

HOSPITALITY
AND TOURISM
IN
LOS ANGELES COUNTY

ITS ECONOMIC
CONTRIBUTION AND
OCCUPATIONAL
FORECAST

FEBRUARY 2015

HOSPITALITY AND TOURISM IN LOS ANGELES COUNTY

ITS ECONOMIC CONTRIBUTION AND OCCUPATIONAL FORECAST

A LOS ANGELES COUNTY INDUSTRY CLUSTER STUDY

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February 2015



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JPMORGAN CHASE & CO.

This research was made possible with the generous support of JPMorgan Chase & Co.

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Executive Summary

What we learned in this study.

Los Angeles is a thriving and vibrant metropolis, offering everything from sun and sand to the glitz of Hollywood, the fun of theme parks, the excitement of sports, and largest center of commerce in the west. Los Angeles County is home to some of the most sought-after attractions and destinations in the world and draws millions of visitors from around the world.

This report investigates the hospitality and tourism industry cluster in Los Angeles and its projected workforce needs, and makes the following findings....

Hospitality and tourism is a combination of an export-oriented “traded” subcluster, and a population-serving “local” subcluster.”

The traded and local subclusters are quite different in terms of composition, workforce needs, intermediate purchases and economic impact.

With more than 97,000 rooms in 1,000 properties, LA offers diverse accommodation choices across the region.

The 42.2 million visitors who spent more than \$18 billion in 2013 supported 330,000 jobs in Los Angeles County with labor income of almost \$13 billion.

Relatively dormant since the Great Recession, hotel development has begun to pick up as occupancy and room rates increase.

Hospitality and tourism supported 678,400 jobs in Los Angeles County, accounting for 11.6 percent of all workers in Los Angeles County.

While employment in the industry has increased by almost 18 percent since 2003, inflation-adjusted wages have fallen by 6.2 percent over that time period.

These workers earned \$23 billion in labor income and contributed 6.1 percent of the county's GDP.

Almost 75 percent of all occupations in hospitality and tourism are food preparation and serving occupations.

The impacts of the traded and local subclusters differ largely due to their regional purchases.

Most of the 120,000 projected job openings over the next five years will be available to workers without a high school diploma and with no work experience.

Although much smaller in terms of employment, the traded subcluster delivers a larger per dollar of revenue regional impact as its supply chain is more contained within the county.

Colleges and universities around the region offer a variety of programs to prepare workers for hospitality and tourism jobs.

We Are Hospitality

No doubt about it: LA excels at hospitality.

We welcome the world to our doorstep, and provide unparalleled hospitality and amenities.

Hospitality and tourism are at the heart of the Los Angeles County economy, with its storybook history as the birthplace of both the entertainment and aerospace industries, as home of the newest and most avant-garde fashions, movie premieres, now burgeoning internet ecosystem, with attractions including world-class museums, performing arts venues, conference centers, the finest dining establishments and luxurious and boutique hotels, both historic and nouveau. Los Angeles offers unparalleled geographic diversity and is one of the few places in the world where one can surf in the morning and ski in the afternoon.

The millions of visitors to the region from around the world and the resident population together spend billions of dollars annually on the goods and services provided by the hospitality and tourism industry.

Why Visitors Visit LA

That's Entertainment!

Los Angeles is indisputably the entertainment capital of the world, and a place that people from all walks of life and from all nations wish to experience. Tourists can walk with the famous and infamous on the Hollywood Walk of Fame, and in front of the TCL Chinese Theatre, intrepid souls can step into the footprints of luminaries of the film industry, including Judy Garland, Marilyn Monroe, Paul Newman, Al Pacino, and Clint Eastwood. The attraction of magical Hollywood brings millions of visitors to Los Angeles every year.

On the Red Carpet

To celebrate this historic industry, Los Angeles plays host to several galas, including the Academy Awards, the Golden Globes, Grammy Awards and the Screen Actors Guild Awards, bestowing honors on those having made notable contribution to the fame, fantasy and fortune that earns this industry its reputation during the year. These events attract thousands of visitors who line the red carpet for the opportunity to be within selfie distance of their favorite celebrities.

The Performing Arts

The Performing Arts Center in downtown Los Angeles is one of the largest in the country and has significant cultural and economic impact on the local economy. Housed on 22 acres, the Center consists of the Frank Gehry-designed Walt Disney Concert Hall, the Dorothy Chandler Pavilion, the Ahmanson Theatre and Mark Taper Forum, each featuring year-round orchestral, ballet, opera and theatrical performances.

The region is rich with other performing arts centers, including the Pantages Theater, Ahmanson Theater, the Hollywood Bowl, the Greek Theatre, Geffen Playhouse, Royce Hall and others that provide a full spectrum of musical and cultural entertainment.

Not limited to traditional performing arts and large acts, Los Angeles County is a music haven for artists, performers and aficionados alike. From multi-platinum artists playing at the Forum, the Staples Center and LA Live, to intimate acts playing at legendary locales such as the Whiskey A Go Go, House of Blues and

the Viper Room to the revitalized Palladium and Orpheum Theaters, Los Angeles houses numerous venues for musical performances year-round, making the industry within reach of anyone who wants to play or listen.

Cultural Attractions

Along with musical and theatrical venues, world-famous museums and arts centers of Los Angeles County draw millions of visitors annually. The Los Angeles County Museum of Art, the J. Paul Getty Museum, the Museum of Natural History, the Museum of Modern Art, the Los Angeles Zoo and Botanical Gardens and the Aquarium of the Pacific, are the jewels in the region's cultural crown. These will be joined by the Broad Museum in September, featuring thousands of contemporary art pieces.

Everyone Loves a Parade

Thousands of cheering fans ring in each New Year along Colorado Boulevard in Pasadena. The Rose Parade is an internationally renowned event with spectacular floats constructed and decorated entirely with natural products. This single event attracts an estimated 700,000 participants and spectators from around the world, and is an advertisement providing picturesque vistas of California's warm and welcoming sunshine in January that is beamed to a global audience estimated at 25 million viewers.

Game On!

The Rose Parade is but a prelude to the Rose Bowl game, one of the region's signature events hosting college championship teams and their fans from across the nation.

From its world famous basketball franchises to its improbable hockey team to one of the most storied baseball franchises in American and the most successful Major League soccer team in the country, as well as the region's famous university sports teams (the

Trojans and the Bruins), Los Angeles boasts a bold representation of professional and amateur sports organizations. Regular season games as well as pre-season and playoffs attract millions of visitors to local sports venues, including Staples Center, Dodger Stadium, the Los Angeles Coliseum and the Rose Bowl.

In addition to ongoing seasonal sporting events, Los Angeles hosts marquee events including the Santa Anita Derby and the Long Beach Grand Prix, and is proud to play host to the 2015 Special Olympics World Summer Games in July.

Shop 'Til You Drop!

While here, visitors stream to our famous retail venues, including the Third Street Promenade in Santa Monica, the Americana on Brand in Glendale, the Beverly Center in Beverly Hills, the Grove in Los Angeles, Melrose Avenue in Los Angeles, and the iconic and historic Rodeo Drive in Beverly Hills. Visitors from around the world revel in the retail experience at these famous locales, which are often used as backdrops on television shows and movies. From designer boutiques to the bustling Fashion District in downtown Los Angeles to ethnic bazaars, Los Angeles is one of the most famous shopping locales in the world and is named by Fodor's Travel as one of the 15 best shopping cities in the world alongside Dubai, Paris, Tokyo and New York.

Open for Business

Not content to be a mere place of fun and excitement, Los Angeles County is a place a conduct serious business. With an economy larger than most countries, the region boasts unparalleled economic and commercial activity. The tech hub in Silicon Beach and the LA Cleantech Incubator along with research and development occurring at our leading research universities and cutting edge research conducted at JPL and SpaceX among others attract the

Top 20 Attractions Visited in Los Angeles Area

Santa Monica Pier
 Hollywood Walk of Fame
 Venice Beach/Boardwalk
 Hollywood and Highland Center
 Universal Studios Hollywood
 Rodeo Drive
 Griffith Observatory
 The Grove/The Original Farmers Market
 Universal CityWalk Hollywood
 L.A. LIVE/Staples Center
 Getty Center
 Chinatown
 Beverly Center/Melrose Blvd
 3rd Street Promenade
 Olvera Street at La Plaza
 California Science Center/Endeavour
 Los Angeles County Museum of Art
 Old Pasadena
 La Brea Tar Pits
 Madame Tussauds Wax Museum

Sources: Destination Analysts LA Visitor Profile, 2013; 2013 TNS TravelsAmerica survey; 2013 Longwoods International L.A. Resurvey

most advanced scientists and thinkers in the world. In 2013, the County welcomed more than 5 million overnight business travelers, including 1 million convention delegates to such notable events as the LA Auto Show, SIGGRAPH, ANIME Expo and E3 Expo.

Theme Parks

Universal Studios is a theme park dedicated to the glitz and glamour of Hollywood. With an estimated attendance of nearly 6.2 million in 2013, it was the ninth most visited theme park in North America. Visitors are given the opportunity to go behind the scenes of film and television on their Studio Tour, in addition to enjoying epic blockbuster themed rides. The successful integration of big name movies and their characters into rides and attractions will continue to draw visitors from around the world.

Six Flags Magic Mountain, the theme park occupying over 260 acres in Valencia, boasts over 100 rides, including 19 roller coasters—the most roller coasters found in a single theme park worldwide. With just over 2.9 million visitors in 2013, it was the 18th most visited theme park in North America. The recently added Full Throttle was built to feature the world's tallest vertical loop at 160 feet. The fun will continue with the addition in Spring 2015 of Twisted Colossus, new wood-steel hybrid roller coaster incorporating new track technology into the old iconic wooden coaster whose maiden voyage took place 37 years ago.

And More....

Beaches, ski slopes, mountain trails, Mediterranean clime, sunshine virtually year round, Universal CityWalk, Hollywood and Vine, creativity, enthusiasm and open arms. There's a lot to love about LA.

About This Report

This report is the first in our Los Angeles County Industry Cluster Series, which examines industry clusters in the region in detail. Industry clusters are distinct from more commonly-recognized industry sectors as they are formed by firms that are in related industries, that sell related products, employ similar types of labor and have in common a geographic concentration of activity.

This clustering of activity is believed to indicate regional specialization and competitiveness and offer the best opportunity for encouraging and sustaining economic development.

As important as they are in driving economic activity, industry clusters are even more significant when they are essentially export industries. By selling goods and services to the global audience, such clusters bring new dollars into the region, which recirculate through their supply chains to local firms and employees, supporting resident households and businesses and allowing them in turn to prosper and grow.

Because such industry clusters are not dependent on the local market for their business, these are the very industries that are most able to locate where they find conditions most hospitable – in terms of access to capital and land, cost-effective raw materials, and qualified and available labor pool.

It is the distinction between traded clusters and local clusters that drives our analysis in this report. By understanding the current and historic trends of our leading most competitive industry clusters, we can come to understand the challenges and opportunities, and tailor our economic development programs and policies to strengthen our existing specialties and build them into flourishing, thriving and growing industries. We can ensure that

we have a workforce ready and able to fill the jobs of the future in our strongest industry clusters, and remain competitive in a fast-changing global economy. We can focus our public policy and programmatic efforts on those industries which are most likely to provide the highest wages, which produce the highest impacts on the local economy and best return for our investment, and those that are always at risk of moving elsewhere.

Still, because local clusters provide a majority of the region's jobs, in this report we take a broader look at the hospitality and tourism industry cluster, including both the traded subcluster, which is largely accommodation and amusements, and the local subcluster, which is largely food services.

Our discussion proceeds in five parts.

First, we provide an overview of the accommodation and food services industries. As the two largest industries in the cluster, it is helpful to understand how these industries themselves have been performing.

Second, we highlight the millions of visitors to our region each year, and examine the spending that is injected into our economy by the guests we host. We learn that this spending circulates and multiplies, supporting jobs and economic activity across industries in the region, in addition to the direct activity of our hospitality and tourism industries.

Third, we focus on the players in the hospitality and tourism industry cluster – those firms and industries that offer hospitality and tourism-related services – not only to visitors but also to ourselves, as we also enjoy the amenities and attractions that we ourselves offer -- and how the industry cluster and each subcluster has performed over the last ten years.

Fourth, we examine the upstream supply chain of the hospitality and tourism industry cluster – what goes into the making of the cluster? What recipe of goods and services is needed to provide hospitality and tourism-related services? With this quantified, we estimate the overall contribution of the cluster and of each subcluster to the regional economy through its multiplier impacts.

Finally, the industry cluster employs a full spectrum of workers, from new job entrants to highly-specialized and experienced labor. The occupational makeup of the industry cluster and each subcluster is examined and regional workforce development programs outlined. An occupational forecast is used to detect potential workforce shortages.

This comprehensive picture of an industry cluster that draws a great deal of attention is meant to inform policymakers and local stakeholders as we together develop regional strategies to bring jobs and prosperity to Los Angeles County.

Complete discussion and description of our methodologies and data sources are provided in the Appendix, along with more detailed data tables that expand on the exhibits shown throughout.

nature's bounty
 spectator sports
 cultural exhibits
 performing arts
 entertainment
 retail experience
 taking care of business

Welcome To Los Angeles!

Stay a while.

With more than 97,000 rooms, LA offers diverse accommodation choices across the region.

Los Angeles attracts tourists from all over the world, whose visitor spending (on souvenirs, hotel rooms and restaurants, for example) stimulates economic activity throughout LA County, creating jobs and generating tax revenues.

The hotel industry in Los Angeles County is as diverse as the travelers who make it their destination. With the sixth largest supply of hotel rooms in the nation at the close of 2013, Los Angeles offers options for every type of patron, including business travelers, convention delegates, flight crew, tourists, sports fans and concert-goers. With an inventory of more than 97,000 rooms in almost 1,000 properties across the County, myriad options exist for those interested in a short-term stay, including historic establishments like the Biltmore, the Queen Mary and the Beverly

Hills Hotel, resorts such as the Terranea Resort in Rancho Palos Verdes and celebrity hotspots like the Chateau Marmont and L'Ermitage Beverly Hills. According to the U.S. News and World Report, Los Angeles County is home to three of the top 50 best hotels in the nation: The Peninsula Beverly Hills (rated #34), Montage Beverly Hills (#43) and Hotel Bel-Air in Los Angeles (#45).

The accommodation market was impacted by the Great Recession; with hotel development projects being put on hold, and hotel occupancy declining

Top Accommodation Markets in the US Inventory as of December 2013

U.S. Accommodation Market	# of Properties	# of Rooms
Las Vegas, NV*	289	150,593
Orlando, FL	480	118,711
Chicago, IL	722	109,061
New York, NY	598	108,880
Washington, DC-MD-VA	686	105,569
Los Angeles-Long Beach, CA	987	97,030
Atlanta GA	788	93,724
Dallas, TX	625	78,384
Houston, TX	775	74,849
Phoenix, AZ	449	62,096

Sources: Smith Travel Research; *LV CVB

Notable Hotels in Los Angeles County

Iconic and Historic Establishments	
Millennium Biltmore Hotel Los Angeles	Downtown LA
The Beverly Hills Hotel	Beverly Hills/Bel-Air
Chateau Marmont	West Hollywood
Hotel Shangri La Santa Monica	Santa Monica
Hollywood Roosevelt Hotel	Hollywood
Sunset Tower Hotel	West Hollywood
The Beverly Hilton	Beverly Hills/Bel-Air
The Georgian Hotel	Santa Monica
The Queen Mary	Long Beach
Best of Lists	
The Peninsula Beverly Hills	Beverly Hills
Montage Beverly Hills	Beverly Hills
Hotel Bel-Air	Los Angeles
L'Ermitage Beverly Hills	Beverly Hills
Beverly Wilshire (A Four Seasons Hotel)	Beverly Hills
Four Seasons Hotel Los Angeles at Beverly Hills	Los Angeles
Terranea Resort	Rancho Palos Verdes
The Langham Huntington	Pasadena
The Ritz-Carlton	Los Angeles
Celebrity Hotspots	
Sunset Marquis Hotel & Villas	West Hollywood
Fairmont Miramar Hotel & Bungalows	Santa Monica
Shutters On The Beach	Santa Monica
The Huntley Hotel	Santa Monica
Hotel Oceana Santa Monica	Santa Monica
SLS Hotel at Beverly Hills	Los Angeles

Sources: Various; Compilation by LAEDC

due to reduced spending on travel. These trends have reversed since the end of the recession. Many hotel development projects have found funding, come back on line and have broken ground, and new hotel projects are also in the development pipeline.

Hotel Performance

Hotel performance and the health of the accommodation industry are monitored with three common metrics.

The occupancy rate is the volume of rooms rented over a period of time as a share of the total rooms available for rent. The higher this percentage, the more the hotel is in use. At the industry level, the occupancy rate can point to imbalances between demand for hotel rooms and their supply—particularly in submarkets. For example, high occupancy rates experienced in downtown Los Angeles suggest supply constraints in that market.

