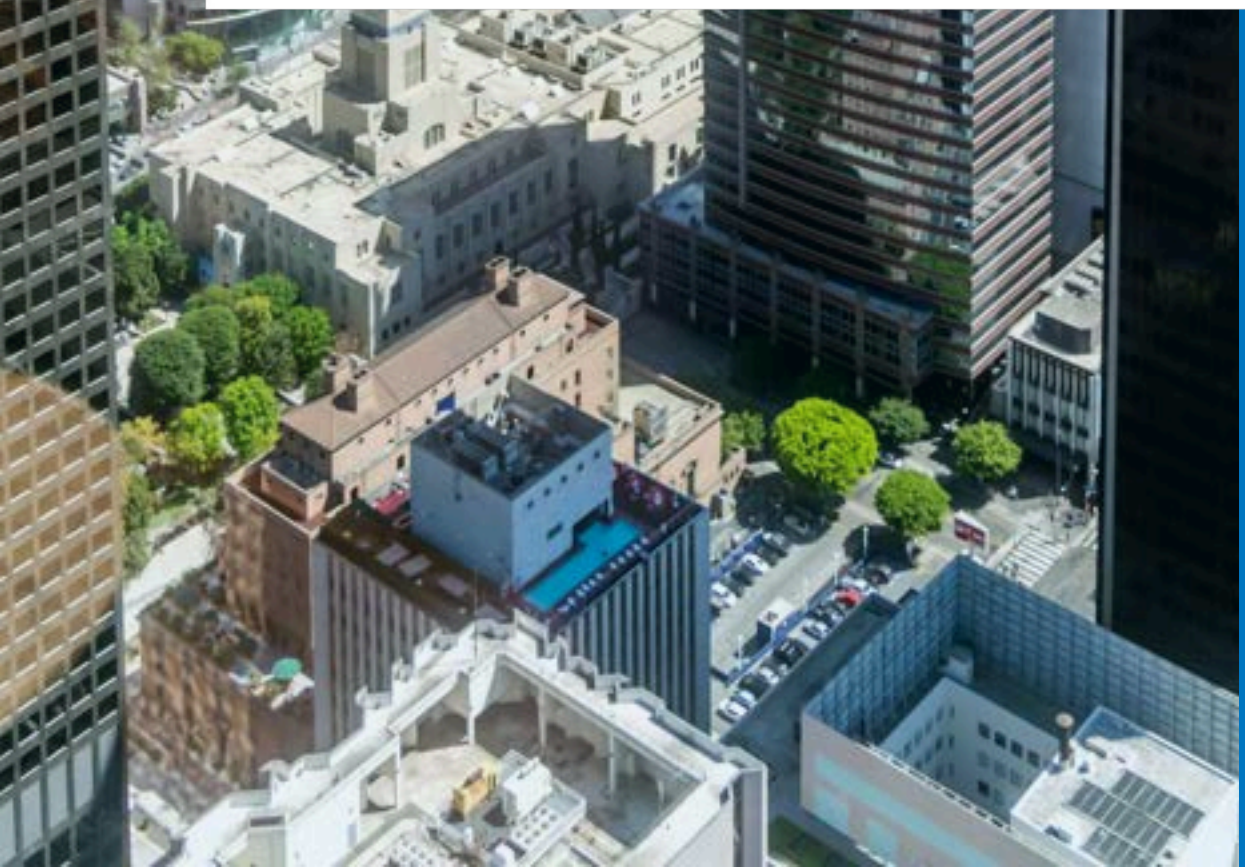
August 2025

INDUSTRY CLUSTERS

in Los Angeles County



Los Angeles County Economic Development Corporation

Institute for Applied Economics

LOS ANGELES COUNTY
INDUSTRY CLUSTERS

Overview & Key Findings

Introduction

Los Angeles County is large and diverse—geographically, socially, and economically. It encompasses over 4,000 square miles and was home to over 9.8 million people in 2024. If Los Angeles County were a country, it would have the 20th largest economy globally, with a GDP of over $886 billion in 2024. L.A. County's private and public sectors supplied over 4.5 million jobs in 2024, and the county has over 1.3 million small businesses, with the highest proportion of woman- and BIPOC-owned small businesses of any U.S. county *(1).*

This report presents a description of L.A. County's economy through the lens of industry cluster employment. Industry clusters are concentrations of related industries in a particular region; the more concentrated an industry cluster is, the more competitive that industry cluster is relative to other regions in the country. (More information can be found in the Methodology section on page 35.)

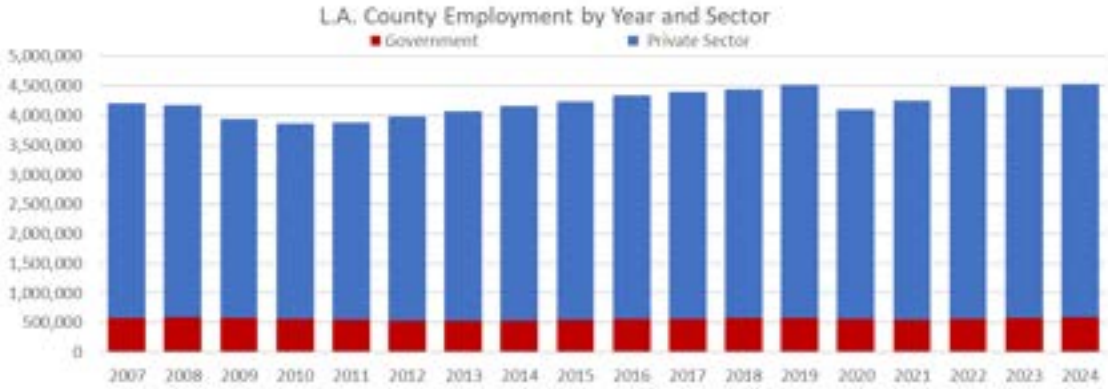
We last updated our industry clusters analysis in early 2024 with data through 2022. That analysis provided useful insights into post-COVID-19 pandemic recovery *(2)*. This comprehensive update to the previous report includes data through 2024, the latest year for which official U.S. Bureau of Labor Statistics information is available.

Note: To enable like-for-like comparisons across clusters and organizations, LAEDC industry cluster analyses focus on ***private sector (non-governmental) employment only;*** governmental employment is excluded for cluster-level analyses.

Key Findings

County-wide employment overview: 2007 - 2024

From 2010 to 2019, L.A. County jobs grew about 2% annually, with 90% in private sector clusters. After sharp 2020 losses and a rebound in 2021–22, employment surpassed pre-pandemic levels by 2024.



1. *LA County By the Numbers, County of Los Angeles. https://lacounty.gov/by-the-numbers/*
2. *"Industry Clusters Study (2024)". https://laedc.org/research/reports/industry-clusters-study-2024/*

LOS ANGELES COUNTY
INDUSTRY CLUSTERS

Key Findings: Cluster-Level Impacts

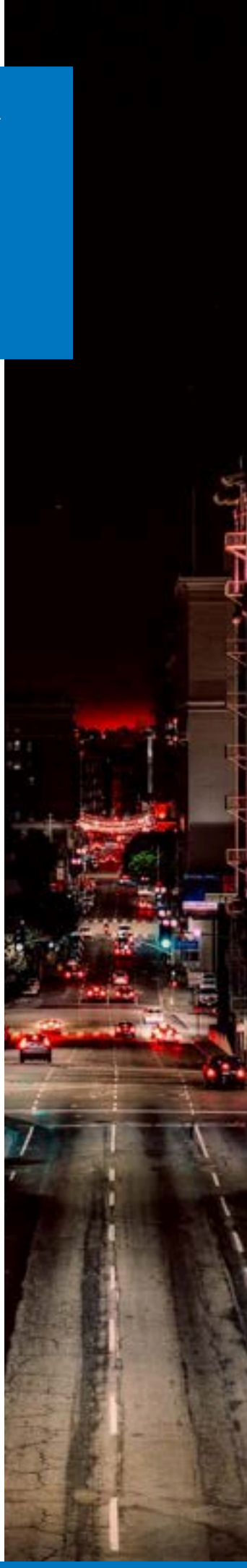
Clusters with job gains 2022-2024:

- Hospitality & Tourism—up 12.9%
- Education & Knowledge Creation—up 10.6%
- Local Community & Civic Organizations—up 8.3%
- Local Health Services—up 7.5%
- Performing Arts—up 6.3%
- Local Hospitality Establishments—up 3.4%
- Transportation & Logistics—up 3.4%
- Aerospace Vehicles & Defense—up 2.9%
- Communications Equipment & Services—up 2.8%
- Music & Sound Recording—up 2.6%
- Food Processing & Manufacturing—up 0.4%

Cluster-level performance post-pandemic recovery: 2022-2024

As highlighted in the previous report, Los Angeles County nearly regained its pre-pandemic 2019 employment levels in 2022. After a slight decline in 2023, the job market rebounded in 2024, surpassing 2019 levels for the first time since COVID-19. Recovery was uneven across industry clusters, with some showing strong gains from 2022 to 2024 and others still below pre-pandemic levels. The table below shows percentage changes in employment for each cluster from 2022 to 2023, from 2023 to 2024, and across the full 2022 to 2024 period.

	EMPLOYMENT PERCENTAGE CHANGE BY CLUSTER		
CLUSTER	From 2022 through 2023	From 2023 through 2024	From 2022 through 2024 (Post COVID recovery)
Hospitality and Tourism	9.8%	2.8%	12.9%
Education and Knowledge Creation	6.0%	4.4%	10.6%
Local Community and Civic Organizations	-0.3%	8.6%	8.3%
Local Health Services	3.5%	3.9%	7.5%
Performing Arts	0.3%	6.0%	6.3%
Local Hospitality Establishments	3.5%	-0.1%	3.4%
Transportation and Logistics	2.2%	1.2%	3.4%
Aerospace Vehicles and Defense	5.8%	-2.8%	2.9%
Communications Equipment and Services	1.1%	1.7%	2.8%
Music and Sound Recording	2.0%	0.6%	2.6%
Food Processing and Manufacturing	1.3%	-0.8%	0.4%
Local Commercial Services	-2.2%	0.8%	-1.3%
Business Services	-1.6%	-0.8%	-2.4%
Medical Devices	-1.9%	-0.7%	-2.7%
Water Transportation	-12.9%	10.8%	-3.6%
Financial Services	-4.6%	-0.1%	-4.7%
Marketing, Design, and Publishing	-3.7%	-1.5%	-5.1%
Information Technology and Analytical Instruments	-2.8%	-2.7%	-5.4%
Biopharmaceuticals	-3.3%	-2.4%	-5.5%
Distribution and Electronic Commerce	-3.1%	-2.6%	-5.7%
Apparel	-9.1%	-3.7%	-12.4%
Textile Manufacturing	-11.9%	-8.4%	-19.3%
Video Production and Distribution	-29.4%	0.2%	-29.3%



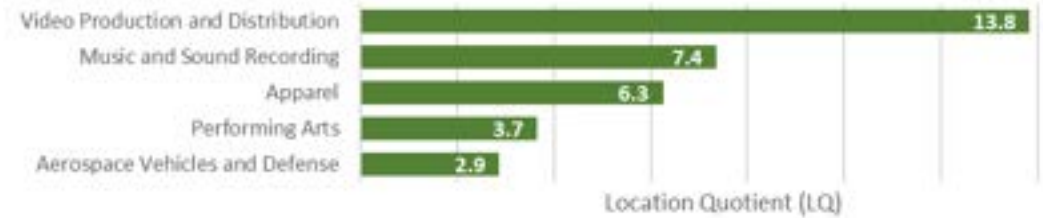
LOS ANGELES COUNTY
INDUSTRY CLUSTERS:

Key Findings: Regional Competitiveness

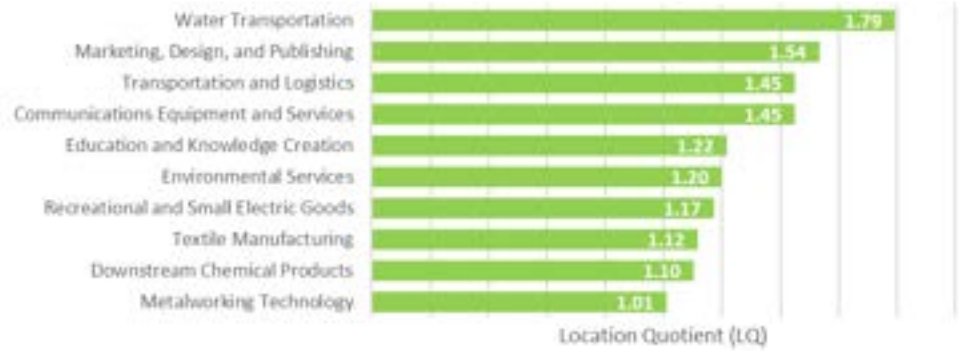
L.A. County's regional competitiveness

The geographic concentration of a group of industries in a sector provides important competitive advantages to the region for that industry cluster. Employment LQ measures the concentration of jobs in an industry for a particular region by determining the proportion of jobs in an industry in a region and comparing this to the same proportion for the same industry in the U.S. as a whole. Industries with LQs greater than 1.0 are *more concentrated* than in the U.S. as a whole, while those with LQs less than 1.0 are *less concentrated*.

By the measure of employment LQ, L.A. County's ***most competitive*** Traded industry clusters are:



The next most competitive group of Traded industry clusters (those with LQs greater than 1.0 but less than 3.0 are:



The remaining Traded clusters have LQs less than 1.0 but at least 0.7. It's important to note that these clusters are still competitive economically; however, there is room to increase competitiveness of these clusters in L.A. County relative to the rest of the U.S.

- Distribution and Electronic Commerce, LQ=0.9
- Electric Power Generation and Transmission, LQ=0.9
- Hospitality and Tourism, LQ=0.9
- Printing Services, LQ=0.9
- Medical Devices, LQ=0.8
- Food Processing and Manufacturing, LQ=0.8
- Furniture, LQ=0.8
- Biopharmaceuticals, LQ=0.8
- Information Technology and Analytical Instruments, LQ=0.7
- Business Services, LQ=0.7
- Fishing and Fishing Product, LQ=0.7
- Financial Services, LQ=0.7

**** Note:*** *While Apparel is still more concentrated in L.A. County than it is in the nation as a whole, the industry's concentration has fallen dramatically since the mid-aughts as this category of industries was increasingly offshored.*

LOS ANGELES COUNTY INDUSTRY CLUSTERS:

Coordinated Action to Sustain and Expand Industry Clusters

Los Angeles boasts deep networks of suppliers, major infrastructure assets, an innovative R&D ecosystem, and renowned universities and community colleges that produce skilled talent and influential thinkers. It gains strength from its diversity, size, and history. That strength is reflected in LA's industry clusters, providing a large concentration of high-wage jobs in fields from entertainment to aerospace to transportation and logistics. This report highlights those strengths, as well as the challenges of maintaining and growing these clusters.

All industry clusters require ongoing coordinated efforts to support growth, understand the barriers to attraction and retention, and coordinate with local stakeholders to find solutions. LAEDC facilitates coordination efforts through objective research and convening of stakeholders. This work is complemented by the ongoing efforts of LAEDC to coordinate capital stacking, nurture entrepreneurs and start-ups, bundle place-based incentives, and reimagine development of underutilized public-owned land and assets. The following two examples of the entertainment and biomedical industry clusters highlight the role that LAEDC and other regional partners can play in stewarding public policy to grow competitiveness in high wage traded industry clusters here in Los Angeles County.

Entertainment Industry Cluster

While wages, employment, and establishments in the entertainment cluster increased in 2024, the concentration (LQ) of entertainment employment in Los Angeles declined. This indicates that other states and countries are attracting more entertainment employment and growing faster than Hollywood. Acknowledging that, the region must work together to attract film and TV production, align permitting and other policies and procedures, and spur innovation in the industry.

The state's expansion of the California film tax credit from $330M to $750M and its restructuring is just the beginning. Local and regional governments now must play their part in sustaining and increasing entertainment industry employment. As laid out in the Los Angeles Jobs First Collaborative's (LA Collaborative) Activation Plan for Video Production and Distribution, produced under the California Jobs First (CJF) Program and in consultation with relevant stakeholders, this could include:

- Establishment of Evergreen Funds to incentivize technological innovation in film production and fund independent film production;
- Creation of a County-run purpose-built sound stage with workforce development and technological innovation components on vacant public-owned land;
- Film permitting office cross-collaboration to facilitate seamless production across city boundaries;
- Review of state environmental and zoning regulations to accelerate production timelines and administrative burdens.

LOS ANGELES COUNTY INDUSTRY CLUSTERS:

Coordinated Action to Sustain and Expand Industry Clusters

Biomedical Industry Cluster

Biomedical employment concentration (LQ) in Los Angeles is lower than the U.S. average, and employment and wages have not grown. However, the cluster remains vital to the region due to its higher-than-average wages, strong non-college and middle-skill career opportunities, and Los Angeles's commitment to research & development and manufacturing. As laid out in the LA Collaborative's Activation Plan for Bioscience, also produced under the CJF Program, the region can attract and retain these opportunities through:

- Financial facilitation of specialized laboratory facility creation through low-interest loans and grants;
- Streamlined development process by modernizing zoning codes, streamlining permitting for life sciences commercial development, and identifying appropriate vacant or underutilized public-owned land for potential rezone and development;
- Standardized biosciences certifications to clarify skills needed and ensure adequate job training for vital jobs.

A Call to Action

A coordinated approach to attraction and retention incentives across key industry clusters facilitates a more inclusive regional and robust ecosystem. Los Angeles must leverage its strengths and assets, including existing startup ecosystems, strong industry associations, and dedicated local leaders and experts, to boost regional competitiveness and expand economic opportunities for all Angelenos.

CLUSTERS OVERVIEW

This report includes selected industry clusters in L.A. County representing key sectors in the economy, employing significant numbers of people and/or exhibiting greater concentration in L.A. County than in the U.S. as a whole.

The report is divided into two parts: **Traded** clusters and **Local** clusters. *Traded clusters* are groups of industries that are wealth-generating, selling goods and services in markets beyond the region and are often concentrated in locations that provide them with the most advantages. *Local clusters* consist of industries that serve the local population and exist regardless of a market's specific competitive advantages.

This report also includes four *aggregations* of Traded clusters; these aggregations are described on page 6.

L.A. COUNTY CLUSTERS	EMPLOYMENT	AVERAGE WAGE	LQ
TRADED			
Business Services	230,765	$138,896	0.7
Distribution and Electronic Commerce	185,205	$88,169	0.9
Education and Knowledge Creation	103,965	$96,508	1.2
Video Production and Distribution	99,893	$151,492	13.8
Hospitality and Tourism	82,880	$79,273	0.9
Transportation and Logistics	82,572	$101,353	1.5
Marketing, Design, and Publishing	69,500	$153,561	1.5
Aerospace Vehicles and Defense	58,731	$141,110	2.9
Performing Arts	44,736	$199,705	3.7
Financial Services	41,823	$263,540	0.7
I.T. and Analytical Instruments	33,298	$177,262	0.7
Food Processing and Manufacturing	31,488	$73,346	0.8
Apparel	19,821	$62,129	6.3
Water Transportation	16,948	$145,726	1.8
Communications Equipment and Services	11,497	$182,624	1.4
Biopharmaceuticals	8,006	$93,694	0.8
Medical Devices	7,548	$104,804	0.8
Textile Manufacturing	5,325	$63,051	1.1
LOCAL			
Local Health Services	507,518	$75,502	0.9
Local Hospitality Establishments	423,008	$34,195	1.0
Local Community and Civic Organizations	348,003	$33,650	2.4
Local Commercial Services	314,329	$79,142	1.2
AGGREGATIONS			
Trade	284,725	$95,419	1.0
Entertainment	149,148	$165,798	7.4
Fashion	28,668	$62,222	2.9
Biomedical	15,554	$99,085	0.8

AGGREGATIONS

Aggregations are groupings of related clusters that have economic linkages and synergies. We examine these aggregations as larger sources of regional economic strength, as they are major drivers of local business and trade. These important aggregated industry groups for Los Angeles County are also covered in this report.

