

The Creative Economy
CITY OF EL SEGUNDO



The Creative Economy

City of El Segundo

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 objectively-based economic analysis. Leveraging unique proprietary models, vast databases, and sophisticated data processing, the company specializes in services including 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.

Project Advisors

Christopher Thornberg, PhD, Founding Partner

Robert Kleinhenz, PhD, Executive Director of Economic Research

Project Team

Adam J. Fowler, Director of Research

Alysa Hannon, Manager, Sustainable Growth and Development

Brian Vanderplas, Senior Research Associate

Hoyu Chong, Senior Research Associate

Acknowledgements

Commissioned by The City of El Segundo

El Segundo, a Los Angeles County beach city of almost 17,000 with a considerably larger daytime population, is located on the Santa Monica Bay. With its proximity to major freeways, the 405 and the 105, and bisected by the historic Pacific Coast Highway, El Segundo is ideally situated for both residents and businesses. The City offers all the natural elements of fun and adventure that you'd expect from a beach city. Residents enjoy classic California living with ocean breezes and a healthy outdoor lifestyle.

El Segundo balances an ideal business environment with a small town community to provide a high quality of life for its residents and employers. There are tree-lined neighborhoods with award winning schools (its high school is an architectural landmark), parks, and athletic fields. A wealth of thriving dining and retail experiences range from historic Main Street to modern multiplexes. El Segundo is home to numerous Fortune 500 companies including Chevron, and aerospace giants including Boeing, Raytheon, Lockheed Martin, Northrop Grumman, and The Aerospace Corporation. More information is available at www.elsegundobusiness.com.

Special Thanks to:

Max Yoffe, Big Door; Eva Sweeney, ArtLab21; Jason Haffley, OneNinth Media; Damien Fulton; Jason Haim, Perkins Eastman; Jennifer Cron, eko; Marc Chedhade, Angora Group; Bronwyn Mauldin, LA County Arts Commission; Stephanie Sykes, Academy of Motion Picture Arts and Sciences; Todd Jerry, Marmol Radziner; Joan Weinstein, Getty Foundation

The contents of this report are based on information derived from carefully selected sources we believe are reasonable. We do not guarantee its accuracy or completeness and nothing in this document shall be construed to be a representation of such a guarantee.

Icons and Taxonomy



Architecture and Related Services

This sector captures firms that specialize in architectural services, interior design, landscape design, and drafting services.

Composed of five (5) sub sectors



Creative Goods and Products

This sector captures the manufacture, warehouse, import, and export of furniture. It also includes textiles mills, china and pottery producers, and industrial designers.

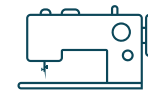
Composed of twelve (12) sub sectors



Entertainment & Digital Media

Film and digital media encompass a wide variety of sectors. As film and digital media continue to co-evolve, embracing new and innovative activities, film and digital media become increasingly more co-mingled. Major sectors include film, publishers, broadcasting, emerging digital media, sound production and recording.

Comprised of thirty (30) sub sectors



Fashion

This sector captures apparel design, manufacturing, and wholesaling.

Comprised of eleven (11) sub sectors.

Note: Does not include retail sectors.



Fine Arts and Performing Arts

This sector includes theater and dance companies, art galleries, musical groups, performing arts companies, and museums.

Comprised of seven (7) sub sectors

Table OF CONTENTS

01

Executive Summary

07

Creative Industry
Analysis

Establishments,
Employment, Wages

Cluster Analysis

Economic Impact

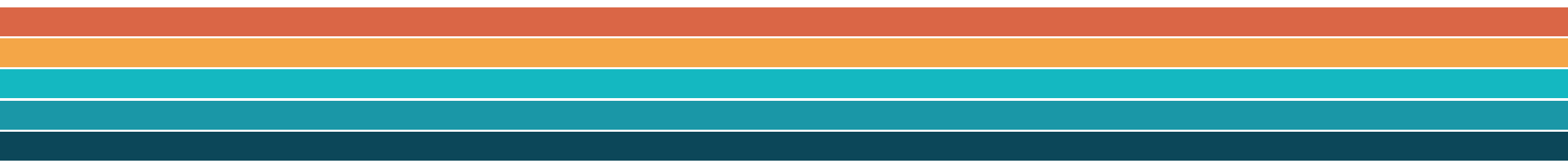
37

Industry
Demographics
and Occupational
Analysis

49

Opportunities
and Challenges

Title: Flying or Falling II
Artist: John Park
Location: Main Street and Pine Avenue



Executive

SUMMARY

Creative Industries

ECONOMIC IMPACT

In 2017, the creative economy in El Segundo generated \$3.3 billion in economic output, of which \$2.3 billion was generated by the creative industries directly. Total employment supported by the creative economy in the City totaled 11,433, of which 5,888 positions were supported directly by the creative industries.



Employment



Output

DIRECT	5,888	\$2.3B
INDIRECT	5,208	\$954M
INDUCED	337	\$47M
TOTAL	11,433	\$3.3B

Please see Appendix for a glossary of economic impact terms.

Creative Industry Employment & Wages

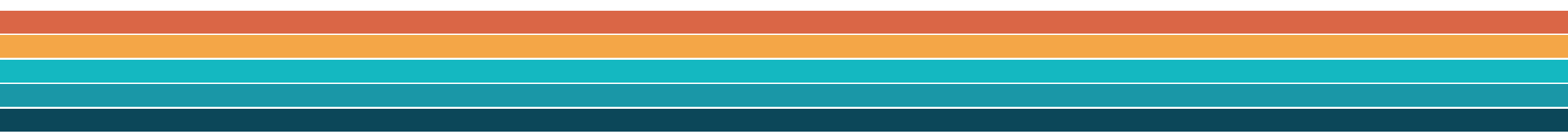
In 2017, the creative industries employed almost 6,000 workers in the City of El Segundo, or 1.4% of all workers employed in the creative industries in Los Angeles County. Creative industries are a source of high paying jobs for Los Angeles County's economy and this is even more true in El Segundo. In 2017, a creative industries' worker in El Segundo was paid almost 40% more than the county-wide average wage, at \$151,000 per year compared to \$109,000.

In 2017, Entertainment & Digital Media accounted for the largest share of the City's employment in the creative industries, responsible for 55% of the City's creative industry jobs. The Creative Goods and Products industry accounted for the second largest share of jobs in the County's creative industries, contributing nearly 2 in 5 of the total creative industry jobs in the City.

Creative Industry Occupational Highlights

This analysis uses L.A. County as the unit of geography for its study of occupational trends because the City of El Segundo's labor pool is L.A. County's, as labor sheds functional regionally as opposed to along jurisdictional lines. Practically speaking, El Segundo's creative firms pull talent from across the County and beyond to staff their ranks. In Los Angeles County, employment by gender has remained unchanged from 2007 to 2017 with women making up about 40% of the creative economy workforce. From 2007 to 2017, the average wages of female professionals in the creative industries have risen in Los Angeles County by 40%, almost double that of male professionals in the County (+23%). Furthermore, this wage growth is double that seen by female professionals (+20%) in New York City over the same period.

The creative industries are composed of a highly-educated workforce. 51% of professionals in the creative industries had at least a bachelor's degree in 2017, up 9% compared to 2007. By comparison, just one-third of the County's workers in non-creative industries have a bachelor's degree or above. This analysis uses L.A. County as the unit of geography for its study of occupational trends because the City of El Segundo's labor pool is L.A. County's, as labor sheds functional regionally as opposed to along jurisdictional lines. Practically speaking, El Segundo's creative firms pull talent from across the County and beyond to staff their ranks.



Overview

THE CREATIVE INDUSTRIES
IN EL SEGUNDO



Created as a tribute to El Segundo's status as a major aerospace capital, the Spirit of Aerospace Mural stretches more than three stories high and 118 feet wide. It was dedicated in the late 1990s and depicts a series of images relating to space exploration and the aerospace industry.



Title: Fire
 Artists: Eric "King Cre8" Walker, Marcus "Mark-7" Ward, and Jose "KEO" Carrillo.
 Location: Nash Street and El Segundo Blvd.

In 2017, the creative industries employed almost 6,000 workers in the City of El Segundo, or 1.4% of all workers employed in the creative industries in Los Angeles County. Creative industries are a source of high paying jobs for Los Angeles County's economy and this is even more true in El Segundo. In 2017, a creative industries' worker in El Segundo was paid almost 40% more than the county-wide average wage, at \$151,000 per year compared to \$109,000 countywide.

The creative industries as defined in this report are comprised of five primary sectors:



There were 262 establishments in the City's creative industries in 2017, 36% more than in 2008. Every creative sector now has more firms except for Fashion, which is down only one establishment compared to 2008.

In 2017, Entertainment & Digital Media accounted for the largest share of the City's employment in the creative industries, responsible for 55% of the City's creative industry jobs. The Creative Goods and Products industry accounted for the second largest share of jobs in the County's creative industries, contributing nearly 2 in 5 of the total creative industry jobs in the City.



Title: Yellow to White to Blue to Black
 Artist: George Sugarman commissioned by Xerox in 1969.
 Location: 777 South Aviation Blvd.

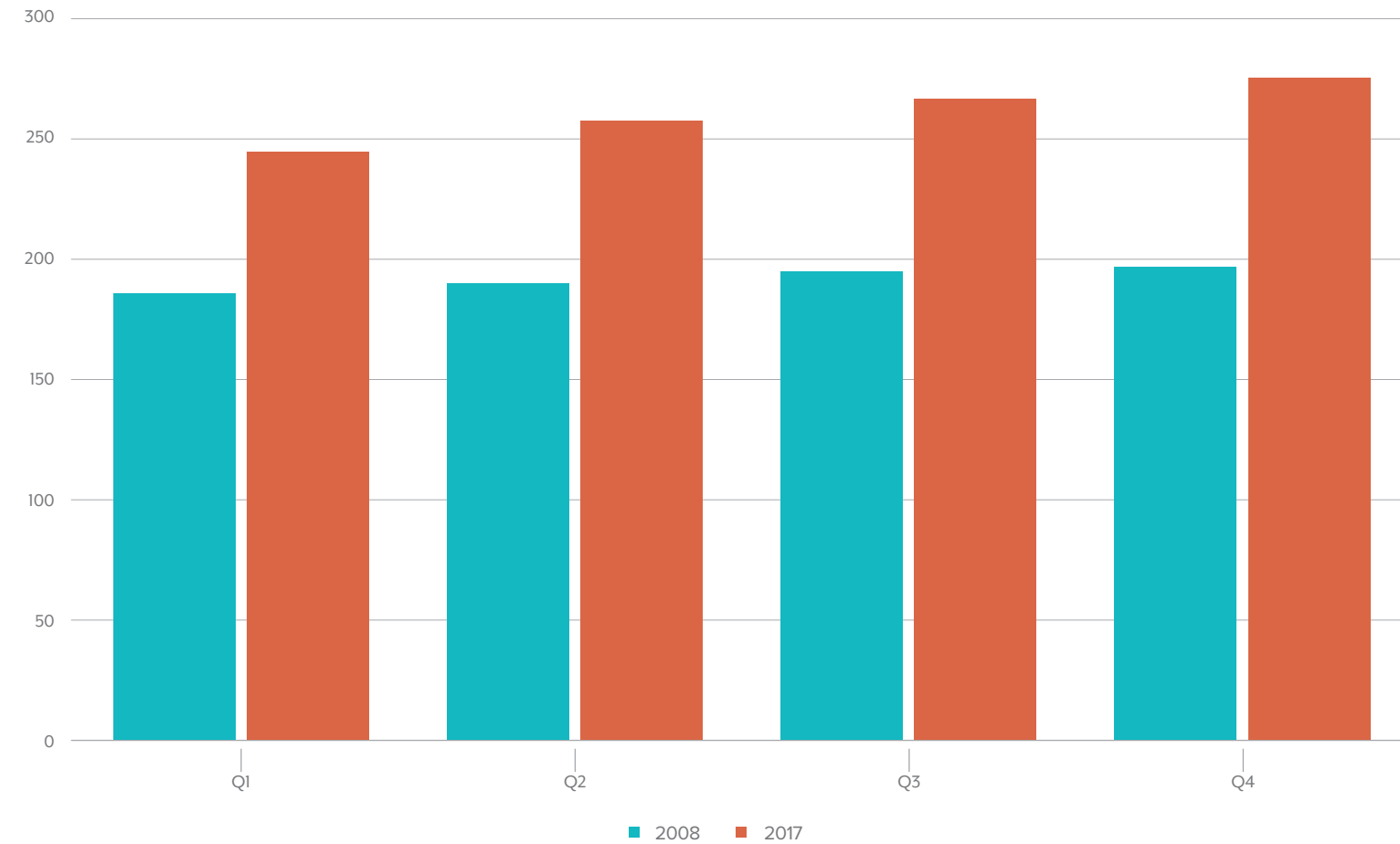
Establishments

The number of establishments working in the creative industries has been booming at a healthy pace. 2017 averaged 262 firms, or 36% more firms than 2008's average of 192 firms.

It should be noted that the creative industries are constantly changing and innovating and therefore the number of establishments does not stay static throughout a given year. 2017 has proved to be a fruitful year in terms of growth in the number of establishments, adding 31 firms from 245 in the end of first quarter of 2017 to 276 in the fourth quarter of 2017. This represents a 13% increase in the number of firms working in the creative economy within the year.

Establishments in Creative Economy, City of El Segundo, 2008 vs. 2017

Figure 1.1



Source: California Employment Development Department; Analysis by Beacon Economics

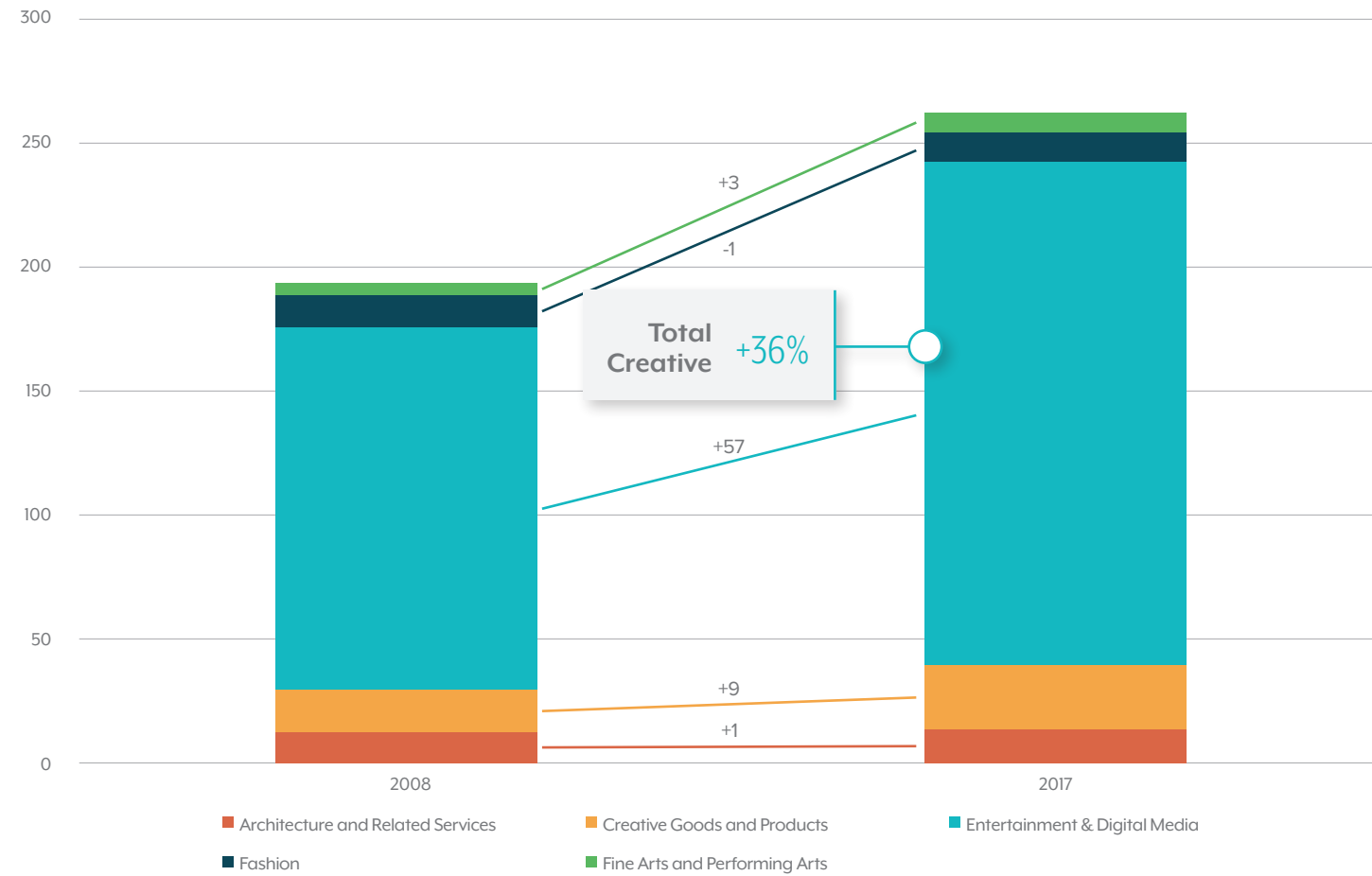
By comparison, 2008 added just 11 establishments (+6%) from the first quarter to the fourth quarter.

