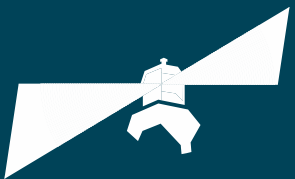


What are Los Angeles economic trends and trajectories?

Adam J. Fowler

Director of Research, Beacon Economics LLC



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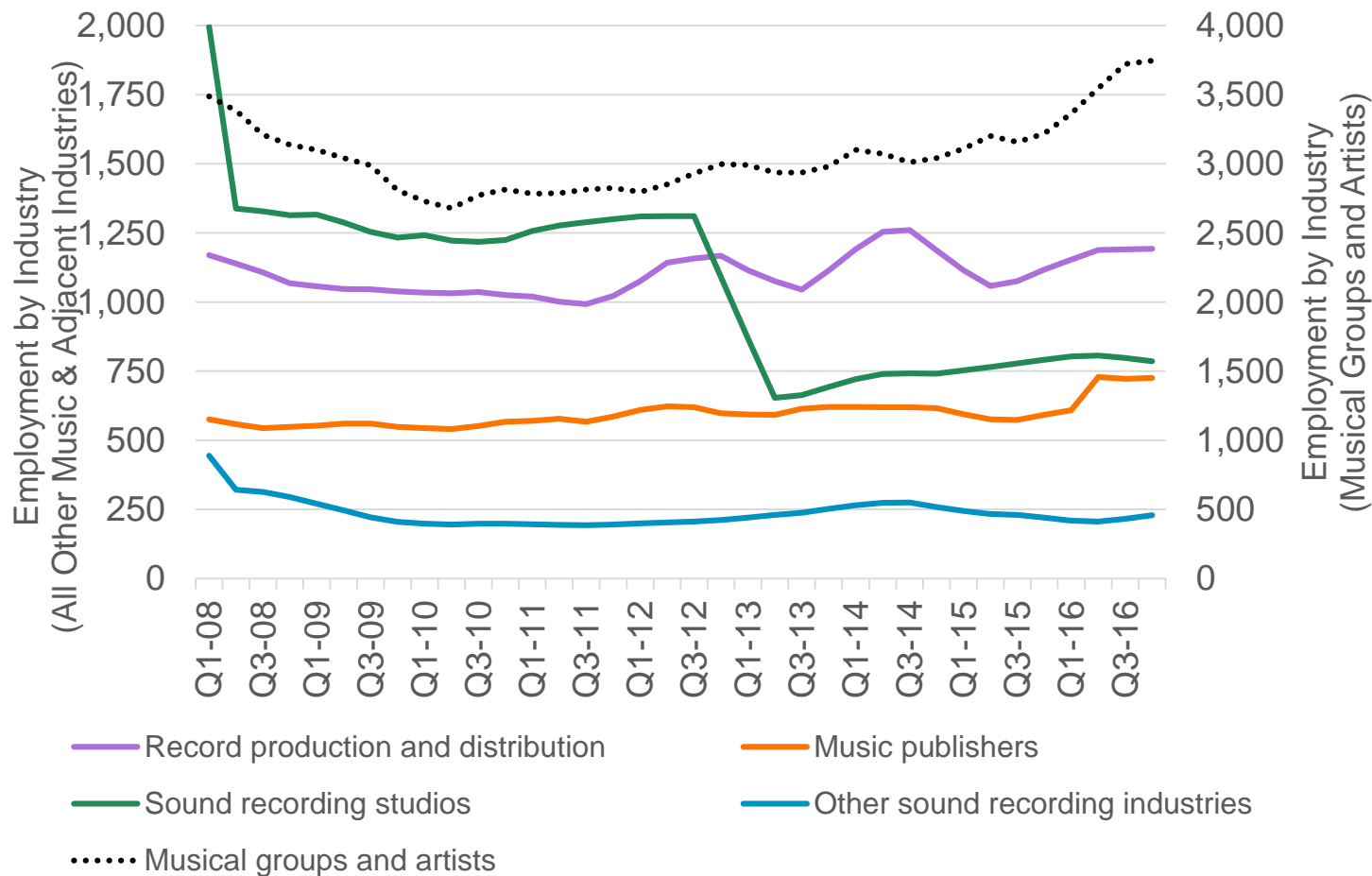
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Employment

