



OTIS
COLLEGE
OF
ART
AND
DESIGN

THE CREATIVE ECONOMY

2021 Otis College Report on
the Creative Economy



BEACON
ECONOMICS

**Prepared by
Beacon Economics**

Founded in 2007, Beacon Economics, an LLC and certified Small Business Enterprise (SBE) with the state of California, is an independent research and consulting firm dedicated to delivering accurate, insightful, and objective economic analysis. Leveraging unique proprietary models, vast databases, and sophisticated data processing, the company specializes in industry analysis, economic policy analysis, economic impact analysis, and real estate market analysis. Beacon Economics equips its clients with both the data and analysis required to understand the significance of on-the-ground realities and make informed business and policy decisions.

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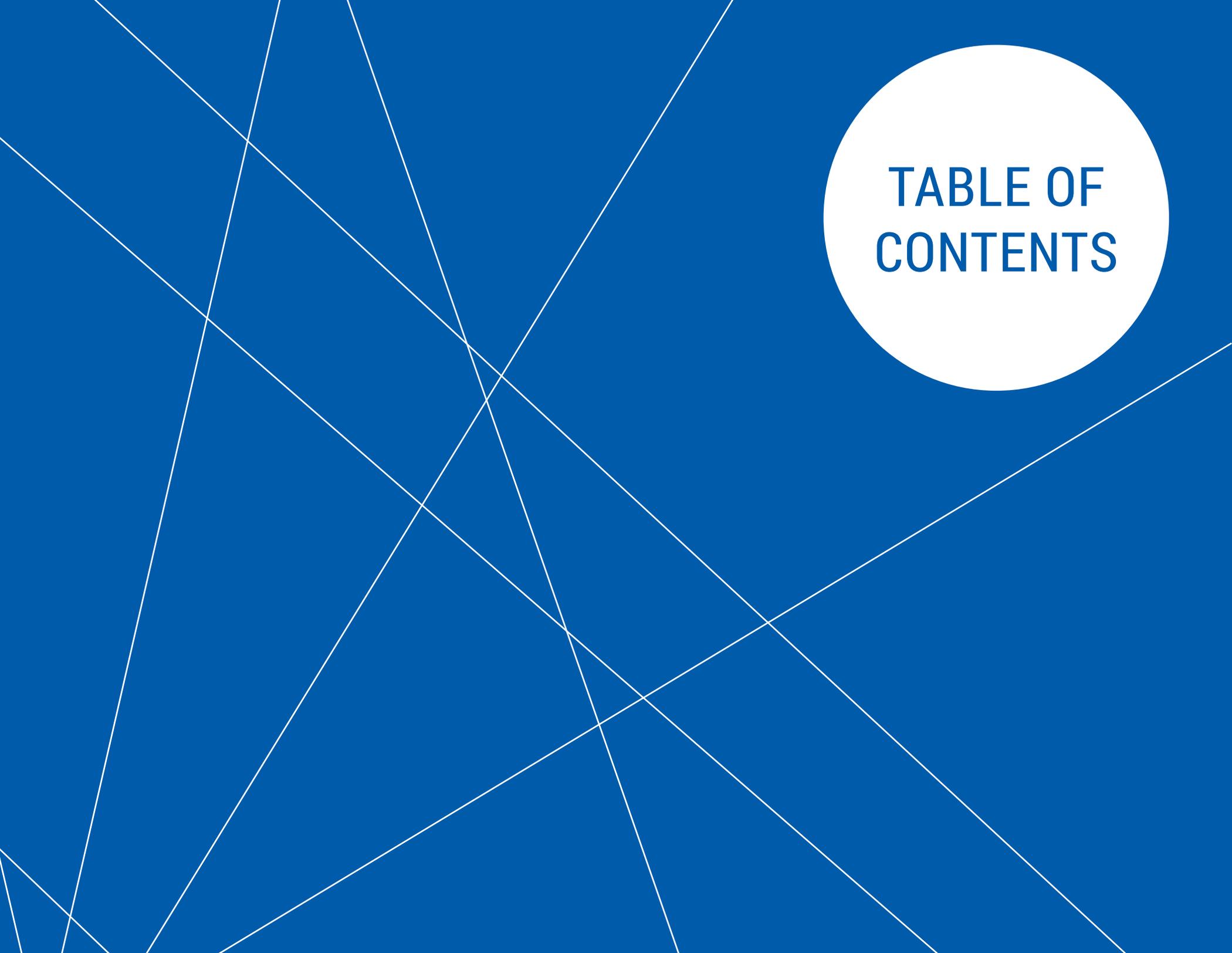
Established in 1918, Otis College of Art and Design offers undergraduate and graduate degrees in a wide variety of visual and applied arts, media, and design. Core programs in liberal arts, business practices, and community-driven projects support the College's mission to educate a diverse community of students to become highly skilled, well-informed, and responsible professionals—empowering them to shape the world. More information is available at otis.edu.

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WELCOME TO THE 2021 OTIS COLLEGE REPORT ON THE CREATIVE ECONOMY

Otis College of Art and Design has been publishing the *Otis College Report on the Creative Economy* since 2007, when it started as a report dedicated to chronicling the size and breadth of the creative industries of Los Angeles. It expanded to provide statewide data in 2013 and now features a deeper look into five creative sectors—Architecture and Related Services; Creative Goods and Products; Entertainment & Digital Media; Fashion; and Fine Arts and Performing Arts—across eight regions in California—from Northern California to San Diego.

Last year was the most unusual year in the history of the Report and, because of that, the *2021 Otis College Report* might be the most important one yet. In these pages you

will find evidence of the growing importance and strength of the creative industries, along with stories of how the COVID-19 pandemic has disrupted some and buoyed others. As policymakers look for ways to revive the economy, we hope the Otis College Report will provide an important resource.

At Otis College of Art and Design we are focused on educating the next generation of creators—from fashion designers to artists, toy designers to animators. While 2020 meant that we needed to pivot our BFA, MFA, and Extension programs to online instruction, we learned that creativity is more important than ever. We look forward to the new future of the creative sectors and thank you for your interest in Otis College and this report.

I want to thank Beacon Economics for their authorship of the report and our sponsors who made it possible: the City of Los Angeles Department of Cultural Affairs, The Ralph M. Parsons Foundation, Marsh, and Sony Pictures Entertainment.

Best regards,

Charles Hirschhorn

President



PREFACE

The 2021 *Otis Report on the Creative Economy* is part of an ongoing research project, first commissioned in 2007, to better understand the size, growth, structure, and character of the Creative Economy in California, with an emphasis on Los Angeles County.

The 2021 report has taken a slightly different shape this year given the global COVID-19 pandemic and its devastating impacts. In previous annual editions, the report has relied on full year employment and wage data from the U.S. Bureau of Labor Statistics (BLS) Quarterly Census of Employment and Wages (QCEW). That data has historically served as the foundation for economic models that estimate the economic impact of the Creative Economy across California.

The tradeoff for the richness provided by the QCEW data is a time lag. For example, the 2020 Otis Report reported on 2018 QCEW wages and employment (the most recent annual data available at the time of publication). This year's analysis continues reporting on that data series in Chapters 2 and 3 (2019 data) in order to maintain the tradition of tracking the Creative Economy and its sectors over time. The data analysis in those chapters captures the Creative Economy in California through the longest economic expansion in U.S. history. But 2020 is no 2019 and the research team has relied on an updated methodology to report (in Chapter 1) on early estimated impacts from the COVID-19 recession in 2020. Subsequent QCEW data will release this year and will be reported on in

the 2022 report, which will help clarify the full impacts of the pandemic.

This year also introduces new and exciting data analysis from additional sources including: Paycheck Protection Program (PPP) loan data from the Small Business Administration (SBA), the Annual Business Survey (ABS) from the U.S. Census, Non-Employer Statistics (NES) from the U.S. Census, and County Business Patterns (CBP) from the U.S. Census. These datasets help build an empirical understanding around minority-owned creative businesses in California and the demographics of self-employed workers in the Creative Economy. They also allow for more robust reporting on high-level, nonprofit organization and employment counts across California.

Collecting data about the Creative Economy sectors is critical for sound economic and policy decision making. This year's report highlights a number of areas in the recommendations section where state policymakers can take the lead on directing and empowering administrative agencies to better capture and classify the professionals in the state who are essential parts of California's creative ecosystem. These recommendations will help embed policymaking related to the Creative Economy in robust data analysis.

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EXECUTIVE SUMMARY

The 2021 Otis Report on the Creative Economy

is part of an ongoing research project, first commissioned in 2007, to better understand the size, growth, structure and character of the Creative Economy in California, with an emphasis on Los Angeles County.

THE END OF THE LONGEST ECONOMIC EXPANSION IN HISTORY

EMPLOYMENT

The first quarter of 2020 saw the longest economic expansion in U.S. history (128 months or 10.5 years) come to an end. Over that 10-year period, California's Creative Economy experienced record growth and industry changes that bolstered many creative sectors. Between 2008 and 2019, California's Creative Economy grew by almost 16%—adding roughly 146,000 payroll jobs over this expansionary period.

- ◇ The **Entertainment & Digital Media** sector grew the fastest, adding 188,000 workers over the last decade for a growth rate of 32%. This represents more workers than the total net employment gain for the state's Creative Economy over the same time period.
- ◇ Employment growth in **Fine Arts and Performing Arts** also experienced faster growth than the Creative Economy overall; over 10,000 workers were added between 2008 and 2019, a 27% increase.
- ◇ **Architecture and Related Services** saw relatively little growth (3%) during this period, while the **Creative Goods** sector underwent employment decreases of 16%. **Fashion** saw employment contract 24% over this period, in line with global trends in manufacturing supply chains.

CONTRACT “GIG WORKERS” IN CREATIVE SECTORS

ENTERTAINMENT & DIGITAL MEDIA

- ◇ Contract workers in this sector account for 31% of the industry’s employment in California and 38% in L.A. County.
- ◇ In California, 56.4% of self-employed workers in this sector identified as non-Hispanic White, 26.3% as Hispanic, 13.4% as Asian, and 3.7% as Black.

ARCHITECTURE AND RELATED SERVICES

- ◇ Comprising 39% of the industry’s employment in both California and L.A. County, this sector has the largest share of contract workers.
- ◇ In California, 55% of self-employed workers in this sector identified as non-Hispanic White, followed by Hispanic (26.0%), Asian (15.5%), and Black (2.9%).

CREATIVE GOODS AND PRODUCTS

- ◇ Contract workers in this sector account for 15% of the industry’s employment in California and 10% in L.A. County.
- ◇ In California, of the self-employed workers in the Creative Goods and Products sector, 55.3% identified as non-Hispanic White, 26.0% as Hispanic, 15.6% as Asian, and 2.8% as Black.

FINE ARTS AND PERFORMING ARTS

- ◇ Contract workers in this sector account for 30% of the industry’s employment in California and 30% in L.A. County.
- ◇ In California, 57.1% of contract workers in the sector identified as non-Hispanic White, followed by Hispanic (26.6%), Asian (10.7%), and Black (5.3%). The share of the self-employed who identify as Black is largest in the Fine Arts and Performing Arts sector than in any other creative industry.

FASHION

- ◇ This sector has the smallest share of contract workers among the creative industries in both California and L.A. County, accounting for 13% of the industry’s workforce in California and 9% in L.A. County.
- ◇ In California, most self-employed workers in the Fashion industry identify as non-Hispanic White (55.1%), followed by Hispanic (25.9%), Asian (15.8%), and Black (2.9%).



WAGES

During the expansionary period between 2008 and 2019, average wages across Creative Economy sectors continued to be higher than the state average. Across all five sectors the average annual wage in the Creative Economy was \$97,300, roughly 37% higher than the mean wage in California.

- ◇ Average wages varied across different sectors, with the highest in Entertainment & Digital Media (\$134,258), followed by Architecture and Related Services (\$73,515), Creative Goods and Products (\$70,420), Fine Arts and Performing Arts (\$64,011), and Fashion (\$57,874).
- ◇ Fashion saw the largest wage growth between 2014 and 2019, rising 28%, even though employment in the sector contracted.

As the expansion came to an end in early 2020, roughly 1.1 million of California's 15 million payroll jobs were found in the Creative Economy's five sectors. Each of the five sectors includes a diversity of firm types and sizes – from micro businesses to large, industry-leading firms.

SMALL BUSINESSES IN CREATIVE SECTORS

ENTERTAINMENT & DIGITAL MEDIA

- ◇ There are nearly **57,120 Entertainment & Digital Media establishments in California, the largest of any creative sector**. While roughly 84.9% have fewer than 10 employees, establishments with 500 or more employees account for the largest share of the industry's employment (37.1%). Meanwhile, establishments with less than 10 employees account for 10.0% of the industry's workforce.

ARCHITECTURE AND RELATED SERVICES

- ◇ There are nearly 7,200 Architecture and Related Services firms in California. Most of these firms (85.5%) have less than 10 employees. Unlike other creative sectors, employment is concentrated among smaller establishments; firms that employ the largest share of the sector's workforce are those with 10 to 49 employees (42.5%) and those with less than 10 employees (34.6%).

CREATIVE GOODS AND PRODUCTS

- ◇ There are over 7,100 Creative Goods and Products establishments in California. The majority of establishments (70%) have less than 10 employees, although **firms with more than 500 workers employ the largest share of the sector's workforce (37%)**, followed by firms with 100 to 499 workers (28%), and firms with 10 to 49 workers (16%).

FINE ARTS AND PERFORMING ARTS

- ◇ At just over 4,600 establishments, Fine Arts and Performing Arts has fewer establishments than any other creative sector in California. While 81.3% of these establishments have fewer than 10 employees, firms that employ the largest share of the workforce are those with 10 to 49 workers (33%), followed by those with 100 to 499 employees (26%).

FASHION

- ◇ The Fashion sector has over 10,900 establishments in California, of which 78.8% employ less than 10 people. The firms that employ the largest share of the sector's workforce are those with 10 to 49 employees (35%), 100 to 499 employees (25%), and less than 10 employees (22%).

DIVERSITY IN BUSINESS OWNERSHIP

Prior to the pandemic-induced recession, there were 57,119 business establishments in the Entertainment & Digital Media sector in California; 79% of these business establishments were characterized by non-Hispanic White ownership (compared to 65% across all industries), 13% were Hispanic ownership, 5.7% were Asian ownership, and 2.4% were Black ownership.



The demographics of business ownership vary across the creative sectors:

ENTERTAINMENT & DIGITAL MEDIA (SEE PG. 54 FOR MORE DETAIL)

- ◇ 57,119 business establishments, 21% non-White ownership
- ◇ 13% Hispanic ownership, 5.7% Asian ownership, and 2.4% Black ownership.

ARCHITECTURE AND RELATED SERVICES (PG. 64)

- ◇ 7,167 business establishments, 24% non-White ownership
- ◇ 12% Hispanic ownership

CREATIVE GOODS AND PRODUCTS (PG. 74)

- ◇ 7,138 business establishments, 28% non-White ownership
- ◇ 16.5% Asian ownership and 11.6% Hispanic

FINE ARTS AND PERFORMING ARTS (PG. 84)

- ◇ 4,611 business establishments, 19% non-White ownership
- ◇ 2.8% Black ownership, 1.5% higher than ownership across all industries

FASHION (PG. 94)

- ◇ 10,946 business establishments, 55% non-White ownership
- ◇ 48% Asian ownership

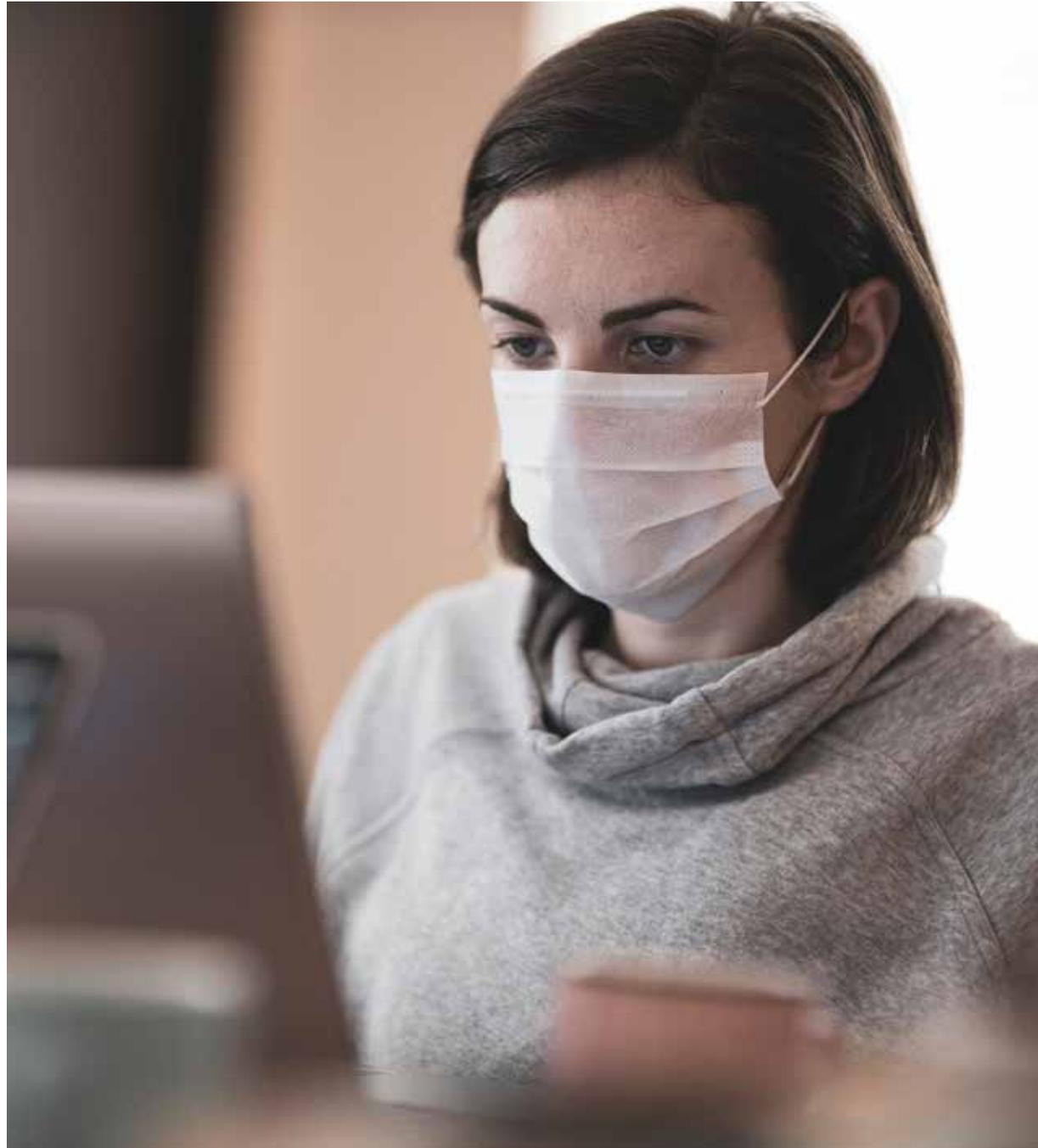


COVID-19'S IMPACT ON THE CREATIVE ECONOMY

The COVID-19 pandemic has had a devastating effect on the Creative Economy in California. The professionals who work across the Creative Economy's sectors have been profoundly affected by the public health mandates implemented to help contain the virus.

- ◇ Across California, the Creative Economy suffered 175,360 job losses (roughly 13%) from February to December 2020. In L.A. County, the Creative Economy sectors lost 109,400 jobs (24%).
- ◇ The Entertainment & Digital Media sector experienced estimated job losses of 128,100; Fashion lost 22,870 jobs, and Fine Arts and Performing Arts lost 15,900 jobs.

Motion Picture and Video Production has been one of the hardest hit sectors in the Creative Economy, with almost 92,000 jobs lost nationwide. California accounts for roughly 60,000 of the jobs lost (and L.A. County accounts for most of that number with 50,000 of the jobs lost).



01

INTRODUCTION

INTRODUCTION

The world began 2021 with a glimmer of hope and optimism. Looking back on a year filled with uncertainty, stress, and isolation, one of the lessons we learned from 2020 was that so much of what makes us happy we take for granted. Whether that was going out to enjoy live music, or visiting a local movie theater, we came to appreciate like never before how necessary the creative efforts of others are to our quality of life. The Creative Economy, with its myriad industries and subsectors, has taken a huge hit from COVID-19. The longer the pandemic continues, and the longer various sectors of the Creative Economy remain shuttered, the worse the situation will be, not only for the creative workforce, but also for the economy at large.

Prior to the COVID-19 pandemic, the Creative Economy was enjoying positive economic trends in several sectors. In the decade following the Great Recession of 2008, California's Creative Economy saw employment grow by an astonishing 28.2%, outpacing California employment across all industries in the same period (23.9%). Led by strong employment gains in Entertainment & Digital Media (42%), Fine Arts (33.8%), and Architecture and Related Services (31.4%), the Creative Economy was a key economic driver. However, in the first quarter of 2020, the COVID-19 pandemic had already severely disrupted growth in the Creative Economy sectors.

As the severity of the pandemic continued to worsen, several of the hardest hit industries were at the core of the Creative Economy. Stay-at-home mandates disrupted almost all Creative Economy subsectors and put hundreds of thousands of employees out of work. Between February and December 2020, it is estimated that over 750,000 Creative Economy workers in the U.S. lost their jobs, with California accounting for roughly 175,000 (23.3%) of those losses.

In California, Creative Economy job losses between February and December 2020 reached 13.3%, far worse than the nationwide figure of 8.2%. Southern California, and Los Angeles County in particular, has witnessed some of the worst disruptions in employment as a result of the pandemic, with roughly one in five Creative Economy workers losing their jobs between February and December 2020. Certain subsectors that are key to the Los Angeles and California economy, such as Motion Picture and Video Production, have been severely hit, with almost 60,000 jobs lost in California, roughly two thirds of all losses in the subsector nationwide.



California lost 60,000 jobs
in Motion Picture and Video
Production - roughly 2/3 of that
industry's losses nationwide.

THE CREATIVE ECONOMY AND COVID: TIMELINE

Table 1.1

January 20, 2020

U.S. confirms first COVID-19 case.

January 30, 2020

WHO declares a global health emergency.

February 29, 2020

First COVID-19 death in the U.S. confirmed.

March 6, 2020

South by Southwest (SXSW) festival cancelled.

March 9, 2020

Coachella and Stagecoach postponed until October 2020.

March 12

Broadway League announces closure of Broadway shows.

March 13, 2020

Museums in Los Angeles, New York, Boston, and Washington, D.C. close to limit COVID's spread.

March 15, 2020

CDC Recommends the postponement or cancellation of all gatherings of more than 50 people.

March 19, 2020

Gov. Gavin Newsom Issues stay-at-home order in California.

March 20, 2020

Film production shuts down in L.A. County.

March 24, 2020

The Museum of Contemporary Art in Los Angeles announces laying off all 97 of its part-time employees.

March 25, 2020

\$2.2 trillion COVID-19 Aid, Relief, and Economic Security (CARES) Act bill is passed by Congress.

March 26, 2020

Museums and art schools in California and New York donate supplies to hospitals facing shortages of PPE.

March 31, 2020

Instagram Live usage jumps 70% in March as musicians perform at-home concerts.

April 2, 2020

More than one million people globally test positive for COVID-19.

April 2, 2020

The Warhol Foundation launches a \$1.6 million COVID-19 emergency relief grant.

April 3, 2020

The Getty Trust launches a \$10-million COVID-19 relief fund to support art nonprofits in Los Angeles.

April 5, 2020

Gamemaker Ravensburger sees U.S. puzzle sales soar 370% year-over-year in two weeks.

April 10, 2020

Arts organizations launch a \$10-million relief fund for artists affected by the pandemic.

April 13, 2020

Art nonprofits are able to apply for COVID-19 relief grants through the National Endowment for the Arts.

April 18, 2020

Aired live on 26 networks, the One World: Together at Home virtual concert draws 21 million viewers.

April 21, 2020

The Broad announces it will lay off staff.

April 24, 2020

A survey finds that 95% of artists have lost income because of the pandemic.

April 28, 2020

California EDD starts accepting online PUA applications.

May 17, 2020

New York and California shut down all movie theaters.

May 17, 2020

AMC and Regal announce closure of all theaters nationwide.

May 27, 2020

U.S. COVID-19 cases pass 100,000.

June 10, 2020

After being postponed, Coachella and Stagecoach are canceled for 2020.

June 12, 2020

Film production restarts in L.A. County.

July 17, 2020

Report shows U.S. video game spending hits its highest point in June 2020 since 2009.

July 31, 2020

Federal Pandemic Unemployment Compensation (FPUC) \$600 weekly payments end.

August 8, 2020

President Trump signs order that extends weekly federal unemployment benefits of \$300/week.

August 16, 2020

CDC begins developing a plan to distribute a COVID-19 vaccine.

September 28, 2020

Nike online sales jump 82%.

October 20, 2020

Kohl's announces launch of new athleisure brand as sales in athletic and casualwear surge.

November 8, 2020

U.S. surpasses 10 million COVID-19 cases.

December 8, 2020

UK begins vaccinations.

December 10, 2020

Lululemon net revenue increases 22% in Q3-2020 from Q3-2019.

December 11, 2020

FDA approves Pfizer vaccine.

December 14, 2020

U.S. death toll passes 300,000.

December 14, 2020

U.S. gives out first COVID-19 vaccinations outside of trials to high-risk health workers.

December 18, 2020

FDA approves Moderna vaccine.

December 21, 2020

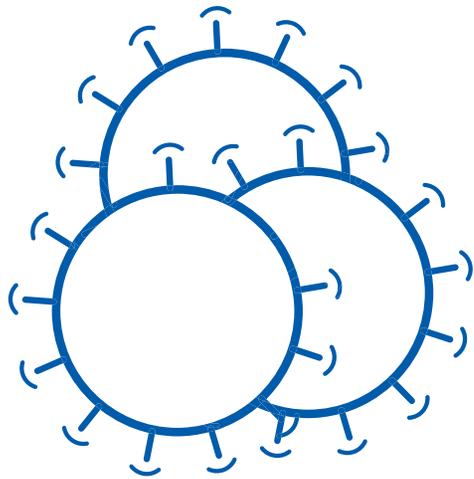
Congress approves \$900 billion COVID-19 relief bill that includes \$600 stimulus checks to qualifying individuals and an extra \$300 in weekly unemployment benefits.

December 31, 2020

U.S. falls short on goal to distribute 20 million vaccinations by year-end.

January 20, 2021

Netflix stock achieves all-time high of \$586.34 per share after reaching 200 million subscribers.



CREATIVE ECONOMY AND THE PANDEMIC



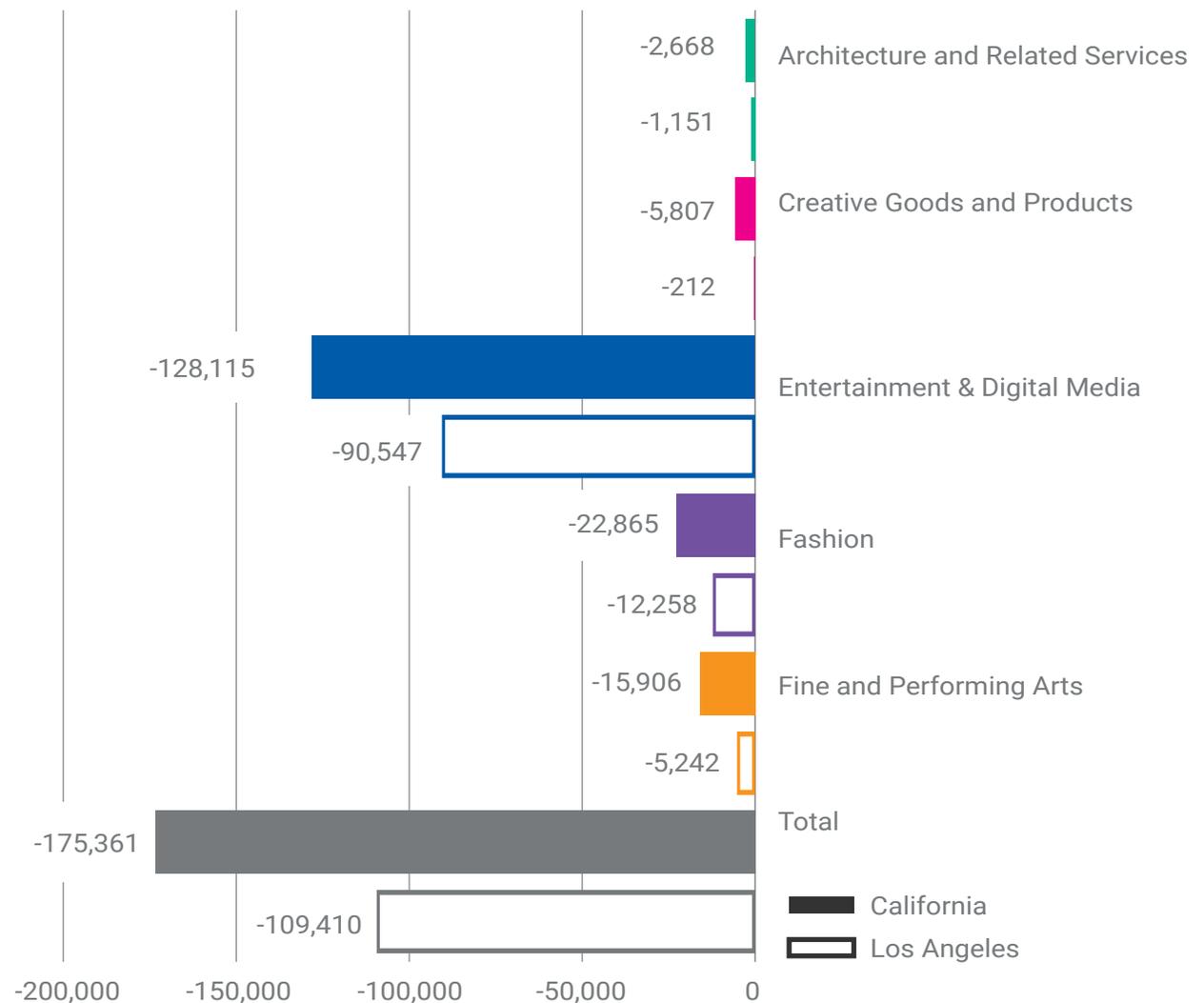
THE CREATIVE ECONOMY AND THE PANDEMIC

As the COVID-19 pandemic spread in early 2020, uncertainty still surrounded the transmission of the virus. The Creative Economy is a collection of industries that thrives on human interaction and activity - whether it is to film large scale movies with hundreds of cast and crew members, or costume shops, with tailors and crafts people working in close quarters to create their crafts. Most Creative Economy sectors ground to a halt, as the nature of the virus defied clear policy or practice. When the curtain fell on 2020, the pandemic had left over 173,361 employees in California's Creative Economy unemployed, 109,410 of them in Los Angeles County alone.

The largest decline in employment, both state-wide and in Los Angeles County, was in Entertainment & Digital Media, the largest sector of the Creative Economy. In Los Angeles County, job losses in Entertainment & Digital Media accounted for roughly 82.7% of total job losses in the Creative Economy. Since California and Los Angeles County are home to a dominant share of key subsectors within Entertainment & Digital Media and Fine Arts and Performing arts, such as Motion Picture and Video Production and Fine Arts Institutions, the pandemic, and

**Job Losses in the Creative Economy by Sector (February 2020 to December 2020)
California and L.A. County**

Figure 1.1



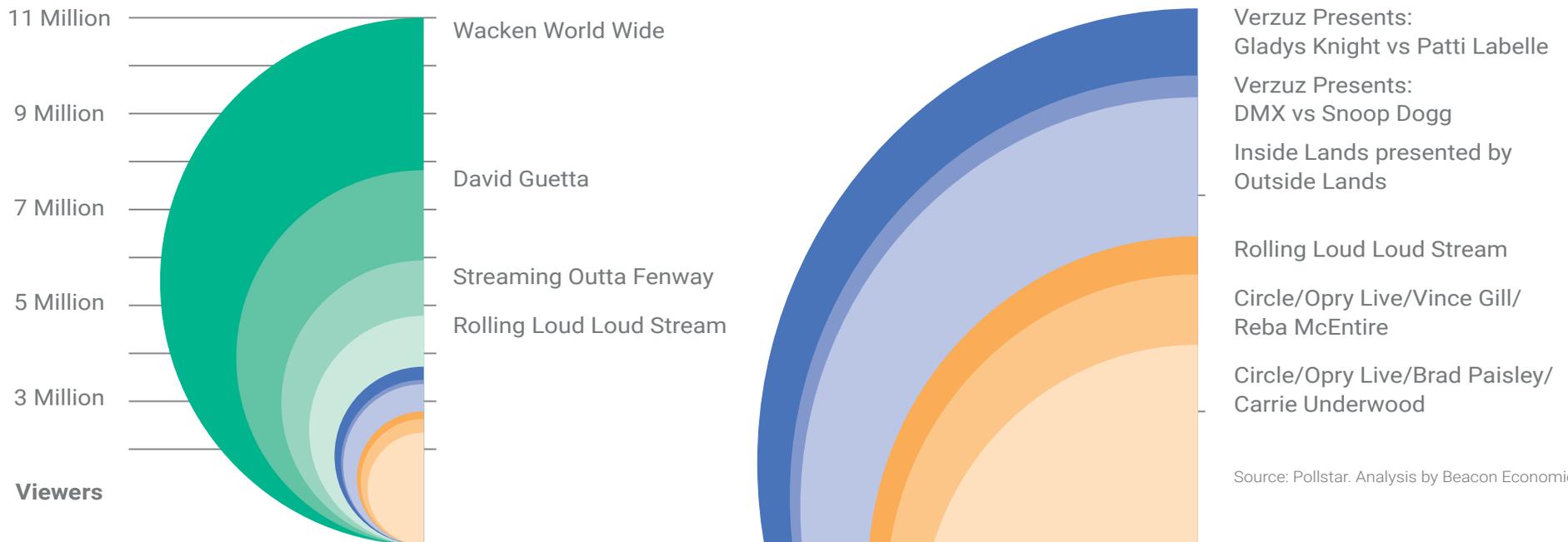
subsequent lockdown measures, severely disrupted these industries and their operations. The related economic activity required to maintain these industries has been severely affected as a result. For example, shooting days¹ for all types of productions dropped significantly in Los Angeles County between 2019 and 2020, falling by roughly 48%, from 36,450 days in 2019 to 18,993 days in 2020. The number of production days in 2020 was the lowest in 25 years of recorded production data. That said, the bounce-back when public health mandates eased were markedly quick in certain areas. For example, in the sec-

ond quarter of 2020, there were only 194 shooting days, whereas in the fourth quarter there were roughly 7,348. There is little doubt that production companies suffered heavily in 2020 due to COVID-19 closures (domestic box office revenue fell a whopping 81.6% between 2019 and 2020 due to the shutdown of movie theaters). Still, thanks to stay-at-home orders, streaming services were booming. Nielsen ratings estimate that in the first week of March 2020 there were 85% more minutes of streaming material than in the same period in 2019. Streaming became a staple of the pandemic, whether through ser-

vices such as Netflix and Hulu, or through other digital media platforms such as YouTube, Facebook, Twitch, and Instagram Live. These types of platforms offered a new opportunity for artists to connect with audiences as fans from around the world tuned in.

Top 10 Livestreams of Musical Performances

Figure 1.2



Source: Pollstar. Analysis by Beacon Economics

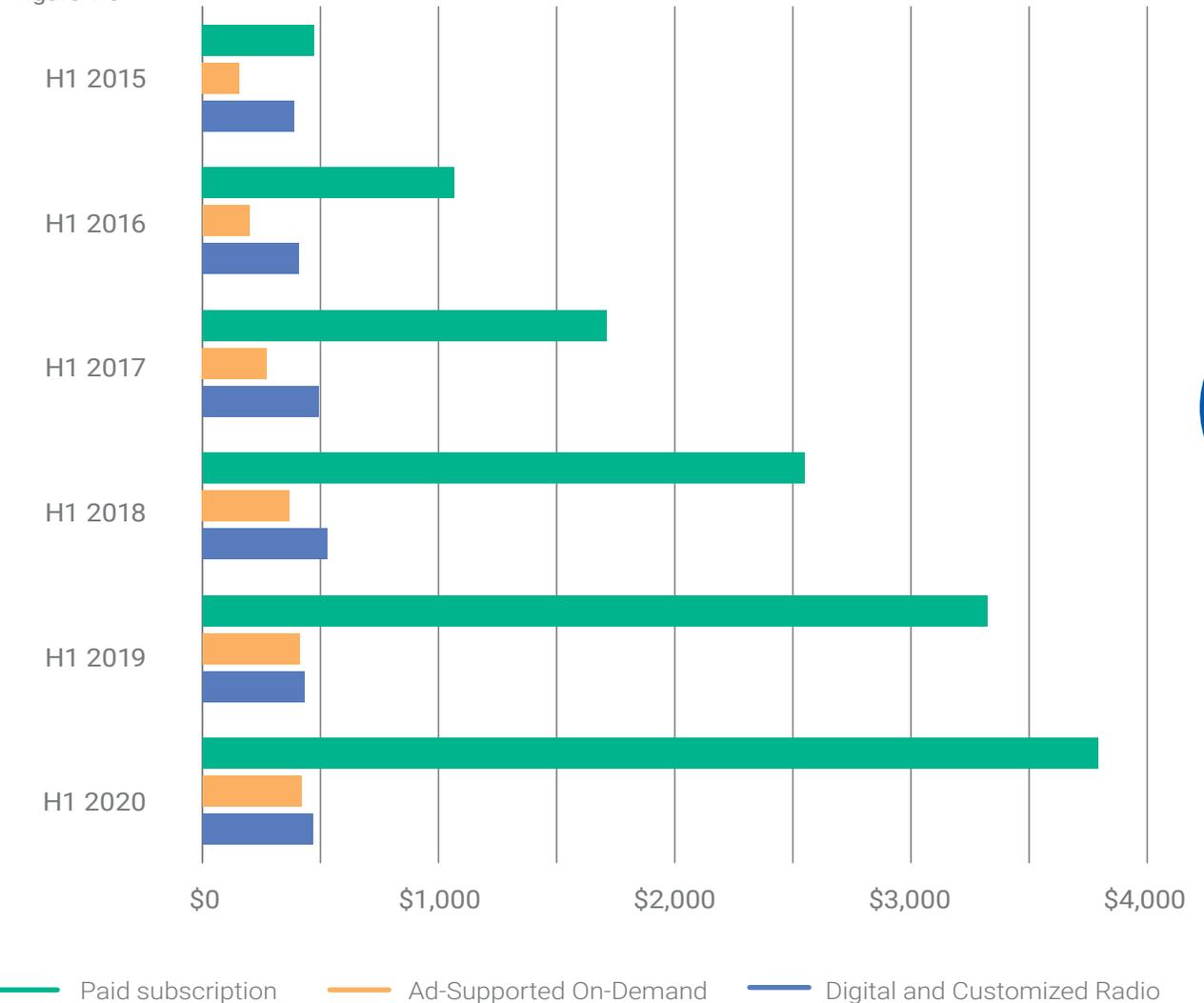
¹ A shooting day is defined as a production/crew's permission to film at a given location(s) during any or all of a given 24-hour period.

SPOTLIGHT: TUNING IN TO THE GREATEST HITS

Most sectors across the economy have suffered heavily due to lockdown measures. Any industry that thrives on social interaction has had to radically rethink its outlook. Some industries, however, have prospered. Music streaming platforms saw a massive increase in paid subscriptions in the first half of 2020. While this has been a continuing trend since 2015, stay-at-home mandates persuaded even more people to subscribe to these platforms. Large music platforms have dealt with positive and negative trends in the past year. Spotify's paid users reached 138 million in total – beating expectations in the second quarter of 2020. While ad revenue declined by roughly 21% in the second quarter of 2020, paid subscribers play the majority role in bringing in revenue for these large platforms (accounting for 90% of Spotify's).

Music Revenue in the U.S. by Source in Million USD

Figure 1.3



Source: RIAA. Analysis by Beacon Economics

IMPACT OF JOB LOSSES FROM FEBRUARY TO DECEMBER 2020, CALIFORNIA

The loss of Creative Economy jobs statewide resulted in a severe cut in wages, economic output, and fiscal revenue. Between February and December 2020, an estimated 175,361 jobs were lost in the Creative Economy due to the pandemic. Creative Economy job cuts have a massive ripple effect on supply chains and household spending. For example, loss of jobs in Motion Picture and Video Production means that the logistics firms hired to move filming equipment between locations have now also been cut. Workers from both the movie production company and the logistics firms now have lower wages to spend at home. Both the supply chain job cuts and the lower household spending are referred to as secondary impacts². The total job losses from secondary impacts are estimated to be 337,000 jobs, combined with other sources totals over half a million job losses in California from damage to the Creative Economy. California's total economic output loss was roughly \$140.0 billion between February and December 2020.

² Secondary impacts occur through either the indirect effects (business to business impacts, or supply chains) or the induced effects (household impacts, i.e., household spending from employees hired through direct or indirect impacts).

Economic Impact of COVID-19 on the California Creative Economy

Table 1.4

Impact Type	Employment (000s)	Labor Income (\$ Mil.)	Total Output (\$ Mil.)
Direct	-166,971	-21,844.6	-69,030.8
Indirect	-167,249	-14,461.1	-39,311.5
Induced	-171,957	-10,749.7	-32,230.9
Total	-507,177	-47,055.4	-140,573.2

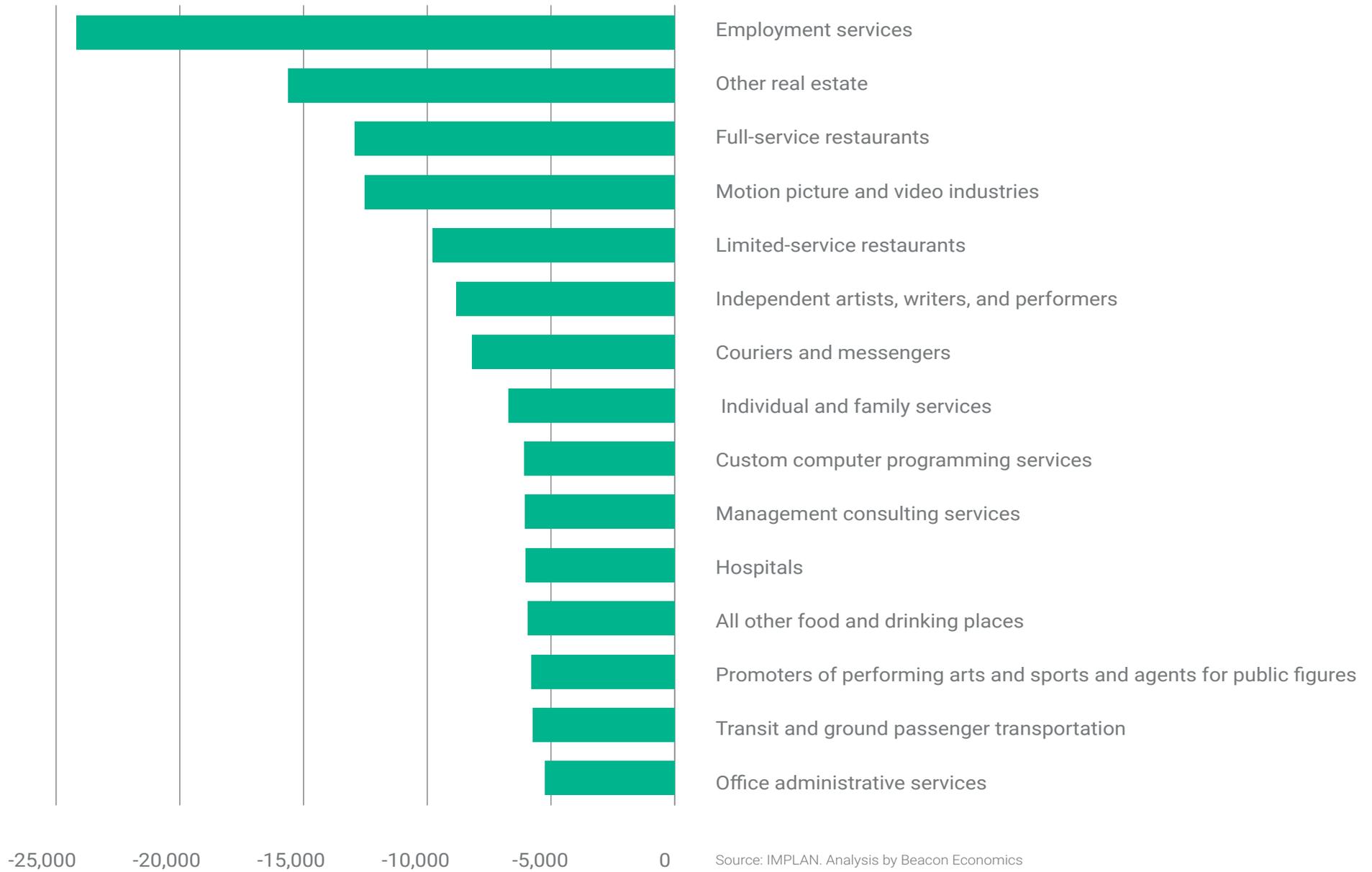
Source: Bureau of Labor Statistics, QCEW, IMPLAN. Analysis by Beacon Economics

In addition to sectors within the Creative Economy, many other industries suffered through the secondary effects. Employment Services, Real Estate, and Restaurants are just some of the industries that have endured tremendous economic losses as a result of disruptions to California's Creative Economy.

In a "normal" year, the Creative Economy generates significant fiscal revenue. In annualized terms, the loss of jobs in the Creative Economy will cause an estimated loss of roughly \$6.5 billion in state and local taxes, and \$10.3 billion in federal tax.

Secondary Impact Job Losses by Industry, California

Figure 1.4



IMPACT OF JOB LOSSES FROM FEBRUARY TO DECEMBER 2020, L.A. COUNTY

Los Angeles County accounts for over half of the estimated economic output losses triggered by job cuts in the statewide Creative Economy. Job losses between February and December 2020 have resulted in an estimated \$78.9 billion loss in economic output and a total loss of 276,700 jobs. Over half the jobs lost as a result of the decline in Creative Economy employment come from secondary, or indirect and induced impacts – estimated to total almost 167,300 jobs in Los Angeles County.

As is the case in California as a whole, job losses in the Los Angeles Creative Economy ripple through the wider economy, affecting a broad range of industries through secondary impacts. Industries that have suffered from job losses through secondary impacts between February and December 2020 include Real Estate, Restaurants, Transportation, and Family Services.

Federal, state, and local governments have also suffered from lost fiscal revenue as a result of disruptions to the Creative Economy. Job losses between February and December 2020 in Los Angeles County alone will result in an estimated annualized loss of \$3.3 billion in state and local government revenue, and \$5.7 billion in federal revenue.

Economic Impact of COVID-19 on the Los Angeles Creative Economy

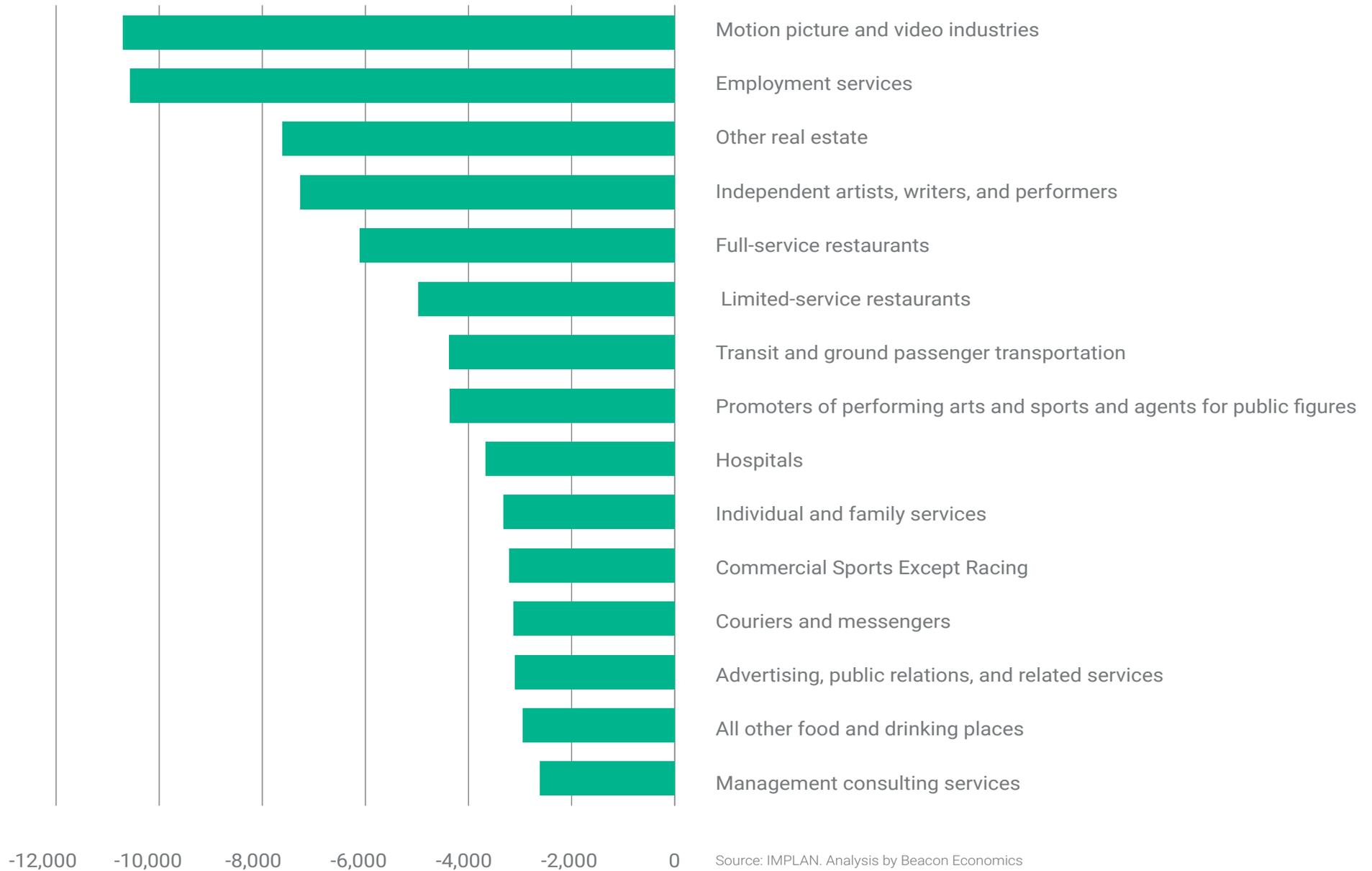
Table 1.5

Impact Type	Employment (000s)	Labor Income (\$, Mil.)	Total Output (\$, Mil.)
Direct	-109,410	-14,220.6	-43,959.2
Indirect	-83,616	-7,320.3	-20,222.8
Induced	-83,675	-4,973.2	-14,745.4
Total	-276,701	-26,514.1	-78,927.3

Source: Bureau of Labor Statistics, QCEW, IMPLAN. Analysis by Beacon Economics

Secondary Impact Job Losses by Industry, L.A. County

Figure 1.5



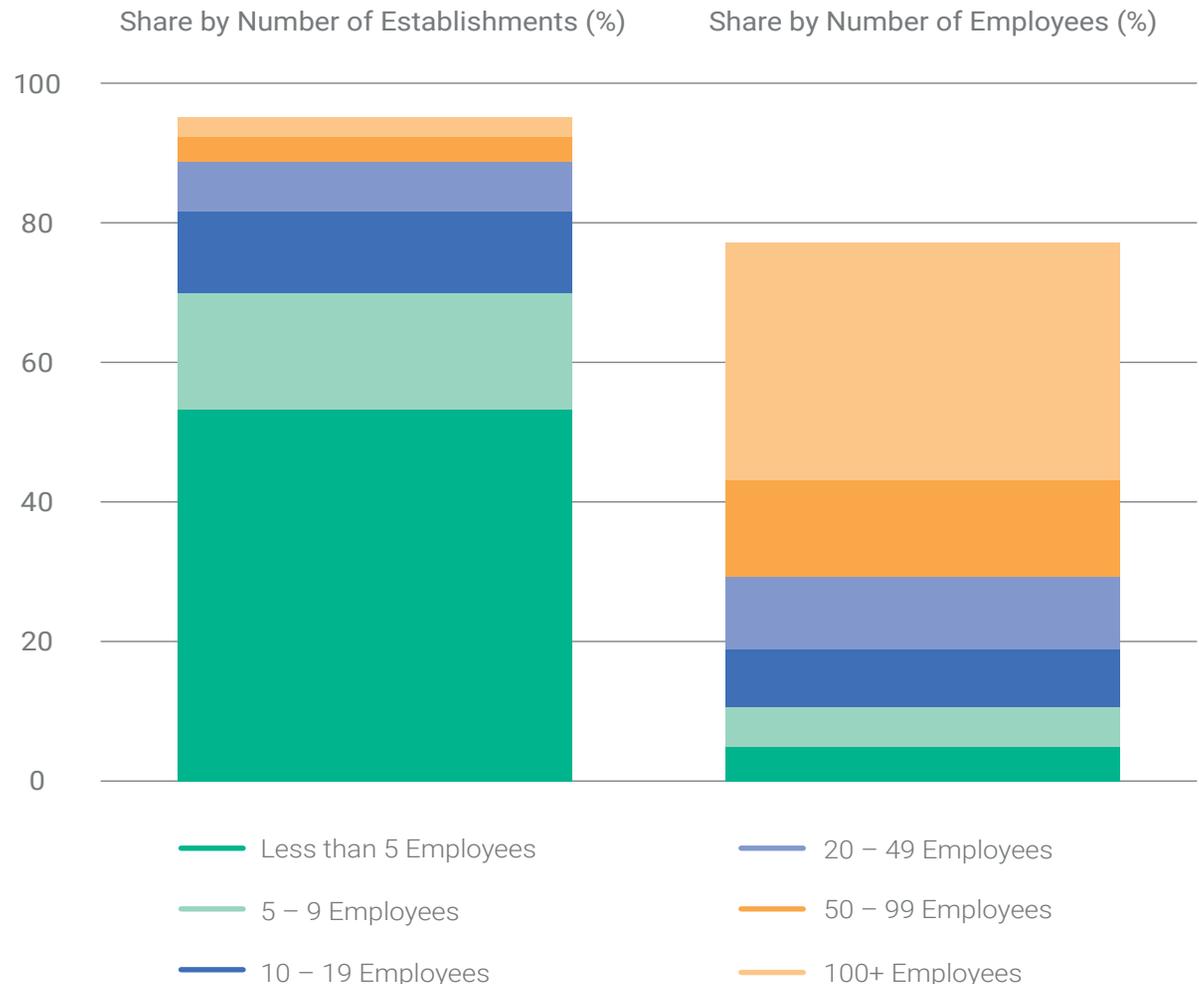
NONPROFITS ACROSS THE STATE

Nonprofits play an important role in the Creative Economy ecosystem, and play a major role in the arts throughout the state. In California, 27% of Fine Arts establishments are reported as a nonprofit organization, accounting for over 61% of employment in the sector. Comparatively, nonprofit organizations across California from all industries amount to 5.4% of total establishments, and 10.1% of employment.

While a majority of nonprofit establishments (53.2%) have less than five employees, 34.2% of Creative Economy nonprofit workers are employed in organizations with over 100 employees. Establishments with 50-99 workers account for 13.7% of total nonprofit employment. In comparison, establishments with fewer than five employees make up roughly 71% of the Creative Economy, while 52.5% of employees work in establishments with over 100 employees.

Creative Economy Nonprofit Establishments and Employment Distribution by Establishment Size

Figure 1.6



2018 County Business Patterns. Analysis by Beacon Economics

PPP LOANS DISTRIBUTIONS IN THE CREATIVE ECONOMY

The Paycheck Protection Program (PPP), backed by the Small Business Administration, is geared to help businesses maintain employee payroll throughout the pandemic. The program assists various types of businesses, including the self-employed, corporations, nonprofits, and many more. In the latest round of PPP loans (up to August 2020), an estimated \$18.5 billion was distributed to over 535,400 establishments in California. The largest industry recipients of these loans were Professional, Scientific & Technical Services (\$2.5 billion), Health Care (\$2.5 billion), and Accommodation and Food Services (\$1.7 billion). These three industries combined accounted for 36% of total loan distribution, and 33% of establishments receiving loans in California. Establishments in the Creative Economy received just over \$287.1 million in PPP loans, roughly 1.6% of the total loans distributed statewide. In comparison, the Creative Economy accounts for approximately 8% of total statewide employment.

Funding patterns for L.A. County's Creative Economy have been interesting. In the latest round of PPP

PPP Loan Distribution by Creative Economy Sector Employment

Table 1.4

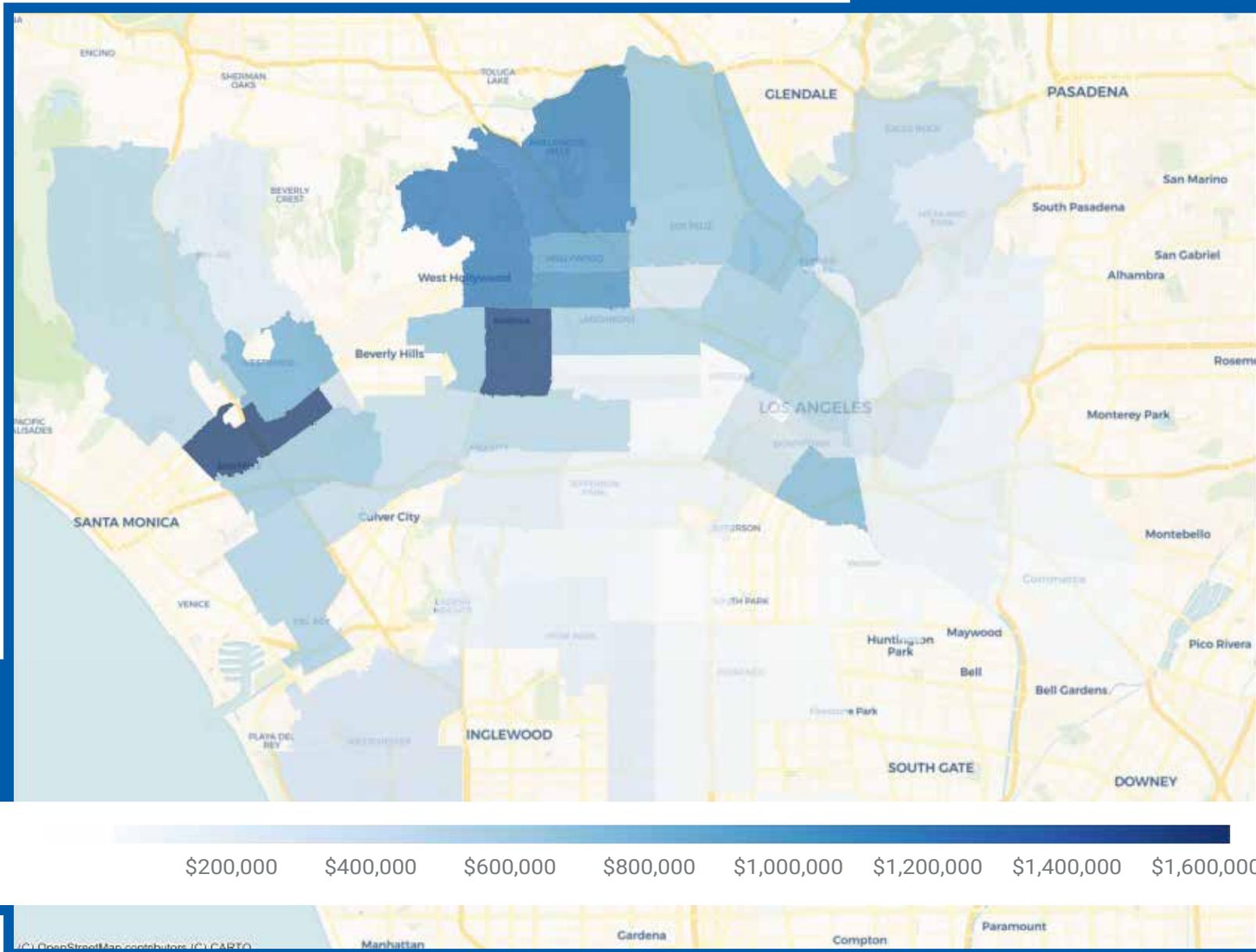
Creative Economy Sector	Loan Amount (\$, 000s)	Total Employment (Contract and Self-Employed)	Per Worker Average Loan (\$)
Architecture and Related Services	16,634.0	22,739	731.5
Creative Goods and Products	14,696.2	41,195	356.7
Entertainment & Digital Media	140,318.1	415,337	337.8
Fashion	91,565.6	83,090	1,102.0
Fine Arts	23,902.1	25,095	952.5

loans, funding for the Fine Arts and Performing Arts and Entertainment & Digital Media – two sectors with establishments spread across the county – has been concentrated on the West side of Los Angeles County, while funding for Creative Goods and Products, a sector that relies more on manufacturing of goods, has been centered on L.A.'s East side.

Source: Small Business Administration, Quarterly Census of Employment and Wages. Analysis by Beacon Economics

Total PPP Loan Amount for Fine Arts, L.A. County

Figure 1.7



RECOMMENDATIONS

The COVID-19 pandemic has hit the Creative Economy hard. The entire creative ecosystem – from private firms, nonprofit organizations, educational institutions, and independent artists – faces two overarching questions about its future: ‘Can they hold on until the world returns to something like normal?’ and ‘Will the new normal include them?’ Many stakeholders doubted whether the old normal included them, given the challenges they faced during the longest economic expansion in U.S. history.

The past year has illustrated painfully how the public and private support systems intended to protect and support individuals in the Creative Economy have either frayed or broken altogether.

Continuing the patchwork of programs that provide relief to artists, businesses, and nonprofit organizations will be essential until the COVID-19 pandemic subsides. Relief is priority one but should not crowd out attempts to ‘build back’ more fully and equally. To that end, the following recommendations summarize engagement with Creative Economy stakeholders and highlight policy areas that will contribute to the recovery and ongoing viability of California’s creative ecosystem.

STATEWIDE UNIFORM GUIDELINES FOR REOPENING

The Fine Arts and Performing Arts sector must begin preparing for reopening. Smaller theaters and nonprofit arts organizations will need as much lead time as possible to adjust their business models to fit an era of lower capacity and occupancy levels. They may need to backfill their traditional revenue sources with fundraising and alternate pricing structures (e.g. subscriptions) until mandated health restrictions are relaxed. Something short of full employment might be necessary in the initial period.

The state does not have to compromise public health but it should be mindful of these challenges. Indeed, California should develop guidelines informed by the specific challenges of various creative sectors and identify ways to support these venues and organizations until they can fully reopen.

Not all activities will need to be modified. Smaller dance companies or theaters may be able to safely begin rehearsal work in, for example, a public park, or take advantage of

other public assets to help ease the challenges around reopening. A set of state guidelines that accounts for the different levels of risk related to different activities, and that can be modified as conditions change, will be most welcome, both by the arts community and by local jurisdictions with limited resources to devote to policymaking for the arts.

TEMPORARY FEE WAIVERS, PERMITTING FLEXIBILITY, AND STREAMLINING

Artists, industry stakeholders, and nonprofits cite local regulatory permitting and fee structures as outsized, if overlooked, obstacles to recovery. The challenges of a local fashion designer attempting to move retail fashion items onto the sidewalk for a sale are thematically similar to those faced by arts organizers attempting to provide social spaces for individuals to engage with their neighborhood. For stakeholders in Southern California, there was a clear need for local governments to clarify, standardize, and streamline the permitting process and fee structure for special events. Additionally, as the retail experience continues to change, communities would do well to evaluate their local regulatory framework and make sure that the permitting and fee infrastructure supports economic recovery.

The current system places the burdens of regulatory complexity on small business, artists and community organizations. The daunting and often cost-prohibitive burden of compliance keeps less-advantaged groups from even participating in the formal arts sector.

When the process becomes too overwhelming, the arts do not disappear; instead, they are often forced underground. One stakeholder summarized:

“After the pandemic, I’m going to have to get creative to try to keep my gallery open. Maybe we want to have wine one night when the artist is in town? Or maybe I want to support a local musician and have an acoustic music set one night? Permitting a creative use of my space isn’t easy. The system should want to support me rather than wear me down.”

There is no doubt that local regulatory obligations and fees are often complex and difficult to explain to members of the public, but they are important to local artists and creative organizations and many California jurisdictions have fallen behind global best practices. The process, fees, and systems of accountability and appeal should be transparent and supportive of economic and community growth precisely so people who are currently in the informal economy can surface.

STATE DATA COLLECTION AND STANDARDS

INFORMATION

The availability of high-quality information is essential to the efficient and equitable functioning of Creative Economy policymaking. It is critical for employers, workers, educators, and state and local government to have an accurate understanding of who works in the sector and what they do.

EMPLOYMENT CLASSIFICATION

The Entertainment & Digital Media sector in this report is one of several sectors in the state that rely heavily on payroll entities to help manage and navigate the independent contractors they utilize. The U.S. Bureau of Labor Statistics refer to these entities as Professional Employee Organizations (PEOs) or Payroll Provider Firms (PPFs). California, unlike other states, does not require that payroll entities report payroll by industry code. This poses a challenge when assessing the economic health of those industries. Payroll services companies are coded in Administrative Services (NAICS code 54), yet for many that service the Entertainment & Digital Media

sector, it's necessary to classify those workers across a number of industry classifications such as Arts, Entertainment, and Recreation (NAICS 71), Motion Picture and Sound Recording Industries (NACIS code 512), and Broadcasting (NACIS code 515).

State lawmakers should convene with appropriate representatives from the state's Employment Development Department (EDD) Labor Market Information Division and relevant industry professionals in order to streamline data collection to the U.S. Bureau of Labor Statistics (BLS) so that robust industry data can help guide policy decision making around these vital California employment sectors.



CREATIVE SPACE

NEW SPACE FOR FILM AND DIGITAL MEDIA PRODUCTION

The continued surge in content production for streaming platforms has positioned California in such a way that the state will continue to be a world-leading entertainment system. The increase in film and television production in California has fueled demand for two of California's historic competitive advantages: talent and purpose-built production space. The increase in streaming demand, however, has not been met with an influx of new soundstage space. Total certified soundstage space in L.A. County is estimated to be between 5.2 - 5.5 million square feet. In the last few years, only a handful of projects comprising approximately 500,000 square feet of space have been brought successfully online. But while the land use, zoning, and regulatory framework in Los Angeles County has prevented soundstage space supply to track demand, jurisdictions that compete with Los Angeles – including Toronto, New York, and the UK – have announced significant additions to supply ranging from 1 – 2 million square feet.

Given supply constraints, soundstage occupancy rates have stayed well above 90% since 2016. Low vacancy rates have intuitively ushered in rising rental rates – for some, rates are up 20% over the last 3 years. The demand for soundstage space has led many streaming companies to acquire long-term leases on available stage space in order to reduce the risks associated with constrained space. These challenges are expected to continue for the foreseeable future as the COVID-19 pandemic fades and production resumes. During this period, increasing demand for original content, and a backlog of production, will mean unprecedented strain on soundstage infrastructure. As space constraints push rents upward, and big content producers battle for the space that exists, small independent productions will be hurt the most.

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NEW SPACE FOR ARTS AND CULTURAL VENUES

Many policymakers fail to realize that nonprofit and for-profit venues, and arts and cultural institutions, are commercial tenants in their city or town. These organizations face the same issues around affordability and accessibility that other small businesses in California do. In major jurisdictions around California, artists are facing an ever-dwindling supply of rehearsal, work, and performance space. The displacement of artistic and cultural space in the state's cities is not a foregone conclusion. But addressing the problem requires a robust modernization of California's land use, zoning, and permitting processes so that excess space in low-demand industries can be freed up and made available to creative businesses and organizations.

The Creative Economy is dynamic and changing, and many trends and challenges that faced creative communities pre-pandemic have only been accelerated by the crisis. Unfortunately, local regulations, permitting, and administrative constraints are poised not to accelerate recovery in the Creative Economy, but hamper it.

02

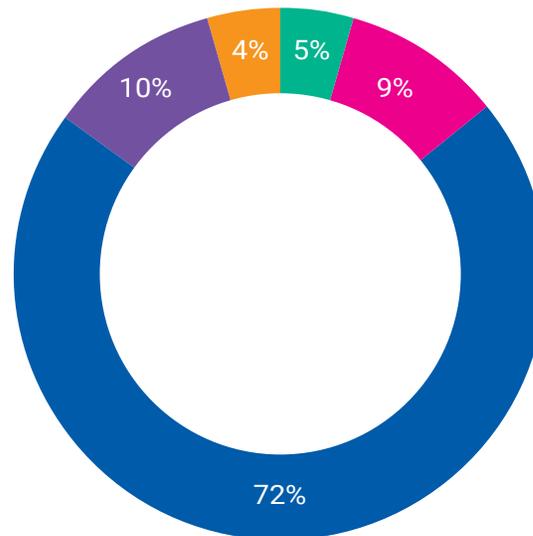
CALIFORNIA



CALIFORNIA: CREATIVE INDUSTRY ANALYSIS

In 2019, about 1.1 million of California’s 15 million inhabitants was payroll workforce employed in sectors that contribute to the Creative Economy. With big names like BuzzFeed and Netflix based in the state, it is no surprise that Entertainment & Digital Media remains a dominant force in the region, with roughly 782,000 workers (about 72% of the total workers in the Creative Economy). Fashion, with 108,000 workers across the state, accounts for about 10% of all workers in California’s Creative Economy, followed by Creative Goods and Products (9.1%), Architecture and Related Services (4.7%), and Fine Arts and Performing Arts (4.3%).

