

FY 2019 ANNUAL REPORT



A MESSAGE FROM LAEDC's CEO

The members, partners and staff of the LAEDC take enormous pride in the fact that the LA County economy today employs more people than at any time in its history, with rising wages, and strong businesses creating even more jobs for area residents. But we also recognize that not all of our neighbors are participating in that prosperity. Even at record low unemployment in our county, hundreds of thousands are not working, more than 90,000 have been jobless for over six months, and hundreds of thousands more are underemployed or simply need to find a job with better wages and career pathways sufficient to support a family.

Further, we see headwinds on the horizon; both the possibility of a global recession and the longer-term threat to jobs posed by robotics and artificial intelligence. As the global economy becomes increasingly complex and evolves at an ever faster pace with the forces of technology, globalization and climate change impacting every sector of our economy, our work together becomes more challenging but also ever more necessary.

And so, our shared economic development mission and efforts remain important and must continue with renewed resolve. We have clarified our purpose, mission and programs to focus on **collectively advancing opportunity and prosperity for all residents of our region**. No single organization can ensure that every county resident has equitable opportunity, preparation and support to thrive in our regional economy but collectively working in strategic public-private partnerships we can and, with so much suffering in our communities today, we must.

That is why the LAEDC is so grateful to our members and other financial supporters in business, government, education and philanthropy for helping us create or retain more than 235,000 direct jobs through our business assistance program alone, and nearly half a million jobs through the indirect and induced economic activity from those successes.

But our partnership goes further and deeper than that. We are investing heavily in workforce development to ensure our residents have the skills they need to access opportunities for living wage jobs. That includes directly assisting the 19 area community colleges to further align curricula with the changing skills required by employers. We are also growing the key industries that provide well-paying jobs for area residents. And LAEDC's objective research sets a foundation for informed decisions to advance economic and housing development projects which bring even more good jobs and affordable housing to our communities.

And together we have brought billions of dollars of foreign investment to communities across the county, creating thousands of new jobs, housing units and hotel rooms as well as other great projects.

In this year's annual report we hope you will find encouragement from the enormous economic impact of this collaboration, but also in the deeply personal human impact we are having in the lives of people who have jobs that sustain themselves and their families because of our award-winning work together.

Bill Allen, LAEDC CEO

BUSINESS ASSISTANCE PROGRAM

LAEDC's Business Assistance Program multi-lingual team provides confidential and no-cost business assistance and advisory services to businesses as well as to the County itself and the 88 cities, to attract, retain and expand businesses, jobs and investment.

BUSINESS RESILIENCY

A resilient economy will not shed jobs as much when disruptions occur, such as earthquakes, wildfires, power outages, and recessions. As the guardian of a strong LA economy with a focus on job retention, LAEDC published a new guide *Preparing for Business after an Earthquake*, and has become the LA County partner for State of California's Outsmart Disaster campaign. Additionally, LAEDC supported businesses after the **Woolsey Fire**, and we are expanding our programmatic work in Resilience further.



PERSONAL IMPACT

“The LAEDC was hugely instrumental in helping solve a permitting issue that was very close to shutting down my business, **Nomad Ice Pops**. Instead, with that help, we went on to nearly double revenue from last year.”

The impact was felt directly by his employees. “Of my eight employees, seven are students and the other is a mother of 5. I go to great lengths to pay a wage above the minimum.

John Escobar, pictured, is our event manager and works here full time during the summers. The rest of the year he works part-time and is paying his own way through film school.”

— Thanks from Geoff Jennings, owner of Nomad Ice Pops in San Gabriel, CA



Thanks to LAEDC's work helping **Avalon Cold Storage & Packing** in Compton, on the border of unincorporated LA County, the company was able to reduce costs and is overcoming other issues, allowing it to retain employees including general manager **Johnny Rosas**. “Our partnership with LAEDC has saved a lot of jobs including mine, and I just want to say thanks. LAEDC has helped me be able to continue supporting my child through his university that just started this year at Long Beach.” Mazi Tahmasebi at Avalon added, “I just want to thank LAEDC and anyone who contributes to keeping LAEDC operational; please keep doing it, they are doing a fantastic job.”