TRADE

DISTRIBUTION AND ECOMMERCE

TRANSPORTATION AND LOGISTICS

WATER TRANSPORTATION

BIOMEDICAL

BIOPHARMACEUTICALS

MEDICAL DEVICES

ENTERTAINMENT

VIDEO PRODUCTION AND DISTRIBUTION

MUSIC AND SOUND RECORDING

PERFORMING ARTS

FASHION

APPAREL

FOOTWEAR*

LEATHER*

JEWELRY*

TEXTILE MANUFACTURING

** Will not be covered in depth due to employment numbers below 4,000 in 2024.*

CLUSTERS PRESENTATION

- *Traded* clusters and aggregations are highlighted first, then *Local* clusters
- Aggregations and clusters are introduced from *greatest employment to least*
- Component clusters of an aggregation are presented *immediately after* their aggregation page, from *greatest employment to least*

AT-A-GLANCE 2024

TRADE GROUP

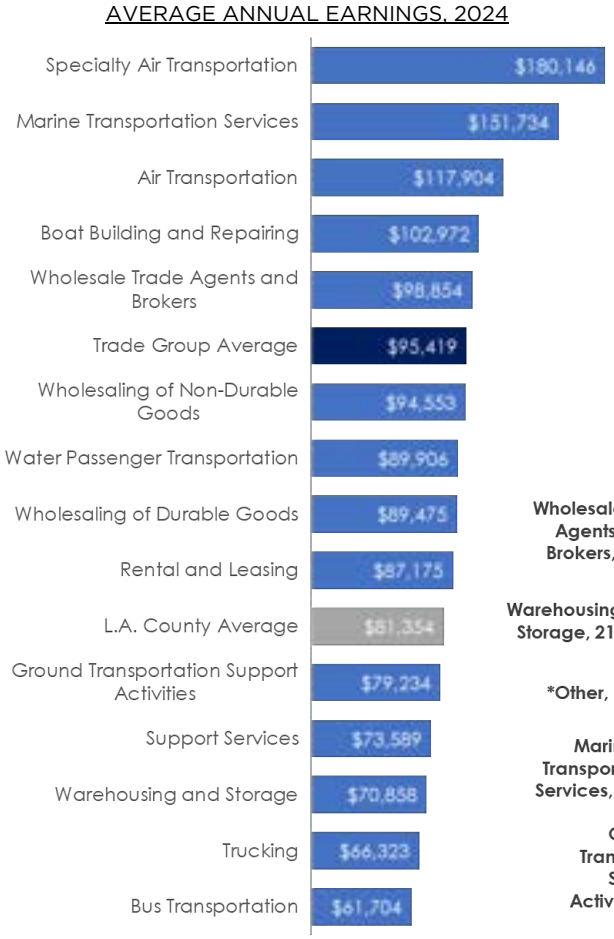
NUMBER OF EMPLOYEES
284,725

AVERAGE WAGE
$95,419

LOCATION QUOTIENT (LQ)
1.05

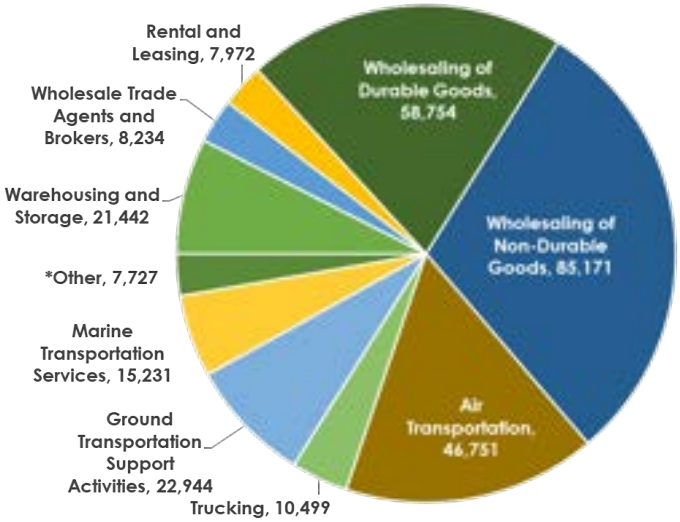
The Trade Group is only slightly more concentrated in L.A. County than in the nation as a whole. However, Marine Cargo Handling has an LQ of 7.5 here.

The Trade Group encompasses three industry clusters: Distribution & ECommerce, Transportation & Logistics, and Water Transportation.



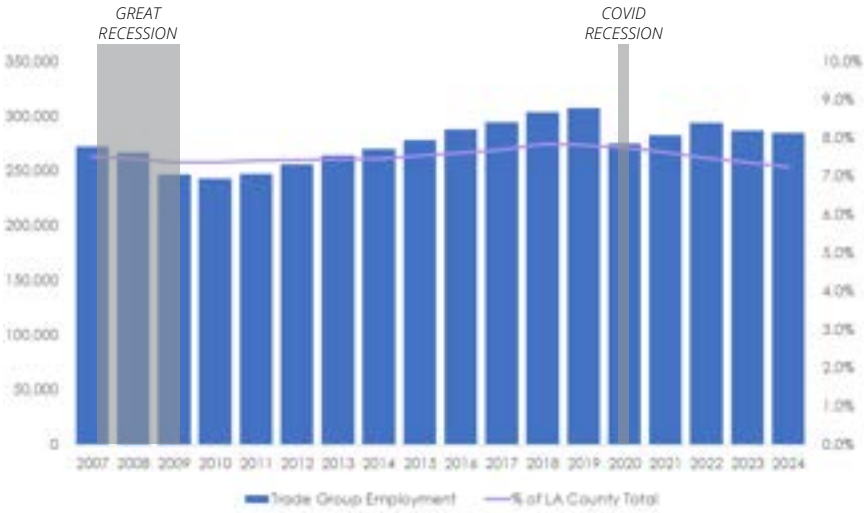
Average annual earnings in the Trade Group are about **17% higher** than the county average, but earnings vary widely across industries—from just over **$61,700** a year in Bus Transportation to over $180,000 in Specialty Air Transportation.

**"Other" includes subclusters Support Services; Specialty Air Transportation; Bus Transportation; Boat Building and Repairing; and Water Passenger Transportation*



The Trade Group includes nearly 90 industries, the broadest set of industries and the largest number of jobs covered in this report. **Wholesaling of durable and nondurable goods accounts for more than half** of total employment in the group.

After falling sharply in **2020**, the Trade Group regained jobs in **2021 and 2022**, reaching nearly **293,800**. Employment then declined in both **2023 and 2024**, slipping to **284,725**, **about 7% of county employment** but still roughly **23,000 below the 2019 peak**.



The Trade Group plays a vital role in L.A. County's economy, accounting for about 7% of total employment across a wide range of industries. While still about 23,000 jobs below its 2019 peak, the sector has partly recovered from the sharp losses of 2020. With average annual wages of more than $95,000—about 17% above the county average—and strong concentrations in wholesale and transportation activities, the group remains central to goods movement and supply chains, underscoring its continued importance to the county's economy.

AT-A-GLANCE 2024

DISTRIBUTION & ECOMMERCE

NUMBER OF EMPLOYEES
185,205

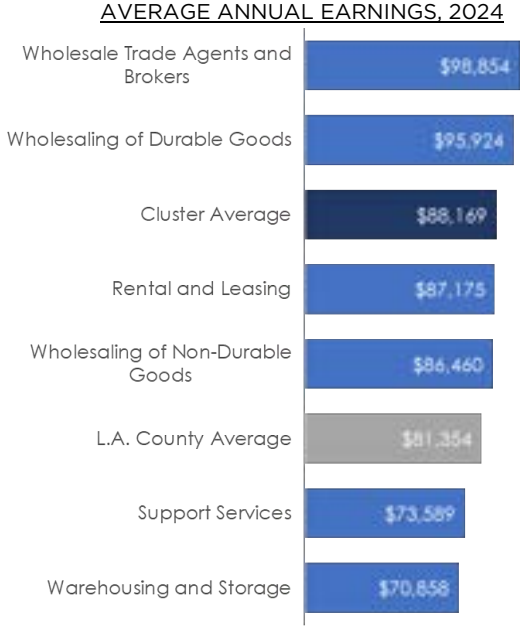
AVERAGE WAGE
$88,169

LOCATION QUOTIENT (LQ)
0.86

While this cluster is slightly less concentrated in L.A. County than the U.S. as a whole, some industries have much higher LQs, e.g., wholesaling of clothing & accessories (5.92).

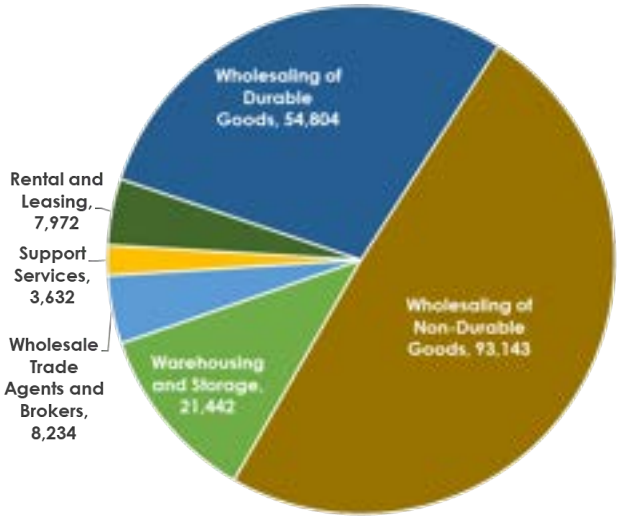
This cluster combines wholesaling, electronic shopping, warehousing, and more to create L.A. County's second largest single traded cluster.

AVERAGE ANNUAL EARNINGS, 2024

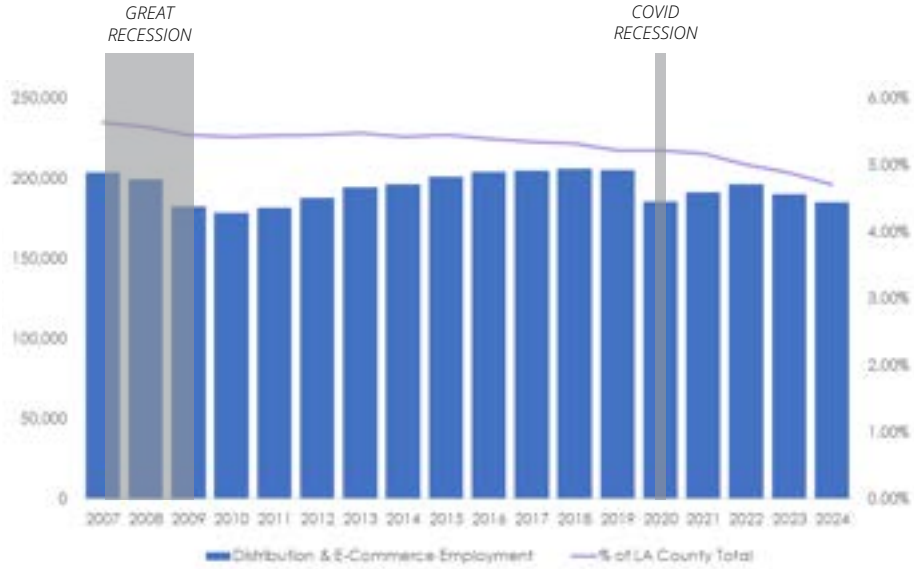


Average annual earnings in this cluster are about **8% higher than the county average**, with significant differences across industries. Pay ranges from around **$48,000 (Poultry & Poultry Product Wholesalers)** to around **$134,000 (Petroleum Bulk Stations & Terminals)**.

Distribution & ECommerce employs more than **185,000 people** across **60 industries in 26 subclusters**. **Wholesaling of Durable and Non-Durable goods** accounted for over **140,000 jobs**, or almost **80% of employment**, in **2024**.



After steady gains through **2022**, this cluster declined in **2023** and **2024** but remained the **largest in the Trade Group**, providing about **4.7%** of **L.A. County private employment** in **2024**.



Distribution & ECommerce is L.A. County's second largest traded cluster, employing over 185,000 people in 2024 and providing about 4.7% of private sector jobs. After rebounding to a post-pandemic peak of about 196,000 jobs in 2022, the cluster shed more than 11,000 jobs by 2024, a decline of 5.7% that reflects broader economic pressures on trade and logistics. With nearly 80% of its jobs in durable and non-durable goods wholesaling, the cluster continues to anchor regional logistics and supply chain activity, with wages ranging widely between high-value segments like electronic goods and lower-paying food wholesalers.

AT-A-GLANCE 2024

TRANSPORTATION & LOGISTICS

NUMBER OF EMPLOYEES
82,572

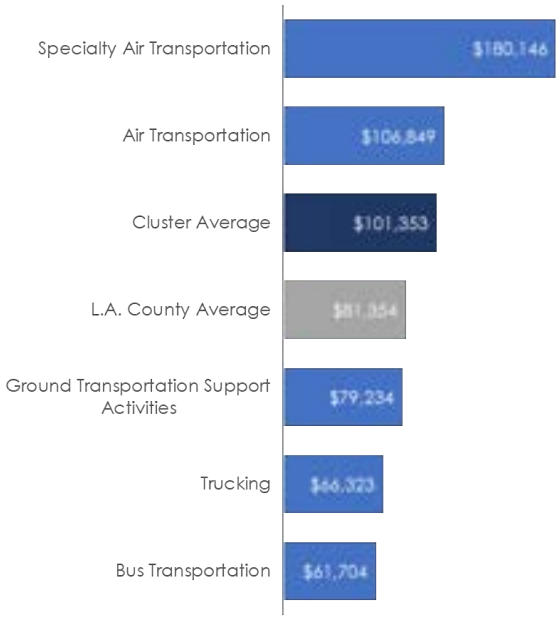
AVERAGE WAGE
$101,353

LOCATION QUOTIENT (LQ)
1.45

This cluster is more concentrated in L.A. County than in the nation as a whole. High LQs include non-chartered freight air transport (5.49) and other air transportation (2.88).

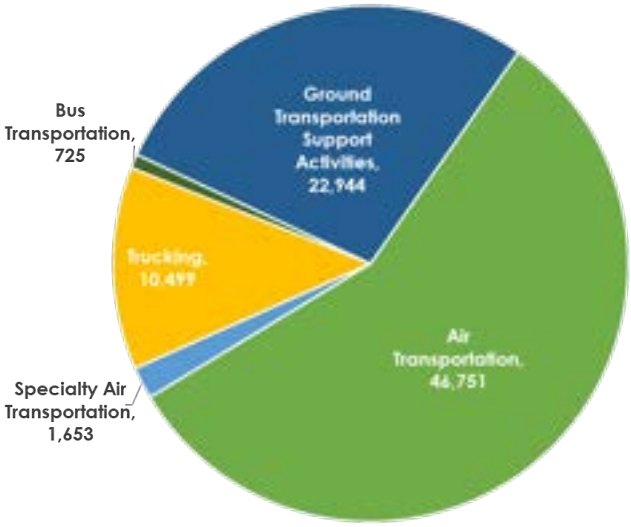
Transportation & Logistics includes activities supporting air and ground (e.g., truck, bus, and rail) transportation for both passengers and freight.

AVERAGE ANNUAL EARNINGS, 2024

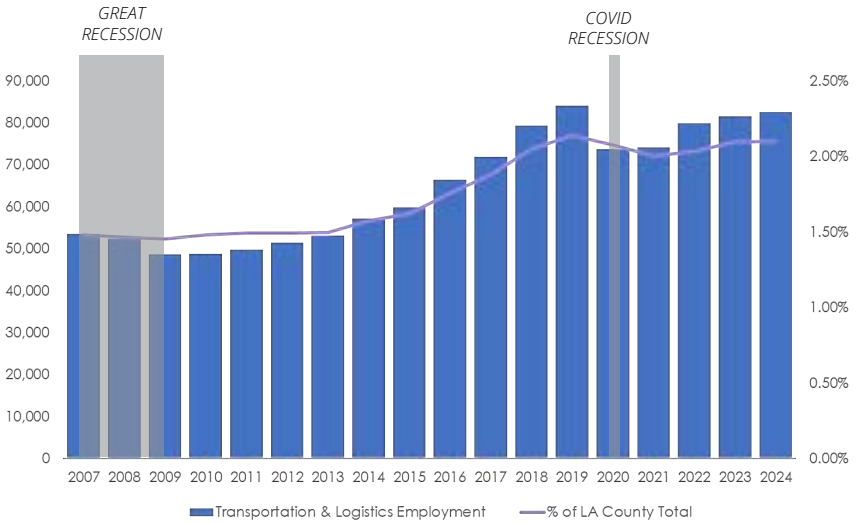


Average annual earnings in this cluster area about **25% higher than the county average**, driven largely by **air transportation**. The highest-paying industry is **Other Non-Scheduled Air Transport** at **$361,349**, while most **freight, trucking, and urban transportation jobs** fall below both the **cluster** and **county averages**.

Transportation & Logistics employs more than **82,000 people** across **18 industries** in **5 subclusters**. **Air Transportation and related support activities** accounted for **46,751 jobs**, or **57%** of employment, in 2024, followed by **Ground Transportation Support Activities** with **22,944 jobs**, or **28%**.



After steep losses in **2020**, this cluster has steadily regained jobs, growing about **12% between 2020 and 2024**. While still just below its **2019 peak**, it employed more than **82,000 people** in **2024**, representing about **2.1% of L.A. County private employment**.



Transportation & Logistics is a high-wage, export-oriented cluster that remains essential to L.A. County's infrastructure, particularly through air transportation and support services, which together make up nearly 60% of employment. After losing more than 10,000 jobs in 2020, the cluster has rebounded, regaining nearly 8,900 jobs to reach over 82,500 in 2024. With average annual earnings of $101,353 and a location quotient of 1.45, the cluster is more concentrated locally than nationally—underscoring its strategic role in both goods and passenger movement.

AT-A-GLANCE 2024

WATER TRANSPORTATION

NUMBER OF EMPLOYEES
16,948

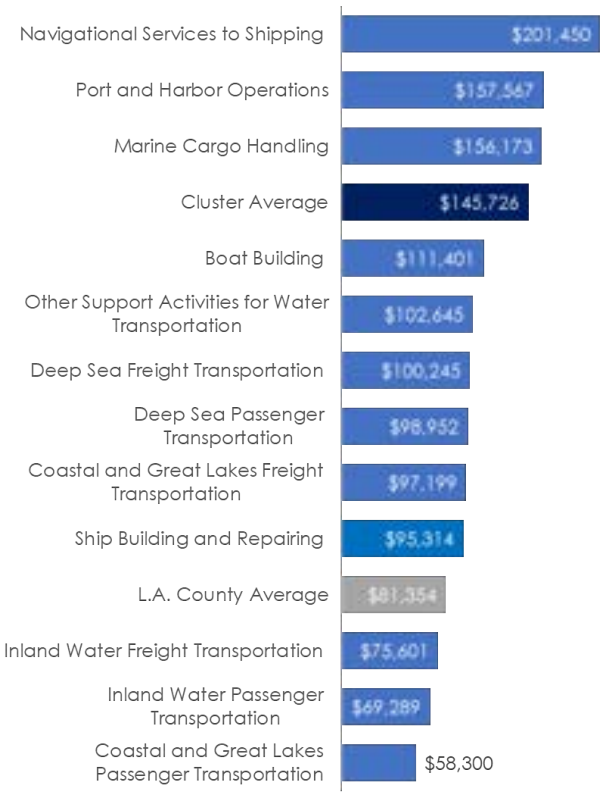
AVERAGE WAGE
$145,726

LOCATION QUOTIENT (LQ)
1.79

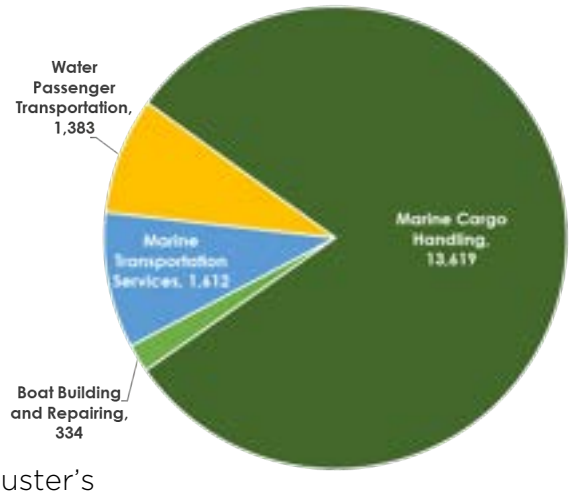
Water Transport is more concentrated in L.A. County than in the nation as a whole. The industry with the highest LQ here is Marine Cargo Handling (LQ=7.5).

This cluster includes deep sea passenger and freight transportation, ship & boat building, port operations, cargo handling, and more.

AVERAGE ANNUAL EARNINGS, 2024

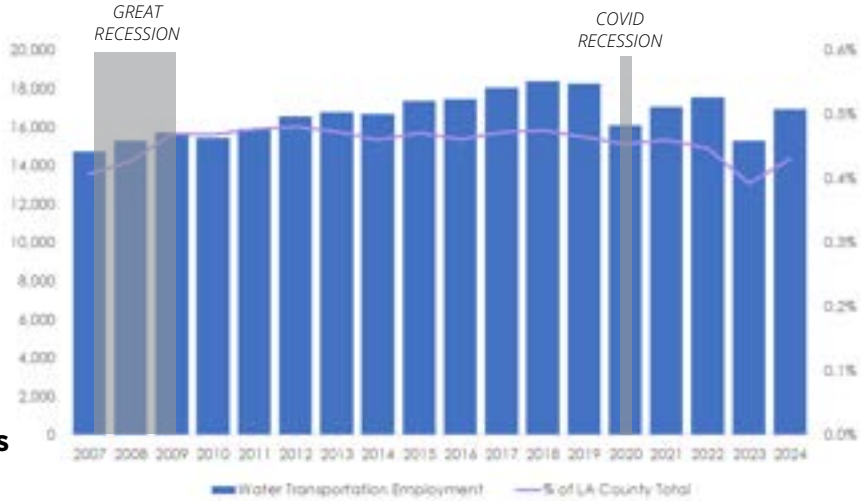


Average annual earnings in this cluster are about **80% higher** than the **county average**. **Marine Cargo Handling** and **Port & Harbor Operations** are among the **highest-paying industries**, while **passenger transport jobs** tend to pay closer to or **below countywide levels**.