1. Employment by *Industry*
2. Employment by *Occupation*

Music and Music Adjacent Industry Employment in Los Angeles

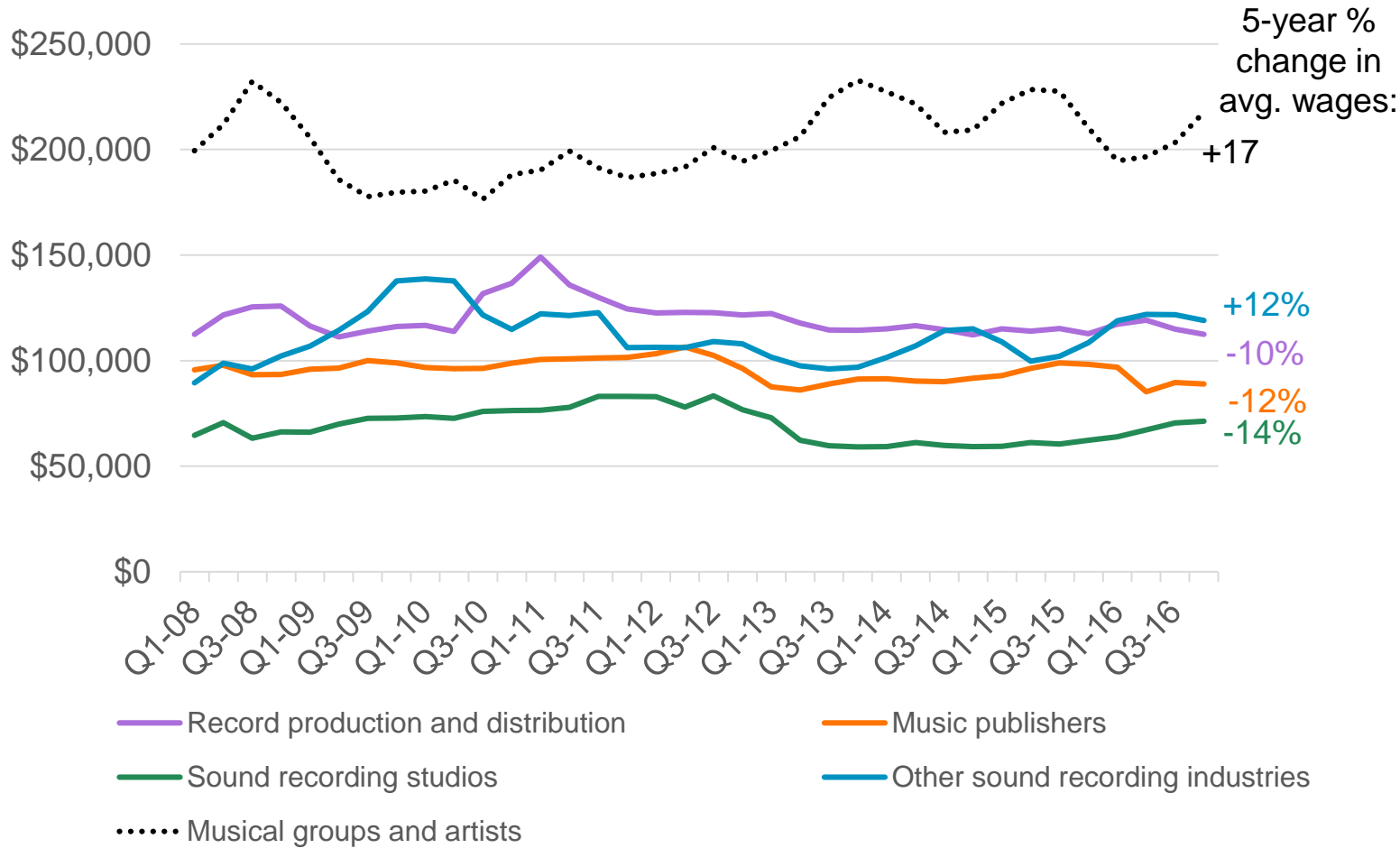


Sharp drops in employment in **Sound Recording Studios** in 2008 and in 2012 – 2013.

