



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Collectively Advancing Opportunity and Prosperity for All



ANNUAL REPORT

2019-2020



A MESSAGE FROM LAEDC'S CEO

We stand at a pivotal moment in history. We have an opportunity to respond to the challenges we collectively face by taking action together to create a reimagined LA County economy - growing, equitable, sustainable, and resilient. We see these as mutually reinforcing rather than contradictory objectives. In this annual report, we briefly recap LAEDC's activity during our fiscal year ended June 30, 2020, and we also look ahead with optimism. Our priorities are clear, thanks to the work of our board which has further prioritized our focus on equity and inclusion in our economy in our newly adopted three-year strategic plan.

As we all know, the COVID-19 pandemic created not just a health crisis but an economic crisis, and our staff at LAEDC is more resolute than ever about saving jobs, businesses and entrepreneurial dreams right now, while also charting a longer-term course for recovery and reinvention for our economy. We are encouraged knowing that our work is so impactful for the small business owners who need direct assistance to retain their employees and sustain their enterprises, while also assisting government leaders seeking to formulate informed responses to the crisis, and workers seeking resources and direction as they adapt to a rapidly changing economy.

LAEDC's business assistance team is now approaching a quarter million direct jobs saved since we created the program but, as the pandemic arrived, the needs of the community grew exponentially. In response, we hired an additional multilingual team to directly support the micro-enterprises and small nonprofits at greatest risk in LA County, with a focus on racially diverse and women-owned businesses, to help them access loans, grants and other resources. We are grateful for the County's and the City of Los Angeles's additional support for

our business assistance team and to several philanthropic donors who stepped up quickly to provide additional financial resources enabling us to target even more of our work to our county's most vulnerable residents and employers.



Looking ahead we face a complex set of challenges. With over a million people in LA County displaced from their jobs and tens of thousands of businesses at risk, we also see changes in LA's industrial composition at a time when adoption of AI and robotics is accelerating and threatening jobs, and consumer behaviors and demand are shifting. More than ever, this is the time for data-driven strategic thinking and action regarding jobs of the future, to help our county's residents prepare for and access family-supporting careers. LAEDC endeavors to provide the analysis, the programs and the policy supports that will help our industries rebound and hire, while striving to make those well-paying opportunities accessible to more of LA's diverse workers.

We can't do it alone. Only through collaboration with you will we achieve LAEDC's vision of a reimagined LA regional economy that will provide a healthy and high standard of living for all. Thank you for joining with us to enable greater equity, opportunity and prosperity for each of our neighbors across this vast county of Los Angeles.

A handwritten signature in blue ink that reads "Bill".

Bill Allen
CEO, LAEDC

BUSINESS ASSISTANCE PROGRAM

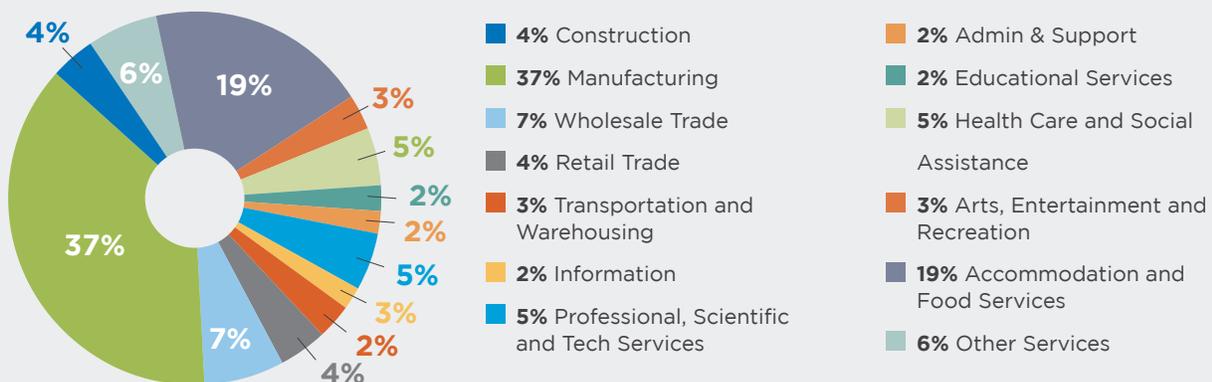
LAEDC's Business Assistance Program multi-lingual team provides confidential and no-cost business assistance and advisory services to businesses as well as to the County itself and the 88 cities, to attract, retain and expand businesses, jobs and investment. Due the extraordinary impacts of COVID-19, County of Los Angeles WDACS provided additional support enabling significant additional services to at-risk businesses located throughout the County. City of Los Angeles also supported LAEDC services under the newly created *Keep LA Working* program.

