

# OTIS

Otis College of Art and Design

## Report on The Creative Economy of the Los Angeles Region

### The fast facts:

- >> **One million direct and indirect jobs in Los Angeles and Orange counties.**
- >> **\$140.5 billion in sales/receipts generated by the creative industries in 2005.**
- >> **Over \$3.4 billion in state tax revenues generated.**
- >> **The major business sector in the region.**

**Prepared for Otis College of Art & Design by the  
Los Angeles County Economic Development Corporation**

**March 1, 2007**



Economic Information & Research Department  
Los Angeles County Economic Development Corporation  
444 S. Flower St., 34th Floor, Los Angeles, CA 90071  
Tel: 213-622-4300, 888-4-LAEDC-1 Fax: 213-622-7100



the James Irvine foundation



This program has been supported  
by a generous in-kind donation  
from Town Hall Los Angeles.



## TOWARDS A CREATIVE FUTURE

Creativity is the sustaining force of the 21st Century. A key contributor to such force in Southern California, Otis College of Art and Design has commissioned this Report to spotlight the sheer size and importance of the regional creative economy. The Report offers a new, more accurate, and useful economic analysis of creative industries to help policymakers and business leaders understand the significance of this segment of our economy. The data herein prove once and for all that creativity is the number one industry in Los Angeles and Orange Counties, which combine to comprise the 17th largest economy in the world. The Los Angeles region has more creative establishments and workers than the New York Primary Metropolitan area. It is time to herald the fact that artists and designers and other creative minds drive the largest segment of jobs and sales revenues in our region.

At Otis, we do not subscribe to the myth of the starving artist. An Otis art and design education fosters passion, innovation, optimism, and expertise in diverse young talents, and enables them to become creative professionals and contributing citizens. We are proud that, for close to 90 years, Otis has offered generations of students an opportunity to transcend their own socio-economic conditions and radically transform themselves as well as our visual culture. Our graduates have been innovators for all segments of the regional creative economy. They design, package and advertise the highly desired products that reflect the freewheeling L.A. lifestyle. They have designed the Oscar statuette, conjured the visual magic of *The Lord of the Rings*, and created the fashion you wear and toys your children play with. Fine Arts graduates have won MacArthur Genius grants in addition to multiple Oscars and Emmys. As the President of Otis College of Art and Design, I am honored to lead a team of dedicated professional faculty and staff, supported by a dynamic Board of Trustees. We are deeply committed to preparing our students to be leaders in a global economy with an ever increasing respect for art and good design.

Now that we know definitively that creativity drives the regional economy, it is imperative that educators, business and cultural leaders, and elected officials work together to ensure that the creative fields be recognized as an economic engine and properly supported to ensure our economic future.

What can we do together? Just to name a few critical initiatives: We can begin by fully reinstating arts education in our K-12 school curriculum. As leaders, we must understand that by inspiring young people through arts-infused learning opportunities, we can help the next generation reach their highest levels of intellectual, civic and economic empowerment. We can work together to address legislation that encourages and facilitates the creative industry sector in Los Angeles and Orange Counties. In addition, because Los Angeles is an international megalopolis and a vortex of creativity, we Angelenos are uniquely positioned to collaborate in ways that integrate global knowledge, innovative thinking and technology in order to create the commerce and culture of the future—a future that unites creative risk-taking and drive to find optimal societal solutions that go beyond individual profits. Successful 21st century economies will be built on sustainability and good design. We have the opportunity to combine enterprise and responsibility through our powerful creative industry; we can lead by example in addressing complex global challenges related to growth, infrastructure, and the environment.

Creativity is serious business in Southern California. We have both the creative capital and the economic imperative as evidenced by this report. The question is: *Do we have the will to take action in fostering and growing the regional creative economy?*

Or perhaps, I should ask: *Can we afford not to?*

**Samuel Hoi**

**President**

**Otis College of Art and Design**

## Table of Contents

The Creative Economy of the Los Angeles Region.....	1
Employment.....	2
Salaries.....	3
Revenues.....	3
Tax impacts.....	4
Employment Trends and Comparisons.....	4
How Does the City of Los Angeles Fit In?.....	5
And What About New York?.....	6
Industry Snapshots.....	7
Fashion.....	7
Toys.....	8
Digital media.....	8
Product/industrial design.....	10
Architecture/interior design.....	11
Communication arts.....	11
Art galleries.....	12
Visual and performing arts.....	12
Furniture/home furnishings.....	13
Entertainment.....	14
"Nonemployer" Creative Activity.....	15
L.A. Firsts -- A Short list of Things "Born" in L.A. ....	17
The "Other" Creative Industries -- Aerospace, Bio-medicine and Technology .....	18
Some Perspective & Final Thoughts.....	19
Statistical Appendix.....	20

LAEDC staff for this report:

Jack Kyser, Chief Economist and Senior Vice President  
Nancy D. Sidhu, Senior Economist and Vice President  
Greg Freeman, Vice President of Public Policy Consulting  
George Huang, Economist

**All contents Copyright 2007 © OTIS COLLEGE OF ART AND DESIGN. All rights reserved.**

© 2007 Los Angeles County Economic Development Corporation, 444 S. Flower St., 34<sup>th</sup> Floor,  
Los Angeles, CA 90071. Web: laedc.org Tel: (213)622-4300, (888)4-LAEDC-1 Fax: (213)622-7100

Statistical information contained herein has been obtained from sources believed to be reliable but such accuracy cannot be guaranteed. The opinions expressed herein are subject to change without notice.

# ***Report on the Creative Economy of the Los Angeles Region***

---

What is the "basic" industry of the Los Angeles area? Many specific activities could be cited, but the correct answer is creativity. It is the key driver of the region's diverse economic base.

In this study, the "creative" industries encompass the following activities: fashion, toys, product/industrial design, architecture & interior design, digital media, communication arts, art galleries, visual and performing arts, furniture & accessories, and entertainment. This is the first comprehensive analysis of all these sectors. Data have been collected on employment, payrolls, and revenues/shipments for all the component sectors in Los Angeles and Orange counties from the Bureau of the Census and the Bureau of Labor Statistics. Calculations have been made of indirect employment<sup>1</sup>, overall economic impact, and taxes generated by these industries using specific sector data from the RIMS II model created by the U.S. Bureau of Economic Analysis. The numbers are truly impressive.

Many creative people are not employed in a traditional way, which complicates our analytical effort. They are self-employed, and are not captured by the usual government economic series. For this report, an effort has been made to obtain some information on this significant group of people in the two-county area (data are on page 16).

The creative industries also have important linkages to the top two "traditional" industries in Southern California. The first is international trade. The import containers being handled at the ports of Long Beach and Los Angeles are often filled with goods designed in the region and produced in Asia. There is a real estate impact from the latter. The sorting and further processing of these goods often need warehouse/distribution space. In Los Angeles County this has resulted in an ultra-tight industrial real estate market, with the year-end 2006 vacancy rate at just 1.5%. This need for space has spilled over into the Riverside-San Bernardino area, which had a year-end 2006 industrial vacancy rate of 4.4%.

The second linkage is to the tourism industry. Visitors come to Los Angeles to experience the lifestyles and attitudes presented by the entertainment industry. They also come to shop for items that carry the "L.A." brand.

Just as important, the creativity or talent pool in the region isn't that vulnerable to going "offshore." It is the combination of place, resources and open attitudes towards new ideas that makes Los Angeles unique.

