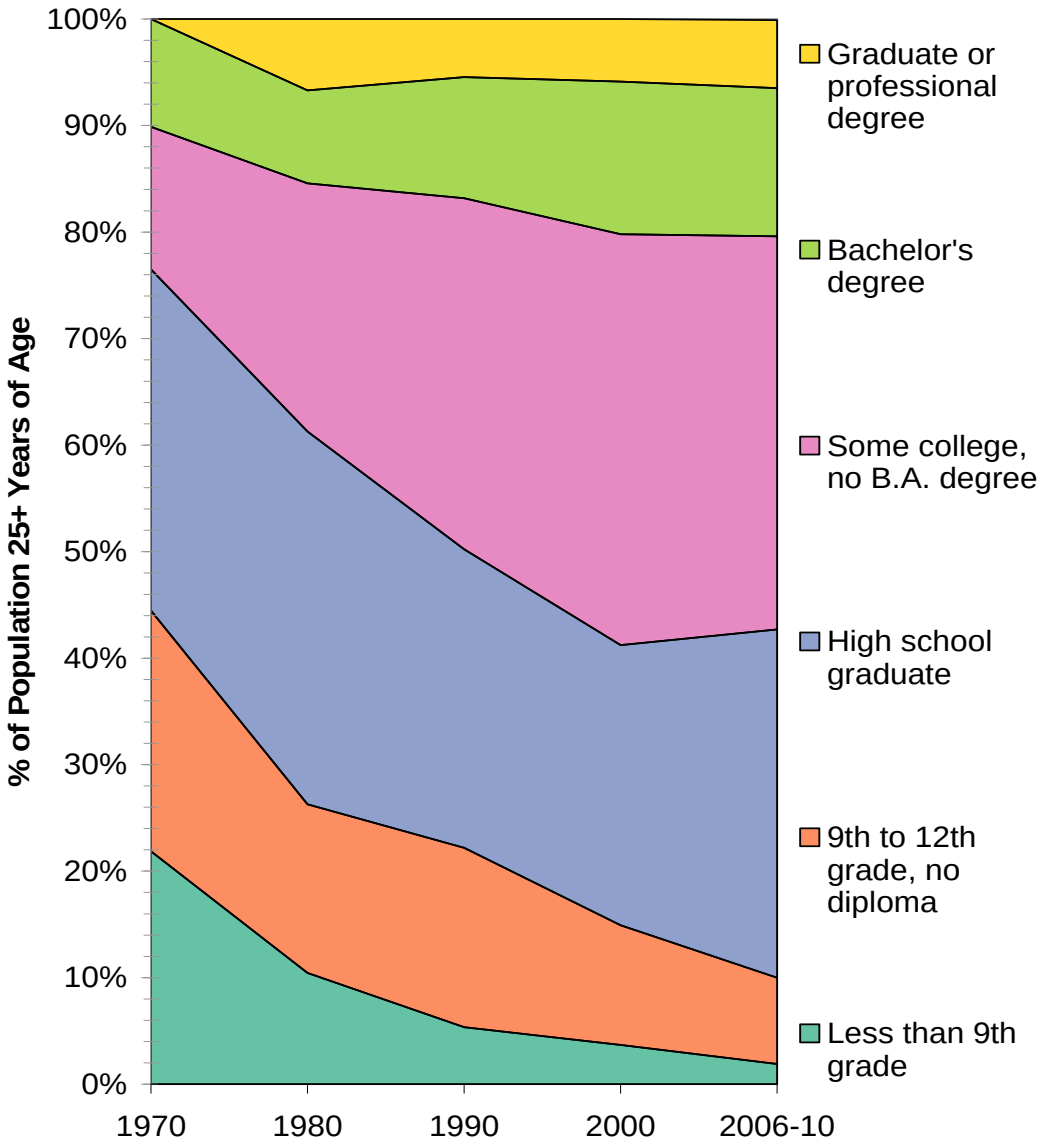
A more educated population

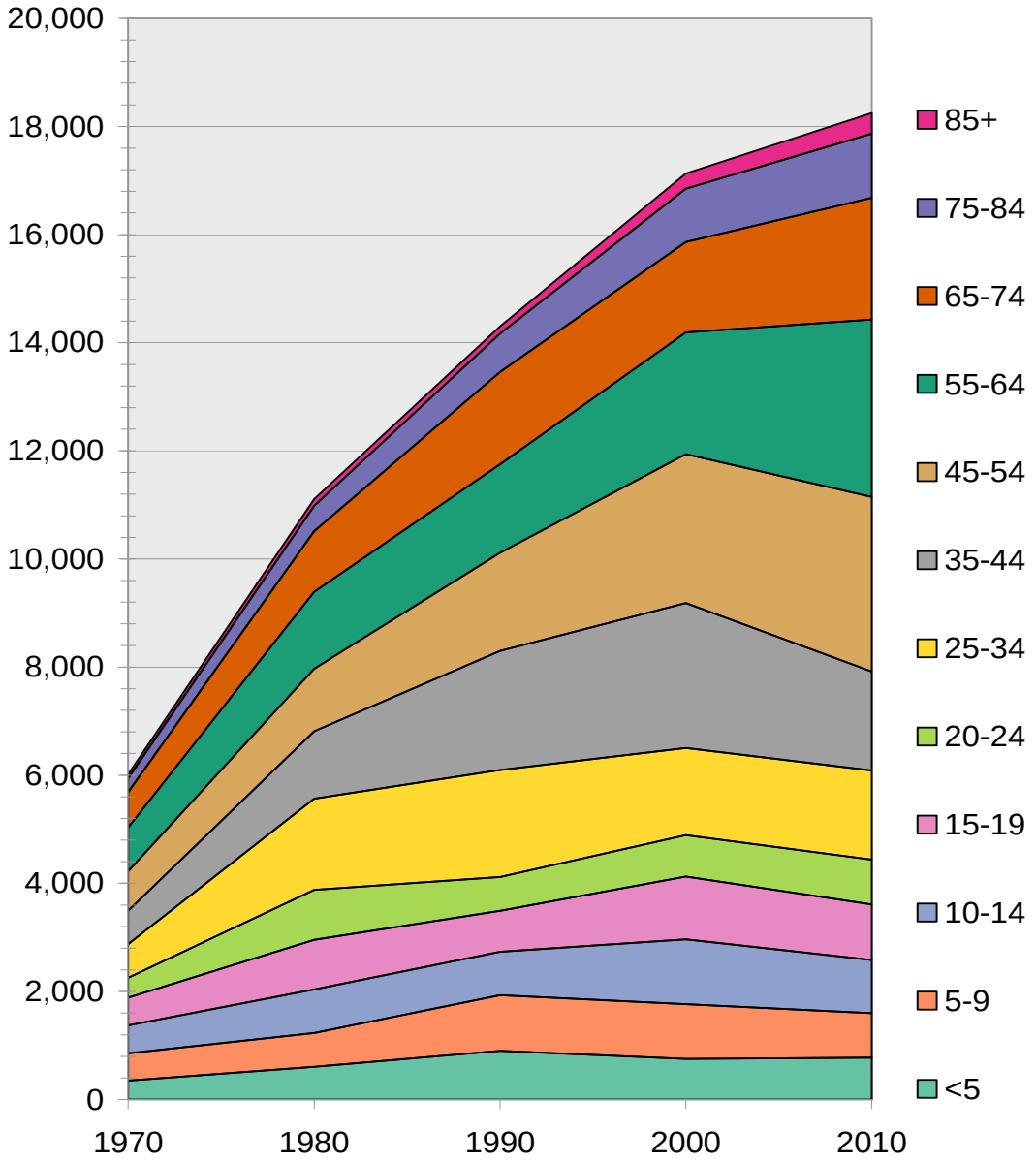
- The share of residents without a high school diploma declined 78% since 1970
- The share with some college increased 101% since 1970
- Mariposa offers a stable, educated workforce for employers



Sources, U.S. Census Bureau decennial censuses: 1970, Table 120, Educational and Family Characteristics for Counties; 1980, Table 175, Educational Characteristics for Counties; 1990, Table 142, School Enrollment and Educational Attainment; 2000, DP-2: Profile of Selected Social Characteristics; and U.S. Census Bureau 2006-2010 American Community Survey 5-Year Estimates: Table S1501, Educational Attainment

Age mix of the population is changing

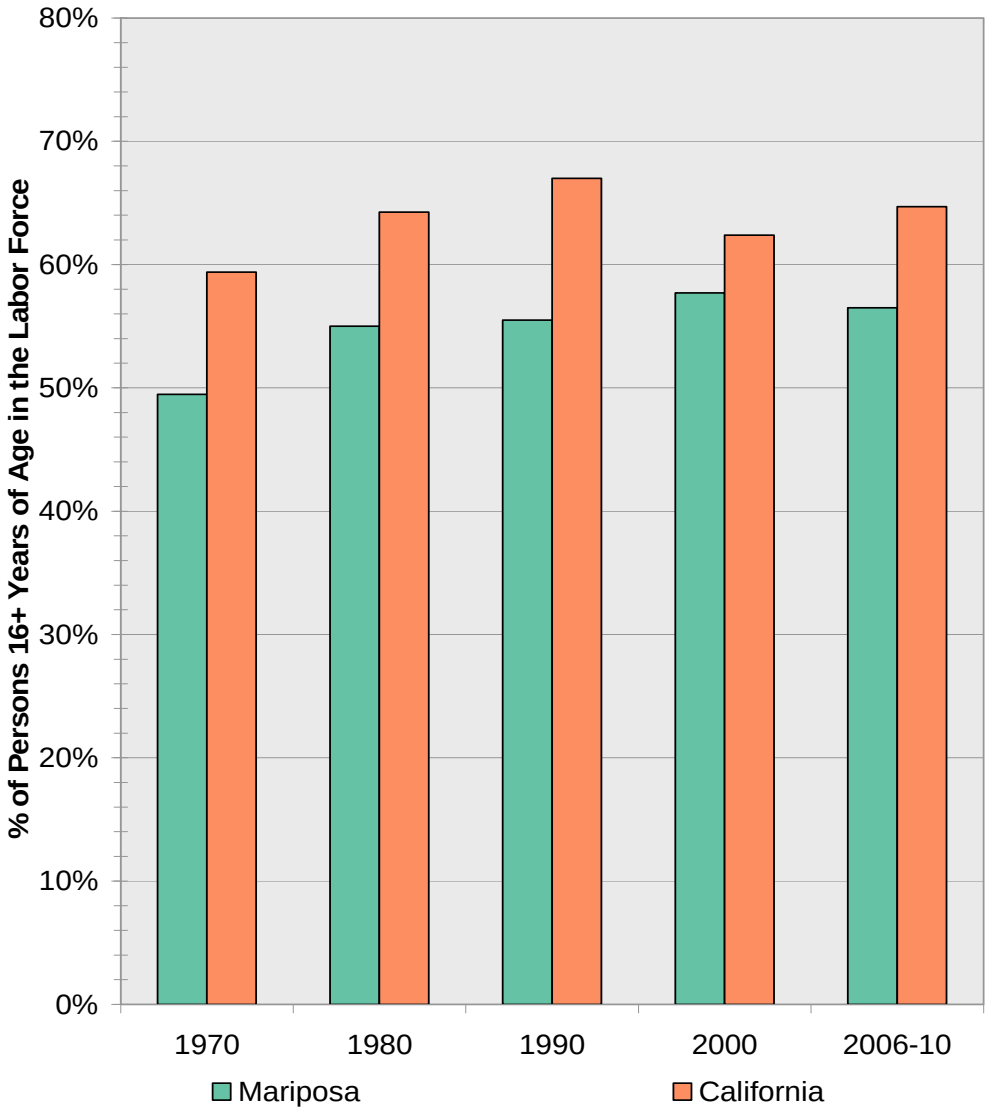
- Mariposa population is "aging"



Sources, U.S. Census Bureau decennial censuses: 1970, Table 35: Age by Race and Sex, for Counties; 1980, Table 46: Persons by Age for Counties; 1990, Table 140: Age, Sex, Ability to Speak English, and Disability; 2000, Table DP-1: Profile of General Demographic Characteristics; 2010, DP-1: Profile of General Population and Housing Characteristics