Decent increases in employment within past 5 years except for **Sound Recording Studios**:

- ▣ Record production and distribution: +17%
- ▣ Music publishers: +24%
- ▣ Sound recording studios: -40%
- ▣ Other sound recording industries: +17%
- ▣ Musical groups and artists: +33%

Music and Music Adjacent Industry Average Annualized Wages in Los Angeles

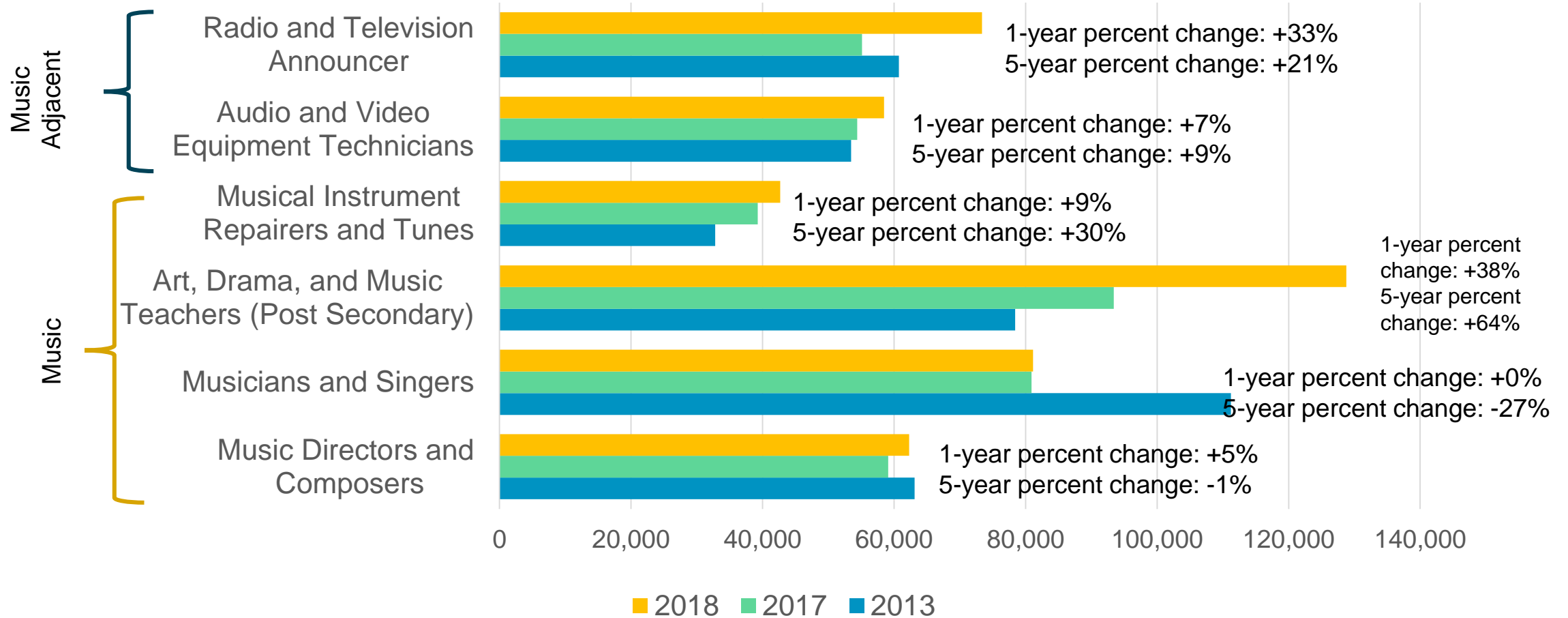


- Annualized mean wages are nominal, not adjusted for inflation.
- Workers in musical groups and artists make the highest average wages, about \$100,000 more than the next highest paying industry.
- Overall wage gains ranged from modest to declining, sending a mixed signal at best.