13,921 JOBS RETAINED, ATTRACTED OR EXPANDED (TOTAL IMPACT)

6,883 DIRECT JOBS RETAINED, ATTRACTED AND EXPANDED

\$957 MILLION IN TOTAL LABOR INCOME

\$198 MILLION IN LOCAL TAX REVENUE

\$3.4 BILLION GENERATED IN ECONOMIC ACTIVITY ACROSS L.A. COUNTY

BUSINESS ASSISTANCE TEAM ACCOMPLISHMENTS

CONDUCTED **1,008** ONE-ON-ONE BUSINESS NEEDS ASSESSMENTS WITH AT RISK BUSINESSES

DEVELOPED **821** CUSTOMIZED STRATEGY BLUEPRINTS BASED ON BUSINESS NEEDS & CHALLENGES

PROVIDED **589** CUSTOMIZED STRATEGY BLUEPRINT SERVICES BASED ON BUSINESS NEEDS & CHALLENGES

AVERTED **788** EMPLOYEE LAYOFFS IN LA COUNTY

REFERRED **572** AT RISK BUSINESSES TO COUNTY AMERICA'S JOB CENTERS OF CALIFORNIA (AJCCs) FOR ADDITIONAL SERVICES FOR SUSTAINABILITY

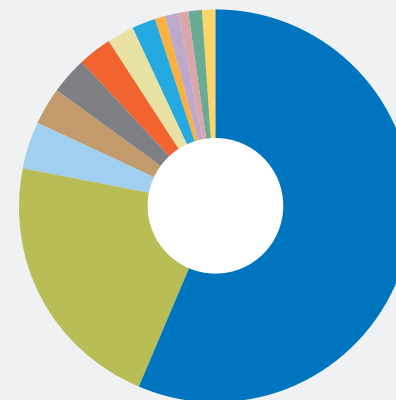


Furniture manufacturer's 126 employees were at risk—a snag in its new location disrupted business

PERSONAL IMPACT

LAEDC got the call from a business in distress this past spring as it was relocating into a larger facility in LA County. Just prior to the physical move, it was learned that LA County Fire Department had not conducted a final inspection necessary for the Certificate of Occupancy. To make matters worse, the company found it was unable to extend its stay at its current location. With the local city unable to secure a fire inspection appointment in time, business interruption delays along its entire operations chain seemed inevitable, potentially putting its client contracts, projects and relationships in jeopardy, all of which would have put the company and its jobs at risk. The city contacted LAEDC for assistance, and using its network of contacts and goodwill, LAEDC conducted numerous and persistent calls and in-person visits to various fire stations and 11th hour calls to fire captains, thankfully connecting with the LACoFD East Regional Fire Marshall in time. Had it not been for LAEDC's successful intervention and negotiations on the company's behalf, the company would not had been able to move to its new facility on the deadline. The company, **Million Dollar Baby Co.**, thanked LAEDC for preventing a huge financial loss to the company, which ultimately saved jobs.

DIRECT JOBS SAVED IN LA COUNTY BY INDUSTRY SECTOR FY 2019



- 57% Manufacturing
- 22% Wholesale Trade
- 4% Construction
- 3% Retail
- 3% Transportation and Warehousing
- 3% Other Industries
- 2% Accommodations and Food
- 2% Arts, Entertainment & Recreation
- 1% Health and Social
- 1% Professional and Business Services
- 1% Administration & Support
- 1% Other Services
- 1% Financial Activities

OCCUPATIONAL DISTRIBUTION OF DIRECT JOBS SAVED

SOC	Occupational Description	Jobs Saved
11-0000	Management occupations	375
13-0000	Business and financial operations	239
15-0000	Computer and mathematical science	107
17-0000	Architecture and engineering	187
19-0000	Life, physical and social science	45
21-0000	Community and social services	3
23-0000	Legal occupations	3
25-0000	Education, training and library	17
27-0000	Arts, design, entertainment, sports and media	101
29-0000	Healthcare practitioners and technical	27
31-0000	Healthcare support occupations	7
33-0000	Protective service occupations	18
35-0000	Food preparation and serving related	164
37-0000	Building and grounds cleaning and maintenance	73
39-0000	Personal care and service	91
41-0000	Sales and related occupations	750
43-0000	Office and administrative support	964
45-0000	Farming, fishing, and forestry	20
47-0000	Construction and extraction	261
49-0000	Installation, maintenance and repair	366
51-0000	Production occupations	2,234
53-0000	Transportation and material moving	831
Total of All Occupations		6,883

