

# Southern California's Manufacturing Economy

Green Urban Manufacturing Initiative Roundtable  
September 23, 2010

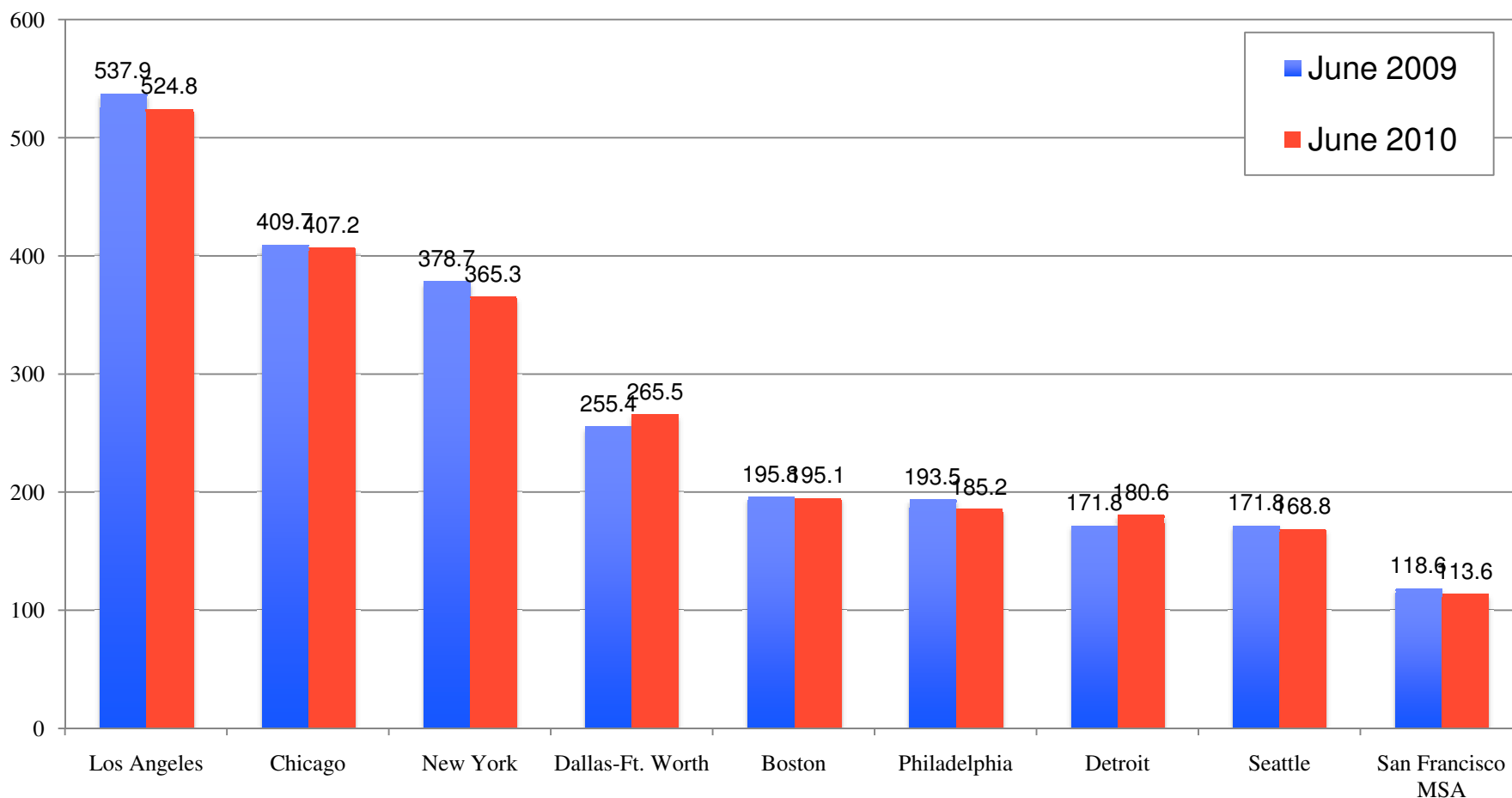


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# Los Angeles Continues To Be The Largest Manufacturing Center in the Country

