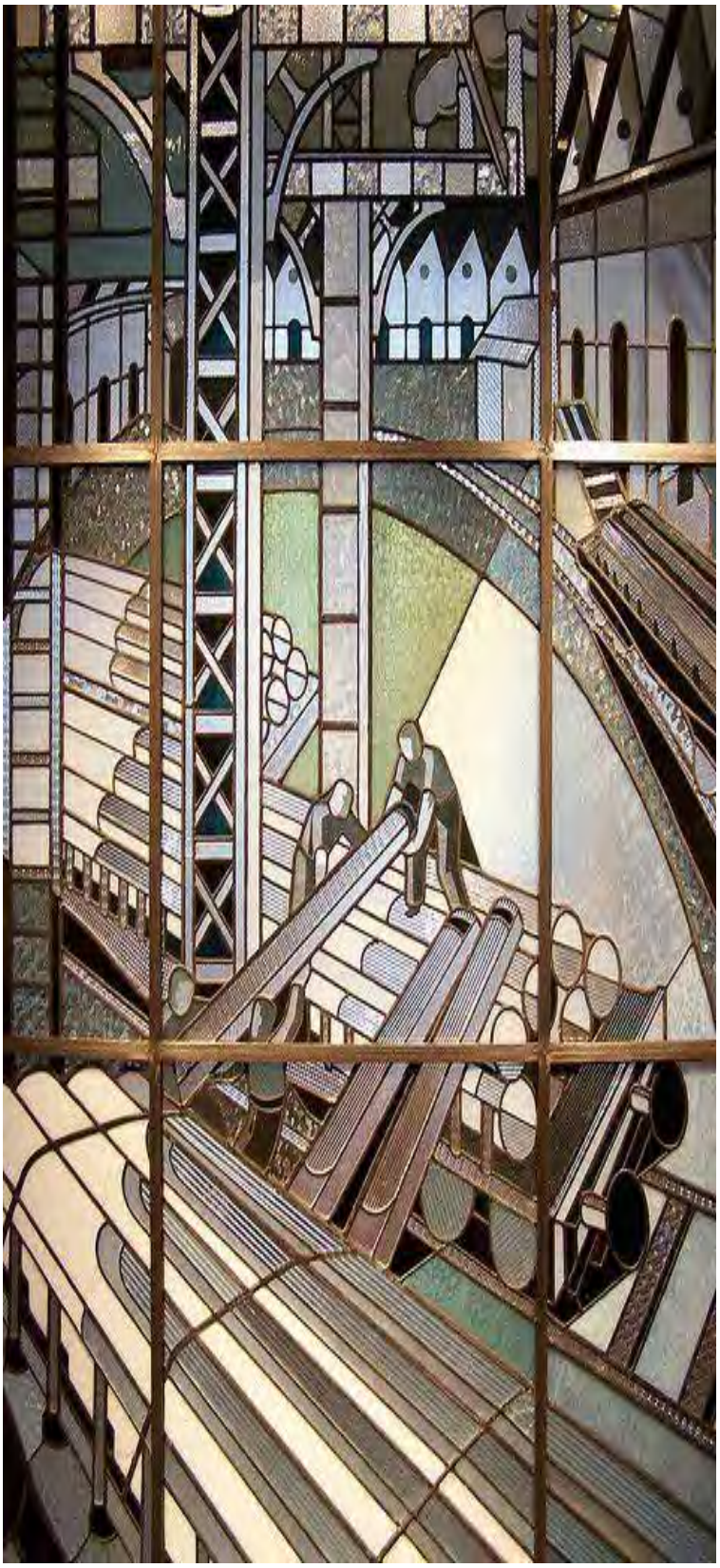

Economic Report for the City of Industry

by
Dr. Sandra Emerson
Dr. Carsten Lange

Emerson Consulting Group, Inc.
140 North Harvard Ave. #1952
Claremont, CA 91711

Parker G. Emerson,
President

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Parker G. Emerson is the President of Emerson Consulting Group, Inc. Previously he owned and operated Emerson Music Publishers, Inc., for 18 years, selling it in 2009. He has also been an independent training and development consultant working with Rand Corp, UCLA, and others. He worked for API Security, Inc. for eleven years as their Technical Support Group Manager, their Quality Assurance Manager, and their Training and Development Manager. He was Manufacturing Manager at Electron Beam Welding, and Senior Production Planner at Sargent Industries. He served in the U.S. Navy for ten years, primarily as Electronic Technician 1st Class (Submarine Qualified) as Battle Stations Navigation Center Supervisor on nuclear missile submarines. Parker earned his MBA from the University of Southern California and his B.S. in Business Administration (cum laude) from Old Dominion University, Norfolk, VA, while working full time and while in the U.S. Navy, respectively.

Dr. Sandra Emerson, is a professor in the Department of Political Science and Director of the Master in Public Administration program at California State Polytechnic University, Pomona. In a professional capacity, she has been a researcher for the Department of Labor, Health, Education and Welfare, and the Office of Economic Opportunity in the areas of public administration and public policy. In addition she was the program administrator for Medicare Part B, a consultant with Southern California Edison, and a budget and program analyst with Norfolk, Virginia. She is the author of the text, The Public Administration Companion, and has published scholarly articles in social sciences and public policy. She holds a Ph.D. and MPA from USC's School of Public Administration and has an M.A. and B.A. in political science from Temple University in Philadelphia PA.

Dr. Carsten Lange is a professor of Economics and Director of the Master of Science in Economics program at California State Polytechnic University, Pomona. His research interests are Monetary Theory, Regional Economics, Geographic Information Systems, Data Science, and Neural Networks. Dr. Lange published four books, many scholarly articles, and was invited as a visiting scholar at several universities including UC San Diego, Florida State University, and University of Sofia, Bulgaria. He holds a Ph.D. from the University of Hannover, Germany where he taught economics as a tenured professor from 1994 – 2001.

Executive Summary

This report describes the land use, residential population, businesses, and economic activity in the City of Industry and analyzes the impact of the City of Industry on Los Angeles County and the San Gabriel Valley. Within each section, the report 1) identifies study questions, 2) discusses the data sources used, and 3) provides our analysis and findings.

Parcels in the City of Industry

There are 2,561 parcels of land in the City of Industry of which 716 are for public or special use (streets and medians, rail lines, waterways, etc.) and produce no tax revenues. The City of Industry collects $51 million in revenue. The primary sources of revenues are: sales taxes (62%, $31.8 million), interest income (17%, $8.5 million), licenses and permits (5%, $2.8 million), and property taxes (5%, $2.3 million).

Residential Population

There are 73 households with a total of 219 residents living in the City of Industry. The households are scattered throughout the city, with most located in the western half of the city. 53% of the residents are Hispanic, 27% are younger than 18, and 30% live in houses which they own.

Businesses

There are about 3,000 businesses and organizations operating in the City of Industry generating employment for over 67,000 people and total sales of over $31 billion. The largest number of businesses are in Retail Trade (20%), Wholesale Trade (14%), and Manufacturing (10%); however, when it comes to sales dollars, Retail Trade makes up only 11% while Wholesale Trade is 63%, and Manufacturing is 12% of total sales dollars. 22% of employment is in Retail Trade, 21% is in Manufacturing, and 16% is in Wholesale Trade. By 2012 the City of Industry had largely recovered from the Great Recession of 2008 in terms of number of businesses, sales, and wages, but not in total employment. However, by 2016 all sectors are predicted to have recovered.

Economic Impact/Contribution Analysis

The businesses sales and salaries of employees within the City of Industry represent only a fraction of the overall impact the City of Industry has on the local economy. This is because production of goods and services within the City of Industry require intermediate goods and services from the surrounding communities and, in addition, income generated within the City of Industry generates further demand and employment in the surrounding communities. The total contribution of the City of Industry to the Los Angeles County region is 209,000 jobs, $19 billion of labor income, and $52 billion of sales. The total contribution of the City of Industry to the San Gabriel Valley is 215,000 jobs, $19.6 billion of labor income, and $54.5 billion of sales. The total tax contribution of the City of Industry is $11.5 billion which is almost evenly split between federal and state/local taxes.

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Figures in bold are hyperlinked to interactive online maps on the Internet and are currently only available to City of Industry staff.

List of Tables

1 Introduction

This report describes the economic activities in the City of Industry and analyzes their impact on Los Angeles County and the San Gabriel Valley. Each section of the report 1) identifies study questions, 2) discusses sources used, and 3) provides our analysis and findings.

The report is organized from the ground up. Section 2 summarizes how parcels are defined and the implications for the city's revenue. Section 3 quantifies and describes the residential population. Section 4 analyses the businesses and industries of the City of Industry based primarily on NAICS codes (North American Industrial Classification System). Section 5 estimates the impact of the City of Industry's economic activity on Los Angeles County and the San Gabriel Valley using the IMPLAN system. Section 6 summarizes this study's findings and conclusions.

2 Parcels in the City of Industry

2.1 Study Questions

The questions addressed below are:

- What are the City of Industry's revenue sources?
- How are the parcels in the City of Industry categorized?
- What is the land area use by residents?

2.2 Sources Used

The data used to address the questions above were from the following sources:

- City of Industry 2016-17 Adopted Budget
- City of Industry Housing Element 2013-2021
- County of Los Angeles Assessor's Office Property Tax Report by Parcel for 2009
- Los Angeles County Assessor's Office Parcel file for 2014-15.
- U.S. Census Bureau 2010, Profile of the General Population and Housing Characteristics

2.3 Analysis and Findings

The City of Industry collects $51 million in revenue. The three major sources of revenue are: **sales taxes** ($31.8 million, 62%), **interest income** ($8.5 million, 17%), **and property taxes** ($2.3 million, 5%).

Licenses and permits account for $2.8 million (or 5%) and **all other sources** of revenue account for $4.6 million (or 9%). Based on the documentation from the County of Los Angeles, there are 2,561 parcels of land in the City of Industry. There are no-tax related data for 716 parcels. These 'null' or non-revenue parcels are public walkways, medians, Union Pacific rails, San Jose Creek, San Gabriel River, public landscaping, and flood control areas. Also the County indicates that among the "null" properties are 12 parcels outside of the City which are in the City's "area of influence" (see Figure 2.1, which is also available as an interactive map on the Internet).