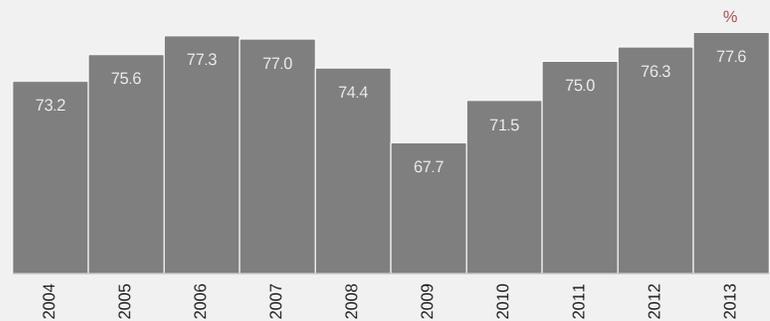
The accommodation market is very sensitive to downturns in the economy. The lowest hotel occupancy rates occurred during the two most recent recessions. Since the Great Recession ended, occupancy rates have rebounded, with the rate of 77.6 percent in 2013 exceeding the pre-recession peak level of 77.3 percent in 2006. This implies that travelers are resuming their trips to Los Angeles County.

The Average Daily Room Rate (ADR) is determined by dividing total room revenue by the number of rooms sold in a period. Room rates fluctuate with demand, and can vary across submarkets, across seasons, and even across the days of the week. This per unit measure can be used in assessing demand for room sales in comparison with other establishments or other areas. Higher ADRs indicate that consumers are willing to pay more for a hotel room in that area than in another.

The ADR in Los Angeles County fell by more than 13 percent from 2008 to 2009, but has recovered slowly since then to exceed that peak.

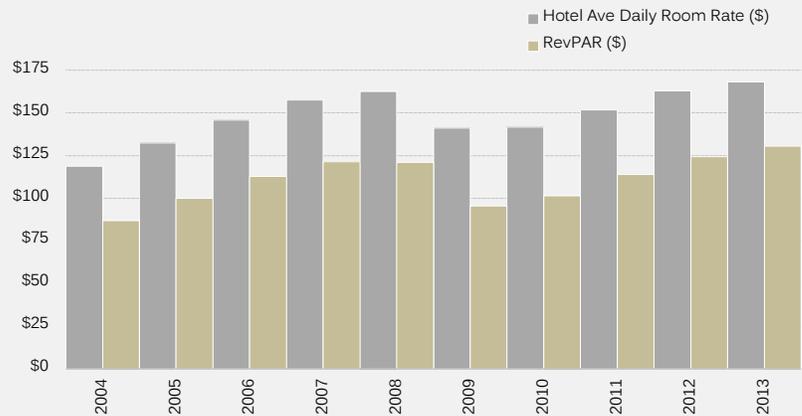
On average, consumers spend more on a hotel room in Los Angeles County than they do in Orange or San Diego Counties, two areas that also have robust tourism and hospitality activity, but the ADR in the Downtown Los Angeles submarket, while higher than

Hotel Occupancy Rates Los Angeles County



Source: PKF Consulting USA

Average Daily Room Rates and RevPAR Los Angeles County



Source: PKF Consulting USA

Hotel Average Daily Room Rates 2013



Source: PKF Consulting USA

the county average, is still twenty percent below the ADR in San Francisco.

Revenue per Available Room (RevPAR) is a broader measure than ADR since it considers both occupancy and room utilization, and is calculated as total room revenue divided by the total number of available rooms (occupied and unoccupied). Note that neither ADR nor RevPAR take into account non-guestroom revenue earned by the hotel for the provision of other services such as food, laundry or spa services, which may be significant sources of revenues for hotels.

Submarkets

Home to 88 cities and a diverse geography, Los Angeles County offers a variety of accommodation in a variety of submarkets, each of which have unique characteristics based upon their specific demand generators.

Most accommodation is concentrated in several areas, each around a focal point such as a transportation hub, like LAX, a center of business activity such

as downtown, or areas adjacent to places of interest, such as the beaches of Santa Monica, the vibrant activity of Hollywood, or Rodeo Drive in Beverly Hills.

When a submarket experiences a shortage in the supply of rooms, the excess demand will spill over into the surrounding areas. For example, when rooms fill up in downtown, hotels in Hollywood and Culver City will receive excess guests.

Among all submarkets, Hollywood submarkets display high occupancy, ADR and RevPAR, suggesting supply constraints. There are several projects in various stages of development in both areas. The Pasadena submarket also displays a high occupancy rate.

Beverly Hills and the Westside boast the highest ADR and RevPAR due to the prevalence of upscale and luxury hotels with high room rates.

Submarkets with lower occupancy, ADR and RevPAR may lack consistent year-round demand. Their markets rely upon smaller scale generators of demand, such as unclustered businesses, temporary construction projects and leisure trips related to the location of family and friends. They may also be subject to temporary upticks occurring around graduation time, summer vacations or other seasonal events.

The accommodation market in **Downtown Los Angeles** has numerous attractions that draw people to the city center, which include: a thriving center of business activity; event venues such as the Los Angeles Convention Center, Staples Center and LA Live; performing arts centers such as the Walt Disney Concert Hall; and art museums such as MOCA and the Grammy Museum.

The accommodation market in the **Los Angeles International Airport (LAX)/Inglewood/Culver City submarket** has three main sources of demand. LAX facilitates the movement of tourists in and out of the region, stoking the demand for hotel rooms in the surrounding area. Many hotels in close proximity to the airport have contract agreements with airlines operating at LAX to provide lodging for flight crews, an arrangement that provides a consistent customer base. Additionally, a number of large firms, including several high-tech firms and major defense contractors, are located in the South Bay, drawing business travelers to the area. Contracted room rates for airlines are lower than for individual consumers, and as this is a large portion of business in this submarket, the impetus to undertake future new hotel developments is weak. These lower rates pull down the ADR in comparison to other submarkets.

The **Pasadena/Arcadia/Monrovia submarket** draws tourists to the area in droves for its annual Rose Parade, but the Rose Bowl itself, convention center business and plenty of cultural attractions generate a significant year-round demand. Pasadena and its surrounding areas have a diverse and robust business sector that also feeds into hotel room demand, and Pasadena's convention center, having completed an expansion in 2009, will accommodate significant increase in convention visitors.

While there are several prominent hotels currently in the area, excess demand not met by existing hotels in Pasadena spills over into neighboring areas including Arcadia and Monrovia.

Hotel developments in Pasadena have been anemic in the early 2000s, but several new developments in the area are currently underway and future projects in the pipeline could double the number of available rooms in the area.

Average Daily Room Rate 2013 Los Angeles County Submarkets



Source: Smith Travel Research

Hotel Occupancy 2013 Los Angeles County Submarkets



Source: Smith Travel Research

Relatively dormant since the Great Recession, hotel development has begun to pick up.

Hotel Development

Hotel development was negatively affected by the recession. Since then, however, hotel construction has rebounded and stalled projects have come back online with new developments being undertaken in 2013 and 2014.

Areas throughout the county are seeing new hotel developments break ground and move forward in the development pipeline. Downtown Los Angeles continues to experience revitalization, including the Metropolis project which is expected to add 350 rooms and the Wilshire Grand Center, which will add

900 rooms. Pasadena's Residence Inn will be the first hotel in Old Town Pasadena to be constructed from the ground up in fifteen years. Sunset | La Cienega, a James Hotel, will be the first newly-built hotel in West Hollywood in the last three decades.

There are numerous hotel projects in the pipeline in various stages of development. As new projects come on line, the increase in the supply of hotel rooms will cause occupancy rate growth to slow or decline, depending upon the number of rooms added to the stock and the strength of the demand for accommodation in Los Angeles.

Recent Additions to Room Stock

Project	Location	# of Rooms	Opened 2014
Ace Hotel	Downtown LA	182	February
Marriott Courtyard	Downtown LA	174	July
Marriott Residence Inn	Downtown LA	218	July
The Line	Los Angeles	388	January
Holiday Inn Express & Suites	North Hollywood	80	March
Hilton Garden Inn Redondo Beach	Redondo Beach	147	May
Residence Inn Redondo Beach	Redondo Beach	172	April

Sources: Various; Compilation by LAEDC

Projects in the Pipeline

Hotel Project	Location	# of Rooms	Anticipated Opening
Hotel Clark	Downtown LA	347	early 2015
Renaissance Hotel at LA Live	Downtown LA	450	2017
Wilshire Grand Center	Downtown LA	900	2017
Grand Avenue Project (SLS Hotel)	Downtown LA	300	2018
Empire Hotel	Downtown LA	183	late 2015
Shade Hotel	Redondo Beach	54	late 2015
Residence Inn Pasadena	Pasadena	44	2015
Hampton Inn and Suites	Glendale	94	2016
Hilton Garden Inn Burbank	Burbank	210	early 2015
Sunset La Cienega (James Hotel)	West Hollywood	296	2016
Case Hotel	Downtown LA	151	2016
Metropolis	Downtown LA	350	2016

Sources: Various; Compilation by LAEDC

Food and Beverage Services

The food services industry in Los Angeles County is wide and vast, encompassing almost eight percent of all payroll employment in the county. From Wolfgang Puck’s Spago Beverly Hills and Katsuya in Hollywood to corner eateries and taverns throughout the region, a full range of culinary delights is on offer.

Establishments in the food services and drinking establishments industry are grouped into three categories: restaurants and other eating-places; drinking establishments that serve alcohol; and special food services. Los Angeles County has a strong representation in each.

With a population of 10 million, the choice of **restaurants** is wide, including fast food, chain restaurants, independent restaurants and upscale gourmet eateries.

Celebrity chef Wolfgang Puck’s first restaurant undertaking Spago is located in Beverly Hills, offering fine California Cuisine and with the famous chef often making personal appearances, it was announced in 2013 that it earned Zagat’s recognition of most iconic restaurant in Los Angeles. Other notable mentions of the fine dining variety include Drago Centro in the Financial District of downtown Los Angeles and Providence on the famous Melrose Avenue.

Los Angeles County boasts a vibrant **nightlife**, offering diverse options for those in search of a special micro-brew or a more sophisticated alcoholic libation.

Some establishments are noted for their breathtaking views of the skyline of downtown Los Angeles, such as Perch, while others are known for their character, like the Parisian-themed lounge Pour Vous, located in the

Larchmont area of Los Angeles. Rock and Reilly’s Irish Pub on the Sunset Strip in West Hollywood offers a speakeasy vibe with an impressive offering of whiskey and the chance to catch a glimpse of celebrity patrons that have included Zooey Deschanel, Gerard Butler, Usher and Hilary Duff.

Nightlife in Los Angeles includes an ample offering of dance clubs, from small intimate venues to huge megaclubs. Greystone Manor in West Hollywood is a fixture in the Los Angeles club scene, patronized by the likes of Jennifer Lopez and Rihanna. This mega club ranked 11th on the 2013 Nightclub & Bar annual list of the top revenue earning nightclubs in the nation, earning between \$25 and \$35 million the previous year (2012).

Special food services include caterers and food services contractors, such as those that contract with airlines, hospitals or schools to provide food services, whether preparing the food for delivery or preparing and serving it in a cafeteria. With LAX, Van Nuys airport and the Bob Hope Airport in Burbank, there are numerous airlines serving the region that require food to be served on their flights. Catering companies around the region are often on location to feed cast and crew of motion picture and television production occurring across the region. Food concessionaires that provide food services at convention centers, sports venues and entertainment facilities are also a significant block of this industry.

Notable Restaurants, Bars and Clubs in LA County

Restaurants - Iconic and Best Of

Spago	Beverly Hills
Mozzaplex	Los Angeles
Nobu LA	Los Angeles
Drago Centro	Downtown LA
Providence	Los Angeles

Restaurants - Celebrity Sightings

Château Marmont	West Hollywood
Katsuya in Hollywood	Hollywood
The Ivy on Robertson	Los Angeles
Scarpetta at Montage	Beverly Hills

Notable Bars and Nightclubs

Perch	Downtown LA
Rock and Reilly’s	West Hollywood
Greystone Manor	West Hollywood
Pour Vous	Los Angeles
Avalon Hollywood	Los Angeles

Sources: Various, Compilation by LAEDC

What Visitors Bring Us

We invite the world to visit, and offer among the best experiences in the world.

Los Angeles hosted more than 42.2 million visitors in 2013 to enjoy all that the region has to offer.

Given the impressive array of attractions and amenities that Los Angeles has to offer, it is no wonder the world is beating a path to our doorstep. In this section, we examine the nature of visitors to Los Angeles and estimate the impact that they have on our economy.

Origin and Purpose of Visitors

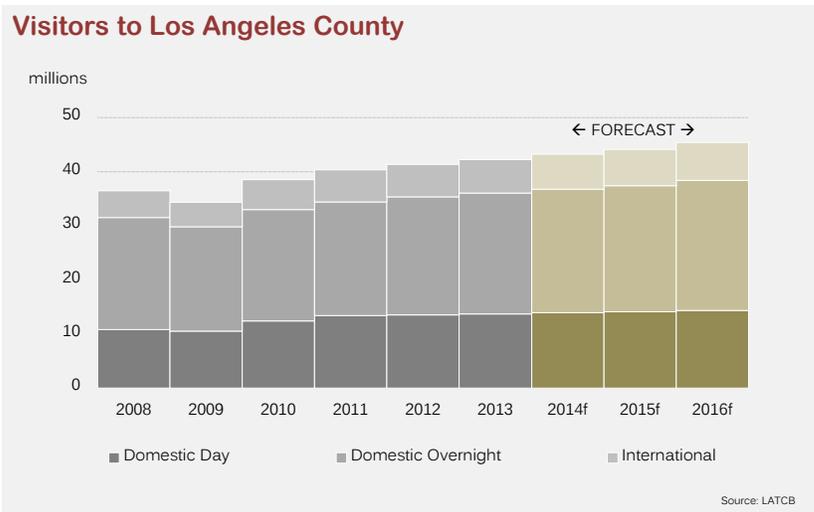
The Los Angeles Tourism & Convention Bureau (LATCB) tracks visitation to Los Angeles and publishes its findings on the origin of visitors and the purpose of their trip, as well as their estimated spending. Their data is used here to evaluate how tourism impacts the regional economy.

For our purposes, visitors are divided into domestic and international visitors, and domestic visitors are differentiated into those that stay overnight and those that do not ("daytrippers").

Recent history of visitors to LA shows that in spite of the Great Recession, the number of visitors has been growing since 2009 on average 3.1 percent per year, reaching 42.2 million in 2013.

Los Angeles County is enjoying a growth in visitors from around the United States, as well as from disparate regions around the globe. At this rate of growth, it is likely that Los Angeles will reach its goal of hosting 50 million visitors by 2020. To reach this goal, the region would need to see a growth rate of approximately 2.5 percent per year between 2013 and 2020—a growth rate that seems reasonable.

Much of that growth could well come from international travelers. For example, as a gateway to the East and buoyed by rising incomes in China's middle class, Los Angeles has become a destination for many Chinese travelers who find the area hospitable and host to already a sizeable Chinese population



that caters to their food and shopping preferences. The LATCB predicts double digit growth in visitation from Chinese nationals, and expects their numbers to exceed visitors from Canada by 2015.

Of all international visitors, Mexico is the origin of the largest number by far, accounting for almost 28 percent of all international visitors. Canadians accounted for 11.5 percent of all international visitors, followed by China (9.2 percent), Australia (6.4 percent) and United Kingdom (5.2 percent). More than 80 percent of international visitors were in Los Angeles for leisure purposes.

Still, international visitors (including those from Canada and Mexico) account for less than 15 percent of all visitors to Los Angeles. More than half of all visitors are from elsewhere in the United States who stayed overnight. Approximately thirty percent are daytrippers who may be here for business purposes or may have come to enjoy an event, attraction, performance etc and do not stay the night in the area.

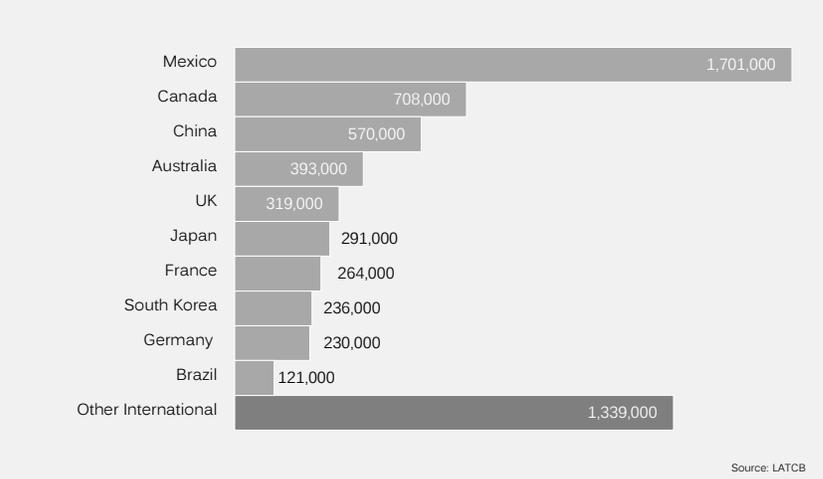
While domestic visitors are not tracked by origin, their purpose of stay is estimated. Of all domestic overnight visitors (a large group of more than 22 million, or more than half of all visitors), more than 76 percent were here for leisure purposes, 19 percent were on business travel, and less than 5 percent were convention attendees.

