

BUSINESS

ARBOR OUTLOOK

Heat waves, Tom Petty and molting seals



Margaret McDowell

“Well it was out in California by the San Diego sea, That was when I was taken in and it left its mark on me.” — from “Louisiana Rain” as performed by Tom Petty

On a recent business trip to California, I marveled at its size and awesome physical beauty — the way the mountains rear from the sea and how

the waves crash into glorious geological formations; its endless rows of produce, ripe for picking, in the massive agricultural terrain; the sheer density of the population in the great urban sprawl near L.A.; and the tangled network of freeways, clogged constantly with cars.

Thousands streamed into the Hearst Castle grounds beside me on my side trip to San Simeon. More flocked to the roadside areas on the coastal highway to observe elephant seals molting on the beach. Near San Simeon, after paying \$3.63 per gallon for gas, I tried chatting with three

travelers about recent highway rock slides and received responses in three different languages. So international tourism appears to be thriving despite the recent strong dollar.

San Diego’s cool mornings required a light sweater, but hotel employees there apologized repeatedly for the heat wave. I told them to visit the Southeast some time, but not in August.

California has a stunningly large and diverse economy. According to the Governor’s Office, California surpassed France and Brazil last year to become the world’s sixth largest economy. The state has

rebounded handsomely from the Great Recession, and real estate prices have reflat in the more densely populated regions. New construction is common. Tourism, as noted above, is thriving again, and the industry employs 14 percent of the state’s workforce. California is of course home to the tech industry, primarily located in Silicon Valley. But it also boasts the largest manufacturing base in the U.S. The state, despite its continuous water woes, is also the country’s largest producer of fruits, nuts, vegetables, and yes, wine.

California is unique,

but it reflects the American economy as well as any state. Its economic fortunes are closely tied to global monetary trends. Its export business is vulnerable to globalization, decreased international demand and sudden changes in public policy. It struggles to keep its manufacturing plants from moving overseas. The state’s top tax bracket is the highest in the country, and can range up to 12.3 percent, with a 1 percent surcharge on annual incomes over \$1 million.

My sojourn through the state’s wealthy and poorer locales reminded me of California’s glaring

issue of income disparity. The opulence of Malibu’s Billionaire Beach, the upscale shopping in Beverly Hills, and the income enjoyed by Silicon Valley corporate titans clashes with the lifestyles of agricultural workers laboring for minimum wage, often only a few miles inland from the coast.

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