



ECONOMIC ANALYSIS & COVID-19 RECOVERY FRAMEWORK

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PREPARED BY



EXECUTIVE SUMMARY

Hollywood occupies a unique space in the Los Angeles economic landscape. One of the most enduring symbols of inspiration, innovation, and prosperity around the world, it is the cultural heart of the City as well as a burgeoning technology hub. In addition to serving as a growth engine for the local and regional economies, Hollywood is also home to a vibrant residential community that supports neighborhood retail outlets and relies on local health care services. Still, its iconic status has not inoculated the district from the devastating effects of the novel coronavirus pandemic (COVID-19) and subsequent public health mitigation measures. Indeed, as the center of the Los Angeles creative ecosystem – as well as the tourism industry associated with it – many sectors have been disproportionately affected.

The COVID-19 crisis has brought issues that existed before the pandemic into sharper relief – homelessness, how public space is used, competing visions for the future, and others – that may impede both immediate recovery efforts and longer-term economic development. Conversely, the current moment may also serve as an inflection point in which planners, businesses, and residents alike consider “recovery” not as a path back to the pre-pandemic conditions but as a step toward a more resilient Hollywood that is prepared to meet unanticipated challenges and leverage new opportunities. This report provides insights into the Hollywood economy and a framework for stakeholders to consider as recovery efforts transition to planning initiatives prompted by new economic realities.

INDUSTRY ANALYSIS

Five industries account for nearly 60% of all employment in Hollywood. The Leisure & Hospitality sector contributes the largest share at 20.5%, followed by the Information (10.8%), Health Care & Social Services (10.2%), Professional Services (8.4%), and Retail (8.2%) sectors.



Most employment in Leisure & Hospitality is in Restaurants and Other Food Service establishments (or about 58% of total sector employment). Independent Artists, Writers, and Performers and Performing Arts Companies represent a significant share of the jobs, about 24% combined. The average annual wage in Hollywood's Leisure & Hospitality Industry is \$36,000.



Accounting for 11% of Hollywood's workforce, the Information sector (which includes Film Production and Media) is much higher than the share of Information employment in Los Angeles County overall at 4% and California at 3%. The primary driver is the Motion Picture subsector, which accounts for about 72% of Hollywood's Information employment. The average annual wage is \$69,000, but wages vary significantly depending on the type of work.



The Health Care & Social Services sector, the third largest in Hollywood, is primarily composed of General Medical and Surgical Hospitals (27%), Individual and Family Services (18%), Nursing Care Facilities (10%), and Offices of Physicians (10%). The average annual wage is roughly \$43,000.



The Professional Services sector, with an average annual wage of \$66,000, is one of the few major industries in which employment is relatively even across subsectors: Advertising (19%), Legal (19%), and Management/Scientific/Technical Consulting Services (16%).



The largest shares of employment in Hollywood's Retail sector are in Clothing Stores (20%) and Grocery Stores (19%). Retail workers' wages are low compared with those of workers in the other Primary Sectors. Clothing Stores employees earn \$29,000 on average per year, and Grocery workers earn \$34,000.



CHALLENGES

Hollywood's economy face several structural and industry-specific challenges, some of which predate the current public health crisis and economic downturn.

HOMELESSNESS:

The rise in homelessness is not unique to Hollywood, though the degree to which unhoused populations and encampments are proliferating in the district's commercial areas continues to color the perception and experience of visitors, workers, and residents. Aggressively addressing the ever-expanding homelessness problem is not only crucial to ensuring the well-being of all of Hollywood's residents but also vital to recovery efforts and longer-term development planning.

UNCOORDINATED POLICY:

Conflicting mandates, confusing compliance measures, and ill-fated attempts to lift pandemic countermeasures too early have only compounded the uncertainty firms and organizations are facing as they navigate the economic landscape. Information sharing and public sector outreach have not provided clarity on impending policy developments, aid with securing economic assistance, or any actionable guidance.

SPATIAL CONSTRAINTS:

Although the City of Los Angeles has temporarily relaxed permitting restrictions to enable greater business flexibility, businesses have found it hard to implement changes because of spatial constraints and conflicting land uses (both zoned and temporary).



COMPETING PRIORITIES:

In several cases, it has been difficult to satisfy one constituency without adversely impacting another. Although all stakeholders, for example, want homelessness addressed, desired approaches may vary. Workers in the Health Care and Social Services sector would like to see an expansion of services in the public realm (such as public toilets or temporary services stations), though placement in highly concentrated tourist or shopping areas may but hurt adjacent commerce.

SHIFTING LANDSCAPES:

Nearly all of Hollywood's primary industries are in the midst of rapidly changing economic conditions that predated the COVID-19 outbreak: consolidation in the Information sector, secular declines in the Retail sector, underfunding in the Health Care & Social Services sector, and deteriorating local conditions in the Leisure & Hospitality sector.

RECOMMENDATIONS

The ability of any district in the City to unilaterally embark on large-scale economic recovery efforts is limited by both human and financial resources. Therefore, the short-term actions listed here are directed toward identifying immediate relief opportunities through external channels, whereas long-term considerations should feed into more nuanced and thoughtful economic development planning by Hollywood stakeholders.

SHORT-TERM ACTIONS

LOBBY FOR BUSINESS INTERRUPTION INSURANCE PAYOUTS:

A Hollywood business interruption advocacy group (either independently or under the auspices of the Hollywood Chamber of Commerce) could more aggressively lobby local, regional, and state policymakers to pressure insurance companies, through emergency legislation or legal action, to pay benefits.

EASE BLANKET RESTRICTIONS:

Many venues deemed nonessential can be repurposed to follow the health and safety requirements of grocery and hardware stores. Working with City and county officials, the Hollywood Chamber of Commerce can unite proprietors, interest groups, and other stakeholders to advocate for more flexible regulations at the state level.

ASSIST FIRMS WITH ESTABLISHING OR EXPANDING ONLINE PRESENCE:

Small businesses, such as stores, that traditionally rely on in-person patronage should consider adopting or expanding an e-commerce business model. Such efforts should be complemented by informal mentorship and advisory services.

ADDRESS HOMELESSNESS WITH STOPGAP MEASURES:

The City - in conjunction with the County and state - must work more closely with Hollywood firms adversely affected by the swelling number of people experiencing homelessness. Absent effective long-term policy interventions, stopgap measures could provide temporary accommodations and services outside commercial areas.

REPURPOSE THE PUBLIC REALM:

Businesses and residents should identify new ways of using the public realm, such as expanding restaurant service onto pedestrianized streets or staging public art installations. This should be done in consultation with, but not at the direction of, the City.

LONG-TERM CONSIDERATIONS

LAND USE:

Stakeholders need to consider how the urban landscape should adapt to changing conditions by further developing the Heart of Hollywood's Walk of Fame Concept Plan and the City's Hollywood Community Plan to balance commercial needs for adaptable workspaces and community needs for more green space and public realm amenities.

WORKFORCE DEVELOPMENT:

Firms that require advanced knowledge and skills should continue recruiting top talent from across the nation and world. But public-private efforts to build a local talent pipeline - which includes collaboration with public education institutions, workforce development boards, and nonprofit organizations and fosters the development of skills that feed into emerging and growing sectors - should not be overlooked.

How long the economic recovery will take and to what extent some sectors return to pre-COVID employment and revenue streams remain unclear. Yet by recognizing its strengths, understanding its vulnerabilities, and planning accordingly, Hollywood can ensure its best days are still to come.

CONTINGENCY PLANNING:

Once the worst of the crisis has passed, the Hollywood Chamber of Commerce should convene a formal working group to assess the vulnerabilities and incorporate key lessons into planning efforts.

PROFESSIONAL COLLABORATION, COMMUNITY BUILDING, AND SOCIAL COHESION:

Bridging the business community and residential communities is more than an exercise in networking and social responsibility. Rather, deeper awareness, cooperation, and integration among all stakeholders is more likely to yield equitable outcomes, foster greater social stability, and ultimately strengthen Hollywood's economic resilience.

INTRODUCTION

Hollywood is widely acknowledged as the entertainment capital of the world, and its component industries are pillars of the local and regional economy. Yet its iconic status has not inoculated the district from the devastating effects of the novel coronavirus pandemic (COVID-19) and subsequent public health mitigation measures. Indeed, as the heart of the Los Angeles creative ecosystem – as well as the tourism industry associated with it – many sectors have been disproportionately affected. It is also home to a vibrant local community that relies on retail outlets and health care services, both of which have faced challenges in the wake of the pandemic outbreak. The COVID-19 crisis has brought issues and challenges that existed before the economic shutdown into sharper relief – the impact of homelessness, how public space is used, and competing visions for the future, among others – which in turn may impede both immediate recovery efforts and longer-term economic development.

Although this shock is unusual in terms of speed and severity compared with other recent disruptions, this is not the first time the Hollywood economy has faced adversity. Whereas many industries only began to recover from the Great Depression during the wartime mobilization, Hollywood responded by ushering in the “Golden Age of Cinema” to provide Americans with much needed escapism. Following the mass postwar suburbanization, an exodus of executives and talent led to a fragmentation of the entertainment industry, and Hollywood diversified its economic base by pivoting toward tourism and becoming nearly synonymous with “Los Angeles.” The Great Recession (and the contemporaneous writers strike) inflicted much damage to established media industries, but again Hollywood adapted and became a hub for emerging digital and social media. Taken in this context, the current moment is another inflection point, one that can prompt planners, businesses, and residents alike to think of “recovery” not as a path back to pre-pandemic conditions but as the first step toward a more resilient Hollywood that is prepared to meet unanticipated challenges and leverage new opportunities.

This report provides insights into the Hollywood economy and a framework for stakeholders to consider as recovery efforts transition to new planning initiatives prompted by new economic realities. It is divided into five parts:



PART 1:

COVID-19 IMPACT

Focuses on the impact of the pandemic on Hollywood in the broader Los Angeles context



PART 2:

INDUSTRY OVERVIEW

Describes the composition of Hollywood’s primary and secondary sectors



PART 3:

PRIMARY INDUSTRIES

Focuses on Hollywood’s five largest industries (by employment)



PART 4:

CHALLENGES

Highlights potential barriers to success facing the Hollywood economy



PART 5:

PLANNING FRAMEWORK

Presents short-term recommendations and long-term planning considerations for stakeholders as the economic recovery continues.



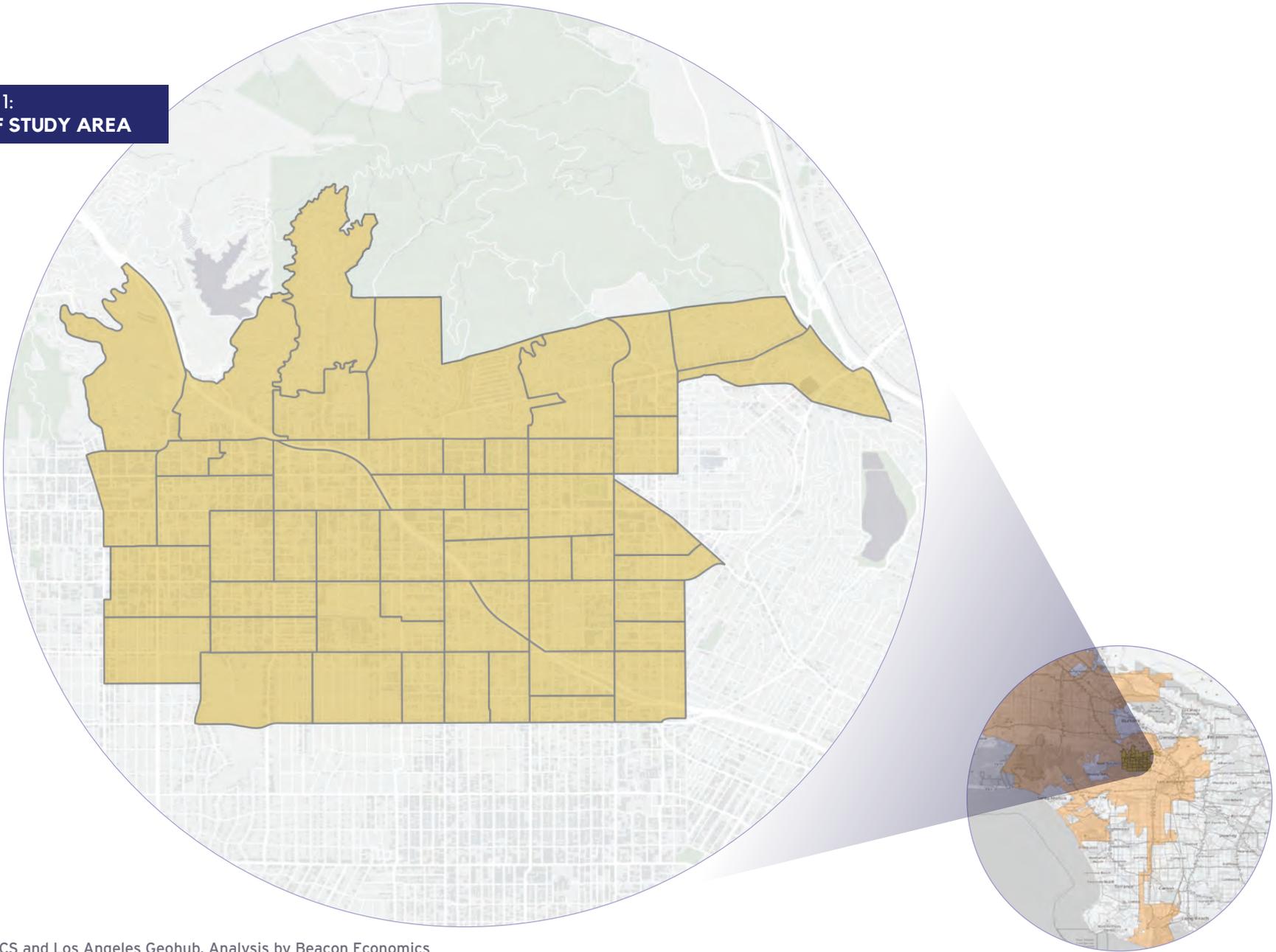
METHODOLOGY

Because Hollywood is not a formally recognized jurisdiction, there is little consensus on the precise boundaries of the commercial district(s) and residential neighborhoods. The study area defined in this report, which takes an expansive view of Hollywood, is shown in Figure 1. The analysis is based on data from the American Community Survey Public Use Micro Sample (ACS PUMS),

which provides more granularity and enables more complex data manipulation at the subregional level than other datasets. But using the ACS PUMS in this report involves a tradeoff between achieving greater analytical granularity and limiting geographic scope. That said, the larger study area enables more observations and captures important “Hollywood-related” or “Hollywood-adjacent”

subsectors (such as resident-oriented retail as opposed to tourist-oriented) and enterprises (such as Children’s Hospital Los Angeles) that may not otherwise be included in the area. Appendix 1 offers more detail on the methodology used in this report.

**FIGURE 1:
MAP OF STUDY AREA**



Source: ACS and Los Angeles Geohub. Analysis by Beacon Economics

PART 1:

COVID-19 IMPACT

LOS ANGELES COUNTY

The COVID-19 public health crisis caused an unprecedented drop in economic activity in April 2020, the effects of which continue to reverberate across the nation. Although Los Angeles County's initial unemployment claims peaked in April at 246,000, nearly 84,000 new claims were filed the week ending Aug. 1.¹ Lower rates of employment have led to decreased consumer spending, which in turn has lowered demand for goods and services.² Few industries have been spared, but the impact has been particularly bruising for some.

¹The unemployment rate (seasonally adjusted) for the county has similarly declined from 20.8% to 16.1% over the period, indicating that although a recovery is underway, unemployment remains far higher than pre-pandemic levels. Data from California Employment Development Department.

²Consumer spending was down 17.4% on Aug. 1, 2020, compared with the average rate in January, though it has risen significantly from a low of 39% on April 10, 2020, which is just before the start of stimulus payments. It is not clear what affect the cut in stimulus payments will have on future consumer spending.