Visitor Spending

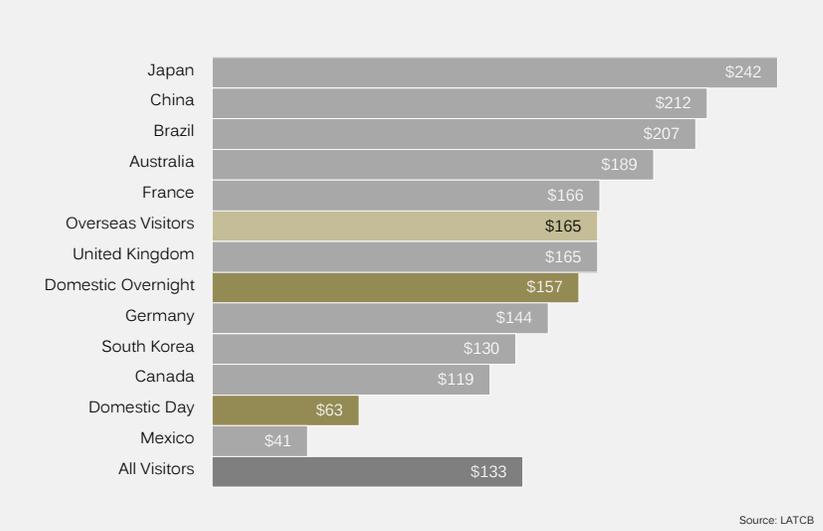
The origin and purpose of stay of visitors is important because the spending patterns of each segment are different.

Even among international leisure travelers, per day spending varies widely. A visitor from Japan spends an estimated \$242 per day—more than twice as much as an overnight visitor

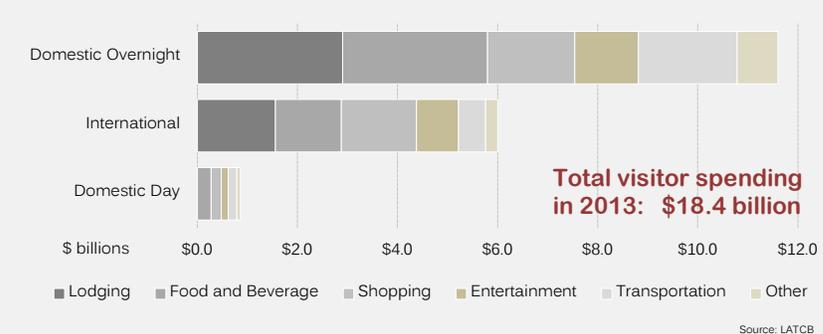
International Visitors by Origin 2013



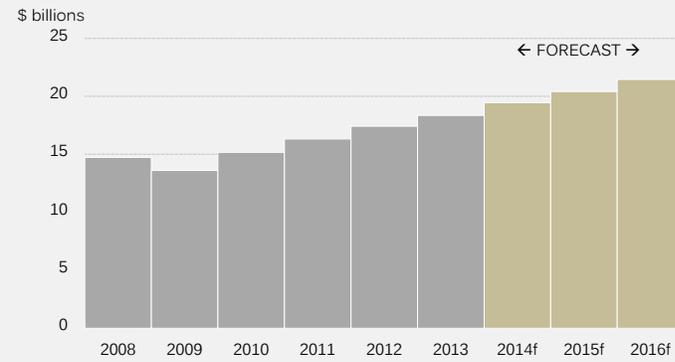
Visitor Spending Per Day by Visitor Origin 2013



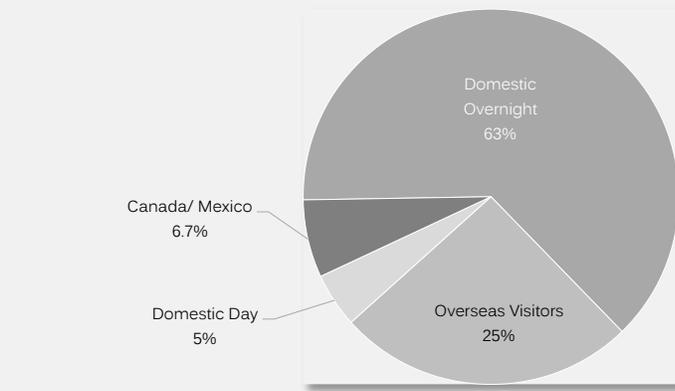
Visitor Spending by Category of Visitor 2013



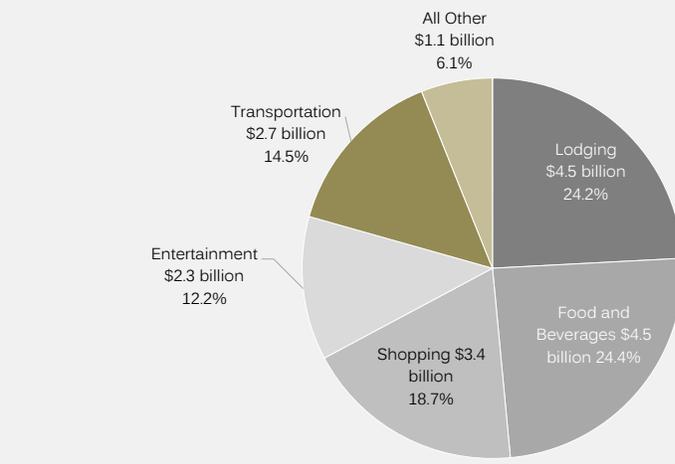
Visitor Spending in Los Angeles County 2013



Visitor Spending by Visitor Type 2013



Total Visitor Spending by Category 2013



from Canada and almost six times the per diem spend of an overnight visitor from Mexico. (Spending estimates do not include expenditures made for air transportation services).

Additionally, the composition of the daily spend differs by type of visitor. For example, daytrippers do not spend money on accommodations and consequently spend more of their daily spend on food and beverages, shopping and entertainment. International visitors are estimated to stay for approximately 8 days in the county, so their overall spend per visitor will be higher. The per day average spend across all visitors is \$133 per day.

Overall, however, given the number of visitors, the largest overall spend in the regional economy is done by overnight domestic visitors, accounting for 63 percent of all visitor spending, or \$11.6 billion. This is followed by international visitors who account for 32 percent. Although there were many more daytrippers than international visitors, daytrippers were responsible for only 5 percent of all visitors spending in the region in 2013.

Economic Impact of Visitor Spending

The economic impact of visitors spending differs across categories. For example, jobs created per dollar spending on entertainment and food and beverages is higher than jobs per dollar spent on lodging, and both are higher than jobs per dollar spent on retail purchases.

As the composition of visitors spending changes, therefore, its overall impact can change from year to year. If the preference for visitors is to spend more on retail than on entertainment, the overall impact will decline due to the differences in the multiplier effects that these activities have.

Since the end of the Great Recession, the number of visitors to Los Angeles has steadily increased. Commensurate with this growth, total spending has also grown. Overall visitor spending has also been climbing since 2009, growing from \$13.6 billion in 2009 to \$18.4 billion in 2013. This spending represents an injection of new money into the region and circulates through the regional economy.

In 2013, lodging accounted for 24 percent of all visitor spending, food and beverages 24 percent, transportation for 15 percent, shopping 18 percent and entertainment totaled 12 percent of total spending.

Spending allocations varied between domestic overnight and international visitors. For example, international visitors spent more on shopping whereas domestic overnight visitors spent more on food and beverages.

The economic impact of this spending answers the question, “how does this injection of new money impact the regional economy?” and measures not only the direct activity but also indirect and induced activity.

The spending itself is estimated to have supported 238,900 direct jobs across the industries in which the spending occurs, such as accommodations, food services, retail, entertainment and transportation. An additional 39,500 jobs were indirectly supported through the

supply chain purchases of goods and services from local businesses. Additionally, another 51,500 induced jobs were supported by the household spending of employees in both direct and indirect industries and their supply chain.

These overall impacts are widely distributed across the economy. Indirect impacts are those that occur in the supply chain of the industries directly impacted by visitor spending, such as the linens supplier of the hotel industry and the lighting equipment supplied to the entertainment industry. (Please see Exhibit A-4 in the Appendix for detailed impacts by industry sector.)

Induced impacts are those that are generated by the household spending of employees of the industries directly impacted by visitor spending and by all suppliers as well. Most of these induced jobs are related to personal consumption, such as education, health care, retail services, real estate, and restaurant meals.

Total Employment Impact of Visitor Spending

329,900 jobs



Other Economic Contributions

The total fiscal impact as a result of all the economic activity in 2013 attributable to the spending of visitors includes direct, indirect and induced activity. For example, hotel workers pay property taxes on their homes, sales taxes on their consumption purchases, and income taxes on their earnings.

The tax revenues generated by this activity reached \$4.7 billion overall, of which \$740 million was collected by the state, \$520 million was collected by the County, and city governments collected an estimated \$690 million.

Economic Impact of Visitor Spending 2013

	Direct	Total	% of Los Angeles County
Output (\$ millions)	\$ 16,450	\$ 29,320	3.0
Employment (jobs)*	238,930	329,900	5.7
Labor Income (\$ millions)	\$ 8,250	\$ 12,920	3.7
Value-Added (\$ millions)	\$ 10,110	\$ 17,840	3.1

* Includes contingent workers

Source: Estimates by LAEDC

Total Fiscal Impacts by Type

By Type of Tax:	\$ millions
Personal income taxes	\$ 1,350
Social insurance	1,390
Sales and excise taxes	810
Property taxes	590
Corporate profits taxes	300
Other taxes	200
Total	\$ 4,720

By Type of Government:	\$ millions
Federal	\$ 2,770
State	740
County	520
Cities	690
Total	\$ 4,720

Source: Estimates by LAEDC

Sizing Things Up

The industry cluster defined.

There were **426,300 payroll jobs** in the **hospitality and tourism industry cluster** in 2013.

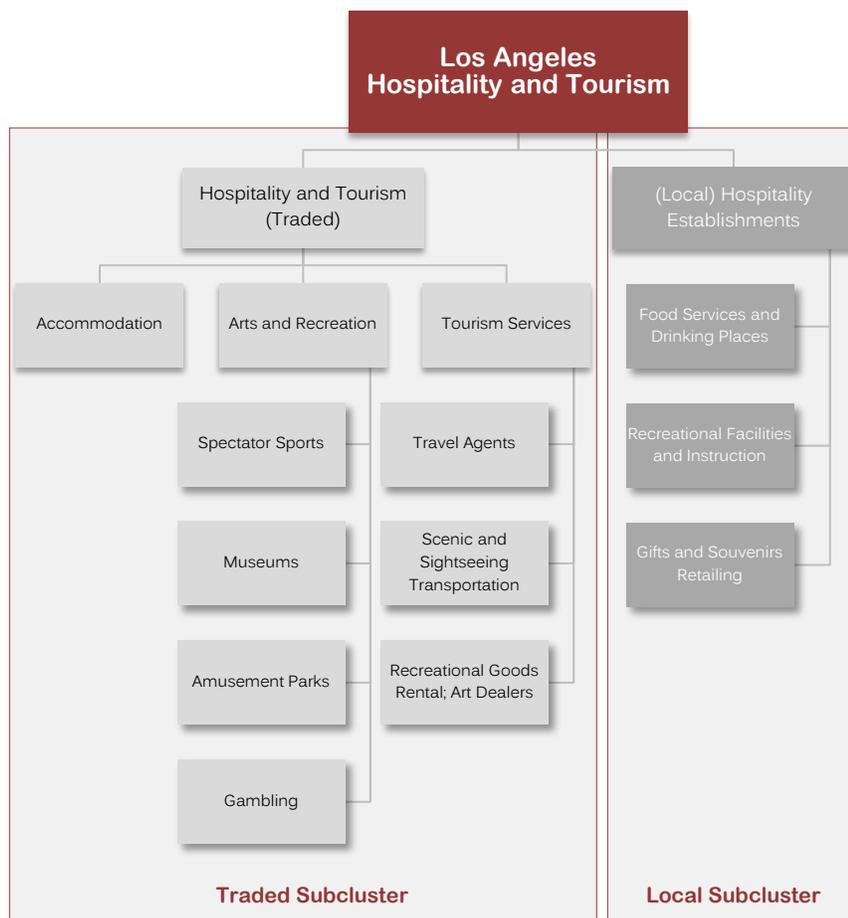
Hotels, food services, attractions and events – all appear to capture pieces of the hospitality and tourism industry. Some of these are services that we provide to out-of-town visitors, others are services we provide to ourselves. In this section, we take a more systematic approach to measuring this industry by viewing it from the supply side rather than the spending side – what is this industry comprised of?

There are certainly many definitions of “Tourism and Hospitality.” A common definition uses the NAICS supersector “Leisure and Hospitality,” a combination of the NAICS sectors 71 and 72. For our purposes, this is too broad since it includes important components of our entertainment industry. Although entertainment is a clearly a draw for tourism, its production has little in common with hospitality and tourism services and as such is worthy of its own designation.

Instead, we adopt the definitions produced by the Cluster Mapping Project (CMP) developed by the Harvard Business School (please refer to the Appendix for details). Using a standardized definition allows consistency over regions and time and permits a more nuanced and informed examination. This particular definition provides a distinction between traded clusters (those which produce goods and services that are likely to be traded with markets outside the local economic region) and local clusters that produce goods and services for the local population. (Exhibit A-1 and A-2 in the Appendix provide complete listings of traded and local industry clusters in Los Angeles County.)

The distinction is important from an economic development perspective as we focus on those industries that are most likely to be the source of new money into the regional economy rather than recirculating existing funds.

However, it is also important to consider local industry clusters as they may interact with the accompanying traded cluster and because they are generally



Source: Cluster Mapping Project (CMP)

significant sources of employment opportunities.

In this report, we take a broader picture of the entire hospitality and tourism “mega cluster” by combining the traded cluster (which in the CMP taxonomy is called “Hospitality and Tourism”) and the local cluster (called “Local Hospitality Establishments”).

The hospitality and tourism industry includes not only accommodation and food services, but also attractions such as museums and amusement parks, spectator sports, recreation industries, travel agents, art dealers and sightseeing transportation. Each of these component industries provide goods and services that cater to visitors and to local residents as well.

Still, there are industries that are not included in our definition, such as automobile rental, air transportation, local transportation such as taxis and shuttle buses, which may commonly be associated with visitor services. These industries are included elsewhere in the cluster definitions that we have adopted.

Exhibit A-3 in the Appendix provides a list of the component industries of the hospitality and tourism industry cluster.

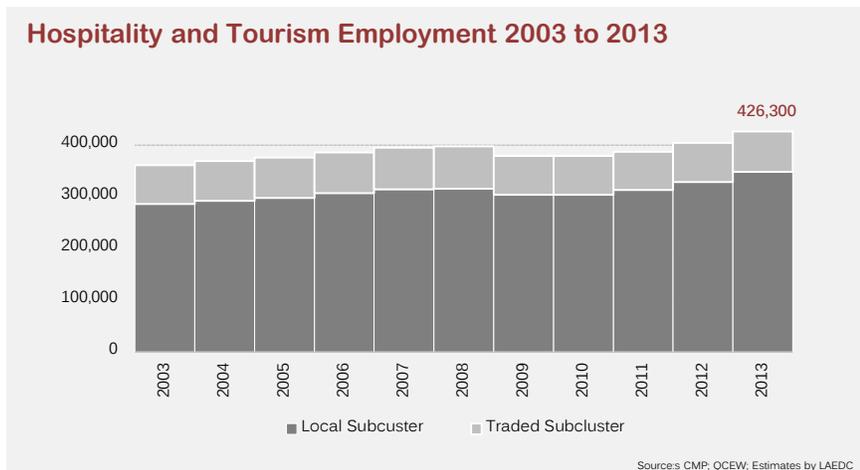
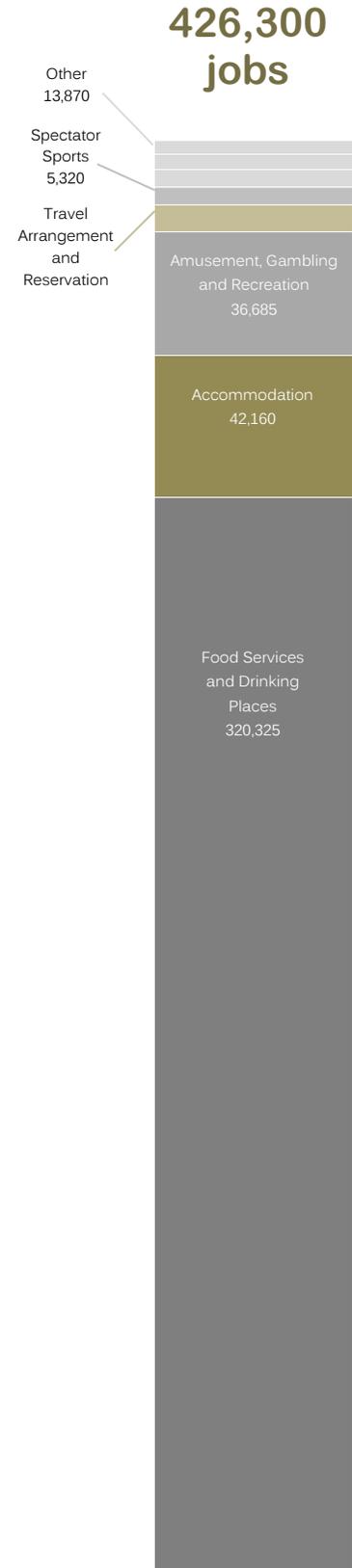
Hospitality and Tourism Employment

Using this definition, the hospitality and tourism industry cluster employed 426,300 payroll workers in Los Angeles County in 2013 across the spectrum of industries.

