

# FY 2018 ANNUAL REPORT

*Prepared for the Board of Supervisors of Los Angeles County*



## A MESSAGE FROM LAEDC's CEO

We are pleased to report on LAEDC's activities for the fiscal year ended June 30, 2018 (FY 17-18) and highlight results made possible by the support of the County of Los Angeles and our members and partner organizations. During the year, LAEDC delivered many successful programs and initiatives to collectively advance economic opportunity and prosperity for all L.A. County residents.

The year was marked by LAEDC's increasing focus on industry cluster development, a powerful approach to improving our economic future, and LAEDC's related programs are discussed in detail within these pages.

LAEDC's Business Assistance Program attracted or retained 3,801 direct jobs for area residents during the fiscal year, bringing to 229,606 the number of jobs directly retained or created in L.A. County since the program began in 1996, as reported by the employers who have utilized our free services. These direct jobs also lead to indirect and induced jobs, so that a tremendous number of L.A. County residents are able to provide for themselves and their families as a result of this award-winning program.

Funding from the County of Los Angeles alongside our members and partners is vital to LAEDC's public-benefit mission, which was established by the County in 1981 to leverage County investment with that of the private sector to achieve strategic economic objectives for the health and well-being of county residents. In FY 17-18, County funding decreased to 12% of LAEDC's operating budget. This partially funded our Business Assistance Program to strengthen small businesses and enable job creation, and it also made possible important economic research on our region's key employment clusters and labor force characteristics, and supported the World Trade Center Los Angeles, which fosters job creation by attracting foreign investment and promoting exports from local manufacturers.

In addition, LAEDC is further prioritizing workforce development at a time when the nature of work is changing and occupations are becoming more technical, presenting challenges and opportunity for residents. The region's employers are facing skills gaps in many cases, and we are working to help residents access those job opportunities. To that end, LAEDC co-founded the Center for a Competitive Workforce (CCW) and delivered its first three reports, to help stakeholders better understand both supply and demand of talent, and analyze the changes in skills requirements as the economy transitions further into the information age.

As part of our work in CCW, we are helping community colleges build better connections with industry to convey skills requirements to the deans who develop programs at the colleges.

LAEDC can't do this work independently. It is only through collaboration that we make progress on the challenges facing our communities. We graciously thank you for your engagement, which results in well-paying jobs and higher standards of living for our neighbors and contributes to the dignity, self-sufficiency and prosperity of individuals and communities across our County.

Bill Allen  
LAEDC CEO

## BUSINESS ASSISTANCE PROGRAM

LAEDC's Business Assistance Program (BAP) multi-lingual team provides confidential and no-cost business assistance and advisory services to small, medium and large businesses in 20 industry sectors as well as to the County itself and the 88 cities, to attract, retain and expand businesses, jobs and investment. We work closely with County, cities and state-wide economic and workforce development partners. We work one-on-one with companies across L.A. County, identifying needs and providing action plans to help businesses overcome challenges and capture opportunities to grow and create more jobs. LAEDC closed FY 17-18 with a historical BAP program total of 229,606 direct jobs created and/or retained in L.A. County.

### ASSISTING GROWING COMPANIES AND WORKERS

The Business Assistance team utilized its close relationships with priority industries to gather intelligence for the Business Outlook for Labor Demand (BOLD), a new program that directly identifies emerging skills gaps, to better inform LAEDC's workforce development partners including the County and City of Los Angeles and LA Community College District. LAEDC's economic research indicated the fol-

**7,178** JOBS RETAINED, ATTRACTED OR EXPANDED

**\$446.90 MILLION** IN TOTAL LABOR INCOME

**\$186.5 MILLION** IN LOCAL TAX REVENUE

**\$1.7 BILLION** GENERATED IN ECONOMIC ACTIVITY ACROSS L.A. COUNTY



LAEDC helped PRL Glass Systems sustain 400 manufacturing jobs and add 100 more by overcoming challenges with Workers Comp costs, training, land acquisition, and more.