Why did we do this study? Too often, people dismiss creative activities as a frill. They are not! In the Los Angeles area creativity is serious business. The Otis College of Art & Design commissioned this analysis to put real numbers to the business of creativity.

---

<sup>1</sup> Direct employees are the people working in the industry. Indirect employees work for firms in the supplier industries, and also for suppliers who sell goods and services to both the direct workers and the employees of the supplier firms.

## Employment

In 2005, 346,003 people in Los Angeles County worked directly in the creative industries. While many would expect the entertainment industry to dominate, it did not, which will surprise some people. It accounted for just 37.5% of the creative jobs. By sector in 2005, the largest employment counts were found in: entertainment: 129,726 jobs; fashion: 105,814 jobs; furniture/home furnishings: 41,642 jobs, and visual and performing arts: 22,292 jobs. (See the Statistical Appendix on page 20 for the sector details.)

But direct employment is only the beginning. Every job in the creative industries supports or sustains other indirect jobs in the area -- in supplier industries and among providers of consumer services. The earnings of the indirect workers and revenues of the firms that supply the industry also are tied to L.A.'s creative economy.

Direct and indirect employment in the creative industries in Los Angeles County on a full-time equivalent (FTE) basis totaled 894,000 jobs in 2005. This points to another aspect of the creative industries -- they have a "high-multiplier" impact. That is, for every direct job, 1.6 additional jobs are supported in the County's economy.

In Orange County, the creative industries were responsible for 51,475 direct jobs in 2005. The largest employment sector was fashion with 14,630 jobs, followed by furniture with 10,103 jobs, and communication arts with 7,943 jobs.

Direct and indirect employment in Orange County in the creative industries totaled 107,000 jobs (based on full-time equivalent employment). The multiplier effect in the County is a little smaller than in Los Angeles, at 1.1 indirect jobs for every direct job.

Some comparisons help put these employment numbers in perspective. The direct jobs in the creative industries are larger than the 2005 nonfarm employment totals for either the Tucson, Arizona metro area (365,800) or employment in the state of South Dakota (389,800 jobs). Total (direct and indirect) employment in the creative industries in Los Angeles and Orange counties accounted for 18.1% of nonfarm employment in the two counties. The total was also larger than the 2005 nonfarm employment totals for the San Francisco metro area (943,600) or the Portland, Oregon area (982,200 jobs).

**Table 1: Employment Impacts of Creative Industries, 2005**

Area	Direct Impact	Total Impact <sup>1</sup>
Los Angeles County	346,003	894,000
of which: Los Angeles City <sup>2</sup>	156,348	387,000
Orange County	51,475	107,000
Total (LA Co. + Orange Co.)	397,478	1,001,000

Notes:

1) Full-time equivalent (FTE) jobs

2) The Los Angeles City numbers shown in data tables throughout this report are subsets of the Los Angeles County numbers and therefore are not added again to get the "Total."

Sources: California Employment Development Dept., ES202 data; overall impact calculated by LAEDC

## Salaries

When people think of creative, they often think "starving artist." But that is not the case with most of the Los Angeles area's creative industries. In Los Angeles County, fashion was low, with an average annual salary of \$31,815 in 2005. At the other end of the spectrum were visual and performing arts at \$161,742, and entertainment at \$87,242.

In Orange County, furniture was at the low end with an average salary of \$30,841 in 2005. Fashion in the County did better at \$38,652 -- thanks no doubt to the area's focus on the fast-changing action sportswear segment. The highest average salaries were in digital media at \$83,383, followed by architecture/interior design at \$74,995, and product design at \$72,552 -- which includes auto design studios.

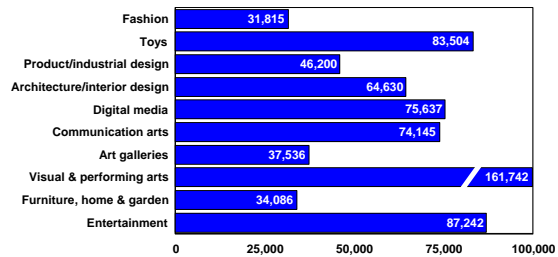
## Revenues

The revenue numbers generated by the region's creative industries are also impressive. In Los Angeles County, total revenues reached \$127.6 billion in 2005. The largest segments were entertainment at \$57.0 billion, followed by fashion at \$32.9 billion.

In Orange County, revenues of the creative industries totaled \$13.0 billion. Fashion was the largest segment at \$3.9 billion, followed by furniture at \$2.6 billion and entertainment at \$2.2 billion.

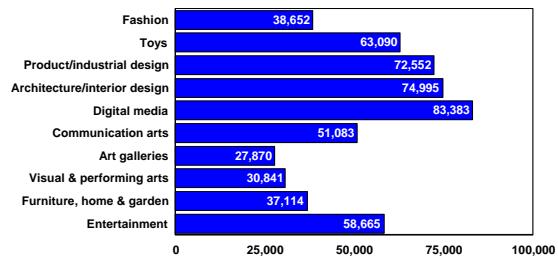
The total (direct and indirect) regional output of the creative industries was estimated to be \$293.6 billion in Los Angeles County and \$24.6 billion in Orange County in 2005.

### Average Wage of Creative Industries in Los Angeles County, 2005



Source: Cal. Employment Development Dept., ES202 data

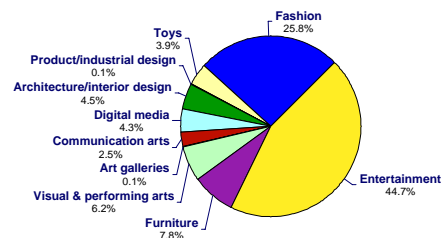
### Average Wage of Creative Industries in Orange County, 2005



Source: Cal. Employment Development Dept., ES202 data

### Revenues of the Creative Industries in Los Angeles County, 2005

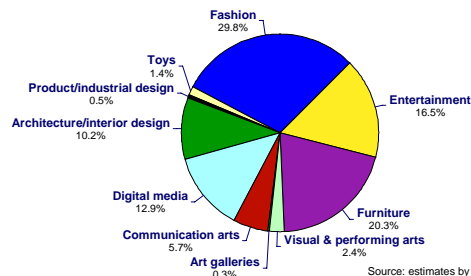
\$127.6 billion in 2005



Source: estimates by LAEDC

### Revenues of the Creative Industries in Orange County, 2005

\$13.0 billion in 2005



Source: estimates by LAEDC

## Tax impacts

We also calculated the total state income and sales tax revenues attributable directly and indirectly to the creative industries. Note that actual state tax revenues are higher, because they include other taxes, such as the state employment tax, that are not included here. In Los Angeles County, state personal income and sales taxes generated directly and indirectly by the creative industries reached \$3.2 billion in 2005. By sector, entertainment set the pace at \$1.8 billion (this highlights why other states are offering incentives to attract film production), followed by fashion at \$452.8 million and visual and performing arts at \$429.6 billion.

State personal income and sales tax revenues associated directly and indirectly with the creative industries based in Orange County were estimated at \$273.6 million in 2005. The largest amount, \$69.4 million, was generated by fashion, followed by furniture/home furnishings at \$44.1 million.