Employment Share by Creative Sector in California (2019)
Figure 2.1



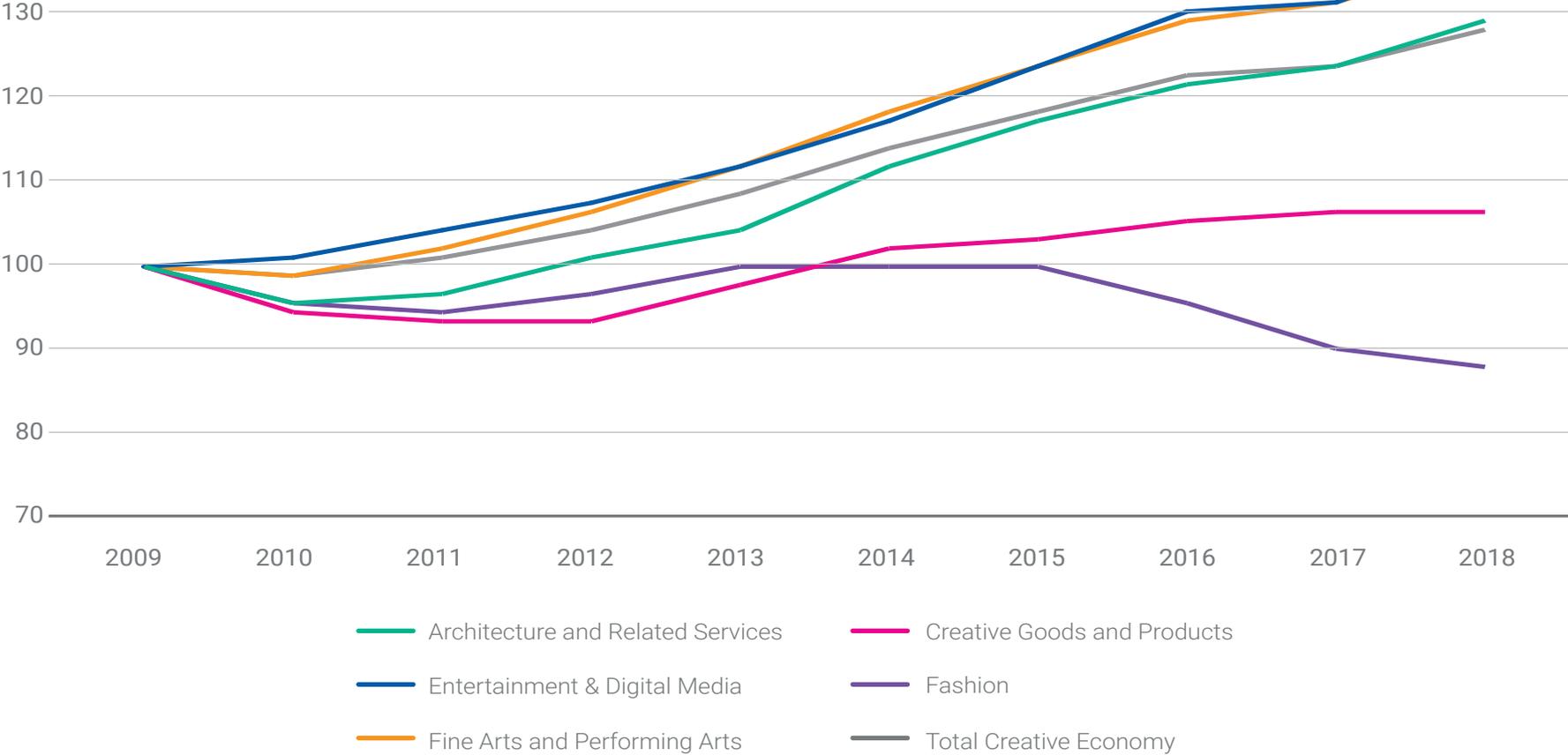
- Architecture and Related Services
- Entertainment & Digital Media
- Creative Goods and Products
- Fine Arts and Performing Arts
- Fashion

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Between 2008 and 2019, California’s Creative Economy grew by 15.6%, adding about 146,000 payroll workers. Entertainment & Digital Media has grown the fastest, adding more workers than the total net employment gain for the Creative Economy with 188,000 workers added over the last decade and a growth of 32%. Workers in the Fine Arts have also seen faster growth than the industry overall, with over 10,000 workers added between 2008 and 2019, a 27% increase. Meanwhile, Architecture and Related Services has seen relatively little change (3%), while those working in the Creative Goods and Fashion sectors have seen employment *decreases* of about 16% and 24%, respectively.

Indexed Employment Change in California by Creative Sector (2009 to 2018)

Figure 2.2

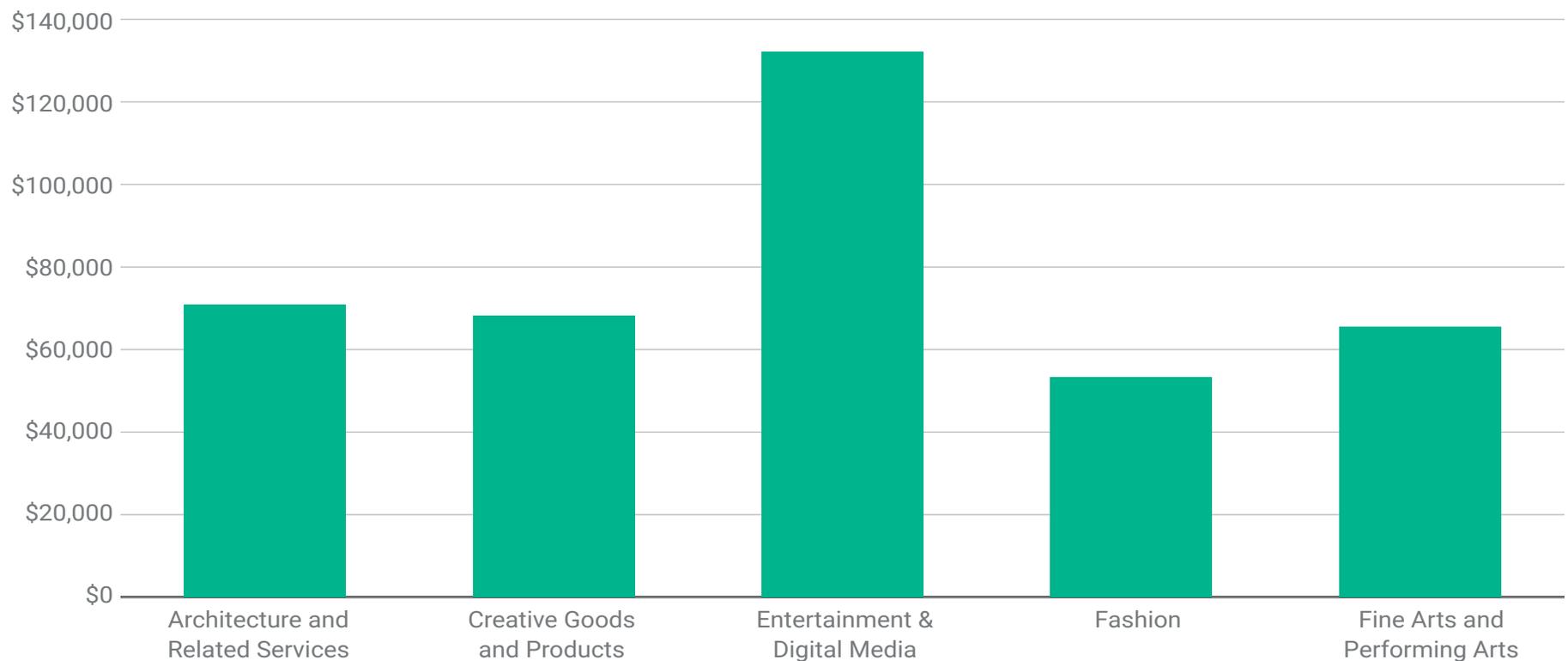


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Average wages in the Creative Economy tend to be much higher than the state average, and 2019 was no exception. Whereas the average wage in the Creative Economy was \$97,300, the mean wage in California was only \$71,100, about 37% lower. Nonetheless, average wages vary across different sectors, with the highest in Entertainment & Digital Media (\$134,258), followed by Architecture and Related Services (\$73,515), Creative Goods and Products (\$70,420), Fine Arts and Performing Arts (\$64,011), and Fashion (\$57,874). Of these industries, Fashion saw the largest wage growth between 2014 and 2019, rising 28%.

Annual Average Wage by Creative Sector in California (2019)

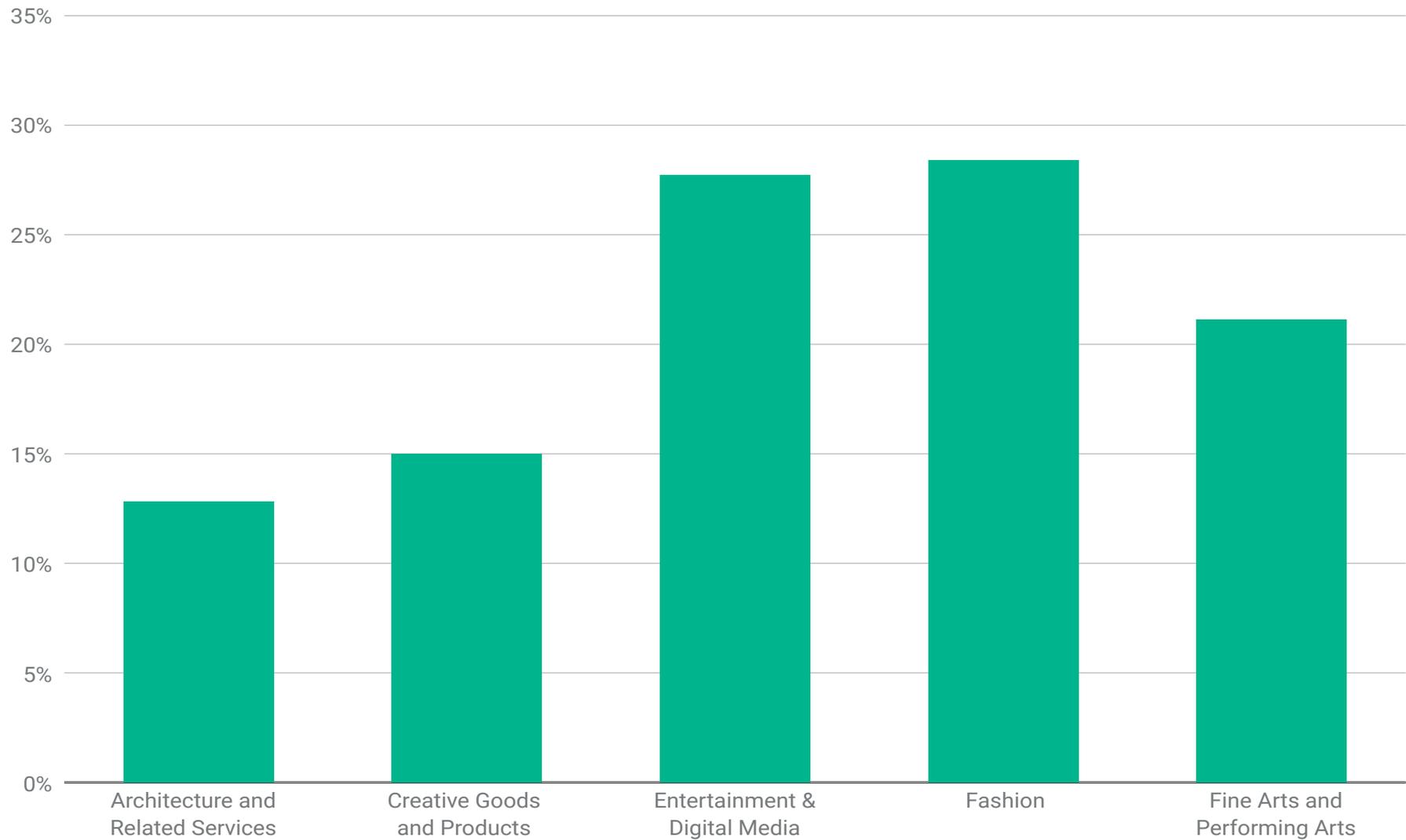
Figure 2.3



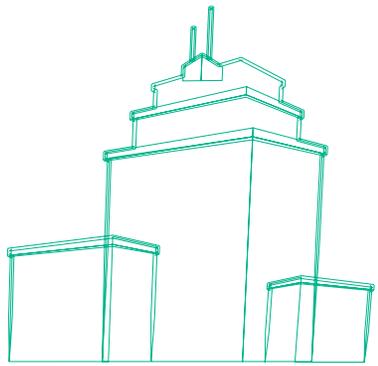
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage Growth by Creative Sector in California, 5-Year (2014 to 2019)

Figure 2.4



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics



CREATIVE SECTOR 1 ARCHITECTURE AND RELATED SERVICES



EMPLOYMENT

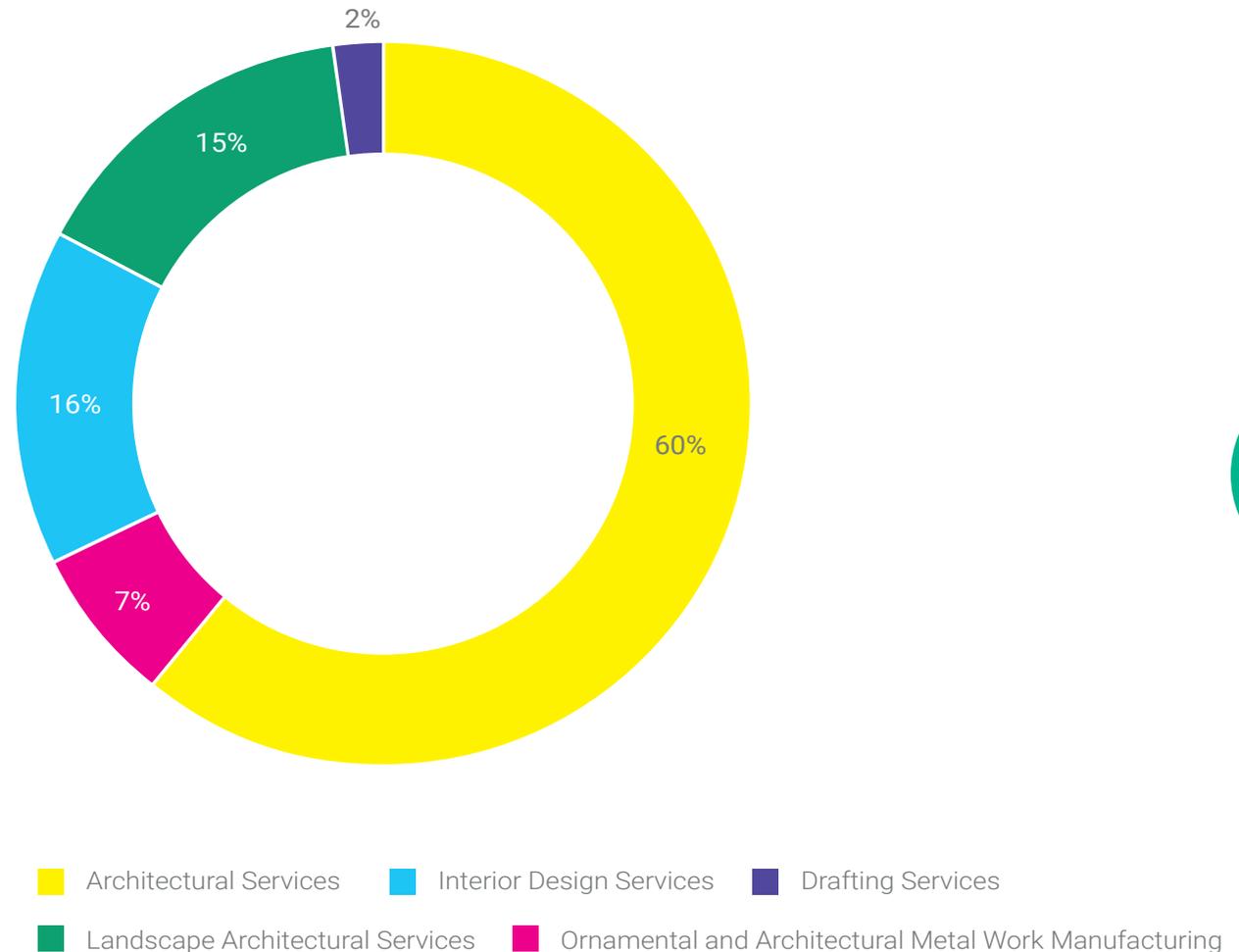
Workers in Architecture and Related Services make up a small fraction (5%) of Creative Economy workers in California. Still, between 2014 and 2019 it saw the fastest growth of any creative sector, adding over 10,000 jobs, a 25% increase. This comes after a substantial drop in Architecture employment just after the Great Recession. In fact, 2019 reported 51,000 workers, the first time there were over 50,000 workers in this sector since 2007.

The Architecture and Related Services industry is divided into five subsectors:

- 1) Architectural Services
- 2) Drafting Services
- 3) Interior Design Services
- 4) Landscape Architectural Services
- 5) Ornamental and Architectural Metal Work Manufacturing

At 30,600 wage and salary employees, the Architectural Services subsector has the most employment in this industry statewide at 60%.

Architecture and Related Services Employment Share by Subsector in California (2019)
Figure 2.5



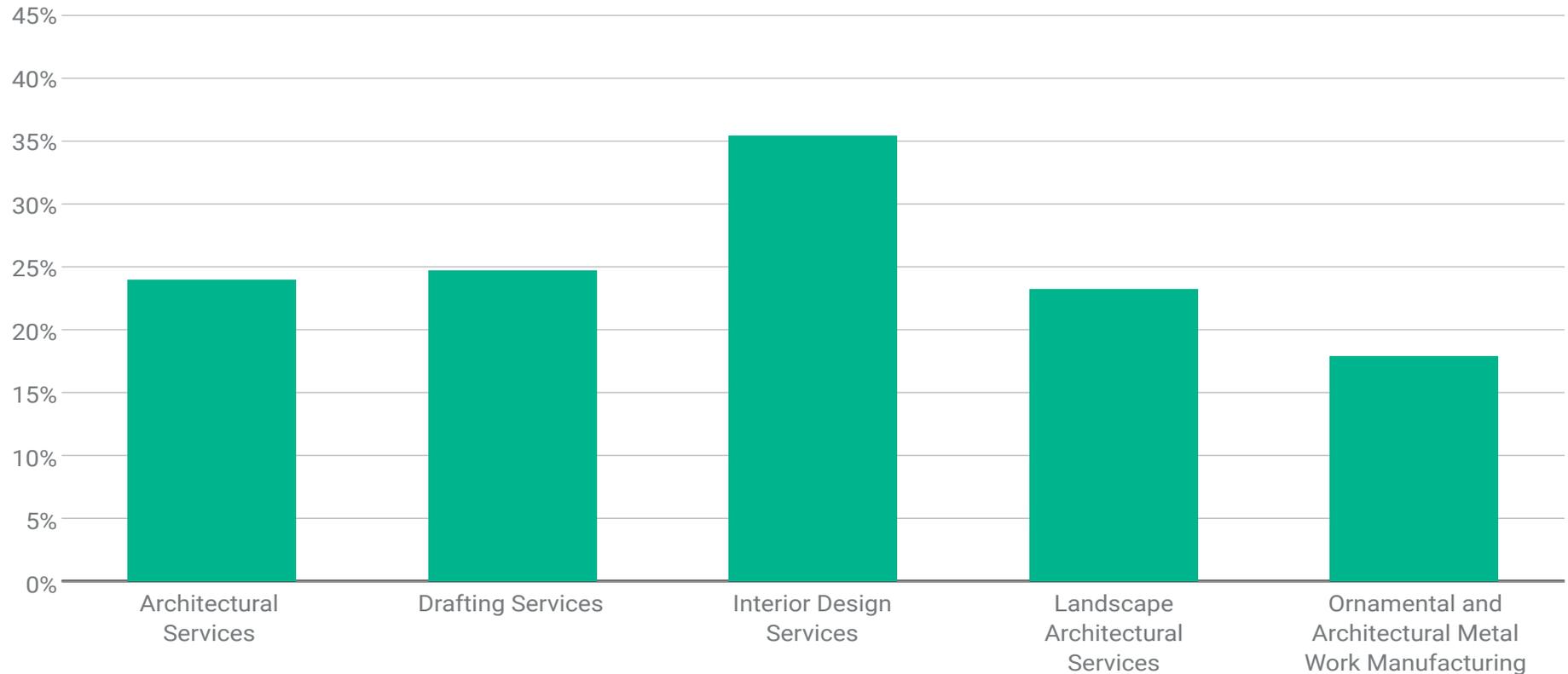
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

Most employment growth in the Architecture and Related Services sector came from the Architectural Services subsector, which reported 5,941 additional jobs between 2014 and 2019. However, at 35%, Interior Design reported the fastest growth between 2014 and 2019, growing from 5,900 workers to 8,000 workers. Meanwhile, Landscape Design added 1,450 jobs in the same period, while Ornamental and Architectural Metal Work added 540 jobs and Drafting Services added 170 jobs.

Employment Growth by Architecture and Related Services Subsector in California, 5-Year (2014-2019)

Figure 2.6



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

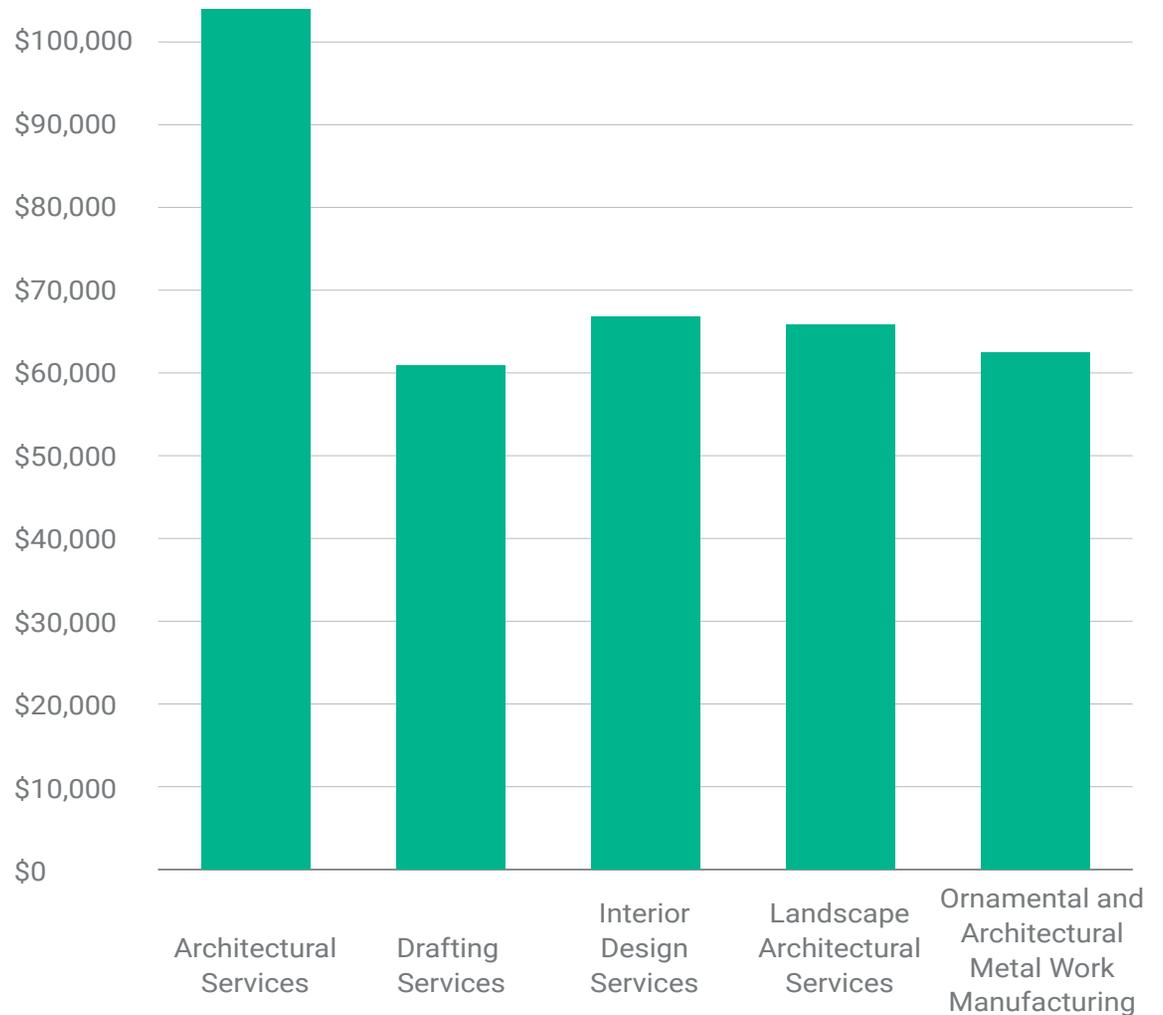
WAGES

Across each of the subsectors within Architecture and Related Services, those working in Architectural Services once again enjoyed the highest average annual wage (\$102,469), up 16.8% from five years earlier (\$87,723). Though this sector also reported the highest jump in absolute terms (\$14,745 increase), the sector that saw the largest jump in percentage terms was Ornamental and Architectural Metalwork, which reported an 18.1% increase in average annual wages between 2014 and 2019 to reach \$64,321.

Across the five Creative Sectors, Architecture and Related Services had the highest share of contract workers. In 2018, while there were 48,838 salaried workers reported, there were an additional 31,477 independent contractors, making up 39.2% of all employees in the field. While the total number of contract workers in this sector increased by 12.2% between 2013 and 2018, the share of contract workers decreased by 3.2%, indicating more robust growth among payroll workers in Architecture and Related Services.

Average Annual Wage by Architecture and Related Services Subsector in California (2019)

Figure 2.7



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

SPOTLIGHT: ARCHITECTURE IS SHAKEN, BUT STILL OPTIMISTIC

Across the United States, the spread of COVID-19 brought many major development projects to a halt. In late March, the American Institute of Architects (AIA) reported that more than two-thirds of firms saw prospective projects slow or stop,³ and since then, business at architecture firms has continued to fall. In December 2020, the AIA's Architecture Billings Index (ABI)⁴, a leading economic indicator for nonresidential construction activity derived

from monthly AIA survey responses, declined to 42.6, indicating a drop in firm billings from November (a score below 50 means billings declined from the previous month).

The ABI has been below 50 since the onset of the pandemic in March 2020, falling at firms across the spectrum: commercial/industrial (47.2 ABI), institutional (38.5 ABI), and residential (46.1 ABI).⁵ Despite sub-50 ABI scores between March and December

2020, inquiries into new projects have been increasing since July 2020, suggesting some degree of optimism. The value of design contracts hovered around 50 ABI between September and December 2020, indicating that a roughly equivalent number of firms that experienced a drop-off in design contracts also signed new contracts. This is a notable improvement from March to August, when the average ABI score was approximately 37.0.⁶

3 Richards, Williams. "Design in the Time of COVID-19," *Architect Magazine*, April 2020, https://www.architectmagazine.com/aia-architect/aiafeature/design-in-the-time-of-covid-19_o

4 *The ABI is an economic indicator used by multinational groups including Wells Fargo, media outlets, and various business leaders to assess nonresidential construction activity by measuring shifts in billings from architectural firm leaders.*

5 *Architecture Billings Index (ABI),* American Institute of Architects, December 2020, http://content.aia.org/sites/default/files/2021-01/ABI_1-21_infographic-Dec2019-Dec2020-V2.pdf

6 *Ibid.*



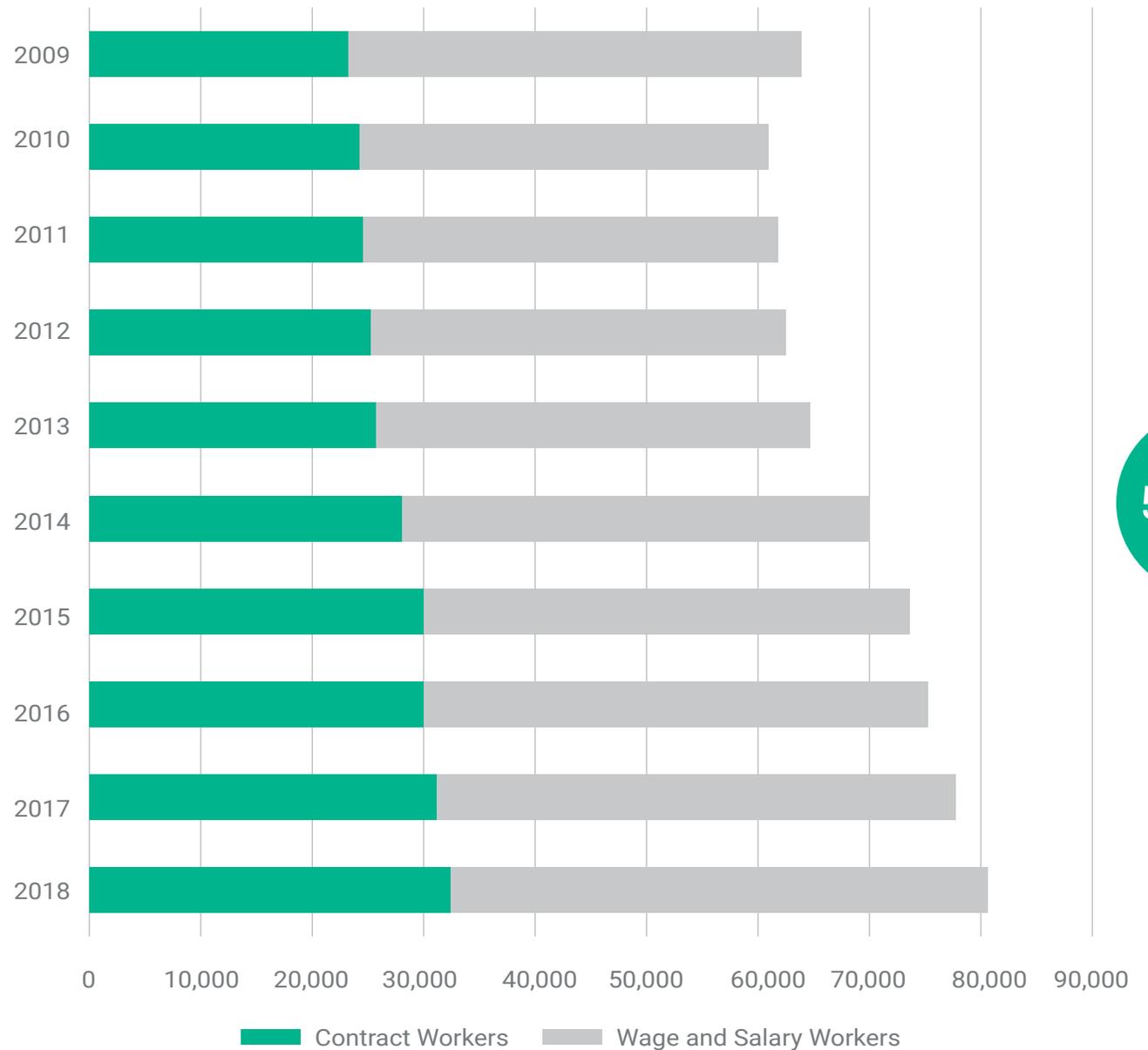


CONTRACTORS

In 2018, there were roughly 31,477 self-employed workers in Architecture and Related Services in California, making up roughly 39.2% of the sector's total employment (both salary and self-employed). 55% of self-employed workers identified as non-Hispanic White, followed by Hispanics (26.0%), Asian (15.5%), Black (2.9%) and individuals of other races (0.3%).

Contract and Wage and Salary Workers in Architecture and Related Services in California

Figure 2.8



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES).
Analysis by Beacon Economics

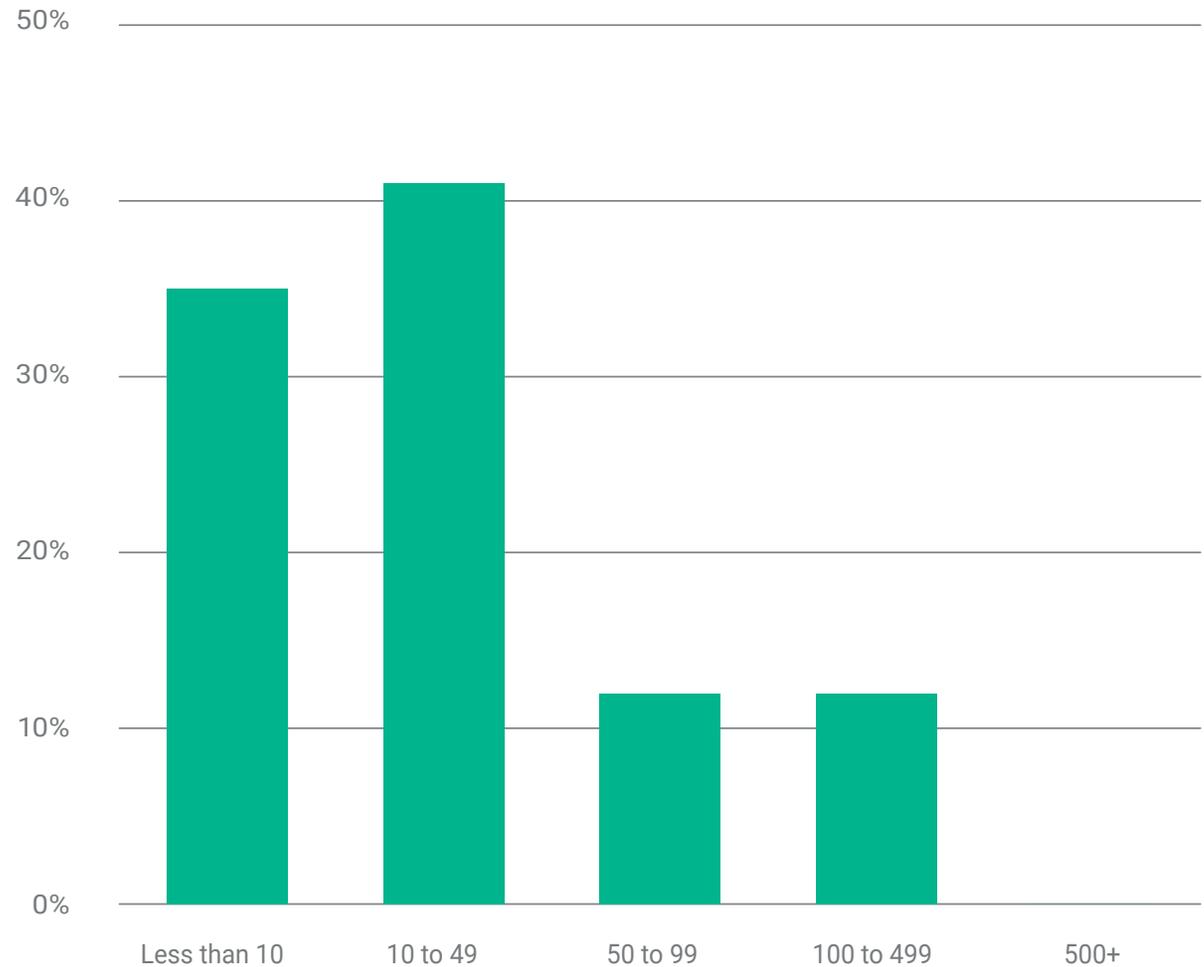
ESTABLISHMENTS

In 2018, a total of 7,165 Architecture and Related Services establishments had more than one employee (excluding self-employed). Most of the industry's establishments have less than 10 employees; these small firms make up 85.5% of total Architecture and Related Services establishments. Employment is also largely concentrated among smaller establishments. Roughly 33% of Architecture and Related Services employment is in establishments with less than 10 employees, and 17.4% is in establishments with 10 to 19 employees. Large establishments in Architecture and Related Services are quite rare, making up only 0.4% of the total number of establishments, and 11.0% of employment.

Owners of establishments in Architecture and Related Services are 76% White, followed by Hispanic (12.3%), and Asian (11.0%). Black owners make up only 0.6%, lower than the average Black ownership of 1.3% across all California industries.

Share of Employment by Establishment Size, Architecture and Related Services

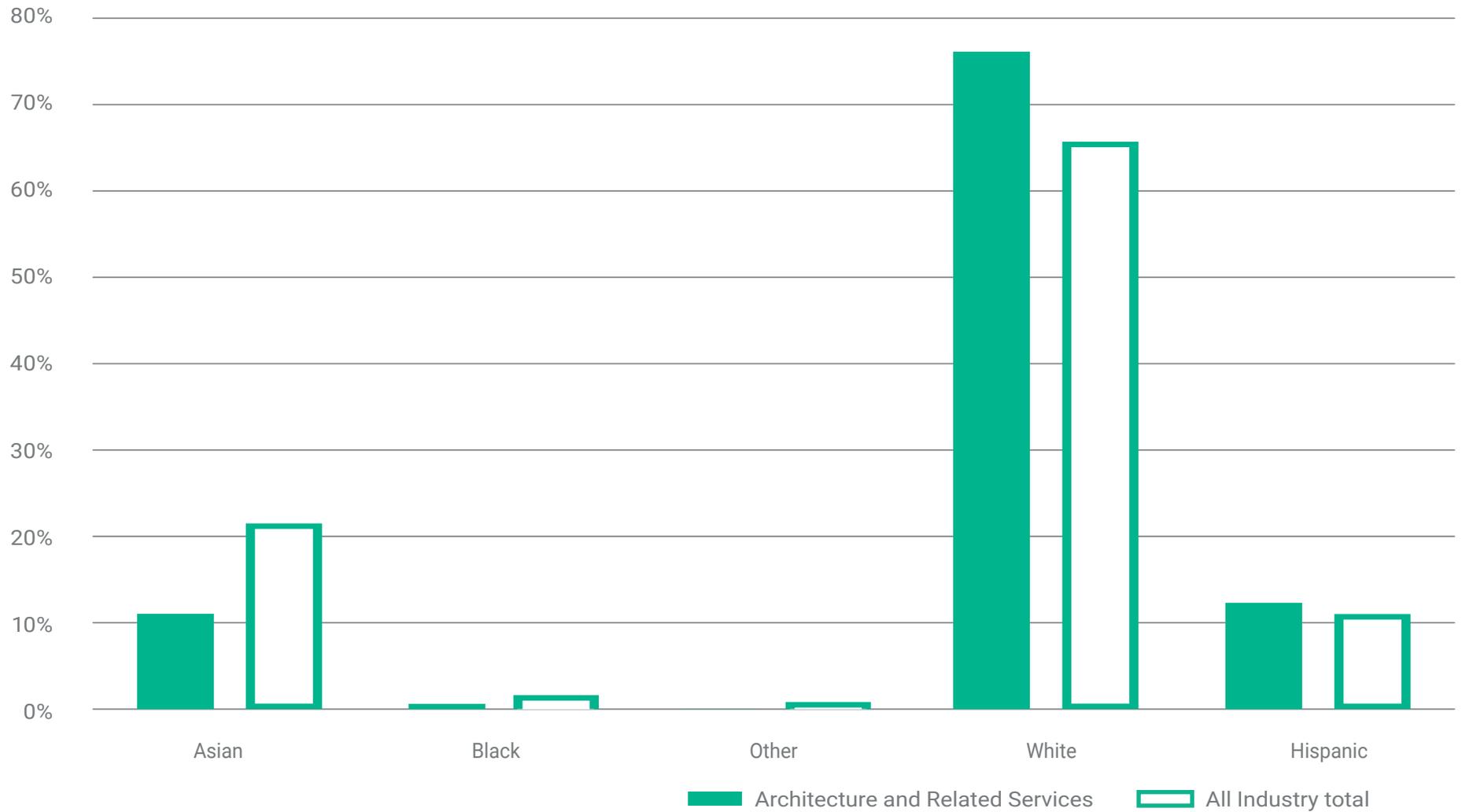
Figure 2.9



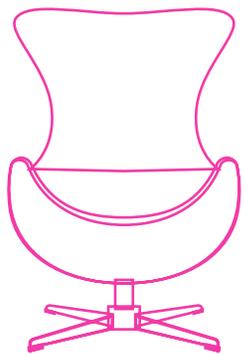
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Racial and Ethnic Composition, Architecture and Related Services and All Industry Total

Figure 2.10

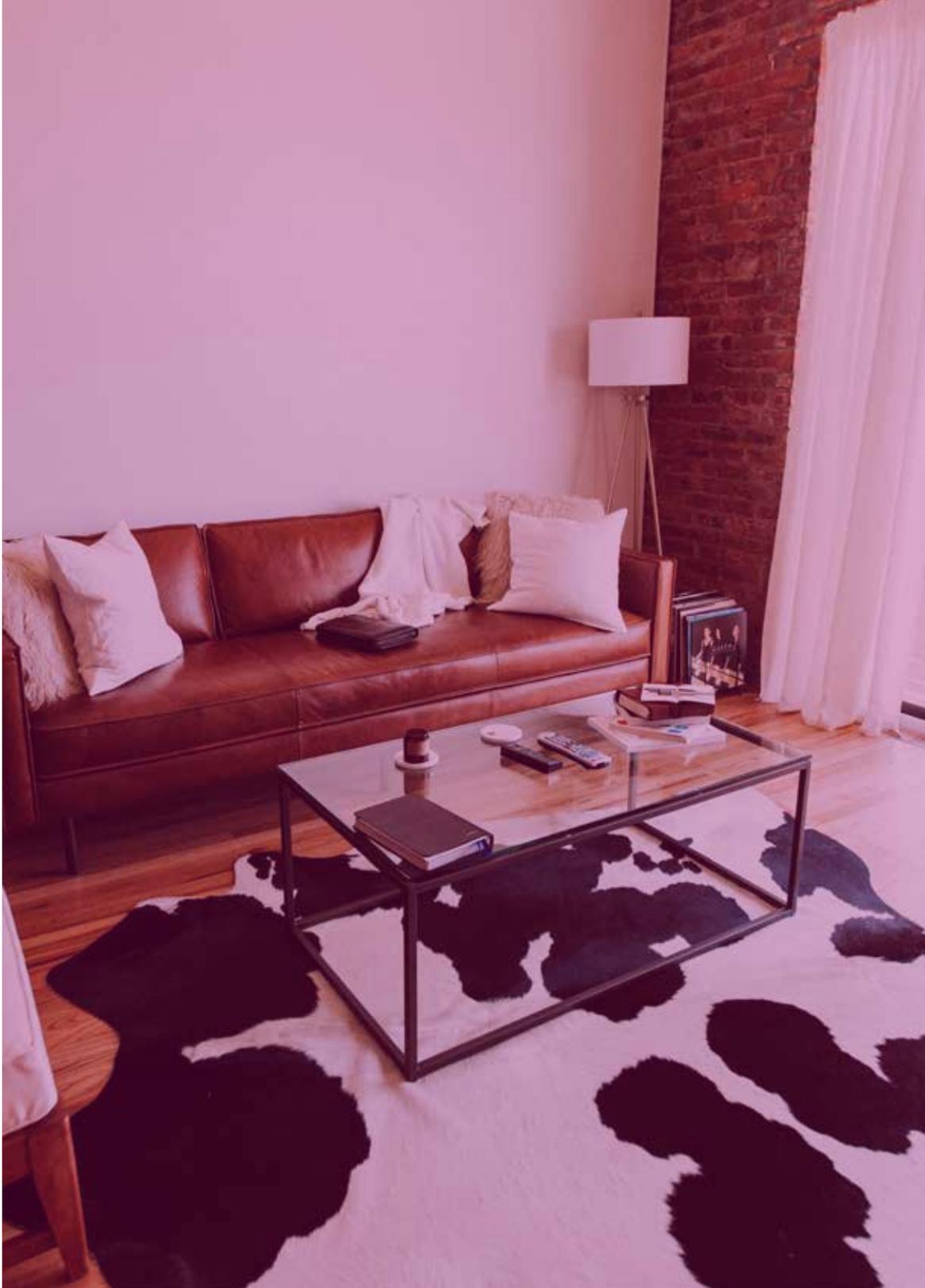


Source: 2018 Census Bureau, Annual Business Survey (ABS). Analysis by Beacon Economics



CREATIVE SECTOR 2

CREATIVE GOODS AND PRODUCTS



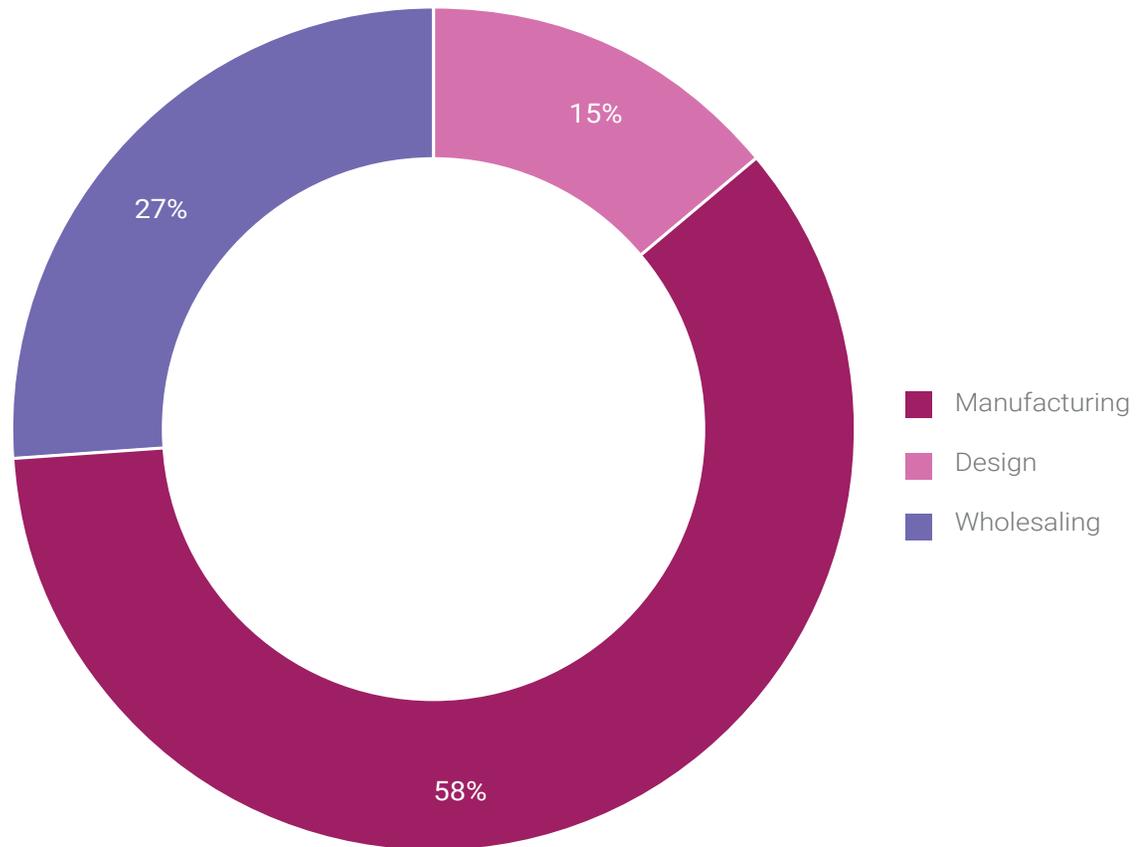
EMPLOYMENT

Between 2014 and 2019, employment in Creative Goods and Products has held steady. There were 98,909 workers reported in 2019, more than the 96,947 reported in 2014 (a 2% increase), but slightly less than the 100,456 reported in 2018. Nonetheless, at 9.0%, its share of all Creative Sector employment in California has remained virtually unchanged.

The majority of workers in Creative Goods and Products are employed in the Manufacturing sector, in industries such as Furniture Manufacturing, Textile Mills Manufacturing, and Electric Lighting Fixtures. In 2019, Manufacturing made up 58% of the total workforce in Creative Goods and Products, with Wholesaling making up 27%, and Design workers making up 15%.

Creative Goods and Products Employment Share by Functional Group in California (2019)

Figure 2.11



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

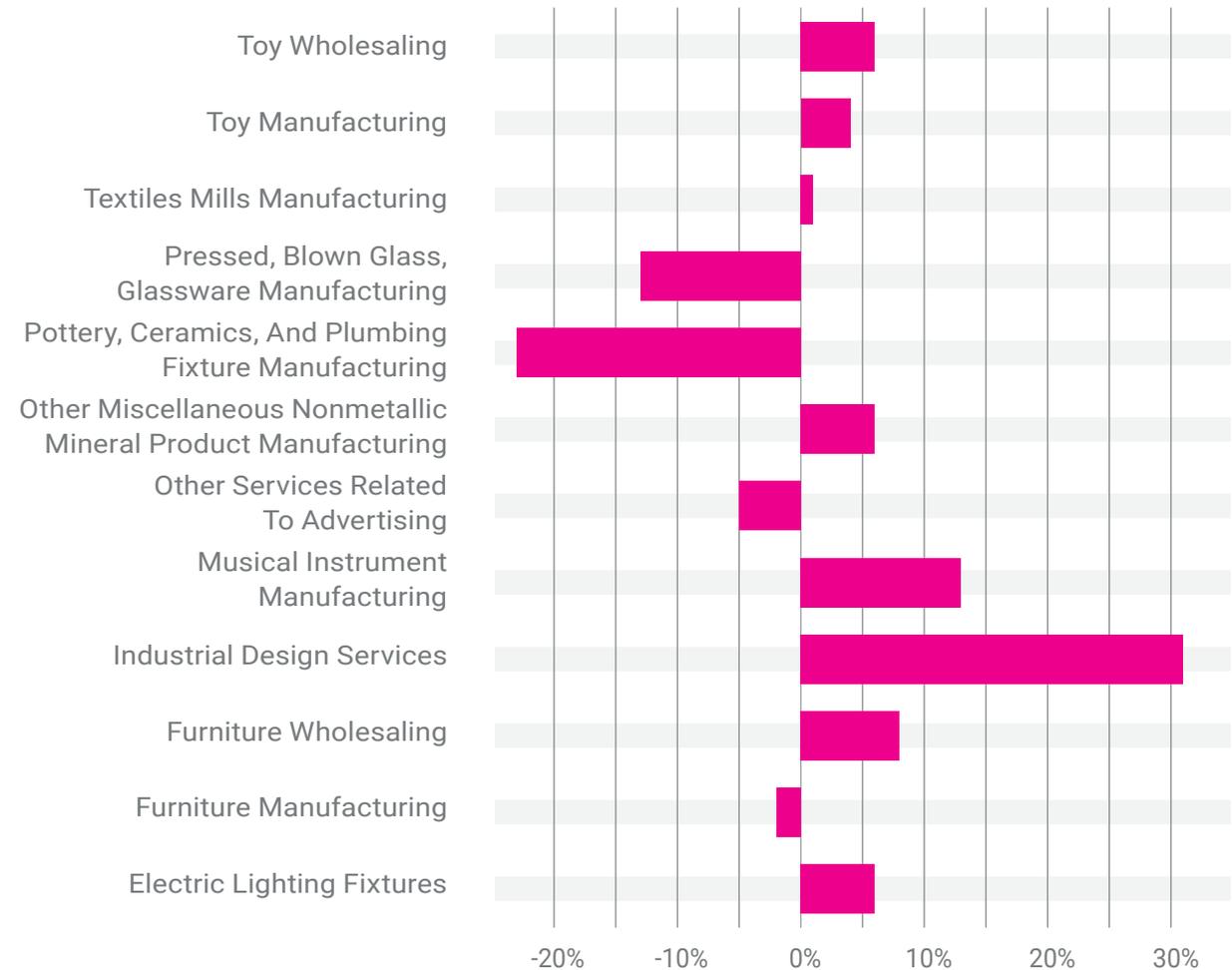
EMPLOYMENT & WAGES

Over the past five years, the largest growth in Creative Goods employment has been among workers in the Wholesaling sector. Wholesaling includes Furniture Wholesaling and Toy Wholesaling, which made up 26,512 workers in 2019. In fact, Furniture Wholesaling saw the largest statewide growth in employment for Creative Goods, with over 1,600 jobs added between 2014 and 2019. In percentage terms, Industrial Design Services saw the largest increase – 2,196 workers in 2014 to 2,869 in 2019 (up 31%). Industrial Design Services also represented the second largest jump in absolute terms with 673 workers added.

While Furniture Wholesaling saw the largest jump in employment, Furniture Manufacturing saw the largest fall, with about 761 fewer workers in 2019 than in 2014. Other shrinking subsectors within Manufacturing include Pottery, Ceramics and Plumbing Fixture Manufacturing, which saw a 22.6% decrease in employment between 2014 and 2019.

Employment Growth by Creative Goods and Products Subsectors in California, 5-Year (2014-2019)

Figure 2.12

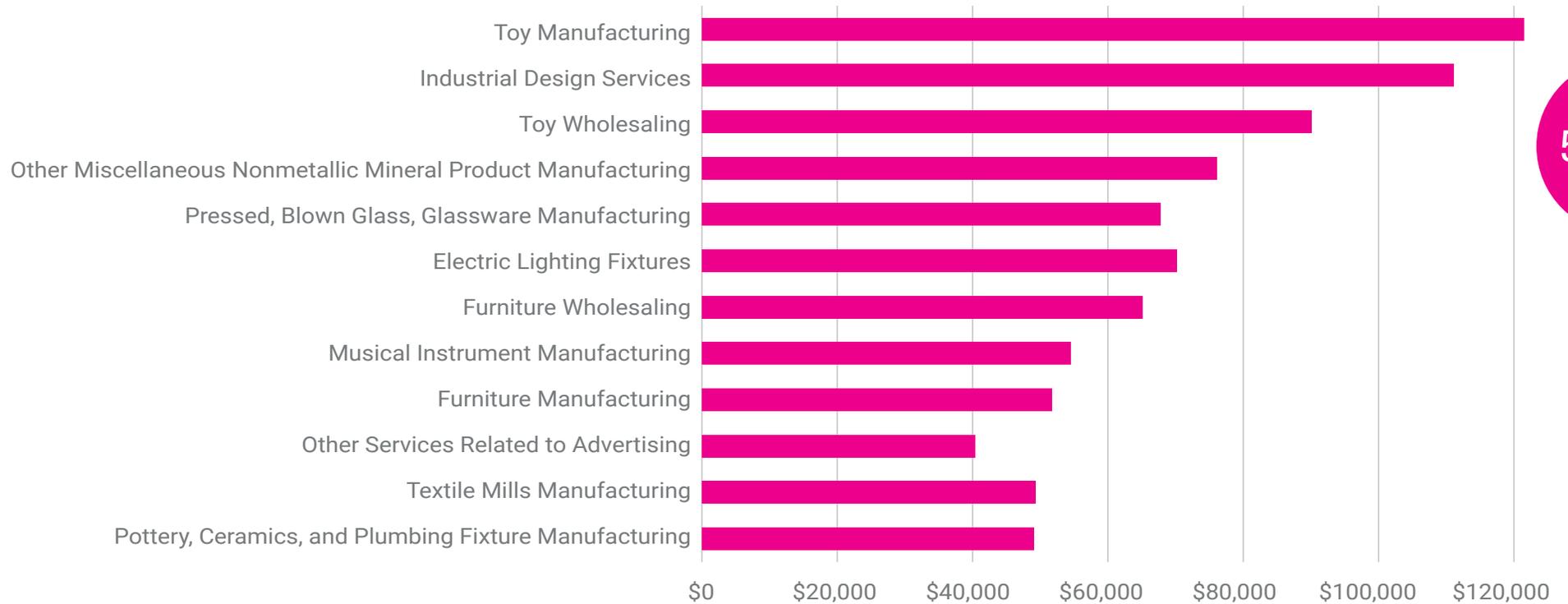


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

While overall employment in Creative Goods has remained static over the past five years, wages have, for the most part, been on the rise. At roughly \$122,405, Toy Manufacturing still has the highest average annual wage, but that is down around \$7,300 from five years ago. Every other subsector saw average annual wages increase, with the fastest growing being Pressed, Blown Glass, and Glassware Manufacturing (up 29%); Services related to Advertising (up 28%); and Musical Instrument Manufacturing (up 27%).

Annual Average Wage by Creative Goods and Products Subsector in California (2019)

Figure 2.13



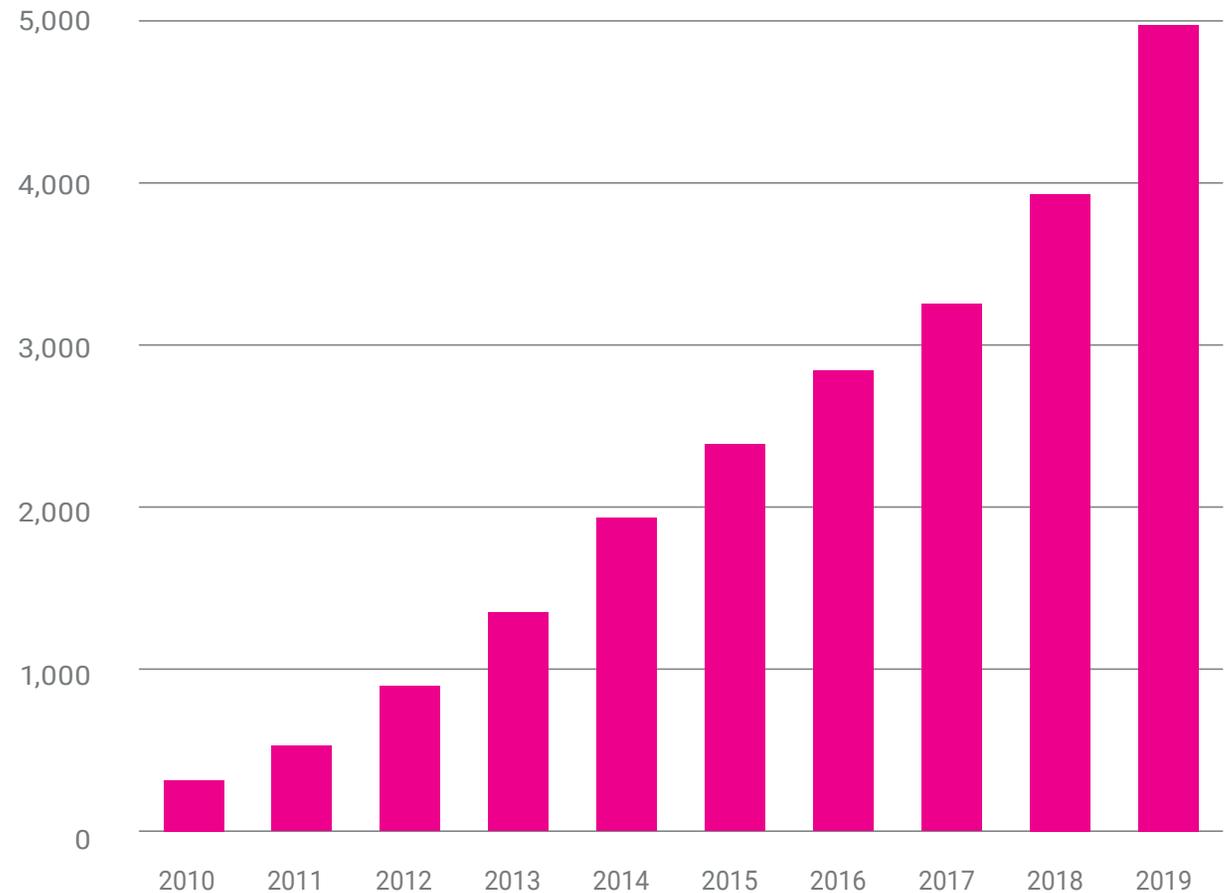
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

SPOTLIGHT: A SECTOR FIGHTING BACK

While total employment in Creative Goods and Products has been hit hard by the pandemic, there have been signs of revival. Before the spread of COVID-19, online furniture and home-goods company Wayfair was struggling, facing disappointing earnings reports and continuous pressure to sell.⁷ But with stay-at-home orders in place, and businesses shut down, people began to upgrade their living (and, in many cases working) spaces. Wayfair CEO, Niraj Shah, says orders for home office products, cookware, kitchen appliances, and children's furniture flooded in.⁸ In 2019, Wayfair's net revenue totaled \$9.1 billion. By the third quarter of 2020, net revenue had already reached a whopping \$13.0 billion – a 43% increase from 2019.⁹ Creative Goods and Products had seen several improvements over the past year in certain subsectors. Gross merchandise sales had been increasing significantly across the country. Etsy's annual sales volume on creative goods increased from \$314 million in 2010 to \$4.97 billion in 2018.

Annual Gross Merchandise Sales (\$ Millions, Etsy Inc.)

Figure 2.14



7 Scully, Dennis, "Wayfair was struggling. Then came the virus," *Business of Home*, May 2020, <https://businessofhome.com/articles/wayfair-was-struggling-then-came-the-virus>

8 *Ibid.*

9 *Wayfair Investor Presentation, Q3-2020. Wayfair, 2020, https://s24.q4cdn.com/589059658/files/doc_financials/2020/q3/17/Q3-2020-Investor-Presentation-FINAL.pdf*

Source: Etsy. Analysis by Beacon Economics



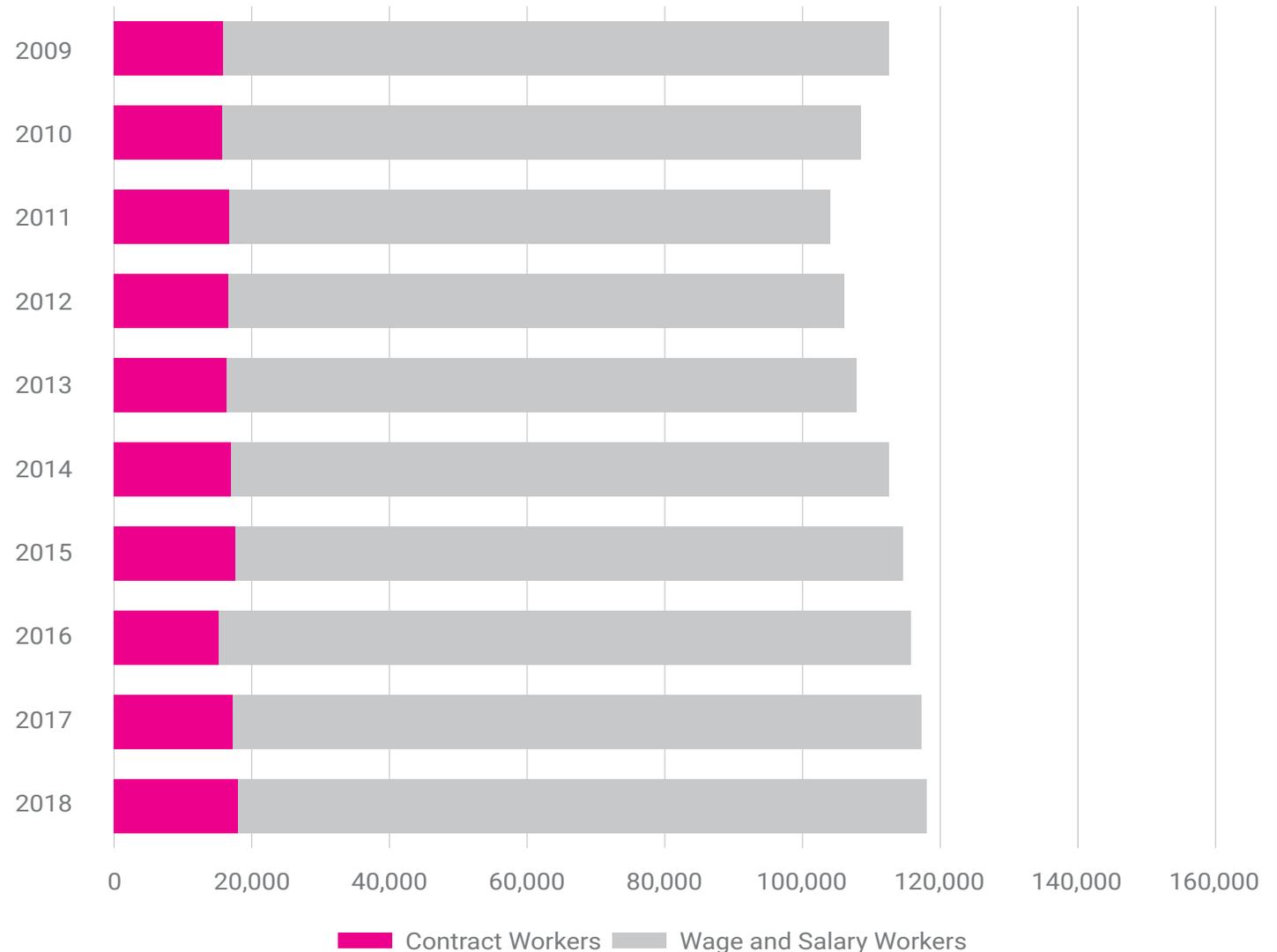
CONTRACTORS

California's stagnant Creative Goods and Products subsector has seen slightly faster growth among its contract workforce. Whereas the number of salaried and payroll employees grew by 8.0% between 2013 and 2018, the number of contract employees grew by 8.8% over the same period. In 2018, 14.7% of the total 117,794 employees reported in this sector worked as independent contractors.

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Contract and Wage and Salary Workers in Creative Goods and Products in California

Figure 2.15



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics



ESTABLISHMENTS

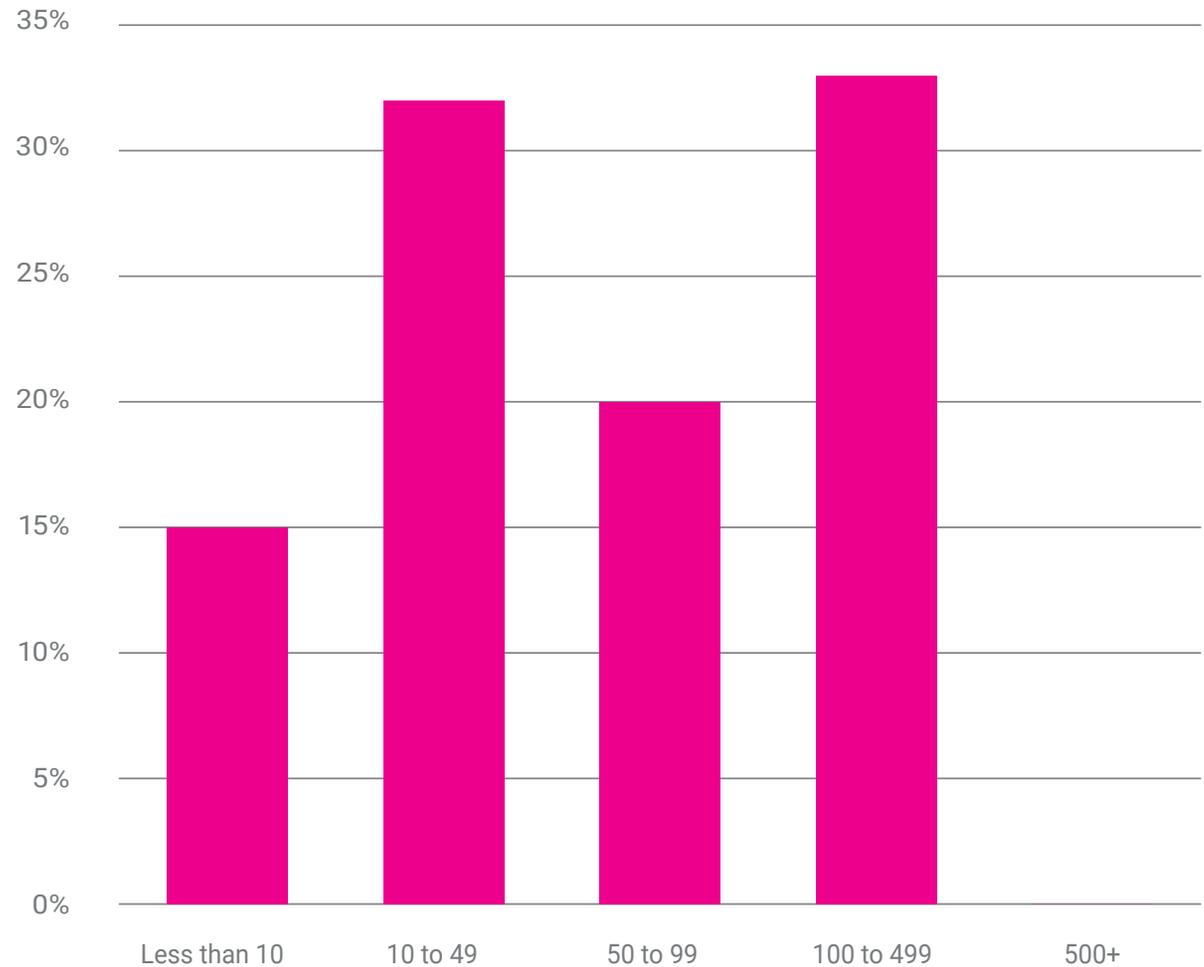
In 2018, there were roughly 17,340 workers in the Creative Goods and Products sector, about 14.7% of the total (both salaried and self-employed). Of the self-employed workers, roughly 55.3% identified as White, 26.0% identified as Hispanic, 15.6% identified as Asian, 2.8% as Black and 0.3% as other.

By 2018, the total number of Creative Goods and Products establishments was 7,138. The majority of these establishments (over 70%) had less than 10 employees, although employment was more concentrated in larger establishments: roughly 28.2% in establishments with over 100 employees, and 16.7% in establishments with 50 to 99 employees.