Marine Cargo Handling dominates the cluster's workforce, employing **more than 13,600 people** and accounting for **over 80%** of all jobs in **Water Transportation**.

Though one of the smaller clusters in this report, accounting for about **0.45% of private sector employment** in **L.A. County**, **Water Transportation** has grown by **2,200 jobs**, **nearly 15%**, since **2007**, supported by thousands of **high-paying positions** in key industries.



Water Transportation, though one of the smaller traded clusters in L.A. County, remains strategically tied to the Ports of Los Angeles and Long Beach. Employment fell by more than 2,200 jobs in 2023 but gained back about 1,600 in 2024, ending with nearly 17,000 jobs, slightly below 2022 levels. Marine Cargo Handling continues to dominate, providing more than 80 percent of the workforce. While the cluster accounts for just 0.45 percent of private sector jobs, average annual wages of about $146,000 are nearly 80 percent above the county average, reinforcing its importance in global trade and the regional economy.

AT-A-GLANCE 2024

BUSINESS SERVICES

NUMBER OF EMPLOYEES
230,765

AVERAGE WAGE
$138,896

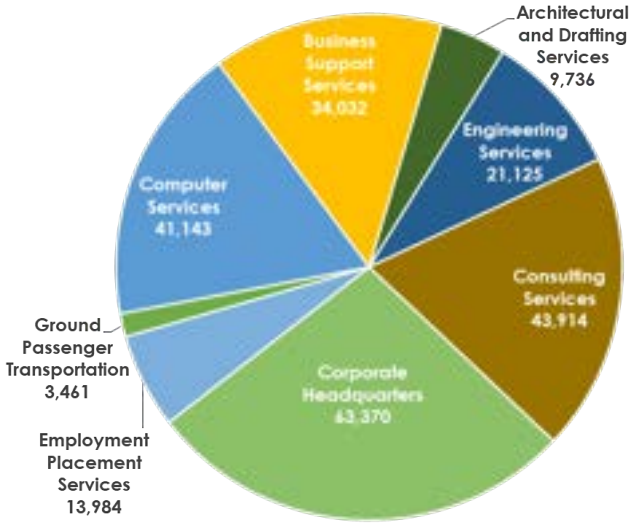
LOCATION QUOTIENT (LQ)
0.74

This cluster is less concentrated in L.A. County than nationally. Industries with the highest LQs are Employment Placement Agencies (1.84) and Payroll Services (1.99).

Business Services is the largest Traded industry cluster in L.A. County, employing 230,765 people in L.A. County in 2024.

AVERAGE ANNUAL EARNINGS, 2024

Business Services pay nearly **$139,000** on average, about **70% higher than the county average**. **Computer Services** lead with about **$183,000**, followed by **Corporate Headquarters** at **$159,000**, while **Ground Passenger Transportation** is the only segment below county levels.



This cluster includes more than **30 industries** with diverse functions. Most employment is concentrated in **Corporate Headquarters**, **Consulting Services**, **Computer Services**, and **Business Support Services**.

The **Business Services** cluster accounted for about **6% of private sector jobs** in L.A. County in **2024**. After losing more than **19,000 jobs** in **2020**, the cluster rebounded, adding over **14,000 positions** between **2020** and **2024**.

Business Services is L.A. County's largest traded cluster, employing over 230,000 people in 2024 and providing 6% of all private sector jobs. It spans more than 30 industries, with major concentrations in corporate headquarters, consulting, and computer services. After steady gains through 2022, the cluster shed nearly 3,800 jobs in 2023 and another 2,000 in 2024. Despite these declines, average annual earnings remain about 70% higher than the county average, reinforcing its role as a high-wage, high-skill driver of the regional economy.

AT-A-GLANCE 2024

ENTERTAINMENT GROUP

NUMBER OF EMPLOYEES
149,148

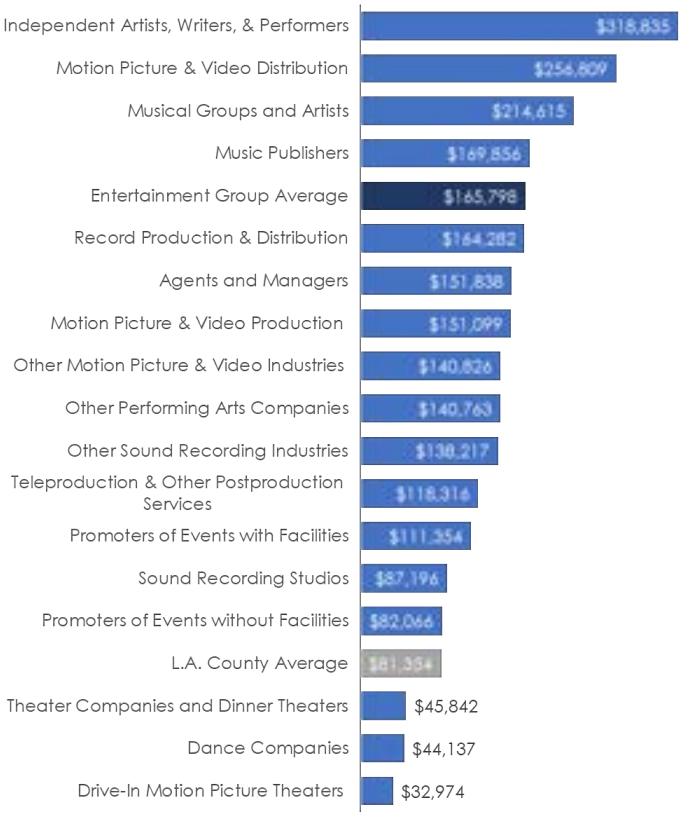
AVERAGE WAGE
$165,798

LOCATION QUOTIENT (LQ)
7.43

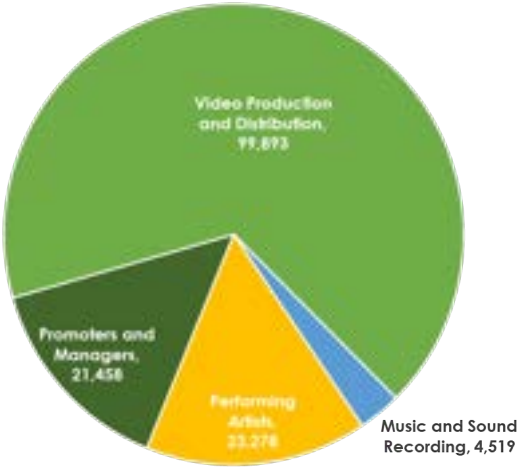
Predictably, the Entertainment Group is extremely strong in L.A. County, with an LQ of 7.43. Motion picture and video production & post-production are especially strong, with LQs over 14.

The Entertainment Group contains the Music & Sound Recording, Performing Arts, and Video Production & Distribution clusters.

AVERAGE ANNUAL EARNINGS, 2024

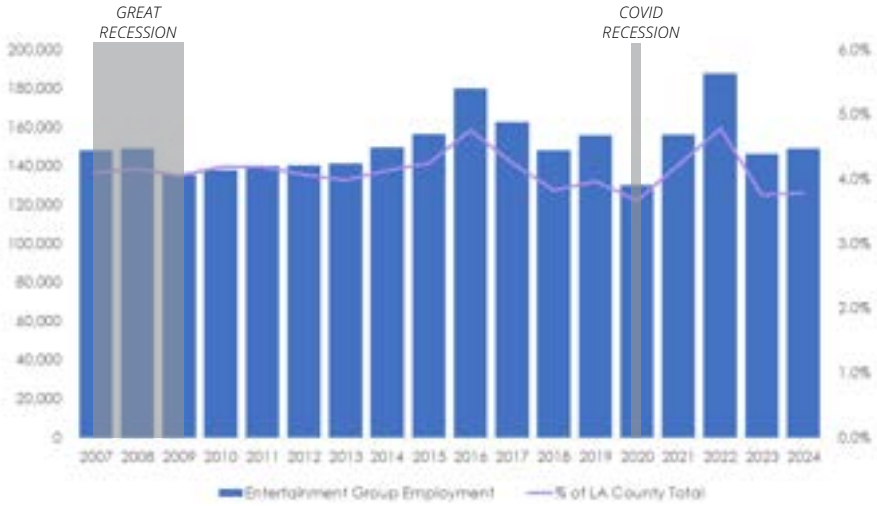


Earnings in this cluster are **104% higher than the county average**, led by high-paying jobs for **performing artists, writers, and musical groups**, as well as workers in **film production, postproduction, and media distribution**.



Video production and distribution makes up **about 67% of employment** in this cluster, with more than **89,600 jobs** in **motion picture and video production** alone.

The **Entertainment Group** rebounded strongly through **2022** but then **declined, losing 42,000 jobs**, or **22%** in **2023**. Employment **edged up slightly in 2024** with a gain of **3,000 jobs**, but overall the group remained **down 21%**, or **39,000 jobs**, **compared to 2022**.



The Entertainment Group is a cornerstone of L.A. County's identity and economy, anchored by its global leadership in film, television, music, and performing arts. The cluster endured sharp swings during the pandemic, losing 25,000 jobs in 2020 before rebounding with more than 66,000 jobs gained in 2021 and 2022. Since that peak, however, employment has retreated, dropping by over 41,000 jobs in 2023 (a decline of 22%) before stabilizing with a modest gain of nearly 3,000 jobs in 2024. Despite this volatility, the group continues to post average annual earnings above $165,000 and maintains a location quotient of 7.43, underscoring both its economic importance and its ongoing role in shaping the region's creative identity.

AT-A-GLANCE 2024

VIDEO PRODUCTION

NUMBER OF EMPLOYEES
99,893

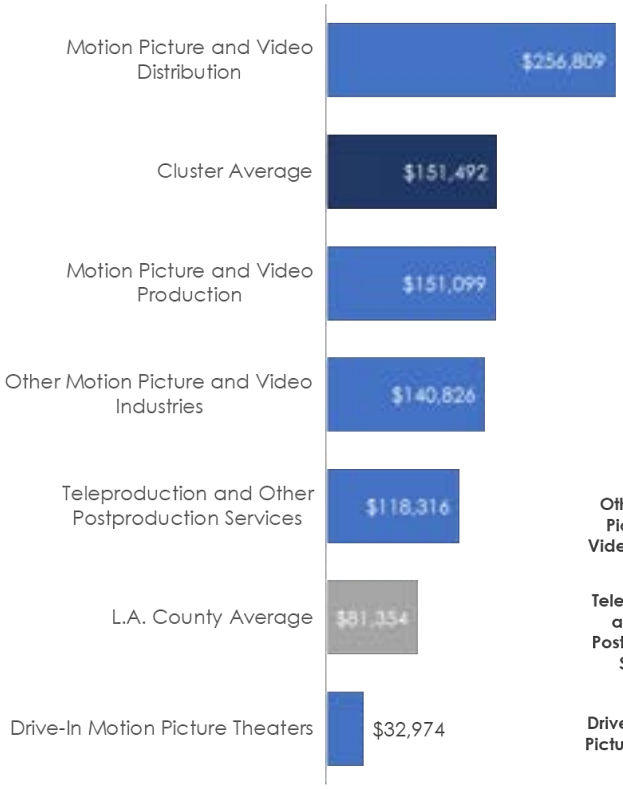
AVERAGE WAGE
$151,492

LOCATION QUOTIENT (LQ)
13.82

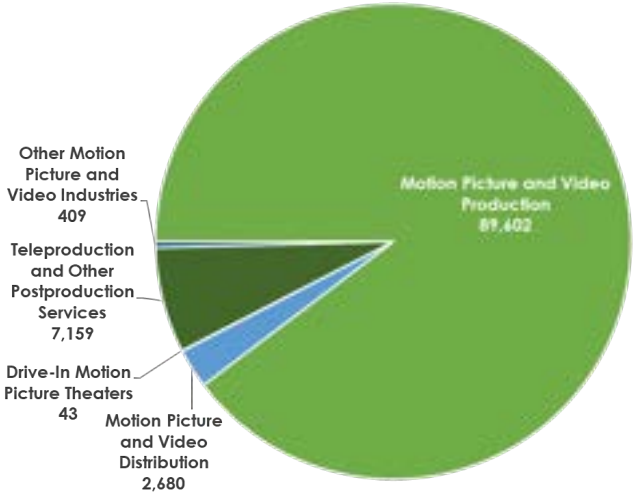
This cluster is highly concentrated in L.A. County versus the U.S. as a whole. Motion picture and video production and post-production have LQs over 14.

The Video Production & Distribution cluster leads the Entertainment Group in terms of both employment and LQ, employing close to 100,000 in 2024.

AVERAGE ANNUAL EARNINGS, 2024

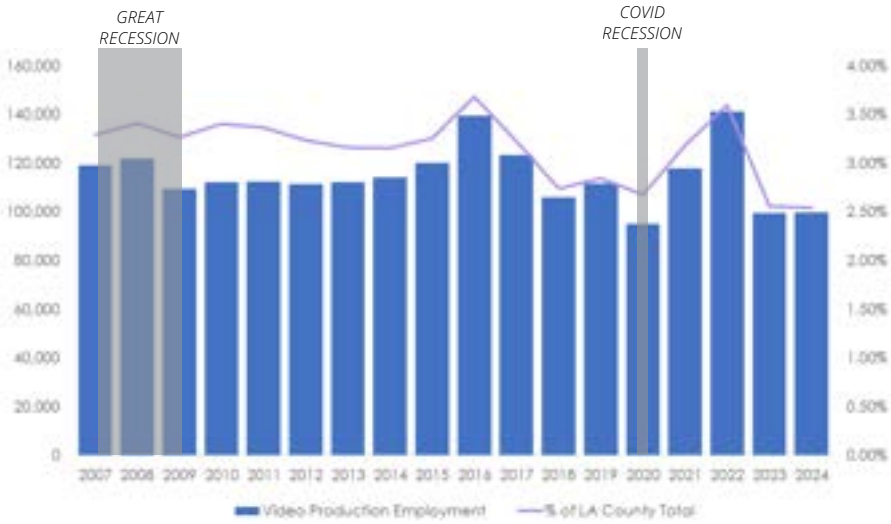


Average annual earnings in this cluster are **86% higher than the county average**, led by **Motion Picture and Video Distribution ($257K)** and **Production ($151K)**. By contrast, jobs in **drive-in theaters pay just $33K**, reflecting the wide wage disparities across the cluster.



The **Motion Picture and Video Production industry** accounted for **nearly 90% of jobs** in this cluster in **2024**, with **postproduction** and **distribution services** adding **close to 10,000 more positions**.

After **rebounding by more than 52%** from **2020 to 2022**, **Motion Picture and Video Production** lost **over 40,000 jobs** in **2023**, about **32%**. Employment **stabilized in 2024**, inching up by **about 1,200 jobs** but **remaining well below 2022 levels**.



Video Production is the economic engine of L.A. County's Entertainment Group, underscoring the region's global role in film and media. With a location quotient of 13.82, the industry is highly concentrated, fueled by major studios, production houses, and postproduction services. Average annual wages of $151,000 are nearly double the county average, though earnings vary widely across subindustries. After a strong rebound through 2022, employment fell by more than 40,000 jobs in 2023, about 32% and showed little change in 2024. Despite these swings, the sector remains central to L.A.'s identity as the hub of global content creation.

AT-A-GLANCE 2024

PERFORMING ARTS

NUMBER OF EMPLOYEES
44,736

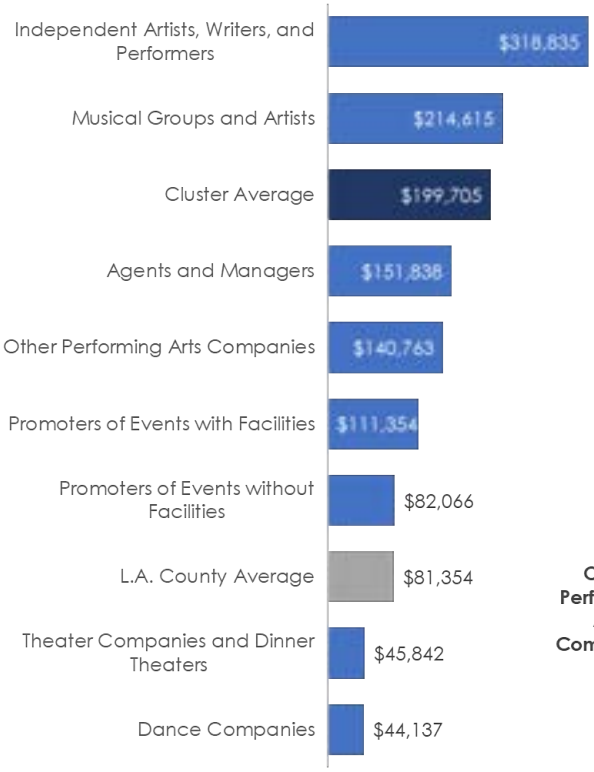
AVERAGE WAGE
$199,705

LOCATION QUOTIENT (LQ)
3.66

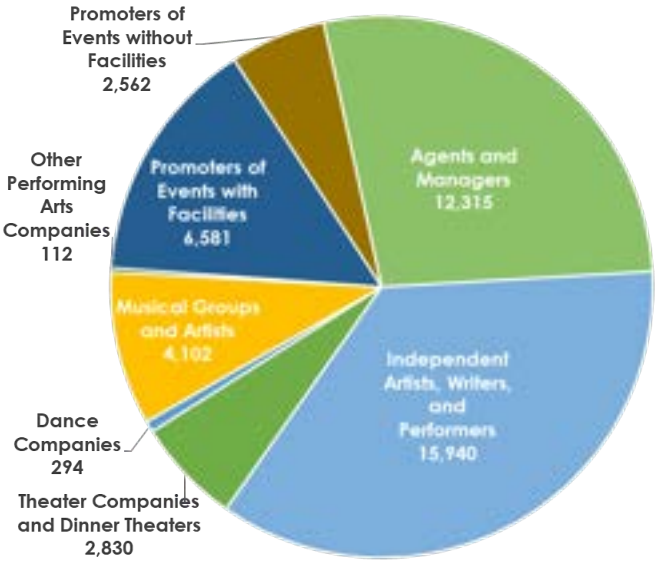
A home of artists and creators, L.A. County's strength in performing arts is demonstrated by its 3.66 LQ. Agents and managers are very concentrated here, with an LQ of 13.75.

The Performing Arts cluster includes performing arts companies, musical groups, agents, promoters, and independent writers, artists, and performers.

AVERAGE ANNUAL EARNINGS, 2024

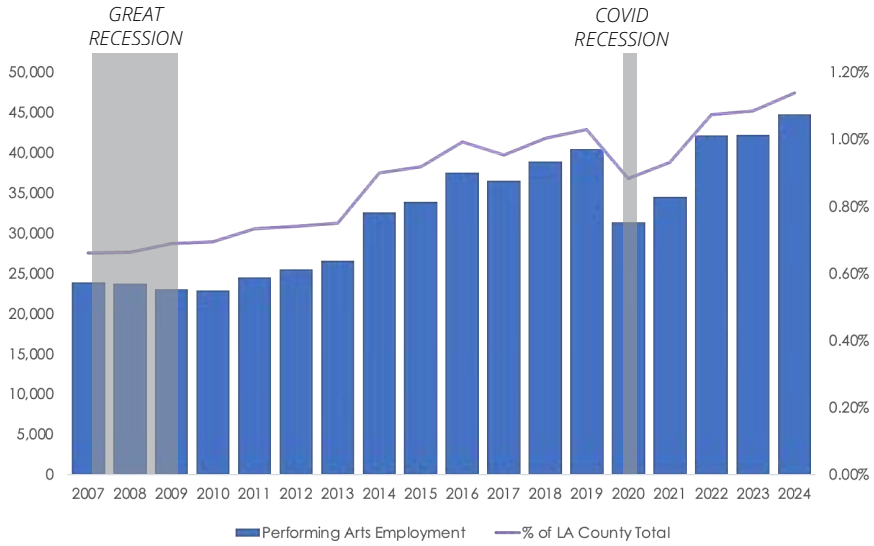


Average annual earnings in the **Performing Arts cluster** are about **2.5 times higher** than the **county average**. **Independent Artists, Writers, and Performers** earn the most at **nearly $319,000 per year**. At the other end, **theater and dance companies** average **less than $46,000**, highlighting the **wide income disparities** across the cluster.



Jobs in this cluster are almost evenly split, with about **23,300 in artists and performers (52%)** and **21,500 in agents, managers, and promoters (48%)**.

Performing Arts rebounded quickly after the pandemic, with employment surpassing **42,000** by **2022**. Since then, growth has continued, adding more than **2,600 jobs** through **2023 and 2024** to reach over **44,700 positions**.