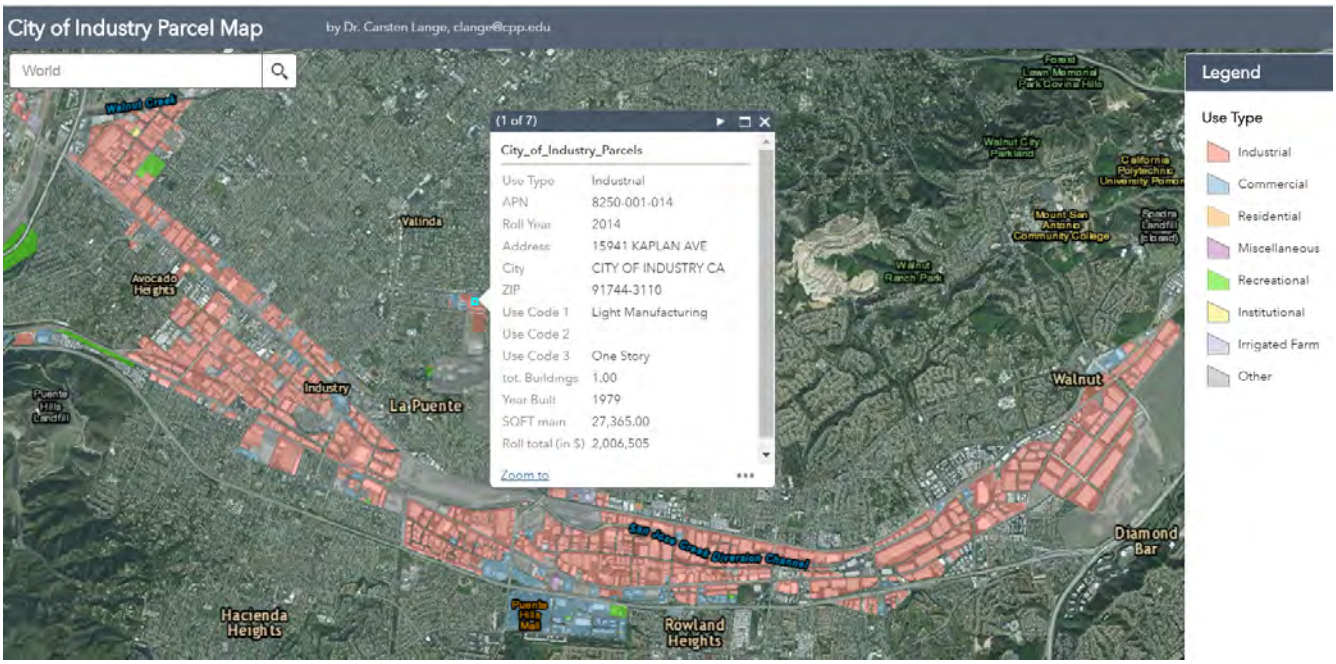


Figure 2.1: Parcel Map for the City of Industry

Click here for interactive map

The Los Angeles County roll book for the City of Industry includes 157 parcels that are in six other political jurisdictions: La Puente, El Monte, Diamond Bar, Pico Rivera, Baldwin Park, and Pomona. The net number of parcels in the City of Industry is 1,688 of which 1,407 are for commercial/industrial use and 281 parcels that are identified on county records as residential use. Land use may be different from how a parcel is zoned. Figure 2.1 shows the parcels of the City of Industry.

It should be noted that Los Angeles County holds property owners responsible for the accuracy of the parcel tax data. Owners may challenge the assessed rate by using a web link at: http://assessor.co.la.ca.us/extranet/datamaps/pais.aspx.

The correctness of the county's parcel taxes lies with the property owner and not the county or the City of Industry. All land within the City of Industry currently is assigned one of six possible zone designations: 1-Industrial; 2-Industrial-Public Building; 3-Industrial with Manufacturing-Commercial Overlay; 4-Commercial; 5-Commercial – Adult Business Overlay; and 6-Automobile Zone.

3 Population of the City of Industry

3.1 Study Questions

- What is the best residential data source for the City of Industry?
- What is the population of the City of Industry?
- What are the characteristics of the City of Industry's population?

3.2 Sources Used

The population figures presented in this report are based on the 2010 U.S. Decennial Census.

The most complete and accurate count of U.S. (and the City of Industry) population is the Decennial Census conducted by the U.S. Census Bureau in every year ending in "0" as required by the U.S. Constitution, Article I, Section 2. The City of Industry is comprised of census blocks. A review of census blocks indicates there are typically only a few persons per block (less than 50) in the City of Industry.

The U.S. Census Bureau is required to keep individual census data confidential for 72 years. The data is used for congressional redistricting and purposes approved by Congress for specified federal departments and agencies. Until the 72-year "blackout period" has passed, data about individuals are publicly available only in an aggregate form, e.g. data about the average, but not the actual number of persons per household. The data are organized and archived so that it is not feasible to determine information about specific households. Statistics are available for relevant geographic areas, e.g. cities, counties, and states, which may be subject to statistical errors due to incomplete, incorrect, and/or lost census surveys.

Public and private agencies that sell and/or provide census data for users are drawing on data published by the U.S. Census Bureau and are typically not collecting original data. One reason for the reliance on the federal census is cost. In 2010 the federal government spent $13 billion to count 308 million persons. The average cost per household was $41.11 (see http://www.genealogybranches.com/censuscosts.html).

The methodology used and data collected by the U.S. Census Bureau has changed over time. In 2010 the U.S. Census Bureau collected its data in two distinct ways: the Decennial Census and the American Community Survey (ACS).

The Decennial Census is the enumeration of the entire population required by the U.S. Constitution every ten years and uses a short form with ten questions that is sent to every household in the U.S. The 2010 Decennial Census captures the number of people living at a single address and their name, sex, age, date of birth, race, ethnicity, relationship to the head of household, and housing tenure.

The American Community Survey (ACS) provides current data about all communities every year, rather than once every 10 years, and contains additional questions that provide more detailed socioeconomic information about the population. However, the ACS is sent to a small percentage of the population (about one in six households) on a rotating basis throughout the decade. No household will receive the

long ACS survey more often than once every five years. For areas with a population less than 20,000, only 5-year ACS estimates are available. Since the City of Industry has such a small population, the American Community Survey has a large margin of error and thus does not provide data that is useful for our analysis.

The challenge for the City of Industry regarding population data is getting data that are specific to the jurisdiction, relevant to jurisdictional needs, complete, and correct. The small number of households is both an advantage and disadvantage. An ideal survey would include 73 of the 73 households. However, it is highly unlikely that 100% participation can be achieved. Theoretically if one wanted to be reasonably confident that a survey represented the City of Industry then 68 of the 73 households would need to be surveyed. The survey data needed might include some of the questions in the U.S. Census Bureau's ACS form but would need to be supplemented with questions that met the specific needs of the City of Industry: quality of services provided, community concerns, unmet needs, etc.

Actual survey information may be provided by research firms and/or by college and university research centers. Private firms tend to specialize in marketing data and/or household consumption while public survey resources focus on agency/public policy concerns.

3.3 Analysis and Findings

Population Characteristics

The Census characteristics of the population are as follows (see Table 3.1; for more details see Appendix on page 30):

- Total population is 219.
- 73 % of the population is over 18. There are 59 persons under 18.
- 53 % are Hispanic.
- Approximately 70% of residents are renters and 30% are homeowners.

The age distribution and the percentage of Hispanic residents in the City of Industry are similar to that found in Los Angeles County. LA County has a somewhat smaller percentage of Hispanics. The percent of the population that is under 18 years old, and the percentage of the population that is Hispanic are both higher for City of Industry than for Los Angeles County. The percent of residents living in housing that they own is 20% lower in the City of Industry than for the general Los Angeles County population.

Year	City of Industry						
	Total Population	Avg. HH Size	Younger 18	% Younger 18	% Hispanic Population	Number of Housing Units	% Living in Owned Houses
2010	219	3.1	59	27%	53%	73	30%

Year	Los Angeles County						
	Total Population	Avg. HH Size	Younger 18	% Younger 18	% Hispanic Population	Number of Housing Units	% Living in Owned Houses
2010	9,818,605	2.98	2,402,208	24%	48%	344,507,600	50%

Data Source: 2010 Census, Profile of General Population and Housing Characteristics

Table 3.1: Population Characteristics for City of Industry and Los Angeles County

Spatial Distribution of Population

How residents are spatially distributed in the City of Industry may be seen in Figure 3.1 on the next page. This figure is also available as an interactive map on the Internet. For each Census Block area the map shows the total of residents categorized by renters and homeowners.

- There are only few areas with residents.
- The largest concentration of population for an area is 37 residents.
- Residents living in single-family units total 66 persons.