**Table 2: Economic Impact of Creative Industries, 2005**

Area	Direct Impact		Overall Economic Impact		
	Employment	Revenues (\$millions)	Employment <sup>1</sup>	Output (\$millions)	Total State Taxes <sup>2</sup> (\$mil.)
Los Angeles County	346,003	\$ 127,569.3	894,000	\$ 294,000	\$ 3,200
of which: L.A. City	156,348	49,220.7	387,000	142,000	1,400
Orange County	51,475	13,027.5	107,000	25,000	300
Total (LA Co. + Orange Co.)	397,478	\$ 140,596.8	1,001,000	\$ 318,000	\$ 3,500

Notes:

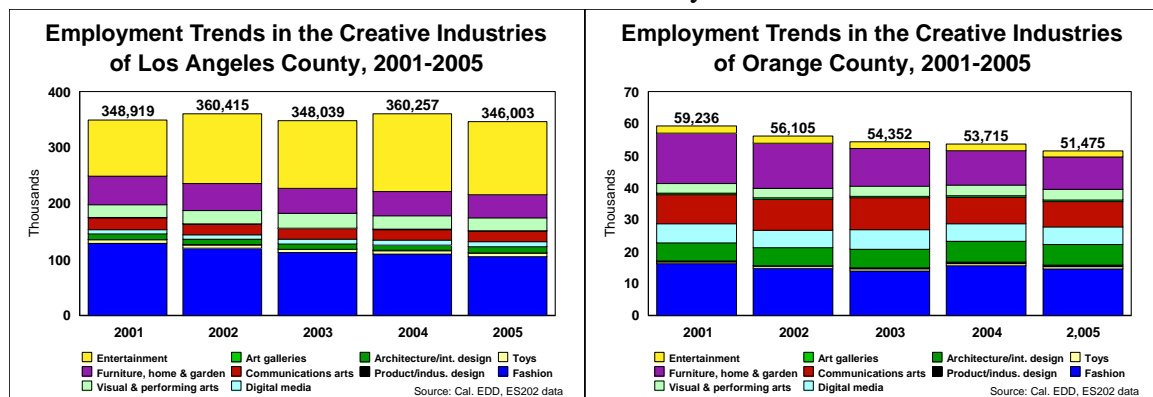
1) Full-time equivalent jobs

2) State personal income tax and state's share of sales tax generated by earnings and spending of the direct and indirect workers.

Sources: California Employment Development Department, ES202 data; revenue data extrapolated from 2002 Economic Census; overall impact calculated by LAEDC

## Employment Trends and Comparisons

Direct employment in the creative industries of Los Angeles and Orange counties has moved more or less sideways since 2001, when the current data series starts. Some component sectors, such as fashion and furniture, have been shedding jobs for quite some time due to off-shoring of production activities. However, the apparel manufacturing sector seems to be leveling off. The entertainment industry's job count has been erratic in recent years, reflecting the impact of runaway production among other things. Trends in this sector in 2007 and 2008 could be further roiled by labor issues.



In Los Angeles County, the recent employment high for the creative industries was 2002's 360,375 jobs, as compared with 346,003 in 2005. In Orange County, the high was reached in 2001 when the employment count was 59,236 jobs.

How do the creative industries rank among other major business sectors<sup>2</sup> in the region? In Los Angeles County, creative industries would be first, well ahead of international trade (290,300 direct jobs in 2005) and tourism (263,500 jobs). In Orange County, the creative industries would rank fifth, after tourism (132,100 jobs), technology (112,200 jobs), business & professional services (59,600 jobs including computer system design), and wholesale trade/logistics (53,400 jobs).

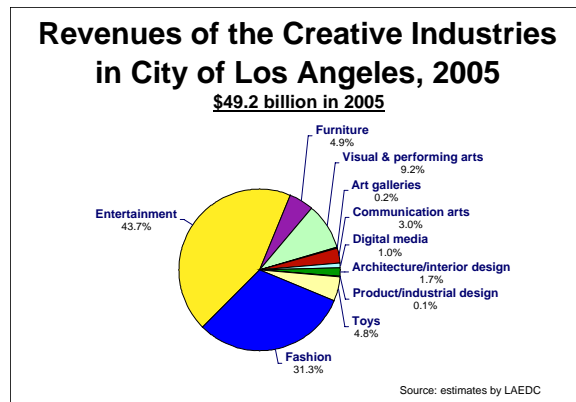
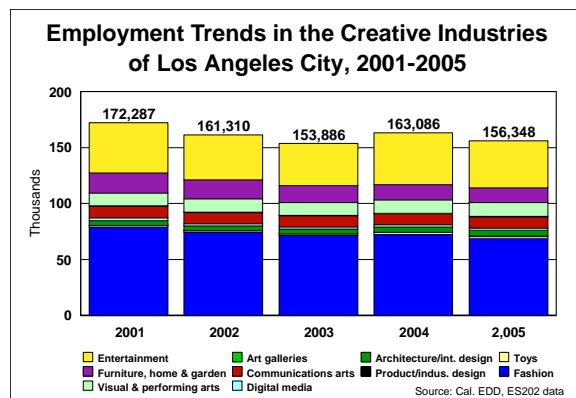
## How Does the City of Los Angeles Fit In?

The city of Los Angeles is a major player in the region's creative economy. In 2005, there were 156,348 direct creative jobs in the city, accounting for 45.4% of the County's total. The city had outsized representation in apparel manufacturing (70.9% of County employment total in this sector), jewelry manufacturing (69.0%), and sound recording (66.2%).

The city also had 58.7% of County total employment in the cable broadcasting and post-production industries. However, the city only accounted for 27.5% of the County's employment in motion picture production.

Direct sales/receipts of the creative industries in the city of Los Angeles during 2005 added up to \$49.2 billion, which was 38.8% of the County's total. The biggest revenue generators were the entertainment industry (\$21.5 billion) and the fashion industry (\$15.4 billion).

The direct and indirect impacts of the creative industries in Los Angeles City are also sizable, generating 387,000 full-time equivalent jobs and an overall (direct plus indirect) output of \$140 billion. State tax revenues based on creative industries in the city of Los Angeles were \$1.4 billion.



<sup>2</sup> Defined by the LAEDC as "export" industries, or activities that sell a significant portion of their goods and services outside of the region, thus bringing in new money to the economy.



## And What About New York?

In recent years, many areas around the U.S. have made the claim of being a creative Mecca. This was driven by various books and articles positing that creativity would be a prime economic development driver. New York has put its stake in the ground as being the center of creativity in the U.S. on the basis of its communications sector (media and advertising), its museums and of course Broadway.

Using ES 202 data from the Bureau of Labor Statistics, we made a few comparisons between Los Angeles County and the New York Primary Metropolitan Statistical Area (New York PMSA, which includes seven counties -- the five counties of New York City plus Rockland and Westchester counties to the north).

- Los Angeles County was first in the number of creative establishments, with 27,121 in 2005, 13% higher than the 23,934 establishments in the New York PMSA.
- In employment, Los Angeles was comfortably ahead with 346,000 creative workers, about 47% more than the 236,000 such jobs in the New York PMSA.

The advantage for Los Angeles came in fashion, toys, furniture and entertainment.

# Industry Snapshots

## ***Fashion***

This sector includes apparel and textile manufacturing, the apparel and jewelry "marts," jewelry manufacturing, cosmetics, and footwear and handbag production. Apparel can be designed in Southern California, produced in Asia, and shipped back to the U.S. through the two local ports. Often, further processing takes place in the region, such as checking on quality, and putting on labels and "hang tags." But there is also a big local business in "quick-turn" production ("I need it yesterday"). Attendance at the apparel markets is growing, especially international buyers.

In 2005, there were 7,339 fashion businesses in Los Angeles County, with 105,814 direct employees. Direct sales were \$32.9 billion, including \$16.2 billion from apparel wholesaling and \$8.8 billion from apparel manufacturing. The economic impact was large: 235,000 full-time equivalent jobs and total output of \$65 billion. State personal income and sales taxes generated directly and indirectly by this sector totaled \$450 million.