In the City of El Segundo, slightly over three out of four establishments in the creative industries fall under the Entertainment & Digital Media creative sector. As such, Entertainment & Digital Media also account for the lion's share of growth (57 out of 69) in establishments. Creative Goods and Products, Architecture and Related Services, and Fine Arts and

Performing Arts each have registered increases in the number of firms between 2008 and 2017. There were 12 establishments in Fashion in 2017, down one firm from 2008. A plausible reason for the dip in Fashion establishments is that a handful of these firms engage primarily in apparel manufacturing. Since apparel manufacturing is an especially margin-sensitive industry, meaning that slight changes in the cost of certain inputs can affect the viability of business location in certain regions.

Number of Establishment Gains by Creative Sector, City of El Segundo, 2008 vs. 2017

Figure 1.2



Source: California Employment Development Department; Analysis by Beacon Economics

Compared to Los Angeles County and California, El Segundo had performed fairly well. El Segundo's 36% overall growth in establishments is about triple the pace of Los Angeles County (+12%) and California (+10%).

In addition, while Los Angeles County has registered somewhat decent growth in the number of establishments in Architecture and Related

Services (+7%), Entertainment & Digital Media (+22%), and Fine Arts and Performing Arts (+7%), the number of establishment in these creative sectors in El Segundo have grown leaps and bounds - by 13%, 39%, and 78%, respectively, in El Segundo. Both Los Angeles County and California have seen more Creative Goods and Products firms leaving than entering, which is not surprising given

that these are manufacturing companies, which have been on a continuous decline not just within Los Angeles County or California but also nationwide. However, the number of establishments in Creative Goods and Products actually grew 50% in El Segundo, or a net gain of nine firms. This is an impressive achievement and speaks volume to the City's unique competitive advantage.

Establishment% Growth by Creative Sector, City of El Segundo vs. Los Angeles County and California

Figure 1.3



Source: California Employment Development Department and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics



On left, Title: "Padre"
On right, Title: "Madre"
Artist: Tristan Eaton
Location: Grand Ave. (between Continental Boulevard and Nash Street)

Employment

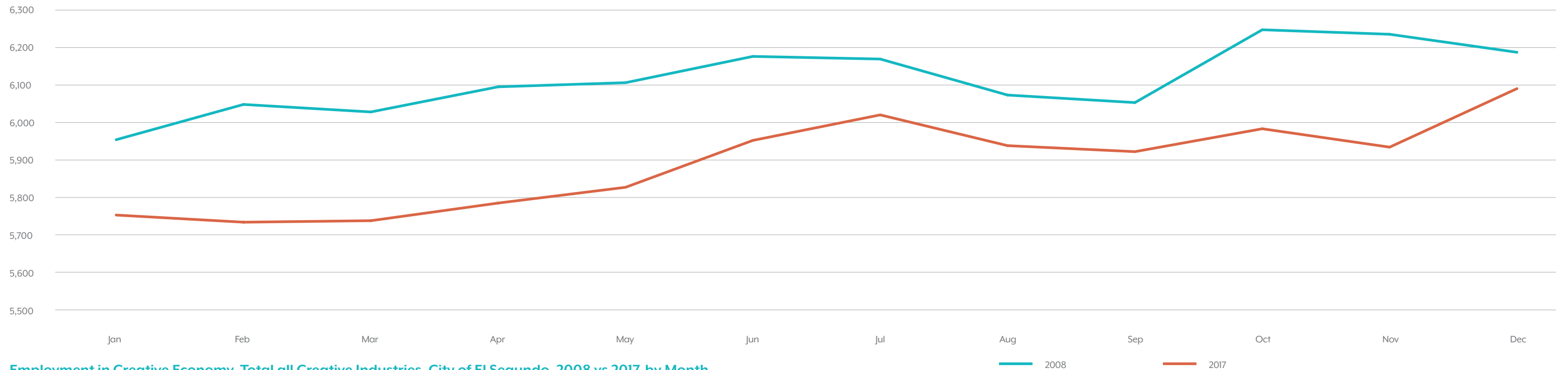
In 2017, about 5,900 workers were employed in El Segundo's creative industries on average. While this is 3.7% below 2008's 6,100 workers, the dip is less than that of Los Angeles County's (-4.9%). Again, the creative industries are constantly changing and innovating, therefore, the number of professionals employed in these industries fluctuate throughout a given year.

In both 2008 and 2017, the first three months tend to be slowest season, employing fewer workers than the rest of the year. Employment plateaus in the middle of the year, then levels off in August and September, and peaks in the last three months of the year.

Such overall trends reflect the cyclical nature of the creative economy. For example, a studio would bring on workers temporarily in anticipation of the busier season and then lay them

off at the beginning of the next year. Indeed, employment trends in both Creative Goods and Products as well as Entertainment & Digital Media were similar in 2017: lowest and unchanged from

January through March, gradual increase until June and July, slightly tapering off in subsequent months, and finally peaking in December.



Employment in Creative Economy, Total all Creative Industries, City of El Segundo, 2008 vs 2017, by Month

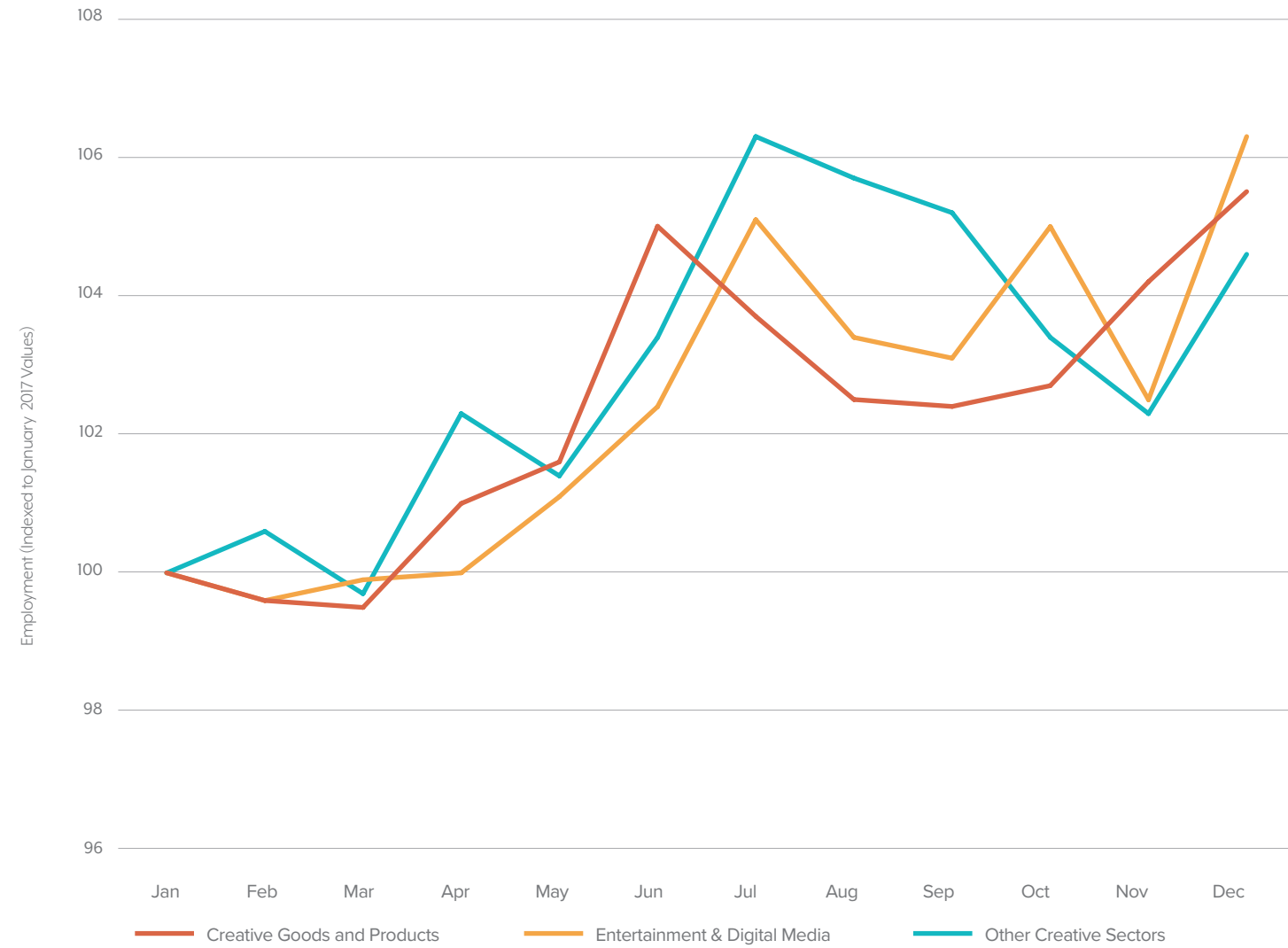
Figure 1.4

Source: California Employment Development Department; Analysis by Beacon Economics

Note: Figures excludes proprietors and the self-employed.

Employment by Month by Creative Sector, City of El Segundo, 2017, Indexed to January 2017

Figure 1.5



Source: California Employment Development Department; Analysis by Beacon Economics

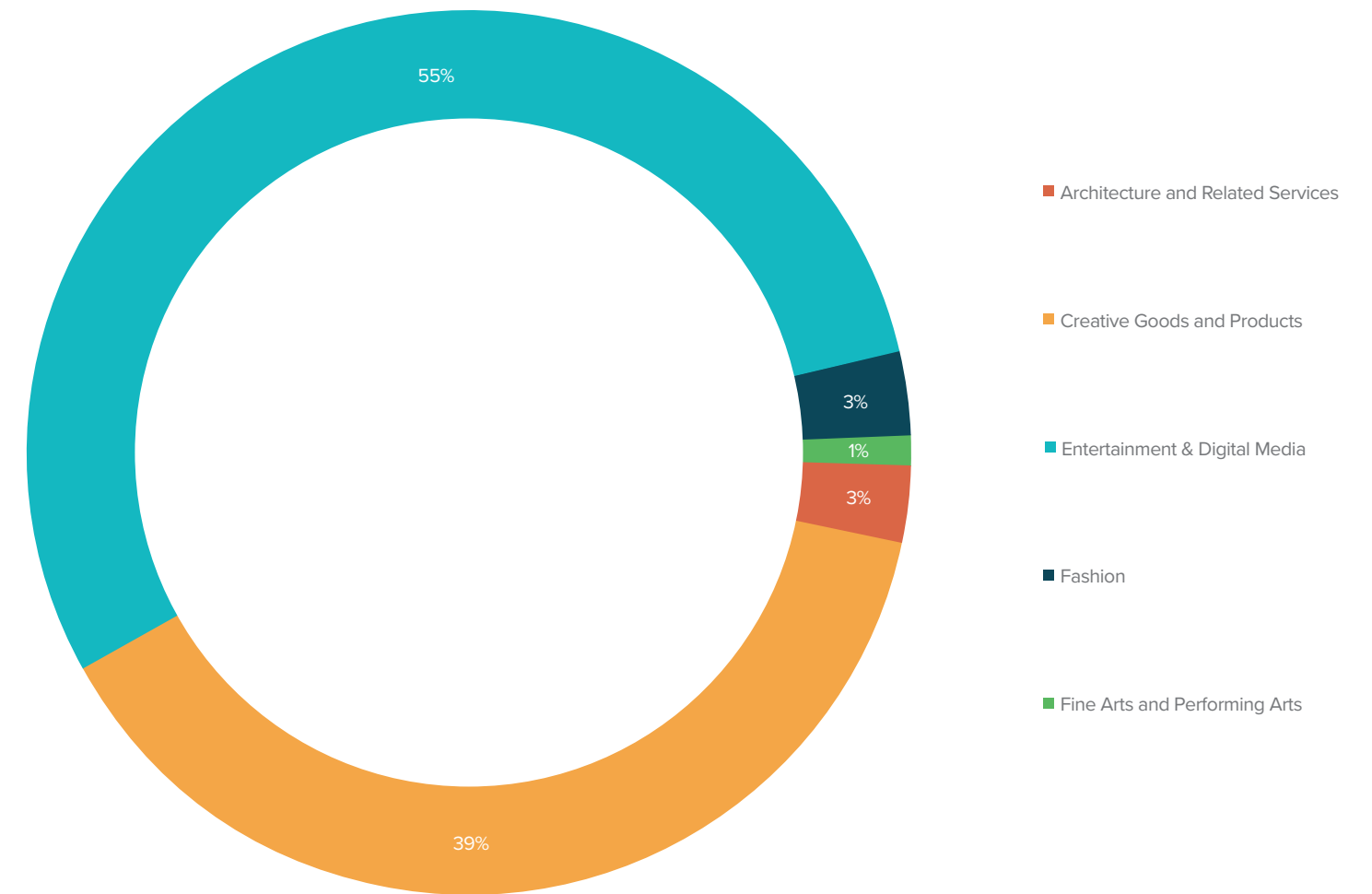
Note: Figures excludes proprietors and the self-employed. Other creative sectors include Architecture and Related Services, Fashion, and Fine Arts and Performing Arts since these creative sectors make up less than 10% of the City's total creative employment.

Entertainment & Digital Media and Creative Goods and Products are the most dominant creative sectors in El Segundo, comprising 55% and 39% of the City's total creative industry employment, respectively. Architecture and Related Services and Fashion

each make up 3% of the total creative industry employment, while Fine Arts and Performing Arts accounts for less than 1% of the total creative industry employment.

Employment Share by Creative Sector, City of El Segundo, 2017

Figure 1.6



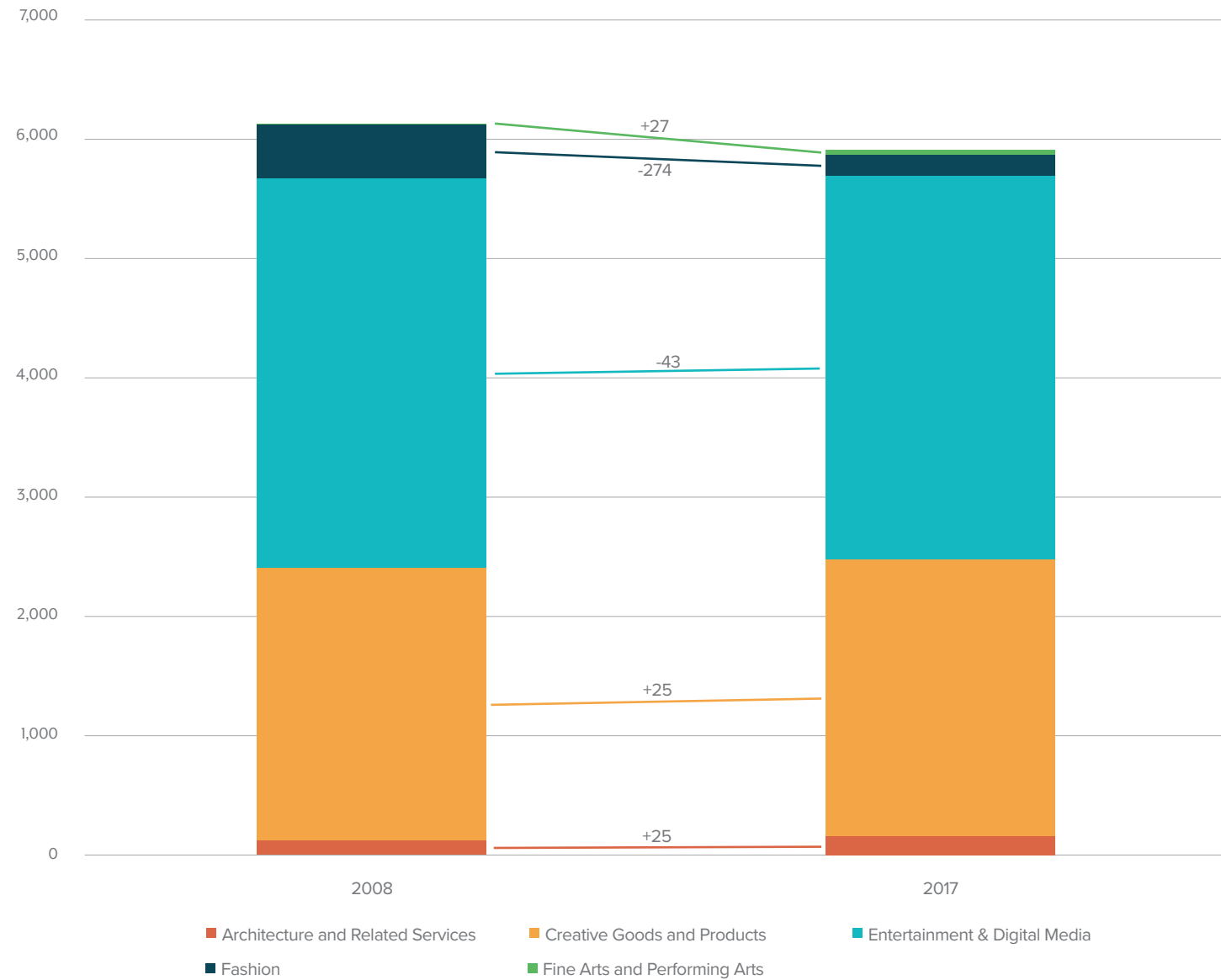
Source: California Employment Development Department; Analysis by Beacon Economics

Compared to 2008, there are some 225 fewer workers employed in creative industries in 2017. However, Fashion (274 fewer workers) alone accounted for the entire decline in employment. The loss of jobs in Fashion is not surprising, given that many were employed in manufacturing related jobs (e.g., Women's cut and sew apparel manufacturing) and the loss of manufacturing jobs is also a countywide, statewide, and nationwide trend. Still, this represents a notable decline of Fashion, shrinking its share of

total creative industries employment from 7% in 2008 to just 3% in 2017. On the other hand, the very slight decrease in employment in Entertainment & Digital Media (-1%) may be a more surprising revelation. During the same time period, Los Angeles County posted a 3% gain in Entertainment & Digital Media employment. Meanwhile, Architecture and Related Services, Creative Goods and Products, and Fine Arts and Performing Arts each recorded modest increases in employment from 2008 to 2017.