The Performing Arts cluster lost over 9,100 jobs in 2020, a 22.6% decline as venues shuttered during the pandemic. After an initial rebound in 2021 and 2022, growth has slowed, with only 127 jobs added in 2023 and 2,517 in 2024. Overall, the cluster has gained more than 13,400 jobs since its 2020 low, surpassing pre-pandemic employment. Its concentration also remains strong, with a location quotient of 3.66 in 2024, highlighting the continued regional importance of Performing Arts despite recent slower growth.

AT-A-GLANCE 2024

MUSIC & SOUND RECORDING

NUMBER OF EMPLOYEES
4,519

AVERAGE WAGE
$146,352

LOCATION QUOTIENT (LQ)
7.36

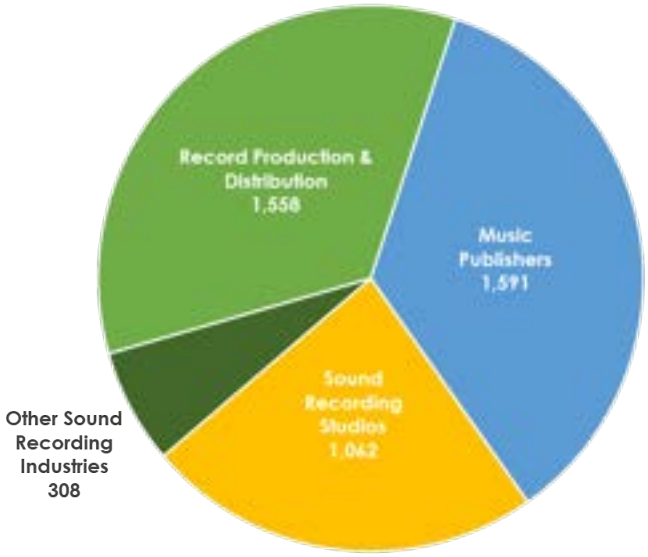
This cluster is very concentrated in LA County, and continues to strengthen here relative to the nation. With an LQ of 9.33, Music Publishers is the strongest industry.

An essential component of LA County entertainment, this cluster has a high concentration in the county relative to the rest of the U.S.

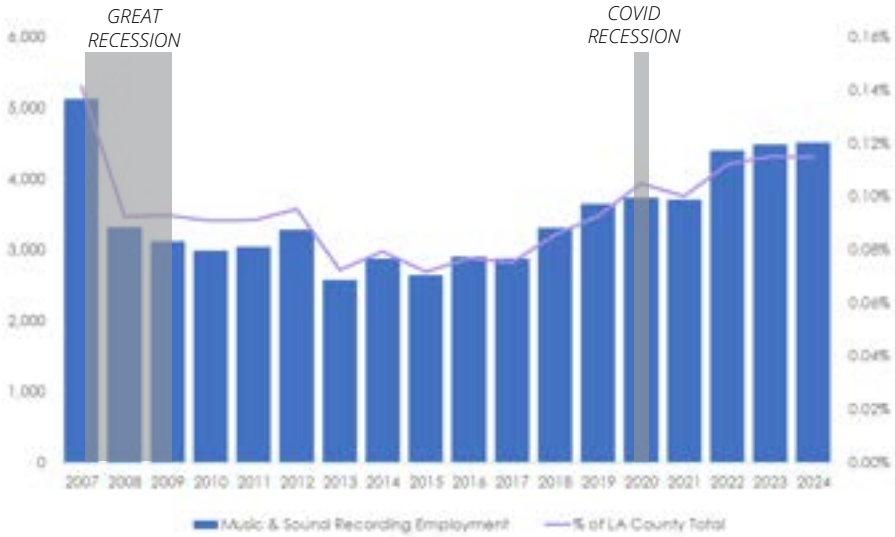
AVERAGE ANNUAL EARNINGS, 2024

Cluster **average annual earnings** are about **80% higher** the **county average**. **Music Publishers** lead the group with the highest wages at about **$170,000**. **Other Sound Recording Industries** and **Sound Recording Studios** pay below the **cluster average**, though both remain above the **county average**.

Record Production & Distribution (34%), **Music Publishers (35%)**, and **Sound Recording Studios (23%)** together account for about **93% of jobs** in the **Music and Sound Recording cluster**, leaving only a small share in other subindustries.



Employment held steady between **2,600 and 3,300 jobs** for years before beginning to grow in **2018**. A **major jump in 2022** added **nearly 700 jobs**, followed by modest gains in **2023 and 2024**, bringing employment above **4,500**, up **2.6% since 2022**.



Music & Sound Recording is a highly concentrated part of L.A. County's entertainment economy, with a location quotient of 7.36, led by music publishers (LQ 9.33). Although relatively small at 4,519 jobs, the cluster offers high wages averaging $146,000, nearly double the county average. Record production, publishing, and studios account for 93% of jobs. After years of stagnant employment, the sector has grown steadily since 2018, adding 115 jobs from 2022 to 2024, reflecting L.A.'s global leadership in music and the expansion of streaming-driven demand.

AT-A-GLANCE 2024

EDUCATION & KNOWLEDGE CREATION

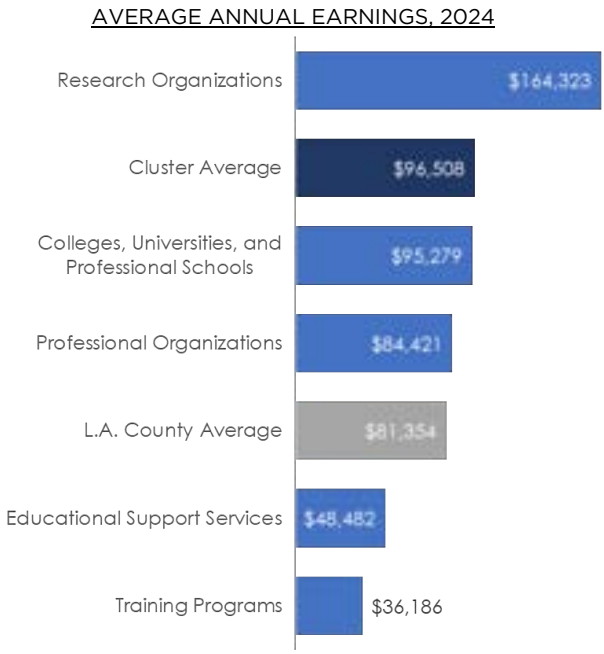
NUMBER OF EMPLOYEES
103,965

AVERAGE WAGE
$96,508

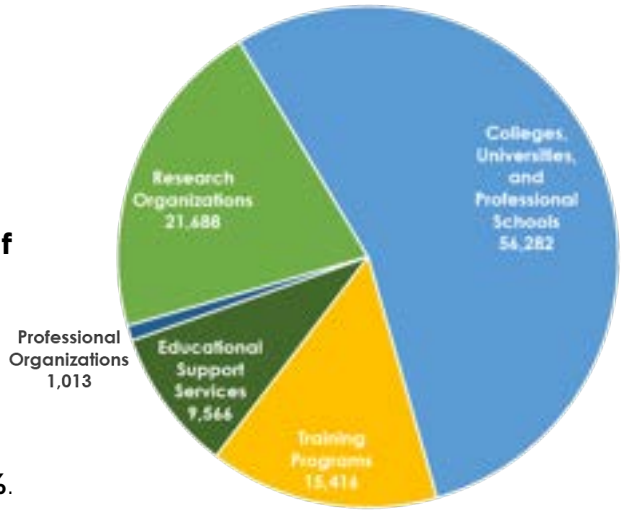
LOCATION QUOTIENT (LQ)
1.22

The LQ for this cluster is comparatively steady with some fluctuation, certain industry concentration have increased since 2019- including Colleges & Universities, Apprenticeship Training, and Nanotech R&D.

This cluster includes privately-owned businesses and educational programs, from apprenticeship programs to universities and research institutions.

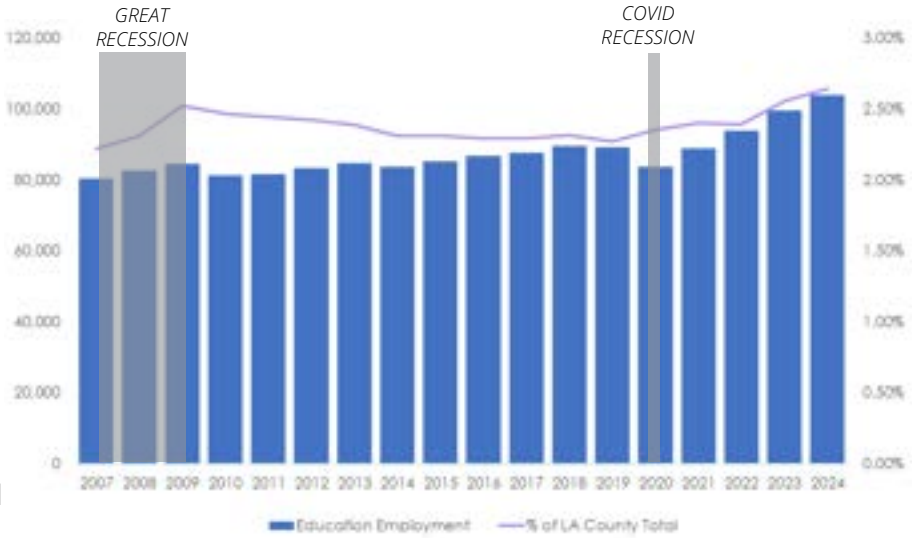


Average annual earnings in this cluster are **just over $96,500**, nearly **19% higher** than the **county average**. **Research Organizations** lead with the highest pay at **$164,323**, more than **double the county average**. In contrast, industries such as **Training Programs** and **Educational Support Services** fall well below both the cluster and county averages.



Colleges, Universities, and Professional Schools provide **54% of jobs** in the cluster. **Research Organizations** account for **21%**, while **Training Programs** employ **15%**. **Educational Support Services** and **Professional Organizations** together make up the remaining **10%**.

This cluster has experienced **steady growth since 2007**. After modest job losses in **2020**, it expanded by **4.9% in 2023 (4,600 jobs)** and **5.4% in 2024 (5,400 jobs)**. Employment surpassed **100,000 jobs in 2024**, the highest level recorded since 2007.



Education & Knowledge Creation is a steadily expanding cluster in L.A. County, employing more than 103,000 people in 2024. The cluster grew by 4.9% in 2023 and 5.4% in 2024, reaching its highest level on record. Over half of all jobs are in colleges and universities, while research organizations account for a significant share and drive average annual earnings about 19% above the county average. Although training programs and support services offer lower pay, the cluster plays a vital role in developing talent and advancing innovation, supported by the region's strong higher education and R&D base.

AT-A-GLANCE 2024

HOSPITALITY & TOURISM

NUMBER OF EMPLOYEES
82,880

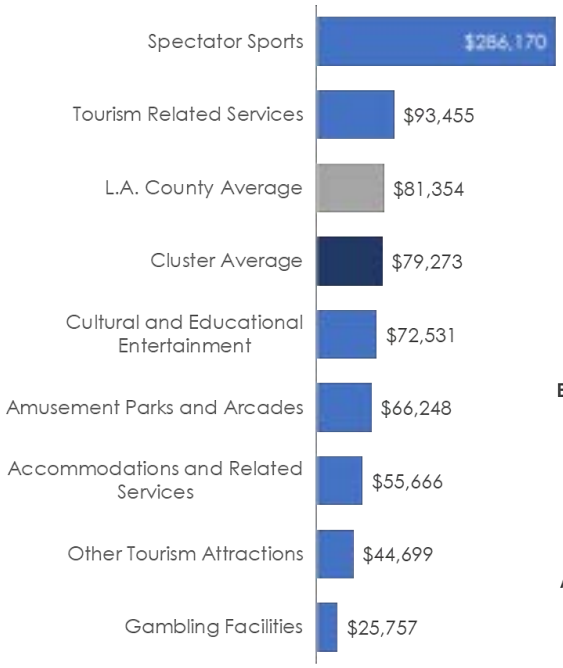
AVERAGE WAGE
$79,273

LOCATION QUOTIENT (LQ)
0.86

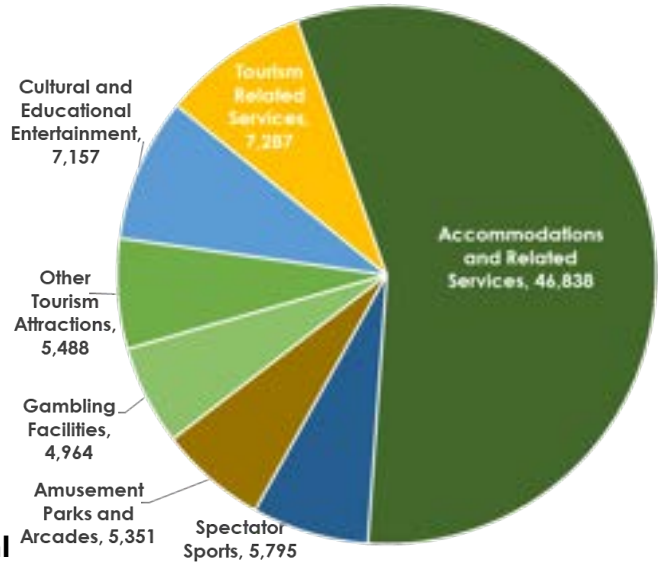
This cluster is slightly less concentrated in L.A. County than in the U.S. as a whole, although the Art Dealers industries are at 2.13

Comprising a variety of industries, this cluster attracts tourists from around the globe, but is still suffering the impacts of the COVID-19 pandemic.

AVERAGE ANNUAL EARNINGS, 2024

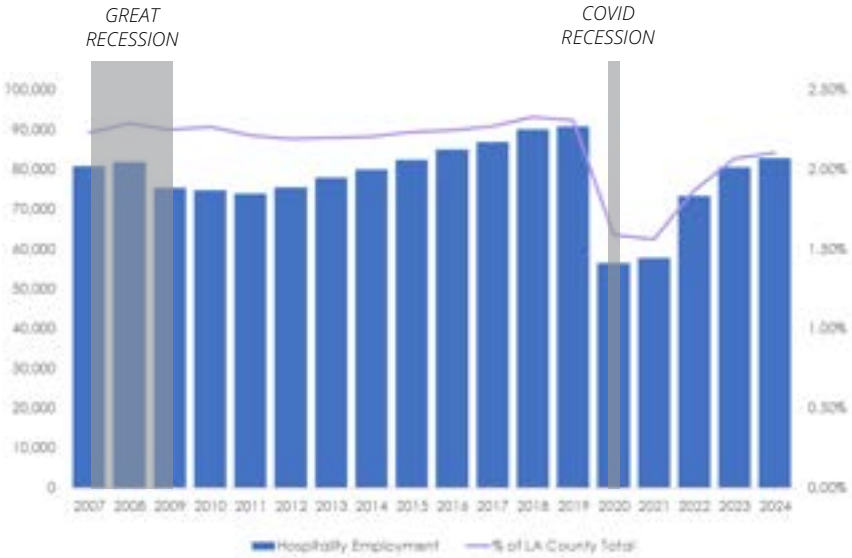


Average annual earnings in **Spectator Sports** are very high, but most industries in this cluster fall **below the L.A. County average**. Overall, the cluster average is about **$2,000 less than the county average**.



Accommodations and Related Services provide **57% of jobs** in the cluster. **Cultural and Educational Entertainment**, **Tourism Services**, **Amusement Parks, and Other Attractions** together account for about **36% of employment**. **Spectator Sports** make up **7% of jobs** in the cluster.

The COVID-19 pandemic had the **biggest impact** on this cluster of any in the report, with over **34,000 jobs lost (almost 38%)** from **2019**. From **2021 through 2024**, the cluster regained more than **25,000 jobs**, but employment remains **8% below 2019 levels**.



The COVID-19 pandemic caused the steepest decline in this cluster, with employment dropping by 37% from 2019 to 2020. Recovery began in 2021 and accelerated in 2022, when the cluster added nearly 15,600 jobs, a 27% increase. Growth continued in 2023 with 7,207 more jobs (9%) and again in 2024 with 2,289 jobs (3%), pushing total employment back above 80,000. Despite these gains, employment remains about 8% below 2019 levels, reflecting both the cluster's vulnerability during downturns and its resilience in the county's recovery.

AT-A-GLANCE 2024

MARKETING, DESIGN, & PUBLISHING

NUMBER OF EMPLOYEES
69,500

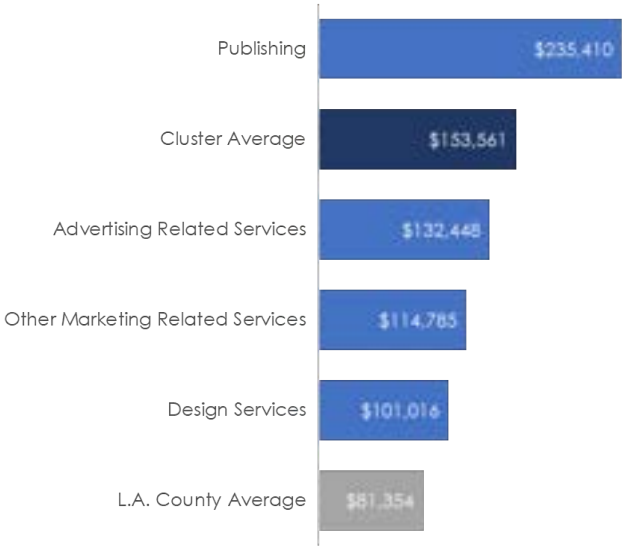
AVERAGE WAGE
$153,561

LOCATION QUOTIENT (LQ)
1.54

This cluster is another strength for L.A. County with an LQ of 1.54. The most concentrated industries in this cluster are Other Specialized Design Services (LQ=4.5) and Media Buying Agencies (LQ=3.4).

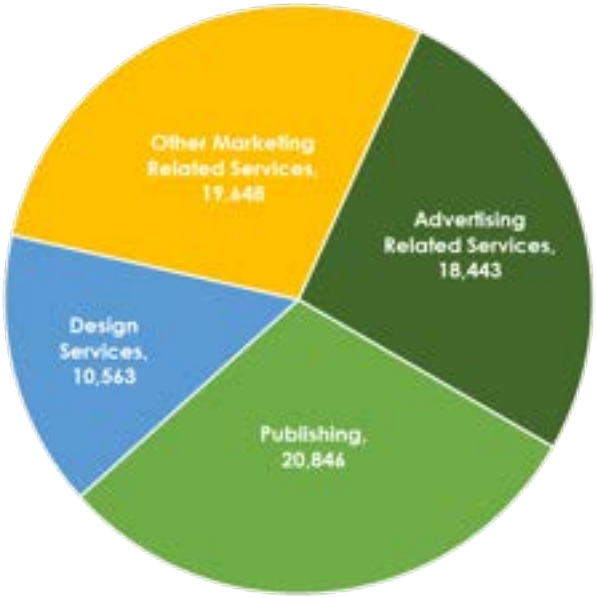
This cluster encompasses a wide range of industries, including traditional and online publishing, creative design services, marketing, and advertising.

AVERAGE ANNUAL EARNINGS, 2024

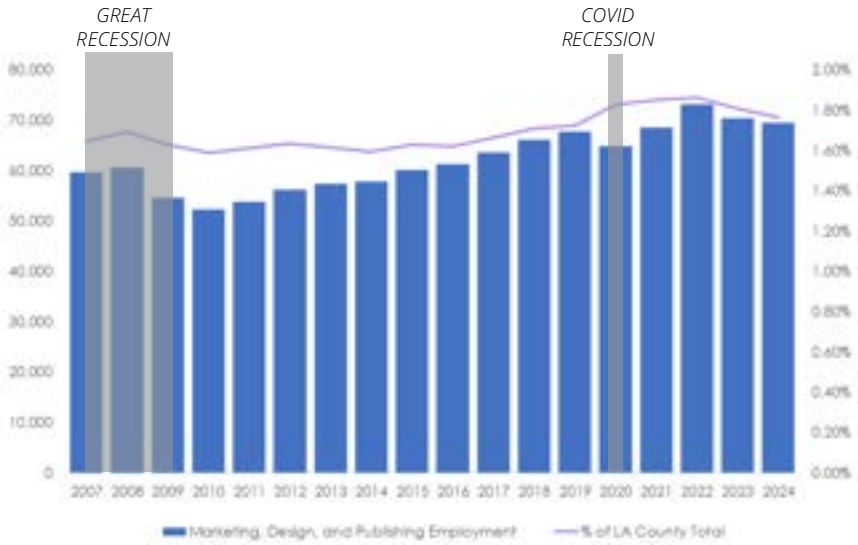


Average annual earnings in this cluster are **$153,561**, about **89% above** the county average. **Publishing** leads the way, with average wages exceeding **$235,000**, while **advertising, marketing, and design services** also pay well above the county norm.

Employment in this cluster is spread across **Publishing (30%)**, **Advertising (27%)**, **Marketing Services (28%)**, and **Design (15%)**. The largest employing industries within these subclusters are **news syndicates (14,487)**, **advertising agencies (14,781)**, and **marketing consulting services (10,631)**.



This cluster grew steadily from **2011 through 2019**, before losing jobs in **2020**. Employment rebounded strongly, adding **over 9,000 jobs by 2022** compared to **2020**, but then declined in **2023 and 2024**,, dropping by more than **dropping by more than 3,500 jobs** from the recent peak.