This activity had a significant concentration in the city of Los Angeles, with 69,328 direct jobs and sales of \$15.4 billion. The total economic impact included 153,000 full-time equivalent jobs and total economic output of \$30.6 billion.

The fashion industry in Orange County was smaller, 14,630 jobs and direct sales of \$3.9 billion. The total economic impact was 30,000 jobs and \$6.9 billion in economic output. The fashion industry in Orange County runs an extreme gamut, from the refined designs of St. John Knits to high-profile action sports wear.

***Table 3: Economic Impacts of the Fashion Industry***

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R <sup>1</sup> (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE <sup>2</sup> Jobs	State Taxes <sup>3</sup> (\$mil.)
Los Angeles County	7,339	105,814	\$ 3.4	\$ 32.9	\$ 65.3	235,200	\$ 452.8
of which: Los Angeles City	4,983	69,328	2.1	15.4	30.6	153,100	282.9
Orange County	812	14,630	0.6	3.9	6.9	30,000	69.4
Total (LA Co. + Orange Co.)	8,151	120,444	\$ 3.9	\$ 36.8	\$ 72.3	265,200	\$ 522.2

Notes:

- 1) S/S/R = Sales, shipments, or receipts
- 2) FTE = full-time equivalent
- 3) State personal income tax and state's share of sales tax

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC

## Toys

While the job numbers may look modest, Southern California is a major force in the toy industry, with such marquee names as Barbie, Hot Wheels, and more recently Bratz. The business names include Mattel, MGA Entertainment, Jakks Pacific, Funrise, and Mega Toys. Much of the actual manufacturing is done in Asia, but the design and marketing are done in the region because of the local creative talent pool and training.

In Los Angeles County, there were 6,185 direct jobs in both manufacturing and wholesaling during 2005, while sales totaled \$5.0 billion. The total economic impact (direct and indirect) was 19,300 full-time equivalent jobs and economic output of \$9.6 billion. In the city of Los Angeles, toys accounted for 2,000 direct jobs in 2005 while sales reached \$2.4 billion. As to total economic impact, there were 4,900 full-time equivalent jobs, and economic output totaled \$4.5 billion.

Toys had a much lower profile in Orange County, where there were 764 direct jobs in 2005 and sales of \$186.0 million. The total economic impact was 2,000 full-time equivalent jobs and economic output of \$346.7 million.

**Table 4: Economic Impact of the Toy Industry**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	280	6,185	\$ 0.5	\$ 5.0	\$ 9.6	19,300	\$ 63.4
of which: Los Angeles City	145	2,018	0.1	2.4	4.5	4,900	10.6
Orange County	54	764	0.0	0.2	0.3	2,100	5.2
Total (LA Co. + Orange Co.)	334	6,949	\$ 0.6	\$ 5.2	\$ 9.9	21,400	\$ 68.6

## Digital media

There are no good data on the digital media industry, as many computer whizzes can work on an independent basis. With the growth of digital media in the entertainment industry, more and more of these programmers are on the payrolls of the studios.

In Los Angeles County, there were 8,669 persons directly engaged in computer systems design during 2005, and sector revenues were a stunning \$5.5 billion. The total economic impact proved to be stunning as well: 20,700 full-time equivalent jobs and total economic output of \$11.2 billion. The city of Los Angeles played a smaller role in this sector with just 1,938 jobs and sales of \$483.0 million.

Orange County had 6,502 people working in this area in 2005, and sales of \$1.7 billion. Again, the total economic impact was large, with 12,500 full-time equivalent jobs and economic output of \$3.4 billion.

**Table 5: Economic Impact of the Computer Systems Design Industry**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	1,139	8,669	\$ 0.7	\$ 5.5	\$ 11.2	20,700	\$ 59.4
of which: Los Angeles City	385	1,938	0.2	0.5	1.0	4,600	14.8
Orange County	759	5,455	0.5	1.7	3.4	12,500	40.4
Total (LA Co. + Orange Co.)	1,898	14,124	\$ 1.1	\$ 7.2	\$ 14.6	33,200	\$ 99.8

Sources: California Employment Development Dept., ES202 data; indirect impacts estimated by LAEDC

## **Major video game firms with operations in Southern California**

Video game firms are difficult to find, but we attempted to put together a list of such firms in Los Angeles and Orange counties, using sources deemed reliable. If there are any omissions, we apologize (call and tell us). One of the problems is that these firms can be classified under computer systems design or under toy manufacturing (there is no government industry code -- NAICS -- for video game publishers).

There are also "serious" video game publishers in the area. One is Alelo, which publishes a game that helps U.S. soldiers learn everyday conversational Arabic.

### **Los Angeles area game publishers with local development branches:**

- ☞ Activision, Santa Monica
- ☞ Heavy Iron Studios, Culver City
- ☞ Infinity Ward, Encino
- ☞ Luxoflux, Santa Monica
- ☞ Neversoft, Woodland Hills
- ☞ NovaLogic, Calabasas
- ☞ Riot Games, Los Angeles
- ☞ The Walt Disney Co., Burbank
  - eDisney Studios, North Hollywood
- ☞ THQ, Calabasas
- ☞ Treyarch, Santa Monica

### **Los Angeles area independently-owned game developers:**

- ☞ Emergent Game Technologies, Calabasas
- ☞ Genuine Games, Woodland Hills
- ☞ High Impact Games, North Hollywood
- ☞ Insomniac Games, Burbank
- ☞ Jailed Games Inc., Santa Monica
- ☞ Left Field, Westlake Village
- ☞ Legacy Interactive, Hollywood
- ☞ Liquid Entertainment, Pasadena
- ☞ Naked Sky Entertainment, Los Angeles
- ☞ Pandemic Studios, Westwood (owned in partnership with BioWare, Canada)
- ☞ Realtime Associates, El Segundo
- ☞ Seven Studios, Los Angeles
- ☞ Spark Unlimited, Sherman Oaks
- ☞ Trilogy Studios, Santa Monica
- ☞ Way Forward, Santa Clarita
- ☞ Coresoft, Lake Forest
- ☞ Foundation 9 Entertainment, Newport Beach
- ☞ inXile Entertainment, Newport Beach
- ☞ Obsidian Entertainment, Santa Ana
- ☞ Point of View, Tustin
- ☞ Quicksilver Software, Irvine
- ☞ Ready at Dawn Studios, Tustin
- ☞ Red 5 Studios, Aliso Viejo
- ☞ Supervillain Studios, Santa Ana
- ☞ Turtle Lock Studios, Irvine

### **Companies headquartered outside Los Angeles but with local development branches:**

- ☞ Abandon Entertainment, New York
  - Lucky Chicken Games, Malibu
- ☞ Climax Group, UK
  - Climax, Santa Monica
- ☞ Electronic Arts, Redwood Shores, CA
  - EA Los Angeles, Playa Vista
  - EA Mobile (formerly JAMDAT Mobile), Playa Vista
- ☞ Foundation 9, Emeryville CA
  - The Collective, Newport Beach
  - Shiny Entertainment, Newport Beach
- ☞ Midway Games, Illinois
  - Midway Studios, Los Angeles
- ☞ MumboJumbo, Texas
  - Zono Inc., Costa Mesa
- ☞ NCsoft, South Korea
  - NCsoft Los Angeles, Santa Monica
  - NCsoft Orange County, Aliso Viejo
- ☞ Sony, Japan
  - Naughty Dog, Santa Monica
  - Sony Computer Entertainment America, Santa Monica
- ☞ Turbine, Massachusetts
  - Turbine LA, Santa Monica
- ☞ Vivendi Games, New York
  - Blizzard Entertainment, Irvine
  - Knowledge Adventure, Torrance