Employment Change by Creative Sector, City of El Segundo, 2008 vs. 2017

Figure 1.7



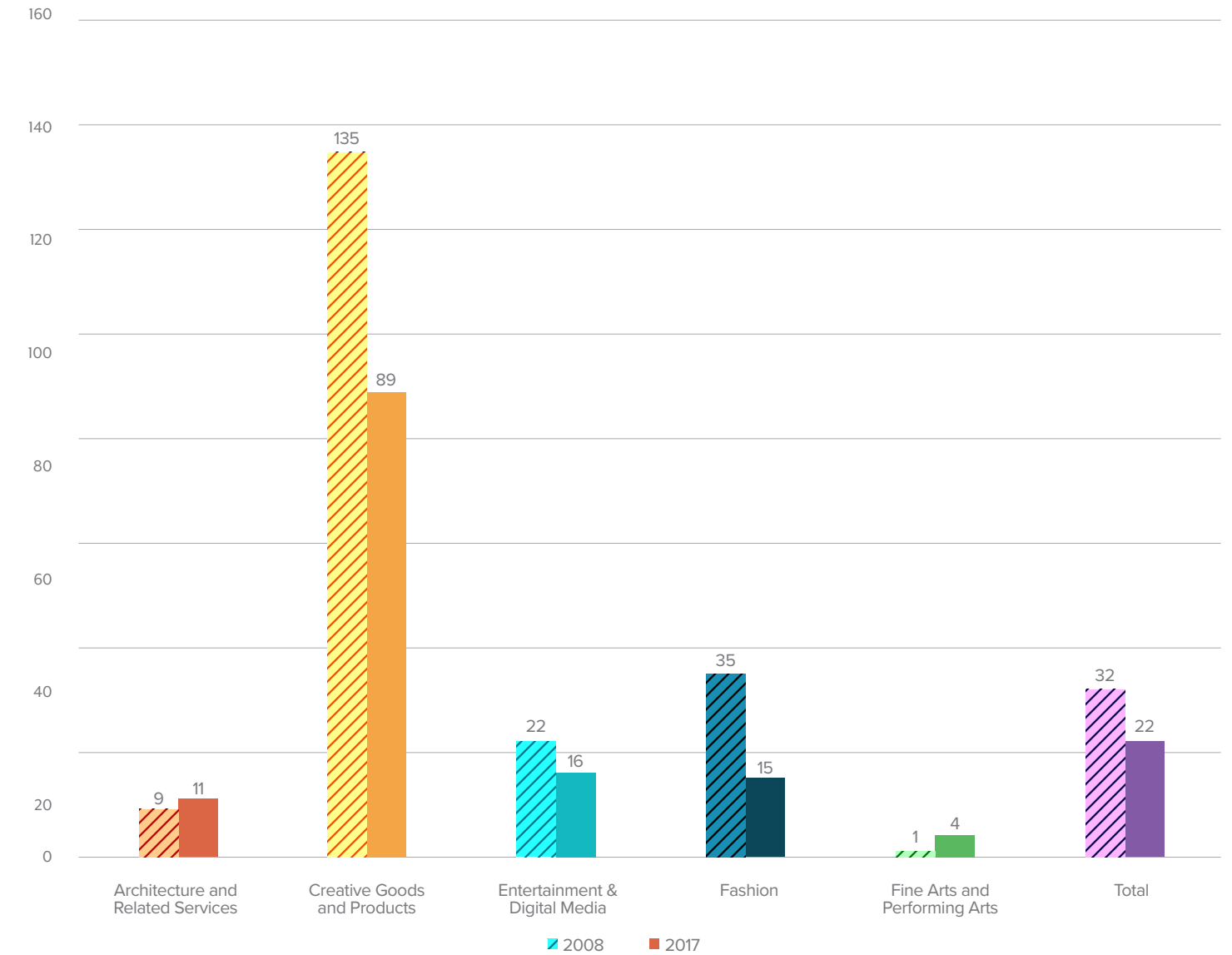
Source: California Employment Development Department; Analysis by Beacon Economics

The fact that total creative industries employment decreased slightly amid a boom in the number of establishments implies that the average establishment size has become smaller, shrinking from 32 workers in 2008 to 22 in 2017. For Creative Goods and Products and Entertainment & Digital Media, the smaller average establishment size

is due to rapid increases in the number of firms incorporated in the City while employment remained almost unchanged. For Fashion, however, the smaller average firm size is due to a decline in employment while the number of establishments only decreased modestly.

Average Firm Size by Creative Sector, City of El Segundo, 2008 vs. 2017

Figure 1.8



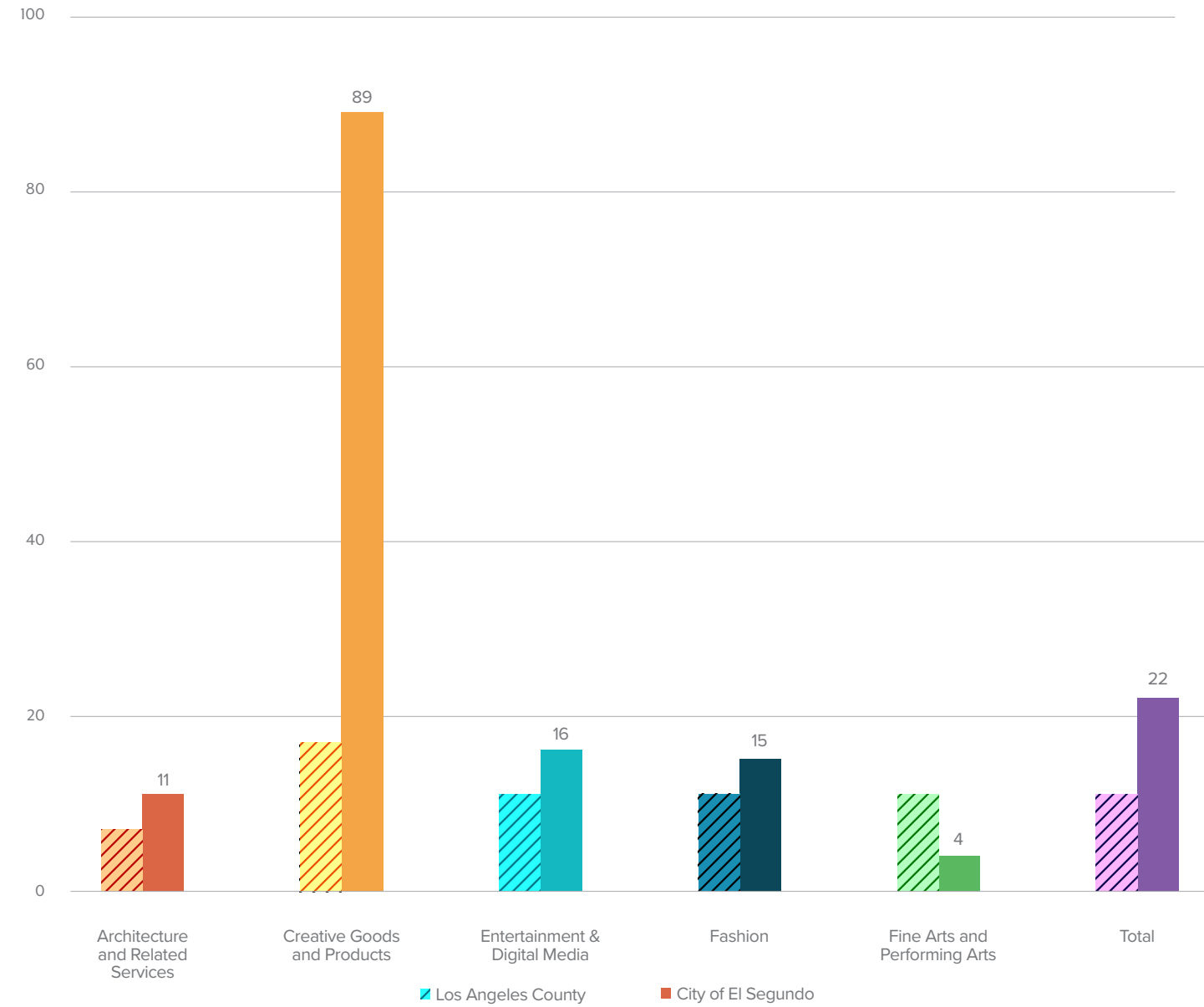
Source: California Employment Development Department; Analysis by Beacon Economics

It should be noted that the shrinking average establishment size holds true in Los Angeles County as well, where the average establishment size decreased from 13 workers per firm in 2008 to 11 in 2017. Furthermore, even though the average establishment

size is becoming smaller more rapidly in El Segundo than in Los Angeles County, El Segundo's average establishment size in creative industries is still double that of Los Angeles County.

Average Firm Size by Creative Sector, City of El Segundo vs. Los Angeles County, 2017

Figure 1.9



Source: California Employment Development Department; Analysis by Beacon Economics

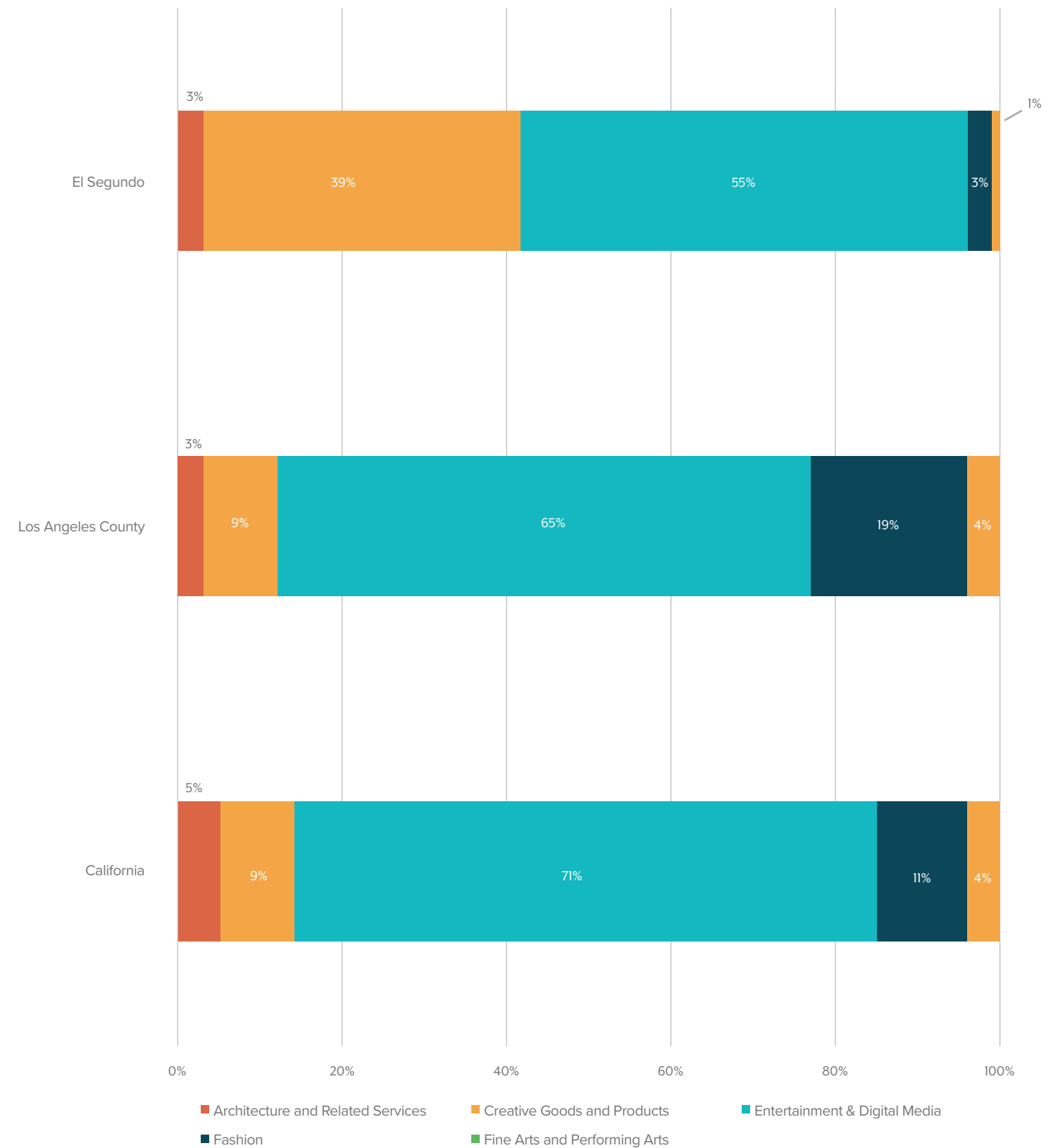
The average establishment size in the Creative Goods and Products sector in the City of El Segundo is significantly larger than the average establishment size in other creative sectors and larger than in Los Angeles County counterpart, as Figures 1.7 and 1.8 illustrate. This is partly due to the presence of Mattel Inc. and Namco Bandai Holdings USA Inc.,

both of which are major doll, toy, and video game manufacturers and distributors, and employ more than 100 employees in the City.

Figure 1.9 shows the dominant presence of the Creative Goods and Products sector in El Segundo compared to Los Angeles County and California.

Employment Share in Creative Industries by Creative Sector, 2017

Figure 1.10



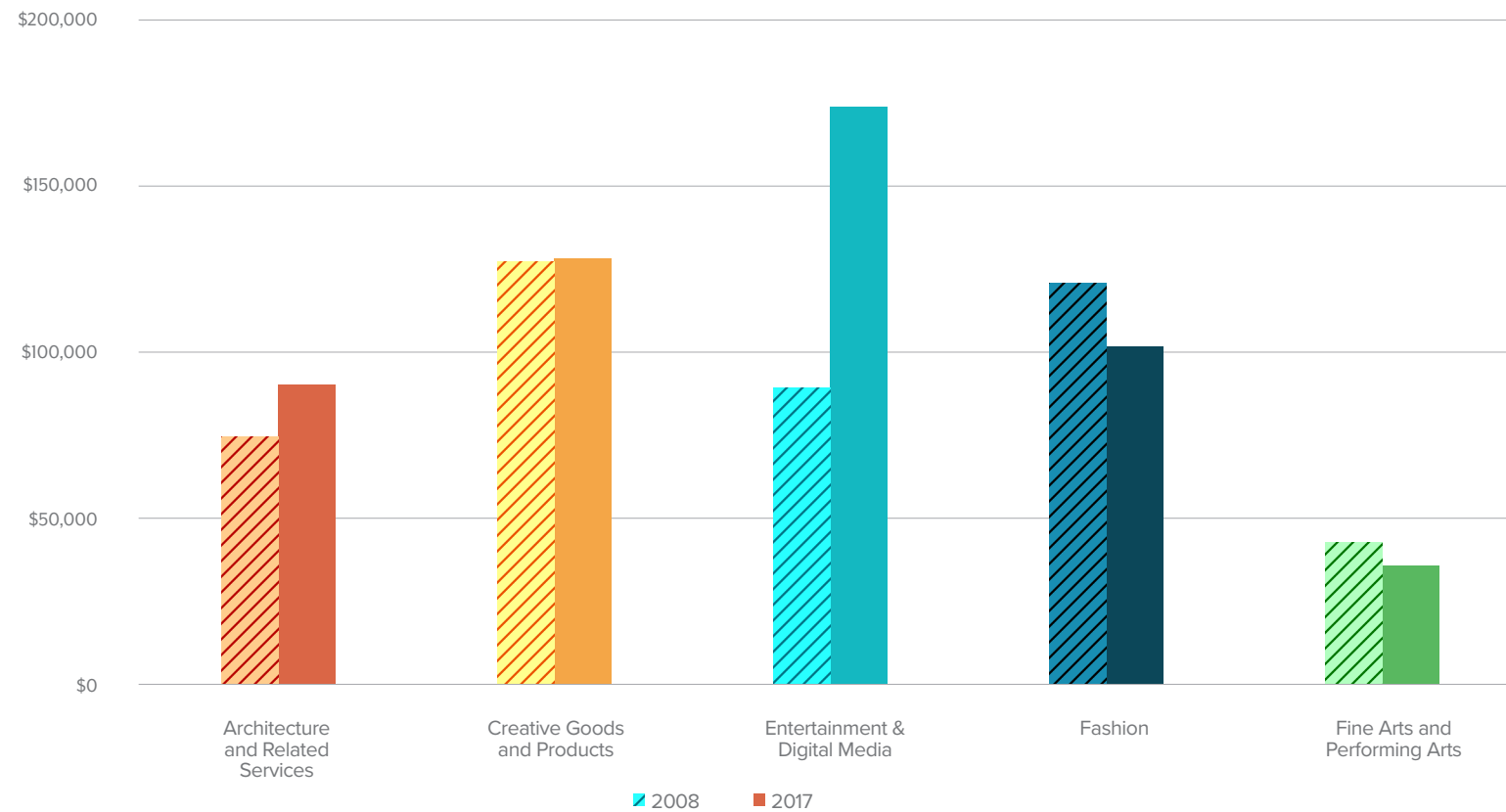
Source: California Employment Development Department; Analysis by Beacon Economics

Wages

Between 2008 and 2017, the average annual wage in El Segundo's creative industries increased 43% from \$105,700 to \$151,100. Entertainment & Digital Media is the highest paying creative sector. In 2017, the sector paid an annual average wage of \$174,000 in El Segundo. Fine Arts and Performing Arts is the lowest paying sector of El Segundo's creative industries, paying an average annual wage of \$35,600.