After peaking at over 73,200 jobs in 2022, the Marketing, Design & Publishing cluster declined to just over 70,500 in 2023 and 69,500 in 2024, a loss of about 3,700 jobs (5%) over two years. Even with this slowdown, 2024 employment remains above pre-pandemic levels, reflecting the cluster's long-term growth in online publishing, digital content production, and marketing services. The recent dip points to cooling demand after the strong rebound that followed the pandemic, but the cluster continues to be central to Los Angeles County's creative and media economy.

AT-A-GLANCE 2024

AEROSPACE VEHICLES & DEFENSE

NUMBER OF EMPLOYEES
58,731

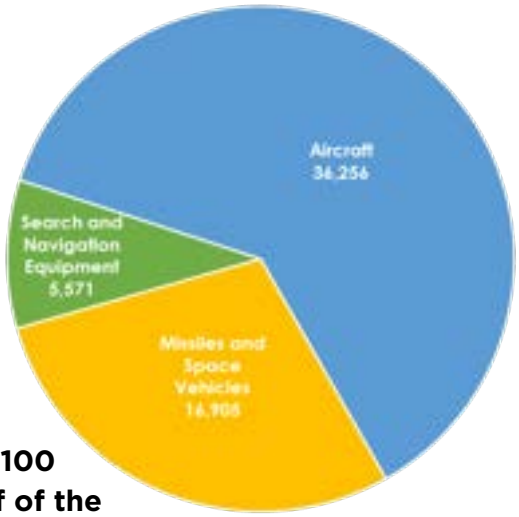
AVERAGE WAGE
$141,110

LOCATION QUOTIENT (LQ)
2.87

This cluster has a strong LQ of 2.87. The Guided Missile and Space Vehicle Manufacturing industry is especially concentrated, with an LQ of 6.12.

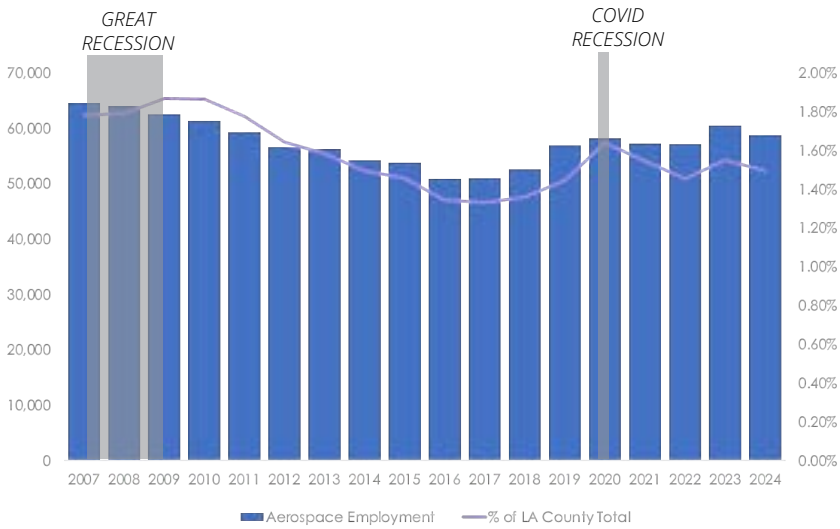
Home to the Jet Propulsion Laboratory and several defense contractor facilities, LA County's aerospace and defense cluster employs over 58,700.

The **aerospace cluster** has high average annual earnings in its **space, missile, aircraft, and propulsion** segments, attracting engineers from across the country. The **cluster average annual earnings** are almost **$60,000 higher**, about **73% above** the county average.



The **aircraft segment** has added more than **9,100 jobs** since **2022** and now represents **over half of the cluster's employment**. **Missiles and Space Vehicles Manufacturing** has also expanded, adding nearly **1,900 jobs** between **2022 and 2024**.

Although the **Aerospace cluster** has not returned to its 2007 employment level of nearly **64,500 jobs**, it has grown since bottoming out at just under **50,900** in **2016**. The cluster has since added nearly **7,900 jobs**, reaching **58,731 in 2024**.



Aerospace Vehicles & Defense is a high-wage, high-skill cluster in L.A. County, anchored by institutions like the Jet Propulsion Laboratory and major defense contractors. With an average wage over $141,000—about 73% above the county average—it attracts a highly specialized workforce. The cluster is especially concentrated in Guided Missile and Space Vehicle Manufacturing (LQ 6.12), reflecting the region's legacy in aerospace innovation. While employment declined after 2008, it has gradually rebounded, adding nearly 7,900 jobs from 2016 to 2024. The aircraft segment makes up more than half of total jobs and has posted the strongest recent growth, while missile and space systems continue to expand as well.

AT-A-GLANCE 2024

FINANCIAL SERVICES

NUMBER OF EMPLOYEES
41,823

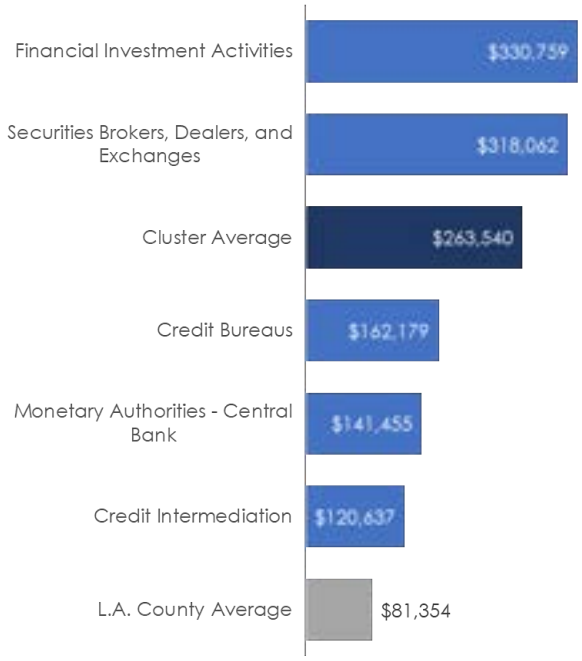
AVERAGE WAGE
$263,540

LOCATION QUOTIENT (LQ)
0.69

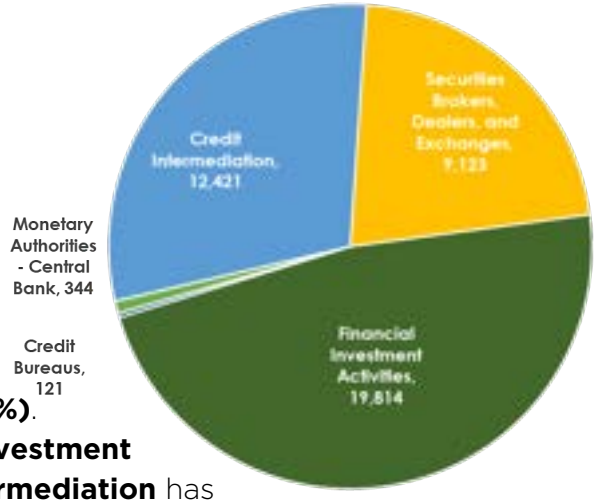
The Financial Services cluster is less concentrated here than the U.S. as a whole. The most concentrated industry, Other Financial Vehicles, has an LQ of 1.78(down from 2.14 in 2019).

This cluster includes over 30 industries, from financial investments to credit intermediation (e.g., sales financing, consumer lending).

AVERAGE ANNUAL EARNINGS, 2024

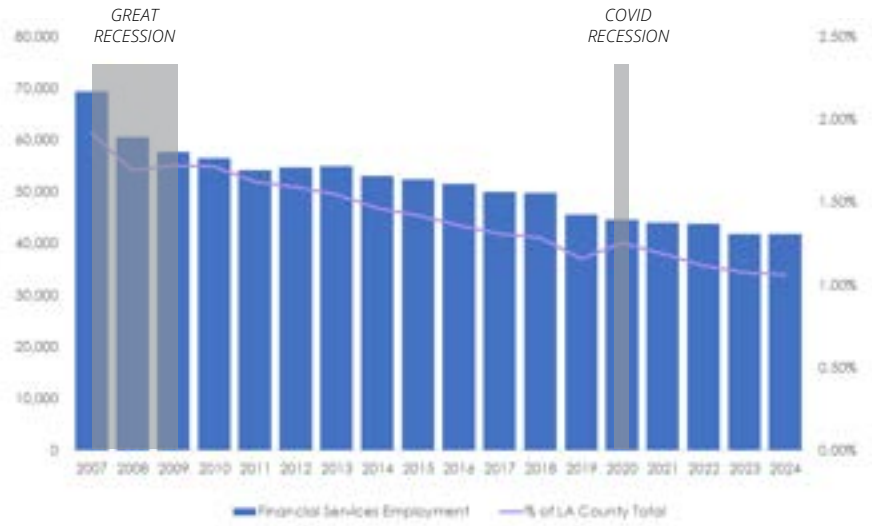


Financial Services is one of the highest-paying clusters in L.A. County, with **average annual earnings of $263,540**, more than **three times the county average**. Wages are led by **Financial Investment Activities** and **Securities Brokers, Dealers, and Exchanges**, far above **Credit Intermediation** and **Credit Bureaus**.



About **99% of jobs** in this cluster are concentrated in three subclusters: **Financial Investment Activities (47%)**, **Credit Intermediation (30%)**, and **Securities Brokers and Exchanges (22%)**. Employment has **grown in Financial Investment Activities** since **2019**, while **Credit Intermediation** has experienced ongoing declines.

Employment in this cluster has been on a **steady decline since 2013**. Job losses **eased in 2021 and 2022** but continued through **2023** and **2024**, leaving the cluster with **just 1.1% of the county's private sector workforce in 2024**, down from **over 2% in 2007**.



Financial Services is one of L.A. County's highest-paying clusters, with average annual earnings exceeding $263,000, more than three times the county average. The cluster is less concentrated locally than nationally, with a location quotient of 0.69. Nearly all jobs are in three subclusters: Financial Investment Activities, Credit Intermediation, and Securities Brokers and Exchanges. Jobs in investment activities have grown since 2019, but overall cluster employment has declined since 2013. By 2024, Financial Services accounted for just 1.1% of the county's private sector workforce, underscoring its relatively small but high-value role in the regional economy.

AT-A-GLANCE 2024

IT & ANALYTICAL INSTRUMENTS

NUMBER OF EMPLOYEES
33,298

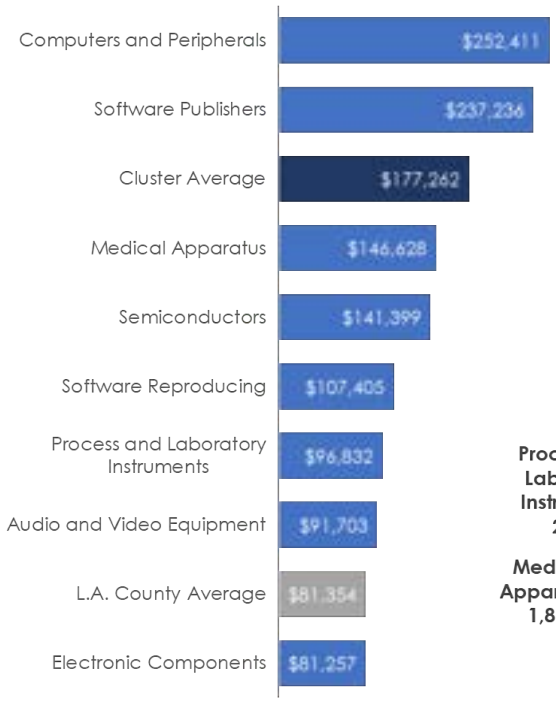
AVERAGE WAGE
$177,262

LOCATION QUOTIENT (LQ)
0.75

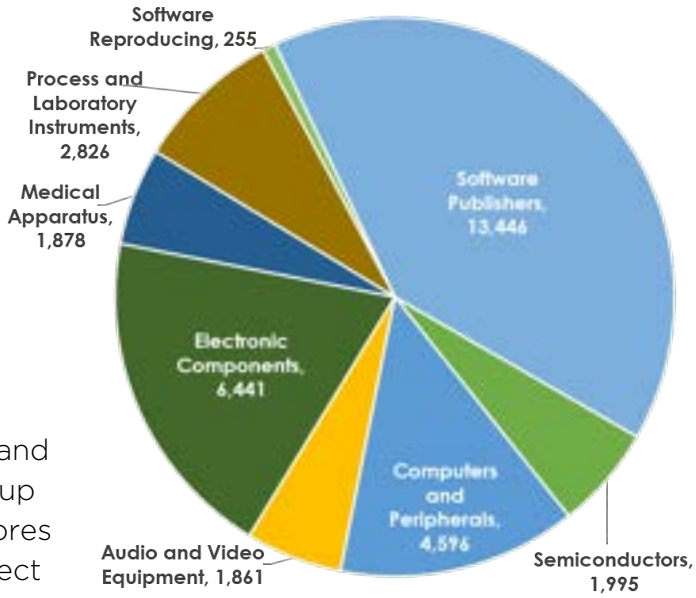
Even as it adds jobs, this cluster is still less concentrated in LA county than the nation as a whole. Electric Connector Manufacturing is most concentrated at 3.38, an increase from 2.68 in 2019.

IT & Analytical Instruments represents many industries—everything from high-tech hardware and component manufacturing to software publishing.

AVERAGE ANNUAL EARNINGS, 2024

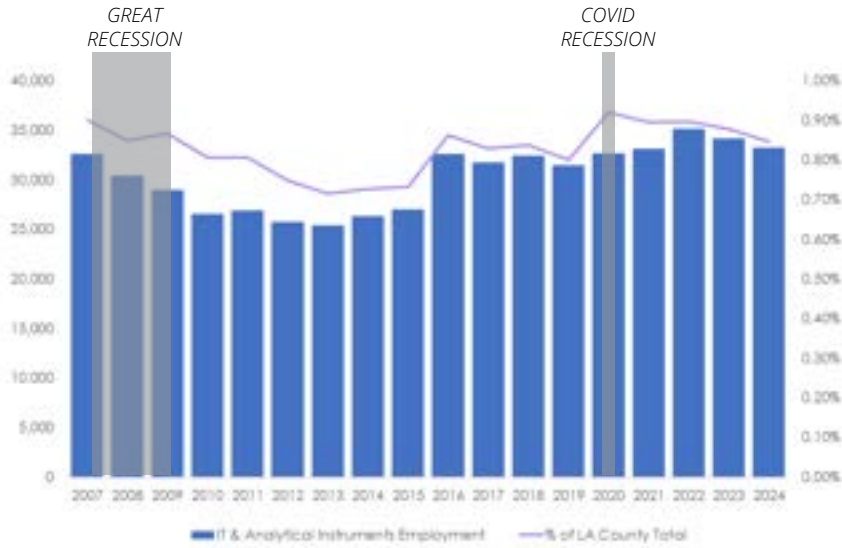


Average annual earnings are **a little over twice the county average**. Pay is led by **Computers & Peripherals (well over $250,000)** and **Software Publishing**, while several **Electronic Components** industries sit near the **$80,000–$90,000** range.



Software Publishing accounts for about **40% of cluster jobs**, with **Electronic Components/Devices** and **Computers & Peripherals** making up most of the rest. The mix underscores L.A.'s strength in **software** and select **hardware niches**.

After a sharp **employment jump in 2016**, the cluster leveled off. It edged up through **2019**, then dipped slightly, with **back-to-back declines in 2023 and 2024** (down around **5% from 2022**) and holding near **0.8% of county employment**.



IT & Analytical Instruments is a high-wage cluster in L.A. County, with average annual earnings over twice the county average, led by Computers & Peripherals and Software Publishing. The cluster is less concentrated locally than nationally (LQ 0.75) and accounts for just 0.8% of county employment. Software Publishing is the largest subcluster, making up 40% of jobs, and has expanded steadily since 2019. Employment jumped sharply in 2016, then leveled off, with modest declines in 2023 and 2024. The cluster highlights L.A.'s role as a growing but still relatively small hub for high-tech manufacturing and digital content infrastructure.

AT-A-GLANCE 2024

FASHION GROUP

NUMBER OF EMPLOYEES
28,668

AVERAGE WAGE
$62,222

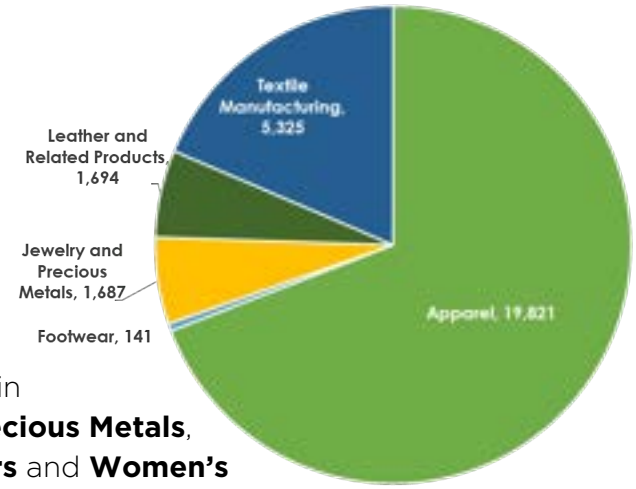
LOCATION QUOTIENT (LQ)
2.86

Fashion has historically had a large presence in L.A. County, but while it remains strong compared to the rest of the nation, the LQ has dropped from peak in 2013 (4.09)

A combination of apparel, leather, textile manufacturing, jewelry, and footwear, the Fashion Group is a staple of LA County.

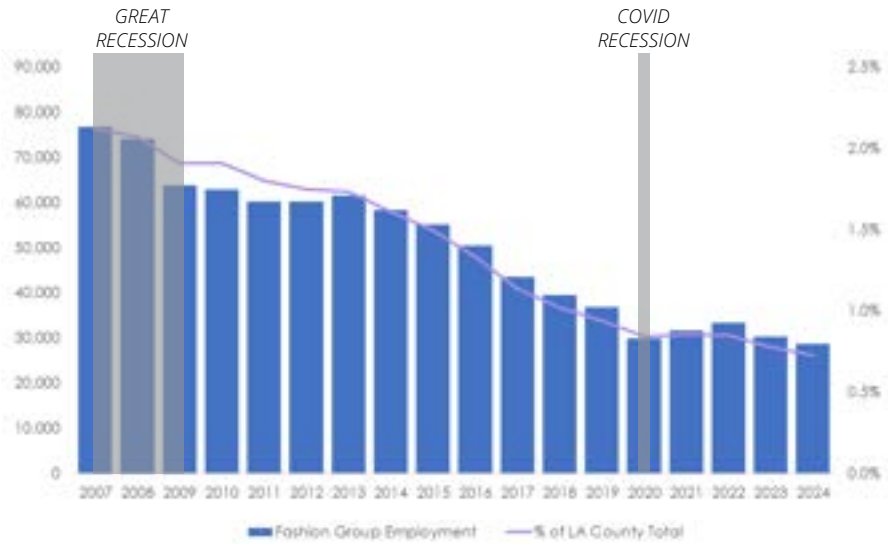
AVERAGE ANNUAL EARNINGS, 2024

Fashion is a moderately paying but highly concentrated cluster in L.A. County. **Average annual earnings are just over $62,000**, below the **countywide average**. The cluster is nearly **three times more concentrated locally than nationally (LQ 2.86)**, reflecting L.A.'s role as a hub for **apparel and textile production**.



Almost **70% of jobs** in the **Fashion Group** are in **Apparel**, with another **18% in Textiles**. Smaller shares are in **Leather Products**, **Jewelry and Precious Metals**, and **Footwear**. **Apparel Contractors** and **Women's Clothing** together make up **more than half of the cluster's employment**.

Employment in the **Fashion Group** has declined since **2007**, when it had over **76,000 workers**. After adding about **3,200 jobs** in **2021–2022**, employment fell in **2023 and 2024**. The cluster now employs about **28,700**, down nearly **4,700 jobs** since 2022.



The Fashion Group remains central to L.A. County's economic and cultural identity, long anchored by its apparel and textile base. With a location quotient of 2.86, it is still more concentrated locally than nationally, though well below past levels. Apparel accounts for nearly 70% of jobs in the cluster. After a brief recovery in 2021–2022, employment fell 14% between 2022 and 2024, bringing the workforce down to under 29,000. Average wages remain below the county average, reflecting the prevalence of lower-wage production roles. Even so, fashion continues to play a defining role in the region's economy and global reputation.