Approximately 75 percent of all cluster employment, or 320,325 jobs, was in food services and drinking places, ten percent in accommodation and almost nine percent in amusement, gambling and recreation industries.

As a share of all employment, hospitality and tourism accounted for 10.5 percent of all payroll employment in Los Angeles County in 2013.

Employment growth in the industry was steady prior to the Great Recession, with annual growth rates of 2.0 to 2.5 percent per year. However, as consumers reined in travel and discretionary spending, the industry suffered from decreased demand and employment fell in 2009 by 4.6 percent over the previous year. Since 2009, recovery has been robust, with 2013 showing an impressive employment gain of 5.4 percent over 2012.



Over the ten year period between 2003 and 2013, employment in Los Angeles County increased by only 1.4 percent. Hospitality and tourism cluster employment grew by 17.9 percent over 2003, far outpacing the county average.

Much of this growth occurred in the local subcluster, which experienced an increase of 21.7 percent over the period. Still, the employment in Los Angeles County was largely due to the increase in hospitality and tourism since all other industries together registered a decline over the ten-year period.

Clearly, local residents are feeling more buoyant and enjoying meals out, in addition to out-of-town visitors, as is evident. Employment in the traded subcluster (which is mostly in accommodation) increased 3.6 percent over ten years, while at the same time, the increase in employment in the local subcluster was 21.7 percent, suggesting that much of the increase in employment has come from local resident spending.

Hospitality and Tourism Wages

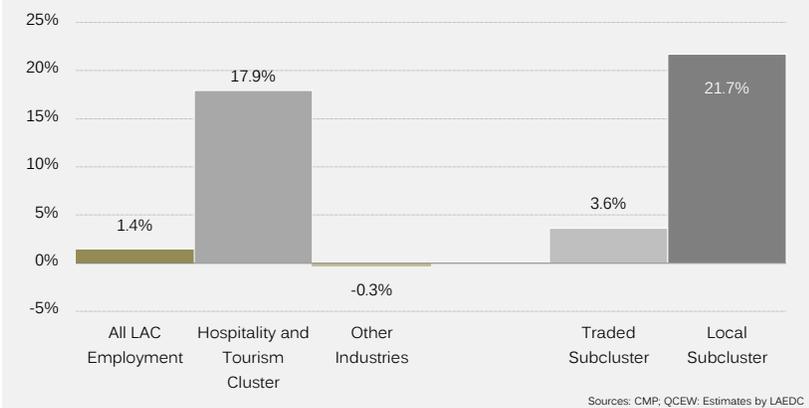
Employees in hospitality and tourism industries earn a range of annual wages. In the spectator sports industry, for example, the average annual wage was \$133,844 in 2013, supporting professional athletes and other highly-compensated participants in the industry, while in food services it was \$18,576. Because there are many more workers in food services (320,325) than there are in spectator sports (5,320), the overall cluster average annual wage at \$23,182 in 2013 is weighted towards the low end of the wage scale.

As has been well-documented (and lamented), growth in wages has been nonexistent in recent years. Inflation-adjusted wages in Los Angeles County have registered an increase of a mere 0.1 percent since 2003.

The experience of wages in the hospitality and tourism industry cluster has been even more disheartening, falling by 6.2 percent since 2003.

The difference in wage growth in the two subclusters is even more striking. While inflation-adjusted wages in the traded subcluster grew by 4.3 percent, they fell by a shocking 8.0 percent in the local subcluster. Note that this means that on average, workers in the local subcluster earned 8 percent less in 2013 per hour than they did in 2003, after adjusting for inflation.

Change in Tourism and Hospitality Employment Since 2003



Average Wages in Tourism and Hospitality

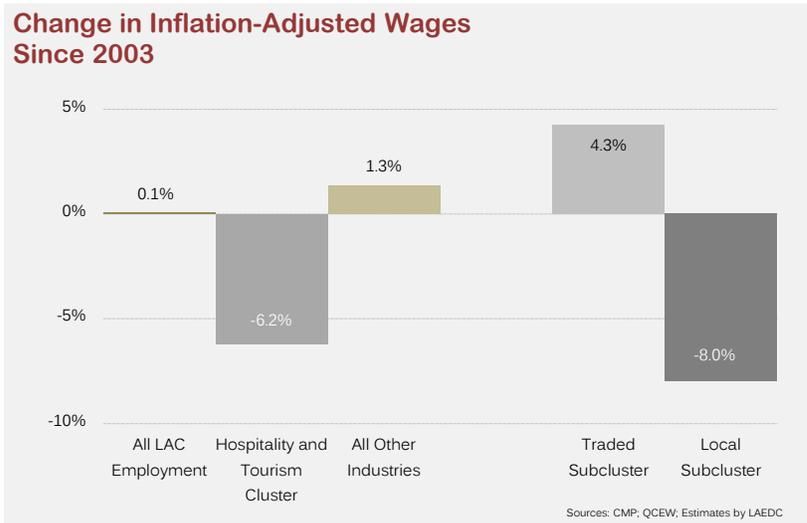


The combination of employment growth and wage decline in economic theory would imply that there is an abundance of labor willing to fill the jobs that are available. In the food services industry, this may well be a result of the Great Recession, with unemployed and underemployed moving into an industry that presents very low barriers to entry. With an abundance of available labor, employers do not need to bid labor prices (wages) up to attract candidates to fill the increased demand for workers.

In contrast, this has not been the experience in the traded subcluster. Here, a small increase in employment (3.6 percent over ten years) has been met by a 4.3 percent increase in inflation-adjusted wages, indicating that there has been an increase in demand for labor without a corresponding overcompensating increase in the potential supply of available workers. It could be that this is an industry that other (unemployed and underemployed) persons cannot easily move into, whether this is because of a specialization of skills needed or because of labor supply protection. In either case, wages have been bid up in response to increased demand because there is no surplus labor available to fill the jobs at the prevailing rate.

Competitiveness and Regional Advantage

A region's competitiveness in an industry is a function of many factors, including the attractiveness and value of the product itself, the costs of inputs such as labor and energy, the productive capabilities of individual companies, and the geographic concentration of the industry. Industries that are highly-concentrated in a region are likely to be more competitive. Here we might think of the LA's entertainment industry and aerospace industry as industries with regional strengths



because there is a clustering of firms and workers in these industries that enable them to be more specialized, more nimble, and hence more competitive.

A common metric to capture competitiveness is *employment concentration* or *location quotients*. A location quotient for an industry in Los Angeles County shows the percentage of total employment in the industry compared to the average percentage nationwide. For example, if 4 percent of employment in the county is in the motion picture industry is employed in the motion picture industry compared to 1 percent across the nation, then the location quotient for the motion picture industry in Los Angeles is 4. This means that Los Angeles County is relatively more specialized in motion pictures.

Similarly, if a location quotient is equal to one, then the employment concentration in Los Angeles is equal to that elsewhere, meaning the region is not highly-specialized in that industry. Higher location quotients will imply a competitive advantage. Although there is some variation in this metric, it is thought that the threshold to demonstrate regional specialization

Location Quotients of Hospitality and Tourism Industries

Component Industry	Location Quotient	Change since 2003
Gift, Novelty and Souvenir Stores	1.0	↑
Art Dealers	1.6	↑
Scenic and Sightseeing Transportation	0.8	↑
Recreational Goods Rental	1.6	↓
Travel Arrangement and Reservation Services	1.4	↓
Sports and Recreation Instruction	0.7	↓
Spectator Sports	1.3	↑
Museums, Historical Sites and Similar Institutions	1.1	↓
Amusement, Gambling and Recreation Industries	0.8	-
Accommodation	0.7	↑
Food Services and Drinking Places	1.0	↑
TOTAL	1.0	↑
Traded Subcluster	0.9	↑
Local Subcluster	1.0	↑

Sources: CMP, QCEW, Estimates by LAEDC

(and therefore competitiveness) is a location quotient of at least 1.2.

Using this threshold, it appears that location quotients of the component industries in the hospitality and tourism industry cluster reveal a surprising lack of employment concentration, considering that Los Angeles is a tourist destination and receives millions of visitors from around the world each year. As a whole, the hospitality and tourism industry cluster has a location quotient of 1.0, matched by the local subcluster and only marginally higher than the traded subcluster.

The component industries displaying regional competitiveness are art dealers (location quotient of 1.6), recreational goods rental (1.6), travel arrangement and reservation services (1.4) and spectator sports (1.3).

In contrast, component industries that are less competitive are scenic and sightseeing transportation (location quotient of 0.8), sports and recreation instruction (0.7), amusement, gambling and recreation industries (0.8) and accommodation (0.7).

That employment in the local subcluster as a proportion of all county employment is approximately equal to the national experience is expected, since as an industry that is mostly dependent on the local population, it should be equally concentrated everywhere proportional to the resident population.

However, it is rather unexpected that the location quotient of the traded subcluster is less than one. After all, Los Angeles is a tourist destination—more so than, say, Cleveland, perhaps, or Houston. Indeed, the City of Los Angeles is rated fourth in destinations of overseas travelers using hotels or motels in the US, trailing New York City, Orlando and Miami. Given its popularity, one would expect that there would be a concentration of tourism employment in the region, which would be reflected in the location quotient.

However, it is important to remember that the location quotient reflects current *employment*, not current *demand* for tourism services (such as accommodation). One interpretation of a lack of employment concentration in the accommodation industry that is commonly expressed is that the supply of this service is constrained, limiting its desired (or needed) level of employment. This could be remedied by the completion and operation of existing projects in the development pipeline, including those listed earlier in this report.

A second interpretation is that perhaps recent developments in technology, digitization and communications are enabling the industry to deliver its services more effectively with less labor. This could only be argued if Los Angeles had a comparative strength in deploying this new technology—more so than other regions.

A resolution to this inconsistent finding is a version of “build it and they will

Destinations of Overseas Travelers Using Hotels/Motels Top 10 U.S. Cities in 2013

Rank	City	Mkt Share (%)	Volume (000)
1	New York City, NY	28.9	7,259
2	Orlando, FL	14.2	3,567
3	Miami, FL	14.0	3,517
4	Los Angeles, CA	12.8	3,215
5	Las Vegas, NV	11.4	2,863
6	Honolulu Oahu, HI	10.9	2,738
7	San Francisco, CA	10.9	2,738
8	Washington, D.C.	5.8	1,457
9	Chicago, IL	4.4	1,105
10	Boston, MA	4.0	1,005

Source: U.S. DOC, ITA, NTTO

come." If current constrained supply conditions are inducing potential consumers to find alternatives, such as in other locations or perhaps in other accommodation choices, it is argued that a more elastic supply is needed. Incipient demand will soak up added supply and increase the size of the industry (and its location quotient). The validity of this argument will undoubtedly be assessed empirically in the next few years as new projects come on line.

Spreading the Wealth

Impacts of the hospitality and tourism industry are felt across the economy.

Hospitality and tourism supported 678,400 jobs in LA, including direct, indirect and induced jobs across a broad spectrum of industries.

The extent to which an industry's impact extends to other sectors of the economy and into the hands of households depends in great measure on the share of the industry's value (i.e., revenues) that is recirculated within the region. The total economic contribution of the hospitality and tourism industry to the Los Angeles economy multiplies through its supply chain and payroll spending throughout the region, the impacts of which are examined here.

Where the Money Goes

Firms generate revenues through sales of their products and services, and use those funds to purchase the inputs needed to produce the product, to pay their workers, to pay taxes on production and profits, and to generate a return on capital in the form of profits. Industries vary widely in the shares claimed by each of these components, but the two hospitality industry subclusters are quite similar in this respect. Labor costs for both subclusters consume approximately 44 percent of the value of production. The traded subcluster earns somewhat higher profits with a smaller share being

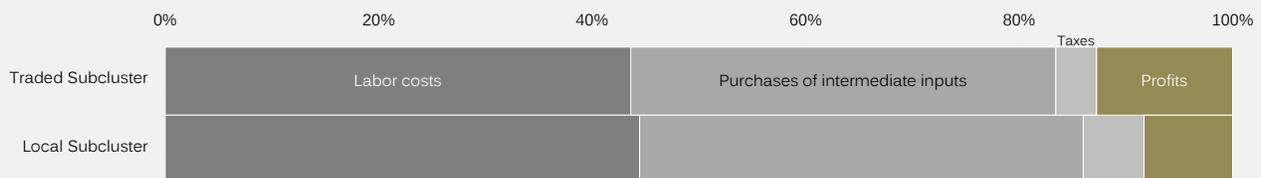
spent on taxes and on intermediate inputs than the local subcluster.

What the industry purchases in terms of intermediate goods and services has an impact on the extent to which the rest of the economy benefits from hospitality and tourism, apart from the direct jobs in the industry. This is how multiplier impacts are determined.

If most of the inputs used in production are purchased from local suppliers, those firms enjoy demand for their products and can increase their own hiring, supporting additional households in the region. If, on the other hand, most of the inputs are purchased elsewhere in the nation, then these purchases have no impact locally other than perhaps in their transportation and storage and the industry itself will generate fewer indirect effects.

Determining the source of inputs can be done through detailed surveys of firms, but this is often cost-prohibitive and is instead usually estimated using econometric techniques that account for local supply capacity, regional price differences and the cost of transporting goods to and from other regions.

Composition of Gross Output



Sources: BEA; Analysis by LAEDC

Economic Contribution of Hospitality and Tourism Cluster

The concept of economic contribution answers the question, “what contribution does this sector make?” and measures not only the direct activity but also indirect and induced activity. As outlined above, this contribution is dependent on the payments made to suppliers of intermediate goods and services in the region and payments made to workers, who usually live locally and spend most of their incomes on household purchases from local suppliers.

In addition to the 426,300 direct payroll jobs in the hospitality and tourism industry, contingent workers in the industry brought the total direct employment to 533,940. An additional 68,260 jobs were supported in 2013 through indirect effects of supply chain purchases that are not made within the hospitality and tourism cluster itself, and 76,200 jobs were supported through the household spending of employees in the hospitality and tourism industry cluster and its supply chain.

Labor income (which includes wages and benefits) earned by all hospitality and tourism- supported employment in Los Angeles County reached \$23.7 billion, accounting for approximately 6.8 percent of all labor income paid in Los Angeles County in 2013. Together, the industry produced \$35.1 billion in value-added, which accounted for 6.1 percent of the county’s GDP.

678,400 total jobs



Total Economic Contribution of Hospitality and Tourism Industry Cluster (2013)

	Direct	Total	% of Los Angeles County
Output (\$ millions)	\$ 35,610	\$ 58,560	5.9
Employment (jobs)*	533,940	678,400	11.6
Labor Income (\$ millions)	\$ 15,820	\$ 23,710	6.8
Value-Added (\$ millions)	\$ 21,010	\$ 35,060	6.1

*Includes contingent workers Source: Estimates by LAEDC

The overall impacts are widely distributed across many sectors of the economy through indirect and induced effects, including in real estate and rental and leasing, finance and insurance, retail trade and administrative and waste services. (Please see Exhibit A-5 in the Appendix for complete and detailed contribution by industry sector.)

The total fiscal of the economic activity in 2013 attributable to the hospitality and tourism industry cluster, including direct, indirect and induced activity, reached \$8.9 billion. This includes, for example, property taxes paid by hotels and restaurants, sales taxes on consumption purchases, income and profits taxes paid on net earnings, and payroll taxes for and by employees.