Annual Average Wage by Creative Sector in El Segundo, 2008 vs. 2017

Figure 1.11



Source: California Employment Development Department; Analysis by Beacon Economics

Entertainment & Digital Media also has the fastest growing annual average wage, almost doubling between 2008 and 2017. On the other hand, the annual average wages for Fashion and Fine Arts and Performing Arts have actually decreased during the same period, declining 15.9% and 16.4% respectively. El Segundo's professionals working in creative industries

generally enjoy higher wages than their Los Angeles County counterparts. Compared to Los Angeles County, the average annual wage in El Segundo's creative industries is 38% higher. El Segundo workers in every creative sector except for Fine Arts and Performing Arts earn a wage premium ranging from 7% to 125% compared to workers in Los Angeles County.



Title: Water
 Artists: Fishe, Arbe, Cache, Kub, Kyle Kyote, Versus 269, and Vyal.
 Location: Nash Street and El Segundo Blvd.

Annual Average Wages by Creative Sector in El Segundo and Los Angeles County, 2017

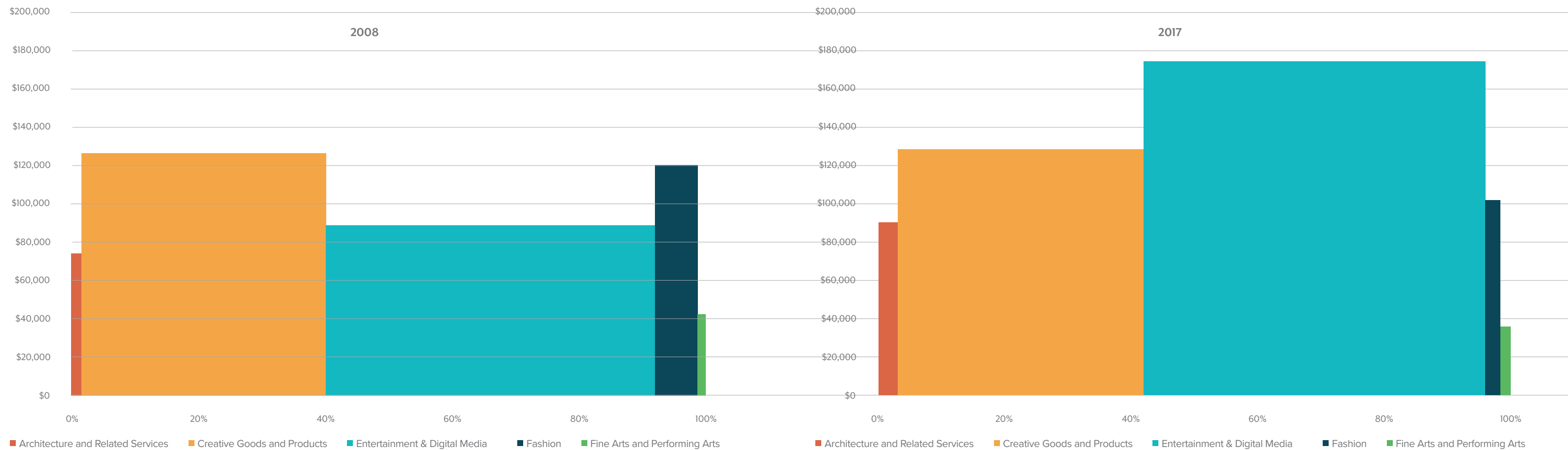
Table 1.1

CREATIVE SECTOR	EL SEGUNDO	LOS ANGELES COUNTY	PERCENTAGE DIFFERENCE
Architecture and Related Services	\$90,100	\$83,900	7%
Creative Goods and Products	\$128,300	\$57,000	125%
Entertainment & Digital Media	\$174,200	\$137,600	27%
Fashion	\$101,700	\$49,600	105%
Fine Arts and Performing Arts	\$35,600	\$84,900	-58%
Total Creative Economy	\$151,100	\$109,800	38%

Source: California Employment Development Department and U.S. Bureau of Labor Statistics, Quarterly Census of Employment and Wages (QCEW); Analysis by Beacon Economics

Employment Share and Annual Average Wage by Creative Sector, City of El Segundo, 2008 and 2017

Figure 1.12



Source: California Employment Development Department; Analysis by Beacon Economics

Creative Sector Share of Wage, Employment, and Establishment, City of El Segundo, 2017

Figure 1.13



Source: California Employment Development Department; Analysis by Beacon Economics

Despite the City's small population, El Segundo has a robust creative economy, where workers work in a diverse range of creative sectors for firms of various sizes. Even though the City's population is less than 0.2% of the entire Los Angeles County population, the fact that it employs roughly 1.4% of the County's creative workforce underscores the City's role as an important player in the County's creative economy. The presence of large firms such

as Mattel Inc., Bandai Namco Holdings USA Inc., Square Enix Inc., and Internet Brands Inc., cement the City's importance as a key contributor to the creative economy countywide and statewide. On the other hand, small establishments are also abundant, which give the City its unique character. El Segundo is a place where creative establishments of all sizes can coexist and flourish.



Title: For Your Intellectual Entertainment
 Artist: Daniel Martinez
 Location: El Segundo / Nash Metro Station

Industry cluster

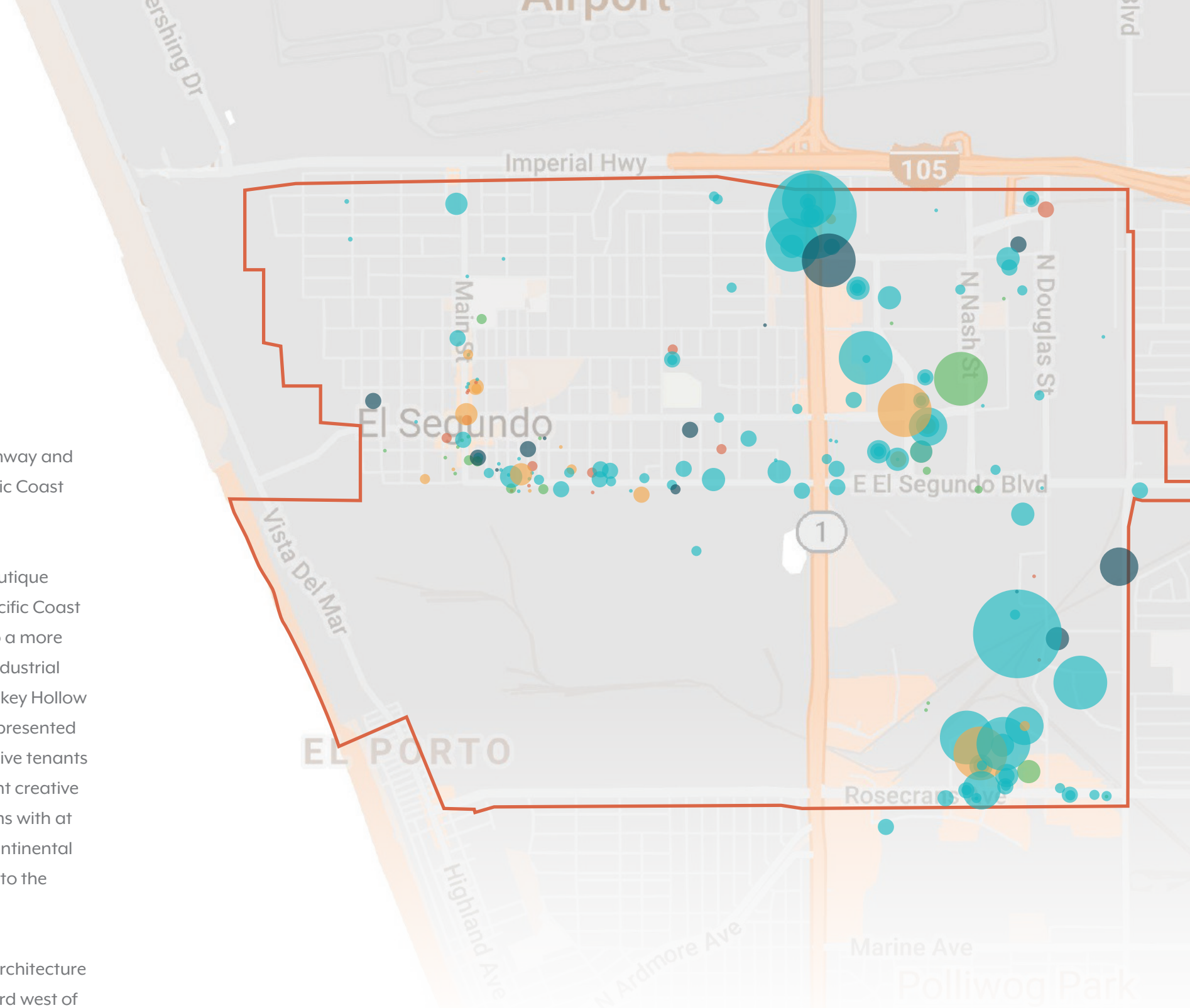
AND WORKFORCE MAPPING

The industry mapping displays employment by size and type of the creative industries throughout the City of El Segundo. The map is rendered based on publicly available information published by the California Employment Development Department.

There are a few distinctive patterns that make up El Segundo's creative economy. First, most of the establishments are concentrated on just a few major corridors: the block between Pacific Coast Highway and Nash Street south of the I-105 and north of El Segundo Boulevard, El Segundo Boulevard east of Pacific Coast Highway, and between Douglas Street and Apollo Street north of Rosecrans Avenue.

There is also a clear pattern of where firms tend to cluster depending on employment size. Small, boutique firms with fewer than 50 employees tend to be concentrated along El Segundo Boulevard west of Pacific Coast Highway. This area is known as Smoky Hollow, a formerly industrial area that is being revitalized into a more walkable neighborhood with a mix of creative office, research and development activity, and light industrial space. As evidenced by the cluster mapping, there is a more diverse mix of creative industries in Smokey Hollow than in most other neighborhoods of the City, with Creative Goods and Products particularly well-represented given the industrial space available. In recent years, El Segundo has seen a broad-based rise in creative tenants occupying space in the Smoky Hollow district. This transition positions Smoky Hollow as an important creative hub and helps to further cement El Segundo's leadership in the creative space. Meanwhile, large firms with at least 100 employees are clustered on Pacific Coast Highway immediately south of the I-105, along Continental Way and Apollo Street to the south of Park Place in the southeastern part of the City, and in the area to the immediate west of Mariposa Green Line Station.

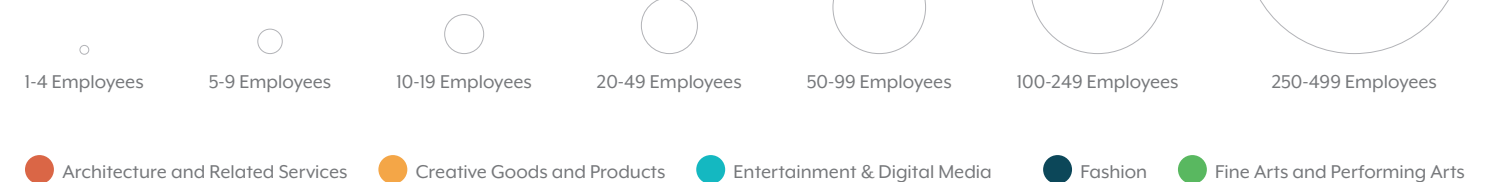
Finally, each of the five creative sectors workforce generally cluster in different parts of the City. For Architecture and Related Services, the majority of the firms sit alongside Franklin Avenue and El Segundo Boulevard west of Pacific Coast Highway. For Creative Goods and Products, the larger establishments can be found to the east of Pacific Coast Highway while the smaller establishments reside in the same general area as Architecture and Related Services. Entertainment & Digital Media's patterns follow the general creative economy: small firms to the west of Pacific Coast Highway on Franklin Avenue, El Segundo Boulevard and Main Street, and large firms in the northern part of the City on Pacific Coast Highway and the southeastern part of the City. For Fashion, once again the larger firms are on the East side while the smaller firms are on the West side. Finally, most of the Fine Arts and Performing Arts establishments, which are studios with few employees, tend to reside along Main Street.



Creative Economy in El Segundo

Figure 1.14

Source: Employers by Geographic Area Database, California Employment Development Department (EDD) and InfoGroup





Title: Willow/Sausal
 Artist: Celeste Korthase
 Location: Franklin Avenue (at the corner of Main Street)

Economic Impact: CREATIVE INDUSTRIES

The creative industries play an important role in El Segundo's economy. Not only does the creative ecosystem support a significant number of jobs in the industries that make up the creative economy, it also supports thousands of jobs in the other parts of Los Angeles' economy. In 2017, total employment supported by the creative economy in the City totaled 11,433, of which 5,888 positions were supported directly by the creative industries.

The top ten sectors make up 78% of the City's total employment directly, indirectly, and induced by the City's creative economy, compared to 54% observed for Los Angeles County. This illustrates the City's competitive advantage compared to Los Angeles County, especially when it comes to wholesale trade and internet publishing and broadcasting, where just over 6,000 jobs were supported within the City by the City's creative economy.

Additionally, the direct, indirect, and induced labor income earned by these workers totaled \$1.08 billion in El Segundo in 2017. With 11,400 jobs, the average income supported by these new positions is just over \$94,000 annually, which is slightly higher than the City's median household income.¹ As a result, not only does the industry support a significant number of jobs in the region, the jobs that are supported are on the higher end of the pay scale. These workers then spend these wages at establishments throughout El Segundo and elsewhere in Los Angeles County, supporting a multitude of industries outside of the City's creative economy.

¹ Source: Table S1903, American Community Survey, U.S. Census Bureau. Note: Five-year estimates used.

Economic Impact of Creative Economy in El Segundo

Figure 1.15

	DIRECT	INDIRECT	INDUCED	TOTAL
Employment	5,888	5,208	337	11,433
Labor Income	\$667.3M	\$394.9M	\$16.6M	\$1,078.8M
Value Added	\$973.2M	\$603.1M	\$29.6M	\$1,605.9M
Output	\$2,300.3M	\$951.4M	\$46.7M	\$3,298.5M

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

With a significant number of jobs and labor income supported by the creative economy, a significant amount of economic activity in El Segundo is attributed to it. In 2017, the creative economy in El Segundo generated \$3.3 billion in economic output, of which \$2.3 billion was generated by the creative industries directly.

The substantial amount of economic activity that is generated by the creative economy in El Segundo is also a boon to state and local governments. In 2017, State and Local Tax Revenues supported by the creative economy totaled \$147.6 million. Of this \$147.6 million, \$70.5 million came from sales tax, \$51.3 million came from property tax, \$5.8 million came from personal income tax, and another \$20.1 million came from other taxes and fees.



Economic Impact: LOS ANGELES COUNTY

El Segundo's creative economy also plays a sizeable role in Los Angeles County's economy outside of the City. In 2017, total employment supported by the City's creative economy in Los Angeles County totaled just slightly under 20,000, of which about 8,400 positions in Los Angeles County excluding El Segundo were supported indirectly by the City's creative industries.

Additionally, the direct, indirect, and induced labor income earned by these workers totaled \$1.6 billion in Los Angeles County in 2017. With 19,400 jobs, the average income supported by these new positions is almost \$81,600 annually. However, without the wages earned by workers in El Segundo the average income earned by these workers falls to \$64,300 annually, with the majority of the difference coming from higher wages in the jobs supported by indirect and induced economic activity.

With a significant number of jobs and labor income supported by the creative economy a significant amount of economic activity in Los Angeles County is attributed to it, with El Segundo accounting for a sizeable share of this activity. In 2017, the creative economy in Los Angeles County generated \$4.7 billion in economic output, of which \$2.3 billion was generated by the creative industries directly.

