

A Regional Analysis of the California Travel Industry & other Industry Sectors 2007-2012

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**A Joint Marketing Venture of the California Travel & Tourism Commission
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AN ANALYSIS OF THE CALIFORNIA TRAVEL INDUSTRY AND OTHER EXPORT-ORIENTED SECTORS

This report assesses the relative importance of the travel industry and other *export-oriented industries* in twelve tourism regions. Export-oriented industries are those industries that primarily market their products and services to other regions, states or nations. Agriculture, manufacturing, and resource-extractive industries such as forestry and mining are the purest examples of export-oriented industries. In addition, many professional services, such as architecture, engineering and software publishing, have significant export components. The travel industry is also an export-oriented industry because goods and services are sold to *visitors*, rather than residents. In this way, the travel industry injects money into the local economy, as do the exports of other industries.

Exports are not necessarily more important than locally traded goods and services. However, diverse export-oriented industries in any economy are a source of strength – in part because they generate income that contributes to the development of other local services and amenities. Such industries characterize the “comparative advantage” of the local economy within larger regional, national and global markets.

SELECTED INDUSTRY SECTORS

For the purposes of this report, eight industry sectors that are found in all regions of the state will be compared.¹ Three of these industry sectors are primarily export-oriented:

- **Agriculture.** This industry includes farm employees, crop production (NAICS 111), animal production (NAICS 112), agricultural support services (NAICS 1151 & 1152) and the manufacture or processing of food (NAICS 311) and beverage products (NAICS 312). Both wine production and farm proprietors are included in this category.
- **Manufacturing.** The manufacturing sector is comprised of a number of different industries. The largest manufacturing industries within the state are computer and electronics (NAICS 334), fabricated metals (NAICS 332) and transportation equipment (NAICS 336). The manufacture of food and beverage products is not included in this sector for the purpose of this analysis. (They are included in agriculture.)
- **Travel.** A portion of the transportation, retail, leisure, and hospitality industries as estimated by Dean Runyan Associates.

Six other industry sectors are also included in this report. These service-oriented sectors serve both export and local/regional markets. The degree to which these sectors are export-oriented may vary substantially among regions. In general, health care is probably the least export-oriented on a regional basis, although many urban

¹ One of California’s major export industry, film production, is concentrated in Los Angeles county.

areas have substantial medical specialization and research functions that attract external resources. In any case, the quantification of the export components of these sectors is beyond the scope of this analysis. The six industry sectors are:

- **Transportation and warehousing.** NAICS sector 48-49 includes all air, water, rail and truck transportation as well as courier services and warehousing. A small portion of this sector (less than 10%) is also included in the travel category.
- **Information.** NAICS sector 51 includes publishing industries, motion picture and sound recording industries, broadcasting and telecommunications, and information/data processing services.
- **Finance & Insurance.** NAICS sector 52 includes financial institutions and insurance carriers.
- **Professional, technical and business services.** NAICS sector 54 includes legal, accounting, architectural, engineering, computer, consulting and other services.
- **Health care and social assistance.** NAICS 62 includes ambulatory services, hospitals, nursing and resident care facilities, and social assistance. Public institutions are not included for the purposes of this analysis.

TOTAL EMPLOYMENT AND EARNINGS

Total employment is the measure used in this report to compare industries and regions. Total employment includes employees that are paid wages or salaries and proprietors (self-employed). The major disadvantage of using employment as a basis of comparison is that it does not account for differences in payroll and earnings.² Relatively low wage industries, such as travel and agriculture, will thus compare more favorably than high wage industries, such as manufacturing and professional services than would be the case if payroll or earnings measures were used.

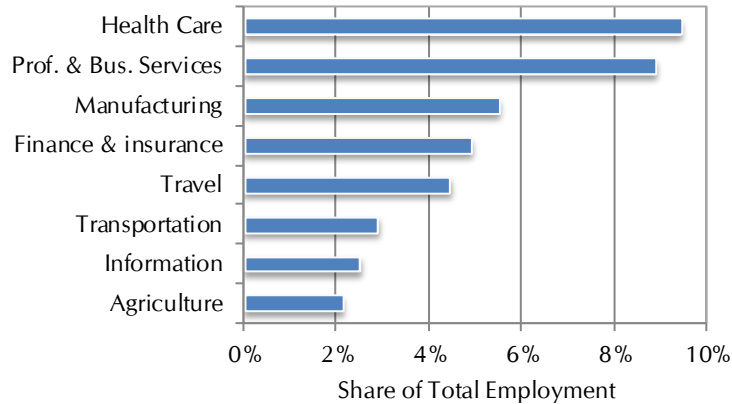
The primary reason for using total employment is related to the difficulty of measuring the agricultural sector in terms of payroll or earnings: A substantial share of farm income is derived from government subsidies rather than payroll or earnings. Employment is thus a better indicator of the size of the agriculture industry relative to travel, the focus of this report. Secondly, it should be noted that the industry sectors have different shares of export markets. This is probably a more limiting factor than whether the industry comparison is made on the basis of employment or earnings.

The statewide share of total employment and employment trends from 2007 to 2012 are shown on the following page.³

² Earnings include wages and salaries, paid benefits and proprietor income. Statewide earnings for these industries are shown in the appendix.

³ The employment estimates of the non-travel industries were calculated by Dean Runyan Associates from data reported by the Bureau of Economic Analysis and Department of Labor.

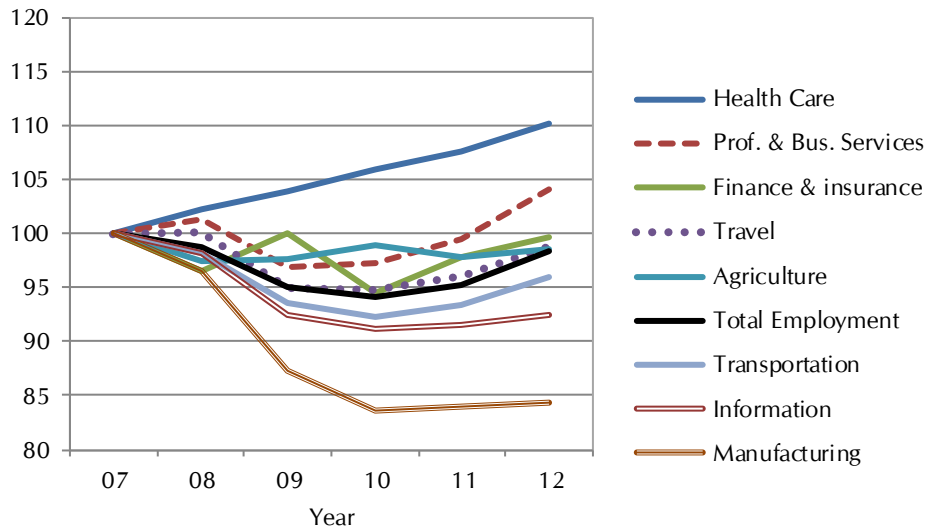
California Industry Sector Employment Shares, 2012



Sources: Dean Runyan Associates, Bureau of Economic Analysis, Department of Labor.

The statewide employment shares shown above can be compared with similar graphs for each region. The health care sector is the least variable among regions in terms of employment share – an indication that it is fundamentally not export-oriented at the regional level. All other sectors vary substantially among the twelve tourism regions. The employment trend graph, below, is also provided for each region. For most regions, the health care sector exhibits the greatest employment growth while manufacturing employment has contracted. Travel industry employment also tends to closely follow the larger economy.

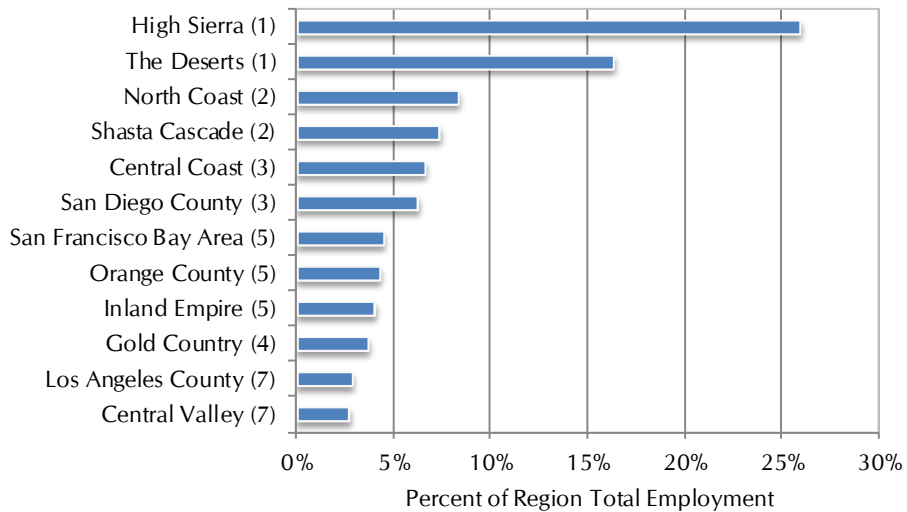
California Industry Sector Employment Trends, 2007-12 (2012 = 100)



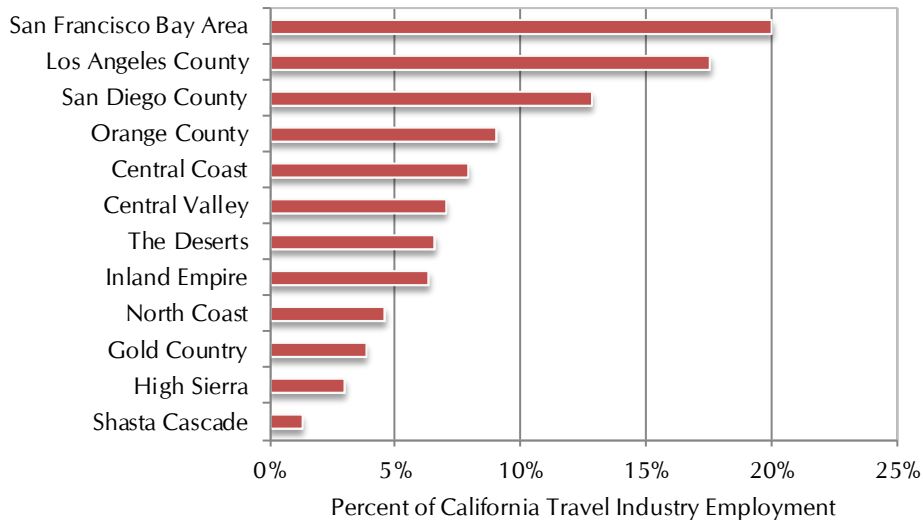
Sources: Dean Runyan Associates, Bureau of Economic Analysis, Department of Labor.

The travel industry share of employment for each of the tourism regions is shown below. Although the larger urbanized areas have the majority of travel industry jobs in the state (bottom graph), travel is relatively more important in most of the rural tourism regions (top graph). The numbers shown with each region correspond to the ranking of travel industry employment compared to the other industry sectors described previously. (Note: These rankings should be viewed in the context of the relative importance of the travel industry in the different regions, rather than absolute industry rankings. Such rankings are dependent upon the selection and definition of industries.)