### **Los Angeles area game publishers with no local development offices:**

- ☞ Acclaim Games, Beverly Hills
- ☞ Buena Vista Games, Glendale (owned by Disney)
- ☞ Conspiracy Entertainment, Santa Monica
- ☞ Fox Interactive, Century City (owned by News Corp.)
- ☞ Konami Digital Entertainment, Los Angeles (owned by Konami Japan)
- ☞ Tecmo Inc., Torrance (owned by Tecmo Japan)
- ☞ Warner Bros. Interactive Entertainment, Burbank (Time Warner, New York)
- ☞ Atlas USA, Irvine (owned by Atlas, Japan)
- ☞ Crave Games, Newport Beach (owned by Handleman, Illinois)
- ☞ Square Enix North America, Costa Mesa (owned by Square Enix, Japan)

## Product/industrial design

Since many product and industrial designers are employees of their respective companies (e.g., auto manufacturers), the data collected here reflect only specialized design firms that serve as outside contractors or consultants to manufacturers and construction firms. The real design base in the area is much larger and difficult to quantify.

In Los Angeles County during 2005, there were a modest 606 direct jobs in this industry, and revenues for this activity were \$85.5 million. The total economic impact yielded 1,000 jobs and economic output of \$173.4 million. The city of Los Angeles share of this sector was also modest, just 190 direct jobs and revenues of \$46.9 million.

Orange County had some heft in this sector, with 471 direct jobs in 2005 and revenues of \$64.0 million. The total economic impact was 800 full-time equivalent jobs and economic output of \$125.6 million.

**Table 6: Economic Impact of the Industrial Design Industry**

Area	Estab.	Emp.	Payroll (\$millions)	S/S/R (\$millions)	Total (Direct + Indirect) Impact		
					Output (\$millions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	132	606	\$ 28.0	\$ 85.5	\$ 173.4	1,000	\$ 2.7
of which: Los Angeles City	54	190	8.9	46.9	95.1	300	0.9
Orange County	74	471	34.2	64.0	125.6	800	3.3
Total (LA Co. + Orange Co.)	206	1,077	\$ 62.2	\$ 149.5	\$ 299.0	1,800	\$ 6.1

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC

## Auto design studios

Southern California has a car culture of long-standing, from "woodies" (wood-bodied station wagons used by surfers to haul their boards) to hot rods to "rice rockets" (small Asian cars, such as a Honda Civic, cranked up to a high-performance machine). Most of the world's major auto firms have established design studios in Southern California to take advantage of the creative juices that flow through the region.

- ☞ Acura design studio, Torrance (Los Angeles County, opening summer 2007)
- ☞ BMW Designworks USA, Newbury Park (Ventura County)
- ☞ DaimlerChrysler Pacifica Design Center, Carlsbad (San Diego County)
- ☞ Ford California Advanced Product Creation, Irvine (Orange County)
- ☞ General Motors Advanced Design, California, North Hollywood (Los Angeles County)
- ☞ Honda R&D, Los Angeles Center, Torrance (Los Angeles County)
- ☞ Honda Advanced Design Studio, Pasadena (Los Angeles County, opening in 2007)
- ☞ Hyundai & Kia Design & Technical Center, Irvine (Orange County)
- ☞ Isuzu Motors America Design, Cerritos (Los Angeles County)
- ☞ Mazda Research & Development, Irvine (Orange County)
- ☞ Mercedes-Benz Advanced Design of North America, Irvine (Orange County)
- ☞ Mitsubishi Research & Design of North America, Cypress (Orange County)
- ☞ Nissan Design America, La Jolla (San Diego County)
- ☞ Toyota Caltex Design Research, Newport Beach (Orange County)
- ☞ Volkswagen/Audi Design Center California, Santa Monica (Los Angeles County)
- ☞ Volvo Monitoring & Concept Center, Camarillo (Ventura County)

## Architecture/interior design

This sector includes architectural services, landscape architecture and interior design. In Los Angeles County for 2005, the industry reported 10,781 direct jobs and revenues of \$5.8 billion (with \$5.3 billion from architecture). Los Angeles is the home of several high-profile architects, including Frank Gehry, Thom Mayne, Fred Fisher, Steven Ehrlich, and long-time local stalwart A.C. Martin Partners (designers of the iconic Los Angeles City Hall and many other prominent buildings). The sector's total economic impact was 21,500 jobs and output of \$11.4 billion. Los Angeles city had 4,969 persons working directly in this sector during 2005, and revenues totaled \$846.0 million. The total economic impact was 10,000 full-time equivalent jobs and economic output of \$987.1 million.

Orange County had a lot of activity in this sector, with 6,502 direct jobs in 2005 and revenues of \$1.3 billion. The total economic impact included 12,700 full-time equivalent jobs and output of \$2.6 billion.

**Table 7: Economic Impact of the Architecture/interior design Industry**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	1,568	10,781	\$ 0.7	\$ 5.8	\$ 11.4	21,500	\$ 66.8
of which: Los Angeles City	718	4,969	0.3	0.8	1.7	10,000	32.4
Orange County	748	6,502	0.5	1.3	2.6	12,700	45.9
Total (LA Co. + Orange Co.)	2,316	17,283	\$ 1.2	\$ 7.1	\$ 14.0	34,300	\$ 112.8

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC

## Communication arts

This sector includes graphic design services, advertising agencies, package design, and display and direct mail advertising. During 2005, there were 19,237 people working directly in this sector in Los Angeles County, and revenues were \$3.2 billion. The total economic impact was sizable: 41,500 full-time equivalent jobs and output of \$6.8 billion. In Los Angeles city, there were 9,949 direct workers in communication arts and revenues reached \$1.5 billion. The total (direct and indirect) impacts were 21,600 jobs and economic output of \$3.1 billion.

In Orange County, there were 7,943 people working directly in these activities, with business revenues of \$743.7 million. The total economic impact included 16,500 full-time equivalent jobs and output of \$1.4 billion.

**Table 8: Economic Impact of the Communication Arts Industry**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	1,770	19,237	\$ 1.4	\$ 3.2	\$ 6.8	41,500	\$ 147.5
of which: Los Angeles City	844	9,969	0.8	1.5	3.1	21,600	84.0
Orange County	659	7,943	0.4	0.7	1.4	16,500	39.4
Total (LA Co. + Orange Co.)	2,429	27,180	\$ 1.8	\$ 4.0	\$ 8.2	58,000	\$ 186.9

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC

## Art galleries

In any study of creativity, there is an interest in art galleries. For the general public, galleries often provide their only interaction with the creative community. These galleries can sell the work of well-regarded painters or they can sell prints.

What did we find about these galleries? In Los Angeles County during 2005 there were 249 art galleries, of which 104 were in the city of Los Angeles. Direct sales volume in the County (including the city) was \$185.2 million. In the nonemployer data set for the County (no city detail is available), there were 646 "art dealers" with sales of \$47.9 million. Some of these could be operating out of their homes.

In Orange County in 2005 there were 90 galleries with direct sales of \$41.4 million. As to nonemployer "art dealers," there were 225 in 2004 who reported sales of \$26.0 million.

The New York metro area had 582 art galleries in 2005. Adding Los Angeles and Orange county numbers together, the gallery count is 339.