Ownership of California's Creative Goods and Products establishments is predominantly White at 71.9%, followed by Asian at 16.5%, and Hispanic at 11.6%. Out of 7,194 Creative Goods and Products establishments, none have either Black owners or owners of other races.

Share of Employment by Establishment Size, Creative Goods and Products

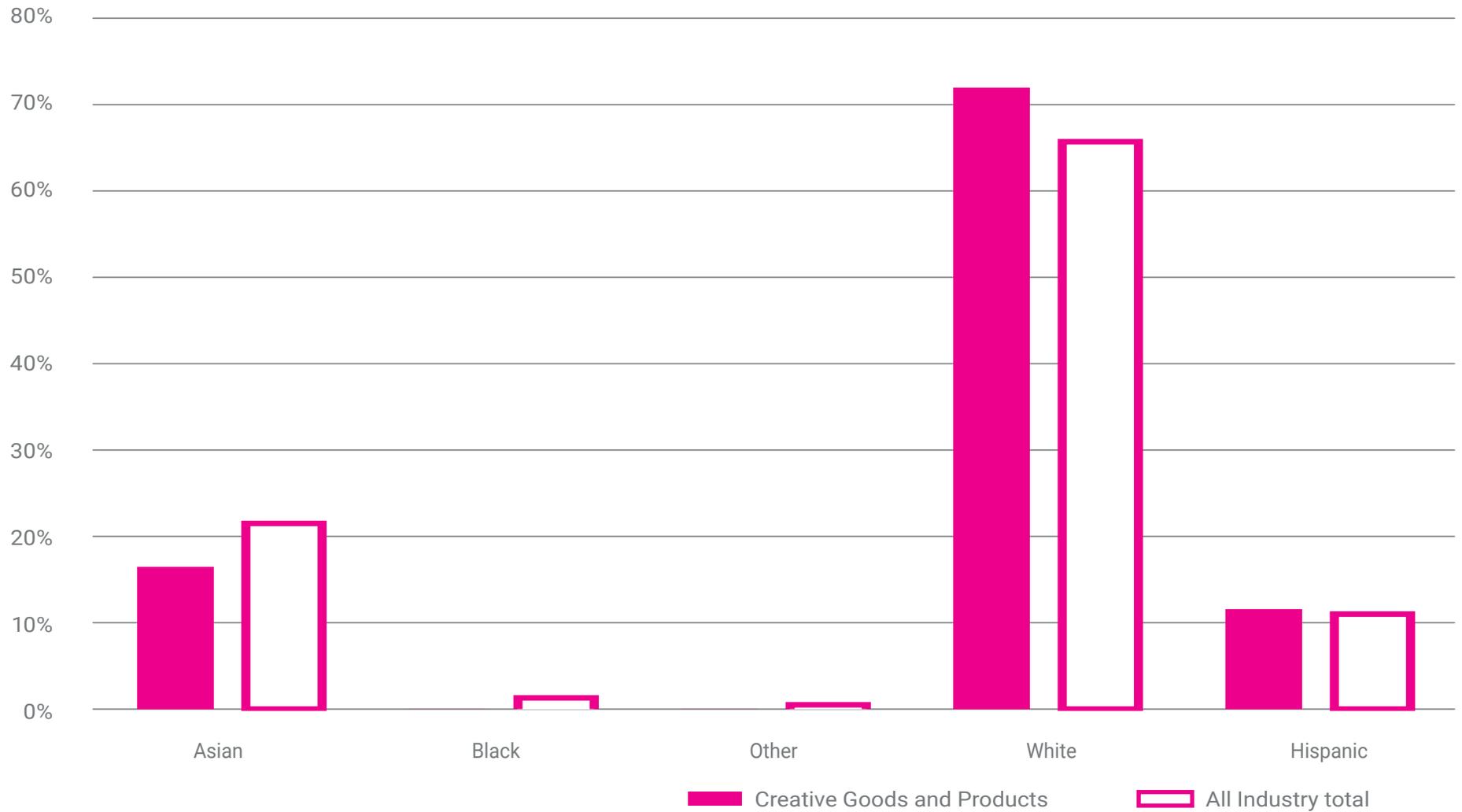
Figure 2.16



Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

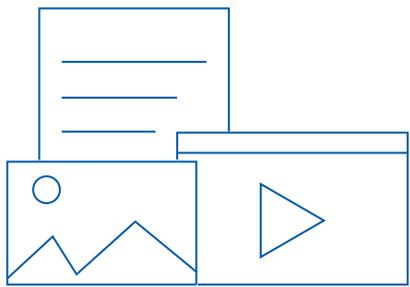
Racial and Ethnic Composition, Creative Goods and Products and All Industry Total

Figure 2.17



64

Source: 2018 Census Bureau, Annual Business Survey (ABS). Analysis by Beacon Economics



CREATIVE SECTOR 3 ENTERTAINMENT & DIGITAL MEDIA



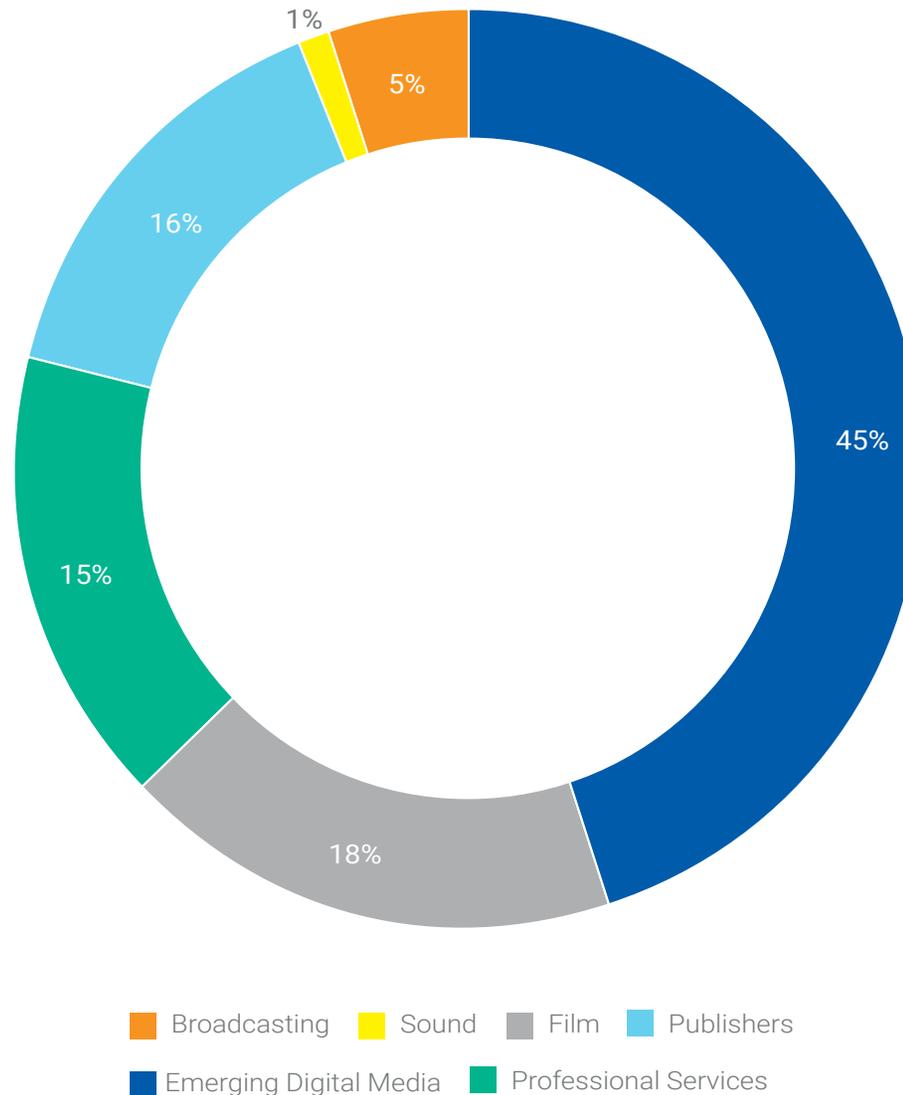
EMPLOYMENT

In the last two decades, California's dominance of the Entertainment & Digital Media industry has continued unabated. In 2001, its share of the total Creative Economy was only 58.8%. By 2010, that had grown to 65.9%. By 2019, the share of all Creative Economy employees working in Entertainment had grown to 71.9%. This speaks to the massive technological changes that have taken place over the last few years, and how this industry has successfully harnessed that change (think: Smart TVs, streaming platforms, etc.) for their own benefit. While Architecture and Related Services reported the fastest growth over the past five years, Entertainment & Digital Media has seen the largest growth of employment, with over 152,000 jobs added in the state between 2014 and 2019.

Overall, jobs in Entertainment & Digital Media span six main categories, with most of them concentrated in Emerging Digital Media (45%) and Film (18%). Occupations in these sectors include Data Processing and Custom Computer Programmers, Internet Publishing and Broadcasting, Artists, Artist Managers, and Motion Picture/Video Distributors. Other subsectors, such as Professional Services (including Marketing Researchers, Graphic Design or Photography) and Publishers (Newspaper Publishers), account for far fewer jobs (15% and 16% respectively), but are still integral to the industry as a whole.

Entertainment & Digital Media Employment Share by Subsector in California (2019)

Figure 2.18



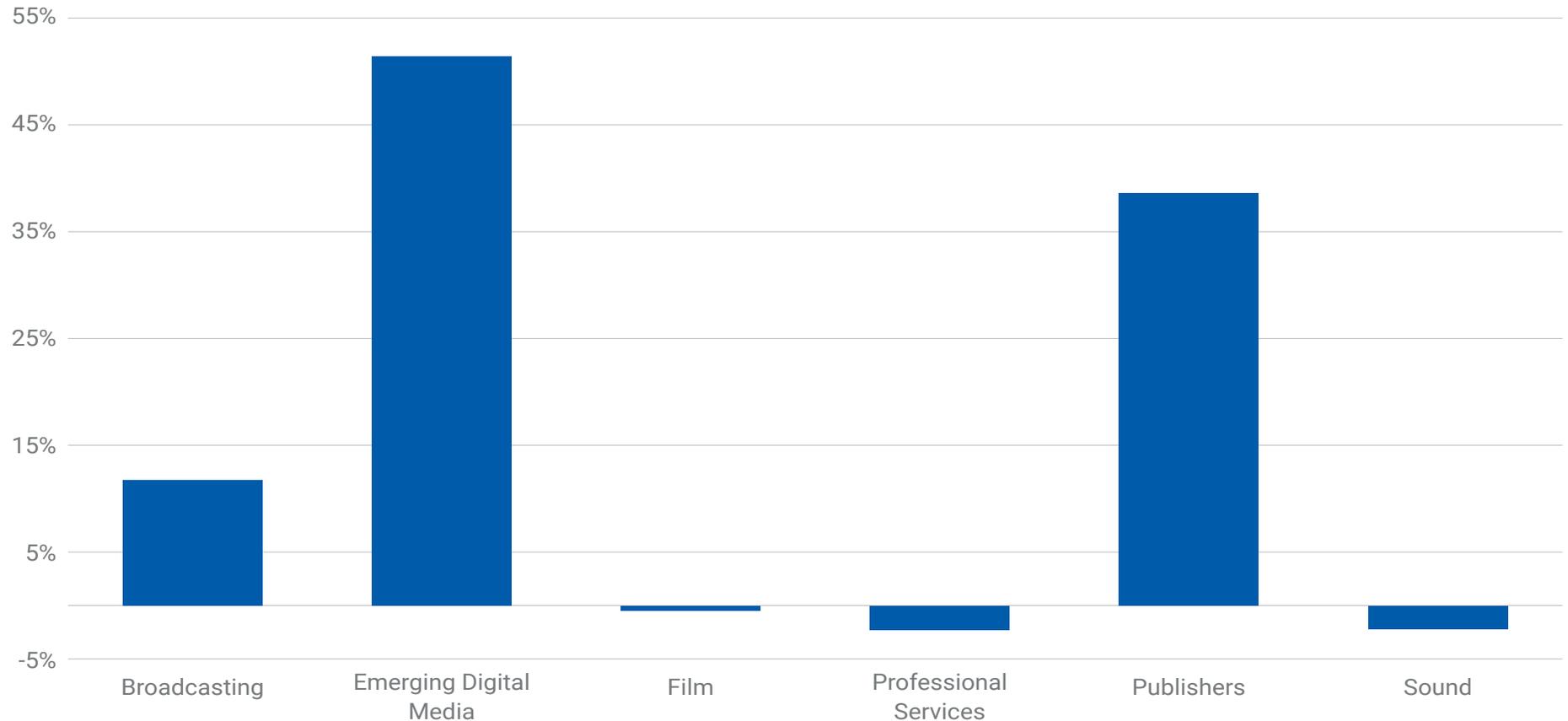
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

Of all sectors in Entertainment & Digital Media, the fastest growing between 2014 and 2019 has been Emerging Digital Media. The pace of growth in this sector cannot be understated. Employment in Custom Computer Programming grew by over 46,000 workers, a rate of about 32%. Additionally, workers in Data Processing, Hosting and Related Activities doubled in the past five years, growing from 25,321 in 2014 to about 51,850 in 2019. This was the only industry in the Creative Economy that reported a growth rate over 100%. Conversely, smaller sectors like Sound and Film reported a five-year statewide decrease.

Employment Growth by Entertainment & Digital Media Subsector in California, 5 Year (2014 – 2019)

Figure 2.19



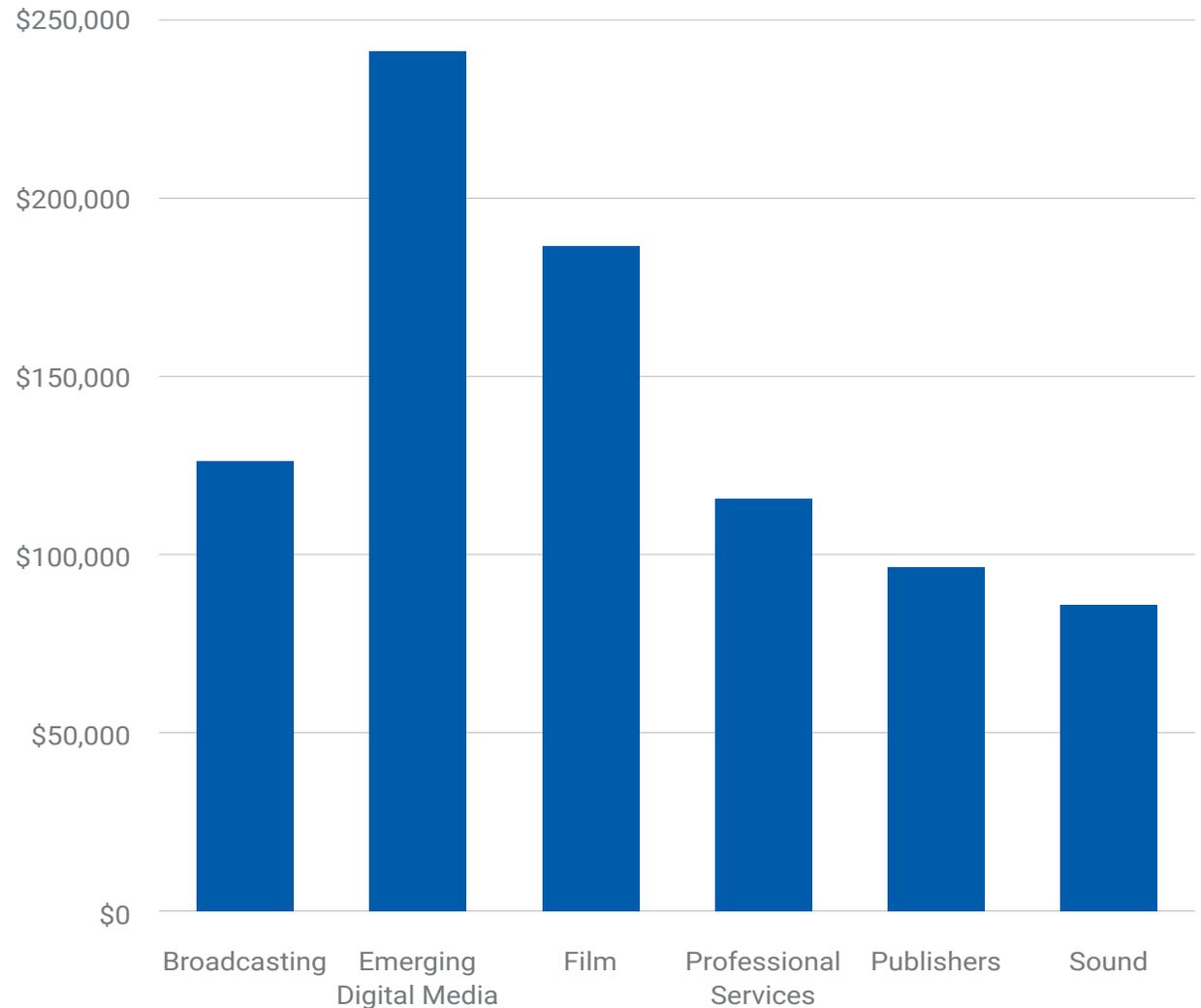
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

Average annual wages in Entertainment & Digital Media remain far above the California average. As of 2019, Emerging Digital Media had the highest average annual wage at \$243,283, followed by Film (\$191,405), and Broadcasting (\$135,618). At around 45% between 2014 and 2019, Professional Services reported the fastest average wage growth across all subsectors in Entertainment & Digital Media.

Average Annual Wage by Entertainment & Digital Media Subsector in California (2019)

Figure 2.20



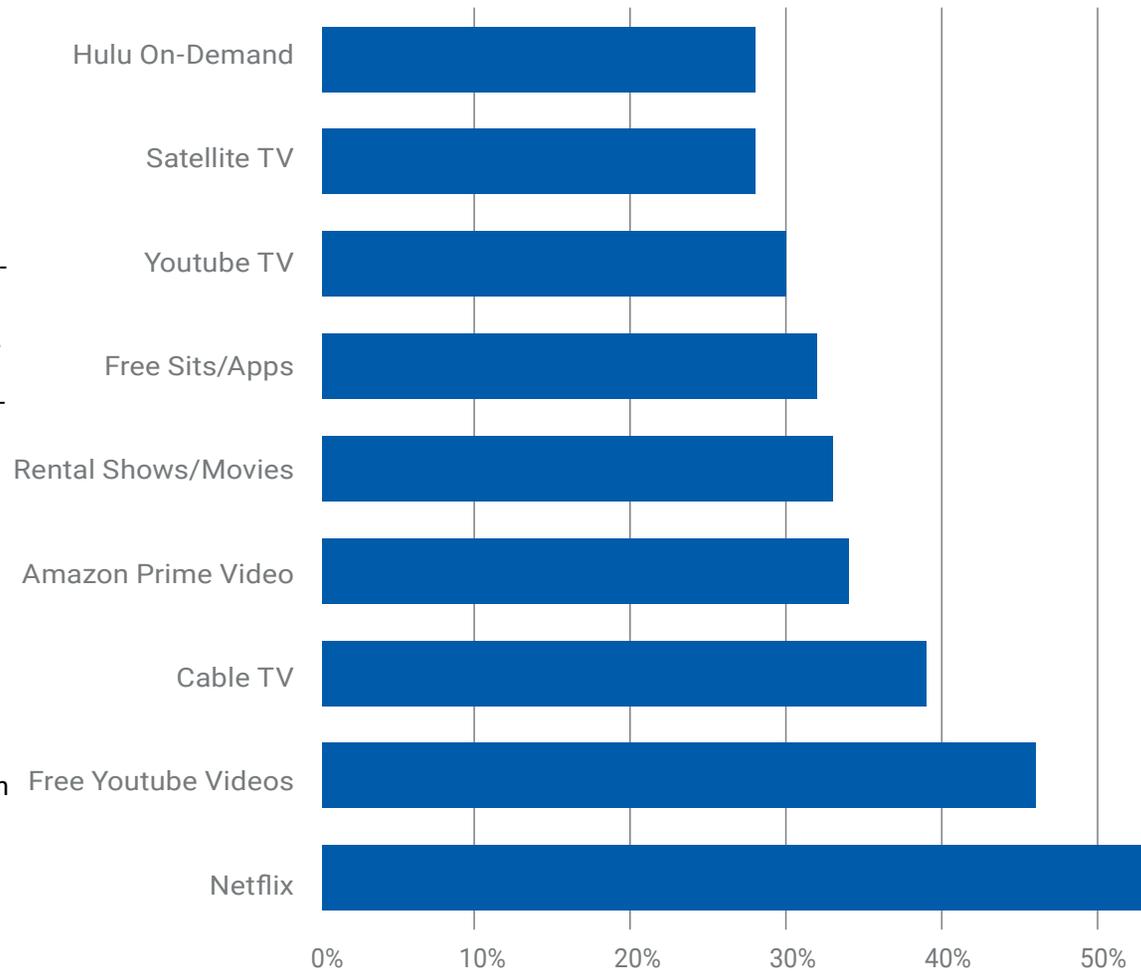
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

SPOTLIGHT: STREAMING IS NO LONGER IMPORTANT – IT'S ESSENTIAL

The explosion of streaming services in the late 2000s delighted introverts and homebodies who reveled in the ability to watch their favorite artists from the comfort of the couch. Reality hit hard in March 2020. Everyone was forced to tap into their inner introvert as COVID-19 lockdowns rendered home entertainment the only option. Streaming services did not disappoint, serving up a smorgasbord of delights to ease anxiety and lighten the gloom of enforced isolation. As the dark days of the pandemic wore on, people began to see their streaming services as not merely a distraction, but as both a necessary escape valve and an essential connection to the outside world.

Consequently, streaming services are now a target for multinational media corporations. Bundling services and platforms is a popular method of gaining access to consumers. Whether it's Fox's acquisition by Disney that gives access to ESPN, Hulu and Disney+, or CBS and Viacom's merger, giving access to CBS All Access, Showtime and more – company mergers have been enticing users by broadening what their subscriptions can give them in content.

Share of Consumers Who Think that Video Services are Indispensable by Platform
Figure 2.21



Source: TiVo, nScreenMedia. Analysis by Beacon Economics



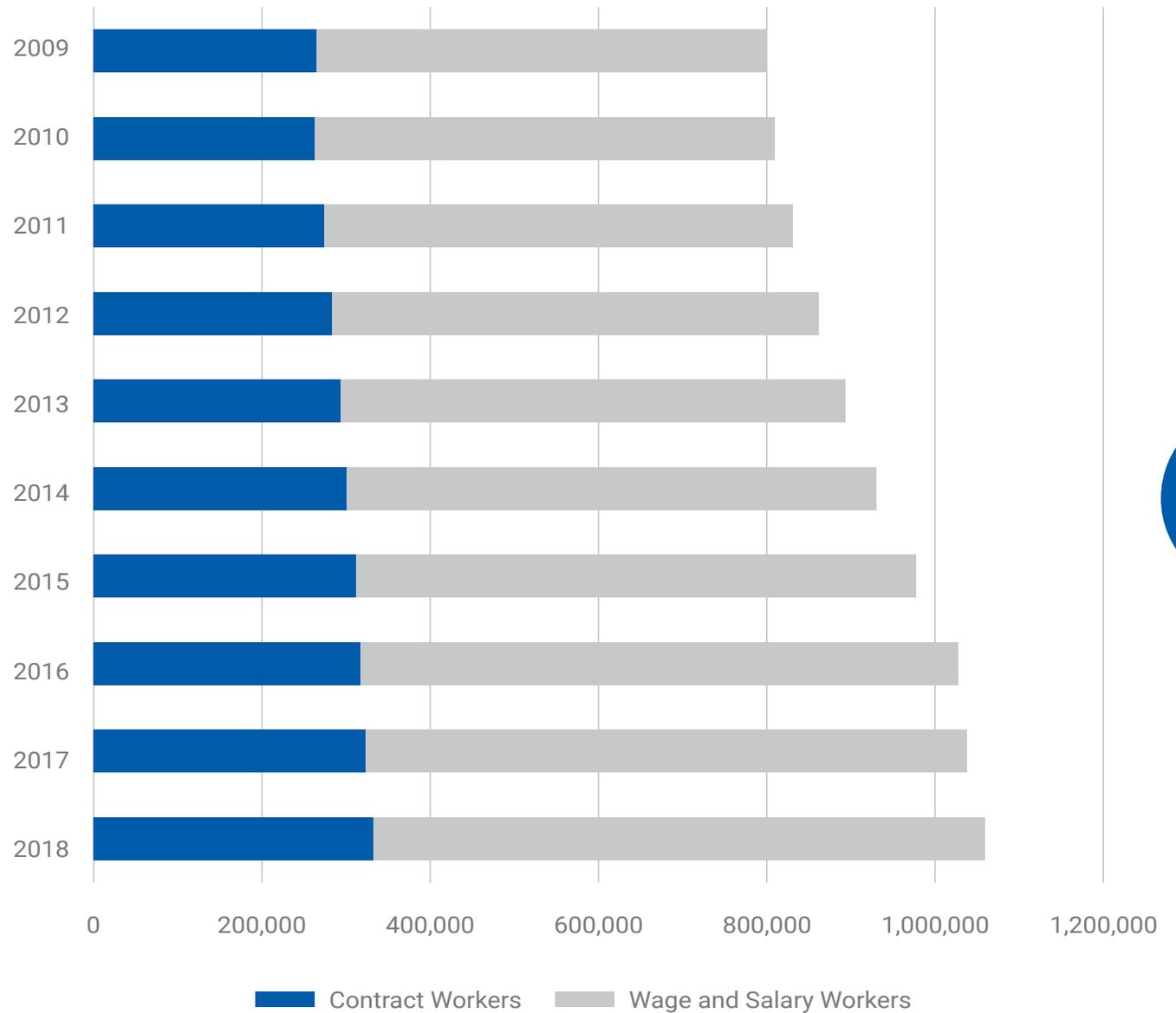


CONTRACTORS

Entertainment & Digital Media has the most self-employed workers of all Creative Economy subsectors. At an estimated 337,935 in 2018, self-employed workers make up roughly 31.3% of employment in the sector. Racial and ethnic makeup of self-employed Entertainment & Digital Media is similar to other subsectors, with those identifying as White at 56.4%, followed by Hispanic at 26.3%, Asian at 13.4%, and Black at 3.7%.

Contract and Wage and Salary Workers in Entertainment & Digital Media in California

Figure 2.22



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

ESTABLISHMENTS

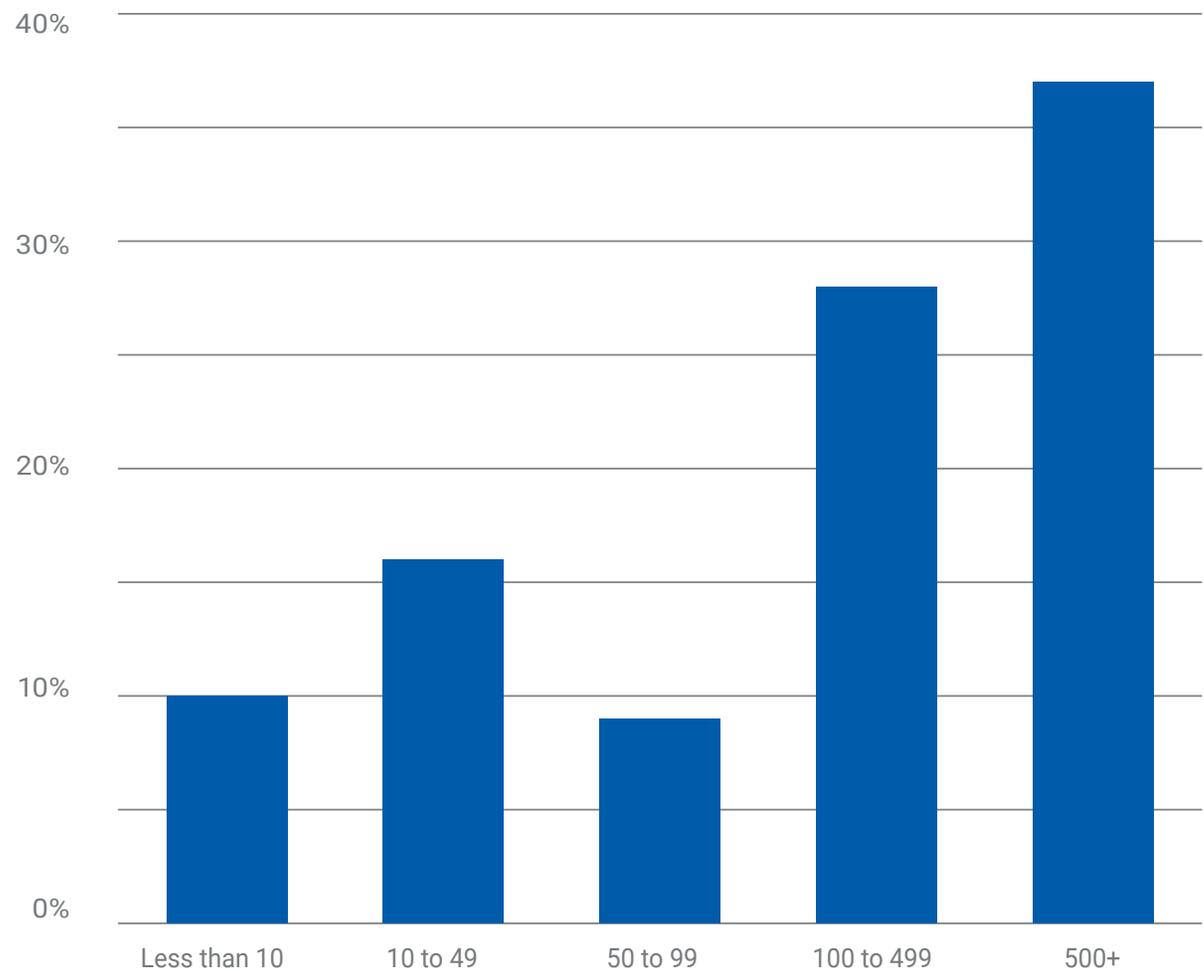
As the largest subsector of the Creative Economy in California, Entertainment & Digital Media comprises roughly 57,119 establishments.

These establishments differ in size, from firms with less than 10 employees to those with over 1,000 employees. Roughly 84.9% of establishments have fewer than 10 employees, although the largest share of employment (27.3%) is in establishments with over 1,000 employees. Employment in establishments with fewer than 10 employees account for 9.7% of the Entertainment & Digital Media workforce.

Establishment ownership by race and ethnicity in Entertainment & Digital Media reflects the industry overall. White owners comprise the largest share, at 79%, followed by Hispanics (12.9%) and Asian (5.7%). Black owners comprise 2.4% of establishment ownership in the sector, higher than the Creative Economy average of 1.3%.

Share of Employment by Establishment Size, Entertainment & Digital Media

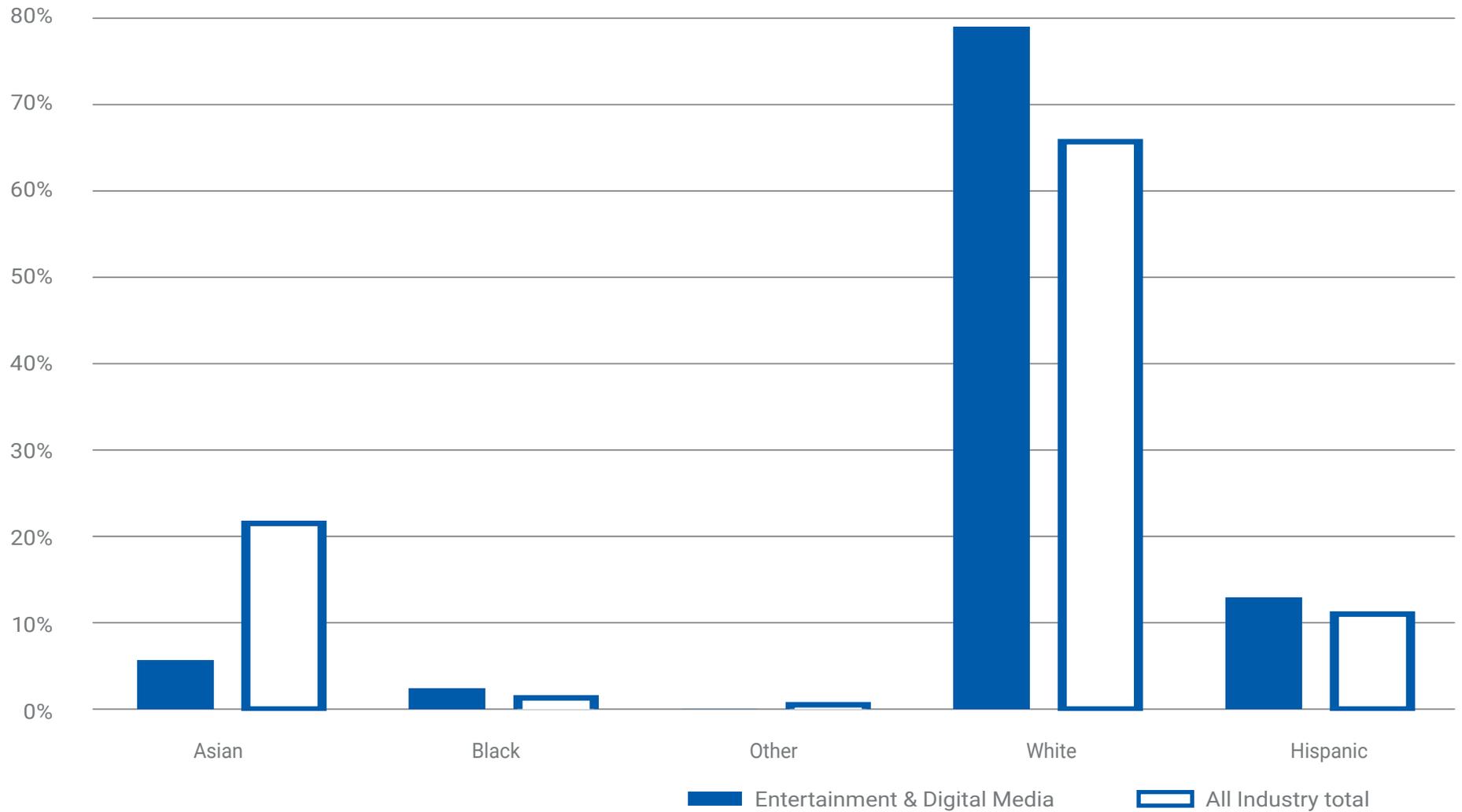
Figure 2.23



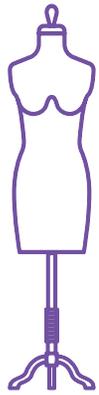
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Racial and Ethnic Composition, Entertainment & Digital Media All Industry Total

Figure 2.24



Source: 2018 Census Bureau, Annual Business Survey (ABS). Analysis by Beacon Economics



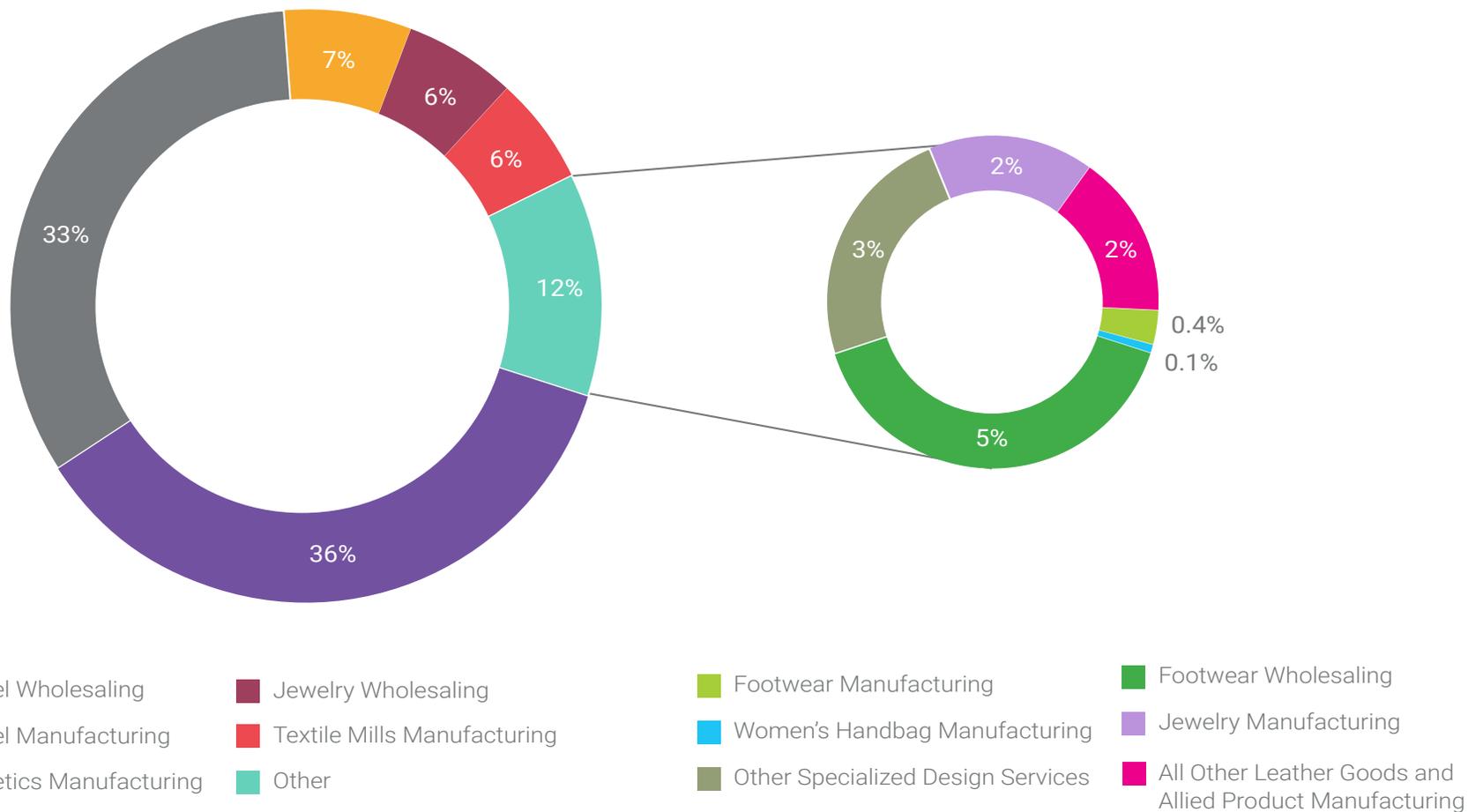
CREATIVE SECTOR 4 FASHION



Employment in the Fashion sector continues a statewide decline. The latest employment figures suggest that the share of Fashion employment in the Creative Economy now stands at 108,142 employees, down 15.9% in 2019 compared to 2014. This is largely driven by Employment losses in Apparel Manufacturing, which reported a loss of over 20,730 jobs between 2014 and 2019, a 38% decrease. Nonetheless, it remains the second largest sector in this field, trailing Apparel wholesaling, which now makes up 35% of all California employment in Fashion, having grown its workforce by 1,575 workers. Other big subsectors in this field include Cosmetics Manufacturing (8%), and Jewelry Wholesaling (6%). Those in the 'Other' category make up 13% of all Fashion workers and include industries such as Footwear Wholesaling and Jewelry Manufacturing.

Fashion Employment Share by Subsector in California (2019)

Figure 2.25



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

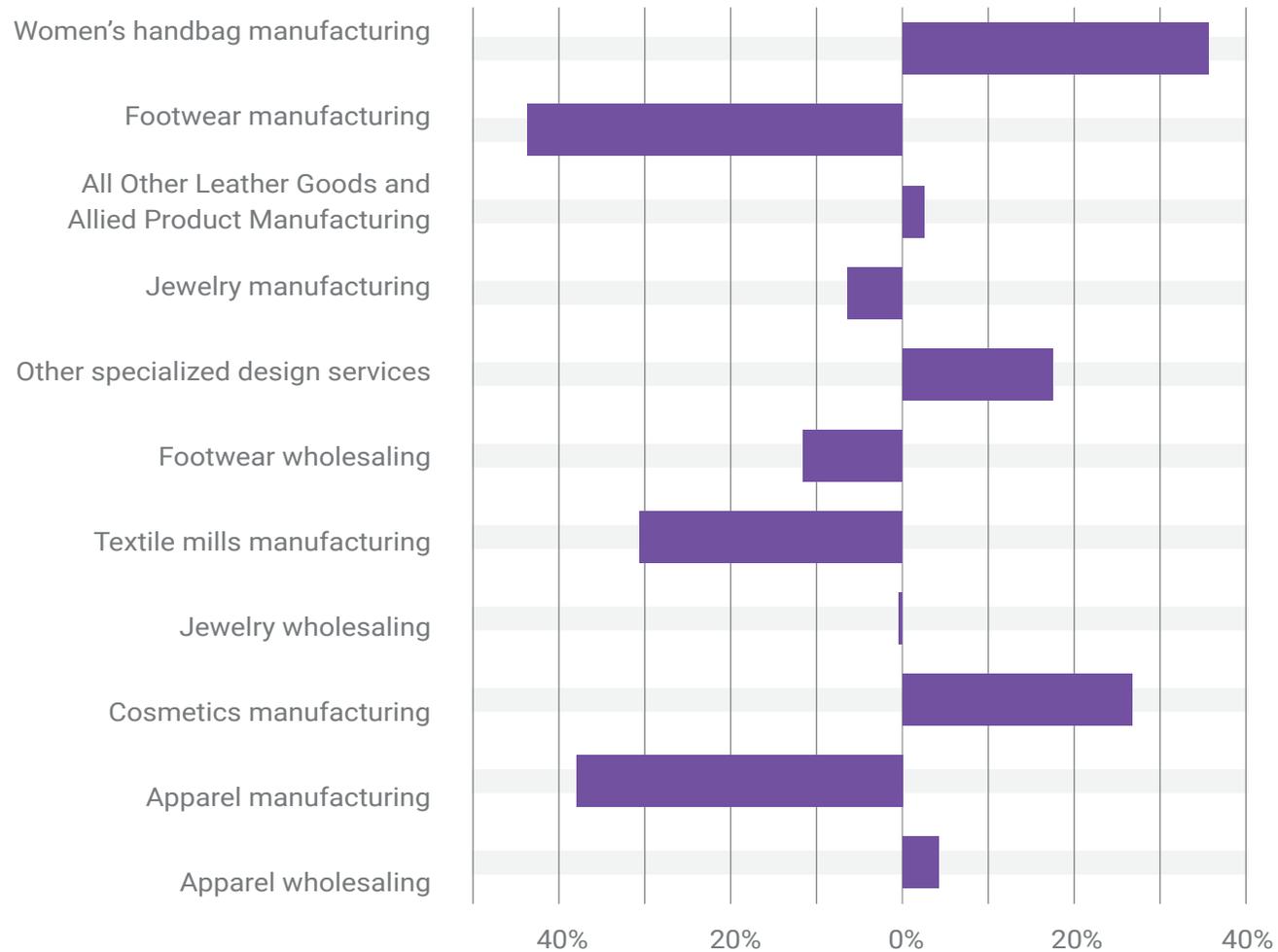
EMPLOYMENT

Industries experiencing the fastest growth include Cosmetics Manufacturing, which saw total employment in California grow 26.7% from 6,822 workers in 2014 to 8,643 workers in 2019; and Women's Handbag Manufacturing, which grew from 122 workers in 2014 to 165 workers in 2019, a 35.6% increase. This remains the smallest industry in the Fashion sector. Meanwhile, employment in Footwear Manufacturing, Apparel Manufacturing, and Textile Mills Manufacturing saw the fastest decreases in employment, with five-year changes of -43.6%, -38%, and -31% respectively.

77

Employment Growth by Fashion Subsector in California, 5 Year (2014 to 2019)

Figure 2.26



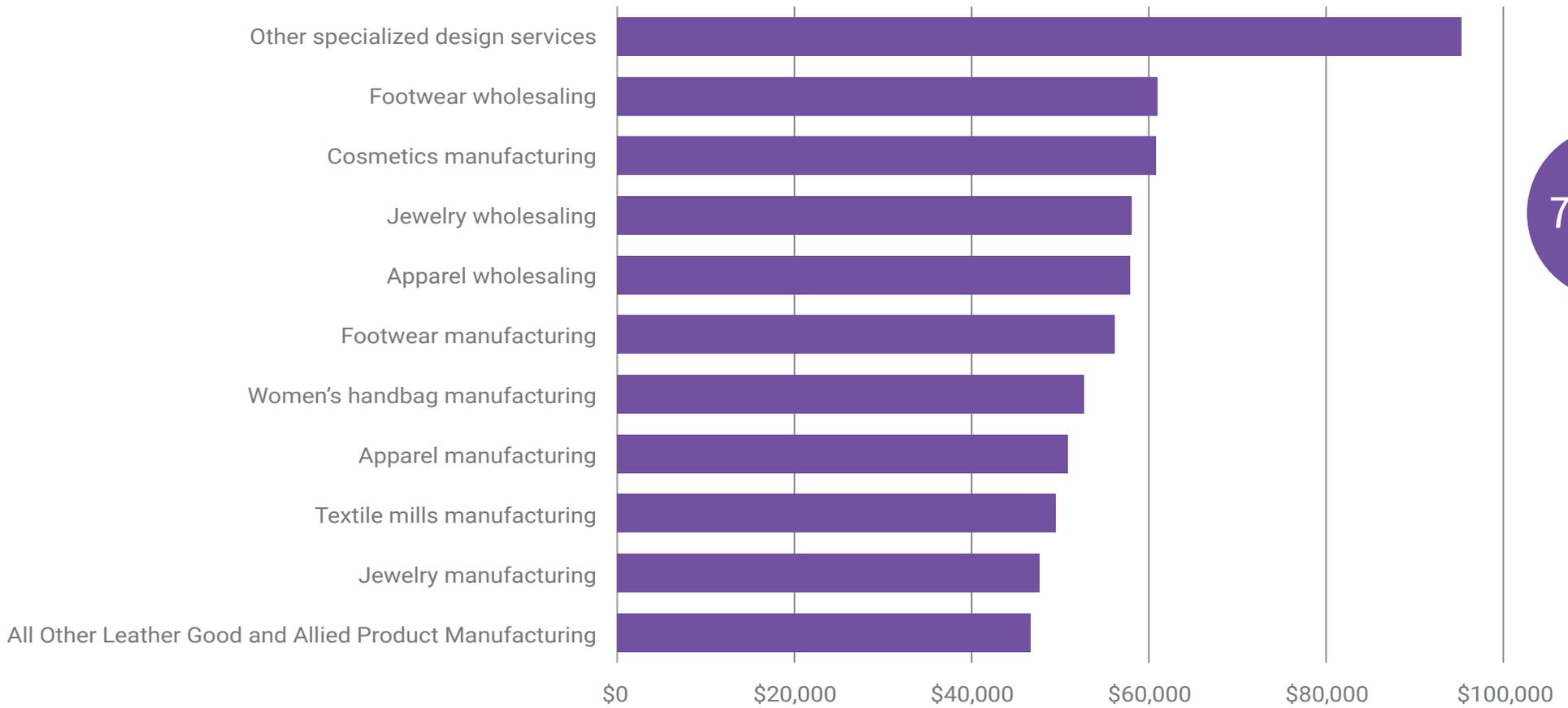
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

Workers in Other Specialized Design Services have the highest average annual wages, with \$95,323 reported in 2019. Every other Fashion subsector reported lower average annual wages than the California average of \$71,100. Still, there have been some notable increases. The fastest growing wages have been in some of the faster growing industries, including Women's Handbag Manufacturing, and Cosmetics Manufacturing.

Annual Average Wage by Fashion Subsector in California (2019)

Figure 2.27



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

SPOTLIGHT: NO AUDIENCE? NO PROBLEM. FASHION GETS CREATIVE IN THE PANDEMIC

The COVID-19 pandemic brought the fashion industry to a standstill. Stores closed their doors, factories shut up shop, and live fashion shows moved online. March 2020's Shanghai Fashion Week, one of the world's biggest, was completely digital. Designers took different approaches to showcasing their wares. Some went for a simple

live streamed show, while others, like womenswear brand Shushu/Tong, chose to make a short film.¹

Some brands took things a step further. Moschino chose to present their Spring/Summer 2021 collection via a puppet show titled No Strings At-

tached. Designed by Jim Henson's Creature Shop, both models and audience members were created to mimic the excitement of the runway. Featuring a cameo from Anna Wintour herself (in puppet form, of course!) the show was a creative triumph over adversity.²

10 *How the Covid-19 Pandemic Is Affecting The Fashion Industry,* Elle, December 2020, <https://www.elle.com/uk/fashion/g32015646/COVID-19-fashion-brands/>

11 *Barnes, Sara, "Moschino Used Puppets for a Socially Distanced Fashion Show During COVID-19," My Modern Met, October 2020, https://mymodernmet.com/moschino-puppet-show/*



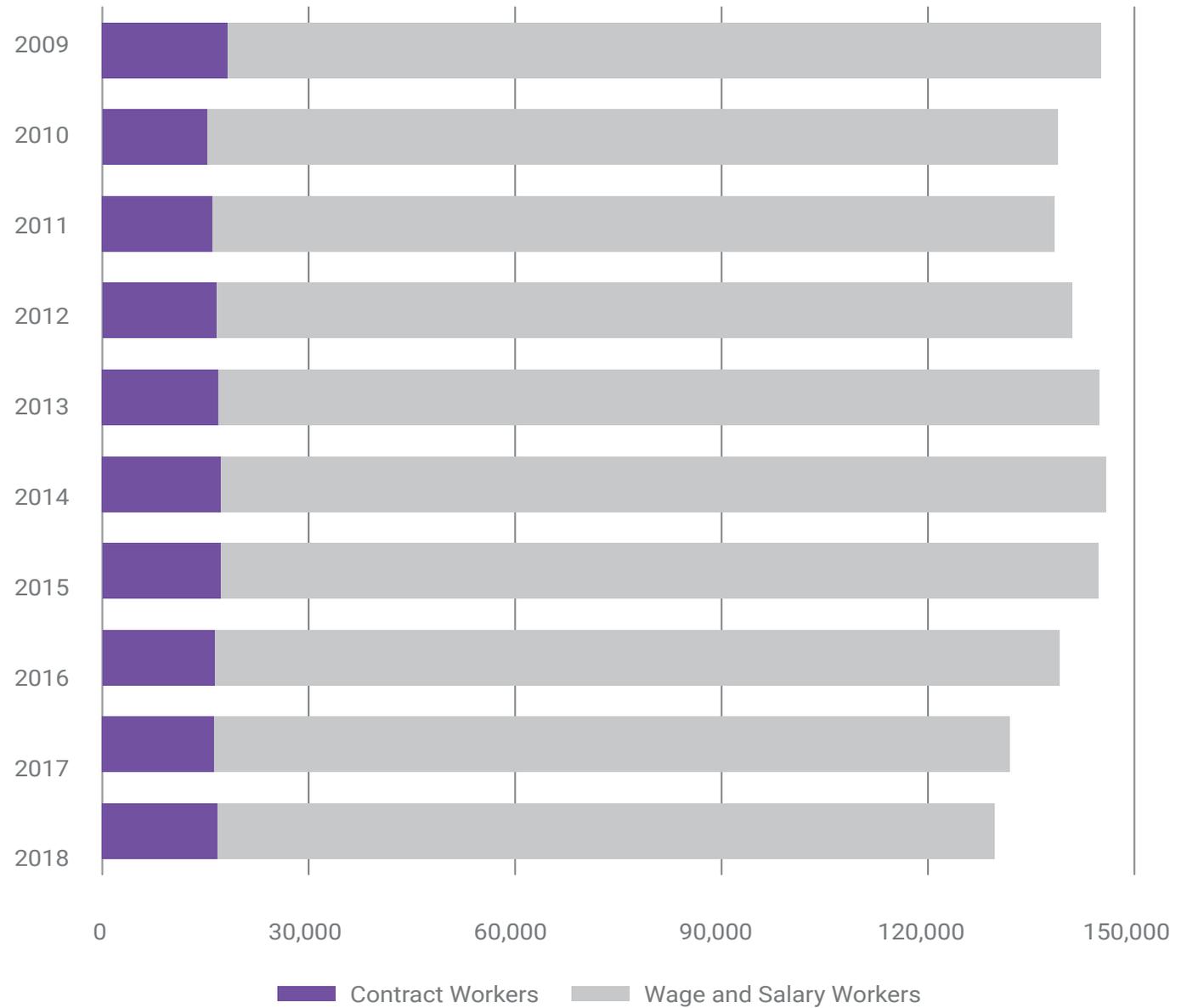
CONTRACTORS

Of the five industries in California's Creative Economy, Fashion has the smallest number of employees working as independent contractors, with only 12.9% of the 129,608 total as of 2018. The decrease in employment has been faster among salaried workers than contract workers in this declining industry. While the total number of salaried workers fell 11.8% between 2013 and 2018, the fall in contract workers was only 0.5% over the same period.

The racial and ethnic composition of the 16,760 workers is divided into White (55.1%), Hispanic (25.9%), Asian (15.8%), Black (2.9%) and other (0.3%).

Contract and Wage and Salary Workers in Fashion in California

Figure 2.28



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics



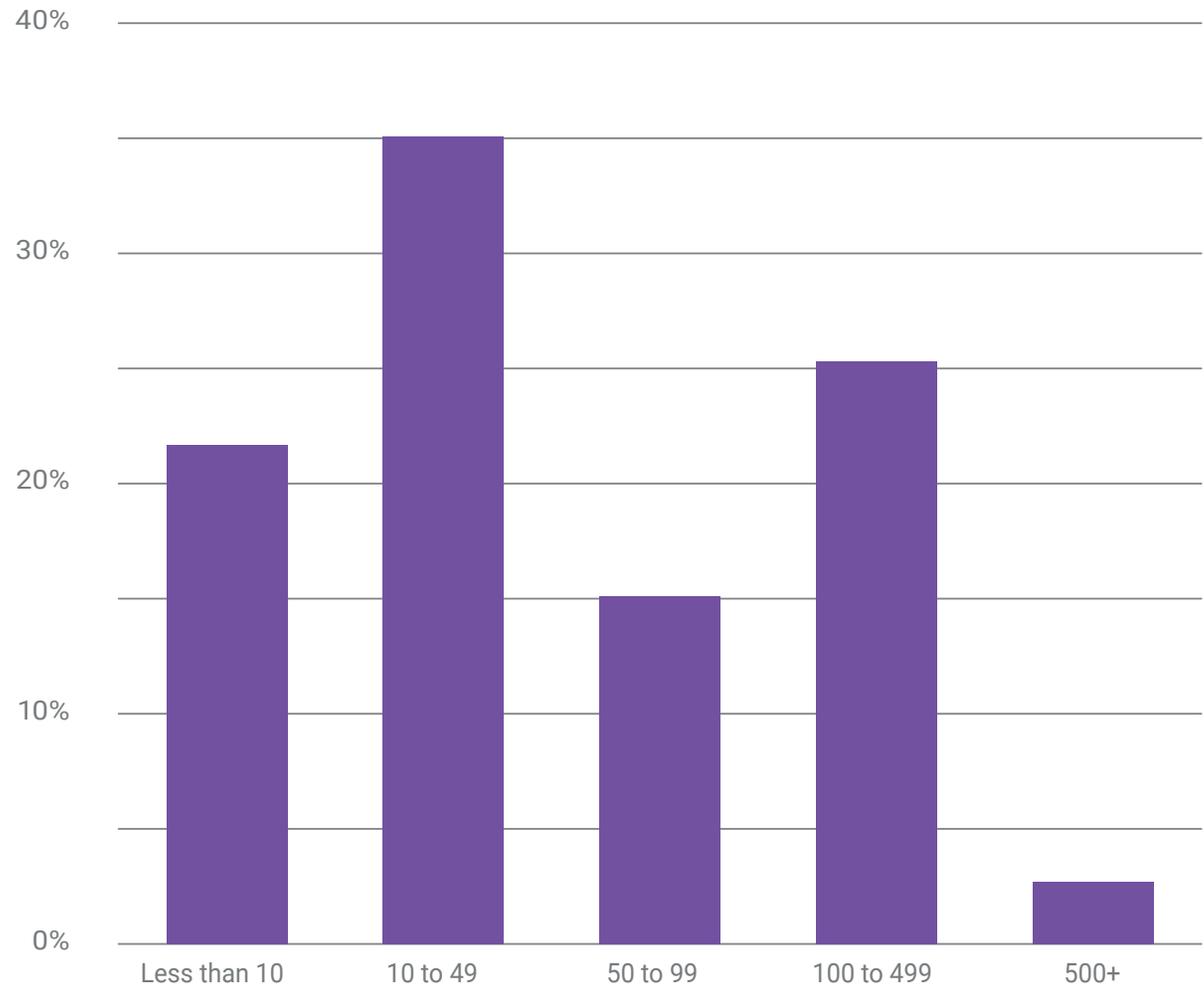
ESTABLISHMENTS

In 2018, there were an estimated 10,946 establishments in the Fashion subsector (excluding self-employed). Over 8,630 of these had less than 10 employees, while only 200 establishments had more than 100 employees. Employment was concentrated heavily in larger establishments. Establishments with more than 100 employees accounted for 28% of total employment, while those with 10 to 49 employees accounted for 35.1%.

Establishment ownership in Fashion is fairly evenly split between White (44.6%) and Asian (47.8%). The share of Asian owners in Fashion compared to the Creative Economy overall is quite significant: on average, Asians make up just 21.5% of establishment owners across all industries and sectors. That said, there is no significant number of Black owners, or owners of other races in Fashion, and Hispanic owners comprise a mere 7.6%, lower than the 11% average across all industries.

Share of Employment by Establishment Size, Fashion

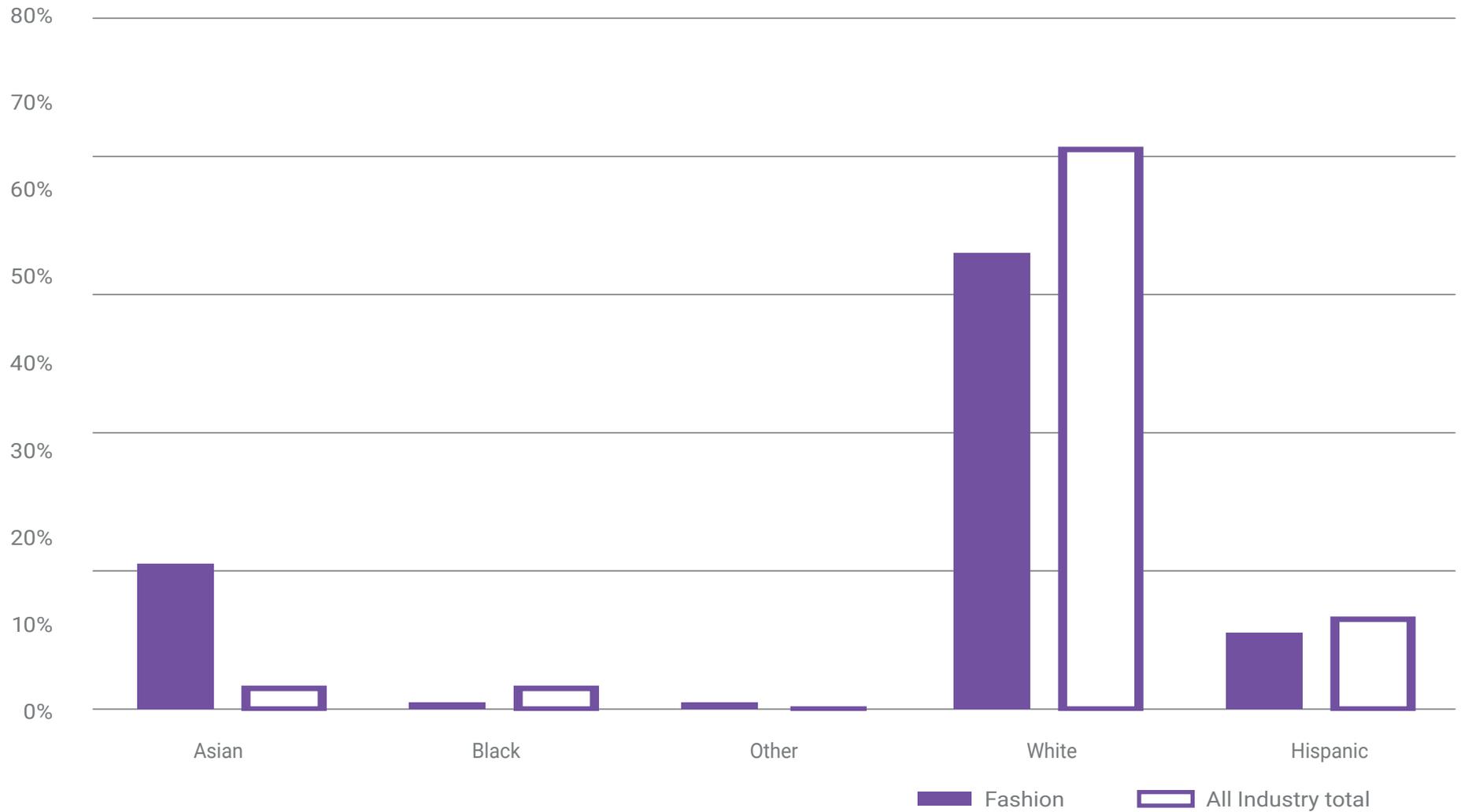
Figure 2.29



Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Racial and Ethnic Composition, Fashion and All Industry Total

Figure 2.30

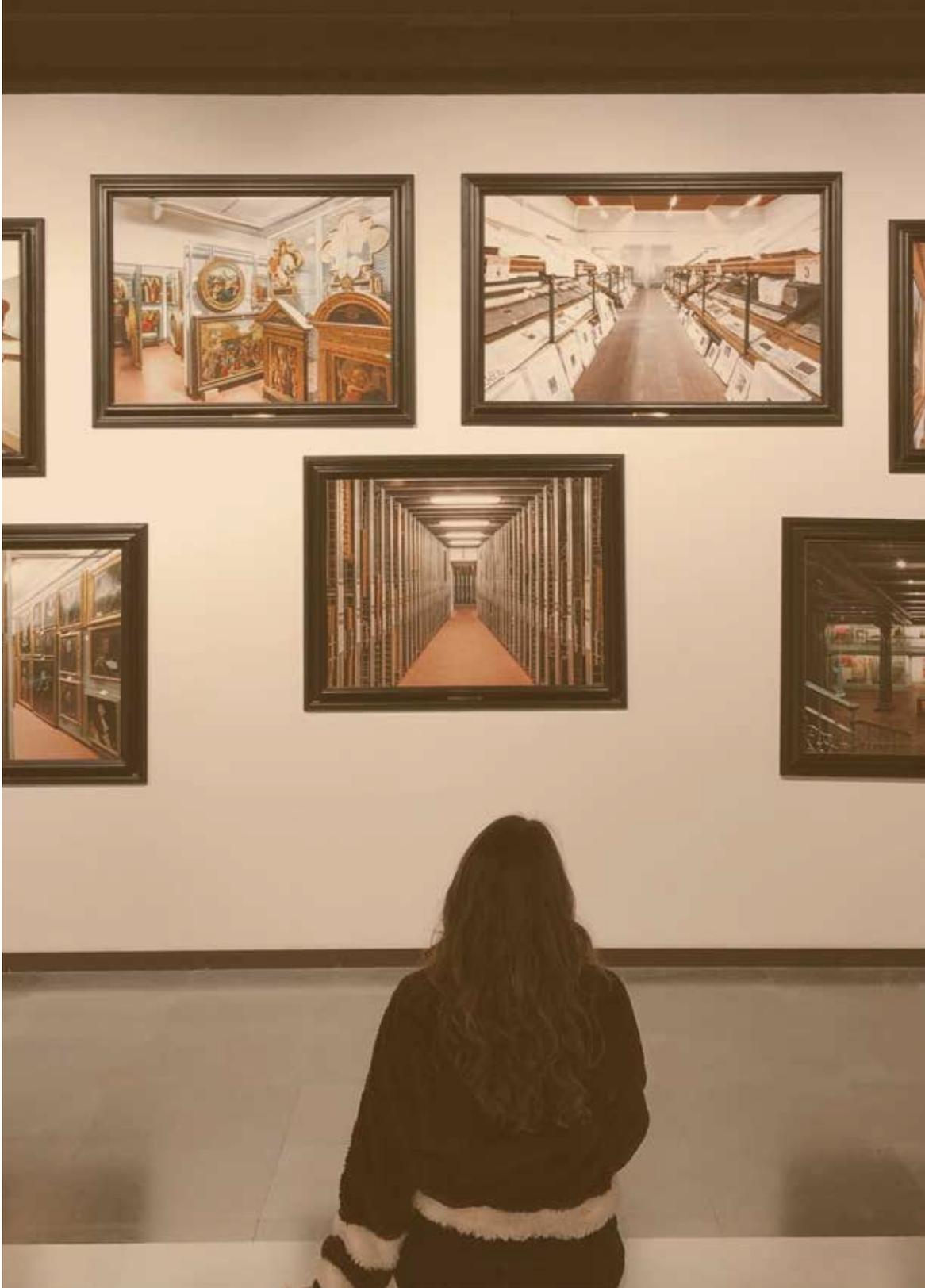


Source: 2018 Census Bureau, Annual Business Survey (ABS). Analysis by Beacon Economics



CREATIVE SECTOR 5

FINE ARTS AND PERFORMING ARTS

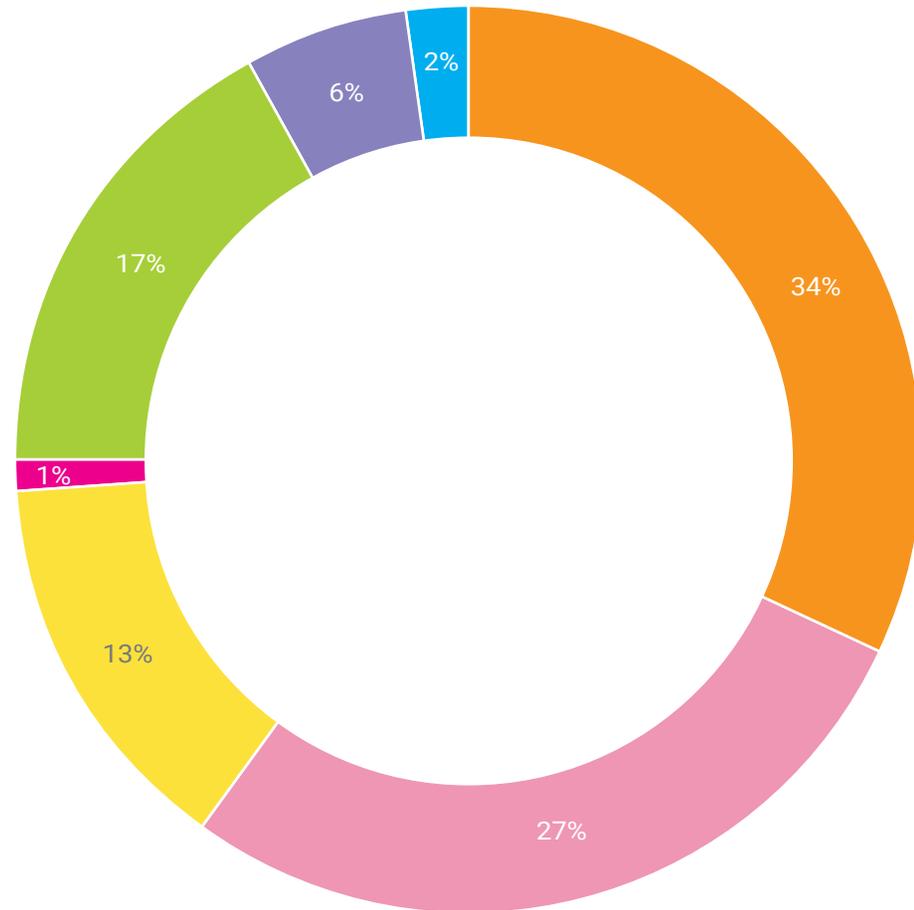


EMPLOYMENT

Fine Arts and Performing Arts employment joins Entertainment and Architecture as one of the fastest growing sectors in California's Creative Economy, growing by about 22% from 38,308 workers in 2014 to about 46,800 workers in 2019. Nonetheless, it remains one of the smallest sectors, making up just 4.3% of all of California's Creative Economy jobs. The overwhelming majority of jobs in the Fine Arts are in just four main subsectors: Fine Arts Schools, Museums, Theater Companies, and Musical Groups.

The fastest employment growth in these subsectors has been in Fine Arts Schools and Other Performing Arts Companies, at 42% and 40% respectively. Museums also grew by a fairly substantial amount in absolute terms, adding 1,815 workers between 2014 and 2019. Employment in Dance Companies has held steady.