Economic Impact of Creative Economy in Los Angeles County
Figure 1.15

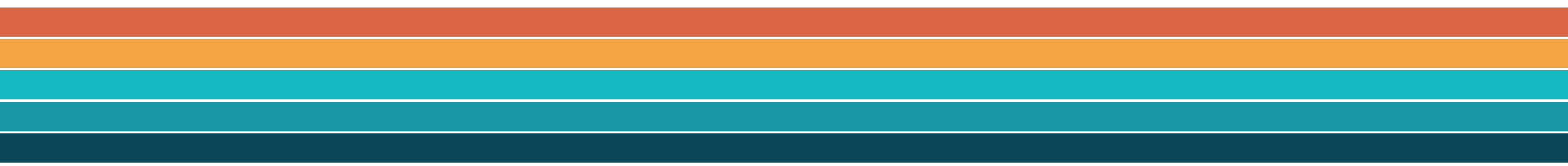
	DIRECT	INDIRECT	INDUCED	TOTAL
Employment	5,888	8,140	5,817	19,845
Labor Income	\$667.3M	\$642.5M	\$310.1M	\$1,619.8M
Value Added	\$973.2M	\$958.5M	\$550.9M	\$2,482.6M
Output	\$2,300.3M	\$1,519.0M	\$877.0M	\$4,696.4M

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

The substantial amount of economic activity that is generated by the creative economy in Los Angeles County is also a boon to state and local governments. In 2017, State and Local Tax Revenues supported by the creative economy totaled \$264.7 million. Of this \$264.7 million, \$95.9 million came from sales tax, \$70.4 million came from property tax, \$51.3 million came from personal income tax, and another \$47.7 million came from other taxes and fees.

It should be noted that the impacts of El Segundo's creative economy on the City itself and Los Angeles County are fundamentally different. For example, over 5% of the jobs supported in Los Angeles County are in full-service and limited-service restaurants as well as other food and drinking places; whereas these sectors make up only 2.3% of the total employment in El Segundo. Los Angeles was at the forefront of the growth in the food truck movement, with many chefs creating high-end cuisine in spaces never thought possible. This is not so in El Segundo.

Please see Appendix for a glossary of economic impact terms.



The People

CREATIVE
OCCUPATIONS
ANALYSIS

Demographic Profile

OF LOS ANGELES COUNTY'S WORKFORCE

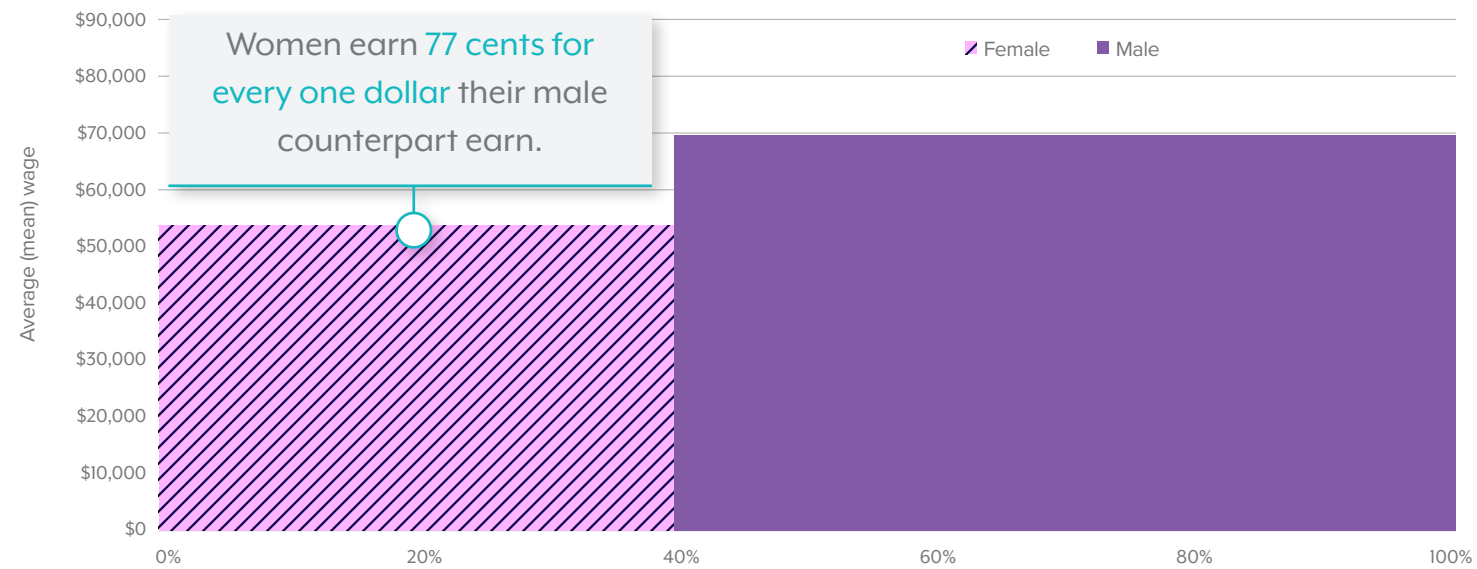
IN THE CREATIVE INDUSTRIES

Gender

This analysis uses L.A. County as the unit of geography for its study of demographic trends which are derived from occupational data. The City of El Segundo's labor pool is that of L.A. County, as labor sheds functional regionally as opposed to along jurisdictional lines. Practically speaking, this means that El Segundo's creative firms pull talent from across the County and beyond to staff their ranks. Additionally, occupational data available at the County level provide a richness of insight that is unavailable at lower levels of granularity, for example around demographic composition of workers by creative industry.

Employment and Average Wage by Gender, Total Creative Industries, Los Angeles County, 2017

Figure 2.1



Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

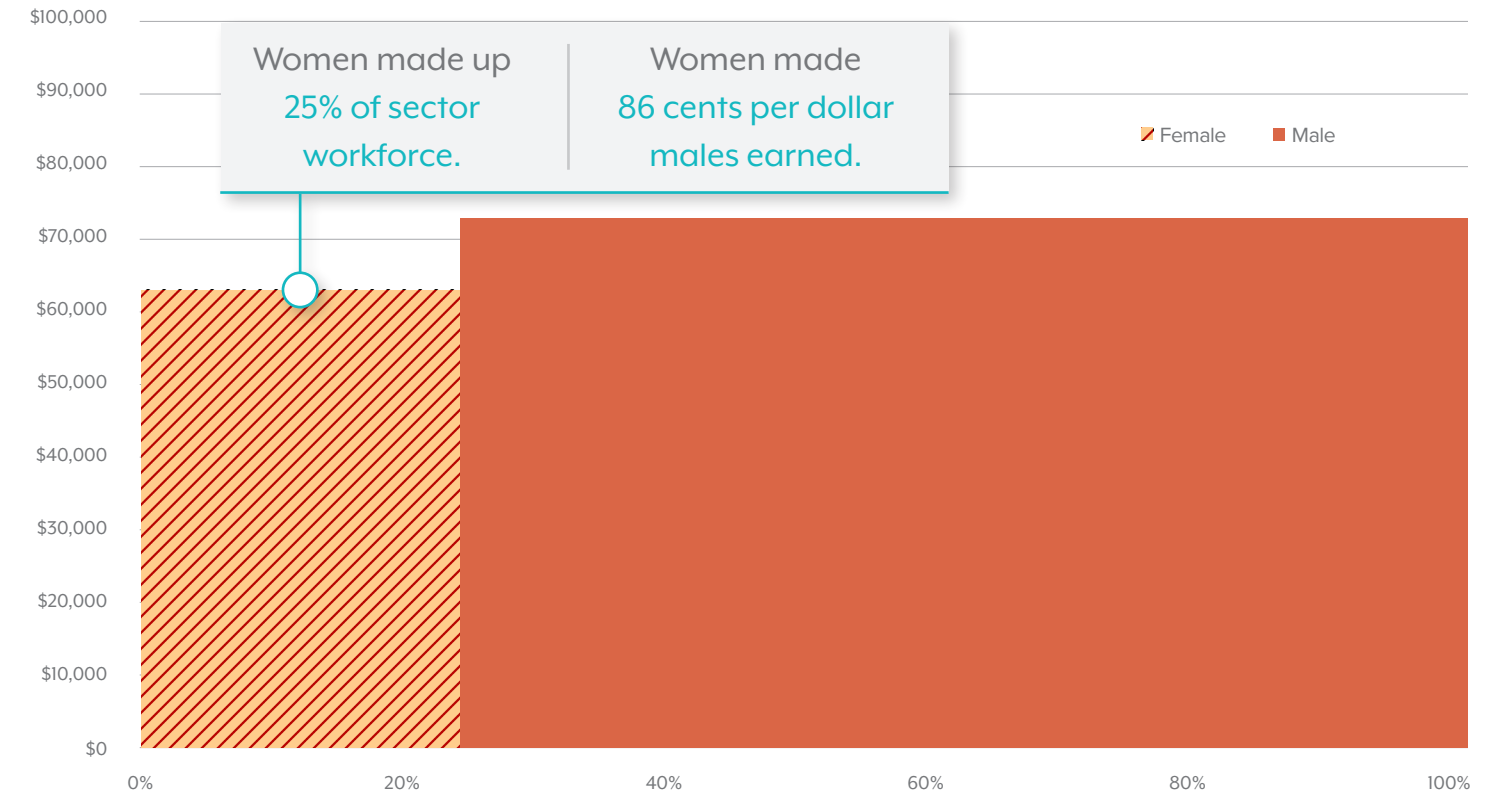
In Los Angeles County, employment by gender in the creative industries remained fairly stable from 2007 to 2017; women have made up about 40% of the creative industries workforce. By comparison, in New York City, which also has a very robust creative economy and is a major competitor of the Los Angeles region, women have made up about 45% of the region's creative industries workforce. However, employment levels have risen faster for female professionals in L.A. County than for male professionals within the past ten years.

A breakdown by the five Creative Industry groups reveals very different workforce distributions by gender. In the Architectural and Related Services sector, women only make up a quarter of the creative industries workforce whereas women make up 51% of the creative industries workforce in Fashion as well as Fine Arts and Performing Arts.

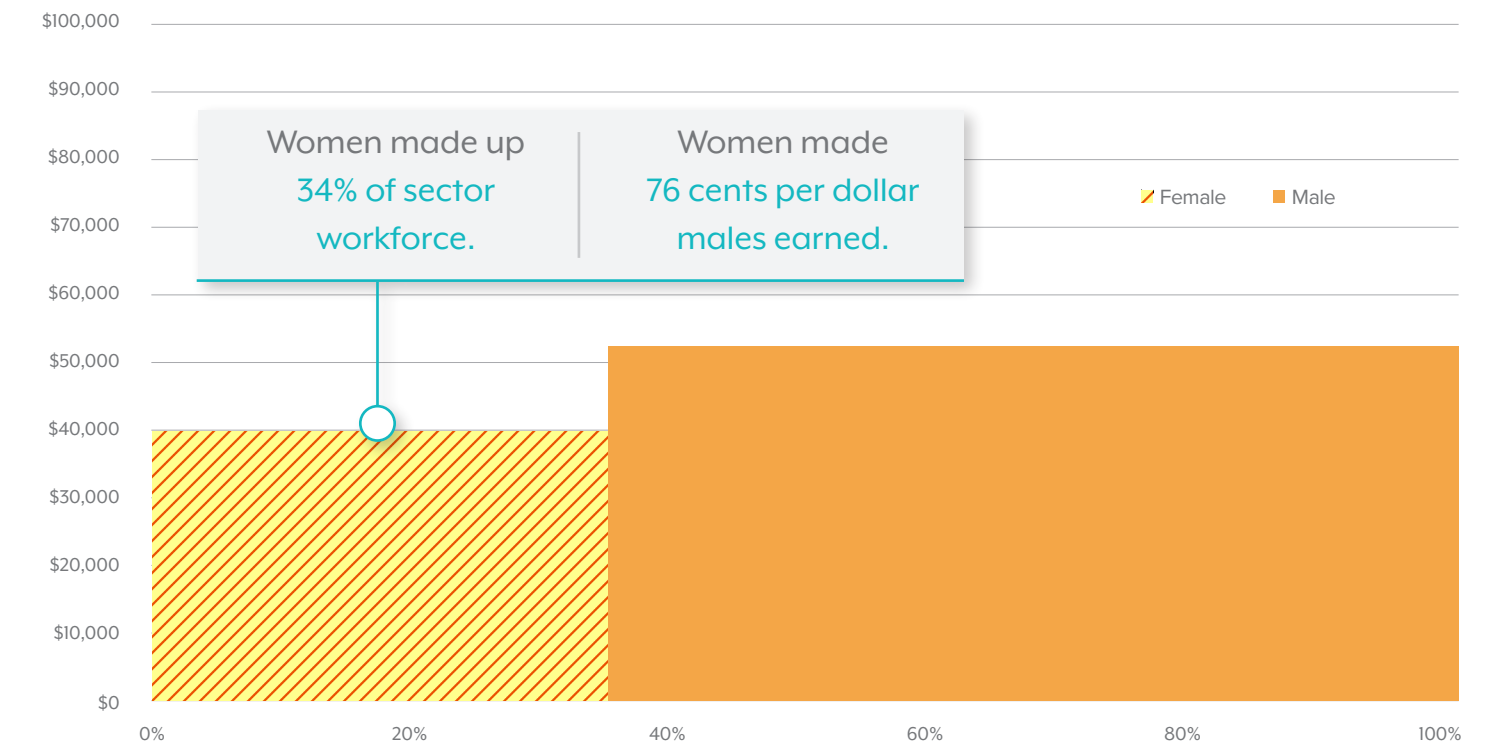
Employment and Average Wage by Gender and Creative Industry, Los Angeles County, 2017

