

Glamour and Growth: The Irresistible Allure of Los Angeles for International Entertainment Companies



Los Angeles stands as the quintessential hub for international entertainment companies seeking to flourish in the global arena of sports, music, television, and film. Renowned for its illustrious film and television industry, powered by iconic Hollywood, the city serves as the nucleus of the entertainment universe. This thriving sector alone fosters 196,594 jobs in California, injecting over \$30 billion into the state's economy through wages for its workforce.¹

A 2022 study, commissioned by the state film commission and conducted by the Los Angeles Economic Development Corporation, unveiled the substantial impact of the Film & Television Tax Credit Program 2.0. This initiative, offering film and TV production companies a 20 percent tax credit, catalyzed nearly \$22 billion for the state's economy from 2015 to 2020.² The Film & Television Tax Credit Program 3.0, which is administered by the California Film Commission, extends tax credits based on qualified expenditures for eligible productions within the state. With a budget of \$1.55 billion, this program spans five years, scheduled to sunset on June 30, 2025.³

In the City of Los Angeles, Mayor Karen Bass has taken steps to support the entertainment industry by signing Executive Direct 4 to support small business and minority business creation and eliminate barriers to development, and growth across the City. Most recently, Mayor Bass also issued Executive Directive 8 to streamline and focus City department processes for local film and television production.⁴

Additionally, Los Angeles boasts a vibrant sports scene, hosting numerous collegiate and professional basketball, baseball, football, and soccer teams. The sports industry contributes significantly to the city's economy, sustaining 83,430 jobs and generating \$6.9 billion in total labor income, \$8.9 billion in total output, and \$365.1 million in state and local taxes annually.⁵

Moreover, Los Angeles serves as the nucleus for the music industry, housing major record labels and globally recognized recording studios such as Interscope Records, Capitol Records, and Universal Music Group. The city's iconic music venues, including the John Anson Ford Amphitheatre, the Hollywood Bowl, the YouTube Theater, and the Forum, further underscore its influence and allure in the realm of music and entertainment.

¹ <https://laedc.org/research/reports/industry-clusters-study-2024/>

² <https://californialocal.com/localnews/statewide/ca/article/show/20616-hollywood-california-movie-business-industry/#:~:text=By%20allowing%20film%20and%20TV,commission%20and%20carried%20out%20by>

³ <https://film.ca.gov/tax-credit/the-basics-3-0/>

⁴ <https://mayor.lacity.gov/news/supporting-local-film-and-tv-production-mayor-bass-pledges-citys-renewed-support-las>

⁵ https://laedc.org/wpcms/wp-content/uploads/2023/10/LAEDC_LA-Sports-Council_FINAL_2023.10.13.pdf

In 2023 alone, the fine and performing arts industry in Los Angeles County played a pivotal role in creating 314,314 jobs and generating a staggering revenue of \$20 billion, further cementing the city's status as an unrivaled epicenter of entertainment and cultural vitality.⁶

⁶ <https://www.otis.edu/sites/default/files/2023%20Otis%20Report%20on%20The%20Creative%20Economy%20-%20pages%20-%20web.pdf>