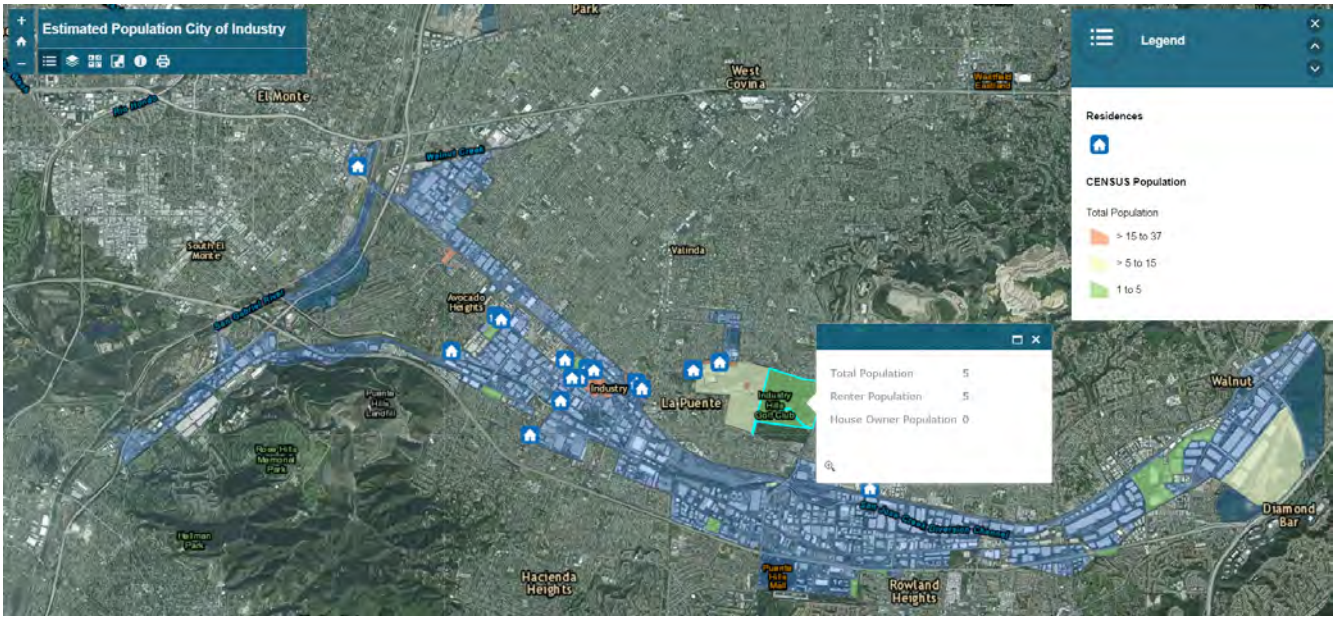


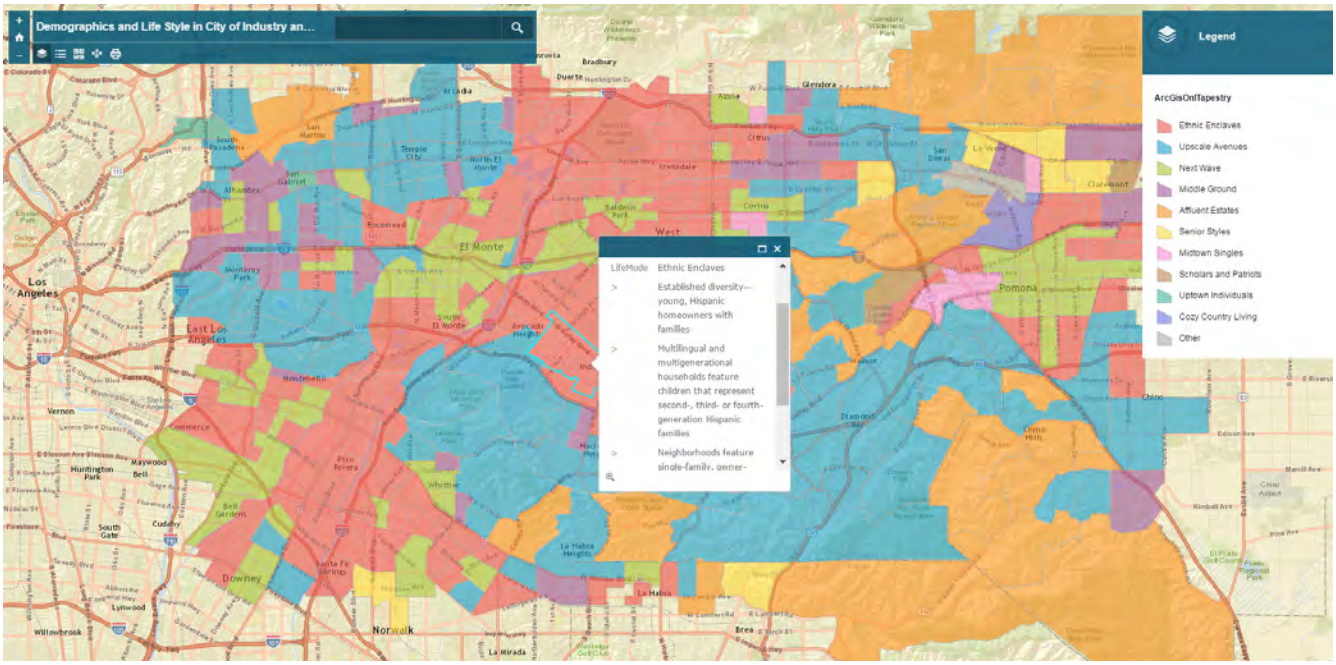
Figure 3.1: Spatial Distribution of Population in the City of Industry

Click here for interactive map

Lifestyles

Many factors determine the business climate for a city. One of these factors is the lifestyle of the city residents and the lifestyles of those around it. Lifestyles matter for future employees who either live in the city or in the vicinity. In the case of the City of Industry, lifestyles in the vicinity are particular important because most of the people who work in the City of Industry live outside the city.

In order to analyze lifestyles in and around the City of Industry we used Tapestry Segmentation. Tapestry Segmentation is a methodology developed by Esri (Environmental Systems Research Institute) which classifies neighborhoods according to demographic and socioeconomic characteristics. The system identifies 14 LifeModes which are further classified into 67 unique segments. (see Appendix A.2 on page 31 for a detailed description of LifeModes. See goo.gl/zD8n6D for a complete description of all 67 segments.). This research used Tapestry data for Census Tracts. In order to analyze the lifestyles of the City of Industry and its vicinity, we categorized the census tracts within and around the City of Industry by their dominant LifeModes and Segments (see Figure 3.2 on the next page).



Data Source: Esri 2016

Figure 3.2: Demographics and Life Style in the City of Industry and Vicinity

Click here for interactive map

The City of Industry's dominant LifeMode is Ethnic Enclaves and the city's dominant segment is Urban Villages (see Figure 3.2). According to Esri's description Ethnic Enclaves/Urban Villages are multicultural, multi-generational, and multilingual. The neighborhood is characterized by older homes (most built before 1970) with lower median prices but also lower vacancy rates (see Appendix A.2 on page 31 for a detailed description).

The LifeModes for Census Tracts within and around the City of Industry are shown in Figure 3.2. An interactive map that shows the LifeModes and a detailed description for each Census Tract may be found on the Internet at https://goo.gl/1r6EeJ. Figure 3.2 shows that LifeModes in the north of the City of Industry are mostly Ethnic Enclaves and some Next Wave (young, diverse, hard-working urban families). LifeModes in the south of the City of Industry are described as Upscale Avenues (ambitious and hard-working married couples living in mostly older suburban enclaves).

In general, the City of Industry and its vicinity provide attractive and diverse lifestyles for future employees.

4 Businesses in the City of Industry

4.1 Study Questions

The key areas of inquiry are as follows:

- ➢ What businesses and jobs are in the City of Industry and how does it compare with Los Angeles County?
- ➢ What is the commercial/industrial market segmentation in the city and how is it reflected in terms of sales and employment?
- ➢ How does commercial/industrial market segmentation compare with the Los Angeles County and San Gabriel Valley?
- ➢ How does the City of Industry's economic growth compare with that of Los Angeles County ?
- ➢ What are the estimated wages generated by businesses in the City of Industry as compared to that of Los Angeles County?

4.2 Sources Used

The North American Industry Classification System (NAICS) is the standard used by federal statistical agencies in classifying business establishments for the purpose of collecting, analyzing, and publishing statistical data related to the U.S. economy. The data described and analyzed below was drawn from data collected by the U.S. Census Bureau. Specifically, this data is from the County Business Pattern and from the Economic Census report. In addition, predictions for 2016 are based on Census Block Apportioning by the Environmental Systems Research Institute (Esri).

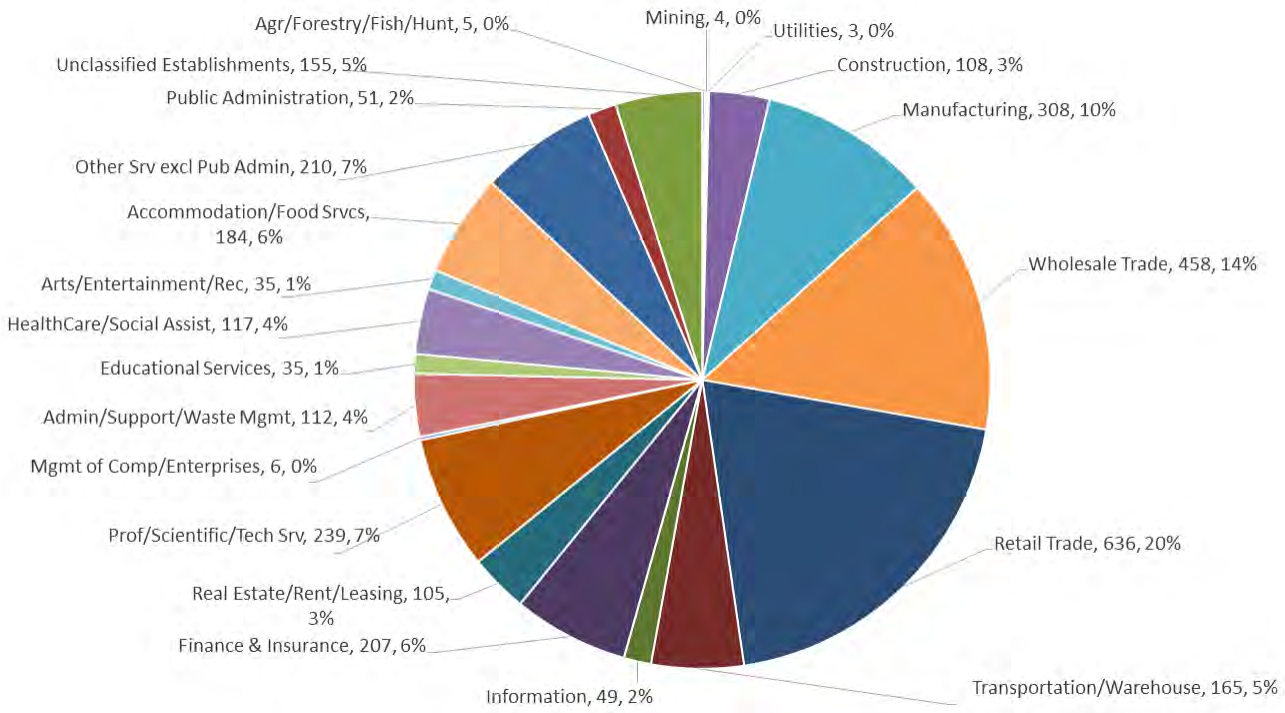
We used the 2-digit North American Industry Classification System (NAICS). It has codes for 20 major sectors of business activity (and a code for Unclassified Establishments). Sectors include everything from Agriculture, Mining, and Public Administration to Transportation and Wholesale. The NAICS codes are applicable to for-profit, non-profit, and governmental organizations.

4.3 Analysis and Findings

Overview

The City of Industry's primary economic activities are Wholesale, Retail, and Manufacturing. These industry segments account for the greatest number of firms, and employees. Wholesale is the greatest single segment of sales. Retail Trade accounts for the largest single sector for both number of employees and number of businesses in the City of Industry (see Figures 4.1 on the following page, 4.2 on page 16,and 4.3 on page 17).

Number of Businesses in the City of Industry

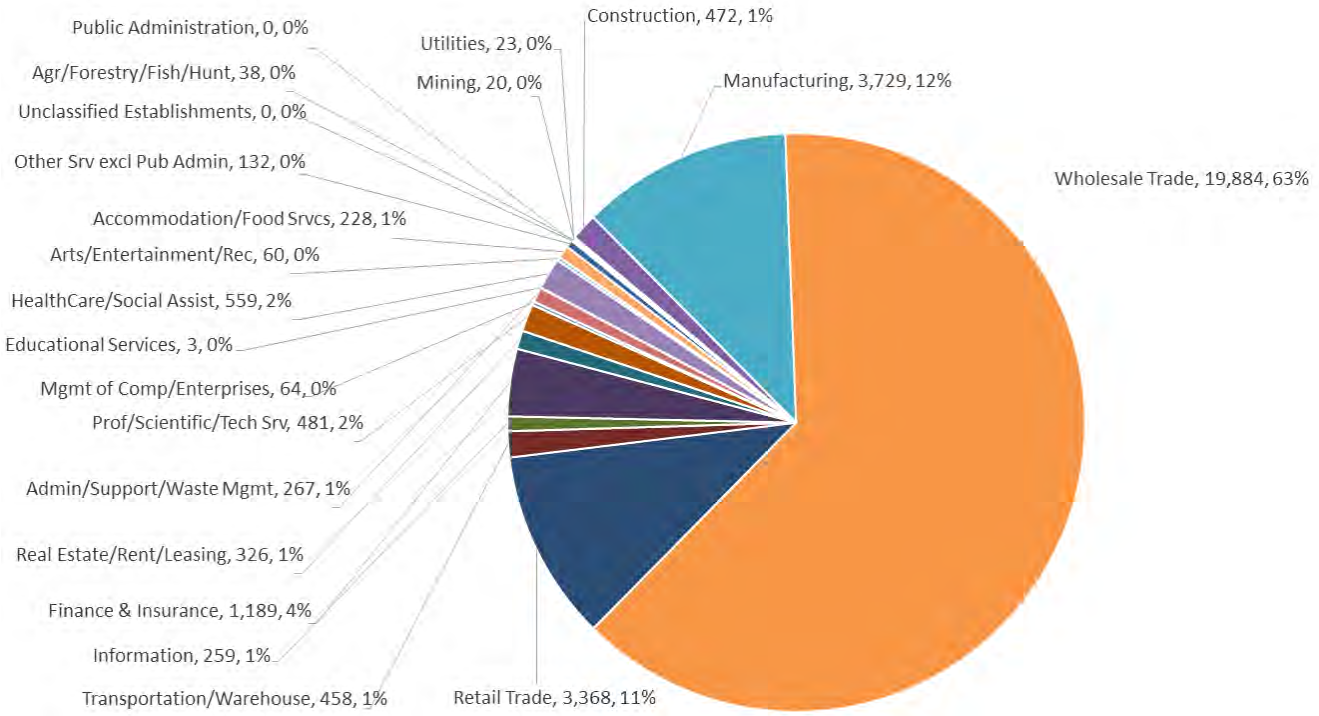


Data Source: Esri

Figure 4.1: Number of Businesses in the City of Industry Categorized by Industry (2-digit NAICS code)

The Manufacturing, Retail, and Wholesale sectors account for 44% of all the firms in the City of Industry. Most of the remaining 17 NAICS economic categories account for five percent or less of the City's firms. Somewhat larger sectors in the City of Industry are: Professional /Technical services (7%), Other Services Excluding Public Administration (7%), Finance & Insurance (6%), and Accommodation/Food Services (6%). These distributions are consistent with the data reported by MuniEnvironmental (see Appendix A.2). However, sales are a key indicator of a region's economic vigor.