A smaller share of adults work in Mariposa than in California

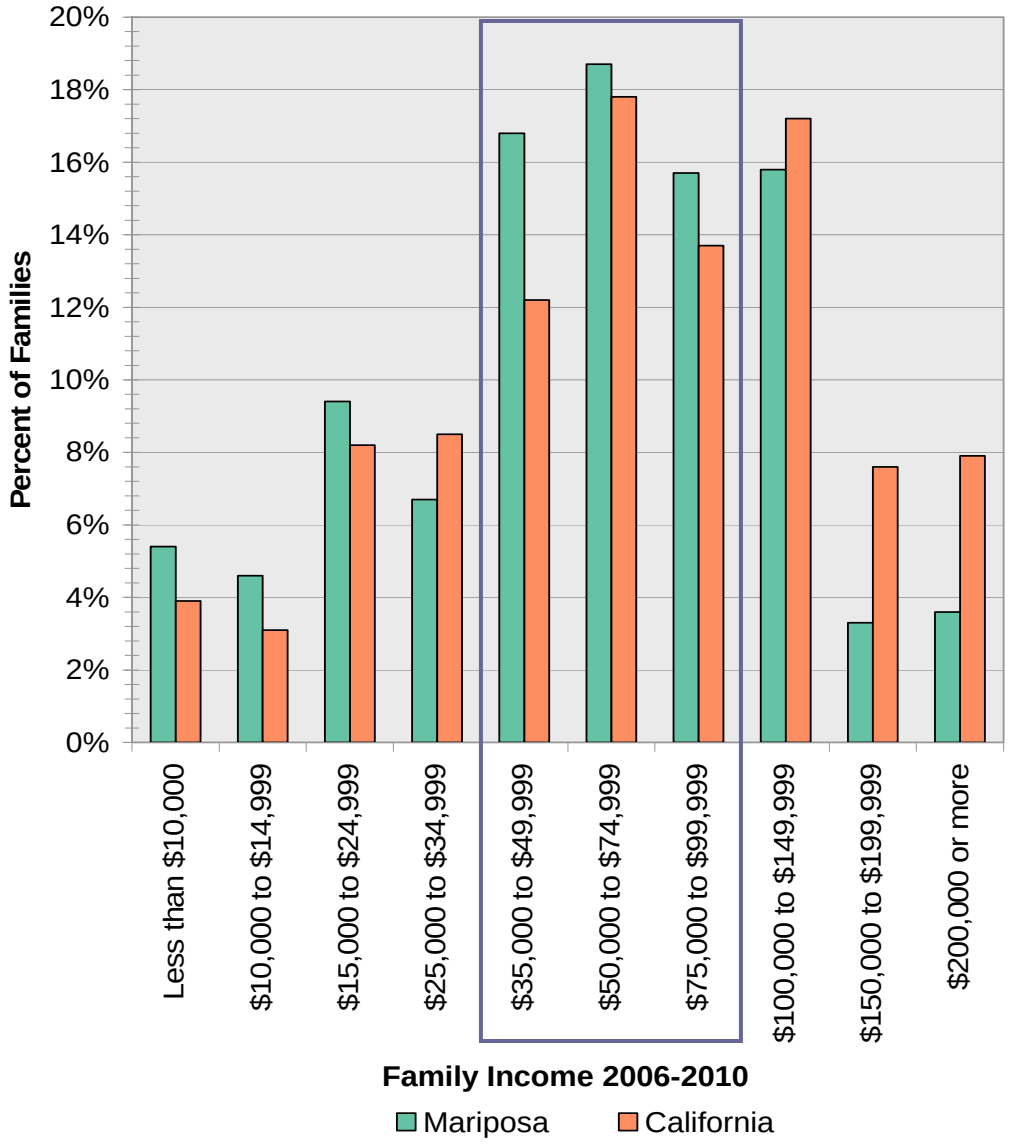
- Mariposa's rate of labor force participation for people 16+ years of age peaked in 2000
- Mariposa's employment rate is lower because a larger share of residents are retired



Sources, U.S. Census Bureau decennial censuses: 1970, Mariposa: Table 121, Employment Characteristics for Counties; 1980, Mariposa: Table 176, Labor Force Characteristics for Counties; 1970 and 1980, California: Selected Social and Economic Characteristics by Race; 1990, Mariposa: Table 144, Labor Force Characteristics; 1990, California: Table 131, Labor Force Characteristic s for Race and Hispanic Status; 2000, Mariposa and California: DP-3: Profile of Selected Economic Characteristics
U.S. Census Bureau 2006-2010 American Community Survey 5-Year Estimates: Table DP03: Selected Economic Characteristics

Mariposa has a stronger middle class than the state

- Larger share of families with incomes $35,000 to $99,999
- Larger share of families with incomes under $25,000
- Smaller share of families with incomes of $150,000 or more



Source: U.S. Census Bureau 2006-2010 American Community Survey 5-Year Estimates: Table DP03: Selected Economic Characteristics

Tourism

Key points and opportunities:

- *There are opportunities to capture a larger share of what tourists spend on trips to Yosemite for: automotive repair, entertainment, recreation, and restaurants*
- *There is an environmental cost for tourist trips – 639 million pounds of greenhouse gases a year*

29% of Yosemite visitors pass through Mariposa township

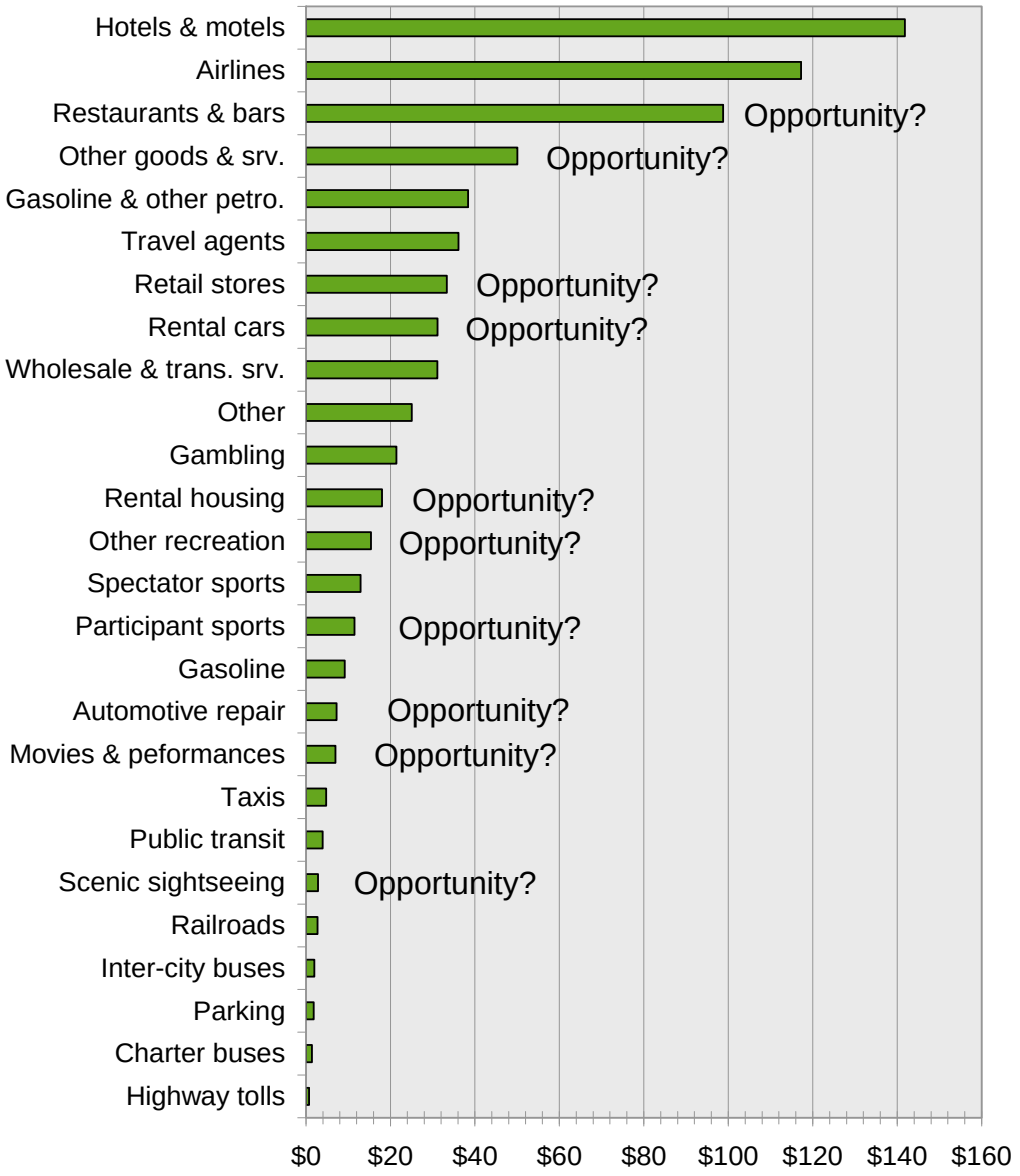
- Entering and leaving the park through Mariposa in 2011:
  - 422,988 vehicles
  - 1,141,083 people
- Yosemite is often one stop on trips with destinations throughout California
  - This is Mariposa's competition
- Outside-the-park Mariposa could become a destination for more visitors

Source: National Park Service Public Use Statistics Office, Traffic Count and Comparison reports for 2011

Visitors to Mariposa in 2010 spent an estimated $726 million on their trips

- $141 million in hotel revenue in Mariposa County in 2010 reported by U.S. B.E.A.
- Scaling the U.S. tourism model to this level of hotel revenue, Mariposa tourists spent $726 million:
  - $99 million on restaurants and bars
  - $50 million on personal goods and services
  - $18 million on rental housing
  - $7 million on car repair
- Mariposa may be able to capture a larger share of expenditures made on these trips

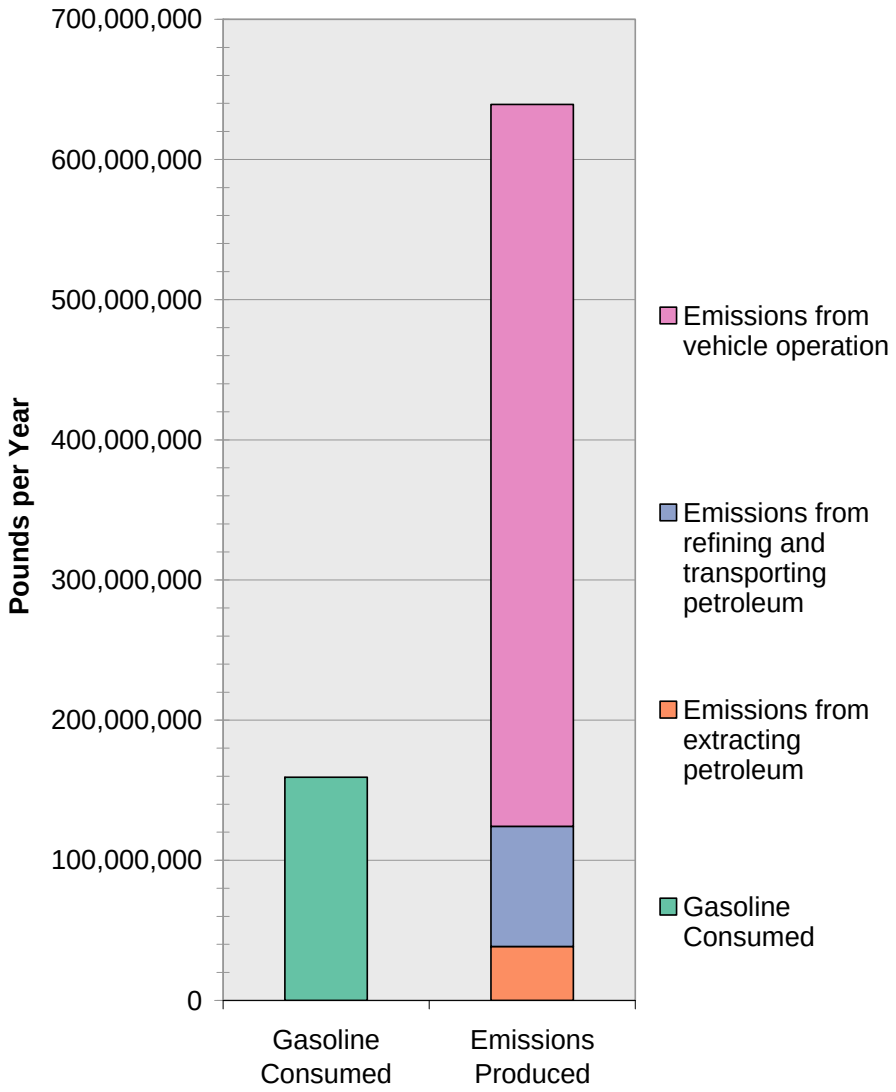
- *Park survey data shows much higher expenditures than this model:*
  - *$623 million inside the park*
  - *$643 million within 50 miles of the park*



Sources: U.S. Bureau of Economic Analysis, U.S. Travel and Tourism Satellite Accounts (TTSAs); IMPLAN input-output econometric model and 2010 data for Mariposa County

Tourist trips to Yosemite create 639 million pounds of greenhouse gases a year

- Private car trips to Yosemite use 159 million gallons of gasoline annually
- Annual greenhouse gas emissions:
  - 19 thousand tons from extracting the petroleum
  - 43 thousand tons from refining and distribution
  - 258 thousand tons from driving



Sources: Yosemite National Park Visitor Study, Summer 2009, conducted by the University of Idaho, for size of visitor groups, mode of transportation and gasoline expenditures; Yosemite National Park Annual Statistics report for annual number of visitors; California Department of Energy for price of gasoline; Argonne National Laboratory GREET1 (Greenhouse Gases, Regulated Emissions, and Energy Use in Transportation) simulation model for vehicle mileage and emission factors.