14,770 JOBS RETAINED, ATTRACTED OR EXPANDED (TOTAL IMPACT)
8,254 DIRECT JOBS RETAINED, ATTRACTED AND EXPANDED
\$987M IN TOTAL LABOR INCOME
\$338M IN LOCAL TAX REVENUE
\$3.1B GENERATED IN ECONOMIC ACTIVITY ACROSS L.A. COUNTY

Business Assistance Team Accomplishments

- Conducted **1,317** one-on-one business needs assessments with at risk businesses
- Developed **1,189** customized strategy blueprints based on business needs & challenges
- Provided **1,005** customized services based on business needs & challenges
- Averted **2,555** Employee Layoffs in the Region, through various Layoff Aversion Contracts
- Referred **657** at risk businesses to America's Job Centers of California (AJCCs)/Businesssource Centers for additional aervices

DIRECT JOBS SAVED IN LA COUNTY BY INDUSTRY SECTOR



ECONOMIC IMPACT OF JOBS SAVED BY INDUSTRY SECTOR

	Employment (jobs)*	Labor Income (\$ mil)	Output (\$ mil)
Agriculture	20	\$0.5	\$0.4
Mining, and oil and gas extraction	0	0.1	1.3
Utilities	10	2.1	13.2
Construction	310	21.3	41.2
Manufacturing	3,310	254.5	1,242.6
Wholesale trade	1,100	99.3	322.7
Retail trade	830	37.8	90.0
Transportation and warehousing	730	43.1	102.5
Information	290	41.3	154.1
Finance and insurance	450	40.2	126.0
Real estate and rental and leasing	470	30.9	216.1
Professional and technical services	970	93.2	166.7
Management of companies	250	29.4	49.6
Administrative and waste services	1,010	47.9	94.5
Educational services	340	14.7	22.3
Health care and social assistance	1,210	73.0	135.6
Arts, entertainment, and recreation	400	34.6	63.4
Accommodation and food services	2,070	71.7	169.4
Other services	870	38.8	68.2
Government	100	13.0	26.6
TOTAL ALL INDUSTRIES	14,770	\$987.3	\$3,106.4

Source: Estimates by LAEDC *May not sum due to rounding

Total Economic and Fiscal Impact of Jobs Saved

14,770

TOTAL EMPLOYMENT

Direct jobs **8,254**

Indirect and induced jobs **6,510**

\$987

TOTAL LABOR INCOME
(\$ MILLIONS)

Direct labor income **\$541**

Indirect and induced labor income **\$446**

\$3,106

TOTAL OUTPUT (\$ MILLIONS)

Direct output **\$1,876**

Indirect and induced output **\$1,230**

\$338

TOTAL FISCAL IMPACT
(\$ MILLIONS)

State and local taxes **\$139**

Federal taxes **\$199**

BUSINESS RESILIENCY

Economic resilience was a focus for LAEDC from the beginning of the fiscal year, as LAEDC partnered with the State of California *Outsmart Disaster* to pilot the resilient business challenge in the region. And many of the tips LAEDC offered businesses, such as preparing for total reliance on telecommuting, proved sound in March when the pandemic sent workers home. LAEDC continues to emphasize earthquake preparedness, via our guide *Preparing for Business after an Earthquake*. LAEDC also began an initiative to assist regional businesses pivoting to manufacture of Personal Protective Equipment (PPE) with procurement opportunities.

COMMUNITY CONNECTORY

In response to the COVID-19 pandemic, LAEDC immediately created and staffed The LA County Community Connectory, a new rapid response initiative at the LAEDC, funded by several local philanthropic foundations. The Connectory is laser-focused on assisting micro-enterprises; prioritizing the needs of diverse and women-owned businesses, and small community-serving nonprofits. The Connectory scaled up with a multilingual team of experienced business assistance professionals and made over 5,000 personal phone calls, emailed 21,000 businesses, and mailed bi-lingual offers of assistance to 5,000 small businesses, focused on nonprofits and micro-enterprises (less than ten employees) in our most vulnerable communities. In addition, LAEDC’s bilingual coronavirus response webpage was created as the region’s go to source of daily updates



on resources, grants, low interest loans and technical assistance, which quickly became the most popular webpage in LAEDC’s history with more than 80,000 views.