Percent of Total Employment that is Travel-Generated, 2012p
Region and Travel Industry Rank



Distribution of California Travel-Generated Employment by Region, 2012p



LOCATION QUOTIENT

The location quotient is an index that measures the relative concentration of an industry or sector in a region. In this report, the industry concentrations of the twelve tourism regions are compared to the state. Computationally, the location quotient (LQ) is equivalent to the following:

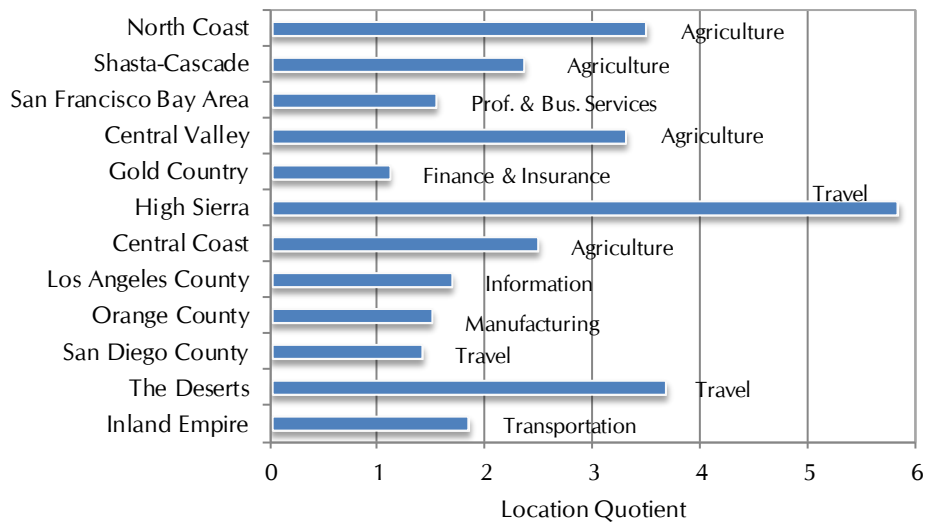
$$\frac{\text{Regional Industry Employment}}{\text{Regional Total Employment}} \bigg/ \frac{\text{State Industry Employment}}{\text{State Total Employment}}$$

- If $LQ > 1$, the concentration of the industry in the region is greater than that of the state.
- If $LQ = 1$, the concentration of the industry in the region is the same as the state.
- If $LQ < 1$, the concentration of the industry in the region is less than that of the state.

The location quotient thus provides a way to compare counties and regions with respect to a single industry, rather than comparing industries within a given geographic area. One advantage of the location quotient is that wage and earnings differentials among industries are less important. That is, the location quotients will generally be similar whether employment, payroll or earnings is used in the calculation. In addition, a relatively high location quotient can be an indication that a particular industry has a significant export component relative to another area.

The graph on the following page compares the twelve California tourism regions in terms of the highest value location quotient for each industry. Note that agriculture and travel predominate in the less urbanized regions. Agriculture has the highest value in the Central Valley, while the location quotient for Travel is greatest in the High Sierra region. The leading location quotients for the more urbanized regions are of less magnitude – due to the greater diversity of these economies. The location quotient for the Information sector in Los Angeles County is a reflection of the presence of the motion picture and sound recording industries. The location quotient for Profession & Business Services in the San Francisco Bay Area is a reflection of the presence of the many technology businesses in that region.

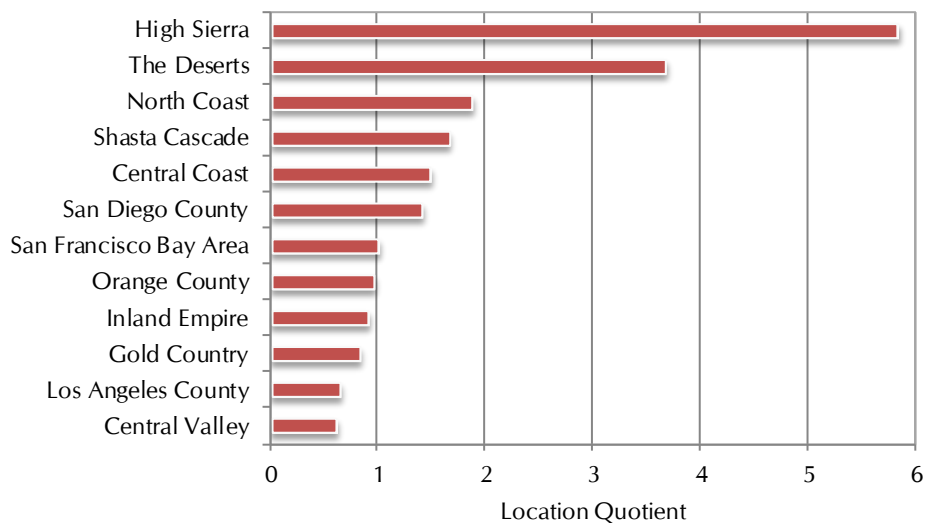
Highest Ranking Location Quotient of Nine Selected Industry Sectors by Tourism Region, 2012



Sources: Dean Runyan Associates, Bureau of Economic Analysis, Department of Labor.

The graph below shows the location quotients for the travel industry in each of the twelve tourism regions. A value greater than "1" indicates an above average tourism industry concentration relative to California as a whole.

Travel Industry Location Quotients by Tourism Region, 2012



Source: Dean Runyan Associates

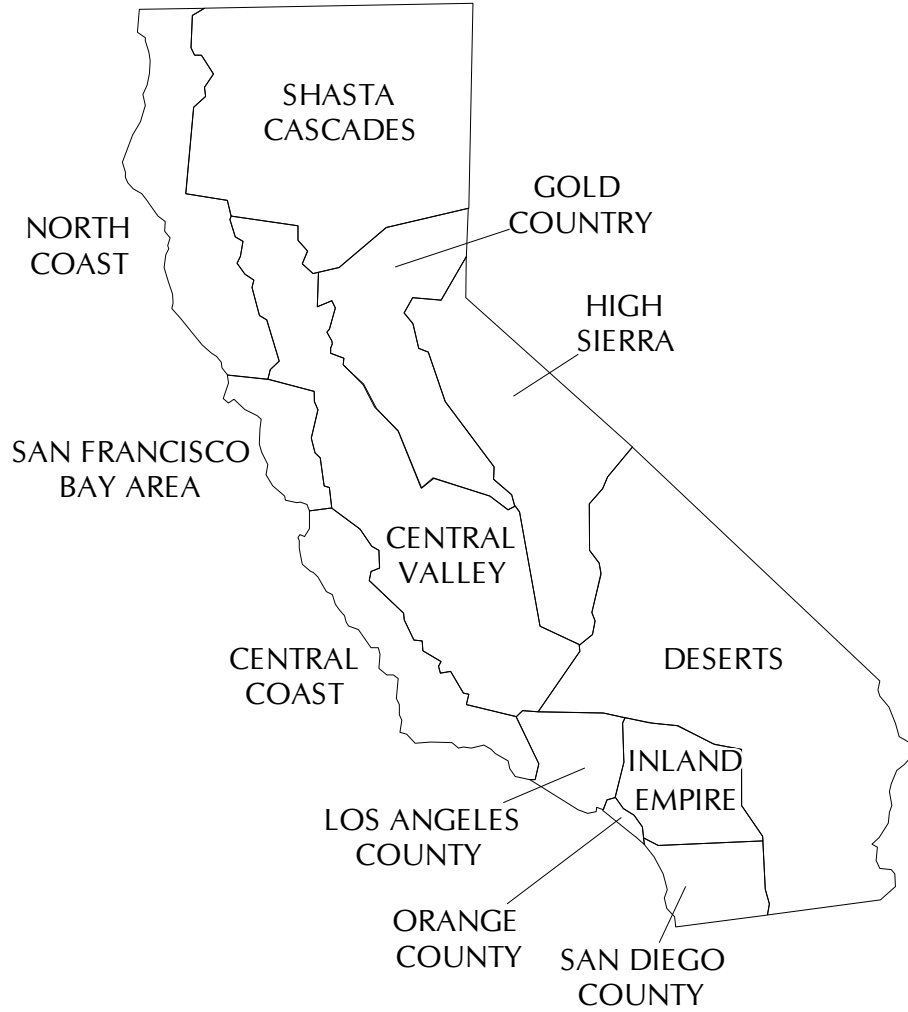
INTERPRETATION OF FINDINGS

There are data limitations and conceptual issues that bear upon the findings presented in this report.

- The employment figures are *estimates* from county level data. In many cases, the original source data was withheld due to disclosure rules. In such instances, the estimates were based on other data (e.g., estimates from other years, estimates from more detailed payroll data reported by the Bureau of Labor Statistics.)
- Many of the regional estimates reflect an aggregation of sub-county areas. These sub-county areas are themselves estimates.
- Only the travel and agriculture classifications meaningfully represent interrelated businesses that are reasonably comparable across regions. The other seven sectors are extremely broad and are sometimes not comparable across regions.
- Although the focus of this analysis is on *export-oriented* industries, many of the selected industry sectors contain businesses that are primarily oriented toward local markets.
- The industry rankings should be viewed as descriptive only. They do not imply that any particular industry is “more important” than another.

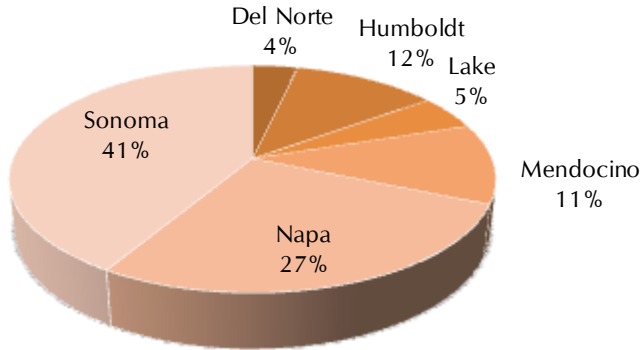
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REGIONAL INDUSTRY ASSESSMENTS



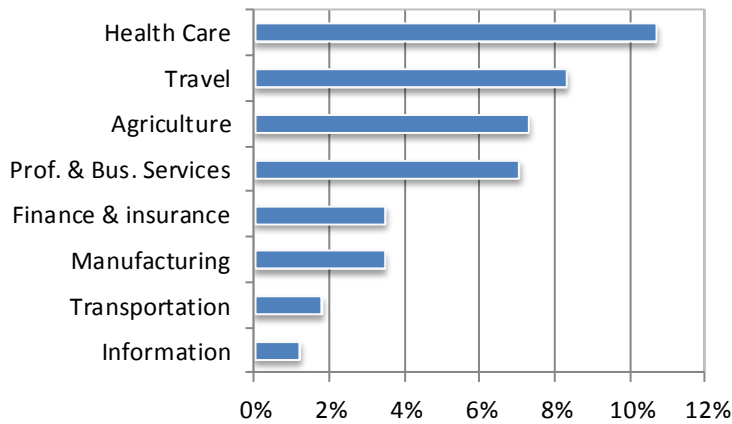
North Coast Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



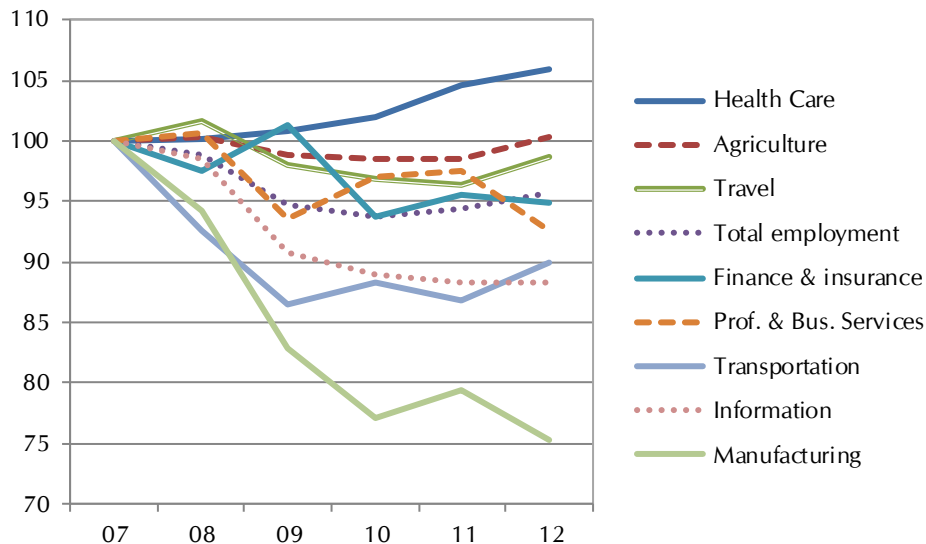
Travel and agriculture are two of the most important export industries in the North Coast region. Over two-thirds of travel industry employment in the North Coast is in Napa and Sonoma counties. The wineries located in these counties support both agricultural exports and travel.