Fine Arts and Performing Arts Employment Share by Subsector in California (2019)
Figure 2.31



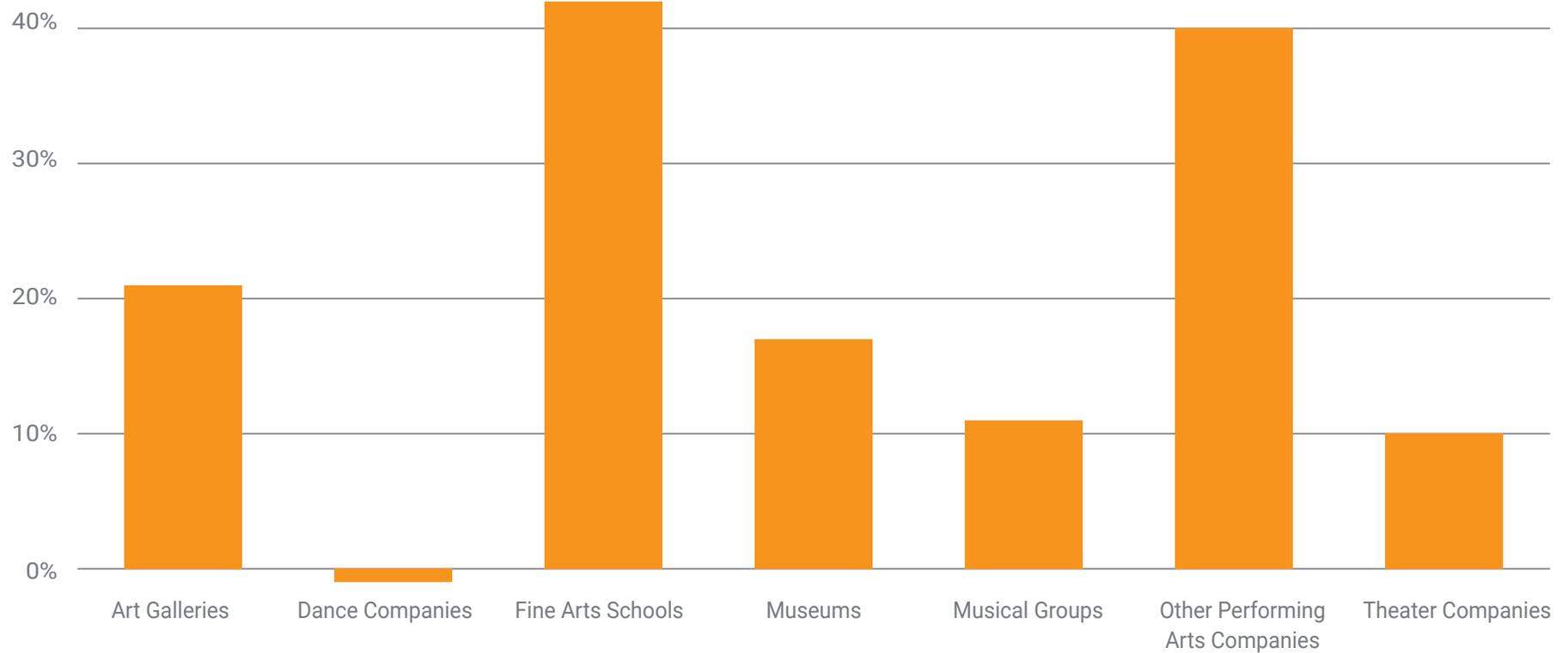
- Art Galleries
- Dance Companies
- Fine Arts Schools
- Museums
- Musical Groups
- Other Performing Arts Companies
- Theater Companies

Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

EMPLOYMENT

Employment Growth by Fine Arts and Performing Arts Subsector in California, 5-Year (2014-2019)

Figure 2.32



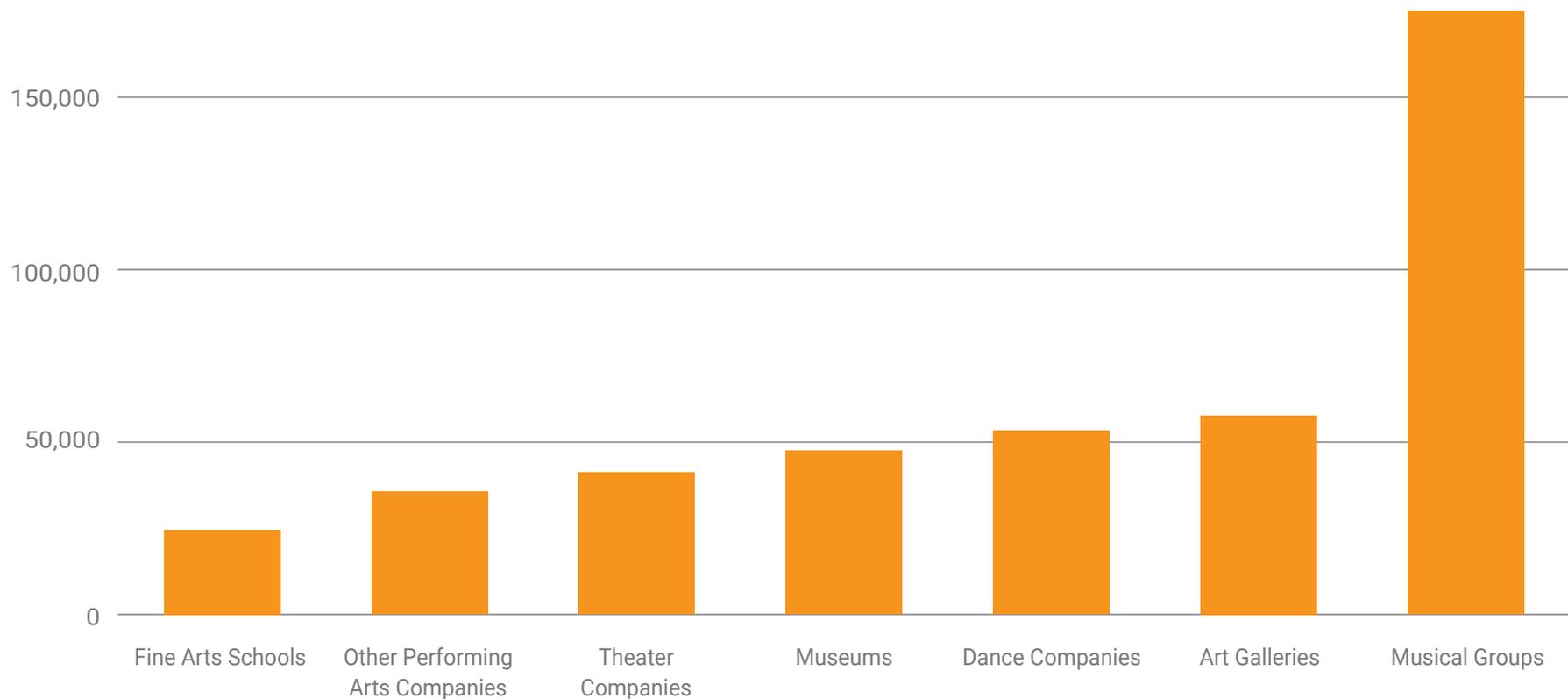
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

At \$188,221, the highest average wage was in Musical Groups, an increase of around 38% between 2014 and 2019. This is over three times the next highest average wage: \$57,763 for Art Gallery employees. Interestingly, although employment grew 40% in the Other Performing Arts Companies sector, mean wages declined by 7.5%.

Average Annual Wage by Fine Arts and Performing Arts Subsector in California (2019)

Figure 2.33



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

SPOTLIGHT: KEEPING PERFORMING ARTS ALIVE

The performing arts play a vital role in our society. Whether it's live music at a local venue, or a blockbuster Broadway show, these art forms enrich our lives. As the COVID-19 pandemic drags on, venues have closed and performing arts programs have struggled to survive. Theater programs, especially those in underserved communities and schools, have faced severe budget cuts. The savior of many of these programs, as in so many other areas, has been the digital domain. The Educational Theatre Foundation's Theatre Alive! Gala was streamed in January 2020 to more than 4,000 people.

Packed with stars of stage, screen and television, the event helped raise a record-breaking \$180,000 for theater programs in dire need of financial aid.¹² Educational theater programs require these funds now as there are limited ways to raise money during pandemic lockdowns. COVID-19 Aid, Relief, and Economic Security Act (CARES Act) funding distribution has also helped. In December, the California Arts Council distributed more than \$710,000 in State Arts Agency CARES funding from the National Endowment for the Arts to organizations in need.¹³ These measures are necessary to ensure that important social and educational programs, especially those in underserved communities, can continue.

¹² Culwell-Block, Logan, "Educational Theatre Foundation Announces Record-Setting Fundraising Total from Theatre Alive! Gala," *Playbill*, February 2021, <https://www.playbill.com/article/educational-theatre-foundation-announces-record-setting-fundraising-total-from-theatre-alive-gala>

¹³ COVID-19 News & Resources, California Arts Council, <https://arts.ca.gov/covid-19-resources/>



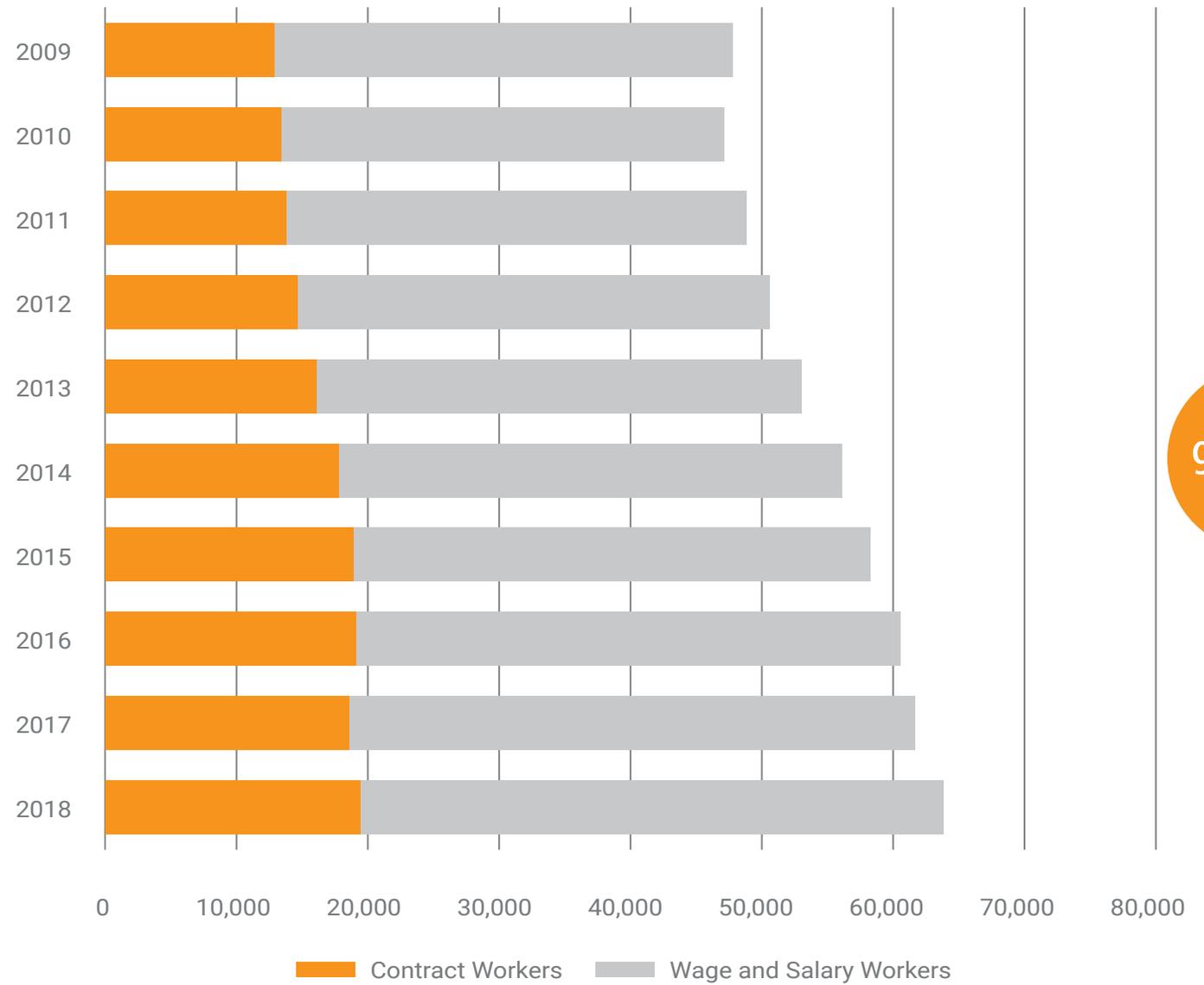


CONTRACTORS

In 2018, Fine Arts in California employed an estimated 19,411 workers – roughly 30% of total employment in the sector as a whole. Fine Arts is relatively diverse in racial and ethnic terms. Non-Hispanic Whites make up the largest group at 57.1%, followed by Hispanic at 26.6%, and Asians at 10.7%. Fine Arts has the highest share of self-employed Black workers at 5.3%, higher than any other sector in the Creative Economy.

Contract and Wage and Salary Workers in Fine Arts and Performing Arts in California

Figure 2.34



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES).
Analysis by Beacon Economics

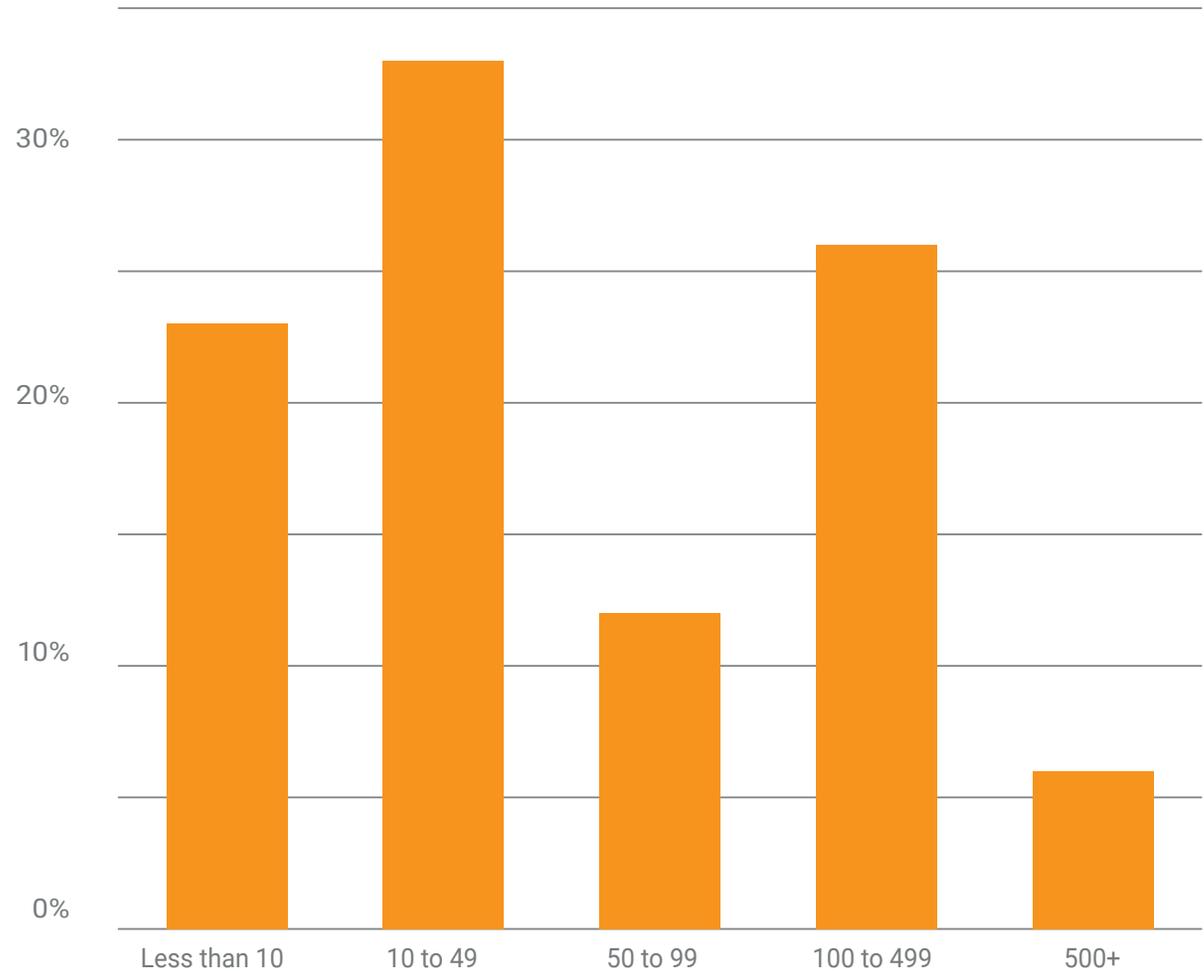
ESTABLISHMENTS

At 4,611 (excluding self-employed), Fine Arts has fewer establishments statewide than any other Creative Economy subsector. Roughly 81.3% of Fine Arts establishments have less than 10 employees, while 57 have more than 100 employees.

Fine Arts ownership by race and ethnicity compares somewhat to other subsectors. White owners account for the largest share at 80.7%, significantly higher than the average share of White owners across all industries (65.7%). Hispanic owners are the second largest at 13.1%, followed by Asian at 3.4% (the smallest share of Asian ownership for any Creative Economy subsector), and Black at 2.8%, the highest share of Black ownership in the Creative Economy, and 1.5 percentage points higher than average Black ownership across all industries.

Share of Employment by Establishment Size, Fine Arts and Performing Arts

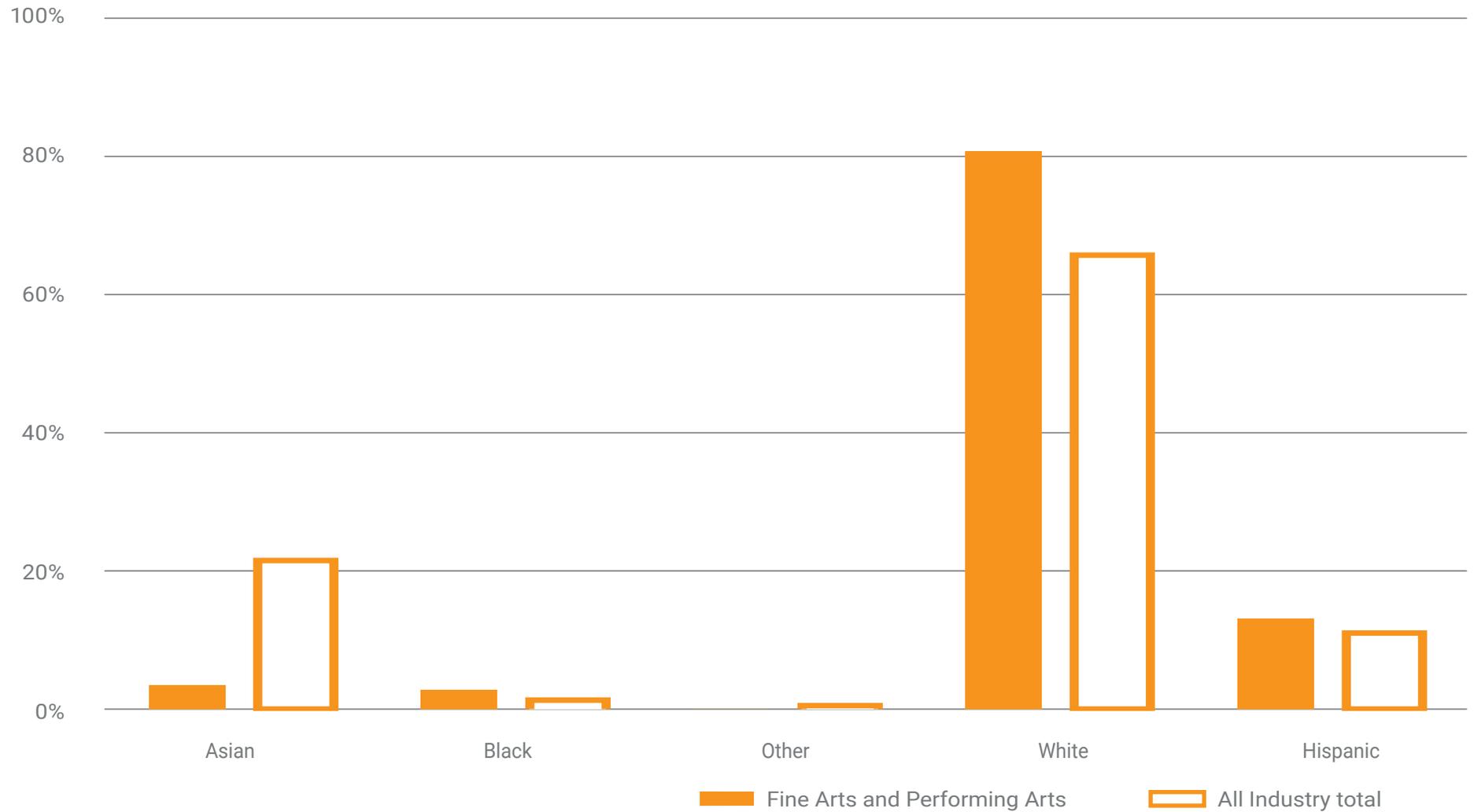
Figure 2.35



Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Racial and Ethnic Composition, Fine Arts and Performing Arts and Industry Total

Figure 2.36



Source: 2018 Census Bureau, Annual Business Survey (ABS). Analysis by Beacon Economics

03

LOS ANGELES COUNTY



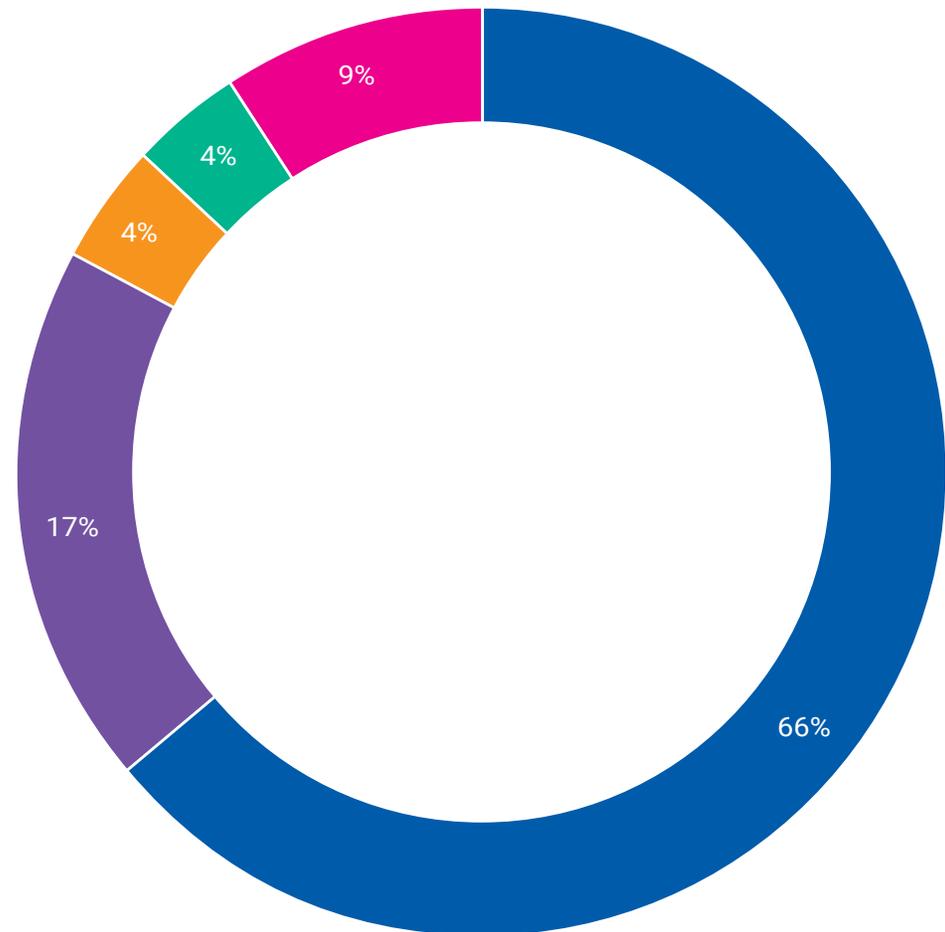
LOS ANGELES COUNTY: Creative Industry Analysis

Roughly 38% of California's Creative Economy workers are employed in L.A. County. In 2019, the creative industries accounted for 10% of the region's total employment. Workers in these industries also earn more than workers in L.A. County – \$119,400 on average annually compared to the statewide average of \$65,700.

In L.A. County, the Entertainment & Digital Media sector dominates the Creative Economy. In 2019, over 271,000 wage and salary workers were employed in Entertainment & Digital Media, which accounted for 66% of the total creative workforce. Over the past two decades, this sector has accounted for over 50% of the creative workforce. In 2019, Fashion accounted for 17% of the creative workforce in L.A. County, Creative Goods and Products 9%, and Fine Arts and Performing Arts and Architecture and Related Services 4% each.

Employment Share by Creative Sector in L.A. County (2019)

Figure 3.1



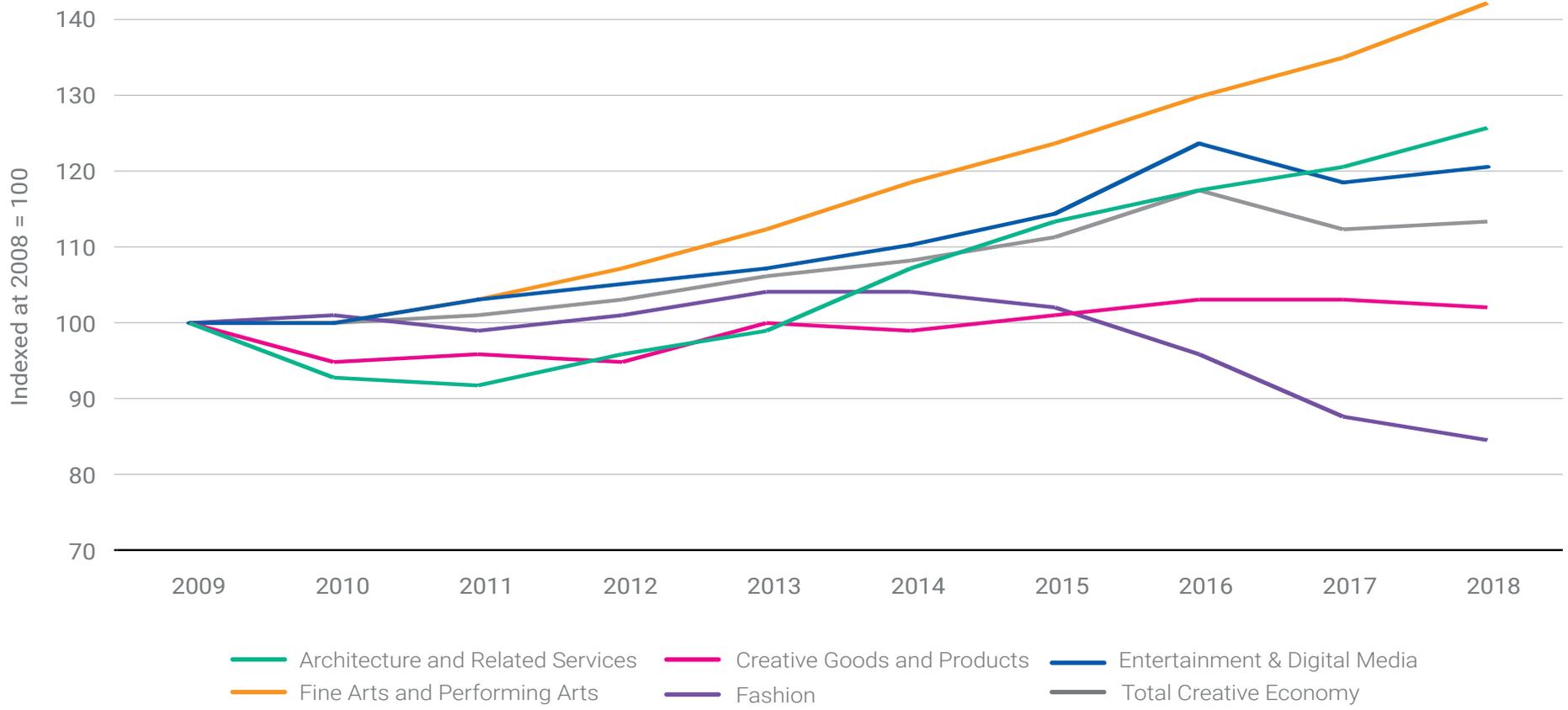
- Architecture and Related Services
- Entertainment & Digital Media
- Fashion
- Creative Goods and Products
- Fine Arts and Performing Arts

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

Including contract workers, creative employment in L.A. County totaled 587,500 workers in 2018. Total creative employment (contract workers and wage and salary workers combined) has steadily increased – up 13.4% and with 69,200 contract and wage and salary jobs added between 2009 and 2018. However, employment growth by industry has varied substantially. Employment in Fine Arts and Performing Arts has grown the most consistently, increasing 41.2% within the same period. Architecture and Related Services employment grew 25.4% between 2009 and 2018, followed by Entertainment & Digital Media (20.5%) and Creative Goods and Products (1.9%). Only the Fashion sector has experienced negative growth since 2009, declining 14.5% and losing 14,100 jobs in L.A. County.

Indexed Employment Change in L.A. County by Creative Sector

Figure 3.2

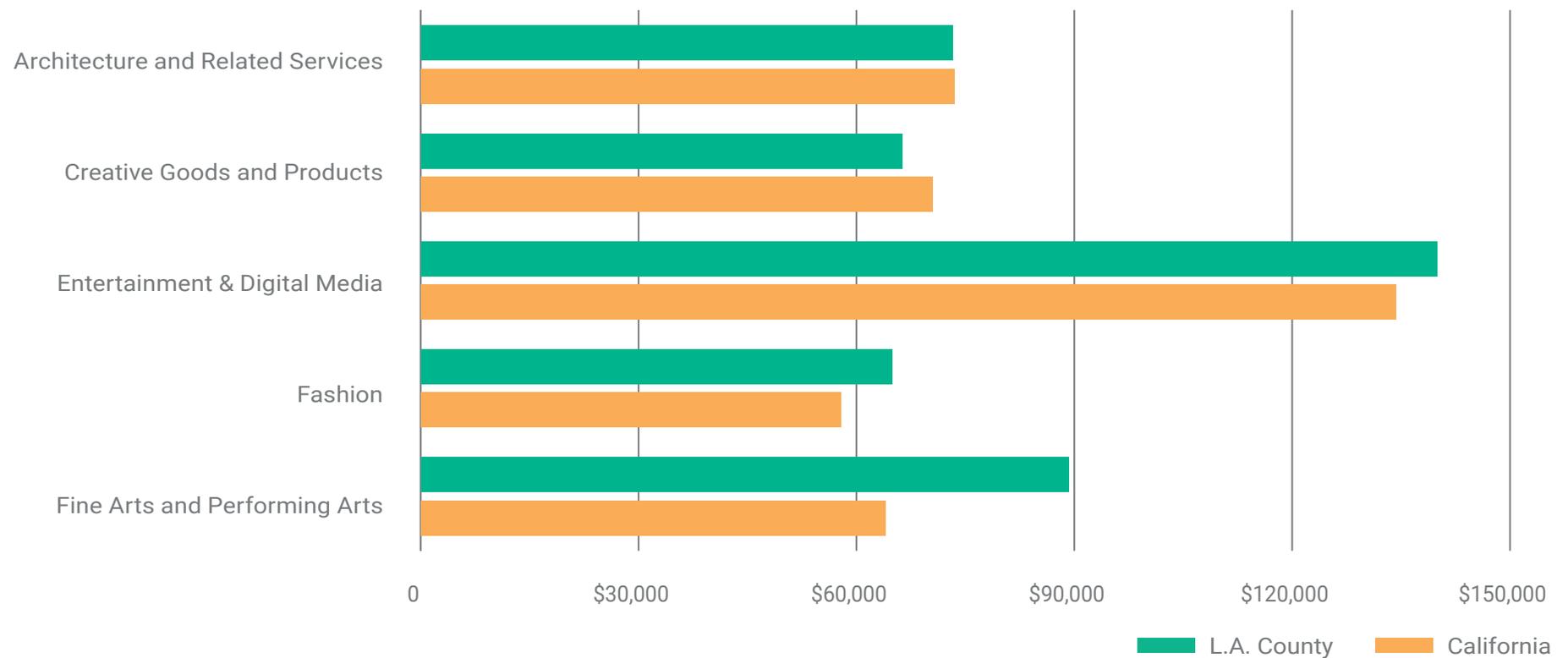


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

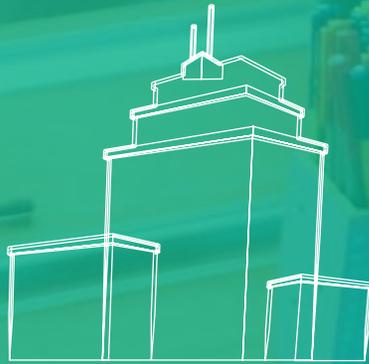
In all creative sectors except Creative Goods and Products, the average annual wage is higher in L.A. County compared to the state overall. Entertainment & Digital Media is the highest paying sector, with an annual average wage of \$139,900. In L.A. County, the lowest paying sectors are Creative Goods and Products (\$66,331) and Fashion (\$64,902). Compared to California, the largest difference in wages by region is in Fine Arts and Performing Arts. Workers in this sector earn \$25,200 more on average in L.A. County than in the state overall.

Average Annual Wage by Creative Sector in L.A. County (2019)

Figure 3.3



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics



CREATIVE SECTOR 1 ARCHITECTURE AND RELATED SERVICES

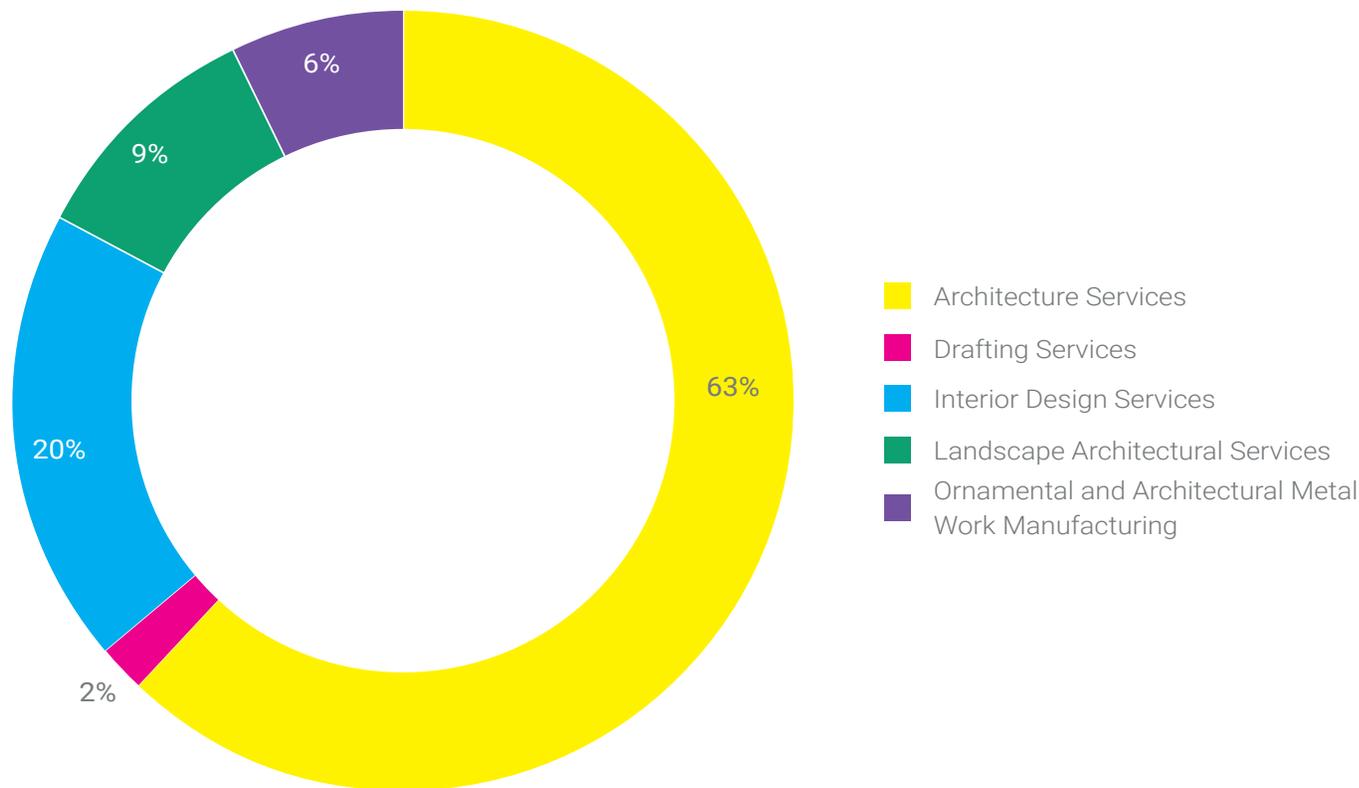
The Architecture and Related Services sector is the smallest of the creative industries in L.A. County, employing 3.5% of the total creative workforce in 2019, or 14,500 wage and salary workers. Despite being the smallest, Architecture and Related Services is one of the sectors where employment has grown the most since 2014 (following Fine Arts and Performing Arts), increasing 28.2% and adding 3,200 jobs over the five-year period. Even so, the sector's wage growth has lagged behind that of other creative sectors. Between 2014 and 2019, Architecture and Related Services wages increased only 8% in L.A. County, trailing 45% and 38% wage growth in Fashion and Entertainment & Digital Media respectively. Of the creative sectors, however, Architecture and Related Services average annual wages are the third highest in L.A. County.

EMPLOYMENT

The Architecture and Related Services sector is comprised of five subsectors: 1) Architectural Services; 2) Drafting Services; 3) Interior Design; 4) Landscape Design, and 5) Ornamental and Architectural Metal Work Manufacturing. The largest subsector is Architectural Services, accounting for 63% of the sector in 2019 in L.A. County, followed by Interior Design (20%), Landscape Design (9%), Ornamental and Architectural Metal Work Manufacturing (6%), and Drafting Services (2%).

Architecture and Related Services Employment Share by Subsector in L.A. County (2019)

Figure 3.4



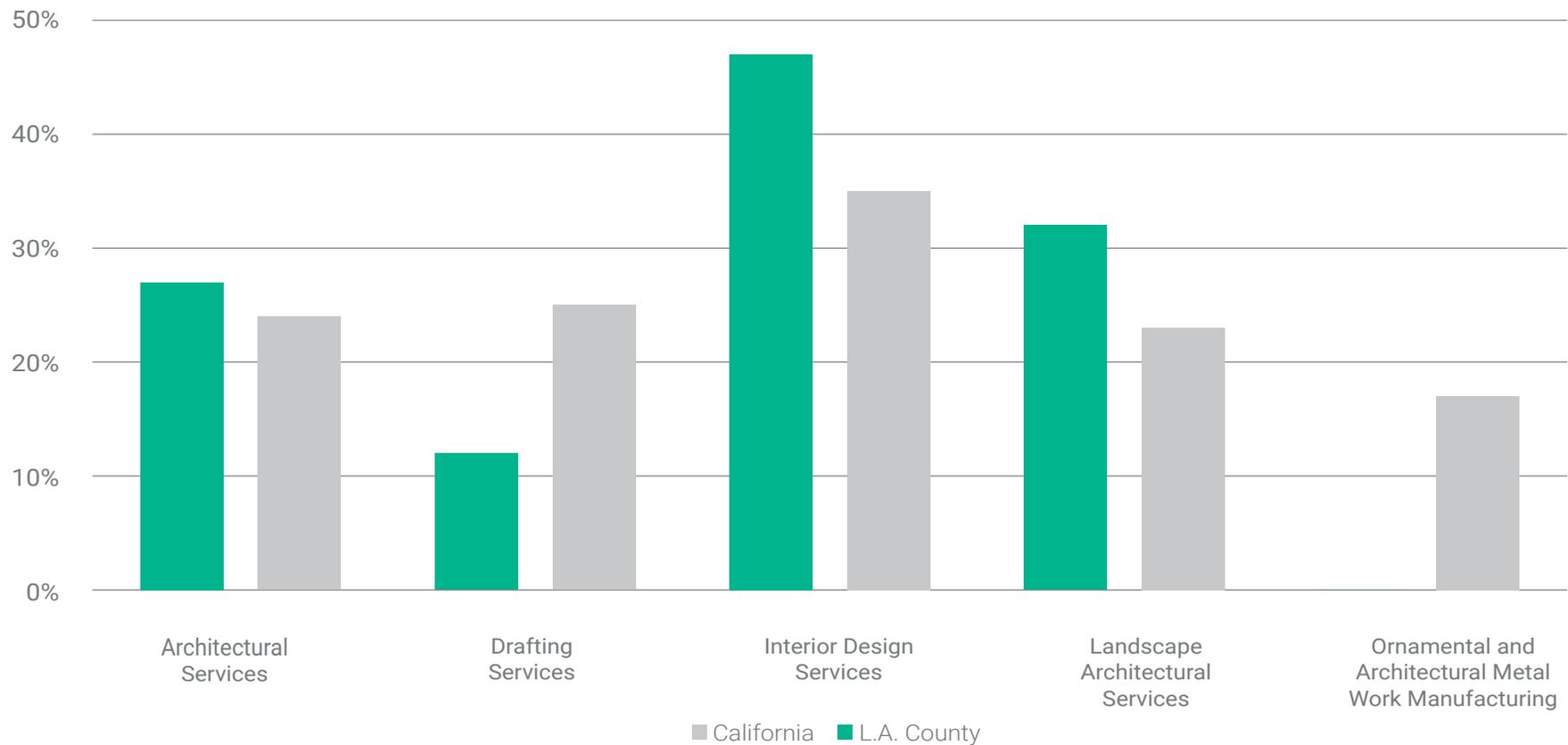
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

In L.A. County, over 3,200 jobs were added to the Architecture and Related Services sector between 2014 and 2019. Most of these jobs were added to the Interior Design and Landscape Design subsector, where employment increased 47% and 32% respectively. Employment growth in Drafting Services and Ornamental and Architectural Metal Work Manufacturing lagged behind overall growth in California.

Employment Growth by Architecture and Related Services Subsector in L.A. County, 5-Year (2014 - 2019)

Figure 3.5



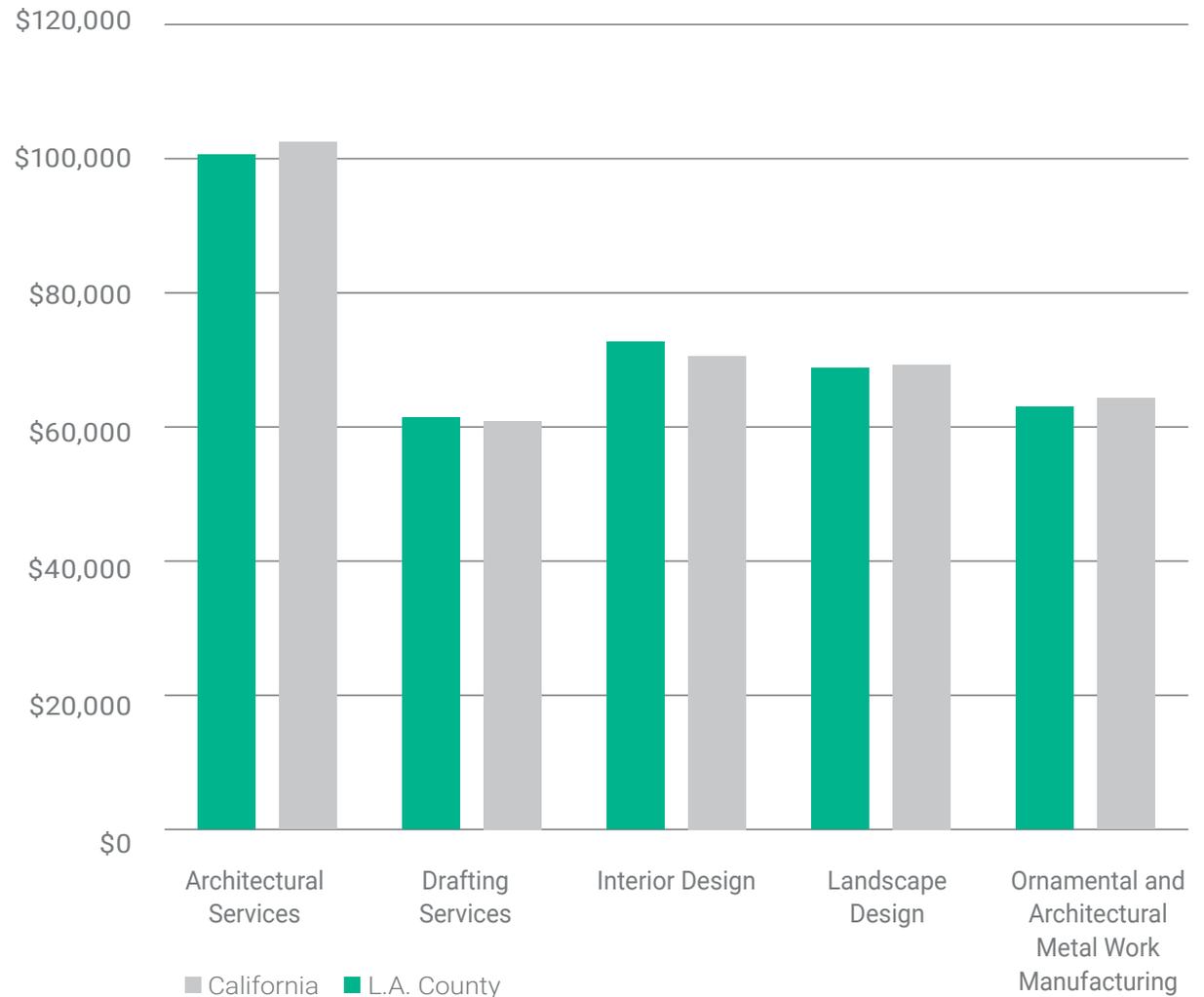
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

At \$100,600, L.A. County's Architectural Services subsector has the largest average annual wage, roughly \$27,900 more than Interior Design, the next highest earning subsector. The average annual wage of the remaining four subsectors ranges from \$61,400 (Drafting Services) to \$72,700 (Interior Design). Annual average wage for all subsectors in L.A. County is approximately equal to those in California as a whole. In addition to having the highest average annual wage, Architecture Services also experienced the largest wage growth, up 12% between 2014 and 2019. By comparison, annual average wages in L.A. County increased 11% for Ornamental and Architectural Metal Work Manufacturing, 9% for Interior Design, 4% for Landscape Design, and 3% for Drafting Services over the same period.

Average Annual Wage by Architecture and Related Services Subsector in L.A. County (2019)

Figure 3.6



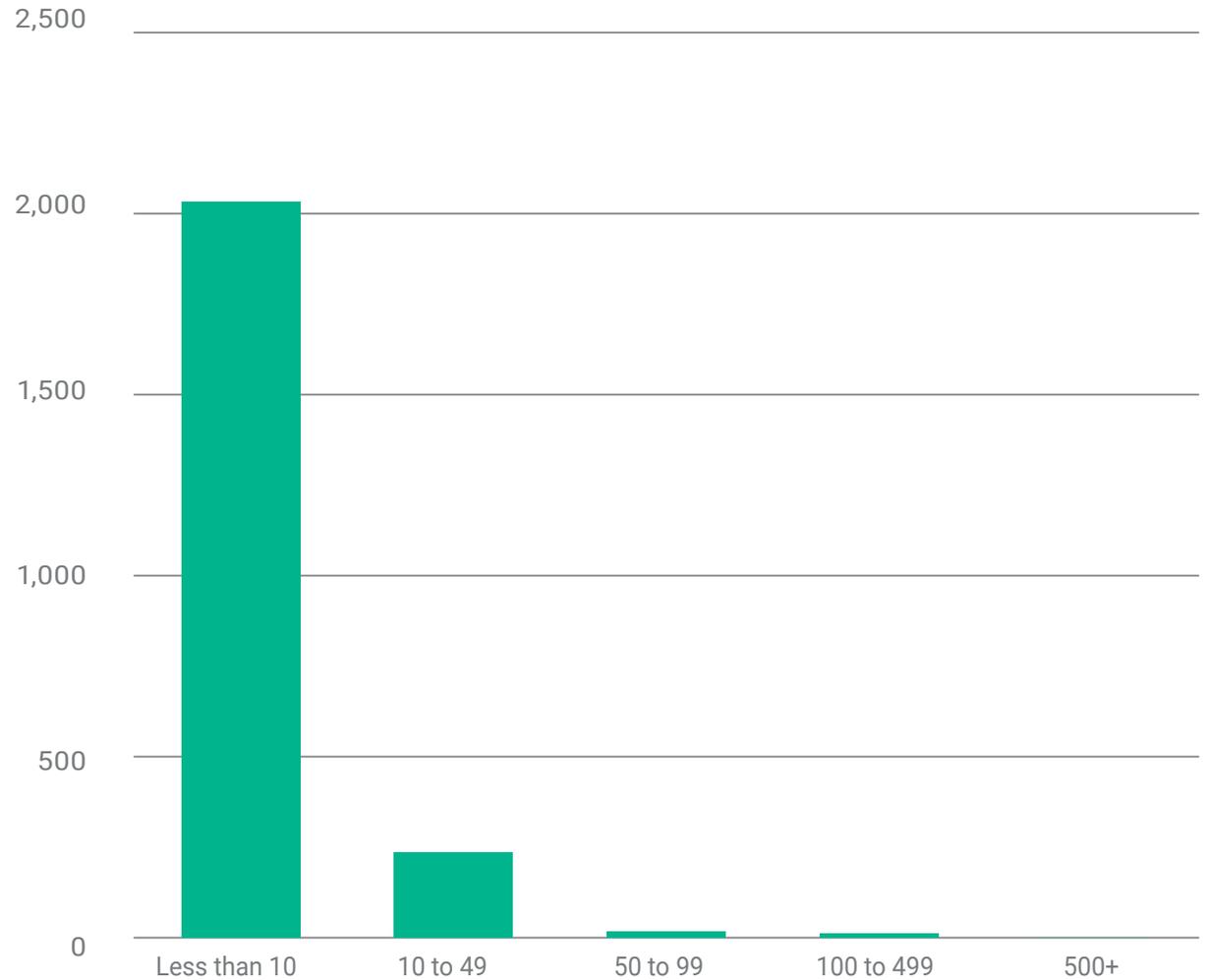
Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

ESTABLISHMENTS

In 2018, the Architecture and Related Services industry comprised over 2,300 firms. Over 2,000 of these had less than 10 employees. Firms with fewer than 50 employees made up 98% of LA's Architecture and Related Services sector.

Architecture and Related Services Establishments by Size in L.A. County

Figure 3.7



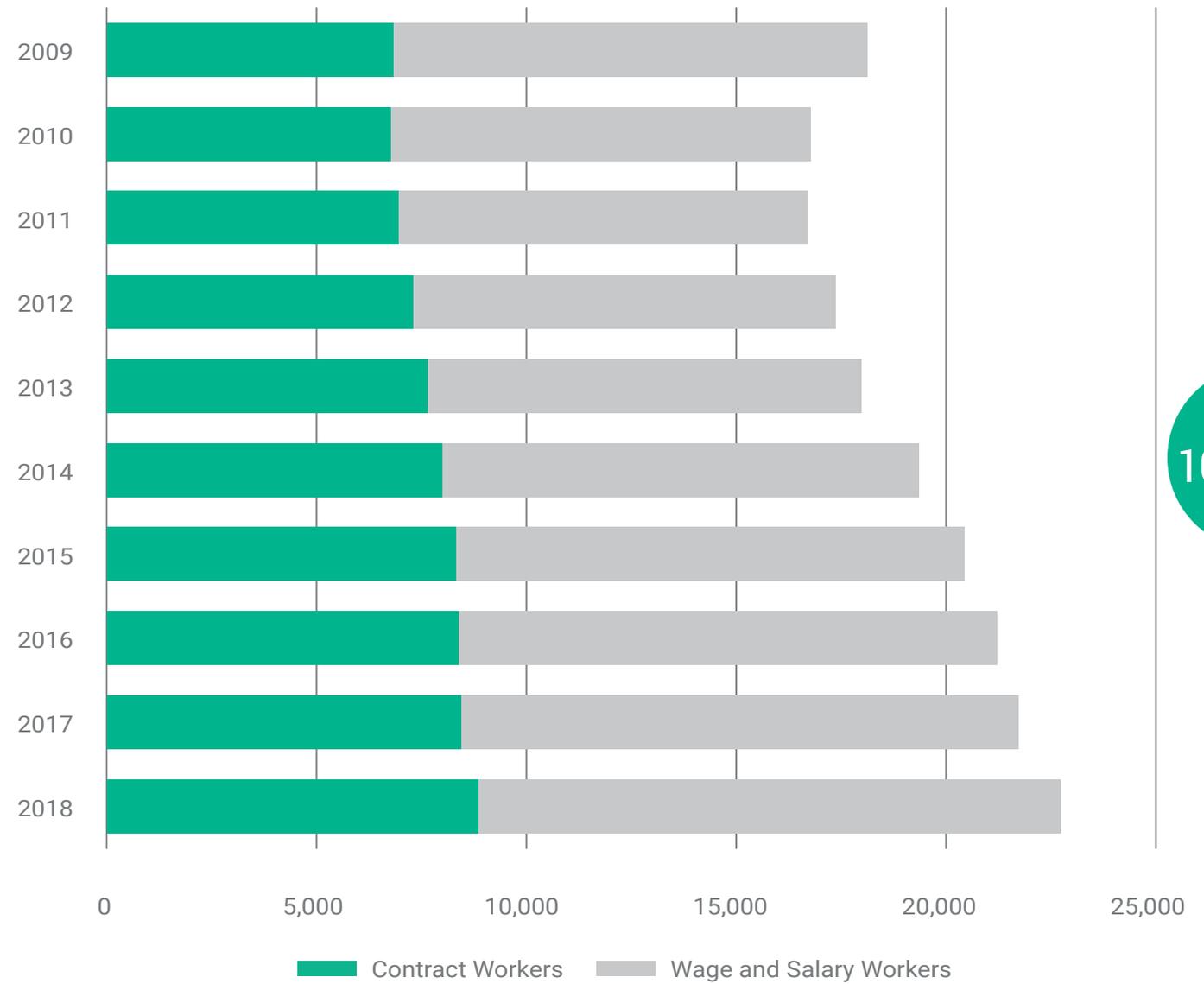
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

CONTRACTORS

In 2018, Architecture and Related Services had the largest share (39%) of contract workers in the L.A. County Creative Economy. Although the number of total jobs in the sector has changed year-over-year, the share of contract workers has remained stable at about 40% since 2009.

Contract and Wage and Salary Workers in Architecture and Related Services in L.A. County

Figure 3.8



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES). Analysis by Beacon Economics



CREATIVE SECTOR 2 CREATIVE GOODS AND PRODUCTS

In 2019, the Creative Goods and Products sector employed roughly 36,400 wage and salary workers in L.A. County. Since 2017, the sector has lost 1,300 wage and salary jobs. Aside from the Fashion industry, Creative Goods and Products has been the slowest growing sector in L.A.'s Creative Economy. As a result, employment has remained relatively unchanged since 2014, growing or contracting by no more than 2.5%.

EMPLOYMENT

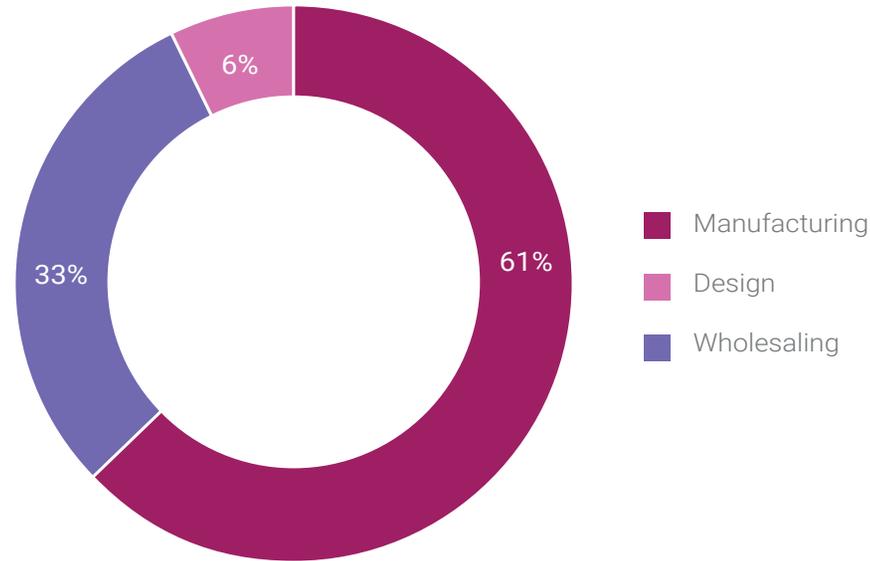
The Creative Goods and Products sector comprises three primary elements:

- 1) manufacturing-related activities
- 2) design-related activities
- 3) wholesale-related activities.

In L.A. County, employment in manufacturing-related activities is the largest (accounting for 61% of the sector's total employment), followed by wholesaling-related activities (33%), and design-related activities (6%). The Creative Goods and Products sector also has seven subsectors, of which Furniture Manufacturing and Furniture Wholesaling make up 60% of total employment. Between 2014 and 2019, annual average wages in Creative Goods and Products did not change substantially, increasing by only 8% to \$66,300.

Creative Goods and Products Employment Share by Functional Group in L.A. County (2019)

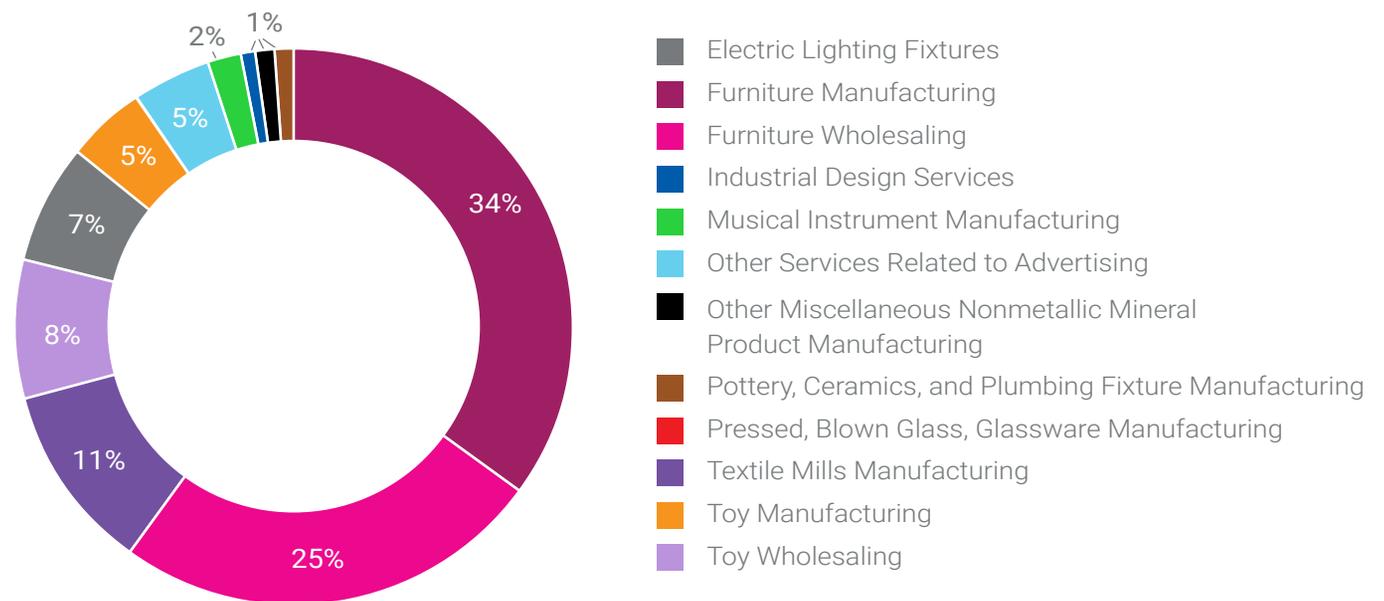
Figure 3.9



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Creative Goods and Products Employment Share by Subsector in L.A. County (2019)

Figure 3.10

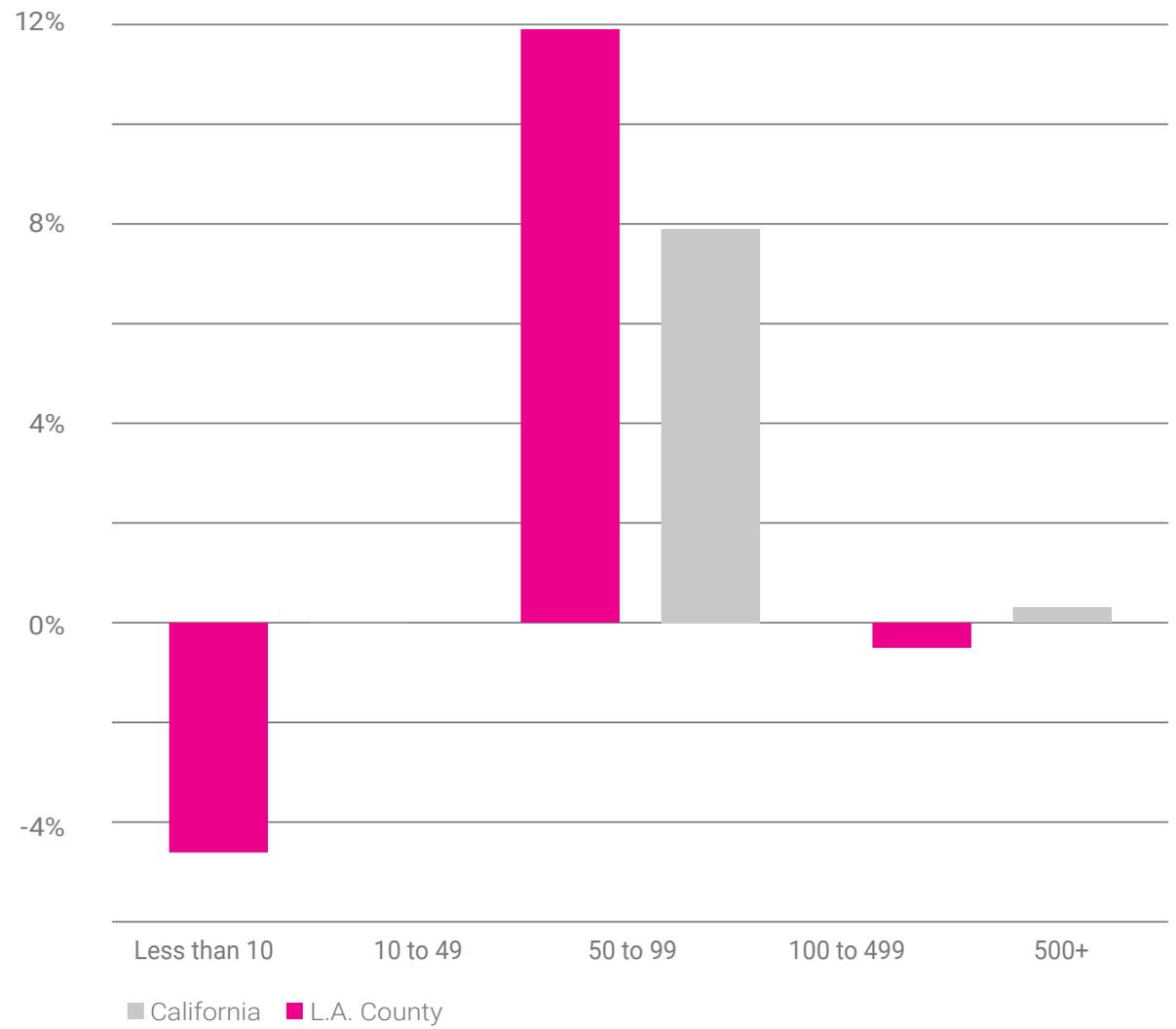


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Between 2014 and 2019, the Creative Goods and Products sector added 215 jobs, a 0.6% increase. Wholesaling-related activities were the only functional group to gain jobs (1,300 workers), while manufacturing- and design-related activities both experienced job losses (-1,100 and -12, respectively). Although manufacturing-related activities experienced a 5% job loss as a whole during the period, the top two subsectors that experienced the most growth were actually manufacturing-related: Musical Instrument Manufacturing (270% job growth) and Pressed, Blown Glass, and Glassware Manufacturing (141% job growth).

Employment Growth by Creative Goods and Products Function in L.A. County, 5-Year (2014-2019)

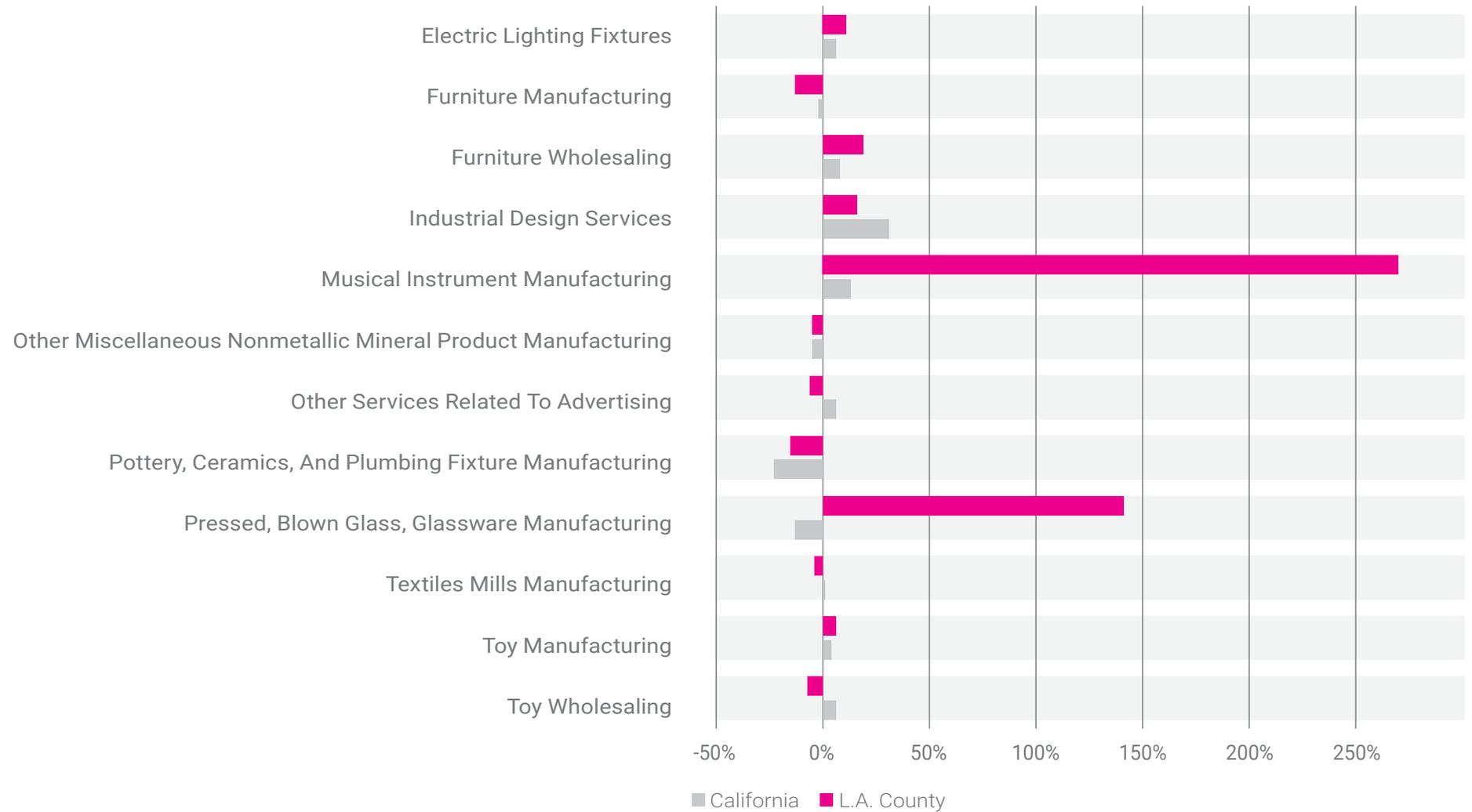
Figure 3.11



2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

Employment Growth by Creative Goods and Products Subsectors in L.A. County, 5-Year (2014 - 2019)

Figure 3.12



110

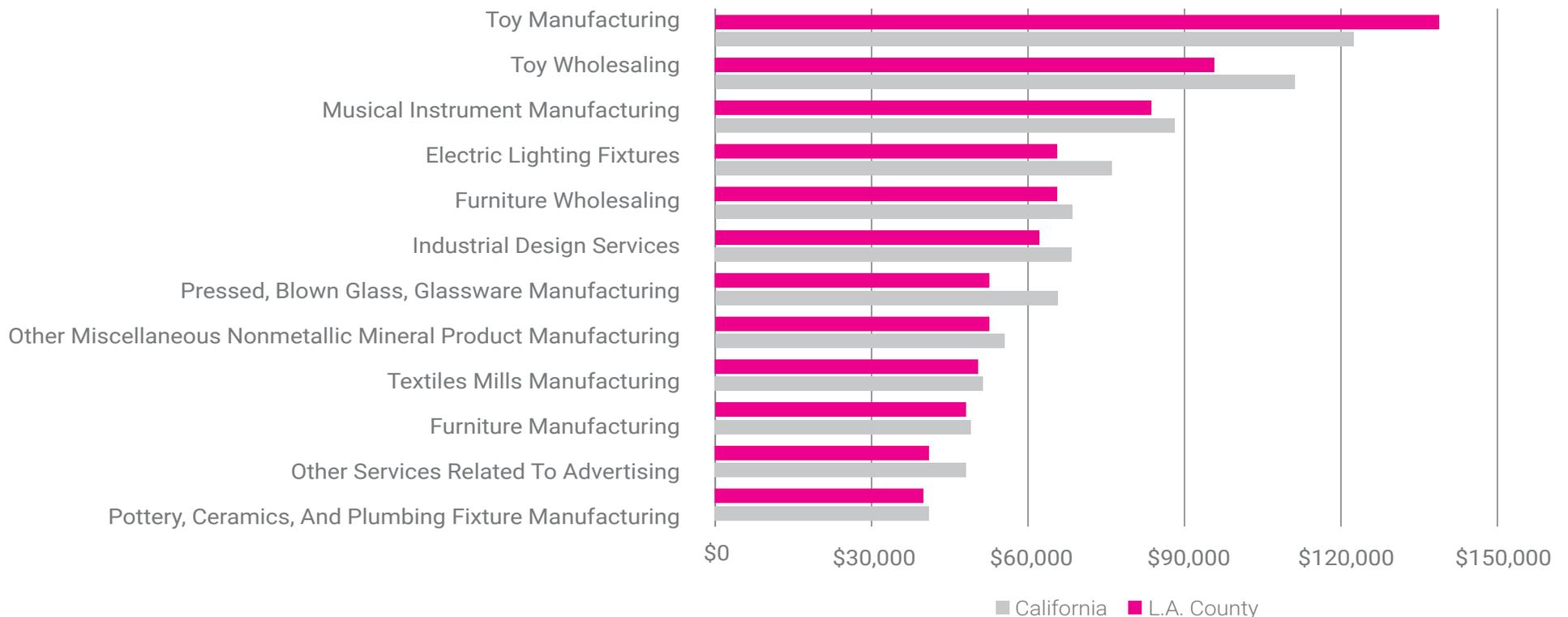
2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

WAGES

The highest paying Creative Goods and Products subsectors in L.A. County were Toy Manufacturing and Toy Wholesaling, paying an annual average of \$138,800 and \$95,800 respectively. Although the highest paying, in combination, these subsectors represent only 13% of the entire Creative Goods and Products sector. Furniture Manufacturing is the largest subsector, employing 34% of all workers in the sector, and yet it is one of the lowest-paying with an annual average wage in L.A. County of \$48,000.