**TABLE 1:
JOB LOSSES FOR LOS ANGELES COUNTY AND THE U.S., MARCH TO AUGUST 2020**

	March to April Growth (%)		April to May Growth (%)		May to June Growth (%)		June to July Growth (%)		July to August Growth (%)		March to August Growth (%)	
	L.A. County	United States	L.A. County	United States	L.A. County	United States	L.A. County	United States	L.A. County	United States	L.A. County	United States
Total Nonfarm Employment	-14.4	-13.8	0.9	2.1	3.9	3.6	0.8	1.3	0.2	1.0	-9.3	-6.6
Accommodation & Food	-44.3	-46.0	7.3	18.2	21.0	19.7	1.1	5.1	-1.4	1.4	-27.9	-19.0
Arts & Entertainment	-40.5	-52.8	-4.5	4.7	23.0	30.6	7.8	6.2	-11.2	1.6	-35.5	-33.5
Retail Trade	-18.1	-14.7	2.3	2.8	6.4	5.4	1.9	1.6	2.0	1.7	-7.3	-3.5
Information	-16.4	-9.7	-3.7	-1.5	1.2	0.4	4.1	-0.3	-2.4	0.6	-17.0	-10.3
Real Estate	-15.7	-9.4	1.3	0.6	0.7	1.1	3.0	0.4	-1.2	1.1	-12.1	-6.9
Administrative Support	-14.1	-16.8	3.2	1.4	0.4	3.0	1.0	1.9	-0.8	1.8	-9.9	-9.9
Construction	-13.2	-13.4	7.7	6.9	2.5	2.3	0.0	0.4	-0.2	0.2	-4.0	-4.7
Professional Services	-11.5	-5.7	1.2	0.7	2.7	0.7	0.4	0.8	0.2	1.0	-7.4	-3.7
Manufacturing	-11.4	-10.3	3.4	2.2	4.2	3.0	0.5	0.3	-0.2	0.2	-4.5	-5.2
Health Care & Social Services	-10.0	-10.4	1.3	2.0	2.7	2.5	1.4	1.0	0.1	0.5	-4.5	-4.9
Wholesale Trade	-10.0	-6.5	2.0	0.2	3.8	1.2	0.0	-0.3	0.4	-0.3	-4.8	-5.4
Management of Companies	-7.2	-3.7	-1.6	-0.5	0.0	0.2	2.9	-0.5	-0.7	0.2	-6.3	-4.3
Educational Services	-6.6	-12.3	-0.1	0.9	5.4	2.8	-2.3	0.8	-0.7	1.6	-4.7	-6.4
Government	-2.6	-4.2	-2.6	-2.4	-1.0	0.2	-1.9	1.2	3.1	1.6	-4.5	-3.1
Finance & Insurance	2.1	-0.6	-0.7	0.0	-0.2	0.1	1.7	0.2	0.0	0.4	2.6	-0.3

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



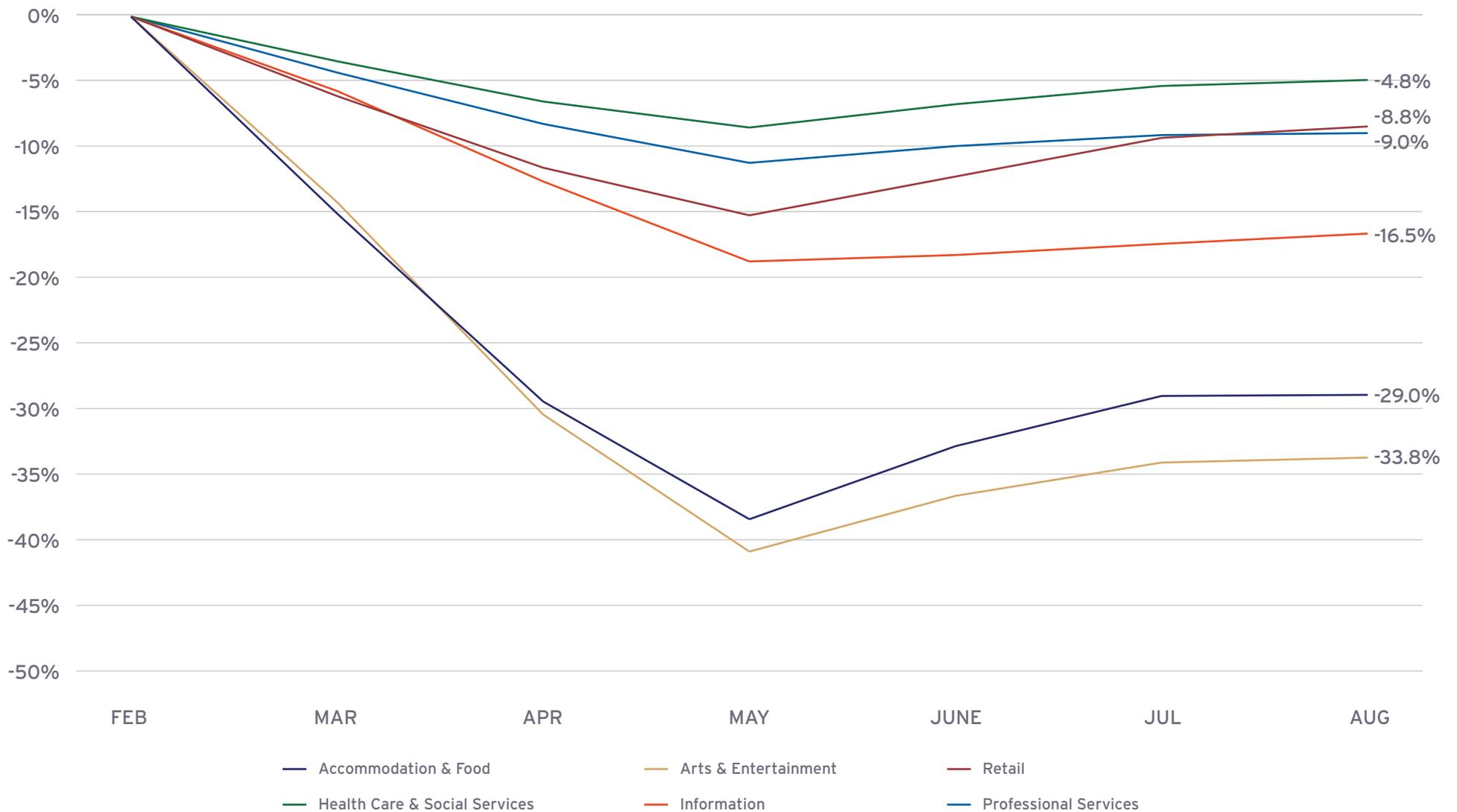
As was the case nationally, the Accommodation & Food and Arts & Entertainment sectors in Los Angeles had disproportionate job losses shortly after the COVID-19 outbreak (a drop of 44.3% and 40.5% respectively from March to April). Although some restaurants and hotels now conduct limited operations, many workers in the Arts & Entertainment sector were the first casualties of the economic shutdown and will probably be among the last to return to the workforce given restrictions on studios, theaters, and other performance spaces. And although the percentage drop in employment in these two sectors was not as great as the national rate, the recovery has been far slower in Los Angeles than in the United States.

Other sectors' losses occurred at a lower rate. The Information sector, which includes movie production and broadcasting, initially fell 16.4%, and Retail fared slightly worse at 18.4% (although essential retail businesses such as grocery stores added jobs following stay-at-home orders because of increased demand). Professional Services in Los Angeles plunged 11.5%, over twice the national rate, which is likely the result of workflows tied to the Information sector. And despite the surge in demand for front-line medical workers immediately following the outbreak, a halt to routine exams and elective procedures caused the Health Care & Social Services sector nationwide and in Los Angeles to lose 10% of its workforce. In Los Angeles, employment is trending up across all six sectors discussed here, but no one sector has returned to pre-pandemic levels.

³ The Accommodation & Food and Arts & Entertainment sectors constitute the Leisure & Hospitality supersector as defined by the U.S. Bureau of Labor Statistics: <https://www.bls.gov/iag/tgs/iag07.htm>. From Part 2 onward, "Leisure & Hospitality sector" will be used in place of Accommodation & Food and Arts & Entertainment.

⁴ The sectors in this paragraph, along with the Leisure & Hospitality sector, are among the top five sectors by employment in Hollywood. These sectors will be discussed in greater detail in Parts 2 and 3.

**FIGURE 2:
INDEXED CHANGE IN EMPLOYMENT FOR SELECT SECTORS IN LOS ANGELES COUNTY, FEBRUARY TO AUGUST 2020**



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

HOLLYWOOD

Hard data for employment declines at a sectoral level are not available for Hollywood at this time, but Beacon Economics estimates that about 18,000 jobs were lost from March to April of this year.⁵ The Leisure & Hospitality sector – which comprises Accommodation & Food and Arts & Entertainment – accounted for the most job losses, with nearly 6,000 temporary and permanent layoffs. The suspension of Arts & Entertainment activity has not only led to a loss of jobs but also, in part, created a cascading effect across the sector. Hotels that have managed to stay open were at about 20% capacity in June and July (the peak tourist season), and the decrease in advanced fall and winter bookings has made forecasting future business problematic.

Some hotels that suspended lodging services are trying to maintain cash flow by refashioning onsite dining into takeout operations. At standalone restaurants able to accommodate outdoor dining and/or maintain takeout service, output capacity has fallen as much as 50% on average.⁶

The Health Care & Social Services sector lost roughly 3,750 workers. In addition to appointment cancellations affecting providers that were mandated to temporarily close, such as dentists, some health centers sustained a 50% reduction in demand amid patient concerns over exposure to COVID-19. In both cases, providers either laid off or furloughed staff. Although hospital staff directly involved with emergency services were not laid

off, operations were and continue to be strained by compliance measures, equipment needs, and other costs associated with being in a constant state of readiness. Social service enterprises were already struggling to raise funding and expand operations before the pandemic, and revenue streams are drying up at a time when such services are usually in high demand. Vulnerable populations – including people experiencing homelessness, those struggling with pre-existing mental health issues, and senior citizens either living alone or who have special needs – are increasingly isolated as organizations temporarily fold volunteer programs and cut staff.

⁵ For a description of the methodology employed to make this estimate, see Appendix 2.

⁶ Destination marketing organizations that rely on hotel performance for funding are also contracting, which has implications for Hollywood's ability to attract tourists as the economy begins to open again.

Hollywood's robust Information sector lost 3,000 workers over the same one-month period, which is mostly due to the near complete shutdown of filming, production, and distribution. Larger firms continue to pay nearly all staff as they incur mounting COVID-19 compliance costs with few opportunities to generate revenue. Some of these firms also lease office space and have inadvertently assumed the role of lenders to tenants in need of relief from rent obligations. Furthermore, the cancellation or deferment of industry-related trade shows, conventions, and festivals has only exacerbated the poor economic outlook for the Leisure & Hospitality sector. Small media firms that relied on this exposure were already facing the threat of collapse amid increasing consolidation are more likely to close as the recovery protracts.

Retailers accounted for about 1,700 job losses, though the sector had been in decline for several years. Hollywood lost 14 storefronts in the first quarter of 2020 alone, dozens more followed in subsequent months, and 83% of remaining retailers face a high risk of failure. Even Hollywood & Highland has 20 vacant storefronts, with the remaining 30 retailers operating a drastically reduced capacity. Enacting social distancing has been an issue for some retailers, especially those with large flagship establishments. Storefronts on the Walk of Fame, in particular, are hard-pressed to implement an efficient curbside pickup infrastructure to offset in-store shopping given the prevalence of red zones. Smaller retailers in less foot-trafficked areas were already in a difficult position before COVID-19, and many of these largely nonessential retailers are finding it difficult to transition to the online marketplace.

The Professional Services sector has fared much better than the other four in absolute terms, with only about 600 job losses. Telecommuting largely accounts for this disparity, though such arrangements can pose challenges (such as a lack of access to child care). Although several firms are operating at full capacity (in many cases, these firms are sole proprietorships or small businesses with few overhead expenses), their clients may be operating at a reduced capacity, which in turn may impact the nature, scope, and volume of their work. As necessary, some small businesses are moving toward shorter-term contracts to alleviate uncertainty while others are making more permanent changes to their business model (such as moving all operations to online platforms and virtual interactions).

⁷ Hollywood Market Report: Q2. (2020, July 31) The Hollywood Partnership.

PART 2:

INDUSTRY OVERVIEW



Although most well-known for film production (and increasingly digital media), Hollywood includes several industries that cater to tourists, locals, and consumers around the globe. Examining this economic landscape before COVID-19 reveals Hollywood's competitive advantages and the implications for short- and long-term growth and development.⁸ Five industries account for nearly 60% of all employment in the area, with Leisure & Hospitality contributing the largest share at 20.5%, followed by the Information (10.8%), Health Care and Social Services (10.2%), Professional Services (8.4%), and Retail (8.2%). Compared with Los Angeles as a whole and California, Hollywood's Leisure & Hospitality and Information sectors are far more robust in terms of employment concentration, which demonstrates a deep specialization and strong growth potential. Conversely, the Health Care & Social Services and Retail sectors each make up a smaller share of Hollywood's employment base than the City as a whole and the state, though the local Health Care & Social Services sector has experienced explosive growth in recent years relative to the precipitous decline in Retail. The remaining sectors, termed Secondary Industries for the purposes of this report, are important for their contributions to the local economy though less likely to be key economic drivers.

⁸ The latest available data provided by the American Community Survey is for 2018. Although figures may be discussed in the present tense, the analysis refers to 2018 figures.

**TABLE 2:
EMPLOYMENT IN PRIMARY INDUSTRIES IN HOLLYWOOD, LOS ANGELES AND CALIFORNIA, 2018**

	Hollywood		City of Los Angeles		California	
	Workers	Share	Workers	Share	Workers	Share
Leisure & Hospitality	23,704	20.5%	284,420	14.1%	2,343,319	10.7%
Information	12,539	10.8%	114,511	5.7%	604,840	2.8%
Health Care & Social Services	11,827	10.2%	234,815	11.7%	2,683,477	12.3%
Professional Services	9,722	8.4%	166,744	8.3%	1,836,300	8.4%
Retail	9,468	8.2%	197,155	9.8%	2,325,841	10.6%
Primary Industry Employment	67,260	58.1%	997,645	49.6%	9,793,777	44.8%
Total Employment	114,950	100.0%	2,012,872	100.0%	21,721,427	100.0%

Source: ACS PUMS. Analysis by Beacon Economics

**TABLE 3:
EMPLOYMENT IN SECONDARY INDUSTRIES IN HOLLYWOOD, LOS ANGELES AND CALIFORNIA, 2018**

	Hollywood		City of Los Angeles		California	
	Workers	Share	Workers	Share	Workers	Share
Education	9,052	7.8%	158,098	7.9%	1,890,186	8.6%
Other Services	8,413	7.3%	145,431	7.2%	1,075,675	4.9%
Construction	6,737	5.8%	131,062	6.5%	1,434,049	6.6%
Transportation/Warehousing	4,387	3.8%	104,424	5.2%	1,063,575	4.9%
Manufacturing	3,807	3.3%	139,702	6.9%	1,934,356	8.8%
Real Estate	3,622	3.1%	50,085	2.5%	481,302	2.2%
Finance & Insurance	3,590	3.1%	61,989	3.1%	760,957	3.5%
Admin. Support Services	3,314	2.9%	111,833	5.6%	918,145	4.2%
Government/Military	2,421	2.1%	45,862	2.3%	1,086,818	5.0%
Wholesale Trade	1,851	1.6%	54,217	2.7%	590,133	2.7%
Agriculture	449	0.4%	7,311	0.4%	517,857	2.4%
Natural Resource/Mining/Utilities	47	0.0%	5,213	0.3%	174,597	0.8%
Secondary Industry Employment	47,690	41.2%	1,015,227	50.6%	11,297,650	54.6%
Total Employment	114,950	100.0%	2,012,872	100.0%	21,721,427	100.0%

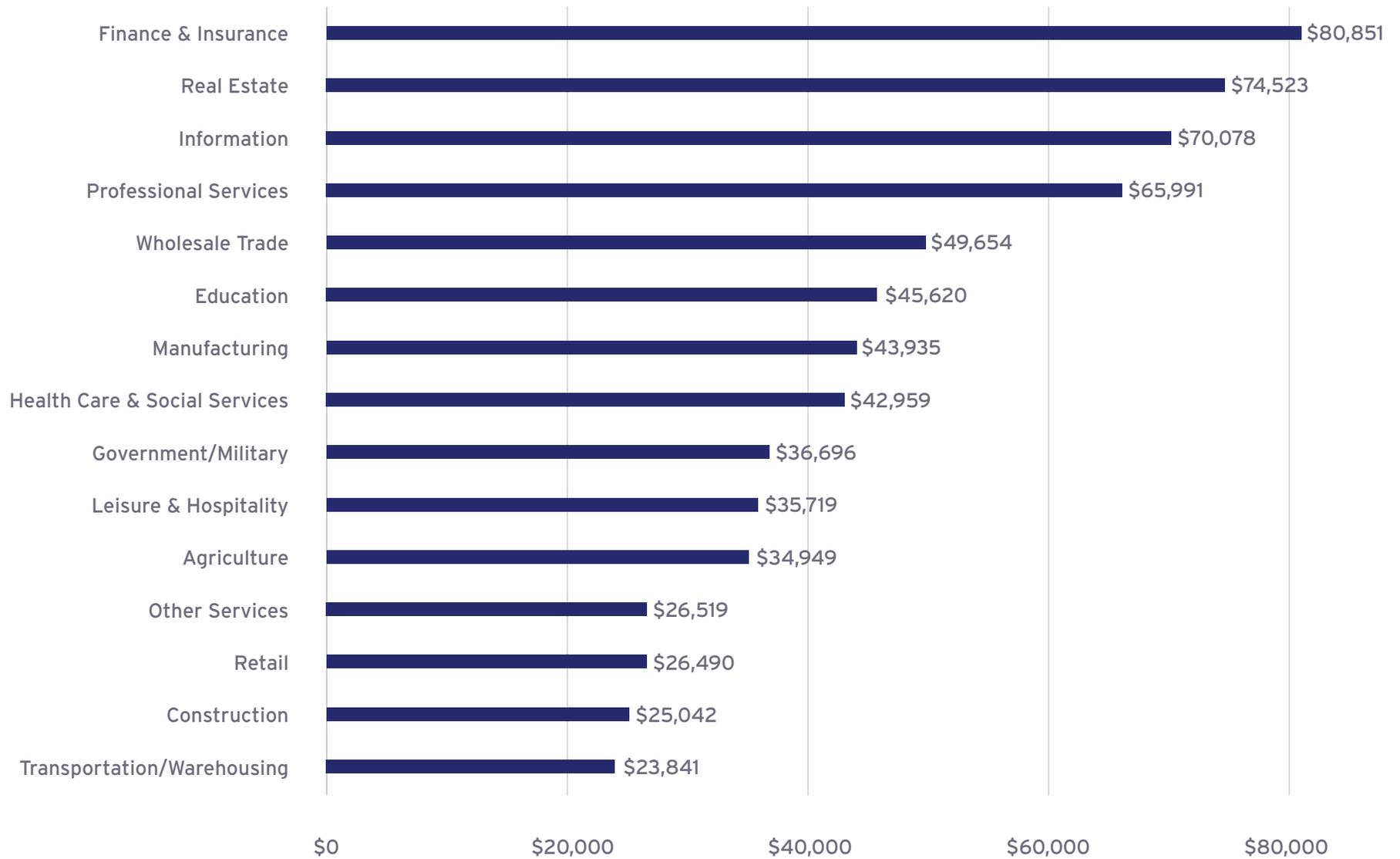
Source: ACS PUMS. Analysis by Beacon Economics



Whether an industry is deemed primary or secondary has little bearing on industry wages, and compensation varies widely by sector. The Finance & Insurance and Real Estate sectors, which each constitute 3.1% of overall employment in Hollywood, are the highest-paying sectors on average (at \$80,851 and \$74,523 annually respectively), both of which are higher than Hollywood’s median annual household income of \$63,000, though lower than the median annual household income in California (\$86,000).⁹ The Information (\$70,078) and Professional Services (\$65,991) sectors are among the higher-paying in Hollywood, but there is more variation in the other Primary Industries: Health Care & Social Services (\$42,959), Leisure & Hospitality (\$35,719), and Retail (\$26,490). Note that Hollywood workers at every level of education – from those without high school diplomas to those with doctorates – tend to earn less on average than workers with similar educational attainment in Los Angeles County as a whole and California. This may have implications for talent recruitment as Hollywood firms look to start hiring again.

