Title
Growing the Los Angeles Economy

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GROWING THE L.A. ECONOMY

UCLA Lewis Center

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What’s on the mind of business?
MOST CRITICAL BARRIER TO EXPANSION

Source: NCBER LAEDC
PROPORTION OF BUSINESSES EXPANDING OR RELOCATING

Source: NCBER
SCOPE OF RELOCATION

Source: NCBER
What is our economic base?
BUSINESS SIZE DISTRIBUTION IN LOS ANGELES COUNTY

By Firm Employment Size

Firm Employment Size

Source: CA Employment Development Department

LAEDC
### ECONOMIC BASE OF SO. CALIFORNIA

#### (Annual avg. nonfarm employment, 000; 2002)

<table>
<thead>
<tr>
<th>Industry/County</th>
<th>LA Co.</th>
<th>Orange</th>
<th>Riv-SB</th>
<th>Ventura</th>
<th>5-County</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Tourism</strong></td>
<td>255.7</td>
<td>116.3</td>
<td>79.9</td>
<td>16.1</td>
<td>468.0</td>
</tr>
<tr>
<td>Direct International Trade</td>
<td>286.0</td>
<td>---</td>
<td>---</td>
<td>---</td>
<td>443.4</td>
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<tr>
<td>Wholesale Trade/Logistics</td>
<td>195.3</td>
<td>79.5</td>
<td>32.3</td>
<td>12.2</td>
<td>319.3</td>
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<tr>
<td><strong>Technology</strong></td>
<td>170.8</td>
<td>89.5</td>
<td>11.7</td>
<td>16.2</td>
<td>288.2</td>
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<td>Professional Business Svcs.</td>
<td>173.1</td>
<td>68.8</td>
<td>19.2</td>
<td>10.5</td>
<td>271.6</td>
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<tr>
<td><strong>Motion Picture/TV Prod.</strong></td>
<td>226.6</td>
<td>3.9</td>
<td>0.7</td>
<td>1.0</td>
<td>232.2</td>
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<tr>
<td><strong>Health Services/Biomedical</strong></td>
<td>135.9</td>
<td>47.7</td>
<td>34.9</td>
<td>9.0</td>
<td>227.5</td>
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<tr>
<td>Financial Services</td>
<td>101.8</td>
<td>47.9</td>
<td>16.4</td>
<td>4.5</td>
<td>170.6</td>
</tr>
<tr>
<td><strong>Apparel/Textiles Design, Mfg. &amp; Whlse.</strong></td>
<td>125.1</td>
<td>18.1</td>
<td>3.5</td>
<td>2.1</td>
<td>148.8</td>
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<tr>
<td>Agric./Food Products Mfg.</td>
<td>72.1</td>
<td>18.3</td>
<td>30.5</td>
<td>24.7</td>
<td>145.6</td>
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<td>Fabricated Metal Products</td>
<td>70.2</td>
<td>30.1</td>
<td>19.4</td>
<td>4.0</td>
<td>123.7</td>
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<tr>
<td><strong>Furniture Mfgr &amp; Whlsle.</strong></td>
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<td>12.2</td>
<td>11.7</td>
<td>1.1</td>
<td>67.4</td>
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<tr>
<td>Auto Parts Mfg. &amp; Whlsle.</td>
<td>30.9</td>
<td>15.1</td>
<td>14.3</td>
<td>1.5</td>
<td>61.8</td>
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<td><strong>U.S. Department of Defense</strong></td>
<td>3.6</td>
<td>1.3</td>
<td>5.4</td>
<td>7.5</td>
<td>17.8</td>
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<td>Jewelry Mfg. &amp; Whlsle.</td>
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<td>0.9</td>
<td>0.0</td>
<td>0.0</td>
<td>11.5</td>
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<tr>
<td>Petroleum Prod. &amp; Refining</td>
<td>6.8</td>
<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
<td>7.7</td>
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<td><strong>Toy Mfg. &amp; Whlsle.</strong></td>
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<td>0.9</td>
<td>0.2</td>
<td>0.0</td>
<td>6.5</td>
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</table>
HURDLES TO CRAFTING A STRATEGY

- Hostile state business environment
- A large & growing low-skilled workforce
- Re-training displaced manufacturing workers
- Lack of land, especially industrial sites
- Term limits for state & local offices hinders development of any “vision”
- Most state-level elected officials have no private sector experience
- No dominant media voice
- Balkanized mindset of L.A. County
- Image of Los Angeles in rest of U.S.
**BUSINESS ISSUES**

- SB-2  Mandated health care
- Paid family leave (effective 1/1/04)
- 923 “E-Waste” bill Sher (waiting to be signed)
- Hike in contribution to U/E fund
CAN’T FORGET:

- Affordable housing
- Education K-12
- Transportation infrastructure
- Environmental needs
HOW TO START?

- Top down... start at the state level?
- Bottom up... select industries with immediate opportunities?
OVERALL STRATEGY

✓ Making the case for L.A. as a North American base of operations for growing businesses and economies in the Pacific Rim & Europe.

✓ Industry-based technical training for non-college bound students in K-12 & community colleges.
A Sample Strategy
**INTERNATIONAL TRADE**

- Find industry “leaders” to talk about benefits of industry, and help to mold a “global view.”
  **Result:** Head-off unfavorable regulation of industry.

- Do an impact analysis of international trade -- benefits to local workers, business and governments.
  **Result:** Help firms take advantage of unrecognized opportunities.

- Support MTA as they focus on goods movement.
  **Result:** Reduce traffic congestion for all and improve air quality.
TOURISM

- Work with sectors of industry to promote the idea that tourism is a serious “business.”
  
  **Result:** More focused approach will attract more visitors and their wallets to County.

- Work with MTA & Metrolink on making the transit system more accessible to both business and casual travelers.
  
  **Result:** Make Los Angeles more user friendly to visitors (reduce fear of having to drive in L.A.)
Who’s in charge?
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