PERSONAL IMPACT



Thank You for the tremendous help and resources you provide **Small Family Businesses** such as ours. Your call in March (*our 32nd Business Anniversary*) was the key that unlocked the resources we would eventually need...it was nothing short of a miracle. You stayed in touch with us regularly...provided information & guidelines for many new programs; PPP, Cares Act Relief, SBA Disaster Loan, Verizon Grant, LA County AJCC, LACADA...and personally referred us to RISE Financial & LISC organizations to help us with the business loan process. More importantly was your genuine concern for helping us succeed. This speaks volumes of your work ethic and commitment to the small business community. I am pleased to report that Friday, April 17th, our PPP Application was approved. We have since been able to call back 75% of our workers. We appreciate your effort to help guide us through troubled waters.



—**NORI GUERRERO**
Sales/Marketing Director, Orbit Event Rentals



“ My business along with our 16 employees were deeply impacted by the shutdown of the Certified Farmers Markets we participate in, due to Covid-19. At this point, keeping my employees on payroll was my first priority, said Emmanuel Rios, owner of Flor De Lima Farms, which manufactures cold-pressed fruit juice in City of San Fernando. After connecting with Angelica Banuelos at LAEDC’s Community Connector, she helped him apply for a Disaster Assistance Loan through the SBA. The loan was approved and allowed the business to keep going. Rios also offered, “A great number of businesses will need to improvise, adapt, restructure and reevaluate their roles in new customer buying habits. We are taking this opportunity to launch into a new partial business strategy to replace our farmers market revenue streams. LAEDC provides strategic consulting to help businesses reinvent and adapt. ”

PERSONAL IMPACT



“ Thank you for the call and for the resources listed below. I appreciate organizations like LAEDC; you have no idea how a simple phone call can restore hope. ”

—MONIQUE HOGAN, MBA, CWP
Hogan Events Group, LLC.
(A weddings and events business)



WORLD TRADE CENTER® LOS ANGELES

WTCLA, LAEDC's subsidiary, continued its focus on attracting Foreign Direct Investment (FDI), and helping our local firms increase international opportunities. This work augments LA's competitive industries and innovation ecosystems and extends opportunities to create well-paying jobs for LA County residents.

For the first time and in partnership with the Governor's Office of Business and Economic Development, WTCLA expanded its annual FDI report to quantify foreign investment

throughout the entire State of California. The presentation featured Lt. Governor Eleni Kounalakis as the keynote speaker. WTCLA also entered into a formal partnership with the United Kingdom Consulate and Department of International Trade to develop programs and research that amplify two-way business connections, which prepares LA County to leverage a future bilateral free-trade agreement between the US and the United Kingdom.

OTHER HIGHLIGHTS INCLUDE:

- Performed **67** foreign investment **ATTRACTION CONSULTATIONS**
- Facilitated **\$17.7M** in international investment into LA County
- Supported **3 TRADE MISSIONS** – two to the United Kingdom and one to the United Arab Emirates
- **9 DELEGATIONS** hosted from Vietnam, the Netherlands, Austria, China, France, Germany and other countries
- Hosted **10 WEBINARS** in partnership with Los Angeles World Affairs Council – Town Hall that covered COVID-19 topics from an international perspective, to an average of 300 attendees
- Delivered custom **FDI REPORTS** to the Consulate General of Japan in Los Angeles and for the City of LA
- Continued WTCLA's thought **LEADERSHIP** via media coverage in international and US print and radio

INSTITUTE FOR APPLIED ECONOMICS

In addition to providing on-demand, public research for education, government, industry, labor and nonprofits, the Institute also conducts foundational research to ensure LAEDC’s programs are on target.

During FY 19-20, the Institute responded swiftly to economic challenges brought on by the COVID-19 pandemic, serving as the trusted source for economic analysis in the region, and developed research briefings on local government fiscal impacts, projections for job losses by industry, occupation and demographics, and weekly webinars to offer guidance and analysis.

The Institute also provided economic forecasts, analysis of regional trends in key industries including employment projections, and studied how industry and public policy can address climate change.

Continuing its partnership with 19 Community Colleges in the **Center for a Competitive Workforce**, the Institute published four industry reports of workforce trends and identified growing middle-skill job opportunities in manufacturing, construction, information communications technology, and protective services. These reports further educate community colleges about future workforce needs. The Institute also collaborated with CSU Northridge to study the role of the region’s four-year CSU universities, in preparing Southern California’s future workforce.