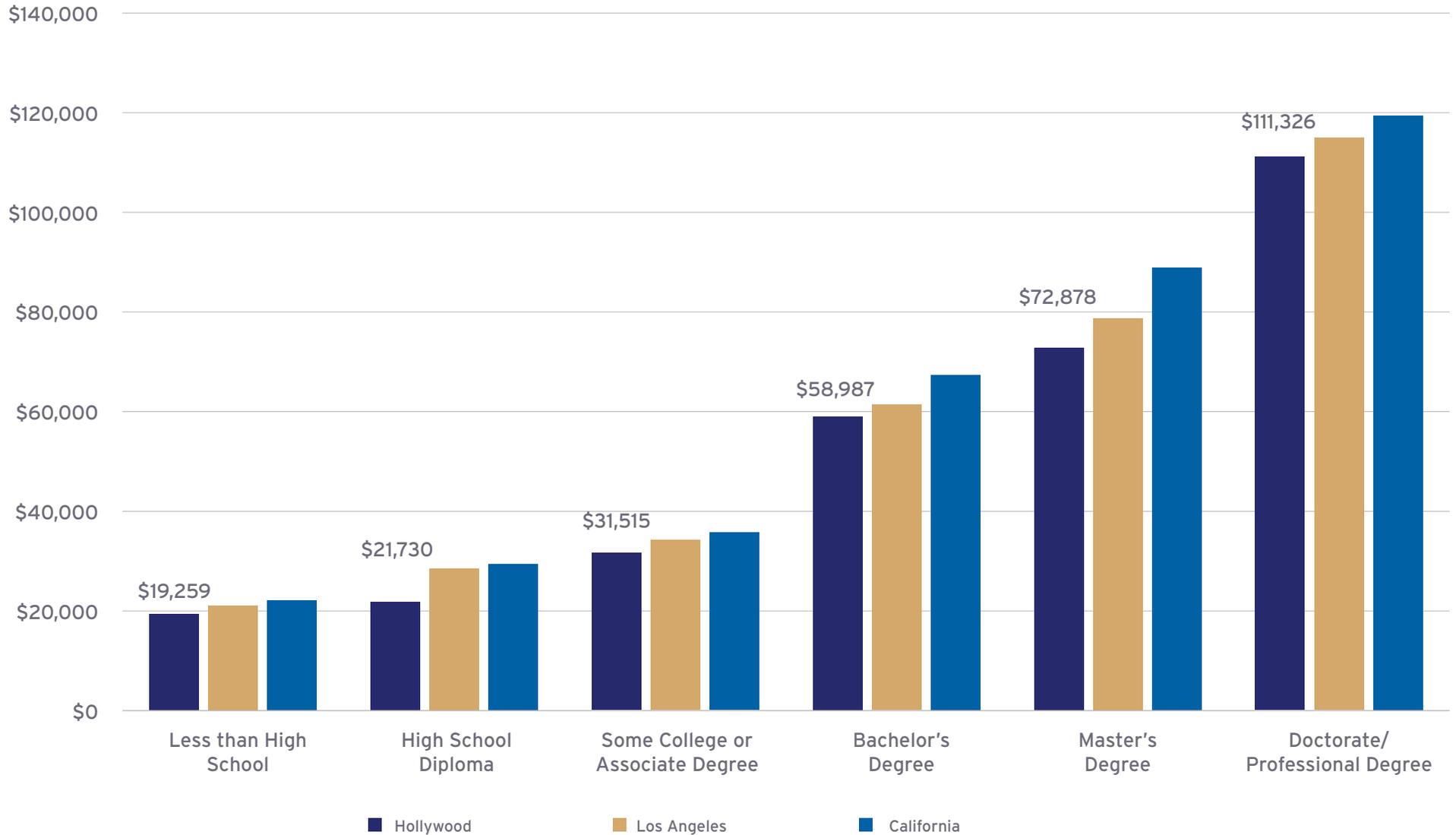
⁹ By comparison, the median annual household income in the City of Los Angeles and Los Angeles County is \$69,000 and \$77,000 respectively.

**FIGURE 3:
HOLLYWOOD INDUSTRIES BY AVERAGE ANNUAL WAGE, 2018**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 4:
AVERAGE ANNUAL EARNINGS BY EDUCATIONAL ATTAINMENT FOR HOLLYWOOD, LOS ANGELES COUNTY AND CALIFORNIA, 2018**



Source: ACS PUMS. Analysis by Beacon Economics



PART 3:

PRIMARY INDUSTRIES



What makes the Primary Industries relevant to Hollywood's growth and development is not simply their size – though this is the criterion for selection here – but the extent to which they drive innovation, cluster development, and increased investment in the region. Generally, this is determined by whether a sector is traded or nontraded and how specialized that sector is (per its location quotient).¹⁰

Traded sectors produce goods and services locally but are primarily exported (or “traded”) and consumed by people outside of the region. Conversely, nontraded goods and services are primarily consumed by a region's residents from what are generally considered support sectors. These two types of industries play a very different role in a region's economic vitality. For example, most revenue generated by a film made in Los Angeles is from consumers around the globe, which in part is used to pay the local executives, talent, and crews involved in that film's production. These wages are then spent in the region, generating demand in the local services (or nontraded) sectors of the economy such as massage therapists or carwashes. In Hollywood's Primary Industries, the Information, Professional Services, tourist-oriented Leisure & Hospitality sectors are considered traded sectors, and Retail and Health Care & Social Services are nontraded.¹¹

¹⁰ A location quotient (LQ) measures industry specialization as defined by the share of employees in a region's workforce that is concentrated in a particular industry or sector relative to the nation. As the Bureau of Economic Analysis states, “a location quotient is computed as an industry's share of a regional total for some economic statistic (in this case, employment) divided by the industry's share of the national total for the same statistic.” For example, a LQ greater than 1.00 for any given industry means that the region has a higher concentration in that industry than does the nation; the higher the LQ, the greater the concentration of employees in a given industry. Similarly, an LQ of less than 1.00 means that the region is less specialized in a given industry than the nation.

¹¹ These determinations are bit more subjective in the case of Hollywood than in formal jurisdictions like the City of Los Angeles. Because Hollywood has no independent tax base or fixed boundaries, determining whether a good is traded or nontraded is not always clear. Casual restaurants that cater to locals are traditionally categorized as nontraded, but iconic restaurants that attract tourists would be considered traded since they are fostering spending by people from other locales and hence introduce income to the region (that can in turn recirculate across other nontraded sectors). Because this distinction is difficult to parse from the available data, the Leisure & Hospitality sector will be considered traded.

**TABLE 4:
SUMMARY OF PRIMARY INDUSTRY CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Information	12,539	20.5%	\$70,078	4.52
Leisure & Hospitality	23,704	10.8%	\$35,719	1.53
Retail	9,468	10.2%	\$26,490	1.24
Professional Services	9,722	8.4%	\$65,991	0.95
Health Care & Social Services	11,827	8.2%	\$42,959	0.62

Source: ACS PUMS. Analysis by Beacon Economics

The “Hollywood Economy” comprises three distinct yet interconnected – and sometimes incompatible – economies driven by one or two Primary Industries. The Tourism Economy and the Information Economy, each of which includes traded sectors, are the twin growth engines for Hollywood,

while the Local Economy contains nontraded sectors that serve residents, foster community cohesion, and support the broader economic ecosystem. All three economies shape Hollywood’s development, and this section discusses the contributions of each.



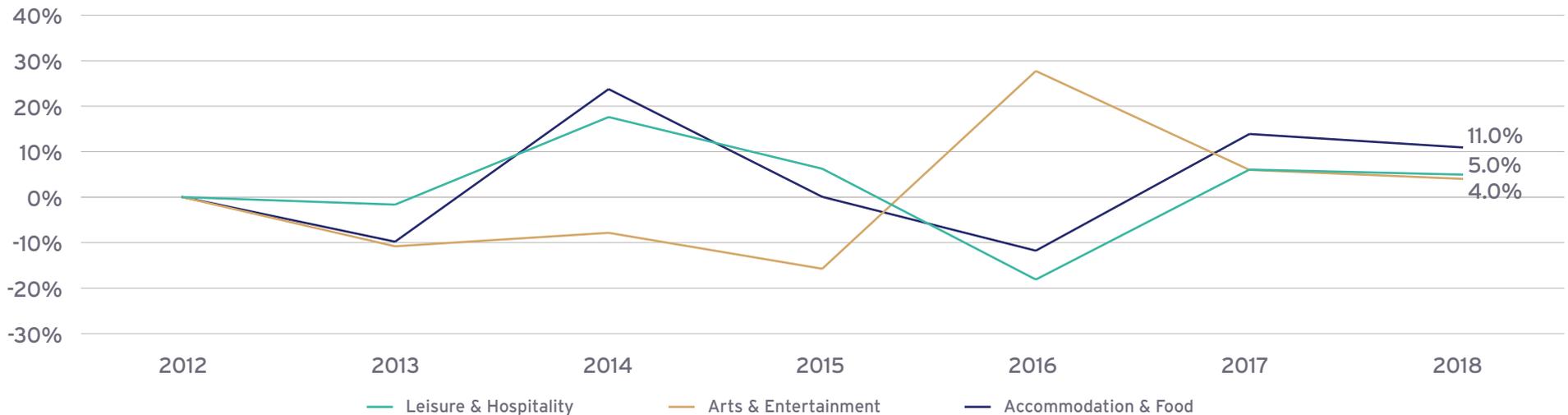
THE TOURISM ECONOMY

The Leisure & Hospitality sector, which forms the backbone of the Tourism Economy, is the largest in Hollywood and accounts for over 20% of total employment. This compares with a share of about 12% in Los Angeles County as a whole and 11% in California. In the Leisure and Hospitality sector in Hollywood, firms specializing in Accommodation & Food have fared better than Arts & Entertainment organizations and workers since 2012 despite a lower location quotient, but both have had volatile

growth over the period (and seem to be inversely correlated). Most employment in the Leisure & Hospitality sector is in Restaurants and Other Food Service establishments (or about 58% of total sector employment). Independent Artists, Writers, and Performers and Performing Arts Companies had about 24% of jobs combined. The average annual wage in Hollywood's Leisure & Hospitality industry is \$36,000. The average annual wage among restaurant employees is

\$27,000, and Performing Arts Companies workers make over \$66,000, which is far higher than wages in any other subsector. The low average annual wages overall are commensurate with age and educational attainment; workers tend to be younger and less educated on average than in the region overall, with 70% of workers in the industry holding less than a bachelor's degree, compared with 57% across all industries in Hollywood.

**FIGURE 5:
INDEXED CHANGE IN EMPLOYMENT IN TOP TOURISM INDUSTRIES, 2012-18**



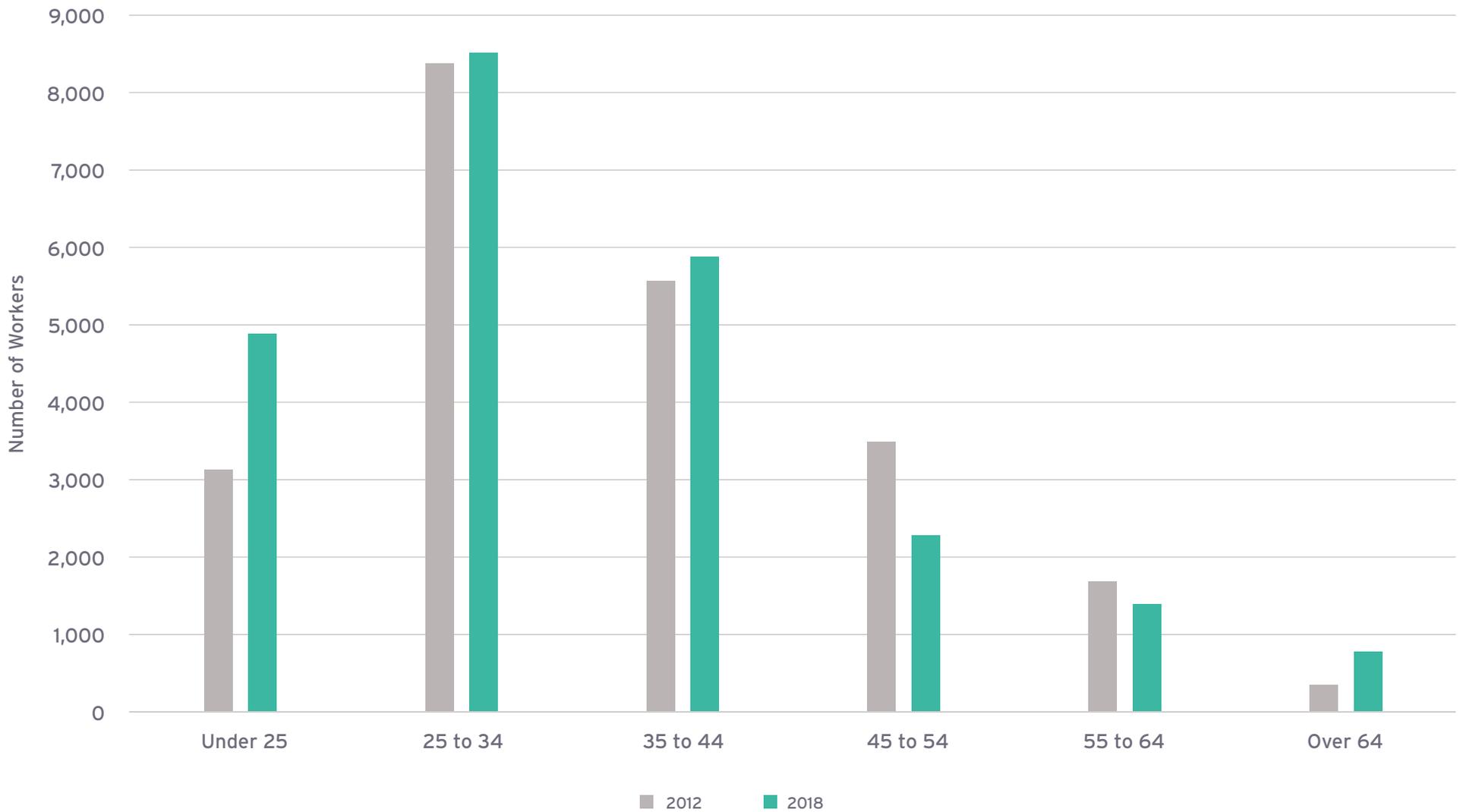
Source: ACS PUMS. Analysis by Beacon Economics

**TABLE 5:
LEISURE & HOSPITALITY CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Leisure & Hospitality	23,704	100%	\$35,719	1.53
Restaurants and Other Food Services	13,640	57.5%	\$26,769	0.89
Independent Artists, Writers, Performers	3,120	13.2%	\$55,128	5.81
Performing Arts Companies and Promoters of Performing Arts	2,599	11.0%	\$65,702	4.81
Other Amusement, Gambling, and Recreation Industries	2,323	9.8%	\$35,622	0.66
Traveler Accommodation	1,274	5.4%	\$31,047	0.57
Drinking Places, Alcoholic Beverages	298	1.3%	\$19,681	0.86
Museums, Art Galleries, Historical Sites	197	0.8%	\$26,792	0.30
Recreational Vehicle Parks and Camps	133	0.6%	-	0.42
Spectator Sports	120	0.5%	\$44,667	0.45

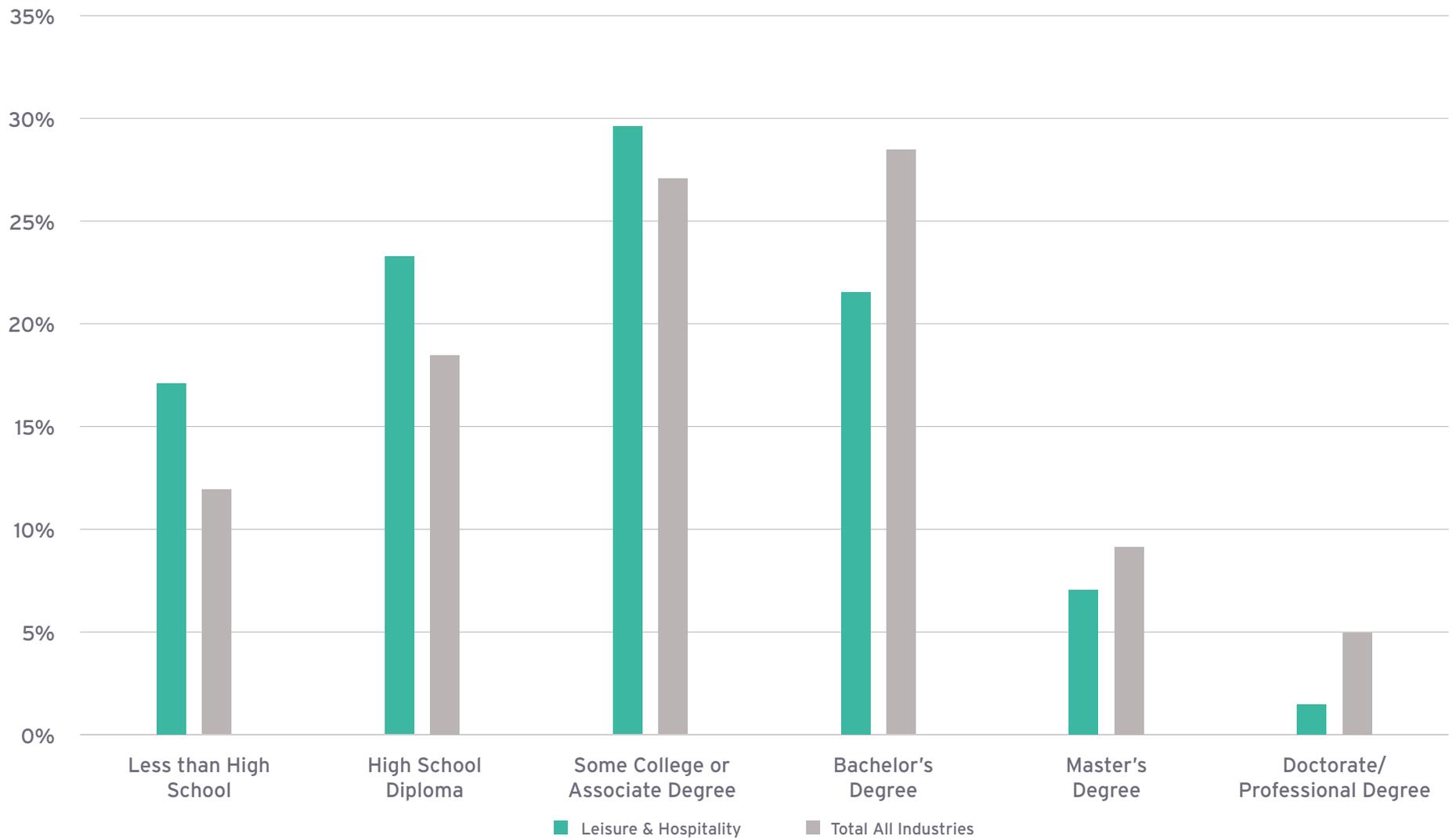
Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 6:
LEISURE & HOSPITALITY WORKFORCE BY AGE, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 7:
LEISURE & HOSPITALITY WORKFORCE BY EDUCATIONAL ATTAINMENT IN HOLLYWOOD, 2018**



Source: ACS PUMS. Analysis by Beacon Economics



THE INFORMATION ECONOMY

The Information Economy comprises the Information & Professional Services, and Finance & Insurance sectors. Given the relatively low share of workers in Finance & Insurance, only the first two are discussed here. Professional Services had higher employment growth from 2012 to 2018, though the Information sector is nearly 30% larger and would be less likely to experience a similar trajectory over seven years.