Music and Music Adjacent Occupation Employment in Los Angeles MSA



Music and Music Adjacent Occupation Average Annualized Wages in Los Angeles MSA

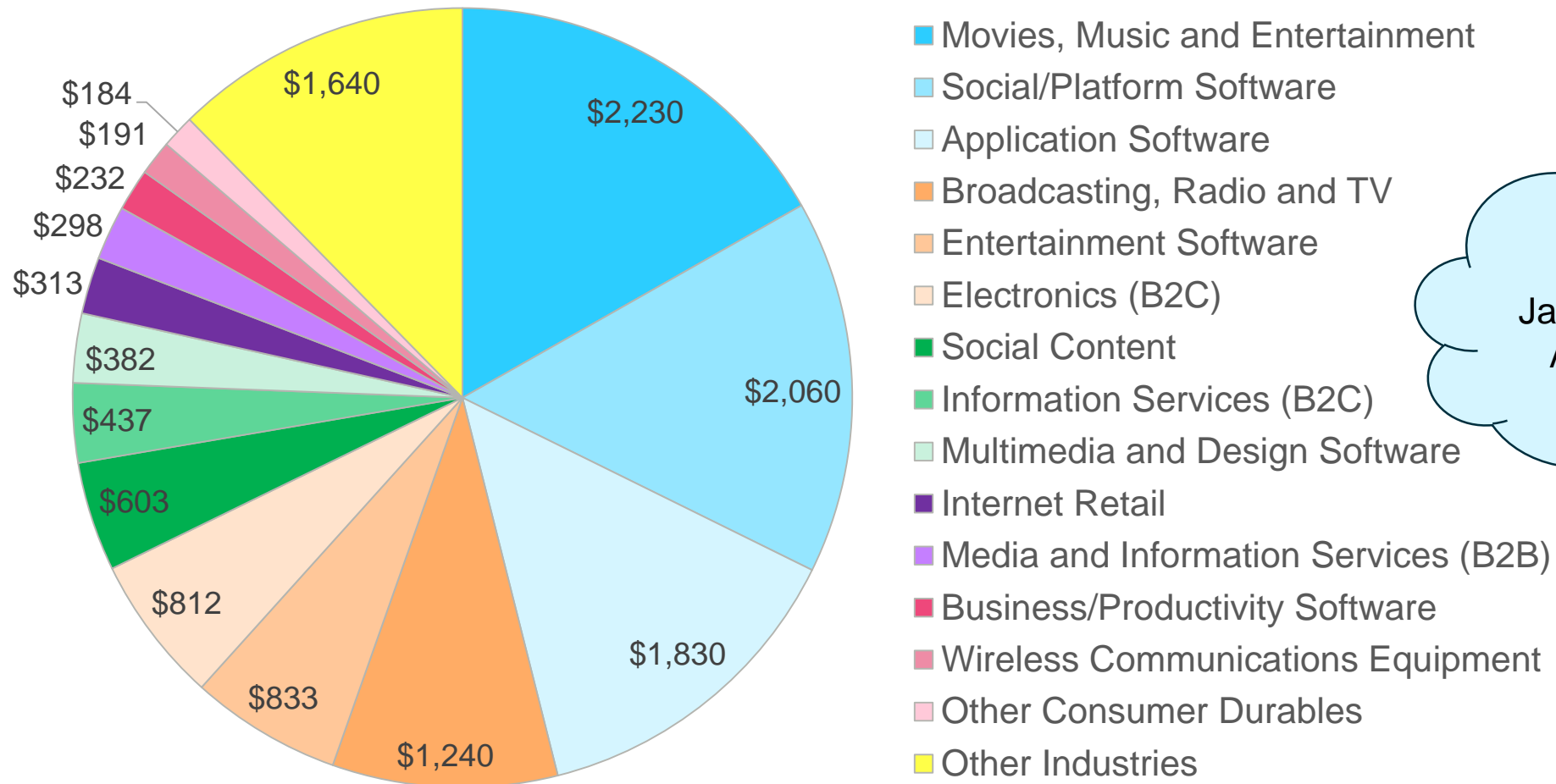




Investment Trends

1. Music Industry Verticals
2. Venture Capital Investments
3. Music Incubators

VC Investments in Music Span Across Many Industry Verticals in Los Angeles County