The Institute also did projects directly for County of Los Angeles government, including the LA County Economic Development Scorecard, LAEDC Annual Economic Forecast, The Ocean Economy in Los Angeles (in

collaboration with Altasea), analysis of the size of the bioscience industry in LA County, quarterly economic projections including forecast tax revenues for the County of Los Angeles, and more. Here is a sampling of the Institute’s reports this year, with greater detail at [LAEDC.org/research-analysis](https://www.laedc.org/research-analysis).

1. **Employment impact** of COVID-19 on Southern California
2. **Municipal budget** exposure to COVID-19
3. The **EV Industry in SoCal** and its job growth, “Electric Mobility Revolution in SoCal”
4. The **Biosciences industry** in LA County, and its economic activity
5. **LAEDC Economic Forecast** and San Gabriel Valley’s Economic Forecast
6. **Economic Update** for LA County, for SCAG’s annual conference
7. The **Ocean Economy** in Los Angeles
8. **Analysis** of Metrolink’s SoCal Optimized Rail Expansion program
9. **Paid Family Leave analysis** to assess possible local program expansion
10. Housing statewide **snapshot of affordability** and related next steps
11. **Industry reports** to lead the work of Center for a Competitive Workforce (CCW), identifying growth occupations in Manufacturing, Construction, Protective Services, and ICT.

PERSONAL IMPACT



As a family owned business, **Rice Field Corp/ Great River Food** has been in LA County for over 35 years in the City of Industry. Our company has grown rapidly, becoming one of the largest privately-owned Asian food processing companies in the San Gabriel Valley. We currently employ over 240 workers and are looking to add 20 to 30 workers in the next year. We are constantly being hit with increasing workers comp rates, business taxes, and other business-related costs. These increase costs sometimes make you consider if leaving California is a solution to lowering the cost of doing business.

Since we have been conversing with you in June of this year, you have helped us tremendously by introducing us to business incentive programs to help sustain and grow our business. With the fast-changing economy its reassuring to know that there are people like you and the LAEDC that really care about helping to keep our local businesses strong and sustaining jobs in our economy.

— **ERIC LEE**
COO, Rice Field Corp/Great River Food



About 80% of the shutters installed in American homes are imported from China, but Herbus Shutters takes pride in manufacturing in Chatsworth. Amid the pandemic, owners Wendi Hernandez

and Candelario Bustamante sought technical assistance and guidance on how to expand their business. Yoryana Aguilar, in LAEDC's Community Connectory staff recommended a community bank which would be more sensitive to their challenges and connected them with Mission Valley Bank, which assisted Herbus Shutters submit their SBA PPP loan application, subsequently approved for \$102,000. Thanks to this loan, Herbus Shutters was able to keep its 20 employees and reactivated business activities.

Jose Servin's business employs three people. As a micro-enterprise providing window washing services to companies on the west side, he has faced recent disruptions in customer demand. LAEDC's multilingual professionals walked Jose through his grant and loan applications on the internet including the \$5,000 cash grant through the U.S. Chamber, and the LAEDC Connectory team also counseled Jose on ways to quickly pivot his window cleaning company to a new market as businesses re-open - implementing safe, clean work environment protocols.



PERSONAL IMPACT



As an exempted logistics company located in El Monte, we have to keep minimum people working during the shutdown. LAEDC guided us through SBA PPP loan program, assisted us in applying for City of El Monte grant funding, and these funds and loans helped us cover partial employees' salaries so we can stay in business. Our employees are so valuable to the company, we don't want to lose them. LAEDC saved us and we really appreciate their help to keep our five employees working during this pandemic. We thank you LAEDC.

— **TONY LIU**
Proline Distribution Services Inc.

LAY BARE, a beauty services salon in Studio City, was able to access the PPP loan program and City of LA Microloan to pay their employees and slowly pay rent but needed funding for the month of June. With the help of the LAEDC, Fiona, the owner was able to obtain a cash grant from the LISC 4 Grant and pay not only rent but also facilitate their reopening.

ASSISTING LA'S KEY INDUSTRIES



LA's economy has numerous industries that are globally competitive, but can employ more people with the right set of policies, programs and priorities. LAEDC's work in four industries -- Aerospace, Advanced Transportation/Mobility, Bioscience, and Digital Media & Entertainment (DME) - is focused on growing living-wage jobs. This year, our programs have pivoted towards a greater focus on helping these industries thrive with diversity and inclusion, such as via LAEDC's **California SmartMatch** program, which connects small, diverse, local businesses to procurement opportunities.