Figure 2.2

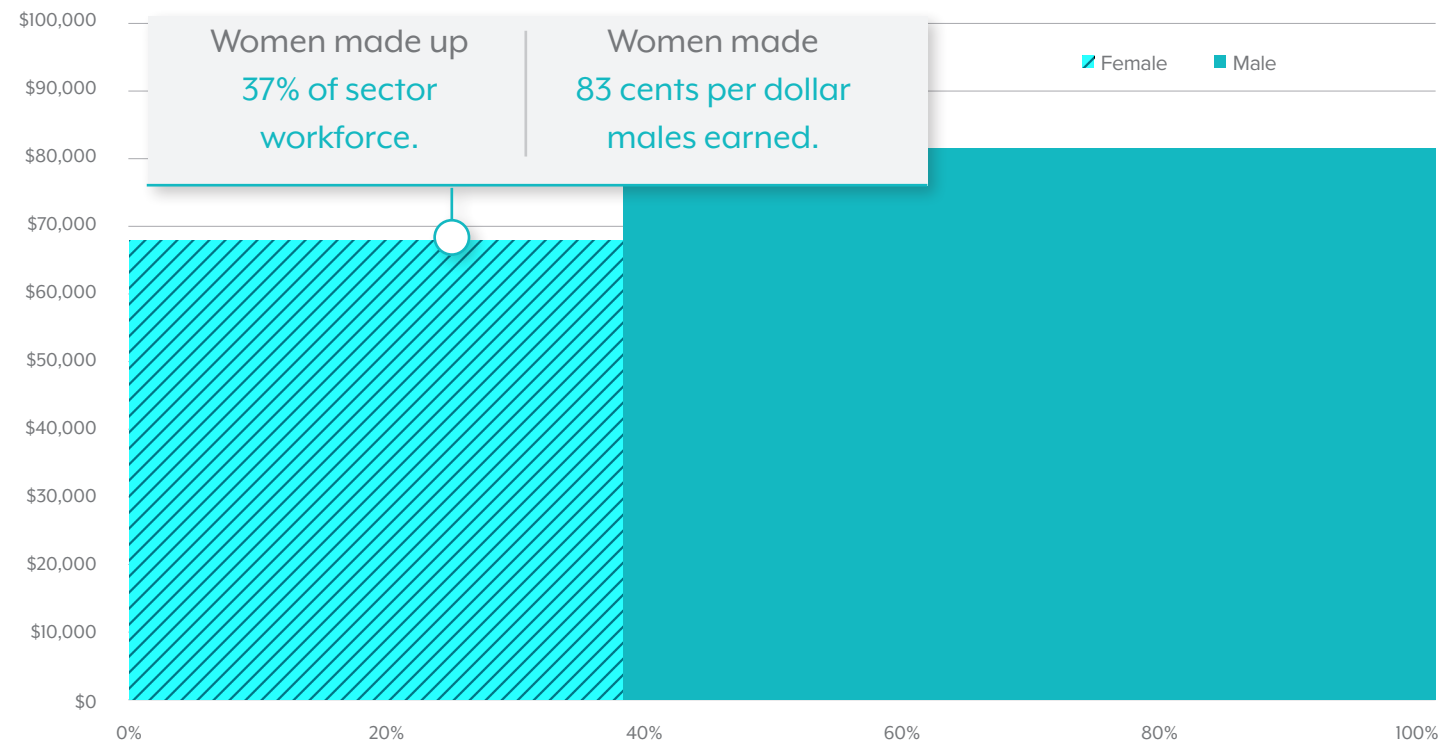
Architecture and Related Services



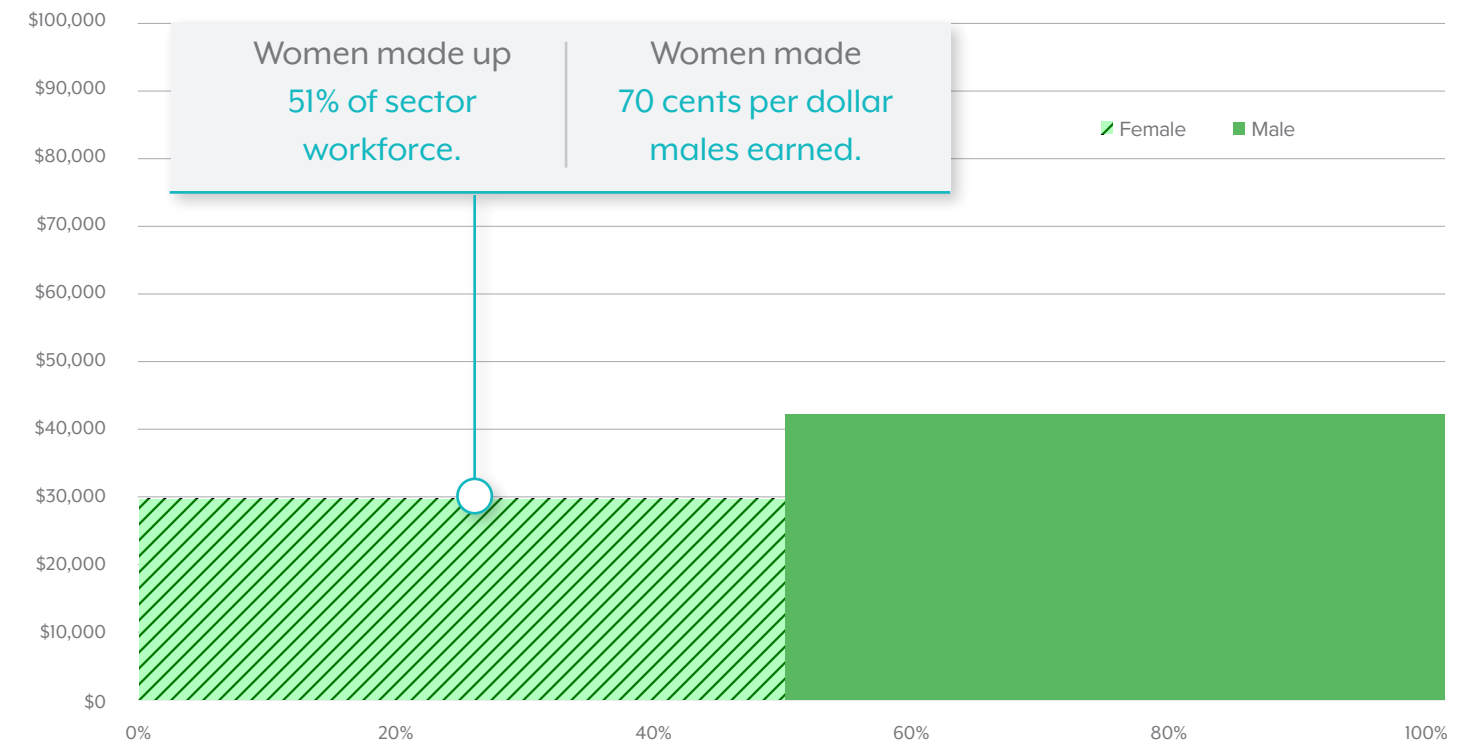
Creative Goods and Products



Entertainment & Digital Media

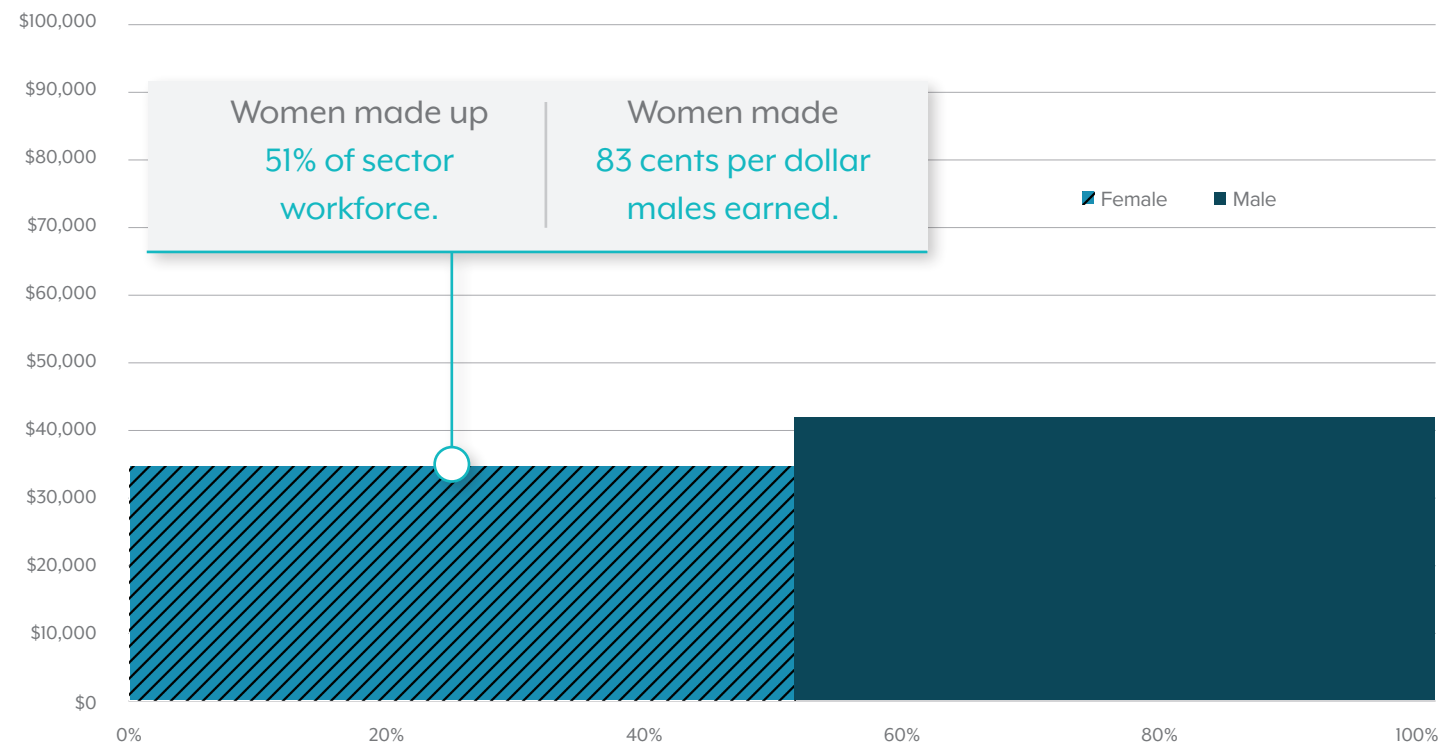


Fine Arts and Performing Arts



Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

Fashion



Nevertheless, in each of the five Creative Industry groups, women make less than men on average, earning from 70 cents in Fine/Performing Arts for every dollar their male counterparts earn to 86 cents in Architectural and Related Services.

Educational Attainment

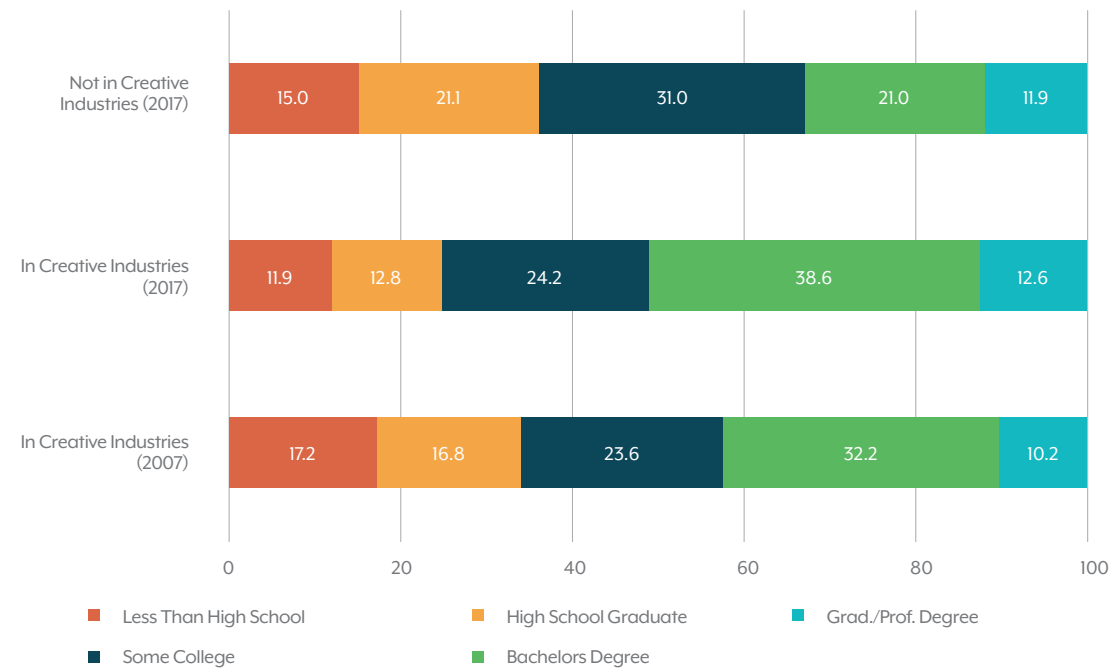
The creative industries employ many highly-educated workers. 51% of the professionals in L.A. County's creative industries had at least a bachelor's degree in 2017, representing a 9% increase from 2007. By comparison, just one-third of workers in L.A. County's non-creative industries had a bachelor's degree or above in 2017.

Because workers in the creative industries are becoming more educated, the percentage of workers with less than a high school diploma and the percentage with just a high school diploma have dramatically declined, by 28.5% and 20.6%, respectively over the last ten years. In contrast, among Los Angeles County's workers in the non-creative industries, the percentage of workers with less than a high school diploma (-14.3%) and the percentage with just a high school diploma (-3.7%) have declined more modestly.

Professionals in creative industries in L.A. County enjoy higher wages than those in non-creative industries and this holds true across all educational attainment levels. In Los Angeles County, the wage premium is the highest among those with some college (including associate's degree, +27.1%), followed closely by those with a high school diploma (+26.9%).

Creative Industries Workforce: Very Educated and Becoming More Educated in Los Angeles County

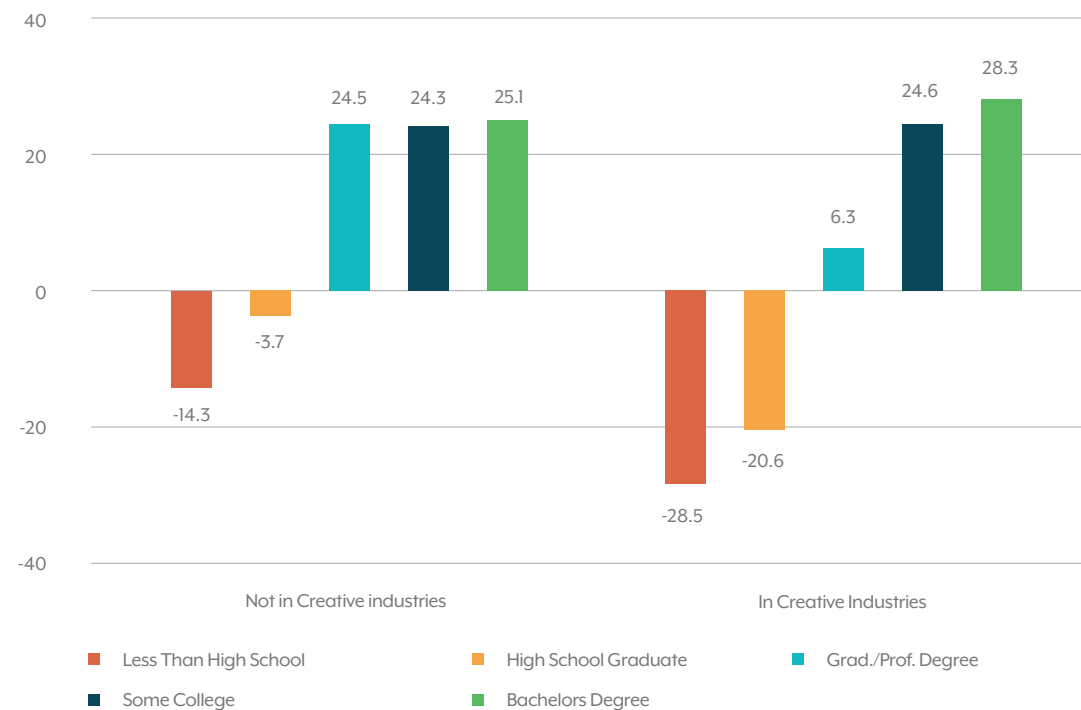
Figure 2.3



Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

Percentage Change in Employment Los Angeles County, 2007 to 2017

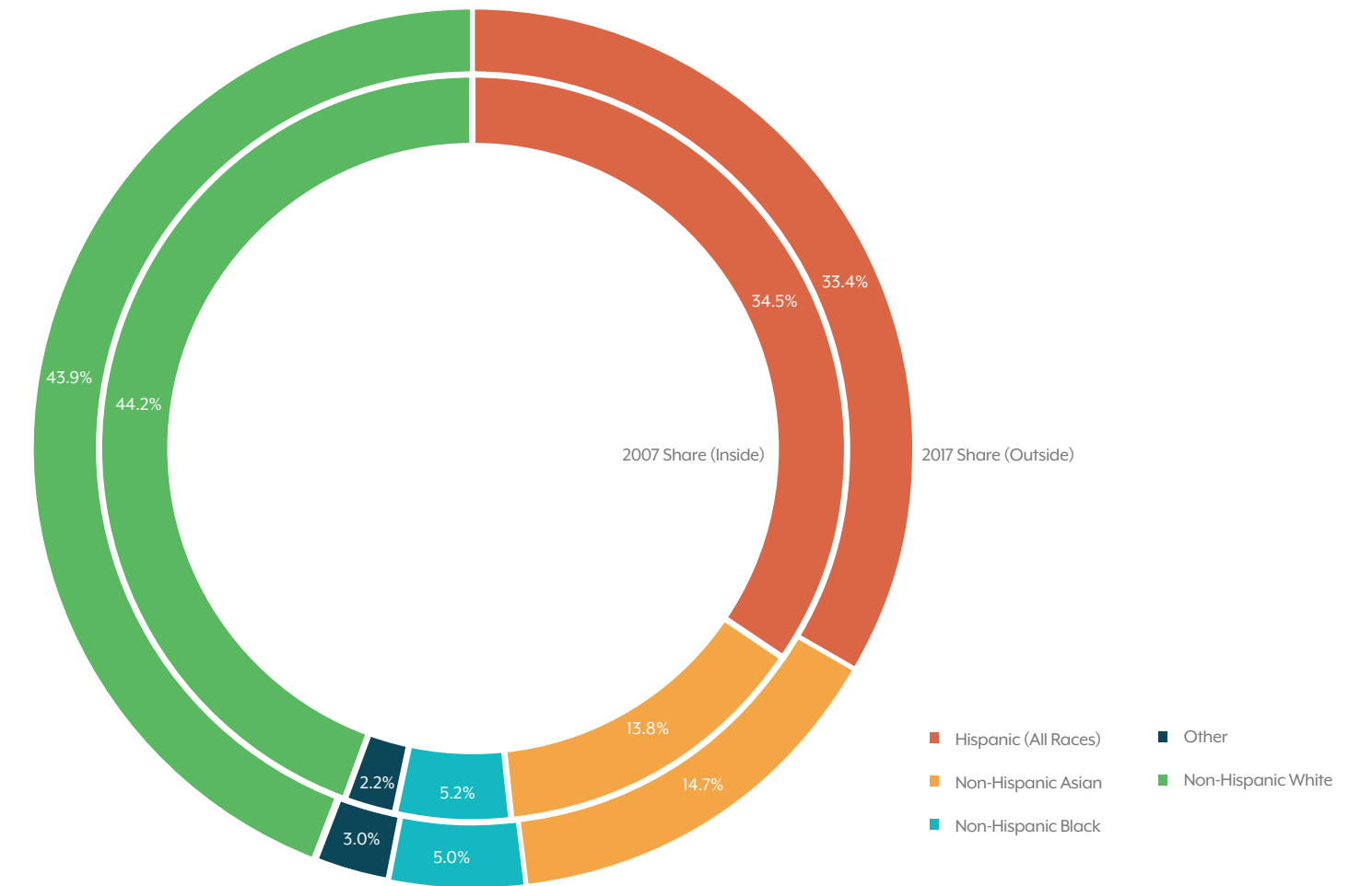
Figure 2.4



Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

Race

Non-Hispanic Whites (44%) make up the largest share of the creative industries workforce in Los Angeles County, followed by Hispanics (33%). The racial distribution has remained almost the same in Los Angeles County over the past ten years; the only notable change is Asians have gained nearly a one-percentage point increase over the period 2007 - 2017 as a share of the creative industries workforce from 13.8% to 14.7%.