lowing priority industry clusters: Advanced Transportation; Aerospace & Defense; Bioscience/Biotech/Biomed; Digital Media, Entertainment & IT; Advanced & Industrial Manufactur-

ing; Construction; Financial Services; Healthcare & Lifesciences; Hospitality & Tourism; Logistics & Transportation; Professional & Technical Services; Security & Cybersecurity

LAEDC's BAP Program has been recognized as being among the best in the world by the leading economic development authorities—California Association for Local Economic Development (CALED): Grand Prize Award for LAEDC's Layoff Aversion Program and two Awards of Merit for our Business Assistance Program; and International Economic Development Council (IEDC): three Gold Awards: LAEDC's Business Assistance Program, Layoff Aversion Program and The Most Business Friendly City in L.A. County Award.

SOURCE: Estimates by LAEDC

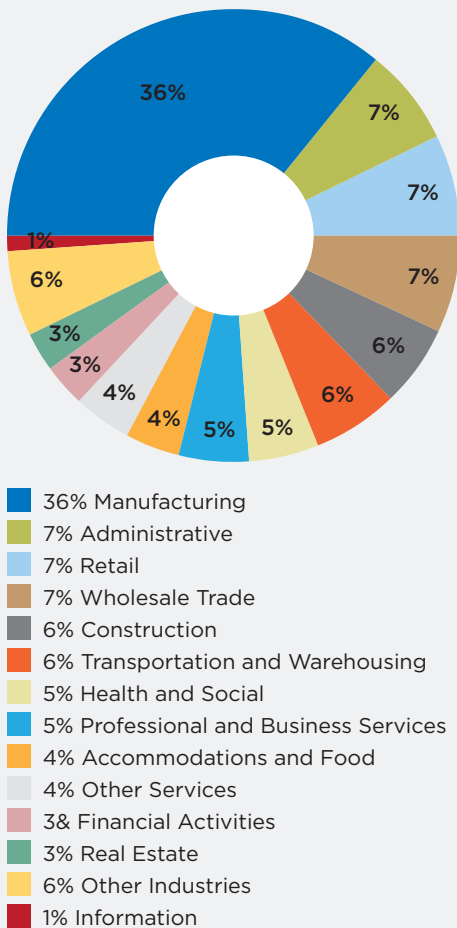
### BUSINESS ASSISTANCE TEAM ACCOMPLISHMENTS FY2018

Category	Achieved	
Jobs won	3,801 jobs	
Projects won	117 firms	
In-person consultations	857	
Presentations	18	
Outreach to employers	12,824 firms	
GO-Biz searches	8	
Site searches	68	
Type	# of Projects	Jobs
Attraction	2	18
Expansion	25	894
Relocation	2	80
Retention	88	2,809
<b>TOTAL</b>	<b>117</b>	<b>3,801</b>

### TOTAL ECONOMIC AND FISCAL IMPACT OF JOBS SAVED FY2018

Total Employment	7,178
Direct jobs	3,801
Indirect and induced jobs	3,377
Total Labor Income (\$ millions)	\$ 446.90
Direct labor income	229.3
Indirect and induced labor income	217.6
Total Output (\$ millions)	\$ 1,713.50
Direct output	1,110.50
Indirect and induced output	613
Total Fiscal Impact (\$ millions)	\$ 186.5
State and local taxes	77.6
Federal taxes	108.9

**DIRECT JOBS SAVED  
IN LA COUNTY  
BY INDUSTRY SECTOR  
FY 2018**



**OCCUPATIONAL DISTRIBUTION  
OF DIRECT JOBS SAVED**

SOC	Occupational Description	Jobs Saved
11-0000	Management occupations	219
13-0000	Business and financial operations	136
15-0000	Computer and mathematical science	78
17-0000	Architecture and engineering	165
19-0000	Life, physical and social science	21
21-0000	Community and social services	2
23-0000	Legal occupations	2
25-0000	Education, training and library	41
27-0000	Arts, design, entertainment, sports and media	47
29-0000	Healthcare practitioners and technical	9
31-0000	Healthcare support occupations	1
33-0000	Protective service occupations	81
35-0000	Food preparation and serving related	69
37-0000	Building and grounds cleaning and maintenance	61
39-0000	Personal care and service	19
41-0000	Sales and related occupations	316
43-0000	Office and administrative support	450
45-0000	Farming, fishing, and forestry	8
47-0000	Construction and extraction	302
49-0000	Installation, maintenance and repair	207
51-0000	Production occupations	1,192
53-0000	Transportation and material moving	375
<b>Total of All Occupations</b>		<b>3801</b>