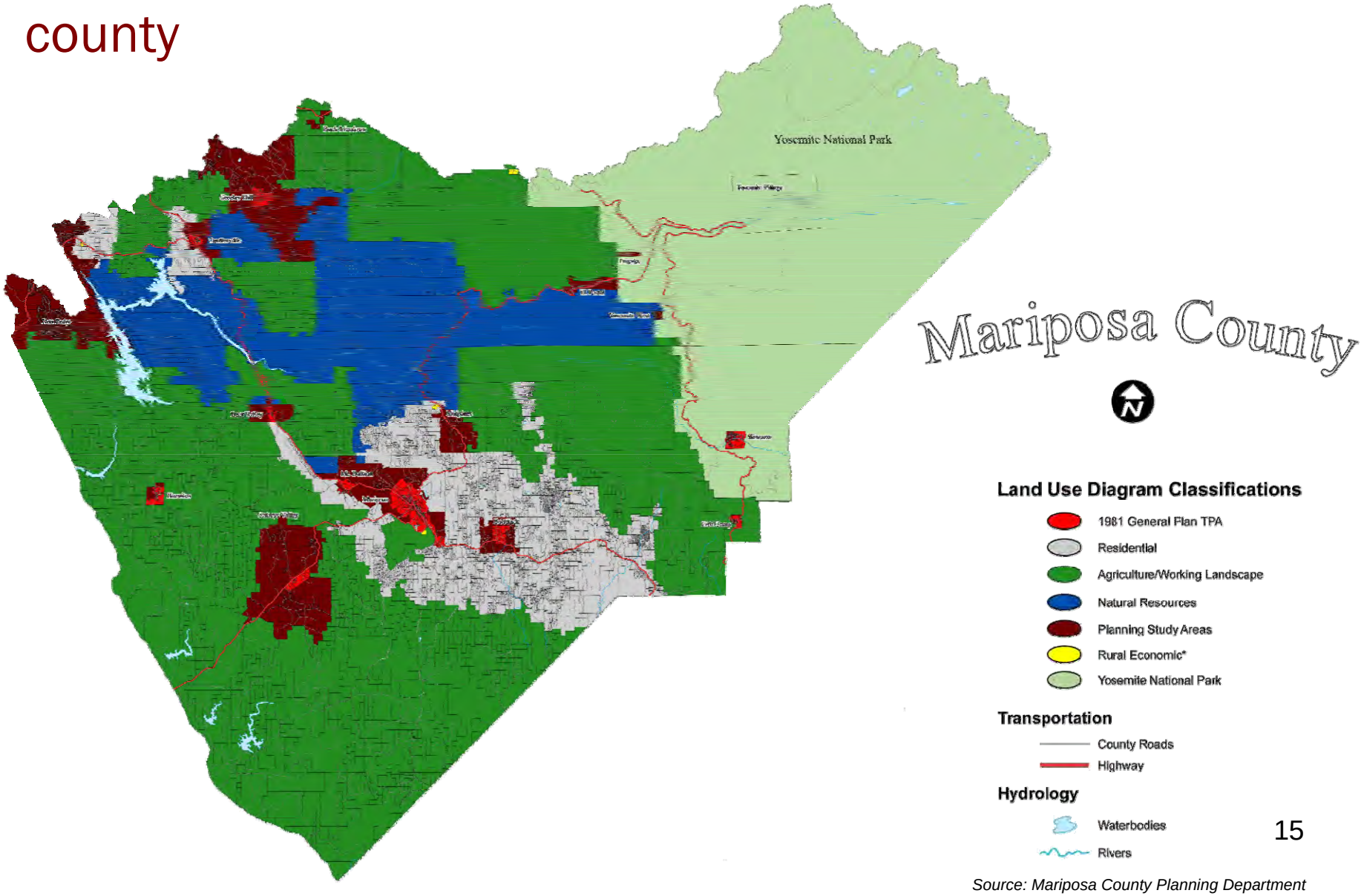
Note: Only emissions from private light vehicles are shown; emissions from buses are not included.

Agriculture and Land Use

Key points and opportunities:

- *Cattle ranching preserves open space*
- *Ranch income is modest*
- *There are opportunities to sell more premium grass fed "Mariposa Beef" to hotels, restaurants and campers on their way to Yosemite*

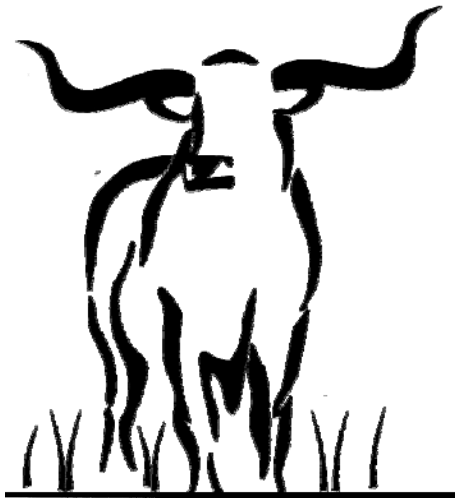
Agriculture and Yosemite National Park are crucial for Mariposa's rural character, covering roughly 2/3 of the county

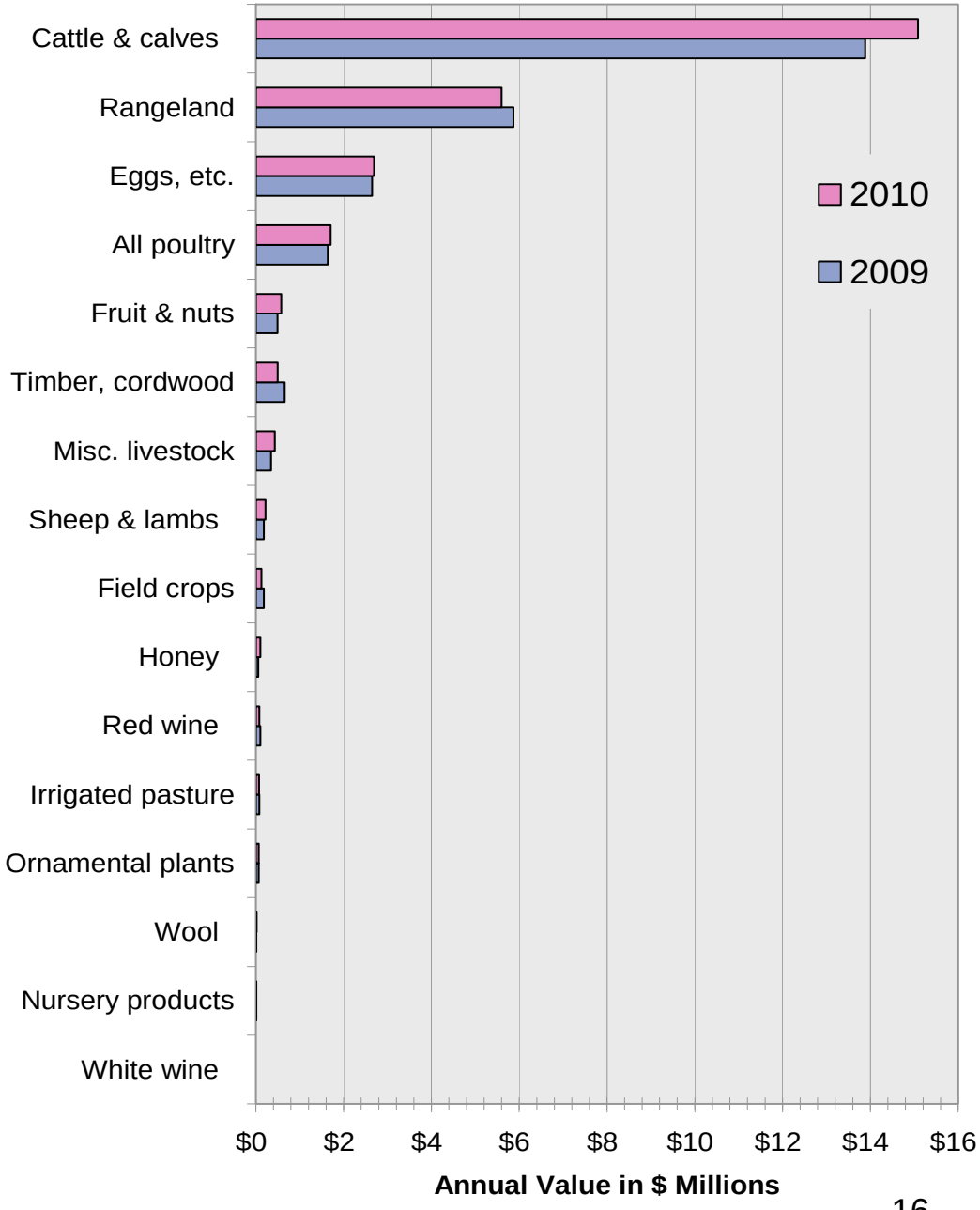


Source: Mariposa County Planning Department

Rangeland used to raise cattle is Mariposa's primary agricultural activity

- Mariposa has 416,600 acres of rangeland
- 1,424 acres are devoted to other agricultural uses
- Cattle and rangeland account for 76% of agricultural revenue





Source: Mariposa County Department of Agriculture, 2010 Agricultural Crop and Livestock Report

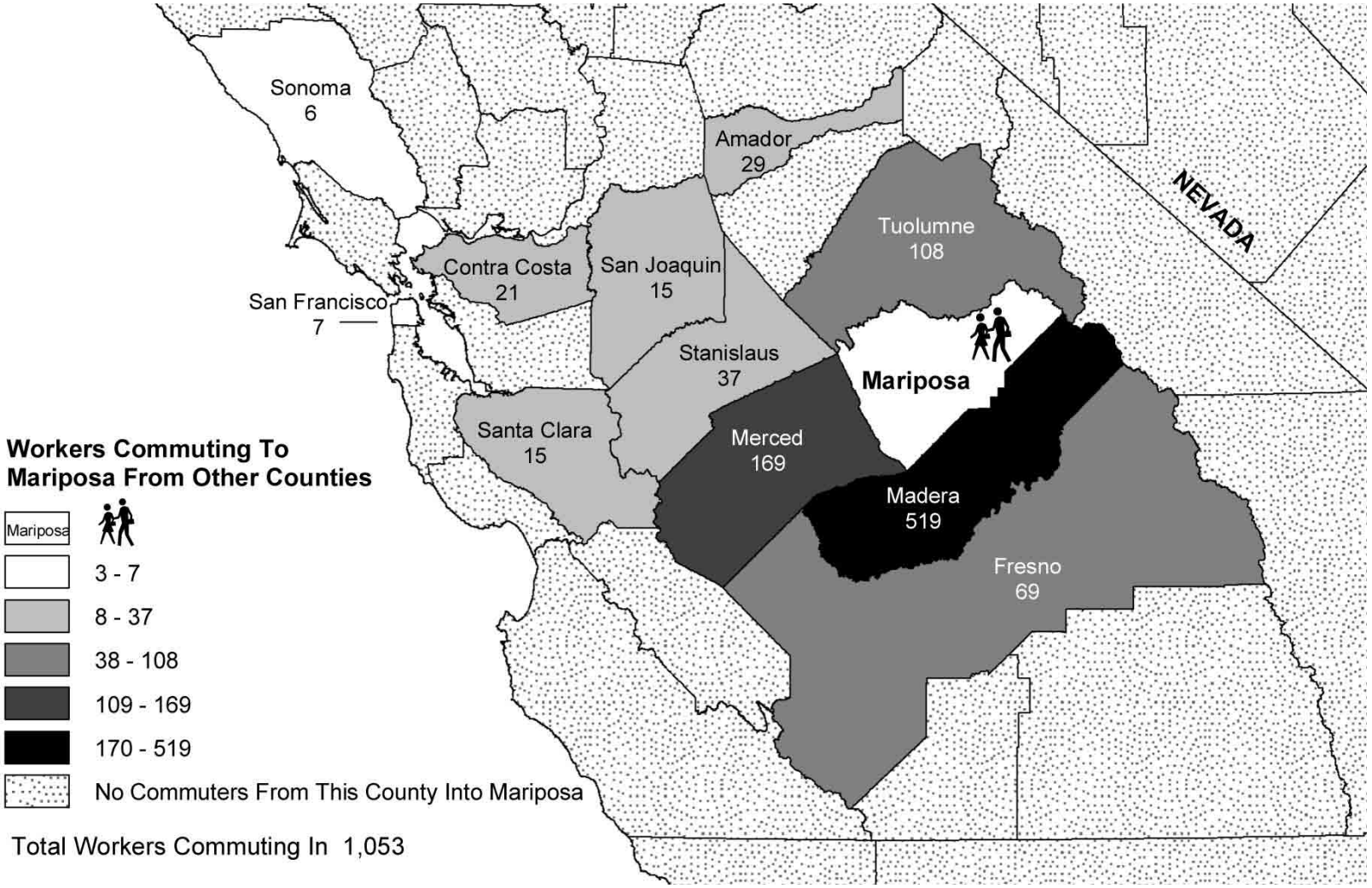
Workers Commuting Into and Out of Mariposa

Key points:

- *Mariposa does not have enough jobs for residents who work*
- *28% of employed Mariposa residents work outside of the county*