Industry Sector Regional Employment Shares, 2012



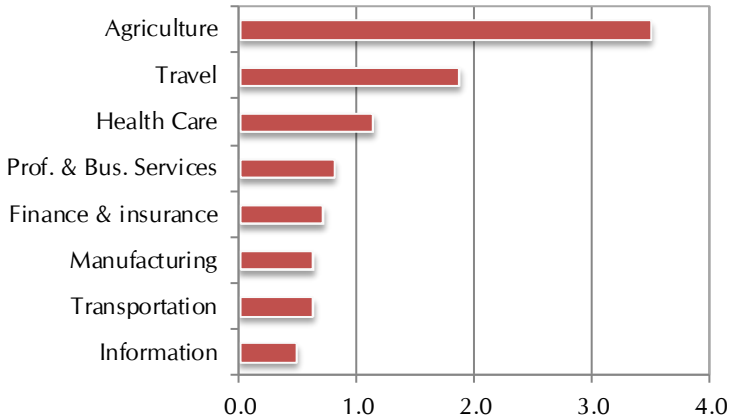
The level of employment in both agriculture and travel has changed relatively little since 2007. Total employment in the region is approximately five percent lower.

Industry Sector Regional Employment Trends 2012 = 100



North Coast Industry Assessment

Industry Sector Regional Location Quotient



Both agriculture and travel are significantly more concentrated in the North Coast compared to the state.

2012 Regional Employment Estimates and Related Statistics

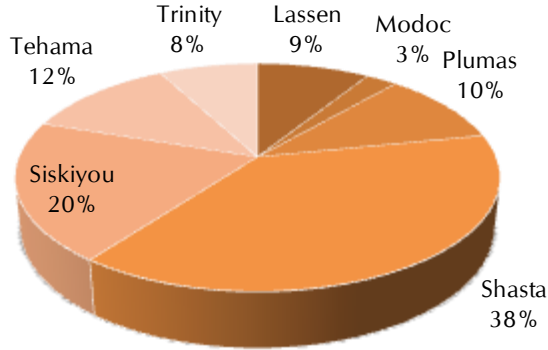
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	54.3	11%	1.1	1.1%	1.7%
Travel	42.1	8%	1.9	-0.3%	0.2%
Agriculture	37.0	7%	3.5	0.1%	0.5%
Prof. & Bus. Services	35.8	7%	0.8	-1.5%	-0.4%
Finance & insurance	17.7	3%	0.7	-1.1%	-2.2%
Manufacturing	17.6	3%	0.6	-5.5%	-3.2%
Transportation	9.2	2%	0.6	-2.1%	1.3%
Information	6.1	1%	0.5	-2.5%	-0.9%
Industry Sub Total	219.7	43%			
Total employment	507.7			-0.9%	0.3%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

The average annual employment counts reported here were estimated by Dean Runyan Associates from other source data. The travel employment estimates are identical to those reported in the California Travel Impacts report, prepared by Dean Runyan Associates for the California Travel and Tourism Commission. The employment estimates for the other industry sectors are based on county level total employment (payroll and self-employment) data reported by the Bureau of Economic Analysis for the years 2007 through 2011 and county level payroll employment data reported by the U.S. Department of Labor for the years 2007 and 2012.

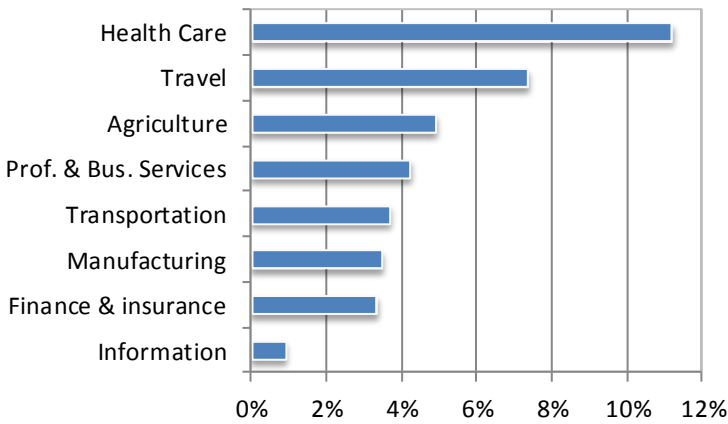
Shasta-Cascade Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



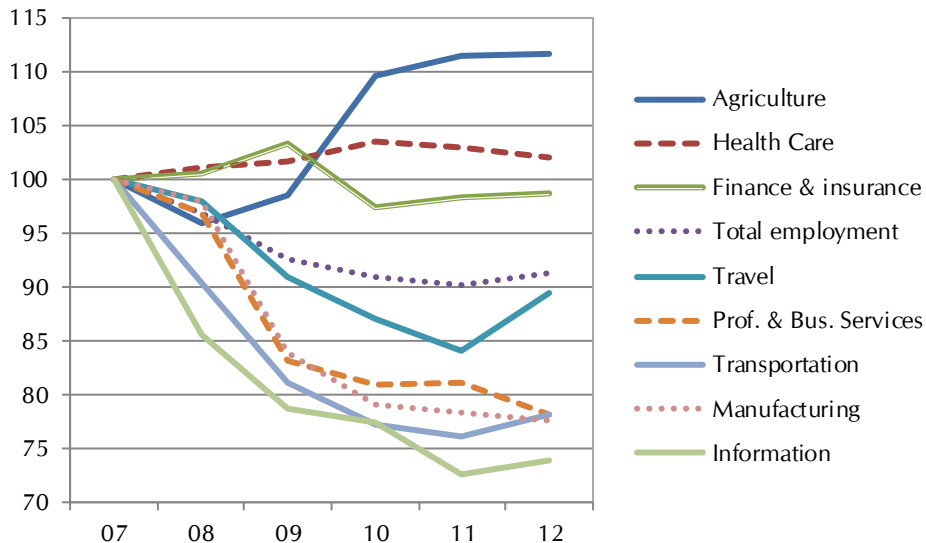
Much of the travel industry in the seven county Shasta-Cascade region is related to outdoor recreation. It is also the largest purely export-oriented industry with over seven percent of all employment.

Industry Sector Regional Employment Shares, 2012



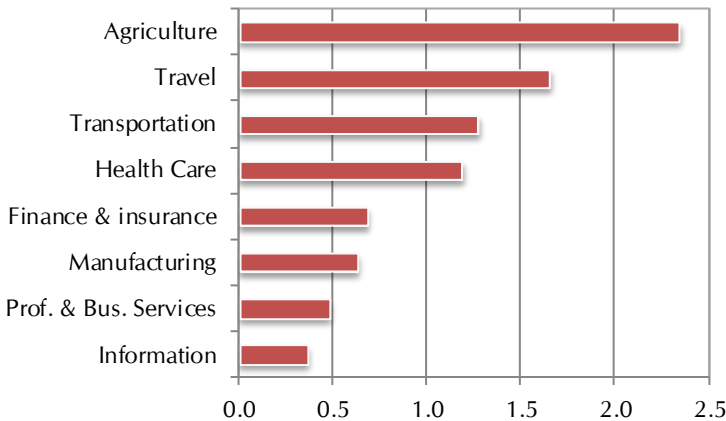
Employment in the travel industry only recently began to rebound from the recession. Both travel and total employment were about 10 percent lower in 2012 than in 2007.

Industry Sector Regional Employment Trends 2012 = 100



Shasta-Cascade Industry Assessment

Industry Sector Regional Location Quotient



Agriculture and travel are significantly more concentrated in the Shasta-Cascade region compared to the state.

2012 Regional Employment Estimates and Related Statistics

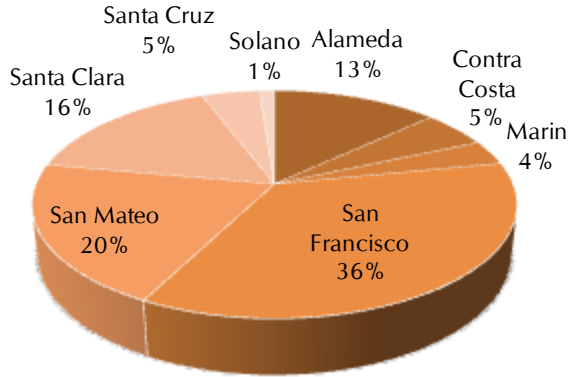
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	18.1	11%	1.2	0.4%	0.1%
Travel	11.9	7%	1.7	-2.2%	-0.5%
Agriculture	8.0	5%	2.3	2.3%	4.3%
Prof. & Bus. Services	6.8	4%	0.5	-4.8%	-2.0%
Transportation	6.0	4%	1.3	-4.8%	-1.3%
Manufacturing	5.6	3%	0.6	-5.0%	-2.6%
Finance & insurance	5.4	3%	0.7	-0.3%	-1.5%
Information	1.5	1%	0.4	-5.9%	-2.1%
Industry Sub Total	63.3	39%			
Total employment	162.3			-1.8%	-0.4%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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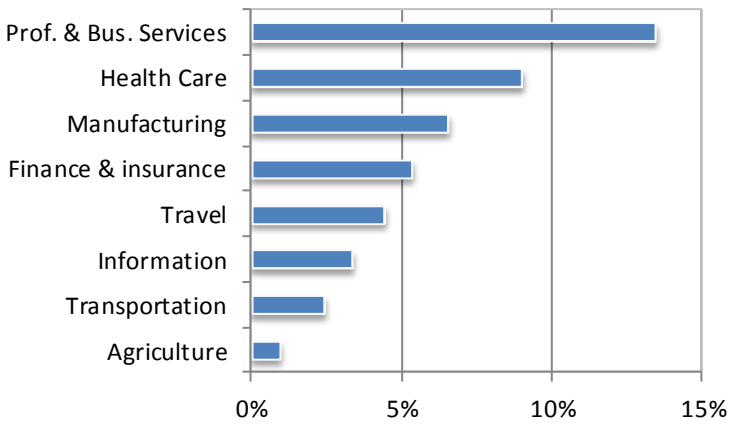
San Francisco Bay Area Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