Creative Industry Workforce by Race, Los Angeles County, 2007 vs. 2017

Figure 2.5

Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics



Title: John Van Hamersveld tank mural
Artist: John Van Hamersveld
Location: Grand Avenue in El Segundo

Creative Occupations

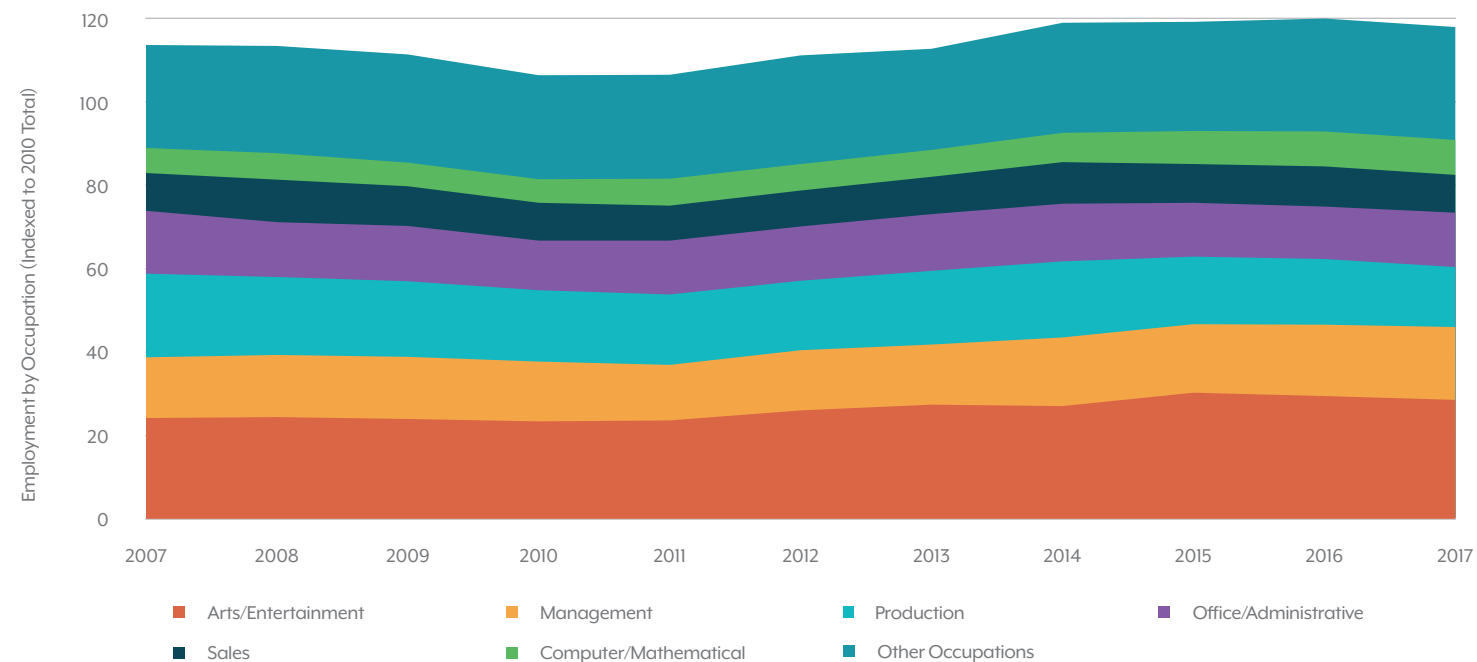
ANALYSIS AND WORKFORCE TRENDS

Occupational Groups in Creative Industries

As mentioned, this analysis uses L.A. County as the unit of geography for its study of creative occupations. The City of El Segundo's labor pool is that of L.A. County, as labor sheds functional regionally as opposed to along jurisdictional or municipal lines. Thus, a study of workers' occupations is necessarily performed at the County level. Los Angeles County's creative economy comprises a variety of creative industries, which employ an expansive range of occupations.² Of the major occupational groupings,³ a quarter of the workforce in L.A. County's creative industries were employed in Arts, Design, Entertainment, Sports, and Media occupations (or Arts/Entertainment for short) in 2017. This was the region's largest occupational group in 2017, followed by Management (14.9%) and Production (12.3%). To note, Production was previously the second largest major occupational grouping, however, Management has overtaken Production since 2015 due to the continuous decline in manufacturing-related jobs in Los Angeles County, mirroring trends nationwide.

Employment in Creative Economy by Occupation, Los Angeles County, 2007 to 2017

Figure 2.6

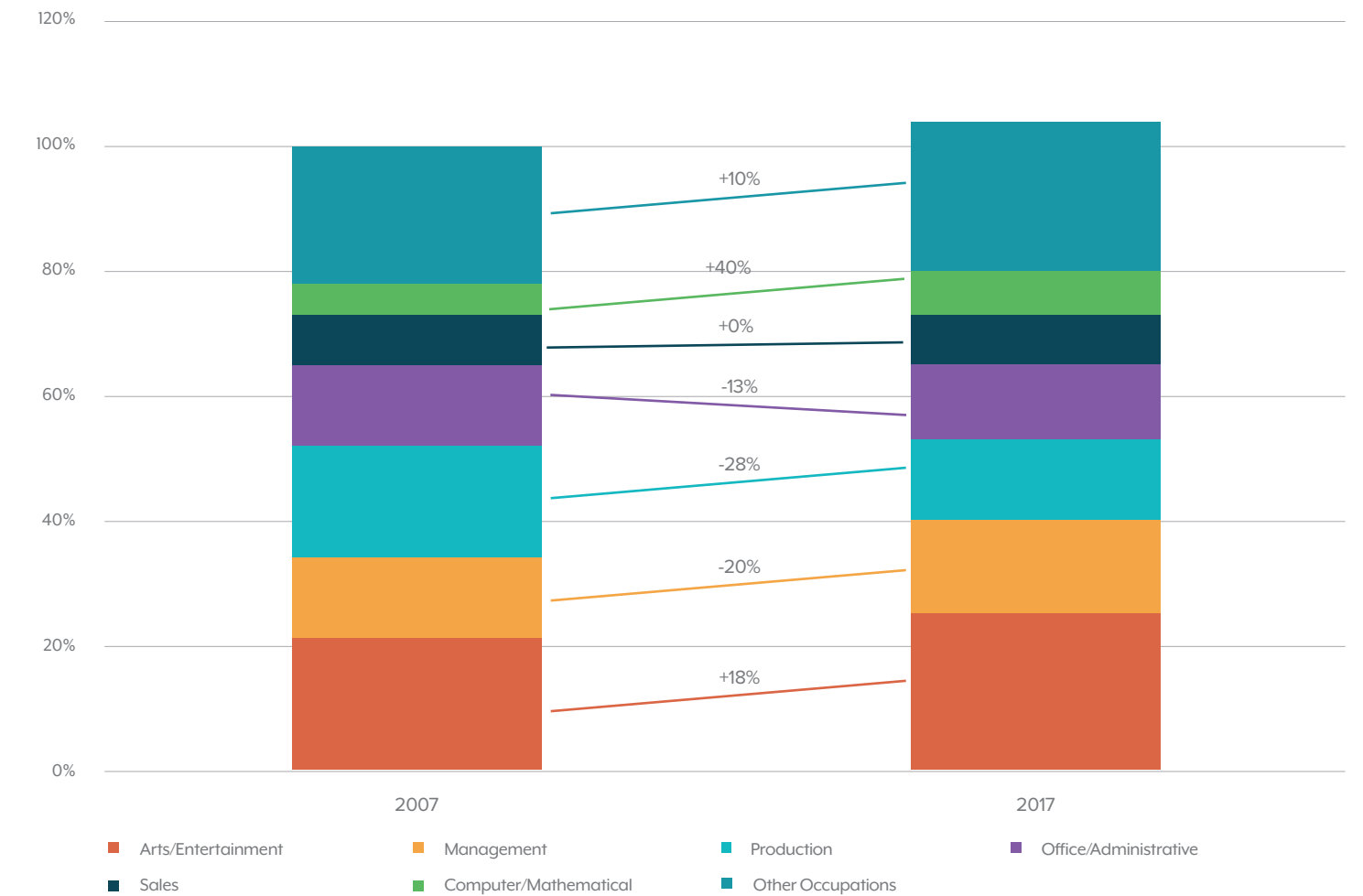


Source: Public Use Microdata Sample, U.S. Census, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

² Standard Occupational Classification (SOC), which is used by federal agencies to classify workers into occupational categories for the purpose of collecting, calculating, or disseminating data. This report uses the 2010 SOC system rather than the new 2018 SOC system, given that the data runs to 2017.

Ten-Year Employment Growth Overview in Los Angeles County in Creative Industries by Major Occupational Groups

Figure 2.7



Source: Public Use Microdata Sample, U.S. Census, American Community Survey 1-Year PUMS; Analysis by Beacon Economics

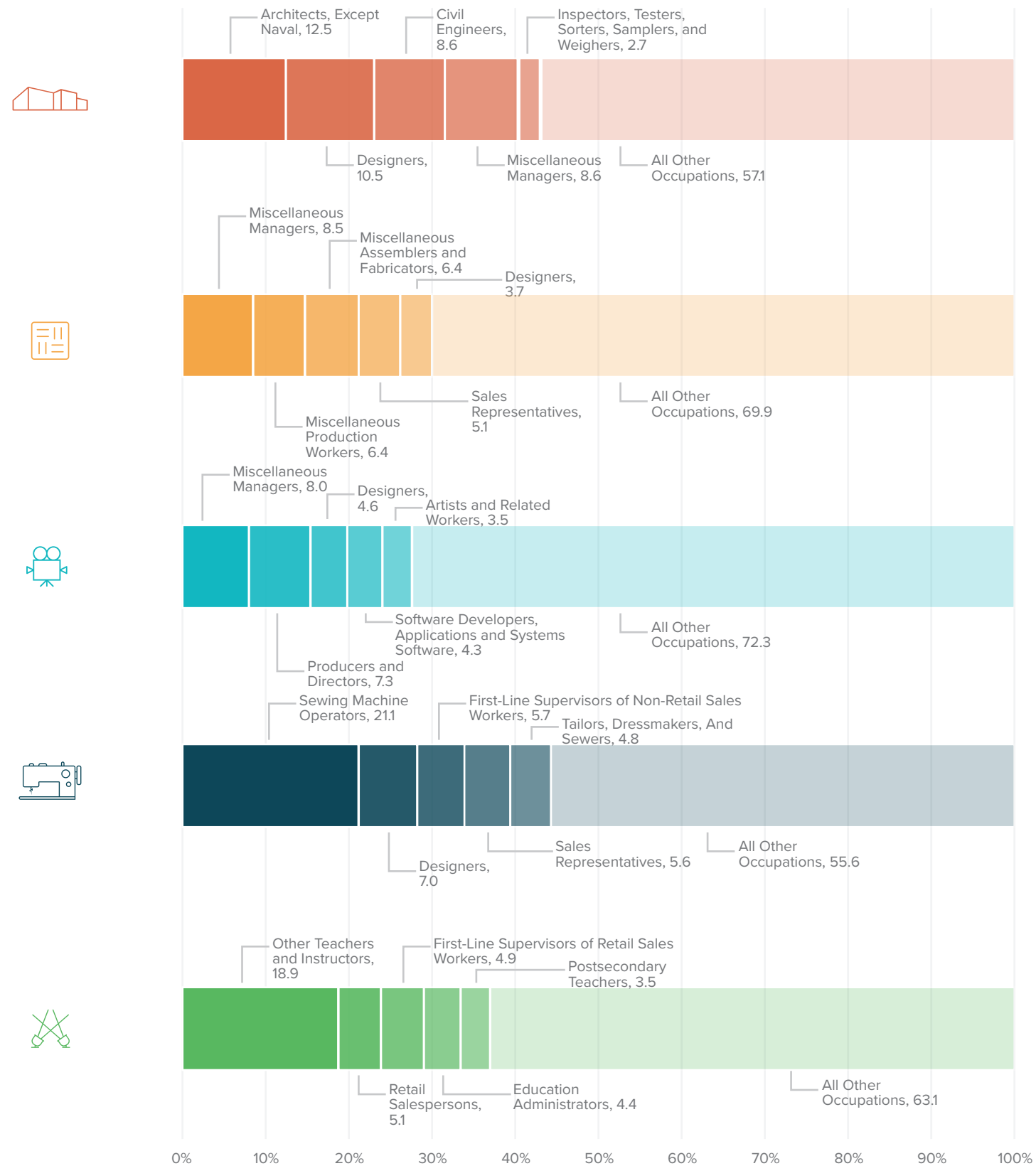
Of the top occupational groups by employment, Computer/Mathematical is the fastest growing, seeing a 40% increase over the last ten years in Los Angeles County. Much of the increase can be attributed to the boom in employment in firms classified under the Computer Systems Design and Related Services industry. More broadly, the Emerging Digital Media subsector including Computer Systems Design and Related Services as well as other industries accounted for most of the increase in Computer/Mathematical occupational demand. On the other hand, Production has suffered a 28% drop in employment, which is perhaps unsurprising given the long-term trends at play in manufacturing, countywide and nationwide.

Each of the five creative sectors profiled in this report employ a wide range of detailed occupations in Los Angeles County. Entertainment & Digital Media, which is the largest creative sector by far, employs the greatest number of distinct detailed occupations; the top five detailed occupations in the Entertainment & Digital Media sector make up only 27.7% of the sector's employment.

³ Detailed occupations (6-digit level) are combined to form 459 broad occupations (5-digit level), 98 minor groups (3-digit level), and 23 major groups (2-digit level). Here, the term "major occupational groups" refers to the 23 major groups. The 2010 SOC classification system can be viewed here: https://www.bls.gov/soc/soc_structure_2010.pdf

Top Five Detailed Occupations by Creative Industry, Los Angeles County, 2017

Figure 2.8



Source: Census Bureau, American Community Survey 1-Year PUMS; Analysis by Beacon Economics



Architecture and Related Services

Architects (except Naval) is the largest occupation in the Architecture and Related Services sector in Los Angeles County, employing one-eighth of the sector's total employment, followed by Designers (10.5%) and Civil Engineers (8.6%).



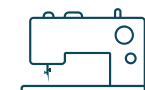
Creative Goods and Products

Miscellaneous Managers (8.0%) is the largest occupation in the Creative Goods and Products sector in Los Angeles County, followed by Miscellaneous Production Workers (6.4%) and Miscellaneous Assemblers and Fabricators (6.4%). Designers (3.7%) is the fifth most common occupation, highlighting the importance of creative work in the industry though it is primarily manufacturing-based.



Entertainment & Digital Media

Miscellaneous Managers (8.0%) is also the largest occupation in the Entertainment & Digital Media sector in Los Angeles County, followed by Producers and Directors (7.3%), Designers (4.6%), Software Developers, Applications and Systems Software (4.3%), and Artists and Related Workers (3.5%). Several of the industry's more high-profile occupations – Musicians, Singers, and Related Workers (2.2%), Editors (2.3%), Writers and Authors (2.6%) and Photographers (2.2%) – comprise less than 10% of Entertainment & Digital Media's total employment in L.A. County. Actors, the sector's twelfth largest detailed occupation, make up another 2.0%.



Fashion

Sewing Machine Operators (21.2%) is by far the largest occupation in the Fashion sector in Los Angeles County, followed by Designers (7.0%) and First-Line Supervisors of Non-Retail Sales Workers (5.7%).



Fine Arts and Performing Arts

Slightly under one-fifth of the total workforce of the Fine Arts and Performing Arts sector ("Fine/Performing Arts") in Los Angeles County are employed as Other Teachers and Instructors, making that occupational group more than three times larger than the next largest occupational group, Retail Salespersons (5.1%). Other Teachers and Instructors may include for example art and music teachers who provide private lessons either in private homes or at studios.

Opportunities AND CHALLENGES

Industry stakeholders in El Segundo were interviewed and asked about the advantages and potential challenges of locating in El Segundo as a creative firm. Below is a short summary of their feedback, including recommended next steps.

ADVANTAGES



HISTORICAL
CONTEXT AND
ASSETS



CREATIVE,
COLLABORATIVE
COMMUNITY



CORPORATE
SYNERGIES



TRANSIT-ORIENTED
LOCATION



QUALITY
OF LIFE



LOW COST-HIGH
TALENT INTERSECTION



COOPERATIVE
GOVERNMENT

CHALLENGES



BETTER AND MORE OPTIONS
FOR HIGH-SPEED INTERNET



PARKING

Opportunities



ADVANTAGE

Historical context and assets

Named after a second siting of a Chevron refinery, El Segundo has had a long history with big industry. In addition to the oil industry, the aerospace industry has maintained a strong footprint in El Segundo over time. These two traditional industries have provided important hard and soft assets for creative firms in El Segundo.

Stock of mid-century designed and industrial buildings [Hard assets]:

Showcased well in the area of Smoky Hollow, El Segundo has a plethora of industrial buildings and warehouses, or an “industrial chic aesthetic” as one stakeholder called it, appealing to creative individuals and firms. Parcels were also noted to be available in conveniently smaller increments in El Segundo, allowing for the gradual expansion of big firms or the entrance of smaller firms requiring less space. One stakeholder explained, “As perhaps some of the older, legacy industries in El Segundo don’t need as much space as they once did, they are downsizing and as a result, you can buy in El Segundo and actually develop your vision for your space here.”

This base of industrial real estate in an appealing neighborhood and in close proximity to other parts of Los Angeles County represents an ideal and unique value proposition for many of El Segundo’s creative economy industry stakeholders. One stakeholder detailed his own search for his firm’s new space as they were growing, explaining, “We triangulated on El Segundo because of its proximity to other relevant parts of the County and we were looking for a certain type of industrial space needed by a creative firm like ours - which means a certain square footage and allowable use but also an atmosphere and an aesthetic. That’s how we kind of ended up in El Segundo. It’s been great. It’s been perfect actually. I want to say it’s kind of a perfect place for business. I don’t think there’s anything else in L.A. County that would be as accessible, fit our needs better in terms of space, and be as affordable.”