82% of the jobs in Mariposa are held by Mariposa residents

9% of jobs are held by Madera Co residents, 9% by residents of other counties

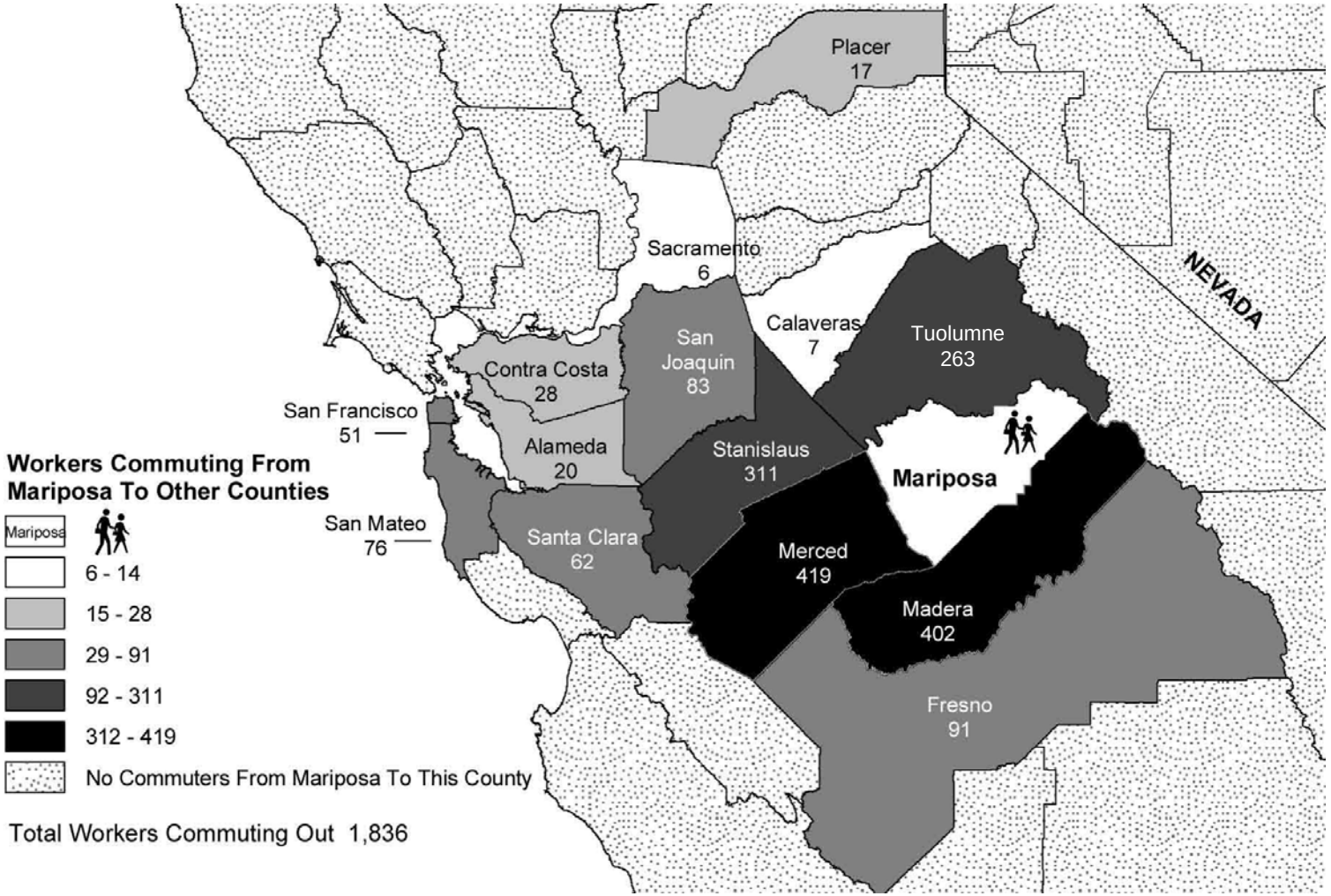


Source: California Employment Development Department, Labor Market Information Division using data from U.S. Census 2000

28% of employed Mariposa residents find work outside of Mariposa County

6% work in Merced, 6% in Madera, 5% in Stanislaus, 11% in other counties

There are 1.13 employed residents living in Mariposa for every job in Mariposa



Source: California Employment Development Department, Labor Market Information Division using data from U.S. Census 2000

Comparisons to Other Sierra Counties

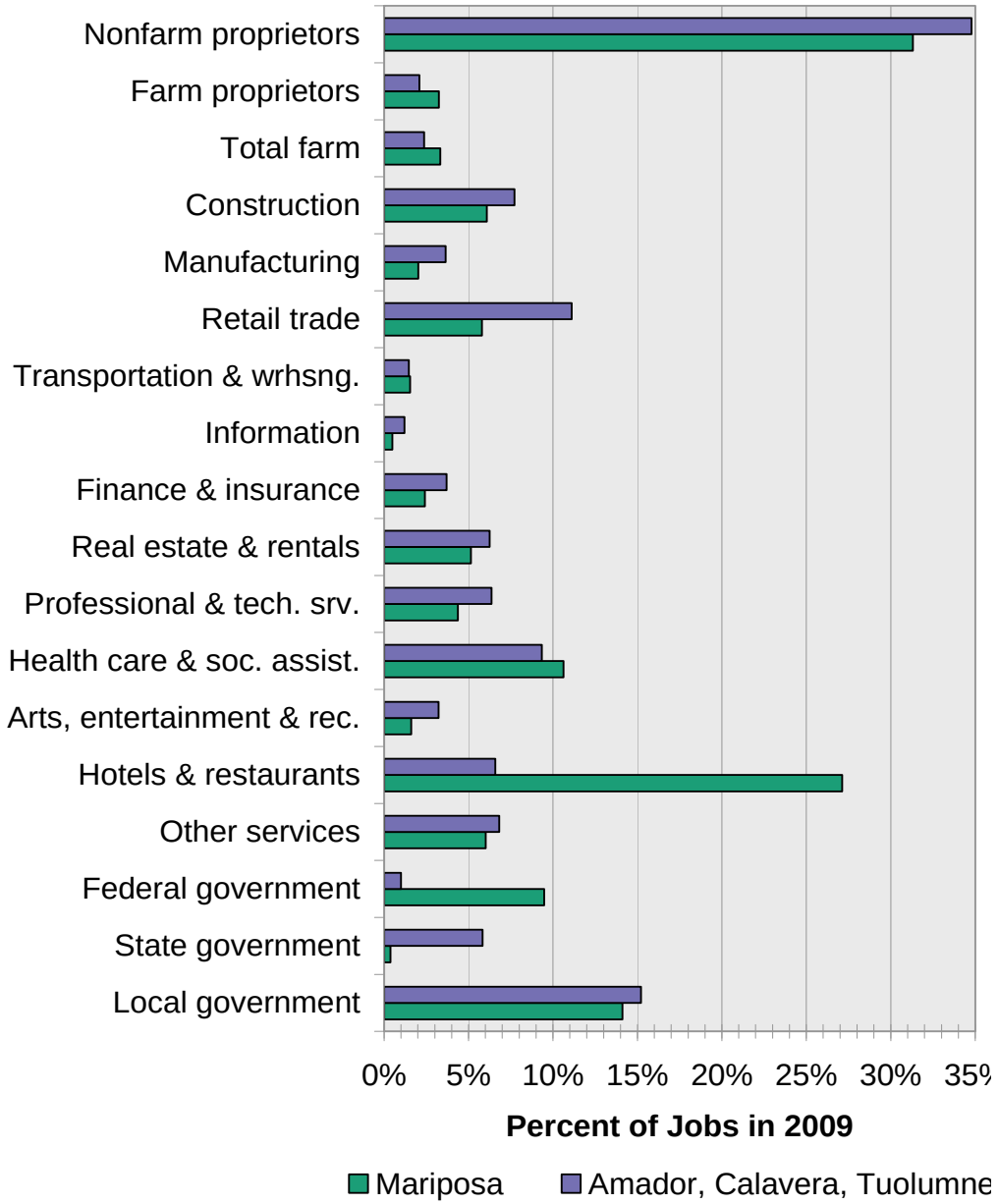
Key points:

- Compared to Amador, Calaveras and Tuolumne counties, Mariposa has:
  - Many more hotel jobs
  - Higher average wages

Mariposa has many more hotel jobs than neighboring counties on Hwy. 49

- Mariposa's industry structure is much like that of Amador, Calaveras and Tuolumne counties, except:
  - Fewer retail jobs
  - *Many* more hotel jobs
  - More federal jobs
  - Fewer state jobs
- Hotels are a defining feature of Mariposa's economy

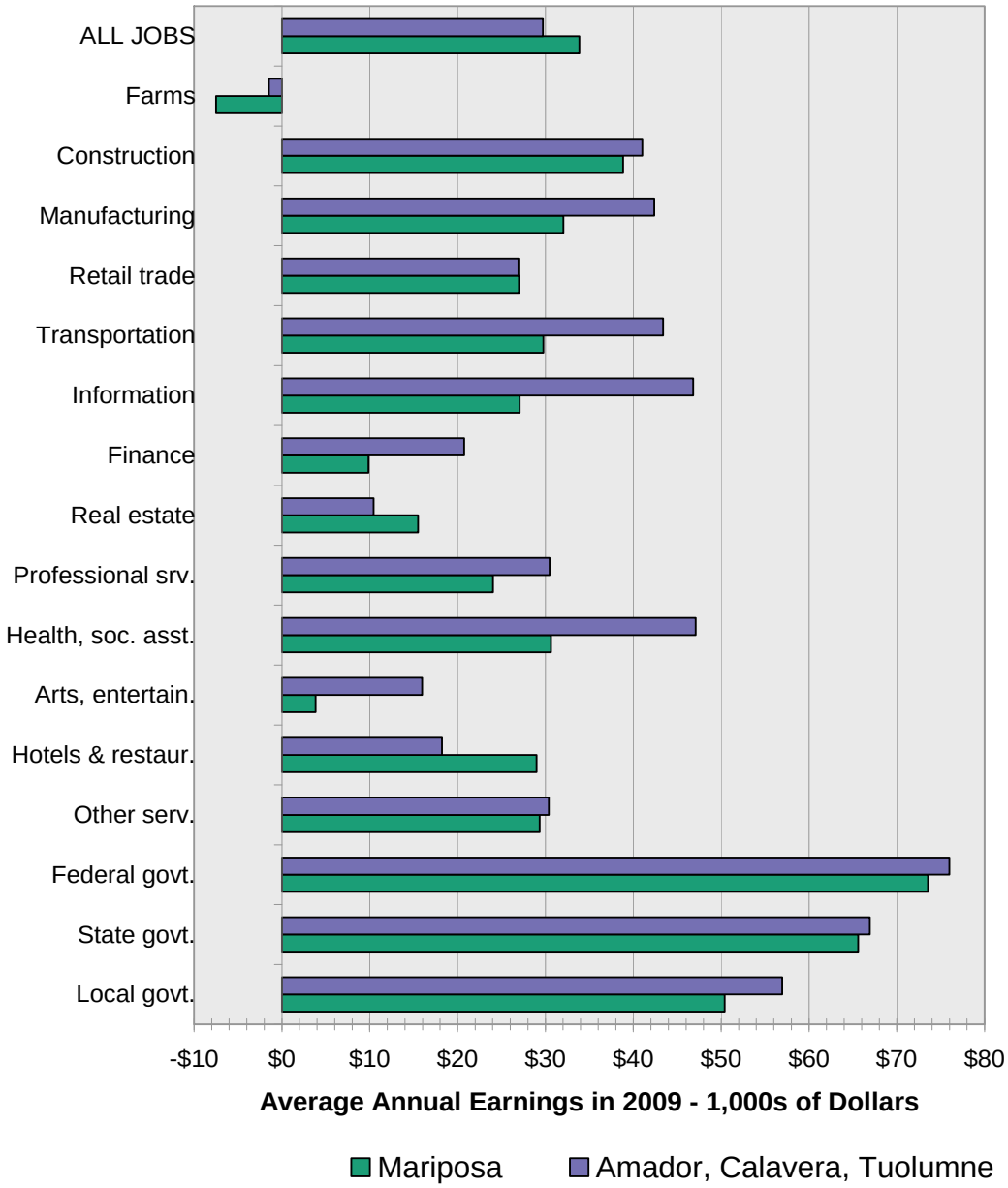
Maids and Housekeeping Cleaners make up 27% of all hotel workers



Source: U.S. Bureau of Economic Analysis, Table CA25N, Total full-time and part-time employment by NAICS industry

Mariposa has lower wages in some industries than neighboring counties on Hwy. 49

- Amador, Calaveras and Tuolumne counties have achieved higher wage levels than Mariposa in:
  - Manufacturing - 32% higher
  - Transportation - 46% higher
  - Information - 73% higher
  - Finance - 111% higher
  - Health care and social assistance - 54% higher
- Mariposa has higher wages in hotels and restaurants - 59% higher



Sources: U.S. Bureau of Economic Analysis, Table CA05N Personal income by major source and earnings by NAICS industry Table CA25N, Total full-time and part-time employment by NAICS industry
County Business Patterns 2009 used for Mariposa earnings in Health care and social assistance