**Table 9: Economic Impact of the Art Dealers**

Area	Estab.	Emp.	Payroll (\$millions)	S/S/R (\$millions)	Total (Direct + Indirect) Impact		
					Output (\$millions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	249	1,051	\$ 39.4	\$ 185.2	\$ 381.6	1,800	\$ 4.3
of which: Los Angeles City	104	497	20.2	93.0	191.6	800	2.2
Orange County	90	418	11.6	41.4	81.6	700	1.2
Total (LA Co. + Orange Co.)	339	1,469	\$ 51.0	\$ 226.6	\$ 463.2	2,500	\$ 5.5

Sources: California Employment Development Department, ES202; indirect impacts estimated by LAEDC

## Visual and performing arts

This grouping includes visual and performing art schools, theater and dance companies, musical groups, other performing arts companies, museums, and independent artists, writers & entertainers. Many of these are non-profit. There were 22,292 direct jobs in this sector in Los Angeles County during 2005, and revenues totaled \$7.9 billion (with \$6.1 billion from the independent artists). The total economic impact included 48,000 full-time equivalent jobs and output of \$19.8 billion. The state tax revenues generated directly and indirectly by this sector came to \$429.6 million in 2005.

In Los Angeles city, visual and performing arts employed 12,335 direct workers in 2005 and garnered revenues of \$4.5 billion. The total economic impact was 27,400 full-time equivalent jobs and output of \$11.2 billion.

In Orange County, visual and performing arts had 3,313 direct jobs and revenues of \$307.2 million (remember: this was before the Rene & Henry Segerstrom Concert Hall in Costa Mesa opened). The total economic impact was 6,000 full-time equivalent jobs and \$649.9 million in output.

**Table 10: Economic Impact of Visual and Performing Arts**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	7,202	22,292	\$ 3.6	\$ 7.9	\$ 19.8	48,000	\$ 429.6
of which: Los Angeles City	4,394	12,335	2.0	4.5	11.2	27,400	238.1
Orange County	366	3,313	0.1	0.3	0.6	6,000	11.0
Total (LA Co. + Orange Co.)	7,568	25,605	\$ 3.7	\$ 8.3	\$ 20.4	54,000	\$ 440.6

## ***Furniture/home furnishings***

This grouping includes furniture manufacturing and warehousing (furniture marts), textile product mills (fabrics for window treatments, etc.) and china and pottery production. Like apparel, items are frequently designed in the region, produced in Asia and shipped back through the ports. The furniture "marts" have annual shows that attract people from around the nation.

In Los Angeles County during 2005, there were 41,642 direct jobs and sales of \$9.9 billion. Furniture wholesaling accounted for \$5.1 billion and furniture manufacturing for \$3.3 billion. The total economic impact was 87,900 direct and indirect jobs and output of \$20 billion. State tax revenue generated directly and indirectly by the sector was \$173 million.

The city of Los Angeles had a smaller share of this industry, with 13,041 direct jobs in 2005 and sales of \$2.4 billion. The total economic impact was 27,000 full-time equivalent jobs and \$4.9 billion in output.

Orange County had 10,103 people working in this industry during 2005 and sales of \$2.6 billion. The total economic impact was 20,300 full-time equivalent jobs and output of \$5.1 billion.

***Table 11: Economic Impact of the Furniture & Home Furnishings Industry***

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	1,971	41,642	\$ 1.4	\$ 9.9	\$ 20.2	87,900	\$ 172.9
of which: Los Angeles City	825	13,041	0.4	2.4	4.9	27,300	49.4
Orange County	568	10,103	0.4	2.6	5.1	20,300	44.1
Total (LA Co. + Orange Co.)	2,539	51,745	\$ 1.8	\$ 12.5	\$ 25.4	108,200	\$ 217.0

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC



## Entertainment

When people think of creativity and Los Angeles, this sector is often the focus of their thoughts. Several activities are included here: sound recording (including records -- such an old fashioned term), motion picture & TV production, and cable broadcasting (now producing more of their own content). If you want to quibble, musicians might be included here (for recording film scores), but this cannot be sorted out in the data available. Somebody could perform in a string quartet one week and in a studio orchestra the next.

In Los Angeles County during 2005, there were 129,726 people direct at work in this industry (the actual number is larger, as the industry has a large number of independent contractors who are not captured by the traditional data sources). The direct sales numbers were huge, \$57.0 billion in 2005, of which \$35.4 billion came from the film production industry. The total economic impact was 416,800 direct and indirect jobs (a high multiplier) and output of \$148.7 billion. State taxes generated directly and indirectly by this sector totaled \$1.8 billion in 2005 (again a reminder of why other states are trying to lure film production away).

In the city of Los Angeles, the numbers for entertainment were smaller than one might expect: 42,083 direct jobs and revenues of \$21.5 billion. Even so, the total economic impact was sizable: 137,300 full-time equivalent jobs and output of \$54.5 billion.

Entertainment in Orange County is fairly small, just 1,876 direct jobs in 2005, and revenues of \$2.2 billion.

**Table 12: Economic Impact of the Entertainment Industry**

Area	Estab.	Emp.	Payroll (\$billions)	S/S/R (\$billions)	Total (Direct + Indirect) Impact		
					Output (\$billions)	FTE Jobs	Taxes (\$millions)
Los Angeles County	5,471	129,728	\$ 11.3	\$ 57.0	\$ 148.7	416,800	\$ 1,760.4
of which: Los Angeles City	3,334	42,083	4.5	21.5	54.5	137,300	691.8
Orange County	193	1,876	0.1	2.2	4.0	5,400	13.6
Total (LA Co. + Orange Co.)	5,664	131,604	\$ 11.4	\$ 59.2	\$ 152.7	422,300	\$ 1,774.0

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC

## "Nonemployer" Creative Activity

As noted several times earlier, many people in creative activities work as "nonemployer" firms, or firms with revenues but no paid direct employees. Thus, they do not show up in traditional federal and state government employment data, such as the ES 202 used to develop the job number in this report. The latest nonemployer data comes from the IRS, and covers tax year 2004. It should also be noted that some people may have a tax ID number as a nonemployer firm, while also working for a traditional company. The latter job will be covered in the traditional statistics, so there could be some "double-counting."

In 2004 (the latest data available), there were 65,812 "creative" nonemployer firms in Los Angeles County and 10,122 in Orange County. Since 2000, there has been steady growth in both counties. By far the largest number of these firms is in the sector called "independent artists, writers & performers." The data also capture some art dealers. (Surprisingly, there are nonemployer apparel and furniture manufacturers. How do they do it? With family members and independent contractors.)

Revenues/receipts of creative nonemployer firms in Los Angeles County were \$3.0 billion in 2004, with 57.2% generated by independent artists, writers and performers. In Orange County, revenues/receipts were \$420.1 million, with 31.6% from independent artists, writers and performers.

We did not try to calculate any indirect impacts from these numbers, as the RIMS II model was not developed to handle nonemployer activity. (Please see Table 13 on the next page for detailed nonemployer data.)