Sales in the City of Industry

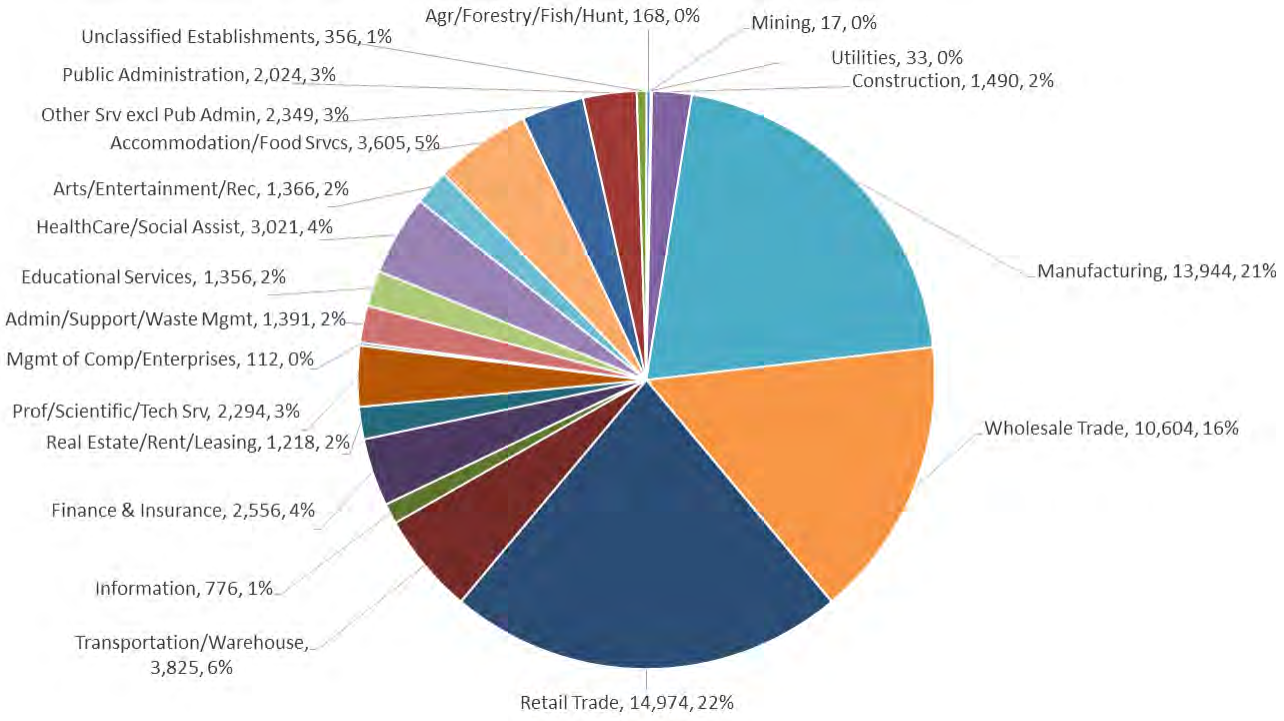


Data Source: Esri

Figure 4.2: Sales (in $1 million) of Businesses in the City of Industry Categorized by Industry (2-digit NAICS code)

The Wholesale sector accounts for 63% of all sales (see Figure 4.2). Wholesale sales do not necessarily generate sales taxes within the City of Industry but represent the critical link between the City of Industry and the surrounding Los Angeles County. Wholesale sales are often made to retail businesses outside the City of Industry. Those retail businesses sell to customers who pay the sales taxes in their respective cities. Wholesale sales represent the lion's share of the sales activity in the City of Industry. The Manufacturing (12%) and Retail Trade (11%) sectors are also strong contributors to overall sales. Of the remaining sixteen sectors, only Finance & Insurance accounts for more than 2% of sales per NAICS category. Sales activities are also a key component in the analysis of the impact of one jurisdiction on another. In Section 5, this report will discuss the impact of the City of Industry on the surrounding areas of Los Angeles County and San Gabriel Valley in greater detail.

Employment in the City of Industry



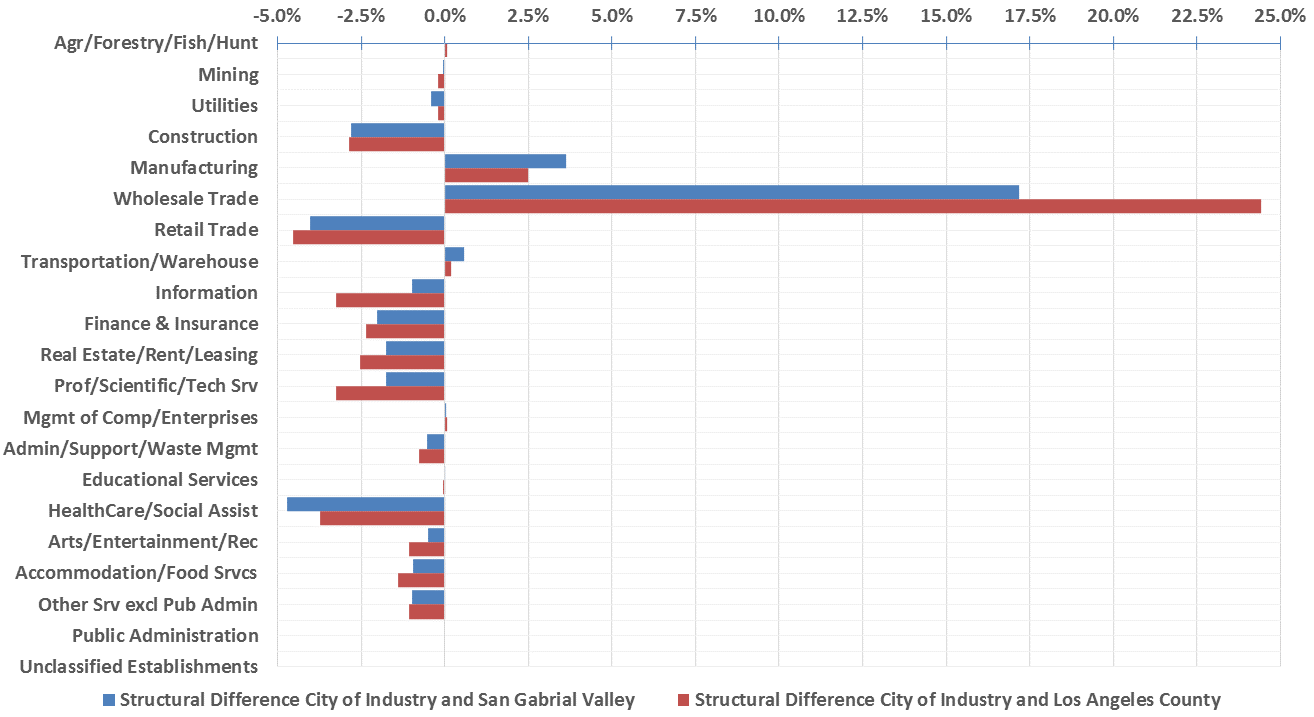
Data Source: Esri

Figure 4.3: Number Employees in Businesses in the City of Industry Categorized by Industry (2-digit NAICS code)

Retail (22%), Manufacturing (21%) and the Wholesale (16%) account for a total of 59% of the total employment in the City of Industry. No other single NAICS category accounts for more than six percent of the total employment, with most in the 2% to 3% range.

Manufacturing has the highest average number of employees per firm at about 45. Each of the service industries (public administration, arts/entertainment/recreation, and education) account for an average of about 40 employees per firm. City-wide the overall average is just over 21employees per firm.

Comparison of the Businesses Structure of the City of Industry to San Gabriel Valley and Los Angeles County



Data Source: Esri

Figure 4.4: Distribution of Number of Businesses in the City of Industry compared to San Gabriel Valley and Los Angeles County

There are clear structural distinctions between the City of Industry, San Gabriel Valley, and Los Angeles County. Figure 4.4 compares the percentage distribution of the number of businesses for the City of Industry with that of the San Gabriel Valley (blue bars) and of Los Angeles County (red bars). For example, the City of Industry's Wholesale Trade sector is about 17 percentage-points larger than for the San Gabriel Valley and about 24 percentage-points larger than for Los Angeles County. However, the Retail Trade sector in the City of Industry is about 4 percentage-points smaller than for the San Gabriel Valley and about 5 percentage-points smaller than for Los Angeles County. These structural differences mean that changing economic conditions may impact the City of Industry, the San Gabriel Valley, and Los Angeles County differently.

Key Economic Variables for the City of Industry 2002 – 2016

	San Gabriel Valley (County Business Pattern)			City of Industry (Economic Census)				Los Angeles County (Economic Census)			
	Businesses	Employees	Wages in $1million	Businesses	Employees	Wages in $1million	Sales in $1million	Businesses	Employees	Wages in $1million	Sales in $1million
2002	#N/A	#N/A	#N/A	1,845	55,768	1,843	18,367	193,646	3,102,578	105,772	487,456
2007	34,299	452,785	16,330	2,038	57,489	2,183	25,192	209,025	3,242,214	133,694	685,809
2012	33,602	412,751	16,617	2,480	53,667	2,260	27,083	228,611	3,531,929	170,947	761,141
2014	35,323	435,974	17,888	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
2016*	49,978	562,891	#N/A	3,194	67,477	#N/A	31,559	404,998	4,449,238	#N/A	1,177,321
2016				2,948	#N/A	#N/A	#N/A				
				Growth Rates Calculated for Industries Available Simultaneously for 2002, 2007, 2012, and 2016							
	Annualized Growth Rates			Annualized Growth Rates				Annualized Growth Rates			
2002-2007	#N/A	#N/A	#N/A	2.1%	0.6%	3.7%	7.4%	1.6%	0.9%	5.3%	8.1%
2007-2012	-0.4%	-1.8%	0.4%	1.4%	-2.9%	-1.2%	1.0%	0.0%	-0.4%	1.6%	1.2%
2012-2014	2.6%	2.8%	3.8%	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A	#N/A
2012-2016				2.2%	3.3%	#N/A	2.5%	11.2%	3.0%	#N/A	9.8%

Source: CENSUS, County Business Patterns

Source: CENSUS, Economic Census

Source: ESRI, Predictions based on Census Block Aportioning

Source: Muni Env. Survey of City of Industry Businesses

*) 2016 is obtained from ESRI and therefore a different source than the 2002 - 2012 values. Consequently, change over time involving 2016 should be interpreted with care.