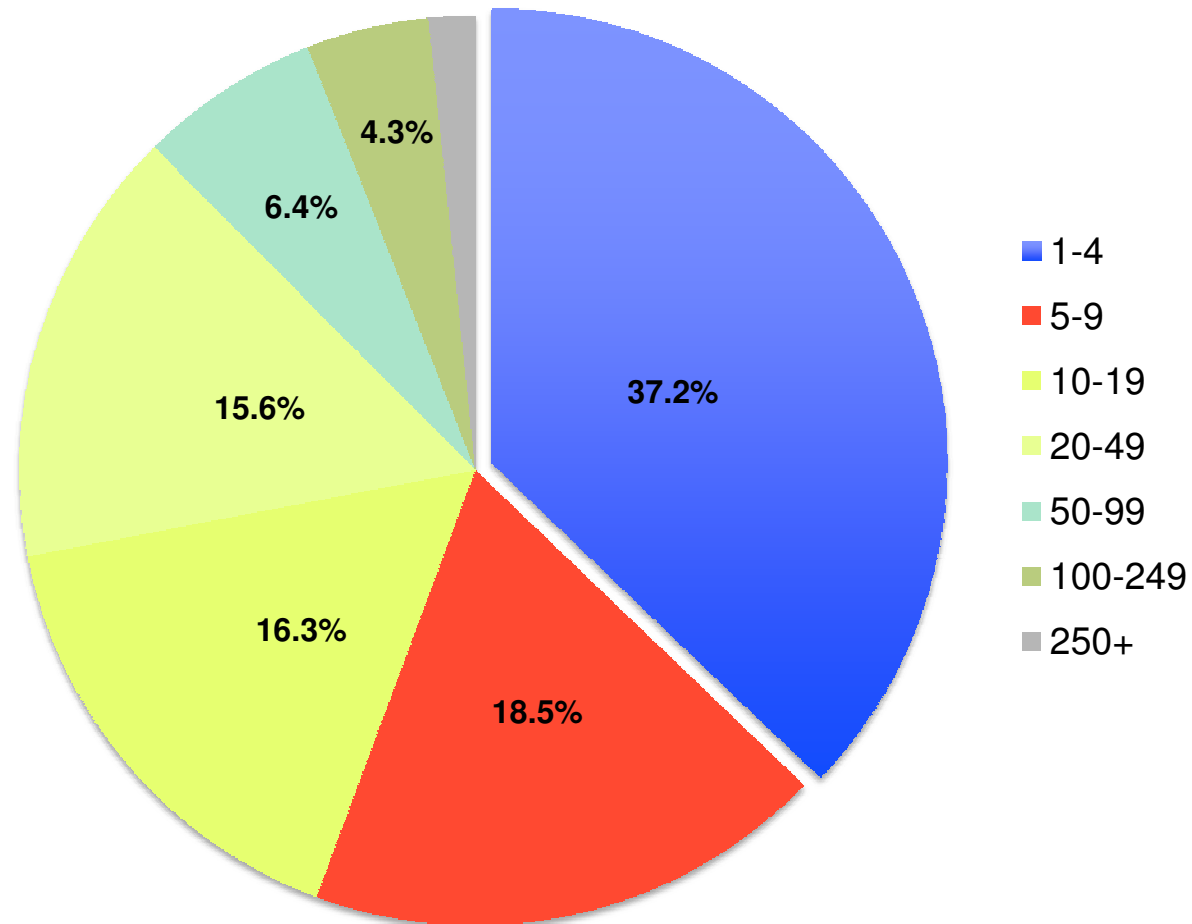
## Manufacturing Employment (000's) By Metropolitan Region – 2009, 2010