**Table 13: Nonemployer Statistics, 2000-2004**

Shaded cells indicate data were not disclosed to protect confidentiality

**No. of Establishments**

Category	NAICS	Industry Description	Los Angeles County					Orange County				
			2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
Fashion	313	Textile Mills	72	76	85	87	79	23	27	22	19	21
	315	Apparel Manufacturing	2,243	2,119	2,341	2,408	2,381	469	451	546	527	504
	3162	Footwear Manufacturing	68	58								
	4243	Apparel Wholesalers	2,355	2,495	2,423	2,568	2,683	502	504	546	591	595
	42394	Jewelry Merchant Wholesalers	1,445	1,522	1,496	1,554	1,551	230	235	233	273	257
Toys	42392	Toy and Hobby Goods Wholesalers	566	554	469	489	487	178	173	148	160	157
Architecture/ interior design	54131	Architectural Services	2,657	2,684	2,693	2,915	3,028	912	934	910	960	934
	54132	Landscape Architectural Services	808	866	864	947	995	317	327	314	349	358
Art galleries	45392	Art Dealers	570	578	673	646	646	199	190	218	217	225
Visual & perf. arts	71151	Independent Artists, Writers, & Performers	42,206	43,417	44,623	47,132	49,904	5,643	5,621	5,843	5,940	6,320
Furniture, home & garden	314	Textile Product Mills	143	130	123	117	131	32		27	35	26
	337	Furniture & Related Product Manufacturing	687	703	712	737	751	175	173	195	181	178
	4232	Furniture/Home Furnishing Wholesalers	864	924	858	840	871	331	331	311	332	324
Entertainment	5122	Sound Recording Industries	1,987	2,053	2,086	2,176	2,305	196	199	207	206	223

**Value of Shipment, Sales, or Receipts (\$mil)**

Category	NAICS	Industry Description	Los Angeles County					Orange County				
			2000	2001	2002	2003	2004	2000	2001	2002	2003	2004
Fashion	313	Textile Mills	4.7	5.0	4.3	2.6	4.1	2.1	2.0	1.3	1.6	1.6
	315	Apparel Manufacturing	149.2	132.9	146.9	160.1	151.5	39.9	37.7	42.9	39.5	35.0
	3162	Footwear Manufacturing	4.0	3.8								
	4243	Apparel Wholesalers	303.1	297.1	304.4	322.7	337.2	46.9	46.8	52.7	51.6	53.8
	42394	Jewelry Merchant Wholesalers	244.1	232.5	241.3	242.9	250.8	24.0	22.0	20.4	19.9	19.6
Toys	42392	Toy and Hobby Goods Wholesalers	65.5	52.9	50.2	52.1	50.7	15.1	13.6	11.0	14.4	12.5
Architecture/ interior design	54131	Architectural Services	139.4	141.8	135.3	146.5	157.6	63.6	60.2	56.2	59.6	63.7
	54132	Landscape Architectural Services	26.9	27.5	29.3	33.0	41.2	15.3	16.2	17.6	16.2	16.4
Art galleries	45392	Art Dealers	37.7	37.9	45.9	44.8	47.9	12.7	10.5	13.3	16.4	26.0
Visual & perf. arts	71151	Independent Artists, Writers, & Performers	1,352.8	1,377.1	1,465.1	1,589.0	1,735.0	118.4	112.2	118.8	122.8	132.7
Furniture, home & garden	314	Textile Product Mills	9.3	7.9	7.1	6.8	8.8	1.0		1.3	1.8	1.3
	337	Furniture & Related Product Manufacturing	44.2	43.9	44.9	45.2	55.1	11.8	11.2	12.8	12.6	12.6
	4232	Furniture/Home Furnishing Wholesalers	75.5	79.5	74.7	71.1	80.8	30.7	27.6	32.7	36.8	37.7
Entertainment	5122	Sound Recording Industries	95.2	101.3	110.3	104.8	110.7	5.3	4.5	5.1	7.1	7.0

Source: US Dept. of Commerce, Bureau of the Census, Nonemployer Statistics

## L.A. Firsts -- A Short list of Things "Born" in L.A.

Many interesting ideas have come out of the Los Angeles area over the years. We have attempted to put together a short list of such things.

- ❖ Audio-animatronic figures
- ❖ The modern bathing suit
- ❖ The fortune cookie
- ❖ SR-71 (high-altitude supersonic reconnaissance plane)
- ❖ The F-117, the first "stealth" fighter
- ❖ The B-2 "stealth" bomber (a flying wing)
- ❖ The Douglas DC-3, the first commercially viable passenger plane
- ❖ The Mars Exploration Rovers: Spirit & Opportunity
- ❖ The Space Shuttle
- ❖ The Internet
- ❖ The domain name convention for the Internet
- ❖ Cross-interleaved Reed-Solomon coding (error correction mechanism for CDs)
- ❖ Bugs Bunny
- ❖ The new VW "Beetle"
- ❖ The Mazda Miata
- ❖ Talking movies
- ❖ "Snow White & the Seven Dwarfs," the first feature length cartoon
- ❖ Barbie
- ❖ The first commercially successful TV station -- now KTLA, Channel 5
- ❖ Valet parking
- ❖ Tooth-whitening toothpaste
- ❖ The concept of modern make-up (Max Factor's pancake make-up)
- ❖ Implantable collamer eye lenses
- ❖ Epogen/neuprogen (bio-tech blockbuster drugs)
- ❖ "Dancing" fountains
- ❖ Celebrity PR
- ❖ The electric guitar
- ❖ The multi-channel recording process
- ❖ Arc welding of natural gas pipelines
- ❖ The skateboard (Venice)
- ❖ The Cobb salad
- ❖ The Hula Hoop
- ❖ The strapless bra
- ❖ Shoulder pads (Adrian for Joan Crawford)
- ❖ Rhinestone and spangled western wear
- ❖ Nudies
- ❖ Bare midriiffs
- ❖ Neoprene as sportswear (evolved into surf wear)
- ❖ The sarong (designed by Edith Head for Dorothy Lamour)
- ❖ The "stylist"
- ❖ "Hot Wheels"
- ❖ He Man-Master of the Universe
- ❖ Bratz Dolls
- ❖ All Disney characters that have become dolls, figurines, etc.
- ❖ The Plastic Frisbee
- ❖ The Eames lounge chair and ottoman
- ❖ The Aeron chair
- ❖ The "magic" 8-ball
- ❖ The modern theme park -- Disneyland (the work of John Hench, first head of Disney's Imagineering)
- ❖ See's Candy (there was a Mary See, who moved to Los Angeles from Canada)
- ❖ The modern T-shirt (for USC in 1932)

## The "Other" Creative Industries -- Aerospace, Bio-medicine and Technology

Why do we talk about technical activities in a study of creative industries? Scientists and engineers are also thinking in new ways, while many a scientist has an artistic bent -- writing poetry or painting after a hard day at the lab. For example, Enrique Celaya was a well-regarded physicist, but then took up painting with much success.

More importantly, advances in science and technology are impacting the way creative products and services are delivered. The best example is digital technology in the entertainment industry and architectural design.

Southern California has a sizable number of technical jobs: 105,871 in Los Angeles County in 2005 and 50,549 jobs in Orange County. As can be seen in the table, this is a narrow definition and does not include anybody in computer & electronics products manufacturing, or production of performance and appearance accessories for cars.

What's the job trend in this area since 2001? Much like the creative sector, technical employment has been a little static, although there was a bump up in 2005 due to scientific & technical consulting services and in R&D in the physical, engineering and life sciences.

Just for fun, how does the New York metro area do in these types of jobs? In 2005, the area had a total of not quite 40,000 people at work in these sectors.