Annual Average Wage by Creative Goods and Products Subsector in L.A. County (2019)

Figure 3.13



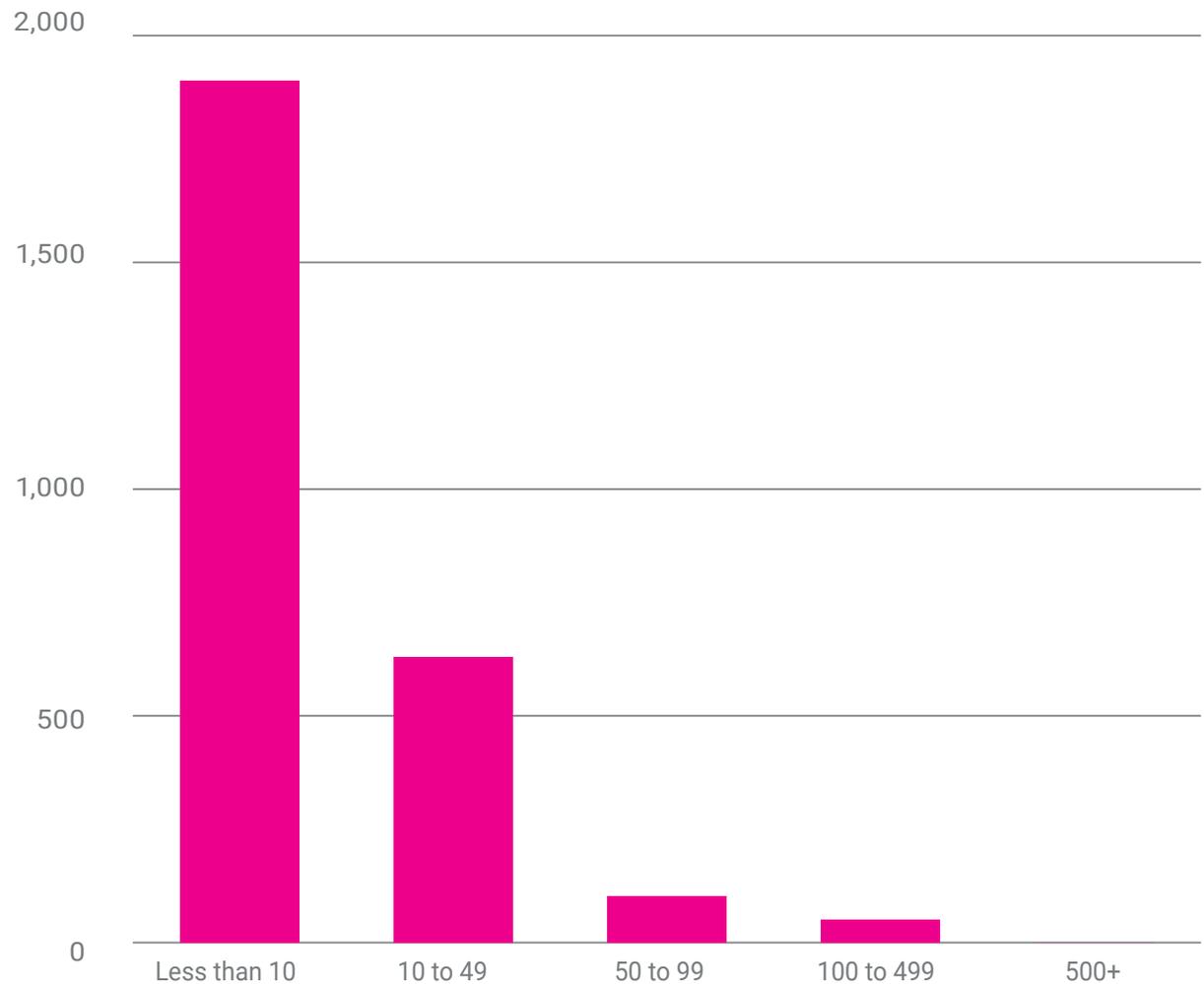
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

ESTABLISHMENTS

The Creative Goods and Products industry had over 2,700 firms in L.A. County in 2018. Over 70% of firms had fewer than 10 employees, and over 93% had fewer than 50 employees. About 6% of firms had between 50 and 500 employees.

Creative Goods and Products Establishments by Size in L.A. County

Figure 3.14



Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

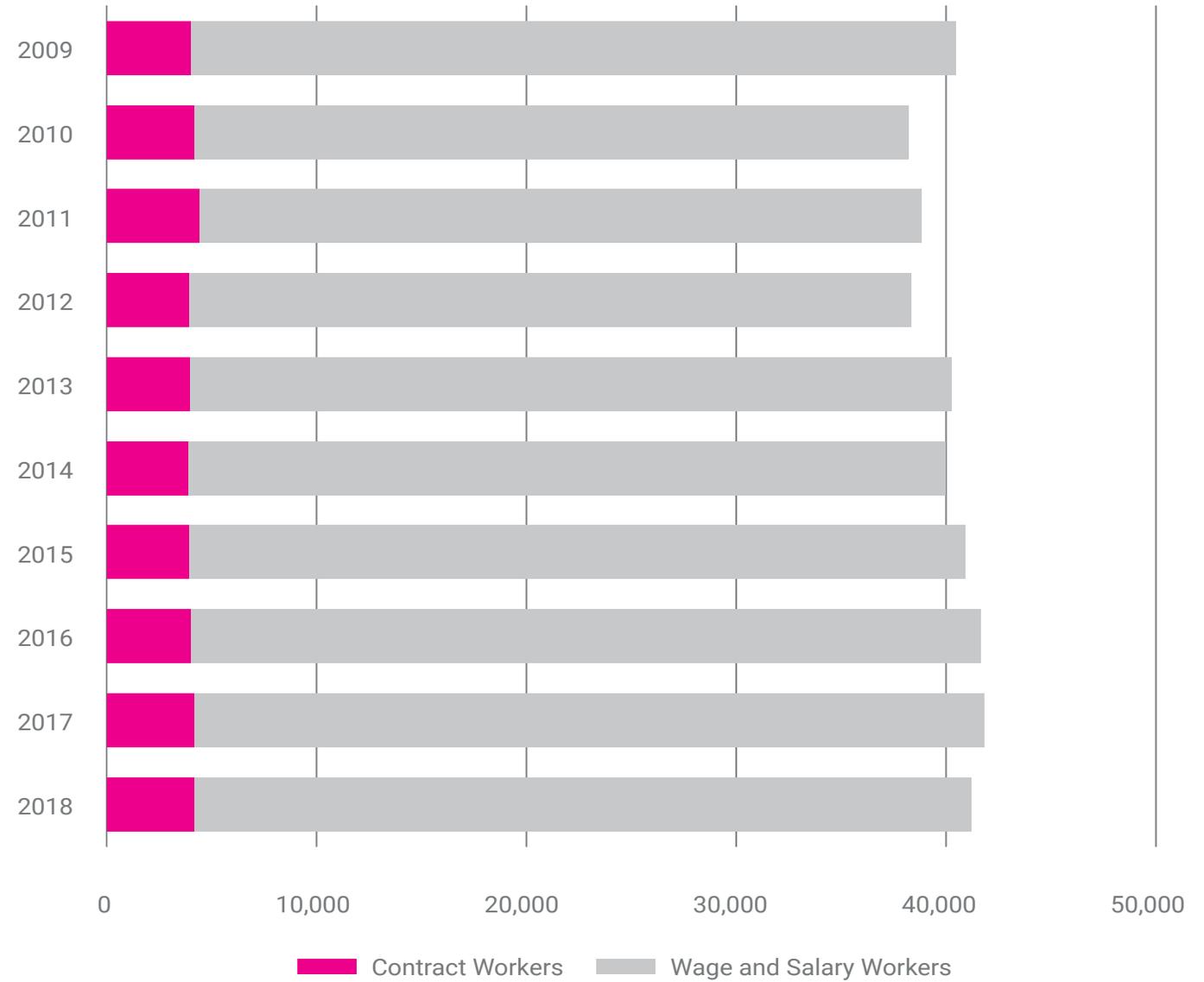
CONTRACTORS

Wage and salary jobs dominate the Creative Goods and Products industry – only 10% of employees in this sector were contract workers in 2018. Since 2014, the share of contract workers grew just 0.5 percentage points.

113

Contract and Wage and Salary Workers in Creative Goods and Products in L.A. County

Figure 3.15



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES). Analysis by Beacon Economics





CREATIVE SECTOR 3 ENTERTAINMENT & DIGITAL MEDIA

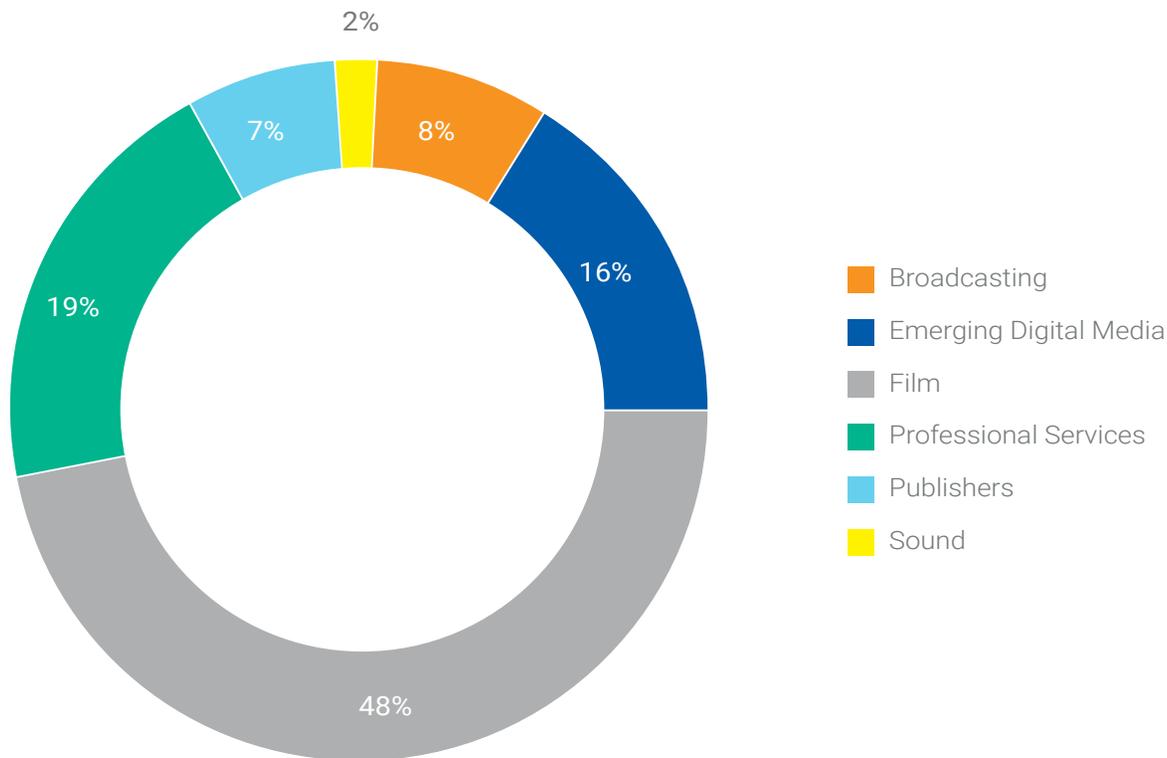
The Entertainment & Digital Media industry is by far the largest employer in L.A. County's Creative Economy, with over 271,000 wage and salary workers in 2019 and accounting for 66% of the county's total creative workforce. Between 2014 and 2019, employment in the industry grew 20%, adding 14,800 jobs. The industry is also the highest-paying among the creative sectors, with an average annual wage of \$140,000 in L.A. County, higher than the statewide average of \$134,300.

EMPLOYMENT

Entertainment & Digital Media is comprised of six subsectors: 1) Broadcasting; 2) Emerging Digital Media; 3) Film; 4) Professional Services; 5) Publishers; and 6) Sound. The subsector that employs the most workers in the industry is Film (47%), followed by Professional Services (20%), and Emerging Digital Media (16%).

Entertainment & Digital Media Employment Share by Subsector in L.A. County (2019)

Figure 3.16



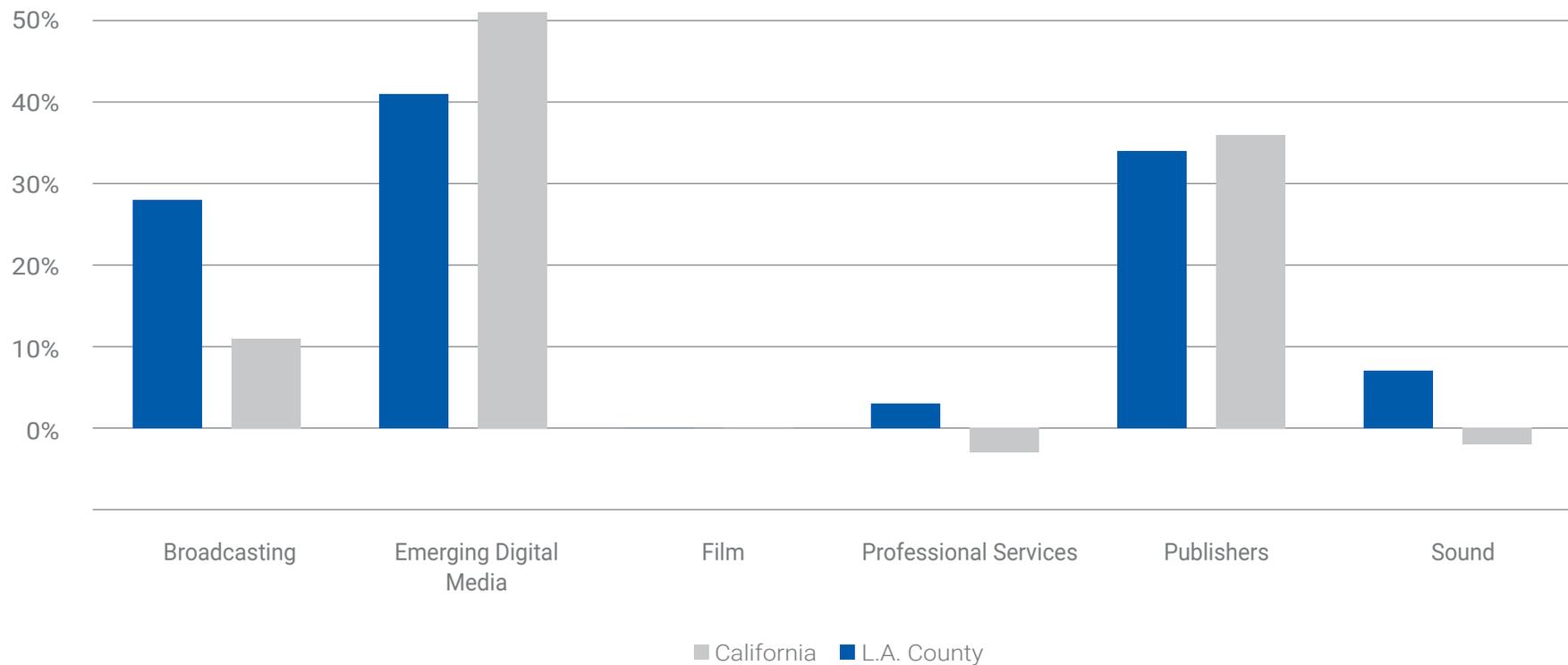
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

Between 2014 and 2019, Entertainment & Digital Media's two largest subsectors (Film and Professional Services) experienced the lowest employment growth, increasing by only 0.5% and 3.2% respectively in L.A. County. Emerging Digital Media employment increased the most in this period, up 41%, followed by Publishers (34%), and Broadcasting (28%).

Employment Growth by Entertainment & Digital Media Subsector in L.A. County, 5-Year (2014-2019)

Figure 3.17



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

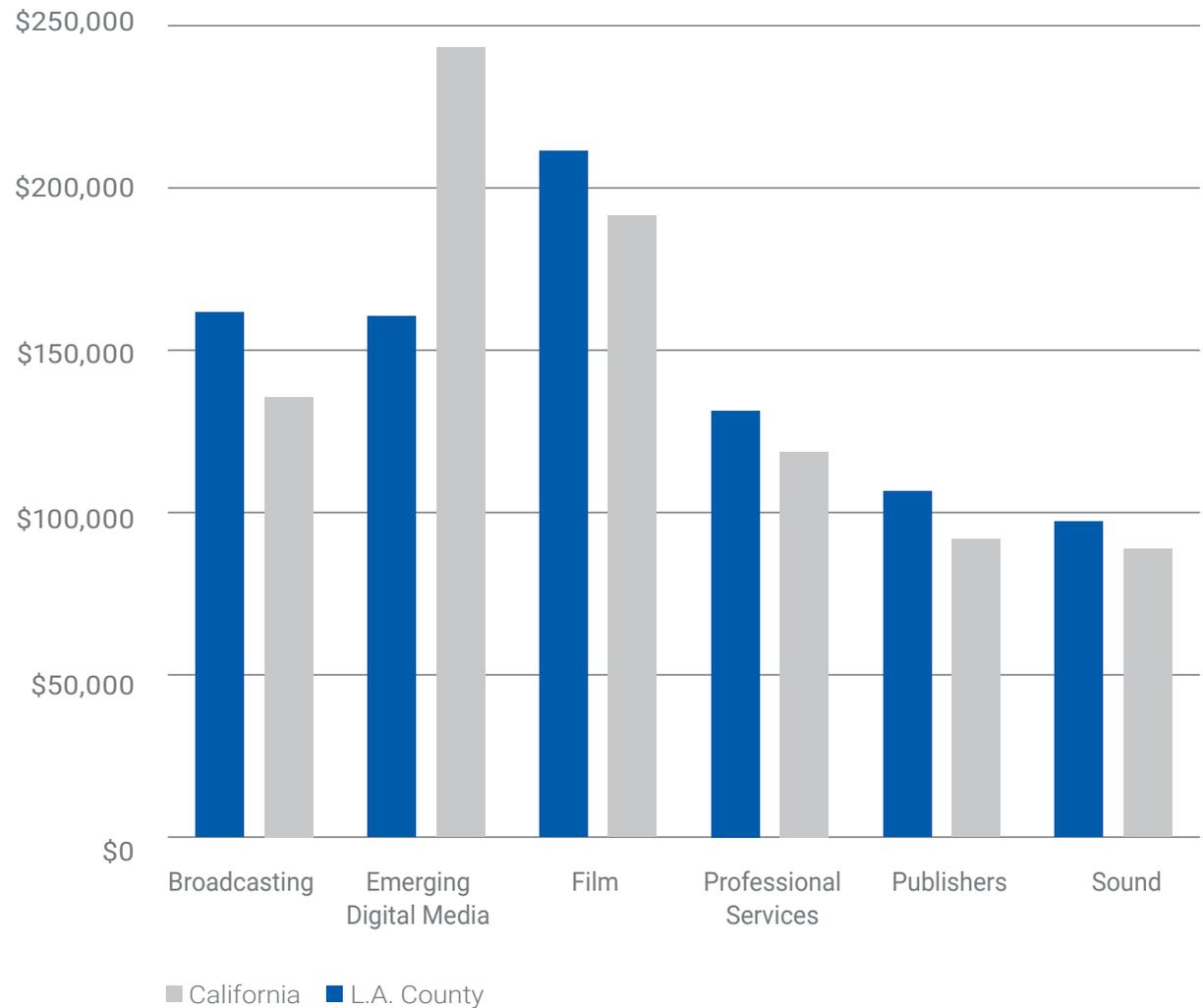
WAGES

While the highest paying Entertainment & Digital Media subsector in California is Emerging Digital Media, in L.A. County it's Film. In 2019, the county's Film workers earned an annual average of \$211,400. The industry offers an array of high-paying jobs. Although Sound is the lowest-paying subsector in the industry, with an average annual wage of \$97,200, that is still much higher than other industries and subsectors in L.A County and California.

With the growing popularity of online entertainment in recent years, the Emerging Digital Media subsector has gained momentum in the Entertainment & Digital Media industry. In L.A. County, the subsector's average annual wage increased 51% between 2014 and 2019, the second-highest increase after Professional Services, where wages grew 71%. Wage growth in both subsectors outpaced the 38% growth in the industry as a whole.

Average Annual Wage by Entertainment & Digital Media Subsector in L.A. County (2019)

Figure 3.18



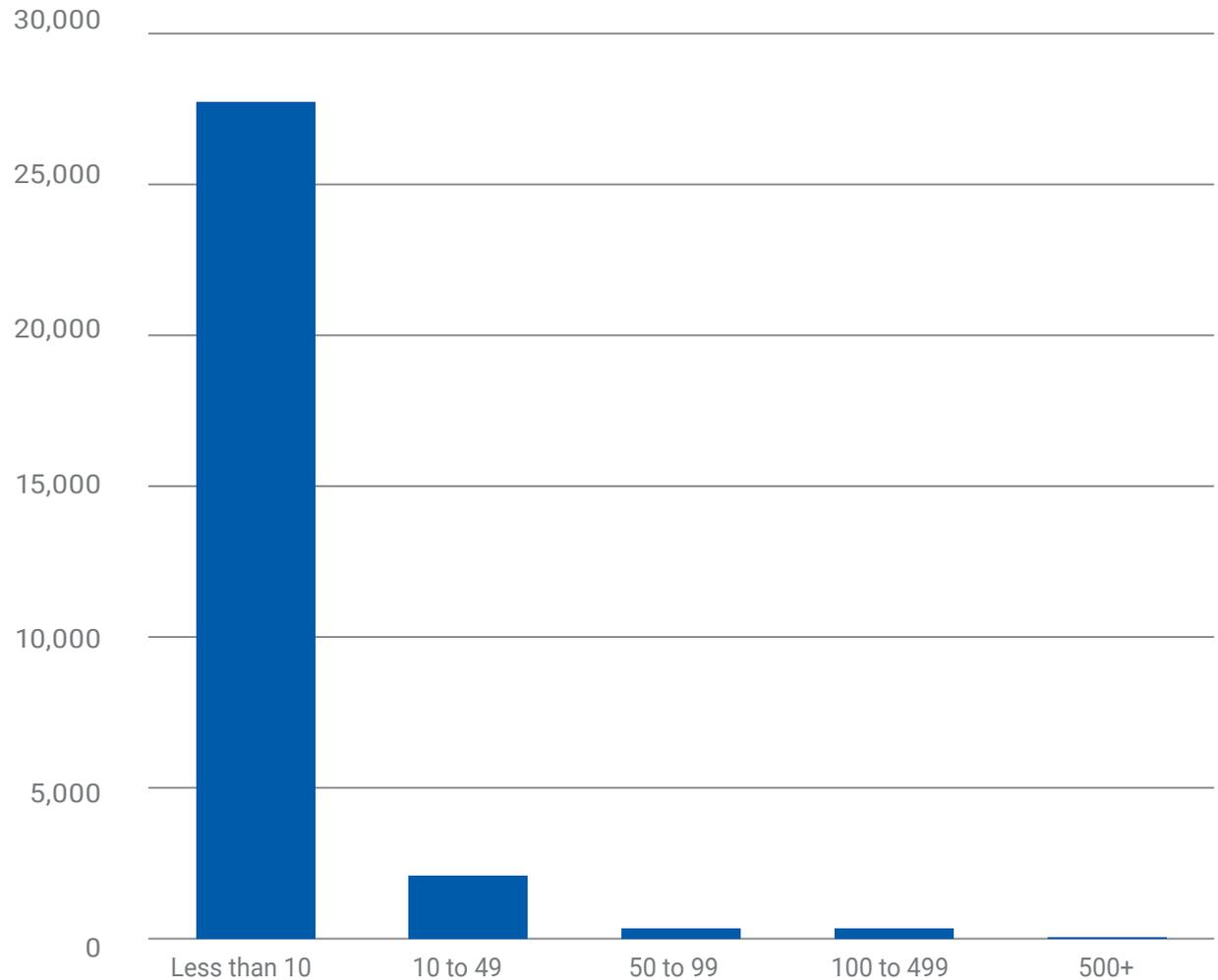
Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

ESTABLISHMENTS

At 36,600 (as of 2018), the Entertainment & Digital Media sector has far more firms in L.A. County than any other creative industry. Although most of these firms (97.5%) have fewer than 50 employees, Entertainment & Digital Media was the only sector among all creative industries that had firms with over 500 employees and firms with over 1,000 employees.

Entertainment & Digital Media Establishments by Size in L.A. County

Figure 3.19



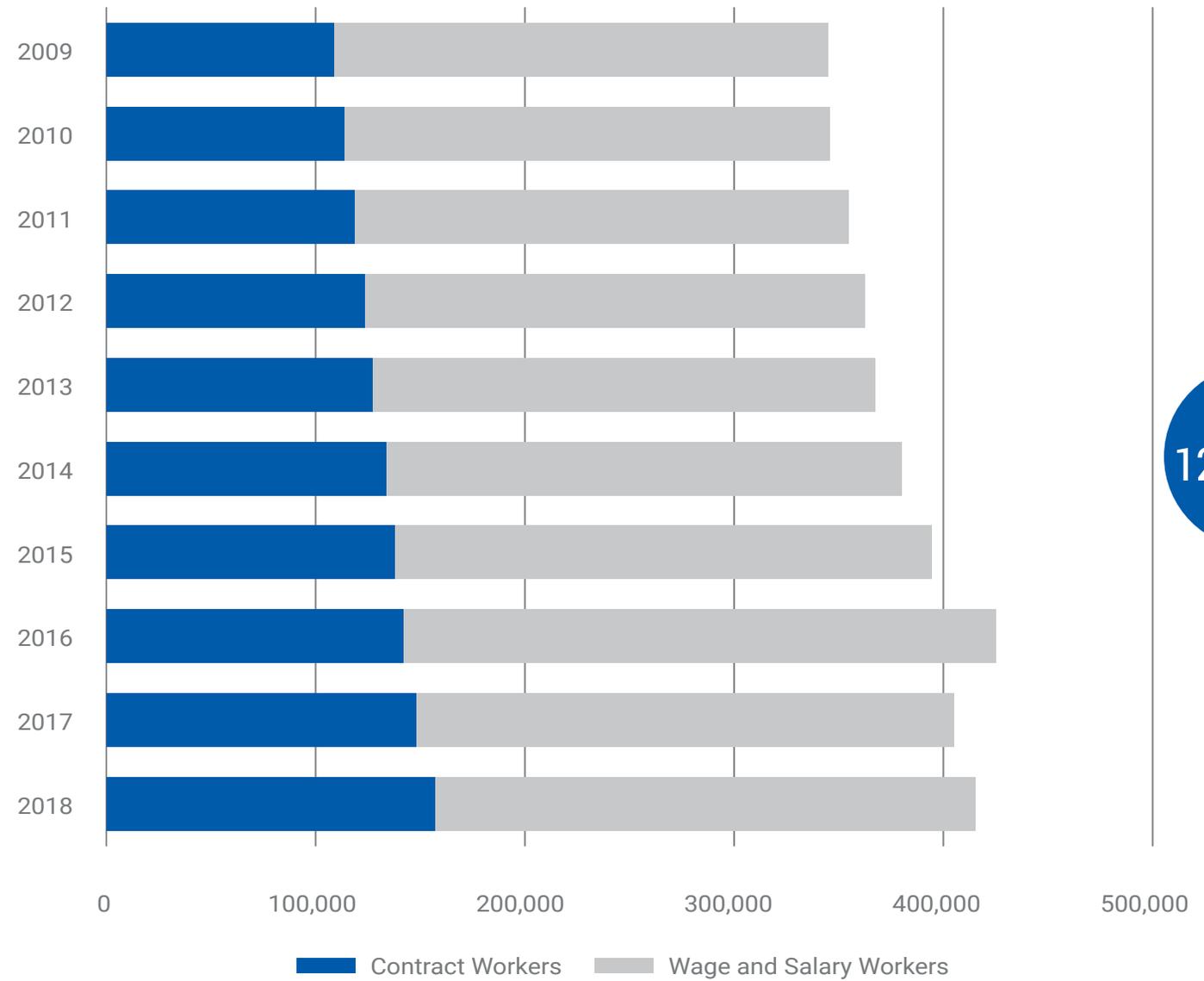
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

CONTRACTORS

Similar to the Architecture and Related Services sector, a large share of Entertainment & Digital Media jobs (37.8% in 2018) went to contract workers, and contract workers are becoming an increasingly large share of the Entertainment & Digital Media workforce, increasing 6.2 percentage points between 2009 and 2018.

Contract and Wage and Salary Workers in Entertainment & Digital Media in L.A. County

Figure 3.20



120

Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES). Analysis by Beacon Economics



CREATIVE SECTOR 4 FASHION

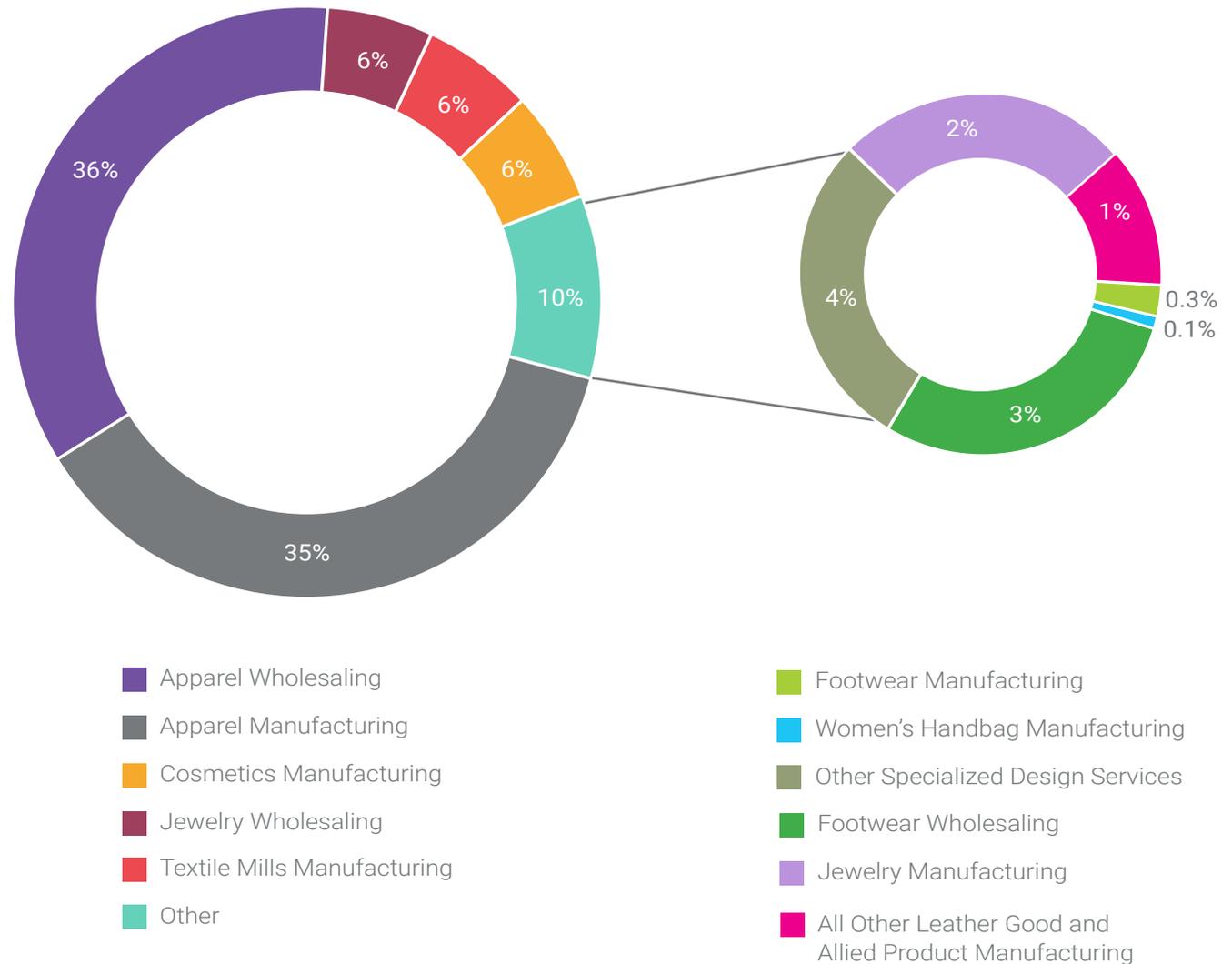
Fashion is the second largest creative industry in L.A. County, employing 71,000 wage and salary workers in 2019, 17% of the county's total creative workforce. But employment in Fashion has declined more than in any other creative sector. Between 2014 and 2019, employment in Fashion fell 24%, a loss of 22,600 jobs in L.A. County. One of the largest subsectors in Fashion, Apparel Manufacturing, which represents 36% of the entire industry, lost 42% of its employment between 2014 and 2019, or 18,500 wage and salary jobs.

EMPLOYMENT

Apparel Manufacturing and Wholesaling dominate the Fashion industry, accounting for 72% of the sector's total wage and salary employment. Between 2014 and 2019, however, Apparel Manufacturing employment dropped 42% in L.A. County, while Apparel Wholesaling employment remained relatively unchanged, increasing only 0.3% over the same period. Overall, due in large part to the outsourcing of Apparel Manufacturing, employment in the industry has been steadily declining since 2013. Employment in All Other Leather Goods and Allied Product Manufacturing dropped 47% in the five-year period, Footwear Manufacturing dropped 46%, Textile Mills Manufacturing by 37%, and Footwear Wholesaling by 18%. Only two Fashion subsectors in L.A. County experienced employment growth between 2014 and 2019. Women's Handbag Manufacturing increased 11%, and Other Specialized Design Services increased 9%.

Fashion Employment Share by Subsector in L.A. County (2019)

Figure 3.21

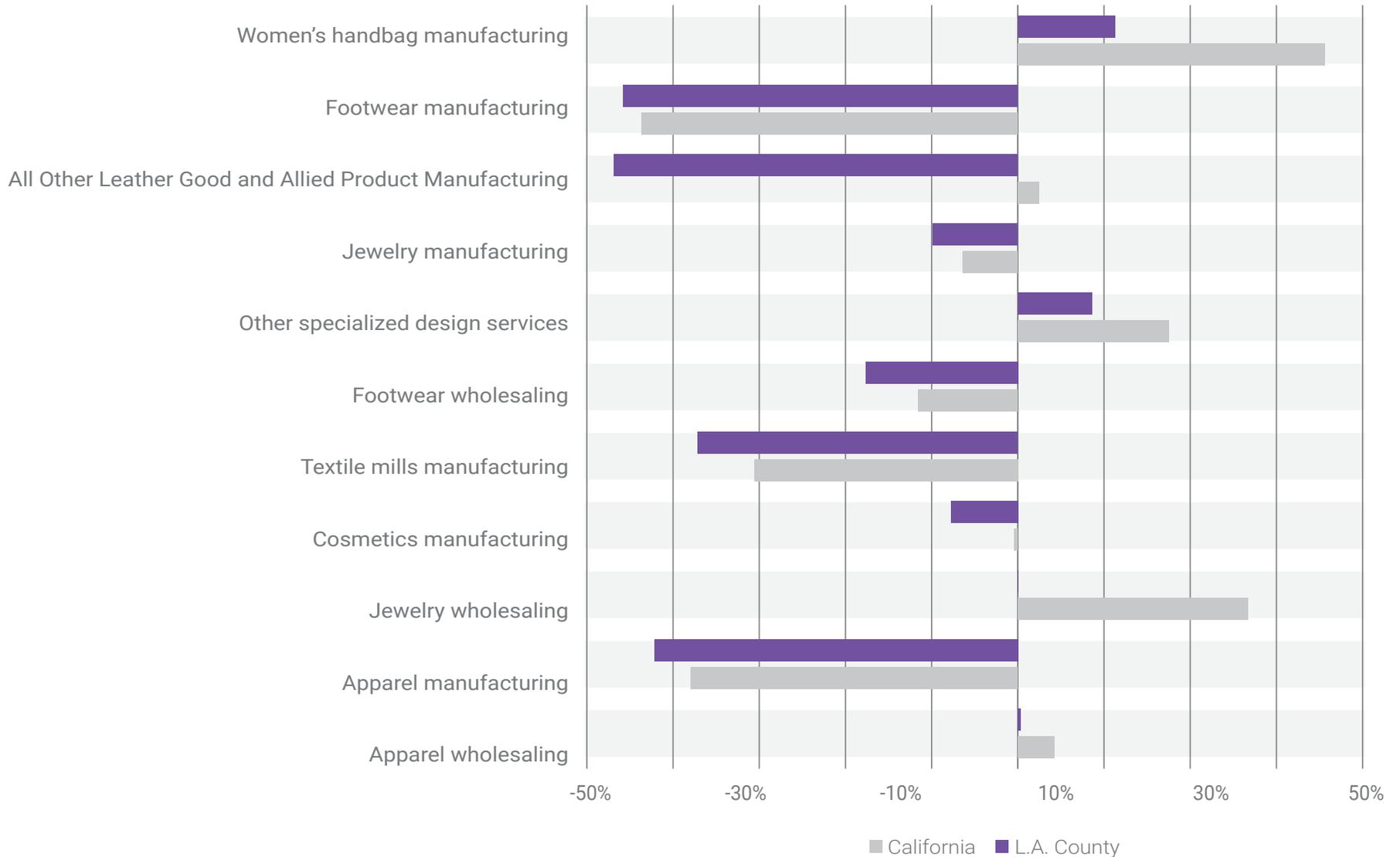


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

Employment Growth in Fashion Subsector in L.A. County, 5-Year (2014-2019)

Figure 3.22



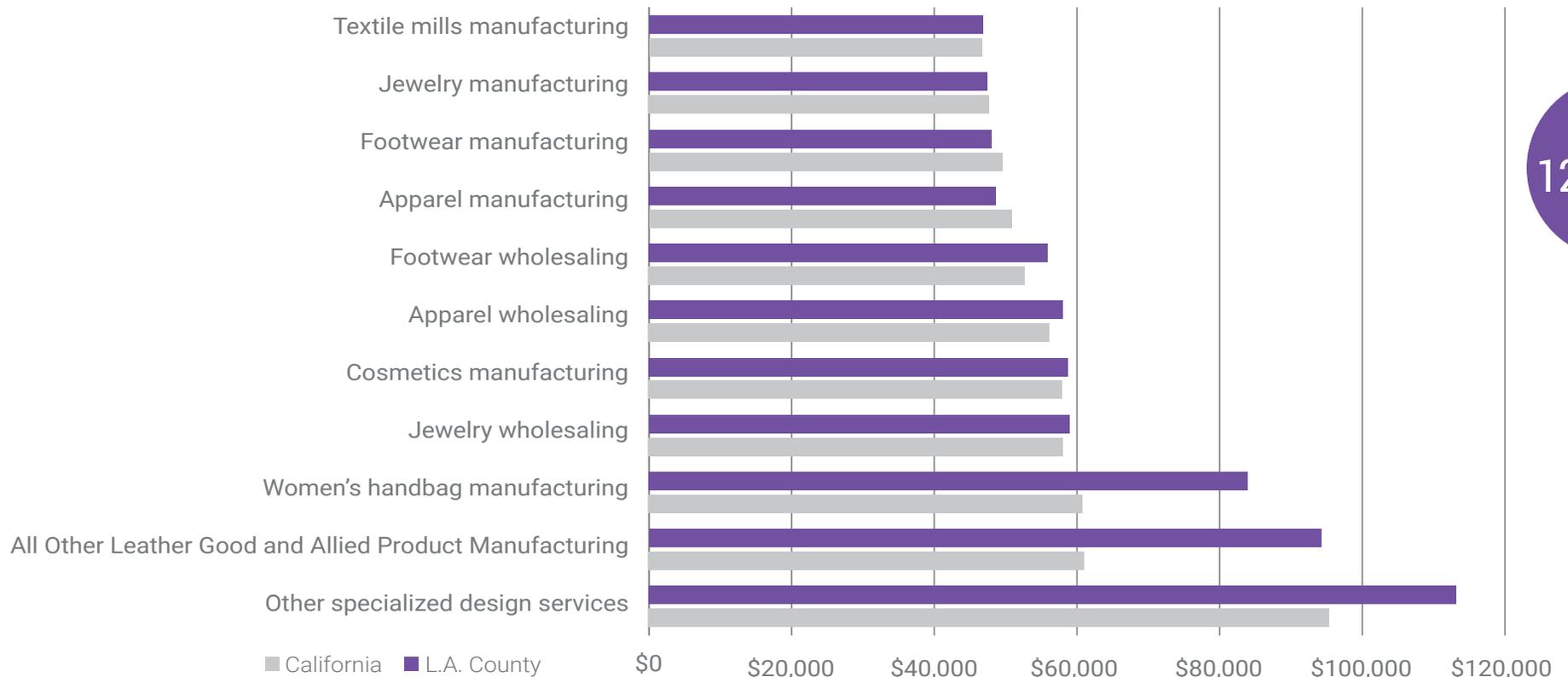
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

The Fashion sector is the lowest paying creative industry in both L.A. County and California. In L.A. County, the approximate average annual wage for Fashion workers is \$64,900, generally higher than in California as a whole. The highest earning subsector is Other Specialized Design Services, where workers earn \$113,200 annually on average, followed by All Other Leather Goods and Allied Product Manufacturing (\$94,200 in L.A. County), and Women’s Handbag Manufacturing (\$84,000). The lowest paying subsectors are Textile Mills Manufacturing (\$46,800), Jewelry Manufacturing (\$47,400), and Footwear Manufacturing (\$48,000).

Annual Average Wage by Fashion Subsector in L.A. County (2019)

Figure 3.23



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

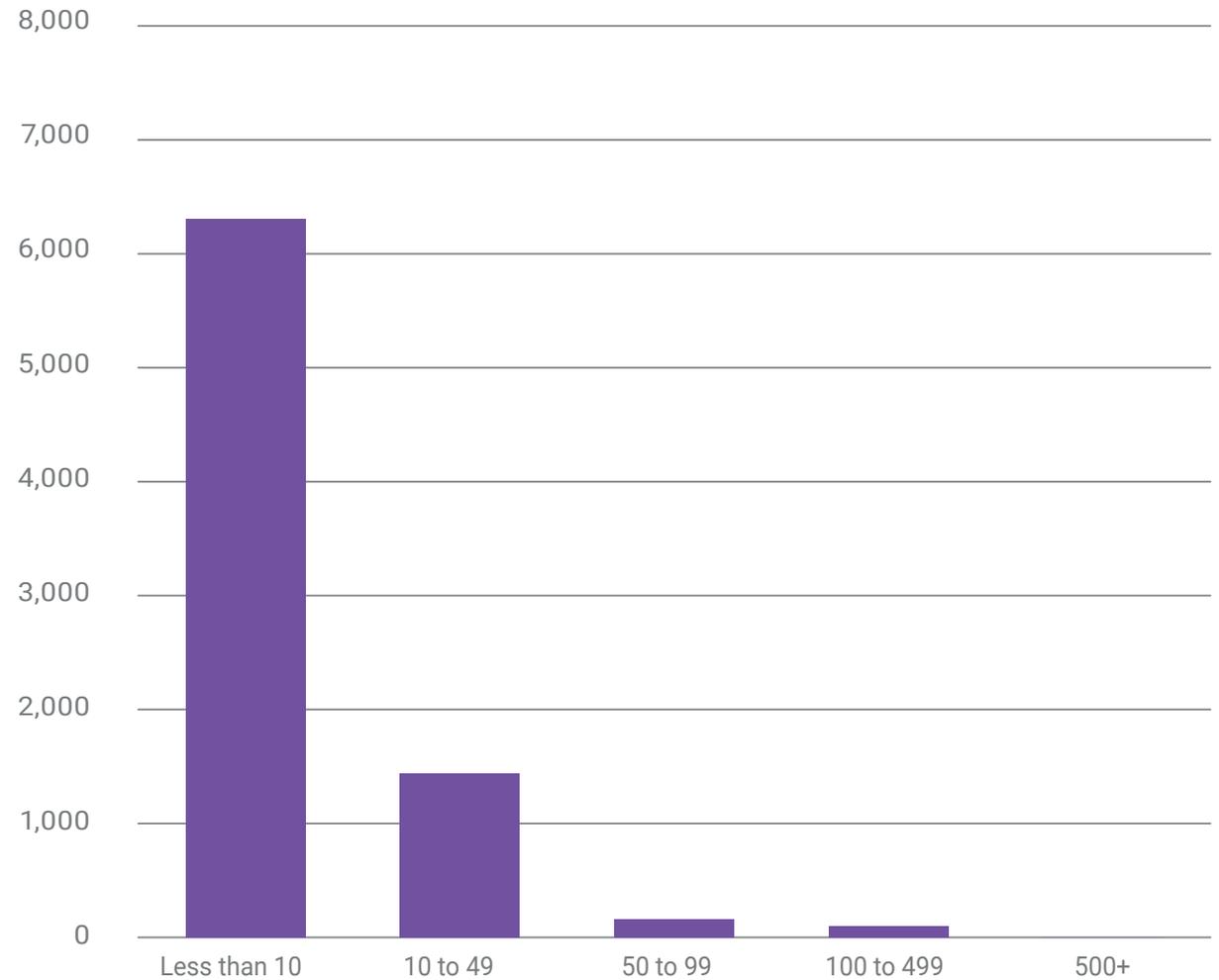
ESTABLISHMENTS

In 2018, there were over 8,000 Fashion establishments in L.A. County. Over 6,300 of these had less than 10 employees, and about 7,800 (97%), had less than 50 employees.

125

Fashion Establishments by Size in L.A. County (2018)

Figure 3.24



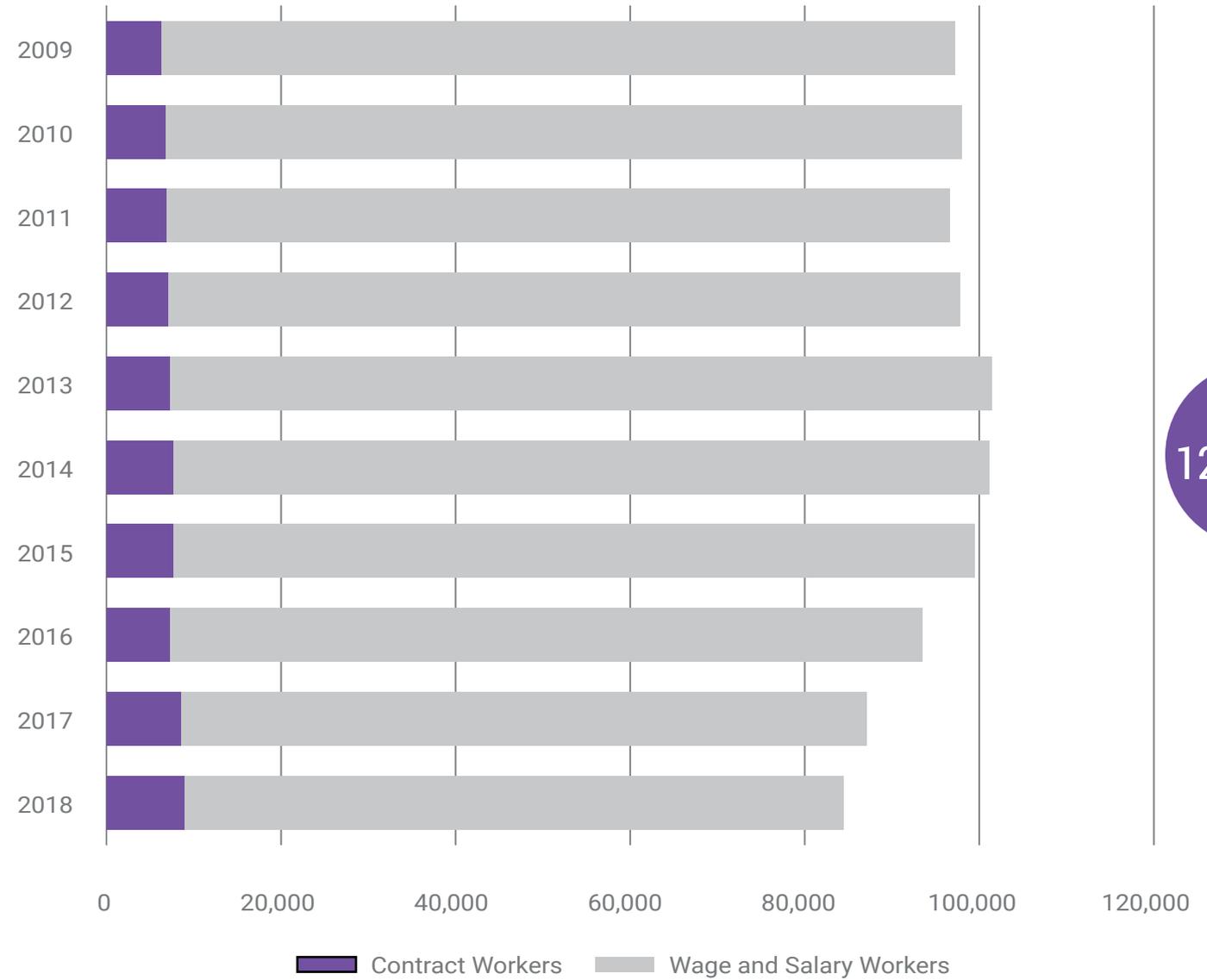
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

CONTRACTORS

The Fashion industry has the smallest share of contract workers in L.A.'s Creative Economy. In 2018, only 9% of all Fashion workers were contract workers. Between 2013 and 2018, the share of contract workers in the industry increased by 2.5 percentage points, although that can be attributed to a decline in wage and salary workers rather than a rise in contract workers.

Contract and Wage and Salary Workers in Fashion in L.A. County (2019)

Figure 3.25



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES).
Analysis by Beacon Economics



CREATIVE SECTOR 5 FINE ARTS AND PERFORMING ARTS

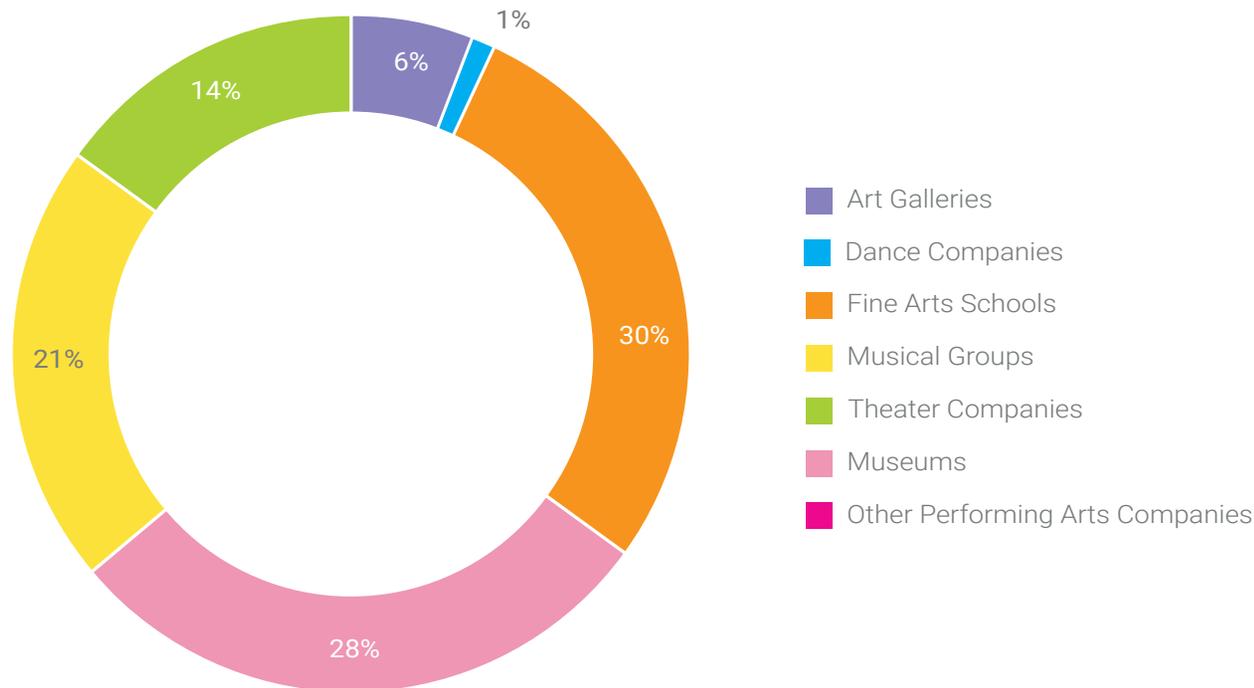
Although the Fine Arts and Performing Arts industry is one of the smallest creative sectors in L.A. County, employing just 4% of the workforce (18,300 workers), it has been the fastest growing. Between 2014 and 2019, wage and salary employment grew 30%. In L.A. County, Fine Arts and Performing Arts has the highest paying subsector of all creative industries, with workers in Musical Groups earning an annual average of \$256,700. Conversely, the industry also has the lowest-earning subsector, with workers in Fine Arts Schools earning just \$30,100 on average in 2019.

EMPLOYMENT

The Fine Arts and Performing Arts industry is comprised of seven subsectors, three of which account for 80% of the industry: Fine Arts Schools, Museums, and Musical Groups. Of these, employment growth in Fine Arts and Performing Arts has increased the most, with wage and salary employment up 29% and gaining 4,100 jobs between 2014 and 2019. In L.A. County, employment in the Art Galleries subsector increased the most (50%) over the same period. This was followed by Fine Arts Schools (40%), and Dance Companies (36%). Only the Other Performing Arts Companies subsector lost jobs in this period, with employment in L.A. County contracting 20%.

Fine Arts and Performing Arts Employment Share by Subsector in L.A. County (2019)

Figure 3.26

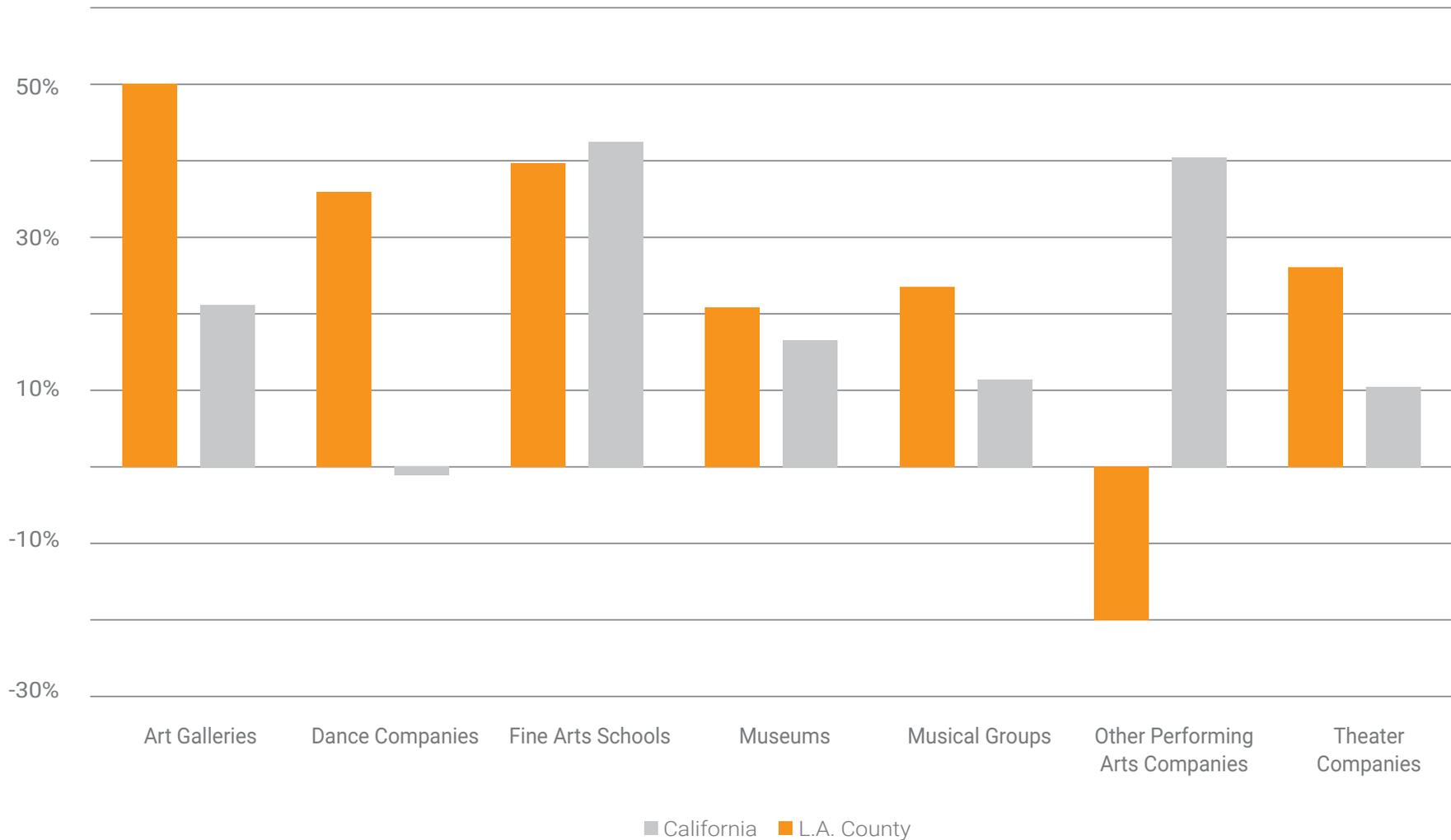


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

EMPLOYMENT

Employment Growth by Fine Arts and Performing Arts Subsector in L.A. County, 5-Year (2014-2019)

Figure 3.27



129

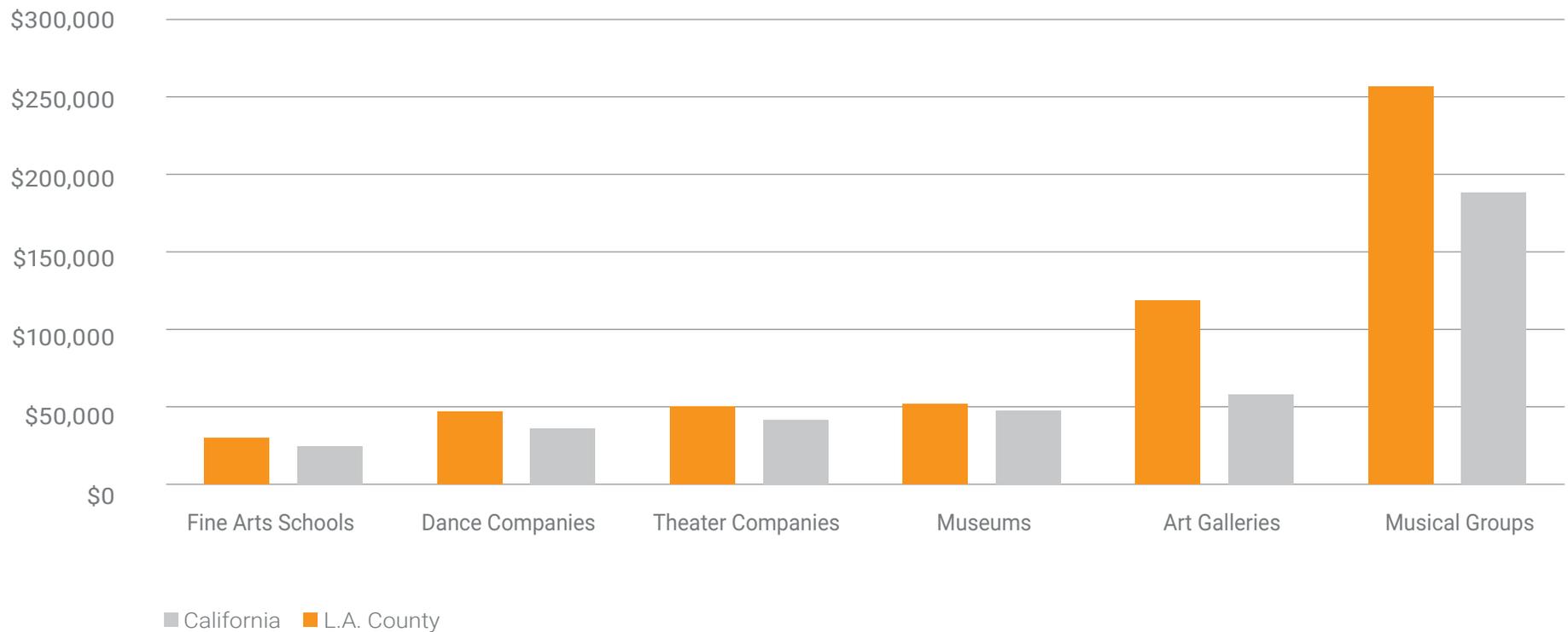
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

WAGES

Workers in every subsector of Fine Arts and Performing Arts in L.A. County are paid more than in California as a whole. But while the overall average annual wage in the industry is a healthy \$89,200, earnings vary substantially from subsector to subsector. By far the highest paying subsector is Musical Groups, paying an average of \$256,700 annually. At the opposite end of the spectrum, Fine Arts Schools pays just \$30,100. There was significant wage growth in the Other Performing Arts Companies and Dance Companies between 2014 and 2019, with both subsectors increasing by 54%. In contrast, wages dropped 3% and 2% respectively in the Fine Arts Schools and Art Galleries subsectors over the same period.

Average Annual Wage by Fine Arts and Performing Arts Subsector (2019)

Figure 3.28



130

Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

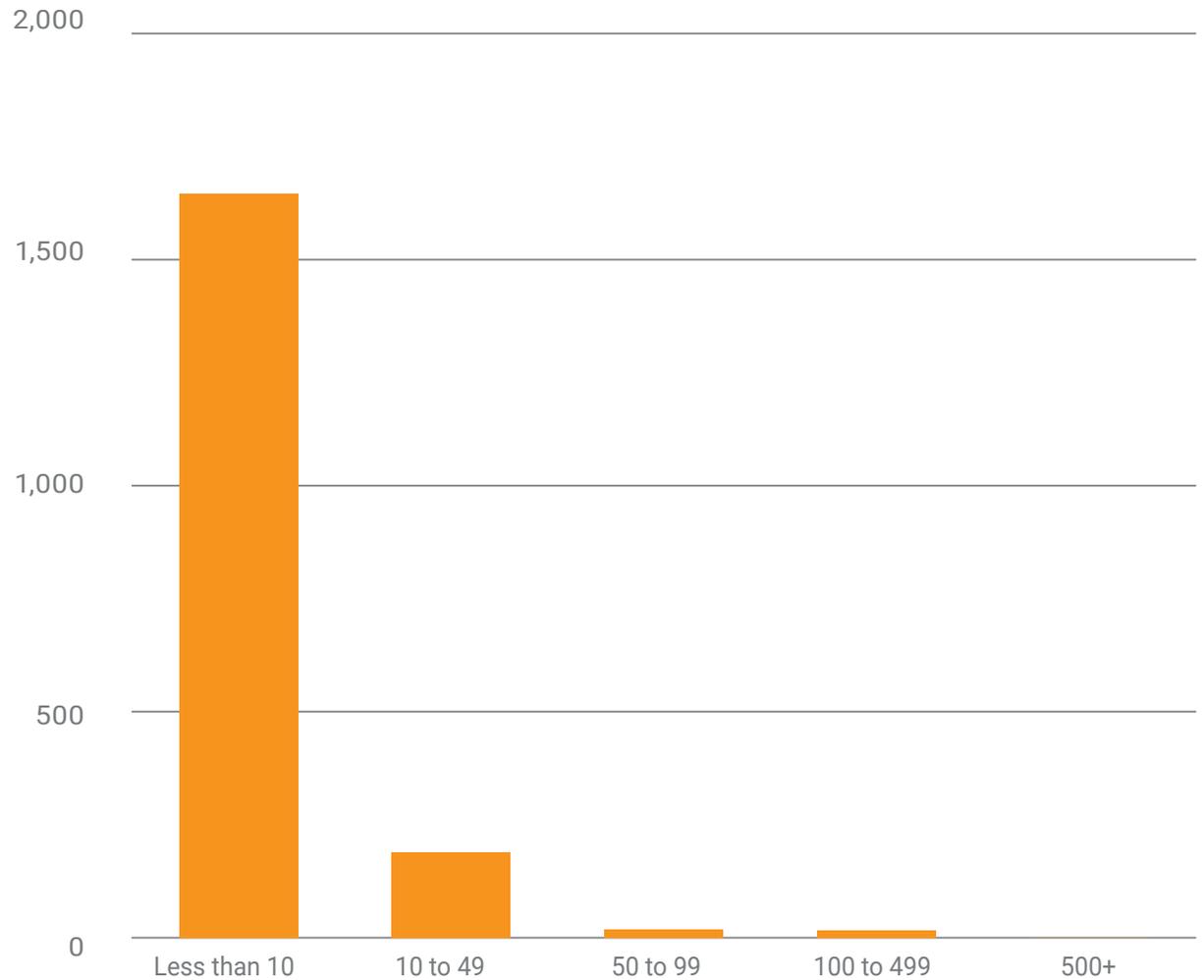
ESTABLISHMENTS

At 1,900, Fine Arts and Performing Arts has the fewest firms of all creative industries in L.A. County. In 2018, the vast majority of these (98%) had less than 50 employees

131

Fine Arts and Performing Arts Establishments by Size in L.A. County (2018)

Figure 3.29



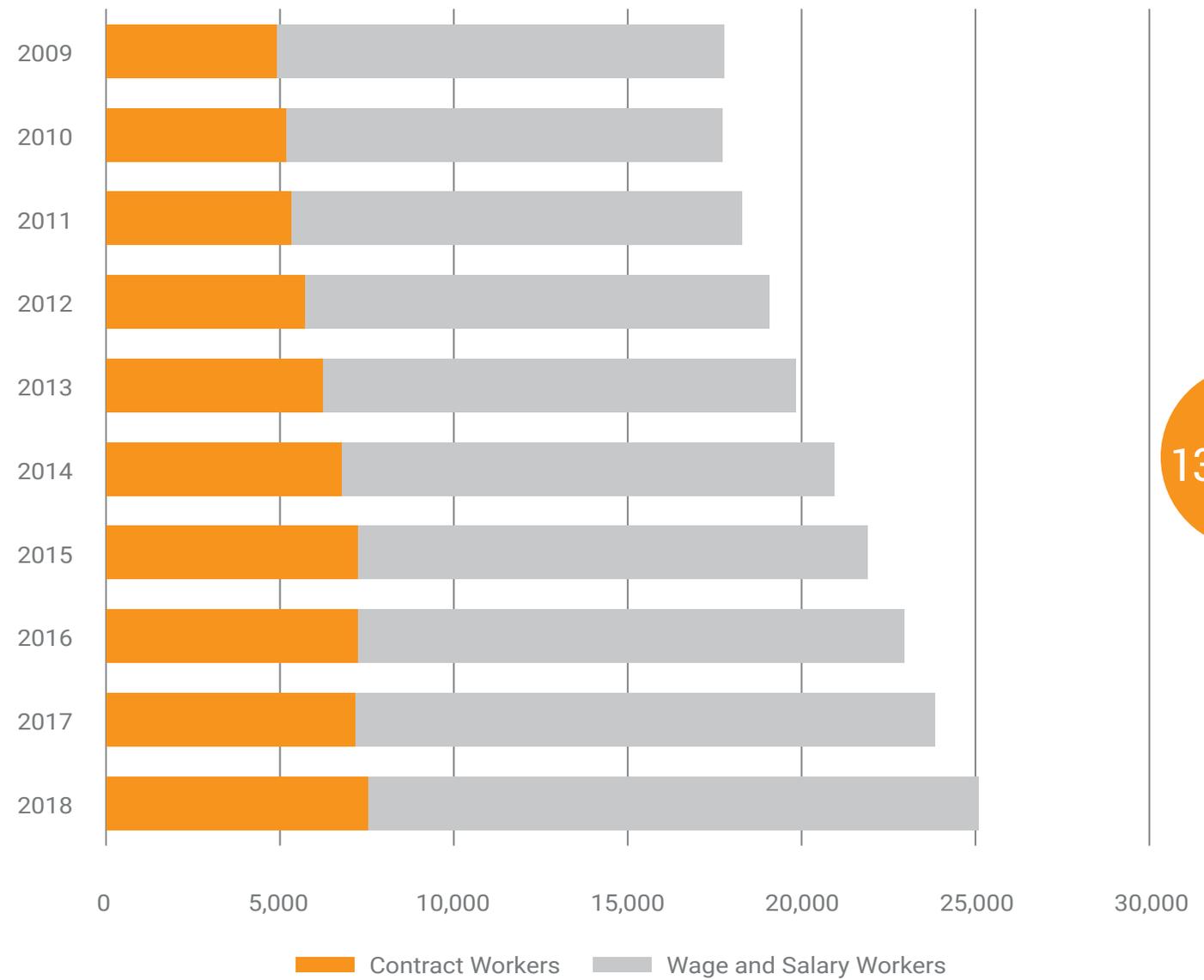
Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

CONTRACTORS

Contract workers comprise a modest share of the Fine Arts and Performing Arts workforce, accounting for 30% of employment in 2018. While total industry employment grew 40% between 2009 and 2018, the share of contract workers increased by only 2.5 percentage points.