#N/A=not available Data Source: CENSUS, Muni Env, and Esri

Table 4.1: Business Growth Pattern for City of Industry Compared to Los Angeles County and the San Gabriel Valley

Table 4.1 summarizes the level of growth for the City of Industry, Los Angeles County, and the San Gabriel Valley with regards to business, sales, employees, and wages. In 2002 the City of Industry had 1,845 firms. That number rose to 2,038 by 2007 and to 2,480 by 2012. By 2016 it is estimated that the number of the City of Industry firms will have risen to a new high of 3,194. This is consistent with the count provided by MuniEnvironmental.

Business sales in 2002 were about $18 billion and rose to $25 in 2007 and $27 billion in 2012. The predicted 2016 sales are $32 billion. The picture for employment is less vigorous. In 2002 there were 55,768 persons employed in the City of Industry. This grew to 57,489 in 2007 just before the Great Recession. The employment dropped to 53,667 by 2012. This loss in jobs during the Great Recession is predicted to rebound in 2016. Wages of $1.8 billion in 2002 grew to $2.3 billion by 2012.

Comparison of Regional Economic Growth Rates

The data analysis used by this study spans a period from 2002 -2016 (15 years). In 2008 a financial crisis plunged the U.S. economy into the Great Recession. The impact is summarized above in Table 4.1. The impact on the City of Industry was dramatic. The annualized growth rate for the number of businesses declined significantly from 2.1% in the 5-year period 2002 to 2007 to 1.4% in the period 2007 to 2012. Sales growth also significantly declined from an annual rate of 7.4% (2002 to 2007) to only 1.0% (2007 to 2012). The most detrimental consequences were a negative growth in employment (-2.9%) and wages (-1.2%) in 2007 to 2012.

Los Angeles County annualized business growth had been 1.6% prior to the Great Recession and fell to 0.0% (2007 to 2012). The same pattern is found for sales growth, which declined from 8.1% to 1.2%.

Similarly, annualized employment shrank from 0.9% growth to negative 0.4%. Wage growth declined significantly from 5.3% to 1.6%.

The Great Recession Regional Impact

In retrospect, business growth declined in both jurisdictions as did sales. Neither Los Angeles County nor the City of Industry experienced a net average loss of businesses or sales. Los Angeles County and the City of Industry both experienced a net average decline in employment. In the City of Industry the loss of jobs was accompanied by declines in wages. This was not the case for Los Angeles County which saw losses in employees but not commensurate negative average losses in wages.

Between the years 2012-16, Los Angeles County's annual growth rate recovered regarding sales, businesses, and employment. A similar pattern was seen for the City of Industry with regards to businesses and employment but not for sales. The City of Industry's sales recovery had lagged but is predicted to improve in 2016.

In the San Gabriel Valley there was an average annual decline in businesses and employment during the Great Recession and since the recession, there has been a strong positive growth in businesses and employment.

There is an adage that "a rising tide lifts all boats". This suggests that a robust economy benefits everyone: businesses, employees, and customers. This research suggests that the same is true for a receding tide. All economic key variables for Los Angeles County, San Gabriel Valley, and the City of Industry saw significant annualized declines in sales, employment, and business growth. However, recoveries by jurisdictions do vary. The City of Industry fell into a deeper economic hole and is continuing to emerge from its losses in the growth of sales. Los Angeles County also faced significant declines but has generally recovered. The same is true for San Gabriel Valley.

5 Economic Impact/Contribution Analysis

The City of Industry with its more than 3,000 companies, $30 billion in sales, and more than 67,000 employees contributes significantly to the local economy. However, the businesses sales and salaries of employees in the City of Industry represent only a fraction of the overall impact the City of Industry has on the local economy. This is because production of goods and services within the City of Industry requires intermediate goods and services from the surrounding communities and in addition income generated within the City of Industry generates further demand and employment in the surrounding communities.

This section will estimate the overall economic contribution of the City of Industry on the local community. There will be two separate estimations one for Los Angeles County and one for the San Gabriel Valley.

5.1 Study Questions

- ➢ What is the economic impact of the City of Industry on the County of Los Angeles?
- ➢ What is economic impact of the City of Industry on the San Gabriel Valley?
- ➢ What are the *multipliers* that relate economic activity in the City of Industry to the economic impact on Los Angeles County and how can they be applied?
- ➢ What are the *multipliers* that relate economic activity in the City of Industry to the economic impact on the San Gabriel Valley and how can they be applied?

5.2 Sources Used and Methodology

Before any economic impact of the City of Industry can be estimated, we need to determine

1. the research area for which we want to estimate the total economic impact of the City of Industry, and
2. the total production of goods and services within the City of Industry (direct effect).

We estimate the economic impact of the City of Industry for two separate areas: i) the jurisdiction of Los Angeles County and ii) the San Gabriel Valley as it is defined by the The Data Desk research group from The Los Angeles Times (see http://maps.latimes.com/neighborhoods/ and Figure 5.1 on the next page).

In order to estimate the economic direct effect that the City of Industry has by producing goods and services, we used the 2016 industry sales estimates for the City of Industry from Esri categorized by 2-digit NAICS codes (see Table 5.1).

NAICS Code	NAICS Sector	Industry Sales	Estimated Employment	Estimated Employee Compensation	Estimated Proprietor Income
11	Ag, Forestry, Fish & Hunting	$37,716,000	168	$15,403,998	$7,595,243
21	Mining	$19,607,000	17	$2,438,933	$1,755,242
22	Utilities	$22,579,000	33	$4,065,847	$77,687
23	Construction	$471,566,000	1,490	$94,843,678	$40,778,756
31-33	Manufacturing	$3,728,644,000	13,944	$616,668,968	$25,142,636
42	Wholesale Trade	$19,883,522,000	10,604	$5,813,213,006	$637,707,096
44-45	Retail trade	$3,368,145,000	14,974	$1,226,200,378	$239,960,061
48-49	Transportation & Warehousing	$458,471,000	3,825	$147,928,257	$25,917,177
51	Information	$259,339,000	776	$51,638,358	$12,842,772
52	Finance & insurance	$1,188,755,000	2,556	$369,037,919	$53,471,335
53	Real estate & rental	$326,442,000	1,218	$15,676,843	$15,792,742
54	Professional- scientific & tech svcs	$480,728,000	2,294	$199,403,352	$57,981,246
55	Management of companies	$63,835,000	112	$34,137,946	($1,064,341)
56	Administrative & waste services	$266,828,000	1,391	$130,593,639	$17,293,484
61	Educational svcs	$3,262,000	1,356	$1,898,058	$78,145
62	Health & social services	$558,911,000	3,021	$282,497,981	$39,510,572
71	Arts- entertainment & recreation	$60,197,000	1,366	$24,816,991	$5,531,889
72	Accommodation & food services	$227,725,000	3,605	$86,164,732	$7,591,302
81	Other services	$132,476,000	2,349	$45,774,513	$23,120,021
92	Government & non NAICs	$229,456,089	2,024	$193,263,193	$0

Unclassified establishments are not included for the direct effect, since sales data are not available.

Data Source: Esri and IMPLAN

Table 5.1: Industry Sales, Employment and Estimated Income for City of Industry

Economic impact analysis is based on Input-Output analysis, an approach credited to Wassily Leontief[1] (1906–1999), who received the Nobel Prize in 1973 for his works. The basic idea behind an economic impact analysis is that any economic entity, such as the City of Industry, has an economic impact on the surrounding (research) area that goes beyond its own production of goods and services. This additional economic impact on the research area is generated by two effects:

Indirect Effect: The production of goods and services in the City of Industry requires intermediate goods. Some of these intermediate goods will be produced outside of our research area of Los Angeles County or the San Gabriel Valley, for example, in a foreign country, or inside the U.S. but outside of the research area. This production outside the research area has no economic effect on the research area. However, some intermediate goods are produced within the research area and have an economic impact on the research area. In addition, the production of these intermediate goods requires other intermediate goods from within and outside the research area, and so on, and so on (ripple effects). The culmination of all these economic effects within the research area related to intermediate goods area is called the *indirect effect*.

Induced Effects: By producing goods and services the City of Industry generates income for employees and proprietors. This income generates demand and extra production both within and outside the

[1]Wassily Leontief (1906–1999) was born in Munich, Germany, studied Economics at the University of Leningrad, Russia where he received his degree when he was only 19 years old. From 1927 to 1930, he worked at the Institute for the World Economy in Kiel, Germany and received his Ph.D. from the University of Berlin, Germany in 1928. In 1931, Leontief joined the National Bureau of Economic Research (NBER) in Cambridge, MA, and received the Nobel Prize for Economics in 1973.

research area. The former production generates more income and thus more production, and so on, and so on. The cumulative value of the production generated through this process in the research area is called the *induced effect*.

In order to estimate the total impact[2] that one area has on another, we must add the direct, indirect, and induced effects to generate the *total effect*. Then based on the total estimated production value, the income and taxes can also be calculated. However, calculating the *indirect and induced* effect requires a sophisticated mathematical model. We used IMPLAN software, which is a standard software for economic impact analysis.[3]

5.3 Analysis and Findings

Based on City of Industry sales data from Table 5.1 on the preceding page a contribution analysis was performed with the IMPLAN model separately for the research areas Los Angeles County and the San Gabriel Valley.

Los Angeles County

Table 5.2 on the next page shows the direct, indirect, induced, and total effect in terms of employment, labor income, value added, and output (industry sales) for City of Industry on Los Angeles County. The total effect is an estimate of the City of Industry's economic contribution to the Los Angeles area. Based on the underlying model the direct effect is proportionally related to the indirect, induced, and total effects. The proportional factors for these relationships are called *multipliers* and are listed in the Appendix (see Table A.3 on page 37).

Table 5.2 also shows in the columns the tax impact for various types of taxes and various classifications of taxpayers. The rows of Table 5.2 categorized tax impacts by tax recipients (Federal and State/Local). Note that to avoid double-counting tax revenue listed under *Employee Compensation* and *Proprietor Income* only includes Social Security Tax. Income taxes paid by *Employees* and *Proprietors* are considered under the taxpayer category Households. This is why Proprietor Income for State/Loc. Tax is reported as $0.

[2] The terms *economic impact* and *economic contribution* are used interchangeable in this report. However, in a more strict definition of the terms we are conducting an economic contribution analysis. A contribution analysis calculates the economic effects of an economic entity, such as the City of Industry, compared to a benchmark where the production of the entity (in our case the City of Industry) would not exist — regardless of the fact that some production of that entity might be substituted by other cities. If it were possible to calculate the degree to which other cities would substitute for the City of Industry's production, the net effect could be calculated. This would be called the *economic impact effect*.

[3] See http://implan.com/ for a description of IMPLAN and the underlying mathematical model.