One of the most popular DME Council meetings featured a diverse panel of women leaders discussing strategies for small businesses to recover and grow in the DME industry. Moderated by LISC LA's Tunua Thrash-Ntuk and with speakers Jeannette Zepeda, India Alston, Hope Horner and J'Tasha St. Cyr (pictured above), the panel offered tips to increase inclusion from underserved communities in the industry, and offered ideas about current market trends, such as independent content producers expanding skillsets to succeed.

To advance LA's thriving electric vehicle industry and grow jobs, LAEDC published a first-of-its kind report on SoCal's EV industry, which found there are 120,000 direct jobs and strong hiring potential, offering policy recommendations such as a Green Mobility Commission to advance progress. LAEDC followed up by visiting

legislative staff in Sacramento, supported bills to add new subscription ownership models to help low-income LA residents afford EVs, and LAEDC convened regional leaders and community-based organizations for a public policy working group. Learn more about LAEDC's advocacy efforts at laedc.org/advocacy. LAEDC also provided behind-the-scenes PR support for numerous news articles highlighting LA's strengths in key industries.

PERSONAL IMPACT



We have had a great first year with the LAEDC and the Aerospace Council. We have taken advantage of the opportunities, made a lot of connections and learned a lot more about the Aerospace Industry. I look forward to more involvement with other councils as the need arises. Thank you LAEDC for encouraging our membership!!

—**NEIL BERNSTEIN**
Director of Strategic Accounts, Servicon Systems

WORKFORCE DEVELOPMENT

LAEDC and the 19 community colleges in the LA Basin advanced progress through our partnership in the Center for a **Competitive Workforce (CCW)** by convening top employers and college faculty in six regional curriculum advisory groups and several industry council meetings, facilitating work-based learning partnerships, and publishing four reports identifying the target middle-skill occupations with strongest hiring outlooks in LA. This data-based approach to college program development is paying dividends as envisioned under California's Strong Workforce initiative, leading to greater opportunity for the very diverse students of the community college system, as well as creating talent pipelines for employers. LAEDC's popular Workforce and Education Partner Portal provided over 250 employment and internship opportunities and over 15 industry engagement opportunities targeted for community colleges.

This year, LAEDC also shared knowledge on the changing nature of the future of work, and



LAEDC hosted numerous presentations about **Fair Chance**, so that industry leaders collaborate with LAEDC to support hiring of justice-involved job seekers. And LAEDC expanded its work with 4-year universities, such as publishing this year's report on the talent development role of the five CSUs in LA County.

PROPEL LA: IMPLEMENTATION OF THE STRATEGIC PLAN

LAEDC's work on the 2016-2020 LA County Strategic Plan for Economic Development is beginning to wind down. LAEDC led this work, but the plan expressed priorities that came from voices in the community. The plan successfully influenced action by the County of Los Angeles, many of our cities and other civic leaders, advancing progress on the plan's seven goals. Soon, LAEDC will publish

a closing report to reflect on outcomes and metrics, and assess remaining challenges for the region. LAEDC is deeply grateful to our implementation partners and the community for their engagement. This coming year, LAEDC plans to go back to the community, to listen to community needs on issues of equity and greater inclusivity in our economy.

LAEDC'S EVENTS



The cities of Palmdale and La Mirada were selected as the 2019 Most Business-Friendly Cities in LA County by LAEDC's statewide Blue Ribbon Panel of Judges.

LAEDC's second annual 88 Cities Summit brought together elected and civic leaders, economic development staff and additional experts to share solutions and ideas related to big challenges. Our annual Eddy Awards fundraiser recognized Citi, CSU Dominguez Hills and LA Metro CEO Phil Washington for extraordinary contributions to economic development, while celebrating the business-friendly (and therefore jobs-friendly) programs of the Cities of Palmdale and La Mirada. Going into its fifth year, our Future Forum series explored the Future of Healthcare Personalization, Space Commercialization, Electric Transportation and Pro Sports in LA, thanks to the generous sponsorship of CSU Dominguez Hills. LAEDC, like many other organizations pivoted to virtual events starting in March, but we kept the progress rolling. At this coming 25th Eddy Awards we will be celebrating 40 years of service to the residents of LA County and we ask for your support of our mission, which is delivering so much personal impact.