Total Fiscal Impacts by Type

	\$ millions
By Type of Tax:	
Personal income taxes	\$ 2,470
Social insurance	2,580
Sales and excise taxes	1,500
Property taxes	1,080
Corporate profits taxes	750
Other taxes	490
Total	\$ 8,890
By Type of Government:	
Federal	\$ 5,260
State	1,750
County	1,060
Cities	820
Total	\$ 8,890

Source: Estimates by LAEDC

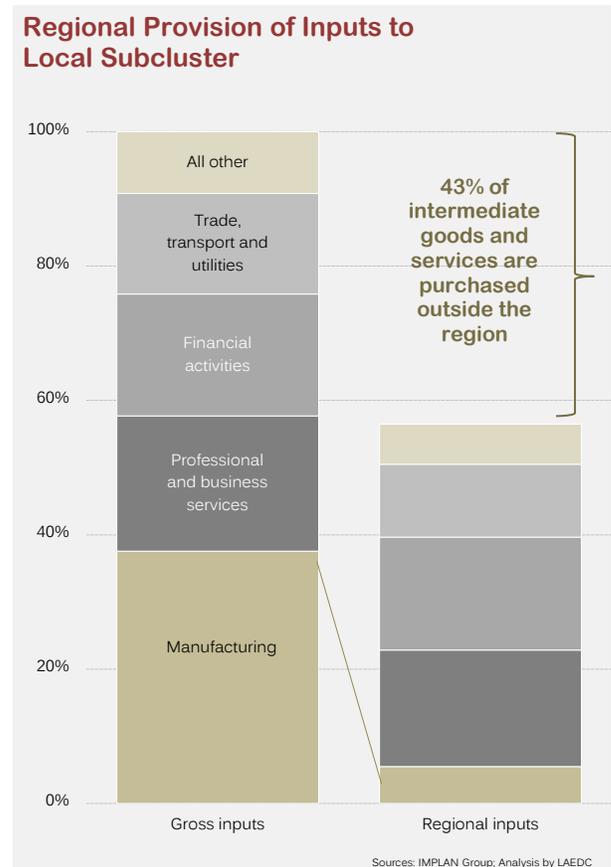
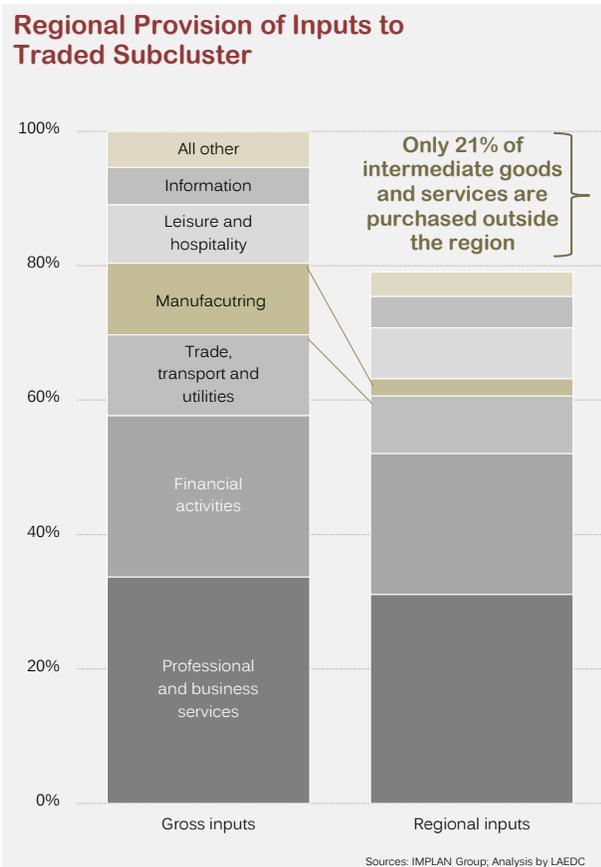
The impacts of the traded and local subclusters differ largely due to their regional purchases.

How the Traded and Local Subclusters Differ

The traded and local subclusters of the hospitality and tourism cluster are quite different in the products they offer for sale, so we would expect their inputs to be different as well, and the combinations of inputs can vary in their local supply.

The intermediate purchases of the traded subcluster, which consists mostly of accommodation and attractions, are heavily weighted towards professional and business services, such as legal and audit services, administrative and property maintenance, and financial services (which includes not only banking and insurance, but also real estate and rental and leasing).

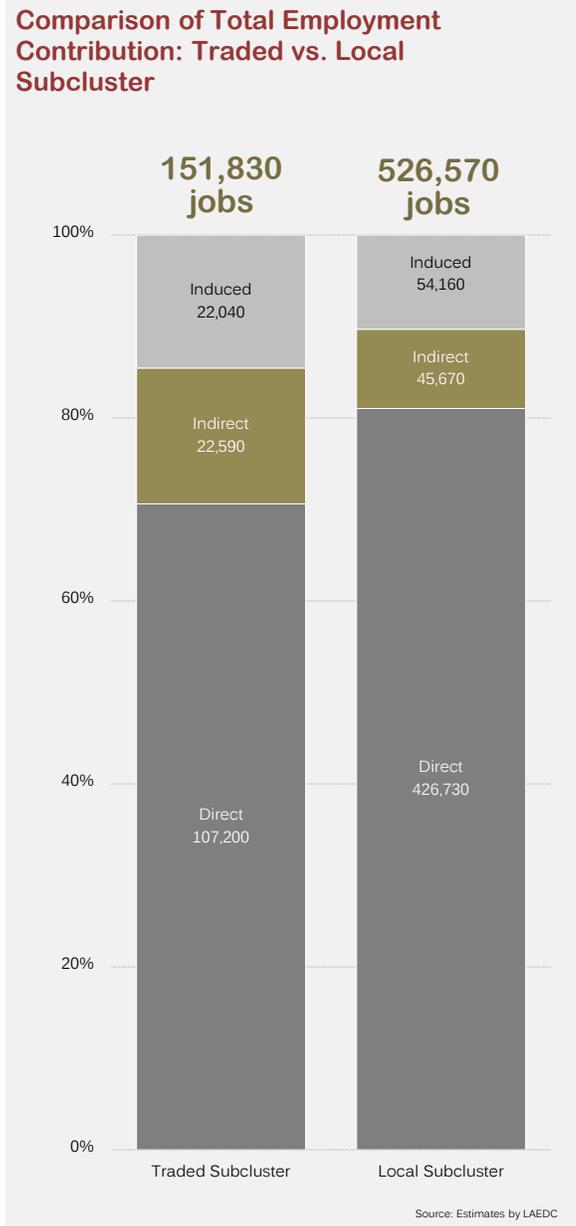
Many of these services can be purchased locally. In fact, of all intermediate goods and services, it is estimated that almost 80 percent are sourced from within Los Angeles County. The two main types of goods that are purchased elsewhere are manufactured goods and trade, transport and utilities. Less than 25 percent of manufactured goods used in the traded subcluster are made in Los Angeles County, while approximately 70 percent of trade, transportation and utilities services are purchased in Los Angeles County. Still, the commodities and services from these two sectors are relatively small, accounting for less than 10 percent of intermediate purchases, and are outweighed by the capability of the region to supply the remaining intermediate goods and services to this industry.



In contrast, the local subcluster is able to purchase less than 60 percent of its intermediate goods and services locally. This subcluster is highly dependent on manufactured goods as inputs, most of which are food and beverage products that are imported from other regions. Because locally-provided inputs account for a smaller share of the overall inputs into this local subcluster, its indirect purchases will have a smaller regional footprint.

The percentage of intermediate goods and services that an industry is able to purchase from local suppliers has a direct impact on its contribution to its economic activity. The higher that percentage, the larger the multiplying effects that its revenues have. This is demonstrated in the economic contribution of the traded subcluster versus that of the local subcluster.

Viewing the employment impacts of each shows that of the overall contribution of the traded subcluster, 70.6 percent is direct, 14.9 percent is indirect and 14.5 percent is the induced effect. This is compared to the local subcluster, which has a much lower indirect and induced impacts (8.7 percent and 10.3 percent, respectively) because, as seen above, this industry subcluster spends a smaller proportion of its intermediate goods and services with local suppliers, and its per dollar of revenue payments to labor is smaller, which generates its induced effect.



Work, Work, Work

About the kinds of jobs that make this industry cluster successful.

Almost 75 percent of all occupations in hospitality and tourism are food preparation and serving occupations.

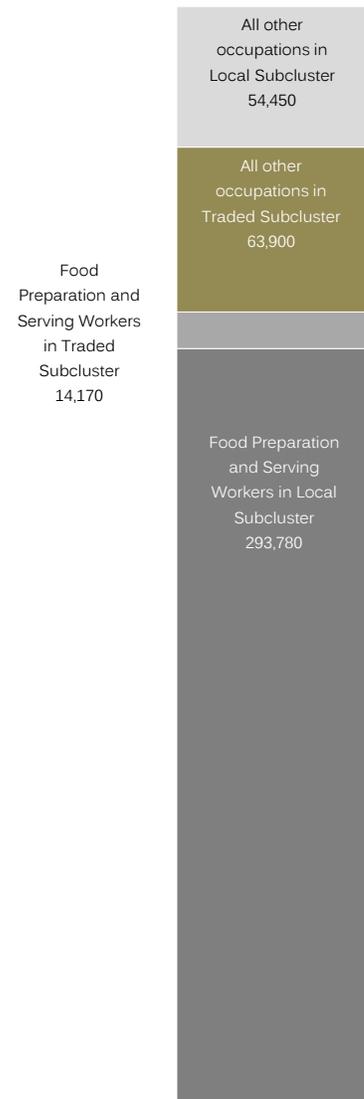
The work that people do in their jobs is commonly classified using the Standard Occupational Classification (SOC) system, developed by the Bureau of Labor Statistics. Workers are classified into particular occupations with similar job duties, skills, education and training. In Los Angeles County, there are approximately 650 detailed occupations represented in the workforce, which are not generally industry-specific but are common to many industries.

The hospitality and tourism industry offers occupations across the skills spectrum, but is weighted towards workers such as food service, housekeeping and transportation workers. While some of these workers may also be highly skilled, they are more likely to learn their occupational skills on-the-job and less likely to need higher levels of education.

In total, there are almost 308,000 workers in food preparation and serving occupations, the majority of which are in the local subcluster. Within that occupational group, however, there are a variety of detailed occupations that are more descriptive of the type of work being done. For example, occupations such as combined food preparation and serving, waiters and waitresses, cooks, supervisory staff, bartenders, dishwashers and hosts are all in this category of workers.

Major Occupations in Traded vs. Local Subclusters

426,300 jobs



Workers in other occupational groups are employed in both the traded and local subclusters. Among the largest of these are sales occupations, with 23,100 workers, personal care and service occupations (18,000 workers), building and grounds maintenance occupations, office and administrative occupations and management.

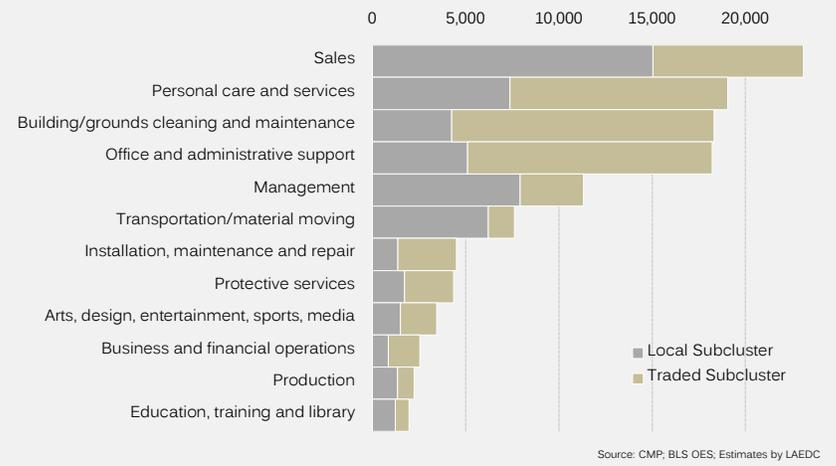
However, there are a variety of other occupations employed in the industry. For example, more than 23,100 workers are engaged in sales occupations, including cashiers, sales representatives, counter clerks and real estate sales agents. More than 19,000 work in personal care and services occupations, such as gaming dealers, ushers, hairdressers, and tour guides and fitness trainers.

Exhibit A-8 in the Appendix lists the top 50 detailed occupations in the industry cluster by current employment.

Food Preparation and Serving Occupations



Other Occupational Groups by Subcluster



Future Workforce Needs

Given the expected growth of the industry over the next five years, and assuming a fairly consistent composition of occupations within the industry, the skills needed over the next five years can be reasonably projected.

With expected growth of approximately 2.3 percent per year, the hospitality and tourism industry will need an additional 51,000 workers within the next five years.

Additionally, there will be 68,500 job openings as workers retire, leave the workforce, choose other employment etc. Replacement needs are estimated by the Census Bureau and depend on many factors, including the age profile of the existing workforce, and skills acquisition through on-the-job training (leading to promotion).

The highest number of openings will be found in occupations related to food preparation and serving. As the largest component industry of the hospitality and tourism industry cluster, these jobs will be in the highest demand.

A full list of projected occupational openings for the each subcluster is shown in Exhibits A-9 and A-10 in the Appendix.

Of all openings over the next five years, 84 percent will be available to workers without a high school diploma and with no work experience. Another 14 percent will require workers with a high school diploma, half of whom need work experience in excess of 1 year.

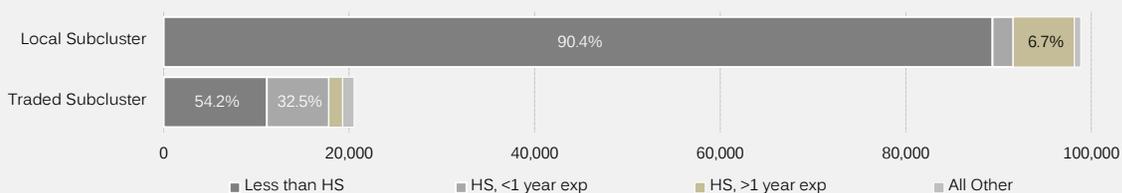
Because most of the food preparation and serving workers are in the local subcluster, the overall education and work experience needs of all job openings in the local subcluster are heavily weighted towards unskilled workers, accounting for more than 90 percent of all projected job openings. This stands in contrast to occupational needs in the traded subcluster, which will require workers with higher levels of education and work experience.

5 Year Hospitality and Tourism Occupational Needs in LAC by Group

SOC	Occupational Group	New Jobs	Replacement Jobs	Total Job Openings
11-0000	Management occupations	1,270	1,020	2,290
13-0000	Business and financial	200	190	390
15-0000	Computer and mathematical	10	10	20
19-0000	Life, physical, social science	0	10	10
25-0000	Education, training and library	60	100	160
27-0000	Arts, entertainment, sports and media	130	230	360
29-0000	Healthcare practitioners / technicians	30	40	70
31-0000	Healthcare support occupations	30	20	50
33-0000	Protective services	370	640	1,010
35-0000	Food preparation / serving	40,500	55,430	95,930
37-0000	Building/grounds maintenance	2,130	1,550	3,680
39-0000	Personal care and service	1,310	2,900	4,210
41-0000	Sales and related occupations	1,640	2,870	4,510
43-0000	Office and administrative	1,630	1,940	3,570
45-0000	Farming, fishing and forestry	10	10	20
47-0000	Construction and extraction	20	20	40
49-0000	Installation, maintenance / repair	430	390	820
51-0000	Production	280	260	540
53-0000	Transportation / material moving	880	830	1,710
		51,000	68,500	119,500

Sources: CMP; Estimates by LAEDC

Educational Requirements for Entry Level Positions



Preparing the Workforce

As the industry grows, its need for workers will intensify. However, many occupations will be filled by local residents who may be moving from another job (or another occupation) or transitioning out of unemployment. Some of these candidates may need industry-specific training or skills upgrades.

Entry-level and lower-skilled jobs associated with hospitality and tourism industries traditionally require primarily on-the-job training. For positions such as these, educational attainment has little to do with job preparedness. Rather, most jobs call for candidates with a high school diploma (or equivalent), and the educational attainment of a majority of low-skilled hotel, restaurant and transportation workers is less than or equal to such qualifications. This implies that employers are more likely to value transferable skills and experience than educational attainment for such positions.

In recent years, trade and technical schools, as well as community colleges, have formed targeted programs aimed at reducing the time spent by new entrants in on-the-job training to create an occupation-ready workforce. Industry-specific curriculum has been developed to provide individuals interested in pursuing careers in the hospitality industry with the knowledge and skills required to successfully perform their job duties.