Los Angeles County						
ImpactType	Employment	Labor Income	Value Added	Output		
Direct Effect	67,123.00	$10,566,749,592	$19,586,850,046	$29,535,189,335		
Indirect Effect	64,957.50	$4,314,573,500	$7,233,118,526	$11,740,648,087		
Induced Effect	77,212.80	$4,012,360,370	$6,769,979,923	$10,578,492,663		
Total Effect	209,293.20	$18,893,683,462	$33,589,948,495	$51,854,330,086		
Tax Impact						
	Employee Compensation	**Proprietor Income**	**Tax on Production and Imports**	**Households**	**Corporations**	**Total**
Federal Tax	$1,918,957,631	$111,006,837	$777,788,852	$1,552,984,184	$695,632,428	$5,056,369,932
State/Loc. Tax	$48,003,987	$0	$4,618,339,648	$685,963,185	$121,674,733	$5,473,981,553
Overall Tax	**$1,966,961,618**	**$111,006,837**	**$5,396,128,500**	**$2,238,947,369**	**$817,307,161**	**$10,530,351,485**

Data Source: Esri and IMPLAN

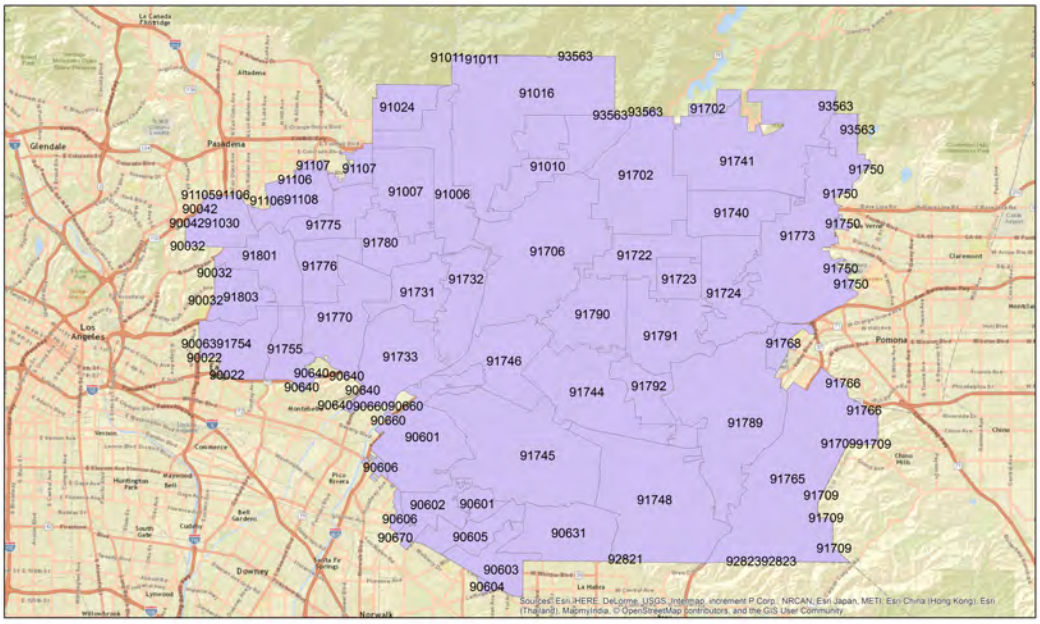
Table 5.2: Economic Contribution of the City of Industry on the Los Angeles County Region for 2016

The companies in the City of Industry directly provide a total of 67,000 jobs, $11 billion of labor income, and $30 billion of sales (*Direct Effect*). In order to produce goods and services, companies in the City of Industry demand goods and services from other companies in the region. This demand, including its ripple effects, creates another 65,000 jobs, $4 billion of labor income, and $12 billion of sales in the Los Angeles region (*Indirect Effect*). The income in the City of Industry and income from the production of intermediate goods create income for employees and proprietors. This income creates additional demand, which accounts — including ripple effects — for an additional 77,000 jobs, $4 billion of labor income, and $11 billion of sales. The total contribution of the City of Industry to the Los Angeles County region is 209,000 jobs, $19 billion of labor income, and $52 billion of sales. The total tax contribution of the City of Industry is $11 billion which is almost evenly split between federal and state/local taxes.

San Gabriel Valley

In order to calculate economic contributions for the City of Industry the IMPLAN model requires, among other data, trade flows between the areas being analyzed. Trade flow data are available from the U.S. Bureau of Economic Analysis (BEA) for counties but not for smaller areas such as the San Gabriel Valley, which is an area within a county. However, the IMPLAN model can estimate trade flows for areas smaller than counties by combining ZIP Code areas that make up the desired region. The area that is used here to represent the San Gabriel Valley was intentionally defined by the Los Angeles Times research group to align well with ZIP Codes (see Figure 5.1 on the next page). Unfortunately, since the underlying trade flows are based on econometric procedures rather than BEA estimates, the results are less reliable and must be interpreted with care.[4]

[4] In order to reflect the lower reliability of this methodology, IMPLAN calls scenarios based on ZIP Codes "Mock-Up" scenarios.



Data Source: Esri

Figure 5.1: Zip Codes of the San Gabriel Valley

Based on the inputs from Table 5.2 on the preceding page the indirect, induced, and total effects were calculated with the IMPLAN model. Table 5.3 shows the results for employment, labor income, value added, and output (production) for the San Gabriel Valley. The related multipliers are listed in the Appendix (see Table A.3 on page 37).

San Gabriel Valley						
ImpactType	**Employment**	**Labor Income**	**Value Added**	**Output**		
Direct Effect	67,123.00	$10,768,780,231	$19,976,878,288	$29,807,782,619		
Indirect Effect	65,195.30	$4,386,598,885	$7,102,358,382	$12,447,778,150		
Induced Effect	82,578.30	$4,415,339,972	$7,375,812,688	$12,228,974,885		
Total Effect	214,896.50	$19,570,719,089	$34,455,049,358	$54,484,535,654		
Tax Impact						
	Employee Compensation	**Proprietor Income**	**Tax on Production and Imports**	**Households**	**Corporations**	**Total**
Federal Tax	$2,191,280,449	$99,633,525	$820,917,790	$1,670,327,778	$923,356,167	$5,705,515,709
State/Loc. Tax	$54,816,321	$0	$4,874,429,379	$754,722,033	$161,506,448	$5,845,474,181
Overall Tax	**$2,246,096,770**	**$99,633,525**	**$5,695,347,169**	**$2,425,049,811**	**$1,084,862,615**	**$11,550,989,890**

Data Source: Esri and IMPLAN

Table 5.3: Economic Contribution of the City of Industry to the San Gabriel Valley for 2016

The bottom part of Table 5.3 shows the tax impact for various types of taxes and various classifications of taxpayers. The rows of Table 5.3 categorized tax impacts by tax recipients (Federal and State/Local). Note that to avoid double-counting tax revenue listed under *Employee Compensation* and *Proprietor Income* only includes Social Security Tax. Income taxes paid by *Employees* and *Proprietors* are included

under the taxpayer category Households. This is why Proprietor Income for State/Loc. Tax is reported as $0.

The results for the San Gabriel Valley area are similar to the ones estimated for Los Angeles County although one might expect that the smaller area of San Gabriel Valley would also lead to smaller estimated contributions from the City of Industry. Two reasons could be responsible for the similar results:

1. production in San Gabriel Valley could be overestimated due to the less reliable estimates of trade flows, and/or
2. most of the demand caused by income or by intermediate goods from the City of Industry which does not impact the San Gabriel Valley also does not impact Los Angeles County.

Summary

- ➢ The City of Industry contributes more than 200,000 jobs and more than $50 billion of sales to the Los Angeles County area.
- ➢ The City of Industry's economic contribution to the San Gabriel Valley is estimated to be similar to that of Los Angeles County.

6 Conclusions

The objective of this research is to describe the economic activity of the City of Industry and analyze its impact on Los Angeles County and San Gabriel Valley. Economics influences political integration, factionalism, quality of life, and the relations between single-purpose and multipurpose jurisdictions. These latter areas are not part of this research. This research describes how land is allocated, how the population may be described, the categories of businesses and industries operating within the jurisdiction, and the history of employment, wages, and sales. Finally the research provides estimates of the economic impact the City of Industry has on the San Gabriel Valley and Los Angeles County.

The City of Industry's budget is $51 million and 62% of this revenue is derived from sales taxes. The Los Angeles County Assessor indicates there are roughly 1,400 parcels zoned for commercial and industrial use; the property taxes on this land accounts for $2.4 million in revenue (5% of the City budget). The relationship between sales tax and property tax revenue is unique for Southern California. In multipurpose cities (e.g. Pomona, Claremont, Azusa, etc.) property taxes generate more revenue than do sales taxes. In the City of Industry sales taxes are the dominant revenue source.

There are 219 residents in the City of Industry and they are predominately Hispanics, over 18, and renters. While this is a small residential community its demographics are similar to that of Los Angeles County. The lifestyles of City of Industry residents and those immediately surrounding this jurisdiction serve to enhance the business climate. Our analysis suggests the area is dominated by multicultural, multilingual, and multi-generational households. The northern communities may be described as young, diverse, hard-working urban families while those in the south may be described as older, ambitious, married suburbanites. This residential mix serves as a context for current and future industrial/commercial interests of the City of Industry.

There are 3,000 businesses and organizations in the City of Industry that generate employment for 67,000 people and sales of $31 billion. The dominate business activities are in Wholesale Trade, Manufacturing, and Retail Trade. Due to the relative dominance of these sectors in the City of Industry, economic conditions that impact any of these sectors, will disproportionately effect economic activity in the City of Industry.

In 2008 there was a steep decline in economic activity nationwide, called the Great Recession, which cut the annual average growth in business and sales in Los Angeles County and the City of Industry. However, there was an annualized loss in employment and wages in the City of Industry. While a similar pattern emerged for Los Angeles County employment it was not accompanied by an average annual loss in wages. However, the recovery differed by jurisdiction. By 2016 Los Angeles County recovered in terms of annualized sales, business, and employment growth. The City of Industry also recovered in terms of business and employment growth but lagged behind Los Angeles County with regards to annualized sales growth.

The City of Industry, Los Angeles County and the San Gabriel Valley are economically interrelated. Raw materials, goods and services from local firms contribute to the production of goods and services elsewhere. Our analysis suggests that the City of Industry's nearly 3,000 firms and roughly $30 billion in sales ripples through Los Angeles County generating over 209,000 jobs, nearly $19 billion in labor

income, $50 billion in sales, and $11 billion in taxes. The City of Industry has a similar impact on the San Gabriel Valley but the economic contribution is built on rough estimates generated by an economic model and is less precise.

Although the City of Industry is small in terms of geographic area and population, it significantly contributes to the economy in terms of businesses, sales and employment in Los Angeles County and San Gabriel Valley. Given the economic inter-connectivity of the City of Industry with the larger Los Angeles community, economic growth and development depends on their mutual prosperity.

