



20 REASONS TO DO BUSINESS IN Los Angeles, California

1.) **Large market:** The area is a large market in its own right, and it is still growing. There are 17.9 million residents in the five-county area, and 10.2 million in Los Angeles County. The (July 1, 2005) population increases since 2000 have been 1.5 million and 707,176, respectively. Census Bureau projections to 2025 indicate significant additional growth. In addition, there is quick access to markets in San Diego and Northern California, as well as Arizona and Nevada.

2.) **Large, well-trained workforce:** labor force in the 5-county area is more than 8.5 million, and a significant percentage has a bachelor's degree or more. If your business has special training needs, the Workforce Investment Boards, community colleges, or the State Employment Training Panel can literally train workers to your order.

3.) **Excellent access to national and international markets:** There are six airports in the area, three ports plus the freeways and service by two rail carriers. The ports of Long Beach and Los Angeles are numbers one and two in the nation in terms of container traffic handled, while LAX ranks 6th among the airports of the world in cargo traffic handled. 74 scheduled and chartered airlines serve the latter, of which 46 are international carriers.

4.) **Large, well-established international trade support infrastructure:** These provide networking and advice, while there are unique entities such as The Foreign Trade Associations and the Greater Los Angeles World Trade Center Association that make getting involved in international trade or finding trade leads much easier.

5.) **Diversified economic base:** Most people think of Los Angeles as the "three-legged" economy – aerospace, movies and tourism. The reality is that there are 19 basic industries in the area, with new ones in the process of emerging. A basic industry is one that provides a good or service that can be sold to people outside the area, thus bringing in "new" money to the local economy.*

6.) **A leader in the design and production of technology:** The area is "technology rich," with Lockheed Martin's fabled "Skunk Works," Boeing's multiple operations including space, military aircraft and satellite production, Northrop Grumman's research and development activities, and the Jet Propulsion Lab or JPL. Moreover, there are over 32,000 people in computer software design and publishing activities.

7.) **A major force in apparel design and manufacturing:** There are over 104,000 people at work in apparel design, manufacturing and wholesaling activities, plus a huge support infrastructure. Los Angeles County is number one in the nation in apparel manufacturing employment, and is a leading source of junior and contemporary fashion. Orange County has 17,000 people working in the apparel industry. People in the industry will tell you that New York often looks to Europe for fashion ideas, and Europe looks to Los Angeles.

8.) **A major cultural center:** Los Angeles has a significant base in the fine and performing arts, with such flagships as the Getty Museum, the Huntington Library and Gardens, the Los Angeles Philharmonic Orchestra, the Museum of Contemporary Art (two locations), and the Norton Simon Museum (to name a few). There are numerous performance locations, including the Music Center in downtown Los Angeles, the Disney Concert Hall, the famous Hollywood Bowl and the Cerritos Center for the Performing Arts.

9.) **A leading design center:** In addition to providing training for apparel design, Los Angeles is also a center for the design of autos, furniture and home furnishings items, and toys. Because of the Art Center College of Design in Pasadena, almost every major auto company has a studio in the area.

10.) **A major center for higher education:** There are 254 institutions of higher education in the five-county area, which puts it ahead of Texas, Illinois and Massachusetts. This count includes three campuses of the U.C. system, seven campuses of the State College and University system, and such private institutions as Caltech, the Claremont Colleges, Occidental College, and the University of Southern California. There are also 61 community colleges, which offer an array of programs, including computer assisted design and manufacturing, computer animation, apparel design and culinary arts. In addition, there are specialized institutions such as the Art Center, The Colburn School of Performing Arts, Otis Art Center, and the California Institute of the Arts.

11.) **A major force in the entertainment industry:** The motion picture/TV production industry employs over 261,000 people, and generates receipts of \$33 billion. There is also the music industry, plus the concert business, but information for these two industries is harder to track. And entertainment would definitely include video game producers.

12.) **A leader in engineering design:** According to the latest 500 roster of top design firms published by "Engineering News Record,"⁴ of the top 10 in the U.S. were located in the Los Angeles County. These are supported by 12 engineering schools.

13.) **A leader in environmental technology:** Be it remediation activities, prevention of pollution, water quality expertise, or alternate fuel vehicle technology, Los Angeles has a significant and growing base.

14.) **A leader in health services:** Training, education and research are supported by four medical schools, three dental schools, and specialized treatment facilities such as the Doheny Eye Clinic at USC, the House Ear Institute, and the Stein Eye Clinic at UCLA. There is also the City of Hope in Duarte, which does both advanced cancer treatment and research.

15.) **A leader in international trade activities:** In 2004, two-way trade flows through the Los Angeles Customs District totaled \$264 billion. This total is for goods only, and does not include services (such as engineering and motion pictures). The Los Angeles – Long Beach port complex is number one in the nation in both cargo tonnage and containers handled.

16.) **A leading tourist destination:** In 2004, 24.3 million overnight visitors came to Los Angeles, and spent \$12 billion. The area is home to four of the nation's top theme parks, and is the location of the "real" Hollywood, which is in the midst of a major renaissance. Many of the major destinations are linked by rail transit.

17.) **A transportation leader:** There are the freeways, which are being constantly upgraded, including the addition of car pool lanes. However, there are also over 300 route miles of rail transit service available. Toll roads, rail commuter service, subway and light rail are in operation with more being developed, and Los Angeles is also a leader in "intelligent highways" technology.

18.) **A good environment for entrepreneurs:** Los Angeles has a superb support infrastructure for entrepreneurs, which includes entrepreneur training programs at both UCLA and USC, and a well-developed network of small business development centers. For small technology firms, there is LARTA (Los Angeles Regional Technology Alliance), which is busy providing support for a variety of technology-related industries and the Southern California Bio-Medical Council.

19.) **Competitive cost structure:** While it is a major urban area, Los Angeles is competitive cost-wise. For example, the latest quarterly survey from ACCRA indicates that Los Angeles was eighth in the nation in cost for a middle management lifestyle, after New York, San Francisco, Boston, Nassau-Suffolk, Washington DC, Philadelphia and San Diego.

20.) **The weather and geography:** This is an easy one, with a mean temperature in January of 58.3 degrees and in July of 74.5 degrees, along with an annual rainfall of 14.8 inches, what could be better? And the combination of beaches, desert, and mountains is one you will not find anywhere else.

The challenge to the businessperson is to use these assets in the most effective manner. If you are using only one or two, it is time to rethink the strategy. Feel free to give us a call at 888-4LAEDC1. We will be glad to discuss the many opportunities that exist in Los Angeles County for you and your business!

Sincerely,

Jack Kyser Chief Economist

*LA County's 18 basic industries, ranked by (employment in 000s) are:

- 1) Direct International Trade (261.0)
- 10) Fabricated Metal Products (58.3)
- 2) Tourism (260.0)
- 11) Furniture Mfg & Wholesaling (54.6)
- 3) Motion Pictures/ TV Production (249.0)
- 12) Financial Services (53.5)
- 4) Technology (202.7)
- 13) Higher Education (47.1)
- 5) Business & Professional Services (177.6)
- 14) Auto Parts Mfg & Wholesaling (25.9)
- 6) Wholesale Trade/ Logistics (135.2)
- 15) Jewelry Mfg & Wholesaling (9.7)
- 7) Health Services/ Bio-Med (118.7)
- 16) Petroleum Production & Refining (7.1)
- 8) Apparel / Textiles Design, Mfg, Wholesale (104.5)
- 17) Toy Mfg & Wholesaling (4.5)
- 9) Agric./ Food Products Mfg (67.6)
- 18) US. Dept. of Defense (3.4)