Included in these are:

- Food Service Certifications
- Hospitality management
- Culinary management
- Culinary and Baking Arts
- Tourism and Travel Marketing Operations
- Parks, Recreation and Leisure

Exhibit A-11 in the Appendix lists hospitality and tourism degree and certificate programs that are currently offered at regional colleges.

Hospitality Management

Hospitality management includes managing hotels, theme parks, restaurants and bars, cinemas, theaters, performing arts and conventions centers. Employers in these fields are heavily reliant on customer service and well-developed communication skills. Industry specific curriculum typically includes courses in accounting, administration, finance, human resources, information systems, marketing, public relations and business strategy.

Culinary Management

Culinary management involves the running of a food service or drinking establishment. Both culinary knowledge and management skills are required to be successful in this field. Educational programs in culinary management offer classes that include human resources, marketing, purchasing, cost control, culinary techniques, nutrition, alcoholic beverage management and more..

Culinary and Baking Arts

Culinary arts include the preparation, production and presentation of food, while baking and pastry arts focus on pastry, baked goods (including breads), confectionaries and desserts. Many culinarians develop a specialization, such as pastries, a particular type of food or the food of a particular region.

Food Services

California Retail Food Code requires food facilities to have both Certified Food Protection Manager (CFPM) and Certified Food Handler certificates when handling non-prepackaged food. There are several accredited programs that provide training and exams to obtain the required certifications, including community colleges, universities and private specialized instructional firms.

Colleges and universities around the region offer a variety of programs to prepare workers for hospitality and tourism jobs.

Appendix

How (and why) we did what we did.

Here we explain why we are interested in learning about our industry clusters in more detail, and how we measure them. Data sources and methodologies are outlined, and a description of the components industries in the hospitality and tourism industry cluster is provided. A series of exhibits fill in some of the details that were summarized in the report.

Cluster Theory and Economic Development

Clusters are agglomerations of related industries, consisting of companies, suppliers, service providers, as well as government agencies and other support institutions. By bringing together the talent, technology information and competing companies, such geographic proximity allows firms to learn from each other, develop specialized labor, shared infrastructure and service providers, suppliers and support institutions.

This local collaboration and competition spurs innovation and productivity, attracting other businesses to the region as they seek to benefit from spillovers present in the clustered industry.

We look at the economy by categorizing its industries into clusters rather than aggregating them into larger sectors. Clusters allow us to see industries linked with others through technology, skills, common supply chains, specialized labor pools, infrastructure needs and so on.

Research shows that regions with comparatively strong industry clusters

achieve better economic performance through increased job creation, wage growth, business formation and entrepreneurial activity and innovation.

Michael E. Porter, professor in the Harvard Business School at the Institute for Strategy and Competitiveness, is a leading expert on the competitiveness of businesses and using his insights has brought focus to how regions can develop competitiveness and economic prosperity by recognizing the importance of industry clusters. Funded by the Economic Development Administration of the U.S. Department of Commerce, Porter's Cluster Mapping Project (www.clustermapping.us) has provided a categorization of industries into industry clusters based on their locational correlation of employment.

A further distinction is made between industry clusters that serve the local market, such as retail industries, health services and restaurants, and those that sell goods and services to larger markets outside the economic region.

Because local industry clusters exist wherever there is a local population base, they are likely to grow at the rate of population growth. They may also provide the majority of the region's jobs.

Traded clusters, on the other hand, are not dependent on local sales but find markets outside the region in which they are located. Because they are exposed to the global market, they must be competitive to thrive and grow, and will choose to locate where there exist locational advantages, such as availability of labor, land and capital suited to their needs, as well as supplier

networks and other supporting institutions.

Hence, investments made by such firms in technology, innovation, labor and the upgrading of their goods and services result in improved productivity and efficiency, increasing the firm's competitiveness in the global marketplace, growing the market share of the industry and driving industry growth, which creates higher-wage jobs and regional prosperity.

The first step of this virtuous cycle is to foster an environment where industry clusters can grow organically. Knowing our regional strengths and weaknesses provides us with a useful baseline on which we can build economic development strategies.

Measuring the Industry Cluster

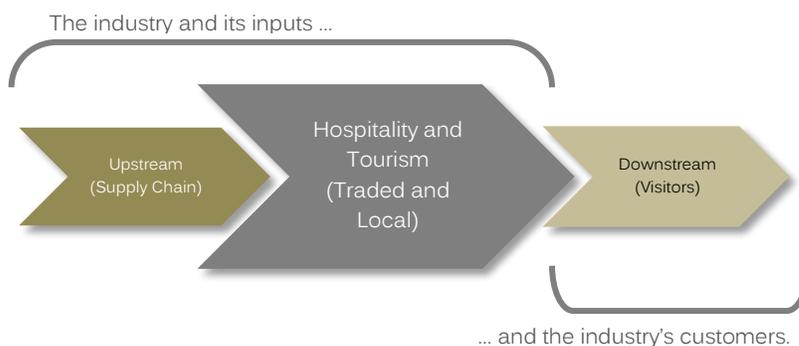
Both the millions of visitors to the region from around the world and the resident population together spend billions of dollars annually on the goods and services provided by these industries.

While the magnitude of visitor spending is estimated through surveys of tourists, there is no similar method to estimate the spending of local residents at hospitality and tourism-related firms. However, we would expect that visitor

spending plus local spending would equal all of the revenues of hotels, bars and restaurants, and attractions. Certainly these industries in their entirety are part of the hospitality and tourism industry cluster, which is included here.

Other spending categories included in visitor spending are not accounted for in the hospital and tourism industry cluster as defined by the Cluster Mapping Project. For example, entertainment, while a large category of visitor spending, is its own industry cluster, since its inputs, labor needs and production processes are quite different from those needed in the hospitality and tourism industry. For this reason, we view the industry itself and its supply chain separately from the impact of visitor spending.

There is some overlap between the industry and its contribution and the economic impacts of tourism spending. After all, visitor spending occurs at establishments that are part of the industry cluster. However, some spending will occur at establishments that are not part of the cluster, such as entertainment, clothing retail and transportation (other than sightseeing). For these reasons, we cannot add the impacts of tourism spending to the contribution that the hospitality and tourism industry cluster itself makes.



Data Sources

All data was obtained from the Bureau of Labor Statistics and the Census Bureau. Annual employment and payroll data are from the Census of Employment and Wages series.

Estimates for non-disclosed employment and payroll data were produced using proportional shares for the prior year's data or using midpoint estimates from the County Business Patterns program. Occupational data are from the Occupational Employment Statistics program. Unless noted otherwise, all data is for the 2013 calendar year.

Tourism Data and Spending Methodology

Tourism data for 2013 was provided by the Los Angeles Tourism & Convention Bureau (LATCB) in its report entitled "Marketing and Planning Resource: 2014 Market Outlook Data for the Los Angeles Travel and Tourism Industry."

The spending by category as outlined by the LATCB was too broad to be applied to our economic models. For each larger category that was included in the LATCB surveys (retail, transportation, entertainment), we allocated the percentage spend to detailed industry within each subgroup based on their percentage share of the total, with the exception of retail purchases, which were limited to general merchandise, clothing. The category "other" was allocated to scenic sightseeing, personal care services, health and personal care retail and other amusement and recreation. The category "entertainment" was allocated to motion pictures, amusement parks, spectator sports and museums, historical sites, zoos and parks.

Supply Chain Analysis

Composition of gross output is a metric tracked by the BEA at the state level. It is assumed that the proportion attributable to each component of this metric at the county level is comparable to that at the state level. This seems reasonable given the size of Los Angeles County and its economic activity in the state.

Estimates of regional purchases of intermediate goods and services are produced using econometric models by the IMPLAN Group, LLC.

Economic Impact and Contribution Analysis

Economic contribution analysis is used to estimate that portion of a region's economic activity that can be attributed to an existing industry sector.

The primary economic contribution to the Los Angeles economy of hospitality and tourism industries is the expenditure of billions of dollars towards goods and services from regional vendors. This continuing injection of funds circulates from the initial recipients to the owners and employees of establishments that help supply the goods and services that the sector purchases.

Hospitality and tourism industries also spend billions of dollars every year for the wages and benefits of employees and contingent workers. These workers, as well as the employees of all suppliers, spend a portion of their incomes on groceries, rent, vehicle expenses, healthcare, entertainment, and so on. The recirculation of the original expenditures multiplies the initial spending through these indirect and induced effects.

The extent to which the initial expenditures multiply is estimated using economic models that depict the relationships between industries (such

as accommodation and its suppliers) and among different economic agents (such as industries and their employees).

These models are built upon actual data of expenditure patterns that are reported to the U.S. Bureau of Labor Statistics, the U.S. Census Bureau and the Bureau of Economic Analysis of the U.S. Department of Commerce. Data is regionalized so that it reflects and incorporates local conditions such as prevailing wages rates, commuting patterns, and resource availability and costs.

The magnitude of the multiplying effect differs from one region to another depending on the extent to which the local region can fill the demand for all rounds of supplying needs. For example, the automobile manufacturing industry has high multipliers in Detroit and Indiana since these regions have deep and wide supplier networks, while the same industry multiplier in Phoenix is quite small. In another example, the jobs multiplier for the construction industry is higher in, say, Arkansas, than in California because the same amount of spending will purchase fewer workers in Los Angeles than in Little Rock. Multipliers can also differ from year to year as relative material and labor costs change and as the production “recipe” of industries change. For example, the IT revolution significantly reduced the job multiplier of many industries (such as manufacturing, accounting, architecture and publishing) as computers replaced administrative and production workers.

The metrics used to determine the value of the economic contribution are employment, labor income, value-added and the value of output. *Employment* includes full-time, part-time, permanent and seasonal employees and the self-employed, and is measured on a job-count basis regardless of the number of hours worked. *Labor income* includes all

income received by both payroll employees and the self-employed, including wages and benefits such as health insurance and pension plan contributions. *Value-added* is the measure of the contribution to GDP made by the industry sector, and consists of compensation of employees, taxes on production and gross operating surplus. *Output* is the value of the goods and services produced. For most industries, this is simply the revenues generated through sales; for others, in particular retail industries, output is the value of the services supplied.

Estimates are developed using software and data from IMPLAN Group, LLC which traces inter-industry transactions resulting from an increase in demand in a given region. The economic region of interest is the Los Angeles County, and the activity is reported for 2013, the most recent year for which a complete set of data is available. Estimates for labor income and output are expressed in 2013 dollars to maintain consistency with the reported industry activity.

The total estimated economic contribution includes *direct*, *indirect* and *induced* effects.

Direct activity includes the materials purchased and the employees hired by the industry itself. *Indirect effects* are those which stem from the employment and business revenues motivated by the purchases made by the industry and any of its suppliers. *Induced effects* are those generated by the household spending of employees whose wages are sustained by both direct and indirect spending.

Contribution analysis differs from economic impact analysis in that linkages between the individual component industries are removed so that indirect activity is not double-counted as also part of direct activity. For example, the accommodation

industry may purchase services from the food services and drinking establishments industry, which would then be included as both direct revenue of food services and as an expense of the accommodation industry, resulting in a double-counting of overall revenue. Breaking these inter-industry linkages eliminates this double-counting and is a more accurate method of estimating the economic contribution of the industry cluster.

Industries of Hospitality and Tourism Cluster

The following industries comprise the overall Hospitality and Tourism Industry Cluster (both traded and local components):

NAICS 114210: Hunting and trapping

Establishments in this U.S. industry are primarily engaged in one or more of the following: (1) commercial hunting and trapping; (2) operating commercial game preserves, such as game retreats; and (3) operating hunting preserves. *While this industry is designated as part of the cluster, there was no employment in this industry in Los Angeles County in 2013.*

NAICS 453220: Gift, novelty and souvenir stores

Establishments in this U.S. industry are primarily engaged in retailing new gifts, novelty merchandise, souvenirs, greeting cards, seasonal and holiday decorations and curios.

NAICS 453920: Art dealers

Establishments in this U.S. industry are primarily engaged in retailing original and limited edition art works. Included in this industry are establishments primarily engaged in displaying works of art for retail sale in art galleries.

NAICS 487: Scenic and sightseeing transportation

Establishments in this subsector are primarily engaged in providing scenic

and sightseeing transportation on land (sightseeing buses and trolleys, steam train excursions, and horse-drawn sightseeing rides), water (charter boat, sightseeing and dinner cruises, etc.) and other (aerial cable cars and tramways, helicopter and hot air balloon rides and glider excursions). The services provided are usually local and involve same-day return to place of origin.

NAICS 532292: Recreational goods rental

Establishments in this U.S. industry include those primarily engaged in renting recreational goods, such as bicycles, canoes, motorcycles, skis, sailboats, beach chairs and beach umbrellas.

NAICS 5615: Travel arrangement and reservation

This industry is comprised of establishments providing travel arrangement and reservation services including travel agencies, tour operators and other travel arrangement and reservation services (such as convention and visitors bureaus, etc.).

NAICS 61162: Sports and recreation instruction

This industry includes establishments primarily engaged in offering instruction in athletic activities to groups of individuals, such as camps and schools. Overnight and day sports instruction camps are included in this industry.

NAICS 7112: Spectator sports

Establishments in this industry are comprised of (1) sports teams or clubs primarily participating in live sporting events before a paying audience; (2) establishments primarily engaged in operating racetracks; (3) independent athletes engaged in participating in live sporting or racing events before a paying audience; (4) owners of racing participants, such as cars, dogs, and horses, primarily engaged in entering them in racing events or other spectator sports events; and (5) establishments,

such as sports trainers, primarily engaged in providing specialized services to support participants in sports events or competitions. The sports teams and clubs included in this industry may or may not operate their own arena, stadium, or other facility for presenting their games or other spectator sports events.

NAICS 712: Museums, historical sites and similar institutions

Establishments in this subsector are primarily engaged in: (1) the preservation and exhibition of objects of historical, cultural, and/or educational value; (2) the preservation and exhibition of sites, buildings, forts, or communities that describe events or persons of particular historical interest (i.e. archeological sites, battlefields, historical ships, and pioneer villages); (3) the preservation and exhibition of live plant and animal life displays; and (4) the preservation and exhibition of natural areas or settings.

NAICS 713: Amusement, gambling and recreation industries

Establishments in this subsector are primarily engaged in: (1) operating amusement parks and amusement arcades and parlors; (2) primarily engaged in operating gambling facilities, such as casinos (except casino hotels), bingo halls, and video gaming terminals, or in the provision of gambling services, such as lotteries and off-track betting.; and (3) other amusement and recreation industries, which include golf courses and country clubs, skiing facilities, marinas, fitness and recreational sports centers, bowling centers, etc).

NAICS 721: Accommodation

Establishments in this subsector are primarily engaged in providing lodging or short-term accommodations for travelers, vacationers, and others. There is a wide range of establishments in these industries. Some provide lodging only, while others provide meals, laundry services, and recreational facilities, as well as lodging. Lodging establishments are classified in this subsector even if the provision of complementary services generates more revenue. Establishments in this subsector are organized into three groups: (1) traveler accommodation (i.e. hotels, motels, and bed-and-breakfast inns), (2) recreational accommodation (i.e. travel trailer campsites, recreational vehicle parks, and outdoor adventure retreats), and (3) rooming and boarding houses.

