

Growth

Sentinel Editorial

Retail Sales Gain

Santa Cruz county showed another sizeable increase in retail sales gain in the first three months of 1969, according to the report from the state board of equalization.

Retail sales were \$34,564,000 compared to \$31,722,000 in the first quarter of 1968, a gain of 8.95 per cent, slightly higher than the state average of 8.8 per cent.

Total taxable sales in the county were \$42,504,000, up 4.2 per cent. Use and personal service taxes make up the difference between retail and total taxable sales.

As usually occurs in the county during the first quarter, the Santa Cruz area fared better than Watsonville. Retail sales in the City of Santa Cruz totalled \$16,705,000, an increase of \$1.6 million or 10.85 per cent while retail sales in Watsonville declined \$811,000 for a total of \$8,194,000, a drop of 9 per cent.

Capitola sales were up \$499,000, a gain of 28.91 per cent while Scotts Valley recorded a 51 per cent increase with sales of \$836,000.

During the first quarter, Santa Cruz accounted for 48.33 per cent of the total sales with Watsonville garnering 23.7 per cent, Capitola 6.43 per cent, Scotts Valley 2.41 per cent and the unincorporated area had 19.10 per cent.

In the first quarter comparison, Santa Cruz was up slightly, Watsonville dropped almost 5 per cent, Capitola was up one percentage point, Scotts Valley increased by .7 of one per cent and rural area gained 2 more percentage points.

The first quarter sales were considerably different from the fourth quarter of 1968 when Santa Cruz lost more of the county market and Watsonville showed a significant gain.

General merchandising stores fared slightly better than the state average throughout the county while apparel stores showed a gain, but again, only half of the gain reported by apparel stores throughout the state.

There were other marked changes from previous sales tax reports in the county. Eating and drinking sales in the county were only up 2.3 per cent compared to the state-wide gain of 6.4 per cent. This condition is not particularly a happy situation as the eating and drinking group constitute more than 10 per cent of total sales in the county compared to about 7.5 per cent state-wide.

However, new car sales in the first three months were up 15 per cent compared to a state increase of 9 per cent. There was a decided drop in service station sales in the county which might be due to late reporting.

In general, the first quarter sales in the county were surprisingly good when you remember that weather conditions were not the best.

The gains in both the City of Santa Cruz, and the City of Capitola must be regarded as favorable even though they might be somewhat seasonal.

The increase in sales in the unincorporated area shows more activity in neighborhood shopping centers, the growth of Rancho Del Mar and more sales activity in the San Lorenzo Valley and Freedom.

The automotive group sales were a little unusual in that Santa Cruz had a gain of nearly \$1 million while sales in Watsonville were exactly the same in the first quarter of 1969 as they were in 1968, \$2,249,000 against \$5.5 million in Santa Cruz.

As far as big sales increases were concerned there was a gain of \$516,000 in general merchandising sales in the county, an increase of \$239,000 in specialty shop sales, a gain of \$649,000 in food sales, a gain of \$587,000 in the sale of lumber and building materials and a \$934,000 increase in new car sales.

All in all, the sales report was satisfactory, showing an increase in first quarter sales of \$6.5 million since 1967 in the county.