**FIGURE 8:
INDEXED CHANGE IN EMPLOYMENT FOR TOP INFORMATION ECONOMY INDUSTRIES, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics



THE INFORMATION SECTOR

The Information Industry in Hollywood has about 11% of the local workforce. This is much higher than the share of Information employment in Los Angeles County overall, at 4%, and California at 3%. The primary driver is the Motion Picture subsector, which accounts for about 72% of Hollywood's Information employment. This subsector's average annual wage is \$69,000, but wages vary significantly depending on the type of work being done.

Workers in the Arts & Entertainment occupation group earn about the average annual wage (\$70,000) and make up the largest share, and those in management earn over \$100,000 on average. Information Industry workers in Hollywood are more educated on average than the region overall, with 75% holding a bachelor's degree or higher, compared with 42% across all industries in Hollywood.

**TABLE 6:
INFORMATION CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Information	12,539	100%	\$70,078	4.52
Motion Picture and Video Industries	9,081	72.4%	\$69,155	4.48
Broadcasting, Except Internet	1,894	15.1%	\$64,840	0.97
Newspaper Publishers, Periodical and Book Publishers	616	4.9%	\$46,436	0.34
Other Information: Libraries and Archives, Internet Publishing and Broadcasting	277	2.2%	\$160,029	0.15
Data Processing, Hosting, and Related Services	255	2.0%	\$41,196	0.40
Software Publishers	177	1.4%	\$104,047	0.29
Wired Telecommunications Carriers	106	0.8%	\$50,000	0.05
Telecommunications, Except Wired Telecommunications Carriers	83	0.7%	\$250,000	0.07
Sound Recording Industries	50	0.4%	-	0.35

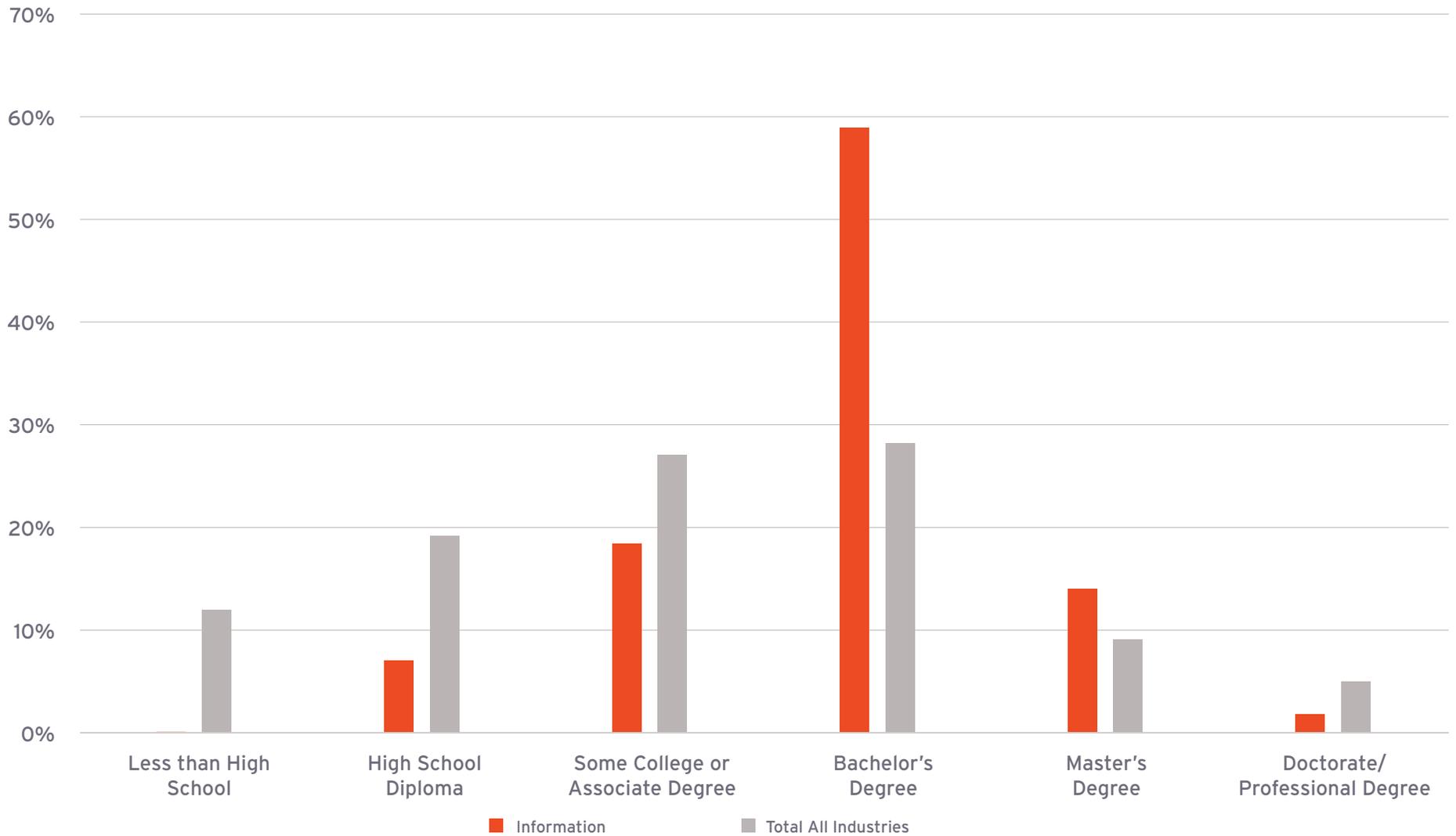
Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 9:
INFORMATION WORKFORCE BY AGE, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 10:
INFORMATION WORKFORCE BY EDUCATIONAL ATTAINMENT FOR HOLLYWOOD, 2018**



Source: ACS PUMS. Analysis by Beacon Economics



PROFESSIONAL SERVICES

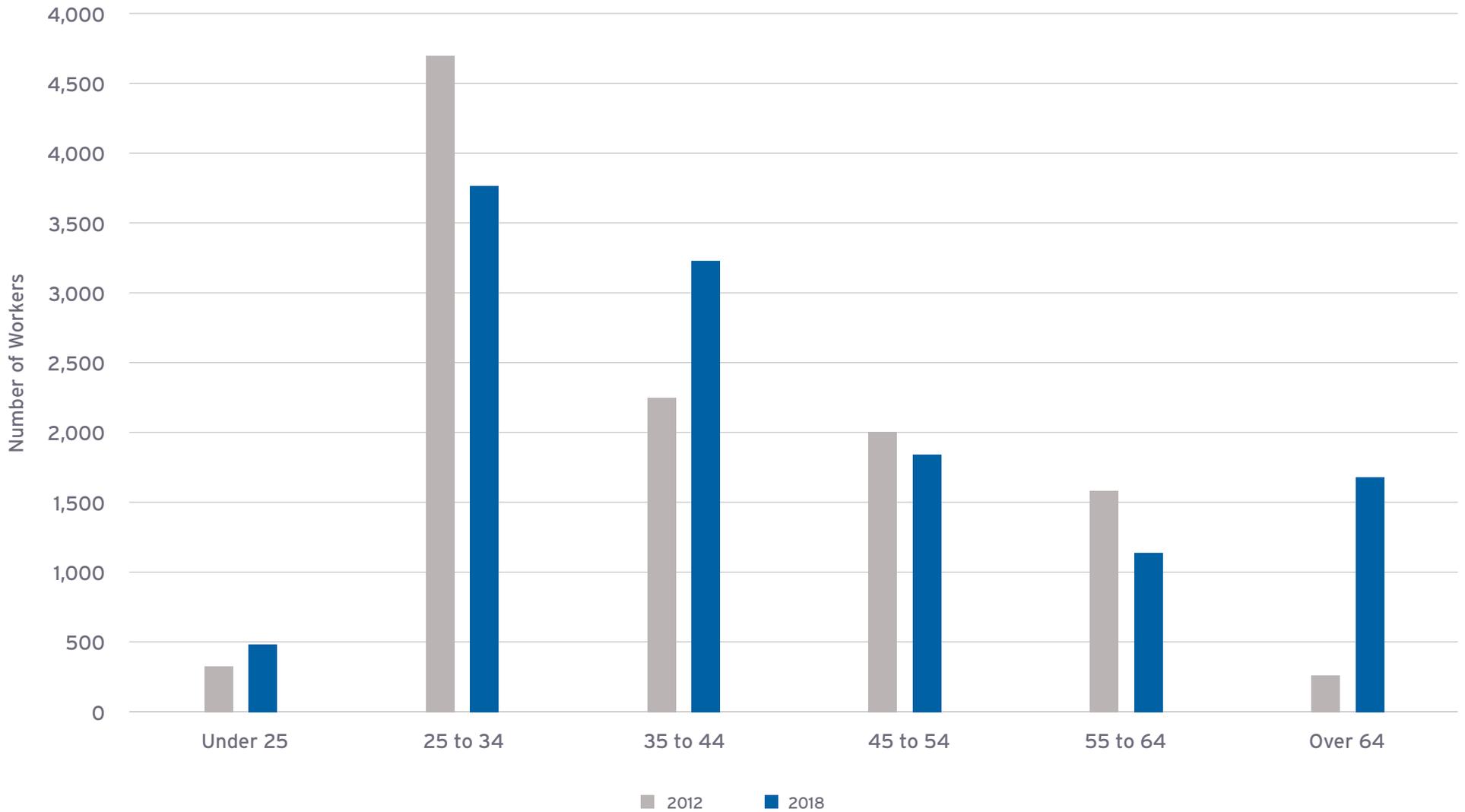
The Professional Services sector has 8% of Hollywood's jobs. This is one of the few major industries in which employment is relatively even across subsectors: Advertising (19%), Legal (19%), Management/Scientific/Technical Consulting Services (16%), Computer Systems Design (11%), and Specialized Design Services (11%). But income variations among subsectors are wide, with those in Legal Services making over \$106,000 per year and those in the Specialized Design Services subsector making just \$23,364. That said, the Professional Services sector is much more highly educated, with 79% of workers holding a bachelor's degree or higher, compared with 42% in all industries in Hollywood.

**TABLE 7:
PROFESSIONAL SERVICES CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Professional Services	9,722	100%	\$65,991	0.95
Advertising, Public Relations, and Related Services	1,866	19.2%	\$53,732	3.83
Legal Services	1,861	19.1%	\$106,116	1.35
Management, Scientific, and Technical Consulting Services	1,600	16.5%	\$55,293	1.05
Computer Systems Design and Related Services	1,037	10.7%	\$86,920	0.45
Specialized Design Services	1,017	10.5%	\$23,364	2.93
Other Professional Services	935	9.6%	\$66,439	1.32
Architectural, Engineering, and Related Services	609	6.3%	\$54,419	0.44
Scientific Research and Development Services	342	3.5%	\$127,202	0.60

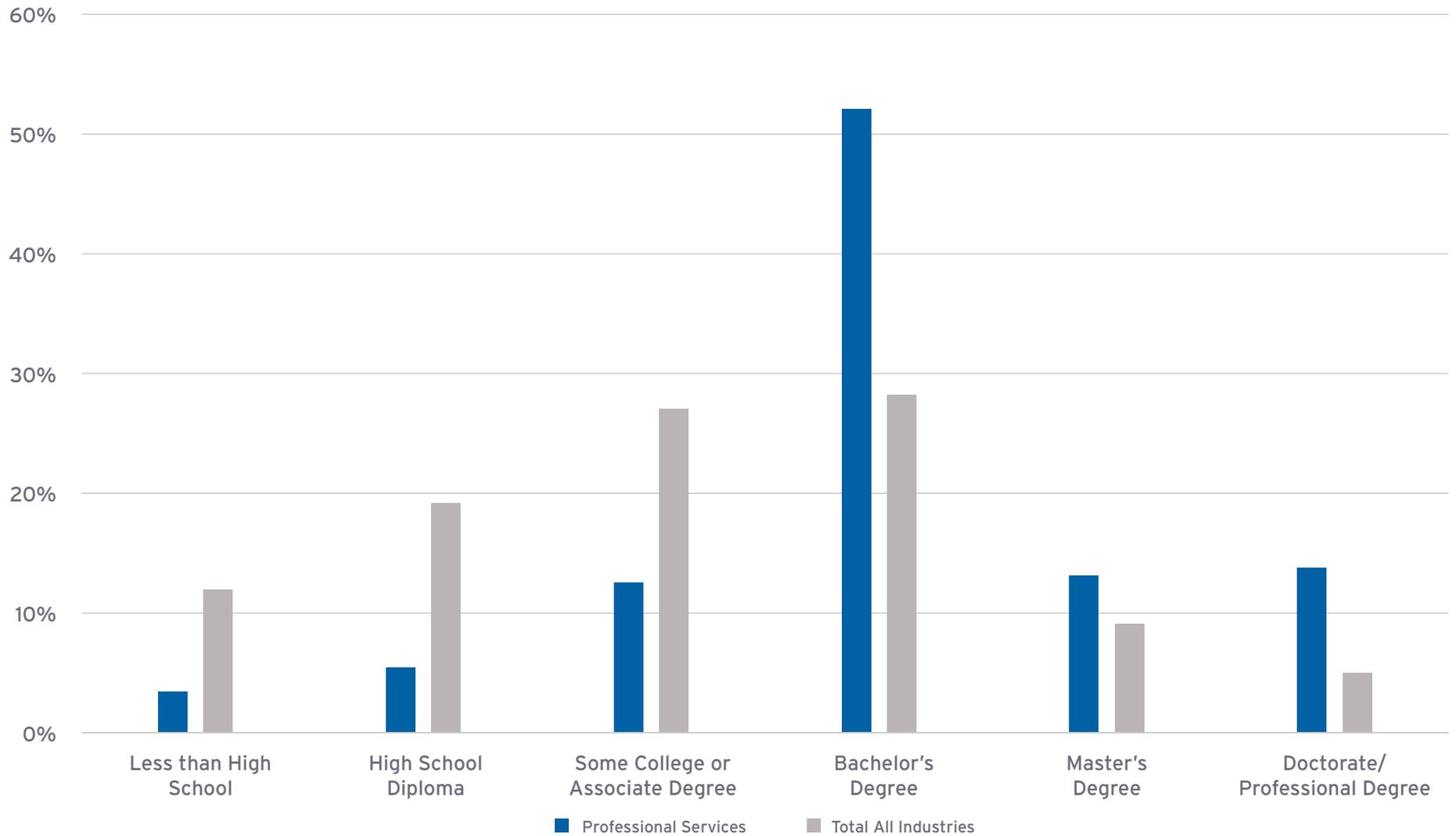
Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 11:
PROFESSIONAL SERVICES WORKFORCE BY AGE, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 12:
PROFESSIONAL SERVICES WORKFORCE BY EDUCATIONAL ATTAINMENT IN HOLLYWOOD, 2018**