NAICS 722: Food services and drinking places (part)

Establishments in this subsector are primarily engaged in the preparation of meals, snacks, and beverages to customer order for immediate on-premises and off-premises consumption. There is a wide range of establishments in these industries. Some provide food and drink only; while others provide various combinations of seating space, waiter/waitress services and incidental amenities, such as limited entertainment. Industries in the subsector are grouped based on the type and level of services provided. The industry groups are (1) special food services (i.e. food service contractors, caterers, and mobile food services); (2) drinking places; and (3) restaurants and other eating places. *Note: NAICS 722330, while a part of this subsector, is not a part of the hospitality and tourism industry cluster.*

**Exhibit A-1
Traded Industry Clusters of Los Angeles County 2013**

Industry Cluster Name	Establishments	Employment	Average Annual Wage	Location Quotient
Trade	20,110	264,470	\$ 60,440	1.2
Business Services	16,960	243,210	79,770	1.0
Entertainment	13,760	141,830	119,000	8.2
Education and Knowledge Creation	2,160	85,140	65,160	1.2
Hospitality and Tourism	3,030	78,070	42,570	0.9
Fashion	2,890	61,540	35,240	4.3
Marketing, Design and Publishing	5,650	57,370	88,410	1.4
Aerospace Vehicles and Defense	310	56,240	106,190	2.9
Financial Services	5,230	55,120	131,740	0.9
Food Processing and Manufacturing	550	29,110	54,210	0.9
Information Technology and Analytical Instruments	690	24,950	93,260	0.7
Insurance Services	780	22,800	91,730	0.6
Metalworking Technology	820	18,340	48,440	1.2
Production Technology and Heavy Machinery	480	15,080	69,310	0.5
Biomedical	260	14,910	65,750	0.9
Communication Equipment and Services	550	13,980	93,990	1.2
Plastics	380	13,700	47,420	0.7
Printing Services	820	13,520	45,360	1.0
Furniture	610	12,390	37,090	1.1
Construction Products and Services	430	12,030	74,330	0.5
Downstream Chemical Products	300	10,060	54,850	1.2
Oils and Gas Production and Transportation	160	9,390	135,350	0.4
Automotive	290	9,360	48,360	0.3
Lighting and Electrical Equipment	250	8,240	61,640	0.9
Upstream Metal Manufacturing	270	8,140	54,860	0.6
Recreational and Small Electric Goods	400	7,760	70,050	1.4
Downstream Metal Products	310	7,480	53,810	0.6
Paper and Packaging	150	6,770	57,160	0.6
Livestock Processing	70	4,610	37,880	0.3
Environmental Services	140	4,590	60,320	1.3
Vulcanized and Fired Materials	160	4,380	41,450	0.6
Wood Products	190	2,760	33,810	0.3
Trailers, Motor Homes and Appliances	30	1,750	45,890	0.4
Agricultural Inputs and Services	120	1,470	32,920	0.1
Upstream Chemical Products	60	1,230	81,150	0.2
Fishing and Fishing Products	30	360	36,960	0.3
Nonmetal Mining	20	360	83,910	0.1
Electric Power Generation and Transmission	80	280	130,760	0.0
Forestry	10	40	30,180	0.0
Metal Mining	*	*	100,170	0.0
Tobacco	*	*	51,320	0.0
Coal Mining	*	*	82,030	0.0
TOTAL Traded Industry Clusters	79,470	1,322,790	\$ 75,630	1.1

* Data is not disclosed

Sources: CMP; QCEW; Estimates by LAEDC

Exhibit A-2 Local Industry Clusters of Los Angeles County 2013

Industry Cluster Name	Establishments	Employment	Average Annual Wage
Local Health Services	25,910	394,950	\$ 54,900
Local Hospitality Establishments	18,790	348,230	18,830
Local Commercial Services	19,650	279,060	52,030
Local Community and Civic Organizations	166,760	233,430	18,780
Local Real Estate, Construction and Development	23,730	195,170	53,580
Local Retailing of Clothing and General Merchandise	6,420	128,960	24,110
Local Food and Beverage Processing and Distribution	6,740	128,940	31,940
Local Motor Vehicle Products and Services	10,190	108,320	38,920
Local Financial Services	5,680	65,510	75,810
Local Personal Services (Non-Medical)	8,580	64,570	28,710
Local Logistical Services	3,290	60,180	42,350
Local Entertainment and Media	3,140	53,210	64,080
Local Education and Training	1,450	14,620	41,230
Local Household Goods and Services	3,830	37,700	35,230
Local Utilities	790	33,040	94,780
Local Industrial Products and Services	1,750	20,280	52,750
TOTAL Local Industry Clusters	306,670	2,193,170	\$ 40,610

Sources: CMP, QCEW; Estimates by LAEDC

**Exhibit A-3
Industries of the Hospitality and Tourism Industry Cluster**

	Employment	Total Payroll (\$ millions)	Average Annual Wages
TRADED SUBCLUSTER: Hospitality and Tourism			
1142*	Hunting and Trapping	-	-
45392	Arts Dealers	\$ 48.9	\$ 61,017
487	Scenic and Sightseeing Transportation	18.1	26,411
532292	Recreational Goods Rental	15.5	28,427
5615	Travel Arrangement and Reservation Services	390.0	49,138
7112	Spectator Sports	712.6	133,844
7121	Museum, Historical Sites and Similar Institutions	205.8	44,981
7131	Amusement Parks and Arcades	227.7	
7132	Gambling Industries	220.9	29,981
71392*	Skiing Facilities	-	-
71393	Marinas	8.1	33,520
71399	All Other Amusement and Recreation Industries	90.3	23,638
721	Accommodation	1,385.7	32,868
	TOTAL	\$ 3,323.6	\$ 42,573
LOCAL SUBCLUSTER: Local Hospitality Establishments			
45322	Gift, Novelty and Souvenir Stores	\$ 130.3	\$ 25,220
61162	Sports and Recreation Instruction	48.2	22,999
71391	Sports and Recreation Instruction	128.2	26,269
71394	Fitness and Recreational Sports Centers	275.3	19,138
71395	Bowling Centers	26.4	19,123
722**	Food Services and Drinking Places	2,757.1	
	TOTAL	\$ 6,558.6	\$ 18,834
HOSPITALITY AND TOURISM INDUSTRY CLUSTER		\$ 9,882.2	\$ 23,181

* Industry does not exist in Los Angeles County
 ** Excludes 72233 Mobile Food Services

Sources: CMP; QCEW; Estimates by LAEDC

Exhibit A-4 Economic Impacts Across Industries – Visitor Spending

NAICS	Industry Sector	Direct Jobs	Total Jobs	Direct Labor Income (\$ millions)	Total Labor Income (\$ millions)	Direct Output (\$ millions)	Total Output (\$ millions)
11	Agriculture, forestry and fishing		40		\$ 2.3		\$ 4.0
21	Mining		120		19.5		42.6
22	Utilities		170		23.8		113.3
23	Construction		1,280		83.5		226.0
31-33	Manufacturing		1,070		70.8		793.1
42	Wholesale trade		2,140		155.6		495.6
44-45	Retail trade	16,110	25,880	526.4	889.3	1,435.3	2,292.8
48-49	Transportation and warehousing	24,870	28,360	970.1	1,165.5	1,954.4	2,435.5
51	Information		1,990		276.2		1,071.6
52	Finance and insurance		6,530		478.6		1,233.6
53	Real estate and rental	4,270	12,150	284.5	462.3	885.7	3,265.1
54	Profession and technical services		6,470		409.6		993.6
55	Management of companies		1,900		210.1		421.2
56	Administrative and waste services		9,150		325.2		621.5
61	Educational services		2,420		112.9		181.9
62	Health and social services		11,560		636.0		1,056.0
71	Arts, entertainment and recreation	53,710	59,440	2,165.4	2,392.7	2,770.0	3,115.4
72	Accommodation and food services	129,200	138,720	4,056.0	4,334.0	8,955.2	9,591.0
81	Other services	10,760	18,970	251.9	593.8	448.3	1,104.7
92	Government		1,620		176.9		368.8
	TOTAL All Industry Sectors	238,930	329,900	\$ 8,254.4	\$ 12,916.2	\$ 16,448.9	\$ 29,323.0

Source: Estimates by LAEDC

**Exhibit A-5
Economic Contribution Across Industries – Hospitality and Tourism Industry Cluster**

NAICS	Industry Sector	Direct Jobs	Total Jobs	Direct Labor Income (\$ millions)	Total Labor Income (\$ millions)	Direct Output (\$ millions)	Total Output (\$ millions)
11	Agriculture, forestry and fishing		90		\$ 4.9		\$ 8.4
21	Mining		140		24.4		54.1
22	Utilities		240		36.8		190.4
23	Construction		1,930		125.9		342.0
31-33	Manufacturing		2,270		148.9		1,487.0
42	Wholesale trade		4,410		321.4		1,023.7
44-45	Retail trade	5,500	23,830	146.7	826.0	243.6	1,858.7
48-49	Transportation and warehousing	100	4,990	6.2	290.4	14.7	747.0
51	Information		3,970		543.1		2,109.0
52	Finance and insurance		11,210		813.0		2,072.9
53	Real estate and rental	530	18,100	34.6	399.9	53.1	5,062.7
54	Profession and technical services		13,500		1,093.4		2,138.2
55	Management of companies		4,660		515.9		1,034.3
56	Administrative and waste services	12,140	29,200	678.4	1,255.8	1,948.1	2,971.7
61	Educational services	2,280	6,550	69.5	270.3	109.4	432.9
62	Health and social services		21,200		1,166.5		1,936.6
71	Arts, entertainment and recreation	83,860	86,330	2,551.2	2,674.0	5,443.6	5,694.5
72	Accommodation and food services	429,510	429,510	12,328.6	12,328.6	27,795.5	27,795.5
81	Other services		13,730		591.6		992.9
92	Government		2,540		280.0		608.3
	TOTAL All Industry Sectors	533,940	678,400	\$ 15,815.3	\$ 23,709.9	\$ 35,608.1	\$ 58,558.9

Source: Estimates by LAEDC

Exhibit A-6 Purchases of Intermediate Goods and Services – Traded Subcluster

NAICS	Industry Sector	Gross Inputs (\$ millions)	% of All Intermediate Purchases	Regional Inputs (\$ millions)	% of Inputs that are Regional
11	Agriculture, Forestry, Fishing and Hunting	\$ 9.6	0.2	\$ 0.4	3.8
21	Mining, Quarrying and Oil and Gas Extraction	6.6	0.2	0.3	4.7
22	Utilities	134.5	3.4	63.2	47.0
23	Construction	60.0	1.5	44.0	73.5
31-33	Manufacturing	415.3	10.6	100.1	24.1
42	Wholesale Trade	67.2	1.7	49.5	73.6
44-45	Retail Trade	90.9	2.3	85.3	93.8
48-49	Transportation and Warehousing	177.7	4.6	136.1	76.6
51	Information	215.0	5.5	181.9	84.6
52	Finance and Insurance	330.4	8.5	218.0	66.0
53	Real Estate and Rental and Leasing	606.4	15.5	601.6	99.2
54	Professional, Scientific and Technical Services	973.1	24.9	921.4	94.7
55	Management of Companies and Enterprises Administrative and Support and Waste Management and Remediation Services	107.8	2.8	83.6	77.6
56		234.8	6.0	208.5	88.8
61	Educational Services	4.2	0.1	4.2	99.9
62	Health Care and Social Assistance	0.4	0.0	0.4	99.9
71	Arts, Entertainment and Recreation	196.8	5.0	155.5	79.0
72	Accommodation and Food Services	143.7	3.7	140.0	97.4
81	Other Services	78.5	2.0	75.6	96.3
92	Public Administration	50.9	1.3	16.4	32.2
	TOTAL All Intermediate Purchases	\$ 3,903.7	100.0	\$ 3,086.0	79.1

Sources: IMPLAN Group; Analysis by LAEDC

Exhibit A-7**Purchases of Intermediate Goods and Services – Local Subcluster**

NAICS	Industry Sector	Gross Inputs (\$ millions)	% of All Intermediate Purchases	Regional Inputs (\$ millions)	% of Inputs that are Regional
11	Agriculture, Forestry, Fishing and Hunting	\$ 192.1	1.8	\$ 8.0	4.5
21	Mining, Quarrying and Oil and Gas Extraction	22.4	0.2	0.8	3.4
22	Utilities	380.8	3.6	171.8	45.1
23	Construction	115.4	1.1	84.8	73.5
31-33	Manufacturing	3,968.6	37.6	578.1	14.6
42	Wholesale Trade	524.6	5.0	386.3	73.6
44-45	Retail Trade	348.1	3.3	327.4	94.0
48-49	Transportation and Warehousing	327.4	3.1	259.9	79.4
51	Information	174.0	1.6	149.2	85.7
52	Finance and Insurance	359.8	3.4	229.5	63.8
53	Real Estate and Rental and Leasing	1,555.1	14.7	1,545.8	99.4
54	Professional, Scientific and Technical Services	794.6	7.5	758.9	95.5
55	Management of Companies and Enterprises Administrative and Support and Waste Management and Remediation Services	983.1	9.3	762.4	77.6
56		347.4	3.3	313.6	90.3
61	Educational Services	1.5	0.0	1.5	99.9
62	Health Care and Social Assistance	0.0	0.0	0.0	99.9
71	Arts, Entertainment and Recreation	70.1	0.7	65.7	93.8
72	Accommodation and Food Services	96.0	0.9	90.9	94.7
81	Other Services	219.7	2.1	212.2	96.6
92	Public Administration	80.2	0.8	18.1	22.5
	TOTAL All Intermediate Purchases	\$ 10,560.6	100.0	\$ 5,965.5	56.5

Sources: IMPLAN Group; Analysis by LAEDC

Exhibit A-8 Detailed Hospitality and Tourism Cluster Occupations (Top 50 by Employment)

SOC	Occupation Title	2013 LAC Payroll Jobs	Projected Openings in LAC 5 Years	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	Median Annual Wage LAC
35-3021	Combined food preparation and serving workers,	80,230	21,840	8	None	ST OJT	\$ 18,860
35-3031	Waiters and Waitresses	70,820	26,950	8	None	ST OJT	18,920
35-2014	Cooks, Restaurant	31,520	7,520	8	<1 year	MTOJT	22,150
35-1012	First-Line Supervisors of Food Preparation and	21,370	5,080	7	1-5 yrs	None	28,510
35-2021	Food Preparation Workers	15,480	4,820	8	None	ST OJT	19,040
35-2011	Cooks, Fast Food	15,420	3,690	8	None	ST OJT	18,670
35-3011	Bartenders	15,030	4,540	8	None	ST OJT	19,190
35-9021	Dishwashers	13,650	4,910	8	None	ST OJT	18,820
41-2011	Cashiers	11,960	3,770	8	None	ST OJT	19,470
35-9011	Dining Room and Cafeteria Attendants and	10,850	3,410	8	None	ST OJT	18,840
35-9031	Hosts and Hostesses, Restaurant, Lounge, and	10,830	5,210	8	None	None	19,020
37-2012	Maids and Housekeeping Cleaners	10,620	2,260	8	None	ST OJT	21,990
35-3022	Counter Attendants, Cafeteria, Food Concession,	9,840	4,780	8	None	ST OJT	19,720
43-4081	Hotel, Motel, and Resort Desk Clerks	5,290	1,740	7	None	ST OJT	22,730
11-9051	Food Service Managers	4,920	1,100	7	1-5 yrs	None	44,930
39-3091	Amusement and Recreation Attendants	4,680	1,700	8	None	ST OJT	23,880
53-3031	Driver/Sales Workers	4,600	1,070	7	None	ST OJT	27,200
35-2015	Cooks, Short Order	4,420	1,040	8	None	ST OJT	22,260
41-2031	Retail Salespersons	3,910	260	8	None	ST OJT	21,480
11-1021	General and Operations Managers	3,810	710	4	1-5 yrs	None	105,740
37-2011	Janitors and Cleaners, Except Maids and	3,750	730	8	None	ST OJT	23,770
39-9031	Fitness Trainers and Aerobics Instructors	3,590	590	7	None	ST OJT	46,670
49-9071	Maintenance and Repair Workers, General	3,160	630	7	None	MTOJT	38,520
35-1011	Chefs and Head Cooks	2,770	610	7	1-5 yrs	None	37,880
33-9032	Security Guards	2,750	430	7	None	ST OJT	23,730
37-3011	Landscaping and Groundskeeping Workers	2,650	470	8	None	ST OJT	24,330
35-3041	Food Servers, Nonrestaurant	2,600	700	8	None	ST OJT	23,820
41-3041	Travel Agents	2,520	5	7	None	MTOJT	34,350
39-3011	Gaming Dealers	2,500	490	7	None	MTOJT	18,740
35-2012	Cooks, Institution and Cafeteria	2,110	500	8	None	ST OJT	28,110
43-9061	Office Clerks, General	1,960	300	7	None	ST OJT	29,990
43-3031	Bookkeeping, Accounting, and Auditing Clerks	1,930	270	7	None	MTOJT	39,400
43-4051	Customer Service Representatives	1,910	230	7	None	ST OJT	35,250
41-3099	Sales Representatives, Services, All Other	1,460	220	7	None	ST OJT	53,260
27-2022	Coaches and Scouts	1,360	200	7	None	LT OJT	42,930
43-1011	First-Line Supervisors of Office and Administrative	1,230	230	7	1-5 yrs	None	55,380
33-9092	Lifeguards, Ski Patrol, and Other Recreational	1,200	510	7	None	ST OJT	28,870
39-9032	Recreation Workers	1,160	190	3	None	None	24,310
41-1011	First-Line Supervisors of Retail Sales Workers	1,120	100	7	1-5 yrs	None	38,560
43-4181	Reservation and Transportation Ticket Agents	1,080	60	7	None	ST OJT	37,360
43-6014	Secretaries and Administrative Assistants, Except	1,080	134	7	None	ST OJT	36,570
43-4171	Receptionists and Information Clerks	1,060	230	7	None	ST OJT	28,240
53-3033	Light Truck or Delivery Services Drivers	1,020	200	7	None	ST OJT	28,310
51-3011	Bakers	1,010	280	8	None	LT	22,120
39-9011	Childcare Workers	900	210	7	None	ST OJT	23,340
37-1011	First-Line Supervisors of Housekeeping and	880	170	7	1-5 yrs	None	39,710
41-2021	Counter and Rental Clerks	850	110	8	None	ST OJT	22,820
39-7011	Tour Guides and Escorts	840	160	7	None	MTOJT	25,420
25-3021	Self-Enrichment Education Teachers	740	50	7	1-5 yrs	None	36,620
39-3031	Ushers, Lobby Attendants, and Ticket Takers	700	100	8	None	ST OJT	18,930
	<i>All Other</i>	<i>19,630</i>	<i>3,840</i>				
	TOTAL All Occupations	426,300	119,500				