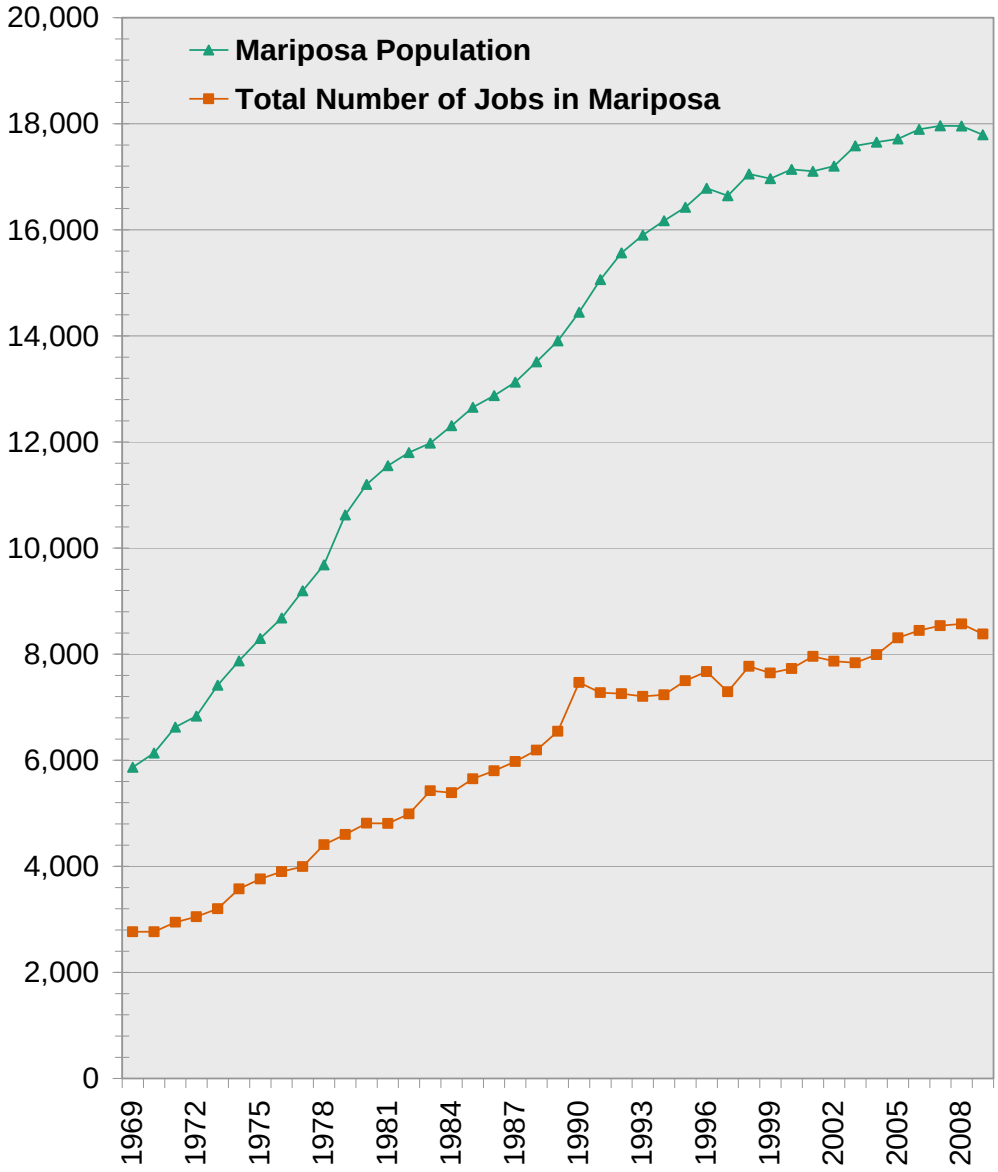
Mariposa's Economy

Key points and opportunities:

- Mariposa's population has grown faster than the number of jobs
- Since 1990, job growth has been through self-employment
- Hotels are the biggest employer – 30% of all jobs
- Ranching and farming yield modest incomes
- Earned income has held steady; total income has increased as a result of pensions and public benefits
- Hotels, federal government and local government provide two-thirds of total payroll
- Raising hotel wages could benefit Mariposa's economy

Population is growing faster than jobs

- From 1990 to 2009:
  - Mariposa's population grew 23%
  - The total number of jobs in Mariposa grew 12%

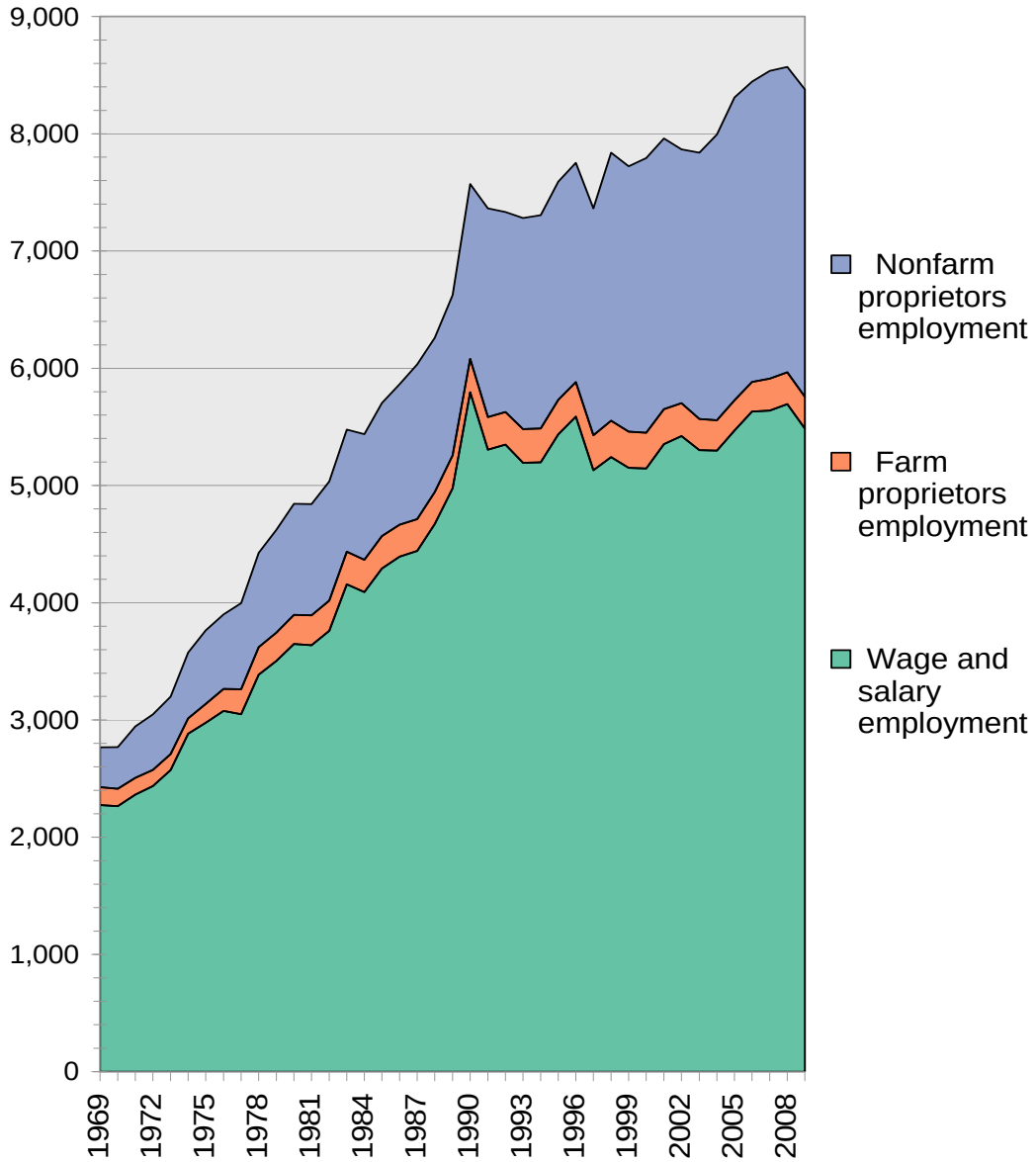


Source: U.S. Bureau of Economic Analysis, Table CA04 Personal income and employment summary

Note: Includes all jobs – wage and salary workers, proprietors, and self-employed persons

Entrepreneurs and self-employed persons are creating job growth

- Since 1990, there has been no growth in wage and salary jobs
- Most growth has been in non-farm proprietors, which include:
  - Business owners
  - Self-employed persons
  - Under-the-table workers
- Ranch and farm owners account for 3% of the labor force

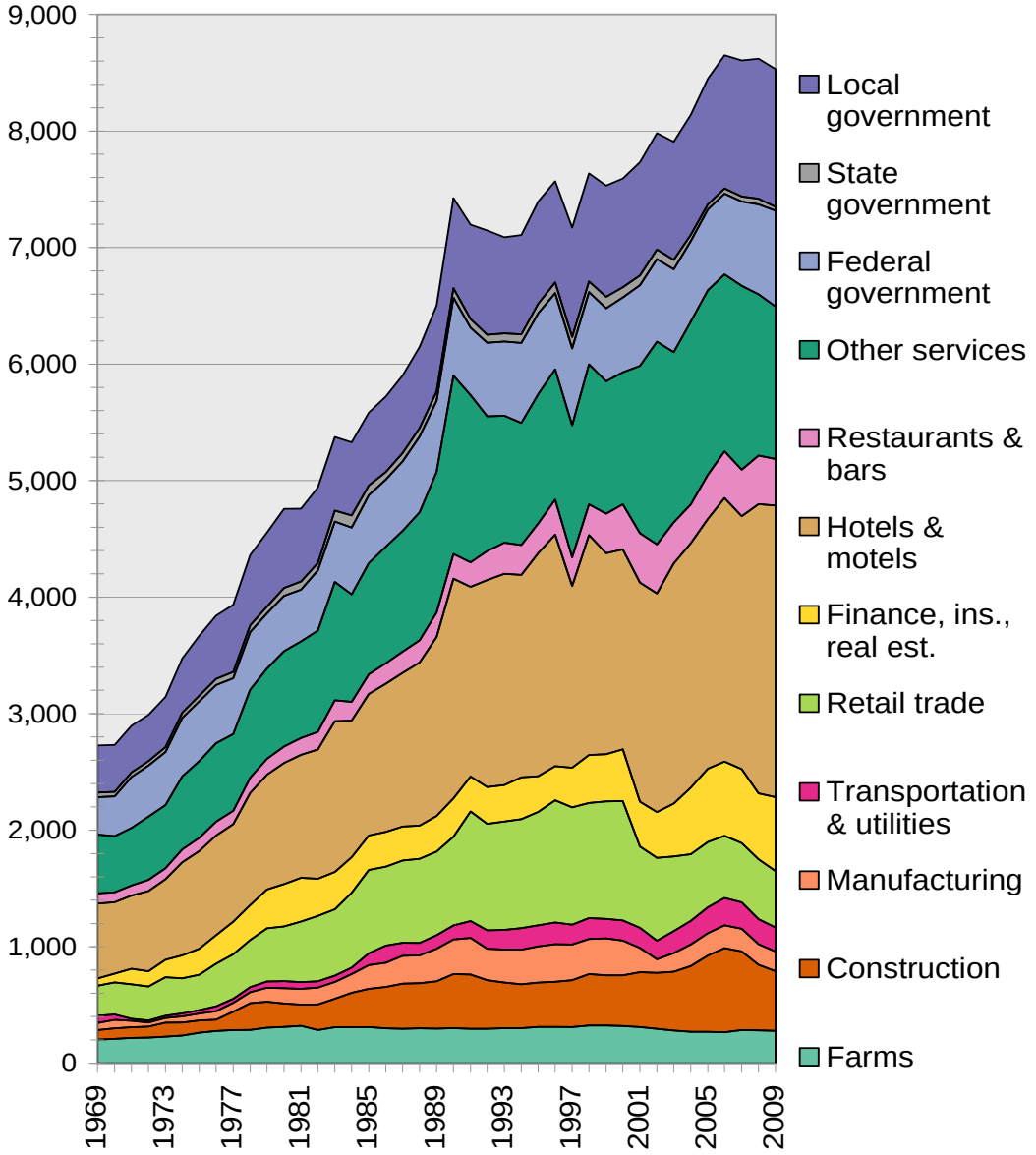


Source: U.S. Bureau of Economic Analysis, Table CA04 Personal income and employment summary, Table CA25 Total full-time and part-time employment by NAICS industry

Hotels are the biggest employer

Six sectors accounted for 84% of all jobs in 2009:

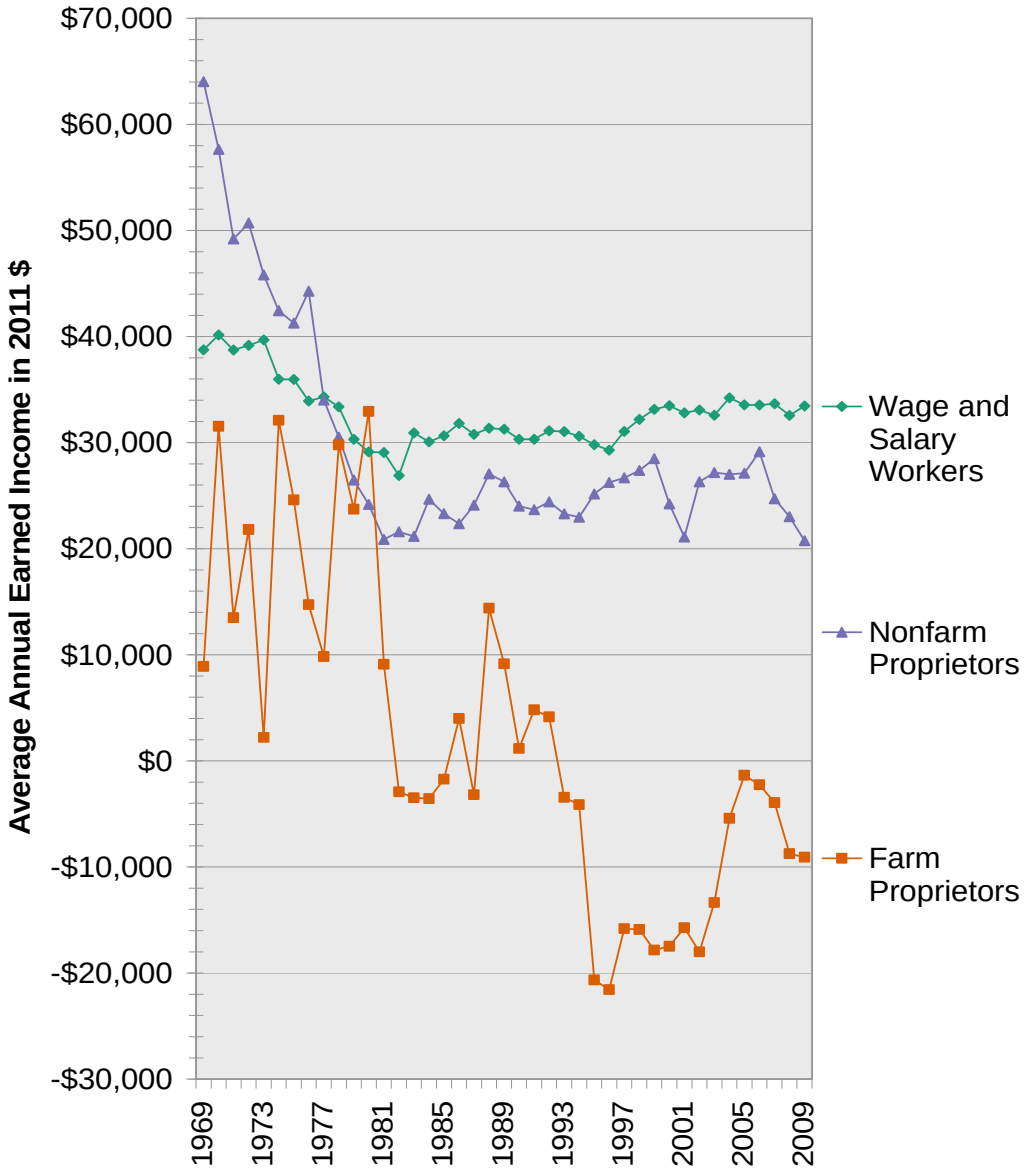
- Hotels and motels 30%
- Other services (professional, personal, repair, health, social assistance) 16%
- Local government (county, schools, special districts) 14%
- Federal government 10%
- Finance, insurance and real estate 8%
- Construction 6%