Source: ACS PUMS. Analysis by Beacon Economics

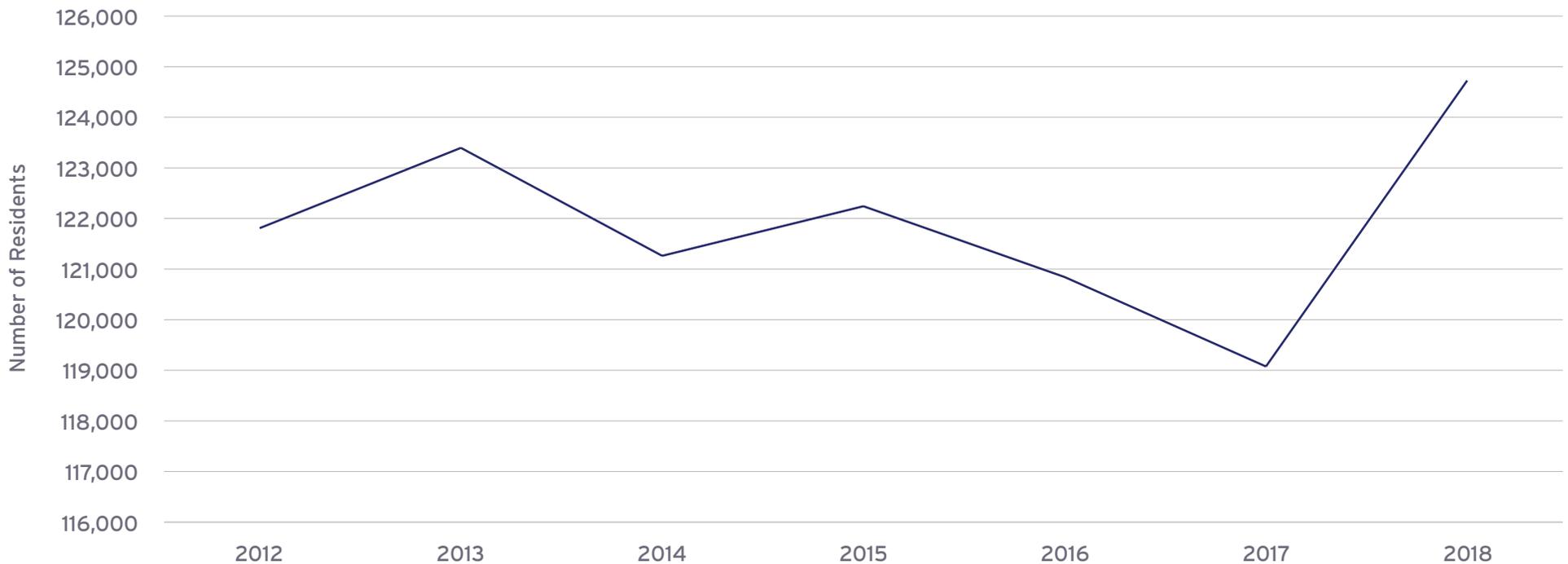
THE LOCAL ECONOMY

As Hollywood's population has grown in recent years, the vitality of the Local Economy has become increasingly important. In addition to the Health Care & Social Services and Retail sectors, the Local Economy includes Secondary Sectors such as Real Estate, Construction, and Education. Often overshadowed by the Tourism Economy in

terms of development priorities to attract visitors, it has few safeguards to protect resident-serving sectors during economic downturns, and funding isn't always allocated to revitalization during times of prosperity. As shown by the decline of the Retail sector in Hollywood, rising rents and deteriorating conditions have hurt many local

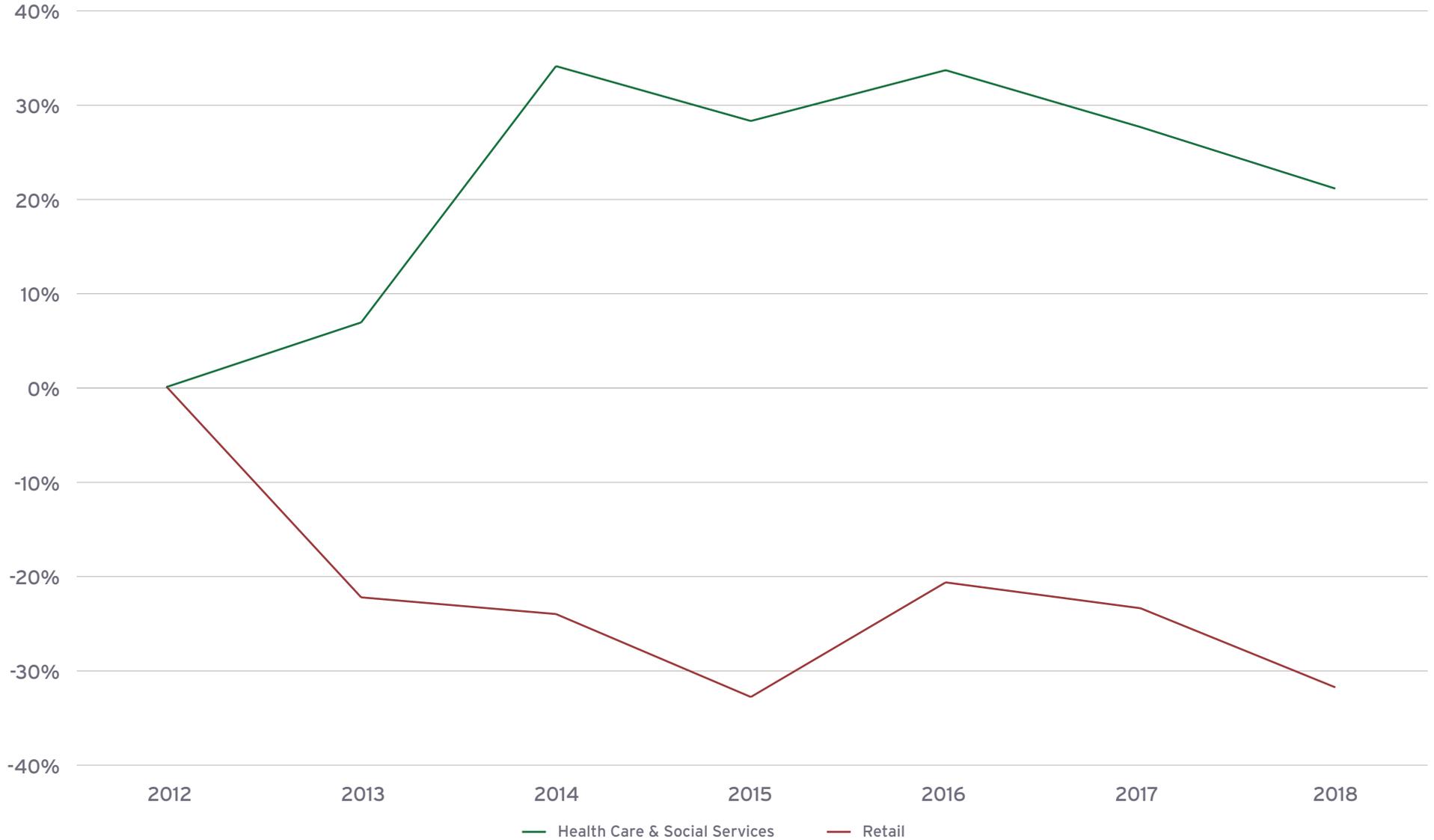
businesses. Yet at the same time, the Health Care & Social Services sector has emerged as a key bridge between traded and nontraded services, catering to residents and offering specialized services to patients across Southern California.

**FIGURE 13:
HOLLYWOOD POPULATION GROWTH, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 14:
INDEXED CHANGE IN EMPLOYMENT IN TOP LOCAL ECONOMY INDUSTRIES, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics



HEALTH CARE & SOCIAL SERVICES

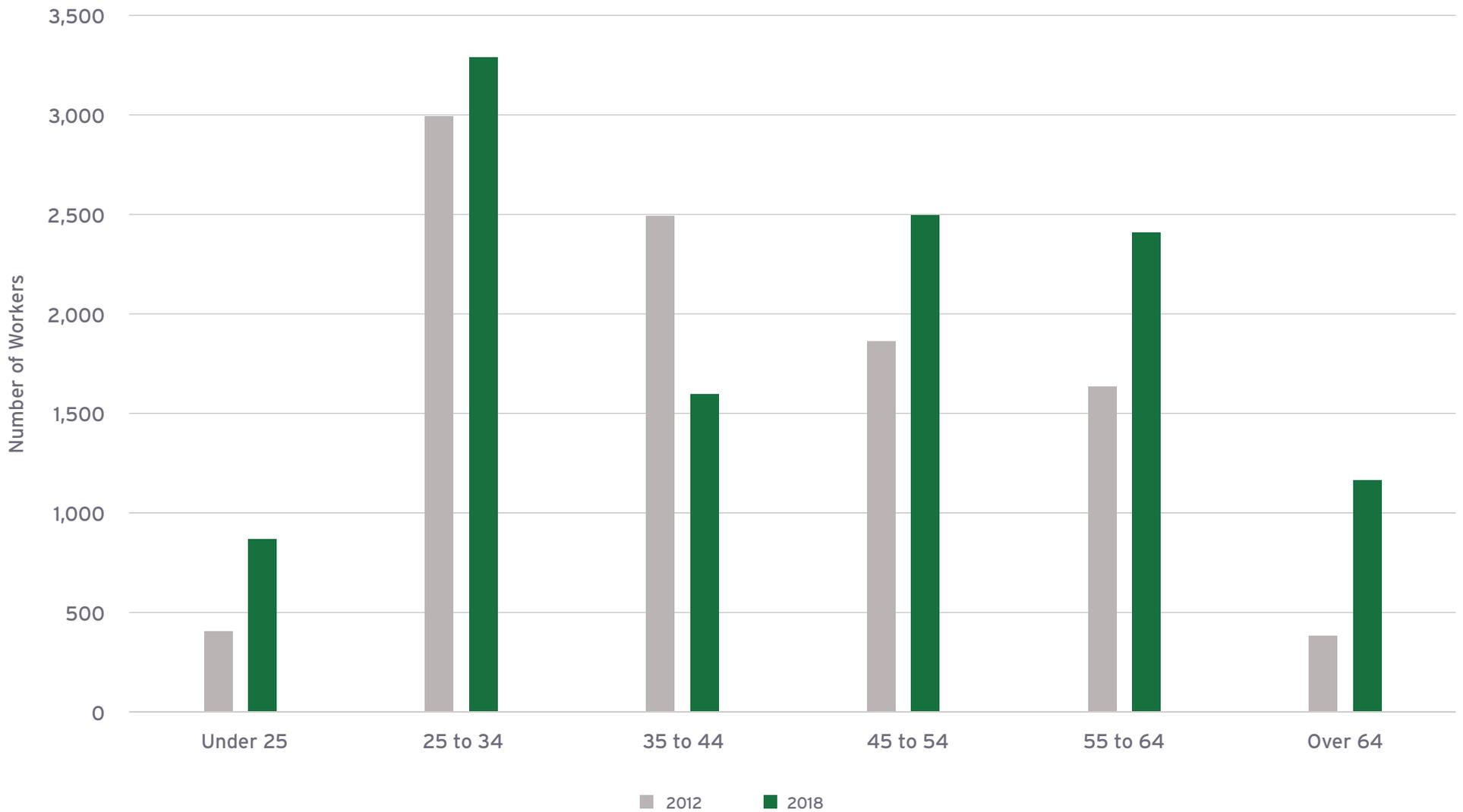
The Health Care & Social Services sector – anchored by Kaiser Permanente, Children’s Hospital Los Angeles, and Hollywood Presbyterian Medical Center – is the third largest in Hollywood, capturing about 10% of the total workforce. The largest shares of employment are in General Medical and Surgical Hospitals (27%), Individual and Family Services (18%), Nursing Care Facilities (10%), and Offices of Physicians (10%). Average annual wages at hospitals is \$67,000, compared with \$110,000 for those at Physicians’ Offices. But Individual and Family Services workers (\$29,000) and Nursing Care Facilities workers (\$22,000) make substantially less on average. Health Care & Social Services workers are educated similarly to the overall distribution in Hollywood, with 52% holding less than a bachelor’s degree, compared with 57% across all industries in the region.

**TABLE 8:
HEALTH CARE & SOCIAL SERVICES CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Health Care & Social Services	11,827	100%	\$42,959	0.62
General Medical and Surgical Hospitals (Except Psychiatric and Substance Abuse)	3,169	26.8%	\$66,703	-
Individual and Family Services	2,168	18.3%	\$29,385	-
Nursing Care Facilities (Skilled Nursing Facilities and Residential Care Facilities)	1,219	10.3%	\$21,969	-
Offices of Physicians	1,136	9.6%	\$110,731	-
Child Day Care Services	1,106	9.4%	\$8,144	-
Outpatient Care Centers	836	7.1%	\$40,984	-
Home Health Care Centers	763	6.5%	\$12,655	-
Community Food and Housing, and Emergency Services	535	4.5%	\$32,740	-
Offices of Chiropractors, Optometrists, and Other Health Practitioners	485	4.1%	\$9,769	-
Vocational Rehabilitation Services	295	2.5%	\$15,934	-
Offices of Dentists	115	1.0%	\$4,640	-

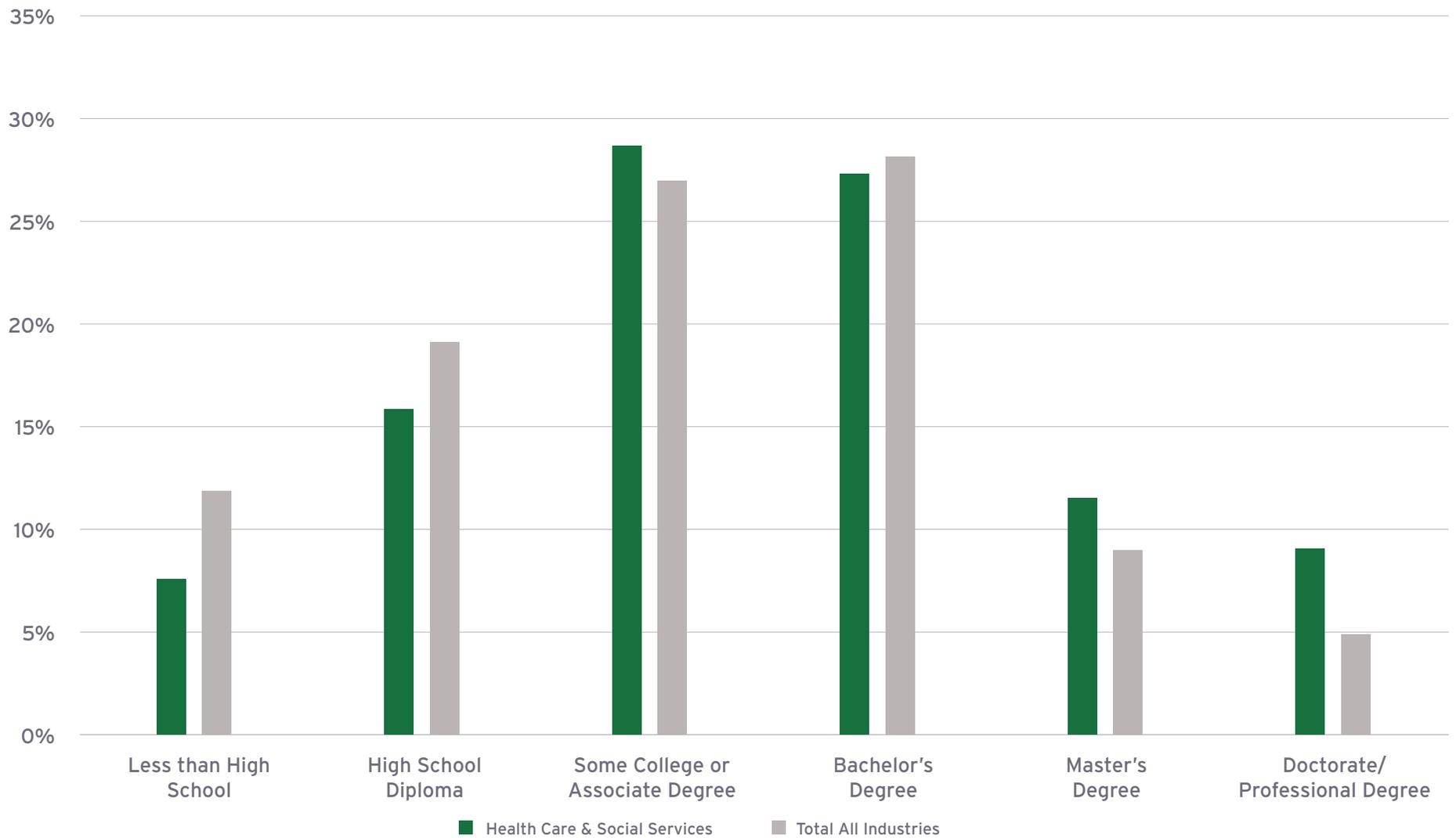
Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 15:
HEALTH CARE & SOCIAL SERVICES WORKFORCE BY AGE, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 16:
HEALTH CARE & SOCIAL SERVICES WORKFORCE BY EDUCATIONAL ATTAINMENT FOR HOLLYWOOD, 2018**



Source: ACS PUMS. Analysis by Beacon Economics

RETAIL

The Retail sector is the fifth-largest in Hollywood, with 8% of its workforce. Most jobs are in Clothing Stores (20%) and Supermarkets/Grocery (19%), with smaller shares among many other retail subsectors catering primarily to residents. Retailers earn average annual wages that are lower than in the other Primary Sectors; Clothing Stores workers earn \$29,000 on average per year and those in Supermarkets/Grocery earn \$34,000. Retail workers are considerably less educated on average than workers in Hollywood overall, with 83% holding less than a bachelor's degree, compared with 58% across all sectors in Hollywood.