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	6	\$0.1	\$0.2
Mining, and oil and gas extraction	19	2.0	3.6
Utilities	34	5.9	25.0
Construction	380	24.6	60.0
Manufacturing	4,128	310.7	1,732.5
Wholesale trade	2,068	158.9	488.5
Retail trade	793	35.3	82.7
Transportation and warehousing	955	63.5	144.1
Information	204	28.5	99.2
Finance and insurance	480	42.5	121.0
Real estate and rental and leasing	382	20.9	195.5
Professional and technical services	756	69.5	116.2
Management of companies	305	36.9	73.3
Administrative and waste services	820	33.8	63.9
Educational services	148	7.4	11.1
Health care and social assistance	774	46.8	81.1
Arts, entertainment, and recreation	272	11.1	24.3
Accommodation and food services	757	23.3	53.6
Other services	612	30.4	49.8
Government	29	4.7	12.1
Total All Industries	13,921	\$956.8	\$3,437.8

SOURCE: Estimates by LAEDC

TOTAL ECONOMIC AND FISCAL IMPACT OF JOBS SAVED FY2018

Total Employment	13,921
Direct jobs	6,883
Indirect and induced jobs	7,039
Total Labor Income (\$ millions)	\$ 926.8
Direct labor income	487.6
Indirect and induced labor income	469.2
Total Output (\$ millions)	\$ 3,437.8
Direct output	2,156.4
Indirect and induced output	1,281.4
Total Fiscal Impact (\$ millions)	\$ 442.7
State and local taxes	197.8
Federal taxes	224.9



PERSONAL IMPACT

Thanks to LAEDC's help, **J&Y Silkscreen** in Valencia registered as a small business enterprise on LA County's vendor registration and procurement portal. With that help and additional, free LAEDC strategy consulting, this minority-owned family business moved past a time of slow sales and low revenue that threatened the business. Now J&Y is accessing open bids, processing new orders and generating more revenue. LAEDC helped Evelyn's business and employees thrive, including her team and family members Sydney, Jaime, Natalie, and Yolanda, pictured above. That's three generations of family!

WORLD TRADE CENTER LOS ANGELES



WTCLA, LAEDC's affiliate, continued its focus on attracting Foreign Direct Investment (FDI), and helping our local firms increase export and trade opportunities. This continues to create well-paying jobs for LA County residents.

LAEDC subsidiary World Trade Center L.A. (WTCLA) continued leading regional efforts to bring LA County 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. WTCLA also created a formal partnership with the City of LA to extend and support their investment and trade services that included a foreign direct investment report specific to the City of Los Angeles. The organization also completed its fifth annual Select LA Investment Summit that experienced a record number of attendees and speakers during the two-day event.

Other highlights include:

- Performed 66 foreign investment attraction consultations
- Facilitated \$11.5M in international investment into LA County
- Created a multi-day program for Dubai FDI and its partners
- Hosted ten delegations from Turkey, Canada, Armenia, the United Kingdom, Germany, Czech Republic, the Azores, and the United Arab Emirates
- Supported programming and led delegation recruitment for trade missions to the Asian Financial Forum in Hong Kong, the Avalon Airshow in Australia, and the Tripartite Economic Summit in New Zealand.
- Represented LA County at SelectUSA Investment Summit in Washington DC
- Continued WTCLA's thought leadership via media coverage in international and domestic print and radio.

LA County-headquartered Honda accepting WTCLA's second annual Foreign Direct Investment Award at the fifth annual Select LA Investment Summit.



A high-level Dubai Delegation visited LA-based NantWorks where Dr. Patrick Soon-Shiong shared some of his new products he hopes to partner on with the United Arab Emirates.



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. This research also guides LAEDC program development.