APPAREL

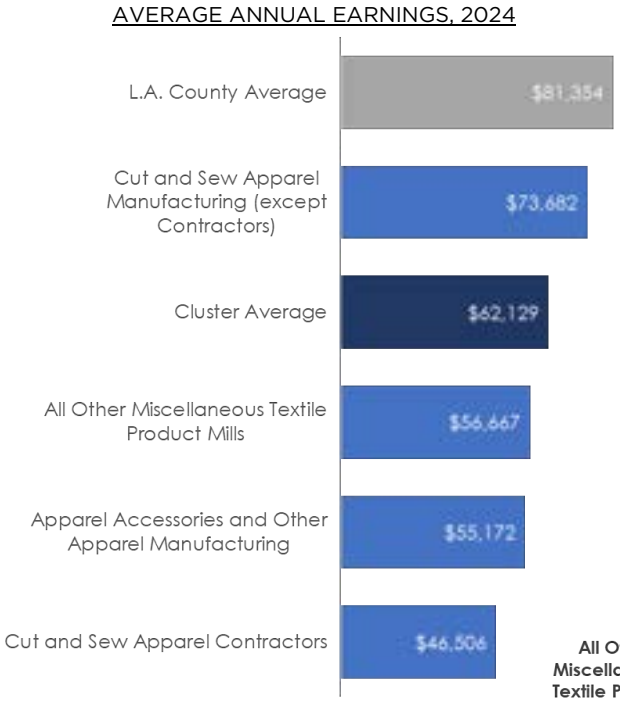
NUMBER OF EMPLOYEES
19,821

AVERAGE WAGE
$62,129

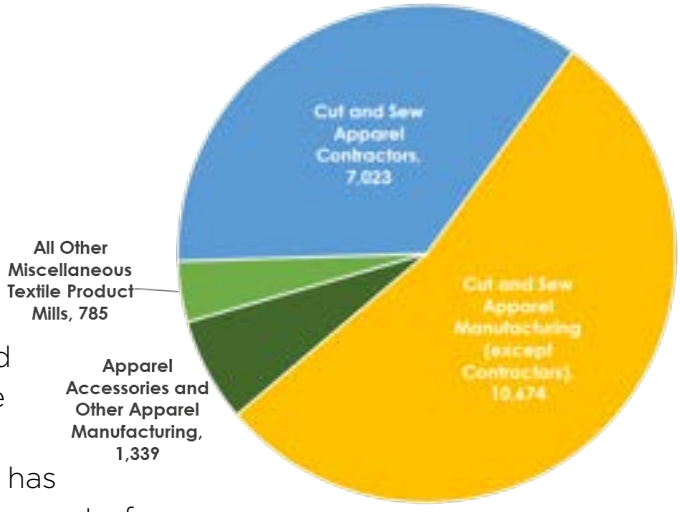
LOCATION QUOTIENT (LQ)
6.25

While Apparel's LQ is still high relative to the rest of the U.S. at 6.23, it is lower than it was in 2007 (8.16) and substantially lower than its multi-year peak of 9.22 in 2013.

An important LA County cluster in the early 2000s, Apparel has witnessed significant employment declines since 2007.

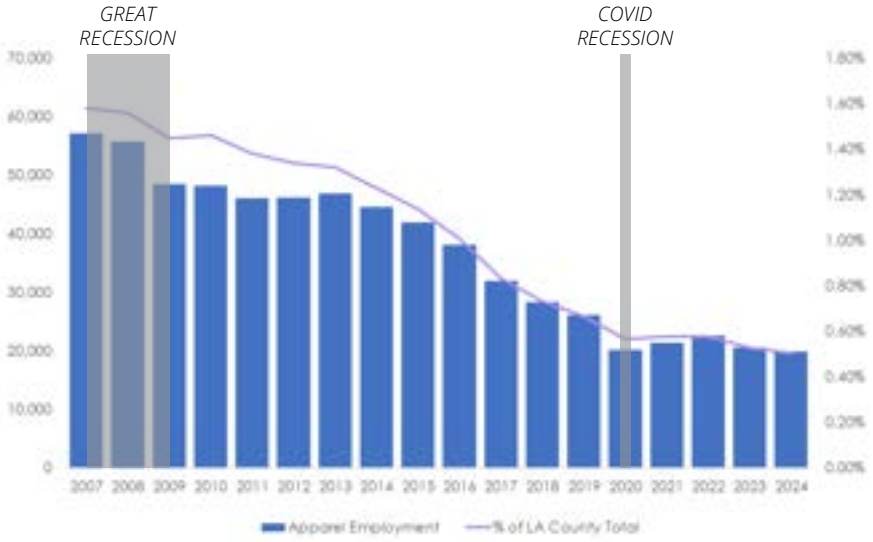


Average annual earnings in the **Apparel cluster** are about **$62,000**, nearly **$20,000 below** the county average. Wages have grown only **10% since 2020**, lagging countywide trends and reflecting the cluster's concentration of lower-wage production jobs.



Cut & Sew Apparel Contractors and related manufacturing dominate the cluster, providing nearly **90% of all jobs**. Employment in this subcluster has **fallen about 14% since 2022**, driving most of the overall decline.

The **Apparel cluster** has **lost more than half its jobs since 2007**. After a brief recovery in **2021–2022**, employment **declined by 12% from 2022 to 2024**, reinforcing the cluster's long-term downward trend.



Once a dominant force in L.A. County's economy, the Apparel cluster has seen steep long-term decline, with employment falling from more than 57,000 in 2007 to under 20,000 in 2024. After a brief rebound in 2022, jobs fell 9% in 2023 and another 4% in 2024. Cut and Sew Apparel Manufacturing and Contractors account for nearly 90% of jobs. The cluster remains highly concentrated locally (LQ 6.25), though far below its 2013 peak of 9.22. Average annual earnings are about $62,000, nearly $20,000 below the county average, underscoring the low-wage nature of most apparel jobs despite the industry's historical and cultural significance in L.A.

AT-A-GLANCE 2024

TEXTILE MANUFACTURING

NUMBER OF EMPLOYEES
5,325

AVERAGE WAGE
$63,051

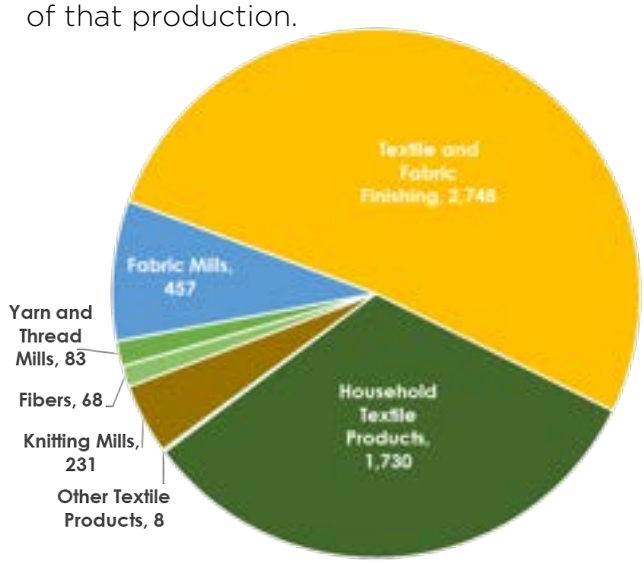
LOCATION QUOTIENT (LQ)
1.12

Textile Manufacturing has a concentration in L.A. County just above the national average. It has dropped from a high of 1.47 in 2013 to 1.12 in 2024.

Textile Manufacturing consists of over 30 industries, including yarn, thread, fabric, and knitting mills; textile & fabric finishing; fibers; and more.

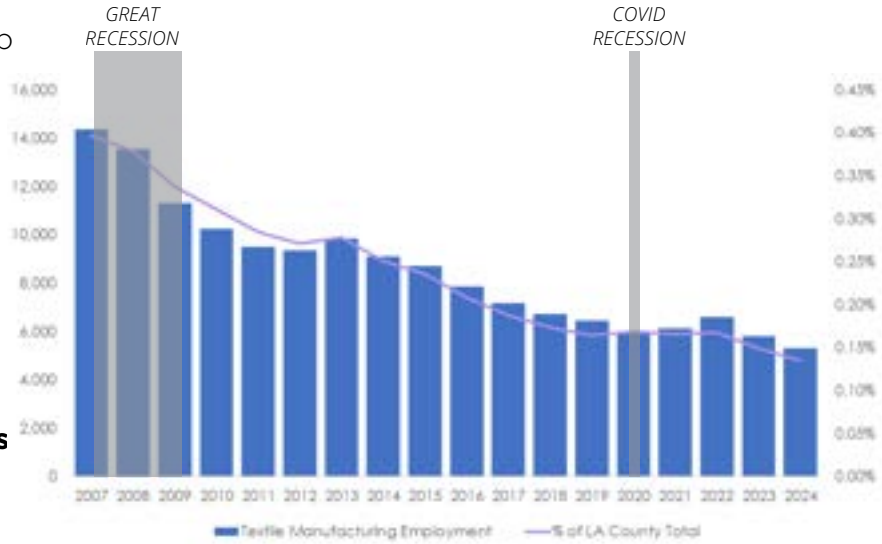
AVERAGE ANNUAL EARNINGS, 2024

Average annual earnings in the **Textile Manufacturing cluster** are **significantly lower than the county average**. At the low end is **Knit Fabric Mills ($40,891)**, while at the high end, workers in **Artificial and Synthetic Fiber** earn **more than $122,000 annually**, reflecting the specialized nature of that production.



The **Textile and Fabric Finishing industry** accounts for **52% of jobs** in the cluster, followed by **Household Textile Products at 32%**. Unlike most industries in the cluster, **Nonwoven Fabric Mills** grew over the period, **more than doubling employment from 2019 to 2024**.

Except for a brief bump in **2013**, jobs in the **Textile Manufacturing cluster** have steadily declined since **2007**. The cluster added jobs between **2020 and 2022**, but employment **fell 12% in 2023** and another **8% in 2024**, losing about **1,300 jobs** since its recent peak.



Textile Manufacturing remains a modest but historically important part of L.A. County's economy, with a concentration slightly above the national average (LQ 1.12). After a brief recovery from 2020 to 2022, employment declined again through 2023 and 2024, dropping about 1,300 jobs over two years. Average wages remain low at $63,051, with most subindustries paying between $40,000 and $75,000, below the county average. Despite the long-term decline, niche areas such as Nonwoven Fabric Mills have expanded, showing small but meaningful opportunities for innovation within this industry.

AT-A-GLANCE 2024

FOOD PROCESSING

NUMBER OF EMPLOYEES
31,488

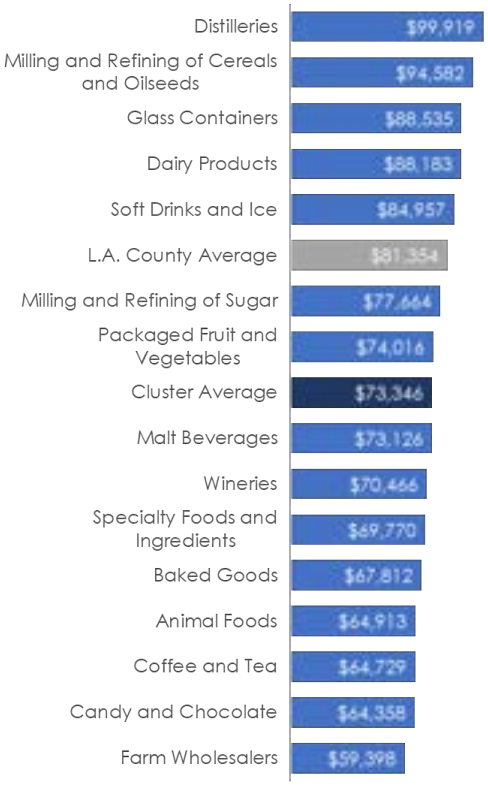
AVERAGE WAGE
$73,346

LOCATION QUOTIENT (LQ)
0.81

This cluster is less concentrated in LA County than it used to be. Employment in this cluster is similar to 2008 levels, whereas employment nationally has grown.

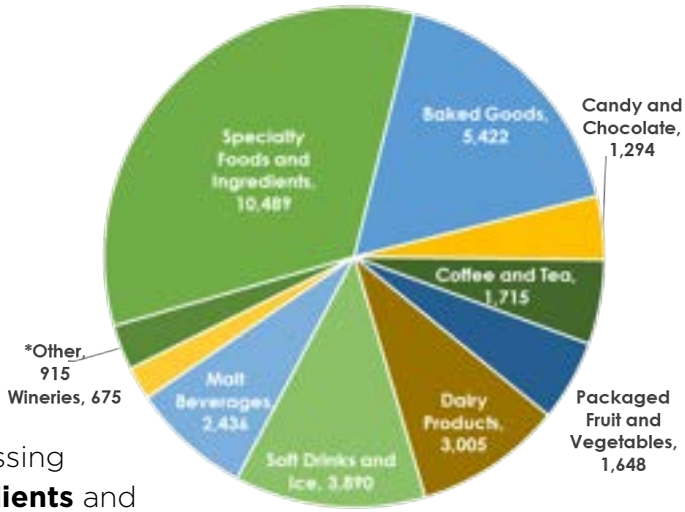
This traded industry cluster consists of 52 industries involved in the production of foods & beverages for humans and foods for animals.

AVERAGE ANNUAL EARNINGS, 2024

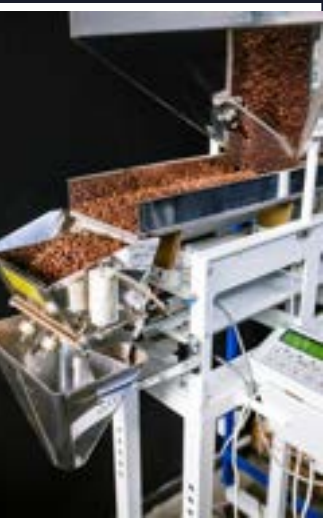


Average annual cluster earnings are only **90% of the county average**. Only the **Dairy Products industry ($88,813)** and a handful of smaller industries (see "Other" note) have higher average annual earnings. **Distilleries**, with average annual earnings of nearly **$100,000**, top the list.

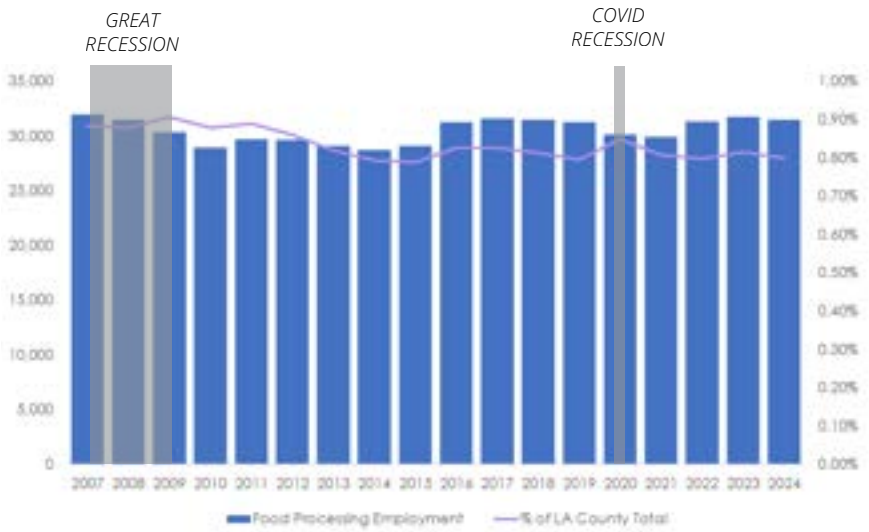
**"Other" includes subclusters Animal Foods; Glass Containers; Milling & Refining of Sugar, Cereals, and Oilseeds; Distilleries; and Farm Wholesalers*



Two subclusters account for **half of all jobs** in the Food Processing cluster: **Specialty Foods & Ingredients** and **Baked Goods**. Together, they employ nearly **16,000 workers**.



Employment has remained stable overall, with 2024 levels nearly matching 2007. Since 2022, jobs rose **1.3% in 2023** before dipping **0.8% in 2024**. Growth came largely from **Specialty Foods & Ingredients**, while **Dairy Products**, **Soft Drinks & Ice**, and **Milling & Refining of Cereals** saw declines.



Food Processing has long supported L.A. County's diverse population and food distribution system, producing both human and animal food products. While the industry remains a stable employer, with 2024 jobs nearly equal to 2007, it has not matched the pace of national growth over the same period. The cluster is less concentrated locally (LQ 0.81), as large-scale production is centered in agricultural regions outside the county. Recent job gains in Specialty Foods & Ingredients have provided some resilience, helping to offset losses in more traditional processing sectors such as Dairy Products and Milling.

AT-A-GLANCE 2024

BIOMEDICAL GROUP

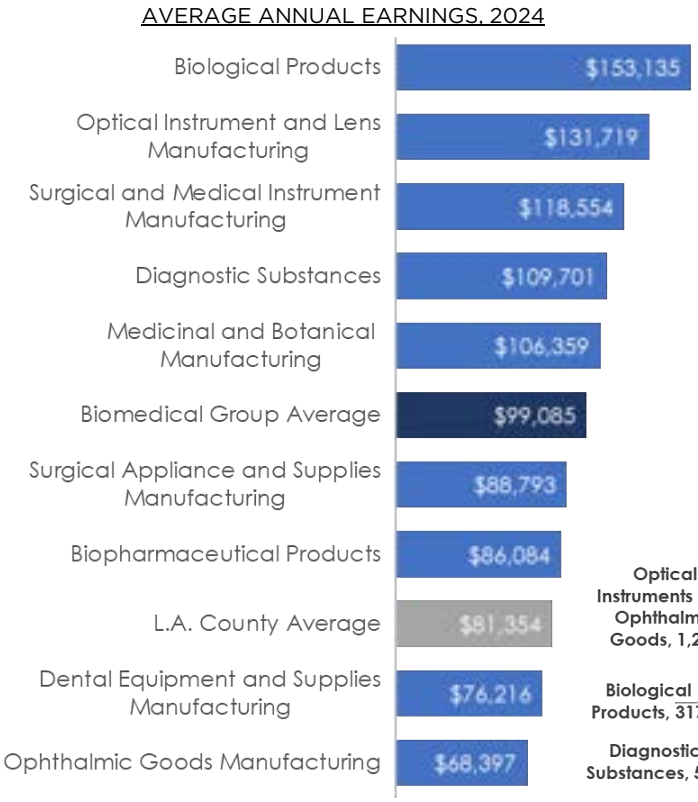
NUMBER OF EMPLOYEES
15,554

AVERAGE WAGE
$99,085

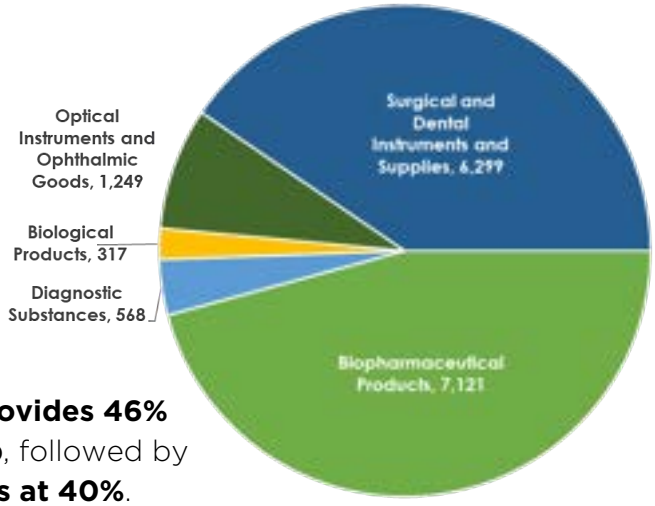
LOCATION QUOTIENT (LQ)
0.8

The Biomedical Group's concentration in LA County is just under the U.S. as a whole. Ophthalmic Goods Manufacturing has the highest employment LQ of 1.3.

Consisting of industries in the biopharmaceuticals and medical devices clusters, this group employed almost 16,000 in LA County in 2022.

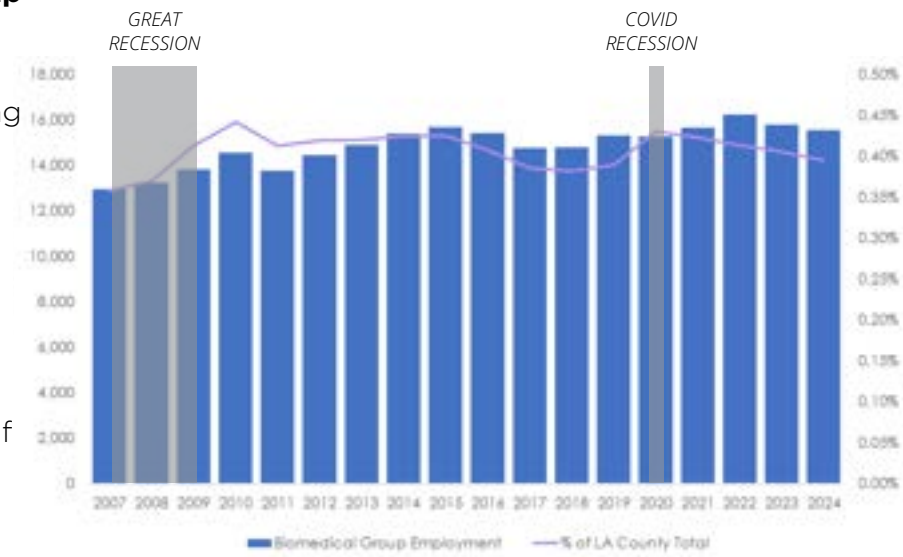


Average annual earnings for the **Biomedical Group** are **21% above the county average**. Earnings have climbed steadily since **2019**, when the highest-paying industry averaged **$108,000.** By **2024**, four industries now exceed that level, with one reaching more than **$153,000 annually**.