Contract and Wage and Salary Workers in Fine Arts and Performing Arts in L.A. County

Figure 3.30



Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES).
Analysis by Beacon Economics

04

REGIONAL SNAPSHOTS

REGIONAL SNAPSHOTS

California Creative Economy Regions

Figure 4.1



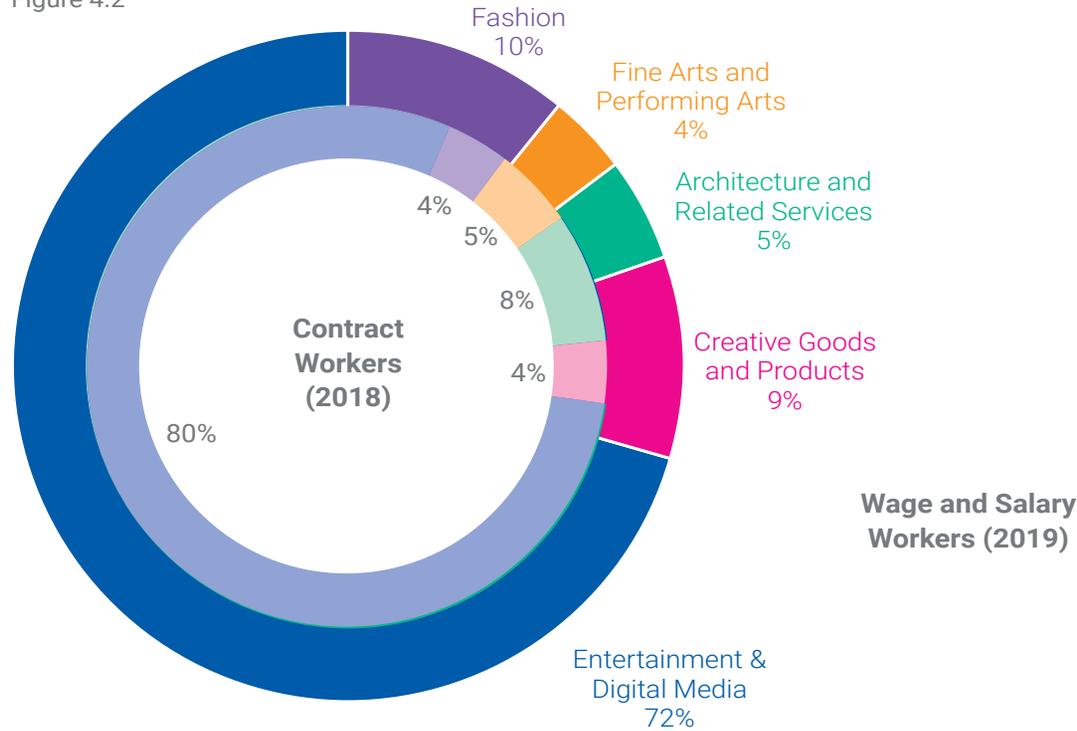
There are roughly one million wage and salary workers and over 420,000 contract workers in California's Creative Economy. By far the largest creative sector is Entertainment & Digital Media, accounting for 70% of creative wage and salary employment and 80% of creative contract employment.

The regions with the largest concentration of creative employment are Southern California and the Bay Area which, combined, comprise 74.6% of California's creative wage and salary workforce and 86.4% of creative contract employment. Although much lower, San Diego and Imperial counties had the next largest concentration of creative employment – 5.5% of wage and salary employment and 7.4% of contract employment.

In the Central Valley and Northern California, contract employment was greater than wage and salary employment in the Creative Economy. In Northern California, contract employment accounts for a full 76% of the region's creative workforce. In the Bay Area, contract employment was notably less prevalent than in other regions. Although contract employment has risen significantly across every region, the Bay Area saw the largest employment growth in wage and salary employment.

Share of Creative Industry Jobs by Sector

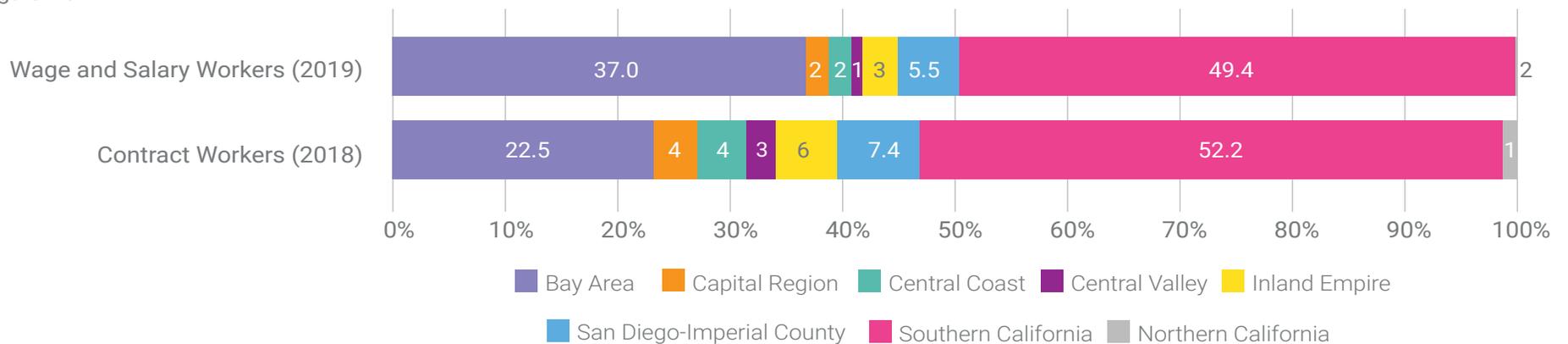
Figure 4.2



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Share of Creative Industry Jobs by Region

Figure 4.3



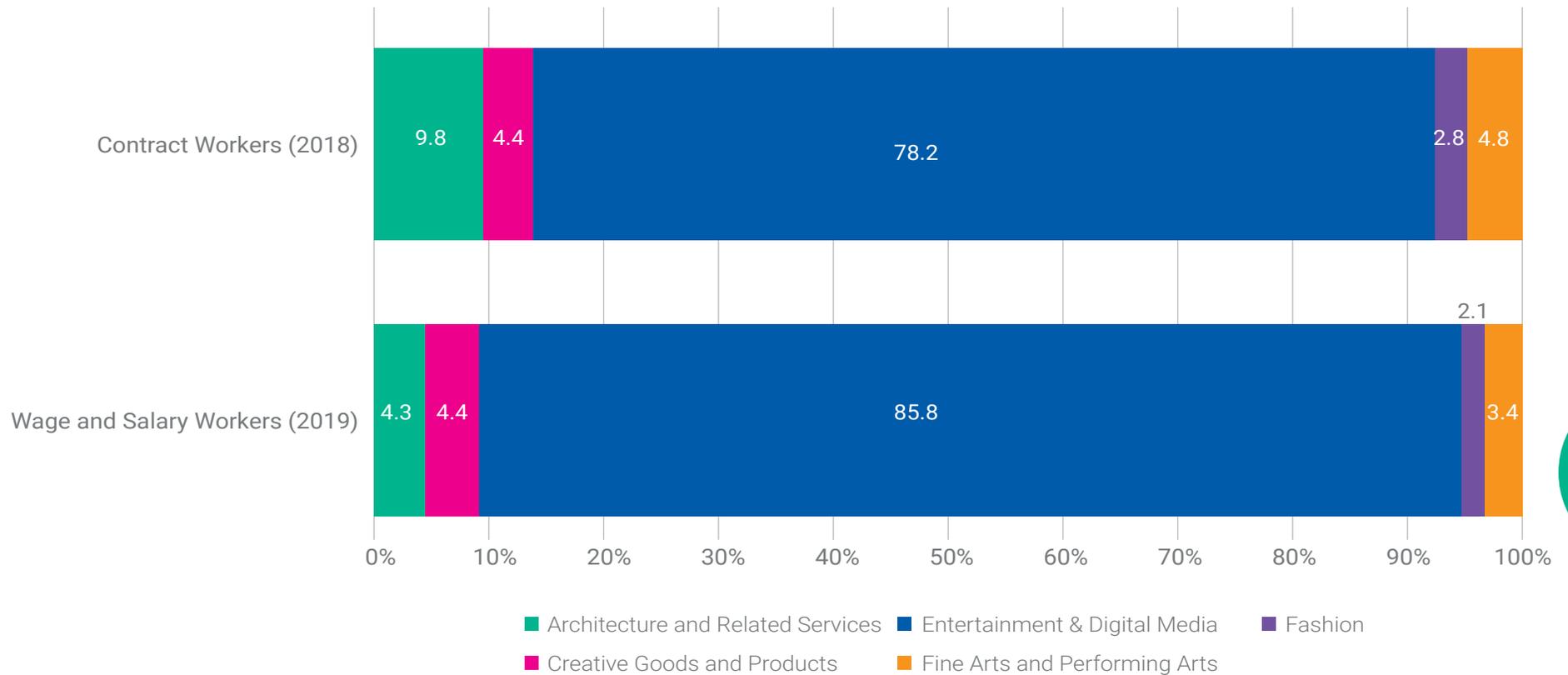
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

BAY AREA



Share of Creative Industry Jobs in the Bay Area

Figure 4.4



138

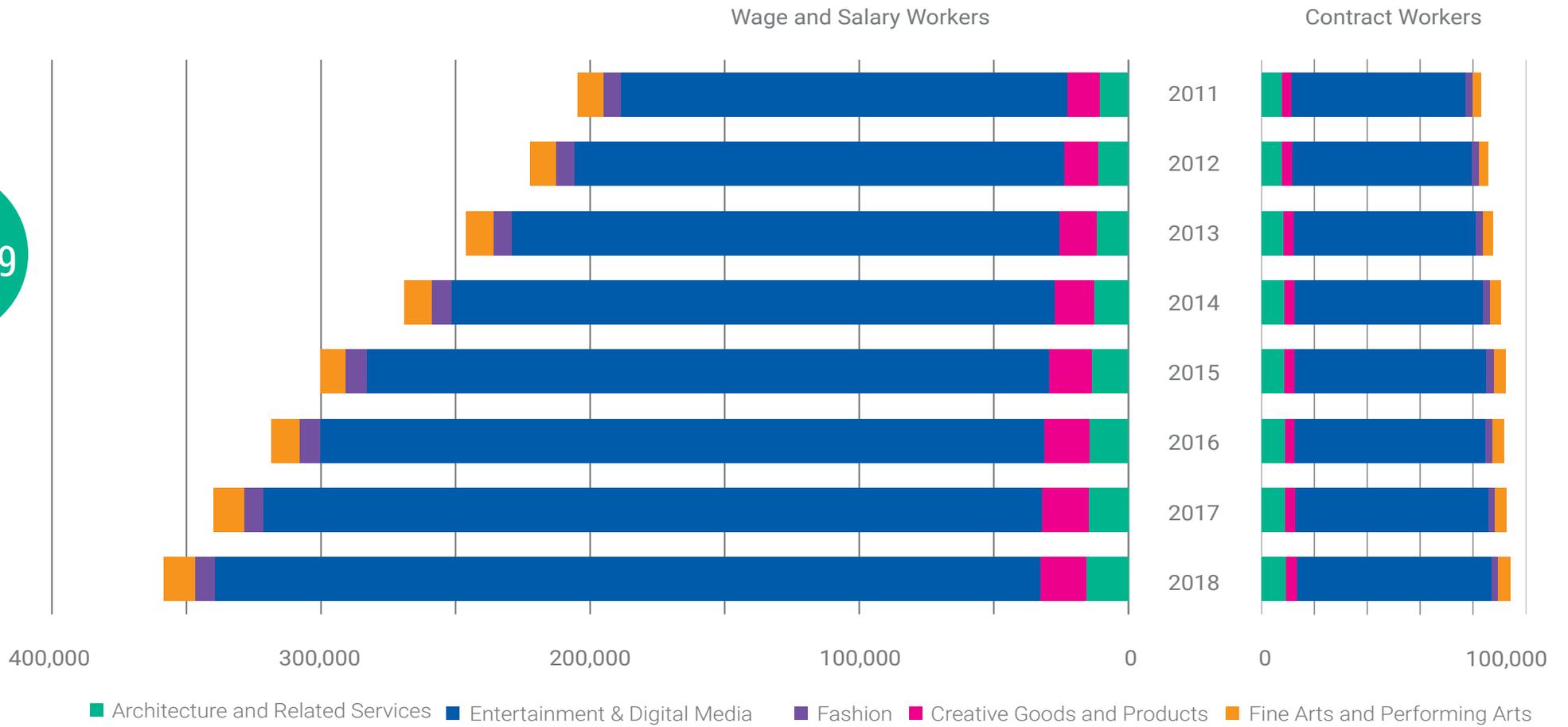
The Bay Area accounts for around 37% of wage and salary employment and 23% of contract employment in California’s creative industries. The Bay Area’s creative workforce represents 9% of the region’s total employment.

Entertainment & Digital Media has the largest presence in the Bay Area out of all the creative industries, attributable to the concentration of tech jobs in the region (a great many tech jobs come under the Emerging Digital Media heading). Over 81% of wage and salary workers in the Bay Area work in Entertainment & Digital Media, and 79% of contractor workers are employed in the industry. Relative to its share of wage and salary employees (4%), Architecture and Related Services has a large number of contract workers (10%). Of all regions, creative employment grew fastest in the Bay Area, with wage and salary employment growing 46% (1,700 jobs) between 2014 and 2019, and contract employment growing 8% (6,500 jobs) over the same period.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage and Salary Employment vs. Contract Employment in the Bay Area

Figure 4.5

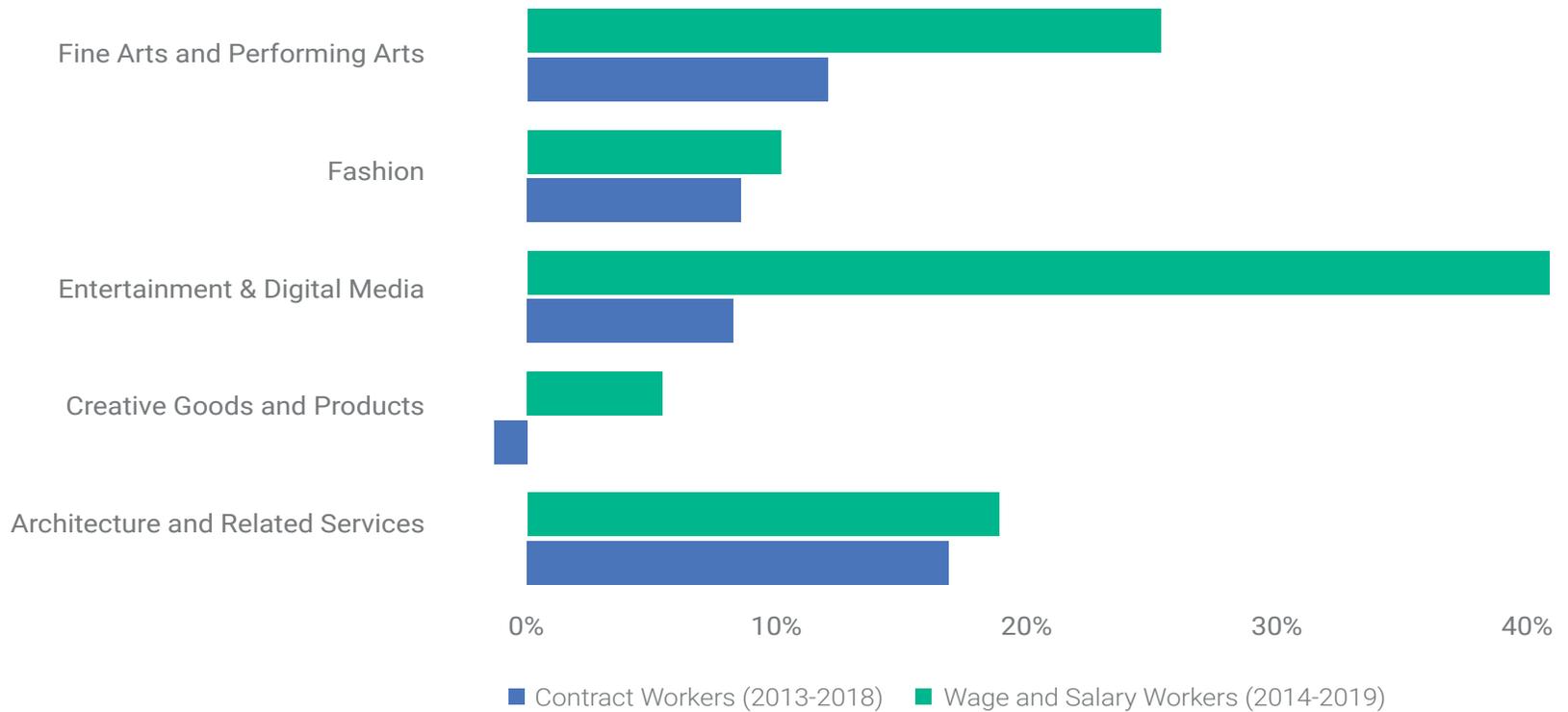


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

The most job growth occurred in Entertainment & Digital Media among wage and salary workers, with employment increasing 40% in five years. Employment growth among wage and salary workers in Architecture and Related Services followed, increasing 25% over the same period. Among contract workers, Fine Arts and Performing Arts was the fastest growing sector (17%). Contract employment in Fashion declined 1% in the same period.

Percentage Change in Employment by Creative Sector in the Bay Area

Figure 4.6



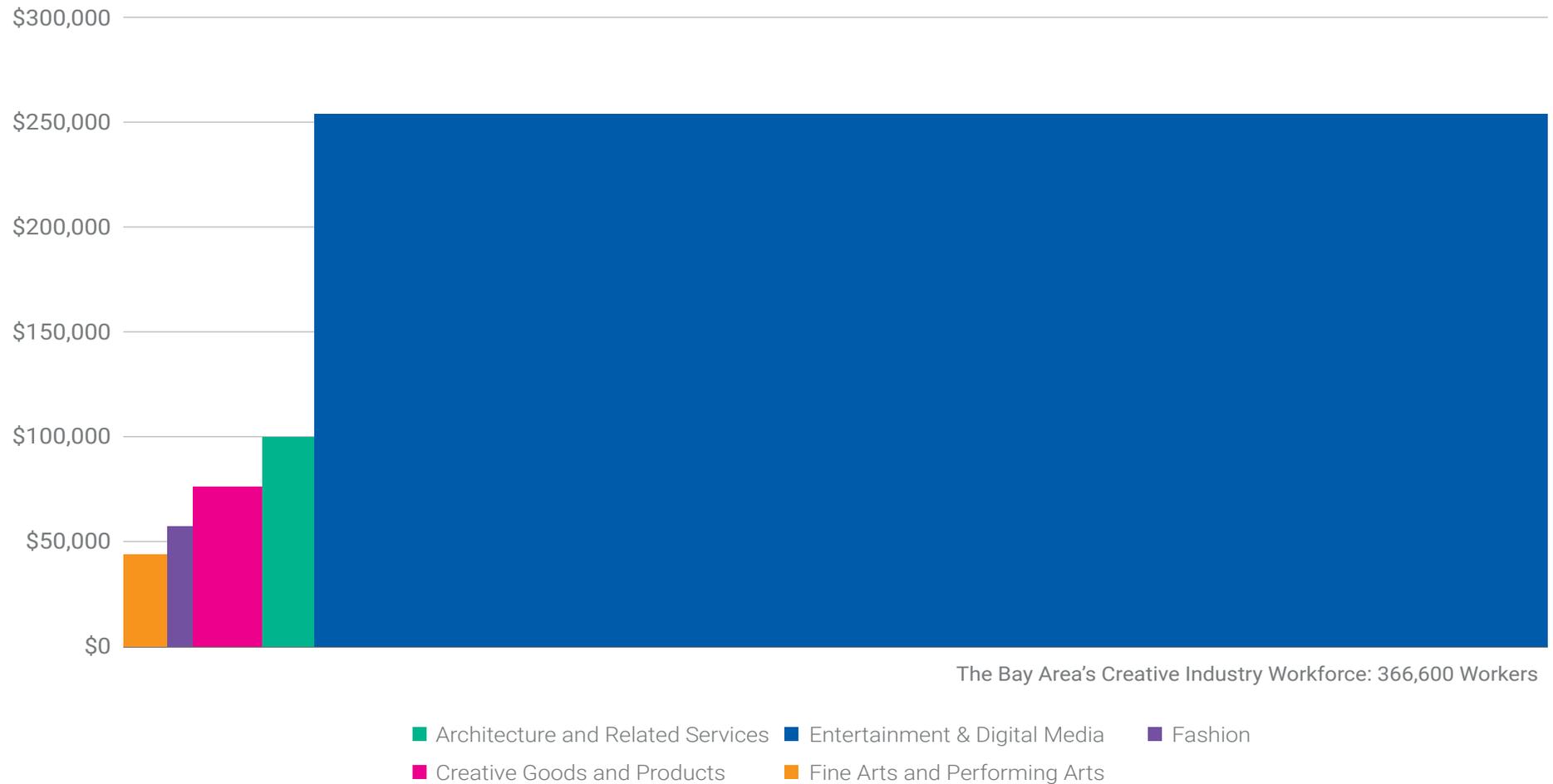
140

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

In addition to being the Bay Area's largest industry in terms of employment, Entertainment & Digital Media also pays the highest wages, with workers earning \$250,000 annually on average. That is followed by Architecture and Related Services (\$102,000), Creative Goods and Products (\$75,000), Fashion (\$58,000), and Fine Arts and Performing Arts (\$45,000).

Employment Share and Average Wage of Wage and Salary Workers in Creative Industries in the Bay Area (2019)

Figure 4.7



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

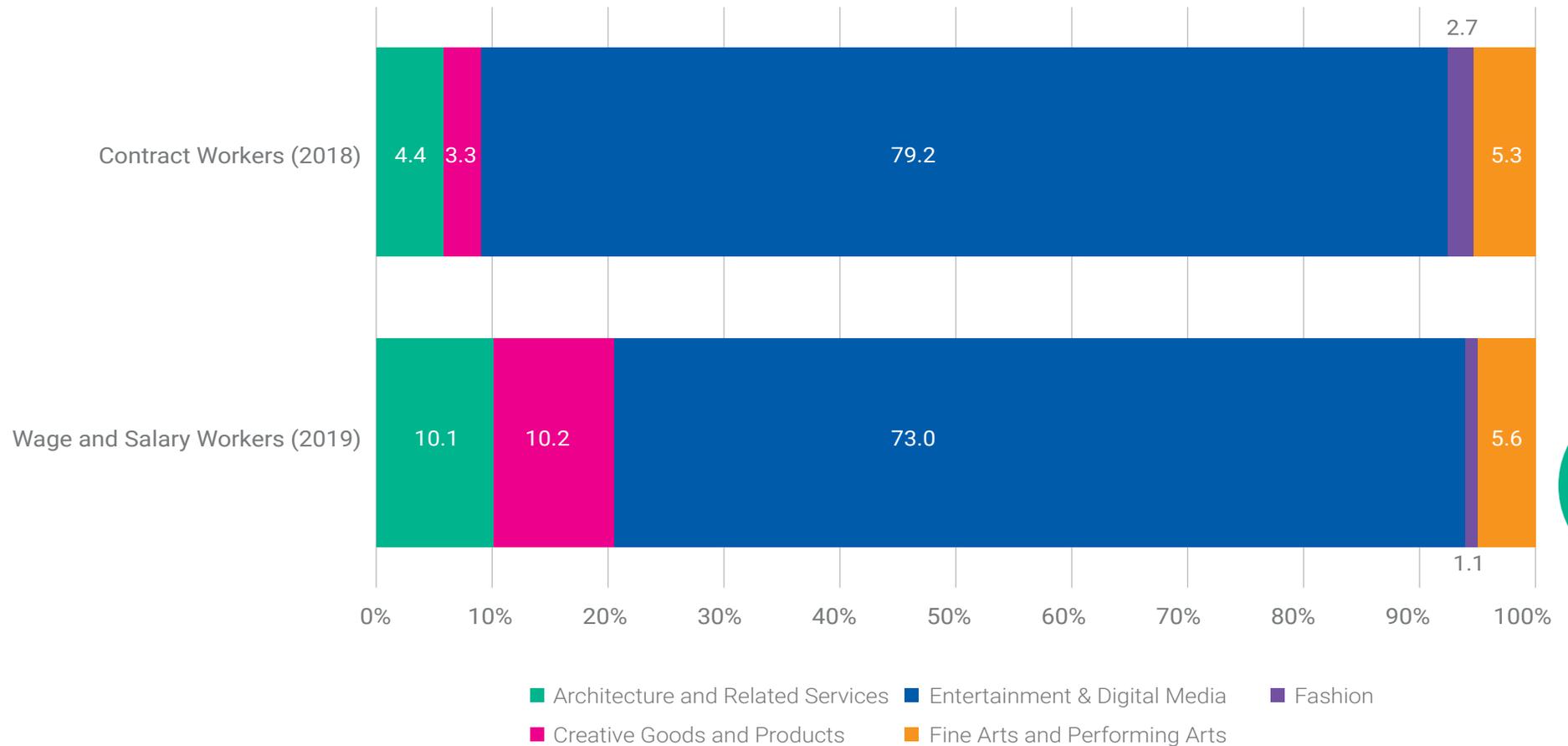


CAPITAL REGION



Share of Creative Industry Jobs in the Capital Region

Figure 4.8



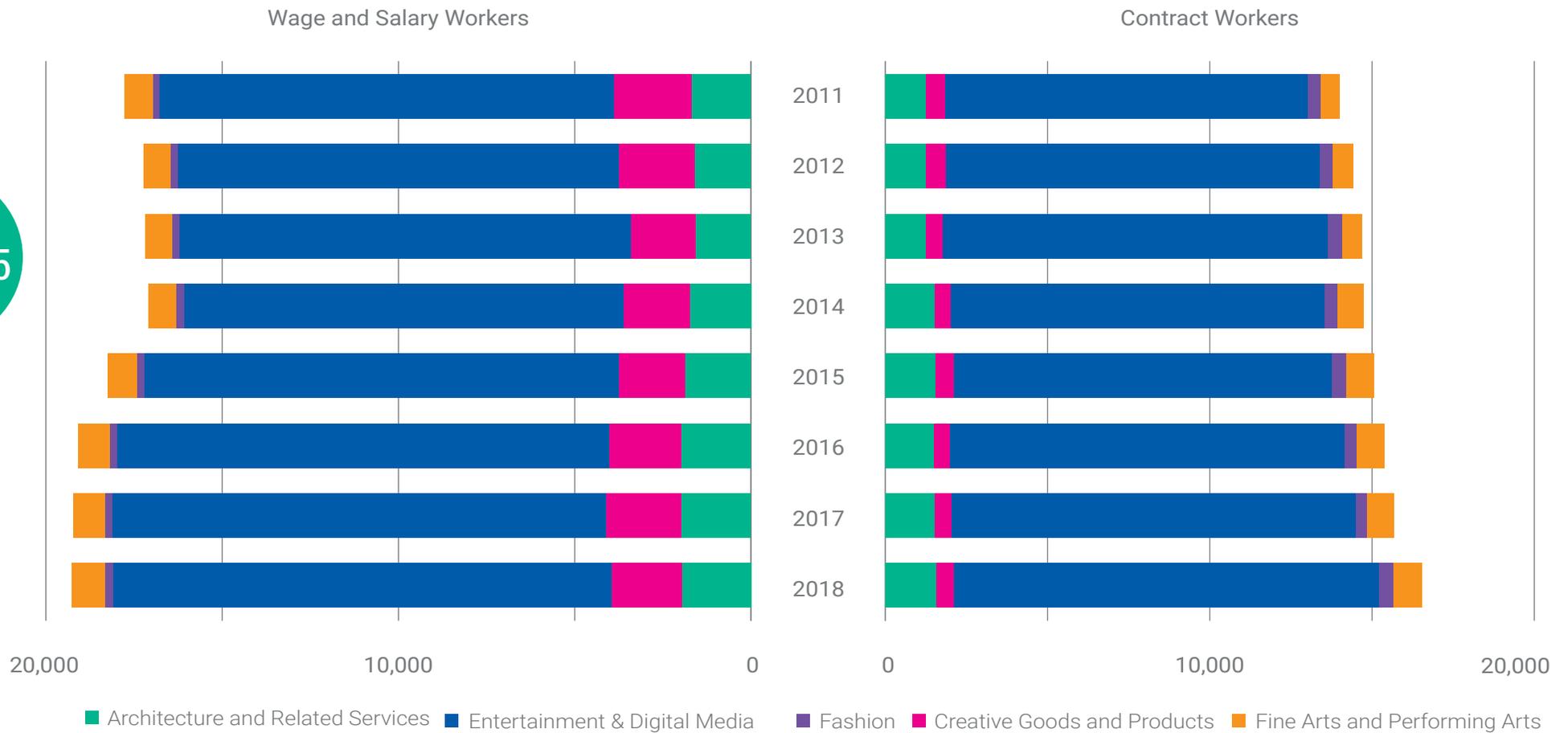
The Capital Region accounts for only 2% of creative wage and salary employment and 4% of contract employment. Creative industry employment accounts for 3% of the region’s entire workforce.

Entertainment & Digital Media is the largest creative sector in the region, accounting for 73% of creative wage and salary jobs and 79% of creative contract jobs. Creative Goods and Products has a much larger share of wage and salary workers (10%) than contract workers (3%). Over five years, wage and salary employment and contract jobs each grew 12%.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage and Salary Employment vs. Contract Employment in the Capital Region

Figure 4.9



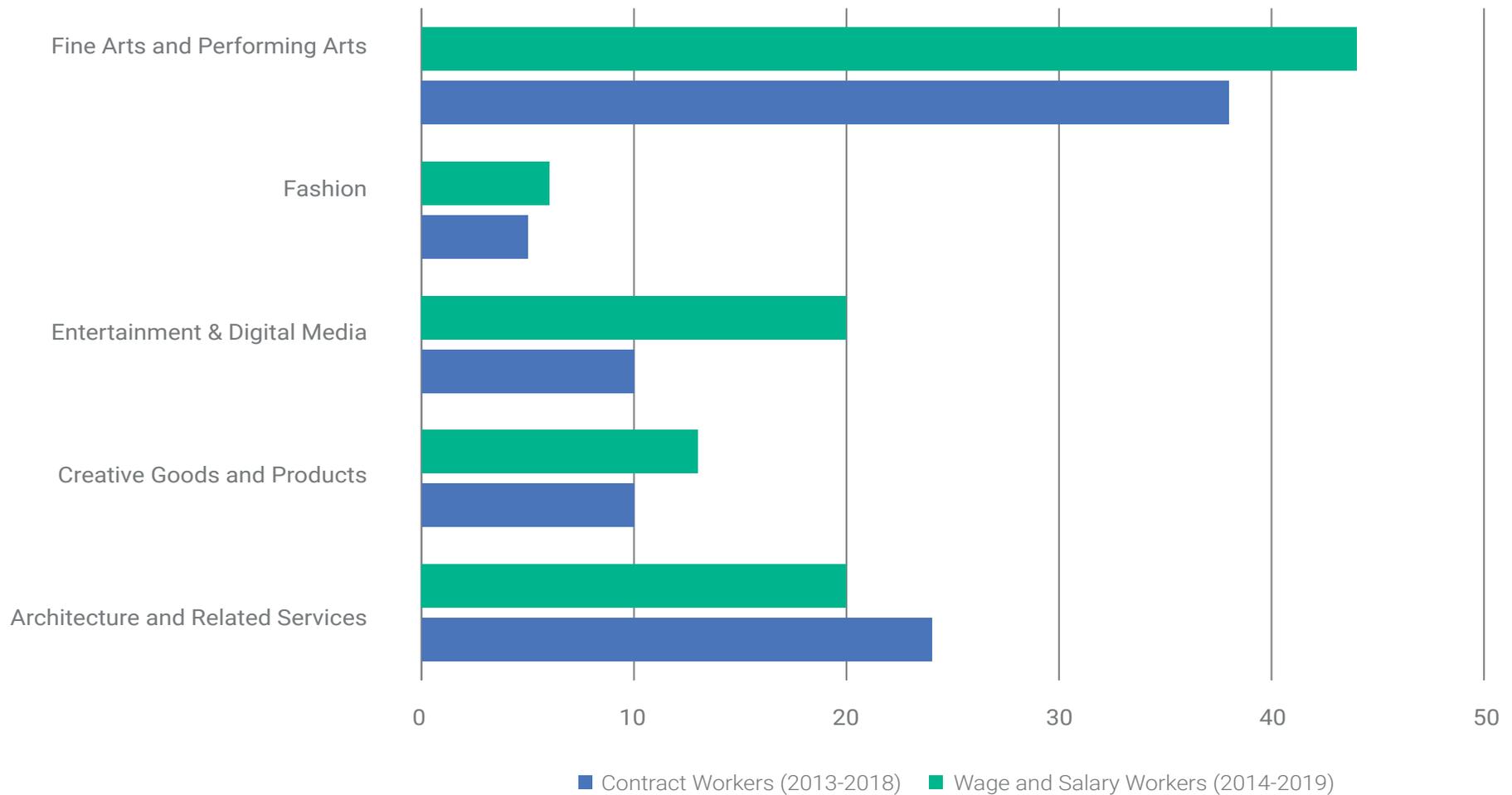
Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

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Among wage and salary workers, the Fine Arts and Performing Arts sector saw the most employment growth in the five-year period (44%), followed by Entertainment & Digital Media (20%), and Architecture and Related Services (20%). Contract employment in the Fine Arts and Performing Arts also grew the most at 38%.

Percentage Change in Employment by Creative Sector in the Capital Region

Figure 4.10



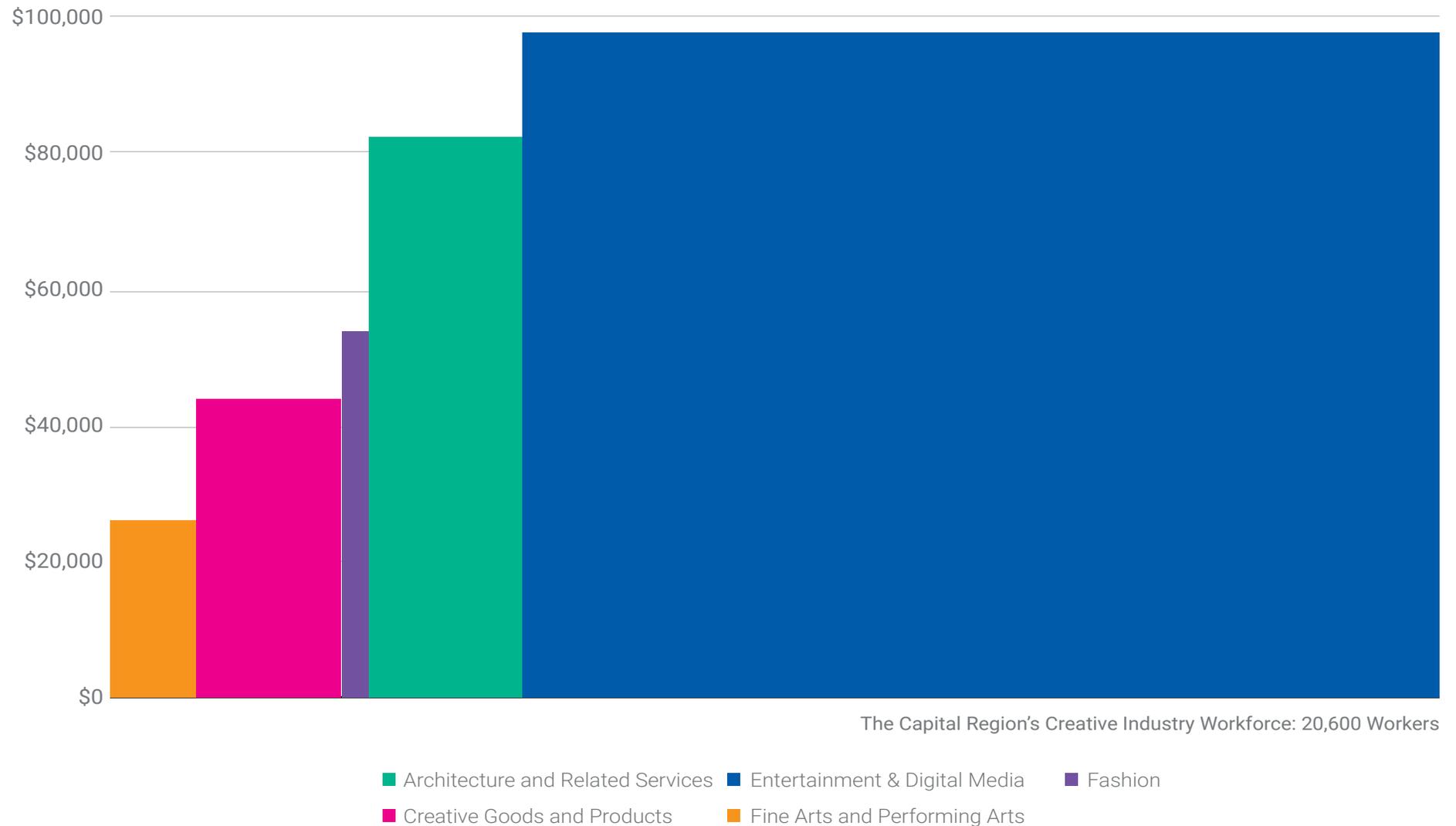
146

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

The highest-paying sector in the Capital Region is Entertainment & Digital Media, with an annual average wage of \$96,000. The next highest paying sector is Architecture and Related Services (\$83,000), followed by Fashion (\$53,000). The lowest paying sector in the Capital Region is Fine Arts and Performing Arts (\$25,000).

Employment Share and Average Wage of Salary Workers in Creative Industries in the Capital Region (2019)

Figure 4.11



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

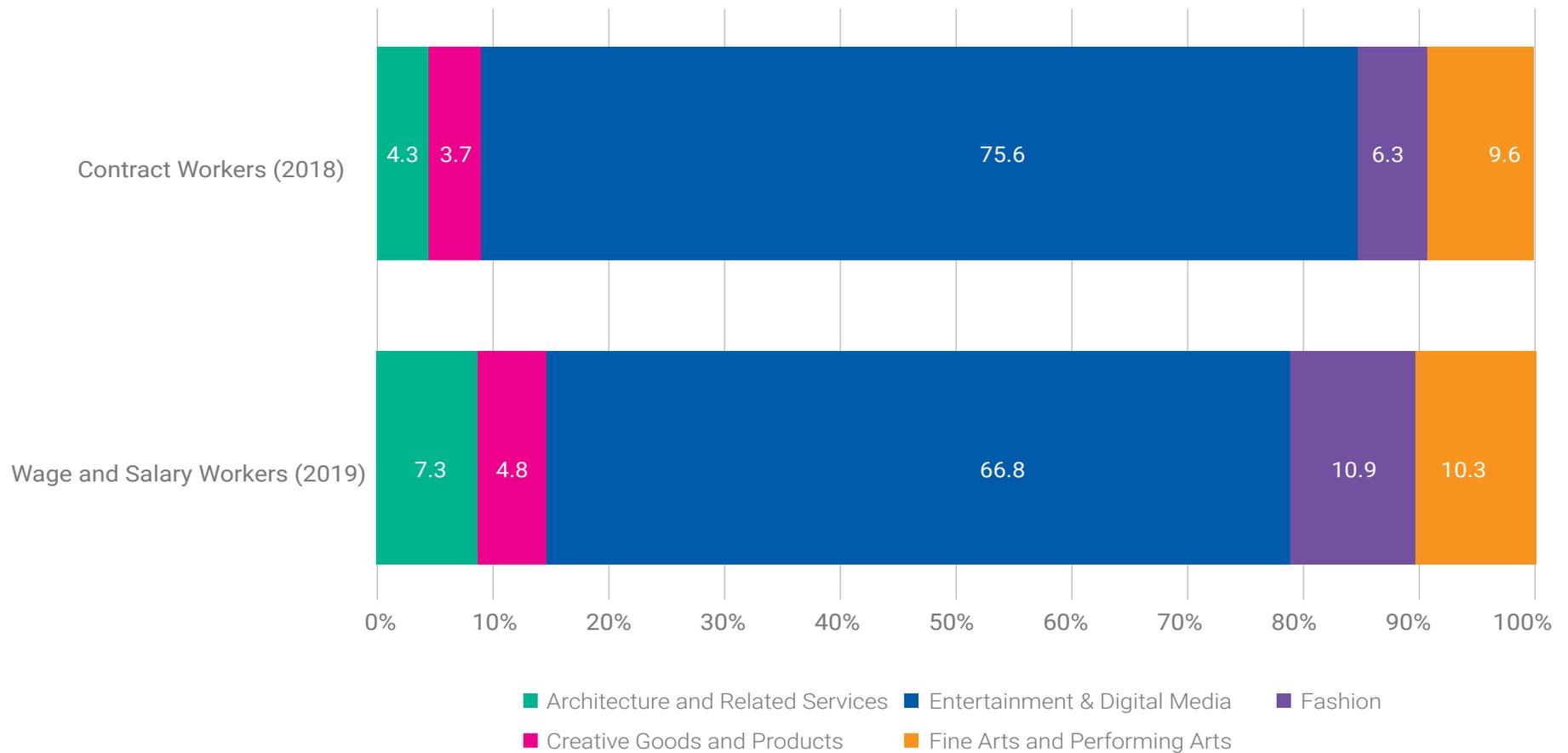


CENTRAL COAST



Share of Creative Industry Jobs in the Central Coast

Figure 4.12



150

The Central Coast accounts for 2% of California’s creative wage and salary workers, and over 4% of its creative contract workers. Employment in the region’s creative industries accounts for 3% of regional jobs.

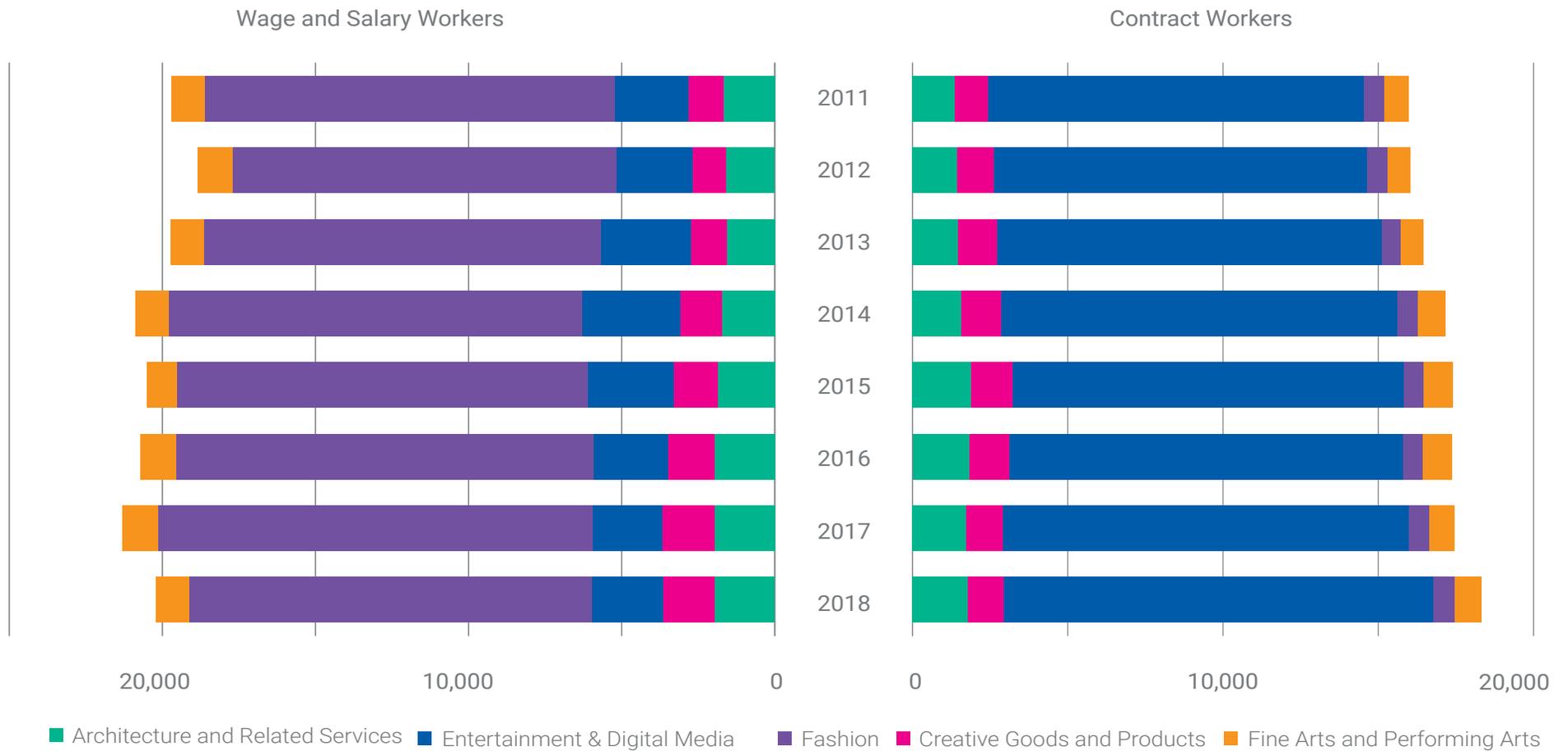
Similar to the other regions, most creative jobs in the Central Coast are in the Entertainment & Digital Media industry, accounting for 66.8% of creative wage and salary jobs and 75.6% of creative contract jobs. Fashion, and Architecture and Related Services had a much larger share of wage and salary workers (10.9% and 7.3% respectively) compared to contract employment (7.3% and 4.7% respectively).

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

While wage and salary employment grew only 1.5% over five years, contract employment grew 11.4%. In addition, between 2017 and 2018, creative wage and salary employment declined 5%, while contract employment grew 5%.

Wage and Salary Employment vs. Contract Employment in the Central Coast

Figure 4.13

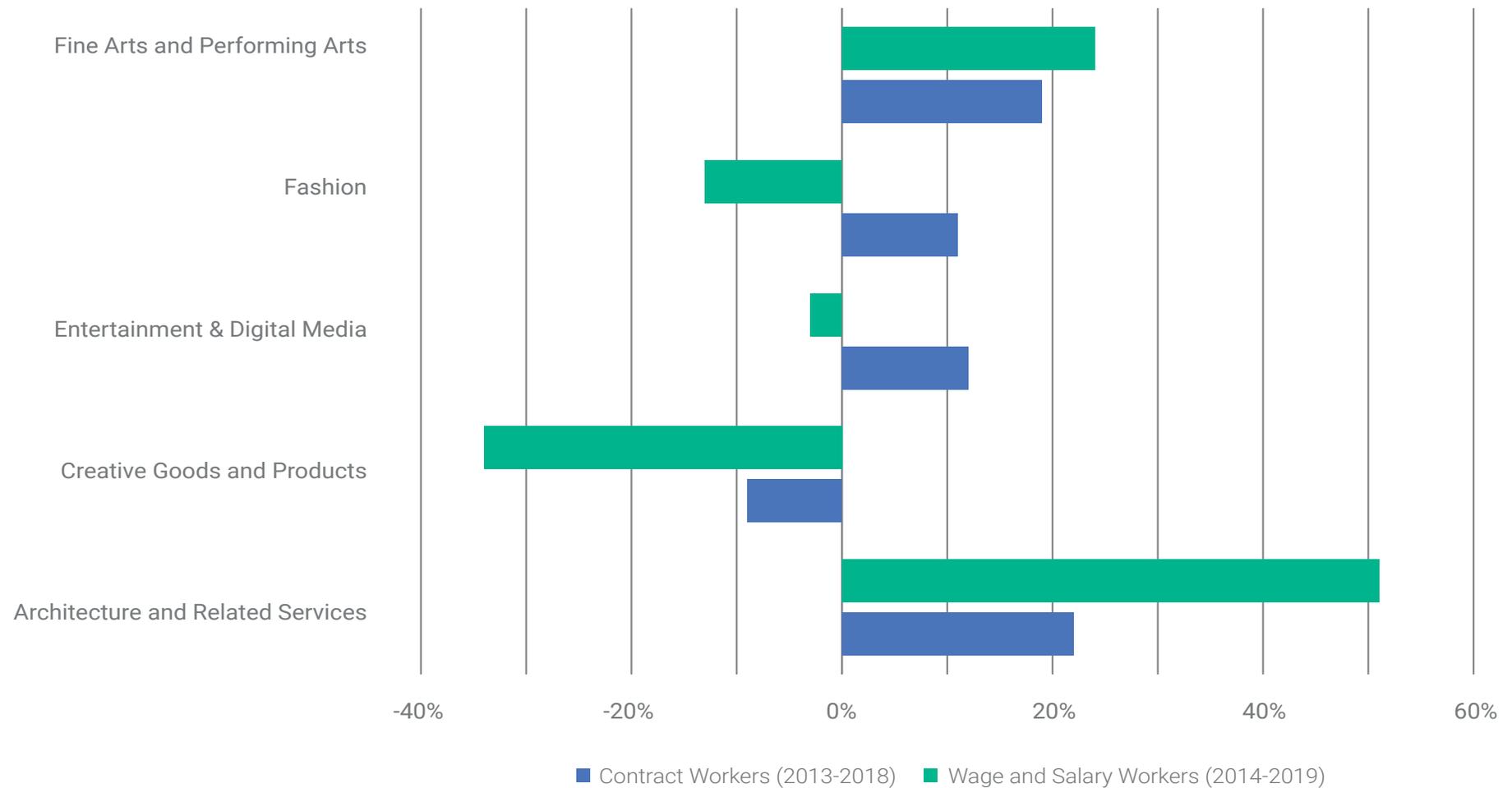


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Architecture and Related Services leads in both wage and salary employment and contract employment growth, increasing 51% and 22% respectively over five years. While employment in Entertainment & Digital Media and Fashion increased among contract workers, it decreased for wage and salary employment. In both job groups, Creative Goods and Products employment growth declined the most: 34% for wage and salary workers and 9% for contract workers.

Percentage Change in Employment by Creative Sector in the Central Coast

Figure 4.14

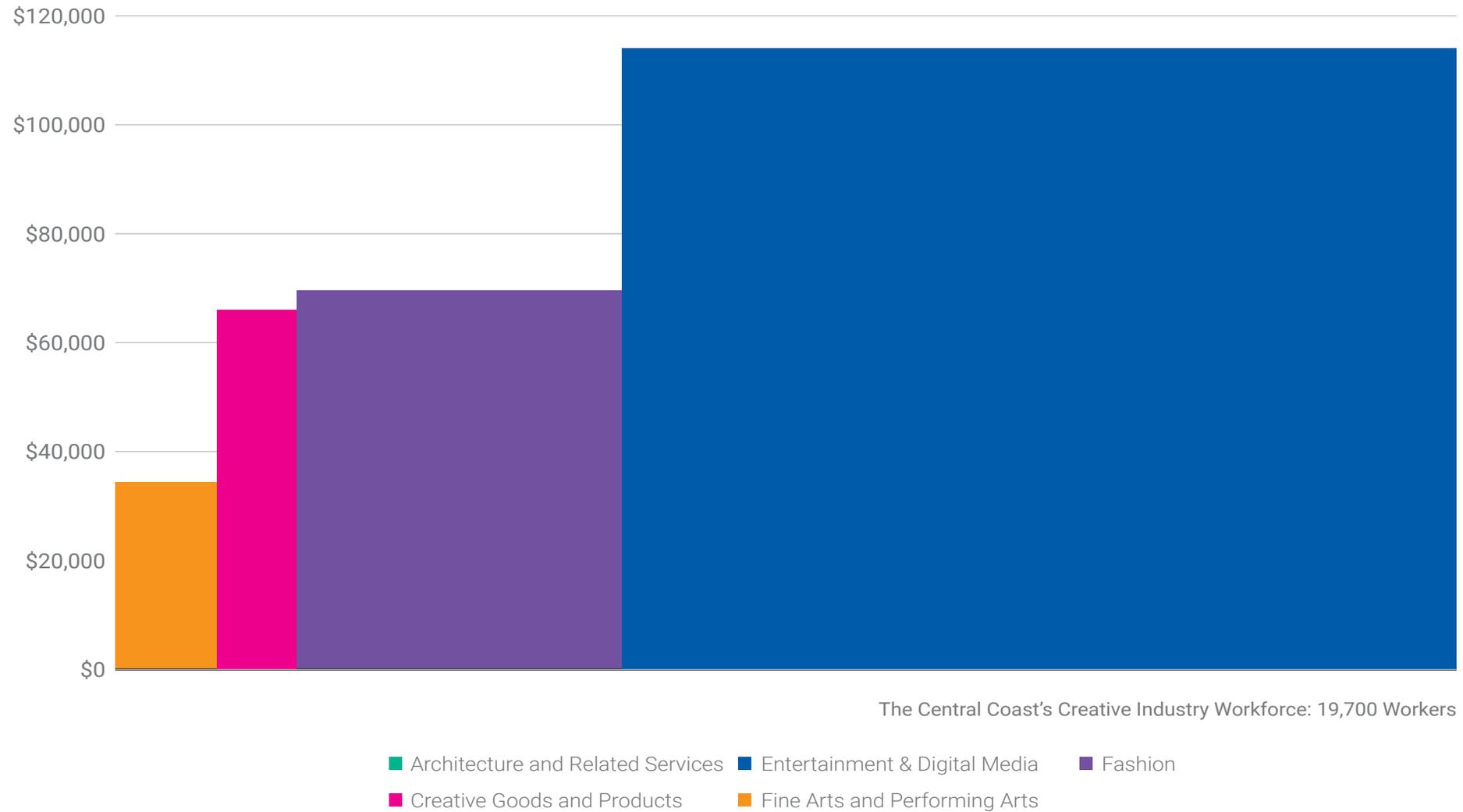


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

At an annual average of \$111,400, wages are highest in the Entertainment & Digital Media sector. The lowest paying sector is Fine Arts and Performing Arts, with an average annual wage of just \$32,000 in 2018.

Employment Share and Average Wage of Salary Workers in Creative Industries in the Central Coast (2019)

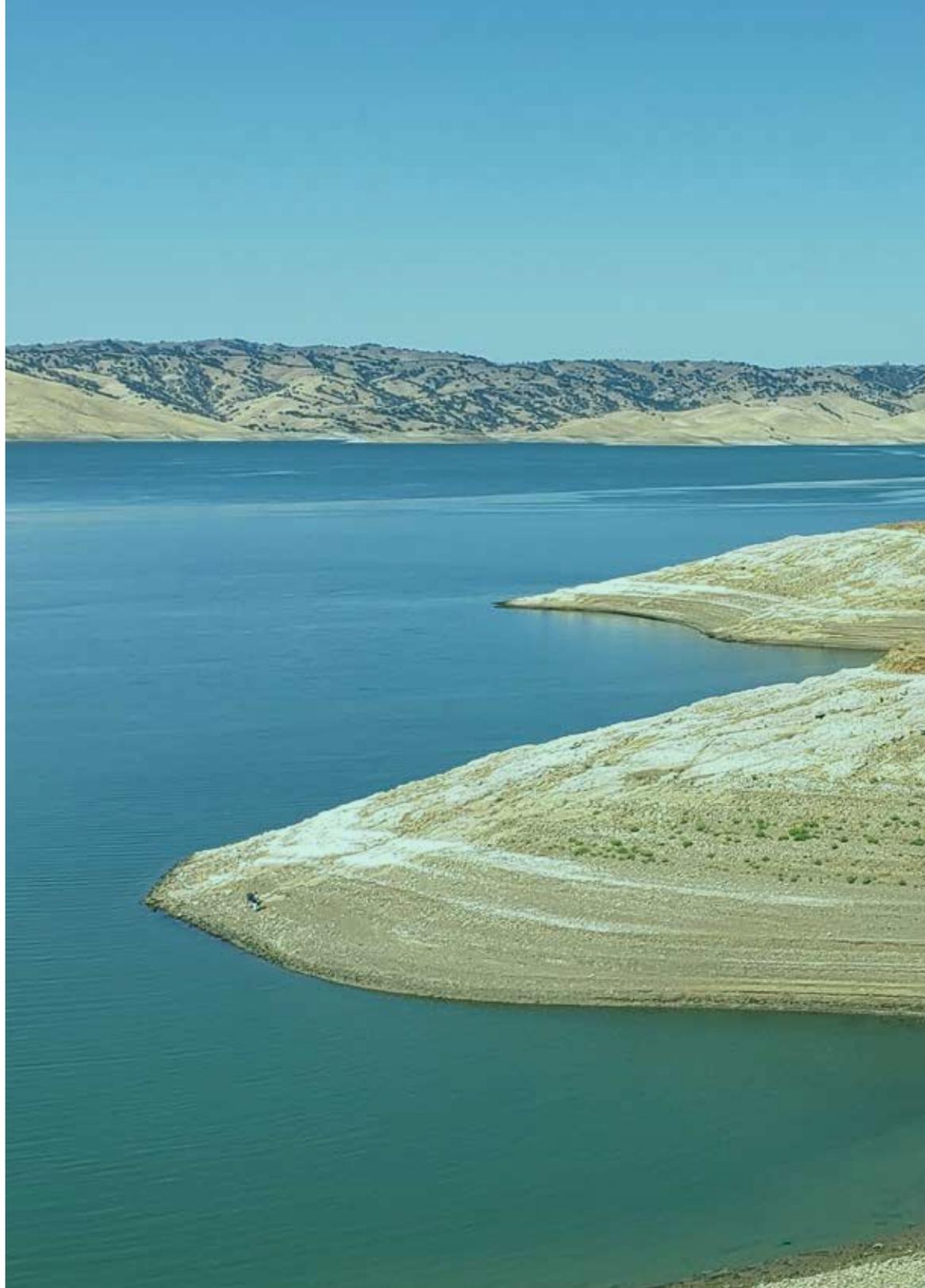
Figure 4.15



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

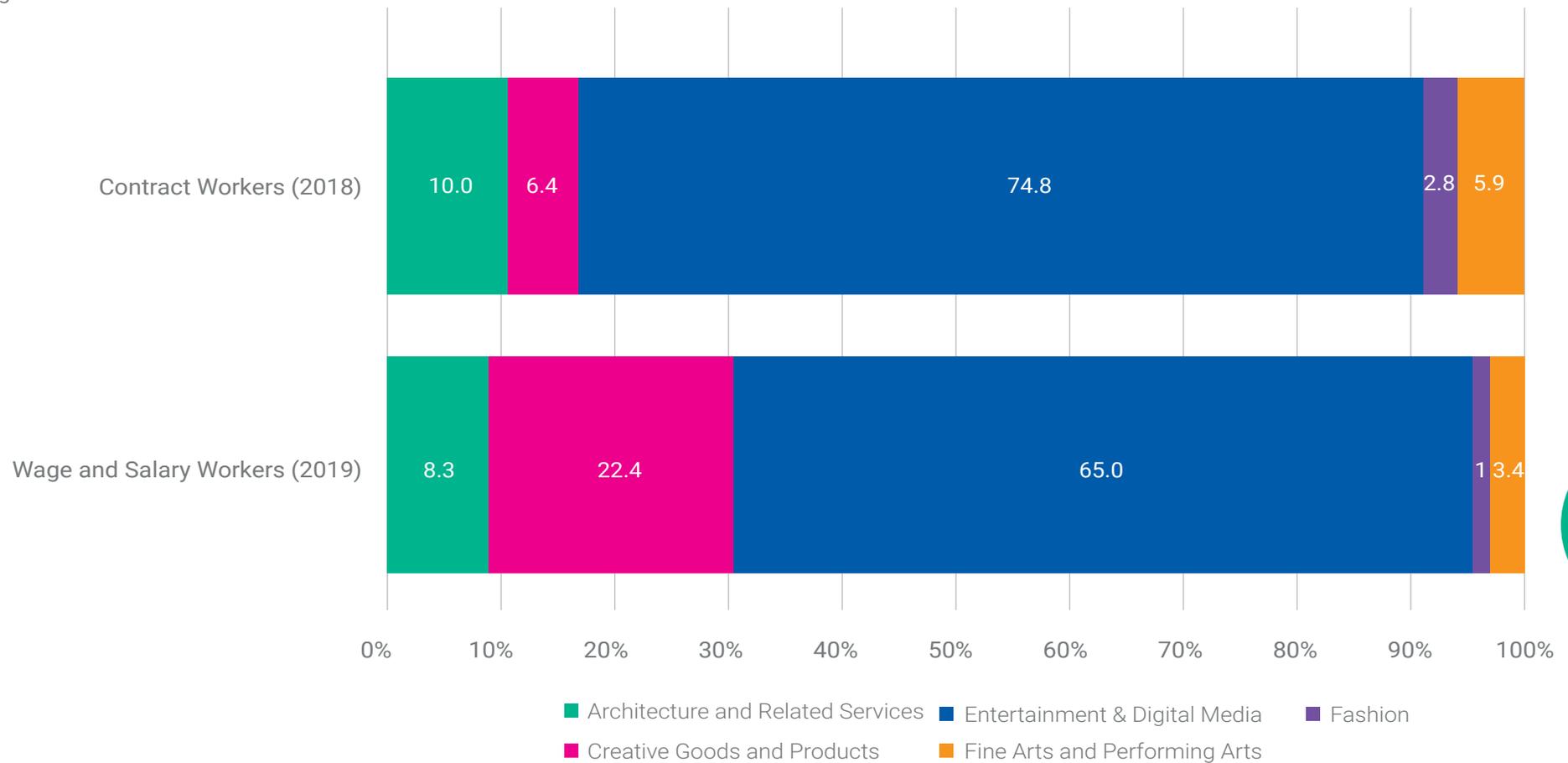


CENTRAL VALLEY



Share of Creative Industry Jobs in the Central Valley

Figure 4.16



156

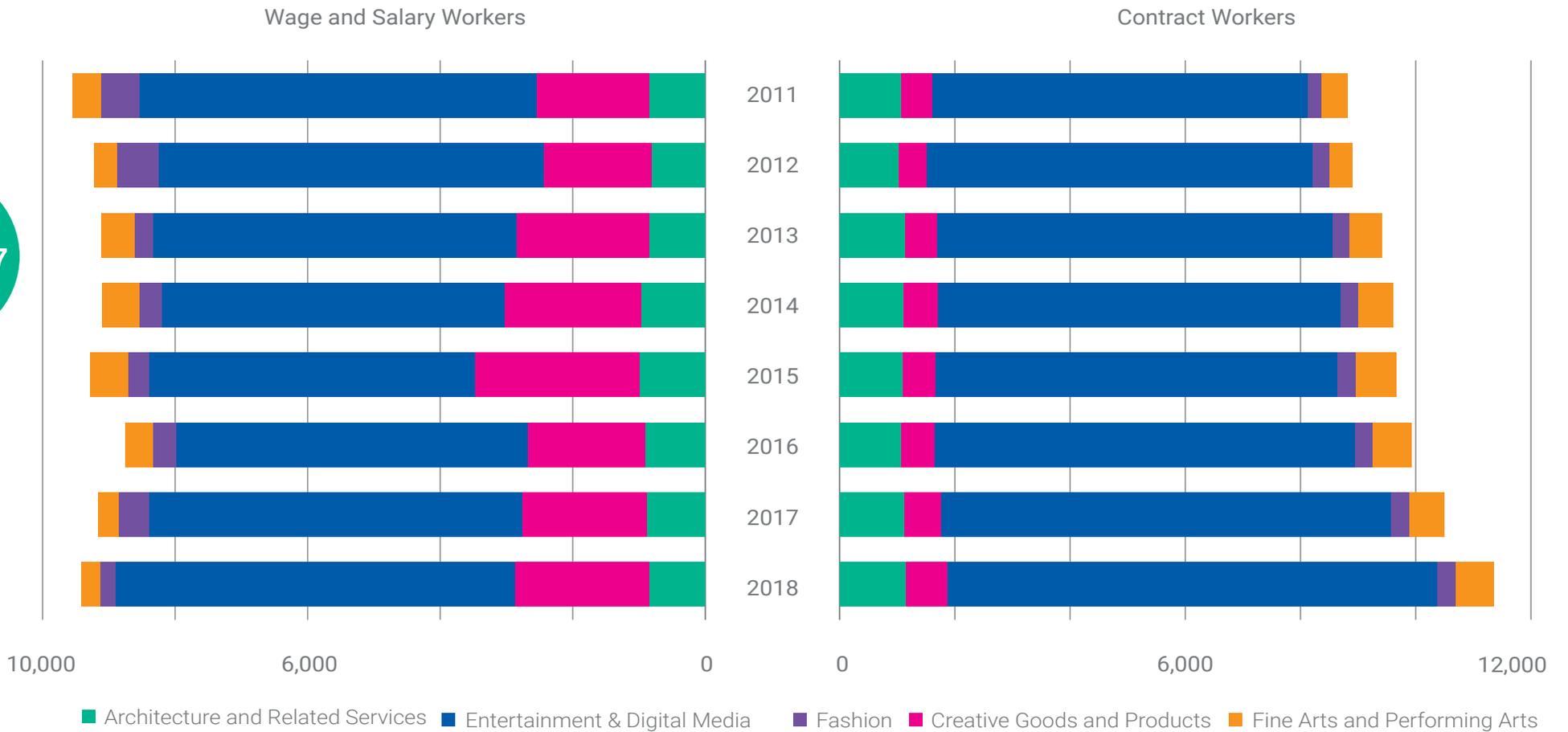
The Central Valley accounts for the second-smallest share of California’s creative workers, at just 1% of wage and salary workers and 3% of contract workers. Creative industries in the Central Valley account for 1% of the region’s employment.

Entertainment & Digital Media employment accounts for 65% of the region’s creative wage and salary workforce, and 75% of its creative contract workers. Creative Goods and Products has a much larger share of wage and salary workers (22%) than contract workers (6%). Over the last five years, contract employment growth (21%) easily surpassed wage and salary growth (3%).

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage and Salary Employment vs. Contract Employment in the Central Valley

Figure 4.17

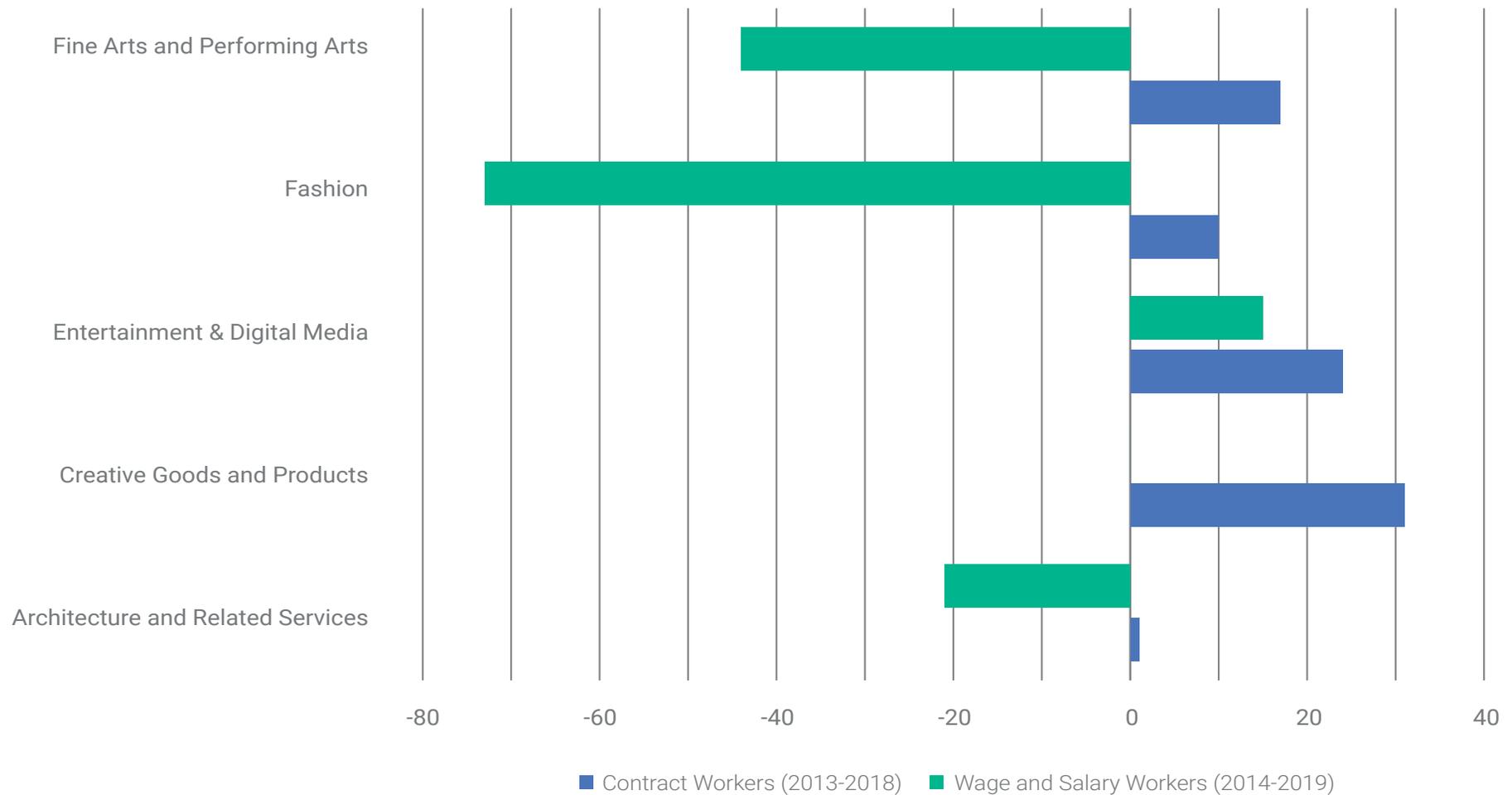


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Among wage and salary workers, only the Entertainment & Digital Media sector saw positive growth (15%) over five years. Wage and salary employment declined significantly in Fashion (-73%), and in Fine Arts and Performing Arts (-44%). There was positive employment growth across all sectors among contract workers, with the largest being in Creative Goods and Services (31%), followed by Entertainment & Digital Media (24%).