LAEDC's Institute for Applied Economics published a variety of comprehensive economic reports for clients including governments, agencies, workforce investment boards, universities, developers, advocates, industry associations and legislators:



1. LAEDC Economic Forecast
2. Economic Scorecard for Los Angeles County
3. San Gabriel Valley Economic Partnership's Economic Forecast
4. Center for a Competitive Workforce (CCW) reports on high growth occupations
5. Economic Contribution of Oil and Gas in California
6. Los Angeles Economic Update
7. Canada and Southern California: collaboration and partnership
8. Economic Impact of Sports in LA County
9. Destination Crenshaw Preliminary Economic Impact Analysis
10. Frieze LA Economic Impact Analysis
11. FDI in Southern California



LAEDC supporting jobs in bioscience, life science and related construction

PERSONAL IMPACT

Due in part to LAEDC's work developing financing for LA Biomed's new campus in Torrance, many local people gained jobs during the construction phase including **Anthony Perez** (member of the crew above), who is a longtime resident of LA County and employee at **DPR Construction**, the general contractor who built this remarkable project. In addition, many life sciences jobs will be created as LA Biomed becomes fully operational in their new facility.

POWERING KEY INDUSTRY CLUSTERS

LAEDC's team had a successful year in leading the regional effort to grow living-wage jobs in LA's key industries, and developed work-based learning opportunities for community college students, and supported adjustments across our educational systems to better prepare Los Angeles' workforce for the jobs of the future. LAEDC's work in **Aerospace, Advanced Mobility, Bioscience and Digital Media & Entertainment** brought together industry leaders, public sector representatives, education stakeholders and others to develop and implement strategies that foster growth of living-wage jobs and address the talent needs of the regional business community.

This work is helping local companies invent the future, including new modes of transportation where LA is developing a competitive advantage, and fueling creation of living-wage jobs.

Our Supplier matchmaking service, **CA SmartMatch**, assisted OEMs such as Virgin Orbit, NASA, Proterra and BYD with their stated goals of acquiring local technology partners and meeting supplier diversity objectives. The program connected over 50 LA companies during the fiscal year, such as AMRO Fabricating, opportunities that strengthen local supply chain companies to fuel more job growth.

Our collaboration with the **Center for a Competitive Workforce (CCW)** supported better system alignment by developing common labor market intelligence and occupational data for use by all education and workforce partners. This is essential for firms, as their hiring needs change, essential for schools who strive to boost grads into good jobs, and of course pays off for students who are better positioned for opportunity. LAEDC led this system coordination through CCW sponsored research, industry councils, a regional curriculum advisory group, a qualitative survey of 400+ companies, and LAEDC also cultivating over 400 internship and employment opportunities for middle-skill occupations throughout LA County.

In addition, LAEDC developed an important report, **LA Area Community Colleges at a Crossroads**, which delivered insights and enabling actions to address the challenges and opportunities that the community college system will see in the near-future based on market trends. The LAEDC team also developed and implemented funding strategies for projects that support the region's innovation ecosystem and enhance the livability of our communities. These projects included Biolabs at **LA BioMed**, **Charles Drew University** (see pictures) and **Destination Crenshaw**.

From a public policy perspective, LAEDC informed legislators of the positive impacts of bills designed to support jobs and competitive advantage in industries such as logistics, autonomous vehicle development, clean energy, and aerospace. Learn more at laedc.org/advocacy

LAEDC also provided behind-the-scenes PR support for numerous news articles highlighting LA's strengths in bioscience, aerospace, advanced transportation and innovation.



PERSONAL IMPACT

Thanks to LAEDC's work helping **Charles Drew University** with its Master Plan, Bitech Construction was able to hire numerous workers for the resulting construction projects, including **Alejandro Campos** at Bitech Construction.

Bitech's local-hire practices ensure these construction projects offer well-paying careers to local residents so they can support their families. Beyond the construction jobs, the reinvigorated Charles Drew University will be an economic engine in many ways, supporting opportunity in the local community. LAEDC is proud to play a role.

PROPEL LA: IMPLEMENTATION OF THE STRATEGIC PLAN

"Capturing the power of many to propel economic impact and equity" is the purpose of Propel L.A. This past year, LAEDC's Propel L.A. team had the privilege of engaging our Lead Partners and hundreds of stakeholders, who are actively implementing the 2016-2020 Countywide Strategic Plan for Economic Development.

Propel LA created the HireEd Career Pathways series of nine videos that was launched this spring to provide teens with information on living-wage jobs in growing LA County industries. Each video features a community college grad and a four-year university grad, filmed at their worksites as they discuss their career pathways. The series was developed in partnership with the LA County Office of Education, with funding from the Center for a Competitive Workforce and Wells Fargo.