Biopharmaceutical Products provides 46% of jobs in the **Biomedical Group**, followed by **Surgical and Dental Instruments at 40%**.

The Biomedical Group has followed multi-year employment cycles, with alternating growth and decline since 2007. After steady gains through 2020, **employment slipped slightly after 2022, down 2.6% in 2023 and another 1.6% in 2024**, a loss of nearly **1,000 jobs** overall.



The Biomedical Group remains an important part of L.A. County's innovation economy, anchored by medical device manufacturing and pharmaceutical production. With an LQ of 0.8, it is slightly less concentrated than nationally but benefits from its proximity to major research institutions, world-class hospitals, and biotech hubs across Southern California. In 2024, the group employed more than 15,500 workers, with biopharmaceuticals and surgical/dental instruments accounting for the majority of jobs. Average wages are 21% higher than the county average, reflecting its role as a high-skill, high-value segment of the regional economy.

AT-A-GLANCE 2024

BIOPHARMACEUTICALS

NUMBER OF EMPLOYEES
8,006

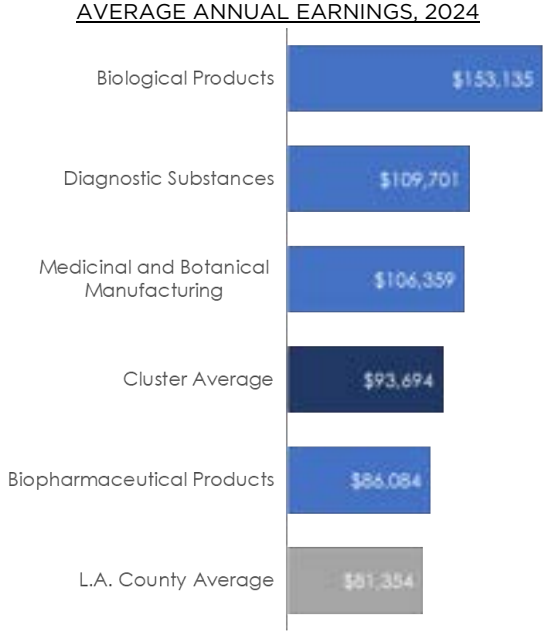
AVERAGE WAGE
$93,694

LOCATION QUOTIENT (LQ)
0.77

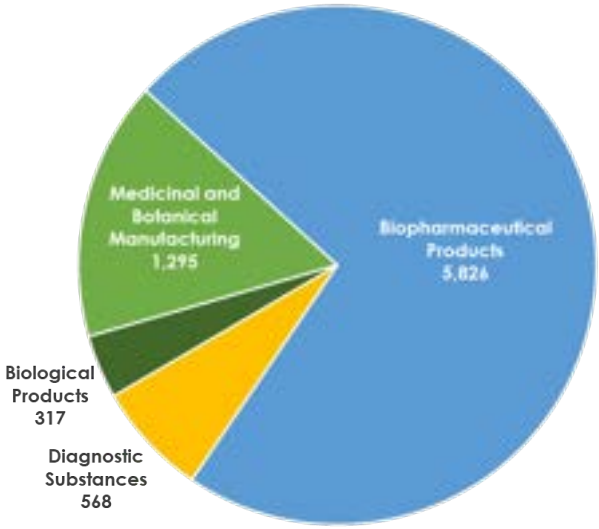
Although there are stronger regions for biopharmaceuticals elsewhere in the country, L.A. County has improved its position from 0.63 in 2007 to 0.77 in 2024.

The Biopharmaceutical cluster is the larger of the two clusters in the Biomedical Group, employing almost 8,500 workers in 2022.

AVERAGE ANNUAL EARNINGS, 2024

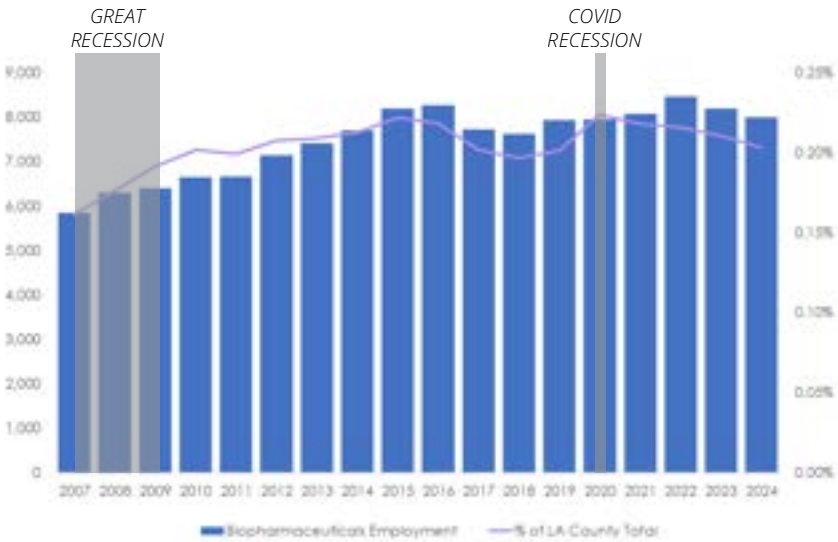


Average annual earnings in this cluster have risen steadily since **2019**, reaching a **2024 average that is 15% higher than the county**. **Biological Products** lead the group with **average earnings above $150,000**, while several other industries also post **six-figure salaries**, reflecting the cluster's **high-skill workforce**.



Biopharmaceutical product manufacturing makes up **nearly 73% of jobs** in this cluster, with **Medicinal and Botanical Manufacturing** adding another **16%**. Together, they provide **close to 90% of all jobs**.

Employment in the **Biopharmaceuticals sector** has grown overall since 2007, with major gains between 2010 and 2016. After a period of stability, the sector began declining after 2022, dropping **3% in 2023** and another **2% in 2024**, for a total loss of **nearly 700 jobs** from 2022 to 2024.



Biopharmaceuticals make up the larger of the two clusters in L.A. County's Biomedical Group, employing just over 8,000 workers in 2024. While the region is not a national leader, L.A. has strengthened its role through proximity to major research institutions and rising life sciences investment. Nearly 90% of jobs are in manufacturing, primarily biological, diagnostic, and medicinal products. Average annual earnings are 15% above the county average, with biological products exceeding $150,000. After years of modest growth, the sector has declined since 2022, shedding nearly 700 jobs by 2024.

AT-A-GLANCE 2024

MEDICAL DEVICES

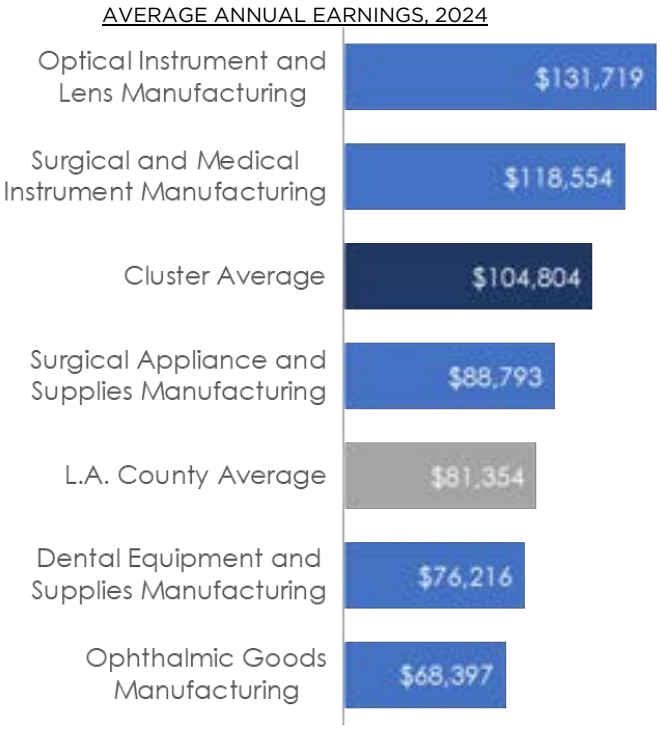
NUMBER OF EMPLOYEES
7,548

AVERAGE WAGE
$104,804

LOCATION QUOTIENT (LQ)
0.83

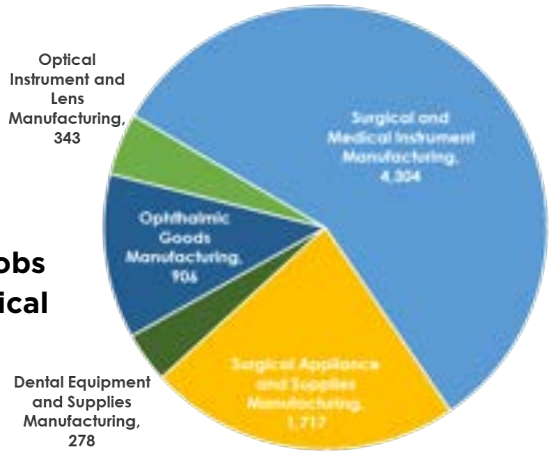
Employment concentration in L.A. County for this cluster did not change a lot over the past 5 years, from 0.82 in 2019 to 0.83 in 2024.

The smaller of the two clusters of the Biomedical Group, Medical Devices encompasses a range of products and employs almost 7,500 in L.A. County.

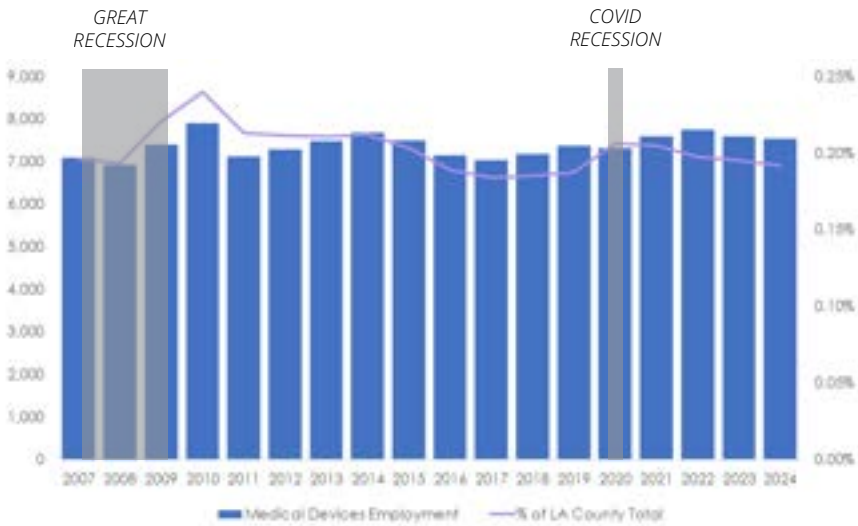


Average annual earnings in the **Medical Devices cluster** are **25% higher than the county average**, reflecting the technical skills required across the industry. Even wages at the lower end have risen steadily, climbing from **$56,000 in 2019** to **$68,000 in 2024**. At the top, **Optical Instrument and Lens Manufacturing** exceeds **$130,000 annually**, highlighting the wide range of pay scales within the cluster.

The **Surgical Appliance & Supplies Manufacturing** industry provides **57% of jobs** in this cluster, followed by **Surgical & Medical Instruments** at **23%**. **Ophthalmic Goods** and **Dental Equipment & Supplies** make up the remainder.



Medical Devices employment has been steady in recent years. The sector peaked in **2022** with **7,755 jobs**, then fell **2% in 2023** and **1% in 2024**, ending with just over **7,500 workers**. This equals about **0.2%** of total L.A. County employment, a modest decline from its peak.



Medical Devices is the smaller of the two clusters in L.A. County's Biomedical Group, employing over 7,500 people in 2024. The cluster spans several manufacturing activities, with Surgical Appliance & Supplies making up more than half of employment. While not a national hub (LQ 0.83), L.A. benefits from its broader life sciences ecosystem and nearby research institutions. Average earnings are 25% higher than the county average, reflecting the technical skill required in many roles. Employment has been stable in recent years, with only a small dip since peaking in 2022, and the cluster continues to contribute to the region's advanced manufacturing base.

AT-A-GLANCE 2024

COMMUNICATIONS EQUIPMENT & SERVICES

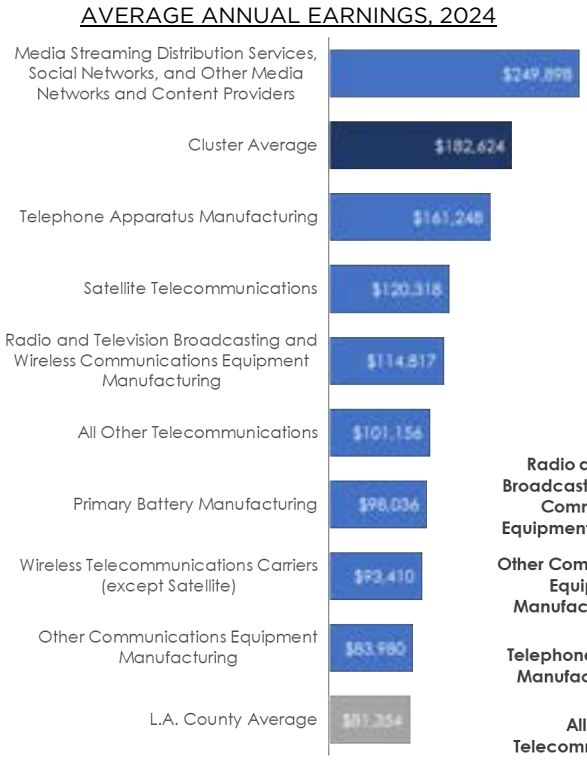
NUMBER OF EMPLOYEES
11,497

AVERAGE WAGE
$182,624

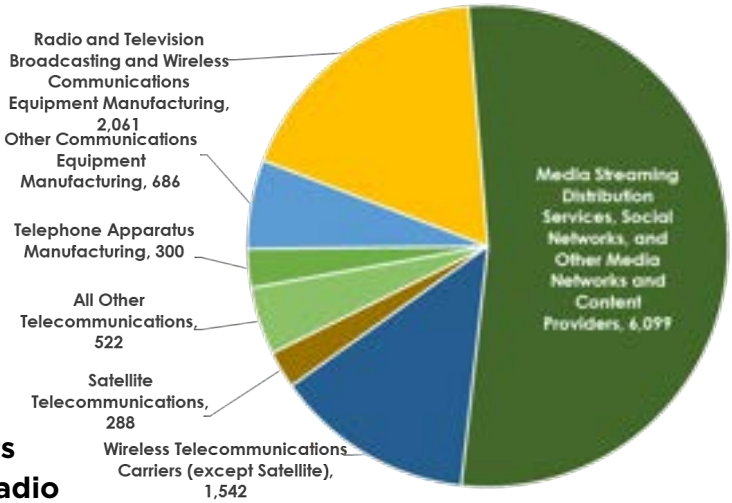
LOCATION QUOTIENT (LQ)
1.45

Despite declining employment since 2007, this cluster is still more concentrated in L.A. County than in the U.S. as a whole, remaining at 1.3 or above since 2016.

This cluster includes industries ranging from radio, television, and satellite equipment to cable programming, wireless carriers, and media streaming.

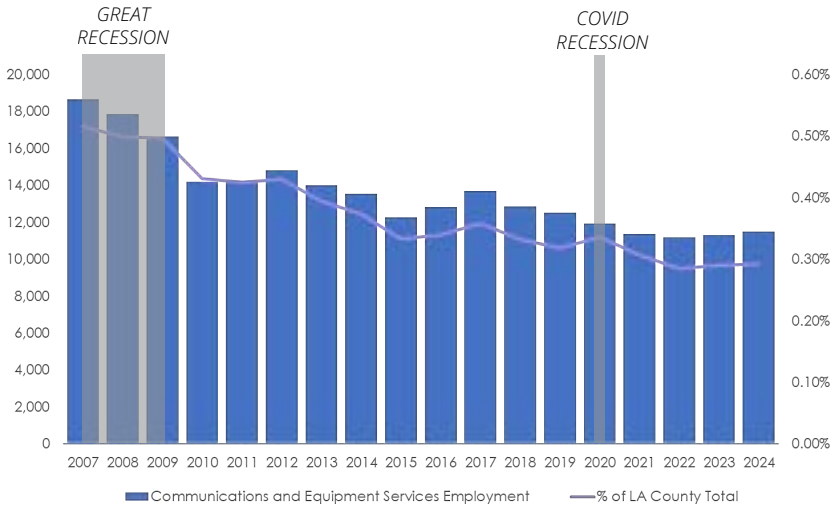


This cluster's average annual earnings are **more than double the county average**, with **all industries** exceeding that benchmark. The highest-paying industry is **Media Streaming Distribution Services and Other Media Networks and Content Providers**, where workers earn nearly **$250,000** per year.



Media Streaming Distribution Services, Social and Media Networks, and Content Providers account for **53%** of the cluster. **Radio and Television Broadcasting** and **Wireless Communications Equipment Manufacturing** provide **18%**, while **Wireless Carriers** make up **13%**.

Employment in this cluster has **declined for over a decade**, mirroring national trends. However, recent years show **signs of stabilization**, with jobs rising **1.1% in 2023** and **1.7% in 2024**. Employment reached nearly **11,500 in 2024**, a **three-year high** though still well below historical peaks.



Communications Equipment & Services is a high-wage cluster in L.A. County, with average annual earnings exceeding $182,000, more than double the county average. The sector spans from telecom manufacturing to media streaming and content platforms, with the latter accounting for half of jobs and paying nearly $250,000 on average. Although the cluster has steadily lost jobs since 2007, it remains more concentrated locally than nationally (LQ 1.45), reflecting the region's strength in media and tech. Employment saw a modest uptick since 2022, but the long-term trend continues to reflect industry-wide declines tied to shifting technologies and outsourcing.

AT-A-GLANCE 2024

LOCAL HEALTH SERVICES

NUMBER OF EMPLOYEES
507,518

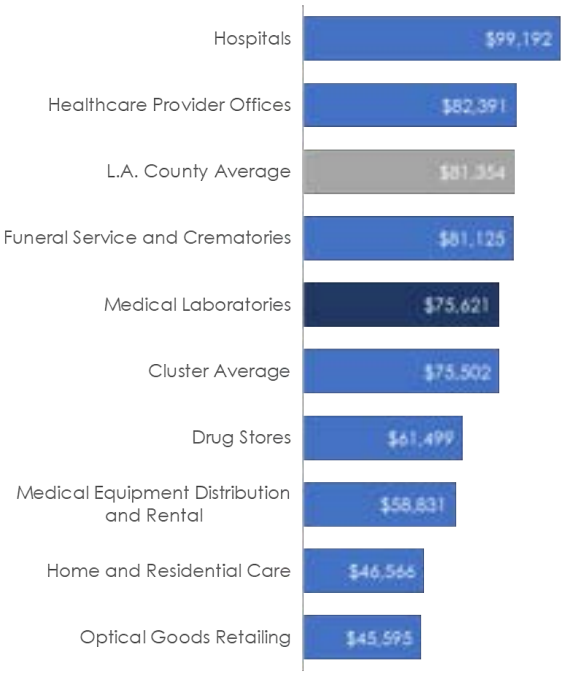
AVERAGE WAGE
$75,502

LOCATION QUOTIENT (LQ)
0.93

This cluster's LQ has been increasing steadily over many years. The most concentrated industry of this cluster is HMO Medical Centers (5.1).

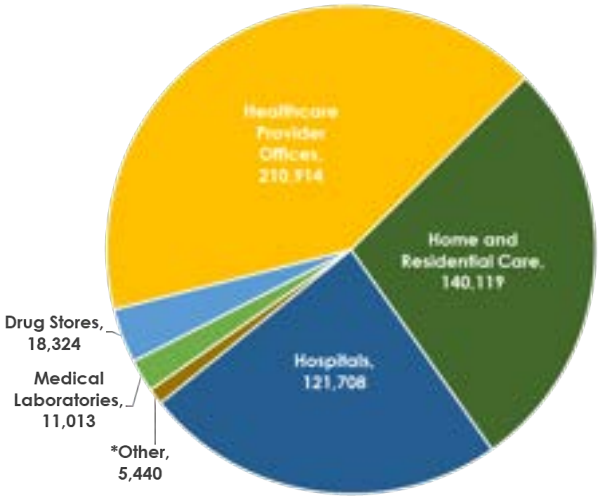
The largest local cluster in LA County, Health Services includes hospitals, labs, imaging centers, healthcare providers, and residential care facilities.