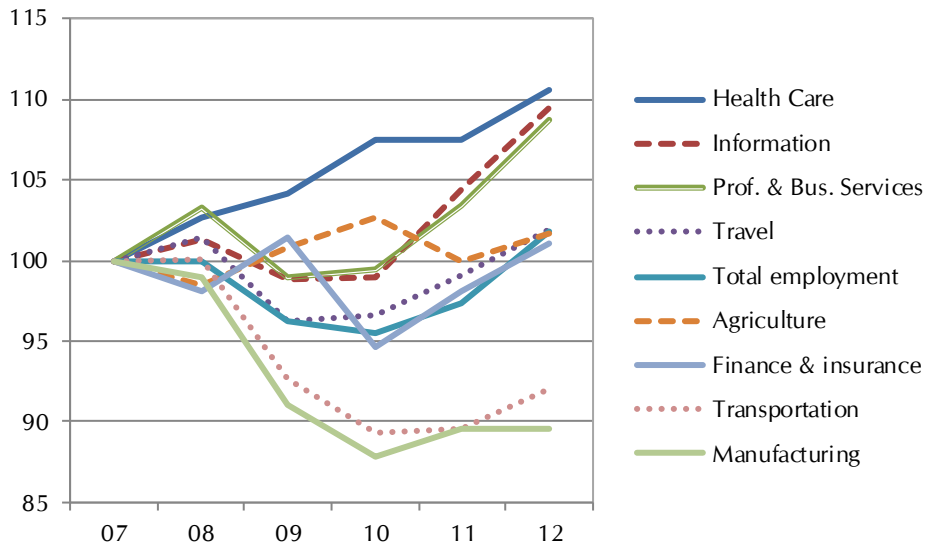
The major export-oriented industry in the San Francisco Bay area is comprised of professional, technical and business services. Nonetheless, the travel industry has a strong presence in the area, particularly for such a highly urbanized region.

Industry Sector Regional Employment Shares, 2012



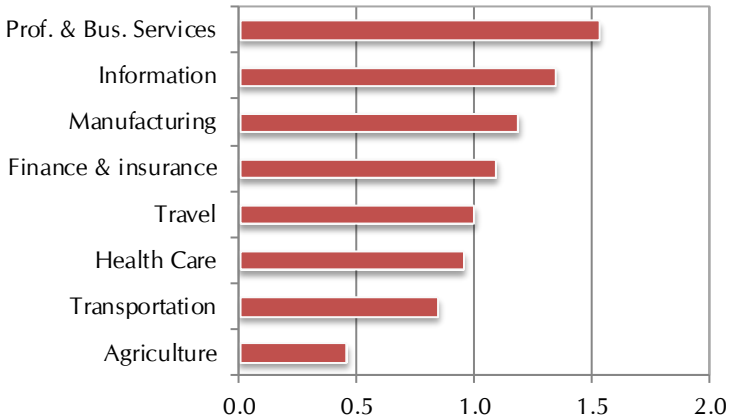
Travel industry employment has also fully recovered from the recession. Only the technology industries and health care have performed significantly better since 2010.

Industry Sector Regional Employment Trends 2012 = 100



San Francisco Bay Area Industry Assessment

Industry Sector Regional Location Quotient



Business and professional services have the greatest concentration in the Bay Area of all regions. The concentration of the travel industry is virtually identical to the state.

2012 Regional Employment Estimates and Related Statistics

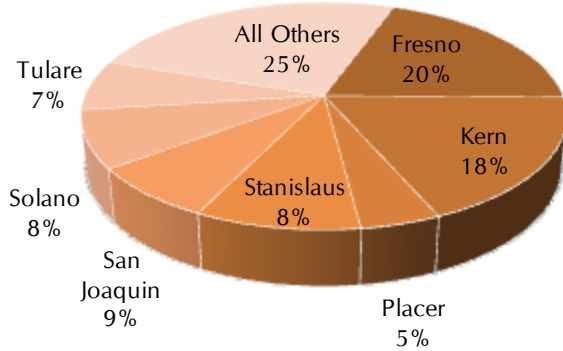
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Prof. & Bus. Services	555	13%	1.5	1.7%	3.2%
Health Care	371	9%	1.0	2.0%	2.0%
Manufacturing	270	7%	1.2	-2.2%	-0.5%
Finance & insurance	221	5%	1.1	0.2%	-0.1%
Travel	183	4%	1.0	0.4%	1.9%
Information	139	3%	1.3	1.8%	3.5%
Transportation	101	2%	0.8	-1.6%	-0.2%
Agriculture	40	1%	0.5	0.3%	0.3%
Industry Sub Total	1,880	46%			
Total employment	4,130			0.4%	1.9%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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Central Valley Industry Assessment

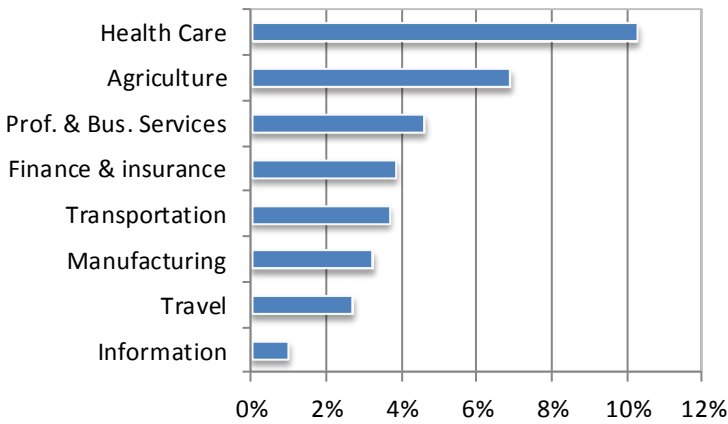
County Distribution of Travel-Generated Employment within Region, 2012



Agriculture is clearly the most important export-oriented industry in the Central Valley.

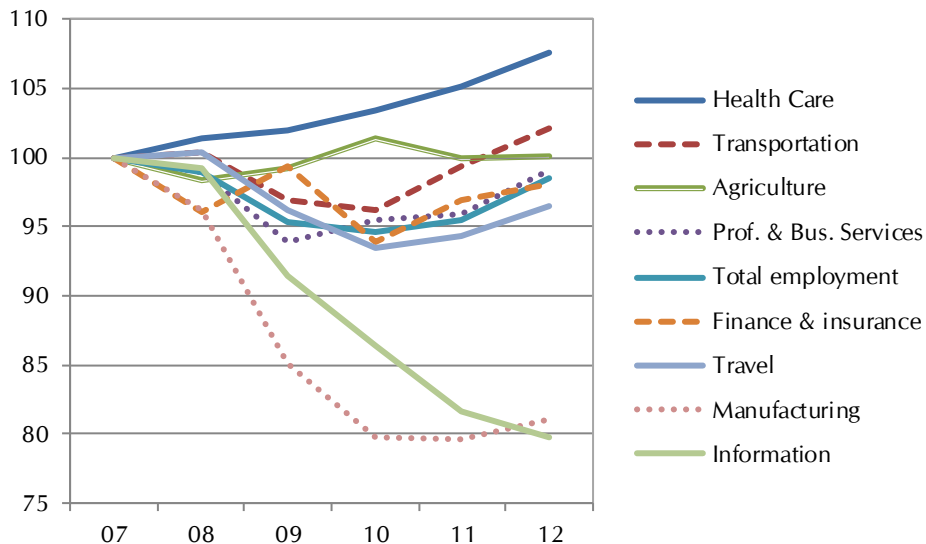
Travel is dispersed throughout this large region, including the cities of Fresno, Bakersfield, Visalia, Chico, Stockton and Modesto.

Industry Sector Regional Employment Shares, 2012



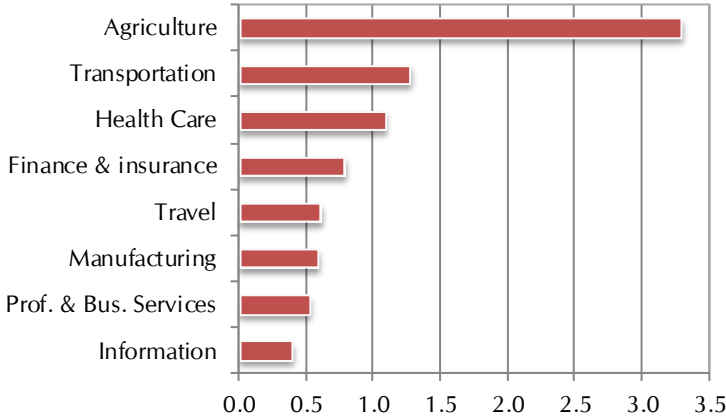
The performance of the travel industry since 2007 has been broadly similar to the larger regional economy.

Industry Sector Regional Employment Trends 2012 = 100



Central Valley Industry Assessment

Industry Sector Regional Location Quotient



Agriculture has the greatest concentration in the Central Valley of all regions. The travel industry has a lower than average concentration.

2012 Regional Employment Estimates and Related Statistics

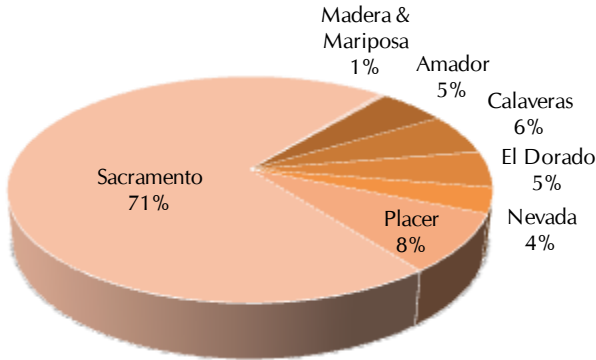
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	244	10%	1.1	1.5%	1.8%
Agriculture	164	7%	3.3	0.0%	0.3%
Prof. & Bus. Services	109	5%	0.5	-0.2%	1.8%
Finance & insurance	91	4%	0.8	-0.4%	-0.5%
Transportation	87	4%	1.3	0.4%	1.8%
Manufacturing	77	3%	0.6	-4.1%	-1.6%
Travel	64	3%	0.6	-0.7%	0.1%
Information	23	1%	0.4	-4.4%	-4.5%
Industry Sub Total	860	36%			
Total employment	2,378			-0.3%	1.1%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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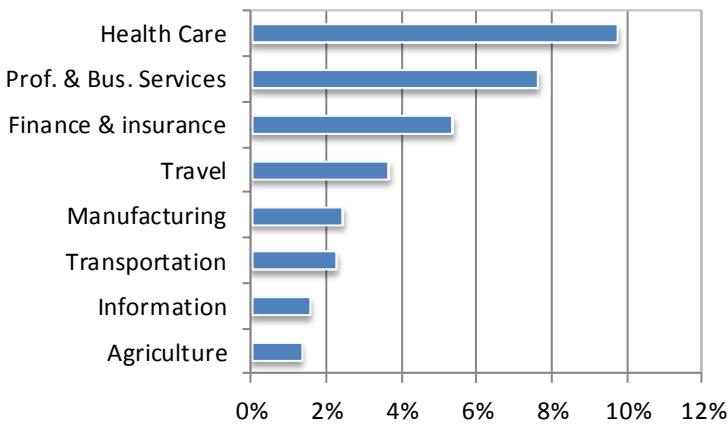
Gold Country Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