Source: U.S. Bureau of Economic Analysis, Table CA25 Total full-time and part-time employment by NAICS industry

Steady or declining earnings for Mariposa workers

- Proprietor earnings in constant dollars declined 67% from 1969 to 1981, then held roughly constant
  - Why did earnings decline?
- Earnings of wage and salary workers increased slightly over the past 25 years, but were 14% lower in 2009 than 40 years earlier, in 1969
- Ranchers and farmers have lost money in every year but one since 1981

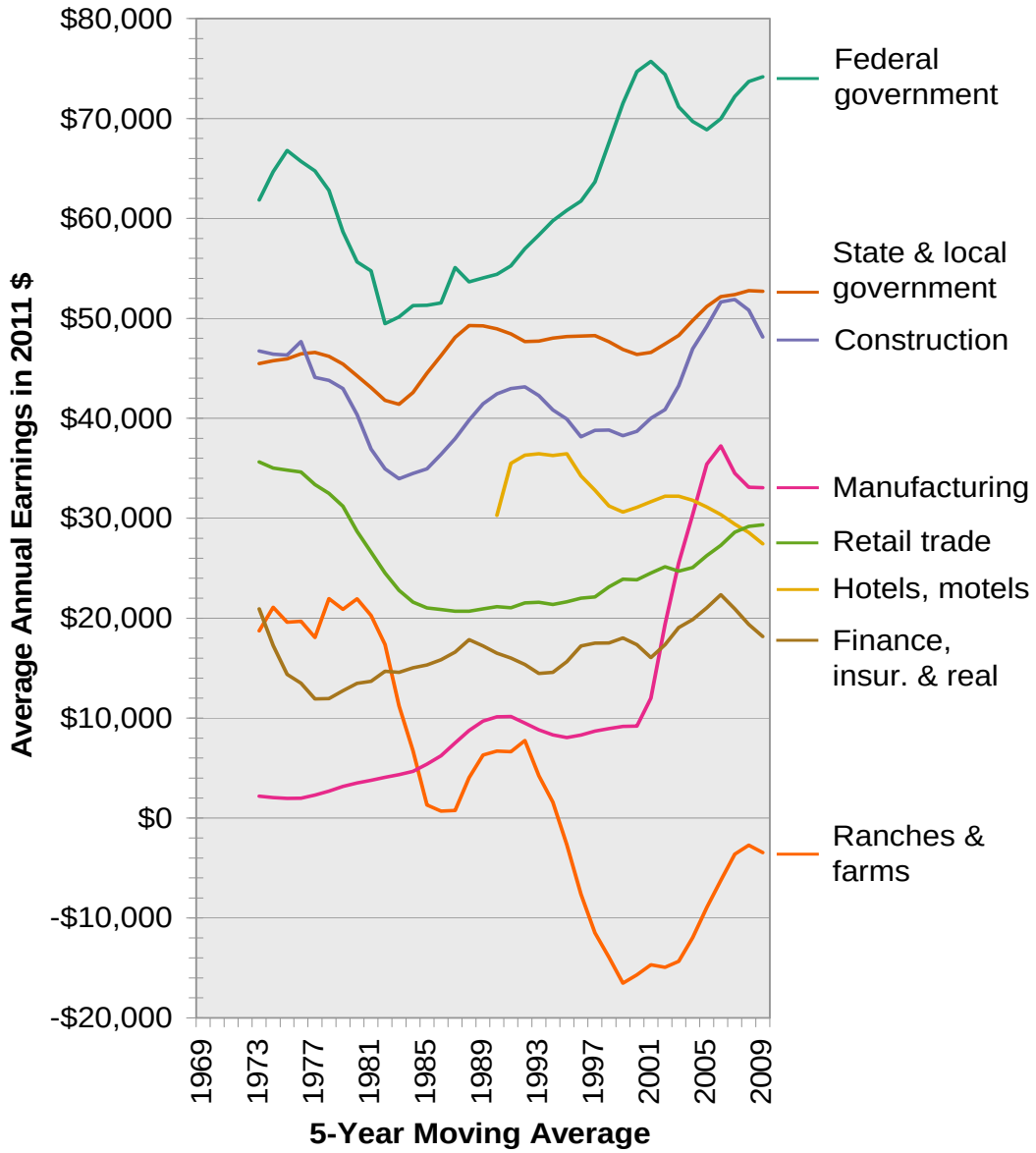


Source: U.S. Bureau of Economic Analysis, Table CA04 Personal income and employment summary

Earnings of wage and salary workers include only wage and salary disbursements, leaving out employer contributions for employee pension and insurance funds, and for government social insurance.

Federal jobs pay the most, ranches and farms the least

- Federal jobs pay the most and have wage growth
- State and local government pay has stayed roughly the same since the mid-1980s
- Manufacturing pay jumped
  - Is this because of a business that makes variable process control instruments?
- Retail pay is increasing
- Hotel pay is declining
- Ranching and farming are hard ways to make a living



Sources, U.S. Bureau of Economic Analysis: Table CA05N Personal income by major source and earnings by NAICS industry, and Table CA25 Total full-time and part-time employment by NAICS industry

Note: Average earnings data includes wage and salary earnings, proprietor income, and employee benefits. Earnings are for jobs located in Mariposa County.

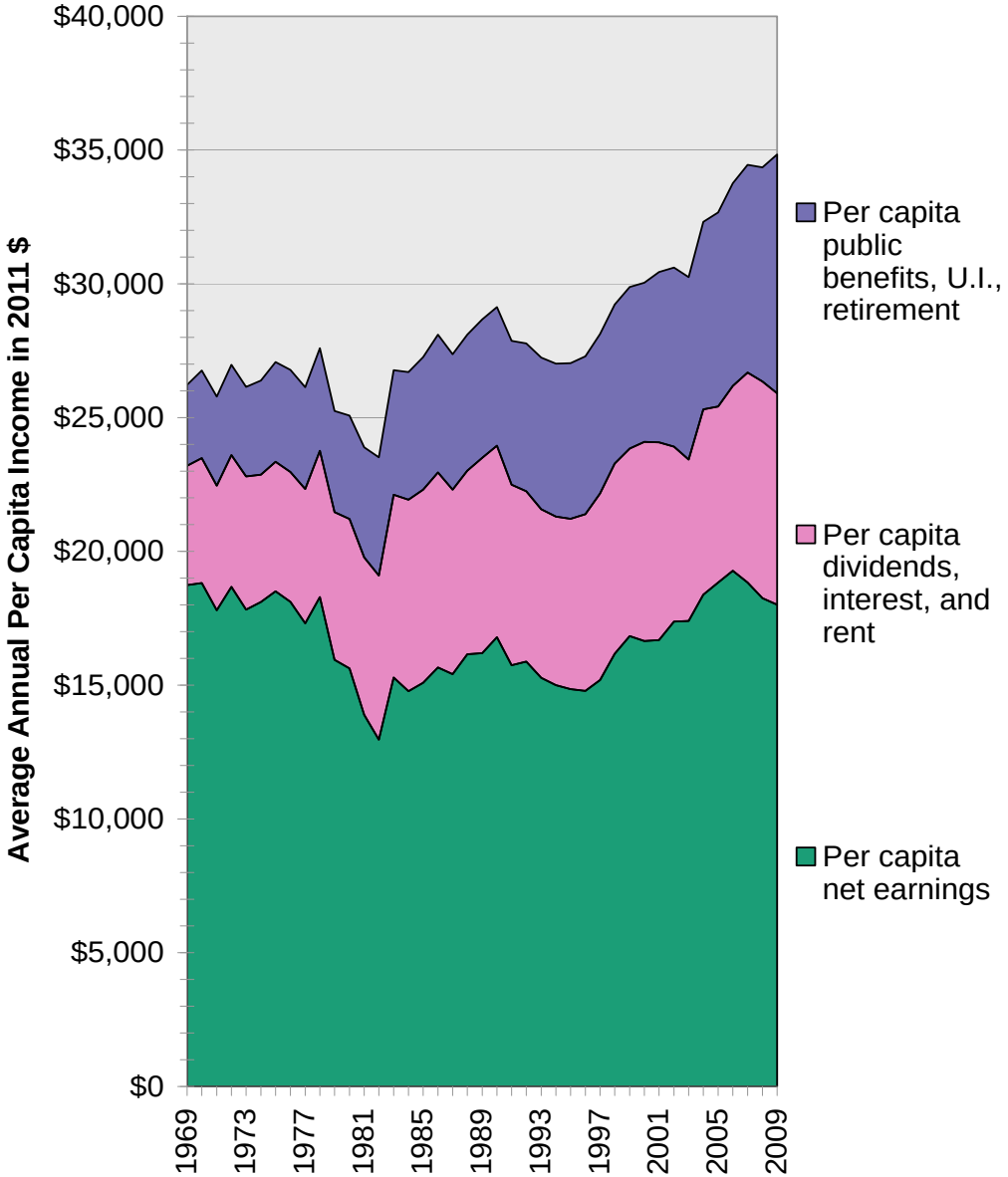
Income data for ranches and farms is computed as gross receipts less production expenses, then the estimates of realized net income are modified by inventory change so that only the income and expenses from current production are measured. Corporate farms are excluded.

Average income per person is growing

- When ALL sources of income are included, *per capita* income grew 33% from 1969 to 2009
- Earned income stayed roughly the same

However,

- Income from public benefits including Social Security, Unemployment Insurance and welfare increased 195%
- Income from dividends, interest and rent increased 77%

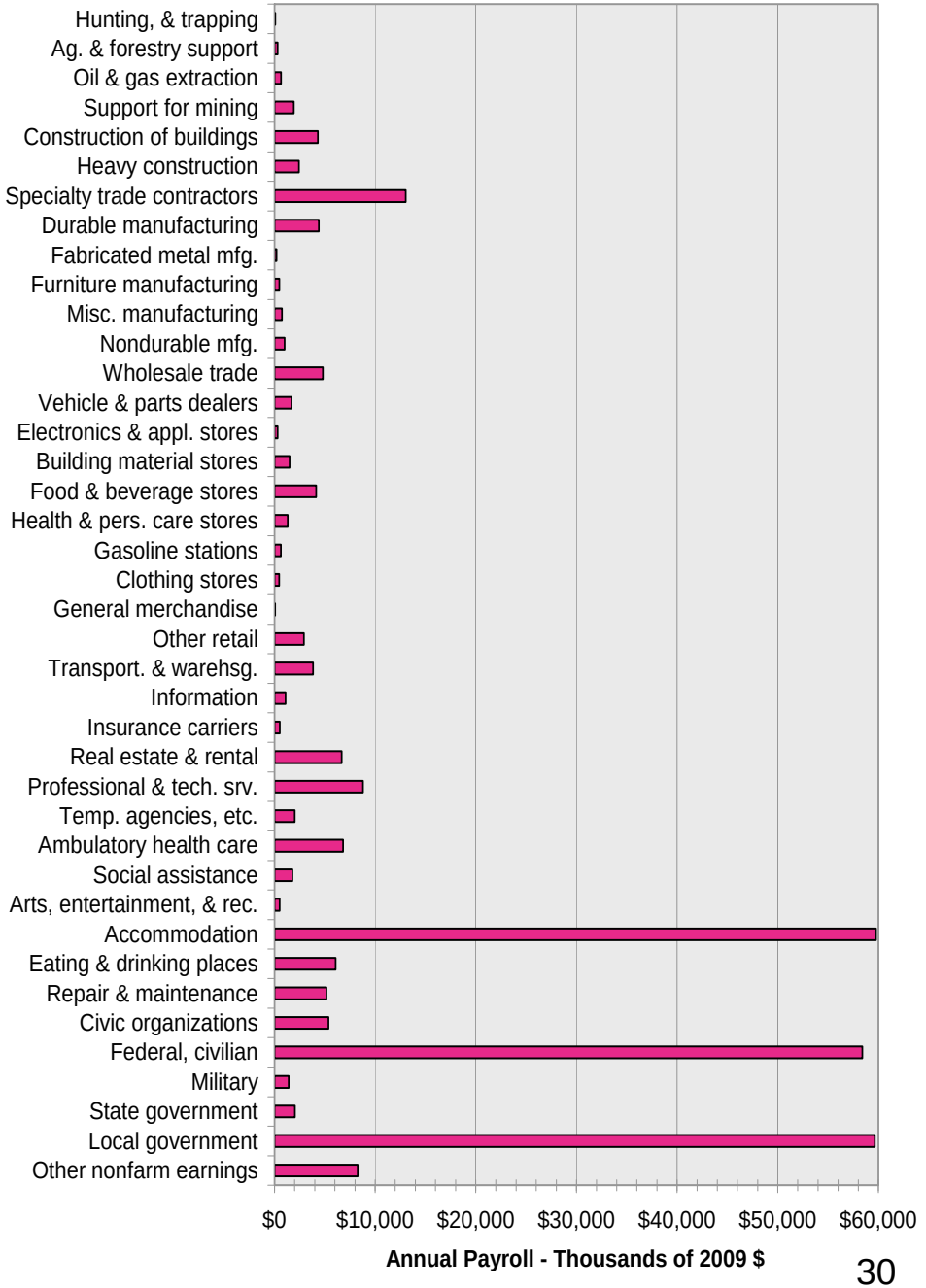


Source, U.S. Bureau of Economic Analysis: CA30 Regional economic profiles

Note: Per capita income is calculated by dividing total personal income received by all Mariposa residents by the total population of Mariposa