**Table 14: Other Creative Industries in Los Angeles and Orange Counties, 2001-2005**

(Employment in thousands)

Los Angeles County

NAICS	Industry Description	2001	2002	2003	2004	2005
3254	Pharmaceutical and Medicine Manufacturing	6,897	7,040	6,261	5,516	5,323
3342	Communications Equipment Manufacturing	4,748	5,138	4,243	3,921	3,940
3364	Aerospace Product and Parts Manufacturing	48,292	43,880	39,693	39,972	38,612
3391	Medical Equipment and Supplies Manufacturing	9,778	9,748	8,839	8,514	7,915
54133	Engineering Services	19,137	19,324	18,116	18,548	21,433
54169	Other Scientific and Technical Consulting Services	3,729	3,439	4,140	5,236	10,757
54171	R&D in the Physical, Engineering, & Life Sciences	12,338	11,515	16,838	17,034	17,891
Total of These Industries		104,919	100,084	98,130	98,741	105,871

Orange County

NAICS	Industry Description	2001	2002	2003	2004	2005
3254	Pharmaceutical and Medicine Manufacturing	5,343	5,378	5,288	5,992	6,201
3342	Communications Equipment Manufacturing	5,245	4,048	3,047	2,026	2,226
3364	Aerospace Product and Parts Manufacturing	14,255	13,281	10,685	11,008	11,263
3391	Medical Equipment and Supplies Manufacturing	9,777	9,275	9,308	9,162	10,329
54133	Engineering Services	13,355	13,299	11,911	12,263	13,631
54169	Other Scientific and Technical Consulting Services	999	1,215	1,832	2,647	3,752
54171	R&D in the Physical, Engineering, & Life Sciences	3,809	3,646	3,500	2,860	3,147
Total of These Industries		52,783	50,142	45,571	45,958	50,549

Source: California Employment Development Department, Labor Market Information Division, ES202 data

## Some Perspective & Final Thoughts

The creative industries of the Los Angeles area have significant potential for further growth. The recent flat employment trends reflect industry-specific issues, such as those found in apparel and furniture (outsourcing of production abroad). There are, however, hurdles to future growth. A few examples include:

- A lack of recognition among business and legislative leaders of creative activities as drivers of the region's economy. The creative sector is a serious business generating quality jobs and significant tax revenue streams. Even fine arts chips in on the latter.
- As a result of this lack of recognition, many of the creative industries are inadequately supported by government agencies; in the case of the apparel industry, labor regulations could actually be discouraging to business practices.
- A lack of arts education in K-12 education. There is a huge irony here because at the college and university level, the creative educational assets of the Los Angeles area are unparalleled. In our current age of idea and imagination, it is said that the MFA is the new MBA. Graduates of arts programs are well prepared to be innovative leaders in other sectors as well.
- There is vast untapped potential in partnership between colleges and university programs and the business community in cross-fertilization of ideas and resources. Both sectors could reach out to each other more effectively.
- The region's unique and rich creative assets are not effectively used in the area's economic development efforts, either nationally or internationally. Business and government leaders should consider how to more effectively utilize the region's creative assets.

With the data in this report, it is clear that the creative industries can be used to "brand" Southern California. Resolving all these issues will be time-consuming and require a collective will among various sectors. But the efforts will be worthwhile, as creativity in Los Angeles already generates a huge number of jobs and tax flows with little or no encouragement. Its health and growth will assure our future.

# Statistical Appendix

**Table 15: Economic Impact of Creative Industries**

<b>Los Angeles County</b>					<b>Total Impact</b>		
Industry	No. of Establishments	Employment	Payroll (\$millions)	S/S/R <sup>1</sup> (\$millions)	FTE <sup>2</sup> Jobs	Output (\$billions)	State Taxes <sup>3</sup> (\$mil.)
Fashion	7,339	105,814	\$3,367	\$32,901	235,200	\$ 65.3	\$ 452.8
Toys	280	6,185	517	5,030	19,300	9.6	63.4
Industrial Design Services	132	606	28	86	1,000	0.2	2.7
Architecture/interior Design	1,568	10,781	697	5,784	21,500	11.4	66.8
Computer System Design	1,139	8,669	656	5,489	20,700	11.2	59.4
Communication Arts	1,770	19,237	1,426	3,231	41,500	6.8	147.5
Art Galleries	249	1,051	39	185	1,800	0.4	4.3
Visual and performing Arts	7,202	22,292	3,606	7,948	48,000	19.8	429.6
Furniture/Home Furnishings	1,971	41,642	1,419	9,889	87,900	20.2	172.9
Entertainment	5,471	129,726	11,318	57,028	416,800	148.7	1,760.4
<b>Total of These Industries</b>	<b>27,121</b>	<b>346,003</b>	<b>\$23,072</b>	<b>\$127,569</b>	<b>893,600</b>	<b>\$ 293.6</b>	<b>\$ 3,159.9</b>

<b>Orange County</b>					<b>Total Impact</b>		
Industry	No. of Establishments	Employment	Payroll (\$millions)	S/S/R <sup>1</sup> (\$millions)	FTE <sup>2</sup> Jobs	Output (\$billions)	State Taxes <sup>3</sup> (\$mil.)
Fashion	812	14,630	\$566	\$3,876	30,000	\$ 6.9	\$ 69.4
Toys	54	764	48	186	2,100	0.3	5.2
Industrial Design Services	74	471	34	64	800	0.1	3.3
Architecture/interior Design	748	6,502	488	1,327	12,700	2.6	45.9
Computer System Design	759	5,455	455	1,681	12,500	3.4	40.4
Communication Arts	659	7,943	406	744	16,500	1.4	39.4
Art Galleries	90	418	12	41	700	0.1	1.2
Visual and performing Arts	366	3,313	102	307	6,000	0.6	11.0
Furniture/Home Furnishings	568	10,103	375	2,647	20,300	5.1	44.1
Entertainment	193	1,876	110	2,153	5,400	4.0	13.6
<b>Total of These Industries</b>	<b>4,323</b>	<b>51,475</b>	<b>\$2,595</b>	<b>\$13,028</b>	<b>107,000</b>	<b>\$ 24.6</b>	<b>\$ 273.6</b>

<b>City of Los Angeles</b>					<b>Total Impact</b>		
Industry	No. of Establishments	Employment	Payroll (\$millions)	S/S/R <sup>1</sup> (\$millions)	FTE <sup>2</sup> Jobs	Output (\$billions)	State Taxes <sup>3</sup> (\$mil.)
Fashion	4,983	69,328	\$2,067	\$15,423	153,100	\$ 30.6	\$ 282.9
Toys	145	2,018	97	2,351	4,900	4.5	10.6
Industrial Design Services	54	190	9	47	300	0.1	0.9
Architecture/interior Design	718	4,969	338	846	10,000	1.7	32.4
Computer System Design	385	1,938	163	483	4,600	1.0	14.8
Communication Arts	844	9,949	810	1,493	21,600	3.1	84.0
Art Galleries	104	497	20	93	800	0.2	2.2
Visual and performing Arts	4,394	12,335	1,996	4,520	27,400	11.2	238.1
Furniture/Home Furnishings	825	13,041	408	2,433	27,300	4.9	49.4
Entertainment	3,334	42,083	4,456	21,533	137,300	54.5	691.8
<b>Total of These Industries</b>	<b>15,786</b>	<b>156,348</b>	<b>\$10,363</b>	<b>\$49,221</b>	<b>387,200</b>	<b>\$ 111.8</b>	<b>\$ 1,407.1</b>

**Notes:**

- 1) S/S/R = Sales, shipments, or receipts
- 2) FTE = full-time equivalent
- 3) State personal income tax and state's share of sales tax

Sources: California Employment Development Department, ES202 data; indirect impacts estimated by LAEDC