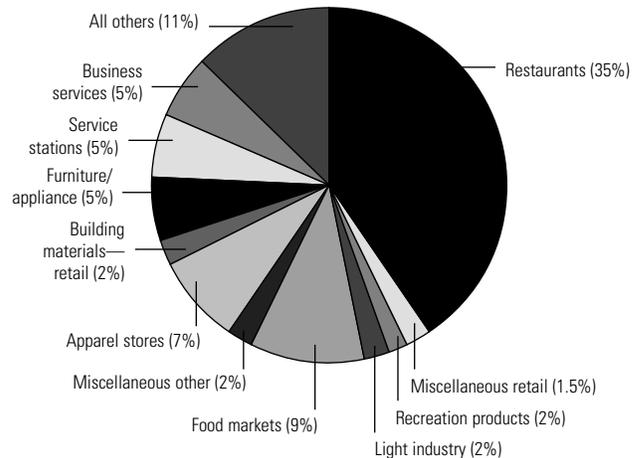


# The Economy

Tourism, the arts, and resident-serving businesses comprise the main components of the Laguna Beach economy. Laguna Beach attracts visitors from around the world to its beaches, art festivals, galleries, museum, restaurants and unique shopping. The City also provides stores and services for its resident population.

In 1999, the City estimates 3 million people visited Laguna Beach. Tourists support over 22 hotel, motel, bed and breakfast, and resort properties. In 1999, bed tax revenue from hotel/motel room sales was approximately \$3 million, representing 13% of the City's general fund revenue. Seventy restaurants and a growing night life serve day visitors from neighboring communities, longer staying tourists, and local residents. As seen in Figure 6, restaurants contribute the greatest amount of sales tax revenue to the City. Visitors' spending supports a large retail trade, making it another of the City's largest economic sectors. The California State Board of Equalization estimated that in 1998 Laguna Beach businesses generated \$240 million in sales, with \$186 million from retail alone. One percent



**Figure 6**  
**1999 SALES TAX BY ECONOMIC SEGMENT**

Source: Laguna Beach Sales Tax Digest, Third Quarter Sales Report, 1999.

of this total amount or \$2.4 million was revenue to the City's general fund.

The Laguna Beach arts community contributes greatly to the local economy. There are over 80 galleries and 400 registered artists, with an additional 400 artists either living, working, or exhibiting in Laguna Beach. Three major art festivals are held in the city every year, as well as the Laguna Beach Film Festival and the Dance Festival. The Laguna Beach Art Museum, the Art Institute of Southern California, the Laguna Playhouse, and the First Thursday Art Walk provide regular activities for residents and tourists.

Laguna Beach residents work in a diverse number of industries. Figure 7 shows that approximately 48.8% are involved in management or a professional specialty, and an additional 31.3% work as technicians, in sales or in administrative support.<sup>1</sup> In 1998, about 15,660 people over the age of 16 were employed, a number that has grown by 5.6% since 1990.<sup>2</sup> At this time, Laguna Beach enjoys the very low unemployment rate of 0.9%.<sup>3</sup>

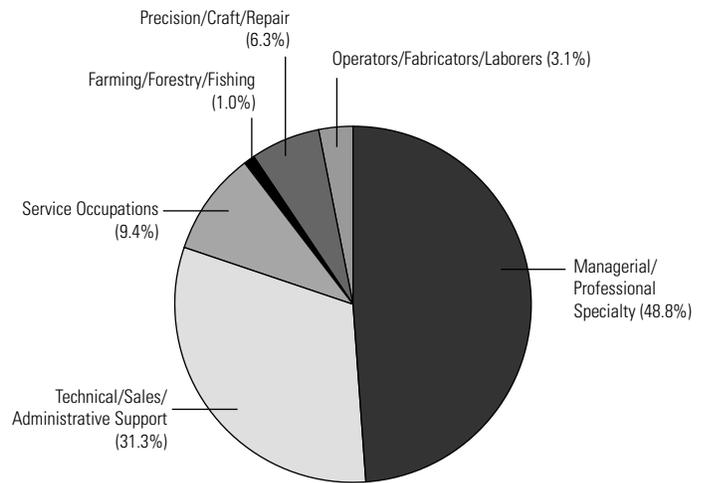


Laguna Beach has approximately 2,400 licensed businesses, with 596 new businesses licenses issued since April 1998. As seen in Figure 8, the South Coast Medical Center, the school district, hotels and restaurants, and the municipal government provide the largest number of jobs in Laguna Beach. County-wide, the health industry, including hospitals and medical centers, provide many jobs in addition to those employers listed in Figure 8. The City estimates an even split between home businesses and commercial locations, with the trend increasing to reflect more home-based businesses.

Orange County has one of the most diverse high-tech economies in the nation with telecommunications and computer software identified as the fastest growing sectors of the County's high-tech industry.<sup>4</sup> While no hard data exist, there is anecdotal evidence that Laguna may be becoming home to an increasing number of high-tech businesses in the software, sales, and technical service categories.

By 2020, the County is expected to experience a 70% increase in jobs, with an estimated additional 874,662 jobs created between 1995 and 2020.<sup>5</sup> According to the California Employment Development Department, Orange County employment growth will occur primarily in the service and retail industries, with significant increases in health, computer and airline-related businesses.<sup>6</sup>

Based on a 1999 Consumer Expenditure Survey, Laguna Beach households spend most of their money on food (groceries and restaurants), transportation, clothes and electronics. Keeping in mind that Lagunan's do not buy everything in the City, Figure 9 shows household expenditures by selected store type.



**Figure 7**  
**LAGUNA BEACH LABOR FORCE BY OCCUPATION (1990)**

Source: U.S. 1990 Census

**Figure 8**  
**LOCAL AND REGIONAL EMPLOYERS**

Top Laguna Beach Employers	Number of Employees
South Coast Medical Center	565
Surf and Sand Hotel	320
Laguna Beach Unified School District	300
City of Laguna Beach	222
Las Brisas Restaurant	120
Hotel Laguna	120
<b>Top Orange County Employers</b>	
Boeing Co. (Huntington Beach)	6,131
St. John Knits (Irvine)	3,175
Fluor Daniel (Irvine)	2,500
Toshiba American Information Systems (Irvine)	2,400
Hoag Memorial Hospital Presbyterian (Newport Beach)	2,800
Rockwell (Newport Beach)	2,500

Source: *Welcome Home: Southern California Relocation Guide*. 1999. City of Laguna Beach