Our inaugural 88 Cities Summit was held in August 2018 with close to 200 city mayors and elected



officials, county representatives, and civic leaders in attendance. Under the theme "Regional Collaboration: Addressing Common Challenges", speakers included HUD Secretary Julian Castro and LA County officials.

Thanks to a Community Progress Makers grant from Citi Foundation, LAEDC also worked with LA Valley College, El Camino College and the South Bay Workforce Development Board to implement a short-term workforce training program for underemployed and unemployed workers, helping students with technical and soft skills preparation for high-demand, well-paying careers with growth potential.

INNOVATELA 2018

LAEDC continues to showcase and foster growth of the innovation ecosystem throughout L.A., including via the countywide event series InnovateLA, which was recognized in October with an IEDC Award of Excellence.



LAEDC'S EVENTS

The LAEDC expanded its visibility throughout LA County with successful event programming that brought exciting and innovative topics to our constituents.

Our annual **Economic Forecast** event featured speakers from SpaceX and AECOM, some of the largest employers in Los Angeles, who shared their forward thinking ideas that they are implementing right here in our backyard.

Our **RED Talk** series addressed timely and important issues, including: Trade & Tariffs impact on our regional economy; the Talent Ecosystem in LA and our uniquely-abled workforce; and Investment in Technology and Automation across industries.

Going into its fourth year, our **Future Forum** series has become the "must attend" event that the LAEDC does each quarter during the year. This past year we looked at the future of FinTech; The Business of Aging; Future of Manufacturing; and Future of Esports which garnered our largest attendance ever at a Future Forum with 250 attendees, hosted at Riot Games in LA.

Lastly, our annual **Eddy Awards** gala dinner honored outstanding corporate (American Airlines), individual (Beatriz Acevedo), and education (Cal Poly Pomona) honorees who have made a significant contribution to economic development in LA County.

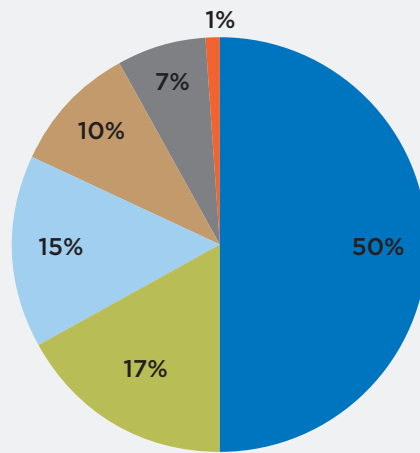


The cities of Azusa and Whittier were selected as the 2018 Most Business-Friendly Cities in LA County by LAEDC's statewide Blue Ribbon Panel of Judges.

We were extremely pleased to have surpassed our revenue target for the 2018 Eddy dinner making it one of our most successful Eddy Awards in many years. Join us this year on Nov 7th, 2019.

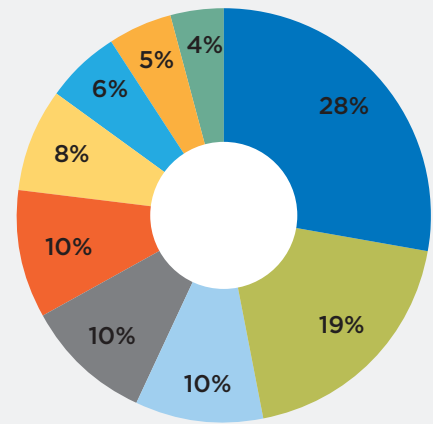
LAEDC FINANCIAL SUMMARY FY 2018-19

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



FUNDING

- 50% Private Sources
- 17% Portfolio Draw
- 15% State/Federal Agencies
- 10% County
- 7% Local Government/Agencies
- 1% Other Public Sources



EXPENDITURES

- 28% Business Assistance & WTCLA
- 19% Industry Cluster & Workforce Development
- 10% Public Events
- 10% Consulting and Research
- 10% Admin, IT, HR, Executives & Overhead
- 8% Propel LA
- 6% Center of Economic Development
- 5% Marketing & Communications
- 4% Strategic Relations

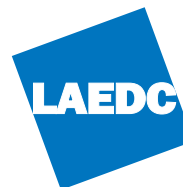
About LAEDC

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.



LOS ANGELES COUNTY
ECONOMIC DEVELOPMENT CORPORATION

Collectively Advancing Opportunity and Prosperity for All

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