SOURCE: Estimates by LAEDC

**ECONOMIC IMPACT OF JOBS SAVED BY INDUSTRY SECTOR**

Direct, indirect and induced jobs resulting from LAEDC work

	Employment (Jobs)	Labor Income (\$ mil)	Output (\$mil)
Agriculture	7	0.2	0.2
Mining, and oil and gas extraction	3	0.5	1.1
Utilities	7	1.1	6
Construction	460	27.5	63.4
Manufacturing	2,568	165.3	983
Wholesale trade	512	38	121.1
Retail trade	482	19.9	45.9
Transportation and warehousing	410	28.7	69.5
Information	86	14	47.2
Finance and insurance	185	16.6	48.9
Real estate and rental and leasing	202	13.7	97.8
Professional and technical services	367	32	55.7
Management of companies	139	17.1	34.2
Administrative and waste services	496	16.5	31.7
Educational services	166	5.8	9.3
Health care and social assistance	348	20.7	36.1
Arts, entertainment, and recreation	83	3.5	7.8
Accommodation and food services	314	9.2	21.7
Other services	291	13.2	22.6
Government	14	2.3	5.9
<b>Total All Industries</b>	<b>7,178</b>	<b>\$446.9</b>	<b>\$1,713.5</b>

SOURCE: Estimates by LAEDC

**ASSISTING AT-RISK BUSINESSES AND WORKERS**

LAEDC provides highly technical Layoff Aversion (LOA) program services to at-risk companies in the County Workforce Development Board's service delivery area through a contract with L.A. County Workforce Development, Aging and Community Services (WDACS). LAEDC's BAP Team provided critical information about no-cost federal, state and local business assistance programs, resources and services to firms throughout L.A. County via a targeted outreach campaign with over 12,824 firms through emails, phone calls and consultations.

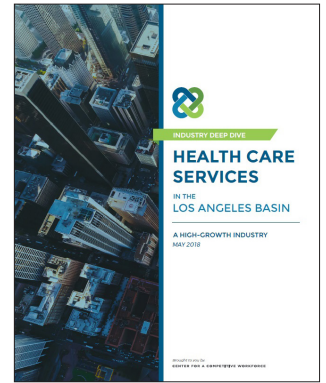
The LOA Program focuses on identifying at-risk businesses, conducting needs assessments to identify challenges, and providing information on relevant programs and resources critical to sustaining operations. Afterward, an action plan of no-cost resources and programs is developed to strengthen the business operations and retain its workforce.

The LOA Program is a highly specialized, targeted program derived from and built on the LAEDC's 23-year-old award winning, no-cost business assistance program using a team of highly trained professionals and leveraging partners and resources from other local, state and federal programs to retain and sustain businesses and avert layoffs. The program was designed to provide the Workforce Development Board (WDB) and jurisdiction with the most up-to-date information on at risk businesses in their region that are, or in danger of, reducing their workforce. This information is critical to the WDB in order to provide Rapid Response services to employees who have received a layoff notice.



# INSTITUTE FOR APPLIED ECONOMICS

*The LAEDC Institute for Applied Economics specializes in economic and public policy research for public and private entities to foster informed decision-making. Its clients include governments, agencies and departments, workforce investment boards, universities, developers, advocates, industry associations and legislators. This research also guides LAEDC program development.*



Throughout the year, LAEDC's Institute for Applied Economics published a variety of widely cited and comprehensive economic reports to assess industry cluster and sector-based research, better inform workforce development, and assist policy initiatives in the context of economic impacts. This fiscal year's reports include:

- Entertainment and the Rise of Digital Media in the Los Angeles Basin: An Industry Disrupted
- Health Care Services in the Los Angeles Basin: A High-Growth Industry
- Economic impact of Pacific Standard Time: LA/LA 2018
- L.A. & Orange Counties Community Colleges: Powering Economic Opportunity
- Economic Update for LA County
- People, Industries and Jobs Report (2017-2021)
- The 2018 Otis Report on the Creative Economy
- LAEDC 2018-2019 Economic Forecast and Industry Outlook
- San Gabriel Valley Economic Forecast 2018-2019

## RECOGNIZING LEADERSHIP IN ECONOMIC DEVELOPMENT

The LAEDC Eddy Awards is the most prestigious awards program to recognize leadership in economic development in business, education and government throughout Los Angeles County. The Eddy Awards, a cocktail reception, dinner, and awards gala, also supports fulfillment of the Los Angeles County Economic Development Corporation's mission to advance opportunity and prosperity for all. The 2017 Eddy Awards drew attention to the extraordinary positive impacts on our regional economy made by Cedars-Sinai, Cal State LA, Mark Suster, Managing Partner at Upfront Ventures, and recognized the Cities of Downey and Arcadia as the Most Business-Friendly Cities in L.A. County.



*(L to R) Supervisor Hilda Solis presented the Eddy to CSULA President Bill Covino; the City of Arcadia celebrated being named Most Business-Friendly City (pop under 68,000), and venture capitalist Mark Suster championed equity and diversity in his acceptance.*



Supervisor Mark Ridley-Thomas addressed the launch of the CCW



LAEDC SmartMatch facilitated productive supplier meetings with key industry OEMs during the year, including this session with Boeing.

## POWERING KEY INDUSTRY CLUSTERS

LAEDC has increasingly pivoted to what we believe is the future of economic development—fostering growth of key traded industry clusters that fuel jobs of the future, including Digital Media and Entertainment, Aerospace and Defense, Biosciences, and Advanced Transportation. These industries offer well-paying careers, but can locate anywhere in the world, which is why it is so important to attract and retain these businesses as part of our local LA County economy. These and other innovation-intensive industries will be increasingly important to our region's economic future.

LAEDC has several programs focused on industry clusters, including: field support of businesses facing challenges; workforce development initiatives such as Center for a Competitive Workforce; public policy advocacy; development of supplier networks; and more. Several examples follow.

A big piece of LAEDC's industry cluster work is connecting workforce development systems with industry, to ensure the needs of business are informing development of curriculum and training programs. This provides our residents with opportunity for well-paying careers while helping businesses address their rapidly

evolving skills needs. During the year LAEDC co-founded **Center for a Competitive Workforce (CCW)** with LA Area Chamber of Commerce and the 19 Community Colleges in LA County, funded as a Strong Workforce project of the California Community College Chancellor's office. This partnership is producing actionable research about middle-skill jobs, including both the demand for and supply of talent. Through the CCW Advisory Council and LAEDC's industry councils, this research and collaborative input are driving real change. LAEDC is also connecting emerging talent with internships, apprenticeships and other work-based learning opportunities in the region.

LAEDC launched **California Smartmatch, a new supplier match-making service** to connect industry OEMs with small business suppliers in aerospace and advanced transportation industries in Southern California. By prescreening small businesses for one-on-one meetings with OEMs, SmartMatch is helping OEMs acquire technology partners and meet supplier diversity goals. During the year, matchmaking events were conducted for Boeing, JPL, Northrop Grumman, Aerospace Corp, and local electric bus manufacturers.

The new LAEDC **Digital Media and Entertainment Industry Council** was convened, and in February LAEDC released a comprehensive look at the in-demand middle skill jobs across the industry at a signature LAEDC event with 400+ attendees, which showcased digital media companies.

The new LAEDC **Bioscience Council** was convened, dedicated to creating a vibrant life sciences ecosystem, with an emphasis on developing and retaining talent necessary for industry growth. LAEDC was also active in the development of bioscience physical space and assisted in securing financing for the LA Biomed Incubator, and AltaSea at the Port of Los Angeles, among other projects.

From a public policy perspective, LAEDC informed legislators of the positive impacts of bills designed to support aerospace, advanced transportation, small business, workforce and other issues impacting economic development. Learn more at [laedc.org/advocacy](http://laedc.org/advocacy).