Percentage Change in Employment by Creative Sector in the Central Valley

Figure 4.18

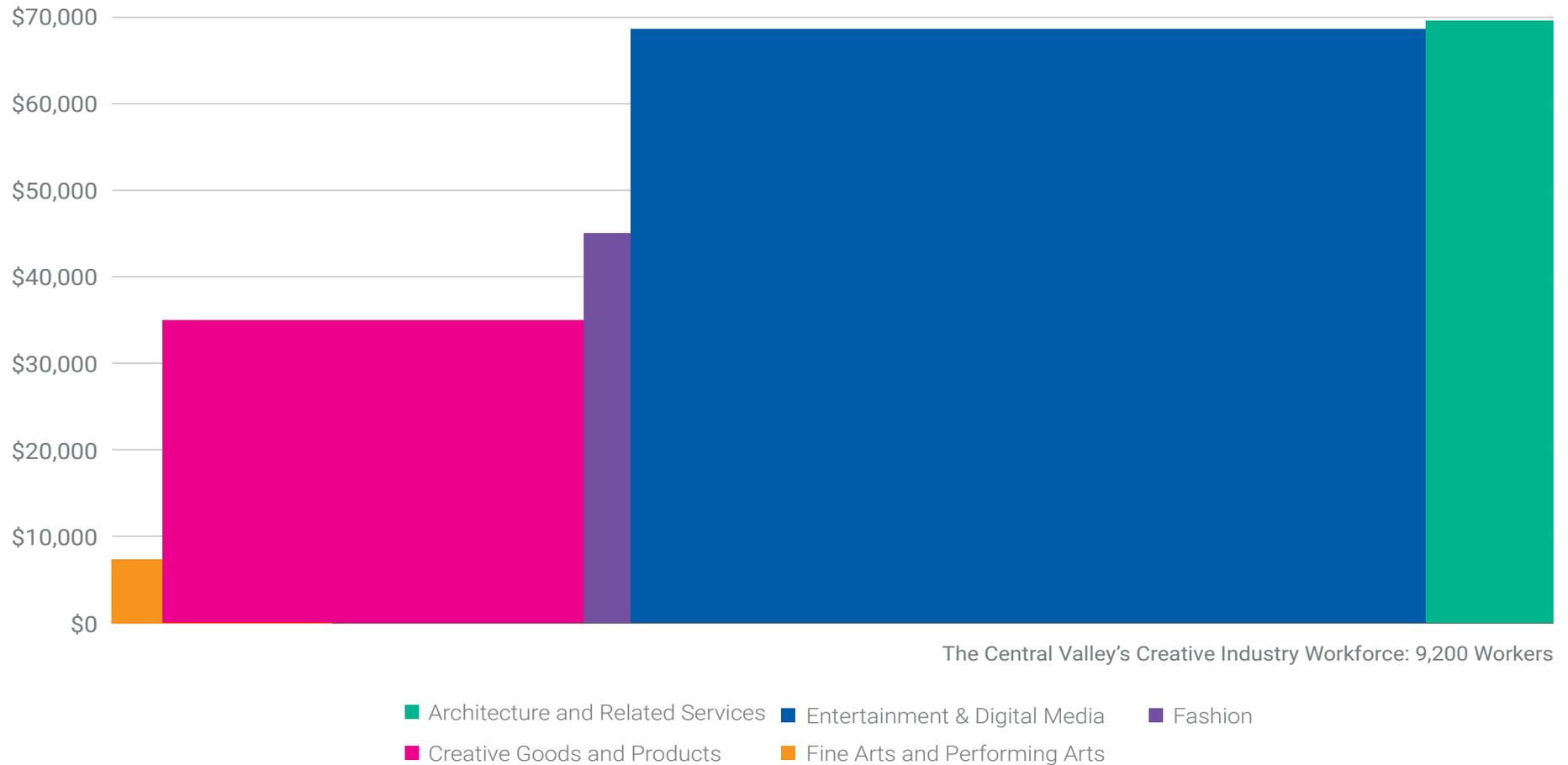


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Architecture and Related Services is the highest-paying sector in the Central Valley with an average annual wage of \$69,500. Close behind is Entertainment & Digital Media at \$69,000. Only 300 wage and salary workers were employed in Fine Arts and Performing Arts in 2019, earning an average annual wage of \$9,600, well below the \$12,490 Federal poverty guideline for a one-person household.

Employment Share and Average Wage of Salary Workers in Creative Industries in the Central Valley (2019)

Figure 4.19



159

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

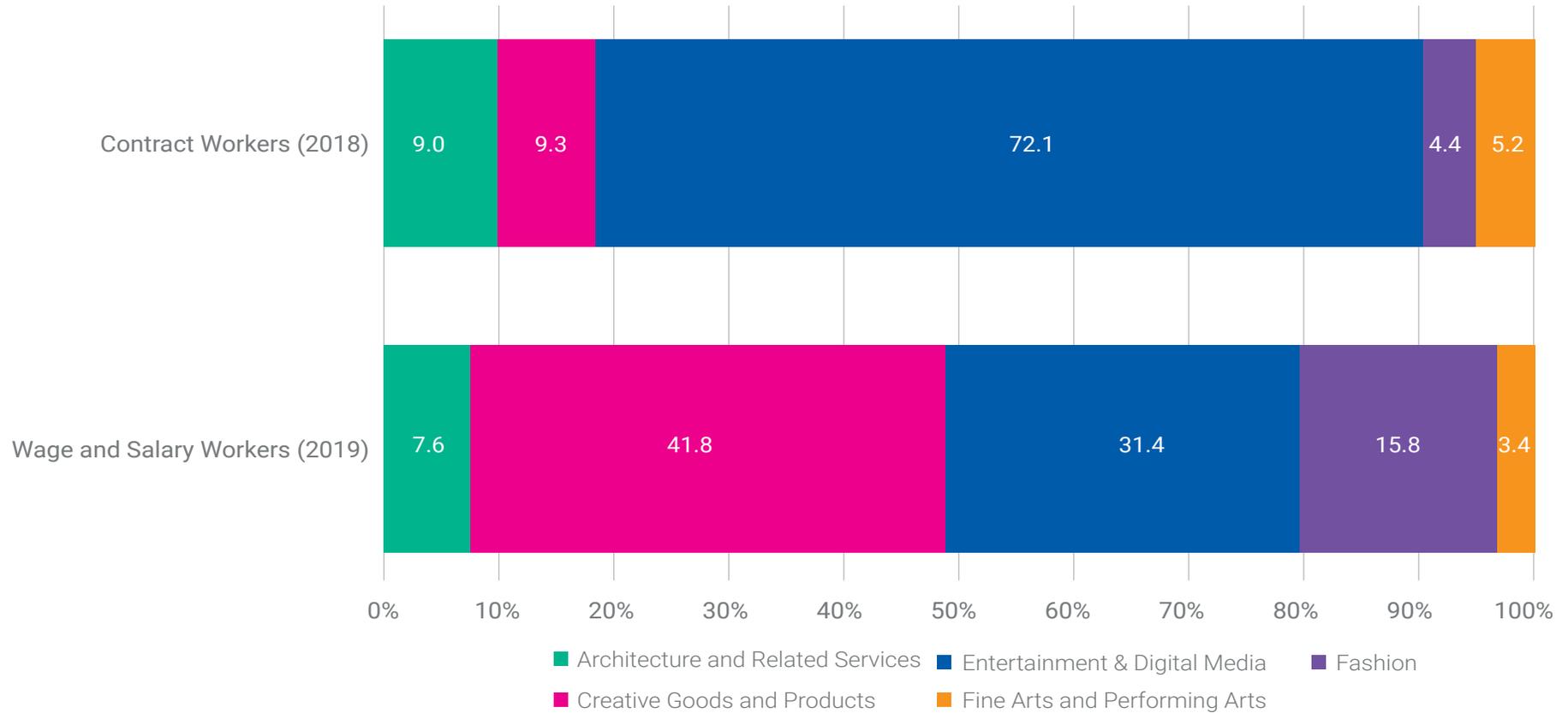


INLAND EMPIRE



Share of Creative Industry Jobs in the Inland Empire

Figure 4.20



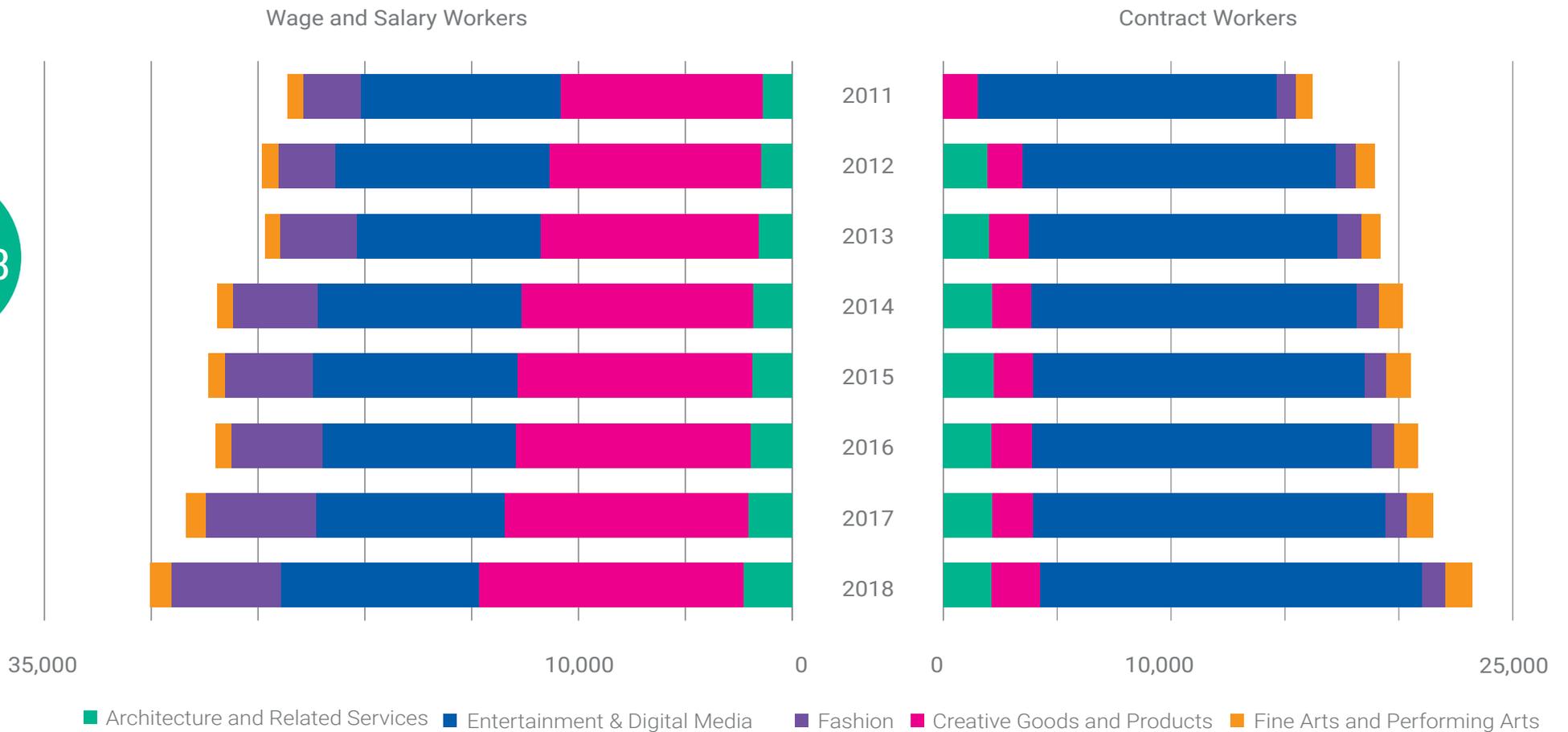
Over 5% of creative industry contract workers and 3% of wage and salary workers are employed in the Inland Empire. Creative industries account for 2% of the region's total employment. Thanks to the strong presence of manufacturing in the region, Creative Goods and Products is the largest sector for wage and salary employment at 42%. Entertainment & Digital Media accounted for the largest share of contract employment at 72%. Over five years, wage and salary employment increased 22%, while contract employment increased 21%.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Fine Arts and Performing Arts grew the most in five years among both wage and salary workers (36%) and contract workers (40%). There was also notable growth for both job groups in the Creative Goods and Products sector: 25% for contract workers, and 14% for wage and salary workers. While Entertainment & Digital Media was the only sector that saw negative growth among wage and salary workers (-2%), Fashion was the only sector that declined among contract workers (-2%).

Wage and Salary Employment vs. Contract Employment in the Inland Empire

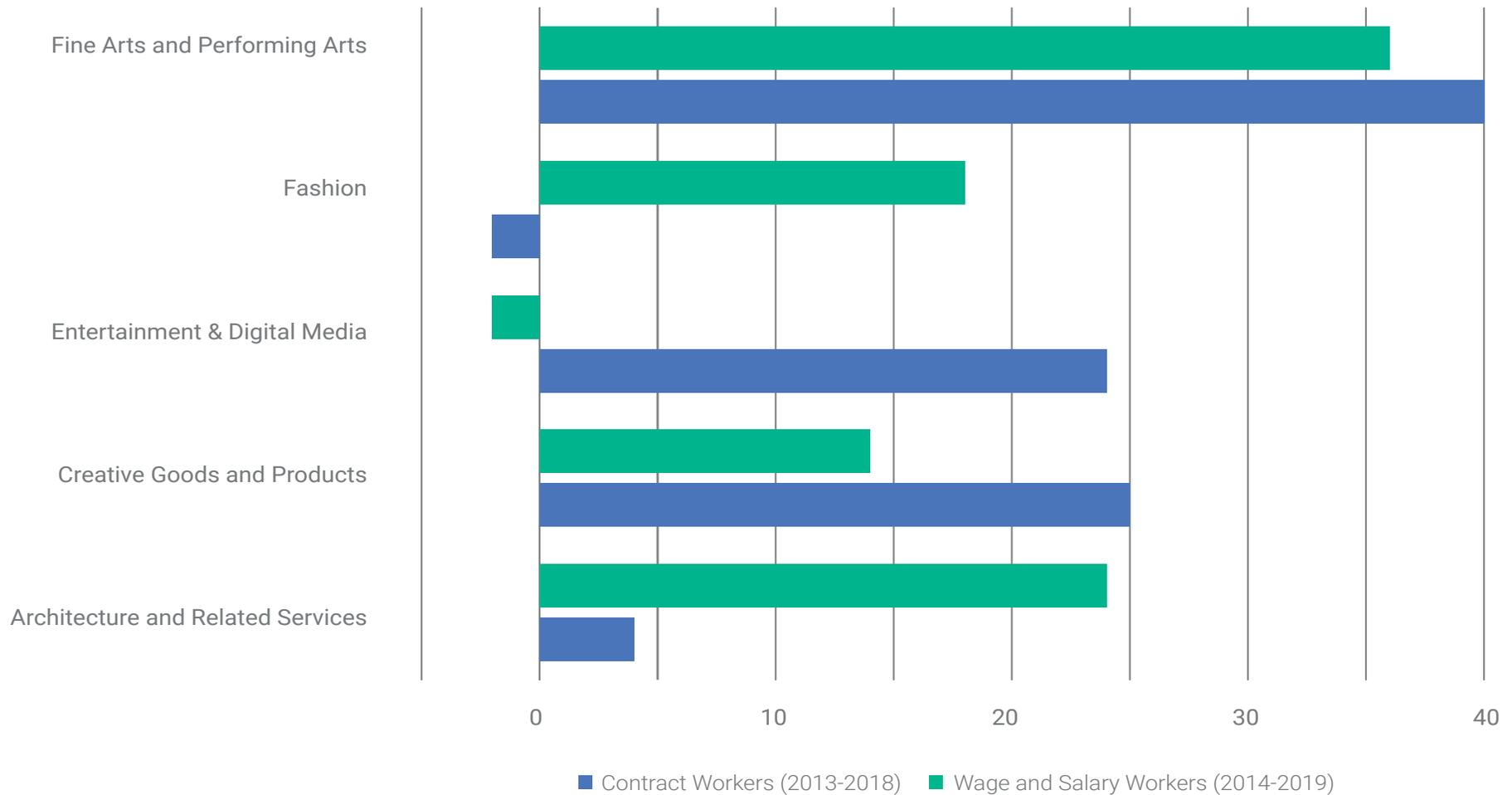
Figure 4.21



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Percentage Change in Employment by Creative Sector in the Inland Empire

Figure 4.22



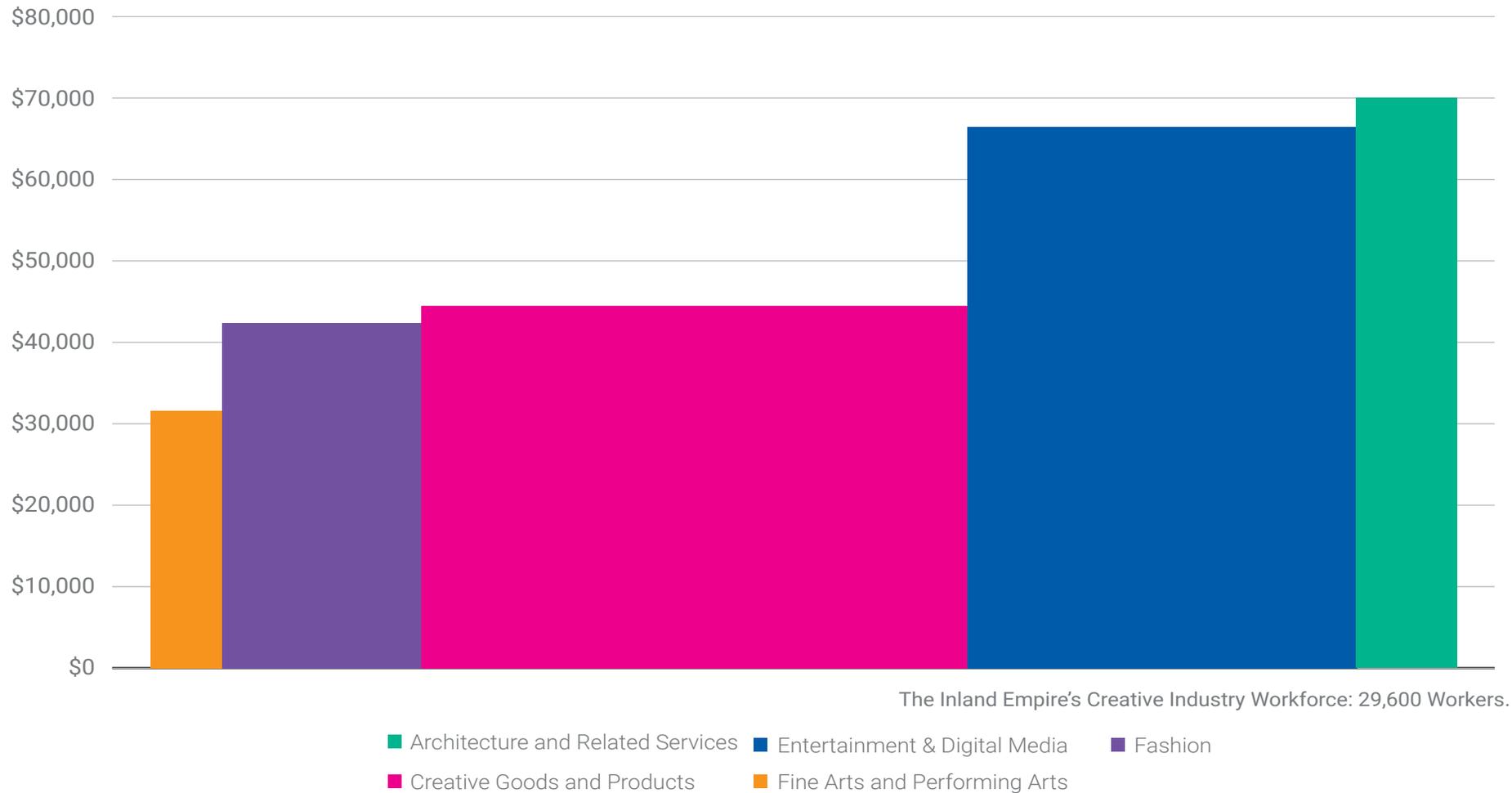
164

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Architecture and Related Services is the highest paying creative sector in the Inland Empire. In 2019, the annual average wage for this sector was \$70,600, followed by Entertainment & Digital Media (\$65,500). In 2019, the annual average wage in Fine Arts and Performing Arts – the lowest paying sector – was \$31,900.

Employment Share and Average Wage of Salary Workers in Creative Industries in the Inland Empire (2019)

Figure 4.23



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

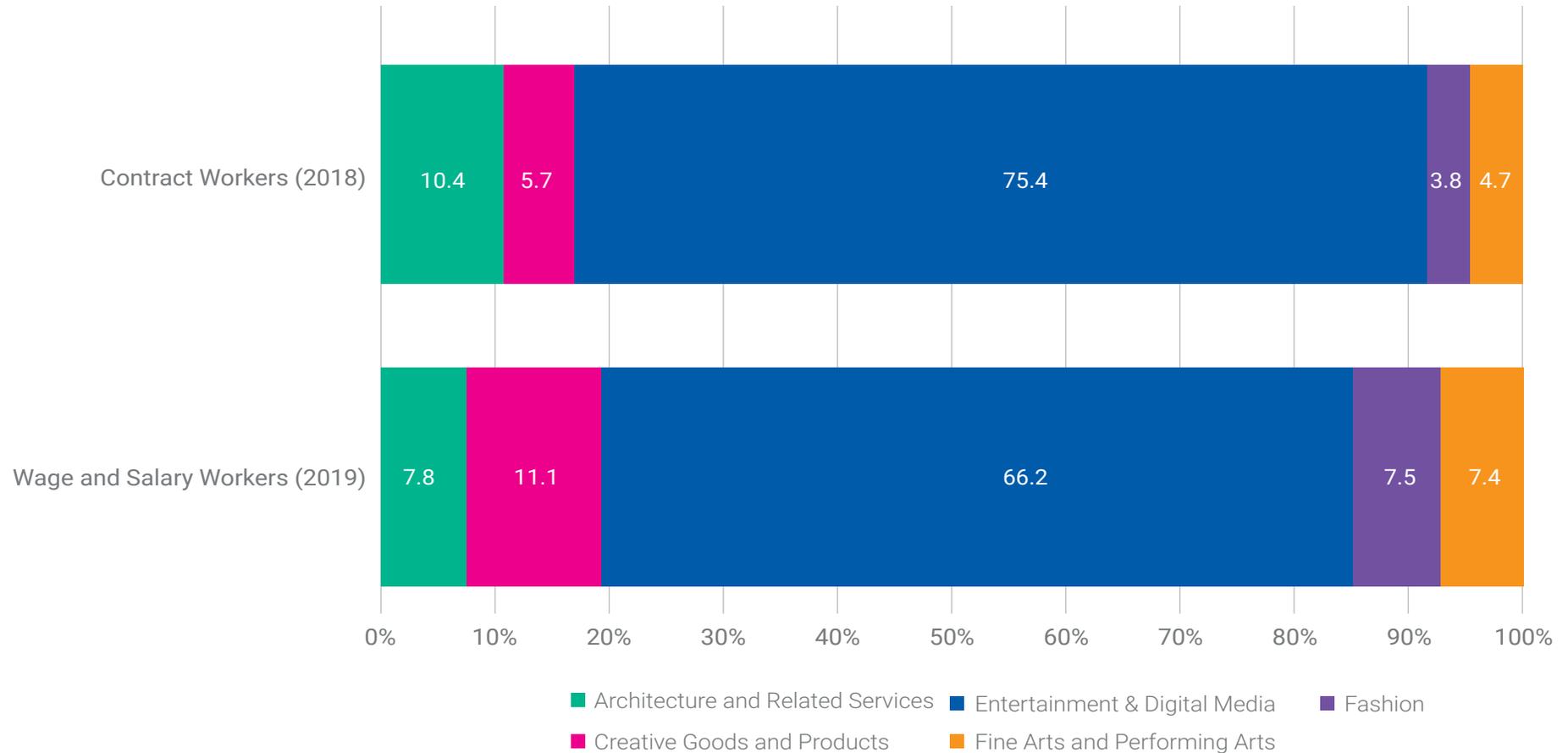


SAN DIEGO AND IMPERIAL COUNTIES



Share of Creative Industry Jobs in San Diego and Imperial Counties

Figure 4.24



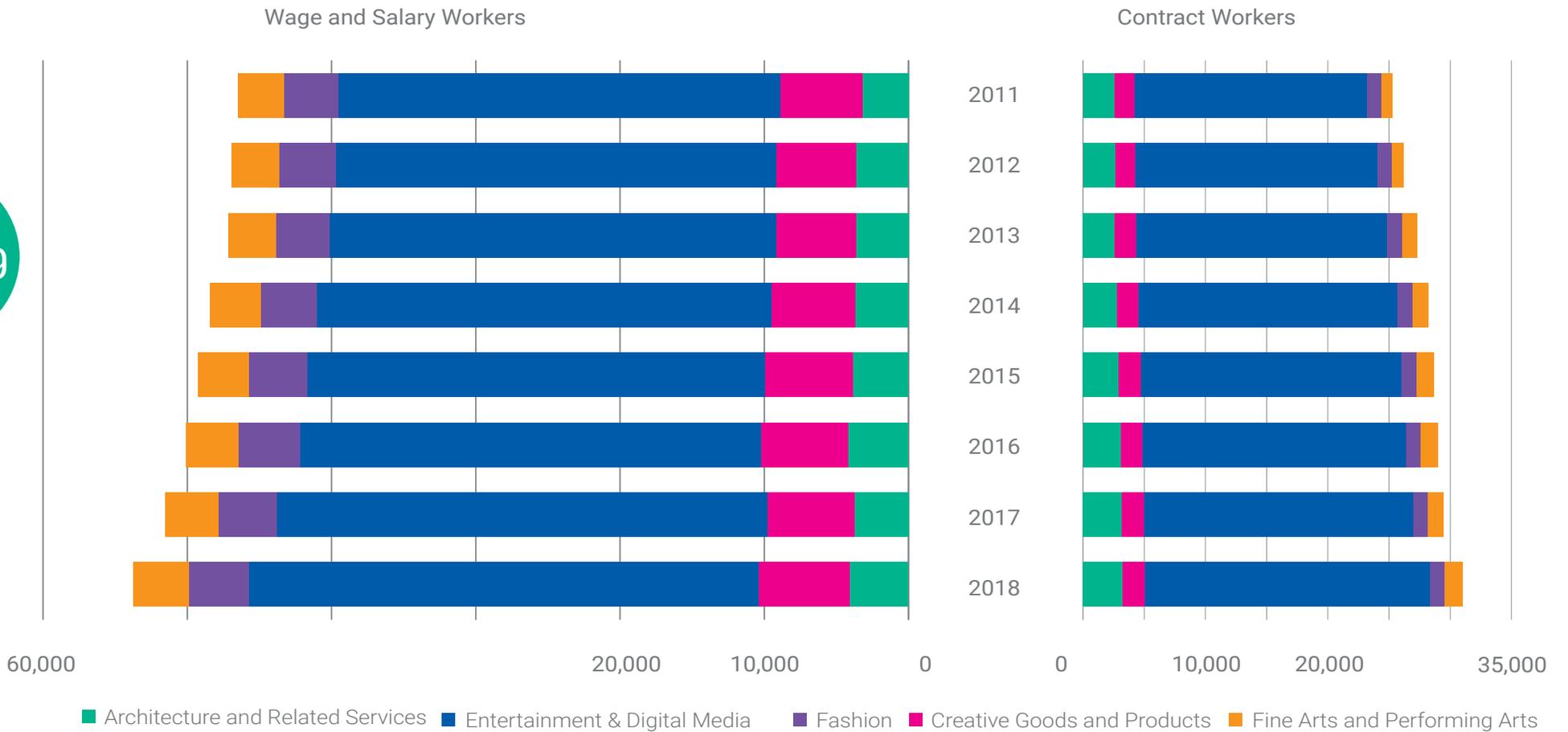
San Diego County and Imperial County account for 5.5% of creative wage and salary employment, and 7.4% of creative contract employment in California. Creative industries account for 4% of the region's total employment.

The Entertainment & Digital Media industry is the dominant creative sector for both wage and salary workers and contract workers, accounting for 75% and 66% of jobs respectively. Creative Goods and Products has a larger share of wage and salary workers (11.1%) than contract workers (5.7%). Architecture and Related Services has a larger share of contract workers (10.4%) than wage and salary workers (7.8%). Over five years, both wage and salary employment and contract employment grew at roughly the same pace: 14% and 13%, respectively.

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage and Salary Employment vs. Contract Employment in San Diego and Imperial Counties

Figure 4.25

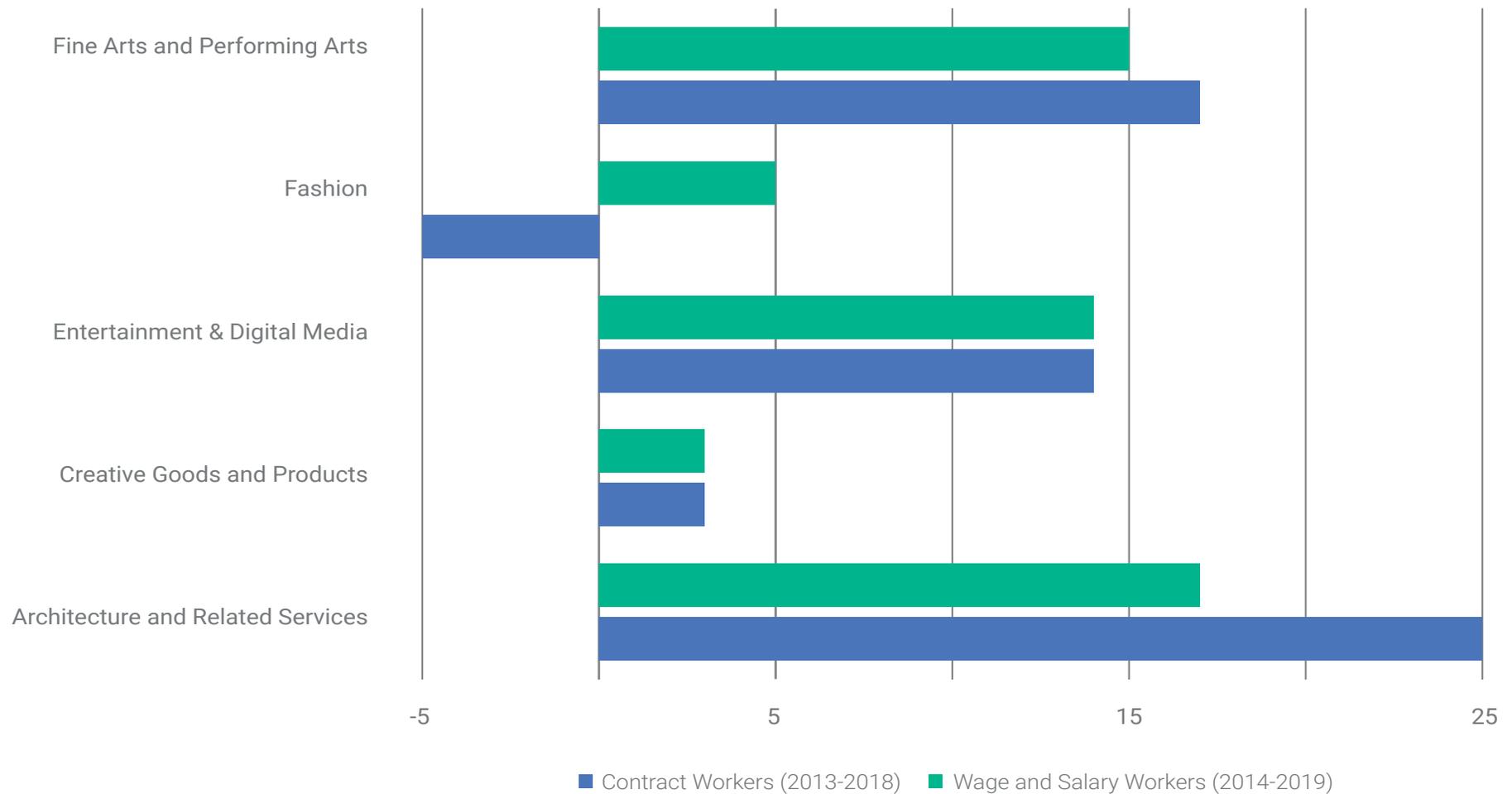


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Over five years, Architecture and Related Services was the fastest-growing sector in both wage and salary employment (25%) and contract employment (17%), followed by Fine Arts and Performing Arts (15% wage and salary, 17% contract). Only contract employment in Fashion experienced negative growth (-5%) in the region.

Percentage Change in Employment by Creative Sector in San Diego and Imperial Counties, 5-Year

Figure 4.26



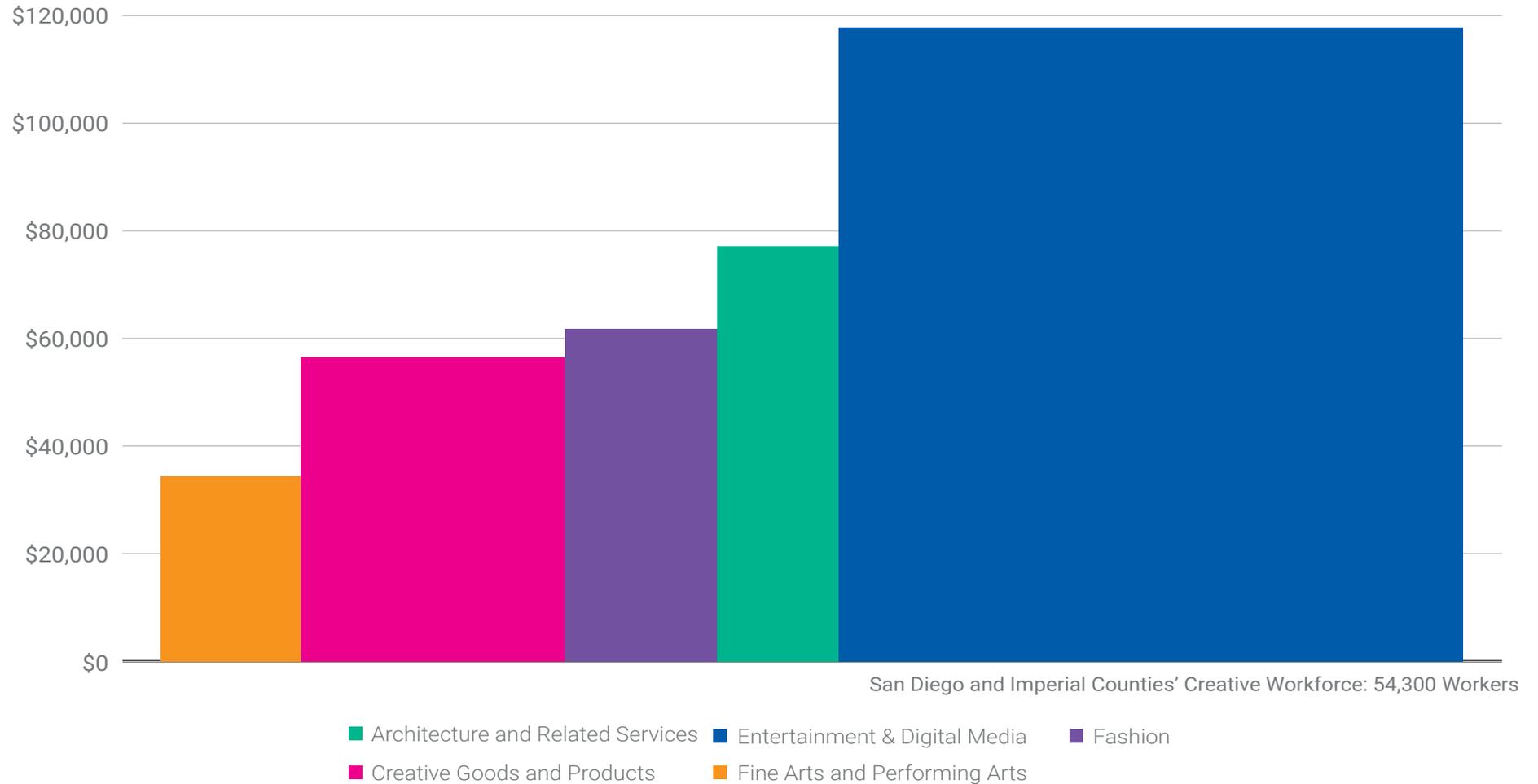
170

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Aside from being the largest industry, Entertainment & Digital Media is also the highest-paying creative sector in San Diego and Imperial counties, paying \$118,000 annually on average. In keeping with other regions, the lowest paying industry is Fine Arts and Performing Arts, paying \$35,000 on average annually.

Employment Share and Average Wage of Salary Workers in Creative Industries in San Diego and Imperial Counties (2019)

Figure 4.27



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

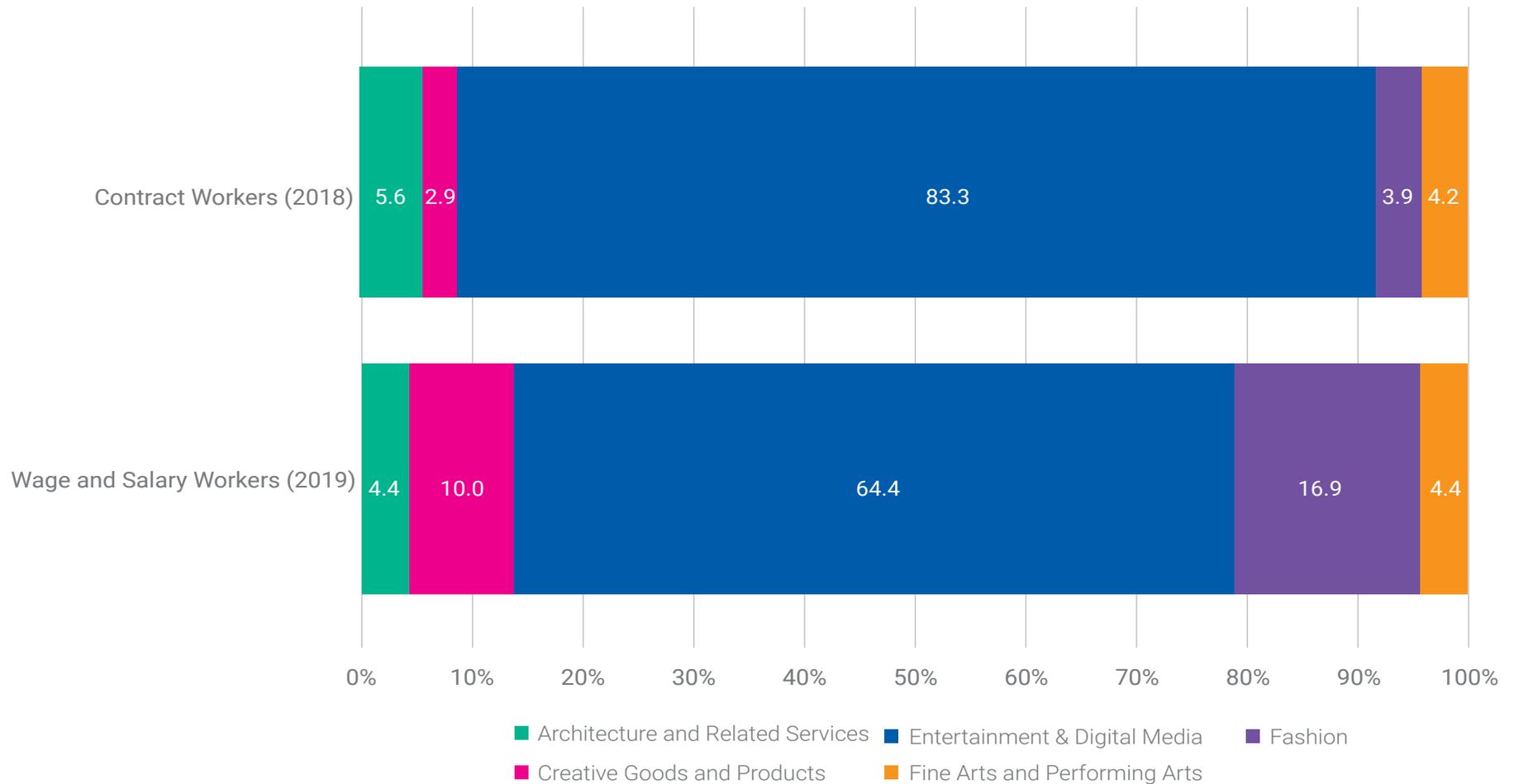


SOUTHERN CALIFORNIA



Share of Creative Industry Jobs in Southern California

Figure 4.28



174

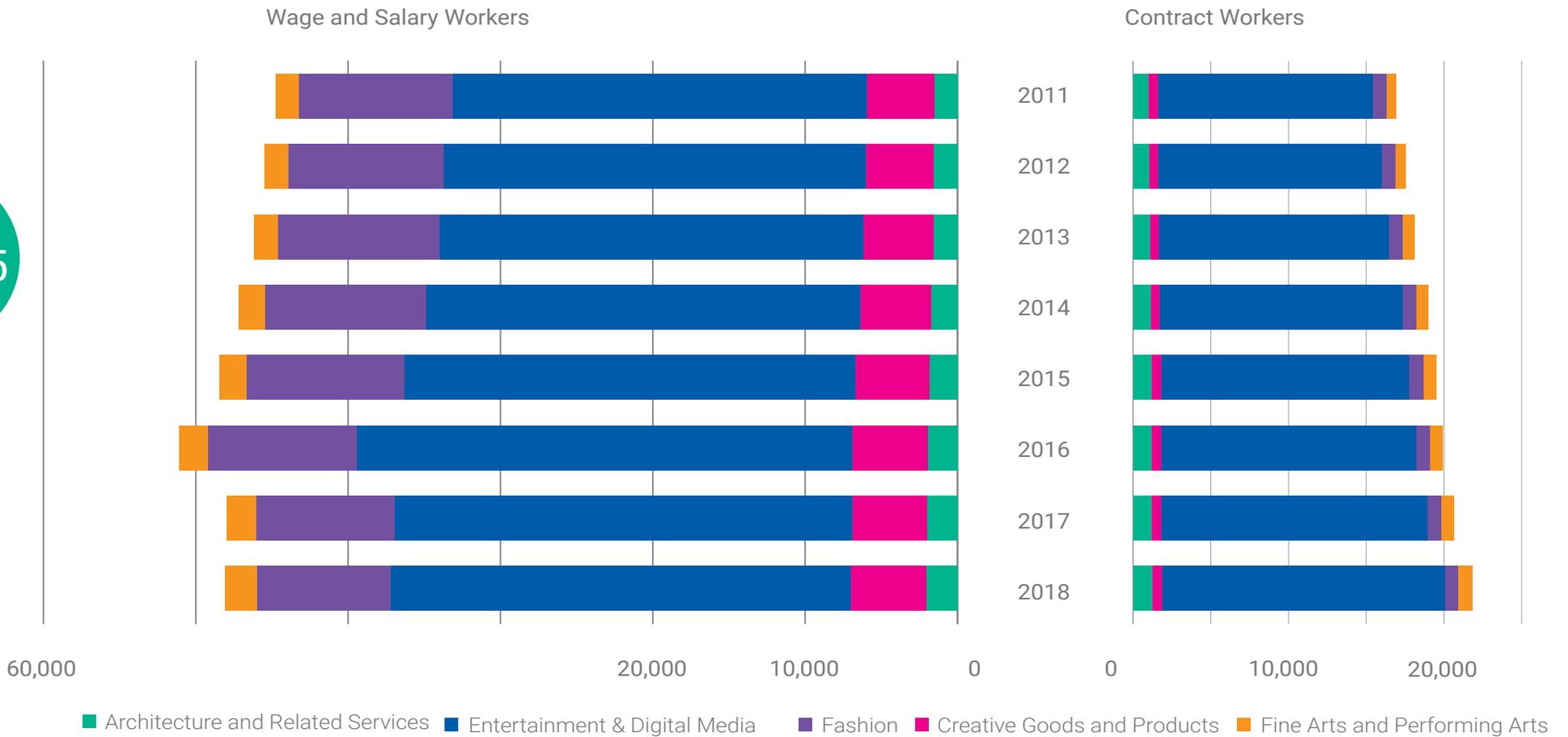
Southern California has the largest concentration of creative industries in the state, accounting for 49% of California’s creative wage and salary employment and 52% of its contract employment. Creative industries account for 9% of the region’s total employment.

Entertainment & Digital Media is the largest creative sector among both wage and salary worker and contract workers. Fashion has a considerably higher share of wage and salary workers in Southern California (16.9%) than elsewhere in California. Creative Goods and Products has a larger share of wage and salary workers (10.0%) than contract workers (2.9%). Over five years, contract employment in the creative industries grew substantially more (21%) than wage and salary employment (4%).

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

Wage and Salary Employment vs. Contract Employment in Southern California

Figure 4.29



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

For both employment groups, the fastest-growing sector over five years was Fine Arts and Performing Arts, with wage and salary employment growing 27%, and contract employment growing 22%. By contrast, Fashion employment declined for both job groups, particularly wage and salary at -22%.

Percentage Change in Employment by Creative Sector in Southern California, 5-Year (2014-2019)

Figure 4.30

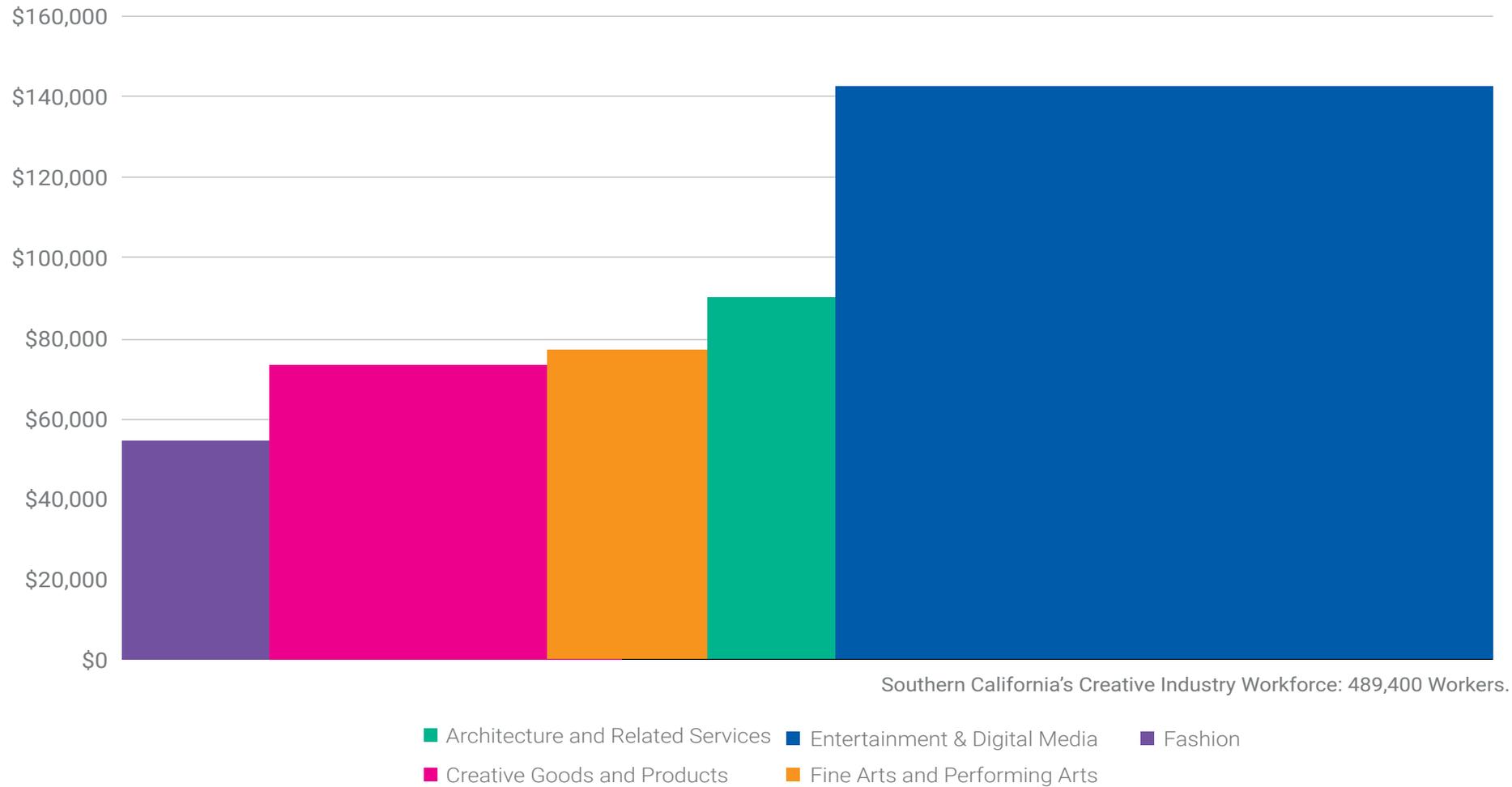


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

The highest-earning sector in Southern California is Entertainment & Digital Media, with an average annual wage in 2019 of \$142,200. Southern California is the only region where Fine Arts and Performing Arts is not the lowest-earning sector. In fact, it is the third-highest paying sector, with an annual average wage of \$79,000. The lowest-paying sector in Southern California is Fashion (\$56,500).

Employment Share and Average Wage of Salary Workers in Creative Industries in Southern California (2019)

Figure 4.31



177

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

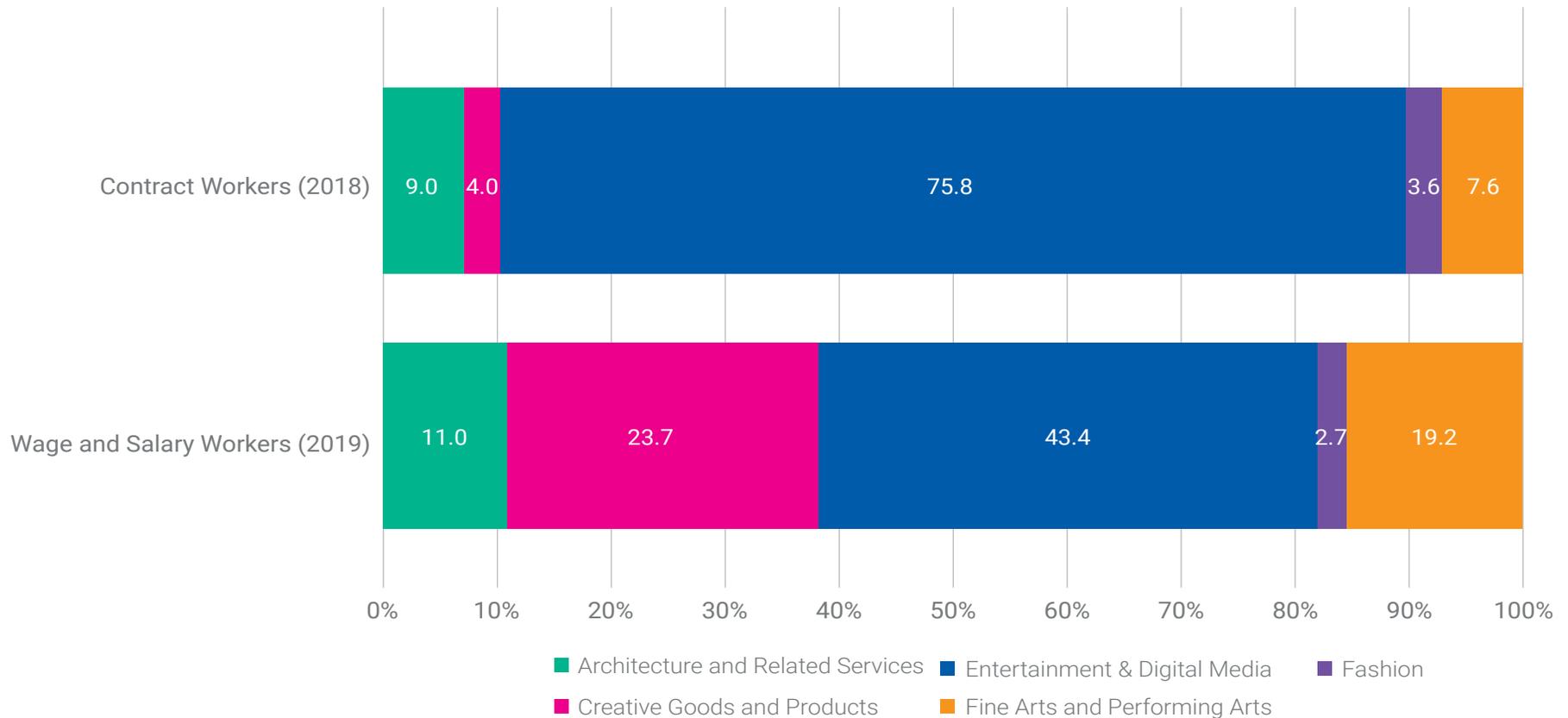


NORTHERN CALIFORNIA



Share of Creative Industry Jobs in Northern California

Figure 4.32



180

Northern California has the smallest share of creative employment in the state, accounting for just 0.2% of wage and salary employment and 1.4% of contract employment. Creative industries account for 1% of the region’s workforce, which less than 2,000 workers employed in creative industries.

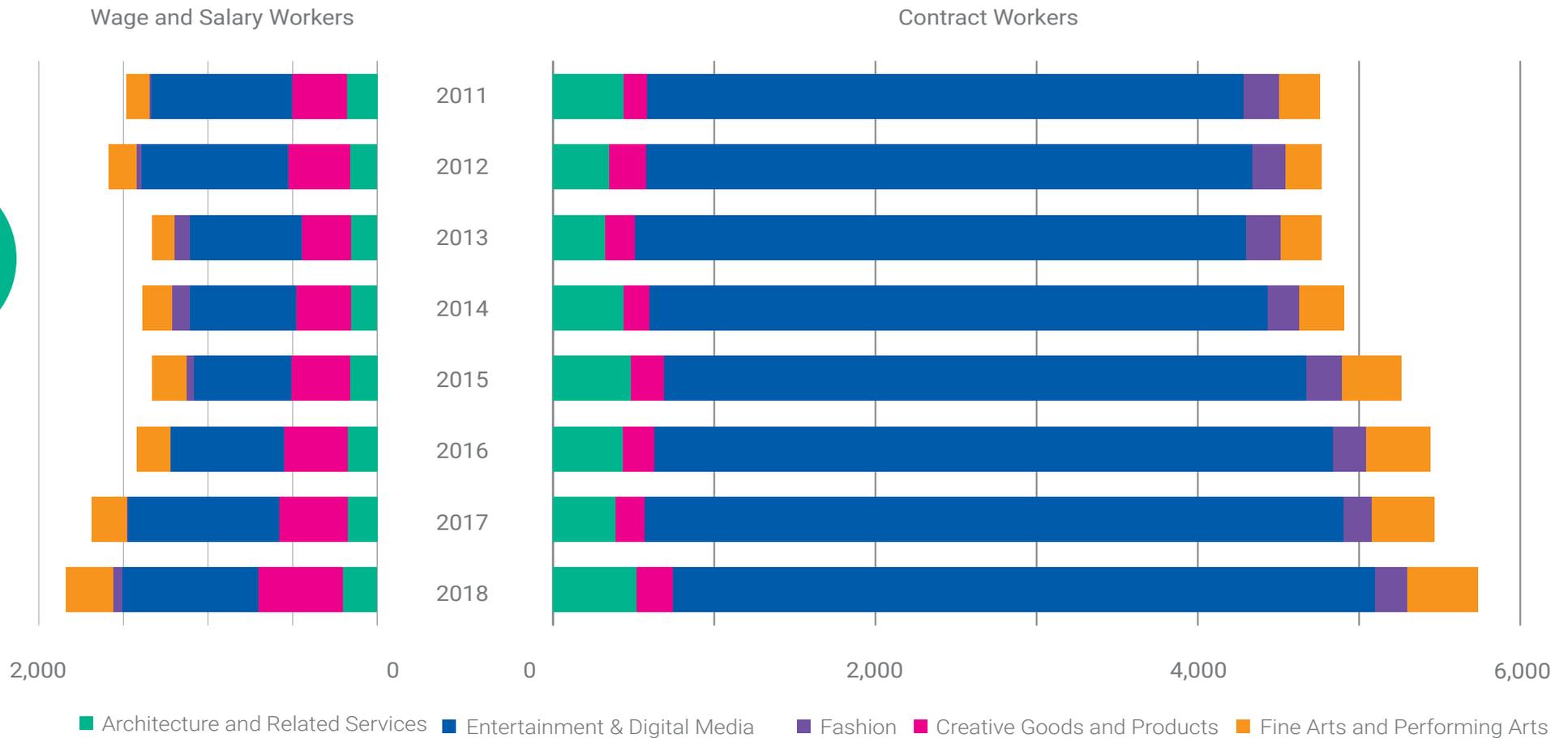
Entertainment & Digital Media is the largest sector among both job groups. However, compared to other regions, it accounts for a smaller share of wage and salary employment (43.4%). Sectors that have a larger share of wage and salary employment are Creative Goods and Products (23.7%), and Fine Arts and Performing Arts (19.2%).

Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

At 5,700 workers, contract employment significantly outstrips wage and salary employment (1,800) in the region's Creative Economy. Contract employment has grown steadily year-over-year since 2010, while wage and salary employment has fluctuated. Over five years, however, wage and salary employment growth (38%) outpaced contract employment growth (20%).

Wage and Salary Employment vs. Contract Employment in Northern California

Figure 4.33

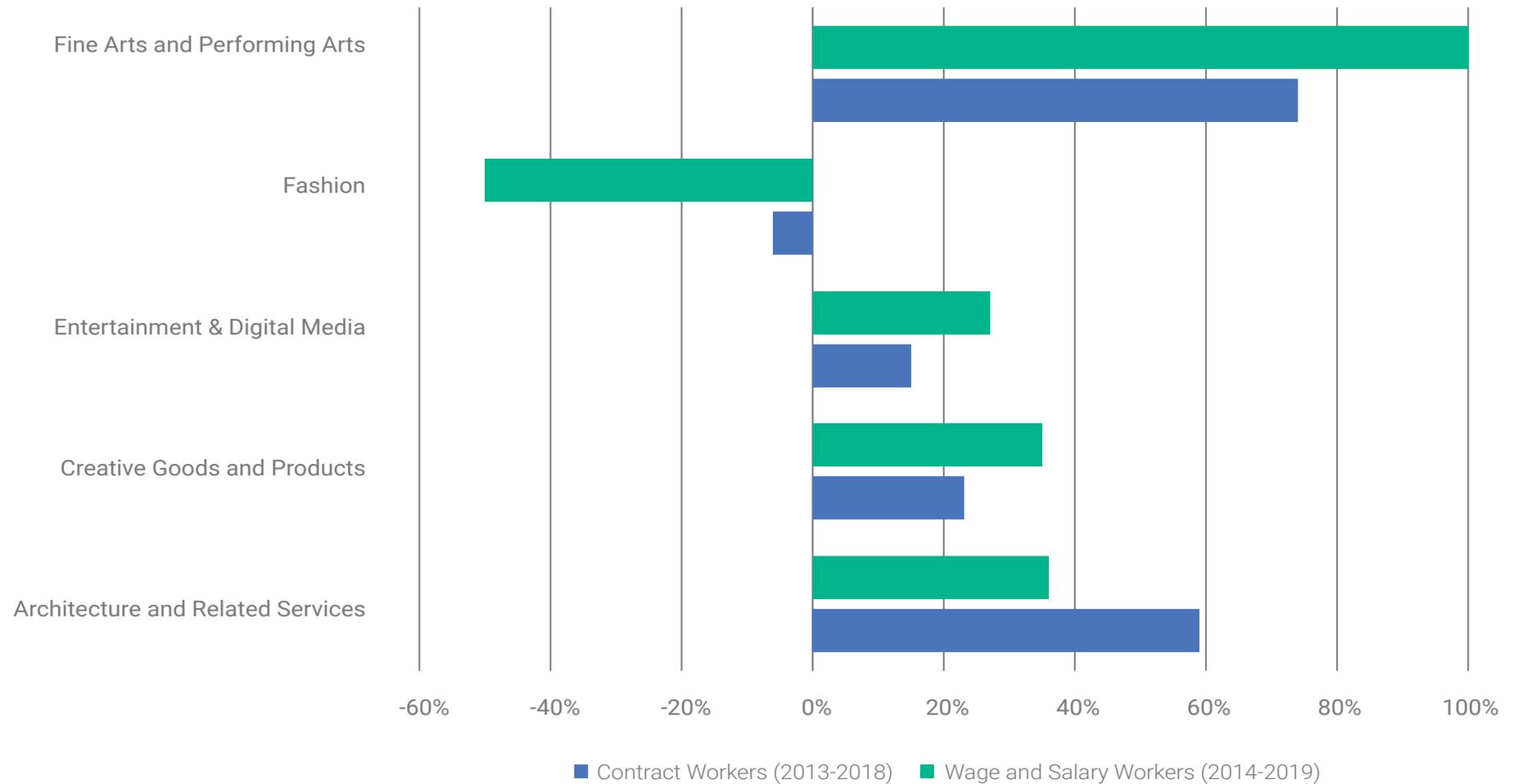


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

The Fine Arts and Performing Arts subsector experienced the highest employment growth over five years for both wage and salary workers (100%) and contract workers (74%). Conversely, Fashion employment decreased over five years for both wage and salary workers (-50%) and contract workers (-6%).

Percentage Change in Employment by Creative Sector in Northern California, 5-Year

Figure 4.34

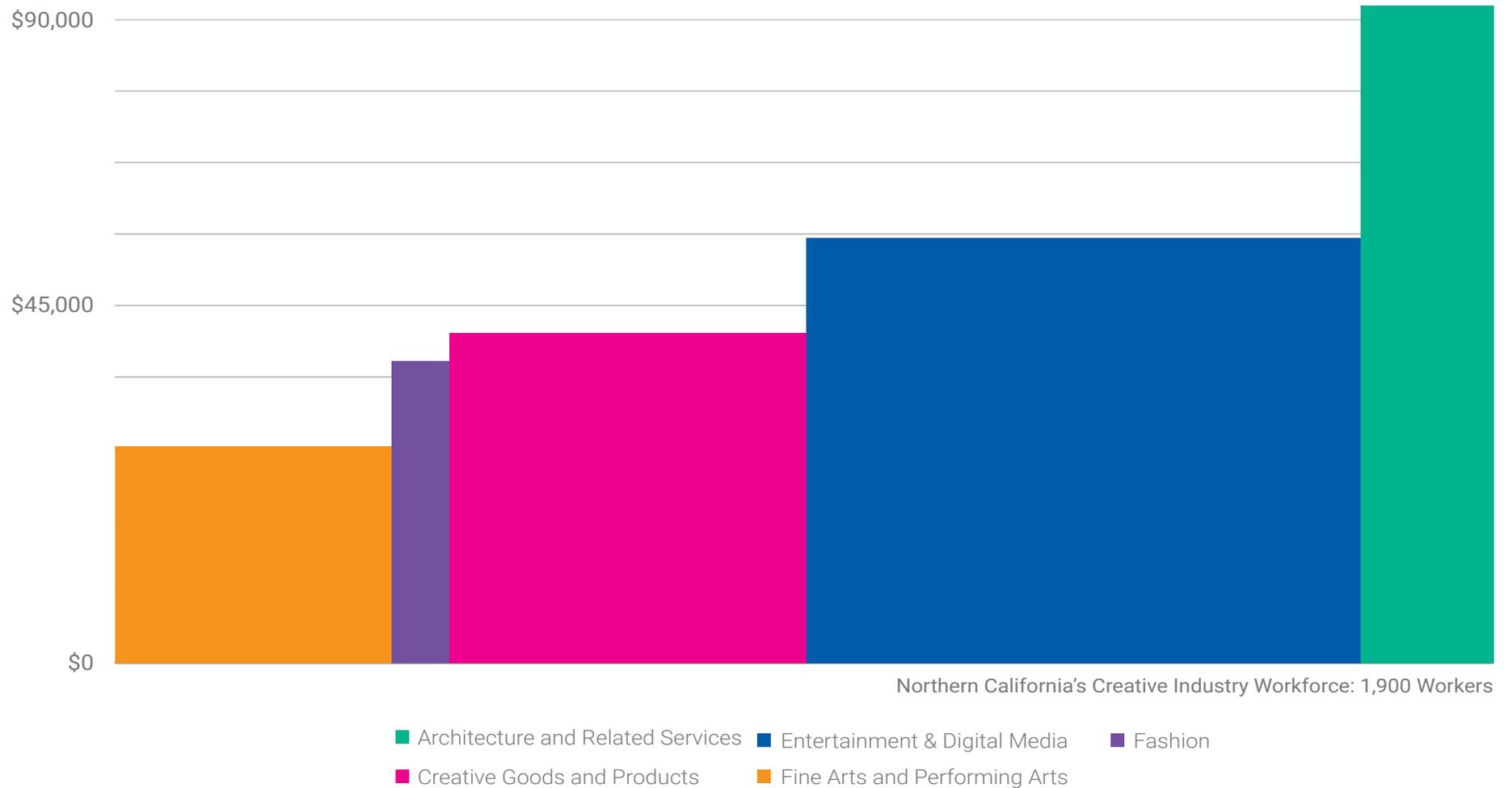


Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Census Bureau, Nonemployer Statistics (NES); Analysis by Beacon Economics

The highest paying industry in Northern California is Architecture and Related Services, with an average annual wage of \$92,400 (it is also the second-smallest creative industry). Entertainment & Digital Media has the lowest annual average wage compared to other regions, paying only \$52,600 on average in 2019. The lowest-paying sector is Fine Arts and Performing Arts, paying \$20,000 on average annually in 2019.