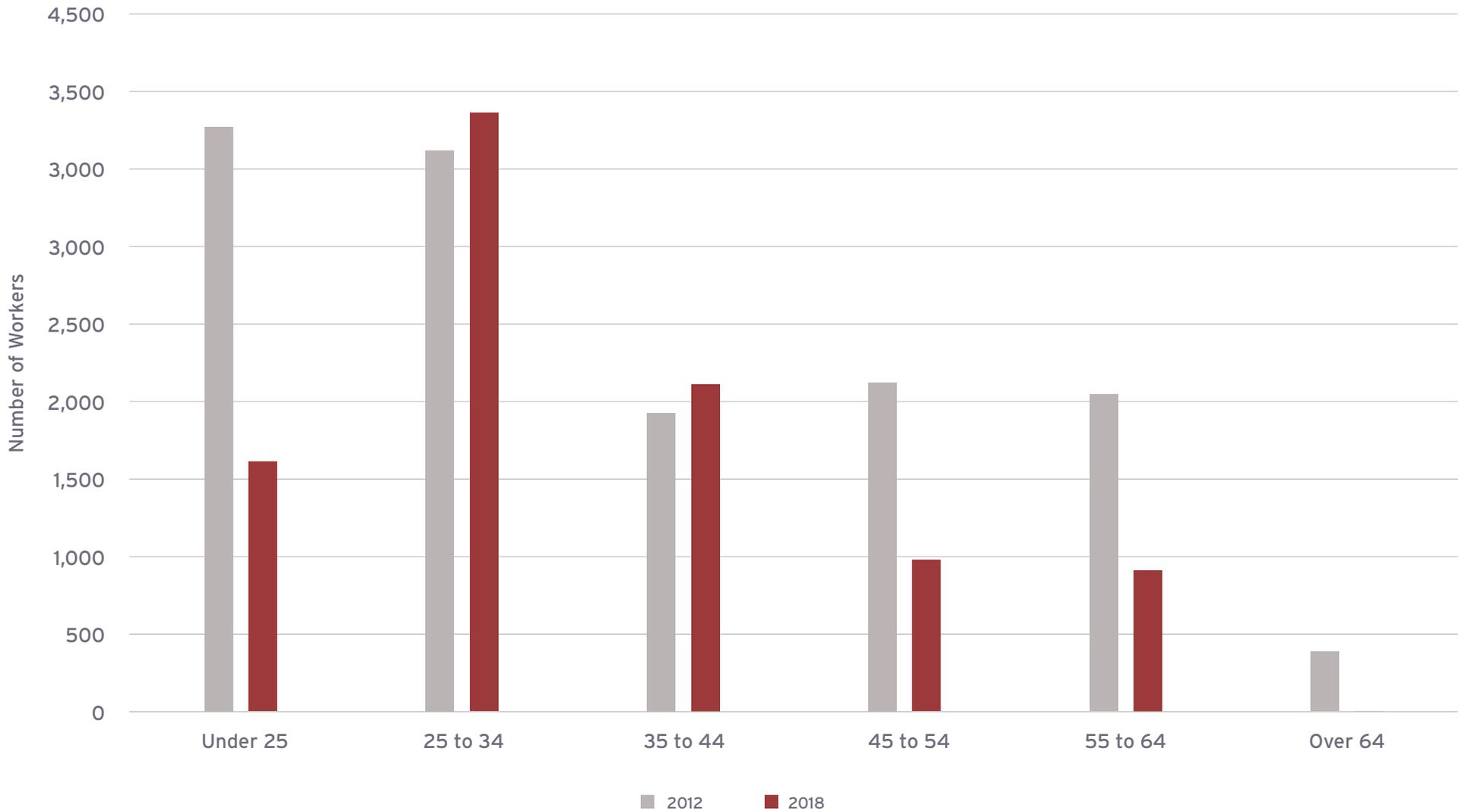


**TABLE 9:
RETAIL CHARACTERISTICS, 2018**

	Number of Workers	Share of Industry Employment	Average Annual Wages	Location Quotient
Retail	9,468	100%	\$26,490	1.24
Clothing Stores	1,920	20.3%	\$29,294	-
Supermarkets, Grocery, and Convenience Stores	1,795	19.0%	\$34,885	-
General Merchandise Stores, Including Warehouse Clubs and Supercenters	798	8.4%	\$12,642	-
Pharmacies, Drug Stores, and Health and Personal Care Stores	670	7.1%	\$34,872	-
Jewelry, Luggage, and Leather Good Stores	588	6.2%	\$27,752	-
Electronic Shopping and Mail Order Houses	548	5.8%	\$13,726	-
Department Stores	459	4.8%	\$18,710	-
Miscellaneous Retail Stores	418	4.4%	\$29,242	-
Gasoline Stations	405	4.3%	\$13,977	-
Household Appliance and Electronic Stores	295	3.1%	\$72,142	-
Furniture and Home Furnishing Stores	253	2.7%	\$24,470	-
Hardware, Building Material, and Supplies Stores	225	2.4%	\$22,578	-
Specialty Food Stores	221	2.3%	\$14,795	-
Used Merchandise Stores	214	2.3%	-	-
Office Supplies, Gift and Novelty Stores	202	2.1%	\$8,599	-
Sewing, Musical Instrument, Sporting Goods Stores	194	2.0%	\$10,876	-
Shoe Stores	105	1.1%	\$26,619	-
Automotive Parts and Tire Stores	66	0.7%	\$49,000	-
Automobile Dealers	55	0.6%	\$21,000	-
Fuel Dealers	37	0.4%	\$36,000	-

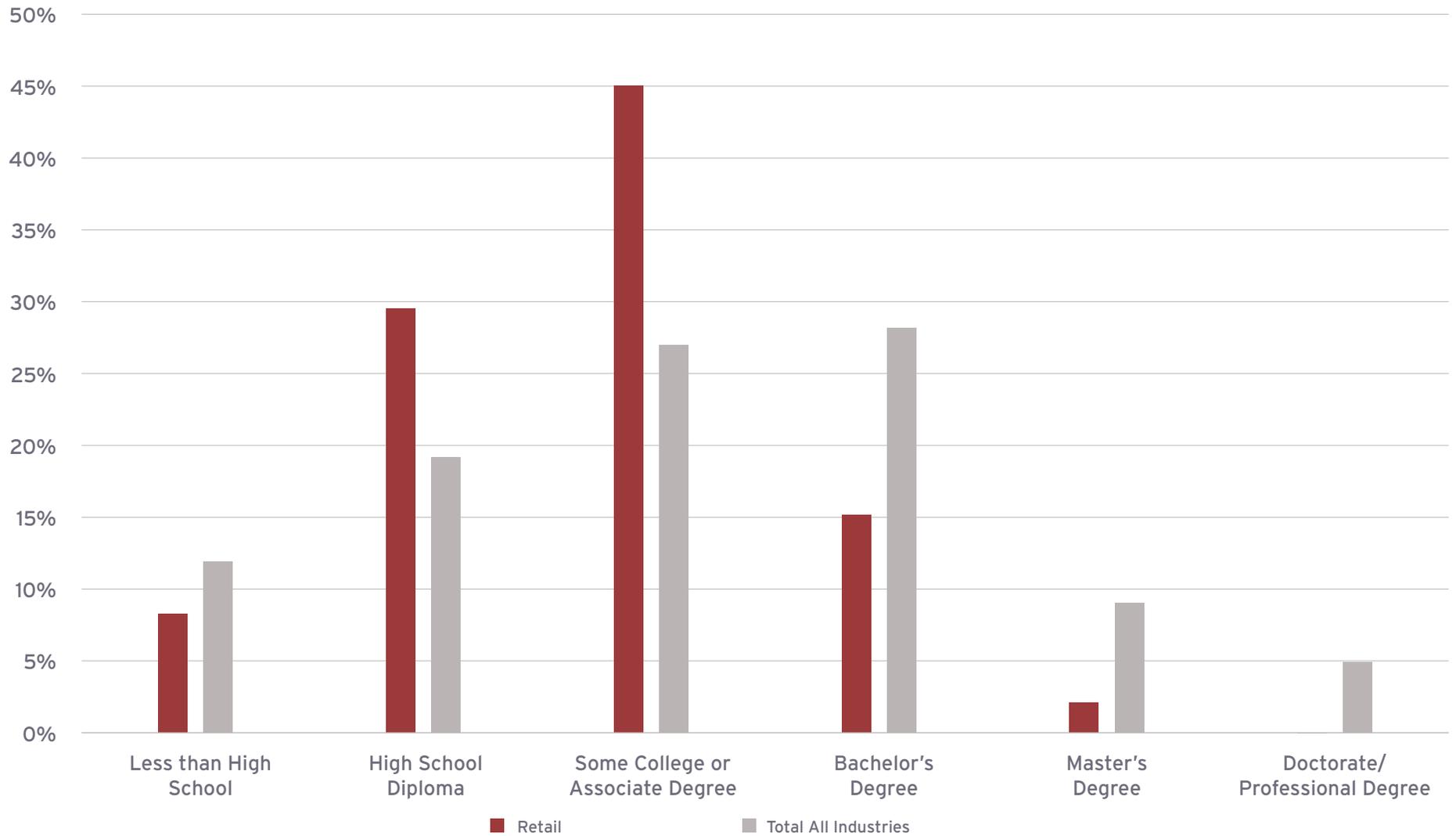
Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 17:
RETAIL WORKFORCE BY AGE, 2012-18**



Source: ACS PUMS. Analysis by Beacon Economics

**FIGURE 18:
RETAIL WORKFORCE BY EDUCATIONAL ATTAINMENT FOR HOLLYWOOD, 2018**



Source: ACS PUMS. Analysis by Beacon Economics

PART 4:

CHALLENGES

Hollywood's three economies and their component sectors face several structural and industry-specific challenges, some of which predate the current public health crisis and economic downturn. This section summarizes findings from interviews, focus groups, and surveys conducted from July to September 2020.

HOMELESSNESS: The rise in homelessness is not unique to Hollywood, though the degree to which unhoused populations and encampments are proliferating in the district's commercial areas continues to color the perception and experience of visitors, workers, and residents. The prevailing belief is that homelessness is a health and safety concern, which may influence firms' decisions to move or discourage new businesses from planting roots. Aggressively addressing the ever-expanding homelessness problem is not only crucial to ensure the well-being of all of Hollywood's residents but also vital to recovery or development planning.

UNCOORDINATED POLICY: Conflicting mandates, confusing compliance measures, and ill-fated attempts to lift pandemic countermeasures too early have only compounded the uncertainty firms and organizations are facing as they navigate the economic landscape. Several firms sustained extensive losses or went out of business entirely after investing in prescribed compliance measures only to face subsequent shutdowns. Information sharing from the City has not provided much clarity on impending policy developments, assistance with securing economic aid, or any actionable guidance.

SPATIAL CONSTRAINTS:

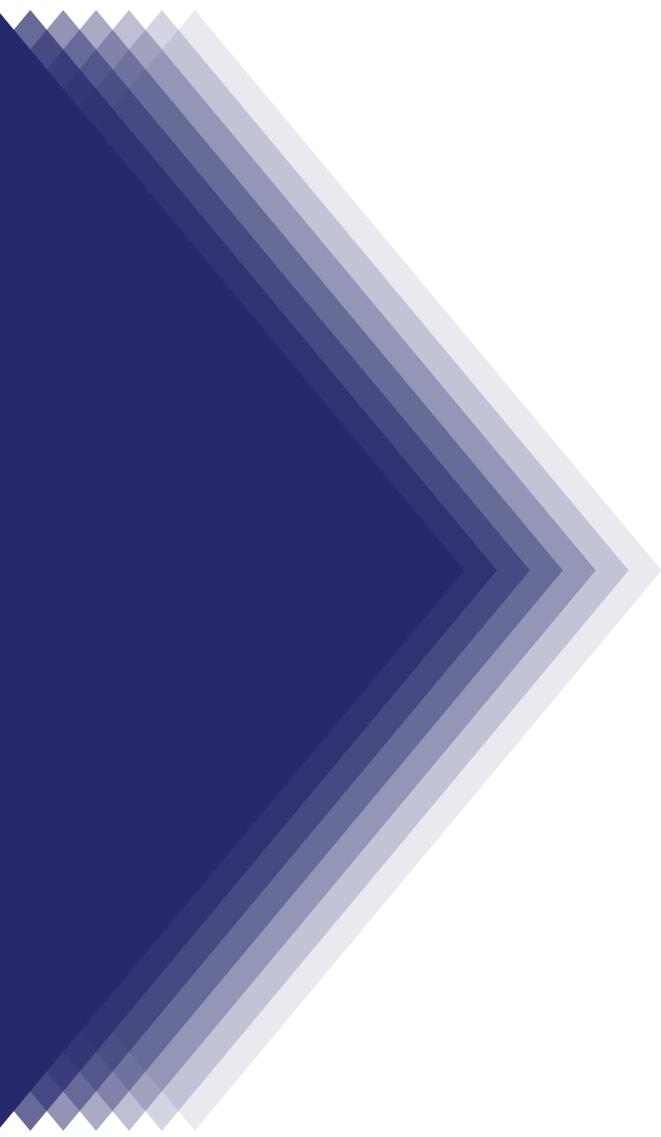
Although the City has temporarily relaxed zoning and permitting restrictions to enable greater business flexibility, businesses have found it hard to implement changes because of spatial constraints and conflicting land uses (both zoned and temporary). Restaurants are currently allowed to serve patrons outside in a socially distanced manner, but many Hollywood sidewalks are not wide enough to accommodate both regular pedestrian traffic and outdoor seating. Restaurants that do have enough space are often crowded out by encampments to the degree that they cannot attract customers. In the event space exists, retailers may try to use adjacent spaces for incompatible uses.

COMPETING PRIORITIES:

It is often difficult to satisfy one constituency without adversely impacting another. The pedestrianization of parts of Hollywood Boulevard is an admirable attempt to create more public space, but it has restricted some retailers' ability to establish curbside pickup infrastructure. Workers in the Health Care & Social Services sector would like to see responses to homelessness that may involve interventions in the public realm (such as public toilets or temporary services stations), which may be a problem for nearby businesses.

SHIFTING LANDSCAPE:

Nearly all of the Primary Industries are in the midst of rapidly changing economic conditions that predated COVID-19. In the Information sector, consolidation is occurring as traditional media is giving way to digital media and other technological advancements. Storefront retailers are struggling to maintain viability as the Retail sector in Hollywood, as in much of the country, continues to slide. The Health Care & Social Services sector, which was already underfunded, may lose organizations that support the broader economy, including child care providers and health care groups that care for vulnerable populations. Even Professional Services firms, many of which have weathered the recession fairly intact (or have even emerged in better shape), are acknowledging the implications of remote work on client relationships and staff development.



PART 5:

PLANNING FRAMEWORK

As history suggests and recent attempts to contain the fallout from the COVID-19 outbreak have shown, a lack of comprehensive development planning yields mixed results at best and disastrous ones at worst. Stakeholders in the Hollywood economies should therefore treat recovery efforts as a collective first step toward a more integrated approach to revitalizing the district. This framework provides the broad outline of such an approach, but identifying priorities, goals, and objectives requires continuous communication and ongoing commitment among all stakeholders: businesses, nonprofits, workers, residents, homeowners, and renters.

PRINCIPLES

ESTABLISH A SHARED VISION

For growth and development goals to align, all economic stakeholders should have a sense of the next phase of Hollywood's evolution. Although sectors in Hollywood are more integrated than in other districts, municipalities, and regions, priorities and interests remain siloed. The City's Hollywood Community Plan 2020 and the Heart of Hollywood Concept Plan encourage brainstorming, and stakeholders should share ideas on a regular basis.

PLAN FOR ADAPTABILITY, ACT CREATIVELY

Current zoning ordinances and land-use plans are blunt instruments and restrict the ability of communities to respond to changing conditions. Although policymakers should not necessarily plan for the previous disaster, the pandemic has revealed the limitations of current planning regulations, and new tools that enable (and in some cases, encourage) flexibility should be developed. Granting businesses and residents alike the right to adapt should be strongly considered. Absent such freedom, though, organizations should be prepared to act creatively when facing unexpected shocks.¹²

PROMOTE GROWING SECTORS, BUT ACKNOWLEDGE DECLINING ONES

With the arrival of the next wave of digital media, there is a temptation to nurture and support the growth of an emerging sector while letting poorly performing ones slowly die. Yet to do so would be ill-advised because talent currently employed in declining sectors like Retail can be cultivated and redeployed across numerous sectors. Since most workers in low-wage, low-skilled jobs skew young, tremendous potential exists to realize this untapped talent pipeline.

¹² The example of the Montalban Theatre encapsulates this principle. Faced with the prospect of suspending performances, the Montalban removed the seating from the main theater and transformed the hall into an exhibition space. If throughput – managed in a socially distanced and technologically advanced way – during daytime hours (coupled with live-streamed shows) proves more profitable than hosting evening performances and renting out the facility, the new model may stay in place indefinitely.

RECOMMENDATIONS

The ability of any district in the City to unilaterally embark on large-scale economic recovery efforts is limited by both human and financial resources. Therefore, the short-term actions listed below identify immediate relief opportunities through external channels. Long-term considerations should feed into more nuanced and thoughtful economic development planning by Hollywood stakeholders. In the meantime, the Hollywood Chamber of Commerce will continue to:

ADVOCATE FOR GREATER CLARITY:

The Hollywood Chamber of Commerce is well positioned to lobby City Hall, the County, and leaders in Sacramento on behalf of its membership and to press for policy consistency, more transparency, and additional support for struggling sectors. Collaborating with neighboring business advocacy groups to present a unified voice for the business community helps emphasize the need for greater policy clarity, and the Chamber has the standing to lead on this front.

SERVE AS AN INFORMATION CLEARINGHOUSE:

Absent a centralized portal for timely and accurate information relevant to Hollywood businesses, nonprofits, and civic organizations, the Chamber will continue to solicit and post data, reports, and announcements and maintain an up-to-date listing of the latest official guidelines, regulations, and compliance measures as well as potential sources of economic assistance.

CONVENE STAKEHOLDERS REGULARLY:

The effects of COVID-19 are felt unevenly across sectors, but nearly every sector is affected. Given how the three Hollywood economies overlap, providing virtual venues to share lessons, identifying pressing needs, and seeking ways for organizations to collaborate will continue to be critical in monitoring the recovery and determining what further assistance is required.

¹³ Appendix 4 contains a partial list of past economic assistance resources compiled from federal, state, county, and City websites.

SHORT-TERM ACTIONS

LOBBY FOR BUSINESS INTERRUPTION INSURANCE PAYOUTS:

Most business interruption policies cover only losses from direct physical damage – or worse, expressly state that viral epidemics are not covered – which does little good for firms that will remain closed or operate at a limited capacity for the foreseeable future. Through emergency legislation or legal action, a formal Hollywood business interruption advocacy group (either independently or under the auspices of the Hollywood Chamber of Commerce) could aggressively lobby local, regional, and state policymakers to pressure insurance companies to issue payments.

EASE BLANKET RESTRICTIONS:

Nearly all indoor operations in the state – such as lounges, museums, and concert halls – are banned. Although not deemed essential, many of these venues can be adapted or repurposed to follow the health and safety requirements akin to those in place for grocery and stores deemed low-risk. Working with City and county officials, the Hollywood Chamber of Commerce can unite local proprietors, interest groups, and other stakeholders to advocate for more flexible regulations at the state level.