Source: California Employment Development Department

# L.A.'s Manufacturing Businesses Are Dominated By Small and Mid-Sized Companies

Total Business Establishments for L.A. County 2008: 14,772



Source: 2008 County Business Patterns

# Manufacturing Payroll Levels Are Comparable or Better Than Other Industries

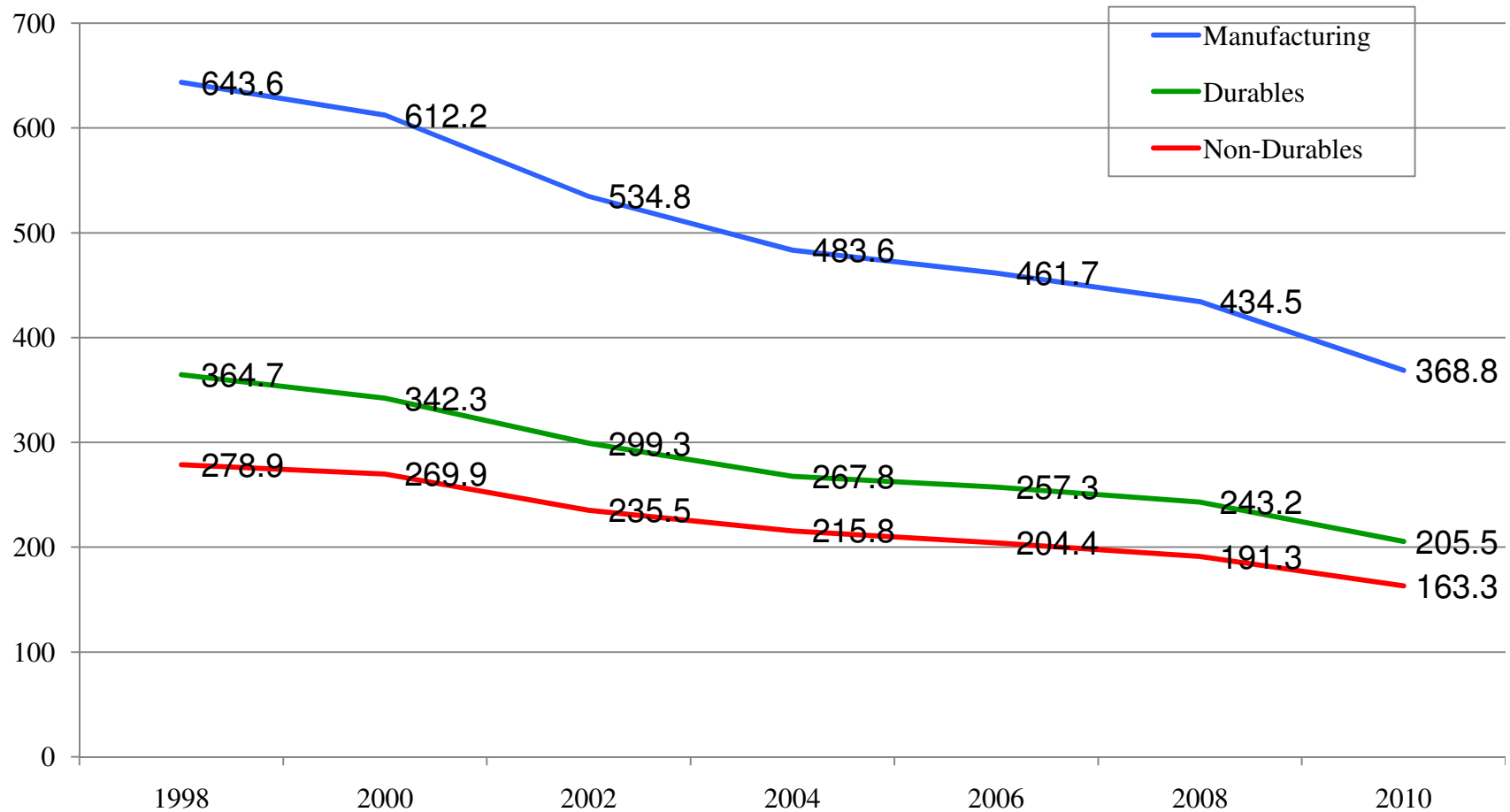
Total Employment, Annual Payroll and Per Capita Pay for L.A. County 2008