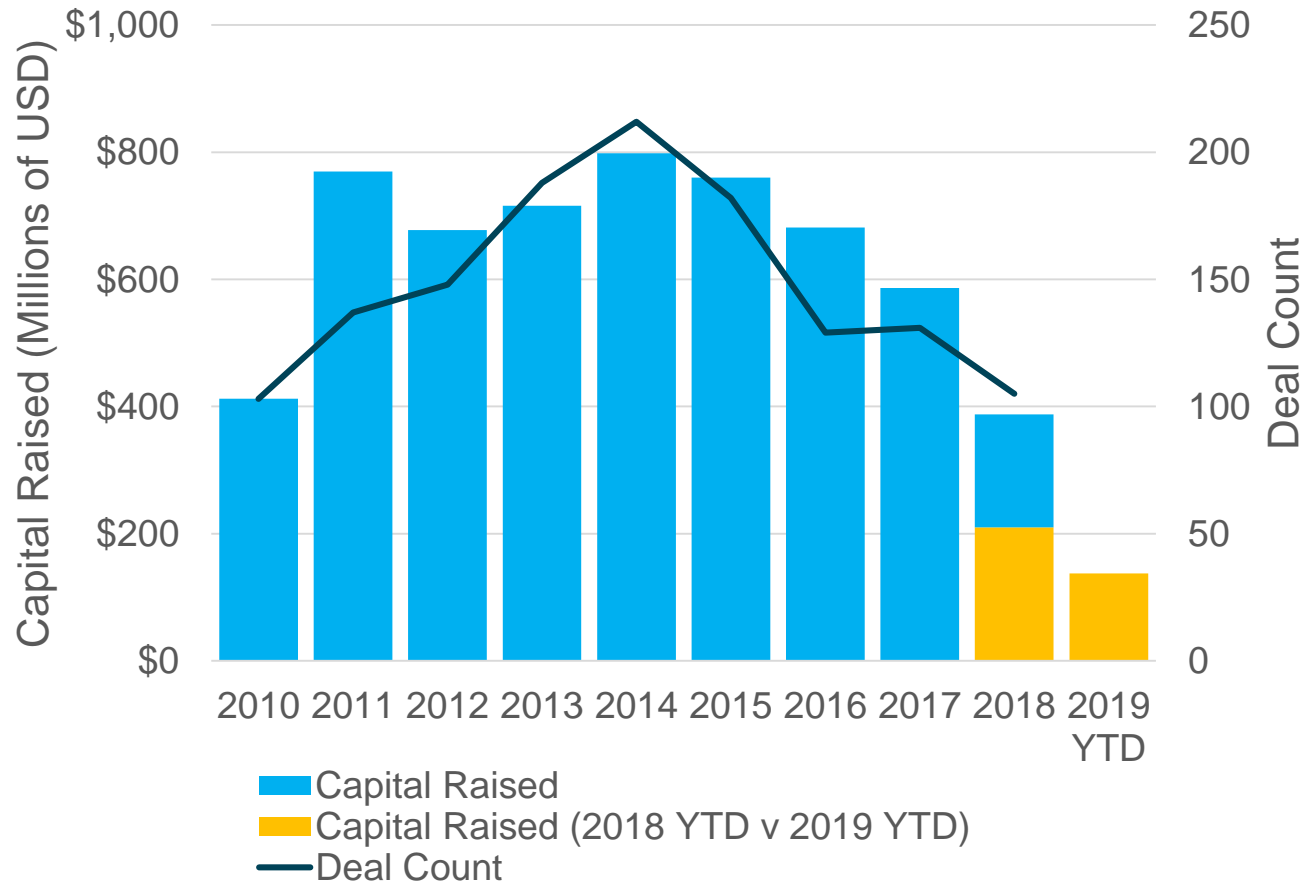


Over \$13 billion invested since January 2010 in Los Angeles County.

Venture Capital Investments in Firms Headquartered in the City of Los Angeles



VC Investment in Music Over Time



Year-to-date as of May 9, 2018 vs as of May 9, 2019

	2018	2019
Deal Count	44	31
Capital Raised	\$209.8M	\$137.4M
Cap/Deal	\$4.8M	\$4.4M
Median Deal Size	\$1.9M	\$1.2M

Many New Entrants in Music and Music Adjacent Industry



- 🎵 Haawk (Studio City): Copyright management platform.
- 🎵 Mammoth Media (Santa Monica): Mobile-first media platform
- 🎵 Spotlight (Los Angeles): Direct-to-fan music platform
- 🎵 Blue Fever (Los Angeles): Video streaming platform
- 🎵 SameSide (Los Angeles): Accessible grassroots political actions through music, arts, food and culture.

Music Incubators



What is a music incubator?

- ❓ A company that helps **new** and **startup** companies in the music and music related space to develop by providing services such as management training and office space

Notable music incubators across the world

- ❓ Canada's Music Incubator in Toronto (<https://canadasmusicincubator.com/>)
- ❓ European Music Incubator in Nantes, France (<https://music-incubator.eu/emi/>)
- ❓ Techstars Music Accelerator in Los Angeles, CA (<https://www.techstars.com/programs/music-program/>)

Los Angeles is an ideal place to nurture music startups and entrepreneurs!

- ❓ Los Angeles' competitive advantages in the entertainment industry makes it a perfect breeding ground for music innovations such as new music experiences, content infrastructure, artist discovery & curation, and creation & collaboration.