AVERAGE ANNUAL EARNINGS, 2024



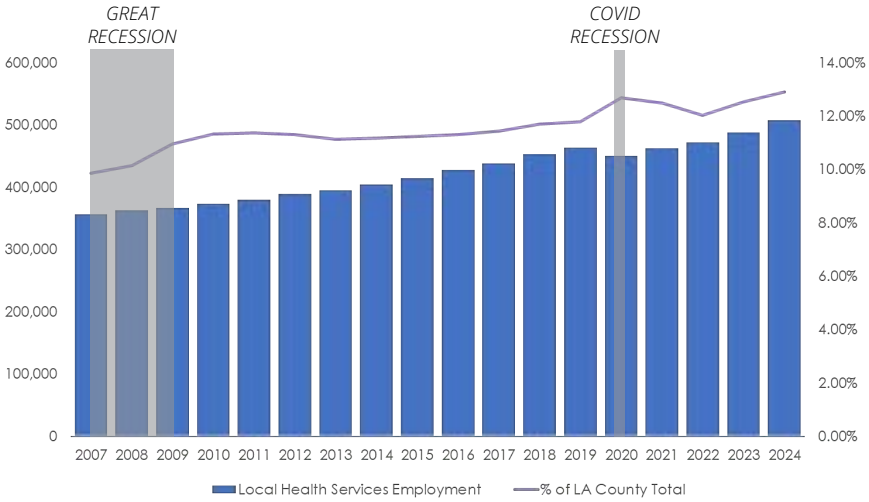
Average annual earnings in this cluster are about **$5,500 below the county average**. Of the **35 industries**, only **seven exceed the county benchmark**, with **HMO Medical Centers** topping the list at nearly **$119,000**. Most others fall well below, reflecting the prevalence of lower-wage health services.

**"Other" includes subclusters Optical Goods Retailing, Funeral Service and Crematories, and Medical Equipment Distribution and Rental*



Healthcare Provider Offices employed about **42% of workers** in **2024**, while **Hospitals** accounted for **24%**. Another **28%** worked in **Home and Residential Care**, including residential care homes, psychiatric hospitals, and home health services.

With the sole exception of **2020**, **Local Health Services** employment has grown every year since **2007**, adding **150,000 jobs** by **2024**. It rose **3.5% in 2023** and **3.9% in 2024**, bringing the sector to over **12% of L.A. County's private workforce**.



Local Health Services is the largest employment cluster in L.A. County, with over 507,000 workers in 2024, representing more than 12% of the private sector workforce. The cluster spans hospitals, provider offices, labs, and residential care facilities, with healthcare provider offices alone accounting for 42% of jobs. Average wages ($75,502) fall just below the county average, yet employment has expanded steadily since 2007, adding 150,000 jobs. The cluster's location quotient (0.93) has inched upward, reflecting rising demand for health services in a large, aging, and diverse population. Only a few subindustries, such as hospitals and medical labs, pay above the county average.

AT-A-GLANCE 2024

LOCAL HOSPITALITY

NUMBER OF EMPLOYEES
423,008

AVERAGE WAGE
$34,195

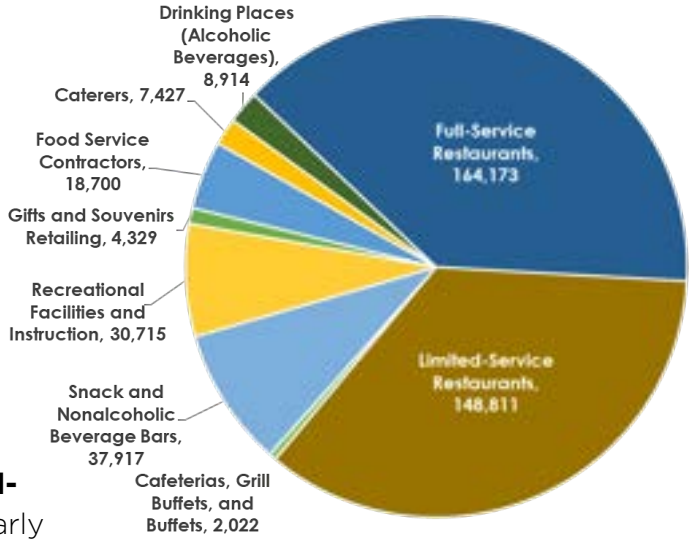
LOCATION QUOTIENT
1.04

The employment concentration in Hospitality Establishments is about the same as the national average. The industry with the highest LQ is Caterers (1.5).

Hospitality Establishments includes restaurants, bars, sports & recreation facilities, food service & catering, and gift, novelty, and souvenir stores.

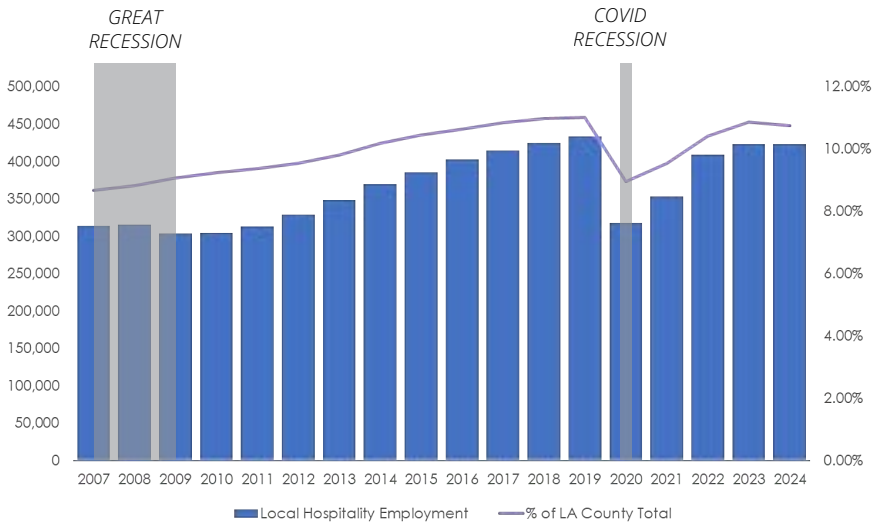
AVERAGE ANNUAL EARNINGS, 2024

Average annual earnings for **Local Hospitality** are **less than half** of the **L.A. County average**. Still, wages have shown steady improvement in recent years, rising **2.5% in 2023** and another **5% in 2024**, bringing the cluster average to just over **$34,000**.



Over **423,000** people worked in **Local Hospitality** in **2024**, with **Full-Service Restaurants** employing nearly **40%** of the total and **Limited-Service Restaurants** accounting for more than **35%**.

This cluster expanded from **2010 to 2019** before COVID-19 cut over **115,000 jobs (27%)** in **2020**. It regained **105,000** by **2024**, with growth of **3.5% in 2023** and **0.2% in 2024**, reaching **423,000 jobs** and more than **10% of L.A. County's private sector workforce**.



Local Hospitality is one of L.A. County's largest employment clusters, with more than 423,000 workers in 2024, accounting for over 10% of the county's private sector workforce. The cluster spans restaurants, bars, caterers, and recreation venues, with full- and limited-service restaurants together providing three-quarters of all jobs. Wages average just $34,195, less than half the county average, though they have grown modestly in recent years. After losing more than 110,000 jobs during the pandemic, the sector rebounded, regaining 105,000 positions from 2021 to 2024. The cluster's location quotient remains close to the national average, but certain subsectors, such as catering, show stronger local specialization.

AT-A-GLANCE 2024

LOCAL COMMERCIAL

NUMBER OF EMPLOYEES
314,329

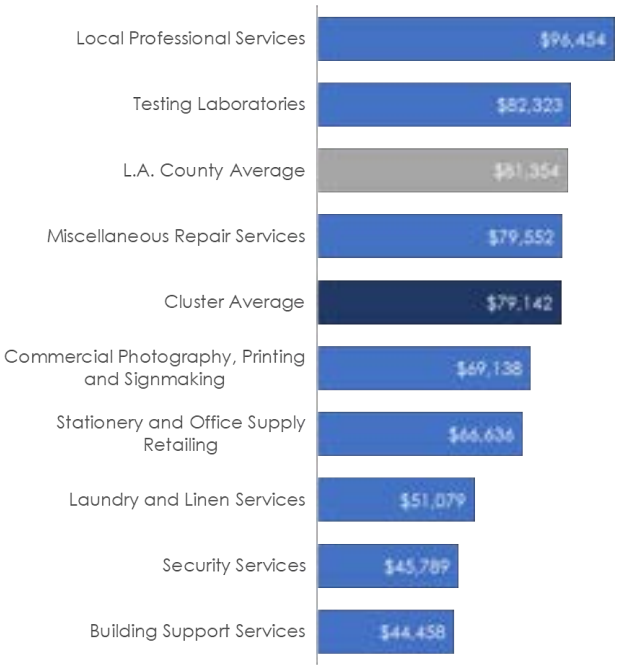
AVERAGE WAGE
$79,142

LOCATION QUOTIENT
1.19

This cluster is slightly more concentrated than the national average. The highest LQs include Court Reporting & Stenotype Services (3.27) and Security Guards & Patrol Services (2.27).

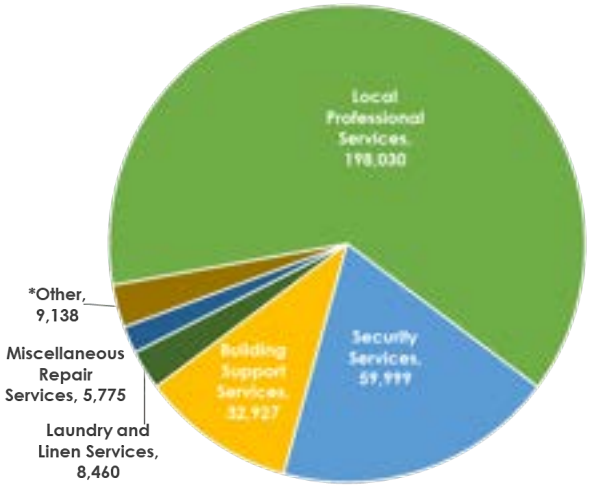
Commercial Services includes commercial & industrial equipment repair & maintenance, lawyers and accountants, and security services.

AVERAGE ANNUAL EARNINGS, 2024



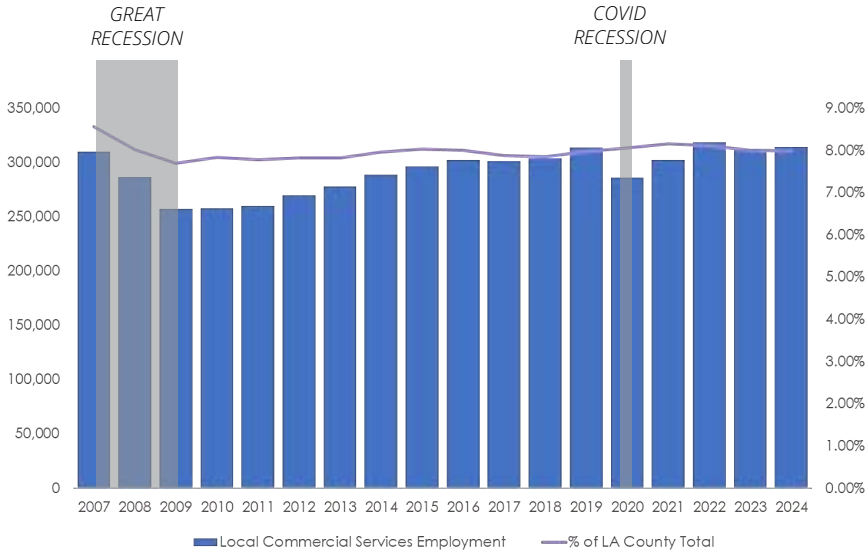
Although this cluster's average annual earnings are **close to the county average**, pay varies widely by industry. **Legal and accounting occupations** are among the highest-paid, while jobs in **security, inspection, and repair** fall well below the county average.

**"Other" includes subclusters Testing Laboratories; Stationery and Office Supply Retailing; and Commercial Photography, Printing and Signmaking*



Local Professional Services is the largest subcluster, providing **63%** of cluster employment. Within it, **Temporary Help Services** employs over **79,200 workers**, followed by **Offices of Lawyers** with nearly **58,300**. In **Building Support Services**, the largest industry is **Janitorial Services**, with over **27,000** employees.

Employment in **Local Commercial Services** grew from **258,000** in 2011 to **313,000** in 2019. The cluster lost **27,843** jobs in 2020 but added **31,800** between 2021 and 2024, reaching over **314,300**. Jobs dipped **0.9% in 2023** and grew **0.8% in 2024**, making up **8%** of private sector jobs.



Local Commercial Services is a major employer in L.A. County, with over 314,000 workers in 2024, about 8% of the private sector workforce. The cluster spans legal, accounting, repair, janitorial, and security services, with Local Professional Services making up 63% of jobs. Wages vary: lawyers and accountants earn well above the county average, while security, janitorial, and repair services are among the lowest paid. After a pandemic-driven decline in 2020, the cluster rebounded, adding nearly 32,000 jobs from 2021 to 2024. Its 1.19 LQ signals slightly higher concentration than the national average.

AT-A-GLANCE 2024

LOCAL COMMUNITY & CIVIC ORGANIZATIONS

NUMBER OF EMPLOYEES
348,003

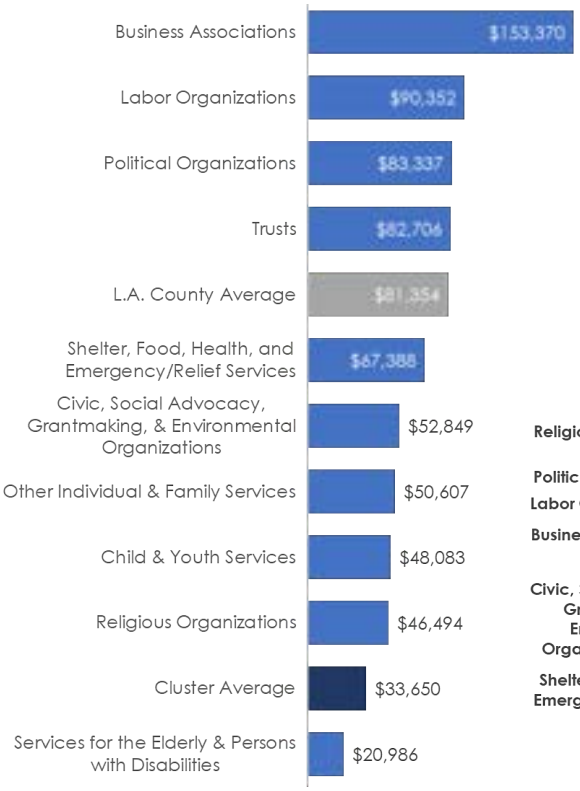
AVERAGE WAGE
$33,650

LOCATION QUOTIENT
2.44

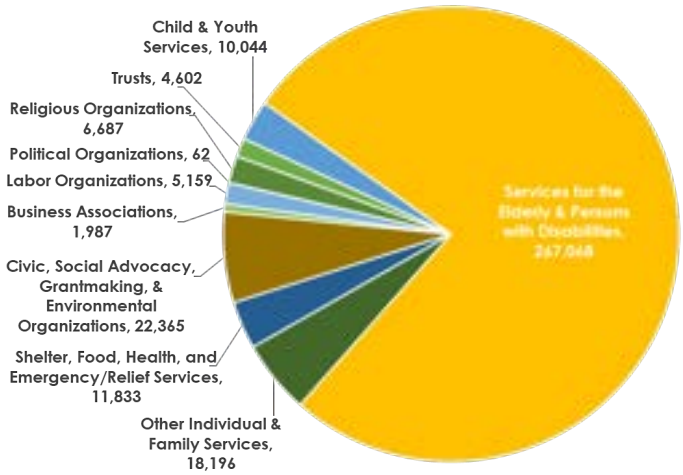
This cluster has seen increasing concentration since 2016, when the LQ was 2.27. This concentration is driven by Services for the Elderly and Disabled (LQ=3.75).

The third largest local cluster, Local Community and Civic Organizations added 348,003 employees in LA County in 2024.

AVERAGE ANNUAL EARNINGS, 2024

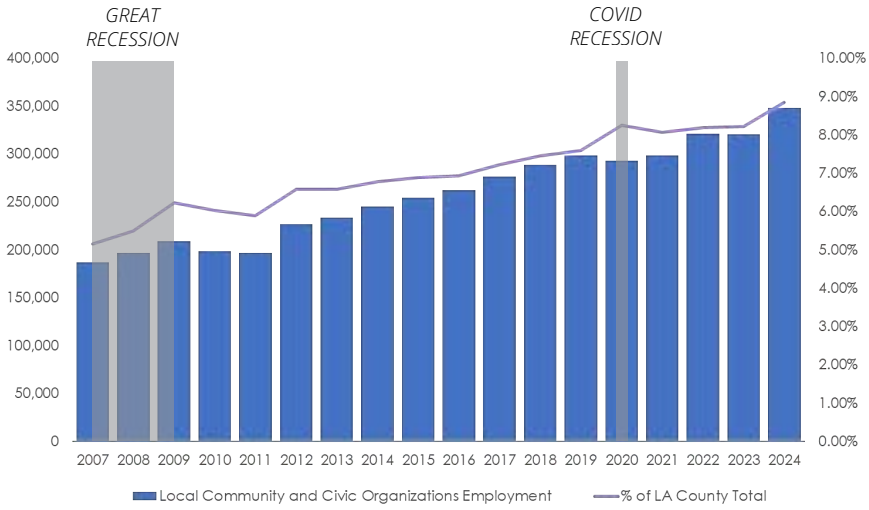


Although some industries pay well, average cluster earnings are low at **$33,650** in **2024**, reflecting the dominance of **care roles for the elderly and disabled**, among the county's lowest paid.



Over **76%** of cluster jobs are in **Services for the Elderly & Persons with Disabilities**. Another **12.7%** span **Civic, Social Advocacy, Grantmaking, and Environmental Organizations**, while **5%** are in **Other Individual & Family Services. The rest are divided among Business Associations, Trusts, Labor, Political, Religious, and Child & Youth Services**.

Cluster employment grew steadily from **2012** until the onset of the COVID-19 pandemic in **2020**. Since then, nearly **55,000 jobs** have been added, bringing the total to **348,000 in 2024** and accounting for **8.85%** of L.A. County's private sector workforce.



This is the third-largest local cluster in L.A. County, employing more than 348,000 people in 2024, nearly 9% of the county's non-government workforce. Over 76% of workers are in services for the elderly and disabled, driving a location quotient of 2.44. While some subindustries, such as business and labor associations, offer higher wages, overall earnings are low ($33,650) due to the dominance of care-related jobs. After a pandemic-driven decline in 2020, the cluster rebounded, adding 55,000 jobs by 2024, reflecting rising demand for community and social services.

METHODOLOGY AND REFERENCES

Industry Clusters Background

As defined by the U.S. Cluster Mapping Project, industry clusters are concentrations of related industries in a particular region. Geographic proximity facilitates specialization of infrastructure and labor, increasing competitiveness and innovation in the region. The more concentrated an industry cluster is, the more competitive that industry cluster is in that region relative to other regions in the country.

A Brief History of Industry Cluster Research
Work developing industry cluster definitions began in the early 2000's, when a team of researchers from Harvard Business School, MIT Sloan, and Temple Fox School of Business, led by Professor Michael Porter, gathered Census and industry data to develop an algorithm that defined cluster categories extending across the entire U.S. economy. This methodology standardized clusters and enabled comparative analyses between regions in the U.S.

In 2014, the U.S. Cluster Mapping Project was launched, led by Harvard Business School's Institute for Strategy and Competitiveness, in partnership with the U.S. Department of Commerce and the U.S. Economic Development Administration. The project provided over 50 million open data records on industry clusters and regional business environments.

More information about the project and its history can be found at the group's "About the Project" website at www.clustermapping.us/about/about-project.

Our Methodology

LAEDC examines clusters in Los Angeles County to better understand the county's regional strengths and weaknesses, compare the county's performance against that of other regions in the U.S., and build more informed economic development strategies based on these insights. To prepare this report, we engaged in the following activities:

- Using the Cluster Mapping Project's "US Cluster Definitions" spreadsheet, we mapped all private-sector (this includes not-for-profit organizations) 6-digit NAICS codes to their respective clusters (www.clustermapping.us/content/cluster-mapping-methodology).
- NAICS codes are updated every 5 years, requiring an update of the industry cluster definitions. The Cluster Mapping Project has not yet updated NAICS codes for 2022, so we mapped pre-2022 NAICS industries onto the latest 2022 NAICS codes using information from the US Census Bureau (https://www.census.gov/naics).
- We gathered employment and wage data from the U.S. Bureau of Labor Statistics (www.bls.gov), the State of California Economic Development Department (https://edd.ca.gov/), and IMPLAN (a provider of economic impact data and analytical applications, https://implan.com/). To enable like-for-like comparisons across clusters and organizations, we include only private sector employment and wage data.
- We focused our analyses on the largest traded clusters and local clusters by employment.
- We broke those clusters down into their component industries by employment and showed employment patterns from 2007 to 2022 to gauge how the cluster has developed and how it responds to the business cycle.
- We determined the average wages paid in each cluster and compared them to the average wage across all industries in L.A. County. We then examined the top performing industries in the cluster by average wages, to highlight the standouts of the county.
- Finally, we calculated the location quotient for each cluster to show regional concentration. We identify a location quotient higher than 1.1 as being concentrated in Los Angeles County relative to the US as a whole, and a source of regional competitive advantage.

AUGUST 2025

INDUSTRY CLUSTERS

in Los Angeles County

Funding provided through the Build Back Better program, U.S. Economic Development Agency

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Los Angeles County Economic Development Corporation

Institute for Applied Economics