| 2008                          | Total Employment | Annual Payroll (000's) | Per Capita (000's) |
|-------------------------------|------------------|------------------------|--------------------|
| Manufacturing                 | 453,162          | \$21,131,902           | \$46.6             |
| Construction                  | 153,858          | \$7,304,398            | \$47.5             |
| Wholesale Trade               | 280,991          | \$14,203,755           | \$50.5             |
| Retail Trade                  | 413,506          | \$10,825,929           | \$26.2             |
| Transportation                | 164,246          | \$7,203,301            | \$43.9             |
| Real estate                   | 88,787           | \$4,207,585            | \$47.4             |
| Education services            | 124,486          | \$4,206,231            | \$33.8             |
| Healthcare                    | 460,082          | \$21,293,391           | \$46.3             |
| Accommodation / food services | 354,147          | \$6,181,399            | \$17.5             |

Source: 2008 County Business Patterns

# The Decline of Manufacturing

Manufacturing Employment  
Los Angeles County (1998 – 2010), in thousands



Source: California Employment Development Department

# L.A.'s Manufacturing Sub-Sectors

Total Employment for L.A. County 2000 vs. 2008

| NAICS | Manufacturing Sector   | 2000   | 2008   | % Change |
|-------|--|--------|--------|----------|
| 315   | Apparel Manufacturing  | 92,500 | 54,781 | -40.8%   |
| 332   | Fabricated Metal Product Manufacturing                       | 61,400 | 52,587 | -14.3%   |
| 334   | Computer and Electronic Product Manufacturing                | 70,700 | 50,241 | -29.0%   |
| 311   | Food Manufacturing   | 45,600 | 49,110 | 7.7%     |
| 336   | Transportation Equipment Manufacturing                       | 72,000 | 46,142 | -36.0%   |
| 323   | Printing and Related Support Activities                      | 30,100 | 24,800 | -17.6%   |
| 325   | Chemical Manufacturing                                       | 25,800 | 23,152 | -10.1%   |
| 339   | Miscellaneous Manufacturing                                  | 30,300 | 21,123 | -30.4%   |
| 337   | Furniture and Related Product Manufacturing                  | 32,900 | 20,205 | -38.6%   |
| 326   | Plastics and Rubber Products Manufacturing                   | 24,600 | 18,233 | -26.0%   |
| 333   | Machinery Manufacturing                                      | 29,700 | 17,544 | -41.1%   |
| 335   | Electrical Equipment, Appliance, and Component Manufacturing | 14,100 | 12,513 | -11.3%   |
| 322   | Paper Manufacturing  | 13,300 | 9,433  | -29.3%   |
| 331   | Primary Metal Manufacturing                                  | 12,900 | 8,819  | -31.8%   |
| 313   | Textile Mills  | 13,500 | 8,552  | -36.3%   |
| 324   | Petroleum and Coal Products Manufacturing                    | 6,000  | 6,300  | 5.0%     |
| 312   | Beverage and Tobacco Product Manufacturing                   | 4,300  | 4,606  | 7.0%     |

Source: 2008 County Business Patterns

# Manufacturing Sector Patterns and Challenges

- While job losses continue to mount in the manufacturing sector, there are opportunities for some industries like food processing and apparel / textile.
- There is a shortage of viable industrial space—prompting some manufacturing businesses to seek new locations in other areas, which may explain some of the gains in Orange Co. and Ventura.
- Strong competitive pressures coming from offshore production or other states.
- Manufacturing merits attention due to relatively high pay—the average salary in the sector is above the average for all industries. The industry also has a high multiplier.
- Investment in equipment and technological upgrades, workforce training, and addressing the shortage of space are opportunity areas to grow the sector.



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