A Appendix

A.1 City of Industry: Population and Housing Characteristics

Subject	Number	Percent
SEX AND AGE		
Total population	219	100.0
Median age (years)	37.5	(X)
16 years and over	171	78.1
18 years and over	160	73.1
21 years and over	147	67.1
62 years and over	28	12.8
65 years and over	22	10.0
Male population	114	52.1
Female population	105	47.9
RACE		
Total population	219	100.0
One Race	211	96.3
White	129	58.9
Black or African American	1	0.5
American Indian and Alaska Native	0	0.0
Asian	18	8.2
Asian Indian	0	0.0
Chinese	17	7.8
Filipino	1	0.5
Japanese	0	0.0
Korean	0	0.0
Vietnamese	0	0.0
Other Asian [1]	0	0.0
Native Hawaiian and Other Pacific	0	0.0
Native Hawaiian	0	0.0
Guamanian or Chamorro	0	0.0
Samoan	0	0.0
Other Pacific Islander [2]	0	0.0
Some Other Race	63	28.8
Two or More Races	8	3.7
HISPANIC OR LATINO		
Total population	219	100.0
Hispanic or Latino (of any race)	115	52.5
Mexican	99	45.2
Puerto Rican	0	0.0
Cuban	0	0.0
Other Hispanic or Latino [5]	16	7.3
Not Hispanic or Latino	104	47.5
HISPANIC OR LATINO AND RACE		
Total population	219	100.0
Hispanic or Latino	115	52.5
White alone	46	21.0
Black or African American alone	0	0.0
American Indian and Alaska Native	0	0.0
Asian alone	0	0.0
Native Hawaiian and Other Pacific	0	0.0
Some Other Race alone	63	28.8
Two or More Races	6	2.7
Not Hispanic or Latino	104	47.5
White alone	83	37.9
Black or African American alone	1	0.5
American Indian and Alaska Native	0	0.0
Asian alone	18	8.2
Native Hawaiian and Other Pacific	0	0.0
Some Other Race alone	0	0.0
Two or More Races	2	0.9

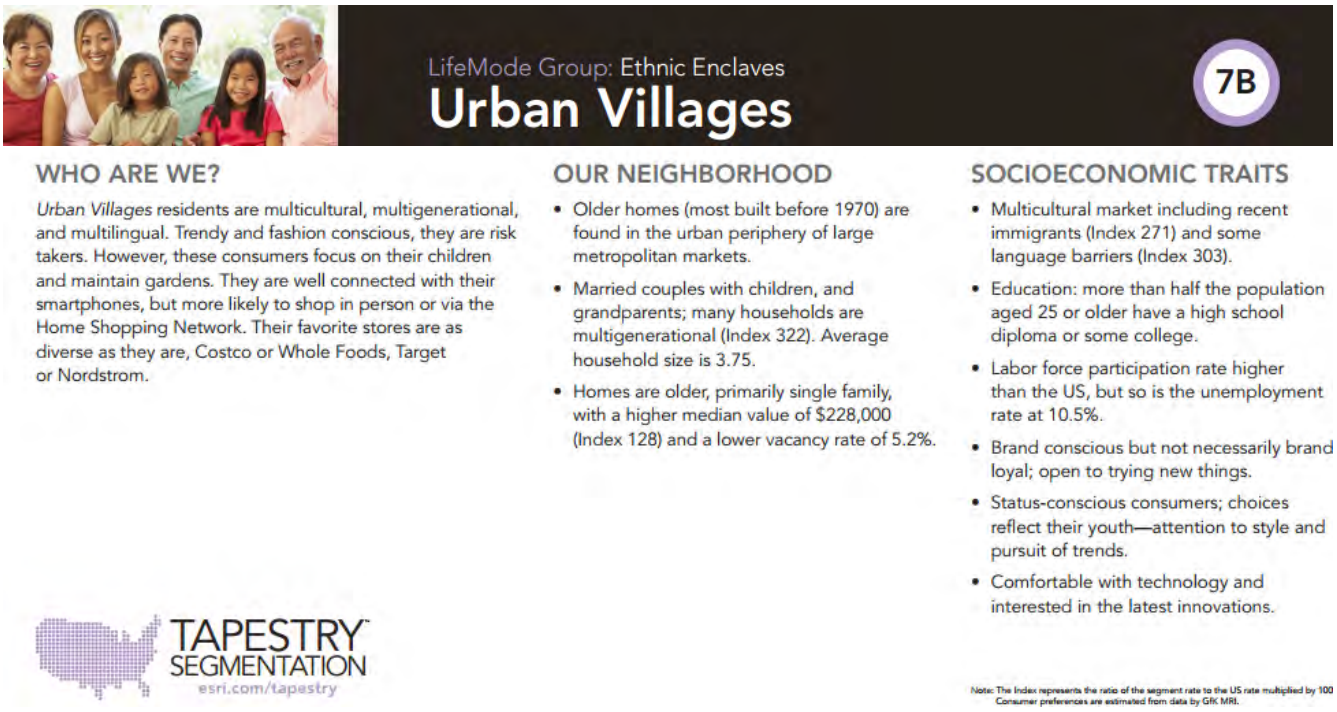
Subject	Number	Percent
RELATIONSHIP		
Total population	219	100.0
In households	214	97.7
Householder	69	31.5
Spouse [6]	37	16.9
Child	81	37.0
Own child under 18 years	52	23.7
Other relatives	19	8.7
Under 18 years	6	2.7
65 years and over	5	2.3
Nonrelatives	8	3.7
Under 18 years	0	0.0
65 years and over	1	0.5
Unmarried partner	5	2.3
In group quarters	5	2.3
Institutionalized population	0	0.0
Male	0	0.0
Female	0	0.0
Noninstitutionalized	5	2.3
Male	4	1.8
Female	1	0.5
HOUSEHOLDS BY TYPE		
Total households	69	100.0
Family households (families)	53	76.8
With own children under 18	27	39.1
Husband-wife family	37	53.6
With own children under 18	23	33.3
Male householder, no wife	9	13.0
With own children under 18	3	4.3
Female householder, no	7	10.1
With own children under 18	1	1.4
Nonfamily households [7]	16	23.2
Householder living alone	12	17.4
Male	5	7.2
65 years and over	2	2.9
Female	7	10.1
65 years and over	4	5.8
Households with individuals	32	46.4
Households with individuals	16	23.2
Average household size	3.10	(X)
Average family size [7]	3.58	(X)
HOUSING OCCUPANCY		
Total housing units	73	100.0
Occupied housing units	69	94.5
Vacant housing units	4	5.5
For rent	3	4.1
Rented, not occupied	0	0.0
For sale only	0	0.0
Sold, not occupied	0	0.0
For seasonal, recreational,	0	0.0
All other vacants	1	1.4
Homeowner vacancy rate	0.0	(X)
Rental vacancy rate (percent)	6.0	(X)
HOUSING TENURE		
Occupied housing units	69	100.0
Owner-occupied housing	22	31.9
Population in owner-	66	(X)
Average household size of	3.00	(X)
Renter-occupied housing	47	68.1
Population in renter-	148	(X)
Average household size of	3.15	(X)

Data Source: Census 2010

Table A.1: City of Industry's Population and Housing Characteristics

A.2 Esri LifeModes Details

The figure below shows a description of the dominant Life/Mode and the dominant Segment in the City of Industry. A complete list of LifeModes as defined by Esri can be found on the following pages. A complete list of Tapestry segments can be found at goo.gl/zD8n6D



Source: Esri

Figure A.1: Dominant Tapestry Segment in City of Industry

ESRI LifeModes

LifeMode 1 Affluent Estates

- Established wealth—educated, well-traveled married couples
- Accustomed to "more": less than 10% of all households, with 20% of household income
- Homeowners (almost 90%), with mortgages (70%)
- Married couple families with children ranging from grade school to college
- Expect quality; invest in time-saving services
- Participate actively in their communities
- Active in sports and enthusiastic travelers

LifeMode 2 Upscale Avenues

- Prosperous married couples living in older suburban enclaves
- Ambitious and hard-working
- Homeowners (70%) prefer denser, more urban settings with older homes and a large share of townhomes
- A more diverse population, primarily married couples, many with older children
- Financially responsible, but still indulge in casino gambling and lotto tickets
- Serious shoppers, from Nordstrom's to Marshalls or DSW, that appreciate quality, and bargains
- Active in fitness pursuits like bicycling, jogging and aerobics
- Also the top market for premium movie channels like HBO and Starz

LifeMode 3 Uptown Individuals

- Young, successful singles in the city
- Intelligent (best educated market), hard-working (highest rate of labor force participation) and averse to traditional commitments of marriage and home ownership
- Urban denizens, partial to city life, high-rise apartments and uptown neighborhoods
- Prefer debit cards to credit cards, while paying down student loans
- Green and generous to environmental, cultural and political organizations
- Internet dependent, from social connections to shopping for groceries (although partial to showrooming)
- Adventurous and open to new experiences and places

LifeMode 4 Family Landscapes

- Successful young families in their first homes
- Non-diverse, prosperous married-couple families, residing in suburban or semirural areas with a low vacancy rate (second lowest)
- Homeowners (80%) with mortgages (second highest %), living in newer single-family homes, with median home value slightly higher than the U.S.
- Two workers in the family, contributing to the second highest labor force participation rate, as well as low unemployment
- Do-it-yourselfers, who work on home improvement projects, as well as their lawns and gardens
- Sports enthusiasts, typically owning newer sedans or SUVs, dogs, and savings accounts/plans, comfortable with the latest technology
- Eat out frequently at fast food or family restaurants to accommodate their busy lifestyle
- Especially enjoy bowling, swimming, playing golf, playing video games, watching movies rented via Redbox, and taking trips to a zoo or theme park

LifeMode 5 GenXurban

- Gen X in middle age; families with fewer kids and a mortgage
- Second largest Tapestry group, comprised of Gen X married couples, and a growing population of retirees
- About a fifth of residents are 65 or older; about a fourth of households have retirement income
- Own older single-family homes in urban areas, with 1 or 2 vehicles
- Live and work in the same county, creating shorter commute times
- Invest wisely, well-insured, comfortable banking online or in person
- News junkies (read a daily newspaper, watch news on TV, and go online for news)
- Enjoy reading, photo album/scrapbooking, playing board games and cards, doing crossword puzzles, going to museums and rock concerts, dining out, and walking for exercise

LifeMode 6 Cozy Country Living

- Empty nesters in bucolic settings
- Largest Tapestry group, almost half of households located in the Midwest
- Homeowners with pets, residing in single-family dwellings in rural areas; almost 30% have 3 or more vehicles and, therefore, auto loans
- Politically conservative and believe in the importance of buying American
- Own domestic trucks, motorcycles, and ATVs/UTVs
- Prefer to eat at home, shop at discount retail stores (especially Walmart), bank in person, and spend little time online
- Own every tool and piece of equipment imaginable to maintain their homes, vehicles, vegetable gardens, and lawns
- Listen to country music, watch auto racing on TV, and play the lottery; enjoy outdoor activities, such as fishing, hunting, camping, boating, and even bird watching

LifeMode 7 Ethnic Enclaves

- Established diversity—young, Hispanic homeowners with families
- Multilingual and multigenerational households feature children that represent second-, third- or fourth-generation Hispanic families
- Neighborhoods feature single-family, owner-occupied homes built at city's edge, primarily built after 1980
- Hard-working and optimistic, most residents aged 25 years or older have a high school diploma or some college education
- Shopping and leisure also focus on their children—baby and children's products from shoes to toys and games and trips to theme parks, water parks or the zoo
- Residents favor Hispanic programs on radio or television; children enjoy playing video games on personal computers, handheld or console devices
- Many households have dogs for domestic pets

LifeMode 8 Middle Ground

- Lifestyles of thirtysomethings
- Millennials in the middle: single/married, renters/homeowners, middle class/working class
- Urban market mix of single-family, townhome, and multi-unit dwellings
- Majority of residents attended college or attained a college degree
- Householders have ditched their landlines for cell phones, which they use to listen to music (generally contemporary hits), read the news, and get the latest sports updates of their favorite teams
- Online all the time: use the Internet for entertainment (downloading music, watching YouTube, finding dates), social media (Facebook, Twitter, LinkedIn), shopping and news
- Leisure includes night life (clubbing, movies), going to the beach, some travel and hiking