El Segundo’s accessible location and real estate stock also allow for certain business models to thrive that may not be possible elsewhere. In this sense, El Segundo’s stock of industrial assets and central location in L.A. County is not only an advantage to El Segundo but an important advantage to the County as well. One stakeholder explained this idea, saying, “It’s highly unlikely that our offices in San Francisco or New York would ever become the same business model as our operation in L.A., where we have a huge multi-facility, vertically-integrated operation, with production here in El Segundo. I think that’s going to remain L.A.-centric and it’s going to be difficult to replicate that elsewhere.”

Authentic cultural roots [Soft assets]:

Given the presence of industries like oil and aerospace, a blue-collar workforce settled historically in El Segundo as well as a tight-knit community over time. Both long-time residents of El Segundo as well as newcomers remarked on the City's "small-town feel, character, charm, and sense of place." As one industry stakeholder and long-time resident of El Segundo elaborated, "I am delighted in the shift of perspective on El Segundo: What made El Segundo once the stepchild of Manhattan Beach is what makes it charming today. El Segundo has a sense of authenticity to it. When you think of other attempts to cultivate creative communities, El Segundo has a unique history and a sense of community here that I think strikes a different tone. Creativity is colliding with that history in dynamic ways but not overriding it. I think that's an opportunity for everyone."

As many industry stakeholders spoke to the human-centeredness of creative work and the uniquely human inputs to success in creative industries despite massive technological transformation, the community-orientation of El Segundo and its palpable humanity was repeatedly praised. One industry stakeholder who relocated his creative business to El Segundo having considered other parts of L.A. County said, "I love the authentic ambiance here. You can go to some of these other hipster neighborhoods but they feel forced. There's something about El Segundo: You still have traditional car shops and manufacturing businesses mixed in with creative agencies. There's an authenticity to the City. It feels real but still looks great; it feels like Main Street but you also have a good deal of newer companies coming in. It's an ideal blend."

As the broader creative economy is searching for a diversity of voice and the ability to communicate authenticity, El Segundo's strong identity is considered an asset and an inspirational context for creative work.



ADVANTAGE

Creative, collaborative community

Many industry stakeholders spoke to El Segundo's high-quality and, importantly, tight-knit creative community, as well as its openness to collaboration. In discussing how that collaboration is operationalized and why it's important to creative business, one stakeholder explained,

"One of the things we find here in the South Bay, in our experience, is something we felt was missing in some of the older and maybe more well-established, Hollywood-based hubs for production companies. The South Bay and El Segundo in particular has a different mindset, more "make it on the table" or generally collaborative. Over time, we felt that our preferred vendor partners in this part of town were more creatively open, more flexible, and more transparent in the context of collaboration. A lot of our vendors are our clients and many of our clients are our vendors so that type of open-minded, transparent collaboration is important to our business and more of the way things are done here, we think."



ADVANTAGE

Corporate synergies

In addition to the advantages of the creative community in El Segundo, industry stakeholders also spoke to the value of El Segundo's broader business community, including its more traditional and corporate elements.

Corporate funding:

Some industry stakeholders articulated that value as potential for direct partnership or funding. One stakeholder noted, "Aerospace and oil are big business. That's useful. In one sense we might think of those firms as traditional clients, and in another as potential sponsors. Either way, it's useful having Fortune 500s in your backyard."

Innovation ecosystems:

Other industry stakeholders discussed the utility of the intellectual capital borne of proximity to such large and rapidly innovating industries as those located in El Segundo. One stakeholder gave the City of El Segundo direct credit for cultivating that innovation ecosystem historically. While the City may not have been explicitly targeting creative firms over the entirety of those efforts, the stakeholder underlined the connections and synergy between creativity and innovation. He continued, saying, "The City has demonstrated evidence of a willingness, a desire, and a commitment to support business and especially innovative business and within that I put creative. The tagline for El Segundo is backed by real investment and that's been historically true but recently in the last few years that track record for the first time is colliding beautifully with arts and culture."



ADVANTAGE

Transit-oriented location

When asked, the number one advantage of locating in El Segundo as a creative firm, one stakeholder responded, saying, “Location, location, location. It’s on the westside, right next to the beach and offers a beautiful lifestyle through that. The proximity to LAX airport as well as the freeways you cannot beat, both with regard to bringing clients in and getting out ourselves. And proximity to other innovative film and entertainment communities – Culver City for example and the blooming Sports market with Rams, Chargers, LeBron.”

El Segundo’s proximity to Orange County compared with locations further north on the westside was also noted as an advantage. More generally, the move of creative activity in Los Angeles County both west and south was mentioned by stakeholders as part of a larger trend. As one stakeholder explained, “Everything used to be on the other side of Baldwin Hills. Over the course of time creative activity – entertainment and advertising particularly - in L.A. just kept moving west, and I think El Segundo is a logical conclusion and destination of this migration and what has been driving it.”



ADVANTAGE

Quality of life

In discussion of El Segundo’s location, proximity to the beach and the impact of that proximity on culture was mentioned numerous times with one stakeholder labeling El Segundo’s beach culture as “urban surf.” In a fast-paced world of many dichotomies, the unique combination of community, freedom, sense of opportunity, and quality of life in El Segundo was celebrated by its creative industry stakeholders. One stakeholder put that charm in the context of Southern California’s historical appeal, “Everything that is good about Southern California, everything that we historically love about it – the artistic side, the creative side, the beaches, the free and easy newness paired with a sense of identity – all of that is magnified and epitomized in El Segundo.”

Awareness of the value proposition that El Segundo offers seemed to be anecdotally on the rise, spurring the continued organic migration of firms to the City, especially creative firms. One industry stakeholder cited an example, saying, “We have clients that come down here to our offices and they like it and they start asking questions and before long they are saying they want to come down here. That’s what has been happening and it’s accelerating. I can say from my industry perspective, there’s been a real surge in creative activity since our beginning in 2013.”

“*It’s the same reason I choose to live here, the City itself is quite pleasant and a nice place to hang your hat whether that’s at home at night or during the day when you’re at the office. What else can I ask for?”*



ADVANTAGE

Low cost-high talent intersection

While a more traditional competitive advantage for business attraction, the relatively lower cost of land and cost of doing business in El Segundo was noted by creative economy industry stakeholders. Importantly, creative firms are still able to benefit from the County's broader workforce and employment base, uniquely strong in creative skills and competencies, while enjoying those lower transaction costs. One stakeholder commented on that pairing of optimal inputs, explaining, "From a commercial leasing and business licensing perspective, El Segundo's comparative lower rates were important for us as a small firm. We have a small staff and three main partners at our main location but we send out over 70 1099s every year as we crew up for production. Most of our jobs are outside of city limits as we travel to client locations or exotic locations for shoots. We need to be able to pull creative workers from across the region but still operate efficiently at our home office."

The L.A. County region represents the biggest national hub of creative professionals, a unique asset for creative firms in the City of El Segundo. Ultimately, the labor pool the City's firms are able to pull from is in number and creative competencies unmatched and the City of El Segundo represents a cost-effective location from which to access that talent.

“ I was originally going to buy in Hollywood that's where most of our big clients are located. But I always loved the vibe here in El Segundo and wanted to be closer to home so I made a personal decision to move here but it ended up being a great business decision too. I just didn't know it at the time.”



ADVANTAGE

Cooperative government

The City of El Segundo and its government representatives were perceived as both friendly and accessible to business. Commenting on the relationship between the business community and the City, one stakeholder said, "I've always known El Segundo to be very business friendly. Since setting up shop here, I've found that to be true. El Segundo cares about their businesses, they are responsive, you can talk to people, and you can get answers. Business people know the Council members and feel comfortable approaching them." Other stakeholders spoke about experiences like getting a special use permit for space and the ease of working with the City.

The City's ability to operationalize decisions efficiently was also noted. Commenting on the City's ability to solve challenges like parking as the creative economy grows in El Segundo, an industry stakeholder said, "El Segundo is good at making things happen quickly. I'd love to see parking solutions happen fast and I'm confident the City of El Segundo can do it."

The L.A. County region represents the biggest national hub of creative professionals, a unique asset for creative firms in the City of El Segundo. Ultimately, the labor pool the City's firms are able to pull from is in number and creative competencies unmatched and the City of El Segundo represents a cost-effective location from which to access that talent.

Challenges

Stakeholders also spoke to challenges in El Segundo which the City may consider addressing as it looks to support the growth of the City's Creative Economy.

“Two things I hear people say: Do you have parking and do you have a fast internet? We can build everything else.”



CHALLENGE

Better and more options for high-speed internet

Faster internet was highlighted as a challenge and the desire for more and better options for high-speed internet was repeatedly voiced. It was underlined that this need and these options are all the more important for creative firms and especially creative-tech firms. One stakeholder elaborated, saying, “Having choices with fast internet since we are tech-creative companies is really important. Having at least one other company in addition to the one we have now would give us more choice. I'd love to have Fios/Charter because they have the fastest and least expensive internet for business. I know it's in Manhattan Beach.”



CHALLENGE

Parking

By far, the challenge most discussed was parking. As El Segundo's business community grows, the pressure to build infrastructure like parking to serve its desired labor-intensive uses mounts. Stakeholders did comment positively on the absence of meters and a preference for revenue-neutral parking options where possible but weren't generally opposed to being charged as long as parking was structured to serve businesses [e.g. ensuring that parking regulation prevents people from leaving their cars overnight but also doesn't require workers to go out every two hours to fill a meter]. One stakeholder summarized emphatically, saying, “El Segundo has three major problems that I think have to be overcome for current business and for future businesses to grow. Parking, Parking, and Parking. There's not enough parking. Please build parking structures and please don't take away any existing parking. Autonomous vehicles are not going to fix the problem any time soon. El Segundo is growing now. Do what's necessary to accommodate that growth before it goes elsewhere.”

Suggested ACTION ITEMS

Stakeholders also suggested actions on the part of the City to continue cultivating the current growth in El Segundo's creative economy.

Some of those suggestions are highlighted below:



ACTION ITEM

Maintain El Segundo's unique community

Given the allure of El Segundo's unique community, there was emphasis placed on preserving it. One stakeholder said, "There is an expectation that businesses that come here respect the City's traditions and history and really participate in City life. That expectation enforced is what will help El Segundo continue to hang on to the authenticity it's been able to maintain and market."

Another stakeholder commented sympathetically on the difficulty of simultaneously evolving and maintaining history in El Segundo, noting, "One of my concerns is this. There are definitely some conservative mindsets in El Segundo and folks scared of change in general and that's not my issue. I'm all for the evolution and growth of El Segundo and the changes that come along with it. But, I am hoping that El Segundo can protect, maintain, and preserve the individuality and the unique personality it has while it goes through this growth phase. If it does, I think that will be of tremendous value to everyone now and into the future."



ACTION ITEM

Include artists

As noted by the stakeholder above, one way of maintaining community is actively seeking participation from creatives and community members alike. Creative industry stakeholders asked to be more intimately included in the City's planning, development, and beautification. Many of the stakeholders interviewed identified as artists themselves and as invested community members. They offered their services as El Segundo thinks about enhancing its efforts to make El Segundo a destination home for creatives. One stakeholder said bluntly, "Ask us. Ask artists to help beautify and plan the City of El Segundo, whether that's just painting sidewalks or deciding how to integrate beach access, artists can be tangibly helpful. They also know what other creatives look for and not all of that is easily communicated or measured."

“ I've done a lot of volunteer work and project work with the City using my art skills and I've found it to be very gratifying.”



ACTION ITEM

Creative network building

While the creative community and the community of El Segundo more broadly was characterized as tight-knit and collaborative, as the creative economy of El Segundo grows there was voiced desire for business-oriented network building and active facilitation of a creative business ecosystem in El Segundo. An industry stakeholder explained, saying, “Something we haven’t done yet and certainly something we should start to explore: We haven’t done business networking in El Segundo to explore what business opportunities might be there. Maybe once a quarter or something, see what other creative firms are doing in El Segundo and if there are ways of working together more. What I have seen are more arts and culture phenomena from a community and quality of life stand point and they have been great. Like the El Segundo Art Walk which brings out of the woodwork this hidden group of creatives living and working in El Segundo.”

In terms of cultural efforts like the Art Walk, there was mention of a potential film festival or other public-facing events that could help to punctuate and broadcast the creative community in El Segundo in addition to showcasing its unique spaces.



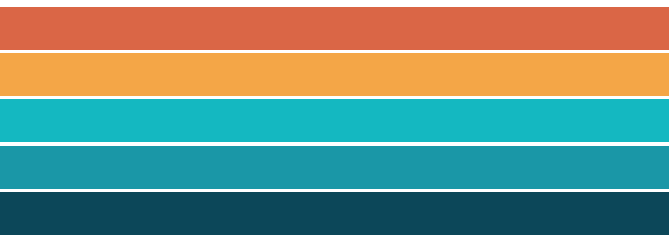
ACTION ITEM

Fee for the Arts

Finally, community-based stakeholders discussed the expanded opportunities that would be made possible by policies such as a percent fee for the arts.



Title: Water
Artists: Fishe, Arbe, Cache, Kub, Kyle Kyote, Versus 269, and Vyal.
Location: Nash Street and El Segundo Blvd.



Final Word

The City of El Segundo presents many advantages as a home for creative professionals and a hub for firms in the creative industries. Creative industry stakeholders interviewed for this analysis praised the City's human-centered advantages including "creative-friendly" industrial space, a charming historical sense of place, a collaborative creative community, a cooperative local government, and a quality of life that is reflected in its beachfront real estate, vibrant neighborhoods, and diversity of cultural and recreational resources. Stakeholders also highlighted business-oriented perks such as proximity to big industry, including El Segundo's well-established oil and aerospace footprint, and the convenience of the City's westside location, close to both LAX and major freeways. Furthermore, the City of El Segundo often provides this suite of benefits to firms at costs that are consistently lower than many other creative industry hubs in L.A. County.

While creative industry firms have many reasons to locate in El Segundo, the City's most valuable asset is the creative workforce that powers those firms as well as its broader creative ecosystem. El Segundo is able to tap into the largest hub of creative professionals and experts in the country and it is that talent pool that provides the greatest input to the City's creative industry complex. As El Segundo looks to solve common challenges faced by the region collectively, such as sufficient parking and better information-communication technology infrastructure, the City's

creative stakeholders have actively put themselves forward as partners to the City and co-stewards of El Segundo's creative community. Together, the City and its creative stakeholders continue to build strong professional networks in the local creative ecosystem while investing in those unique, community-oriented elements that make the City of El Segundo both a hub for creative firms and, importantly, a community for creative workers.

Glossary OF TERMS

IMPLAN	Impact Analysis for Planning. It is a leading provider of input-output model that uses the most up-to-date underlying data and is highly customizable.
Input-Output Model	A quantitative economic model that represents the interdependencies between different branches of a national economy or different regional economies.
Economic Impact	A study to trace spending through an economy and measure the cumulative effects of that spending. The need to measure an economic impact is normally triggered by an economic event, catastrophe, change in government policy, justification for funding, or as needed for planning.
Employment Multipliers	Input-output multipliers used to estimate the total number of jobs (both full-time and part-time) throughout the economy that are needed, directly and indirectly, to deliver \$1 million of final demand for a specific commodity. (Bureau of Economic Analysis)
Jobs	A job in IMPLAN = the annual average of monthly jobs in that industry (this is the same definition used by QCEW, BLS, and BEA nationally).
Labor Income	All forms of employment income, including Employee Compensation (wages and benefits) and Proprietor Income.
Output	Output represents the value of industry production. In IMPLAN, these are annual production estimates for the year of the data set and are in producer prices. For manufacturers, this would be sales plus/minus change in inventory. For service sectors production = sales. For Retail and wholesale trade, output = gross margin and not gross sales.

Value Added	The difference between an industry's or an establishment's total output and the cost of its intermediate inputs. It equals gross output (sales or receipts and other operating income, plus inventory change) minus intermediate inputs (consumption of goods and services purchased from other industries or imported). Value added consists of compensation of employees, taxes on production and imports less subsidies (formerly indirect business taxes and nontax payments), and gross operating surplus (formerly "other value added"). (Bureau of Economic Analysis) Gross value added is the value of output less the value of intermediate consumption; it is a measure of the contribution to GDP made by an individual producer, industry or sector; gross value added is the source from which the primary incomes of the System of National Accounts are generated and is therefore carried forward into the primary distribution of income account. (System of National Accounts)
Direct Effects	It is a series (or single) of production changes or expenditures made by producers/ consumers as a result of an activity or policy. Applying these initial changes to the multipliers in an IMPLAN model will then display how the region will respond, economically to these initial changes.
Indirect Effects	The impact of local industries buying goods and services from other local industries. The cycle of spending works its way backward through the supply chain until all money leaks from the local economy, either through imports or by payments to value added. The impacts are calculated by applying Direct Effects to the Type I Multipliers.
Induced Effects	The response by an economy to an initial change (direct effect) that occurs through re-spending of income received by a component of value added. IMPLAN's default multiplier recognizes that labor income (employee compensation and proprietor income components of value added) is not a leakage to the regional economy. This money is recirculated through the household spending patterns causing further local economic activity.