Education: 1=Doctoral or professional degree; 2=Master's degree; 3=Bachelor's degree; 4=Associate's degree; 5=Postsecondary non-degree award; 6=Some college, no degree; 7=High school diploma or equivalent; 8=Less than high school. On-the-Job Training: LT OJT=Long-term on-the-job training (more than one year); MT OJT=Moderate-term on-the-job training (1-12 months); ST OJT=Short-term on-the-job training (1 month or less) Sources: Estimates by LAEDC; Education and skills requirements from BLS

Exhibit A-9 5 Year Occupational Needs in LAC Top 50 Detailed Occupations – Traded Subcluster

SOC	Occupation Title	Projected New Jobs in LAC 5 Years	Total Projected Openings in LAC 5 Years	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	Median Annual Wage LAC
37-2012	Maids and Housekeeping Cleaners	1,350	2,210	8	None	ST OJT	21,990
43-4081	Hotel, Motel, and Resort Desk Clerks	690	1,730	7	None	ST OJT	22,730
35-3031	Waiters and Waitresses	550	1,820	8	None	ST OJT	18,920
39-3091	Amusement and Recreation Attendants	330	1,660	8	None	ST OJT	23,880
49-9071	Maintenance and Repair Workers, General	300	550	7	None	MT OJT	38,520
39-9031	Fitness Trainers and Aerobics Instructors	270	590	7	None	ST OJT	46,670
35-2014	Cooks, Restaurant	230	460	8	<1 year	MT OJT	22,150
37-3011	Landscaping and Groundskeeping Workers	210	460	8	None	ST OJT	24,330
37-2011	Janitors and Cleaners, Except Maids and	210	410	8	None	ST OJT	23,770
35-9011	Dining Room and Cafeteria Attendants and	170	460	8	None	ST OJT	18,840
35-3011	Bartenders	170	460	8	None	ST OJT	19,190
39-3011	Gaming Dealers	160	490	7	None	MT OJT	18,740
41-2011	Cashiers	130	510	8	None	ST OJT	19,470
33-9032	Security Guards	130	240	7	None	ST OJT	23,730
35-9021	Dishwashers	120	370	8	None	ST OJT	18,820
11-1021	General and Operations Managers	110	220	4	1-5 years	None	105,740
35-3041	Food Servers, Nonrestaurant	110	230	8	None	ST OJT	23,820
37-1011	First-Line Supervisors of Housekeeping and	100	160	7	1-5 years	None	39,710
33-9092	Lifeguards, Ski Patrol, and Other Recreational	100	510	7	None	ST OJT	28,870
39-9032	Recreation Workers	100	190	3	None	None	24,310
43-1011	First-Line Supervisors of Office and Administrative	100	210	7	1-5 years	None	55,380
35-1012	First-Line Supervisors of Food Preparation and	90	190	7	1-5 years	None	28,510
43-3031	Bookkeeping, Accounting, and Auditing Clerks	90	140	7	None	MT OJT	39,400
51-6011	Laundry and Dry-Cleaning Workers	90	150	8	None	ST OJT	21,280
11-9081	Lodging Managers	90	180	7	1-5 years	None	49,480
35-3021	Combined Food Preparation and Serving	80	190	8	None	ST OJT	18,860
41-3099	Sales Representatives, Services, All Other	80	190	7	None	ST OJT	53,260
39-6011	Baggage Porters and Bellhops	80	150	7	None	ST OJT	20,390
35-2021	Food Preparation Workers	80	200	8	None	ST OJT	19,040
35-3022	Counter Attendants, Cafeteria, Food Concession,	70	380	8	None	ST OJT	19,720
41-2031	Retail Salespersons	70	210	8	None	ST OJT	21,480
27-2022	Coaches and Scouts	70	200	7	None	LT OJT	42,930
43-9061	Office Clerks, General	70	140	7	None	ST OJT	29,990
43-4171	Receptionists and Information Clerks	70	200	7	None	ST OJT	28,240
43-4051	Customer Service Representatives	70	180	7	None	ST OJT	35,250
39-9011	Childcare Workers	60	210	7	None	ST OJT	23,340
35-9031	Hosts and Hostesses, Restaurant, Lounge, and	60	240	8	None	None	19,020
35-1011	Chefs and Head Cooks	50	100	7	1-5 years	None	37,880
43-6014	Computer Operators Secretaries and	50	90	7	None	ST OJT	36,570
39-1021	First-Line Supervisors of Personal Service	50	130	7	1-5 years	None	39,900
39-7011	Tour Guides and Escorts	50	160	7	None	MT OJT	25,420
39-1011	Gaming Supervisors	40	80	7	1-5 years	None	41,180
41-2021	Counter and Rental Clerks	40	110	8	None	ST OJT	22,820
39-6012	Concierges	40	80	7	None	MT OJT	29,970
13-2011	Accountants and Auditors	40	80	3	None	None	70,870
11-9051	Food Service Managers	30	60	7	1-5 years	None	44,930
35-2015	Cooks, Short Order	30	80	8	None	ST OJT	22,260
13-1121	Meeting, Convention, and Event Planners	30	70	3	<1 year	None	55,210
43-4181	Reservation and Transportation Ticket Agents	30	60	7	None	ST OJT	37,360
53-6021	Parking Lot Attendants	30	80	8	None	ST OJT	19,450
	<i>All Other</i>	<i>930</i>	<i>2,340</i>				
	TOTAL All Occupations	8,300	20,600				

Education: 1=Doctoral or professional degree; 2=Master's degree; 3=Bachelor's degree; 4=Associate's degree; 5=Postsecondary non-degree award; 6=Some college, no degree; 7=High school diploma or equivalent; 8=Less than high school; On-the-Job Training: LT OJT=Long-term on-the-job training (more than one year); MT OJT=Moderate-term on-the-job training (1-12 months); ST OJT=Short-term on-the-job training (1 month or less) Sources: Estimates by LAEDC; Education and skills requirements from BLS

Exhibit A-10 5 Year Occupational Needs in LAC Top 50 Detailed Occupations – Local Subcluster

SOC	Occupation Title	Projected New Jobs in LAC 5 Years	Total Projected Openings in LAC 5 Years	Education Needed for Entry Level	Work Experience Needed for Entry Level	On-the-Job Training to Attain Competency	Median Annual Wage LAC
35-3021	Combined Food Preparation and Serving	10,570	21,650	8	None	ST OJT	18,860
35-3031	Waiters and Waitresses	8,750	25,140	8	None	ST OJT	18,920
35-2014	Cooks, Restaurant	3,920	7,060	8	<1 year	MT OJT	22,150
35-1012	First-Line Supervisors of Food Preparation and	2,730	4,900	7	1-5 years	None	28,510
35-2011	Cooks, Fast Food	2,040	3,670	8	None	ST OJT	18,670
35-2021	Food Preparation Workers	1,960	4,620	8	None	ST OJT	19,040
35-3011	Bartenders	1,770	4,080	8	None	ST OJT	19,190
35-9021	Dishwashers	1,680	4,540	8	None	ST OJT	18,820
35-9031	Hosts and Hostesses, Restaurant, Lounge, and	1,370	4,980	8	None	None	19,020
35-9011	Dining Room and Cafeteria Attendants and	1,240	2,960	8	None	ST OJT	18,840
41-2011	Cashiers	1,210	3,260	8	None	ST OJT	19,470
35-3022	Counter Attendants, Cafeteria, Food Concession,	1,180	4,400	8	None	ST OJT	19,720
11-9051	Food Service Managers	610	1,040	7	1-5 years	None	44,930
53-3031	Driver/Sales Workers	610	1,070	7	None	ST OJT	27,200
35-2015	Cooks, Short Order	540	970	8	None	ST OJT	22,260
35-1011	Chefs and Head Cooks	300	510	7	1-5 years	None	37,880
11-1021	General and Operations Managers	290	490	4	1-5 years	None	105,740
35-2012	Cooks, Institution and Cafeteria	260	460	8	None	ST OJT	28,110
35-3041	Food Servers, Nonrestaurant	230	470	8	None	ST OJT	23,820
37-2011	Janitors and Cleaners, Except Maids and	190	320	8	None	ST OJT	23,770
51-3011	Bakers	120	260	8	None	LT OJT	22,120
33-9032	Security Guards	120	190	7	None	ST OJT	23,730
53-3033	Light Truck or Delivery Services Drivers	120	200	7	None	ST OJT	28,310
43-9061	Office Clerks, General	100	160	7	None	ST OJT	29,990
43-3031	Bookkeeping, Accounting, and Auditing Clerks	90	130	7	None	MT OJT	39,400
35-9099	Food Preparation and Serving Related Workers,	70	190	8	None	ST OJT	19,450
49-9071	Maintenance and Repair Workers, General	50	80	7	None	MT OJT	38,520
35-2019	Cooks, All Other	40	70	8	None	MT OJT	28,560
37-2012	Maids and Housekeeping Cleaners	30	50	8	None	ST OJT	21,990
43-6014	Computer Operators Secretaries and	30	50	7	None	ST OJT	36,570
41-1011	First-Line Supervisors of Retail Sales Workers	30	50	7	1-5 years	None	38,560
41-2031	Retail Salespersons	30	50	8	None	ST OJT	21,480
43-4051	Customer Service Representatives	20	50	7	None	ST OJT	35,250
13-1121	Meeting, Convention, and Event Planners	20	40	3	<1 year	None	55,210
43-5081	Stock Clerks and Order Fillers	20	40	8	None	ST OJT	22,820
53-7062	Laborers and Freight, Stock, and Material Movers,	20	40	8	None	ST OJT	22,770
41-3099	Sales Representatives, Services, All Other	20	40	7	None	ST OJT	53,260
51-3092	Food Batchmakers	20	30	7	<1 year	ST OJT	22,990
13-2011	Accountants and Auditors	20	30	3	None	None	70,870
29-1031	Dietitians and Nutritionists	10	30	3	None	I/R	71,110
39-3091	Amusement and Recreation Attendants	10	40	8	None	ST OJT	23,880
11-1011	Chief Executives	10	30	3	>5 years	None	
43-4171	Receptionists and Information Clerks	10	30	7	None	ST OJT	28,240
43-1011	First-Line Supervisors of Office and Administrative	10	30	7	1-5 years	None	55,380
43-3051	Payroll and Timekeeping Clerks	10	20	7	None	MT OJT	43,810
51-3093	Food Cooking Machine Operators and Tenders	10	20	7	<1 year	ST OJT	25,640
27-3012	Public Address System and Other Announcers	10	20	7	None	ST OJT	
13-1199	Business Operations Specialists, All Other	10	20	7	<1 year	LT OJT	70,580
43-6011	Legal Executive Secretaries and Executive	10	10	7	1-5 years	None	55,240
13-1151	Training and Development Specialists	10	10	3	None	None	58,620
	<i>All Other</i>	<i>160</i>	<i>300</i>				
	TOTAL All Occupations	42,700	98,900				

Education: 1=Doctoral or professional degree; 2=Master's degree; 3=Bachelor's degree; 4=Associate's degree; 5=Postsecondary non-degree award; 6=Some college, no degree; 7=High school diploma or equivalent; 8=Less than high school. On-the-Job Training: LT OJT=Long-term on-the-job training (more than one year); MT OJT=Moderate-term on-the-job training (1-12 months); ST OJT=Short-term on-the-job training (1 month or less) Sources: Estimates by LAEDC; Education and skills requirements from BLS

**Exhibit A-11
Regional Colleges and Universities Providing Hospitality and Tourism Degrees or Certificates**

	Hospitality Mgmt/Admin; Hotel Mgmt	Culinary Arts; Food Science	Culinary Mgmt; Restaurant Mgmt	Tourism & Travel	Parks, Recreation & Leisure	Food Services
Baldwin Park Adult and Community Education			C/D			
California State Polytechnic University, Pomona	BA, MA	BA				
California State University, Dominguez Hills					BA	
California State University, Long Beach	BA, MA				BA, MA	
California State University, Northridge	BS			MS	BA, MA	Cert
Cerritos College		AA, C/D				
Coast Career Institute		C/D				
College of the Canyons	AA	C/D	AA		AA	Cert
El Camino College						Cert
Glendale Community College	AA, C/D		AA			Cert
International Culinary School at the Arts Institutes	BS	AA, C/D	BA			
Le Cordon Bleu College of Culinary Arts	AA	C/D	BA			
Long Beach City College	C/D	AA, C/D				
Los Angeles City College						Cert
Los Angeles Harbor College		AA, C/D				
Los Angeles Mission College			AA			Cert
Los Angeles Trade Technical College		AA, C/D	AA			
Mount San Antonio College	AA, C/D		C/D		AA	
Pasadena City College	C/D	C/D				
University of Antelope Valley		AA, C/D				
University of Southern California			C/D			
West Los Angeles College				AA, C/D		

BA=Bachelor's degree program; MA=Master's degree program; MS=Master's of Science program; Bachelor's degree; AA=Associate's degree; C/D=Certificate or diploma; Cert=Certification Sources: Various; Compilation by LAEDC

About the Authors

The IAE team.

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Dr. Cooper leads the LAEDC Institute for Applied Economics whose work involves research in regional issues such as economic impact studies, regional industry analysis and forecasts, workforce development analysis and policy studies. Her fields of expertise include development economics, environmental economics, regional analysis and urban sustainability.

Prior to joining the LAEDC, Dr. Cooper was co-founder of a start-up company in Hong Kong concentrating on equity transactions software and computer accessories manufacturing, which expanded production into the special economic zone of Shenzhen, China and distributed products throughout the United States and Asia. With her business partner, she established the first authorized Apple Computer retailer in China. She has been a lecturer at California State University, Long Beach and at the Pepperdine Graziadio School of Business and Management.

Dr. Cooper is a citizen of the United States and Canada. She earned a Bachelor of Arts in Economics from Carleton University in Ottawa, Canada, and a Ph.D. in Economics from the University of Southern California. With funding from the National Science Foundation, she earned a Graduate Certificate in Environmental Sciences, Policy and Engineering. Her current research includes industry cluster

performance in the regional economy, commuting and job allocation patterns and workforce development issues.

Shannon M. Sedgwick

Economist

In her current capacity as an Economist at the LAEDC, Ms. Sedgwick develops subject-specific information and data interpretation for economic impact, demographic, transportation, industry and issue studies. She performs research, data collection and organization, analysis and report preparation. Her work focuses on demographics, industry clusters and occupational analysis. Ms. Sedgwick is also proficient at conducting geospatial analysis and has experience working with IMPLAN.

Ms. Sedgwick joined the LAEDC team in June of 2008 as an Economic Research Assistant with the Kyser Center for Economic Research. In that role she assisted both Economic Research and the Consulting Practice of the LAEDC with data collection and research, managing multiple data sets covering the State of California, Southern California and its counties. She was responsible for the *Business Scan* a collection of Los Angeles County economic indicators; the annual *L.A. Stats*, the most frequently requested statistics for Los Angeles region; and was a regular contributor to the weekly economic newsletter, *e-Edge*.

Before joining the LAEDC, Ms. Sedgwick managed an industrial and steel supply

company located in the Inland Empire. There she identified and targeted a diverse customer base, and analyzed product and customer patterns in the local industrial market to successfully increase revenues.

A Southern California native, Ms. Sedgwick received her Bachelor of Arts in Economics from the University of Southern California (USC) with a minor in Architecture. She has been a member of the national and the Los Angeles Chapter of the National Association for Business Economics (NABE) since 2008.

Somjita Mitra, Ph.D.

Economist

Somjita Mitra joined the LAEDC Institute for Applied Economics as an Economist in June 2013. She is involved in planning, designing and conducting research and analysis for consulting clients and local businesses and governments, as well as for LAEDC's internal departments. Her focus is in regional analysis, economic impact studies and the industrial and

occupational structure of local economies.

Before joining the LAEDC, Dr. Mitra was an Economist for a local economic research and litigation consulting company evaluating economic damages, estimating lost profits, identifying key economic issues and developing necessary analytical and empirical frameworks. Prior to this, Dr. Mitra was Project Director for a consumer research firm in Los Angeles where she managed projects that identified and analyzed key market issues for local firms as well as multinational corporations.

Dr. Mitra received her Bachelor of Arts in Economics and Political Science from the University of California, Los Angeles and her Master of Arts in Politics, Economics and Business as well as her Ph.D. in Economics from Claremont Graduate University. Dr. Mitra enjoys volunteering in the local community and is actively involved in both women's welfare and animal rescue organizations.



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