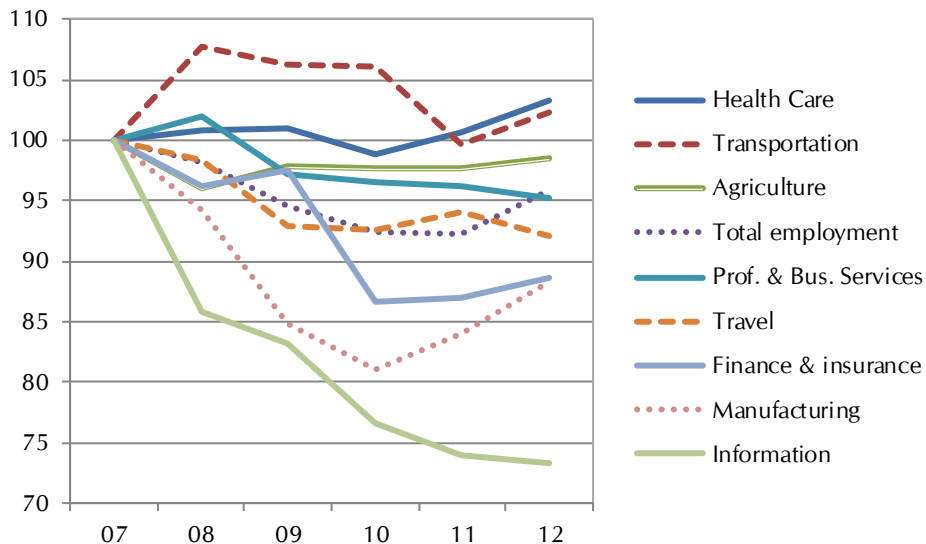
Travel activity in the Gold Country is concentrated in the state capital of Sacramento. However, there are a variety of rural destinations throughout the region where travel is relatively more important as export industry

Industry Sector Regional Employment Shares, 2012



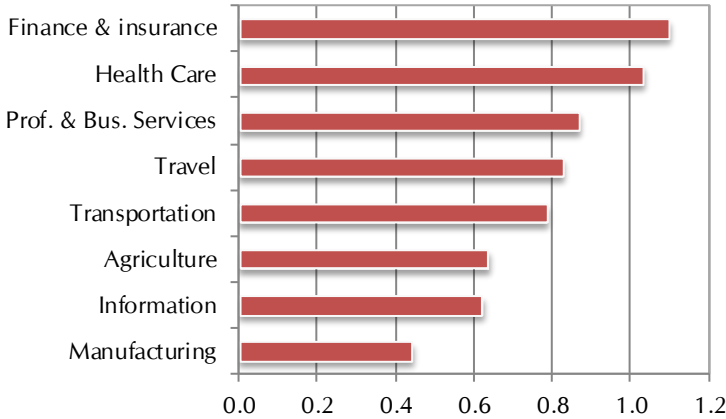
Travel industry employment has still not recovered to its 2007 level. (However, note that the reported decline from 2011 to 2012 is a preliminary estimate.)

Industry Sector Regional Employment Trends 2012 = 100



Gold Country Industry Assessment

Industry Sector Regional Location Quotient



The Gold Country region is fairly representative of the state in terms of the concentration of the selected industries.

2012 Regional Employment Estimates and Related Statistics

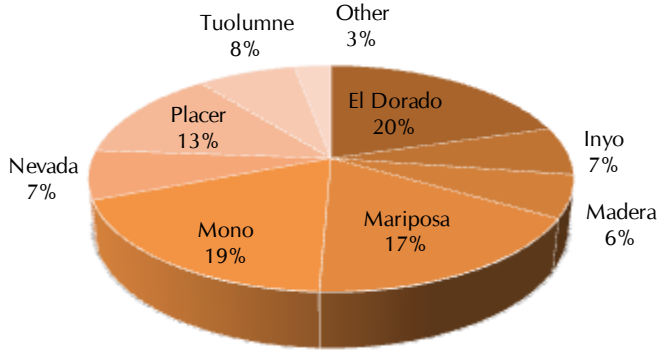
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	93.3	10%	1.0	0.6%	0.7%
Prof. & Bus. Services	73.1	8%	0.9	-1.0%	-0.7%
Finance & insurance	51.5	5%	1.1	-2.4%	-3.1%
Travel	35.2	4%	0.8	-1.6%	-0.3%
Manufacturing	23.4	2%	0.4	-2.4%	1.4%
Transportation	21.7	2%	0.8	0.5%	-1.2%
Information	14.9	2%	0.6	-6.0%	-4.1%
Agriculture	12.8	1%	0.6	-0.3%	0.2%
Industry Sub Total	325.8	34%			
Total employment	959.7			-0.9%	0.4%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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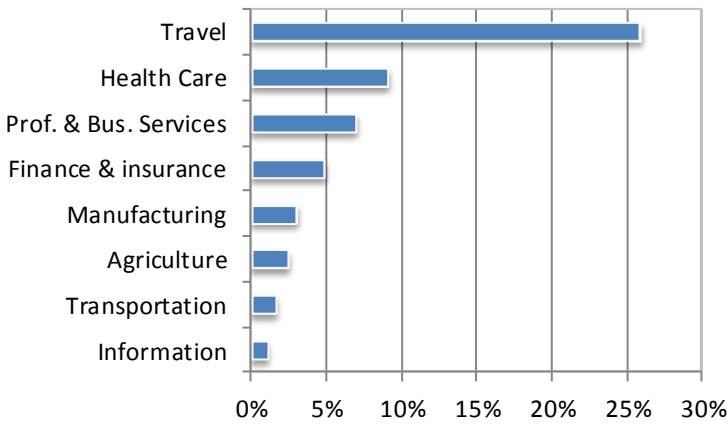
High Sierra Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



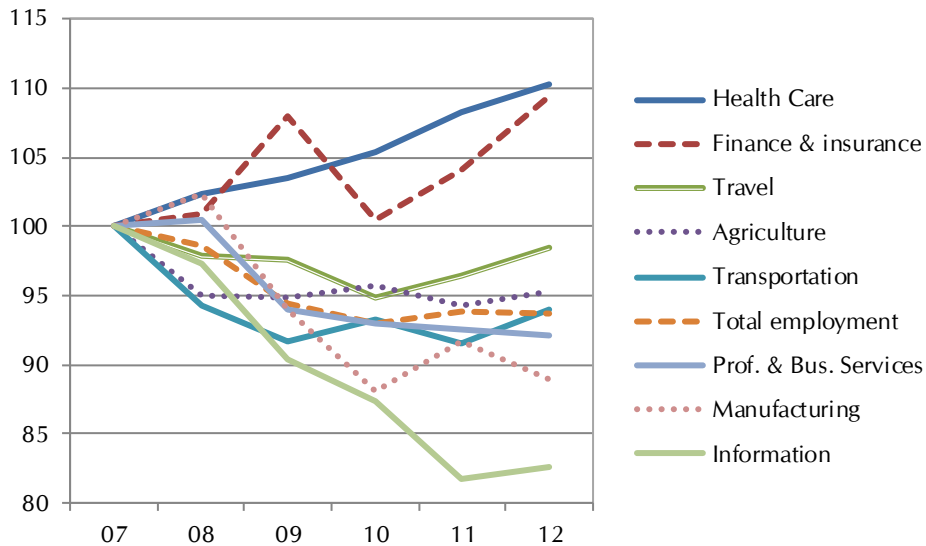
Travel is the most important export industry in the High Sierra region. Lake Tahoe, Mammoth Lakes, and renowned National Parks are among the primary attractions.

Industry Sector Regional Employment Shares, 2012



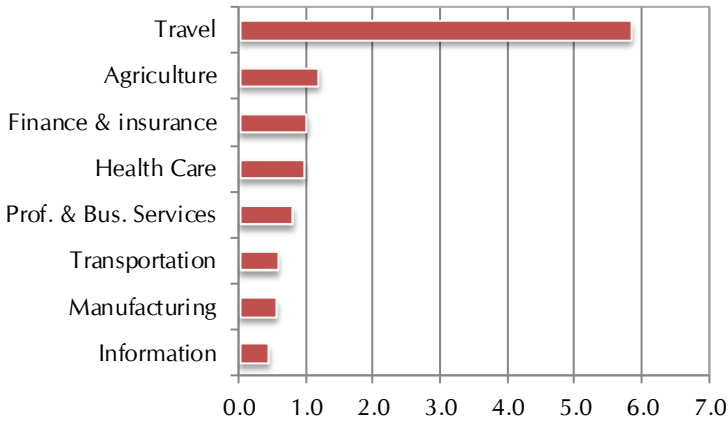
Travel industry employment has also fully recovered from the recession. The travel industry has outperformed the larger regional economy since 2007.

Industry Sector Regional Employment Trends 2012 = 100



High Sierra Industry Assessment

Industry Sector Regional Location Quotient



The large employment share of the travel industry (see previous page) is reflected in a large location quotient, which also represents the highest concentration of travel of any of California's twelve tourism regions.

2012 Regional Employment Estimates and Related Statistics

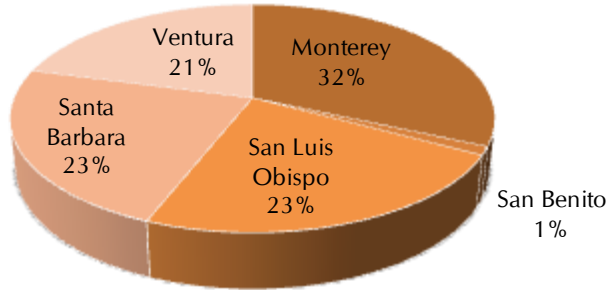
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change* 07-12	Annual Change* 09-12
Travel	27.4	26%	5.8	-0.3%	0.3%
Health Care	9.6	9%	1.0	2.0%	2.1%
Prof. & Bus. Services	7.4	7%	0.8	-1.6%	-0.7%
Finance & insurance	5.2	5%	1.0	1.8%	0.4%
Manufacturing	3.2	3%	0.5	-2.3%	-1.8%
Agriculture	2.6	2%	1.2	-1.0%	0.1%
Transportation	1.7	2%	0.6	-1.2%	0.8%
Information	1.1	1%	0.4	-3.8%	-3.0%
Industry Sub Total	58.2	55%			
Total employment	105.8			-1.3%	-0.2%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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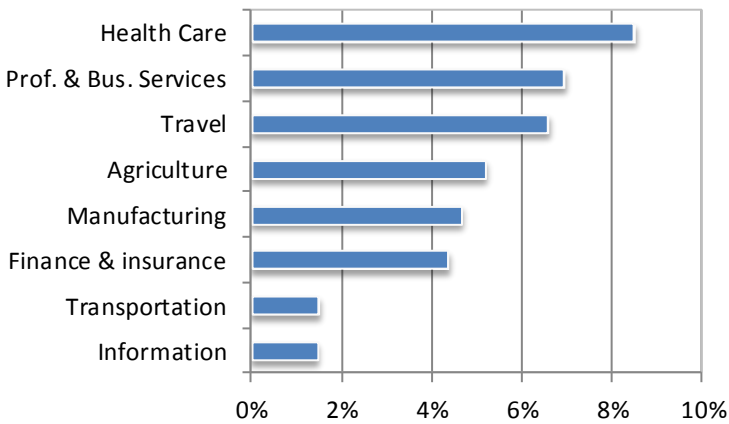
Central Coast Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



