



Economic Vitality,
Trade & Jobs

L.A. in Five Minutes

Los Angeles County is a dynamic yet complex place. Most people view it through the prism of the entertainment industry and the industry's associated hype. However, a deeper look shows Los Angeles is much more -- the nation's largest hub for international trade and manufacturing, a center for higher and specialized education, and a focal point of creativity and innovation. One way to put your arms

around Los Angeles is to review a list of things "born in L.A.," from the hot fudge sundae to the first stealth fighter, from the Barbie doll to animatronics.

According to the latest **population** estimates from the Census Bureau, Los Angeles County would be the eighth largest state in the union if it were a separate state. If one includes the four surrounding counties, which form the "Los Angeles Consolidated Metro Area," the combined population of 18.6 million would be the fifth largest state in the union. (The population estimates from the California Dept. of Finance show even higher population counts for both L.A. County and the region.)

L.A. County's transportation infrastructure is extensive. The county is served by a **network of freeways** that connects its 88 cities and the neighboring counties. Two of the freeways are true interstate highways: I-10 goes from Santa Monica to Jacksonville, Florida, and I-5 goes from the U.S.-Mexican border near San Diego to the U.S.-Canadian border near Blaine, Washington. This vast network of freeways is one of the best known symbols of the L.A. region.

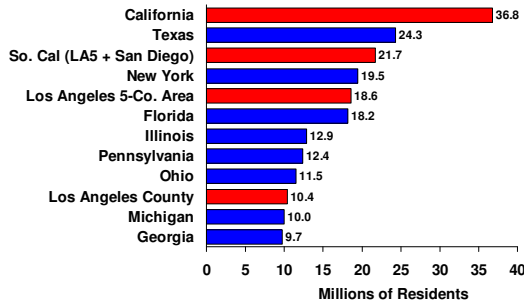
L.A. County is also served by a growing web of **heavy and light rail systems**. Metro, LA County's transportation authority, operates the local subways (Red and Purple lines) and light rail lines (Blue, Green, and Gold lines). Two other rail systems operate out of Downtown L.A.'s Union Station, the central hub of the passenger rail network. The Metrolink commuter rail system connects the four surrounding counties to L.A., and the Amtrak national rail system connects L.A. to the rest of the country. For instance, there is a daily train between L.A. and Chicago, and multiple departures from L.A. to San Diego. Nationwide freight rail service is provided by BNSF Railway and Union Pacific Railroad.

Southern California's principal **international airport** is located in Los Angeles. Los Angeles International Airport (LAX) is the largest origin and destination (i.e. non-connecting flights) airport in the world, and the sixth largest in terms of total passenger volume (behind five major transit hubs: Atlanta, Chicago O'Hare, London Heathrow, Tokyo Narita and Paris Charles de Gaulle). Also, LAX is one of the busiest cargo airports in the world. Major projects are underway to modernize its terminals and runways. L.A. County also has two smaller airports with regularly scheduled domestic service: Long Beach (LGB) and Bob Hope (BUR) in Burbank.

L.A. County has two major seaports, Los Angeles and Long Beach, that combined, make up the largest port complex in the nation. In terms of total containers processed, the LA/Long Beach complex ranks fifth among the world's largest ports (behind Singapore, Shanghai, Hong Kong and Shenzhen). L.A.'s seaports and airports are the lifelines of Southern California's thriving international trade community. Employment directly linked to trade related activities

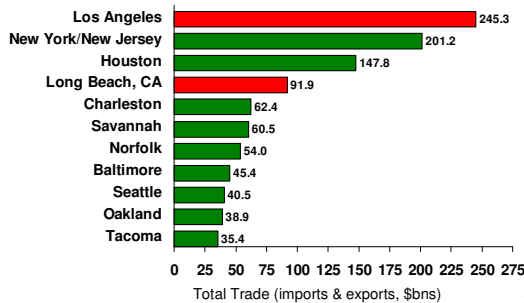
Population Comparison

(July 1, 2008 estimate)



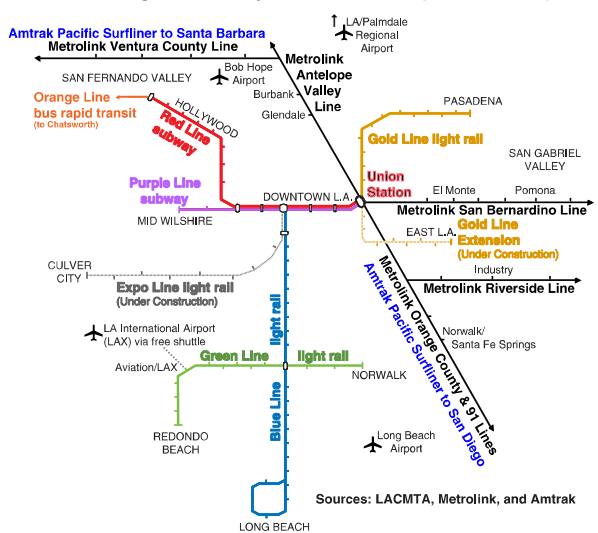
Source: U.S. Department of Commerce, Bureau of the Census