LAEDC also provided behind-the-scenes PR support for numerous news articles highlighting the region's strengths in bioscience, aerospace, advanced transportation and digital media & entertainment.





# WORLD TRADE CENTER LOS ANGELES



*World Trade Center Los Angeles, LAEDC's affiliate, continued its focus on both attracting Foreign Direct Investment (FDI), and helping our local firms increase export and trade opportunities. This focus continues to improve our regional economy and creates well-paying jobs for LA County residents.*

During FY 2017-18, LAEDC subsidiary World Trade Center L.A. (WTCLA) achieved significant milestones in their work to bring Los Angeles to the global market. WTCLA published its annual *Foreign Direct Investment (FDI)* report that quantifies the importance of global connections to jobs in L.A. County in the *Los Angeles Business Journal*, and hosted the largest Select L.A. Investment Summit to date with over 500 international and domestic guests. WTCLA also supported and helped shape Mayor Eric Garcetti's Asia Trade Mission to Japan, South Korea, Vietnam and Hong Kong, signing an MOU with the Hong Kong Trade and Development Council on behalf of the City of Los Angeles.



Other highlights include:

- Performed 81 attraction and trade consultations
- Facilitated \$5M investment from Hong Kong's PCCW into local co., Next Generation Esports
- Helped King Sejong institute Foundation secure office space in Downtown Los Angeles
- Previous FDI client placed an order with Proterra for 57 of its electric chargers, with plans to double its number of employees
- 3 MOUs signed with local government and trade offices of Seoul, Dubai and Hong Kong
- Select LA won the Silver Award from International Economic Development Council (IEDC)

**Performed nine FDI attraction missions**

- MAPLE Business Council 48-hours in Toronto
- United Airlines inaugural flight/trade mission to Singapore
- Center for American Progress trade mission to Mexico City
- Trade Mission to Guangzhou for Tripartite Economic Summit
- Taiwan Government Innovation Delegation, 5 + 2 Initiative
- Japan Select LA Recruitment Trade Mission
- European Select LA Recruitment Trade Mission
- Vancouver Select LA Recruitment Trade Mission
- SelectUSA Investment Summit in Washington DC



*clockwise from top left; World Trade Center Los Angeles President Stephen Cheung meets with US Ambassador to Japan William F. Hagerty in Tokyo; Attendees at the Select LA Investment Summit (two photos); WTCLA's Stephen Cheung and Mike Smith with City of LA Mayor Eric Garcetti on a trade mission to Berlin, Germany.*



## PROPEL LA: IMPLEMENTATION OF THE STRATEGIC PLAN



Propel L.A. was active in FY 17-18 working with community stakeholders to implement the 7 Goals of the LA County Strategic Plan for Economic Development. The team secured 19 Lead Partners focused on specific areas of activity, taking a significant role in implementation. Propel L.A. also established an Advisory Council—16 leaders in the LA region that have provided valuable insight into our branding strategy, data gathering and identification of metrics, and support for major Propel L.A. events.

During the year, the new website was launched at [www.propel.la](http://www.propel.la) and the team posted 27 LA success stories related to the Plan, and 54 metrics to help stakeholders track progress in key areas of the county including income, unemployment, and poverty rates.

The Propel L.A. team attended over 500 meetings, engaging with people throughout the region and increasing opportunities for collaboration. The team also visited eight cities to coordinate efforts around specific Plan objectives. One of the strategies is to “protect, revitalize, and expand ‘jobs-producing’ commercial and production-based parcels,” and Propel L.A., along with the cities of Lancaster and Palmdale, hosted a bus tour showcasing the available land and development opportunities in that region with over 25 developers and investors.



### CATALYZING INNOVATION: INNOVATELA 2017

LAEDC continues to showcase and foster growth of the innovation ecosystem throughout L.A., including via the countywide event series InnovateLA 2017, which won awards from International Economic Development Council (IEDC) and California Association for Local Economic Development (CALED) during the year. InnovateLA provides a well-publicized platform to showcase cutting-edge innovations and technologies that strengthen LA's economy and set the stage for more well-paying jobs. This year, more than 110 events took place throughout the county, highlighting innovative technologies in cleantech, manufacturing, bioscience, and civic engagement, and the launch of the new, annual LA CoMotion advanced transportation industry summit.