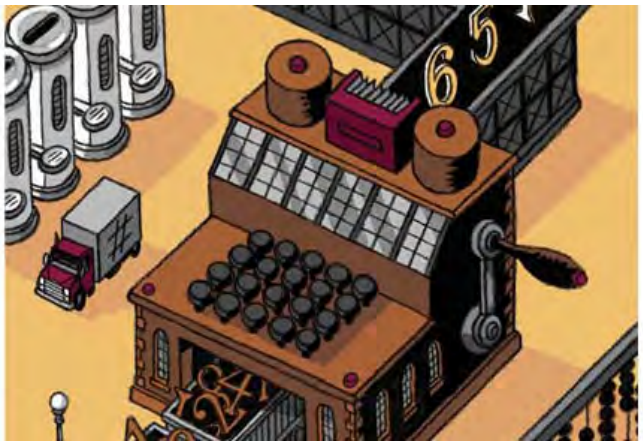
Hotels, federal government and local government provide 65% of total payroll

- Hotels and motels provide 30% of jobs and 22% of payroll
- Local government provides 14% of jobs and 22% of payroll
- Federal government provides 10% of jobs and 21% of payroll



Source: U.S. Bureau of Economic Analysis, Table CA05 Personal income by major source and earnings by industry. Includes wage and salary earnings, proprietor income, and employee benefits.

What Mariposa Makes and Buys



The Number Factory - IMPLAN Economic Model of Mariposa County

Key points and opportunities:

- Mariposa's economy is too small to capture many of the "multipliers" from local expenditures
- Some local needs are being fulfilled by businesses outside the county and present opportunities for local growth ("import substitution")
- Some industries have stronger connections with the local economy and capture more multipliers

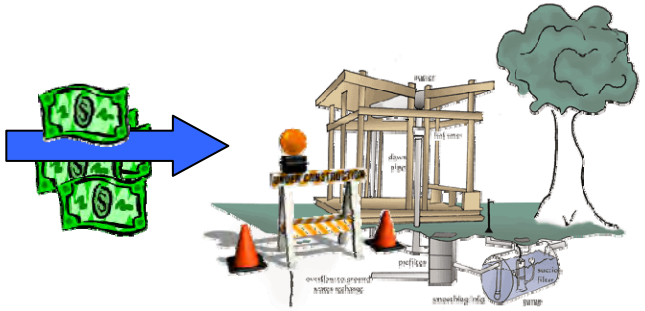
THE SAME DOLLAR IS SPENT MORE THAN ONCE, SO IT HAS MULTIPLE IMPACTS

Estimating impacts of local economic multipliers

Example:
Construction

Direct Impacts

Construction Contractor



Indirect Impacts

Sub-Contractors, Suppliers & Professional Services

Induced Impacts

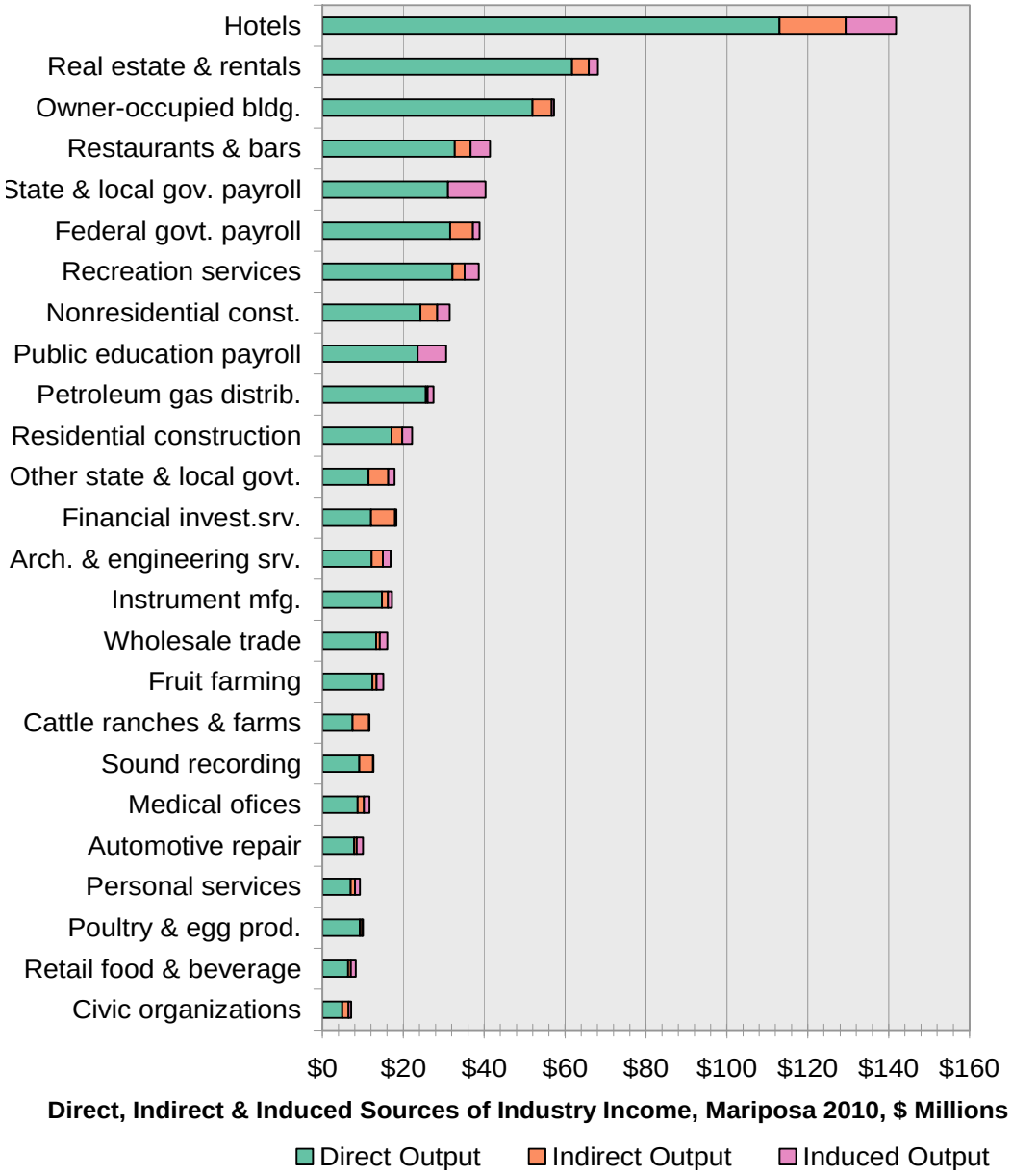
Employees of contractor spend earnings

Induced Impacts

Employees of suppliers spend earnings

Most of Mariposa's indirect and induced impacts spill over to other counties

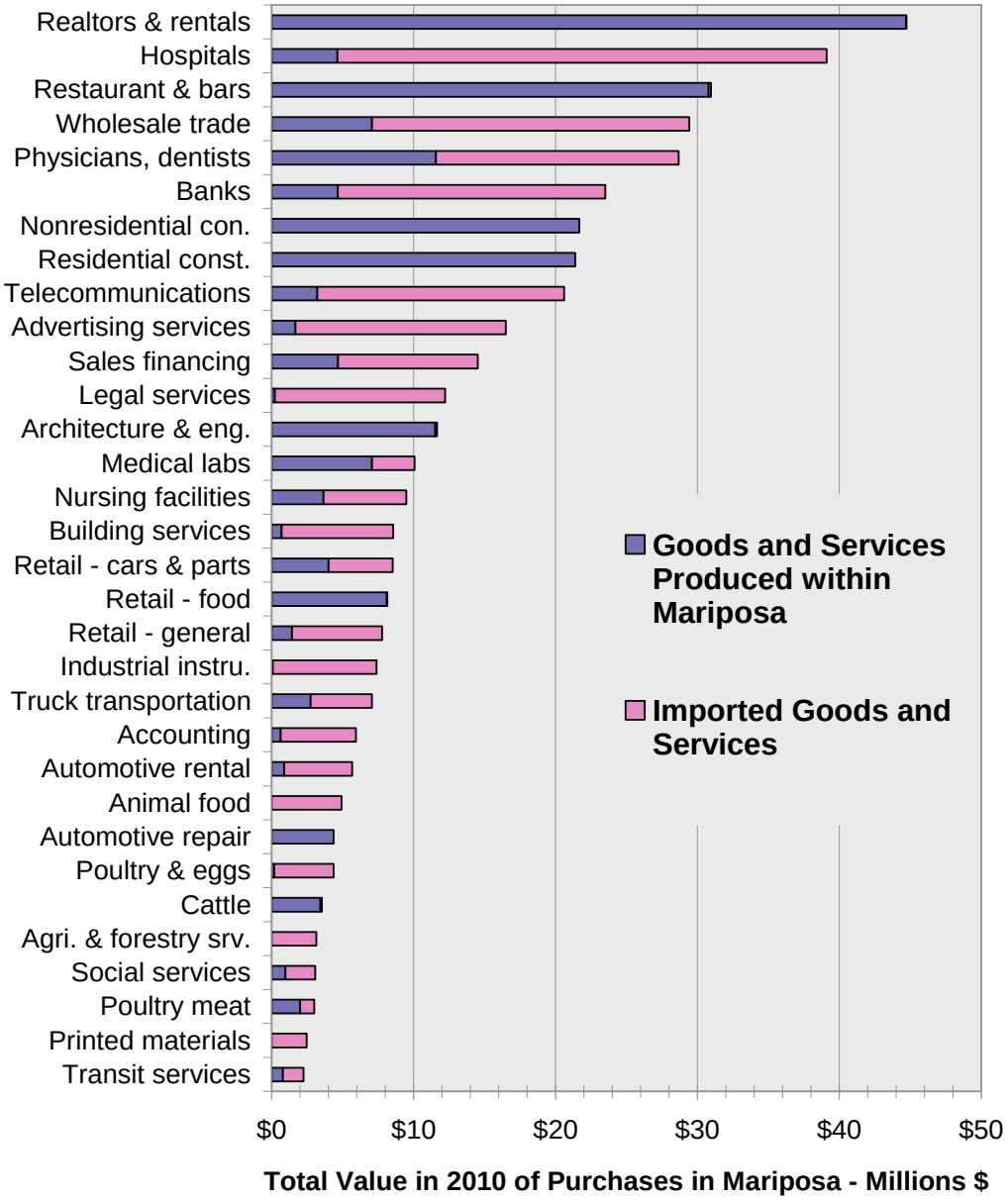
- Every $1 spent in Mariposa generates additional multiplier impacts of:
  - $.25 in Mariposa
  - $.76 statewide in California
  - $.98 nationwide in the U.S.