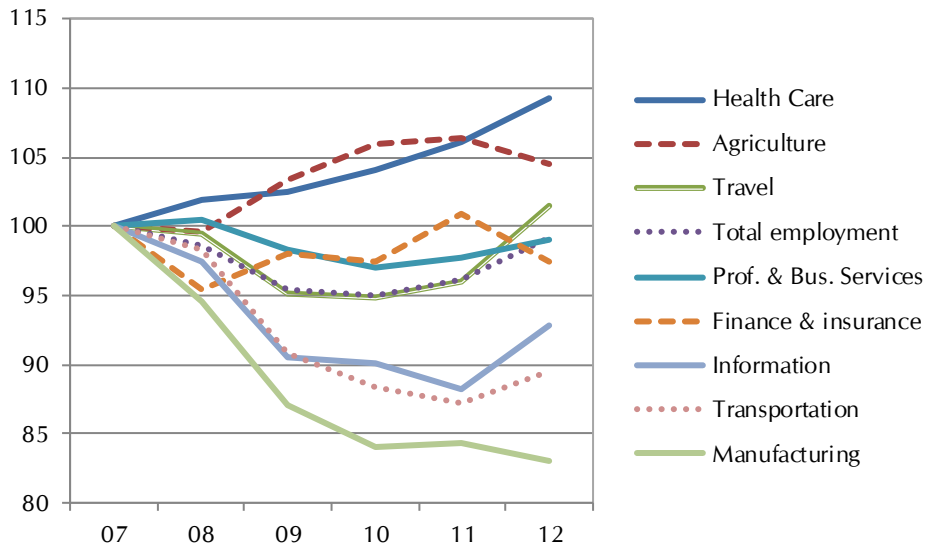
The travel industry is a leading export industry for the Central Coast. Vineyards, beaches and wildlife refuges are among the significant attractions in the region.

Industry Sector Regional Employment Shares, 2012



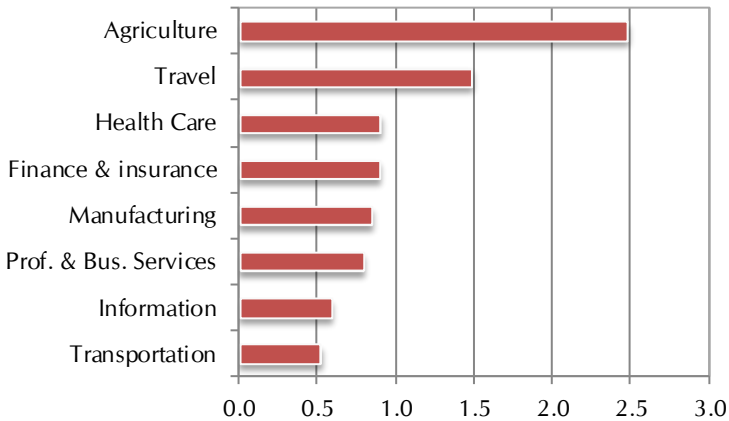
The travel industry has also fully recovered from the recession. Industry employment in 2012 surpassed its 2007 level.

Industry Sector Regional Employment Trends 2012 = 100



Central Coast Industry Assessment

Industry Sector Regional Location Quotient



Agriculture and travel are the only two industries in the Central Coast that have an above average concentration. The region's many wineries also support the travel industry.

2012 Regional Employment Estimates and Related Statistics

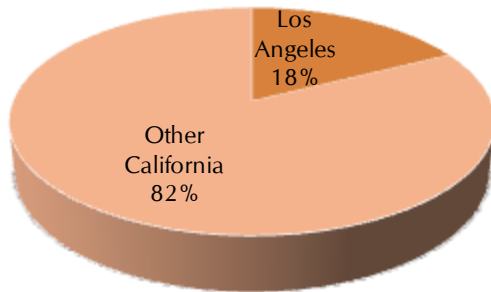
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	93.4	8%	0.9	1.8%	2.1%
Prof. & Bus. Services	76.3	7%	0.8	-0.2%	0.2%
Travel	72.3	7%	1.5	0.3%	2.2%
Agriculture	57.0	5%	2.5	0.9%	0.4%
Manufacturing	51.2	5%	0.8	-3.7%	-1.5%
Finance & insurance	47.9	4%	0.9	-0.5%	-0.2%
Transportation	16.5	2%	0.5	-2.2%	-0.5%
Information	16.1	1%	0.6	-1.5%	0.9%
Industry Sub Total	430.7	39%			
Total employment	1,099.2			-0.2%	1.3%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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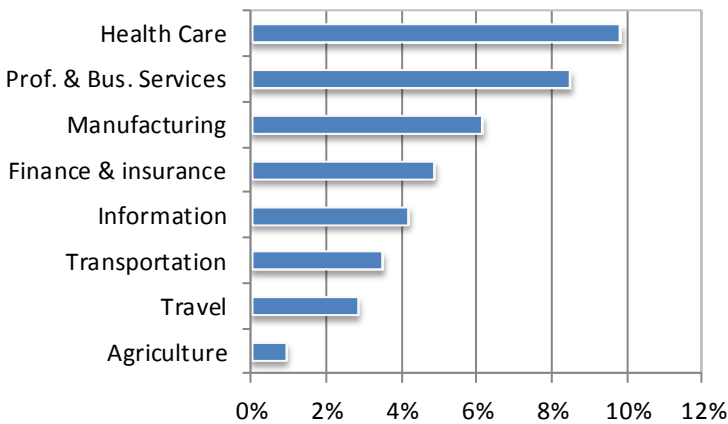
Los Angeles County Industry Assessment

Los Angeles County Share of Statewide Travel Employment, 2012



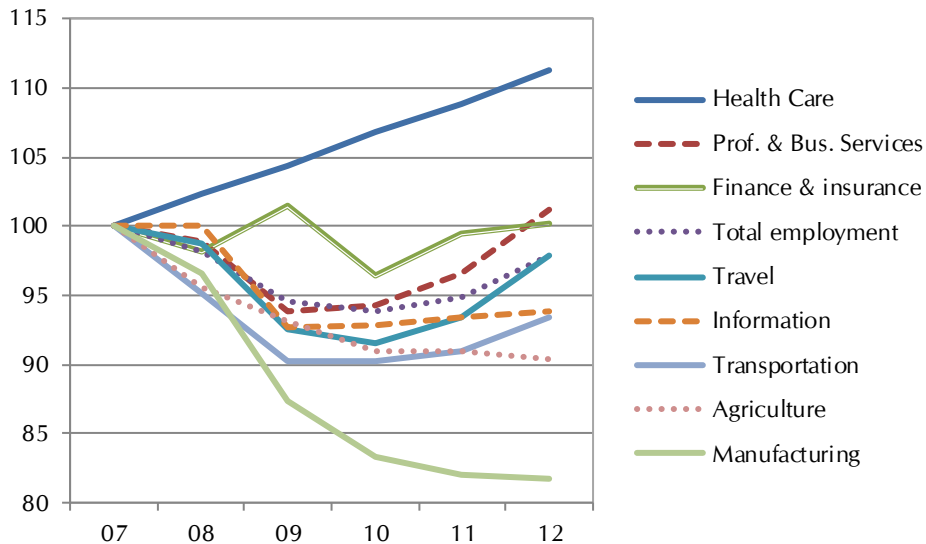
Eighteen percent of all travel industry employment in the state is located in Los Angeles County – the second largest share of any region (the Bay Area has the greatest proportion). The industry is supported by a large variety of entertainment and recreational attractions.

Industry Sector Regional Employment Shares, 2012



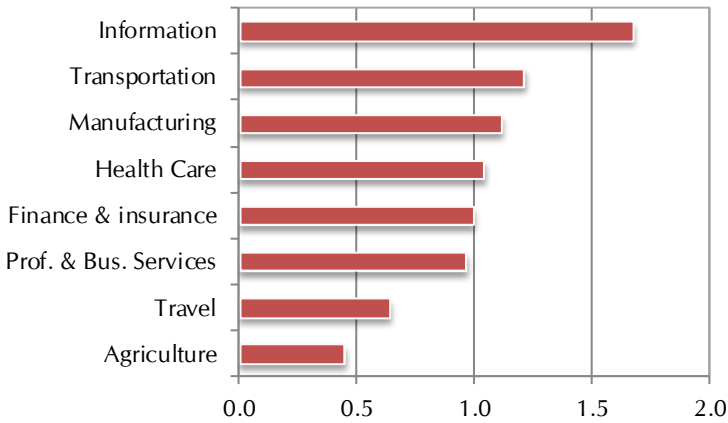
The performance of the travel industry since 2007 has been almost identical to the broader regional economy.

Industry Sector Regional Employment Trends 2012 = 100



Los Angeles County Industry Assessment

Industry Sector Regional Location Quotient



The relatively high concentration of the information industry reflects the importance of the motion picture and sound recording industries. Although Los Angeles has a large share of the state's travel industry employment, the industry's concentration is actually greater in most other regions.

2012 Regional Employment Estimates and Related Statistics

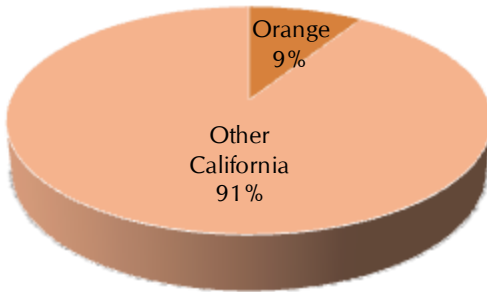
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	555	10%	1.0	2.2%	2.1%
Prof. & Bus. Services	479	8%	1.0	0.2%	2.5%
Manufacturing	348	6%	1.1	-4.0%	-2.2%
Finance & insurance	275	5%	1.0	0.0%	-0.4%
Information	237	4%	1.7	-1.3%	0.4%
Transportation	198	3%	1.2	-1.3%	1.2%
Travel	161	3%	0.6	-0.4%	1.8%
Agriculture	53	1%	0.4	-2.0%	-1.0%
Industry Sub Total	2,306	41%			
Total employment	5,649			-0.4%	1.2%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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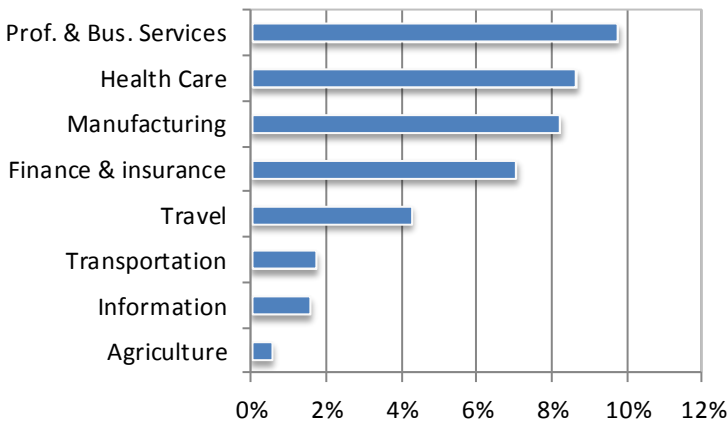
Orange County Industry Assessment