### LAEDC'S EVENTS IN THE 2018 FISCAL YEAR

LAEDC's Future Forum and R.E.D. Talks series continued to address prominent issues in today's regional economy and provided platforms for relevant discussion. Future Forum provided insight on the Future of Work, Future of Smart Cities, Future of Retail, and Future of Healthcare. As part of the continuing series on Regional Economic Development, LAEDC hosted two more R.E.D. Talks installments this year with local entrepreneurs Joanna McFarland, Founder and CEO of HopSkipDrive, a rideshare service for kids, and with Tracy Dinunzio, Founder and CEO of Tradesy, the world's leading peer to peer marketplace for women's fashion. LAEDC also hosted its signature Economic Forecast in February for a crowd of 600 attendees and the annual Eddy Awards fundraiser which supports LAEDC's public benefit mission.

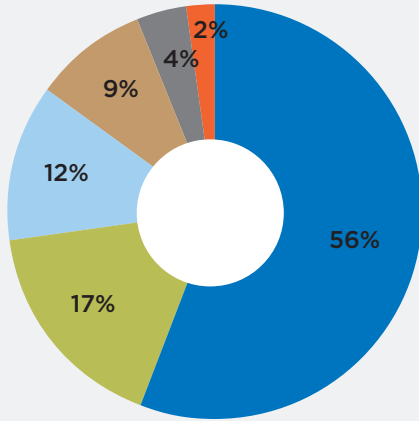
### HQ2, WHERE ARE YOU?

In an effort to attract many thousands of high-tech job opportunities to L.A. County, LAEDC assembled a Regional Economic Development (RED) Team—led by our award-winning Business Assistance Team—mobilizing all of the region's key stakeholders and partners to develop and submit a single L.A. Region proposal to Amazon in response to its Request for Proposals (RFP) to locate its second corporate headquarters (HQ2). Los Angeles was subsequently selected as a Top 20 finalist.



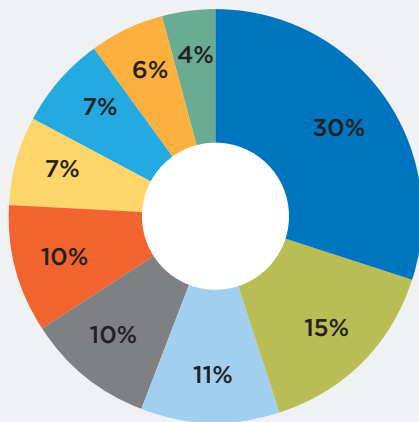


## LAEDC FINANCIAL SUMMARY FY 2017-18



### FUNDING

- 56% Private Sources
- 17% Portfolio Draw
- 12% County
- 9% Local
- 4% State/Federal Agencies
- 2% Other Public Sources



### EXPENDITURES

- 30% Business Assistance & WTCLA
- 15% Strategic Initiatives
- 11% Events
- 10% Consulting and Research
- 10% Admin, IT, HR, Executives & Overhead
- 7% Center of Economic Development
- 7% Propel LA
- 6% Marketing & Communications
- 4% Strategic Relations



Elias Sanchez has a well-paying job running an autoclave in LA's aerospace industry, but without your support of LAEDC, his employer and his job would likely have left LA County, leaving him and his young family with an uncertain future. Thanks to all our members and sponsors, thousands of people like Elias have a better life. Our public benefit mission is accomplished together with you.

### About LAEDC

Los Angeles County Economic Development Corporation (LAEDC) is collectively advancing opportunity and prosperity for all residents of L.A. County. This is achieved via collaborative economic development leadership, objective economic research and analysis, strategic assistance to business, education and government partners, and targeted public policy. LAEDC was established in 1981 as a 501(c)(3) non-profit, public benefit organization.

**LAEDC.org**



LAEDC thanks the Board of Supervisors and CEO of LA County for their support.



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