Source: IMPLAN economic model version 3.0.17.2 and 2010 data for Mariposa County: Output Summary and Industry Multipliers

In 2010, Mariposa produced an estimated 43% of what it bought

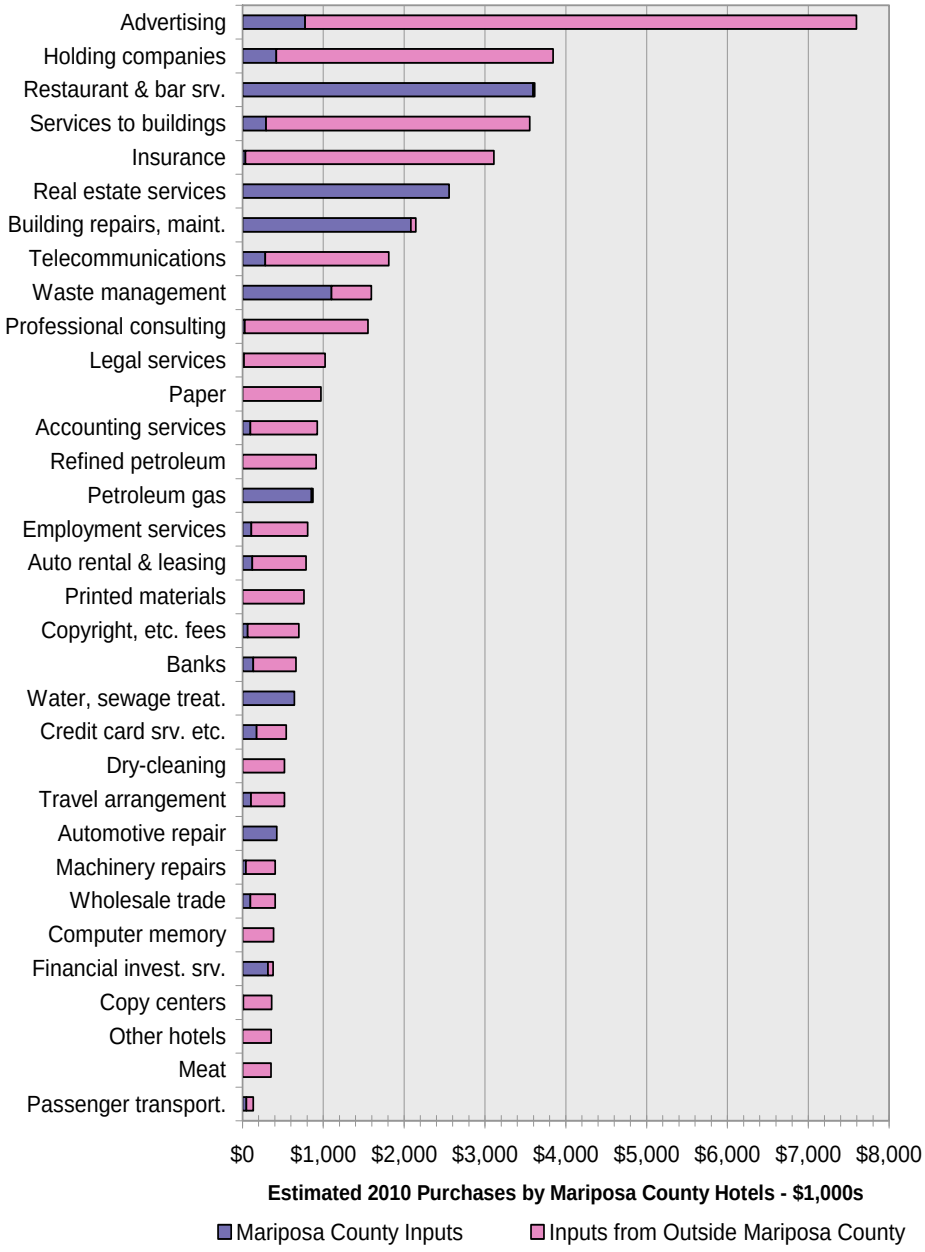
- The buying power of Mariposa residents could support growth in some industries:
  - Nursing and residential care services
  - Accounting
- Stronger connection to the buying power of tourists could expand the market for industries where all local demand is already fulfilled by local businesses:
  - Restaurants
  - Automotive repair



Source: IMPLAN economic model version 3.0.17.2 and 2010 data for Mariposa County: Commodity Summary and Regional Purchase Coefficient

Hotels spent $142 million in 2010, $61 million for purchased commodities, with $18 million purchased in Mariposa County

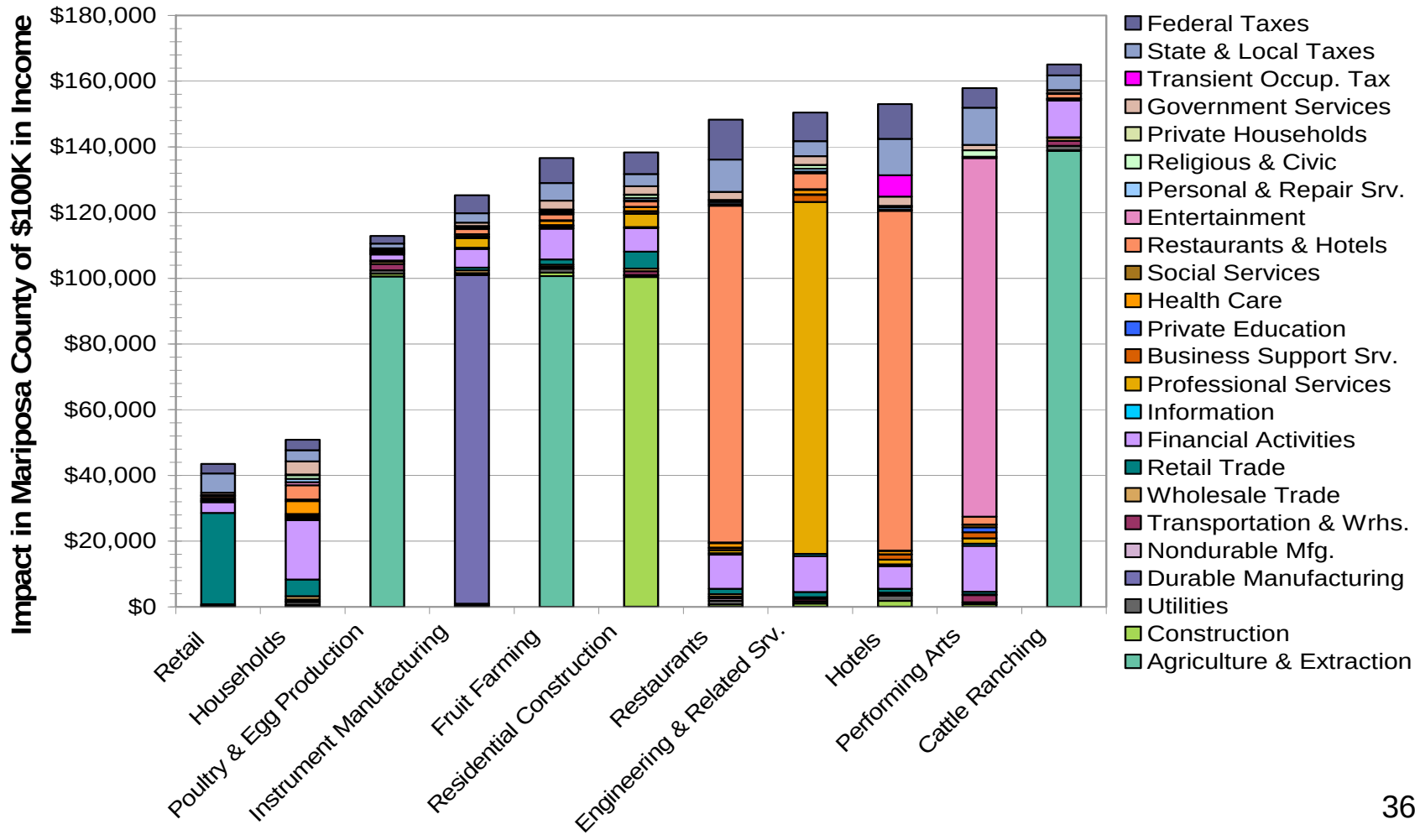
- Mariposa might supply hotels with more:
  - Office sites for management staff
  - Restaurant and bar services from outside the Park
  - Construction services from outside the Park
  - Employment services
  - Auto rentals
  - Auto repair from outside the Park
  - Backup lodging
  - Meat
  - Fruit and vegetables
  - Passenger transportation



Source: IMPLAN economic model version 3.0.17.2 and 2010 data for Mariposa County: Industry Balance Sheet for Sector 411 Hotels and motels

All multipliers rolled up to show total impacts of $100K income on Mariposa's economy

When households receive $100,000 in income, the impact in Mariposa is $50,844
When cattle ranches receive $100,000 in income, the impact in Mariposa is $165,070



Source: IMPLAN economic model version 3.0.17.2 and 2010 data for Mariposa County: Commodity Summary and Regional Purchase Coefficient

Potential Strategies for a Stronger Economy

Strengthen connections between core strengths

- Mariposa's cornerstone industries include:
  - Hotels and restaurants
  - Cattle ranching
- Increasing trade between key industries will benefit Mariposa
- Possible actions:
  1. Promote premium grass-fed "Yosemite Beef"
     a. Local
     b. Organic
     c. Humane ranching and farming
     d. Delicious
  2. Provide merit-based recognition of outstanding local products
     a. Build healthy competition
     b. Validate bragging rights for outstanding local products
  3. Encourage restaurants and hotels to feature premium locally grown food
  4. Support other types of local food production – farming, baking, etc.
  5. Buy-local campaign for hotels and restaurants in YNP

Main Street, Mariposa

Ahwahnee Hotel dining room

Fouch Farm, Mariposa

Buy local – wholesale and retail

- Mariposa gets ***triple*** benefits when local retailers sell locally produced products
  - Economic multipliers from local farming
  - Economic multipliers from local retailing
  - Sales tax from in-county sales (for taxable items)
- Encourage local stores to buy local products
- Encourage local residents to buy local products from local stores

Examples: Bryce Farms, Butterfly Creek Winery, Buzz Around Bees, Fouch Farms, Glaum Egg Ranch, Grandpa's Place, Kirby Peak Ranch, Mariposa Loofa, Mountain Meadow Farms, Parker's Farm, Silver Fox Vineyards, Yosemite Farm

Support industries that pay higher wages and reach external markets

Auto repair

Manufacturing

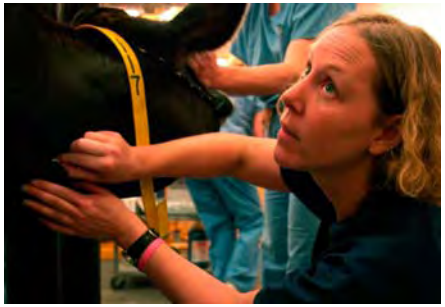
Outdoor adventure

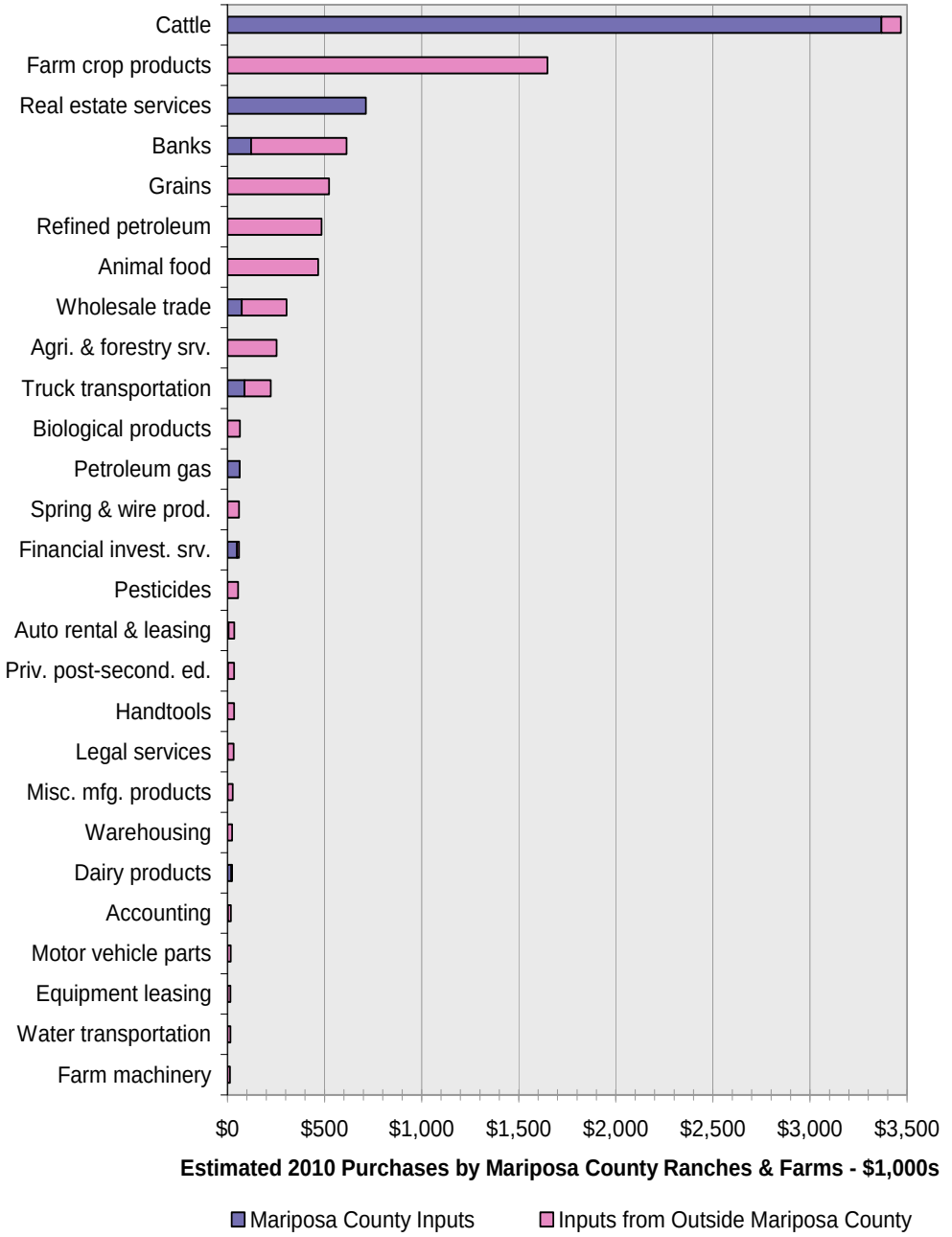
Software development

Professional services including agriculture & forestry

Cattle ranches and farms spent $12 million in 2010, $10 million for purchased commodities, with $5 million purchased in Mariposa County

- Mariposa might be able to develop more agriculture and forestry services jobs





Source: IMPLAN economic model version 3.0.17.2 and 2010 data for Mariposa County: Industry Balance Sheet for Sector 11 Cattle Ranching and Farming

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