LifeMode 9 Senior Styles

- Senior lifestyles reveal the effects of saving for retirement
- Households are commonly married empty nesters or singles living alone; homes are single-family (including seasonal getaways), retirement communities, or high-rise apartments
- More affluent seniors travel and relocate to warmer climates; less affluent, settled seniors are still working toward retirement
- Cell phones are popular, but so are landlines
- Many still prefer print to digital media: Avid readers of newspapers, to stay current
- Subscribe to cable television to watch channels like Fox News, CNN, and The Weather Channel
- Residents prefer vitamins to increase their mileage and a regular exercise regimen

LifeMode 10 Rustic Outposts

- Country life with older families in older homes
- Rustic Outposts depend on manufacturing, retail and healthcare, with pockets of mining and agricultural jobs
- Low labor force participation in skilled and service occupations
- Own affordable, older single-family or mobile homes; vehicle ownership, a must
- Residents live within their means, shop at discount stores and maintain their own vehicles (purchased used) and homes
- Outdoor enthusiasts, who grow their own vegetables, love their pets and enjoy hunting and fishing
- Technology is cost prohibitive and complicated. Pay bills in person, use the yellow pages, read the newspaper and mail-order books

LifeMode 11 Midtown Singles

- Millennials on the move—single, diverse, urban
- Millennials seeking affordable rents in apartment buildings
- Work in service and unskilled positions, usually close to home or public transportation
- Single parents depend on their paycheck to buy supplies for their very young children
- Midtown Singles embrace the Internet, for social networking and downloading content
- From music and movies to soaps and sports, radio and television fill their lives
- Brand savvy shoppers select budget friendly stores

LifeMode 12 Hometown

- Growing up and staying close to home; single householders
- Close knit urban communities of young singles (many with children)
- Owners of old, single-family houses, or renters in small multi-unit buildings
- Religion is the cornerstone of many of these communities
- Visit discount stores and clip coupons, frequently play the lottery at convenience stores
- Canned, packaged and frozen foods help to make ends meet
- Purchase used vehicles to get them to and from nearby jobs

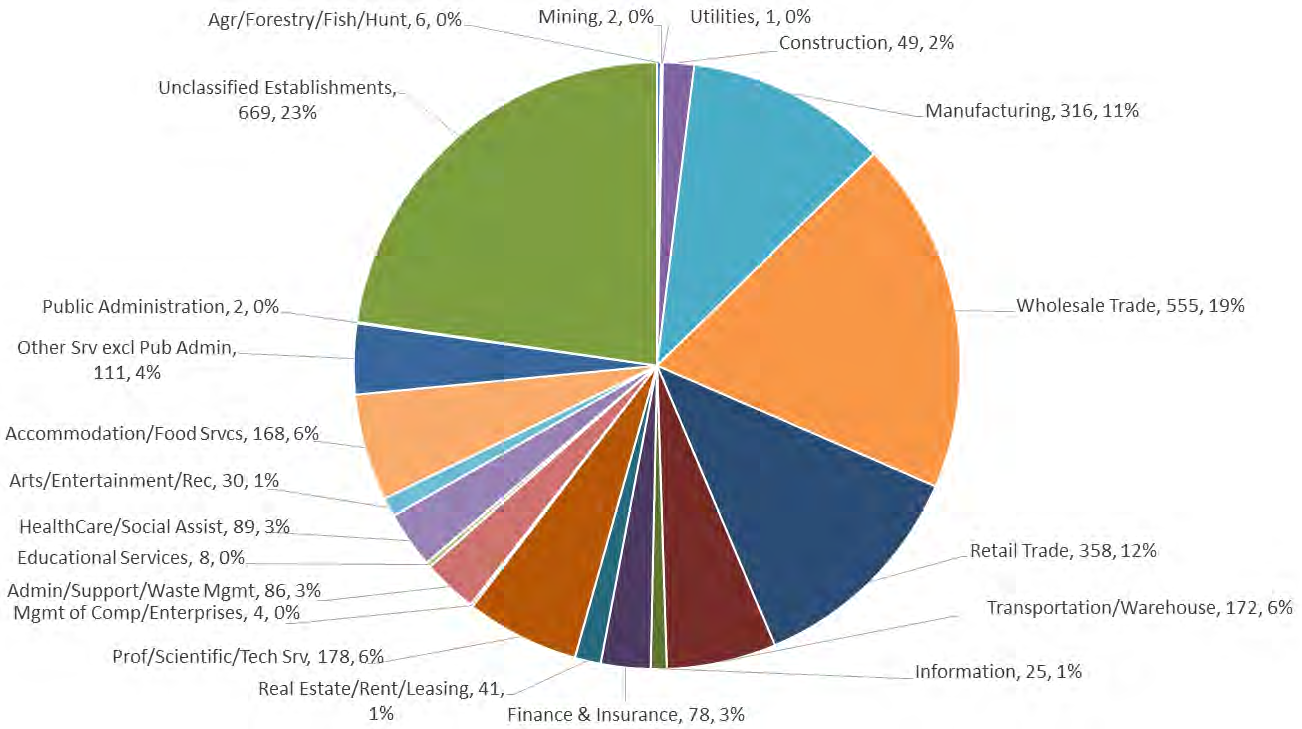
LifeMode 13 Next Wave

- Urban denizens, young, diverse, hard-working families
- Extremely diverse with a Hispanic majority, the highest among LifeMode groups
- A large share are foreign born and speak only their native language
- Young, or multigenerational, families with children are typical
- Most are renters in older multi-unit structures, built in the 1960s or earlier
- Hard-working with long commutes to jobs, often utilizing public transit to commute to work
- Spending reflects the youth of these consumers, focus on children (top market for children's apparel) and personal appearance
- Also a top market for movie goers (second only to college students) and fast food
- Partial to soccer and basketball

LifeMode 14 Scholars and Patriots

- College and military populations that share many traits due to the transitional nature of this LifeMode Group
- Highly mobile, recently moved to attend school or serve in military
- The youngest market group, with a majority in the 15 to 24 year old range
- Renters with roommates in nonfamily households
- For many, no vehicle is necessary as they live close to campus, military base or jobs
- Fast-growing group with most living in apartments built after 2000
- Part-time jobs help to supplement active lifestyles
- Millennials are tethered to their phones and electronic devices, typically spending over 5 hours online every day tweeting, blogging, and consuming media
- Purchases aimed at fitness, fashion, technology and the necessities of moving
- Highly social, free time is spent enjoying music and drinks with friends
- Try to eat healthy, but often succumb to fast food

A.3 Businesses



Source: Muni Env Survey

Figure A.2: Number of Businesses in the City of Industry Categorized by Industry (2-digit NAICS code)

A.4 Economic Impact Analysis (Multipliers)

Table A.2: NAICS (2-digit) Sales Multipliers for Los Angeles County

NAICS	Direct Effects	Indirect Effects	Induced Effects	Total	Type I Multiplier	Type SAM Multiplier
11 Ag, Forestry, Fish & Hunting	1.000000	0.044057	0.433099	1.477156	1.044057	1.477156
21 Mining	1.000000	0.145006	0.193419	1.338425	1.145006	1.338425
22 Utilities	1.000000	0.380202	0.211188	1.591390	1.380202	1.591390
23 Construction	1.000000	0.428582	0.314117	1.742699	1.428582	1.742699
31-33 Manufacturing	1.000000	0.346761	0.202978	1.549739	1.346761	1.549739
42 Wholesale Trade	1.000000	0.398578	0.330682	1.729260	1.398578	1.729260
44-45 Retail trade	1.000000	0.337408	0.383092	1.720501	1.337408	1.720501
48-49 Transportation & Warehousing	1.000000	0.445994	0.384364	1.830358	1.445994	1.830358
51 Information	1.000000	0.401995	0.281267	1.683262	1.401995	1.683262
52 Finance & insurance	1.000000	0.511154	0.385604	1.896758	1.511154	1.896758
53 Real estate & rental	1.000000	0.337993	0.152066	1.490059	1.337993	1.490059
54 Professional- scientific & tech svcs	1.000000	0.369036	0.485186	1.854222	1.369036	1.854222
55 Management of companies	1.000000	0.424577	0.488582	1.913159	1.424577	1.913159
56 Administrative & waste services	1.000000	0.309343	0.481564	1.790907	1.309343	1.790907
61 Educational svcs	1.000000	0.319743	0.501961	1.821704	1.319743	1.821704
62 Health & social services	1.000000	0.355901	0.501429	1.857330	1.355901	1.857330
71 Arts- entertainment & recreation	1.000000	0.346941	0.451394	1.798335	1.346941	1.798335
72 Accommodation & food services	1.000000	0.324358	0.373400	1.697758	1.324358	1.697758
81 Other services	1.000000	0.255641	0.429643	1.685284	1.255641	1.685284
92 Government & non NAICs	1.000000	0.039099	0.607763	1.646862	1.039099	1.646862

Table A.3: NAICS (2-digit) Sales Multipliers for San Gabriel Valley

NAICS	Direct Effects	Indirect Effects	Induced Effects	Total	Type I Multiplier	Type SAM Multiplier
11 Ag, Forestry, Fish & Hunting	1.000000	0.080623	0.506256	1.586878	1.080623	1.586878
21 Mining	1.000000	0.298929	0.231392	1.530321	1.298929	1.530321
22 Utilities	1.000000	0.443442	0.224205	1.667647	1.443442	1.667647
23 Construction	1.000000	0.615484	0.394858	2.010341	1.615484	2.010341
31-33 Manufacturing	1.000000	0.57268	0.29883	1.871511	1.57268	1.871511
42 Wholesale Trade	1.000000	0.38294	0.369781	1.752722	1.38294	1.752722
44-45 Retail trade	1.000000	0.319731	0.425745	1.745476	1.319731	1.745476
48-49 Transportation & Warehousing	1.000000	0.538457	0.482316	2.020774	1.538457	2.020774
51 Information	1.000000	0.530497	0.295354	1.825851	1.530497	1.825851
52 Finance & insurance	1.000000	0.362937	0.390959	1.753896	1.362937	1.753896
53 Real estate & rental	1.000000	0.32479	0.154232	1.479022	1.32479	1.479022
54 Professional- scientific & tech svcs	1.000000	0.363988	0.567522	1.93151	1.363988	1.93151
55 Management of companies	1.000000	0.394331	0.548281	1.942612	1.394331	1.942612
56 Administrative & waste services	1.000000	0.328876	0.531148	1.860023	1.328876	1.860023
61 Educational svcs	1.000000	0.332	0.574128	1.906128	1.332	1.906128
62 Health & social services	1.000000	0.370373	0.57119	1.941564	1.370373	1.941564
71 Arts- entertainment & recreation	1.000000	0.345784	0.481051	1.826835	1.345784	1.826835
72 Accommodation & food services	1.000000	0.402283	0.422553	1.824836	1.402283	1.824836
81 Other services	1.000000	0.268029	0.474106	1.742136	1.268029	1.742136
92 Government & non NAICs	1.000000	0.036258	0.699026	1.735284	1.036258	1.735284