Orange County Share of Statewide Travel Employment, 2012



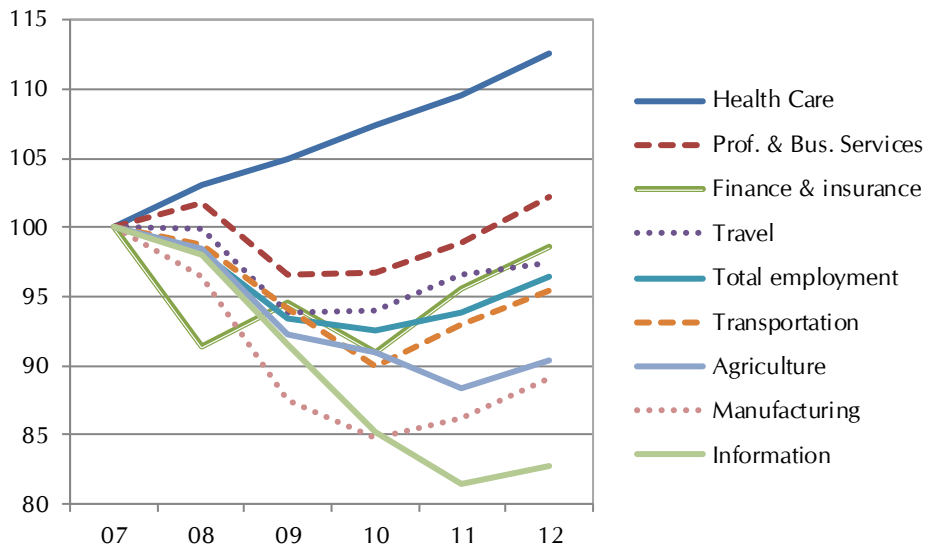
Nine percent of all travel industry employment in the state is located in Orange County. Popular destinations include beaches, theme parks and a variety of urban attractions.

Industry Sector Regional Employment Shares, 2012



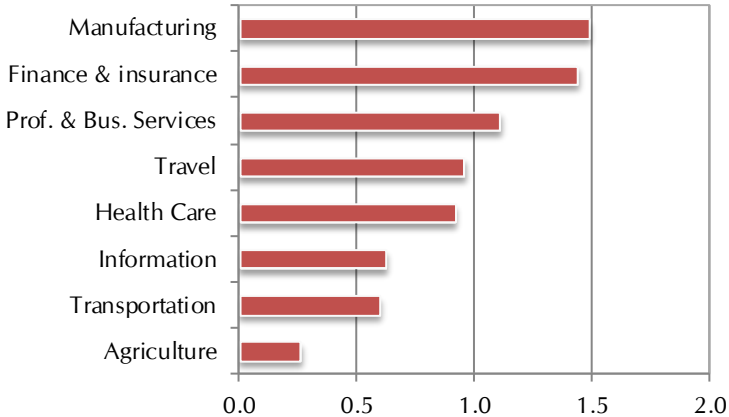
Travel industry employment in Orange County represented more than four percent of total employment in 2012. Although employment is still slightly below its 2007 level, the industry has generally performed well in the context of the larger regional economy.

Industry Sector Regional Employment Trends 2012 = 100



Orange County Industry Assessment

Industry Sector Regional Location Quotient



The concentration of the travel industry in Orange County is about average. Manufacturing and Finance and Insurance are relatively more concentrated in the county.

2012 Regional Employment Estimates and Related Statistics

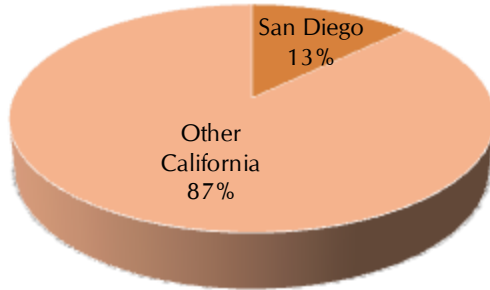
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change* 07-12	Annual Change* 09-12
Prof. & Bus. Services	190	10%	1.1	0.4%	1.9%
Health Care	169	9%	0.9	2.4%	2.4%
Manufacturing	160	8%	1.5	-2.3%	0.6%
Finance & insurance	137	7%	1.4	-0.3%	1.4%
Travel	83	4%	1.0	-0.5%	1.3%
Transportation	34	2%	0.6	-0.9%	0.5%
Information	30	2%	0.6	-3.7%	-3.3%
Agriculture	11	1%	0.3	-2.0%	-0.7%
Industry Sub Total	814	42%			
Total employment	1,950			-0.7%	1.1%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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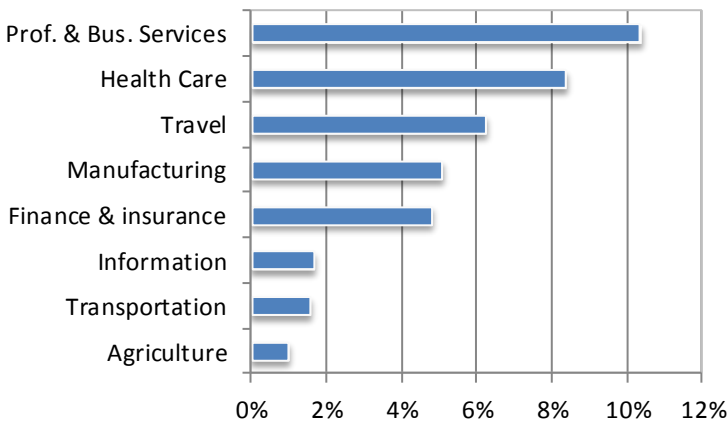
San Diego County Industry Assessment

San Diego County Share of Statewide Travel Employment, 2012



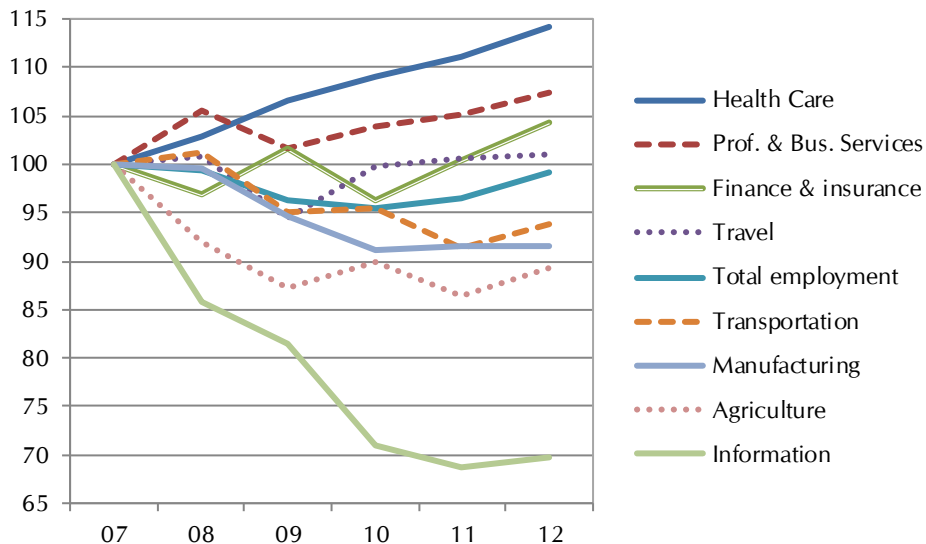
Thirteen percent of all travel industry employment in the state is located in San Diego County. Popular destinations include theme parks, golf courses, the San Diego Zoo and the historic downtown.

Industry Sector Regional Employment Shares, 2012



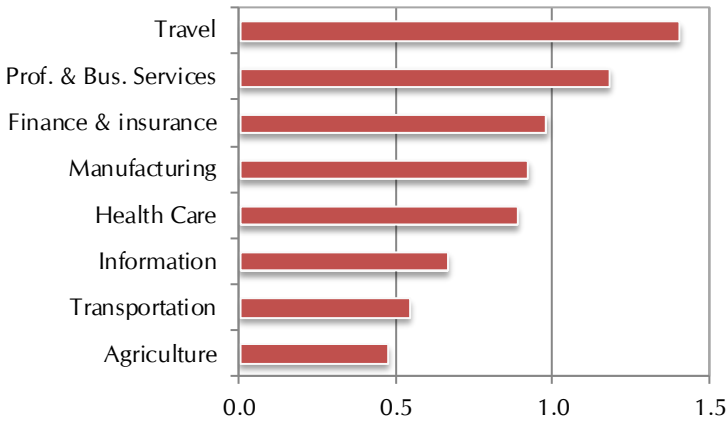
Travel industry employment in San Diego County represented more than six percent of total employment in 2012. The industry was affected less by the recession than most other regions in the state.

Industry Sector Regional Employment Trends 2012 = 100



San Diego County Industry Assessment

Industry Sector Regional Location Quotient



The concentration of the travel industry in San Diego County is the greatest of any of the urban regions in the state.

2012 Regional Employment Estimates and Related Statistics

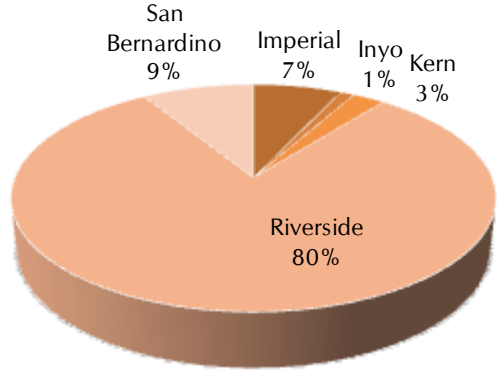
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Prof. & Bus. Services	195	10%	1.2	1.4%	1.9%
Health Care	158	8%	0.9	2.7%	2.3%
Travel	118	6%	1.4	0.2%	2.3%
Manufacturing	96	5%	0.9	-1.7%	-1.1%
Finance & insurance	90	5%	1.0	0.9%	0.9%
Information	31	2%	0.7	-6.9%	-5.0%
Transportation	29	2%	0.5	-1.3%	-0.4%
Agriculture	19	1%	0.5	-2.3%	0.8%
Industry Sub Total	736	39%			
Total employment	1,887			-0.1%	1.0%

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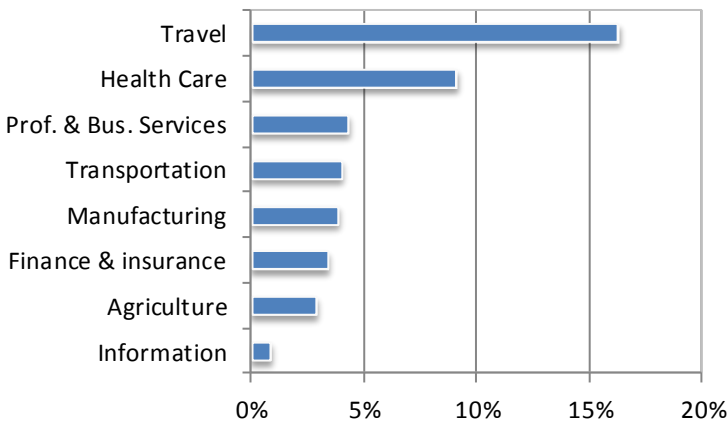
The Deserts Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



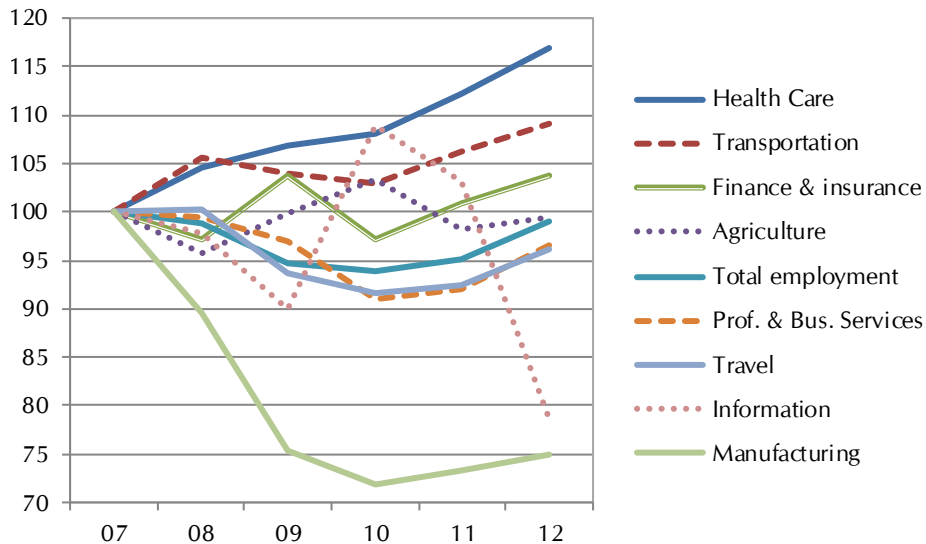
The Deserts region is known for its luxury accommodations and recreational activities. Seven percent of its total employment is in the travel industry, making it a significant export industry.