ASSIST FIRMS WITH ESTABLISHING OR EXPANDING ONLINE PRESENCE:

Many small businesses, including stores and independent professional service firms, lack the capacity to build and maintain an online presence. A targeted local version of the Get Digital CA initiative can help organizations consider establishing or expanding their e-commerce business model. Such efforts should be complemented by informal mentorship and advisory services, which pair firms well-versed in e-commerce with those that need assistance, through the Hollywood Chamber of Commerce or by formal programming by the City.

ADDRESS HOMELESSNESS WITH STOPGAP MEASURES:

The City - in conjunction with the County and state - must work more closely with Hollywood firms that have been adversely affected by the swelling number of people experiencing homelessness. Although broader efforts before the pandemic did little to reverse trends, a stopgap measure – such as establishing temporary shelters and service stations on City-owned land away from commercial centers – is needed for Hollywood restaurants and stores now more than ever. Although sidewalk permitting and street closures have benefited many neighborhoods throughout Los Angeles, the encampments and population of people experiencing homelessness discourage customers from outdoor dining or shopping in the area.

REPURPOSE THE PUBLIC REALM:

The City should devolve some decision-making power to the local level to allow Hollywood businesses and organizations to determine how public space is used (in consultation with appropriate departments and agencies). Some centrally planned interventions, such as street closures on Hollywood Boulevard, have been successful in some ways but less so in others (for example, an expanded public realm versus curbside pickup opportunities for businesses). Businesses and residents should identify new ways of using the public realm to address current needs, such as the expansion of restaurant services into the public right of way or the ability to erect temporary structures or the staging of public art installations.

LONG-TERM CONSIDERATIONS

LAND USE:

As demand for retail storefronts decreases and demand for office space increases, planners, and policymakers need to consider how the urban landscape should be structured. Hollywood's high population density compared with other neighborhoods makes it especially important to balance commercial needs for adaptable workspaces and community needs for more green spaces and public realm amenities. Given the space dedicated to vehicular traffic in the district, many roadways can be partially reclaimed and repurposed to support alternative uses as circumstances dictate. Zoning restrictions need to be relaxed so that the Hollywood community can have a greater say in how such spaces are used over time.

WORKFORCE DEVELOPMENT:

Although demand for low-wage and low-skill workers in certain sectors will probably continue, nearly all work is transitioning to the digital realm in one form or another. Firms that require advanced knowledge and skills should continue recruiting top talent from across the nation and world. But public-private efforts to build a local talent pipeline - which includes collaboration with public education institutions, workforce development boards, and nonprofit organizations and fosters the development of skills that can feed into emerging and growing sectors - should not be overlooked.

PROFESSIONAL COLLABORATION, COMMUNITY BUILDING, AND SOCIAL COHESION:

Diversification is one of Hollywood's strongest suits, though the district is still a long way from collapsing three economies into one. Bridging the business community and residential communities is more than an exercise in networking and social responsibility. Rather, deeper awareness, cooperation, and integration among all stakeholders is more likely to yield equitable outcomes, foster greater social stability, and ultimately strengthen Hollywood's economic resilience.

CONTINGENCY PLANNING:

By its nature, an economic shock is difficult to predict, much less plan for. But like many shocks, the pandemic revealed and/or exacerbated issues that existed during most previous economic expansions. There is value in convening a formal working group, once Hollywood is past the worst of the crisis, to assess the vulnerabilities and incorporate key lessons into future planning. Identifying such issues and conceiving appropriate responses will enable the Chamber to serve as an even stronger steward for business growth and development.

CONCLUSION

The unprecedented nature of COVID-19 and the resulting mitigation measures have had a devastating impact on the Hollywood economy. The Retail sector was already in decline, and the current crisis is only hastening that trend. And the longer the economic recovery extends, the less likely smaller firms in the Leisure & Hospitality sector will survive. Some sectors that were doing well before the outbreak, like Information and Health Care & Social Services, will be among the first to recover. Even then, challenges in these same sectors existed before the outbreak. The center of gravity in the Information sector was rapidly shifting from traditional film production to digital media,

and organizations providing social services had their funding tighten over the past decade. And although Professional Services firms are recovering more quickly than organizations in the other four primary industries, they sustained a greater rate of layoffs than the Health Care & Social Services sector immediately following the outbreak. How long the economic recovery will take and to what extent some sectors return to pre-COVID employment and revenue remain unclear. Yet by recognizing its strengths, understanding its vulnerabilities, and planning accordingly, Hollywood can ensure its best days are still ahead.



DOLBY THEATRE

SEPHORA

WE BELIEVE
TO
SOMETHING
BEAUTIFUL

WALGREENS

50
LANZA WILLIAMS

Walt Disney
Theatres
Disney
Theatres
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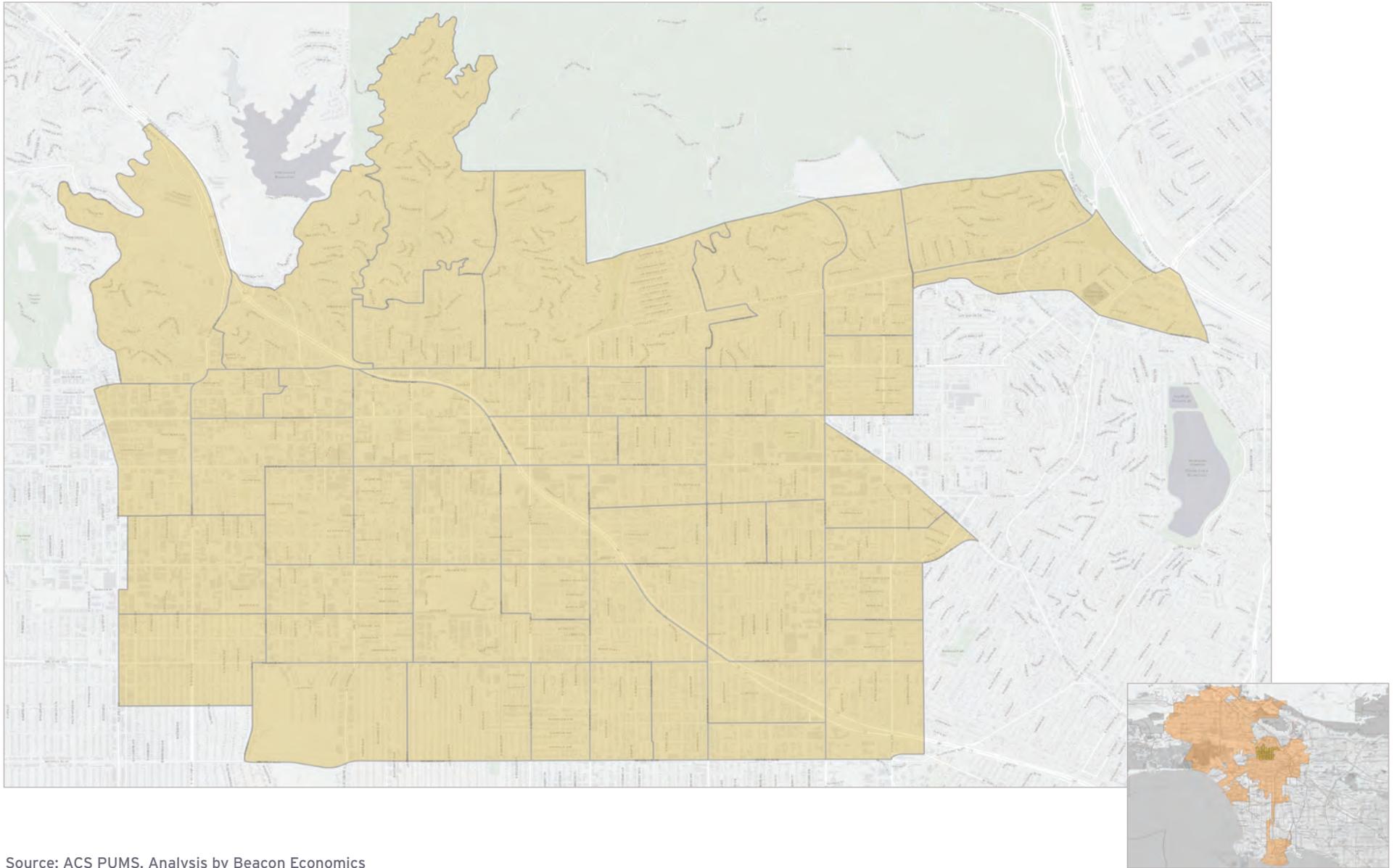


APPENDIX 1:

METHODOLOGY

The region defined as “Hollywood” in this report is based on the U.S. Census Bureau PUMA (Public Use Micro Areas) Code 0603732 “Los Angeles County (Central) - East Central/Hollywood.” PUMAs are statistical geographic areas defined for the dissemination of Public Use Microdata Sample (PUMS) data and are geographies built on census tracts and county boundaries that contain at least 100,000 people. As such, the Hollywood region analyzed in this report includes the narrower definition of Hollywood, as well as select census tracts in the surrounding area.

FIGURE A1:
MAP OF HOLLYWOOD STUDY AREA (PUMA 0603732)



Source: ACS PUMS. Analysis by Beacon Economics



Although alternative data sources, such as the U.S. Census Longitudinal Employer-Household Dynamics (LEHD), were considered, the ACS PUMS data was used for the primary analysis for some key reasons. The most important is that the ACS PUMS data enable a broader and deeper analysis of economic and demographic characteristics. Not only does the dataset provide a more robust set of variables to examine in isolation, but the data enable significant cross-tabulation between variables of interest. This greatly helps in understanding the multitude of trends and actors within the region, as well as the interrelationships

between key variables and indicators. The second key reason for using the ACS PUMS data is that it enables employment to be broken down into industries and subsectors within those industries to examine the demographic characteristics that help define those subsets of the Hollywood population. For example, the ACS PUMS data enable an analysis of the distribution of earnings by educational attainment level for workers in the Motion Picture subsector of the Information Industry.

Although the ACS PUMS data provide clear benefits, they have limitations. The first is that

to have such detailed information, as mentioned above, the region defined as Hollywood includes parts of East Central Los Angeles. The Hollywood region has a population of less than 100,000, so to meet the PUMA definition, it was merged with census tracts in the surrounding area. As a result, the region defined as Hollywood and analyzed in the report has a larger population. But the granularity of detail and information provided by the ACS PUMS data make up for the broader geographic definition of Hollywood that is required to use it.



The second limitation is that ACS PUMS data are based on where residents live, not where they work. This means that the employment data represent the industries and subsectors of those who live in Hollywood but don't necessarily work in Hollywood. For example, the large share of producers or actors who live in the Hollywood region may actually work outside of Hollywood where the sound stages and production sets are. For this reason, we have supplemented our analysis by using LEHD data to get employment counts by two-digit industry for workers in the Hollywood region (that is, those who physically work in the geographic boundaries of the

Hollywood region, despite where they might live). Even when defining the LEHD Hollywood region in the same way as the ACS PUMS Hollywood region, the findings can be inconsistent (though possibly more representative of the actual working population in the Hollywood region). Of course, the primary limitation with the LEHD data and a key reason they are not used for most of the analysis are that data are available only at the two-digit industry level, which means information can't be gathered on employment at the subsector level. Additionally, the LEHD data lack the granularity and breadth of variables included in the ACS

PUMS data and can't cross-tabulate and examine multiple layers of characteristics for a subset of the population. Despite the variation between the two datasets, the primary sectors remain the same and the broader findings still hold.

**TABLE A1:
COMPARISON BETWEEN ACS PUMS AND LEHD EMPLOYMENT DATA FOR PUMA 0603732**

A) EMPLOYMENT BY SECTOR FOR RESIDENTS OF HOLLYWOOD (ACS PUMS)

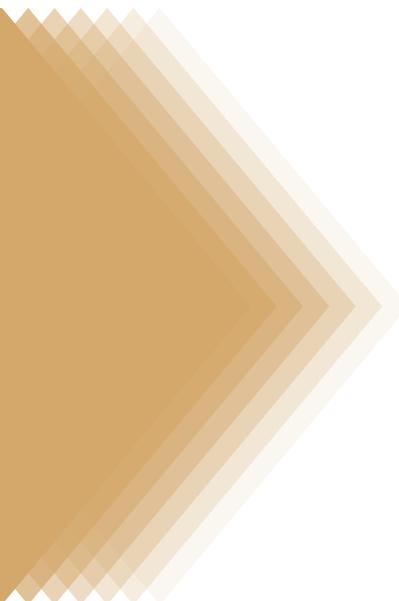
Industry	2017	2012	Growth
Accommodation & Food Services	15,790	13,860	13.9%
Information	13,670	11,706	16.8%
Health Care & Social Services	12,466	9,454	31.9%
Retail Trade	10,626	10,355	2.6%
Other Services	10,541	9,631	9.4%
Professional/Scientific/Technical Services	9,955	7,679	29.6%
Arts, Entertainment, and Recreation	8,167	8,715	-6.3%
Construction	7,672	5,153	48.9%
Educational Services	5,659	2,719	108.1%
Manufacturing	4,761	3,594	32.5%
Administrative Support Services	3,959	3,075	28.7%
Transportation & Warehousing	3,160	2,893	9.2%
Real Estate Rental and Leasing	2,991	3,404	-12.1%
Finance & Insurance	2,954	3,707	-20.3%
Public Administration	1,989	1,173	69.6%
Wholesale Trade	1,761	1,991	-11.6%
Utilities	1,222	-	NA
Agriculture, Forestry, Fishing, Hunting	120	63	90.5%
Mining, Quarrying, and Oil and Gas Extraction	-	-	NA
Management of Companies	-	-	NA
Total	117,463	99,172	18.4%

Source: ACS PUMS. Analysis by Beacon Economics

B) EMPLOYMENT BY SECTOR FOR WORKERS IN HOLLYWOOD (LEHD)

Industry	2017	2012	Growth
Health Care & Social Services	27,563	18,103	52.3%
Information	17,532	17,242	1.7%
Accommodation & Food Services	13,827	10,918	26.6%
Retail Trade	6,845	6,388	7.2%
Educational Services	5,708	5,905	-3.3%
Professional/Scientific/Technical Services	5,449	6,181	-11.8%
Other Services	3,082	9,936	-69.0%
Administrative Support Services	2,564	3,257	-21.3%
Arts, Entertainment, and Recreation	2,546	2,204	15.5%
Real Estate Rental and Leasing	1,811	1,720	5.3%
Wholesale Trade	1,099	1,347	-18.4%
Manufacturing	1,012	1,184	-14.5%
Transportation & Warehousing	919	794	15.7%
Management of Companies	766	772	-0.8%
Finance & Insurance	635	877	-27.6%
Construction	499	470	6.2%
Public Administration	57	521	-89.1%
Agriculture, Forestry, Fishing, Hunting	12	7	71.4%
Utilities	2	24	-91.7%
Mining, Quarrying, and Oil and Gas Extraction	0	1	-100.0%
Total	91,928	87,851	4.6%

Source: U.S. Census LEHD. Analysis by Beacon Economic



APPENDIX 2:

ESTIMATING JOB LOSSES IN HOLLYWOOD

To determine COVID-19's impact on Hollywood employment, Beacon Economics adapted a methodology developed by the Kinder Institute for Urban Research. It uses California Employment Development Department unemployment claims data at the state level and LEHD data for people who work in the Hollywood region as defined in this report. LEHD data help provide an estimate of the initial impact of COVID-19 on the distribution of employment and job losses within the region's geographic boundaries.

**TABLE A2:
ESTIMATED JOB LOSSES BY SECTOR IN HOLLYWOOD (PUMA 0603732)**

Industry	Estimated Job Losses
Accommodation & Food Services	-4,762
Health Care & Social Services	-3,755
Information	-3,160
Retail Trade	-1,725
Arts, Entertainment, and Recreation	-1,015
Other Services	-909
Professional/Scientific/Technical Services	-595
Administrative Support Services	-465
Educational Services	-427
Real Estate Rental and Leasing	-325
Wholesale Trade	-182
Manufacturing	-146
Transportation & Warehousing	-118
Construction	-113
Management of Companies	-45
Public Administration	-44
Finance & Insurance	-36
Agriculture, Forestry, Fishing, Hunting	-1
Utilities	0
Mining, Quarrying, and Oil and Gas Extraction	0
Total	-17,822

Sources: U.S. Census LEHD, U.S. Bureau of Labor Statistics QCEW, and California EDD. Analysis by Beacon Economics

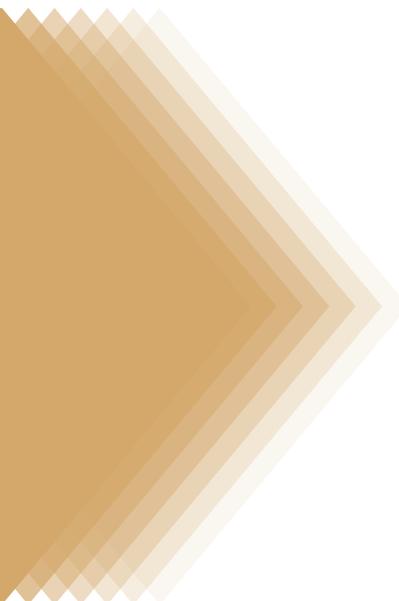
THE PROCESS FOR ESTIMATING THE JOB LOSSES:

- Calculate the share of L.A. County employment by industry out of California employment by industry.
- Apply that share to the total California unemployment claims by industry data, using claims data from the week ending March 7 to the week ending April 25. This time period captures the initial impact of the pandemic-related business closures and provides an estimate for the number of unemployment claims by industry for L.A. County. It is important to note, however, that this assumes that the unemployment claims resulting from the pandemic in L.A. County followed the same distribution as the share of L.A. County employment to California employment.
- Subtract the L.A. County unemployment claims by industry from L.A. County employment by industry and calculate the resulting percentage decline in employment in L.A. County. This provides an estimate of the percentage decline in employment by industry in L.A. County as a result of the pandemic closures in March and April 2020.
- Apply that percentage decline by industry to the 2017 LEHD workers by industry data for the Hollywood region. From here, the estimated number of jobs lost by industry in March and April can be tabulated.