Employment Share and Average Wage of Salary Workers in Creative Industries in Northern California (2019)

Figure 4.35



Source: Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics



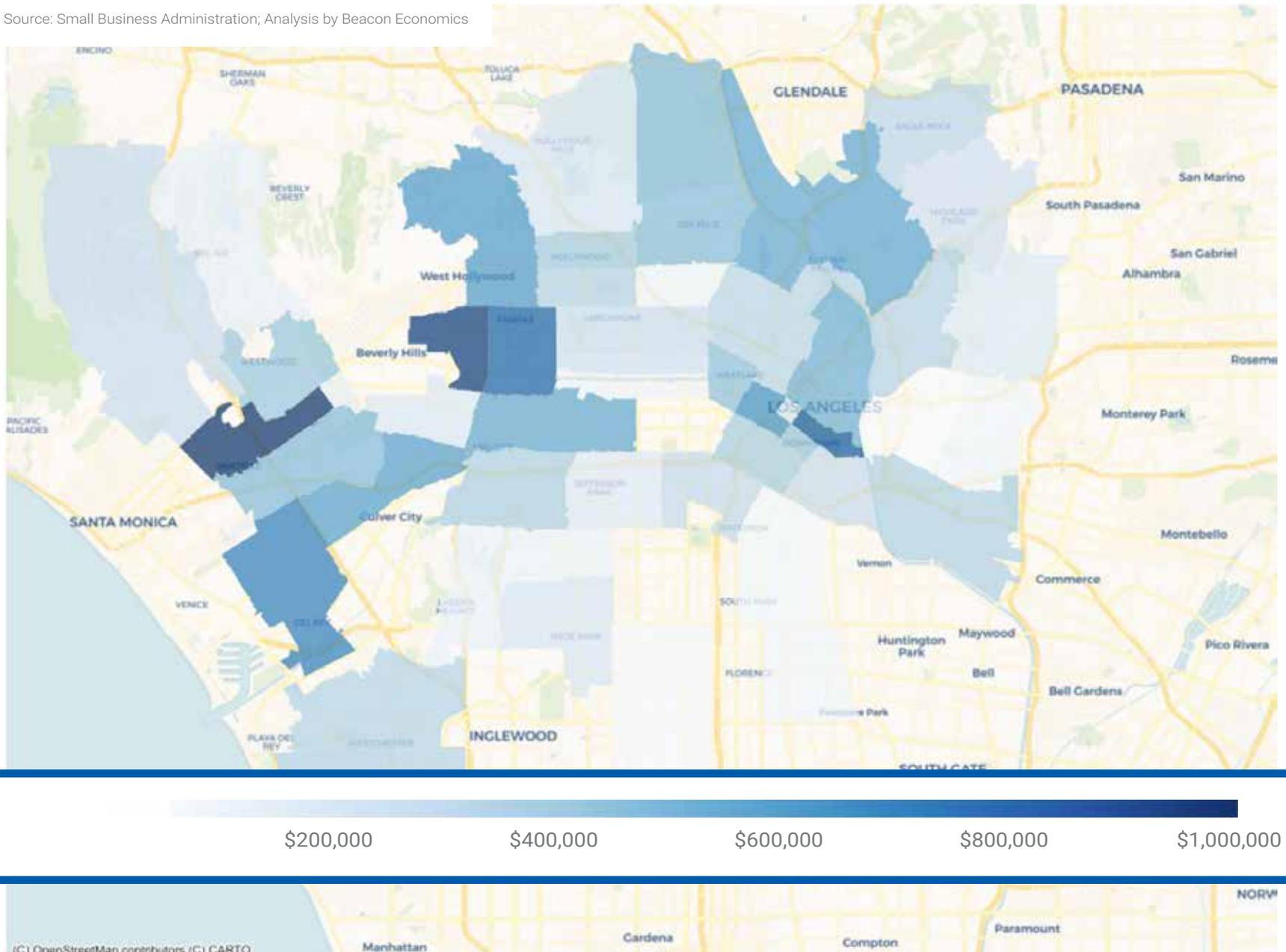
05

APPENDIX

Total PPP Loan Amount for Architecture and Related Services, L.A. County

Figure A.1.1

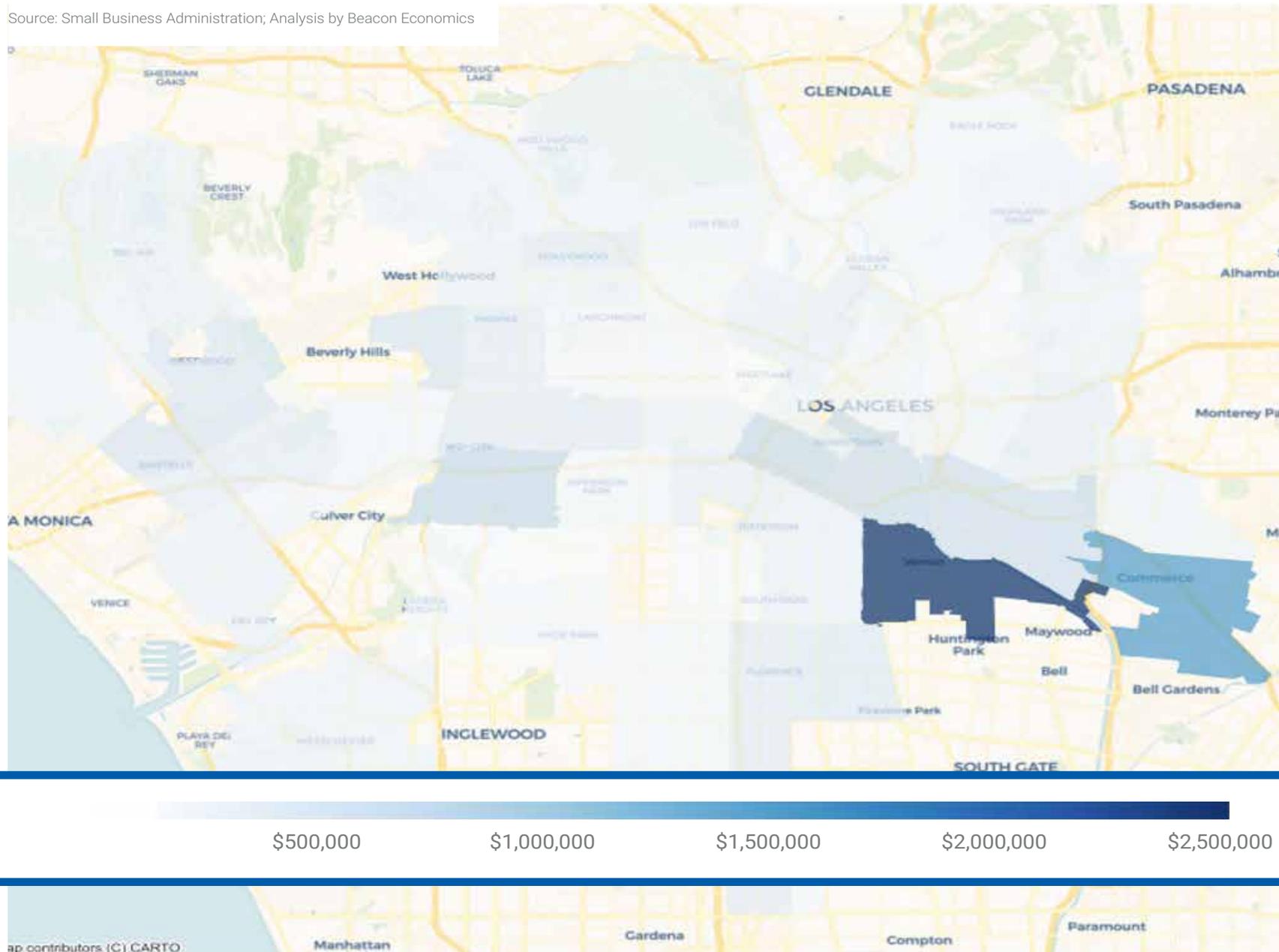
Source: Small Business Administration; Analysis by Beacon Economics



Total PPP Loan Amount for Creative Goods and Products, L.A. County

Figure A.1.2

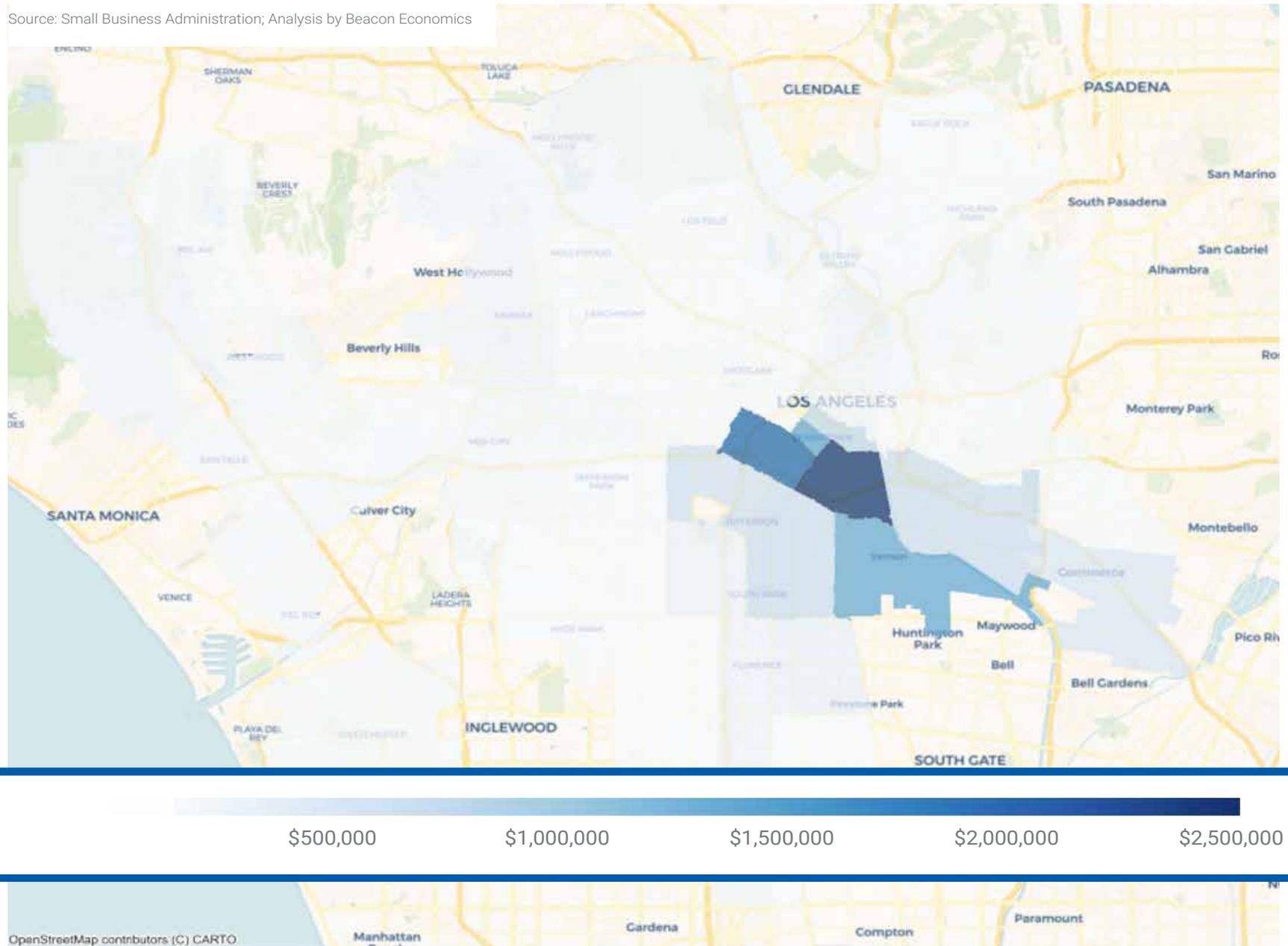
Source: Small Business Administration; Analysis by Beacon Economics



Total PPP Loan Amount for Fashion, Los Angeles County

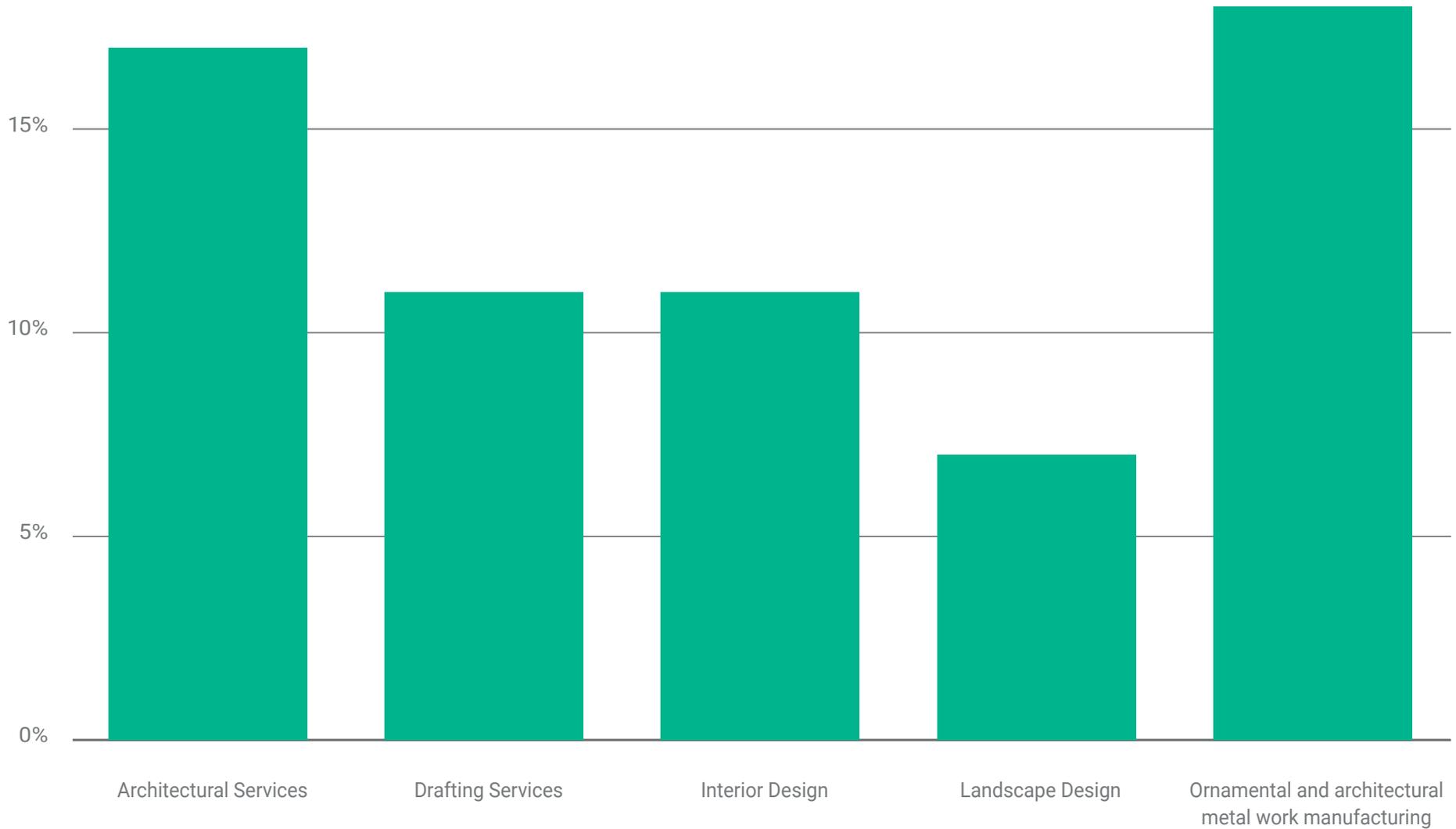
Figure A.1.3

Source: Small Business Administration; Analysis by Beacon Economics



Wage Growth by Architecture and Related Services Subsector in California, 5-Year (2014-2019)

Figure A.2.1



190

Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Architecture and Related Services Establishments by Size in California

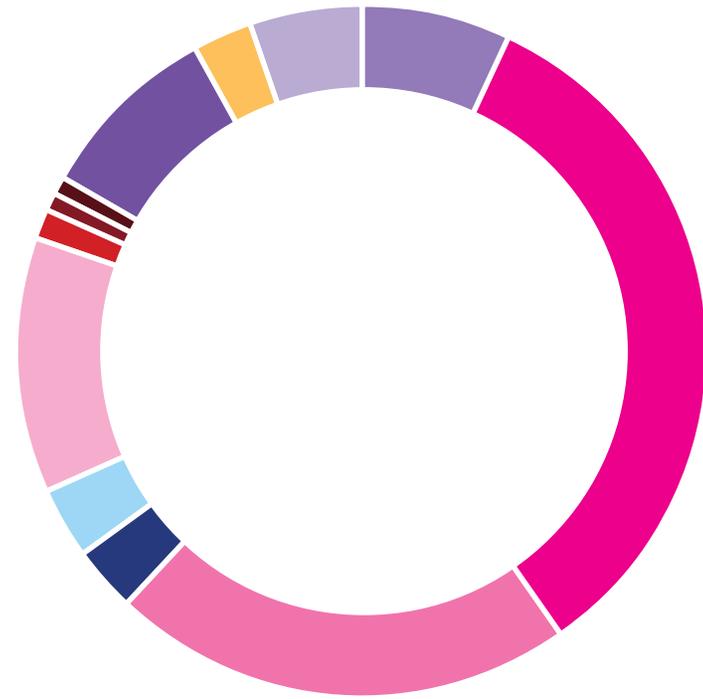
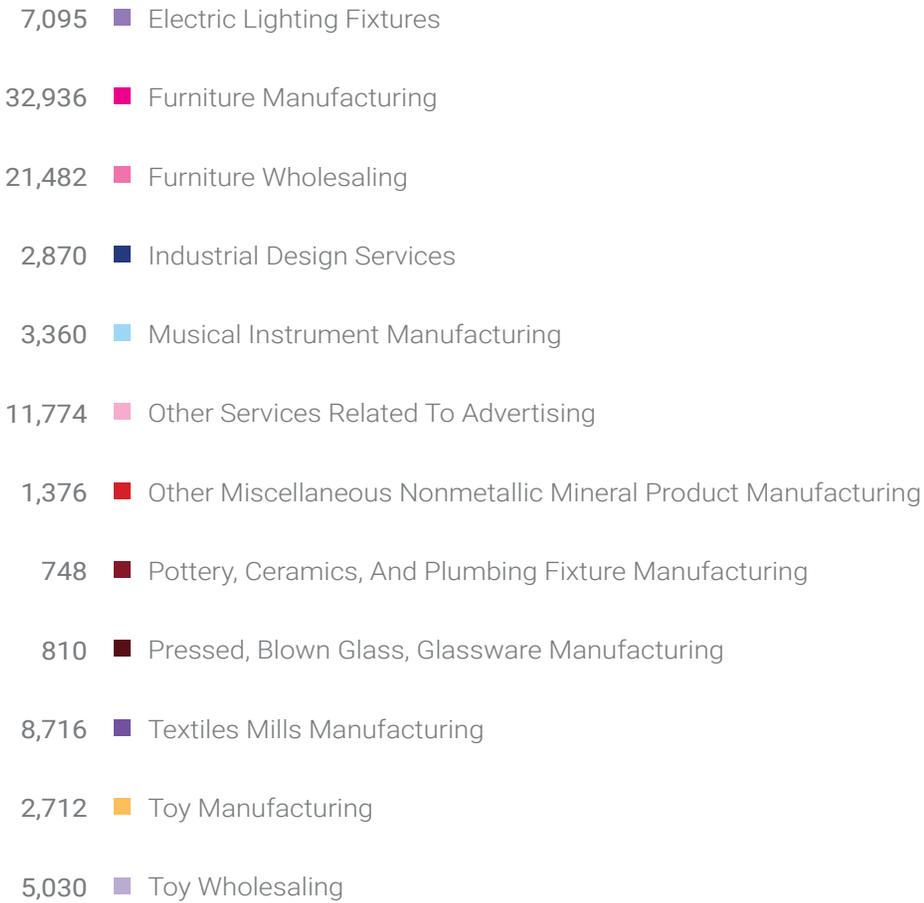
Table A.2.1

Size Category	Number of Establishments
Total	7,165
>10	6,125
10 to 49	918
50 to 99	83
100 to 499	32
500 to 999	0
1,000+	0

Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Creative Goods and Products Employment Share by Subsector in California

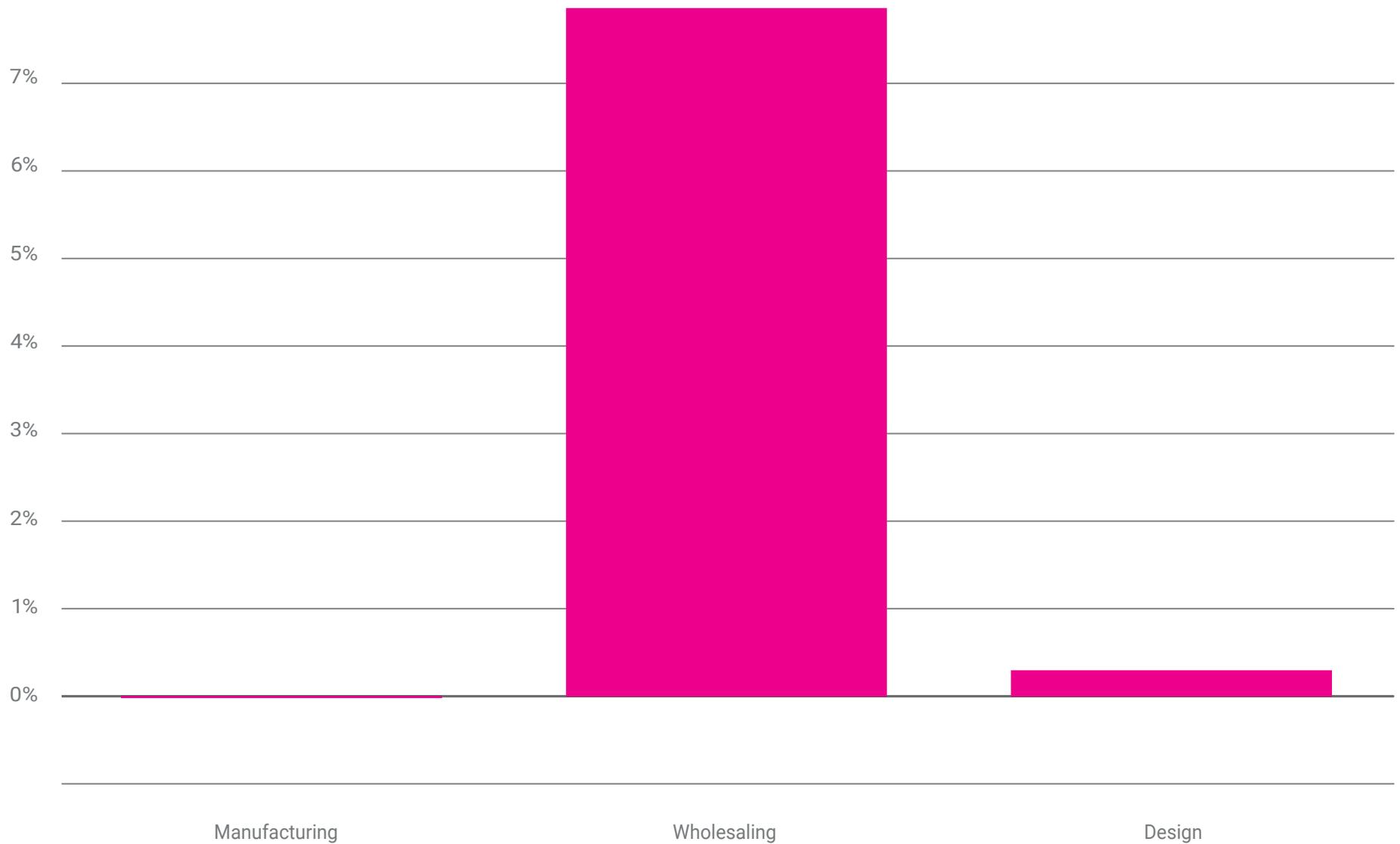
Figure A.2.2



Source: 2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW). Analysis by Beacon Economics

Employment Growth by Creative Goods and Products Function in California, 5-Year (2014-2019)

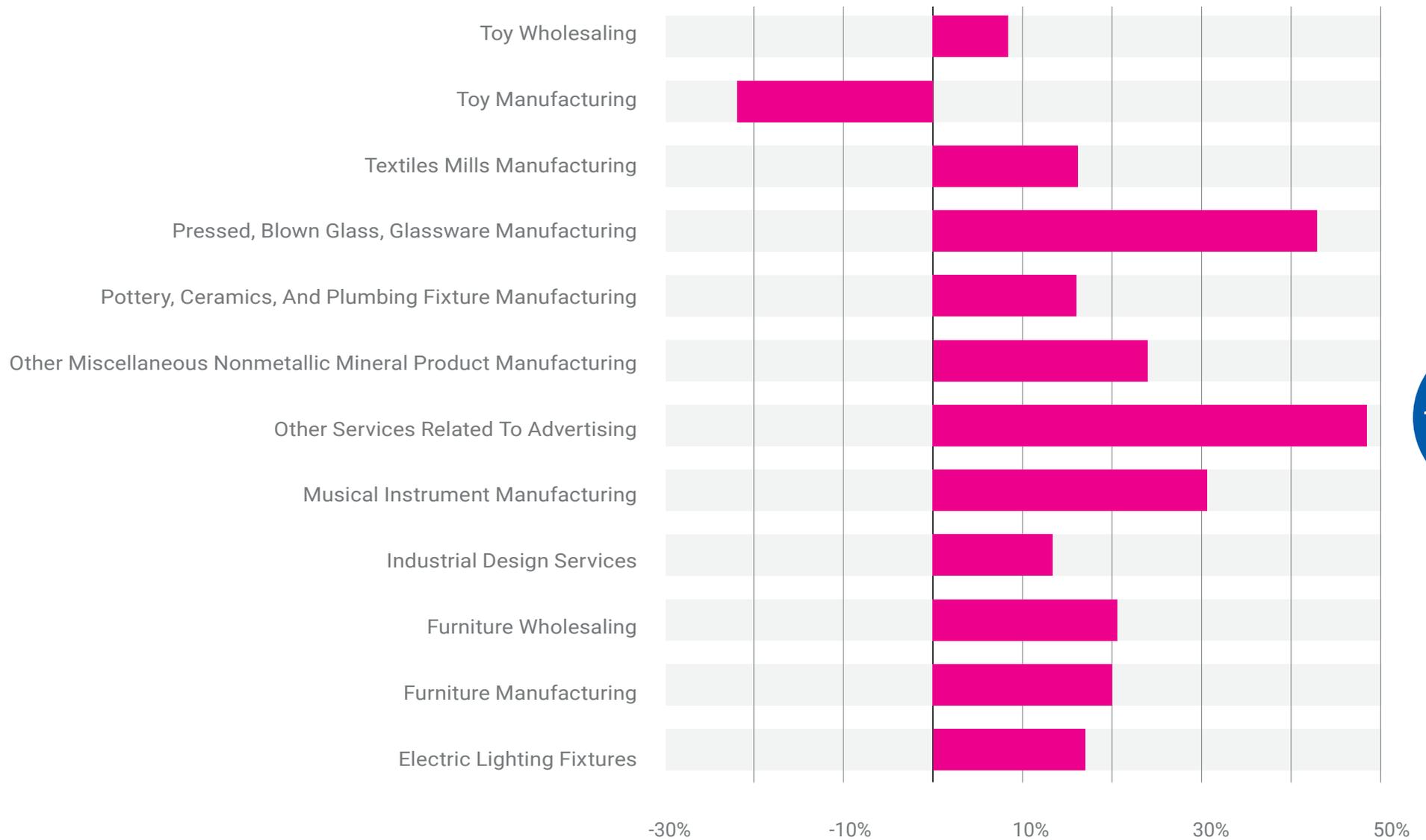
Figure A.2.3



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW).
Analysis by Beacon Economics

Wage Growth by Creative Goods and Products Subsector in California, 5-Year (2014-2019)

Figure A.2.4



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Creative Goods and Products Establishments by Size in California

Table A.2.2

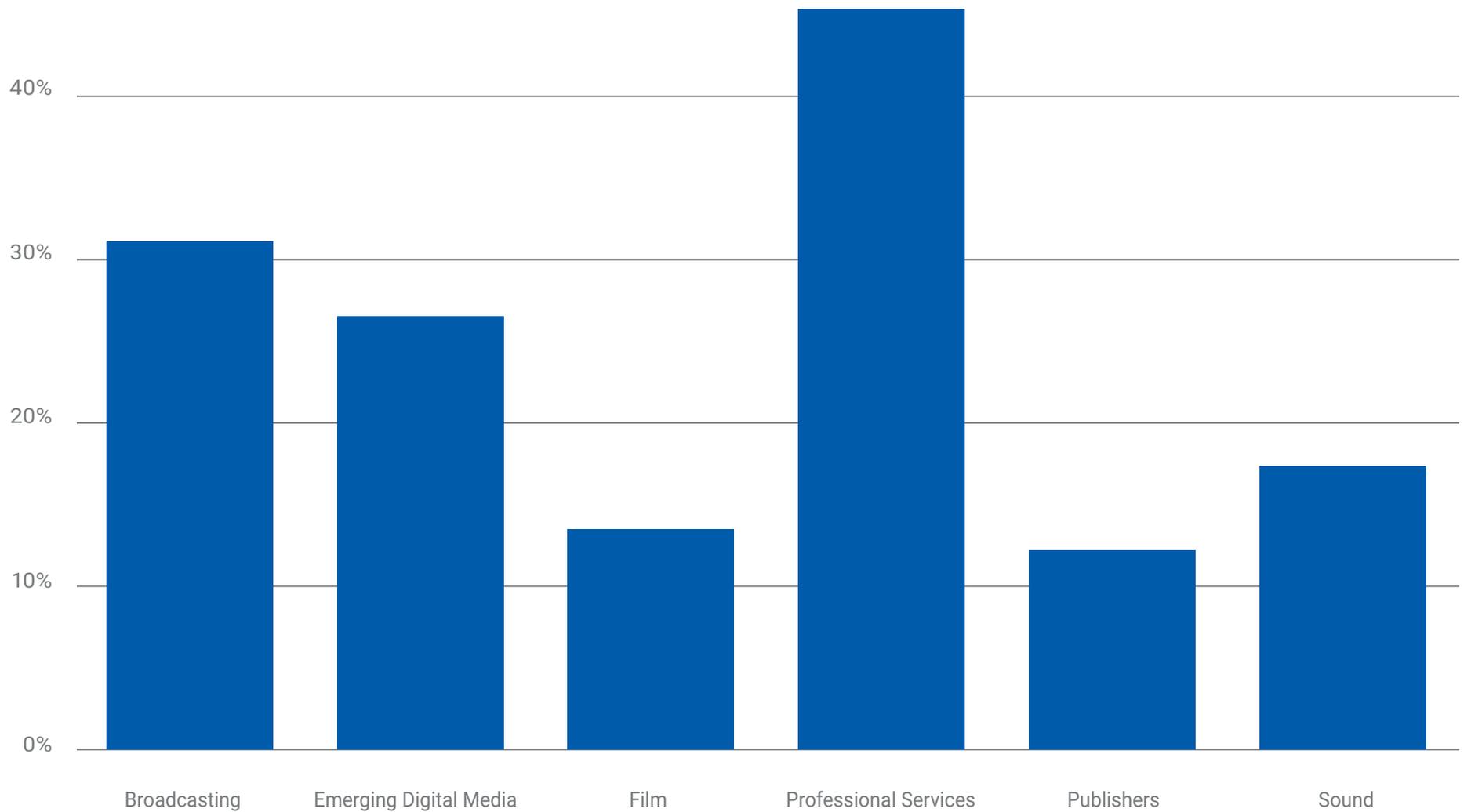
Size Category	Number of Establishments
Total	7,138
>10	5,016
10 to 49	1,608
50 to 99	310
100 to 499	175
500 to 999	0
1,000+	0

195

Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Wage Growth by Entertainment & Digital Media Subsector in California, 5-Year (2014-2019)

Figure A.2.5



196

Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW);
Analysis by Beacon Economics

Entertainment & Digital Media Establishments by Size in California

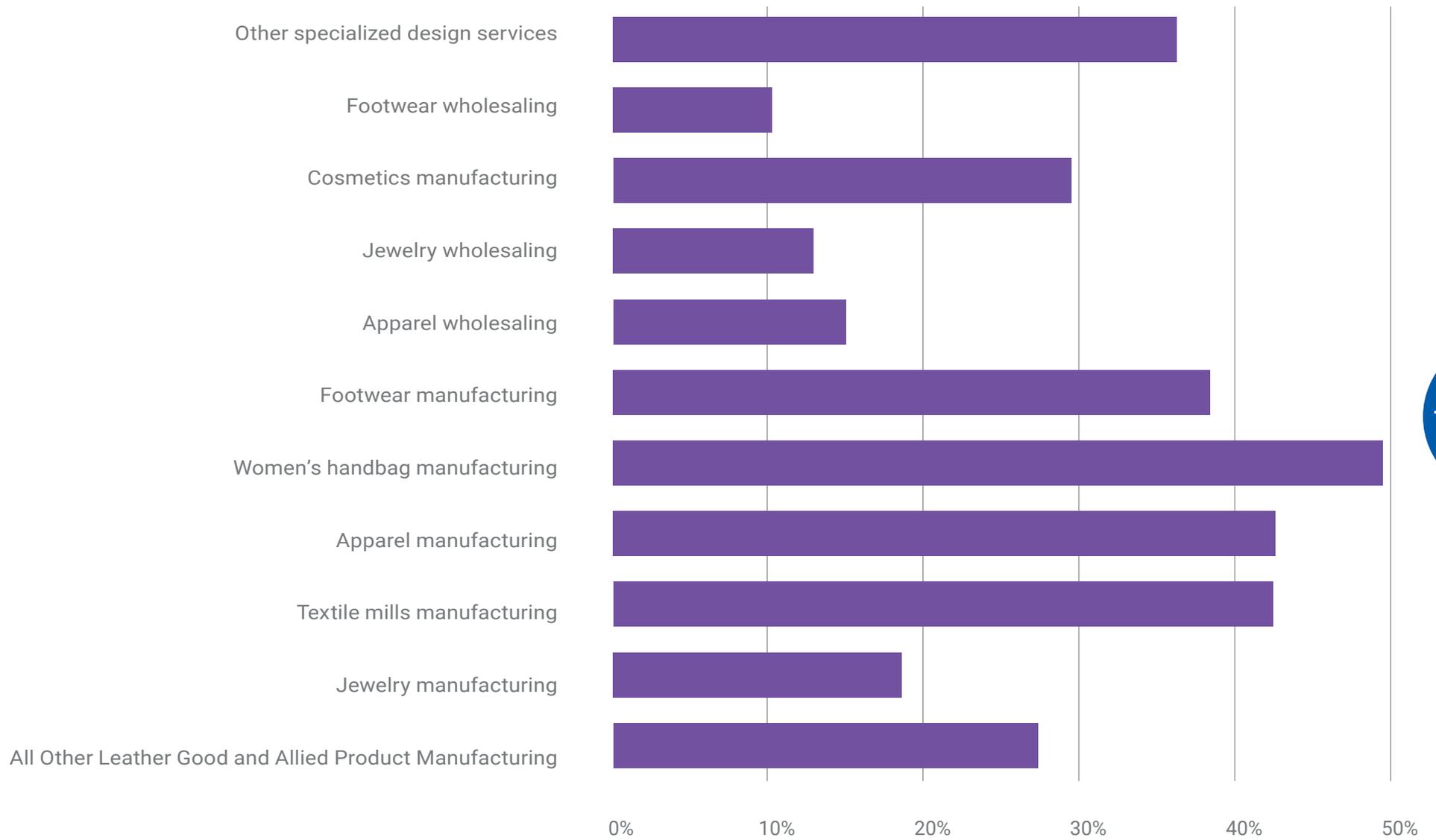
Table A.2.3

Size Category	Number of Establishments
Total	57,119
>10	48,491
10 to 49	6,169
50 to 99	1,092
100 to 499	1,121
500 to 999	107
1,000+	90

Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Wage Growth by Fashion Subsector in California, 5-Year (2014-2019)

Figure A.2.6



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW);
Analysis by Beacon Economics

Fashion Establishments by Size in California

Table A.2.4

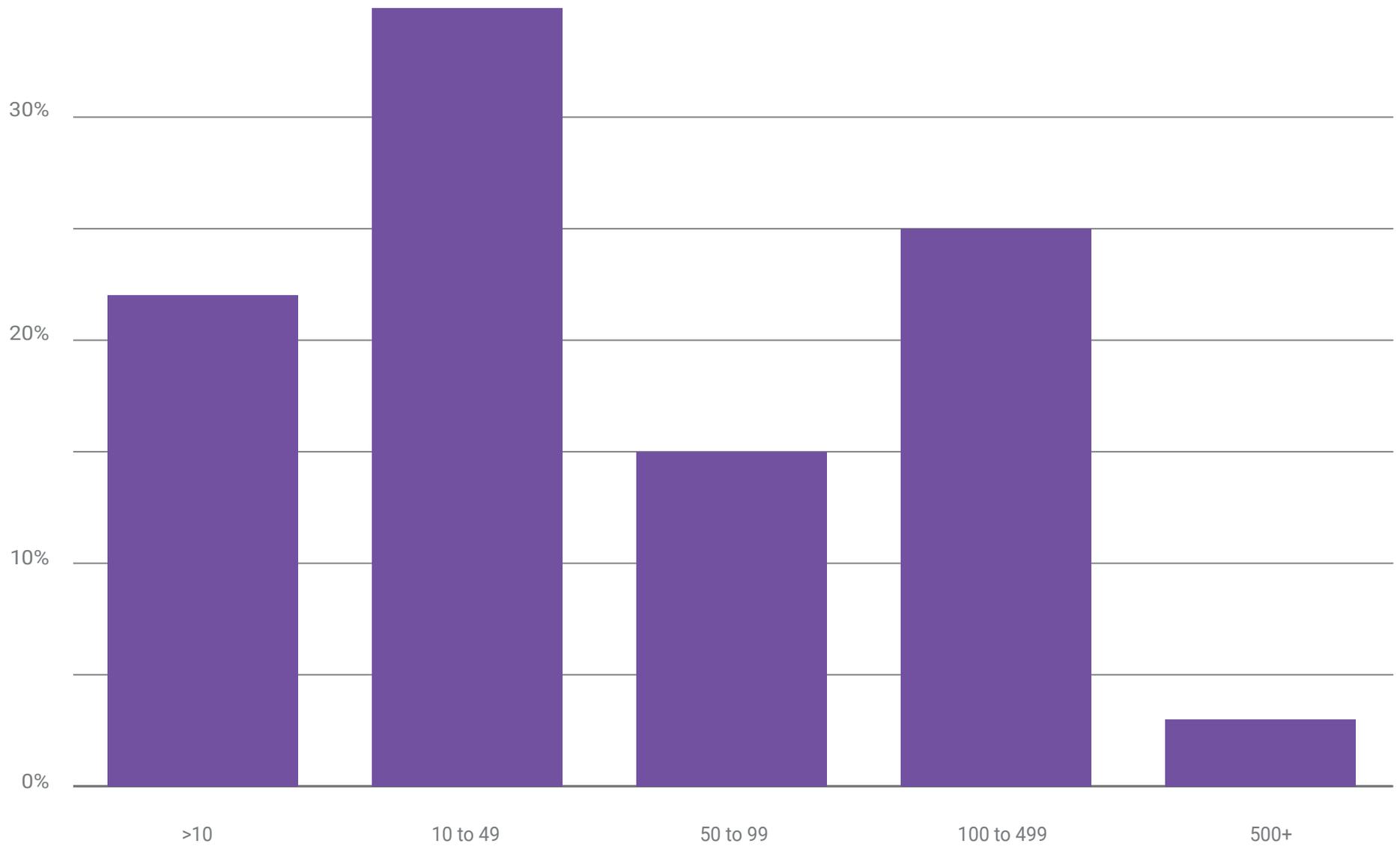
Size Category	Number of Establishments
Total	10,946
>10	8,631
10 to 49	1,913
50 to 99	236
100 to 499	145
500 to 999	5
1,000+	0

199

Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Fashion Share of Employees by Establishment Size in California

Figure A.2.10

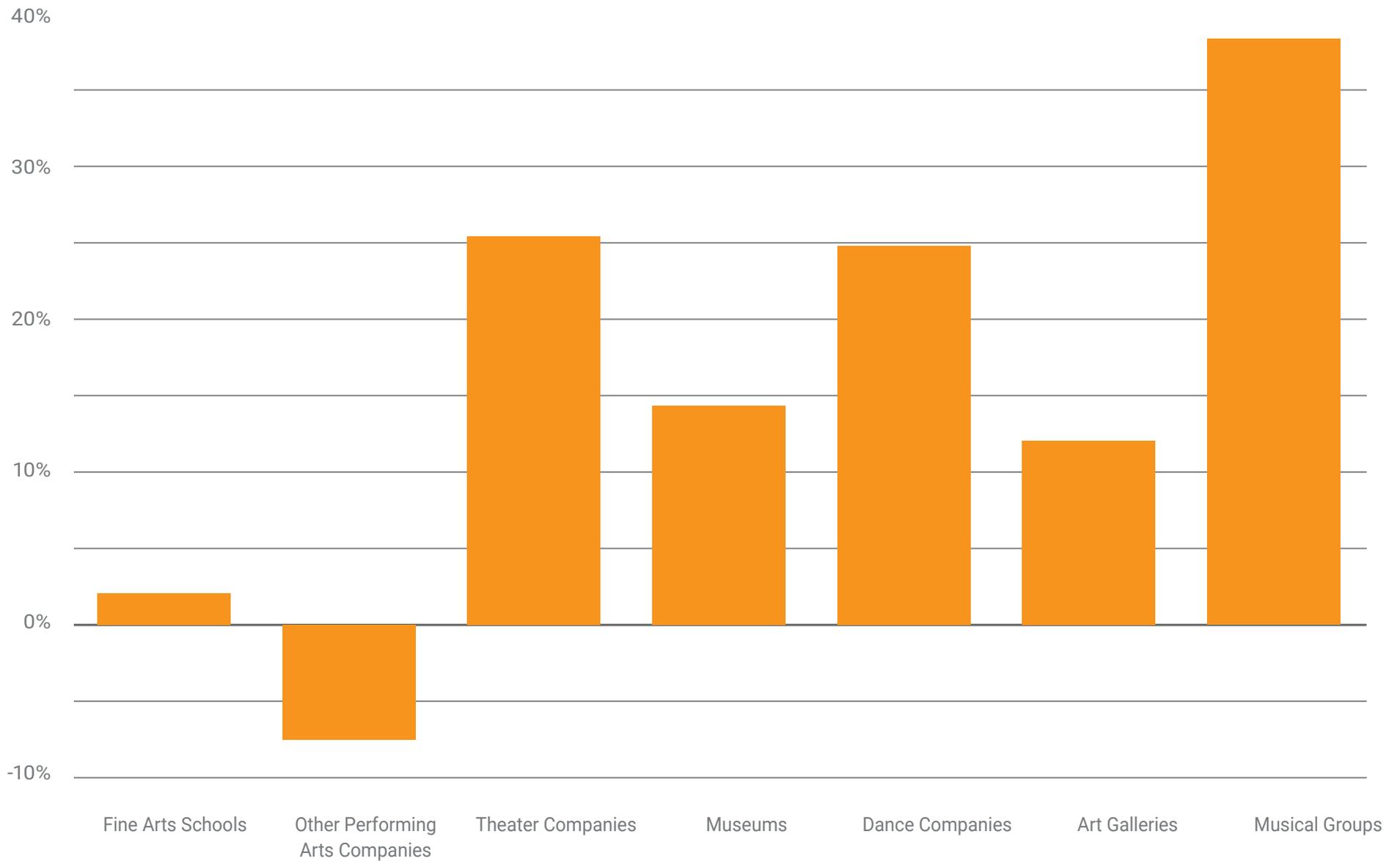


200

Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW);
Analysis by Beacon Economics

Wage Growth by Fine Arts and Performing Arts Subsector in California, 5-Year (2014-2019)

Figure A.2.11



201

Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW);
Analysis by Beacon Economics

Fine Arts and Performing Arts Establishments by Size in California

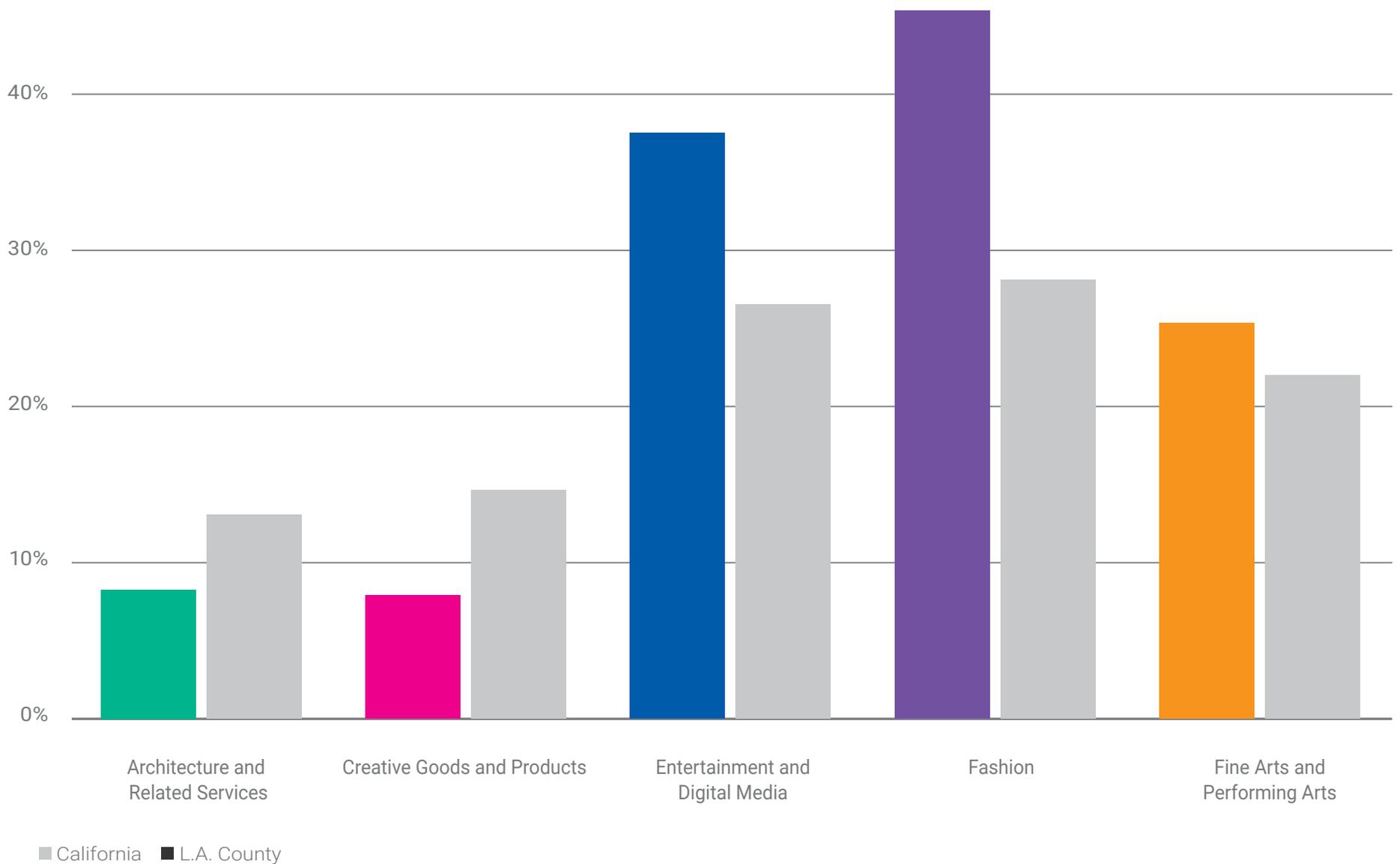
Table A.2.5

Size Category	Number of Establishments
Total	4,611
>10	3,749
10 to 49	721
50 to 99	67
100 to 499	53
500 to 999	4
1,000+	0

Source: 2018 Census Bureau, County Business Patterns (CBP). Analysis by Beacon Economics. Note: Beginning with 2017, if fewer than three establishments were recorded in any size category, they have been omitted from the CBP release to prevent disclosure.

Wage Growth by Creative Sector in L.A. County, 5-Year (2014-2019)

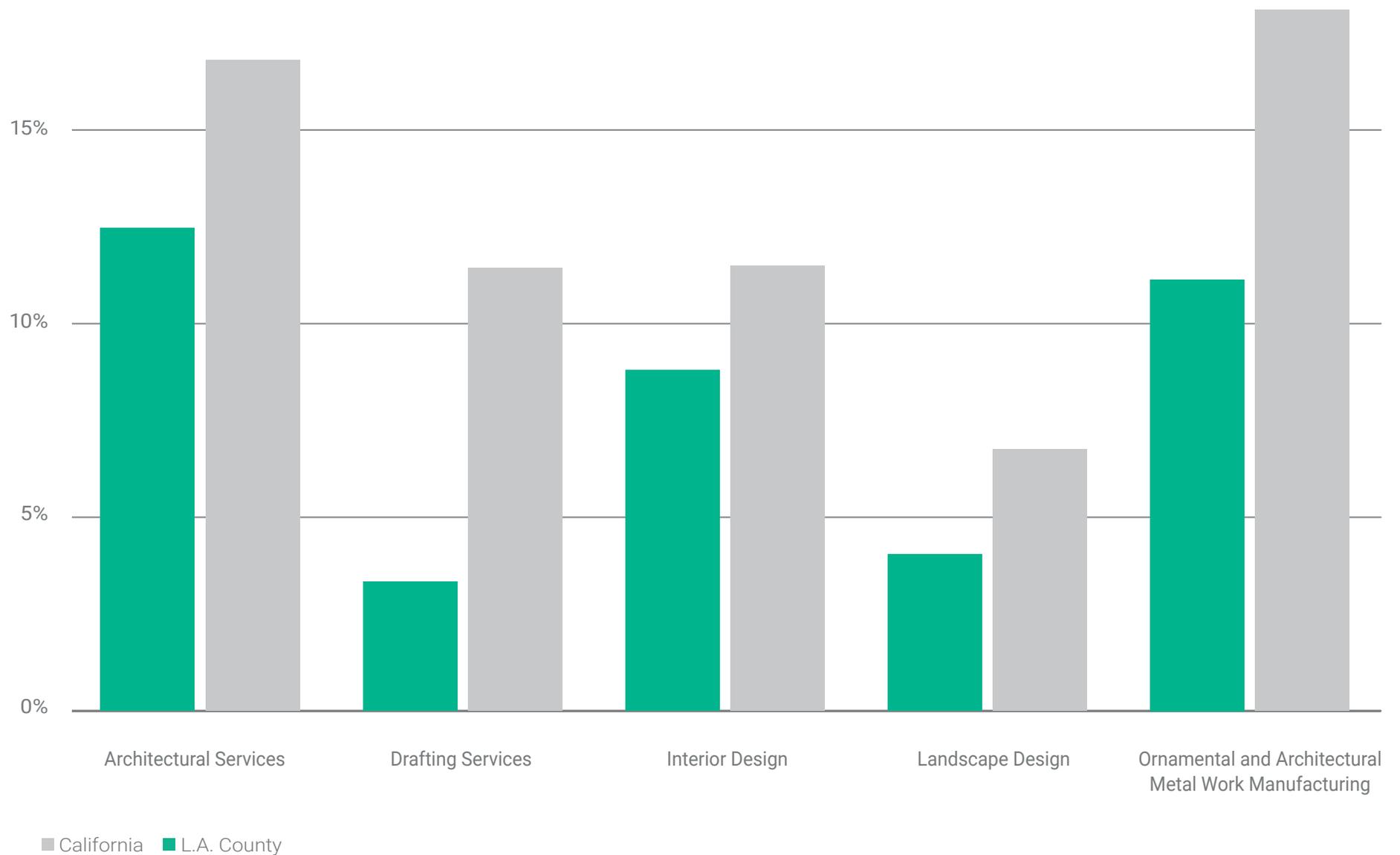
Figure A.3.1



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW);
Analysis by Beacon Economics

Wage Growth by Architecture and Related Services Subsector in L.A. County, 5-Year (2014-2019)

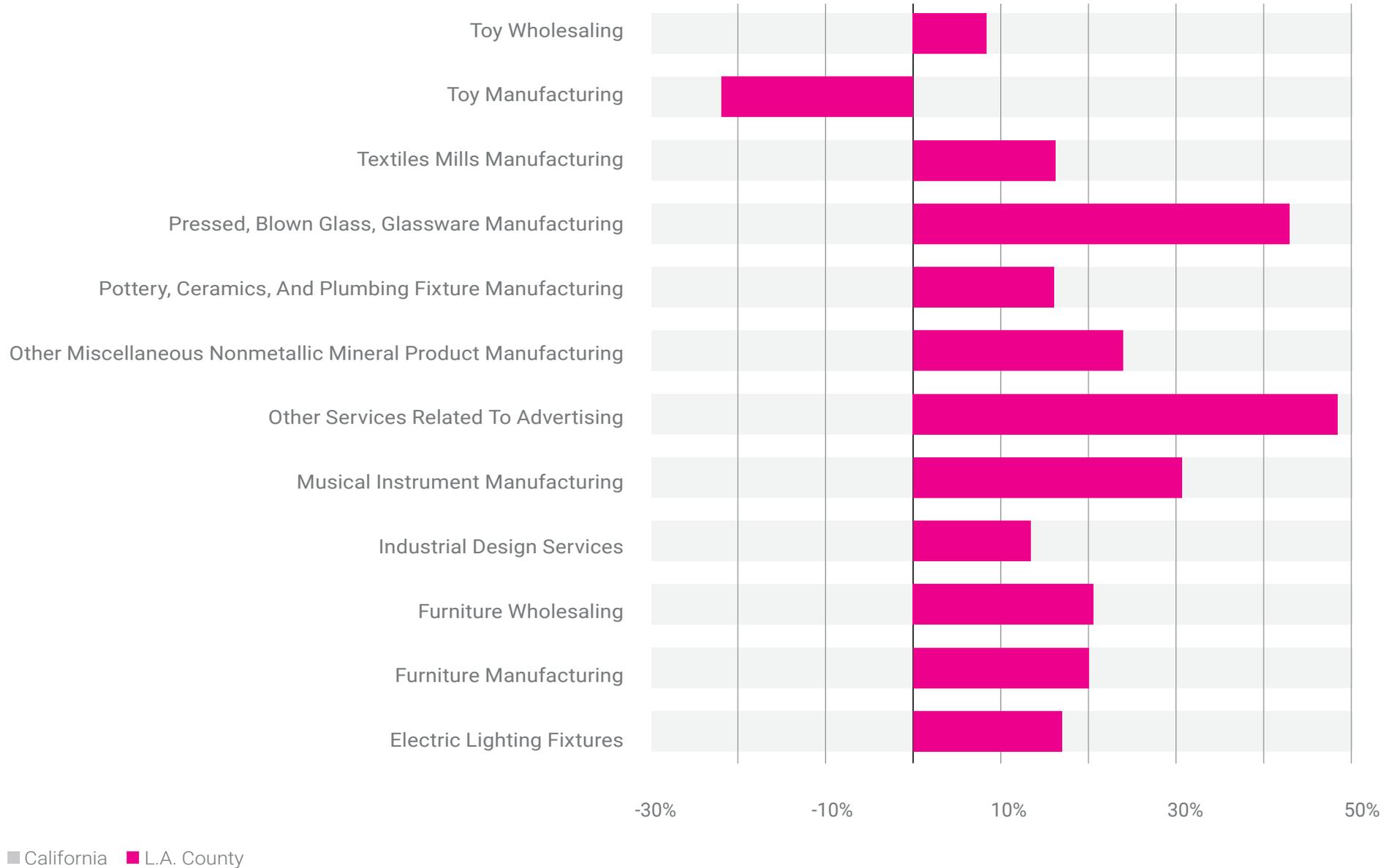
Figure A.3.2



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Wage Growth by Creative Goods and Products Subsector in L.A. County, 5-Year (2014-2019)

Figure A.3.3

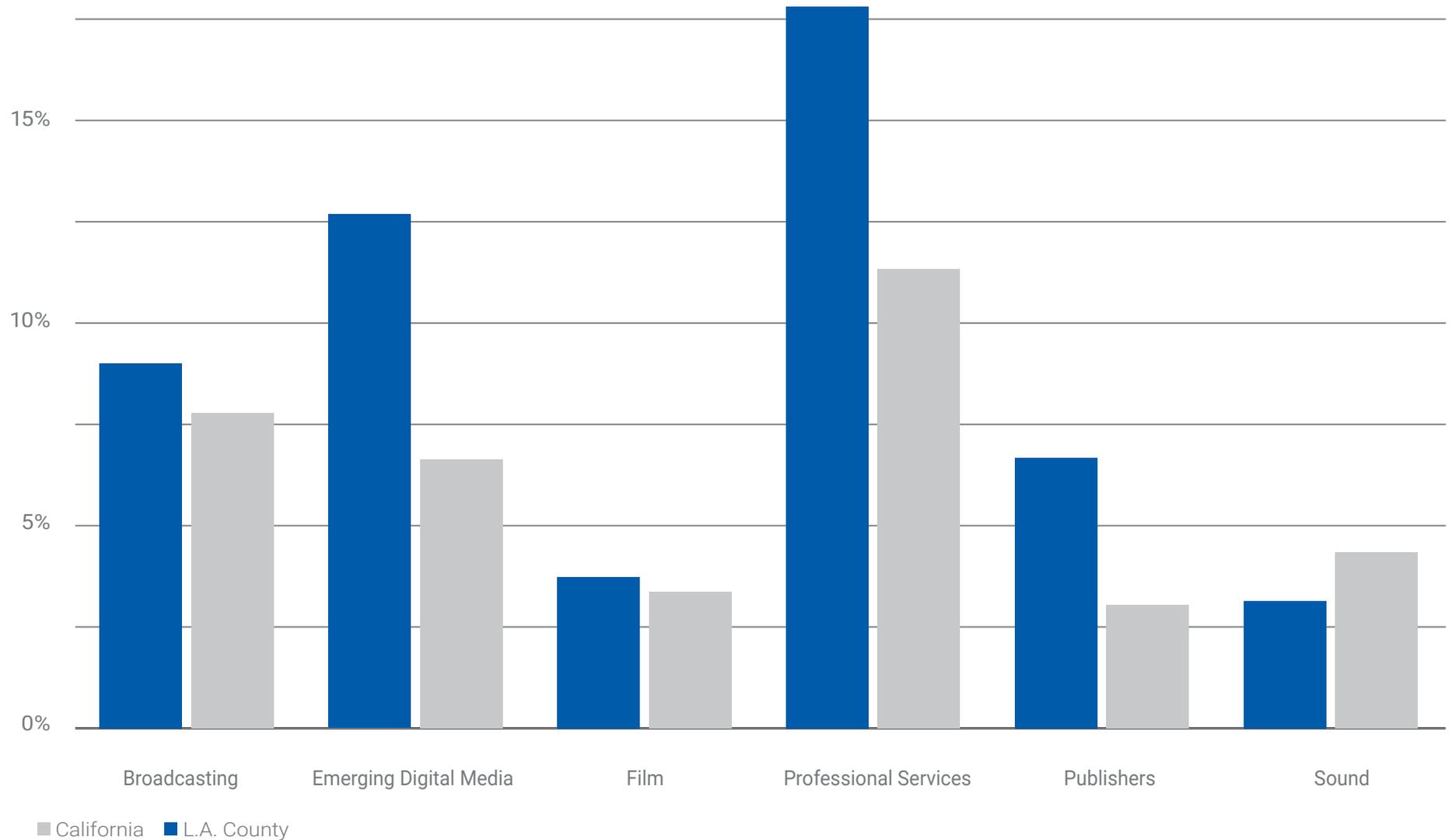


205

Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Wage Growth by Entertainment & Digital Media Subsector in L.A. County, 5-Year (2014-2019)

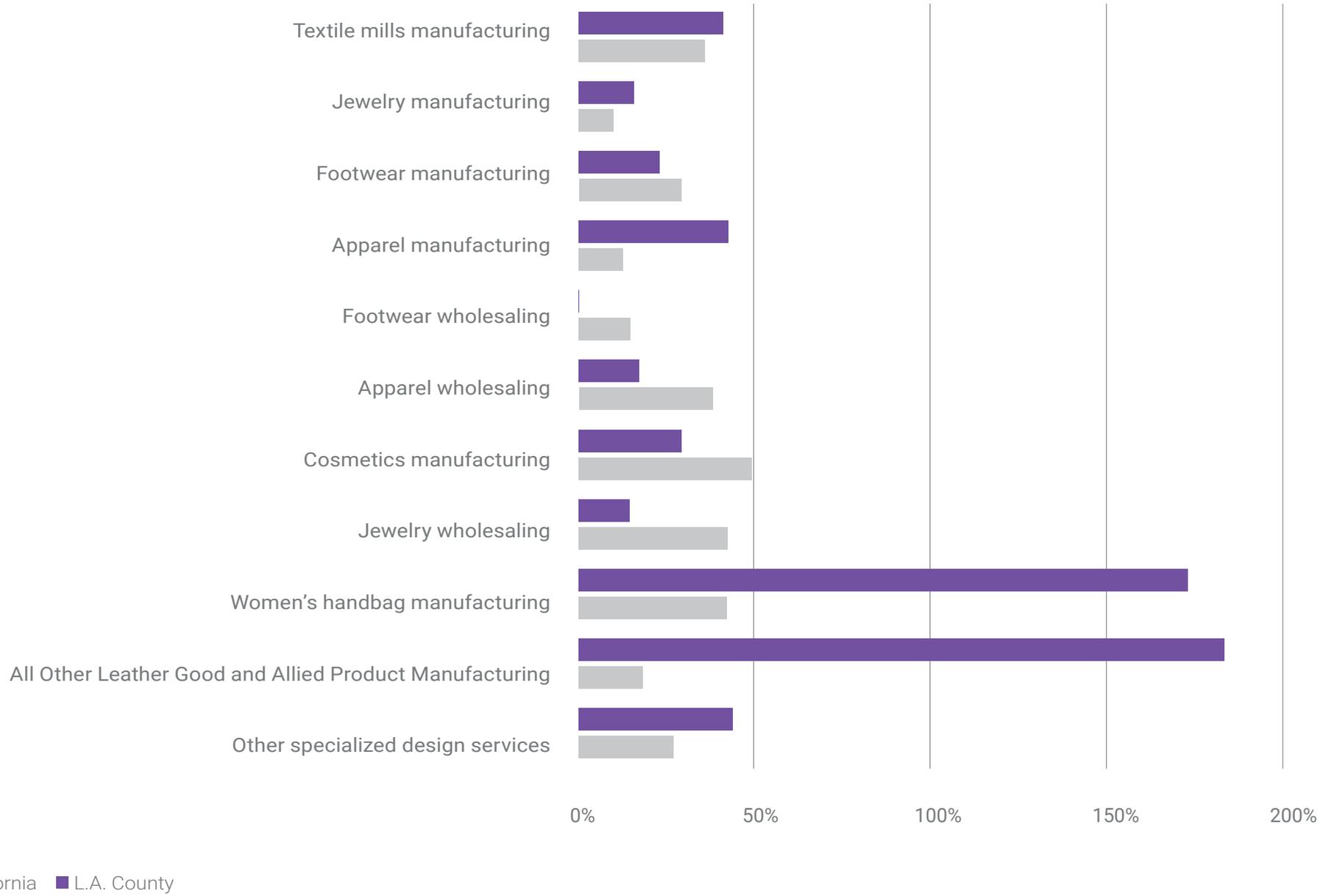
Figure A.3.4



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Wage Growth by Fashion Subsector in L.A. County, 5-Year (2014-2019)

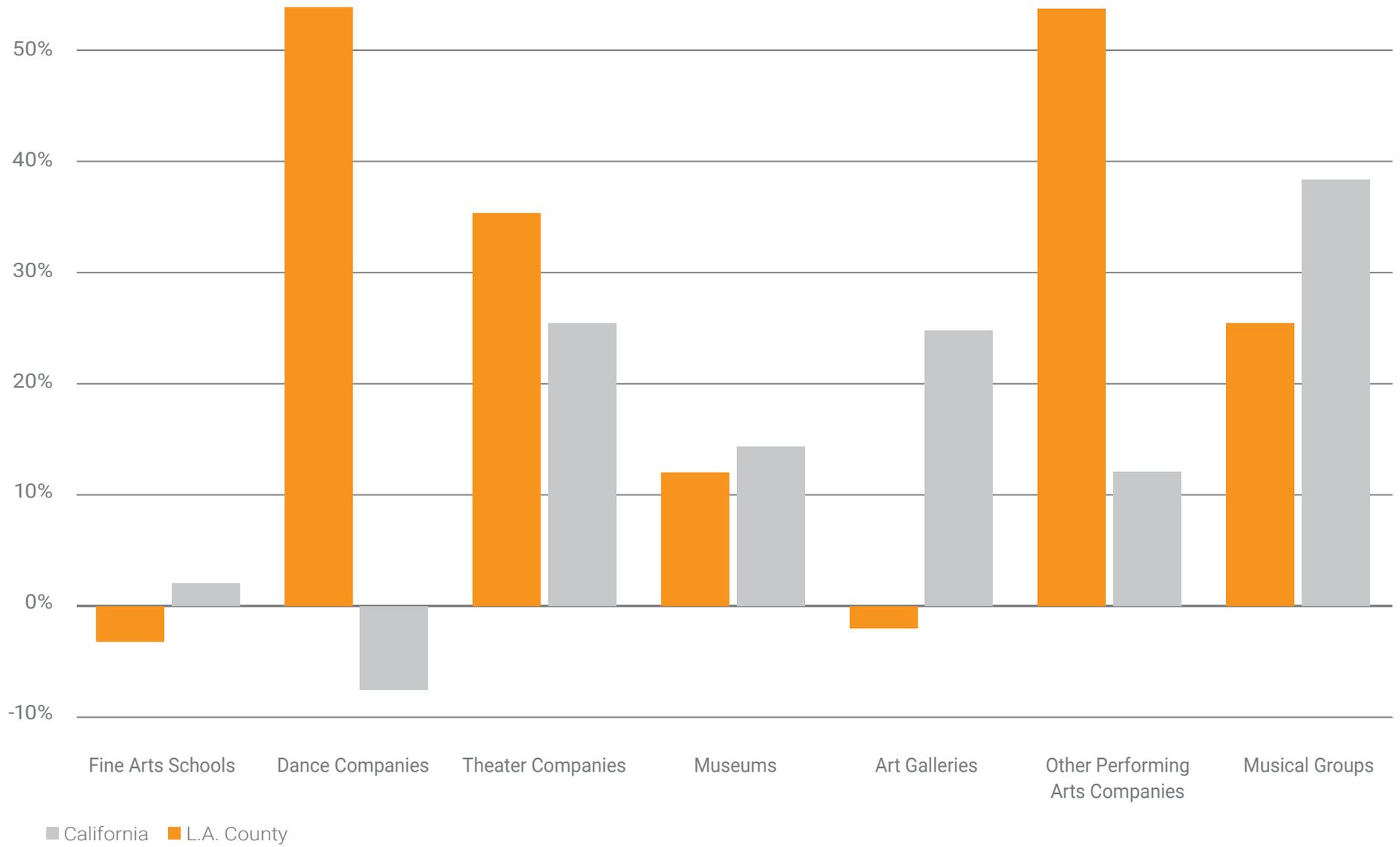
Figure A.3.5



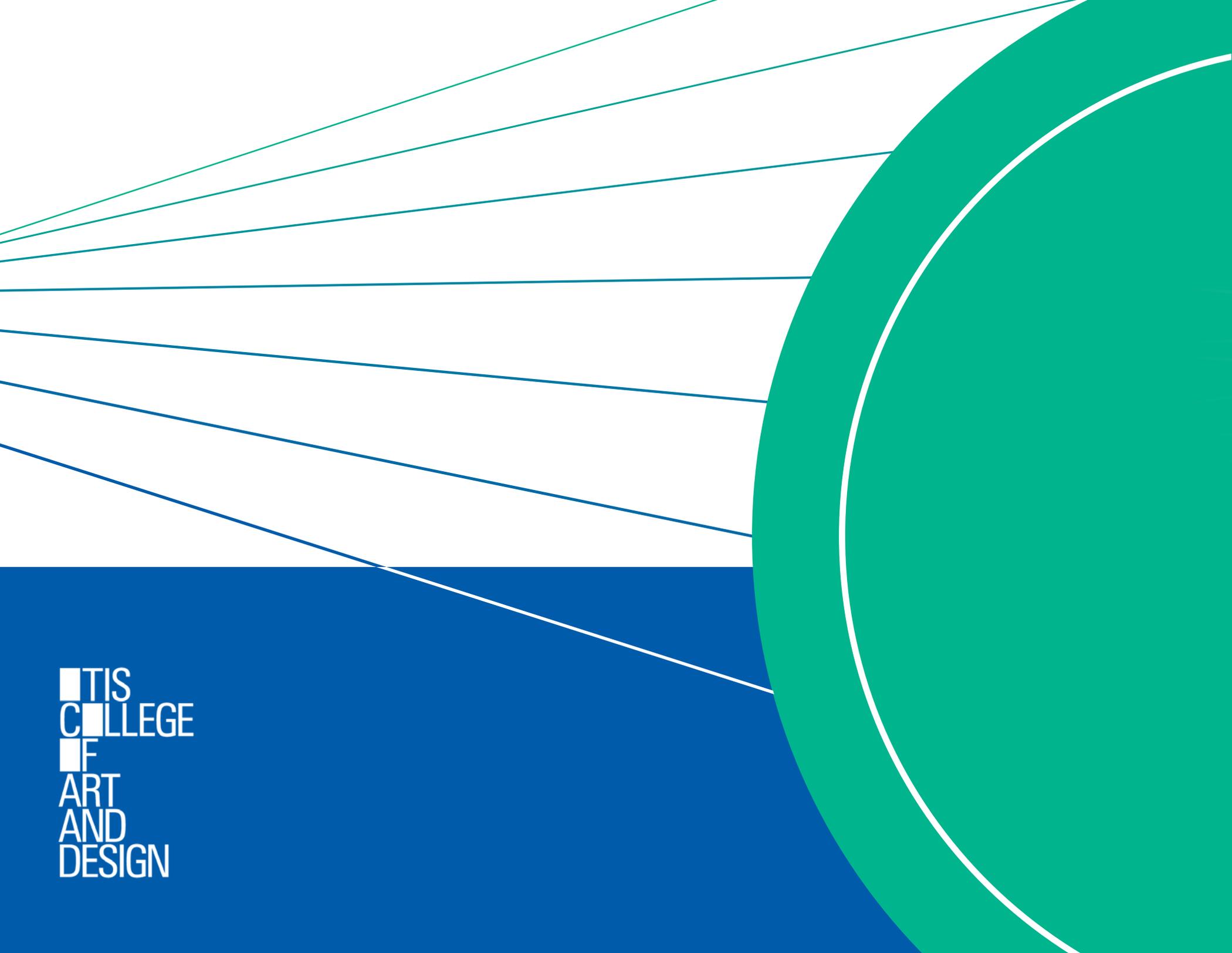
Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Wage Growth by Fine Arts and Performing Arts Subsector in L.A. County, 5-Year (2014-2019)

Figure A.3.6



Source: 2014-2019 Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

The image features an abstract graphic design. On the right side, there is a large teal circle with a white outline. Several thin teal lines radiate from the left edge of the circle towards the left side of the frame. The bottom portion of the image is a solid dark blue horizontal band. In the bottom-left corner of this band, the text 'TIS COLLEGE OF ART AND DESIGN' is written in white, stacked vertically. Each word is preceded by a small white square.

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OF
ART
AND
DESIGN