Citi, CSU Dominguez Hills, and Phil Washington at the Eddy Awards (L to R)

SOUTHERN CALIFORNIA LEADERSHIP COUNCIL UPDATE

As a mega-regional organization focused on critical issue levers to enhance economic development, job creation, and the quality of life in Southern California, SCLC's top priority issue is housing.

Throughout 2019, SCLC met with our state's top legislative leaders on housing, including multiple meetings with Assembly Housing Chair David Chiu and Senate Housing Chair Scott Wiener, as well as the Governor's housing team and numerous leaders from housing industry groups. This work was focused both on making sure state leaders heard Southern California's perspective on housing, and on gathering input so that SCLC could develop strong policy solutions to increase housing production and affordability in California. These efforts culminated in December 2019 with the development of an SCLC White Paper on Housing.

As the pandemic unfolded in early 2020, SCLC promoted its housing policy agenda up and down the state and updated its White Paper to add urgency to its policy recommendations, and to highlight the important role housing can play in stimulating economic recovery. Since April,

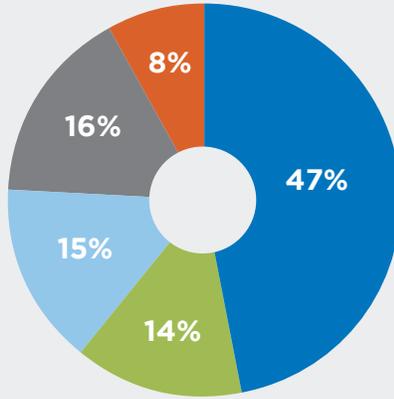
SCLC has shared its insights on housing and recovery with the highest leaders in our state, including meetings with Governor Newsom, Lt. Governor Kounalakis, and State Controller Betty Yee, among others. By late spring, SCLC was happy to see concepts from its policy recommendations included in various housing bills making their way through Sacramento.

SCLC's policy work over the past 12 months has also included efforts on healthcare, homelessness, and regional planning. And we are pleased to have added to our Board former Governor Arnold Schwarzenegger, Senate President Pro Tem Toni Atkins, Assembly Speaker Anthony Rendon, and San Diego Mayor Kevin Faulconer. With these additions, SCLC's Board continues to include the top public and private sector leaders from our region, who are together committed to making a positive impact for Southern California.

Learn more about SCLC at www.socallc.org.

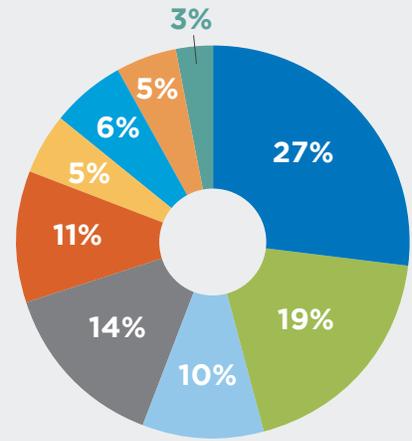
LAEDC FINANCIAL SUMMARY FY 2019-20

86% of LAEDC's operating budget goes directly to program services.



FUNDING

- 47% Private Sources
- 14% Portfolio Draw
- 15% State/Federal Agencies
- 16% County
- 8% Local Government/Agencies



EXPENDITURES

- 27% Business Assistance & WTCLA
- 19% Industry Cluster & Workforce Development
- 10% Public Events
- 14% Consulting and Research
- 11% Admin, IT, HR, Executives & Overhead
- 5% Propel LA
- 6% Center of Economic Development
- 5% Marketing & Communications
- 3% Strategic Relations

ABOUT LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION (LAEDC)

LAEDC's vision is a reimagined Los Angeles regional economy –growing, equitable, sustainable, and resilient – that provides a healthy and high standard of living for all. We pursue this vision via highly collaborative economic development leadership, objective economic research and analysis, strategic assistance to business, education and government, and targeted public policy. Now in our 40th year of service to LA County's residents, LAEDC was established in 1981 as a 501c3 nonprofit, public benefit organization.

LAEDC.org



LAEDC thanks the Board of Supervisors and CEO of Los Angeles County for their continuing support.



LOS ANGELES COUNTY ECONOMIC DEVELOPMENT CORPORATION

Collectively Advancing Opportunity and Prosperity for All

444 S. Flower Street, 37th Floor
Los Angeles, CA 90071

www.LAEDC.org
213.622.4300



LAEDC

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