Largest Ports in the U.S. 2008



Source: www.usatradeonline.gov

Los Angeles County Air & Rail Transportation Map



Sources: LACMTA, Metrolink, and Amtrak

Top Export Industries of L.A. County

(2007 Average Employment, Thousands)

Industry	Employment
Tourism & hospitality	456.2
Professional & business services	288.1
Direct international trade	280.9
Entertainment	266.0
Wholesale trade & logistics	198.8
Technology	151.5
Health services & bio-medical	132.9
Materials & machinery	123.4
Higher education	122.0
Financial services	111.8
Fashion design/manufacturing/wholesale	105.3
Food products	64.4
Furniture & home furnishings	40.0
Automotive manufacturing/wholesale	23.3

Source: CA EDD, LAEDC



Fortune 500 Companies in Los Angeles County

- Walt Disney
- Northrop Grumman
- Occidental Petroleum
- DirecTV Group
- Health Net
- Edison International
- Jacobs Engineering Group
- KB Home
- Reliance Steel & Aluminum
- Dole Food
- Avery Dennison
- CB Richard Ellis Group
- Mattel
- DaVita

Source: *Fortune Magazine* (May 2008)

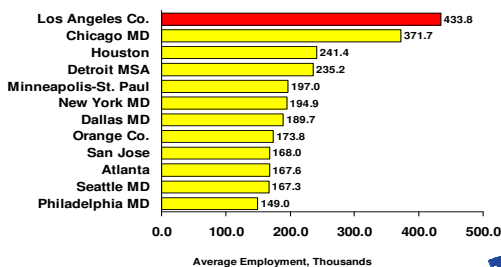


A Few Things "Born" in L.A.

- The space shuttle
- The internet
- F-117, the first stealth fighter
- Tooth-whitening toothpaste
- The hot fudge sundae
- The electric guitar
- The fortune cookie
- The Barbie doll
- The modern theme park - Disneyland
- The modern bathing suit
- The Cobb salad
- Audio-animatronics figures/robots
- The skateboard
- Bugs Bunny
- The Mazda Miata
- The Mars rover



Major Manufacturing Centers in the U.S. by Employment (2008)



Source: Bureau of Labor Statistics



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LAEDC's mission: To attract, retain, and expand businesses and jobs in Los Angeles County. For business assistance, please call 888-4-LAEDC-1.

Los Angeles County Economic Development Corp.
444 S. Flower St. 34th Fl., Los Angeles, CA 90071
Tel: 213-622-4300 Fax: 213-622-7100
Web: LAEDC.org E-mail: info@laedc.org

(not including manufacturing) was estimated to be about 281,000 jobs in L.A. County in 2007 or 6.8% of total nonfarm employment. As the nation's most important transit hub between the U.S. and Asia, many local financial and logistics companies benefit from international trade no matter which direction it flows.

There is still a perception among some outsiders that all we do in L.A. is make movies (and everyone drives a convertible or pickup truck with a surf board in the back). A review of the **major "export" industries** -- industries that bring outside or "new" money into the region -- shows that L.A. County's economy is very diverse. While movie/TV production is still one of the biggest industries in terms of employment, the top honors actually go to tourism followed by professional business services, direct international trade and then entertainment. There are close connections among the top industries. Some tourists choose to visit L.A. because of the glamour of the movie industry.

The **diverse economic base** in L.A. mitigates the effects of an economic slowdown due to a shock to a single industry. Diversity also promotes cross-pollination of new ideas among industries, which can lead to further innovations (e.g., software + creativity + arts → video gaming).

Another way to see the diversity of the economic base is to review the list of **Fortune 500 companies** headquartered in L.A. County. The industries they represent range from aerospace to utilities. Some are household names while others are known only by those in the business. Some are in highly cyclical industries while others are fairly independent of the business cycle. Some manufacture big-ticket items while others create intangibles. These big companies, along with 393,600 other dynamic businesses (with paid employees), demonstrate the depth of the Los Angeles economy.

L.A. is **the capital of creativity**. In fact, one might say that creativity is L.A.'s biggest business. The list of **things invented in L.A.** ranges from the space shuttle to the skateboard, from the Mars Rover to the Mazda Miata. The creative atmosphere in L.A. is one reason why most major automakers have design studios in the Southern California region. In fact, half of all the world's auto designers graduated from the Art Center College of Design in Pasadena. Video game development is another important creative industry in L.A. County.

L.A. County has **148 college campuses**. While universities like Cal Tech, UCLA and USC are well known, many smaller institutions such as the Claremont Colleges are highly regarded by their peers. Specialty schools such as the Art Center, Cal Arts, FIDM and Otis are also some of the biggest names in their respective fields.

L.A. County is also the **largest manufacturing center** in the nation on the basis of employment. If it were a separate state, the county would be the eighth largest manufacturing state in the union. Although employment in this industry sector has experienced a significant decline in recent years, output has continued to grow thanks efficiency gains resulting from technological improvements.

The changes in the manufacturing sector are an example of the new creativity-based economy of Los Angeles. Manufacturing companies are focusing on products with higher margins (e.g., low-quantity, high-fashion dresses for boutique shops instead of discount chains). Some manufacturers focus on "quick-turn" production that reaches the market much faster than imports from Asia. Many firms are focused on design and marketing while leaving production to offshore factories. Some still classify themselves as manufacturers even though little manufacturing in the traditional sense is done at the location.