It is important to note that the results are estimates of job losses and therefore may not be comparable to actual job losses. But with employment data for geographies smaller than the county level severely lagged and confidential, this method provides an estimate based on assumptions and limitations. The first assumption is that the number of unemployment claims by industry in L.A. County will follow the employment distribution of L.A. County employment to California employment by industry. The limitation here is that impacts at the regional level may vary from those at the aggregate state level.

The second assumption is that the percentage decline in employment by industry in the Hollywood region is the same as the percentage decline experienced in L.A. County as a whole. Again, the limitation here is that there may be regional impacts in L.A. County that vary from the aggregate countywide impact. Finally, worker data for the Hollywood region are based on 2017 LEHD data, which are the most recent available. As a result, the employment figures do not represent current employment and job figures and therefore contribute to the possibility for error. Despite the limitations, however, the methodology outlined above provides an estimate for the potential job losses in Hollywood by industry as a result of the early stages of the pandemic-related business closures.





APPENDIX 3:

SUMMARY OF INDUSTRY FOCUS GROUP SESSIONS

From July 17 to 28, 2020, the Hollywood Chamber of Commerce conducted focus groups with representatives of Hollywood's largest sectors by employment: (1) Leisure & Hospitality, (2) Information, (3) Health Care & Social Services, (4) Professional Services, and (5) Retail. The purpose was to solicit perspectives, experiences, and ideas to complement findings from the hard data analysis. This appendix summarizes the findings of each focus group.

LEISURE & HOSPITALITY

What challenges was your business facing before the pandemic?

- The perception of the community as a safe place has been hurt by the increasing population of people experiencing homelessness over the past decade.
- Hollywood is becoming more of a hard sell for international clients in the entertainment industry. Entertainment professionals who recruit international talent noted that foreign agencies do not want to send people to Hollywood because of street conditions, safety concerns, and quality-of-life considerations.

What new challenges is your business facing?

- Incorporating COVID-19 compliance measures into business operations (preparing special training, securing PPE gear, temperature checks, and questioning staff before they enter the building) has been a heavy lift.
- A major challenge for hotel owners is managing guests who don't comply with the health regulations and COVID-19 protocols (don't practice social distancing, refuse to wear masks, use hotel rooms to host large private gatherings, etc.).
- Some hotels that have suspended lodging have maintained cash flow and liquidity by maintaining other services, such as restaurants (take-out system). This has had a spillover effect on destination marketing organizations (DMOs) that are funded based on hotel performance, which have been forced to lay staff off (80% in one case).
- Although not all enterprises have had to lay off staff, cash flow and liquidity have fallen for all. Most businesses that cannot easily adapt to the compliance environment, like theaters and museums, have no revenue streams at all.

What impact has the pandemic had on your operations?

- Certain industries are now thinking of creative solutions to continue operations. At least one theater changed its business model by removing seating to create a large exhibition space that can enable social distancing while providing a steady flow of customers. If the new arrangement proves to be more profitable (high throughput during daytime hours could offset revenue raised by a single evening performance a day), the new model may remain indefinitely.
- Representatives from the restaurant sector noted that the reopening and second lockdown that followed shortly thereafter hurt their operations; rehired staff that had been previously furloughed had to be furloughed again so that proprietors could absorb any further costs associated with implementing compliance controls. On average, restaurants had to reduce their output capacity 50%.
- The pandemic has lowered the occupancy rate of all hotels, and some had occupancy rates as low 20% in June and July, the peak tourist season. Uncertainty has made forecasting business and expenses in the second part of the year and into 2021 nearly impossible. Some hotel owners and managers remain optimistic and believe they will rehire in the future, while others don't think they will hire at pre-COVID-19 levels again.

What assistance do you need, and/or what kinds of policies would you like to see?

- The most pressing need for most businesses is economic relief in some form to cover expenses and maintain operations.
- There is a strong demand for the increase of services and support for the homeless population. Restaurants in other neighborhoods have begun offering outdoor dining services thanks to relaxed sidewalk permitting, but the number of people experiencing homelessness and encampments in proximity to restaurants in Hollywood discourage similar practices there.
- Restaurateurs would like the option to defer payroll taxes (or ideally, receive credits) to help them stay open. Other businesses that have no operating income and are working off of cash reserves would like assistance in fostering community collaboration.
- Businesses that have no operating income still have to clean their storefronts daily and would like citywide assistance in maintaining the local environment, because the increasing number of people experiencing homelessness has raised the costs of daily maintenance.
- DMOs that have not been included in Federal-aid assistance (CARES Act) would like some form of economic relief because there is a concern that they have been left out of economic assistance policies.

HEALTH CARE & SOCIAL SERVICES

What challenges was your business facing before the pandemic?

- Social service workers who focus on homelessness and mental health issues noted that there have historically been issues around funding and scaling services to address a greater number of people in need.
- There is growing concern that the increase in homelessness over the past eight years is not being adequately addressed, nor are policymakers being held accountable. One participant mentioned that “everyone is in charge of addressing homelessness; therefore no one is in charge.”
- There was concern regarding the lack of long-term psychiatric care and stable housing for those in need. This has been a persistent issue and is only exacerbated by the COVID-19 outbreak.

What new challenges is your business facing?

- A participant from a community health organization said that some of their health centers had lost half their patients because of voluntary cancellations, causing a significant decrease in revenue.
- One community health center had to close several dental sites and lay off a large percentage of its staff because of lockdowns.

- Health care systems are hurting across the country, and workers are fatigued and demoralized. The need to be prepared for an uptick in COVID-19 cases has strained systems that are in a heightened state of emergency while weathering increased health and safety compliance costs.
- For non-emergency health centers, COVID-19 compliance (such as new cleaning procedures and environmental management) have increased overhead at a time when consumer demand is down and fewer people are opting for the elective care offered.
- Homeless charities that provide food and clothing are struggling with safety and distribution. These groups also have funding problems because their revenue streams had previously been facilitated through weekly events and club membership that are not feasible during the pandemic.
- The pandemic has left people experiencing homelessness isolated in care centers with no access to telecommunications or wireless networks. There was also a concern over how the closure of businesses in the region would impact the unhoused populations that rely on those businesses to obtain essential services (whether formally or informally).

What impact has the pandemic had on your operations?

- Hospital staff now have to take extraordinary health and safety measures. Centers have implemented universal masking in all facilities, and daily screening of all employees has created new logistical demands.
- Community health centers and hospitals are incorporating telehealth into their services and have established COVID-19 testing sites, drive-through stations that administer routine vaccinations (such as flu shots), and other services.
- The pandemic has led to a temporary hiring freeze for most service providers due to the loss of revenue from routine and elective procedures.
- One entity that provides services to people experiencing homelessness has had to increase its security personnel to ensure the safety of staff and clients.
- Because people experiencing homelessness have less access to services (restrooms, water, bathing facilities, etc.) from establishments that are normally open, there is more agitation among those most in need of critical services. One organization is working with local hotels and churches to use their kitchen facilities to provide services.

What assistance do you need, and/or what kinds of policies would you like to see?

- Social service providers would like to see water distribution centers and an increase in temporary infrastructure supporting those in need during the pandemic and into the future. There was also a desire for an emergency task force to address rising food insecurity.
- One organization mentioned that 80% of its budget is from government contracts and that delayed payments are forcing it to deplete its cash reserves. Expedited funding of secured grants would relieve the financial stress on local groups.
- Vulnerable seniors who have been advised to stay at home may not have reliable access to funds or any family members to assist them in tasks such as food shopping, and they are in dire need of support.
- In-patient psychiatric care services need to be expanded, especially because the recommended number of 50 psychiatry beds per 100,000 residents is not being met in Los Angeles.
- Children's hospitals have received less assistance from the CARES Act despite having similar compliance costs because of their need to admit adults in the event of a surge in COVID-19 cases.
- There is a need for clear leadership on policy in the region, given that local, county, and state policies may not be consistent.

INFORMATION

What challenges was your business facing before the pandemic?

- The entertainment industry is in a transformational stage, with digital entertainment expanding into other avenues of new media at same time consolidation is occurring, which is edging out smaller studios.
- Many firms faced logistical issues securing infrastructure rentals because studios, sound stages, and equipment rentals were frequently unavailable amid high demand.

What new challenges is your business facing?

- Entertainment studios and office groups have struggled as media production has largely halted. Some stage providers who had previously reported stage occupancy rates from 95% to 100% before COVID-19 are effectively shut down now.
- Keeping most staff on payrolls has been a challenge for media production companies while operations are on hold.
- Nonprofit entertainment companies that work to bring international talent to Los Angeles have been hurt. One reported a 39% annual drop in revenue.
- Conventions, festivals, and trade shows have been canceled and deferred, and the lack of people coming to entertainment events has exacerbated the reduced demand for Leisure & Hospitality services.

What impact has the pandemic had on your operations?

- Entertainment companies that rent office space have noted that they now have the role of lenders in addition to serving as landlords, since some clients require relief and renegotiations of rental obligations.
- Entertainment production companies have deployed new technologies and are working closely with technology providers to solve bottlenecks due to fewer people on set. Ironically, these new technologies and collaborations with tech companies may lead to new content that may not have otherwise been in the pipeline.
- Industry professionals are planning for a more localized industry moving forward because distributors and talent from the region will be more likely to film in and around Los Angeles during the pandemic (pending the relaxation of onsite shooting restrictions). Such a pivot may bring vibrancy and demand back to Hollywood as global operations are put on hold.

What assistance do you need, and/or what kinds of policies would you like to see?

- There is currently a lack of strong decision-making and leadership. Clearer and more precise policy is needed with respect to restrictions, health and safety guidance, and compliance measures to minimize uncertainty and costs.
- Nonprofit organizations in the industry need to have more coordination, information sharing, and collaboration with the public sector and among other nonprofits.

RETAIL

What challenges was your business facing before the pandemic?

- To large extent, retail is oversaturated in Los Angeles, and large-scale department stores in the region were closing long before the pandemic. Small retailers not engaged in essential services are more vulnerable. Hollywood lost 14 storefronts in the first quarter of 2020 alone.
- The challenge posed by online retailers is further decreasing sales at storefront retailers as rents continue to rise.
- The rise of homelessness has deterred potential shoppers, and Los Angeles residents may choose to take their business elsewhere. In many cases, retailers inadvertently serve as public restrooms (because of a lack of public facilities) and incur higher operating and maintenance expenses.

What new challenges is your business facing?

- Shifting operations to control for social distancing has been an issue for some stores, especially for large flagship establishments. Storefronts on the Walk of Fame, in particular, are hard-pressed to implement an efficient curbside pickup infrastructure to offset in-store shopping given the prevalence of red zones.
- Some retailers in less foot-trafficked areas were in a challenging position before COVID-19. Some brands with a dedicated following relied on tourism for sales and weekly events to attract local buyers and are finding it difficult to transition to the online marketplace.
- Business closures in other industries are having a domino effect on retailers. The shutdown of a local arcade in one mall has had significant effect on surrounding sales retail outlets that remain open. The closure of local theaters has hurt restaurant sales, which in turn affects retail sales.
- Fewer retailers are paying rent because of cash flow reductions, and landlords that lease storefronts have to renegotiate rental terms during a period of uncertainty. A major mall operator noted that only 30 of its 50 stores are currently open.

What impact has the pandemic had on your operations?

- One store that has capacity for over 500 customers can only allow 100 at a time to comply with health and safety regulations; this has led to a reduction in overall operations and the furlough of 70% of its staff.
- The role of retail security has shifted from routine monitoring to ensuring customers are complying with the regulations.
- Some retailers that can afford to remain solvent are using this time to focus on what products they may be able offer once the pandemic ends. In the meantime, marketing and social media campaigns have played a much greater role in their operations.

What assistance do you need, and/or what kinds of policies would you like to see?

- Like many other industries, those working in Retail want clearer policies and information sharing. Many retailers said that the cycle of loosening and tightening restrictions is doing more harm than good; a slower, more predictable reopening of the economy would be preferable to minimize the costs of ramping up and down in compliance with inconsistent regulations.
- Current zoning laws are very restrictive and should be relaxed to enable more adaptability. In the absence of public-sector intervention, business owners and community organizations could repurpose spaces (both public and private) to meet both commercial and residential needs.



APPENDIX 4:

COVID-19 ECONOMIC RELIEF INITIATIVES



**TABLE A4:
FEDERAL, STATE, AND LOCAL COVID-19 ECONOMIC ASSISTANCE PROGRAMS**

Program	Type	Description
SBA Paycheck Protection Program (PPP) - Pending Renewal	Small Businesses & Nonprofits	Provides small loans with an interest rate of 1% which will have a maturity rate of 2 years and deferral of payment for 6 months.
SBA Economic Injury Disaster Loan	Small Businesses & Nonprofits	Provides relief determined by the number of employees with funding at \$1,000 per employee, up to a maximum of \$10,000.
SBA Express Bridge Loan Pilot Program	Small Businesses & Nonprofits	Allows quick access to liquidity with a maximum loan amount of \$25,000 with a maximum loan term of 7 years.
SBA Debt Relief	Small Businesses & Nonprofits	Provides temporary debt relief. SBA will pay 6 months of principal, interests, and any fees associated with the loans.
LISC Small Business Relief Grant	Small Businesses & Nonprofits	Provides grants ranging from \$5,000 to \$20,000 which can be used for rent, utilities, payroll, debt payment, and operational cost.
Lowe's Neighborhood Business Grants	Small Businesses & Nonprofits	Provides grants ranging from \$5,000 to \$20,000 for eligible businesses in 15 different cities (Includes Los Angeles).
Los Angeles County Employer Assistance Grant	Small Businesses & Nonprofits	Grants that award up to \$10,000 for businesses with less than 50 employees. 25% of all funding will be awarded to social enterprises.
Los Angeles City Emergency Microloan Program	Small Businesses & Nonprofits	Provides loans between \$5,000 to \$20,000 with terms between 18 months to 5 years and interest rates ranging from 0% to 3%.
California Capital Access Program (CalCAP)	Small Businesses	Provides small business loans for those who have difficulty accessing financing.
Jewish Free Loan Association	Small Businesses and Family Assistance	Provides one \$1,000 interest-free loan. Small business loans up to \$36,000 (2 guarantors). Housing, Childcare & emergency loans up to \$6,000.
IBank Disaster Relief Loan Guarantees	Small and Medium-Sized Businesses	Provides financing to small and medium-sized businesses (less than 750 employees) that need assistance from the COVID-19 impact.
LA Regional COVID-19 Fund	Small and Medium Businesses & Nonprofits	Provides both loans and grants to those impacted by COVID-19. Grants are awarded to micro-entrepreneurs (\$5,000) and non-profits and small businesses (\$15,000) as well as medium-sized businesses.
The J. Paul Getty Trust	Creative Industry & Nonprofits - Museums and Visual Arts	The J. Paul Getty trust provides relief and recovery grants to museums and visual arts nonprofits.

Program	Type	Description
Behind the Scenes	Creative Industry - Film/Media	Provides grants for those working in entertainment production and impacted by COVID-19. Grants range from basic needs to cover basic living expenses and medical care to counseling and funeral assisted grants.
SAG-AFTRA COVID-19 Relief Fund	Creative Industry - Film/Media	A fund that provides financial relief to SAG-AFTRA members and their families. The financial assistance is to cover basic living expenses over a two-month period.
COVID-19 Arts Emergency Relief Fund	Creative Industry - Arts Organizations	Provides grants to arts organizations adversely impacted by the pandemic.
LA Art Workers Relief Fund	Creative Industry - Visual Artists	Provides those working in Visual arts with a \$1,000 emergency grants for those impacted by COVID.
Actors Fund	Creative Industry - Performers	Provides emergency financial assistance to both union and non-union workers in the entertainment and performing arts.
Adolph & Esther Gottlieb Emergency Grant	Creative Industry - Artists	Emergency grant fund that awards between \$5,000 and \$15,000 to those working as painters, printmakers, and sculptors in need of emergency assistance.
Artists Fellowship Financial Assistance	Creative Industry - Artists	Provides financial assistance during times of disaster to those working in visual and fine art.
Foundation for Contemporary Arts Emergency Grant	Creative Industry - Artists	Provides emergency grants ranging from \$500 to \$2,500 for those impacted by COVID-19 working in the arts (Individual artists).
AGMA Relief Fund	Creative Industry - Musicians	Emergency COVID-19 financial assistance for AGMA members.
Equal Sound	Creative Industry - Musicians	Provides relief funds to musicians who have lost income due to canceled performances as a result of COVID-19.
Jazz Foundation of America Emergency Fund	Creative Industry - Musicians	Provides emergency assistance for Jazz and Blues musicians impacted by COVID-19.
Recording Academy - MusiCares	Creative Industry - Musicians	Support for musicians who are experiencing medical, dental, mental health, insurance, substance abuse, or eviction crisis from COVID-19.
Sweet Relief Musicians Fund	Creative Industry - Musicians	Emergency funding for musicians who earn 50% of their income from working in music.
Will Rogers Motion Picture Pioneers Foundation	Creative Industry - Film/Media	Basic needs assistance (housing & medial, etc.) for those working in the entertainment industry (minimum 5 years) who have been furloughed or had their pay reduced (50% or more).
LACDA - Small Business Recovery Loan Program	Businesses within a quarter-mile of a major transit stop	Awards loans to businesses in proximity to major transit stops. Businesses can apply for a maximum loan of \$20,000 to be used on working capital.



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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 like industry analysis, economic policy analysis, economic impact analysis, and real estate market analysis. Beacon Economics equips its clients with both the data and analysis required to understand the significance of on-the-ground realities and make informed business and policy decisions.

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Since 1921, the Hollywood Chamber of Commerce has been a trusted partner of business leaders. The Chamber - with its committees, councils, staff and valuable members - works with city officials, local businesses, and the community at large to promote the local economy through advocacy, collaboration, and networking opportunities.

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1. Hospitality and Leisure
2. Entertainment, Information and Media
3. Healthcare and Social Services
4. Professional Services
5. Retail

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