Latest Major LA Products



Album	Weeks #1 on Billboard Top 200	RIAA Certification/ Accolades	Label (Location)
Blonde – Frank Ocean (2016)	1	Platinum; Independent digital release	Boys Don't Cry (Los Angeles)
DAMN. - Kendrick Lamar (2017)	4	3x Multi-Platinum; 5 Grammy Awards; 2018 Pulitzer Prize for Music	Interscope (Santa Monica) Aftermath (Santa Monica) Top Dawg (Los Angeles)
Black Panther: Soundtrack (2018)	2	Platinum; Grammy for Best Rap Performance (King's Dead)	Interscope Aftermath Top Dawg
Astroworld – Travis Scott (2018)	3	2x Multi-Platinum; Grammy nomination (Best Rap Album)	Epic (Los Angeles)
A Star is Born – Lady Gaga & Bradley Cooper (2018)	4	Platinum	Interscope

Conclusion



- ❑ Industry Employment: Decent employment gains across music and music adjacent industries except for Sound Recording Studios. But wage increases have been stagnant: Only Other Sound Recording Industries and Musical Groups and Artists saw wage gains within the past 5 years.
- ❑ Occupation Employment: Mixed. Music teachers, singers, directors and composers all had declining employment. Decent wage gains for music teachers and musical instrument repairers but stagnating and declining wages for music directors, composers, musicians and singers.
- ❑ Venture Capital Investment: Lower volumes, both by deal count and average deal size.
- ❑ BUT the music industry and workforce are ever-changing and ripe for digital disruption.
 - ❑ Rise in music incubators and alternatives.



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Thank You

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