

California's Beaches

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Overview of Work Done for State of California

- Work completed under contract for State of California and for Specific Cities
- Conducted by University Professor using well accepted practices
- One of our main concerns is the FISCAL IMPACT of Beaches—where do the taxes generated go?

Demand for Recreation is Growing

How Much Do People Spend on Recreation?

Year	Percentage of Household Budget Devoted to Recreation
1919	3.60%
1935	4.00%
1950	5.30%
1972	6.70%
1991	8.00%
2000	8.50%

Source: Costa, 1999, 1997

California's Population is Growing Faster than the U.S.

Population Projections for California, Los Angeles and San Diego Counties (millions)

Year	California	San Diego
2000	34.5	2.8
2005	37.5	3.1
2010	40.3	3.4
2020	45.8	3.9
% increase 2000-2020	32.8%	39.3%

Source: California Dept. of Finance

Beaches are Popular

Table 1: How Many People Go to the Beach?

Percentage of Californians who go to the Beach Every Year	63.8
Percentage of Americans who go to the Beach Every Year	24.8
Percentage of Americans who go to Picnics Every Year	15.7
Percentage of Americans who go Birdwatching Every Year	5.1
Percentage of Americans who go to the Zoo Every Year	13.6

Source: King and Potepan (1997), Statistical Abstract of the U.S.

Out of State Tourism is Significant

- Study of Summer Tourism found 28% of Visitors from Out of State
- Roughly 1/3 of these are Foreign Residents
- Estimated 37% of Spending from Out of State Visitors

Compare Beach Visitation

- California Beach Attendance
(including Piers, Boardwalks, etc.)
670 million days
- All U.S. National Parks (2000): 286 million
- Yosemite: 3.4 million

Tax Benefit to Governments

Estimated Taxes Derived from Beach Spending for Federal, California State, County and City Governments Including Social Insurance

Government	Estimated Tax Generated	Percentage of Total Taxes Generated
Federal	\$ 13,627,622,167	65.8%
California State	\$ 4,626,104,009	22.3%
County	\$ 1,227,713,709	5.9%
City	\$ 1,227,713,709	5.9%
Total	\$ 20,709,153,594	100.0%

Tax Benefit to Governments (Putting Social Insurance in “Lock Box”)

Estimated Taxes Derived from Beach Spending for Federal, California State, County and City Governments Excluding Social Insurance

Government	Estimated Tax Generated	Percentage of Total Taxes Generated
Federal (Ex Soc Ins)	\$ 8,102,910,478	53.4%
California State	\$ 4,626,104,009	30.5%
County	\$ 1,227,713,709	8.1%
City	\$ 1,227,713,709	8.1%
Total	\$ 15,184,441,905	100.0%

Locals Get Fewer Revenues than Most People Think

- Recent detailed Fiscal Impact Report for Cities of San Clemente and Carpinteria
- These two Cities are quite different yet are representative of other California Beach towns in terms of Fiscal Impact
- In both Cases Few benefits go to locals after subtracting expenses for public safety, etc.

San Clemente

- 1.9 million visitors a year
- 1.1 million in high season
- City generates \$1.65 million in revenues from taxes, fees and concessions
- City Spends \$1.56 million on lifeguards, police, administration, maintenance, etc.

Fiscal Impact of San Clemente's Beaches

- City nets \$93,000 from beaches
- The City generates 87 cents per visitor in revenues
- After expenses it nets just **5 cents per visitor**
- The State generates \$4.16 per visitor
- The **Federal Government** generates **\$10.32 per visitor**
- All these are Direct tax benefits.

Carpinteria

- 1.4 million visitors a year
- 1.3 million in high season
- City generates \$1.3 million per year in revenue
- City Spends \$525 thousand on lifeguards, police, etc.
- Part of beach is State property and State pays for public safety, etc.

Fiscal Impact of Carpinteria's Beaches

- City nets \$745 thousand from beaches
- City generates 98 cents per visitor in local taxes and fees
- **After expenses it nets 57 cents per visitor**
- State generates \$6.90 per visitor
- **Federal Government generates \$17.07**
- These are Direct tax benefits

Cities cannot afford to pay for nourishment

- San Clemente's and Carpinteria's beaches are eroding
- Nourishment projects cost millions
- Cities do not generate revenue to pay
- Federal government does

Federal Government benefits

- San Clemente: Direct Spending generates over \$13 million per year to Federal Government
- Carpinteria: Direct Spending generates over \$22 million per year to Federal Government

Substitutes for Beaches ?

- Southern California has less than one swimmable lake per million people
- 2000 Survey by Dr. King: Most Respondents said Beaches were **too Crowded** already
- Few outdoor recreational opportunities available in Southern California besides already overcrowded beaches

Conclusion

- Recreational Benefits of California Beaches Enormous
- Few Good Substitutes
- Federal Government receives Greatest Tax Benefit
- Locals Receive small Benefit
- Crowding and Erosion are Serious and will Lead to Loss in of Recreation

Conclusion (cont.)

- Beaches are considered a public good available to all
- Many are eroding and must be maintained
- Local governments in California simply cannot afford to do this
- Beaches are a valuable part of the country's recreational infrastructure and they are diminishing every year

For more information:

- Feel free to contact Dr. King
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- Reports are available