Industry Sector Regional Employment Shares, 2012



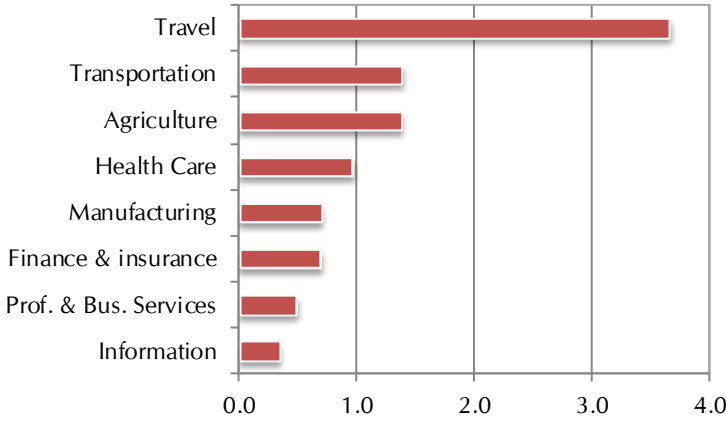
Travel industry employment has almost recovered to its 2007 level. The travel industry has performed similar to the broader regional economy.

Industry Sector Regional Employment Trends 2012 = 100



The Deserts Industry Assessment

Industry Sector Regional Location Quotient



Travel, transportation and agriculture all have above average industry concentrations.

2012 Regional Employment Estimates and Related Statistics

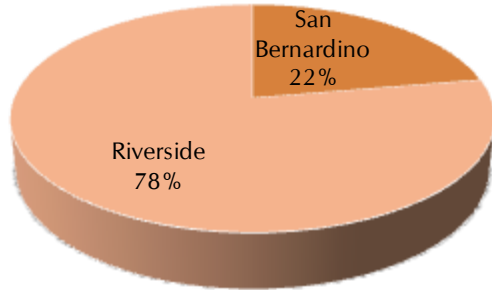
Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change* 07-12	Annual Change* 09-12
Travel	60.4	16%	3.7	-0.8%	0.9%
Health Care	33.7	9%	1.0	3.2%	3.1%
Prof. & Bus. Services	15.9	4%	0.5	-0.7%	-0.1%
Transportation	14.8	4%	1.4	1.7%	1.6%
Manufacturing	14.3	4%	0.7	-5.6%	-0.2%
Finance & insurance	12.6	3%	0.7	0.7%	0.0%
Agriculture	10.7	3%	1.4	-0.1%	-0.1%
Information	3.2	1%	0.3	-4.7%	-4.3%
Industry Sub Total	165.6	45%			
Total employment	370.9			-0.2%	1.5%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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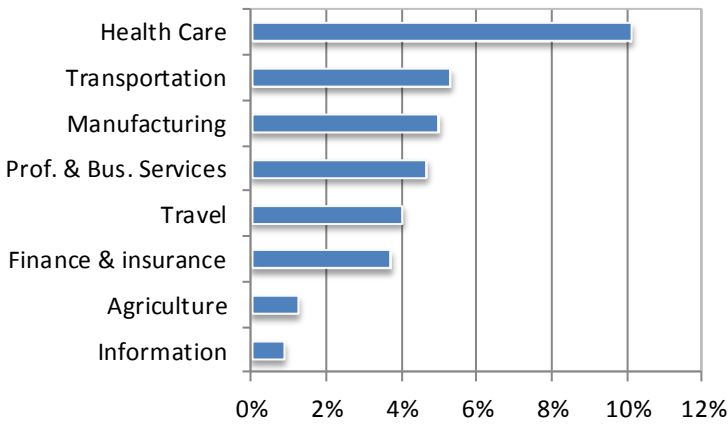
Inland Empire Industry Assessment

County Distribution of Travel-Generated Employment within Region, 2012



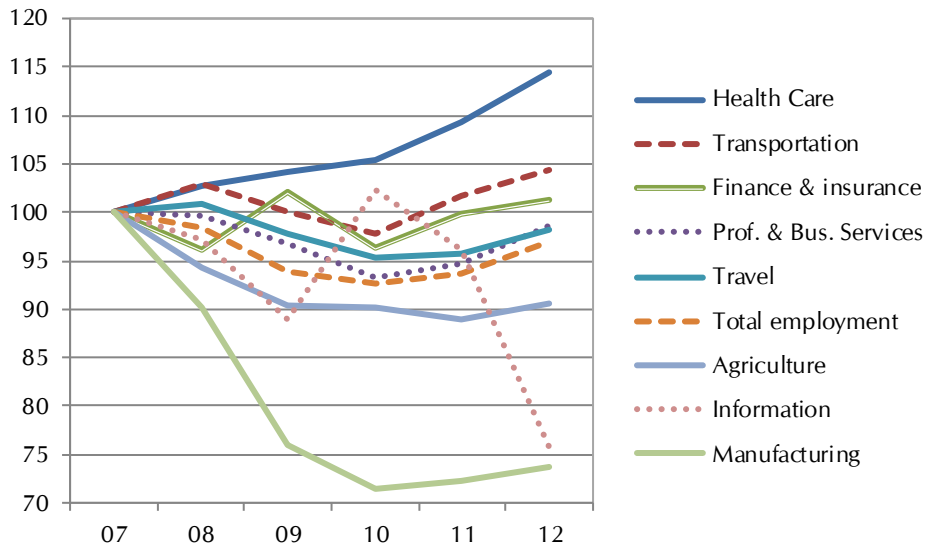
The Inland Empire offers a variety of outdoor recreational activities and other attractions. Important destinations include Ontario, Riverside, San Bernardino, Temecula, Big Bear Lake and Rancho Cucamonga.

Industry Sector Regional Employment Shares, 2012



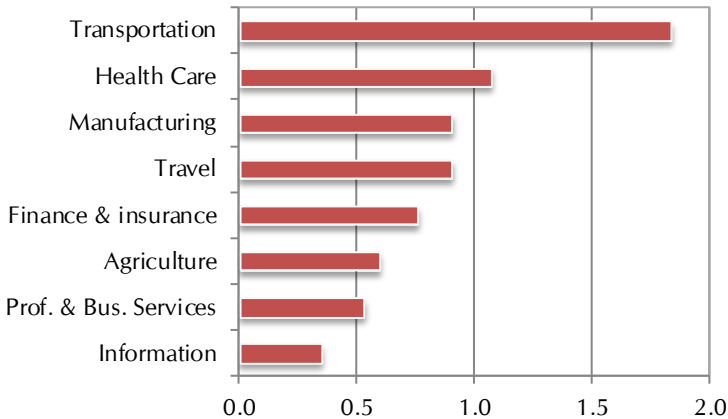
More than six percent of all employment in the region in 2012 was in the travel industry. The industry's performance has mirrored the broader regional economy.

Industry Sector Regional Employment Trends 2012 = 100



Inland Empire Industry Assessment

Industry Sector Regional Location Quotient



Transportation and travel have above average industry concentrations.

2012 Regional Employment Estimates and Related Statistics

Industry	Employment (000)	Percent of Total	Location Quotient	Annual Change*	
				07-12	09-12
Health Care	146.1	10%	1.1	2.7%	3.2%
Transportation	76.6	5%	1.8	0.9%	1.4%
Manufacturing	72.2	5%	0.9	-5.9%	-1.0%
Prof. & Bus. Services	67.4	5%	0.5	-0.3%	0.6%
Travel	58.1	4%	0.9	-0.4%	0.2%
Finance & insurance	53.6	4%	0.8	0.3%	-0.3%
Agriculture	18.0	1%	0.6	-1.9%	0.1%
Information	12.6	1%	0.3	-5.4%	-5.2%
Industry Sub Total	504.8	35%			
Total employment	1,446.7			-0.6%	1.0%

Other large sectors not shown in the above table include local and state government, retail trade, the non-travel portion of food services, and other miscellaneous services. Food and beverage processing is included in Agriculture rather than Manufacturing. *The annual change refers to the *average* annual change for the time period shown.

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Appendix

California Earnings and Employment by Industry Sector, 2011

Industry Sector	Earnings (\$Billion)	Percent of Total	Employment (Thousand)	Percent of Total
Primarily Export-Oriented	152.8	12.6%	1,852	9.3%
Agriculture, Forestry, Fishing and related	23.1	1.9%	452	2.3%
Mining	5.1	0.4%	67	0.3%
Manufacturing	124.6	10.3%	1,333	6.7%
**Travel	30.4	2.5%	893	4.5%
Primarily Non Export-Oriented	541.9	44.8%	9,969	49.9%
Construction	56.2	4.6%	867	4.3%
Utilities	9.4	0.8%	60	0.3%
Wholesale trade	57.9	4.8%	741	3.7%
Retail trade	72.1	6.0%	1,909	9.6%
Real estate and rental and leasing	22.5	1.9%	1,056	5.3%
Management of companies and enterprises	24.3	2.0%	213	1.1%
Administrative and waste services	48.6	4.0%	1,295	6.5%
Other services, except public administration	44.7	3.7%	1,207	6.0%
Government and government enterprises	206.2	17.1%	2,621	13.1%
Mixed	514.0	42.5%	8,148	40.8%
Transportation and warehousing	33.6	2.8%	579	2.9%
Information	65.3	5.4%	512	2.6%
Finance and insurance	74.7	6.2%	991	5.0%
Professional and technical services	148.0	12.2%	1,748	8.8%
Educational services	18.7	1.5%	459	2.3%
Health care and social assistance	116.5	9.6%	1,897	9.5%
Leisure and Hospitality	57.2	4.7%	1,961	9.8%
California Total**	1,208.7	100.0%	19,969	100.0%

**Travel is not included in the sub and grand totals because it is also represented in other sectors (primarily leisure and hospitality, transportation, and retail trade).

Source: Bureau of Economic Analysis and Dean Runyan Associates.